

# Economic Freedom of the Arab World

**2013**  
Annual Report



**Salem Ben Nasser Al Ismaily,  
Azzan Al-Busaidi,  
Miguel Cervantes,  
& Fred McMahon**

Friedrich Naumann  
STIFTUNG **FÜR DIE FREIHEIT**



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The principal author of this publication, Salem Ben Nasser Al Ismaily, is professionally involved in the promotion of investment in Oman. Therefore, to avoid a conflict of interest, he excused himself from calculating the index though he undertook the bulk of the analysis.

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E-mail: mahrosa@mahrosa.com

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## About the authors

### **Salem Ben Nasser Al Ismaily**

Salem Ben Nasser Al Ismaily holds degrees in Telecommunications, Liberal Arts, Industrial Engineering, Business Administration, Management and Philosophy from universities in United Kingdom and the United States. Al Ismaily worked at the Public Establishment for Industrial Estates (PEIE) from 1984 to 1996 as the Managing Director. In 1996, he was appointed as the Deputy Chairman and Executive President of the Omani Centre for Investment Promotion and Export Development where he continues to serve in the same capacity. He is the founder and chairman of International Research Foundation and a member of the Fraser Institute's Board of Directors. Al Ismaily has published several papers on the subject of cross culture, management, and the economy, including two books on corporate culture. He also serves as a board member of many private companies in the field of financial services and energy on his personal capacity.

Salem Ben Nasser Al Ismaily is professionally involved in the promotion of investment in Oman. Therefore, to avoid a conflict of interest, he excused himself from calculating the index though he undertook the bulk of the analysis.

### **Azzan bin Qassim Al-Busaidi**

Azzan bin Qassim Al-Busaidi, worked as an economist at several departments relevant to research, investments, and marketing in Oman, as well as working as the CEO of the International Research Foundation in Oman, which is an independent, non-profit think tank. He holds a degree in Economics from Sultan Qaboos University in Oman and an MBA from the University of Strathclyde in Scotland.

### **Miguel Cervantes**

Miguel Angel Cervantes is an economist who undertakes international research for the Fraser Institute. He holds Bachelor's and Master's degrees in Economics from the University of Texas at El Paso and has lectured at Vanier College; he currently lectures at HEC Montreal Business School. He was the co-ordinator of the 2008/2009, 2009/2010, 2010/2011, and 2011/2012 editions of the *Fraser Institute Annual Survey of Mining Companies*; the 2009, 2010, 2011, and 2012 editions of the *Fraser Institute Global Petroleum Survey*; and of the 2010 and 2011 editions of *Economic Freedom of the Arab World*.

## **Fred McMahon**

Fred McMahon holds the Dr. Michael A. Walker Research Chair in Economic Freedom at the Fraser Institute. He manages the Institute's economic freedom project, which publishes or co-publishes the annual reports, *Economic Freedom of the World*, *Economic Freedom of North America*, and this publication, *Economic Freedom of the Arab World*; and coordinates the Economic Freedom Network of independent think-tanks in nearly 90 nations and territories. He has written several books, including *Looking the Gift Horse in the Mouth: The Impact of Federal Transfers on Atlantic Canada*, which won the Sir Antony Fisher International Memorial Award for public-policy books, *Road to Growth: How Lagging Economies Become Prosperous* (with a foreword by former Irish Prime Minister John Bruton), and *Retreat from Growth: Atlantic Canada and the Negative Sum Economy* (with a foreword by Nobel Laureate Robert Mundell).

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## Introduction

The “Arab Spring” continues to inspire both hope and fear. A denial of economic freedom sparked the turmoil that spread across the region, beginning in 2010, when a Tunisian fruit vendor, Mohamed Bouazizi, set himself ablaze after he was denied freedom to sell his wares. Thus far, however, the policy focus of the Arab Spring has been on personal and political freedoms, government reform, reduction of corruption, and democracy, though this is often lost in the ongoing turmoil and, in some places, violence. The Arab Spring also reveals a very human yearning for greater prosperity and opportunity. But, a clear economic agenda has not emerged.

Yet, economic freedom is vital for those seeking these freedoms and democracy in peaceful, stable, and prosperous society, as evidence discussed later in this report shows. Economic freedom supports these goals directly and by boosting prosperity. The drive and ingenuity of individuals and families have simply proved to be more productive than government planning. Prosperity, in turn, supports both democracy, stability, and the further growth of freedom.

Over time, economic freedom itself directly supports other freedoms, democracy, and stability by changing the way societies function. When governments or crony capitalists control the ability of individuals to get a job, start a business, gain a promotion, feed, house, and clothe their families, and so on, then the government and its supporters have great tools to suppress freedom and democracy, until the anger grows too great, as it did in many parts of the Arab world. Economic freedom liberates people from dependence on government and the government’s cronies and allows them the freedom to decide on their own actions and views.

Economic freedom transforms the dynamics of any society that had lacked it. When people make their own economic choices, they gain only when they produce products or services desired in free exchange—in other words, by making people better off. Those in other groups become customers, suppliers, clients. Overtime, this builds tolerance and a common sense of citizenship.

When governments—or government friends under crony capitalism—control the economy, the economy grows slowly or not at all. Individuals and groups battle each other for wealth and privilege. People gain by cultivating connections, suppressing the opportunities of others, and making them worse off. All too often, the individual gains not as an individual but as a member of rent-seeking group, whether economic, ethnic, or religious. Groups stand against groups, as is all too evident in much of the world.

With economic freedom, the biggest gains are achieved by people who increase the size of the economic pie for everyone; without economic freedom, the biggest gains are by those who cut a bigger slice of the pie for themselves to the disadvantage of others. This is a key reason that economic freedom has been shown to promote democracy, stability, and other freedoms, as discussed later in the report.

True economic freedom also combats corruption. When people are economically free, they may do what they like economically. Although some regulations are necessary, many things become possible without asking government permission, so there is no one capable of demanding a bribe. Also, as size of government decreases, government has fewer favors to hand out, so no one can demand a payment for a favor that government can't grant in the first place.

Economic "reform" before the Arab Spring was all too often crony capitalism dressed up in the language of free markets. Crony capitalism is simply the handing off of state assets, monopolies, and other rent-seeking opportunities to friends, supporters, and relatives of the regime. Rather than releasing entrepreneurial drive, it protects privilege. And, it maintains the tools of suppression and division discussed above.

Sadly, many in the Arab world have come to believe the failure of crony capitalism is actually a failure of free markets. Nothing could be further from the truth. Even in the face of the recent global financial and economic setback, economically free nations have immensely higher standards of living and liberty than non-economically free nations.

Quartile charts, like the following, can help illustrate important findings. The nations included in the index published in *Economic Freedom of the World* are broken down into four quartiles based on their level of economic freedom (Gwartney, Lawson and Hall, 2013). Figure 1 shows that nations in the top fourth of the economic freedom index have a per-capita GDP of about \$36,500 per year compared to GDP of under \$4,400 in the least-free nations. This probably overstates the per-capita GDP of the world's least-free nations as there is not enough data available to include in the index many nations, such as North Korea, that appear to have abysmal levels of economic freedom and widespread misery.

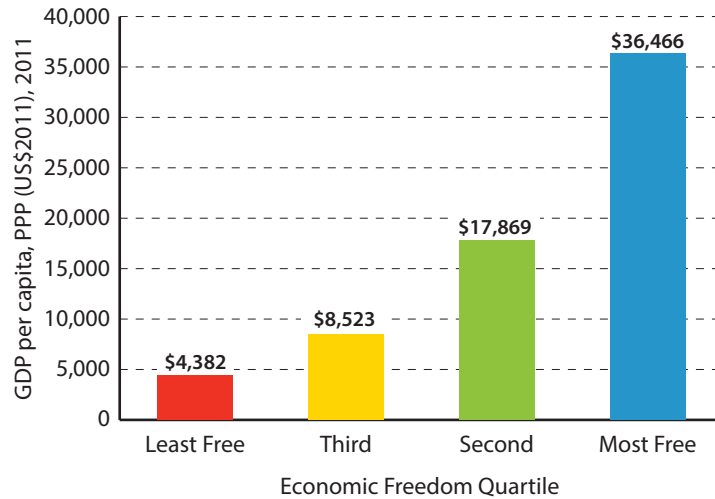
Economic freedom also reduces raw poverty as figure 2A and figure 2B show. Income distribution appears to be largely unaffected by economic freedom, as much economic research has shown (see Sala-i-Martin, 2002). In fact, in the least economically free nations, the poorest 10% receive a slightly lower share of the national income, 2.57%, than they do in the freest nations, 2.76%. But, more importantly, because of the prosperity economic freedom creates, similar shares of the national income produce dramatically different results for the poor in free nations compared to those in unfree nations. The poorest 10% have an average income of just \$932 a year (though this again overstates the average income in least-free nations, like North Korea and Cuba, that are not included in the index because of lack of data) while the poorest 10% in the most-free nations have an average income of about \$10,556, over 10 times the income of this group in the least-free nations.

Figure 3 shows the level of political and civil freedoms as they relate to economic freedom. The data used for the this figure are from Freedom House, which measures freedom on a 1 to 7 scale, with 1 being the greatest degree of freedom, and 7, the lowest.

**Figure 1: Economic Freedom and Income per Capita, 2011**

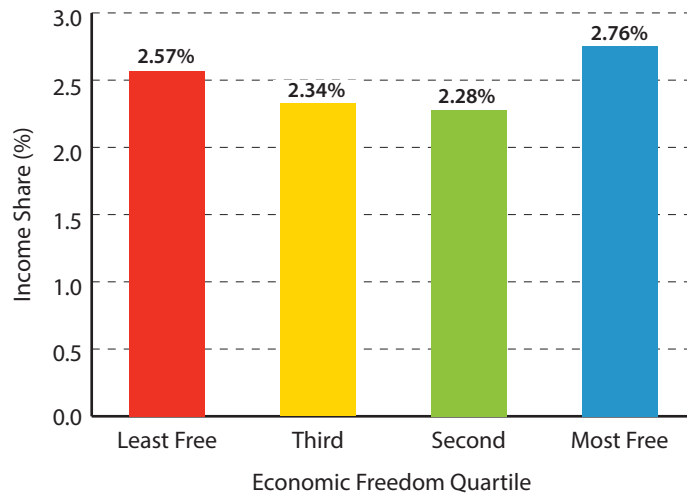
Countries with more economic freedom have substantially higher per-capita incomes.

Sources: Fraser Institute, *Economic Freedom of the World: 2013 Annual Report*; World Bank, *World Development Indicators 2013*.

**Figure 2A: Economic Freedom and the Income Share of the Poorest 10%, 2000–2011**

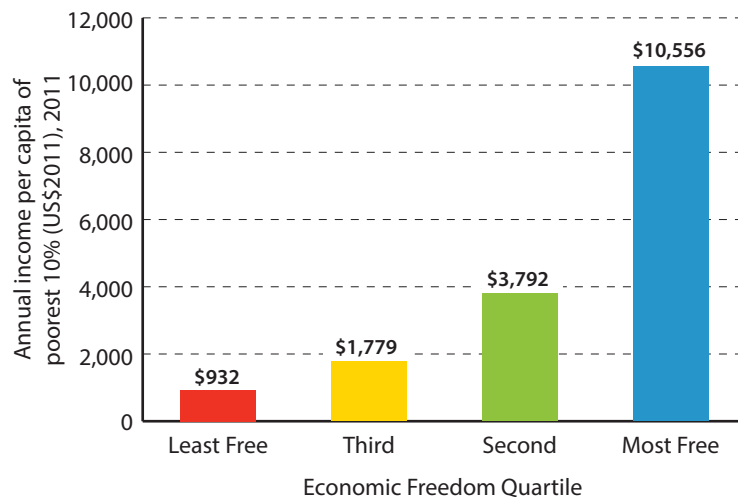
The share of income earned by the poorest 10% of the population is unrelated to economic freedom.

Sources: Fraser Institute, *Economic Freedom of the World: 2013 Annual Report*; World Bank, *World Development Indicators 2013*.

**Figure 2B: Economic Freedom and the Income Earned by the Poorest 10%, 2011**

The amount of income, as opposed to the share, earned by the poorest 10% of the population is much higher in countries with higher economic freedom.

Sources: Fraser Institute, *Economic Freedom of the World: 2013 Annual Report*; World Bank, *World Development Indicators 2013*.

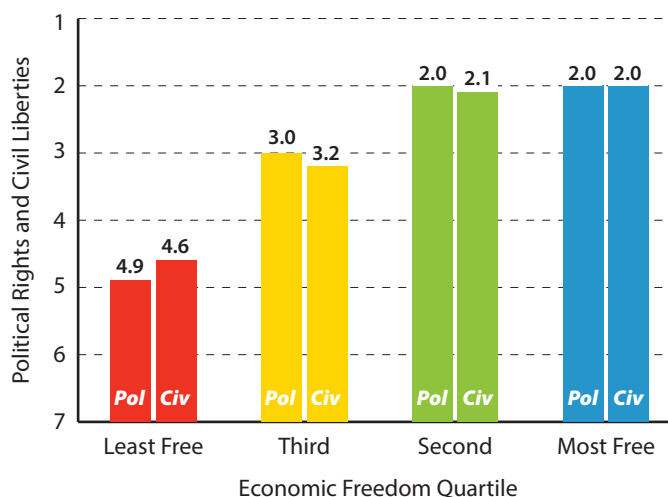


**Figure 3: Economic Freedom and Political Rights and Civil Liberties**

*Greater economic freedom is associated with more political rights and civil liberties.*

Sources: Fraser Institute, *Economic Freedom of the World: 2013 Annual Report*; Freedom House, *Freedom in the World 2012*.

Note: Political rights and civil liberties are measured on a scale from 1 to 7: 1 = the highest degree of political rights and civil liberties; 7 = the lowest.



## Economic Freedom of the Arab World

We hope this report will be a timely reminder of the importance of real reform to increase economic freedom and prosperity throughout the region. More importantly, the report provides an objective, respected measure of actual reform. The people and governments of the region can use it as a reliable reference. This report separates the rhetoric of reform and crony capitalism from the reality of true reform. Gains in economic freedom will show in the index only when people's liberties are actually being increased and put shame to rhetoric unaccompanied by reform.

This year enough data were available to rank 19 nations, up two from last year. However, because of events in Syria, data for 2011 are questionable and we decided not to rank Syria for 2011. Thus, we ranked 18 nations, including Iraq and Sudan for the first time. In addition, in the country tables we supply the data for Syria and at least some data for the four other unranked jurisdictions in the Arab League.

Economic freedom is the extent to which one can pursue economic activity without interference from government. Economic freedom is built upon personal choice, voluntary exchange, the right to keep what you earn, and the security of one's property rights. The mechanics of economic freedom are easy to understand. Any transaction freely entered into must benefit both parties. Any transaction that does not benefit both parties would be rejected by the party that would come up short. This has consequences throughout the economy. Consumers who are free to choose will only be attracted by superior quality and price. A producer must constantly improve the price and quality of existing products or invent new products. Without this, customers will not freely enter into transactions with the producer. Many billions of mutually beneficial transactions occur every day, powering the dynamic that spurs increased productivity and prosperity throughout the economy.

This is the tenth report on economic freedom in the Arab world. The first was published in the *Arab World Competitiveness Report 2005* (Lopez-Claros

and Schwab, 2005). The second and subsequent editions were published by the International Research Foundation (IRF) of Oman and the Fraser Institute. In 2008, the Friedrich Naumann Foundation for Liberty, Cairo office, also became a co-publisher.

The index in this edition adds data for 2011, the most recent year for which full data are available. Looking forward, we also present some early data for 2012 in both the country tables and the country summaries. As well, the scores for previous years have been re-calculated using revised data from the World Bank for its *Doing Business* and *World Development Indicators* databases. *Economic Freedom of the Arab World* is modeled on the annual reports in the series, *Economic Freedom of the World* (Gwartney and Lawson, 2004–2009; Gwartney, Hall, and Lawson, 2010; Gwartney, Lawson, and Hall, 2011, 2012, 2013).

*Economic Freedom of the Arab World* has gathered more attention every year since it was first published. Its importance comes from being a tool to measure how economically free Arab countries are.

An important driver of current and future internal risk lies with the fact that the entire region does not produce enough job opportunities for its very young rising population: World Development Indicators over the last five years, where data are available, show youth unemployment averaging over 20% (World Bank, 2013: Unemployment, youth total, % of labor force, ages 15-24). Economic freedom has been shown to reduce unemployment, particularly among young people (Feldmann, 2010), and hence could play an important role in increasing stability and thus the region's attractiveness to investors. These results are important to investors and enterprises working, or even considering working, in this region. Development of investor-friendly climates in the Arab world could be structured around the areas this report examines, as best practices in the world of doing business.

## Overview of scores and ranking

In this report, the Kingdom of Bahrain topped the list of the most economically free nations in the Arab world with the score of 8.0, a slight decrease from 8.1 in last year's report. Despite limited natural resources compared with its neighbors, Bahrain is regarded as the financial hub of the region, with a large number of international banks operating for the entire Gulf region out of Bahrain.

The United Arab Emirates (UAE) shared the first place with Bahrain with a score of 8.0, keeping the same score it had in last year's report while moving up one rank in the index this year. The UAE remains a leading destination in the Arab world for commerce and trade despite the turbulent global financial system, which has affected its financial position to an extent. The Hashemite Kingdom of Jordan shared first place with Bahrain and the UAE this year, with a score of 8.0 points, up from the second place in last year's report.

In fourth place came the State of Kuwait with a score of 7.8, keeping the same position as last year, and in fifth place came Lebanon, which moved one place up with a score of 7.7.

At bottom of the list is Algeria, the least economically free nation in the Arab world with a score of 5.8. Mauritania and Iraq ranked 16<sup>th</sup> and 17<sup>th</sup>, with scores of 6.3 and 6.1, respectively.

In terms of Size of Government, Lebanon came in first in this report with a score of 9.0 points, the same score it had in last year's report. Sudan came in second with a score of 8.8, a large jump from its 7.7 in last year's index. Jordan came in third, losing its second position in last year's index with a slight decrease in score from 8.0 to 7.9.

In terms of the Legal Structure and Security of Property Rights, Saudi Arabia, Oman, and Kuwait kept their places at first, second, and third, respectively, with scores at 8.2, 8.0, and 7.8.

In terms of Access to Sound Money, Bahrain came in first with a score of 9.3; Kuwait came in second with a score of 9.2 and the Palestinian Territories came in third with a score of 9.1, slightly better than last year's 9.0 points.

In terms of Freedom to Trade Internationally, Bahrain came in first with a score of 8.4 points, sharing this place with Yemen after both nations kept the same scores they had in last year's report. The United Arab Emirates came in third with a score of 8.2 points.

In the area of Credit, Labor and Business, Bahrain topped the Arab world in this year's report with a score of 8.8 points, compared with 8.9 in last year's report, keeping the same position. Saudi Arabia came in second with a score of 8.6, keeping the same score as it had last year; and Oman was third, with a score of 8.4, the same as last year.

## Research on economic freedom

Increases in economic freedom that are, in effect, a return to the classical Arab model of free trade and open markets would help meet the challenges discussed above and generate the economic dynamism needed to create the jobs and prosperity that the region requires for a successful future. The era of government-directed economies, import substitution, and other uses of government power (largely based on Western socialist models) to direct the economy did not produce the results needed for regional prosperity and advancement.

A large body of empirical research has found that economic freedom is key to increasing prosperity, particularly among the emerging nations. Fact-based studies in top academic journals have shown that economic freedom promotes growth, prosperity, and other positive outcomes.<sup>1</sup> The relationship of economic freedom to prosperity is unsurprising. Individuals and families are best able to look after themselves when free to do so, without external constraints.

Moreover, economic freedom has intrinsic value and is inextricably linked to all other freedoms. Individuals and families should have the inherent right to make their own economic decisions. When they do, that economic freedom liberates them from government dependence and opens the door to other freedoms.

Economic freedom creates positive social and economic dynamics. In economically free nations, people succeed by creating goods or services that others want to buy. In other words, people get ahead by creating benefits for other people. Where economic freedom does not exist, economies grow slowly, if at all, and people gain by rent-seeking and limiting the possibilities of others. In the case of economic freedom, the biggest gains are achieved by people who increase the size of the pie for everyone; without economic freedom, the biggest gains are by those who cut a bigger slice of the pie for themselves to the disadvantage of others. This is a key reason that economic freedom has been shown to promote democracy and other freedoms (Griswold, 2004). A society where individuals gain by promoting the well-being of other individuals (by efficiently creating goods and services people want) differs dramatically from one where, in the absence of economic freedom, rent seeking—cutting a bigger slice of the pie for oneself—and hoarding power to the disadvantage of others is the path to

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1 For a sample of literature on economic freedom, see the web site, <<http://www.freetheworld.com>>. For a summary of literature on economic freedom and economic prosperity, see Berggren, 2003; Doucouliagos and Ulbasoglu, 2006; and Gwartney, Lawson, and Hall, 2011: 1–4.

increased wealth and power. In the first, positive social and economic dynamics lead to a stable, peaceful, civil society marked by freedom; in the second, negative dynamics create incentives to reduce freedoms.

Since the publication of the first edition of the *Economic Freedom of the World* in 1996 and, more recently, national and regional indexes like this one, there have been about 350 scholarly and policy articles that have used the economic freedom indexes to explore the relationship between economic freedom and other socioeconomic outcomes. Here, we will focus briefly on the relationship of economic freedom to economic growth and prosperity.

Intuitively, one would expect that economic freedom would have a positive impact on economic growth because economic freedom creates a climate that allows individuals and business to allocate their resources to the highest end use. However, the question is ultimately an empirical one. One of the first studies, Easton and Walker (1997) found that changes in economic freedom have a significant impact on the steady-state level of income even after the level of technology, the level of education of the work-force, and the level of investment are taken into account. De Haan and Sturm (2000) show empirically that positive (negative) changes in economic freedom lead to positive (negative) changes in economic growth rates. Using the economic freedom index published in Gwartney, Lawson, and Block (1996) and per-capita GDP data for 80 countries, their results indicate that, after educational level, investment, and population growth have been taken into account, changes in economic freedom have a significant impact on economic growth.

Gwartney and Lawson (2004) examined the impact of economic freedom on economic growth but with a specific focus on investment and productivity. They found that economic freedom strongly promotes investment. Nations with a score below 5 for economic freedom (on a scale from zero to 10, where a higher value indicates a higher level of economic freedom) attracted US\$845 in investment per worker over the period from 1980 to 2000 and only US\$68 per worker in foreign direct investment. Nations with an economic freedom score above 7 attracted US\$10,871 in investment per worker, including US\$3,117 of foreign direct investment. Moreover, investment is more productive in economically free nations. Holding constant factors thought to affect growth and productivity, such as initial per-capita GDP, tropical location, coastal location, change in human investment, and public investment, Gwartney and Lawson found that an increase of one percentage point in the ratio of private investment to GDP leads to increases in the growth rate of per-capita GDP by 0.33 percentage point in an economically free country. The same increase in private investment in a less economically free country increases the growth rate of per-capita GDP by 0.19 percentage point. In other words, investment in economically free nations (with a score above 7) had a positive impact on growth that was 70% greater than investment in nations with poor levels of economic freedom (score below 5). Using the same regression model, Gwartney and Lawson also calculated the impact of economic freedom on overall growth through both direct and indirect effects. They found that, if a nation increased its economic freedom by one unit (on a scale from zero to 10) in the 1980s, it would have seen increased growth of 1.9 percentage points a year over the period from 1980 to 2000. Because of the



high rates of growth associated with economic freedom, they also found that over the long term economic freedom explains over two thirds of the cross-country variation in GDP.

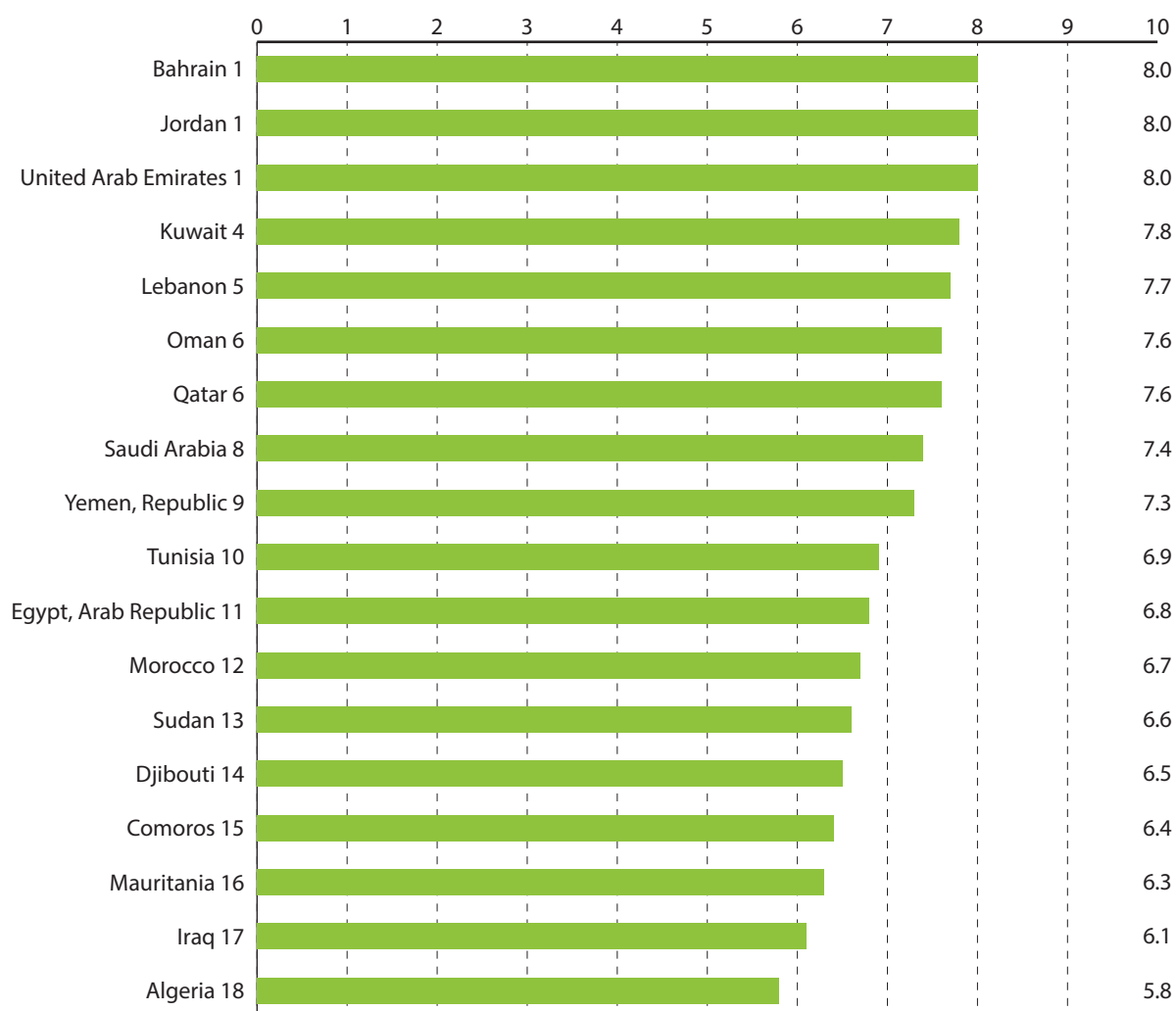
Increases in economic freedom also reduce poverty (Norton and Gwartney, 2008). Specifically, the weighted \$1-per-day poverty rate was 29.7% in 2004 for countries with EFW ratings of less than 5 but only 7.7% for countries with EFW ratings between 6 and 7; the \$2-per-day poverty rate declines from 51.5% to 46.2% to 38.9% as one moves from the least-free to the most-free economies. Moreover, a one-unit increase in the EFW rating between 1980 and 1995 was associated with a 5.21 percentage-point reduction in the \$1-per-day poverty rate and a 5.22 percentage-point reduction in the \$2-per-day poverty rate. Norton and Gwartney also examined the relationship between economic freedom and other measures of well-being. In the most unfree economies, 72.6% of the population has access to safe water compared to nearly 100% in the most free economies. Life expectancy of people in the mostly free group is over 20 years greater than it is for those in mostly unfree economies. Mostly free economies have more than twice as many physicians per 1,000 population than mostly unfree economies. For every 1,000 births, 64 more babies survive in mostly free economies per year than in the mostly unfree countries. For every thousand children under age of five, 109 more children survive in mostly free countries each year than in those countries that are mostly unfree.

## Country summaries

In the following, we look at how a country scores this year compared with previous years and look at the data that are available to get an indication of future scores. Countries are listed according to the level of economic freedom from the most free down to least free.

This year we were able to rank fully 18 nations. However, comprehensive data were available for some of the unranked nations in specific areas. In these cases, we were able to rank these nations for those areas. Thus, for example, we were able to rank all 22 members of the Arab League for Size of Government.

*Figure 4: Summary Economic Freedom Ratings for 2011 of Ranked Countries in the Arab World*



## 1 Bahrain

Bahrain kept its rank after it came in first in this year's report with a score of 8.0, despite a slight decline of 0.1 point compared to its score in last year's report. It maintained its score for size of government at 6.5 but dropped in rank from the 11<sup>th</sup> place in last year's report to 14<sup>th</sup> this year. Its score for legal structure and security of property rights is 7.2, in 8<sup>th</sup> place up from a rank of 9<sup>th</sup> in last year's report. Its position as a financial hub in the region was maintained by its score for access to sound money at 9.3 points, ranked first. In the area of freedom to trade internationally, Bahrain maintained its place as well at the top of the index compared to last year with the same score of 8.4 points. Finally, for regulation of labor, credit and business its score dropped slightly by 0.1 point from 8.9 to 8.8.

- LOOKING FORWARD — preliminary data suggest that Bahrain's score will be largely unchanged in 2012 and 2013, though there has been a worrying, if minor, decline for legal system and property rights.

## 2 Jordan

Jordan shared the first place with Bahrain and the United Arab Emirates (UAE) this year although its score was unchanged at 8.0 compared with last year's report. For size of government, Jordan lost 0.1 point in comparison to last year's report, moving down to 7.9 and ranking in 3<sup>rd</sup> place compared to 2<sup>nd</sup> place last year. The rank for legal structure and security of property rights changed one place from 7<sup>th</sup> to 8<sup>th</sup> spot, and the score went down from 7.4 to 7.2. In terms of access to sound money, the score remained at 9.0 points but its rank moved down one place to 4<sup>th</sup> compared with its rank last year. There was no change in the freedom to trade internationally area: Jordan ranked 5<sup>th</sup> with a score of 8.0. Finally, the score in the business, labor and credit area improved by 0.1 point for 7.8 but its rank dropped one place from 5<sup>th</sup> to 6<sup>th</sup>.

- LOOKING FORWARD — initial data suggest little change for Jordan's future performance.

## 3 United Arab Emirates

The United Arab Emirates (UAE) moved up the list one rank, although its overall score remained at 8.0 points as it was in last year's report. The score for size of government dropped from 7.9 to 7.8, moving its rank down to 4<sup>th</sup>, one place lower than last year. The score and rank remained the same for legal structure and security of property rights at 7.7 points and 4<sup>th</sup> place. The UAE's score and rank in the area of access to sound money area was unchanged compared to last year: score was 8.7 and rank, 7<sup>th</sup>. The UAE came in 3<sup>rd</sup> after Bahrain and Yemen for freedom to trade, keeping its rank and an unchanged score of 8.2. For regulation of business, labor and credit, the score was unchanged at 7.6 but its rank fell from 6<sup>th</sup> to 8<sup>th</sup> in comparison to last year's report.

- ▲ LOOKING FORWARD — the UAE appears to be trending upwards, with improvements in 2012 in Sound Money and Business Regulation.

## 4 Kuwait

Kuwait maintained its position in 4<sup>th</sup> place, with the same score of 7.8 points compared to last year's report. Its rank in the size of government area dropped five places down from 11<sup>th</sup> to 16<sup>th</sup>, although its score dropped only 0.1 point from 6.5 to 6.4. Neither the score nor the rank for legal structure and security of property rights have changed compared to last year's report at 7.8 points and 3<sup>rd</sup> place. Kuwait dropped one place down to 2<sup>nd</sup> after its score slightly decreased by 0.1 point from 9.3 to 9.2 in the area of access to sound money, but kept its place in the freedom to trade internationally at 7<sup>th</sup> with a score of 7.8. For regulation of business, credit and labor, a score improved by 0.3 points, from 7.6 to 7.9, helped increase its rank from 6<sup>th</sup> to 5<sup>th</sup> in comparison with last year's report.

- ▼ LOOKING FORWARD — Kuwait appears to be trending down slightly with initial data showing reduced scores in business regulation.

## 5 Lebanon

Lebanon experienced no change in its overall score of 7.7 placing it in 5<sup>th</sup> place in this year's report. It remains the best performer in the Arab world for size of government, maintaining its score of 9.0 points, but still had a rather low score of 6.1 in the legal structure area, coming in 13<sup>th</sup> place, as it did in last year's report. It maintained its score of 9.0 points for access to sound money, although it dropped one place to 4<sup>th</sup> from 3<sup>rd</sup> in last year's report. In the area of freedom to trade internationally, it kept its score and rank unchanged at 6.2 and 15<sup>th</sup> place. In the area of regulation of business, credit and labor the score improved by 0.1 point compared to last year's report, up to 8.2; its rank stayed at 4<sup>th</sup>.

- LOOKING FORWARD — initial data suggest little change for Lebanon's future performance.

## 6 Oman

Oman came in 6<sup>th</sup> in this year's report, dropping from 5<sup>th</sup> place last year; its score was 7.6 compared with 7.7 in last year's index. Size of government appears to be the area that most affects the overall score of Oman. Its score fell 0.3 point from 5.7 to 5.4, dropping in rank from 15<sup>th</sup> in last year's index to 18<sup>th</sup> this year. Legal structure and security of property rights is an area where Oman performs well, maintaining a score of 8.0 points; its rank was unchanged at 2<sup>nd</sup> place. The score for access to sound money was unchanged at 8.4 but its rank dropped two places from 10<sup>th</sup> down to 12<sup>th</sup>. Neither the score nor the rank has changed in the freedom to trade internationally area at 7.9 points and 6<sup>th</sup> place. For regulation of business, credit and labor with a score of 8.4 Oman ranked 3<sup>rd</sup> this year, the same score and rank as last year.

- LOOKING FORWARD — initial data suggest little change for Oman's future performance.

## 7 Qatar

Qatar shares 6<sup>th</sup> place with Oman, having gained 0.1 point in its overall score to move from 7.5 to 7.6 points. The size of government area improved slightly by 0.1 point to give a score of 6.5 points in this area, although Qatar's rank remained

unchanged at 14<sup>th</sup> place. Its score for legal structure was unchanged at 7.6 points and it ranked 5<sup>th</sup> for this area. Qatar experienced an improvement in the access to sound money area by 0.2 point to 8.6 but its rank remained unchanged at 10<sup>th</sup> place. The freedom to trade internationally area was unchanged with a score of 7.6 and a rank of 8<sup>th</sup> place. Its 6<sup>th</sup>-place rank for regulation of business, credit and labor was also the same as last year, although its score improved by 0.2 point compared with last year's index from 7.6 to 7.8.

- LOOKING FORWARD — initial data suggest little change for Qatar's future performance.

## 8 Saudi Arabia

Saudi Arabia's rank fell by one place in this year's report compared to last year. It scored 7.4 points compared to 7.5 points in last year's report. It dropped two places from 17<sup>th</sup> to 19<sup>th</sup> in the size of government area—which shows that it is one of the poorest performers in this area—after it lost 0.1 point in its score, which dropped to 5.1 points. Saudi Arabia maintained its position as the best performer for legal system and property rights, where its score remained unchanged at 8.2 points. Access to sound money was another area where its score and rank fell slightly: it scored 8.7, down by 0.1 point, and came in 7<sup>th</sup>, losing one place. The score in the freedom to trade area was unchanged at 6.6 points although it gained one place to move up to 12<sup>th</sup> place. Finally, its score for the area of regulation of business, credit and labor was unchanged in comparison with last year's report at 8.6 points, and it ranked 2<sup>nd</sup> in the Arab world for this area.

- ▼ LOOKING FORWARD — Saudi Arabia appears to be trending down with initial data suggesting a large decline in business regulation.

## 9 Yemen

Yemen kept its rank in 9<sup>th</sup> place this year although its score dropped compared to last year's report, from 7.4 to 7.3 points. In the size of government area the score improved significantly by 0.9 point, up from 6.7 to 7.6 points, which moved its rank from last year's 9<sup>th</sup> to 6<sup>th</sup>. In the legal structure area, its score dropped from 6.5 to 6.0 points, which brought its rank from 11<sup>th</sup> to 14<sup>th</sup> spot. Yemen lost 0.4 point in the access to sound money area, its score dropping from 8.5 to 8.1; this brought its rank down by 5 places from 8<sup>th</sup> in last year's report to 13<sup>th</sup>. For freedom to trade, Yemen maintained its spot in first place, with a score of 8.4 points. Regulation of business, credit and labor saw a drop of 0.3 point down to 6.4 from 6.7 points, which pushed its rank down one place to 12<sup>th</sup>.

- ▼ LOOKING FORWARD — Yemen appears to be trending down slightly with a small decline in its business regulation score.

## 10 Tunisia

Tunisia came in 10<sup>th</sup> this year after maintaining its overall score of 6.9 points. The size of government score dropped only slightly by 0.1 point down to 7.3 points, but this caused its rank to fall by 3 places, down from last year's 5<sup>th</sup> to 8<sup>th</sup>. Its score for the legal structure area, 7.6 points, remained unchanged in comparison

to last year's results, as did its rank of 5<sup>th</sup>. In the access to sound money area Tunisia's score stayed unchanged at 6.8 points for a rank of 17<sup>th</sup>. Tunisia's rank improved significantly—by 3 places—from 19<sup>th</sup> to 16<sup>th</sup> in the area of freedom to trade internationally after its score rose 0.6 point from 5.0 to 5.6. Finally, its rank in the regulation of business, credit and labor area stayed constant at 9<sup>th</sup> place although its score dropped from 7.4 points last year to 7.1 this year.

- LOOKING FORWARD — initial data suggest little change for Tunisia's future performance.

## 11 Egypt

Egypt's score in the overall index decreased by 0.1 point, down to 6.8, and its rank fell from 10<sup>th</sup> to 11<sup>th</sup>. The size of government area saw an increase of 0.2 point in comparison to last year. The legal structure suffered, as its score went down from 6.0 to 5.4, which brought its rank from 14<sup>th</sup> to 18<sup>th</sup> spot. In the area of access to sound money, Egypt performed better by scoring 0.2 point more than it did last year but its rank remained unchanged at 10<sup>th</sup>. It improved its score in the freedom to trade area by 0.1 point, from 6.5 to 6.6 points, moving its rank from 14<sup>th</sup> to 12<sup>th</sup>. Finally, its score dropped by 0.2 point in the business regulation area, moving its rank down one place compared to last year, from 12<sup>th</sup> to 13<sup>th</sup>.

- LOOKING FORWARD — the current situation in Egypt leaves the future uncertain although data already available suggest a small but worrisome decline in Legal System and Property Rights.

## 12 Morocco

Morocco maintained its rank in 12<sup>th</sup> place although it gained 0.2 point for a score of 6.7 compared to 6.5 points last year. Although it had a 0.1-point improvement in score for size of government, it lost two places in rank, moving down to 13<sup>th</sup> place. The score for legal structure and security of property remained unchanged at 7.4 points and it maintained its rank at 7<sup>th</sup> place. Morocco gained 0.1 point in the access to sound money area, moving up to 7.1 points, although its rank of 15<sup>th</sup> remained unchanged; and it made a slight improvement in the freedom to trade area of 0.1 point, moving up in rank by one place from 18<sup>th</sup> in last year's report. Finally, Morocco has improved significantly in the area of credit, labor and business regulation, achieving an increase of 0.8 point in score, from 5.9 to 6.7; this caused its rank in this area to move up from 14<sup>th</sup> to 11<sup>th</sup> place.

- LOOKING FORWARD — initial data suggest little change for Morocco's future performance.

## 13 Sudan

Sudan came in 13<sup>th</sup> in this year's index. The data show that Sudan has made a significant improvement—1.1 points—for size of government, its score increasing from 7.7 to 8.8 points; it is the second-best performer in the Arab world in this area, only Lebanon does better. Its score remained unchanged in the legal structure area at 4.5 points, placing it in 20<sup>th</sup> place. The score in the access to sound money area dropped by 0.1 point down to 6.9, which pulled its rank down from 15<sup>th</sup> to 16<sup>th</sup>, one place lower than last year. The score in the area of freedom

to trade internationally remained unchanged at 7.0 points but its rank improved significantly over last year—by 2 places—up to 9<sup>th</sup>. Business, credit and labor regulation was another area in which Sudan made a significant change after its score moved up by 0.9 point from 5.0 in last year’s report, pulling its rank up 3 places to 16<sup>th</sup>.

- LOOKING FORWARD — initial data suggest little change for Sudan’s future performance.

## 14 Djibouti

Djibouti ranked at 14<sup>th</sup> as it did last year in spite of a 0.1-point increase in its overall score compared to last year’s 6.4 points. It scored 4.9 points in the size of government area just as it did last year but lost two places in rank, moving down to 20<sup>th</sup>. It maintained a score of 5.2 in the legal structure area, as well as its rank in the 19<sup>th</sup> spot. In the access to sound money area, it gained 0.2 point up from 8.5 to 8.7, pulling its rank up one place to 7<sup>th</sup>; and in the freedom to trade internationally it kept the same score of 6.7 points but yet managed to gain one rank, moving up to 11<sup>th</sup> from 10<sup>th</sup> in last year’s results. Finally, it maintained its score of 6.8 points for regulation, staying in 10<sup>th</sup> place for this area.

- LOOKING FORWARD — initial data suggest little change for Djibouti future performance.

## 15 Comoros

The Comoros dropped three places from 12<sup>th</sup> to 15<sup>th</sup> after losing 0.1 point from its score, which dropped to 6.4 points in this year’s index. The size of government area remains unchanged compared to last year’s report at 6.7 points placing the Comoros at 12<sup>th</sup> place. The score in the legal structure area stayed at 6.4, and its ranking went up from the 12<sup>th</sup> to the 11<sup>th</sup> position, whereas its score improved in the access to sound money area after it gained 0.2 point over last year’s score, moving up to 6.8 points and ranking 17<sup>th</sup> among nations of the Arab world. The freedom to trade area saw a significant decline from 7.3 to 6.4 points, pushing its rank down five places to 14<sup>th</sup>, whereas its score for regulation increased by 0.4 point, up to 5.8 points.

- ▼ LOOKING FORWARD — initial data suggest the Comoros is trending down with a problematic decline in Legal System and Property Rights, and Sound Money.

## 16 Mauritania

Mauritania came in 16<sup>th</sup> this year after gaining 0.3 point in the overall score over the 6.0 points it had in last year’s results. It made a significant jump in the size of government area after gaining 1.3 points and moving up to 6.9 from the 5.6 of last year’s report and moving up in rank by 6 places to 10<sup>th</sup>. The score of the legal structure area remained unchanged at 5.5, but its ranking went up from the 18<sup>th</sup> to the 16<sup>th</sup> position. The score in the access to sound money dropped slightly by 0.1 point from 6.5 to 6.4 points, placing Mauritania at 19<sup>th</sup> place as one of the least free in the Arab world in this area. On the other hand, the score in the freedom to trade area improved significantly by 0.8 point from 6.2 points in last year’s report to 7.0 points, so the country moved up 6 places to 9<sup>th</sup>. Finally,

Mauritania dropped in rank in the area of regulation of business, credit and labor by 2 places down to the 16<sup>th</sup>, although it maintained its score in last year's report of 5.9 points.

- LOOKING FORWARD — initial data suggest little change for Mauritania's future performance.

## 17 Iraq

Iraq appears for the first time in this index with a score of 6.1 points and an overall rank of 17<sup>th</sup>. Iraq scored 6.8 points in the size of government area, placing it at 11<sup>th</sup>. The score of the legal structure area remains unchanged at 4.2, and Iraq, ranking in 21<sup>st</sup> place, is one of the least free in the Arab world in this regard. In spite of the significant increase of 1.7 points in the access to sound money area, its score increasing from 4.6 to 6.3, Iraq only managed to move one step ahead from 21<sup>st</sup> to 20<sup>th</sup>, suggesting that it still remains weak in comparison with the rest of the Arab world. The score in the freedom to trade area remained unchanged at 8.1 points, so it ranked 4<sup>th</sup> in the Arab world. Finally, Iraq managed to increase its score in the area of credit, labor, and business regulation by 0.2 point but this was not enough to lift its rank up from 20<sup>th</sup> place.

- LOOKING FORWARD — given the situation in Iraq, its outlook is uncertain.

## 18 Algeria

The data in the 2013 edition of *Economic Freedom of the Arab World* suggest that Algeria is the least economically free country in the Arab world, sitting in 18<sup>th</sup> place as it did last year with a score of 5.8 points. The score in the size of government area was unchanged at 4.6 points, but this brought a two-place drop down to 21<sup>st</sup> place. Algeria's rank remained unchanged in the 15<sup>th</sup> spot for legal structure and security of property rights, with no change in score compared to last year's 5.9 points. The access to sound money area saw a slight improvement of 0.1 point, up from 7.6 points, but its rank in this area still declined by one place to 14<sup>th</sup>. Algeria's score of 5.0 in the area of freedom to trade internationally remained unchanged, placing it in 19<sup>th</sup> place, which suggests that it is one of the least free in the Arab world for this area. It managed to gain 0.1 point in the regulation area, moving from 5.9 to 6.0.

- LOOKING FORWARD — initial data suggest little change for Algeria's future performance.

## Unranked countries

The following nations were not included in the overall ranking because data were not available for analysis for all areas. As well, Syria was not ranked because of the situation there. However, the areas where data were available for analysis will be discussed in the summary below. Moreover, we were able to rank these jurisdictions in areas for which data were available.



## Libya

The data set of this year's index shows a score of 4.4 points for Libya in the size of government area, placing it 22<sup>nd</sup> in comparison to the other countries and suggesting that it is the least free in this area, with an economy dominated by state-owned enterprises. The score in the legal structure area went up by 0.5 point to 6.3 from 5.8 points, ranking Libya in 12<sup>th</sup> place. Access to sound money was an area where there was a significant negative change of 1.3 points, down from 7.2, so Libya's rank dropped from 21<sup>st</sup> place, down from last year's 14<sup>th</sup>. Finally, the score in the freedom to trade area fell from 7.2 to 3.6 points, pulling its rank down from 10<sup>th</sup> to 21<sup>st</sup>.

## Somalia

For the first time, Somalia scored significantly better in the area of size of government at 7.8 points, and ranked in 4<sup>th</sup> place for this area. Its score remained unchanged in the legal structure area at 1.3 points and it ranked 22<sup>nd</sup>, suggesting that it is the least free country in the Arab world for this area. As well, its score—5.0 points—and rank—19<sup>th</sup> place—remained unchanged from last year in the freedom to trade area.

## Syria

Syria's score in the size of government area dropped this year by 0.6 point compared with last year's report, down to 6.4 points, pulling its rank down from 8<sup>th</sup> to 16<sup>th</sup>. Its score dropped in the legal structure area to 5.5 from 5.7 points, though its rank went up one place from 17<sup>th</sup> to 16<sup>th</sup>. On the other hand, its score jumped by 2.4 points in the access to sound money area from 6.6 to 9.0 points, pulling its rank up by 14 places to 4<sup>th</sup>. In the area of freedom to trade, Syria lost 0.3 point, its score falling to 5.3 points and its rank to 18<sup>th</sup> place from last year's 17<sup>th</sup>. Finally, in the regulation area it gained 0.2 point up from 5.7 points, placing it in 16<sup>th</sup> place.

## Palestinian Territories

The data show that the score for the size of government area remained unchanged at 7.2 points but yet the Palestinian Territories lost 3 places in rank, moving down to 9<sup>th</sup> place. In the legal structure area it scored 6.5 points, down from 6.7, and came in the 10<sup>th</sup> place, unchanged from last year. The Palestinian Territories kept performing well in comparison to the rest of the Arab world for access to sound money, with a slight increase of 0.1 point from 9.0 points in last year's results, placing it in 3<sup>rd</sup> place. Finally, the score in the regulation area improved slightly by 0.1 point, up to 6.2 points, but that did not affect the rank of 13<sup>th</sup>.

# The index of Economic Freedom in the Arab World

## The structure of the index

The index published in *Economic Freedom of the World: 2013 Annual Report* (Gwartney, Lawson, and Hall, 2013) uses 42 components in five areas. Because underlying data for some of the components used in the world index were not broadly available for the Arab world, they were replaced by similar components with broader coverage of the Arab world. The index published in *Economic Freedom of the Arab World: 2013 Annual Report* includes the same five areas as *Economic Freedom of the World* but has 39 components. The score for each of the five areas is derived by averaging the components within that area. The most recent comprehensive data available for this report are from 2011, though we also publish some data now available from 2012.

The five areas, described in more detail below, are

Area 1: Size of Government: Expenditures, Taxes and Enterprises;

Area 2: Commercial and Economic Law and Security of Property Rights;

Area 3: Access to Sound Money;

Area 4: Freedom to Trade Internationally;

Area 5: Regulation of Credit, Labor, and Business.

The overall rating was computed by averaging the scores of the five areas. Each component was normalized on a scale of zero to 10. The Appendix: Explanatory Notes and Data Sources (p. 46) describes the procedures by which scores between zero and 10 were derived for each category as well as details about sources and methodology.

For consistency, the minimums and maximums used in last year's report are also used in this year's report. Global rather than regional minimums and maximums were used because of the small variability in some of the components among Arab countries and in order to place the Arab nations in a broader context. Thus, a high score indicates that a nation is doing well, not only in comparison with its immediate regional neighbors but also in comparison with nations around the world whose economic practices encourage economic freedom.

The index published in *Economic Freedom of the Arab World* includes data for the 22 nations of the League of Arab States. Thirteen of these nations also appear in *Economic Freedom of the World* and the relative rankings of these nations in both indexes are very similar, despite the slightly different menu of components used in the index published in *Economic Freedom of the Arab World*. An overall score was computed for 18 of the nations included in *Economic Freedom of the Arab World*; an overall score could not be computed for the remaining jurisdictions because of a lack of data.

The index published in *Economic Freedom of the Arab World* is compiled only from third-party data: in order to ensure objectivity, none of the sponsoring institutions provides any original data. As well, the formulas used in the calculations have remained the same for each year of the report. Thus, the authors of the report are unable to influence the standings of the nations in the report. Moreover, any outside observer would be able to replicate the index in full, producing identical results.

## Individual areas

Following is a description of the variables used to measure economic freedom and explanations of why they are relevant.<sup>1</sup>

### Area 1: Size of Government: Expenditures, Taxes and Enterprises

The four components of Area 1 indicate the extent to which countries rely on individual choice and markets rather than the political process to allocate resources and goods and services. When government spending increases relative to spending by individuals, households, and businesses, government decision-making is substituted for personal choice and thus economic freedom is reduced. The first two components address this issue: Government consumption as a share of total consumption (1A) and Transfers and subsidies as a share of GDP (1B).

Government consumption (1A) refers to the extent to which the government itself provides goods and services. If government employees build a road, it is included as government consumption; if the construction is contracted to a private company, it is no longer included in government consumption though it is categorized as government spending. Competitive contracting builds efficiency and lessens the politicization of the economy, if the contracting is done impartially. Transfers and subsidies (1B) weaken markets by rewarding political power and position rather than the ability to produce goods and services the world wants and will pay for.

The third component (1C) measures the extent to which countries use private enterprise and free markets rather than government enterprises to produce goods and services. The fourth component (1D) is based on the top marginal income-tax rate and the income threshold at which it applies. High marginal tax rates that apply at relatively low income levels increasingly deny individuals the fruits of their labor.

<sup>1</sup> This description closely follows Gwartney and Lawson, 2006: 10–12.

## Area 2: Commercial and Economic Law and Security of Property Rights

Security of persons, contracts, and rightfully acquired property are central elements of both economic freedom and a civil society. Indeed, the legal system is the most important internal function of government. Security of property rights, protected by the rule of law, is essential to economic freedom. Freedom to exchange, for example, is meaningless if individuals do not have secure rights to property, including the fruits of their labor. Failure of a country's legal system to provide for the security of property rights, enforcement of contracts, and the mutually agreeable settlement of disputes will undermine the operation of a market-exchange system.

As is appropriate for an assessment of economic freedom, the index focuses on economic and commercial law. However, the first two components in this area—2A, Military interference in the rule of law and the political process and 2B, Integrity of the legal system—are measures of whether or not the rule of law is applied impartially and consistently, which is also essential for effective economic and commercial law. Component 2C, Regulatory restrictions on the sale of real property, provides information on how easy it is to establish property rights and 2D, Legal enforcement of contracts, indicates whether agreements freely entered into are effectively protected by the rule of law. Both 2C and 2D are composites of other sub-components that measure the number of procedures, delays in judgments, and costs. Procedures that are too numerous, time-consuming, or costly lead to deterioration of the legal system's ability to protect freely made agreements.

## Area 3: Access to Sound Money

Money is essential to exchange. An absence of sound money undermines gains from trade and erodes the value of property held in monetary instruments. Sound money is essential to protect property rights and, thus, economic freedom. When governments print money to finance their expenditures, they are in effect expropriating the property and violating the economic freedom of their citizens. This (measured in component 3A) leads to inflation. High and volatile rates of inflation (components 3B and 3C) distort relative prices, alter the fundamental terms of long-term contracts, and make it virtually impossible for individuals and businesses to plan sensibly for the future. Component 3D is designed to measure the ease with which other currencies can be used via domestic and foreign bank accounts: that is, can one freely exchange and obtain differing currencies?

## Area 4: Freedom to Trade Internationally

In a world of high technology and low costs for communication and transportation, freedom of exchange across national boundaries is a key ingredient of economic freedom. The components in this area are designed to measure a wide variety of restraints that affect international exchange: these include tariffs (4A and its sub-components), exchange rate distortions (4B), and exchange rate and capital controls (4C). Individuals in the Arab world should have the right to buy and sell freely: Arab consumers should be able to buy the products they want from each other and from everyone in the world and Arab producers should be able to sell within the Arab world and to the world market.

## Area 5: Regulation of Credit, Labor, and Business

When regulations restrict entry into markets and interfere with the freedom to engage in voluntary exchange, they reduce economic freedom. Regulatory restraints that limit the freedom of exchange in credit, labor, and product markets are included in the index. Red tape can strangle business expansion, entrepreneurship, and job creation.

The first component (5A) reflects conditions in the domestic credit market. Individuals should be able to make their own decisions in credit markets and deal with institutions they choose freely. The components are designed to measure whether government allows free markets to determine credit or whether this is politically determined and whether credit is available in a timely, cost-efficient manner to credit-worthy individuals and businesses that freely seek it.

Many types of labor-market regulation (5B) infringe upon the economic freedom of employees and employers. Individuals should be able to work for whom they wish and employers should be able to hire whom they wish. Variables include difficulty in hiring, rigidity in hours, dismissal regulations and costs, and conscription.

Like the regulation of the credit markets and labor markets, the regulation of business activities (5C) inhibits economic freedom. Individuals should be able to open the business they wish when they wish and close it when they choose. The regulation-of-business sub-components are designed to identify the extent to which regulatory restraints and bureaucratic procedures limit establishing a business (5Ci) and closing it (5Cii).



## Country data tables

The index published in *Economic Freedom of the Arab World: 2013 Annual Report* includes data for the 22 nations of the League of Arab States. Thirteen of these nations also appear in *Economic Freedom of the World: 2013 Annual Report* and the relative rankings of these nations in both indexes are very similar, despite the slightly different menu of components used in the index published in *Economic Freedom of the Arab World*. An overall score was computed for 18 of the nations included in *Economic Freedom of the Arab World*, one more than last year due to increased data availability. An overall score could not be computed for the remaining jurisdictions because of a lack of data or, in the case of Syria, because the confused situation makes past data an unreliable guide. Nonetheless, we present the data for these unranked nations in the tables that follow, after the tables for the ranked nations.

For a jurisdiction to be given an overall score and rank, it must have rankings and scores for each of the five areas in the index. This year we were unable to rank Libya, the Palestinian Territories, Somalia and Syria. To be ranked for Area 1, a nation must have data for at least two sub-components; for Area 2, it must have data for at least two sub-components; for Area 3, it must have data for at least two sub-components; for Area 4, it must have data for at least two sub-components; and for Area 5, it must have data for at least two sub-components: Area 5A must have data for at least two sub-components, area 5B must have data for at least two sub-components; and area 5C must have data for at least two sub-components.

For all countries, we present scores for each of the five areas analyzed as well as scores for each component, where data were available. All the scores in the index are values out of 10: 10 is the highest possible score and zero (0) is the lowest. A higher score indicates a greater degree of economic freedom. An arrow in table of overall ratings and ranks (pp. 24–25) shows under “Trend” whether the data available from 2012 indicate a nation’s trend is uncertain or likely to improve, decline, or hold steady in future rankings.

A more complete description of each component, including the methodology used to calculate the scores, can be found in the Appendix: Explanatory Notes and Data Sources (p. 49).

### Data available to Researchers

The following tables contain data for the years 2002, 2005, 2007, 2008, 2009, 2010, 2011, and partial data for 2012. The full data-set, including all of the scores published in this report as well as all the annual data going back to 2002, can be freely downloaded at <<http://www.freetheworld.com>>. If you have any difficulties retrieving the data, please feel free to contact us via e-mail: <[freetheworld@fraserinstitute.org](mailto:freetheworld@fraserinstitute.org)>.

## Economic Freedom of the Arab World for 2010—Area Ratings and Ranks;

	Areas									
	1		2		3		4		5	
	Size of Government: Expenditures, Taxes and Enterprises		Commercial and Economic Law and Security of Property Rights		Access to Sound Money		Freedom to Trade Internationally		Regulation of Credit, Labor, and Business	
	Rating	Rank	Rating	Rank	Rating	Rank	Rating	Rank	Rating	Rank
Algeria	4.6	21	5.9	15	7.7	14	5	19	6.0	15
Bahrain	6.5	14	7.2	8	9.3	1	8.4	1	8.8	1
Comoros	6.7	12	6.4	11	6.8	17	6.4	14	5.8	19
Djibouti	4.9	20	5.2	19	8.7	7	6.7	11	6.8	10
Egypt, Arab Republic	7.4	7	5.4	18	8.6	10	6.6	12	6.2	13
Iraq	6.8	11	4.2	21	6.3	20	8.1	4	5.1	20
Jordan	7.9	3	7.2	8	9	4	8	5	7.8	6
Kuwait	6.4	16	7.8	3	9.2	2	7.8	7	7.9	5
Lebanon	9	1	6.1	13	9	4	6.2	15	8.2	4
Mauritania	6.9	10	5.5	16	6.4	19	7	9	5.9	16
Morocco	6.6	13	7.4	7	7.1	15	5.5	17	6.7	11
Oman	5.4	18	8	2	8.4	12	7.9	6	8.4	3
Qatar	6.5	14	7.6	5	8.6	10	7.6	8	7.8	6
Saudi Arabia	5.1	19	8.2	1	8.7	7	6.6	12	8.6	2
Sudan	8.8	2	4.5	20	6.9	16	7	9	5.9	16
Tunisia	7.3	8	7.6	5	6.8	17	5.6	16	7.1	9
United Arab Emirates	7.8	4	7.7	4	8.7	7	8.2	3	7.6	8
Yemen, Republic	7.6	6	6	14	8.1	13	8.4	1	6.4	12

### Countries unranked because data unavailable

Libya	4.4	22	6.3	12	5.9	21	3.6	21		
Palestinian Territories	7.2	9	6.5	10	9.1	3			6.2	13
Somalia	7.8	4	1.3	22			5	19		
Syrian Arab Republic	6.4	16	5.5	16	9	4	5.3	18	5.9	16



## Overall Rating and Rank; Trend

	Components of Area 5						Overall Rating (Rank)		Trend*
	5A Credit Market Regulations		5B Labour Market Regulations		5C Business Regulations		Rating	Rank	
	Rating	Rank	Rating	Rank	Rating	Rank	Rating	Rank	
Algeria	5.5	17	4.9	20	7.5	8	5.8	18	■
Bahrain	7.9	4	10.0	1	8.5	1	8	1	■
Comoros	6.7	12	6.7	12	3.9	18	6.4	15	▼
Djibouti	6.8	10	7.5	10	6.2	17	6.5	14	■
Egypt, Arab Republic	6.1	15	5.2	15	7.2	14	6.8	11	■
Iraq	3.8	21	7.9	9	3.7	20	6.1	17	■
Jordan	6.9	9	9.1	3	7.5	10	8	1	■
Kuwait	7.8	5	8.3	8	7.5	9	7.8	4	▼
Lebanon	8.8	1	8.5	7	7.2	13	7.7	5	■
Mauritania	6.4	13	5.1	16	6.2	16	6.3	16	■
Morocco	7.2	8	4.9	18	8.0	4	6.7	12	■
Oman	8.3	3	9.0	4	8.0	5	7.6	6	■
Qatar	6.8	10	8.9	6	7.9	6	7.6	6	■
Saudi Arabia	8.4	2	9.3	2	8.2	3	7.4	8	▼
Sudan	5.5	17	4.9	19	7.4	12	6.6	13	■
Tunisia	6.2	14	6.7	13	8.3	2	6.9	10	■
United Arab Emirates	7.3	7	9.0	4	6.6	15	8	1	▲
Yemen, Republic	6.0	16	5.4	14	7.7	7	7.3	9	▼
Libya	4.5	20							
Palestinian Territories	7.7	6	7.0	11	3.8	19			
Somalia									
Syrian Arab Republic	5.0	19	5.0	17	7.5	11			

\* Trend is based on preliminary data for 2012, not past performance. Trend is not indicated for nations that cannot be ranked due to lack of data. ▲ = up; ■ = unchanged, uncertain; ▼ = down.

# Algeria

	2002	2005	2007	2008	2009	2010	2011	2012
<b>Summary Ratings (Rank) ▶</b>	<b>5.1</b> (15)	<b>5.7</b> (17)	<b>5.5</b> (17)	<b>5.4</b> (18)	<b>5.6</b> (18)	<b>5.8</b> (18)	<b>5.8</b> (18)	<b>Trend</b> ■
	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)
<b>1. Size of Government</b>	<b>4.7</b>	<b>5.0</b>	<b>4.1</b>	<b>4.5</b>	<b>4.6</b>	<b>4.6</b>	<b>4.6</b>	
A. General government consumption spending	4.1 (26.1)	4.2 (25.6)	3.9 (26.6)	3.0 (29.8)	3.2 (29.0)	3.2 (29.0)	3.2 (29.0)	
B. Transfers and subsidies as a percentage of GDP	8.0 (7.8)	8.6 (5.5)	8.5 (6)	8.0 (7.7)	8.1 (7.3)	8.1 (7.3)	8.1 (7.3)	
C. Government enterprises and investment	2.0	2.0	0.0	0.0	0.0	0.0	0.0	
D. Top marginal tax rate				7.0 (35)	7.0 (35)	7.0 (35)	7.0 (35)	
<b>2. Commercial, Economic Law &amp; Property Rights</b>	<b>4.0</b>	<b>5.7</b>	<b>5.7</b>	<b>5.7</b>	<b>5.9</b>	<b>5.9</b>	<b>5.9</b>	<b>5.9</b>
A. Military interference in rule of law and politics	0.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
B. Integrity of the legal system	3.3	5.0	5.0	5.0	5.0	5.0	5.0	5.0
C. Regulatory restrictions on the sale of real property	6.8	6.8	6.8	6.8	7.4	7.6	7.6	7.5
i. Number of procedures		3.5	3.5	3.5	5.0	5.5	5.5	5.5
ii. Time (days)		9.5	9.5	9.5	9.5	9.5	9.5	9.4
iii. Cost (% of property value)		7.6	7.6	7.6	7.7	7.7	7.7	7.7
D. Legal enforcement of contracts	6.0	6.0	6.0	6.0	6.0	6.1	6.1	6.1
i. Number of procedures		2.5	2.5	2.5	2.7	3.0	3.0	3.0
ii. Time (days)		6.1	6.1	6.1	6.1	6.1	6.1	6.1
iii. Cost (% of debt)		9.3	9.3	9.3	9.3	9.3	9.3	9.3
<b>3. Access to Sound Money</b>	<b>6.6</b>	<b>6.6</b>	<b>6.2</b>	<b>6.0</b>	<b>6.2</b>	<b>7.6</b>	<b>7.7</b>	
A. Money growth	7.3 (13.5)	7.5 (12.7)	5.8 (20.8)	5.6 (21.8)	6.7 (16.4)	6.7 (16.7)	7.1 (14.5)	
B. Standard deviation of inflation	9.2 (1.9)	9.4 (1.5)	9.5 (1.2)	9.4 (1.4)	9.3 (1.8)	9.5 (1.3)	9.7 (0.8)	9.2 (2.0)
C. Inflation: most recent year	9.7 (1.4)	9.7 (1.4)	9.3 (3.7)	9.0 (4.9)	8.9 (5.7)	9.2 (3.9)	9.1 (4.5)	8.2 (8.9)
D. Freedom to own foreign currency bank accounts	0.0	0.0	0.0	0.0	0.0	5.0	5.0	
<b>4. Freedom to Trade Internationally</b>	<b>4.7</b>	<b>5.3</b>	<b>5.8</b>	<b>5.0</b>	<b>5.3</b>	<b>5.0</b>	<b>5.0</b>	
A. Taxes on international trade	5.2	7.0	6.9	6.9	6.7	6.8	6.8	
i. Revenue from trade taxes (% of trade sector)	5.0 (7.6)	8.2 (2.7)	8.6 (2.0)	8.5 (2.3)	8.0 (3.1)	8.2 (2.8)	8.2 (2.8)	
ii. Mean tariff rate	6.2 (18.8)	6.8 (15.8)	6.3 (18.6)	6.3 (18.6)	6.3 (18.6)	6.3 (18.6)	6.3 (18.6)	6.3 (18.6)
iii. Standard deviation of tariff rates	4.3 (14.3)	5.8 (10.5)	5.8 (10.4)	5.8 (10.4)	5.8 (10.4)	5.8 (10.4)	5.8 (10.4)	5.8 (10.4)
B. Black market exchange rates	8.1	8.1	8.2	7.5	8.4	8.3	8.3	7.3
C. Capital controls	0.8	0.9	2.3	0.8	0.8	0.0	0.0	
<b>5. Regulation of Credit, Labor, and Business</b>	<b>5.6</b>	<b>5.7</b>	<b>5.8</b>	<b>5.8</b>	<b>6.0</b>	<b>5.9</b>	<b>6.0</b>	
A. Credit market regulations	5.1	5.1	5.3	5.3	5.3	5.3	5.5	
i. Ownership of banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
ii. Foreign bank competition	8.0	8.0	8.0	8.0	8.0	8.0	8.0	
iii. Interest rate controls/negative real interest rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
iv. Getting Credit	2.3	2.3	3.2	3.2	3.2	3.2	4.0	4.8
a. Legal Rights Index		3.0	3.0	3.0	3.0	3.0	3.0	3.0
b. Credit Information Index		1.7	3.3	3.3	3.3	3.3	5.0	6.7
B. Labor market regulations	4.3	4.6	4.6	4.6	5.1	4.9	4.9	
i. Difficulty of Hiring Index	4.4	5.6	5.6	5.6	5.6	5.6	5.6	
ii. Rigidity of Hours Index	4.0	4.0	4.0	4.0	6.0	6.0	6.0	
iii. Rigidity of Dismissals	7.8	7.8	7.8	7.8	7.8	6.9	6.9	
a. Difficulty of Firing Index		6.0	6.0	6.0	6.0	6.0	6.0	
b. Firing costs (weeks of wages)		9.5	9.5	9.5	9.5	7.8	7.8	
iv. Conscriptio	1.0	1.0	1.0	1.0	1.0	1.0	1.0	
C. Business Regulations	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
i. Starting a business	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9
a. Number of procedures		2.9	2.9	2.9	2.9	2.9	2.9	2.9
b. Duration (days)		8.9	8.9	8.9	8.9	8.9	8.9	8.9
c. Cost (% of income per capita)		9.9	9.8	9.9	9.9	9.8	9.9	9.9
d. Minimum capital (% of income per capita)		9.9	9.9	9.9	9.9	9.9	9.9	9.9
ii. Closing a business	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2
a. Time (years)		7.8	7.8	7.8	7.8	7.8	7.8	7.8
b. Cost (% of estate)		9.2	9.2	9.2	9.2	9.2	9.2	9.2
c. Recovery rate (cents on the dollar)		4.5	4.5	4.5	4.5	4.5	4.5	4.5

**Trend** is based on preliminary data for 2012, not past performance. ▲ = up; ■ = unchanged, uncertain; ▼ = down.

## Bahrain

	2002	2005	2007	2008	2009	2010	2011	2012
<b>Summary Ratings (Rank) ▶</b>	<b>8.1</b> (1)	<b>7.9</b> (1)	<b>8.0</b> (1)	<b>8.0</b> (1)	<b>8.0</b> (1)	<b>8.1</b> (1)	<b>8.0</b> (1)	<b>Trend</b> ■
	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)
<b>1. Size of Government</b>	<b>6.7</b>	<b>6.5</b>	<b>6.8</b>	<b>6.5</b>	<b>6.6</b>	<b>6.5</b>	<b>6.5</b>	
A. General government consumption spending	3.3 (28.8)	2.9 (30.0)	3.1 (29.6)	2.6 (31.1)	2.7 (30.7)	2.7 (30.7)	2.7 (30.7)	
B. Transfers and subsidies as a percentage of GDP	9.5 (2.4)	9.0 (4.2)	10.0 (0.6)	9.5 (2.2)	9.5 (2.2)	9.4 (2.6)	9.3 (3.1)	
C. Government enterprises and investment	4.0	4.0	4.0	4.0	4.0	4.0	4.0	
D. Top marginal tax rate	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	
<b>2. Commercial, Economic Law &amp; Property Rights</b>	<b>7.2</b>	<b>7.2</b>	<b>7.2</b>	<b>7.2</b>	<b>7.2</b>	<b>7.2</b>	<b>7.2</b>	<b>7.0</b>
A. Military interference in rule of law and politics	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
B. Integrity of the legal system	8.3	8.3	8.3	8.3	8.3	8.3	8.3	7.5
C. Regulatory restrictions on the sale of real property	9.6	9.6	9.6	9.6	9.6	9.4	9.4	9.4
i. Number of procedures			9.5	9.5	9.5	9.5	9.5	9.5
ii. Time (days)			9.7	9.7	9.7	9.7	9.7	9.7
iii. Cost (% of property value)			9.7	9.7	9.7	9.1	9.1	9.1
D. Legal enforcement of contracts	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
i. Number of procedures			2.3	2.3	2.3	2.3	2.3	2.3
ii. Time (days)			6.1	6.1	6.1	6.1	6.1	6.1
iii. Cost (% of debt)			9.6	9.6	9.6	9.6	9.6	9.6
<b>3. Access to Sound Money</b>	<b>9.5</b>	<b>9.0</b>	<b>9.1</b>	<b>9.1</b>	<b>9.1</b>	<b>9.3</b>	<b>9.3</b>	
A. Money growth	8.3 (8.7)	7.2 (14.0)	7.2 (13.9)	7.5 (12.3)	7.1 (14.3)	7.7 (11.5)	8.0 (9.9)	
B. Standard deviation of inflation	9.8 (0.4)	9.3 (1.7)	9.7 (0.6)	9.7 (0.6)	9.8 (0.6)	9.7 (0.7)	9.4 (1.6)	9.4 (1.5)
C. Inflation: most recent year	9.9 (-0.5)	9.5 (2.6)	9.3 (3.3)	9.3 (3.5)	9.4 (2.8)	9.6 (2)	9.9 (-0.4)	9.8 (1.2)
D. Freedom to own foreign currency bank accounts	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
<b>4. Freedom to Trade Internationally</b>	<b>8.5</b>	<b>8.2</b>	<b>8.3</b>	<b>8.4</b>	<b>8.4</b>	<b>8.4</b>	<b>8.4</b>	
A. Taxes on international trade	8.5	8.4	8.6	8.2	8.3	8.3	8.3	
i. Revenue from trade taxes (% of trade sector)	9.3 (1.0)	8.8 (1.8)	9.5 (0.7)	9.5 (0.7)	9.5 (0.7)	9.5 (0.7)	9.5 (0.7)	
ii. Mean tariff rate	9.0 (5.1)	9.0 (5.1)	9.0 (5.0)	9.0 (5.2)	9.0 (5.1)	9.0 (5.1)	9.0 (5.1)	9.0 (5.1)
iii. Standard deviation of tariff rates	7.3 (6.7)	7.3 (6.7)	7.3 (6.8)	6.1 (9.8)	6.3 (9.4)	6.3 (9.4)	6.5 (8.8)	6.7 (8.3)
B. Black market exchange rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Capital controls	6.9	6.2	6.2	6.9	6.9	6.9	6.9	
<b>5. Regulation of Credit, Labor, and Business</b>	<b>8.5</b>	<b>8.5</b>	<b>8.5</b>	<b>8.5</b>	<b>8.8</b>	<b>8.9</b>	<b>8.8</b>	
A. Credit market regulations	8.1	8.3	8.3	8.3	8.3	8.3	7.9	
i. Ownership of banks	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
ii. Foreign bank competition	7.0	8.0	8.0	8.0	8.0	8.0	7.0	
iii. Interest rate controls/negative real interest rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
iv. Getting Credit	5.3	5.3	5.3	5.3	5.3	5.3	4.5	4.5
a. Legal Rights Index			4.0	4.0	4.0	4.0	4.0	4.0
b. Credit Information Index			6.7	6.7	6.7	6.7	5.0	5.0
B. Labor market regulations	8.9	8.9	8.9	8.9	9.6	10.0	10.0	
i. Difficulty of Hiring Index	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
ii. Rigidity of Hours Index	8.0	8.0	8.0	8.0	10.0	10.0	10.0	
iii. Rigidity of Dismissals	7.4	7.4	7.4	7.4	8.4	10.0	10.0	
a. Difficulty of Firing Index			5.0	5.0	7.0	10.0	10.0	
b. Firing costs (weeks of wages)			9.9	9.9	9.9	10.0	10.0	
iv. Conscripton	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
C. Business Regulations	8.4	8.4	8.4	8.4	8.5	8.4	8.5	8.5
i. Starting a business	9.1	9.1	9.1	9.1	9.1	9.0	9.0	9.1
a. Number of procedures			7.1	7.1	7.1	7.1	7.1	7.1
b. Duration (days)			9.7	9.7	9.7	9.7	9.7	9.7
c. Cost (% of income per capita)			10.0	10.0	10.0	10.0	10.0	10.0
d. Minimum capital (% of income per capita)			9.5	9.6	9.6	9.5	9.5	9.6
ii. Closing a business	7.8	7.8	7.8	7.8	7.8	7.8	7.9	7.9
a. Time (years)			7.8	7.8	7.8	7.8	7.8	7.8
b. Cost (% of estate)			8.8	8.8	8.9	8.8	8.8	8.8
c. Recovery rate (cents on the dollar)			6.8	6.8	6.8	6.9	7.1	7.1

**Trend** is based on preliminary data for 2012, not past performance. ▲ = up; ■ = unchanged, uncertain; ▼ = down.

## Comoros

	2002	2005	2007	2008	2009	2010	2011	2012
<b>Summary Ratings (Rank) ▶</b>		<b>5.9</b> (15)	<b>5.6</b> (16)	<b>6.1</b> (15)	<b>6.4</b> (13)	<b>6.5</b> (12)	<b>6.4</b> (15)	<b>Trend ▼</b>
	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)
<b>1. Size of Government</b>		<b>5.1</b>	<b>4.1</b>	<b>5.3</b>	<b>6.7</b>	<b>6.7</b>	<b>6.7</b>	
A. General government consumption spending	6.8 (16.7)	8.2 (12.0)	8.1 (12.3)	8.0 (12.7)	8.1 (12.6)	8.1 (12.6)	8.1 (12.6)	
B. Transfers and subsidies as a percentage of GDP								
C. Government enterprises and investment		2.0	0.0	0.0	4.0	4.0	4.0	
D. Top marginal tax rate				8.0 (30)	8.0 (30)	8.0 (30)	8.0 (30)	
<b>2. Commercial, Economic Law &amp; Property Rights</b>	<b>6.3</b>	<b>6.3</b>	<b>6.3</b>	<b>6.3</b>	<b>6.3</b>	<b>6.4</b>	<b>6.4</b>	<b>6.0</b>
A. Military interference in rule of law and politics					7.5	6.7	6.7	5.8
B. Integrity of the legal system					5.0	5.0	5.0	4.2
C. Regulatory restrictions on the sale of real property	7.0	7.0	7.0	7.0	7.0	8.3	8.3	8.3
i. Number of procedures			8.0	8.0	8.0	8.5	8.5	8.5
ii. Time (days)			9.8	9.8	9.8	9.7	9.7	9.7
iii. Cost (% of property value)			3.2	3.2	3.2	6.6	6.6	6.6
D. Legal enforcement of contracts	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6
i. Number of procedures			3.4	3.4	3.4	3.4	3.4	3.4
ii. Time (days)			7.1	7.1	7.1	7.1	7.1	7.1
iii. Cost (% of debt)			6.2	6.2	6.2	6.2	6.2	6.2
<b>3. Access to Sound Money</b>	5.2	6.8	7.0	7.0	6.8	6.6	6.8	
A. Money growth	6.2 (18.8)	8.2 (9.2)	9.2 (4.2)	8.8 (6.2)	8.4 (7.9)	7.4 (12.9)	8.1 (9.7)	
B. Standard deviation of inflation		9.6 (1.0)	9.7 (0.7)	9.5 (1.2)	9.5 (1.1)	9.6 (1.1)	9.4 (1.6)	9.2 (2.1)
C. Inflation: most recent year	9.3 (3.5)	9.4 (3.0)	9.1 (4.5)	9.7 (1.7)	9.1 (4.4)	9.3 (3.4)	9.8 (0.9)	8.8 (6.0)
D. Freedom to own foreign currency bank accounts	0.0	0.0	0.0	0.0	0.0	0.0	0	
<b>4. Freedom to Trade Internationally</b>	<b>6.5</b>	<b>6.5</b>	<b>5.9</b>	<b>6.7</b>	<b>6.7</b>	<b>7.3</b>	<b>6.4</b>	
A. Taxes on international trade			6.0	7.7	7.7	7.7	7.7	
i. Revenue from trade taxes (% of trade sector)								
ii. Mean tariff rate			4.2 (28.9)	7.7 (11.3)	7.7 (11.3)	7.7 (11.3)	7.7 (11.3)	7.7 (11.3)
iii. Standard deviation of tariff rates			7.8 (5.5)	7.6 (6)	7.6 (6)	7.6 (6)	7.6 (6)	7.6 (6)
B. Black market exchange rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Capital controls	3.1	3.1	1.8	2.5	2.5	4.2	1.7	
<b>5. Regulation of Credit, Labor, and Business</b>	<b>4.9</b>	<b>4.9</b>	<b>4.9</b>	<b>5.1</b>	<b>5.7</b>	<b>5.4</b>	<b>5.8</b>	
A. Credit market regulations	5.3	5.3	5.3	5.8	6.2	6.2	6.7	
i. Ownership of banks					8.0	8.0	8.0	
ii. Foreign bank competition								
iii. Interest rate controls/negative real interest rates	9.0	9.0	9.0	10.0	9.0	9.0	9.0	10.0
iv. Getting Credit	1.5	1.5	1.5	1.5	1.5	1.5	3.0	3.0
a. Legal Rights Index		3.0	3.0	3.0	3.0	3.0	6.0	6.0
b. Credit Information Index			0.0	0.0	0.0	0.0	0.0	0.0
B. Labor market regulations	5.6	5.6	5.6	5.6	7.2	6.2	6.7	
i. Difficulty of Hiring Index	6.1	6.1	6.1	6.1	6.1	4.4	6.7	
ii. Rigidity of Hours Index	4.0	4.0	4.0	4.0	6.0	6.0	6.0	
iii. Rigidity of Dismissals	6.6	6.6	6.6	6.6	6.6	4.3	4.3	
a. Difficulty of Firing Index		6.0	6.0	6.0	6.0	6.0	6.0	
b. Firing costs (weeks of wages)		7.2	7.2	7.2	7.2	2.5	2.5	
iv. Conscriptio					10.0	10.0	10.0	
C. Business Regulations	3.8	3.8	3.9	3.9	3.9	3.9	3.9	4.1
i. Starting a business	7.7	7.7	7.7	7.7	7.7	7.8	7.8	8.2
a. Number of procedures			4.7	4.7	4.7	4.7	4.7	5.9
b. Duration (days)			9.0	9.0	8.9	8.9	8.9	9.1
c. Cost (% of income per capita)			7.7	7.7	7.8	7.9	7.9	8.2
d. Minimum capital (% of income per capita)			9.5	9.5	9.5	9.5	9.5	9.5
ii. Closing a business	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
a. Time (years)								
b. Cost (% of estate)								
c. Recovery rate (cents on the dollar)		0.0	0.0	0.0	0.0	0.0	0.0	0.0

**Trend** is based on preliminary data for 2012, not past performance. ▲ = up; ■ = unchanged, uncertain; ▼ = down.

## Djibouti

	2002	2005	2007	2008	2009	2010	2011	2012
<b>Summary Ratings (Rank) ▶</b>		<b>6.1</b> (14)	<b>6.3</b> (13)	<b>6.5</b> (12)	<b>6.5</b> (12)	<b>6.4</b> (14)	<b>6.5</b> (14)	<b>Trend</b> ■
	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)
<b>1. Size of Government</b>		<b>2.5</b>	<b>3.4</b>	<b>4.9</b>	<b>4.9</b>	<b>4.9</b>	<b>4.9</b>	
A. General government consumption spending	3.0 (29.7)	3.0 (29.7)	2.8 (30.4)	2.8 (30.4)	2.8 (30.4)	2.8 (30.4)	2.8 (30.4)	
B. Transfers and subsidies as a percentage of GDP								
C. Government enterprises and investment		2.0	4.0	4.0	4.0	4.0	4.0	
D. Top marginal tax rate				8.0 (30)	8.0 (30)	8.0 (30)	8.0 (30)	
<b>2. Commercial, Economic Law &amp; Property Rights</b>	<b>6.1</b>	<b>6.1</b>	<b>6.1</b>	<b>6.1</b>	<b>5.6</b>	<b>5.2</b>	<b>5.2</b>	<b>5.2</b>
A. Military interference in rule of law and politics					5.8	5.0	5.0	5.0
B. Integrity of the legal system					4.2	3.3	3.3	3.3
C. Regulatory restrictions on the sale of real property	7.4	7.4	7.4	7.4	7.4	7.4	7.4	7.5
i. Number of procedures			7.0	7.0	7.0	7.0	7.0	7.0
ii. Time (days)			9.6	9.6	9.6	9.6	9.6	9.6
iii. Cost (% of property value)			5.7	5.7	5.7	5.7	5.7	5.8
D. Legal enforcement of contracts	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8
i. Number of procedures			4.1	4.1	4.1	4.1	4.1	4.1
ii. Time (days)			1.7	1.7	1.7	1.7	1.7	1.7
iii. Cost (% of debt)			8.7	8.7	8.7	8.7	8.7	8.7
<b>3. Access to Sound Money</b>	9.7	9.2	9.1	8.5	8.8	8.5	8.7	
A. Money growth	9.3 (3.3)	7.9 (10.4)	7.8 (11.2)	7.8 (10.9)	7.3 (13.4)	6.4 (17.8)	7.4 (12.9)	
B. Standard deviation of inflation	9.5 (1.2)	9.5 (1.2)	9.6 (1.1)	8.5 (3.8)	8.4 (4.0)	8.4 (4.0)	8.4 (3.9)	8.4 (4.0)
C. Inflation: most recent year	9.9 (0.6)	9.4 (3.1)	9.0 (5.0)	7.6 (12.0)	9.7 (1.7)	9.2 (4.0)	9.1 (4.4)	9.3 (3.7)
D. Freedom to own foreign currency bank accounts	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
<b>4. Freedom to Trade Internationally</b>	<b>6.4</b>	<b>6.4</b>	<b>6.9</b>	<b>7.0</b>	<b>6.7</b>	<b>6.7</b>	<b>6.7</b>	
A. Taxes on international trade	3.8	3.8	5.4	5.5	6.2	6.2	6.2	
i. Revenue from trade taxes (% of trade sector)								
ii. Mean tariff rate	3.8 (30.9)	3.8 (30.9)	4.4 (27.8)	4.4 (27.8)	5.9 (20.6)	5.9 (20.6)	5.9 (20.6)	5.8 (21.0)
iii. Standard deviation of tariff rates			6.4 (8.9)	6.6 (8.6)	6.6 (8.6)	6.6 (8.6)	6.6 (8.6)	6.6 (8.4)
B. Black market exchange rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Capital controls	5.4	5.4	5.4	5.4	3.8	3.8	3.8	
<b>5. Regulation of Credit, Labor, and Business</b>	<b>6.4</b>	<b>6.4</b>	<b>6.0</b>	<b>6.0</b>	<b>6.6</b>	<b>6.8</b>	<b>6.8</b>	
A. Credit market regulations	5.2	5.2	5.2	5.2	6.8	6.8	6.8	
i. Ownership of banks					10.0	10.0	10.0	
ii. Foreign bank competition								
iii. Interest rate controls/negative real interest rates	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
iv. Getting Credit	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
a. Legal Rights Index		1.0	1.0	1.0	1.0	1.0	1.0	1.0
b. Credit Information Index			1.7	1.7	1.7	1.7	1.7	1.7
B. Labor market regulations	8.0	8.0	6.8	6.8	6.8	7.5	7.5	
i. Difficulty of Hiring Index	8.3	8.3	3.3	3.3	3.3	3.3	3.3	
ii. Rigidity of Hours Index	6.0	6.0	6.0	6.0	6.0	8.0	8.0	
iii. Rigidity of Dismissals	7.7	7.7	7.7	7.7	7.7	8.5	8.5	
a. Difficulty of Firing Index		7.0	7.0	7.0	7.0	7.0	7.0	
b. Firing costs (weeks of wages)		8.4	8.4	8.4	8.4	10.0	10.0	
iv. Conscripton	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
C. Business Regulations	6.1	6.1	6.1	6.1	6.1	6.2	6.2	6.3
i. Starting a business	7.3	7.3	7.4	7.4	7.4	7.5	7.5	7.6
a. Number of procedures			4.7	4.7	4.7	4.7	4.7	4.7
b. Duration (days)			8.3	8.3	8.3	8.3	8.3	8.3
c. Cost (% of income per capita)			7.5	7.6	7.7	8.0	8.0	8.2
d. Minimum capital (% of income per capita)			9.0	9.0	9.0	9.2	9.2	9.2
ii. Closing a business	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9
a. Time (years)		5.2	5.2	5.2	5.2	5.2	5.2	5.2
b. Cost (% of estate)		7.7	7.7	7.7	7.7	7.7	7.7	7.7
c. Recovery rate (cents on the dollar)		1.7	1.7	1.7	1.7	1.7	1.8	1.8

**Trend** is based on preliminary data for 2012, not past performance. ▲ = up; ■ = unchanged, uncertain; ▼ = down.

## Egypt, Arab Republic

	2002	2005	2007	2008	2009	2010	2011	2012
<b>Summary Ratings (Rank) ▶</b>	<b>6.4</b> (10)	<b>6.8</b> (10)	<b>7.0</b> (9)	<b>6.9</b> (10)	<b>6.8</b> (10)	<b>6.9</b> (10)	<b>6.8</b> (11)	<b>Trend</b> ■
	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)
<b>1. Size of Government</b>	<b>5.7</b>	<b>5.8</b>	<b>7.1</b>	<b>7.0</b>	<b>6.5</b>	<b>7.2</b>	<b>7.4</b>	
A. General government consumption spending	7.5 (14.5)	7.3 (15.1)	7.8 (13.5)	7.9 (13.1)	7.9 (13.0)	7.9 (13.0)	7.9 (13.0)	
B. Transfers and subsidies as a percentage of GDP	8.4 (6.5)	8.1 (7.6)	6.7 (12.6)	6.0 (15.2)	6.2 (14.4)	6.9 (12.0)	7.8 (8.7)	
C. Government enterprises and investment	0.0	0.0	4.0	4.0	2.0	4.0	4.0	
D. Top marginal tax rate	7.0 (32)	8.0 (26)	10.0 (20)	10.0 (20)	10.0 (20)	10.0 (20)	10.0 (25)	
<b>2. Commercial, Economic Law &amp; Property Rights</b>	<b>6.2</b>	<b>6.2</b>	<b>6.1</b>	<b>6.2</b>	<b>6.2</b>	<b>6.0</b>	<b>5.4</b>	<b>5.2</b>
A. Military interference in rule of law and politics	5.0	5.0	5.0	5.0	5.0	4.2	2.5	1.7
B. Integrity of the legal system	6.7	6.7	5.8	5.8	5.8	5.8	5.0	5.0
C. Regulatory restrictions on the sale of real property	7.6	7.6	8.2	8.7	8.7	8.7	8.7	8.7
i. Number of procedures		7.0	7.0	7.0	7.0	7.0	7.0	7.0
ii. Time (days)		8.0	8.0	9.3	9.3	9.3	9.3	9.3
iii. Cost (% of property value)		7.8	9.7	9.7	9.7	9.8	9.8	9.8
D. Legal enforcement of contracts	5.3	5.3	5.3	5.3	5.4	5.4	5.4	5.3
i. Number of procedures		3.6	3.6	3.6	3.9	3.9	3.9	3.6
ii. Time (days)		3.3	3.3	3.3	3.3	3.3	3.3	3.3
iii. Cost (% of debt)		9.1	9.1	9.1	9.1	9.1	9.1	9.1
<b>3. Access to Sound Money</b>	<b>9.5</b>	<b>8.9</b>	<b>8.5</b>	<b>8.0</b>	<b>8.3</b>	<b>8.4</b>	<b>8.6</b>	
A. Money growth	9.0 (5.1)	8.0 (9.9)	7.2 (14.1)	7.7 (11.6)	7.5 (12.3)	7.7 (11.7)	7.8 (11.2)	
B. Standard deviation of inflation	9.8 (0.6)	8.6 (3.6)	8.8 (2.9)	8.0 (5.1)	8.0 (5.1)	8.4 (4.1)	8.6 (3.6)	8.5 (3.8)
C. Inflation: most recent year	9.5 (2.7)	9.0 (4.9)	8.1 (9.3)	6.3 (18.3)	7.6 (11.8)	7.7 (11.3)	8.0 (10.1)	8.3 (8.4)
D. Freedom to own foreign currency bank accounts	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
<b>4. Freedom to Trade Internationally</b>	<b>5.1</b>	<b>7.0</b>	<b>7.2</b>	<b>7.0</b>	<b>6.5</b>	<b>6.5</b>	<b>6.6</b>	
A. Taxes on international trade	4.4	4.9	5.1	4.9	4.9	5.0	5.1	
i. Revenue from trade taxes (% of trade sector)	6.9 (4.7)	8.5 (2.3)	8.6 (2.1)	8.2 (2.7)	8.0 (2.9)	8.3 (2.57)	8.7 (1.9)	
ii. Mean tariff rate	6.2 (18.9)	6.2 (18.9)	6.7 (16.7)	6.6 (17.0)	6.6 (17.0)	6.6 (17.0)	6.6 (17.0)	6.6 (16.8)
iii. Standard deviation of tariff rates	0.0 (39.5)	0.0 (141.1)	0.0 (143.5)	0.0 (146.7)	0.0 (149.5)	0.0 (149.5)	0.0 (147.1)	0.0 (143.3)
B. Black market exchange rates	5.5	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Capital controls	5.4	6.2	6.7	6.2	4.6	4.6	4.6	
<b>5. Regulation of Credit, Labor, and Business</b>	<b>5.5</b>	<b>5.8</b>	<b>6.2</b>	<b>6.5</b>	<b>6.6</b>	<b>6.4</b>	<b>6.2</b>	
A. Credit market regulations	4.5	5.3	5.7	6.4	6.9	6.9	6.1	
i. Ownership of banks	2.0	2.0	2.0	5.0	5.0	5.0	5.0	
ii. Foreign bank competition	3.0	6.0	6.0	6.0	6.0	6.0	3.0	
iii. Interest rate controls/negative real interest rates	10.0	10.0	10.0	9.0	10.0	10.0	10.0	10.0
iv. Getting Credit	3.2	3.2	4.8	5.7	6.5	6.5	6.5	6.5
a. Legal Rights Index		3.0	3.0	3.0	3.0	3.0	3.0	3.0
b. Credit Information Index		3.3	6.7	8.3	10.0	10.0	10.0	10.0
B. Labor market regulations	5.8	5.8	5.8	5.8	5.8	5.2	5.2	
i. Difficulty of Hiring Index	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
ii. Rigidity of Hours Index	8.0	8.0	8.0	8.0	8.0	8.0	8.0	
iii. Rigidity of Dismissals	5.3	5.2	5.2	5.2	5.2	2.8	2.8	
a. Difficulty of Firing Index		4.0	4.0	4.0	4.0	5.0	5.0	
b. Firing costs (weeks of wages)		6.3	6.3	6.3	6.3	0.6	0.6	
iv. Conscription	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
C. Business Regulations	6.2	6.4	7.0	7.2	7.2	7.2	7.2	7.2
i. Starting a business	7.3	7.9	9.1	9.3	9.3	9.3	9.3	9.3
a. Number of procedures		5.3	7.1	7.6	7.6	7.6	7.6	7.6
b. Duration (days)		9.0	9.7	9.8	9.8	9.8	9.8	9.8
c. Cost (% of income per capita)		8.7	9.7	9.8	9.8	9.9	9.9	9.9
d. Minimum capital (% of income per capita)		8.6	10.0	10.0	10.0	10.0	10.0	10.0
ii. Closing a business	5.0	5.0	5.0	5.0	5.0	5.0	5.1	5.0
a. Time (years)		6.0	6.0	6.0	6.1	6.0	6.0	6.0
b. Cost (% of estate)		7.2	7.2	7.2	7.2	7.2	7.2	7.2
c. Recovery rate (cents on the dollar)		1.7	1.8	1.8	1.8	1.9	1.9	1.9

**Trend** is based on preliminary data for 2012, not past performance. ▲ = up; ■ = unchanged, uncertain; ▼ = down.

## Iraq

	2002	2005	2007	2008	2009	2010	2011	2012	
<b>Summary Ratings (Rank)</b>								<b>6.1</b> (17)	<b>Trend</b> <span style="color: yellow;">■</span>
	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	
<b>1. Size of Government</b>								<b>6.8</b>	
A. General government consumption spending								3.6 (27.9)	
B. Transfers and subsidies as a percentage of GDP									
C. Government enterprises and investment									
D. Top marginal tax rate	10.0 (15)	10.0 (15)	10.0 (15)	10.0 (15)	10.0 (15)	10.0 (15)	10.0 (20)		
<b>2. Commercial, Economic Law &amp; Property Rights</b>								<b>4.2</b>	<b>4.2</b>
A. Military interference in rule of law and politics	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
B. Integrity of the legal system	3.3	2.5	2.5	2.5	2.5	2.5	2.5	2.5	
C. Regulatory restrictions on the sale of real property	8.6	8.6	8.6	8.6	8.3	8.5	8.4	8.3	
i. Number of procedures		8.0	8.0	8.0	8.0	8.0	8.0	8.0	
ii. Time (days)		9.9	9.9	9.9	9.5	9.5	9.5	9.5	
iii. Cost (% of property value)		7.8	8.0	7.9	7.5	7.9	7.8	7.6	
D. Legal enforcement of contracts	5.8	5.8	5.8	5.8	5.9	5.8	5.8	5.8	
i. Number of procedures		1.6	1.6	1.6	1.6	1.6	1.6	1.6	
ii. Time (days)		7.0	7.0	7.0	7.0	7.0	7.0	7.0	
iii. Cost (% of debt)		8.8	8.8	8.8	9.0	9.0	9.0	9.0	
<b>3. Access to Sound Money</b>								<b>4.3</b>	<b>4.6</b>
A. Money growth								4.9 (25.5)	3.6 (32.0)
B. Standard deviation of inflation	4.9 (12.7)	4.9 (12.7)	0.6 (23.4)	0.4 (24.1)	0.0 (25.1)	0.4 (23.9)	6.6 (8.4)	8.6 (3.6)	
C. Inflation: most recent year	6.1 (19.3)	2.6 (37)	8.0 (-10.1)	7.5 (12.7)	8.6 (6.9)	9.4 (2.9)	8.9 (5.6)	8.8 (6.1)	
D. Freedom to own foreign currency bank accounts	0.0	5.0	5.0	5.0	5.0	5.0	5.0		
<b>4. Freedom to Trade Internationally</b>								<b>8.1</b>	<b>8.1</b>
A. Taxes on international trade									
i. Revenue from trade taxes (% of trade sector)									
ii. Mean tariff rate									
iii. Standard deviation of tariff rates									
B. Black market exchange rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	9.3	
C. Capital controls	0.9	0.0	7.7	6.9	6.2	6.2	6.2		
<b>5. Regulation of Credit, Labor, and Business</b>	<b>4.3</b>	<b>5.2</b>	<b>5.0</b>	<b>5.4</b>	<b>5.3</b>	<b>4.9</b>	<b>5.1</b>		
A. Credit market regulations	4.3	4.3	3.8	5.3	3.8	3.5	3.8		
i. Ownership of banks								0.0	0.0
ii. Foreign bank competition									
iii. Interest rate controls/negative real interest rates	7.0	7.0	6.0	9.0	10.0	9.0	10.0		
iv. Getting Credit	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	
a. Legal Rights Index								3.0	3.0
b. Credit Information Index								0.0	0.0
B. Labor market regulations	4.9	7.4	7.4	7.4	8.4	7.7	7.9		
i. Difficulty of Hiring Index	6.7	6.7	6.7	6.7	6.7	5.6	6.7		
ii. Rigidity of Hours Index	4.0	4.0	4.0	4.0	8.0	6.0	6.0		
iii. Rigidity of Dismissals	9.0	9.0	9.0	9.0	9.0	9.0	9.0		
a. Difficulty of Firing Index								8.0	8.0
b. Firing costs (weeks of wages)								10.0	10.0
iv. Conscripton	0.0	10.0	10.0	10.0	10.0	10.0	10.0		
C. Business Regulations	3.8	3.8	3.7	3.6	3.8	3.7	3.7	3.8	
i. Starting a business	7.6	7.6	7.4	7.3	7.5	7.4	7.4	7.7	
a. Number of procedures								4.7	4.7
b. Duration (days)								6.3	6.3
c. Cost (% of income per capita)								9.5	8.9
d. Minimum capital (% of income per capita)								9.9	9.9
ii. Closing a business	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
a. Time (years)									
b. Cost (% of estate)									
c. Recovery rate (cents on the dollar)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	

**Trend** is based on preliminary data for 2012, not past performance. ▲ = up; ■ = unchanged, uncertain; ▼ = down.

## Jordan

	2002	2005	2007	2008	2009	2010	2011	2012
<b>Summary Ratings (Rank) ▶</b>	<b>7.6</b> (7)	<b>7.7</b> (5)	<b>7.7</b> (4)	<b>7.6</b> (3)	<b>7.7</b> (4)	<b>8.0</b> (2)	<b>8.0</b> (1)	<b>Trend</b> ■
	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)
<b>1. Size of Government</b>	<b>5.9</b>	<b>6.7</b>	<b>7.0</b>	<b>7.0</b>	<b>6.4</b>	<b>8.0</b>	<b>7.9</b>	
A. General government consumption spending	5.0 (22.9)	6.4 (18.2)	6.1 (19.2)	5.5 (21.3)	5.1 (22.6)	5.6 (21.1)	6.1 (19.3)	
B. Transfers and subsidies as a percentage of GDP	9.5 (2.3)	6.422 (13.6)	7.711 (8.9)	7.4 (10)	7.651 (9.1)	8.4 (6.6)	7.4 (10)	
C. Government enterprises and investment	2.0	7.0	7.0	8.0	6.0	8.0	8.0	
D. Top marginal tax rate	7.0 (35)	7.0 (35)	7.0 (35)	7.0 (35)	7.0 (35)	10.0 (14)	10.0 (14)	
<b>2. Commercial, Economic Law &amp; Property Rights</b>	<b>7.2</b>	<b>7.2</b>	<b>7.2</b>	<b>7.2</b>	<b>7.4</b>	<b>7.4</b>	<b>7.2</b>	<b>7.2</b>
A. Military interference in rule of law and politics	8.3	8.3	8.3	8.3	8.3	8.3	7.5	7.5
B. Integrity of the legal system	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7
C. Regulatory restrictions on the sale of real property	7.7	7.7	7.7	7.7	8.1	8.1	8.1	8.1
i. Number of procedures		6.5	6.5	6.5	7.0	7.0	7.0	7.0
ii. Time (days)		9.8	9.8	9.8	9.8	9.8	9.8	9.8
iii. Cost (% of property value)		6.7	6.7	6.7	7.6	7.6	7.6	7.6
D. Legal enforcement of contracts	6.3	6.3	6.3	6.3	6.4	6.4	6.4	6.4
i. Number of procedures		4.3	4.3	4.3	4.5	4.5	4.5	4.5
ii. Time (days)		5.7	5.7	5.7	5.7	5.7	5.7	5.7
iii. Cost (% of debt)		8.8	8.8	8.8	8.8	8.8	8.8	8.8
<b>3. Access to Sound Money</b>	<b>9.7</b>	<b>9.2</b>	<b>9.0</b>	<b>8.4</b>	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>	
A. Money growth	9.4 (2.8)	7.9 (10.4)	7.9 (10.6)	8.4 (8.2)	8.5 (7.5)	9.2 (3.8)	9.2 (3.8)	
B. Standard deviation of inflation	9.6 (1.0)	9.6 (0.9)	9.3 (1.8)	8.1 (4.8)	7.7 (5.7)	7.8 (5.6)	7.7 (5.7)	7.7 (5.7)
C. Inflation: most recent year	9.6 (1.8)	9.3 (3.5)	8.9 (5.4)	7.0 (14.9)	9.9 (-0.7)	9.0 (5.0)	9.1 (4.4)	9.0 (4.8)
D. Freedom to own foreign currency bank accounts	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
<b>4. Freedom to Trade Internationally</b>	<b>7.9</b>	<b>8.1</b>	<b>7.9</b>	<b>8.0</b>	<b>7.9</b>	<b>8.0</b>	<b>8.0</b>	
A. Taxes on international trade	6.1	6.5	6.8	7.0	6.9	7.0	7.0	
i. Revenue from trade taxes (% of trade sector)	7.8 (3.3)	8.2 (2.7)	8.6 (2.1)	9.1 (1.4)	9.0 (1.5)	9.1 (1.3)	9.2 (1.2)	
ii. Mean tariff rate	6.8 (16.2)	7.5 (12.4)	7.8 (11.2)	7.8 (10.8)	8.0 (10.2)	8.0 (10.0)	8.0 (10.0)	8.0 (10.0)
iii. Standard deviation of tariff rates	3.8 (15.6)	3.9 (15.3)	4.0 (14.9)	4.2 (14.6)	3.6 (15.9)	3.7 (15.7)	3.7 (15.7)	3.8 (15.5)
B. Black market exchange rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Capital controls	7.7	7.7	6.9	6.9	6.9	6.9	6.9	
<b>5. Regulation of Credit, Labor, and Business</b>	<b>7.2</b>	<b>7.3</b>	<b>7.4</b>	<b>7.4</b>	<b>7.7</b>	<b>7.7</b>	<b>7.8</b>	
A. Credit market regulations	6.9	6.7	6.7	6.4	6.7	6.7	6.9	
i. Ownership of banks	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
ii. Foreign bank competition	4.0	3.0	3.0	3.0	3.0	3.0	4.0	
iii. Interest rate controls/negative real interest rates	10.0	10.0	10.0	9.0	10.0	10.0	10.0	10.0
iv. Getting Credit	3.7	3.7	3.7	3.7	3.7	3.7	3.7	2.7
a. Legal Rights Index		4.0	4.0	4.0	4.0	4.0	4.0	2.0
b. Credit Information Index		3.3	3.3	3.3	3.3	3.3	3.3	3.3
B. Labor market regulations	8.5	8.5	8.5	8.5	9.0	9.1	9.1	
i. Difficulty of Hiring Index	8.9	8.9	8.9	8.9	8.9	8.9	8.9	
ii. Rigidity of Hours Index	8.0	8.0	8.0	8.0	10.0	10.0	10.0	
iii. Rigidity of Dismissals	6.9	6.9	6.9	6.9	6.9	7.5	7.5	
a. Difficulty of Firing Index		4.0	4.0	4.0	4.0	5.0	5.0	
b. Firing costs (weeks of wages)		9.9	9.9	9.9	9.9	10.0	10.0	
iv. Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
C. Business Regulations	6.1	6.8	7.0	7.2	7.4	7.4	7.5	7.5
i. Starting a business	6.4	7.7	8.1	8.5	8.8	8.8	9.1	9.1
a. Number of procedures		4.7	5.3	5.3	6.5	6.5	7.1	7.1
b. Duration (days)		9.2	9.4	9.4	9.5	9.5	9.5	9.5
c. Cost (% of income per capita)		9.0	9.2	9.3	9.4	9.5	9.8	9.8
d. Minimum capital (% of income per capita)		8.0	8.4	10.0	10.0	10.0	10.0	10.0
ii. Closing a business	5.9	6.0	6.0	5.9	5.9	5.9	5.9	5.9
a. Time (years)		5.9	5.9	5.9	5.9	5.9	5.9	5.9
b. Cost (% of estate)		8.9	8.9	8.9	8.9	8.9	8.9	8.9
c. Recovery rate (cents on the dollar)		3.0	3.0	2.9	2.9	2.9	2.9	3.0

**Trend** is based on preliminary data for 2012, not past performance. ▲ = up; ■ = unchanged, uncertain; ▼ = down.



## Kuwait

	2002	2005	2007	2008	2009	2010	2011	2012
<b>Summary Ratings (Rank) ▶</b>	<b>7.9</b> (3)	<b>7.8</b> (3)	<b>7.9</b> (2)	<b>7.5</b> (4)	<b>7.8</b> (3)	<b>7.8</b> (4)	<b>7.8</b> (4)	<b>Trend ▼</b>
	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)
<b>1. Size of Government</b>	<b>6.5</b>	<b>6.7</b>	<b>6.8</b>	<b>5.5</b>	<b>6.4</b>	<b>6.5</b>	<b>6.4</b>	
A. General government consumption spending	1.8 (33.8)	2.1 (32.8)	2.5 (31.5)	2.3 (32.3)	1.3 (35.6)	1.4 (35.4)	1.1 (36.2)	
B. Transfers and subsidies as a percentage of GDP	7.1 (11.1)	7.8 (8.5)	7.8 (8.4)	2.6 (27.5)	7.5 (9.8)	7.5 (9.8)	7.5 (9.8)	
C. Government enterprises and investment	7.0	7.0	7.0	7.0	7.0	7.0	7.0	
D. Top marginal tax rate	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	
<b>2. Commercial, Economic Law &amp; Property Rights</b>	<b>7.8</b>	<b>7.8</b>	<b>7.8</b>	<b>7.8</b>	<b>7.8</b>	<b>7.8</b>	<b>7.8</b>	<b>7.8</b>
A. Military interference in rule of law and politics	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3
B. Integrity of the legal system	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3
C. Regulatory restrictions on the sale of real property	8.5	8.5	8.6	8.6	8.6	8.6	8.6	8.6
i. Number of procedures		6.5	6.5	6.5	6.5	6.5	6.5	6.5
ii. Time (days)		9.2	9.4	9.4	9.4	9.4	9.5	9.5
iii. Cost (% of property value)		9.8	9.9	9.9	9.9	9.9	9.9	9.9
D. Legal enforcement of contracts	6.0	6.0	6.0	6.0	5.9	5.9	5.9	5.9
i. Number of procedures		1.8	1.8	1.8	1.8	1.8	1.8	1.8
ii. Time (days)		6.6	6.6	6.6	6.6	6.6	6.6	6.6
iii. Cost (% of debt)		9.6	9.6	9.6	9.4	9.4	9.4	9.4
<b>3. Access to Sound Money</b>	<b>9.5</b>	<b>8.9</b>	<b>9.0</b>	<b>8.7</b>	<b>9.3</b>	<b>9.3</b>	<b>9.2</b>	
A. Money growth	8.8 (6.2)	6.8 (16.0)	7.8 (11.0)	8.5 (7.5)	9.1 (4.4)	9.1 (4.7)	8.7 (6.5)	
B. Standard deviation of inflation	9.5 (1.2)	9.5 (1.4)	9.2 (1.9)	8.6 (3.5)	8.8 (3.0)	8.8 (3.0)	8.9 (2.8)	8.8 (3.1)
C. Inflation: most recent year	9.8 (0.9)	9.2 (4.1)	8.9 (5.5)	7.9 (10.6)	9.2 (4.0)	9.2 (4.0)	9.1 (4.7)	9.4 (2.9)
D. Freedom to own foreign currency bank accounts	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
<b>4. Freedom to Trade Internationally</b>	<b>7.8</b>	<b>7.8</b>	<b>8.0</b>	<b>7.7</b>	<b>7.7</b>	<b>7.8</b>	<b>7.8</b>	
A. Taxes on international trade	8.9	8.8	9.3	8.9	8.8	8.8	8.9	
i. Revenue from trade taxes (% of trade sector)	9.4 (0.9)	9.5 (0.8)	9.6 (0.6)	9.6 (0.6)	9.5 (0.7)	9.5 (0.7)	9.6 (0.5)	
ii. Mean tariff rate	9.3 (3.5)	9.1 (4.7)	9.1 (4.6)	9.1 (4.7)	9.1 (4.7)	9.1 (4.7)	9.1 (4.7)	9.1 (4.7)
iii. Standard deviation of tariff rates	7.9 (5.1)	7.9 (5.1)	9.2 (1.9)	7.9 (5.2)	7.9 (5.2)	7.9 (5.2)	7.9 (5.2)	7.9 (5.2)
B. Black market exchange rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10
C. Capital controls	4.6	4.6	4.6	4.2	4.2	4.6	4.6	
<b>5. Regulation of Credit, Labor, and Business</b>	<b>8.1</b>	<b>7.6</b>	<b>7.7</b>	<b>7.7</b>	<b>8.0</b>	<b>7.6</b>	<b>7.9</b>	
A. Credit market regulations	8.1	6.9	7.1	7.1	7.1	7.1	7.8	
i. Ownership of banks	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
ii. Foreign bank competition	8.0	3.0	3.0	3.0	3.0	3.0	6.0	
iii. Interest rate controls/negative real interest rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
iv. Getting Credit	4.5	4.5	5.3	5.3	5.3	5.3	5.3	5.3
a. Legal Rights Index		4.0	4.0	4.0	4.0	4.0	4.0	4.0
b. Credit Information Index		5.0	6.7	6.7	6.7	6.7	6.7	6.7
B. Labor market regulations	8.7	8.7	8.7	8.7	9.7	8.3	8.3	
i. Difficulty of Hiring Index	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
ii. Rigidity of Hours Index	6.0	6.0	6.0	6.0	10.0	6.0	6.0	
iii. Rigidity of Dismissals	8.9	8.9	8.9	8.9	8.9	7.2	7.2	
a. Difficulty of Firing Index		10.0	10.0	10.0	10.0	10.0	10.0	
b. Firing costs (weeks of wages)		7.8	7.8	7.8	7.8	4.4	4.4	
iv. Conscripton	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
C. Business Regulations	7.3	7.3	7.2	7.3	7.3	7.3	7.5	7.1
i. Starting a business	7.9	7.9	7.9	7.9	7.9	7.9	8.1	8.1
a. Number of procedures		3.5	3.5	3.5	3.5	3.5	4.1	4.1
b. Duration (days)		8.4	8.4	8.4	8.4	8.4	8.5	8.5
c. Cost (% of income per capita)		10.0	10.0	10.0	10.0	10.0	10.0	10.0
d. Minimum capital (% of income per capita)		9.7	9.8	9.8	9.9	9.8	9.9	9.9
ii. Closing a business	6.7	6.7	6.6	6.6	6.6	6.7	6.9	6.1
a. Time (years)		6.0	6.0	6.0	6.1	6.0	6.0	6.0
b. Cost (% of estate)		10.0	10.0	10.0	10.0	10.0	10.0	8.8
c. Recovery rate (cents on the dollar)		4.1	3.6	3.7	3.7	4.1	4.7	3.4

**Trend** is based on preliminary data for 2012, not past performance. ▲ = up; ■ = unchanged, uncertain; ▼ = down.

# Lebanon

	2002	2005	2007	2008	2009	2010	2011	2012
<b>Summary Ratings (Rank) ▶</b>	<b>7.7</b> (6)	<b>7.6</b> (6)	<b>7.7</b> (4)	<b>7.5</b> (4)	<b>7.6</b> (5)	<b>7.7</b> (5)	<b>7.7</b> (5)	<b>Trend</b> ■
	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)
<b>1. Size of Government</b>	<b>8.5</b>	<b>8.8</b>	<b>8.7</b>	<b>8.6</b>	<b>8.6</b>	<b>9.0</b>	<b>9.0</b>	
A. General government consumption spending	6.7 (17.1)	7.3 (15.2)	7.4 (15.0)	7.4 (15.0)	7.3 (15.2)	7.3 (15.2)	7.4 (14.7)	
B. Transfers and subsidies as a percentage of GDP	8.7 (5.5)	7.8 (8.7)	7.6 (9.3)	7.1 (11.0)	7.2 (10.6)	8.7 (5.2)	8.4 (6.5)	
C. Government enterprises and investment		10.0	10.0	10.0	10.0	10.0	10.0	
D. Top marginal tax rate	10.0 (20)	10.0 (20)	10.0 (20)	10.0 (20)	10.0 (20)	10.0 (20)	10.0 (20)	
<b>2. Commercial, Economic Law &amp; Property Rights</b>	<b>6.1</b>	<b>6.1</b>	<b>6.1</b>	<b>6.1</b>	<b>6.1</b>	<b>6.1</b>	<b>6.1</b>	<b>6.1</b>
A. Military interference in rule of law and politics	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3
B. Integrity of the legal system	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7
C. Regulatory restrictions on the sale of real property	8.1	8.1	8.1	8.1	8.1	8.1	8.1	8.1
i. Number of procedures		6.5	6.5	6.5	6.5	6.5	6.5	6.5
ii. Time (days)		9.7	9.7	9.7	9.7	9.7	9.7	9.7
iii. Cost (% of property value)		8.1	8.1	8.1	8.1	8.1	8.1	8.1
D. Legal enforcement of contracts	6.4	6.4	6.4	6.4	6.4	6.4	6.4	6.4
i. Number of procedures		4.8	4.8	4.8	4.8	4.8	4.8	4.8
ii. Time (days)		5.5	5.5	5.5	5.5	5.5	5.5	5.5
iii. Cost (% of debt)		8.9	8.9	8.9	8.9	8.9	8.9	8.9
<b>3. Access to Sound Money</b>	<b>9.6</b>	<b>9.6</b>	<b>9.4</b>	<b>8.8</b>	<b>9.2</b>	<b>9.0</b>	<b>9.0</b>	
A. Money growth	9.5 (2.3)	9.6 (1.8)	9.2 (3.8)	9.0 (5.0)	8.9 (5.4)	8.2 (9.1)	8.4 (8.1)	
B. Standard deviation of inflation	9.1 (2.3)	9.1 (2.3)	9.0 (2.5)	8.3 (4.4)	8.2 (4.4)	8.6 (3.5)	8.6 (3.5)	8.6 (3.5)
C. Inflation: most recent year	9.6 (1.8)	9.9 (-0.7)	9.2 (4.1)	7.8 (10.8)	9.8 (1.2)	9.2 (4.0)	9.0 (5.0)	8.7 (6.6)
D. Freedom to own foreign currency bank accounts	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
<b>4. Freedom to Trade Internationally</b>	<b>7.3</b>	<b>5.9</b>	<b>6.0</b>	<b>6.1</b>	<b>6.0</b>	<b>6.2</b>	<b>6.2</b>	
A. Taxes on international trade	7.9	6.3	6.6	6.6	6.6	7.0	7.1	
i. Revenue from trade taxes (% of trade sector)	7.3 (4.0)	8.5 (2.3)	8.6 (2.1)	8.7 (1.9)	8.6 (2.1)	8.7 (2.0)	8.8 (1.7)	
ii. Mean tariff rate	8.6 (7.2)	8.6 (7.1)	8.6 (6.9)	8.6 (6.9)	8.6 (6.9)	8.7 (6.3)	8.7 (6.3)	8.7 (6.3)
iii. Standard deviation of tariff rates		1.8 (20.5)	2.5 (18.7)	2.5 (18.7)	2.5 (18.7)	3.7 (15.7)	3.7 (15.7)	3.9 (15.3)
B. Black market exchange rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Capital controls	3.8	1.5	1.5	1.5	1.5	1.5	1.5	
<b>5. Regulation of Credit, Labor, and Business</b>	<b>7.2</b>	<b>7.3</b>	<b>8.0</b>	<b>8.1</b>	<b>8.1</b>	<b>8.1</b>	<b>8.2</b>	
A. Credit market regulations	8.2	8.5	8.7	8.7	8.7	8.7	8.8	
i. Ownership of banks	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
ii. Foreign bank competition	8.0	9.0	9.0	9.0	9.0	9.0	9.0	
iii. Interest rate controls/negative real interest rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
iv. Getting Credit	4.8	4.8	5.7	5.7	5.7	5.7	6.2	5.7
a. Legal Rights Index		3.0	3.0	3.0	3.0	3.0	4.0	3.0
b. Credit Information Index		6.7	8.3	8.3	8.3	8.3	8.3	8.3
B. Labor market regulations	6.7	6.7	8.5	8.5	8.5	8.5	8.5	
i. Difficulty of Hiring Index	5.6	5.6	5.6	5.6	5.6	5.6	5.6	
ii. Rigidity of Hours Index	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
iii. Rigidity of Dismissals	8.3	8.3	8.3	8.3	8.3	8.5	8.5	
a. Difficulty of Firing Index		7.0	7.0	7.0	7.0	7.0	7.0	
b. Firing costs (weeks of wages)		9.5	9.5	9.5	9.5	10.0	10.0	
iv. Conscription	3.0	3.0	10.0	10.0	10.0	10.0	10.0	
C. Business Regulations	6.7	6.8	6.9	7.2	7.2	7.2	7.2	7.2
i. Starting a business	8.4	8.5	8.6	9.2	9.2	9.2	9.3	9.3
a. Number of procedures		7.6	7.6	8.2	8.2	8.2	8.2	8.2
b. Duration (days)		7.8	7.8	9.6	9.7	9.7	9.7	9.7
c. Cost (% of income per capita)		8.7	8.9	9.0	9.1	9.1	9.2	9.2
d. Minimum capital (% of income per capita)		9.9	9.9	9.9	9.9	9.9	9.9	9.9
ii. Closing a business	5.1	5.2	5.2	5.2	5.2	5.2	5.2	5.2
a. Time (years)		6.3	6.3	6.3	6.3	6.3	6.3	6.3
b. Cost (% of estate)		7.2	7.2	7.2	7.2	7.2	7.2	7.2
c. Recovery rate (cents on the dollar)		2.0	2.1	2.1	2.1	2.1	2.2	2.3

**Trend** is based on preliminary data for 2012, not past performance. ▲ = up; ■ = unchanged, uncertain; ▼ = down.

# Mauritania

	2002	2005	2007	2008	2009	2010	2011	2012
<b>Summary Ratings (Rank) ▶</b>	<b>6.4</b> (10)	<b>6.5</b> (11)	<b>6.3</b> (13)	<b>6.4</b> (13)	<b>5.8</b> (17)	<b>6.0</b> (17)	<b>6.3</b> (16)	<b>Trend</b> ■
	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)
<b>1. Size of Government</b>	<b>6.4</b>	<b>7.0</b>	<b>6.1</b>	<b>6.3</b>	<b>4.9</b>	<b>5.6</b>	<b>6.9</b>	
A. General government consumption spending	4.1 (26.1)	5.9 (20.0)	6.4 (18.1)	6.8 (16.8)	3.6 (27.8)	4.9 (23.4)	4.7 (24.1)	
B. Transfers and subsidies as a percentage of GDP								
C. Government enterprises and investment	10.00	10.00	7.00	7.00	6.00	7.00	8.00	
D. Top marginal tax rate	5.0 (40)	5.0 (40)	5.0 (40)	5.0 (40)	5.0 (40)	5.0 (40)	8.00 (30)	
<b>2. Commercial, Economic Law &amp; Property Rights</b>	<b>7.6</b>	<b>7.6</b>	<b>7.7</b>	<b>7.7</b>	<b>5.5</b>	<b>5.5</b>	<b>5.5</b>	<b>5.7</b>
A. Military interference in rule of law and politics					3.3	3.3	3.3	3.3
B. Integrity of the legal system					3.3	3.3	3.3	4.2
C. Regulatory restrictions on the sale of real property	8.6	8.6	8.8	8.8	8.8	8.8	8.8	8.8
i. Number of procedures		8.5	8.5	8.5	8.5	8.5	8.5	8.5
ii. Time (days)		9.5	9.5	9.5	9.5	9.5	9.5	9.5
iii. Cost (% of property value)		7.8	8.3	8.3	8.3	8.3	8.5	8.5
D. Legal enforcement of contracts	6.5	6.5	6.6	6.7	6.7	6.7	6.7	6.7
i. Number of procedures		2.5	2.7	2.7	2.7	2.7	2.7	2.7
ii. Time (days)		7.8	7.8	8.1	8.1	8.1	8.1	8.1
iii. Cost (% of debt)		9.2	9.2	9.2	9.2	9.2	9.2	9.2
<b>3. Access to Sound Money</b>	<b>7.5</b>	<b>6.9</b>	<b>6.3</b>	<b>6.4</b>	<b>6.5</b>	<b>6.5</b>	<b>6.4</b>	
A. Money growth	6.6 (17.0)	6.3 (18.4)	7.8 (11.0)	8.0 (9.8)	7.7 (11.4)	7.9 (10.5)	7.5 (12.6)	
B. Standard deviation of inflation	9.2 (1.9)	8.5 (3.7)	8.8 (2.9)	9.0 (2.5)	8.6 (3.5)	9.2 (2.1)	9.2 (2.1)	9.2 (1.9)
C. Inflation: most recent year	9.2 (3.9)	7.6 (12.1)	8.5 (7.3)	8.5 (7.3)	9.6 (2.2)	8.7 (6.3)	8.9 (5.7)	9.0 (4.9)
D. Freedom to own foreign currency bank accounts	5.0	5.0	0.0	0.0	0.0	0.0	0.0	
<b>4. Freedom to Trade Internationally</b>	<b>6.1</b>	<b>6.1</b>	<b>6.3</b>	<b>6.1</b>	<b>6.1</b>	<b>6.2</b>	<b>7.0</b>	
A. Taxes on international trade	7.5	7.5	7.4	7.4	7.4	7.6	7.6	
i. Revenue from trade taxes (% of trade sector)								
ii. Mean tariff rate	7.9 (10.7)	7.9 (10.7)	7.6 (11.9)	7.6 (11.9)	7.6 (11.9)	8.1 (9.6)	8.1 (9.6)	8.1 (9.6)
iii. Standard deviation of tariff rates	7.1 (7.2)	7.1 (7.2)	7.2 (7.0)	7.2 (7.0)	7.2 (7.0)	7.2 (7.0)	7.2 (7.0)	7.2 (7.0)
B. Black market exchange rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Capital controls	0.8	0.8	1.5	1.0	1.0	1.0	3.3	
<b>5. Regulation of Credit, Labor, and Business</b>	<b>4.7</b>	<b>5.1</b>	<b>5.3</b>	<b>5.4</b>	<b>5.9</b>	<b>5.9</b>	<b>5.9</b>	
A. Credit market regulations	5.7	5.7	5.7	5.7	6.4	6.4	6.4	
i. Ownership of banks					8.0	8.0	8.0	
ii. Foreign bank competition								
iii. Interest rate controls/negative real interest rates	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
iv. Getting Credit	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
a. Legal Rights Index		3.0	3.0	3.0	3.0	3.0	3.0	3.0
b. Credit Information Index		1.7	1.7	1.7	1.7	1.7	1.7	1.7
B. Labor market regulations	2.9	4.2	4.5	4.5	5.0	5.1	5.1	
i. Difficulty of Hiring Index	1.1	3.3	4.4	4.4	4.4	5.6	5.6	
ii. Rigidity of Hours Index	4.0	6.0	6.0	6.0	8.0	8.0	8.0	
iii. Rigidity of Dismissals	6.6	7.6	7.6	7.6	7.6	7.0	7.0	
a. Difficulty of Firing Index		6.0	6.0	6.0	6.0	6.0	6.0	
b. Firing costs (weeks of wages)		9.1	9.1	9.1	9.1	7.9	7.9	
iv. Conscripton	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
C. Business Regulations	5.4	5.4	5.7	6.2	6.2	6.3	6.2	6.2
i. Starting a business	6.8	6.8	7.5	8.5	8.4	8.5	8.5	8.5
a. Number of procedures		4.7	4.7	5.9	5.9	5.9	5.9	5.9
b. Duration (days)		6.0	6.9	9.2	9.2	9.2	9.2	9.2
c. Cost (% of income per capita)		8.3	9.3	9.6	9.6	9.6	9.4	9.4
d. Minimum capital (% of income per capita)		8.3	9.0	9.2	9.1	9.2	9.3	9.4
ii. Closing a business	4.0	4.0	4.0	3.9	3.9	4.0	4.0	4.0
a. Time (years)		2.1	2.1	2.1	2.1	2.1	2.1	2.1
b. Cost (% of estate)		8.9	8.9	8.9	8.9	8.9	8.9	8.9
c. Recovery rate (cents on the dollar)		0.8	0.8	0.7	0.7	1.1	1.1	1.1

**Trend** is based on preliminary data for 2012, not past performance. ▲ = up; ■ = unchanged, uncertain; ▼ = down.

## Morocco

	2002	2005	2007	2008	2009	2010	2011	2012
<b>Summary Ratings (Rank) ▶</b>	<b>6.3</b> (13)	<b>6.4</b> (12)	<b>6.4</b> (12)	<b>6.3</b> (14)	<b>6.4</b> (13)	<b>6.5</b> (12)	<b>6.7</b> (12)	<b>Trend</b> ■
	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)
<b>1. Size of Government</b>	<b>6.4</b>	<b>6.7</b>	<b>6.8</b>	<b>6.7</b>	<b>6.3</b>	<b>6.5</b>	<b>6.6</b>	
A. General government consumption spending	4.7 (24.0)	4.4 (25.2)	4.8 (23.8)	5.1 (22.8)	4.7 (24.2)	4.9 (23.4)	6.0 (19.7)	
B. Transfers and subsidies as a percentage of GDP	8.7 (5.3)	8.4 (6.5)	8.4 (6.4)	7.7 (8.9)	8.6 (5.5)	8.1 (7.4)	7.3 (10.5)	
C. Government enterprises and investment	8.0	10.0	10.0	10.0	8.0	8.0	8.0	
D. Top marginal tax rate	4.0 (44)	4.0 (44)	4.0 (44)	4.0 (44)	4.0 (44)	5.0 (38)	5 (38)	
<b>2. Commercial, Economic Law &amp; Property Rights</b>	<b>7.9</b>	<b>7.5</b>	<b>7.4</b>	<b>7.4</b>	<b>7.4</b>	<b>7.4</b>	<b>7.4</b>	<b>7.2</b>
A. Military interference in rule of law and politics	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7
B. Integrity of the legal system	10.0	8.3	8.3	8.3	8.3	8.3	8.3	7.5
C. Regulatory restrictions on the sale of real property	8.5	8.4	8.1	8.1	8.1	8.0	8.0	7.9
i. Number of procedures		8.0	6.5	6.5	6.5	6.5	6.5	6.5
ii. Time (days)		9.5	9.5	9.5	9.5	9.2	9.2	9.2
iii. Cost (% of property value)		7.7	8.4	8.4	8.4	8.4	8.4	8.1
D. Legal enforcement of contracts	6.5	6.5	6.5	6.5	6.5	6.7	6.7	6.7
i. Number of procedures		4.1	4.1	4.1	4.1	4.1	4.1	4.1
ii. Time (days)		6.3	6.3	6.3	6.3	7.0	7.0	7.0
iii. Cost (% of debt)		9.1	9.1	9.1	9.1	9.1	9.1	9.1
<b>3. Access to Sound Money</b>	<b>7.1</b>	<b>7.2</b>	<b>6.8</b>	<b>6.7</b>	<b>6.9</b>	<b>7.0</b>	<b>7.1</b>	
A. Money growth	9.5 (2.4)	9.5 (2.7)	8.0 (10.1)	8.1 (9.5)	8.4 (8.2)	8.7 (6.4)	9.1 (4.7)	
B. Standard deviation of inflation	9.6 (1.1)	9.7 (0.8)	9.6 (0.9)	9.5 (1.2)	9.5 (1.3)	9.5 (1.3)	9.5 (1.2)	9.5 (1.2)
C. Inflation: most recent year	9.4 (2.8)	9.8 (1.0)	9.6 (2.0)	9.3 (3.7)	9.8 (1.0)	9.8 (1.0)	9.8 (0.9)	9.7 (1.3)
D. Freedom to own foreign currency bank accounts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>4. Freedom to Trade Internationally</b>	<b>4.6</b>	<b>5.0</b>	<b>5.2</b>	<b>5.1</b>	<b>5.4</b>	<b>5.4</b>	<b>5.5</b>	
A. Taxes on international trade	4.3	4.7	4.8	5.3	5.4	5.5	5.6	
i. Revenue from trade taxes (% of trade sector)	6.6 (5.2)	7.5 (3.7)	8.0 (3.0)	8.4 (2.4)	8.0 (3.0)	8.4 (2.3)	8.6 (2.0)	
ii. Mean tariff rate	4.5 (27.7)	6.1 (19.4)	5.4 (23.0)	5.7 (21.4)	6.4 (18.1)	6.4 (18.1)	6.4 (18.1)	7.1 (14.3)
iii. Standard deviation of tariff rates	1.8 (20.5)	0.6 (23.5)	1.1 (22.3)	1.7 (20.8)	1.8 (20.5)	1.8 (20.5)	1.8 (20.5)	1.6 (21.0)
B. Black market exchange rates	7.9	9.6	10.0	10.0	10.0	10.0	10.0	10.0
C. Capital controls	1.5	0.8	0.8	0.0	0.8	0.8	0.8	
<b>5. Regulation of Credit, Labor, and Business</b>	<b>5.6</b>	<b>5.7</b>	<b>5.7</b>	<b>5.5</b>	<b>5.8</b>	<b>5.9</b>	<b>6.7</b>	
A. Credit market regulations	6.1	5.8	5.8	5.3	5.9	5.9	7.2	
i. Ownership of banks	5.0	8.0	8.0	5.0	5.0	5.0	5.0	
ii. Foreign bank competition	8.0	3.0	3.0	3.0	3.0	3.0	8.0	
iii. Interest rate controls/negative real interest rates	9.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
iv. Getting Credit	2.3	2.3	2.3	3.2	5.7	5.7	5.7	5.7
a. Legal Rights Index		3.0	3.0	3.0	3.0	3.0	3.0	3.0
b. Credit Information Index		1.7	1.7	3.3	8.3	8.3	8.3	8.3
B. Labor market regulations	3.6	3.3	3.3	3.3	3.6	3.8	4.9	
i. Difficulty of Hiring Index	0.0	0.0	0.0	0.0	1.1	1.1	5.6	
ii. Rigidity of Hours Index	6.0	6.0	6.0	6.0	6.0	8.0	8.0	
iii. Rigidity of Dismissals	7.2	6.3	6.3	6.3	6.3	5.1	5.1	
a. Difficulty of Firing Index		5.0	5.0	5.0	5.0	5.0	5.0	
b. Firing costs (weeks of wages)		7.6	7.6	7.6	7.6	5.3	5.3	
iv. Conscriptio	1.0	1.0	1.0	1.0	1.0	1.0	1.0	
C. Business Regulations	7.2	7.8	8.0	8.0	8.0	8.0	8.0	8.0
i. Starting a business	7.8	8.9	9.2	9.2	9.2	9.2	9.2	9.2
a. Number of procedures		7.6	7.6	7.6	7.6	7.6	7.6	7.6
b. Duration (days)		9.5	9.5	9.5	9.5	9.5	9.5	9.5
c. Cost (% of income per capita)		9.8	9.9	9.9	9.8	9.8	9.8	9.8
d. Minimum capital (% of income per capita)		8.6	9.9	9.9	10.0	10.0	10.0	10.0
ii. Closing a business	6.7	6.7	6.7	6.7	6.7	6.8	6.8	6.7
a. Time (years)		8.5	8.5	8.5	8.5	8.5	8.5	8.5
b. Cost (% of estate)		7.7	7.7	7.7	7.7	7.7	7.7	7.7
c. Recovery rate (cents on the dollar)		3.8	3.8	3.8	3.8	4.1	4.1	3.8

**Trend** is based on preliminary data for 2012, not past performance. ▲ = up; ■ = unchanged, uncertain; ▼ = down.

## Oman

	2002	2005	2007	2008	2009	2010	2011	2012
<b>Summary Ratings (Rank) ▶</b>	<b>7.8</b> (5)	<b>7.5</b> (7)	<b>7.5</b> (7)	<b>7.5</b> (4)	<b>7.6</b> (5)	<b>7.7</b> (5)	<b>7.6</b> (6)	<b>Trend</b> ■
	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)
<b>1. Size of Government</b>	<b>4.9</b>	<b>4.9</b>	<b>5.2</b>	<b>5.7</b>	<b>5.7</b>	<b>5.7</b>	<b>5.4</b>	
A. General government consumption spending	0.0 (39.9)	0.0 (42.3)	1.2 (35.8)	3.2 (29.1)	3.2 (29.1)	3.2 (29.1)	3.2 (29.1)	
B. Transfers and subsidies as a percentage of GDP	9.7 (1.7)	9.5 (2.2)	9.7 (1.8)	9.5 (2.5)	9.6 (1.9)	9.6 (1.8)	8.2 (7.1)	
C. Government enterprises and investment	0.0	0.0	0.0	0.0	0.0	0.0	0	
D. Top marginal tax rate	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	
<b>2. Commercial, Economic Law &amp; Property Rights</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>
A. Military interference in rule of law and politics	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3
B. Integrity of the legal system	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3
C. Regulatory restrictions on the sale of real property	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5
i. Number of procedures		9.5	9.5	9.5	9.5	9.5	9.5	9.5
ii. Time (days)		9.8	9.8	9.8	9.8	9.8	9.8	9.8
iii. Cost (% of property value)		9.0	9.0	9.0	9.0	9.0	9.0	9.0
D. Legal enforcement of contracts	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9
i. Number of procedures		1.6	1.6	1.6	1.6	1.6	1.6	1.6
ii. Time (days)		6.4	6.4	6.4	6.4	6.4	6.4	6.4
iii. Cost (% of debt)		9.6	9.6	9.6	9.6	9.6	9.6	9.6
<b>3. Access to Sound Money</b>	<b>9.7</b>	<b>9.2</b>	<b>8.4</b>	<b>7.9</b>	<b>8.3</b>	<b>8.4</b>	<b>8.4</b>	
A. Money growth	9.3 (3.5)	7.5 (12.4)	5.6 (22.0)	5.8 (20.8)	5.7 (21.7)	5.7 (21.4)	5.8 (20.9)	
B. Standard deviation of inflation	9.6 (1.0)	9.6 (1.0)	9.1 (2.3)	8.2 (4.5)	8.4 (4.0)	8.5 (3.8)	8.5 (3.6)	8.5 (3.9)
C. Inflation: most recent year	9.9 (-0.3)	9.6 (1.9)	8.8 (6.0)	7.6 (12.1)	9.2 (3.9)	9.4 (3.2)	9.2 (4.1)	9.4 (2.9)
D. Freedom to own foreign currency bank accounts	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
<b>4. Freedom to Trade Internationally</b>	<b>8.6</b>	<b>8.1</b>	<b>8.3</b>	<b>8.1</b>	<b>7.9</b>	<b>7.9</b>	<b>7.9</b>	
A. Taxes on international trade	9.1	7.7	8.0	7.8	7.9	7.9	8.0	
i. Revenue from trade taxes (% of trade sector)	9.5 (0.8)	9.5 (0.8)	9.3 (1.0)	9.3 (1.0)	9.4 (0.9)	9.4 (0.9)	9.4 (0.9)	
ii. Mean tariff rate	8.4 (8.0)	9.2 (3.8)	8.9 (5.5)	8.9 (5.7)	8.9 (5.5)	8.9 (5.5)	8.9 (5.5)	8.9 (5.5)
iii. Standard deviation of tariff rates	9.5 (1.2)	4.4 (14.0)	5.9 (10.3)	5.1 (12.3)	5.4 (11.4)	5.4 (11.4)	5.6 (10.9)	5.6 (10.9)
B. Black market exchange rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Capital controls	6.7	6.7	6.9	6.7	5.8	5.8	5.8	
<b>5. Regulation of Credit, Labor, and Business</b>	<b>7.7</b>	<b>7.3</b>	<b>7.6</b>	<b>7.7</b>	<b>8.1</b>	<b>8.4</b>	<b>8.4</b>	
A. Credit market regulations	7.9	6.7	7.4	7.2	7.4	7.4	8.3	
i. Ownership of banks	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
ii. Foreign bank competition	8.0	3.0	6.0	6.0	6.0	6.0	8.0	
iii. Interest rate controls/negative real interest rates	10.0	10.0	10.0	9.0	10.0	10.0	10.0	10.0
iv. Getting Credit	3.7	3.7	3.7	3.7	3.7	3.7	5.3	6.2
a. Legal Rights Index		4.0	4.0	4.0	4.0	4.0	4.0	4.0
b. Credit Information Index		3.3	3.3	3.3	3.3	3.3	6.7	8.3
B. Labor market regulations	7.9	7.9	8.2	8.2	9.0	10.0	9.0	
i) Difficulty of Hiring Index	5.6	5.6	6.7	6.7	10.0	10.0	10.0	
ii. Rigidity of Hours Index	6.0	6.0	6.0	6.0	6.0	10.0	6.0	
iii. Rigidity of Dismissals	9.9	9.9	9.9	9.9	9.9	10.0	10.0	
a. Difficulty of Firing Index		10.0	10.0	10.0	10.0	10.0	10.0	
b. Firing costs (weeks of wages)		9.9	9.9	9.9	9.9	10.0	10.0	
iv. Conscripton	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
C. Business Regulations	7.3	7.3	7.3	7.7	7.9	7.9	8.0	8.0
i. Starting a business	8.1	8.1	8.1	8.9	9.3	9.3	9.3	9.4
a. Number of procedures		5.3	5.3	7.1	8.2	8.2	8.2	8.2
b. Duration (days)		8.4	8.4	9.4	9.5	9.5	9.7	9.7
c. Cost (% of income per capita)		9.9	9.9	10.0	10.0	10.0	10.0	10.0
d. Minimum capital (% of income per capita)		8.7	8.9	9.1	9.5	9.4	9.5	9.6
ii. Closing a business	6.5	6.5	6.6	6.5	6.6	6.5	6.6	6.6
a. Time (years)		6.3	6.3	6.3	6.3	6.3	6.3	6.3
b. Cost (% of estate)		9.6	9.6	9.6	9.7	9.6	9.6	9.6
c. Recovery rate (cents on the dollar)		3.7	3.8	3.8	3.8	3.8	3.9	4.0

**Trend** is based on preliminary data for 2012, not past performance. ▲ = up; ■ = unchanged, uncertain; ▼ = down.

## Qatar

	2002	2005	2007	2008	2009	2010	2011	2012
<b>Summary Ratings (Rank) ▶</b>	<b>8.0</b> (2)	<b>7.8</b> (3)	<b>7.6</b> (6)	<b>7.5</b> (4)	<b>7.6</b> (5)	<b>7.5</b> (7)	<b>7.6</b> (6)	<b>Trend</b> ■
	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)
<b>1. Size of Government</b>	<b>6.4</b>	<b>6.4</b>	<b>6.4</b>	<b>6.5</b>	<b>6.3</b>	<b>6.4</b>	<b>6.5</b>	
A. General government consumption spending	0.0 (47.6)	0.0 (78.9)	0.0 (56.8)	0.0 (46.4)	0.0 (55.0)	0.0 (55.0)	0.0 (55.0)	
B. Transfers and subsidies as a percentage of GDP	9.2 (3.6)	9.2 (3.5)	9.3 (3.1)	9.5 (2.4)	9.0 (4.1)	9.2 (3.5)	9.4 (2.9)	
C. Government enterprises and investment								
D. Top marginal tax rate	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	
<b>2. Commercial, Economic Law &amp; Property Rights</b>	<b>7.5</b>	<b>7.5</b>	<b>7.5</b>	<b>7.5</b>	<b>7.5</b>	<b>7.6</b>	<b>7.6</b>	<b>7.6</b>
A. Military interference in rule of law and politics	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7
B. Integrity of the legal system	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3
C. Regulatory restrictions on the sale of real property	8.4	8.4	8.4	8.4	8.4	8.9	8.9	8.9
i. Number of procedures			5.5	5.5	5.5	7.0	7.0	7.0
ii. Time (days)			9.8	9.8	9.8	9.9	9.9	9.9
iii. Cost (% of property value)			9.9	9.9	9.9	9.9	9.9	9.9
D. Legal enforcement of contracts	6.4	6.4	6.4	6.4	6.4	6.4	6.4	6.4
i. Number of procedures			3.4	3.4	3.4	3.4	3.4	3.4
ii. Time (days)			6.6	6.6	6.6	6.6	6.6	6.6
iii. Cost (% of debt)			9.3	9.3	9.3	9.3	9.3	9.3
<b>3. Access to Sound Money</b>	<b>9.9</b>	<b>8.9</b>	<b>8.5</b>	<b>8.5</b>	<b>8.6</b>	<b>8.4</b>	<b>8.6</b>	
A. Money growth						7.8 (10.8)	8.3 (8.5)	
B. Standard deviation of inflation	9.6 (1.0)	8.5 (3.7)	8.2 (4.5)	8.6 (3.4)	6.8 (8.1)	6.2 (9.5)	6.3 (9.2)	6.9 (7.7)
C. Inflation: most recent year	10.0 (0.2)	8.2 (8.8)	7.2 (13.8)	7.0 (15.1)	9.0 (-4.9)	9.5 (-2.4)	9.6 (1.9)	9.6 (1.9)
D. Freedom to own foreign currency bank accounts	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
<b>4. Freedom to Trade Internationally</b>	<b>9.0</b>	<b>9.0</b>	<b>8.3</b>	<b>7.8</b>	<b>7.9</b>	<b>7.6</b>	<b>7.6</b>	
A. Taxes on international trade	9.2	9.2	8.6	8.1	8.3	8.3	8.3	
i. Revenue from trade taxes (% of trade sector)	9.2 (1.1)	9.3 (1.1)	9.0 (1.5)	9.3 (1.1)	9.3 (1.1)	9.3 (1.1)	9.3 (1.1)	
ii. Mean tariff rate	9.2 (4.1)	9.2 (4.1)	9.0 (4.9)	9.0 (5.0)	9.0 (5.0)	9.0 (5.0)	9.0 (5.0)	9.0 (5.1)
iii. Standard deviation of tariff rates			7.9 (5.2)	6.0 (10.0)	6.7 (8.3)	6.7 (8.3)	6.7 (8.3)	6.4 (9.1)
B. Black market exchange rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Capital controls	7.7	7.7	6.2	5.4	5.4	4.6	4.6	
<b>5. Regulation of Credit, Labor, and Business</b>	<b>7.4</b>	<b>7.4</b>	<b>7.3</b>	<b>7.3</b>	<b>7.7</b>	<b>7.6</b>	<b>7.8</b>	
A. Credit market regulations	6.1	6.1	5.7	5.7	6.1	6.1	6.8	
i. Ownership of banks	5.0	5.0	5.0	5.0	5.0	5.0	5.0	
ii. Foreign bank competition								
iii. Interest rate controls/negative real interest rates	10.0	10.0	9.0	9.0	10.0	10.0	10.0	10.0
iv. Getting Credit	3.2	3.2	3.2	3.2	3.2	3.2	5.3	5.3
a. Legal Rights Index			3.0	3.0	3.0	3.0	4.0	4.0
b. Credit Information Index			3.3	3.3	3.3	3.3	6.7	6.7
B. Labor market regulations	8.0	8.0	8.0	8.0	9.0	8.9	8.9	
i) Difficulty of Hiring Index	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
ii. Rigidity of Hours Index	4.0	4.0	4.0	4.0	8.0	8.0	8.0	
iii. Rigidity of Dismissals	8.0	8.0	8.0	8.0	8.0	7.4	7.4	
a. Difficulty of Firing Index		8.0	8.0	8.0	8.0	10.0	10.0	
b. Firing costs (weeks of wages)		8.1	8.1	8.1	8.1	4.8	4.8	
iv. Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
C. Business Regulations	8.0	8.0	8.0	8.0	8.1	7.9	7.9	7.9
i. Starting a business	9.3	9.3	9.3	9.3	9.3	8.9	8.9	9.0
a. Number of procedures			7.6	7.6	7.6	6.5	6.5	6.5
b. Duration (days)			9.8	9.8	9.8	9.5	9.5	9.7
c. Cost (% of income per capita)			9.9	9.9	9.9	9.9	9.9	9.9
d. Minimum capital (% of income per capita)			9.8	9.9	9.9	9.8	9.9	9.9
ii. Closing a business	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.9
a. Time (years)			7.5	7.5	7.6	7.5	7.5	7.5
b. Cost (% of estate)			7.2	7.2	7.2	7.2	7.2	7.2
c. Recovery rate (cents on the dollar)			5.7	5.7	5.7	5.7	5.7	6.0

**Trend** is based on preliminary data for 2012, not past performance. ▲ = up; ■ = unchanged, uncertain; ▼ = down.

## Saudi Arabia

	2002	2005	2007	2008	2009	2010	2011	2012
<b>Summary Ratings (Rank) ▶</b>	<b>7.4</b> (8)	<b>7.5</b> (7)	<b>7.2</b> (8)	<b>7.2</b> (8)	<b>7.4</b> (8)	<b>7.5</b> (7)	<b>7.4</b> (8)	<b>Trend ▼</b>
	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)
<b>1. Size of Government</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	<b>5.2</b>	<b>5.1</b>	
A. General government consumption spending	0.0 (41.5)	0.0 (45.6)	0.0 (43.3)	0.0 (41.5)	0.0 (39.6)	0.4 (38.6)	0.1 (39.6)	
B. Transfers and subsidies as a percentage of GDP								
C. Government enterprises and investment								
D. Top marginal tax rate	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	
<b>2. Commercial, Economic Law &amp; Property Rights</b>	<b>8.1</b>	<b>8.1</b>	<b>8.1</b>	<b>8.2</b>	<b>8.2</b>	<b>8.2</b>	<b>8.2</b>	<b>8.1</b>
A. Military interference in rule of law and politics	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3
B. Integrity of the legal system	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3
C. Regulatory restrictions on the sale of real property	9.5	9.5	9.5	9.8	9.8	9.8	9.8	9.3
i. Number of procedures		8.5	8.5	9.5	9.5	9.5	9.5	8.0
ii. Time (days)		10.0	10.0	10.0	10.0	10.0	10.0	9.9
iii. Cost (% of property value)		10.0	10.0	10.0	10.0	10.0	10.0	10.0
D. Legal enforcement of contracts	6.1	6.1	6.1	6.1	6.2	6.2	6.2	6.4
i. Number of procedures		3.2	3.2	3.2	3.4	3.4	3.4	4.1
ii. Time (days)		6.1	6.1	6.1	6.1	6.1	6.1	6.1
iii. Cost (% of debt)		9.0	9.0	9.0	9.0	9.0	9.0	9.0
<b>3. Access to Sound Money</b>	<b>9.6</b>	<b>9.5</b>	<b>9.1</b>	<b>8.6</b>	<b>8.8</b>	<b>8.8</b>	<b>8.7</b>	
A. Money growth	8.8 (6.1)	8.3 (8.3)	7.9 (10.7)	7.9 (10.7)	7.7 (11.4)	7.2 (13.9)	6.9 (15.6)	
B. Standard deviation of inflation	9.7 (0.7)	9.7 (0.7)	9.4 (1.6)	8.4 (3.9)	8.6 (3.5)	8.9 (2.8)	9.1 (2.3)	9.0 (2.6)
C. Inflation: most recent year	10.0 (0.2)	9.9 (0.7)	9.2 (4.2)	8.0 (9.9)	9.0 (5.1)	8.9 (5.3)	9.0 (5.0)	9.4 (2.9)
D. Freedom to own foreign currency bank accounts	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
<b>4. Freedom to Trade Internationally</b>	<b>7.0</b>	<b>6.9</b>	<b>5.8</b>	<b>6.1</b>	<b>6.6</b>	<b>6.6</b>	<b>6.6</b>	
A. Taxes on international trade	8.7	9.2	5.9	6.9	8.2	8.2	8.2	
(i. Revenue from trade taxes (% of trade sector)								
ii. Mean tariff rate	8.7 (6.6)	9.2 (4.1)	9.0 (5.2)	9.0 (5.2)	9.0 (4.8)	9.0 (4.8)	9.0 (4.8)	9.0 (4.9)
iii. Standard deviation of tariff rates			2.8 (18.0)	4.8 (13.1)	7.4 (6.6)	7.4 (6.6)	7.4 (6.6)	8.4 (4.1)
B. Black market exchange rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Capital controls	2.3	1.5	1.5	1.5	1.5	1.5	1.5	
<b>5. Regulation of Credit, Labor, and Business</b>	<b>7.5</b>	<b>7.9</b>	<b>8.2</b>	<b>8.3</b>	<b>8.3</b>	<b>8.6</b>	<b>8.6</b>	
A. Credit market regulations	7.0	8.0	8.3	8.3	8.1	8.4	8.4	
i. Ownership of banks	8.0	8.0	8.0	8.0	8.0	8.0	8.0	
ii. Foreign bank competition	8.0	8.0	8.0	8.0	8.0	8.0	8.0	
iii. Interest rate controls/negative real interest rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
iv. Getting Credit	2.0	6.2	7.0	7.0	6.5	7.5	7.5	7.5
a. Legal Rights Index		4.0	4.0	4.0	3.0	5.0	5.0	5.0
b. Credit Information Index		8.3	10.0	10.0	10.0	10.0	10.0	10.0
B. Labor market regulations	9.2	9.2	8.7	8.7	8.7	9.3	9.3	
i) Difficulty of Hiring Index	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
ii. Rigidity of Hours Index	8.0	8.0	6.0	6.0	6.0	10.0	10.0	
iii. Rigidity of Dismissals	8.9	8.9	8.9	8.9	8.9	7.2	7.2	
a. Difficulty of Firing Index		10.0	10.0	10.0	10.0	10.0	10.0	
b. Firing costs (weeks of wages)		7.8	7.8	7.8	7.8	4.4	4.4	
iv. Conscripton	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
C. Business Regulations	6.2	6.4	7.5	7.9	8.2	8.2	8.2	7.3
i. Starting a business	6.6	6.8	9.0	9.1	9.6	9.6	9.8	8.7
a. Number of procedures		3.5	7.1	7.1	8.8	8.8	9.4	5.9
b. Duration (days)		6.9	9.4	9.5	9.9	9.9	9.9	9.1
c. Cost (% of income per capita)		9.2	9.6	9.8	9.9	9.9	9.9	9.9
d. Minimum capital (% of income per capita)		7.6	10.0	10.0	10.0	10.0	10.0	10.0
ii. Closing a business	5.9	5.9	6.0	6.7	6.7	6.7	6.7	5.9
a. Time (years)		7.5	7.5	8.9	8.9	8.9	8.9	7.5
b. Cost (% of estate)		7.2	7.2	7.2	7.2	7.2	7.2	7.2
c. Recovery rate (cents on the dollar)		3.1	3.2	4.0	4.1	4.0	4.0	3.0

**Trend** is based on preliminary data for 2012, not past performance. ▲ = up; ■ = unchanged, uncertain; ▼ = down.

# Sudan

	2002	2005	2007	2008	2009	2010	2011	2012
<b>Summary Ratings (Rank) ▶</b>		<b>5.9</b> (15)	<b>5.5</b> (17)	<b>5.5</b> (17)	<b>5.9</b> (16)	<b>6.3</b> (15)	<b>6.6</b> (13)	<b>Trend</b> <span style="color: yellow;">■</span>
	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)
<b>1. Size of Government</b>		<b>6.9</b>	<b>5.9</b>	<b>6.8</b>	<b>7.1</b>	<b>7.7</b>	<b>8.8</b>	
A. General government consumption spending	7.8 (13.5)	6.8 (17.0)	5.9 (19.9)	6.7 (17.3)	7.1 (15.9)	7.5 (14.6)	7.6 (14.3)	
B. Transfers and subsidies as a percentage of GDP								
C. Government enterprises and investment		7.0	6.0	7.0	7.0	8.0	8.0	
D. Top marginal tax rate							10.0 (15)	
<b>2. Commercial, Economic Law &amp; Property Rights</b>	<b>4.7</b>	<b>4.5</b>	<b>4.5</b>	<b>4.5</b>	<b>4.5</b>	<b>4.5</b>	<b>4.5</b>	<b>4.5</b>
A. Military interference in rule of law and politics	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
B. Integrity of the legal system	5.0	4.2	4.2	4.2	4.2	4.2	4.2	4.2
C. Regulatory restrictions on the sale of real property	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8
i. Number of procedures		7.5	7.5	7.5	7.5	7.5	7.5	7.5
ii. Time (days)		9.9	9.9	9.9	9.9	9.9	9.9	9.9
iii. Cost (% of property value)		8.8	9.0	9.0	9.0	9.0	9.0	9.1
D. Legal enforcement of contracts	5.0	5.0	5.1	5.1	5.1	5.1	5.1	5.1
i. Number of procedures		0.9	1.1	1.1	1.1	1.1	1.1	1.1
ii. Time (days)		4.8	4.8	4.8	4.8	4.8	4.8	4.8
iii. Cost (% of debt)		9.4	9.4	9.4	9.4	9.4	9.4	9.4
<b>3. Access to Sound Money</b>	<b>6.6</b>	<b>7.0</b>	<b>5.9</b>	<b>5.5</b>	<b>7.0</b>	<b>7.0</b>	<b>6.9</b>	
A. Money growth	5.3 (23.4)	5.5 (22.5)	5.5 (22.7)	5.9 (20.3)	6.5 (17.6)	6.9 (15.7)	7.6 (11.9)	
B. Standard deviation of inflation	7.8 (5.4)	9.4 (1.5)	9.8 (0.5)	8.9 (2.9)	8.8 (2.9)	8.8 (3.1)	8.5 (3.7)	6.0 (9.9)
C. Inflation: most recent year	8.3 (8.3)	8.3 (8.5)	8.4 (8.0)	7.1 (14.3)	7.8 (11.2)	7.4 (13.0)	6.4 (18.1)	2.9 (35.5)
D. Freedom to own foreign currency bank accounts	5.0	5.0	0.0	0.0	5.0	5.0	5.0	
<b>4. Freedom to Trade Internationally</b>	<b>5.9</b>	<b>5.9</b>	<b>6.0</b>	<b>5.7</b>	<b>5.9</b>	<b>7.0</b>	<b>7.0</b>	
A. Taxes on international trade	5.8	5.8	5.0	4.7	4.7	5.0	5.0	
i. Revenue from trade taxes (% of trade sector)								
ii. Mean tariff rate	5.8 (21.1)	5.8 (21.1)	6.0 (20.1)	5.9 (20.4)	5.9 (20.4)	6.0 (19.9)	6.0 (19.9)	6.0 (19.9)
iii. Standard deviation of tariff rates			4.1 (14.9)	3.5 (16.3)	3.5 (16.3)	4.0 (15.1)	4.0 (15.1)	4.0 (15.1)
B. Black market exchange rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	9.0
C. Capital controls	1.8	1.8	3.1	2.5	3.1	6.2	6.2	
<b>5. Regulation of Credit, Labor, and Business</b>	<b>4.6</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	<b>5.9</b>	
A. Credit market regulations	4.5	5.9	5.9	5.9	5.9	5.9	5.5	
i. Ownership of banks	8.0	8.0	8.0	8.0	8.0	8.0	8.0	
ii. Foreign bank competition	3.0	3.0	3.0	3.0	3.0	3.0	3.0	
iii. Interest rate controls/negative real interest rates		10.0	10.0	10.0	10.0	10.0	9.0	7.0
iv. Getting Credit	2.5	2.5	2.5	2.5	2.5	2.5	2.0	2.0
a. Legal Rights Index			5.0	5.0	5.0	5.0	4.0	4.0
b. Credit Information Index			0.0	0.0	0.0	0.0	0.0	0.0
B. Labor market regulations	5.2	5.0	5.0	5.0	5.0	4.9	4.9	
i) Difficulty of Hiring Index	6.1	6.1	6.1	6.1	6.1	7.2	7.2	
ii. Rigidity of Hours Index	8.0	8.0	8.0	8.0	8.0	8.0	8.0	
iii. Rigidity of Dismissals	5.9	5.9	5.9	5.9	5.9	4.3	4.3	
a. Difficulty of Firing Index		5.0	5.0	5.0	5.0	6.0	6.0	
b. Firing costs (weeks of wages)		6.7	6.7	6.7	6.7	2.5	2.5	
iv. Conscription	1.0	0.0	0.0	0.0	0.0	0.0	0.0	
C. Business Regulations	4.1	4.1	4.1	4.1	4.1	4.2	7.4	7.4
i. Starting a business	8.2	8.2	8.2	8.2	8.3	8.3	8.3	8.3
a. Number of procedures		5.3	5.3	5.3	5.3	5.3	5.3	5.3
b. Duration (days)		8.2	8.2	8.2	8.3	8.3	8.3	8.3
c. Cost (% of income per capita)		9.2	9.3	9.4	9.6	9.6	9.6	9.8
d. Minimum capital (% of income per capita)		10.0	10.0	10.0	10.0	10.0	10.0	10.0
ii. Closing a business	0.0	0.0	0.0	0.0	0.0	0.0	6.5	6.5
a. Time (years)							8.3	8.3
b. Cost (% of estate)							7.5	7.5
c. Recovery rate (cents on the dollar)		0.0	0.0	0.0	0.0	0.0	3.6	3.6

**Trend** is based on preliminary data for 2012, not past performance. ▲ = up; ■ = unchanged, uncertain; ▼ = down.



## Tunisia

	2002	2005	2007	2008	2009	2010	2011	2012
<b>Summary Ratings (Rank) ▶</b>	<b>6.4</b> (10)	<b>6.4</b> (12)	<b>6.8</b> (11)	<b>6.7</b> (11)	<b>6.8</b> (10)	<b>6.9</b> (10)	<b>6.9</b> (10)	<b>Trend</b> ■
	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)
<b>1. Size of Government</b>	<b>5.6</b>	<b>5.5</b>	<b>7.5</b>	<b>7.4</b>	<b>7.4</b>	<b>7.4</b>	<b>7.3</b>	
A. General government consumption spending	5.4 (21.5)	5.4 (21.5)	5.5 (21.2)	5.6 (20.9)	5.7 (20.8)	5.7 (20.6)	5.5 (21.2)	
B. Transfers and subsidies as a percentage of GDP	8.1 (7.5)	7.4 (10.0)	7.3 (10.3)	6.8 (12.2)	7.0 (11.3)	7.0 (11.5)	6.6 (12.8)	
C. Government enterprises and investment	2.0	2.0	10.0	10.0	10.0	10.0	10.0	
D. Top marginal tax rate	7.0 (35)	7.0 (35)	7.0 (35)	7.0 (35)	7.0 (35)	7.0 (35)	7.0 (35)	
<b>2. Commercial, Economic Law &amp; Property Rights</b>	<b>7.6</b>	<b>7.6</b>	<b>7.6</b>	<b>7.6</b>	<b>7.6</b>	<b>7.6</b>	<b>7.6</b>	<b>7.6</b>
A. Military interference in rule of law and politics	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7
B. Integrity of the legal system	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3
C. Regulatory restrictions on the sale of real property	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7
i. Number of procedures		8.5	8.5	8.5	8.5	8.5	8.5	8.5
ii. Time (days)		9.5	9.6	9.6	9.6	9.6	9.6	9.6
iii. Cost (% of property value)		8.0	8.0	8.0	8.0	8.0	8.0	8.0
D. Legal enforcement of contracts	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7
i. Number of procedures		4.3	4.3	4.3	4.3	4.3	4.3	4.3
ii. Time (days)		6.6	6.6	6.6	6.6	6.6	6.6	6.6
iii. Cost (% of debt)		9.3	9.3	9.3	9.3	9.3	9.3	9.3
<b>3. Access to Sound Money</b>	<b>7.1</b>	<b>7.2</b>	<b>6.9</b>	<b>6.8</b>	<b>6.8</b>	<b>6.8</b>	<b>6.8</b>	
A. Money growth	9.2 (4.2)	9.5 (2.6)	8.8 (6.1)	8.5 (7.5)	8.3 (8.5)	8.4 (8.0)	8.0 (9.9)	
B. Standard deviation of inflation	9.8 (0.4)	9.7 (0.7)	9.6 (0.9)	9.6 (1.1)	9.6 (1.1)	9.7 (0.7)	9.7 (0.7)	9.7 (0.9)
C. Inflation: most recent year	9.5 (2.7)	9.6 (2.0)	9.3 (3.4)	9.0 (4.9)	9.3 (3.5)	9.1 (4.4)	9.3 (3.6)	8.9 (5.6)
D. Freedom to own foreign currency bank accounts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>4. Freedom to Trade Internationally</b>	<b>4.7</b>	<b>5.2</b>	<b>4.9</b>	<b>5.0</b>	<b>5.1</b>	<b>5.0</b>	<b>5.6</b>	
A. Taxes on international trade	5.7	5.3	4.5	6.0	6.0	6.9	6.9	
(i. Revenue from trade taxes (% of trade sector)	8.1 (2.8)	8.7 (1.9)	8.9 (1.7)	9.0 (1.5)	8.8 (1.8)	8.9 (1.7)	9.0 (1.6)	
ii. Mean tariff rate	4.0 (30.2)	7.3 (13.3)	4.6 (26.8)	5.7 (21.5)	5.7 (21.5)	6.7 (16.5)	6.7 (16.5)	6.8 (16.0)
iii. Standard deviation of tariff rates	5.0 (12.6)	0.0 (26.0)	0.0 (26.0)	3.4 (16.6)	3.4 (16.6)	5.2 (12.0)	5.2 (12.0)	5.5 (11.36)
B. Black market exchange rates	7.8	9.3	9.5	8.2	8.6	7.4	9.0	8.8
C. Capital controls	0.8	0.8	0.8	0.8	0.8	0.8	0.8	
<b>5. Regulation of Credit, Labor, and Business</b>	<b>6.7</b>	<b>6.8</b>	<b>6.8</b>	<b>7.0</b>	<b>7.2</b>	<b>7.4</b>	<b>7.1</b>	
A. Credit market regulations	6.5	6.5	6.8	7.2	7.2	7.2	6.2	
i. Ownership of banks	5.0	5.0	5.0	5.0	5.0	5.0	5.0	
ii. Foreign bank competition	8.0	8.0	8.0	8.0	8.0	8.0	8.0	
iii. Interest rate controls/negative real interest rates	10.0	10.0	10.0	10.0	10.0	10.0		
iv. Getting Credit	3.2	3.2	4.0	5.7	5.7	5.7	5.7	5.7
a. Legal Rights Index		3.0	3.0	3.0	3.0	3.0	3.0	3.0
b. Credit Information Index		3.3	5.0	8.3	8.3	8.3	8.3	8.3
B. Labor market regulations	5.5	5.5	5.5	5.5	6.2	6.7	6.7	
i) Difficulty of Hiring Index	7.2	7.2	7.2	7.2	7.2	8.3	8.3	
ii. Rigidity of Hours Index	6.0	6.0	6.0	6.0	8.7	10.0	10.0	
iii. Rigidity of Dismissals	5.8	5.8	5.8	5.8	5.8	5.4	5.4	
a. Difficulty of Firing Index		2.0	2.0	2.0	2.0	3.0	3.0	
b. Firing costs (weeks of wages)		9.5	9.5	9.5	9.5	7.8	7.8	
iv. Conscripton	3.0	3.0	3.0	3.0	3.0	3.0	3.0	
C. Business Regulations	8.2	8.3	8.3	8.3	8.3	8.3	8.3	8.3
i. Starting a business	8.5	8.7	8.7	8.7	8.7	8.7	8.7	8.7
a. Number of procedures		5.3	5.3	5.3	5.3	5.3	5.3	5.3
b. Duration (days)		9.6	9.6	9.6	9.6	9.6	9.6	9.6
c. Cost (% of income per capita)		9.9	9.9	9.9	9.9	9.9	10.0	10.0
d. Minimum capital (% of income per capita)		9.9	10.0	10.0	10.0	10.0	10.0	10.0
ii. Closing a business	7.9	7.9	7.9	8.0	8.0	7.9	8.0	8.0
a. Time (years)		9.1	9.1	9.1	9.1	9.1	9.1	9.1
b. Cost (% of estate)		9.2	9.2	9.2	9.2	9.2	9.2	9.2
c. Recovery rate (cents on the dollar)		5.6	5.6	5.6	5.6	5.6	5.6	5.6

**Trend** is based on preliminary data for 2012, not past performance. ▲ = up; ■ = unchanged, uncertain; ▼ = down.

## United Arab Emirates

	2002	2005	2007	2008	2009	2010	2011	2012
<b>Summary Ratings (Rank) ▶</b>	<b>7.9 (3)</b>	<b>7.9 (1)</b>	<b>7.9 (2)</b>	<b>7.8 (2)</b>	<b>7.9 (2)</b>	<b>8.0 (2)</b>	<b>8.0 (1)</b>	<b>Trend ▲</b>
	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)
<b>1. Size of Government</b>	<b>7.0</b>	<b>8.1</b>	<b>8.7</b>	<b>8.2</b>	<b>7.4</b>	<b>7.9</b>	<b>7.8</b>	
A. General government consumption spending	8.2 (12.1)	8.7 (10.5)	9.2 (8.7)	9.3 (8.4)	8.0 (12.7)	8.1 (12.6)	8.1 (12.6)	
B. Transfers and subsidies as a percentage of GDP	9.7 (1.6)	9.7 (1.6)	9.7 (1.6)	9.7 (1.6)	9.7 (1.6)	9.7 (1.6)	9.2 (3.4)	
C. Government enterprises and investment	0.0	4.0	6.0	4.0	2.0	4.0	4.0	
D. Top marginal tax rate	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	
<b>2. Commercial, Economic Law &amp; Property Rights</b>	<b>7.5</b>	<b>7.5</b>	<b>7.5</b>	<b>7.5</b>	<b>7.7</b>	<b>7.7</b>	<b>7.7</b>	<b>7.7</b>
A. Military interference in rule of law and politics	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3
B. Integrity of the legal system	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7
C. Regulatory restrictions on the sale of real property	9.4	9.4	9.4	9.4	9.8	9.8	9.8	9.6
i. Number of procedures		9.0	9.0	9.0	10.0	10.0	10.0	9.5
ii. Time (days)		9.9	9.9	9.9	10.0	10.0	10.0	9.9
iii. Cost (% of property value)		9.4	9.4	9.4	9.4	9.4	9.4	9.3
D. Legal enforcement of contracts	5.7	5.7	5.7	5.7	6.0	6.0	6.0	6.1
i. Number of procedures		1.8	1.8	1.8	2.0	2.0	2.0	2.0
ii. Time (days)		6.3	6.3	6.3	6.8	6.8	6.8	6.9
iii. Cost (% of debt)		9.1	9.1	9.1	9.1	9.1	9.1	9.4
<b>3. Access to Sound Money</b>	<b>9.2</b>	<b>8.4</b>	<b>7.8</b>	<b>7.9</b>	<b>8.6</b>	<b>8.7</b>	<b>8.7</b>	
A. Money growth	8.3 (8.5)	6.0 (19.9)	4.8 (26.2)	5.2 (24.0)	6.4 (18.2)	7.2 (14.2)	7.3 (13.5)	
B. Standard deviation of inflation	9.0 (2.6)	9.0 (2.6)	8.7 (3.2)	8.8 (3.1)	8.3 (4.3)	7.8 (5.4)	7.7 (5.8)	8.0 (5.0)
C. Inflation: most recent year	9.4 (2.9)	8.8 (6.2)	7.8 (11.1)	7.5 (12.3)	9.7 (1.6)	9.8 (0.9)	9.8 (0.9)	9.9 (0.7)
D. Freedom to own foreign currency bank accounts	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
<b>4. Freedom to Trade Internationally</b>	<b>8.4</b>	<b>8.3</b>	<b>8.2</b>	<b>8.1</b>	<b>8.2</b>	<b>8.2</b>	<b>8.2</b>	
A. Taxes on international trade	8.9	8.9	8.6	8.5	8.7	8.7	8.8	
i. Revenue from trade taxes (% of trade sector)	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	
ii. Mean tariff rate	9.2 (4.0)	9.0 (4.8)	9.0 (5.0)	9.0 (5.0)	9.0 (4.9)	9.0 (4.9)	9.0 (4.9)	9.0 (4.9)
iii. Standard deviation of tariff rates	7.6 (6.1)	7.6 (6.1)	6.8 (8.1)	6.4 (9.1)	7.0 (7.5)	7.0 (7.5)	7.2 (6.9)	6.9 (7.6)
B. Black market exchange rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
C. Capital controls	6.2	6.2	6.2	5.8	5.8	5.8	5.8	
<b>5. Regulation of Credit, Labor, and Business</b>	<b>7.2</b>	<b>7.3</b>	<b>7.3</b>	<b>7.5</b>	<b>7.7</b>	<b>7.6</b>	<b>7.6</b>	
A. Credit market regulations	6.7	6.7	6.7	7.3	7.3	7.3	7.3	
i. Ownership of banks	5.0	5.0	5.0	5.0	5.0	5.0	5.0	
ii. Foreign bank competition	8.0	8.0	8.0	8.0	8.0	8.0	8.0	
iii. Interest rate controls/negative real interest rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
iv. Getting Credit	3.7	3.7	3.7	6.2	6.2	6.2	6.2	6.2
a. Legal Rights Index		4.0	4.0	4.0	4.0	4.0	4.0	4.0
b. Credit Information Index		3.3	3.3	8.3	8.3	8.3	8.3	8.3
B. Labor market regulations	8.7	8.7	8.7	8.7	9.2	9.0	9.0	
i) Difficulty of Hiring Index	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
ii. Rigidity of Hours Index	6.0	6.0	6.0	6.0	8.0	6.0	6.0	
iii. Rigidity of Dismissals	8.8	8.8	8.8	8.8	8.8	10.0	10.0	
a. Difficulty of Firing Index		10.0	10.0	10.0	10.0	10.0	10.0	
b. Firing costs (weeks of wages)		7.7	7.7	7.7	7.7	10.0	10.0	
iv. Conscriptio	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
C. Business Regulations	6.4	6.4	6.4	6.4	6.5	6.5	6.6	7.6
i. Starting a business	8.6	8.6	8.7	8.7	8.9	8.9	9.1	9.3
a. Number of procedures		6.5	6.5	6.5	6.5	6.5	7.1	7.6
b. Duration (days)		9.3	9.3	9.3	9.4	9.4	9.5	9.7
c. Cost (% of income per capita)		9.6	9.7	9.8	9.9	9.9	9.9	9.9
d. Minimum capital (% of income per capita)		9.2	9.4	9.4	10.0	10.0	10.0	10.0
ii. Closing a business	4.1	4.2	4.1	4.1	4.1	4.1	4.1	5.9
a. Time (years)		5.1	5.1	5.1	5.1	5.1	5.1	7.1
b. Cost (% of estate)		6.1	6.1	6.1	6.1	6.1	6.1	7.5
c. Recovery rate (cents on the dollar)		1.3	1.1	1.1	1.1	1.2	1.2	3.2

**Trend** is based on preliminary data for 2012, not past performance. ▲ = up; ■ = unchanged, uncertain; ▼ = down.

# Yemen, Republic of

	2002	2005	2007	2008	2009	2010	2011	2012
<b>Summary Ratings (Rank) ▶</b>	<b>7.3</b> (9)	<b>7.0</b> (9)	<b>7.0</b> (9)	<b>7.1</b> (9)	<b>7.2</b> (9)	<b>7.4</b> (9)	<b>7.3</b> (9)	<b>Trend ▼</b>
	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)
<b>1. Size of Government</b>	<b>6.7</b>	<b>5.4</b>	<b>5.2</b>	<b>6.1</b>	<b>5.4</b>	<b>6.7</b>	<b>7.6</b>	
A. General government consumption spending	6.5 (18.1)	7.1 (16.0)	6.7 (17.3)	7.4 (15.0)	7.3 (15.0)	8.0 (12.8)	8.0 (12.8)	
B. Transfers and subsidies as a percentage of GDP						7.8 (8.7)	8.2 (7.1)	
C. Government enterprises and investment		2.0	2.0	4.0	2.0	4.0	4.0	
D. Top marginal tax rate	7.0 (35)	7.0 (35)	7.0 (35)	7.0 (35)	7.0 (35)	7.0 (35)	10.0 (20)	
<b>2. Commercial, Economic Law &amp; Property Rights</b>	<b>6.4</b>	<b>6.4</b>	<b>6.4</b>	<b>6.4</b>	<b>6.5</b>	<b>6.5</b>	<b>6.0</b>	<b>6.0</b>
A. Military interference in rule of law and politics	6.7	6.7	6.7	6.7	6.7	6.7	5.0	5.0
B. Integrity of the legal system	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3
C. Regulatory restrictions on the sale of real property	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7
i. Number of procedures		7.5	7.5	7.5	7.5	7.5	7.5	7.5
ii. Time (days)		9.8	9.8	9.8	9.8	9.8	9.8	9.8
iii. Cost (% of property value)		8.7	8.7	8.8	8.8	8.8	8.8	8.8
D. Legal enforcement of contracts	7.1	7.1	7.1	7.1	7.2	7.2	7.2	7.0
i. Number of procedures		4.8	4.8	4.8	5.0	5.0	5.0	5.0
ii. Time (days)		7.0	7.0	7.0	7.0	7.0	7.0	6.6
iii. Cost (% of debt)		9.5	9.5	9.5	9.5	9.5	9.5	9.5
<b>3. Access to Sound Money</b>	<b>8.6</b>	<b>9.0</b>	<b>8.9</b>	<b>8.1</b>	<b>8.7</b>	<b>8.5</b>	<b>8.1</b>	
A. Money growth	8.4 (8.1)	8.5 (7.7)	7.9 (10.7)	7.9 (10.4)	8.0 (10.2)	8.4 (8.2)	8.1 (9.6)	
B. Standard deviation of inflation	8.6 (3.4)	9.7 (0.6)	9.3 (1.8)	8.4 (4.1)	7.9 (5.1)	8.0 (5.1)	7.7 (5.7)	7.9 (5.3)
C. Inflation: most recent year	7.6 (12.2)	7.6 (11.8)	8.4 (7.9)	6.2 (19.0)	8.9 (5.4)	7.8 (11.2)	6.7 (16.4)	7.8 (11.0)
D. Freedom to own foreign currency bank accounts	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
<b>4. Freedom to Trade Internationally</b>	<b>8.5</b>	<b>8.8</b>	<b>8.7</b>	<b>8.6</b>	<b>8.7</b>	<b>8.4</b>	<b>8.4</b>	
A. Taxes on international trade	8.6	8.6	8.4	8.4	8.4	8.4	8.4	
(i. Revenue from trade taxes (% of trade sector)								
ii. Mean tariff rate	8.6 (7.1)	8.6 (7.1)	8.6 (7.1)	8.6 (7.1)	8.6 (7.1)	8.6 (7.1)	8.6 (7.1)	8.6 (7.1)
iii. Standard deviation of tariff rates			8.2 (4.5)	8.2 (4.5)	8.1 (4.7)	8.1 (4.7)	8.1 (4.7)	8.1 (4.7)
B. Black market exchange rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
C. Capital controls	6.9	7.7	7.7	7.5	7.7	6.9	6.9	
<b>5. Regulation of Credit, Labor, and Business</b>	<b>6.0</b>	<b>5.7</b>	<b>5.8</b>	<b>6.2</b>	<b>6.9</b>	<b>6.7</b>	<b>6.4</b>	
A. Credit market regulations	6.3	5.5	5.5	5.5	6.9	6.9	6.0	
i. Ownership of banks					8.0	8.0	8.0	
ii. Foreign bank competition							3.0	
iii. Interest rate controls/negative real interest rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
iv. Getting Credit	2.7	1.0	1.0	1.0	2.7	2.7	3.2	2.7
a. Legal Rights Index		2.0	2.0	2.0	2.0	2.0	3.0	2.0
b. Credit Information Index		0.0	0.0	0.0	3.3	3.3	3.3	3.3
B. Labor market regulations	5.4	5.4	5.4	5.4	6.0	5.4	5.4	
i) Difficulty of Hiring Index	10.0	10.0	10.0	10.0	7.8	8.9	8.9	
ii. Rigidity of Hours Index	4.0	4.0	4.0	4.0	8.0	8.0	8.0	
iii. Rigidity of Dismissals	7.8	7.8	7.8	7.8	8.3	4.8	4.8	
a. Difficulty of Firing Index		6.0	6.0	6.0	7.0	7.0	7.0	
b. Firing costs (weeks of wages)		9.5	9.5	9.5	9.5	2.5	2.5	
iv. Conscription	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
C. Business Regulations	6.3	6.1	6.4	7.7	7.8	7.8	7.7	7.5
i. Starting a business	6.0	5.7	6.3	8.8	9.0	9.0	9.0	8.7
a. Number of procedures		4.1	4.1	7.1	7.6	7.6	7.6	7.6
b. Duration (days)		7.0	7.0	9.5	9.5	9.5	9.5	8.1
c. Cost (% of income per capita)		7.1	7.9	8.9	9.0	9.0	9.0	9.1
d. Minimum capital (% of income per capita)		4.7	6.1	10.0	10.0	10.0	10.0	10.0
ii. Closing a business	6.5	6.5	6.5	6.5	6.5	6.5	6.3	6.3
a. Time (years)		7.3	7.3	7.3	7.3	7.3	7.3	7.3
b. Cost (% of estate)		9.1	9.1	9.1	9.1	9.1	9.1	9.1
c. Recovery rate (cents on the dollar)		3.0	3.1	3.1	3.1	3.1	2.6	2.6

Trend is based on preliminary data for 2012, not past performance. ▲ = up; ■ = unchanged, uncertain; ▼ = down.

## **Unranked Jurisdictions**

The following nations could not be ranked because of the lack of data or, in the case of Syria, because the political situation makes the data an unreliable guide.

## Libya

	2002	2005	2007	2008	2009	2010	2011	2012
<b>Summary Ratings (Rank) &gt;</b>								
	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)
<b>1. Size of Government</b>		<b>2.5</b>	<b>1.2</b>	<b>1.6</b>	<b>1.6</b>	<b>4.4</b>	<b>4.4</b>	
A. General government consumption spending	5.4 (21.6)	5.1 (22.7)	2.4 (31.9)	3.3 (28.9)	3.3 (28.9)	3.3 (28.9)	3.3 (28.9)	
B. Transfers and subsidies as a percentage of GDP								
C. Government enterprises and investment		0.0	0.0	0.0	0.0	0.0	0.0	
D. Top marginal tax rate						10.0 (14)	10.0 (14)	
<b>2. Commercial, Economic Law &amp; Property Rights</b>	<b>5.8</b>	<b>5.8</b>	<b>5.8</b>	<b>5.8</b>	<b>5.8</b>	<b>5.8</b>	<b>6.3</b>	<b>5.8</b>
A. Military interference in rule of law and politics	5.0	5.0	5.0	5.0	5.0	5.0	5.8	5.0
B. Integrity of the legal system	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7
C. Regulatory restrictions on the sale of real property								
i. Number of procedures								
ii. Time (days)								
iii. Cost (% of property value)								
D. Legal enforcement of contracts								
i. Number of procedures								
ii. Time (days)								
iii. Cost (% of debt)								
<b>3. Access to Sound Money</b>	<b>5.5</b>	<b>6.0</b>	<b>5.8</b>	<b>5.2</b>	<b>5.7</b>	<b>7.2</b>	<b>5.9</b>	
A. Money growth	6.5 (17.4)	6.5 (17.4)	6.5 (17.4)	4.6 (27.0)	4.7 (26.3)	5.7 (21.5)	4.0 (29.8)	
B. Standard deviation of inflation	7.5 (6.3)	7.9 (5.2)	8.1 (4.9)	8.1 (4.8)	8.5 (3.7)	8.5 (3.7)	7.7 (5.7)	7.7 (5.7)
C. Inflation: most recent year	8.0 (-9.8)	9.5 (2.7)	8.7 (6.3)	7.9 (10.4)	9.5 (2.5)	9.5 (2.5)	6.8 (15.9)	8.8 (6.1)
D. Freedom to own foreign currency bank accounts	0.0	0.0	0.0	0.0	0.0	5.0	5.0	
<b>4. Freedom to Trade Internationally</b>	<b>3.9</b>	<b>5.3</b>	<b>7.7</b>	<b>7.0</b>	<b>7.2</b>	<b>7.2</b>	<b>3.6</b>	
A. Taxes on international trade	6.0	6.0	10.0	10.0	10.0	10.0	10.0	
i. Revenue from trade taxes (% of trade sector)								
ii. Mean tariff rate	6.0 (20.2)	6.0 (20.2)	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)	10.0 (0)
iii. Standard deviation of tariff rates								
B. Black market exchange rates	5.8	10.0	10.0	10.0	10.0	10.0	0.0	10.0
C. Capital controls	0.0	0.0	3.1	1.0	1.5	1.5	0.8	
<b>5. Regulation of Credit, Labor, and Business</b>								
A. Credit market regulations					5.0	5.0	4.5	
i. Ownership of banks					0.0	0.0	0.0	
ii. Foreign bank competition								
iii. Interest rate controls/negative real interest rates	10.0	10.0	10.0	10.0	10.0	10.0	9.0	10.0
iv. Getting Credit								
a. Legal Rights Index								
b. Credit Information Index								
B. Labor market regulations								
i. Difficulty of Hiring Index								
ii. Rigidity of Hours Index								
iii. Rigidity of Dismissals								
a. Difficulty of Firing Index								
b. Firing costs (weeks of wages)								
iv. Conscripton	1.0	1.0	1.0	1.0	1.0	1.0	10.0	
C. Business Regulations								
i. Starting a business								
a. Number of procedures								
b. Duration (days)								
c. Cost (% of income per capita)								
d. Minimum capital (% of income per capita)								
ii. Closing a business								
a. Time (years)								
b. Cost (% of estate)								
c. Recovery rate (cents on the dollar)								

# Palestinian Territories

	2002	2005	2007	2008	2009	2010	2011	2012
<b>Summary Ratings (Rank) &gt;</b>								
	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)
<b>1. Size of Government</b>				<b>7.2</b>	<b>7.2</b>	<b>7.2</b>	<b>7.2</b>	
A. General government consumption spending	4.8 (23.6)	4.3 (25.4)	4.3 (25.4)	4.3 (25.4)	4.3 (25.4)	4.3 (25.4)	4.3 (25.4)	
B. Transfers and subsidies as a percentage of GDP								
C. Government enterprises and investment								
D. Top marginal tax rate	10.0 (15)	10.0 (15)	10.0 (15)	10.0 (15)	10.0 (15)	10.0 (15)	10.0 (15)	
<b>2. Commercial, Economic Law &amp; Property Rights</b>				<b>7.4</b>	<b>6.7</b>	<b>6.7</b>	<b>6.5</b>	<b>6.3</b>
A. Military interference in rule of law and politics					5.8	5.8	5.8	5.0
B. Integrity of the legal system					5.8	5.8	5.0	5.0
C. Regulatory restrictions on the sale of real property	8.6	8.6	8.6	8.7	8.8	8.8	8.8	8.6
i. Number of procedures		7.0	7.0	7.0	7.0	7.0	7.0	7.0
ii. Time (days)		9.3	9.3	9.4	9.5	9.5	9.5	9.7
iii. Cost (% of property value)		9.6	9.6	9.7	9.8	9.8	9.8	9.0
D. Legal enforcement of contracts	6.0	6.0	6.0	6.0	6.3	6.4	6.4	6.4
i. Number of procedures		3.2	3.2	3.2	3.2	3.2	3.2	3.2
ii. Time (days)		5.6	5.6	5.6	6.4	6.8	6.8	6.8
iii. Cost (% of debt)		9.3	9.3	9.3	9.3	9.3	9.3	9.3
<b>3. Access to Sound Money</b>				8.4	9.1	9.0	9.1	
A. Money growth								
B. Standard deviation of inflation	9.2 (2.1)	9.3 (1.7)	9.6 (1.0)	8.7 (3.2)	8.7 (3.2)	8.7 (3.2)	8.7 (3.2)	8.8 (3.1)
C. Inflation: most recent year	8.9 (5.7)	9.3 (3.5)	9.6 (1.8)	8.0 (9.9)	9.4 (2.8)	9.3 (3.7)	9.4 (2.9)	9.4 (2.8)
D. Freedom to own foreign currency bank accounts								
<b>4. Freedom to Trade Internationally</b>								
A. Taxes on international trade								
i. Revenue from trade taxes (% of trade sector)								
ii. Mean tariff rate								
iii. Standard deviation of tariff rates								
B. Black market exchange rates								
C. Capital controls								
<b>5. Regulation of Credit, Labor, and Business</b>				<b>5.9</b>	<b>6.3</b>	<b>6.1</b>	<b>6.2</b>	
A. Credit market regulations	5.8	5.8	6.3	6.3	7.5	7.5	7.7	
i. Ownership of banks					10.0	10.0	10.0	
ii. Foreign bank competition								
iii. Interest rate controls/negative real interest rates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
iv. Getting Credit	1.7	1.7	2.5	2.5	2.5	2.5	3.0	3.8
a. Legal Rights Index			0.0	0.0	0.0	0.0	1.0	1.0
b. Credit Information Index			5.0	5.0	5.0	5.0	5.0	6.7
B. Labor market regulations	7.6	7.6	7.6	7.6	7.6	7.0	7.0	
i. Difficulty of Hiring Index	6.7	6.7	6.7	6.7	6.7	6.7	6.7	
ii. Rigidity of Hours Index	6.0	6.0	6.0	6.0	6.0	6.0	6.0	
iii. Rigidity of Dismissals	7.7	7.7	7.7	7.7	7.7	5.3	5.3	
a. Difficulty of Firing Index		8.0	8.0	8.0	8.0	8.0	8.0	
b. Firing costs (weeks of wages)		7.5	7.5	7.5	7.5	2.5	2.5	
iv. Conscription	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
C. Business Regulations	3.4	3.4	3.5	3.9	3.9	3.9	3.8	3.9
i. Starting a business	6.7	6.7	7.1	7.9	7.8	7.7	7.7	7.7
a. Number of procedures		4.1	4.1	4.7	4.7	4.7	4.7	4.7
b. Duration (days)		5.5	5.5	7.7	7.7	7.7	7.7	7.7
c. Cost (% of income per capita)		9.0	8.8	9.2	9.3	8.9	8.9	8.9
d. Minimum capital (% of income per capita)		8.3	9.9	9.9	9.6	9.6	9.6	9.6
ii. Closing a business	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
a. Time (years)								
b. Cost (% of estate)								
c. Recovery rate (cents on the dollar)		0.0	0.0	0.0	0.0	0.0	0.0	0.0

# Somalia

	2002	2005	2007	2008	2009	2010	2011	2012
<b>Summary Ratings (Rank) &gt;</b>								
	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)
<b>1. Size of Government</b>								<b>7.8</b>
A. General government consumption spending								8.6 (10.7)
B. Transfers and subsidies as a percentage of GDP								
C. Government enterprises and investment								
D. Top marginal tax rate			7.0 (35)	7.0 (35)	7.0 (35)	7.0 (35)	7.0 (35)	
<b>2. Commercial, Economic Law &amp; Property Rights</b>	<b>2.5</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>
A. Military interference in rule of law and politics	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
B. Integrity of the legal system	3.3	0.8	0.8	0.8	0.8	0.8	0.8	0.8
C. Regulatory restrictions on the sale of real property								
i. Number of procedures								
ii. Time (days)								
iii. Cost (% of property value)								
D. Legal enforcement of contracts								
i. Number of procedures								
ii. Time (days)								
iii. Cost (% of debt)								
<b>3. Access to Sound Money</b>								
A. Money growth								
B. Standard deviation of inflation								
C. Inflation: most recent year								
D. Freedom to own foreign currency bank accounts	0.0	0.0	0.0	10.0	10.0	10.0	10.0	
<b>4. Freedom to Trade Internationally</b>	<b>5.0</b>	<b>5.0</b>	<b>6.5</b>	<b>4.4</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	
A. Taxes on international trade								
i. Revenue from trade taxes (% of trade sector)								
ii. Mean tariff rate								
iii. Standard deviation of tariff rates								
B. Black market exchange rates	10.0	10.0	10.0	0.0	0.0	0.0	0.0	0.0
C. Capital controls	0.0	0.0	3.1	8.9	10.0	10.0	10.0	
<b>5. Regulation of Credit, Labor, and Business</b>								
A. Credit market regulations								
i. Ownership of banks								
ii. Foreign bank competition								
iii. Interest rate controls/negative real interest rates								
iv. Getting Credit								
a. Legal Rights Index								
b. Credit Information Index								
B. Labor market regulations								
i. Difficulty of Hiring Index								
ii. Rigidity of Hours Index								
iii. Rigidity of Dismissals								
a. Difficulty of Firing Index								
b. Firing costs (weeks of wages)								
iv. Conscriptation	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
C. Business Regulations								
i. Starting a business								
a. Number of procedures								
b. Duration (days)								
c. Cost (% of income per capita)								
d. Minimum capital (% of income per capita)								
ii. Closing a business								
a. Time (years)								
b. Cost (% of estate)								
c. Recovery rate (cents on the dollar)								

# Syrian Arab Republic

	2002	2005	2007	2008	2009	2010	2011	2012
<b>Summary Ratings (Rank) ▶</b>	<b>5.5</b> (14)	<b>5.6</b> (18)	<b>6.0</b> (15)	<b>5.8</b> (16)	<b>6.1</b> (15)	<b>6.1</b> (16)		
	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)	Rating (Data)
<b>1. Size of Government</b>	<b>4.9</b>	<b>5.6</b>	<b>6.5</b>	<b>7.0</b>	<b>6.7</b>	<b>7.0</b>	<b>6.4</b>	
A. General government consumption spending	6.8 (17.1)	6.9 (16.6)	6.7 (17.2)	6.9 (16.5)	6.9 (16.7)	8.1 (12.4)	8.1 (12.4)	
B. Transfers and subsidies as a percentage of GDP			9.5 (2.4)	9.1 (3.8)	9.0 (4.3)	9.0 (4.3)		
C. Government enterprises and investment	0.0	2.0	2.0	2.0	2.0	2.0	2.0	
D. Top marginal tax rate	8.0 (27.5)	8.0 (27.5)	8.0 (27.5)	10.0 (20)	9.0 (22)	9.0 (22)	9.0 (22)	
<b>2. Commercial, Economic Law &amp; Property Rights</b>	<b>5.6</b>	<b>5.6</b>	<b>5.7</b>	<b>5.7</b>	<b>5.7</b>	<b>5.7</b>	<b>5.5</b>	<b>5.5</b>
A. Military interference in rule of law and politics	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3
B. Integrity of the legal system	8.3	8.3	8.3	8.3	8.3	8.3	7.5	7.5
C. Regulatory restrictions on the sale of real property	6.1	6.1	6.3	6.4	6.4	6.4	6.4	6.4
i. Number of procedures		8.5	8.5	8.5	8.5	8.5	8.5	8.5
ii. Time (days)		9.7	9.7	9.8	9.8	9.8	9.8	9.8
iii. Cost (% of property value)		0.0	0.8	0.8	0.8	0.8	0.8	0.9
D. Legal enforcement of contracts	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7
i. Number of procedures		0.7	0.7	0.7	0.7	0.7	0.7	0.7
ii. Time (days)		4.3	4.3	4.3	4.3	4.3	4.3	4.3
iii. Cost (% of debt)		8.9	8.9	8.9	8.9	8.9	8.9	8.9
<b>3. Access to Sound Money</b>	<b>7.8</b>	<b>6.2</b>	<b>6.9</b>	<b>6.0</b>	<b>6.6</b>	<b>6.6</b>		
A. Money growth	7.5 (12.4)	7.4 (12.9)	9.4 (3.2)	9.3 (3.6)	9.2 (3.9)	9.3 (3.6)		
B. Standard deviation of inflation	8.9 (2.8)	8.9 (2.8)	9.0 (2.5)	8.1 (4.8)	7.9 (5.2)	7.8 (5.4)	7.9 (5.3)	
C. Inflation: most recent year	10.0 (-0.1)	8.6 (7.2)	9.2 (3.9)	6.9 (15.7)	9.4 (2.9)	9.1 (4.4)	9.0 (4.8)	
D. Freedom to own foreign currency bank accounts	5.0	0.0	0.0	0.0	0.0	0.0	10.0	
<b>4. Freedom to Trade Internationally</b>	<b>3.5</b>	<b>5.4</b>	<b>5.6</b>	<b>5.3</b>	<b>5.5</b>	<b>5.6</b>	<b>5.3</b>	
A. Taxes on international trade	5.2	5.2	5.2	5.2	5.6	6.0	5.2	
i. Revenue from trade taxes (% of trade sector)	7.6 (3.7)	7.6 (3.7)	7.6 (3.7)	7.6 (3.7)	7.6 (3.7)	7.6 (3.7)		
ii. Mean tariff rate	6.1 (19.6)	6.1 (19.6)	6.1 (19.6)	6.1 (19.6)	6.1 (19.6)	7.2 (14.2)	7.2 (14.2)	7.2 (14.2)
iii. Standard deviation of tariff rates	1.9 (20.3)	1.9 (20.3)	1.9 (20.3)	1.9 (20.3)	3.2 (17.0)	3.2 (17.0)	3.2 (17.0)	3.2 (17.0)
B. Black market exchange rates	5.3	10.0	10.0	10.0	10.0	10.0	10.0	8.4
C. Capital controls	0.0	1.0	1.7	0.8	0.8	0.8	0.8	
<b>5. Regulation of Credit, Labor, and Business</b>	<b>5.5</b>	<b>5.3</b>	<b>5.4</b>	<b>5.2</b>	<b>5.9</b>	<b>5.7</b>	<b>5.9</b>	
A. Credit market regulations	5.3	4.8	5.3	3.8	4.2	4.7	5.0	
i. Ownership of banks				2.0	2.0	2.0	2.0	
ii. Foreign bank competition							6.0	
iii. Interest rate controls/negative real interest rates	10.0	9.0	10.0	9.0	10.0	10.0	10.0	
iv. Getting Credit	0.5	0.5	0.5	0.5	0.5	2.2	2.2	2.2
a. Legal Rights Index		1.0	1.0	1.0	1.0	1.0	1.0	1.0
b. Credit Information Index		0.0	0.0	0.0	0.0	3.3	3.3	3.3
B. Labor market regulations	5.6	5.3	5.0	5.3	6.3	5.0	5.0	
i) Difficulty of Hiring Index	10.0	8.9	7.8	8.9	8.9	6.1	6.1	
ii. Rigidity of Hours Index	6.0	6.0	6.0	6.0	10.0	6.0	6.0	
iii. Rigidity of Dismissals	6.4	6.4	6.4	6.4	6.4	8.0	8.0	
a. Difficulty of Firing Index		5.0	5.0	5.0	5.0	6.0	6.0	
b. Firing costs (weeks of wages)		7.8	7.8	7.8	7.8	10.0	10.0	
iv. Conscription	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
C. Business Regulations	5.7	5.7	6.0	6.4	7.3	7.4	7.5	7.5
i. Starting a business	5.4	5.4	5.9	6.7	8.5	8.8	9.0	9.0
a. Number of procedures		4.1	3.5	6.5	7.1	7.1	7.1	7.1
b. Duration (days)		8.0	8.0	9.3	9.4	9.5	9.5	9.5
c. Cost (% of income per capita)		9.6	9.3	9.8	9.7	9.5	9.8	9.8
d. Minimum capital (% of income per capita)		0.0	2.8	1.5	8.0	9.3	9.8	9.8
ii. Closing a business	6.0	6.0	6.1	6.1	6.1	6.0	6.0	6.0
a. Time (years)		6.1	6.1	6.1	6.1	6.1	6.1	6.1
b. Cost (% of estate)		8.9	8.9	8.9	8.9	8.9	8.9	8.9
c. Recovery rate (cents on the dollar)		3.1	3.3	3.2	3.2	3.0	3.0	3.0



## Appendix: Explanatory notes and data sources

The index published in *Economic Freedom of the Arab World* was derived from 39 distinct pieces of data (“components”). The overall rating was computed by averaging the five areas and area scores were derived by averaging the components within each area. Economic freedom is measured on a scale from zero to 10 where a higher value indicates a greater degree of economic freedom.

Note that the minimums and maximums used to compute the individual scores were taken from *Economic Freedom of the World* instead of the 22 countries included in the index. For those variables not used in the EFW report, minimums and maximums were derived from the 152 countries included in the EFW report. We used “global” instead of regional minimums and maximums because of the small variability in some of the components among the Arab countries.

### Area 1 Size of Government: Expenditures, Taxes, and Enterprises

#### A General government consumption spending as a percentage of total consumption

This component measures general government final consumption expenditure as a percentage of final consumption expenditure (formerly known as total consumption). The rating for this component was derived using the following formula:  $(V_{\max} - V_i) / (V_{\max} - V_{\min})$  multiplied by 10.  $V_i$  is the country’s actual government consumption as a proportion of final consumption, while  $V_{\max}$  and  $V_{\min}$  were the maximum and minimum values set to 40% and 6%, respectively. The 1990 data in *Economic Freedom of the World* were used to derive maximum and minimum value for this component. Nations with higher government expenditure relative to final consumption receive lower scores.

**Sources** World Bank (2013), *World Development Indicators 2011* (on-line), United Nations (2013) Online

#### B Transfers and subsidies as a percentage of GDP

This component measures government subsidies and other transfers as a percentage of GDP. The rating for this component was derived using the following formula:  $(V_{\max} - V_i) / (V_{\max} - V_{\min})$  multiplied by 10.  $V_i$  is the country’s ratio of

transfers and subsidies to GDP, while  $V_{\max}$  and  $V_{\min}$  were the maximum and minimum set to 37.2% and 0.5%, respectively. The 1990 data in the *Economic Freedom of the World* were used to derive maximum and minimum value for this component. Countries with higher government subsidies and other transfers relative to GDP receive lower scores.

**Source** Gwartney, Lawson, and Hall (2013).

### C Government enterprises and investment

The rating for this component was computed using (a) government investment as a share of total investment and (b) the number, composition, and share of output generated by State-Operated Enterprises (SOEs). Nations with lower government investment as proportion of total investment and fewer SOEs receive higher scores.

**Source** Gwartney, Lawson, and Hall (2013).

### D Top marginal tax rate

This component measures the highest marginal income-tax rate (individual rate) and the threshold at which this rate applies. Countries with higher marginal income-tax rates that take effect at lower income thresholds received lower ratings based on the matrix found below.

Top Marginal Tax Rate	Income Threshold at Which the Top Marginal Rate Applies (1982–1984 US\$)			
	< \$25,000	\$25,000–\$50,000	\$50,000–\$150,000	> \$150,000
< 20%	10	10	10	10
21%–25%	9	9	10	10
26%–30%	8	8	9	9
31%–35%	7	7	8	9
36%–40%	5	6	7	8
41%–45%	4	5	6	7
46%–50%	3	4	5	5
51%–55%	2	3	4	4
56%–60%	1	2	3	3
61%–65%	0	1	2	2
66%–70%	0	0	1	1
> 70%	0	0	0	0

**Sources** United Nations, Guide de l'investissement aux Comores (2011) Deloitte (2007, 2009–2012); Djibouti, Ministère de Finances (2011); Ernst & Young (2003, 2009, 2010); KPMG (2011), PricewaterhouseCoopers (2011); World Bank (various years, 2005–2013), *World Development Indicators*.

## Area 2 Commercial and Economic Law and Security of Property Rights

### A Military interference in rule of law and the political process

This component is based on the Political Risk Component G (Military in Politics) from the *International Country Risk Guide* (ICRG), which measures the extent to which the military is involved in politics: “Since the military is not elected, involvement, even at a peripheral level, diminishes democratic accountability. Military involvement might stem from an external or internal threat, be symptomatic of underlying difficulties, or be a full-scale military takeover. Over the long term, a system of military government will almost certainly diminish effective governmental functioning, become corrupt, and create an uneasy environment for foreign businesses.” The *International Country Risk Guide* measures military involvement on a scale from zero to 6 where a higher value indicates a lower potential risk. These values were then transformed into a zero-to-10 scale.

**Source** PRS Group (Various Years).

### B Integrity of the legal system

This component is based on the Political Risk Component I (Law and Order) from the *International Country Risk Guide*. Component I is based on “two measures comprising one risk component. Each sub-component equals half of the total. The ‘law’ sub-component assesses the strength and impartiality of the legal system, and the ‘order’ sub-component assesses popular observance of the law.” The *International Country Risk Guide* measures law and order on a scale from zero to six, where a higher value indicates a lower potential risk. These values were then transformed into a zero-to-ten scale.

**Source** PRS Group (Various Years).

### C Regulatory restrictions on the sale of real property

This component is based on the World Bank’s *Doing Business* dataset and it measures the steps, time, and cost involved in registering property. The World Bank uses “a standardized case of an entrepreneur who wants to purchase land and a building in the largest business city—already registered and free of title dispute.” The cost includes such items “as fees, transfer taxes, stamp duties, and any other payment to the property registry, notaries, public agencies or lawyers. The cost is expressed as a percentage of the property value, assuming a property value of 50 times income per capita.”

The rating for this component was derived using the following formula:  $(V_{\max} - V_i) / (V_{\max} - V_{\min})$  multiplied by 10.  $V_i$  represents the steps, time, and cost as a percentage of property value.  $V_{\max}$  was set to 21.0 procedures, 956 days, and 30.4% and  $V_{\min}$  to 1.0 procedure, 1.0 day, and 0.1%. Nations with values that fall below  $V_{\min}$  received a score of 10 whereas those nations that have values above  $V_{\max}$  received a score of zero.

- i number of procedures
- ii time (days)
- iii cost (% of property value)

**Source** World Bank (various years, 2004–2013), *Doing Business* database.

#### D Legal enforcement of contracts

This component is based on the World Bank's *Doing Business* dataset. The component measures "the efficiency of contract enforcement by following the evolution of a sale of goods dispute and tracking the time, cost, and number of procedures involved from the moment the plaintiff files the lawsuit until actual payment." The rating for this component was derived using the following formula:  $(V_{\max} - V_i) / (V_{\max} - V_{\min})$  multiplied by 10.  $V_i$  represents the procedures, time, and cost as a percentage of debt.  $V_{\max}$  was set to 58.0 procedures, 1,459.0 days, and 227.3% and  $V_{\min}$  to 14.0 procedures, 109.0 days, and 5.5%. Nations with values that fall below  $V_{\min}$  received a score of 10 whereas those nations which have values above  $V_{\max}$  received a score of zero.

- i number of procedures
- ii time (days)
- iii cost (% of debt)

**Source** World Bank (various years, 2004–2013), *Doing Business* database.

### Area 3 Access to Sound Money

#### A Money growth

The M1 money supply figures were used to measure the growth rate of the money supply. This component measures the growth of the money supply in the last five years minus the annual growth of real GDP in the last 10 years. The rating for this component was derived using the following formula:  $(V_{\max} - V_i) / (V_{\max} - V_{\min})$  multiplied by 10.  $V_i$  represents the average annual growth rate of the money supply during the last five years adjusted for the growth of real GDP during the previous 10 years. The values for  $V_{\min}$  and  $V_{\max}$  were set at zero and 50%, respectively. If money growth equals the long-term growth of real output (i.e., growth of real GDP in the last 10 years), then a nation gets a rating of 10. If the growth of money supply is greater than the long-run growth in real output, a nation gets a score less than 10. Nations with a value greater than 50% receive a rating of zero.

**Source** World Bank (2013), *World Development Indicators 2011* (on-line).

#### B Standard deviation of inflation

The Consumer Price Index (CPI) was used as the measure of inflation for this component. The following formula was used to determine the zero-to-10 scale rating for each country:  $(V_{\max} - V_i) / (V_{\max} - V_{\min})$  multiplied by 10.  $V_i$  represents the country's standard deviation of the annual rate of inflation during the last five

years. The values for  $V_{\min}$  and  $V_{\max}$  were set at zero and 25%, respectively. If there is no variation in inflation rate over the past five years, a nation gets a score of 10. The higher the variability of inflation, the lower the rating a nation receives. Those nations that have a standard deviation greater than 25% get a score of zero.

**Sources** World Bank (2013), *World Development Indicators 2011* (on-line); International Monetary Fund (2006, 2008, 2009, 2010, 2011, 2012, 2013), *Regional Economic Outlook: Middle East and Central Asia* (2013).

### C Inflation: Most recent year

The Consumer Price Index (CPI) was used as the measure of inflation for this component. The zero-to-10 country ratings were derived by the following formula:  $(V_{\max} - V_i) / (V_{\max} - V_{\min})$  multiplied by 10.  $V_i$  represents the rate of inflation during the most recent year. The values for  $V_{\min}$  and  $V_{\max}$  were set at zero and 50%, respectively. The lower the rate of inflation, the higher the rating. Those nations that have an inflation rate higher than 50% get a score of zero.

**Sources** World Bank (2013), *World Development Indicators 2011* (on-line); International Monetary Fund (2006, 2008, 2009, 2010, 2011, 2012, 2013), *Regional Economic Outlook: Middle East and Central Asia* (2013).

### D Freedom to own foreign-currency bank accounts

If foreign bank accounts are allowed both domestically and abroad without any restrictions, a nation gets a score of 10. If foreign bank accounts are allowed domestically but not abroad, or vice versa, a nation gets a rating of 5.

**Source** International Monetary Fund (2004 to 2012), *Exchange Arrangements and Exchange Restrictions*.

## Area 4 Freedom to Trade Internationally

### A Taxes on international trade

#### i Revenue from trade taxes (% of trade sector)

This sub-component measures taxes on international trade as a percentage of imports and exports. The zero-to-10 country ratings were derived by the following formula:  $(V_{\max} - V_i) / (V_{\max} - V_{\min})$  multiplied by 10.  $V_i$  represents the revenue derived from taxes on international trade as a share of imports and exports. The values for  $V_{\min}$  and  $V_{\max}$  were set at zero and 15%, respectively. The greater the taxes on international trade as a share of exports and imports, the lower the score. Nations that have a value greater than 15% get a rating of zero.

**Source** Gwartney, Hall, and Lawson (2013)

#### ii Mean tariff rate

This sub-component measures the unweighted average of tariff rates. The zero-to-10 country ratings were derived by the following formula:  $(V_{\max} - V_i) / (V_{\max} - V_{\min})$  multiplied by 10.  $V_i$  represents the mean tariff rate. The values for  $V_{\min}$  and  $V_{\max}$  were set at zero and 10%, respectively. The lower the mean tariff rate, the higher the rating. Nations that have a mean tariff rate higher than 10% get a rating of zero.

–  $V_{\min}$ ) multiplied by 10.  $V_i$  represents the country's mean tariff rate. The values for  $V_{\min}$  and  $V_{\max}$  were set at zero and 50%, respectively. A higher mean tariff rate results in a lower rating. Nations with a mean tariff rate of over 50% get a score of zero.

**Sources** World Bank (various years, 2005–2013), *World Development Indicators*; World Trade Organization (various years 2006–2012); Gwartney, Hall, and Lawson (2013)

### iii Standard deviation of tariff rates

This sub-component measures the standard deviation of tariff rates. The zero-to-10 country ratings were derived by the following formula:  $(V_{\max} - V_i) / (V_{\max} - V_{\min})$  multiplied by 10.  $V_i$  represents the standard deviation of the country's tariff rates. The values for  $V_{\min}$  and  $V_{\max}$  were set at zero and 25%, respectively. Countries with greater variation in their tariff rates get lower ratings. Nations with standard deviation of over 25% get a score of zero.

**Sources** Gwartney, Hall, and Lawson (2012); World Trade Organization (Various years 2006–2012).

## B Black-market exchange rates

This component measures the difference between the official rate and parallel black-market exchange rate. The zero-to-10 country ratings were derived by the following formula:  $(V_{\max} - V_i) / (V_{\max} - V_{\min})$  multiplied by 10.  $V_i$  is the country's black-market premium on the exchange rate. The values for  $V_{\min}$  and  $V_{\max}$  were set at zero and 50%, respectively. If there is no black-market exchange rate, a nation gets a score of 10. The greater the difference between the two rates, the lower the rating. Nations with a value greater than 50% get a score of zero.

**Source** Monetary Research (2003, 2005/06, 2006/07, 2007/08, 2009, 2010, 2011, 2012, 2013).

## C Capital controls

This component measures restrictions on capital transactions, looking at 13 types of international capital controls reported by the International Monetary Fund. The zero-to-10 country ratings were derived by computing the number of controls not levied as a percentage of the total number of controls, and then multiplying the result by 10.

**Source** International Monetary Fund (2004–2012), *Annual Report on Exchange Arrangements and Exchange Restrictions*.

## Area 5 Regulation of Credit, Labor, and Business

### A Credit market regulations

#### i Ownership of banks

The rating for this sub-component is based on the percentage of bank deposits held in privately owned banks. When private deposits were between 95% and 100%, nations received a score of 10. When private deposits totaled between 75% and 95%, countries received a score of 8. When private deposits were between 40% and 75%, nations received a score of 5. When private deposits were between 10% and 40%, nations received a score of 2. Nations received a rating of zero if private deposits were less than 10% of total bank deposits.

**Sources** Bankscope (2011); Banque centrale de Comores (2013); Banque centrale de Djibouti (2013); Banque centrale de La Mauritanie (2013); World Bank Group (2003, 2007, 2012).

#### ii Foreign bank competition

This sub-component is based on two variables: percentage of banking assets held by foreign-owned banks and the number of applications for commercial banking licenses from foreign entities denied as a percentage of the total number of applications for commercial banking licenses received from foreign entities. If a country approved all or most applications for licenses from foreign banks and foreign banks held a large share of the banking sector's assets, then the country received a higher rating, according to table below.

		0%	0%–49%	50%–100%
Foreign bank assets as a share of total banking sector assets	80%–100%	10	8	5
	40%–79%	9	7	4
	0%–39%	8	6	3

**Source** World Bank Group (2003, 2007, 2012).

#### iii Interest rate controls/negative real interest rates

This sub-component is based on two variables: real interest rate (i.e., lending interest rate minus inflation as measured by the Consumer Price Index) and the difference between the lending and deposit interest rates. When the real interest rate was positive and interest rates were determined primarily by market forces (i.e., the lending interest rate is less than 8% higher than the deposit interest rate), countries were given a rating of 10. When the real rates were sometimes slightly negative (less than 5%) and the differential between the deposit and lending rates was 8% or more, countries received a rating of 8. When the real lending interest rate was persistently negative by a single-digit amount and the

differential between the lending and deposit interest rate was 16% or higher, nations received a score of 6. When the real rates were often negative by 10% or more and the lending and deposit interest rates differ by 24% or more, countries were assigned a rating of 4. When the real lending rate was persistently negative by a double-digit amount and the difference between the lending and deposit rate was 32% or more, countries received a rating of 2. A zero rating was assigned when the deposit and lending rates differ by 36% or more and real lending rates were persistently negative by double-digit amounts or hyperinflation had virtually eliminated the credit market.

**Sources** World Bank (various years, 2005–2012); Economist Intelligence Unit (2013).

#### iv Getting credit

The following two sub-components are based on the Legal Rights Index and the Credit Information Index from the World Bank's *Doing Business* dataset.

##### a *Legal Rights Index*

The “legal rights index measures the degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders and thus facilitate lending. The index includes 7 aspects related to legal rights in collateral law and 3 aspects in bankruptcy law.” A score of 1 is assigned for each aspect of the index. “The index ranges from 0 to 10, with higher scores indicating that collateral and bankruptcy laws are better designed to expand access to credit.”

##### b *Credit Information Index*

The “credit information index measures rules affecting the scope, accessibility and quality of credit information available through either public or private credit registries.” A score of 1 is assigned for each of the six aspects of the index. “The index ranges from 0 to 6, with higher values indicating the availability of more credit information, from either a public registry or a private bureau, to facilitate lending decisions.” The values from zero to 6 were then transformed into a zero-to-10 scale.

**Source** World Bank (2004 to 2013), *Doing Business* database, <<http://www.doingbusiness.org>>.

## B Labor market regulations

#### i Difficulty of hiring

“The difficulty of hiring index measures (i) whether term contracts can be used only for temporary tasks; (ii) the maximum cumulative duration of term contracts; and (iii) the ratio of the minimum wage for a trainee or first-time employee to the average value added per worker.” The index is measured on a scale from 0 to 100 (where higher values indicate more rigid regulation), which was transformed into a zero-to-10 scale, where a higher value indicates more flexible regulation.



## ii Rigidity of hours

“The rigidity of hours index has 5 components: (i) whether night work is unrestricted; (ii) whether weekend work is unrestricted; (iii) whether the workweek can consist of 5.5 days; (iv) whether the workweek can extend to 50 hours or more (including overtime) for 2 months a year; and (v) whether paid annual vacation is 21 working days or fewer.” For each of these questions, the answer “no” indicates more rigid regulation. The index is measured on a scale from 0 and 100 (where higher values indicate more rigid regulation), which was then transformed into a zero-to-10 scale, where a higher value indicates more flexible regulation.

## iii Rigidity of dismissals

### a Difficulty of firing

“The difficulty of firing index has 8 components: (i) whether redundancy is disallowed as a basis for terminating workers; (ii) whether the employer needs to notify a third party (such as a government agency) to terminate one redundant worker; (iii) whether the employer needs to notify a third party to terminate a group of 25 redundant workers; (iv) whether the employer needs approval from a third party to terminate one redundant worker; (v) whether the employer needs approval from a third party to terminate a group of 25 redundant workers; (vi) whether the law requires the employer to consider reassignment or retraining options before redundancy termination; (vii) whether priority rules apply for redundancies; and (viii) whether priority rules apply for reemployment.” The index is measured on a scale from 0 to 100 (where higher values indicate more rigid regulation), which was transformed into a zero-to-10 scale, where a higher value indicates more flexible regulation.

### b Firing costs (weeks of wages)

This sub-component measures “the cost of advance notice requirements, severance payments and penalties due when terminating a redundant worker, expressed in weeks of wages.” The rating for this component was equal to:  $(V_{\max} - V_i) / (V_{\max} - V_{\min})$  multiplied by 10.  $V_i$  represents the cost of firing an employee.  $V_{\max}$  and  $V_{\min}$  were set to 57.91 weeks and 0.0 weeks, respectively. Nations with values that fall below  $V_{\min}$  received a score of 10 whereas those nations that have values above  $V_{\max}$  received a score of zero.

**Source** World Bank (2004 to 2013), *Doing Business* database, <<http://www.doingbusiness.org>>.

## iv Conscription

This sub-component measures the duration of military conscription. Nations without military conscription received a rating of 10. If the duration of conscription was six months or less, nations were given a score of 5. When the length of the conscription was more than 6 months but not more than 18 months, countries were given a rating of 3. If the duration of conscription was more

than 12 months but not more than 18 months, countries were given a score of 1. Nations with military conscription of over 18 months were given a score of zero.

**Source** Coalition to Stop the Use of Child Soldiers (2008); Child Soldiers International (2012) International Institute for Strategic Studies (2007, 2009, 2010, 2011, 2012).

## C Business regulations

### i Starting a business

This sub-component measures how easy it is to start a business. It looks at the number of procedures, the time it takes to go through these procedures, the costs of starting a business such as fees, and minimum capital requirement needed to formally start a business. The rating for this component was equal to:  $(V_{\max} - V_i) / (V_{\max} - V_{\min})$  multiplied by 10.  $V_i$  represents the number of procedures, time (in days), cost as a percentage of income per capita and minimum capital requirement as a percentage of income per capita.  $V_{\max}$  was set to 19.0 procedures, 203.0 days, 835.4%, 5,111.9%; and  $V_{\min}$  to 2.0 procedures, 2.0 days, 0.0%, 0.0%. Nations with values that fall below  $V_{\min}$  received a score of 10 whereas those nations that have values above  $V_{\max}$  received a score of zero.

- a number of procedures
- b duration (days)
- c cost (% of income per capita)
- d minimum capital (% of income per capita)

**Source** World Bank (2004 to 2013), *Doing Business* database, <<http://www.doingbusiness.org>>.

### ii Closing a business

This sub-component measures the time and costs (as a percent of the estate) of closing a business as well as the recovery rate (cents on the dollar). The time and cost rating was equal to:  $(V_{\max} - V_i) / (V_{\max} - V_{\min})$  multiplied by 10. For the recovery rate, the following formula was used:  $(V_i - V_{\min}) / (V_{\max} - V_{\min})$  multiplied by 10.  $V_i$  represents the time, cost, and the recovery rate.  $V_{\max}$  was set to 10.0 years, 76.0%, 92.6%; and  $V_{\min}$  to 0.4 years, 1.0%, 0.0%.

- a time (years)
- b cost (% of estate)
- c recovery rate (cents on the dollar)

**Source** World Bank (2004 to 2013), *Doing Business* database, <<http://www.doingbusiness.org>>

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