

# NEWS RELEASE

## **Bahrain ranked as most economically free Arab nation; new report shows Arab world weathered global recession better than other regions**

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For Immediate Release

**TORONTO, CANADA**—Bahrain is ranked No. 1 among Arab nations for economic freedom, according to the *Economic Freedom of the Arab World: 2010 Annual Report*.

Kuwait is ranked second and Lebanon third, according to the annual report co-published by the Fraser Institute, Canada's leading public policy think-tank, along with the International Research Foundation (IRF) of Oman, and the Cairo office of the Friedrich Naumann Foundation for Liberty (FNF).

This year, top-ranked Bahrain achieved an overall score of 8.0 out of 10. Second-place Kuwait scored 7.8 and Lebanon placed third with a score of 7.6. Oman placed fourth with a score of 7.5.

"These top-ranked nations have maintained high levels of economic freedom and also lead the region in political openness, though more needs to be done," said Fred McMahon, Fraser Institute vice-president international policy research and co-author of the *Economic Freedom of the Arab World: 2010 Annual Report*.

The report was released November 1 at the start of the annual Economic Freedom of the Arab World meeting in Cairo. The meeting attracted delegates from nations throughout the Middle East.

"The link between economic freedom and prosperity is clear: jurisdictions with high levels of economic freedom see greater economic growth. When denied a reasonable level of economic freedom, people are left poorer than they need be, and this is happening in some parts of the Arab world," said Salem Al Ismaily, the report's lead author, chairman of IRF, and a member of the Fraser Institute's board of directors.

"Promoting economic freedom is a priority in our education programs in Egypt and throughout the region. The data within the annual reports are very helpful as they show in an empirical manner that increasing economic freedom creates wealth which may lead to economic development," added Ronald Meinardus, FNF regional director in the Middle East and Northern Africa.

The *Economic Freedom of the Arab World: 2010 Annual 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 the regulation of credit, labour, and business. The complete report may be downloaded as a PDF, free of charge, at [www.freetheworld.com](http://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.

Algeria, Syria, Mauritania, and Tunisia were again found to have the lowest levels of economic freedom among Arab nations. While the top scorers all rank very closely together, there are significant gaps among the bottom four, with Algeria at 5.5, down from 5.7 last year; Syria at 5.7, down slightly from 5.8; and Tunisia and Mauritania tied at 6.3, down from 6.4.

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The report notes that the effects of the world recession in 2009 varied throughout the Arab world, but in many cases the crisis was avoided due to the countries' lack of economic global integration. Gross domestic product in the 22 Arab member states grew 3.2 per cent on average last year.

“Arab nations with oil-based economies were strongly hit initially, as their trade balances depended on oil exports,” Al Ismaily said.

“But the high demand for energy in China and India compensated for the initial loss of demand in the developed world as crude oil prices stabilized at US\$50 per barrel in 2009.”

The report measures at least some areas of economic freedom in 22 Arab nations, 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](http://www.freetheworld.com)

The report, which has been published since 2005 in partnership with the International Research Foundation of Oman and more recently with the Friedrich Naumann Foundation for Liberty, 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 141 nations worldwide.

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### **MEDIA CONTACTS:**

Fred McMahon  
Fraser Institute vice-president international policy research  
Tel: (416) 363-6575, ext. 226  
Mobile: (416) 727-7138  
Email: [fred.mcmahon@fraserinstitute.org](mailto:fred.mcmahon@fraserinstitute.org)

Salem Al Ismaily  
Chairman, International Research Foundation of Oman  
Tel: +9 682-481-2344  
Email: [salem@ociped.com](mailto:salem@ociped.com)

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For further information, contact:  
Dean Pelkey  
Director of Communications, Fraser Institute  
Tel: (604) 714-4582  
Email: [dean.pelkey@fraserinstitute.org](mailto:dean.pelkey@fraserinstitute.org)