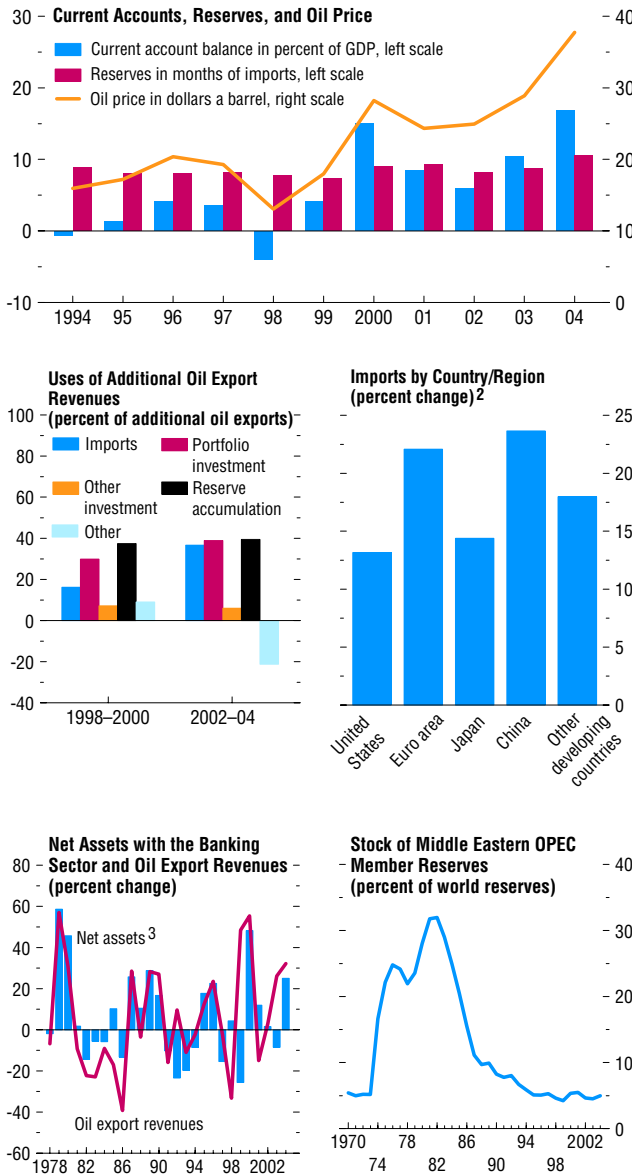


**Figure 1.18. Middle East: How Are OPEC Members Using the Higher Oil Revenues?<sup>1</sup>**

High oil prices have underpinned a considerable strengthening in the external position of Middle Eastern OPEC countries. Higher oil revenues have boosted imports and increased investment overseas. The impact on global financial markets, however, is more limited than during previous periods of high oil prices.



Sources: IMF, *Direction of Trade Statistics*; Bank of International Settlements; and IMF staff calculations.

<sup>1</sup> Consists of I.R. of Iran, Iraq, Kuwait, Libya, Qatar, Saudi Arabia, and the United Arab Emirates.

<sup>2</sup> First 11 months of 2004 over the same period of 2003.

<sup>3</sup> Net assets with the banking sector are defined as the stock of assets of Middle Eastern OPEC members vis-à-vis BIS reporting banks less liabilities to these banks. Data are fourth quarter over fourth quarter percent change. Data for 2004 are as of 2004Q3.