

# The Investment Climate in Arab Countries

## 2023 Annual Report

The Arab countries attracted foreign projects worth \$200 billion during 2022

An improvement in the average sovereign ratings, risk assessment indicators and the economic performance of the Arab countries

The performance of Arab countries declined in the legislative and regulatory environment indicators, and stabilized in the factors of production



المؤسسة العربية لضمان  
الإستثمار وائتمان الصادرات  
The Arab Investment & Export  
Credit Guarantee Corporation



## The Investment Climate in the Arab Countries Report

It is an annual report published by the Arab Investment & Export Credit Guarantee Corporation (Dhamaan) since 1986. It is one of the corporation's key tools for carrying out the second part of its objectives; its responsibility towards the Arab region for spreading knowledge and developing research, studies, activities and promotional efforts pertinent to investment climate, export promotion and guarantee industry, as well as determining and promoting investment opportunities in Arab countries.

In this context, the report basically monitors major political, economic and social changes in the Arab investment climate in line with continuously developing methods aiming at keeping abreast of the latest data and information monitoring and provision ways of specialized regional and international agencies.

It also monitors changes in the volume of foreign direct investment in the region through a set of data and information bearing on new projects and actual investment inflows, relying on the databases of credible regional and international bodies. In this regard, Dhamaan welcomes the quote from the report provided that the source be mentioned, and it should be noted that the findings and interpretations contained in the report do not necessarily reflect the views of the Board, shareholders of the corporation, its board of directors or the Governments of the States they represent. Boundaries and information on any map do not mean that the corporation supports or accepts them.

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Dhamaan was established in Kuwait in 1974 as a multilateral organization owned by the governments of Arab countries and four Arab financial institutions. Its objectives come as follow:

- Promoting the inflow of Arab and foreign direct investments into Arab countries by insuring new and existing investments against political risks like expropriation, nationalization, inability to transfer, wars, civil conflicts, terrorism and breach of contract.
- Backing Arab exports and strategic and capital imports by insuring them or financing their insurance against political and commercial risks like bankruptcy and insolvency.
- Supporting local trade, leasing, financing and factoring through insurance to investors, exporters, contractors and financial institutions.
- Raising awareness and promotion for investment climate, exporting and insurance against commercial and political risks in Arab countries by means of conducting research, providing information, organizing conferences and events and offering counseling and backing to relevant bodies in the region.

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## Letter from the Director-General

Dhamaan provides its member states with the 38th annual report on the investment climate in the Arab countries for 2023. The report presents the changes and various components of the investment climate in 2022, in addition to relevant reflections on the volume of projects and inflows of FDI into the region. The expected impact of political and economic developments in the Arab region and future expectations amid the escalating conflict in Sudan and the continued ramifications of the Russian-Ukrainian war are taken into consideration.



**Abdullah A. Alsabeeh**

During 2022, most of the Arab rankings in economic indices saw remarkable improvement, which, in turn, affected many of the governing indicators of the investment climate in the Arab countries. This was evident through the corporation's monitoring of about 155 composite indicators and sub-indicators issued by more than 30 international agencies during 2022, the main results of which came as follows:

**Economic performance indicators (14 main and sub-indicators):** The average ranking of Arab countries has advanced by three places to 86th globally thanks to the improvement of the average ranking in 7 key internal performance indicators and 5 key external performance indicators. While unemployment and total investments indicators declined.

**Political and security performance indicators (29 main and sub-indicators):** The average ranking of Arab countries has improved due to the stable average of sovereign ratings - issued by Standard & Poor's, Moody's, Fitch and Capital Intelligence – for 12 Arab countries as a result of a better ranking of Qatar and Oman, the declining ranking of Kuwait and Tunisia, as well as the stability of 8 countries. On the other hand, the rating indicators for political, economic, financial, operational, trade, and investment risks, which include 25 main and sub-indicators, show that the average Arab ranking has advanced between one to 16 places.

**Legislative and regulatory environment indicators (52 main and sub-indicators):** The average Arab ranking has declined three places worldwide. This is due to stability in the governance index and improvements in the indicators of economic freedom, prosperity, and bilateral investment agreements. However, there were declines in the indicators of corruption perceptions, e-government, and investment-related indicators. In addition, the indicators of the doing business environment and investment regulatory restrictiveness remained below the global average.

**Indicators of production factors (60 indicators):** The average Arab ranking stabilized globally thanks to the stable indicators of sustainable competitiveness and knowledge, and the improved energy index. But the average ranking declined in innovation and sustainable development indicators. Although it was better than the average global ranking in the natural resources index, it was below the global average in logistic service and entrepreneurship.

The findings of the survey conducted by the corporation's research team in collaboration with Arab official liaison bodies and investment promotion authorities, regarding the latest

legislative and procedural developments in 2022, were very encouraging in view of the expected improvement of the investment climate in most countries of the region during 2023, especially with the approval and implementation of various reforms in the fields of legislation, decrees, procedures, infrastructure, technology, finance, industrial estates and free zones.

As a result of global conditions, and despite the increase in the number of FDI projects and capex in the Arab region, FDI inflows declined during the year 2022, compared to the year 2021, as indicated by the following statistics:

- FDI inflows into Arab countries slightly fell by 3% to \$54 billion during 2022 amid a drop in global FDI inflows by 12.4% to \$1.3 trillion, according to UNCTAD.
- The number of FDI projects into the Arab countries increased by 74% to 1617 projects, with the capex rising by 358% to \$200.2 billion, with growth being expected to continue in 2023, especially after the number of projects hiked by 28% and the capex by 70% to \$74 billion during the first four months of 2022.
- The number of inter-Arab investment projects increased by 84% to 245 projects, and the capex increased by 623% to \$45.6 billion to represent 22.8% of overall foreign investments in the region.

In this context, the corporation, the world's first multilateral investment guarantee provider, is expected to celebrate its golden jubilee soon. As of the end of June 2023, the cumulative value of its guaranteed operations had reached approximately \$27 billion. Al-Sabeeh stated that "Dhamaan" will continue to work towards improving the investment climate in Arab countries and promoting Arab exports to the rest of the world.

In conclusion, I am pleased to thank the different official liaison bodies, investment and export promotion agencies and relevant entities in the Arab countries for their cooperation with the corporation, as well as the Research and Country Risk Assessment Team and all those who contributed to the completion of the report in its current form. The corporation hopes that this report, among its other activities, in addition to national efforts exerted, would contribute to promoting Arab countries in order to attract more inter-Arab and foreign direct investments.

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## Remarks and clarifications about the 2023 report

- While monitoring investment climate changes in the Arab countries for the year 2022, the corporation's research team relied on about 155 sovereign ratings and composite and sub-indicators issued by more than 30 specialized international organizations, giving priority to the most comprehensive indices of the most influential elements of the investment climate.
- This year's report includes a number of new indices, mainly the Global Risk Report indicators issued by the World Economic Forum 2023, the Transparency International Corruption Perceptions Index 2022, the UN E-Government Survey 2022 Legatum Prosperity Index of Legatum Institute 2023, the Global Sustainable Competitiveness Index of SolAbility Sustainable Intelligence 2022 and Logistics Performance Index of the World Bank 2023.
- Although they are not updated, the indices of doing business environment (issued by the World Bank Group) and the FDI restrictions (issued by the Organization for Economic Cooperation and Development - OECD) for the year 2020, were listed due to their paramount importance for clarifying the institutional and procedural situation of the countries, which rarely sees significant changes every year, until new results appear for these indicators.
- The corporation's research team has ranked Arab countries based on their performance in international indices and sub-indicators. By analyzing the values obtained by each country in these indicators, the team aims to provide decision-makers with an accurate understanding of the changes in a state's position in the investment climate and related indicators. This analysis helps to identify the strengths and weaknesses in each field and determine the necessary mechanisms to improve a state's position.
- A country's global ranking in the index may change even if its value in the index has not changed, and the country's value may change but its ranking remains unchanged, due to the possibility that there could be a change in other countries' index values or in the number of the index's listed countries.
- A number of sub-indicators were repeatedly included in more than one composite index, taking the "infrastructure, governance and human capital" as an example in this regard. At the same time, the ranking of the Arab countries in those indicators was different in spite of similarity in the name, owing to several differences between these indicators, mainly the used methodology, relative weights of variables, the number of countries included, and the reference period for data collection.
- The number of countries - included in the composite indicators - may differ in the sub-indicators due to the level of data availability at the level of sub-indicators, This is the case with governance and economic freedom indices, for example.
- Conditional formatting was used to rank the countries in order to make it easy to identify the country's position in the indicators, with a view to enabling the recipient and the decision-maker to easily determine the strengths and weaknesses of the composite indices and sub-indicators, and to set reform priorities.
- The corporation asked the member countries to provide it with the most important 10 reforms undertaken to improve the investment climate. With only nine countries having responded, the corporation's research team had to count on the official websites of Arab investment authorities and ministries of investment and economy so as to monitor the countries' latest reforms with the goal of providing a clearer picture of the investment climate in Arab countries.
- In its report, the corporation is keen to present an accurate, up-to-date and holistic picture of the actual performance of Arab countries in the field of foreign direct investments. Therefore, it seeks to rely on three main sources of data in line with professional conditions, chiefly a unified data methodology. The three sources come as follows:

1- The United Nations Conference on Trade and Development (UNCTAD) database, which monitors the flows and stocks of countries' inbound and outbound FDI according to their balances of payments prepared by central banks as instructed by the International Monetary Fund. It is the internationally recognized official source of foreign direct investment data in the world.

2- The database of foreign investment projects in the world FDI Markets, which monitors greenfield foreign direct investment projects as well as their expansions. This database provides information on the number of projects, their estimated capex, job opportunities, and the projects' geographical and sectoral distribution.

3- Official government sources in the Arab countries, which can provide more comprehensive, accurate and up-to-date data, especially at the level of sectoral and geographical distribution, should international data preparation standards be followed.

**In conclusion, there could be differences between the data issued by international institutions and the data issued by local authorities, mainly due to the methodology used, relative weights of variables, and the reference period of data collection.**

## Introduction:

The Report of the Investment Climate in Arab countries for 2023 presents the changes in the indices of the investment climate and doing business environment in the region in 2022,. This is based on the insights, reports and ratings of international corporations and financial, investment and consulting institutions regarding the political, economic and institutional situations in the region's countries. These efforts are meant to boost the report's ability to explain the investment climate in a more accurate, objective and up-to-date way, covering all Arab countries and providing reliable and useful information to officials, decision-makers and the private sector's institutions in the region and the entire world.

The four-section report lists the changes in the investment climate in 2022 and their reflections on the volume of FDI projects and inflows into the region, taking into account the expected impact of political and economic developments and the Russian-Ukrainian war.

### Section One:

#### Investment Climate Changes in Arab Countries for 2022:

It includes and monitors major changes in the investment and business environment in Arab countries in 2022, based on the key composite indices issued by specialized international organizations, which are characterized by the following aspects:

- These indicators cover the various political, economic, institutional, procedural and other components of the investment climate.
- They are based on a large number of variables and sub-indicators, which are mostly linked to the country's investment and business environment whether directly or indirectly.
- All the indices are issued by reliable international agencies and are used by important investment bodies across the world, mainly multinational companies, to assess the investment climate and business environment worldwide.
- Most of the indices are updated annually and duly according to recent statistics used in the evaluation of development in the investment climate in the reporting year. In this part, there are four main components, each of which includes a group of composite indices and sub-indicators that are closely related to the investment climate in the Arab countries. They come as follows:

#### First: The group of sovereign rating and country risks indices:

It includes the variables that reflect the changes in the political situation in the Arab region, in addition to a set of economic, financial, operational and financing indicators in various terms, coming as follows:

- Sovereign rating indices: they provide an assessment of the creditworthiness of countries through the five most important global agencies specialized in this regard.
- Fitch Ratings, an index for assessing country risks, which includes five sub-indicators for assessing political, economic and operational risks.
- Composite PRS Index to assess the countries' risks and

their ability to repay debts through three sub-indicators to assess political, financial and economic risks.

- Indices for assessing country risks in trade and investment, issued by the agencies Euler Hermes, Coface, Credendo, Nexi and Dun & Bradstreet.
- The five main risks that pose a threat to the Arab countries during the coming two years, which are monitored by the Gross Rating Points (GRPS).

#### Second: The group of economic performance indices:

This part focuses on the status of the Arab countries in the most important internal and external economic performance indices that are closely related to the investment climate in the country. They come as follows:

- Indices of the internal economic situation: they include the GDP growth rate, the GDP per capita, the inflation rates, unemployment, population, and total investments as a percentage of GDP.
- External economic situation indices: they include the current account balance and its ratio to GDP, government debt to output, net lending to GDP and total debt service as a percentage of goods and services exports and primary income.

#### Third: The group of legislative and regulatory environment indices:

This part covers the institutional indices that reflect the position of the Arab countries in the main indices of the legislative and regulatory environment, in addition to their sub-indicators. They mainly come as follows:

- Worldwide Governance Indicators: to gauge the availability of the components of good governance through six dimensions: voice and accountability, political stability and absence of violence, government effectiveness, regulatory quality, rule of law, and control of corruption.
- The Economic Freedom Index: to measure and evaluate the freedom to practice economic activities through 12 sub-indicators that reflect the country's position in four main dimensions: rule of law, government size, regulatory efficiency and market openness.
- Doing Business and Regulatory Restrictiveness indices: reliance on the most important results of 2020 to illustrate a state's institutional and procedural position until new outcomes of these indices are produced.

- **Corruption Perceptions Index:** It demonstrates perceived levels of public sector corruption by using the data of 13 foreign sources and includes various formats like bribery, extreme bureaucracy, public money transfer and others.
- **E-Government Development Index:** It consists of three main dimensions: Online Service Index, Telecommunications Index and Human Capital Index.
- **Investment Treaties:** they include the cumulative number of bilateral investment agreements until 2022, as they are basic indicators to gauge the country's keenness to encourage and protect investments on its territory.
- **Legatum Prosperity Index:** It measures countries' efforts to promote their peoples' wellbeing through 12 aspects in three main fields: prosperity, open economies and population empowerment.

#### **Fourth: The production factors group of indicators :**

This section focuses on four key components of the economy - labor, land, capital, and organization - as well as technology, research and development, and other related factors. It highlights the most important composite indicators that demonstrate the status of Arab countries in each of these areas of production:

- **Natural Resources Index:** It monitors the share of oil, natural gas, coal, minerals, and forestry revenues to the state's GDP.
- **The Entrepreneurship Index:** It monitors an important variety of production factors that include six main components: innovation, competitiveness, labor skills, infrastructure, access to capital and openness to business, by tracking 18 sub-indicators.
- **Global Sustainable Competitiveness Index (GSCI):** It measures countries' competitiveness through 189 quantitative indicators, based on reliable sources like the World Bank, the International Monetary Fund and other UN agencies.
- **The Logistic Performance Index:** It covers six dimensions: customs performance, infrastructure quality, ease of arranging shipments, logistic services quality, consignments tracking and tracing and timeliness of shipments as well as practical data measuring logistics efficiency.
- **Global Energy Index:** It measures the country's ability to provide sustainable energy through three dimensions: energy security, energy equity and environmental sustainability.
- **Sustainable Development Index:** It gauges the progress made by the country in all 17 sustainable development goals, and it is measured through 231 sub-indicators, including indicators related to production factors such as work, energy and services.
- **Global Innovation Index:** It reflects the innovative performance of countries, and represents a combination of the institutional and legal environment, doing business environment, human capital, research, infrastructure and market status, in addition to knowledge, technological and creative outputs.
- **Global Knowledge Index:** It largely reflects the element of work and technology, and consists of seven basic indicators: pre-university education, higher education, technical education, training, research and development,

innovation and information technology, along with the economy and the enabling environment.

#### **Section Two: Foreign Direct Investment Projects into Arab Countries for 2022**

This section focuses on monitoring greenfield or expanded foreign direct investment projects in the Arab countries during the year 2022, based on the information contained in the database of foreign investment projects in the world FDI Markets issued by the Financial Times, which is one of the most important sources recognized by the United Nations Conference on Trade and Development (UNCTAD) in monitoring the movement of investments in the world.

In this context, the status of projects is reviewed and analyzed through four main indicators, mainly the number of foreign investment companies in the region, the number of projects implemented, the estimated capex of each project, and the number of jobs provided by those projects.

The most important information about the geographical and sectoral distribution of these projects is also extracted by presenting lists of the most important regions, countries and companies investing in the region, the most important implemented projects, the most important Arab countries and the economic sectors receiving these projects during the year 2022.

#### **Section Three: Inter-Arab Investment Projects for 2022**

This section provides more detailed information on the movement of inter-Arab investments during the year 2022, which is part of the total foreign direct investment projects in the Arab countries, mentioned in Section Two.

#### **Section Four: FDI Inflows and Stocks into Arab Countries for 2022**

This section differs from the previous sections in the nature of its data in terms of the methodology for its preparation and its source, focusing on monitoring the actual inflows of foreign direct investment into and from Arab countries according to the methodology of the International Monetary Fund (IMF) issued in the sixth edition of the balance of payments on which the United Nations Conference on Trade and Development (UNCTAD) counts to prepare that data. In this section, the overall picture of the movement of foreign direct investments into the Arab countries is completed by monitoring the actual flows, in addition to the foreign and Arab projects in the region, discussed in the second and third sections.

#### **Appendix: The Investment Climate Update in Arab Countries:**

This part covers the most significant improvements or developments of the Arab region's investment climate during the year 2022, especially in the field of legislation, decisions and procedures, in addition to the field of infrastructure, technology and finance.

#### **Conclusion and recommendations:**

This section includes a summary of the results and developments in the four sections of the report and a presentation of the most prominent recommendations that can be drawn from analyzing the performance of Arab countries in the various international indices, as well as from the reality of the actual performance of these countries in view of the size of projects and foreign direct investment flows.



## Section One: Investment Climate Changes in Arab Countries for 2022

This section handles major changes in the investment climate in Arab countries in 2022. These changes are monitored on the basis of the composite indices of specialized international organizations. All of these indices cover the various components of the investment climate at the political, economic, institutional and organizational levels, including indicators of production factors and others. They are based on a large number of variables and sub-indicators, most of which are directly or indirectly related to the conditions of the investment climate and the business environment in the Arab countries. All the indices are issued by credible international agencies and mostly updated on a periodical basis. These indices are divided into four main sets coming as follows:

- **First: Sovereign rating and country risk assessment indices**
- **Second: Economic performance indices**
- **Third: Legislative and regulatory environment**
- **Fourth: Indices of production elements.**

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Section One: Investment Climate Changes in Arab Countries for 2022

First: Sovereign rating and country risk assessment indices.

### 1-1-1 Sovereign Rating Indices

The position of the Arab countries in world rating agencies' sovereign ratings was relatively stable during 2022 despite mounting political and economic tensions in several world regions, based on a set of regional developments and factors, mainly the continued hike of over 41% in oil prices, compared with 2021, and relative tranquility of several regional flashpoints.

**At the country level covered by Sovereign Ratings, the main results were as follows:**

- Seven Arab countries, notably Qatar, Kuwait, Saudi Arabia, Oman, Jordan, Bahrain and Egypt were rated by the world's four major credit rating agencies, Standard & Poor's, Moody's, Fitch and Capital Intelligence.
- The UAE, Morocco, Iraq and Lebanon were rated by three rating agencies, while Tunisia was rated by Moody's and Fitch during 2022.
- Nine Arab countries; Algeria, Libya, Yemen, Sudan, Syria, Palestine, Somalia, Mauritania and Djibouti were not rated by any of the four agencies until 2022.
- There is a high degree of consistency among sovereign ratings of the Arab countries according to the four agencies.

**Changes in Sovereign Rating:**

- The average rating of the Arab countries in the four agencies' sovereign ratings was stable between 2021 and 2022, with the improvement of the rating of Qatar and Oman according to Standard & Poor's, while Kuwait and Tunisia declined in Fitch rating at the end of 2022.
- The UAE, Qatar, Kuwait and Saudi Arabia were rated A in different grades, representing a high sovereign rating during 2021 and 2022.
- During 2021 and 2022, Morocco, Oman, Bahrain, Jordan and Egypt were rated B in different grades by most rating agencies.
- Iraq was rated between B and C by Fitch, Standard & Poor's and Moody's during 2021 and 2022.

**Stability**

Of most of the sovereign ratings of the Arab countries during 2022 according to the world's four main rating agencies

**Improvement**

Of the rating of Qatar and Oman according to Standard & Poor's, and decline in the rating of Kuwait and Tunisia according to Fitch at end of 2022

| Sovereign Ratings        | تصنيف وكالة موديز | تصنيف وكالة ستاندراند اند بورز | تصنيف وكالة فيتش | تصنيف أي انش اس ماركت | تصنيف كابيتال انتليجينس | التصنيفات السيادية            |
|--------------------------|-------------------|--------------------------------|------------------|-----------------------|-------------------------|-------------------------------|
|                          | Moody's Rating    | S&P Rating                     | Fitch Rating     | IHS Markit Rating     | CI Ratings              |                               |
| Minimal Credit Risk      | Aaa               | AAA                            | AAA              | AAA                   | AAA                     | الحد الأدنى من مخاطر الائتمان |
|                          | Aa1               | AA+                            | AA+              | AA+                   | AA+                     | مخاطر ائتمانية منخفضة جدا     |
| Very Low Credit Risk     | Aa2               | AA                             | AA               | AA                    | AA                      |                               |
|                          | Aa3               | AA-                            | AA-              | AA-                   | AA-                     |                               |
| Low Credit Risk          | A1                | A+                             | A+               | A+                    | A+                      | مخاطر ائتمانية منخفضة         |
|                          | A2                | A                              | A                | A                     | A                       |                               |
|                          | A3                | A-                             | A-               | A-                    | A-                      |                               |
| Moderate Credit Risk     | Baa1              | BBB+                           | BBB+             | BBB+                  | BBB+                    | مخاطر ائتمانية متوسطة         |
|                          | Baa2              | BBB                            | BBB              | BBB                   | BBB                     |                               |
|                          | Baa3              | BBB-                           | BBB-             | BBB-                  | BBB-                    |                               |
| Substantial Credit Risk  | Ba1               | BB+                            | BB+              | BB+                   | BB+                     | مخاطر ائتمانية أساسية         |
|                          | Ba2               | BB                             | BB               | BB                    | BB                      |                               |
|                          | B3a               | BB-                            | BB-              | BB-                   | BB-                     |                               |
| High Credit Risk         | B1                | B+                             | B+               | B+                    | B+                      | مخاطر ائتمانية مرتفعة         |
|                          | B2                | B                              | B                | B                     | B                       |                               |
|                          | B3                | B-                             | B-               | B-                    | B-                      |                               |
| Very High Credit Risk    | Caa1              | CCC+                           | CCC+             | CCC+                  | CCC+                    | مخاطر ائتمانية مرتفعة جدا     |
|                          | Caa2              | CCC                            | CCC              | CCC                   | CCC                     |                               |
|                          | Caa3              | CCC-                           | CCC-             | CCC-                  | CCC-                    |                               |
| Maybe in or Near Default | Ca                | CC                             | CC               | CC                    | CC                      | قريب من التخلف عن السداد      |
|                          | C                 | C                              | C                | C                     | C                       |                               |
| Default                  | D                 | D                              | D                | D                     | D                       | متخلف عن السداد               |

Source: International Credit Rating Agencies

المصدر : وكالات التصنيف الائتماني العالمية

Section One: Investment Climate Changes in Arab Countries for 2022

First: Sovereign rating and country risk assessment indices.

- Six Arab countries were assigned a stable outlook by the Standard & Poor's at the end of 2022, while Saudi Arabia and Bahrain were assigned a positive outlook and Morocco had a negative outlook.
- Seven Arab countries were given a stable outlook by Fitch, as Saudi Arabia got a positive outlook, and Jordan and Egypt had a negative outlook at the end of 2022.
- Seven Arab countries were assigned a stable outlook by Capital Intelligence, while Jordan had a positive outlook at the end of 2022.

التقييمات السيادية للدول العربية من قبل أهم الوكالات العالمية بنهاية ديسمبر 2022

Sovereign Ratings of Arab Countries by the Most Important International Agencies, December 2022

| Ranking | Country      | ستاندرد آند بورز<br>Standard & Poor's |                              | موديز<br>Moody's                    | فيتش<br>Fitch                       |                              | كابيتال انتليجينس<br>Capital Intelligence |                              | الدولة     | الترتيب |
|---------|--------------|---------------------------------------|------------------------------|-------------------------------------|-------------------------------------|------------------------------|---|------------------------------|------------|---------|
|         |              | التقييم السيادي<br>Sovereign Rating   | النظرة المستقبلية<br>Outlook | التقييم السيادي<br>Sovereign Rating | التقييم السيادي<br>Sovereign Rating | النظرة المستقبلية<br>Outlook | التقييم السيادي<br>Sovereign Rating       | النظرة المستقبلية<br>Outlook |            |         |
| 1       | Qatar        | AA                                    | Stable / مستقر               | Aa3                                 | AA-                                 | Stable / مستقر               | AA-                                       | Stable / مستقر               | قطر        | 1       |
| 2       | UAE          | —                                     | —                            | Aa2                                 | AA-                                 | Stable / مستقر               | AA-                                       | Stable / مستقر               | الإمارات   | 2       |
| 3       | Kuwait       | A+                                    | Stable / مستقر               | A1                                  | AA-                                 | Stable / مستقر               | A+  | Stable / مستقر               | الكويت     | 3       |
| 4       | Saudi Arabia | A-                                    | Positive/ إيجابي             | A1                                  | A                                   | Positive/ إيجابي             | A+  | Stable / مستقر               | السعودية   | 4       |
| 5       | Morocco      | BBB-                                  | Negative/ سلبي               | Ba1                                 | BB+                                 | Stable / مستقر               | —   | —                            | المغرب     | 5       |
| 6       | Oman         | BB                                    | Stable / مستقر               | Ba3                                 | BB                                  | Stable / مستقر               | BB  | Stable / مستقر               | سلطنة عمان | 6       |
| 7       | Jordan       | B+                                    | Stable / مستقر               | B1                                  | BB-                                 | Negative/ سلبي               | B+  | Positive/ إيجابي             | الأردن     | 7       |
| 8       | Bahrain      | B+                                    | Positive/ إيجابي             | B2                                  | B+                                  | Stable / مستقر               | B+  | Stable / مستقر               | البحرين    | 8       |
| 9       | Egypt        | B                                     | Stable / مستقر               | B2                                  | B+                                  | Negative/ سلبي               | B+  | Stable / مستقر               | مصر        | 9       |
| 10      | Iraq         | B-                                    | Stable / مستقر               | Caa1                                | B-                                  | Stable / مستقر               | —   | —                            | العراق     | 10      |
| 11      | Tunisia      | —                                     | —                            | Caa1                                | CCC+                                | —                            | —   | —                            | تونس       | 11      |
| 12      | Lebanon      | SD                                    | —                            | C                                   | C                                   | —                            | —   | —                            | لبنان      | 12      |

Sovereign credit rating, solvency or creditworthiness is an independent rating of a state's creditworthiness by specialized global agencies to give markets and investors **insights on** the level of various risks associated with investing in that country's debt, by assessing its ability to fulfill its financial obligations on time and in full. In other words, it provides a common and transparent universal language for investors and other market participants, companies and governments to become part of decision-making processes at all levels. In a clearer sense, credit rating or creditworthiness can be defined as a degree that shows to **what extent** a country or institution can pay off its debts. A credit rating agency assesses the economic and political environment of the state on the basis of several indicators, usually at the behest of the state, given that a good sovereign credit rating is essential for countries, especially developing ones that are willing to obtain financing from international financial markets, as well as its utmost importance to enhancing the confidence of international investors and attracting foreign direct investment.

Standard & Poor's, Moody's and Fitch are the three most influential agencies, followed by Capital Intelligence. Numbering varies from one agency to another, although they all use three main components: letters, numbers, symbols + and -, along with outlook.

Section One: Investment Climate Changes in Arab Countries for 2022

First: Sovereign rating and country risk assessment indices.

1-1-2 Fitch Country Risk Index

**The Ranking of 10 Arab countries improved in Fitch Index during 2022, while 8 others, led by Djibouti, declined**

*The average ranking of Arab countries improved slightly in the Fitch Country Risk Index in 2022, moving from an average ranking of 125 in 2021 to 124 in 2022, as a result of the better ranking of 10 Arab countries, and the stability of the ranking of Mauritania, Somalia and Sudan, while eight Arab countries' ranking declined.*

- The GCC member states, Jordan, Morocco and Egypt had a better ranking than the global average, but 12 Arab countries were below this average, with Algeria ranked 132nd and Yemen 200th.
- At the sub-indicators level, Arab countries recorded the best ranking in the operational risk indicator for 2021 and 2022, followed by the short-term political risk indicator.
- The GCC member states led the ranking, with the UAE coming first (21st globally), followed by Saudi Arabia (33rd globally), Qatar (38th globally), Oman (39th globally), Kuwait (50th globally) and Bahrain (57th globally).
- Egypt, Jordan, Iraq and Morocco retained their ranking among the top five Arab countries in one of the five sub-indicators of Fitch Country Risk Index during 2021 and 2022.

**The GCC countries, Jordan, Morocco and Egypt kept their better ranking than the global average during 2022**

| الترتيب العالمي للدول العربية في مؤشر فيتش لمخاطر الدول   |              |                                     |   |  |  |   |                               |      |      |        |                     |    |
|---|--------------|-------------------------------------|---|--|--|---|-------------------------------|------|------|--------|---------------------|----|
| Global Rank of Arab Countries in Fitch Country Risk Index |              |                                     |   |  |  |   |                               |      |      |        |                     |    |
| Arab Ranking 2022   | Country      | المؤشرات الفرعية Sub-indicators     |   |  |  |   | المؤشر المركب Composite Index |      |      | الدولة | الترتيب العربي 2022 |    |
|   |              | المخاطر التشغيلية Operational Risks | المخاطر الاقتصادية في المدى الطويل long Term Economic Risks | المخاطر الاقتصادية في المدى القصير Short Term Economic Risks | المخاطر السياسية في المدى الطويل long Term Political Risks | المخاطر السياسية في المدى القصير Short Term Political Risks | التغير Change                 | 2022 | 2021 |        |                     |    |
| 1   | UAE          | 11                                  | 49  | 38   | 32   | 8   | ↑                             | 6    | 21   | 27     | الإمارات            | 1  |
| 2   | Saudi Arabia | 35                                  | 27  | 4  | 98   | 40  | ↑                             | 9    | 33   | 42     | السعودية            | 2  |
| 3   | Qatar        | 29                                  | 59  | 65   | 61   | 11  | ↑                             | 5    | 38   | 43     | قطر                 | 3  |
| 4   | Oman         | 39                                  | 66  | 38   | 55   | 14  | ↑                             | 5    | 39   | 44     | سلطنة عمان          | 4  |
| 5   | Kuwait       | 59                                  | 61  | 48   | 73   | 38  | ↑                             | 2    | 50   | 52     | الكويت              | 5  |
| 6   | Bahrain      | 31                                  | 88  | 105  | 101  | 52  | ↑                             | 9    | 57   | 66     | البحرين             | 6  |
| 7   | Jordan       | 59                                  | 103   | 127  | 70   | 82  | ↑                             | 3    | 73   | 76     | الأردن              | 7  |
| 8   | Morocco      | 71                                  | 106   | 136  | 64   | 112   | ↓                             | (3)  | 86   | 83     | المغرب              | 8  |
| 9   | Egypt        | 83                                  | 61  | 114  | 118  | 123   | ↓                             | (1)  | 91   | 90     | مصر                 | 9  |
| 10  | Algeria      | 135                                 | 131   | 98   | 149  | 119   | ↑                             | 2    | 132  | 134    | الجزائر             | 10 |
| 11  | Tunisia      | 105                                 | 175   | 181  | 95   | 161   | ↓                             | (1)  | 142  | 141    | تونس                | 11 |
| 12  | Djibouti     | 174                                 | 168   | 192  | 131  | 90  | ↓                             | (13) | 164  | 151    | جيبوتي              | 12 |
| 13  | Iraq         | 158                                 | 120   | 61   | 182  | 183   | ↑                             | 5    | 167  | 172    | العراق              | 13 |
| 14  | Lebanon      | 114                                 | 187   | 176  | 180  | 180   | ↓                             | (1)  | 174  | 173    | لبنان               | 14 |
| 15  | Mauritania   | 178                                 | 176   | 171  | 170  | 159   | ↔                             | 0    | 178  | 178    | موريتانيا           | 15 |
| 16  | Palestine    | 158                                 | 184   | 152  | 181  | 195   | ↑                             | 3    | 181  | 184    | فلسطين              | 16 |
| 17  | Libya        | 176                                 | 147   | 110  | 197  | 193   | ↓                             | (1)  | 186  | 185    | ليبيا               | 17 |
| 18  | Syria        | 171                                 | 161   | 183  | 199  | 189   | ↓                             | (3)  | 193  | 190    | سوريا               | 18 |
| 19  | Somalia      | 198                                 | 148   | 189  | 195  | 192   | ↔                             | 0    | 195  | 195    | الصومال             | 19 |
| 20  | Sudan        | 186                                 | 196   | 201  | 187  | 199   | ↔                             | 0    | 197  | 197    | السودان             | 20 |
| 21  | Yemen        | 197                                 | 197   | 199  | 194  | 200   | ↓                             | (1)  | 200  | 199    | اليمن               | 21 |
| Arab Average  |              | 113                                 | 124   | 123  | 130  | 121   | ↑                             | 1    | 124  | 125    | المتوسط العربي      |    |
| Number of Countries                                       |              | 201                                 | 201   | 201  | 201  | 201   |                               |      | 201  | 201    | عدد الدول بالمؤشر   |    |

Fitch Country Risk Index measures the relative strength of the fundamentals of 201 countries around the world and the impact of shocks on them through three risk dimensions: economic, political and operational. The index determines risks at a composite score of zero (low score= higher risk) to 100 (higher score= lower risk), based on the five risk sub-indicators: long-term political risks, short-term political risks, short-term economic risks, long-term economic risks and operational risks. Each sub-indicator measures the following:

- Operational Risk Index gauges the quality of the business environment in four areas: labor market, trade, investment and logistics, crime and security.
- The Short-Term Political Risk Index (STPRI) assesses political risks related to the stability of the investment climate: policy-making, social stability, security, external threats and the continuity of the political process.
- Long-Term Political Risk Index (LTPRI) assesses state risks through four key components: governance characteristics, community characteristics, state scope and continuity of the political process.
- Short-Term Economic Risk Index (STERI) identifies current weaknesses by assessing economic growth status, monetary policy, fiscal policy and external factors as well as short-term financial market performance.
- Long-Term Economic Risk Index (LTERI) determines weaknesses by assessing economic growth status, monetary policy, fiscal policy and external factors as well as long-term financial market performance and structural characteristics.

Section One: Investment Climate Changes in Arab Countries for 2022

First: Sovereign rating and country risk assessment indices

1-1-3 PRS Country Risk Index

*The average ranking of the Arab countries in the PRS Country Risk Index improved by 11 positions during 2022 as a result of the better ranking of 13 countries in the index, and the stability of Syria, while Morocco, Egypt, Yemen and Lebanon, declined.*

- The GCC member states, Libya, Iraq, and Algeria were better than both Arab and global averages, while nine Arab countries were below both averages, with Morocco ranked 90th and Lebanon 141st.
- Two GCC countries; Saudi Arabia (fifth globally) and the UAE (eighth globally) were among the top 10 countries worldwide (the lowest at the level of risks).
- Kuwait came third among the Arab countries (13th globally), followed by Qatar (17th globally), and Oman (19th globally) as fourth and fifth respectively. Libya, Iraq, Algeria and Bahrain ranked between 58th and 71st worldwide respectively.
- Algeria, Oman, Kuwait, Iraq, and Libya recorded unprecedented jumps in the index, having advanced between 45th and 32nd places during 2022.
- At the level of sub-indicators: Arab countries recorded the best average ranking in the financial and economic risk index. Algeria, Saudi Arabia, and Iraq were among the top five positions worldwide in the financial risk index, buoyed by the rise in the global oil price by roughly 41% per barrel during 2022.

13 Arab countries' ranking in PRS Index improved in 2022, while Egypt, Morocco, Lebanon, and Yemen declined

الترتيب العالمي للدول العربية في مؤشر PRS لمخاطر الدول لعام 2022

Global Ranking for Arab Countries in PRS Country Risk Index, 2022

| Arab Ranking 2022          | Country      | المؤشرات الفرعية Sub-indicators             |   |  | التغير Change | المؤشر المركب Composite Index |      | الدولة            | الترتيب العربي 2022 |
|----------------------------|--------------|---|---|--|---------------|-------------------------------|------|-------------------|---------------------|
|                            |              | مؤشر المخاطر الاقتصادية Economic Risk Index | مؤشر المخاطر المالية Financial Risk Index | مؤشر المخاطر السياسية Political Risk Index |               | 2022                          | 2021 |                   |                     |
| 1                          | Saudi Arabia | 2   | 2   | 31   | ↑ 13          | 5                             | 18   | السعودية          | 1                   |
| 2                          | UAE          | 1   | 43  | 27   | ↑ 12          | 8                             | 20   | الإمارات          | 2                   |
| 3                          | Kuwait       | 3   | 7   | 55   | ↑ 39          | 13                            | 52   | الكويت            | 3                   |
| 4                          | Qatar        | 3   | 39  | 41   | ↑ 4           | 17                            | 21   | قطر               | 4                   |
| 5                          | Oman         | 7   | 39  | 44   | ↑ 41          | 19                            | 60   | سلطنة عمان        | 5                   |
| 6                          | Libya        | 13  | 7   | 118  | ↑ 32          | 58                            | 90   | ليبيا             | 6                   |
| 7                          | Iraq         | 16  | 4   | 120  | ↑ 34          | 61                            | 95   | العراق            | 7                   |
| 8                          | Algeria      | 90  | 1   | 102  | ↑ 45          | 66                            | 111  | الجزائر           | 8                   |
| 9                          | Bahrain      | 61  | 91  | 60   | ↑ 6           | 71                            | 77   | البحرين           | 9                   |
| 10                         | Morocco      | 115   | 55  | 78   | ↓ (13)        | 90                            | 77   | المغرب            | 10                  |
| 11                         | Jordan       | 90  | 64  | 91   | ↑ 8           | 90                            | 98   | الأردن            | 11                  |
| 12                         | Tunisia      | 110   | 116                                       | 85   | ↑ 3           | 107                           | 110  | تونس              | 12                  |
| 13                         | Egypt        | 103   | 124                                       | 111  | ↓ (22)        | 123                           | 101  | مصر               | 13                  |
| 14                         | Somalia      | 103   | 71  | 141  | ↑ 4           | 131                           | 135  | الصومال           | 14                  |
| 15                         | Yemen        | 134   | 118                                       | 139  | ↓ (4)         | 138                           | 134  | اليمن             | 15                  |
| 16                         | Syria        | 138   | 135                                       | 135  | 0             | 139                           | 139  | سوريا             | 16                  |
| 17                         | Sudan        | 137   | 135                                       | 140  | ↑ 1           | 140                           | 141  | السودان           | 17                  |
| 18                         | Lebanon      | 141   | 135                                       | 129  | ↓ (6)         | 141                           | 135  | لبنان             | 18                  |
| <b>Arab Average</b>        |              | 70  | 66  | 92   | ↑ 11          | 79                            | 90   | المتوسط العربي    |                     |
| <b>Number of Countries</b> |              | 141   | 141                                       | 141  | 141           | 141                           | 141  | عدد الدول بالمؤشر |                     |

The PRS Group has been providing a composite index that measures political, financial and economic risks in 142 countries around the world for more than 40 years, and it is one of the most comprehensive and in-depth indicators. The Group is making predictions about these indicators in each country over a period of one to five years, in order to provide insight into the risks. The composite index is grouped so that the political risk rating contributes 50% of the composite rating, while the financial and economic risk rating contributes 25% each, and the higher the calculated rating of countries in the index and its sub-components, the lower the risk degree in the country, as follows:

- Political risks include an assessment of the political stability of States on a comparative basis by calculating the risk points of the index's 12 sub-components: government stability, military interference in politics, social and economic conditions, religious tensions and investment status, the rule of law and order, internal conflict, ethnic tensions, external conflict, accountability and democracy, corruption and bureaucracy.
- Financial risks include an assessment of the state's financial situation through a set of indicators: total external debt as a percentage of GDP, the ratio of both debt servicing and current account to exports of goods and services, as well as coverage of net international liquidity of imports, stable exchange rate and its change percentage.
- Economic risks provide an assessment of the economic strengths and weaknesses of the State through a set of components: average per capita GDP, real GDP growth rate, annual inflation rate, budget balance as a proportion of output, and current account balance as a proportion of output.

Section One: Investment Climate Changes in Arab Countries for 2022

First: Sovereign rating and country risk assessment indices

1-1-4 Indices of country risks related to trade (1)

According to the world's most important agencies and institutions specializing in assessing the risks of countries related to trading across borders, primarily Credendo Group, Allianz Trade, Nexi of Japan and Dun & Bradstreet, the findings came as follows:

- The position of the Arab countries in the eight indices of country risks related to trade advanced from 116 in 2021 to 100 in 2022 as a result of an improvement in the average ranking of all Arab countries in the index, but Tunisia declined by three places.
- Ten Arab countries had a better level than the Arab average in the eight indices during 2022, but 11 countries were below the Arab average, with Djibouti coming 122nd and Palestine 149th.
- The Arab countries recorded the best performance according to their global ranking in the Dun & Bradstreet index for trading across borders, followed by Credendo index for trade risks in exportation.
- Kuwait came first at the Arab level in trade risk indices (i.e., the lowest in risks of trading across borders and the most solvent to pay off its debts in trade transactions), and came first at both Arab and global levels in Credendo short term political risks in export transactions to the country, and Allianz Trade for short-term country risk indices .
- Saudi Arabia came second in the Arab average in trading across border risks and recorded the best ranking in Allianz Trade for short-term risks and Dun & Bradstreet indices by coming first in both Arab and global averages.
- Qatar was ranked third in the Arab world

by recording its best ranking in Allianz Trade index for short-term risks, Dun & Bradstreet then Credendo index for commercial risks.

- The UAE dropped to the fourth place at the Arab level in the eight indices during 2022, but it was still in the lead in both Arab and global rankings in Dun & Bradstreet index for trade risks.
- Morocco came fifth, Oman sixth, Bahrain and Algeria seventh, Jordan and Egypt ninth in the Arab ranking of the eight indices.

**Allianz Trade Index:** It categorizes country risks by assessing the inability of companies to pay in both medium and short terms. The country risk index, provided by Allianz Trade, measures the risks of corporate insolvency in 241 countries around the world. This risk is due to uncontrollable circumstances or events. The overall rating consists of: **State degree:** The medium-term classification measures any economic imbalances, quality of business environment and the probability of political risks, and is divided into six levels ranging from AA (the lowest risk) to D (the highest risk). **State risk level:** A short-term classification that identifies the most pressing threats on a scale of four levels starting from 1 that means the lowest risk to 4 that means the highest risk by focusing on output trends and macroeconomic indicators over the next six to 12 months, especially those which could lead to a financial crisis that disrupts financial flows.

**Nexi Index:** It assesses risks in 142 countries around the world by discussing a number of factors, including the state's ability to pay debts, and economic and financial conditions, and identifies the category to which each country or region belongs, based on the decisions of the OECD Country Risk Experts Meeting. The index consists of eight levels in the upward order of risks from A (the lowest risk) to H (the highest risk)

**Dun & Bradstreet index:** The index provides a comparative assessment of the risks of trading across borders in a country, and the index is divided into seven levels ranging from 1 (the lowest risk) to 7 (the highest risk). It gives comprehensive information on changes in the business environment in 104 countries around the world.

Credendo export indicators (covering 240 countries around the world):

- Political risks in export transactions: It gauges the likelihood of a risk resulting from political events associated with trade transactions for a period of one year (in the short term) and longer than a year (medium and long terms) on a scale of 1 (the lowest risk) to 7 (the highest risk).
- Trade risk: Credendo Trade Risk Index in export transactions measures country risk factors that only affect the risk of default for debtors, thereby excluding political risks. Countries are categorized on a risk scale of three categories ranging from (A), the lowest risk, to (C), the highest risk.

Improvement

In the Arab average in country trade risk indices in 2022

Kuwait

has lowest trading across border risks and the most solvent to pay off its debts in trade transactions in 2022, among Arab countries

Section One: Investment Climate Changes in Arab Countries for 2022

First: Sovereign rating and country risk assessment indices

1-1-4 Indices of country risks related to trade (2)

الترتيب العالمي للدول العربية في أهم مؤشرات مخاطر الدول المتعلقة بالمعاملات التجارية - 2022

Global Rank of Arab Countries in the Most Important Indicators of Country Risks Related to Trade Transactions-2022

| Arab Ranking        | Country      | التغير | التصنيفات أخرى للمخاطر التجارية |                       |                       | تصنيف كريدنبدو لمخاطر التصدير إلى الدولة |                                  |                                 |                              |                              |                              |                              |                              | الدولة            | الترتيب العربي |
|---------------------|--------------|--------|---------------------------------|-----------------------|-----------------------|--|----------------------------------|---------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|-------------------|----------------|
|                     |              |        | المؤوسط العام للترتيب           | المؤوسط العام للترتيب | المؤوسط العام للترتيب | تصنيف التعاون الاقتصادي والتنمية         | المخاطر التجارية                 | مخاطر سياسية في المدى القصير    | مخاطر سياسية في المدى الطويل | مخاطر سياسية في المدى القصير | مخاطر سياسية في المدى الطويل | مخاطر سياسية في المدى القصير | مخاطر سياسية في المدى الطويل |                   |                |
|                     |              | Change | Average Rank 2022               | Average Rank 2021     | D&B Rating            | NEXI Risk Index for Trade                | Allianz Trade Medium Term Rating | Allianz Trade Short Term Rating | Premium classification OECD  | Commercial Risk              | Political Risk M/L Term      | Political Risk Short Term    |                              |                   |                |
| 1                   | Kuwait       | ▲      | 29                              | 27                    | 56                    | 10                                       | 27                               | 69                              | 1                            | 42                           | 5                            | 64                           | 1                            | الكويت            | 1              |
| 2                   | Saudi Arabia | ▲      | 31                              | 34                    | 65                    | 1  | 27                               | 69                              | 1                            | 42                           | 5                            | 64                           | 66                           | السعودية          | 2              |
| 3                   | Qatar        | ▲      | 29                              | 41                    | 70                    | 1  | 42                               | 69                              | 1                            | 49                           | 5                            | 93                           | 66                           | قطر               | 3              |
| 4                   | UAE          | ▲      | 14                              | 47                    | 61                    | 1  | 27                               | 99                              | 74                           | 42                           | 5                            | 64                           | 66                           | الإمارات          | 4              |
| 5                   | Morocco      | ▲      | 8                               | 67                    | 75                    | 38                                       | 42                               | 69                              | 115                          | 49                           | 65                           | 93                           | 66                           | المغرب            | 5              |
| 6                   | Oman         | ▲      | 44                              | 68                    | 112                   | 10                                       | 84                               | 69                              | 74                           | 74                           | 5                            | 115                          | 111                          | سلطنة عمان        | 6              |
| 7                   | Bahrain      | ▲      | 24                              | 88                    | 112                   | 10                                       | 84                               | 118                             | 115                          | 93                           | 5                            | 140                          | 139                          | البحرين           | 7              |
| 7                   | Algeria      | ▲      | 11                              | 88                    | 99                    | 63                                       | 68                               | 118                             | 115                          | 74                           | 65                           | 93                           | 111                          | الجزائر           | 7              |
| 9                   | Jordan       | ▲      | 23                              | 91                    | 114                   | 38                                       | 68                               | 118                             | 115                          | 74                           | 5                            | 140                          | 167                          | الأردن            | 9              |
| 9                   | Egypt        | ▲      | 7                               | 98                    | 105                   | 38                                       | 68                               | 118                             | 115                          | 74                           | 65                           | 140                          | 167                          | مصر               | 9              |
| 11                  | Djibouti     | ▲      | 29                              | 122                   | 151                   | ....                                     | 103                              | 118                             | 115                          | 119                          | 65                           | 192                          | 139                          | جيبوتي            | 11             |
| 12                  | Tunisia      | ▼      | (3)                             | 127                   | 124                   | 63                                       | 84                               | 166                             | 175                          | 119                          | 65                           | 140                          | 201                          | تونس              | 12             |
| 13                  | Iraq         | ▲      | 11                              | 129                   | 140                   | 63                                       | 103                              | 166                             | 175                          | 119                          | 65                           | 140                          | 201                          | العراق            | 13             |
| 14                  | Mauritania   | ▲      | 20                              | 130                   | 150                   | ....                                     | 103                              | 166                             | 175                          | 119                          | 65                           | 140                          | 139                          | موريتانيا         | 14             |
| 15                  | Lebanon      | ▲      | 12                              | 138                   | 150                   | 63                                       | 103                              | 166                             | 175                          | 119                          | 65                           | 192                          | 218                          | لبنان             | 15             |
| 15                  | Sudan        | ▲      | 17                              | 138                   | 155                   | 63                                       | 103                              | 166                             | 175                          | 119                          | 65                           | 192                          | 218                          | السودان           | 15             |
| 17                  | Libya        | ▲      | 13                              | 142                   | 155                   | 101                                      | 103                              | 166                             | 175                          | 119                          | 65                           | 192                          | 218                          | ليبيا             | 17             |
| 17                  | Syria        | ▲      | 13                              | 142                   | 155                   | 101                                      | 103                              | 166                             | 175                          | 119                          | 65                           | 192                          | 218                          | سوريا             | 17             |
| 17                  | Yemen        | ▲      | 13                              | 142                   | 155                   | 101                                      | 103                              | 166                             | 175                          | 119                          | 65                           | 192                          | 218                          | اليمن             | 17             |
| 20                  | Somalia      | ▲      | 16                              | 148                   | 164                   | ....                                     | 103                              | 166                             | 175                          | 119                          | 65                           | 192                          | 218                          | الصومال           | 20             |
| 21                  | Palestine    | ▲      | 27                              | 149                   | 175                   | ....                                     | ....                             | ....                            | ....                         | 119                          | 65                           | 192                          | 218                          | فلسطين            | 21             |
| Arab Average        |              | ▲      | 16                              | 100                   | 116                   | 45                                       | 77                               | 126                             | 121                          | 92                           | 45                           | 141                          | 151                          | المؤوسط العربي    |                |
| Number of Countries |              |        |                                 | 203                   | 199                   | 104                                      | 142                              | 241                             | 241                          | 179                          | 240                          | 240                          | 240                          | عدد الدول بالمؤشر |                |

Credendo index for commercial risks in export transactions rates 240 countries in line with three levels: A (low risk level including four countries), B (medium risk level including 60 with seven Arab countries among them), and C (high risk level including 167 countries with 14 Arab countries among them) during 2022.

Section One: Investment Climate Changes in Arab Countries for 2022

First: Sovereign rating and country risk assessment indices

1-1-5 Indicators of country risks related to investment and business (1)

According to Coface rating of country risks and business environment risks, as well as Credendo rating of direct investment risks in Arab countries, the Arab average witnessed a slight improvement during 2022 as a result of the better average of 18 Arab countries in the six indices, while the average of Egypt, Tunisia and Mauritania declined.

The Arab average witnessed a slight improvement during 2022 in six indices of Credendo rating of direct investment risks in Arab countries, as a result of the better average of 18 Arab countries in the six indices, while the average of Egypt, Tunisia and Mauritania declined.

- Eleven Arab countries were better than the Arab average in the six indices of direct investment into a country for 2022, while 10 others were below the Arab average, ranging between 127th and 199th places.
- The Arab countries retained the best performance in the average ranking of Coface index for country risk assessment and Coface index for business environment assessment, then Credendo index for expropriation and government action in direct investments in the country, but they recorded the worst performance in Credendo index for political violence risks.
- The UAE kept leading the indices of business risks (i.e., the lowest in investment and business environment risks), by recording the best performance worldwide in Coface index for country risks during 2021 and 2022, by coming 17th globally.
- Qatar came second among the Arab countries in the investment climate risk index and recorded its best global ranking in Coface country risk index and Credendo index for business environment risks by coming 29th globally.
- Kuwait was ranked third among the Arab countries and recorded its best ranking in Coface country risk index and Credendo business climate risk index.
- Oman was placed fourth in the Arab world in the six indices and recorded its

best ranking in Credendo indices for business environment risks, and expropriation and government action respectively.

- Strikingly, Jordan, Morocco, Egypt, Algeria, Tunisia, Mauritania and Djibouti had the first five Arab positions in at least one of the six indices pertinent to investment risks in a country during 2022.

**Credendo business environment risk index** (covering 240 countries around the world): An index has been developed to assess the business environment in export operations by assessing the risks resulting from the default of the debtor, the commercial sector and the state in debt repayment. It includes economic and financial indicators such as fluctuations in exchange rates, domestic financing costs, inflation, etc., as well as indicators reflecting the State's experience in payment due to default, on a scale from A (the lowest risk) to G (the highest risk).

**Credendo risk Index for direct investments** (covering 240 countries around the world): Credendo Group takes into account the political events and relevant risks like expropriation (confiscation), political violence, inconvertibility and restrictions coming as follows:

- Risks of political violence: Political violence covers all acts of violence committed with political purposes. It is a broader concept of war and includes terrorism for political, religious and ideological purposes, impacts of political violence, i.e. damage to material assets, as well as types of business interruptions due to political violence. Credendo index focuses on the actual levels of domestic violence in the country and external conflict with it, together with potential conflicts owing to persistent internal and external tensions, frustration and dissatisfaction.
- Risks of confiscation of property and government action: The risk of confiscation includes all discriminatory measures taken by the host government that deprives the investor of his investment without any appropriate compensation. Credendo Group presents expropriation risks and assesses the work of legal institutions in the host country and a potential negative change in attitude towards foreign investments.
- Risks of inconvertibility and transfer restrictions: these indicate that no investment-related funds can be transferred outside the host country. The rating of inconvertibility and transfer restrictions in Credendo index is based on the same risk drivers as the assessment of political risks and risks related to medium/long-term business transactions.

**Coface Country Risk and Business Climate Index:** Coface company assesses average risks of corporate credit and business disruption in 162 countries around the world in short-term business transactions, together with the overall quality of the business environment in the country to which goods or services are exported, based on macroeconomic data, financial and political data, Coface's experience in the country (Coface's payment experience) and business climate assessments produced by international organizations. The index issues its rating of eight levels in upward risk order from A1, A2, A3, A4, B, C, D and E.

A slight improvement in the Arab average in investment related indices under country risks

11 Arab countries were better than Arab average in country risks related to investment

Section One: Investment Climate Changes in Arab Countries for 2022

First: Sovereign rating and country risk assessment indices

1-1-5 Indicators of country risks related to investment and business (2)

الترتيب العالمي للدول العربية في أهم مؤشرات المخاطر المتعلقة بالاستثمار والأعمال لعام 2022

Global Rank of Arab Countries in Most Important Indicators of Risks Related to Investment and Business Environment 2022

| Arab Ranking               | Country      | التغير<br>Change | المتوسط العام<br>للترتيب<br>Average Rank 2022 | المتوسط العام<br>للترتيب<br>Average Rank 2021 | تقييم كوفانس لمخاطر الاستثمار المباشر في الدولة<br>Coface Assessment of Risks of Direct Investment in the Country |   | تصنيف كريدنندو لمخاطر الاستثمار المباشر في الدولة<br>Credendo Rating of Risks of Direct Investment in the Country |  |   |   | الدولة                   | الترتيب العربي |
|----------------------------|--------------|------------------|---|---|---|---|---|--|---|---|--------------------------|----------------|
|                            |              |                  |   |   | تقييم مخاطر الأعمال<br>Business Climate Risk Assessment   | تقييم مخاطر الدولة<br>Country Risk Assessment | مخاطر عدم تحويل العملة والتحويل<br>Risks of Currency Inconvertibility and Transfer Restriction                    | مخاطر مصادرة الملكية والإجراءات الحكومية<br>Risks of Expropriation and Government Action | مخاطر العنف السياسي<br>Political Violence Risks | مخاطر الأعمال<br>Business Environment Risks |                          |                |
| 1                          | UAE          | ▲ 8              | 51  | 59  | 29  | 17  | 64  | 48   | 119   | 29  | الإمارات                 | 1              |
| 2                          | Qatar        | ▲ 15             | 62  | 76  | 38  | 29  | 93  | 61   | 119   | 29  | قطر                      | 2              |
| 3                          | Kuwait       | ▲ 8              | 62  | 70  | 38  | 29  | 64  | 91   | 119   | 29  | الكويت                   | 3              |
| 4                          | Oman         | ▲ 13             | 73  | 85  | 51  | 73  | 115   | 48   | 119   | 29  | سلطنة عمان               | 4              |
| 5                          | Saudi Arabia | ▲ 7              | 77  | 84  | 73  | 47  | 64  | 91   | 158   | 29  | السعودية                 | 5              |
| 6                          | Morocco      | ▲ 1              | 79  | 80  | 51  | 47  | 93  | 61   | 158   | 65  | المغرب                   | 6              |
| 7                          | Jordan       | ▲ 8              | 89  | 97  | 73  | 73  | 140   | 61   | 158   | 29  | الأردن                   | 7              |
| 8                          | Bahrain      | ▲ 21             | 92  | 113   | 51  | 115   | 140   | 61   | 158   | 29  | البحرين                  | 8              |
| 9                          | Algeria      | ▲ 11             | 107   | 118   | 98  | 73  | 93  | 125  | 188   | 65  | الجزائر                  | 9              |
| 10                         | Tunisia      | ▼ (6)            | 117   | 111   | 73  | 73  | 140   | 61   | 158   | 199   | تونس                     | 10             |
| 11                         | Djibouti     | ▲ 3              | 119   | 121   | 98  | 73  | 192   | 125  | 158   | 65  | جيبوتي                   | 11             |
| 12                         | Egypt        | ▼ (29)           | 127   | 98  | 73  | 73  | 140   | 91   | 188   | 199   | مصر                      | 12             |
| 13                         | Mauritania   | ▼ (2)            | 128   | 126   | 98  | 73  | 140   | 125  | 158   | 172   | موريتانيا                | 13             |
| 14                         | Lebanon      | ▲ 3              | 161   | 163   | 124   | 115   | 192   | 125  | 208   | 199   | لبنان                    | 14             |
| 15                         | Iraq         | ▲ 1              | 166   | 167   | 146   | 150   | 140   | 154  | 208   | 199   | العراق                   | 15             |
| 16                         | Palestine    | ▲ 28             | 173   | 200   | 124   | 115   | 192   | 173  | 232   | 199   | فلسطين                   | 16             |
| 17                         | Sudan        | ▲ 2              | 175   | 177   | 146   | 150   | 192   | 154  | 208   | 199   | السودان                  | 17             |
| 18                         | Libya        | ▲ 1              | 182   | 183   | 146   | 150   | 192   | 173  | 232   | 199   | ليبيا                    | 18             |
| 19                         | Syria        | ▲ 1              | 182   | 183   | 146   | 150   | 192   | 173  | 232   | 199   | سوريا                    | 19             |
| 20                         | Yemen        | ▲ 1              | 182   | 183   | 146   | 150   | 192   | 173  | 232   | 199   | اليمن                    | 20             |
| 21                         | Somalia      | ▲ 1              | 199   | 200   | ....  | ....  | 192   | 173  | 232   | 199   | الصومال                  | 21             |
| <b>Arab Average</b>        |              | ▲ 3              | 122   | 125   | 91  | 89  | 141   | 112  | 178   | 122   | <b>المتوسط العربي</b>    |                |
| <b>Number of Countries</b> |              |                  | 214   | 215   | 162   | 162   | 240   | 240  | 240   | 240   | <b>عدد الدول بالمؤشر</b> |                |

Source :International country risk assessment Agencies

المصدر : الوكالات العالمية لتقييم مخاطر الدول

## Section One: Investment Climate Changes in Arab Countries for 2022

## First: Sovereign rating and country risk assessment indices

## 1-1-6 The top five risks facing the Arab countries in the next two years

### Economic and societal risks threaten the Arab countries in the next two years

### Cost of living crises and sustained rapid inflation are key risks to the region's countries

The most recent Global Risks Report of the World Economic Forum (WEF), released in January 2023, which covers 12 Arab countries, shows that there are 18 basic risks the Arab countries may face during the coming couple of years. They include five basic fields, mainly economic risks, societal risks, geopolitical risks, environmental risks and finally technological risks.

- The cost of living crisis tops the list of risks facing the Arab countries in the coming two years, whether at the first risk level, which includes the UAE, Saudi Arabia, Qatar, Kuwait, Bahrain and Morocco, or the second risk level involving Jordan and Algeria, or the third risk levels including Oman, Egypt, or the fourth one that only includes Tunisia.
  - The risks of rapid and sustained inflation and severe commodity price shocks came second, repeatedly emerging in Kuwait, Algeria, the UAE, Morocco, Egypt, Saudi Arabia, Qatar, Bahrain, Tunisia, Oman, and Jordan.
  - The debt crisis came third, possibly affecting six Arab countries, notably Egypt, Tunisia, Jordan, Oman, Bahrain, and Morocco.
  - Severe commodity supply crises, geopolitical
- The Global Risks Report 2023, published by the World Economic Forum, presents the results of the latest Global Risks Perception Survey (GRPS), exploring future risks and relevant potential threats in the short term (two years), or in the long term (10 years). The report "Global risk" is defined as the possibility of the occurrence of an event or condition which, if it occurs, would negatively impact a significant proportion of global GDP, population or natural resources. It covers 35 global risks and definitions that were adopted by latest Global Risks Perception Survey (GRPS) 2022-2023, including five levels coming as follows:
- Economic risks: They include asset crisis, industry or supply chain collapse, debts, price instability, illicit economic activity and prolonged economic stagnation.
- Environmental risks: They cover loss of biodiversity and ecosystem collapse, failure of climate change adaptation, failure to mitigate climate change, large-scale environmental damage incidents, natural disasters, severe weather incidents and natural resource crisis.
- Geopolitical risks: They cover geo-economic confrontation, ineffectiveness of multilateral institutions and international cooperation, inter-state conflict, state collapse and instability and terrorist attacks using weapons of mass destruction.
- Societal risks: They feature chronic diseases and health cases, collapse or shortage of infrastructure and public services, cost of living crisis, employment crises, erosion of social cohesion and societal polarization, communicable disease, large-scale involuntary migration, misinformation and severe mental health deterioration.
- Technological risks: They include the negative results of technology, vital information infrastructure collapse, digital inequity, in access to digital services, digital energy concentration and widespread cybercrime and cyber insecurity
- The Global Risks Perception Survey (GRPS) explores the first five risks facing 121 economies (including 12 Arab ones) covered by the survey, through more than 12,000 respondents to define the first risks that may pose the biggest threat to their countries in the coming two years. The list includes 35 risks, with the "Risk 1" showing the key risk that is repeatedly chosen in every economy. If two risks are connected with the first one, risks are not included in the second ranking which, in this case, remains blank.
- contestation of natural resources came fourth, with Yemen, Tunisia, Morocco, and Jordan being expected to face the first risk, while the UAE, Oman, Qatar and Algeria may face the second.
- The inter-state conflict and the failure in cyber security measures were ranked fifth, followed by natural disasters, extreme weather, geo-economics confrontation, state collapse, breakdown of critical infrastructure, prolonged economic stagnation, illicit economic activity had the sixth place. Collapse of services and public utilities, digital inequality, environmental damage, and employment and living crises came at the end of the list.

Section One: Investment Climate Changes in Arab Countries for 2022

First: Sovereign rating and country risk assessment indices

1-1-6 The top five risks facing the Arab countries in the next two years (2)

أهم 5 مخاطر تهدد الدول العربية خلال العامين المقبلين والصادرة عن استطلاع الرأي التنفيذي للمنتدى الاقتصادي العالمي خلال عام 2023

Top 5 risks for the Arab countries during the next two years  
by the executive opinion survey (EOS) of the World Economic Forum during 2023

| s  | Country      | الخطر الخامس<br>Risk 5  | الخطر الرابع<br>Risk 4   | الخطر الثالث<br>Risk 3   | الخطر الثاني<br>Risk 2   | الخطر الأول<br>Risk 1  | الدولة     | م  |
|----|--------------|---|--|--|--|--|------------|----|
| 1  | UAE          | المواجهة الجيو اقتصادية<br>Geoeconomic confrontation<br>فشل إجراءات الأمن السيبراني<br>Failure of cybersecurity measures                                      | التنافس الجيوسياسي على الموارد<br>Geopolitical contestation of resources   | صدمة شديدة في أسعار السلع الأساسية<br>Severe commodity price shocks  | تضخم سريع و / أو مستدام<br>Rapid and/or sustained inflation  | أزمة تكلفة المعيشة<br>Cost-of-living crisis  | الإمارات   | 1  |
| 2  | Saudi Arabia |   | صدمة شديدة في أسعار السلع الأساسية<br>Severe commodity price shocks<br>تعطل البنية التحتية الحيوية<br>Breakdown of critical infrastructure<br>فشل إجراءات الأمن السيبراني<br>Failure of cybersecurity measures   | تضخم سريع و / أو مستدام<br>Rapid and/or sustained inflation  | الصراع بين الدول<br>Interstate conflict  | أزمة تكلفة المعيشة<br>Cost-of-living crisis  | السعودية   | 2  |
| 3  | Qatar        |   | التنافس الجيوسياسي على الموارد<br>Geopolitical contestation of resources<br>صدمة شديدة في أسعار السلع الأساسية<br>Severe commodity price shocks<br>تضخم سريع و / أو مستدام<br>Rapid and/or sustained inflation<br>فشل إجراءات الأمن السيبراني<br>Failure of cybersecurity measures |  | الكوارث الطبيعية والظروف الجوية القاسية<br>Natural disasters and extreme weather<br>المواجهة الجيو اقتصادية<br>Geoeconomic confrontation | أزمة تكلفة المعيشة<br>Cost-of-living crisis  | قطر        | 3  |
| 4  | Oman         | التنافس الجيوسياسي على الموارد<br>Geopolitical contestation of resources<br>انتشار النشاط الاقتصادي غير المشروع<br>Proliferation of illicit economic activity |  | صدمة شديدة في أسعار السلع الأساسية<br>Severe commodity price shocks<br>أزمة تكلفة المعيشة<br>Cost-of-living crisis | الكوارث الطبيعية والظروف الجوية القاسية<br>Natural disasters and extreme weather   | أزمات الديون<br>Debt crises  | سلطنة عمان | 4  |
| 5  | Kuwait       |   | الضرر البيئي الذي يسببه الإنسان<br>Human-made environmental damage<br>الصراع بين الدول<br>Interstate conflict  | صدمة شديدة في أسعار السلع الأساسية<br>Severe commodity price shocks  |  | تضخم سريع و / أو مستدام<br>Rapid and/or sustained inflation<br>أزمة تكلفة المعيشة<br>Cost-of-living crisis | الكويت     | 5  |
| 6  | Bahrain      |   | الركود الاقتصادي المطول<br>Prolonged economic stagnation<br>تضخم سريع و / أو مستدام<br>Rapid and/or sustained inflation  | صدمة شديدة في أسعار السلع الأساسية<br>Severe commodity price shocks  | أزمات الديون<br>Debt crises  | أزمة تكلفة المعيشة<br>Cost-of-living crisis  | البحرين    | 6  |
| 7  | Jordan       | أزمات العمالة و الإزمات المعيشية<br>Employment and livelihood crises  | صدمة شديدة في أسعار السلع الأساسية<br>Severe commodity price shocks  |  | أزمة حادة في إمدادات السلع الأساسية<br>Severe commodity supply crises<br>أزمة تكلفة المعيشة<br>Cost-of-living crisis                     | أزمات الديون<br>Debt crises  | الأردن     | 7  |
| 8  | Morocco      | أزمات الديون<br>Debt crises   | أزمة حادة في إمدادات السلع الأساسية<br>Severe commodity supply crises  |  | تضخم سريع و / أو مستدام<br>Rapid and/or sustained inflation<br>صدمة شديدة في أسعار السلع الأساسية<br>Severe commodity price shocks       | أزمة تكلفة المعيشة<br>Cost-of-living crisis  | المغرب     | 8  |
| 9  | Egypt        | صدمة شديدة في أسعار السلع الأساسية<br>Severe commodity price shocks   | الركود الاقتصادي المطول<br>Prolonged economic stagnation   | أزمة تكلفة المعيشة<br>Cost-of-living crisis  | تضخم سريع و / أو مستدام<br>Rapid and/or sustained inflation  | أزمات الديون<br>Debt crises  | مصر        | 9  |
| 10 | Algeria      | الصراع بين الدول<br>Interstate conflict   | التنافس الجيوسياسي على الموارد<br>Geopolitical contestation of resources   | عدم المساواة الرقمية<br>Digital inequality   | أزمة تكلفة المعيشة<br>Cost-of-living crisis  | تضخم سريع و / أو مستدام<br>Rapid and/or sustained inflation  | الجزائر    | 10 |
| 11 | Tunisia      | تضخم سريع و / أو مستدام<br>Rapid and/or sustained inflation   | أزمة تكلفة المعيشة<br>Cost-of-living crisis  | أزمة حادة في إمدادات السلع الأساسية<br>Severe commodity supply crises  | انهيار الدولة<br>State collapse  | أزمات الديون<br>Debt crises  | تونس       | 11 |
| 12 | Yemen        | انتشار النشاط الاقتصادي غير المشروع<br>Proliferation of illicit economic activity   | تعطل البنية التحتية الحيوية<br>Breakdown of critical infrastructure  | انهيار الدولة<br>State collapse  | انهيار الخدمات والبنية التحتية العامة<br>Collapse of services and public infrastructure  | أزمة حادة في إمدادات السلع الأساسية<br>Severe commodity supply crises                                      | اليمن      | 12 |

تصنيفات المخاطر  
Risk Categories

|                                  |                                    |                                       |                                 |  |
|----------------------------------|------------------------------------|---------------------------------------|---------------------------------|--|
| مخاطر اقتصادية<br>Economic Risks | مخاطر بيئية<br>Environmental Risks | مخاطر جيوسياسية<br>Geopolitical Risks | مخاطر مجتمعية<br>Societal Risks | مخاطر تكنولوجية<br>Technological Risks |
|----------------------------------|------------------------------------|---------------------------------------|---------------------------------|--|

Section One: Investment Climate Changes in Arab Countries for 2022

Second: Economic Performance Indicators

1-2-1 Internal economic performance indicators for 2022

*Based on 14 economic and financial indicators in 2021 and 2022, the overall average ranking of the Arab countries globally in these indicators advanced by three points to the 86th place during 2022. Seven Arab countries were better than the Arab overall average of these indicators.*

**11 Arab countries, mainly Oman and Saudi Arabia, improved in average ranking of economic indices**

**The average Arab ranking improved in 14 internal and external economic performance indices during 2022**

- 11 Arab countries improved in their average ranking in the 14 economic indices during 2022, led by Oman and Saudi Arabia, while eight others, mainly Libya and Djibouti, declined.
- The GCC countries and Iraq outperformed the Arab average in the 14 indices, with Saudi Arabia leading the way with an average ranking of 26, followed by the UAE at 33 and Kuwait at 39. Qatar, Iraq, Oman, and Bahrain held the next four positions with rankings of 41, 54, 55, and 69, respectively.
- In 2022, Arab countries achieved their best average ranking in the total debt service indicator as a percentage of commodity, services, and primary income, followed by the net lending and borrowing indicator as a percentage of GDP, and consumer price inflation. However, the worst average ranking among the Arab countries was in the unemployment rate index.

**الترتيب العالمي للدول العربية في أهم المؤشرات الاقتصادية لعام 2022 (جزء 1)**

**Global Ranking of Arab Countries in the Most Important Economic Indicators- 2022 (Part 1)**

| Arab Ranking 2022          | Country      | (9)                                   | (8)  | (7)   | (6)  | (5)   | (4)   | (3)   | (2)   | (1)  | الدولة                   | الترتيب العربي 2022 |
|----------------------------|--------------|---------------------------------------|--|---|--|---|---|---|---|--|--------------------------|---------------------|
|                            |              | معدل البطالة %<br>Unemployment rate % | عدد السكان بالمليون<br>Population Millions | إجمالي الاستثمارات كنسبة من الناتج الإجمالي<br>Total investment as % of GDP | معدل تضخم أسعار المستهلك (متوسط - تغير سنوي)<br>Inflation average consumer prices (change) | نصيب الفرد من الناتج وفق تعادل القوة الشرائية<br>GDP per Capita, PPP (\$) | نصيب الفرد من الناتج المحلي الإجمالي<br>GDP per Capita (\$) | الناتج المحلي الإجمالي وفق تعادل القوة الشرائية<br>Nominal GDP, PPP (PPP) | الناتج المحلي الإجمالي (بالمليار دولار)<br>Nominal GDP (USD bn) | معدل نمو الناتج المحلي الإجمالي<br>Real GDP Growth (%) |                          |                     |
| 1                          | Saudi Arabia | 103                                   | 42   | 50  | 6  | 22  | 36  | 17  | 17  | 16   | السعودية                 | 1                   |
| 2                          | UAE          | 30                                    | 89   | 72  | 36   | 6   | 16  | 34  | 30  | 27   | الإمارات                 | 2                   |
| 3                          | Kuwait       | 31                                    | 121  | 139   | 24   | 35  | 26  | 66  | 57  | 20   | الكويت                   | 3                   |
| 4                          | Qatar        | 1                                     | 136  | ....  | 37   | 4   | 5   | 62  | 54  | 85   | قطر                      | 4                   |
| 5                          | Iraq         | 154                                   | 35   | ....  | 38   | 115   | 102   | 46  | 49  | 21   | العراق                   | 5                   |
| 6                          | Oman         | 26                                    | 122  | 100   | 13   | 48  | 45  | 76  | 66  | 83   | سلطنة عمان               | 6                   |
| 7                          | Bahrain      | 10                                    | 148  | 34  | 21   | 25  | 41  | 99  | 94  | 87   | البحرين                  | 7                   |
| 7                          | Algeria      | 149                                   | 33   | 30  | 122  | 111   | 120   | 43  | 56  | 120  | الجزائر                  | 7                   |
| 9                          | Libya        | 176                                   | 105  | 164   | 32   | 78  | 99  | 85  | 95  | 191  | ليبيا                    | 9                   |
| 10                         | Egypt        | 131                                   | 13   | 146   | 107  | 97  | 118   | 18  | 32  | 36   | مصر                      | 10                  |
| 11                         | Morocco      | 145                                   | 38   | 47  | 71   | 126   | 128   | 56  | 60  | 169  | المغرب                   | 11                  |
| 12                         | Palestine    | 186                                   | 114  | 59  | 23   | 142   | 132   | 136   | 123   | 92   | فلسطين                   | 12                  |
| 12                         | Mauritania   | 145                                   | 124  | 13  | 127  | 134   | 146   | 141   | 148   | 64   | موريتانيا                | 12                  |
| 14                         | Djibouti     | 188                                   | 155  | 74  | 47   | 141   | 131   | 165   | 162   | 137  | جيبوتي                   | 14                  |
| 15                         | Jordan       | 175                                   | 85   | 140   | 26   | 117   | 117   | 91  | 92  | 127  | الأردن                   | 15                  |
| 16                         | Somalia      | 178                                   | 71   | ....  | 77   | 190   | 190   | 150   | 151   | 161  | الصومال                  | 16                  |
| 17                         | Tunisia      | 170                                   | 77   | 154   | 105  | 113   | 127   | 83  | 93  | 135  | تونس                     | 17                  |
| 17                         | Sudan        | 176                                   | 31   | ....  | 191  | 157   | 172   | 74  | 90  | 183  | السودان                  | 17                  |
| 19                         | Yemen        | 154                                   | 44   | 171   | 183  | 181   | 184   | 108   | 116   | 165  | اليمن                    | 19                  |
| <b>Arab Average</b>        |              | <b>123</b>                            | <b>83</b>                                  | <b>93</b>   | <b>68</b>  | <b>97</b>   | <b>102</b>  | <b>82</b>   | <b>83</b>   | <b>101</b>   | <b>المتوسط العربي</b>    |                     |
| <b>Number of Countries</b> |              | <b>189</b>                            | <b>171</b>                                 | <b>193</b>  | <b>193</b>   | <b>193</b>  | <b>193</b>  | <b>193</b>  | <b>193</b>  | <b>193</b>   | <b>عدد الدول بالمؤشر</b> |                     |

\*\*Data for Syria and Lebanon in the selected indicators are not available.

Section One: Investment Climate Changes in Arab Countries for 2022

Second: Economic Performance Indicators

1-2-2 External economic performance indicators

Kuwait

in the lead in the Arab ranking in indicators of total government debt and current account balance as % of GDP

Qatar

in the lead globally in unemployment indicator and comes third in lending as % of GDP

Saudi Arabia

leads the Arab ranking in indicators of debt service, current account balance, inflation, GDP and growth rate

In terms of economic performance among Arab countries, Saudi Arabia has secured the top spot in six indicators for 2022. These include: total debt service as a percentage of commodity exports, services, and primary income (ranking first globally), current account balance (ranking fifth globally), inflation (ranking sixth globally), GDP growth rate (ranking 16th globally), and GDP in US dollars and purchasing power parity (ranking 17th globally).

Qatar had the first place in both Arab and international rankings in unemployment indicator, and came third in net lending or borrowing as a percentage of GDP. It also came first at the Arab level in GDP per capita (fifth globally) and according purchasing power parity (fourth globally).

At the Arab level, Kuwait has secured the top rank in three leading indicators for 2022. These include: total debt service as a percentage of commodity exports, services, and primary income (ranking first), total governmental debt as a percentage of GDP (ranking third globally), and current account balance as a percentage of GDP (ranking fourth globally).

الترتيب العالمي للدول العربية في أهم المؤشرات الاقتصادية لعام 2022 (جزء 2)

The global ranking of Arab countries in the most important economic indicators - 2022 (Part 2)

| Arab Ranking 2022 | Country             | التغير | المتوسط العام للترتيب | المتوسط العام للترتيب | إجمالي خدمة الدين كنسبة من صادرات السلع والخدمات والدخل الأولي | إجمالي الدين الحكومي كنسبة من الناتج    | رصيد الحساب الجاري كنسبة من الناتج  | رصيد الحساب الجاري بالعملة              | صافي الإقراض أو الاقتراض الحكومي كنسبة من الناتج      | الدولة            | الترتيب العربي 2022 |
|-------------------|---------------------|--------|-----------------------|-----------------------|--|---|-------------------------------------|---|---|-------------------|---------------------|
|                   |                     | Change | Average rank 2022     | Average rank 2021     | Total debt service as % of exports G&S primary & income        | Total Government Gross Debt as % of GDP | Current Account Balance as % of GDP | Current Account Balance in USD Billions | General government net lending borrowing/ as % of GDP |                   |                     |
| 1                 | Saudi Arabia        | ▲20    | 26                    | 46                    | 1  | 20                                      | 12                                  | 5                                       | 16  | السعودية          | 1                   |
| 2                 | UAE                 | ▲13    | 33                    | 46                    | 59   | 31                                      | 16                                  | 10                                      | 6   | الإمارات          | 2                   |
| 3                 | Kuwait              | ▲17    | 39                    | 56                    | 1  | 3                                       | 4                                   | 13                                      | 4   | الكويت            | 3                   |
| 4                 | Qatar               | ▲15    | 41                    | 56                    | 60   | 64                                      | 7                                   | 11                                      | 3   | قطر               | 4                   |
| 5                 | Iraq                | ▲12    | 54                    | 66                    | 39   | 60                                      | 17                                  | 17                                      | 9   | العراق            | 5                   |
| 6                 | Oman                | ▲40    | 55                    | 95                    | 56   | 54                                      | 40                                  | 37                                      | 10  | سلطنة عمان        | 6                   |
| 7                 | Bahrain             | ▲12    | 69                    | 81                    | 23   | 175                                     | 23                                  | 35                                      | 148   | البحرين           | 7                   |
| 7                 | Algeria             | ▲17    | 69                    | 86                    | 31   | 84                                      | 25                                  | 25                                      | 19  | الجزائر           | 7                   |
| 9                 | Libya               | ▼(32)  | 89                    | 57                    | 24   | ....                                    | 44                                  | 45                                      | 15  | ليبيا             | 9                   |
| 10                | Egypt               | ▲8     | 98                    | 106                   | 96   | 157                                     | 100                                 | 175                                     | 152   | مصر               | 10                  |
| 11                | Morocco             | ▼(19)  | 105                   | 86                    | 92   | 127                                     | 110                                 | 164                                     | 134   | المغرب            | 11                  |
| 12                | Palestine           | ▼(6)   | 113                   | 107                   | ....   | 106                                     | 164                                 | 137                                     | 54  | فلسطين            | 12                  |
| 12                | Mauritania          | ▼(13)  | 113                   | 100                   | ....   | 71                                      | 175                                 | 126                                     | 59  | موريتانيا         | 12                  |
| 14                | Djibouti            | ▼(26)  | 117                   | 91                    | ....   | 55                                      | 121                                 | 82                                      | 58  | جيبوتي            | 14                  |
| 15                | Jordan              | ▼(2)   | 121                   | 119                   | 97   | 160                                     | 143                                 | 152                                     | 167   | الأردن            | 15                  |
| 16                | Somalia             | ▲1     | 126                   | 127                   | 1  | ....                                    | 182                                 | 122                                     | 42  | الصومال           | 16                  |
| 17                | Tunisia             | ▼(6)   | 128                   | 122                   | 121  | 142                                     | 151                                 | 154                                     | 162   | تونس              | 17                  |
| 17                | Sudan               | ▼(12)  | 128                   | 116                   | 52   | 182                                     | 135                                 | 146                                     | 79  | السودان           | 17                  |
| 19                | Yemen               | ▲8     | 129                   | 137                   | 1  | 133                                     | 156                                 | 135                                     | 71  | اليمن             | 19                  |
|                   | Arab Average        | ▲3     | 86                    | 89                    | 47   | 96                                      | 86                                  | 84                                      | 64  | المتوسط العربي    |                     |
|                   | Number of Countries |        | 187                   | 178                   | 141  | 189                                     | 193                                 | 193                                     | 193   | عدد الدول بالمؤشر |                     |

Source :IMF and World Bank database

المصدر : قاعدة بيانات صندوق النقد الدولي والبنك الدولي

### 1-3-1 Worldwide Governance Indicators (1)

#### Average ranking of Arab countries stood at 143rd in Worldwide Governance during 2020 and 2021

Based on the governance indicators' database issued by the World Bank for 214 countries around the world (distributed over 209 rankings) during 2021, the rating of Arab countries came as follows:

##### At the level of the global rating of the general index:

- The general average ranking of the Arab countries stood at the 143rd place between 2020 and 2021, with nine countries being better than the Arab average during 2021, while other countries ranged between the 152nd position (Egypt) and the 204th (Somalia).
- Eight Arab countries improved in their global ranking during 2021, with Egypt in the lead by advancing 13 positions, followed by Qatar, Bahrain and Saudi Arabia (10 positions each).
- Eight Arab countries declined in the index, with Palestine and Morocco having the brunt respectively, while Kuwait, Jordan, Tunisia, Sudan and Yemen remained unchanged during 2020 and 2021.
- The GCC countries and Jordan led the Arab ranking in the index during 2021, coming better than the global average, with Qatar leading the Arab ranking (56th worldwide), followed respectively by the UAE (59th worldwide), Bahrain (87th worldwide), Oman (89th worldwide) and then Kuwait, Jordan and Saudi Arabia respectively.

##### At the level of the global ranking in sub-indicators:

- The average ranking of Arab countries in the sub-indicators was below the global ranking
- The Arab countries achieved the best average ranking in the indicators of rule of law, regulatory quality and government effectiveness.

Governance indicators: They are quantitative indicators issued by the World Bank to gauge the elements of good governance in countries, and they measure six main dimensions: voice and accountability, political stability and absence of violence, government effectiveness, regulatory quality, rule of law and control of corruption, in more than 200 countries, based on nearly 30 data sources around the world that include the opinions and experiences of citizens, businessmen, experts in the public and private sectors and NGOs on the quality of various aspects of governance. These indicators are based on four different types of data sources: household and company surveys, business information providers, NGOs, and public sector institutions.

- **Government Effectiveness Indicator:** It is concerned with perceptions related to the quality of public services, the quality of the civil service, its independence from political pressures, the quality of policy-making and implementation, and government commitment to these policies. The indicator includes variables (such as the quality of road infrastructure, satisfaction with the public transport system, highways, education, health services, etc.) and other variables (such as the quality of public administration, budget management, efficiency of revenue mobilization, and others).
- **Regulatory Quality Indicator:** It measures the government's ability to formulate and implement sound policies and regulations that allow and enhance the development of the private sector. The indicator includes variables (price controls, discriminatory tariffs and discriminatory taxes, etc.), and other indicators (trade policy, business regulatory environment and trade policy).
- **Rule of Law Indicator:** It assesses agents' trust in and commitment to the rules of society, such as the quality of contract enforcement, property rights, the police and courts, and it is gauged through indicators such as contract enforcement, speed of judicial procedures, confiscation/expropriation and others, and others such as trust in the judiciary and the police and judicial independence.
- **The Indicator of Political Stability and Absence of Violence and Terrorism:** It measures the probability of political instability or politically motivated violence, including terrorism, through a set of variables such as armed conflict, violent demonstrations, social unrest, international tensions, terrorist threat, protests and riots.
- **The Voice and Accountability Indicator:** It reflects the ability of a state's citizens to participate in their choice of government, as well as freedom of expression, freedom of association and free media, on the basis of a set of variables, such as democracy, vested interests, accountability of civil servants, human rights and freedom of association.
- **The Corruption Control Indicator:** It measures how public power is exercised for private gain, including both minor and major forms of corruption, as well as the "takeover" of the state by elites and private interests.

- The voice and accountability indicator witnessed the lowest Arab performance on average, as only one Arab country, Tunisia, ranked better than the global average in this indicator during 2020 and 2021.
- The UAE topped the Arab ranking in three sub-indicators, while Qatar topped the Arab world in political stability, absence of violence and terrorism and rule of law, and Tunisia came first in the voice and accountability indicator.

## Section One: Investment Climate Changes in Arab Countries for 2022

## Third: Legislative and regulatory environment indicators

## Worldwide Governance Indicators

## 1-3-1 Worldwide Governance Indicators (2)

8 Arab countries, topped by Egypt, improved in the Worldwide Governance Indicators during 2021, as 8 others declined, and Kuwait, Jordan, Tunisia, Sudan and Yemen stabilized

## الترتيب العالمي للدول العربية في مؤشر الحوكمة العالمي ومكوناته الفرعية لعام 2021

## Global Ranking of Arab Countries in Worldwide Governance Index 2021 and its Sub-components

| Arab Rank           | Country      | (6)                                    | (5)                          | (4)                                    | (3)  | (2)   | (1)  | التغيير<br>Change | الترتيب<br>العالمي<br>Global Rank | الترتيب<br>العالمي<br>Global Rank | الدولة            | الترتيب<br>العربي |
|---------------------|--------------|--|------------------------------|--|--|---|--|-------------------|-----------------------------------|-----------------------------------|-------------------|-------------------|
|                     |              | مكافحة الفساد<br>Control of Corruption | سيادة القانون<br>Rule of Law | الجودة التنظيمية<br>Regulatory Quality | فعالية الحكومة<br>Government Effectiveness | الاستقرار السياسي وغياب العنف<br>Political Stability -No Violence | المشاركة والمساءلة<br>Voice and Accountability |                   | 2021                              | 2020                              |                   |                   |
| 1                   | Qatar        | 45                                     | 40                           | 48                                     | 37   | 36  | 172  | ▲ 10              | 56                                | 66                                | قطر               | 1                 |
| 2                   | UAE          | 34                                     | 48                           | 38                                     | 22   | 72  | 173  | ▼ (4)             | 59                                | 55                                | الإمارات          | 2                 |
| 3                   | Bahrain      | 83                                     | 69                           | 50                                     | 55   | 153   | 190  | ▲ 10              | 87                                | 97                                | البحرين           | 3                 |
| 4                   | Oman         | 84                                     | 76                           | 77                                     | 109  | 84  | 174  | ▼ (5)             | 89                                | 84                                | سلطنة عمان        | 4                 |
| 5                   | Kuwait       | 98                                     | 86                           | 88                                     | 102  | 95  | 146  | ▬ 0               | 92                                | 92                                | الكويت            | 5                 |
| 6                   | Jordan       | 89                                     | 89                           | 89                                     | 85   | 135   | 154  | ▬ 0               | 96                                | 96                                | الأردن            | 6                 |
| 7                   | Saudi Arabia | 75                                     | 88                           | 76                                     | 66   | 157   | 195  | ▲ 10              | 101                               | 111                               | السعودية          | 7                 |
| 8                   | Tunisia      | 106                                    | 95                           | 129                                    | 114  | 166   | 96   | ▬ 0               | 108                               | 108                               | تونس              | 8                 |
| 9                   | Morocco      | 133                                    | 117                          | 110                                    | 103  | 144   | 142  | ▼ (8)             | 124                               | 116                               | المغرب            | 9                 |
| 10                  | Egypt        | 153                                    | 115                          | 137                                    | 135  | 182   | 191  | ▲ 13              | 152                               | 165                               | مصر               | 10                |
| 11                  | Palestine    | 155                                    | 139                          | 103                                    | 163  | 201   | 168  | ▼ (15)            | 158                               | 143                               | فلسطين            | 11                |
| 12                  | Mauritania   | 163                                    | 155                          | 181                                    | 158  | 165   | 149  | ▼ (3)             | 167                               | 164                               | موريتانيا         | 12                |
| 13                  | Algeria      | 147                                    | 162                          | 188                                    | 147  | 175   | 165  | ▲ 1               | 169                               | 170                               | الجزائر           | 13                |
| 14                  | Djibouti     | 159                                    | 175                          | 168                                    | 168  | 168   | 179  | ▼ (5)             | 173                               | 168                               | جيبوتي            | 14                |
| 15                  | Lebanon      | 187                                    | 178                          | 170                                    | 187  | 193   | 144  | ▼ (3)             | 180                               | 177                               | لبنان             | 15                |
| 16                  | Iraq         | 190                                    | 202                          | 183                                    | 188  | 209   | 163  | ▲ 1               | 189                               | 190                               | العراق            | 16                |
| 17                  | Sudan        | 193                                    | 188                          | 197                                    | 198  | 202   | 188  | ▬ 0               | 194                               | 194                               | السودان           | 17                |
| 18                  | Libya        | 201                                    | 203                          | 203                                    | 202  | 208   | 187  | ▲ 1               | 199                               | 200                               | ليبيا             | 18                |
| 19                  | Yemen        | 206                                    | 204                          | 205                                    | 208  | 211   | 200  | ▬ 0               | 201                               | 201                               | اليمن             | 19                |
| 20                  | Syria        | 208                                    | 207                          | 200                                    | 203  | 212   | 206  | ▲ 2               | 202                               | 204                               | سوريا             | 20                |
| 21                  | Somalia      | 207                                    | 208                          | 202                                    | 206  | 213   | 204  | ▼ (2)             | 204                               | 202                               | الصومال           | 21                |
| Arab Average        |              | 139                                    | 135                          | 135                                    | 136  | 161   | 171  | ▬ 0               | 143                               | 143                               | المتوسط العربي    |                   |
| Number of Countries |              | 209                                    | 209                          | 209                                    | 209  | 213   | 208  |                   | 204                               | 204                               | عدد الدول بالمؤشر |                   |

Section One: Investment Climate Changes in Arab Countries for 2022

Third: Legislative and regulatory environment indicators

1-3-2 Economic Freedom Index (1)



Improve  
ment

UAE

in the average ranking of Arab countries in the economic freedom index by three places during 2023

had the lead in the indicators of government integrity, tax burden, labor freedom, business freedom, monetary freedom and fiscal health

According to the World Index of Economic Freedom, which ranked more than 170 countries, including 15 Arab countries, the overall average ranking of Arab countries improved by three places in 2023, coming as follows:

The global ranking in the composite index:

- Nine Arab countries advanced in the composite index of economic freedom during 2023, with Saudi Arabia being in the lead by jumping 21 places, followed by Oman, the UAE and Qatar respectively.
- Six countries, notably Kuwait, Jordan, Tunisia, Lebanon, Morocco and Algeria, declined in the composite index.
- The GCC countries, Jordan and Morocco led the Arab ranking during 2023, although Jordan, Morocco and Kuwait dropped, compared with 2022.

The global ranking in sub-indicators:

- The performance of Arab countries in sub-indicators during 2023 did not differ so much from 2022, as they kept demonstrating the best performance in the tax burden indicator, and six Arab countries had the first 10 places worldwide, topped by the UAE at both Arab and global levels, followed by Bahrain (second in Arab and global rankings), Qatar (third in global and Arab rankings), Saudi Arabia (fourth in global and Arab rankings) and then Kuwait and Oman in the sixth and seventh global positions respectively, as a result of the continued flexible tax policies of the GCC countries.

الترتيب العالمي للدول العربية في مؤشر الحرية الاقتصادية لعام 2023 ومكوناته الفرعية (جزء 1)

Global Ranking of Arab Countries in Economic Freedom Index and its Sub-Components (Part 1)

| Arab Ranking        | Country      | (6) الصلابة المالية Fiscal Health | (5) الإنفاق الحكومي Gov't Spending | (4) العبء الضريبي Tax Burden | (3) نزاهة الحكومة Gov't Integrity | (2) الفاعلية القضائية Judicial Effectiveness | (1) حقوق الملكية Property Rights | التغير Change | الترتيب العالمي 2023 Global Rank 2023 | الترتيب العالمي 2022 Global Rank 2022 | الدولة            | الترتيب العربي |
|---------------------|--------------|-----------------------------------|------------------------------------|------------------------------|-----------------------------------|--|----------------------------------|---------------|---------------------------------------|---------------------------------------|-------------------|----------------|
| 1                   | UAE          | 6                                 | 81                                 | 1                            | 28                                | 114  | 59                               | ▲9            | 24                                    | 33                                    | الإمارات          | 1              |
| 2                   | Qatar        | 21                                | 95                                 | 3                            | 51                                | 102  | 50                               | ▲8            | 36                                    | 44                                    | قطر               | 2              |
| 3                   | Bahrain      | 168                               | 102                                | 2                            | 90                                | 137  | 59                               | ▲6            | 68                                    | 74                                    | البحرين           | 3              |
| 4                   | Jordan       | 163                               | 89                                 | 58                           | 67                                | 98   | 82                               | ▼(7)          | 93                                    | 86                                    | الأردن            | 4              |
| 5                   | Morocco      | 113                               | 79                                 | 150                          | 100                               | 123  | 75                               | ▼(2)          | 97                                    | 95                                    | المغرب            | 5              |
| 6                   | Kuwait       | 52                                | 169                                | 6                            | 80                                | 100  | 114                              | ▼(8)          | 108                                   | 100                                   | الكويت            | 6              |
| 7                   | Oman         | 146                               | 128                                | 7                            | 65                                | 143  | 45                               | ▲13           | 95                                    | 108                                   | سلطنة عمان        | 7              |
| 8                   | Saudi Arabia | 113                               | 119                                | 4                            | 64                                | 115  | 99                               | ▲21           | 98                                    | 119                                   | السعودية          | 8              |
| 9                   | Mauritania   | 16                                | 23                                 | 108                          | 149                               | 139  | 135                              | ▲3            | 117                                   | 120                                   | موريتانيا         | 9              |
| 10                  | Djibouti     | 32                                | 47                                 | 63                           | 139                               | 136  | 146                              | ▲8            | 112                                   | 120                                   | جيبوتي            | 10             |
| 11                  | Tunisia      | 144                               | 100                                | 122                          | 72                                | 84   | 65                               | ▼(5)          | 132                                   | 127                                   | تونس              | 11             |
| 12                  | Egypt        | 162                               | 61                                 | 49                           | 136                               | 150  | 123                              | ▲1            | 151                                   | 152                                   | مصر               | 12             |
| 13                  | Lebanon      | 108                               | 56                                 | 31                           | 154                               | 145  | 141                              | ▼(3)          | 164                                   | 161                                   | لبنان             | 13             |
| 14                  | Algeria      | 146                               | 128                                | 133                          | 134                               | 130  | 157                              | ▼(1)          | 168                                   | 167                                   | الجزائر           | 14             |
| 15                  | Sudan        | 128                               | 6                                  | 54                           | 168                               | 176  | 165                              | ▲1            | 173                                   | 174                                   | السودان           | 15             |
| Arab Average        |              | 101                               | 86                                 | 53                           | 100                               | 126  | 101                              | ▲3            | 109                                   | 112                                   | المتوسط العربي    |                |
| Number of Countries |              | 176                               | 176                                | 176                          | 183                               | 184  | 183                              |               | 176                                   | 177                                   | عدد الدول بالمؤشر |                |

Source :The Heritage Foundation

المصدر : مؤسسة هريديج فاؤندينج

Section One: Investment Climate Changes in Arab Countries for 2022

Third: Legislative and regulatory environment indicators



1-3-2 Economic Freedom Index (2)

- Arab countries demonstrated the second-best performance in the financial freedom index, with 10 countries surpassing the global average ranking. Bahrain secured the top rank at the Arab level and third globally, while Morocco followed as second at the Arab level and 17th globally. Five Arab countries, including the UAE, Qatar, Jordan, Kuwait, and Oman, clinched the 38th rank globally and third at the Arab level.
- Arab countries maintained their worst performance in the labor freedom index during 2023, with only two countries having a better ranking than the Arab average; notably the UAE (33rd worldwide and first in the Arab ranking) and Jordan (80th worldwide and second in the Arab ranking).
- The UAE led the Arab ranking in six indicators: government integrity, tax burden, labor freedom, business freedom, monetary freedom and fiscal health.
- Bahrain topped the list in the indicators of financial freedom, investment freedom and trade freedom, but it lagged behind in fiscal health and judicial effectiveness.
- Tunisia was ranked first and 84th in Arab and global rankings respectively in judicial effectiveness, while Oman topped the Arab list in intellectual property (45th worldwide). Unexpectedly, Sudan topped the Arab list in government spending.

الترتيب العالمي للدول العربية في مؤشر الحرية الاقتصادية لعام 2023 ومكوناته الفرعية (جزء 2)

Global Ranking of Arab Countries in Economic Freedom Index and its Sub-Components (Part 2)

| Arab Ranking               | Country      | الحرية المالية<br>Financial Freedom | حرية الاستثمار<br>Investment Freedom | حرية التجارة<br>Trade Freedom | الحرية النقدية<br>Monetary Freedom | حرية العمل<br>Labor Freedom | حرية الأعمال<br>Business Freedom | الدولة                   | الترتيب العربي |
|----------------------------|--------------|-------------------------------------|--------------------------------------|-------------------------------|------------------------------------|-----------------------------|----------------------------------|--------------------------|----------------|
| 1                          | UAE          | 38                                  | 118                                  | 56                            | 5                                  | 33                          | 27                               | الإمارات                 | 1              |
| 2                          | Qatar        | 38                                  | 79                                   | 19                            | 87                                 | 126                         | 91                               | قطر                      | 2              |
| 3                          | Bahrain      | 3                                   | 6                                    | 11                            | 8                                  | 119                         | 85                               | البحرين                  | 3              |
| 4                          | Jordan       | 38                                  | 42                                   | 90                            | 7                                  | 80                          | 100                              | الأردن                   | 4              |
| 5                          | Oman         | 38                                  | 64                                   | 62                            | 12                                 | 155                         | 93                               | سلطنة عمان               | 5              |
| 6                          | Morocco      | 17                                  | 64                                   | 128                           | 66                                 | 146                         | 77                               | المغرب                   | 6              |
| 7                          | Saudi Arabia | 69                                  | 118                                  | 76                            | 57                                 | 164                         | 51                               | السعودية                 | 7              |
| 8                          | Kuwait       | 38                                  | 101                                  | 67                            | 142                                | 127                         | 102                              | الكويت                   | 8              |
| 9                          | Djibouti     | 69                                  | 79                                   | 169                           | 122                                | 135                         | 136                              | جيبوتي                   | 9              |
| 10                         | Mauritania   | 107                                 | 118                                  | 133                           | 60                                 | 141                         | 161                              | موريتانيا                | 10             |
| 11                         | Tunisia      | 132                                 | 138                                  | 118                           | 99                                 | 98                          | 116                              | تونس                     | 11             |
| 12                         | Egypt        | 69                                  | 64                                   | 142                           | 95                                 | 177                         | 129                              | مصر                      | 13             |
| 13                         | Lebanon      | 132                                 | 150                                  | 90                            | 173                                | 122                         | 137                              | لبنان                    | 14             |
| 14                         | Algeria      | 132                                 | 150                                  | 153                           | 91                                 | 133                         | 121                              | الجزائر                  | 15             |
| 15                         | Sudan        | 160                                 | 173                                  | 172                           | 175                                | 166                         | 181                              | السودان                  | 16             |
| <b>Arab Average</b>        |              | <b>72</b>                           | <b>98</b>                            | <b>99</b>                     | <b>80</b>                          | <b>128</b>                  | <b>107</b>                       | <b>المتوسط العربي</b>    |                |
| <b>Number of Countries</b> |              | <b>177</b>                          | <b>177</b>                           | <b>177</b>                    | <b>178</b>                         | <b>182</b>                  | <b>182</b>                       | <b>عدد الدول بالمؤشر</b> |                |

Economic Freedom Index: Published by the Heritage Foundation and the Wall Street Journal since 1995, it measures and evaluates four key aspects of the economic environment, which are the subject of government policies globally (by tracking and assessing 12 sub-indicators) as follows:

- Rule of law: Includes indicators of property rights, government integrity and judicial effectiveness.
- Government size: Includes indicators of government spending, tax burden and fiscal health.
- Regulatory efficiency: workers' freedom, labor freedom and monetary freedom.
- Market openness: includes trade freedom, investment freedom and financial freedom.

The composite index ranks countries by degree of economic freedom through calculating points on a scale of 0 to 100 and the total score of states is obtained by calculating the average of these 12 economic freedoms, giving equal weight to each. States are classified by this index as countries with a free economy (if the index is between 80 and 100), countries with a partially free economy (if the index is between 70 and 79.9) and countries with a moderate free economy (if the index is between 60 and 69.9) and countries with a partially non-free economy (if the index is between 50 and 59.9) and countries with a closed economy (if the index is between 0 and 49.9)

**Arab countries maintained their best performance in the tax burden index during 2023, with six countries, led by the UAE, having the top 10 positions worldwide.**

Source :The Heritage Foundation

المصدر : مؤسسة هيرييتج فاؤندينشن

## Section One: Investment Climate Changes in Arab Countries for 2022

## DOING BUSINESS

## Third: Legislative and regulatory environment indicators

## 1-3-3 Doing Business Environment

According to data from the 2020 Doing Business Environment Report, the position of Arab countries saw a slight improvement in the doing business indicator, but the region's average of 118 positions is still below the global average of 95. In this context, the Arab countries can be divided into three main groups in the general index and the degree of reforms required in the sub-indicators as follows:

Group A (nine countries) ranked better than the global average: It comprises the UAE, Bahrain, Morocco, Saudi Arabia, Oman, Jordan, Qatar, Tunisia and Kuwait, respectively, ranked between 16th and 83rd globally. Despite their relative advanced positions, some countries of this group have yet to make urgent reforms in some fields. These include, for instance, Saudi Arabia in Resolving Insolvency, Oman, Morocco, Qatar and Kuwait, in Getting Credit, Jordan in Dealing with Construction Permits and Qatar in Protecting Minority Investors, Tunisia in Paying Taxes and Getting Credit and Kuwait in Trading across Borders.

Group B (three countries) slightly below the global average: It comprises Djibouti, Egypt and Palestine, ranked between 112th to 117th globally. The group's countries need reforms at higher rates than Group A; including Djibouti in six indicators, mainly Trading across Borders, Enforcing Contracts, Paying Taxes and Starting a Business. Egypt needs important reforms in Trading across Borders, Enforcing Contracts, Paying Taxes and Registering Property, while Palestine needs important reforms in Starting a Business, Resolving Insolvency and Dealing with Construction Permits.

Group C (10 countries) ranked well below the global average: It comprises Lebanon, Mauritania, Algeria, Comoros, Sudan, Iraq, Syria, Libya, Yemen and Somalia respectively, ranked between 143rd and 190th. The group's countries need deep reforms in all indicators to varying degrees except for some indicators that are performing well in some countries. For example, Mauritania needs reforms for Starting a Business and Enforcing Contracts, as Resolving Insolvency reforms are required in Algeria.

- According to the 2020 index, the UAE still ranks first in the Arab countries (16th globally), followed by Bahrain (43rd globally) and Morocco (53rd globally).
- Due to political events, Iraq ranked 172nd globally, Syria (176th globally), Libya (186th globally), Yemen (187th globally) and Somalia (190th globally).
- The economies of the Arab countries achieved the best performance in Registering Property (average ranking of 92), Paying Taxes (average ranking of 97) and Dealing with Construction Permits (average ranking of 97) during 2020.

## 1-3-4 FDI Regulatory Restrictiveness Index

## Foreign Direct Investment Regulatory Restrictiveness Index

- Based on the ranking of 84 countries around the world (including nine Arab countries) in the OECD's FDI Regulatory Restrictiveness Index, the average ranking of the nine Arab countries dropped by one place during 2020.
- All Arab countries, except Morocco, received a lower ranking than the world average, reflecting high restrictions on FDI, especially since three Arab countries finished in the last five places globally.
- Algeria's ranking improved by four places in 2020, while Egypt fell three places, Jordan and Palestine one place, but Morocco, Lebanon, Tunisia, Saudi Arabia and Libya remained unchanged during the same year.
- In terms of the average ranking of Arab countries in 42 sub-indicators, FDI constraints tend to appear mostly in service

sectors such as distribution, wholesale, retail, shipping, insurance, roofing, business services, accounting and auditing, as well as architecture and construction. Thus, the average Arab ranking exceeded the 60th place in these sectors out of 84 places globally.

- Morocco ranked first in the Arab world (42nd worldwide) in the FDI Restrictiveness Index and ranked first in the world in 25 sub-indicators, which means that there are no regulatory restrictions in about 60% of its sectors.
- Tunisia ranked first in the world in 11 sub-indicators in 2020, which means that 26% of its sectors have no regulatory restrictions, while it hit 19% in Palestine (eight sectors without restrictions) and 5% in Lebanon by two sectors without regulatory restrictions.

Section One: Investment Climate Changes in Arab Countries for 2022



Third: Legislative and regulatory environment indicators

### 1-3-5 Corruption Perceptions Index

- Based on the Corruption Perceptions Index, issued by the Transparency International for 2021 and 2022, the general average of the ranking of 20 Arab countries fell by three places to the 113th position during 2022 to be below the global average.
- Eight Arab countries, topped by the GCC countries with the UAE as the leader, were better than the global average. But, twelve Arab countries were below the global average in the index, settled between the 94th place (Morocco) and 180th place (Somalia).
- Six Arab countries advanced in the index during 2022, led by Mauritania (10 positions), then Bahrain (nine positions), Lebanon (four positions), Sudan (two positions) and Libya and Algeria (one position each).
- During 2021 and 2022, Iraq and Syria ranked 157th and 178th respectively, while 12 countries experienced a decline. Tunisia suffered falling 15 places, followed by Oman and Egypt, each declining by 13 places. Qatar fell nine places, Morocco by seven places, Kuwait by four places, Jordan and the UAE by three places, and Saudi Arabia, Djibouti, Yemen, and Somalia by two places each.

**The average of Arab countries in Corruption Perception Index dipped by three places during 2022**

الترتيب العالمي للدول العربية في مؤشر مدركات الفساد لعام 2022

**Global Ranking of Arab Countries in Corruption Perceptions Index in 2022**

| Arab Ranking 2022          | Country      | التغير Change | 2022       | 2021       | الدولة                   | الترتيب العربي 2022 |
|----------------------------|--------------|---------------|------------|------------|--------------------------|---------------------|
| 1                          | UAE          | ▼ (3)         | 27         | 24         | الإمارات                 | 1                   |
| 2                          | Qatar        | ▼ (9)         | 40         | 31         | قطر                      | 2                   |
| 3                          | Saudi Arabia | ▼ (2)         | 54         | 52         | السعودية                 | 3                   |
| 4                          | Jordan       | ▼ (3)         | 61         | 58         | الأردن                   | 4                   |
| 5                          | Bahrain      | ▲ 9           | 69         | 78         | البحرين                  | 5                   |
| 6                          | Oman         | ▼ (13)        | 69         | 56         | سلطنة عمان               | 6                   |
| 7                          | Kuwait       | ▼ (4)         | 77         | 73         | الكويت                   | 7                   |
| 8                          | Tunisia      | ▼ (15)        | 85         | 70         | تونس                     | 8                   |
| 9                          | Morocco      | ▼ (7)         | 94         | 87         | المغرب                   | 9                   |
| 10                         | Algeria      | ▲ 1           | 116        | 117        | الجزائر                  | 10                  |
| 11                         | Egypt        | ▼ (13)        | 130        | 117        | مصر                      | 11                  |
| 12                         | Mauritania   | ▲ 10          | 130        | 140        | موريتانيا                | 12                  |
| 13                         | Djibouti     | ▼ (2)         | 130        | 128        | جيبوتي                   | 13                  |
| 14                         | Lebanon      | ▲ 4           | 150        | 154        | لبنان                    | 14                  |
| 15                         | Iraq         | ■ 0           | 157        | 157        | العراق                   | 15                  |
| 16                         | Sudan        | ▲ 2           | 162        | 164        | السودان                  | 16                  |
| 17                         | Libya        | ▲ 1           | 171        | 172        | ليبيا                    | 17                  |
| 18                         | Yemen        | ▼ (2)         | 176        | 174        | اليمن                    | 18                  |
| 19                         | Syria        | ■ 0           | 178        | 178        | سوريا                    | 19                  |
| 20                         | Somalia      | ▼ (2)         | 180        | 178        | الصومال                  | 20                  |
| <b>Arab Average</b>        |              | <b>▼ (3)</b>  | <b>113</b> | <b>110</b> | <b>المتوسط العربي</b>    |                     |
| <b>Number of Countries</b> |              |               | <b>180</b> | <b>180</b> | <b>عدد الدول بالمؤشر</b> |                     |

Corruption Perception Index: Since its inception in 1995, the Index has become the leading global indicator of public sector corruption. The index scores 180 countries and territories around the world based on perceptions of public sector corruption, using data from 13 external sources, including the World Bank, World Economic Forum, private risk and consulting companies, think tanks and others. The scores of the index represent the views of experts and businessmen. The CPI currently ranks 180 countries "on a scale from 100 (very clean) to 0 (highly corrupt). It measures bribery, diversion of public fund, officials using their public office for private gain without facing consequences, ability of governments to contain corruption in the public sector, excessive red tape in the public sector which may increase opportunities for corruption, nepotistic appointments in the civil service, laws ensuring that public officials must disclose their finances and potential conflicts of interest, legal protection for people who report cases of bribery and

corruption, state capture by narrow vested interests, access to information on public affairs/government activities.

- For a country or territory to be ranked in the Index, it must be featured in at least three of the CPI's 13 data sources. A country's absence from the list does not mean that country is corruption-free, only that there is not enough data available to accurately measure levels of corruption.
- Although there could be a lot of corrupt activity in a certain country, its CPI score remains unchanged. There are a number of possible reasons for this. Corrupt activity not within the timeframe of this year's CPI could take a year or more to reflect in the data sources. Some positive developments in controlling public sector corruption might have been captured, balancing out these negative cases. Certain types of corruption, such as money-laundering or foreign bribery, are not measured in the CPI

## Section One: Investment Climate Changes in Arab Countries for 2022

## Third: Legislative and regulatory environment indicators



## 1-3-6 E-Government Development Index (1)

**12 Arab countries, topped by the GCC countries, recorded a high level in the E-Government Index during 2022**

**The Arab countries' general average slightly declined in E-Government Index during 2022 to settle below the global average**

**The findings of the E-Government Development Index (EGDI) for 2020 and 2022, which covers 20 Arab countries come as follows:**

- The general average of the Arab countries slightly dropped in the EGDI during 2022 to settle below the global average at the 114th place.
- Eleven Arab countries were better than the Arab average, with seven, including the GCC countries and Tunisia, being better than the global average. Nine Arab countries were below the Arab average in the index, settled between 122nd (Lebanon) and 192nd (Somalia) worldwide.
- Nine Arab countries advanced in the index, with Jordan being in the lead by 17 places, followed by Saudi Arabia by 12 places, Egypt and Algeria by eight places, Morocco and Lebanon by five, Mauritania by four and Tunisia by three.
- Oman remained at the 50th position during 2020 and 2022, while 10 countries dropped; Syria by 25 places, Bahrain by 16 positions, Kuwait by 15, Qatar by 12, Libya by seven, Sudan by six, Yemen by five, Iraq by three, Djibouti by two and Somalia by one.
- Five Gulf countries recorded a very high level in the index (the index value ranges between 0.75 and 1.00), as Qatar, Tunisia, Jordan, Morocco, Egypt and Algeria recorded a high level (from 0.50 to 0.75).
- The GCC countries led the Arab ranking, with the UAE retaining the lead during 2022 and coming 13rd worldwide. Saudi Arabia came second at the Arab level and 31st worldwide and Oman came third at the Arab level and 50th worldwide.
- At the level of the index's sub-indicators for 2022, the Arab countries achieved the best average ranking in telecommunication infrastructure. Nine Arab countries, topped by the GCC countries with the UAE being in the forefront, were better than the global average.
- The Arab countries recorded the second best average ranking in online service, with nine Arab countries being better than the global average. Still, the Arab ranking declined in human capital.
- The United Nations Department of Economic and Social Affairs conducts the E-Government Survey every two years and then issues the E-Government Development Index which presents the state of E-Government Development of the United Nations Member States. It also presents programs using information and communication technologies to provide better and faster public services to people.
- The EGDI is a weighted average of three normalized scores on three most important dimensions of e-government, namely:
  - (1) scope and quality of online services (Online Service Index, OSI),
  - (2) development status of telecommunication infrastructure (Telecommunication Infrastructure Index, TII), and
  - (3) inherent human capital (Human Capital Index, HCI). Each of these indices is a composite measure that can be extracted and analyzed independently.
- The level of e-government development in a country is based on the weighted average scores (ranging between 0 and 1) through the following four levels:
  - ◇ From 0.75 to 1.00 reflects very high EGDI value.
  - ◇ From 0.50 to 0.75 reflects high EGDI value.
  - ◇ From 0.25 to 0.50 reflects middle EGDI value
  - ◇ From 0.00 to 0.25 reflects low EGDI value.
- The index monitors numerous significant changes in the improvement of the investment climate and economic and social development in general. The three components of the index are: Online Service Index (OSI), Human Capital Index (HCI) and Telecommunication Infrastructure Index (TII).

## Section One: Investment Climate Changes in Arab Countries for 2022

## Third: Legislative and regulatory environment indicators



## 1-3-6 E-Government Development Index (2)

## الترتيب العالمي للدول العربية في مؤشر الحكومة الإلكترونية ومكوناته الفرعية لعام 2022

## Global Ranking of Arab Countries in the E-Government Index and its Sub-components for year 2022

| Arab Ranking        | Country      | (3)  | (2)  | (1)   | التغيير<br>Change | الترتيب<br>العالمي<br>Global<br>Rank<br>2022 | الترتيب<br>العالمي<br>Global<br>Rank<br>2020 | الدولة            | الترتيب<br>العربي |
|---------------------|--------------|--|--|---|-------------------|--|--|-------------------|-------------------|
|                     |              | مؤشر البنية التحتية للاتصالات<br>Telecommuni-<br>cation<br>Infrastructure<br>Index | مؤشر رأس المال البشري<br>Human<br>Capital<br>Index | مؤشر الخدمة عبر الأنترنت<br>Online<br>Services<br>Index |                   | Global<br>Rank<br>2022                       | Global<br>Rank<br>2020                       |                   |                   |
| 1                   | UAE          | 9  | 44   | 12  | ▲ 8               | 13   | 21   | الإمارات          | 1                 |
| 2                   | Saudi Arabia | 27   | 48   | 32  | ▲ 12              | 31   | 43   | السعودية          | 2                 |
| 3                   | Oman         | 48   | 69   | 58  | ■ 0               | 50   | 50   | سلطنة عمان        | 3                 |
| 4                   | Bahrain      | 65   | 65   | 54  | ▼ (16)            | 54   | 38   | البحرين           | 4                 |
| 5                   | Kuwait       | 57   | 86   | 67  | ▼ (15)            | 61   | 46   | الكويت            | 5                 |
| 6                   | Qatar        | 42   | 105  | 85  | ▼ (12)            | 78   | 66   | قطر               | 6                 |
| 7                   | Tunisia      | 83   | 114  | 87  | ▲ 3               | 88   | 91   | تونس              | 7                 |
| 8                   | Jordan       | 125  | 108  | 74  | ▲ 17              | 100  | 117  | الأردن            | 8                 |
| 9                   | Morocco      | 82   | 133  | 113   | ▲ 5               | 101  | 106  | المغرب            | 9                 |
| 10                  | Egypt        | 110  | 132  | 90  | ▲ 8               | 103  | 111  | مصر               | 10                |
| 11                  | Algeria      | 95   | 109  | 139   | ▲ 8               | 112  | 120  | الجزائر           | 11                |
| 12                  | Lebanon      | 122  | 125  | 127   | ▲ 5               | 122  | 127  | لبنان             | 12                |
| 13                  | Iraq         | 117  | 143  | 182   | ▼ (3)             | 146  | 143  | العراق            | 13                |
| 14                  | Syria        | 147  | 163  | 162   | ▼ (25)            | 156  | 131  | سوريا             | 14                |
| 15                  | Libya        | 176  | 94   | 186   | ▼ (7)             | 169  | 162  | ليبيا             | 15                |
| 16                  | Mauritania   | 126  | 176  | 188   | ▲ 4               | 172  | 176  | موريتانيا         | 16                |
| 17                  | Sudan        | 157  | 178  | 181   | ▼ (6)             | 176  | 170  | السودان           | 17                |
| 18                  | Yemen        | 175  | 177  | 153   | ▼ (5)             | 178  | 173  | اليمن             | 18                |
| 19                  | Djibouti     | 162  | 180  | 180   | ▼ (2)             | 181  | 179  | جيبوتي            | 19                |
| 20                  | Somalia      | 189  | 193  | 168   | ▼ (1)             | 192  | 191  | الصومال           | 20                |
| Arab Average        |              | 106  | 122  | 117   | ▼ (1)             | 114  | 113  | المتوسط العربي    |                   |
| Number of Countries |              | 193  | 193  | 193   |                   | 193  | 193  | عدد الدول بالمؤشر |                   |

## Section One: Investment Climate Changes in Arab Countries for 2022

## Third: Legislative and regulatory environment indicators

**1-3-7 Investment Treaties (1)**

**By the end of March 2023, the Arab countries' average in the Bilateral Investment Treaty Index improved, remaining above the global average**

**Arab countries clinched 16% of BITs globally and 5.2% of Treaties with Investment Provisions (TIP)**

*Based on the database of the UNCTAD program of investment agreements, which monitors BITs and TIPs in 234 countries around the world, including 21 Arab countries in the first quarter of 2023, compared with 2022, the findings come as follows:*

**Bilateral Investment Treaties (BITs)**

- The Arab countries clinched a total of 929 treaties until late March 2023, making up 16% of the global total, an average of 44 treaties for each country.
- The average ranking of Arab countries in the index slightly went up to remain better than the global ranking average thanks to their efforts to promote and protect investments by hammering out BITs.
- Ten Arab countries improved in the BIT index during the first quarter of 2023, as eight others remained unchanged and the decliners were Tunisia, Libya and Djibouti.
- Nine Arab nations exceeded the regional average of 44 BITs, boosting their rankings in Q1 2023. The UAE led the pack, placing 5th globally and 1st in the Arab world, followed by Egypt (76th globally, 2nd in the Arab world), Kuwait (10th globally, 3rd in the Arab world), Morocco (15th globally, 4th in the Arab world), Qatar (22nd globally), and Jordan, Tunisia, Lebanon, and Algeria in descending order.
- Surprisingly, Lebanon, Syria, and Yemen were better than the Arab average, coming 34th, 53rd, 61st, and 61st respectively in spite of the changes they are undergoing.

**Treaties with Investment Provisions (TIPs)**

- The UNCTAD monitored 3,908 TIPS in 234 countries, including 203 in Arab countries, accounting for 5.2% and an average of 10 agreements each.
- The average Arab ranking dropped by five places in the treaties due to the decline of 17 Arab countries in the index, while the UAE, Yemen, Mauritania and Somalia advanced.
- Eight Arab countries hammered out more treaties than the Arab average to be have a better ranking. They were led by the UAE and Egypt which hammered out 15 treaties until late March 2023 to stand at the 60th place.
- Saudi Arabia and Bahrain came second among Arab countries (63rd worldwide) with 13 treaties, followed by Kuwait, Qatar, Tunisia and Oman in the second place (68th worldwide) with 12 treaties, Morocco and Libya in the fourth place (101st worldwide) with 10 treaties. Three Arab countries lagged behind both Arab and global averages with only seven treaties.

**Bilateral Investment Treaties (BITs):** BIT is an agreement between two countries for the promotion and protection of investments by their investors, making up most of the international investment agreements.

The UNCTAD'S International Investment Agreements Navigator monitors BITs according to information provided by governments on a voluntary basis. Treaties are included once they are officially concluded. Agreements that have already completed the negotiation stage but not yet signed are not included.

**Treaties with Investment Provisions (TIPs):** They are investment agreements that are not bilateral ones, including three main types:

- Broad economic agreements that include obligations in bilateral investment agreements (e.g. free trade agreement with investment separation).
- Agreements with limited investment provisions (e.g. only those related to the establishment of investments or the free transfer of investment-related funds).
- Agreements that contain only "framework" paragraphs such as agreements on investment cooperation and/or authorization for future negotiations on investment issue.

Section One: Investment Climate Changes in Arab Countries for 2022



Third: Legislative and regulatory environment indicators

1-3-7 Investment Treaties (2)

| الترتيب العالمي للدول العربية وفق عدد اتفاقيات الاستثمار الثنائية                            |              |   |  |  |   |  |  |        |                |                          |    |
|--|--------------|---|--|--|---|--|--|--------|----------------|--------------------------|----|
| Global Ranking of Arab Countries According to Bilateral Investment Treaties (Global Ranking) |              |   |  |  |   |  |  |        |                |                          |    |
| Arab Ranking   | Country      | عدد الاتفاقيات ذات الصلة بالاستثمار<br>Number of Treaties With Investment Provisions (TIPs) |  |  | عدد اتفاقيات الاستثمار الثنائية<br>Number of Bilateral Investment Treaties (BITs) |  |  | الدولة | الترتيب العربي |                          |    |
|  |              | التغيير<br>Change   | الترتيب العالمي<br>بنهاية الربع<br>الأول 2023<br>Global Rank<br>by the end of<br>Q1-2023 | الترتيب العالمي<br>بنهاية الربع<br>الأول 2022<br>Global Rank<br>by the end of<br>Q1-2022 | التغيير<br>Change   | الترتيب العالمي<br>بنهاية الربع<br>الأول 2023<br>Global Rank<br>by the end of<br>Q1-2023 | الترتيب العالمي<br>بنهاية الربع<br>الأول 2022<br>Global Rank<br>by the end of<br>Q1-2022 |        |                |                          |    |
| 1  | UAE          | ▲   | 5  | 60   | 65  | ▬  | 0  | 5      | 5              | الإمارات                 | 1  |
| 2  | Egypt        | ▼   | (1)  | 60   | 59  | ▲  | 1  | 6      | 7              | مصر                      | 2  |
| 3  | Kuwait       | ▼   | (3)  | 68   | 65  | ▲  | 2  | 10     | 12             | الكويت                   | 3  |
| 4  | Morocco      | ▼   | (20)   | 101  | 81  | ▬  | 0  | 15     | 15             | المغرب                   | 4  |
| 5  | Qatar        | ▼   | (3)  | 68   | 65  | ▲  | 4  | 22     | 26             | قطر                      | 5  |
| 6  | Jordan       | ▼   | (17)   | 118  | 101   | ▬  | 0  | 29     | 29             | الأردن                   | 6  |
| 7  | Tunisia      | ▼   | (3)  | 68   | 65  | ▼  | (1)  | 30     | 29             | تونس                     | 7  |
| 8  | Lebanon      | ▼   | (12)   | 129  | 117   | ▬  | 0  | 34     | 34             | لبنان                    | 8  |
| 9  | Algeria      | ▼   | (7)  | 137  | 130   | ▬  | 0  | 41     | 41             | الجزائر                  | 9  |
| 10   | Syria        | ▼   | (1)  | 169  | 168   | ▬  | 0  | 53     | 53             | سوريا                    | 10 |
| 11   | Libya        | ▼   | (20)   | 101  | 81  | ▼  | (1)  | 61     | 60             | ليبيا                    | 11 |
| 11   | Yemen        | ▲   | 5  | 149  | 154   | ▲  | 2  | 61     | 63             | اليمن                    | 11 |
| 13   | Oman         | ▼   | (3)  | 68   | 65  | ▲  | 5  | 64     | 69             | سلطنة عمان               | 13 |
| 14   | Bahrain      | ▼   | (3)  | 63   | 60  | ▲  | 6  | 69     | 75             | البحرين                  | 14 |
| 15   | Sudan        | ▼   | (1)  | 118  | 117   | ▲  | 4  | 74     | 78             | السودان                  | 15 |
| 16   | Saudi Arabia | ▼   | (3)  | 63   | 60  | ▬  | 0  | 93     | 93             | السعودية                 | 16 |
| 17   | Mauritania   | ▲   | 8  | 137  | 145   | ▬  | 0  | 99     | 99             | موريتانيا                | 17 |
| 18   | Iraq         | ▼   | (6)  | 160  | 154   | ▲  | 2  | 141    | 143            | العراق                   | 18 |
| 19   | Djibouti     | ▼   | (1)  | 118  | 117   | ▼  | (1)  | 144    | 143            | جيبوتي                   | 19 |
| 21   | Palestine    | ▼   | (7)  | 137  | 130   | ▲  | 1  | 154    | 155            | فلسطين                   | 20 |
| 20   | Somalia      | ▲   | 1  | 129  | 130   | ▲  | 7  | 161    | 168            | الصومال                  | 21 |
| <b>Arab Average</b>  |              | ▼   | (5)  | 106  | 101   | ▲  | 2  | 65     | 67             | <b>المتوسط العربي</b>    |    |
| <b>Number of Countries</b>   |              |   |  | 234  | 234   |  |  | 234    | 234            | <b>عدد الدول بالمشتر</b> |    |

## Section One: Investment Climate Changes in Arab Countries for 2022

## Third: Legislative and regulatory environment indicators

## 1-3-8 Legatum Prosperity Index (1)



**A slight improvement in the average Arab ranking in Legatum Prosperity Index during 2023**

**Better ranking of nine countries in the index; led by Kuwait, Libya, Saudi Arabia and Egypt**

Legatum Institute's data of 20 Arab countries, covered by the index shows an improvement in the average Arab ranking by one place to 109th globally during 2023 from 110th during 2022 , the findings come as follows :

**The global ranking in the composite index:**

- Nine Arab countries advanced in Legatum Prosperity Index during 2023; led by Kuwait and Libya by four places, followed by Saudi Arabia and Egypt by three places, Iraq, Qatar, Bahrain and Oman. This reflects a rise in these countries' public prosperity level, compared with 2022.
- The decliners were three countries, notably Lebanon, Jordan and Yemen, as the UAE, Tunisia, Algeria, Djibouti, Mauritania, Syria, Sudan and Somalia remained unchanged.
- The first six countries were better than both Arab and global averages in the index during 2022 and 2023.
- The UAE kept leading the Arab prosperity list (44th globally, followed by Qatar (46th globally), Kuwait (60th globally), Bahrain (62nd), and Oman and Saudi Arabia

(67th and 79th respectively).

**The global ranking in sub-indicators:**

- The Arab countries notched up their best average in the living conditions indicator, with 10 countries being better than the global average. The gainers were the GCC member countries, mainly Kuwait, in addition to Jordan, Tunisia, Algeria and Lebanon.
- The Arab countries were assigned the second best average in the health indicator thanks to their efforts in the field of health services and systems. The GCC countries, Tunisia and Algeria were better than the global average in the index during 2023.
- The average ranking of the Arab countries declined in the indicators of natural environment and personal freedom. No country was better than the global average in both indicators during 2022.

Legatum Prosperity Index: It is annually issued by Legatum Institute since 2007, monitoring the efforts of 167 countries to strengthen their people's prosperity through 12 key pillars covering 300 indices (192 statistical statements and 108 surveys). They are grouped into three domains essential to prosperity: Inclusive Societies, Open Economies, and Empowered People. The 12 pillars come as follows:

- The Economic Quality pillar: It measures how well an economy is equipped to generate wealth sustainably and with the full engagement of the workforce.
- The Education pillar: It measures enrolment, outcomes, and quality across four stages of education (pre-primary, primary, secondary, and tertiary education), as well as the skills in the adult population.
- The Enterprise Conditions pillar : It measures the degree to which regulations enable businesses to start, compete, and expand.
- The Governance pillar: It measures the extent to which there are checks and restraints on power and whether governments operate effectively and without corruption.
- The Health pillar: It measures the extent to which people are healthy and have access to the necessary services to maintain good health, including health outcomes, health systems, illness and risk factors, and mortality rates.
- The Investment Environment pillar: It measures the extent to which investments are adequately protected and are readily accessible.
- The Living Conditions pillar: It measures the degree to which a reasonable quality of life is experienced by all, including material resources, shelter, basic services, and connectivity.
- The Infrastructure and Market Access pillar: It measures the quality of the infrastructure that enables trade, and distortions in the market for goods and services.
- The Natural Environment pillar: It measures the aspects of the physical environment that have a direct effect on people in their daily lives and changes that might impact the prosperity of future generations.
- The Personal Freedom pillar: It measures progress towards basic legal rights, and individual liberties.
- The Safety and Security pillar: It measures the degree to which war, conflict, and crime have destabilized the security of individuals, both immediately and through longer-lasting effects.
- The Social Capital pillar: It measures the strength of personal and social relationships, social norms, civic participation in a country, and social tolerance.

Section One: Investment Climate Changes in Arab Countries for 2022

Third: Legislative and regulatory environment indicators

1-3-8 Legatum Prosperity Index (2)

الترتيب العالمي للدول العربية في مؤشر ليجاتوم للازدهار ومكوناته الفرعية

Global Ranking of Arab Countries in Legatum Prosperity Index and its Sub-Components

| Arab Ranking 2023   | Country      | (12)            | (11)    | (10)  | (9)             | (8)           | (7)                                | (6)          | (5)            | (4)                 | (3)     | (2)            | (1)            | التغيير | الترتيب العالمي  | الترتيب العالمي  | الدولة            | الترتيب العربي 2023 |
|---------------------|--------------|-----------------|---------|-------|-----------------|---------------|------------------------------------|--------------|----------------|---------------------|---------|----------------|----------------|---------|------------------|------------------|-------------------|---------------------|
|                     |              | البيئة الطبيعية | التعليم | الصحة | الظروف المعيشية | جودة الاقتصاد | البنية التحتية والوصول الى الاسواق | شروط المؤسسة | بيئة الاستثمار | رأس المال الاجتماعي | الحكومة | الحرية الشخصية | الأمن والسلامة |         | Global Rank 2023 | Global Rank 2022 |                   |                     |
| 1                   | UAE          | 119             | 42      | 33    | 47              | 26            | 22                                 | 22           | 32             | 78                  | 38      | 146            | 50             | 0       | 44               | 44               | الإمارات          | 1                   |
| 2                   | Qatar        | 134             | 60      | 38    | 48              | 13            | 36                                 | 26           | 43             | 51                  | 47      | 149            | 23             | 1       | 46               | 47               | قطر               | 2                   |
| 3                   | Kuwait       | 137             | 75      | 43    | 42              | 51            | 64                                 | 76           | 63             | 99                  | 87      | 119            | 51             | 4       | 60               | 64               | الكويت            | 3                   |
| 4                   | Bahrain      | 142             | 63      | 50    | 45              | 56            | 31                                 | 60           | 35             | 55                  | 98      | 156            | 95             | 1       | 62               | 63               | البحرين           | 4                   |
| 5                   | Oman         | 153             | 83      | 55    | 67              | 63            | 48                                 | 48           | 58             | 88                  | 83      | 142            | 40             | 1       | 67               | 68               | سلطنة عمان        | 5                   |
| 6                   | Saudi Arabia | 138             | 64      | 56    | 75              | 55            | 54                                 | 43           | 56             | 105                 | 82      | 163            | 98             | 3       | 79               | 82               | السعودية          | 6                   |
| 7                   | Jordan       | 146             | 90      | 100   | 61              | 121           | 67                                 | 41           | 50             | 152                 | 68      | 116            | 74             | (1)     | 86               | 85               | الأردن            | 7                   |
| 8                   | Morocco      | 132             | 122     | 86    | 95              | 95            | 57                                 | 90           | 55             | 162                 | 89      | 114            | 62             | 1       | 96               | 97               | المغرب            | 8                   |
| 9                   | Tunisia      | 147             | 95      | 79    | 73              | 111           | 94                                 | 105          | 95             | 156                 | 63      | 86             | 122            | 0       | 99               | 99               | تونس              | 9                   |
| 10                  | Algeria      | 144             | 92      | 70    | 70              | 132           | 99                                 | 138          | 131            | 155                 | 107     | 128            | 60             | 0       | 109              | 109              | الجزائر           | 10                  |
| 11                  | Lebanon      | 116             | 65      | 102   | 83              | 161           | 101                                | 104          | 104            | 165                 | 143     | 100            | 128            | (5)     | 112              | 107              | لبنان             | 11                  |
| 12                  | Egypt        | 156             | 105     | 107   | 93              | 136           | 82                                 | 62           | 86             | 161                 | 140     | 160            | 142            | 3       | 121              | 124              | مصر               | 12                  |
| 13                  | Djibouti     | 154             | 132     | 126   | 118             | 104           | 112                                | 109          | 97             | 142                 | 115     | 130            | 85             | 0       | 122              | 122              | جيبوتي            | 13                  |
| 14                  | Iraq         | 167             | 121     | 115   | 87              | 105           | 107                                | 144          | 127            | 138                 | 135     | 133            | 163            | 2       | 140              | 142              | العراق            | 14                  |
| 15                  | Libya        | 157             | 112     | 105   | 94              | 99            | 128                                | 161          | 157            | 115                 | 160     | 129            | 162            | 4       | 146              | 150              | ليبيا             | 15                  |
| 16                  | Mauritania   | 164             | 154     | 138   | 124             | 135           | 154                                | 166          | 161            | 119                 | 154     | 123            | 87             | 0       | 154              | 154              | موريتانيا         | 16                  |
| 17                  | Sudan        | 163             | 144     | 127   | 138             | 167           | 139                                | 155          | 149            | 164                 | 145     | 153            | 159            | 0       | 158              | 158              | السودان           | 17                  |
| 18                  | Syria        | 160             | 128     | 108   | 106             | 148           | 149                                | 165          | 143            | 167                 | 165     | 167            | 164            | 0       | 159              | 159              | سوريا             | 18                  |
| 19                  | Somalia      | 136             | 158     | 163   | 159             | 165           | 165                                | 140          | 153            | 143                 | 161     | 141            | 160            | 0       | 163              | 163              | الصومال           | 19                  |
| 20                  | Yemen        | 152             | 155     | 136   | 148             | 164           | 156                                | 160          | 165            | 157                 | 166     | 159            | 165            | (1)     | 166              | 165              | اليمن             | 20                  |
| Arab Average        |              | 146             | 103     | 92    | 89              | 105           | 93                                 | 101          | 98             | 129                 | 112     | 136            | 105            | 1       | 109              | 110              | المتوسط العربي    |                     |
| Number of Countries |              | 167             | 167     | 167   | 167             | 167           | 167                                | 167          | 167            | 167                 | 167     | 167            | 167            |         | 167              | 167              | عدد الدول بالمؤشر |                     |

## 1-4-1 Total Natural Resources Rents

**The Average Arab ranking in Total Natural Resources Rents exceeds the global average and stands at 64th place in 2020**

**Despite the decline in the global average ranking of the Arab countries in the index of total natural resource rents to GDP from 63rd to 64th place between 2019 and 2020, they still enjoy a good average ranking that exceeds the global average in this indicator, which shows that the region's countries enjoy a variety of natural resources that can be utilized in both short and long terms.**

- Twelve Arab countries exceeded both average global and Arab rankings in the index during 2021.
- In 2020, eight Arab nations improved their global ranking in the index. Mauritania saw the most significant leap, climbing 54 spots from 88th to 34th globally. Sudan followed with a gain of 34 positions, while Palestine rose seven places. Lebanon and Jordan both advanced six spots, and Morocco and Iraq each moved up three places. Djibouti gained two positions
- Ten Arab countries recorded a decline in the index, led by Egypt, which decreased by 29 places, Bahrain dropped by 19 places, Tunisia by 18 places, then the UAE and Algeria by 12 places.
- Kuwait maintained its fourth place globally and second in the Arab world in 2019 and 2020, as its natural resources rents to its GDP remained unchanged between these two years.
- In 2020, Iraq topped the Arab world and ranked second globally in the index of total natural resource rents to GDP. Kuwait came in second place in the Arab world (fourth globally), followed by Sudan in third place in the Arab world (sixth globally). Libya ranked fourth in the Arab world (12th globally), with Oman rounding out the top five in the Arab world (14th globally).

**8 Arab countries advanced in global ranking in the index during 2020, led by Mauritania that remarkably leapt by 58 positions**

وضع الدول العربية في مؤشر إيرادات الموارد الطبيعية من الناتج المحلي الإجمالي 2019-2020

Ranking of Arab countries in the index of natural resource revenues from GDP 2019-2020

| Arab ranking 2020 | Country      | التغير Change | الترتيب العالمي Global ranking 2020 | الترتيب العالمي Global ranking 2019 | الدولة         | الترتيب العربي 2020 |
|-------------------|--------------|---------------|-------------------------------------|-------------------------------------|----------------|---------------------|
| 1                 | Iraq         | ▲ 3           | 2                                   | 5                                   | العراق         | 1                   |
| 2                 | Kuwait       | ■ 0           | 4                                   | 4                                   | الكويت         | 2                   |
| 3                 | Sudan        | ▲ 34          | 6                                   | 40                                  | السودان        | 3                   |
| 4                 | Libya        | ▼ (10)        | 12                                  | 2                                   | ليبيا          | 4                   |
| 5                 | Oman         | ▼ (6)         | 14                                  | 8                                   | سلطنة عمان     | 5                   |
| 6                 | Saudi Arabia | ▼ (8)         | 19                                  | 11                                  | السعودية       | 6                   |
| 7                 | Qatar        | ▼ (9)         | 27                                  | 18                                  | قطر            | 7                   |
| 8                 | Somalia      | ▼ (6)         | 28                                  | 22                                  | الصومال        | 8                   |
| 9                 | UAE          | ▼ (12)        | 31                                  | 19                                  | الإمارات       | 9                   |
| 10                | Algeria      | ▼ (12)        | 32                                  | 20                                  | الجزائر        | 10                  |
| 11                | Mauritania   | ▲ 54          | 34                                  | 88                                  | موريتانيا      | 11                  |
| 12                | Bahrain      | ▼ (19)        | 45                                  | 26                                  | البحرين        | 12                  |
| 13                | Egypt        | ▼ (29)        | 81                                  | 52                                  | مصر            | 13                  |
| 14                | Tunisia      | ▼ (18)        | 99                                  | 81                                  | تونس           | 14                  |
| 15                | Morocco      | ▲ 3           | 132                                 | 135                                 | المغرب         | 15                  |
| 16                | Djibouti     | ▲ 2           | 135                                 | 137                                 | جيبوتي         | 16                  |
| 17                | Jordan       | ▲ 6           | 160                                 | 166                                 | الأردن         | 17                  |
| 18                | Lebanon      | ▲ 6           | 174                                 | 180                                 | لبنان          | 18                  |
| 19                | Palestine    | ▲ 7           | 179                                 | 186                                 | فلسطين         | 19                  |
| 20                | Syria        | ...           | ...                                 | 67                                  | سوريا          | 20                  |
| Arab average      |              | ▼ (1)         | 64                                  | 63                                  | المتوسط العربي |                     |
| Total countries   |              |               | 195                                 | 206                                 | عدد الدول      |                     |

The index of total natural resources rents: It is the revenues/returns of natural resources including oil revenues and revenues of natural gas, coal, minerals and forests. Counting on the World Bank, the index is based on estimates used by the bank's experts according to the sources and methods described in the "The Changing Wealth of Nations" report.

Section One: Investment Climate Changes in Arab Countries for 2022



Fourth: Indicators of production elements

### 1-4-2 Entrepreneurship Index

**Based on the ranking of the 10 Arab countries included in the CEOWORLD magazine's Entrepreneurship Index, the average ranking of Arab countries stabilized at 64th place in 2021.**

- Only two Arab countries ranked better than the global average in the Entrepreneurship Index in 2021.
- Four Arab countries: UAE, Saudi Arabia, Qatar and Morocco, ranked better than the Arab average, while the other six countries ranked lower than the average Arab ranking between 75th place for Jordan and 96th place for Algeria.
- The Arab countries achieved their best average ranking in the competitiveness and infrastructure indicators, followed by the indicator of openness to business and access to capital.
- The UAE ranked first in the Arab world (5th in the world), Saudi Arabia second in the Arab world (15th in the world), followed by Qatar in third place in the Arab world (58th in the world), Morocco in fourth place in the Arab world (61st in the world) and Jordan in fifth place in the Arab world (75th in the world).
- The UAE ranked first in all entrepreneurship sub-indices and ranked among the top 10 in the world in four indicators: access to capital and openness to capital as well as competitiveness and infrastructure indicators.



وضع الدول العربية في مؤشر ريادة الأعمال ومكوناته الفرعية لعام 2021 (الترتيب العالمي)

**Ranking of Arab countries in the Entrepreneurship Index and its sub-components for 2021 (global ranking)**

| Arab ranking | Country         | الابتكار Innovation | التنافسية Competitiveness | مهارات العمل Labour skills | البنية التحتية Infrastructure | النفوذ إلى رأس المال Access to capital | الانفتاح على الأعمال Openness for business | المؤشر المركب Composite index | الدولة           | الترتيب العربي |
|--------------|-----------------|---------------------|---------------------------|----------------------------|-------------------------------|--|--|-------------------------------|------------------|----------------|
| 1            | UAE             | 25                  | 8                         | 25                         | 9                             | 3                                      | 3  | 5                             | الإمارات         | 1              |
| 2            | Saudi Arabia    | 87                  | 30                        | 87                         | 30                            | 22                                     | 21   | 15                            | السعودية         | 2              |
| 3            | Qatar           | 80                  | 90                        | 80                         | 90                            | 65                                     | 64   | 58                            | قطر              | 3              |
| 4            | Morocco         | 98                  | 93                        | 98                         | 93                            | 34                                     | 34   | 61                            | المغرب           | 4              |
| 5            | Jordan          | 32                  | 22                        | 32                         | 22                            | 87                                     | 86   | 75                            | الأردن           | 5              |
| 6            | Tunisia         | 85                  | 96                        | 85                         | 96                            | 93                                     | 93   | 75                            | تونس             | 6              |
| 7            | Bahrain         | 33                  | 22                        | 33                         | 22                            | 80                                     | 80   | 78                            | البحرين          | 7              |
| 8            | Lebanon         | 81                  | 68                        | 81                         | 68                            | 56                                     | 54   | 87                            | لبنان            | 8              |
| 9            | Egypt           | 71                  | 50                        | 71                         | 50                            | 76                                     | 76   | 90                            | مصر              | 9              |
| 10           | Algeria         | 79                  | 70                        | 79                         | 70                            | 57                                     | 57   | 96                            | الجزائر          | 10             |
|              | Arab average    | 67                  | 55                        | 67                         | 55                            | 57                                     | 57   | 64                            | المتوسط العربي   |                |
|              | Total countries | 100                 | 100                       | 100                        | 100                           | 100                                    | 100  | 100                           | إجمالي عدد الدول |                |

Entrepreneurship Index: A composite index published by CEOWORLD magazine in partnership with the Global Business Policy Institute, the index monitors the top 100 countries in entrepreneurship during the year, which together account for 95% of global GDP. The index contains six key components: innovation, competitiveness, business skills, infrastructure, access to capital and openness to business. The final value of the general index is calculated on a scale of 1-100. The index comprises 18 sub-indicators. The magazine stressed that this order of states should not be seen according to the indicator as the most important aspect when choosing where to set up a business, but rather one of the elements to be taken into account.

## Section One: Investment Climate Changes in Arab Countries for 2022

## Fourth: Indicators of production elements

## 1-4-3 Global Sustainable Competitiveness Index (1)

**Arab countries fell to the 144th place in the Global Sustainable Competitiveness Index during 2022**

**At the level of the 19 countries covered by the Global Sustainable Competitiveness Index for 2022, their average ranking stood at the 144th position, which is considered a lagging average compared to the global one. The following are the most important developments of Arab countries in the index during 2022:**

**The global ranking in the composite index:**

- Only one Arab country; the UAE, ranked better than the global average, as nine Arab countries ranked better than the Arab average; notably four GCC countries, Morocco, Tunisia, Jordan, Palestine and Egypt.
- Eight Arab countries advanced in the index during 2022, mainly Palestine which jumped by 27 places, followed by Qatar, the UAE and Djibouti respectively.
- Nine Arab countries declined in the composite index between 2021 and 2022; led by Kuwait which fell by 15 places. Oman also declined by 12 places, while Syria stood at 176th place globally.
- The UAE maintained its lead of the Arab ranking during 2022, followed by Saudi Arabia, Morocco, Qatar and Oman in the first five places at the Arab level.

**The global ranking in sub-indicators:**

- The Arab countries notched up their best average ranking in intellectual capital and innovation indicators as a result of nine Arab countries being better than the global average. The leaders were Saudi Arabia, the UAE and Tunisia respectively. This reflects these countries' efforts in the fields of education, research and development in a way that supports innovation output.
- The Arab countries were assigned the second best ranking in the indicator of social capital, but sustained the worst average in natural capital owing to the decline of most Arab countries.
- Surprisingly, Jordan, Djibouti, Yemen, Algeria, Lebanon and Egypt ranked better than the global average in at least one of the sub-indicators.

Published by SolAbility Sustainable Intelligence since 2012, the Global Sustainable Competitiveness Index (GSCI) is the most comprehensive ranking of countries currently available. The GSCI measures competitiveness of countries based on 189 measurable, quantitative indicators derived from reliable sources, such as the World Bank World Bank, the IM and various UN agencies. The 189 indicators are grouped into six sub-indexes: Natural Capital, Resource Efficiency & Intensity, Social Capital, Intellectual Capital, Economic Sustainability, and Governance Efficiency.

**Natural Capital:** the given natural environment, including the availability of resources, and the level of the depletion of those resources.

**Resource Efficiency & Intensity:** the efficiency of using available resources as a measurement of operational competitiveness in a resource-

constraint World.

**Social Capital:** health, security, freedom, equality and life satisfaction within a country.

**Intellectual Capital & Innovation:** the capability to generate wealth and jobs through innovation and value-added industries in the globalized markets.

**Economic Sustainability:** reflects the ability to generate wealth through sustainable economic development.

**Governance Efficiency:** Results of core state areas and investments – infrastructure, market and employment structure, the provision of a framework for sustained and sustainable wealth generation.

## Section One: Investment Climate Changes in Arab Countries for 2022

## Fourth: Indicators of production elements

## 1-4-3 Global Sustainable Competitiveness Index

**UAE leads Arab countries in Global Sustainable Competitiveness Index,  
ranked better than the global average during 2022**

الترتيب العالمي للدول العربية في مؤشر التنافسية المستدامة

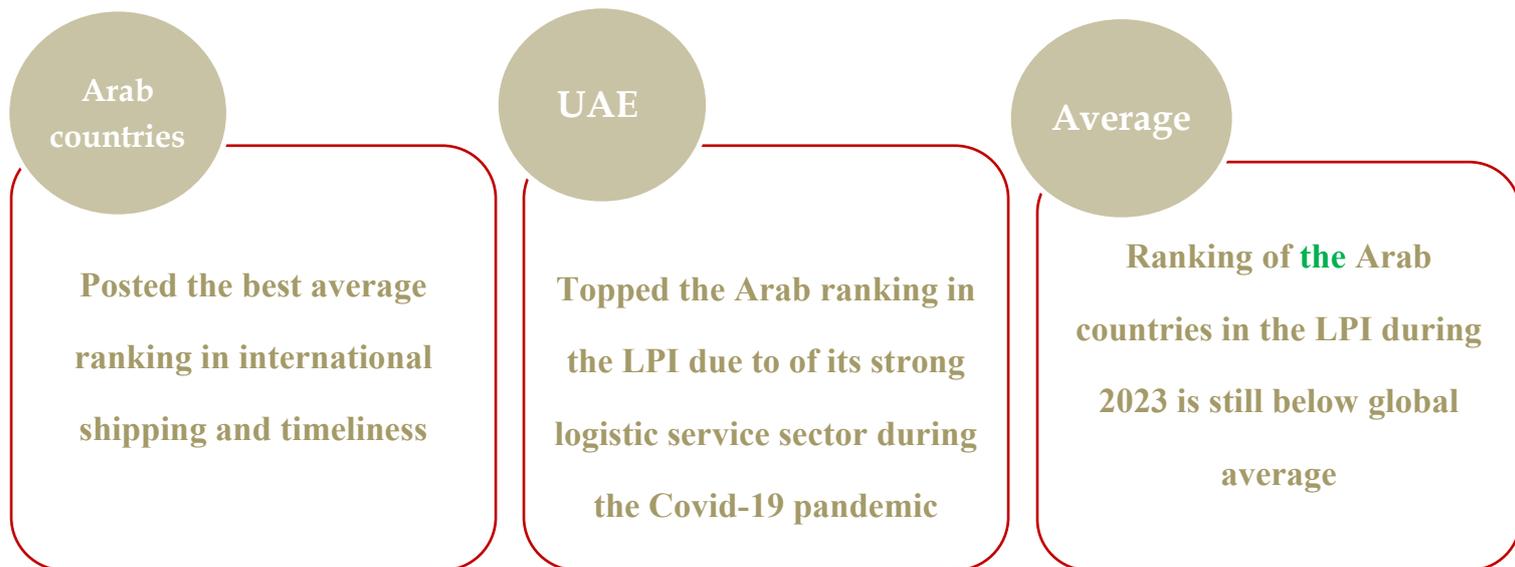
The Global Ranking of Arab Countries in the Sustainable Competitiveness Index

| Arab Ranking 2022          | Country      | (6) الحوكمة<br>Governance | (5) الاستدامة الاقتصادية<br>Economic Sustainability | (4) رأس المال الفكري<br>Intellectual Capital | (3) رأس المال الاجتماعي<br>Social Capital | (2) كفاءة الموارد وكثافتها<br>Resource Intensity | (1) رأس المال الطبيعي<br>Natural Capital | التغير<br>Change | الترتيب العالمي<br>Global Rank 2022 | الترتيب العالمي<br>Global Rank 2021 | الدولة                   | الترتيب العربي<br>2022 |
|----------------------------|--------------|---------------------------|---|--|---|--|--|------------------|-------------------------------------|-------------------------------------|--------------------------|------------------------|
| 1                          | UAE          | 49                        | 108   | 53   | 9   | 172  | 171                                      | ▲19              | 77                                  | 96                                  | الإمارات                 | 1                      |
| 2                          | Saudi Arabia | 78                        | 151   | 45   | 63  | 178  | 98                                       | ▲12              | 102                                 | 114                                 | السعودية                 | 2                      |
| 3                          | Morocco      | 77                        | 110   | 68   | 153                                       | 114  | 147                                      | ▼(6)             | 109                                 | 103                                 | المغرب                   | 3                      |
| 4                          | Qatar        | 86                        | 171   | 91   | 45  | 162  | 166                                      | ▲24              | 122                                 | 146                                 | قطر                      | 4                      |
| 5                          | Oman         | 109                       | 141   | 65   | 67  | 179  | 119                                      | ▼(12)            | 129                                 | 117                                 | سلطنة عمان               | 5                      |
| 6                          | Tunisia      | 105                       | 150   | 61   | 85  | 144  | 176                                      | ▼(2)             | 130                                 | 128                                 | تونس                     | 6                      |
| 7                          | Jordan       | 106                       | 79  | 150  | 94  | 76   | 175                                      | ▲1               | 131                                 | 132                                 | الأردن                   | 7                      |
| 8                          | Palestine    | 114                       | 80  | 63   | 101                                       | 146  | 179                                      | ▲27              | 136                                 | 163                                 | فلسطين                   | 8                      |
| 9                          | Egypt        | 108                       | 102   | 83   | 163                                       | 158  | 155                                      | ▼(10)            | 141                                 | 131                                 | مصر                      | 9                      |
| 10                         | Algeria      | 153                       | 170   | 70   | 84  | 163  | 142                                      | ▼(3)             | 147                                 | 144                                 | الجزائر                  | 10                     |
| 11                         | Djibouti     | 160                       | 78  | 152  | 164                                       | 13   | 149                                      | ▲14              | 150                                 | 164                                 | جيبوتي                   | 11                     |
| 12                         | Kuwait       | 100                       | 180   | 88   | 62  | 168  | 168                                      | ▼(15)            | 154                                 | 139                                 | الكويت                   | 12                     |
| 13                         | Bahrain      | 131                       | 166   | 100  | 104                                       | 160  | 174                                      | ▲2               | 164                                 | 166                                 | البحرين                  | 13                     |
| 14                         | Mauritania   | 120                       | 132   | 171  | 151                                       | 122  | 144                                      | ▼(8)             | 168                                 | 160                                 | موريتانيا                | 14                     |
| 15                         | Lebanon      | 164                       | 138   | 109  | 79  | 151  | 178                                      | ▲4               | 171                                 | 175                                 | لبنان                    | 15                     |
| 16                         | Yemen        | 179                       | 178   | 107  | 171                                       | 10   | 169                                      | ▼(1)             | 174                                 | 173                                 | اليمن                    | 16                     |
| 17                         | Syria        | 172                       | 168   | 124  | 143                                       | 155  | 148                                      | ■0               | 176                                 | 176                                 | سوريا                    | 17                     |
| 18                         | Sudan        | 162                       | 179   | 156  | 162                                       | 133  | 105                                      | ▼(5)             | 177                                 | 172                                 | السودان                  | 18                     |
| 19                         | Iraq         | 163                       | 140   | 125  | 140                                       | 177  | 161                                      | .....            | 178                                 | .....                               | العراق                   | 19                     |
| <b>Arab Average</b>        |              | 123                       | 138   | 99   | 107                                       | 136  | 154                                      | ■0               | 144                                 | 144                                 | <b>المتوسط العربي</b>    |                        |
| <b>Number of Countries</b> |              | 180                       | 180   | 180  | 180                                       | 180  | 180                                      |                  | 180                                 | 180                                 | <b>عدد الدول بالمؤشر</b> |                        |

Source: SolAbility (Intelligence think-tank and Consultancy)

المصدر: مركز الأبحاث والاستشارات SolAbility

### 1-4-4 The Logistic Performance Index (LPI) (1)



**Based on the World Bank’s data in April 2023 for 16 Arab countries in the LPI, issued three years after unprecedented supply chain disruptions during the Covid-19 pandemic, the general Arab average stood at 83rd during 2023, i.e. below the global average.**

- The GCC countries, Egypt and Djibouti ranked better than the global average in the index, as other countries were below the average between 79th place for Djibouti and 138th for Libya.
- The UAE came first at the Arab level and seventh worldwide in the index during 2023 from 11th worldwide during 2018 thanks to the strong performance of its logistic service sector during the

Published by the World Bank every two years since 2007, the Logistic Performance Index (LPI) measures a country’s ability to get engaged in trade and global markets, or, in other words, a country’s ability to transport goods across borders in a speed and regular manner.

Covering 139 countries, the index measures how easy it is to create regular links across supply chains and the structural factors that make this possible, like logistic service quality, trade and freight infrastructure and border control. The World Bank’s survey of 1,000 international freight forwarders is used.

The LPI is an interactive benchmarking tool created to help countries identify the challenges and opportunities they face in their performance on trade logistics and what they can do to improve their performance, based on the following six components:

- The efficiency of customs and border management clearance (“Customs”).
- The quality of trade and transport infrastructure (“Infrastructure”).
- The ease of arranging competitively priced shipments (Ease of arranging shipments”).
- The competence and quality of logistics services—trucking, forwarding, and customs brokerage (“Quality of logistics services”).
- The ability to track and trace consignments (“Tracking and tracing”).
- The frequency with which shipments reach consignees within scheduled or expected delivery times (“Timeliness”).

Covid-19 pandemic. The UAE enjoyed free and nonstop goods and service inflow.

- Qatar and Bahrain came second among Arab countries (34th globally), followed by Saudi Arabia (38th globally), Oman in the fifth Arab ranking (43rd globally), Kuwait and Egypt in the 51st and 57th places respectively during 2023.
- At the level of Arab countries’ performance in sub-indicators during 2023, they made the best performance in international shipping and timeliness.
- The Arab countries second best performance came in tracking and tracing, but lagged behind in logistics. competence.

## 1-4-4 The Logistic Performance Index (LPI) (2)

The GCC countries, Egypt and Djibouti ranked better than the global average in the LPI during 2023

| الترتيب العالمي للدول العربية في مؤشر أداء الخدمات اللوجستية لعام 2023      |                     |                                      |   |  |  |  |                                  |                                     |                   |                |
|---|---------------------|--------------------------------------|---|--|--|--|----------------------------------|-------------------------------------|-------------------|----------------|
| The Global Ranking of Arab Countries in the Logistic Performance Index 2023 |                     |                                      |   |  |  |  |                                  |                                     |                   |                |
| Arab Ranking  | Country             | (6)<br>الالتزام بالوقت<br>Timeliness | (5)<br>التتبع والتعقب<br>Tracking & tracing | (4)<br>الكفاءة اللوجستية<br>Logistics competence | (3)<br>الشحن الدولي<br>International shipments | (2)<br>البنية التحتية<br>Infra-structure | (1)<br>الأداء الجمركي<br>Customs | الترتيب العالمي<br>Global Rank 2023 | الدولة            | الترتيب العربي |
| 1   | UAE                 | 4                                    | 11  | 11   | 4  | 9  | 14                               | 7                                   | الإمارات          | 1              |
| 2   | Qatar               | 46                                   | 34  | 14   | 47   | 19                                       | 43                               | 34                                  | قطر               | 2              |
| 2   | Bahrain             | 10                                   | 41  | 46   | 47   | 30                                       | 31                               | 34                                  | البحرين           | 2              |
| 4   | Saudi Arabia        | 35                                   | 37  | 46   | 38   | 30                                       | 47                               | 38                                  | السعودية          | 4              |
| 5   | Oman                | 76                                   | 20  | 53   | 26   | 47                                       | 47                               | 43                                  | سلطنة عمان        | 5              |
| 6   | Kuwait              | 101                                  | 49  | 65   | 43   | 30                                       | 37                               | 51                                  | الكويت            | 6              |
| 7   | Egypt               | 35                                   | 72  | 65   | 43   | 55                                       | 59                               | 57                                  | مصر               | 7              |
| 8   | Djibouti            | 35                                   | 87  | 76   | 102  | 108                                      | 74                               | 79                                  | جيبوتي            | 8              |
| 9   | Algeria             | 116                                  | 98  | 126  | 57   | 125                                      | 101                              | 97                                  | الجزائر           | 9              |
| 10  | Sudan               | 109                                  | 117   | 110  | 111  | 108                                      | 120                              | 115                                 | السودان           | 10             |
| 10  | Iraq                | 87                                   | 105   | 126  | 102  | 118                                      | 120                              | 115                                 | العراق            | 10             |
| 12  | Syria               | 124                                  | 117   | 126  | 121  | 118                                      | 110                              | 123                                 | سوريا             | 12             |
| 12  | Mauritania          | 101                                  | 98  | 103  | 128  | 130                                      | 120                              | 123                                 | موريتانيا         | 12             |
| 14  | Yemen               | 101                                  | 117   | 92   | 139  | 132                                      | 137                              | 132                                 | اليمن             | 14             |
| 15  | Somalia             | 133                                  | 136   | 139  | 111  | 132                                      | 139                              | 137                                 | الصومال           | 15             |
| 16  | Libya               | 137                                  | 136   | 138  | 135  | 138                                      | 133                              | 138                                 | ليبيا             | 16             |
|   | Arab Average        | 78                                   | 80  | 84   | 78   | 83                                       | 83                               | 83                                  | المتوسط العربي    |                |
|   | Number of Countries | 139                                  | 139   | 139  | 139  | 139                                      | 139                              | 139                                 | عدد الدول بالمؤشر |                |

## 1-4-5 World Energy Trilemma Index (1)

### The Average

**Ranking of Arab countries in Trilemma Index improved during 2022 by five places, buoyed by the better ranking of all countries, except Qatar**

### Five Arab

**countries UAE, Bahrain, Saudi Arabia, Kuwait and Oman exceeded both Arab and global rankings in the index during 2021 and 2022**

According to World Energy Council's data on the global ranking of 129 countries in the World Energy Trilemma Index including 14 Arab countries during 2022, covering 91 places, the average ranking of Arab countries in the index improved markedly by five places between 2021 and 2022. It was supported by an improvement in the ranking of all Arab countries included in the index, except Qatar which declined by 20 places to 51st during 2022 from 31st globally.

- Five Arab countries (UAE, Bahrain, Saudi Arabia, Kuwait and Oman) surpassed the average global and Arab ranking in the index during 2021 and 2022. The remaining countries ranked lower than the Arab and global averages, ranging between the 49th place for Algeria and 76th for Mauritania.
- The UAE came first as an Arab country (26th globally, then came Bahrain in the second Arab place (32nd globally), Saudi Arabia third (33rd globally, Kuwait fourth (34th globally) and Oman fifth (41st globally).
- Kuwait jumped by 11 positions to the fourth Arab position and 34th globally in the index during 2022. The gainers also included Bahrain and Mauritania by 10 positions each and Jordan by five.
- At the level of sub-indicators: the Arab countries maintained their best average in energy equity, (beyond the global average), as five Arab countries had the first five places globally. Qatar came second globally, the UAE and Kuwait third, Oman fourth and Bahrain fifth globally.
- The Arab countries achieved the second best average ranking during 2021 and 2022 in energy security, but fell in environment sustainability during both years.
- Qatar led the Arab list (second globally) in energy equity between 2021 and 2022, while Jordan was in the forefront in environment sustainability and came 60th globally. Bahrain ranked first in the Arab average in energy security (44th globally) during 2022.
- Surprisingly, Qatar dipped from the first Arab place in Trilemma Index to the ninth place during 2022, mainly due to the decline in its energy security level from the 13th globally during 2021 to 52nd during 2022, not to mention its drop in the environment sustainability ranking from the 96th to 108th place between both years.
- Unexpectedly, Lebanon advanced in energy equity during 2021 and 2022 despite its ongoing economic crises.

Section One: Investment Climate Changes in Arab Countries for 2022

Fourth: Indicators of production elements

1-4-5 World Energy Trilemma Index (2)

| الترتيب العالمي للدول العربية في مؤشر الطاقة العالمي ومكوناته الفرعية لعام 2022                     |              |   |   |                                   |                  |                                     |                                     |                          |                |
|---|--------------|---|---|-----------------------------------|------------------|-------------------------------------|-------------------------------------|--------------------------|----------------|
| The Global Ranking of Arab Countries in the World Energy Trilemma Index and its Sub-components 2022 |              |   |   |                                   |                  |                                     |                                     |                          |                |
| Arab Ranking  | Country      | (3) الاستدامة البيئية<br>Enviromenta I sustainability | (2) المساواة في الطاقة<br>Energy equity | (1) أمن الطاقة<br>Energy security | التغير<br>Change | الترتيب العالمي<br>Global Rank 2022 | الترتيب العالمي<br>Global Rank 2021 | الدولة                   | الترتيب العربي |
| 1   | UAE          | 91  | 3                                       | 57                                | ▲ 7              | 26                                  | 33                                  | الإمارات                 | 1              |
| 2   | Bahrain      | 99  | 5                                       | 44                                | ▲ 10             | 32                                  | 42                                  | البحرين                  | 2              |
| 3   | Saudi Arabia | 97  | 10                                      | 49                                | ▲ 8              | 33                                  | 41                                  | السعودية                 | 3              |
| 4   | Kuwait       | 104   | 3                                       | 49                                | ▲ 11             | 34                                  | 45                                  | الكويت                   | 4              |
| 5   | Oman         | 109   | 4                                       | 69                                | ▲ 7              | 41                                  | 48                                  | سلطنة عمان               | 5              |
| 6   | Algeria      | 89  | 41                                      | 57                                | ▲ 7              | 49                                  | 56                                  | الجزائر                  | 6              |
| 7   | Tunisia      | 74  | 51                                      | 62                                | ▲ 8              | 50                                  | 58                                  | تونس                     | 7              |
| 8   | Egypt        | 95  | 44                                      | 46                                | ▲ 3              | 51                                  | 54                                  | مصر                      | 8              |
| 9   | Qatar        | 108   | 2                                       | 52                                | ▼ (20)           | 51                                  | 31                                  | قطر                      | 9              |
| 10  | Morocco      | 72  | 62                                      | 75                                | ▲ 7              | 54                                  | 61                                  | المغرب                   | 10             |
| 11  | Jordan       | 60  | 62                                      | 96                                | ▲ 9              | 57                                  | 66                                  | الأردن                   | 11             |
| 12  | Lebanon      | 77  | 32                                      | 106                               | ▲ 6              | 59                                  | 65                                  | لبنان                    | 12             |
| 13  | Iraq         | 106   | 45                                      | 100                               | ▲ 2              | 67                                  | 69                                  | العراق                   | 13             |
| 14  | Mauritania   | 98  | 93                                      | 73                                | ▲ 10             | 76                                  | 86                                  | موريتانيا                | 14             |
| <b>Arab Average</b>   |              | <b>91</b>   | <b>33</b>                               | <b>67</b>                         | <b>▲ 5</b>       | <b>49</b>                           | <b>54</b>                           | <b>المتوسط العربي</b>    |                |
| <b>Number of Countries</b>  |              | <b>126</b>  | <b>126</b>                              | <b>126</b>                        |                  | <b>126</b>                          | <b>127</b>                          | <b>عدد الدول بالمؤشر</b> |                |

World Energy Trilemma Index: Issued by the World Energy Council and ranks more than 120 countries around the world according to their ability to provide sustainable energy in three dimensions:

- Energy security: Measures the state's ability to reliably meet current and future energy demand, withstand shocks with minimal supply disruptions, and covers the effectiveness of managing domestic and external energy sources, as well as the reliability and flexibility of energy infrastructure.
- Energy equity: Assesses the state's ability to provide energy at a moderate cost, i.e. accessibility and affordability, including electricity, gas and fuel for local and commercial use.
- Environmental sustainability: The environmental sustainability of energy systems represents a transition of the energy system towards mitigating and avoiding environmental damage and the effects of climate change, focusing on productivity, efficiency of generation, transportation, distribution, carbon removal and air quality.

The total degree of the state is determined by the weighted average of dimensional degrees on a scale from A (the best) to D (the worst).

## Section One: Investment Climate Changes in Arab Countries for 2022

## Fourth: Indicators of production elements

## 1-4-6 Sustainable Development Index (1)

**Based on the global ranking of 163 countries around the world in the UNDP General Index on Sustainable Development Goals, which monitors the progress of countries in achieving all 17 Sustainable Development Goals, 19 Arab countries ranked between the 64th global position for Algeria and the 160th place for Somalia during 2022. The ranking comes as follows:**

- The average ranking of Arab countries in the index declined by four positions during 2022, dwindling away from 103rd in 2021 to 107th in 2022, falling short of the global average.
- Twelve Arab countries overstepped the Arab average during 2022, while only four countries; Algeria, Tunisia, Jordan and Oman exceeded the global ranking.
- Five Arab countries advanced in the index during 2022; led by Kuwait by 12 places, Algiers, Saudi Arabia and Somalia by two places each and Mauritania by one place.
- Qatar stood at the 94th place between 2021 and 2022, while there were 13 declines, mainly Djibouti (17 places), Morocco (15 places) and the UAE (14 places).
- Algeria ranked first in the Arab average (64th globally), followed by Tunisia (second in the Arab average and 69th globally), Jordan (third in the Arab average and 80th globally), Oman (fourth in the Arab average and 81st globally) and Morocco (fifth in the Arab average and 84th globally).
- The UAE, Egypt, Qatar, Saudi Arabia, Lebanon, Kuwait and Bahrain ranked better than the Arab average in the index during 2022.



| الترتيب العالمي للدول العربية<br>في مؤشر تحقيق أهداف التنمية المستدامة لعام 2022 |              |                  |  |  |  |                           |
|--|--------------|------------------|--|--|--|---------------------------|
| The Global Ranking of Arab Countries<br>in the SDGs Index for 2022               |              |                  |  |  |  |                           |
| Arab<br>Ranking<br>2022  | Country      | التغير<br>Change | الترتيب<br>العالمي<br>Global<br>Rank<br>2022 | الترتيب<br>العالمي<br>Global<br>Rank<br>2021 | الدولة   | الترتيب<br>العربي<br>2022 |
| 1  | Algeria      | ▲ 2              | 64   | 66   | الجزائر  | 1                         |
| 2  | Tunisia      | ▼ (9)            | 69   | 60   | تونس   | 2                         |
| 3  | Jordan       | ▼ (8)            | 80   | 72   | الأردن   | 3                         |
| 4  | Oman         | ▼ (8)            | 81   | 73   | سلطنة عمان                                       | 4                         |
| 5  | Morocco      | ▼ (15)           | 84   | 69   | المغرب   | 5                         |
| 6  | UAE          | ▼ (14)           | 85   | 71   | الإمارات   | 6                         |
| 7  | Egypt        | ▼ (5)            | 87   | 82   | مصر  | 7                         |
| 8  | Qatar        | ▬ 0              | 94   | 94   | قطر  | 8                         |
| 9  | Saudi Arabia | ▲ 2              | 96   | 98   | السعودية   | 9                         |
| 10   | Lebanon      | ▼ (4)            | 97   | 93   | لبنان  | 10                        |
| 11   | Kuwait       | ▲ 12             | 101  | 113  | الكويت   | 11                        |
| 12   | Bahrain      | ▼ (2)            | 102  | 100  | البحرين  | 12                        |
| 13   | Iraq         | ▼ (10)           | 115  | 105  | العراق   | 13                        |
| 14   | Syria        | ▼ (2)            | 129  | 127  | سوريا  | 14                        |
| 15   | Mauritania   | ▲ 1              | 132  | 133  | موريتانيا  | 15                        |
| 16   | Yemen        | ▼ (5)            | 150  | 145  | اليمن  | 16                        |
| 17   | Djibouti     | ▼ (17)           | 155  | 138  | جيبوتي   | 17                        |
| 18   | Sudan        | ▼ (2)            | 159  | 157  | السودان  | 18                        |
| 19   | Somalia      | ▲ 2              | 160  | 162  | الصومال  | 19                        |
| <b>Arab Average</b>  |              | <b>▼ (4)</b>     | <b>107</b>                                   | <b>103</b>                                   | <b>المتوسط العربي</b>                            |                           |
| <b>Number of countries<br/>with available data</b>                               |              |                  | <b>163</b>                                   | <b>165</b>                                   | <b>عدد الدول المتوفرة لها<br/>بيانات بالمؤشر</b> |                           |

In September 2015, the UN General Assembly adopted the 2030 Agenda for Sustainable Development that includes 17 Sustainable Development Goals (SDGs). For the Goal Global ranking in the general index, it measures the overall performance of all 193 UN Member States, and states are classified according to their overall grades. The total result measures the overall progress of the State towards achieving all 17 Sustainable Development Goals. The result can be interpreted as a percentage of achieving the Sustainable Development Goals, and grade 100 indicates that all sustainable development goals have been achieved.

The 17 sustainable development goals (SDGs) come as follows:

- GOAL 1: No Poverty
- GOAL 2: Zero Hunger
- GOAL 3: Good Health and Well-being
- GOAL 4: Quality Education

- GOAL 5: Gender Equality
- GOAL 6: Clean Water and Sanitation
- GOAL 7: Affordable and Clean Energy
- GOAL 8: Decent Work and Economic Growth
- GOAL 9: Industry, Innovation and Infrastructure
- GOAL 10: Reduced Inequality
- GOAL 11: Sustainable Cities and Communities
- GOAL 12: Responsible Consumption and Production
- GOAL 13: Climate Action
- GOAL 14: Life below Water
- GOAL 15: Life on Land
- GOAL 16: Peace and Justice Strong Institutions
- GOAL 17: Partnerships

Section One: Investment Climate Changes in Arab Countries for 2022

Fourth: Indicators of production elements



### 1-4-6 Sustainable Development Index (2)

The Arab average in the Sustainable Development Index slightly dropped during 2022

Algeria, Tunisia, Jordan and Oman ranked better than the global average

- At the level of the developed performance of Arab countries in the 17th development goals, most Arab countries faced major and obvious challenges in achieving the 2nd, 8th, 14th and 15th goals.
- The first goal of ending poverty direly needs insufficient data in most Arab countries.
- The 13th goal of climate action is the most achieved goal in Arab countries.
- The 12th goal of responsible consumption and production is on track in Arab countries.
- The fifth goal of gender equality is stagnating in the Arab region.

أداء الدول العربية في أهداف التنمية المستدامة السبعة عشر خلال عام 2022

The performance of Arab countries in the seventeen sustainable development goals during the year 2022

| Arab Ranking 2022 | Country      | الهدف الأول | الهدف الثاني | الهدف الثالث | الهدف الرابع | الهدف الخامس | الهدف السادس | الهدف السابع | الهدف الثامن | الهدف التاسع | الهدف العاشر | الهدف الحادي عشر | الهدف الثاني عشر | الهدف الثالث عشر | الهدف الرابع عشر | الهدف الخامس عشر | الهدف السادس عشر | الهدف السابع عشر | الدولة     | الترتيب العربي في المؤشر 2022 |
|-------------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------|-------------------------------|
|                   |              | SDG1        | SDG2         | SDG3         | SDG4         | SDG5         | SDG6         | SDG7         | SDG8         | SDG9         | SDG10        | SDG11            | SDG12            | SDG13            | SDG14            | SDG15            | SDG16            | SDG17            |            |                               |
| 1                 | Algeria      | 🟡           | 🔴            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | الجزائر    | 1                             |
| 2                 | Tunisia      | 🟡           | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | تونس       | 2                             |
| 3                 | Jordan       | 🟢           | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | الأردن     | 3                             |
| 4                 | Oman         | 🟡           | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | سلطنة عمان | 4                             |
| 5                 | Morocco      | 🟡           | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | المغرب     | 5                             |
| 6                 | UAE          | 🟢           | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | الإمارات   | 6                             |
| 7                 | Egypt        | 🟡           | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | مصر        | 7                             |
| 8                 | Qatar        | 🟡           | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | قطر        | 8                             |
| 9                 | Saudi Arabia | 🟡           | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | السعودية   | 9                             |
| 10                | Lebanon      | 🟢           | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | لبنان      | 10                            |
| 11                | Kuwait       | 🟡           | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | الكويت     | 11                            |
| 12                | Bahrain      | 🟡           | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | البحرين    | 12                            |
| 13                | Iraq         | 🟡           | 🔴            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | العراق     | 13                            |
| 14                | Syria        | 🟡           | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | سوريا      | 14                            |
| 15                | Mauritania   | 🟡           | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | موريتانيا  | 15                            |
| 16                | Yemen        | 🟡           | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | اليمن      | 16                            |
| 17                | Djibouti     | 🟡           | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | جيبوتي     | 17                            |
| 18                | Sudan        | 🔴           | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | السودان    | 18                            |
| 19                | Somalia      | 🔴           | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | الصومال    | 19                            |
| 20                | Libya        | 🟡           | 🔴            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡            | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | 🟡                | ليبيا      | 20                            |

|        |  |   |   |
|--------|--|---|---|
| Green  | تحقق الهدف/Goal Achievement            | 🟢 | On track or maintaining achievement/على المسار الصحيح أو الحفاظ على الإيجاز |
| Yellow | Challenges remain/ما زالت هناك تحديات  | 🟡 | Moderately Increasing/زيادة معتدلة  |
| Orange | Significant challenges/تحديات واضحة    | 🟠 | Stagnating/ركود   |
| Red    | Major challenges/تحديات كبيرة          | 🔴 | Decreasing/تناقص  |
| Grey   | Insufficient data/لا توجد بيانات كافية | 🟤 |   |

## Section One: Investment Climate Changes in Arab Countries for 2022

## Fourth: Indicators of production elements

## 1-4-7 Global Innovation Index (1)



**Of the 132 countries covered by the World Intellectual Property Organization's Global Innovation Index, the average ranking of 14 Arab countries included in the index declined by two positions from the average ranking of 81 countries in 2021 to 83 in 2022, remaining below the global average.**

**Arab countries made the best performance in human capital and institutions indicators**

**A slight drop in the average Arab ranking in the index for 2022**

**The global ranking in the general index:**

- Nine Arab countries surpassed the average Arab ranking in the index in 2022, while only three countries; the UAE, Saudi Arabia and Qatar, surpassed the average global ranking in the index.
- During 2022, ten Arab nations saw improvements in their index rankings. Qatar led the pack by rising 16 positions, followed by Saudi Arabia who climbed 15 spots. Meanwhile, Kuwait and Morocco each saw a rise of 10 positions, Bahrain improved by six, and both Egypt and Algeria moved up five spots. Jordan and Yemen each advanced three positions, and the UAE moved up by two positions.
- Two Arab countries declined during 2022; Oman by three positions to 79th and Tunisia by two positions to 73rd.
- The UAE led the Arab world (31st globally), Saudi Arabia second in the Arab world (51st globally), Qatar in third place in the Arab world (52nd globally), Kuwait in fifth place in the Arab world (62nd globally) and Morocco in fifth place in the Arab world (67th globally).
- Mauritania and Iraq were added to the list of 132 countries covered by the index during 2022, but Lebanon was not included even though it was rated in the index during 2021.

**The global ranking in sub-indices:**

- Arab countries achieved their best ranking in the Human Capital and Research Index during 2022, then in Institutions Index in the Infrastructure Index, and the Market Sophistication.
- The average ranking of the Arab countries in the business sophistication index declined compared to the rest of the sub-indices, and only two countries, the UAE and Saudi Arabia, ranked better than the global average in the index.
- The UAE ranked first in the Arab world in four sub-indices of the global innovation index in 2022 and achieved the best

WIPO's Global Innovation Index provides detailed measures of innovative performance in 132 countries representing 94% of the world's population and 99% of global GDP with purchasing power parity. The index is based on two sub-indices:

Innovation inputs Sub-index : It consists of five pillars of the national economy that promote innovative activities:

- 1- Institutional environment: includes the political, legal and business environments.
- 2- Human capital and research: includes education and research and development spending.
- 3- Infrastructure: Includes communications and information technology.
- 4- Market position: includes finance, investment and trade.
- 5- Business environment: includes knowledge and innovation.

Innovation Output Sub-Index: Measures real evidence of innovation results that include two pillars: knowledge, technological and creative outputs. The output index has the same weight as the input index in the overall calculation. The pillars consist of individual indicators, with a total of 81 variables covering many economic, political, education, infrastructure and business development areas.

global ranking in institutions (sixth globally), infrastructure (seventh globally), human capital (17th globally) and business sophistication (26 globally)

- Saudi Arabia topped the Arab average in market sophistication (22nd globally), while Morocco came first in creative outputs (44th globally) and Tunisia was in the forefront (53rd globally).

Section One: Investment Climate Changes in Arab Countries for 2022

Fourth: Indicators of production elements



### 1-4-7 Global Innovation Index (2)

10 Arab countries, topped by Qatar, improved in Global Innovation Index, as the decliners were Tunisia and Oman

UAE led the Arab ranking in four sub-indicators, while Saudi Arabia, Tunisia and Morocco advanced in three sub-indices

الترتيب العالمي للدول العربية في مؤشر الابتكار العالمي ومكوناته الفرعية لعام 2022

The Global Ranking of Arab Countries in the Global Innovation Index and its Sub-Components for 2022

| Arab Rank                  | Country      | (7)                                 | (6)  | (5)                                   | (4)                               | (3)                           | (2)   | (1)                   | التغيير      | الترتيب العالمي Global Rank 2022 | الترتيب العالمي Global Rank 2021 | الدولة                   | الترتيب العربي |
|----------------------------|--------------|-------------------------------------|--|---------------------------------------|-----------------------------------|-------------------------------|---|-----------------------|--------------|----------------------------------|----------------------------------|--------------------------|----------------|
|                            |              | المخرجات الإبداعية Creative outputs | مخرجات المعرفة والتكنولوجيا Knowledge and technology outputs | تطوير الاعمال Business sophistication | تطوير السوق Market sophistication | البنية التحتية Infrastructure | رأس المال البشري والبحاث Human capital and research | المؤسسات Institutions |              |                                  |                                  |                          |                |
| 1                          | UAE          | 45                                  | 59   | 26                                    | 23                                | 7                             | 17  | 6                     | ▲ 2          | 31                               | 33                               | الإمارات                 | 1              |
| 2                          | Saudi Arabia | 66                                  | 65   | 53                                    | 22                                | 53                            | 30  | 50                    | ▲ 15         | 51                               | 66                               | السعودية                 | 2              |
| 3                          | Qatar        | 59                                  | 69   | 73                                    | 47                                | 29                            | 56  | 25                    | ▲ 16         | 52                               | 68                               | قطر                      | 3              |
| 4                          | Kuwait       | 60                                  | 68   | 101                                   | 73                                | 36                            | 55  | 86                    | ▲ 10         | 62                               | 72                               | الكويت                   | 4              |
| 5                          | Morocco      | 44                                  | 64   | 94                                    | 74                                | 89                            | 83  | 85                    | ▲ 10         | 67                               | 77                               | المغرب                   | 5              |
| 6                          | Bahrain      | 98                                  | 73   | 93                                    | 75                                | 32                            | 78  | 27                    | ▲ 6          | 72                               | 78                               | البحرين                  | 6              |
| 7                          | Tunisia      | 61                                  | 53   | 116                                   | 98                                | 85                            | 45  | 92                    | ▼ (2)        | 73                               | 71                               | تونس                     | 7              |
| 8                          | Jordan       | 78                                  | 76   | 75                                    | 52                                | 100                           | 76  | 45                    | ▲ 3          | 78                               | 81                               | الأردن                   | 8              |
| 9                          | Oman         | 80                                  | 94   | 97                                    | 71                                | 56                            | 40  | 57                    | ▼ (3)        | 79                               | 76                               | سلطنة عمان               | 9              |
| 10                         | Egypt        | 84                                  | 79   | 103                                   | 86                                | 93                            | 97  | 111                   | ▲ 5          | 89                               | 94                               | مصر                      | 10             |
| 11                         | Algeria      | 109                                 | 118  | 120                                   | 125                               | 102                           | 82  | 99                    | ▲ 5          | 115                              | 120                              | الجزائر                  | 11             |
| 12                         | Yemen        | 95                                  | 124  | 127                                   | 87                                | 120                           | 124   | 132                   | ▲ 3          | 128                              | 131                              | اليمن                    | 12             |
| 13                         | Mauritania   | 130                                 | 132  | 111                                   | 129                               | 127                           | 112   | 83                    | ....         | 129                              | ....                             | موريتانيا                | 13             |
| 14                         | Iraq         | 129                                 | 125  | 132                                   | 128                               | 124                           | 93  | 127                   | ....         | 131                              | ....                             | العراق                   | 14             |
| <b>Arab Average</b>        |              | <b>81</b>                           | <b>86</b>  | <b>94</b>                             | <b>78</b>                         | <b>75</b>                     | <b>71</b>   | <b>73</b>             | <b>▼ (2)</b> | <b>83</b>                        | <b>81</b>                        | <b>المتوسط العربي</b>    |                |
| <b>Number of Countries</b> |              | 132                                 | 132  | 132                                   | 132                               | 132                           | 132   | 132                   |              | 132                              | 132                              | <b>عدد الدول بالمؤشر</b> |                |

Source :World Intellectual Property Organization (WIPO)

المصدر : المنظمة العالمية للملكية الفكرية

## Section One: Investment Climate Changes in Arab Countries for 2022

## Fourth: Indicators of production elements

## 1-4-8 Global Knowledge Index (1)

Based on the global ranking of 132 countries around the world in the Global Knowledge Index in 2022, the average ranking of 12 Arab countries stood at 70th place during 2021 and 2022.

**Stability of the average ranking in the Global Knowledge Index at 70th place during 2022**

**The global ranking in the general index:**

- Only the GCC countries surpassed both Arab and global ranking in the index during 2021 and 2022.
- The global ranking of seven countries advanced in the index; Mauritania by 24 places to 123rd, Morocco by 16 places, Palestine by 13, Jordan by seven and Qatar, Kuwait and Tunisia by one each.
- The ranking of four Arab countries declined in the index during 2022; Egypt by 42 places, the UAE by 14, Saudi Arabia by three and Oman by two.
- The GCC countries kept topping the Arab ranking in the index; the UAE (25th globally), Qatar (37th globally), Saudi Arabia (34th globally), Oman (54th globally) and Bahrain (55th globally).
- The index only covered 12 Arab countries during 2022 against 17 countries during 2021, as data on Lebanon, Algeria, Iraq, Sudan and Yemen was not available.

**The global ranking in sub-indicators:**

- The average of Arab countries in four sub-indicators exceeded the global one; including information and communications technology, technical and vocational education, pre-university education and economy.
- At the sub-indicators level, the Arab countries notched up their best performance in information and communications technology, and technical and vocational education, followed by pre-university education and economy.
- The Arab ranking in higher education declined; with the UAE and Qatar being ranked better than the global ranking in the index.

- The Global Knowledge Index has been released annually since 2017 and is the product of a joint initiative between UNDP and the Mohammed Bin Rashid Al Maktoum Knowledge Foundation to emphasize the strategic role of knowledge and its measurement tools. The index consists of seven basic elements: pre-university education, technical education and vocational training, higher education, ICT, Research, development and innovation, economy and enabling environment.
- Covering 138 countries and 199 indicators, the GKI provides a systematic tool for guiding and informing policymakers, researchers, civil society and the private sector to collaborate on different aspects of policies to foster knowledge-based societies and bridge knowledge gaps.
- Given the variations in its use and meaning, the GKI aims to introduce a more systematic understanding of knowledge by breaking down the concept into its constituent components, thus recognizing the multidimensional nature of knowledge systems in all contexts and applications relating to economic and social structures.
- It aims to measure the multifaceted concept of knowledge. The concept is a fluid one, often linked to related concepts such as 'knowledge economy' or 'knowledge society'. It is also sometimes restricted to a narrow understanding that limits the focus to education or technology.

- The UAE led the Arab ranking in five sub-indicators during 2022, ranked first in both Arab and world rankings in technical and vocational education. It also ranked second in economy (11th worldwide), information and communications technology (15th worldwide) and enabling environment (46th worldwide).
- Qatar topped the Arab ranking in pre-university education (19th worldwide) and higher education (24th worldwide) during 2022.

Section One: Investment Climate Changes in Arab Countries for 2022

Fourth: Indicators of production elements

1-4-8 Global Knowledge Index (2)

Arab countries made their best performance in information and communication technology, and technical and vocational education

GCC countries continued surpassing average global ranking in Global Knowledge Index during 2021 and 2022

الترتيب العالمي للدول العربية في مؤشر المعرفة العالمي ومكوناته الفرعية لعام 2022

The Global Ranking of Arab Countries in the Global Knowledge Index and its Sub-components for 2022

| Arab Ranking        | Country      | (7)                                      | (6)                 | (5)   | (4)  | (3)                                | (2)   | (1)   | التغيير<br>Change | الترتيب العالمي<br>Global Rank<br>2022 | الترتيب العالمي<br>Global Rank<br>2021 | الدولة            | الترتيب العربي |
|---------------------|--------------|--|---------------------|---|--|------------------------------------|---|---|-------------------|--|--|-------------------|----------------|
|                     |              | البيئة التمكينية<br>Enabling Environment | الاقتصاد<br>Economy | تكنولوجيا المعلومات والاتصالات<br>Information and Communications Technology | البحث والتطوير والابتكار<br>Research, Development and Innovation | التعليم العالي<br>Higher Education | التعليم والتدريب التقني والمهني<br>Technical and Vocational Education | التعليم ما قبل الجامعي<br>-Pre University Education |                   |  |  |                   |                |
| 1                   | UAE          | 46                                       | 11                  | 15  | 29   | 44                                 | 1   | 30  | ▼(14)             | 25                                     | 11                                     | الإمارات          | 1              |
| 2                   | Qatar        | 47                                       | 19                  | 50  | 51   | 24                                 | 53  | 19  | ▲ 1               | 37                                     | 38                                     | قطر               | 2              |
| 3                   | Saudi Arabia | 72                                       | 45                  | 18  | 40   | 72                                 | 80  | 48  | ▼ (3)             | 43                                     | 40                                     | السعودية          | 3              |
| 4                   | Kuwait       | 77                                       | 32                  | 28  | 85   | 68                                 | 9   | 81  | ▲ 1               | 47                                     | 48                                     | الكويت            | 4              |
| 5                   | Oman         | 96                                       | 60                  | 46  | 79   | 92                                 | 3   | 35  | ▼ (2)             | 54                                     | 52                                     | سلطنة عمان        | 5              |
| 6                   | Bahrain      | 82                                       | 42                  | 31  | 102  | 83                                 | 26  | 69  | ■ 0               | 55                                     | 55                                     | البحرين           | 6              |
| 7                   | Tunisia      | 71                                       | 88                  | 80  | 89   | 93                                 | 68  | 50  | ▲ 1               | 82                                     | 83                                     | تونس              | 7              |
| 8                   | Morocco      | 85                                       | 77                  | 70  | 84   | 105                                | 78  | 86  | ▲ 16              | 85                                     | 101                                    | المغرب            | 8              |
| 9                   | Palestine    | 104                                      | 96                  | 104   | 61   | 106                                | 94  | 41  | ▲ 13              | 93                                     | 106                                    | فلسطين            | 9              |
| 10                  | Egypt        | 112                                      | 89                  | 85  | 99   | 95                                 | 81  | 79  | ▼(42)             | 95                                     | 53                                     | مصر               | 10             |
| 11                  | Jordan       | 83                                       | 74                  | 81  | 88   | 118                                | 99  | 97  | ▲ 7               | 96                                     | 103                                    | الأردن            | 11             |
| 12                  | Mauritania   | 129                                      | 124                 | 111   | 80   | 131                                | 122   | 123   | ▲ 24              | 123                                    | 147                                    | موريتانيا         | 12             |
| Arab Average        |              | 84                                       | 63                  | 60  | 74   | 86                                 | 60  | 63  | ■ 0               | 70                                     | 70                                     | المتوسط العربي    |                |
| Number of Countries |              | 132                                      | 132                 | 132   | 132  | 132                                | 132   | 132   |                   | 132                                    | 154                                    | عدد الدول بالمؤشر |                |

## Section Two: FDI Projects into Arab Countries for 2022

This section focuses on monitoring FDI projects that were new or expanded in the Arab countries during 2022, based on information in the database of the FDI Markets, issued by the Financial Times, which is one of the most important sources approved by the United Nations Conference on Trade and Development (UNCTAD) in monitoring the movement of investments in the world.

In this context, the status of projects is reviewed and analyzed across four key indicators: the number of foreign investment companies in the region, the number of implemented projects, the estimated capex of projects, and the number of new jobs created by these projects.

The most important information on the geographical and sectoral distribution of these projects will also be extracted by presenting lists of the most important regions, countries and companies investing in the region, the most important projects implemented, the most important Arab countries and the economic sectors receiving these projects during 2022.

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## Section Two: FDI Projects into Arab Countries for 2022

## Evolution of FDI projects in the Arab countries during 2003-2022

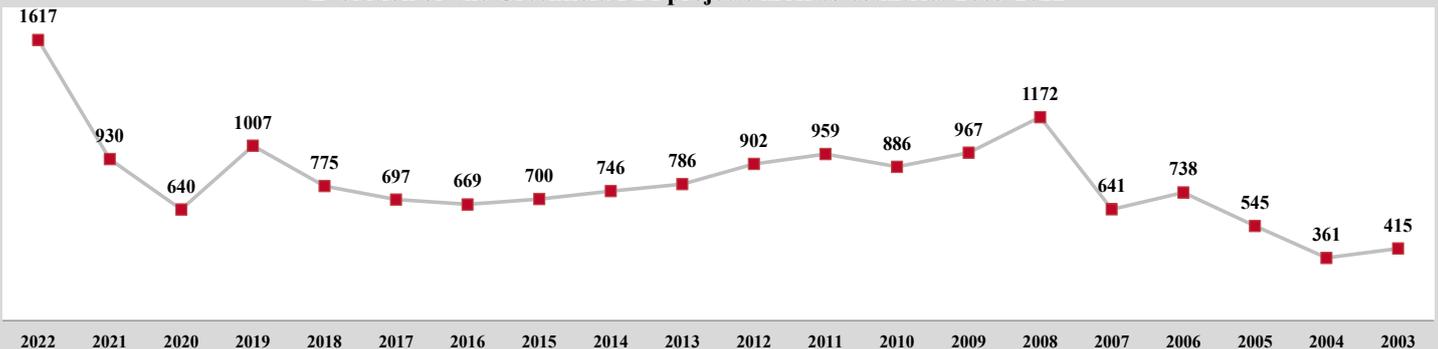
**FDI projects rose by 74% to reach 1,617 projects with capex of \$200 billion during 2022**

Based on the database of the FDI Markets, affiliated to the Financial Times, greenfield FDI projects in Arab countries fluctuated between 2003 and 2022. 2022 saw the peak of number and capex of projects and number of companies, while 2008 saw the peak of jobs hitting 264.4 thousand.

- At the level of developments during 2022, all indicators of greenfield FDI projects in Arab countries witnessed a remarkable hike, coming as follows:
- The number of greenfield FDI in the Arab region rose by 74% during 2022, making up around 10% of the world's overall greenfield projects.
- The capex of greenfield FDI projects went up by 358% to \$200.2 billion (roughly 17% of the world's capex of greenfield projects). A project's average capex increased by 163% to \$124 million during 2022, compared with \$47 million during 2021.
- The greenfield projects created more than 177,000 jobs (8% of the global total), up 135% compared with 2021, an average of 110 jobs per project from 81 jobs during 2021.

| التطور السنوي لمشاريع الاستثمار الأجنبي المباشر في الدول العربية للفترة 2003-2022 |                             |                                  |   |                          |                                    |               |
|---|-----------------------------|----------------------------------|---|--------------------------|------------------------------------|---------------|
| FDI Projects into Arab Countries from 2003 to 2022                                |                             |                                  |   |                          |                                    |               |
| متوسط الوظائف<br>الوظائف<br>Jobs<br>created<br>(Avg)                              | عدد الوظائف<br>Jobs created | متوسط التكاليف<br>Capex<br>(Avg) | التكلفة الاستثمارية<br>(المليون دولار)<br>Capex<br>(US\$ million) | عدد الشركات<br>companies | عدد المشاريع<br>number of projects | السنة<br>Year |
| 159   | 65793                       | 110.9                            | 46012.1   | 356                      | 415                                | 2003          |
| 161   | 58006                       | 156.9                            | 56652.7   | 301                      | 361                                | 2004          |
| 198   | 108104                      | 139.0                            | 75770.4   | 455                      | 545                                | 2005          |
| 221   | 163228                      | 152.2                            | 112308.2  | 579                      | 738                                | 2006          |
| 164   | 105143                      | 78.8                             | 50521.4   | 555                      | 641                                | 2007          |
| 226   | 264490                      | 143.3                            | 167973.6  | 891                      | 1172                               | 2008          |
| 143   | 138577                      | 109.9                            | 106243.7  | 760                      | 967                                | 2009          |
| 130   | 115246                      | 65.9                             | 58415.7   | 711                      | 886                                | 2010          |
| 103   | 98665                       | 59.2                             | 56798.1   | 766                      | 959                                | 2011          |
| 102   | 91880                       | 49.5                             | 44624.3   | 689                      | 902                                | 2012          |
| 90  | 70742                       | 64.0                             | 50273.0   | 627                      | 786                                | 2013          |
| 119   | 88582                       | 78.4                             | 58519.7   | 601                      | 746                                | 2014          |
| 113   | 79312                       | 60.6                             | 42404.0   | 569                      | 700                                | 2015          |
| 146   | 97626                       | 134.1                            | 89688.9   | 562                      | 669                                | 2016          |
| 112   | 78161                       | 99.7                             | 69494.4   | 590                      | 697                                | 2017          |
| 157   | 121939                      | 113.1                            | 87623.1   | 647                      | 775                                | 2018          |
| 110   | 110296                      | 57.8                             | 58213.1   | 769                      | 1007                               | 2019          |
| 89  | 56809                       | 50.4                             | 32275.4   | 551                      | 640                                | 2020          |
| 81  | 75489                       | 47.0                             | 43750.3   | 773                      | 930                                | 2021          |
| 110   | 177089                      | 124                              | 200232.0  | 1,418                    | 1617                               | 2022          |
| 134   | 2,165,177                   | 93                               | 1,507,794   | 9,854                    | 16,153                             | Total         |

تطور عدد مشاريع الاستثمار الأجنبي المباشر الجديدة في الدول العربية 2003-2022  
Evolution of the Greenfield FDI projects in Arab countries 2003-2022



Section Two: FDI Projects into Arab Countries for 2022

## Evolution of FDI projects in Arab countries during 2022

**September saw the peak of the number of greenfield projects and companies in the Arab region during 2022, as capex and jobs created peaked in August**

- September saw the peak of the number of greenfield FDI projects and investment companies in the Arab region by 178 FDI projects in the Arab region, making up roughly 11% of the total. The projects were carried out by 169 companies with capex of \$6 billion, and provided more than 13,000 new jobs.
- August saw the peak in both the capex and number of jobs, costing \$43.5 billion, accounting for 22% of the total, and creating over 24,000 jobs representing 14%. The average capex of a project also peaked in the same month, hitting \$257 million.
- The highest average of new jobs created by FDI projects in the Arab region during 2022 was recorded in December, with 154 jobs having been created. All FDI indicators hit their lowest level in January, except the average investment capex and number of jobs. They recorded their lowest level in October with capex of \$13.5 billion on average and 59 jobs per project.

**All indicators rose during 2022**

| Jobs created | Capex       | No. of projects |
|--------------|-------------|-----------------|
| <b>%135</b>  | <b>%358</b> | <b>%74</b>      |



التطور الشهري لمشاريع الاستثمار الأجنبي المباشر في الدول العربية لعام 2022

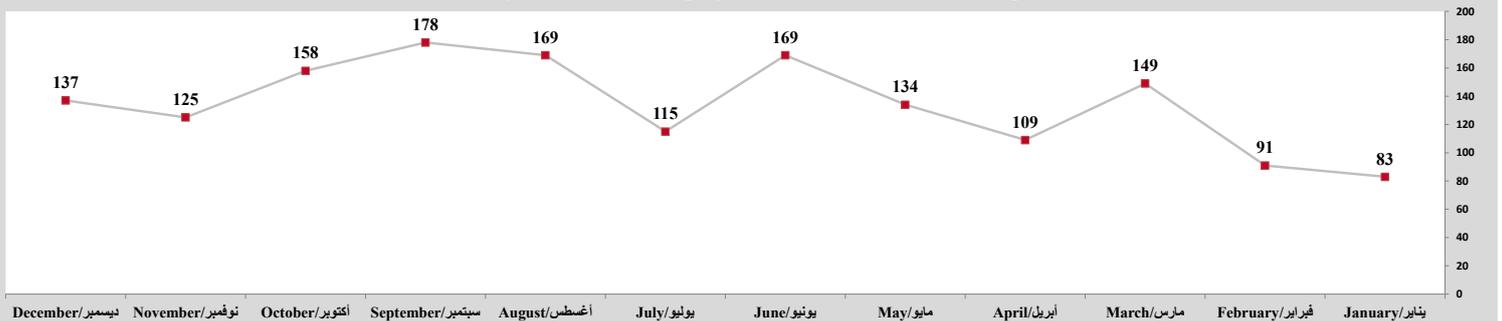
Monthly evolution of FDI projects into Arab Countries - 2022

| الشهر   | عدد المشاريع       | عدد الشركات | التكلفة الاستثمارية بالمليين دولار | متوسط التكاليف Capex (Avg) | عدد الوظائف jobs created | متوسط الوظائف (Avg) | الشهر     |
|---------|--------------------|-------------|------------------------------------|----------------------------|--------------------------|---------------------|-----------|
| Month   | Number of projects | companies   | Capex (USD m)                      | (Avg)                      | Jobs created             | (Avg)               | Month     |
| يناير   | 83                 | 75          | 2044                               | 24.6                       | 6030                     | 73                  | January   |
| فبراير  | 91                 | 85          | 14797.4                            | 162.6                      | 8074                     | 89                  | February  |
| مارس    | 149                | 140         | 13548.7                            | 90.9                       | 12830                    | 86                  | March     |
| أبريل   | 109                | 98          | 12937                              | 118.7                      | 15170                    | 139                 | April     |
| مايو    | 134                | 125         | 27426.4                            | 204.7                      | 15910                    | 119                 | May       |
| يونيو   | 169                | 158         | 30853.1                            | 182.6                      | 22738                    | 135                 | June      |
| يوليو   | 115                | 105         | 16191                              | 140.8                      | 9633                     | 84                  | July      |
| أغسطس   | 169                | 153         | 43463.4                            | 257.2                      | 24382                    | 144                 | August    |
| سبتمبر  | 178                | 169         | 5984.4                             | 33.6                       | 13876                    | 78                  | September |
| أكتوبر  | 158                | 150         | 2133.9                             | 13.5                       | 9365                     | 59                  | October   |
| نوفمبر  | 125                | 120         | 14295.4                            | 114.4                      | 18022                    | 144                 | November  |
| ديسمبر  | 137                | 130         | 16557.2                            | 120.9                      | 21059                    | 154                 | December  |
| المجموع | 1,617              | 1,418       | 200,232                            | 124                        | 177,089                  | 110                 | Total     |

**The four main indicators of FDI hit the lowest level in the Arab region in January 2022**

التطور الشهري لعدد مشاريع الاستثمار الأجنبي المباشر الجديدة في الدول العربية خلال عام 2022

Monthly evolution of FDI projects into Arab Countries during 2022



## Section Two: FDI Projects into Arab Countries for 2022

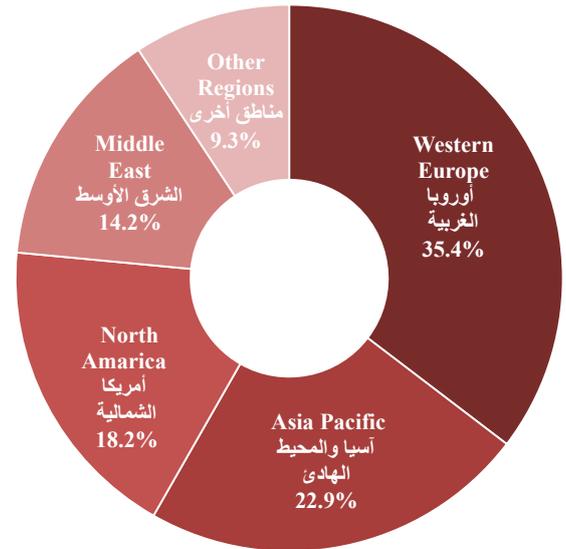
## Top source regions investing in the Arab countries during 2022

- Regarding the top regions investing in the Arab countries during 2022, Western Europe continued to top the list by 572 projects, representing 35% of the total greenfield projects in the region during 2022. These projects were executed by 507 companies with an estimated capex of over \$80 billion, making up 40% of the total. More than 67,000 jobs were created, accounting for 38%.
- Asia and Pacific came second in terms of the number, capex and jobs by 370 projects or 23%, capex of \$48.8 billion or 24.4% and 25% of total jobs and 24% of the number of companies.
- North America ranked third in the number of projects and companies by 295 projects or 18%, implemented by 342 companies with capex exceeding \$21 billion, and created over 22,000 jobs. Middle East ranked third in the capex and jobs by 23.7% and 17.8% of the total respectively, and acquired 14% of the number of projects.
- Middle East was in the forefront in view of the capex in the Arab region by \$20 million per project, while Latin America and Caribbean had the lead in the average number of jobs created, by 140 jobs per project.

Western  
Europe

keeps leading as top region  
investing in the Arab world in  
projects, companies,  
capex and jobs

مشاريع الاستثمار الاجنبي المباشر في الدول العربية وفق الاقاليم المستثمرة لعام 2022  
FDI Projects into Arab Countries According to Source Regions-2022



أهم الاقاليم المستثمرة في المنطقة العربية خلال عام 2022 وفق عدد المشاريع

The Most Important Regions Investing in Arab Countries According to Number of Projects in 2022

| Rank            | Region                    | متوسط الوظائف<br>created (Avg) | عدد الوظائف<br>created | متوسط التكاليف<br>(مليون دولار)<br>Capex (Avg)<br>(USD m) | التكلفة الاستثمارية<br>(مليون دولار)<br>Capex<br>(USD m) | عدد الشركات<br>Companies | عدد المشاريع<br>number of projects | الإقليم                    | الترتيب |
|-----------------|---------------------------|--------------------------------|------------------------|---|--|--------------------------|------------------------------------|----------------------------|---------|
| 1               | Western Europe            | 118                            | 67297                  | 141.5   | 80963.6  | 507                      | 572                                | أوروبا الغربية             | 1       |
| 2               | Asia-Pacific              | 122                            | 44966                  | 131.8   | 48770.9  | 342                      | 370                                | آسيا والمحيط الهادئ        | 2       |
| 3               | North America             | 75                             | 22111                  | 71.2  | 21015.9  | 255                      | 295                                | أمريكا الشمالية            | 3       |
| 4               | Middle East               | 137                            | 31506                  | 206.6   | 47519.3  | 182                      | 230                                | الشرق الأوسط               | 4       |
| 5               | Emerging Europe           | 77                             | 5539                   | 9.9   | 712.2  | 71                       | 72                                 | دول اوربا الناشئة          | 5       |
| 6               | Africa                    | 51                             | 3005                   | 10.5  | 617.1  | 46                       | 59                                 | أفريقيا                    | 6       |
| 7               | Latin America & Caribbean | 140                            | 2665                   | 33.3  | 632.9  | 16                       | 19                                 | أمريكا اللاتينية والكاريبي | 7       |
| Total & Average |                           | 110                            | 177089                 | 123.8   | 200231.9   | 1418                     | 1617                               | المجموع والمتوسط           |         |

Section Two: FDI Projects into Arab Countries for 2022

## Top source countries investing in Arab countries for 2022

- Of 87 countries that invested in the region in 2022, the top 10 countries in each index accounted for about 67% of the number of greenfield projects implemented, 88% of capex, and 71% of all new jobs created by these projects during 2022.
- In view of capex, the UAE ranked first, with \$33.5 billion, a share of 16.7%, came second in jobs, a share of 11.4%, and third in projects with a share of 7.9%.
- The United States topped the list of the most important countries investing in Arab countries, according to the indicators of the number of projects and the number of jobs. Through 231 companies, it implemented 271 projects representing 16.8% of the total number of projects with capex of about \$20.7 billion making up 10.4% of the total, providing more than 21,000 jobs, representing 12% of the total.
- The UK ranked second in terms of the number of projects with a share of 13.2% of all projects implemented in the region, while in third place in terms of capex with a share of 10.7%, and fourth in new jobs with a share of 8.4%.
- Saudi Arabia was among the top 10 countries investing in the region during 2022 in the number of projects with a share of 2.2% and eighth in capex and jobs with shares of 5.4% and 4.1% respectively.

USA

**is the top source country investing in the Arab region with 16.8% of projects and 12% of new jobs**

UAE

**continues to be top source country investing in the Arab region in capex worth \$33.5 billion**

أهم 10 دول مستثمرة في المنطقة العربية خلال عام 2022 وفق عدد الوظائف الجديدة

**Top 10 Investing Countries in Arab Region According to Jobs Created -2022**

| Rank         | الدولة / Country | الحصة من الإجمالي Share of total | عدد الوظائف jobs created | الدولة           | الترتيب |
|--------------|------------------|----------------------------------|--------------------------|------------------|---------|
| 1            | United States    | 12.0%                            | 21278                    | الولايات المتحدة | 1       |
| 2            | UAE              | 11.4%                            | 20121                    | الإمارات         | 2       |
| 3            | India            | 10.8%                            | 19078                    | الهند            | 3       |
| 4            | United Kingdom   | 8.4%                             | 14874                    | المملكة المتحدة  | 4       |
| 5            | France           | 7.3%                             | 12887                    | فرنسا            | 5       |
| 6            | Germany          | 5.0%                             | 8877                     | ألمانيا          | 6       |
| 7            | Netherlands      | 4.7%                             | 8302                     | هولندا           | 7       |
| 8            | Saudi Arabia     | 4.1%                             | 7185                     | السعودية         | 8       |
| 9            | Hong Kong        | 3.7%                             | 6565                     | هونغ كونغ        | 9       |
| 10           | China            | 3.5%                             | 6162                     | الصين            | 10      |
| <b>Total</b> |                  | <b>71%</b>                       | <b>125329</b>            | <b>المجموع</b>   |         |

أهم 10 دول مستثمرة في المنطقة العربية خلال عام 2022 وفق للتكلفة الاستثمارية

**Top 10 Investing Countries in Arab Region According to Capex -2022**

| Ranking      | Country        | الحصة من الإجمالي Share of total | التكلفة الاستثمارية بالمليون دولار Capex (USD m) | الدولة           | الترتيب |
|--------------|----------------|----------------------------------|--|------------------|---------|
| 1            | UAE            | 16.7%                            | 33451.3  | الإمارات         | 1       |
| 2            | India          | 14.4%                            | 28930.6  | الهند            | 2       |
| 3            | United Kingdom | 10.7%                            | 21355.7  | المملكة المتحدة  | 3       |
| 4            | United States  | 10.4%                            | 20746.6  | الولايات المتحدة | 4       |
| 5            | France         | 10.3%                            | 20704.7  | فرنسا            | 5       |
| 6            | Italy          | 6.5%                             | 12976.4  | إيطاليا          | 6       |
| 7            | Australia      | 6.3%                             | 12521.2  | أستراليا         | 7       |
| 8            | Saudi Arabia   | 5.4%                             | 10807.6  | السعودية         | 8       |
| 9            | Luxembourg     | 5.1%                             | 10290.1  | لوكسمبورغ        | 9       |
| 10           | Norway         | 2.5%                             | 5055.9   | النرويج          | 10      |
| <b>Total</b> |                | <b>88%</b>                       | <b>176840.1</b>                                  | <b>المجموع</b>   |         |

أهم 10 دول مستثمرة في المنطقة العربية خلال عام 2022 وفق عدد المشاريع

**Top 10 Investing Countries in Arab Region According to Number of Projects - 2022**

| Ranking      | Country        | الحصة من الإجمالي Share of total | عدد المشاريع number of projects | الدولة           | الترتيب |
|--------------|----------------|----------------------------------|---------------------------------|------------------|---------|
| 1            | United States  | 16.8%                            | 271                             | الولايات المتحدة | 1       |
| 2            | United Kingdom | 13.2%                            | 214                             | المملكة المتحدة  | 2       |
| 3            | India          | 10.4%                            | 168                             | الهند            | 3       |
| 4            | UAE            | 7.9%                             | 127                             | الإمارات         | 4       |
| 5            | France         | 5.1%                             | 82                              | فرنسا            | 5       |
| 6            | Switzerland    | 4.1%                             | 67                              | سويسرا           | 6       |
| 7            | Germany        | 2.8%                             | 46                              | ألمانيا          | 7       |
| 8            | Singapore      | 2.5%                             | 41                              | سنغافورة         | 8       |
| 9            | China          | 2.2%                             | 36                              | الصين            | 9       |
| 10           | Saudi Arabia   | 2.2%                             | 35                              | السعودية         | 10      |
| <b>Total</b> |                | <b>67%</b>                       | <b>1087</b>                     | <b>المجموع</b>   |         |

## Section Two: FDI Projects into Arab Countries for 2022

## Top companies investing in Arab countries for 2022

**UAE's Masdar is third biggest investor in the region with capex of \$11 billion, making up 5.6%**

**India's ACME Group remains the region's top investor for the second year in a row with capex of \$13 billion**

- With the number of FDI projects hiking by 74% in the region during 2022, the number of investor companies in the region increased by 83% from 773 in 2021 to 1,418 in 2022. 95.5% of these companies were mainly active in the UAE, Saudi Arabia, Qatar and Egypt in the same year.
- The top 10 companies in each index accounted for about 3.3% of the number of new projects implemented, 49.1% of the capex, and 19.4% of total new jobs.
- The ACME Group of India is a major player in the chemical industry, and in 2022, it emerged as the top investor in the Arab region with a capex of \$13 billion, representing 6.5% of the total. Italy's Eni SpA, an energy company, came in second with a capex of \$12.8 billion, accounting for 64% of the total investments. The UAE's Masdar, a renewable energy company, secured the third spot with a capex of \$11.2 billion, representing a share of 5.6%.The Swiss International Work.
- International Workplace Group (Regus) continued to be ranked first as the largest founder of new projects in the Arab region in 2022 with nine projects representing 0.6% of the total and capex of \$33.3 billion. It was followed by Enlight Renewable Energy which implemented seven projects with capex of \$2.2 billion.
- The UAE's energy company AMEA Power ranked third in the Arab region in terms of the number of projects (six projects), the same figure of the Saudi Public Investments Fund.
- Italy's Eni SpA came first in view of the number of jobs created in the Arab region during 2022 with over 4,000 jobs, followed by the Dutch Stellantis with 4,000 jobs and Kromberg & Schubert with 3.5 thousand jobs.

أهم 10 شركات مستثمرة في الدول العربية خلال عام 2022  
وفق التكلفة الاستثمارية

Top 10 Companies Investing in Arab Countries  
According to Capex-2022

| الترتيب | الشركة                     | التكلفة الاستثمارية<br>بالمليار دولار | الحصة من<br>الإجمالي | Company                               | Ranking |
|---------|----------------------------|---------------------------------------|----------------------|---------------------------------------|---------|
|         |                            | Capex (US\$ bn)                       | Share of total       |                                       |         |
| 1       | مجموعة ACME                | 13                                    | 6.5%                 | ACME Group (ACME Cleantech Solutions) | 1       |
| 2       | شركة إيني سبا              | 13                                    | 6.4%                 | Eni SpA                               | 2       |
| 3       | شركة مصدر                  | 11                                    | 5.6%                 | Masdar                                | 3       |
| 4       | شركة غلوبليق               | 11                                    | 5.5%                 | Globeleq Generation                   | 4       |
| 5       | توتال ايرين                | 10                                    | 5.1%                 | Total Eren                            | 5       |
| 6       | Fortescue لصناعات المستقبل | 10                                    | 5.0%                 | Fortescue Future Industries (FFI)     | 6       |
| 7       | توتال انرجي                | 9                                     | 4.6%                 | TotalEnergies (Total)                 | 7       |
| 8       | رينو باور                  | 8                                     | 4.0%                 | ReNew Power Ventures                  | 8       |
| 9       | اميا باور                  | 7                                     | 3.3%                 | AMEA Power                            | 9       |
| 10      | روييل داتش شل              | 6                                     | 3.2%                 | Shell PLC (Royal Dutch Shell)         | 10      |
| المجموع |                            | 98                                    | 49.1%                | Total                                 |         |

أهم 10 شركات أجنبية مستثمرة في الدول العربية  
خلال عام 2022 وفق عدد المشاريع

Top 10 Foreign Companies Investing in Arab Countries According to  
Number of Projects in 2022

| الترتيب | الشركة                                  | عدد المشاريع       | الحصة من<br>الإجمالي | Company                                | Ranking |
|---------|---|--------------------|----------------------|--|---------|
|         |   | Number of Projects | Share of total       |  |         |
| 1       | المجموعة الدولية<br>لأماكن العمل (ريجس) | 9                  | 0.6%                 | International Workplace Group (Regus)  | 1       |
| 2       | إنلايت للطاقة المتجددة                  | 7                  | 0.4%                 | Enlight Renewable Energy               | 2       |
| 3       | اميا باور                               | 6                  | 0.4%                 | AMEA Power                             | 3       |
| 4       | صندوق الاستثمارات<br>العامة السعودي     | 6                  | 0.4%                 | Public Investment Fund of Saudi Arabia | 4       |
| 5       | إيني سبا                                | 5                  | 0.3%                 | Eni SpA                                | 5       |
| 6       | أبل                                     | 4                  | 0.2%                 | Apple                                  | 6       |
| 7       | مجموعة بوسطن<br>الاستشارية (BCG)        | 4                  | 0.2%                 | Boston Consulting Group (BCG)          | 7       |
| 8       | كولاتري                                 | 4                  | 0.2%                 | Collatree                              | 8       |
| 9       | سكان جلوبيال<br>لوجستيكس                | 4                  | 0.2%                 | Scan Global Logistics                  | 9       |
| 10      | شركاء سبا                               | 4                  | 0.2%                 | Sia Partners                           | 10      |
| المجموع |   | 53                 | 3.3%                 | Total                                  |         |

أهم 10 شركات أجنبية مستثمرة في الدول العربية خلال عام 2022  
وفقا لعدد الوظائف الجديدة

Top 10 Foreign Companies Investing  
in Arab Countries According to Jobs Created-2022

| الترتيب | الشركة                         | عدد الوظائف  | الحصة من<br>الإجمالي | Company                           | Ranking |
|---------|--------------------------------|--------------|----------------------|-----------------------------------|---------|
|         |                                | Jobs created | Share of total       |                                   |         |
| 1       | إيني سبا                       | 4382         | 2.5%                 | Eni SpA                           | 1       |
| 2       | ستيلانتس                       | 4000         | 2.3%                 | Stellantis                        | 2       |
| 3       | كرومبيرغ / شوبرت               | 3500         | 2.0%                 | Kromberg & Schubert               | 3       |
| 4       | كونسنتريكس ايجيبت              | 3500         | 2.0%                 | Concentrix Egypt                  | 4       |
| 5       | توتال انرجي                    | 3361         | 1.9%                 | TotalEnergies (Total)             | 5       |
| 6       | شركة مصدر                      | 3290         | 1.9%                 | Masdar                            | 6       |
| 7       | هوتشيسون بورت هولدنجز<br>(HPH) | 3188         | 1.8%                 | Hutchison Port Holdings (HPH)     | 7       |
| 8       | مجموعة ألين                    | 3163         | 1.8%                 | Alpine Group (Alpine Creations)   | 8       |
| 9       | ستار ايجري (SE)                | 3000         | 1.7%                 | Star Energy (SE)                  | 9       |
| 10      | Fortescue لصناعات المستقبل     | 3000         | 1.7%                 | Fortescue Future Industries (FFI) | 10      |
| المجموع |                                | 34384        | 19.4%                | Total                             |         |

Section Two: FDI Projects into Arab Countries for 2022

## Top projects in Arab countries for 2022

- The renewable energy sector continued to be ranked first in terms of capex for the top 10 projects in the Arab region in 2022, through six projects, including five in Egypt and one in Morocco, with a value of \$63.1 billion and a share of 31.5% of the total.
- The oil, gas and coal sector came second by four projects with a value of \$25.3 billion, a share of 12.6%.
- The projects, which created more than 100 jobs per project, constituted about 14.5% in 2022, while the number of new jobs ranged from 50 to 100 in more than half of the projects, with a share of 7.7%. 78% of the projects created less than 50 jobs per project.
- Luxembourg topped the list of countries implementing projects in the Arab region in view of the average capex of \$1.7 billion per project, but it was ranked ninth in view of the capex and 17th in number of projects.

**Renewable energy** continues to have the most important six FDI projects in Arab countries in view of capex

**Luxembourg** tops list of countries implementing mega projects in the Arab region with an average capex of nearly twice the general average of projects.

The top projects in terms of investment capex come as follows:

|   |   |
|---|---|
| <p><b>A green hydrogen plant in Egypt’s Suez Governorate</b></p> <p><b>13\$ billion</b></p> | <p>India’s ACME announced in August 2022 that it would invest \$13 billion to establish a green hydrogen project in Sokhna in Egypt’s Suez Governorate, The project covering 4.5 million square meters will produce 2.2 billion tons of green hydrogen annually. It signed relevant MoUs with Egypt’s Suez Canal Zone (SCZONE) and several other Egyptian bodies. The project is expected to provide around 3,000 new jobs.</p> |
| <p><b>A green fuel plant in Egypt’s Suez Governorate</b></p> <p><b>11\$ billion</b></p>     | <p>Britain’s Globeleq Generation announced in August 2022 that it would build a hydrogen plant in the Suez Canal Economic Zone (SCZONE) with a value of \$11 billion. The project covering 10 million square meters will produce two million tons of hydrogen annually. The British company signed MoUs with several Egyptian bodies. The project is expected to create 3,000 new jobs.</p>                                     |
| <p><b>Wind energy farms in Egypt’s Suez</b></p> <p><b>10.8\$ billion</b></p>                | <p>The UAE’s MASDAR company announced in November 2022 that it would invest \$10.8 billion to develop wind energy farms in Egypt’s Suez. MASDAR is part of a consortium that also includes Infinity Power and Hasan Allam Utilities. The project is expected to produce 47,790 gigawatt/h of clean energy for local needs and provide about 3,200 new jobs.</p>   |
| <p><b>A hydrogen and green ammonia project in Morocco</b></p> <p><b>10.2\$ billion</b></p>  | <p>Luxembourg-based Total Eren Company said in February 2022 that it would invest \$10.2 billion in a hydrogen and green ammonia project in Morocco’s southern Guelmim-Oued Nour region. The 170,000 -hectar project is expected to produce about 10 gigawatt of clean power and provide some 3,000 new jobs.</p>   |
| <p><b>A hydrogen production facility in Egypt</b></p> <p><b>10\$ billion</b></p>            | <p>Australia’s Fortescue Future Industries (FFI) said in May 2022 it planned to invest \$10 billion to build a green hydrogen and ammonia production facility in Egypt. The project has a production capacity of 9.20 gigawatt and is expected to create some 3,000 new jobs.</p>   |



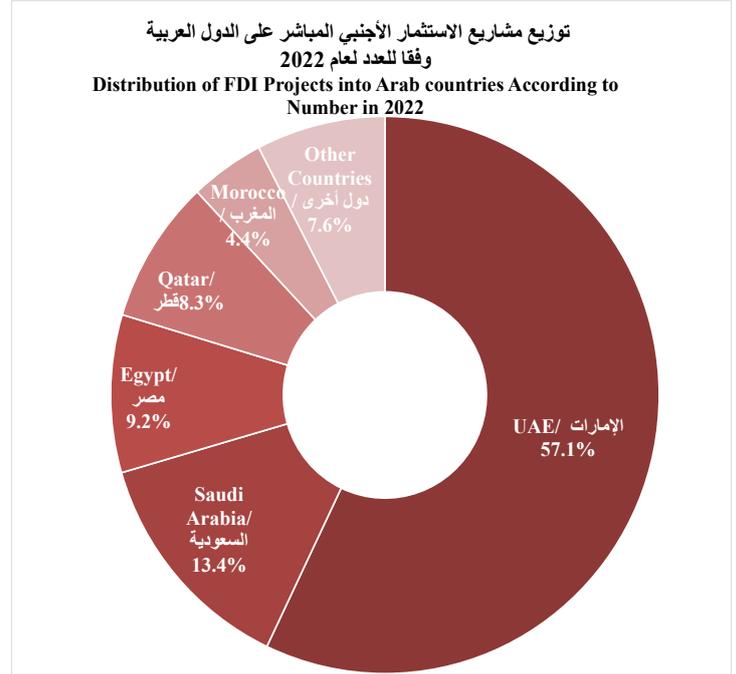
## Section Two: FDI Projects into Arab Countries for 2022

## Top Arab destination countries for 2022

**FDI projects continued to be concentrated in five countries, representing 92% of total projects and 88% of capex and jobs**

- The geographical concentration of FDI projects in the Arab region continued during 2022 in a limited number of countries for all indicators, including number, capex or new jobs.
- The top five countries; the UAE, Saudi Arabia, Qatar, Egypt and Morocco, accounted for nearly 92% of the total number of projects (1,494 projects), 88% of capex (\$176.2 billion) and 87.7% of new jobs (155.2 thousand jobs).
- Egypt took the lead in capex and new jobs with a value of approximately \$107 billion, making up 53.4% of the region's total, and with more than 61,000 jobs. But, it came third in the number of projects with 148, representing 9.2% of the total.
- The UAE continued to lead the region's countries as the top FDI destination country in terms of number by 923 projects, representing 57.1% of the total new projects in the region. But, it came fifth in terms of capex by \$10.8 billion.
- Saudi Arabia came second in terms of the number of projects with 217, making up 13.4% and capex of \$13.2 billion. More than 20,000 new jobs were created.
- Qatar ranked second as the largest FDI destination country in view of capex hitting \$29.8 billion involving 135 projects and providing more than 14,000 new jobs. Morocco came third in capex hitting \$15.3 billion involving 71 projects and creating more than 21,000 new jobs, during 2022.

**Egypt topped the list in capex and jobs, as the UAE was the leader in projects**



مشاريع الاستثمار الأجنبي المباشر الجديدة موزعة على الدول العربية لعام 2022  
New FDI projects into Arab Countries by Destination- 2022

| Ranking by No. of projects | Country      | متوسط الوظائف<br>Jobs created (Avg) | عدد الوظائف<br>Jobs created | متوسط التكاليف<br>Capex (Avg) | التكلفة الاستثمارية<br>(المليون دولار)<br>Capex (USD m) | عدد الشركات<br>companies | عدد المشاريع<br>number of projects | الترتيب وفق عدد المشاريع |
|----------------------------|--------------|-------------------------------------|-----------------------------|-------------------------------|---|--------------------------|------------------------------------|--------------------------|
| 1                          | UAE          | 42                                  | 38871                       | 12                            | 10837   | 890                      | 923                                | الإمارات                 |
| 2                          | Saudi Arabia | 93                                  | 20249                       | 61                            | 13249   | 201                      | 217                                | السعودية                 |
| 3                          | Egypt        | 413                                 | 61063                       | 723                           | 106996  | 130                      | 148                                | مصر                      |
| 4                          | Qatar        | 103                                 | 13972                       | 221                           | 29779   | 133                      | 135                                | قطر                      |
| 5                          | Morocco      | 297                                 | 21074                       | 216                           | 15308   | 64                       | 71                                 | المغرب                   |
| 6                          | Oman         | 231                                 | 8071                        | 280                           | 9795  | 35                       | 35                                 | سلطنة عمان               |
| 7                          | Bahrain      | 114                                 | 2743                        | 92                            | 2199  | 21                       | 24                                 | البحرين                  |
| 8                          | Tunisia      | 131                                 | 1706                        | 31                            | 402   | 12                       | 13                                 | تونس                     |
| 9                          | Iraq         | 296                                 | 2960                        | 104                           | 1039  | 7                        | 10                                 | العراق                   |
| 10                         | Jordan       | 82                                  | 820                         | 38                            | 377   | 9                        | 10                                 | الأردن                   |
| 11                         | Kuwait       | 130                                 | 777                         | 92                            | 555   | 6                        | 6                                  | الكويت                   |
| 12                         | Lebanon      | 18                                  | 91                          | 2                             | 12  | 5                        | 5                                  | لبنان                    |
| 13                         | Libya        | 448                                 | 2240                        | 1272                          | 6362  | 5                        | 5                                  | ليبيا                    |
| 14                         | Algeria      | 477                                 | 1908                        | 34                            | 136   | 4                        | 4                                  | الجزائر                  |
| 15                         | Palestine    | 33                                  | 100                         | 8                             | 25  | 3                        | 3                                  | فلسطين                   |
| 16                         | Djibouti     | 77                                  | 154                         | 1235                          | 2469  | 2                        | 2                                  | جيبوتي                   |
| 17                         | Sudan        | 46                                  | 91                          | 87                            | 174   | 2                        | 2                                  | السودان                  |
| 18                         | Yemen        | 57                                  | 113                         | 179                           | 358   | 2                        | 2                                  | اليمن                    |
| 19                         | Mauritania   | 16                                  | 16                          | 55                            | 55  | 1                        | 1                                  | موريتانيا                |
| 20                         | Somalia      | 70                                  | 70                          | 109                           | 109   | 1                        | 1                                  | الصومال                  |
| Total & Average            |              | 110                                 | 177,089                     | 124                           | 200,232   | 1,418                    | 1,617                              | المجموع والمتوسط         |

Section Two: FDI Projects into Arab Countries for 2022

## Top Arab Destination Countries for 2022



**UAE**

continued its lead in projects with 57%

**Qatar**

ranked second in capex with \$29.8 billion involving 135 projects

**Oman**

ranked sixth in projects, capex and new jobs

**Egypt**

came first in capex hitting \$107 billion

**Saudi Arabia**

came second in 13.4% projects with 217, making up

**Morocco**

came third in capex and jobs, and fifth in projects

Of 20 Arab countries, the top five in all indicators, notably the UAE, Saudi Arabia, Qatar, Egypt and Morocco, make up nearly 92% of projects, 88% of capex and new jobs

الدول العربية المستقبلة للمشاريع الأجنبية خلال عام 2022 وفقا لعدد الوظائف الجديدة

Arab Countries Receiving FDI According to Jobs Created-2022

| Ranking | Country      | الحصة من الإجمالي Share of total | عدد الوظائف الجديدة created | الدولة     | الترتيب |
|---------|--------------|----------------------------------|-----------------------------|------------|---------|
| 1       | Egypt        | 34.5%                            | 61,063                      | مصر        | 1       |
| 2       | UAE          | 21.9%                            | 38,871                      | الإمارات   | 2       |
| 3       | Morocco      | 11.9%                            | 21,074                      | المغرب     | 3       |
| 4       | Saudi Arabia | 11.4%                            | 20,249                      | السعودية   | 4       |
| 5       | Qatar        | 7.9%                             | 13,972                      | قطر        | 5       |
| 6       | Oman         | 4.6%                             | 8,071                       | سلطنة عمان | 6       |
| 7       | Iraq         | 1.7%                             | 2,960                       | العراق     | 7       |
| 8       | Bahrain      | 1.5%                             | 2,743                       | البحرين    | 8       |
| 9       | Libya        | 1.3%                             | 2,240                       | ليبيا      | 9       |
| 10      | Algeria      | 1.1%                             | 1,908                       | الجزائر    | 10      |
| 11      | Tunisia      | 1.0%                             | 1,706                       | تونس       | 11      |
| 12      | Jordan       | 0.5%                             | 820                         | الأردن     | 12      |
| 13      | Kuwait       | 0.4%                             | 777                         | الكويت     | 13      |
| 14      | Djibouti     | 0.09%                            | 154                         | جيبوتي     | 14      |
| 15      | Yemen        | 0.06%                            | 113                         | اليمن      | 15      |
| 16      | Palestine    | 0.06%                            | 100                         | فلسطين     | 16      |
| 17      | Sudan        | 0.05%                            | 91                          | السودان    | 17      |
| 17      | Lebanon      | 0.05%                            | 91                          | لبنان      | 17      |
| 19      | Somalia      | 0.04%                            | 70                          | الصومال    | 19      |
| 20      | Mauritania   | 0.01%                            | 16                          | موريتانيا  | 20      |
| Total   |              | 100%                             | 177,089                     | المجموع    |         |

الدول العربية المستقبلة للمشاريع الأجنبية خلال عام 2022 وفقا للتكلفة الاستثمارية

Arab Countries Receiving FDI According to Capex-2022

| Ranking | Country      | الحصة من الإجمالي Share of total | التكلفة الاستثمارية (مليون دولار) Capex (USD m) | الدولة     | الترتيب |
|---------|--------------|----------------------------------|---|------------|---------|
| 1       | Egypt        | 53.4%                            | 106,996   | مصر        | 1       |
| 2       | Qatar        | 14.9%                            | 29,779  | قطر        | 2       |
| 3       | Morocco      | 7.6%                             | 15,308  | المغرب     | 3       |
| 4       | Saudi Arabia | 6.6%                             | 13,249  | السعودية   | 4       |
| 5       | UAE          | 5.4%                             | 10,837  | الإمارات   | 5       |
| 6       | Oman         | 4.9%                             | 9,795   | سلطنة عمان | 6       |
| 7       | Libya        | 3.2%                             | 6,362   | ليبيا      | 7       |
| 8       | Djibouti     | 1.2%                             | 2,469   | جيبوتي     | 8       |
| 9       | Bahrain      | 1.1%                             | 2,199   | البحرين    | 9       |
| 10      | Iraq         | 0.5%                             | 1,039   | العراق     | 10      |
| 11      | Kuwait       | 0.3%                             | 555   | الكويت     | 11      |
| 12      | Tunisia      | 0.2%                             | 402   | تونس       | 12      |
| 13      | Jordan       | 0.2%                             | 377   | الأردن     | 13      |
| 14      | Yemen        | 0.2%                             | 358   | اليمن      | 14      |
| 15      | Sudan        | 0.1%                             | 174   | السودان    | 15      |
| 16      | Algeria      | 0.1%                             | 136   | الجزائر    | 16      |
| 17      | Somalia      | 0.1%                             | 109   | الصومال    | 17      |
| 18      | Mauritania   | 0.0%                             | 55  | موريتانيا  | 18      |
| 19      | Palestine    | 0.0%                             | 25  | فلسطين     | 19      |
| 20      | Lebanon      | 0.0%                             | 12  | لبنان      | 20      |
| Total   |              | 100%                             | 200,232   | المجموع    |         |

الدول العربية المستقبلة للمشاريع الأجنبية خلال عام 2022 وفقا لعدد المشاريع

Arab Countries Receiving FDI According to Number of Projects-2022

| Ranking | Country      | الحصة من الإجمالي Share of total | عدد المشاريع number of projects | الدولة     | الترتيب |
|---------|--------------|----------------------------------|---------------------------------|------------|---------|
| 1       | UAE          | 57.1%                            | 923                             | الإمارات   | 1       |
| 2       | Saudi Arabia | 13.4%                            | 217                             | السعودية   | 2       |
| 3       | Egypt        | 9.2%                             | 148                             | مصر        | 3       |
| 4       | Qatar        | 8.3%                             | 135                             | قطر        | 4       |
| 5       | Morocco      | 4.4%                             | 71                              | المغرب     | 5       |
| 6       | Oman         | 2.2%                             | 35                              | سلطنة عمان | 6       |
| 7       | Bahrain      | 1.5%                             | 24                              | البحرين    | 7       |
| 8       | Tunisia      | 0.8%                             | 13                              | تونس       | 8       |
| 9       | Iraq         | 0.6%                             | 10                              | العراق     | 9       |
| 10      | Jordan       | 0.6%                             | 10                              | الأردن     | 10      |
| 11      | Kuwait       | 0.4%                             | 6                               | الكويت     | 11      |
| 12      | Lebanon      | 0.31%                            | 5                               | لبنان      | 12      |
| 12      | Libya        | 0.31%                            | 5                               | ليبيا      | 12      |
| 14      | Algeria      | 0.25%                            | 4                               | الجزائر    | 14      |
| 15      | Palestine    | 0.19%                            | 3                               | فلسطين     | 15      |
| 16      | Djibouti     | 0.12%                            | 2                               | جيبوتي     | 16      |
| 16      | Sudan        | 0.12%                            | 2                               | السودان    | 16      |
| 16      | Yemen        | 0.12%                            | 2                               | اليمن      | 16      |
| 19      | Mauritania   | 0.06%                            | 1                               | موريتانيا  | 19      |
| 19      | Somalia      | 0.06%                            | 1                               | الصومال    | 19      |
| Total   |              | 100%                             | 1,617                           | المجموع    |         |

## Section Two: FDI Projects into Arab Countries for 2022

## Top Arab destination cities for 2022

- Greenfield FDI projects were distributed among 89 Arab cities in 2022.
- The top 10 cities accounted for 75% of the total number of projects, about 31% of the total capex and 37% of the number of new jobs in 2022
- Dubai continued to lead Arab cities by receiving 776 projects representing roughly 48% of the total, and by providing the largest number of new jobs by more than 23,000 jobs.
- Doha ranked second in the Arab world in terms of the number of projects by 117 with a share of 7.2%, while Riyadh and Abu Dhabi came third and fourth with a share of 6.1%. Cairo came fifth by 46 projects, making up 2.8%.
- As for capex, Egypt's Ain Sokhna was in the forefront with \$40.8 billion, making up 20% involving 14 projects.
- Ras Laafan City was ranked second in capex with \$28.8 billion, accounting for 14% of the total, and had the largest average of a project's capex with \$5.8 billion. It was the leader in view of the largest average of jobs with 2,000 per project, during 2022.

**Dubai continued to lead  
in projects and jobs  
during 2022**

**Ain Sokhna ranked first  
in capex with \$40.8 billion,  
making up 20%, involving  
14 projects**

## أهم المدن العربية المستقبلة للمشاريع الأجنبية لعام 2022

## The Most Important Arab Cities Receiving FDI Projects - 2022

| Ranking by No. of projects | City            | متوسط الوظائف<br>Jobs created<br>(Avg) | عدد الوظائف<br>Jobs created | متوسط التكاليف<br>(مليون دولار)<br>Capex (Avg)<br>(USD m) | التكلفة الاستثمارية<br>Capex<br>(USD m) | الحصة من<br>الإجمالي<br>Share of<br>total | عدد المشاريع<br>Number<br>of projects | المدينة          | الترتيب<br>وفقاً لعدد<br>المشاريع |
|----------------------------|-----------------|--|-----------------------------|---|---|---|---------------------------------------|------------------|-----------------------------------|
| 1                          | Dubai           | 30                                     | 23,523                      | 5.6   | 4,351                                   | 48.0%                                     | 776                                   | دبي              | 1                                 |
| 2                          | Doha            | 26                                     | 3,069                       | 6.5   | 761                                     | 7.2%                                      | 117                                   | الدوحة           | 2                                 |
| 3                          | Riyadh          | 38                                     | 3,757                       | 29.5  | 2,922                                   | 6.1%                                      | 99                                    | الرياض           | 3                                 |
| 4                          | Abu Dhabi       | 90                                     | 8,813                       | 44.5  | 4,365                                   | 6.1%                                      | 98                                    | أبو ظبي          | 4                                 |
| 5                          | Cairo           | 201                                    | 9,263                       | 54.0  | 2,484                                   | 2.8%                                      | 46                                    | القاهرة          | 5                                 |
| 6                          | Casablanca      | 77                                     | 1,688                       | 23.3  | 513                                     | 1.4%                                      | 22                                    | الدار البيضاء    | 6                                 |
| 7                          | Jeddah          | 198                                    | 4,154                       | 68.2  | 1,432                                   | 1.3%                                      | 21                                    | جدة              | 7                                 |
| 8                          | Muscat          | 126                                    | 2,008                       | 179.9   | 2,878                                   | 1.0%                                      | 16                                    | مسقط             | 8                                 |
| 9                          | Ain Sokhna      | 670                                    | 9,382                       | 2912.7  | 40,777                                  | 0.9%                                      | 14                                    | العين السخنة     | 9                                 |
| 10                         | Dammam          | 74                                     | 1,031                       | 45.2  | 632                                     | 0.9%                                      | 14                                    | الدمام           | 10                                |
| 11                         | Tangier         | 513                                    | 7,181                       | 62.1  | 870                                     | 0.9%                                      | 14                                    | طنجة             | 11                                |
| 12                         | Al-Manamah      | 32                                     | 257                         | 2.0   | 16                                      | 0.5%                                      | 8                                     | المنامة          | 12                                |
| 13                         | Sharjah         | 41                                     | 284                         | 10.9  | 76                                      | 0.4%                                      | 7                                     | الشارقة          | 13                                |
| 14                         | New Cairo       | 25                                     | 152                         | 15.3  | 92                                      | 0.4%                                      | 6                                     | القاهرة الجديدة  | 14                                |
| 15                         | Tunis           | 36                                     | 218                         | 7.9   | 48                                      | 0.4%                                      | 6                                     | تونس العاصمة     | 15                                |
| 16                         | Rabat           | 79                                     | 393                         | 17.0  | 85                                      | 0.3%                                      | 5                                     | الرباط           | 16                                |
| 17                         | Ras al Khaimah  | 80                                     | 400                         | 34.6  | 173                                     | 0.3%                                      | 5                                     | رأس الخيمة       | 17                                |
| 18                         | Ras Laffan      | 1999                                   | 9,997                       | 5750.0  | 28,750                                  | 0.3%                                      | 5                                     | راس لافان        | 18                                |
| 19                         | Al Hidd         | 70                                     | 279                         | 183.0   | 732                                     | 0.2%                                      | 4                                     | الحد             | 19                                |
| 20                         | Al Jubail       | 110                                    | 439                         | 44.3  | 177                                     | 0.2%                                      | 4                                     | الجبيل           | 20                                |
|                            | Other Cities    | 412                                    | 40,820                      | 289.6   | 28,673                                  | 6.1%                                      | 99                                    | مدن أخرى         |                                   |
|                            | Undefined       | 217                                    | 50,647                      | 341.9   | 79,664                                  | 14.4%                                     | 233                                   | غير محدد         |                                   |
|                            | Total & Average | 110                                    | 177,848                     | 124   | 200,226                                 | 100%                                      | 1,617                                 | المجموع والمتوسط |                                   |

Section Two: FDI Projects into Arab Countries for 2022

## Top FDI sectors in Arab countries for 2022

- FDI projects in the Arab countries for 2022 were distributed among 36 sectors, and the top five sectors accounted for 67.2% of the total number of projects.
- In view of capex, renewable energy topped the list of sectors by \$120 billion with a share of 60% of the total. They were distributed among 61 projects that were implemented by 38 companies and created more than 30 new jobs.
- Coal, oil and gas came second in capex with \$35.6 billion with a share of 17.8%, followed by metals with a share of 4.4% and then real estate with a share of 4.4%.
- Software and information technology led the list in the number of projects with 379, making up 23%.. They were executed by 125 companies with capex of roughly \$2.4 billion, and provided more than 16,000 new jobs.
- Business services came second with 162 projects, accounting for 22.4%, with capex of \$2.97 billion, and provided over 14,000 new jobs, during the year.

**Software and information technology led the list with 379 projects and 16.3 thousand new jobs**

**Renewable energy led the list in capex with \$120 billion, accounting for 60%**

أهم القطاعات المستقبلة للمشاريع الأجنبية في الدول العربية لعام 2022

The Most Important Sectors Receiving FDI Projects in Arab Countries - 2022

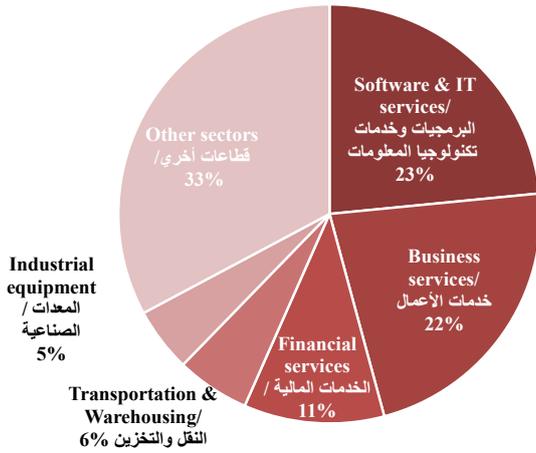
| Ranking by No. of projects | Sector                        | متوسط الوظائف<br>Jobs created (Avg) | عدد الوظائف<br>Jobs created | متوسط التكاليف<br>(مليون دولار)<br>Capex (Avg) (USD m) | التكلفة الاستثمارية<br>(مليون دولار)<br>Capex (USD m) | عدد الشركات<br>Companies | عدد المشاريع<br>number of projects | القطاع                               | الترتيب وفقاً لعدد المشاريع |
|----------------------------|-------------------------------|-------------------------------------|-----------------------------|--|---|--------------------------|------------------------------------|--------------------------------------|-----------------------------|
| 1                          | Software & IT services        | 43                                  | 16,397                      | 6.4  | 2,435   | 352                      | 379                                | البرمجيات وخدمات تكنولوجيا المعلومات | 1                           |
| 2                          | Business services             | 39                                  | 14,280                      | 8.2  | 2,977   | 328                      | 362                                | خدمات الأعمال                        | 2                           |
| 3                          | Financial services            | 23                                  | 4,029                       | 5.6  | 983   | 163                      | 174                                | الخدمات المالية                      | 3                           |
| 4                          | Transportation & Warehousing  | 116                                 | 10,596                      | 37.5   | 3,413   | 68                       | 91                                 | النقل والتخزين                       | 4                           |
| 5                          | Industrial equipment          | 44                                  | 3,483                       | 9.1  | 730   | 72                       | 80                                 | المعدات الصناعية                     | 5                           |
| 6                          | Renewable energy              | 500                                 | 30,497                      | 1963.9   | 119,797   | 38                       | 61                                 | الطاقة المتجددة                      | 6                           |
| 7                          | Communications                | 60                                  | 3,075                       | 48.7   | 2,486   | 48                       | 51                                 | الاتصالات                            | 7                           |
| 8                          | Real estate                   | 116                                 | 5,669                       | 177.3  | 8,688   | 36                       | 49                                 | العقارات                             | 8                           |
| 9                          | Food & Beverages              | 168                                 | 5,707                       | 34.6   | 1,176   | 28                       | 34                                 | الأغذية والمشروبات                   | 9                           |
| 10                         | Hotels & tourism              | 112                                 | 3,589                       | 47.5   | 1,520   | 29                       | 32                                 | الفنادق والسياحة                     | 10                          |
| 11                         | Electronic components         | 113                                 | 3,518                       | 14.8   | 460   | 29                       | 31                                 | المكونات الإلكترونية                 | 11                          |
| 12                         | Consumer products             | 113                                 | 3,289                       | 14.9   | 433   | 25                       | 29                                 | منتجات المستهلك                      | 12                          |
| 13                         | Chemicals                     | 159                                 | 3,648                       | 87.8   | 2,018   | 22                       | 23                                 | المواد الكيميائية                    | 13                          |
| 14                         | Coal, oil & gas               | 563                                 | 12,940                      | 1546.4   | 35,566  | 22                       | 23                                 | الفحم والنفط والغاز                  | 14                          |
| 15                         | Metals                        | 542                                 | 11,373                      | 423.3  | 8,889   | 21                       | 21                                 | المعادن                              | 15                          |
| 16                         | Pharmaceuticals               | 85                                  | 1,692                       | 20.7   | 414   | 18                       | 20                                 | الأدوية                              | 16                          |
| 17                         | Automotive OEM                | 604                                 | 8,461                       | 113.5  | 1,588   | 12                       | 14                                 | تصنيع المعدات الأصلية للسيارات       | 17                          |
| 18                         | Healthcare                    | 367                                 | 5,136                       | 161.8  | 2,265   | 13                       | 14                                 | الرعاية الصحية                       | 18                          |
| 19                         | Business machines & equipment | 159                                 | 2,073                       | 6.3  | 82  | 10                       | 13                                 | الآلات ومعدات الأعمال                | 19                          |
| 20                         | Textiles                      | 353                                 | 4,588                       | 23.9   | 311   | 11                       | 13                                 | النسيج                               | 20                          |
|                            | Other Sectors                 | 224                                 | 23,049                      | 38.9   | 4,003   | 73                       | 103                                | قطاعات أخرى                          |                             |
| <b>Total &amp; Average</b> |                               | <b>110</b>                          | <b>177,089</b>              | <b>123.8</b>   | <b>200,232</b>  | <b>1,418</b>             | <b>1,617</b>                       | <b>المجموع والمتوسط</b>              |                             |

## Section Two: FDI Projects into Arab Countries for 2022

## Top FDI sectors in Arab countries for 2022

**Sectoral concentration of new jobs continued in five sectors, representing 48.3%**

أهم القطاعات المستقبلية للمشاريع الأجنبية في الدول العربية لعام 2022  
The Most Important Sectors Receiving FDI in Arab Countries in 2022 According to Number of Projects



- In 2022, FDI projects in the Arab region created over 85,000 new jobs across 36 sectors. Almost half of them (48.3%) were only in five sectors. The renewable energy sector created 30.5 thousand jobs, followed by software and IT with 16.4 thousand jobs, business services with 14.3 thousand jobs, coal, oil, and gas with 12.9 thousand jobs, and minerals with 11.4 thousand jobs.
- In view of capex, renewable energy was in the forefront with the largest capex average of a project during 2022, with a value of nearly \$2 billion, followed by coal, oil and gas with an average of \$1.5 per project.
- Automotive components led the list in view of the largest average of jobs per project during 2022 with an average of 1.1 thousand jobs per project, followed by rubber with an average of 900 jobs per project.

**Automotive components topped the Arab list in the average number of jobs per project during 2022**

أهم 10 قطاعات مستقبلية للمشاريع الأجنبية في الدول العربية لعام 2022 وفق عدد لمشاريع

Top 10 Sectors Receiving FDI in Arab Countries According to Number of Projects-2022

| الترتيب | القطاع                               | عدد المشاريع<br>Number of<br>Projects | الحصة من<br>الإجمالي<br>Share of total | الترتيب |
|---------|--------------------------------------|---------------------------------------|--|---------|
| 1       | البرمجيات وخدمات تكنولوجيا المعلومات | 379                                   | 23.4%                                  | 1       |
| 2       | خدمات الأعمال                        | 362                                   | 22.4%                                  | 2       |
| 3       | الخدمات المالية                      | 174                                   | 10.8%                                  | 3       |
| 4       | النقل والتخزين                       | 91                                    | 5.6%                                   | 4       |
| 5       | المعدات الصناعية                     | 80                                    | 4.9%                                   | 5       |
| 6       | الطاقة المتجددة                      | 61                                    | 3.8%                                   | 6       |
| 7       | الاتصالات                            | 51                                    | 3.2%                                   | 7       |
| 8       | العقارات                             | 49                                    | 3.0%                                   | 8       |
| 9       | الماكولات والمشروبات                 | 34                                    | 2.1%                                   | 9       |
| 10      | الفنادق والسياحة                     | 32                                    | 2.0%                                   | 10      |
| المجموع |                                      | 1,313                                 | 81.2%                                  |         |

أهم 10 قطاعات مستقبلية للمشاريع الأجنبية في الدول العربية لعام 2022 وفق التكلفة الاستثمارية

Top 10 Sectors Receiving FDI in Arab Countries According to Capex- 2022

| الترتيب | القطاع                               | التكلفة الاستثمارية<br>(مليون دولار)<br>Capex<br>(USD m) | الحصة من<br>الإجمالي<br>Share of total | الترتيب |
|---------|--------------------------------------|--|--|---------|
| 1       | الطاقة المتجددة                      | 119,797  | 59.8%                                  | 1       |
| 2       | الفحم والنفط والغاز                  | 35,566   | 17.8%                                  | 2       |
| 3       | المعادن                              | 8,889  | 4.4%                                   | 3       |
| 4       | العقارات                             | 8,688  | 4.3%                                   | 4       |
| 5       | النقل والتخزين                       | 3,413  | 1.7%                                   | 5       |
| 6       | خدمات الأعمال                        | 2,977  | 1.5%                                   | 6       |
| 7       | الاتصالات                            | 2,486  | 1.2%                                   | 7       |
| 8       | البرمجيات وخدمات تكنولوجيا المعلومات | 2,435  | 1.2%                                   | 8       |
| 9       | الرعاية الصحية                       | 2,265  | 1.1%                                   | 9       |
| 10      | الصناعات الكيماوية                   | 2,018  | 1.0%                                   | 10      |
| المجموع |                                      | 188,533  | 94.2%                                  |         |

أهم 10 قطاعات مستقبلية للمشاريع الأجنبية في الدول العربية لعام 2022 وفق عدد الوظائف الجديدة

Top 10 Sectors Receiving FDI in Arab Countries According to Jobs Created - 2022

| الترتيب | القطاع                               | عدد الوظائف<br>Jobs<br>created | الحصة من<br>الإجمالي<br>Share of total | الترتيب |
|---------|--------------------------------------|--------------------------------|--|---------|
| 1       | الطاقة المتجددة                      | 30,497                         | 17.2%                                  | 1       |
| 2       | البرمجيات وخدمات تكنولوجيا المعلومات | 16,397                         | 9.3%                                   | 2       |
| 3       | خدمات الأعمال                        | 14,280                         | 8.1%                                   | 3       |
| 4       | الفحم والنفط والغاز                  | 12,940                         | 7.3%                                   | 4       |
| 5       | المعادن                              | 11,373                         | 6.4%                                   | 5       |
| 6       | النقل والتخزين                       | 10,596                         | 6.0%                                   | 6       |
| 7       | مكونات السيارات                      | 8,761                          | 4.9%                                   | 7       |
| 8       | تصنيع المعدات الأصلية للسيارات       | 8,461                          | 4.8%                                   | 8       |
| 9       | الأغذية والمشروبات                   | 5,707                          | 3.2%                                   | 9       |
| 10      | العقارات                             | 5,669                          | 3.2%                                   | 10      |
| المجموع |                                      | 124,681                        | 70.4%                                  |         |

## Section Two: FDI Projects into Arab Countries for 2022

## Top FDI activities in Arab countries for 2022

- As for future FDI activities during 2022, including 16 main activities, the top five attracted 1,429 projects accounting for 88.4% of the total, with capex of \$121.5 billion and a share of 60.7%. They provided 121.5 thousand new jobs with a share of 68.6%.
- In terms of the number of projects, business services came in the lead in number of projects and companies with 613 projects representing 38%, and 553 companies making up 39%. It was followed by sales, marketing and support by 32% and 787 companies, making up 34% of the total.
- Manufacturing was ranked first in the indicators of the capex and number of jobs by acquiring a share of more than 57.5% and 46.2% of the total respectively. Extraction came second in capex with a share of 17.7%, and business services came second in new jobs with a share of 10%.
- According to the average capex and jobs, extraction was in the forefront and followed by manufacturing in capex, while customers contact centers came second in new jobs.

**Five activities attracted roughly 88% of projects,  
61% of Capex, 69% of jobs during 2022**

**Manufacturing led Capex and job indicators,  
as business services tops project and company indicators**

أهم الأنشطة الاقتصادية المستقبلية للمشاريع الأجنبية في المنطقة العربية لعام 2022

The Most Important Economic Activities Receiving FD in Arab Countries in 2022

| Ranking by NO. of projects | Activity                                 | متوسط الوظائف<br>Jobs created (Avg) | عدد الوظائف<br>Jobs created | متوسط التكاليف (مليون دولار)<br>Capex, Avg (USD m) | التكلفة الاستثمارية (مليون دولار)<br>Capex (USD m) | عدد الشركات<br>Companies | عدد المشاريع<br>Number of Projects | النشاط                            | الترتيب وفق عدد المشاريع |
|----------------------------|--|-------------------------------------|-----------------------------|--|--|--------------------------|------------------------------------|-----------------------------------|--------------------------|
| 1                          | Business Services                        | 29                                  | 17,490                      | 3.3  | 2,050  | 553                      | 613                                | خدمات الأعمال                     | 1                        |
| 2                          | Sales, Marketing & Support               | 22                                  | 11,436                      | 3.0  | 1,541  | 487                      | 520                                | المبيعات والتسويق والدعم          | 2                        |
| 3                          | Manufacturing                            | 580                                 | 81,840                      | 817.2  | 115,220  | 128                      | 141                                | التصنيع                           | 3                        |
| 4                          | Headquarters                             | 75                                  | 7,472                       | 15.4   | 1,521  | 99                       | 99                                 | توفير المقرات                     | 4                        |
| 5                          | Research & Development                   | 58                                  | 3,257                       | 20.2   | 1,134  | 53                       | 56                                 | البحث والتطوير                    | 5                        |
| 6                          | Logistics, Distribution & Transportation | 272                                 | 11,961                      | 85.1   | 3,742  | 37                       | 44                                 | الخدمات اللوجستية والتوزيع والنقل | 6                        |
| 7                          | Electricity                              | 156                                 | 5,610                       | 624.1  | 22,468   | 18                       | 36                                 | الكهرباء                          | 7                        |
| 8                          | Construction                             | 452                                 | 13,105                      | 424.0  | 12,295   | 25                       | 29                                 | البناء                            | 8                        |
| 9                          | Education & Training                     | 94                                  | 1,979                       | 13.0   | 274  | 19                       | 21                                 | التعليم والتدريب                  | 9                        |
| 10                         | ICT & Internet Infrastructure            | 85                                  | 1,278                       | 192.3  | 2,884  | 14                       | 15                                 | تكنولوجيا المعلومات والاتصالات    | 10                       |
| 11                         | Recycling                                | 52                                  | 626                         | 84.3   | 1,012  | 11                       | 12                                 | إعادة التدوير                     | 11                       |
| 12                         | Maintenance & Servicing                  | 67                                  | 737                         | 16.3   | 179  | 10                       | 11                                 | الصيانة والخدمة                   | 12                       |
| 13                         | Technical Support Centre                 | 311                                 | 2,488                       | 24.5   | 196  | 7                        | 8                                  | مركز الدعم الفني                  | 13                       |
| 14                         | Extraction                               | 1759                                | 12,310                      | 5071.8   | 35,503   | 6                        | 7                                  | الإستخراج                         | 14                       |
| 15                         | Customer Contact Centre                  | 1167                                | 3,500                       | 21.7   | 65   | 1                        | 3                                  | مراكز العملاء                     | 15                       |
| 16                         | Shared Services Centre                   | 1000                                | 2,000                       | 75.0   | 150  | 2                        | 2                                  | مراكز الخدمات المشتركة            | 16                       |
| Total & Average            |  | 110                                 | 177,089                     | 124  | 200,232  | 1,418                    | 1,617                              | المجموع والمتوسط                  |                          |

## Section Three: Inter-Arab Investment Projects for 2022

This section provides more specialized information on inter-Arab investment movement during 2021, which is part of the overall FDI projects into the Arab world. It monitors greenfield and expanded Arab direct investment projects in Arab countries, based on the database of the FDI Markets, issued by the Financial Times.

In this context, projects are reviewed and analyzed through four main indicators: number of Arab source companies, number of projects, estimated capex and new jobs created.

The most significant information on geographical and sectoral distribution of these projects is obtained through lists of major source countries and companies investing in the region, key projects implemented, major Arab countries and economic sectors receiving these projects during 2022.

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| <b>Inter-Arab Projects by Sector in<br/>2022</b>             | <b>65</b> |
| <b>Top Arab Destination and Source<br/>Countries in 2022</b> | <b>66</b> |
| <b>Top Inter-Arab Projects in 2022</b>                       | <b>67</b> |

Section Three: Inter-Arab Investment Projects for 2022

## Evolution of Inter-Arab Projects 2022

The number of inter-Arab projects increased by 84%, and their capex by 623% to \$45.6 billion in 2022

In 2022, the number of Arab companies implementing inter-Arab investment projects rose by 103% to 197

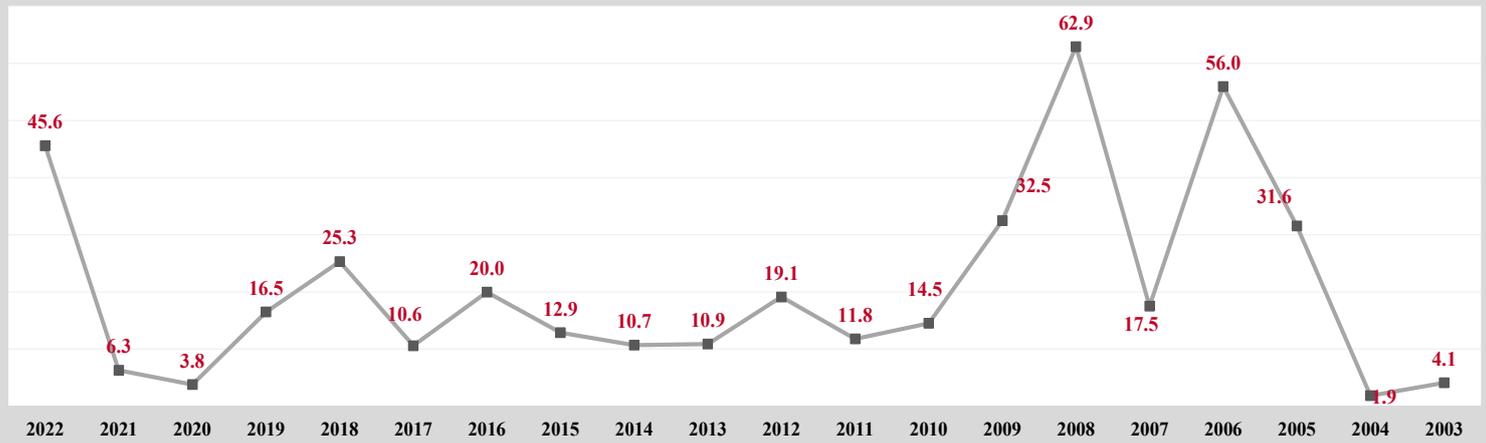
Inter-Arab investments reached their peak in 2008 in terms of the indicators of capex and number of jobs of inter-Arab investment projects. The number of projects and companies reached their peak in 2022, with 245 projects carried out by 197 companies. 2022 witnessed a leap in all indicators of inter-Arab investment projects compared to 2021, coming as follows:

- Inter-Arab direct investment projects increased by 84% from 133 to 245, representing 15.2% of total greenfield FDI projects in Arab countries in 2022.
- The number of Arab companies executing inter-Arab projects went up by 103%, from around 97 companies in 2021 to 197 companies in 2022, representing 13.9% of total companies investing in the region during the same year.
- The capex of the projects recorded an unprecedented leap that has not been seen by the region since 2005, hiking by 623% from \$6.3 billion in 2021 to \$45.6 billion in

2022, making up 22.8% of total greenfield FDI projects in the Arab region during 2022.

- The new jobs created by these projects went up by 209% from 10.5 thousand jobs in 2021 to 32.4 thousand jobs in 2022, accounting for 18.3% of total jobs created by greenfield FDI projects in the Arab region in 2022.
- The projects that created more than 100 new jobs accounted for about 24% of total inter-Arab projects in 2022, while 11% of the projects created from 50 to 100 jobs, while 65% created less than 50 new jobs.
- June witnessed the peak of projects and new jobs during 2002 with 37 projects and 33 investing companies. August saw the peak of capex and number of jobs, with \$11.6 billion and 5.6 thousand jobs.
- November saw the highest average capex for an inter-Arab investment project in 2022, at a value of \$656 million. It also saw the highest average jobs of a project with 80 new jobs.

تطور التكلفة الاستثمارية لمشاريع الاستثمار العربي البيني بالمليار دولار  
Evolution of Capital Investment of Inter -Arab FDI Projects (USD bn)



Source: FDI Markets

المصدر: قاعدة بيانات FDI Markets

## Section Three: Inter-Arab Investment Projects for 2022

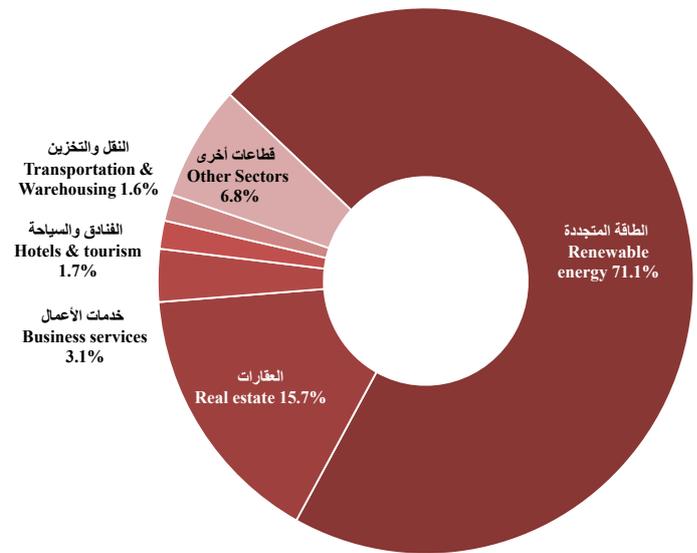
## Inter-Arab Projects by Sector in 2022

- Out of a total of 25 sectors, the first five had about 65% of the number of inter-Arab investment projects, 65.5% of investing companies, 76% of the total capex, and 45% of new jobs.
- The business services sector came in the lead in the number of projects and companies with a share of 21.2% and a share of 24.9% respectively.
- The renewable energy sector came in the lead in the highest capex in 2022, with a value of \$32.4 billion, making 71% of the total. The sector also came first in the number of jobs, with more than 7,000 jobs, representing more than 22%.
- As a result of the jump in the investment capex in the renewable energy sector, the sector came in the first place in providing the highest average capex of a project with \$1.5 billion. On the other hand, the real estate sector ranked first with the highest average of jobs with 482 jobs per project.

**Business services leads in number of projects and companies with 21.2% and 24.9% respectively**

**Renewable energy leads, with the highest capex of \$32.4 billion and over 7000 jobs**

أهم القطاعات المستقبلية للمشاريع العربية البينية خلال عام 2022 وفقا للتكلفة الاستثمارية  
Distribution of Capex among sectors in inter- Arab FDI projects in 2022



أهم القطاعات المستقبلية للمشاريع العربية البينية خلال عام 2022

## The Most Important Sectors Receiving Inter-Arab Projects - 2022

| الترتيب وفقاً لعدد المشاريع (Ranking by No. of projects) | القطاع (Sector)              | متوسط الوظائف (Average jobs) | عدد الوظائف (Jobs created) | متوسط التكاليف (مليون دولار) (Avg Capex (USD m)) | التكلفة الاستثمارية (المليون دولار) (Capex (USD m)) | عدد الشركات (Number of companies) | عدد المشاريع (Number of projects) | القطاع (Sector)   | الترتيب (Ranking) |
|--|------------------------------|------------------------------|----------------------------|--|---|-----------------------------------|-----------------------------------|---|-------------------|
| 1  | Business services            | 45                           | 2,355                      | 27.3   | 1,421   | 49                                | 52                                | خدمات الأعمال (Business services)                             | 1                 |
| 2  | Software & IT services       | 38                           | 1,208                      | 3.0  | 96  | 30                                | 32                                | البرمجيات وخدمات تكنولوجيا المعلومات (Software & IT services) | 2                 |
| 3  | Financial services           | 25                           | 760                        | 6.8  | 204   | 23                                | 30                                | الخدمات المالية (Financial services)                          | 3                 |
| 4  | Transportation & Warehousing | 119                          | 2,867                      | 29.9   | 718   | 16                                | 24                                | النقل والتخزين (Transportation & Warehousing)                 | 4                 |
| 5  | Renewable energy             | 352                          | 7,385                      | 1542.7   | 32,397  | 11                                | 21                                | الطاقة المتجددة (Renewable energy)                            | 5                 |
| 6  | Food & Beverages             | 100                          | 1,098                      | 25.3   | 278   | 9                                 | 11                                | الأغذية ومشروبات (Food & Beverages)                           | 6                 |
| 7  | Hotels & tourism             | 181                          | 1,812                      | 75.9   | 759   | 10                                | 10                                | الفنادق والسياحة (Hotels & tourism)                           | 7                 |
| 8  | Real estate                  | 482                          | 4,824                      | 717.9  | 7,179   | 7                                 | 10                                | العقارات (Real estate)  | 8                 |
| 9  | Communications               | 48                           | 385                        | 79.0   | 632   | 8                                 | 8                                 | الاتصالات (Communications)                                    | 9                 |
| 10   | Consumer products            | 118                          | 827                        | 18.7   | 131   | 6                                 | 7                                 | المنتجات الاستهلاكية (Consumer products)                      | 10                |
|  | Other Sectors                | 222                          | 8,872                      | 44.2   | 1,769   | 28                                | 40                                | قطاعات أخرى (Other Sectors)                                   |                   |
|  | <b>Total</b>                 | <b>132</b>                   | <b>32,393</b>              | <b>186.1</b>                                     | <b>45,583</b>                                       | <b>197</b>                        | <b>245</b>                        | <b>المجموع (Total)</b>  |                   |

## Section Three: Inter-Arab Investment Projects for 2022

## Top Arab Source and Destination Countries for 2022

**Egypt leads as the top Arab source country in capex and jobs, with \$35 billion and 17.7 thousand jobs**

- At the level of destination countries, the geographical distribution of inter-Arab investment projects continued to be concentrated in Saudi Arabia, in terms of the number of projects, with 62 projects, representing 25%, and the number of investing companies, with 59 companies, representing 30% of the total.
- Egypt came in the lead concerning investment capex and the number of jobs, receiving more than \$34 billion through 50 projects that created 17.7 thousand jobs in 2022 (more than 54% of the total). Egypt also came first in terms of average investment costs and the number of jobs, with \$699 million and 354 jobs.
- At the level of Arab source countries, the UAE continued to lead as the largest investor in 2022, according to all indicators, with 127 inter-Arab projects, making up 52%, at a cost of more than \$33 billion, making up more than 73%. They were carried out by 99 Emirati companies and created more than 20,000 new jobs, with a share of 62% of the total.
- Saudi Arabia came second with 35 projects, with a share of 14.3%, implemented by 23 companies, at a cost of \$10.8 billion, accounting for 23.7% of the total, and with more than 7,000 new jobs.
- Egypt came third concerning the number of projects with a share of 9.8% and the number of companies with a share of 10.2%. Oman came third in terms of investment capex, while Kuwait came third in terms of the number of new jobs in 2022.

**UAE continued to lead as the largest investor, with 127 projects carried out by 99 companies with capex of \$33.5 billion, more than 20000 new jobs**

| الدول العربية المستثمرة في المشاريع البينية خلال عام 2022 |              |               |                     |  |   |                       |                                 |                  |                             |
|---|--------------|---------------|---------------------|--|---|-----------------------|---------------------------------|------------------|-----------------------------|
| Arab Countries Investing in Intra-Projects - 2022         |              |               |                     |  |   |                       |                                 |                  |                             |
| Rank by No. of projects                                   | Country      | متوسط الوظائف | عدد الوظائف created | متوسط التكاليف (مليون دولار) Capex (Avg) (USD m) | التكلفة الاستثمارية (المليون دولار) Capex (USD m) | عدد الشركات companies | عدد المشاريع number of projects | الدولة           | الترتيب وفقاً لعدد المشاريع |
| 1   | UAE          | 158           | 20,121              | 263.4  | 33,451  | 99                    | 127                             | الإمارات         | 1                           |
| 2   | Saudi Arabia | 205           | 7,185               | 308.8  | 10,808  | 23                    | 35                              | السعودية         | 2                           |
| 3   | Egypt        | 38            | 916                 | 5.3  | 128   | 20                    | 24                              | مصر              | 3                           |
| 4   | Kuwait       | 110           | 1,432               | 27.0   | 351   | 12                    | 13                              | الكويت           | 4                           |
| 5   | Lebanon      | 26            | 281                 | 2.6  | 29  | 11                    | 11                              | لبنان            | 5                           |
| 6   | Jordan       | 115           | 918                 | 3.3  | 27  | 8                     | 8                               | الأردن           | 6                           |
| 7   | Bahrain      | 28            | 198                 | 8.1  | 56  | 7                     | 7                               | البحرين          | 7                           |
| 8   | Oman         | 30            | 181                 | 69.9   | 420   | 6                     | 6                               | سلطنة عمان       | 8                           |
| 8   | Qatar        | 77            | 462                 | 21.4   | 129   | 5                     | 6                               | قطر              | 8                           |
| 10  | Tunisia      | 116           | 463                 | 12.7   | 51  | 3                     | 4                               | تونس             | 10                          |
| 11  | Algeria      | 101           | 101                 | 19.1   | 19  | 1                     | 1                               | الجزائر          | 11                          |
| 11  | Djibouti     | 70            | 70                  | 108.5  | 109   | 1                     | 1                               | جيبوتي           | 11                          |
| 11  | Iraq         | 15            | 15                  | 1.5  | 2   | 1                     | 1                               | العراق           | 11                          |
| 11  | Libya        | 50            | 50                  | 5.2  | 5   | 1                     | 1                               | ليبيا            | 11                          |
| Total & Average   |              | 132           | 32,393              | 186.1  | 45,583  | 197                   | 245                             | المجموع والمتوسط |                             |

| الدول العربية المستقبلة للمشاريع العربية خلال عام 2022 |              |               |                     |  |   |                       |                                 |                  |                             |
|--|--------------|---------------|---------------------|--|---|-----------------------|---------------------------------|------------------|-----------------------------|
| Arab Countries Receiving Intra-FDI Projects - 2022     |              |               |                     |  |   |                       |                                 |                  |                             |
| Ranking by No. of projects                             | Country      | متوسط الوظائف | عدد الوظائف created | متوسط التكاليف (مليون دولار) Capex (Avg) (USD m) | التكلفة الاستثمارية (المليون دولار) Capex (USD m) | عدد الشركات companies | عدد المشاريع number of projects | الدولة           | الترتيب وفقاً لعدد المشاريع |
| 1  | Saudi Arabia | 75            | 4,627               | 35.8   | 2,221   | 59                    | 62                              | السعودية         | 1                           |
| 2  | Egypt        | 354           | 17,682              | 699.1  | 34,955  | 42                    | 50                              | مصر              | 2                           |
| 3  | UAE          | 66            | 3,119               | 15.5   | 730   | 41                    | 47                              | الإمارات         | 3                           |
| 4  | Qatar        | 25            | 764                 | 5.6  | 169   | 30                    | 30                              | قطر              | 4                           |
| 5  | Oman         | 190           | 2,281               | 302.3  | 3,628   | 12                    | 12                              | سلطنة عمان       | 5                           |
| 6  | Bahrain      | 59            | 588                 | 160.5  | 1,605   | 8                     | 10                              | البحرين          | 6                           |
| 7  | Morocco      | 103           | 825                 | 66.7   | 534   | 6                     | 8                               | المغرب           | 7                           |
| 8  | Iraq         | 152           | 910                 | 6.9  | 42  | 5                     | 6                               | العراق           | 8                           |
| 9  | Kuwait       | 154           | 769                 | 110.4  | 552   | 5                     | 5                               | الكويت           | 9                           |
| 10   | Jordan       | 30            | 91                  | 32.4   | 97  | 3                     | 3                               | الأردن           | 10                          |
| 10   | Libya        | 28            | 84                  | 65.7   | 197   | 3                     | 3                               | ليبيا            | 10                          |
| 12   | Sudan        | 46            | 91                  | 87.1   | 174   | 2                     | 2                               | السودان          | 12                          |
| 12   | Tunisia      | 44            | 87                  | 9.7  | 19  | 2                     | 2                               | تونس             | 12                          |
| 14   | Algeria      | 288           | 288                 | 16.0   | 16  | 1                     | 1                               | الجزائر          | 14                          |
| 14   | Djibouti     | 44            | 44                  | 180.7  | 181   | 1                     | 1                               | جيبوتي           | 14                          |
| 14   | Lebanon      | 12            | 12                  | 0.9  | 1   | 1                     | 1                               | لبنان            | 14                          |
| 14   | Somalia      | 70            | 70                  | 108.5  | 109   | 1                     | 1                               | الصومال          | 14                          |
| 14   | Yemen        | 61            | 61                  | 355.3  | 355   | 1                     | 1                               | اليمن            | 14                          |
| Total & Average  |              | 132           | 32,393              | 186.1  | 45,583  | 197                   | 245                             | المجموع والمتوسط |                             |



Section Three: Inter-Arab Investment Projects for 2022

## Top 10 Inter-Arab Projects in 2022

Egypt received eight out of top 10 inter-Arab projects in 2022 with capex of \$30 billion

Six projects worth \$27.7 billion out of the top 10 inter Arab projects came in renewable energy, then real estate with four projects valued at \$5.4 billion

- Out of 245 inter-Arab projects in 2022, the top 10 projects contributed about 73% of the total investment capex, amounting to \$33.2 billion. The top 10 projects also created more than 25% of the new jobs.
- The top 10 projects, in terms of number, were concentrated in the renewable energy sector with six projects at a value of \$27.7 billion, and the real estate sector with four projects at a value of \$5.4 billion.
- In terms of implementing the top 10 projects, the UAE came in the lead with six projects at a value of \$25.2 billion, followed by Saudi Arabia with four projects at a value of \$ eight billion.
- Egypt took the lead, receiving eight of the top 10 projects with a total investment of \$30.7 billion and generating 7.3 thousand new jobs. Oman followed with two projects in real estate worth \$2.5 billion, creating over a thousand new jobs in 2022.

**Wind farms in Suez Gulf in Egypt**

**10.8\$ billion**

Emirati company "Masdar" announced, in November 2022, its willingness to invest \$10.8 billion to develop wind farms in Suez Gulf in Egypt, in partnership with Infinity Power and Hassan Allam Utilities. A completed wind farm, once is expected to produce 47,790 GWH of clean energy every year for the local market. The project will create around 3,200 new jobs.

**A green hydrogen plant in Ain Sokhna, Egypt**

**5\$ billion**

Emirati company "KK Power International" announced, in August 2022, its intention to invest \$ five billion to build a green hydrogen plant in Ain Sokhna in Egypt to produce around 230 tons every year. The company signed MoUs with the General Authority for the Suez Canal Economic Zone, the Sovereign Fund of Egypt, the Egyptian Electricity Transmission company and the New and Renewable Energy Authority.

**A green ammonia plant**

**5\$ billion**

Emirati company "AMEA Power" stated, in April 2022, its willingness to build a green ammonia plant in the industrial zone of Ain Sokhna in Egypt at a cost of \$ five billion and with a production capacity of 390 tons per year for export. The company signed a mutual understanding agreement with the Suez Canal Economic Zone, the Sovereign Fund of Egypt, the Egyptian Electricity Transmission company and the New and Renewable Energy Authority.

**A green ammonia plant development project in Ain Sokhna, Egypt**

**3.5\$ billion**

Saudi company "Al-Fanar" announced, in August 2022, its intention to invest \$3.5 billion to develop a green ammonia plant in Ain Sokhna in Egypt to produce 500 tons of green ammonia and 100 tons of green hydrogen every year. The project is expected to create 1,415 new jobs.

**A green hydrogen plant project in Ain Sokhna, Egypt**

**2\$ billion**

Emirati company "Alcazar Energy" announced its plan to build a green hydrogen plant in Ain Spkhna in Egypt's Suez Governorate a cost of \$ two billion, covering 37,000 sq meters. The total capacity of the plant is expected to reach 230,000 tons per year and create 809 jobs. The company signed MoUs with the Suez Canal Economic Zone, the Sovereign Fund of Egypt, the Egyptian Electricity Transmission company and the New and Renewable Energy Authority.



## Section Four: FDI and Stock Inflows into Arab Countries for 2022

This section is different from the previous ones in view of compilation methodology and sources, focusing on monitoring the actual inflows of FDI into and from Arab countries in accordance with the IMF's balance of payments methodology issued in the sixth edition used by the UNCTAD in the compilation of data. The UNCTAD monitors cumulative FDI stocks into the region's countries according to the same methodology. Still, changes in these investments and information in the database of FDI projects in the world are taken into account.

In this context, actual inflows and cumulative stocks into Arab countries are reviewed and analyzed, with the values of 2022 mergers and acquisitions being monitored.

This section, thus, completes the overall picture of the movement of FDI in the Arab countries by monitoring actual inflows, together with foreign and Arab projects into the region, which were explained in the second and third sections.

## **Contents of Section Four**

|  |           |
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## Section Four: FDI and Stock Inflows into Arab Countries for 2022

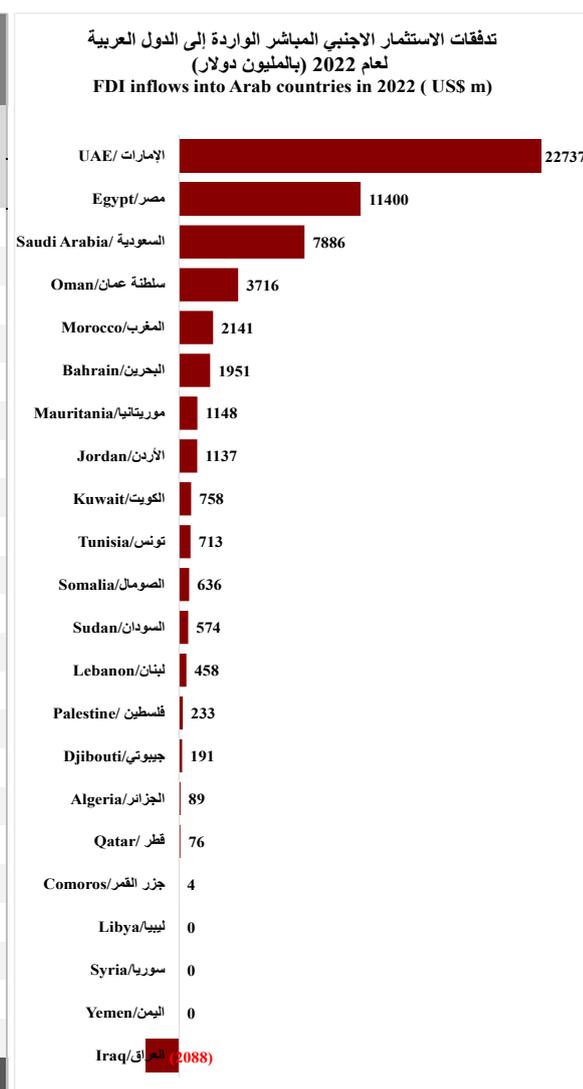
## FDI inflows into Arab countries for 2022

FDI inflows into Arab countries decreased by 3% to \$54 billion in 2022

- According to the UNCTAD report's data, issued in early July 2023, FDI inflows into Arab countries decreased by 3% to \$54 billion in 2022, representing 6% of overall inflows into developing countries and 4.2% of overall global inflows worth about \$1.3 billion in 2022.
- FDI inflows into Arab countries continued their geographical concentration in three countries, with a share of more than 78% of total inflows, topped by the UAE which attracted \$22.7 billion, with a share of 42.3%, followed by Egypt with \$11.4 billion, with a share of 21.2%. Saudi Arabia came third with \$7.9 billion, representing 14.7% of total inflows into Arab countries.
- Oman came in the fourth ranking with \$3.7 billion, with a share of 6.9% of the total. Morocco, Bahrain and Mauritania came from fifth to seventh places with \$2.1 billion, \$2 billion and \$1.1 billion, with shares of 4%, 3.6% and 2.1% of the total respectively.
- Iraq had a decline in inflows in 2021 and 2022, recording negative values as a result of investment liquidation, with a value of \$2.1 billion in 2002, with an estimated decrease of \$549 million, compared to 2021.
- Egypt had the highest growth rate of inflows into Arab countries in 2022 (122.6%), followed by Qatar (107%), Jordan (83%) and Kuwait (34%).

Egypt witnessed the highest growth rate of inflows in 2022, followed by Qatar, Jordan and Kuwait

| تدفقات الاستثمار الأجنبي المباشر الواردة إلى الدول العربية لعام 2022 (مليون دولار) |              |  |                         |              |        |        |                             |
|--|--------------|--|-------------------------|--------------|--------|--------|-----------------------------|
| FDI Inflows into Arab Countries 2022 (US\$ million)                                |              |  |                         |              |        |        |                             |
| Arab Ranking 2022  | Country      | الحصة من الإجمالي العربي Share in Total Arab | معدل التغير % of Change | التغير Cange | 2022   | 2021   | الدولة العربية الترتيب 2022 |
| 1  | UAE          | 42.3%  | 10.0                    | 2069         | 22737  | 20667  | الإمارات 1                  |
| 2  | Egypt        | 21.2%  | 122.6                   | 6278         | 11400  | 5122   | مصر 2                       |
| 3  | Saudi Arabia | 14.7%  | (59.1)                  | (11399)      | 7886   | 19286  | السعودية 3                  |
| 4  | Oman         | 6.9%   | (7.6)                   | (305)        | 3716   | 4021   | سلطنة عمان 4                |
| 5  | Morocco      | 4.0%   | (5.5)                   | (125)        | 2141   | 2266   | المغرب 5                    |
| 6  | Bahrain      | 3.6%   | 9.7                     | 172          | 1951   | 1779   | البحرين 6                   |
| 7  | Mauritania   | 2.1%   | 7.9                     | 84           | 1148   | 1064   | موريتانيا 7                 |
| 8  | Jordan       | 2.1%   | 82.9                    | 515          | 1137   | 622    | الأردن 8                    |
| 9  | Kuwait       | 1.4%   | 33.6                    | 191          | 758    | 567    | الكويت 9                    |
| 10   | Tunisia      | 1.3%   | 8.0                     | 53           | 713    | 660    | تونس 10                     |
| 11   | Somalia      | 1.2%   | 5.8                     | 35           | 636    | 601    | الصومال 11                  |
| 12   | Sudan        | 1.1%   | 9.7                     | 51           | 574    | 523    | السودان 12                  |
| 13   | Lebanon      | 0.9%   | (24.3)                  | (147)        | 458    | 605    | لبنان 13                    |
| 14   | Palestine    | 0.4%   | (34.1)                  | (121)        | 233    | 353    | فلسطين 14                   |
| 15   | Djibouti     | 0.4%   | 13.6                    | 23           | 191    | 168    | جيبوتي 15                   |
| 16   | Algeria      | 0.2%   | (89.8)                  | (781)        | 89     | 870    | الجزائر 16                  |
| 17   | Qatar        | 0.1%   | 107.0                   | 1170         | 76     | (1093) | قطر 17                      |
| 18   | Comoros      | 0.0%   | (4.1)                   | (0)          | 4      | 4      | جزر القمر 18                |
| 19   | Libya        | 0.0%   | ....                    | 0            | 0      | 0      | ليبيا 19                    |
| 20   | Syria        | 0.0%   | ....                    | 0            | 0      | 0      | سوريا 20                    |
| 21   | Yemen        | 0.0%   | ....                    | 0            | 0      | 0      | اليمن 21                    |
| 22   | Iraq         | -3.9%  | (20.8)                  | 549          | (2088) | (2637) | العراق 22                   |
| Total  |              | 100%   | (3.0)                   | (1689)       | 53759  | 55448  | المجموع                     |



## Section Four: FDI and Stock Inflows into Arab Countries for 2022

## Inward FDI stocks into Arab countries for 2022

Inward FDI stocks into the Arab region increased by 4.1% to \$1.1 trillion by the end of 2022

- According to UNCTAD data, FDI stocks into Arab countries increased by 4.1% to \$1.1 trillion by the end of 2022.
- The top three countries had 57% of total FDI stocks into Arab countries, Saudi Arabia topped the list with around \$269 billion, with a share of 25.2%, UAE came second with \$194.3 billion with a share of 18.2%, and Egypt came third with \$149 billion, with a share of 13.9%.
- Somalia achieved the highest growth rate of inward FDI stocks into Arab countries by the end of 2022, with a share of 14.8%, followed by the UAE with 13.3% and Mauritania with a share of 10.4%.
- Morocco and Kuwait witnessed a decline in inward FDI stocks in 2022, as these stocks declined by 13.3% in Morocco and 2.8% in Kuwait. On the other hand, these stocks witnessed stability in Libya, Syria and Yemen.

Inward FDI stocks stabilized in Libya, Syria and Yemen, but declined in Morocco and Kuwait

Saudi Arabia, UAE and Egypt had 57% of total inward FDI stocks by the end of 2022

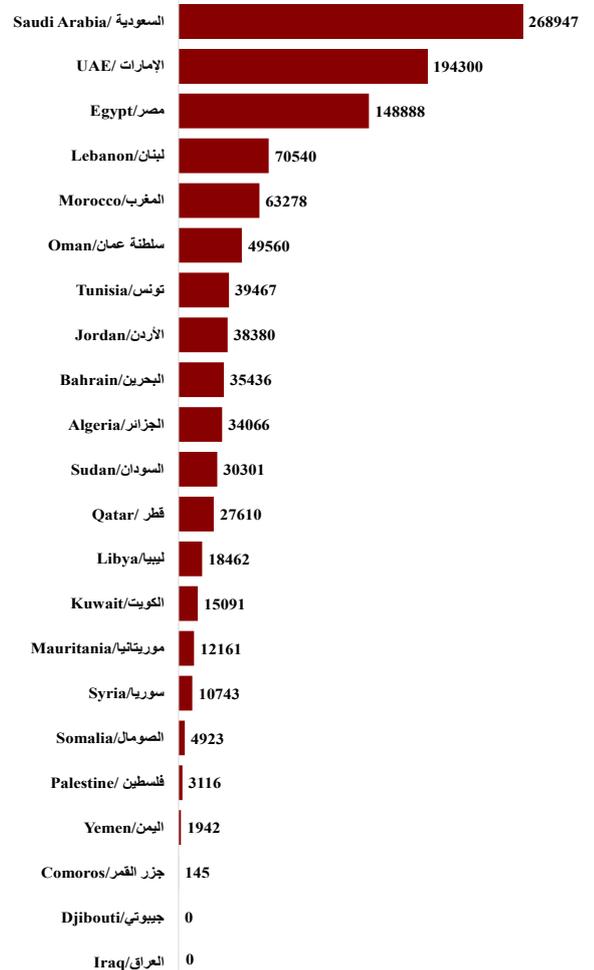
أرصدة الاستثمار الأجنبي المباشر الواردة إلى الدول العربية لعام 2022 (مليون دولار)

Inward FDI Stocks into Arab Countries 2022 (US\$ million)

| Arab Ranking 2022 | Country      | الحصة من<br>الاجمالي العربي<br>Share in<br>Arab Total | معدل التغير %<br>% of<br>Change | التغير<br>Cange | 2022    | 2021    | الدولة<br>العربية<br>2022 | الترتيب<br>العربي<br>2022 |
|-------------------|--------------|---|---------------------------------|-----------------|---------|---------|---------------------------|---------------------------|
| 1                 | Saudi Arabia | 25.2%   | 3.0                             | 7886            | 268947  | 261061  | السعودية                  | 1                         |
| 2                 | UAE          | 18.2%   | 13.3                            | 22737           | 194300  | 171563  | الإمارات                  | 2                         |
| 3                 | Egypt        | 13.9%   | 8.2                             | 11345           | 148888  | 137543  | مصر                       | 3                         |
| 4                 | Lebanon      | 6.6%  | 0.7                             | 458             | 70540   | 70083   | لبنان                     | 4                         |
| 5                 | Morocco      | 5.9%  | (13.3)                          | (9716)          | 63278   | 72994   | المغرب                    | 5                         |
| 6                 | Oman         | 4.6%  | 8.1                             | 3716            | 49560   | 45844   | سلطنة عمان                | 6                         |
| 7                 | Tunisia      | 3.7%  | 1.4                             | 534             | 39467   | 38933   | تونس                      | 7                         |
| 8                 | Jordan       | 3.6%  | 2.9                             | 1075            | 38380   | 37305   | الأردن                    | 8                         |
| 9                 | Bahrain      | 3.3%  | 5.8                             | 1951            | 35436   | 33484   | البحرين                   | 9                         |
| 10                | Algeria      | 3.2%  | 0.3                             | 89              | 34066   | 33977   | الجزائر                   | 10                        |
| 11                | Sudan        | 2.8%  | 1.9                             | 574             | 30301   | 29728   | السودان                   | 11                        |
| 12                | Qatar        | 2.6%  | 0.3                             | 76              | 27610   | 27534   | قطر                       | 12                        |
| 13                | Libya        | 1.7%  | 0.0                             | 0               | 18462   | 18462   | ليبيا                     | 13                        |
| 14                | Kuwait       | 1.4%  | (2.8)                           | (440)           | 15091   | 15531   | الكويت                    | 14                        |
| 15                | Mauritania   | 1.1%  | 10.4                            | 1148            | 12161   | 11013   | موريتانيا                 | 15                        |
| 16                | Syria        | 1.0%  | 0.0                             | 0               | 10743   | 10743   | سوريا                     | 16                        |
| 17                | Somalia      | 0.5%  | 14.8                            | 636             | 4923    | 4287    | الصومال                   | 17                        |
| 18                | Palestine    | 0.3%  | 4.7                             | 140             | 3116    | 2976    | فلسطين                    | 18                        |
| 19                | Yemen        | 0.2%  | 0.0                             | 0               | 1942    | 1942    | اليمن                     | 19                        |
| 20                | Comoros      | 0.0%  | 2.7                             | 4               | 145     | 142     | جزر القمر                 | 20                        |
| 21                | Djibouti     | 0.0%  | ....                            | 0               | 0       | 0       | جيبوتي                    | 21                        |
| 22                | Iraq         | 0.0%  | ....                            | 0               | 0       | 0       | العراق                    | 22                        |
| Total             |              | 100%  | 4.1                             | 42212           | 1067355 | 1025143 | المجموع                   |                           |

أرصدة الاستثمار الأجنبي المباشر الواردة إلى الدول العربية  
بنهاية عام 2022 (بالمليون دولار)

FDI instocks into Arab countries by the end of 2022 ( US\$ m)



## Section Four: FDI and Stock Inflows into Arab Countries for 2022

## Arab FDI outflows for 2022

- Foreign direct investment (FDI) outflows from Arab countries saw a sharp drop during 2022 by 54% to roughly \$23.3 billion, compared with \$50.6 billion during 2021.
- The UAE led the Arab list with \$24.8 billion during 2022, up 10%.
- Saudi Arabia came second with \$18.8 billion, making up 80% of the total FDI outflow during 2022. It was followed by Qatar with \$2.4 billion, Bahrain with \$1.9 billion, Morocco with \$615 million and Egypt with \$342 million.
- Seven countries' FDI outflows ranged between \$238 million for Iraq and \$3 million for Mauritania, while Sudan and Yemen had no FDI outflows during 2022.
- Bahrain recorded the highest growth rate of FDI outflows during 2022, followed by Qatar, Algeria and Libya respectively.
- FDI outflows declined to record negative values in three Arab countries, chiefly Kuwait with \$25.6 billion according to UNCTAD's data, followed by Oman with \$520 million during 2022 from \$398 million during 2021, and Jordan with \$16 million.

Arab FDI outflows fell by 54% to \$23.3 billion

UAE topped Arab list with FDI outflows worth \$24.8 billion during 2022

تدفقات الاستثمار الأجنبي المباشر الصادرة من الدول العربية لعام 2022 (مليون دولار)

## FDI Outflow from Arab Countries 2022 (US\$ million)

| Arab Ranking 2022 | Country      | الحصة من الإجمالي العربي<br>Share in Arab Total | معدل التغير %<br>% of Change | التغير<br>Change | 2022    | 2021   | الدولة     | الترتيب العربي 2022 |
|-------------------|--------------|---|------------------------------|------------------|---------|--------|------------|---------------------|
| 1                 | UAE          | 106.5%  | 10.1                         | 2287             | 24833   | 22546  | الإمارات   | 1                   |
| 2                 | Saudi Arabia | 80.8%   | (21.1)                       | (5034)           | 18826   | 23860  | السعودية   | 2                   |
| 3                 | Qatar        | 10.2%   | 1390.9                       | 2224             | 2384    | 160    | قطر        | 3                   |
| 4                 | Bahrain      | 8.4%  | 2926.4                       | 1884             | 1948    | 64     | البحرين    | 4                   |
| 5                 | Morocco      | 2.6%  | (4.6)                        | (29)             | 615     | 644    | المغرب     | 5                   |
| 6                 | Egypt        | 1.5%  | (6.9)                        | (25)             | 342     | 367    | مصر        | 6                   |
| 7                 | Iraq         | 1.0%  | 77.0                         | 104              | 238     | 135    | العراق     | 7                   |
| 8                 | Lebanon      | 0.4%  | 107.3                        | 1465             | 99      | (1366) | لبنان      | 8                   |
| 9                 | Algeria      | 0.3%  | 238.0                        | 123              | 71      | (52)   | الجزائر    | 9                   |
| 10                | Libya        | 0.2%  | 190.3                        | 105              | 50      | (55)   | ليبيا      | 10                  |
| 11                | Tunisia      | 0.1%  | (13.6)                       | (5)              | 30      | 35     | تونس       | 11                  |
| 12                | Palestine    | 0.1%  | 123.0                        | 71               | 13      | (58)   | فلسطين     | 12                  |
| 13                | Mauritania   | 0.0%  | (44.5)                       | (2)              | 3       | 5      | موريتانيا  | 13                  |
| 14                | Sudan        | 0.0%  | (100.0)                      | (54)             | 0       | 54     | السودان    | 14                  |
| 15                | Yemen        | 0.0%  | ....                         | 0                | 0       | 0      | اليمن      | 15                  |
| 16                | Jordan       | -0.1%   | (199.1)                      | (32)             | (16)    | 16     | الأردن     | 16                  |
| 17                | Oman         | -2.2%   | 30.7                         | (122)            | (520)   | (398)  | سلطنة عمان | 17                  |
| 18                | Kuwait       | -109.8%   | (648.7)                      | (30269)          | (25603) | 4666   | الكويت     | 18                  |
| Total             |              | 100%  | (53.9)                       | (27311)          | 23314   | 50624  | المجموع    |                     |

Section Four: FDI and Stock Inflows into Arab Countries for 2022

## Outward Arab stocks by the end of 2022

**Outward Arab stocks rose by 10.7% to \$590 billion by the end of 2022**

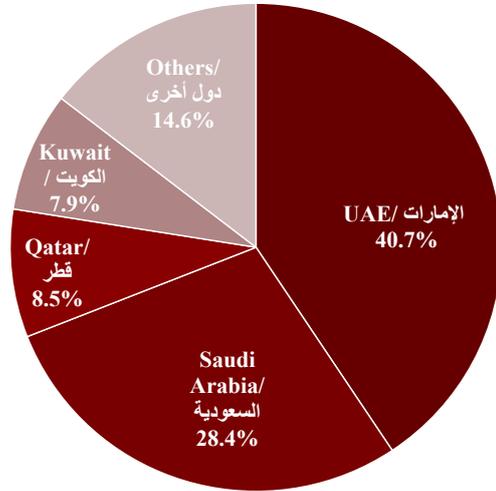
Outward Arab FDI stocks increased by the end of 2022 by 10.7% to \$590 billion from \$53.3 billion at the end of 2021, according to data from the United Nations Conference on Trade and Development (UNCTAD).

- Outward Arab FDI stocks continued to be concentrated in five Gulf countries, notably the UAE, Saudi Arabia, Qatar, Kuwait and Bahrain, with a share of 89% of the Arab region’s total stocks.
- The UAE topped the list with \$240 billion, making up 40.7%, followed by Saudi Arabia in the second ranking with \$167.5 billion, representing 28.4%, Qatar in the third place with \$50 billion, or 8.5%, Kuwait with \$46.8 billion, or 7.9%, and Bahrain with \$21 billion, or 3.6%.
- Outward FDI stocks from 12 Arab countries increased at rates ranging from 32.3% for Kuwait to 0.2% for Libya, while outward FDI stocks from Yemen and Syria remained unchanged. In contrast, stocks from Oman, Palestine and Morocco declined by 10.2%, 4.2% and 0.2% respectively
- The UAE recorded the highest hike in outward FDI stocks during 2022, amounting to \$24.8 billion, accounting for 43.7% of the Arab region’s increase in stocks.

**Outward FDI stocks were concentrated in five Gulf countries with a value of \$525.2 billion, or 89% of Arab total by the end of 2022**

أهم الدول العربية المصدرة لأرصدة الاستثمار المباشر بنهاية عام 2022 (الحصة من الإجمالي العربي)

Top Arab Countries in Outward FDI Stocks by the End of 2022 (Share of the Arab Total)



أرصدة الاستثمار الأجنبي المباشر الصادرة من الدول العربية بنهاية عام 2022 (مليون دولار)

FDI Stock Outflow from Arab Countries by the End of 2022 (US\$ million)

| Arab Ranking 2022 | Country      | الحصة من الإجمالي العربي Share in Arab Total | معدل التغير % % of Change | التغير Change | 2022   | 2021   | الدولة     | ترتيب 2022 |
|-------------------|--------------|--|---------------------------|---------------|--------|--------|------------|------------|
| 1                 | UAE          | 40.7%  | 11.5                      | 24833         | 239880 | 215047 | الإمارات   | 1          |
| 2                 | Saudi Arabia | 28.4%  | 10.6                      | 15984         | 167483 | 151499 | السعودية   | 2          |
| 3                 | Qatar        | 8.5%   | 5.0                       | 2384          | 50054  | 47670  | قطر        | 3          |
| 4                 | Kuwait       | 7.9%   | 32.3                      | 11422         | 46821  | 35399  | الكويت     | 4          |
| 5                 | Bahrain      | 3.6%   | 10.2                      | 1948          | 20955  | 19007  | البحرين    | 5          |
| 6                 | Libya        | 3.5%   | 0.2                       | 50            | 20450  | 20400  | ليبيا      | 6          |
| 7                 | Lebanon      | 2.5%   | 0.7                       | 99            | 14735  | 14636  | لبنان      | 7          |
| 8                 | Egypt        | 1.6%   | 3.9                       | 342           | 9190   | 8848   | مصر        | 8          |
| 9                 | Morocco      | 1.2%   | (0.2)                     | (12)          | 7314   | 7326   | المغرب     | 9          |
| 10                | Oman         | 0.8%   | (10.2)                    | (520)         | 4593   | 5113   | سلطنة عمان | 10         |
| 11                | Iraq         | 0.6%   | 7.6                       | 238           | 3389   | 3151   | العراق     | 11         |
| 12                | Algeria      | 0.5%   | 2.6                       | 71            | 2770   | 2699   | الجزائر    | 12         |
| 13                | Tunisia      | 0.12%  | 1.5                       | 10            | 683    | 673    | تونس       | 13         |
| 14                | Jordan       | 0.12%  | ....                      | (16)          | 681    | 697    | الأردن     | 14         |
| 15                | Yemen        | 0.11%  | 0.0                       | 0             | 672    | 672    | اليمن      | 15         |
| 16                | Palestine    | 0.05%  | (4.2)                     | (14)          | 318    | 332    | فلسطين     | 16         |
| 17                | Mauritania   | 0.02%  | 2.9                       | 3             | 107    | 104    | موريتانيا  | 17         |
| 18                | Syria        | 0.00%  | 0.0                       | 0             | 5      | 5      | سوريا      | 18         |
| Total             |              | 100%   | 10.7                      | 56823         | 590101 | 533278 | المجموع    |            |

Source :UNCTAD, World Investment Report 2023

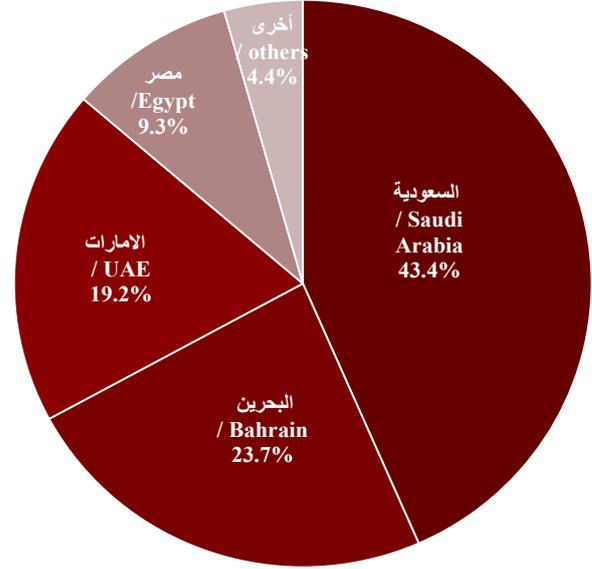
المصدر : الأونكتاد، تقرير الاستثمار في العالم 2023

## Section Four: FDI and stock Inflows into Arab Countries for 2022

## Mergers and acquisition deals in the Arab countries 2021-2022

أهم الدول العربية التي استفادت من صفقات الاستحواذ والاندماج لعام 2022 (الحصة من إجمالي عمليات البيع في المنطقة العربية)

Top Arab countries in acquisitions and mergers deals in 2022 (share of total sales in Arab region)



Asset sales to foreign companies in Arab countries hiked by \$6.4 billion during 2022

- Mergers and acquisitions in Arab countries were remarkably active during 2022, where the value of sales in nine Arab countries rose by 21.2% to \$36.7 billion, representing 5.1% of the global total of \$706.6 billion, according to UNCTAD data.
- Of nine Arab countries that saw the sale of assets during 2022, Saudi Arabia acquired more than 43% of all transactions with \$15.8 billion, followed by Bahrain with \$8.6 billion, or 23.7%, the UAE with \$7 billion, or 19.2%, and Egypt with \$3.4 billion, or 9.3%.
- Purchases in acquisitions and mergers in Arab countries in 2022 increased significantly by 303% to \$28.3 billion during 2022.
- Of eight Arab countries that saw purchases in acquisitions and mergers in 2022, Kuwait, the UAE, Saudi Arabia and Lebanon had more than 96% of the total with \$9.3 billion, \$6.8 billion, \$6.1 billion and \$5 billion respectively.

Purchases in acquisitions and mergers in Arab countries in 2022 skyrocketed by 303% to \$28.3 billion during 2022

عمليات الاندماج والاستحواذ الصافية عبر الحدود للدول العربية لعام 2022 ( مليون دولار )

Net Cross-Border Merger & Acquisitions in Arab Countries during 2022 ( US\$ mn)

| Arab Ranking 2022    | Country      | صفقات الشراء<br>Purchases Deals |         |         | صفقات البيع<br>Sales Deals |         |         | الترتيب<br>الدولة<br>2022 |
|----------------------|--------------|---------------------------------|---------|---------|----------------------------|---------|---------|---------------------------|
|                      |              | التغير<br>Change                | 2022    | 2021    | التغير<br>Change           | 2022    | 2021    |                           |
| 1                    | Saudi Arabia | 5589.6                          | 6090.2  | 500.6   | (8662.7)                   | 15788.8 | 24451.5 | السعودية<br>1             |
| 2                    | Bahrain      | 430.0                           | 752.2   | 322.2   | 8557.2                     | 8602.2  | 45.0    | البحرين<br>2              |
| 3                    | UAE          | 690.8                           | 6769.7  | 6078.9  | 5454.7                     | 6975.0  | 1520.3  | الإمارات<br>3             |
| 4                    | Egypt        | (225.3)                         | 0.0     | 225.3   | 3363.6                     | 3392.4  | 28.8    | مصر<br>4                  |
| 5                    | Oman         | (66.0)                          | (15.6)  | 50.4    | 1205.0                     | 1205.0  | 0.0     | سلطنة عمان<br>5           |
| 6                    | Iraq         | 0.0                             | 0.0     | 0.0     | 195.0                      | 195.0   | 0.0     | العراق<br>6               |
| 7                    | Morocco      | 220.0                           | 280.0   | 60.0    | 156.7                      | 137.6   | (19.2)  | المغرب<br>7               |
| 8                    | Kuwait       | 9035.4                          | 9320.1  | 284.6   | (4001.1)                   | 76.0    | 4077.2  | الكويت<br>8               |
| 9                    | Tunisia      | 0.0                             | 0.0     | 0.0     | 0.3                        | 0.3     | 0.0     | تونس<br>9                 |
| 10                   | Qatar        | 551.5                           | 68.3    | (483.1) | 102.9                      | 0.0     | (102.9) | قطر<br>10                 |
| 11                   | Mauritania   | 0.0                             | 0.0     | 0.0     | 0.0                        | 0.0     | 0.0     | موريتانيا<br>11           |
| 12                   | Jordan       | (28.3)                          | 0.0     | 28.3    | (2.8)                      | 0.0     | 2.8     | الأردن<br>12              |
| 15                   | Lebanon      | 5463.8                          | 4986.2  | (477.6) | (3.0)                      | 0.0     | 3.0     | لبنان<br>15               |
| 16                   | Palestine    | 0.0                             | 0.0     | 0.0     | 0.0                        | 0.0     | 0.0     | فلسطين<br>16              |
| 17                   | Djibouti     | 0.0                             | 0.0     | 0.0     | 0.0                        | 0.0     | 0.0     | جيبوتي<br>17              |
| 18                   | Algeria      | 0.0                             | 0.0     | 0.0     | 0.0                        | 0.0     | 0.0     | الجزائر<br>18             |
| 19                   | Comoros      | ....                            | ....    | .....   | 0.0                        | 0.0     | 0.0     | جزر القمر<br>19           |
| 20                   | Libya        | (429.1)                         | 0.0     | 429.1   | 0.0                        | 0.0     | 0.0     | ليبيا<br>20               |
| 13                   | Somalia      | ....                            | ....    | ....    | 0.0                        | 0.0     | 0.0     | الصومال<br>13             |
| 14                   | Sudan        | 0.0                             | 0.0     | 0.0     | 0.0                        | 0.0     | 0.0     | السودان<br>14             |
| 21                   | Syria        | 0.0                             | 0.0     | 0.0     | 0.0                        | 0.0     | 0.0     | سوريا<br>21               |
| 22                   | Yemen        | 0.0                             | 0.0     | 0.0     | 0.0                        | 0.0     | 0.0     | اليمن<br>22               |
| Total Arab Countries |              | 21232.4                         | 28251.1 | 7018.7  | 6365.8                     | 36372.3 | 30006.5 | الإجمالي العربي           |

Section Four: FDI and Stock Inflows into Arab Countries for 2022

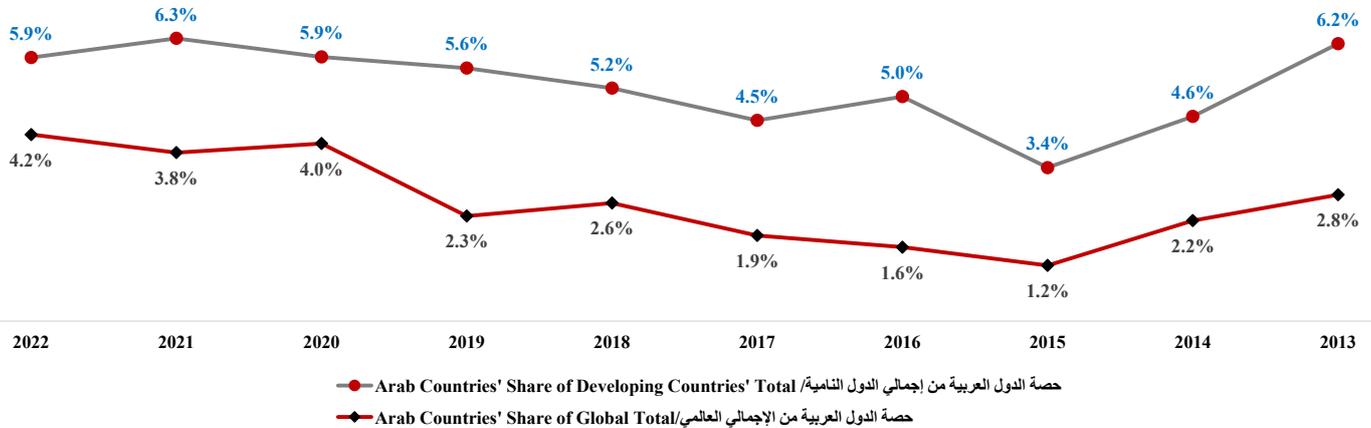
## Evolution of FDI and stock inflows into Arab countries during 2013-2022

Annual average of inflows into Arab world hit \$38.6 billion during 2013-2022

The average Arab share of FDI inflows during 2013-2022 hit 5.2% of developing countries' total and 2.7% of global total

- Over the past three decades, the volume of inflows into Arab countries has apparently fluctuated from an average of \$5.4 billion during 1993-2002 to more than \$57 billion during 2003-2012 before falling to \$38.6 billion during 2013-2023.
- Total FDI inflows into Arab countries hit more than \$386 billion during 2013-2022 with an average of \$38.6 billion annually.
- The average share of Arab countries in global FDI inflows was 2.7% between 2013 and 2022, while their share of developing countries' total averaged 5.2% during the same period.
- Arab countries' share of total FDI inflows into developing countries fell to 5.9% during 2022, compared with 6.3% in 2021, although their share of the global total went up from 3.8% during 2021 to 4.2% in 2022.

تطور حصص الدول العربية من تدفقات الاستثمار الأجنبي المباشر الواردة إلى الدول النامية والعالم  
Arab countries' Share of FDI Inflows into Developing Countries and in the World



تطور تدفقات الاستثمار الأجنبي المباشر الواردة إلى الدول العربية ونسبتها إلى الدول النامية والعالم (2013-2022)

### FDI Inflows into Arab Countries and Proportion to Developing Countries and to World (2013-2022)

| Year  | 2022   | 2021   | 2020  | 2019   | 2018   | 2017   | 2016   | 2015   | 2014   | 2013   | السنة   |
|---|--------|--------|-------|--------|--------|--------|--------|--------|--------|--------|---|
| Value of Inflows into Arab Countries (US\$ billion)       | 53.8   | 55.4   | 38.0  | 39.9   | 36.2   | 31.4   | 33.0   | 25.5   | 31.6   | 41.3   | قيمة التدفقات إلى الدول العربية (مليار دولار) |
| Value of Inflows into Developing Countries (US\$ billion) | 916.4  | 880.9  | 646.5 | 709.1  | 697.2  | 701.7  | 659.8  | 746.3  | 693.6  | 669.0  | قيمة التدفقات إلى الدول النامية (مليار دولار) |
| Value of Global Inflows (US\$ billion)                    | 1294.7 | 1478.1 | 962.0 | 1707.8 | 1375.4 | 1644.9 | 2003.5 | 2056.4 | 1411.8 | 1468.4 | قيمة التدفقات إلى الدول العالم (مليار دولار)  |
| Arab Countries' Share of Developing Countries' Total      | 5.9%   | 6.3%   | 5.9%  | 5.6%   | 5.2%   | 4.5%   | 5.0%   | 3.4%   | 4.6%   | 6.2%   | حصة الدول العربية من إجمالي الدول النامية     |
| Arab Countries' Share of Global Total                     | 4.2%   | 3.8%   | 4.0%  | 2.3%   | 2.6%   | 1.9%   | 1.6%   | 1.2%   | 2.2%   | 2.8%   | حصة الدول العربية من الإجمالي العالمي         |

# Appendix: The Investment Climate Update in Arab Countries during 2022



This section includes a presentation of the most significant improvements or updates witnessed by the Arab countries in the investment climate field during 2022, particularly in legislation, decisions and measures, infrastructure, technology, finance, industrial estates and free zones as well as other indicators that monitor the latest developments of the investment climate during 2022.

These improvements are monitored on the basis of Arab countries' reactions and relevant reports published on official websites in order to provide a more comprehensive picture of the investment atmosphere in Arab countries for 2022.

The improvements will be reviewed in the UN-recognized alphabetical order of countries.

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| <b>2</b>  | <b>UAE</b>          | <b>79</b>   |
| <b>3</b>  | <b>Bahrain</b>      | <b>80</b>   |
| <b>4</b>  | <b>Tunisia</b>      | <b>81</b>   |
| <b>5</b>  | <b>Algeria</b>      | <b>82</b>   |
| <b>6</b>  | <b>Syria</b>        | <b>83</b>   |
| <b>7</b>  | <b>Djibouti</b>     | <b>84</b>   |
| <b>8</b>  | <b>Iraq</b>         | <b>85</b>   |
| <b>9</b>  | <b>Oman</b>         | <b>86</b>   |
| <b>10</b> | <b>Palestine</b>    | <b>86</b>   |
| <b>11</b> | <b>Qatar</b>        | <b>88</b>   |
| <b>12</b> | <b>Kuwait</b>       | <b>89</b>   |
| <b>13</b> | <b>Libya</b>        | <b>90</b>   |
| <b>14</b> | <b>Egypt</b>        | <b>91</b>   |
| <b>15</b> | <b>Morocco</b>      | <b>92</b>   |
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## Kingdom of Jordan

### A new law to regulate investment environment and grant additional benefits and facilities

The new investment environment regulation law for 2022 has the following aims:

- Broadening the Investment Ministry's power for establishing investment funds in all economic sector and issuing relevant instructions.
- Abolishing the condition of obtaining prior approvals for any company or individual institution.
- Ensuring equal treatment between Jordanian and foreign investors, protecting investments, and shifting from prior control to subsequent control.
- Stimulating and encouraging existing investments and developing small and medium-sized enterprises.
- Backing digitalization and automation of all ministerial procedures and services.
- Supporting environment protection and transition into a green economy.
- Ensuring investors' rights and allowing them to recruit non-Jordanians in administrative and technical jobs with specific rates.
- Rescinding the expropriation of any investment or part of it except as per the law with a vow to pay a fair compensation.

### A comprehensive national strategy for investment promotion for 2023-2026

- The Investment Ministry, in collaboration with the World Bank Group, worked out a comprehensive national strategy to promote investment in Jordan during the period between 2023 and 2026, focusing on certain sectors and markets.
- The strategy aims at boosting investments in high added-value sectors that could contribute to achieving development and providing jobs to Jordanians in a way that matches the targets of the economic modernization vision and government executive program.
- The strategy focuses on high-added value manufacturing industries, information and communication technology, healthcare, tourism, real estate development, mining, chemicals, agriculture, logistic services and others.
- The strategy targets specific countries, including the GCC members, the US, Canada, Britain, Germany, the Netherlands, France, Turkey, Japan, India, China and South Korea.

### City Builder platform to promote investment opportunities

- The Jordanian Investment Ministry, in cooperation with the Citibank Group, launched the "City Builder" investment platform to introduce global investors to available opportunities in the Kingdom in various industries of high competitive value.
- The platform will contribute to realizing the recently launched 2033 Economic Modernization Vision through promoting investment opportunities on a global platform.
- The platform will help the Kingdom introduce approximately 53 investment opportunities with a total investment volume of some \$4.7 billion across multiple sectors.

### A new website for free zones

- Jordan Free and Development Zones Group launched its new website during 2022, designed and developed in line with modern technological criteria.
- The site provides information and services for investors in Arabic and English.

### Additional spending on infrastructure

According to the Jordanian draft state budget for 2022, capital spending was raised to 1.5 billion dinar, up 43%, with a view to contributing to motivating growth and improving infrastructure in order to help draw further investments.



## United Arab Emirates

### Three decrees, a law, and eight decisions were issued to improve investment-related legislative infrastructure

The Emirati government issued and updated 10 pieces of legislation during 2022 to help improve the business environment in the fields of protecting industrial property rights, commercial transactions, trademarks, family businesses, cooperatives, trade agents and others. They come as follows:

- 1- Resolution No. (6) of 2022 regarding the Executive Regulations of Federal Law No. (11) of 2021 regarding the Regulation and Protection of Industrial Property Rights.
- 2- Federal Decree-Law No. (50) of 2022 issuing the commercial transaction law.
- 3- The Cabinet's Resolution No. (37) of 2022 for the executive regulations of the trademark law.
- 4- Federal Decree-Law No. (37) of 2022 for family businesses.
- 5- Federal Law No. (3) of 2022 for the regulation of trade agents.
- 6- Federal Decree-Law No. (6) of 2022 for cooperatives.
- 7- The Cabinet's Resolution No. (77) of 2022 for limited liability companies.
- 8- The Cabinet's Resolution No. (79) of 2022 for the regulation of motivating companies to carry out their social responsibilities.
- 9- The Cabinet's Resolution No. (102) of 2022 promulgating the administrative penalties regulations regarding acts committed in violation of the provisions of Federal Decree-Law No. (32) of 2021 regarding Commercial Companies (Penalties Law).
- 10- The Cabinet's Resolution No. (107) of 2022 issuing the executive regulation of commercial register law.
- 11- The Cabinet's Resolution No. (47) OF 2022 regarding the executive regulation of copyright and neighboring rights.
- 12- The Cabinet's Resolution No. (43) of 2022 regarding the executive regulation of the law on rules and certificates of origin.

### Initiatives and programs to attract world companies and efficient people

- Launching the initiative the "NextGen FDI" initiative to draw 7,000 talented people and 300 digital-focused companies from different world countries, and provide them with necessary market entry support to launch and scale from within the UAE.
- Launching the first edition of the Emirate Investment Summit (Investopia), with the attendance of government leaders, non-government organizations, private sector, investment banks, family businesses, investment funds, academic and research institutions and investment offices from around the world to launch ideas and create opportunities.
- Announcing the foreign investor compass project in a set of targeted vital sectors such as financial technology, e-trade, agricultural technology, healthcare, education, tourism, etc.
- Launching the Target 50 program which targets 50 international companies in a number of sectors.
- Announcing the "Markets of Tomorrow" initiative, in collaboration with the World Economic Forum (Davos 2022), to develop new business accelerators that will prepare the UAE's national economy to embrace business activities focused on the new economy.
- The "Agriculture Innovation Mission for Climate (AIM for Climate) aiming at multiplying climate-smart agricultural investments and innovation.
- Dubai International Financial Center's initiative of the first Global Family Business and Private Wealth Centre in the region and worldwide, to support family businesses.
- Abu Dhabi Department of Economic Development's (ADDED)'s land incentive programme as part of an initiative to support the emirate's industrial strategy.

### Developing technological infrastructure

- Launching a national entrepreneurship platform to support and develop the sector of small and medium-sized projects and attract small and medium-sized enterprises and back their world growth and expansion.
- Developing Basher integrated eService, which enables investors to establish their businesses in the UAE within 15 minutes through a unified online platform.

### A new visa scheme

The UAE announced a new visa scheme; entry and residence visas, offering new types of residence permits for investors and skilled employees, self-employed people and family members.

Source: The UAE's Finance Ministry.

# Kingdom of Bahrain

## Bahrain issued a guide regulating partnerships between public and private sectors

- Bahrain issued a guide regulating partnerships between the public and private sectors on June 19, 2022, based on the Resolution No. (30) of 2022. It is mainly aimed at regulating the contractual relationship between government departments and investors of the private sector, promoting transparency for partnerships, setting out a uniform framework for corporate contracts and making use of the private sector's experience by adopting the best experiments and international practices.
- Law No. (7) of 2022 for environment: a new law aiming at protecting environment and its sources from all activities and practices that cause pollution, environmental degradation and biodiversity.

## Bahrain launches a US trade zone

- A MoU was signed by Bahrain and the US on the construction of the United States Trade Zone (USTZ) in February 2022, which will be located at the Salman Industrial City. The USTZ will be initially spread across approximately 1.11 million sq m with the ability to expand in the future. Bahrain and the US will start promoting the zone as a regional center for trade, manufacturing, logistics and distribution among American companies in the kingdom, as well as in GCC markets and beyond.

## Bahrain launches new apps and platforms to facilitate investors' transactions

- On April 6, 2022, Bahrain launched the Government Land Investment Platform to strengthen partnerships between the public and private sectors and promote transparency. It is chiefly meant to simplify and increase the efficiency of commercial procedures and showcase government lands available for investment in a transparent and innovative manner.
- Al-Tajer, a first-of-its-kind mobile application to link commercial registrations (CR) holders to government entities for business solutions, was launched in Bahrain in April 2022. The one-stop application enables business owners to access multiple services, including trade registration, insurance and healthcare in a single transaction.
- Bahrain Bourse (BHB) and Abu Dhabi Securities Exchange (ADX) announced the launch of the region's first digital exchange hub (Tabadul), which would allow investments across Abu Dhabi and Bahrain, and enable investors to trade directly on both exchanges through licensed brokers.
- Bahrain's Telecommunications Regulatory Authority (TRA) made part of the C-Band spectrum available for 5G Private Networks, placing the kingdom at the forefront of GCC countries in enabling both private and public sectors to benefit from the latest technologies.

## A regional industrial partnership and programs for personnel and technology transfer

- Bahrain joined the Industrial Partnership for Sustainable Economic Development with the UAE, Egypt and Jordan on July 25, 2022. The partnership was launched to develop large joint industrial projects, diversify the economies of the partner nations, boost exports, support industrial production, and contribute to raising economic output, provide more jobs, cutting production costs and protecting supply chains.
- The Technical Development Program was launched to train Bahraini university graduates and job-seekers in the fields of information and communication technology over three years.
- An innovation and technology transfer center was launched at Bahrain University with a view to protecting innovators' rights and developing innovation, research and development in the kingdom.

## Bahrain introduces a golden residency scheme

Bahrain launched a new Golden Residency Visa program for residents and non-residents, as well as their families. Golden Residency Visa holders can have their visas renewed every 10 years. The visa grants them the right to work in Bahrain, allows them multiple entry and exit from the kingdom, and even allows residency rights for close family members. It is mainly intended to attract efficient people from various economic, investment.



# Republic of Tunisia

## Tunisia issues two decrees and reviews two laws to promote investments

- The Resolution No. 68 of 2022 aims at promoting efficiency, accelerating the completion of government projects, supporting the completed projects in the context of partnership between both public and private sectors, promoting investment in the sectors of renewable energy, agriculture and industry, developing technological infrastructure, real estate and housing, allocating 10% of public procurements to startups and facilitating and simplifying administrative procedures for investors.
- The Resolution No. 2 of 2022 for the regulation of credit inquiry activity is meant to regulate credit inquiry firms' activities and control the exchange of credit information in order to ensure the quality of this information.
- The Law No. 71 of 1017 regarding investment was reviewed.
- The Law No. 20 of 2018 regarding startups.

## Tunisia digitalizes corporate services and customs procedures

- A digital portal was launched to give investors access to information pertinent to economic activity rules and administrative licenses.
- The corporate trade name reservation procedure, national registration certificates and investors' bidding were digitalized.
- The National Property Agency simplified and digitalized its services in the fields of real estate fees, ownership certificates and notarization contracts.
- Customs procedures digitalized in order to streamline and shorten the customs clearance period regarding bank guarantee certificates, commodity transport certificates and export-related marine cargo statements.

## Tunisia simplifies new enterprise procedures

Seeking to streamline administrative procedures for establishing new investment projects, the government abolished a list of 25 business licenses.

## 229 procedures to improve business environment, based on 2023-2025 strategy

- A national strategy to improve the business environment was adopted as part of the national reform program for 2023-2025. It included 229 procedures in the following fields:
- Starting a Business: simplifying and digitalizing business procedures through the one-stop shop plan.
- Dealing with Construction Permits: streamlining and digitalizing construction licenses.
- Paying Taxes: easing corporate tax control procedures and digitalizing and shortening VAT recovery periods as well as online fee payment.
- Establishing the Investment Freedom Principle: scrapping 52 licenses and replacing them with terms and conditions booklets, and reducing administrative restrictions.
- Legislative Investment Framework: reviewing financial incentives within the framework of the investment law and issuing a relevant procedure guide.
- Property Transfer and Real Estate Affairs: simplifying and digitalizing the real estate agency's services.
- Trading across Borders: digitalizing customs procedures to shorten customs clearance periods.
- Obtaining Loans: issuing the Resolution No. 2 of 2022 regulating the credit inquiry activity.
- Protecting Minority Investors: supporting shareholders' rights and role in significant resolutions and backing corporate good governance.



# People's Democratic Republic of Algeria

## A new investment law and encouraging legislative measures

- The Investment Law No. 18-22 of 2022 regulating investment, investors' rights and incentive schemes for investment in economic activities for commodity production and services.
- Legislative measures to encourage investment and productive activities as per the Financial Law of 2022, through
- Cutting taxes on corporate dividends from 19% to 10% for production equipment companies.
- Exempting individuals from taxes on total incomes applied during the activity year to hold shares, social quotas or securities.
- Reducing taxes on vocational activities by relieving commodity producers and non-commercial professions of this tax or reducing it from 2 to 5% for other activities, except for fuel pipeline transport.
- Backing tourist activities that were affected by the Covid-19 pandemic by keeping the VAT at 9% until 2024.
- Supporting aquaculture activities.

## Tax exemptions to agricultural investment

- As per Articles 14 and 90 of the Financial Law of 2022, a package of resolutions was adopted to promote agricultural activity, coming as follows:
- Exempting materials directed to the locally produced feed of chicken and cattle from the VAT.
- Broadening permanent exemptions pursuant to the item of the tax on total income of small-sized investments.
- Relieving the income tax on agricultural activity and livestock breeding at recently reclaimed lands and mountainous areas for a period of 10 years.
- Cutting the income tax on cattle breeding activity at a rate of 60%

## Startups relieved of random taxes

As part of tax relief for startups, they were also relieved of random taxes for four years as of the approval date. A one-year renewal is also allowable in line with Article 117 of the Financial Law of 2022.

## A new draft law for economic on real estate

It was decided to start working out a new draft law for economic real estate.

## Simplifying tax procedures

- Readjusting the rules of the added value by cutting the difference between tax legislation and accounting regulation.
- Setting the profits that are subject to the tax on corporate profits in some activities that are subject to various tax rates.
- Shortening the processing times of files related to the franchise purchase system.
- Speeding up the processing of refund requests VAT surpluses.
- Establishing an electronic portal for exporters.
- Streamlining franchise license procedures for investment projects by means of digitalizing state property, real estate conservation and land surveying activities.
- Preparing digital platforms for investment-directed real estate.

# Syrian Arab Republic



## A new law to promote foreign investment

Syria issued a new investment law No. (18) of 2021, which aims to create a competitive investment environment to attract capital. It includes the following investment guarantees:

- A provisional attachment or receivership shall not be imposed on the project unless a court ruling is made in this regard.
- A project shall not be expropriated except for public interest, provided that a compensation amounting to the real value of the project be decided.
- Investors can transfer the compensation amount abroad in a convertible currency.
- A project shall not be subject to any additional procedural burdens triggered by decrees or guidelines from any public agency.
- The investment license shall not be cancelled unless the investor is notified of any possible violations.
- Offering tax reliefs to the project, including tax exemptions for agricultural and animal production projects.

## 42 investment licenses were granted during 2022

The National Investment Authority granted 42 investment licenses during 2022 as per the new Investment Law No. 18 of 2021, to the value of over 868 billion liras, in important and various sectors. Fourteen existing industrial investment projects were expanded either by boosting production capacity or adding production lines with new products.

## A committee formed to work out a national investment map

A national team was formed of investment authorities in order to work out an investment map between the basket of investment opportunities available in various sectors and governorates. What has been achieved so far comes as follows:

- Achieving 40% of the database of the investment map, preparing a procedural guide for investment opportunities and publishing terms and conditions booklets for a specialized technological zone in Ad Dimas town, in collaboration with the Ministry of Telecommunications and Technology.
- Setting out an investment map for the oil and mineral sector.
- Preparing a procedural guide for the Tourism Ministry's opportunities for tourist tourism in line with the Investment Law No. 18 of 2021.
- Preparing investment opportunities for the General Company Building and Construction Company in view of data and information.
- Preparing investment opportunities in industrial cities and zones ahead of the approval of the Supreme Investment Council.

## Investor's service center developed

During 2022, the National Investment Authority decided a set of measures aiming at developing and backing the investor's service center, enabling it to do the following targets:

- Granting 42 investment licenses to various projects in different sectors.
- Extending the implementation period for 72 projects.
- Granting 1,243 import licenses and approvals for investment projects.
- Approving expansion requests for 14 projects, whether for boosting production capacity or adding new production lines.
- Granting 111 customs reliefs to various investment projects in different sectors in the vicinity of 74 billion Syrian liras.

## Incentives and facilities in power and energy

The Law No. 41 revising the Electricity Law No 32 of 2010 was issued as part of efforts to develop a renewable energy strategy with a view to boosting power, diversifying its sources, fulfilling demand and encouraging the private sector.



## Republic of Djibouti

### A promotional campaign to draw investors to Africa's largest free trade zone

During 2022, Djibouti launched a campaign to promote Africa's largest free trade zone to attract Arab, African and foreign investors. The 48-km Red Sea zone, linked to main seaports in Djibouti, is meant to diversify the country's national economy, create jobs, draw foreign investments, offer the one-stop shop, cancel taxes, provide corporate facilities and offer logistic services.

### A World Bank-financed digitalization project

Djibouti exerted several efforts to speed up digitalization and build a more inclusive digital economy. The World Bank approved in late 2021 a credit worth \$10 million for this purpose. The project is intended to ensure more citizens' and businesses' access to high-quality internet at reasonable prices. It is part of the country's national vision for 2035 purposed to use information and communication technology in economic growth.

### Internationally backed logistic services improved

The World Bank's International Development Association agreed in December 2021 to extend a loan worth \$70 million to Djibouti to improve regional connectivity and logistics in Djibouti.

### The one-stop shop investment project developed

The government started developing the one-stop shop project for investment deals in order to improve the business environment by means of facilitating and simplifying investment services and procedures and creating an attractive practical and investment environment in line with the national investment strategy.

### National Investment Promotion Agency (NIPA) commences a development plan

- Established in 2001, the NIPA announced a plan to develop its work in following aspects:
- Providing the necessary materials to introduce the significance of investments to citizens and foreigners.
- Offering incentives and advantages to investors
- Giving appropriate information on the business environment and laws.
- Carrying out the government policy in economic and social developments.
- Contributing to personnel training through symposiums and training courses.
- Setting investment projects in the context of the privatization strategy.
- Promoting investment opportunities in the country through diversifying information at local, regional and international levels.
- Helping local and foreign personnel through the one-stop shop scheme.
- Establishing a corporate database and a commercial and industrial information unit.
- Sponsoring a partnership between both public and private sectors and a partnership between local and world companies.
- Helping investors buy lands.
- Offering aftercare to local and foreign investors.
- Improving and facilitating investment procedures.

# Republic of Iraq

## Mineral investment law amended

In February 2022, the Ministry of Industry announced that it would revise the Mineral Investment Law No. 91 of 1988.

This came amid the Geological Survey Authority's endeavor to maximize the country's financial resources and not to heavily rely on central financing. It is seeking to encourage investors from different sectors to develop potential mineral sites, thus positively reflecting on the national economy, creating new jobs, supporting the national industry and maximizing state financial resources.

### A one-stop shop is launched to simplify administrative and technical procedures

- The National Investment Authority adopted a one-stop shop to streamline administrative and technical procedures and enable investors to easily get investment licenses. The new scheme includes the following points:
- Reconsidering the policy of the investment sector.
- Reforming and streamlining investment procedures and supporting serious investors in order to back the sectors covered by the investment law and to create new jobs.
- Launching a blueprint to set investment lands.
- Acting for amending the Amended Investment Law No. 13 of 2006.
- Amending some cabinet resolutions pertinent to investment.
- Scrapping the committees that are to blame for investment hurdles.

### New measures to improve the investment environment

- Offering strategic investment opportunities in the field of power, refineries and industry.
- Issuing cabinet resolutions to improve the investment and development environment.
- Developing the Investment Land Bank in collaboration with sectoral agencies.
- Boosting the number of specialists, including engineers and jurists, to serve the investment field.

### Facilities to grant investors entry visa

- The government sought to put in place laws aiming at facilitating entry visas for foreign businessmen and investors and create a capital attraction environment. Relevant measures include:
- Granting entry visas via the one-stop shop within six days.
- Granting entry visas to more than 40 countries during entry.
- Allowing Iraqi ambassadors in a number of countries to directly grant entry visas.

### A committee formed to revise investment licenses

- The government amended some articles, schemes and resolutions aiming at facilitating investment license procedures. In this context, an ad hoc committee was formed in order to look into investment license amendment requests coming from provincial investment authorities, based on the cabinet's resolution No. 94. Of 2022. The committee discussed the following measures:
- Controls and instructions related to amendments to investment licenses, along with approved and new contexts to curtail corruption and regulate licensing.
- Tackling the causes of obstacles and revising a set of controls, thus contributing to reactivating the existing investment process in Iraq.

Source: Iraqi Fund for Foreign Development and Finance Ministry.



## Sultanate of Oman

### A new corporate law, industrial law updated and an executive regulation for foreign capital investment law

Oman adopted a package of measures to improve the legislative investment environment through a set of laws and executive regulations, the most important of which are:

**First:** The executive regulations of the foreign capital investment law: aiming at creating an attractive investment environment and clearing the congenial atmosphere by simplifying the required procedures of foreign corporate registration and setting the necessary conditions, terms and dates for issuing approvals, permits and licenses related to investment projects as per the Foreign Capital Investment Law. It embraced a package of incentives to encourage foreign investment in the sultanate, such as:

- Allowing foreign investors to have 100% ownership in a wide range of permissible businesses.
- No minimum foreign capital
- Allowing foreign investors to enter into a partnership with local investors without any specific percentage.

**Second:** The New Commercial Companies Law: aiming at setting the regulatory framework of commercial companies in the sultanate. It aimed at:

- Promoting governance and inclusion.
- Accelerating the registration of commercial companies.
- Introducing another form of commercial companies; the one person company, which is subject to the provisions of the limited liability company.

**Third:** Updating the industrial law: the government is now working for updating the 50-year-old industrial law, and to announce 100 industrial opportunities through two phases. A feasibility study is now being worked out for 50 industrial opportunities in a number of sectors, including mining, chemical substances and others.

### Three new mechanisms to facilitate attracting investments and establishing projects

Oman announced several initiatives and mechanisms aiming at facilitating investment in the sultanate through the following steps:

- **Invest Easy Portal:** an online system that was launched to facilitate establishing economic projects, offering services to the business sector and improving the business environment.
- **The National Program for Investment and Exports Development (Nazdaher):** designed to unite and strengthen government efforts to attract private investments and create an attractive investment environment as well as boost Omani exports.
- **“Invest Oman” hall:** It is a unified window for integrated services to provide all services to investors, offer investment opportunities, enhance the investment milieu, and display investment opportunities in all sectors, as well as incentives and facilities provided to investors. “Invest Oman” also hall contributes to strengthening the principle of complementarity of roles with partners and striving to streamline investment services efficiently and effectively. The hall will also display investment opportunities and explain the paths of localization of opportunities.

### A program to grant long residency to investors

- The Investor Residency Program is meant to attract qualitative investments in different economic sectors.
- The program grants foreign investors long-term residency ranging from five to 10 years. This period is renewable under relevant procedures and controls.
- On-line applications can be easily submitted to the Ministry of Commerce and Industry.

### 35 legal regulations issued to promote business environment

- Thirty-five regulations were issued to promote and improve the business environment during the period from 2021 to 2022, including:
- The executive regulation of the Foreign Capital Investment Law.
- The regulation of the Commercial Companies Law.
- The executive regulation of the Law on Protection of Competition and Prevention of Monopoly.
- The regulation of the conformity system and the regulation of organizing and managing exhibitions.

## State of Palestine



### Palestinian Investment Promotion Agency commences fresh procedures to encourage investors

The Palestinian Investment Promotion Agency (PIPA) initiated new procedures to encourage investment through Law No. 1 of 1998 and its amendments regarding investment promotion, Law No. 10 of 1998 regarding industrial estates and Presidential Decree No. 10 of 2021 for corporate governance. These regulations provide investors with incentives and guarantees to make their investments profitable through a bureaucracy-free business environment.

The PIPA also seeks to establish and develop industrial estates and free industrial zones in the country, in addition to planning these projects and enhancing their role in line with international standards, which contributes to creating more job opportunities.

### An incentive program for industrial zones

In March 2022, Palestinian Investment Promotion Agency (PIPA) launched the Industrial Zones in Palestine Incentive Program (PIEIP) in the governorates. Being an EU-supported program worth €9 million, the program aims to:

- Offer incentives to encourage investors to start their investments in industrial estates or transfer their investments to them thanks to the many advantages and privileges there.
- Simulate investments within industrial estates to develop their operations and invest in new technology, thus contributing to creating more job opportunities, and, consequently, promoting comprehensive and sustainable economic development.

### A platform to rope in investors in collaboration with EU

The European Union (EU) unveiled a blueprint to promote foreign investment in Palestine by means of launching a partnership platform with a view to attracting investment and contributing to sustainable economic development and job creation in the country. The platform aims to:

- Help in identifying, prioritizing, coordinating and boosting investment openings offered by the EU's foreign investment plan.
- Consider policy priorities and investment lines with the goal of ensuring that government-sponsored investments are in tandem with political and reform priorities in Palestine.

### Investment and financing deals signed with European agencies

In December 2022, European and Palestinian institutions signed investment and financing agreements worth €80 million on the sidelines of the first EU-Palestine Business Forum, including:

- A €30.5 million financing agreement to "boost growth" by supporting private sector projects in various fields.
- A financing agreement of €23 million, including €20 million in a loan portfolio and €3 million in loan guarantees.
- A €8 million micro-lending agreement, plus €1.25 million loan guarantees.
- A financing agreement worth 10 million euros between the Dutch Development Bank and Vitas Group.
- A €7.9 million agreement to finance startups through lending institutions.

### Investors given an on-line visit permit

The Palestinian Investment Promotion Agency (PIPA) launched an investor visit permit as part of electronic services that aim at saving time and effort, and streamlining investors' procedures, with an on-line application being submitted 45 days before the investor's scheduled visit. An explanatory letter summarizing the application, the type of project and the list of required attachments should be attached to the application on the PIPA's site.



## State of Qatar

### An investment and commerce court established to quickly look into disputes

The Investment and Commerce Court was established in pursuant to Law No. 21 of 2021, and the court has jurisdiction to look into the following disputes:

- Commercial contracts, including commercial representation contracts and commercial agencies.
- Among merchants regarding their business.
- Between partners or shareholders, or between any of them and the company, according to the circumstances, in commercial companies, including public shareholding companies whose shares are listed for trading.
- Disputes related to commercial assets.
- Investment of non-Qatari capital in economic activity.
- Related to marine sales.
- Operations of banks, commercial papers, insurance, finance and investment companies.
- Bankruptcy and protective composition.
- Patents, trademarks, industrial designs, trade secrets, and other intellectual property rights.
- Protecting competition, preventing monopolistic practices, and combating practices that are injurious to national products in international trade.
- E-commerce and its transactions.
- Partnership contracts between the public and private sectors.

### Qatar Development Bank launches digital investment platform

During an international investment forum in December 2021, Qatar Development Bank (QDB) launched a specialized and integrated digital investment platform designed to allow fast-growing companies to present their information and investment needs, enabling investors seeking ideas and startups to communicate and discuss in an easy and smooth mode, hold face-to-face meetings with entrepreneurs, and further discuss opportunities for shared benefits.

### Investment Promotion Agency launches "Invest Qatar" gateway

In April 2023, the Investment Promotion Agency Qatar (IPA Qatar) launched Invest Qatar Gateway, the first digital platform for investors in Qatar. The platform provides a free online resource for foreign investors and companies in Qatar, facilitates the search for new business partners, business opportunities in the public and private sectors, and resources to support the growth of businesses in Qatar.

### Capital Law allows non-Qataris to own 100% of companies

- The Law No. (1) of 2019 on the Investment of Non-Qatari Capital in Economic Activity allowed, for the first time, non-Qatari investors to invest in all economic sectors, even 100% of the capital.
- The law offers many investment incentives to foreign investors, including allocating lands for investment projects by ownership or rent, and also allows them to import his requirements for establishing, operating or expanding projects. It also allows exemptions from income tax in line with the controls, procedures and periods enshrined in the Income Tax Law, in addition to exemptions from customs duties on machinery and equipment imports. Also as per the law, the foreign investor can freely transfer his investments to and from abroad without delay.

### "Access Qatar" initiative launched

The Access Qatar initiative is expected to be launched in 2023, aiming to give foreign investors easy access to Qatar by means of helping in obtaining visas, providing advisory services, setting up a business, offering appropriate information for each project, cost reduction opportunities, fast-track services at airports, and assistance through WhatsApp around the clock.

Source: Invest in Qatar Portal, Justice Ministry, Qatar Development Bank and Supreme Judiciary Council.



## State of Kuwait

### 9 state bodies issue investment promotion decisions

During 2022, nine government departments took decisions aiming at improving the investment climate as follows:

- The General Administration of Customs, issued Resolution No. (41) of 2022 for updating the list of goods and materials subject to the release of the Environment Public Authority.
- The Communications and Information Technology Regulatory Authority (CITRA) issued Resolution (69) of 2022 regarding the regulation on protecting the rights of users of communications and information technology services.
- The Kuwait Ports Authority issued Resolution No. 153 of 2022 regarding the tariff of land and quay use prices at Shuwaikh, Shuaiba and Doha ports.
- The Ministry of Finance issued Resolution No. 97 of 2022 regarding the amendment of some provisions pertinent to the usufruct allowance for agricultural and animal exploitation vouchers contained in Resolution No. (40) of 2016, and issuing a regulation for the usufruct allowance of private and real estate state property and service fees.
- The Municipal Council issued Resolution No. 1339 of 2022 regarding the transfer of the Nuwaiseeb Free Zone site from the Ministry of Commerce and Industry to the Investment Promotion Authority.
- The Public Authority for Housing Welfare issued Resolution No. 39 of 2022 regarding the implementation of the tender regulations.
- The Ministry of Electricity and Water issued Decision No. 157 of 2022, regarding the technical specifications and rules governing the controls for the use of electric vehicle chargers.
- The Public Authority for Industry issued Resolution No. 13 of 2022 regarding the restructuring of the Permanent National Committee for the Construction and Building Sector

### Kuwait Direct Investment Promotion Authority Inaugurates Al-Abdali, Al-Wafra and Al-Nim Economic Zones

Economic Zones Project of the Kuwait Direct Investment Promotion Authority: It aimed to improve the investment environment in Kuwait and multiply value-added investment opportunities for both local and foreign investors. The objectives of the economic zones include the transfer of modern technology and technical knowledge to Kuwait, job creation and capacity building opportunities, and the transformation of the State of Kuwait into a commercial hub. The targeted economic zones are Al-Abdali, Al-Wafra and Al-Na'im.

Tax Administration Development Project: It is meant to develop tax administration in line with the latest international practices through an integrated tax management system and related electronic services to cover current tax laws that will be used in the future.

Expanding the establishment and development of free zones in the State of Kuwait: to support cross-border trade, attract foreign and local investors, and boost the GDP with non-oil revenues.

### Facilities for foreign investors and 6-month entry visa

Seeking to back foreign investment in the country, the competent authorities are pondering over granting the investor a six-month entry visa for several trips to complete his investment entity's licensing procedures.

In addition, the investor and investment entities' staff will be given a five-month residency, renewable from the date of issuance of the license, with investment entities' managers being allowed to stay outside Kuwait for more than six months.



## State of Libya

### A plan to develop investment, commercial activity and labor laws

The Libyan government is planning for overhauling investment laws, including Law 9 of 2010, which aims to encourage the investment of national and foreign capital to set up investment projects as part of a state's general policy and social development objectives in a way that ensures qualifying Libyan personnel and boosting their skills, transferring and localizing knowledge and technology. It is also meant to contribute to the establishment, development or rehabilitation of economic, service and production units to compete and enter global markets, diversify income sources, save energy consumption and utilize locally available raw materials. The law also includes the advantages and exemptions granted to investors as well as their rights. Other laws include:

- Law No. (23) of 2010 on Commercial Activity.
- Law No. (12) of 2010 promulgating the Labor Relations Law.
- Law No. 7 of 2010 on Income Taxes.
- Decree No. 194 of 2009 on Real Estate Investment

### A strategy launched to create business environment

The Libyan Investment Authority (LIA) announced a comprehensive strategy that extends over 36 months (2021-2023) with a view to creating the business environment. The strategy is clear-cut and appropriate to the current requirements according to an updated strategic path. It also aims at reviewing the LIA's current challenges, constraints and shortcomings compared to its counterpart sovereign wealth funds.

The strategy is intended to develop a near-term detailed plan that embraces implementable and definite steps, and revolves around three points: enhancing confidence, building capacity, and developing investment. They will serve as a springboard for the strategy, and each strategic point includes a set of priorities.

### A project to support economic governance and digitalization

The E-NABLE project to back Libyan institutions in economic governance and digitalization was launched in June 2022. It is mainly intended to strengthen the capabilities of the Ministry of Economy and Trade and relevant authorities to outline public policies for sustainable economic diversification and create the business environment by meaning of spurring the country's financial institutions in to offer credit to the private sector and provide financial tools and solutions for small and medium enterprises, and enable them to contribute to push forward the country's national economy.

### A platform for investment map

The Ministry of Economy and Trade launched the "Libyan Investment Map" platform during the 19th conference of Arab investors in Tripoli in November 2021, mainly to support the economy and implement investment projects in various domains. The platform puts investment opportunities in all areas at the disposal of local and foreign investors, and makes available all the necessary data needed by investors.

### Two platforms launched for electronic legislation and commerce support

In the context of its endeavor to promote investment and trade, the Ministry of Economy and Commerce launched a couple of platforms for electronic legislation and trade support with the goal of revamping the business and investment climate through:

- Strengthening access to information and forging a positive relationship of transparency and trust between individuals, institutions and government departments to stimulate investment and develop the country's business environment, thus leading to promoting the economy and attracting foreign investments.
- Providing a presentation of procedures and laws, based on a detailed simplified and practical description of necessary steps according to the user's viewpoint.



# Arab Republic of Egypt

## The Supreme Investment Council issues 22 decisions

### To improve the business environment

In May 2023, the Supreme Council for Investment consented to 22 crucial decisions targeting a qualitative leap in various sectors and economic fields. The decisions came as follows:

- Licensing projects of industries based on natural gas under the free zone system.
- A 10-day timeframe for completing all corporate founding approvals.
- Launching a unified electronic platform for setting up projects.
- Legislative amendments to overcome land ownership constraints and streamline foreigners' property ownership.
- Furthering the issuance of the golden license.
- Transferring the purview of the utilities sector's regulatory bodies just to ensure their independence.
- Amendment to the legal articles that allow preferential treatment for companies and state-owned entities.
- Establishing a cabinet unit that collects data on state-owned companies.
- Allowing the foreign investor to be registered in the importers' register even if he does not have Egyptian nationality.
- Adding no financial or procedural burdens bearing on the establishment or operation of investment projects.
- Clear-cut controls on improvement fees.
- Developing a clearing system between investors' dues and their tax burdens.
- Refunding VAT and accelerating procedures within 45 days.
- Swiftly announcing the country's tax policy document within the next five years.
- Completing the amendments to the profit transfer law for holding companies and subsidiaries.
- Only three months for paying compensations to investors in expropriation cases.
- Contracting with a global consulting office to develop a clear-cut investment vision and strategy.
- Amending nine articles of the Economic Zones Law and offering additional benefits and exemptions.
- A permanent cabinet unit to devise policies, laws and regulations for startups, and to receive grievances from startups and develop appropriate solutions.
- Adopting a package of incentives to back a number of sectors and projects.
- Asking the government to prepare the decrees made and put them in place at an early date.

## Establishment of the Supreme Council for Investment

The President of the Republic decided to set the Supreme Council for Investment in April 2023 pursuant to Decree No. 141 of 2023, aiming at supporting the business climate in Egypt. The decision was intended to create a better investment climate, lay down the general framework for legislative and administrative reforms of the investment environment, and devise investment policies and plans that prioritize targeted investment projects based on the state's general policy, the economic and social development plan, and the applied investment systems.

The decision was made to oversee state bodies' adherence to investment plans and programs, update and implement the investment map, improve Egypt's international investment ranking, settle investment disputes and monitor arbitration cases. It also sought to address investment obstacles, promote collaboration among ministries and public authorities, and resolve disputes between state agencies.

## 32 companies offered

### to local and foreign investors

In February 2023, the Egyptian government announced a one-year plan to offer 32 state-owned companies to strategic investors, or for public subscription on the Egyptian Stock Exchange, or both.

The Initial Public Offering (IPO) plan is part of Egypt's endeavor to revive the economy, which is currently in tatters as a result of a shortage of foreign currencies. Other companies could be added to the IPO list so as to buttress the private sector and curtail the state's presence in seven sectors. The ambitious IPO blueprint was scheduled to start in the first quarter of 2023 and until the end of the first quarter of 2024. The Egyptian government seeks to complete at least 25% of planned IPOs within the first six months of the drive.

**Source:** Egypt's State Information Authority, General Authority for Investment and Free Zones, Cabinet's Information and Decision Support Center.



# Kingdom of Morocco

## A new law to simulate investment, improve business climate and back governance

Amid enhanced measures to attract investment, Framework Law No. 22/03 was prepared and okayed as a new charter that stimulates investment and matches the requirements of Morocco's new development model and the profound institutional, economic, social, environmental and technological transformations at both national and international levels. The law is based on the following three aspects:

- Investment promotion regulations: a statute and regulation for strategic investment projects, a regulation for medium, small and micro enterprises, and a regulation for the development of Moroccan enterprises at the international level.
- Comprehensive measures to improve the business climate.
- Promoting unified and decentralized investment governance.
- This reform, which comprises an investment support system, lays down measures to promote the state's attractiveness and to buttress the dynamism of already undertaken structural reforms, especially carrying out advanced regionalization and administrative decentralization, streamlining administrative procedures and implementing the Mohammed VI Investment Fund.

## New laws and decrees for industrial zones, arbitration and taxation

- Adopting a new decree on public deals, which is part of the recommendations of the Committee on the new development model, and aims to adopt a unified system of public deals.
- Endorsing Law 102.21 on Industrial Zones, which is meant to stimulate investment in the industrial sector, ensure the preparation, management, pricing and maintenance of industrial zones, and lay down the necessary mechanisms to ensure sustainable and efficient management of industrial zones.
- Adopting Bill 82.21 on the self-production of electrical energy, aiming at spurring the private sector to invest more in electricity production and better control its consumption.
- Issuing Framework No. 69.19 on tax reform, designed to encourage investment, bolster integration mechanisms and apply the social protection system.
- Adopting Law 95.17 on arbitration and mediation, targeting legal and economic guarantees to ensure confidence in the judicial system and provide full security for investors.
- Approving Bill No. 69.21 amending Law No. 15.95 on the Commerce Code and enactment of transitional provisions regarding payment deadlines.

## Reducing the number of documents required from investors by 45% in 2022

In the context of the Moroccan government's efforts to implement structural reforms to simplify the necessary investment procedures necessary, the government has begun to streamline 22 procedures pertinent to the approval of investment projects, access to real estate, and construction and exploitation licenses, thus cutting the number of investors' required documents by more than 45%.

## A fresh roadmap for better business climate

The government developed a fresh strategic roadmap for the period (2023-2026) to improve the business climate in response to the state's economic priorities. It mainly aims to stimulate investment through a new generation of reforms. This roadmap revolves around the following four aspects:

- The first aspect is intended to improve the structural investment and contracting conditions by means of revamping the framework of the business law, digitizing administrative procedures and beefing up coordination bearing on the business climate.
- The second aspect is meant to bolster national competitiveness by mobilizing financing, enhancing access to real estate and renewable energy, and strengthen the competitiveness of logistics services.
- The third aspect aims to devise an appropriate system to promote entrepreneurship and innovation.
- The fourth aspect is intended to buttress the values of ethics, integrity and prevention of corruption.

## Mohammed VI Investment Fund launched

The Mohammed VI Investment Fund was launched in 2022 as a main catalyst for economic recovery. The fund is chiefly meant to contribute to the financing of major investment projects within the framework of partnership with the private sector. The fund also aims to contribute through sectoral and thematic funds to the capital of small and medium-sized enterprises.

## Kingdom of Saudi Arabia

### A new investment scheme for equality between local and foreign investors

In January 2022, the Ministry of Investment proposed a new investment system that would treat local and foreign investors equally. The aim is to encourage investment in various economic sectors by creating a more attractive environment, protecting investors' rights, and increasing their confidence. This will be achieved through measures such as non-discrimination, freedom to manage projects, easy procedures, and possible fund transfers. The system will also safeguard intellectual property, commercial information, and personal data, and ensure fair and transparent procedures. Penalties, including fines of up to \$133,000, revocation of registration or authorization, and removal of investment enablers, will be imposed on violators.

### National investment strategy put in place

The Kingdom began to implement the National Investment Strategy, which was announced in October 2021, to notch up the objectives of its Vision 2030, and sets the general framework for promoting the investment future, involving developing investment openings, improving the business environment, and boosting the Kingdom's competitive edge on the global investment map. This could be accomplished by targeting diversifying the national economy and its sources of income, localizing advanced knowledge and expertise, and developing investments in promising and emerging sectors.

The plan has three main objectives: to increase the private sector's impact on the balance of payments, to enhance the development of strategic sectors, and to improve the investment ecosystem. It integrates new and existing initiatives, such as the Shareek Program and the Regional Headquarters Attraction Program, to create high-quality investment opportunities, optimize their use, and improve the Kingdom's competitiveness regionally and globally.

### Saudi Arabia launches data protection system and e-invoicing platform

- The new Data Protection Regulation was launched in March 2022 as being the first specialized data protection system and a key part of the legislative infrastructure supporting the growing digital economy.
- The e-invoicing "Fatoorah" platform was announced by the Zakat, Tax and Customs Authority as part of the efforts to revamp the integrated digital transformation system and streamline business services.
- An anti-commercial concealment campaign was launched to create an attractive business environment for foreign investors, and to ensure corporate compliance and transparency.

### Launching the "GSCRI Initiative"

The Global Supply Chain Resilience Initiative (GSCRI) aims to attract investors to the Kingdom by identifying investment opportunities, setting up special economic zones, and attracting international companies. The initiative focuses on sustainability, response to climate change, enabling future industries, diversifying global supply, and advanced industries. The goal is to attract \$10.7 billion in industrial and service investments within two years, using a stimulus budget of \$2.7 billion to offer financial and non-financial incentives to investors. The initiative leverages the Kingdom's competitive advantages to support investors in developing their investments and achieving success.

### GSCRI initiative launched to draw global supply chains MIZA service initiative announced

The Kingdom launched the MIZA initiative as part of the National Investment Strategy, offering a range of financial and tax advisory, and business services to help them explore opportunities in the Saudi market. I will also support local and international investors, guide new entrepreneurs, help provide logistics, and support companies willing to establish regional headquarters in the Kingdom (site rental services).

Source: Saudi Arabia's Investment Highlights Report and investsaudi.sa website.



## Islamic Republic of Mauritania

### An annual roadmap adopted to revamp business climate

The government adopted an annual roadmap to improve the business climate. It was approved by the Ministerial Committee for Improving the Business Climate, and about 80% of the indicators of the plan have been implemented. These indicators come as follows:

- Establishing a movable collateral register: A computerized registry at the level of the Commercial Court of Nouakchott.
- Beneficial Owner Register: A register developed in order to receive the list of beneficial owners.
- Registering precautionary attachments in the trade register.
- Organizing the Central Commercial Register.
- Registration forms in the commercial register and justification documents.
- Working for transferring copies of entries in local records to the central registry.
- Forming the coordination committee for the register of trade and movable guarantees.
- Setting up the committee charged with supervising the work of bankruptcy trustees.
- Making up a preparatory committee for public justice forums.
- Authorized agreements (small shareholder protection index).
- Bolstering prevention mechanisms, speeding up procedures and protecting creditors' rights.
- Decriminalizing the issuance of dud checks.
- Boosting competition, improving competitiveness and supporting public-private partnerships.
- Determining the statute of notaries.
- The system of movable collateral as per Law No. 11 of 2020.

### APIM's tasks defined

After the Mauritania Investment Promotion Agency (APIM) was created in 2021 as a public institution of an administrative nature to support the implementation of the national policy in the field of investment promotion, its tasks were determined as follows:

- Promoting Mauritania as an attractive investment destination.
- Providing investment opportunities, particularly in the productive sectors, to rope in the largest number of investors.
- Helping investors in administrative procedures to complete their investment projects, including making use of the benefits of the Mauritanian Investment Code.
- Ensuring follow-up of the completion of investment projects and the fulfillment of the obligations made by accredited companies under the Investment Code.
- Seeking to improve the general conducive investment climate, especially in regulatory aspects.
- Creating a general climate that stimulates investment and matches regulatory aspects.

### Mechanisms to tackle investment obstacles

The government sought to follow up and implement economic policies designed to wipe out investment hurdles, offer financial and non-financial guarantees and incentives, streamline procedures, improve the business climate and create an attractive investment climate. This was reflected in the establishment of an institutional framework for business improvement and follow-up mechanisms, coming as follows:

- The Supreme Council for Investment was established in February 2020, based on Decree No. 26 of 2020. It was chaired by the President of the Republic.
- Setting up a ministerial committee for business climate revamp, economic diversification, competitiveness and investment promotion pursuant to Decree No. 1321 issued in December 2022.
- Forming the technical committee to follow up on the business environment reform in July 2021.
- Establishing a business climate improvement department under the General Directorate of Public-Private Partnership, with the aim of coordinating the work of the fore-mentioned committees, revamping the business climate, bettering the country's position in the Global Competitiveness Index (GCI) and ensuring the achievement of added value.

Source: Mauritania's Ministry of Economic Affairs and Promotion of Production Sectors.

## Conclusion and Recommendations



## Conclusion



During 2022, the improvement in the economic and financial conditions, the rise in global oil prices by more than 41%, growth of non-oil sectors and the regional and international political developments, have all reflected on the investment climate and doing business environment and its risks in the Arab Region. This was clearly shown in two main aspects:

### Firstly: the ranking and rating of Arab countries in international indices:

- First: The group of Political and security performance indicators (29 indicators): The average ranking of Arab countries improved due to the stable average of sovereign ratings - issued by Standard & Poor's, Moody's, Fitch and Capital Intelligence – for 12 Arab countries as a result of a better ranking of Qatar and Oman, the declining ranking of Kuwait and Tunisia, as well as the stability of 8 countries. On the other hand, the political, economic, financial, operational, trade and investment risk rating indicators (25 main and sub-indicators) advanced in the average Arab ranking between one to 16 places.
- Second: The group of Economic performance indicators (14 indicators): The average ranking of Arab countries advanced by three places to 86th globally thanks to the improvement of the average ranking in 7 key internal performance indicators and 5 key external performance indicators. While unemployment and total investments indicators declined.
- Third: The group of Legislative and regulatory environment indicators (52 indicators): The average Arab ranking declined by three places worldwide, because of stability in the governance index and improvement in the indicators of economic freedom, prosperity and bilateral investment agreements. While the indicators of corruption perceptions, e-government and investment-related agreements declined, and the indicators of doing business environment and investment regulatory restrictiveness indicators remained below the global average.
- Fourth: The group of indices of production factors (60 indicators): The average Arab ranking stabilized globally thanks to the stable indicators of sustainable competitiveness and knowledge, and the improved energy index. But the average ranking declined in innovation and sustainable development indicators. Although it was better than the average global ranking in the natural resources index, it was below the global average in logistic service and entrepreneurship.

### Secondly: FDI inflows into Arab countries for 2021:

FDI inflows into Arab countries, according to the UNCTAD's statistics, slightly dropped by 3% to \$54 billion during 2022, making up 6% of overall inflows into developing countries and 4.2% of global inflows worth roughly \$1.3 trillion. FDI inflows into Arab countries maintained their geographical concentration during 2022, with the first three countries having around 78% of the total. The UAE was the leader with \$22.7 billion, or 42.3%, followed by Egypt with \$11.4 billion, or 21.2%, and then Saudi Arabia with roughly \$8 billion, or 14.7%.

The number of greenfield FDI projects into Arab countries during 2022 increased by 74% to 1,617 projects, with the capex rising by 358% to \$200 billion, with growth being expected to continue in 2023, especially after the increase in the number of projects by 28% and the capex by 70% to \$74 billion during the first three months of 2023.

Western Europe continued to be the region's leading investor according to the capex, led by the United Kingdom, which contributed 10.7% of the total capex, and 13.2% of the number of projects. New investment projects were geographically concentrated in the UAE with 923 projects and in Egypt with capex of \$107 billion. As for sectors, software, business services and financial services finished in the top three respectively with a total share of 56.6% in terms of the number of projects. The renewable, coal, oil and gas, and mineral sectors finished in the top three respectively in terms of capex with a total share of 82%.

The number of inter-Arab investment projects went up by 84% to 245, and the capex increased by 2.3% to \$45.6 billion, representing 22.8% of the total FDI in the region. Saudi Arabia was the top destination with 62 projects, and Egypt led the list in capex with roughly \$107 billion, making up 53.4%. The business services sector was at the forefront in the number of projects (52 projects) and the renewable energy sector was the leader in capex (\$32.4 billion).

It should also be noted that the results of the survey conducted by the corporation's research team in collaboration with Arab official liaison bodies and investment promotion authorities, regarding the latest legislative and procedural developments in 2022, were very encouraging in view of the expected improvement of the investment climate in most countries of the region during 2023, especially with the approval and implementation of various reforms in the fields of legislation, decrees, procedures, infrastructure, technology, finance, industrial estates and free zones.



## Recommendations

**Given the reality of diverse investment climate indices in the Arab countries, economic, political and security challenges, intensive competition among world countries to attract FDI to their various sectors, and reforms in the investment climate and business environment in the region during 2022, it is essential for the Governments of the Arab countries to accelerate the implementation of an integrated plan to improve the investment climate in its various political, economic, social and institutional components.**

Based on the report's findings on the developments of the investment climate in the region's countries by monitoring each Arab country's position in international indices that are closely related to the investment climate, in addition to governmental efforts in reforms in legislation, resolutions and procedures and the development of technological and financial infrastructure, industrial estates and free zones and others, the report recommends that a number of elements be taken into account. They mainly come as follows:

- Follow up on the governing investment climate indices issued by international bodies on a regular basis and acting for improving the Arab ranking by considering successful international experiments in this field according to a specific timetable. International investors count on these significant indices to assess a state's investment climate and, accordingly, decide to invest or not.
- Develop simultaneous and effective sectoral strategies to support a state's investment climate components by depending on the best world practices and according to priorities, stimulating reform policies based on trade liberalization, improving public services, developing inter-Arab investment, taking all measures to promote political, institutional, economic, legislative and procedural infrastructure, promote infrastructure and technology and developing manpower, according to a specific timetable.
- Keep securing the largest possible number of investment agreement deal, whether bilaterally or through ones with investment provisions, with the purpose of backing the investment climate, boosting international investors' confidence in a state's ability to support and protect foreign investments on its soil.
- Continue the inventory of investment opportunities and their sectoral and geographical distribution and continuously updating them to include significant, vital and prioritized sectors so as to shore up a state's business environment and introduce suitable opportunities to targeted local and international investors.
- Back the promotion of investment opportunities and benefits by means of finding a marketing content to promote investment at the level of diverse regions and sectors. This is aimed at promoting a state as a destination of investment, trade, technology transfer, tourism and others, through a uniform national identity to promote and attract investments. It is also essential to carry on communication with investors, upgrade the level of investment activities and forums, and enable chambers of commerce to partake in investment forums.
- Continuously assess, review and revisit investment climate reforms in tandem with internal and external changes, as a dynamic, continuous and multifaceted process that is linked to competition and changes in investment attraction factors.
- Provide the necessary financial, technical and human support for completing or developing a state's investment climate improvement plan as soon as possible, in collaboration with specialized local and international bodies. In this regard, the views of existing and targeted local, Arab and international investors should be taken into account, while carefully addressing the obstacles they may face in order to create the investment climate and simplify procedures in the light of the local, regional and international developments.

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