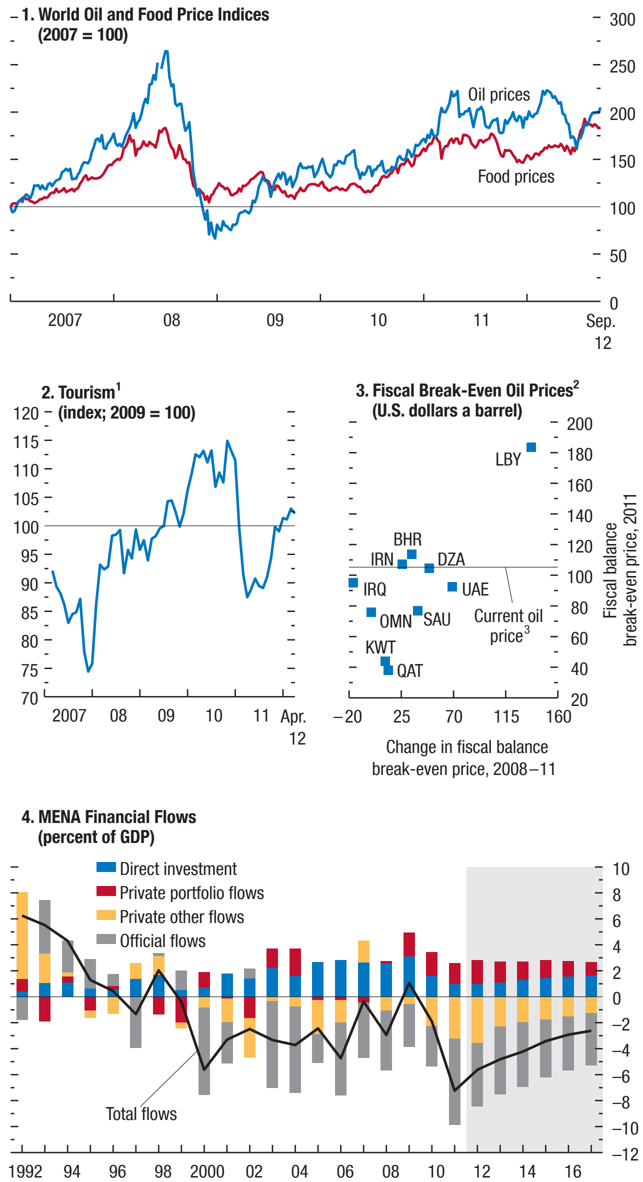
Figure 2.15. Middle East and North Africa: An Uneven Recovery

Continued high oil prices, increased oil production, and increased government spending have supported robust activity in oil exporters. Internal conflicts and their aftermath remain a source of uncertainty, and tourism has not yet recovered. The increases in government expenditure in oil exporters in the region have raised the break-even oil price (the price at which oil revenue covers the non-oil budget deficit), implying that significant oil price declines could undermine fiscal positions.



Sources: Bloomberg Financial Markets; Haver Analytics; IMF, *Regional Economic Outlook: Middle East and Central Asia*, November 2012; and IMF staff estimates.

[1]Index of tourism is calculated based on the simple average of tourism receipts of Egypt, Jordan, Lebanon, Morocco, and Tunisia. Morocco's figures are based on nonresident entries instead of tourist arrivals because of a lack of data.

[2]DZA = Algeria; BHR = Bahrain; IRN = Iran; IRQ = Iraq; KWT = Kuwait, LBY = Libya; OMN = Oman; QAT = Qatar; SAU = Saudi Arabia; UAE = United Arab Emirates.

[3]Current oil price as of August 2012.