

NEWS RELEASE

Bahrain, UAE tied for most economic freedom in Arab World

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For Immediate Release

TORONTO, ON—Bahrain and the United Arab Emirates (UAE) are home to the highest levels of economic freedom among Arab nations, according to the annual *Economic Freedom of the Arab World* report published by the Fraser Institute, Canada's leading public policy think-tank, in partnership with the Friedrich Naumann Foundation for Liberty (FNF) and the International Research Foundation (IRF) of Oman.

Bahrain, which ranked first last year, improved its overall score to 8.1 out of 10 from 8.0. The UAE also scored 8.1, tying with Bahrain after ranking second overall in 2011 with a score of 7.9. Jordan moved into the third spot from eighth overall, improving its score to 7.9 from 7.4 last year. The complete rankings are listed below.

The report was released in conjunction with the annual Economic Freedom of the Arab World meeting in Tunis. The meeting attracted delegates from nations throughout the Middle East and North Africa.

"Economic freedom is the key to increasing prosperity, creating jobs, and reducing poverty," said Fred McMahon, Dr. Michael A. Walker Research Chair in Economic Freedom and co-author of the *Economic Freedom of the Arab World: 2012 Annual Report*.

"In this way, economic freedom liberates people from government dependence and opens the door to democracy and other freedoms. The Arab Spring showed us that the region craves economic freedom."

The *Economic Freedom of the Arab World* report compares and ranks Arab nations in five areas of economic freedom: size of government, including expenditures, taxes, and enterprises; commercial and economic law and security of property rights; access to sound money; freedom to trade internationally; and regulation of credit, labour, and business. The complete report may be downloaded as a PDF, free of charge, at www.freetheworld.com.

Economic freedom is based on the cornerstones of personal choice, voluntary exchange, freedom to compete, and security of private property. Research shows that individuals living in countries with high levels of economic freedom enjoy higher levels of prosperity, greater individual freedoms, and longer life spans.

"Increases in economic freedom that are, in effect, a return to the classical Arab model of free trade and open markets would help generate the economic dynamism needed to create the jobs and prosperity that the region requires for a successful future," said Salem Ben Nasser Al Ismaily, the report's lead author, chairman of IRF, and a member of the Fraser Institute's board of directors.

The report is based on data from 2010 (the most recent year available) but also examines more recent data to mark out trends for individual nations. This is crucial since the key question in future years will be whether the changes underway result in greater economic freedom or whether economies in the region continue to stagnate.

Algeria, Mauritania, and Syria were again found to have the least economic freedom among Arab nations. These bottom-ranked countries score, on average, two points behind the nations with the highest levels of economic freedom, with Algeria at 5.7, up from 5.5 last year; Mauritania unchanged at 6.0; and Syria at 6.2, up from 5.9.

(more)

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“The key challenge confronting governments of the Arab Spring countries is to meet the rising expectations of the people. Here, the Economic Freedom Report proposes a clear and proven recipe: policies that advance economic freedom will create growth, employment, and wealth for all,” said Ronald Meinardus, regional director for the Middle East and North Africa (MENA) at the Friedrich Naumann Foundation for Liberty in Cairo.

The report measures available data on economic freedom in 22 nations of the League of Arab States, but due to data limitations, calculations of the overall level of economic freedom are only available for 16 jurisdictions: Algeria, Bahrain, Comoros, Djibouti, Egypt, Jordan, Kuwait, Lebanon, Mauritania, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, and UAE. The rankings are entirely based on third-party data. The full data sets are available at www.freetheworld.com.

The report, which has been presented since 2005, is one of a number of regional reports based in part or in whole on the Fraser Institute’s annual *Economic Freedom of the World Report*, which ranks the economic freedom levels of 144 countries.

Economic Freedom Rankings: Countries of the Arab World

1. Bahrain and United Arab Emirates (8.1 – tie)
3. Jordan (7.9)
4. Kuwait (7.8)
5. Lebanon and Oman (7.6 – tie)
7. Qatar (7.4)
8. Saudi Arabia (7.3)
9. Yemen (7.2)
10. Comoros and Tunisia (6.8 – tie)
12. Egypt (6.7)
13. Djibouti (6.6)
14. Morocco (6.5)
15. Syria (6.2)
16. Mauritania (6.0)
17. Algeria (5.7)

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