

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



Investment Climate in Arab Countries



Dhaman Investment Attractiveness Index

2016

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Dhaman Investment Attractiveness Index (DIAI)

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Publisher

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الإستثمار وائتمان الصادرات
The Arab Investment & Export
Credit Guarantee Corporation



Establishment Date	1/4/1974	1974/4/1	تاريخ التأسيس
Director-General	Mr. Fahad Rashid Al Ibrahim	السيد/ فهد راشد الإبراهيم	المدير العام
Paid-up Capital	USD 270.5 million	270.5 مليون دولار أمريكي	رأس المال المدفوع
Reserves	USD 145.6 million	145.6 مليون دولار أمريكي	الاحتياطي
Credit Rating	"AA, Stable", by Standard & Poor's credit rating.	"AA، مستقر" من قبل وكالة ستاندرد أند بورز للتصنيف الائتماني	التصنيف الائتماني
Accumulated Guarantee Contracts 13-12-2015	13.3 USD billions	13.3 مليار دولار أمريكي	القيمة التراكمية لعمليات الضمان 2015-12-13
Dhaman's Organizational Structure	<ul style="list-style-type: none"> Shareholder's Council Board of Directors Director-General 	<ul style="list-style-type: none"> مجلس المساهمين مجلس الإدارة المدير العام 	أجهزة المؤسسة
Member Countries	All Arab League member states	كافة الدول الأعضاء في جامعة الدول العربية	الدول الأعضاء
Financial Institutions (Shareholders)	<ul style="list-style-type: none"> Arab Fund for Economic and Social Development Arab Monetary Fund Arab Bank for Economic Development in Africa Arab Authority for Agricultural Investment and Development 	<ul style="list-style-type: none"> الصندوق العربي للإئتماء الاقتصادي والاجتماعي صندوق النقد العربي المصرف العربي للتنمية الاقتصادية في أفريقيا الهيئة العربية للاستثمار والإئتماء الزراعي 	المؤسسات المالية (المساهمة في رأسمال المؤسسة)



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



Preface

Preface

The Arab Investment & Export Credit Guarantee Corporation continues to play its role in disseminating knowledge and monitoring developments in the business and investment climate in Arab countries, in line with global trends, in order to support the efforts of governments in the region aimed at improving the investment and business climate. The Corporation is also keen on finding the appropriate mechanisms to lift the obstacles faced by investors, increasing the attractiveness of the region's economies to foreign and inter-Arab investments most contributing in enhancing the development performance in addition to strengthening the foundations of joint Arab action in the areas of social and economic development.

In the framework of its continuous monitoring of the competitive status of Arab countries and their ability to attract foreign direct investment, the Arab Investment & Export Credit Guarantee Corporation is glad to present to its member States the thirty first annual report on investment climate for the year 2016, exposing and analyzing data and indices related to the performance of Arab States in terms of foreign investment flows and their level of attractiveness for foreign investments according to a set of variables that explain the discrepancy between the different countries of the world in this regard.

This year's report continues to monitor developments in the investment climate in Arab countries and the world using "Dhaman FDI Attractiveness Index". The index components have been slightly modified as a new approach was adopted to monitor two of the sub-indicators: the business climate and the cost elements. The number of countries covered by the index remained unchanged at 109 countries, representing about 95% of the total inward FDI balances in the world and about 96% of the total inward FDI balances to the Arab region by the end of 2015.

In addition to its wide geographic coverage of the overall direct capital flows, the index features numerous characteristics that qualify it to be among the composite indices of reference on both the regional and international level. It abides by the theoretical and practical regulations in that it relies on 58 variables derived from a larger set of sub-indicators that have been gathered from the most important and the latest international and national approved databases that are available, it is flexible and scalable in order to cope with future variables and provides accurate and credible results. Moreover, it gives outputs that can be easily grasped by decision-makers, researchers and actors in the field of FDI attractiveness.

In order to ensure a maximum geographic coverage by including all the Arab countries in the data and indices contained in its chapters on the one hand, and to overcome obstacles that lie in the lack of up-to-date and accurate statistical data about the flows and balances of foreign direct investment, its components, sources and sector trends from Arab official sources, on the other hand, Dhaman has continued to pursue its activities in the area of monitoring and documenting statistical data along two main axes:

First: Continue to exhort Arab countries to prepare and publish specific, accurate and comprehensive data on FDI statistics at the national level, in line with agreed international standards, as it is a prerequisite for taking the necessary decisions that create an investment-attracting climate and activate the role of development. It is also an important element to offer specialists and decision-makers a minimum basis for coordination in order to grant success ingredients for regional economic integration among Arab countries.

Second: Resorted to the most important international publications about FDI around the world as an alternative for national sources, when needed. The United Nations Conference on Trade and Development UNCTAD is known to be one of the main providers of most recent estimates about the flow of foreign direct investment to all the countries of the world.



In this context, I would like to express my sincere appreciation to all the official contacts, investment promotion agencies and auxiliary institutions in the Arab States that provided Dhaman with data and information, which varied from one country to another in terms of comprehensiveness, timeliness and accuracy. I also look forward more cooperation and I invite all concerned governmental entities in the Arab countries to reinforce their efforts to develop and update their data bases related to FDI and other relevant fields, in conformity with international standards. And last but not least, I would like to extend my thanks to the research and studies team who prepared the report and to all other departments who contributed in a way or another to the provision of administrative and technical support for the completion of the report in its current form.

Dhaman hopes to have accomplished its mission and wishes that the present report, along with the rest of the corporation's activities and national efforts will contribute to laying strong objective foundations for the promotion of Arab countries. It welcomes any comments or opinions that would develop the content of the report and strengthen the role of the corporation in supporting foreign trade, inter-Arab trade and capital flows to the region.

Finally, we ask God to guide our efforts and we hope that our report conveys its message.

Fahad Rashid Al-Ibrahim

Dhaman's Director-General

July 2016

Executive Summary

Arab countries are aware of foreign direct investment benefits such as accelerating the growth, boosting the economy, developing the infrastructure, creating jobs for the local workforce as well as transferring cutting edge technologies, advanced industries in addition to managerial skills and expertise and organizational capabilities. Therefore, attracting foreign direct investment has become one of the most important economic policy goals for the countries in the region despite their different economic levels.

Amid increasing competition for attracting foreign direct investments, the Arab Investment & Export Credit Guarantee Corporation continues to develop its role in disseminating updated information about the investment climate in Arab countries so as to assist the region's governments in improving the business climate, enhancing attractiveness to foreign investments and strengthening the pillars of joint Arab action in the areas of economic and social development.

In this context, the Arab Investment & Export Credit Guarantee Corporation has launched the thirty first annual report on investment climate for the year 2016, exposing and analyzing data and indices related to the performance of Arab States in terms of foreign investment flows and their level of attractiveness for foreign investments according to a set of variables that explain the discrepancy between the different countries of the world in this regard. This year's report continued to rely on the "Dhaman FDI Attractiveness Index". The index components have been slightly modified as a new approach was adopted to monitor two of the sub-indicators: the business environment and the cost components. The number of countries covered by the Index settled at 109 countries representing more than 96.8% of inward FDI balances to the Arab Region by the end of 2015.

Characteristics of Dhaman FDI Attractiveness Index

The composite index is a measurement tool derived from a set of observed data that reflect the situation of certain phenomenon under study. The composite index is formulated by merging a number of separate sub-variables into a single index based on a particular model. The "Dhaman FDI Attractiveness Index" features many characteristics that qualify it to be one of the reference composite indices on the regional and international levels. It follows scientific and practical standards based on 3 main pillars that include 11 sub-indicators, which are in turn divided into 58 quantitative variables. The vast majority of them are the average value of the variable during the three years from 2012 to 2014 in order to have more solid results and to reduce the impact of fluctuations. These variables are derived from the most important and most recent databases available nationally and internationally. The index also prides itself in covering a wide geographic area that represents around 95% of the total inward FDI balances in the world. It is flexible and can be developed and adapted to future variables. Its results are accurate, credible and easy to understand for decision-makers, researchers and stakeholders in the area of competition for attracting FDI as it reveals the strengths and weaknesses in this field.

The composite Index aspires to explain why the Arab region's share of the world FDI flows has been so modest between the years 2000 and 2015 and did not exceed 3.5% of the global FDI total and 9.4% of the total inward FDI to developing countries. It also strives to develop a comprehensive knowledge data base that enables the completion of studies and research. The data base would also serve to identify the strengths and weaknesses that define the investment climate in the region, explain the reasons why certain geographic regions are more appealing than others in some countries and why the services sector attracts the greatest deal of flows. Moreover, it would present suggestions regarding the best ways to improve the investment climate and determine the impact of investments on sustainable economic and social development in the host countries.

Part I: The FDI Attractiveness Potential of the Arab Region

The Overall Arab Attractiveness Position

For the third year in a row, Arab countries came in the fourth place on the global level among 7 geographic groups, with an average FDI attractiveness index of 40.2 points and average ranking of 68 within the 109 countries of the group. OECD countries claimed the first place, followed by East Asia and the Pacific countries in the second place, Europe and Central Asian countries in the third place, Latin American and Caribbean countries in the fifth place, South Asian countries in the sixth place, after Arab countries, and, finally, African countries in the seventh place.

In comparison with the report of 2015, Arab countries' attractiveness to FDI slightly increased as the index in the Arab States increased by 0.1 points, a percentage of 0.2%. For the fourth year in a row, GCC countries outperformed other Arab countries with a score of 49.6 points out of 100 points in the index in 2016, with a relatively average performance. However, their performance in terms of the general index fell by 2.9% compared to 2013. Levant states (Egypt, Jordan and Lebanon) ranked second on the Arab level, with 40.3 points with a relatively low performance despite an improvement of 2.21% in comparison with the report of 2014. Maghreb states (Tunisia, Algeria and Morocco) came in the third place with 38.7 points out of 100, and a relatively low performance despite their improvement by 0.21% compared to the index in 2015. And finally, the very low-FDI performance countries (Iraq, Mauritania, Yemen and Sudan) were ranked fourth on the Arab level with 27.3 points out of 100 and a very weak performance; their FDI attractiveness slightly improved by 0.11% in comparison with last year.

The Three Main Groups

The "Dhaman FDI Attractiveness Index" is composed of three main groups that determine countries' ability to attract direct capital flows. These groups are the set of prerequisites, the set of underlying factors and the set of positive externalities. It is worth noting that competitive position of Arab countries in the field of attracting FDI that is relatively below the average is basically the result of the evident weakness in the performance of the Arab in the set of positive externalities. In contrast, the Arab performance was slightly lower than the global average in the sets of prerequisites and underlying factors.

Set of Prerequisites:

The set includes four sub-indicators: macroeconomic performance, financial intermediation and financing capacities, institutional & social environment and business environment. The Arab countries group claimed the 4th place globally in the index of 2016, with an average of 51.2 points and an average ranking of 73 for the countries of the group. On the level of Arab groups, GCC countries outperformed other Arab sub-regions with a good performance compared to the world average. The Maghreb states ranked second on the Arab level, with a relatively poor performance below the global average, while Levant states came in the third position also with a poor performance. In contrast, the Low-FDI performance countries were ranked fourth on the Arab level with a performance way below the world and Arab averages. In comparison with 2015, the value of the index in the Arab countries dropped by 0.3 points, a percentage of 0.6%, as a result of the improved performance of GCC countries combined with the slight decline in the performance of other groups.

Set of Underlying Factors:

It includes five sub-indicators: market size and market accessibility, human & natural resources, cost components, logistics performance, telecommunications & ICT. This set represents the main components determining the decisions of big investors, especially multinational corporations, about investing in a certain country. Arab countries claimed the 4th place globally, with an average of 46.3 points on the index for Arab countries group, and an average ranking of 65 for the countries of the group. On the level of Arab groups, the GCC countries continued to have a relative edge, with an average performance. Levant states ranked second with an average performance below the world average, while Maghreb states ranked third, both with a poor performance. Low FDI performance countries came in the last place with a very poor performance.

In comparison with the results of the report for 2015, the performance of Arab countries has slightly improved in the set of underlying factors as a result of the improvement in GCC countries' performance combined with the slight decline in the performance of the other groups.

Set of positive externalities:

It includes two sub-indicators: agglomeration economies and excellence & technological advancement factors. Arab countries claimed the 5th place among 7 geographic groups with a relatively poor performance and an average of 23.4 points on the index, and average ranking of countries within the group of 69. On the level of Arab groups, GCC countries occupied the first place. Levant states ranked second while Maghreb states ranked third, with an average performance for the three groups. Low FDI performance countries came in the fourth place with a poor performance. In comparison with 2015, the performance of Arab countries improved by 0.1 point and 0.3% only, as a result of the improvement in the performance of Maghreb and low FDI performance countries, combined with a decline in the performance of the other groups.

Arab World's Status on Sub-indicators

Macroeconomic Stability Indicator:

Arab performance on this indicator is the best compared to the 11 other indicators, as both Arab and global averages are nearly equal, around 68 points. On the level of Arab groups, the GCC countries occupied the first place with a very good performance. Maghreb states ranked second with a good performance while Levant states ranked third with a very poor performance. Low FDI performance countries came in the fourth place with a very poor performance as well. In comparison with 2015, the performance of all Arab groups with percentages ranging from 0.07 to 7.3%.

Financial Intermediation and Financing Capacities Indicator:

Despite the weak global performance in this area, the Arab performance was even lower on average. On the level of Arab geographic groups, only the Levant States subgroup achieved a good performance, occupying the first place among Arab states. GCC countries claimed the second place with an average performance, Maghreb states came in the third place with an average performance too and finally low FDI performance countries came in the fourth place with a very poor performance. In comparison with 2015, the performance of all Arab geographic groups declined.

Institutional Environment Indicator:

The performance of Arab countries was modest compared to the global average, with significant discrepancies between Arab groups. On the level of Arab groups, GCC countries occupied the first place with an average performance. Maghreb states ranked second with a poor performance while Levant states ranked third with a poor performance as well. Low FDI performance countries came in the fourth place with a very poor performance. In comparison with 2015, the performance of Levant states declined while the rest of Arab groups witnessed an improvement in performance on the present indicator.

Business Environment Indicator:

The performance of Arab countries was medium compared to the global average. On the level of Arab groups, GCC countries occupied the first place with an average performance. Maghreb states ranked second with a poor performance and Levant states ranked third with a poor performance as well, while low FDI performance countries came in the fourth place with a very poor performance. All Arab geographic groups witnessed an improvement in performance on the present indicator in comparison with 2013. Low FDI performance countries ranked first with the greatest improvement percentage of 5.26%.

Market Size, Potential and Ease of Access Indicator:

Arab states were close to the global average. On the level of Arab groups, GCC countries occupied the first place with an average performance. Levant states ranked second with an average performance as well, while Maghreb states ranked third with a poor performance. Low FDI performance countries came in the fourth place with a very poor performance. All Arab groups witnessed a decline in their performance in comparison with 2015, except for GCC countries.

Human and Natural Resources Indicator:

Arab performance for this indicator was very close to the global one with an average performance. On the level of Arab groups, the GCC countries occupied the first place with a good performance. Levant states ranked second while Maghreb states ranked third, both with a poor performance. Low FDI performance countries came in the fourth place with a very poor performance. All Arab groups witnessed a decline in their performance for the present indicator in comparison with 2015.

Cost Components Indicator:

The Arab performance on this indicator was higher than the already high global average. On the level of Arab groups, GCC countries occupied the first place and were the only Arab region with a very good performance. Levant states ranked second while Low FDI performance countries ranked third and Maghreb states ranked fourth. In comparison with 2015, the performance of all Arab groups improved on the cost components indicator especially that of Levant states with a percentage of 8%.

Logistics Performance Indicator:

The Arab performance on this indicator was poor and lower than the already low global average. On the level of Arab groups, the GCC countries occupied the first place and were the only Arab region with a good performance. Levant states ranked second while Maghreb countries ranked third with a poor performance and Low FDI performance states ranked fourth with a very poor performance. All Arab groups witnessed high percentages of improvement in their performance for the present indicator in comparison with 2015, especially low FDI performance states.

Telecommunication and ICT Indicator:

The Arab performance on this indicator was poor and lower than the already low global average. On the level of Arab groups, GCC countries occupied the first place with a good performance. Levant states ranked second with an average performance while Maghreb states ranked third with a poor performance. Low FDI performance countries came in the fourth place with a very poor performance. All Arab groups witnessed an improvement in their performance for the present indicator in comparison with 2015, lead by Levant and GCC states with improvements of 6.5 and 5.3% respectively.

Agglomeration Economies Indicator:

The Arab performance on this indicator was significantly lower than the already low global average. On the level of Arab groups, Levant countries occupied the first place with a very good performance. Maghreb states ranked second with a good performance while GCC states ranked third with a poor performance. Low FDI performance countries came in the fourth place with a very poor performance. In comparison with 2015, the performance of all groups improved on the agglomeration economies indicator and GCC countries had the best improvement percentage of nearly 7% in the report of 2016.

Excellence & Technological Advancement Factors Indicator:

The Arab performance on this indicator was poor and significantly lower than the global average. On the level of Arab groups, the GCC countries occupied the first place and were the only Arab region with a good performance. Levant states ranked second with a poor performance while Maghreb countries ranked third with a poor performance as well. Low FDI performance states ranked fourth with a very low performance. In comparison with 2015, the performances of GCC and Levant states declined while those of Maghreb and low FDI performance states improved.

FDI Attractiveness Gap in Arab Countries

The attractiveness gap refers to the disparity between a given country or geographic region on the one hand, and another country or geographic region of reference on the other hand in terms of prerequisites availability, possession of underlying factors and positive externalities that determine FDI attractiveness. The term "gap" may also express the difference between the expected performance of a certain country in terms of FDI attractiveness and its actual performance; in this case we talk about a performance gap.

On the general index, the Arab attractiveness gap amounted to 31.5% in 2016 based on the average result of OECD countries as a geographic region of reference, in contrast with a gap of 32.2% in 2015, meaning there is was relative

decline that resulted in an increase of the gap by 2.22%. This gap is in turn divided into three sub- categories: the gap in terms of prerequisites, which accounted for 25.1% in 2016 against 25.2% in 2015, the gap in terms of underlying factors, which accounted for 29.4% in 2016, increasing by 1% in comparison with the figure estimated last year at 28.4%, and the gap in terms of positive externalities, which reached 42.3% this year, i.e. a decrease compared to the 45% recorded in 2015. The figures clearly reveal the challenges faced by Arab economies in attracting further capital inflows.

However, the gap between Arab & OECD countries in terms of FDI attractiveness is better than that between OECD countries and three other geographic groups, namely Africa, South Asia, Latin America & the Caribbean. It is also smaller than that between OECD countries and East Asia and the Pacific. The set of positive externalities still has the highest gap percentage in Arab countries compared to OECD countries with 42.3%, followed by the set of underlying factors with 29.4% and the set of prerequisites with 25.1%.

FDI Attractiveness Balance in Arab Countries

In observance of the FDI attracting and impeding factors, the performance of a given country is termed as a strength if its ranking falls on the top third as for the parameter included in the attractiveness sub-indicator, and weakness if its ranking falls on the bottom third of the values of the parameter in question. Based on the results of overall balance measured by subtracting the total weaknesses from the total strengths, countries may be ranked according to this scale, which constitutes an information system that may serve as guide to reduce liabilities of weaknesses and turn them into assets of strengths. By observing and assessing all the sub- indicators included under the general FDI attractiveness index for 2016, it appears that the majority of Arab countries still suffer from almost the same weaknesses stated in the report of 2015 and that reside in the following areas: fluctuation of real GDP rate, high inflation rate, high ratio of budget deficit to GDP in some countries, factors relating to institutional environment, in certain countries, lack of openness to outer world, declining overall rates of productivity of the production factors, declining efficiency of customs clearance, commerce and transportation components relating to poor business performance environment infrastructure, poor logistic services in addition to a great decline in the level of technological advancement.

Part II: FDI Attractiveness of Arab States, Actual Performance Indicator

FDIs in the world in 2015

Inward FDI flows leapt by 38% to 1.76 trillion dollars in 2015, as a result of many factors including the huge rise in cross-border mergers and acquisitions deals by 289 billion dollars and 67%, reaching 721 billion dollars in 2015. In contrast, FDI inflows balances to the world countries settled at a slight decrease, amounting to 25 trillion dollars at the end of the year.

According to the latest statistics included in the 2016 World Investment Report, inward FDI flows in developing countries increased by 9.6% to 765 billion dollars. However, their share of global flows declined to less than the half compared with the past years, representing 43.4% of the global flows. Inflows to Asian countries, especially East and South-East Asia, increased by 17% on average rising to 448 billion dollars in 2015. However, inflows to Africa and Latin America & the Caribbean settled on a slight decrease at 54 and 168 billion dollars respectively.

In contrast, developed countries were able to make a big leap in the size of inward FDI flows amounting to 84%, reaching 962 billion dollars in 2015, representing 54.6% of the global inflows. The reason behind this leap is that inflows to Northern America increased by 160% moving from 165 billion dollars in 2014 to 429 billion dollars in

2015. The leap also resulted from the increase in inward FDI flows to the European Union by 65%, rising from 306 billion dollars in 2014 to 504 billions in 2015.

As for transitional economies, they witnessed a 38% decline in inward FDI this year and went down to 35 billion dollars only, with the ongoing general downward trend in comparison with the past two years.

Regarding the activity of multinationals and their role in investment, the report observed a slight increase of 4.5% in the assets value of the branches of foreign companies in the world by 4524 billion dollars, reaching about 105.8 trillion dollars by the end of 2015, as exports rose to \$ 7.8 trillion and the workforce employed also rose to 79.5 million workers.

Return on FDI declined by 191 billion dollars, a percentage of 12%, going down to 1.4 trillion dollars in 2015. The average return on FDI also declined to 6% on investment balances for the same year.

Inward FDI flows in Arab Countries

Inward FDI flows in Arab countries witnessed a decrease of 10%, going from 44.3 billion dollars in 2014 to 40 billion dollars in 2015. The value of flows remained poor in comparison to its record level of 96.3 billion dollars in 2008.

Inward investments in Arab countries represented 2.3% of the world total amount of 1.76 trillion dollars, and 5.2% of the developing countries' total amount of 765 billion dollars. The share of Arab countries of the total world flows witnessed a fluctuation during the last period, since it increased dramatically from 0.4% in 2000 to 6.6 in 2009, which was its highest record, before it fell down again to 3.2% in 2013. Accordingly, the general average for the period from 2000 to 2015 is around 3.5%.

Inward FDIs continued to be concentrated in 2015 in a limited number of Arab countries, as each of Emirates and Saudi Arabia seized more than 48% of the total inward flows of Arab countries for the third consecutive year. The U.A.E. came in the first place with around 11 billion dollars, a share of 27.5%, followed by Saudi Arabia in the second place with a value of 8.1 billion dollars, a share of 20.4%. Egypt came in the third place with a value of 6.9 billion dollars and a percentage of 17.3% of the total Arab amount, and Iraq in the fourth place with a value of 3.5 billion dollars, a share of 8.7%. Morocco came in the fifth place with a value of 3.2 billion dollars, a percentage of 7.9%.

According to the data of inward FDIs in Arab countries, depending on the geographical distribution and the statistics of the Organization for Economic Co-operation and Development (OECD) published recently, the Corporation collected and analyzed data related to Arab countries in order to bring to light the OECD's most important countries investing in the region. The data revealed that a significant reduction in the volume of OECD countries' investments in the Arab region, dropping from 5.7 billion dollars only in 2013 to 27.7 billion dollars in 2014. The present decline followed a period during which the flows fluctuated, between 2003 and 2012, as they rose from 4.9 billion dollars in 2003, until they reached a maximum of 58.1 billion dollars in 2008 before they plunged to 10.3 billion dollars in 2009, re-climbed to 26.3 billion dollars in 2011 before declining to 22.8 billion dollars in 2012, bringing the total over the 12 years between 2003 and 2014 to some 218 billion dollars.

The list of the most important Arab countries receiving OECD investments in 2014, which amounted to over 27.7 billion dollars, included the following in ascending order: the United Arab Emirates with investments worth 9.2 billion dollars, a share exceeding 33.2%, Egypt in the second place with 9.1 billion dollars, a share of 32.9% of the total, followed by Saudi Arabia with 4.8 billion dollars, a share of 17.3% of the total, Algeria with 2.7 billion dollars, Iraq with 2.6 billion dollars followed by the rest of the countries with a low value.

Inward FDI balances in the Arab world

Inward FDI balances in the Arab world increased at a rate of 4.2% from 781 billion dollars in 2014 to reach 814 billion dollars in 2015. Inward balances to the Arab world represented 3.3% of the global total of 25 trillion dollars.

Similarly to FDI flows, FDI balances were concentrated in a limited number of countries. UAE, KSA and Egypt accounted for more than 52.8% of the overall inward balances to the Arab world. KSA ranked first with 224 billion dollars and a stake of 27.5% of the overall inward FDI balances in the Arab world, followed by the UAE in the second place with 111 billion dollars and a share of 13.6%, Egypt in the third place with 94.3 billion dollars and a share of 11.6%, Lebanon in the fourth place with 58.6 billion dollars and a share of 7.2%, followed by Morocco in the fifth place with 48.7 billion dollars and a share of 6%.

The Organization for Economic Cooperation and Development (OECD) data showed that OECD countries have investment balances in the Arab world, which cumulative total reached more than 228 billion dollars by the end of 2014, compared with 214 billion dollars at the end of 2013, after a general upward trend from 47.4 billion dollars in 2003 to about \$ 174 billion in 2011.

The list of top 10 OECD countries investing in the region included respectively the United States of America in the first place with 71.2 billion dollars, a stake of 31.3%, followed by the Netherlands in the second place with investments worth 55.3 billion dollars, a stake of 24.3%, Italy in the third place with 37.6 billion dollars, a stake of 16.5%, France in the fourth place with 27.7 billion dollars, a share of 12.2% and the U.K. in the fifth place with 20 billion dollars, a share of 8.8%.

In contrast, in terms of the most important Arab countries attracting the cumulative OECD investments in the region by the end of 2014, Egypt was ranked first with 84.6 billion dollars, Saudi Arabia ranked second with 34.6 billion dollars, The U.A.E came in the third place with 20.8 billion dollars, followed by Qatar in the fourth place with 18.2 billion dollars, and Morocco in the fifth place with 18 billion dollars and Algeria in the sixth place with 17.8 billion dollars. The total balances of the six countries reached 191 billion dollars, a share of 84% of the total balances amounting to 228 billion dollars by the end of 2014.

Inward FDI to Arab Countries (Based on Data from Investing Corporations)

According to the database entitled "FDI Markets" developed by the Financial Times, the number of foreign companies operating in the Arab world rose from 6109 companies in April 2015 to 6587 companies in April 2016. Consequently, the region's share increased from 7% to 7.6% of the total number of world companies investing overseas, estimated at more than 68 thousand companies. Those corporations invest in over 10600 projects in the Arab region, which constitute around 5.4% of the total number of foreign-based projects in the world. Those corporations invest in over 11541 projects in the Arab region, which constitute around 5.6% of the total number of foreign-based projects in the world, estimated at around 214 thousand projects between 2003 and April 2016. The total cost of those investment projects was estimated at over one trillion dollars, and the total number of jobs created

by them was estimated at around 1.8 million jobs. FDI corporations in the region are concentrated in a limited number of countries. The U.A.E, Saudi Arabia, Morocco, Egypt and Qatar attracted over 96% of the total number of companies investing in the region and over 68% of the projects.

FDI outflows from Arab countries

FDI outflows from Arab Countries witnessed a leap of 96%, jumping from 14.5 billion dollars in 2014 to 28.4 billion dollars in 2015. Arab investment outflows constituted 1.9% of the global total of 1,474 billion dollars and 7.5% of developing countries' total of 378 billion dollars.

Kuwait, Saudi Arabia, the UAE and Qatar represented the main sources of the region's outflows with 86.2% in 2015. The UAE came in the first place with investments worth 9.3 billion dollars and a stake of 33%. It was followed by Saudi Arabia with 5.5 billion dollars representing 19.7%, while Kuwait ranked third on the Arab level with 5.4 billion dollars and a stake of 19.3%. Qatar came in the fourth place with 4 billion dollars and a stake of 14.3%, followed by Libya in the fifth place with 864 million dollars accounting for 3.1%, the Sultanate of Oman in the sixth place with 855 million dollars, a share of 3%, Morocco in the seventh place with 649 million dollars representing 2.2%. The remaining countries lagged behind with small figures.

No outflows have been detected in Algeria, Djibouti, Sudan, Syria and Somalia (see table 30 and figure 42). As for the outward FDI balances from Arab countries, they amounted to 298.5 billion dollars by the end of 2015, representing 1.2% of the global total of 25 trillion dollars.

The UAE topped Arab countries with 87.4 billion dollars and a stake of 29.3%, followed by KSA with 63.3 billion dollars and a stake of 21.2%, then Qatar in the third place on the Arab level with 43.3 billion dollars and a stake of 14.5%, Kuwait in the fourth place with 31.6 billion dollars and a share of 10.6%, Libya in the fifth place with 20.2 billion dollars and a share of 6.8%, and Bahrain in the sixth place with 14.6 billion dollars and a share of 4.9%.

Inter-Arab Investments

Inter-Arab Investment Flows Based on Official Country Data

According to the data reported to the Corporation, Jordan, Algeria, Iraq, Egypt and Morocco succeeded in attracting Arab direct investments whose total amounted to some 3388 million dollars in 2015.

Data indicate that Egypt attracted 38% of inward Arab investments received by the five countries in 2015, followed by Morocco with a share of 30.4%, Iraq 18.5%, Jordan 7.7% and Algeria 5.4%.

On the other hand, UAE were rated as the biggest contributor to Arab investments in the abovementioned countries in 2015 with a value of 1345.4 million dollars and a share of 38.7%, followed by KSA with a share of 16%, Lebanon with 10.5% and Bahrain with 8.7%.

In terms of sector distribution, the service sector in Jordan, Algeria, Iraq, Egypt and Morocco captured 84.4% of the inter-Arab investment flows in 2015, followed by the industrial sector with 15.4% and the agricultural sector in the last place with an insubstantial share.

Inter-Arab Investment Balances Based on Official Country Data

Arab direct investment balances in Jordan, Iraq, Palestine, the United Arab Emirates, Saudi Arabia, Yemen, Egypt, Morocco, Bahrain and the Sultanate of Oman amounted to 122.2 billion dollars by the end of 2015.

Data reveal that Saudi Arabia received 25.2% of inward Arab investments made by the aforementioned countries, followed by Egypt with a share of 20%, the UAE 14.8%, Bahrain 13.8%, Morocco 10.8%, Jordan 4.8%, the Sultanate of Oman and Iraq 4.6%, Palestine 1.2% and Yemen 0.2%.

On the other hand, Kuwait ranked as the greatest contributor to the accumulated Arab investments in those countries by the end of 2015 with an amount of 26.6 billion dollars and a share of 21.7%, followed by the UAE with a stake of 19.7%, KSA 16.7% and Jordan 7.7%.

In terms of sector distribution, the service sector in Jordan, Algeria, Iraq, Egypt and Morocco captured 67% of inter-Arab investment balances for 2015, followed by the industrial sector with a percentage of 32% and the agricultural sector in the last place with an insubstantial share.

New Inter-Arab Investment Projects Based on Financial Times' Data

Inter-Arab Investments: Cost or Total Expenditures of Projects

According to the database entitled "Foreign Direct Investment Markets" developed by the Financial Times, considered as the most inclusive databases that cover the overall new FDI projects all over the world and in all sectors starting 2013, the Arab Investment & Export Credit Guarantee Corporation has extracted the figures related to Arab States and estimated the total cost of inter-Arab investment projects for the period between 2003 and April 2016 at more than 310 billion dollars, 60 billion dollars less than the 370 billion dollars recorded at the end of April 2015, a decline of 16.2%.

This regression in inter-Arab investment balances is due to the huge decline in investment balances in many Arab countries. These include Tunisia from around 21.6 billion dollars to 15.8 billion dollars, a decline of 5.8 billion dollars, Algeria from around 16.1 billion dollars to 10.7 billion dollars, a decline of 5.4 billion dollars, Egypt from 99.3 billion dollars approximately to 68.9 billion dollars, a decline of 30.4 billion dollars, Iraq from around 35 billion dollars to around 20.9 billion dollars, a decline of 14.1 billion dollars and Qatar from around 23 billion dollars to 12.3 billion dollars, a decline of 10.7 billion dollars.

In terms of countries with inter-Arab investment inflows between 2003 and April 2016, Egypt topped the list of Arab States with projects worth 68.9 billion dollars and a stake of 22.2% of the total investments, followed by KSA with 31.4 billion dollars and a stake of 10.1% of the total. Algeria came in the third place with 24.3 billion dollars and a stake of 7.8%.

Regarding countries with inter-Arab investment outflows for the period between 2003 and April 2016, the UAE topped the list with 156.3 billion dollars representing 50.4% of the total, followed by Bahrain in the second place with 38.5 billion dollars and a stake of 12.4% and Kuwait in the third place with 37.1 billion dollars and a stake of 11.9%.

Inter-Arab Investments: Number of Projects

According to the database entitled "Foreign Direct Investment Markets" developed by the Financial Times, the number of inter-Arab investment projects between 2003 and April 2016 is estimated at around 2416.

Saudi Arabia attracted the most inward investment projects for that period with 369 projects and a stake of 15.3% of the Arab total, followed by the UAE in the second place with 269 projects representing 9%, Egypt in the third place with 235 projects and a stake of 9.8% and the Sultanate of Oman in the fourth place with 222 projects accounting for 9.2%, followed by the rest of the countries.

As for countries with outward investment projects for the same period, the UAE ranked first with 1152 projects representing 48.7% of the Arab total, followed by Saudi Arabia in the second place with 268 projects accounting for 11.3% and Kuwait in the third place with 266 projects and a stake of 11.3%. Qatar ranked fourth with 140 projects and a stake of 5.9%, followed by the rest of the countries.

Actual Performance Indicator

According to the actual performance indicator, Arab countries came in the fourth place with 27 points in comparison with other geographic groups in attracting FDIs in 2016, while OECD countries topped the list with 45 points, followed by East Asia and the Pacific region with a difference of 0.4 point only and the group of Europe and Central Asia with a score of 32 points. All geographic groups witnessed a slight decline in their performance compared to 2015. This decline amounted to 2.3% for Arab countries.

As for the world classification in terms of the indicator's value, it turns out that only two Arab countries were able to be among the first third of countries in 2016, namely the U.A.E (in the 31th position globally), KSA (in the 34nd position), and seven other Arab countries came in the second third of countries (from the 50th to the 65th position).

As for the actual performance of Arab countries according to the geographical groups used in this report, Maghreb states ranked first for the first time with an average of 27 for the year 2016, as the indicator increased greatly compared to 24.8 points back in 2015, despite the disparities within the countries of the Maghreb States group. In fact, Morocco came in the fourth place on the Arab level, and the 55th place globally, Tunisia came in the eighth place on the Arab level and the 62nd internationally, Algeria in the 12th place on the Arab level and the 73rd globally and Mauritania came in the 15th place on the Arab level and the 97th globally.

Contrarily to the performance index of the Arab world as a whole, Arab sub-groups registered a slight decline in their performance ranging between 18% for the GCC states, 16.4 for the Levant States and 4.7% for the low performance states.

Arab Countries' Attractiveness According to the Economic Development Phases

When setting a framework for FDI policies to be used as a main reference by decision makers on the national level, we need to take into account the development phase of the country. Therefore, Arab countries listed under Dhaman index have been divided into three categories as follows:

- Countries under the group of economies dependent on natural resources: Mauritania, Sudan and Yemen. These countries should give priority to improving the attraction indices under the set of prerequisites, especially that they scored a performance lower than that of their peers regionally and globally.
- The group of countries classified under the group of economies relying on efficiency and effectiveness. They include 9 Arab countries: Jordan, Algeria, Saudi Arabia, Iraq, Kuwait, Morocco, Tunisia, Qatar, and Egypt. These countries should rely more on the set of underlying factors while maintaining the relative importance of the set of prerequisites, as their performance was higher than the average of other competitor countries within the same category.
- The third and last group includes economies that reached the stage of reliance on development and innovation to attract foreign capital flows. This group includes four Arab countries: Bahrain, UAE, Oman and Lebanon. The performance of these countries was lower than that of competing countries under the same classification, mostly OECD countries, especially in terms of excellence and technological advancement factors and also in terms of prerequisites. In this context, countries in this group need to rely on the latest, most sophisticated and most complex means of production. They also need to benefit from positive externalities available in the investment environment.

Concluding Remarks & Recommendations

The Arab region has been facing various challenges that are hindering its capability of attracting capital flows in general and FDI in particular, especially after the events it witnessed in 2010. Despite the region's fluctuating performance in terms of FDI attractiveness, the average inward FDI share of an Arab country during the period between 2000 and 2015 did not exceed 3.5. FDI inflows in the region declined from 44 billion dollars in 2014 to 40 billion dollars in 2015. The region's share of the total FDI balances in the world, which was estimated at around 25 trillion dollars by the end of 2015, did not exceed 2.3% with a total value of 814 billion dollars.

FDI flows incoming to the region are also concentrated in a limited number of countries, as two Arab countries (Saudi Arabia and the United Arab Emirates) attracted 41% of inward FDI balances in the region. By adding Egypt, Lebanon and Morocco to the list, the share rises to 66%.

Therefore, it is imperative that Arab countries - wither rich or of a lower income – make a move to increase their attractiveness to FDI as a key to face economic growth challenges, create jobs and achieve a comprehensive development in general. This can be made through a beneficial integration into the global markets, transfer and localization of technology and modern ways of management and marketing.

In this context, the present report, using Dhaman FDI Attractiveness Index, aims to meticulously diagnose the reasons behind the weak FDI attractiveness of economies in general and Arab ones in particular in order to provide an accurate and comprehensive data base that leads to suggest practical and effective solutions capable of better exploiting the strengths and adequately addressing the weaknesses. The report came to the following conclusions and recommendations:

First: Meticulously Diagnosing the Investment Environment

1. Build accurate, updated and comprehensive databases about the investment environment in general and foreign investments in particular, and monitor the level of flows and balances, their evolution and distribution according to the states of origin, the investing companies and the sectors of activity, based on a strong and comprehensive methodology that takes into account international standards, and ensures the possibility of

assessing the returns of applied procedures and policies as well as the impact of those investments on the development performance within the host country.

2. Each Arab country should form a committee of stakeholders to determine its strengths and weaknesses in terms of FDI attractiveness, in light of the regional and international competition, in order to improve its world ranking on Dhaman FDI Attractiveness Index and other related international indices. This can be done by taking various measures encompassing all the 58 variables covered by the present report, so as to enhance the positive aspects and eliminate the obstacles and challenges, taking into account the stages of development of each country.

Second: Sound Planning to Improve the Investment Environment

Set plans and strategies to improve the various factors affecting the attraction of investments with the participation of the various stakeholders on the institutional, legislative, procedural, economic and social levels. Avail and develop the main production elements in order to attract investments, including the following:

1. Establish and expand industrial and technological cities and free zones, provide the necessary accompanying land for the establishment of businesses, ensure delivery of diverse services to them and link them to the various means of communication and transportation.
2. Rethink and restructure human resources and improve their productivity and skills by reforming the education and training systems with a focus on efficiency, technical education, the development of research capacities, creativity and skill gaining, so as to meet the challenges of skilled labor scarcity and low productivity.
3. Develop scientific research, keep abreast of the latest technological developments and scientific inventions and link them to the various local production fields.
4. Simplify and facilitate the procedures of project financing by local banks and capital markets or through private and international financing institutions around the world.
5. Support and prepare new generations of young entrepreneurs and encourage them through training and education to expand and enter local and international investment partnerships in various fields.

Third: Avoid or Minimize the Political Dangers of Investment

1. Arab countries need to continue passing investment laws committed to safeguarding investors' rights against expropriation and nationalization, ensuring the respect of contracts and undertakings, and expand bilateral and international agreements to protect and encourage investment and avoid double taxation, facilitate the resorting to courts and investment arbitration centers.
2. Facilitate the resorting of foreign investors to specialized institutions and companies that provide insurance service against political risks, through the conclusion of insurance contracts that offer them compensation in case of risk in exchange for an annual fee of between 1 and 3% of the actual value of their investments transferred from outside of the state receiving the investment. On top of those institutions is

the Arab Investment & Export Credit Guarantee Corporation, which was established by the Arab states in Kuwait in the mid-seventies as the first multilateral organization to provide this type of service. The total investment insurance operations provided by the Corporation amounted to over 3 billion dollars by the end of 2015, which contributed significantly to convincing Arab and foreign investors of entering Arab countries in despite the political risks in the region since the mid-seventies.

Fourth: Active Promotion to Attract Investors

Adopt a comprehensive planning method on the country level to attract foreign investments according to a comprehensive country planning approach to attract foreign investments based on the general promotion of the country as an attractive hub for investment, trade, tourism and business. The concept must be implemented in collaboration between all stakeholders, especially those responsible for planning, foreign affairs, processing of transactions, legislation, infrastructure, utilities and everything related to the business performance environment as well as investment promotion agencies. The most important is to ensure the continuous improvement of the investment climate through close monitoring and quick response to foreign developments, in particular what competitors are doing in the region and the world.

Formulate strategies, policies and investment programs that are more specific and more effective in attracting target groups, especially multinational companies and foreign investors, who have the potential to influence the national economy strongly and effectively. Foreign investment also needs to have a clear and effective role in the implementation of plans and strategies for growth and sustainable development adopted by governments in various fields, with the need to assess the output of those policies in order to continue to modify and develop them in the future and to enhance the development dimension of international investment agreements.

Fifth: Optimizing returns on FDIs

1. Arab economies and societies need to measure the impact of foreign investments on the indicators related to the added value, exports, employment, salaries, tax revenues, fixed capital formation and scientific research and development.
2. Standards should be set in order to give priority to projects that positively impact development and its sustainability by imposing restrictions and procedures in order to divert projects with negative impact while connecting all of that to development plans so as to ensure the efficiency of such plan in achieving development goals.

Sixth: Periodic Review and Policy Flexibility

1. Governments need to periodically review the FDI attractiveness of their countries in light of global developments and measures taken by competitor countries.
2. Focus on general economic efficiency and competitiveness of the country, quality, productivity and innovation standards, the extent of economic openness and freedom of markets, the quality and efficiency of all kinds of government services, the effectiveness of the laws and their respect. They need to adhere to high standards of public governance that guarantee effective and transparent measures expected by investors.

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



Methodological Notes

Methodological Notes

FDI attractiveness is considered one of the main fields of competition between most countries, both developed and developing, especially after the financial and economic global crisis, the recent political developments in Arab countries, the euro zone downturn, the recession witnessed by international investment markets, along with the latest trends of foreign capital, particularly the upward trend of inward FDI flows to developing and transition countries.

This competition is the result of the central role played by FDI in the process of development and its sustainability, which goes beyond bridging the current account deficit or meeting local needs for financial resources. It includes supporting the movement and sustainability of commercial merger, integration and exchange between world countries, which gives international capital flows a strategic importance as a driving force for developing economies, including Arab states, in order to enhance their capacity to grow, interact with the global economy and efficiently participate in the international production process. The rising attention of developing countries towards the competitiveness of their exports in international markets is an additional reason for seeking to attract FDI, given its direct impact on improving qualitatively and quantitatively the level of exports and gaining technical and marketing know-how that supports integration with the rest of the world.

Defining FDI

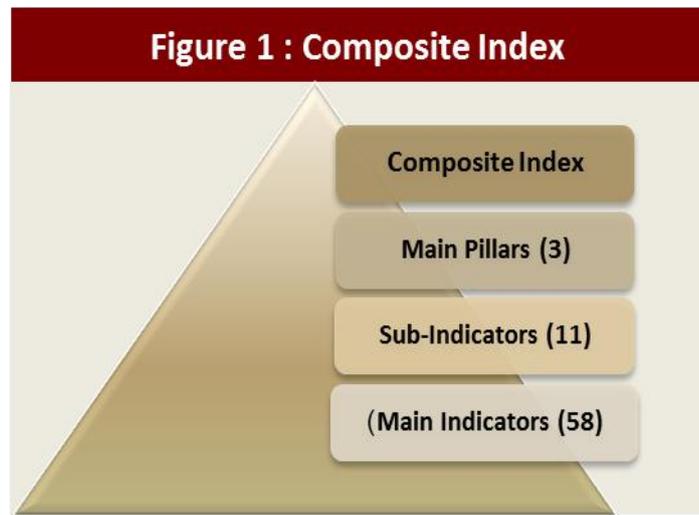
Internationally, FDI is defined according to the International Monetary Fund Balance of Payments Manual published in 1993 as being the aim of obtaining a lasting interest by a resident entity of one economy (direct investor) in an enterprise that is resident in another economy (the direct investment enterprise). The lasting interest implies the existence of a long-term relationship between the direct investor and the direct investment enterprise and a significant degree of influence on the management of the latter. The direct investment is not limited to the initial or original transaction that led to the establishment of the aforementioned relationship between the investor and the enterprise but also includes all subsequent transactions between the two, and all transactions among affiliated enterprises, whether contributing or not. This definition is consistent with the definition of the United Nations Conference on Trade and Development (UNCTAD) and the concept issued by the Organization for Economic Cooperation and Development (OECD). The International Monetary Fund (IMF) also released the draft version of the IMF Balance of Payments Sixth Edition Manual in 2007, in which the international concept of FDI also came similar the preceding ones, to replace the fifth edition of the manual, published back in 1993.

From the statistical point of view and based on the previous definition, FDI capital transactions include transactions that lead to the establishment (positive value of flows) or cancellation (negative value of flows) of investments, transactions that lead to the preservation of investments sustainability, those that widen their scope and those that lead to their liquidation. When a non-resident, who previously had no equity in a resident enterprise, purchases 10% or more of the shares or voting power of that enterprise, the price of equity holdings acquired in addition to any invested capital, should be recorded as direct investment. When a non-resident holds less than 10% of the shares of an enterprise as portfolio investment, and subsequently acquires additional shares resulting in a direct investment (10% or more), only the purchase of additional shares is recorded as direct investment. The holdings that were acquired previously should not be reclassified from portfolio to direct investment in the Balance of Payments but the total holdings should be reclassified in the International Investment Position.

This international definition of FDI is used as a basis for the preparation of the balance of payments statistics and the data contained in the World Investment Report published annually by the UNCTAD or in the Investment Climate in Arab Countries published by Dhaman. However, this definition is not necessarily compatible with data from world countries contained in those reports. In fact, some countries disclose data on FDI flows based on data on licensed investment projects, although these do not reflect real FDI flows crossing national borders.

Defining the Composite Index and its Calculation Methodology

The composite index is an aggregated quantitative measure and includes a number of individual or sub-indicators that reflect the various dimensions of the studied area (in the present report, we are interested in FDI inflows to a certain country), so as to combine those individual indicators together according to a certain model, in order to obtain a composite index that expresses the general common trend of those sub-indicators. The composite index compiles the information and displays them in a simplified way that is easy to understand and explain (see figure 1). Its calculation can be considered as the result of the three following stages:



1. **Inputs of the Operation:** Inputs are the sub-indicators that are chosen based on the accumulation of knowledge about the phenomenon in question.
2. **Inputs Processing:** Inputs or sub-indicators are used in the majority of the cases in the stages of normalization, weighting and aggregation.
3. **Outputs of the Operation:** Obtaining the composite index that represents the final result of this operation.

The entity interested in calculating a reliable composite index with trustworthy results must sequentially follow basic steps, from setting a good theoretical framework to the graphic presentation of the composite index in a way that facilitates its understanding by users (Figure 2), as follows:

1. **Setting the Theoretical Framework:** Adopting a correct theoretical framework is considered to be the starting point for developing a good composite index. A correct theoretical framework is one that assists in defining the studied phenomenon and its sub-components in a clear and accurate way, choosing the appropriate sub-indicators and determining the weights that reflect the relative importance of those sub-indicators. When designing the theoretical framework, the ideal is to focus on what is desired to be measured rather than focusing on available data and indicators. For more transparency and clarity in this important step of building the composite index, it is preferable to abide by the following:
 - **Defining the Concepts:** The definition should explain how the framework is built and how the sub-indicators are linked together.
 - **Determining Secondary Groups:** Multi-dimensional concepts are usually split into sub-groups, which are not required to be statistically independent. However, in case there are relationships between them, these need to be clearly described and explained. Such a description helps the user understand the driving force behind the composite index and facilitates the process of determining the appropriate relative weights of different factors.
 - **Developing Criteria for the Selection of Core Indicators:** The composite index maker should identify a set of criteria that serve as a guide to determine whether a particular sub-indicator must be included in the composite index or not.
 - **Documenting the Theoretical Framework:** This documentation provides a comprehensive idea about the structure of the composite index and its purpose in a simple and clear context. The main

objective of documenting the theoretical framework is to give users of the composite index sufficient information so that they can determine whether the data provided by this index is appropriate for the intended use.

2. Choosing Good and Correct Sub-indicators:

here are chosen by verifying their importance and relevance to the studied phenomenon, the possibility for analyzing them, in addition to their timeliness and accessibility.

3. Initial Data Processing: It verifies the quality of the basic data by checking for a number of criteria, such as the eligibility, accuracy, timeliness and accessibility of the data, the possibility of interpretation and consistency. A guide for data illustrating their sources and availability, geographically and chronologically, has been prepared for this purpose.

4. Normalization: The measure used for the composite index sub-indicators is usually standardized and the appropriate normalization method is then chosen (ranking - standard grade - re-measurement - distance from the reference point - periodic indicators) after the implementation of all tests measuring sensitivity to assess the impact of these methods on the results.

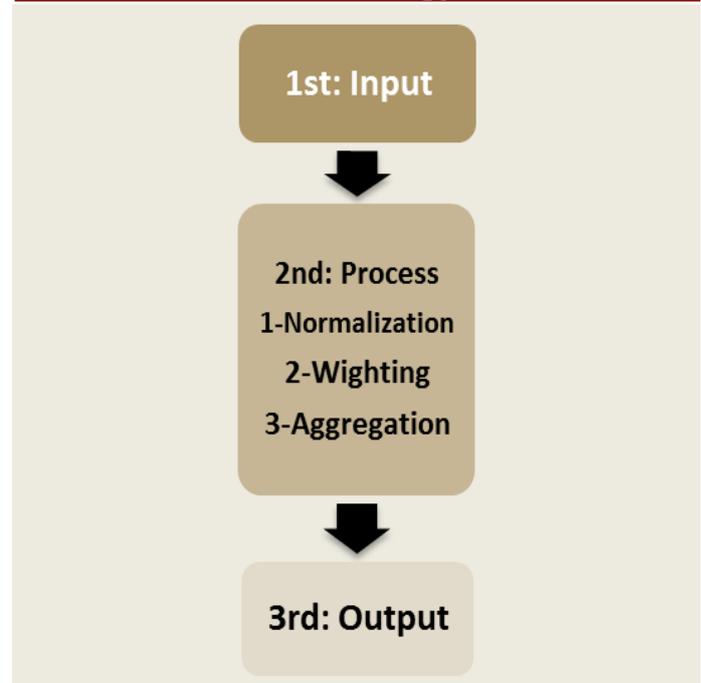
5. Weighting of Sub-indicators: In many cases, some of the sub-indicators are more important than others in reflecting a studied phenomenon, which needs to be taken into consideration when choosing the weightings of sub-indicators. Weightings have a deep impact on results of the composite index and ranking of countries. Therefore, they need to be set based on sound and carefully thought methods. The lack of full consensus on the means used to determine weightings does not impede the use of composite indicators but rather highlights the dangers of using or setting weights based on personal opinions. Thus, to avoid such risks, it is important to clarify all the assumptions and applications used when choosing weightings and to test their strength. Used methods also need to be transparent and robust.

6. Aggregation: Sub-indicators are aggregated to build-up the composite index after selecting the appropriate method among various available ones such as the aggregation by addition, the aggregation by multiplication, the trend of various non-compensatory criteria and the engineering aggregation.

7. Choosing the Appropriate Method: among other possible methods which were not followed, in order to build the composite index using two analysis styles, namely:

- **Uncertainty Analysis:** It focuses on the appearance of uncertain input factors, i.e. anything that could change before implementing the composition model of the composite index and the extent of their impact on the value of the composite index.
- **Sensitivity Analysis:** It studies the individual role of each of the uncertain input factors in modifying outputs.

Figure 2 : The Composite Index Calculation Methodology



Regulations for the Formulation of FDI Attractiveness Composite Index and Listed Countries

Countries' FDI attractiveness is a multi-faceted concept that encompasses a range of economic, social and institutional areas. Therefore, views vary among stakeholders interested in determining attractiveness elements, measuring attractiveness and drawing the most appropriate and effective policies to attract a larger share of foreign direct investment. The measurement of countries' attractiveness for foreign investment refers to making an inventory of all the factors affecting the ability and potential of a state to attract investments from abroad, while taking into account the monitoring of those factors based on quantifiable indicators and data according to a quantitative method that takes into account the basic rules adopted in this area.

Many methodological considerations were taken in aggregating and classifying data and quantifiable variables as well as in standardizing measurements. The following regulations were followed in the formulation of the composite index:

- **Solid Theoretical Foundations:** The index calculation methodology is based on summary of theoretical and practical literature and specialized journals in the fields of FDI economics and Applied Statistics (see Annex References).
- **Effectiveness and ability to Interpretation:** The accuracy and reliability of the composite index and its components in monitoring States' ability to attract investment have been verified through a series of statistical tests, which highlighted the stability of adopted measurements, the integration of the index sub-components and the strong correlation between the index and actual investments inflows to world countries, as the correlation coefficient was around 80% with a very strong statistical significance.
- **Drawing on Past Experiences:** Prior to building the index, a comprehensive inventory of indicators issued by other institutions in the same field has been prepared to study those indicators, review their methodology and examine their strengths and weaknesses.
- **An International Index:** The index has been designed in a way that makes it suitable for use not only on the regional and Arab levels but also on the international level.
- **Comprehensiveness:** One of the new index characteristics is that it covers the greatest number of indicators explaining countries' attractiveness to FDI. Most important and most recent databases available from public entities and relevant international organizations have been used to monitor, aggregate and classify around 60 variables.
- **Broad Geographic Coverage:** The index monitors the greatest number of world countries with influence over FDI flows in the world. It covers 10 states representing 95% of the total inward FDI balances in the world.
- **Flexibility and Ability for Development:** The index is designed in a flexible way that takes into account the possibility of its future development and responds to changes in the level of available data, geographic coverage, methodology, stages of preparation and processing of data and results.
- **Easily Understandable Outputs:** Results can be easily understood by decision makers, researchers and actors in the field of investment as the index and its components can monitor structural, underlying and periodic factors or elements that are preventing FDIs from being attracted to the concerned country. Exploring strengths and weaknesses in this regard and following up on their assessment enables to draw a road map in order to increase competitiveness of Arab countries in this field.

Data Sources

FDI attractiveness data was collected from various national and international sources, with special attention to using unified sources as much as possible in order to have homogeneous and comparable data. The priority was given to data from national sources that offer relatively homogeneous information, in case local data was not available for comparison between states. As a general rule, the World Bank's world development indicators were used, alongside with the World Bank's investment climate database, the International Monetary Fund's international financing statistics and balance of payment, United Nations Conference on Trade and Development's statistics (UNCTAD), United Nations Statistics Division's statistics, the European Commission's database on multinationals (Eurostat) as well as United Nations Industrial Development Organization's industrial statistics (UNIDO), International Labor Organization's main labor market indicators, the World Intellectual Property Organization's statistics and database (WIPO) and finally the World Bank's governance world indicators database, in addition to official national sources.

Dhaman FDI attractiveness index authors were keen on covering all the countries of the world but the lack of a great deal of data related to the observed variables made that goal unreachable. Therefore, the index monitors the performance of 109 countries (Table 1) that represent 95% of the total inward FDI balances in the world by the end of 2014. Among those countries, there are 16 Arab countries classified in alphabetical order that represented more than 95.5% of the total inward FDI balances in the Arab region by the end of 2014. Countries listed in the index are distributed on geographic groups (Figure 3). OECD countries ranked first with 33 countries and a stake of 30.3% of the total, followed by Africa in the second place with 23 countries and a share of 21.1%, the Arab states in the third place with 16 countries and a share of 14.7%, then Latin America with 14 countries and a share of 12.8%, Europe and Central Asian countries with 10 countries accounting for 9.2%, East Asia & Pacific countries with 9 countries and a stake of 8.3% and finally South Asia with 4 countries and a share of 3.7%.

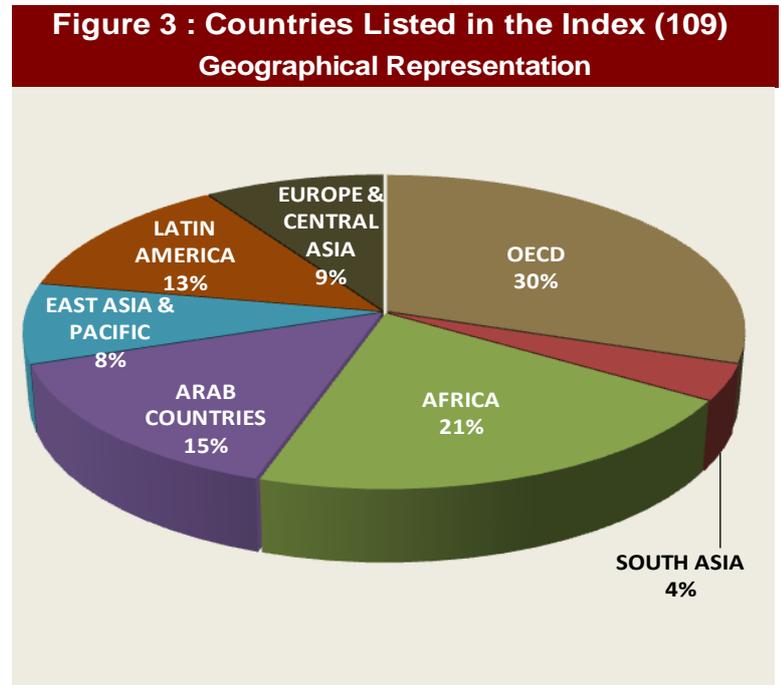
Table 1: Countries covered in DIAI
(ordered alphabetically within region)

OECD (33)	Arab Countries (16)	Latin America & Caribbean (14)
Australia	Algeria	Argentina
Austria	Bahrain	Bolivia
Belgium	Egypt	Brazil
Canada	Iraq	Columbia
Chile	Jordan	Dominican
Cyprus	Kuwait	Ecuador
Czech Republic	Lebanon	Guatemala
Denmark	Mauritania	Honduras
Estonia	Morocco	Nicaragua
Finland	Oman	Panama
France	Qatar	Paraguay
Germany	Saudi Arabia	Peru
Greece	Sudan	Uruguay
Hungary	Tunisia	Venezuela
Ireland	UAE	Africa (23)
Israel	Yemen	
Italy	Europe & Central Asia (10)	Angola
Japan	Azerbaijan	Benin
Mexico	Bulgaria	Botswana
Netherlands	Kazakhstan	Burkina Faso
New Zealand	Latvia	Cameroon
Norway	Lithuania	Central Africa
Poland	Malta	Chad
Portugal	Romania	Cote d'Ivoire
Slovakia	Russia	Ethiopia
Slovenia	Serbia	Gabon
South Korea	Ukraine	Ghana
Spain	East Asia & Pacific (9)	Kenya
Sweden		Madagascar
Switzerland	Cambodia	Mali
Turkey	China	Mauritius
United Kingdom	Hong Kong	Mozambique
United States of America	Indonesia	Namibia
South Asia (4)	Malaysia	Nigeria
	Philippines	Senegal
India	Singapore	South Africa
Iran	Thailand	Tanzania
Nepal		Togo
Pakistan	Vietnam	Uganda

Structure of Dhaman FDI Attractiveness Index

Dhaman FDI attractiveness index is based on a definition that was adopted after exploring the literature tackling the topic, where international attractiveness is seen as the capacity of a country to attract investment projects and viable economic opportunities in a period of time in various sectors as well as mobile production factors that consist of enterprises, capitals, expertise and creative people in various fields. Specialized economic literature (see list of references) reveals that countries' FDI attractiveness is closely related to three main groups of determinants, each comprising a set of basic components (referred to as sub-indicators) and each component consisting of a number of key and subsidiary variables that contribute to the inventory of general and institutional factors in addition to criteria set by the main actor in the foreign investment, i.e. multinational corporations, when evaluating the situation of the potential host country for investment.

Accordingly, Dhaman FDI attractiveness index consists of 3 main pillars comprising 11 indicators which include 60 quantifiable variables, most of them representing the average value of the variable in the three years from 2010 to 2012, so as to strengthen the results and reduce the effects of fluctuations in the data caused by external and internal shocks, which may temporarily change the normal level of some variables. The values have been compiled from international, regional and local sources and databases that measure the aggregate capacity of countries to attract foreign investment, as shown in Figure 4.



The three pillars are represented as follows:

Pillar I - Prerequisites or required prior conditions:

They represent the prerequisites required to attract FDI and without which it is impossible to expect any inward investors to come in, whether local or foreign. The set of prerequisites includes a range of variables, as follows:

1. **Macroeconomic Stability Indicator:**

- Real GDP growth volatility
- Inflation Rate
- Real effective exchange rate volatility
- Number of exchange rate crisis, crisis being defined as a depreciation of the nominal exchange rate that exceeds 25 percent, and exceeds the preceding year's rate of nominal depreciation by at least 10 percent.
- Current account deficit to GDP ratio
- Fiscal balance to GDP ratio
- Gross public debt to GDP ratio

2. **Financial intermediation & Financing Capacity Indicator:**

- Ratio of broad money to GDP (M2 to GDP)
- Domestic credit to private sector (% of GDP)
- Market capitalization of listed companies to GDP

3. **Institutional Environment Indicator:**

- Voice and Accountability
- Political Stability and Absence of Violence
- Government Effectiveness
- Regulatory Quality
- Control of Corruption
- Rule of Law

4. **Business Environment Indicator:**

- Starting a Business
- Dealing with Construction Permits
- Registering Property
- Getting Electricity
- Getting Credit
- Protecting Investors
- Enforcing Contracts

Pillar II - Underlying Factors:

They represent the standards followed by multinational and transnational companies in order to choose the appropriate location to carry out investments and in turn include five sub-indicators:

1. **Market Access, Size and Potential Indicator:**

- Real per capita domestic demand
- Domestic demand volatility
- Trade performance Index

- Trade to GDP ratio
 - Applied Tariff
 - Openness to the outside world Index
- 2. Human and Natural Resources Indicator:**
- Natural resources revenues' share of the GDP
 - Average growth in labor productivity
 - Average years of schooling for adults
 - Expected years of schooling for children
 - Human Development Index
- 3. Cost Components Indicator:**
- Labor tax and contributions (% of commercial profits)
 - Total tax rate (% of commercial profits)
 - Time to prepare and pay taxes (hours)
 - Average cost to export and import (US\$ per container)
- 4. Logistics Performance Indicator:**
- Customs efficiency and border clearance performance
 - Trade and transport infrastructure performance
 - Air shipping performance
 - Logistics quality and competence
 - Tracking and tracing performance
 - Timeliness
 - Road density (km of road per 100 sq. km of land area)
 - Air transport index
- 5. Information and communication technology Indicator:**
- Broadband Internet subscribers
 - Telephone lines (per 100 people)
 - Internet users (per 100 people)
 - Mobile cellular subscriptions (per 100 people)

Pillar III-Positive Externalities:

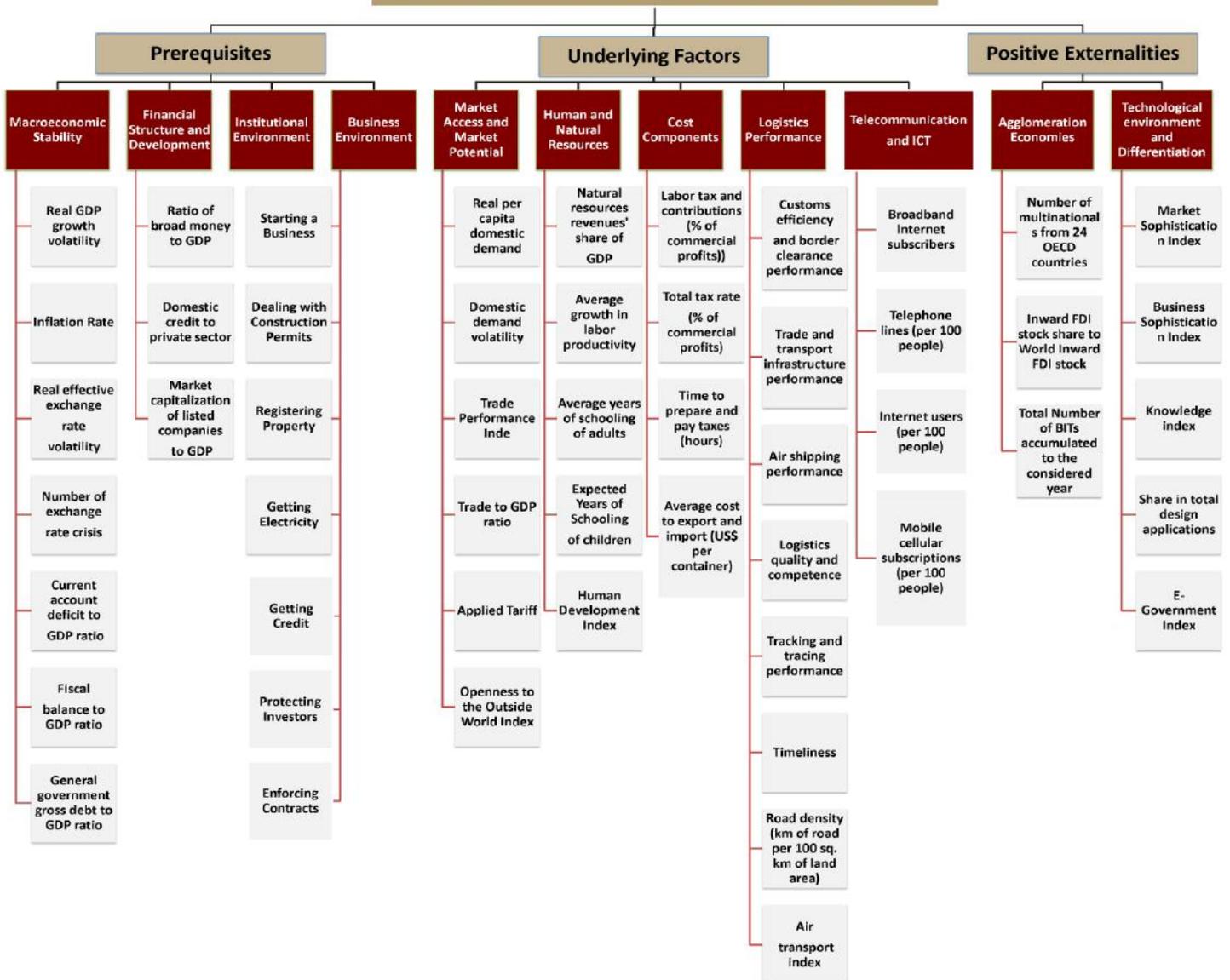
They represent the various factors that determine the differences between countries, including differentiation & technological advancement, the natural of foreign economic affairs, the number of bilateral treaties and the important role played by multinationals in encouraging more foreign investments through simulation.

- 1. Economies of Agglomeration Indicator:**
- Number of multinationals from 24 OECD countries
 - Inward FDI stock share to World Inward FDI stock
 - Total Number of BITs accumulated to the considered year
- 2. Differentiation & Technological Advancement Indicator:**
- Market Sophistication Index

- Business Sophistication Index
- Knowledge index
- Share in total design applications (direct and via the Hague system)
- E-Government Index

Figure 4: Structure of Dhaman FDI Attractiveness Index

Dhaman Investment Attractiveness Index (DIAI)



Characteristics of Dhaman FDI Attractiveness Index

Despite the variety of efforts deployed by the majority of Arab countries in order to encourage and attract foreign investments an especially direct ones, a great number of those countries did not succeed in becoming an important attraction for FDI in comparison with other developing states. Available data confirm the region's meager share of the world FDI flows, which did not exceed 3.5% of the global total for the period between the years 2000 and 2014, and around 9.5% of the total inward flows to developing countries. The stake of Arab countries remains minimal because of financing needs in comparison with the performance of some other economic agglomerations and with the increase of developing countries' share from 18.7% to 55.5% during the same period. Data also show discrepancies in terms of performance and a strong geographic concentration of the total inward FDI flows to the Arab region. This data lead us to more extensive thinking and research about structural factors that prevent the region from rising to the desired level in terms of attracting foreign direct investment in the region. Exploring these elements and tracking their evaluation can help draw a road map on the local and regional levels to raise the competitiveness of Arab countries in this area.

In the context of defining and monitoring those elements, factors that affect the decision of multinationals to invest are considered to be among the most important variables, which need to be monitored and tracked in order to explain the discrepancy between world countries in attracting those big companies representing the most influential force in capital and trade flows and subsequently FDI. These factors include market size, economic stability, factors affecting the fluctuations of investment revenues in host countries, the degree of economic openness, the degree of risk in the economy of the host country, and incentive exemptions from trade restrictions and taxes in addition to other important factors.

Comprehensive indices help measure the impact of a great and comprehensive number of factors on the investment climate and identify the main characteristics determining the capacity of states to attract FDI. These indices are considered a useful tool for decision making, assessing countries' performance, rectifying policies aimed at raising FDI competitiveness and attracting FDI to sectors that support developmental performance in the host country. From this standpoint stems the Corporation's decision to continue to ensure the development of Dhaman FDI attractiveness index as a composite index measuring the attractiveness of world countries and Arab countries for foreign direct investment. This new composite index aspires to achieve the following goals:

- Strengthening the role of the Arab Investment & Export Credit Guarantee Corporation mentioned in its founding convention that states its role in raising investment awareness in the Arab region and deepening this role according to the Corporation's new strategic plan 2014-2018.
- Detecting the strengths and weaknesses that determine the investment climate in the region's countries and contributing to providing investors and managers of FDI promotion agencies with detailed data and analysis about the shortcomings experienced by those countries, which are impeding the attraction of foreign investors.
- Presenting clarifications and suggestions to national governments about the best ways of intervention in the development of investment policies in order to enhance the investment climate in their countries according to the developmental stage they are going through.
- Exploring the factors responsible for the exclusive concentration of FDI in certain countries of the Arab region and in certain sectors, in order to suggest more efficient policies to attract further investments.
- Compile a comprehensive knowledge database to carry out research, assess the performance of countries, correct FDI policies and determine the effect of those foreign flows on economic and social development and their sustainability in the host country.

Notes about 2016 Index

1. The number of countries listed under the 2016 index settled at 109 countries from around the world, including 16 Arab countries.
2. The total number of variables on which the general index relies settled at 58 variables.
3. The business environment sub-indicator witnessed a change in two of its sub-components including the protection of investors and the execution of contracts, as the measurement method was changed by the World Bank as of 2016 without issuing statements of previous years and therefore this year's report does not include a comparison with 2015.
4. The cost components sub-indicator witnessed a change in one of its sub-components as well, which is the export cost. In fact, the measurement method from the average cost of exporting a standard container of 20 feet in dollars to the export cost based on documented obligations.
5. It is noticeable that the figures for the general index and for a number of sub-indicators have been changed in the 2016 report, compared to the figures for the same year published in 2015 report. This is due to changes in the business environment and cost component sub-indicators, in addition to the update of some components readings for 2015 by the source.
6. It should be noted that changes in the ranking of countries and geographic groups within the general index and a number of sub-indicators is due to the fact that index depends on the average value of the variables for the last three years, which reduces the impact of exceptional changes.
7. The changes in the method of measuring some of the sub-indicators did not affect in any way the index's ability to measure the FDI attractiveness of the various countries. In fact, statistical indications remained unchanged, which confirms the strong correlation between the variables covered by the index and the observed phenomenon.
8. For the first time since the launch of the index 4 years ago, researchers, decision-makers and observers have 4 index readings for the years 2013, 2014, 2015 and 2016, which is necessary to monitor the changes that have occurred in the countries' investment attractiveness during that period and represents a new possibility for making predictions about the future performance of the various states in the field of investment attractiveness.

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



Part I: The FDI Attractiveness Potential of the Arab Region

How to read the tables

Part One of the report reviews the position of the Arab Region as a geographic group, and details a country's position relative to the other countries included in Dhaman Investment Attractiveness Index (DIAI), with two levels of analytical scales:

Level 1: focuses on the position of geographic groups and countries on the general attractiveness index in terms of value attained out of the gross total of 100 points, as well as the rank at Arab and international levels.

Level 2: addresses the detailed position of countries in relation to the three main groups of attractiveness index, representing:

1. The set of prerequisites.
2. The Underlying factors affecting the MNEs.
3. The set of positive externalities.

To give details of the countries' positions on the general index and sub-indices of DIAI, the levels of performance compared to global average were divided into five main levels. Five color codes and descriptions were used in the tables to identify the relative performance of each country, compared to the global average of the value of each index, as follows:

- Very good performance: adding a dark green circle (●), indicating that the value is over 30% higher than global average.
- Good performance: adding a light green circle (●), indicating that the value is 10% - 30% better than global average.
- Average performance: adding a yellow circle (●), indicating that the value is 10% higher/lower than global average.
- Poor performance: adding an orange circle (●), indicating that the value is 10% - 30% worse than global average.
- Very poor performance: adding a red circle (●), indicating that the value is over 30% lower than global average.

1. The Overall Arab Attractiveness Position

1.1 General Attractiveness Index

Performance on the regional level:

On the global level, the results of the FDI attractiveness general index for 2016 show that Arab countries came in the fourth place among 7 geographic groups, with an average index of 40.2 points and average ranking of 68 within the countries of the group. OECD countries claimed the first place, followed by East Asia and the Pacific countries in the second place, European and Central Asian countries in the third place, Latin American and Caribbean countries in the fifth place, South Asian countries in the sixth place, after Arab countries, and, finally, African countries in the seventh place.

In comparison with 2015 report, the attractiveness of Arab countries to FDI slightly increased as the index in the Arab States rose by 0.1 points, a percentage of 0.2%. The same augmentation was observed in the European, Central Asian, South Asian and African countries, as opposed to a decrease of the index in the countries of the OECD, East Asia, the Pacific, Latin America and the Caribbean (see table 2).

Performance on the Arab level:

On the level of Arab groups, the results of the FDI attractiveness index show that the GCC countries (Saudi Arabia, United Arab Emirates, Kuwait, Qatar, the Sultanate of Oman and Bahrain) outperformed other Arab sub-regions with a score of 49.6 points out of 100 points in 2016, as they occupied the first position with a good performance (light green). However, their performance in terms of the general index slightly improved by 0.1% compared to 2015.

Levant states (Egypt, Lebanon and Jordan) ranked second with 40.3 points out of 100 points with a poor performance (orange) in 2016 despite a decline of 0.52% in comparison with 2015.

Maghreb states (Libya, Tunisia, Algeria and Morocco) came in the third place with 38.7 points out of 100 and a low performance (orange) despite their improvement by 0.21% in comparison with 2015.

And finally, the very low-FDI performance countries (Iraq, Mauritania, Yemen and Sudan) were ranked fourth on the Arab level with 27.3 points out of 100 and a very poor performance (red). Their FDI attractiveness increased by 0.11% in comparison with last year (see table 3).

Regarding the general positions of Arab countries in the three main groups, it is obvious that the Arab performance in the set of positive externalities is very poor, especially that the Arab average index is 23.3 points in comparison with 29.3 points on the global level. In contrast, Arab performance was slightly lower than the global average in the set of prerequisites and underlying factors (see table 4).

Table 3: Arab Groups' Performance in DIAI 2016

Rank	Group	Average value		Value Change for 2015	
		2015	2016	value	Percentage %
1	GCC states	49.5	49.6	0.10	0.21
2	The Levant	40.5	40.3	-0.21	-0.52
3	The Maghreb	38.7	38.7	0.08	0.21
4	Low FDI Performance countries	27.2	27.3	0.03	0.11
	Arab Average	40.2	40.2		
	World Average	45.6	45.6		

Performance: ● Very good ● Good ● Average ● Weak ● Very weak

Source : Arab Investment and Export Credit Guarantee Corporation (Dhahran)

Table 2: Regional Performance in DIAI (Average Value & Average Ranking) 2016

Rank	Geographical Group	2016		2015		Value Change for 2015	Percentage change from 2015%
		Value	Average Ranking in the Indicator	Value	Average Ranking in the Indicator		
1	OECD	58.7	21	59.4	21	-0.7	-1.12
2	East Asia & Pacific	50.3	42	50.4	42	-0.1	-0.28
3	Europe & Central Asia	47.6	47	47.5	47	0.1	0.14
4	Arab Countries	40.2	68	40.2	68	0.1	0.19
5	Latin America & Caribbean	39.1	73	39.3	71	-0.2	-0.57
6	South Asia	35.7	83	35.2	84	0.5	1.42
7	Africa	33.6	88	32.7	88	0.9	2.61

Source : Arab Investment and Export Credit Guarantee Corporation (Dhahran)

Table 4: Arab Groups' Performance in the three DIAI axes 2016

Rank	Group	Dhahran's value		Prerequisites				Underlying Factors				Positive Externalities			
		2015	2016	Average value		Value Change for 2015		Average value		Value Change for 2015		Average value		Value Change for 2015	
				2015	2016	Value	Perc. %	Value	Perc. %	2015	2016	Value	Perc. %	2015	2016	Value	Perc. %
1	GCC states	49.5	49.6	60.7	60.1	-0.56	-0.92	57.1	59.0	1.82	3.19	29.8	29.1	-0.72	-2.42
2	The Levant	40.5	40.3	48.4	48.2	-0.22	-0.46	45.5	45.3	-0.16	-0.35	26.5	26.3	-0.19	-0.73
3	The Maghreb	38.7	38.7	52.3	51.6	-0.64	-1.22	41.8	41.6	-0.21	-0.51	22.2	23.0	0.77	3.44
4	Low FDI Performance countries	27.2	27.3	39.5	39.9	0.31	0.79	33.2	31.6	-1.56	-4.69	12.0	12.9	0.90	7.50
	Arab Average	40.2	40.2	51.5	51.2			46.1	46.3			23.3	23.4		
	World Average	45.6	45.6	57.2	57.0			50.1	51.0			29.3	28.7		

Performance: ● Very good ● Good ● Average ● Weak ● Very weak

Source : Arab Investment and Export Credit Guarantee Corporation (Dhahran)

1.2 Set of prerequisites

The set of prerequisites includes the necessary conditions that allow the host country to attract investments. In the absence of these conditions, it would be extremely difficult or impossible to attract investments, since the lack thereof also means the unavailability of other conditions to attract investments. The set includes four out of the eleven sub-indicators that constitute the FDI attractiveness index: macroeconomic performance, financial intermediation & financing capacities, institutional & social environment and business environment.

Performance on the regional level:

Arab countries claimed the 4th place globally among 7 geographical groups on the index of set of prerequisites for FDI attractiveness in 2016, with an average of 51.2 points on the index for Arab countries group, and average ranking of countries within the group of 70.

OECD countries claimed the first place, followed by East Asia and the Pacific countries in the second place, European and Central Asian countries in the third place, Latin American and Caribbean countries in the fifth place, and African countries in the sixth place, and finally South Asian countries in the seventh place.

In comparison with 2015, the index value in Arab countries dropped by 0.3 points, a percentage of 0.6%. Performance on the set of prerequisites also declined in the other geographic groups covered by the index, excluding Africa and South Asia (see table 5 and figure 5).

Performance on the Arab level:

The Arab performance is slightly lower than the global performance on the set of prerequisites. The index data also reveal a relative superiority of GCC countries compared to other Arab countries with 60.1 points, which is a good performance (green) close to the global average of 57 points, followed by the Maghreb countries in the second place on the Arab level with 51.6 points, a poor performance below the global average (orange). The Levant countries came in the third place with 48.2 points, a poor performance also below the global average (orange). In the same classification, the low-performance countries came in the fourth and last position with 39.9 points (red), considerably lower than the global and Arab averages.

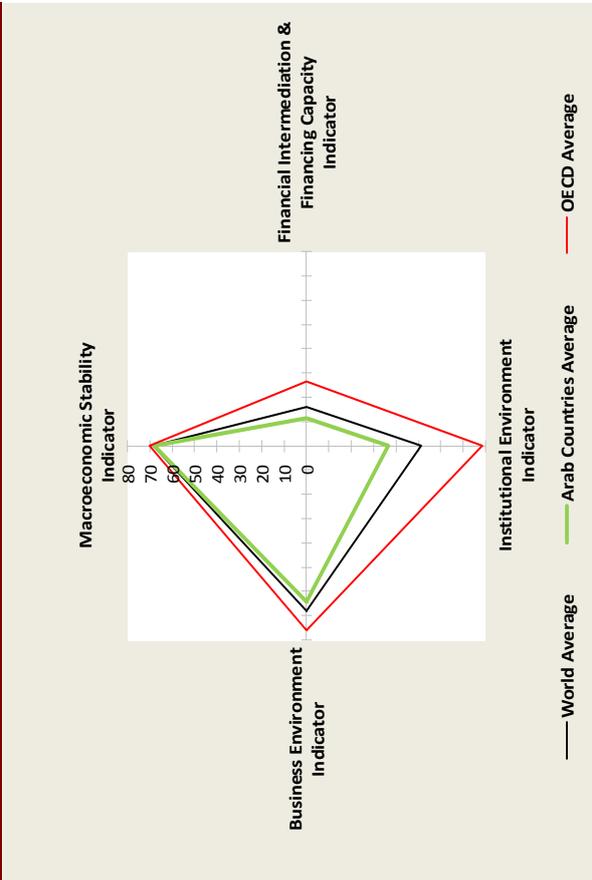
The information in table 6 shows the following results:

- GCC countries stood out with a very good performance on the economic stability index, while the Maghreb countries had a good level of performance on the same index.
- The Levant countries registered a good performance on the financial intermediation & financing capacities index.
- Arab countries' performance on the institutional and business performance environment indices varied between average and very weak.

**Table 5: Regional Performance in Prerequisites
(Average Value & Average Ranking) 2016**

Rank	Geographical Groups	Prerequisites Average Value		Average Ranking	Value Change for 2015	
		2015	2016		Value	Perc. %
		1	OECD	68.9	68.4	22	-0.49	-0.71
2	East Asia & Pacific	61.4	60.8	47	-0.51	-0.84
3	Europe & Central Asia	56.5	56.2	56	-0.22	-0.39
4	Arab Countries	51.5	51.2	70	-0.29	-0.57
5	Latin America & Caribbean	50.5	50.4	71	-0.01	-0.02
6	Africa	49.1	49.1	80	0.00	0.00
7	South Asia	46.4	48.1	84	1.70	3.65

Source : Arab Investment and Export Credit Guarantee Corporation (Dhahran)

Figure 5: Arab, World and OECD Performances in Prerequisites

Table 6: Arab Groups' Performance in Prerequisites 2016

Rank	Group	Prerequisites Average Value		Macroeconomic Stability Indicator		Financial Structure and Development Indicator		Institutional environment Indicator		Business Environment Indicator				
		2015	2016	Average value	Value Change for 2015	Average value	Value Change for 2015	Average value	Value Change for 2015	Average value	Value Change for 2015			
					Value	Perc. %		Value	Perc. %		Value	Perc. %		
1	GCC states	60.7	60.1	75.9	-5.98	-7.30	14.3	0.60	4.40	52.9	0.80	1.53	3.20	4.78
2	The Levant	52.3	51.6	71.2	-3.25	-4.37	11.5	-1.81	-13.60	36.4	0.94	2.64	1.13	1.84
3	The Maghreb states	48.4	48.2	61.8	-0.04	-0.07	17.4	-3.34	-16.07	34.1	-0.21	-0.61	0.92	1.57
4	Low FDI Performance countries	39.5	39.9	57.7	-2.24	-3.74	3.1	-0.35	-9.99	14.6	0.53	3.78	2.97	5.26
	Arab Average	51.5	51.2	67.8			11.6			36.7			64.0	
	World Average	57.2	57.0	68.3			16.0			51.4			68.1	

Performance: ● Very good ● Good ● Average ● Weak ● Very weak

Source : Arab Investment and Export Credit Guarantee Corporation (Dhahran)

1-3 Set of Underlying Factors Affecting Multinational Corporations

The set of underlying factors is based on the main factors that determine the decisions of major investors and multinational corporations to invest in a specific country. These factors are all the more significant given the fact that these corporations are one of the most important channels of international financing and FDI. Moreover, their presence in a specific country is an incentive for more enterprises and investments, due to the large size of their marketing and production capacities that allow them to control more than 80% of the world trade movement. The set includes five out of the eleven FDI sub-indicators: market access and market potential, human and natural resources, cost components, logistics performance and telecommunication and ICT.

Performance on the regional level:

Arab countries claimed the fourth place globally among seven geographical groups on the set of underlying factors index for the year 2016, with an average of 46.3 points on the index for Arab countries group, and average ranking of countries within the group of 65. OECD countries came in the first place, followed by East Asia and the Pacific countries in the second place, European and Central Asian countries in the third place, Latin American and Caribbean countries after the Arab countries in the fifth place, South Asian countries in the sixth place and African countries in the seventh place.

In comparison with 2015, the performance of Arab countries as well as that of other geographic groups improved on the set of underlying factors (see table 7 and figure 6).

Performance on the Arab level:

On the level of Arab groups, the GCC states continued to outperform other Arab sub-regions on the underlying factors with a score of 59 points, an average performance above the global average of 51 points. Levant states ranked second with a score of 45.3 points, an average performance below the global average. Maghreb states ranked third with a score of 41.6 points, also a poor performance way below the global average. Low FDI performance countries came in the fourth place with a score of 31.6 points, a very poor performance.

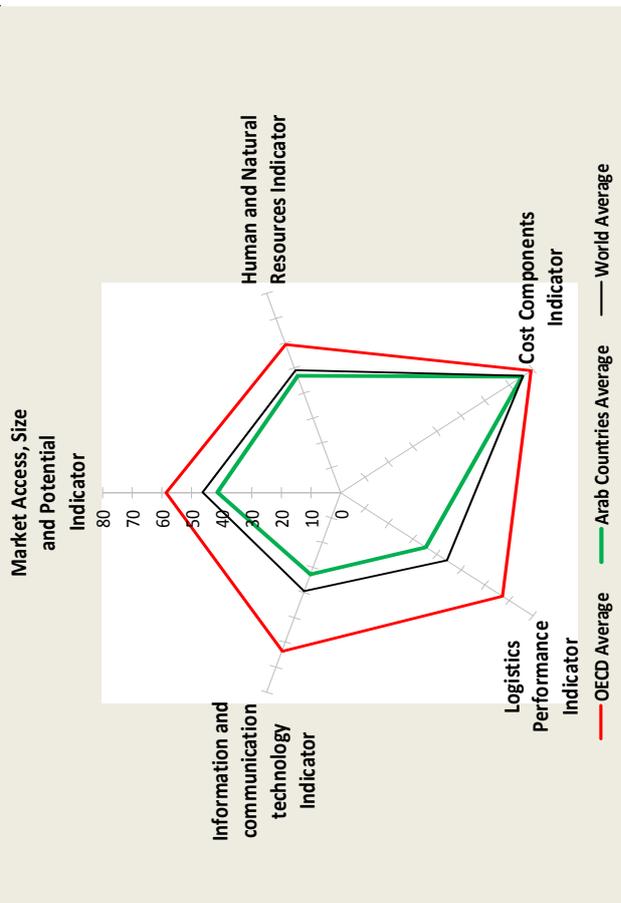
Information in table 8 shows the following results:

- The GCC countries registered a performance that varies between good and very good on the five sub-indicators of the set of underlying factors: market access & market potential, human & natural resources, cost components, logistics performance and telecommunication & ICT.
- Levant countries registered an average performance on the cost components and telecommunications and ICT sub-indicators.
- Maghreb countries registered a very poor performance on the cost components sub-indicator and a poor performance on all other indicators.
- In comparison with 2015, the performance of GCC countries improved while the performance of other groups slightly declined.

**Table 7: Regional Performance in Underlying Factors
(Average Value & Average Ranking) 2016**

Rank	Geographical Group	Average value		Average Ranking 2016	Value Change for 2015	
		2015	2016		Value	Perc. %
1	OECD	64.4	65.6	21	1.22	1.89
2	East Asia & Pacific	53.6	55.2	46	1.60	3.00
3	Europe & Central Asia	53.1	54.9	44	1.75	3.30
4	Arab Countries	46.1	46.3	65	0.2	0.5
5	Latin America & Caribbean	43.8	43.9	71	0.07	0.16
6	South Asia	38.7	39.0	83	0.34	0.88
7	Africa	35.6	36.2	90	0.68	1.91

Source : Arab Investment and Export Credit Guarantee Corporation (Dhahran)

Figure 6: Arab, World and OECD Performances in Underlying Factors

Table 8: Arab Groups' Performance in Underlying Factors 2016

Rank	Group	Average Value		Market Access, Size and Potential Indicator		Human and Natural Resources Indicator		Cost Components Indicator		Logistics Performance Indicator		Information and communication technology Indicator						
		2015	2016	Average Value	Value Change for 2014	Average value	Value Change for 2014	Average value	Value Change for 2014	Average value	Value Change for 2014	Average value	Value Change for 2014					
1	GCC states	57.1	59.0	47.8	1.94	4.23	57.5	-0.81	-1.39	85.2	-5.87	-6.44	54.6	11.36	26.25	49.8	2.51	5.31
2	The Levant	45.5	45.3	40.7	1.21	3.06	45.6	-3.54	-7.20	74.6	-6.42	-7.92	34.0	6.02	21.53	31.7	1.93	6.51
3	The Maghreb states	41.8	41.6	38.2	0.85	2.27	44.9	-1.38	-2.98	66.4	-5.59	-7.77	31.5	5.06	19.14	26.9	0.00	0.00
4	Low FDI Performance countries	33.2	31.6	34.7	1.81	5.52	32.9	-3.92	-10.67	67.3	-8.32	-11.00	10.7	2.39	28.83	12.6	0.27	2.19
	Arab Average	46.1	46.3	41.4			46.7			75.2			35.4			32.8		
	World Average	50.1	51.0	46.3			49.0			75.8			44.2			39.5		

Performance: ● Very good ● Good ● Average ● Weak ● Very weak

Source : Arab Investment and Export Credit Guarantee Corporation (Dhahran)

1-4 Set of Positive Externalities

The set of positive externalities includes the different factors that enhance a country's assets for its integration with the global economy, its possession of technological advancement potential as well as other factors that distinguish it from other states. It includes two out of the eleven sub-indicators: agglomeration economies and excellence & technological advancement.

Performance on the regional level:

Globally, Arab countries claimed the fourth place among seven geographic groups with an average of 23.4 points on the set of positive externalities for FDI attractiveness for the year 2016, and with an average ranking within the group of 69 countries. OECD countries came in the first place with an average of 40.5 points and average ranking of 22, followed by East Asia and the Pacific countries in the second place, European and Central Asian countries in the third place, while Latin American and Caribbean countries came in the fourth place, South Asian countries in the fifth place and finally African countries in the sixth place.

The performance of Arab countries improved by 0.1 points, a percentage of 0.3% in comparison with 2015, similarly to South Asia and Africa while the performance of the remaining groups declined (see table 9 and figure 7).

Performance on the Arab level:

Arab countries registered a generally poor performance that varied between average and very poor on the positive externalities.

Data shows that GCC countries occupied the first place, with a score of 29.1 points, an average performance, in comparison with the global average of 23.4 points, whereas the Levant countries ranked second with a score of 26.3, an average performance.

Maghreb countries came in the third place with a score of 23 points, a poor performance (orange), and finally low performance countries came in the fourth place with a score of 12.9 points, a very poor performance.

Data in table 10 shows the following:

- Levant and Maghreb countries both registered a good performance (green) on the agglomeration economies indicator.
- The performance of Arab geographical groups on the excellence & technological advancement indicator varied between good and very poor.
- The GCC countries registered an average performance on the on the agglomeration economies and the excellence & technological advancement indicators.
- In comparison with 2015, the performance of all groups improved on the agglomeration economies indicator. The performance of Maghreb and low FDI performance states improved on the set of positive externalities while the performance of the remaining Arab groups declined.

**Table 9: Regional Performance in Positive Externalities Factors
(Average Value & Average Ranking) 2016**

Rank	Geographical Group	Average Value		Average Ranking 2016	Value Change for 2015	
		2015	2016		Value	Perc. %
1	OECD	42.41	40.52	21.79	-1.89	-4.45
2	East Asia & Pacific	34.35	33.84	40.56	-0.51	-1.49
3	Europe & Central Asia	31.30	30.42	42.70	-0.88	-2.82
4	Arab Countries	23.3	23.4	69	0.1	0.3
5	Latin America & Caribbean	23.47	23.16	71.00	-0.31	-1.31
6	South Asia	20.72	20.86	78.75	0.14	0.69
7	Africa	16.70	17.59	89.57	0.89	5.31

Source : Arab Investment and Export Credit Guarantee Corporation (Dhahran)

Figure 7: Positive Externalities for 2016

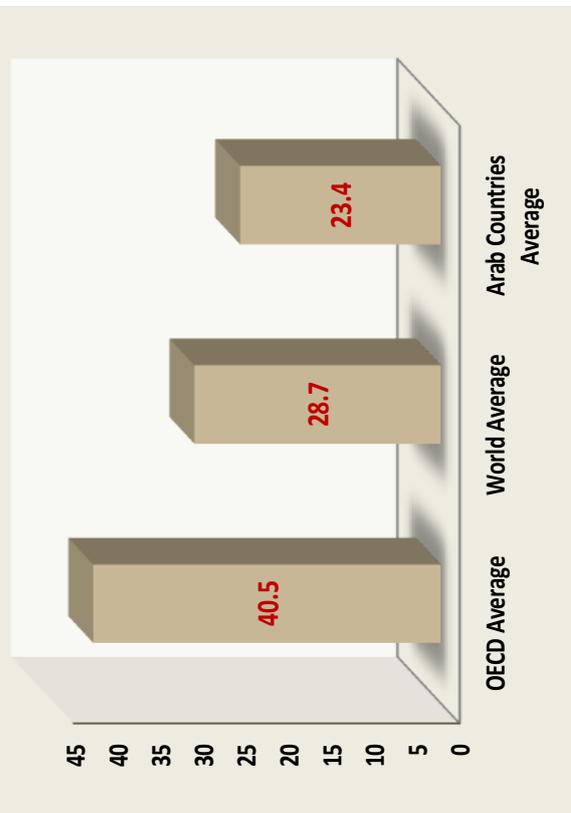


Table 10: Arab Groups' Performance in Positive Externalities Factors 2016

Rank	Group	Average Value		Agglomeration Economies		Technological environment and Differentiation			
		2015	2016	Value Change for 2015		Value Change for 2015			
		Value	Value	Value	Perc. %	Value	Perc. %		
1	GCC states	29.8	29.1	12.6	0.81	6.86	36.2	-1.38	-3.67
2	The Levant	26.5	26.3	18.3	0.13	0.73	29.8	-0.33	-1.11
3	The Maghreb states	22.2	23.0	15.6	0.06	0.36	26.2	1.07	4.26
4	Low FDI Performance countries	12.0	12.9	6.8	0.27	4.10	15.6	1.18	8.16
	Arab Average	23.3	23.4	12.8			27.9		
	World Average	29.3	28.7	15.9			34.2		

Performance: ● Very good ● Good ● Average ● Weak ● Very weak

Source : Arab Investment and Export Credit Guarantee Corporation (Dhahran)

2. Arab World's Position on Eleven Key Drivers

The general index measures the FDI attractiveness through 11 sub-indicators, each of them monitors one of the main factors that determine a country's capacity to attract capital flows, such as: macroeconomic stability, financing capacities index, institutional environment, market access & market potential, human and natural resources, cost components, logistics performance, telecommunication & ICT, agglomeration economies and innovation & differentiation.

These sub-indicators include approximately 58 variables that monitor in detail the factors that determine a country's capacity to attract investments and accurately determine its position on the attractiveness index. The details are as follows:

2.1 Macroeconomic Stability Indicator

The macroeconomic stability is one of the important factors for attracting investments. The degree of this stability is measured with seven main variables: Real GDP growth volatility, inflation rate, real effective exchange rate volatility, number of exchange rate crisis, current account deficit to GDP ratio, fiscal balance to GDP ratio and gross public debt to GDP ratio.

According to the results, the following observations can be extracted (see table 11 and figures 8 and 9):

- Arab performance on this index is the best compared to the 11 other indicators, as the Arab average of 67.8 points is close to the global average of 68.3 points.
- On the level of Arab groups, the GCC countries occupied the first place with a score of 75.9 points, a very good performance (dark green), better than the global average. The GCC countries registered the best performance (very good) on three main variables: real effective exchange rate volatility, number of exchange rate crisis, and current account deficit to GDP ratio.
- Maghreb states ranked second with a score of 71.2 points, an average performance (light green) as they registered a very good performance (dark green) on the indicator related to the GDP growth rate fluctuation and the ratio of budget surplus or deficit to the GDP.
- Levant states ranked third with a score of 61.8, a very poor performance. Their performance on the sub-variables varied between poor and very poor.
- Low FDI performance countries came in the fourth and last place on the Arab level, with a score of 57.7, a very poor performance. They registered a very poor performance on all variables except the two variables concerning the number of exchange rate crises and current account.
- In comparison with 2015, the performance of all Arab groups on the macroeconomic stability index improved by percentages ranging between 0.07 and 7.3%.

Figure 9: Arab Groups' Performance in the Macroeconomic Stability Indicator for 2015 & 2016

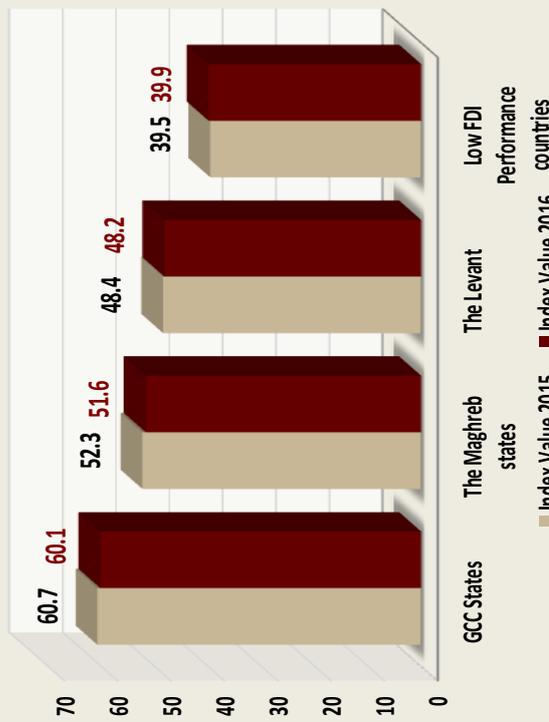


Figure 8: Arab, World and OECD Performances in the Macroeconomic Stability Indicator

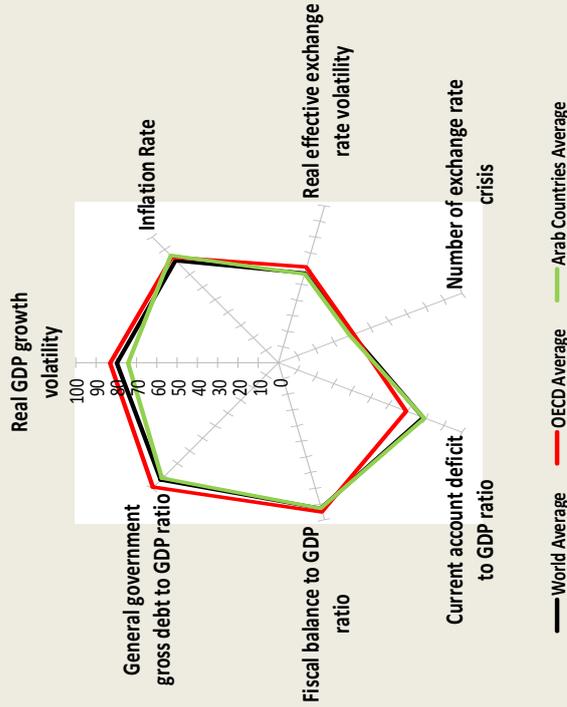


Table 11: Arab Groups' Performance in the Macroeconomic Stability Indicator 2016

Rank	Group	Real GDP growth volatility		Inflation Rate		Real effective exchange rate volatility		Number of exchange rate crisis		Current account deficit to GDP ratio		Fiscal balance to GDP ratio		General government gross debt to GDP ratio							
		Average Value 2016	Value for 2015	Value	Value for 2015	Value	Value for 2015	Value	Value for 2015	Value	Value for 2015	Value	Value for 2015	Value	Value for 2015						
1	GCC states	75.9	73.7	0.25	0.33	95.4	8.21	9.41	76.0	1.01	1.34	0.40	0.74	92.2	-0.81	-0.87	95.4	4.75	5.24	100.0	0.00
2	The Maghreb states	71.2	92.8	0.53	0.57	83.5	2.09	2.56	48.5	4.66	10.62	9.48	41.17	83.7	-0.55	-0.65	98.8	2.22	2.30	100.0	0.00
3	The Levant	61.8	82.1	-0.24	-0.29	76.8	6.15	8.71	41.7	7.51	21.97	10.04	85.10	58.1	-0.46	-0.78	93.6	9.84	11.74	89.0	-2.75
4	Low FDI Performance countries	57.7	54.3	-11.20	-17.09	76.5	11.73	18.10	44.3	5.15	13.17	5.85	21.33	73.7	-1.37	-1.82	84.2	18.13	27.44	75.3	-6.19
	Arab Average	67.8	74.0			85.0			56.5			39.0		79.6			92.9			91.8	
	World Average	68.3	79.4			81.3			56.9			39.7		78.9			93.0			92.7	

Performance: Very good (green), Good (yellow), Average (orange), Weak (red), Very weak (dark red)

Source: Arab Investment and Export Credit Guarantee Corporation (Dhahran)

2.2 Financial Intermediation and Financing Capacities Indicator

The financial intermediation and financing capacities indicator monitors the concerned economy's capacity to ensure the necessary financial factors to attract investments. It surveys three main variables: Ratio of broad money to GDP (M2 to GDP), domestic credit to private sector (% of GDP) and market capitalization of listed companies to GDP.

In this context a number of results can be extracted to clarify the performance of Arab countries in this domain (see table 12 and figures 10 and 11):

- Despite the weak global performance in this area with a modest score of 16 points out of 100 points, the Arab performance was even lower with a score of 11.6 points.
- In general, Arab countries registered a poor performance in allocating credit for the private sector, since the Arab average on the indicator is 16.9 points below the global average of 28 points (whereas the performance on variables of broad money and market capitalization was closer to global averages).
- On the level of Arab groups, only the Levant States subgroup achieved a good performance, occupying the first place with a score of 17.4 points, above the global average of 16 points.
- GCC countries claimed the second place with a score of 14.3, an average performance, followed by Maghreb states in the third place with a score of 11.5 points, also an average performance.
- Finally, low FDI performance countries came in the fourth place with a score of 3.1, a very poor performance.
- On the level of the indicator's main variables, it is noted that among Arab groups, Levant states ranked best on the financial liquidity represented by the ratio of broad money to GDP (M2 to GDP). The financial markets' performance and their capacity to finance investments, represented by the market capitalization of listed companies to GDP, stood out in the Levant and the GCC states. As for the domestic credit to private sector (% of GDP) variable, none of the Arab groups registered a good performance, as all the groups registered an average performance except the low-performance states that registered a very poor performance.
- In comparison with 2015, the performance of all Arab geographic groups declined, with the exception of GCC countries, as they registered a decline in the three sub-variables constituting the financial intermediation and financing capacities indicator.

Figure 11: Arab Groups' Performance in the Financial Structure Indicator for 2015 & 2016

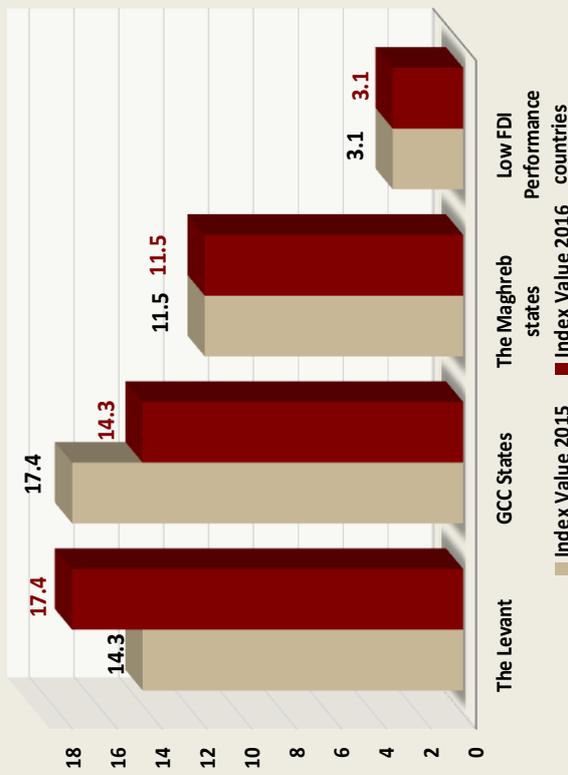


Figure 10: Arab, World and OECD Performances in the Financial Structure Indicator

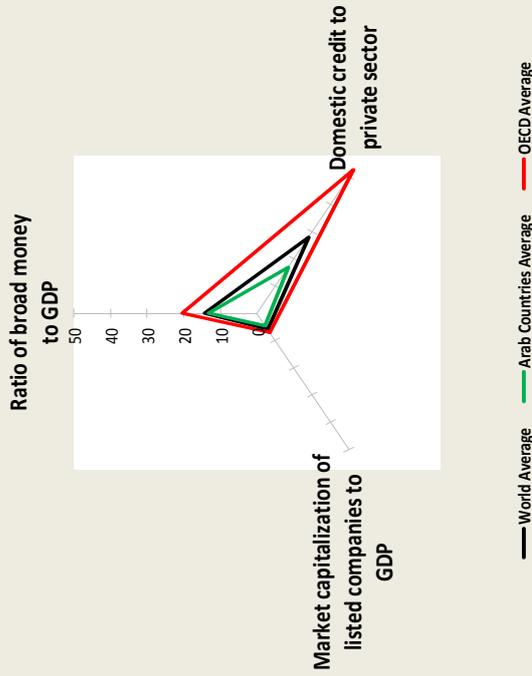


Table 12: Arab Groups' Performance in the Financial Structure Indicator 2016

Rank	Group	Average Value 2016	Ratio of broad money to GDP		Domestic credit to private sector		Market capitalization of listed companies to GDP				
			Value	Perc. %	Value	Perc. %	Value	Perc. %			
									Value Change for 2015	Value Change for 2015	Value Change for 2015
1	The Levant	17.4	24.5	-7.27	-22.86	21.8	-1.10	5.9	-4.81	-1.6	-21.7
2	GCC states	14.3	13.7	0.28	2.12	22.7	2.80	6.6	14.11	-1.3	-16.3
3	The Maghreb states	11.5	12.5	-3.92	-23.91	18.3	-0.86	3.8	-4.48	-0.7	-14.9
4	Low FDI Performance countries	3.1	5.1	-0.72	-12.37	3.3	-0.33	1.0	-8.93	0.0	0.0
	Arab Average	11.6	13.3			16.9		4.5			
	World Average	16.0	14.3			28.0		5.7			

Performance: ● Very good ● Good ● Average ● Weak ● Very weak
 Source : Arab Investment and Export Credit Guarantee Corporation (Dhahran)

2.3 Institutional Environment Indicator

The institutional and organizational situation clearly affects the investment climate, especially laws and legislations and their implementation, continuity, endurance and consistence with the international trade laws as well as the monetary and financial policies.

Legal and institutional structural reform inspires confidence to the foreign investor during the assessment of the investment's targeted geographical choices. The eventual risks and costs decrease in the presence of clear laws and targeted investment climate work strategies, which also allows to minimize the doubts that the foreign investor might face concerning regulatory or legal obstacles that might affect the continuity and course of the investment process.

Based on this principle, the institutional climate in the host country is one of the main factors that influence the state's attractiveness to investment. This is confirmed by previous experiences in the world, and is considered by financial and development institutions as one of the main challenges that the Arab spring countries will face, with regards to stabilizing and restoring foreign investors' trust.

In this context, a large set of relevant variables or sub-indicators were monitored, especially those that survey the performance of states in domains that include some variables such as voice and accountability, political stability and absence of violence, government effectiveness, regulatory quality, control of corruption and rule of law.

According to findings in table 13 and figures 12 and 13, the performance of Arab states was very moderate on the institutional environment, as they registered an average score of 36.1 points in comparison with the global average 51.4 points, with large discrepancies among the surveyed Arab groups in the indicator.

On the level of Arab groups, GCC states came in the first place with a score of 52.9 points, an average performance, followed by Maghreb states in the second place with a score of 36.4 points, a poor performance (orange). Levant states (yellow) came in the third place with a score of 34.1 points, a poor performance (orange), and finally low FDI performance countries occupied the fourth and last place with a score of 14.6 points, a very poor performance (red).

What is remarkable is GCC states' good performance on the variables of government effectiveness, rule of law and control of corruption, while the performance of the other geographical groups on all indicators varied between average and very poor.

In comparison with 2015, the performance of Levant countries on the variable of institutional environment declined while that of the remaining Arab groups improved on the present indicator.

Figure 13: Arab Groups' Performance in the Institutional Environment Indicator for 2015 & 2016

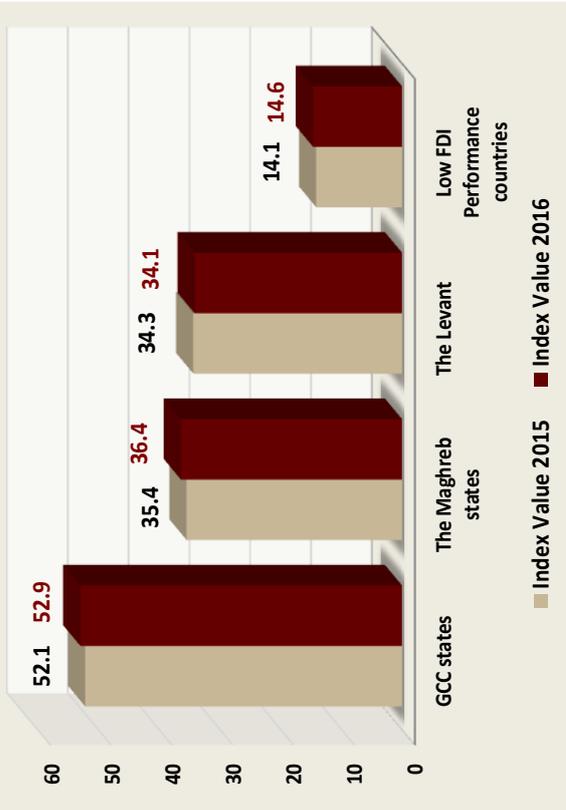


Figure 12: Arab, World and OECD Performances in the Institutional Environment Indicator

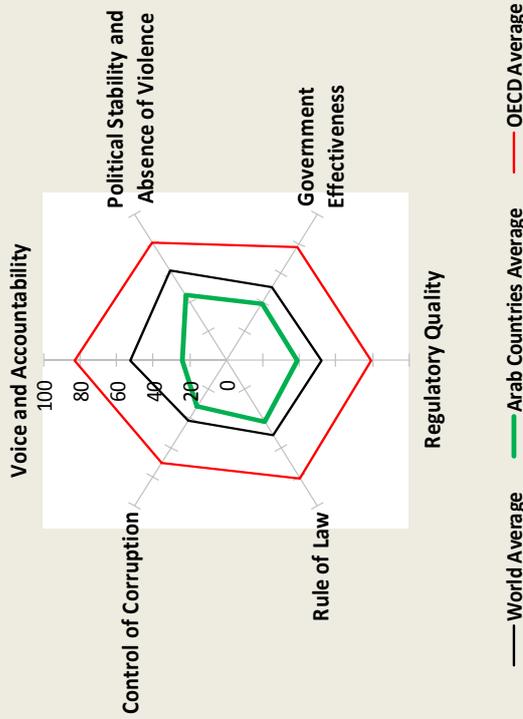


Table 13: Arab Groups' Performance in the Institutional Environment Indicator 2016

Rank	Group	Average Value 2016		Voice and Accountability		Political Stability and Absence of Violence		Government Effectiveness		Regulatory Quality		Rule of Law		Control of Corruption										
		Value	Perc. %	Value	Perc. %	Value	Perc. %	Value	Perc. %	Value	Perc. %	Value	Perc. %	Value	Perc. %									
1	GCC states	52.9	20.3	20.3	-1.17	-5.46	69.4	1.52	-2.14	58.1	4.83	9.08	0.06	0.04	57.25	0.00	61.4	0.02	0.03	51.02	2.58	5.32		
2	The Maghreb states	36.4	35.7	35.7	1.04	2.99	43.7	3.14	-6.70	38.8	3.45	9.75	0.73	2.43	30.91	0.00	38.6	1.39	3.73	30.54	2.14	7.55		
3	The Levant	34.1	31.0	31.0	-0.73	-2.29	33.1	3.27	-8.99	34.4	2.90	9.19	-2.29	-5.49	39.39	0.00	39.9	0.44	1.13	26.83	1.68	6.68		
4	Low FDI Performance countries	14.6	15.3	15.3	-0.52	-3.28	16.7	2.66	-13.73	13.2	3.32	33.77	1.47	9.07	17.68	0.00	16.9	2.26	15.44	8.18	-0.67	-7.58		
	Arab Average	36.7	23.9	23.9		44.6		38.8		39.1		42.0		51.2		31.9		41.3						
	World Average	51.4	52.7	52.7		61.4		50.0		52.0		51.2		41.3		41.3		51.2		41.3				

Performance: ● Very good ● Good ● Average ● Weak ● Very weak
 Source : Arab Investment and Export Credit Guarantee Corporation (Dhman)

2-4 Business Environment Indicator

Business environment is one of the factors that determine a country's attractiveness to investment in general and FDI in particular. Therefore, a sub-indicator that monitors this factor was included in the FDI general indicator in order to measure the situation of business environment according to seven main chosen variables: starting a business, dealing with construction permits, registering property, access to electricity, access to credit, investors' protection and contracts execution.

It should be noted that the method and way of measuring the two components: investors' protection and contracts execution was changed by the World Bank without issuing statements of previous years and therefore no comparison was made with the past years.

It is also noteworthy that the business environment indicator that is included in the FDI general indicator is inherently different from the general business environment indicator that is published on a yearly basis by the World Bank, although both indicators use the same data source. Therefore, it is natural and expected that their results are different on the international and Arab level especially with regard to the position and classification of the world and the region's states.

In the context of the analysis of the indicator's results, a set of main observations can be extracted (see table 14 and figures 14 and 15):

- The performance of Arab countries was generally medium, as the Arab average score was 64 points compared to a global average of 68.1 points.
- Arab countries registered a performance better than the global average on the variables of dealing with construction permits, registering property, getting electricity and executing contracts, while their performance was close the global average on the variable related to starting a business and below the global average on the variables related to obtaining credit and investor's' protection.
- GCC countries occupied the first place on the Arab level with a score of 70.2 points, a medium performance, followed by Maghreb states in the second place with a score of 62.25 points, a poor performance, while Levant countries ranked third with 59.69 points, a poor performance.
- Low FDI performance states ranked fourth with a narrow difference and a poor performance.
- GCC countries registered a good performance in dealing with construction permits, registering property, getting electricity and executing contracts. Similarly, low FDI performance countries registered an outstanding performance on the variables related to registering property and getting electricity.
- The indicator reveals the urge for GCC countries to undertake reforms in the variables related to starting a business and obtaining credit and the necessity for the remaining countries to undertake reforms in the variables related to protecting investors, starting a business and obtaining credit.
- In comparison with 2015, all Arab groups witnessed an improvement in performance on the business environment indicator, especially the low FDI performance countries that registered the greatest improvement amounting to 5.26%.

Figure 15: Arab Groups' Performance in the Business Environment Indicator For 2015 & 2016

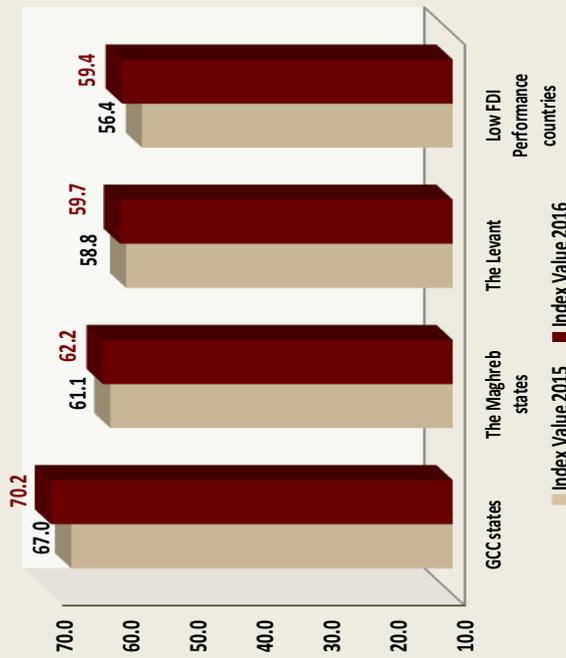


Figure 14: Arab, World and OECD Performances in the Business Environment Indicator

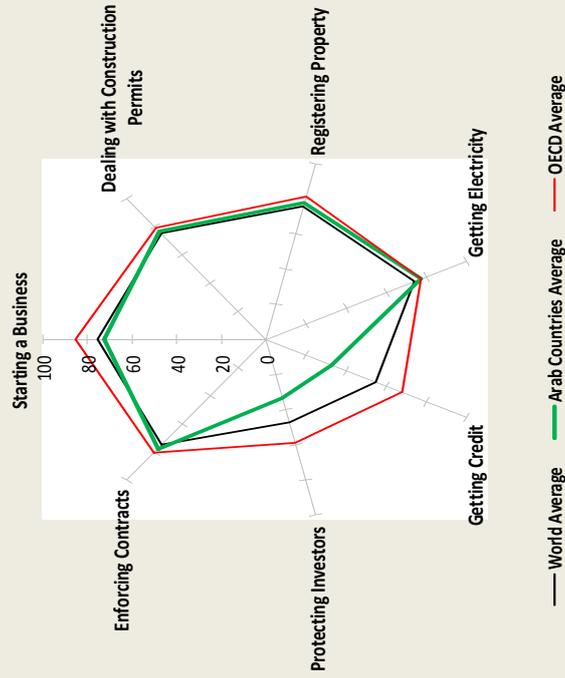


Table 14: Arab Groups' Performance in the Business Environment Indicator 2016

Rank	Group	Average Value 2016		Starting a Business		Dealing with Construction Permits		Registering Property		Getting Electricity		Getting Credit		* Protecting Investors	* Enforcing Contracts
		Value	Perc. %	Value	Value Change for 2015	Value	Value Change for 2015	Value	Value Change for 2015	Value	Value Change for 2015	Value	Value Change for 2015		
1	GCC states	70.2	72.7	81.3	0.02	0.03	85.0	1.30	1.56	78.0	0.06	0.07	47.4	0.00	81.1
4	The Maghreb states	62.2	71.7	75.7	-0.21	-0.28	72.1	4.32	6.38	76.8	0.19	0.25	31.9	0.00	79.9
2	The Levant	59.7	78.6	68.8	-0.41	-0.60	67.2	-0.66	-0.98	72.8	0.00	0.00	35.4	0.00	68.4
3	Low FDI Performance countries	59.4	68.8	75.4	-0.53	-0.70	78.0	-0.13	-0.16	80.3	0.14	0.18	10.3	3.09	77.9
	Arab Average	64.0	72.7	76.4			77.5			77.4			33.0		77.7
	World Average	68.1	75.5	75.2			75.5			73.8			54.8		47.3

Performance: ● Very good ● Good ● Average ● Weak ● Very weak
 Source : Arab Investment and Export Credit Guarantee Corporation (Dhahran)
 * Data for 2015 is not available from the source due to the methodology change of index calculation

2.5 Market Size, Potential and Ease of Access Indicator

Studies and practice show that market size, potential and ease of access are the main factors of FDI attractiveness. This indicator was designed in order to survey these factors through 6 decisive variables: real per capita domestic demand, domestic demand volatility, trade performance index, trade to GDP ratio, applied tariff and openness to the outside world index.

According to table 15 and figures 16 and 17 that monitor the performance of Arab countries on this indicator and its main six variables, the following can be observed:

- Arab states were close to the global average on the market access, size and potential indicator with an average score of 41.4 points in comparison with the global average of 46.3 points.
- Arab states scored higher than the global average on the variables of trade to GDP ratio, while they ranked below the global average on the variables of real per capita domestic demand, trade performance, applied tariff and openness to the outside world indices.
- On the Arab level, GCC countries occupied the first place with an average performance and a score of 47.8 points.
- Levant states ranked second with a score of 40.7 points, a medium performance, followed by Maghreb states in the third place with a poor performance, and finally low FDI performance countries came in the fourth place with a very poor performance.
- On the level of the indicator's variables, table 15 shows that GCC countries registered a good performance on the real per capita domestic demand variable, as well as on the indicators related to the commercial performance and the trade to GDP ratio.
- The performance of Arab groups varied between average and very poor on the other variables.
- The indicator reveals the dire need for Maghreb States to undertake urgent reforms on the applied tariff index and for low FDI performance countries to do the same for the indices of applying tariff and openness to the outside world.
- In comparison with 2015, all Arab groups witnessed a decline in their performance on the present indicator except for the GCC States.

Figure 17: Arab Groups' Performance in the Market Size and Accessibility Indicator For 2015 & 2016

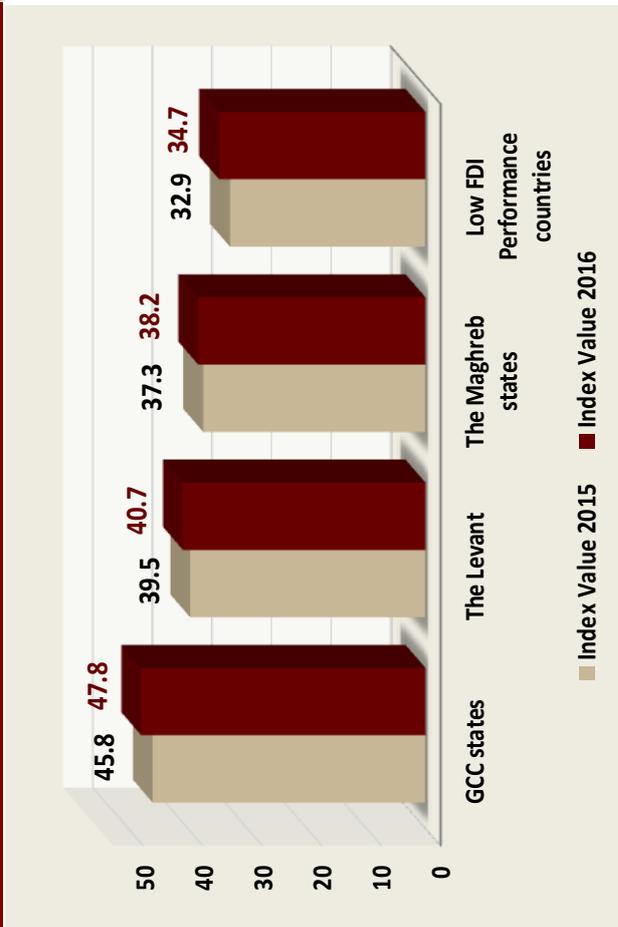


Figure 16: Arab, World and OECD Performances in the Market Size and Accessibility Indicator

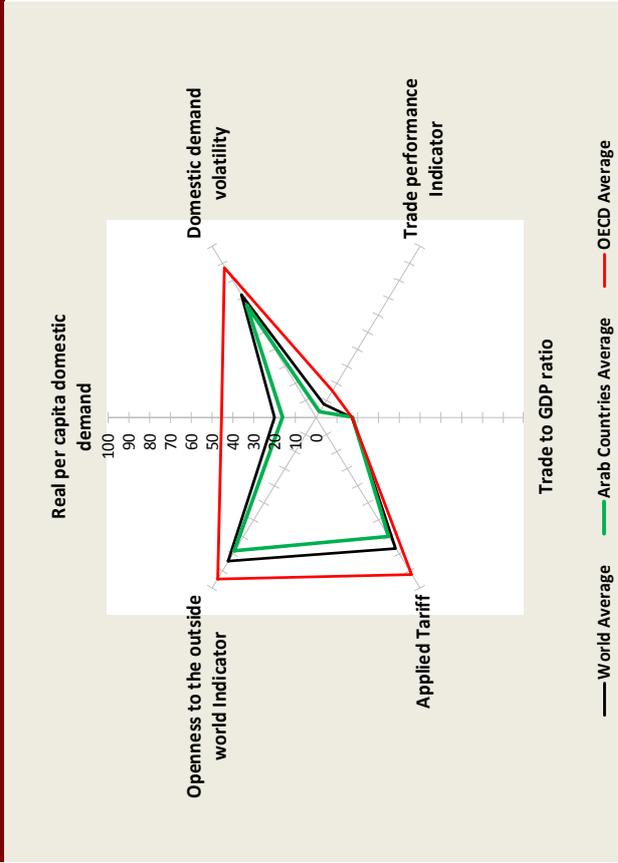


Table 15: Arab Groups' Performance in the Market Size and Accessibility Indicator 2016

Rank	Group	Average Value 2016		Real per capita domestic demand		Domestic demand volatility		Trade performance Indicator		Trade to GDP ratio		Applied Tariff		Openness to the outside world Indicator					
		Value	Per. %	Value	Per. %	Value	Per. %	Value	Per. %	Value	Per. %	Value	Per. %	Value	Per. %				
1	GCC states	47.8	34.8	0.48	1.40	59.1	10.03	20.42	4.6	0.19	4.21	22.6	-0.37	-1.61	83.5	1.53	1.86	81.9	-0.23
2	The Levant	40.7	6.6	-0.15	-2.16	71.2	4.84	7.29	2.5	0.03	1.24	16.2	-1.88	-10.39	66.8	3.43	5.40	81.1	0.98
3	The Maghreb states	38.2	5.9	0.09	1.49	68.4	3.50	5.38	2.7	0.03	1.06	14.6	-0.46	-3.05	59.2	2.41	4.25	78.2	-0.49
4	Low FDI Performance countries	34.7	2.3	0.01	0.43	70.7	-0.25	-0.35	1.9	0.03	1.57	13.6	-0.09	-0.69	56.1	0.96	1.75	70.0	9.43
	Arab Average	41.4	16.0			66.0			3.2			17.7			69.8			78.1	
	World Average	46.3	19.9			71.7			8.0			17.3			76.7			84.3	

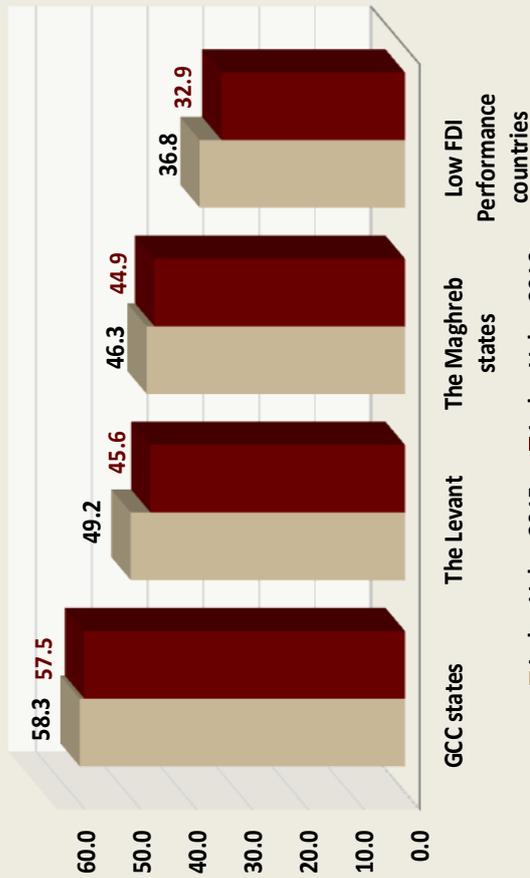
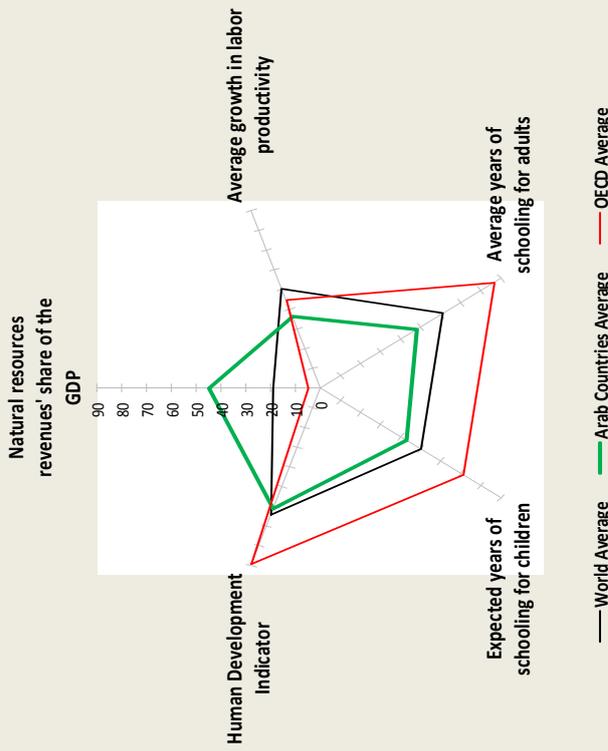
Performance: ● Very good ● Good ● Average ● Weak ● Very weak
 Source : Arab Investment and Export Credit Guarantee Corporation (Dhahran)

2.6 Human & Natural Resources Indicator

Human and natural resources are considered a traditional component of FDI attractiveness around the world. In fact, there are many investment patterns in the world that target natural resources and give priority to the availability of qualified and trained human resources in the investment targeted country. In this context, a human & natural resources indicator was included and that measures these factors through six quantitative and qualitative variables: Natural resources revenues' share of the GDP, average growth in labor productivity, average years of schooling for adults, expected years of schooling for children and Human Development Index (HDI).

In this context, a number of results can be extracted, shown in table 16 and figures 18 and 19, and that illustrate the performance of Arab countries:

- The Arab performance on this indicator was close to the global one, with an average score of 46.7 points in comparison with the global average 49.
- The Arab performance was better than the global average on the variable of natural resources revenues' share of the GDP, as the Arab average of 45.1 points exceeds the global average of 18.9, which is more than the double. This is due to the presence of oil in GCC countries, Libya, Algeria, and other mineral resources in Mauritania, Yemen and Sudan.
- Arab performance was close to the global performance on human development indicator, while it was clearly lower than the global level on the work productivity and slightly lower than the global average on the rest of the variables.
- On the Arab level, GCC countries came in the first place with a score of 57.5 points.
- Levant states came second with a score of 45.6 points and Maghreb countries ranked third with a score of 44.9 points, a poor performance below the global average.
- Finally low FDI performance countries came in the fourth place with a score of 32.9 points, a very poor performance.
- The indicator reveals the need for GCC countries to undertake reforms on the growth in labor productivity index and for low FDI performance countries to do the same for all sub-indicators, except for the share of natural resources revenues from the GDP.
- In comparison with 2015, the performance of all Arab groups decreased on the human and natural resources index.

Figure 19: Arab Groups' Performance in the Human and Natural Resources Indicator For 2015 & 2016

Figure 18: Arab, World and OECD Performances in the Human and Natural Resources Indicator

Table 16: Arab Groups' Performance in the Human and Natural Resources Indicator 2016

Rank	Group	Average Value 2016	Natural resources revenues share of the GDP		Average growth in labor productivity		Average years of schooling for adults		Expected years of schooling for children		Human Development Indicator			
			Value	Value Change for 2015	Value	Value Change for 2015	Value	Value Change for 2015	Value	Value Change for 2015	Value	Value Change for 2015		
1	GCC states	57.5	66.4	0.50	0.76	22.3	-14.93	10.03	19.09	56.1	-5.17	80.3	4.88	6.47
2	The Levant	45.6	10.0	0.47	4.89	44.6	-5.56	4.53	8.44	50.4	-12.90	65.3	4.53	7.45
3	The Maghreb states	44.9	22.5	0.13	0.58	52.4	0.00	0.84	2.01	48.8	-6.46	58.5	3.59	6.54
4	Low FDI Performance countr	32.9	63.3	5.92	10.31	38.6	1.04	1.34	6.17	13.6	-27.59	31.7	6.21	24.35
	Arab Average	46.7	45.1			36.2		48.1		43.1		61.3		
	World Average	49.0	18.9			50.5		61.2		50.2		64.1		

Performance: ● Very good ● Good ● Average ● Weak ● Very weak
 Source : Arab Investment and Export Credit Guarantee Corporation (Dhaman)

2-7 Cost Components Indicator

The decision about investing in a country is based on the economic feasibility study that depends mainly on calculations of the cost and return, which makes the production cost of any investment project and the cost differences between countries a decisive factor in attracting FDI. There are large discrepancies in the world on this level. This indicator measures cost components through four variables: Labor tax and contributions (% of commercial profits), total tax rate (% of commercial profits), time to prepare and pay taxes (hours) and average cost to export and import (the way of measuring this variable was changed from US\$ per standard container to the export cost based on documented obligations).

After analyzing the relative situation of Arab countries on this indicator, the following results can be extracted (see table 17 and figures 20 and 21):

- Arab performance on this index was almost equal to the global average, with a score of 75.2 points in comparison with the global average 75.8 points.
- On the Arab level, GCC countries occupied the first place and were the only Arab region with a very good performance, registering a score of 85.2 points.
- Levant states ranked second with a score of 81 points while Low FDI performance countries ranked third with a score of 67.3 points, and finally Maghreb states ranked fourth with a score of 66.4 points.
- GCC countries registered a very good performance on the sub-indicators of total tax rate (% of commercial profits), time to pay taxes (hours), in comparison with the global average.
- Levant states registered a good performance on the tax rate.
- In general, it is obvious that low-performing countries need to speed up decision making on reforms related to time to prepare and pay taxes, while Maghreb countries need to make a move in terms of total tax rate (% of commercial profits.)
- In comparison with 2015, the performance of all Arab groups declined on the cost components indicator, especially Levant states with a decline of 8%.

Figure 20: Arab, World and OECD Performances in the Cost Components Indicator

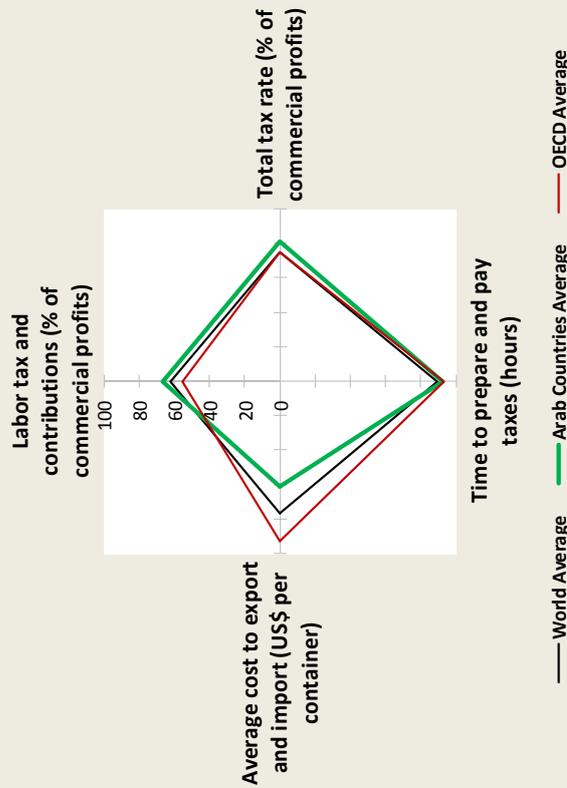


Figure 21: Arab Groups' Performance in the Cost Components Indicator for 2015 & 2016

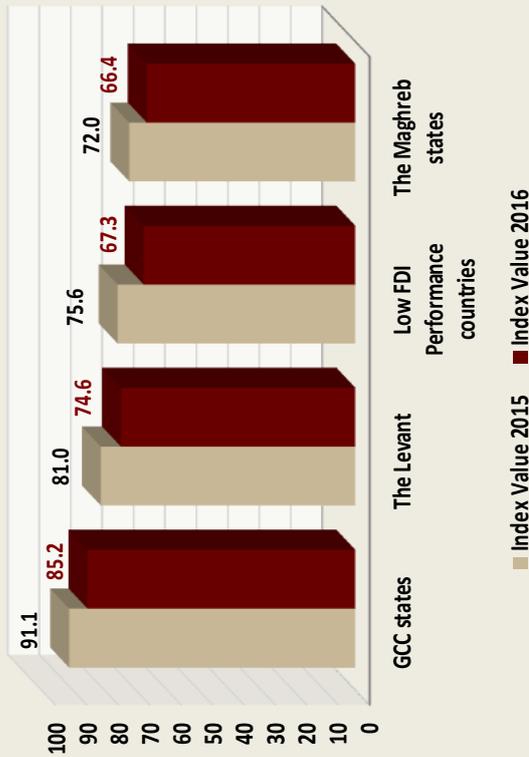


Table 17: Arab Groups' Performance in the Cost Components Indicator 2016

Rank	Group	Average Value 2016	Labor tax and contributions (% of commercial profits)		Total tax rate (of commercial profits %)		Time to prepare and pay taxes (hours)		* Average cost to export and import (US\$ per container)	
			Value	Value Change for 2015	Value	Value Change for 2015	Value	Value Change for 2015	Value	Value Change for 2015
1	GCC states	85.2	75.8	-0.04	96.9	0.13	98.3	-0.03	69.90	-0.03
2	The Levant	74.6	60.9	0.47	81.1	1.38	91.2	-0.01	65.11	-0.01
4	Low FDI Performance countries	67.3	68.7	-0.89	73.1	1.45	86.5	-0.12	41.02	-0.14
3	The Maghreb states	66.4	49.9	-0.21	58.9	3.90	90.3	0.37	66.39	0.41
	Arab Average	75.2	66.4		80.9		92.5		61.1	
	World Average	75.8	62.5		74.7		89.4		76.8	

Performance: ● Very good ● Good ● Average ● Weak ● Very weak
 Source : Arab Investment and Export Credit Guarantee Corporation (Dhahran)
 * Data for 2015 is not available from the source due to the methodology change of index calculation

2-8 Logistics Performance Indicator

Infrastructure and utilities quality, especially in transport and logistics services, is an urgent necessity for economic development and FDI attractiveness, as it is decisive in starting all sorts of investment projects and increasing the host country's competitiveness.

According to the available data on the countries included in the report, the logistic performance is measured through eight sub-indicators: customs efficiency and border clearance performance, trade and transport infrastructure performance, air shipping performance, logistics quality and competence, tracking and tracing performance, timeliness, road density (km of road per 100 sq. km of land area) and air transport index.

An analysis of the Arab countries' situation on this index (see table 18 and figures 22 and 23) allows us to extract the following results:

- The Arab performance on this indicator was lower than the already low global average, with a score of 35.4 points in comparison with the global average of 44.2 points.
- The Arab performance was lower than the global average on all variables, except for air transport where Arab countries recorded a performance better than the global one.
- On the level of Arab groups, the GCC countries came in the first place and were the only Arab region with a good performance, with a score of 54.6 points.
- Levant countries ranked second with a score of 34 points, followed by the Maghreb states with a score of 31.5 points, an average performance. Low FDI performance states came in the fourth and last place with a score of 10.7 points, a very poor performance.
- The GCC countries registered an outstanding performance on all sub-variables and all Arab groups registered contrasting performances ranging between good and poor on the various variables, except for the low FDI performance countries that recorded a very poor performance on most of the variables.
- The indicator shows that low FDI performance countries must urgently implement reforms covering all the indicator's variables.
- In comparison with 2015, the performance of all Arab groups improved greatly, especially that of low FDI performance countries.

2-9 Information and Communication Technology Indicator

Information and communication technology has become a main factor of the growth and development of all service and production services in any economy. Therefore they have become important and influential factors on the FDI attractiveness.

According to the available data on the countries included in the report, the present indicator was measured through four main variables: Telephone lines (per 100 people), internet users (per 100 people), mobile cellular subscriptions (per 100 people) and broadband internet subscribers.

An analysis of the Arab countries' situation on this indicator (see table 19 and figures 24 and 25) allows us to extract the following results:

- The Arab performance was lower than the already low global performance, with an average score of 32.8 points compared to the global average of 39.5 points.
- Arab performance was higher than the global average on the air transportation variable and close to the global average on the variables related to roads density and infrastructure efficiency in transportation and trade.
- Arab performance was close to the global average on the variables of broadband internet subscribers, and was even above the global average on the mobile cellular subscriptions (per 100 people).
- On the Arab level, GCC countries came in the first place and were the only region that registered a good performance with a score of 49.8 points.
- Levant states ranked second with a score of 31.7 points, an average performance, followed by Maghreb countries with a score of 26.9 points, a poor performance. Low FDI performance countries came in the fourth and last place with a score of 12.6 points, a very poor performance.
- GCC countries registered a very good performance on most of the variables, while the performance of Levant and Maghreb states varied between good and poor on all variables.
- Data reveals the necessity for low FDI performance countries to improve their status on all variables.
- In comparison with 2015, the performance of all Arab groups, especially Levant and GCC countries, improved on the present indicator by 6.5 and 5.3% respectively.

Figure 25: Arab Groups' Performance in the Information and Communication Technology Indicator for 2015 & 2016

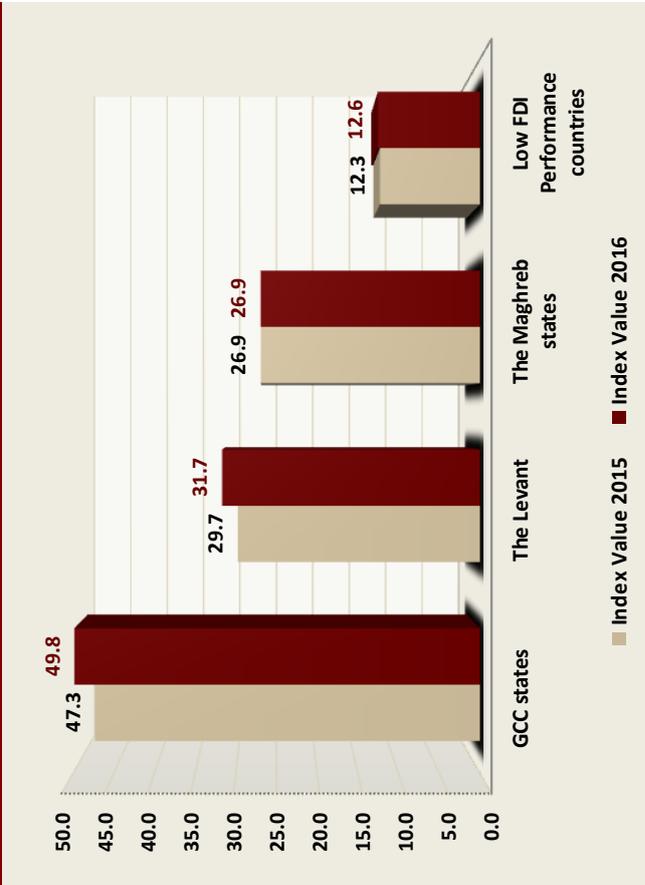


Figure 24: Arab, World and OECD Performances in the Information and Communication Technology Indicator

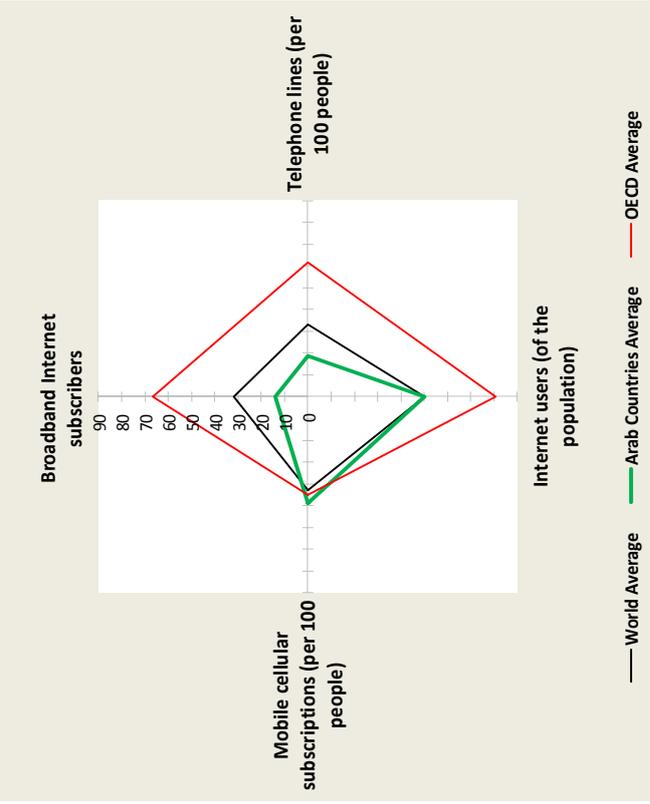


Table 19: Arab Groups' Performance in the Information and Communication Technology Indicator 2016

Rank	Group	Average Value 2016	Broadband Internet subscribers		Telephone lines (per 100 people)		Internet users (per 100 people)		Mobile cellular subscriptions (per 100 people)				
			Value	Value Change for 2015	Value	Value Change for 2015	Value	Value Change for 2015	Value	Value Change for 2015			
1	GCC states	49.8	22.2	3.56	19.11	28.4	-0.08	80.1	5.01	6.67	68.4	1.55	2.32
2	The Levant	31.7	17.5	4.29	32.53	18.6	-0.77	47.8	3.68	8.33	42.7	0.54	1.28
3	The Maghreb states	26.9	9.4	0.25	2.71	15.0	-1.12	40.0	1.81	4.73	43.3	-0.93	-2.10
4	Low FDI Performance countries	12.6	1.8	0.17	10.81	6.1	-0.08	14.5	1.74	13.61	27.8	-0.75	-2.63
	Arab Average	32.8	13.8			18.5		50.1			48.8		
	World Average	39.5	31.9			33.3		50.1			42.8		

Performance: ● Very good ● Good ● Average ● Weak ● Very weak
 Source : Arab Investment and Export Credit Guarantee Corporation (Dhhaman)

2-10 Agglomeration Economies Indicator

A country's ability to attract FDI varies according to the nature of its foreign relations and its links with multinationals in the world, as the latter play an important role in the FDI movement in the world. In this context, economies of agglomeration indicator was included, based on three main variables: Number of multinationals from 24 OECD countries, inward FDI stock share to world inward FDI stock and total number of BITs accumulated to the considered year.

According to the findings in table 20 and figures 26 and 27 that survey the performance of Arab countries on this indicator and its three variables, we conclude the following:

- Arab performance was lower than the already low global performance, with an average of 12.8 points, compared to the global average of 15.9 points.
- The performance of Arab countries was better than the global average on the total number of BITs accumulated to the considered year, with an average of 34.2 BITs for each of the 16 Arab countries covered by the report, contrasted with about 32.3 BITs on average on the world level.
- On the Arab level, Levant states came in the first place with a very good performance of 18.3 points, followed by Maghreb countries also with a very good performance of 15.6 points.
- GCC countries ranked third with a score of 12.6 points, also a very good performance, followed by low FDI performance countries in the fourth and last place with a score of 6.8 points, a very poor performance.
- The data reveals the need for low FDI performance countries to improve their attractiveness to multinational corporations. The same applies to Levant and GCC countries but to a lesser extent.
- In comparison with 2015, the performance of all geographic groups improved on this indicator and GCC countries registered the greatest improvement amounting to around 7% in the 2016 report.

Figure 27: Arab Groups' Performance in the Agglomeration Economies Indicator for 2015 & 2016

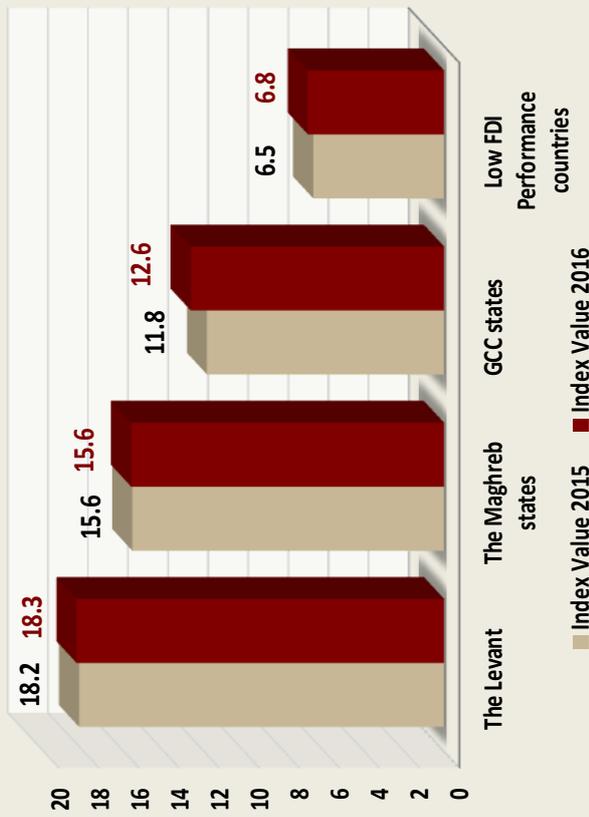


Figure 26: Arab, World and OECD Performances in the Agglomeration Economies Indicator

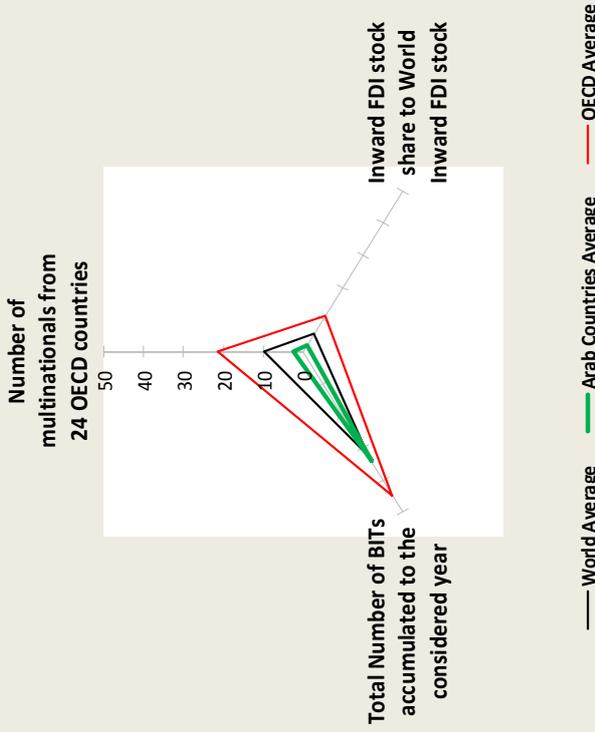


Table 20: Arab Groups' Performance in the Agglomeration Economies Indicator 2016

Rank	Group	Average Value 2016	Number of multinationals from OECD countries 24		Inward FDI stock share to World Inward FDI stock		Total Number of BITS accumulated to the considered year				
			Value	Value Change for 2015	Value	Value Change for 2015	Value	Value Change for 2015			
1	The Levant	18.3	2.0	0.06	3.28	2.2	-0.09	-4.08	50.9	0.43	0.85
2	The Maghreb states	15.6	4.0	0.02	0.53	1.7	-0.07	-3.98	41.1	0.22	0.54
3	GCC states	12.6	2.4	0.16	6.99	2.4	-0.12	-4.66	33.1	2.40	7.79
4	Low FDI Performance countries	6.8	1.1	0.04	3.73	1.3	0.00	-0.07	18.1	0.76	4.42
	Arab Average	12.81	2.29			1.95			34.18		
	World Average	15.90	9.88			5.49			32.34		

Performance: ● Very good ● Good ● Average ● Weak ● Very weak

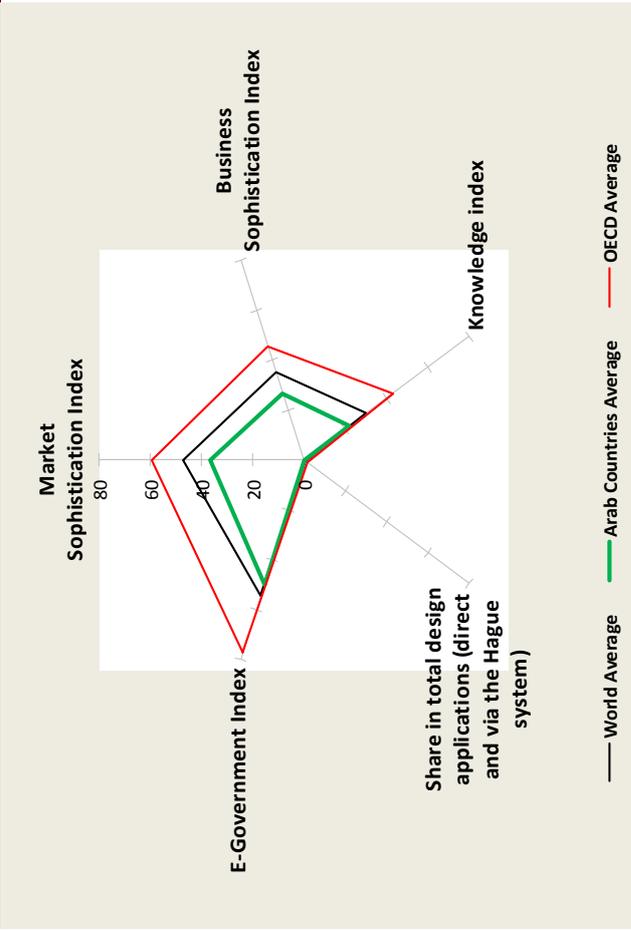
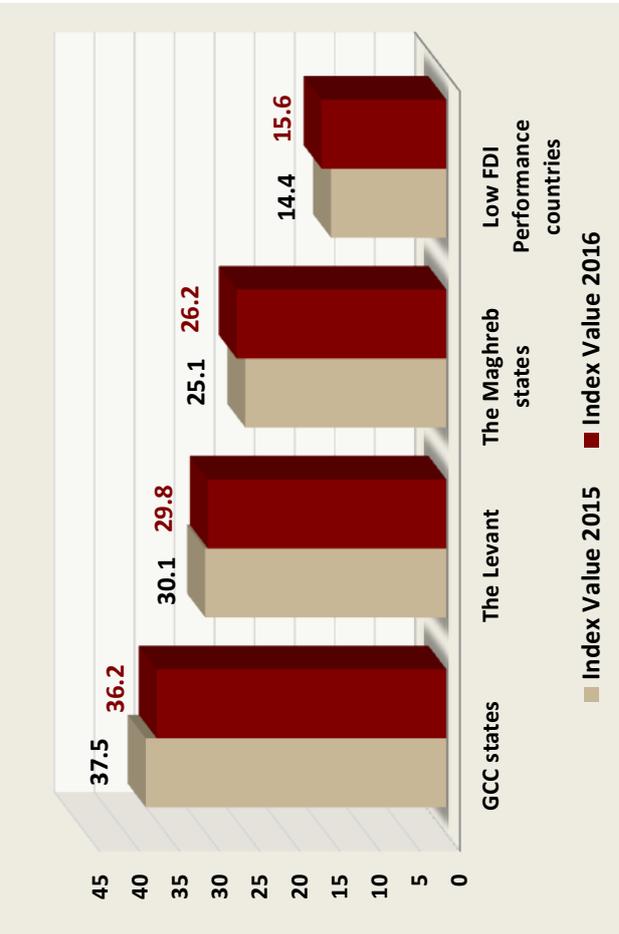
Source : Arab Investment and Export Credit Guarantee Corporation (Dhahran)

2-11 Differentiation and Technological Progress Indicator

Excellence and technological advancement play an important role in attracting multinationals seeking strategic foundations that would allow them to achieve competitiveness and use product diversity and excellence as a tool to maximize profit. It is known that this type of investment has an expansive influence on world trade, with regards to both production and consumption. Therefore, the excellence and technological advancement indicator was tailored, and it includes five main variables: Market sophistication indicator, business sophistication indicator, knowledge indicator, share in total design requests (direct and via the Hague system) and e-Government indicator.

According to the findings in table 21 and figures 28 and 29 that survey the performance of Arab countries on this indicator and its five main variables, we conclude the following:

- The average Arab performance on this indicator was significantly lower than the already low global average, with an average score of 28 points, compared to the global average 35.7 points.
- The performance of Arab countries was lower than the global average on a big number of variables, except for the e-Government indicator.
- On the Arab level, GCC countries came in the first place and were the only region to register a good performance with a score of 36.2 points.
- Levant states came in the second place with a score of 29.8 points, a poor performance, while Levant countries ranked third with a score of 26.20 points, a poor performance. Maghreb countries also registered a poor performance with 26.2 points and last, low FDI performance countries came in the last place with a score of 15.6 points, a very poor performance.
- By observing the main variables composing the indicator, it is noticeable that GCC countries outperformed other countries in terms of e-Government, while the performance of Maghreb countries declined on the business sophistication indicator and that of low FDI performance countries also declined on all the main variables of the present indicator.
- In comparison with 2015, the performance of GCC and Levant states declined on this indicator by 9.13.7 and 1.1% respectively, while the performance of Maghreb and low FDI performance states improved.

Figure 28: Arab, World and OECD Performances in the Differentiation and Technological Environment Indicator

Figure 29: Arab Groups' Performance in the Differentiation and Technological Environment Indicator for 2015 & 2016

Table 21: Arab Groups' Performance in the Differentiation and Technological Environment Indicator 2016

Rank	Group	Average Value 2016	Market Sophistication Index			Business Sophistication Index			Knowledge index			Share in total design applications (direct and via the Hague system)			E-Government Index		
			Value Change for 2015		Value	Value Change for 2015		Value	Value Change for 2015		Value	Value Change for 2015		Value	Value Change for 2015		
			Value	Perc. %		Value	Perc. %		Value	Perc. %		Value	Perc. %		Value	Perc. %	
1	GCC states	36.2	45.9	1.23	2.76	31.98	-11.55	-26.54	22.90	-8.87	-27.93	0.02	0.00	12.44	68.38	0.75	1.11
2	The Levant	29.8	39.1	4.31	12.40	32.33	-3.82	-10.56	22.70	-8.06	-26.20	0.03	-0.01	-17.20	50.93	2.09	4.27
3	The Maghreb states	26.2	39.0	5.68	17.06	22.77	-1.81	-7.38	22.10	-3.54	-13.80	0.03	-0.01	-16.66	45.19	3.21	7.65
4	Low FDI Performance countries	15.6	18.8	0.59	3.25	17.25	2.02	13.23	19.54	2.68	15.88	0.001	-0.001	-55.74	25.90	3.21	14.13
	Arab Average	27.9	36.5			26.64			22.03			0.02			50.14		
	World Average	34.2	47.2			35.16			30.28			0.86			54.40		

Performance: ● Very good ● Good ● Average ● Weak ● Very weak
 Source : Arab Investment and Export Credit Guarantee Corporation (Dhahran)

3. Arab FDI Attractiveness Gap and Balance

3.1 FDI Attractiveness Gap in Arab Countries

The attractiveness gap refers to the disparity between a given country or geographic region and another country or geographic region of reference in terms of prerequisites availability, possession of underlying factors and positive externalities needed to attract FDIs. The term "gap" may also express the difference between the expected performance of a certain country in terms of FDI attractiveness and its actual performance; in this case we talk about a performance gap.

Based on this principle, the attractiveness gap expresses the challenge that the state or geographical group faces in order to improve its competitiveness in attracting FDIs. The gap is calculated as a percentage that measures the difference between the performance of a state or geographical group of reference and that of another state or geographical group of reference (or countries of comparison) according to the performance of the state of reference. In comparison with the OECD countries' FDI attractiveness general index, which amounted to 58.7 points, the Arab FDI attractiveness gap, whose average score reached 40.2 points, is as follows:

$$\text{Arab FDI attractiveness gap} = \frac{-40.2}{58.7} = -31.5\%$$

On the general index level, the Arab attractiveness gap amounted to 31.5% in 2016 in comparison with OECD countries as a geographic region of reference, which is close to the gap detected in 2015, which amounted to 32.2%. This gap is in turn divided into three sub-categories: the gap in terms of prerequisites, which accounted for 25.1% in 2016 against 25.2% in 2015, the gap in terms of underlying factors, which accounted for 29.4% in 2016, 1% higher than the gap of 28.4% detected last year, and the gap in terms of positive externalities, which reached 42.3% this year, i.e. a decrease of 2.7% compared to the 45% recorded in 2015. The figures clearly reveal the challenges faced by Arab economies in attracting further capital inflows.

Table 22 and figure 30 show that the gap between Arab & OECD countries in terms of FDI attractiveness is smaller than that between OECD countries and three other geographic groups, namely Africa (with the highest gap of 42.8% with the same countries of reference), South Asia (the second highest gap of 39.3%), and Latin America & the Caribbean (the third highest gap of 33.5%).

The attractiveness gap in Arab countries is 10.5% higher than that of East Asia and the Pacific, the closest group to the Arab region, with a gap of 19%. The same table shows that the position of Arab states on the set of prerequisites, the set of underlying factors and the set of positive externalities was better than the position of the three aforementioned groups. However, Arab states' performance was lower than those of Europe & Central Asia and East Asia & the Pacific.

The set of positive externalities still has the greatest gap in Arab countries compared to OECD countries with a percentage of 42.3%, followed by the set of underlying factors with 29.4% and the set of prerequisites with 25.1%.

Table 22: Regional Gap on the Overall Attractiveness in Comparison to the OECD (%)

Geographical Group	Prerequisites		Underlying Factors		Positive Externalities		DIAI	
	2015	2016	2015	2016	2015	2016	2015	2016
Africa	28.6	28.1	44.7	44.7	60.6	56.6	44.5	42.8
South Asia	32.6	29.6	39.9	40.4	51.1	48.5	40.8	39.3
Latin America & Caribbean	26.7	26.2	31.9	33.1	44.7	42.8	33.7	33.5
Arab Region	25.2	25.1	28.4	29.4	45.0	42.3	32.1	31.5
Europe & Central Asia	18.0	17.7	17.5	16.3	26.2	24.9	19.9	19.0
East Asia & Pacific	10.9	11.0	16.8	15.9	19.0	16.5	15.4	14.4

Source : Arab Investment and Export Credit Guarantee Corporation (Dhaman)

Table 23 shows the gap distribution according to the main factor and the Arab geographical groups in 2016, highlighting the depth of the gap in terms of differentiation and technological advancement between Arab & OECD countries, which varied between 28.2% at its lowest in GCC countries and 68% in low performance countries.

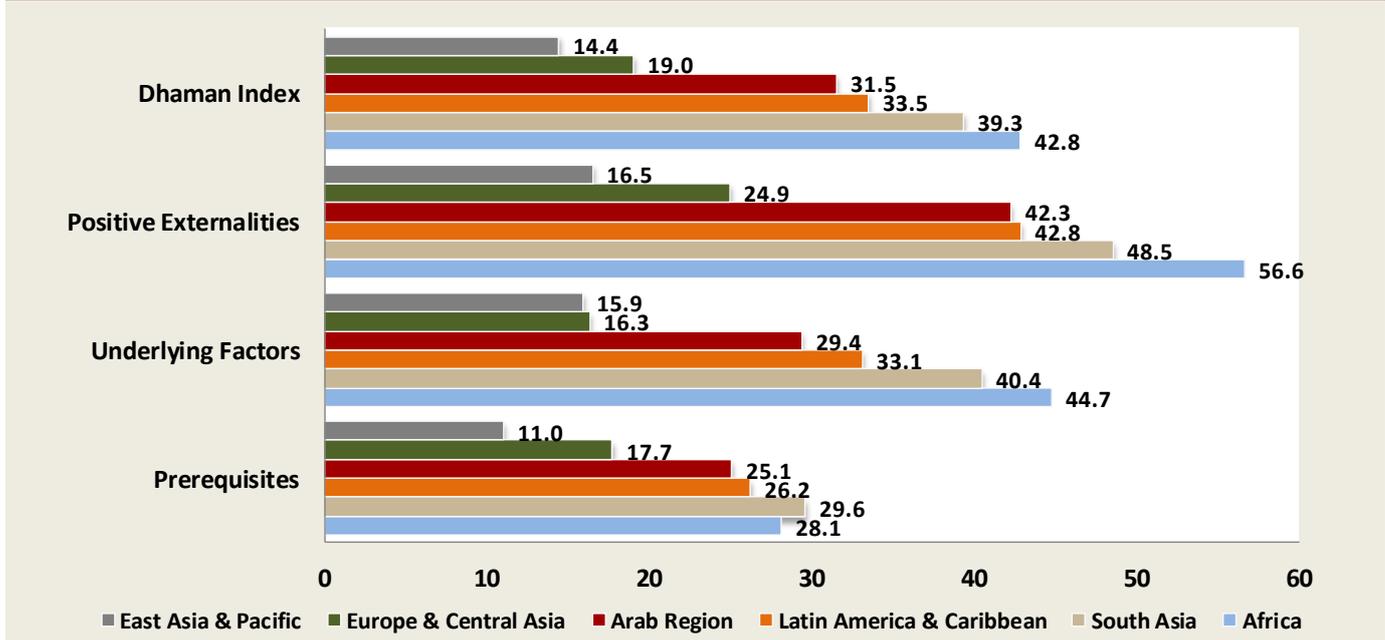
According to the findings, countries that occupy the lowest positions on the attractiveness gap should strive to develop the domains that determine their FDI attractiveness, by modernizing the foundations of their attractiveness referred to as assets, creating the missing attractiveness factors and dismissing the impeding factors referred to as liabilities. In this context, it should be recalled that a Dhaman index covers 11 components that are divided into 58 variables that measure a country's capacity to attract FDIs. The structure of the index allows determining the scope of attractiveness by relying on the concept of attractiveness balance that expresses a country's performance in terms of attracting capital flows based on the balance of assets and liabilities.

Table 23: Arab Groups' Gap on the Overall Attractiveness in Comparison to the OECD (%) 2016

Geographical Group	Prerequisites Gap	Underlying Factors Gap	Positive Externalities Gap
GCC states	12.0	10.1	28.2
The Levant	29.6	30.9	35.0
The Maghreb states	24.5	36.6	43.2
Low FDI Performance countries	41.7	51.8	68.0

Source : Arab Investment and Export Credit Guarantee Corporation (Dhaman)

Figure 30: Regional Gap on the Overall Attractiveness in Comparison to the OECD (%) 2016

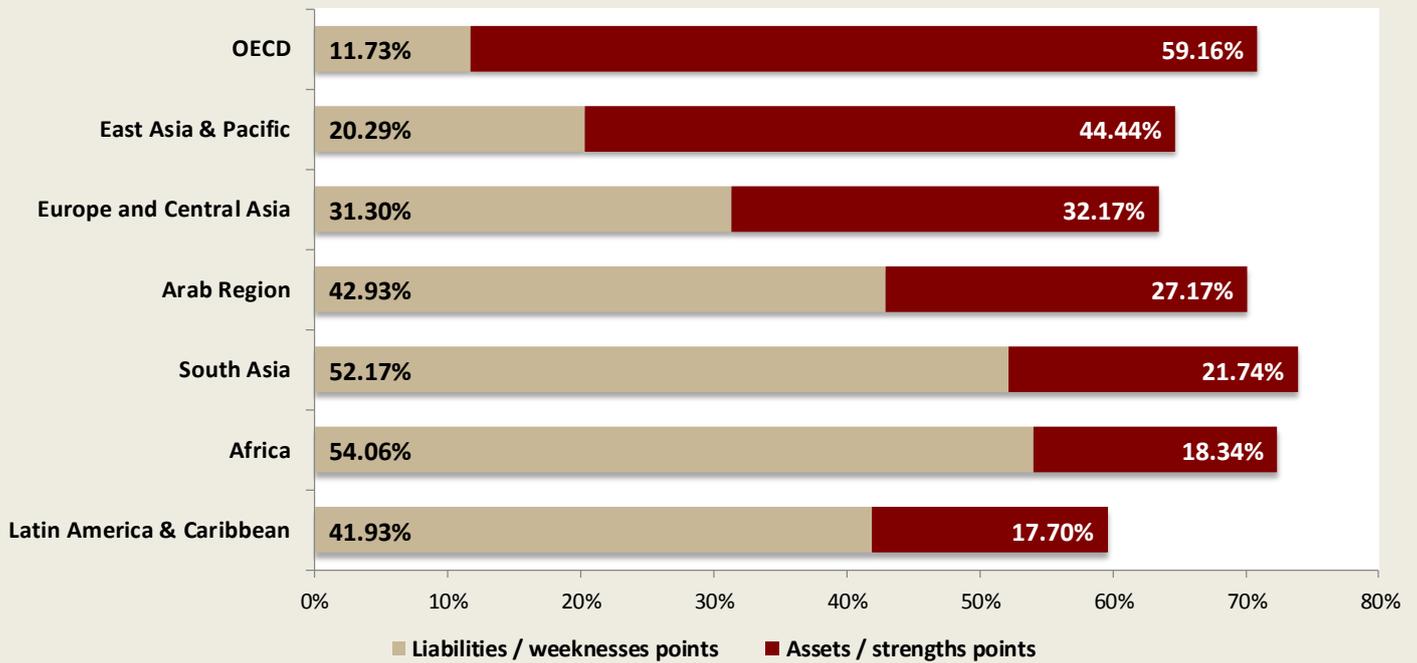


3.2 FDI Attractiveness Balance in Arab Countries

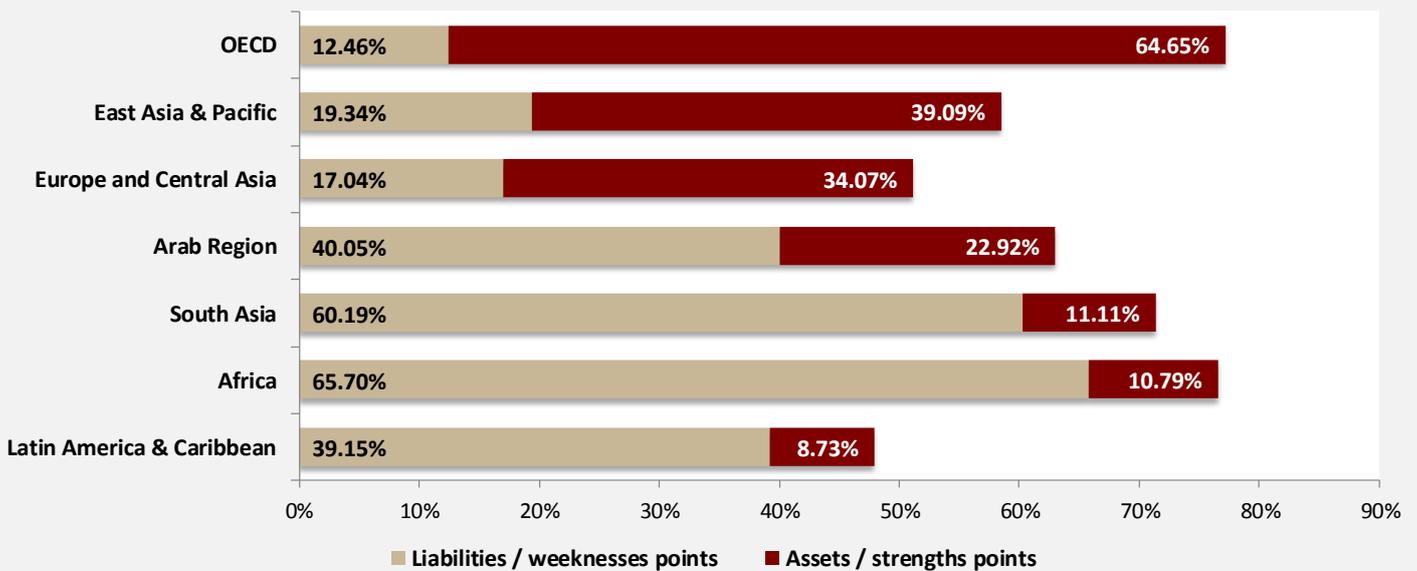
The attractiveness balance is a mechanism that helps determine the strengths and weaknesses of each country or geographic group in terms of FDI attractiveness, based on the sub-indicators or components of the general FDI attractiveness index. In this context, the performance of a given country is termed as strength if its ranking falls on the top third as for the parameter included in the attractiveness sub-index, and weakness if its ranking falls on the bottom third of the values of parameter in question. Based on the results of total scale measured by subtracting the total weaknesses from the total strengths, countries may be ranked according to this scale, which constitutes an information system that may serve as guide to reduce liabilities of weaknesses and turn them into assets or strengths.

Figures 31 to 33 show that the highest percentage of assets i.e. strengths out of the total possible points, in other words, the total points of data, which are equal to the number of countries in the geographical group multiplied by the number of the main variables, was achieved by OECD countries in the three main components of the general index, with 59.16%, 64.64% and 58.48% on the sets of prerequisites, underlying factors and differentiation & technological advancement respectively. The group of East Asia and the Pacific countries and the group of European and Central Asian countries came in the second and third place in terms of assets respectively. Results showed that the Arab weaknesses on the attractiveness balance are represented by asset percentages of 27.17%, 22.92% and 3.33% for the sets of prerequisites, underlying factors and differentiation & technological advancement.

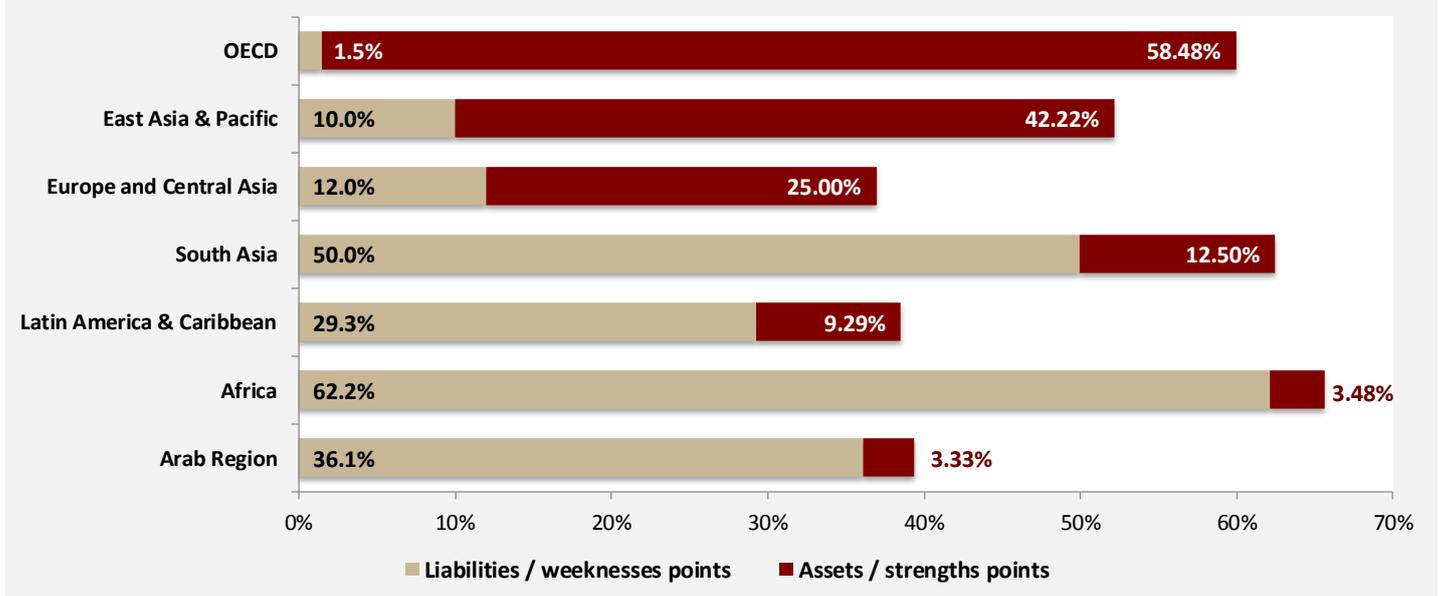
**Figure 31: Ratio of Assets & Liabilities to the total potential points
Prerequisites 2016**



**Figure 32: Ratio of Assets & Liabilities to the total potential points
Underlying Factors 2016**



**Figure 33: Ratio of Assets & Liabilities to the total potential points
Positive Externalities 2016**



The adopted methodology in the report allows us to determine accurately the most important strengths or assets and weaknesses or liabilities that are surveyed based on the analysis of the relative situation of FDI attractiveness of Arab countries. This survey has many advantages:

- Educating State authorities responsible for encouraging investment and introducing them to the country's status and its strengths and weaknesses in a competitive and sustainable way within the geography of foreign investments in the future.
- Assisting in increasing the capacity of a specific country to face international competition in attracting capital flows.
- Contributing to design investment policies that aim at empowering the concerned economy in order to have continued competitiveness.

By observing and assessing all the sub-indices included in the general FDI attractiveness index for 2016 and the previous years, it appears that the majority of Arab countries suffer from weaknesses that reside in the following areas:

- **Fluctuation of real GDP rate:** due to the continued over-dependence on oil and oil derivatives revenues in GDP in the GCC countries, Iraq, Libya, Algeria in a direct way, as well as other Arab countries associated to them through cooperation in the areas of trade, investment, employment, assistance and others, which makes growth in the majority of Arab countries linked to fluctuations in oil prices in global markets.
- **Rising inflation:** The significant increase in inflation rates in the majority of Arab countries, especially the non-oil ones is also considered a barrier to attracting foreign investors, especially that it leads to a decline in the purchasing power of money and reduces in turn the real value of foreign investment in that country, which consequently raises the level of uncertainty for investors about the value of their investments and the returns on them in the future.
- **High ratio of budget deficit to GDP:** It is one of the indirect factors impeding investment. It is clearly manifested in many non-oil Arab countries and contributes to the increase of inflation rates, creating an atmosphere of uncertainty towards the economic situation in general, especially when it coincides with social convulsions, which might exacerbate the budget deficit and its negative impact in the future.

- **Factors relating to institutional environment:** Despite the efforts that have been exerted by some Arab countries in order to develop the institutional environment, these countries are still lagging behind many other competitors in terms of FDI attractiveness, in addition to big discrepancies in this context among the region's countries, which explains the poor performance and negative situation of the attractiveness balance with regard to these factors. From here stems the urgent need for intensive institutional reforms in different forms and in various domains.
- **Components relating to business performance environment:** These factors still represent a main challenge in the Arab region, except for a limited number of countries. Therefore, the region's countries as a group were not able to achieve a positive attractiveness balance in many axes related to this domain, despite the reforms undertaken in the various variable related to the business environment, especially in the recent years.
- **Market size, potential and access:** Despite the relatively competitive position of Arab countries in general, and GCC countries specifically in this regard, a large number of countries in the region suffer from a negative balance of the openness to the outside world index.
- **Human resources or quality of human capital:** Most of the region's countries don't suffer from quantitative shortages in terms of human resources but are rather facing qualitative problems related to the level of education and skills of the labor force, which leads to lower level of productivity compared to many other countries of the world due to numerous factors, including the lack of improvement in quality of education in all its cycles, especially in the primary one. This situation confirms the negative attractiveness balance with regard to the number of average years of schooling for adults and expected years of schooling for children.
- **Relative improvement in the general index for logistics performance:** Despite the relative improvement in the general index for logistics performance, any Arab countries suffer from a negative attractiveness balance on the level of efficiency of customs clearance, trade and transport infrastructure performance, logistics quality and competence, tracking and tracing performance and road density. All of these factors have a negative impact on a country's FDI attractiveness, especially with the strong correlation between trade and investment. This is particularly true for export-oriented investments, or those relying on imported production requirements.
- **Low level of technological advancement:** Arab states have a negative attractiveness balance in terms of technological advancement and variables linked to it. This is due to low expenditures on human and technological development, and on scientific research in general. It is also a result of the lack of research and development plans and programs, which are supposed to be linked to the production and service sectors, and the growing gap between Arab countries and emerging and developed countries in this field.

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Part II: FDI Attractiveness of Arab States, Actual Performance Indicator

1. FDI in the world and in Arab Countries

1.1 FDI in the world in 2014

Inward FDI flows leapt by 38% to 1.76 trillion dollars in 2015, as a result of many factors including the huge rise in cross-border mergers and acquisitions deals by 289 billion dollars and 67%, reaching 721 billion dollars in 2015. In contrast, FDI inflows balances to the world countries settled at a slight decrease, amounting to 25 trillion dollars at the end of the year.

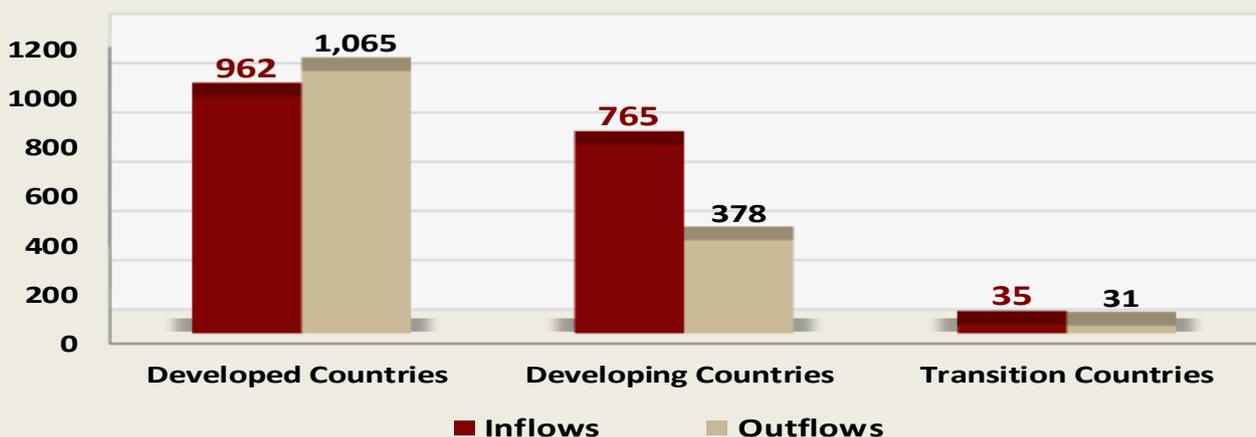
According to the latest statistics included in the 2016 World Investment Report, inward FDI flows in developing countries increased by 9.6% to 765 billion dollars. However, their share of global flows declined to less than the half compared with the past years, representing 43.4% of the global flows. Inflows to Asian countries, especially East and South-East Asia, increased by 17% on average rising to 448 billion dollars in 2015. However, inflows to Africa and Latin America & the Caribbean settled on a slight decrease at 54 and 168 billion dollars respectively.

**Table 24: Regional FDI inflows - inwards and outwards
(Billion dollars)**

Area	Inflows			Outflows		
	2013	2014	2015	2013	2014	2015
Developed Countries	680	522	962	826	801	1,065
European Union	323	306	504	320	311	576
North America	283	165	429	363	372	367
Developing Countries	662	698	765	409	446	378
Africa	52	58	54	16	15	11
Asia	431	468	541	359	398	332
East and Southeast Asia	350	383	448	312	365	293
South Asia	36	41	50	2	12	8
West Asia	46	43	42	45	20	31
Latin America and the Caribbean	176	170	168	32	31	33
Transition Countries	85	56	35	76	72	31
World	1,427	1,277	1,762	1,311	1,318	1,474

Source :UNCTAD - WIR2016

**Figure 34: Regional FDI inflows- inwards and outwards
2015 (Billion dollars)**



In contrast, developed countries were able to make a big leap in the size of inward FDI flows amounting to 84%, reaching 962 billion dollars in 2015, representing 54.6% of the global inflows. The reason behind this leap is that inflows to Northern America increased by 160% moving from 165 billion dollars in 2014 to 429 billion dollars in 2015. The leap also resulted from the increase in inward FDI flows to the European Union by 65%, rising from 306 billion dollars in 2014 to 504 billions in 2015.

As for transitional economies, they witnessed a 38% decline in inward FDI this year and went down to 35 billion dollars only, with the ongoing general downward trend in comparison with the past two years.

Regarding the activity of multinationals and their role in investment, the report observed a slight increase of 4.5% in the assets value of the branches of foreign companies in the world by 4524 billion dollars, reaching about 105.8 trillion dollars by the end of 2015, as exports rose to \$ 7.8 trillion and the workforce employed also rose to 79.5 million workers.

Return on FDI declined by 191 billion dollars, a percentage of 12%, going down to 1.4 trillion dollars in 2015. The average return on FDI also declined to 6% on investment balances for the same year.

**Table 25: FDI Indicators, Cross-border M&As and Trade
At current prices (Billion dollars)**

Indicator / Period	1990	2005-2007	2013	2014	2015
FDI inflows	207	1,418	1,427	1,277	1,762
FDI outflows	242	1,445	1,311	1,318	1,474
FDI inward stock	2,077	14,500	24,533	25,113	24,983
FDI outward stock	2,091	15,104	24,665	24,810	25,045
Income on inward FDI	75	1,025	1,526	1,595	1,404
Rate of return on inward FDI	4.4	7.3	6.5	6.7	6.0
Income on outward FDI	122	1,101	1,447	1,509	1,351
Rate of return on outward FDI	5.9	7.5	6.1	6.3	5.6
Cross-border M&As	98	729	263	432	721
Sales of foreign affiliates	5,101	20,355	31,865	34,149	36,668
Value added (product) of foreign affiliates	1,074	4,720	7,030	7,419	7,903
Total assets of foreign affiliates	4,595	40,924	95,671	101,254	105,778
Exports of foreign affiliates	1,444	4,976	7,469	7,688	7,803
Employment by foreign affiliates (thousands)	21,454	49,565	72,239	76,821	79,505

Source : UNCTAD - WIR2016

Figure 35: Regional FDI inflows Average Growth Rate 2005-2015

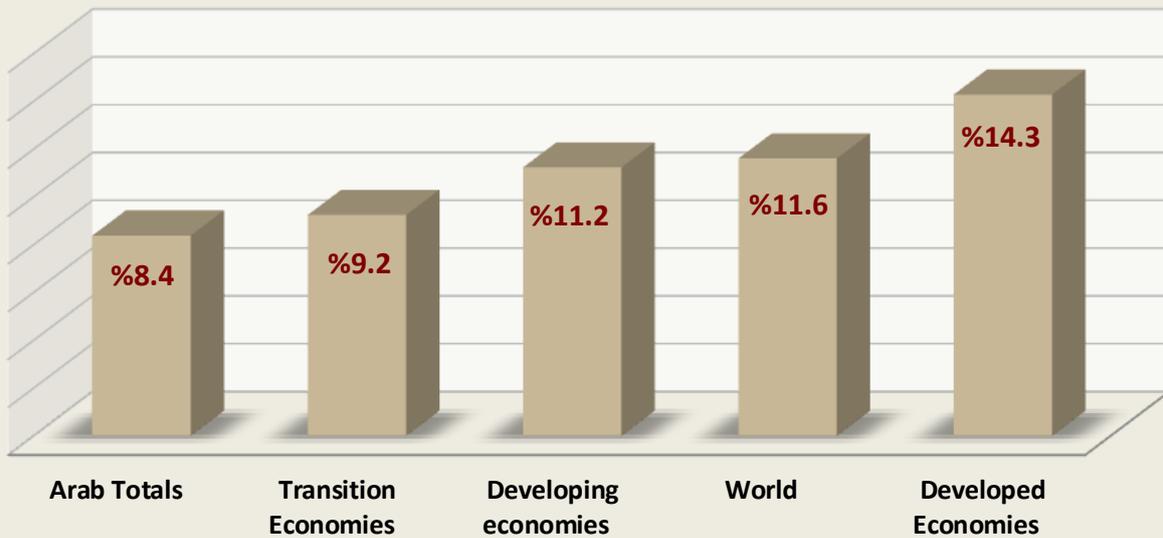
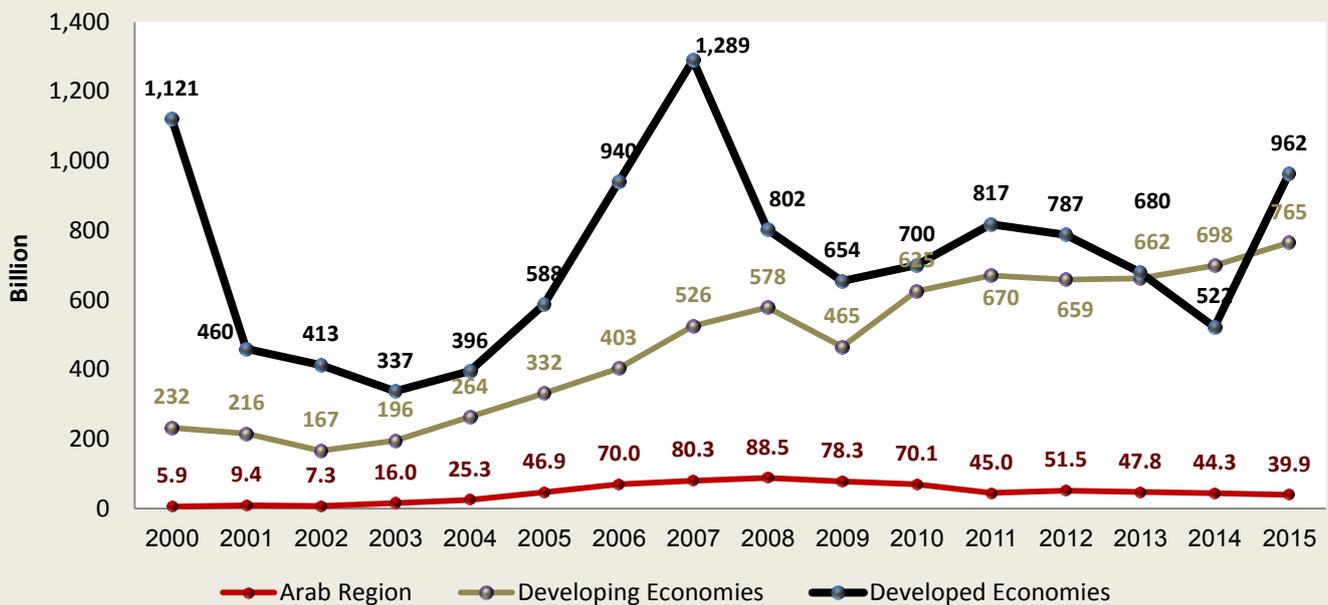


Figure 36: Geographical Distribution of Inward FDI inflows (Billion USD)



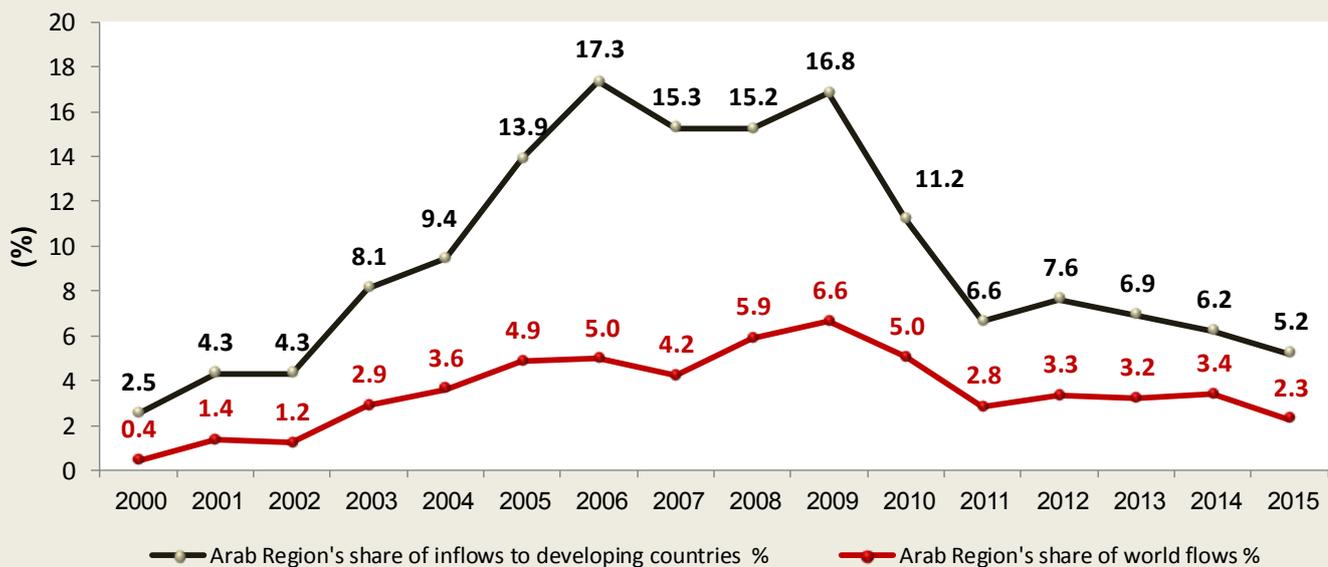
1.2 FDI in Arab Countries

1.2.1 Inward FDI flows in Arab Countries and its geographical distribution

Inward FDI flows in Arab countries witnessed a decrease of 10%, going from 44.3 billion dollars in 2014 to 40 billion dollars in 2015. The value of flows remained poor in comparison to its record level of 96.3 billion dollars in 2008.

Inward investments in Arab countries represented 2.3% of the world total amount of 1.76 trillion dollars, and 5.2% of the developing countries' total amount of 765 billion dollars. The share of Arab countries of the total world flows witnessed a fluctuation during the last period, since it increased dramatically from 0.4% in 2000 to 6.6 in 2009, which was its highest record, before it fell down again to 3.2% in 2013. Accordingly, the general average for the period from 2000 to 2015 is around 3.5% (see figure 37).

**Figure 37: Share in FDI inflows (in percentage)
(2000- 2015)**



Inward FDIs continued to be concentrated in 2015 in a limited number of Arab countries, as each of Emirates and Saudi Arabia seized more than 48% of the total inward flows of Arab countries for the third consecutive year. The U.A.E. came in the first place with around 11 billion dollars, a share of 27.5%, followed by Saudi Arabia in the second place with a value of 8.1 billion dollars, a share of 20.4%. Egypt came in the third place with a value of 6.9 billion dollars and a percentage of 17.3% of the total Arab amount, and Iraq in the fourth place with a value of 3.5 billion dollars, a share of 8.7%. Morocco came in the fifth place with a value of 3.2 billion dollars, a percentage of 7.9% (see table 26 and figure 38).



Figure 38: Inward FDI Flows in Arab Countries (Million Dollars) 2015

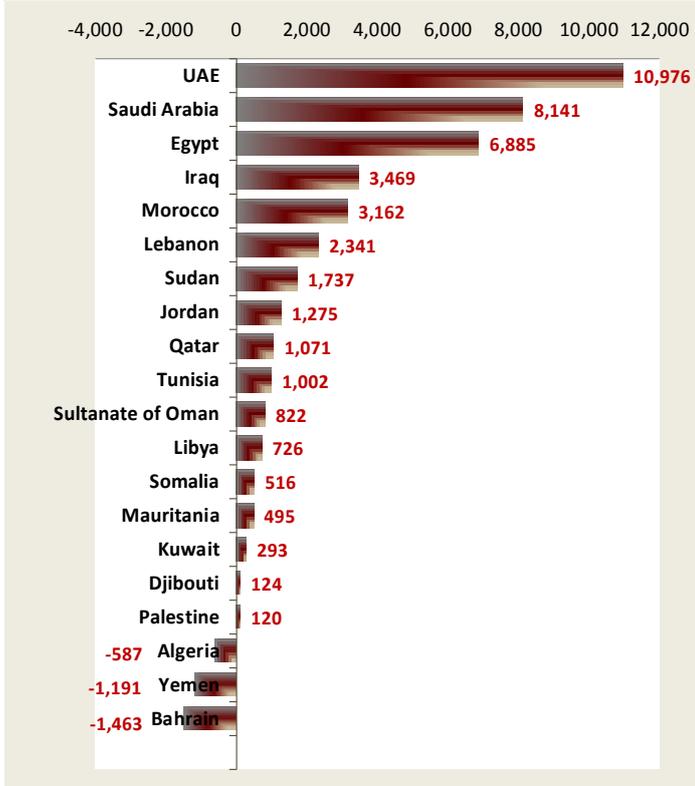


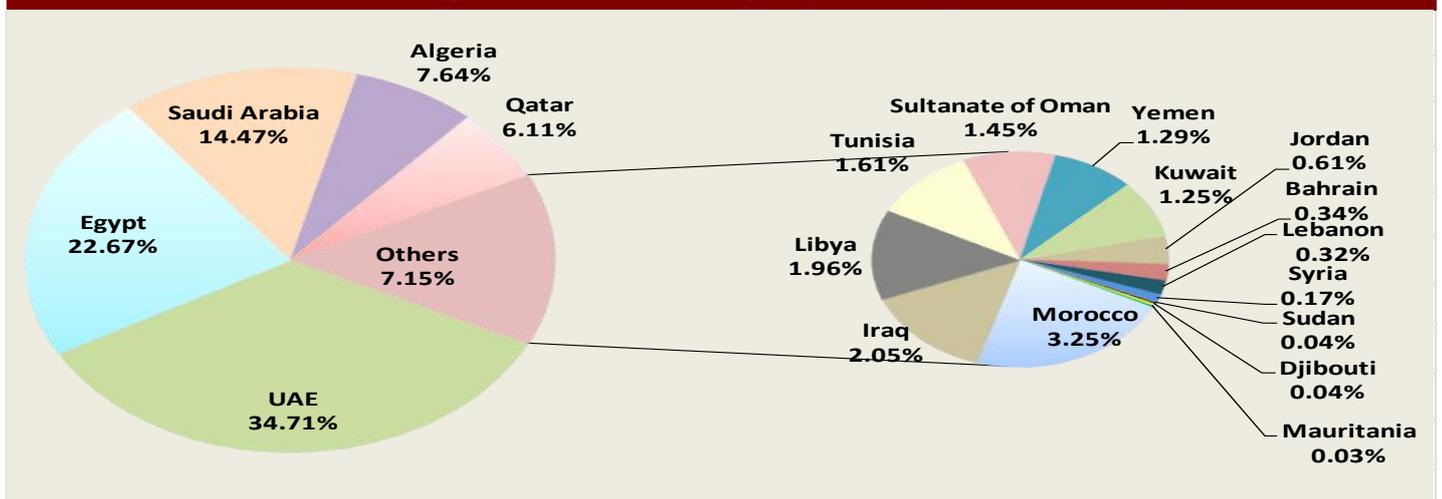
Table 26: Inward FDI Flows to Arab Countries for 2014 & 2015 (Million Dollars)

Country	2014	2015	% of Total Arab FDI inflows 2015	Value Change	Change Perc. %
UAE	10,823	10,976	27.5	152	1
Saudi Arabia	8,012	8,141	20.4	129	2
Egypt	4,612	6,885	17.3	2,273	49
Iraq	4,782	3,469	8.7	-1,313	-27
Morocco	3,561	3,162	7.9	-399	-11
Lebanon	2,906	2,341	5.9	-565	-19
Sudan	1,251	1,737	4.4	486	39
Jordan	2,009	1,275	3.2	-735	-37
Qatar	1,040	1,071	2.7	30	3
Tunisia	1,063	1,002	2.5	-61	-6
Sultanate of Oman	739	822	2.1	83	11
Libya	50	726	1.8	676	1,351
Somalia	434	516	1.3	82	19
Mauritania	500	495	1.2	-5	-1
Kuwait	953	293	0.7	-660	-69
Djibouti	153	124	0.3	-29	-19
Palestine	160	120	0.3	-40	-25
Algeria	1,507	-587	-1.5	-2,094	-139
Yemen	-1,787	-1,191	-3.0	596	33
Bahrain	1,519	-1,463	-3.7	-2,981	-196
Syria	-	-	-	-	-
Total Arab FDI Inflows	44,288	39,913	100	-4,375	-10

Source : UNCTAD - WIR2016

According to the data of inward FDIs in Arab countries, depending on the geographical distribution and the statistics of the Organization for Economic Co-operation and Development (OECD) published recently, the Corporation collected and analyzed data related to Arab countries in order to bring to light the OECD's most important countries investing in the region. The data revealed that a significant reduction in the volume of OECD countries' investments in the Arab region, dropping from 5.7 billion dollars only in 2013 to 27.7 billion dollars in 2014. The present decline followed a period during which the flows fluctuated, between 2003 and 2012, as they rose from 4.9 billion dollars in 2003, until they reached a maximum of 58.1 billion dollars in 2008 before they plunged to 10.3 billion dollars in 2009, re-climbed to 26.3 billion dollars in 2011 before declining to 22.8 billion dollars in 2012, bringing the total over the 12 years between 2003 and 2014 to some 218 billion dollars (see table 27.a).

Figure 39: Top Arab countries receiving OECD investments according to the average years (2003-2014)





The list of the most important Arab countries receiving OECD investments in 2014, which amounted to over 27.7 billion dollars, included the following in ascending order: the United Arab Emirates with investments worth 9.2 billion dollars, a share exceeding 33.2%, Egypt in the second place with 9.1 billion dollars, a share of 32.9% of the total, followed by Saudi Arabia with 4.8 billion dollars, a share of 17.3% of the total, Algeria with 2.7 billion dollars, Iraq with 2.6 billion dollars followed by the rest of the countries with a low value (see table 27.a and figure 39).

Table 27-A: Inward FDI inflows to Arab Countries from OECD countries in the period (2003-2014) \$ million (by year)

Destination Countries	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014*
Jordan	13	44	2	35	111	324	18	280	150	15	0	328
UAE	-48	1,362	784	3,021	3,081	29,135	2,130	2,523	12,665	7,205	4,564	9,223
Bahrain	89	152	-12	-39	-113	42	-363	326	468	-136	258	80
Tunisia	181	295	288	211	406	1,530	587	-214	-575	42	11	752
Algeria	698	-133	1,175	2,142	1,397	371	2,031	2,801	2,610	881	5	2,664
Djibouti	14	12	21	18	-1	-1	17	-2	-2	1	2	0
Saudi Arabia	-978	-429	1,408	1,820	2,888	3,188	4,646	3,064	4,943	5,670	570	4,752
Sultanate of Oman	398	65	34	98	90	297	49	238	193	326	0	1,371
Sudan	26	4	13	6	6	32	-5	2	2	3	0	4
Syria	178	43	-93	-386	16	189	51	203	190	52	0	-65
Somalia	0	-2	-2	0	0	0	0	0	0	-6	0	0
Iraq	53	1	15	-8	8	-231	462	100	695	775	19	2,587
Palestine	0	-2	0	0	0	0	0	0	0	1	0	0
Qatar	756	1,292	1,153	1,054	3,534	2,238	1,674	351	-1,930	2,688	11	492
Kuwait	214	20	44	39	58	-94	-25	342	617	1,182	2	329
Lebanon	98	-23	87	30	75	154	78	60	23	-32	5	136
Libya	-309	689	-625	1,273	1,156	1,646	166	-91	-299	-839	1	1,497
Egypt	1,468	1,618	2,096	3,379	3,055	16,552	-3,409	5,485	5,977	3,949	166	9,067
Morocco	2,014	222	1,410	1,496	1,330	2,639	972	1,078	427	933	68	-5,507
Mauritania	11	7	-2	-1	0	0	7	4	0	20	0	21
Yemen	75	26	83	821	208	97	1,228	28	118	114	0	5
Total	4,950	5,262	7,879	15,011	17,305	58,107	10,317	16,578	26,272	22,845	5,682	27,734

Source: OECD International Direct Investment Database Dataset: FDI financial flows by partner country BMD4

Table 27-B: Distribution of FDI inflows from OECD to Arab countries For 2014 \$ million

Source	Jordan	UAE	Bahrain	Tunisia	Algeria	Djibouti	Saudi Arabia	Sultanate of Oman	Sudan	Syria	Somalia	Iraq	Palestine	Qatar	Kuwait	Lebanon	Libya	Egypt	Morocco	Mauritania	Yemen	Total
Estonia	..	-7	0	0	0	0	0	..	0	0	0	0	0	0	0	0	0	0	..	0	0	-7
Denmark	0	-47	0	0	-203	0	27	1	2	0	0	0	-173	-1	1	0	3	-2	..	..	0	-393
Sweden	0	-47	9	9	15	0	-12	0	0	0	0	-2	0	0	2	..	0	-62	-202	0	0	-290
United Kingdom	..	..	..	..	..	..	477	..	..	..	0	..	0	..	..	..	..	3,103	-155	0	..	3,426
United State	29	3,929	-84	32	593	1	729	..	0	0	0	..	..	211	..	39	48	2,577	0	0	..	8,104
Japan	1	-216	-35	-5	-9	..	419	1	..	..	..	..	..	-41	19	..	..	39	0	..	..	173
Greece	1	-60	0	0	0	0	0	0	0	0	0	0	0	0	0	-3	0	12	0	0	0	-49
Spain	..	..	..	..	133	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	133
Italia	198	1,506	3	637	1,801	0	1,618	211	-4	55	0	58	0	-1,198	281	5	31	1,298	106	0	6	6,612
Australia	..	-150	..	..	..	..	-23	..	..	..	..	..	..	..	..	..	..	..	..	..	..	-173
Germany	92	686	-2	-18	94	0	33	38	7	-119	0	-15	0	-40	11	-36	362	-37	19	0	1	1,073
Ireland	0	48	..	0	0	0	5	0	0	..	0	0	0	0	0	0	0	..	..	0	0	53
Iceland	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Belgium	..	57	..	3	-3	..	16	..	..	0	0	0	0	24	-1	-11	0	..	-103	0	0	-19
Poland	0	62	0	0	0	0	-1	10	0	0	0	0	0	0	0	0	-10	4	13	0	0	77
Chile	0	-38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	21	0	0	0	-17
Czech Republic	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-9	0	0	0	-9
Slovak Republic	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-1	0	0	-1
Slovenia	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	0	0	0	0	4
Switzerland	..	1,174	..	3	..	..	105	..	..	..	..	..	..	..	..	..	..	42	-16	..	..	1,308
France	-46	..	..	111	1	..	1,404	232	..	..	..	..	..	206	..	142	..	157	-5,320	..	..	-3,114
Luxembourg	0	-358	-4	-1	-4	-1	207	0	0	0	0	-4	0	1	3	-13	0	-38	101	-7	-1	-121
New Zealand	..	..	0	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	0
Hungary	0	2	0	0	0	0	-1	0	0	0	0	5	0	0	0	-1	0	0	0	0	0	4
Holland	53	2,681	194	-20	244	0	-249	880	-1	-1	0	2,546	0	1,502	16	12	1,064	1,958	53	28	0	10,959
Total	328	9,223	80	752	2,664	0	4,752	1,371	4	-65	0	2,587	0	492	329	136	1,497	9,067	-5,507	21	5	27,734

Source: OECD International Direct Investment Database Dataset: FDI financial flows by partner country BMD4

1.2.2 Inward FDI balances in the Arab world

Inward FDI balances in the Arab world increased at a rate of 4.2% from 781 billion dollars in 2014 to reach 814 billion dollars in 2015. Inward balances to the Arab world represented 3.3% of the global total of 25 trillion dollars (see table 28 and figure 40).

Similarly to FDI flows, FDI balances were concentrated in a limited number of countries. UAE, KSA and Egypt accounted for more than 52.8% of the overall inward balances to the Arab world. KSA ranked first with 224 billion dollars and a stake of 27.5% of the overall inward FDI balances in the Arab world, followed by the UAE in the second place with 111 billion dollars and a share of 13.6%, Egypt in the third place with 94.3 billion dollars and a share of 11.6%, Lebanon in the fourth place with 58.6 billion dollars and a share of 7.2%, followed by Morocco in the fifth place with 48.7 billion dollars and a share of 6%.

The Organization for Economic Cooperation and Development (OECD) data showed that OECD countries have investment balances in the Arab world, which cumulative total reached more than 228 billion dollars by the end of 2014, compared with 214 billion dollars at the end of 2013, after a general upward trend from 47.4 billion dollars in 2003 to about \$ 174 billion in 2011 (see tables 29.a and 29.b).

The list of top 10 OECD countries investing in the region included respectively the United States of America in the first place with 71.2 billion dollars, a stake of 31.3%, followed by the Netherlands in the second place with investments worth 55.3 billion dollars, a stake of 24.3%, Italy in the third place with 37.6 billion dollars, a stake of 16.5%, France in the fourth place with 27.7 billion dollars, a share of 12.2% and the U.K. in the fifth place with 20 billion dollars, a share of 8.8% (see table 29.b and figure 41).

In contrast, in terms of the most important Arab countries attracting the cumulative OECD investments in the region by the end of 2014, Egypt was ranked first with 84.6 billion dollars, Saudi Arabia ranked second with 34.6 billion dollars, The U.A.E came in the third place with 20.8 billion dollars, followed by Qatar in the fourth place with 18.2 billion dollars, and Morocco in the fifth place with 18 billion dollars and Algeria in the sixth place with 17.8 billion dollars. The total balances of the six countries reached 191 billion dollars, a share of 84% of the total balances amounting to 228 billion dollars by the end of 2014 (see table 29.b and figure 39).

Figure 40: Inward FDI stock in Arab countries (Million Dollars) 2015

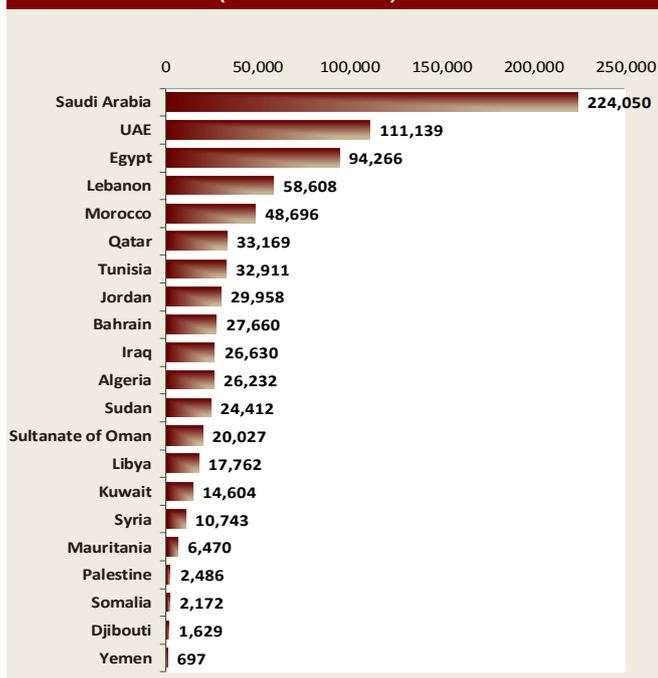


Table 28: Inward FDI stock to Arab Countries 2014 & 2015 (Million Dollars)

Country	2014	2015	% of Total Arab FDI inflows 2015	Value Change	Change Perc. %
Saudi Arabia	215,909	224,050	27.5	8,141	3.8
UAE	100,164	111,139	13.6	10,976	11.0
Egypt	87,485	94,266	11.6	6,781	7.8
Lebanon	56,267	58,608	7.2	2,341	4.2
Morocco	51,192	48,696	6.0	-2,496	-4.9
Qatar	32,098	33,169	4.1	1,071	3.3
Tunisia	31,554	32,911	4.0	1,357	4.3
Jordan	28,714	29,958	3.7	1,244	4.3
Bahrain	29,122	27,660	3.4	-1,463	-5.0
Iraq	23,161	26,630	3.3	3,469	15.0
Algeria	26,820	26,232	3.2	-587	-2.2
Sudan	22,675	24,412	3.0	1,737	7.7
Sultanate of Oman	19,205	20,027	2.5	822	4.3
Libya	17,086	17,762	2.2	676	4.0
Kuwait	15,733	14,604	1.8	-1,129	-7.2
Syria	10,743	10,743	1.3	0	0.0
Mauritania	5,975	6,470	0.8	495	8.3
Palestine	2,487	2,486	0.3	-1	0.0
Somalia	1,656	2,172	0.3	516	31.2
Djibouti	1,505	1,629	0.2	124	8.2
Yemen	1,888	697	0.1	-1,191	-
Total	781,440	814,320	100	32,880	4.2

Source :UNCTAD - WIR2016



**Table 29-A: Inward FDI stocks in Arab Countries From OECD
For the period (2003-2013) \$ million by year**

Destination Countries	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013*
Jordan	235	959	733	811	843	623	1,403	949	1,202	1,260	1,427.3
UAE	5,798	9,184	9,181	15,087	20,110	32,827	40,087	47,149	39,535	43,213	27,586.9
Bahrain	494	293	588	641	377	339	223	-123	19	582	2,431.7
Tunisia	1,487	1,527	1,369	1,912	1,913	2,745	3,226	2,860	2,771	3,322	2,661.8
Algeria	5,571	6,081	6,327	6,954	9,401	9,306	10,978	13,482	15,240	18,690	15,651.0
Djibouti	21	6	4	10	0	7	5	2	0	1	3.3
Saudi Arabia	6,182	8,311	10,550	13,512	16,410	15,707	18,923	24,849	28,735	34,264	32,999.9
Sultanate of Oman	728	492	437	810	908	1,149	1,257	1,984	2,157	1,931	5,983.6
Sudan	77	140	46	141	99	192	136	163	147	155	159.9
Syria	504	586	347	397	469	405	378	581	957	808	721.1
Somalia	83	54	47	38	2	0	0	0	0	0	0.4
Iraq	96	496	42	43	28	351	624	136	810	1,633	3,573.2
Palestine	5	1	0	1	0	0	0	0	0	1	2.4
Qatar	4,396	6,335	6,846	8,153	12,249	5,725	7,004	17,058	15,115	17,749	10,343.0
Kuwait	327	95	219	848	280	1,770	792	1,142	1,662	2,910	2,789.5
Lebanon	732	770	634	698	775	906	981	1,225	1,060	960	754.9
Libya	1,678	2,046	2,200	4,672	3,685	3,325	3,811	6,482	4,922	5,293	4,427.9
Egypt	8,155	10,256	11,514	15,243	19,594	22,747	32,811	38,302	39,420	43,999	78,568.8
Morocco	9,905	13,026	12,433	13,351	17,649	17,578	19,185	19,068	18,439	19,645	22,493.8
Mauritania	36	30	40	55	21	-3	0	18	29	23	446.0
Yemen	911	956	810	1,910	3,141	1,966	1,463	1,598	1,710	1,780	861.4
Total	47,418.9	61,646.0	64,365.4	85,288.3	107,952.9	117,667.3	143,288.0	176,923.9	173,928.9	198,218.2	213,887.8

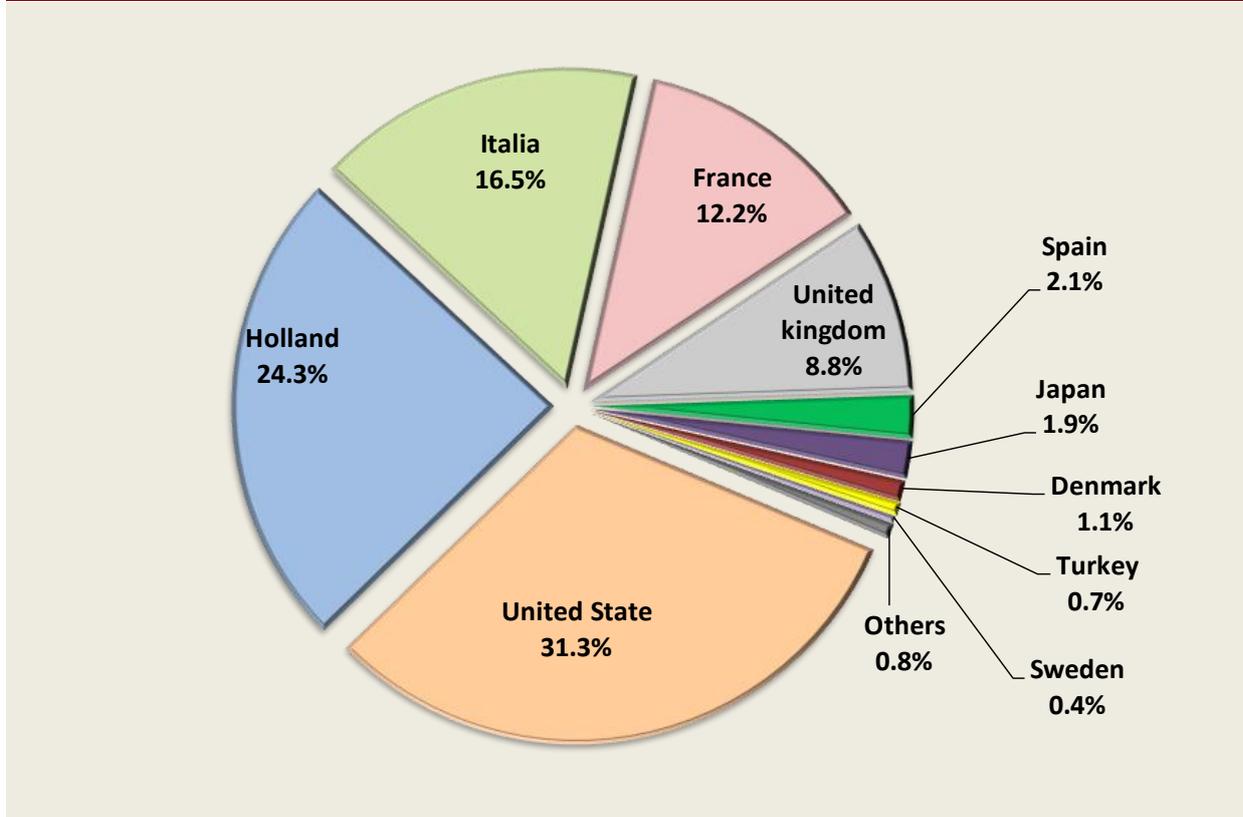
Source: OECD International Direct Investment Database, Fdi Statistics BMD3 , * Fdi Statistics BMD4

**Table 29-B: Inward FDI stocks in Arab Countries From OECD
for 2014 \$ million**

Source	Algeria	Bahrain	Djibouti	Egypt	Iraq	Jordan	Kuwait	Lebanon	Libya	Mauritania	Morocco	Sultanate of O'alestin	Qatar	Saudi Arabia	Somalia	Sudan	Syria	Tunisia	UAE	Yemen	Total	
United State	5,202.00	765.00	0.00	21,320.00	2,825.00	249.00	315.00	227.00	2,567.00	0.00	379.00	3,025.00	0.00	8,639.00	10,064.00	0.00	0.00	5.00	360.00	15,035.00	220.00	71,197.00
Holland	1,039.27	1,192.25	0.00	37,128.39	5,685.63	302.31	0.00	52.21	4,385.33	773.38	711.46	1,761.66	0.00	4,278.49	3,721.22	0.00	0.00	110.48	-5,815.54	0.00		55,326.54
Italia	7,247.35	187.57	0.03	6,885.28	174.25	939.06	2,698.86	40.24	188.03	0.06	476.98	674.75	1.35	1,339.82	6,223.94	0.38	43.30	503.32	1,475.91	8,510.72	9.88	37,621.09
France	2,471.91	0.00	0.00	3,906.97	0.00	123.84	0.00	610.69	0.00	0.00	10,559.03	1,535.84	0.00	2,885.92	4,504.31	0.00	0.00	0.00	1,103.62	0.00	0.00	27,702.12
United kingdom	0.00	633.39	0.00	12,276.13	0.00	0.00	0.00	76.44	0.00	0.00	312.01	0.00	0.00	165.37	4,840.87	0.00	0.00	0.00	0.00	1,717.63	0.00	20,021.84
Spain	880.22	0.00	0.00	1,044.13	0.00	0.00	0.00	0.00	0.00	0.00	2,263.08	0.00	0.00	0.00	647.12	0.00	0.00	0.00	0.00	0.00	0.00	4,834.55
Japan	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,112.23	0.00	0.00	0.00	0.00	199.77	0.00	4,312.00
Denmark	721.40	63.22	0.00	429.15	0.00	0.00	11.27	22.54	0.00	1.80	36.92	20.09	0.00	761.26	164.99	0.00	0.00	0.33	0.65	178.06	0.00	2,411.70
Turkey	234.37	75.06	0.00	295.98	93.87	14.66	0.91	0.01	147.76	0.00	146.26	3.71	0.00	86.57	42.38	0.00	7.61	43.21	162.22	236.77	0.00	1,591.35
Sweden	0.00	0.00	0.00	442.42	-34.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	191.55	0.00	0.00	0.00	0.00	222.18	0.00	821.51
Greece	0.00	0.00	0.00	709.76	-0.03	3.12	0.00	41.40	5.05	0.00	0.00	10.55	0.00	-11.86	0.00	0.00	0.00	0.00	0.00	10.72	0.00	768.67
Norway	1.83	7.86	4.40	36.65	0.30	1.64	1.86	0.26	4.95	0.00	7.58	42.83	0.00	5.57	71.18	0.00	0.57	0.00	2.99	322.26	0.31	513.03
Chile	0.00	0.00	0.00	188.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.37	0.00	190.46
Poland	0.14	0.03	0.00	-25.98	-0.23	-0.03	-0.03	-0.51	-1.48	0.00	51.75	9.01	0.00	0.00	0.80	0.00	0.00	0.00	0.40	120.59	-0.03	154.43
Canada	12.93	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.86	0.00	0.00	5.17	0.00	0.00	0.00	0.00	0.00	70.70	0.00	89.66
Hungary	0.00	0.00	0.00	0.04	47.25	0.00	0.00	-0.03	0.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.13	0.00	51.85
Australia	0.00	-0.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	24.61
Estonia	0.00	0.00	0.00	0.76	0.00	0.00	0.00	0.13	0.00	0.00	13.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.05	-4.50	0.00	9.74
Ireland	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.71
Slovenia	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.43	0.00	7.28
Czech Republic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.23	2.45	0.00	2.68
Iceland	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.94	0.00	1.27
New Zealand	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-5.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-5.12
Total	17,811.43	2,923.55	4.43	84,637.77	8,791.40	1,633.60	3,027.87	1,070.38	7,301.96	775.23	14,957.70	7,109.73	1.35	18,150.14	34,594.36	0.38	51.48	551.86	3,216.51	20,816.68	230.16	227,657.97

Source: OECD International Direct Investment Database, Fdi Statistics BMD4

Figure 41: Top 10 largest OECD investor country in the region (according to FDI Stock-for the last year available) \$ million by year



1.2.3 Inward FDI to Arab Countries (Based on Data from Investing Corporations)

According to the database entitled "FDI Markets" developed by the Financial Times, considered as the most inclusive database that covers the overall new FDI projects around the world and in all sectors since 2003, the following main indicators can be extracted:

- The number of FDI projects in Arab countries has witnessed an increase from 460 projects in 2003 to 1,325 in 2008, then it followed a general downward trend due to the consequences of the global financial crisis that started in 2009, and fell back again to 748 projects in 2015.
- The number of foreign companies operating in the Arab world is estimated at 6587 companies representing more than 7.6% of the total number of world companies investing overseas, estimated at more than 87 thousand companies. Those corporations invest in over 11541 projects in the Arab region, which constitute around 5.4% of the total number of foreign-based projects in the world, estimated at around 214 thousand projects between 2003 and April 2016.
- FDI projects in the region are concentrated in a limited number of countries. UAE came in the first place with 4,211 foreign companies and a share of 37% of the total on the Arab level, followed by KSA with 1296 foreign companies and a share of 11.2% of the Arab total. Morocco came in the third place with 821 foreign companies and a share of 7.1%.

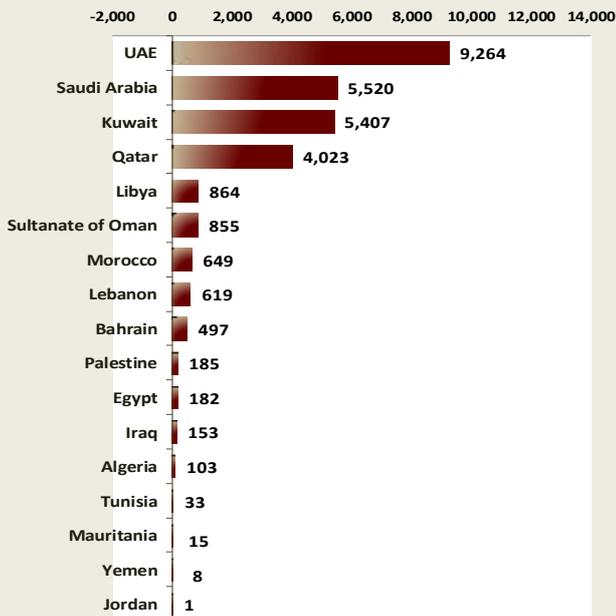
- FDI corporations in the region are concentrated in a limited number of countries. UAE came in the first place with 3,474 foreign corporations and a share of 53% of the total on the Arab level, followed by KSA with 949 foreign corporations and a share of 14.4% of the total. Morocco came in the third place with 647 foreign corporations and a share of 9.8%.
- The total cost of those FDI projects in Arab countries between 2003 and April 2016 was estimated at over one trillion dollars, representing 8.5% of the global total amounting to 11.7 trillion dollars, providing job opportunities of total was estimated at around 1.8 million jobs accounting for 5.4% of the global total of 33.4 million jobs.
- The list of the 10 biggest corporations investing in Arab countries includes important Arab corporations such as Emaar, Dubai Islamic Bank, Landmark Group, MKE, NME, BMA, Danube for building material, RAK Ceramics, Al-Futtaim Group, DM Healthcare, Mashreq Bank, The National Bank of Abu Dhabi, Arabtec Holding PJSC, Emaar, Rotana Hotels, Mecca Cola from UAE, from UAE, Zain, Kipco, Alshaya Group, Kuwait Finance Home Alhokair Group, Dallah Albaraka Group, Khalid Ali Al Turki & Sons Co., Saudi Binladin Group, Red Sea Housing from KSA, Trafco Group, Orascom, Arab Swiss Engineering Company from Egypt and Barwa, Qatar National Bank, Qatar International Islamic Bank, Qatar Petrochemical Company from Qatar, Byblos Bank and Blom Bank from Lebanon and Sunatrac from Algeria.

1.3 FDI outflows from Arab countries

FDI outflows from Arab Countries witnessed a leap of 96%, jumping from 14.5 billion dollars in 2014 to 28.4 billion dollars in 2015. Arab investment outflows constituted 1.9% of the global total of 1,474 billion dollars and 7.5% of developing countries' total of 378 billion dollars.

Kuwait, Saudi Arabia, the UAE and Qatar represented the main sources of the region's outflows with 86.2% in 2015. The UAE came in the first place with investments worth 9.3 billion dollars and a stake of 33%. It was followed by Saudi Arabia with 5.5 billion dollars representing 19.7%, while Kuwait ranked third on the Arab level with 5.4 billion dollars and a stake of 19.3%. Qatar came in the fourth place with 4 billion dollars and a stake of 14.3%, followed by Libya in the fifth place with 864 million dollars accounting for 3.1%, the Sultanate of Oman in the sixth place with 855 million dollars, a share of 3%, Morocco in the seventh place with 649 million dollars representing 2.2%. The remaining contrives lagged behind with small figures.

No outflows have been detected in Algeria, Djibouti, Sudan, Syria and Somalia (see table 30 and figure 42).

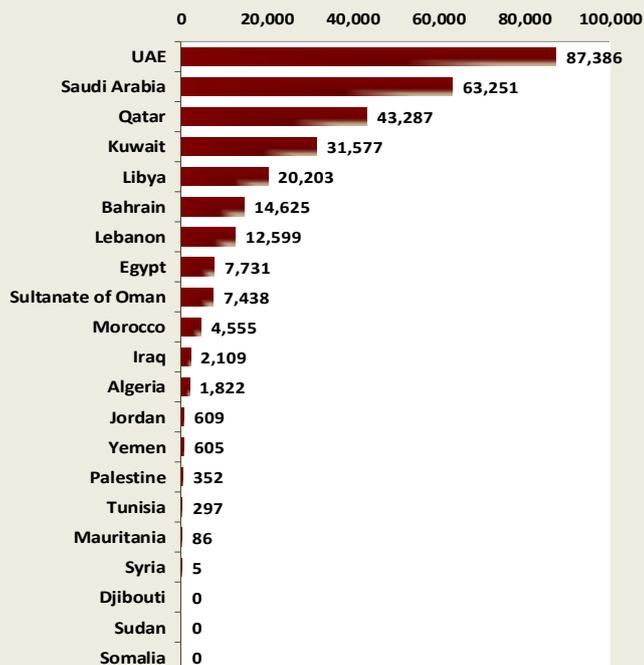
Figure 42: Outward FDI Flows from Arab Countries in 2015 (Million Dollars)

Table 30: Outward FDI Flows from Arab Countries for 2014 & 2015 (Million Dollars)

Country	2014	2015	% of Total 2015	Value Change	Change Perc. %
UAE	9,019	9,264	33	245	3
Saudi Arabia	5,396	5,520	19	124	2
Kuwait	-10,468	5,407	19	15,875	152
Qatar	6,748	4,023	14	-2,725	-40
Libya	78	864	3	786	1,008
Sultanate of Oman	1,670	855	3	-815	-49
Morocco	436	649	2	213	49
Lebanon	1,213	619	2	-594	-49
Bahrain	-394	497	2	891	226
Palestine	188	185	1	-3	-1
Egypt	253	182	1	-71	-28
Iraq	242	153	1	-89	-37
Algeria	-18	103	0	122	664
Tunisia	22	33	0	11	52
Mauritania	30	15	0	-15	-51
Yemen	12	8	0	-3	-28
Jordan	83	1	0	-82	-99
Djibouti	-	-	-	-	-
Sudan	-	-	-	-	-
Syria	-	-	-	-	-
Somalia	-	-	-	-	-
Total Arab FDI Outflows	14,509	28,379	100	13,870	96

Source :UNCTAD - WIR2016 (2014 data have been adjusted from the source)

As for the outward FDI balances from Arab countries, they amounted to 298.5 billion dollars by the end of 2015, representing 1.2% of the global total of 25 trillion dollars.

The UAE topped Arab countries with 87.4 billion dollars and a stake of 29.3%, followed by KSA with 63.3 billion dollars and a stake of 21.2%, then Qatar in the third place on the Arab level with 43.3 billion dollars and a stake of 14.5%, Kuwait in the fourth place with 31.6 billion dollars and a share of 10.6%, Libya in the fifth place with 20.2 billion dollars and a share of 6.8%, and Bahrain in the sixth place with 14.6 billion dollars and a share of 4.9% (see table 31 and figure 43).

Figure 43: Outward FDI Stock from Arab Countries in 2015 (Million Dollars)

Table 31: Outward FDI Stock from Arab Countries in 2014 & 2015 (Million Dollars)

Country	2014	2015	% of Total 2015	Value Change	Change Perc. %
UAE	78,121	87,386	29.3	9,264	11.9
Saudi Arabia	44,699	63,251	21.2	18,552	41.5
Qatar	39,263	43,287	14.5	4,023	10.2
Kuwait	34,310	31,577	10.6	-2,733	-8.0
Libya	19,339	20,203	6.8	864	4.5
Bahrain	14,128	14,625	4.9	497	3.5
Lebanon	11,980	12,599	4.2	619	5.2
Egypt	7,549	7,731	2.6	182	2.4
Sultanate of Oman	6,583	7,438	2.5	855	13.0
Morocco	4,187	4,555	1.5	368	8.8
Iraq	1,956	2,109	0.7	153	7.8
Algeria	1,718	1,822	0.6	103	6.0
Jordan	608	609	0.2	1	0.1
Yemen	596	605	0.2	8	1.4
Palestine	358	352	0.1	-6	-1.7
Tunisia	286	297	0.1	11	3.9
Mauritania	71	86	0.0	15	20.5
Syria	5	5	0.0	0	0.0
Djibouti	-	-	-	-	-
Sudan	-	-	-	-	-
Somalia	-	-	-	-	-
Total	265,758	298,535	100	32,777	12.3

Source :UNCTAD - WIR2016 (2014 data have been adjusted from the source)

2. Inter-Arab Investments

2.1 Inter-Arab Investment Flows and Balances Based on Official Country Data

The Flows

According to the data reported to the Corporation, Jordan, Algeria, Iraq, Egypt and Morocco succeeded in attracting Arab direct investments whose total amounted to some 3388 million dollars in 2015 (see table 32).

**Table (32): Arab FDI flows to 5 Arab countries
\$ million in 2015**

Source \ Destination	Jordan	Algeria	Iraq	Egypt	Morocco	Total
Jordan	0.0	4.7	23.0	22.0	42.6	92.3
UAE	23.0	57.9	349.0	401.2	514.3	1345.4
Bahrain	107.1	0.0	0.0	193.7	0.0	300.8
Tunisia	0.0	3.7	0.0	6.7	2.5	12.9
Algeria	0.0	0.0	0.0	0.0	0.0	0.0
Djibouti	0.0	0.0	0.0	0.0	0.0	0.0
Saudi Arabia	17.6	0.0	0.0	284.4	253.2	555.2
Sudan	0.0	0.0	0.0	0.8	0.0	0.8
Syrian	17.9	7.4	0.0	0.0	0.0	25.3
Somalia	0.0	0.0	0.0	0.0	0.0	0.0
Iraq	46.7	0.0	0.0	0.0	0.0	46.7
Oman	0.0	0.0	0.0	13.4	0.3	13.7
Palestine	0.1	15.8	0.0	0.0	0.0	16.0
Qatar	0.4	0.0	0.0	109.1	102.6	102.9
Kuwait	42.9	0.0	9.0	129.6	46.1	227.6
Lebanon	0.0	26.4	245.0	87.7	6.9	366.0
Libya	3.0	0.0	0.0	11.6	2.5	17.1
Egypt	0.9	10.4	0.0	0.0	34.7	46.0
Morocco	0.0	0.0	0.0	0.0	0.0	0.0
Mauritania	0.0	0.0	0.0	0.0	0.5	0.5
Yemen	0.0	0.0	0.0	2.5	0.4	2.9
Others	0.8	58.6	23.0	158.4	67.1	307.9
Total	260.4	184.8	626.0	1,290.0	1,031.0	3,387.6

Source: Official Contact Points in the Arab countries

Data indicate that Egypt attracted 38% of inward Arab investments received by the five countries in 2015, followed by Morocco with a share of 30.4%, Iraq 18.5%, Jordan 7.7% and Algeria 5.4% (see table 33 and figure 44).

On the other hand, UAE were rated as the biggest contributor to Arab investments in the abovementioned countries in 2015 with a value of 1345.4 million dollars and a share of 38.7%, followed by KSA with a share of 16%, Lebanon with 10.5% and Bahrain with 8.7% (see table 32 and figure 45).

In terms of sector distribution, the service sector in Jordan, Algeria, Iraq, Egypt and Morocco captured 84.4% of the inter-Arab investment flows in 2015, followed by the industrial sector with 15.4% and the agricultural sector in the last place with an insubstantial share (see figure 48).

Arab direct investment balances in Jordan, Iraq, Palestine, the United Arab Emirates, Saudi Arabia, Yemen, Egypt, Morocco, Bahrain and the Sultanate of Oman amounted to 122.2 billion dollars by the end of 2015 (see table 33).

Data reveal that Saudi Arabia received 25.2% of inward Arab investments made by the aforementioned countries, followed by Egypt with a share of 20%, the UAE 14.8%, Bahrain 13.8%, Morocco 10.8%, Jordan 4.8%, the Sultanate of Oman and Iraq 4.6%, Palestine 1.2% and Yemen 0.2% (see table 33 and figure 46).

On the other hand, Kuwait ranked as the greatest contributor to the accumulated Arab investments in those countries by the end of 2015 with an amount of 26.6 billion dollars and a share of 21.7%, followed by the UAE with a stake of 19.7%, KSA 16.7% and Jordan 7.7% (see table 33 and figure 47).

In terms of sector distribution, the service sector in Jordan, Algeria, Iraq, Egypt and Morocco captured 67% of inter-Arab investment balances for 2015, followed by the industrial sector with a percentage of 32% and the agricultural sector in the last place with an insubstantial share (see figure 49).

Figure (44): Arab FDI flows to 5 Arab countries million in 2015 \$

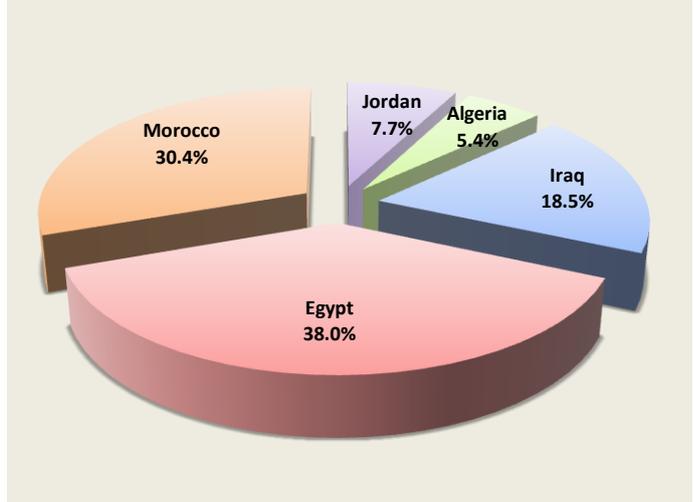


Figure 45: Shares of Arab countries invested in Arab Countries for 2015

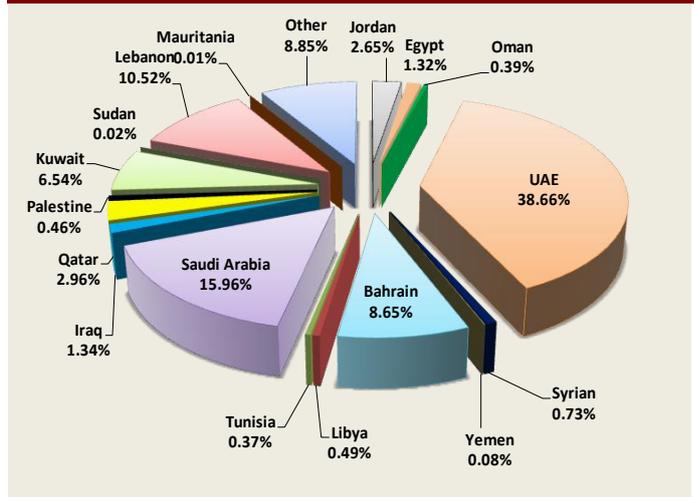


Figure (46): Arab Inward FDI Stock to 9 Arab countries \$ million in 2015

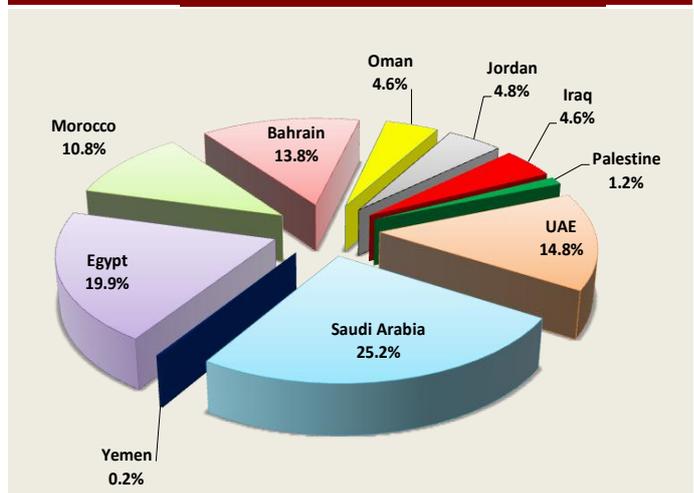


Table (33): Arab Inward FDI Stock to 10 Arab countries to \$ million in 2015

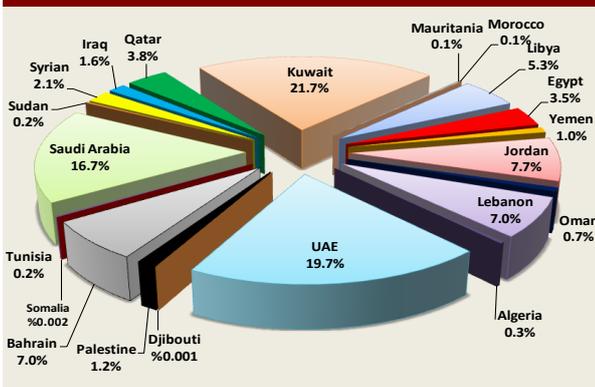
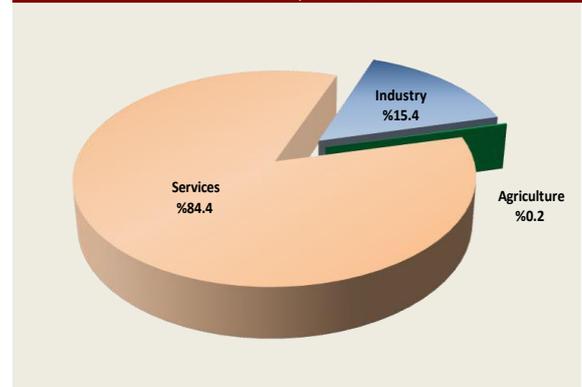
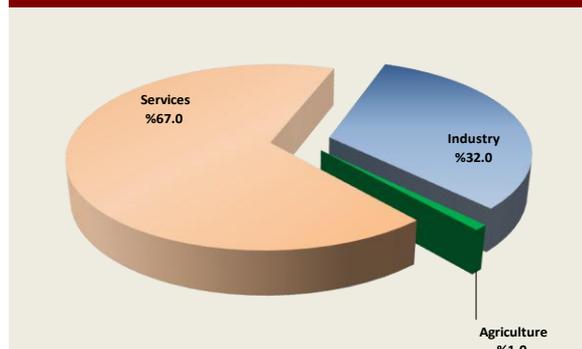
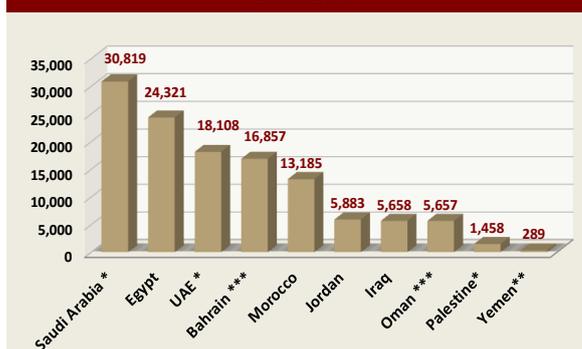
Source \ Destination	Jordan	Iraq	*Palestine	*UAE	*Saudi Arabia	**Yemen	Egypt	Morocco	***Bahrain	***Oman	Total
Jordan	0.0	377.0	1,275.0	1,000.8	5,925.6	3.9	510.3	0.0	-39.6	363.4	9,416.4
UAE	556.5	1,399.0	0.0	0.0	2,514.3	4.5	5,849.4	9,797.1	923.7	3,054.5	24,099.0
Bahrain	973.8	207.0	0.0	1,831.1	3,900.1	0.0	970.8	0.0	0.0	657.8	8,540.6
Tunisia	0.2	0.0	0.0	32.4	43.6	0.0	35.4	138.7	0.0	0.0	250.3
Algeria	0.3	0.0	0.0	324.1	12.4	0.0	50.4	0.0	0.0	0.0	387.2
Djibouti	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.0	0.0	0.0	0.8
Saudi Arabia	1,932.1	0.0	0.0	4,750.3	0.0	17.3	6,224.6	1,725.3	5,588.6	180.2	20,418.4
Sudan	1.8	0.0	0.0	107.5	69.4	0.0	92.1	0.0	0.0	26.2	297.0
Syria	392.0	0.0	0.0	350.1	1,068.0	1.5	772.7	0.0	0.0	0.0	2,584.3
Somalia	0.0	0.0	0.0	0.6	1.5	0.0	0.5	0.0	0.0	0.0	2.6
Iraq	1,052.0	0.0	0.0	263.5	6.0	47.2	484.8	34.7	20.5	0.0	1,908.6
Oman	3.4	21.0	0.0	559.0	87.3	0.0	68.0	0.0	146.5	0.0	885.3
Palestine	187.4	0.0	0.0	61.5	672.3	0.0	573.1	0.0	0.0	0.0	1,494.3
Qatar	73.4	0.0	129.0	1,516.5	153.1	13.4	1,822.8	0.0	345.5	567.0	4,620.7
Kuwait	279.4	669.0	0.0	3,945.7	9,752.1	100.1	2,937.8	1,274.5	6,960.9	635.8	26,555.2
Lebanon	93.2	2,773.0	0.0	1,469.2	2,911.0	0.8	1,145.8	0.0	39.9	155.8	8,588.7
Libya	26.0	0.0	0.0	924.1	0.0	0.0	2,418.8	215.0	2,859.0	0.0	6,442.9
Egypt	311.7	212.0	54.0	813.5	2,758.9	100.0	0.0	0.0	0.0	16.4	4,266.6
Morocco	0.0	0.0	0.0	38.9	42.4	0.0	79.5	0.0	1.1	0.0	161.9
Mauritania	0.0	0.0	0.0	13.5	120.5	0.0	0.6	0.0	0.0	0.0	134.6
Yemen	0.0	0.0	0.0	105.2	780.7	0.0	282.9	0.0	10.9	0.0	1,179.7
Total	5,883.2	5,658.0	1,458.0	18,107.5	30,819.3	288.6	24,321.1	13,185.2	16,856.9	5,657.1	122,235.0

Source: Official Contact Points in the Arab countries

* For 2014

** Between 2010 and 2014

*** Year 2013

Figure (47): Share of Arab countries in FDI inflows in Jordan, Iraq, Palestine, UAE, Saudi Arabia, Egypt, Yemen, Morocco, Bahrain and Oman, end of 2015

Figure (48): Sectoral distribution of Arab FDI flows into 5 Arab countries, end 2015

Figure (49): Sectoral distribution of Arab FDI stocks into 5 Arab countries, end 2015

Figure (50): Inter-Arab iFDI stocks into 10 Arab Countries US \$ millions End of 2015


The Corporation's Remarks on FDI Data Obtained From Official Sources in Arab Countries For 2015

For decades, the Arab Investment & Export Credit Guarantee Corporation has been exhorting Arab countries to prepare and publish updated, accurate and comprehensive data on foreign direct investment statistics on the national level, in line with internationally agreed standards. The reason behind the present approach is that the provision of such data is not only a prerequisite for taking the necessary decisions in order to create the right climate to attract those investments and promote their developmental role, but is also an important element for enabling professionals and decision-makers to have a minimum level of coordination in order to establish the success factors for the regional economic integration between Arab countries.

In this context, the Corporation based addresses on an annual basis the official contacts in all Arab countries and requests detailed data on flows and balances of foreign direct investments and inter-Arab investments in addition to their geographical and sector distribution, as well as Arab and foreign investment data in the Arab stock markets using 10 tables that the countries are required to fill so as to have a clear comprehensive image of the situation and evolution of Arab and foreign direct investment in the region.

However, the authorities responsible for publishing these investment data in Arab countries do not always fully respond to the Corporation's request, which prevents us from relying on those incomplete data in giving a clear image of the investment status in the region. The received official country data suffer from a number of problems and challenges worthy of being exposed. These are clearly manifested in the 2016 report that is currently being prepared and include the following:

1. Out of a total of 21 Arab countries that were requested to provide data for the year 2015, only 9 responded by sending their data either fully or partially. These are Jordan, UAE, Algeria, Saudi Arabia, Iraq, Palestine, Kuwait, Egypt and Morocco.
2. The abovementioned countries answered partially and not completely all the data requests and this is evident in tables 32 and 33 and in figures 44 to 50.
3. A number of countries among those that answered the Corporation's request prepare the data in a way that does not go in line with internationally accepted method, according to the sixth edition of the balance of payments issued by the International Monetary Fund.
4. In some cases, investment data provided by official contacts in a certain country, which are usually the investment promotion authorities, are incompatible with data issued by central banks in the same country.
5. The geographical and sector distribution of Arab or foreign direct investment in some countries is sometimes incompatible with the overall data provided by the same country. Therefore, the Corporation intervenes to adjust the general form of the data as much as possible and without prejudice to their accuracy.
6. Some of the responsive and irresponsive countries have a problem with issuing FDI data timely and periodically or 5 or 6 months after the end of the year. Therefore, they only provide the Corporation with data of the previous year.
7. In order to enlarge the scope of its observations and cover a greater number of countries, the Corporation's working team refers to data from previous years, especially for data strictly related to investment balances, as these can provide an image close to the reality regarding the status of accumulated investments by the end of 2015.
8. The Corporation does not face a problem in obtaining data about the overall FDI flows to Arab countries five or six months after the end of the year, as this figure is usually available in the balance of payments.

data issued by the majority of central banks in Arab States. The problem lies in obtaining accurate information about the countries exporting FDI and the targeted sectors.

Although the country data provided by the various states do not give an accurate and detailed image of the FDI reality in the region, the Corporation will display those data for a number of reasons:

- Highlighting the data provided by responsive countries and helping them reflect a true image of the FDI situation in those countries.
- Drawing the attention to the nature of the problems faced by some responsive countries in preparing the data and to the contradictions within the data themselves or with data issued by other national or international sources, as well as highlighting the delay in publishing the data in some cases.
- Constantly exhorting the irresponsible countries to try to prepare their data in a proper and timely fashion, in line with international requests, and helping them rectify the image reported on their investment situation on the global level by the international data issuing bodies.

2.2 New Inter-Arab Investment Projects Based on Financial Times' Data

2.2.1 Inter-Arab Investments: Cost or Total Expenditures of Projects

According to the database entitled "Foreign Direct Investment Markets" developed by the Financial Times, considered as the most inclusive databases that cover the overall new FDI projects all over the world and in all sectors starting 2013, the Arab Investment & Export Credit Guarantee Corporation has extracted the figures related to Arab States and estimated the total cost of inter-Arab investment projects for the period between 2003 and April 2016 at more than 310 billion dollars, 60 billion dollars less than the 370 billion dollars recorded at the end of April 2015, a decline of 16.2%.

This regression in inter-Arab investment balances is due to the huge decline in investment balances in many Arab countries. These include Tunisia from around 21.6 billion dollars to 15.8 billion dollars, a decline of 5.8 billion dollars, Algeria from around 16.1 billion dollars to 10.7 billion dollars, a decline of 5.4 billion dollars, Egypt from 99.3 billion dollars approximately to 68.9 billion dollars, a decline of 30.4 billion dollars, Iraq from around 35 billion dollars to around 20.9 billion dollars, a decline of 14.1 billion dollars and Qatar from around 23 billion dollars to 12.3 billion dollars, a decline of 10.7 billion dollars.

Table 34: Total Inter-Arab Greenfield Projects (total cost of the projects) millions of dollars between 2003 and April 2016

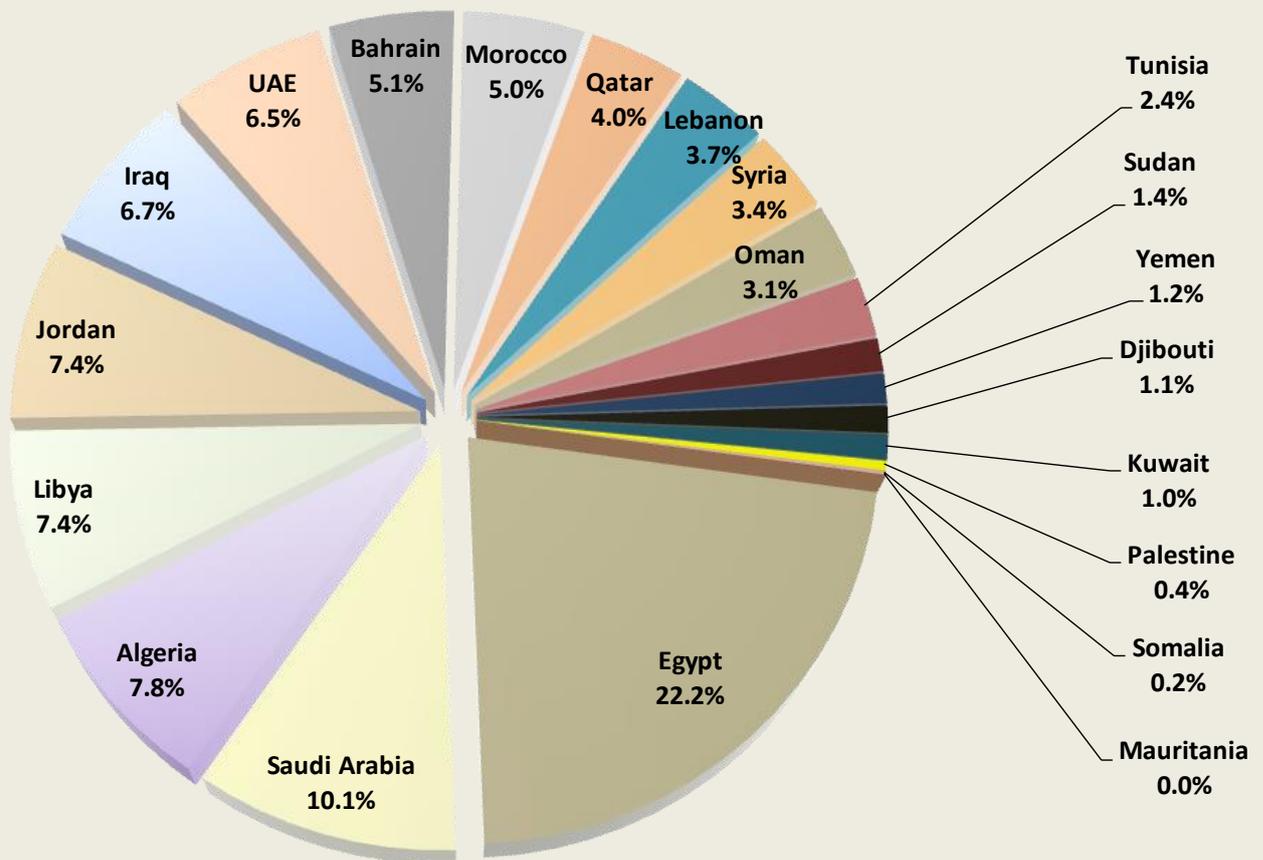
Source / Destination	Jordan	UAE	Bahrain	Tunisia	Algeria	Djibouti	Saudi Arabia	Sudan	Syria	Somalia	Iraq	Oman	Palestine	Qatar	Kuwait	Lebanon	Libya	Egypt	Morocco	Mauritania	Yemen	Total	
Jordan		973	71		67		838	6	36		773	79	127	35	39	15		323	25			3,406	
UAE	15,447		7,148	839	15,280	1,695	18,983	836	3,875	11	14,563	3,449	15	7,945	2,724	7,308	874	41,409	13,613	15	596	156,625	
Bahrain	1,987	1,199	1	6,000		15	925	150	178		152	504		2,871	118	94	20,181	3,733	197		178	38,483	
Tunisia		6			1,140	22	104						22	45			345	32	25				1,740
Algeria				117							45											850	1,012
Djibouti										150													150
Saudi Arabia	2,603	6,440	1,099	61	933			135	420	150	115	558		108	93	1,836	67	2,490	434		557	18,097	
Sudan					11																		11
Syria		111																112					223
Somalia																							
Iraq	16	127														15							158
Oman	13	302	189		2		823			163				105	43	13	7	17			178		1,854
Palestine		315																					315
Qatar	359	1,200	21	245	2,150	865	3,854	1,056	452			2,841	1,050		131	105	388	14,769	105	11	808	30,409	
Kuwait	1,121	7,269	7,206	271		865	2,598	19	5,099		851	1,585		731		2,026	139	5,771	887	28	601	37,065	
Lebanon	161	1,172	28	11	63		133	228	283		3,729	79		80	18		11	217	11				6,224
Libya		10			321																		353
Egypt	1,178	966	37	19	4,178		3,113	1,798	296		633	411		335	7	15	382		155		42	13,564	
Morocco		42		31	129												517						730
Mauritania																							
Yemen	17	15				11	15		15	11				15				11					111
Total	22,901	20,147	15,800	7,594	24,273	3,473	31,386	4,229	10,653	485	20,859	9,528	1,192	12,270	3,171	11,427	22,911	68,904	15,451	65	3,810	310,527	

Source: FDI Markets

Figure 51: Total Inter-Arab Greenfield Projects (total cost of the projects) millions of dollars between 2003 and April 2016 (by Destination)



Figure 52: Total Inter-Arab Greenfield Projects (total cost of the projects) millions of dollars between 2003 and April 2016 (by Destination)



In terms of countries with inter-Arab investment inflows between 2003 and April 2016, Egypt topped the list of Arab States with projects worth 68.9 billion dollars and a stake of 22.2% of the total investments, followed by KSA with 31.4 billion dollars and a stake of 10.1% of the total. Algeria came in the third place with 24.3 billion dollars and a stake of 7.8%. Libya ranked fourth with 22.9 billion dollars and a stake of 7.4%, Jordan ranked fifth with 22.9 billion dollars accounting for 7.4%, Iraq ranked sixth with 20.9 billion dollars and a stake of 6.7% and the UAE ranked seventh with 20.1 billion dollars and a stake of 6.5%. Bahrain came in the eighth place with 15.8 billion dollars and a stake of 5.1%, followed by Morocco in the ninth place with 15.5 billion dollars representing 15.5% of the total while the rest of the countries lagged behind.

Regarding countries with inter-Arab investment outflows for the period between 2003 and April 2016, the UAE topped the list with 156.3 billion dollars representing 50.4% of the total, followed by Bahrain in the second place with 38.5 billion dollars and a stake of 12.4% and Kuwait in the third place with 37.1 billion dollars and a stake of 11.9%. Qatar ranked fourth with 30.4 billion dollars and a stake of 9.8% while Saudi Arabia ranked fifth with 18.1 billion dollars accounting for 5.8% and Egypt ranked sixth with 13.7 billion dollars representing 4.4% of the total followed by the rest of the countries.

Figure 53: Total Inter-Arab Greenfield Projects (total cost of the projects in the FDI Markets) millions of dollars between 2003 and April 2016 (by Source)

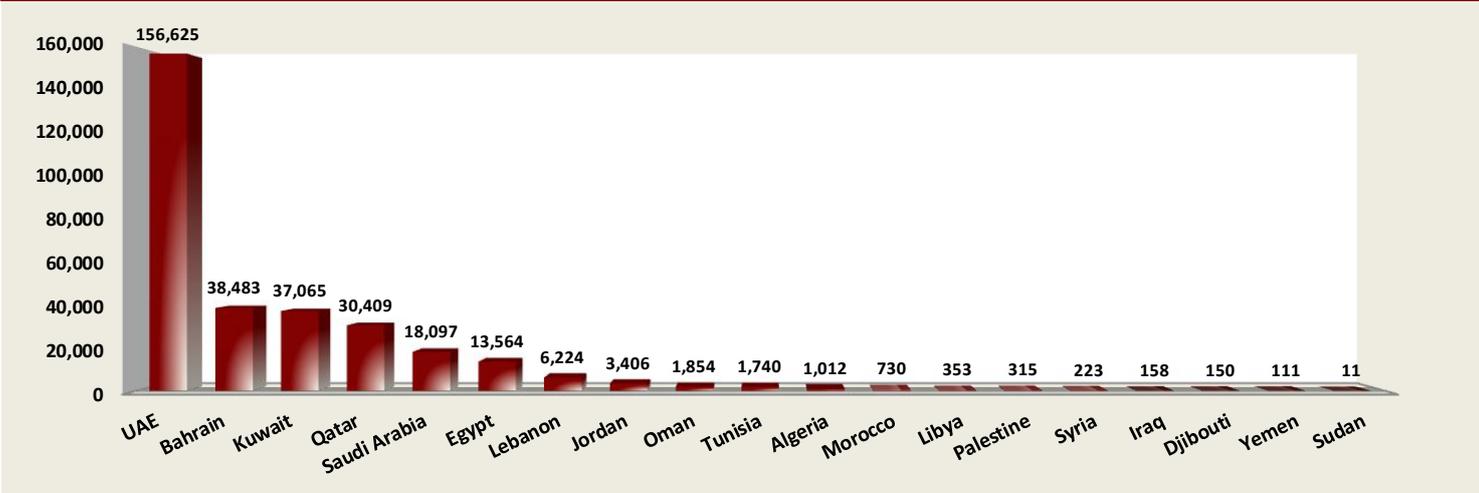
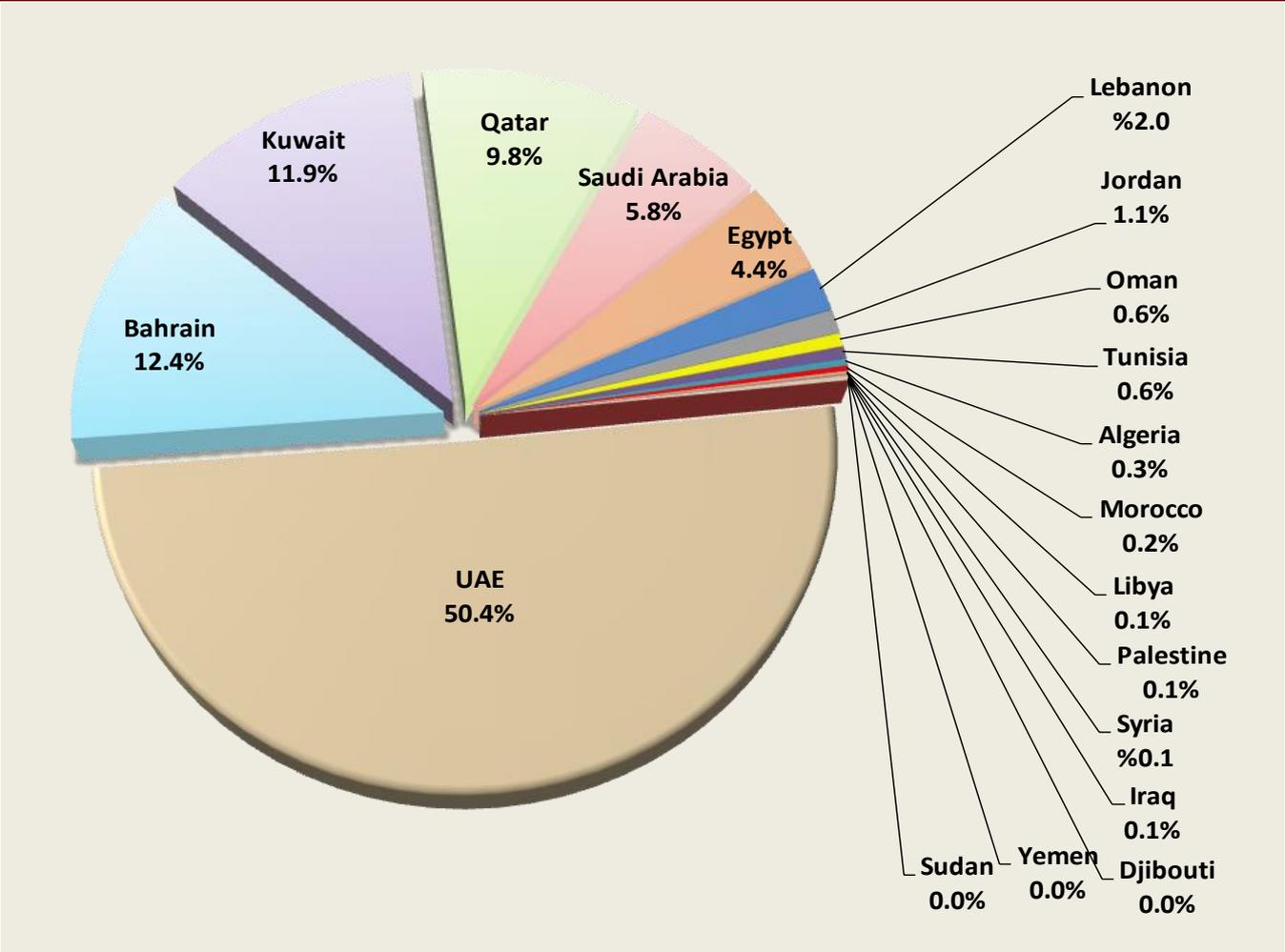


Figure 54: Total Inter-Arab Greenfield Projects (total cost of the projects in the FDI Markets) millions of dollars between 2003 and April 2016 (by Source)



2.2.2 Inter-Arab Investments: Number of Projects

According to the database entitled "Foreign Direct Investment Markets" developed by the Financial Times, the number of inter-Arab investment projects between 2003 and April 2016 is estimated at around 2416 (see table 35).

Saudi Arabia attracted the most inward investment projects for that period with 369 projects and a stake of 15.3% of the Arab total, followed by the UAE in the second place with 269 projects representing 9%, Egypt in the third place with 235 projects and a stake of 9.8% and the Sultanate of Oman in the fourth place with 222 projects accounting for 9.2%, followed by the rest of the countries (see figures 55 and 56).

As for countries with outward investment projects for the same period, the UAE ranked first with 1152 projects representing 48.7% of the Arab total, followed by Saudi Arabia in the second place with 268 projects accounting for 11.3% and Kuwait in the third place with 266 projects and a stake of 11.3%. Qatar ranked fourth with 140 projects and a stake of 5.9%, followed by the rest of the countries (see figures 57 and 58).

Table 35: Total inter-Arab Greenfield Projects (number of projects) between 2003 and April 2016

Source / Destination	Jordan	UAE	Bahrain	Tunisia	Algeria	Djibouti	Saudi Arabia	Sudan	Syria	Somalia	Iraq	Oman	Palestine	Qatar	Kuwait	Lebanon	Libya	Egypt	Morocco	Mauritania	Yemen	Total		
Jordan		14	6		4		11	1	3		14	1	9	4	2	1		14	2			7	86	
UAE	59		114	15	26	4	230	18	18	1	47	144	1	140	86	53	14	116	58	1			1,152	
Bahrain	12	25		2		1	32	1	1		3	9		17	8	3	4	6	1			1	127	
Tunisia		1			23	1	2							1			13	2	3				47	
Algeria				2							1												4	
Djibouti										1													1	
Saudi Arabia	16	65	35	3	13			7	11	1	2	19		12	12	9	4	47	9			3	268	
Sudan					1																		1	
Syria		2																	1				3	
Somalia																								
Iraq	1	4														1							6	
Oman	1	10	13		1		13			2				5	3	1	1	1				1		
Palestine		2																					2	
Qatar	3	25	4	3	2	1	24	6	10			21	2		12	4	5	9	5	1	3		140	
Kuwait	25	65	41	3		1	33	2	9		8	18		17		16	1	22	3	1	1		266	
Lebanon	12	26	4	1	6		8	5	16		17	4		7	4		1	14	1				126	
Libya		1			1														2					4
Egypt	9	24	1	2	11		15	8	5		6	5		3	1	1	8		4		1		104	
Morocco		4		3	7												3						18	
Mauritania																								
Yemen	2	1				1	1		1	1				1				1					9	
Total	140	269	219	34	95	9	369	48	74	6	98	222	12	207	128	89	54	235	86	4	18	2,416		

Source : FDI Markets

Figure 55: Total inter-Arab Greenfield Projects (number of projects) between 2003 and April 2016 (by destination)

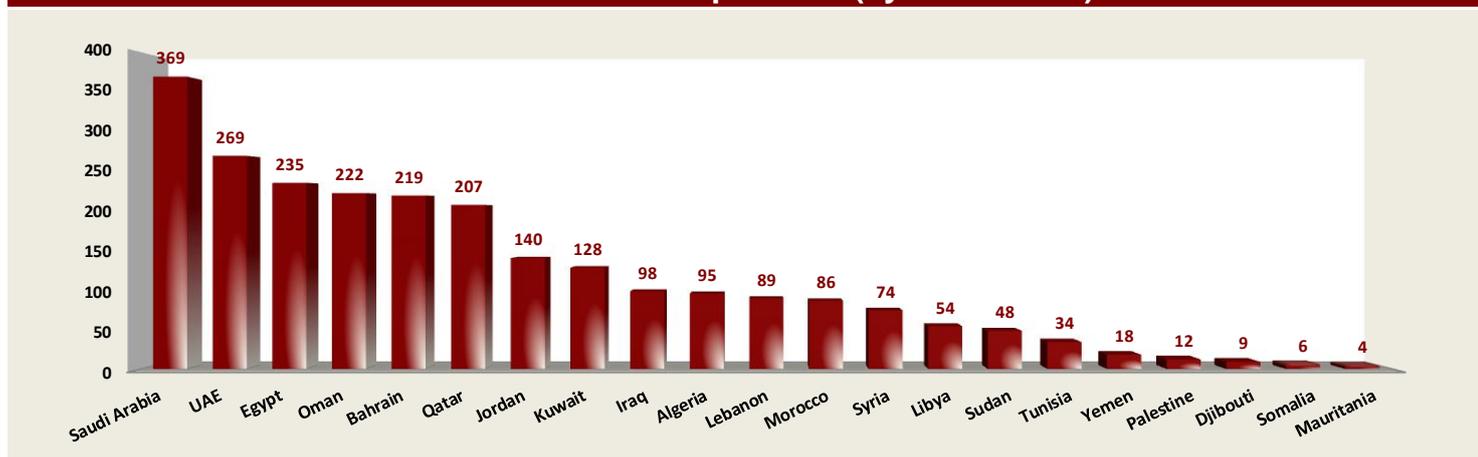


Figure 56: Total inter-Arab Greenfield Projects (number of projects) between 2003 and April 2016 (by source)

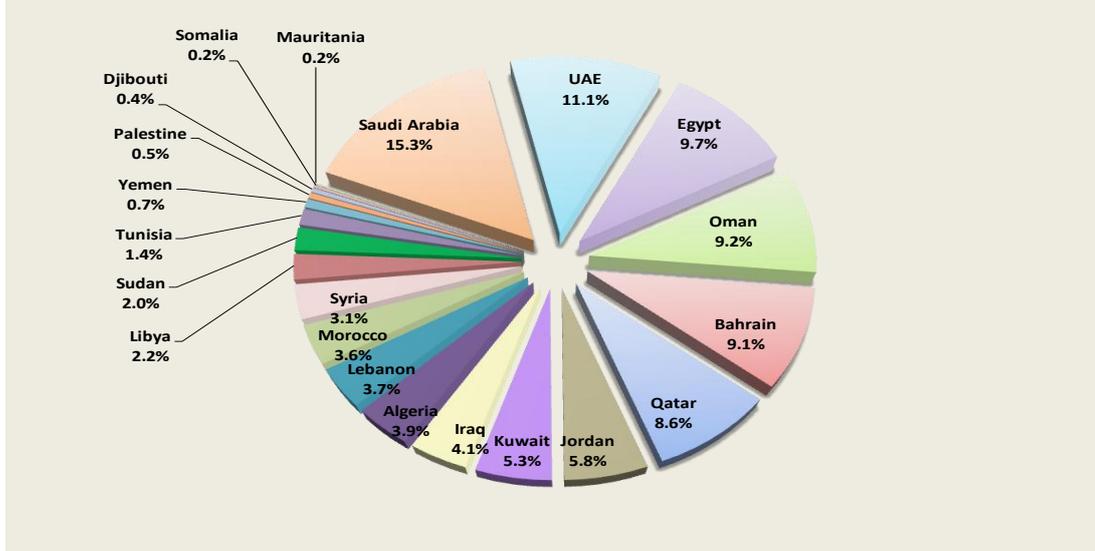


Figure 57: Total Inter-Arab Greenfield Projects (number of projects) by Source countries Between 2003 and April 2016

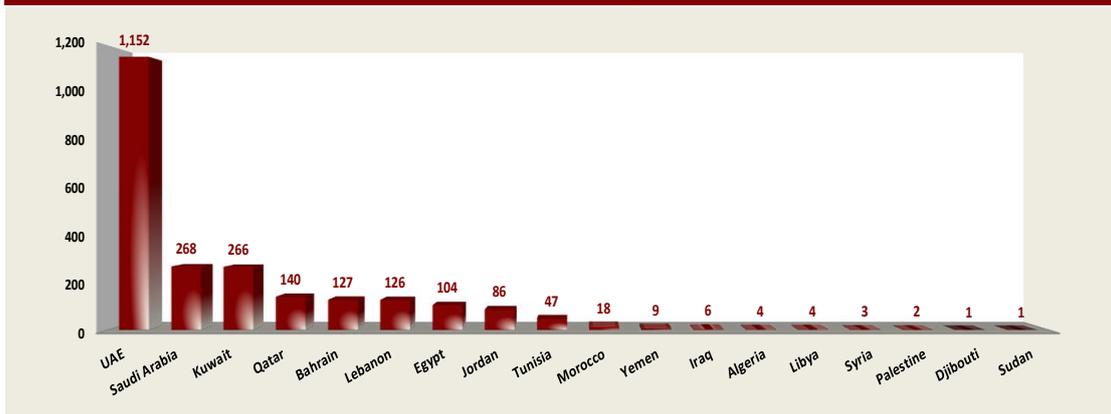
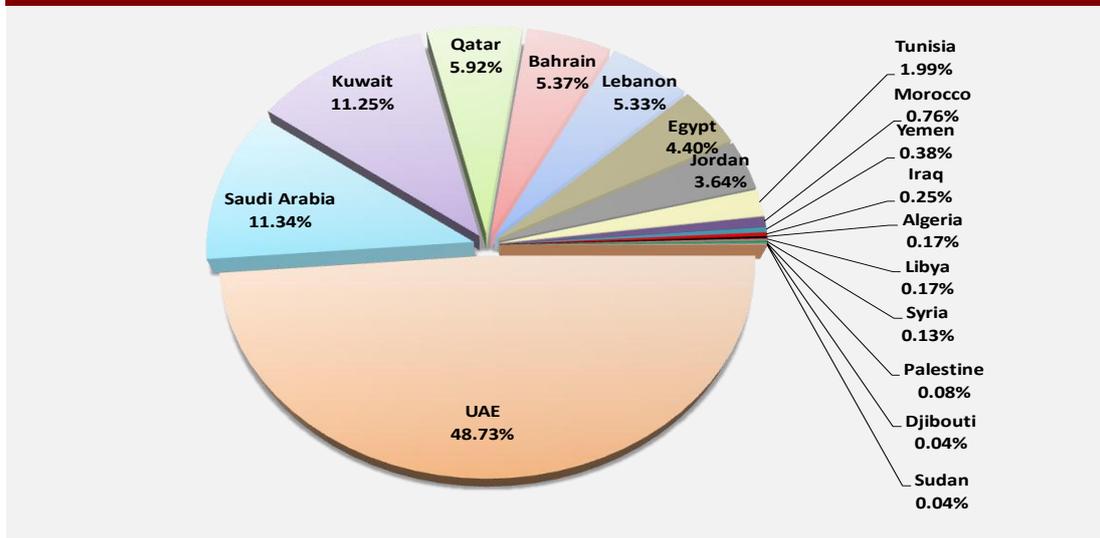


Figure 58: Total Inter-Arab Greenfield Projects (number of projects) by Source countries Between 2003 and April 2016



2.2.3 Sector Distribution of Inter-Arab Businesses

According to FDI Markets' data, and based on the number of businesses, the financial services sector is considered to be the most appealing to inter-Arab business ventures for the year 2015 as it attracted 51 business projects with a share close to 33.1% of the total of 154 ventures, followed by the food and tobacco, real estate and textile sectors with 10 projects and a share of 6.5% for each sector (see table 35.C and figure 58.C).

In terms of investment cost, the real estate sector is considered to be most attractive for inter-Arab ventures in 2015 as the renewable energy sector received investments worth 3700 million dollars with a share close to 28.2% of the overall cost of business projects. The real estate sector followed with investments worth 3530 million dollars and a share of 26.9% and the coal, oil and natural gas sector with 2592 million dollars and a share of 19.8%. The financial services sector came in the fourth place with 696 million dollars, a share of 5.3% (see table 35.C and figure 58.C).

Regarding the change in sector distribution during the last decade, it appears that this change occurred between the years 2003 and 2015. In terms of the number of businesses, it is noticeable that the financial services sector became slightly more important as its share increased from 26% to nearly 33%, remaining in the first place. The telecommunications sector witnessed a substantial loss of importance as its share decreased from 13% to less than 1%. In contrast, the importance of the textile sector largely increased from an insignificant percentage to some 6.5% (see table 35.C and figure 58.B).

The sector distribution of inter-Arab business projects also witnessed some changes between 2003 and 2015 in terms of investment cost. The relative importance of the real estate sector settled at around 26% while that of hotels and tourism sector dropped dramatically from 27% to less than 1%. The share of the telecommunication sector also decreased from 7.8% to less than 1%, with a relative stability in the sector of financial services at around 6% (see table 35.C and figure 58.C).

Table 35-B: Inter-Arab investments by the sectoral distribution of 2003			Table 35-C: Inter-Arab investments by the sectoral distribution of 2015		
Secotrs	Number of Projects	Cost \$ millions	Secotrs	Number of Projects	Cost \$ millions
Financial services	18	247.2	Financial Services	51	695.9
Communications	9	303.8	Business Services	10	66.0
Food and tobacco	6	210.1	Food & Tobacco	10	237.9
business services	6	31.9	Real Estate	10	3,529.7
Software and information technology services	5	39.7	Textiles	10	44.3
Hotels and Tourism	5	1,119.6	Software & IT services	9	78.4
Consumer Products	4	45.3	Consumer Products	8	73.8
Real estate	3	989.8	Hotels & Tourism	8	136.2
Industrial machinery, equipment and tools	2	5.8	Coal, Oil and Natural Gas	5	2,591.8
Chemicals	2	19.4	Transportation	5	71.9
Coal, oil and natural gas	2	868.2	Alternative/Renewable energy	3	3,700.0
Ceramic and glass	1	15.0	Communications	3	188.9
Electronic components	1	2.9	Consumer Electronics	3	36.9
Healthcare	1	25.7	Healthcare	3	179.1
Entertainment	1	60.0	Industrial Machinery, Equipment & Tools	3	3.7
Pharmacy	1	31.1	Pharmaceuticals	3	633.3
Beverage	1	9.0	Chemicals	2	222.5
Transportation	1	9.5	Others	8	630.5
Total	69	4,034.0	Total	154	13,120.8

Figure 58-B: Inter-Arab Investments (Number of Projects) by the Sectoral Distribution

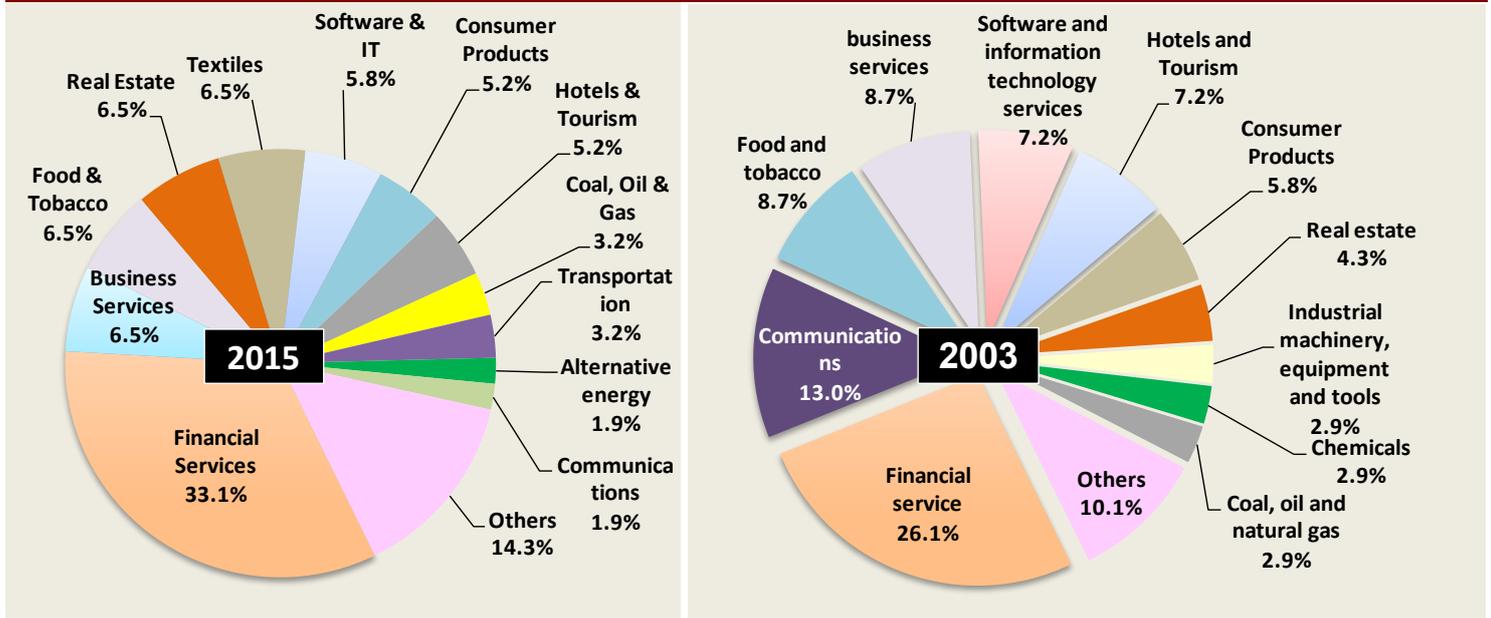
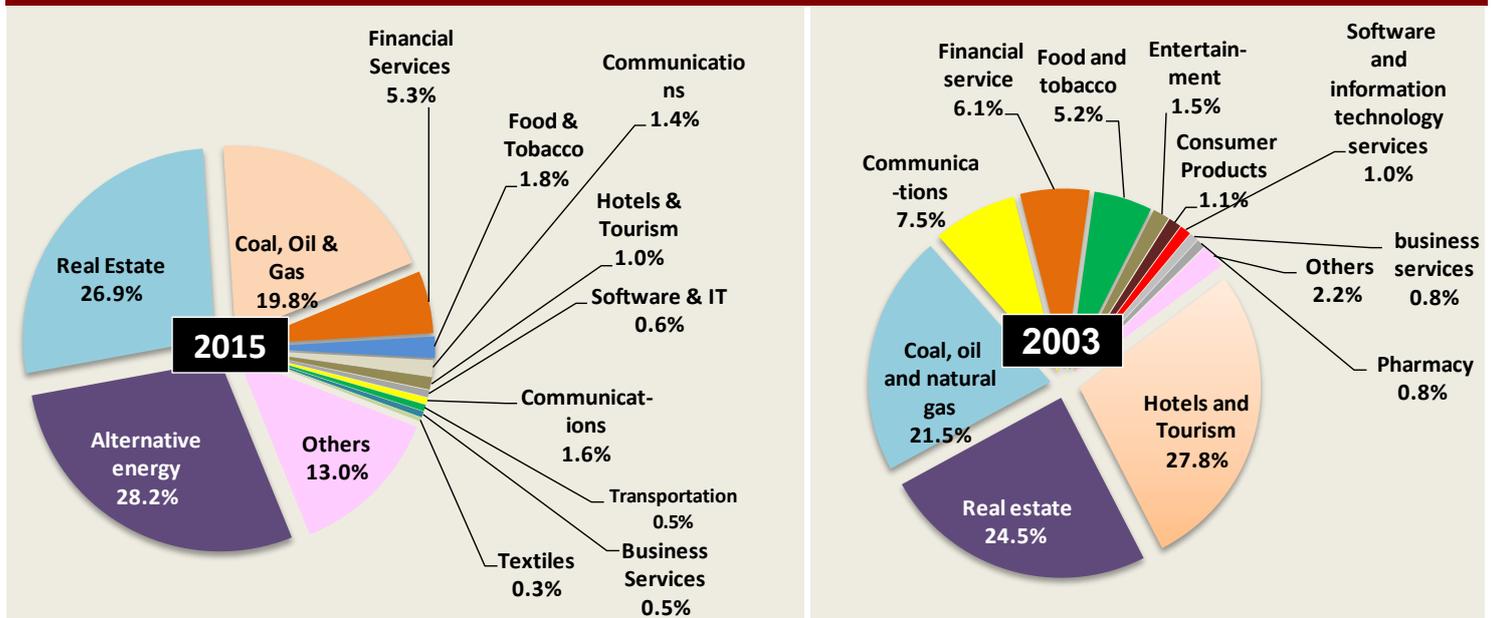


Figure 58-C: Inter-Arab Investments (Cost of Projects) by the Sectoral Distribution



2.2.4 Evolution of Inter-Arab Investments

According to FDI Markets' data, the indicators of inter-Arab investments witnessed clear fluctuations between 2003 and 2015. In fact, the indicators related to the number of companies and projects in addition to the inter-Arab investment costs rose between the years 2003 and 2006 before dropping down again in 2007.

During the year 2008 and before the aftermath of the global financial crisis, the various inter-Arab investment indicators rose before going down again in 2009. The indicators continued to improve until the year 2012 when the region started to feel the repercussions of the Arab Spring and the repercussions of the events began to appear with a cascading decline since 2013.

Historically, the indicators witnessed a general upward trend during that period, as the number of projects rose from 69 in 2003 to 154 in 2015, with a high score of 342 projects recorded in 2012. The cost of inter-Arab investments also increased with the rise in the number of projects, moving from 4 billion dollars in 2003 to 13 billion dollars in 2015, with a cumulative value estimated at more than 310 billion dollars during that period.

3. Performance Index

In order to measure the performance of countries in attracting FDIs, emphasis was put on three variables:

- Logarithm of average FDI balance during the three last years: Resorting to an average variable value reduces the effects of data fluctuation caused by convulsions (positive and negative ones), which deviate the variables from their regular value. On the other hand, transforming the value average by using the logarithm could help limit the discrepancies in the scope of balance-related data. Given the importance of this variable in monitoring actual performance, it was given a preferential weight of 80%.
- The average volume of merger and acquisition deals during the three last years with a preferential weight of 10%.
- The average number of new FDI projects (which means starting new production facilities) in the host country during the three last years with a preferential weight of 10%.
- After standardizing the sub-indicators of the performance indicator, the collection process was based on the previously declared weights by adopting the method of engineering collection in order to avoid the principle of implicit compensation between the three components, and considering the differences between their weights according to their theoretical importance in forming the composite indicator.
- Figure 59 shows that Arab countries came in the fourth place with 27 points in comparison with other geographic groups in attracting FDIs in 2016, while OECD countries topped the list with 45 points, followed by East Asia and Pacific region with a difference of 0.4 point only and the group of Europe and Central Asia with a score of 32 points. The figure also shows that all geographic groups witnessed a slight decline in their performance compared to 2015. This decline amounted to 2.3% for Arab countries.

As for the world classification, it turns out that only two Arab countries were able to occupy the first third of countries in 2016, namely UAE (in the 31st position), KSA (in the 34th position), and seven other Arab countries came in the second third of countries (from the 50th to the 65th position).

As for the actual performance of Arab countries according to the geographical groups used in this report, Maghreb states were in the first place for the first time ever with an average of 27 points for the countries of the group in 2016, after a great increase in the indicator compared to 2015 when it was 24.8 points (see figure 60), in spite of disparities in performance within the group. Morocco came in the fourth place on the Arab level and the 55th place worldwide, followed by Tunisia in the 8th place on the Arab level and the 62nd level worldwide, while Algeria came in the 12th place on the Arab level and the 73rd globally and Mauritania came in the 15th place on the Arab level and the 97th place globally.

Contrarily to the performance indicator of the Arab world as a whole, the rest of Arab sub-groups registered a slight decline in their performance, 18% for the GCC countries and 4.7% for low FDI performance countries respectively.

Figure 59: DIAI Performance by Geographical Groups, 2015 and 2016

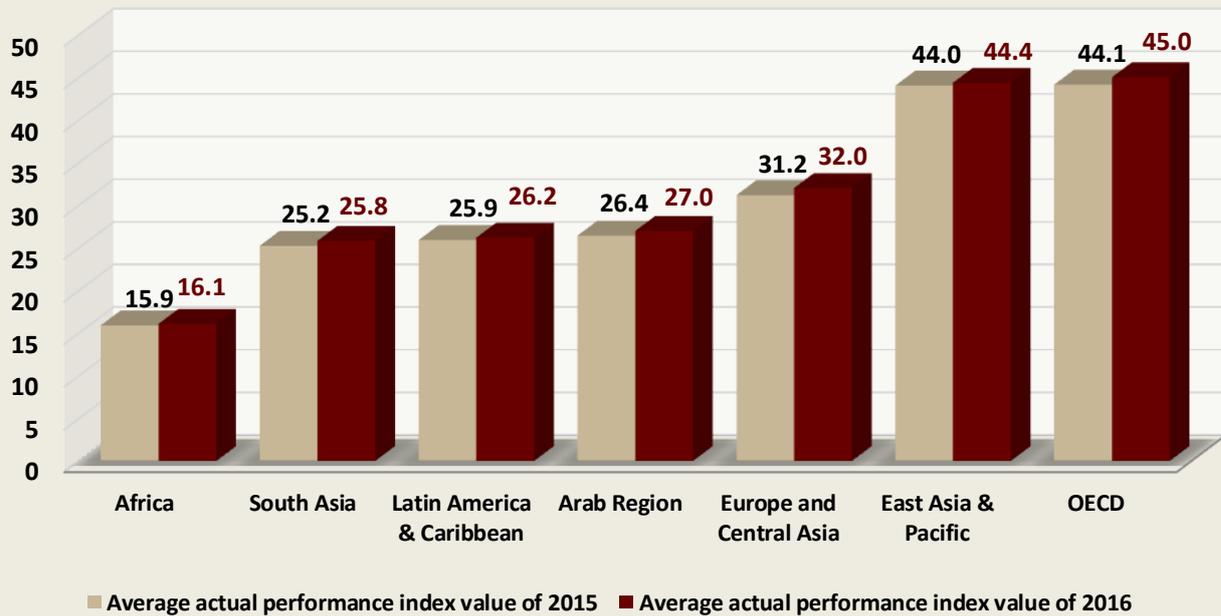
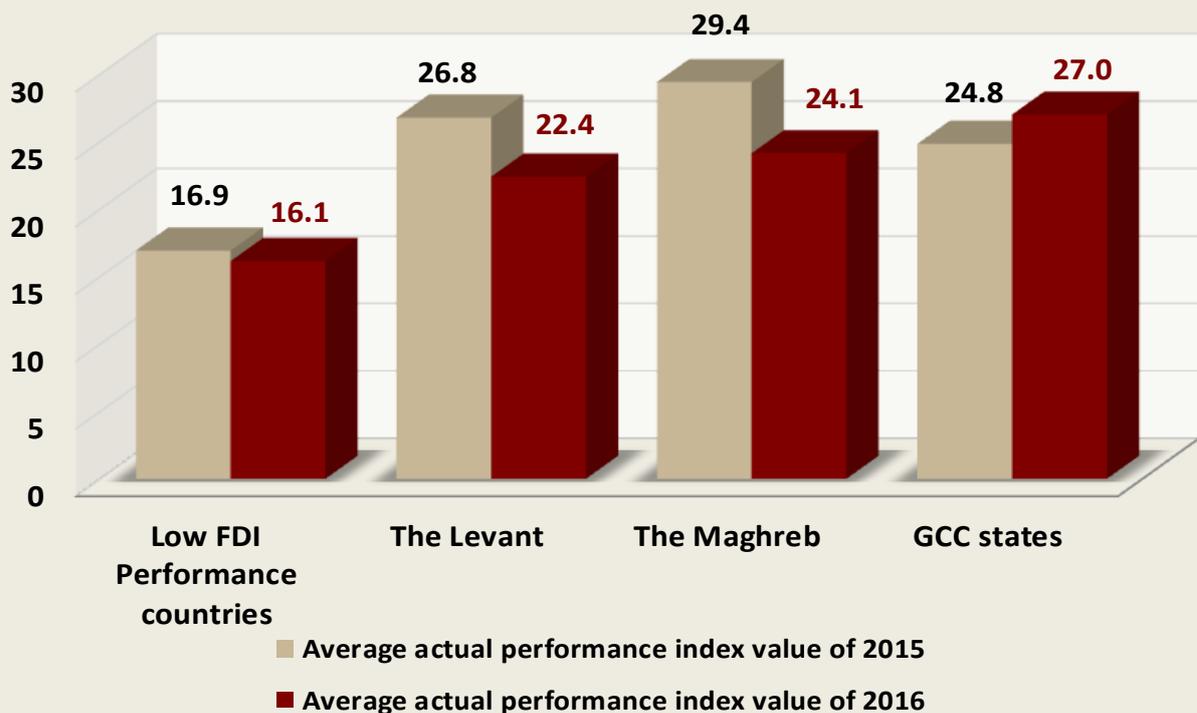


Figure 60: DIAI Average Index value for Arab Groups, 2015 and 2016



4. Arab Countries' Attractiveness According to Economic Development Phases

It is normal that the capacities of providing and creating opportunities to attract investments vary between countries, according to their development phase. For example, what is possible for developing countries might not be feasible for developed countries and vice-versa. Therefore, national FDI policy makers need to take into account the development phase of their country.

When a country's scores improve on the various development indicators, the elements on which it should rely on in order to increase its attractiveness to investment consequently change. Countries undergoing the economic development phase that depends on using cheap labor force and/or natural resources compete against each other over attracting FDIs, based on labor costs and the availability of human resources, in order to produce goods and services that are usually regular or not complicated.

But if the scores of those countries improve on the various development indicators, the average GDP per capita and the per capita income increase and the economic structure changes, those countries - in order to maintain its attractiveness to investment - will need to increase the productivity of their various production elements to remain capable of justifying the high returns paid for those elements participating in the production process to attract investments. This can be done by other means like education, training, technology and so on in each phase.

In this context, countries listed under Dhaman index have been divided into three categories according to their development phase, based on the same standards adopted by the Global Competitiveness Report published by the World Economic Forum, after joining each transitional phase to the one that follows it, as explained in table 36.

Table 36: Phases of Development

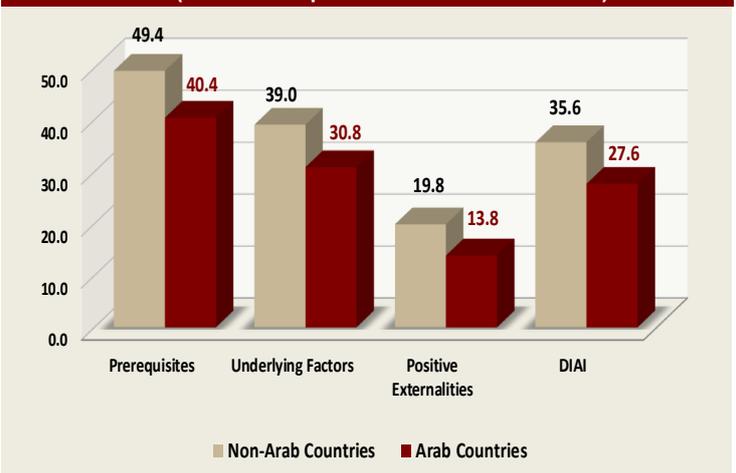
	Phase I: Countries dependent on natural resources	Phase II: Countries dependent on efficiency and effectiveness	Phase III: Countries dependent on knowledge and innovation
GDP per capita (USD)	< 2000 or exports of mineral products exceed 70% of total exports	2000 - 8999	> 9000
Weight for Prerequisites	60%	40%	20%
Weight for Underlying Factors	35%	50%	50%
Weight for Positive Externalities	5%	10%	30%

Table 37: Distribution of Countries according to Phases of Development

Phase I: Countries dependent on natural resources	Phase II: Countries dependent on efficiency and effectiveness		Phase III: Countries dependent on knowledge and innovation	
Senegal	Ecuador	Serbia	Estonia	Czech Republic
Sudan	Jordan	Guatemala	UAE	Russia
Cameroon	Algeria	Venezuela	Argentina	Oman
India	Dominican	Qatar	Bahrain	Slovakia
Yemen	Saudi Arabia	Columbia	Brazil	Slovenia
Ethiopia	China	Egypt	Portugal	Singapore
Central Africa	Iraq	Mauritius	Denmark	Switzerland
Uganda	Gabon	Namibia	Sweden	France
Pakistan	Philippines	Honduras	Mexico	Finland
Benin	Kuwait		United Kingdom	Cyprus
Burkina Faso	Morocco		Norway	Kazakhstan
Chad	Iran		Austria	Canada
Tanzania	Azerbaijan		United States	Korea
Togo	Indonesia		Japan	Latvia
Ivory Coast	Angola		Greece	Lebanon
Ghana	Ukraine		Spain	Lithuania
Vietnam	Paraguay		Israel	Malta
Cambodia	Bulgaria		Italy	Malaysia
Kenya	Panama		Australia	New Zealand
Mali	Botswana		Germany	Hungary
Madagascar	Bolivia		Uruguay	Netherlands
Mauritania	Peru		Ireland	Hong Kong
Mozambique	Thailand		Belgium	
Nepal	Tunisia		Poland	
Nigeria	South Africa		Turkey	
Nicaragua	Romania		Chile	

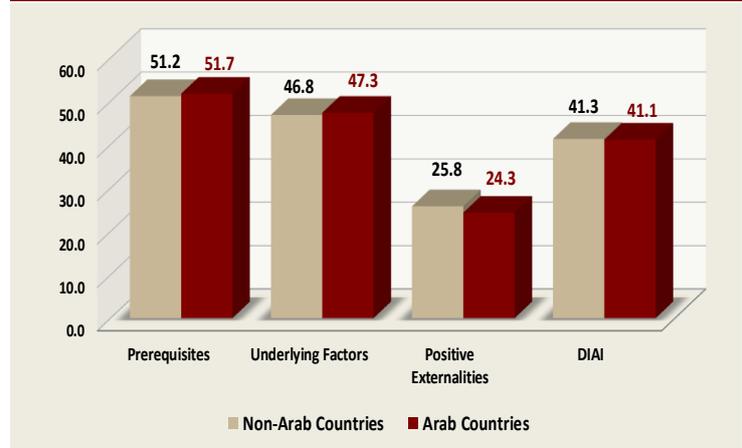
The first phase includes countries depending on natural resources; the second phase includes countries relying on efficiency and effectiveness and the third phase includes countries relying on knowledge and innovation, according to the classification in table 37 that can be interpreted as follows:

1. Countries under the group of economies dependent on natural resources: Sudan, Yemen and Mauritania. Presumably, these countries should give priority to improving the attraction indices under the set of prerequisites: macroeconomic stability, brokerage and financing capacities, good governance, public administration, social and institutional environment and business environment. Figure 61 also shows that the average performance of Arab countries during this phase on the set of prerequisites (40.2 points) is inferior to the average performance of other countries in the same classification (48.9 points), with a difference of 21.6%. This has negative consequences on these countries' ability to attract FDIs.

Figure 61: DIAI Performance Arab Countries in Phase I of Development 2016 (Countries dependent on natural resources)


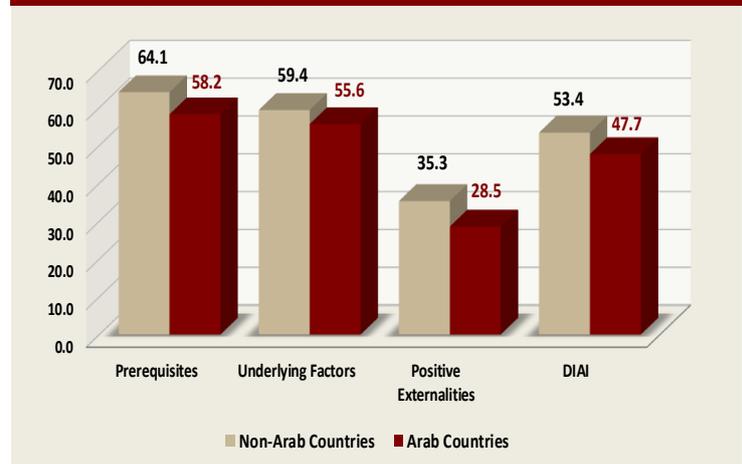
2. The group of countries classified under the group of economies relying on efficiency and effectiveness. These include 9 Arab countries: Jordan, Algeria, Saudi Arabia, Iraq, Kuwait, Morocco, Tunisia, Qatar, and Egypt. Contrary to the first group, the performance of these countries on the sub-indices including positive externalities (agglomeration economies and differentiation) was better than the average performance of other competing countries under the same classification (figure 62). It should be noted that the majority of Arab countries in this group have abundant resources (oil and gas). Despite this improvement, those countries need to continue to improve their level of attractiveness to keep pace with their competitors by relying mainly on underlying factors largely determined by multinationals. These factors include: market size and accessibility, quality of available human resources in conjunction with the use of natural resources, direct and indirect elements determining cost and encouraging investment, infrastructure and logistics efficiency, leading to higher productivity and the development and adoption of more efficient and more effective production methods in order to enhance the quality of goods and services so as to keep up with rising incomes and quality requirements. The set of prerequisites also maintains its relative importance when addressing the existing investment attractiveness gap in comparison with competitor countries.

Figure 62: DIAI Performance Arab Countries in Phases II of Development 2016 (Countries dependent on efficiency and effectiveness)



3. The third and last group includes economies that reached the stage of reliance on development and innovation to attract foreign capital flows, according to the capacity to offer creative and unique goods and services. These countries should rely on modern and complex production techniques, and be able to profit from positive externalities in the investment's environment. Thus, the relative importance of the set of agglomeration economies, differentiation and technological advancement in attracting FDIs increases. This group includes four Arab countries: Bahrain, UAE, Oman and Lebanon . Figure 63 shows the performance of these countries with competing countries under the same classification, mostly OECD countries. The same figure also shows the relative importance of the gap that is based on differentiation and technological advancement factors, which accounts for 26.4%, and the gap in terms of prerequisites, which represents 8.7%. In this context, countries in this group need to rely on the latest, most sophisticated and most complex means of production. They also need to benefit from positive externalities available in the investment environment.

Figure 63: DIAI Performance Arab Countries in Phases III of Development 2016 (Countries dependent on knowledge and innovation)



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Concluding Remarks & Policy Recommendations

Concluding Remarks & Policy Recommendations

The Arab region has been facing various challenges that are hindering its capability of attracting capital flows in general and FDI in particular, especially after the events it witnessed in 2010. Despite the region's fluctuating performance in terms of FDI attractiveness, the average inward FDI share of an Arab country during the period between 2000 and 2015 did not exceed 3.5. FDI inflows in the region declined from 44 billion dollars in 2014 to 40 billion dollars in 2015. The region's share of the total FDI balances in the world, which was estimated at around 25 trillion dollars by the end of 2015, did not exceed 2.3% with a total value of 814 billion dollars.

FDI flows incoming to the region are also concentrated in a limited number of countries, as two Arab countries (Saudi Arabia and the United Arab Emirates) attracted 41% of inward FDI balances in the region. By adding Egypt, Lebanon and Morocco to the list, the share rises to 66%.

Therefore, it is imperative that Arab countries - wither rich or of a lower income – make a move to increase their attractiveness to FDI as a key to face economic growth challenges, create jobs and achieve a comprehensive development in general. This can be made through a beneficial integration into the global markets, transfer and localization of technology and modern ways of management and marketing.

In this context, the present report, using Dhaman FDI Attractiveness Index, aims to meticulously diagnose the reasons behind the weak FDI attractiveness of economies in general and Arab ones in particular in order to provide an accurate and comprehensive data base that leads to suggest practical and effective solutions capable of better exploiting the strengths and adequately addressing the weaknesses. The report came to the following conclusions and recommendations:

First: Meticulously Diagnosing the Investment Environment

1. Build accurate, updated and comprehensive databases about the investment environment in general and foreign investments in particular, and monitor the level of flows and balances, their evolution and distribution according to the states of origin, the investing companies and the sectors of activity, based on a strong and comprehensive methodology that takes into account international standards, and ensures the possibility of assessing the returns of applied procedures and policies as well as the impact of those investments on the development performance within the host country.
2. Each Arab country should form a committee of stakeholders to determine its strengths and weaknesses in terms of FDI attractiveness, in light of the regional and international competition, in order to improve its world ranking on Dhaman FDI Attractiveness Index and other related international indices. This can be done by taking various measures encompassing all the 58 variables covered by the present report, so as to enhance the positive aspects and eliminate the obstacles and challenges, taking into account the stages of development of each country.

Second: Sound Planning to Improve the Investment Environment

Set plans and strategies to improve the various factors affecting the attraction of investments with the participation of the various stakeholders on the institutional, legislative, procedural, economic and social levels. Avail and develop the main production elements in order to attract investments, including the following:

1. Establish and expand industrial and technological cities and free zones, provide the necessary accompanying land for the establishment of businesses, ensure delivery of diverse services to them and link them to the various means of communication and transportation.
2. Rethink and restructure human resources and improve their productivity and skills by reforming the education and training systems with a focus on efficiency, technical education, the development of research capacities, creativity and skill gaining, so as to meet the challenges of skilled labor scarcity and low productivity.
3. Develop scientific research, keep abreast of the latest technological developments and scientific inventions and link them to the various local production fields.
4. Simplify and facilitate the procedures of project financing by local banks and capital markets or through private and international financing institutions around the world.
5. Support and prepare new generations of young entrepreneurs and encourage them through training and education to expand and enter local and international investment partnerships in various fields.

Third: Avoid or Minimize the Political Dangers of Investment

1. Arab countries need to continue passing investment laws committed to safeguarding investors' rights against expropriation and nationalization, ensuring the respect of contracts and undertakings, and expand bilateral and international agreements to protect and encourage investment and avoid double taxation, facilitate the resorting to courts and investment arbitration centers.
2. Facilitate the resorting of foreign investors to specialized institutions and companies that provide insurance service against political risks, through the conclusion of insurance contracts that offer them compensation in case of risk in exchange for an annual fee of between 1 and 3% of the actual value of their investments transferred from outside of the state receiving the investment. On top of those institutions is the Arab Investment & Export Credit Guarantee Corporation, which was established by the Arab states in Kuwait in the mid-seventies as the first multilateral organization to provide this type of service. The total investment insurance operations provided by the Corporation amounted to over 3 billion dollars by the end of 2015, which contributed significantly to convincing Arab and foreign investors of entering Arab countries in despite the political risks in the region since the mid-seventies.

Fourth: Active Promotion to Attract Investors

Adopt a comprehensive planning method on the country level to attract foreign investments according to a comprehensive country planning approach to attract foreign investments based on the general promotion of the country as an attractive hub for investment, trade, tourism and business. The concept must be implemented in collaboration between all stakeholders, especially those responsible for planning, foreign affairs, processing of transactions, legislation, infrastructure, utilities and everything related to the business performance environment as well as investment promotion agencies. The most important is to ensure the continuous improvement of the investment climate through close monitoring and quick response to foreign developments, in particular what competitors are doing in the region and the world.

Formulate strategies, policies and investment programs that are more specific and more effective in attracting target groups, especially multinational companies and foreign investors, who have the potential to influence the national economy strongly and effectively. Foreign investment also needs to have a clear and effective role in the implementation of plans and strategies for growth and sustainable development adopted by governments in various fields, with the need to assess the output of those policies in order to continue to modify and develop them in the future and to enhance the development dimension of international investment agreements.

Fifth: Optimizing returns on FDIs

1. Arab economies and societies need to measure the impact of foreign investments on the indicators related to the added value, exports, employment, salaries, tax revenues, fixed capital formation and scientific research and development.
2. Standards should be set in order to give priority to projects that positively impact development and its sustainability by imposing restrictions and procedures in order to divert projects with negative impact while connecting all of that to development plans so as to ensure the efficiency of such plan in achieving development goals.

Sixth: Periodic Review and Policy Flexibility

1. Governments need to periodically review the FDI attractiveness of their countries in light of global developments and measures taken by competitor countries.
2. Focus on general economic efficiency and competitiveness of the country, quality, productivity and innovation standards, the extent of economic openness and freedom of markets, the quality and efficiency of all kinds of government services, the effectiveness of the laws and their respect. They need to adhere to high standards of public governance that guarantee effective and transparent measures expected by investors.

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Part III: Country Profiles

Jordan: Inward and Outward FDI



Population (million)	7
Area (Km ²)	89,342
Coastline (Km)	26
Natural resources	Phosphate, potash and oil shale

I – Inward Investments

In 2015, Jordan succeeded in attracting FDIs worth 1275 million dollars according to UNCTAD estimations, which represent 3.2% of the Arab total for the same year.

FDI balances incoming to Jordan amounted to some 30 billion dollars by the end of 2015, which represent 3.7% of the Arab total for the same period.

As for Jordan's activity in terms of new FDIs (greenfield), the FDI Markets database published by the Financial Times shows the following:

- From January 2003 to December 2015, 312 FDI projects were implemented in Jordan by 248 Arab and foreign companies. It is estimated that the total investment cost of these projects, which employ roughly 65,000 workers, exceeds \$ 44 billion.
- For the period between January 2011 and December 2015, Russia, KSA, Egypt, South Korea and Estonia respectively were on the list of the most important countries investing in Jordan, in terms of investment cost of the projects. The share of these five countries accounted for around 75% of the total.
- Since January 2011, Arab and foreign investments incoming to Jordan have been concentrated in the metals sector with 3.7 billion dollars, the real estate sector with 1.7 billion dollars and the construction and construction material sector with 1.3 billion dollars.
- Since January 2011, the Russian company Rosatom has topped the list of the 10 most important companies investing in Jordan as it implements a project with a huge investment cost estimated at around 10 billion dollars.

II – Commodity Exports

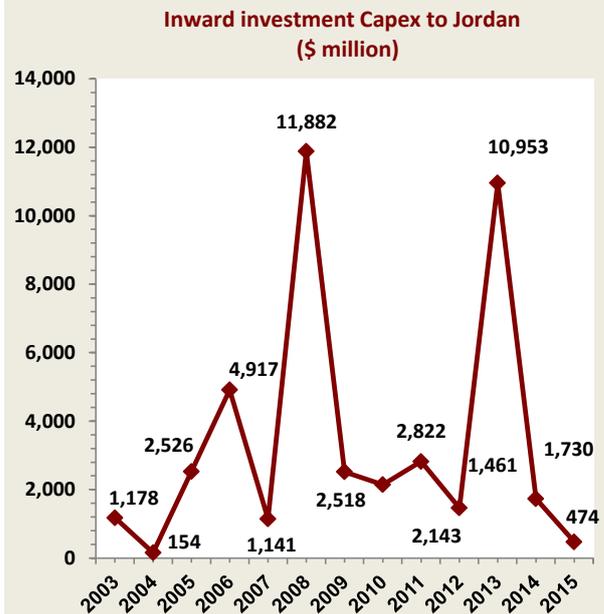
Regarding Jordan's export activity, the trade map database published by the World Trade Center by the end of 2015 reveals the following:

- Jordan's commodity exports amounted to 7.9 billion dollars, while its imports amounted to more than 20 billion dollars.
- In terms of geographic distribution, the U.S.A is considered the most important market for Jordan's exports with a share of 18.4%, followed by K.S.A. with 14.8%, the free zones with 10.7% and Iraq with 9.5%.
- In terms of sector distribution, clothing and accessories represent 16.8% of Jordan's exports, followed by fertilizers with 10.8% and pharmaceutical products with 8.1%.



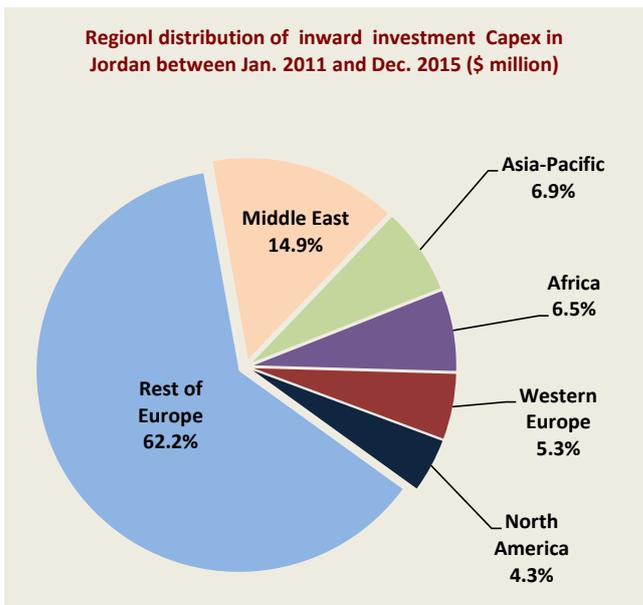
Jordan: FDI Greenfield Projects

Year	No. Projects	* Capex (Million \$)	No. Jobs	No. Companies
2003	16	1,177.8	2,484	16
2004	11	154.1	1,011	11
2005	25	2,526.0	5,350	23
2006	35	4,916.5	15,795	34
2007	20	1,141.4	4,157	20
2008	34	11,881.9	13,189	34
2009	27	2,517.5	6,752	26
2010	47	2,142.9	4,227	34
2011	32	2,822.2	3,360	27
2012	27	1,461.3	2,338	23
2013	17	10,953.0	2,627	15
2014	14	1,729.5	3,689	13
2015	7	474.1	234	5
Total	312	43,898	65,213	248



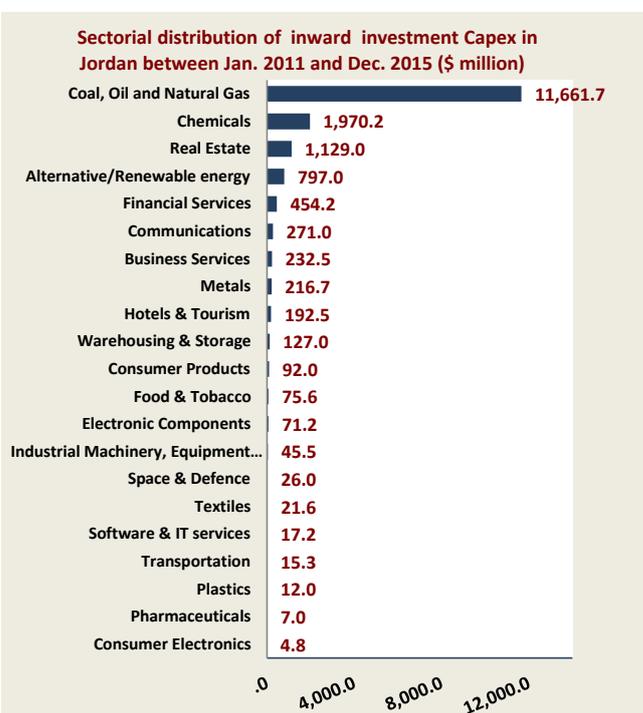
Top countries investing in Jordan between Jan. 2011 and Dec. 2015

Source Country	Projects	* Capex (Million \$)	Jobs Created	Companies
Russia	3	10,031.6	1,156	3
Saudi Arabia	8	1,482.7	602	4
Egypt	1	1,129.0	3,000	1
South Korea	4	977.4	237	3
Estonia	1	750.2	116	1
United State	13	737.3	1,179	12
UAE	16	467.4	1,802	10
Bahrain	5	319.5	400	3
UK	5	241.1	640	5
Kuwait	9	230.8	896	4
Others	32	1,073.1	2,220	28
Total	97	17,440	12,248	74



Top Companies investing in Jordan between Jan. 2011 and Dec. 2015

Parent company	Country	Projects	* Capex (Million \$)
Rosatom	Russia	1	10,000
Al Hamdi Group	Saudi Arabia	1	1,400
Amer Group	Egypt	1	1,129
Korea Electric Power (KEPCO)	South Korea	2	970
Eesti Energia	Estonia	1	750
Albemarle Corporation	US	1	558
Zain (Mobile Telecommunications Company)	Bahrain	4	256
Building Energy	Italy	1	220
Mitsubishi Corporation	Japan	1	220
Reach Group	UAE	1	217
Other Companies		83	1,722
Total		97	17,440



Source: Tables and Figures in this page: FDI Intelligence from The Financial Times

* Capex : Capital expenditure



Jordan: Overall Performance and Position in DIAI

Capital:	Amman		2014	2015
Currency:	Jordanian dinar (JOD)	Exchange rate (LCU per USD):	0.709	0.709

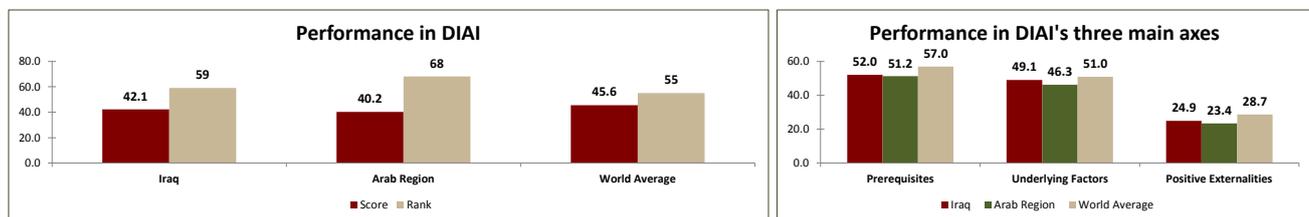
Basic Information:		Unit	2014	2015	2016	2017
Nominal GDP		USD billion	35.9	37.6	39.8	42.3
Real GDP Growth		%	3.1	2.5	3.2	3.7
GDP per Capita		USD	5,374.6	5,513.0	5,704.7	5,931.7
Inflation (average consumer prices)		%	2.9	-0.9	0.2	2.1
General Government Total Expenditure and Net Lending (% of GDP)		%	30.9	29.0	29.5	29.3
Current Account Balance		USD billion	-2.4	-3.3	-2.5	-2.4
Current Account Balance (% of GDP)		%	-6.6	-8.8	-6.4	-5.6
Exports of Goods and Services		USD billion	15.6	14.2	14.2	14.6
Imports of Goods and Services		USD billion	24.9	22.6	21.5	22.5
Gross Official Reserves		USD billion	16.0	16.6	17.0	17.4
Total reserves in months of imports		Month	7.7	8.8	9.5	9.3
Total Gross External Debt (% of GDP)		%	63.9	65.2	64.5	62.7
Population		Million people	6.7	6.8	7.0	7.1
Unemployment (% of total labor force)		%	11.9	--	--	--

Source: International Monetary Fund (IMF)

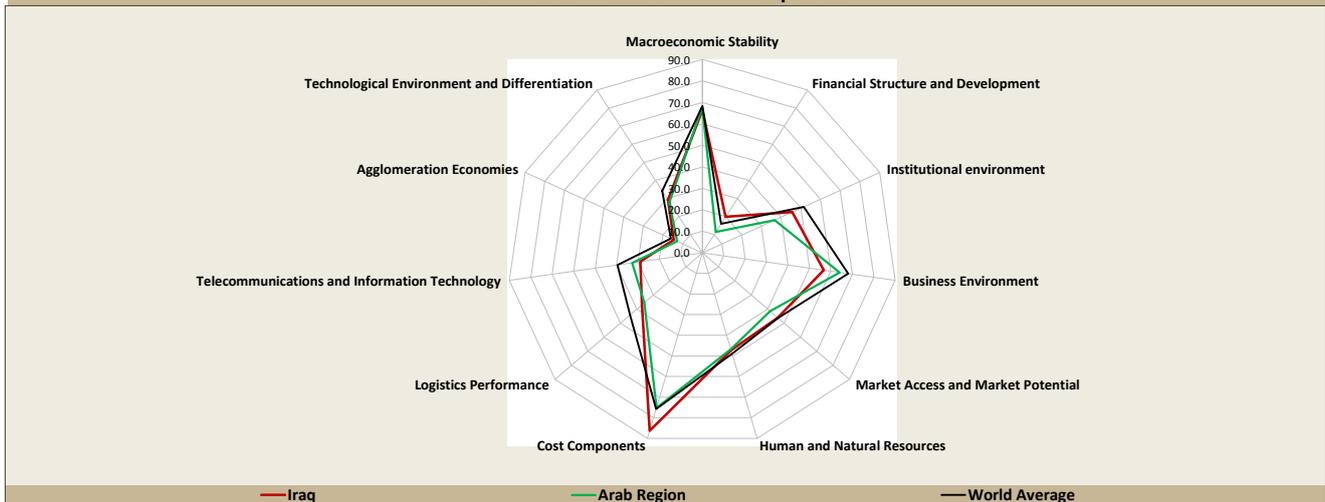
Foreign direct investment (FDI)		Unit	2012	2013	2014	2015
FDI Flow	Inward	USD million	1,513.1	1,804.5	2,009.4	1,274.8
	Outward	USD million	5.4	15.6	83.4	1.0
FDI Stock	Inward	USD million	24,897.9	26,769.7	28,714.1	29,957.6
	Outward	USD million	509.3	524.9	608.5	609.3

Source: UNCTAD

Performance in Dhaman Investment Attractiveness Index (DIAI) 2016



Performance in DIAI's Core Components





Jordan: Imports & Exports of Goods

Top countries exporting goods to Jordan Year 2015

	Exporting Country	Value (\$ millions)	% Exports
1	Saudi Arabia	3,114.722	15.5
2	China	2,587.313	12.9
3	United States of America	1,245.648	6.2
4	Germany	941.966	4.7
5	United Arab Emirates	842.190	4.2
6	Italy	773.893	3.9
7	Turkey	747.828	3.7
8	Korea, Republic of	691.526	3.5
9	Switzerland	664.561	3.3
10	Japan	591.255	2.9
11	India	528.045	2.6
12	Egypt	488.556	2.4
13	Taipei, Chinese	474.721	2.4
14	France	373.739	1.9
15	Spain	366.828	1.8
16	Russian Federation	318.376	1.6
17	Romania	313.615	1.6
18	Belgium	313.016	1.6
18	Brazil	279.003	1.4
20	United Kingdom	275.525	1.4
	Others	4,110.679	20.5
	Total	20,043.005	

Top countries importing goods from Jordan Year 2015

	Importing Country	Value (\$ millions)	% Imports
1	United States of America	1,447.636	18.4
2	Saudi Arabia	1,162.839	14.8
3	Free Zones	843.850	10.7
4	Iraq	750.351	9.5
5	India	588.807	7.5
6	United Arab Emirates	377.452	4.8
7	Kuwait	306.929	3.9
8	China	237.160	3.0
9	Qatar	157.984	2.0
10	Palestine, State of	148.582	1.9
11	Indonesia	139.436	1.8
12	Syrian Arab Republic	137.925	1.8
13	Lebanon	133.221	1.7
14	Israel	126.248	1.6
15	Egypt	107.038	1.4
16	Turkey	100.898	1.3
17	Sudan (North + South)	96.659	1.2
18	Algeria	88.964	1.1
19	Malaysia	75.827	1.0
20	Oman	71.784	0.9
	Others	760.732	9.7
	Total	7,860.322	

Top goods (products) exported by Jordan Year 2015

	Exported Goods	Value (\$ millions)	% Exports
1	Articles of apparel, accessories, knit or crochet	1,319.475	16.8
2	Fertilizers	847.331	10.8
3	Pharmaceutical products	635.634	8.1
4	Salt, sulphur, earth, stone, plaster, lime and cement	594.191	7.6
5	Edible vegetables and certain roots and tubers	527.078	6.7
6	Inorganic chemicals, precious metal compound, isotopes	332.412	4.2
7	Plastics and articles thereof	316.932	4.0
8	Machinery, nuclear reactors, boilers, etc	297.705	3.8
9	Electrical, electronic equipment	287.148	3.7
10	Live animals	204.471	2.6
11	Edible fruit, nuts, peel of citrus fruit, melons	195.752	2.5
12	Paper and paperboard, articles of pulp, paper and board	164.222	2.1
13	Pearls, precious stones, metals, coins, etc	143.068	1.8
14	Aluminium and articles thereof	131.095	1.7
15	Soaps, lubricants, waxes, candles, modelling pastes	118.329	1.5
16	Miscellaneous edible preparations	110.900	1.4
17	Vehicles other than railway, tramway	104.620	1.3
18	Articles of iron or steel	102.173	1.3
19	Aircraft, spacecraft, and parts thereof	87.820	1.1
20	Furniture, lighting, signs, prefabricated buildings	71.565	0.9
	Others	1,268.407	16.1
	Total	7,860.328	

Top goods (products) imported by Jordan Year 2015

	Imported Goods	Value (\$ millions)	% Imports
1	Mineral fuels, oils, distillation products, etc	3,331.461	16.6
2	Vehicles other than railway, tramway	1,762.901	8.8
3	Machinery, nuclear reactors, boilers, etc	1,632.124	8.1
4	Electrical, electronic equipment	1,146.176	5.7
5	Pearls, precious stones, metals, coins, etc	1,024.802	5.1
6	Plastics and articles thereof	769.878	3.8
7	Cereals	652.178	3.3
8	Iron and steel	603.316	3.0
9	Pharmaceutical products	545.510	2.7
10	Knitted or crocheted fabric	526.071	2.6
11	Meat and edible meat offal	452.780	2.3
12	Commodities not elsewhere specified	388.527	1.9
13	Organic chemicals	312.191	1.6
14	Articles of iron or steel	308.308	1.5
15	Dairy products, eggs, honey, edible animal products	300.247	1.5
16	Paper and paperboard, articles of pulp, paper and board	291.539	1.5
17	Optical, photo, technical, medical, etc apparatus	288.508	1.4
18	Edible fruit, nuts, peel of citrus fruit, melons	258.913	1.3
19	Articles of apparel, accessories, knit or crochet	258.796	1.3
20	Miscellaneous edible preparations	248.717	1.2
	Others	4,940.061	24.6
	Total	20,043.004	

Source: International Trade Center-TradeMap

UAE: Inward and Outward FDI



Population (million)	9.9
Area (Km ²)	83,600
Coastline (Km)	1,318
Natural resources	Petroleum and Natural Gas

I – Inward Investments

In 2015, the UAE succeeded in attracting FDIs worth 11 billion dollars according to UNCTAD estimations, which represent 27.5% of the Arab total for the same year.

FDI balances incoming to the UAE amounted to some 111.1 billion dollars by the end of 2015, which represent 13.6% of the Arab total for the same period.

As for the United Arab Emirates' activity in terms of new FDIs (greenfield), the FDI Markets database published by the Financial Times shows the following:

- For the period from January 2003 to December 2015, 4128 FDI projects were implemented in the UAE by 3414 Arab and foreign companies. It is estimated that the total investment cost of these projects, which employ roughly 362 thousand workers is about \$ 142.2 billion.
- For the period between January 2011 and December 2015, India, the United States, the United Kingdom and Japan respectively were on the list of the most important countries investing in the UAE, in terms of investment cost of the projects. The share of the four countries accounted for around 53% of the total approximately.
- Since January 2011, Arab and foreign investments incoming to the UAE have been concentrated in the oil and gas sector with 9 billion dollars, the real estate sector with 7 billion dollars and chemicals with 4.6 billion dollars.
- Since January 2011, the Indian company Sobha has been on top of the list of the 10 most important companies investing in the UAE as it implements two huge projects with an investment cost estimated at around 4.4 billion dollars.

II – Commodity Exports

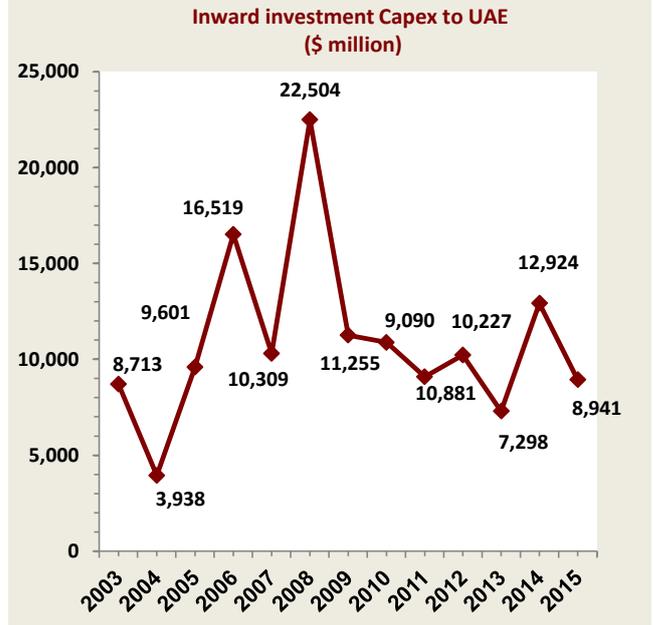
Regarding UAE's export activity, the trade map database published by the World Trade Center by the end of 2015 reveals the following:

- UAE's commodity exports amounted to 145.4 billion dollars, while its imports amounted to some 215 billion dollars.
- In terms of geographic distribution, Japan is considered the most important market for UAE's exports with a share of 16.2%, followed by India with 13.9%, China with 7.9% and the Sultanate of Oman with 7%.
- In terms of sector distribution, fuels, oils and distillation products represent 52.4% of UAE's exports, followed by pearls, gemstones and metals with 17.7% followed by aluminum and its products with 3.8%.



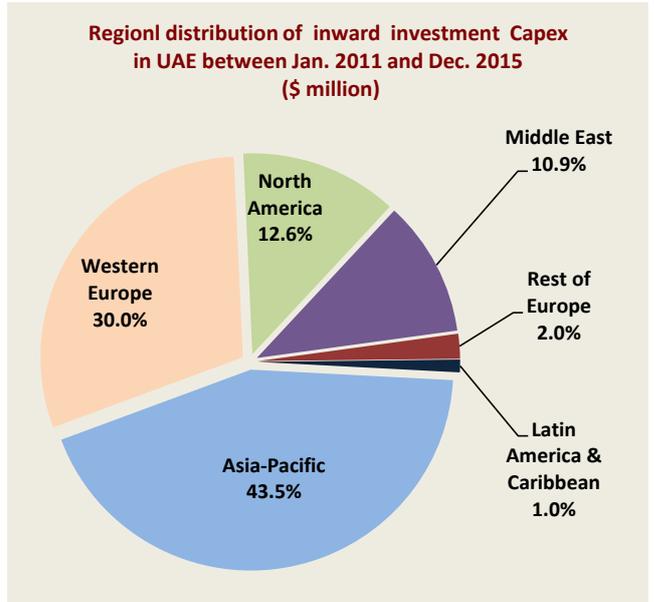
UAE: FDI Greenfield Projects

Year	No. Projects	* Capex (Million \$)	No. Jobs	No. Companies
2003	150	8,712.5	19,658	146
2004	158	3,938.2	14,669	149
2005	229	9,600.7	21,074	213
2006	307	16,519.4	39,973	285
2007	308	10,309.4	30,526	302
2008	520	22,503.7	64,329	474
2009	413	11,255.2	36,445	387
2010	332	10,881.4	28,024	312
2011	391	9,090.2	21,654	363
2012	345	10,226.7	26,137	334
2013	341	7,298.0	18,848	335
2014	318	12,924.3	17,296	302
2015	316	8,941.3	23,398	305
Total	4,128	142,201	362,031	3,414



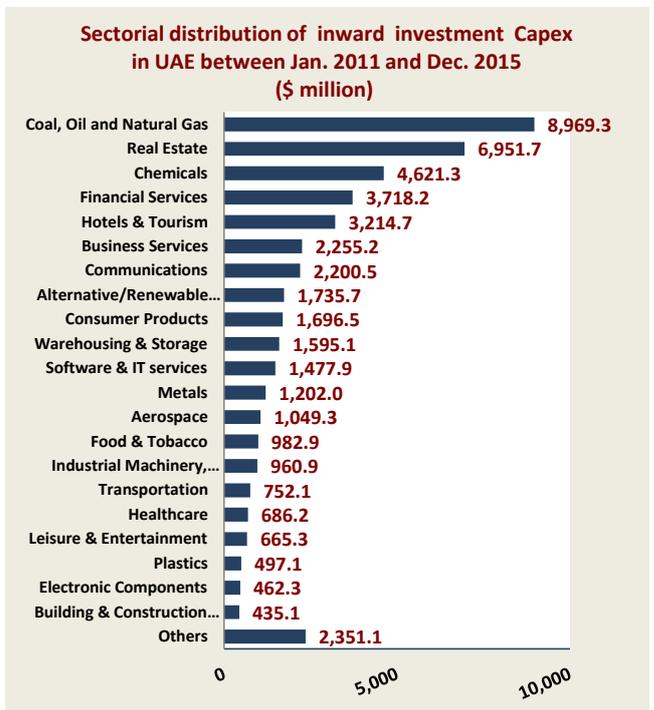
Top countries investing in UAE between Jan. 2011 and Dec. 2015

Source Country	Projects	* Capex (Million \$)	Jobs Created	Companies
India	147	12,826.6	19,147	123
US	382	5,640.3	15,019	347
UK	292	4,020.9	12,694	267
Japan	45	3,248.2	3,686	45
Saudi Arabia	22	2,696.9	3,258	21
France	103	2,296.3	7,201	87
Germany	101	2,004.6	6,334	86
Holland	34	1,572.0	2,586	32
Switzerland	61	1,507.8	5,923	58
China	33	1,218.7	1,927	28
Others	491	11,448.2	29,558	438
Total	1,711	48,481	107,333	1,532



Top Companies investing in UAE between Jan. 2011 and Dec. 2015

Parent company	Country	Projects	* Capex (Million \$)
Sobha (Sobha Developers)	India	2	4,377
Apar Industries	India	1	2,617
ACWA Power International	Saudi Arabia	1	1,800
Sumitomo Group	Japan	1	1,500
Accor	France	6	1,054
Adventz Group	India	1	953
Inpex	Japan	1	850
Royal Dutch Shell Plc	Holland	1	850
KK Birla Group	India	1	800
Pacific Ventures	India	2	753
Other Companies		1,694	32,927
Total		1,711	48,481



Source: Tables and Figures in this page: FDI Intelligence from The Financial Times

* Capex : Capital expenditure



UAE: Overall Performance and Position in DIAI

Capital:	Abu Dhabi		2014	2015
Currency:	UAE dirham (AED)	Exchange rate (LCU per USD):	6.032	6.316

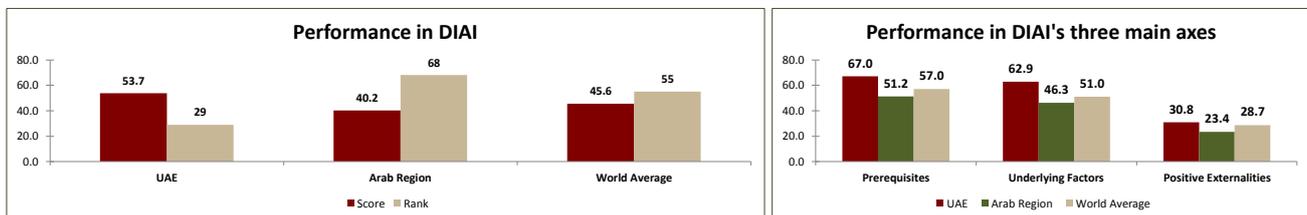
Basic Information:	Unit	2014	2015	2016	2017
Nominal GDP	USD billion	399.5	345.5	325.1	357.3
Real GDP Growth	%	4.6	3.9	2.4	2.6
GDP per Capita	USD	42,943.8	36,060.0	32,988.6	35,236.8
Inflation (average consumer prices)	%	2.3	4.1	3.2	2.7
General Government Total Expenditure and Net Lending (% of GDP)	%	32.5	35.9	38.0	35.1
Current Account Balance	USD billion	54.6	13.5	-3.2	0.4
Current Account Balance (% of GDP)	%	13.7	3.9	-1.0	0.1
Exports of Goods and Services	USD billion	391.3	343.2	336.6	348.2
Imports of Goods and Services	USD billion	311.2	310.5	321.0	327.6
Gross Official Reserves	USD billion	78.5	83.3	83.5	84.2
Total reserves in months of imports	Month	3.0	3.2	3.1	3.1
Total Gross External Debt (% of GDP)	%	49.1	64.6	69.5	63.9
Population	Million people	9.3	9.6	9.9	10.1
Unemployment (% of total labor force)	%	--	--	--	--

Source: International Monetary Fund (IMF)

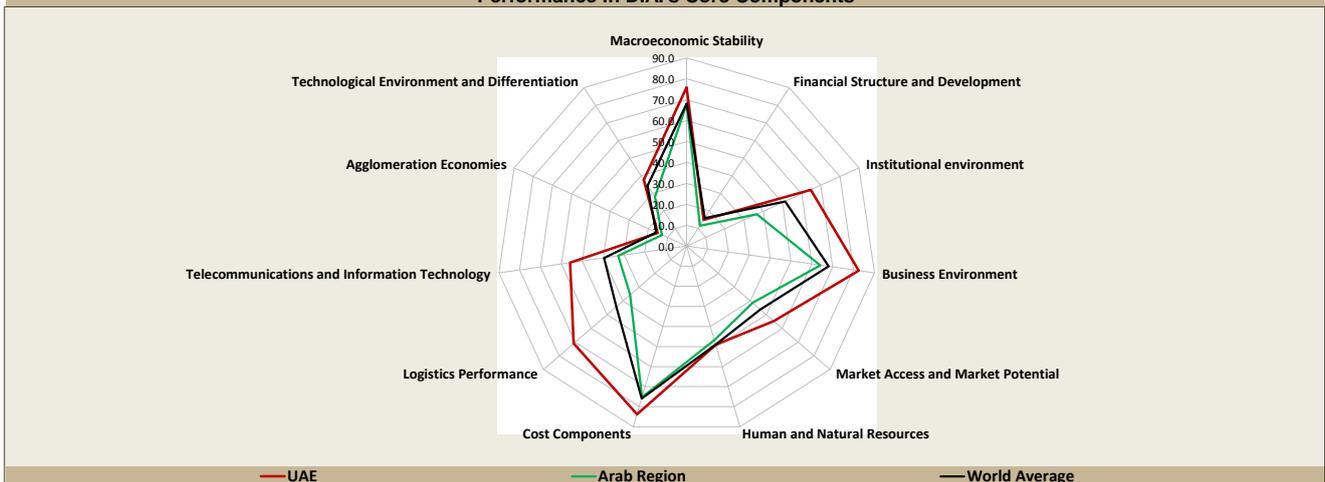
Foreign direct investment (FDI)	Unit	2012	2013	2014	2015	
FDI Flow	Inward	USD million	8,828.4	9,491.0	10,823.4	10,975.8
	Outward	USD million	2,536.0	8,828.3	9,019.1	9,264.3
FDI Stock	Inward	USD million	79,849.2	89,340.2	100,163.6	111,139.4
	Outward	USD million	60,274.0	69,102.3	78,121.4	87,385.7

Source: UNCTAD

Performance in Dhaman Investment Attractiveness Index (DIAI) 2016



Performance in DIAI's Core Components





UAE: Imports & Exports of Goods

Top countries exporting goods to UAE Year 2015

	Exporting Country	Value (\$ millions)	% Exports
1	China	37,069.274	25.5
2	India	29,989.560	20.6
3	United States of America	22,970.393	15.8
4	Germany	16,333.656	11.2
5	United Kingdom	10,449.623	7.2
6	Japan	8,694.885	6.0
7	Italy	6,854.917	4.7
8	Saudi Arabia	6,773.448	4.7
9	Hong Kong, China	6,218.287	4.3
10	Korea, Republic of	6,081.135	4.2
11	Switzerland	5,314.021	3.7
12	Singapore	5,155.570	3.5
13	Qatar	4,734.993	3.3
14	Turkey	4,681.407	3.2
15	France	4,264.937	2.9
16	Belgium	3,801.796	2.6
17	Netherlands	3,544.043	2.4
18	Malaysia	3,038.580	2.1
19	Thailand	3,016.259	2.1
20	Australia	2,516.812	1.7
	Others	23,614.436	16.2
	Total	215,118.032	

Top countries importing goods from UAE Year 2015

	Importing Country	Value (\$ millions)	% Imports
1	Japan	23,514.723	16.2
2	India	20,283.244	13.9
3	China	11,531.801	7.9
4	Oman	10,159.886	7.0
5	Saudi Arabia	8,626.872	5.9
6	Korea, Republic of	8,613.919	5.9
7	Singapore	8,176.265	5.6
8	Thailand	8,135.333	5.6
9	Hong Kong, China	4,281.412	2.9
10	Switzerland	3,870.630	2.7
11	Taipei, Chinese	3,438.207	2.4
12	Malaysia	3,122.164	2.1
13	Belgium	3,120.724	2.1
14	Kuwait	2,976.211	2.0
15	Qatar	2,860.802	2.0
16	United States of America	2,589.739	1.8
17	Turkey	2,008.690	1.4
18	Australia	1,858.911	1.3
19	Netherlands	1,304.886	0.9
20	United Kingdom	1,302.559	0.9
	Others	13,664.482	9.4
	Total	145,441.460	

Top goods (products) exported by UAE Year 2015

	Exported Goods	Value (\$ millions)	% Exports
1	Mineral fuels, oils, distillation products, etc	76,232.502	52.4
2	Pearls, precious stones, metals, coins, etc	25,757.688	17.7
3	Aluminium and articles thereof	5,451.584	3.8
4	Plastics and articles thereof	4,942.922	3.4
5	Electrical, electronic equipment	3,489.829	2.4
6	Machinery, nuclear reactors, boilers, etc	3,307.477	2.3
7	Articles of iron or steel	2,577.436	1.8
8	Copper and articles thereof	2,288.449	1.6
9	Iron and steel	1,978.095	1.4
10	Salt, sulphur, earth, stone, plaster, lime and cement	1,967.968	1.4
11	Commodities not elsewhere specified	1,248.767	0.9
12	Organic chemicals	806.922	0.6
13	Furniture, lighting, signs, prefabricated buildings	765.944	0.5
14	Essential oils, perfumes, cosmetics, toileteries	702.803	0.5
15	Fertilizers	693.849	0.5
16	Dairy products, eggs, honey, edible animal product nes	592.435	0.4
17	Animal,vegetable fats and oils, cleavage products, etc	554.869	0.4
18	Miscellaneous chemical products	523.057	0.4
19	Vehicles other than railway, tramway	461.207	0.3
20	Glass and glassware	451.768	0.3
	Others	10,552.078	7.3
	Total	145,347.649	

Top goods (products) imported by UAE Year 2015

	Imported Goods	Value (\$ millions)	% Imports
1	Pearls, precious stones, metals, coins, etc	32,584.060	15.2
2	Machinery, nuclear reactors, boilers, etc	26,590.086	12.4
3	Electrical, electronic equipment	25,309.316	11.8
4	Vehicles other than railway, tramway	17,018.817	7.9
5	Aircraft, spacecraft, and parts thereof	15,385.092	7.2
6	Mineral fuels, oils, distillation products, etc	10,177.666	4.8
7	Articles of apparel, accessories, knit or crochet	5,770.129	2.7
8	Articles of apparel, accessories, not knit or crochet	5,047.565	2.4
9	Articles of iron or steel	5,022.613	2.3
10	Plastics and articles thereof	4,361.006	2.0
11	Ships, boats and other floating structures	3,979.260	1.9
12	Iron and steel	3,511.975	1.6
13	Furniture, lighting, signs, prefabricated buildings	3,475.449	1.6
14	Optical, photo, technical, medical, etc apparatus	3,447.808	1.6
15	Essential oils, perfumes, cosmetics, toileteries	2,289.179	1.1
16	Pharmaceutical products	2,193.299	1.0
17	Footwear, gaiters and the like, parts thereof	2,114.411	1.0
18	Commodities not elsewhere specified	1,868.434	0.9
19	Organic chemicals	1,830.042	0.9
20	Rubber and articles thereof	1,818.986	0.8
	Others	40,390.109	18.9
	Total	214,185.302	

Source: International Trade Center-TradeMap

Bahrain: Inward and Outward FDI



Population (million)	1.3
Area (Km ²)	760
Coastline (Km)	161
Natural resources	Natural gas, fish and pearls

I – Inward Investments

In 2015, Bahrain witnessed negative FDI flows worth 1463 million dollars according to UNCTAD estimations, which represent 45% of the total negative Arab flows for the same year.

FDI balances incoming to Bahrain amounted to some 27.7 billion dollars by the end of 2015, which represent 3.4% of the Arab total for the same period.

As for Bahrain's activity in terms of new FDI's (greenfield), the FDI Markets database published by the Financial Times shows the following:

- For the period from January 2003 to December 2015, 603 FDI projects were implemented in Bahrain by 496 Arab and foreign companies. It is estimated that the total investment cost of these projects, which employ roughly 79.3 thousand workers is about \$ 33.6 billion.
- For the period between January 2011 and December 2015, the UAE, France and Kuwait respectively were on the list of the most important countries investing in Bahrain, in terms of investment cost of the projects. The share of these countries accounted for around 53% of the total.
- Since January 2011, Arab and foreign investments incoming to Bahrain have been concentrated in the coal, oil and natural gas with 3.3 billion dollars, followed by the chemical products sector with 1.7 billion dollars and the hotels and tourism sector with 1.6 billion dollars.
- Since January 2011, the Emirati company Mena Energy has been on top of the list of the 10 most important companies investing in the Bahrain as it implements a huge project with an investment cost estimated at around 2.6 billion dollars.

II – Commodity Exports

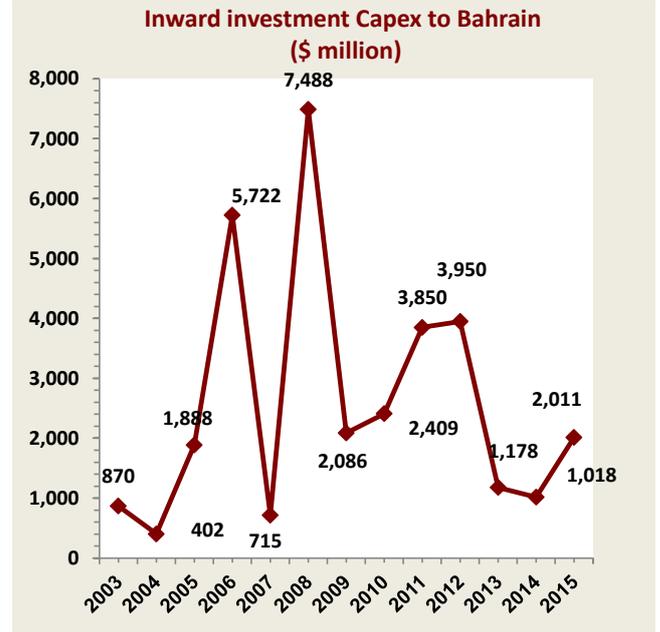
Regarding Bahrain's export activity, the trade map database published by the World Trade Center by the end of 2015 reveals the following:

- Bahrain's commodity exports amounted to 13.7 billion dollars, while its imports amounted to over 16.3 billion dollars.
- In terms of geographic distribution, France is considered the most important market for Bahrain's exports with a share of 36%, followed by Saudi Arabia with 30.8%, UAE with 7% and the USA with 4.9%.
- In terms of sector distribution, fuels, oils and distillation products represent 36.8% of Bahrain's exports, followed by aluminum and its products with 16% and machines and water boilers with 7.7%.

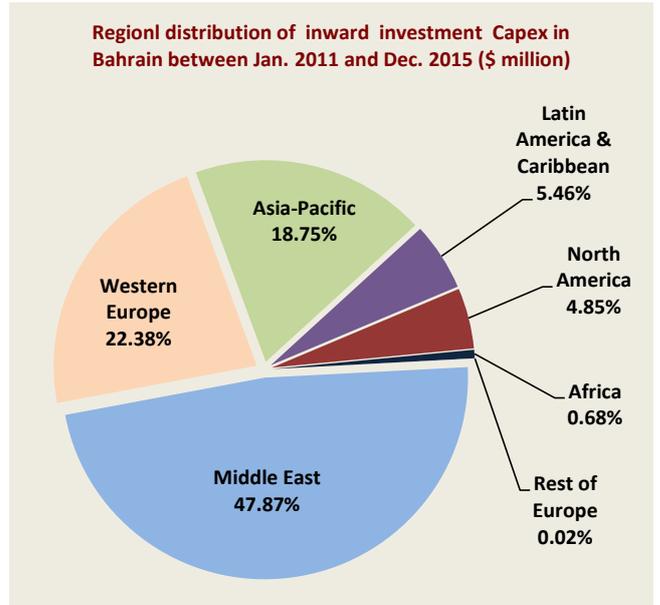


Bahrain: FDI Greenfield Projects

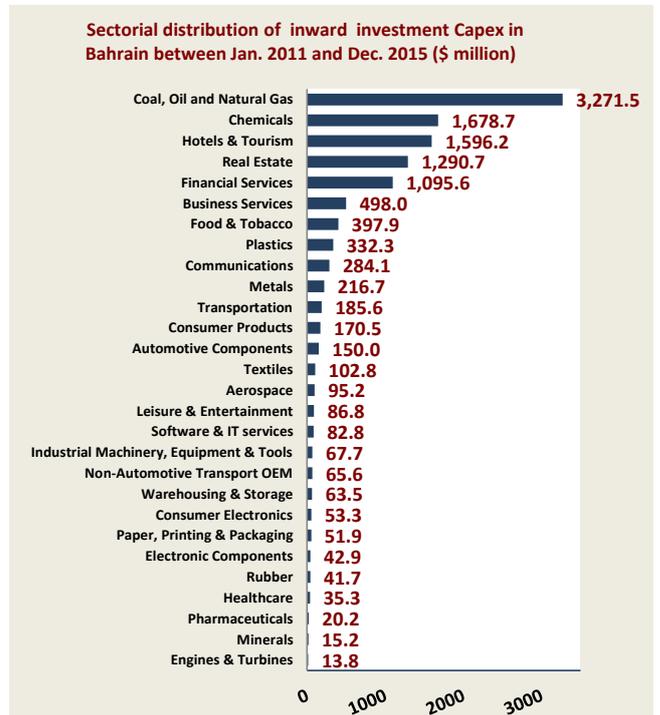
Year	No. Projects	* Capex (Million \$)	No. Jobs	No. Companies
2003	24	869.8	1,883	24
2004	18	401.8	1,601	17
2005	29	1,888.2	7,422	28
2006	52	5,721.5	15,372	50
2007	34	715.4	3,237	32
2008	69	7,487.9	13,474	63
2009	73	2,086.4	5,444	70
2010	59	2,408.5	6,403	58
2011	74	3,850.0	8,528	67
2012	53	3,949.5	4,162	48
2013	47	1,177.7	3,988	42
2014	33	1,017.8	3,109	32
2015	38	2,011.4	4,723	30
Total	603	33,586	79,346	496



Top countries investing in Bahrain between Jan. 2011 and Dec. 2015				
Source Country	Projects	* Capex (Million \$)	Jobs Created	Companies
UAE	64	4,570.7	7,403	42
France	10	992.3	770	8
Kuwait	15	849.9	2,114	12
Bermuda	1	655.0	229	1
South Korea	2	564.0	437	2
Denmark	1	557.5	319	1
India	17	520.0	1,840	16
China	3	494.9	1,089	3
United States	23	492.3	2,008	21
UK	28	392.4	2,004	26
Others	81	1,917.4	6,297	67
Total	245	12,006	24,510	199



Top Companies investing in Bahrain between Jan. 2011 and Dec. 2015			
Parent company	Country	Projects	* Capex (Million \$)
Mena Energy	UAE	1	2,617
Rotana Hotels	UAE	3	684
Teekay Corporation	Bermuda	1	655
Songwon Industrial	South Korea	1	558
Hempel Group	Denmark	1	558
Imerys	France	1	558
Alargan International Real Estate Company	Kuwait	1	404
Worldwide Logistics Group	China	1	389
Emaar Properties	UAE	1	328
Landmark Group	UAE	5	264
Other Companies		229	4,994
Total		245	12,006



Source: Tables and Figures in this page: FDI Intelligence from The Financial Times

* Capex : Capital expenditure



Bahrain: Overall Performance and Position in DIAI

Capital:	Manama		2014	2015
Currency:	Bahraini dinar (BHD)	Exchange rate (LCU per USD):	0.376	0.376

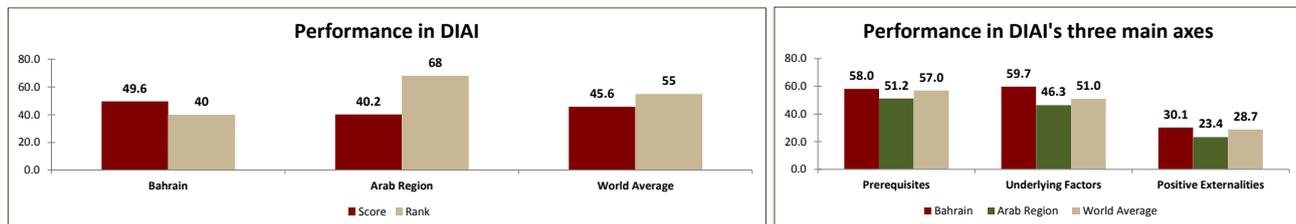
Basic Information:	Unit	2014	2015	2016	2017
Nominal GDP	USD billion	33.8	30.4	30.1	32.0
Real GDP Growth	%	4.5	3.2	2.2	2.0
GDP per Capita	USD	26,686.3	23,510.0	22,797.8	23,747.2
Inflation (average consumer prices)	%	2.7	1.8	3.2	2.3
General Government Total Expenditure and Net Lending (% of GDP)	%	30.7	34.7	37.8	36.4
Current Account Balance	USD billion	1.5	-1.0	-2.0	-1.9
Current Account Balance (% of GDP)	%	4.5	-3.2	-6.7	-5.8
Exports of Goods and Services	USD billion	32.1	25.5	23.1	25.0
Imports of Goods and Services	USD billion	26.5	22.4	20.8	22.1
Gross Official Reserves	USD billion	6.1	4.4	4.4	4.2
Total reserves in months of imports	Month	2.8	2.4	2.5	2.3
Total Gross External Debt (% of GDP)	%	152.0	176.8	191.0	199.9
Population	Million people	1.3	1.3	1.3	1.3
Unemployment (% of total labor force)	%	4.1	--	--	--

Source: International Monetary Fund (IMF)

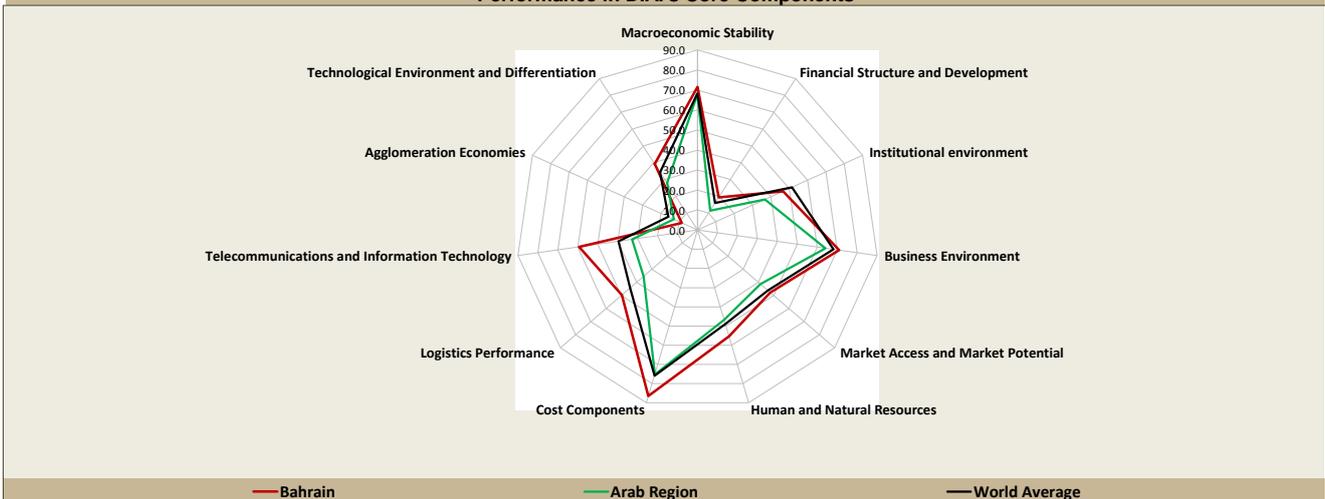
Foreign direct investment (FDI)	Unit	2012	2013	2014	2015	
FDI Flow	Inward	USD million	1,545.2	3,728.7	1,518.6	-1,462.8
	Outward	USD million	516.0	531.9	-393.6	497.3
FDI Stock	Inward	USD million	23,875.0	27,603.7	29,122.3	27,659.6
	Outward	USD million	13,992.0	14,523.9	14,127.7	14,625.0

Source: UNCTAD

Performance in Dhaman Investment Attractiveness Index (DIAI) 2016



Performance in DIAI's Core Components





Bahrain: Imports & Exports of Goods

Top countries exporting goods to Bahrain Year 2015

	Exporting Country	Value (\$ millions)	% Exports
1	China	1,571.377	9.6
2	United States of America	1,151.153	7.0
3	United Arab Emirates	1,131.288	6.9
4	Japan	1,119.007	6.8
5	Australia	785.083	4.8
6	Saudi Arabia	773.518	4.7
7	Germany	544.152	3.3
8	India	507.413	3.1
9	United Kingdom	420.193	2.6
10	Brazil	414.299	2.5
11	Italy	318.944	2.0
12	Switzerland	252.209	1.5
13	Thailand	251.784	1.5
14	Turkey	240.511	1.5
15	France	237.987	1.5
16	Korea, Republic of	224.617	1.4
17	Kuwait	158.305	1.0
18	Viet Nam	154.329	0.9
19	Spain	134.579	0.8
	Others	5,949.373	36.4
	Total	16,340.121	

Top countries importing goods from Bahrain Year 2015

	Importing Country	Value (\$ millions)	% Imports
1	Saudi Arabia	4,219.382	30.8
2	United Arab Emirates	953.373	7.0
3	United States of America	668.621	4.9
4	Kuwait	400.301	2.9
5	Egypt	309.804	2.3
6	Qatar	267.573	2.0
7	Algeria	181.965	1.3
8	Morocco	142.428	1.0
9	India	134.922	1.0
10	Oman	133.920	1.0
11	Turkey	122.324	0.9
12	Brazil	121.874	0.9
13	Iraq	111.159	0.8
14	Singapore	88.796	0.6
15	Netherlands	77.954	0.6
16	Taipei, Chinese	59.877	0.4
17	Italy	44.115	0.3
18	Jordan	38.441	0.3
19	Japan	37.592	0.3
	Others	5,563.052	40.7
	Total	13,677.473	

Top goods (products) exported by Bahrain Year 2015

	Exported Goods	Value (\$ millions)	% Exports
1	Mineral fuels, oils, distillation products, etc	5,027.286	36.8
2	Aluminium and articles thereof	2,192.617	16.0
3	Machinery, nuclear reactors, boilers, etc	1,054.655	7.7
4	Articles of apparel, accessories, knit or crochet	588.698	4.3
5	Vehicles other than railway, tramway	547.527	4.0
6	Electrical, electronic equipment	435.847	3.2
7	Ores, slag and ash	393.683	2.9
8	Iron and steel	350.864	2.6
9	Plastics and articles thereof	273.356	2.0
10	Pearls, precious stones, metals, coins, etc	270.713	2.0
11	Articles of iron or steel	231.995	1.7
12	Articles of apparel, accessories, not knit or crochet	199.800	1.5
13	Fertilizers	194.765	1.4
14	Organic chemicals	177.836	1.3
15	Footwear, gaiters and the like, parts thereof	158.646	1.2
16	Tobacco and manufactured tobacco substitutes	132.085	1.0
17	Sugars and sugar confectionery	111.366	0.8
18	Optical, photo, technical, medical, etc apparatus	107.417	0.8
19	Commodities not elsewhere specified	100.511	0.7
20	Printed books, newspapers, pictures etc	88.205	0.6
	Others	1,039.605	7.6
	Total	13,677.477	

Top goods (products) imported by Bahrain Year 2015

	Imported Goods	Value (\$ millions)	% Imports
1	Mineral fuels, oils, distillation products, etc	4,155.741	25.4
2	Vehicles other than railway, tramway	2,072.173	12.7
3	Machinery, nuclear reactors, boilers, etc	1,239.882	7.6
4	Electrical, electronic equipment	978.831	6.0
5	Inorganic chemicals, precious metal compound, isotopes	617.053	3.8
6	Pearls, precious stones, metals, coins, etc	568.173	3.5
7	Ores, slag and ash	400.997	2.5
8	Plastics and articles thereof	378.881	2.3
9	Aluminium and articles thereof	335.947	2.1
10	Pharmaceutical products	292.615	1.8
11	Dairy products, eggs, honey, edible animal products	269.487	1.6
12	Ships, boats and other floating structures	263.936	1.6
13	Meat and edible meat offal	241.016	1.5
14	Iron and steel	238.809	1.5
15	Articles of iron or steel	234.486	1.4
16	Tobacco and manufactured tobacco substitutes	196.520	1.2
17	Furniture, lighting, signs, prefabricated buildings	180.382	1.1
18	Salt, sulphur, earth, stone, plaster, lime and cement	176.888	1.1
19	Essential oils, perfumes, cosmetics, toiletries	152.087	0.9
20	Edible fruit, nuts, peel of citrus fruit, melons	150.969	0.9
	Others	3,195.251	19.6
	Total	16,340.124	

Source: International Trade Center-TradeMap

Tunisia: Inward and Outward FDI



Population (million)	11.2
Area (Km ²)	163,610
Coastline (Km)	1,148
Natural resources	Petroleum, phosphate, iron ore, lead, zinc and salt

I – Inward Investments

In 2015, Tunisia succeeded in attracting FDIs worth 1002 million dollars according to UNCTAD estimations, which represent the Arab total for the same year.

FDI balances incoming to Tunisia amounted to some 32.9 billion dollars by the end of 2015, which represent 4% of the Arab total for the same period.

As for Tunisia's activity in terms of new FDIs (greenfield), the FDI Markets database published by the Financial Times shows the following:

- From January 2011 to December 2015, 390 FDI projects are being implemented in Tunisia by 322 Arab and foreign companies. It is estimated that the total investment cost of these projects, which employ roughly 92.9 thousand workers is about \$ 27.2 billion.
- For the period between January 2011 and December 2015, France, Austria and the U.K. respectively were on the list of the most important countries investing in Tunisia, in terms of investment cost of the projects. The share of the three countries accounted for around 52% of the total.
- Since January 2011, Arab and foreign investments incoming to Tunisia have been concentrated in the coal, oil and natural gas sector with 1.4 billion dollars, followed by the tobacco and food industry with 807 million dollars and the hotels and tourism sector with 519 million dollars.
- Since January 2011, the Austrian company OMV has been on top of the list of the 10 most important companies investing in Tunisia as it implements 2 projects with an investment cost estimated at around 976 million dollars.

II – Commodity exports

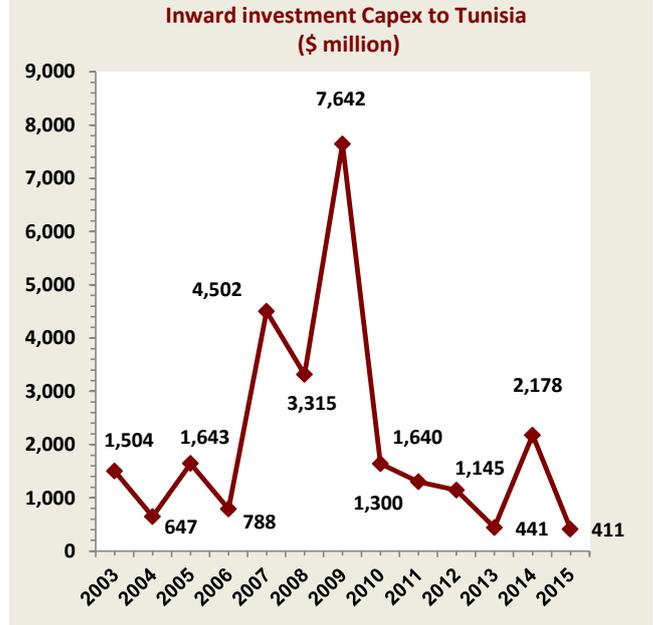
Regarding Tunisia's export activity, the trade map database published by the World Trade Center by the end of 2015 reveals the following:

- Tunisia's commodity exports amounted to 12.9 billion dollars, while its imports amounted to more than 16.9 billion dollars.
- In terms of geographic distribution, France is considered the most important market for Tunisia's exports with a share of 32.7%, followed by Italy with 19.7%, Spain with 14.1% and the U.S.A with 5.2%.
- In terms of sector distribution, electronic and electric devices represent 29% of Tunisia's exports, followed by clothing and accessories with 16% and vegetable oils and fats with 7.1%.



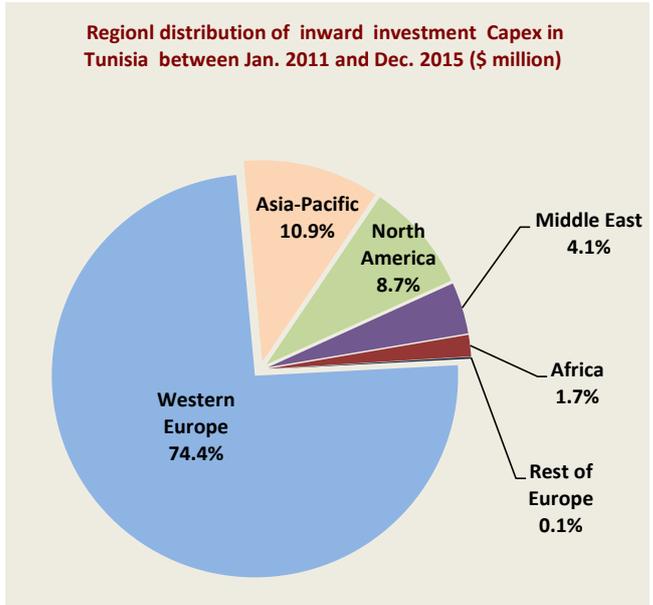
Tunisia: FDI Greenfield Projects

Year	No. Projects	* Capex (Million \$)	No. Jobs	No. Companies
2003	17	1,504.1	1,482	14
2004	9	646.7	2,692	9
2005	34	1,642.9	6,242	32
2006	26	787.9	5,338	25
2007	30	4,502.4	11,154	29
2008	56	3,314.5	15,626	46
2009	52	7,642.2	15,777	49
2010	49	1,639.6	12,068	42
2011	43	1,299.7	7,181	40
2012	31	1,144.7	4,706	31
2013	19	440.6	1,113	19
2014	11	2,178.2	7,588	11
2015	13	411.2	1,961	13
Total	390	27,155	92,928	322



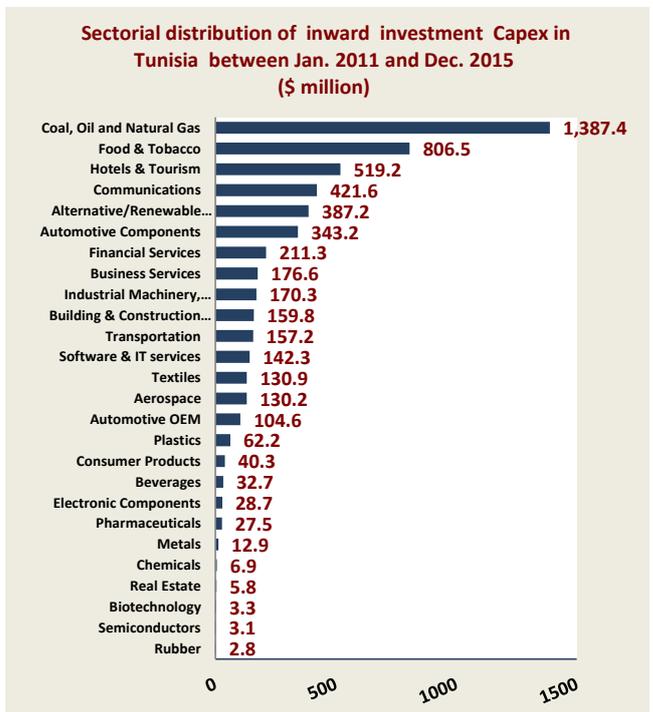
Top countries investing in Tunisia between Jan. 2011 and Dec. 2015

Source Country	Projects	* Capex (Million \$)	Jobs Created	Companies
France	28	1,237.4	6,053	27
Austria	3	988.0	492	3
UK	7	587.8	1,293	7
Spain	11	491.9	1,762	10
US	11	422.9	1,438	11
Italia	11	396.5	2,035	11
Japan	1	288.8	3,200	1
Holland	6	171.9	2,645	5
Qatar	1	150.0	89	1
Thailand	1	129.8	219	1
Others	37	609.4	3,323	36
Total	117	5,474	22,549	113



Top Companies investing in Tunisia between Jan. 2011 and Dec. 2015

Parent company	Country	Projects	* Capex (Million \$)
OMV	Austria	2	976
Auchan Group (Mulliez Group)	France	1	624
British Gas Group (BG)	UK	1	300
Yazaki Group	Japan	1	289
Accor	France	2	260
Nur Energie	UK	1	232
Carta Isnardo	Italia	1	160
Acciona	Spain	1	156
Verizon Communications	US	1	150
Ooredoo (Qatar Telecom)	Qatar	1	150
Other Companies		105	2,179
Total		117	5,474



Source: Tables and Figures in this page: FDI Intelligence from The Financial Times

* Capex : Capital expenditure



Tunisia: Overall Performance and Position in DIAI

Capital:	Tunis		2014	2015
Currency:	Tunisian dinar (TND)	Exchange rate (LCU per USD):	1.962	2.084

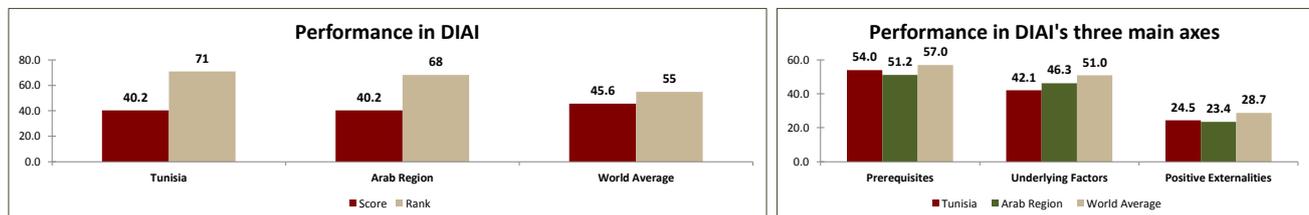
Basic Information:	Unit	2014	2015	2016	2017
Nominal GDP	USD billion	47.6	43.6	44.0	44.4
Real GDP Growth	%	2.3	0.8	2.0	3.0
GDP per Capita	USD	4,328.6	3,922.7	3,919.3	3,912.7
Inflation (average consumer prices)	%	4.9	4.9	4.0	3.9
General Government Total Expenditure and Net Lending (% of GDP)	%	29.2	27.7	28.5	27.7
Current Account Balance	USD billion	-4.3	-3.9	-3.4	-3.1
Current Account Balance (% of GDP)	%	-9.1	-8.9	-7.7	-7.0
Exports of Goods and Services	USD billion	21.7	17.4	17.0	17.8
Imports of Goods and Services	USD billion	26.9	22.1	21.2	22.0
Gross Official Reserves	USD billion	7.5	7.3	8.8	10.0
Total reserves in months of imports	Month	3.3	4.0	5.0	5.5
Total Gross External Debt (% of GDP)	%	52.3	58.5	66.1	71.7
Population	Million people	11.0	11.1	11.2	11.3
Unemployment (% of total labor force)	%	15.3	15.0	14.0	13.0

Source: International Monetary Fund (IMF)

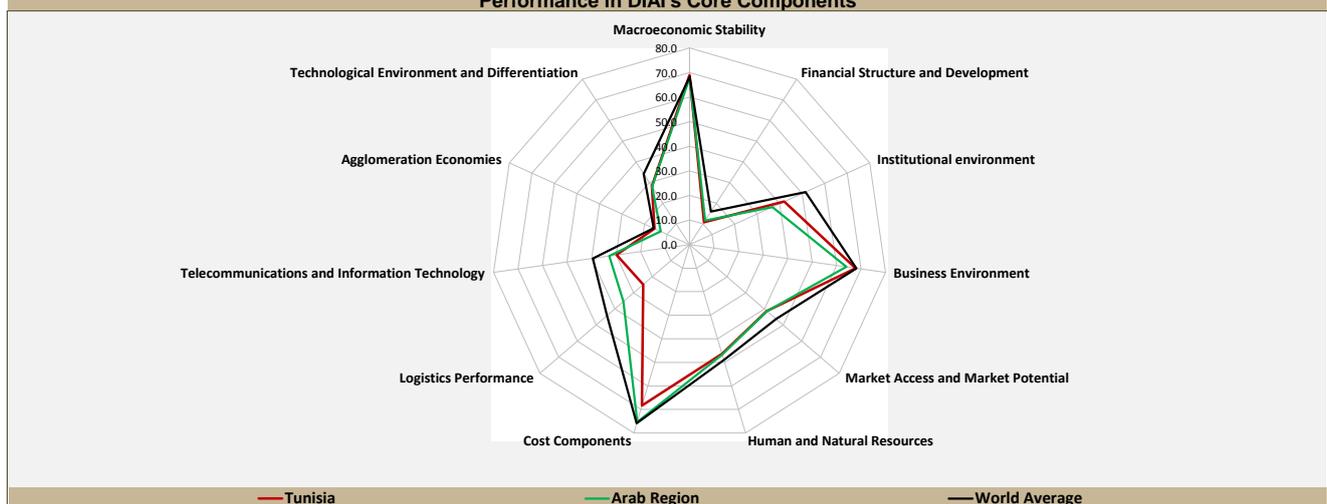
Foreign direct investment (FDI)	Unit	2012	2013	2014	2015	
FDI Flow	Inward	USD million	1,603.2	1,117.2	1,063.2	1,001.7
	Outward	USD million	13.4	21.5	21.8	33.1
FDI Stock	Inward	USD million	32,604.2	33,001.2	31,554.4	32,911.0
	Outward	USD million	296.7	301.8	285.8	297.1

Source: UNCTAD

Performance in Dhaman Investment Attractiveness Index (DIAI) 2016



Performance in DIAI's Core Components



Top countries exporting goods to Tunisia Year 2015

	Exporting Country	Value (\$ millions)	% Exports
1	France	3,986.315	16.0
2	Italy	3,361.748	9.4
3	Germany	1,536.503	9.3
4	China	1,240.208	6.8
5	Turkey	820.028	5.6
6	Spain	814.741	5.0
7	United States of America	559.747	4.4
8	Belgium	354.972	3.4
9	Brazil	302.969	3.0
10	Netherlands	290.761	2.8
11	Russian Federation	268.206	2.0
12	Saudi Arabia	248.022	1.9
13	India	213.840	1.8
14	United Kingdom	213.071	1.8
15	Switzerland	201.566	1.7
16	Korea, Republic of	184.012	1.6
17	Greece	174.456	1.6
18	Romania	161.011	1.4
19	Portugal	155.832	1.3
20	Hong Kong, China	155.072	1.1
	Others	1,543.746	18.0
	Total	16,786.826	

Top countries importing goods from Tunisia Year 2015

	Importing Country	Value (\$ millions)	% Imports
1	France	4,223.744	32.7
2	Italy	2,551.473	19.7
3	Germany	1,825.004	14.1
4	Spain	675.076	5.2
5	United States of America	560.972	4.3
6	Belgium	312.490	2.4
7	Austria	258.327	2.0
8	United Kingdom	221.141	1.7
9	Netherlands	197.917	1.5
10	China	184.519	1.4
11	Switzerland	148.863	1.2
12	Turkey	144.078	1.1
13	Czech Republic	143.186	1.1
14	Japan	127.056	1.0
15	India	115.002	0.9
16	Poland	112.649	0.9
17	Russian Federation	91.744	0.7
18	Slovakia	87.412	0.7
19	Romania	71.747	0.6
20	Portugal	69.645	0.5
	Others	808.253	6.3
	Total	12,930.298	

Top goods (products) exported by Tunisia Year 2015

	Exported Goods	Value (\$ millions)	% Exports
1	Electrical, electronic equipment	3,752.999	29.0
2	Articles of apparel, accessories, not knit or crochet	2,053.483	15.9
3	Animal,vegetable fats and oils, cleavage products, etc	921.313	7.1
4	Articles of apparel, accessories, knit or crochet	813.096	6.3
5	Mineral fuels, oils, distillation products, etc	747.776	5.8
6	Footwear, gaiters and the like, parts thereof	517.585	4.0
7	Machinery, nuclear reactors, boilers, etc	468.553	3.6
8	Vehicles other than railway, tramway	398.237	3.1
9	Optical, photo, technical, medical, etc apparatus	385.417	3.0
10	Plastics and articles thereof	242.360	1.9
11	Inorganic chemicals, precious metal compound, isotopes	232.521	1.8
12	Aircraft, spacecraft, and parts thereof	220.591	1.7
13	Other made textile articles, sets, worn clothing etc	205.534	1.6
14	Edible fruit, nuts, peel of citrus fruit, melons	193.790	1.5
15	Articles of iron or steel	151.833	1.2
16	Fish, crustaceans, molluscs, aquatic invertebrates nes	151.621	1.2
17	Articles of leather, animal gut, harness, travel goods	148.400	1.1
18	Furniture, lighting, signs, prefabricated buildings	133.686	1.0
19	Fertilizers	130.102	1.0
20	Copper and articles thereof	79.647	0.6
	Others	981.702	7.6
	Total	12,930.246	

Top goods (products) imported by Tunisia Year 2015

	Imported Goods	Value (\$ millions)	% Imports
1	Electrical, electronic equipment	2,423.736	14.4
2	Machinery, nuclear reactors, boilers, etc	1,656.525	9.9
3	Mineral fuels, oils, distillation products, etc	1,423.937	8.5
4	Vehicles other than railway, tramway	1,288.669	7.7
5	Plastics and articles thereof	1,052.686	6.3
6	Cereals	555.376	3.3
7	Pharmaceutical products	452.420	2.7
8	Aircraft, spacecraft, and parts thereof	432.413	2.6
9	Optical, photo, technical, medical, etc apparatus	401.762	2.4
10	Iron and steel	399.306	2.4
11	Copper and articles thereof	369.531	2.2
12	Cotton	368.756	2.2
13	Articles of iron or steel	339.372	2.0
14	Knitted or crocheted fabric	298.832	1.8
15	Manmade staple fibres	260.219	1.6
16	Paper and paperboard, articles of pulp, paper and board	256.682	1.5
17	Articles of apparel, accessories, not knit or crochet	207.687	1.2
18	Raw hides and skins (other than furskins) and leather	197.976	1.2
19	Oil seed, oleagic fruits, grain, seed, fruit, etc, nes	192.199	1.1
20	Sugars and sugar confectionery	187.312	1.1
	Others	4,021.398	24.0
	Total	16,786.794	

Source: International Trade Center-TradeMap

Algeria: Inward and Outward FDI



Population (million)	40.7
Area (Km ²)	2,381,741
Coastline (Km)	998
Natural resources	Petroleum, natural gas, iron ore, phosphate, uranium, lead

I – Inward Investments

In 2015, Algeria witnessed negative FDI flows worth 587.3 million dollars according to UNCTAD estimations, which represent 18% of the total negative Arab flows for the same year.

FDI balances incoming to Algeria amounted to some 26.2 billion dollars by the end of 2015, which represent 3.2% of the Arab total for the same period.

As for Algeria's activity in terms of new FDI's (greenfield), the FDI Markets database published by the Financial Times for the period from January 2003 to May 2015 shows the following:

- For the period from January 2003 to December 2015, 381 FDI projects were implemented in Algeria by 315 Arab and foreign companies. It is estimated that the total investment cost of these projects, which employ roughly 92,000 workers is about \$ 60 billion.
- For the period between January 2011 and December 2015, Spain, Qatar and Turkey respectively were on the list of the most important countries investing in Algeria, in terms of investment cost of the projects. The share of these countries accounted for around 65% of the total.
- Since January 2011, Arab and foreign investments incoming to Algeria have been concentrated in the metals sector with 3.7 billion dollars, followed by the real estate sector with 1.7 billion dollars and the construction and construction material sector with 1.3 billion dollars.
- Since January 2011, the Spanish construction company Ortiz group has been on top of the list of the 10 most important companies investing in Algeria where it implements five huge projects with an investment cost estimated at around 9.4 billion dollars.

II – Commodity Exports

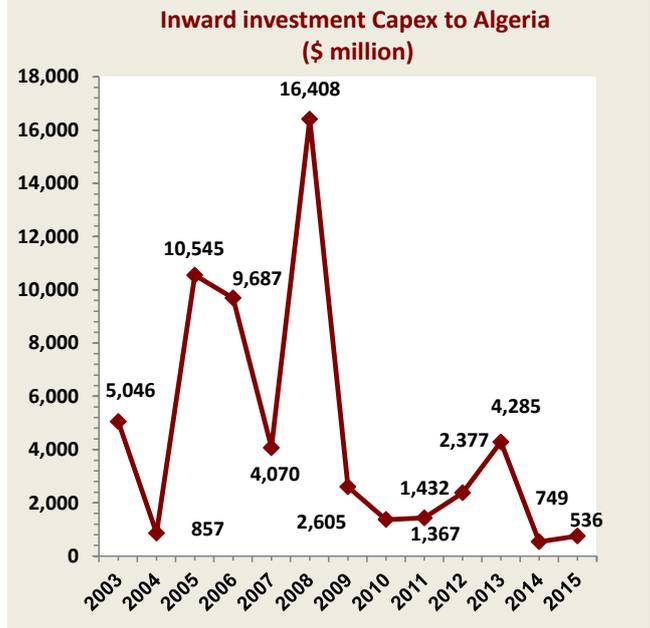
Regarding Algeria's export activity, the trade map database published by the World Trade Center by the end of 2015 reveals the following:

- Algeria's commodity exports amounted to 34.6 billion dollars, while its imports amounted to over 45.5 billion dollars.
- In terms of geographic distribution, Spain is considered the most important market for Algeria's exports with a share of 20.8%, followed by France with 12.5%, the U.S.A with 10.2% and Italy with 9.7%.
- In terms of sector distribution, fuels, oils and distillation products represent 95.5% of Algeria's exports, followed by aluminum with 1.7% and machines and water boilers with 1.2%.



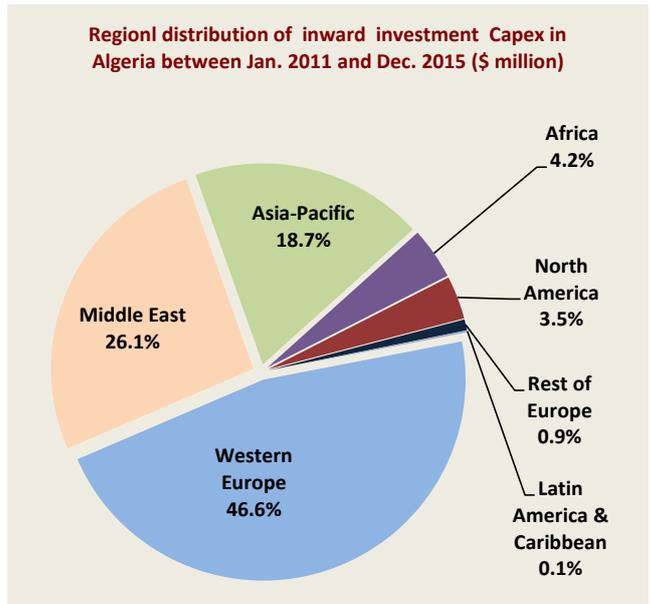
Algeria: FDI Greenfield Projects

Year	No. Projects	* Capex (Million \$)	No. Jobs	No. Companies
2003	23	5,046.3	4,732	22
2004	19	857.2	3,334	19
2005	45	10,545.3	11,049	43
2006	50	9,686.6	9,491	45
2007	29	4,070.1	5,711	28
2008	75	16,408.2	27,305	66
2009	32	2,605.1	5,872	28
2010	21	1,367.4	3,797	17
2011	27	1,431.6	2,565	24
2012	18	2,376.8	4,951	17
2013	16	4,284.6	7,298	12
2014	13	535.5	2,130	13
2015	13	749.4	3,758	13
Total	381	59,964	91,993	315



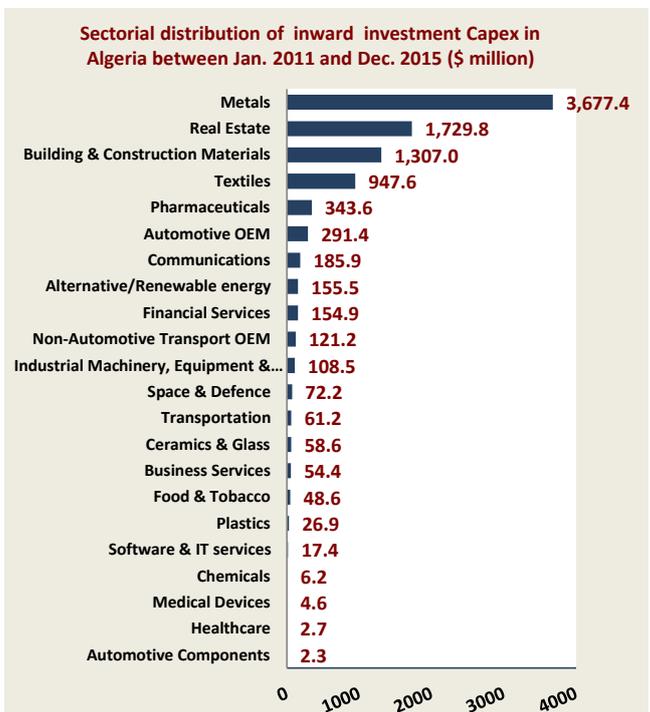
Top countries investing in Algeria between Jan. 2011 and Dec. 2015

Source Country	Projects	* Capex (Million \$)	Jobs Created	Companies
Spain	7	2,232.1	2,880	3
Qatar	2	2,150.0	3,089	2
Turkey	2	1,737.3	3,342	2
Luxembourg	1	837.3	342	1
UK	7	408.7	2,659	6
France	15	376.6	1,631	13
South Africa	1	350.0	638	1
Switzerland	3	286.2	561	3
Germany	6	175.8	1,360	6
Myanmar (Burma)	1	159.8	342	1
Others	42	664.1	3,858	39
Total	87	9,378	20,702	77



Top Companies investing in Algeria between Jan. 2011 and Dec. 2015

Parent company	Country	Projects	* Capex (Million \$)
Grupo Ortiz Construccion y Servicios Del Mediterraneo	Spain	5	2,209
Qatar Petroleum (QP)	Qatar	1	2,000
Taypa Tekstil	Turkey	1	900
ArcelorMittal	Luxembourg	1	837
Tosyali Holding	Turkey	1	837
Pretoria Portland Cement (PPC)	South Africa	1	350
LafargeHolcim	Switzerland	1	277
Shwe Taung	Myanmar (Burma)	1	160
Clarke Group	United Kingdom	1	156
Ooredoo (Qatar Telecom)	Qatar	1	150
Other Companies		73	1,502
Total		87	9,378



Source: Tables and Figures in this page: FDI Intelligence from The Financial Times

* Capex : Capital expenditure



Algeria: Overall Performance and Position in DIAI

Capital:	Algiers	2014	2015
Currency:	Algerian dinar (DZD)	Exchange rate (LCU per USD):	100.723 105.760

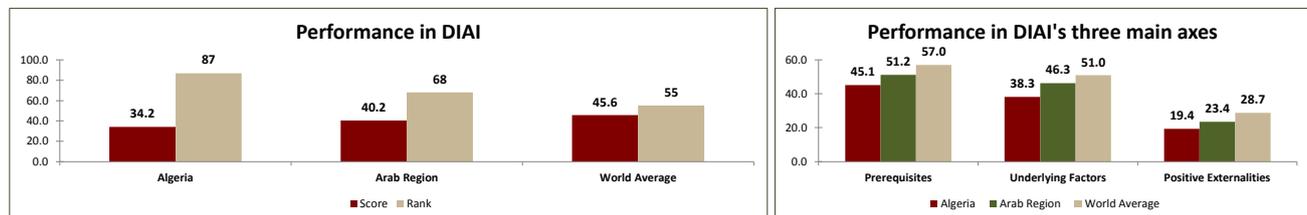
Basic Information:		Unit	2014	2015	2016	2017
Nominal GDP		USD billion	213.5	172.3	166.0	173.9
Real GDP Growth		%	3.8	3.7	3.4	2.9
GDP per Capita		USD	5,458.9	4,318.1	4,082.6	4,205.0
Inflation (average consumer prices)		%	2.9	4.8	4.3	4.0
General Government Total Expenditure and Net Lending (% of GDP)		%	40.7	44.4	40.6	38.8
Current Account Balance		USD billion	-9.4	-27.0	-28.3	-28.3
Current Account Balance (% of GDP)		%	-4.4	-15.7	-17.1	-16.2
Exports of Goods and Services		USD billion	63.5	38.4	27.7	32.3
Imports of Goods and Services		USD billion	71.4	63.7	57.5	61.3
Gross Official Reserves		USD billion	177.4	142.6	113.3	92.3
Total reserves in months of imports		Month	29.8	26.9	23.6	18.1
Total Gross External Debt (% of GDP)		%	1.7	1.8	2.7	4.7
Population		Million people	39.1	39.9	40.7	41.3
Unemployment (% of total labor force)		%	10.6	11.3	11.6	12.1

Source: International Monetary Fund (IMF)

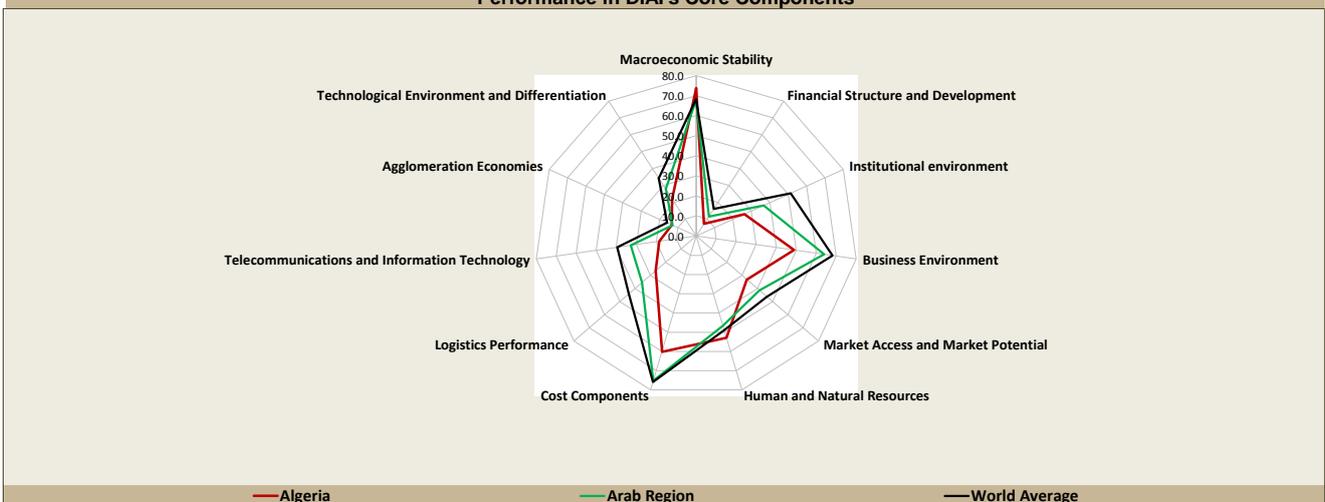
Foreign direct investment (FDI)		Unit	2012	2013	2014	2015
FDI Flow						
	Inward	USD million	1,499.4	1,692.9	1,506.7	-587.3
	Outward	USD million	-41.3	-268.3	-18.3	103.2
FDI Stock						
	Inward	USD million	23,620.0	25,312.9	26,819.6	26,232.3
	Outward	USD million	2,004.9	1,736.6	1,718.4	1,821.6

Source: UNCTAD

Performance in Dhaman Investment Attractiveness Index (DIAI) 2016



Performance in DIAI's Core Components





Algeria: Imports & Exports of Goods

Top countries exporting goods to Algeria Year 2015

	Exporting Country	Value (\$ millions)	% Exports
1	China	7,600.452	16.7
2	France	7,012.302	15.4
3	Italy	4,592.414	10.1
4	Spain	3,631.308	8.0
5	Germany	2,779.266	6.1
6	Russian Federation	1,975.766	4.3
7	United States of America	1,876.462	4.1
8	Turkey	1,827.235	4.0
9	Belgium	1,208.936	2.7
10	Netherlands	1,184.697	2.6
11	Argentina	1,147.985	2.5
12	Brazil	993.046	2.2
13	Korea, Republic of	850.564	1.9
14	India	848.067	1.9
15	Portugal	629.524	1.4
16	Saudi Arabia	560.727	1.2
17	United Kingdom	509.427	1.1
18	Sweden	476.050	1.0
19	Canada	468.660	1.0
20	Romania	457.446	1.0
	Others	4,918.711	10.8
	Total	45,549.045	

Top countries importing goods from Algeria Year 2015

	Importing Country	Value (\$ millions)	% Imports
1	Spain	7,198.255	20.8
2	France	4,315.863	12.5
3	United States of America	3,537.242	10.2
4	Italy	3,349.933	9.7
5	United Kingdom	2,730.796	7.9
6	Brazil	1,813.063	5.2
7	Germany	1,726.197	5.0
8	Netherlands	1,314.887	3.8
9	Portugal	1,301.229	3.8
10	Belgium	1,087.306	3.1
11	Japan	925.389	2.7
12	Korea, Republic of	864.932	2.5
13	China	781.572	2.3
14	Canada	745.669	2.2
15	Turkey	740.957	2.1
16	Taipei, Chinese	454.095	1.3
17	Austria	357.667	1.0
18	India	289.381	0.8
19	Malaysia	190.866	0.6
20	Greece	146.782	0.4
	Others	714.837	2.1
	Total	34,586.918	

Top goods (products) exported by Algeria Year 2015

	Exported Goods	Value (\$ millions)	% Exports
1	Mineral fuels, oils, distillation products, etc	33,019.867	95.5
2	Inorganic chemicals, precious metal compound, isotopes	604.095	1.7
3	Fertilizers	427.208	1.2
4	Salt, sulphur, earth, stone, plaster, lime and cement	116.899	0.3
5	Organic chemicals	78.701	0.2
6	Sugars and sugar confectionery	65.744	0.2
7	Machinery, nuclear reactors, boilers, etc	49.681	0.1
8	Edible fruit, nuts, peel of citrus fruit, melons	44.880	0.1
9	Commodities not elsewhere specified	37.819	0.1
10	Raw hides and skins (other than furskins) and leather	24.726	0.1
11	Electrical, electronic equipment	10.108	0.0
12	Zinc and articles thereof	10.063	0.0
13	Edible vegetables and certain roots and tubers	8.282	0.0
14	Fish, crustaceans, molluscs, aquatic invertebrates nes	8.237	0.0
15	Pulp of wood, fibrous cellulosic material, waste etc	6.762	0.0
16	Cocoa and cocoa preparations	5.734	0.0
17	Cork and articles of cork	5.627	0.0
18	Iron and steel	5.475	0.0
19	Milling products, malt, starches, inulin, wheat gluten	4.741	0.0
20	Aircraft, spacecraft, and parts thereof	4.584	0.0
	Others	47.641	0.1
	Total	34,586.874	

Top goods (products) imported by Algeria Year 2015

	Imported Goods	Value (\$ millions)	% Imports
1	Machinery, nuclear reactors, boilers, etc	7,494.877	16.5
2	Vehicles other than railway, tramway	4,247.986	9.3
3	Electrical, electronic equipment	4,114.084	9.0
4	Cereals	2,725.182	6.0
5	Iron and steel	2,597.466	5.7
6	Articles of iron or steel	2,035.257	4.5
7	Plastics and articles thereof	1,833.425	4.0
8	Mineral fuels, oils, distillation products, etc	1,798.082	3.9
9	Pharmaceutical products	1,743.612	3.8
10	Commodities not elsewhere specified	1,311.747	2.9
11	Dairy products, eggs, honey, edible animal product nes	979.895	2.2
12	Optical, photo, technical, medical, etc apparatus	774.718	1.7
13	Aircraft, spacecraft, and parts thereof	755.693	1.7
14	Residues, wastes of food industry, animal fodder	645.773	1.4
15	Wood and articles of wood, wood charcoal	596.567	1.3
16	Furniture, lighting, signs, prefabricated buildings	590.761	1.3
17	Sugars and sugar confectionery	589.161	1.3
18	Paper and paperboard, articles of pulp, paper and board	586.912	1.3
19	Animal, vegetable fats and oils, cleavage products, etc	519.710	1.1
20	Aluminium and articles thereof	513.422	1.1
	Others	9,094.687	20.0
	Total	45,549.017	

Source: International Trade Center-TradeMap

Djibouti: Inward and Outward FDI



Population (million)	1
Area (Km ²)	23,200
Coastline (Km)	314
Natural resources	Geothermal energy, gold, clay, granite, limestone, marble, salt, diatomite, gypsum, pumice and petroleum

I – Inward Investments

In 2015, Djibouti succeeded in attracting FDIs worth 124 million dollars according to UNCTAD estimations, which represent 0.3% of the Arab total for the same year.

FDI balances incoming to Djibouti amounted to some 1.6 billion dollars by the end of 2015, which represent 0.2% of the Arab total for the same period.

As for Djibouti's activity in terms of new FDIs (greenfield), the FDI Markets database published by the Financial Times for the period from January 2003 to May 2015 shows the following:

- For the period from January 2003 to December 2015, 25 FDI projects were implemented in Djibouti by 23 Arab and foreign companies. It is estimated that the total investment cost of these projects, which employ roughly 5.1 thousand workers is about \$ 4.7 billion.
- For the period between January 2011 and December 2015, Canada, USA, and Singapore respectively were on the list of the most important countries investing in Djibouti, in terms of investment cost of the projects. The share of these countries accounted for around 86% of the total.
- Since January 2011, Arab and foreign investments incoming to Djibouti have been concentrated in the renewable and alternative energy sector with a percentage of 561 million dollars, followed by the telecommunication sector with 300 million dollars and the construction and transportation sector with 108 million dollars.
- Since January 2011, the Canadian company Sky Power has been on top of the list of the 10 most important companies investing in Djibouti where it implements a project with a huge investment cost estimated at 429 million dollars.

II – Commodity Exports

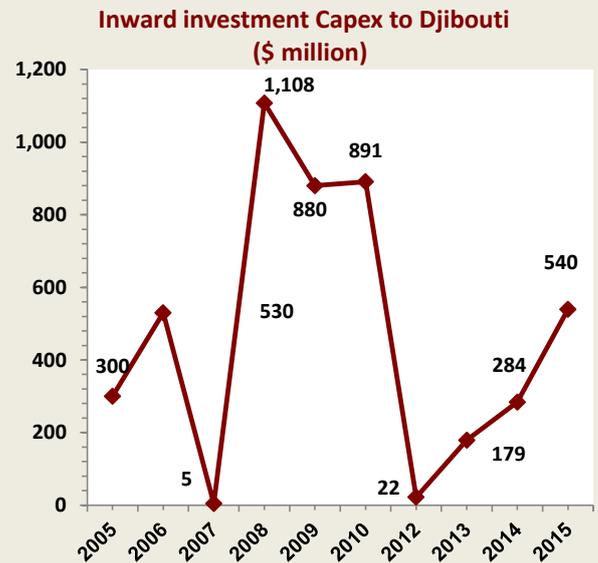
Regarding Djibouti's export activity, the trade map database published by the World Trade Center by the end of 2015 reveals the following:

- Djibouti's commodity exports amounted to 97 million dollars, while its imports amounted to over 3.7 billion dollars.
- In terms of geographic distribution, the U.S.A is considered the most important market for Djibouti's exports with a share of 36.5%, followed by Saudi Arabia with 32%, Spain with 4.6% and the Netherlands with 2.9%.
- In terms of sector distribution, living animals represent 19% of Djibouti's exports, followed by wood and its products with 14.8% and coffee, tea and spices with 12.5%.



Djibouti: FDI Greenfield Projects

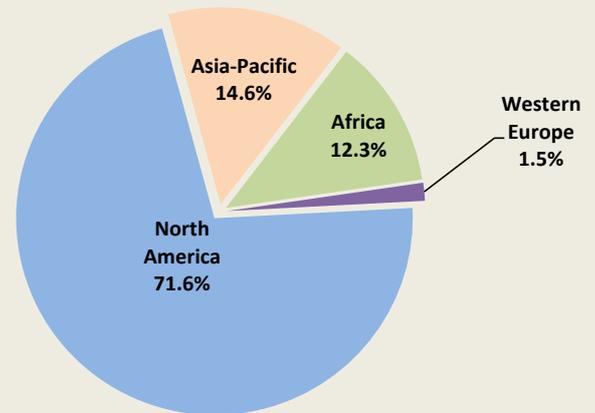
Year	No. Projects	* Capex (Million \$)	No. Jobs	No. Companies
2005	1	300.0	622	1
2006	2	529.8	1,048	2
2007	1	4.6	7	1
2008	3	1,107.6	947	3
2009	2	880.2	885	2
2010	3	891.2	903	3
2012	2	22.1	25	2
2013	3	179.0	158	3
2014	3	283.5	119	3
2015	5	539.6	425	4
Total	25	4,738	5,139	23



Top countries investing in Djibouti between Jan. 2011 and Dec. 2015

Source Country	Projects	* Capex (Million \$)	Jobs Created	Companies
Canada	1	429.0	95	1
US	4	304.1	143	4
Singapore	1	150.0	89	1
South Africa	2	92.8	297	1
Tunisia	1	22.2	54	1
Tanzania	1	11.0	18	1
Germany	1	6.8	15	1
France	1	6.8	15	1
UK	1	1.5	1	1
Total	13	1,024	727	12

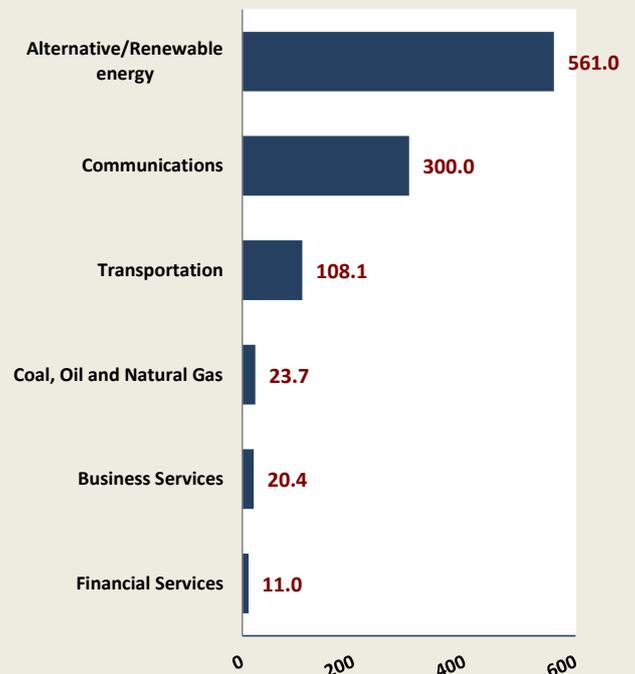
Regional distribution of inward investment Capex in Djibouti between Jan. 2011 and Dec. 2015 (\$ million)



Top Companies investing in Djibouti between Jan. 2011 and Dec. 2015

Parent company	Country	Projects	* Capex (Million \$)
SkyPower	Canada	1	429
Level 3 Communications	US	1	150
SEA-ME-WE 5	Singapore	1	150
General Electric (GE)	US	1	132
Black Rhino	South Africa	2	93
Ayed Eagle Group	Tunisia	1	22
SEKO Worldwide	US	1	15
Exim Bank (Tanzania)	Tanzania	1	11
Saur Group	France	1	7
PAT Engineering Enterprises	US	1	7
Lufthansa	Germany	1	7
Africa Oilfield Logistics	UK	1	2
Total		13	1,024

Sectorial distribution of inward investment Capex in Djibouti between Jan. 2011 and Dec. 2015 (\$ million)



Source: Tables and Figures in this page: FDI Intelligence from The Financial Times

* Capex : Capital expenditure



Djibouti: Overall Performance and Position in DIAI

Capital:		Djibouti				2014	2015
Currency:		Djiboutian franc (DJF)	Exchange rate (LCU per USD):			177.705	177.763
Basic Information:		Unit	2014	2015	2016	2017	
Nominal GDP		USD billion	1.6	1.7	1.9	2.1	
Real GDP Growth		%	6.0	6.5	6.5	7.0	
GDP per Capita		USD	1,690.7	1,788.4	1,917.6	2,065.8	
Inflation (average consumer prices)		%	2.9	2.1	3.5	3.5	
General Government Total Expenditure and Net Lending (% of GDP)		%	43.1	53.9	47.9	35.3	
Current Account Balance		USD billion	-0.4	-0.5	-0.4	-0.3	
Current Account Balance (% of GDP)		%	-25.6	-29.2	-23.4	-14.1	
Exports of Goods and Services		USD billion	0.5	0.6	0.6	0.7	
Imports of Goods and Services		USD billion	1.0	1.3	1.3	1.1	
Gross Official Reserves		USD billion	0.5	0.4	0.4	0.4	
Total reserves in months of imports		Month	6.0	3.7	3.7	4.4	
Total Gross External Debt (% of GDP)		%	52.5	66.1	79.3	80.1	
Population		Million people	0.9	1.0	1.0	1.0	
Unemployment (% of total labor force)		%	--	--	--	--	

Source: International Monetary Fund (IMF)

Foreign direct investment (FDI)		Unit	2012	2013	2014	2015
FDI Flow	Inward	USD million	110.0	286.0	153.0	124.0
	Outward	USD million	--	--	--	--
FDI Stock	Inward	USD million	1,066.5	1,352.5	1,505.5	1,629.5
	Outward	USD million	--	--	--	--

Source: UNCTAD



Djiboti: Imports & Exports of Goods

Top countries exporting goods to Djibouti Year 2015

	Exporting Country	Value (\$ millions)	% Exports
1	China	1,985.868	55.6
2	Ethiopia	213.301	6.0
3	India	204.178	5.7
4	United States of America	152.732	4.3
5	Saudi Arabia	137.636	3.9
6	Turkey	98.342	2.8
7	France	96.030	2.7
8	Japan	63.799	1.8
9	Malaysia	63.566	1.8
10	Korea, Republic of	53.761	1.5
11	Russian Federation	51.997	1.5
12	South Africa	51.937	1.5
13	Italy	38.836	1.1
14	Belgium	35.584	1.0
15	Thailand	32.478	0.9
16	Netherlands	32.455	0.9
17	Singapore	27.053	0.8
18	Taipei, Chinese	25.000	0.7
19	Oman	24.167	0.7
20	Spain	21.208	0.6
	Others	158.649	4.4
	Total	3,568.577	

Top countries importing goods from Djibouti Year 2015

	Importing Country	Value (\$ millions)	% Imports
1	United States of America	35.548	36.5
2	Saudi Arabia	31.189	32.1
3	Spain	4.471	4.6
4	Netherlands	2.869	2.9
5	Finland	2.658	2.7
6	South Africa	2.194	2.3
7	France	1.684	1.7
8	India	1.655	1.7
9	Belgium	1.592	1.6
10	Italy	1.448	1.5
11	Oman	1.115	1.1
12	China	0.898	0.9
13	Australia	0.858	0.9
14	Slovakia	0.850	0.9
15	Kuwait	0.815	0.8
16	Hong Kong, China	0.771	0.8
17	Israel	0.747	0.8
18	Japan	0.726	0.7
19	Qatar	0.704	0.7
20	Singapore	0.684	0.7
	Others	3.826	3.9
	Total	97.302	

Top goods (products) exported by Djibouti Year 2015

	Exported Goods	Value (\$ millions)	% Exports
1	Commodities not elsewhere specified	35.391	36.4
2	Live animals	18.390	18.9
3	Wood and articles of wood, wood charcoal	14.441	14.8
4	Coffee, tea, mate and spices	12.126	12.5
5	Edible vegetables and certain roots and tubers	3.445	3.5
6	Tools, implements, cutlery, etc of base metal	2.209	2.3
7	Raw hides and skins (other than furskins) and leather	1.295	1.3
8	Cereals	1.239	1.3
9	Railway, tramway locomotives, rolling stock, equipme	1.086	1.1
10	Oil seed, oleagic fruits, grain, seed, fruit, etc, nes	0.979	1.0
11	Plastics and articles thereof	0.860	0.9
12	Machinery, nuclear reactors, boilers, etc	0.711	0.7
13	Optical, photo, technical, medical, etc apparatus	0.641	0.7
14	Iron and steel	0.634	0.7
15	Vehicles other than railway, tramway	0.450	0.5
16	Miscellaneous edible preparations	0.434	0.4
17	Milling products, malt, starches, inulin, wheat gluten	0.366	0.4
18	Lac, gums, resins, vegetable saps and extracts nes	0.346	0.4
19	Electrical, electronic equipment	0.281	0.3
20	Fish, crustaceans, molluscs, aquatic invertebrates nes	0.261	0.3
	Others	1.702	1.7
	Total	97.287	

Top goods (products) imported by Djibouti Year 2015

	Imported Goods	Value (\$ millions)	% Imports
1	Electrical, electronic equipment	329.576	9.2
2	Machinery, nuclear reactors, boilers, etc	286.155	8.0
3	Iron and steel	252.736	7.1
4	Vehicles other than railway, tramway	228.340	6.4
5	Plastics and articles thereof	176.163	4.9
6	Articles of iron or steel	172.396	4.8
7	Edible vegetables and certain roots and tubers	149.345	4.2
8	Articles of apparel, accessories, knit or crochet	148.521	4.2
9	Cereals	142.178	4.0
10	Fertilizers	126.890	3.6
11	Footwear, gaiters and the like, parts thereof	113.448	3.2
12	Furniture, lighting, signs, prefabricated buildings	108.846	3.1
13	Articles of apparel, accessories, not knit or crochet	104.653	2.9
14	Ceramic products	69.141	1.9
15	Animal,vegetable fats and oils, cleavage products, etc	68.462	1.9
16	Rubber and articles thereof	63.567	1.8
17	Mineral fuels, oils, distillation products, etc	51.743	1.4
18	Cereal, flour, starch, milk preparations and products	46.659	1.3
19	Optical, photo, technical, medical, etc apparatus	46.036	1.3
20	Manmade staple fibres	44.500	1.2
	Others	839.221	23.5
	Total	3,568.576	

Source: International Trade Center-TradeMap

Kingdom of Saudi Arabia: Inward and Outward FDI



Population (million)	32
Area (Km ²)	2,149,690
Coastline (Km)	2,640
Natural resources	Petroleum, natural gas, iron ore, gold and copper

I – Inward Investments

In 2015, KSA succeeded in attracting FDIs worth 8.1 billion dollars according to UNCTAD estimations, which represent 20.4% of the Arab total for the same year.

FDI balances incoming to KSA amounted to some 224 billion dollars by the end of 2015, which represent 27.5% of the Arab total for the same period.

As for KSA's activity in terms of new FDIs (greenfield), the FDI Markets database published by the Financial Times shows the following:

- For the period from January 2003 to December 2015, 1261 FDI projects were implemented in KSA by 933 Arab and foreign companies. It is estimated that the total investment cost of these projects, which employ roughly 176,000 workers is about \$ 156.6 billion.
- For the period between January 2011 and December 2015, France, Singapore, the U.S.A, the U.A.E and China respectively were on the list of the most important countries investing in KSA, in terms of investment cost of the projects. The share of the five countries accounted for around 61% of the total.
- Since January 2011, Arab and foreign investments incoming to KSA have been concentrated in the real estate sector with 9.4 billion dollars, followed by the coal, oil and natural gas sector with 9 billion dollars and the chemical products sector with 8.9 billion dollars.
- Since January 2011, the Singaporean company CapitalLand came on top of the list of the 10 most important companies investing in KSA where it implements 5 projects with an investment cost exceeding 3.9 billion dollars.

II – Commodity Exports

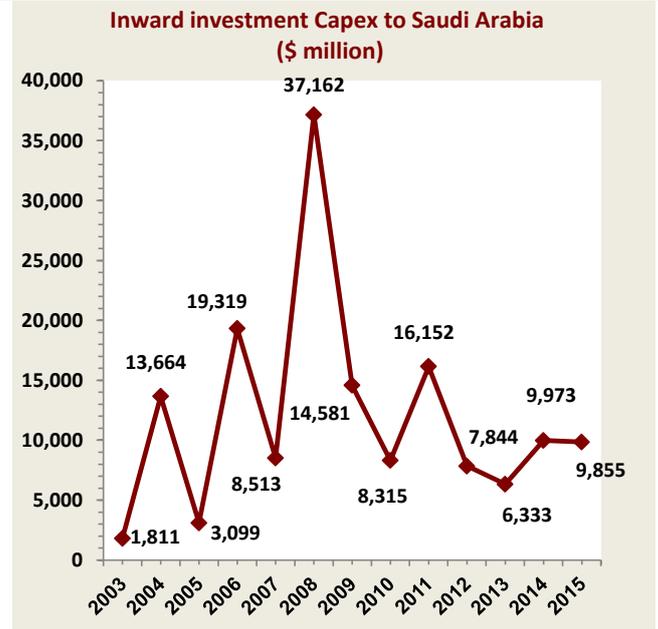
Regarding Saudi Arabia's export activity, the trade map database published by the World Trade Center by the end of 2015 reveals the following:

- Saudi Arabia's commodity exports amounted to 213.4 billion dollars, while its imports amounted to over 170 billion dollars.
- In terms of geographic distribution, the U.A.E is considered the most important market for Saudi Arabia's exports with a share of 3.2%, followed by China with 2.6%, India with 1.4% and Singapore with 1.1%.
- In terms of sector distribution, fossil fuels, oils and distillation products represent 77% of Saudi Arabia's exports, followed by plastics and their products with 7.1% and biochemical products with 4.8%.



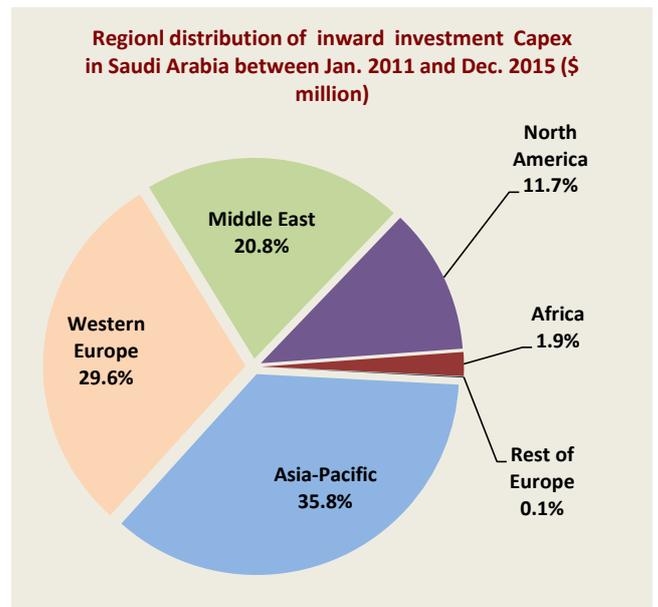
Saudi Arabia: FDI Greenfield Projects

Year	No. Projects	* Capex (Million \$)	No. Jobs	No. Companies
2003	31	1,811.3	3,483	28
2004	35	13,663.6	6,369	32
2005	58	3,099.1	9,635	42
2006	95	19,319.1	17,040	73
2007	56	8,513.1	9,026	51
2008	109	37,162.4	26,700	99
2009	144	14,581.4	19,504	132
2010	120	8,315.2	9,798	109
2011	167	16,151.9	16,278	148
2012	138	7,844.2	16,813	114
2013	128	6,332.9	14,202	101
2014	88	9,973.4	13,102	79
2015	92	9,855.4	14,246	74
Total	1,261	156,623	176,196	933



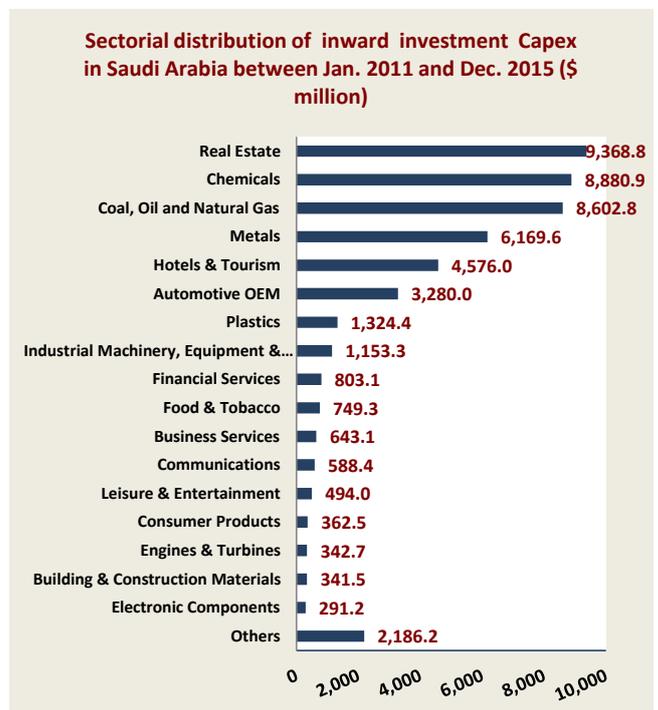
Top countries investing in Saudi Arabia between Jan. 2011 and Dec. 2015

Source Country	Projects	* Capex (Million \$)	Jobs Created	Companies
France	31	7,759.9	3,557	23
Singapore	18	7,053.7	7,651	8
US	104	5,547.5	8,371	90
UAE	126	5,482.4	15,047	83
China	10	4,460.4	1,209	9
Kuwait	19	2,319.2	4,810	12
Japan	27	2,289.2	2,877	23
Malaysia	1	2,000.0	3,000	1
Germany	20	1,767.1	3,295	17
Belgium	6	1,479.3	684	6
Others	251	9,999.0	24,140	200
Total	613	50,158	74,641	472



Top Companies investing in Saudi Arabia between Jan. 2011 and Dec. 2015

Parent company	Country	Projects	* Capex (Million \$)
CapitaLand	Singapore	5	3,904
Total	France	1	2,617
China Petroleum and Chemical (Sinopec)	China	1	2,617
IFP Group	France	1	2,617
Shahed International	Malaysia	1	2,000
Mabaneer	Kuwait	1	1,866
Chu Kong Petroleum and Natural Gas Steel Pipe	China	2	1,758
Fraser & Neave (Fraser and Neave)	Singapore	2	1,562
City Developments Limited (CDL)	Singapore	6	1,367
Dow Chemical	US	3	1,201
Other Companies		590	28,651
Total		613	50,158



Source: Tables and Figures in this page: FDI Intelligence from The Financial Times

* Capex : Capital expenditure



Saudi Arabia: Overall Performance and Position in DIAI

Capital:	Riyadh	Exchange rate (LCU per USD):	2014	2015
Currency:	Saudi riyal (SAR)		3.750	3.750

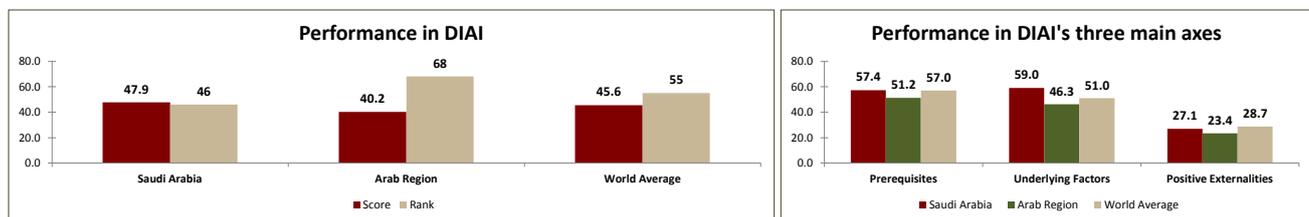
Basic Information:	Unit	2014	2015	2016	2017
Nominal GDP	USD billion	753.8	653.2	618.3	659.7
Real GDP Growth	%	3.6	3.4	1.2	1.9
GDP per Capita	USD	24,498.6	20,812.6	19,312.9	20,201.7
Inflation (average consumer prices)	%	2.7	2.2	3.8	1.0
General Government Total Expenditure and Net Lending (% of GDP)	%	40.3	40.9	37.1	36.0
Current Account Balance	USD billion	73.8	-41.5	-63.2	-40.1
Current Account Balance (% of GDP)	%	9.8	-6.4	-10.2	-6.1
Exports of Goods and Services	USD billion	355.0	222.9	173.4	203.7
Imports of Goods and Services	USD billion	259.0	238.5	218.1	223.4
Gross Official Reserves	USD billion	726.8	611.9	520.0	458.7
Total reserves in months of imports	Month	33.7	30.8	28.6	24.6
Total Gross External Debt (% of GDP)	%	12.5	15.2	17.2	17.9
Population	Million people	30.8	31.4	32.0	32.7
Unemployment (% of total labor force)	%	5.5	--	--	--

Source: International Monetary Fund (IMF)

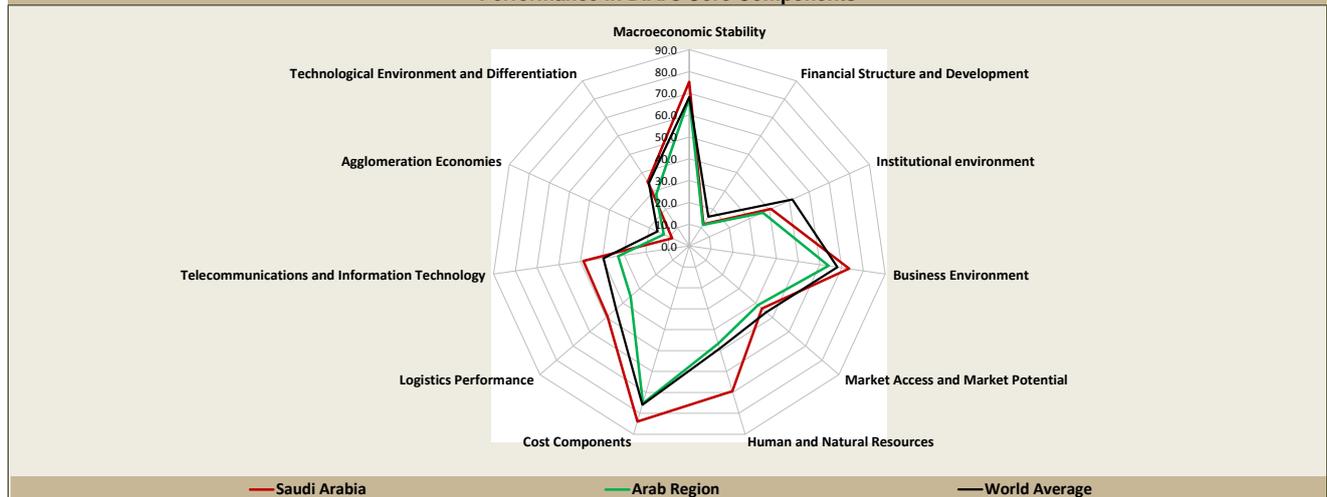
Foreign direct investment (FDI)	Unit	2012	2013	2014	2015	
FDI Flow	Inward	USD million	12,182.4	8,864.7	8,011.8	8,141.0
	Outward	USD million	4,401.5	4,943.3	5,396.0	5,520.3
FDI Stock	Inward	USD million	199,032.1	207,897.0	215,908.7	224,049.8
	Outward	USD million	34,359.5	39,302.8	44,698.8	63,250.9

Source: UNCTAD

Performance in Dhaman Investment Attractiveness Index (DIAI) 2016



Performance in DIAI's Core Components





Saudi Arabia: Imports & Exports of Goods

Top countries exporting goods to Saudi Arabia Year 2015

	Exporting Country	Value (\$ millions)	% Exports
1	China	24,061.563	16.0
2	United States of America	22,066.609	9.4
3	Germany	11,825.038	9.3
4	Japan	9,746.747	6.8
5	Korea, Republic of	9,683.099	5.6
6	United Arab Emirates	8,626.872	5.0
7	India	5,884.729	4.4
8	Italy	5,138.621	3.4
9	United Kingdom	4,815.279	3.0
10	France	4,349.139	2.8
11	Switzerland	3,999.446	2.0
12	Thailand	3,703.266	1.9
13	Turkey	3,029.801	1.8
14	Viet Nam	2,979.551	1.8
15	Brazil	2,765.887	1.7
16	Spain	2,451.811	1.6
17	Indonesia	2,446.307	1.6
18	Egypt	2,280.906	1.4
18	Bahrain	1,926.354	1.3
20	Taipei, Chinese	1,898.742	1.1
	Others	36,287.988	18.0
	Total	169,967.755	

Top countries importing goods from Saudi Arabia Year 2015

	Importing Country	Value (\$ millions)	% Imports
1	United Arab Emirates	6,773.448	3.2
2	China	5,608.092	2.6
3	India	3,003.350	1.4
4	Singapore	2,355.898	1.1
5	Egypt	1,972.645	0.9
6	Turkey	1,723.721	0.8
7	Qatar	1,622.543	0.8
8	Kuwait	1,573.981	0.7
9	Bahrain	1,534.360	0.7
10	Belgium	1,507.491	0.7
11	United States of America	1,483.673	0.7
12	Jordan	1,453.282	0.7
13	Malaysia	1,353.837	0.6
14	Korea, Republic of	902.740	0.4
15	Pakistan	893.600	0.4
16	Oman	881.441	0.4
17	Taipei, Chinese	870.504	0.4
18	Italy	747.915	0.4
19	Viet Nam	688.240	0.3
20	Japan	633.135	0.3
	Others	175,792.477	82.4
	Total	213,376.373	

Top goods (products) exported by Saudi Arabia Year 2015

	Exported Goods	Value (\$ millions)	% Exports
1	Mineral fuels, oils, distillation products, etc	164,066.355	76.9
2	Plastics and articles thereof	15,221.353	7.1
3	Organic chemicals	10,238.834	4.8
4	Ships, boats and other floating structures	2,467.939	1.2
5	Aluminium and articles thereof	2,032.332	1.0
6	Machinery, nuclear reactors, boilers, etc	1,758.166	0.8
7	Inorganic chemicals, precious metal compound	1,506.577	0.7
8	Vehicles other than railway, tramway	1,290.206	0.6
9	Dairy products, eggs, honey, edible animal product	1,203.231	0.6
10	Electrical, electronic equipment	1,097.272	0.5
11	Fertilizers	1,072.089	0.5
12	Articles of iron or steel	803.764	0.4
13	Paper and paperboard, articles of pulp, paper	738.403	0.3
14	Aircraft, spacecraft, and parts thereof	673.293	0.3
15	Pearls, precious stones, metals, coins, etc	605.343	0.3
16	Cereal, flour, starch, milk preparations and products	521.349	0.2
17	Miscellaneous chemical products	516.647	0.2
18	Soaps, lubricants, waxes, candles, modelling pastes	508.572	0.2
19	Vegetable, fruit, nut, etc food preparations	493.380	0.2
20	Pharmaceutical products	474.689	0.2
	Others	6,086.582	2.9
	Total	213,376.376	

Top goods (products) imported by Saudi Arabia Year 2015

	Imported Goods	Value (\$ millions)	% Imports
1	Machinery, nuclear reactors, boilers, etc	26,800.439	15.8
2	Vehicles other than railway, tramway	25,024.144	14.7
3	Electrical, electronic equipment	19,543.963	11.5
4	Articles of iron or steel	5,829.262	3.4
5	Pearls, precious stones, metals, coins, etc	5,761.438	3.4
6	Pharmaceutical products	5,580.661	3.3
7	Iron and steel	4,720.459	2.8
8	Commodities not elsewhere specified	4,231.863	2.5
9	Cereals	3,892.853	2.3
10	Optical, photo, technical, medical, etc apparatus	3,698.645	2.2
11	Plastics and articles thereof	3,559.304	2.1
12	Aircraft, spacecraft, and parts thereof	3,294.465	1.9
13	Meat and edible meat offal	2,802.969	1.6
14	Furniture, lighting, signs, prefabricated buildings	2,750.670	1.6
15	Articles of apparel, accessories, not knit or crochet	2,568.879	1.5
16	Copper and articles thereof	2,525.059	1.5
17	Rubber and articles thereof	2,273.492	1.3
18	Miscellaneous chemical products	2,251.165	1.3
19	Aluminium and articles thereof	2,207.291	1.3
20	Dairy products, eggs, honey, edible animal product	2,079.898	1.2
	Others	38,570.832	22.7
	Total	169,967.751	

Source: International Trade Center-TradeMap

Sudan: Inward and Outward FDI



Population (million)	39.6
Area (Km ²)	1,861,484
Coastline (Km)	853
Natural resources	Oil and small reserves of iron ore, chrome ore, copper, zinc,

I – Inward Investments

In 2015, Sudan succeeded in attracting FDIs worth 1737 million dollars according to UNCTAD estimations, which represent 4.4% of the Arab total for the same year.

FDI balances incoming to Sudan amounted to some 24.4 billion dollars by the end of 2015, which represent 3% of the Arab total for the same period.

As for Sudan's activity in terms of new FDIs (greenfield), the FDI Markets database published by the Financial Times shows the following:

- For the period from January 2003 to December 2015, 69 FDI projects are being implemented in Sudan by 55 Arab and foreign companies. It is estimated that the total investment cost of these projects, which employ roughly 16.6 thousand workers is about \$ 8.8 billion.
- For the period between January 2011 and December 2015, Egypt, the U.A.E and Bahrain, respectively were on the list of the most important countries investing in Sudan, in terms of investment cost of the projects. The share of the three countries accounted for around 92% of the total.
- Since January 2011, Arab and foreign investments incoming to Sudan have been concentrated in the coal, oil and natural gas sector with 558 million dollars, followed by pharmaceutical products with 531 million dollars and the telecommunications sector with 165 million dollars.
- Since January 2011, the Egyptian company PharamaOverseas has been on top of the list of the 10 most important companies investing in Sudan where it implements a project with an investment cost exceeding one billion dollars.

II – Commodity Exports

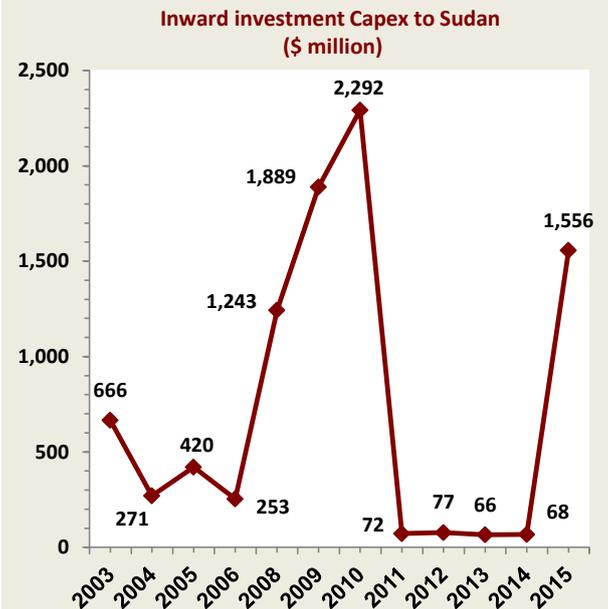
Regarding Sudan's export activity, the trade map database published by the World Trade Center by the end of 2015 reveals the following:

- Sudan's commodity exports amounted to 4.6 billion dollars, while its imports amounted to over 7.3 billion dollars.
- In terms of geographic distribution, China is considered the most important market for Sudan's exports with a share of 66.3%, followed by Saudi Arabia with 14.8%, India with 4.1% and Japan with 3.5%.
- In terms of sector distribution, fuels, oils and distillation products represent 68.8% of Sudan's exports, followed by living animals with 13.2% and fruits, grains and their oils with 7.9%.



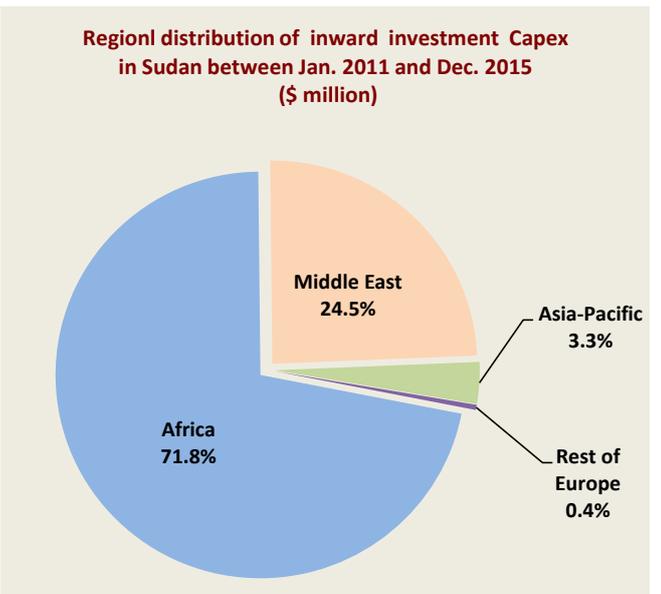
Sudan: FDI Greenfield Projects

Year	No. Projects	* Capex (Million \$)	No. Jobs	No. Companies
2003	7	665.8	1,079	7
2004	3	270.7	1,012	3
2005	7	420.1	634	5
2006	7	253.3	561	7
2008	7	1,242.8	2,722	6
2009	6	1,889.1	2,089	6
2010	6	2,292.2	3,074	6
2011	5	72.1	781	5
2012	8	77.2	168	4
2013	2	65.9	94	2
2014	3	67.9	117	3
2015	8	1,556.3	4,249	7
Total	69	8,873	16,580	55



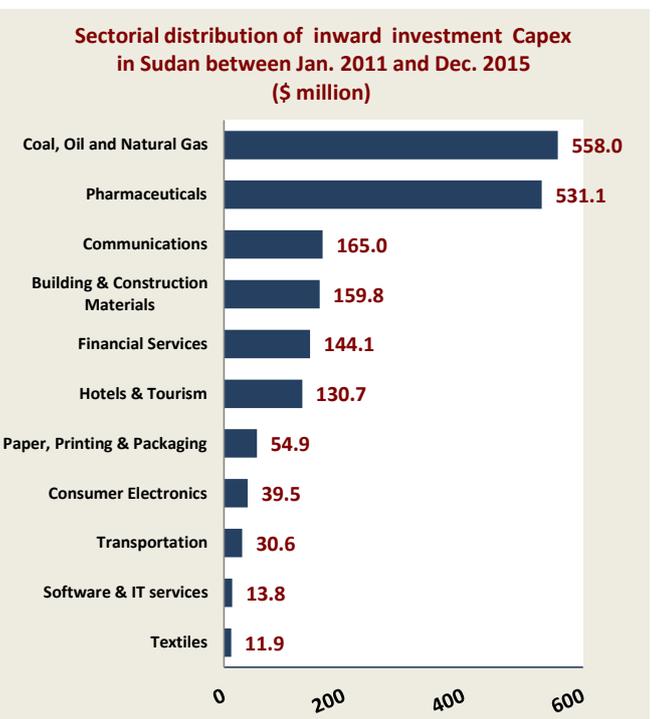
Top countries investing in Sudan between Jan. 2011 and Dec. 2015

Source Country	Projects	* Capex (Million \$)	Jobs Created	Companies
Egypt	6	1,275.2	3,862	5
UAE	10	263.5	502	5
Bahrain	1	150.0	89	1
Nigeria	1	45.1	91	1
South Korea	2	39.5	738	2
Saudi Arabia	2	26.3	28	2
India	1	13.8	49	1
Qatar	1	11.0	18	1
China	1	7.5	16	1
Turkey	1	7.5	16	1
Total	26	1,839	5,409	20



Top Companies investing in Sudan between Jan. 2011 and Dec. 2015

Parent company	Country	Projects	* Capex (Million \$)
Pharmaoverseas	Egypt	2	1,058
Arab Swiss Engineering Company (ASEC)	Egypt	1	160
Zain (Mobile Telecommunications Company)	Bahrain	1	150
Hospitality Management Holdings	UAE	2	131
Dubai Islamic Bank (DIB)	UAE	5	55
Delta Group of Companies	UAE	1	55
African Reinsurance (Africa Re)	Nigeria	1	45
Egyptian International Pharmaceuticals (EIPICO)	Egypt	1	31
Samsung	South Korea	1	27
EgyptAir	Egypt	1	15
Other Companies		10	112
Total		26	1,839



Source: Tables and Figures in this page: FDI Intelligence from The Financial Times

* Capex : Capital expenditure



Sudan: Overall Performance and Position in DIAI

Capital:	Khartoum		2014	2015
Currency:	Sudanese pound (SDG)	Exchange rate (LCU per USD):	6.032	6.316

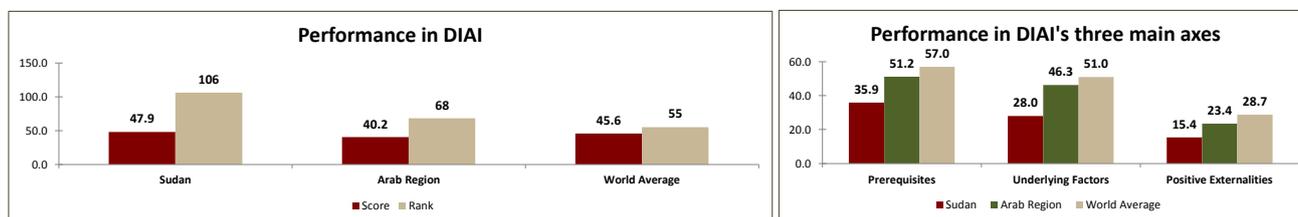
Basic Information:	Unit	2014	2015	2016	2017
Nominal GDP	USD billion	74.4	83.6	93.7	98.5
Real GDP Growth	%	3.3	3.5	3.7	4.0
GDP per Capita	USD	1,994.1	2,175.4	2,367.0	2,416.4
Inflation (average consumer prices)	%	36.9	16.9	13.0	12.3
General Government Total Expenditure and Net Lending (% of GDP)	%	12.8	12.5	12.0	11.9
Current Account Balance	USD billion	-5.0	-6.5	-5.9	-5.4
Current Account Balance (% of GDP)	%	-6.7	-7.7	-6.3	-5.5
Exports of Goods and Services	USD billion	10.2	5.2	5.5	6.2
Imports of Goods and Services	USD billion	1.5	10.2	9.9	10.1
Gross Official Reserves	USD billion	1.8	1.0	1.0	1.0
Total reserves in months of imports	Month	63.0	1.2	1.2	1.2
Total Gross External Debt (% of GDP)	%	37.3	57.8	53.2	52.2
Population	Million people	37.3	38.4	39.6	40.8
Unemployment (% of total labor force)	%	19.8	21.6	20.6	19.6

Source: International Monetary Fund (IMF)

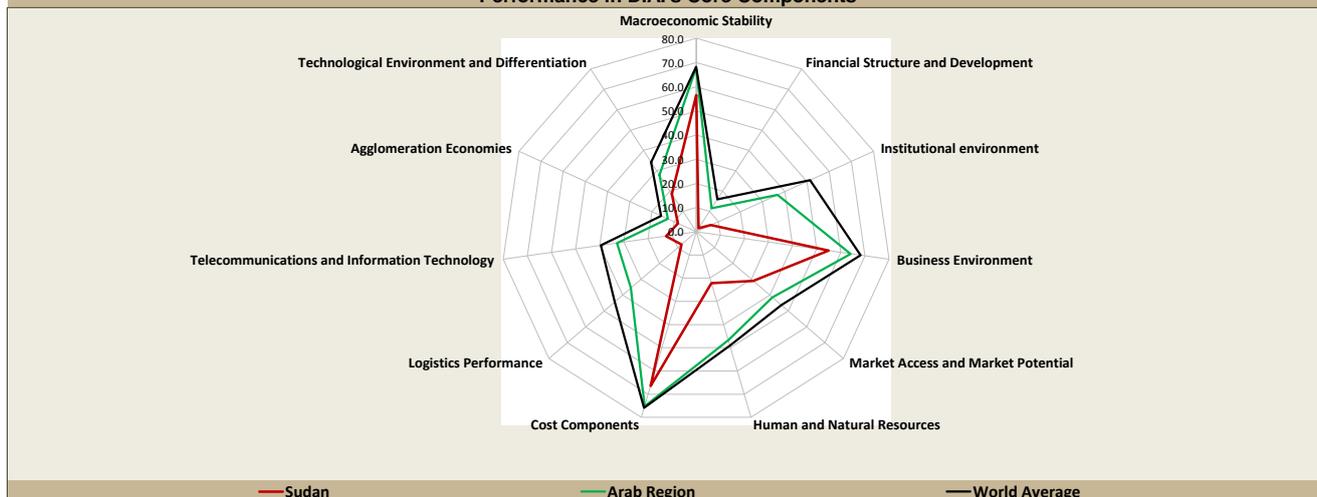
Foreign direct investment (FDI)	Unit	2012	2013	2014	2015	
FDI Flow	Inward	USD million	2,311.0	1,687.9	1,251.3	1,736.8
	Outward	USD million	--	--	--	--
FDI Stock	Inward	USD million	19,736.2	21,424.0	22,675.3	24,412.1
	Outward	USD million	--	--	--	--

Source: UNCTAD

Performance in Dhaman Investment Attractiveness Index (DIAI) 2016



Performance in DIAI's Core Components





Sudan (North & South): Imports & Exports of Goods

Top countries exporting goods to Sudan Year 2015

	Exporting Country	Value (\$ millions)	% Exports
1	China	2,554.878	16.0
2	India	824.684	9.4
3	Saudi Arabia	497.882	9.3
4	Turkey	424.650	6.8
5	Uganda	353.039	5.6
6	Thailand	282.167	5.0
7	Germany	204.117	4.4
8	Korea, Republic of	164.195	3.4
9	United Kingdom	143.208	3.0
10	Italy	139.290	2.8
11	Russian Federation	139.180	2.0
12	Belgium	117.060	1.9
13	Netherlands	114.679	1.8
14	Ethiopia	114.030	1.8
15	France	101.031	1.7
16	Jordan	96.659	1.6
17	Canada	94.672	1.6
18	Switzerland	82.695	1.4
18	Sweden	80.211	1.3
20	United States of America	79.346	1.1
	Others	687.533	18.0
	Total	7,295.206	

Top countries importing goods from Sudan Year 2015

	Importing Country	Value (\$ millions)	% Imports
1	China	3,055.830	66.3
2	Saudi Arabia	681.601	14.8
3	India	187.146	4.1
4	Japan	162.942	3.5
5	Ethiopia	82.404	1.8
6	France	62.106	1.3
7	Jordan	51.232	1.1
8	Netherlands	50.817	1.1
9	Portugal	26.605	0.6
10	Turkey	24.607	0.5
11	Canada	24.090	0.5
12	Germany	23.338	0.5
13	Greece	18.110	0.4
14	Korea, Republic of	17.819	0.4
15	Italy	17.582	0.4
16	Qatar	16.198	0.4
17	Kuwait	13.973	0.3
18	United Kingdom	12.060	0.3
19	Romania	10.588	0.2
20	Switzerland	9.785	0.2
	Others	60.207	1.3
	Total	4,609.040	

Top goods (products) exported by Sudan Year 2015

	Exported Goods	Value (\$ millions)	% Exports
1	Mineral fuels, oils, distillation products, etc	3,170.711	68.8
2	Live animals	610.253	13.2
3	Oil seed, oleagious fruits, grain, seed, fruit, etc, nes	363.016	7.9
4	Lac, gums, resins, vegetable saps and extracts nes	120.862	2.6
5	Sugars and sugar confectionery	91.885	2.0
6	Pearls, precious stones, metals, coins, etc	34.030	0.7
7	Edible vegetables and certain roots and tubers	22.050	0.5
8	Edible fruit, nuts, peel of citrus fruit, melons	21.518	0.5
9	Wood and articles of wood, wood charcoal	21.073	0.5
10	Cotton	18.421	0.4
11	Copper and articles thereof	17.311	0.4
12	Meat and edible meat offal	16.387	0.4
13	Residues, wastes of food industry, animal fodder	14.655	0.3
14	Raw hides and skins (other than furskins) and leather	14.022	0.3
15	Animal, vegetable fats and oils, cleavage products, etc	11.564	0.3
16	Beverages, spirits and vinegar	9.784	0.2
17	Electrical, electronic equipment	8.549	0.2
18	Lead and articles thereof	8.047	0.2
19	Ores, slag and ash	7.790	0.2
20	Plastics and articles thereof	4.708	0.1
	Others	22.390	0.5
	Total	4,609.026	

Top goods (products) imported by Sudan Year 2015

	Imported Goods	Value (\$ millions)	% Imports
1	Machinery, nuclear reactors, boilers, etc	746.789	10.2
2	Vehicles other than railway, tramway	687.344	9.4
3	Sugars and sugar confectionery	502.791	6.9
4	Electrical, electronic equipment	469.203	6.4
5	Pharmaceutical products	451.215	6.2
6	Cereals	357.540	4.9
7	Plastics and articles thereof	324.607	4.4
8	Articles of iron or steel	239.187	3.3
9	Iron and steel	232.470	3.2
10	Footwear, gaiters and the like, parts thereof	224.821	3.1
11	Articles of apparel, accessories, not knit or crochet	209.921	2.9
12	Milling products, malt, starches, inulin, wheat gluten	200.079	2.7
13	Articles of apparel, accessories, knit or crochet	196.949	2.7
14	Edible vegetables and certain roots and tubers	154.158	2.1
15	Rubber and articles thereof	138.537	1.9
16	Coffee, tea, mate and spices	134.100	1.8
17	Optical, photo, technical, medical, etc apparatus	121.659	1.7
18	Furniture, lighting, signs, prefabricated buildings	99.532	1.4
19	Paper and paperboard, articles of pulp, paper and board	94.687	1.3
20	Other made textile articles, sets, worn clothing etc	93.403	1.3
	Others	1,616.164	22.2
	Total	7,295.156	

Source: International Trade Center-TradeMap

Syria : Inward and Outward FDI



Population (million)	18.6
Area (Km ²)	185,180
Coastline (Km)	193
Natural resources	Oil, phosphate, chromium, manganese, asphalt, iron ore, rock salt,

I – Inward Investments

UNCTAD did not detect any inward investment flows to Syria in 2015.

However, according to UNCTAD's estimations, FDI balances incoming to Syria amounted to some 10.7 billion dollars by the end of 2015, which represent 1.3% of the Arab total for the same period.

As for Syria's activity in terms of new FDI's (greenfield), the FDI Markets database published by the Financial Times shows the following:

- For the period from January 2003 to December 2015, 160 FDI projects are being implemented in Syria by 135 Arab and foreign companies. It is estimated that the total investment cost of these projects, which employ roughly 40.6 thousand workers is about \$ 28.5 billion.
- For the period between January 2011 and December 2015, the United Kingdom, Turkey and France respectively were on the list of the most important countries investing in Syria, in terms of investment cost of the projects. The share of the three countries accounted for around 92.5% of the total.
- Since January 2011, Arab and foreign investments incoming to Syria have been concentrated in the coal, oil and gas sector with 850 million dollars, followed by the construction and construction material sector with 376 million dollars and the hotels and tourism sector with 228 million dollars.
- Since January 2011, the British company Gulfsands Petroleum has been on top of the list of the 10 most important companies investing in Syria where it implements a project with an investment cost estimated at 850 million dollars.

II – Commodity Exports

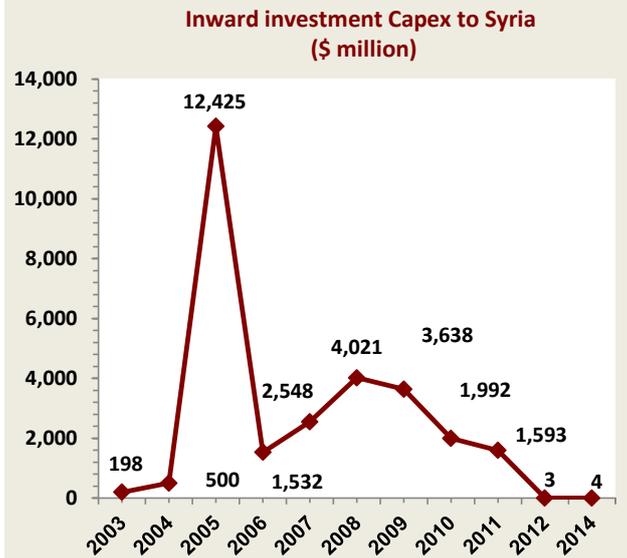
Regarding Syria's export activity, the trade map database published by the World Trade Center by the end of 2015 reveals the following:

- Syria's commodity exports amounted to 449 million dollars, while its imports amounted to over 4.4 billion dollars.
- In terms of geographic distribution, Jordan is considered the most important market for Syria's exports with a share of 22.1%, followed by Saudi Arabia with 19.7%, Turkey with 11.5% and India with 8%.
- In terms of sector distribution, fruits and nuts represent 12% of Syria's exports, followed by coffee, tea and spices with 11.6% and salt, sulfur and construction materials with 8.7%.



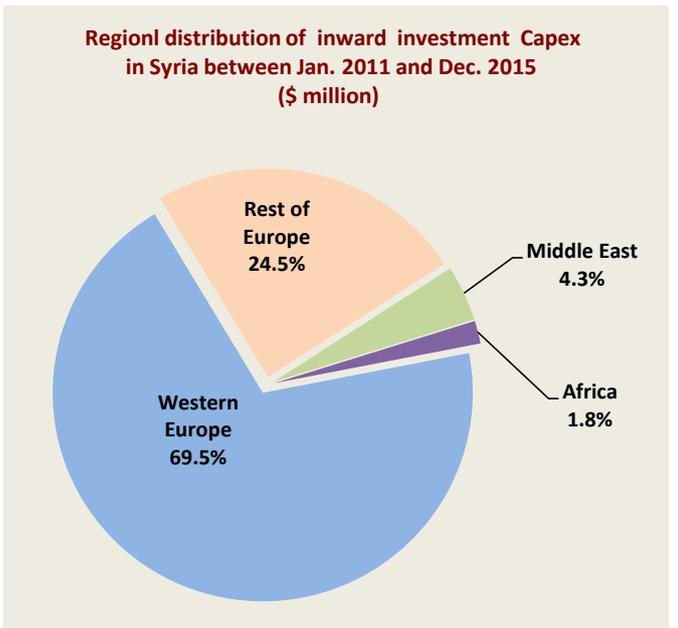
Syria: FDI Greenfield Projects

Year	No. Projects	* Capex (Million \$)	No. Jobs	No. Companies
2003	8	198.0	954	8
2004	6	500.1	1,211	6
2005	23	12,424.9	12,693	20
2006	17	1,531.9	7,392	14
2007	16	2,548.4	3,344	15
2008	27	4,021.4	4,855	23
2009	24	3,638.4	3,143	24
2010	22	1,992.4	5,706	21
2011	15	1,593.3	1,147	13
2012	1	2.8	24	1
2014	1	3.6	86	1
Total	160	28,455	40,555	135



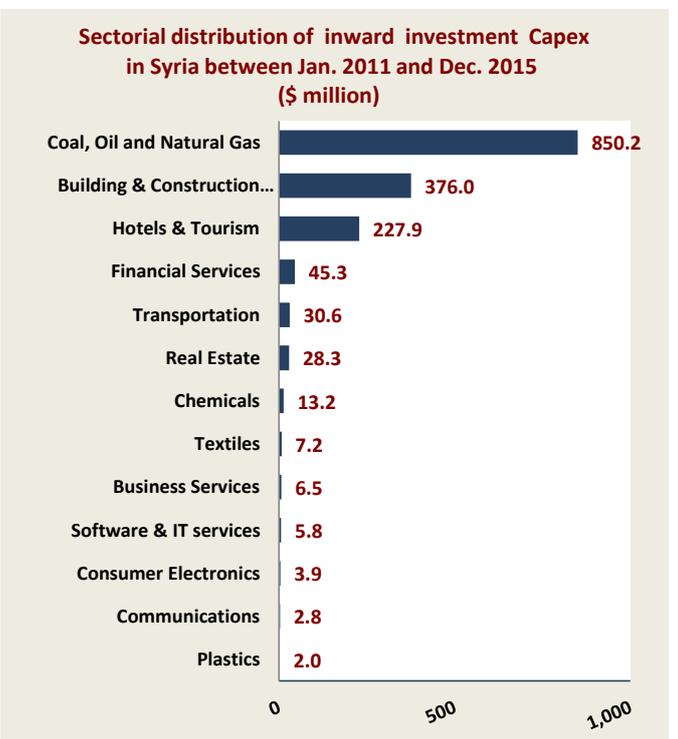
Top countries investing in Syria between Jan. 2011 and Dec. 2015

Source Country	Projects	* Capex (Million \$)	Jobs Created	Companies
UK	3	860.6	244	3
Turkey	2	391.3	485	2
France	1	227.9	192	1
Saudi Arabia	3	45.3	48	1
Egypt	1	28.3	18	1
Germany	1	15.3	13	1
Qatar	1	13.2	28	1
Spain	2	7.2	172	2
Jordan	1	5.8	21	1
Iran	1	2.8	24	1
UAE	1	2.0	12	1
Total	17	1,600	1,257	15



Top Companies investing in Syria between Jan. 2011 and Dec. 2015

Parent company	Country	Projects	* Capex (Million \$)
GulfSands Petroleum	UK	1	850
Guris	Turkey	1	376
Accor	France	1	228
Dallah Albaraka Group	Saudi Arabia	3	45
Amer Group	Egypt	1	28
Hahn Air	Germany	1	15
Turkish Airlines	Turkey	1	15
Qatar Petrochemical Company (QAPCO)	Qatar	1	13
Baker Tilly	UK	1	7
Al-Faris National Company for Investment & Export (Optimiza)	Jordan	1	6
Other Companies		5	16
Total		17	1,600



Source: Tables and Figures in this page: FDI Intelligence from The Financial Times

* Capex : Capital expenditure



Syria: Overall Performance and Position in DIAI

Capital:	Damascus				2014	2015
Currency:	Syrian pound (SYP)		Exchange rate (LCU per USD):		--	--
Basic Information:		Unit	2014	2015	2016	2017
Nominal GDP		USD billion	--	--	--	--
Real GDP Growth		%	--	--	--	--
GDP per Capita		USD	--	--	--	--
Inflation (average consumer prices)		%	--	--	--	--
General Government Total Expenditure and Net Lending (% of GDP)		%	--	--	--	--
Current Account Balance		USD billion	--	--	--	--
Current Account Balance (% of GDP)		%	--	--	--	--
Exports of Goods and Services		USD billion	--	--	--	--
Imports of Goods and Services		USD billion	--	--	--	--
Gross Official Reserves		USD billion	--	--	--	--
Total reserves in months of imports		Month	--	--	--	--
Total Gross External Debt (% of GDP)		%	--	--	--	--
Population		Million people	18.8	18.5	18.6	18.9
Unemployment (% of total labor force)		%	--	--	--	--

Source: International Monetary Fund (IMF)

Foreign direct investment (FDI)		Unit	2012	2013	2014	2015
FDI Flow						
	Inward	USD million	--	--	--	--
	Outward	USD million	--	--	--	--
FDI Stock						
	Inward	USD million	10,742.9	10,742.9	10,742.9	10,742.9
	Outward	USD million	5.0	5.0	5.0	5.0

Source: UNCTAD



Syria: Imports & Exports of Goods

Top countries exporting goods to Syria Year 2015

	Exporting Country	Value (\$ millions)	% Exports
1	Turkey	1,524.619	16.0
2	China	1,024.351	9.4
3	Russian Federation	269.451	9.3
4	Korea, Republic of	209.346	6.8
5	Italy	154.301	5.6
6	Argentina	144.316	5.0
7	India	138.255	4.4
8	Jordan	137.925	3.4
9	Germany	71.899	3.0
10	Brazil	69.665	2.8
11	Saudi Arabia	66.814	2.0
12	France	56.697	1.9
13	Sri Lanka	48.050	1.8
14	Thailand	44.500	1.8
15	Netherlands	43.873	1.7
16	Romania	41.157	1.6
17	Malaysia	36.805	1.6
18	Spain	35.587	1.4
18	Belgium	30.477	1.3
20	Taipei, Chinese	29.022	1.1
	Others	272.242	18.0
	Total	4,449.352	

Top countries importing goods from Syria Year 2015

	Importing Country	Value (\$ millions)	% Imports
1	Jordan	99.258	22.1
2	Saudi Arabia	88.420	19.7
3	Turkey	51.506	11.5
4	India	35.828	8.0
5	Italy	24.951	5.6
6	Belarus	16.331	3.6
7	Kuwait	14.642	3.3
8	Germany	13.851	3.1
9	Spain	11.390	2.5
10	Qatar	11.027	2.5
11	Greece	9.310	2.1
12	Romania	8.531	1.9
13	Bulgaria	8.322	1.9
14	United States of America	6.894	1.5
15	Netherlands	5.885	1.3
16	United Kingdom	5.394	1.2
17	Russian Federation	5.103	1.1
18	France	4.388	1.0
19	Serbia	3.850	0.9
20	China	3.479	0.8
	Others	20.410	4.5
	Total	448.770	

Top goods (products) exported by Syria Year 2015

	Exported Goods	Value (\$ millions)	% Exports
1	Edible fruit, nuts, peel of citrus fruit, melons	53.315	11.9
2	Coffee, tea, mate and spices	51.942	11.6
3	Salt, sulphur, earth, stone, plaster, lime and cement	39.179	8.7
4	Commodities not elsewhere specified	28.129	6.3
5	Animal, vegetable fats and oils, cleavage products	22.466	5.0
6	Edible vegetables and certain roots and tubers	19.660	4.4
7	Wool, animal hair, horsehair yarn and fabric thereof	19.335	4.3
8	Raw hides and skins (other than furskins) and leather	15.898	3.5
9	Soaps, lubricants, waxes, candles, modelling pastes	15.465	3.4
10	Articles of apparel, accessories, not knit or crochet	15.243	3.4
11	Stone, plaster, cement, asbestos, mica, etc articles	14.403	3.2
12	Articles of apparel, accessories, knit or crochet	12.689	2.8
13	Fertilizers	10.997	2.5
14	Live animals	10.477	2.3
15	Cereals	10.059	2.2
16	Cotton	9.817	2.2
17	Oil seed, oleagious fruits, grain, seed, fruit, etc, nes	9.127	2.0
18	Dairy products, eggs, honey, edible animal product	8.853	2.0
19	Machinery, nuclear reactors, boilers, etc	8.778	2.0
20	Cereal, flour, starch, milk preparations and products	7.901	1.8
	Others	65.014	14.5
	Total	448.747	

Top goods (products) imported by Syria Year 2015

	Imported Goods	Value (\$ millions)	% Imports
1	Vehicles other than railway, tramway	297.566	6.7
2	Electrical, electronic equipment	296.463	6.7
3	Commodities not elsewhere specified	260.603	5.9
4	Machinery, nuclear reactors, boilers, etc	242.470	5.5
5	Plastics and articles thereof	224.584	5.0
6	Animal, vegetable fats and oils, cleavage products	209.999	4.7
7	Coffee, tea, mate and spices	195.196	4.4
8	Iron and steel	129.366	2.9
9	Cereal, flour, starch, milk preparations and products	114.047	2.6
10	Milling products, malt, starches, inulin, wheat gluten	102.947	2.3
11	Cereals	98.252	2.2
12	Salt, sulphur, earth, stone, plaster, lime and cement	95.829	2.2
13	Pharmaceutical products	89.105	2.0
14	Knitted or crocheted fabric	80.980	1.8
15	Paper and paperboard, articles of pulp, paper	79.141	1.8
16	Articles of iron or steel	78.776	1.8
17	Organic chemicals	77.472	1.7
18	Edible vegetables and certain roots and tubers	73.416	1.7
19	Furniture, lighting, signs, prefabricated buildings	71.780	1.6
20	Sugars and sugar confectionery	70.841	1.6
	Others	1,558.492	35.0
	Total	4,447.325	

Source: International Trade Center-TradeMap

Somalia: Inward and Outward FDI



Population (million)	11.1
Area (Km ²)	637,657
Coastline (Km)	3,025
Natural resources	Uranium, largely untapped reserves of iron ore, tin, gypsum,

I – Inward Investments

In 2015, Somalia succeeded in attracting FDIs worth 516 million dollars according to UNCTAD estimations, which represent 1.3% of the Arab total for the same year.

FDI balances incoming to Somalia amounted to some 2.2 billion dollars by the end of 2015, which represent 0.3% of the Arab total for the same period.

As for Somalia's activity in terms of new FDIs (greenfield), the FDI Markets database published by the Financial Times shows the following:

- For the period from January 2003 to December 2015, 17 FDI projects are being implemented in Somalia by 16 Arab and foreign companies. It is estimated that the total investment cost of these projects, which employ roughly 1208 workers is about \$ 936 million.
- For the period between January 2011 and December 2015, France, Mauritius and Djibouti respectively were on the list of the most important countries investing in Somalia, in terms of investment cost of the projects. The share of the three countries accounted for around 85.4% of the total.
- Since January 2011, Arab and foreign investments incoming to Somalia have been concentrated in the telecom sector with 310 million dollars, followed by the warehousing sector with 197 million dollars and the financial services sector with 33 million dollars.
- Since January 2011, the French Bolor Group has been on top of the list of the 10 most important companies investing in Somalia where it implements a project with a huge investment cost estimated at 197 million dollars.

II – Commodity Exports

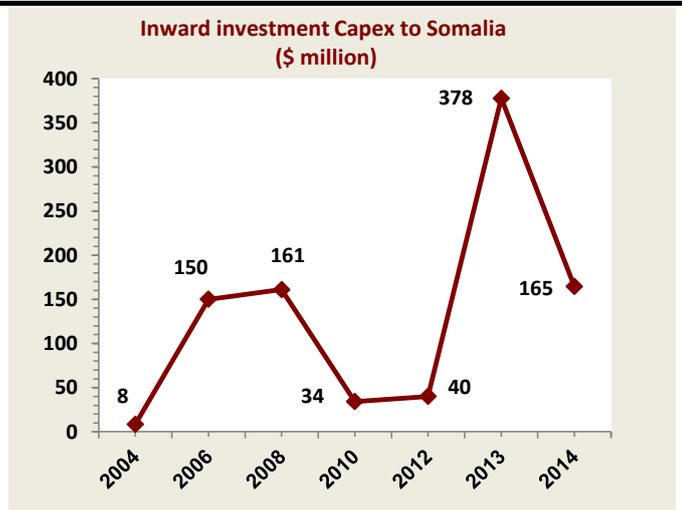
Regarding Somalia's export activity, the trade map database published by the World Trade Center by the end of 2015 reveals the following:

- Somalia's commodity exports amounted to 533 million dollars, while its imports amounted to over 2 billion dollars.
- In terms of geographic distribution, Saudi Arabia is considered the most important market for Somalia's exports with a share of 59.7%, followed by the Sultanate of Oman with 26.4%, China with 4.6% and India with 3.1%.
- In terms of sector distribution, living animals represent 85.5% of Somalia's exports, followed by fruits, seeds and their oils with 6% and fish varieties with 3.9%.



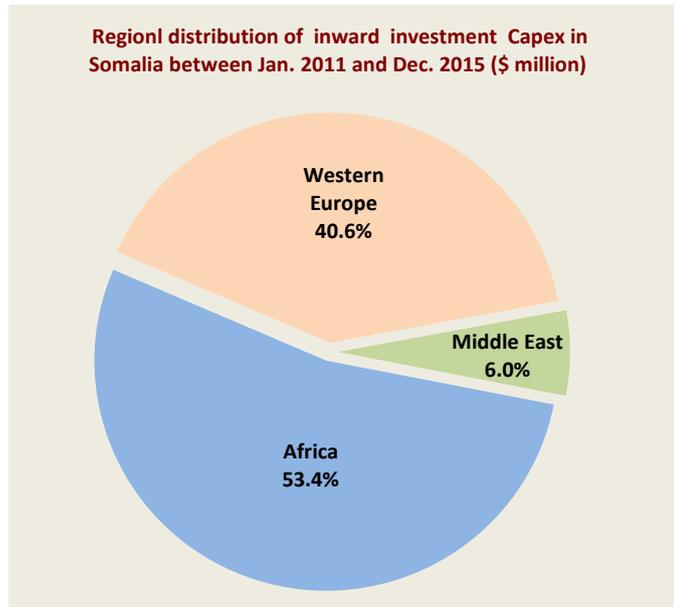
Somalia: FDI Greenfield Projects

Year	No. Projects	* Capex (Million \$)	No. Jobs	No. Companies
2004	1	8.3	120	1
2006	1	150.0	89	1
2008	2	161.0	107	2
2010	1	34.1	222	1
2012	5	40.1	267	5
2013	5	377.6	275	5
2014	2	164.6	128	2
Total	17	936	1,208	16



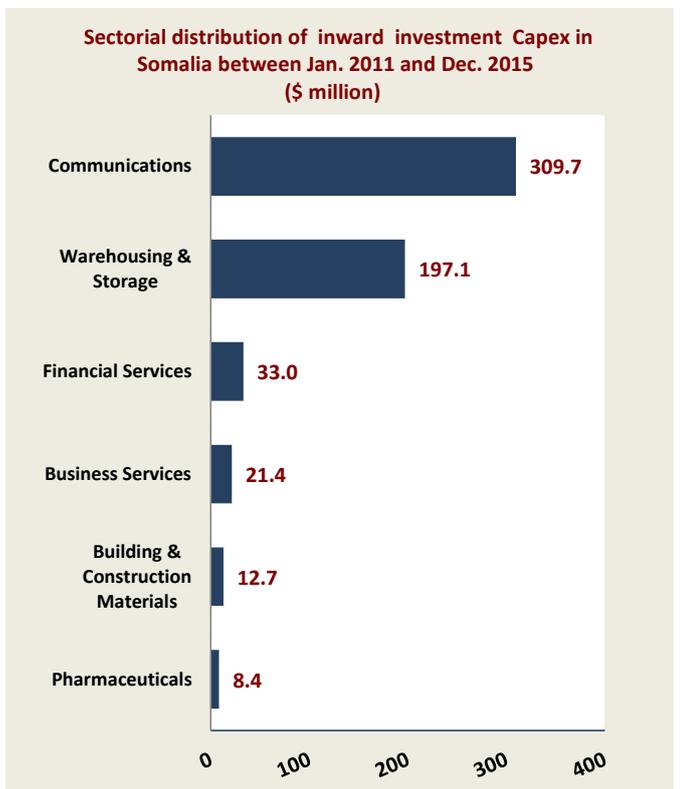
Top countries investing in Somalia between Jan. 2011 and Dec. 2015

Source Country	Projects	* Capex (Million \$)	Jobs Created	Companies
France	1	197.1	122	1
Mauritius	1	150.0	89	1
Djibouti	1	150.0	89	1
Oman	1	12.7	31	1
Yemen	1	11.0	18	1
UAE	1	11.0	18	1
Kenya	1	11.0	18	1
Finland	1	9.7	151	1
UK	3	25.6	94	3
Germany	1	4.2	40	1
Total	12	582	670	12



Top Companies investing in Somalia between Jan. 2011 and Dec. 2015

Parent company	Country	Projects	* Capex (Million \$)
Bollere Group	France	1	197.1
Liquid Telecom	Mauritius	1	150
Djibouti Data Center (DDC)	Djibouti	1	150
Internews Europe	UK	1	14.6
Raysut Cement	Oman	1	12.7
Saba Islamic Bank	Yemen	1	11
Dahabshil Financial Services	UAE	1	11
National Bank of Kenya	Kenya	1	11
Tramigo	Finland	1	9.7
Saladin Security	UK	1	6.8
GlaxoSmithKline (GSK)	UK	1	4.2
Germany Pharmacy & Clinic	Germany	1	4.2
الإجمالي		12	582



Source: Tables and Figures in this page: FDI Intelligence from The Financial Times

* Capex : Capital expenditure



Somalia: Overall Performance and Position in DIAI

Capital:	Mogadishu					
Currency:	Somali shilling (SOS)			Exchange rate (LCU per USD):	2014	2015
					24300.000	24300.000
Basic Information:		Unit	2014	2015	2016	2017
Nominal GDP		USD billion	--	--	--	--
Real GDP Growth		%	--	--	--	--
GDP per Capita		USD	--	--	--	--
Inflation (average consumer prices)		%	--	--	--	--
General Government Total Expenditure and Net Lending (% of GDP)		%	--	--	--	--
Current Account Balance		USD billion	--	--	--	--
Current Account Balance (% of GDP)		%	--	--	--	--
Exports of Goods and Services		USD billion	--	--	--	--
Imports of Goods and Services		USD billion	--	--	--	--
Gross Official Reserves		USD billion	--	--	--	--
Total reserves in months of imports		Month	--	--	--	--
Total Gross External Debt (% of GDP)		%	--	--	--	--
Population		Million people	10.5	10.8	11.1	11.4
Unemployment (% of total labor force)		%	--	--	--	--

Source: International Monetary Fund (IMF)

Foreign direct investment (FDI)		Unit	2012	2013	2014	2015
FDI Flow						
	Inward	USD million	107.3	446.0	434.0	516.0
	Outward	USD million	--	--	--	--
FDI Stock						
	Inward	USD million	775.5	1,221.5	1,655.5	2,171.5
	Outward	USD million	--	--	--	--

Source: UNCTAD



Somalia: Imports & Exports of Goods

Top countries exporting goods to Somalia Year 2015

	Exporting Country	Value (\$ millions)	% Exports
1	Ethiopia	671.747	16.0
2	India	418.390	9.4
3	China	300.015	9.3
4	Oman	182.824	6.8
5	Turkey	71.035	5.6
6	Malaysia	66.728	5.0
7	Saudi Arabia	51.723	4.4
8	United States of America	45.799	3.4
9	Brazil	36.871	3.0
10	Italy	24.808	2.8
11	Thailand	17.392	2.0
12	Germany	17.057	1.9
13	France	14.327	1.8
14	United Kingdom	11.699	1.8
15	Netherlands	9.543	1.7
16	Spain	6.892	1.6
17	Korea, Republic of	5.515	1.6
18	Japan	5.397	1.4
18	South Africa	5.106	1.3
20	Kazakhstan	4.327	1.1
	Others	39.412	18.0
	Total	2,006.607	

Top countries importing goods from Somalia Year 2015

	Importing Country	Value (\$ millions)	% Imports
1	Saudi Arabia	318.379	59.7
2	Oman	140.849	26.4
3	China	24.677	4.6
4	India	16.299	3.1
5	France	7.070	1.3
6	Korea, Republic of	6.515	1.2
7	Bahrain	4.957	0.9
8	Jordan	2.989	0.6
9	Japan	1.488	0.3
10	Turkey	1.343	0.3
11	Ethiopia	1.323	0.2
12	Spain	1.214	0.2
13	Germany	1.079	0.2
14	United States of America	1.009	0.2
15	Thailand	0.532	0.1
16	Uganda	0.497	0.1
17	Kuwait	0.412	0.1
18	Qatar	0.389	0.1
19	Italy	0.381	0.1
20	Mexico	0.305	0.1
	Others	1.413	0.3
	Total	533.120	

Top goods (products) exported by Somalia Year 2015

	Exported Goods	Value (\$ millions)	% Exports
1	Live animals	456.059	85.5
2	Oil seed, oleagiu fruits, grain, seed, fruit, etc, nes	31.988	6.0
3	Fish, crustaceans, molluscs, aquatic invertebrates nes	20.607	3.9
4	Lac, gums, resins, vegetable saps and extracts nes	10.715	2.0
5	Raw hides and skins (other than furskins) and leather	3.683	0.7
6	Meat and edible meat offal	3.208	0.6
7	Edible fruit, nuts, peel of citrus fruit, melons	1.067	0.2
8	Soaps, lubricants, waxes, candles, modelling pastes	0.837	0.2
9	Electrical, electronic equipment	0.802	0.2
10	Machinery, nuclear reactors, boilers, etc	0.623	0.1
11	Essential oils, perfumes, cosmetics, toileteries	0.544	0.1
12	Aircraft, spacecraft, and parts thereof	0.497	0.1
13	Copper and articles thereof	0.373	0.1
14	Stone, plaster, cement, asbestos, mica, etc articles	0.216	0.0
15	Plastics and articles thereof	0.205	0.0
16	Iron and steel	0.156	0.0
17	Milling products, malt, starches, inulin, wheat gluten	0.142	0.0
18	Lead and articles thereof	0.128	0.0
19	Works of art, collectors pieces and antiques	0.124	0.0
20	Mineral fuels, oils, distillation products, etc	0.106	0.0
	Others	1.035	0.2
	Total	533.115	

Top goods (products) imported by Somalia Year 2015

	Imported Goods	Value (\$ millions)	% Imports
1	Edible vegetables and certain roots and tubers	514.736	25.7
2	Sugars and sugar confectionery	180.798	9.0
3	Live animals	148.161	7.4
4	Footwear, gaiters and the like, parts thereof	105.407	5.3
5	Cereals	96.661	4.8
6	Cereal, flour, starch, milk preparations and products	75.861	3.8
7	Vehicles other than railway, tramway	72.046	3.6
8	Dairy products, eggs, honey, edible animal product nes	65.948	3.3
9	Milling products, malt, starches, inulin, wheat gluten	64.789	3.2
10	Electrical, electronic equipment	64.646	3.2
11	Animal,vegetable fats and oils, cleavage products, etc	55.702	2.8
12	Machinery, nuclear reactors, boilers, etc	53.447	2.7
13	Pharmaceutical products	35.519	1.8
14	Iron and steel	35.516	1.8
15	Manmade staple fibres	31.668	1.6
16	Furniture, lighting, signs, prefabricated buildings	30.376	1.5
17	Miscellaneous edible preparations	28.580	1.4
18	Plastics and articles thereof	28.172	1.4
19	Articles of iron or steel	27.220	1.4
20	Salt, sulphur, earth, stone, plaster, lime and cement	25.498	1.3
	Others	265.835	13.2
	Total	2,006.586	

Source: International Trade Center-TradeMap

Iraq: Inward and Outward FDI



Population (million)

36.1

Area (Km²)

438,317

Coastline (Km)

58

Natural resources

Petroleum, natural gas, phosphate, and sulfur

I – Inward Investments

In 2015, Iraq succeeded in attracting FDIs worth 3.5 billion dollars according to UNCTAD estimations, which represent 8.7% of the Arab total for the same year.

FDI balances incoming to Iraq amounted to some 26.6 billion dollars by the end of 2015, which represent 3.3% of the Arab total for the same period.

As for Iraq's activity in terms of new FDIs (greenfield), the FDI Markets database published by the Financial Times shows the following:

- For the period from January 2003 to December 2015, 307 FDI projects are being implemented in Iraq by 238 Arab and foreign companies. It is estimated that the total investment cost of these projects, which employ roughly 49.6 thousand workers is about \$ 60.3 billion.
- For the period between January 2011 and December 2015, the U.S.A, the U.A.E and Russia respectively were on the list of the most important countries investing in Iraq, in terms of investment cost of the projects. The share of the three countries accounted for around 80% of the total.
- Since January 2011, Arab and foreign investments incoming to Iraq have been concentrated in the real estate sector with 4.9 billion dollars followed by the hotels and tourism sector with 1.2 billion dollars and the metals sector with 689 million dollars.
- Since January 2011, the American oil company Chevron has been on top of the list of the 10 most important companies investing in Iraq where it implements a project with a huge investment cost estimated at 6 billion dollars.

II – Commodity Exports

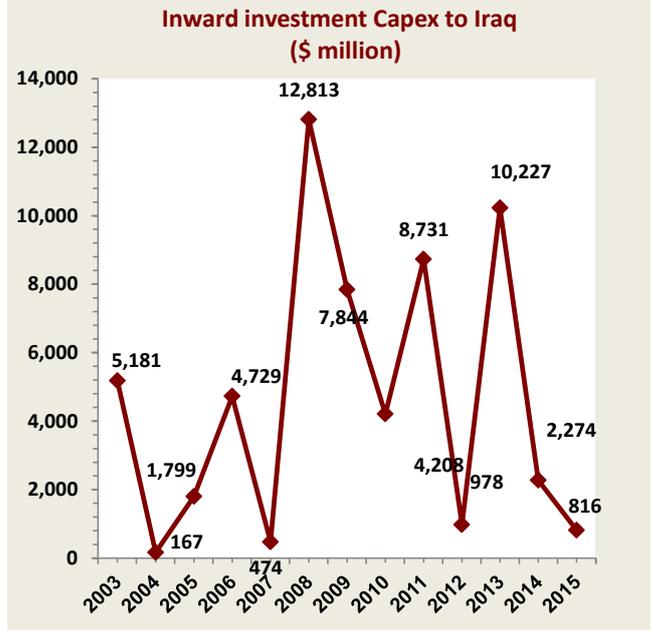
Regarding Iraq's export activity, the trade map database published by the World Trade Center by the end of 2015 reveals the following:

- Iraq's commodity exports amounted to 53 billion dollars, while its imports amounted to over 32.6 billion dollars.
- In terms of geographic distribution, China is considered the most important market for Iraq's exports with a share of 24%, followed by the India with 21.4%, South Korea with 11.8% and the U.S.A with 8.6%.
- In terms of sector distribution, fossil fuels, oils and distillation products represent 99.3% of Iraq's exports, followed by the rest of the goods.



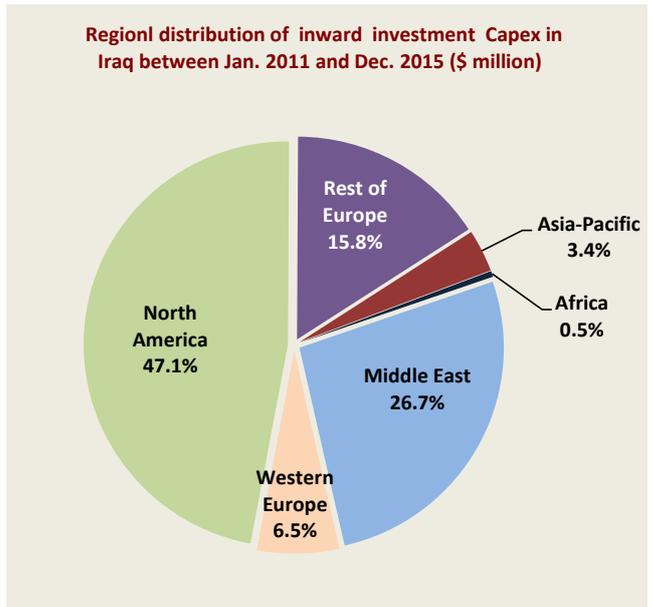
Iraq: FDI Greenfield Projects

Year	No. Projects	* Capex (Million \$)	No. Jobs	No. Companies
2003	31	5,180.5	2,896	31
2004	5	167.4	172	5
2005	9	1,798.8	1,364	8
2006	5	4,729.4	1,654	5
2007	3	473.8	593	3
2008	19	12,812.9	6,379	17
2009	24	7,843.8	10,678	22
2010	48	4,207.9	5,970	38
2011	35	8,731.1	6,025	30
2012	34	977.8	1,696	27
2013	53	10,227.2	9,561	45
2014	26	2,273.7	1,676	24
2015	15	816.1	938	13
Total	307	60,240	49,602	238



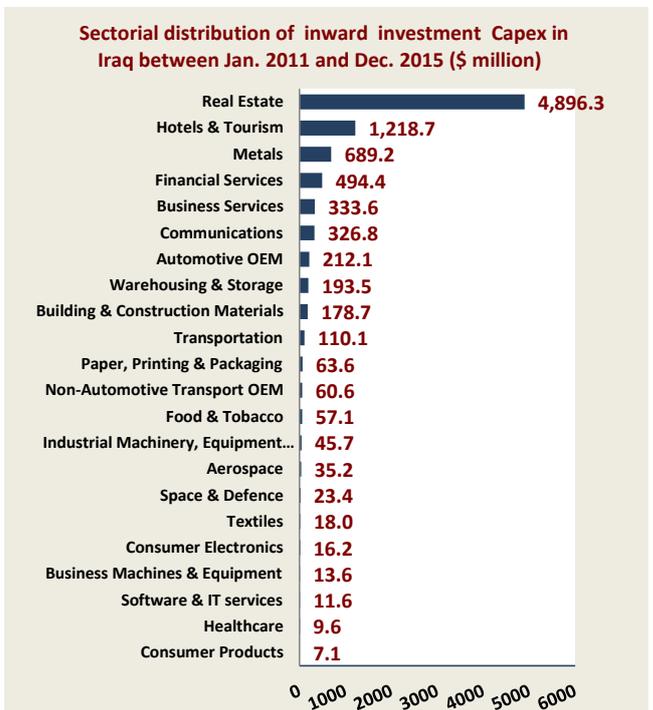
Top countries investing in Iraq between Jan. 2011 and Dec. 2015

Source Country	Projects	* Capex (Million \$)	Jobs Created	Companies
United States	25	10,005.0	5,461	19
UAE	28	5,263.1	5,783	20
Russia	5	3,037.2	894	3
Netherlands	2	1,004.3	344	1
Canada	1	850.2	214	1
Turkey	16	502.2	595	13
India	2	454.8	2,040	2
Jordan	9	297.2	467	6
Kuwait	2	188.6	123	2
Lebanon	11	166.1	176	6
Others	62	1,257.2	3,799	57
Total	163	23,026	19,896	130



Top Companies investing in Iraq between Jan. 2011 and Dec. 2015

Parent company	Country	Projects	* Capex (Million \$)
Chevron Corporation	US	1	6,000
Emaar Properties	UAE	1	3,000
Gazprom	Russia	1	2,000
Claremont Group	US	2	1,754
ExxonMobil	US	1	1,650
Lukoil	Russia	3	1,015
Royal Dutch Shell Plc	Holland	2	1,004
Abu Dhabi Water and Electricity Authority (ADWEA)	UAE	2	872
Oryx Petroleum	Canada	1	850
Range Holdings	UAE	2	456
Other Companies		147	4,424
Total		163	23,026



Source: Tables and Figures in this page: FDI Intelligence from The Financial Times

* Capex : Capital expenditure



Iraq: Overall Performance and Position in DIAI

Capital:	Baghdad		2014	2015
Currency:	Iraqi dinar (IQD)	Exchange rate (LCU per USD):	1166.000	1179.997

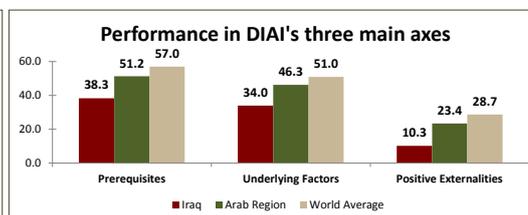
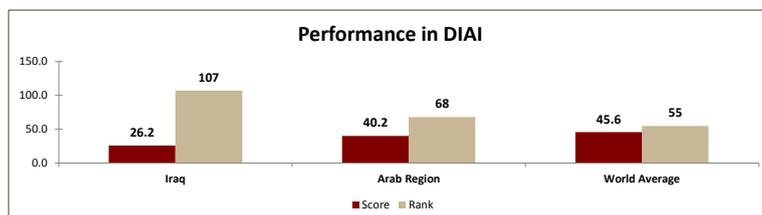
Basic Information:	Unit	2014	2015	2016	2017
Nominal GDP	USD billion	223.5	169.5	148.4	164.4
Real GDP Growth	%	-2.1	2.4	7.2	3.3
GDP per Capita	USD	6,520.4	4,819.5	4,114.8	4,444.2
Inflation (average consumer prices)	%	2.2	1.4	2.0	2.0
General Government Total Expenditure and Net Lending (% of GDP)	%	45.6	44.4	53.1	50.9
Current Account Balance	USD billion	-1.7	-10.8	-21.4	-18.0
Current Account Balance (% of GDP)	%	-0.8	-6.4	-14.4	-11.0
Exports of Goods and Services	USD billion	88.1	48.1	43.2	56.8
Imports of Goods and Services	USD billion	86.1	58.6	63.9	68.9
Gross Official Reserves	USD billion	66.7	54.3	42.4	35.0
Total reserves in months of imports	Month	9.3	11.1	8.0	6.1
Total Gross External Debt (% of GDP)	%	27.3	34.7	46.8	47.6
Population	Million people	34.3	35.2	36.1	37.0
Unemployment (% of total labor force)	%	--	--	--	--

Source: International Monetary Fund (IMF)

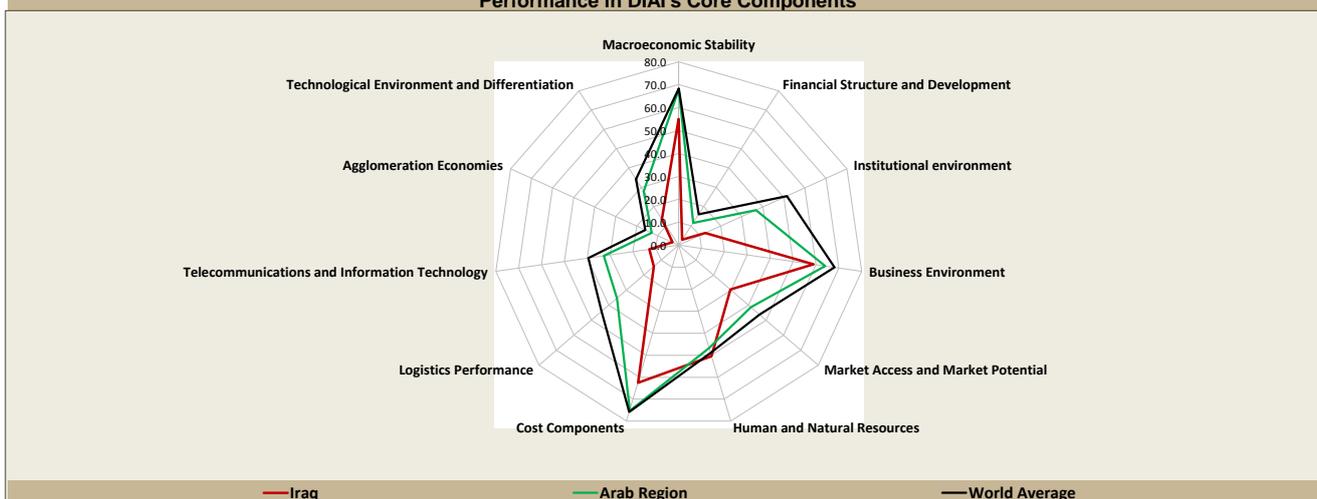
Foreign direct investment (FDI)	Unit	2012	2013	2014	2015
FDI Flow					
Inward	USD million	3,400.4	5,131.2	4,781.8	3,468.5
Outward	USD million	489.5	227.1	241.5	152.5
FDI Stock					
Inward	USD million	13,248.0	18,379.2	23,161.0	26,629.5
Outward	USD million	1,487.5	1,714.6	1,956.1	2,108.6

Source: UNCTAD

Performance in Dhaman Investment Attractiveness Index (DIAI) 2016



Performance in DIAI's Core Components





Iraq: Imports & Exports of Goods

Top countries exporting goods to Iraq Year 2015

	Exporting Country	Value (\$ millions)	% Exports
1	Turkey	8,557.805	26.2
2	China	7,925.456	24.3
3	United States of America	1,969.643	6.0
4	Russian Federation	1,758.596	5.4
5	Korea, Republic of	1,427.944	4.4
6	Germany	1,138.950	3.5
7	India	1,135.283	3.5
8	Italy	1,016.479	3.1
9	Jordan	750.351	2.3
10	Japan	503.804	1.5
11	France	474.133	1.5
12	Saudi Arabia	470.113	1.4
13	Oman	461.775	1.4
14	Switzerland	446.004	1.4
15	United Kingdom	431.203	1.3
16	Kuwait	429.659	1.3
17	Netherlands	321.318	1.0
18	Brazil	306.583	0.9
19	Belgium	299.575	0.9
20	Sweden	243.255	0.7
	Others	2,558.379	7.8
	Total	32,626.308	

Top countries importing goods from Iraq Year 2015

	Importing Country	Value (\$ millions)	% Imports
1	China	12,670.542	23.9
2	India	11,300.277	21.4
3	Korea, Republic of	6,264.575	11.8
4	United States of America	4,567.605	8.6
5	Italy	3,732.995	7.1
6	Greece	3,424.855	6.5
7	Netherlands	1,863.840	3.5
8	Taipei, Chinese	1,359.398	2.6
9	Spain	1,293.117	2.4
10	Singapore	1,004.976	1.9
11	Japan	996.996	1.9
12	France	931.303	1.8
13	Poland	675.278	1.3
14	Germany	499.021	0.9
15	Brazil	476.766	0.9
16	Hungary	389.565	0.7
17	Turkey	296.505	0.6
18	Austria	234.359	0.4
19	South Africa	161.431	0.3
20	Croatia	138.261	0.3
	Others	641.300	1.2
	Total	52,922.965	

Top goods (products) exported by Iraq Year 2015

	Exported Goods	Value (\$ millions)	% Exports
1	Mineral fuels, oils, distillation products, etc	52,538.728	99.258
2	Pearls, precious stones, metals, coins, etc	214.540	0.405
3	Edible fruit, nuts, peel of citrus fruit, melons	53.521	0.101
4	Raw hides and skins (other than furskins) and leather	30.714	0.058
5	Commodities not elsewhere specified	14.949	0.028
6	Plastics and articles thereof	13.341	0.025
7	Electrical, electronic equipment	9.205	0.017
8	Pulp of wood, fibrous cellulosic material, waste etc	8.995	0.017
9	Machinery, nuclear reactors, boilers, etc	7.170	0.014
10	Lac, gums, resins, vegetable saps and extracts nes	4.394	0.008
11	Optical, photo, technical, medical, etc apparatus	2.734	0.005
12	Wool, animal hair, horsehair yarn and fabric thereof	2.400	0.005
13	Clocks and watches and parts thereof	2.390	0.005
14	Aluminium and articles thereof	2.244	0.004
15	Articles of iron or steel	2.118	0.004
16	Vehicles other than railway, tramway	1.942	0.004
17	Works of art, collectors pieces and antiques	1.859	0.004
18	Vegetable, fruit, nut, etc food preparations	1.372	0.003
19	Vegetable plaiting materials, vegetable products nes	1.166	0.002
20	Meat and edible meat offal	0.876	0.002
	Others	16.789	0.032
	Total	52,931.447	

Top goods (products) imported by Iraq Year 2015

	Imported Goods	Value (\$ millions)	% Imports
1	Machinery, nuclear reactors, boilers, etc	4,434.630	13.6
2	Electrical, electronic equipment	3,107.942	9.5
3	Vehicles other than railway, tramway	2,188.986	6.7
4	Articles of iron or steel	1,895.925	5.8
5	Commodities not elsewhere specified	1,769.699	5.4
6	Plastics and articles thereof	1,148.113	3.5
7	Pharmaceutical products	984.206	3.0
8	Furniture, lighting, signs, prefabricated buildings	899.814	2.8
9	Articles of apparel, accessories, knit or crochet	877.930	2.7
10	Cereals	797.639	2.4
11	Dairy products, eggs, honey, edible animal product nes	664.294	2.0
12	Iron and steel	661.661	2.0
13	Optical, photo, technical, medical, etc apparatus	639.719	2.0
14	Articles of apparel, accessories, not knit or crochet	610.537	1.9
15	Meat and edible meat offal	586.666	1.8
16	Animal,vegetable fats and oils, cleavage products, etc	545.110	1.7
17	Pearls, precious stones, metals, coins, etc	524.903	1.6
18	Cereal, flour, starch, milk preparations and products	503.751	1.5
19	Mineral fuels, oils, distillation products, etc	496.803	1.5
20	Milling products, malt, starches, inulin, wheat gluten	488.563	1.5
	Others	8,799.192	27.0
	Total	32,626.083	

Source: International Trade Center-TradeMap

The Sultanate of Oman: Inward and Outward FDI



Population (million)	4
Area (Km ²)	309,500
Coastline (Km)	2,092
Natural resources	Oil, copper, asbestos and some marble, limestone

I – Inward Investments

In 2015, Oman succeeded in attracting FDIs worth 822 million dollars according to UNCTAD estimations, which represent 2.1% of the Arab total for the same year.

FDI balances incoming to Oman amounted to some 20 billion dollars by the end of 2015, which represent 2.5% of the Arab total for the same period.

As for Oman's activity in terms of new FDIs (greenfield), the FDI Markets database published by the Financial Times shows the following:

- For the period from January 2003 to December 2015, 527 FDI projects are being implemented in Oman by 392 Arab and foreign companies. It is estimated that the total investment cost of these projects, which employ roughly 84.8 thousand workers is about \$ 38.3 billion.
- For the period between January 2011 and December 2015, Qatar, the U.A.E and India respectively were on the list of the most important countries investing in Oman, in terms of investment cost of the projects. The share of the three countries accounted for around 52% of the total.
- Since January 2011, Arab and foreign investments incoming to Oman have been concentrated in the coal, oil and natural gas sector with 1.2 billion dollars, followed by the chemicals sector with 1.1 billion dollars and the metals sector with 983 million dollars.
- Since January 2011, Qatar Electricity and Water Company (QWEC) has been on top of the list of the 10 most important companies investing in Oman where it implements a project with a huge investment cost estimated at 1.8 billion dollars.

II – Commodity Exports

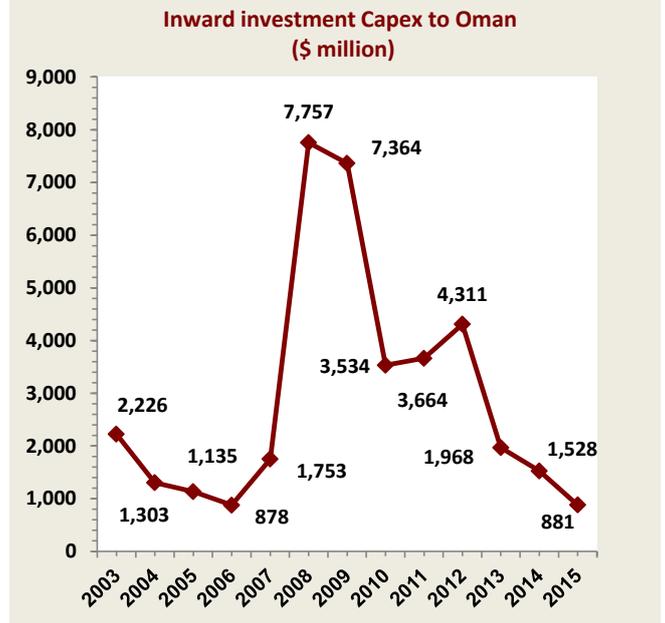
Regarding Oman's export activity, the trade map database published by the World Trade Center by the end of 2015 reveals the following:

- Oman's commodity exports amounted to 32 billion dollars, while its imports amounted to over 29 billion dollars.
- In terms of geographic distribution, China is considered the most important market for Oman's exports with a share of 44.1%, followed by the U.A.E with 6.4%, Taiwan with 6.3% and India with 3.4%.
- In terms of sector distribution, fuels, oils and distillation products represent 62% of Oman's exports, followed by railway and tramway wagons with a percentage of 13% and biochemical with 3.5%.



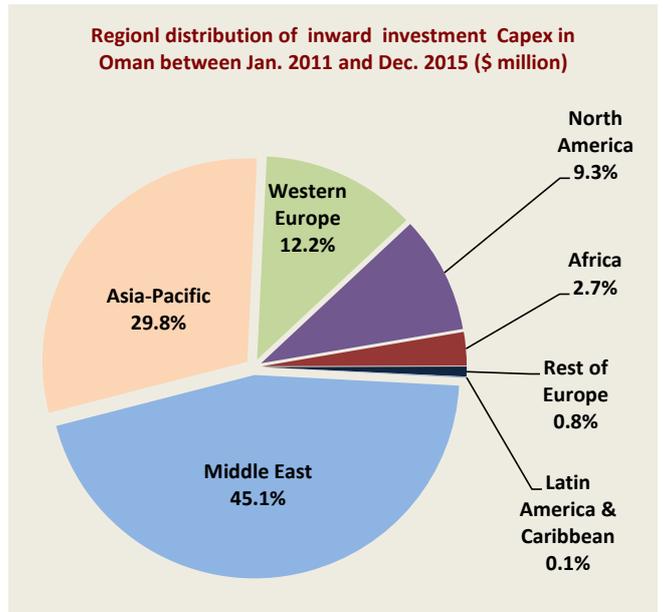
Oman: FDI Greenfield Projects

Year	No. Projects	* Capex (Million \$)	No. Jobs	No. Companies
2003	11	2,226.0	1,146	11
2004	13	1,302.6	1,864	13
2005	12	1,135.0	1,642	12
2006	37	878.0	3,943	29
2007	17	1,753.4	3,345	17
2008	55	7,756.9	16,969	53
2009	42	7,363.7	4,613	41
2010	40	3,533.7	10,928	35
2011	68	3,663.7	9,607	60
2012	96	4,310.7	13,398	70
2013	56	1,968.0	8,140	43
2014	38	1,527.6	4,546	34
2015	42	881.4	4,612	31
Total	527	38,301	84,753	392



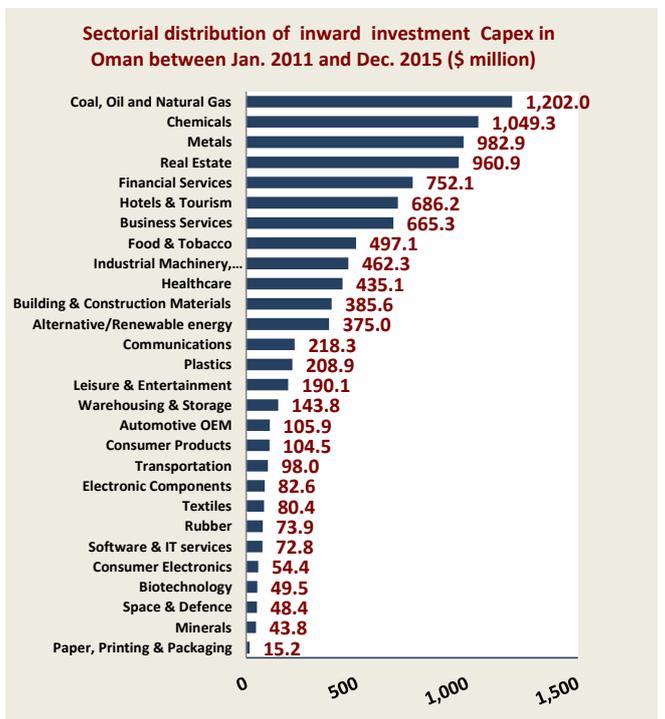
Top countries investing in Oman between Jan. 2011 and Dec. 2015

Source Country	Projects	* Capex (Million \$)	Jobs Created	Companies
Qatar	15	2,565.0	2,419	11
UAE	89	1,701.1	11,502	54
India	44	1,640.4	6,903	30
US	25	1,149.7	2,032	19
South Korea	2	856.5	777	2
Kuwait	10	618.2	3,101	9
Singapore	7	540.8	3,061	6
Holland	4	507.5	480	4
Saudi Arabia	16	480.5	3,031	5
UK	21	453.4	1,577	20
Others	67	1,838.4	5,420	51
Total	300	12,352	40,303	211



Top Companies investing in Oman between Jan. 2011 and Dec. 2015

Parent company	Country	Projects	* Capex (Million \$)
Qatar Electricity and Water Company	Qatar	1	1,820
LG	South Korea	1	850
Betanie	Holland	2	460
Jindal Organisation (OP Jindal)	India	1	400
Larsen & Toubro (L&T)	India	1	369
Hidayath Group	UAE	2	343
Shifa Al Jazeera Medical Group	Saudi Arabia	12	308
Moon Iron and Steel (MISCO)	UAE	1	270
Boubyan Petrochemical Company (BPC)	Kuwait	1	260
Starwood Hotels & Resorts	US	3	238
Other Companies		275	7,035
Total		300	12,352



Source: Tables and Figures in this page: FDI Intelligence from The Financial Times

* Capex : Capital expenditure



Oman: Overall Performance and Position in DIAI

Capital:	Muscat		2014	2015
Currency:	Omani rial (OMR)	Exchange rate (LCU per USD):	0.385	0.385

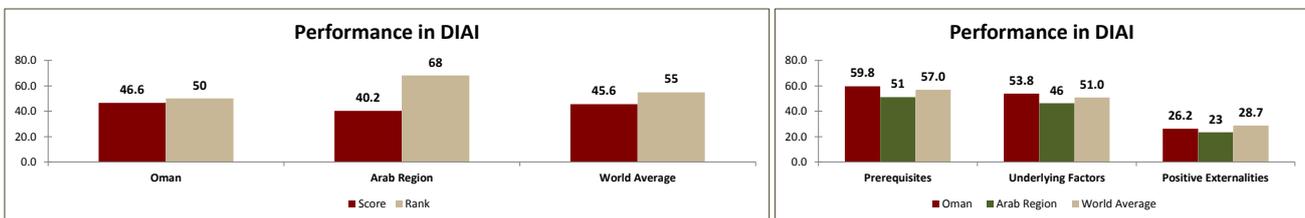
Basic Information:	Unit	2014	2015	2016	2017
Nominal GDP	USD billion	77.8	58.5	51.7	56.3
Real GDP Growth	%	2.9	4.1	1.8	1.7
GDP per Capita	USD	20,923.8	15,233.0	13,059.8	13,811.6
Inflation (average consumer prices)	%	1.0	0.2	0.3	2.8
General Government Total Expenditure and Net Lending (% of GDP)	%	48.8	59.7	60.2	57.6
Current Account Balance	USD billion	4.7	-7.4	-13.0	-11.0
Current Account Balance (% of GDP)	%	6.0	-12.6	-25.1	-19.6
Exports of Goods and Services	USD billion	56.9	39.1	33.3	36.3
Imports of Goods and Services	USD billion	38.1	33.2	32.8	34.5
Gross Official Reserves	USD billion	16.3	17.5	17.8	18.0
Total reserves in months of imports	Month	5.1	6.3	6.5	6.3
Total Gross External Debt (% of GDP)	%	10.7	29.2	44.2	48.5
Population	Million people	3.7	3.8	4.0	4.1
Unemployment (% of total labor force)	%	--	--	--	--

Source: International Monetary Fund (IMF)

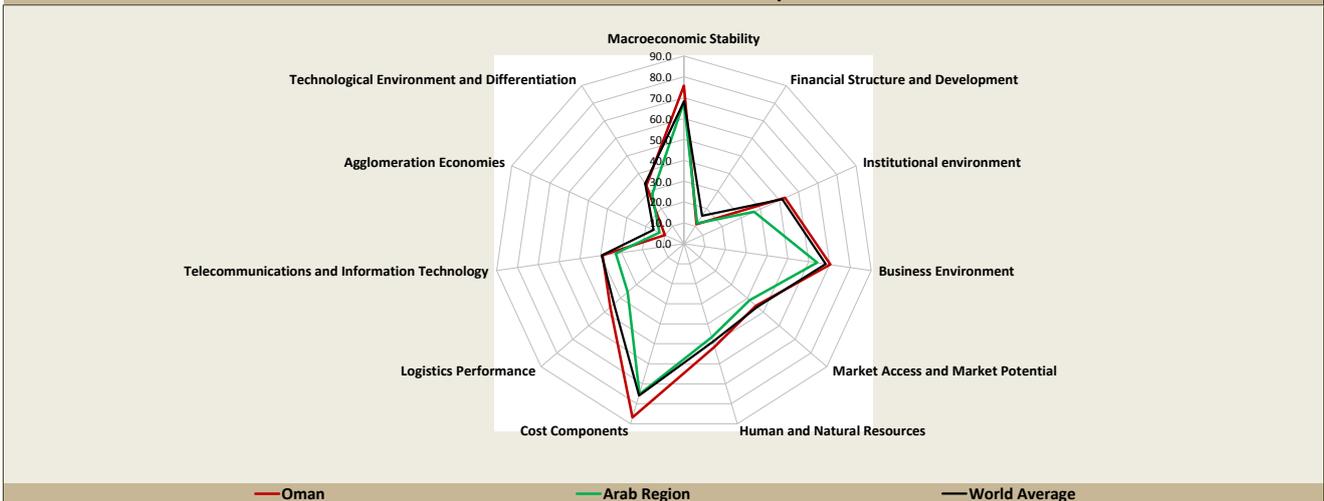
Foreign direct investment (FDI)	Unit	2012	2013	2014	2015
FDI Flow					
Inward	USD million	850.5	876.5	738.6	821.8
Outward	USD million	884.3	10.4	1,669.7	854.8
FDI Stock					
Inward	USD million	17,590.3	18,466.8	19,205.4	20,027.2
Outward	USD million	4,902.7	4,913.1	6,582.8	7,437.6

Source: UNCTAD

Performance in Dhaman Investment Attractiveness Index (DIAI) 2016



Performance in DIAI's Core Components





Oman: Imports & Exports of Goods

Top countries exporting goods to Oman Year 2015

	Exporting Country	Value (\$ millions)	% Exports
1	United Arab Emirates	10,159.886	16.0
2	India	1,564.069	9.4
3	China	1,456.449	9.3
4	Saudi Arabia	1,173.375	6.8
5	United States of America	1,051.493	5.6
6	Netherlands	672.222	5.0
7	Brazil	623.005	4.4
8	Korea, Republic of	529.478	3.4
9	Qatar	528.169	3.0
10	Italy	526.821	2.8
11	Germany	523.892	2.0
12	United Kingdom	446.822	1.9
13	Japan	446.782	1.8
14	Iran, Islamic Republic of	297.680	1.8
15	Belgium	279.913	1.7
16	Russian Federation	267.971	1.6
17	France	259.302	1.6
18	Bahrain	256.474	1.4
18	Turkey	235.884	1.3
20	Australia	226.136	1.1
	Others	7,481.508	18.0
	Total	29,007.331	

Top countries importing goods from Oman Year 2015

	Importing Country	Value (\$ millions)	% Imports
1	China	14,070.669	44.1
2	United Arab Emirates	2,050.237	6.4
3	Taipei, Chinese	1,705.008	5.3
4	India	1,088.234	3.4
5	Saudi Arabia	1,014.278	3.2
6	Japan	635.024	2.0
7	Singapore	626.625	2.0
8	Thailand	594.127	1.9
9	Korea, Republic of	565.665	1.8
10	Yemen	562.983	1.8
11	United States of America	514.601	1.6
12	Iraq	461.775	1.4
13	Pakistan	436.102	1.4
14	South Africa	335.368	1.1
15	Malaysia	308.957	1.0
16	Qatar	272.175	0.9
17	Iran, Islamic Republic of	228.412	0.7
18	Netherlands	227.616	0.7
19	Kuwait	191.483	0.6
20	Somalia	182.824	0.6
	Others	5,854.369	18.3
	Total	31,926.532	

Top goods (products) exported by Oman Year 2015

	Exported Goods	Value (\$ millions)	% Exports
1	Mineral fuels, oils, distillation products, etc	19,794.049	62.0
2	Vehicles other than railway, tramway	4,191.367	13.1
3	Organic chemicals	1,122.767	3.5
4	Aluminium and articles thereof	881.326	2.8
5	Plastics and articles thereof	727.462	2.3
6	Fertilizers	684.227	2.1
7	Iron and steel	512.571	1.6
8	Electrical, electronic equipment	462.781	1.4
9	Ores, slag and ash	380.858	1.2
10	Articles of iron or steel	345.048	1.1
11	Dairy products, eggs, honey, edible animal product	298.639	0.9
12	Animal, vegetable fats and oils, cleavage products, etc	216.991	0.7
13	Salt, sulphur, earth, stone, plaster, lime and cement	211.218	0.7
14	Machinery, nuclear reactors, boilers, etc	187.403	0.6
15	Cereal, flour, starch, milk preparations and products	173.451	0.5
16	Tobacco and manufactured tobacco substitutes	163.608	0.5
17	Stone, plaster, cement, asbestos, mica, etc articles	158.389	0.5
18	Fish, crustaceans, molluscs, aquatic invertebrates nes	132.549	0.4
19	Live animals	108.873	0.3
20	Miscellaneous edible preparations	91.448	0.3
	Others	1,081.503	3.4
	Total	31,926.528	

Top goods (products) imported by Oman Year 2015

	Imported Goods	Value (\$ millions)	% Imports
1	Vehicles other than railway, tramway	4,232.423	14.6
2	Machinery, nuclear reactors, boilers, etc	3,823.193	13.2
3	Mineral fuels, oils, distillation products, etc	3,461.119	11.9
4	Electrical, electronic equipment	2,004.390	6.9
5	Articles of iron or steel	1,292.334	4.5
6	Iron and steel	996.083	3.4
7	Plastics and articles thereof	846.200	2.9
8	Pearls, precious stones, metals, coins, etc	845.031	2.9
9	Organic chemicals	792.706	2.7
10	Dairy products, eggs, honey, edible animal product nes	612.236	2.1
11	Furniture, lighting, signs, prefabricated buildings	597.758	2.1
12	Copper and articles thereof	538.088	1.9
13	Ores, slag and ash	496.762	1.7
14	Cereals	476.099	1.6
15	Pharmaceutical products	424.885	1.5
16	Optical, photo, technical, medical, etc apparatus	424.281	1.5
17	Salt, sulphur, earth, stone, plaster, lime and cement	418.506	1.4
18	Aircraft, spacecraft, and parts thereof	369.283	1.3
19	Miscellaneous chemical products	357.463	1.2
20	Meat and edible meat offal	327.457	1.1
	Others	5,671.038	19.6
	Total	29,007.335	

Source: International Trade Center-TradeMap

Palestine: Inward and Outward FDI



Population (million)	4.8
Area (Km ²)	6,020
Coastline (Km)	40
Natural resources	Arable land and natural gas

I – Inward Investments

In 2015, Palestine succeeded in attracting FDIs worth 120 million dollars according to UNCTAD estimations, which represent 0.3% of the Arab total for the same year.

FDI balances incoming to Palestine amounted to some 2.5 billion dollars by the end of 2015, which represent 0.3% of the Arab total for the same period.

As for Palestine's activity in terms of new FDIs (greenfield), the FDI Markets database published by the Financial Times shows the following:

- For the period from September 2006 to June 2014, 16 FDI projects are being implemented in Palestine by 10 Arab and foreign companies. It is estimated that the total investment cost of these projects, which employ more than 4 thousand workers is about \$ 1.2 billion.
- For the period between January 2011 and December 2015, the USA, Jordan and Turkey respectively were on the list of the most important countries investing in Palestine, in terms of investment cost of the projects. The total cost amounted to 27 million dollars.
- Since January 2011, Arab and foreign investments incoming to Palestine have been concentrated in the beverages sector with 20 million dollars, followed by programming and IT services with 5.8 million dollars and construction and telecom sector with 1.5 million dollars.
- Since January 2011, the American company CocaCola has on top of the list of the 10 most important companies investing in Palestine where it implements a project with an investment cost exceeding one billion dollars.

II – Commodity Exports

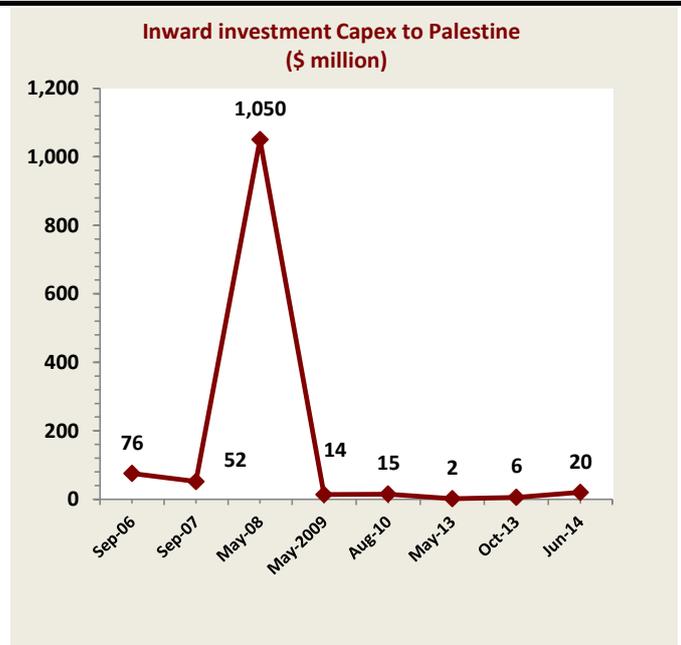
Regarding Palestine's export activity, the trade map database published by the World Trade Center by the end of 2015 reveals the following:

- Palestine's commodity exports amounted to 945 million dollars, while its imports amounted to over 5.7 billion dollars.
- In terms of geographic distribution, Israel is considered the most important market for Palestine's exports with a share of 84%, followed by Jordan with 7%, the U.A.E with 1.5% and the U.S.A with 1.3%.
- In terms of sector distribution, construction materials represent 19.6% of Palestine's exports, followed by furniture, lighting and building installations with 10.8% and iron and steel with 5.6%.



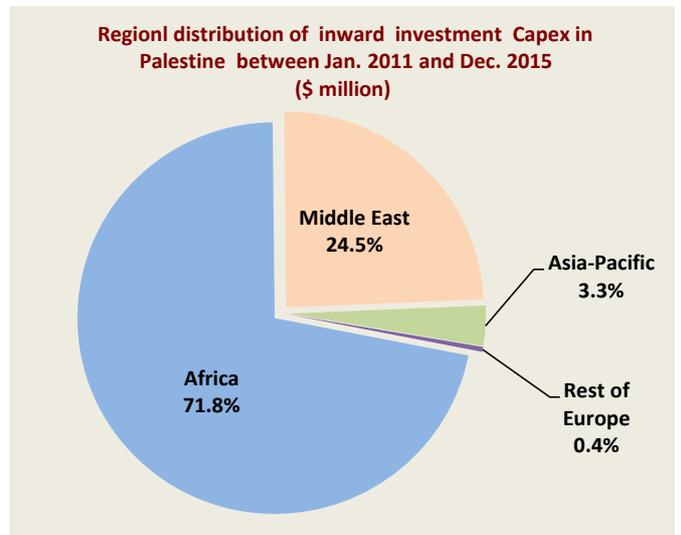
Palestine: FDI Greenfield Projects

Year	No. Projects	* Capex (Million \$)	No. Jobs	No. Companies
Sep-06	5	75.5	80	1
Sep-07	4	51.8	58	2
May-08	2	1,050.0	2,985	2
May-2009	1	13.8	8	1
Aug-10	1	15.1	16	1
May-13	1	1.5	6	1
Oct-13	1	5.8	21	1
Jun-14	1	20.0	1,000	1
Total	16	1,234	4,174	10



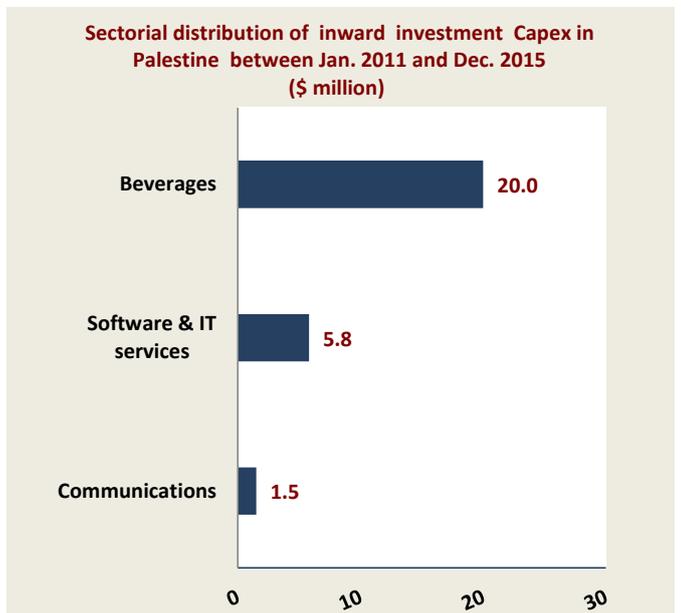
Top countries investing in Palestine between Jan. 2011 and Dec. 2015

Source Country	Projects	* Capex (Million \$)	Jobs Created	Companies
US	1	20.0	1,000	1
Jordan	1	5.8	21	1
Turkey	1	1.5	6	1
Total	3	27	1,027	3



Top Companies investing in Palestine between Jan. 2011 and Dec. 2015

Parent company	Country	Projects	* Capex (Million \$)
Coca-Cola	US	2	1,058
WebTeb	Jordan	1	160
Anadolu Ajansi (Anatolian Agency)	Turkey	1	150
Total		4	1,368



Source: Tables and Figures in this page: FDI Intelligence from The Financial Times

* Capex : Capital expenditure



Palestine: Imports & Exports of Goods

Top countries exporting goods to Palestine (Last year available) 2014

	Exporting Country	Value (\$ millions)	% Exports
1	Israel	3,958.259	69.6
2	Turkey	325.915	5.7
3	China	281.810	5.0
4	Germany	138.449	2.4
5	Jordan	101.771	1.8
6	Saudi Arabia	64.809	1.1
7	Italy	61.965	1.1
8	Spain	61.566	1.1
9	Egypt	55.014	1.0
10	France	53.558	0.9
11	United States of America	51.903	0.9
12	Ukraine	39.916	0.7
13	Netherlands	37.836	0.7
14	Korea, Republic of	33.527	0.6
15	United Arab Emirates	32.583	0.6
16	United Kingdom	28.286	0.5
17	India	27.612	0.5
18	Japan	27.533	0.5
19	Brazil	23.438	0.4
20	Poland	22.282	0.4
	Others	255.163	4.5
	Total	5,683.195	

Top countries importing goods from Palestine (Last year available) 2014

	Importing Country	Value (\$ millions)	% Imports
1	Israel	791.540	83.9
2	Jordan	66.301	7.0
3	United Arab Emirates	14.197	1.5
4	United States of America	11.980	1.3
5	Netherlands	11.451	1.2
6	Saudi Arabia	11.052	1.2
7	Kuwait	8.975	1.0
8	Qatar	8.085	0.9
9	United Kingdom	3.403	0.4
10	Turkey	3.005	0.3
11	Germany	2.277	0.2
12	Yemen	1.473	0.2
13	Algeria	0.810	0.1
14	Russian Federation	0.808	0.1
15	France	0.638	0.1
16	Italy	0.637	0.1
17	Malaysia	0.564	0.1
18	Canada	0.521	0.1
19	Iraq	0.497	0.1
20	Belgium	0.446	0.0
	Others	5.053	0.5
	Total	943.713	

Top goods (products) exported by Palestine (Last year available) 2014

	Exported Goods	Value (\$ millions)	% Exports
1	Stone, plaster, cement, asbestos, mica, etc articles	182.273	19.3
2	Animal,vegetable fats and oils, cleavage products, etc	29.490	3.1
3	Iron and steel	53.086	5.6
4	Edible fruit, nuts, peel of citrus fruit, melons	18.878	2.0
5	Meat, fish and seafood food preparations nes	8.907	0.9
6	Coffee, tea, mate and spices	11.585	1.2
7	Edible vegetables and certain roots and tubers	48.234	5.1
8	Pharmaceutical products	9.881	1.0
9	Salt, sulphur, earth, stone, plaster, lime and cement	12.509	1.3
10	Oil seed, oleagiu fruits, grain, seed, fruit, etc, nes	5.223	0.6
11	Commodities not elsewhere specified	0.000	0.0
12	Footwear, gaiters and the like, parts thereof	42.638	4.5
13	Vegetable, fruit, nut, etc food preparations	4.769	0.5
14	Beverages, spirits and vinegar	10.223	1.1
15	Furniture, lighting, signs, prefabricated buildings	102.123	10.8
16	Soaps, lubricants, waxes, candles, modelling pastes	10.137	1.1
17	Cereal, flour, starch, milk preparations and products	4.709	0.5
18	Articles of iron or steel	16.079	1.7
19	Machinery, nuclear reactors, boilers, etc	14.646	1.6
20	Aluminium and articles thereof	26.788	2.8
	Others	331.539	35.1
	Total	943.717	

Top goods (products) imported by Palestine (Last year available) 2014

	Imported Goods	Value (\$ millions)	% Imports
1	Vehicles other than railway, tramway	234.997	4.1
2	Electrical, electronic equipment	229.445	4.0
3	Meat and edible meat offal	36.653	0.6
4	Cereal, flour, starch, milk preparations and products	72.621	1.3
5	Machinery, nuclear reactors, boilers, etc	234.134	4.1
6	Pharmaceutical products	115.374	2.0
7	Salt, sulphur, earth, stone, plaster, lime and cement	182.022	3.2
8	Optical, photo, technical, medical, etc apparatus	70.308	1.2
9	Aluminium and articles thereof	62.437	1.1
10	Cocoa and cocoa preparations	43.629	0.8
11	Tobacco and manufactured tobacco substitutes	62.528	1.1
12	Plastics and articles thereof	198.934	3.5
13	Beverages, spirits and vinegar	134.457	2.4
14	Dairy products, eggs, honey, edible animal product nes	85.573	1.5
15	Miscellaneous edible preparations	46.756	0.8
16	Mineral fuels, oils, distillation products, etc	1,869.096	32.9
17	Furniture, lighting, signs, prefabricated buildings	36.125	0.6
18	Tanning, dyeing extracts, tannins, derivs,pigments etc	37.499	0.7
19	Miscellaneous chemical products	21.622	0.4
20	Milling products, malt, starches, inulin, wheat gluten	100.629	1.8
	Others	1,808.357	31.8
	Total	5,683.196	

Source: International Trade Center-TradeMap

Qatar: Inward and Outward FDI



Population (million)	2.6
Area (Km ²)	11,586
Coastline (Km)	563
Natural resources	Petroleum, natural gas and fish

I – Inward Investments

In 2015, Qatar succeeded in attracting FDIs worth 1071 million dollars according to UNCTAD estimations, which represent 2.7% of the Arab total for the same year.

FDI balances incoming to Qatar amounted to some 33.2 billion dollars by the end of 2015, which represent 4.1% of the Arab total for the same period.

As for Qatar's activity in terms of new FDIs (greenfield), the FDI Markets database published by the Financial Times shows the following:

- From 2003 to 2015, 728 FDI projects were implemented in Qatar by 622 Arab and foreign companies. It is estimated that the total investment cost of these projects, which employ roughly 87 thousand workers is about \$ 91.3 billion.
- For the period between January 2011 and December 2015, the U.A.E, the U.S.A, Kuwait, the U.K and Singapore respectively were on the list of the most important countries investing in Qatar, in terms of investment cost of the projects. The share of the five countries accounted for around 55% of the total.
- Since January 2011, Arab and foreign investments incoming to Qatar have been concentrated in the hotels and tourism sector with 2.3 billion dollars, followed by the real estate sector with 2 billion dollars and the business services sector with 991 million dollars.
- Since January 2011, the Indian company Marriott has been on top of the list of the 10 most important companies investing in Qatar where it implements 3 projects with an investment cost estimated at 684 million dollars.

II – Commodity Exports

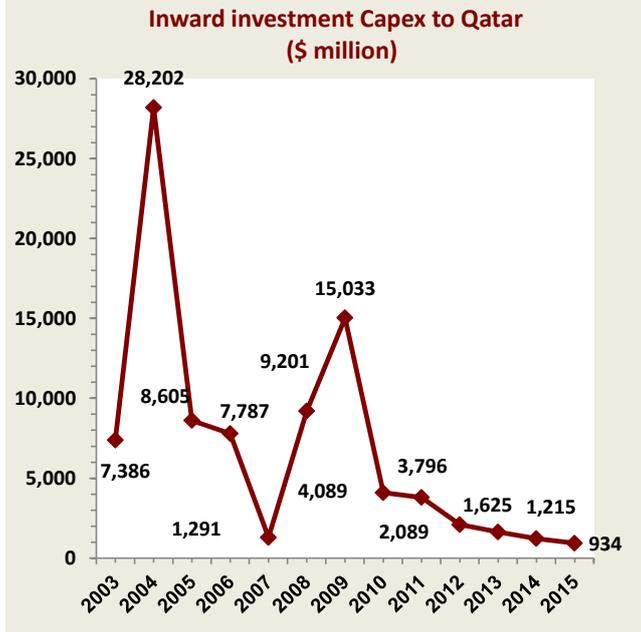
Regarding Qatar's export activity, the trade map database published by the World Trade Center by the end of 2015 reveals the following:

- Qatar's commodity exports amounted to 78 billion dollars, while its imports amounted to over 32.6 billion dollars.
- In terms of geographic distribution, Japan is considered the most important market for Qatar's exports with a share of 20.8%, followed by South Korea with 17.3%, India with 12% and China with 6.7%.
- In terms of sector distribution, fossil fuels, oils and distillation products represent 83% of Qatar's exports, followed with a great difference by plastics and their products with 3.7% and aluminium and its products with 2.3%.



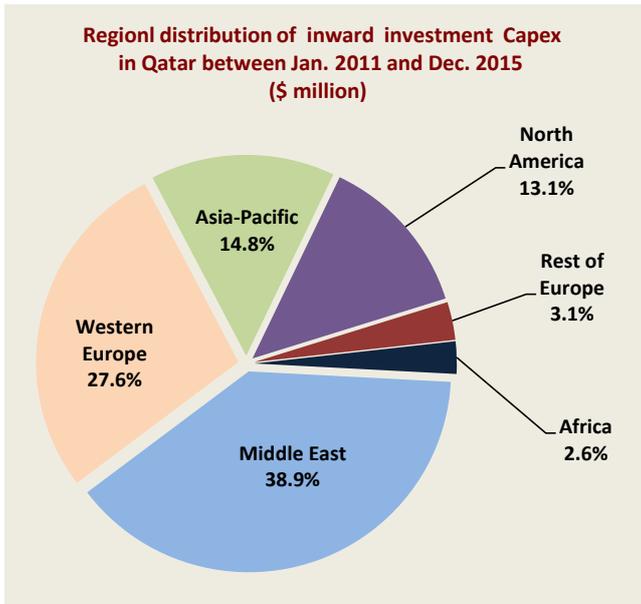
Qatar: FDI Greenfield Projects

Year	No. Projects	* Capex (Million \$)	No. Jobs	No. Companies
2003	21	7,386.3	2,605	21
2004	30	28,201.5	10,866	28
2005	22	8,605.4	5,686	21
2006	47	7,787.0	10,769	46
2007	36	1,290.9	1,958	36
2008	80	9,200.6	10,462	75
2009	84	15,033.3	9,200	78
2010	68	4,088.7	9,021	64
2011	91	3,795.9	8,872	86
2012	84	2,089.1	6,844	79
2013	78	1,625.0	5,505	73
2014	52	1,215.0	2,536	47
2015	35	934.1	2,546	33
Total	728	91,253	86,870	622



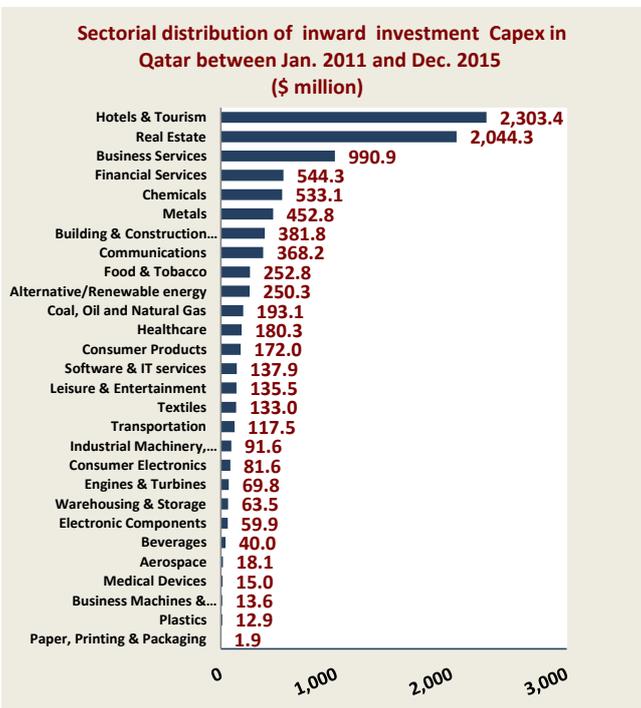
Top countries investing in Qatar between Jan. 2011 and Dec. 2015

Source Country	Projects	* Capex (Million \$)	Jobs Created	Companies
UAE	88	2,771.0	9,741	67
USA	45	1,254.2	1,932	43
Kuwait	10	661.7	1,626	9
UK	49	636.8	1,406	40
Singapore	2	607.4	883	2
Denmark	3	452.6	561	3
Switzerland	9	330.2	970	9
India	18	318.6	1,398	17
Spain	10	311.2	454	8
Norway	5	279.9	756	4
Others	101	2,035.5	6,576	95
Total	340	9,659	26,303	297



Top Companies investing in Qatar between Jan. 2011 and Dec. 2015

Parent company	Country	Projects	* Capex (Million \$)
Marriott International	India	3	684
Rotana Hotels	India	3	684
EMKE Group	Saudi Arabia	3	626
CapitaLand	Japan	1	601
Al Mazaya Holding	France	1	601
Hempel Group	India	1	346
Landmark Group	Japan	9	321
Acciona	Holland	2	246
Kempinski Hotels & Resorts	India	1	228
InVision Hospitality	India	1	228
Other Companies		315	5,095
Total		340	9,659



Source: Tables and Figures in this page: FDI Intelligence from The Financial Times

* Capex : Capital expenditure



Qatar: Overall Performance and Position in DIAI

Capital:	Doha		2014	2015
Currency:	Qatari riyal (QAR)	Exchange rate (LCU per USD):	3.640	3.640

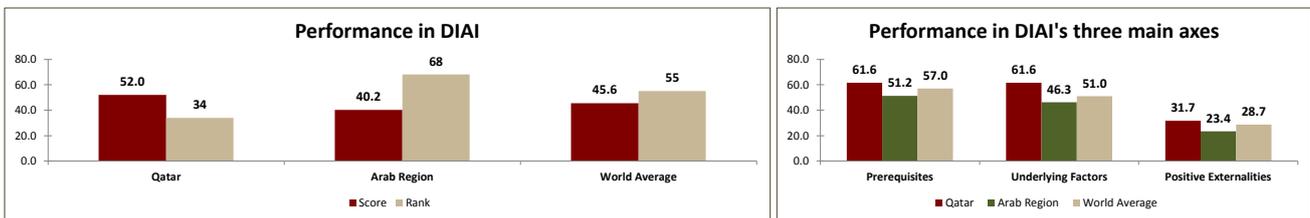
Basic Information:	Unit	2014	2015	2016	2017
Nominal GDP	USD billion	210.1	185.4	170.9	181.3
Real GDP Growth	%	4.0	3.3	3.4	3.4
GDP per Capita	USD	93,990.4	76,576.1	66,265.2	67,269.6
Inflation (average consumer prices)	%	3.3	1.7	2.4	2.7
General Government Total Expenditure and Net Lending (% of GDP)	%	28.9	33.1	35.1	34.4
Current Account Balance	USD billion	49.7	9.1	-8.6	-8.8
Current Account Balance (% of GDP)	%	23.6	4.9	-5.0	-4.9
Exports of Goods and Services	USD billion	140.5	94.4	72.5	75.5
Imports of Goods and Services	USD billion	64.0	64.3	65.4	68.4
Gross Official Reserves	USD billion	43.1	37.2	35.6	33.6
Total reserves in months of imports	Month	8.1	6.9	6.5	5.9
Total Gross External Debt (% of GDP)	%	79.3	95.5	112.4	118.4
Population	Million people	2.2	2.4	2.6	2.7
Unemployment (% of total labor force)	%	--	--	--	--

Source: International Monetary Fund (IMF)

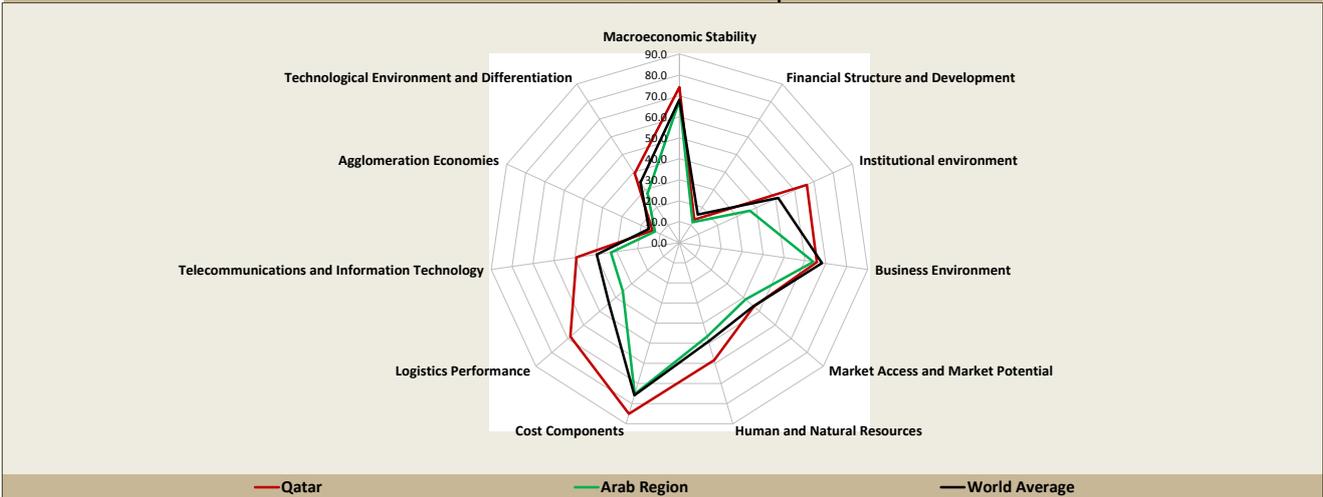
Foreign direct investment (FDI)		Unit	2012	2013	2014	2015
FDI Flow						
	Inward	USD million	395.9	-840.4	1,040.4	1,070.9
	Outward	USD million	1,840.1	8,021.4	6,748.4	4,023.4
FDI Stock						
	Inward	USD million	31,898.3	31,058.0	32,098.3	33,169.2
	Outward	USD million	24,493.6	32,515.0	39,263.4	43,286.7

Source: UNCTAD

Performance in Dhaman Investment Attractiveness Index (DIAI) 2016



Performance in DIAI's Core Components





Qatar: Imports & Exports of Goods

Top countries exporting goods to Qatar Year 2015

	Exporting Country	Value (\$ millions)	% Exports
1	China	3,765.052	16.0
2	United States of America	3,575.672	9.4
3	United Arab Emirates	2,860.802	9.3
4	Germany	2,442.326	6.8
5	Japan	2,134.154	5.6
6	United Kingdom	1,852.846	5.0
7	Italy	1,450.888	4.4
8	Saudi Arabia	1,405.777	3.4
9	France	1,245.662	3.0
10	India	1,215.772	2.8
11	Korea, Republic of	888.593	2.0
12	Switzerland	883.865	1.9
13	Australia	632.302	1.8
14	Brazil	548.643	1.8
15	Turkey	524.863	1.7
16	Thailand	507.650	1.6
17	Netherlands	440.564	1.6
18	Spain	366.148	1.4
18	Egypt	361.095	1.3
20	Malaysia	353.710	1.1
	Others	5,154.075	18.0
	Total	32,610.459	

Top countries importing goods from Qatar Year 2015

	Importing Country	Value (\$ millions)	% Imports
1	Japan	16,194.231	20.8
2	Korea, Republic of	13,488.836	17.3
3	India	9,286.450	11.9
4	China	5,238.217	6.7
5	United Arab Emirates	4,734.993	6.1
6	Singapore	3,503.162	4.5
7	United Kingdom	3,481.441	4.5
8	Taipei, Chinese	3,028.856	3.9
9	Thailand	2,696.468	3.5
10	Italy	1,595.925	2.0
11	Belgium	1,338.003	1.7
12	Turkey	971.012	1.2
13	United States of America	909.774	1.2
14	Saudi Arabia	896.618	1.1
15	France	820.757	1.1
16	Spain	784.021	1.0
17	Egypt	699.382	0.9
18	Indonesia	589.743	0.8
19	Netherlands	554.162	0.7
20	Brazil	539.283	0.7
	Others	6,619.745	8.5
	Total	77,971.079	

Top goods (products) exported by Qatar Year 2015

	Exported Goods	Value (\$ millions)	% Exports
1	Mineral fuels, oils, distillation products, etc	64,534.030	82.8
2	Plastics and articles thereof	2,864.836	3.7
3	Aluminium and articles thereof	1,797.677	2.3
4	Fertilizers	1,752.540	2.2
5	Organic chemicals	1,728.798	2.2
6	Inorganic chemicals, precious metal compound	989.723	1.3
7	Iron and steel	743.115	1.0
8	Vehicles other than railway, tramway	728.823	0.9
9	Machinery, nuclear reactors, boilers, etc	630.092	0.8
10	Ships, boats and other floating structures	344.254	0.4
11	Articles of iron or steel	339.598	0.4
12	Salt, sulphur, earth, stone, plaster, lime and cement	335.616	0.4
13	Aircraft, spacecraft, and parts thereof	186.025	0.2
14	Miscellaneous chemical products	181.463	0.2
15	Electrical, electronic equipment	142.276	0.2
16	Live animals	115.571	0.1
17	Commodities not elsewhere specified	71.044	0.1
18	Works of art, collectors pieces and antiques	59.819	0.1
19	Optical, photo, technical, medical, etc apparatus	50.575	0.1
20	Copper and articles thereof	40.103	0.1
	Others	335.098	0.4
	Total	77,971.076	

Top goods (products) imported by Qatar Year 2015

	Imported Goods	Value (\$ millions)	% Imports
1	Machinery, nuclear reactors, boilers, etc	5,078.118	15.6
2	Vehicles other than railway, tramway	4,433.328	13.6
3	Electrical, electronic equipment	3,387.830	10.4
4	Aircraft, spacecraft, and parts thereof	1,970.791	6.0
5	Articles of iron or steel	1,832.080	5.6
6	Furniture, lighting, signs, prefabricated buildings	857.837	2.6
7	Plastics and articles thereof	753.077	2.3
8	Pearls, precious stones, metals, coins, etc	741.133	2.3
9	Optical, photo, technical, medical, etc apparatus	647.885	2.0
10	Salt, sulphur, earth, stone, plaster, lime and cement	611.271	1.9
11	Iron and steel	587.728	1.8
12	Inorganic chemicals, precious metal compound	586.812	1.8
13	Ores, slag and ash	558.666	1.7
14	Pharmaceutical products	516.673	1.6
15	Meat and edible meat offal	462.730	1.4
16	Stone, plaster, cement, asbestos, mica, etc articles	443.556	1.4
17	Dairy products, eggs, honey, edible animal product nes	403.598	1.2
18	Essential oils, perfumes, cosmetics, toileteries	394.748	1.2
19	Miscellaneous chemical products	387.717	1.2
20	Articles of apparel, accessories, not knit or crochet	386.795	1.2
	Others	7,568.088	23.2
	Total	32,610.461	

Source: International Trade Center-TradeMap

Kuwait: Inward and Outward FDI



Population (million)	4.2
Area (Km ²)	17,818
Coastline (Km)	499
Natural resources	Oil, Fish, Shrimps and natural gas

I – Inward Investments

In 2015, Kuwait succeeded in attracting FDIs worth 293 million dollars according to UNCTAD estimations, which represent 0.7% of the Arab total for the same year.

FDI balances incoming to Kuwait amounted to some 14.6 billion dollars by the end of 2015, which represent 1.8% of the Arab total for the same period.

As for Kuwait's activity in terms of new FDIs (greenfield), the FDI Markets database published by the Financial Times shows the following:

- For the period from January 2003 to December 2015, 313 FDI projects were implemented in Kuwait by 264 Arab and foreign companies. It is estimated that the total investment cost of these projects, which employ roughly 33.3 thousand workers is about \$ 11.3 billion.
- For the period between January 2011 and December 2015, France, the U.A.E, and Denmark respectively were on the list of the most important countries investing in Kuwait, in terms of investment cost of the projects. The share of the three countries accounted for around 77% of the total.
- Since January 2011, Arab and foreign investments incoming to Kuwait have been concentrated in the business services sector with 1.9 billion dollars, the chemicals sector with 575 million dollars and the financial services sector with 355 million dollars.
- Since January 2011, the French gas company Engie came on top of the list of the 10 most important companies investing in Kuwait where it implements a project with a huge investment cost estimated at 1.8 billion dollars.

II – Commodity Exports

Regarding Kuwait's export activity, the trade map database published by the World Trade Center by the end of 2015 reveals the following:

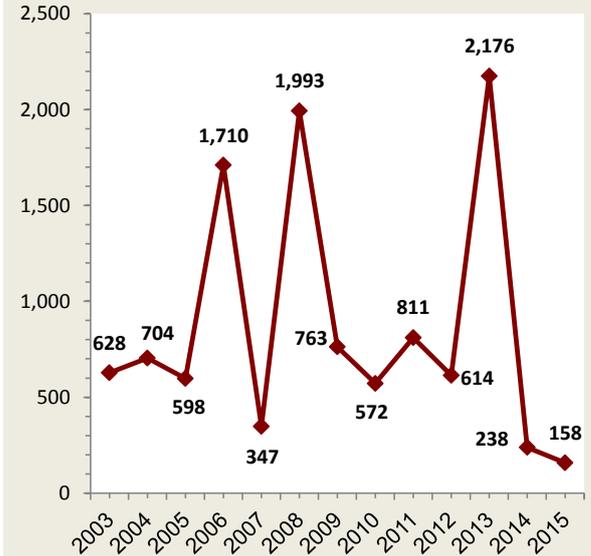
- Kuwait's commodity exports amounted to 55.2 billion dollars, while its imports amounted to over 31.9 billion dollars.
- In terms of geographic distribution, Saudi Arabia is considered the most important market for Kuwait's exports with a share of 1.5%, followed by the U.A.E with 1.5%, China with 1.5% and India with 1.4%.
- In terms of sector distribution, fossil fuels, oils and distillation products represent 89.1% of Kuwait's exports, followed by biochemicals with 2.8% and compounds with 1.7%.



Kuwait: FDI Greenfield Projects

Year	No. Projects	* Capex (Million \$)	No. Jobs	No. Companies
2003	7	628.1	836	7
2004	21	704.0	2,335	19
2005	11	597.9	1,649	11
2006	23	1,710.1	2,917	23
2007	12	347.0	1,337	12
2008	29	1,993.0	4,618	28
2009	28	762.6	2,366	28
2010	34	572.1	3,266	32
2011	34	811.3	3,027	32
2012	37	614.0	3,326	33
2013	38	2,175.5	5,122	36
2014	22	238.4	1,530	16
2015	17	158.2	1,009	14
Total	313	11,312	33,338	264

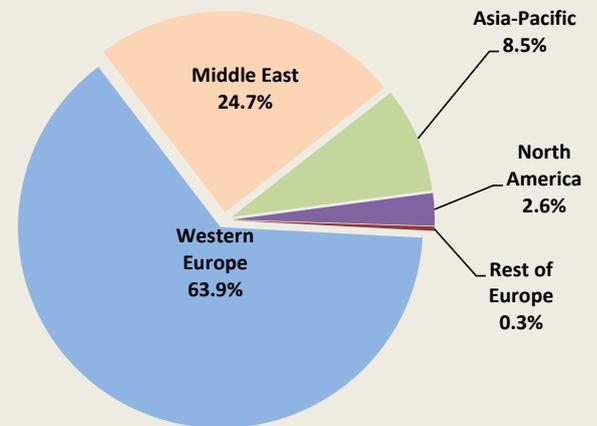
Inward investment Capex to Kuwait (\$ million)



Top countries investing in Kuwait between Jan. 2011 and Dec. 2015

Source Country	Projects	* Capex (Million \$)	Jobs Created	Companies
France	8	1,856.9	2,443	8
UAE	54	731.1	5,799	32
Denmark	2	568.3	502	1
Japan	1	133.8	89	1
Bahrain	8	117.7	453	6
China	5	104.7	177	4
United States	15	98.1	343	15
India	9	68.7	777	8
Saudi Arabia	7	52.5	831	5
Luxembourg	1	35.9	20	1
Others	38	229.7	2,580	35
Total	148	3,997	14,014	116

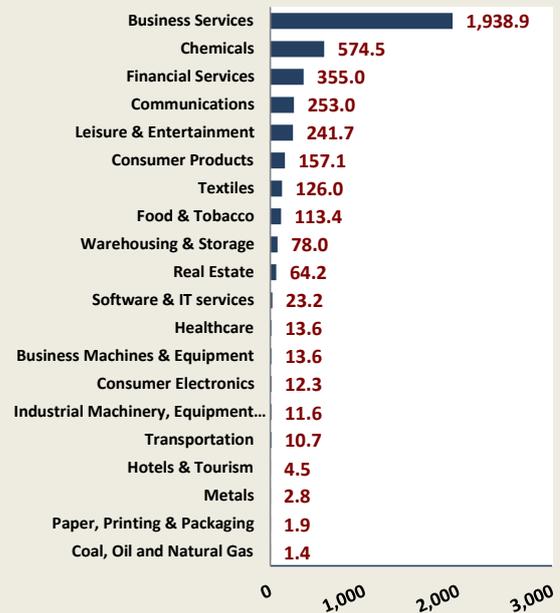
Regional distribution of inward investment Capex in Kuwait between Jan. 2011 and Dec. 2015 (\$ million)



Top Companies investing in Kuwait between Jan. 2011 and Dec. 2015

Parent company	Country	Projects	* Capex (Million \$)
Engie (GDF SUEZ) (Gaz de France)	France	1	1,800
Hempel Group	Denmark	2	568
Landmark Group	UAE	10	280
KDDI	Japan	1	134
EMKE Group	UAE	8	116
NMC Group	UAE	7	106
Huawei Technologies	China	2	68
Al Khaleej Development (Tameer)	Bahrain	1	64
Joyalukkas	UAE	4	60
Regus	Luxembourg	1	36
Other Companies		111	767
Total		148	3,997

Sectorial distribution of inward investment Capex in Kuwait between Jan. 2011 and Dec. 2015 (\$ million)





Kuwait: Overall Performance and Position in DIAI

Capital:	Kuwait City	Exchange rate (LCU per USD):	2014	2015
Currency:	Kuwaiti dinar (KWD)		0.299	0.303

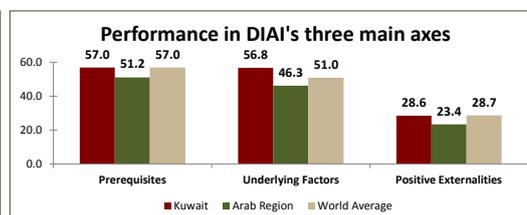
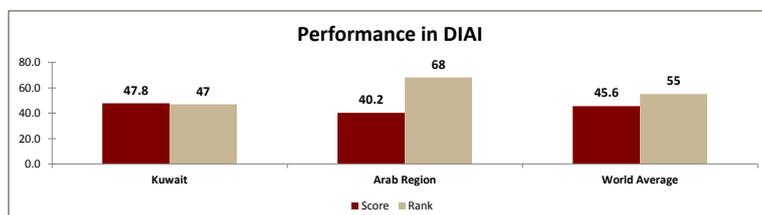
Basic Information:	Unit	2014	2015	2016	2017
Nominal GDP	USD billion	172.0	120.7	106.2	119.9
Real GDP Growth	%	0.03	0.9	2.4	2.6
GDP per Capita	USD	43,005.4	29,363.0	25,141.5	27,612.8
Inflation (average consumer prices)	%	2.9	3.4	3.4	3.5
General Government Total Expenditure and Net Lending (% of GDP)	%	41.9	53.6	59.6	55.5
Current Account Balance	USD billion	53.8	13.9	-1.1	4.0
Current Account Balance (% of GDP)	%	31.3	11.5	-1.0	3.3
Exports of Goods and Services	USD billion	111.1	64.4	48.6	56.6
Imports of Goods and Services	USD billion	51.2	46.7	46.1	48.2
Gross Official Reserves	USD billion	32.3	29.3	27.7	28.9
Total reserves in months of imports	Month	7.6	7.5	7.2	7.2
Total Gross External Debt (% of GDP)	%	22.9	35.2	43.0	40.8
Population	Million people	4.0	4.1	4.2	4.3
Unemployment (% of total labor force)	%	2.1	2.1	2.1	2.1

Source: International Monetary Fund (IMF)

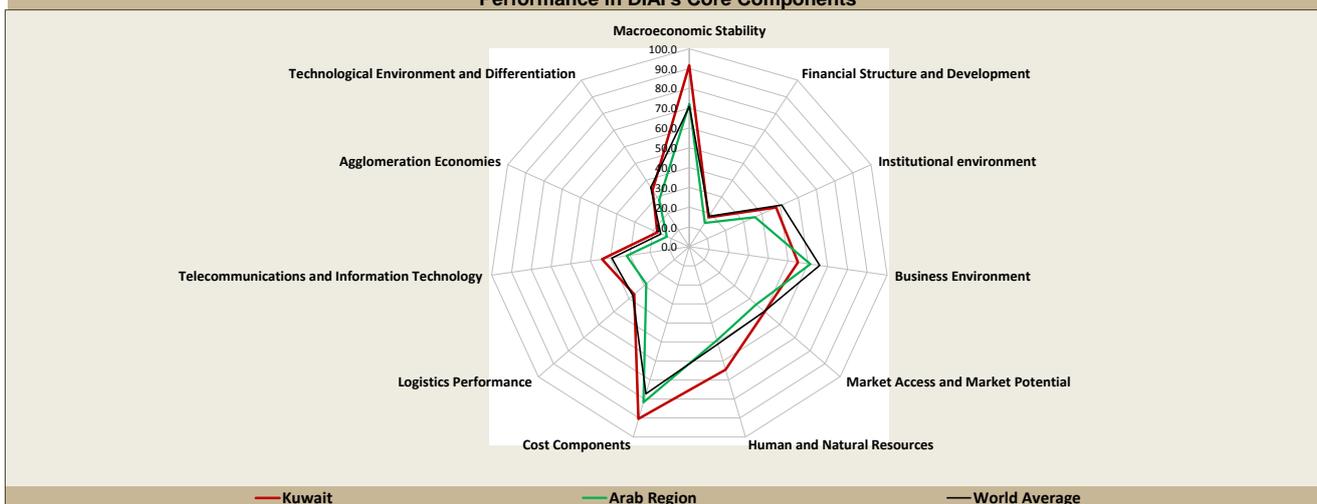
Foreign direct investment (FDI)	Unit	2012	2013	2014	2015	
FDI Flow	Inward	USD million	2,872.6	1,433.6	953.5	293.5
	Outward	USD million	6,741.3	16,648.0	-10,468.3	5,407.0
FDI Stock	Inward	USD million	18,144.3	16,097.2	15,732.9	14,603.7
	Outward	USD million	31,023.4	37,153.1	34,310.5	31,577.0

Source: UNCTAD

Performance in Dhaman Investment Attractiveness Index (DIAI) 2016



Performance in DIAI's Core Components





Kuwait: Imports & Exports of Goods

Top countries exporting goods to Kuwait Year 2015

	Exporting Country	Value (\$ millions)	% Exports
1	China	5,097.158	16.0
2	United States of America	3,006.007	9.4
3	United Arab Emirates	2,976.211	9.3
4	Japan	2,162.344	6.8
5	Germany	1,785.201	5.6
6	Saudi Arabia	1,581.846	5.0
7	India	1,394.166	4.4
8	Italy	1,086.362	3.4
9	Korea, Republic of	970.356	3.0
10	United Kingdom	906.089	2.8
11	France	634.671	2.0
12	Turkey	601.729	1.9
13	Australia	587.320	1.8
14	Switzerland	578.353	1.8
15	Viet Nam	547.932	1.7
16	Thailand	518.029	1.6
17	Netherlands	509.927	1.6
18	Egypt	450.584	1.4
18	Bahrain	416.438	1.3
20	Spain	339.052	1.1
	Others	5,759.453	18.0
	Total	31,909.228	

Top countries importing goods from Kuwait Year 2015

	Importing Country	Value (\$ millions)	% Imports
1	Saudi Arabia	851.094	1.5
2	United Arab Emirates	818.592	1.5
3	China	807.641	1.5
4	India	782.009	1.4
5	Iraq	429.659	0.8
6	Qatar	238.773	0.4
7	Turkey	237.357	0.4
8	United States of America	220.868	0.4
9	Pakistan	155.067	0.3
10	Jordan	140.676	0.3
11	Indonesia	126.050	0.2
12	Bahrain	118.202	0.2
13	Egypt	105.221	0.2
14	Free Zones	103.686	0.2
15	Oman	87.528	0.2
16	Malaysia	80.469	0.1
17	Iran, Islamic Republic of	58.695	0.1
18	Hong Kong, China	57.271	0.1
19	Brazil	54.282	0.1
20	Belgium	50.765	0.1
	Others	49,637.716	90.0
	Total	55,161.621	

Top goods (products) exported by Kuwait Year 2015

	Exported Goods	Value (\$ millions)	% Exports
1	Mineral fuels, oils, distillation products, etc	49,145.524	89.1
2	Organic chemicals	1,519.849	2.8
3	Vehicles other than railway, tramway	931.679	1.7
4	Plastics and articles thereof	839.258	1.5
5	Machinery, nuclear reactors, boilers, etc	343.210	0.6
6	Fertilizers	262.598	0.5
7	Commodities not elsewhere specified	214.777	0.4
8	Pearls, precious stones, metals, coins, etc	188.635	0.3
9	Dairy products, eggs, honey, edible animal product	159.995	0.3
10	Electrical, electronic equipment	157.581	0.3
11	Furniture, lighting, signs, prefabricated buildings	110.776	0.2
12	Miscellaneous chemical products	98.691	0.2
13	Glass and glassware	82.440	0.1
14	Paper and paperboard, articles of pulp, paper	74.406	0.1
15	Iron and steel	71.063	0.1
16	Vegetable, fruit, nut, etc food preparations	64.047	0.1
17	Optical, photo, technical, medical, etc apparatus	54.025	0.1
18	Aluminium and articles thereof	53.870	0.1
19	Clocks and watches and parts thereof	51.035	0.1
20	Edible fruit, nuts, peel of citrus fruit, melons	47.412	0.1
	Others	690.750	1.3
	Total	55,161.621	

Top goods (products) imported by Kuwait Year 2015

	Imported Goods	Value (\$ millions)	% Imports
1	Vehicles other than railway, tramway	4,757.931	14.9
2	Machinery, nuclear reactors, boilers, etc	3,872.715	12.1
3	Electrical, electronic equipment	3,544.757	11.1
4	Pearls, precious stones, metals, coins, etc	1,399.484	4.4
5	Articles of iron or steel	1,261.764	4.0
6	Pharmaceutical products	1,082.036	3.4
7	Iron and steel	782.787	2.5
8	Plastics and articles thereof	775.514	2.4
9	Furniture, lighting, signs, prefabricated buildings	730.731	2.3
10	Optical, photo, technical, medical, etc apparatus	698.098	2.2
11	Dairy products, eggs, honey, edible animal product nes	627.971	2.0
12	Cereals	600.078	1.9
13	Essential oils, perfumes, cosmetics, toileteries	591.853	1.9
14	Articles of apparel, accessories, not knit or crochet	570.415	1.8
15	Meat and edible meat offal	556.493	1.7
16	Edible fruit, nuts, peel of citrus fruit, melons	535.849	1.7
17	Salt, sulphur, earth, stone, plaster, lime and cement	534.802	1.7
18	Articles of apparel, accessories, knit or crochet	526.912	1.7
19	Edible vegetables and certain roots and tubers	398.266	1.2
20	Miscellaneous chemical products	394.420	1.2
	Others	7,666.355	24.0
	Total	31,909.231	

Source: International Trade Center-TradeMap

Lebanon: Inward and Outward FDI



Population (million)	4.6
Area (Km ²)	10,400
Coastline (Km)	225
Natural resources	Limestone, iron ore, salt and a surplus of water in a region

I – Inward Investments

In 2015, Lebanon succeeded in attracting FDIs worth 2341 million dollars according to UNCTAD estimations, which represent 5.9% of the Arab total for the same year.

FDI balances incoming to Lebanon amounted to some 58.6 billion dollars by the end of 2015, which represent 7.2% of the Arab total for the same period.

As for Lebanon's activity in terms of new FDIs (greenfield), the FDI Markets database published by the Financial Times shows the following:

- For the period from January 2003 to December 2015, 231 FDI projects were implemented in Lebanon by 206 Arab and foreign companies. It is estimated that the total investment cost of these projects, which employ roughly 41 thousand workers is about \$ 14.8 billion.
- For the period between January 2011 and December 2015, the U.A.E, Kuwait and the U.S.A, respectively were on the list of the most important countries investing in Lebanon, in terms of investment cost of the projects. The share of the three countries accounted for around 79% of the total.
- Since January 2011, Arab and foreign investments incoming to Lebanon have been concentrated in the hotels and tourism sector with 254 million dollars, followed by the financial services sector with 184 million dollars, and the construction and telecom sector with 183 million dollars.
- Since January 2011, the Emirati Majid Al Futtaim Group has been on top of the list of the 10 most important companies investing in Lebanon where it implements two projects with a huge investment cost estimated at one billion dollars.

II – Commodity Exports

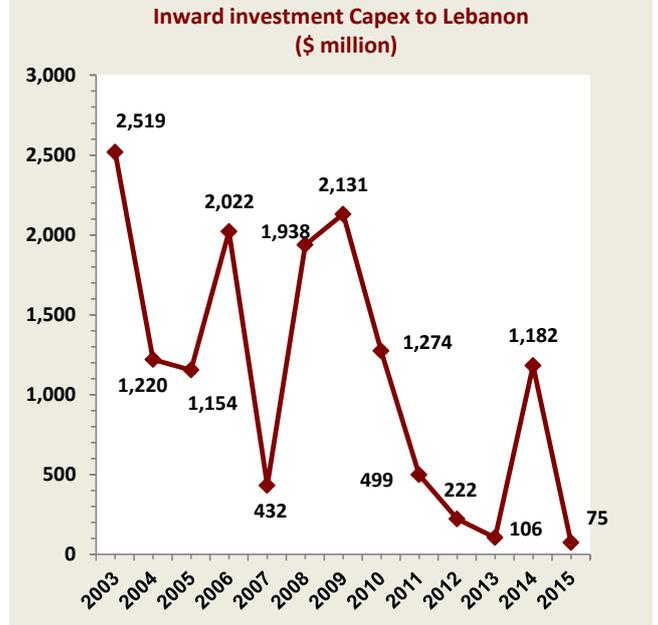
Regarding Lebanon's export activity, the trade map database published by the World Trade Center by the end of 2015 reveals the following:

- Lebanon's commodity exports amounted to 3.3 billion dollars, while its imports amounted to over 20.5 billion dollars.
- In terms of geographic distribution, Saudi Arabia is considered the most important market for Lebanon's exports with a share of 11.4%, followed by the U.A.E with 9.7%, South Africa with 9% and Iraq with 7.7%.
- In terms of sector distribution, pearls and gemstones represent 13% of Lebanon's exports, followed by copper and its products with 3.4% and vegetables with 3.2%.



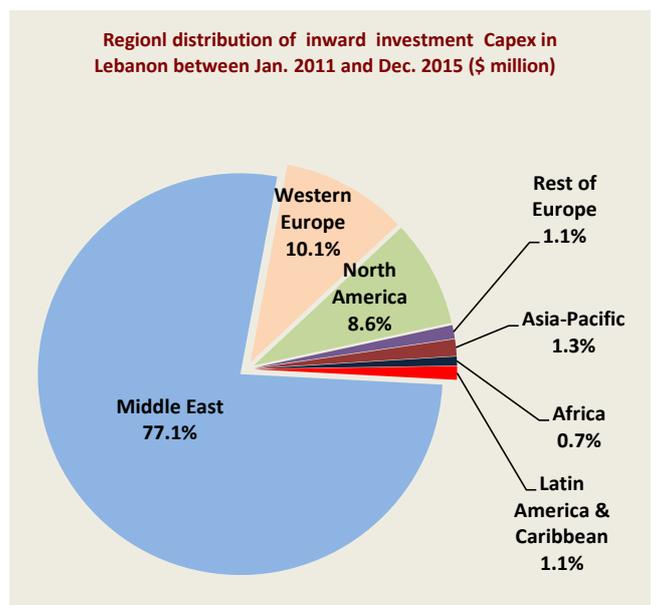
Lebanon: FDI Greenfield Projects

Year	No. Projects	* Capex (Million \$)	No. Jobs	No. Companies
2003	20	2,518.8	4,801	19
2004	23	1,220.2	2,200	22
2005	12	1,154.2	3,107	12
2006	19	2,022.4	7,257	18
2007	11	431.9	1,273	11
2008	9	1,938.3	4,588	7
2009	28	2,130.6	6,404	27
2010	30	1,274.4	3,308	29
2011	27	498.5	1,987	24
2012	19	222.2	1,092	19
2013	16	105.7	1,276	16
2014	10	1,182.2	3,479	10
2015	7	74.9	266	7
Total	231	14,774	41,038	206



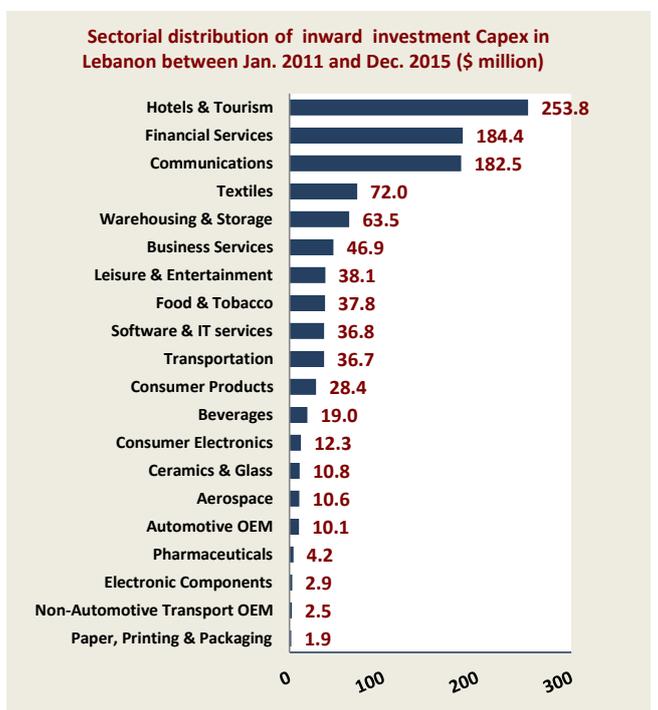
Top countries investing in Lebanon between Jan. 2011 and Dec. 2015

Source Country	Projects	* Capex (Million \$)	Jobs Created	Companies
UAE	20	1,214.1	4,463	20
Kuwait	7	260.7	769	4
United States	7	179.4	198	7
Bahrain	1	63.5	122	1
Germany	5	50.2	396	4
France	7	47.2	521	7
UK	5	30.6	128	5
Switzerland	2	25.7	30	2
Saudi Arabia	1	25.0	64	1
Spain	5	23.7	507	5
Others	19	163.4	902	19
Total	79	2,084	8,100	75



Top Companies investing in Lebanon between Jan. 2011 and Dec. 2015

Parent company	Country	Projects	* Capex (Million \$)
Majid Al Futtaim Group (MAF Group)	UAE	2	1,013
Al Massaleh Real Estate	Kuwait	1	228
Verizon Communications	US	1	134
Al Khaleej Development (Tameer)	Bahrain	1	64
Gulf Film	UAE	1	38
Landmark Group	UAE	5	30
Plus Properties	UAE	1	28
Al Shegry Group	Saudi Arabia	1	25
Alshaya	Kuwait	4	23
Standard Capital	Panama	1	23
Other Companies		61	478
Total		79	2,084



Source: Tables and Figures in this page: FDI Intelligence from The Financial Times

* Capex : Capital expenditure



Lebanon: Overall Performance and Position in DIAI

Capital:	Beirut		2014	2015
Currency:	Lebanese pound (LBP)	Exchange rate (LCU per USD):	1507.504	1507.508

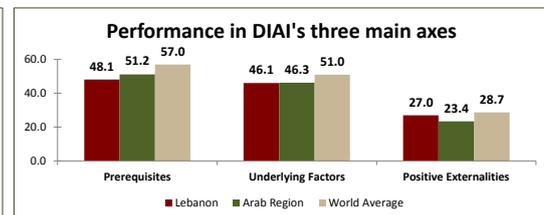
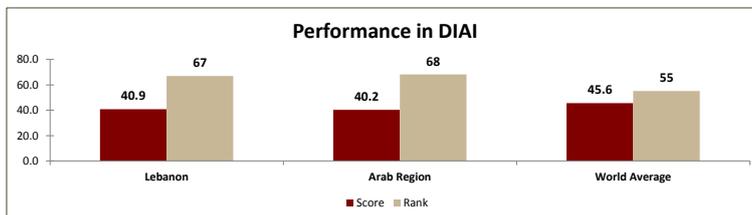
Basic Information:	Unit	2014	2015	2016	2017
Nominal GDP	USD billion	49.9	51.2	52.8	54.1
Real GDP Growth	%	2.0	1.0	1.0	2.0
GDP per Capita	USD	11,073.4	11,236.8	11,484.3	11,647.6
Inflation (average consumer prices)	%	1.9	-3.7	-0.7	2.0
General Government Total Expenditure and Net Lending (% of GDP)	%	27.8	28.5	27.3	28.2
Current Account Balance	USD billion	-13.4	-12.8	-11.3	-11.4
Current Account Balance (% of GDP)	%	-26.9	-25.0	-21.3	-21.2
Exports of Goods and Services	USD billion	17.6	17.1	17.6	18.9
Imports of Goods and Services	USD billion	31.6	29.3	28.8	30.4
Gross Official Reserves	USD billion	37.3	36.7	36.3	36.2
Total reserves in months of imports	Month	14.2	15.0	15.1	14.3
Total Gross External Debt (% of GDP)	%	169.9	173.5	175.4	179.4
Population	Million people	4.5	4.6	4.6	4.6
Unemployment (% of total labor force)	%	--	--	--	--

Source: International Monetary Fund (IMF)

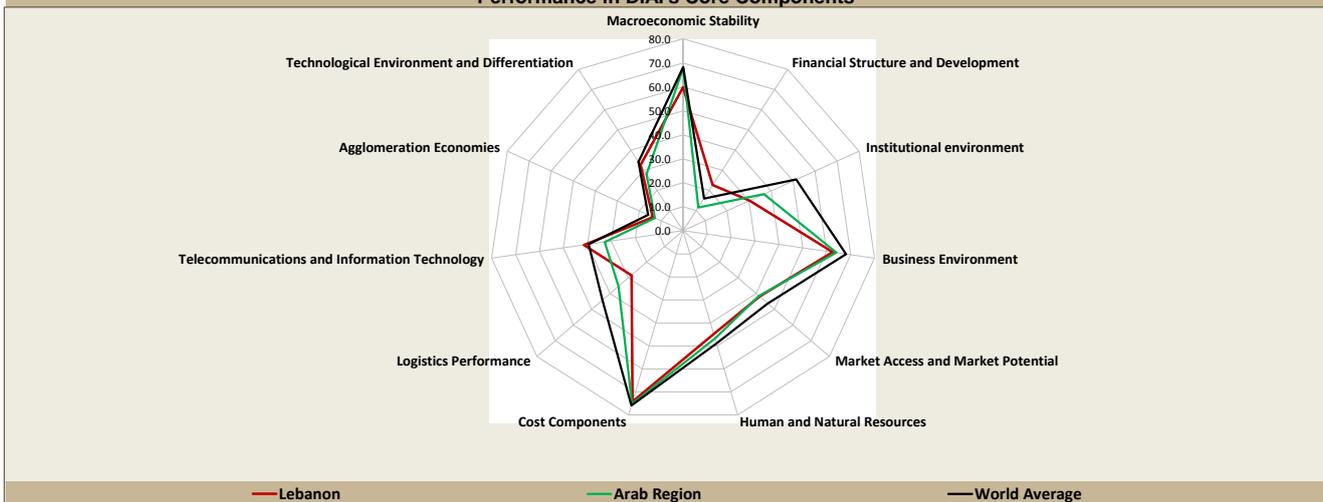
Foreign direct investment (FDI)	Unit	2012	2013	2014	2015	
FDI Flow	Inward	USD million	3,158.6	2,700.7	2,906.1	2,341.0
	Outward	USD million	1,012.2	1,965.4	1,213.0	619.3
FDI Stock	Inward	USD million	50,660.1	53,360.8	56,266.9	58,607.9
	Outward	USD million	8,801.1	10,766.5	11,979.6	12,598.8

Source: UNCTAD

Performance in Dhaman Investment Attractiveness Index (DIAI) 2016



Performance in DIAI's Core Components





Lebanon: Imports & Exports of Goods

Top countries exporting goods to Lebanon Year 2015			
	Exporting Country	Value (\$ millions)	% Exports
1	China	2,483.269	16.0
2	Italy	1,647.968	9.4
3	France	1,273.649	9.3
4	Germany	1,256.409	6.8
5	United States of America	1,226.562	5.6
6	Russian Federation	887.130	5.0
7	Greece	816.152	4.4
8	Turkey	705.438	3.4
9	Belgium	604.035	3.0
10	United Kingdom	536.664	2.8
11	Switzerland	533.807	2.0
12	Egypt	528.919	1.9
13	Spain	470.717	1.8
14	Romania	452.237	1.8
15	Netherlands	439.250	1.7
16	Saudi Arabia	415.333	1.6
17	India	406.057	1.6
18	Brazil	387.591	1.4
18	United Arab Emirates	372.512	1.3
20	Japan	358.635	1.1
	Others	4,685.089	18.0
	Total	20,487.423	

Top countries importing goods from Lebanon Year 2015			
	Importing Country	Value (\$ millions)	% Imports
1	Saudi Arabia	377.376	11.4
2	United Arab Emirates	319.919	9.7
3	South Africa	296.973	9.0
4	Iraq	255.895	7.7
5	Syrian Arab Republic	241.958	7.3
6	Turkey	144.857	4.4
7	Jordan	129.802	3.9
8	Qatar	93.456	2.8
9	Switzerland	86.546	2.6
10	Egypt	83.805	2.5
11	Kuwait	73.588	2.2
12	France	62.266	1.9
13	Nigeria	58.740	1.8
14	United States of America	58.631	1.8
15	Germany	53.762	1.6
16	Congo	47.469	1.4
17	Korea, Republic of	45.583	1.4
18	Italy	40.675	1.2
19	Angola	40.187	1.2
20	United Kingdom	38.295	1.2
	Others	762.429	23.0
	Total	3,312.212	

Top goods (products) exported by Lebanon Year 2015			
	Exported Goods	Value (\$ millions)	% Exports
1	Pearls, precious stones, metals, coins, etc	430.543	13.0
2	Copper and articles thereof	112.992	3.4
3	Edible vegetables and certain roots and tubers	104.528	3.2
4	Vegetable, fruit, nut, etc food preparations	98.955	3.0
5	Edible fruit, nuts, peel of citrus fruit, melons	95.381	2.9
6	Electrical, electronic equipment	94.977	2.9
7	Machinery, nuclear reactors, boilers, etc	91.142	2.8
8	Plastics and articles thereof	54.303	1.6
9	Fertilizers	51.730	1.6
10	Beverages, spirits and vinegar	47.464	1.4
11	Iron and steel	45.400	1.4
12	Aluminium and articles thereof	44.555	1.3
13	Cocoa and cocoa preparations	42.725	1.3
14	Furniture, lighting, signs, prefabricated buildings	39.840	1.2
15	Paper and paperboard, articles of pulp, paper	37.075	1.1
16	Rubber and articles thereof	36.998	1.1
17	Articles of apparel, accessories, not knit or crochet	33.813	1.0
18	Inorganic chemicals, precious metal compound	32.250	1.0
19	Essential oils, perfumes, cosmetics, toileteries	29.503	0.9
20	Printed books, newspapers, pictures etc	29.118	0.9
	Others	1,758.920	53.1
	Total	3,312.212	

Top goods (products) imported by Lebanon Year 2015			
	Imported Goods	Value (\$ millions)	% Imports
1	Mineral fuels, oils, distillation products, etc	2,766.322	13.5
2	Vehicles other than railway, tramway	1,615.164	7.9
3	Machinery, nuclear reactors, boilers, etc	1,245.534	6.1
4	Pharmaceutical products	839.992	4.1
5	Electrical, electronic equipment	723.969	3.5
6	Pearls, precious stones, metals, coins, etc	596.713	2.9
7	Plastics and articles thereof	586.829	2.9
8	Iron and steel	382.503	1.9
9	Articles of apparel, accessories, not knit or crochet	322.094	1.6
10	Furniture, lighting, signs, prefabricated buildings	318.550	1.6
11	Live animals	309.894	1.5
12	Optical, photo, technical, medical, etc apparatus	305.751	1.5
13	Dairy products, eggs, honey, edible animal product	220.612	1.1
14	Ceramic products	219.750	1.1
15	Paper and paperboard, articles of pulp, paper	212.533	1.0
16	Cereal, flour, starch, milk preparations and products	211.892	1.0
17	Essential oils, perfumes, cosmetics, toileteries	211.247	1.0
18	Cereals	199.384	1.0
19	Articles of iron or steel	199.204	1.0
20	Wood and articles of wood, wood charcoal	178.970	0.9
	Others	8,820.516	43.1
	Total	20,487.423	

Source: International Trade Center-TradeMap

Libya: Inward and Outward FDI



Population (million)	6.4
Area (Km ²)	1,759,540
Coastline (Km)	1,770
Natural resources	Petroleum, natural gas and gypsum

I – Inward Investments

In 2015, Libya succeeded in attracting FDIs worth 726 million dollars according to UNCTAD estimations, which represent 1.8% of the Arab total for the same year.

FDI balances incoming to Libya amounted to some 17.8 billion dollars by the end of 2015, which represent 2.2% of the Arab total for the same period.

As for Libya's activity in terms of new FDIs (greenfield), the FDI Markets database published by the Financial Times shows the following:

- For the period from January 2003 to December 2015, 160 FDI projects were implemented in Libya by 199 Arab and foreign companies. It is estimated that the total investment cost of these projects, which employ over 31.2 thousand workers is about \$ 34 billion.
- For the period between January 2011 and December 2015, Bahrain, the Netherlands, the United Kingdom and the United States respectively were on the list of the most important countries investing in Libya, in terms of investment cost of the projects. The share of the four countries accounted for around 69% of the total.
- Since January 2011, Arab and foreign investments incoming to Libya have been concentrated in the real estate sector with 22.4 billion dollars, followed by the coal, oil and natural gas sector with 6.6 billion dollars and the construction and construction materials sector with 1.1 billion dollars.
- Since January 2011, the Bahraini Al Khaleej Development Company “Tameer” has been on top of the list of the 10 most important companies investing in Libya where it implements a project with a huge investment cost estimated at 20 billion dollars.

II – Commodity Exports

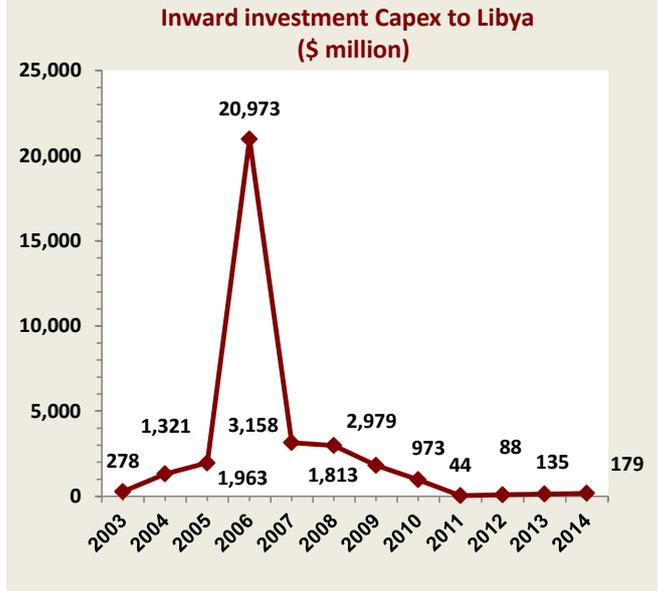
Regarding Libya's export activity, the trade map database published by the World Trade Center by the end of 2015 reveals the following:

- Libya's commodity exports amounted to 9.5 billion dollars, while its imports amounted to over 10.1 billion dollars.
- In terms of geographic distribution, Italy is considered the most important market for Libya's exports with a share of 40%, followed by Germany with 14%, China with 10% and Spain with 9.9%.
- In terms of sector distribution, fossil fuels, oils and distillation products represent 95.6% of Libya's exports, followed by fertilizers with 1%.



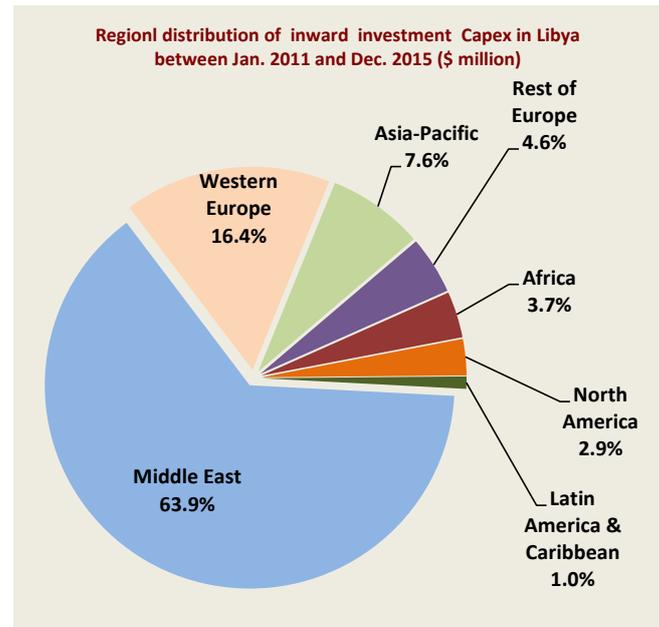
Libya: FDI Greenfield Projects

Year	No. Projects	* Capex (Million \$)	No. Jobs	No. Companies
2003	4	278.0	115	4
2004	7	1,321.2	1,450	7
2005	13	1,962.7	1,377	11
2006	12	20,973.0	7,090	12
2007	21	3,157.8	4,224	21
2008	37	2,978.6	8,505	34
2009	17	1,813.0	4,031	15
2010	19	973.3	2,898	18
2011	5	44.2	217	5
2012	10	88.1	360	10
2013	12	134.5	458	12
2014	3	179.2	444	3
Total	160	33,904	31,169	148



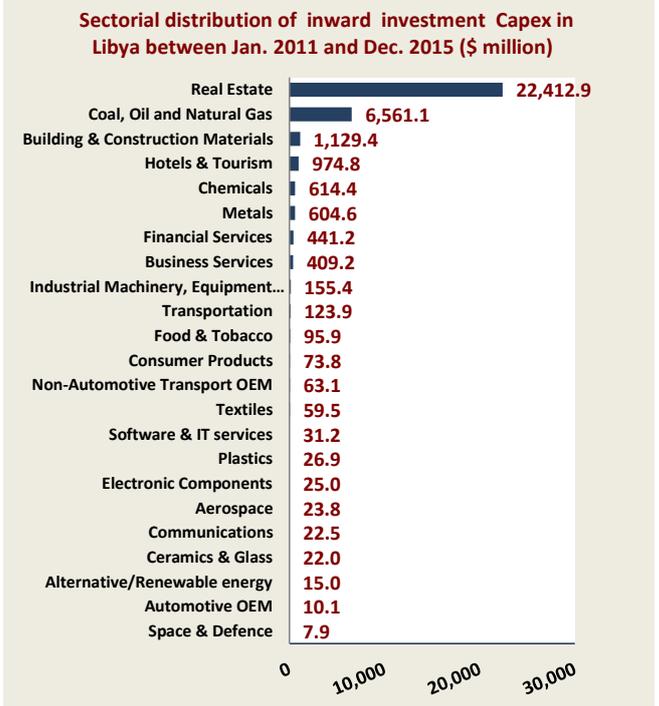
Top countries investing in Libya between Jan. 2011 and Dec. 2015

Source Country	Projects	* Capex (Million \$)	Jobs Created	Companies
Bahrain	4	20,181.4	3,524	4
Netherlands	5	1,610.9	3,527	4
UK	15	1,481.4	1,730	14
United States	10	948.5	1,165	10
UAE	14	874.3	2,273	13
Italy	10	772.6	2,117	9
Norway	6	755.5	699	6
Australia	3	721.6	470	1
Singapore	6	649.1	2,045	3
Russia	7	623.7	1,081	7
Others	80	5,284.6	12,538	77
الإجمالي	160	33,904	31,169	148



Top Companies investing in Libya between Jan. 2011 and Dec. 2015

Parent company	Country	Projects	* Capex (Million \$)
Al Khaleej Development (Tameer)	Bahrain	1	20,000
British Petroleum (BP)	UK	1	900
Woodside Petroleum (Woodside Energy)	Australia	3	722
Multi Development (Multi Vastgoed)	Holland	1	697
Italcementi	Italia	1	650
Norsk Hydro	Norway	2	622
Royal Dutch Shell Plc	Holland	3	603
Office Cherifien des Phosphates (OCP)	Morocco	1	500
RanHill	Malaysia	1	413
Hotel Properties	Singapore	3	392
Other Companies		143	8,406
Total		160	33,904



Source: Tables and Figures in this page: FDI Intelligence from The Financial Times

* Capex : Capital expenditure



Libya: Overall Performance and Position in DIAI

Capital:	Tripoli					2014	2015
Currency:	Libyan dinar (LYD)				Exchange rate (LCU per USD):	1.381	1.398
Basic Information:		Unit	2014	2015	2016	2017	
Nominal GDP		USD billion	44.4	38.3	39.3	47.8	
Real GDP Growth		%	-24.0	-6.4	-2.0	12.2	
GDP per Capita		USD	7,096.5	6,058.7	6,157.8	7,410.8	
Inflation (<i>average consumer prices</i>)		%	2.8	8.0	9.2	6.0	
General Government Total Expenditure and Net Lending (<i>% of GDP</i>)		%	78.2	76.7	74.8	69.0	
Current Account Balance		USD billion	-12.4	-16.7	-19.1	-18.7	
Current Account Balance (<i>% of GDP</i>)		%	-27.8	-43.6	-48.7	-39.2	
Exports of Goods and Services		USD billion	13.8	5.1	6.1	..	
Imports of Goods and Services		USD billion	25.5	23.5	22.1	..	
Gross Official Reserves		USD billion	86.5	72.2	58.6	43.2	
Total reserves in months of imports		Month	40.7	36.9	31.8	..	
Total Gross External Debt (<i>% of GDP</i>)		%	13.5	18.8	20.6	..	
Population		Million people	6.3	6.3	6.4	6.4	
Unemployment (<i>% of total labor force</i>)		%	--	--	--	--	

Source: International Monetary Fund (IMF)

Foreign direct investment (FDI)		Unit	2012	2013	2014	2015
FDI Flow						
	Inward	USD million	1,425.0	702.0	50.0	725.7
	Outward	USD million	2,509.0	6.0	78.0	864.3
FDI Stock						
	Inward	USD million	17,759.0	17,036.0	17,086.0	17,761.7
	Outward	USD million	19,255.0	19,261.0	19,338.9	20,203.2

Source: UNCTAD



Libya: Imports & Exports of Goods

Top countries exporting goods to Libya Year 2015

	Exporting Country	Value (\$ millions)	% Exports
1	China	1,895.780	16.0
2	Italy	1,649.285	9.4
3	Turkey	1,420.031	9.3
4	France	764.720	6.8
5	Spain	596.862	5.6
6	Korea, Republic of	544.338	5.0
7	Germany	403.265	4.4
8	Netherlands	218.022	3.4
9	United States of America	218.001	3.0
10	Russian Federation	177.603	2.8
11	Greece	165.643	2.0
12	United Kingdom	161.518	1.9
13	Romania	159.604	1.8
14	Brazil	147.870	1.8
15	Saudi Arabia	143.939	1.7
16	Belgium	132.614	1.6
17	India	122.195	1.6
18	Switzerland	108.439	1.4
18	Thailand	104.642	1.3
20	Malta	99.750	1.1
	Others	851.059	18.0
	Total	10,085.180	

Top countries importing goods from Libya Year 2015

	Importing Country	Value (\$ millions)	% Imports
1	Italy	3,793.664	39.8
2	Germany	1,331.177	14.0
3	China	949.536	10.0
4	France	941.865	9.9
5	Spain	663.355	7.0
6	Austria	399.485	4.2
7	Greece	287.288	3.0
8	Turkey	195.796	2.1
9	Korea, Republic of	181.342	1.9
10	United States of America	167.139	1.8
11	United Kingdom	103.886	1.1
12	Bulgaria	101.845	1.1
13	Netherlands	89.591	0.9
14	Switzerland	87.537	0.9
15	Singapore	65.722	0.7
16	Croatia	29.740	0.3
17	Belgium	24.107	0.3
18	Malaysia	22.460	0.2
19	Norway	21.644	0.2
20	Malta	17.587	0.2
	Others	56.144	0.6
	Total	9,530.910	

Top goods (products) exported by Libya Year 2015

	Exported Goods	Value (\$ millions)	% Exports
1	Mineral fuels, oils, distillation products, etc	9,108.034	95.6
2	Fertilizers	87.256	0.9
3	Pearls, precious stones, metals, coins, etc	59.622	0.6
4	Organic chemicals	48.760	0.5
5	Iron and steel	45.184	0.5
6	Copper and articles thereof	40.891	0.4
7	Aluminium and articles thereof	40.550	0.4
8	Inorganic chemicals, precious metal compound	32.608	0.3
9	Fish, crustaceans, molluscs, aquatic invertebrates nes	21.890	0.2
10	Electrical, electronic equipment	7.521	0.1
11	Raw hides and skins (other than furskins) and leather	7.308	0.1
12	Machinery, nuclear reactors, boilers, etc	6.872	0.1
13	Salt, sulphur, earth, stone, plaster, lime and cement	5.524	0.1
14	Aircraft, spacecraft, and parts thereof	3.707	0.0
15	Commodities not elsewhere specified	3.557	0.0
16	Wool, animal hair, horsehair yarn and fabric thereof	2.616	0.0
17	Lead and articles thereof	2.300	0.0
18	Optical, photo, technical, medical, etc apparatus	1.242	0.0
19	Vehicles other than railway, tramway	0.613	0.0
20	Zinc and articles thereof	0.541	0.0
	Others	4.298	0.0
	Total	9,530.894	

Top goods (products) imported by Libya Year 2015

	Imported Goods	Value (\$ millions)	% Imports
1	Mineral fuels, oils, distillation products, etc	1,012.194	10.0
2	Electrical, electronic equipment	843.363	8.4
3	Machinery, nuclear reactors, boilers, etc	810.241	8.0
4	Aircraft, spacecraft, and parts thereof	712.883	7.1
5	Vehicles other than railway, tramway	473.727	4.7
6	Cereals	424.657	4.2
7	Plastics and articles thereof	335.218	3.3
8	Articles of apparel, accessories, knit or crochet	333.327	3.3
9	Furniture, lighting, signs, prefabricated buildings	330.583	3.3
10	Dairy products, eggs, honey, edible animal product nes	297.798	3.0
11	Pharmaceutical products	267.612	2.7
12	Live animals	257.830	2.6
13	Articles of apparel, accessories, not knit or crochet	242.101	2.4
14	Articles of iron or steel	191.889	1.9
15	Cereal, flour, starch, milk preparations and products	187.530	1.9
16	Meat and edible meat offal	162.446	1.6
17	Footwear, gaiters and the like, parts thereof	159.833	1.6
18	Iron and steel	158.926	1.6
19	Tobacco and manufactured tobacco substitutes	153.354	1.5
20	Essential oils, perfumes, cosmetics, toileteries	146.642	1.5
	Others	2,582.490	25.6
	Total	10,084.644	

Source: International Trade Center-TradeMap

Egypt: Inward and Outward FDI



Population (million)	90.2
Area (Km ²)	1,001,450
Coastline (Km)	2,450
Natural resources	Petroleum, natural gas, iron ore, phosphate, manganese,

I – Inward Investments

In 2015, Egypt succeeded in attracting FDIs worth 6.9 billion dollars according to UNCTAD estimations, which represent 17.3% of the Arab total for the same year.

FDI balances incoming to Egypt amounted to some 94.3 billion dollars by the end of 2015, which represent 11.6% of the Arab total for the same period.

As for Egypt's activity in terms of new FDIs (greenfield), the FDI Markets database published by the Financial Times shows the following:

- For the period from January 2003 to December 2015, 740 FDI projects are being implemented in Egypt by 550 Arab and foreign companies. It is estimated that the total investment cost of these projects, which employ roughly 206 thousand workers is about \$ 121.3 billion.
- For the period between January 2011 and December 2015, Greece, the U.A.E, Italy, Qatar, Bahrain and Germany respectively were on the list of the most important countries investing in Egypt, in terms of investment cost of the projects. The share of the six countries accounted for around 75% of the total.
- Since January 2011, Arab and foreign investments incoming to Egypt have been concentrated in the metals sector with 3.7 billion dollars, followed by the real estate sector with 1.7 billion dollars, and the construction and construction materials sector with 1.3 billion dollars.
- Since January 2011, Mac Optic Group has been on top of the list of the 10 most important companies investing in Egypt where it implements two projects with an investment cost estimated at 10 billion dollars.

II – Commodity Exports

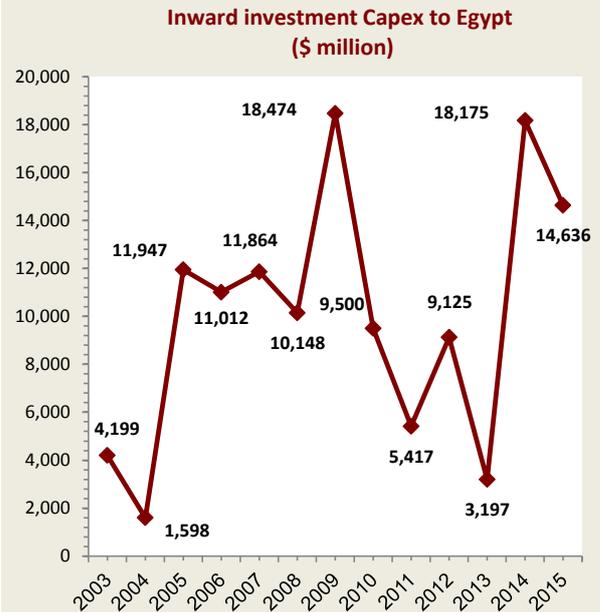
Regarding Egypt's export activity, the trade map database published by the World Trade Center by the end of 2015 reveals the following:

- Egypt's commodity exports amounted to 20.1 billion dollars, while its imports amounted to over 63.1 billion dollars.
- In terms of geographic distribution, Saudi Arabia is considered the most important market for Egypt's exports with a share of 11.3%, followed by Italy with 11%, Germany with 9.6% and the U.S.A with 7.4%.
- In terms of sector distribution, fossil fuels, oils and distillation products represent 30.7% of Egypt's exports, followed by electric and electronic supplies with 6.3% and fruits and nuts with 5.4%.



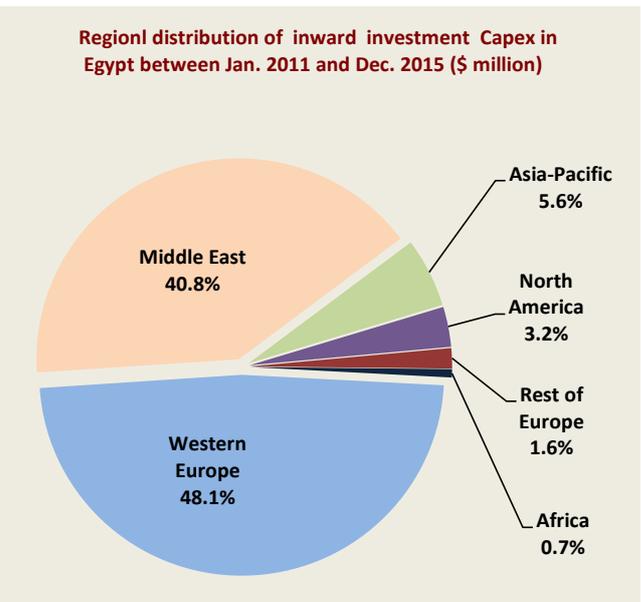
Egypt: FDI Greenfield Projects

Year	No. Projects	* Capex (Million \$)	No. Jobs	No. Companies
2003	43	4,199.4	14,338	41
2004	35	1,598.0	7,178	34
2005	47	11,947.1	16,982	45
2006	56	11,012.2	23,436	50
2007	54	11,863.6	13,635	52
2008	84	10,147.5	29,225	78
2009	108	18,473.9	21,688	76
2010	79	9,499.8	19,011	69
2011	54	5,417.0	13,163	50
2012	62	9,124.7	14,878	49
2013	48	3,196.7	6,107	41
2014	59	18,174.8	22,823	46
2015	66	14,636.2	12,835	45
Total	795	129,291	215,299	579



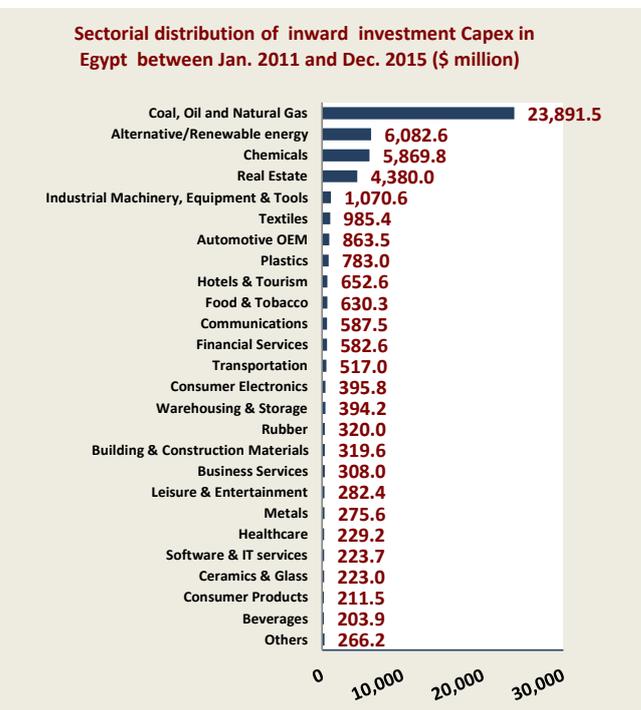
Top countries investing in Egypt between Jan. 2011 and Dec. 2015

Source Country	Projects	* Capex (Million \$)	Jobs Created	Companies
Greece	3	10,159.8	4,308	2
UAE	48	9,271.3	16,651	31
Italy	7	6,944.1	4,146	4
Qatar	5	4,752.7	1,912	4
Bahrain	4	3,719.1	934	3
Germany	17	2,871.0	2,158	13
Iran	2	1,500.0	3,000	1
United States	38	1,353.1	4,192	33
UK	26	1,071.4	2,520	19
Saudi Arabia	25	860.9	5,622	13
Others	114	8,046.0	24,363	95
Total	289	50,549	69,806	218



Top Companies investing in Egypt between Jan. 2011 and Dec. 2015

Parent company	Country	Projects	* Capex (Million \$)
Mac Optic	Greece	2	10,000
Eni SpA (Eni)	Italia	3	6,551
Dana Gas	UAE	5	4,843
Qatar Petroleum (QP)	Qatar	1	3,600
Terra Sola	Bahrain	1	3,500
RWE	Germany	1	2,008
Emaar Properties	UAE	2	1,821
Majid Al Futtaim Group (MAF Group)	UAE	7	1,587
Iran Garment	Iran	2	1,500
Qatari Diar	Qatar	2	1,131
Other Companies		263	14,009
Total		289	50,549



Source: Tables and Figures in this page: FDI Intelligence from The Financial Times

* Capex : Capital expenditure



Egypt: Overall Performance and Position in DIAI

Capital:	Cairo				2014	2015
Currency:	Egyptian pound (EGP)		Exchange rate (LCU per USD):		7.350	7.691

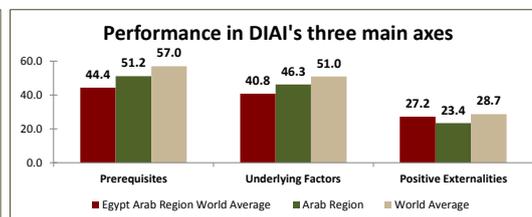
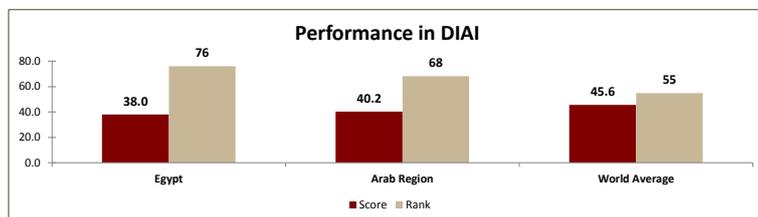
Basic Information:	Unit	2014	2015	2016	2017
Nominal GDP	USD billion	301.4	330.8	--	--
Real GDP Growth	%	2.2	4.2	3.3	4.3
GDP per Capita	USD	3,476.3	3,740.2	--	--
Inflation (average consumer prices)	%	10.1	11.0	9.6	9.5
General Government Total Expenditure and Net Lending (% of GDP)	%	36.7	33.4	33.2	32.6
Current Account Balance	USD billion	-2.4	-12.2	--	--
Current Account Balance (% of GDP)	%	-0.8	-3.7	-5.3	-5.3
Exports of Goods and Services	USD billion	43.6	43.9	38.1	40.0
Imports of Goods and Services	USD billion	69.0	71.9	70.6	73.0
Gross Official Reserves	USD billion	16.3	19.5	18.3	18.9
Total reserves in months of imports	Month	2.8	3.3	3.1	3.1
Total Gross External Debt (% of GDP)	%	15.2	14.5	18.2	19.9
Population	Million people	86.7	88.4	90.2	92.0
Unemployment (% of total labor force)	%	13.4	12.9	13.0	12.4

Source: International Monetary Fund (IMF)

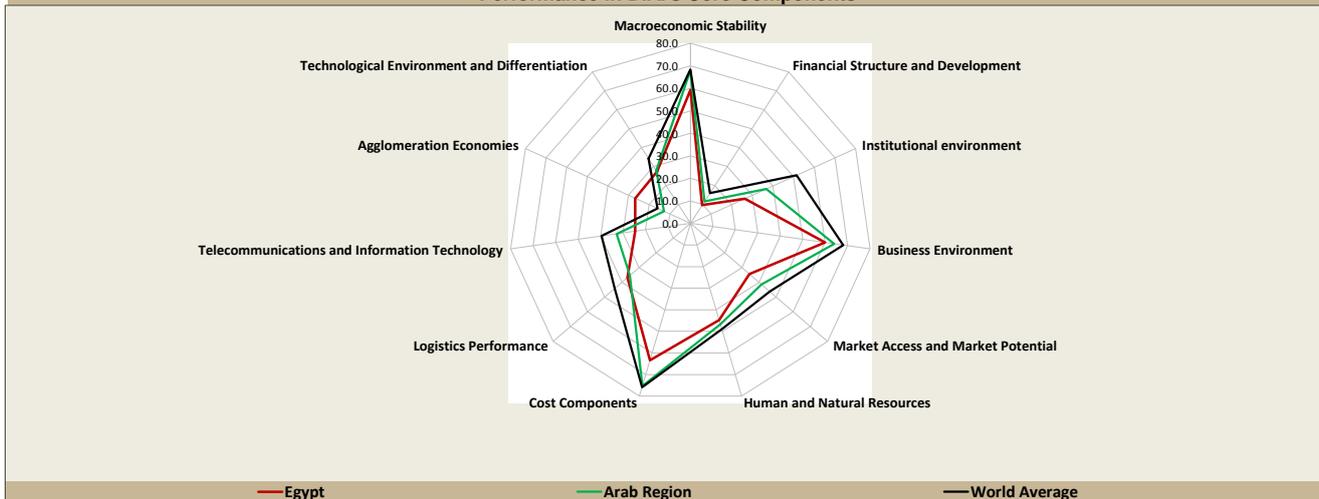
Foreign direct investment (FDI)	Unit	2012	2013	2014	2015	
FDI Flow	Inward	USD million	6,031.0	4,256.0	4,612.0	6,885.0
	Outward	USD million	211.1	301.0	252.7	181.7
FDI Stock	Inward	USD million	78,643.0	82,893.0	87,485.0	94,266.0
	Outward	USD million	6,995.0	7,296.0	7,549.0	7,731.0

Source: UNCTAD

Performance in Dhaman Investment Attractiveness Index (DIAI) 2016



Performance in DIAI's Core Components





Egypt: Imports & Exports of Goods

Top countries exporting goods to Egypt Year 2015

	Exporting Country	Value (\$ millions)	% Exports
1	China	11,962.663	19.0
2	United States of America	4,748.303	7.5
3	Germany	3,760.426	6.0
4	Russian Federation	3,620.047	5.7
5	Italy	3,271.124	5.2
6	Turkey	3,129.248	5.0
7	India	2,357.286	3.7
8	France	2,343.097	3.7
9	Korea, Republic of	2,178.742	3.5
10	Brazil	2,056.588	3.3
11	Saudi Arabia	1,972.645	3.1
12	United Kingdom	1,545.231	2.5
13	Netherlands	1,535.252	2.4
14	Spain	1,516.920	2.4
15	Belgium	1,293.673	2.1
16	Japan	1,284.357	2.0
17	Greece	1,158.683	1.8
18	Argentina	1,073.384	1.7
18	Thailand	997.321	1.6
20	Switzerland	932.945	1.5
	Others	10,321.169	16.4
	Total	63,059.104	

Top countries importing goods from Egypt Year 2015

	Importing Country	Value (\$ millions)	% Imports
1	Saudi Arabia	2,280.906	11.3
2	Italy	2,202.030	11.0
3	Germany	1,926.477	9.6
4	United States of America	1,479.963	7.4
5	India	1,460.570	7.3
6	Turkey	1,215.784	6.0
7	China	915.956	4.6
8	United Kingdom	906.092	4.5
9	Greece	729.464	3.6
10	Canada	579.905	2.9
11	Spain	557.502	2.8
12	Egypt	488.556	2.4
13	France	462.726	2.3
14	Kuwait	450.584	2.2
15	Russian Federation	394.781	2.0
16	Qatar	361.095	1.8
17	Netherlands	340.131	1.7
18	Belgium	248.177	1.2
19	Malaysia	246.476	1.2
20	Korea, Republic of	218.420	1.1
	Others	2,634.836	13.1
	Total	20,100.431	

Top goods (products) exported by Egypt Year 2015

	Exported Goods	Value (\$ millions)	% Exports
1	Mineral fuels, oils, distillation products, etc	6,170.355	30.7
2	Electrical, electronic equipment	1,261.309	6.3
3	Edible fruit, nuts, peel of citrus fruit, melons	1,077.552	5.4
4	Articles of apparel, accessories, not knit or crochet	969.771	4.8
5	Plastics and articles thereof	927.650	4.6
6	Edible vegetables and certain roots and tubers	921.721	4.6
7	Articles of apparel, accessories, knit or crochet	770.059	3.8
8	Pearls, precious stones, metals, coins, etc	585.076	2.9
9	Salt, sulphur, earth, stone, plaster, lime and cement	526.719	2.6
10	Cotton	400.613	2.0
11	Fertilizers	400.605	2.0
12	Aluminium and articles thereof	392.787	2.0
13	Carpets and other textile floor coverings	344.655	1.7
14	Iron and steel	297.951	1.5
15	Articles of iron or steel	221.617	1.1
16	Other made textile articles, sets, worn clothing etc	219.814	1.1
17	Essential oils, perfumes, cosmetics, toileteries	216.495	1.1
18	Machinery, nuclear reactors, boilers, etc	206.841	1.0
19	Inorganic chemicals, precious metal compound	203.987	1.0
20	Furniture, lighting, signs, prefabricated buildings	197.780	1.0
	Others	3,787.019	18.8
	Total	20,100.376	

Top goods (products) imported by Egypt Year 2015

	Imported Goods	Value (\$ millions)	% Imports
1	Machinery, nuclear reactors, boilers, etc	7,867.978	12.5
2	Vehicles other than railway, tramway	4,944.958	7.8
3	Electrical, electronic equipment	4,933.644	7.8
4	Mineral fuels, oils, distillation products, etc	4,898.319	7.8
5	Plastics and articles thereof	3,302.078	5.2
6	Cereals	2,695.095	4.3
7	Iron and steel	2,522.448	4.0
8	Pharmaceutical products	2,052.214	3.3
9	Optical, photo, technical, medical, etc apparatus	1,733.625	2.7
10	Wood and articles of wood, wood charcoal	1,437.834	2.3
11	Articles of iron or steel	1,351.992	2.1
12	Organic chemicals	1,348.023	2.1
13	Meat and edible meat offal	1,325.066	2.1
14	Commodities not elsewhere specified	1,117.837	1.8
15	Paper and paperboard, articles of pulp, paper and board	998.934	1.6
16	Oil seed, oleag fruits, grain, seed, fruit, etc, nes	856.961	1.4
17	Articles of apparel, accessories, knit or crochet	831.261	1.3
18	Residues, wastes of food industry, animal fodder	787.647	1.2
19	Animal, vegetable fats and oils, cleavage products, etc	754.824	1.2
20	Miscellaneous chemical products	729.713	1.2
	Others	16,557.936	26.3
	Total	63,048.387	

Source: International Trade Center-TradeMap

Morocco: Inward and Outward FDI



Population (million)	33.8
Area (Km ²)	710,850
Coastline (Km)	1,835
Natural resources	Phosphate, iron ore, manganese, lead, zinc, fish and salt

I – Inward Investments

In 2015, Morocco succeeded in attracting FDIs worth 3.2 billion dollars according to UNCTAD estimations, which represent 7.9% of the Arab total for the same year.

FDI balances incoming to Morocco amounted to some 48.7 billion dollars by the end of 2015, which represent 6% of the Arab total for the same period.

As for Morocco's activity in terms of new FDIs (greenfield), the FDI Markets database published by the Financial Times shows the following:

- For the period from January 2003 to December 2015, 797 FDI projects were implemented in Morocco by 636 Arab and foreign companies. It is estimated that the total investment cost of these projects, which employ roughly 216.5 thousand workers is about \$ 59.8 billion.
- For the period between January 2011 and December 2015, France, the U.A.E, China and Spain respectively were on the list of the most important countries investing in Morocco, in terms of investment cost of the projects. The share of the four countries accounted for around 63% of the total.
- Since January 2011, Arab and foreign investments incoming to Morocco have been concentrated in the cars and automotive equipment sector with 3.3 billion dollars, followed by the renewable energy sector with 2.9 billion dollars, and the real estate sector with 2.8 billion dollars.
- Since January 2011, the Chinese company Shanghai Electric has been on top of the list of the 10 most important companies investing in Morocco where it implements a project with an investment cost estimated at 2 billion dollars.

II – Commodity Exports

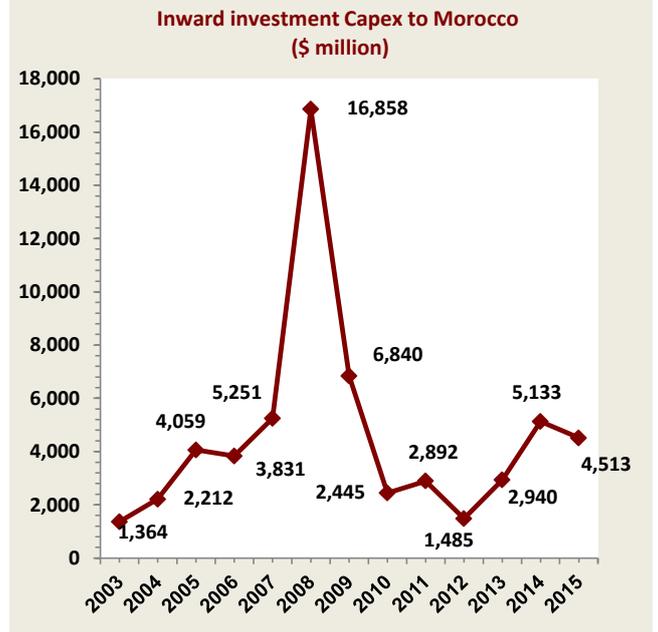
Regarding Morocco's export activity, the trade map database published by the World Trade Center by the end of 2015 reveals the following:

- Morocco's commodity exports amounted to 22.2 billion dollars, while its imports amounted to over 30.6 billion dollars.
- In terms of geographic distribution, Spain is considered the most important market for Morocco's exports with a share of 25%, followed by France with 18%, Germany with 5.1% and India with 4.9%.
- In terms of sector distribution, electronic and electric equipment represent 16.6% of Morocco's exports, followed by clothing with 12.4% and railway and tramway wagons with 9.1%.



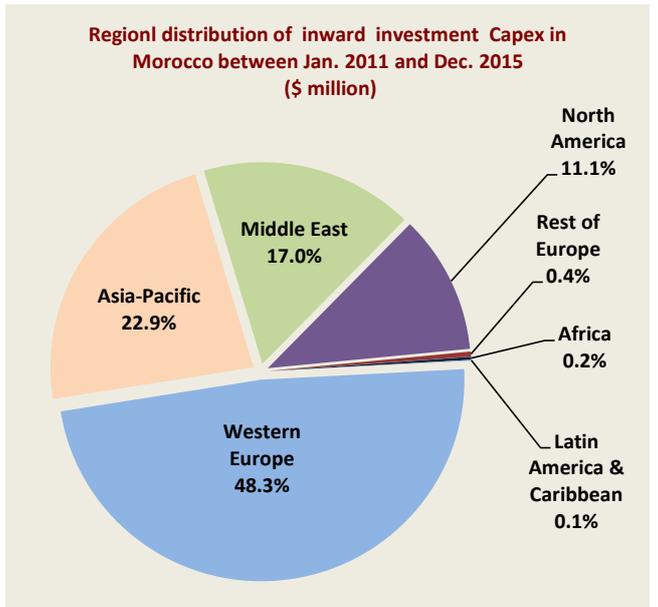
Morocco: FDI Greenfield Projects

Year	No. Projects	* Capex (Million \$)	No. Jobs	No. Companies
2003	39	1,363.6	8,203	36
2004	37	2,212.2	8,707	33
2005	58	4,059.4	17,220	57
2006	46	3,831.0	12,780	39
2007	60	5,250.8	24,297	58
2008	98	16,858.2	40,951	74
2009	50	6,840.1	11,794	42
2010	55	2,445.1	7,914	54
2011	96	2,891.6	20,211	90
2012	66	1,485.2	8,118	57
2013	50	2,939.5	11,215	46
2014	68	5,132.9	19,329	59
2015	74	4,512.7	25,801	65
Total	797	59,822	216,540	636



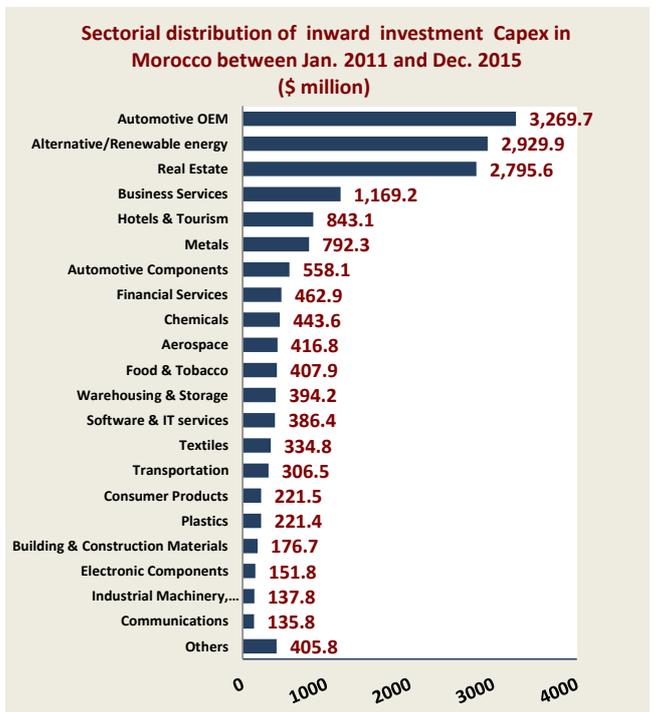
Top countries investing in Morocco between Jan. 2011 and Dec. 2015

Source Country	Projects	* Capex (Million \$)	Jobs Created	Companies
France	81	3,933.3	22,243	76
UAE	39	2,312.9	6,205	15
China	5	2,204.4	2,115	4
Spain	64	2,201.7	10,519	59
US	46	1,189.8	12,794	36
Japan	18	749.3	5,835	15
Canada	3	697.7	3,069	3
India	6	574.0	4,286	6
UK	18	439.2	2,906	16
Italia	10	419.4	986	9
Others	64	2,240.1	13,716	61
Total	354	16,962	84,674	300



Top Companies investing in Morocco between Jan. 2011 and Dec. 2015

Parent company	Country	Projects	* Capex (Million \$)
Shanghai Electric	China	1	2,000
PSA Peugeot-Citroen	France	2	1,202
Middle East Development	UAE	1	1,000
Tasweek Real Estate Marketing and Development	UAE	4	919
Renault	France	2	741
Inveravante Inversiones Universales	Spain	2	701
Nissan	Japan	1	543
Ford	US	3	408
NTS Consulting	Canada	1	367
Mahindra Group	India	1	353
Other Companies		336	8,729
Total		354	16,962



Source: Tables and Figures in this page: FDI Intelligence from The Financial Times

* Capex : Capital expenditure



Morocco: Overall Performance and Position in DIAI

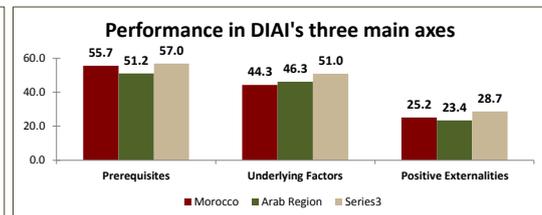
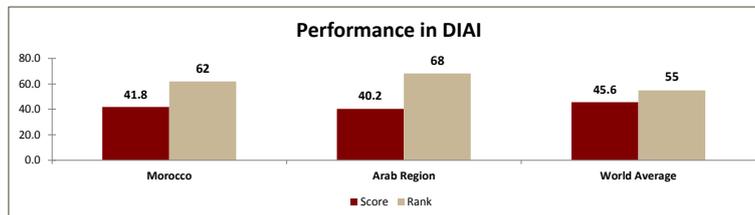
Capital:	Rabat					
Currency:	Moroccan dirham (MAD)		Exchange rate (LCU per USD):	2014	2015	
				9.711	9.703	
Basic Information:		Unit	2014	2015	2016	2017
Nominal GDP		USD billion	110.0	103.1	108.1	114.3
Real GDP Growth		%	2.4	4.5	2.3	4.1
GDP per Capita		USD	3,315.6	3,078.6	3,195.6	3,348.2
Inflation (average consumer prices)		%	0.4	1.6	1.5	2.0
General Government Total Expenditure and Net Lending (% of GDP)		%	33.0	29.9	28.8	29.7
Current Account Balance		USD billion	-6.2	-1.4	0.5	0.1
Current Account Balance (% of GDP)		%	-5.7	-1.4	0.4	0.1
Exports of Goods and Services		USD billion	35.8	31.8	32.8	35.6
Imports of Goods and Services		USD billion	49.4	39.6	39.0	42.5
Gross Official Reserves		USD billion	20.5	23.4	29.7	34.1
Total reserves in months of imports		Month	5.0	7.1	9.1	9.6
Total Gross External Debt (% of GDP)		%	30.4	32.0	32.8	32.0
Population		Million people	33.2	33.5	33.8	34.2
Unemployment (% of total labor force)		%	9.9	9.8	9.7	9.6

Source: International Monetary Fund (IMF)

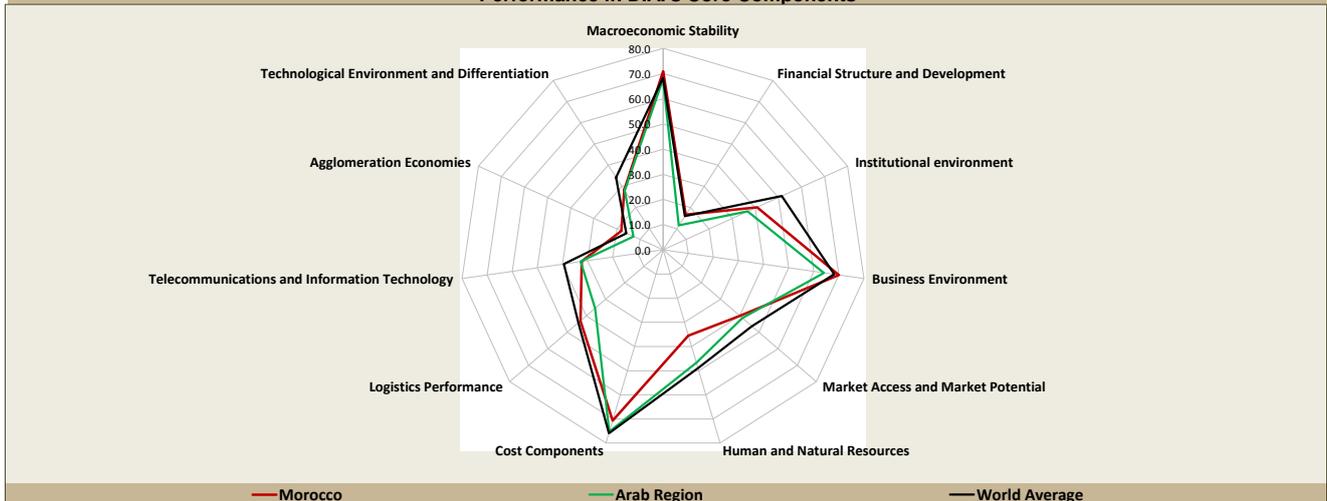
Foreign direct investment (FDI)		Unit	2012	2013	2014	2015
FDI Flow						
	Inward	USD million	2,728.4	3,298.1	3,560.9	3,162.3
	Outward	USD million	406.1	332.0	436.2	649.0
FDI Stock						
	Inward	USD million	45,245.7	51,816.0	51,192.0	48,695.9
	Outward	USD million	2,156.7	2,554.7	4,187.0	4,554.8

Source: UNCTAD

Performance in Dhaman Investment Attractiveness Index (DIAI) 2016



Performance in DIAI's Core Components





Morocco: Imports & Exports of Goods

Top countries exporting goods to Morocco Year 2015

	Exporting Country	Value (\$ millions)	% Exports
1	Spain	6,810.991	16.0
2	France	4,212.108	9.4
3	China	2,901.954	9.3
4	Germany	2,154.564	6.8
5	Italy	1,628.894	5.6
6	United States of America	1,608.416	5.0
7	Turkey	1,338.133	4.4
8	Netherlands	952.081	3.4
9	Belgium	822.759	3.0
10	Portugal	757.114	2.8
11	United Kingdom	732.688	2.0
12	Russian Federation	541.913	1.9
13	Brazil	494.287	1.8
14	Romania	423.981	1.8
15	Saudi Arabia	421.610	1.7
16	Korea, Republic of	349.478	1.6
17	Argentina	333.011	1.6
18	India	328.648	1.4
18	Sweden	322.778	1.3
20	Poland	317.389	1.1
	Others	3,132.607	18.0
	Total	30,585.404	

Top countries importing goods from Morocco Year 2015

	Importing Country	Value (\$ millions)	% Imports
1	Spain	5,543.891	24.9
2	France	3,968.995	17.9
3	Germany	1,122.839	5.1
4	India	1,099.748	4.9
5	United States of America	1,063.872	4.8
6	Italy	884.002	4.0
7	United Kingdom	883.595	4.0
8	Brazil	739.784	3.3
9	Turkey	710.622	3.2
10	China	528.613	2.4
11	Netherlands	506.693	2.3
12	Russian Federation	450.736	2.0
13	Belgium	397.681	1.8
14	Portugal	322.173	1.4
15	Canada	320.433	1.4
16	Belarus	299.997	1.3
17	Japan	261.655	1.2
18	Mexico	233.173	1.0
19	Switzerland	231.200	1.0
20	Saudi Arabia	220.317	1.0
	Others	2,435.968	11.0
	Total	22,225.987	

Top goods (products) exported by Morocco Year 2015

	Exported Goods	Value (\$ millions)	% Exports
1	Electrical, electronic equipment	3,692.395	16.6
2	Articles of apparel, accessories, not knit or crochet	2,747.912	12.4
3	Vehicles other than railway, tramway	2,028.714	9.1
4	Inorganic chemicals, precious metal compound	1,634.935	7.4
5	Fertilizers	1,586.807	7.1
6	Edible vegetables and certain roots and tubers	1,321.564	5.9
7	Edible fruit, nuts, peel of citrus fruit, melons	1,226.451	5.5
8	Salt, sulphur, earth, stone, plaster, lime and cement	1,134.766	5.1
9	Articles of apparel, accessories, knit or crochet	1,068.118	4.8
10	Fish, crustaceans, molluscs, aquatic invertebrates	1,013.041	4.6
11	Meat, fish and seafood food preparations nes	538.674	2.4
12	Footwear, gaiters and the like, parts thereof	406.448	1.8
13	Mineral fuels, oils, distillation products, etc	370.778	1.7
14	Ores, slag and ash	281.428	1.3
15	Aircraft, spacecraft, and parts thereof	264.380	1.2
16	Machinery, nuclear reactors, boilers, etc	236.701	1.1
17	Animal, vegetable fats and oils, cleavage products, etc	213.200	1.0
18	Pearls, precious stones, metals, coins, etc	212.777	1.0
19	Other made textile articles, sets, worn clothing etc	189.209	0.9
20	Vegetable, fruit, nut, etc food preparations	162.015	0.7
	Others	1,895.625	8.5
	Total	22,225.938	

Top goods (products) imported by Morocco Year 2015

	Imported Goods	Value (\$ millions)	% Imports
1	Electrical, electronic equipment	3,249.914	10.6
2	Vehicles other than railway, tramway	3,198.675	10.5
3	Mineral fuels, oils, distillation products, etc	3,103.857	10.1
4	Machinery, nuclear reactors, boilers, etc	3,079.912	10.1
5	Plastics and articles thereof	1,592.575	5.2
6	Cereals	1,102.615	3.6
7	Iron and steel	1,072.403	3.5
8	Articles of iron or steel	701.495	2.3
9	Aircraft, spacecraft, and parts thereof	582.340	1.9
10	Paper and paperboard, articles of pulp, paper and board	518.595	1.7
11	Optical, photo, technical, medical, etc apparatus	515.582	1.7
12	Pharmaceutical products	515.320	1.7
13	Furniture, lighting, signs, prefabricated buildings	447.897	1.5
14	Manmade staple fibres	435.340	1.4
15	Copper and articles thereof	409.908	1.3
16	Knitted or crocheted fabric	408.720	1.3
17	Cotton	407.351	1.3
18	Rubber and articles thereof	404.457	1.3
19	Animal, vegetable fats and oils, cleavage products, etc	396.903	1.3
20	Manmade filaments	391.415	1.3
	Others	8,049.888	26.3
	Total	30,585.162	

Source: International Trade Center-TradeMap

Mauritania: Inward and Outward FDI



Population (million)	3.8
Area (Km ²)	1,030,700
Coastline (Km)	754
Natural resources	Iron ore, gypsum, copper, phosphate, diamonds, gold, oil and fish

I – Inward Investments

In 2015, Mauritania succeeded in attracting FDIs worth 495 million dollars according to UNCTAD estimations, which represent 1.2% of the Arab total for the same year.

FDI balances incoming to Mauritania amounted to some 6.5 billion dollars by the end of 2015, which represent 0.8% of the Arab total for the same period.

As for Mauritania's activity in terms of new FDIs (greenfield), the FDI Markets database published by the Financial Times shows the following:

- For the period from January 2003 to December 2015, 29 FDI projects were implemented in Mauritania by 25 Arab and foreign companies. It is estimated that the total investment cost of these projects, which employ roughly 8 thousand workers is about \$ 5.4 billion.
- For the period between January 2011 and December 2015, Switzerland, Canada, Indonesia, and France respectively were on the list of the most important countries investing in Mauritania, in terms of investment cost of the projects. The share of the four countries accounted for around 86% of the total.
- Since January 2011, Arab and foreign investments incoming to Mauritania have been concentrated in the metals sector with 1.4 billion dollars, followed by the warehousing sector with 197 million dollars and the construction and construction material sector with 160 million dollars.
- Since January 2011, the Swiss company Glencore has been on top of the list of the 10 most important companies investing in Mauritania where it implements a project with a huge investment cost estimated at 900 million dollars.

II – Commodity Exports

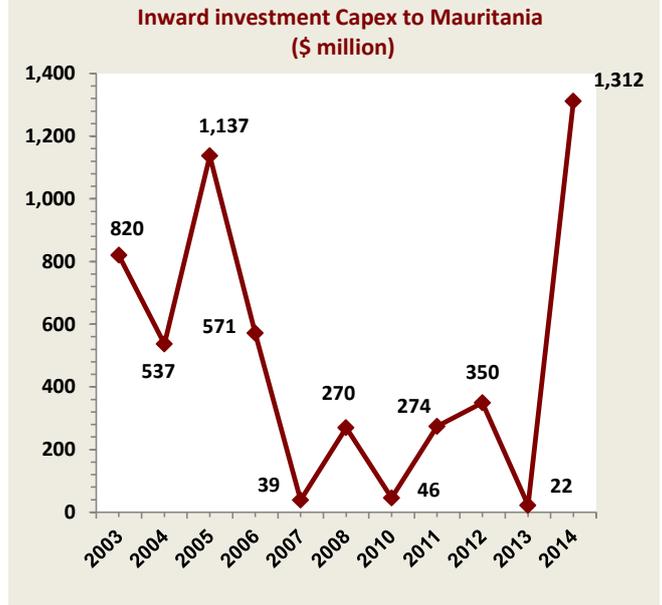
Regarding Mauritania's export activity, the trade map database published by the World Trade Center by the end of 2015 reveals the following:

- Mauritania's commodity exports amounted to 1.9 billion dollars, while its imports amounted to over 2.2 billion dollars.
- In terms of geographic distribution, China is considered the most important market for Mauritania's exports with a share of 39%, followed by Switzerland with 13.3%, Spain with 10.4% and Italy with 8.1%.
- In terms of sector distribution, mineral resources represent 51.3% of Mauritania's exports, followed by fish with 24.8% and pearls and gemstones with 13.3%.



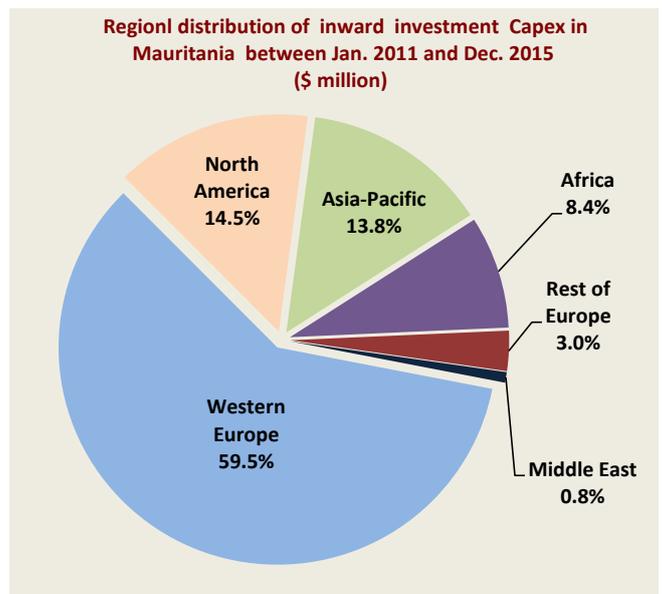
Mauritania: FDI Greenfield Projects

Year	No. Projects	* Capex (Million \$)	No. Jobs	No. Companies
2003	2	820.0	1,240	2
2004	1	536.9	214	1
2005	3	1,137.3	515	3
2006	4	571.2	320	4
2007	2	38.5	268	2
2008	1	270.0	1,012	1
2010	4	45.7	62	3
2011	2	274.3	1,057	2
2012	4	349.5	1,467	4
2013	1	22.2	54	1
2014	5	1,311.5	1,809	4
Total	29	5,377	8,018	25



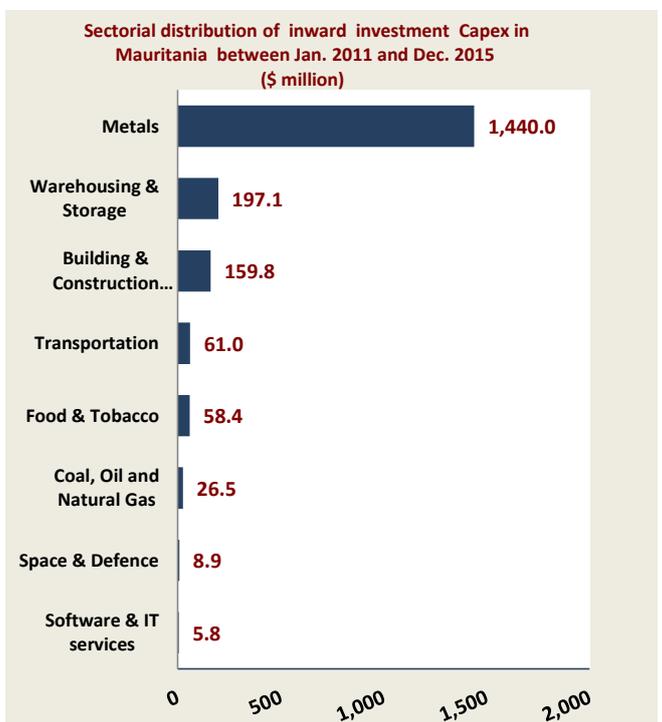
Top countries investing in Mauritania between Jan. 2011 and Dec. 2015

Source Country	Projects	* Capex (Million \$)	Jobs Created	Companies
Switzerland	1	900.0	1,231	1
Canada	1	270.0	1,012	1
Indonesia	1	270.0	1,012	1
France	2	242.8	215	1
Nigeria	1	159.8	342	1
Lithuania	1	58.4	429	1
UK	1	22.2	54	1
UAE	1	15.3	10	1
US	2	14.7	37	2
Ghana	1	4.3	45	1
Total	12	1,958	4,387	11



Top Companies investing in Mauritania between Jan. 2011 and Dec. 2015

Parent company	Country	Projects	* Capex (Million \$)
Glencore Xstrata	Switzerland	1	900
PT Bumi Resources	Indonesia	1	270
First Quantum Minerals	Canada	1	270
CMA CGM	France	2	242.8
Dangote Group	Nigeria	1	159.8
Viciunai Group	Lithuania	1	58.4
Tullow Oil	UK	1	22.2
The Emirates Group	UAE	1	15.3
Sterling Global Operations	US	1	8.9
Microsoft	US	1	5.8
SEMS Exploration	Ghana	1	4.3
Total		12	1,958



Source: Tables and Figures in this page: FDI Intelligence from The Financial Times

* Capex : Capital expenditure



Mauritania: Overall Performance and Position in DIAI

Capital:	Nouakchott	2014	2015
Currency:	Mauritanian ouguiya (MRO)	Exchange rate (LCU per USD):	323.907 347.385

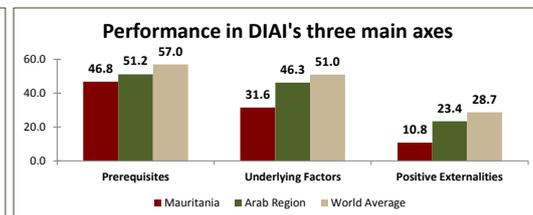
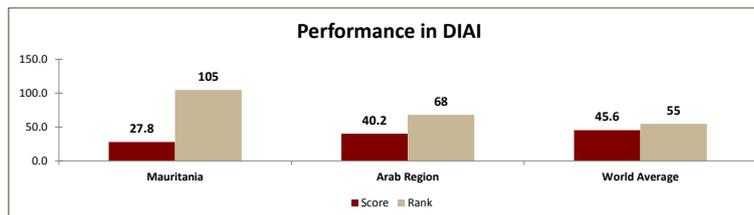
Basic Information:	Unit	2014	2015	2016	2017
Nominal GDP	USD billion	5.3	4.8	4.5	4.5
Real GDP Growth	%	6.6	1.9	4.1	3.9
GDP per Capita	USD	1,463.6	1,282.3	1,197.1	1,164.5
Inflation (average consumer prices)	%	3.8	0.5	3.8	4.9
General Government Total Expenditure and Net Lending (% of GDP)	%	30.0	33.4	33.4	33.4
Current Account Balance	USD billion	-1.5	-0.9	-0.6	-0.7
Current Account Balance (% of GDP)	%	-27.7	-19.3	-13.6	-15.8
Exports of Goods and Services	USD billion	2.1	1.6	1.5	1.5
Imports of Goods and Services	USD billion	3.5	2.5	2.2	2.3
Gross Official Reserves	USD billion	0.6	0.8	0.7	0.6
Total reserves in months of imports	Month	2.1	3.8	3.8	3.1
Total Gross External Debt (% of GDP)	%	92.8	104.7	89.2	94.9
Population	Million people	3.6	3.7	3.8	3.9
Unemployment (% of total labor force)	%	--	--	--	--

Source: International Monetary Fund (IMF)

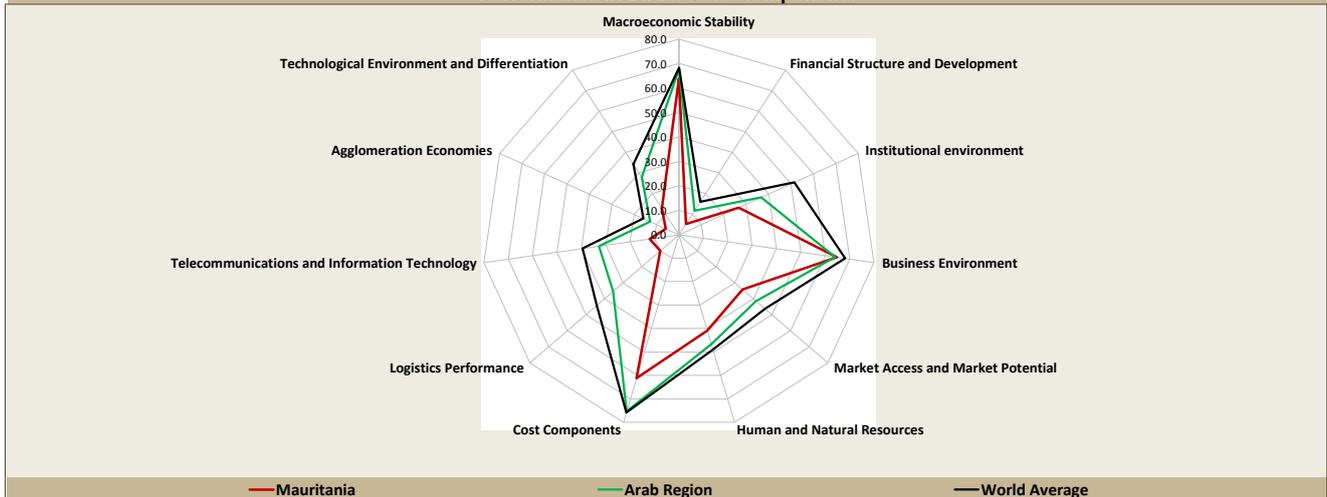
Foreign direct investment (FDI)	Unit	2012	2013	2014	2015	
FDI Flow	Inward	USD million	1,388.6	1,125.7	500.2	495.0
	Outward	USD million	1.2	12.8	30.0	14.6
FDI Stock	Inward	USD million	4,349.6	5,475.2	5,975.4	6,470.4
	Outward	USD million	28.7	41.4	71.4	86.1

Source: UNCTAD

Performance in Dhaman Investment Attractiveness Index (DIAI) 2016



Performance in DIAI's Core Components





Mauritania: Imports & Exports of Goods

Top countries exporting goods to Mauritania Year 2015

	Exporting Country	Value (\$ millions)	% Exports
1	China	803.838	16.0
2	France	200.136	9.4
3	Spain	151.731	9.3
4	Brazil	141.696	6.8
5	United States of America	126.970	5.6
6	Netherlands	112.307	5.0
7	Belgium	99.453	4.4
8	Turkey	97.159	3.4
9	Germany	95.392	3.0
10	India	58.124	2.8
11	Malaysia	39.931	2.0
12	Austria	35.147	1.9
13	Italy	29.424	1.8
14	United Kingdom	26.594	1.8
15	Poland	20.761	1.7
16	Saudi Arabia	19.338	1.6
17	Guatemala	18.134	1.6
18	Russian Federation	17.474	1.4
18	Thailand	14.654	1.3
20	South Africa	11.773	1.1
	Others	101.930	18.0
	Total	2,221.966	

Top countries importing goods from Mauritania Year 2015

	Importing Country	Value (\$ millions)	% Imports
1	China	745.118	39.0
2	Switzerland	254.078	13.3
3	Spain	198.382	10.4
4	Italy	154.568	8.1
5	Japan	130.645	6.8
6	Germany	93.995	4.9
7	Netherlands	51.069	2.7
8	France	44.809	2.3
9	Korea, Republic of	39.869	2.1
10	Portugal	35.156	1.8
11	India	28.500	1.5
12	Benin	22.054	1.2
13	Norway	18.357	1.0
14	Denmark	17.409	0.9
15	Russian Federation	13.672	0.7
16	Turkey	12.871	0.7
17	Togo	10.099	0.5
18	Greece	8.628	0.5
19	Taipei, Chinese	7.392	0.4
20	Saudi Arabia	6.599	0.3
	Others	18.932	1.0
	Total	1,912.202	

Top goods (products) exported by Mauritania Year 2015

	Exported Goods	Value (\$ millions)	% Exports
1	Ores, slag and ash	981.819	51.3
2	Fish, crustaceans, molluscs, aquatic invertebrates	473.431	24.8
3	Pearls, precious stones, metals, coins, etc	254.215	13.3
4	Residues, wastes of food industry, animal fodder	68.822	3.6
5	Mineral fuels, oils, distillation products, etc	50.562	2.6
6	Animal,vegetable fats and oils, cleavage products, etc	35.595	1.9
7	Iron and steel	8.776	0.5
8	Articles of iron or steel	7.299	0.4
9	Copper and articles thereof	4.977	0.3
10	Electrical, electronic equipment	4.463	0.2
11	Machinery, nuclear reactors, boilers, etc	4.312	0.2
12	Aluminium and articles thereof	2.967	0.2
13	Meat, fish and seafood food preparations nes	2.748	0.1
14	Milling products, malt, starches, inulin, wheat gluten	2.380	0.1
15	Optical, photo, technical, medical, etc apparatus	2.343	0.1
16	Edible fruit, nuts, peel of citrus fruit, melons	1.121	0.1
17	Vehicles other than railway, tramway	1.044	0.1
18	Commodities not elsewhere specified	0.886	0.0
19	Raw hides and skins (other than furskins) and leather	0.768	0.0
20	Salt, sulphur, earth, stone, plaster, lime and cement	0.528	0.0
	Others	3.127	0.2
	Total	1,912.183	

Top goods (products) imported by Mauritania Year 2015

	Imported Goods	Value (\$ millions)	% Imports
1	Machinery, nuclear reactors, boilers, etc	261.152	11.8
2	Sugars and sugar confectionery	144.685	6.5
3	Electrical, electronic equipment	136.041	6.1
4	Cereals	118.949	5.4
5	Articles of apparel, accessories, knit or crochet	96.066	4.3
6	Articles of iron or steel	90.562	4.1
7	Cotton	82.688	3.7
8	Mineral fuels, oils, distillation products, etc	74.654	3.4
9	Manmade staple fibres	73.013	3.3
10	Vehicles other than railway, tramway	69.075	3.1
11	Articles of apparel, accessories, not knit or crochet	58.095	2.6
12	Cereal, flour, starch, milk preparations and products	58.039	2.6
13	Coffee, tea, mate and spices	57.014	2.6
14	Pharmaceutical products	55.676	2.5
15	Dairy products, eggs, honey, edible animal product nes	52.906	2.4
16	Footwear, gaiters and the like, parts thereof	50.493	2.3
17	Ships, boats and other floating structures	44.814	2.0
18	Plastics and articles thereof	43.687	2.0
19	Animal,vegetable fats and oils, cleavage products, etc	41.073	1.8
20	Iron and steel	38.237	1.7
	Others	574.738	25.9
	Total	2,221.657	

Source: International Trade Center-TradeMap

Yemen: Inward and Outward FDI



Population (million)	29.1
Area (Km ²)	527,968
Coastline (Km)	1,906
Natural resources	Oil, fish, rock salt, marble, small deposits of coal,

I – Inward Investments

In 2015, Yemen witnessed negative FDI flows worth 1191 million dollars according to UNCTAD estimations, which represent 36.7% of the total negative Arab flows for the same year.

FDI balances incoming to Yemen amounted to some 0.7 billion dollars by the end of 2015, which represent 0.1% of the Arab total for the same period.

As for Yemen's activity in terms of new FDIs (greenfield), the FDI Markets database published by the Financial Times shows the following:

- For the period from January 2003 to December 2015, 50 FDI projects are being implemented in Yemen by 496 Arab and foreign companies. It is estimated that the total investment cost of these projects, which employ roughly 79.3 thousand workers is about \$ 13.5 billion.
- For the period between January 2011 and December 2015, Qatar, India and the Sultanate of Oman respectively were on the list of the most important countries investing in Yemen, in terms of investment cost of the projects. The share of the three countries accounted for around 69% of the total.
- Since January 2011, Arab and foreign investments incoming to Yemen have been concentrated in the healthcare sector with 289 billion dollars, the telecom sector with 270 billion dollars and the renewable energy sector with 220 million dollars.
- Since January 2011, Hamad Medical Corporation of Qatar has been on top of the list of the 10 most important companies investing in Yemen where it implements a project with an investment cost estimated at 289 million dollars.

II – Commodity Exports

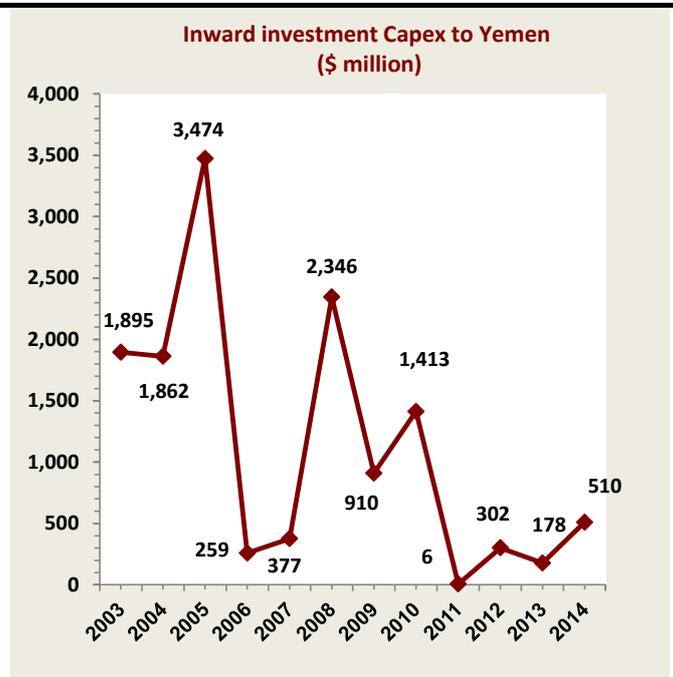
Regarding Yemen's export activity, the trade map database published by the World Trade Center by the end of 2015 reveals the following:

- Yemen's commodity exports amounted to 1.9 billion dollars, while its imports amounted to over 2.2 billion dollars.
- In terms of geographic distribution, China is considered the most important market for Yemen's exports with a share of 45.7%, followed by South Korea with 18.5%, India with 9.2% and Saudi Arabia with 7.3%.
- In terms of sector distribution, fuels, oils and distillation products represent 84% of Yemen's exports, followed by fish varieties with 4% and fruits and nuts with 2.8%.



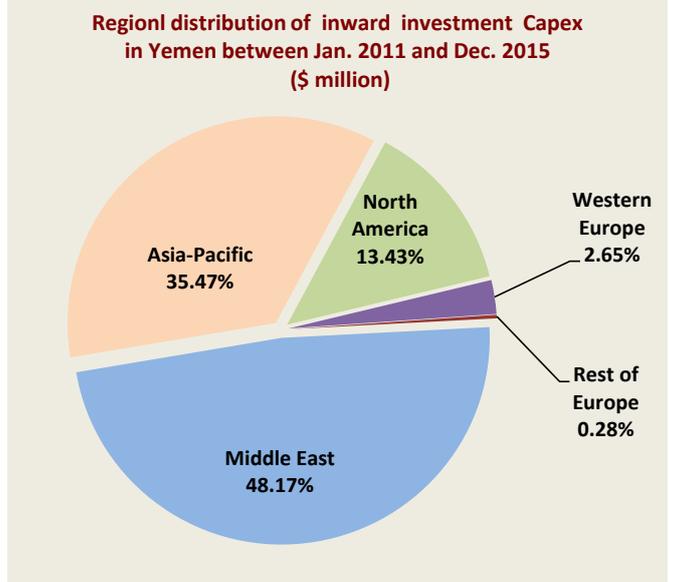
Yemen: FDI Greenfield Projects

Year	No. Projects	* Capex (Million \$)	No. Jobs	No. Companies
2003	6	1,894.7	1,883	24
2004	4	1,862.4	1,601	17
2005	3	3,474.1	7,422	28
2006	3	259.1	15,372	50
2007	5	377.0	3,237	32
2008	9	2,345.5	13,474	63
2009	5	909.9	5,444	70
2010	6	1,413.0	6,403	58
2011	2	6.4	8,528	67
2012	2	301.6	4,162	48
2013	1	178.2	3,988	42
2014	4	509.9	3,109	32
Total	50	13,532	79,346	496



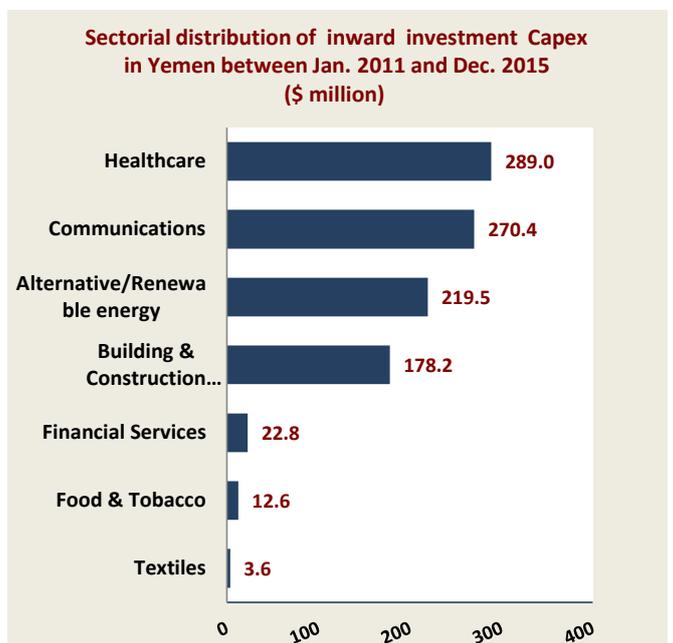
Top countries investing in Yemen between Jan. 2011 and Dec. 2015

Source Country	Projects	* Capex (Million \$)	Jobs Created	Companies
Qatar	1	289.0	1,190	1
India	1	219.5	71	1
Oman	1	178.2	108	1
Singapore	1	133.8	89	1
US	1	133.8	89	1
France	1	22.8	23	1
UAE	1	12.6	212	1
Spain	1	3.6	86	1
Turkey	1	2.8	24	1
Total	9	996	1,892	9



Top Companies investing in Yemen between Jan. 2011 and Dec. 2015

Parent company	Country	Projects	* Capex (Million \$)
Hamad Medical	Qatar	1	289
Bharat Heavy Electricals (BHEL)	India	1	220
Raysut Cement	Oman	1	178
SEA-ME-WE 5	Singapore	1	134
Verizon Communications	US	1	134
Gras Savoye	France	1	23
EMKE Group	UAE	1	13
Punto FA	Spain	1	4
Ihlas Yayin Holding (Ikhlas Holding)	Turkey	1	3
Total		9	996



Source: Tables and Figures in this page: FDI Intelligence from The Financial Times

* Capex : Capital expenditure



Yemen: Overall Performance and Position in DIAI

Capital:	Sana'a		2014	2015
Currency:	Yemeni rial (YER)	Exchange rate (LCU per USD):	214.890	268.693

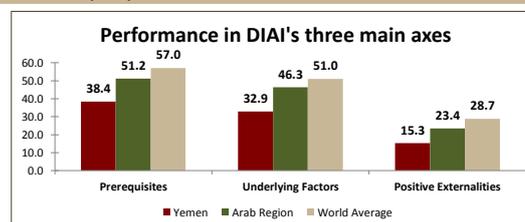
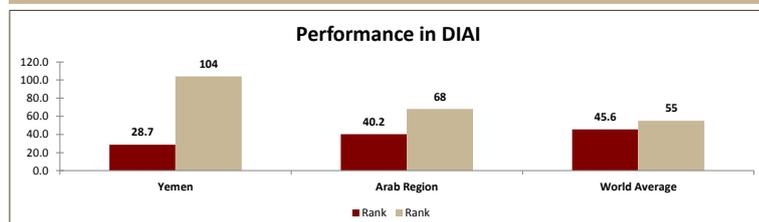
Basic Information:	Unit	2014	2015	2016	2017
Nominal GDP	USD billion	43.2	36.9	37.3	47.2
Real GDP Growth	%	-0.2	-28.1	0.7	11.9
GDP per Capita	USD	1,574.2	1,302.9	1,280.6	1,573.9
Inflation (average consumer prices)	%	8.2	30.0	27.5	24.0
General Government Total Expenditure and Net Lending (% of GDP)	%	27.8	24.0	23.7	24.3
Current Account Balance	USD billion	-0.7	-2.1	-2.6	-2.3
Current Account Balance (% of GDP)	%	-1.7	-5.6	-7.0	-4.8
Exports of Goods and Services	USD billion	9.3	3.8	3.0	6.5
Imports of Goods and Services	USD billion	12.3	8.5	9.1	11.4
Gross Official Reserves	USD billion	4.1	--	--	--
Total reserves in months of imports	Month	4.0	--	--	--
Total Gross External Debt (% of GDP)	%	14.3	15.9	17.3	15.3
Population	Million people	27.5	28.3	29.1	30.0
Unemployment (% of total labor force)	%	--	--	--	--

Source: International Monetary Fund (IMF)

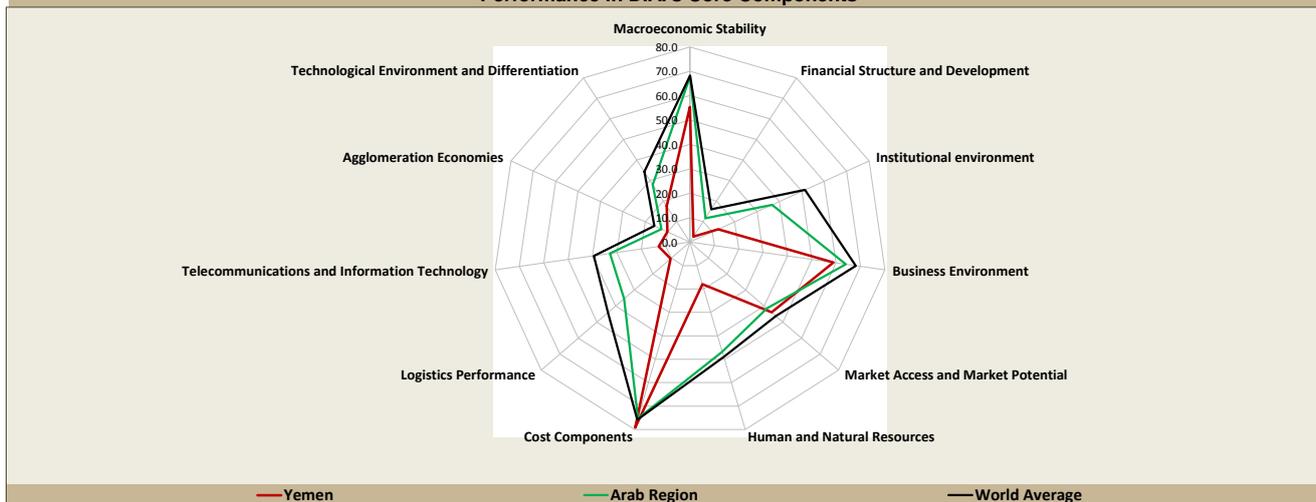
Foreign direct investment (FDI)	Unit	2012	2013	2014	2015	
FDI Flow	Inward	USD million	-531.0	-133.6	-1,787.0	-1,191.0
	Outward	USD million	8.5	4.8	11.6	8.3
FDI Stock	Inward	USD million	3,808.1	3,674.5	1,887.5	696.5
	Outward	USD million	579.8	584.6	596.2	604.5

Source: UNCTAD

Performance in Dhaman Investment Attractiveness Index (DIAI) 2016



Performance in DIAI's Core Components





Yemen: Imports & Exports of Goods

Top countries exporting goods to Yemen Year 2015

	Exporting Country	Value (\$ millions)	% Exports
1	China	1,436.297	1366.4
2	Oman	562.983	848.9
3	Saudi Arabia	517.236	822.9
4	India	461.346	804.5
5	Turkey	395.961	741.6
6	Australia	289.530	675.8
7	Netherlands	246.584	583.1
8	Brazil	214.545	566.3
9	Russian Federation	206.874	469.5
10	Korea, Republic of	203.419	408.6
11	Thailand	172.187	384.2
12	Germany	162.206	331.0
13	United States of America	158.790	321.9
14	Malaysia	154.370	317.6
15	Argentina	129.472	314.5
16	France	121.263	313.2
17	Japan	113.600	298.7
18	Belgium	67.214	271.6
19	Italy	66.338	250.9
20	South Africa	58.463	199.1
	Others	361.448	1751.1
	Total	6,100.126	

Top countries importing goods from Yemen Year 2015

	Importing Country	Value (\$ millions)	% Imports
1	China	891.450	45.7
2	Korea, Republic of	361.343	18.5
3	India	179.207	9.2
4	Saudi Arabia	142.286	7.3
5	Japan	134.924	6.9
6	Thailand	62.194	3.2
7	United States of America	49.021	2.5
8	Oman	24.124	1.2
9	Taipei, Chinese	18.088	0.9
10	Hong Kong, China	12.753	0.7
11	Turkey	10.951	0.6
12	Malaysia	7.962	0.4
13	Ethiopia	7.325	0.4
14	Jordan	7.200	0.4
15	Italy	6.659	0.3
16	Kuwait	5.581	0.3
17	Bahrain	5.071	0.3
18	United Kingdom	3.244	0.2
19	Germany	2.638	0.1
20	Sri Lanka	2.277	0.1
	Others	14.671	0.8
	Total	1,948.969	

Top goods (products) exported by Yemen Year 2015

	Exported Goods	Value (\$ millions)	% Exports
1	Mineral fuels, oils, distillation products, etc	1,643.715	84.3
2	Fish, crustaceans, molluscs, aquatic invertebrates nes	78.447	4.0
3	Edible fruit, nuts, peel of citrus fruit, melons	53.673	2.8
4	Coffee, tea, mate and spices	21.593	1.1
5	Edible vegetables and certain roots and tubers	20.275	1.0
6	Raw hides and skins (other than furskins) and leather	14.810	0.8
7	Plastics and articles thereof	13.384	0.7
8	Copper and articles thereof	12.632	0.6
9	Dairy products, eggs, honey, edible animal product nes	12.379	0.6
10	Iron and steel	8.253	0.4
11	Cereals	7.961	0.4
12	Animal,vegetable fats and oils, cleavage products, etc	6.947	0.4
13	Meat, fish and seafood food preparations nes	6.364	0.3
14	Aluminium and articles thereof	5.336	0.3
15	Lead and articles thereof	5.163	0.3
16	Machinery, nuclear reactors, boilers, etc	4.362	0.2
17	Electrical, electronic equipment	3.270	0.2
18	Residues, wastes of food industry, animal fodder	2.502	0.1
19	Pharmaceutical products	1.955	0.1
20	Ships, boats and other floating structures	1.894	0.1
	Others	24.043	1.2
	Total	1,948.958	

Top goods (products) imported by Yemen Year 2015

	Imported Goods	Value (\$ millions)	% Imports
1	Cereals	1,027.264	16.8
2	Mineral fuels, oils, distillation products, etc	801.189	13.1
3	Vehicles other than railway, tramway	370.125	6.1
4	Electrical, electronic equipment	285.340	4.7
5	Articles of apparel, accessories, knit or crochet	222.291	3.6
6	Sugars and sugar confectionery	207.714	3.4
7	Plastics and articles thereof	204.129	3.3
8	Machinery, nuclear reactors, boilers, etc	199.419	3.3
9	Iron and steel	189.611	3.1
10	Cereal, flour, starch, milk preparations and products	179.368	2.9
11	Dairy products, eggs, honey, edible animal product nes	159.173	2.6
12	Vegetable, fruit, nut, etc food preparations	147.707	2.4
13	Footwear, gaiters and the like, parts thereof	145.974	2.4
14	Pharmaceutical products	133.910	2.2
15	Articles of apparel, accessories, not knit or crochet	125.058	2.1
16	Animal,vegetable fats and oils, cleavage products, etc	120.511	2.0
17	Meat and edible meat offal	105.088	1.7
18	Articles of iron or steel	90.655	1.5
19	Manmade filaments	84.367	1.4
20	Paper and paperboard, articles of pulp, paper & board	74.959	1.2
	Others	1,226.243	20.1
	Total	6,100.095	

Source: International Trade Center-TradeMap

المؤسسة العربية لضمان
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Appendix

Index Calculation Methodology

Drawing out the main conclusions from the theoretical and empirical literature, the aim of the index is to provide an explanation of why some countries are more attractive for foreign investors than others and what underlies the relative attractiveness failure of some countries. Therefore, a composite index that adequately describes a host country's attraction for FDI is constructed. This index considers all identified foremost, measurable and comparable aspects that affect FDI decision. It ranks a set of 111 countries, representing 92% and 95% of the world inward FDI flows and stocks respectively, according to their attractiveness for receiving inward FDI. It is structured so as to provide the possibility of conducting detailed strength and weakness analyses for countries in general and Arab countries in particular. Indeed, 18 Arab countries are part of the sample representing more than 95% and 98% of the total inward FDI flows and stocks into the Arab region respectively.

The data series selection process does not depend only on the question of what is necessary and most adequate to assess FDI attractiveness, data availability is also considered as a constraint in order to maximize our country sample. 60 different indicators are detected as adequate proxies for the FDI key drivers categorized according to three major axes or pillars:

- Prerequisites or initial conditions: including 23 different sub-indicators covering macroeconomic stability, financial structure and development, public governance and business environment;
- Underlying factors or factors motivating FDI: 27 factors are detected as adequate proxies to explore the FDI key decisions of MultiNational Enterprises (MNEs) and covering the following considerations: market access and market potential, human and natural resources, cost components and physical infrastructures.
- Differentiation and Agglomeration economies: The term agglomeration economies' is used in urban economics to describe the benefits that firms obtain when locating near each other. This concept relates to the idea of economies of scale and network effects. These effects are considered by detecting 10 different factors as proxies to the differentiation and agglomeration economies affects.

Normalization and Consistency Analysis

Normalization

In order to make the cross-sectional data series comparable and to realize index aggregation, the raw data has to be converted into a common range. The rescaling method is used to normalize sub-indicators to such a range by the following linear transformation:

- if the concerned sub-indicator influence positively the attractiveness for investors:

$$y_{c,i} = 99 \times \left[\frac{x_{c,i} - \min(x_c)}{\max(x_c) - \min(x_c)} \right] + 1$$

- if the concerned sub-indicator influence negatively the attractiveness for investors:

$$y_{c,i} = 99 \times \left[\frac{\max(x_c) - x_{c,i}}{\max(x_c) - \min(x_c)} \right] + 1$$

- $y_{c,i}$: normalized value of category c and country i
 $x_{c,i}$: raw data value of category c and country i
 $\min(x_c)$: minimum raw data value of category c within the sample
 $\max(x_c)$: maximum raw data value of category c within the sample

For every individual sub-indicator, 100 represents the best score and 1 represents the worst.

Consistency Analysis

High quality tests are important to evaluate the reliability of data supplied in a research study as a first step of consistency analysis of the indices prior to computing composite variables and fitting explanatory models. Cronbach's alpha is a commonly employed statistic used to determine the internal consistency, so the considered statistic increases as the inter-correlations among a set of sub-indicators included in the analysis increase. A high Cronbach's alpha (greater or equal to the acceptable threshold value 0.7) is an indication that the considered set of indices proxy the desired key variable well.

The other two measures commonly used for consistency purpose are related to factor analyses or data reduction and summarization: the Haiser-Meyer-Olkin measure of sampling adequacy (MSA), based on the partial correlations among the input variables, and the Bartlett's test of sphericity used to test the hypothesis that the correlation matrix is an identity matrix (the indices are correlated in the population). The first measure should be greater or equal to 0.5 to proceed with factor analysis, and the test value of the second measure should be below the 0.05 significance level.

Table 1: Consistency analyses results

Key Drivers	Cronbach's Alpha	Kaiser-Meyer-Olkin Measure (MSA)	Bartlett's Test
1. Uncertainty and Macroeconomic Stability	0.617	0.613	0.000
2. Financial Structure and Development	0.345	0.668	0.000
3. Public Governance	0.832	0.909	0.000
4. Business Environment	0.970	0.619	0.000
5. Market Access, Size and Potential	0.661	0.724	0.000
6. Human and Natural Resources	0.692	0.679	0.000
7. Cost Components	0.609	0.548	0.000
8. Logistics Performance	0.933	0.922	0.000
9. Telecommunication and ICT	0.896	0.760	0.000
10. Presence of Multinationals and BITs	0.653	0.407	0.000

11. Innovation and Differentiation 0.861 0.777 0.000

The reliability test statistics for the sub-indicators used to assemble the ten key drivers are all above the Nunnally's cut-off value of 0.7 except the two key drivers Financial Structure/Development and Cost Components. In addition to the limited number of sub-indicators available for the concerned key drivers, detailed analyses of the inter-item correlation matrix reveal relatively low correlations between the items. It's well known that a decrease in the number of indicators and a low average inter-item correlation are associated with a decrease in α . Furthermore, good values for all key drivers for the MSA and Bartlett's Test are obtained (MSA values greater than 0.5 and p-values for Bartlett's Test less than 0.05). Accordingly, from the above results it's possible to perform a valid factor analysis.

Weighting and Aggregation

Weighting

After calculating the performance scores for each sub-items on the lowest level, and before the aggregation can be conducted, the weightings of the index items have to be determined. Two schemes are followed:

1. On the lowest level: index items are aggregated with equal weights, i.e. the weights are derived from the number of components that are aggregated. At the key drivers level (11 key drivers), weights are attributed according to the number of items and so are the weights attributed to the three axes;
2. Equal weights are used at the lowest level: key drivers are aggregated with weights attributed according to the number of items and finally weights determined by factor analyses are used on the level of the three axes.

When using factor analysis, each component is assigned a weight according to its contribution to the total variance in the data to insure that the resulting summary indicators account for a large part of the cross-country variance of the considered sub-indicators.

Cronbach's α over the considered three axes is 0.91 and consequently underlines the quality of data selection for all the countries. The MSA value is 0.708 and Bartlett's Test of sphericity is significant at 0.000. Table 2 presents the results of the Principal Component Analysis (PCA). One single component is extracted (only one eigenvalue greater than 1) representing more than 89% of the total variance of the considered indicators.

Table 2: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.677	89.241	89.241	2.677	89.241	89.241
2	.227	7.561	96.802			
3	.096	3.198	100.000			

Extraction Method: Principal Component Analysis.

The high Cronbach's α and MSA value, and extracting only one factor explaining such a large part of the data variance, mean that the key axes are adequate joint proxies for a single latent factor. They are unidimensional and express only one characteristic. This is an indication of an appropriate choice of key drivers to assess FDI attractiveness for the considered countries. The FDI attractiveness is excellently measured by using the three criteria - prerequisites, underlying factors and agglomeration-differentiation factors- as proxies.

The PCA analysis also generates the communalities or the total influence on a single observed item from all the factors associated with it (in this case only one factor is generated). It's equal to the squared factor loading related to the observed indicator and is the same as R^2 in multiple regression. These communalities, described in Table 3, are used to calculate the weights for the three key drivers (the square of the factor loading represents the proportion of the variance of the indicator explained by the factors):

Table 3: Weights for the three key axes

	Component	Communalities	Weight
1. Prerequisites Factors	0.940	0.884	0.330
2. Underlying Factors	0.967	0.935	0.349
3. Agglomeration-Differentiation Factors	0.927	0.859	0.321

The results exposed in Table 4 illustrate that the underlying factors receive the highest weight and constitutes the strongest determinant of FDI activity followed by the prerequisites factors. They also show a small difference with respect to an equal weighting scheme (0.333 for each key driver).

Aggregation

Additive methods, geometric aggregation and non-compensatory multi-criteria analysis constitute the main three classes of aggregation methods. We focus on the linear and geometric methods as the most adequate for the purpose of FDI attractiveness analysis.

Linear aggregation assigns base indicators proportionally to the weights. It's useful when all sub-indicators have the same measurement unit, which is our case:

$$Index\ Value_i = \sum_{q=1}^Q w_q y_{q,i}, \text{ where } 0 \leq w_q \leq 1 \text{ and } \sum_q w_q = 1$$

Index value_{*i*} : index value of country *i*

$y_{q,i}$: normalized value of category *q* and country *i*

w_q : weight of category *q*

However, geometric aggregation rewards those countries or those sub-indicators with higher scores. A shortcoming in the value of one indicator can be compensated by a surplus in another. Compensability is constant in linear aggregation, while it is smaller in geometric aggregation for the sub-indicators with low values. It means that countries with low scores in some sub-indicators would benefit from linear aggregation:

$$Index\ Value_i = \prod_{q=1}^Q y_{q,i}^{w_q}, \text{ where } 0 \leq w_q \leq 1 \text{ and } \sum_q w_q = 1$$

Statistical Validation of the Results

This section compares the explanatory power of all the combinations presented in the previous section. By explanatory power we mean the strength and directionality of the linear relation between the proposed FDI attractiveness index and the actual FDI activity in the particular countries measured either by inward FDI flows or stocks. The Pearson correlations for each index calculation method are presented in Table 4:

Table 4: Pearson Correlations with Inward FDI Stocks

Index Calculation Method	Correlation with Log FDI Inward Stocks (Two-tailed significance level)
Method 1: Proportional weight and geometric aggregation	0.776 (0.000)
Method 2: Equal weight and geometric aggregation	0.747 (0.000)
Method 3: Equal weight and arithmetic aggregation	0.747 (0.000)

Considering these findings, the most adequate method for measuring the attractiveness of a country for FDI activity is method 1.



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