

Media Release

Fraser Institute releases Economic Freedom of the Arab World at awards ceremony in Muscat, Oman

For Immediate Release

MUSCAT, OMAN, 21 NOVEMBER 2005—Lebanon and Oman are the most economically free nations in the Arab World, according to the Economic Freedom of the Arab World, a new study released in Muscat, Oman by Canada's Fraser Institute and the International Research Foundation (IRF) of Oman. Kuwait and the United Arab Emirates tied for third place.

"This is a tremendous achievement for these nations," said Sheikha Al Farsi of the IRF. "A large body of empirical research shows that economic freedom will open the door for new growth and productivity in these nations."

Economic freedom measures the extent to which individuals, families, businesses, and other organizations are free to make economic decisions without government interference.

Economic Freedom of the Arab World measures 16 nations: Algeria, Bahrain, Egypt, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, the UAE, and Yemen. Nations are ranked in five areas: size of government; legal structure and security of property rights; access to sound money; freedom to trade internationally, and the regulation of credit, labour, and business.

Four of the nations included in the report—Bahrain, Libya, Mauritania and Qatar—lack data for at least one of the above areas and are not included in the overall rankings, though rankings are provided in areas for which data are available.

The Fraser Institute, along with its regional partner, the Oman-based International Research Foundation, produces the Economic Freedom of the Arab World, a new initiative to measure economic freedom and how free enterprise throughout the Arab world is lifting individuals and families out of poverty. This new publication is based on The Fraser Institute's economic freedom of the world project which ranks 127 nations on their level of economic freedom.

The project is supported by a grant from the Pennsylvania-based John Templeton Foundation. In 2005, The Fraser Institute was selected as one of three recipients of \$US 500,000 as part of the foundation's "What Works in Enterprise-Based Solutions to Poverty" competition.

This is the second Economic Freedom of the Arab World Report which is prepared jointly by the IRF and The Fraser Institute. The first report was published in spring 2005 by the World Economic Forum.

World Economic Freedom Conference

The World Economic Freedom Conference, a meeting of the network of international think tanks involved in the Economic Freedom of the World project, was held in Muscat from 19-21 November.

As part of that meeting, the IRF hosted an awards dinner to honour the top performers in each of the five sub-categories of economic freedom and the overall Arab Economic Freedom Award for the year 2005. National representatives from across the Arab world, business leaders, and representatives of the diplomatic community were in attendance.

Lebanon and Oman tied as the winner of the overall Arab Economic Freedom Award for 2005. The top performer in each of the sub-categories categories was:

1) Lean Government Award: Lebanon

This category examines various measures to determine whether the government sector is inappropriately large, crowding out personal choice with government decisions.

2) Rule of Law Award: Tunisia

This area examines whether laws are fairly and transparently applied in a timely manner, and whether property rights and contracting are protected by the rule of law.

3) Sound Money Award (tie): Lebanon, Oman, and Qatar

This measures the extent to which a nation's currency is sound and holds its value over time.

4) Free Trade Award: Qatar

This measures the extent to which businesses and individuals can freely trade with businesses and individuals in other nations.

5) Ease of Doing Business Award: Kuwait

This measures the extent to which the regulatory burden hinders the formation or advancement of businesses, the free movement of labour, and ability to obtain or advance credit.

In a taped message delivered at the awards ceremony, Nobel Laureate Milton Friedman said: "It gives me great pleasure to be able to say a few words to the first Economic Freedom Conference in the Arab world. Economic freedom is for everyone, rich or poor, Christian, Jewish or Muslim, and particularly for the poor and disadvantaged. Transactions in a free market among individuals who have secure private property rights can unleash economic potential suppressed in a controlled economy."

Friedman also praised the IRF's pioneering work. "The IRF has the potential to become a strong force for promoting economic freedom in the Arab world and thus help improve the lives of individuals and families throughout the region."

About the International Research Foundation (Oman)

The International Research Foundation (IRF), based in the Sultanate of Oman, was established in 2005 as a non-governmental, independent non-profit think tank based in Oman to conduct research on domestic and international economic issues effecting Oman and the Arab World. The vision of IRF is to create wealth and jobs through promotion of economic freedom in the region.

The IRF is supported by a number of private and government sector organisations including the Oman offices of Ernst and Young, Trowers and Hamlins, as well as Apex Publishing and OCIPED (The Omani Centre for Investment Promotion and Export Development). The sponsors of the awards dinner included Bank Muscat, Omantel, National Bank of Oman, and Oman Arab Bank.

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The media release and publication are posted at www.fraserinstitute.ca. For more information on the Economic Freedom Network, visit www.freetheworld.com.