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A Comparative Analysis of Economic Policies and Performance of the OPEC and Non-OPEC Countries of the Middle East Region since the 1980's

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Abstract

This study shows that no matter how high or low the petroleum prices were during the last three decades or so, and how the revenues earned from oil exporting have been utilized by the OPEC members of the Middle-East for their economic growth and diversification, their performance has not been markedly different than that of the non-OPEC members of the region. For the analysis of comparative economic performance the study analyzed 15 basic economic indicators of each of the selected countries over the period 1981-2010 to discern any pattern of divergent economic growth between the two sets of countries, and to gauge what positive and/or negative contribution oil money made to their economic development and performance. It also shows the role of socio-political institutions in diversification of economic activities, and distribution of economic benefits in the countries concerned.

Keywords: *Comparative Economic Performance, OPEC, Oil Prices, Middle East.*

Introduction

The creation of the Organization of Petroleum Exporting Countries, OPEC, dates back to September 14, 1960 by Saudi Arabia, Iraq, Iran, Kuwait, and Venezuela. For the next decade and a half the OPEC members controlled very little of the decisions regarding how much to produce and what prices to charge for the oil. The real owners of the oil—

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size of production and the price—were the Western oil companies, especially those from the USA and the UK. In August 1960 the average price of a barrel of crude oil was $3.00 (WTRG Economics, 2011). After the first oil embargo, towards the end of 1973, price jumped from an average of $4.20/bbl. to $5.20 in December (Ibid.). The lower grade crude price remained relatively stable through 1978, ranging from $5.20 to $5.84 in December 1978. The Iran-Iraq war of 1979-1980 began to have adverse effect on oil supply and consequently, by February 1982 price jumped to $34.00/bbl (Ibid.). This rise in price was short lived. By April 1986, the price came down to $12.50.

As will be shown later, the oil prices have been fluctuating wildly during the last two decades. For this study it is important to show that no matter how high or low the petroleum prices were, and how the revenues earned from oil exporting have been utilized by the OPEC members of the Middle-East for their economic growth and diversification, their performance has not been markedly different than that of the non-OPEC members of the region. For this study, the OPEC members selected were: Algeria, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, and United Arab Emirates. The non-OPEC countries selected were: Egypt, Morocco, Sudan, Tunisia, and Yemen. The analysis of comparative economic performance has been for the period 1981- 2010.

The objective of the study is to analyze 15 basic economic indicators of each of the selected countries over the period 1981-2010 (data for 2010 were not available for all countries) to discern any pattern of divergent economic growth between the two sets of countries, and to gauge what positive and/or negative contribution oil money made to their economic development and performance. It also aims to show the role of socio-political institutions in diversification of economic activities, and distribution of economic benefits in the countries concerned.

Economic Performance of the Middle East OPEC Countries

Tables 1 through 9 present data on the basic economic indicators of selected OPEC member countries between 1981 and 2010.The basic economic indicators are GDP in current US Dollars; Per capita GDP; percentage contribution of agriculture, industry, manufacturing, and service sectors to the GDP; exports as percentage of GDP; dollar value of imports, sub-divided into merchandise and services; dollar value of exports;

and the contribution of oil in export revenues; oil as percentage of total exports; FDI net outflows as percentage of GDP; and FDI net inflows.

Before the data for individual OPEC countries are analyzed it is imperative that the annual average prices of oil should be shown here:

Year	$ Av. Price/bbl	Year	$ Av. Price/bbl
1981	Feb. 6.99	1996	20.46
1982	31.55	1997	18.97
1983	29.00	1998	11.91
1984	27.50	1999	16.55
1985	26.50	2000	27.40
1986	14.64	2001	23.00
1987	17.50	2002	22.81
1988	14.87	2003	27.69
1989	18.33	2004	37.41
1990	23.19	2005	50.04/49.81
1991	20.19	2006	58.30
1992	19.25	2007	64.20
1993	16.74	2008	91.48
1994	15.66	2009	53.56/53.48
1995	16.75	2010	71.21

Note: 2010 population figures in millions for the selected countries were as follows: Algeria: 36.3; Iran: 75.29; Iraq: 31.67; Kuwait: 2.74; Libya: 6.36; Nigeria: 158.42; Qatar: 1.70; Saudi Arabia: 27.14; United Arab Emirates: 8.26; Egypt: 80.22; Morocco: 32.14; Sudan: 43.55; Tunisia: 10.55; and Yemen: 22.49]. *Source:* List of Countries by Population, Wikipedia (http://en.wikipedia.org/wiki/List_of_countries_by_population).

Source: WTRG Economics, http://www.ioga.com/Special/crudeoil_Hist.htm

As can be seen from the above table, oil prices remained quite low for extended periods of times between 1986 and 1999, fluctuating widely from early 1981 to 1985, and then from 2004 through 2010. Impact of these fluctuations can be seen from the movements in the GDP of the OPEC countries. Let us examine the basic economic indicators one country at a time.

Algeria

Table 1. Algeria

	End Notes	1981	1985	1990	1995	2000	2001
GDP (Current US$ Billions)	1	$44.372	$61.132	$61.892	$42.066	$54.749	$54.745
Per capita GDP (Current US$)	2	$2,305.510	$2,753.700	$2,473.510	$1,499.140	$1,800.010	$1,772.870
Agriculture, value, % of GDP	3	9	9	11	10	9	10
Industry, value, % of GDP	4	57	54	48	50	59	53
Manufacturing, Value, % of GDP	5	11	24	11	11	7	8
Services value, % of GDP	6	34	37	40	39	33	36
Exports, % of GDP	7	35	24	23	26	41	36
Imports ($Billions)	8	$13.69	$15.49	$15.47	$12.11	$11.70	$11.92
Merchandise	9	$11.30	$9.84	$9.78	$10.10	$9.17	$9.94
Services	10	$2.70	$2.57	$1.32	$ -	$ -	$ -
Exports ($ Billions)	11	$15.34	$13.66	$14.55	$10.94	$22.56	$20.00
Oil	12	$13.07	$9.67	$12.35	$9.73	$21.06	$18.53
Oil as % of total exports		85.18%	70.76%	84.90%	88.92%	93.36%	92.65%
FDI net Outflows as % of GDP	13	0.03	-	0.01	-	-	-
FDI net Inflows (Millions)	14	$13.210	$0.398	$0.335	$70.0	$438.0	$1,196.0

Note: For sources and notes see Endnotes.

Table 1 shows that the Algerian GDP barely grew between 1981 and 2001 (a period spanning twenty years) from around $44.4 billion to $54.7 billion. The 1985 and 1990 GDP figures reflect the spike in oil prices since the end of 1981. The per capita GDP in 1981 was higher than in 2002. Periodic oil price hikes did not improve the economic condition of the Algerian public until around 2003. Even then the improvement in the GDP and GDP per capita can be directly attributed to the oil price increases. An examination of the contributions of various economic sectors during the 1981-2010 period shows that these remain essentially unchanged. The contribution of the agriculture sector remained around 10 percent, industry (i.e. oil, see the definition of industry in end note 4 for details) around mid 50's to low 60's; manufacturing mostly less than 10 percent; services, which is a good indicator of overall economic growth, hovered around 30 percent (Gelb, 2010).

Table 1. (Continued)

2002	2003	2004	2005	2006	2007	2008	2009	2010
$56.761	$67.864	$85.343	$103.220	$117.288	$134.303	$170.228	$139.763	$160.270
$1,810.140	$2,130.860	$2,636.990	$3,136.820	$3,470.070	$3,904.170	$4,939.870	$3,925.920	$4,435.430
10	10	10	8	8	8	7	12	
53	55	56	61	62	61	62	55	-
8	7	6	6	6	5	5	6	
37	358	33	30	30	31	31	34	-
358	38	40	48	49	47	46	40	
$14.49	$16.24	$21.81	$24.84	$25.21	$31.63	$39.17	$50.77	$ -
$11.97	$12.38	$18.17	$20.36	$21.46	$27.63	$39.48	$39.29	
$ -	$ -	$ -	$4.78	$4.80	$6.77	$11.08	$11.68	
$20.01	$26.03	$34.07	$48.76	$56.95	$63.30	$79.12	$56.80	$ -
$18.11	$23.99	$31.55	$45.54	$53.61	$59.61	$77.19	$44.41	$58.59
90.49%	92.17%	92.61%	93.39%	94.13%	94.18%	97.56%	78.19%	0.00%
-	-	-	-0.02	0.03	0.22	0.19	0.15	-
$1,065.0	$633.8	$881.9	$1,081.0	$1,769.0	$1,662.0	$2,595.0	$2,760.0	$ -

Algeria's exports as percentage of GDP have been around mid to high 40's depending on any hikes in the price of oil. Oil as percentage of total exports has been in the high 90's in most years, indicating extreme dependence of Algeria in petroleum revenues. FDI net inflows to Algeria have been negligible. It possibly reflect that proceeds from oil exports have been sufficient to meet the needs of its under achieving economy.

Iran

Table 2. Iran

	End Notes	1981	1985	1990	1995	2000	2001
GDP (Current US$ Billions)	1	$106.59	$79.86	$84.97	$90.84	$96.44	$115.44
Per capita GDP (Current US$)	2	$2,609.28	$1,670.10	$1,559.14	$1,417.15	$1,514.97	$1,780.92
Agriculture, value, % of GDP	3	20	19	19	18	14	13
Industry, value, % of GDP	4	30	27	29	34	37	35
Manufacturing, Value, % of GDP	5	8	7	12	12	13	13
Services value, % of GDP	6	50	54	52	47	50	52
Exports, % of GDP	7	12.82	9.39	14.52	21.71	22.71	20.5
Imports ($Billions)	8	$16.45	$15.31	$22.29	$15.11	$17.50	$ -
Merchandise	9	$14.69	$11.64	$20.32	$13.88	$13.90	$16.71
Services	10	$3.32	$3.31	$3.96	$2.34	$2.30	$ -
Exports ($ Billions)	11	$12.39	$14.55	$19.74	$18.95	$29.73	$ -
Oil	12	$11.49	$13.71	$18.00	$15.10	$24.28	$19.34
Oil as % of total exports		92.74%	94.23%	91.19%	79.70%	81.67%	-
FDI net Outflows as % of GDP	13	-	-	-	-	-	-
FDI net Inflows (Millions)	14	$28.22	$(38.15)	$(361.95)	$17.00	$39.00	$1,084.48

Note: For sources and notes see Endnotes.

A decade long war with Iraq devastated the economy of Iran. Its GDP declined from $106.6 billion in 1981 to $79.9 billion by 1985. From a $2,609 GDP per capita in 1981, it hovered around $1,700 through 2002. Between 2003 and 2010 per capita GDP in Iran doubled to $4,741, despite Western sanctions against it and its economy.

Iran's economy is relatively more diversified than that of Algeria's. Its service sector contributes more to the value added, and its exports as percentage of GDP is lower than that of Algeria. Figures for oil as percentage of exports are not available since 2001, but indications are that these are not as high as that of Algeria. GDP and GDP per capita exhibited consistent growth since 2003, reflecting not only appreciation in oil prices, but also significantly improved management of the economy by the Iranian authorities. Since 2001 FDI net inflows in Iran was significantly higher than some of the OPEC countries as is shown shortly.

Table 2. (Continued)

2002	2003	2004	2005	2006	2007	2008	2009	2010
$116.42	$133.97	$161.26	$188.05	$222.13	$285.93	$330.60	$321.16	$357.22
$1,776.33	$2,015.18	$2,389.86	$2,746.48	$3,151.96	$3,990.02	$4,536.74	$4,334.13	$4,740.85
12	12	11	10	10	10	-	-	-
41	41	43	45	44	44	-	-	-
11	11	11	11	11	11	-	-	-
47	47	46	45	46	45	-	-	-
26.54	27.23	29.05	33.06	32.45	32.18	-	-	-
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$20.62	$24.80	$31.98	$40.04	$40.77	$44.94	$57.41	$50.38	$ -
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$22.97	$27.36	$35.78	$53.82	$62.01	$81.76	$81.86	$60.14	$71.96
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
$3,657.07	$2,697.87	$2,863.39	$3,135.59	$1,646.57	$1,669.58	$1,615.45	$3,016.08	$3,616.91

Iraq

Table 3. Iraq

	End Notes	1981	1985	1990	1995	2000	2001
GDP (Current US$ Billions)	1	$32.58	$44.20	-	-	$25.86	$115.44
Per capita GDP (Current US$)	2	$2,304.57	$2,817.97	-	-	$1,063.48	$1,780.92
Agriculture, value, % of GDP	3	-	-	-	-	5	13
Industry, value, % of GDP	4	-	-	-	-	84	35
Manufacturing, Value, % of GDP	5	-	-	-	-	1	13
Services value, % of GDP	6	-	-	-	-	10	52
Exports, % of GDP	7	-	-	-	-	-	20.5
Imports ($Billions)	8	$ -	$ -	$ -	$ -	$ -	$ -
Merchandise	9	$20.74	$10.56	$7.66	$0.67	$13.38	$16.71
Services	10	$ -	$ -	$ -	$ -	$ -	$ -
Exports ($ Billions)	11	$ -	$ -	$ -	$ -	$ -	$ -
Oil	12	$ -	$ -	$ -	$ -	$ -	$19.34
Oil as % of total exports		-	-	-	-	-	-
FDI net Outflows as % of GDP	13	-	-	-	-	-	-
FDI net Inflows (Millions)	14	$4.12	$0.39	$0.42	$2.40	$(3.14)	$1,084.48

Note: For sources and notes see Endnotes.

Among the Middle Eastern OPEC countries Iraq suffered most—first, because of the decade long Iran-Iraq war, and second for the US. Invasions in 1991, followed by another invasion and occupation of Iraq since 2003. Table 3 presents the basic economic indicators of Iraq for the period of the study. Before the First Gulf War of 1991 Iraq had a per Capita GDP of $2,817 in 1985.

It was not until 2008 did Iraq achieve economic growth to surpass that level. However, the GDP/capita fell drastically in 2009, corresponding to the fall in oil revenue, with a slight improvement in 2010 when oil revenue increased by $12 billion from that of 2009.

Iraq had negative FDI net flows from 2000 to 2003, indicating that part of oil revenues flowed out of the country in the form of direct investment abroad, possibly to the U.S.A. Its economic future is debatable, since

Table 3. (Continued)

2002	2003	2004	2005	2006	2007	2008	2009	2010
$18.97	-	$25.76	$31.32	$45.08	$56.99	$86.53	$65.19	$82.15
$741.64	-	$957.16	$1,134.74	$1,585.49	$1,945.54	$2,867.30	$2,096.85	$2,564.73
9	9	-	-	-	-	-	-	-
73	70	-	-	-	-	-	-	-
2	2	-	-	-	-	-	-	-
18	21	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
$ -	$ -	$ -	$26.10	$24.20	$21.49	$37.73	$ -	$ -
$9.82	$9.93	$21.30	$23.53	$20.89	$21.52	$33.00	$37.00	$ -
$ -	$ -	$ -	$6.09	$5.49	$4.87	$7.97	$ -	$ -
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ -	$ -	$ -	$22.51	$29.19	$37.14	$61.16	$38.24	$50.08
-	-	-	-	-	-	-	-	-
-	-	-	0.28	0.68	0.01	0.04	-	-
$(1.59)	$(0.02)	$300.00	$515.30	$383.00	$971.80	$1,855.70	$1,451.50	$1,426.40

there are lot of domestic issues that have not been solved by the prolonged conflict and occupation by foreign forces.

Kuwait

Table 4. Kuwait

	End Notes	1981	1985	1990	1995	2000	2001
GDP (Current US$ Billions)	1	$25.06	$21.45	$18.43	$27.19	$37.72	$34.89
Per capita GDP (Current US$)	2	$17,332.81	$12,310.53	$8,826.89	$16,709.42	$19,434.40	$17,362.15
Agriculture, value, % of GDP	3	0	1	1	0	0	0
Industry, value, % of GDP	4	69	57	52	55	59	54
Manufacturing, Value, % of GDP	5	6	6	12	4	3	3
Services value, % of GDP	6	31	42	47	45	40	46
Exports, % of GDP	7	69.5	53.67	44.94	52.35	56.47	51.3
Imports ($Billions)	8	$9.64	$9.81	$7.17	$12.61	$11.37	$12.40
Merchandise	9	$6.98	$6.01	$3.97	$7.79	$7.16	$7.87
Services	10	$2.91	$4.09	$3.36	$5.36	$4.92	$5.35
Exports ($ Billions)	11	$17.41	$11.51	$8.27	$14.22	$21.30	$17.90
Oil	12	$13.95	$9.35	$6.22	$12.05	$18.18	$14.97
Oil as % of total exports		80.12%	81.22%	75.21%	84.75%	85.36%	83.63%
FDI net Outflows as % of GDP	13	-0.06	0.33	1.3	-3.76	-0.8	-5.48
FDI net Inflows (Millions)	14	$1.21	$7.25	$5.60	$6.70	$16.30	$(111.52)

Note: For sources and notes see Endnotes.

Oil rich Kuwait has done quite well during the period of study. It financed the Iraq invasion by the U.S.A. (and some other countries' forces persuaded by the U.S.A.) from its hoarded oil revenue of the past. The decline in the GDP and per capita GDP in 1990 did not last long. GDP per capita rose as high as $58, 384 in 2008, reflecting sharp increase in oil price, and as the oil price declined in 2009, the GDP/Capita declined by $17,000.

Table 4 data clearly show that Kuwait's economy is essentially based on oil, and a very little, if any, diversification has taken place over the years. The contribution of agriculture is zero and that of manufacturing is around 1 or 2 percent (data after 2003 not available). Contribution of the service sector (possibly related to management of excess oil export generated funds) was around 50 percent of GDP in 2002-2003. Data were not

Table 4. (Continued)

2002	2003	2004	2005	2006	2007	2008	2009	2010
$38.14	$47.88	$59.44	$80.80	$101.56	$114.72	$148.78	$109.46	-
$18,426.18	$22,510.89	$27,148.17	$35,687.92	$43,191.03	$46,866.98	$58,383.91	$41,364.69	-
1	0	-	-	-	-	-	-	-
49	51	-	-	-	-	-	-	-
3	2	-	-	-	-	-	-	-
50	49	-	-	-	-	-	-	-
44.62	52.09	56.92	63.98	65.54	63.41	66.14	56.37	-
$13.96	$16.50	$19.90	$23.77	$26.88	$33.31	$38.72	$31.13	$32.68
$9.00	$10.99	$12.63	$15.80	$17.24	$21.35	$24.87	$17.92	$ -
$5.84	$6.62	$7.50	$8.71	$10.64	$13.34	$15.78	$13.85	$13.62
$17.01	$24.94	$32.77	$50.08	$64.90	$72.69	$98.90	$62.98	$74.69
$14.06	$19.57	$26.68	$42.44	$53.18	$59.06	$82.59	$45.56	$59.08
82.66%	78.47%	81.40%	84.74%	81.93%	81.25%	83.51%	73.92%	79.11%
-0.2	-10.36	4.34	6.36	8.08	8.53	6.11	7.89	-
$3.62	$(67.11)	$23.75	$233.90	$121.31	$111.54	$(5.95)	$1,113.59	$80.85

available for the recent years. Oil exports as percentage of the total exports have been around 80 percent. In short, Kuwait is a rich oil country, but is not a well diversified developed country.

Libya

Table 5. Libya

	End Notes	1981	1985	1990	1995	2000	2001
GDP (Current US$ Billions)	1	-	-	$28.90	$25.54	$33.90	$28.42
Per capita GDP (Current US$)	2	-	-	$6,668.63	$5,348.97	$6,479.71	$5,330.83
Agriculture, value, % of GDP	3	-	-	-	-	-	-
Industry, value, % of GDP	4	-	-	-	-	-	-
Manufacturing, Value, % of GDP	5	-	-	-	-	-	-
Services value, % of GDP	6	-	-	-	-	-	-
Exports, % of GDP	7	-	-	39.68	29.18	35.63	31.86
Imports ($Billions)	8	$17.32	$7.53	$8.96	$5.76	$5.02	$5.86
Merchandise	9	$8.38	$4.10	$5.34	$5.39	$3.73	$4.40
Services	10	$2.76	$1.77	$1.39	$0.57	$0.90	$1.03
Exports ($ Billions)	11	$14.89	$10.42	$11.47	$7.51	$12.21	$10.82
Oil	12	$14.59	$9.98	$10.72	$10.69	$16.79	$10.60
Oil as % of total exports		97.97%	95.78%	93.50%	142.36%	137.52%	97.93%
FDI net Outflows as % of GDP	13	-	-	0.36	0.27	0.29	0.62
FDI net Inflows (Millions)	14	$(744.13)	$119.24	$158.91	$(88.49)	$141.00	$(133.00)

Note: For sources and notes see Endnotes.

Table 5 presents the basic economic indicators for Libya. Libya with a population of merely 6.4 million people with a vast supply of high quality oil demonstrates that the oil money was not invested in economic development. The economy is overly dependent on oil revenue—oil as percentage of total exports exceeded one hundred percent seven years of the total of fourteen years for which data are shown in Table 5. Through 2002 GDP and GDP/Capita kept on going up and down significantly with the movement of oil prices. This is also evident from the data for the years between 2003 and 2009, the last year for which data were available.

Like the other OPEC countries discussed above, except for Iran, agriculture and manufacturing contributed little to the GDP value added. Diversification and economic development were clearly not the goal of the Libyan rulers. FDI net inflows exceeded billion dollars since 2004, and these investments were clearly in the petroleum industry.

Table 5. (Continued)

2002	2003	2004	2005	2006	2007	2008	2009	2010
$19.84	$24.06	$33.38	$44.00	$56.48	$71.80	$93.17	$62.36	-
$3,651.35	$4,342.58	$5,905.86	$7,626.03	$9,583.79	$11,921.41	$15,150.16	$9,957.49	-
5	4	3	2	2	2	2	-	-
66	75	69	75	79	76	78	-	-
3	6	5	5	5	5	4	-	-
29	21	28	22	19	21	20	-	-
46.21	62.39	63.26	66.43	71.3	67.56	67.38	-	-
$8.95	$8.80	$10.68	$13.52	$15.78	$20.37	$26.00	$27.07	$ -
$4.40	$4.33	$6.33	$6.08	$6.01	$6.73	$9.15	$10.15	$ -
$1.54	$1.60	$1.91	$2.35	$2.56	$2.67	$4.34	$5.06	$ -
$10.25	$13.32	$17.86	$29.38	$37.96	$47.08	$62.16	$37.44	$ -
$9.62	$14.16	$20.48	$31.80	$41.74	$47.82	$60.68	$35.70	$ -
93.85%	106.29%	114.68%	108.23%	109.96%	101.57%	97.62%	95.36%	-
-0.69	0.26	0.86	0.29	0.84	5.48	6.32	1.87	-
$145.00	$143.00	$357.00	$1,038.00	$2,064.00	$4,689.00	$4,111.30	$1,711.00	$3,833.39

Nigeria

Table 6. Nigeria

	End Notes	1981	1985	1990	1995	2000	2001
GDP (Current US$ Billions)	1	$59.92	$28.41	$28.47	$28.11	$45.98	$48.00
Per capita GDP (Current US$)	2	$772.10	$330.98	$291.87	$255.50	$371.77	$378.83
Agriculture, value, % of GDP	3	-	-	-	-	-	-
Industry, value, % of GDP	4	-	-	-	-	-	-
Manufacturing, Value, % of GDP	5	-	-	-	-	-	-
Services value, % of GDP	6	-	-	-	-	-	-
Exports, % of GDP	7	22.53	16.1	43.43	44.29	53.98	42.99
Imports ($Billions)	8	$24.01	$9.10	$6.91	$12.84	$12.02	$15.74
Merchandise	9	$20.88	$8.88	$5.63	$8.22	$8.72	$11.59
Services	10	$5.03	$1.66	$1.98	$4.62	$3.30	$4.64
Exports ($ Billions)	11	$18.77	$13.43	$14.55	$12.34	$20.96	$19.65
Oil	12	$17.16	$12.20	$13.51	$10.63	$22.25	$18.03
Oil as % of total exports		91.43%	90.86%	92.84%	86.13%	106.15%	91.76%
FDI net Outflows as % of GDP	13	-	-	-	-	-	-
FDI net Inflows (Millions)	14	542.3.3	$485.58	$587.88	$1,079.27	$1,140.14	$1,190.63

Note: For sources and notes see Endnotes.

Among the selected OPEC countries, Nigeria has the largest population—158.42 million. It is relatively a poor country where exports as percentage of GDP hover around 40 percent (see Table 6). But most of the export revenue is derived from oil. Agriculture sector contributes a little over 30 percent to the GDP value added. Manufacturing sector contributes very little to the GDP. In other words, it is heavily dependent on oil revenue for survival.

It appears that the major chunks of the FDI net inflows were in the petroleum sector. Nigeria, a democratic country, with divided ethnic minorities who are enemies to each other, is poorly governed.

Population pressure and preponderance of corruption have been keeping Nigeria as the poorest member of the OPEC bloc of countries.

Table 6. (Continued)

2002	2003	2004	2005	2006	2007	2008	2009	2010
$59.12	$67.66	$87.85	$112.25	$146.87	$165.92	$207.12	$168.57	$193.67
$455.33	$508.44	$644.03	$802.79	$1,024.62	$1,129.09	$1,374.68	$1,091.13	$1,222.48
49	43	34	33	32	33	-	-	-
31	37	42	44	42	41	-	-	-
3	3	3	3	3	-	-	-	-
21	21	24	24	26	27	-	-	-
31.87	42.7	43.95	46.54	42.87	41.02	41.71	36.81	39.37
$15.80	$21.87	$20.98	$32.63	$35.91	$46.64	$64.22	$49.48	$75.77
$7.55	$10.85	$14.16	$20.75	$26.52	$34.83	$49.95	$39.00	$ -
$4.92	$5.71	$5.97	$6.62	$13.92	$18.34	$24.38	$18.70	$22.31
$18.14	$27.45	$38.10	$56.99	$59.23	$67.48	$87.99	$58.34	$76.77
$15.88	$24.59	$33.02	$44.90	$51.28	$58.17	$74.31	$49.71	$65.07
87.53%	89.59%	86.66%	78.79%	86.57%	86.20%	84.45%	85.21%	84.76%
-	-	-	0.01	0.22	0.52	0.51	0.9	0.47
$1,874.04	$2,005.39	$1,874.03	$4,982.53	$4,854.42	$8,196.61	$4,111.30	$8,554.84	$6,048.56

Qatar

Table 7. Qatar

	End Notes	1981	1985	1990	1995	2000	2001
GDP (Current US$ Billions)	1	$8.66	$6.15	$7.36	$8.14	$17.76	$17.54
Per capita GDP (Current US$)	2	$32,245.64	$16,720.64	$15,537.47	$16,231.32	$30,052.76	$28,843.45
Agriculture, value, % of GDP	3	-	-	-	-	-	-
Industry, value, % of GDP	4	-	-	-	-	-	-
Manufacturing, Value, % of GDP	5	-	-	-	-	-	-
Services value, % of GDP	6	-	-	-	-	-	-
Exports, % of GDP	7	-	-	-	44.34	67.28	65.89
Imports ($Billions)	8	-	-	-	-	-	-
Merchandise	9	$1.52	$1.14	$1.70	$3.40	$3.25	$3.76
Services	10	-	-	-	-	-	-
Exports ($ Billions)	11	-	-	-	-	-	-
Oil	12	$4.68	$2.48	$3.04	$2.43	$10.64	$9.91
Oil as % of total exports		-	-	-	-	-	-
FDI net Outflows as % of GDP	13	-	-	-	-	-	-
FDI net Inflows (Millions)	14	$3.78	$7.97	$4.88	$93.56	$251.60	$295.52

Note: For sources and notes see Endnotes.

Qatar, the tiny principality with a population of less than 2 million boasts the largest per capita income in the world. According to estimates by IMF, the World Bank, and the CIA, Qatar's GDP per capita for 2010 were $88,222, 89,769, and 179,000, respectively. (Wikipedia, List of Countries by GDP (PPP) per capita, http://en.wikipedia.org/wiki/List_of_countries_by_GDP_(PPP)_per_capita). According to the same sources Luxembourg is the second richest with $81,466, $80,229, and $141,100, respectively.

Table 7 does not show the export revenue from natural gas, which is considerable. Qatar is the world's largest exporter of liquefied natural gas, LNG. According to the CIA estimates the value of its LNG exports in 2010 was over $58 billion (Qatar Economy 2011, CIA World Factbook www.theodora.com/wfbcurrent/qatar/qatar_economy.html). It seems Qa-

Table 7. (Continued)

2002	2003	2004	2005	2006	2007	2008	2009	2010
$19.36	$23.53	$31.68	$43.04	$60.50	$80.75	$110.71	$98.31	$ -
$31,023.03	$36,011.92	$44,292.04	$52,424.90	$61,836.32	$68,537.91	$79,303.44	$61,531.69	$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
60.34	61.7	64.29	67.34	63.22	56.48	52.69	46.75	-
-	-	-	-	-	-	-	-	-
$4.05	$4.90	$6.00	$10.06	$16.44	$23.43	$27.90	$23.00	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
$9.96	$12.15	$16.26	$22.86	$31.20	$39.79	$61.71	$42.33	$61.02
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
$623.92	$624.92	$1,198.97	$2,500.00	$3,500.00	$4,700.00	$3,778.63	$8,124.74	$5,534.45

tar is much richer than the size of its GDP shows in Table 7. The country has invested heavily in developing LNG and its exports. The size of FDI net inflows have been over billion dollars since 2004. It is not only the home of Al-Jazeera news network, but has become the cultural and education center of the Arabian Gulf area.

Saudi Arabia

Table 8. Saudi Arabia

	End Notes	1981	1985	1990	1995	2000	2001
GDP (Current US$ Billions)	1	$183.94	$103.90	$116.78	$142.46	$188.44	$183.01
Per capita GDP (Current US$)	2	$17,617.28	$7,858.86	$7,235.75	$7,703.81	$9,400.81	$8,849.05
Agriculture, value, % of GDP	3	1	4	6	6	5	5
Industry, value, % of GDP	4	71	41	49	49	54	51
Manufacturing, Value, % of GDP	5	5	8	9	10	10	10
Services value, % of GDP	6	28	55	45	45	41	44
Exports, % of GDP	7	62.94	30.07	40.63	37.57	43.65	39.88
Imports ($Billions)	8	$70.13	$46.19	$43.88	$44.87	$52.93	$47.89
Merchandise	9	$35.27	$23.62	$24.07	$28.09	$30.24	$31.22
Services	10	$40.24	$25.82	$22.38	$19.26	$25.23	$19.28
Exports ($ Billions)	11	$119.44	$31.04	$47.38	$53.45	$82.26	$72.98
Oil	12	$111.00	$25.84	$39.96	$43.42	$70.75	$59.69
Oil as % of total exports		92.93%	93.26%	84.34%	91.23%	86.01%	81.79%
FDI net Outflows as % of GDP	13	-	-	-	-	-	-
FDI net Inflows (Millions)	14	$6,498.14	$491.42	$1,861.33	$(1,874.67)	$(1,881.07)	$19.64

Note: For sources and notes see Endnotes.

Population of Saudi Arabia is the fourth largest amongst the OPEC countries, after Nigeria, Iran, and Iraq, and has the world's largest proven reserve of oil. Its economy is the largest among the OPEC countries. Yet, we see that the country has not been able to reach the level of per capita GDP it enjoyed in 1981 ($17, 617). Rapid growth in the population could be partly responsible for this.

Saudi Arabian economy is relatively more diversified than the other members of the OPEC. It has a respectable size of the service sector, and it also has a manufacturing sector that contributes around 10 percent to the GDP. Percentage contribution of the service sector has been declining since 2004 from the 40's to 30's. Oil as percentage of total exports has consistently been over 80 percent over the years. FDI net inflows have been considerable since 2005. From the data on contribution of the

Table 8. (Continued)

2002	2003	2004	2005	2006	2007	2008	2009	2010
$188.55	$214.57	$250.34	$315.58	$356.63	$384.89	$476.30	$372.66	$434.67
$8,754.91	$9,607.29	$10,784.07	$13,126.68	$14,380.59	$15,091.30	$18,202.75	$13,900.63	$15,835.94
5	5	4	3	3	3	2	3	3
51	54	58	63	65	66	70	60	62
10	11	10	9	9	9	8	10	10
43	41	38	34	32	32	27	37	35
41.18	46.12	52.67	60.88	63.23	64.77	67.78	54.19	56.79
$49.60	$54.73	$66.75	$87.72	$113.49	$145.27	$176.69	$162.07	$174.20
$32.29	$36.91	$47.38	$59.46	$69.80	$90.22	$115.13	$95.57	-
$19.98	$20.86	$25.70	$33.12	$49.58	$62.68	$75.23	$74.99	$76.77
$77.64	$98.96	$131.85	$192.12	$225.51	$249.30	$322.85	$202.06	$261.83
$63.71	$82.13	$110.89	$161.78	$288.47	$205.59	$281.41	$163.28	$205.39
82.06%	83.00%	84.11%	84.21%	127.92%	82.47%	87.16%	80.81%	78.44%
-	-	-	-0.11	-0.01	-0.04	0.73	0.58	0.9
$(614.13)	$(586.51)	$(334.32)	$12,106.75	$18,317.49	$24,333.84	$39,455.00	$36,457.67	$21,560.17

various economic sectors to the GDP, it appears the FDI went to energy related industries.

United Arab Emirates (UAE)

Table 9. United Arab Emirates (UAE)

	End Notes	1981	1985	1990	1995	2000	2001
GDP (Current US$ Billions)	1	$32.92	$27.02	$33.65	$42.81	$70.59	$68.68
Per capita GDP (Current US$)	2	$30,139.72	$20,030.37	$18,606.90	$18,227.02	$23,270.69	$21,806.08
Agriculture, value, % of GDP	3	1	1	2	3	4	3
Industry, value, % of GDP	4	73	64	64	52	56	52
Manufacturing, Value, % of GDP	5	7	9	8	10	13	14
Services value, % of GDP	6	26	35	35	45	41	44
Exports, % of GDP	7	69.23	58.74	66.36	68.96	73.32	72.68
Imports ($Billions)	8	-	-	-	-	-	-
Merchandise	9	$9.65	$6.55	$11.20	$23.78	$35.01	$37.29
Services	10	-	-	-	-	-	-
Exports ($ Billions)	11	-	-	-	-	-	-
Oil	12	$19.45	$10.90	$17.32	$15.58	$27.04	$23.91
Oil as % of total exports		-	-	-	-	-	-
FDI net Outflows as % of GDP	13	-	-	-	-	-	-
FDI net Inflows (Millions)	14	$(16.94)	$(220.96)	$(115.82)	$399.85	$(506.33)	$1,183.84

Note: For sources and notes see Endnotes.

UAE has less than one-third of the population of Saudi Arabia. Its GDP per capita (see Table 9) is the third largest after Qatar and Kuwait. Its economy has experienced relatively less fluctuation than the other OPEC countries, partly because it is more diversified with larger service and manufacturing sectors. Since 2003 UAE attracted large amounts of FDI net inflows, especially in Dubai in the development of recreation and financial centers, shopping malls, artificial island, and a bevy of fancy high rises. UAE suffered heavily from the 1999 financial markets meltdown, as can be seen from the decline in GDP and GDP/Capita from 2008 to 2009 (Coury, 2009).

Until the global financial markets, especially the banking sector, recovers from the European (and the U.S.) debt crises, Dubai's recovery would continue to falter, and there is no guarantee that the other members of the UAE would come to its further rescue.

Table 9. (Continued)

2002	2003	2004	2005	2006	2007	2008	2009	2010
$75.28	$88.55	$103.78	$133.00	$163.30	$207.57	$261.35	$230.25	-
$23,131.13	$26,045.27	$28,371.48	$32,683.33	$35,021.58	$38,399.45	$42,107.90	$33,183.17	-
3	3	3	2	2	2	-	-	-
50	52	54	57	59	61	-	-	-
14	13	13	13	12	12	-	-	-
47	45	43	40	39	38	-	-	-
73.16	78.98	89.8	92.65	91.4	87.14	-	-	-
-	-	-	-	-	-	-	-	-
$42.65	$52.07	$72.08	$84.65	$100.06	$132.50	$177.00	$140.00	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
$22.81	$29.18	$38.80	$55.08	$70.10	$73.83	$102.99	$68.15	$77.51
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
$95.30	$4,255.96	$10,003.50	$10,899.93	$12,805.99	$14,186.52	$13,723.60	$4,002.70	$3,948.30

Egypt

Table 10. Egypt

	End Notes	1981	1985	1990	1995	2000	2001
GDP (Current US$ Billions)	1	$23.41	$34.69	$43.13	$60.16	$99.84	$97.63
Per capita GDP (Current US$)	2	$508.53	$684.76	$758.76	$969.31	$1,475.84	$1,417.26
Agriculture, value, % of GDP	3	20.09	19.99	19.37	16.78	16.74	16.56
Industry, value, % of GDP	4	37.73	28.56	28.67	32.3	33.13	33.33
Manufacturing, Value, % of GDP	5	19.95	13.51	17.76	17.45	19.39	19.09
Services value, % of GDP	6	42.18	51.46	51.96	50.92	50.13	50.11
Exports, % of GDP	7	33.37	19.91	20.05	22.55	16.2	17.48
Imports ($Billions)	8	$10.41	$12.24	$14.09	$17.14	$22.90	$21.00
Merchandise	9	$8.84	$11.10	$12.41	$11.76	$14.58	$13.38
Services	10	$2.49	$3.19	$3.79	$4.87	$7.51	$7.04
Exports ($ Billions)	11	$6.54	$6.86	$9.90	$13.25	$16.86	$16.07
FDI net Outflows as % of GDP	13	$752.57	$1,177.57	$734.00	$598.00	$1,235.00	$509.90
FDI net Inflows (Millions)	14	0.03	0.01	0.03	0.15	0.05	0.01

Note: For sources and notes see Endnotes.

Egypt with a population of over 80 million has the largest population among the Arab countries, and relatively a poor country with a per capita GDP of $2,698 in 2010. However, its economy is quite diversified. Unlike the OPEC, exports as percentage of GDP is relatively low, at around 30 percent. The contribution of the service sector to the GDP has been around 50 percent. As economy grew over the years, the contribution of the agriculture to the GDP value declined from 20 percent in 1981 to around 10 percent in 2010, while those of the industry and manufacturing rose to cover the decline.

Egypt has been a significant recipient of FDI net inflows since 2004. These flows have been instrumental in the growth of the industry (see end notes for clarifications) and manufacturing sectors. It has been also a beneficiary of substantial amount of U.S. military and economic aid over the years. It does not appear that the country has managed its resources properly and efficiently. As explained shortly, Egypt's near future eco-

Table 10. (Continued)

2002	2003	2004	2005	2006	2007	2008	2009	2010
$87.85	$82.92	$78.85	$89.69	$107.48	$130.47	$162.84	$188.98	$218.91
$1,251.89	$1,159.80	$1,082.37	$1,208.65	$1,422.34	$1,695.74	$2,079.03	$2,370.71	$2,698.59
16.46	16.34	15.18	14.86	14.07	14.07	13.22	13.68	10.12
34.39	35.25	36.48	35.92	38.43	36.34	37.53	37.32	29.00
19.15	17.83	17.57	16.95	16.55	15.69	15.73	15.98	13.90
459.15	48.41	48.35	49.21	47.5	49.59	49.25	49.00	60.88
18.32	21.8	28.23	30.34	29.95	30.25	33.04	24.96	21.29
$19.51	$19.66	$26.92	$34.33	$40.55	$53.70	$67.22	$53.84	-
$12.77	$12.95	$15.95	$22.45	$27.30	$37.10	$48.38	$44.95	-
$6.63	$6.47	$8.02	$10.51	$11.57	$14.34	$17.61	$13.94	-
$16.44	$20.06	$26.52	$30.72	$36.68	$44.40	$54.76	$44.61	-
$646.90	$237.40	$1,253.30	$5,375.60	$10,042.80	$11,578.10	$9,494.60	$6,711.60	$6,385.60
0.03	0.02	0.2	0.1	0.14	0.51	1.18	0.3	-

nomic outlook is not that bright. It takes time to achieve some semblance of stability after a major revolution that occurred in the Spring of 2011 and continued unrest since then.

Morocco

Table 11. Morocco

	End Notes	1981	1985	1990	1995	2000	2001
GDP (Current US$ Billions)	1	$15.28	$12.87	$25.82	$32.99	$37.02	$37.72
Per capita GDP (Current US$)	2	$754.62	$572.63	$1,032.75	$1,213.28	$1,271.81	$1,280.28
Agriculture, value, % of GDP	3	12.91	16.45	18.26	15.09	14.94	16.55
Industry, value, % of GDP	4	34.06	33.08	33.42	34.06	29.11	27.57
Manufacturing, Value, % of GDP	5	18.09	18.39	18.99	18.95	17.46	16.3
Services value, % of GDP	6	53.02	50.47	48.32	50.85	55.95	55.88
Exports, % of GDP	7	20.17	25.35	26.45	27.42	27.98/	29.41
Imports ($Billions)	8	$5.25	$4.34	$7.78	$11.24	$12.55	$12.28
Merchandise	9	$4.41	$3.85	$6.92	$10.02	$11.53	$11.04
Services	10	$1.44	$0.83	$14.45	$1.89	$1.89	$2.12
Exports ($ Billions)	11	$3.05	$3.14	$6.24	$9.04	$10.45	$11.17
FDI net Outflows as % of GDP	13	$58.58	$19.98	$165.12	$92.39	$220.74	$143.84
FDI net Inflows (Millions)	14	0	0	0	0.04	0.16	0.26

Note: For sources and notes see Endnotes.

Like Egypt Morocco has a diversified economy. Agriculture contributes around 15 percent to the GDP, and those from industry and manufacturing are around 30 and 15 percent, respectively. The contribution of the service sector is around 50 percent. Exports as percentage of the GDP, is around 20 percent.

Morocco with a population of around 40 million (40 percent of Egyptian population) has slightly higher GDP/Capita than that of Egypt. It should have done much better.

Table 11. (Continued)

2002	2003	2004	2005	2006	2007	2008	2009	2010
$40.42	$49.82	$56.95	$59.52	$65.64	$75.23	$88.88	$91.37	$91.20
$1,355.52	$1,651.96	$1,867.25	$1,930.53	$2,106.20	$2,388.79	$2,793.45	$2,842.32	$2,807.59
16.54	17.29	16.32	14.68	16.89	13.73	14.64	16.38	15.46
27.33	27.93	28.52	28.22	27.15	27.31	30.32	28.53	29.21
16.42	17.2	17.31	16.28	15.68	15.04	14.04	15.89	16.05
56.13	54.78	55.16	57.1	55.96	58.95	55.04	55.09	55.33
30.15	28.66	29.37	32.31	34.2	35.75	37.48	28.59	28.23
$13.31	$15.98	$19.86	$22.74	$26.16	$34.73	$46.52	$37.31	$40.08
$11.86	$14.25	$17.82	$20.79	$23.98	$32.01	$42.26	$32.89	-
$2.41	$2.86	$3.45	$3.85	$4.47	$5.42	$6.69	$6.90	$7.44
$12.20	$14.25	$16.63	$18.79	$21.71	$27.31	$33.75	$26.38	$30.13
$79.16	$2,312.68	$787.05	$1,619.75	$2,366.00	$2,806.64	$2,466.29	$1,970.32	$1,240.63
0.07	0.03	0.05	0.12	0.69	0.84	0.36	0.52	0.64

Sudan

Table 12. Sudan

	End Notes	1981	1985	1990	1995	2000	2001
GDP (Current US$ Billions)	1	$9.54	$12.46	$12.41	$13.83	$12.37	$13.36
Per capita GDP (Current US$)	2	$459.65	$529.22	$468.35	$458.86	$361.71	$381.76
Agriculture, value, % of GDP	3	36.37	33.54	40.58	38.67	41.71	42.82
Industry, value, % of GDP	4	-	16.51	15.26	10.54	21.51	19.16
Manufacturing, Value, % of GDP	5	7.41	8.62	8.67	4.8	8.55	7.92
Services value, % of GDP	6	49.35	49.95	44.16	50.78	36.78	38.03
Exports, % of GDP	7	9.62	5.75	4.02	4.97	15.3	12.82
Imports ($Billions)	8	$2.10	$0.93	$0.88	$1.24	$2.01	$2.06
Merchandise	9	$1.55	$0.77	$0.62	$1.22	$1.55	$1.96
Services	10	$0.05	$0.35	$0.23	$0.17	$0.65	$0.66
Exports ($ Billions)	11	$1.22	$0.82	$0.50	$0.68	$1.83	$1.71
FDI net Outflows as % of GDP	13	$19.36	$(3.04)	$(31.13)	$12.00	$392.20	$574.00
FDI net Inflows (Millions)	14	0	0	0	0	0	0

Note: For sources and notes see Endnotes.

Sudan with a population of 44 million is the second largest country after Egypt in North Africa. It has been a nation in turmoil with civil war, and ethnic conflicts throughout the study period. It is only in 2007 that the GDP/capita in Sudan rose over $1,000. Agriculture still contributes around one-third to the GDP. The contribution of the industry sector, that includes mining, will fall drastically in the near future because the oil is extracted and exported from Southern Sudan which is now a separate state.

Exports as percentage of GDP have been falling in recent years. Western sanctions against Sudan because of conflict in Darfour area and South Sudan possibly explain this precipitous fall. FDI net inflows since 2003 have been over a billion dollars. It is not clear whether Sudan would be able to attract sizable FDI in the near future.

Table 12. (Continued)

2002	2003	2004	2005	2006	2007	2008	2009	2010
$14.98	$17.78	$21.68	$27.39	$36.39	$46.53	$58.03	$54.63	$62.05
$418.13	$485.22	$578.20	$713.00	$924.42	$1,152.56	$1,401.23	$1,286.15	$1,424.64
42.09	38.76	35.23	31.98	30.06	28.13	26.25	29.69	23.63
20.56	21.97	25.83	28.34	29.17	31.18	34.03	26.01	33.04
8.13	7.51	7.25	6.89	6.3	6.06	5.82	6.84	5.62
37.36	39.27	38.94	39.68	40.77	40.69	39.72	44.3	43.33
13.33	14.7	17.63	18.23	16.52	19.96	22.36	15.05	19.77
$3.11	$3.37	$4.65	$7.79	$9.90	$10.66	$10.85	$11.11	$11.76
$2.45	$2.88	$4.08	$63.76	$8.07	$8.78	$9.35	$9.69	-
$0.82	$0.83	$1.06	$1.84	$2.80	$2.94	$2.62	$2.58	$2.92
$2.08	$2.58	$3.82	$4.94	$5.90	$9.26	$12.16	$8.86	$11.66
$713.18	$1,349.19	$1,511.07	$2,304.64	$3,534.08	$2,425.59	$2,600.50	$2,662.05	$2,894.38
0	0	0	0	0	0	0.15	0	0

Tunisia

Table 13. Tunisia

	End Notes	1981	1985	1990	1995	2000	2001
GDP (Current US$ Billions)	1	$8.43	$8.41	$12.29	$18.03	$19.44	$19.99
Per capita GDP (Current US$)	2	$1,285.78	$1,158.37	$1,507.23	$2,012.94	$2,033.07	$2,066.28
Agriculture, value, % of GDP	3	13.67	15.81	15.72	11.37	12.34	11.55
Industry, value, % of GDP	4	32.02	32.74	29.79	29.4	28.589	28.84
Manufacturing, Value, % of GDP	5	11.87	15.09	16.89	18.96	18.25	18.53
Services value, % of GDP	6	54.32	51.45	54.49	59.24	59.07	59.61
Exports, % of GDP	7	41.37	32.1	43.56	44.9	44.54	47.68
Imports ($Billions)	8	$4.03	$3.21	$6.04	$8.81	$9.31	$10.42
Merchandise	9	$3.79	$2.76	$5.51	$7.90	$8.57	$9.53
Services	10	$0.58	$0.61	$0.85	$1.35	$1.22	$1.42
Exports ($ Billions)	11	$3.49	$2.67	$5.20	$7.98	$8.61	$9.54
FDI net Outflows as % of GDP	13	$295.66	$107.85	$76.28	$264.34	.752.18	$486.55
FDI net Inflows (Millions)	14	0.02	-0.07	-0.01	-0.03	0.01	0.18

Note: For sources and notes see Endnotes.

Tunisia with a population of around 11 million is the second smallest country after Libya in North Africa. As the data in Table 12 shows, it made steady progress in economic diversification and development over the study period. Changing contribution of the various economic sectors is a good indication that the economy is growing in the right direction. It has not been a significant recipient of FDI flows over the years.

Tunisia is a good example that one does not need oil money for economic development in the Middle East. Its per capita GDP of $4, 199 is higher than that of oil rich Libya next door. Tunisia is the first country in the region to get rid of a dictator and in creating democracy. It may also set an example of how to better manage an economy.

Table 13. (Continued)

2002	2003	2004	2005	2006	2007	2008	2009	2010
$21.05	$24.99	$28.13	$28.97	$30.96	$35.62	$40.84	$43.52	$44.29
2151..67	$2,539.91	$2,832.07	$2,888.41	$3,057.12	$3,483.54	$3,954.42	$4,168.95	$4,198.52
10.29	12.06	12.74	11.21	10.76	10.17	9.78	7.07	-
29.55	28.28	28.2	28.87	29.18	29.14	32.14	27.24	-
18.59	17.92	17.72	17.15	17.06	16.87	17.65	15	-
60.16	59.66	59.09	59.92	60.06	60.69	58.08	65.69	-
45.23	43.81	46.92	49.72	50.38	53.22	60.2	47.26	-
$10.43	$11.91	$14.10	$14.79	$16.66	$20.84	$26.56	$21.09	-
$9.53	$10.94	$12.82	$13.18	$15.01	$19.10	$24.64	$19.10	-
$1.45	$1.61	$1.99	$2.19	$2.45	$2.81	$3.37	$2.97	-
$9.54	$10.96	$13.31	$14.65	$15.98	$20.07	$25.20	$19.92	-
$822.80	$587.60	$641.69	$723.05	$3,270.26	$1,531.89	$2,638.50	$1,595.45	$1,512.51
0.15	0.19	0.18	0.04	0.1	0.05	0.09	0.16	-

Yemen

Table 14. Yemen

	End Notes	1981	1985	1990	1995	2000	2001
GDP (Current US$ Billions)	1	-	-	$4.83	$4.24	$9.44	$9.46
Per capita GDP (Current US$)	2	-	-	$404.06	$279.66	$532.72	$517.88
Agriculture, value, % of GDP	3	24.21	20.02	10.31	11.49	11.06	14.34
Industry, value, % of GDP	4	26.78	31.97	46.5	41.64	40.14	40.3
Manufacturing, Value, % of GDP	5	9.3	14.15	5.23	5.32	5.23	4.7
Services value, % of GDP	6	49.01	48.02	43.19	46.86	48.8	45.36
Exports, % of GDP	7	14.28	50.72	42.34	36.68	38.95	38
Imports ($Billions)	8	-	-	$2.17	$2.47	$3.29	$3.45
Merchandise	9	$3.18	$2.76	$1.57	$1.58	$2.32	$2.47
Services	10	-	-	$0.68	$0.64	$0.81	$0.85
Exports ($ Billions)	11	-	-	$1.49	$2.16	$4.01	$3.53
FDI net Outflows as % of GDP	13	$39.96	$3.24	$(130.90)	$(217.70)	$6.40	$155.14
FDI net Inflows (Millions)	14	-	-	-	-	0	0

Note: For sources and notes see Endnotes.

Yemen with a population of 22.5 million is slightly smaller than Saudi Arabia, its northern neighbor. Since it is not endowed with oil resources and it is run by a dictator for decades, it has made very little progress economically. It is the poorest nation in the region. Its GDP/capita rose above $1000 only in 2008. Data on sectoral distribution of GDP are not available after 2001. Till then industry, and service sector each contributed around 40 percent to the GDP. Agriculture contributed around 14 percent in 2001. Manufacturing contributes little to the GDP. Exports contributed 27 percent to the GDP in 2009.

Yemen's economic future is a question mark since political turmoil continues at this time.

Table 14. (Continued)

2002	2003	2004	2005	2006	2007	2008	2009	2010
$9.90	$11.01	$13.87	$16.74	$19.08	$21.66	$26.92	$26.37	-
$525.85	$566.78	$692.76	$810.55	$896.35	$986.77	$1,189.63	$1,130.18	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
$3.87	$4.56	$4.92	$5.95	$7.78	$9.36	$11.68	$10.00	-
$2.92	$3.68	$3.99	$5.38	$6.07	$8.51	$10.45	$8.50	-
$0.93	$1.00	$1.06	$1.24	$1.86	$1.87	$2.35	$2.13	-
$3.79	$4.25	$5.05	$6.79	$7.87	$7.77	$10.18	$7.09	-
$114.30	$(89.11)	$143.58	$(302.06)	$1,120.98	$917.00	$1,554.62	$129.19	$(329.00)
0	0	-	-	0	0	0	0	-

Analysis of the Comparative Data of OPEC and non-OPEC Countries

The economic performances of the OPEC countries are not that dramatically better than those of the non-OPEC countries. The latter's economies are a little bit more diversified than the oil exporting nations, and they have experienced less fluctuations in their economies than the former. How do the oil exporting nations spend their bounties when oil prices jump has drawn a lot of attention from analysts interested in the subject. Chun (2010) has some interesting observations that are worthwhile to present here:

> "Nations that depend on oil sales or raw materials for their major source of government revenue might act much differently from industrialized or developed countries. States that rely on rents from the sale of their raw materials, royalties, and other payments have motives to control these raw materials. Such *rentier* economies may have few options to develop wealth other than from raw materials extraction. The governments that oversee these economies could use these revenues to placate or silence critics, create a society that depends on government largesse, or divert profits for the personal enrichment of government officials. If the economy is not fully developed, then the government might be the major source of economic strength and power in the state. The national leadership may feel the need to control the sale of raw materials, like oil, to maintain its position in society. Government officials who control all aspects of the economy, politics, and society may employ this wealth to underwrite large defense budgets to enhance their own security or to create a capability to counter a national security threat." (Chun, 2010, p.vii).

Chun's observations remarkably apply to the Middle Eastern OPEC countries. In these countries the oil or natural resources do not belong to the citizens of the countries, but to the ruling dynasties (for example, to the royal families in Saudi Arabia, Kuwait, Qatar, and UAE) and the dictators (for example, Libya) that rule them. These nations spent fortunes in defense expenditures (Zaman, 2000; see also Albdel Rahman, 2001; Al-Farhan, 2003 and Looney, 1994).

One common pattern of governance in the region, whether or not mineral rich country, is that of autocratic rule. Nigeria is the only exception after the military governments gave way to democratic rule. It is now clear that the long term rulers of Egypt, Tunisia, and Libya stashed away billions of their countries' dollars for their own benefits abroad. If the money were invested in their economies for the benefit of their citizens, they all would have been better off along with their national economies.

The billions of dollars that the oil principalities spent and continue to spend on defense, only benefit the arm merchants of the West (also some from Russia and China). These countries cannot defend themselves from external attacks. The ordinary citizens would not volunteer to fight to preserve their corrupt rulers.

Egypt, Libya, and Tunisia are most likely to see continued chaos for a while, at least until legitimate governments are elected and are able to institute institutional reforms for economic growth and development. Nigeria appears to be facing increasing ethnic and religious conflicts and its economy may likely to be regressed in the near future. Iraq is by no means out of danger of ethnic, religious, and regional conflicts, and the departure of the foreign forces may serve as an impetus for some mayhem.

Table 15. Percentile Distribution of Wealth For Selected Opec During Surveyed Years

Country	Survey Year	Gini Index	Lowest 10%	Lowest 20%	Second 20%	Third 20%	Fourth 20%	Highest 20%	Highest 10%
End Notes	17	18	19	20	21	22	23	24	25
Algeria	1988	40.19%	2.56%	6.54%	10.79%	14.82%	20.67%	47.18%	32.67%
	1995	35.3%	2.8%	7.0%	11.6%	16.1%	22.7%	42.6%	26.8%
Iran, Islamic Rep.	1986	47.42%	1.81%	4.58%	8.60%	13.39%	20.70%	52.73%	36.86%
	1990	43.6%	2.06%	5.21%	9.56%	14.39%	21.43%	49.41%	33.55%
	1998	44.1%	2.07%	5.15%	9.32%	14.17%	21.46%	49.89%	33.74%
	2005	38.28%	2.62%	6.43%	10.91%	15.54%	21.96%	45.16%	29.63%
Iraq	2007	30.86%	3.79%	8.7%	12.75%	16.69%	21.98%	39.88%	25.24%
Kuwait	-	-	-	-	-	-	-	-	-
Libya	-	-	-	-	-	-	-	-	-
Nigeria	1985	38.68%	2.47%	6.02%	10.41%	15.52%	23.04%	45.01%	28.21%
	1992	44.95%	1.42%	4%	8.8%	14.57%	23.26%	49.37%	31.53%
	1996	46.50%	1.89%	5%	9.12%	13.55%	20.22%	52.11%	37.1%
	2003	43.7%	1.9%	5%	9.6%	14.5%	21.7%	49.2%	33.2%
Qatar	2007	41.1%	1.3%	3.9%	0.0%	0.0%	0.0%	52.0%	35.9%
Saudia Arabia	-	-	-	-	-	-	-	-	-
United Arab Em.	-	-	-	-	-	-	-	-	-

Iran may not be able to maintain steady flow of oil without significant investments in the industry. With continued and possibly stricter sanctions against Iran by the West this task would be quite hard.

Conclusion

The World Bank's annual publication, *World Development Indicators*, presents data on distribution of income or consumption for the member countries. These data are collected by surveys, and consist of Gini Index, and distribution of income/consumption by percentiles. Except for Algeria, Iran, Iraq, Nigeria, and Qatar, there are no data for Saudi Arabia and UAE (see Table 15). From the data for Qatar one can guess what would the numbers indicate for these two Gulf states—highly unequal distribution of income.

It is imperative that the OPEC nations make earnest efforts to govern their countries democratically and invest their hoarded wealth for economic diversification that benefit their citizens, before oil money runs out. The Gulf oil exporting nations have been investing money in education and their educated masses need to witness real economic opportunities and fair play. If not, they should be on guard for uprisings like the one Libyans just witnessed.

Endnotes

1. Values are based upon GDP in national currency and the exchange rate projections provided by country economists for the group of other emerging market and developing countries. Exchanges rates for advanced economies are established in the WEO assumptions.
2. GDP is expressed in current U.S. dollars per person. Data are derived by first converting GDP in national currency to U.S. dollars and then dividing it by total population.
3. Agriculture corresponds to ISIC divisions 1-5 and includes forestry, hunting, and fishing, as well as cultivation of crops and livestock production. Value added is the net output of a sector after adding up all outputs and subtracting intermediate inputs. It is calculated without making deductions for depreciation of fabricated assets or depletion and degradation of natural resources. The origin of value added is determined by the International Standard Industrial Classification (ISIC), revision 3. Note: For VAB countries, gross value added at factor cost is used as the denominator.
4. Industry corresponds to ISIC divisions 10-45 and includes manufacturing (ISIC divisions 15-37). It comprises value added in mining, manufacturing (also reported as

a separate subgroup), construction, electricity, water, and gas. Value added is the net output of a sector after adding up all outputs and subtracting intermediate inputs. It is calculated without making deductions for depreciation of fabricated assets or depletion and degradation of natural resources. The origin of value added is determined by the International Standard Industrial Classification (ISIC), revision 3. Note: For VAB countries, gross value added at factor cost is used as the denominator.

5. Claims on other sectors of the domestic economy (IFS line 52S or 32S) include gross credit from the financial system to households, nonprofit institutions serving households, nonfinancial corporations, state and local governments, and social security funds.
6. Services correspond to ISIC divisions 50-99 and they include value added in wholesale and retail trade (including hotels and restaurants), transport, and government, financial, professional, and personal services such as education, health care, and real estate services. Also included are imputed bank service charges, import duties, and any statistical discrepancies noted by national compilers as well as discrepancies arising from rescaling. Value added is the net output of a sector after adding up all outputs and subtracting intermediate inputs. It is calculated without making deductions for depreciation of fabricated assets or depletion and degradation of natural resources. The industrial origin of value added is determined by the International Standard Industrial Classification (ISIC), revision 3. Note: For VAB countries, gross value added at factor cost is used as the denominator.
7. Exports of goods and services represent the value of all goods and other market ser. vices provided to the rest of the world. They include the value of merchandise, freight, insurance, transport, travel, royalties, license fees, and other services, such as communication, construction, financial, information, business, personal, and government services. They exclude compensation of employees and investment income (formerly called factor services) and transfer payments.
8. Imports of goods and services comprise all transactions between residents of a country and the rest of the world involving a change of ownership from nonresidents to residents of general merchandise, goods sent for processing and repairs, nonmonetary gold, and services. Data are in current U.S. dollars.
9. Merchandise imports show the c.i.f. value of goods received from the rest of the world valued in current U.S. dollars.
10. Services (previously nonfactor services) refer to economic output of intangible commodities that may be produced, transferred, and consumed at the same time. International transactions in services are defined by the IMF's Balance of Payments Manual (1993), but definitions may nevertheless vary among reporting economies. Data are in current U.S. dollars.
11. Exports of goods and services comprise all transactions between residents of a country and the rest of the world involving a change of ownership from residents to nonresidents of general merchandise, goods sent for processing and repairs, nonmonetary gold, and services. Data are in current U.S. dollars.
12. Value is equal to the price per unit of quantity of oil exports multiplied by the number of quantity units.
13. Foreign direct investment are the net inflows of investment to acquire a lasting management interest (10 percent or more of voting stock) in an enterprise operating in an economy other than that of the investor. It is the sum of equity capital, reinvest-

ment of earnings, other long-term capital, and short-term capital as shown in the balance of payments. This series shows net outflows of investment from the reporting economy to the rest of the world and is divided by GDP.

14. Foreign direct investment are the net inflows of investment to acquire a lasting management interest (10 percent or more of voting stock) in an enterprise operating in an economy other than that of the investor. It is the sum of equity capital, reinvestment of earnings, other long-term capital, and short-term capital as shown in the balance of payments. This series shows net inflows (new investment inflows less disinvestment) in the reporting economy from foreign investors. Data are in current U.S. dollars.
15. GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in current U.S. dollars. Dollar figures for GDP are converted from domestic currencies using single year official exchange rates. For a few countries where the official exchange rate does not reflect the rate effectively applied to actual foreign exchange transactions, an alternative conversion factor is used.
16. GDP per capita is gross domestic product divided by midyear population. GDP is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in current U.S. dollars.
17. Year in which the underlying data were collected.
18. Gini index measures the extent to which the distribution of income (or, in some cases, consumption expenditure) among individuals or households within an economy deviates from a perfectly equal distribution. A Lorenz curve plots the cumulative percentages of total income received against the cumulative number of recipients, starting with the poorest individual or household. The Gini index measures the area between the Lorenz curve and a hypothetical line of absolute equality, expressed as a percentage of the maximum area under the line. Thus a Gini index of 0 represents perfect equality, while an index of 100 implies perfect inequality.
19. Percentage share of income or consumption is the share that accrues to subgroups of population indicated by deciles or quintiles.
20. Percentage share of income or consumption is the share that accrues to subgroups of population indicated by deciles or quintiles. Percentage shares by quintile may not sum to 100 because of rounding.
21. Percentage share of income or consumption is the share that accrues to subgroups of population indicated by deciles or quintiles. Percentage shares by quintile may not sum to 100 because of rounding.
22. Percentage share of income or consumption is the share that accrues to subgroups of population indicated by deciles or quintiles. Percentage shares by quintile may not sum to 100 because of rounding.
23. Percentage share of income or consumption is the share that accrues to subgroups of population indicated by deciles or quintiles. Percentage shares by quintile may not sum to 100 because of rounding.

24. Percentage share of income or consumption is the share that accrues to subgroups of population indicated by deciles or quintiles. Percentage shares by quintile may not sum to 100 because of rounding.
25. Percentage share of income or consumption is the share that accrues to subgroups of population indicated by deciles or quintiles. Percentage shares by quintile may not sum to 100 because of rounding.
26. Data on distribution are compiled by the World Bank's Development Research Group using primary household survey data obtained from government statistical agencies and World Bank country departments. Data for high-income economies are estimated from the Luxembourg Income Study database.

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