2. MENAP Oil-Importing Countries: Safeguarding the Growth Recovery Amid Rising Risks

Growth among oil-importing countries in the Middle East, North Africa, Afghanistan, and Pakistan (MENAP) region is expected to continue at a modest pace in 2018 and to strengthen slightly over the medium term. However, growth is uneven and likely to remain low relative to previous trends, while unemployment remains elevated. Furthermore, higher oil prices are weighing on already weak external and fiscal balances. The outlook is increasingly clouded by tightening global financial conditions, bouts of financial market volatility, and mounting global trade tensions. Continued strengthening of policy frameworks is needed to alleviate vulnerabilities and enhance economic resilience against rising risks. Moreover, to achieve higher, sustainable, and broad-based growth countries need to sustain their implementation of structural and institutional reforms aimed at improving competitiveness, boosting investment and productivity, and fostering a dynamic job-creating private sector.

A Need to Enhance Resilience

Growth in MENAP oil importers continues at a moderate pace, reflecting ongoing reforms and continued external demand. However, lingering structural weaknesses, elevated public debt, limited policy space, and spillovers from regional conflicts and uncertainty present notable headwinds to growth and further reform efforts. Moreover, the external environment is turning less supportive as global financial conditions tighten and growth in key economic partners moderates.

The outlook is also increasingly clouded by bouts of financial market volatility, including those driven by developments in Turkey, which can raise risk aversion and generate capital flow pressures and uncertainities stemming from mounting global trade tensions (see Box 1).

Prepared by Boaz Nandwa. Research assistance provided by Gohar Abajyan and Sebastian Herrador Guzman.

These factors underscore the importance of sustained reforms that promote economic resilience. In this environment, the region faces two key challenges going forward: enhancing the resilience of the recovery, especially given higher oil prices, and achieving higher, more inclusive growth, in particular to address persistent unemployment and inequality.

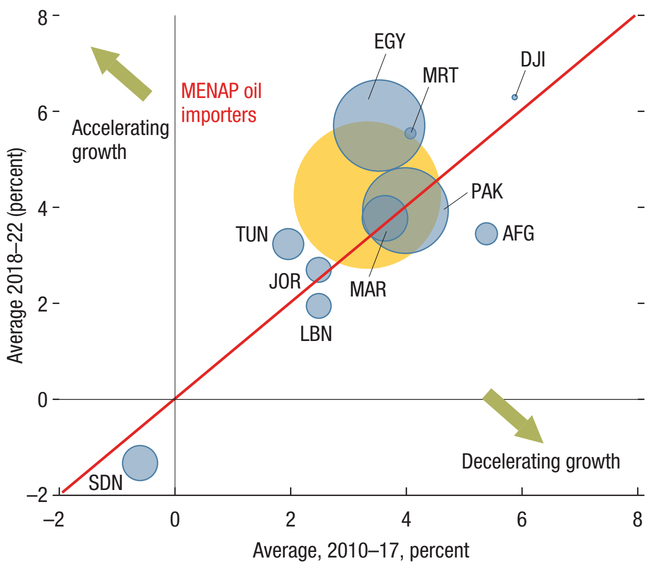
Slow and Uneven Recovery Underway

Growth in the region is projected to reach 4.5 percent in 2018, up from 4.1 percent in 2017, before moderating to 4 percent in 2019 (Figure 2.1). Continued strong growth in Egypt and Pakistan in FY2018 is driving the regional aggregate growth higher, masking weaker and more fragile growth in other countries, particularly those affected by conflict or its spillovers (Afghanistan, Jordan, Lebanon, Somalia; see Box 1.1 in Chapter 1).

A recent pickup in public consumption in some countries (Afghanistan, Pakistan) and relatively stable private consumption across the region have provided a moderate boost to growth. Credit expansion (Pakistan, Tunisia) and improved security (Pakistan) have also lifted growth by spurring private investment. Together, these developments have helped offset the negative effects of low agricultural output (Mauritania, Morocco), policy uncertainty (Lebanon, Pakistan, Tunisia), security risks (Afghanistan, Somalia, Tunisia), and spillovers from regional conflicts (Jordan, Lebanon).

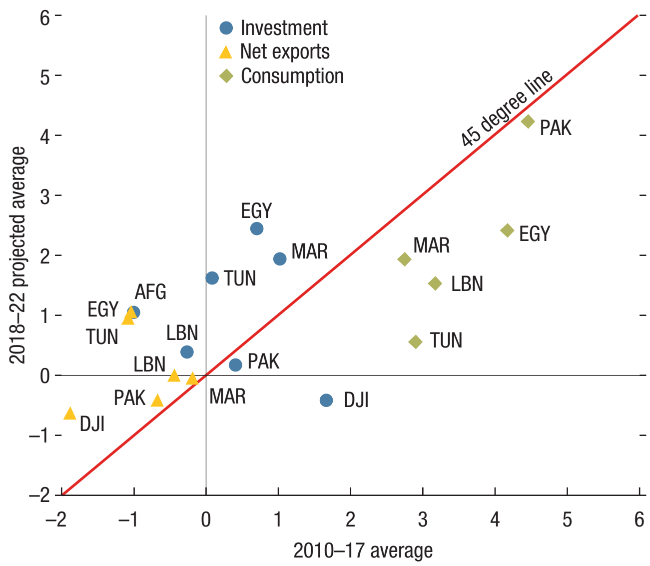
Looking ahead, apart from Egypt and Tunisia, domestic demand will increasingly become the main driver of growth as contributions from the external sector fade (Figure 2.2). Several factors will sustain private consumption—including growth in remittances (Egypt, Lebanon,

Figure 2.1. Divergent GDP Growth Pace
(Real GDP growth, percent)



Sources: National authorities; and IMF staff calculations.
Note: Size of bubbles denotes weight in regional GDP. Country abbreviations are International Organization for Standardization (ISO) country codes.
MENAP = Middle East, North Africa, Afghanistan, and Pakistan.

Figure 2.2. Contributions to Real GDP Growth[1]
(Percent)



Sources: National authorities; and IMF staff calculations.
Note: Country abbreviations are International Organization for Standardization (ISO) country codes.
[1]Afghanistan's consumption contribution to real GDP growth is 10.3 percent for 2010–17 and 3.7 percent for 2018–22. Djibouti's consumption contribution to real GDP growth is 5.8 percent for 2010–17, and 6.9 percent for 2018–22.

Tunisia), increases in grants, and social transfers (Tunisia)—against a backdrop of higher energy and food prices.

Private investment is expected to increase in some countries (Egypt, Tunisia) benefiting from improved confidence. However, lingering policy uncertainty and persistent macroeconomic imbalances in some countries (Lebanon, Pakistan, Sudan, Tunisia), along with tightening global financing conditions, underscore risks to private investment, and thus prospects for achieving a more balanced and broad-based mix of growth (see Chapter 5).

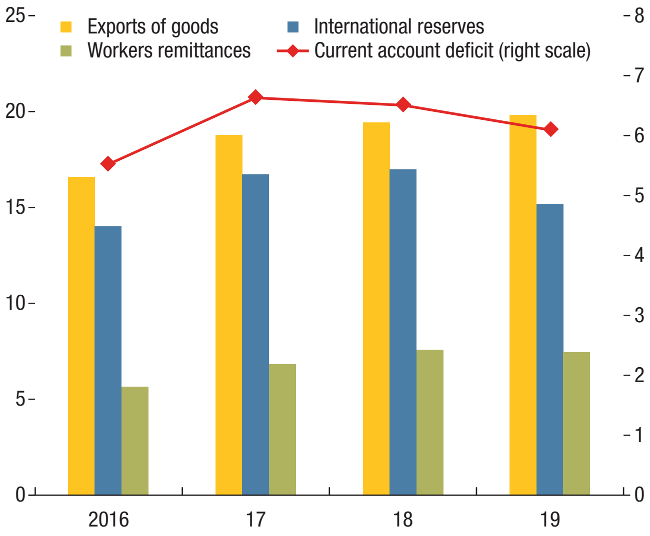
Growth projections for 2018–19 have been revised downward in nearly half of the countries from the May 2018 *Regional Economic Outlook Update: Middle East and Central Asia* due to low agricultural output resulting from drought (Mauritania), policy slippages and external imbalances (Lebanon, Morocco, Pakistan, Sudan), and weak extractive sector output (Mauritania).

Authorities in the region must sustain ongoing structural reform efforts and accelerate other reforms to strengthen the resilience of the recovery and sow the seeds for higher medium-term growth. In particular, completing subsidy reforms, improving governance and competitiveness, and further enhancing the business environment, together with addressing macroeconomic imbalances in some countries, would lessen policy uncertainty and boost confidence.

External Balances Improving, but Vulnerabilities Elevated

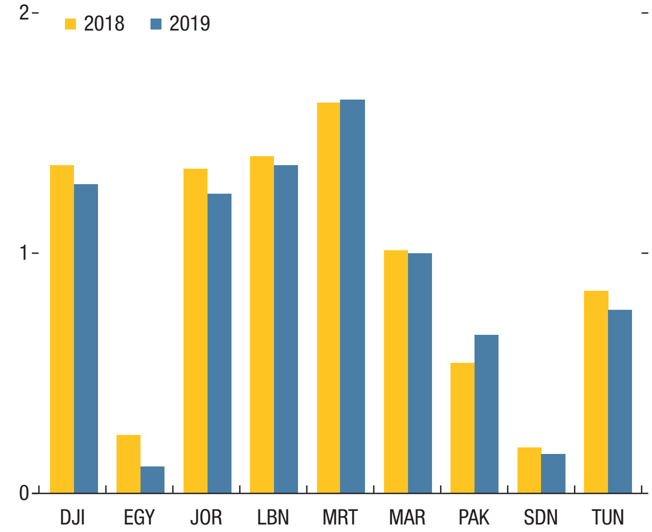
Steady export growth has helped mitigate the impact of higher oil prices on the region's external balance. The current account deficit is expected to edge down to 6.5 percent of GDP in 2018, from 6.6 percent last year, and decline further to 6.1 percent in 2019 (Figure 2.3). Annual export growth in 2018 is projected to more than double from last year to 15.4 percent, outpacing import

Figure 2.3. External Indicators for MENAP Oil Importers
(Percent of GDP)



Sources: National authorities; and IMF staff calculations.
Note: MENAP = Middle East, North Africa, Afghanistan, and Pakistan.

Figure 2.4. Current Account Deficit: Impact of Oil Price Shocks[1]
(Percent of GDP, deviation from MCD REO baseline)



Sources: National authorities; and IMF staff calculations.
Note: MCD REO = *Regional Economic Outlook: Middle East and Central Asia*. Country abbreviations are International Organization for Standardization (ISO) country codes.
[1]Oil price shock assumes a $10 increase in oil prices compared to the baseline scenario. Also it is assumed no oil import and export volume changes due to price fluctuations.

growth of 10.1 percent, up from 8 percent. This surge is largely driven by Egypt, reflecting base effects from receding macroeconomic imbalances during 2016–17 and an improved business environment. Moreover, tourist arrivals have risen steadily following improvements in security, a weaker exchange rate, and a resumption of direct flights from Russia. More broadly, growth in Europe has supported an increase in exports across the region.

Positive spillovers through exports, tourism, foreign direct investment, and remittances from rebounding Gulf Cooperation Council economies are also expected to support external sectors in the region. The exception is Pakistan where imprudent economic policies have contributed to a surge in imports and a wider current account deficit.

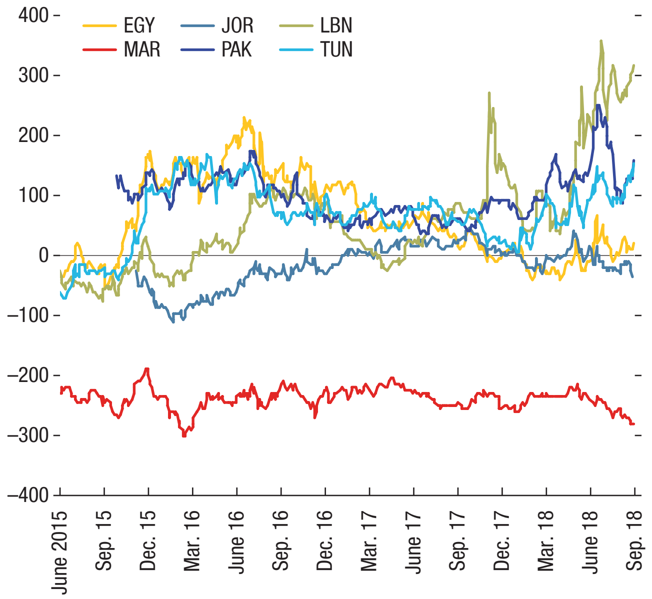
Nevertheless, significant dependence on oil imports (as a share of both imports and GDP) leaves many countries in the region vulnerable to further rises in global fuel prices. For example, if oil prices were to rise by $10 through 2019 (instead of remaining stable), current account deficits across the region could worsen by between 0.1 to 1.6 percent of GDP (Figure 2.4).

Bilateral and multilateral official financing has supported reserve buffers in several countries (Egypt, Jordan, Pakistan, Somalia, Tunisia). Despite improvements in current account balances, however, reserves have continued to decline in some countries since the start of 2018. Further appreciation of the US dollar and higher interest rates in the United States could reinforce capital outflow pressures, which, coupled with higher oil import bills, would put additional strains on reserve buffers in some countries, particularly those with significant external financing needs (Pakistan, Sudan).

Financial Conditions Reflect Increased Global and Regional Risks

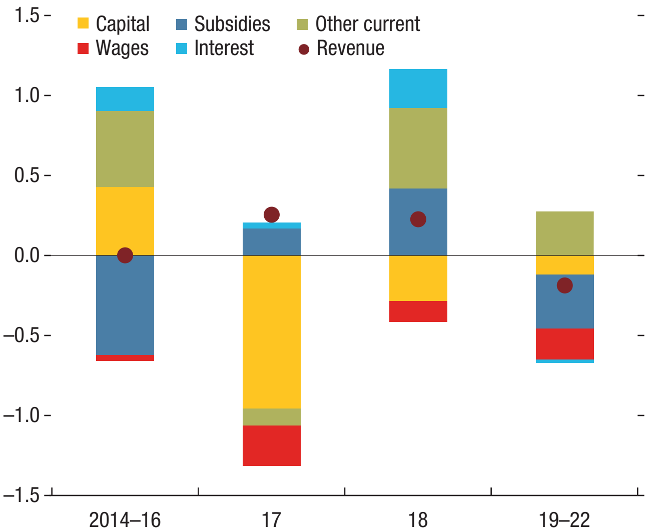
For the most part, banks in the region are stable, liquid, and adequately capitalized. Credit growth

Figure 2.5. MENAP Oil Importers: Sovereign Spreads to EMBI[1]
(Basis points)



Sources: Bloomberg Finance L.P.; and IMF staff calculations.
Note: Country abbreviations are International Organization for Standardization (ISO) country codes. EMBI = Emerging Market Bond Index; MENAP = Middle East and North Africa, Afghanistan, and Pakistan.
[1]Difference between country long-term international bond yields and JPMorgan EMBI bond yield.

Figure 2.6. Changes in Government Spending and Revenues[1]
(Percent of GDP, change from prior year, simple averages)



Sources: National authorities; and IMF staff calculations.
[1]Excludes Jordan, Pakistan, and Tunisia due to limited data availability.

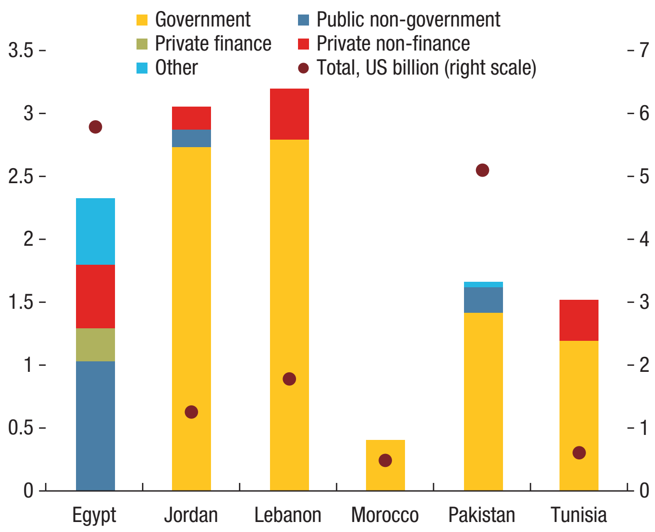
to the private sector remains modest, reflecting fragile growth and the prevalence of government financing by the region's banks. With tighter and more volatile global financing conditions, the credit environment will become more challenging, potentially limiting the scope of the financial sector to support higher growth.

MENAP oil-importing countries issued about $12 billion in sovereign bonds in the first half of 2018, covering approximately two-thirds of the planned borrowing for the year, and almost $3 billion more than in 2017. This reflected borrowing by Egypt and Lebanon of $6.5 billion and $5.5 billion, respectively, amid favorable external financing conditions earlier this year. The market anticipates issuances from other countries in the region later this year. However, this could prove challenging as emerging market financial conditions have tightened (see the October 2018 *World Economic Outlook*). Indeed, sovereign spreads for MENAP oil importers have generally widened by 50 to 300 basis points since April, owing to a combination of increased global policy uncertainty and reduced risk appetite, including from geopolitical and economic developments in Turkey (Figure 2.5). Tighter global financial conditions could worsen external and fiscal burdens (Lebanon, Pakistan, Tunisia), while putting strains on the balance sheets of banks and private firms.

With Elevated Public Debt, Further Growth-Friendly Consolidation Needed

Recent fiscal trends are encouraging. The average fiscal deficit has fallen from a peak of over 9 percent of GDP in 2013 to a projected 6.6 percent of GDP in 2018. The deficit is envisaged to drop further to 6.3 percent of GDP in 2019 on the back of improved revenue collection, continued cuts in primary expenditure, and rationalization of capital spending (Figure 2.6).

Figure 2.7. External Debt Maturing in 2018:H2–2019
(Percent of 2018 GDP, unless specified otherwise)



Sources: Dealogic; and IMF staff calculations.
Note: H2 = second half.

Fiscal consolidation efforts during 2017 targeted expenditure, including cuts in capital spending, reducing or freezing of public wage bills (Tamirisa and Duenwald 2018), and spending on goods and services. However, a reversal in the reduction of subsidies amid higher oil prices, coupled with increases in debt service, is expected to strain fiscal balances in 2018.

Efforts have also been made to increase revenue, by raising or rationalizing value added tax rates (Jordan, Lebanon, Morocco, Tunisia), eliminating tax exemptions (Jordan, Morocco), improving tax administration (Afghanistan, Mauritania, Morocco, Tunisia), and rationalizing customs duties (Djibouti, Mauritania, Tunisia). And while increased spending on social safety nets has helped to mitigate the impact of fiscal adjustment on the poor, social tensions remain in a few places (Jordan, Tunisia).

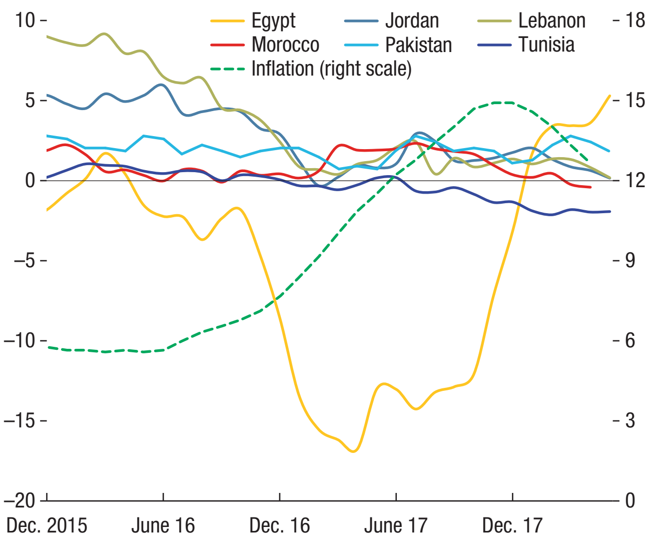
Despite these measures, large vulnerabilities persist. Public debt levels remain elevated, leaving countries with little fiscal space to absorb increased financing costs or the impact of higher oil prices. Public debt will exceed 90 percent of GDP in nearly half of the countries in the region in 2018. A large part of this debt (52 percent) is denominated in foreign currency, with a substantial amount maturing soon (Figure 2.7). Moreover, interest payments are significant and rising, absorbing more than 20 percent of revenues in 2017, compared to 17 percent in 2016. These large interest obligations limit the scope to use any savings or additional revenue to increase growth-enhancing spending (see Chapter 4).

Going forward, maintaining the pace of fiscal consolidation in an environment of tighter financial conditions will be more challenging. Widening the tax base, reducing tax exemptions, making greater use of technology in tax collection (digitalization), and revising income tax thresholds could help increase equity and foster higher revenue mobilization (see Chapter 4). Pushing energy subsidy reforms to completion will be critical, including by enacting automatic fuel pricing adjustment (Egypt, Tunisia) to avoid the risk of reversal and create space for more growth-friendly capital spending. This should be coupled with increased spending efficiency through strong evaluation, prioritization, and implementation of infrastructure projects. With global financing conditions becoming more uncertain, deepening domestic bond markets could help reduce future financing risks.

Inflationary Pressures Modest Amid Rising Energy Prices

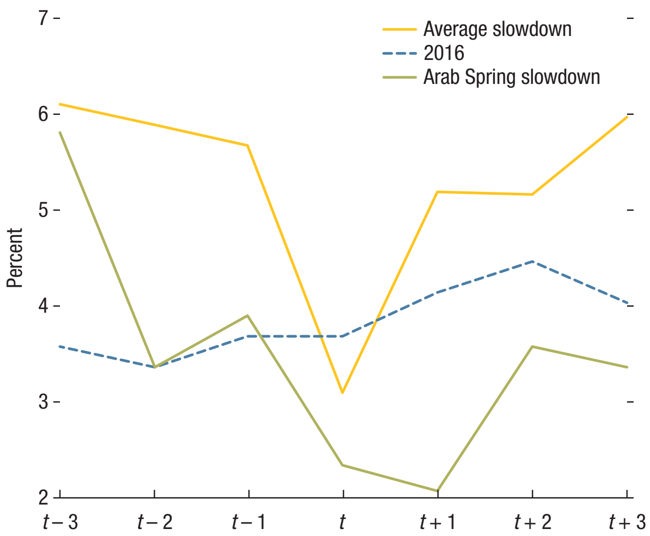
The regional inflation trajectory is expected to edge down to 10.3 percent in 2018 from 14.4 percent last year and is envisaged to trend lower in the medium term. But performance varies considerably across countries. Most countries have low, single-digit inflation rates, with six recording inflation of less than 6 percent. For now, the combination of administered prices in some countries, the absence of automatic pricing adjustments for fuel, and relatively stable food prices has helped keep inflationary pressures contained despite higher oil prices.

Figure 2.8. Real Policy Interest Rates and Inflation
(Percent)



Sources: Haver Analytics; national authorites; and IMF staff calculations.
Note: Real policy rate for Lebanon is calculated using average deposit rates. Inflation is the average PPP-GDP-weighted 12-month moving average inflation for Egypt, Jordan, Lebanon, Morocco, Pakistan, and Tunisia.

Figure 2.9. Slow and Fragile Uneven Growth Recovery[1]



Sources: National authorities; and IMF staff calculations.
Note: *t* represents the year of a slowdown or an event triggering the slowdown. MENAP = Middle East and Central Asia, Afghanistan, and Pakistan.
[1]The average slowdown series includes MENAP oil importers' average real GDP growth observations for 1967, 1971, 1977, 1984, 1989, 1993, 2002, and 2009 as well as the corresponding years before and after each slowdown.

Monetary authorities in the region have largely maintained a neutral or tightening monetary policy stance (Egypt, Jordan, Tunisia; Figure 2.8) that remains broadly appropriate. However, they will need to remain vigilant against a rise in inflation and stand ready to anchor inflation expectations should second-round effects from higher energy and food prices materialize. In some countries (Lebanon, Pakistan, Sudan) further fiscal consolidation will also be required to rein in central bank financing and limit any inflationary pass-through. Monetary policy space is also limited by the need to remain alert to potential shifts in emerging market sentiment that would trigger capital outflows or exchange rate volatility.

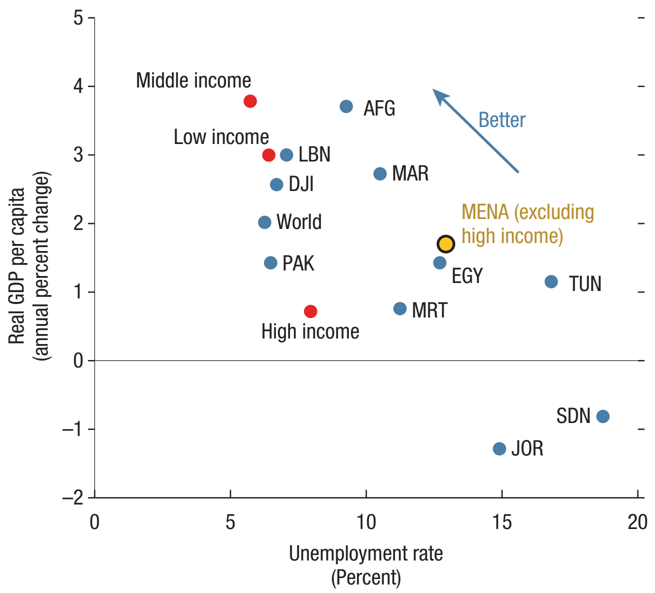
Medium-Term Growth Too Low to Address Employment Challenges

The region's economic recovery is expected to remain gradual and be much slower than previous episodes (Figure 2.9). Medium-term growth will likely average about 4.3 percent during 2020–23, notably below the 2000–10 average of 5 percent. Only a quarter of the countries in the region are expected to grow at an average rate above 5 percent in the medium term, which is insufficient to improve living standards and address labor market needs.

Real per capita growth in the region has been substantially lower than in other middle- and low-income countries over the past decade, and the gap has recently widened (Figure 2.10). At the same time, high unemployment, averaging above 10 percent in 2017 in most countries, increases social and economic costs and remains a major policy concern in a region where more than half the population is below 30 years of age.

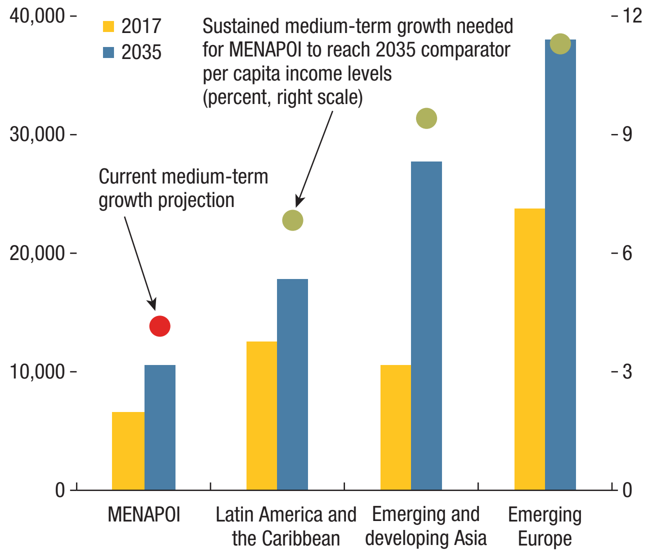
In order to raise current per capita incomes to those of peers in emerging market and developing economies, and to absorb the currently unemployed and projected new entrants into the labor market over the medium term, annual growth would need to reach 7 percent (Figure 2.11). Many of the factors that constrain greater employment opportunities—such as

Figure 2.10. Unemployment and Real GDP per Capita, 2008–17
(Percent)



Sources: IMF, *World Economic Outlook*; and United Nations, International Labour Organization.
Note: Country abbreviations are International Organization for Standardization (ISO) country codes. MENA = Middle East, North Africa, and Afghanistan.

Figure 2.11. Striving for Higher Growth
(Purchasing power parity income per capita, constant international 2012 dollars)



Sources: IMF, World Economic Outlook database; national authorities; World Bank, World Development Indicators database; and IMF staff estimates.
Note: MENAPOI = Middle East and North Africa, Afghanistan, and Pakistan oil importers.

large public sectors, skill mismatches, and low productivity—also weigh down economic growth more broadly.

Limited Policy Space: Continued Structural Reforms Needed for Durable and Inclusive Growth

In addition to continued fiscal consolidation, a number of complementary structural reforms are needed to raise the region's economic potential, create jobs, and enhance inclusion (see Chapters 4 and 5):

- *Improve the business environment*: Several countries have passed legislation that makes it easier to open, operate, and close businesses. With new laws on bankruptcy and insolvency, Egypt and Tunisia have sought to facilitate the restructuring of failing firms. Egypt is also taking steps to make it easier to improve access to industrial land for business and will sell minority shares in five state firms this year to reduce the role of the state in the economy.
- *Strengthen governance and institutions:* Recognizing that corruption can adversely affect the pace of reforms, the cost of doing business, and private investment (IMF 2017; see also Chapter 5), some countries are putting in place frameworks to combat corruption, including through legislation (Afghanistan, Mauritania, Tunisia), and are enhancing transparency and accountability of state-owned enterprises, while increasing competition by enacting regulations to standardize the public procurement process and strengthening the competition authority (Egypt).
- *Enact labor market reforms*: Skill shortages and mismatches, coupled with inefficient labor markets, impede productivity and limit the ability of firms to compete effectively or generate more jobs. Educational attainment

and learning outcomes in MENAP oil importers remain low relative to other emerging market economies. More efficient and outcome-based spending on education is needed to boost productivity as well as generate more inclusive and equitable growth. Some countries (Morocco) are revamping their education system, linking vocational training to private sector skill gaps. In addition, reforming labor regulations could help increase labor market dynamism (Morocco) and reduce labor informality, thereby supporting the private sector. Pension reforms could also encourage greater job-seeking in the private sector (Morocco, Tunisia).

- *Reduce informality:* A large section of the economy in the region is dominated by a low productivity informal sector, with the formal sector accounting for only a third of employment in the region. Businesses with five or fewer employees dominate the private sector in Egypt (60 percent), Jordan (40 percent), and Tunisia (37 percent). However, the informal sector has difficulty accessing credit, market opportunities, and government services, and this limits the vibrancy of the private sector. Tight labor market regulations impede firms from expanding and gaining economies of scale, constraining most small businesses to informality. Moreover, the government loses out on revenues since this sector remains largely untaxed (see Chapter 4).
- *Enact productivity-enhancing reforms:* Macroeconomic and structural reforms to improve competitiveness through exchange rate adjustments (Tunisia), easing access to credit (Egypt, Morocco, Pakistan) and industrial land (Egypt), and diversifying the economy (Mauritania), among other measures, would help the private sector compete more effectively, better enabling it to take advantage of external demand. A recent study highlights that business climate reforms that generate a 1 point increase on the World Economic Forum's Global Competitiveness Index for Middle East North Africa countries would raise productivity growth by 1.4 percentage points (Purfield and others 2018).

Risks Remain to the Downside

The outlook remains vulnerable to changes in oil prices, financing conditions, the global growth and trade outlook, and geopolitical developments.

The combination of high public debt and rising interest burdens leaves fiscal positions exposed to higher oil prices through energy subsidies. Higher oil prices would also erode gains in external balances, threatening those countries with declining international reserve buffers. A sudden tightening of global financial conditions and a reversal of risk appetite would reinforce external and fiscal pressures, especially for countries with significant maturing external obligations. Similarly, a rise in trade tensions that leads to a widespread loss in confidence would undermine global growth, impact financial markets and risk appetite, and expose fragilities among MENAP oil importers. Countries with greater exchange rate flexibility will be better equipped to absorb external shocks than those with pegged or tightly managed exchange rate regimes.

In addition, a number of specific regional and domestic risks persist. Notably, a worsening of security conditions or social tensions (Afghanistan, Lebanon, Somalia, Tunisia) and increased spillovers from regional conflicts (Jordan, Lebanon, Tunisia) could weaken economic activity. Political and social tensions could result in slower implementation of reforms, hampering economic resilience and inclusive growth. Finally, countries where the agricultural sector makes a sizable contribution to growth (Afghanistan, Mauritania, Morocco, Pakistan, Somalia) remain vulnerable to weather developments.

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MENAP Oil Importers: Selected Economic Indicators

	Average				Projections	
	2000–14	2015	2016	2017	2018	2019
Real GDP Growth	**4.3**	**3.7**	**3.7**	**4.1**	**4.5**	**4.0**
(Annual change; percent)						
Afghanistan	...	1.0	2.2	2.7	2.3	3.0
Djibouti	4.0	6.5	6.5	6.7	6.7	6.7
Egypt	4.3	4.4	4.3	4.2	5.3	5.5
Jordan	5.2	2.4	2.0	2.0	2.3	2.5
Lebanon	4.5	0.2	1.7	1.5	1.0	1.4
Mauritania	4.8	0.4	1.8	3.5	2.5	5.2
Morocco	4.5	4.5	1.1	4.1	3.2	3.2
Pakistan	4.3	4.1	4.6	5.4	5.8	4.0
Somalia	1.0	3.9	4.4	2.3	3.1	3.5
Sudan[1]	3.1	1.3	3.0	1.4	−2.3	−1.9
Syria[2]	4.3	...	...	...	...	...
Tunisia	3.6	1.2	1.1	2.0	2.4	2.9
West Bank and Gaza[3]	3.8	3.4	4.1	3.1	1.4	1.4
Consumer Price Inflation	**6.0**	**6.5**	**7.5**	**14.4**	**10.3**	**10.3**
(Year average; percent)						
Afghanistan	...	−0.7	4.4	5.0	3.0	4.0
Djibouti	3.5	2.1	2.7	0.7	1.0	2.5
Egypt	4.2	10.4	13.8	29.5	13.9	12.6
Jordan	3.9	−0.9	−0.8	3.3	4.5	2.3
Lebanon	3.1	−3.7	−0.8	4.5	6.5	3.5
Mauritania	5.8	0.5	1.5	2.3	3.8	3.9
Morocco	1.6	1.5	1.6	0.8	2.4	1.4
Pakistan	8.8	4.5	2.9	4.1	3.9	7.5
Somalia	...	...	...	...	...	...
Sudan[1]	16.2	16.9	17.8	32.4	61.8	49.2
Syria[2]	4.9	...	...	...	...	...
Tunisia	3.8	4.9	3.7	5.3	8.1	7.5
West Bank and Gaza[3]	3.5	1.4	−0.2	0.2	0.8	1.5
General Gov. Overall Fiscal Balance	**−5.8**	**−7.1**	**−7.2**	**−6.3**	**−6.6**	**−6.3**
(Percent of GDP)						
Afghanistan[4]	...	−1.4	0.1	−0.6	−0.5	0.1
Djibouti	−2.6	−21.7	−11.5	−6.1	−4.4	−2.1
Egypt	−8.0	−11.4	−12.0	−10.6	−9.5	−8.1
Jordan[5]	−5.5	−5.3	−3.2	−2.6	−2.9	−2.7
Lebanon[4]	−11.3	−7.5	−8.8	−6.0	−9.7	−10.5
Mauritania[4,6]	−2.6	−3.4	−0.5	0.0	0.1	−0.1
Morocco[4]	−4.2	−4.2	−4.5	−3.6	−3.2	−3.0
Pakistan[7]	−4.7	−5.3	−4.4	−5.7	−6.5	−6.9
Somalia	...	...	...	...	...	...
Sudan[1]	−1.2	−1.8	−1.6	−1.5	−3.5	−3.3
Syria[2]	...	.	...	...	...	...
Tunisia[8]	−3.2	−5.3	−5.9	−5.9	−5.2	−3.7
West Bank and Gaza[3]	−21.7	−11.4	−8.1	−8.1	−8.3	−10.4
Current Account Balance	**−2.2**	**−4.3**	**−5.5**	**−6.6**	**−6.5**	**−6.1**
(Percent of GDP)						
Afghanistan	...	2.9	7.3	5.0	5.1	0.8
Djibouti	−9.2	−31.8	−9.4	−13.8	−14.3	−14.8
Egypt	0.0	−3.7	−6.0	−6.3	−2.6	−2.4
Jordan	−6.2	−9.1	−9.5	−10.6	−9.6	−8.6
Lebanon	−16.0	−18.3	−21.7	−22.8	−25.6	−25.5
Mauritania	−14.3	−19.8	−15.1	−14.4	−16.0	−17.2
Morocco	−3.5	−2.1	−4.2	−3.6	−4.3	−4.5
Pakistan	−1.3	−1.0	−1.7	−4.1	−5.9	−5.3
Somalia	−4.3	−4.7	−6.3	−6.6	−6.3	−5.7
Sudan[1]	−7.5	−8.3	−7.6	−10.5	−14.2	−13.1
Syria[2]	−0.4	...	...	...	...	...
Tunisia	−4.5	−8.9	−8.8	−10.5	−9.6	−8.5
West Bank and Gaza[3]	−17.3	−16.3	−10.1	−10.9	−12.7	−13.4

Sources: National authorities; and IMF staff estimates and projections.

Note: Variables reported on a fiscal year basis for Afghanistan (March 21/March 20) until 2011, and December 21/December 20 thereafter, and Egypt and Pakistan (July/June), except inflation.

[1]Data for 2011 exclude South Sudan after July 9. Data for 2012 and onward pertain to the current Sudan.

[2]2011–19 data exclude Syria.

[3]West Bank and Gaza is not a member of the IMF and is not included in any of the aggregates.

[4]Central government. For Lebanon, includes transfers to electricity company.

[5]Overall fiscal balance includes the transfers to the electricity company NEPCO until the end of 2014. From 2015 transfers were stopped.

[6]Includes oil revenue transferred to the oil fund.

[7]Including grants.

[8]Includes bank recapitalization costs and arrears payments.