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DEVELOPMENT OF THE ARAB ECONOMY AFTER THE "ARAB SPRING"

Abstract: A study conducted by the Research Department of the Secretariat General of the Arab Banking Union entitled 'Developing the Arab Economy in 2014 and 2016', shows that the economy has experienced a decline in Real GDP growth compared to 2012. Uncertainty, complexity and social conditions as well as political changes are among the major factors which hamper economic activity in the region. Economic freedom is one of the most important indicators of the level of conditions and the situation that prevail in any country, especially in the Arab countries. If this indicator is negative, it will reflect the country's situation. Economic and social freedom is just a mirror of a political situation affected by many shortcomings culminating in a reaction to violence in which Arab governments facedthe riots of the people during what became known as the Arab Spring. Compared to 2012, the Arab economy experienced a decline in real growth in 2013, which reflected the decline in real GDP growth. This was due to several factors, the most important of them being the fall in oil prices, the energy export earnings of oil-exporting countries, and the ongoing political and social unrest in the region since the beginning of theArab Spring.
Key words: Arab economy, "Arab spring", development

The Arab Spring was a series of protests, riots and protests against ruling or still ruling governments in Tunisia, Algeria, Egypt, Libya, Yemen, Bahrain, Syria, Morocco, Jordan and Saudi Arabia at the beginning of 2011. Their goals, relative success and repercussions are still being discussed in Arab countries, among foreign observers and among world powers in a bid to capitalize on the changing map of the Middle East.

In the years preceding 2011, the Arab world was in a difficult economic and social situation (poverty, rising food prices, inflation, human rights violations and high levels of unemployment). The Arab Spring altered the social and political structures of the Middle East which had been inert for half a century. However, these changes have not been completed, and perhaps the Arab Spring should be approached as a process, rather than as a closed phenomenon in the time limits of a meteorological phenomenon. This process has not only shown the desire for more democracy in the region but has also posed a number of uncertainties about the future.

The impact onthe Middle East was strong in all aspects of social development. Protests that spread in the region in early 2011 triggered a long-term process of political and social transformation characterized by the initial moment of political turbulence, economic difficulties and even conflicts.

The political crisis and the chaos in the Middle East had powerful economic and financial consequences, increasing the risk of stagflation – a lethal combination of slow growth and a sharp increase in inflation. With the emergence of stagflation, there would have been a real risk of a new global recession for the economy, which had barely recovered from the worst crisis in decades.

The Arab Spring caused a significant reduction in production and the oil supplies to the world economy, respectively. Serious upheavals in the Middle East have historically been the reason for the surge in oil prices that has caused global recessions. The increase in the price of black gold and the appreciation of other raw materials in result, especially food, could lead to a number of undesirable consequences. The Arab Spring began in 2010 and is far from over. A number of issues have yet to be dealt with. If the economic outlook does not improve, if the Arab youth continue to suffer from high unemployment or growing ethnic, sectarian or religious violence, dictatorial regimes may come back because people will get exhausted from starvation, unemployment and insecurity in their Homes.

The Arab Economic Development

At the end of 2013 the gross domestic product (GDP) of all Arab states was $ 2.760 billion, rising to $ 2.870 billion by the end of 2014 and to $ 3,027 billion in 2015, followed by a decline to about 2.5 billion by 2016. In 2013, the share of the economy was 3.7% of the world economy and 9.7% of the size of developing and emerging economies.

The Arab economy experienced a decline in real growth in 2013 as compared to 2012, reflecting the decline in real GDP growth. This was due to several factors, the most important of which were the fall in oil prices, the energy export earnings in oil-exporting countries, and the ongoing political and social unrest in the region since the Arab Spring began. The Arab region continues to register low growth due to pressure on a number of Arab economies such as Egypt, Libya, Syria, Yemen, Tunisia and Iraq as a result of the effects of the Syrian crisis on neighboring countries, especially Lebanon and Jordan, which hinder the flow of trade, investment and tourism and thus economic activity. However, the Arab region (except for Libya) recorded an average growth rate of 4% in 2014 and around 4.5% in 2015, in line with the improvement in the global economy. We should note that non-oil exports to Arab countries, especially in the Gulf countries, will increase significantly with the onset of recovery and recovery of the world economy. The growth of the Arab economies will bemixed. Oil exporters, particularly GCC countries, are experiencing economic recovery, backed by energy export revenues and expansionary fiscal and monetary policies. Most Arab oil-importing countries suffer from economic stagnation in the light of rising unemployment and the decline in foreign capital inflows. With the rise in the current account deficit, the depletion of foreign exchange reserves and the deterioration of public spending, some of these countries are taking measures to tighten their financial and monetary policy.

Table 1. Evolution of Economic Indicators in the Arab Region, Excluding Libya

	2011	**2012**	**2013**	**2014**	**2015**
Average growth rate %	3.7	4.1	3.7	3.9	4.5
Inflation %	6.3	6.3	5.6	5.0	4.9
Budget deficit / surplus % of (GDP)	1.5	2.2	0.4	0.8	1
Total government debt % of (GDP)	43.0	46.0	46.9	45.7	46.1
Current account (billion dollars)	360	397	300	270	220
Net foreign investment (billion dollars)	18.3	27.1	23.7	-	-

Source: IMF and World Bank

The average inflation in the Arab countries was around 6.3% in 2011 and 2012 and 5.6% in 2013 and went down to 5% in 2014 and 2015. The Arab countries were also subject to a great deal of pressure on the balance of payments, the reduction of financial flows, such as foreign direct investment and tourism revenues. The current account deficit in the oil importing Arab countries was exacerbated by the weak demand in European economies for export and high energy prices. This led to a reduction in the current account surplus in the Arabian region from $ 397 billion in 2012 to $ 300 billion in 2013 and a further decline to 270 billion by the end of 2014 and 220 billion in 2015.

Economic development in the Arab oil-exporting countries

The average rate of economic growth in the Arab oil-exporting countries was 5.6% in 2012, 4% in 2013, and 4.5% in 2014 and 2015, with the exception of Libya. Non-oil sectors are the main drivers of growth and expansion of economic activity, the stability of oil production, high public spending on infrastructure, and strong private sector bank credit, especially in the GCC[1]. The fiscal and monetary expansion policy adopted at the GCC strengthened economic activity and supported domestic demand. One of the most important

[1] Council for the Persian Gulf countries.

events was Saudi Arabia's announcement that the domestic stock market – worth more than $ 550 billion – opened to foreign investors in the first half of 2015 in the course of diversifying the economy and joining the larger Club of developing economies.

Table 2. Real GDP Growth in Arab-Petroleum Exporting Countries (in %)

	2011	2012	2013	2014	2015
Kingdom of Bahrain	2.1	3.4	4.9	4.7	3.3
State of Kuwait	6.3	6.2	0.8	2.6	3
Sultanate Oman	4.5	5.0	5.1	3.4	3.4
Stateof Qatar	13.0	6.2	6.1	5.9	7.1
Kingdom of Saudi Arabia	8.6	5.8	3.8	4.1	4.2
The United Arab Emirates	3.9	4.4	4.8	4.4	4.2
Council for Gulf Cooperation	6.4	5.2	4.2	4.2	4.2
Republic of Iraq	10.2	10.3	4.2	5.9	6.7
Democratic People's Republic of Algeria	2.8	3.3	2.7	4.3	4.1
Libya	62.1	104.5	9.4	7.8	29.8
Average growth (excluding Libya)	6.4	5.6	4.0	4.4	4.5

Source: IMF

The nominal GDP of all Arab oil-exporting countries reached $ 2.145 billion in 2013, rising to $ 2.226 billion by the end of 2014 and $ 2,324 billion in 2015. In the GCC countries,the nominal GDP was approximately $ 1.642 billion at the end of 2013, growing to $ 1,700 billion by the end of 2014 and to $ 1,750 billion in 2015. Production in Iraq rose from $ 229 billion in 2013 to $ 248 billion in 2014, reaching$ 262 billion in 2015. In Libya, it fell from $ 67 billion in 2013 to $ 59 billion in 2014 and then growing to $ 84 billion by 2015. ESCWA's[2] estimates of oil revenues in Arab oil-exporting countries fell from $ 1,380 billion in 2012 to $ 1,230 billion in 2013 and were expected to reach $ 1,140 billion in 2014. This overall downward trend in revenues were due to lower oil prices compared to the 2012 level, when the average OPEC[3] basket price was 109.5 USD per barrel. In GCC countries, oil revenues were about $ 637 billion in 2012 and $ 567 billion in 2013, and were expected to fall to $ 542 billion by 2014. In Libya, oil revenues were expected to fall from $ 51 billion in 2013 to about $ 48 billion in 2014; in Iraq – from $ 89 billion to $ 48 billion; in Algeria, from $ 41 billion to $ 39 billion. Oil production bythe Arab oil exporters was stable in 2013, excluding Libya and Saudi Arabia. In the first quarter, crude oil production in Saudi Arabia fell to about 9 million barrels per day but returned to 11.6 million barrels per day at the end of the year, with no significant change from 2012. In the second half of 2013, production fell to 984,000 barrels a day from 1.5 million barrels a day in 2012. Both Iraq and Algeria maintained crude oil production levels at an average of 3 barrels per day in 2012and 1.8 million in 2013. Total production of crude oil at GCC was approximately 20.7 million barrels per day, in 2012 and 2013 respectively. Total output of the countries (Arabian petroleum exporters)was an average of 47.8 million barrels per day in 2012 and 47.2 million barrels per day in 2013.

Average inflation in Arab oil-exporting countries was 3.8% in 2012 and fell to 2.5% in 2013. Inflationary pressures remained 3.1% in 2014 and 3.5% in 2015. In the GIS, inflationary pressures were under control and inflation stood at around 3% in 2014 and 2015. In Iraq, the average inflation rate was 1.9% in 2013 and 2014, reaching 3% by 2015. In Algeria, inflation was likely to rise from 3.3% in 2013 to 4% in 2014 and 2015. In Libya, inflation rose from 2.6% in 2013 to 4.8% and in 2014 to reach 6.3% by 2015.

[2] United Nations Economic and Social Commission for West Asia.

[3] Organization of the Petroleum Exporting Countries.

Table 3. Current account of Arab exporting oil-exporting countries as a percentage of GDP

	2011	2012	2013	2014	2015
Kingdom of Bahrain	11.2	7.3	12.0	10.4	9.4
State of Kuwait	41.8	43.2	38.8	37.4	34.2
Sultanate Oman	15.3	11.6	9.7	7.8	2.5
State of Qatar	30.3	32.4	29.2	25.4	20.5
Kingdom of Saudi Arabia	23.7	22.4	17.4	15.8	13.3
The United Arab Emirates	14.6	17.3	14.9	13.3	12.4
Republic of Iraq	12.0	6.7	0.0	1.0	1.2
Democratic People's Republic of Algeria	9.9	6.0	0.4	0.5	1.3
Libya	9.1	35.4	2.8	27.7	16.7

Source: IMF

The current account of the balance of payments registered a surplus in the Arab oil exporting countries except Libya.

However, the current account surplus fell from $ 440 billion in 2012 to $ 331 billion in 2013 and fell further to $ 298 billion by the end of 2014 and to $ 260 billion in 2015.

This has contributed to the decline in public financial surpluses in the Arab oil-exporting countries in recent years, including the reduction of oil revenues and increased government spending, including wage costs and support for the energy sector (in many oil-exporting countries in the Middle East and North Africa, the labour costs and the support for the energy sector are around 10% of GDP). The oil-exporting countries that registered a deficit in the 2014 general budget were Bahrain, Iraq, Algeria and Libya.

Table 4. Total budget of the Arab oil exporting countries as% of GDP

	2011	2012	2013	2014	2015
Kingdom of Bahrain	1.5	3.2	4.4	4.3	4.8
State of Kuwait	33.3	34.1	28.9	25.2	22.1
Sultanate Oman	9.1	4.5	5.8	0.6	3
State of Qatar	6.4	9.5	11.1	7.6	4.9
Kingdom of Saudi Arabia	12.0	14.6	8.3	7.1	4.0
The United Arab Emirates	11.1	13.2	10.1	11.0	9.8
Republic of Iraq	4.7	4.1	5.9	2	0.1
Democratic People's Republic of Algeria	0.4	4.2	0.1	1.3	2.4
Libya	6.6	25.9	1.6	29	17.5

Source: IMF

Economic development of the Arab oil-importing countries

The economic growth in the Arab oil-importing countries remained limited, reaching 2.8% in 2012 and 3.3% in 2013. Growth in 2013 was driven by domestic demand and consumption based on money transfers, commodity subsidies and enormous wage costs in the public sector. Growth in these countries reached 3.4% in 2014 and 4.2% in 2015. Continuous uncertainty, the difficult situation and social problems, political changes and structural problems are among the main factors hampering the economic activity in the region.

The Arab oil-importing countries, especially the countries in transition, have high levels of unemployment. Available data show that the unemployment rate in 2014 was about 13% in Egypt, 12% in Jordan, 9% in Morocco, 20%in Sudan and 16% in Tunisia.

The nominal GDP of all Arab oil-importing countries amounted to about $ 616 billion in 2013, rising to $ 641 billion by the end of 2014 and to $ 703 billion in 2015. In 2014, the nominal GDP grew in all Arab oil-importing countries except for Sudan and Tunisia.

Inflation in the Arab oil-importing countries averaged around 9.5% in 2012 and 2013 and then dropped to 7.4% in 2014 due to the weak economic activity and the tightened monetary policy in some countries. The shortage of foreign currencies in Syria and Sudan, the deterioration of government debt and the rapid monetary expansion in Egypt and Yemen led to an increase in inflation. The average inflation in 2013 and 2014 was around 7%; 11% in Egypt; 6% and 3% respectively in Jordan; 3% and 2% in Lebanon; 4% and 5% in Mauritania; 37% and 20% in Sudan;11% and 10% in Yemen; 6% in Tunisia and 2% in Morocco.In 2015,inflation reached 11% in Egypt, 2% in Jordan and Lebanon, 5% in Mauritania, 14% in Sudan, 10% in Yemen, 5% in Tunisia and 3% in Morocco.

Table 5. Real GDP Growth of Arab Petroleum-Importing Countries (in %)

	2011	2012	2013	2014	2015
Arab Republic of Egypt	1.8	2.2	2.1	2.3	4.1
Kingdom of Jordan	2.6	2.7	3.3	3.5	4.0
State Palestine	12.2	5.9	1.8	2.6	2.5
The Lebanese Republic	2.0	1.5	1.0	1.0	2.5
The Islamic Republic of Mauritania	4.0	7.0	6.7	6.8	6.5
Democratic Republic of Sudan	1.2	3.0	3.4	2.7	4.6
The Kingdom of Morocco	5.0	2.7	4.5	3.9	4.9
Tunisian Republic	1.9	3.6	2.7	3.0	4.5
The Republic of Yemen	12.7	2.4	4.4	5.1	4.4
The Arab Republic of Syria	3.4	21.8	22.5		
Average growth (excluding Syria)	1.3	2.8	3.3	3.4	4.2

Source: IMF

Arab oil-importing countries also reported current account deficits. The low demand of European economies for non-oil exports and the rising energy prices contributed to the increase in this deficit.

The current account deficit in this group amounted to about $ 29 billion in 2011, $44 billion in 2012, $38 billion in 2013 and after falling to $34 billion in 2014,returned to$43 billion in 2015. Lebanon,Mauritania and Jordan had the largest deficit as a percentage of GDP.

Table 6. Current account deficit in the oil-importing countries as% of GDP

	2011	2012	2013	2014	2015
Arab Republic of Egypt	2.6	3.9	2.1	1.3	4.6
Kingdom of Jordan	12.0	18.1	11.1	12.9	9.3
The Lebanese Republic	15.7	15.7	16.2	15.8	13.9
The Islamic Republic of Mauritania	7.5	32.5	25.8	26.3	38.0
Democratic Republic of Sudan	0.4	10.4	10.6	8.2	7.1
The Kingdom of Morocco	8.0	9.7	7.4	6.6	5.8
Tunisian Republic	7.4	8.2	8.4	6.7	5.7
The Republic of Yemen	4.0	1.3	2.7	1.5	2.7

Source: IMF

The fiscal situation in the Arab oil-importing countries, especially in transition countries, have been facing major challenges. The reasons for the fiscal deficit and the high level of public debt in these countries are the general subsidies forfood and fuel prices, the rise in world commodity prices and the reduction in collected taxes. According to the International Monetary Fund (IMF), the peak of spending since the Arab Spring has led to an increase in the fiscal and government debt deficit. Arab governments have been trying to meeturgent social needs, to cope with political tensions and to maintain the general level of demand by continuing to increase wages in the public sector and general subsidies. This led to an increase in public debt to over 80% of GDP in Egypt, Jordan, Lebanon and Sudan in 2013 and 2014.

Table 7. Total Budget of the Arab PetroleumExporting Countries as% of GDP

	2011	2012	2013	2014	2015
ArabRepublicofEgypt	9.8	10.5	14.1	11.1	12.2
Kingdom of Jordan	6.8	8.2	5.3	4.4	4.1
The Lebanese Republic	5.9	8.7	9.5	11.5	10.2
The Islamic Republic of Mauritania	1.5	2.8	1.1	0.2	0.4
Democratic Republic of Sudan	0.2	3.8	2.1	1.3	1.3
The Kingdom of Morocco	6.7	7.3	5.4	4.9	4.3
Tunisian Republic	3.5	5.2	5.9	5.4	3.7
The Republic of Yemen	4.5	6.4	7.1	6.8	6.6

Source: IMF

IMF Director-General Christine Lagarde predicted that emerging and developing countries would contribute to about 75% of global GDP growth in 2017. A report by the Arab Currency Fund (IMF) from April 2017 states that the Arab oil-exporting countries will increase growth to 2.3%, thanks to the return of oil production to previous routes, and the continuing rise of world prices. Due to the predicted recovery in the rate of economic activity in the Arab countries and the 2.7% growth in the year 2018, and in light of expected positive effect of the decreasing impact of the fiscal discipline policy on demand levels, a relative improvement in the domestic situation of some of these countries, including Iraq, is expected. The Arab Monetary Fund report, published in April 2017[4] entitled 'Perspectives of the Arab Economic', states that the expected improvement in economic performance for the year 2018 will include the Gulf countries and other Arab oil-exporting countries and to reach 2,2% and 3%.

Arab oil economies are experiencing a decline in revenues due to falling oil prices on the world markets, while other Arab countries are experiencing security problems as a result of revolutions and wars and their consequences.

According to the report by the Arab Monetary Fund (IMF), economic activity in oil-importing countries will continue to improve and reach a level of 4.1% due to increased external demand and the result of improved global economic activity, which will raise export and investment levels.

The inflation expectations for 2017 and 2018 show that the rate will be affected by a combination of internal factors including continuingrationalization measures, the introduction of a value added tax and the possibility of new taxes such as selective taxation. The report says that in the past, inflation in the Arab countries was expected to reach 9.8% in 2017 and 9.6% in 2018. Data about the indicators published by the Arab Monetary Fundin April 2017 show the growth of Arab economies in the period 2016-2018 and a projected growth of 2.3% in 2017 compared to 2.1% and 2.7% in 2018, while inflation rose from 8.4% in 2016 and is expected to reach 9.8% and around 9.6% in 2018. Local liquidity increased by 4.7% in 2016 compared to 5.1% in 2015, and a relative decrease of Liquidity pressures is expected in 2017 and 2018 for oil countries. The report says: "The year 2016 has accelerated the pace of public finance reform in a number of Arab countries, while Arab revenues have fallen by 3% over the past year and reduced the deficit to GDP to 10.3% in 2016, compared with 11, 4% in 2015. The deficit will reach 6.3% in 2017 and around 5.1% in 2018. "The Arab economy grew by 2.3% compared to 2.1% by the end of 2016.This is the result of the expected decline in the growth rate of Arab oil-exporting countries. The trend of these countries to reduce the quantities of oil production in compliance with the OPEC agreement to balance the global oil market will affect production levels in the oil sector.

A number of analysts see that fiscal trends in some of these countries continue to reduce the chances of a strong recovery in economic activity in non-oil sectors as well as the challenges posed by expectations of rising interest rates in a number of these countries. The expected rise in interest rates in the United States in the current year will affect the lending and economic activity in these countries.

Among the GCC countries, the GCC's growth was expected to reach 1.7% in 2017, compared to 1.9% in the previous year. The growth of other Arab oil exporting countries is expected to decline to 1.1% this year, compared to 1.6% growth last year. The forecast for the development of the Arab economy in the report published by the Arab Monetary Fund[5] predicts the following indicators for the next 2018:

✓ 2.3% growth in Arab economies in 2017 due to the reduction in oil production under the OPEC agreement to achieve a balance between world oil markets. Increasing the production of rock resources will limit the rise in oil prices. The expected increase in the levels ofcrude oil production will curb the upward trend in world oil prices and prevent them from increasing significantly in 2017 and 2018;

✓ $ 21 billion from the World Bank to the Arab economic reforms within the framework of medium-term reform programs implemented in cooperation with the International Monetary Fund;

✓ 2.3% growth of Arab oil-producing countries in 2018 in light of the return of oil production to previous levels and continued global oil price increases in addition to expectations of a relative improvement in the domestic situation in some countries, which helps economic growth;

✓ 8.4% growth in Arab inflation in 2016, compared to around 6.6% in 2015;

✓ 4.7% growth of local liquidity in 2016 compared to almost 5.1% registered in 2015, which is half the rate of the increase in liquidity registered in 2014 and marks the onset of the downward trend in oil prices;

✓ 3% decrease in public revenues in Arab countries in 2016 due to the significant increase in oil revenues in some export Arab countries;

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[4] Arab Monetary Fund Report 2017, Arabic.

[5] Al-Ithahad newspaper, April 13, 2017, United Arab Emirates (UAE).

✓ A decline in the deficit of the Arab ecpnomies to $ 63 billion in 2017, which is 2.5% of GDP, as a result of the expected improvement in world prices of oil, commodities and minerals.

Among the countries in this group, the GCC's growth was expected to reach 1.7% in 2017, compared to 1.9% in the previous year. The growth of other Arab oil exporting countries was expected to decline to 1.1% in 2017, compared to 1.6% growth in 2016.

The expected improvement in the economic performance of GCC countries will include both the GCC and other Arab oil exporting countries whose growth is expected to grow by 2.2% and 3%, respectively.

On the other hand, economic activity in Arab oil-importing countries will continue to improve, with group growth rising to 4.1% in 2018 due to increased external demand as a result of improved global economic activity, which will raise export levels and investments. In a number of these countries, economic growth rates will also benefit from the positive results of the implementation of economic reform policies. The AMF report states that the world economy registered the lowest growth rate in 2016 as a result of the global financial crisis that began in 2008, despite the high levels of economic activity in developed economies and improved conditions on labour markets in a number of them in the second half of the year.In 2016, developing countries and emerging market economies were affected by declining commodity prices, tight financial conditions and increasing debt burden, which continue to have a negative impact on investment costs. Moreover, the Arab Monetary Fund (AMF) report says: "Recently there has been a sharp shift in political approaches and economic reforms in the Arab countries. In Arab oil exporting countries, especially in GCC countries, there is a clear tendency to focus onpolicies ofeconomic diversification by adopting future national visions, plans and strategies to increase levels of diversification in line with quantitative targets and operational programs designed to achieve tangible results. At the same time, it is necessary to ensure the financial resources for the implementation of these diversification plans, either by withdrawing reserves, taking appropriate measures or privatization, or by encouraging the involvement of the private sector in important investment projects"[6].

According to the Arab Monetary Fund report of 2017, overcoming internal and external economic imbalances has forced some Arab countries, particularly oil importers, to adopt difficult economic reforms within the medium-term reform programs implemented in cooperation with the IMF under Long-term cooperation agreements and loan-readiness contracts with a total funding of about $ 21 billion. According to the IMF, "These Agreements support National Reform Programs that involve different monetary, financial and exchange measures to strengthen the economic stability in these countries." Implementing these reforms is expected to alleviate the imbalances which these countries face and to provide a financial space for supporting growth and employment"[7].

The expected increase in crude oil production levels will curb the upward trend in world oil prices and prevent them from significantly increasing in 2017 and 2018. World oil markets are expected to recover relatively well in 2017 as large oil producers from OPEC and beyond reached an agreement at the end of 2016 to reduce production volumes from 1 January 2017.

The IMF report states that the agreement has lowered production levels for OPEC countries by 1.2 million barrels per day to production of 32.5 million barrels per dayfor the first time since 2008. This was followed by an agreement with major producers, which are not OPEC to reduce their ptoduction by 0.6 million barrels per day within the cooperation framework between OPEC producers and non-OPEC producers in order to achieve a better balance on international oil markets. The agreement will help stabilize oil markets in 2017 and 2018, while the expected improvement in economic activity this year will increase oil demand by about 1.2 million barrels, according to OPEC estimates. A relative recovery inoil prices is expected in 2017 and 2018 compared to the levels recorded in 2016 ($ 40.8 per barrel), according to the average price of the OPEC reference basket.

As far as 2018 is concerned, in the light of the continuing gradual improvement in world oil prices, the deficit in the current balance of the Arab countries as a group will continue to reach about $ 27.6 billion, or about 1% of GDP.

Conclusion

Finally, we note that the events of the Arab Spring have had a significant impact (positive and negative) on the development of the Arab economies and the change in the region. Arab oil exporting countries should

[6] Ibid.

[7] Ibid.

continue their policy of reducing their dependence on oil and developing a new growth model driven by the private sector, based on the diversification of economic activity and sources of national income. Countries need to diversify their economies to stimulate economic growth and create new jobs, especially in the private sector. As for theArab oil-exporting countries, especially the countries in transition, it is necessary to adapt their financial situation, to increase bank lending to the private sector, and to work to boost competitiveness and job creation. They should also benefit from lower oil prices and lower oil excise duties in order to reduce government debt and invest in growth-enhancing sectors such as healthcare, education, infrastructure, etc.

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