



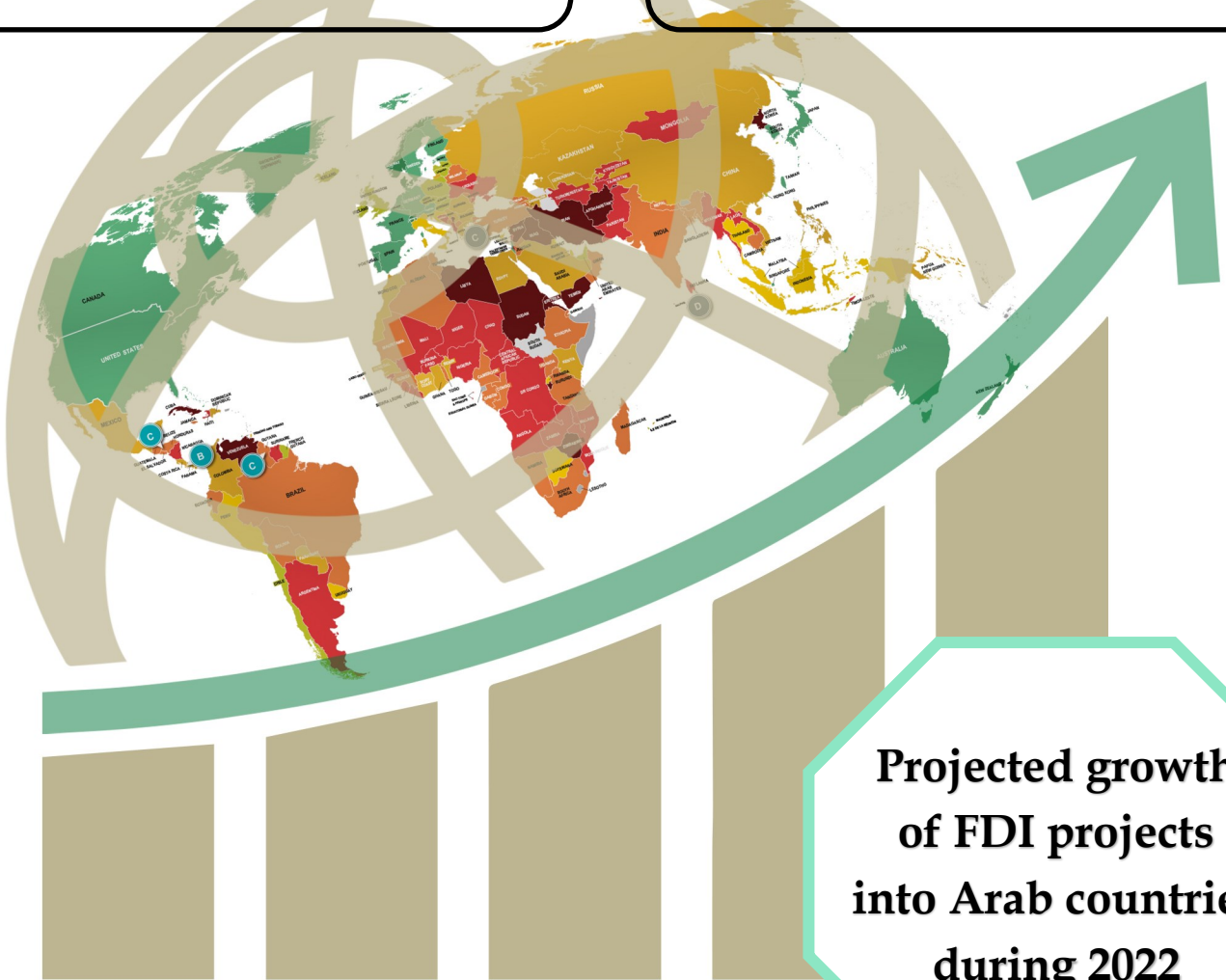
The Investment Climate in Arab Countries

2022

Arab
Countries

Improvement in risk ratings and economic performance indices and stable of sovereign ratings

Decline in performance of legislative and regulatory environment and mixed indicators of production factors



**Projected growth
of FDI projects
into Arab countries
during 2022**

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



The first multilateral investment guarantee provider in the world

48
Years

of cumulative experience
in ensuring investors,
exporters and financial
institutions
against commercial and
political risks

A+
S&P Global
Ratings

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

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

The Arab Organization
Headquarters Building
State of Kuwait
P.O. BOX 23568
SAFAT 13096
www.dhaman.org



The Report of the Investment Climate in Arab Countries

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

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

It also monitors changes in the volume of foreign direct investment in the region through a set of data and information bearing on new projects and actual investment inflows, relying on the databases of credible regional and international bodies.

In this regard, Dhaman welcomes the quote from the report provided that the source be mentioned, and it should be noted that the findings and interpretations contained in the report do not necessarily reflect the views of the Board, shareholders of the corporation, its board of directors or the Governments of the States they represent. Boundaries and other information on any map do not mean support or acceptance on the part of the corporation.

**For further information on the contents
of the report and request for a copy of it**

Ahmed El-Dabaa Head of Research and Country Risk Assessment	aeldabh@dhaman.org
Azza Al-Mezin Deputy Head of Research and Publishing Unit	azzaelmezin@dhaman.org
Anis Weslati Deputy Head of Information and Country Risk Assessment Unit	anis@dhaman.org
Ayman Ghazi	aymang@dhaman.org

+965-24959529

Letter from the Director-General

The Arab Investment & Export Credit Guarantee Corporation (Dhama) provides its member states with the 37th annual report on the investment climate in Arab countries in 2022, which handles the changes and various components of the investment climate in 2021, in addition to relevant reflections on the volume of projects and inflows of foreign direct investments into the region. The expected impact of political and economic developments, future expectations and the ramifications of the Russian-Ukrainian war and relevant developments are taken into consideration.



Abdullah A . Alsabeeh

Following the crisis experienced by the Arab countries during 2020, the Arab economy witnessed a remarkable recovery, which, in turn, affected many of the indices governing the investment climate in the Arab countries, and this was evident through the corporation's monitoring of about 100 composite indicators and sub-indicators issued by more than 20 international agencies during 2021, the main results of which came as follows:

First: Sovereign rating and country risk rating indicators: The position of Arab countries in the sovereign credit ratings of S&P, Moody's, Fitch, Capital Intelligence and IHS Markit has stabilized, with the exception of five countries whose ratings declined in 2021. The overall average ranking of Arab countries has also improved in a number of indices of political, economic, financial and operational, trade and investment risks in the short, medium and long terms, including Fitch, PRS, Credendo, Coface, Euler Hermes, Nexi, Dun & Brandstreet.

Second: The group of economic performance indicators: The average performance of Arab countries improved in 14 economic indicators as a result of a slight decline in the top nine indicators of internal economic performance and a significant improvement in top five indicators of external economic dealings.

Third: the group of legislative and regulatory environment indicators: the average ranking of Arab countries in economic freedom indicators dropped, and remained below the global average in the indicators of worldwide governance and doing business environment and investment regulatory restrictions, while ranked better than the world average in the two indicators of investment treaties.

Fourth: The group of indicators of factors of production saw variability in performance , with a slight improvement in the position of Arab countries in the indices of innovation, energy and sustainable development, against a slight decline in global knowledge indices, and the ratio of natural resource returns to GDP, productive capacities and entrepreneurship.

As a result of all the above, It was normal that the region's countries consequently saw an increase in the volume of FDI projects and inflows during 2021, compared to 2020, as confirmed by the following statistics:

- FDI inflows into Arab countries grew by 42% to \$53 billion in 2021.
- The number of FDI projects into the Arab countries increased by 37% to 862 projects, with the capex rising by 1% to \$32.8 billion, with growth forecast to continue in 2022, especially after the number of projects hiked by 15% and the capex by 86% to \$21 billion during the first four months of 2021.
- The number of inter-Arab investment projects increased by 20% to 134 projects, and the capex increased by 55% to \$6.6 billion to represent 20% of overall foreign investments in the region.

With dwindling confidence and certainty in light of the escalating international and regional events, the corporation, established in 1974 as a joint Arab regional body, carried on its efforts to improve the investment climate in the Arab countries and encourage Arab exports to various world countries. Based on its long experience of nearly five decades, the corporation provided guarantee services for investors and exporters with a cumulative turnover of more than \$23 billion by the end of 2021.

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

Contents

Introduction	6
Section One: Investment climate changes in Arab countries for 2021	8
Section Two: Foreign direct investment projects into Arab countries for 2021	40
Section Three: Inter-Arab investment projects for 2021	54
Section Four: FDI Inflows and stocks of into Arab countries for 2021	60
Conclusion and recommendations	68

Remarks and clarifications about the 2022 report

- While monitoring investment climate changes in the Arab countries for the year 2021, the corporation's research team relied on about 100 top sovereign ratings and composite and sub-indicators issued by more than 20 specialized international organizations, giving priority to the most comprehensive indices of the most influential elements of the investment climate.
- Although they are not updated, the indices of doing business environment and governance (issued by the World Bank Group) and foreign direct investment restrictions (issued by the Organization for Economic Cooperation and Development - OECD) for the year 2020, and the productive capacity index (issued by UNCTAD) for the year 2018 were listed, due to their paramount importance to clarifying the institutional and procedural situation of the countries, which does not often see significant changes every year, until new results appear for these indicators, bearing in mind that the World Bank is in the process of reviewing the methodology for the business performance environment index and its sub-indicators.
- The corporation's research team ranked the Arab countries from the best to the worst in the international indices and their sub-indicators, counting on the values obtained by the countries in those indicators, in order to facilitate and accurately explain the changes that occurred in the state's position in the investment climate and related indicators, in a way that enables decision-makers to determine the strengths and weaknesses in every field and necessary mechanisms to improve the state's position.
- A country's global ranking in the index may change even if its value in the index has not changed, and the country's value may change but its ranking remains unchanged, due to the possibility that there could be a change in other countries' index values or in the number of the index's listed countries.
- A number of sub-indicators were repeatedly included in more than one composite index, taking the "tax burden" as an example in this regard. At the same time, the ranking of the Arab countries in those indicators was different in spite of similarity in the name, owing to several differences between these indicators, mainly the methodology used, relative weights of variables, the number of countries included, and the reference period for data collection.
- The number of countries included in the composite indicators may differ from the sub-indicators due to the level of data availability at the level of sub-indicators, just as is the case with sustainable development indices.
- Conditional formatting was used to rank the countries in order to make it easy to identify the country's position in the indicators, in order to enable the recipient and the decision-maker to easily determine the strengths and weaknesses of the composite indices and sub-indicators, and to set reform priorities.
- The corporation asked the member countries to provide it with the most important 10 reforms undertaken to improve the investment climate. But, due to some members' failure to reply, the corporation's research team had to postpone the inclusion of the reforms section to the 2023 report, hoping that more countries would respond in order for the report to monitor reforms in a more comprehensive and realistic mode.
- In its report, the corporation is keen to present an accurate, up-to-date and holistic picture of the actual performance of Arab countries in the field of foreign direct investments. Therefore, it seeks to rely on three main sources of data in line with professional conditions, chiefly a unified data methodology. The three sources come as follows:
 - ◊ The United Nations Conference on Trade and Development (UNCTAD) database, which monitors the flows and stocks of countries' inbound and outbound foreign direct investments according to their balances of payments prepared by central banks as instructed by the International Monetary Fund. It is the internationally recognized official source of foreign direct investment data in the world.
 - ◊ The database of foreign investment projects in the world fDi Markets, which monitors greenfield foreign direct investment projects as well as their expansions. This database provides information on the number of projects, their estimated capex, job opportunities, and their geographical and sectoral distribution.
 - ◊ Official government sources in the Arab countries, which, should international data preparation standards be followed, can provide more comprehensive, accurate and up-to-date data, especially at the level of sectoral and geographical distribution.
- There could be differences between the data issued by international institutions and the data issued by local authorities, mainly due to the methodology used, relative weights of variables, and the reference period of data collection.

Introduction:

The Report of the Investment Climate in Arab countries for 2022 handles changes in the indices of the investment climate and doing business environment in the region in 2021, based on the visions, reports and ratings of international corporations and financial, investment and consulting institutions regarding the political, economic and institutional situations in the region's countries, in a way that boosts the report's ability to explain the investment climate in a more accurate, objective and up-to-date way, covering all Arab countries and providing reliable and useful information to officials, decision-makers and the private sector's institutions in the region and the entire world.

The four-section report deals with changes in the investment climate in 2021 and their reflections on the volume of FDI projects and inflows into the region, taking into account the expected impact of political and economic developments and the Russian-Ukrainian war as well as their consequences.

Section One: Investment climate changes in Arab countries for 2021

It includes and monitors major changes in the investment and business environment in Arab countries in 2021, based on the key composite indices issued by specialized international organizations, which characterized by:

- These indicators cover the various political, economic, institutional, procedural and other components of the investment climate.
- They are based on a large number of variables and sub-indicators, which are mostly linked to the country's investment and business environment whether directly or indirectly.
- All the indices are issued by reliable international agencies and are used by important investment bodies across the world, mainly multinational companies, to assess the investment climate and business environment worldwide.
- Most of the indices are updated annually and duly according to recent statistics used in the evaluation of development in the investment climate in the reporting year.

In this part, there are four main components, each of which includes a group of composite indices and sub-indicators that are closely related to the investment climate in the Arab countries. They come as follows:

First: The group of sovereign and country risks indices

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

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

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

- Indices for assessing country risks in trade and investment, issued by the agencies Euler Hermes, Coface, Credendo, Nexi and Dun & Bradstreet.

Second: The group of economic performance indices:

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

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

Third: The group of legislative and regulatory environment indices:

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

- Worldwide Governance Indicators: to gauge the availability of the components of good governance through 6 dimensions: voice and accountability, political stability and absence of violence, government effectiveness, regulatory quality, rule of law, and control of corruption.
- Doing Business Index: to monitor the regulatory procedures to estimate the ease of doing business in the country through 10 sub-indicators to monitor the procedures, time and cost required for starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, enforcing contracts and resolving insolvency and trading across-borders.
- The Economic Freedom Index: to measure and evaluate the freedom to practice economic activities through 12 sub-indicators that reflect the country's position in four main dimensions: rule of law, government size, regulatory efficiency and market openness.



- Investment agreements: they include the cumulative number of bilateral investment agreements until 2022, as they are basic indicators to gauge the country's keenness to encourage and protect investments on its territory.
- The FDI Regulatory Restrictiveness Index: It measures legal restrictions on foreign direct investment in 42 primary and sub-economic sectors through 84 indicators that monitor four main restrictions on investing in stocks, approval mechanisms, and restrictions on hiring foreign managers, as well as restrictions on capital transfer or land ownership.
- The results of the year 2020 were relied on in the indicators of governance, doing business environment and regulatory restrictions since they are among the most important and prominent indicators to illustrate the institutional and procedural situation within the country, until new results appear for these indicators, given that the World Bank is currently in the process of reviewing the methodology for the doing business environment index.

Fourth: The Groupe of indicators of production factors.

Production factors include four main components: labor, land, capital and organization, in addition to technology, research and development, and others. This part sheds light on the most important composite indicators that illustrate the status of Arab countries in the various factors of production as follows:

- Natural Resources Index: It monitors the share of oil, natural gas, coal, minerals, and forestry revenues to the state's GDP.
- Productive Capacities Index: It is a multi-dimensional combination of measuring a country's production capacity and how to improve it, by monitoring production factors such as human capital, natural capital, energy, transportation, information and communication technology, in addition to indicators of institutions, the private sector and structural change.
- The Entrepreneurship Index: It monitors an important variety of production factors that include six main components: innovation, competitiveness, labor skills, infrastructure, access to capital and openness to business, by tracking 18 sub-indicators.
- Global Energy Index: It measures the country's ability to provide sustainable energy through three dimensions: energy security, energy equity and environmental sustainability.
- Sustainable Development Index: It gauges the progress made by the country in all 17 sustainable development goals, and it is measured through 231 sub-indicators, including indicators related to production factors such as work, energy and services.
- Global Innovation Index: It reflects the innovative performance of countries, and represents a combination of the institutional and legal environment, doing business environment, human capital, research, infrastructure and market status, in addition to knowledge, technological and creative outputs.
- Global Knowledge Index: It largely reflects the element of work and technology, and consists of seven basic indicators:

pre-university education, higher education, technical education, training, research and development, innovation and information technology, along with the economy and the enabling environment.

Section Two: Foreign Direct Investment Projects into Arab Countries for 2021

This section focuses on monitoring greenfield or expanded foreign direct investment projects in the Arab countries during the year 2021, based on the information contained in the database of foreign investment projects in the world FDI Markets issued by the Financial Times, which is one of the most important sources recognized by the United Nations Conference on Trade and Development (UNCTAD) in monitoring the movement of investments in the world.

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

The most important information about the geographical and sectoral distribution of these projects is also extracted by presenting lists of the most important regions, countries and companies investing in the region, the most important implemented projects, the most important Arab countries and the economic sectors receiving these projects during the year 2021.

Section Three: Inter-Arab Investment Projects for 2021

This section provides more detailed information on the movement of inter-Arab investments during the year 2021, which is part of the total foreign direct investment projects in the Arab countries, mentioned in Section Two.

Section Four: FDI Inflows and Stocks into Arab Countries for 2021

This section differs from the previous sections in the nature of its data in terms of the methodology for its preparation and its source, focusing on monitoring the actual inflows of foreign direct investment into and from Arab countries according to the methodology of the International Monetary Fund (IMF) issued in the sixth edition of the balance of payments on which the United Nations Conference on Trade and Development (UNCTAD) counts to prepare that data.

In this section, the overall picture of the movement of foreign direct investments into the Arab countries is completed by monitoring the actual flows, in addition to the foreign and Arab projects in the region, discussed in the second and third sections.

Conclusion and recommendations:

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



Section One: Investment Climate Changes in Arab Countries for 2021

This section handles major changes in the investment climate in Arab countries in 2021. These changes are monitored on the basis of the composite indices of specialized international organizations.

All of These indices cover the various components of the investment climate at the political, economic, institutional and organizational levels, including indicators of production factors and others., They are prepared based on a large number of variables and sub-indicators, most of which are directly or indirectly related to the conditions of the investment climate and the business environment in the Arab countries. :

All the indices are issued by credible international agencies and used by leading global investors, mainly multinational companies, in the evaluation of the investment climate and business environment worldwide.

Most of the data are updated annually and duly in line with recent statistics used in the evaluation of development in the investment climate.

These indices are divided into four main sets coming as follows:

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

Contents of Section One

First: Sovereign rating and country risk measurement indices.	
1-1-1 Sovereign Rating Indices	10
1-1-2 Fitch Country Risk Index	12
1-1-3 PRS Country Risk Index	13
1-1-4 Indices of country risks related to trade	14
1-1-5 Country risk indices for investment and business	16
Second: Economic Performance indicators	
1-2-1 Internal economic performance indicators	18
1-2-2 External economic performance indicators	19
Third: Legislative and regulatory environment indicators	
1-3-1 Worldwide Governance	20
2-3-1 Doing business environment	22
1-3-3 Economic Freedom	24
1-3-4 Bilateral investment treaties	26
1-3-5 Investment-related treaties	27
1-3-6 FDI regulatory restrictiveness	28
Fourth: Indicators of production elements	
1-4-1 Natural Resources	29
1-4-2 Productive Capacities	30
1-4-3 Entrepreneurship	32
1-4-4 Global Energy	33
1-4-5 Sustainable Development	34
1-4-6 Global Innovation	36
1-4-7 Global Knowledge	38

Section One: Investment climate changes in Arab countries for 2021

First: Sovereign rating and country risk measurement indices

1-1-1 Sovereign Ratings

The position of Arab countries in Sovereign Ratings was stable during 2021, based on the Arab economic improvement, regional political changes and control over the epidemiological situation. The following are these main changes:

At the level of countries covered by Sovereign Ratings:

- Only eight Arab countries -- Qatar, Kuwait, Saudi Arabia, Oman, Jordan, Bahrain, Egypt and Lebanon – were rated by the world's five major credit rating agencies, Standard & Poor's, Moody's, Fitch, Capital Intelligence and IHS.
- Five Arab countries: Algeria, Libya, Yemen, Sudan and Syria, were only rated by HIS Markit.
- Five Arab countries; Mauritania, Comoros, Djibouti, Somalia and Palestine, were not rated by the five agencies.
- There is a high degree of consistency between the sovereign ratings of Arab countries according to the five agencies.

At the level of changes in sovereign rating:

- The Arab countries stabilized in the sovereign credit ratings of the world's five major credit rating agencies, Standard & Poor's, Moody's, Fitch, Capital Intelligence and HIS Markit, with the exception of five countries whose ratings declined in 2021, compared to 2020.
- The UAE, Qatar, Kuwait and Saudi Arabia were assigned a rating of A in different grades, representing a high sovereign rating that reflects a safer credit position in 2020 and 2021.
- Six countries: Oman, Jordan, Bahrain, Egypt, Morocco and Algeria received a B-level rating of different degrees, i.e. a sovereign rating of medium to high credit risks, from the majority of global agencies during 2020 and 2021.
- Tunisia and Iraq's rating ranged from B to C in various grades, i.e. between a level of high credit risks and a level of very high credit risks, according to Fitch and Moody's, during 2020-2021.
- Algeria, Libya, Yemen, Sudan and Syria were ranked only by HIS Markit, with B-to-C ratings in 2020 and 2021.
- Five countries were rated at Level C with different grades during 2021.

Stability

of Arab countries in the sovereign credit ratings of the five major agencies, with the declining of five Arab countries, during 2021

Four countries

UAE, Kuwait, Qatar and Saudi Arabia, maintained a high sovereign rating of A with its various degrees

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

Section One: Investment climate changes in Arab countries for 2021

First: Sovereign rating and country risk assessment indices

التقييمات السيادية للدول العربية من قبل أهم الوكالات العالمية بنهاية ديسمبر 2021

Sovereign ratings of Arab countries by the most important international agencies by the end of December 2021

Arab ranking 2021	Country	ستاندرد آند بوز		موديز	فيتش	كابيتال انتليجينس		آي اتش اس		الدولة	الترتيب العربي 2021
		Standard & Poor's	النظرة المستقبلية/	التقييم السيادي /	التقييم السيادي /	التقييم السيادي /	النظرة المستقبلية/	التقييم السيادي /	النظرة المستقبلية/		
		Sovereign rating	Outlook	Sovereign rating	Sovereign rating	Sovereign rating	Outlook	Sovereign rating	Outlook		
1	UAE	—	—	Aa2	AA+	AA-	مستقر / Stable	AA-	مستقر / Stable	الإمارات	1
2	Qatar	AA-	مستقر / Stable	Aa3	AA	AA-	مستقر / Stable	A+	سليبي / Negative	قطر	2
3	Kuwait	A+	إيجابي / Positive	A1	AA+	A+	مستقر / Stable	AA-	مستقر / Stable	الكويت	3
4	Saudi Arabia	A-	مستقر / Stable	A1	A+	A+	سليبي / Negative	A+	مستقر / Stable	السعودية	4
5	Morocco	BBB-	سليبي / Negative	Ba1	BB+	—	—	BBB	سليبي / Negative	المغرب	5
6	Oman	B+	إيجابي / Positive	Ba3	BB+	BB	سليبي / Negative	BB-	سليبي / Negative	سلطنة عمان	6
7	Jordan	B+	إيجابي / Positive	B1	BB	B+	مستقر / Stable	B+	مستقر / Stable	الأردن	7
8	Bahrain	B+	إيجابي / Positive	B2	BB+	B+	مستقر / Stable	B+	سليبي / Negative	البحرين	8
9	Egypt	B	مستقر / Stable	B2	B+	B+	مستقر / Stable	B+	مستقر / Stable	مصر	9
10	Tunisia	—	—	Caa1	B+	—	—	B+	سليبي / Negative	تونس	10
11	Iraq	B-	مستقر / Stable	Caa1	B-	—	—	CC+	مستقر / Stable	العراق	11
12	Algeria	—	—	—	—	—	—	B+	سليبي / Negative	الجزائر	12
13	Lebanon	SD	—	C	CCC	SD	—	CCC	سليبي / Negative	لبنان	13
14	Libya	—	—	—	—	—	—	CCC	سليبي / Negative	ليبيا	14
15	Yemen	—	—	—	—	—	—	CC	مستقر / Stable	اليمن	15
16	Sudan	—	—	—	—	—	—	CC	سليبي / Negative	السودان	16
17	Syria	—	—	—	—	—	—	C	مستقر / Stable	سوريا	17

Sovereign credit rating, solvency or creditworthiness is an independent rating of a state's creditworthiness by specialized global agencies to give markets and investors its vision of the level of various risks associated with investing in that country's debt, by assessing its ability to fulfill its financial obligations on time and in full. In other words, it provides a common and transparent universal language for investors and other market participants, companies and governments to become part of decision-making processes at all levels. In a clearer sense, credit rating or creditworthiness can be defined as a degree that shows how much a country or institution can pay off its debts.

A credit rating agency assesses the economic and political environment of the state on the basis of several indicators, usually at the behest of the state, given that a good sovereign credit rating is essential for countries, especially developing ones that are willing to obtain financing from international financial markets, as well as its utmost importance to enhancing the confidence of international investors and attracting foreign direct investment.

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

Section One: Investment climate changes in Arab countries for 2021

First: Sovereign rating and country risk assessment indices.

1-1-2 Fitch Country Risk Index

- The average ranking of Arab countries improved slightly in the Fitch Country Risk Index in 2021, moving from an average ranking of 126 in 2020 to an average ranking of 125 in 2021. Twelve Arab countries ranked below the Arab average (higher risk than the Arab average) between 134th place for Tunisia and 199th for Yemen.
- The global ranking of 10 Arab countries in the Fitch Country Risk Index improved during 2021, led by Djibouti, Jordan and Oman, which jumped 13, 12 and 10 positions respectively, compared to the decline of the ranking of 10 other countries, while Iraq settled at 172nd place globally.
- Arab countries recorded the best performance in the operational risk index, followed by the short-term political risk index.
- The GCC countries ranked first in the Arab Region: UAE (27th in the world), Saudi Arabia (42nd globally), Qatar (43rd globally), Oman (44th globally), Kuwait (52nd globally) and Bahrain (66th globally).
- The GCC countries ranked first in the Arab world: UAE (27th globally), Saudi Arabia (42nd globally), Qatar (43rd globally), Oman (44th globally), Kuwait (52nd globally) and Bahrain (66th globally).
- Morocco (76th globally), Jordan (83rd globally) and Egypt (90th globally) ranked better than the global average ranking by the Composite Risk Index during 2020 and 2021.
- Egypt, Jordan and Iraq remarkably continued to appear among the top five Arab countries in three sub-indices during 2020 and 2021.

The average of Arab ranking in Fitch index improved in 2021, best performance in Operational Risk Index

الترتيب العالمي للدول العربية في مؤشر فيتش لمخاطر الدول												
The global ranking of Arab countries in the Fitch Country Risk Index												
Arab ranking 2021	Country	مؤشر المخاطر التشغيلية Operational risk index 2021	المخاطر الاقتصادية طويلة المدى Long term economic risk 2021	المخاطر الاقتصادية قصيرة المدى Short term economic risk 2021	المخاطر السياسية طويلة المدى Long term political risk 2021	المخاطر السياسية قصيرة المدى Short term political risk 2021	التغير Change	الترتيب العالمي في مؤشر فيتش Global rank in Fitch index 2021	الترتيب العالمي في مؤشر فيتش Global rank in Fitch index 2020	الدولة	الترتيب العربي 2021	
1	UAE	18	67	59	34	10	↑	3	27	30	الإمارات	1
2	Saudi Arabia	41	40	31	105	53	↑	1	42	43	السعودية	2
3	Qatar	33	78	69	67	16	↑	7	43	50	قطر	3
4	Oman	33	115	64	55	25	↑	10	44	54	سلطنة عمان	4
5	Kuwait	62	65	47	75	35	↓	(1)	52	51	الكويت	5
6	Bahrain	31	126	147	101	50	↓	(1)	66	65	البحرين	6
7	Morocco	72	97	116	69	103	↑	4	76	80	المغرب	7
8	Jordan	66	124	167	60	87	↑	12	83	95	الأردن	8
9	Egypt	78	64	93	115	118	↑	6	90	96	مصر	9
10	Tunisia	106	168	169	80	164	↓	(9)	134	125	تونس	10
11	Algeria	131	121	107	125	170	↑	4	141	145	الجزائر	11
12	Djibouti	161	150	153	131	95	↑	13	151	164	جيبوتي	12
13	Iraq	159	130	69	180	186	↔	0	172	172	العراق	13
14	Lebanon	105	188	171	175	182	↓	(7)	173	166	لبنان	14
15	Mauritania	177	171	176	170	165	↓	(8)	178	170	موريتانيا	15
16	Palestine	147	190	178	179	192	↓	(3)	184	181	فلسطين	16
17	Libya	167	164	113	197	190	↓	(1)	185	184	ليبيا	17
18	Syria	169	191	177	198	188	↑	3	190	193	سوريا	18
19	Somalia	193	162	198	194	196	↓	(3)	195	192	الصومال	19
20	Sudan	181	194	199	189	198	↓	(2)	197	195	السودان	20
21	Yemen	197	195	194	192	200	↓	(2)	199	197	اليمن	21
Arab average		111	133	128	128	125	↑	1	125	126	المتوسط العربي	
Total countries		200	200	200	200	200			200	200	إجمالي عدد الدول	

Fitch Country Risk Index measures the relative strength of the fundamentals of 200 countries around the world and the impact of shocks on them through three risk dimensions: economic, political and operational. The index determines country risks at a composite score of zero (low score= higher risk) to 100 (higher score= lower risk), based on the five risk sub-indicators: long-term political risks, short-term political risks, short-term economic risks, long-term economic risks and operational risks.

Each sub-indicator measures the following:

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

Section One: climate changes in Arab countries for 2021

First: Sovereign rating and country risk assessment indices

1-1-3 PRS Country Risk Index

- The average ranking of Arab countries in the PRS Country Risk Index improved during 2021 by six positions, jumping from the average ranking of 96 to the average ranking of 90. Ten Arab countries ranked below the Arab average (higher risk than the Arab average), with Iraq and Sudan coming 95th and 141st respectively.
- The ranking of 12 Arab countries worldwide in the PRS Country Risk Index improved during 2021 against the decline of the ranking of five other countries, while Egypt settled in 101st place globally, between 2020 and 2021.
- Arab countries performed best in the financial risk index, followed by the economic risk index.
- The Arab Gulf countries and Morocco led the top five positions, with Saudi Arabia ranked first in the Arab world in the PRS index (18th globally), followed by the UAE (20th globally), Qatar (21st in globally), Kuwait (52nd globally), Oman in fifth place in the Arab world (60th globally), Bahrain and Morocco in sixth place in the Arab world (77th globally).
- Morocco, Libya and Iraq were notably among the top five Arab countries in a sub-index (financial and economic risks).

An improvement in the average ranking of Arab countries in the PRS index, 7 countries ranking better than the Arab average during 2021

الترتيب العالمي للدول العربية في مؤشر PRS لمخاطر الدول									
The global ranking of Arab countries in the PRS Index of Country Risk									
Arab ranking 2021	Country	مؤشر المخاطر الاقتصادية	مؤشر المخاطر المالية	مؤشر المخاطر السياسية	التغير	المؤشر المركب	المؤشر المركب	الدولة	الترتيب العربي 2021
		Economic risk index 2021	Financial risk index 2021	Political risk index 2021		Composite index 2021	Composite index 2020		
1	Saudi Arabia	21	6	41	↑	19	18	السعودية	1
2	UAE	16	57	27	↑	6	20	الإمارات	2
3	Qatar	2	40	52	↑	7	21	قطر	3
4	Kuwait	57	25	58	↑	5	52	الكويت	4
5	Oman	74	79	47	↑	6	60	سلطنة عمان	5
6	Bahrain	68	96	63	↑	11	77	البحرين	6
6	Morocco	80	47	77	↑	9	77	المغرب	6
8	Libya	16	64	117	↑	25	90	ليبيا	8
9	Iraq	49	40	119	↑	28	95	العراق	9
10	Jordan	99	69	93	↓	(1)	98	الأردن	10
11	Egypt	93	69	97	→	0	101	مصر	11
12	Tunisia	119	125	80	↑	1	110	تونس	12
13	Algeria	122	17	123	↑	6	111	الجزائر	13
14	Yemen	131	86	138	↑	2	134	اليمن	14
15	Lebanon	138	127	121	↓	(1)	135	لبنان	15
15	Somalia	110	104	141	↓	(1)	135	الصومال	15
17	Syria	137	137	137	↓	(1)	139	سوريا	17
18	Sudan	138	141	140	↓	(1)	141	السودان	18
Arab average		82	74	93	↑	6	90	96	المتوسط العربي
Total countries		141	141	141			141	140	إجمالي عدد الدول

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

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

Section One: Investment climate changes in Arab countries for 2021

First: Sovereign rating and country risk assessment indices

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

- According to the world's most important agencies and institutions specializing in assessing the risks of countries related to trading across borders, primarily Credendo Group, Euler Hermes, Nexi of Japan and Dun & Bradstreet, the following can be concluded:
- The average ranking of Arab countries in the seven indicators settled at 117th place.
- Ten Arab countries were rated in a better level than the Arab average in the seven country risk indicators related to trading across borders, while 12 countries were below the Arab average, ranging between the 112th and 154th places.
- Arab countries recorded the best performance in their global average ranking in the Dun & Bradstreet index for the risks of trading across borders (55).
- Kuwait topped the Arab ranking in trade-related risk indicators (i.e., the lowest in trading across border risks and the most solvent to pay off debt in trade transactions), and topped the global and Arab ranking in the Credendo index for political risks in exports to the country in the short term (out of 241 countries distributed over 121 positions).
- The UAE ranked second in the Arab world in trading across borders risk indicators, and scored its best ranking in Dun & Bradstreet index, and ranked second at both global and Arab levels.
- Saudi Arabia came in third place in the Arab region and recorded its best ranking in the Dun & Bradstreet index, where it ranked 13th in the world and 3rd in the Arab region, then in the

Nexi Index (27th in the world) and the first in the Arab region.

- Qatar ranked fourth in the Arab region in the average ranking in the seven indicators, ranked first at both global and Arab levels in the Dun & Bradstreet index, and then second in the Arab region in five other indicators.
- Morocco, Algeria, Egypt, Oman, Bahrain and Jordan respectively came from fifth to 10th place at the Arab level in the average ranking of the seven indicators.

10
Arab

Countries at a better level than the Arab average of trade-related risk indicators for 2021

Kuwait

topped Arab countries in most country trade-related risk indicators for 2021

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

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

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

Credendo export indicators cover 241 countries around the world:

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

Section One: Investment climate changes in Arab countries for 2021

First: Sovereign rating and country risk assessment indices

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

Below-average Arab performance, with stable average ranking in indicators of country risks related to trade.

الترتيب العالمي للدول العربية في أهم مؤشرات مخاطر الدول المتعلقة بالتجارة لعام 2021

The global ranking of Arab countries in the most important indicators of country risk related to trade in 2021

Arab ranking 2021	Country	المتوسط العام للترتيب Average rank	كريدنغو لمخاطر التصدير الى الدولة (المخاطر التجارية) Commercial risk	كريدنغو لمخاطر التصدير الى الدولة مخاطر سياسية في المدى القصير Political risk short term	كريدنغو لمخاطر التصدير الى الدولة- مخاطر سياسية في المدى المتوسط والطويل Political risk M/L term	كريدنغو لمخاطر التصدير الى الدولة (تصنيف منظمة التعاون لاقتصادي والتنمية) Premium classification OECD	تصنيف دان أند براد ستريت D&B rating	مؤشر نيكسي لمخاطر التجارة NEXI risk index for trade	مؤشر ايلير هيرميس Euler Hermes index	الدولة	الترتيب العربي 2021
1	Kuwait	56	153	1	64	42	13	27	89	الكويت	1
2	UAE	61	153	64	64	42	2	27	75	الإمارات	2
3	Saudi Arabia	65	153	64	64	42	13	27	89	السعودية	3
4	Qatar	70	153	64	93	49	1	42	89	قطر	4
5	Morocco	75	153	64	93	49	13	42	113	المغرب	5
6	Algeria	99	153	113	93	75	64	68	125	الجزائر	6
7	Egypt	105	153	143	115	75	64	68	119	مصر	7
8	Oman	112	153	143	143	92	42	83	125	سلطنة عمان	8
9	Bahrain	112	153	143	143	92	42	83	125	البحرين	9
10	Jordan	114	153	171	143	75	64	68	125	الأردن	10
11	Tunisia	124	153	171	143	92	64	83	163	تونس	11
12	Iraq	140	153	171	143	126	99	105	183	العراق	12
13	Mauritania	150	153	143	143	126	-	-	183	موريتانيا	13
14	Djibouti	151	153	113	198	126	-	-	167	جيبوتي	14
15	Lebanon	150	153	221	198	126	64	105	183	لبنان	15
16	Libya	155	153	221	198	126	99	105	183	ليبيا	16
17	Syria	155	153	221	198	126	99	105	183	سوريا	17
18	Sudan	155	153	221	198	126	99	105	183	السودان	18
19	Yemen	155	153	221	198	126	99	105	183	اليمن	19
20	Somalia	164	153	221	198	126	-	105	183	الصومال	20
21	Palestine	175	153	221	198	126	-	-	-	فلسطين	21
22	Comoros	176	153	171	198	-	-	-	183	جزر القمر	22
Arab average		117	153	149	147	95	55	75	145	المتوسط العربي	
Total countries		199	241	241	241	180	104	142	241	إجمالي عدد الدول	

Credendo index for commercial risks in export operations rates 241 countries in line with three levels: A (low risk level including eight countries) (B (medium risk level including 56 countries) and C (high risk level including 177 countries in 2021. All Arab countries were rated at C level

Section One: Investment climate changes in Arab countries for 2021

First: Sovereign rating and country risk measurement indices.

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

According to Coface rating of country risks and business climate risks, as well as Credendo rating of direct investment risks in Arab countries during 2021, twelve Arab countries ranked better than the Arab average in the six indicators related to direct investment in the country during 2021, while 10 countries fell below the Arab average, ranging between 126th and 200th positions.

- Arab countries recorded the best performance according to the average ranking in the Coface country risk index, followed by the Coface business climate index and then the Credendo index of expropriation risks and gov's actions in direct investments in countries.
- The UAE ranked first in the Arab world in investment risk indicators (i.e. the lowest investment and business climate risk) and recorded its best-ever position in the world in the Coface country risk index, coming 25th globally.
- Kuwait ranked second in the Arab world in business climate risk indicators, recoding its best-ever global place in Coface country risk and business climate risk indices, ranked 38th globally and second in the Arab world.
- Qatar came in third place in the Arab world and ranked best in the Coface country risk and business climate risk indices, ranking 38th in the world and second in the Arab world.
- Morocco ranked fourth in the Arab world in the average ranking of the six indicators, with the best ranking in the Coface country risk index (49th globally and third in the Arab world).
- Saudi Arabia, Oman, Jordan, Egypt, Tunisia and Bahrain each ranked fifth to 10th respectively, according to the average ranking of the six investment risk indicators.
- Egypt, Jordan, Tunisia, Algeria and Djibouti were among the top three in the Arab world in at least one of the six investment risk indicators during 2021.

12
Arab

countries were better than the Arab average level in country risk indicators for FDI in 2021

UAE

topped Arab countries in most country risk indexes for FDI in 2021

Credendo business environment risk index (covering 241 countries around the world): An index has been developed to assess the business environment in export operations by assessing the risks resulting from the default of the debtor, the commercial sector and the state in debt repayment. It includes economic and financial indicators such as fluctuations in exchange rates, domestic financing costs, inflation, etc., as well as indicators reflecting the State's experience in payment due to default, on a scale from A (the lowest risk) to G (the highest risk).

- Credendo risk Index for direct investments (covering 241 countries around the world): Credendo Group takes into account the political events and relevant risks like expropriation (confiscation), political violence, inconvertibility and restrictions coming as follows:
- Risks of political violence: Political violence covers all acts of violence committed with political purposes. It is a broader concept of war and includes terrorism for political, religious and ideological purposes, impacts of political violence, i.e. damage to material assets, as well as types of business interruptions due to political violence. Credendo index focuses on the actual levels of domestic violence in the country and external conflict with it, together with potential conflicts owing to persistent internal and external tensions, frustration and dissatisfaction.
- Risks of confiscation of property and government measures: The risk of confiscation includes all discriminatory measures taken by the host government that deprives the investor of his investment without any appropriate compensation. Credendo Group presents expropriation risks and assesses the work of legal institutions in the host country and a potential negative change in attitude towards foreign investments.
- Risks of inconvertibility and transfer restrictions: these indicate that no investment-related funds can be transferred outside the host country. The rating of inconvertibility and transfer restrictions in Credendo index is based on the same risk drivers as the assessment of political risks and risks related to medium/long-term business transactions.
- Coface Country Risk and Business Climate Index: Coface company assesses average risks of corporate credit and business disruption in 181 countries around the world in short-term business transactions, together with the overall quality of the business environment in the country to which goods or services are exported, based on macroeconomic data, financial and political data, Coface's experience in the country (Coface's payment experience) and business climate assessments produced by international organizations. The index issues its rating of eight levels in upward risk order from A1, A2, A3, A4, B, C, D and E.

Section One: Investment climate changes in Arab countries for 2021

First: Sovereign rating and country risk measurement indices.

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

Ranking of Arab countries in related-business & investment climate indicators of risks during 2021 was below global average

الترتيب العالمي للدول العربية في أهم مؤشرات مخاطر الدول المتعلقة بالاستثمار والأعمال عام 2021

The global ranking of Arab countries in the most important indicators of country risks related to investment and business environment risk in 2021

Arab ranking 2021	Country	المتوسط العام للترتيب Average rank	مؤشر كريديندي في الاستثمارات المباشرة Credendo in direct investments			كريدنديو لمخاطر مناخ الأعمال Credendo business environment risk	كوفاس لتقييم مخاطر الأعمال الدولية Coface country risk assessment	كوفاس لتقييم مناخ الأعمال Coface business climate assessment	الدولة	الترتيب العربي 2021
			مخاطر عدم تحويل العملة وتقييد التحويل Currency inconvertibility and transfer restriction	مخاطر مصادرة الملكية والإجراءات الحكومية Expropriation and gov's Action	مخاطر العنف السياسي Political violence					
1	UAE	59	64	48	122	65	25	29	الإمارات	1
2	Kuwait	70	64	92	122	65	38	38	الكويت	2
3	Qatar	76	93	62	158	65	38	38	قطر	3
4	Morocco	80	93	62	158	65	49	51	المغرب	4
5	Saudi Arabia	84	64	92	158	65	49	73	السعودية	5
6	Oman	85	143	48	122	65	78	51	سلطنة عمان	6
7	Jordan	97	143	62	158	65	78	73	الأردن	7
8	Egypt	98	115	92	191	65	49	73	مصر	8
9	Tunisia	111	143	62	158	150	78	73	تونس	9
10	Bahrain	113	143	62	158	150	116	51	البحرين	10
11	Algeria	118	93	127	158	150	78	101	الجزائر	11
12	Djibouti	121	198	127	158	65	78	101	جيبوتي	12
13	Mauritania	126	143	127	158	150	78	101	موريتانيا	13
14	Lebanon	163	198	127	213	195	116	126	لبنان	14
15	Iraq	167	143	157	213	195	150	146	العراق	15
17	Sudan	177	198	157	213	195	150	146	السودان	16
18	Comoros	180	198	-	191	150	-	-	جزر القمر	17
19	Libya	183	198	173	233	195	150	146	ليبيا	18
20	Syria	183	198	173	233	195	150	146	سوريا	19
21	Yemen	183	198	173	233	195	150	146	اليمن	20
22	Somalia	200	198	173	233	195	-	-	الصومال	21
16	Palestine	200	198	173	233	195	-	-	فلسطين	22
Arab average		125	147	113	181	132	89	90	المتوسط العربي	
Total countries		215	241	241	241	241	162	162	إجمالي عدد الدول	

Section One: Investment climate changes in Arab countries for 2021

Second: Economic Performance indicators

1-2-1 Top indicators of internal economic performance for 2021

- Based on 14 economic and financial indicators in 2021, the overall average ranking of Arab countries globally in those indicators stood at 89th place in 2021. Nine Arab countries were better than the Arab overall average of these indicators.
- The best average ranking of Arab countries during 2021 was in the net lending and borrowing index as a proportion of output, the debt service index as a proportion of exports of goods and primary income, and the GDP index according to PPP.
- The UAE and Saudi Arabia led the Arab world with an average ranking of 46 for the 14 economic indicators, followed by Kuwait and Qatar (with an average of 56) and Libya in fifth place in the Arab region (with an average ranking of 57), Iraq (with an average ranking of 66), Bahrain (with an average ranking of 81) and Morocco and Algeria (with an average ranking of 86).
- At the level of Arab countries that ranked ahead/first in the economic indicators for 2021, Libya ranked first in both global and Arab rankings in the indicators of the GDP growth rate and total investments as a proportion of GDP, and ranked second globally (first in the Arab region) in the indicators of net lending and current account balance as a percent of GDP.

The best

average ranking of Arab countries came in indicators of net lending, total debt service and GDP according to PPP in 2021

Average

ranking of Arab countries in 14 indicators of internal and external economic performance stood at 89th in 2021

الترتيب العالمي للدول العربية في أهم المؤشرات الاقتصادية لعام 2021 (جزء 1)

The global ranking of Arab countries in the most important economic indicators for the year 2021 (Part 1)

Arab ranking 2021	Country	معدل البطالة % Unemployment rate %	عدد السكان بالمليون population millions	إجمالي الاستثمارات كنسبة من الناتج Total investment as % of GDP	معدل التضخم (متوسط سنوي) Inflation average consumer prices	نصيب الفرد من الناتج وفق تعادل القوة الشرائية GDP per capita (PPP)	نصيب الفرد من الناتج الإجمالي وفق تعادل القوة الشرائية GDP per capita (\$)	الناتج المحلي الإجمالي وفق تعادل القوة الشرائية Nominal GDP (PPP)	الناتج المحلي الإجمالي (بالمليار دولار) Nominal GDP (USD bn)	معدل نمو الناتج المحلي الإجمالي Real GDP growth (%)	الدولة	الترتيب العالمي 2021
1	UAE	...	91	117	10	6	26	34	34	144	الإمارات	1
1	Saudi Arabia	53	40	64	83	29	44	17	19	129	السعودية	1
3	Kuwait	1	121	84	94	35	38	67	59	166	الكويت	3
3	Qatar	...	136	...	61	4	8	62	57	161	قطر	3
5	Libya	...	104	1	104	84	110	89	102	1	ليبيا	5
6	Iraq	...	35	...	149	117	104	49	53	61	العراق	6
7	Bahrain	51	148	19	3	24	42	99	96	146	البحرين	7
8	Morocco	88	39	35	31	126	128	58	60	43	المغرب	8
8	Algeria	91	33	10	157	108	127	43	58	112	الجزائر	8
10	Djibouti	...	155	48	25	137	129	163	159	110	جيبوتي	10
11	Oman	...	122	116	36	53	50	80	69	153	سلطنة عمان	11
12	Mauritania	...	124	57	107	134	148	141	145	136	موريتانيا	12
13	Egypt	57	13	165	127	103	122	22	35	126	مصر	13
14	Palestine	105	114	55	29	140	132	136	124	60	فلسطين	14
15	Comoros	...	156	144	33	163	161	174	179	145	جزر القمر	15
16	Sudan	106	32	...	192	153	179	70	99	173	السودان	16
17	Jordan	103	86	149	30	115	116	91	91	152	الأردن	17
18	Tunisia	...	77	157	145	114	124	82	90	133	تونس	18
19	Yemen	...	47	171	190	180	181	108	112	184	اليمن	19
19	Somalia	...	71	...	130	189	191	150	151	154	الصومال	19
-	Lebanon	...	...	...	...	...	...	...	...	...	لبنان	-
-	Syria	...	...	...	...	...	...	...	...	...	سوريا	-
	Arab average	73	87	87	87	101	108	87	90	124	المتوسط العربي	
	Total countries	107	193	171	193	193	193	193	193	193	إجمالي عدد الدول	

Section One: Investment climate changes in Arab countries for 2021

Second: Economic Performance indicators

1-2-2 Top indicators of external economic performance for 2021

Libya

Comes first at global and Arab levels in indicators of growth rate and overall investments as a proportion of GDP in 2021

Kuwait

Tops world and Arab ratings with lowest unemployment rate and fifth in indicators of current account balance and proportion of government debt to GDP

Algeria

Comes first at global and Arab levels in indicator of debt service as a percentage of exports of good and services and primary income in 2021

- Kuwait ranked first at both Arab and global levels in the unemployment rate index for the year 2021, and ranked fifth globally in the indicators of the ratio of the current account balance to GDP (2nd at the Arab level) and the ratio of government debt to the GDP (1st in the Arab world).
- Algeria ranked first globally and in the Arab world in the indicator of total debt service as a percentage of exports of goods, services and primary income, and tenth globally (second in the Arab world), in the indicator of total investments as a percentage of GDP.
- Bahrain ranked third globally and first in the Arab region in the inflation rate index.
- Qatar ranked fourth globally and first in the Arab world in the index of GDP per capita according to purchasing power parity, and ranked seventh globally in the index of net lending as a percentage of GDP.
- Djibouti ranked fifth globally in the total debt service index as a percentage of exports of goods and services, and primary income

الترتيب العالمي للدول العربية في أهم المؤشرات الاقتصادية لعام 2021 (جزء 2)

The global ranking of Arab countries in the most important economic indicators for the year 2021 (Part 2)

Arab ranking 2021	Country	المتوسط العام للترتيب Average rank	خدمة الدين كمنسبة من صادرات السلع والدخل الأولي Total debt service as % of exports G&S primary & income	إجمالي الدين الحكومي كمنسبة من الناتج Total gov's gross debt as % of GDP	رصيد الحساب الجاري كمنسبة من الناتج Current account balance as % of GDP	رصيد الحساب الجاري بالعملة Current account balance in USD bn	صافي الاقتراض أو الإقراض الحكومي كمنسبة من الناتج General gov's net lending/borrowing as % of GDP	الدولة	الترتيب العربي 2021
1	UAE	46	...	36	15	15	22	الإمارات	1
1	Saudi Arabia	46	...	25	26	14	58	السعودية	1
3	Kuwait	56	...	5	5	22	33	الكويت	3
3	Qatar	56	...	95	10	20	7	قطر	3
5	Libya	57	...	n/a	2	29	2	ليبيا	5
6	Iraq	66	...	97	27	26	12	العراق	6
7	Bahrain	81	...	179	25	37	183	البحرين	7
8	Morocco	86	42	136	106	168	141	المغرب	8
8	Algeria	86	1	105	104	171	83	الجزائر	8
10	Djibouti	91	5	50	79	70	51	جيبوتي	10
11	Oman	95	...	112	121	161	61	سلطنة عمان	11
12	Mauritania	100	27	84	96	83	19	موريتانيا	12
13	Egypt	106	79	156	130	185	157	مصر	13
14	Palestine	107	...	67	172	148	112	فلسطين	14
15	Comoros	111	29	20	117	71	56	جزر القمر	15
16	Sudan	116	9	187	142	142	29	السودان	16
17	Jordan	119	76	154	162	169	167	الأردن	17
18	Tunisia	122	60	143	143	160	163	تونس	18
19	Yemen	137	...	107	131	122	109	اليمن	19
19	Somalia	137	...	...	177	123	38	الصومال	19
21	Lebanon	...	101	...	...	...	...	لبنان	...
22	Syria	...	...	...	...	...	...	سوريا	...
Arab average		89	43	98	90	97	75	المتوسط العربي	
Total countries		178	101	190	192	192	193	إجمالي عدد الدول	

**Data for the year 2020

**البيانات لعام 2020

Section One: Investment climate changes in Arab countries for 2021

Third: Legislative and regulatory environment indicators

1-3-1 Worldwide Governance Indicators (1)

Based on the governance indicators' database issued by the World Bank for 214 countries around the world (distributed over 204 rankings) during 2021, the rating of Arab countries came as follows:

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

- The average general ranking of Arab countries was at 143rd between 2019 and 2020.
- Nine Arab countries ranked better than the Arab average during 2020, while the ranking of the remaining countries ranged between 143rd (Palestine) and 204th (Syria).
- Nine Arab countries witnessed an improvement in their global rankings during 2020, with Bahrain and Algeria coming in the lead (they advanced three places), in contrast to a decline in the ranking of three other countries, led by Mauritania (it lost eight places), while the rankings of Qatar, Kuwait, Iraq, Libya and Yemen remained unchanged.
- The UAE ranked first in the Arab world (55th globally), followed by Qatar as second (66th globally), and then came respectively Oman (84th globally), Kuwait (92nd globally) and Jordan (96th globally).
- The ranking of Bahrain (97th globally), Tunisia (108th globally), Saudi Arabia (111th globally), and Morocco (116th globally) was better than the average Arab ranking.

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

- Arab countries achieved the best performance in the rule of law indicator, followed by the regulatory quality index, and then government effectiveness.
- The voice and accountability indicator witnessed the lowest Arab performance on average, as only one Arab country, Tunisia, ranked better than the global average in this indicator.
- The UAE topped the Arab ranking in three sub-indicators, while Qatar topped the Arab world in the indicators of political stability, absence of violence and terrorism and rule of law, and Tunisia came first in the voice and accountability indicator.

Nine countries

saw an improvement in global ranking in 2020, against decline in ranking of seven countries and stability of five others

Stability

of average global ranking of Arab countries at 143rd in Worldwide Governance Index in 2019 and 2020

- **Governance indicators:** They are quantitative indicators issued by the World Bank to gauge the elements of good governance in countries, and they measure six main dimensions: voice and accountability, political stability and absence of violence, government effectiveness, regulatory quality, rule of law and control of corruption, in more than 200 countries, based on nearly 30 data sources around the world that include the opinions and experiences of citizens, businessmen, experts in the public and private sectors and NGOs on the quality of various aspects of governance. These indicators are based on four different types of data sources: household and company surveys, business information providers, NGOs, and public sector institutions.
- **Government Effectiveness Indicator:** It is concerned with perceptions related to the quality of public services, the quality of the civil service, its independence from political pressures, the quality of policy-making and implementation, and government commitment to these policies. The indicator includes variables (such as the quality of road infrastructure, satisfaction with the public transport system, highways, education, health services, etc.) and other variables (such as the quality of public administration, budget management, efficiency of revenue mobilization, and others).
- **Regulatory Quality Indicator:** It measures the government's ability to formulate and implement sound policies and regulations that allow and enhance the development of the private sector. The indicator includes variables (price controls, discriminatory tariffs and discriminatory taxes, etc.), and other indicators (trade policy, business regulatory environment and trade policy).
- **Rule of Law Indicator:** It assesses agents' trust in and commitment to the rules of society, such as the quality of contract enforcement, property rights, the police and courts, and it is gauged through indicators such as contract enforcement, speed of judicial procedures, confiscation/expropriation and others, and others such as trust in the judiciary and the police and judicial independence.
- **The Indicator of Political Stability and Absence of Violence and Terrorism:** It measures the probability of political instability or politically motivated violence, including terrorism, through a set of variables such as armed conflict, violent demonstrations, social unrest, international tensions, terrorist threat, protests and riots.
- **The Voice and Accountability Indicator:** It reflects the ability of a state's citizens to participate in their choice of government, as well as freedom of expression, freedom of association and free media, on the basis of a set of variables, such as democracy, vested interests, accountability of civil servants, human rights and freedom of association.
- **The Corruption Control Indicator:** It measures how public power is exercised for private gain, including both minor and major forms of corruption, as well as the "takeover" of the state by elites and private interests.

Section One: Investment climate changes in Arab countries for 2021

Third: Legislative and regulatory environment indicators

1-3-1 Worldwide Governance Indicators (2)

Nine Arab countries; UAE, Qatar, Oman, Kuwait, Jordan, Bahrain, Tunisia, Saudi Arabia and Morocco, ranked better than Arab average in 2020

وضع الدول العربية في مؤشر الحوكمة العالمي ومكوناته الفرعية لعام 2020 وفق الترتيب العالمي

The position of Arab countries in the Worldwide Governance Index and its subcomponents for 2020 according to the global ranking

Arab ranking	Country	المشاركة والمساءلة Voice and accountability	الاستقرار السياسي وغياب العنف Political stability no violence	فعالية الحكومة Gov's effectiveness	الجودة التنظيمية Regulatory quality	سيادة القانون Rule of law	مكافحة الفساد Control of corruption	التغيير Change	الترتيب العالمي Global ranking 2020	الترتيب العالمي Global ranking 2019	الدولة	الترتيب العربي
1	UAE	174	73	26	37	44	36	▲ 2	55	57	الإمارات	1
2	Qatar	179	68	46	51	37	47	▬ 0	66	66	قطر	2
3	Oman	173	91	88	70	60	80	▼ (1)	84	83	سلطنة عمان	3
4	Kuwait	146	97	114	79	77	97	▬ 0	92	92	الكويت	4
5	Jordan	151	137	90	84	86	85	▼ (1)	96	95	الأردن	5
6	Bahrain	189	159	67	57	69	98	▲ 3	97	100	البحرين	6
7	Tunisia	90	162	118	127	88	100	▲ 2	108	110	تونس	7
8	Saudi Arabia	197	165	87	81	84	78	▼ (2)	111	109	السعودية	8
9	Morocco	145	138	99	108	103	120	▲ 1	116	117	المغرب	9
10	Palestine	156	204	149	93	136	144	▲ 2	143	145	فلسطين	10
11	Mauritania	157	171	165	166	146	161	▼ (8)	164	156	موريتانيا	11
12	Egypt	192	189	142	156	126	162	▼ (5)	165	160	مصر	12
13	Djibouti	187	136	155	167	176	157	▲ 1	168	169	جيبوتي	13
14	Algeria	170	176	139	190	164	150	▲ 3	170	173	الجزائر	14
15	Lebanon	140	196	185	149	169	184	▼ (5)	177	172	لبنان	15
16	Iraq	165	210	189	191	201	190	▬ 0	190	190	العراق	16
17	Sudan	188	201	197	200	182	195	▲ 2	194	196	السودان	17
18	Libya	184	208	205	207	206	203	▬ 0	200	200	ليبيا	18
19	Yemen	199	211	208	201	202	205	▬ 0	201	201	اليمن	19
20	Somalia	202	209	207	204	208	204	▲ 1	202	203	الصومال	20
21	Syria	205	213	203	202	207	208	▼ (2)	204	202	سوريا	21
Arab average		171	163	137	134	132	138	0	143	143	المتوسط العربي	
Total countries		208	213	209	209	209	209		214	204	عدد الدول	

Section One: Investment climate changes in Arab countries for 2021

Third: Legislative and regulatory environment indicators

1-3-2 Doing Business Environment Indicator (Reforms required in Arab countries)

According to data from the 2020 Doing Business Environment Report, which monitors the performance of 22 Arab countries, the position of Arab countries improved markedly in the doing business indicator, but the region's average ranking of 118 is still below the global average of 95. In this context, the Arab countries can be divided into three main groups in order in the general index and the degree of reforms required in the sub-indicators as follows:

Group A (nine countries) ranked better than the global average:

- It comprises the UAE, Bahrain, Morocco, Saudi Arabia, Oman, Jordan, Qatar, Tunisia and Kuwait, respectively, ranked between 16th and 83rd globally.
- **Required reforms:** Despite their relatively advanced ranking, some of the countries of this group still need urgent reforms in some areas; including Saudi Arabia in Resolving Insolvency, Oman, Morocco, Qatar and Kuwait, in Getting Credit, Jordan in Dealing with Construction Permits and Qatar in Protecting Minority Investors, Tunisia in Paying Taxes and Getting Credit and Kuwait in Trading across Borders.

Group B (three countries) slightly below the global average:

- It includes Djibouti, Egypt and Palestine, ranked between 112th to 117th globally.
- **Required reforms:** The group's countries need reforms at higher rates than Group A; including Djibouti in six indicators, mainly Trading across Borders, Enforcing Contracts, Paying Taxes and Starting a Business. Egypt needs important reforms in Trading across Borders, Enforcing Contracts, Paying Taxes and Registering Property, while Palestine needs important reforms in Starting a Business, Resolving Insolvency and

Group C (10 countries) ranked well below the global average:

- It includes: Lebanon, Mauritania, Algeria, Comoros, Sudan, Iraq, Syria, Libya, Yemen and Somalia respectively, ranked between 143rd and 190th.
- **Reforms required:** The group's countries need deep reforms in all indicators to varying degrees except for some indicators that are performing well in some countries, for example, Starting a Business and Enforcing Contracts in Mauritania and Resolving Insolvency in Algeria.
- The UAE still ranks first in the Arab countries (16th globally), followed by Bahrain (43rd globally) and Morocco (53rd globally).
- With political events continuing, Iraq ranked 172nd globally, Syria (176th globally), Libya (186th globally), Yemen (187th globally) and Somalia (190th globally).
- The economies of the Arab countries achieved the best performance in Registering Property (average ranking of 92), Paying Taxes (average ranking of 97) and Dealing with Construction Permits (average ranking of 97) during 2020.

Average

ranking of Arab countries (118th) remains below global average of 95, urgent reforms are required in most countries

Doing Business Report: A World Bank Group report that monitors regulatory procedures in 190 economies across 10 sub-indicators to assess ease of doing business:

- **Starting a Business:** It includes the number of procedures, official time and cost that a startup must bear before it can operate legally.
- **Dealing with Construction Permits:** It includes all required procedures for businesses in the construction industry to build a warehouse, along with the required time and cost.
- **Getting Electricity:** It includes all the procedures required for a business to obtain a permanent connection and supply of electricity to a standard warehouse.
- **Registering Property:** It includes a measure of all procedures, time and cost required to transfer ownership of a property to a limited liability company from another company, so that the buyer can use the expansion of his business, as collateral to obtain new loans or to sell the property to another company.
- **Getting Credit:** It gauges the legal rights of borrowers and lenders through a set of indicators and the ranking of economies is determined on the basis of easy access to credit by arranging scores for the Strength of Legal Rights Index and the Depth of Credit Information Index.
- **Protecting Minority Investors:** It measures the protection of small investors from conflicts of interest and the protection of shareholders' rights to corporate governance, based on securities regulations, corporate laws, civil procedure laws, etc.
- **Paying Taxes:** It gauges taxes and mandatory contributions that a medium-sized company must pay in a given year, as well as the administrative burden of paying taxes and contributions and compliance with post-submission procedures.
- **Trading across Borders:** It gauges the time and cost associated with the logistics of exporting and importing goods.
- **Enforcing Contracts:** It gauges the time and cost required to resolve a commercial dispute through a local court of first instance, along with the quality of judicial processes, and a series of good practices that enhance quality and efficiency in the court system.
- **Resolving Insolvency:** It measures the time, cost and results of insolvency proceedings involving local entities as well as the strength of the legal framework applicable to judicial liquidation and reorganization proceedings.

Section One: Investment climate changes in Arab countries for 2021

Third: Legislative and regulatory environment indicators

1-3-2 Doing Business Environment Indicator (Global Ranking)

UAE leads Arab ranking (16th globally), followed by Bahrain (43rd globally) and Morocco (53rd globally)

ترتيب الدول العربية عالميا في المؤشر العام لبيئة أداء الأعمال ومؤشراته الفرعية لعام 2020

The Global ranking of Arab countries in the composite Doing Business Index and its subindicators-Year 2020

Arab ranking	Country	المؤشر العام Global ranking	بدء عمل تجاري Starting a business	التعامل مع تصاريح البناء Dealing with construction permits	تفويض العقود Enforcing contracts	الحصول على الائتمان Getting credit	الحصول على الكهرباء Getting electricity	دفع الضرائب Paying taxes	حماية مستثمري الأقلية Protecting minority investors	تسجيل الملكية Registering Property	التعامل مع حالات الإعسار Resolving insolvency	التجارة عبر الحدود Trading across borders	الدولة	الترتيب عربي
1	UAE	16	17	3	9	48	1	43	13	10	80	92	الإمارات	1
2	Bahrain	43	67	17	59	92	73	1	51	17	60	78	البحرين	2
3	Morocco	53	42	16	60	119	34	24	37	81	73	58	المغرب	3
4	Saudi Arabia	63	37	28	51	92	18	62	3	19	168	86	السعودية	4
5	Oman	68	31	47	69	144	35	11	88	52	97	64	سلطنة عمان	5
6	Jordan	75	120	138	110	4	70	61	105	78	112	76	الأردن	6
7	Qatar	77	108	13	115	119	50	3	157	1	123	101	قطر	7
8	Tunisia	78	19	32	88	104	64	108	61	94	69	90	تونس	8
9	Kuwait	83	82	68	74	119	67	6	51	45	115	162	الكويت	9
10	Djibouti	112	123	87	144	132	121	133	103	117	44	147	جيبوتي	10
11	Egypt	114	90	74	166	67	78	156	57	130	104	171	مصر	11
12	Palestine	117	173	148	123	25	86	112	114	91	168	54	فلسطين	12
13	Lebanon	143	151	164	131	132	127	116	114	110	151	153	لبنان	13
14	Mauritania	152	49	109	48	132	166	177	147	103	168	144	موريتانيا	14
15	Algeria	157	152	121	113	181	102	158	179	165	81	172	الجزائر	15
16	Comoros	160	158	101	179	132	136	168	162	113	168	120	جزر القمر	16
17	Sudan	171	157	124	148	176	162	164	153	95	152	185	السودان	17
18	Iraq	172	154	103	147	186	131	131	111	121	168	181	العراق	18
19	Syria	176	143	186	160	176	160	91	97	162	158	178	سوريا	19
20	Libya	186	164	186	145	186	142	130	183	187	168	129	ليبيا	20
21	Yemen	187	156	186	143	186	187	89	162	86	159	188	اليمن	21
22	Somalia	190	188	186	116	186	187	190	190	153	168	166	الصومال	22
	Arab average	118	108	97	109	124	100	97	106	92	125	127	المتوسط العربي	
	Total countries	190	190	186	190	186	187	190	190	187	168	188	عدد الدول	

Source :Bank database

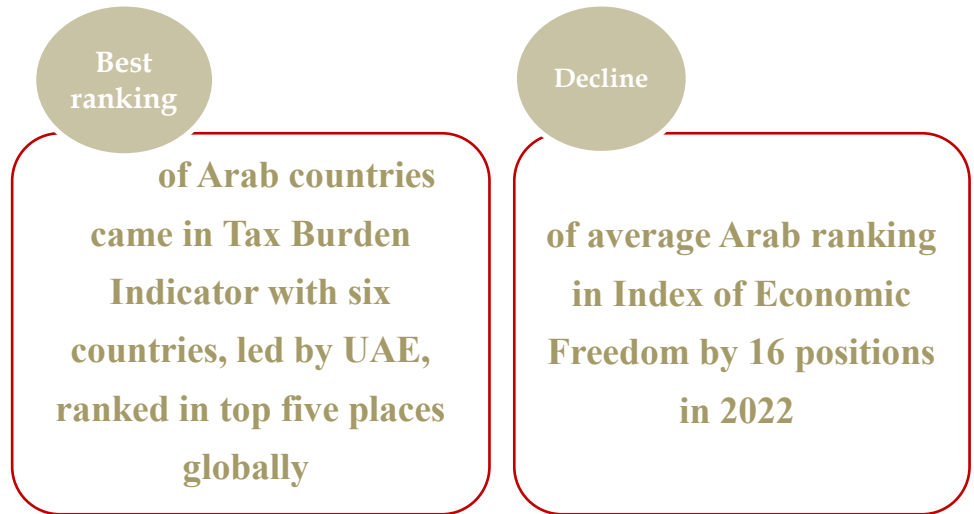
المصدر : البنك الدولي

Section One: Investment climate changes in Arab countries for 2021

Third: Legislative and regulatory environment indicators

1-3-3 Index of Economic Freedom (Economic Freedoms)

- According to the World Index of Economic Freedom, which ranked 177 countries in 2021-2022, including 16 Arab countries, the overall average ranking of Arab countries declined by 16 places in 2022.
- All Arab countries recorded a decline in their ranking in the composite index except for three countries: Mauritania, Djibouti and Sudan.
- The Arab Gulf countries, Jordan and Morocco topped the Arab rankings in 2022, although their ranking declined compared to 2021, with Saudi Arabia, Oman, Bahrain and Kuwait falling by 55, 37, 34 and 27 respectively, compared to 2021.
- In terms of sub-indices, Arab countries achieved the best performance in the tax burden index, and six Arab countries ranked in the top five in the world, led by the UAE at both global and Arab levels, followed by Bahrain (second at both Arab and global levels), Saudi Arabia (third at both global and Arab levels) and Qatar (fourth at both global and Arab levels), and Kuwait and Oman in fifth place at both global and Arab levels, mainly as a result of flexible tax policies in the GCC countries.
- The second best performance of the Arab countries in the sub-indices during 2022, was in the Financial Freedom Index, and 11 Arab countries surpassed the average world ranking, led by Bahrain (first in the Arab world and third globally), Morocco (second in the Arab world and 15th globally), followed by five Arab countries, UAE, Qatar, Jordan, Kuwait and Oman, in the 37th global ranking and the third Arab ranking.



وضع الدول العربية في مؤشر الحرية الاقتصادية ومكوناته الفرعية لعام 2022 وفق الترتيب العالمي (جزء 1)

The position of Arab countries in the Economic Freedom Index and its sub-components for 2022 according to global ranking (Part 1)

Arab ranking	Country	حرية الأعمال Business freedom	حرية العمل Labor freedom	الحرية النقدية Monetary freedom	حرية التجارة Trade freedom	حرية الاستثمار Investment freedom	الحرية المالية Financial freedom	التغير Change	الترتيب العالمي Global ranking 2022	الترتيب العالمي Global ranking 2021	الدولة	الترتيب العربي
1	UAE	43	26	52	54	117	37	▼ (19)	33	14	الإمارات	1
2	Qatar	103	127	97	16	79	37	▼ (13)	44	31	قطر	2
3	Bahrain	96	105	51	13	6	3	▼ (34)	74	40	البحرين	3
4	Jordan	99	80	22	88	43	37	▼ (18)	87	69	الأردن	4
5	Morocco	69	150	61	107	64	15	▼ (16)	97	81	المغرب	5
6	Kuwait	117	123	132	64	99	37	▼ (27)	101	74	الكويت	6
7	Oman	105	154	17	82	64	37	▼ (37)	108	71	سلطنة عمان	7
8	Saudi Arabia	54	164	73	73	132	68	▼ (55)	118	63	السعودية	8
9	Mauritania	161	140	57	142	117	106	▲ 9	119	128	موريتانيا	9
10	Djibouti	138	135	149	173	79	68	▲ 6	120	126	جيبوتي	10
11	Tunisia	108	94	113	118	132	133	▼ (9)	128	119	تونس	11
12	Egypt	123	174	139	145	64	68	▼ (22)	152	130	مصر	13
13	Lebanon	137	113	172	77	117	68	▼ (8)	162	154	لبنان	14
14	Algeria	131	130	59	155	152	133	▼ (5)	167	162	الجزائر	15
15	Sudan	176	155	174	170	173	160	▲ 1	174	175	السودان	16
Arab average		111	125	91	98	96	67	▼ (16)	112	96	المتوسط العربي	
Total countries		177	177	175	176	175	177		177	178	عدد الدول	

Section One: Investment climate changes in Arab countries for 2021

Third: Legislative and regulatory environment indicators

1-3-3 Economic Freedom Index (other indicators)

UAE led Arab ranking in indicators of labor freedom, business freedom, tax burden and government integrity

Bahrain led Arab ranking in indicators of financial freedom, investment freedom and trade freedom

- The worst performance of the Arab countries came in the labor freedom indicator, and only two countries got a better ranking than the world average: the UAE (26th globally and first in the Arab world) and Jordan (80th globally and second in the Arab world).
- The UAE topped the Arab rankings in four indicators: labor freedom, business freedom, tax burden and government integrity.
- Bahrain ranked first in the Arab world in the indicators of financial freedom, investment freedom and trade freedom, but came in late positions in the indicators of fiscal health and judicial effectiveness.
- Kuwait ranked first in the Arab world and globally in the fiscal health indicator during 2022, Tunisia ranked first in the Arab world and 85th in the judicial effectiveness index, and Oman ranked first in the Arab world in the property rights indicator (44th globally) and monetary freedom indicator (17th globally).

وضع الدول العربية في المكونات الفرعية لمؤشر الحرية الاقتصادية لعام 2022 وفق الترتيب العالمي (جزء 2)

The position of Arab countries in the sub-components of the Economic Freedom Index for 2022 according to global ranking (Part 2)

Arab ranking	Country	حقوق الملكية Property rights	الفاعلية القضائية Judicial effectiveness	نزاهة الحكومة Gov's integrity	العبء الضريبي Tax burden	الإتفاق الحكومي Gov's spending	الصلاية المالية Fiscal health	الدولة	الترتيب العربي
1	UAE	64	113	25	1	86	34	الإمارات	1
2	Qatar	50	102	45	4	92	41	قطر	2
3	Bahrain	57	140	86	2	109	168	البحرين	3
4	Jordan	82	97	64	55	82	147	الأردن	4
5	Morocco	74	124	89	149	90	126	المغرب	5
6	Kuwait	119	98	78	5	171	1	الكويت	6
7	Oman	44	142	59	5	157	161	سلطنة عمان	7
8	Saudi Arabia	105	112	62	3	124	145	السعودية	8
9	Mauritania	135	130	151	115	24	33	موريتانيا	9
10	Djibouti	145	137	147	79	52	35	جيبوتي	10
11	Tunisia	68	85	69	115	104	140	تونس	11
12	Egypt	129	149	136	44	74	165	مصر	13
13	Lebanon	144	140	153	38	68	168	لبنان	14
14	Algeria	159	131	129	152	125	131	الجزائر	15
15	Sudan	165	164	166	54	8	168	السودان	16
Arab average		103	124	97	55	91	111	المتوسط العربي	
Total countries		177	177	177	177	173	168	عدد الدول	

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

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

The composite index ranks countries by degree of economic freedom through calculating points on a scale of 0 to 100 and the total score of states is obtained by calculating the average of these 12 economic freedoms, giving equal weight to each.

States are classified by this index as countries with a free economy (if the index is between 80 and 100), countries with a partially free economy (if the index is between 70 and 79.9) and countries with a moderate free economy (if the index is between 60 and 69.9) and countries with a partially non-free economy (if the index is between 50 and 59.9) and countries with a closed economy (if the index is between 0 and 49.9).

Section One: Investment climate changes in Arab countries for 2021

Third: Legislative and regulatory environment indicators



1-3-4 Bilateral Investment Treaties

Arab countries concluded 901 bilateral investment treaties making up 16% of global total until 2022

Eight Arab countries exceeded average Arab ranking by clinching over 50 treaties until 2022

Based on UNCTAD's investment agreements program database on monitoring bilateral investment agreements in 234 countries around the world, including 21 Arab countries, the total number of investment agreements in Arab countries was about 901, making up 16% of the global total until 2022, with an average of 43 agreements each.

- The average ranking of Arab countries in the number of bilateral investment agreements monitored by UNCTAD at 67th place is better than the average global ranking, which means that Arab countries, through bilateral investment treaties, strive to encourage and protect investments on their territory.
- Nine Arab countries concluded a larger number of bilateral agreements than the Arab average and ranked better than the Arab average until 2022.
- The UAE ranked first in the Arab world (5th in the world) with more than 100 bilateral investment agreements until 2022, followed by Egypt in second place in the Arab world (7th in the world) with 100 agreements, Kuwait third in the Arab world (12th globally) with 85 agreements, Morocco fourth (15th globally) with 72 agreements, Qatar fifth in the Arab world (26th globally) with 60 bilateral agreements.
- Remarkably, Lebanon, Syria, Libya and Yemen came in better advanced positions than the Arab average and in the 34th, 53rd, 60th and 63rd positions, respectively, despite the changes they are undergoing, with each one having concluded more than 35 bilateral investment agreements until 2022.

وضع الدول العربية وفق عدد اتفاقيات الاستثمار الثنائية حتى 2022 (الترتيب العالمي)

Status of Arab countries by number of bilateral investment treaties until 2022 (global ranking)

Arab ranking	Country	الترتيب العالمي Global ranking	عدد الاتفاقيات الموقعة total BITs	الدولة	الترتيب العربي
1	UAE	5	103	الإمارات	1
2	Egypt	7	100	مصر	2
3	Kuwait	12	85	الكويت	3
4	Morocco	15	72	المغرب	4
5	Qatar	26	60	قطر	5
6	Tunisia	29	55	تونس	6
6	Jordan	29	55	الأردن	6
8	Lebanon	34	50	لبنان	8
9	Algeria	41	45	الجزائر	9
10	Syria	53	39	سوريا	10
11	Libya	60	37	ليبيا	11
12	Yemen	63	36	اليمن	12
13	Oman	69	34	سلطنة عمان	13
14	Bahrain	75	31	البحرين	14
15	Sudan	78	29	السودان	15
16	Saudi Arabia	93	24	السعودية	16
17	Mauritania	99	22	موريتانيا	17
18	Djibouti	143	8	جيبوتي	18
19	Iraq	143	8	العراق	19
20	Palestine	155	5	فلسطين	20
21	Somalia	168	3	الصومال	21
	Arab average	67	43	المتوسط العربي	
	Total countries	234		عدد الدول	

The Bilateral Investment Treaty (BIT) is a two-state agreement on the promotion and protection of investments made by investors from both countries in their respective territories, and it should be noted that the vast majority of international investment agreements are bilateral investment treaties.

UNCTAD's international investment agreements program monitors bilateral investment agreements based on information provided by governments on a voluntary basis. The special agreement is included once it is formally concluded, while agreements that have exceeded the negotiating stage but have not been signed are not counted. The agreement is also excluded from total international investment agreements once they are terminated.

Section One: Investment climate changes in Arab countries for 2021

Third: Legislative and regulatory environment indicators



1-3-5 Treaties with Investment Provisions

Arab countries concluded 194 treaties including investment provisions representing 5.2% of global total

- UNCTAD has monitored 3760 agreements containing investment provisions in 234 countries around the world, including 194 in Arab countries, representing 5.2% and an average of nine agreements per country.
- The average ranking of Arab countries globally in agreements that include investment provisions hit 101st place.
- Ten Arab countries concluded more agreements than the Arab average and ranked better than the Arab average until 2022.
- Egypt ranked first in the Arab world (59 globally) with 14 agreements containing investment provisions until 2022, followed by Bahrain and Saudi Arabia in second place in the Arab world (60th in the world) with 13 agreements, the UAE, Kuwait, Qatar, Tunisia and Oman in fourth place in the Arab world (65th in the world) with 12 agreements, Morocco and Libya in ninth place in the Arab world (81st globally) with 10 agreements.
- The number of agreements containing investment provisions in three Arab countries did not exceed five agreements until 2022, ranked at the back of the Arab and international rankings.

Egypt came first in the Arab world (59th globally) with 14 treaties with investment provisions, followed by Bahrain, Saudi Arabia, UAE, Kuwait, Qatar, Tunisia and Oman

وضع الدول العربية في عدد الاتفاقيات ذات الصلة بالاستثمار حتى 2022 (الترتيب العالمي)

Status of Arab countries by number of treaties with investment provisions (TIPs) until 2022 (global ranking)

Arab ranking	Country	الترتيب العالمي global ranking	عدد الاتفاقيات TOTAL TIPs	الدولة	الترتيب العربي
1	Egypt	59	14	مصر	1
2	Bahrain	60	13	البحرين	2
2	Saudi Arabia	60	13	السعودية	2
4	UAE	65	12	الإمارات	4
4	Kuwait	65	12	الكويت	4
4	Qatar	65	12	قطر	4
4	Tunisia	65	12	تونس	4
4	Oman	65	12	سلطنة عمان	4
9	Morocco	81	10	المغرب	9
9	Libya	81	10	ليبيا	9
11	Jordan	101	9	الأردن	11
12	Lebanon	117	8	لبنان	12
12	Sudan	117	8	السودان	12
12	Djibouti	117	8	جيبوتي	12
15	Algeria	130	7	الجزائر	15
15	Palestine	130	7	فلسطين	15
15	Somalia	130	7	الصومال	15
18	Mauritania	145	6	موريتانيا	18
19	Yemen	154	5	اليمن	19
19	Iraq	154	5	العراق	19
21	Syria	168	4	سوريا	21
	Arab average	101	9	المتوسط العربي	
	Total countries	234		عدد الدول	

Treaties with investment provisions (TIP) are investment agreements that are not bilateral one, including three main types:

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

Section One: Investment climate changes in Arab countries for 2021

Third: Legislative and regulatory environment indicators

Foreign Direct Investment Regulatory Restrictiveness Index

1-3-6 FDI Regulatory Restrictiveness Index

Distribution, wholesale, retail, shipping and insurance are the most restrictive sectors for FDI in Arab countries

- Based on the ranking of 84 countries around the world (including nine Arab countries) in the OECD's FDI Regulatory Restrictiveness Index, the average ranking of the nine Arab countries dropped by one place (from 69th place in 2019 to 70th place in 2020).
- All Arab countries, except Morocco, received a lower ranking than the world average, a lower ranking that reflects high restrictions on foreign direct investment, especially since three Arab countries finished in the last five places globally.
- Algeria's ranking improved by four places in 2020, while Egypt fell three places, Jordan and Palestine one place, but Morocco, Lebanon, Tunisia, Saudi Arabia and Libya remained unchanged during the same year.
- In terms of the average ranking of Arab countries in 42 indicators, FDI constraints tend to appear mostly in service sectors such as distribution, wholesale, retail, shipping, insurance, roofing, business services, accounting and auditing, as well as architecture and construction, with the average Arab ranking exceeding 60th place in these sectors out of 84 globally.
- Morocco ranked first in the Arab world (42nd in the world) in the FDI Restrictiveness Index and ranked first in the world in 25 sub-indices, which means that there are no regulatory restrictions in about 60% of its sectors.
- Tunisia ranked first in the world in 11 sub-indices in 2020, which means that 26% of its sectors have no regulatory restrictions, while it hit 19% in Palestine (eight sectors without restrictions) and 5% in Lebanon by two sectors without regulatory restrictions during 2020.

Average ranking of nine Arab countries listed in FDI Regulatory Restrictiveness Index falls by one in 2020

وضع الدول العربية في مؤشر القيود التنظيمية للاستثمار الأجنبي المباشر لمنظمة التعاون الاقتصادي والتنمية، 2020-2019

Ranking of Arab countries in the OECD Foreign Direct Investment Regulatory Restrictions Index, 2019-2020

Arab ranking 2020	Country	التغيير Change	الترتيب العالمي Global ranking 2020	الترتيب العالمي Global ranking 2019	الدولة	الترتيب العربي 2020
1	Morocco	0	42	42	المغرب	1
2	Egypt	(3)	56	53	مصر	2
3	Lebanon	0	65	65	لبنان	3
4	Tunisia	0	69	69	تونس	4
5	Saudi Arabia	0	73	73	السعودية	5
6	Jordan	(1)	75	74	الأردن	6
7	Algeria	4	79	83	الجزائر	7
8	Palestine	(1)	83	82	فلسطين	8
9	Libya	0	84	84	ليبيا	9
Arab average			70	69	المتوسط العربي	
Total countries			84	84	إجمالي عدد الدول	

The OECD Foreign Direct Investment Regulatory Restrictiveness Index issued since 2003 measures legal restrictions on FDI in 42 key and subsidiary economic sectors including agriculture and fishing, mining and oil, manufacturing, feed and chemicals, minerals and machinery, electricity and electronics, transport equipment, electricity generation and distribution, construction, retail and wholesale, transportation, shipping, hotels and restaurants, media, communications, financial and banking services, insurance, business services, accounting and auditing, legal and engineering consulting and property investment. The index monitors 84 countries through four main restrictions as follows:

- 1- Restrictions on investing in shares.
- 2- Approval mechanisms.
- 3- Restrictions on the employment of foreign managers.
- 4- Operating restrictions, for example, restrictions on the transfer of capital or land ownership

It should be noted that this indicator, although a critical determinant of a country's attractiveness for foreign investors, is not a complete measure of the investment climate in any country because of other factors affecting the country's ability to attract investment.

Section One: Investment climate changes in Arab countries for 2021

Fourth: Indicators of production elements

1-4-1 Natural Resources Rents

Average Arab ranking in Natural Resources Rents as % of GDP exceeds global average and stands at 64th place in 2020

- Despite the decline in the global average ranking of the Arab countries in the index of natural resource rents to GDP from 63rd to 64th place between 2019 and 2020, they still enjoy a good average ranking that exceeds the global average in this indicator, which shows that the region's countries enjoy a variety of natural resources that can be exploited in both short and long terms.
- Twelve Arab countries exceeded both average global and Arab rankings in the index during 2020.
- Eight Arab countries witnessed an improvement in their global ranking in the index during 2020, led by Mauritania that achieved a remarkable leap by 54 positions from the 88th globally in 2019 to 34th globally in 2020, followed by Sudan, which advanced 34 positions, and Palestine seven positions, Lebanon and Jordan six places each, Morocco and Iraq three and Djibouti two.
- Ten Arab countries recorded a decline in the index, led by Egypt, which decreased by 29 places, Bahrain dropped by 19 places, Tunisia by 18 places, then the UAE and Algeria by 12 places.
- Kuwait maintained its fourth place globally and second in the Arab world in 2019 and 2020, as its natural resources rents to its GDP remained unchanged between these two years.
- Iraq ranked first in the Arab world and second globally in the index of natural resource rents to GDP during the year 2020, followed by Kuwait in second place in the Arab world (fourth globally), then Sudan in third place in the Arab world (sixth globally) and Libya ranked fourth in the Arab world (12th globally) and Oman in the fifth in the Arab world (14th globally).

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

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

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

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

Eight Arab countries advanced in global ranking in the index during 2020, led by Mauritania that remarkably leapt by 54 positions

Section One: Investment climate changes in Arab countries for 2021

Fourth: Indicators of production elements

1-4-2 The Productive Capacities Index (1)

- Out of 195 countries included in the UNCTAD Productive Capacities Index, the average ranking of Arab countries stabilized at 115 in 2018.
- Ten Arab countries exceeded the average Arab ranking in the index during 2018, and eight Arab countries, namely the UAE, Qatar, Bahrain, Saudi Arabia, Oman, Kuwait, Lebanon and Tunisia, exceeded the global average ranking in the index.
- The UAE ranked first in the Arab world (21st globally), followed by Qatar in second place in the Arab world (29th globally), then Bahrain in third place in the Arab world (39th globally), Saudi Arabia fourth in the Arab world (64th globally), then the Sultanate of Oman in fifth Arab (65th globally).
- In terms of sub-indices, the Arab countries achieved the best ranking in the natural capital index, and three Arab countries ranked among the top ten in the world: Somalia (3rd globally), Mauritania (7th globally), Saudi Arabia (8th globally) and then the energy index led by Qatar (first in the world).
- The average ranking of Arab countries in the Institutions Index ranked lower compared to their position in the rest of the sub-indices, and only five Arab countries, namely the UAE, Qatar, Sultanate of Oman, Jordan and Bahrain, ranked better than the global average in this indicator.
- The UAE ranked first in the Arab world in three sub-indicators of the productive capacities index during 2018, namely institutions, transport and the private sector, while Tunisia ranked first in the Arab world in the human capital index, Qatar in the energy index, and Bahrain in the information and communication technology index, Somalia in the natural capital index and Syria in the structural change index.

Average Arab ranking stood at 115th position in productive capacities index in 2018

Out of 195 countries, eight Arab countries exceeded Arab and global averages

UNCTAD Productive Capacities Index: It is a multi-dimensional indicator that represents a dynamic and practical tool to support developing countries in understanding the state of their productive capacity and how to improve it, by providing a clear picture of the productive capacities necessary to achieve comprehensive and sustainable economic growth and attain sustainable development. The index covers 195 economies for the period 2020-2018. The general index is divided into eight sub-components (including 46 indicators) and is calculated by counting the scores obtained by each country in the eight components using the geometric mean. The index values range between 0 and 100. The following are the sub-components of the general index:

- **Human capital:** Human capital embodies the education, skills, health conditions of the population, and research and development capabilities in society through both the number of researchers and spending on research and development activities, in addition to the fertility rate (which, once increased, leads to a decrease in the score of human capital).
- **Natural capital:** Natural capital measures the availability of extractive and agricultural resources, including rents generated from the extraction of natural resources, to assess dependence on commodities.
- **Energy:** The energy component measures the availability, sustainability and efficiency of energy sources, and it also includes the gross domestic product (GDP) per unit of oil.
- **Transportation:** Transportation measures the ability of the system to transport people or goods from one place to another, by measuring the capacity of the road network, rail network, and air transport.
- **Information and Communication Technology (ICT):** It means the accessibility and integration of communication systems among the population. These include fixed-line users, mobile phones and Internet access.
- **Institutions:** they aim to measure political stability and efficiency through their organizational quality, effectiveness and success in combating crimes, corruption and terrorism, and protecting citizens' freedom of expression and association.
- **The private sector:** The private sector is defined by the ease of trading across borders which includes the time and monetary costs of export and import and business support in terms of domestic credit, speed of enforcing contracts, and time to start a business.
- **Structural change:** refers to the movement of labor and other productive resources from low-productivity economic activities to high-productivity economic activities through the development and diversification of exports, fixed capital intensity, and the weight of industry and services to GDP.

It should be noted that there is a strong direct relationship between the scores of the productive capacities index and the size of GDP and per capita GDP, while there is an inverse relationship between the productive capacities index and the merchandise exports concentration index (economies with higher productive capacities have lower scores in the merchandise exports concentration index).

Section One: Investment climate changes in Arab countries for 2021

Fourth: Indicators of production elements

1-4-2 Productive Capacities Index (2)

UAE ranked first in Arab world in three sub-indicators: institutions, transport and private sector, as Tunisia comes first in human capital, and Qatar in energy in 2018

وضع الدول العربية في مؤشر القدرات الإنتاجية لعام 2018 (الترتيب العالمي)

Ranking of Arab countries in Productive Capacities Index for 2018 (global ranking)

Arab ranking	Country	التغيير الهيكلي Structural change	القطاع الخاص Private sector	المؤسسات Institutions	تكنولوجيا المعلومات والاتصالات ICT	النقل Transport	الطاقة Energy	رأس المال الطبيعي Natural capital	رأس المال البشري Human capital	المؤشر المركب Composite index	الدولة	الترتيب العربي
1	UAE	63	14	43	39	9	5	103	57	21	الإمارات	1
2	Qatar	95	47	51	48	10	1	105	91	29	قطر	2
3	Bahrain	76	43	89	37	21	6	116	60	39	البحرين	3
4	Saudi Arabia	130	63	103	81	103	9	8	63	64	السعودية	4
5	Oman	105	20	67	86	114	13	30	115	65	سلطنة عمان	5
6	Kuwait	129	54	101	84	96	8	29	97	75	الكويت	6
7	Lebanon	46	80	155	56	98	54	65	81	79	لبنان	7
8	Tunisia	64	52	107	107	106	82	45	46	85	تونس	8
9	Palestine	66	143	131	101	97	88	68	122	108	فلسطين	9
10	Jordan	60	45	85	85	189	68	110	77	111	الأردن	10
11	Morocco	91	27	109	110	177	91	46	78	118	المغرب	11
12	Egypt	72	72	167	120	141	66	102	108	126	مصر	12
13	Algeria	140	114	166	106	188	73	74	71	134	الجزائر	13
14	Djibouti	96	110	164	178	72	149	34	145	135	جيبوتي	14
15	Syria	41	124	193	133	136	93	27	173	155	سوريا	15
16	Libya	116	136	194	124	107	163	26	106	163	ليبيا	16
17	Yemen	122	152	192	155	135	122	70	170	174	اليمن	17
18	Mauritania	154	154	163	164	195	152	7	178	175	موريتانيا	18
19	Iraq	177	185	186	149	164	145	37	151	176	العراق	19
20	Sudan	185	177	190	161	146	151	54	162	182	السودان	20
21	Somalia	182	147	195	187	117	181	3	191	192	الصومال	21
Arab average		105	93	136	110	115	82	55	112	115	المتوسط العربي	
Total countries		195	195	195	195	195	195	195	195	195	إجمالي عدد الدول	

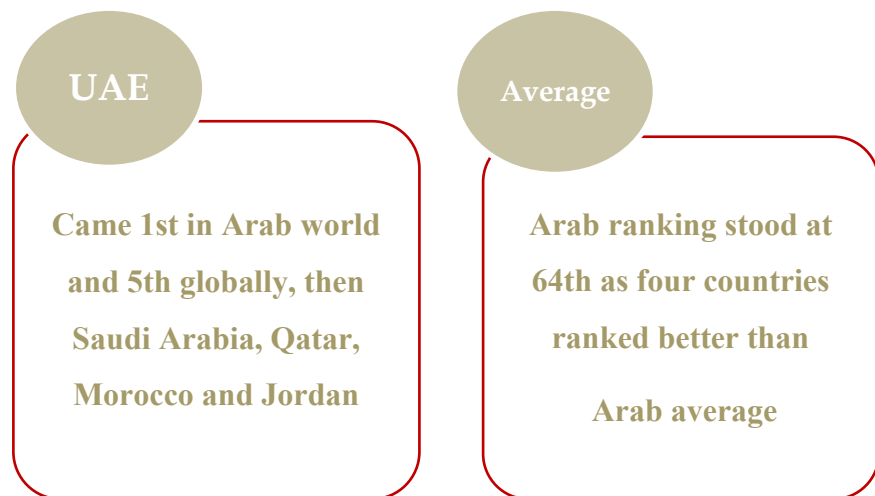
Source :UNCTAD

المصدر : مؤتمر الأمم المتحدة للتجارة والتنمية (الأونكتاد)

Section One: Investment climate changes in Arab countries for 2021

Fourth: Indicators of the factors of production

1-4-3 Entrepreneurship Index



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

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

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

- Based on the ranking of the 10 Arab countries included in the CEOWORLD magazine's Entrepreneurship Index, the average ranking of Arab countries stabilized at 64th place in 2021.
- Only two Arab countries ranked better than the global average in the entrepreneurship index in 2021.
- Four Arab countries: UAE, Saudi Arabia, Qatar and Morocco, ranked better than the Arab average, while the other six countries ranked lower than the average Arab ranking between 75th place for Jordan and 96th place for Algeria.
- The Arab countries achieved their best average ranking in the competitiveness and infrastructure indicators, followed by the indicator of openness to business and access to capital.
- The UAE ranked first in the Arab world (5th in the world), Saudi Arabia second in the Arab world (15th in the world), followed by Qatar in third place in the Arab world (58th in the world), Morocco in fourth place in the Arab world (61st in the world) and Jordan in fifth place in the Arab world (75th in the world).
- The UAE ranked first in all entrepreneurship sub-indices and ranked among the top 10 in the world in four indicators: access to capital and openness to capital as well as competitiveness and infrastructure indicators.

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

Section One: Investment climate changes in Arab countries for 2021

Fourth: Indicators of the factors of production

1-4-4 World Energy Trilemma Index

- According to World Energy Council's data on the global ranking of 129 countries in the World Energy Trilemma Index including 101 positions during 2021, the average ranking of Arab countries in the index improved markedly by 14 places between 2020 and 2021, supported by an improvement in the ranking of all Arab countries included in the index.
- Six Arab countries (Qatar, UAE, Saudi Arabia, Bahrain, Kuwait and Oman) surpassed the average global and Arab ranking in the index in 2021.
- Qatar ranked first in the Arab world (31st in the world), the UAE second in the Arab world (33rd in the world), followed by Saudi Arabia in third place in the Arab world (41st), Bahrain in fourth place in the Arab world (42nd in the world), followed by Kuwait in fifth place in the Arab world (45th in the world).
- In terms of sub-indices, Arab countries achieved their best ranking in the Energy Equity Index, with three Arab countries ranked first in the world in this index (Qatar, UAE and Kuwait), followed by the Energy Security Index, compared to the low average ranking in the Environmental Sustainability Index during 2021.
- The UAE ranked first in the Arab world in the Energy Equity and Energy Security indicators, while Jordan topped the environmental sustainability index and ranked 56th in the world and first in the Arab world.

Best Arab performance was in Energy Equity versus lower ranking in Environmental Sustainability

Average of Arab ranking in World Energy Index improved by 14 places in 2021

وضع الدول العربية في المؤشر العالمي للطاقة 2021-2020

Ranking of Arab countries in the World Energy Trilemma Index 2020-2021

Arab ranking 2021	Country	أمن الطاقة Energy security	المساواة في الطاقة Energy equity	الاستدامة البيئية Environmental sustainability	التغيير Change	الترتيب العالمي Global ranking 2021	الترتيب العالمي Global ranking 2020	الدولة	الترتيب العالمي لعام 2021
1	Qatar	13	1	96	▲ 18	31	49	قطر	1
2	UAE	47	1	89	▲ 11	33	44	الإمارات	2
3	Saudi Arabia	47	7	90	▲ 14	41	55	السعودية	3
4	Bahrain	41	2	95	▲ 19	42	61	البحرين	4
5	Kuwait	57	1	94	▲ 7	45	52	الكويت	5
6	Oman	61	2	94	▲ 11	48	59	سلطنة عمان	6
7	Egypt	51	31	83	▲ 24	54	78	مصر	7
8	Algeria	56	43	71	▲ 13	56	69	الجزائر	8
9	Tunisia	57	55	62	▲ 5	58	63	تونس	9
10	Morocco	71	57	62	▲ 12	61	73	المغرب	10
11	Lebanon	95	22	71	▲ 12	65	77	لبنان	11
12	Jordan	85	62	56	▲ 18	66	84	الأردن	13
13	Iraq	81	38	87	▲ 16	69	85	العراق	14
14	Mauritania	71	93	84	▲ 12	86	98	موريتانيا	15
Arab average		60	30	81	▲ 14	54	68	المتوسط العربي	
Total countries		129	129	129		129	128	إجمالي عدد الدول	

World Energy Trilemma Index: Issued by the World Energy Council and ranks 129 countries around the world according to their ability to provide sustainable energy in three dimensions:

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

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

Section One: Investment climate changes in Arab countries for 2021

Fourth: Indicators of production elements



1-4-5 Sustainable Development Index (1)

- Based on the global ranking of 193 countries around the world (including 165 positions) in the UNDP General Index on Sustainable Development Goals, which monitors the progress of countries in achieving all 17 Sustainable Development Goals, 19 Arab countries ranked between the 60th global position for UAE and the 162nd place for Somalia during 2021.
- The average ranking of Arab countries in the Sustainable Development Index improved during 2021, moving by one place from an average of 104 in 2020 to an average of 103 in 2021.
- The average Arab ranking in the overall index was still lower than the world average in 2020 and 2021.
- Eleven Arab countries surpassed the average Arab ranking in the index in 2021, while only seven countries -- Tunisia, Algeria, Morocco, the UAE, Jordan, Oman and Egypt -- surpassed the average global ranking in the index.
- Of 19 Arab countries, 10 Arab countries in the index improved, led by Jordan, which jumped by 17 places, followed by Qatar (9) and Iraq (8).
- The ranking of seven Arab countries in the index declined, led by Bahrain, which fell by 18 places, Algeria by 10 places, Morocco by five places, Mauritania (three places) and one for each of Kuwait, Syria and Saudi Arabia during 2021.
- The UAE and Djibouti's world rankings stabilized in the index between 2020 and 2021.
- Tunisia ranked first in the Arab world (60th in the world), followed by Algeria in second place in the Arab world (66th in the world), Morocco in third place in the Arab world (69th in the world), followed by the UAE in fourth place in the Arab world (71st in the world) and Jordan in fifth place in the Arab world (72nd in the world).
- Oman and Egypt ranked better than both global and Arab averages in the index in 2021.

A slight improvement in average Arab ranking in Sustainable Development Index in 2021

10 Arab countries, led by Jordan, improve in the index, seven decline and UAE and Djibouti stabilize

In September 2015, the UN General Assembly adopted the 2030 Agenda for Sustainable Development that includes 17 Sustainable Development Goals (SDGs). The 17 sustainable development goals (SDGs) come as follows:

- GOAL 1: No Poverty
- GOAL 2: Zero Hunger
- GOAL 3: Good Health and Well-being
- GOAL 4: Quality Education
- GOAL 5: Gender Equality
- GOAL 6: Clean Water and Sanitation
- GOAL 7: Affordable and Clean Energy
- GOAL 8: Decent Work and Economic Growth
- GOAL 9: Industry, Innovation and Infrastructure
- GOAL 10: Reduced Inequality
- GOAL 11: Sustainable Cities and Communities
- GOAL 12: Responsible Consumption and Production
- GOAL 13: Climate Action
- GOAL 14: Life below Water
- GOAL 15: Life on Land
- GOAL 16: Peace and Justice Strong Institutions
- GOAL 17: Partnerships for the Goal

Global ranking in the general index: a ranking that measures the overall performance of all 193 UN Member States, and states are classified according to their overall grades. The total result measures the overall progress of the State towards achieving all 17 Sustainable Development Goals. The result can be interpreted as a percentage of achieving the Sustainable Development Goals, and grade 100 indicates that all sustainable development goals have been achieved.

Section One: Investment climate changes in Arab countries for 2021

Fourth: Indicators of production elements



1-4-5 Sustainable Development Goals (2)

- In terms of ranking Arab countries in each sustainable development goal in 2021, it is obvious that:
- The Arab states achieved their best average ranking in the 10th goal of reduced inequality between countries, led by Algeria (14th globally) and the UAE (15th globally).
- The Arab countries achieved the second best performance in the 14th goal (life below water) led by Jordan (11th globally), followed by the average ranking in the 12th goal of responsible consumption and production and the seventh of clean and affordable energy, and then the first goal of no poverty.
- The average ranking of Arab countries in the fifth goal of gender equality ranked behind (worst performing) compared to the remaining 16 goals, with only one country, the UAE, ranked better than the world average, followed by the 11th goal on inclusive, safe, Sustainable Cities and Communities and the eighth goal of decent work and economic growth respectively.
- The low rating of some States with regard to the Sustainable Development Goals can be explained by their delay in disclosing or not reporting their data despite progress in other assessment indicators.

Arab countries achieved their best average ranking in 10th, 12th, 14th, 7th and 1st goals in 2021

Tunisia led Arab ranking, followed by Algeria, Morocco, UAE and Jordan respectively in sustainable development goals in 2021

وضع الدول العربية في مؤشر أهداف التنمية المستدامة لعامي 2020 و2021 (الترتيب العالمي)

Ranking of Arab countries in the Sustainable Development Goals Index for the years 2020 and 2021 (global ranking)

Arab ranking 2021	Country	التغير Change	الترتيب العالمي Global ranking 2021	الترتيب العالمي Global ranking 2020	الدولة	الترتيب العربي 2020
1	Tunisia	▲ 3	60	63	تونس	1
2	Algeria	▼ (10)	66	56	الجزائر	2
3	Morocco	▼ (5)	69	64	المغرب	3
4	UAE	▬ 0	71	71	الإمارات	4
5	Jordan	▲ 17	72	89	الأردن	5
6	Oman	▲ 3	73	76	سلطنة عمان	6
7	Egypt	▲ 1	82	83	مصر	7
8	Lebanon	▲ 2	93	95	لبنان	8
9	Qatar	▲ 9	94	103	قطر	9
10	Saudi Arabia	▼ (1)	98	97	السعودية	10
11	Bahrain	▼ (18)	100	82	البحرين	11
12	Iraq	▲ 8	105	113	العراق	12
13	Kuwait	▼ (1)	113	112	الكويت	13
14	Syria	▼ (1)	127	126	سوريا	14
15	Mauritania	▼ (3)	133	130	موريتانيا	15
16	Djibouti	▬ 0	138	138	جيبوتي	16
17	Yemen	▲ 6	145	151	اليمن	17
18	Sudan	▲ 2	157	159	السودان	18
19	Somalia	▲ 1	162	163	الصومال	19
Arab average		▲ 1	103	104	المتوسط العربي	
Total countries			165	166	إجمالي عدد الدول	

The need to follow up on performance and speed up the reporting of updated, accurate and produced state data in accordance with international methodologies and standards to improve the ranking and performance of Arab countries in the implementation of the Sustainable Development Plan 2030.

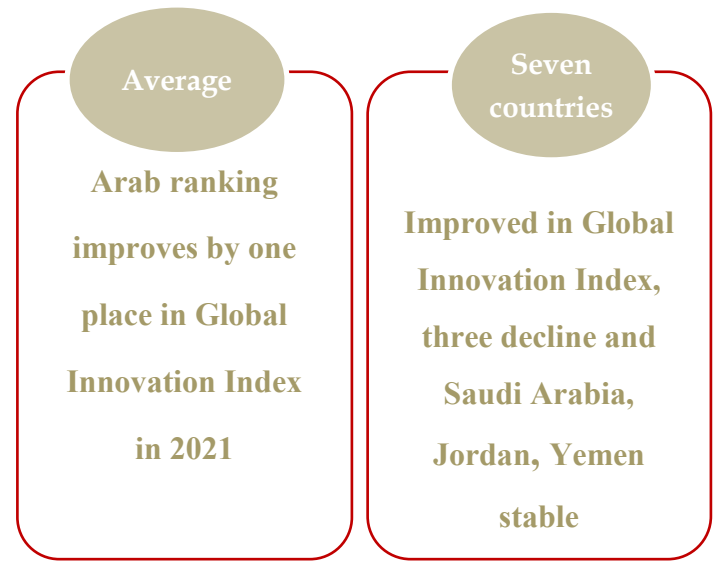
Section One: Investment climate changes in Arab countries for 2021

Fourth: Indicators of production elements



1-4-6 Global Innovation Index (1)

- Of 132 countries covered by the World Intellectual Property Organization's Global Innovation Index, the average ranking of Arab countries improved by one position from the average ranking of 82 countries in 2020 to 81 in 2021, but still below the global average.
- Eight Arab countries surpassed the average Arab ranking in the index in 2021, while one country, the UAE, surpassed the average global ranking in the index.
- Of 13 Arab countries, seven improved in the index: Oman (8), Kuwait (6), Qatar and Egypt (two), UAE, Bahrain and Algeria (1).
- Three Arab countries declined: Tunisia (6 positions), Lebanon (5 positions) and Morocco (2 positions), with Saudi Arabia, Jordan and Yemen's ranking unchanged compared to 2020.
- The UAE ranked first in the Arab world (33rd globally), Saudi Arabia second in the Arab world (66th globally), Qatar in third place in the Arab world (68th globally), Tunisia in fourth place in the Arab world (61st globally) and Kuwait in fifth place in the Arab world (72nd globally).
- In terms of sub-indices, Arab countries achieved their best ranking in the Human Capital and Research Index, then in the Infrastructure Index, and then in Knowledge and Technology Outputs and Institutions.
- The average ranking of Arab countries in the business sophistication index declined compared to the rest of the sub-indices, and only two countries, the UAE and Lebanon, ranked better than the global average in the index.
- The UAE ranked first in the Arab world in six sub-indices of the global innovation index in 2021 out of a total of seven sub-indices, and achieved the best global ranking in the infrastructure index, where it ranked 14th in the world, followed by the business sophistication and human capital indices (22nd globally), in contrast to 59th globally, second in the Arab World, in the knowledge and technology outputs index.



WIPO's Global Innovation Index provides detailed measures of innovative performance in 132 countries representing 94% of the world's population and 79.4% of global GDP with purchasing power parity. The index is based on two sub-indices:

Innovation inputs Sub-index :

It consists of five pillars of the national economy that promote innovative activities:

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

Innovation Output Sub-Index:

Measures real evidence of innovation results that include two pillars: knowledge, technological and creative outputs. The output index has the same weight as the input index in the overall calculation.

The pillars consist of individual indicators, with a total of 80 variables covering many economic, political, education, infrastructure and business development areas.

Section One: Investment climate changes in Arab countries for 2021

Fourth: Indicators of production elements



1-4-6 World Innovation Index (2)

Eight Arab countries exceeded Arab average, as only UAE went beyond global average in 2021

Arab countries made best ranking in human capital and research, infrastructure, knowledge and technology, and institutions

وضع الدول العربية وفقا للترتيب العالمي في مؤشر الابتكار العالمي 2020-2021

Ranking of Arab countries in the Global Innovation Index, 2020-2021 (global ranking)

Arab ranking 2021	Country	المؤسسات Institutions	رأس المال البشري والبحث Human capital and research	البنية التحتية Infra-structure	تطوير السوق Market sophistica-tion	تطوير الأعمال Business sophistica-tion	مخرجات المعرفة والتكنولوجيا Knowledge and technology outputs	المخرجات الإبداعية Creative outputs	التغير Change	الترتيب العالمي Global ranking 2021	الترتيب العالمي Global ranking 2020	الدولة	الترتيب العربي لعام 2021
1	UAE	30	22	14	26	22	59	40	▲ 1	33	34	الإمارات	1
2	Saudi Arabia	101	32	54	39	89	69	78	▬ 0	66	66	السعودية	2
3	Qatar	57	75	34	83	96	79	63	▲ 2	68	70	قطر	3
4	Tunisia	75	35	89	98	114	55	80	▼ (6)	71	65	تونس	4
5	Kuwait	86	69	43	94	100	60	89	▲ 6	72	78	الكويت	5
6	Oman	71	45	56	84	94	107	71	▲ 8	76	84	سلطنة عمان	6
7	Morocco	74	82	84	91	105	67	70	▼ (2)	77	75	المغرب	7
8	Bahrain	49	83	38	78	90	82	106	▲ 1	78	79	البحرين	8
9	Jordan	63	84	102	47	85	76	88	▬ 0	81	81	الأردن	9
10	Lebanon	112	87	100	90	64	91	92	▼ (5)	92	87	لبنان	10
11	Egypt	114	93	92	96	106	70	104	▲ 2	94	96	مصر	11
12	Algeria	104	74	96	132	124	125	118	▲ 1	120	121	الجزائر	12
13	Yemen	132	127	129	125	102	126	114	▬ 0	131	131	اليمن	13
	Arab average	82	70	72	83	92	82	86	▲ 1	81	82	المتوسط العربي	
	Total countries	132	132	132	132	132	132	132		132	131	إجمالي عدد الدول	

Section One: Investment climate changes in Arab countries for 2021

Fourth: Indicators of production elements

1-4-7 Global Knowledge Index (1)

- Based on the global ranking of 154 countries around the world in the Global Knowledge Index in 2021, 17 Arab countries received a global ranking in the index in 2021 compared to 13 in 2020.
- The average ranking of Arab countries in the index decreased by 14 positions from 73rd place in 2020 to 87th place in 2021.
- Eight Arab countries surpassed the average Arab ranking in the index in 2021, and seven countries: UAE, Qatar, Saudi Arabia, Kuwait, Oman, Egypt and Bahrain surpassed the average global ranking in the index.
- The world ranking of six Arab countries improved in the index led by Egypt with 19 places ahead compared to 2020, followed by Kuwait (17 places), Oman (six places), UAE four places, Saudi Arabia two and Qatar one.
- The ranking of seven Arab countries in the index fell, led by Jordan (down 24 places), Morocco (18 places), Lebanon (16 places), Bahrain (12 places), Mauritania, Algeria and Tunisia with 11, eight and one, respectively.
- Five Gulf countries and Egypt topped the Arab ranking in the 2021 World Knowledge Index, with the UAE ranked first in the Arab world (11th globally), Qatar second in the Arab world (38th globally), Saudi Arabia in
- third place in the Arab world (40th globally), Kuwait in fourth place in the Arab world (47th globally), and Egypt and Oman in fifth place in the Arab world (52nd globally).
- In terms of sub-indicators, Arab countries achieved their best ranking in the ICT technology index, followed by the Pre-University Education Index and the Technical Education and Vocational Training Index.
- The Arab countries ranked lower in the Enabling Environment Index behind than other sub-indices, and only three countries: UAE, Qatar and Kuwait, ranked better than the world average in the index.
- The UAE ranked first in the Arab world in all the sub-indices of the World Knowledge Index during 2021, and achieved the best global ranking in the economy index, ranking second in the world and in the pre-university education index (sixth globally), and then in the technical education, training and ICT indicators respectively 2021.

Seven countries: UAE, Qatar, Saudi Arabia, Kuwait, Oman, Egypt and Bahrain surpassed average global ranking

Average

Arab ranking fell by 14 places from 73rd in 2020 to 87 in 2021

UAE

Led Arab ranking in all sub-indices of Global Knowledge Index, performed best globally in economy index

The Global Knowledge Index has been released annually since 2017 and is the product of a joint initiative between UNDP and the Mohammed Bin Rashid Al Maktoum Knowledge Foundation to emphasize the strategic role of knowledge and its measurement tools. The index consists of seven basic elements:

- Pre-university education
- Technical education and vocational training
- Higher education
- ICT
- Research, development and innovation
- Economy
- Enabling environment

Section One: Investment climate changes in Arab countries for 2021

Fourth: Indicators of production elements

1-4-7 Global Knowledge Index (2)

الترتيب العالمي للدول العربية في مؤشر المعرفة العالمي ومكوناته الفرعية لعام 2021

The global ranking of Arab countries in the Global Knowledge Index and its sub-components for the year 2021

Arab ranking 2021	Country	التعليم ما قبل الجامعي Pre-university education	التعليم التقني والتدريب المهني Technical and vocational	التعليم العالي Higher education	البحث والتطوير والابتكار Research, development and innovation	تكنولوجيا المعلومات والاتصالات Information and communications technology	الاقتصاد Economy	البيئة التمكينية Enabling environment	التغير Change	الترتيب العالمي Global ranking 2021	الترتيب العالمي Global ranking 2020	الدولة	الترتيب العربي 2021
1	UAE	6	8	16	28	14	2	27	▲ 4	11	13	الإمارات	1
2	Qatar	14	70	20	41	51	20	55	▲ 1	38	39	قطر	2
3	Saudi Arabia	52	9	41	46	35	47	83	▲ 2	40	42	السعودية	3
4	Kuwait	66	12	94	116	21	35	75	▲ 17	47	64	الكويت	4
5	Oman	40	15	110	82	49	64	100	▲ 6	52	57	سلطنة عمان	5
5	Egypt	72	68	35	57	57	56	88	▲ 19	52	72	مصر	5
7	Bahrain	68	76	76	94	30	43	90	▼ (12)	55	42	البحرين	7
8	Tunisia	60	90	99	100	72	91	77	▼ (1)	83	82	تونس	8
9	Lebanon	116	89	31	49	98	91	139	▼ (16)	92	76	لبنان	9
10	Morocco	99	79	142	109	73	97	84	▼ (18)	101	83	المغرب	10
11	Jordan	105	112	124	95	92	76	98	▼ (24)	103	78	الأردن	11
12	Palestine	75	94	117	93	124	103	124	....	106	....	فلسطين	12
13	Algeria	78	108	110	145	106	136	117	▼ (8)	111	103	الجزائر	13
14	Iraq	124	135	66	154	132	149	146	....	137	....	العراق	14
15	Sudan	134	150	149	70	151	136	151	....	145	....	السودان	15
16	Mauritania	141	140	154	140	133	139	144	▼ (11)	147	136	موريتانيا	16
17	Yemen	143	154	132	79	142	148	154	....	150	....	اليمن	17
Arab average		82	83	89	88	81	85	103	▼ (14)	87	73	المتوسط العربي	
Total countries		154	154	154	154	154	154	154		154	138	إجمالي عدد الدول	



Section Two: FDI Projects into Arab Countries for 2021

This section focuses on monitoring FDI projects that were new or expanded in the Arab countries during 2021, based on information in the database of the FDI Markets, issued by the Financial Times, which is one of the most important sources approved by the United Nations Conference on Trade and Development (UNCTAD) in monitoring the movement of investments in the world.

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

The most important information on the geographical and sectoral distribution of these projects will also be extracted by presenting lists of the most important regions, countries and companies investing in the region, the most important projects implemented, the most important Arab countries and the economic sectors receiving these projects during 2021.

Contents of Section Two

Evolution of FDI projects in Arab countries during 2003-2021	42
Evolution of FDI projects in Arab countries for 2021	43
Top source regions into Arab countries for 2021	44
Top source countries into Arab countries for 2021	45
Top source companies into Arab countries for 2021	46
Top projects in Arab countries for 2021	47
Top Arab destination countries for 2021	48
Top Arab	50
Top FDI sectors in Arab countries for 2021	51
Top FDI activities in Arab countries for 2021	53

Section Two: FDI Projects into Arab Countries for 2021

Evolution of FDI projects into Arab countries during 2003-2021

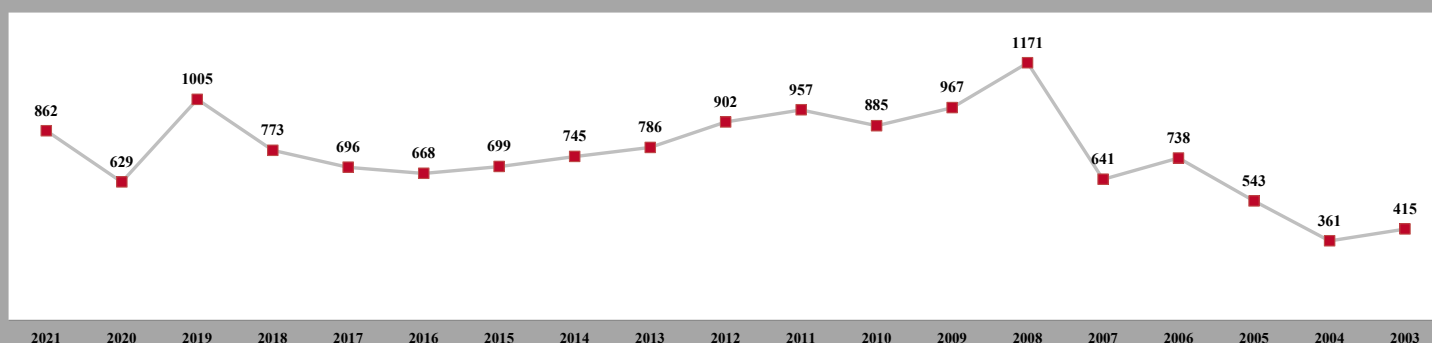
Number of FDI projects rose by 37% to 862 with capex of \$32.8 billion in 2021

- Greenfield FDI projects into Arab countries experienced a general fluctuation trend between 2003 and 2021, and the number of projects rose from 415 in 2003 to 862 in 2021. The year 2008 witnessed a peak in terms of the number of projects, total capex and job creation peaked at 1171 projects, costing more than \$168 billion, and more than 265,000 jobs.
- In 2021, FDI projects into Arab countries increased significantly, coinciding with the recovery in the global economy as a result of the return of economic activity in the productive and service sectors in many countries after the lockdown measures made in a bid to contain the 2020 Covid-19 pandemic, which helped improve all indicators as follows:
- The number of greenfield FDI projects into Arab countries increased by 37% to 862 in 2021, accounting for 6.4% of all new projects in the world.
- The capex of greenfield FDI projects into the Arab region increased by 1% to \$32.8 billion (representing about 5.2% of the capex of new projects in the world), while the average capex of the project decreased by 27% to \$38 million in 2021 compared to \$52 million in 2020.
- Greenfield projects for 2021 created more than 75,000 jobs (accounting for 4.5% of the global total), with an average of 87 project jobs, down 5% compared with 92 in 2020.

التطور السنوي لمشاريع الاستثمار الأجنبي المباشر في الدول العربية
للفترة 2003-2021
Evolution of FDI projects into Arab countries
from 2003 to 2021

متوسط الوظائف Jobs created (Avg)	عدد الوظائف Jobs created	متوسط التكاليف Capex (Avg)	التكلفة الاستثمارية (المليون دولار) Capex (USD m)	عدد الشركات Companies	عدد المشاريع Number of projects	السنة Year
158	65622	110.9	46017.8	356	415	2003
160	58006	157.0	56660.7	301	361	2004
198	107939	139.5	75769.5	453	543	2005
221	163289	152.2	112328.9	579	738	2006
164	105147	78.8	50530.4	555	641	2007
225	264607	143.5	168047.8	890	1171	2008
143	138617	109.9	106321.5	760	967	2009
130	115628	66.1	58498.1	710	885	2010
104	99827	59.4	56799.0	764	957	2011
100	91072	49.3	44486.1	689	902	2012
91	71578	65.4	51366.2	628	786	2013
121	90541	78.9	58782.0	600	745	2014
114	80160	60.0	41932.0	569	699	2015
145	97068	134.1	89594.2	561	668	2016
112	78172	100.0	69584.4	589	696	2017
156	120918	104.7	80969.0	646	773	2018
107	107712	55.1	55408.6	768	1005	2019
92	58247	51.8	32563.6	542	629	2020
87	75495	38.0	32788.7	707	862	2021
137	1989645	89	1288449	8,653	14443	الإجمالي Total

تطور عدد مشاريع الاستثمار الأجنبي المباشر الجديدة في الدول العربية 2003-2021
Evolution of the Greenfield FDI projects into Arab countries 2003-2021

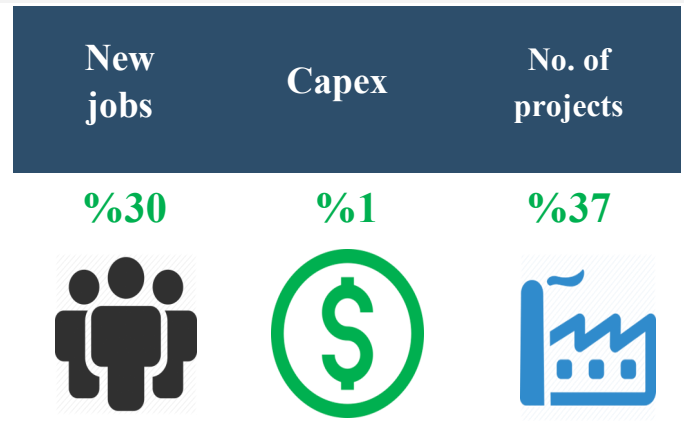


Section Two: FDI Projects into Arab Countries for 2021

Evolution of FDI projects into Arab countries for 2021

March saw peak of number and capex of projects, September was the highest in jobs in 2021

- March saw a peak in both the number and capex of FDI projects into the Arab region, with 111 projects representing about 13% of the total, at an investment cost of \$7.9 billion and creating more than 10,000 jobs.
- September saw a peak in number of jobs provided by FDI projects into the Arab countries, with more than 13,000 jobs, representing 18% of the total in 2021.
- The capex was the lowest in April and amounted to about \$461 million across 50 projects, creating about 3750 jobs.
- The capex recorded its highest average in March, exceeding \$71 million per project, compared to \$9.2 million, the lowest per project in April 2021.
- September saw the highest average of job opportunities provided by FDI projects into the Arab region, reaching 137 jobs per project, compared to 43 during July, the lowest average number of jobs per project during 2021.



التطور الشهري لمشاريع الاستثمار الأجنبي المباشر في الدول العربية خلال عام 2021

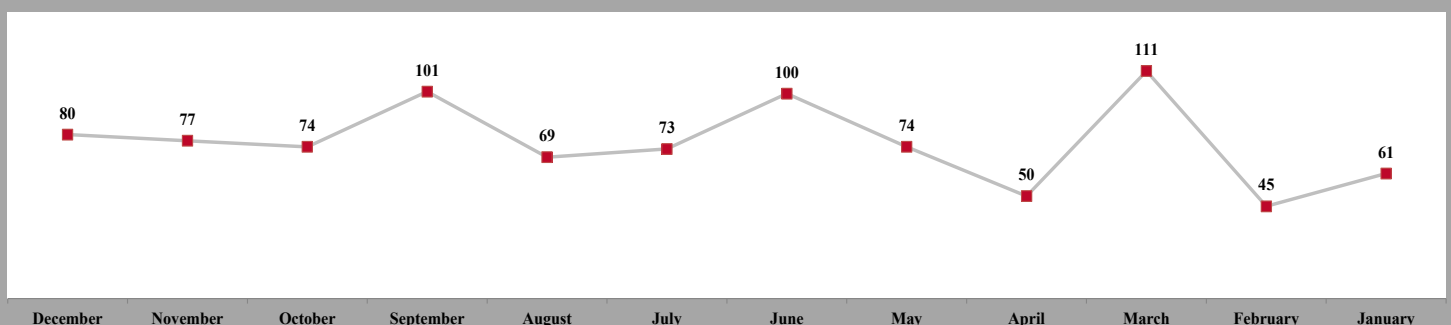
Monthly evolution of FDI projects into Arab countries during 2021

الشهر	متوسط الوظائف (Avg)	عدد الوظائف created	متوسط التكاليف (Avg)	التكلفة الاستثمارية (مليون دولار) Capex (USD m)	عدد الشركات	عدد المشاريع of projects	الشهر
يناير	65	4022	25.2	1534.4	59	61	يناير
فبراير	121	5466	27.8	1249.2	45	45	فبراير
مارس	96	10716	71.3	7913.0	84	111	مارس
أبريل	75	3750	9.2	461.3	48	50	أبريل
مايو	67	4972	24.9	1840.3	69	74	مايو
يونيو	112	11279	58.3	5834.8	83	100	يونيو
يوليو	43	3197	15.3	1113.8	69	73	يوليو
أغسطس	70	4851	44	3039.3	64	69	أغسطس
سبتمبر	137	13839	54.1	5462.1	75	101	سبتمبر
أكتوبر	54	4040	30.5	2259.9	69	74	أكتوبر
نوفمبر	81	6274	16.8	1292.2	70	77	نوفمبر
ديسمبر	51	4143	11.8	946.2	67	80	ديسمبر
المجموع	87	75495	38.0	32788.7	707	862	المجموع

The lowest capex was in April and amounted to about \$461 million by 50 projects

التطور الشهري لعدد مشاريع الاستثمار الأجنبي المباشر الجديدة في الدول العربية خلال عام 2021

Monthly evolution of FDI projects into Arab countries during 2021



Section Two: FDI Projects into Arab Countries for 2021

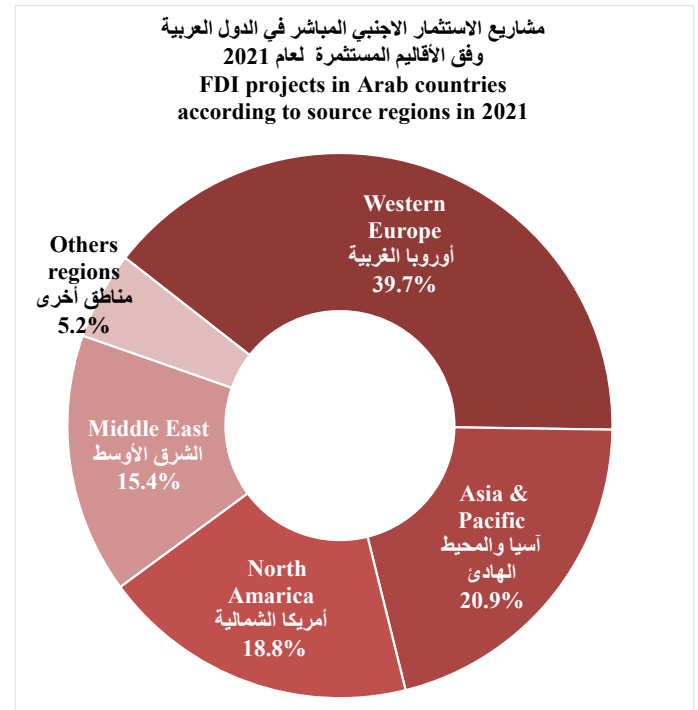
Top regions Investing in Arab countries for 2021

Based on the Financial Times' FDI database on the most important geographical regions investing in Arab countries for 2021, the findings come as follows:

- Western Europe came to the forefront as the most important source region into the Arab countries with 342 projects representing 39.7% of all new projects in the region for 2021, and these projects were implemented by 283 companies at an estimated capex of about \$12.6 billion representing 38.4% of the total. These projects created about 31.9 thousand new jobs with a share of 42.3% of the total.
- Asia-Pacific is the second most important source of projects into the Arab region with a 20.9% share in terms of number of projects and 22.8% in terms of capex. North America ranked third, with 18.8% of the total number of projects, and with capex of more than 15% of the total, providing 17.3% of new jobs.
- The Middle East ranked fourth in its contribution to FDI projects in the region with 133 projects, representing 15.4% of all new projects in the region for 2021. These projects were implemented by 97 companies at an estimated capex of \$6.3 billion, accounting for 19.1% of the total. These projects created more than 10,000 new jobs with a share of 14.5% of the total.
- The Middle East ranked first in terms of the average capex of projects into the Arab region, amounting to \$47.1 million, while Latin America and the Caribbean came first in terms of the average number of jobs per project (265 jobs per project).

Western
Europe

The most important region invested in Arab countries in terms of the number of projects, capex and number of jobs in 2021



أهم الأقاليم المستثمرة في المنطقة العربية خلال عام 2021

The most important regions investing in Arab countries during 2021

Ranking by No. of projects	Region	عدد المشاريع / Number of projects	عدد الشركات / Companies	عدد الوظائف / Jobs created	متوسط الوظائف / متوسط الوظائف (Avg)	التكلفة الاستثمارية / (مليون دولار) / Capex (USD m)	متوسط التكاليف / (مليون دولار) / Capex (Avg, USD m)	الإقليم	الترتيب وفقاً لعدد المشاريع
1	Western Europe	342	283	31930	93	12596.8	36.8	أوروبا الغربية	1
2	Asia-Pacific	180	154	14807	82	7478.5	41.5	آسيا والمحيط الهادئ	2
3	North America	162	130	13082	81	5032	31.1	أمريكا الشمالية	3
4	Middle East	133	97	10954	82	6263.2	47.1	الشرق الأوسط	4
5	Emerging Europe	22	21	3245	148	733.2	33.3	دول أوروبا الناشئة	5
6	Africa	21	20	948	45	605.1	28.8	أفريقيا	6
7	Latin America & Caribbean	2	2	529	265	80	40.0	أمريكا اللاتينية والكاريبي	7
Total & Average		862	707	75495.0	88	32788.8	38.0	المجموع والمتوسط	

Section Two: FDI Projects into Arab Countries for 2021

Top countries Investing in Arab countries for 2021

- Of 66 countries invested in the region in 2021, the top 10 countries in each index accounted for about 69% of the number of greenfield projects implemented, 78% of capex, and 70% of all new jobs created by these projects during 2021.
- The United States topped the list of the most important countries invested in Arab countries, according to the indicators of the number of projects and the number of jobs. Through 117 companies, it implemented 149 projects representing 17.3% of the total number of projects with a capex of about \$4.9 billion making up 14.9% of the total, providing more than 12,000 jobs, representing 16.4% of the total.
- The UK ranked second in terms of the number of projects with a share of 12.6% of all projects implemented in the region, while in third place in terms of new jobs with a share of 10.3%, and in fourth place in terms of capex with a share of 7.5.5%
- In view of capex, the UAE ranked first, with a 15% share, slightly ahead of the United States (14.9%), and ranked fourth in both the number of projects and the number of jobs with shares of 6.4% and 8.1%, respectively.
- Lebanon was among the top 10 investing countries in the region, ranked 10th according to both the number of projects and the number of jobs created with 2.1% quotas and 2.2% respectively.

UAE

is the top investor
in the Arab region
according to capex,
with \$4.91 billion in 2021

USA

is the top investor in
Arab countries
according to number
of projects by 17.3%,
and according to jobs
created by 16.4% in 2021

أهم الدول المستثمرة في المنطقة العربية خلال عام 2021 وفقاً لعدد الوظائف الجديدة

Top 10 investing countries into Arab region by jobs created - year 2021

Ranking	الدولة / Country	عدد الوظائف Jobs created	الحصة من الإجمالي Share of total	الدولة	الترتيب
1	United States	12414	16.4%	الولايات المتحدة	1
2	India	8703	11.5%	الهند	2
3	United Kingdom	7769	10.3%	المملكة المتحدة	3
4	UAE	6084	8.1%	الإمارات	4
5	France	3794	5.0%	فرنسا	5
6	Switzerland	3517	4.7%	سويسرا	6
7	Japan	3400	4.5%	اليابان	7
8	Spain	2965	3.9%	إسبانيا	8
9	Cyprus	2266	3.0%	قبرص	9
10	Lebanon	1653	2.2%	لبنان	10
Total / المجموع		52565	70%	المجموع	

أهم الدول المستثمرة في المنطقة العربية خلال عام 2021 وفقاً للتكلفة الاستثمارية (بالمليون دولار)

Top 10 investing countries into Arab region by Capex - year 2021 (USD m)

Ranking	Country	التكلفة الاستثمارية Capex	الحصة من الإجمالي Share of / total	الدولة	الترتيب
1	UAE	4914.5	15.0%	الإمارات	1
2	United States	4878.4	14.9%	الولايات المتحدة	2
3	India	4795.8	14.6%	الهند	3
4	United Kingdom	2465	7.5%	المملكة المتحدة	4
5	Germany	2065.4	6.3%	ألمانيا	5
6	France	2020.1	6.2%	فرنسا	6
7	Cyprus	1320.3	4.0%	قبرص	7
8	Spain	1307.4	4.0%	إسبانيا	8
9	China	998.5	3.0%	الصين	9
10	Japan	948.9	2.9%	اليابان	10
Total		25714.3	78%	المجموع	

أهم الدول المستثمرة في المنطقة العربية خلال عام 2021 وفقاً لعدد المشاريع

Top 10 investing countries into Arab region by number of projects - year 2021

Ranking	Country	عدد المشاريع Number of projects	الحصة من الإجمالي Share of total	الدولة	الترتيب
1	United States	149	17.3%	الولايات المتحدة	1
2	United Kingdom	109	12.6%	المملكة المتحدة	2
3	India	105	12.2%	الهند	3
4	UAE	55	6.4%	الإمارات	4
5	Switzerland	40	4.6%	سويسرا	5
6	Germany	36	4.2%	ألمانيا	6
7	France	35	4.1%	فرنسا	7
8	Spain	28	3.2%	إسبانيا	8
9	Japan	22	2.6%	اليابان	9
10	Lebanon	18	2.1%	لبنان	10
Total		597	69%	المجموع	

Section Two: FDI Projects into Arab Countries for 2021

Top investor companies in Arab countries for 2021

Swiss

International Workplace Group (Regus) is the region's top investor by 14 projects; 1.6% of total

India's ACME is the region's top investor by capex of \$3.5 billion; 10.7% of total

- The number of investor companies in the region increased by 30.4% from 542 in 2020 to 707 in 2021, and 93% of foreign companies were mainly active in the UAE, Saudi Arabia, Qatar and Egypt in 2021.
- The top 10 companies in each index accounted for about 9% of the number of new projects implemented, 39% of the capex, and 31% of total new jobs.
- The Swiss International Workplace Group (Regus), which specializes in providing business premises as real or virtual headquarters, ranked first as the largest founder of new projects in the Arab region in 2021 with 14 projects representing 1.6% of the region's total. The US consumer products company, Amazon followed with 11 projects at a capex of \$747 million, providing nearly 4,000 new jobs.
- Startech EUS of Lebanon was the third largest investor in the Arab region in terms of the number of projects (9 projects), the same number as the German hotel company Steigenberger Hotels.
- ACME Group of India, which works in the chemical industry, ranked first in terms of capex of FDIs in the Arab region during 2021, with a value of \$3.5 billion, representing about 10.7% of the total, followed by France's Engie (GDF SUEZ), with a value of \$1.52 billion, accounting for 4.6% of the total, and then the UAE's real estate company Reportage Properties with a capex of \$1.51 billion, which also represents 4.6% of the total.

Source: FDI Markets

أهم الشركات الأجنبية المستثمرة في الدول العربية خلال عام 2021 وفقا لعدد المشاريع

Most important foreign companies investing in Arab countries by number of projects-2021

Ranking	Company	عدد المشاريع الإجمالي Number of projects	الحصة من الإجمالي Share of total	الشركة	الترتيب
1	International Workplace Group (Regus)	14	1.6%	المجموعة الدولية لأمكان العمل (ريجس)	1
2	Amazon.com	11	1.3%	أمازون	2
3	StartechEUS	9	1.0%	StartechEUS	3
3	Steigenberger Hotels	9	1.0%	فنادق "شتاينبرجر"	3
5	Imarticus Learning	7	0.8%	إمارتيكوس التعلم	5
6	Global Markets	6	0.7%	غلوبال ماركت	6
7	Realty Assistant	5	0.6%	ريالتي أسيسانت	7
8	WebEngage	5	0.6%	WebEngage	8
9	500 Global (500 Startups)	4	0.5%	500 العالمية	9
10	Amazon Web Services(AWS)	4	0.5%	أمازون لخدمات الويب	10
Total		74	9%	الإجمالي	

أهم الشركات الأجنبية المستثمرة في الدول العربية خلال عام 2021 وفقا للتكلفة الاستثمارية

Most important foreign companies investing in Arab countries by Capex-2021

Ranking	Company	التكلفة الاستثمارية (المليون دولار) Capex (USD m)	الحصة من الإجمالي / Share of total	الشركة	الترتيب
1	ACME Group (ACME Cleantech Solutions)	3500.0	10.7%	مجموعة ACME	1
2	Engie (GDF SUEZ) (Gaz de France)	1518.7	4.6%	إنجي غاز فرنسا (GDF SUEZ)	2
3	Reportage Properties	1510.3	4.6%	ريبورتاج العقارية	3
4	Steigenberger Hotels	1305.3	4.0%	فنادق شتاينبرجر	4
5	Gulf Development International (GDI)	1000.0	3.0%	الخليج للتنمية الدولية	5
6	Acciona	1000.0	3.0%	أكسيونا	6
7	Colonial Chemical	895.4	2.7%	كولونيال للصناعات الكيماوية	7
8	Amazon.com	747.1	2.3%	أمازون	8
9	Metito	739.0	2.3%	ماتيتو	9
10	Vonder Group	732.2	2.2%	مجموعة Vonder	10
Total		12948.0	39%	الإجمالي	

أهم الشركات الأجنبية المستثمرة في الدول العربية خلال عام 2021 وفقا لعدد الوظائف الجديدة

Most important foreign companies investing in Arab countries by jobs created-2021

Ranking	Company	عدد الوظائف Jobs created	الحصة / Share of total	الشركة	الترتيب
1	Amazon.com	3885	5.1%	أمازون	1
2	Aptiv	3500	4.6%	أبتيف	2
3	ACME Group (ACME Cleantech Solutions)	3000	4.0%	مجموعة ACME	3
4	CTP Invest	2596	3.4%	CTP للاستثمار	4
5	Steigenberger Hotels	2223	2.9%	فنادق شتاينبرجر	5
6	Gulf Development International (GDI)	2200	2.9%	الخليج للتنمية الدولية	6
7	Saraya	1500	2.0%	سارايا	7
7	Maersk Saudi Arabia	1500	2.0%	مابرسك السعودية	7
9	LafargeHolcim Maroc (Lafarge Ciments)	1400	1.9%	لافارج للاسمنت	9
10	Acciona	1242	1.6%	أكسيونا	10
Total		23046	31%	الإجمالي	

المصدر: قاعدة بيانات FDI Markets

Section Two: FDI Projects into Arab Countries for 2021

Top projects in Arab countries for 2021

- The renewable energy sector ranked first in terms of capex for the top 10 projects in the Arab region in 2021, through two projects in Oman and the UAE.
- The real estate sector ranked second with three of the top 10 projects in terms of capex, followed by the business services sector with three projects.
- The projects, which created more than 100 jobs per project, constituted about 18% in 2021, while the number of new jobs ranged from 50 to 100 in more than half of the projects.
- The UAE is the number one source of mega projects in the Arab region with an average capex of \$89.4 million per project; more than double the overall average of projects, although it ranked fourth in number with 55 projects with a total capex of \$4.91 billion, providing 6084 new jobs

Renewable energy

ranked first in terms of capex through two projects in Arab region in 2021

UAE

is number one source of mega projects with an average capex of more than double overall Arab average in 2021

The following is a list of top projects by capex:

Hydrogen plant in Duqm plant in Oman	3.5\$ billion	In March 2021, Indian solar developer ACME Cleantech Solutions announced a plan to set up a \$3.5 billion renewables-powered green hydrogen and green ammonia facility in Duqm city in Oman. The facility is expected to produce approximately 900,000 tons of hydrogen annually and to become operational by 2022, creating around 3,000 jobs.
Monte Napoleone residential project in New Cairo	1.5\$ billion	In June 2021, Reportage Properties, a leading real estate developer in the UAE, announced a residential project, Monte Napoleone in New Cairo, Egypt, at an estimated cost of \$1.5 billion. Spanning over 465,000 sq. meters, the project is expected to provide 5,500 housing units. The project will be developed in co-operation with Al Ahly Sabbour, a leading real estate developer in Egypt.
Neom standard equipment plant	1\$ billion	The UK-based Gulf Development International announced in June 2021 that it intends to invest \$1 billion in the City of Neom, Tabuk, Saudi Arabia, in the real estate sector to build volumetric modular assembly plant in Neom in collaboration with Saudi Aramco to support the construction of housing and hotels in Neom. The project covering 1.4 million sq. meters will provide about 12.5 thousand units per year. The project is expected to be operational by the end of 2022, and to create some 2,200 jobs.
Chemical plant in Dammam	895\$ million	In 2021, Chemical Colonial Group announced its intention to build an \$895 million chemical plant in Dammam, Saudi Arabia, in collaboration with Saudi Sadeem Investment and Saudi Makamin Oil & Gas Services. The project aims to provide a variety of high-tech chemicals (oil field chemicals, industrial lubricants, water treatment, paper, paints, etc.), and is expected to create some 269 jobs.
Desalination project in Medina	826.7\$ million	In March 2021, France de Gaz (SUEZ GDF) company, which is specialized in natural gas and electricity, announced its intention to invest about \$826.7 million to build a desalination plant in Medina, Saudi Arabia, with a capacity of 450,000 cubic meters per day, with the project providing about 860 jobs.

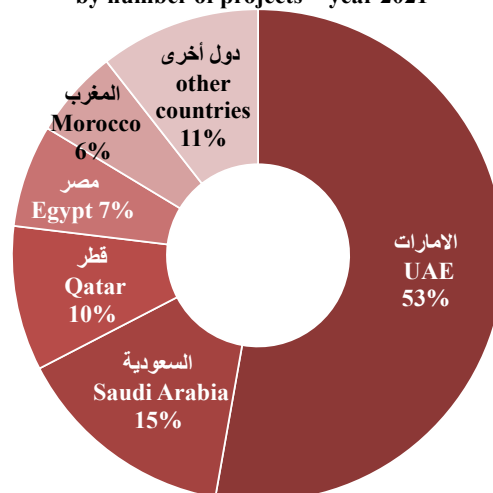
Section Two: FDI Projects into Arab Countries for 2021

Top Arab destination countries for 2021

- The geographical concentration of FDI projects in the Arab region continued during 2021 in a limited number of countries for the different indicators, whether number, capex or new jobs.
- The top five countries; the UAE, Saudi Arabia, Qatar, Egypt and Morocco, accounted for nearly 90% of the total number of projects, 74% of capex and 84% of new jobs.
- The UAE continued to lead the region's countries as the top FDI destination country in terms of number by 455 projects, representing 52.8% of the total new projects in the region. It also came first in terms of jobs created by nearly 21000 jobs with a share of 27.8% of the total, while it was the second largest FDI destination country in term of capex by \$6.6 billion with a 20% share of the total.
- Saudi Arabia led the Arab countries as the largest FDI destination country in terms of capex by \$9.3 billion, making up 28.2% of the total capex of projects in the region, while in second place in terms of project number with 126 projects representing 14.6% of the total, providing more than 17000 new jobs.
- Qatar ranked third as the largest FDI destination country in term of project number by 82 projects, representing 9.5% of the total, with capex of \$1.12 billion, providing more than 4,000 new jobs.
- In terms of capex, Egypt came in third place with about \$5.4 billion, representing 16.4% of the total, through 58 projects, carried out by 50 foreign companies and creating more than 9000 new jobs.
- Oman ranked fourth in the Arab world in terms of capex by \$4.5 billion, while it ranked seventh in terms of the number of projects with 20 projects and fifth place in terms of the number of new jobs.

FDI projects continued to be concentrated in UAE, Saudi Arabia, Qatar, Egypt and Morocco, representing 90% of Arab total

توزيع المشاريع على الدول العربية وفقا لعدد المشاريع لعام 2021
Distribution of FDI into Arab countries
by number of projects - year 2021



مشاريع الاستثمار الأجنبي المباشر الجديدة موزعة على الدول العربية لعام 2021
New FDI projects distributed among Arab countries-year 2021

Ranking by No. of projects	Country	عدد المشاريع number of projects	عدد الشركات companies	عدد الوظائف Jobs created	متوسط الوظائف Jobs created (Avg)	التكلفة الاستثمارية (مليون دولار) Capex (USD m)	متوسط التكاليف Capex (Avg)	الدولة	الترتيب وفقا لعدد المشاريع
1	UAE	455	426	20996	46	6566.9	14.4	الإمارات	1
2	Saudi Arabia	126	102	17501	138	9256.6	73.5	السعودية	2
3	Qatar	82	81	4206	51	1124.2	13.7	قطر	3
4	Egypt	58	50	9300	160	5393.0	93.0	مصر	4
5	Morocco	50	44	11183	223	1800.6	36.0	المغرب	5
6	Bahrain	21	21	1743	83	981.2	46.7	البحرين	6
7	Oman	20	16	5384	269	4546.4	227.3	سلطنة عمان	7
8	Algeria	9	7	650	72	853.1	94.8	الجزائر	8
9	Tunisia	8	8	1136	142	268.0	33.5	تونس	9
10	Iraq	7	6	317	45	1115.8	159.4	العراق	10
11	Kuwait	7	7	461	65	100.8	14.4	الكويت	11
12	Jordan	6	6	1617	269	342.6	57.1	الأردن	12
13	Mauritania	5	4	297	59	331.4	66.3	موريتانيا	13
14	Sudan	4	4	414	103	90.9	22.7	السودان	14
15	Libya	2	2	258	129	11.9	6.0	ليبيا	15
16	Djibouti	1	1	31	31	4.7	4.7	جيبوتي	16
17	Lebanon	1	1	1	1	0.5	0.5	لبنان	17
Total & Average		862	707	75495	88	32789	38	المجموع والمتوسط	

Section Two: FDI Projects into Arab Countries for 2021

S. Arabia

Comes first in term of capex by \$9.3 billion; 28.2% of the total

Top FDI Arab destination countries

UAE

Keeps lead by 52.8% in term project number, 27.8% of jobs created

Egypt

Comes third in term of capex by \$5.4 billion

Qatar

Comes third by 82 projects; 9.5% of the total

Oman

Comes fourth in term of capex by \$4.5 billion and fifth in term of jobs by 5.4 thousands

Morocco

Comes third in term of jobs created by 14.8% and fifth in project number and capex

Of 17 Arab countries, the top five; UAE, Saudi Arabia, Qatar, Egypt and Morocco, represented nearly 90% of projects, 74% of capex and 84% of new jobs

الدول العربية المستقبلة للمشاريع الأجنبية خلال عام 2021 وفقا لعدد الوظائف الجديدة					
Arab countries receiving FDI according to jobs created-2021					
Ranking	Country	عدد الوظائف Jobs created	الحصة من الإجمالي Share of total	الدولة	الترتيب
1	UAE	20996	27.8%	الإمارات	1
2	Saudi Arabia	17501	23.2%	السعودية	2
3	Morocco	11183	14.8%	المغرب	3
4	Egypt	9300	12.3%	مصر	4
5	Oman	5384	7.1%	سلطنة عمان	5
6	Qatar	4206	5.6%	قطر	6
7	Bahrain	1743	2.3%	البحرين	7
8	Jordan	1617	2.1%	الأردن	8
9	Tunisia	1136	1.5%	تونس	9
10	Algeria	650	0.9%	الجزائر	10
11	Kuwait	461	0.6%	الكويت	11
12	Sudan	414	0.5%	السودان	12
13	Iraq	317	0.4%	العراق	13
14	Mauritania	297	0.4%	موريتانيا	14
15	Libya	258	0.3%	ليبيا	15
16	Djibouti	31	0.041%	جيبوتي	16
17	Lebanon	1	0.001%	لبنان	17
Total		75495	100%	المجموع	

الدول العربية المستقبلة للمشاريع الأجنبية خلال عام 2021 وفقا لعدد التكلفة الاستثمارية					
Arab countries receiving FDI according to Capex-2021					
Ranking	Country	التكلفة الاستثمارية (مليون دولار) Capex (USD m)	الحصة من الإجمالي Share of total	الدولة	الترتيب
1	Saudi Arabia	9257	28.2%	السعودية	1
2	UAE	6567	20.0%	الإمارات	2
3	Egypt	5393	16.4%	مصر	3
4	Oman	4546	13.9%	سلطنة عمان	4
5	Morocco	1801	5.5%	المغرب	5
6	Qatar	1124	3.4%	قطر	6
7	Iraq	1116	3.4%	العراق	7
8	Bahrain	981	3.0%	البحرين	8
9	Algeria	853	2.6%	الجزائر	9
10	Jordan	343	1.0%	الأردن	10
11	Mauritania	331	1.0%	موريتانيا	11
12	Tunisia	268	0.8%	تونس	12
13	Kuwait	101	0.3%	الكويت	13
14	Sudan	91	0.3%	السودان	14
15	Libya	12	0.0%	ليبيا	15
16	Djibouti	5	0.0%	جيبوتي	16
17	Lebanon	1	0.0%	لبنان	17
Total		32789	100%	المجموع	

الدول العربية المستقبلة للمشاريع الأجنبية خلال عام 2021 وفقا لعدد المشاريع					
Arab countries receiving FDI according to number of projects-2021					
Ranking	Country	عدد المشاريع Number of projects	الحصة من الإجمالي Share of total	الدولة	الترتيب
1	UAE	455	52.8%	الإمارات	1
2	Saudi Arabia	126	14.6%	السعودية	2
3	Qatar	82	9.5%	قطر	3
4	Egypt	58	6.7%	مصر	4
5	Morocco	50	5.8%	المغرب	5
6	Bahrain	21	2.4%	البحرين	6
7	Oman	20	2.3%	سلطنة عمان	7
8	Algeria	9	1.0%	الجزائر	8
9	Tunisia	8	0.9%	تونس	9
10	Iraq	7	0.8%	العراق	10
11	Kuwait	7	0.8%	الكويت	11
12	Jordan	6	0.7%	الأردن	12
13	Mauritania	5	0.6%	موريتانيا	13
14	Sudan	4	0.5%	السودان	14
15	Libya	2	0.2%	ليبيا	15
16	Djibouti	1	0.1%	جيبوتي	16
17	Lebanon	1	0.1%	لبنان	17
Total		862	100%	المجموع	

Section Two: FDI Projects into Arab Countries for 2021

Most important cities receiving FDI projects in the Arab countries for 2021

- New FDI projects were distributed among 76 Arab cities in 2021.
- The top five cities accounted for 65.2% of the total number of projects, about 26% of the total capex and 37% of the number of new jobs in 2021.
- Dubai continued to lead Arab cities by receiving 346 projects representing more than 40% of the total and the largest capex with a value of \$4.6 billion and provided the largest number of new jobs by more than 14000 jobs.
- Abu Dhabi and Doha ranked second in the Arab world in terms of the number of projects with a share of 7.9%, while Riyadh came third with a share of 6.4% of the total.
- In 2021, the new Cairo city had the largest average capex of a project valued at \$506 million (\$1.5 billion for three projects), while Al Jubail city had the largest average number of jobs per project by 284 jobs.

Dubai is top FDI destination city according to number of projects, Abu Dhabi and Doha come second in 2021

New Cairo leads in term of capex, Al Jubail on top in term of jobs created in 2021

أهم المدن العربية المستقبلة للمشاريع الأجنبية لعام 2021

Most important Arab cities receiving FDI - 2021

الترتيب وفقاً لعدد المشاريع	الترتيب	المدينة	متوسط التكاليف (Avg) Capex (USD m)	التكلفة الاستثمارية (مليون دولار) Capex (USD m)	متوسط الوظائف (Avg) Jobs created (Avg)	عدد الوظائف Jobs created	الحصة من الإجمالي Share of total	Number of projects	City	Ranking by No. of projects
1	دبي	13	4583	41	14186	40.1%	346	Dubai	1	
2	أبو ظبي	15	1022	45	3062	7.9%	68	Abu Dhabi	2	
2	الدوحة	11	728	41	2760	7.9%	68	Doha	2	
4	الرياض	22	1203	75	4152	6.4%	55	Riyadh	4	
5	القاهرة	36	908	156	3900	2.9%	25	Cairo	5	
6	الدار البيضاء	15	222	104	1560	1.7%	15	Casablanca	6	
7	الشارقة	22	258	91	1094	1.4%	12	Sharjah	7	
8	جدة	54	592	260	2863	1.3%	11	Jeddah	8	
9	طنجة	24	259	221	2430	1.3%	11	Tanja	9	
10	المنامة	62	615	64	642	1.2%	10	Manama	10	
11	مسقط	38	302	66	524	0.9%	8	Muscat	11	
12	الخبر	19	117	27	164	0.7%	6	Al-Khobar	12	
13	الدمام	179	1073	118	707	0.7%	6	Dammam	13	
14	مدينة 6 أكتوبر	129	518	182	729	0.5%	4	6th of October	14	
15	الجبيل	198	794	284	1134	0.5%	4	Al Jubail	15	
16	الجزائر	33	134	64	255	0.5%	4	Alger	16	
17	تونس	30	122	42	167	0.5%	4	Tunis	17	
18	مراكش	3	9	12	35	0.3%	3	Marrakesh	18	
19	القاهرة الجديدة	506	1519	237	710	0.3%	3	New Cairo	19	
20	الرباط	11	34	43	130	0.3%	3	Rabat	20	
	أخرى	143	10274	321	23109	8.4%	72	Other		
	غير محدد	61	7505	90	11182	14.4%	124	Undefined		
	المجموع والمتوسط	38	32789	88	75495	100%	862	Total & Average		

Section Two: FDI Projects into Arab Countries for 2021

The most important sectors receiving projects in the Arab countries for 2021

- FDI projects in the Arab countries for 2021 were distributed among 33 sectors, and the top five sectors accounted for 64% of the total number of projects.
- The business services sector came first in the number of projects by 200 projects with a share of 23.2% of the total, implemented by 158 companies at with capex of about \$4.8 billion. More than 11.3 thousand jobs were created.
- The software and IT services sector came second by 180 projects, making up 20.9% of the total and with capex of \$1.3 billion, providing nearly 6000 new jobs during the year.
- As for the capex, chemical industry topped 33 sectors by \$5.5 billion with a share of 16.7%. The business services sector ranked second with a share of 14.6%, followed by real estate with a share of 12.8% of the total.

Chemical industry tops list according to capex by \$5.5 billion, making up 16.7% of total

Business services top list by 200 projects and 11.4 thousand jobs

أهم القطاعات المستقبلة للمشاريع الأجنبية في الدول العربية لعام 2021

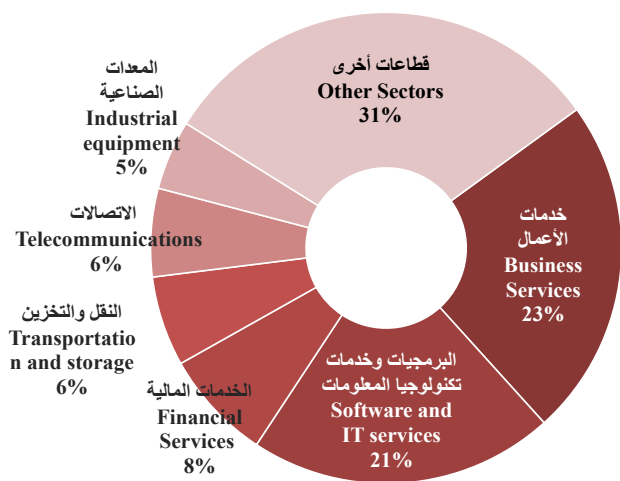
Most important sectors receiving FD in Arab countries in 2021

Ranking by No. of projects	Sector	عدد المشاريع Number of projects	عدد الوظائف Jobs created	متوسط الوظائف Jobs created (Avg)	التكلفة الاستثمارية (مليون دولار) Capex (USD m)	متوسط التكاليف Capex (Avg)	القطاع	الترتيب وفقاً لعدد المشاريع
1	Business Services	200	11392	56	4782.5	23.9	خدمات الأعمال	1
2	Software and IT services	180	5722	31	1300.0	7.2	البرمجيات وخدمات تكنولوجيا المعلومات	2
3	Financial Services	65	1671	25	589.4	9.1	الخدمات المالية	3
4	Transportation and storage	53	5776	108	2566.5	48.4	النقل والتخزين	4
5	Telecommunications	52	2653	51	2020.6	38.9	الاتصالات	5
6	Industrial equipment	41	1062	25	174.9	4.3	المعدات الصناعية	6
7	Real estate	37	7285	196	4191.8	113.3	العقارات	7
8	Food & Beverages	30	4698	156	1635.6	54.5	الأغذية ومشروبات	8
9	Consumer Products	24	7534	313	892.0	37.2	المنتجات الاستهلاكية	9
10	Electronic components	24	1377	57	234.4	9.8	مكونات إلكترونية	10
11	Hotels and Tourism	20	3856	192	2085.4	104.3	الفنادق والسياحة	11
12	Chemical	16	4692	293	5465.2	341.6	الصناعات الكيماوية	12
13	Renewable energy	13	786	60	3671.6	282.4	الطاقة المتجددة	13
14	Textiles	10	1879	187	352.1	35.2	النسيج	14
15	Aerospace	9	219	24	101.6	11.3	الفضاء	15
16	Pharmaceuticals	9	1458	162	238.4	26.5	الأدوية	16
17	Metals	8	639	79	773.1	96.6	المعادن	17
18	Plastics	8	1019	127	233.0	29.1	البلاستيك	18
19	Consumer electronics	7	309	44	47.0	6.7	الإلكترونيات	19
20	Healthcare	7	500	71	110.7	15.8	الرعاية الصحية	20
	Other Sectors	49	10968	224	1322.9	27	قطاعات أخرى	
	Total & Average	862	75495	88	32789	38.0	المجموع والمتوسط	

Section Two: FDI Projects into Arab Countries for 2021

The most important sectors for 2021

أهم القطاعات المستقبلية للمشاريع الأجنبية في الدول العربية لعام 2021
وفقاً لعدد المشاريع
Most Important Sectors Receiving FD in Arab Countries
According to Number of Projects in 2021



Consumer products sector led in average jobs per project in 2021

- Based on the number of new jobs provided by foreign investment projects in the Arab region in 33 sectors in 2021, more than 37000 jobs (representing 50% of the total) were concentrated in five sectors: business services with 11.3 thousand jobs, consumer products with 7.5 thousand, real estate with 7.3 thousand, transportation and storage with 5.8 thousand, then software and IT services with 5.7 thousand new jobs.
- In terms of average capex, chemical industry had the largest average capex of a project during 2021, costing \$342 million per project, followed by the renewable energy sector with an average of \$282 million per project.
- The consumer products sector contributed the largest number of jobs per project during 2021, with an average of 313 jobs per project, followed by chemical industry with an average of 293 jobs per project, and then real estate, and hotels and tourism, with an average of 196 and 192 jobs per project, respectively.

Software and IT Services sector come second by 180 projects cost \$1.3 billion provided 5.7 thousand new jobs

أهم القطاعات المستقبلية للمشاريع الأجنبية في الدول العربية لعام 2021
وفقاً لعدد مشاريع

Top 10 sectors receiving FDI in Arab countries
according to number of projects- 2021

Ranking	Sector	عدد المشاريع Number of Projects	الحصة من الإجمالي Share of total	القطاع	الترتيب
1	Business Services	200	23.2%	خدمات الأعمال	1
2	Software and IT services	180	20.9%	البرمجيات وخدمات تكنولوجيا المعلومات	2
3	Financial Services	65	7.5%	الخدمات المالية	3
4	Transportation and storage	53	6.1%	النقل والتخزين	4
5	Telecommunications	52	6.0%	الاتصالات	5
6	industrial equipment	41	4.8%	المعدات الصناعية	6
7	Real estate	37	4.3%	العقارات	7
8	Food & Beverages	30	3.5%	الأغذية ومشروبات	8
9	Consumer Products	24	2.8%	المنتجات الاستهلاكية	9
10	Electronic components	24	2.8%	مكونات إلكترونية	10
	Other Sectors	156	18.1%	قطاعات أخرى	
Total		862	100%	المجموع	

أهم القطاعات المستقبلية للمشاريع الأجنبية في الدول العربية لعام 2021
وفقاً للتكلفة الاستثمارية

Top 10 sectors receiving FDI in Arab countries
according to Capex- 2021

Ranking	Sector / القطاع	التكلفة الاستثمارية (مليون دولار) Capex (USD m)	الحصة من الإجمالي Share of total	القطاع	الترتيب
1	Chemicals	5465.2	16.7%	الصناعات الكيماوية	1
2	Business Services	4782.5	14.6%	خدمات الأعمال	2
3	Real estate	4191.8	12.8%	العقارات	3
4	Renewable energy	3671.6	11.2%	الطاقة المتجددة	4
5	Transportation and storage	2566.5	7.8%	النقل والتخزين	5
6	Hotels & tourism	2085.4	6.4%	الفنادق والسياحة	6
7	Telecommunications	2020.6	6.2%	الاتصالات	7
8	Food & Beverages	1635.6	5.0%	الأغذية ومشروبات	8
9	Software and IT services	1300	4.0%	البرمجيات وخدمات تكنولوجيا المعلومات	9
10	Consumer products	892	2.7%	المنتجات الاستهلاكية	10
	Other Sectors	4178	12.7%	قطاعات أخرى	
Total		32789	100%	المجموع	

أهم القطاعات المستقبلية للمشاريع الأجنبية في الدول العربية لعام 2021
وفقاً لعدد الوظائف الجديدة

Most important sectors receiving FDI in Arab countries
according to jobs created in 2021

Ranking	Sector / القطاع	عدد الوظائف Jobs created	الحصة من الإجمالي Share of total	القطاع	الترتيب
1	Business services	11392	15.1%	خدمات الأعمال	1
2	Consumer products	7534	10.0%	المنتجات الاستهلاكية	2
3	Real estate	7285	9.6%	العقارات	3
4	Transportation and storage	5776	7.7%	النقل والتخزين	4
5	Software and IT services	5722	7.6%	البرمجيات وخدمات تكنولوجيا المعلومات	5
6	Food & Beverages	4698	6.2%	الأغذية ومشروبات	6
7	Chemicals	4692	6.2%	الصناعات الكيماوية	7
8	Hotels & tourism	3856	5.1%	الفنادق والسياحة	8
9	Telecommunications	2653	3.5%	الاتصالات	9
10	Textiles	1879	2.5%	النسيج	10
	Other Sectors	20008	26.5%	قطاعات أخرى	
Total		75495	100%	المجموع	

Section Two: FDI Projects into Arab Countries for 2021

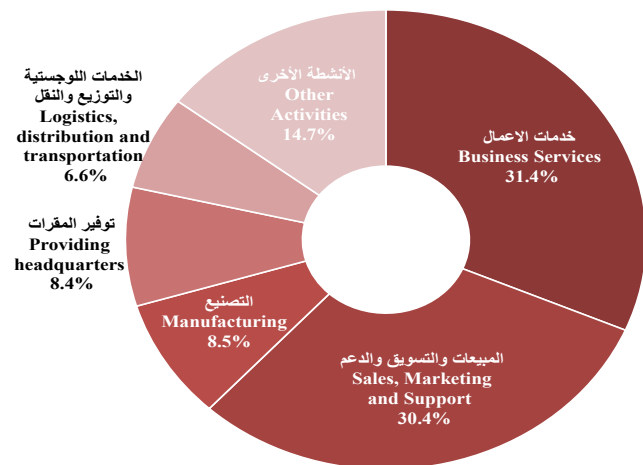
The most important activities receiving projects for 2021

FDI projects continue to draw five main activities by 85% of project number, 56% of capex and 72% of jobs in 2021

- FDI projects continue to be concentrated in five activities representing about 85% in terms of number of projects, 56% in terms of cost and 72% in terms of jobs created during 2021
- In terms of the number of projects, business services activity came in the lead with 271 projects representing 31% of the total, followed by the sales, marketing and support sector with 262 projects and a share of 30% of the total.
- Manufacturing activity was ranked first in the two indicators of the capex and number of jobs by acquiring a share of more than 35% of the total each. Construction activity came second in the capex, logistics, distribution and transportation activity also came second in number of jobs.
- According to the average capex and jobs, recycling activity came with the highest average capex by \$517 million per project, and the largest average number of jobs by 455 jobs per project.

Manufacturing sector tops both indicators: capex and jobs created by over 35% of total for each

أهم الأنشطة المستقبلية للمشاريع الأجنبية في المنطقة العربية لعام 2021 وفقاً لعدد المشاريع
Most important activities receiving FDI in Arab countries in 2021 according to number of projects



أهم الأنشطة المستقبلية للمشاريع الأجنبية في المنطقة العربية لعام 2021

Most important activities receiving FD in Arab countries in 2021

Ranking by No. of projects	Activity	عدد المشاريع Numbers of projects	الحصة من الإجمالي Share of total	عدد الشركات Companies	عدد الوظائف Jobs created	متوسط الوظائف (Avg)	التكلفة الاستثمارية (مليون دولار) Capex (USD m)	متوسط التكاليف Capex (Avg)	التشاطر	الترتيب وفقاً لعدد المشاريع
1	Business Services	271	31%	226	5941	21	978.3	3.6	خدمات الاعمال	1
2	Sales, Marketing and Support	262	30%	236	6624	25	974.9	3.7	المبيعات والتسويق والدعم	2
3	Manufacturing	73	8%	66	26678	365	11534.0	158.0	التصنيع	3
4	Providing headquarters	72	8%	71	5197	72	1352.5	18.8	توفير المقرات	4
5	Logistics, distribution and transportation	57	7%	39	10062	176	3364.8	59.0	الخدمات اللوجستية والتوزيع والنقل	5
6	Education and Training	28	3%	15	3277	117	509.8	18.2	التعليم والتدريب	6
7	construction	23	3%	14	8798	382	5234.1	227.6	الانشاءات	7
8	Research & Development	23	3%	23	2342	101	589.5	25.6	البحث والتطوير	8
9	ICT & Internet Infrastructure	19	2%	13	1264	66	1913.8	100.7	تكنولوجيا المعلومات والاتصالات والإنترنت	9
10	Maintenance and service	12	1%	10	380	31	164.1	13.7	الخدمات والصيانة	10
11	Electricity	7	1%	6	322	46	2473.0	353.3	الكهرباء	11
12	Recycling	7	1%	4	3187	455	3621.4	517.3	إعادة التدوير	12
13	Technical Support Centre	5	1%	5	504	100	49.9	10.0	مراكز الدعم الفني	13
14	Customer Contact Centre	2	0.2%	2	610	305	19.2	9.6	مراكز الاتصال مع العملاء	14
15	Shared Services Centre	1	0.1%	1	309	309	9.4	9.4	مراكز الخدمات المشتركة	15
Total & Average		862.00	100%	707	75495	88	32788.7	38.0	المجموع والمتوسط	



Section Three: Inter-Arab Investment Projects for 2021

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

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

The most significant information on geographical and sectoral distribution of these projects is obtained through lists of major source countries and companies investing in the region, key projects implemented, major Arab countries and economic sectors receiving these projects during 2021.

Contents:

Evolution of Inter-Arab projects 2003-2021	56
Inter-Arab projects by sector in 2021	57
Top Arab destination and source countries in 2021	58
Top projects in 2021	59

Section Three: Inter-Arab Investment Projects for 2021

Evolution of **Inter-Arab** projects during 2021

Number of inter-Arab projects rose by 20% and its capex by 55.1% to \$6.6 billion in 2021

97 companies from 13 Arab countries implemented 134 inter-Arab projects, creating over 11000 new jobs in 2021

- Inter-Arab investments fluctuated from 2003 to 2021, it was peaked in 2008 for all indicators.
- 2021 saw a recovery in both the number of inter-Arab investment projects and capex, while the number of jobs resulting from this investment continued to decline as follows:
 - The number of inter-Arab direct investment projects increased by 20% from 112 to 134 projects, accounting for 16% of all new FDI projects into Arab countries in 2021.
 - The capex of projects jumped by 55.1% from \$4.2 billion in 2020 to \$6.6 billion in 2021, accounting for 20% of the total capex of new FDI projects in Arab countries in 2021.
- The number of new jobs provided by these projects continued to decline by 0.5% from 11182 jobs in 2020 to 11130 in 2021, accounting for only 15% of all new FDI projects in the Arab region in 2021.
- 97 companies from 13 Arab countries invested in the region, and two countries, the UAE and Lebanon, acquired 55% of the number of inter-Arab investment companies in 2021.
- Projects that created more than 80 new jobs accounted for about 66% of the number of projects and 87% of the total capex during 2021.
- June saw the largest number of projects with 29 projects making up 22% of the total, providing about 42% of the capex and about 28% of jobs during 2021.

تطور التكلفة الاستثمارية لمشاريع الاستثمار العربي البيئي بالمليار دولار
Evolution of Capex of inter -Arab FDI projects (USD bn)

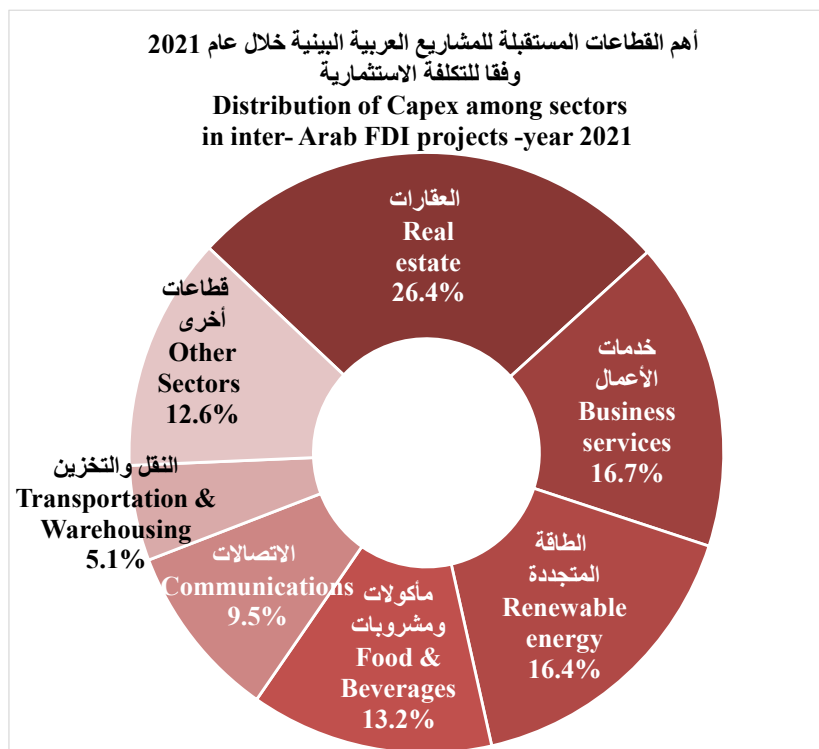


Section Three: Inter-Arab Investment Projects for 2021

Inter-Arab projects by sector in 2021

Business services leads by 35.1% of projects in 2021

- Of 17 inter-Arab investment sectors, the top five accounted for more than 72% of the total number of projects. The business services sector was the leader with 35.1% of the number of projects, followed by software and IT services with a share of 14.2%.
- The real estate sector came in the lead with the highest capex of \$1.7 billion, representing 26.4% of the total, followed by the business services sector with capex of \$1.1 billion and a share of 16.7%.
- The real estate sector ranked first with the largest average job creation (174 jobs per project), followed by the food and beverage sector (172 jobs per project), while the renewable energy sector came to the forefront with the highest average capex of \$361 million per project.



Real estate led 17 sectors
According to capex in 2021

أهم القطاعات المستقبلية للمشاريع العربية البينية خلال عام 2021

Sectoral distribution of FDI inter-Arab projects -year 2021

Ranking by No. of projects	Sector	عدد المشاريع (Number of projects)	عدد الشركات (Number of Companies)	عدد الوظائف المبتدئين (Jobs created)	متوسط الوظائف المبتدئين (Avg Jobs created)	التكلفة الاستثمارية (مليون دولار) (Capex (USD m))	متوسط التكاليف (Avg) Capex (Avg)	القطاع	الترتيب وفقاً لعدد المشاريع
1	Business services	47	26	2919	62	1098.7	23.4	خدمات الأعمال	1
2	Software & IT services	19	15	934	49	228.1	12	البرمجيات وخدمات تكنولوجيا المعلومات	2
3	Food & Beverages	11	7	1893	172	869.6	79.1	مأكولات ومشروبات	3
4	Financial services	10	9	394	39	119.1	11.9	الخدمات المالية	4
5	Transportation & Warehousing	10	8	1016	101	338.6	33.9	النقل والتخزين	5
6	Communications	8	6	449	56	627.5	78.4	الاتصالات	6
7	Real estate	6	6	1044	174	1740.0	290	العقارات	7
8	Industrial equipment	5	5	164	32	28.5	5.7	المعدات الصناعية	8
9	Textiles	5	3	822	164	136.2	27.2	النسيج	9
10	Renewable energy	3	2	156	52	1083.6	361.2	الطاقة المتجددة	10
	Other Sectors	10	10	1339	134	319.2	31.9	القطاعات الأخرى	
	Total	134	97	11130	83	6589.1	49.2	المجموع	

Section Three: Inter-Arab Investment Projects for 2021

Top Arab source and destination countries for 2021

UAE still leader by 55 projects or 41%, with capex of \$4.9 billion in 2021

- At the level of destination countries, the geographical distribution of inter-Arab investment projects continued to be concentrated in Saudi Arabia in the number of projects with 38 projects representing 28% of the total, and the number of new jobs, which amounted to 3.9 thousand jobs, 35% of the total, while Egypt topped the capex, which exceeded \$2.5 billion during 2021.
- In terms of the average capex per project, Iraq came to the forefront with \$186.4 million per project, followed by Egypt with an average of \$140.6 million, and Bahrain came third with \$69.9 million per project.
- Kuwait was at the forefront of the Arab countries in terms of new jobs per project with 134 new jobs.
- The UAE continued to lead 13 Arab countries as the largest investor in inter-Arab investment projects during 2021, with 55 projects representing 41% of the total and a value of \$4.9 billion making up 74.6% of the total capex, creating more than 6000 jobs.
- Lebanon ranked second in terms of the number of projects with a share of 13.4% of the total, as well as new jobs by 14.9% of the total, while Kuwait came second in terms of capex, which exceeded half a billion dollars invested through 15 projects.
- Sudan was a source of inter-Arab projects for 2021 with an average project size of \$104.5 million, more than double the total average during 2021, then the UAE and Tunisia with an average of \$89.4 million and \$55.2 million, respectively.

Saudi Arabia was top destination country by 28%, Egypt in capex by 38% in 2021

الدول العربية المستقبلة للمشاريع العربية خلال عام 2021							
Arab countries as destination to Arab projects -year 2021							
ترتيب وفقاً لعدد المشاريع	الدولة	متوسط الوظائف Jobs created (Avg)	عدد الوظائف Jobs created	متوسط التكاليف Capex (Avg)	التكلفة الاستثمارية (مليون دولار) Capex (USD m)	عدد المشاريع Number of projects	Country
1	السعودية	103	3918	34	1292.2	38	Saudi Arabia
2	الإمارات	55	1606	13.3	384.4	29	UAE
3	مصر	132	2387	140.6	2531.7	18	Egypt
4	قطر	44	755	11	186.8	17	Qatar
5	البحرين	79	788	69.9	699.2	10	Bahrain
6	سلطنة عمان	53	316	40.5	243.1	6	Oman
7	موريتانيا	59	297	66.3	331.4	5	Mauritania
8	العراق	61	243	186.4	745.6	4	Iraq
9	السودان	131	392	27.1	81.4	3	Sudan
10	الكويت	134	267	33.4	66.7	2	Kuwait
11	جيبوتي	31	31	4.7	4.7	1	Djibouti
12	الأردن	130	130	21.9	21.9	1	Jordan
المجموع والمتوسط		83	11130	49.2	6589	134	Total & Average

الدول العربية المستثمرة في المشاريع البينية خلال عام 2021							
Arab countries as source of Arab projects -year 2021							
ترتيب وفقاً لعدد المشاريع	الدولة	متوسط الوظائف Jobs created (Avg)	عدد الوظائف Jobs created	متوسط التكاليف Capex (Avg)	التكلفة الاستثمارية (مليون دولار) Capex (USD m)	عدد الشركات عدد الشركات Companies	عدد المشاريع Number of projects
1	الإمارات	111	6084	89.4	4914.5	43	55
2	لبنان	92	1653	18.2	327.4	10	18
3	الكويت	91	1360	33.4	500.4	8	15
4	مصر	49	492	14	139.7	7	10
5	قطر	41	325	28.2	225.9	4	8
6	السعودية	57	457	3.1	25	8	8
7	البحرين	46	229	17.4	87.1	4	5
8	سلطنة عمان	16	63	3	12.1	3	4
9	تونس	47	188	55.2	220.8	3	4
10	المغرب	50	150	8.9	26.8	3	3
11	الأردن	20	40	1.8	3.6	2	2
12	العراق	20	20	1.3	1.3	1	1
13	السودان	69	69	104.5	104.5	1	1
المجموع والمتوسط		83	11130	49.2	6589.1	97	134

Section Three: Inter-Arab Investment Projects for 2021

Top inter-Arab projects for 2021

Top 10 projects mainly came in food and beverages in number, real estate in capex and business services in jobs

- The top 10 projects out of a total of 134 projects implemented by Arab companies in the region contributed about 59% of the total capex of the overall inter-Arab projects for 2021, providing more than a quarter of the number of new jobs.
- The top 10 projects were concentrated in the food and beverage sector (3 projects), in the real estate sector in terms of capex (about \$1.7 billion) and in the business

Of 10 inter-Arab projects, Egypt received two top projects in term of capex and in term of jobs created in 2021

services sector in terms of jobs (918 jobs).

- In terms of implementing the top 10 projects, the UAE led the way with 7 projects, followed by Kuwait, Tunisia and Sudan with just one project each.
- Saudi Arabia led the way in receiving the top 10 projects (three), while Egypt led the capex (\$2.2 billion) and the number of new jobs (1574 new jobs) by receiving two of the top 10 projects in 2021.

Monte Napoleone residential project in New Cairo	\$ 1.5 billion	In June 2021, Reportage Properties, a leading real estate developer in the UAE, announced a residential project, Monte Napoleone in New Cairo, Egypt, at an estimated capex of \$1.5 billion. Spanning over 465000 sq. meters, the project is expected to provide 5500 housing units. The project will be developed in co-operation with Al Ahly Sabbour, a leading real estate developer in Egypt.
El Hamam agricultural wastewater plant	739\$ million	In March 2021, the UAE's Metito announced a plan to invest \$739 million in building an agricultural wastewater plant in El Hammam city in Egypt's northern Mersa Matrouh Governorate. The plant has a capacity of six million cubic meters of water per day and treated water will irrigate 2.266 million feddans. To be jointly executed by Metito, Orascom Construction (OC), Hassan Allam Construction (HAC) and Arab Contractors, the project is expected to create 918 new jobs.
Solar energy plant in Bahrain	361\$ million	The UAE's Yellow Door Energy Co. announced in July 2021 its intention to set up a rooftop solar plant at The Bahrain Mall in Manama at a cost of \$361 million. Covering 4000 sq. meters, the plant is expected to be completed by 2022.
Solar energy development in Iraq	361\$ million	Masdar, Abu Dhabi Future Energy Company, announced in June 2021 a plan to develop Photovoltaic projects in Iraq at a cost of \$361 million in order to support Iraq's efforts to produce 10 gigawatts of solar energy by 2025.
Cloud kitchens project in Saudi Arabia	217\$ million	The UAE's Kaykroo company announced in October 2021 a plan to invest \$217 million in the food and beverage sector in Saudi Arabia to launch cloud kitchens. The project will offer more than a million meals and create 500 new jobs.



Section Four: FDI Inflows and Stocks into Arab Countries for 2021

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

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

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

Contents:

FDI inflows and stocks into Arab countries for 2021	62
Arab FDI outflows and stocks for 2021	64
Mergers and acquisitions in Arab countries during 2017-2020	66
Evolution of FDI inflows and stocks into Arab countries during 2012-2021	67

Section Four: FDI Inflows and Stocks into Arab Countries for 2021

Inward FDI inflows into Arab countries for 2021

FDI inflows into Arab countries rose by 42% to \$53 billion in 2021, remaining concentrated in five countries by 96%, led by UAE

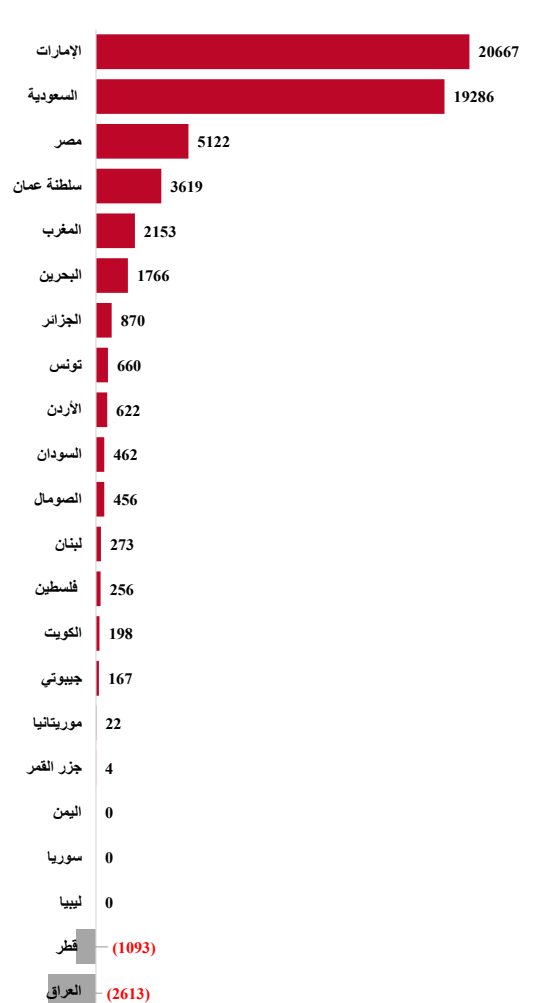
- According to UNCTAD data, FDI inflows into Arab countries continued to rise by 42% in 2021 to \$52.9 billion, representing 6.3% of total inflows into developing countries and 3.3% of total global inflows of about \$1.58 trillion in 2021.
- The geographical concentration of inflows into the top five countries continued, holding more than 96% of the total inflows. The UAE was the leader by \$20.7 billion with a share of more than 39%, followed by Saudi Arabia with \$19.3 billion and a share of 36.5%, Egypt in third place with \$5.1 billion, 9.7% of the total, Oman in fourth place with \$3.6 billion, making up 6.8%, Morocco in fifth place with \$2.2 billion with a 4.1% share.
- During 2021, Iraq and Qatar experienced negative flows totaling \$3.7 billion, compared with negative flows of \$5.4 billion for three countries; Iraq, Qatar and Kuwait, during 2020.
- Saudi Arabia had the highest growth rate of inflows by 257%, followed by Kuwait with 240%, Palestine with 221%, Bahrain, Qatar, Morocco and Oman with 73%, 55%, 52% and 27%, respectively.

تدفقات الاستثمار الأجنبي المباشر الواردة إلى الدول العربية لعام 2021 (بمليون دولار)

FDI inflows into Arab countries in 2021 (US\$ million)

Arab ranking 2021	Country	الحصة من الإجمالي % Share in total %	معدل التغير % of Change	التغير Change	2021	2020	الدولة	الترتيب العربي 2021
1	U.A.E	39.1	3.9	783	20667	19884	الإمارات	1
2	Saudi Arabia	36.5	257.2	13886	19286	5399	السعودية	2
3	Egypt	9.7	(12.5)	(730)	5122	5852	مصر	3
4	Oman	6.8	26.5	758	3619	2861	سلطنة عمان	4
5	Morocco	4.1	51.7	734	2153	1419	المغرب	5
6	Bahrain	3.3	72.9	745	1766	1021	البحرين	6
7	Algeria	1.6	(23.9)	(273)	870	1143	الجزائر	7
8	Tunisia	1.2	1.2	8	660	652	تونس	8
9	Jordan	1.2	(18.2)	(138)	622	760	الأردن	9
10	Sudan	0.9	(35.5)	(254)	462	717	السودان	10
11	Somalia	0.9	(1.8)	(9)	456	464	الصومال	11
12	Lebanon	0.5	(79.1)	(1033)	273	1306	لبنان	12
13	Palestine	0.5	221.0	176	256	80	فلسطين	13
14	Kuwait	0.4	239.8	340	198	(142)	الكويت	14
15	Djibouti	0.3	5.4	9	167	158	جيبوتي	15
16	Mauritania	0.0	(97.6)	(906)	22	928	موريتانيا	16
17	Comoros	0.0	5.5	0	4	4	جزر القمر	17
18	Libya	0.0	0.0	0	0	0	ليبيا	18
19	Syria	0.0	0.0	0	0	0	سوريا	19
20	Yemen	0.0	0.0	0	0	0	اليمن	20
21	Qatar	(2.1)	55.1	1341	(1093)	(2434)	قطر	21
22	Iraq	(4.9)	8.6	246	(2613)	(2859)	العراق	22
Total		100	42.1	15683	52897	37214	المجموع	

تدفقات الاستثمار الأجنبي المباشر الواردة إلى الدول العربية لعام 2021 (بالمليون دولار)
FDI inflows into Arab countries in 2021- (USD m)



Section Four: FDI Inflows and Stocks into Arab Countries for 2021

Inward FDI stocks into Arab countries for 2021

FDI inward stocks into Arab countries rose by 5.4% to \$1.01 trillion by end of 2021

Saudi Arabia, UAE and Egypt held 56.5% of overall FDI inward stocks into the region

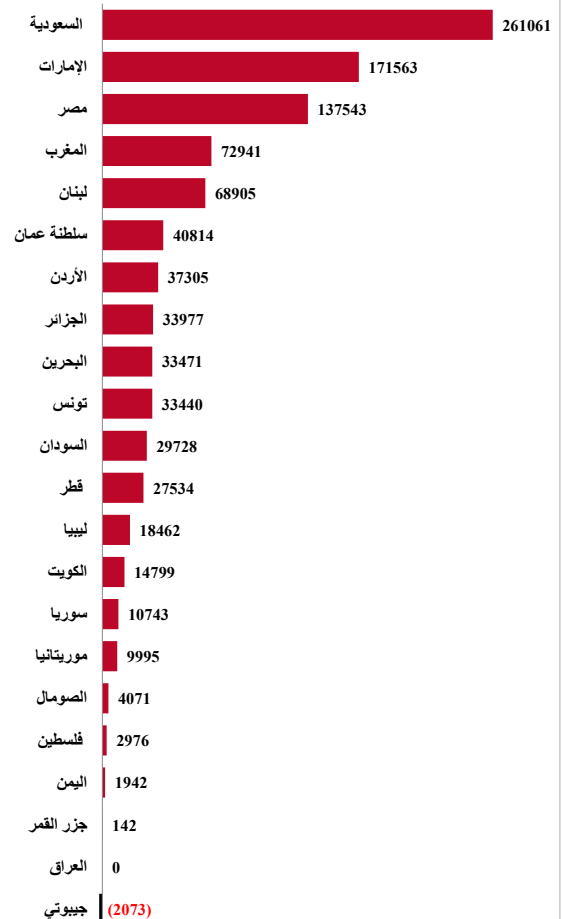
- FDI stocks into Arab countries increased by the end of 2021, by 5.4% (\$51.9 billion) from \$957.5 billion in 2020 to more than \$1 trillion in 2021, according to UNCTAD data.
- The top three countries accounted for about 56.5% of the total FDI stocks into Arab countries, with Saudi Arabia leading with a value of \$261 billion and a 25.9% share, followed by the UAE with \$171.5 billion and a share of 17% percent and then Egypt with \$137.5 billion, making up 13.6%.
- The UAE hit the highest growth rate of FDI stocks into Arab countries at a rate of 13.7% in 2021, followed by Somalia at 12.6%, and Oman in third place with a growth rate of 9.7%.
- Three countries: Tunisia, Qatar and Djibouti saw a decline in the volume of FDI inward stocks in 2021.

أرصدة الاستثمار الأجنبي المباشر الواردة إلى الدول العربية لعام 2021 (مليون دولار)

FDI instocks in Arab countries in 2021(US\$ million)

Arab ranking 2021	Country	الحصة من الاجمالي %	معدل التغير %	التغير	2021	2020	الدولة	الترتيب العربي 2021
		Share in total %	% of Change	Change				
1	Saudi Arabia	25.9	8.0	19286	261061	241775	السعودية	1
2	U.A.E	17.0	13.7	20667	171563	150896	الإمارات	2
3	Egypt	13.6	3.8	5066	137543	132477	مصر	3
4	Morocco	7.2	1.3	966	72941	71975	المغرب	4
5	Lebanon	6.8	0.4	273	68905	68632	لبنان	5
6	Oman	4.0	9.7	3619	40814	37195	سلطنة عمان	6
7	Jordan	3.7	2.0	715	37305	36590	الأردن	7
8	Algeria	3.4	2.6	870	33977	33107	الجزائر	8
9	Bahrain	3.3	5.6	1766	33471	31705	البحرين	9
10	Tunisia	3.3	(4.5)	(1566)	33440	35006	تونس	10
11	Sudan	2.9	1.8	517	29728	29211	السودان	11
12	Qatar	2.7	(3.8)	(1093)	27534	28627	قطر	12
13	Libya	1.8	0.0	0	18462	18462	ليبيا	13
14	Kuwait	1.5	1.4	198	14799	14601	الكويت	14
15	Syria	1.1	0.0	0	10743	10743	سوريا	15
16	Mauritania	1.0	0.2	22	9995	9973	موريتانيا	16
17	Somalia	0.4	12.6	456	4071	3616	الصومال	17
18	Palestine	0.3	9.5	259	2976	2717	فلسطين	18
19	Yemen	0.2	0.0	0	1942	1942	اليمن	19
20	Comoros	0.0	3.0	4	142	138	جزر القمر	20
21	Iraq	0.0	0.0	0	0	0	العراق	21
22	Djibouti	(0.2)	8.7	(167)	(2073)	(1907)	جيبوتي	22
	Total	100	5.4	51858	1009339	957480	المجموع	

أرصدة الاستثمار الأجنبي المباشر الواردة إلى الدول العربية
بنهاية عام 2021 (مليون دولار)
FDI instocks in Arab countries at the end of the year 2021(USD m)



Section Four: FDI Inflows and Stocks into Arab Countries for 2021

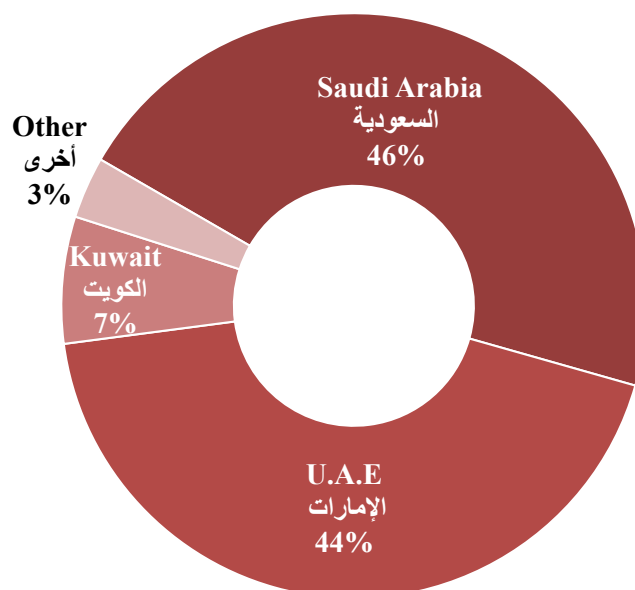
Arab FDI outflows for 2021

Arab FDI outflows hiked
by 46% to \$51.8 billion

- Foreign direct investment outflows from Arab countries increased by 45.9 percent to \$51.8 billion in 2021 from \$35.5 billion in 2020, according to data from the United Nations Conference on Trade and Development (UNCTAD).
- Saudi Arabia contributed 46.1% of total FDI outflows from the region at a value of nearly \$23.9 billion in 2021, followed by the UAE by \$22.5 billion, making up 43.5%, Kuwait in third place by \$3.6 billion and a share of 7%, and then Oman came in fourth place by \$581 million and a share of 1.1%, taking the total share of the first four countries up to 97.7%.
- Seven countries achieved growth in the volume of outflows, with Lebanon ranked first with 525.7%, Saudi Arabia in second place with 385.9%, the UAE in third place with a growth rate of 19.7%, and Egypt with about 12.4%. Bahrain and Libya also improved their investment outflows.
- Seven countries saw a decline in the volume of FDI outflows issued during 2021, primarily Kuwait and Qatar by about 55% and 94%, respectively.

Saudi Arabia contributed
\$23.9 billion or 46% of the
region's FDI outflows in 2021

أهم الدول العربية المصدرة لتدفقات الاستثمار المباشر لعام 2021
Top Arab FDI source countries in 2021



تدفقات الاستثمار الأجنبي المباشر الصادرة من الدول العربية لعام 2021 (مليون دولار)

FDI outflows from Arab countries in 2021 (US\$ million)

Arab ranking 2021	Country	الحصة من الإجمالي % Share in total %	معدل التغير % % of change	التغير Change	2021	2020	الدولة	الترتيب العربي 2021
1	Saudi Arabia	46.1	385.9	18949	23860	4911	السعودية	1
2	U.A.E	43.5	19.1	3609	22546	18937	الإمارات	2
3	Kuwait	7.0	(54.5)	(4357)	3631	7988	الكويت	3
4	Oman	1.1	8.5	45	581	536	سلطنة عمان	4
5	Morocco	1.0	10.5	48	506	458	المغرب	5
6	Egypt	0.7	12.4	41	367	327	مصر	6
7	Qatar	0.3	(94.1)	(2570)	160	2730	قطر	7
8	Iraq	0.3	(8.6)	(13)	135	147	العراق	8
9	Lebanon	0.1	525.7	55	66	10	لبنان	9
10	Bahrain	0.1	131.4	269	64	(205)	البحرين	10
11	Tunisia	0.1	8.1	3	47	43	تونس	11
12	Jordan	0.0	(39.6)	(10)	16	26	الأردن	12
13	Mauritania	0.0	(10.4)	(1)	5	6	موريتانيا	13
14	Yemen	0.0	0.0	0	0	0	اليمن	14
15	Algeria	(0.1)	(451.6)	(66)	(52)	15	الجزائر	15
16	Libya	(0.1)	88.6	432	(55)	(487)	ليبيا	16
17	Palestine	(0.2)	(231.8)	(137)	(78)	59	فلسطين	17
Total		100	45.9	16297	51799	35502	المجموع	

Section Four: FDI Inflows and Stocks into Arab Countries for 2021

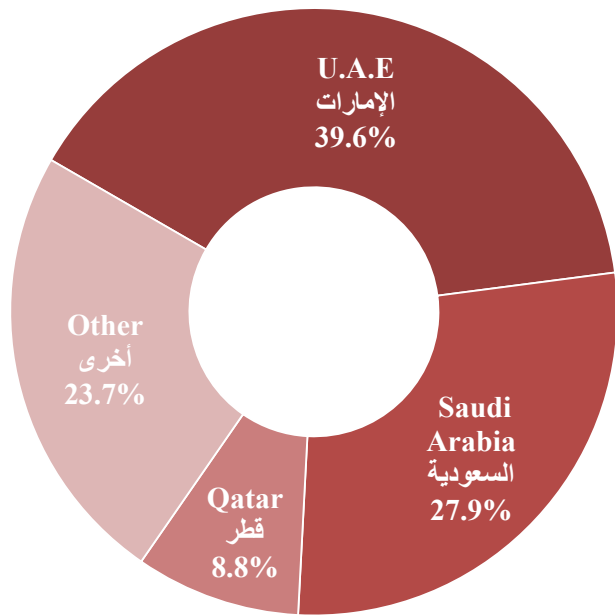
Outward Arab stocks for 2021

أهم الدول العربية المصدرة لأرصدة الاستثمار المباشر لعام 2021
Top Arab countries source of FDI stocks in 2021

Outward Arab FDI stocks hiked by
10.2% to \$543.4 billion

- FDI stocks from Arab countries increased by the end of 2021, up 10.2 percent to \$543.4 billion from \$493 billion at the end of 2020, according to data from the United Nations Conference on Trade and Development (UNCTAD).
- The UAE and Saudi Arabia accounted for the most important share of FDI stocks from the region with a total value of \$366.5 billion, making up 67.5% of the Arab total. The UAE ranked first with \$215 billion and a 39.6 percent share, followed by Saudi Arabia in second place with a value of \$151.5 billion and a 27.9 percent share.
- FDI stocks from 14 Arab countries increased at rates ranging from 30.7% for Palestine to 0.3% for Qatar and Bahrain, while FDI stocks in Yemen and Syria stabilized. In contrast, stocks from Libya and Algeria declined by 0.3% and 1.9% respectively.
- Saudi Arabia achieved the highest value increase in Arab stocks during 2021, amounting to \$22.7 billion, constituting 45% of the total increase in the Arab region's stocks.

UAE and Saudi Arabia led the Arab region in FDI stocks into region by \$366.5 billion (67.1% of total).



أرصدة الاستثمار الأجنبي المباشر الصادرة من الدول العربية لعام 2021 (مليون دولار)
FDI Stocks Outward from Arab Countries 2021 (US\$ million)

Arab Rank 2021	Country	الحصة من الاجمالي العربي % Share in Total Arab %	معدل التغير % % of Change	التغير Change	2021	2020	الدولة	الترتيب العربي 2021
1	U.A.E	39.6	11.7	22546	215047	192501	الإمارات	1
2	Saudi Arabia	27.9	17.6	22684	151499	128815	السعودية	2
3	Qatar	8.8	0.3	160	47670	47510	قطر	3
4	Kuwait	6.7	11.1	3631	36372	32741	الكويت	4
5	Libya	3.8	(0.3)	(55)	20400	20455	ليبيا	5
6	Bahrain	3.5	0.3	64	19007	18942	البحرين	6
7	Lebanon	3.0	0.4	66	16042	15976	لبنان	7
8	Oman	2.3	4.8	581	12769	12188	سلطنة عمان	8
9	Egypt	1.6	4.3	367	8848	8481	مصر	9
10	Morocco	1.4	1.6	115	7438	7323	المغرب	10
11	Iraq	0.6	4.5	135	3151	3016	العراق	11
12	Algeria	0.5	(1.9)	(52)	2699	2751	الجزائر	12
13	Jordan	0.1	2.3	16	697	681	الأردن	13
14	Yemen	0.1	0.0	0	672	672	اليمن	14
15	Tunisia	0.1	1.2	7	611	603	تونس	15
16	Palestine	0.1	30.7	78	332	254	فلسطين	16
17	Mauritania	0.0	5.5	5	104	99	موريتانيا	17
18	Sudan	0.0	0.0	54	54	0	السودان	18
19	Syria	0.0	0.0	0	5	5	سوريا	19
	Total	100	10.2	50402	543417	493015	المجموع	

Section Four: FDI Inflows and Stocks into Arab Countries for 2021

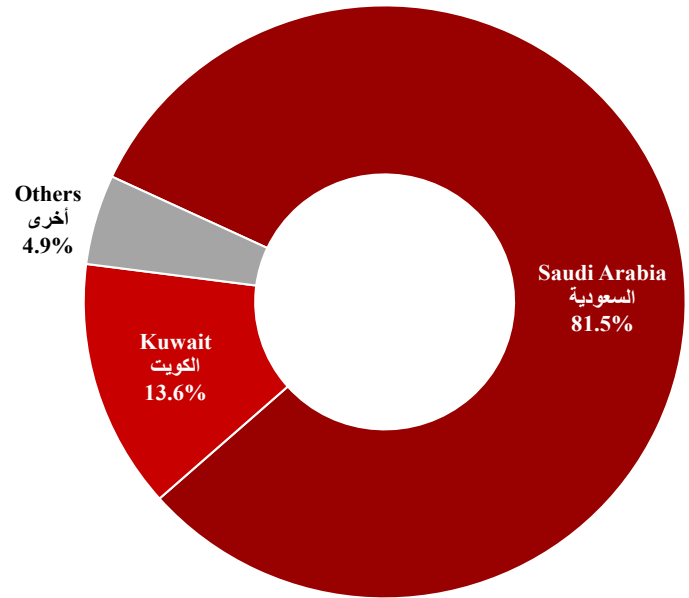
Mergers and acquisition deals in Arab countries 2020-2021

The value of sales for acquisition and merger in Arab countries rose by \$11.9 billion in 2021

- Mergers and acquisitions represent an important share of the total FDI flows in the world in general, and the sale of assets to foreign companies enhances the flow of foreign investment to the country. In this context, mergers and acquisitions in Arab countries were remarkably active during 2021, where the value of sale in 12 Arab countries rose by about \$11.9 billion from \$18.1 billion in 2020 to nearly \$30 billion in 2021, with a 4.1% share of the global total of \$728 billion, according to UNCTAD data.
- Of 12 Arab countries that saw the sale of assets during 2021, Saudi Arabia acquired more than 81% of all transactions with \$24.5 billion, followed by Kuwait with \$4.08 billion and a 13.6% stake, and the UAE with \$1.5 billion and a 5.1 % stake.
- Purchases in acquisitions and mergers in Arab countries in 2021 increased significantly by \$8.39 billion, shifting from a net negative value of \$1.37 billion in 2020 to \$7.02 billion in 2021.
- Of 12 Arab countries that saw acquisitions and mergers in 2021, the UAE came in the lead with \$6.1 billion and a share of more than 86% of the total, followed by Saudi Arabia with \$499.5 million, Libya \$429 million, Bahrain in fourth place with \$322 million, and Kuwait with \$284.6 million.

Saudi Arabia gained over 81% of sale deals by \$24.5 billion

أهم الدول العربية التي استفادت من صفقات الاستحواذ والاندماج لعام 2021 (الحصة من إجمالي عمليات البيع في المنطقة العربية)
Top Arab countries in acquisitions and mergers deals in 2021 (share of total sales in Arab region)



قيمة عمليات الاندماج والاستحواذ الصافية عبر الحدود للدول العربية لعام 2021 بالمليون دولار

Value of net cross-border M&As in Arab countries in 2021 (US\$ million)

Arab ranking 2021	Country	الشراء Purchaser			البيع Seller			الدولة	الترتيب العربي 2021
		التغير Change	2021	2020	التغير Change	2021	2020		
1	Saudi Arabia	485.2	499.5	14.3	24093.0	24451.5	358.5	السعودية	1
2	Kuwait	(241.8)	284.6	526.5	4027.3	4077.2	49.9	الكويت	2
3	UAE	8889.3	6078.9	(2810.4)	(14871.8)	1520.3	16392.1	الإمارات	3
4	Bahrain	(83.9)	322.2	406.1	40.5	45.0	4.5	البحرين	4
5	Egypt	1006.8	225.3	(781.5)	(118.5)	16.5	135.0	مصر	5
6	Lebanon	(477.6)	(477.6)	0.0	3.0	3.0	0.0	لبنان	6
7	Jordan	21.6	28.3	6.7	(1157.4)	2.8	1160.2	الأردن	7
8	Algeria	0.0	0.0	0.0	8.0	0.0	(8.0)	الجزائر	8
9	Tunisia	(178.6)	0.0	178.6	61.3	0.0	(61.3)	تونس	9
10	Syria	0.0	0.0	0.0	(25.0)	0.0	25.0	سوريا	10
11	Morocco	60.0	60.0	0.0	(48.0)	(20.3)	27.7	المغرب	11
12	Qatar	(933.7)	(483.1)	450.5	(102.9)	(102.9)	0.0	قطر	12
13	Oman	(584.6)	50.4	635.0	0.0	0.0	0.0	سلطنة عمان	13
14	Libya	429.1	429.1	0.0	0.0	0.0	0.0	ليبيا	14
Total Arab		8391.8	7017.6	(1374.2)	11909.4	29993.0	18083.6	الإجمالي العربي	

Section Four: FDI Inflows and Stocks into Arab Countries for 2021

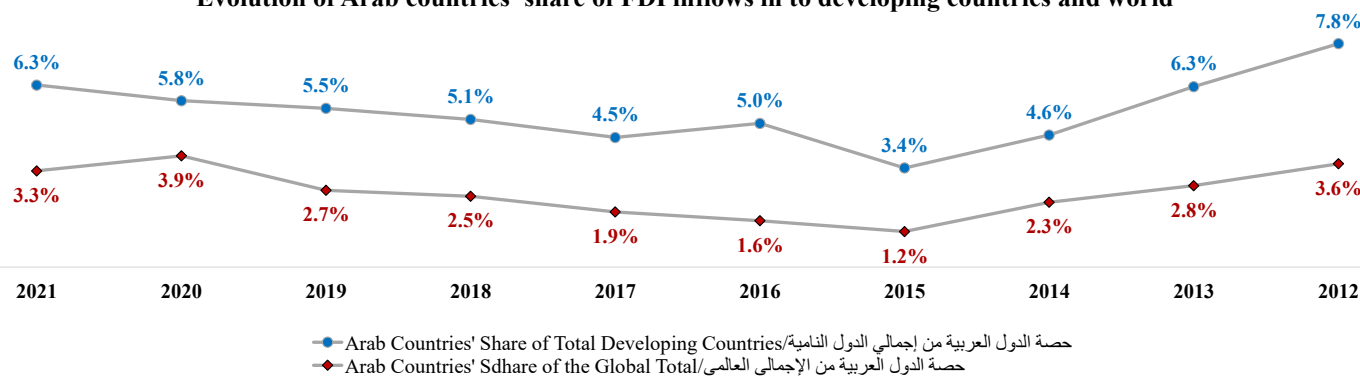
Evolution of inflows into Arab countries for 2012-2021

Annual average of inflows into Arab world hit \$38.1 billion during 2012-2021

Arab share of investment inflows during 2012-2021 hit 5.4% of developing countries' average and 2.4% of global average

- Over the past three decades, the volume of inflows to Arab countries has fluctuated clearly from an average of \$4.2 billion during the last decade of the second millennium (1991-2000) to more than \$49 billion during the first decade of the third millennium (2001-2010) before falling to \$38.7 billion during 2011-2021.
- Total FDI flows to Arab countries hit more than \$380.7 billion during 2012-2021 with an average of \$38.1 billion annually.
- The average share of Arab countries in global FDI flows was 2.4% between 2012 and 2021, while the Arab countries' share of developing countries averaged 5.4% during the same period.
- Arab countries' share of total FDI flows to developing countries increased to 6.3% in 2021, compared to 5.8% in 2020, although their share of the global total dropped from 3.9% in 2020 to just 3.3% in 2021.
- 2021 saw the highest level of FDI flows into Arab countries from 2010 to 2021, but still below the region's \$88.5 billion FDI flows in 2008 (representing the highest inflows to date).

تطور حصة الدول العربية من تدفقات الاستثمار الأجنبي المباشر الوارد إلى الدول النامية والعالم
Evolution of Arab countries' share of FDI inflows in to developing countries and world



تطور تدفقات الاستثمار الأجنبي المباشر الواردة إلى الدول العربية ونسبتها إلى الدول النامية والعالم
FDI inflows into Arab countries and proportion to developing countries and to world

Year	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	السنة
FDI inflows into Arab countries (US\$ billion)	52.9	37.2	39.5	35.6	31.3	33.0	25.5	31.6	41.3	52.7	قيمة التدفقات إلى الدول العربية (مليار دولار)
FDI inflows into developing countries (US\$ billion)	836.6	643.9	716.2	695.0	695.0	660.6	740.9	688.6	659.1	679.5	قيمة التدفقات إلى الدول النامية (مليار دولار)
FDI inflows into the world (US\$ billion)	1582.3	963.1	1480.6	1448.3	1632.6	2045.4	2063.6	1402.5	1459.0	1468.8	قيمة التدفقات إلى الدول العالم (مليار دولار)
Arab Countries' Share of developing countries	6.3%	5.8%	5.5%	5.1%	4.5%	5.0%	3.4%	4.6%	6.3%	7.8%	حصة الدول العربية من إجمالي الدول النامية
Arab countries' share of world	3.3%	3.9%	2.7%	2.5%	1.9%	1.6%	1.2%	2.3%	2.8%	3.6%	حصة الدول العربية من الإجمالي العالمي



Conclusion:

The improvement in the economic and health conditions, along with the regional and world political and economic developments, have reflected on the investment climate and doing business environment in the Arab Region during 2021. This was clearly shown in two main aspects:

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

- **First: The group of sovereign rating and country risk rating indices:** The position of Arab countries in the sovereign credit ratings of S&P, Moody's, Fitch, Capital Intelligence and IHS has stabilized, with the exception of five countries that experienced a decline in their ratings in 2021. The overall average ranking of Arab countries has also improved in a number of indicators of ratings of country political, economic, financial and operational risks, trade and short, medium and long-term investment, including Fitch, PRS, Credendo, Coface, Euler Hermes, Nexi and Dun & Bradstreet.
- **Second: The group of economic performance indices:** the performance improved in 14 indicators as a result of a slight decline in the performance of Arab countries in nine of the most important indices of internal economic performance and improved significantly in five of the most important indices of external economic dealings, with about half of the countries coming in better positions than the average global ranking.
- **Third: The group of legislative and regulatory environment indices** saw a decline in the average Arab ranking in the indices of economic freedom, and the Arab ranking remained below the global average in the indices of worldwide governance, doing business environment and regulatory investment restrictions, while ranked better than the global average in the two indices of investment agreement.
- **Fourth: The group of indices of production elements** was mixed in performance, with a slight improvement in Arab countries' position in the indices of innovation, energy and sustainable development, as opposed to a slight decline in global knowledge indicators and the ratio of natural resource rents to GDP, productive capacities and entrepreneurship.

Secondly: FDI inflows into Arab countries for 2021:

- FDI inflows into Arab countries, according to UNCTAD statistics, grew by 42 percent to \$53 billion in 2021, accounting for 6.3 percent of total inflows of developing countries and 3.3 percent of total global flows of about \$1.58 trillion. The top five countries accounted for more than 96 percent of the total flows, led by the UAE which attracted \$20.7 billion with a share of more than 39%, followed by Saudi Arabia with \$19.3 billion with a share of 36.5 percent, Egypt in third place with \$5.1 billion and a share of 9.7 percent, Oman in fourth place with \$3.6 billion with a share of 6.8% and Morocco in fifth place with \$2.2 billion, making up 4.1%.
- The number of greenfield FDI projects into Arab countries for 2021 increased by 37% to 862 projects, with the capex rising by 1% to \$32.8 billion, with growth expected to continue in 2022, especially after the increase in the number of projects by 15% and the capex by 86% to \$21 billion during the first four months of 2022.
- Western Europe was the region's leading investor according to the capex, led by the United Kingdom, which contributed 7.5% of the total capex, and 12.6% of the number of projects, and new investment projects were geographically concentrated in the UAE with 455 projects and in Saudi Arabia with capex of \$9.3 billion. As for sectors, business services, software and financial services finished in the top three respectively with a total share of 51.6% in terms of the number of projects, while the chemical, business and real estate sectors finished in the third place respectively in terms of capex with a total share of 44%.
- The number of inter-Arab investment projects increased by 20% to 134, and the capex increased by 55% to \$6.6 billion, representing 16% of FDI in the region. Saudi Arabia was the top destination with 38 projects with capex of \$1.3 billion, while the business services sector was at the forefront with 47 projects and the real estate sector with capex of \$1.7 billion.



Recommendations:

As competition among the world's countries to attract foreign direct investment to their various sectors intensifies, particularly after fears of an inflationary recession due to the negative repercussions of the Russian-Ukrainian war and the current and expected increases in global interest rates, it is essential that the Governments of Arab countries accelerate the implementation of an integrated plan to improve the investment climate in its various political, economic, social and institutional components.

Based on the report's findings on the developments of the investment climate in the region's countries by monitoring the position of each Arab country in international indices that are closely related to the investment climate, the report recommends taking into account a number of elements when developing and implementing the investment climate improvement plan. They mainly come as follows:

- ⇒ Assigning the task of improving the investment climate to a higher agency that has direct authority over the various entities related to investment, dividing the tasks of reform into several axes, bodies or sub-committees that employ local specialists and experts and international actors and have overseen successful regional and international experiences in the field of achieving reforms and improving the ranking of the state in international indices, according to an executive timetable.
- ⇒ Clearly and accurately identifying the challenges and potential of FDI in the country by guiding the state's position in various international indices and sub-indicators, surveying the views of existing and targeted investors, and examining the status of the investment climate in the major destination countries regionally and globally.
- ⇒ Identifying the priorities of reform and urgent measures to improve the investment climate in the light of the growing international competition to attract investment, while starting with the easiest, least costly, most effective and fastest reforms for improving the state's ranking in international indices. Technology and electronic services should be utilized to make reforms, thus contributing to achieving them quickly, transparently and at a lower cost.
- ⇒ Full coordination between data-issuing bodies within the country and standardization of their methodologies in accordance with international standards while strengthening communication with international agencies to improve the ranking and performance of the state in their global reports and indices.
- ⇒ Simultaneous and coordinated action on various axes of the investment climate, namely the political, institutional, economic, legislative and procedural environment, infrastructure, facilities and production elements, including land, attached and qualified production sites, trained professional staff, technology and modern management systems.
- ⇒ Integrated marketing of the state as a destination for investment, trade, technology transfer, tourism, human resources, knowledge and business in general with a focus on investment incentives granted to foreign investors within the country, with direct and continuous communication and interaction with important investment entities in the world, especially multinational companies, in cooperation with specialized regional and international organizations and companies.
- ⇒ Dealing with improving the investment climate as a dynamic, continuous and multifaceted process linked to competing countries and changes in investor attractions, with the need to evaluate and modify the plan when necessary, and to measure the impact of foreign investments on value-added, export, operation and technology transfer while monitoring the negative effects on the environment and excessive consumption of resources.

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



The world's 1st multilateral investment insurance agency



The Arab Organization Headquarters Building

State of Kuwait

P.O. BOX 23568. SAFAT 13096

+965 2495 9555