

# 1. MENAP Oil-Exporting Countries: Feeling the Impact of Lower and More Volatile Oil Prices

*Growth in oil exporters of the Middle East, North Africa, Afghanistan, and Pakistan (MENAP) region is projected to remain subdued relative to 2018 amid lower oil prices, restrained oil production, and slowing global growth. Policymakers will face the challenging task of resuming fiscal consolidation while sustaining growth in a more uncertain external environment, including bouts of oil price volatility that are likely to persist in the near term. Anchoring fiscal policy in a medium-term framework would help insulate economies from oil price volatility and gradually rebuild fiscal space; addressing structural weaknesses and tackling corruption, including better access to finance for small and medium enterprises (SMEs), will help diversify economies, create jobs, and promote higher and more inclusive growth.*

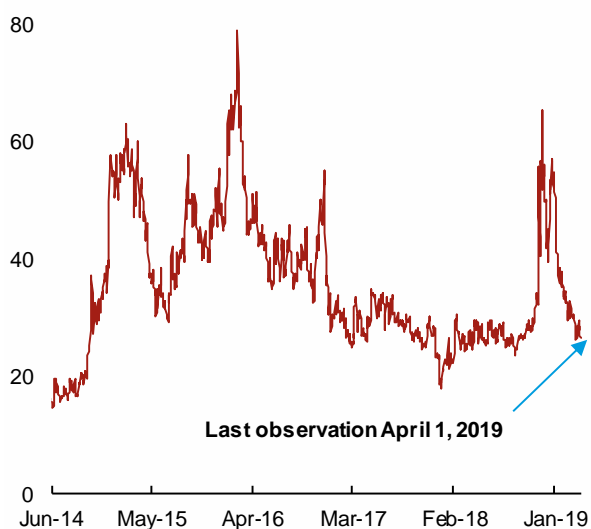
## Adjusting to Volatile Oil Prices

Oil prices turned highly volatile at the end of last year. After increasing by nearly 30 percent in the first 10 months of 2018 to more than \$80 a barrel, oil prices declined sharply in the fourth quarter of 2018, and oil price volatility reached levels last seen during the 2014–15 commodity price shocks (Figure 1.1).

Renewed oil price volatility reflects supply disruptions, global growth concerns, technological changes, and geopolitical uncertainties. In particular, the reimposition of US sanctions on Iran, subsequent waivers, and a ramp-up in Saudi Arabia's oil production caused sharp fluctuations in global oil prices in the third quarter of 2018. These developments led to the December 2018 agreement at the 5th OPEC and non-OPEC Ministerial Meeting (OPEC+) to restrain production until at least June. Oil is now trading at about \$65 a barrel, just above this year's projected average (see the *Global Developments* section).

The combination of low oil prices, country-specific factors, and headwinds to non-oil growth from tighter domestic financial and monetary conditions has dampened the near-term growth outlook for MENAP oil exporters. And while higher oil prices led to visible

Figure 1.1.  
**CBOE Crude Oil Volatility**  
(Index)



Source: Bloomberg Finance L.P.

Note: The CBOE Crude Oil Volatility Index measures the market's expectation of 30-day volatility of crude oil prices. CBOE = Chicago Board Options Exchange.

improvements in current account and fiscal balances in 2018, gains will not be sustained given the modest oil price outlook.

Looking ahead, uncertainties related to global trade tensions, Iran sanctions, and the Organization of the Petroleum Exporting Countries' (OPEC's) production strategy and ability to respond to unforeseen supply shocks are factors likely to sustain large and persistent swings in oil prices. At the same time, slowing global growth and geopolitical tensions constitute key additional downside risks facing the region.

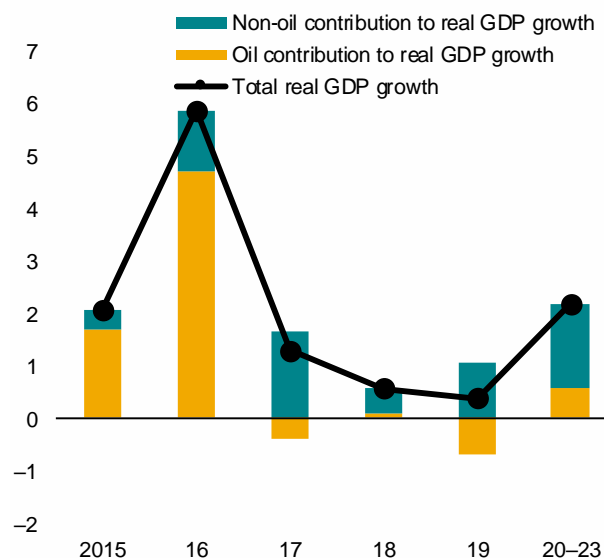
In this environment, policymakers face the challenging task of sustaining growth while resuming gradual fiscal consolidation at a time of greater external uncertainty. Recent fiscal adjustment efforts are welcome but have not yet achieved long-term sustainability given the low oil price outlook. Lower potential growth means that fiscal stimulus efforts could be counterproductive, unsustainable, and costly.

## Moderate Growth

Growth in MENAP oil exporters is projected at 0.4 percent in 2019 (Figure 1.2). This mainly reflects a sharp decline in Iran's economic activity (of 6 percent), oil production cuts (in line with the December 2018 OPEC+ agreement) (Figure 1.3), and tighter domestic financial and monetary conditions in some countries.

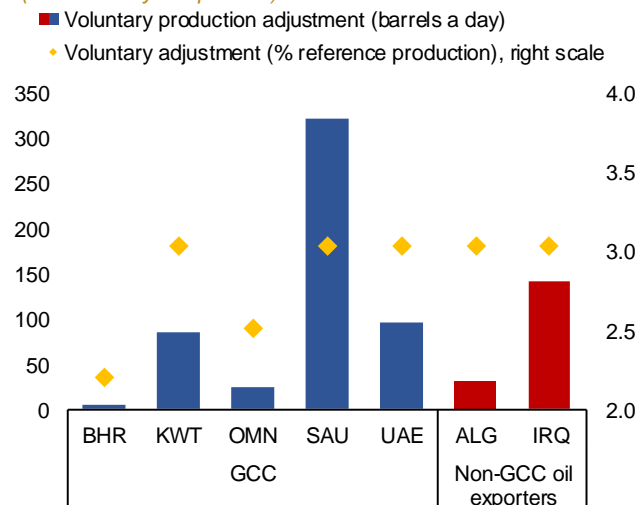
- Growth in Gulf Cooperation Council (GCC) countries is expected to improve slightly to 2.1 percent in 2019, up from 2 percent in 2018. Government spending and multiyear infrastructure plans will likely provide some support to economic activity in Kuwait and Saudi Arabia; Expo 2020-related spending in Dubai and Abu Dhabi's fiscal stimulus

Figure 1.2.  
**MENAPOE: Real GDP Growth**  
(Percent)



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

Figure 1.3.  
**OPEC: Voluntary Production Adjustments**  
(Barrels a day and percent)



Sources: Organization of the Petroleum Exporting Countries (OPEC); and IMF staff calculations.  
Note: Country abbreviations are International Organization for Standardization (ISO) country codes. GCC = Gulf Cooperation Council.

plan are expected to support near-term growth in the United Arab Emirates. In Qatar, the beginning of the Barzan Gas Project operations will underpin hydrocarbon production, but nonhydrocarbon growth is projected to moderate in 2019. Non-oil growth is also

expected to slow in Bahrain from planned fiscal consolidation under the authorities' fiscal balance program.

- Growth is set to contract by 1.7 percent in non-GCC oil exporters after contracting by 1.1 percent in 2018. This is mainly driven by developments in Iran, where the recession is expected to deepen, reducing projected growth by almost 10 percentage points during 2018–20. Algeria's growth is projected to be slightly higher in 2019, owing to a rebound in oil and gas production. Medium-term projections depend largely on the extent to which the necessary adjustment and reform package are implemented, which is now uncertain given recent political developments. Yemen will likely see a moderate improvement in its oil production despite the ongoing conflict. Iraq's growth will be supported by recovery from the conflict, a rise in fiscal spending, and a modest increase in oil production following agreement between the federal government and the Kurdistan

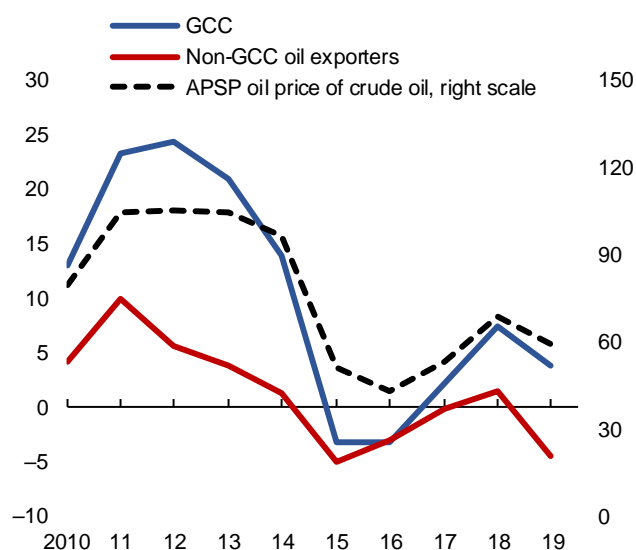
Regional Government on the terms of oil exports. Medium-term growth projections of non-GCC oil exporters assume that regional tensions will gradually dissipate. An escalation in tensions would pose a downside risk to the outlook.

Following a temporary rise last year, year-over-year inflation is expected to decline in 2019 as the impact of the introduction of value-added tax (VAT) (Saudi Arabia and United Arab Emirates) and exchange rate depreciation (Iran, Libya, Yemen) on inflation fades.

Lower projected oil prices will also weigh on current account balances, adding to pressures from OPEC+ production commitments and US sanctions against Iran. The region's current account balance is expected to drop from 5.3 percent of GDP in 2018 to 0.9 percent of GDP this year (Figure 1.4), pointing to increased risks in countries already facing weak external balances (Algeria, Bahrain, Oman) and emerging vulnerabilities in others (Iran, Iraq, Libya).

Figure 1.4.

### Current Account Balance (Percent of GDP and US\$ a barrel)



Sources: National authorities; and IMF staff calculations.

Note: APSP = average petroleum spot price. APSP is the average of UK Brent, Dubai Fateh, and West Texas Intermediate crude oil prices. GCC = Gulf Cooperation Council.

Less-supportive global financial conditions in 2018 led to higher external sovereign borrowing costs, particularly in countries with weaker macroeconomic fundamentals (Bahrain, Oman). But recent policy guidance by the US Federal Reserve has resulted in notable easing of financial conditions (see the April 2019 *Global Financial Stability Report*). In addition, global bond index inclusion for GCC countries could bring some \$40 billion in flows over the next year or so, according to market analysts, as institutional investors rebalance their portfolios. This may temporarily mitigate rises in borrowing costs from regional uncertainties and oil price swings, reinforcing gains from the recent improvement in global financial conditions. It also presents an opportunity for additional borrowing, while other country-

specific factors, such as Bahrain’s planned fiscal consolidation and regional financial support, may provide more durable support for lower spreads.

### Tighter Financial Conditions Weigh on Growth and Banks

Headwinds from tighter domestic financial and monetary conditions also act as a drag on non-oil growth in some countries. Increases in policy interest rates in the GCC, in line with US Federal Reserve monetary policy normalization, and declines in real estate (Qatar, United Arab Emirates) and equity (Dubai, Oman) prices have led to tighter domestic financial conditions, restraining non-oil activity (Box 1.1). Pressures from tighter global financial conditions led to net capital outflows in the region during the second half of 2018, contributing to lower domestic liquidity growth (Figure 1.5). Global easing of financial conditions in early 2019 is expected to reduce the impact of headwinds

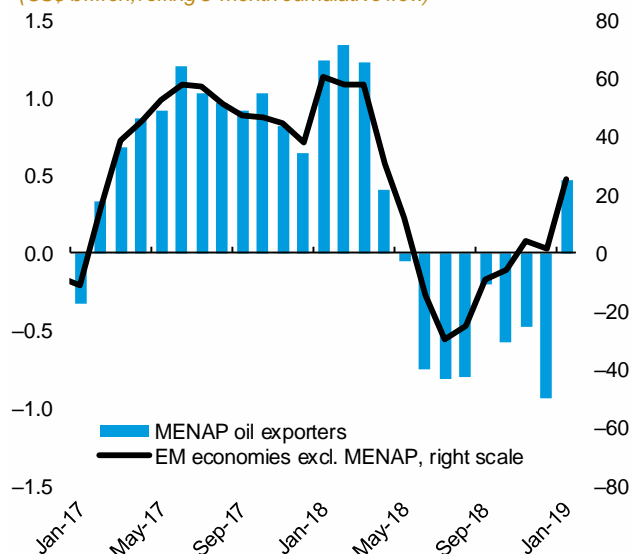
going forward as evidenced by the recent pickup in capital inflows.

With lower oil prices, higher interest rates, and weaker demand conditions, credit is expected to decline in most countries (Figure 1.6). Although banks in the region are generally stable, benefiting from high capitalization, falling liquidity could exacerbate mounting vulnerabilities in some. In particular, banks’ exposure to slowing real estate markets and weak non-oil growth could result in higher nonperforming loans in some countries (Bahrain, Oman, United Arab Emirates).

### Fiscal Consolidation Slows

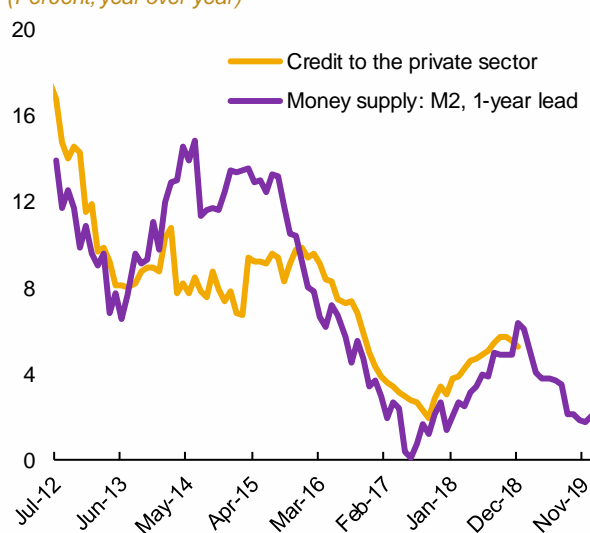
Fiscal consolidation in the region began in 2014, following the decline in oil prices, but slowed with the rebound in oil prices last year. Fiscal consolidation is projected to slow further this year despite lower projected oil prices, while fiscal expansion is expected in Algeria, Iraq, and Saudi Arabia (Figure 1.7). However, slower

Figure 1.5. EPFR Flows to MENAP Oil Exporters and EM Economies (US\$ billion, rolling 3-month cumulative flow)



Sources: Haver Analytics; and IMF staff calculations. Note: EM = emerging market; EPFR = Emerging Portfolio Fund Research; MENAP = Middle East, North Africa, Afghanistan, and Pakistan.

Figure 1.6. Money Supply M2 and Credit to the Private Sector Growth (Percent, year over year)

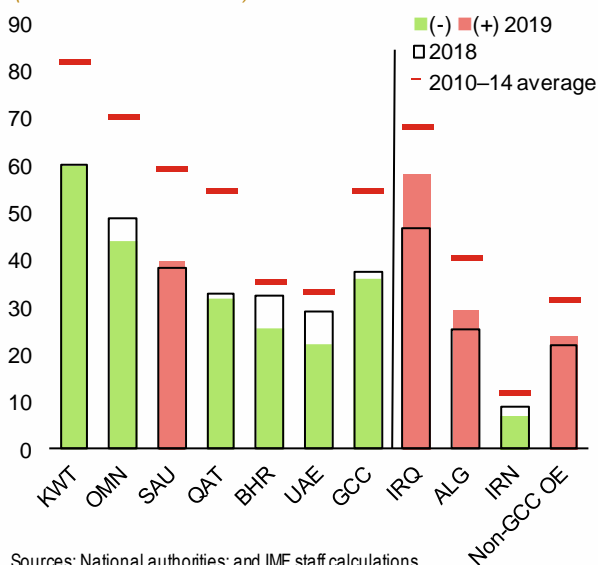


Sources: Haver Analytics; and IMF International Financial Statistics. Note: The null hypothesis that M2 growth does not Granger causes credit to the private sector growth is rejected with p-value of 0.0003.

fiscal consolidation amid lower projected oil prices would heighten the near-term vulnerability of some countries with limited fiscal space, including from elevated public debt.

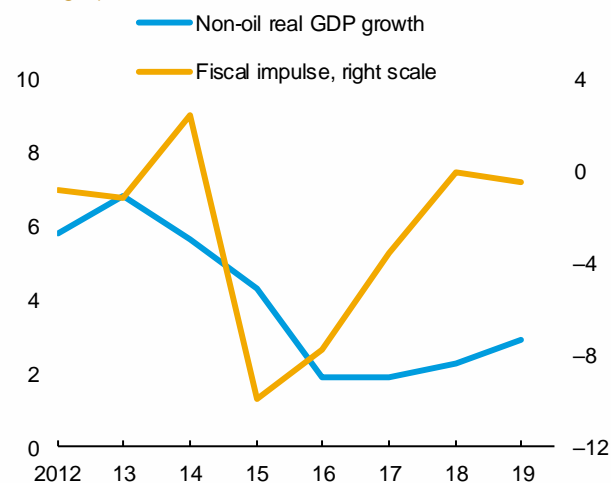
At the same time, there are signs that the relationship between government spending and growth has weakened in recent years, owing to the predominance of external shocks, and that potential growth is likely lower relative to the period of high oil prices, high investment, buoyant sentiment, and a stronger external environment (Figures 1.8–1.10). Meanwhile, fiscal break-even prices remain significantly above the current oil price trajectory, even though most countries have recently lowered these (Figure 1.11). This illustrates the significant medium-term fiscal challenges facing the region from lower projected oil prices, particularly for countries with sizable debt obligations (Figure 1.12).

Figure 1.7.  
**Non-Oil Fiscal Deficits**  
(Percent of non-oil GDP)



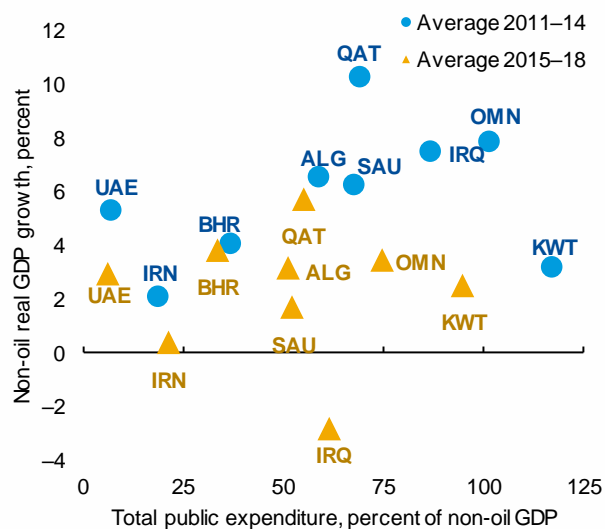
Sources: National authorities; and IMF staff calculations.  
Note: Country abbreviations are International Organization Standardization (ISO) country codes. For 2019, color is green if non-oil fiscal deficit is smaller than in 2018 and red if larger than 2018. GCC = Gulf Cooperation Council; Non-GCC OE = non-GCC oil exporters.

Figure 1.8.  
**GCC: Non-Oil Real GDP Growth and Fiscal Impulses**  
(Percent and percent of non-oil GDP, weighted averages)



Sources: National authorities; and IMF staff calculations.  
Note: Fiscal impulse is calculated using the change in non-oil primary deficit to non-oil GDP ratio. Country-specific weights correspond to purchasing-power-parity-adjusted GDP. GCC = Gulf Cooperation Council.

Figure 1.9.  
**Non-Oil Real GDP Growth and Total Public Expenditure**  
(Percent and percent of non-oil GDP)

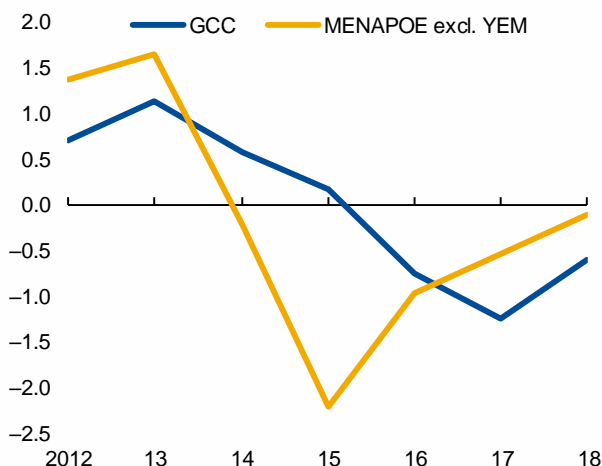


Sources: National authorities; and IMF staff calculations.  
Note: Country abbreviations are International Organization for Standardization (ISO) country codes.

Figure 1.10.

**Output Gap**

(Cyclical component of non-oil real GDP growth, simple averages)



Sources: National authorities; and IMF staff calculations.

Note: The output gaps are the cyclical components of non-oil real GDP growth over the period 2000–19. The cyclical components were calculated using the Hodrick-Prescott filter with a smoothing parameter of 100. GCC = Gulf Cooperation Council; MENAPOE = Middle East, North Africa, Afghanistan, and Pakistan oil exporters; YEM = Yemen.

**Deeper Reforms Are Needed to Revive Growth**

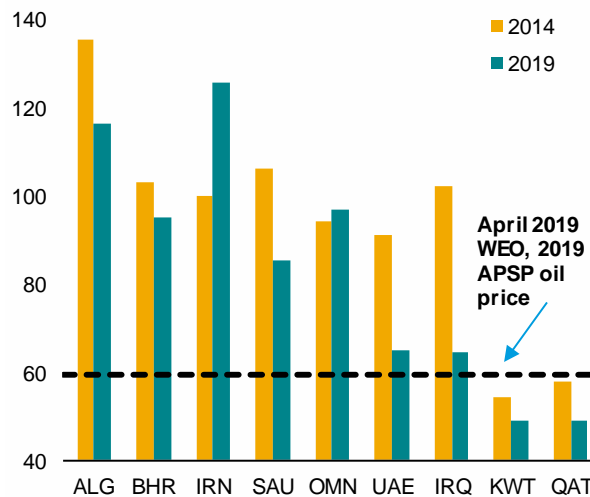
Facing a less certain outlook for oil prices, weaker external conditions, and stalled non-oil growth prospects, MENAP oil exporters must resume gradual fiscal adjustment to rebuild buffers, while deepening and broadening structural reforms to diversify economies and promote higher and more inclusive growth. This has gained more urgency given less effective growth outcomes from slower fiscal consolidation, and still-high unemployment, particularly among young people.

Resuming adjustment in underlying fiscal positions is needed until sustainable spending levels are achieved—and beyond, to rebuild fiscal space and insulate economies from oil price swings. The availability of fiscal space in 2014–15 allowed MENAP oil exporters to avoid sharper procyclical fiscal retrenchment after the collapse in oil prices.

Figure 1.11.

**Fiscal Breakeven Oil Prices**

(US\$ a barrel)



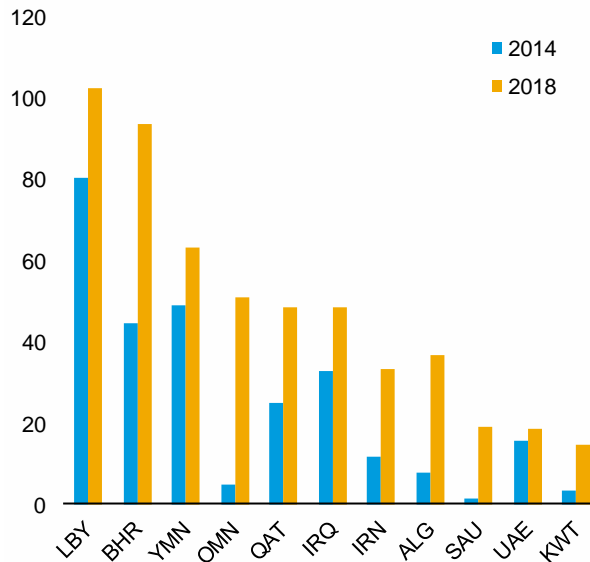
Sources: National authorities; and IMF staff calculations.

Note: Country abbreviations are International Organization for Standardization (ISO) country codes. APSP = average petroleum spot price. APSP is the average of UK Brent, Dubai Fateh, and West Texas Intermediate crude oil prices. WEO = World Economic Outlook.

Figure 1.12.

**Total General Government Debt**

(Percent of GDP)



Sources: National authorities; and IMF staff calculations.

Note: Country abbreviations are International Organization for Standardization (ISO) country codes.

The size and pace of the adjustment should, however, depend on individual countries’ fiscal space and financing needs. Moreover, given that growth potential in many countries may now be

lower than during periods of sustained high oil prices, efforts to boost growth through fiscal stimulus, or a slower pace of consolidation, may be counterproductive, especially for countries with weak fundamentals (Bahrain, Oman).

To minimize potential short-term-growth impacts from necessary fiscal consolidation, the design of the adjustment strategy must be carefully considered. This means mixing expenditure consolidation with revenue reforms while reinforcing progress in areas such as VAT implementation and reducing public wage bills in some countries. In particular,

- *Revenue mobilization* efforts should continue. In this context, Oman's plan to introduce a VAT following Saudi Arabia, the United Arab Emirates, and Bahrain is welcome. Countries should also consider introducing direct taxes, such as on incomes, and property tax. Efforts to fight tax avoidance and evasion would help bolster revenue in the medium term.
- *Expenditure reforms* should focus on strengthening public investment management frameworks to ensure high-quality public investment, while seeking to further streamline public wage bills and subsidies and increasing social spending. In particular, countries with little fiscal space will need to place special emphasis on increasing the efficiency of spending and pay attention to the composition of spending. Measures to increase fiscal transparency and strengthen public financial management systems would support fiscal consolidation efforts.

Overall, MENAP oil exporters should seek to insulate spending from oil price developments and avoid a return to procyclical fiscal policies of the past that create undue volatility in

economic activity. Anchoring fiscal policy in a strong medium-term fiscal framework with a clear objective (such as a debt ratio, an intermediary target based on the non-oil primary balance, or a multiyear budgeting rule) would help resist spending pressures and vulnerabilities that could emerge from sustained bouts of oil price volatility. It would also increase the scope for a growth-friendly path for consolidation. Moreover, ensuring a more sustainable fiscal framework would support improvements in current account balances, particularly since oil prices are unlikely to rise in the near term.

In parallel, and in light of the modest oil price outlook, countries should intensify efforts to diversify economies away from hydrocarbon dependence. State-led growth models, which tend to favor large public enterprises and crowd out private sector credit, have not delivered the broad-based and sustainable growth to create more jobs and make economies more inclusive. An enhanced private-sector-driven growth engine is therefore needed to achieve better outcomes for all and would help spur domestic investment and attract more nonhydrocarbon foreign investment. Ensuring these outcomes will be crucial for securing employment opportunities for the rapidly growing labor force, particularly in the GCC, where IMF staff calculations suggest the region will need about 1 million new jobs a year for at least the next five years to absorb new entrants (Purfield and others 2018).

To this end, countries should focus on improving the quality of education, reforming labor markets, and integrating nationals into private employment, while maintaining competitiveness. Greater efforts are also needed to improve the business environment in some countries, including by putting in place legal frameworks that ensure adequate and

predictable protection mechanisms for dispute prevention and resolution, and further liberalizing foreign ownership regulations.

Governance weaknesses in the region call for urgent engagement on corruption and governance issues. For instance, implementing anti-bribery and integrity measures in public governance, including by addressing conflicts of interest, would support countries' anti-corruption efforts, and also help reduce the fiscal costs of corruption (see the April 2019 *Fiscal Monitor*).

Particular focus on fostering the development and increasing the productivity of SMEs would help deliver much-needed job creation. SMEs, which account for more than 90 percent of businesses and are a major source of job creation, still contribute relatively little to economies in terms of output and employment (see Blancher and others 2019; Stepanyan and others, forthcoming).

Although most countries in the region have recognized the importance of SME development, reforms lack a comprehensive approach and are at varying stages of advancement. Some countries have adopted dedicated SME strategies or laws (Bahrain, United Arab Emirates), while others have

incorporated SMEs into broader strategies or national development plans (Algeria, Qatar, Saudi Arabia). Thus, a more holistic and concerted approach includes:

- *Increasing access to financing* by ensuring availability of adequate funding adapted to SME needs, providing a supporting framework for enhanced credit information and bank competition, and developing capital markets to broaden access to new sources of financing (see Ben Ltaifa and others 2018).
- *Enhancing human capital and physical infrastructure* through efficient expenditures on education, technology, and key infrastructure, such as broadband, to increase SMEs' capacity and access to high-quality factors of production.
- *Delivering a more favorable business environment* by establishing robust legal, regulatory, and taxation frameworks, as well as ensuring a level playing field for SMEs to face fair competition. Improved governance, including in tax administration and public procurement, and a reduced role of the public sector as a competitor in the economy, would also help.



**Box 1.1. Financial and Monetary Conditions Indices in GCC Countries**

Analyzing information about financial conditions will be essential if Gulf Cooperation Council (GCC) countries are to better assess the state of the economy to inform policy decisions. A well-designed financial and monetary conditions index (FMCI) could serve as an early indicator of future non-oil economic activity.

There are several challenges to building an FMCI for GCC countries. The lack of timely data reduces the variables that could be included. House price data are available only for Qatar and the United Arab Emirates. Absence of data on inflation expectations makes it difficult to determine inflation-adjusted real returns. A monthly industrial production index is not available to assess the predictive power of the FMCI against a high-frequency activity indicator. Dubai's quarterly GDP figures end in 2017, and quarterly GDP is not available for Oman. Bond markets are not liquid enough yet to incorporate changes in the yield curve or the term spread into the FMCI.

Therefore, our FMCI for GCC countries includes the following:

- Money growth, M2 (year over year), as a measure of liquidity
- Stock market (year over year) as equity prices impact household wealth
- Real policy rate—the latest annual inflation rate is used as a proxy for inflation expectations to calculate the real policy rate of GCC central banks
- Real effective exchange rate—appreciation in the real effective exchange rate represents tightening in the FMCI, whereas depreciation represents loosening
- House prices (Qatar, United Arab Emirates)

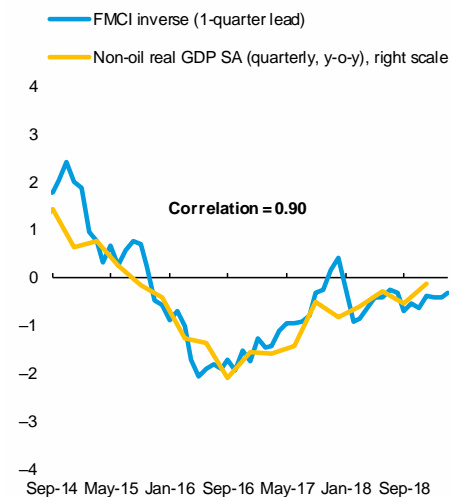
Variables with the highest volatility are given the lowest weight. The series is standardized by subtracting the FMCI's mean and dividing by its standard deviation. Accordingly, an FMCI value above (below) zero implies a tightening (loosening) in the financial conditions. As a gauge of activity, the FMCI is used and employed as an early indicator of non-oil GDP growth.

The model shows that loosening (tightening) in the FMCI is followed by an increase (decrease) in non-oil activity with a one-quarter lag, where quarterly GDP is available. The correlation between the FMCI as an early indicator and non-oil GDP growth is particularly strong in Saudi Arabia and Qatar. The tightening in the FMCI (reversed in Figure 1.1.1), which started in late 2017, has continued and is likely to be a drag on non-oil growth in early 2019 as well.

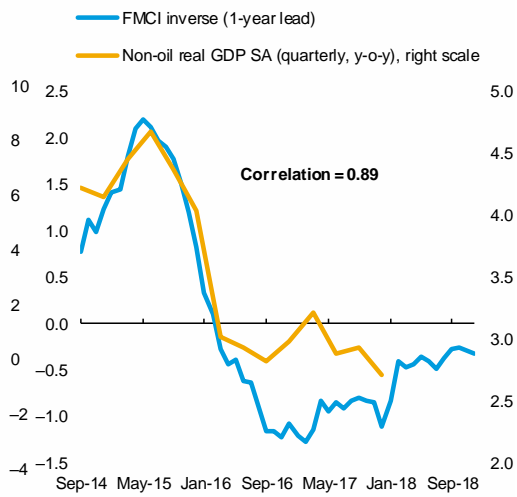
The main drivers of tightening in financial and monetary conditions have been higher policy rates, declines in real estate (Qatar, United Arab Emirates) and equity prices (Bahrain, Dubai, Oman), and a slowdown in liquidity growth driven in part by capital outflows.

Figure 1.1.1.  
**Financial Conditions Indices and Quarterly Non-Oil GDP Year-over-Year Growth Rates**  
*(Correlations, last observation December 2018)*

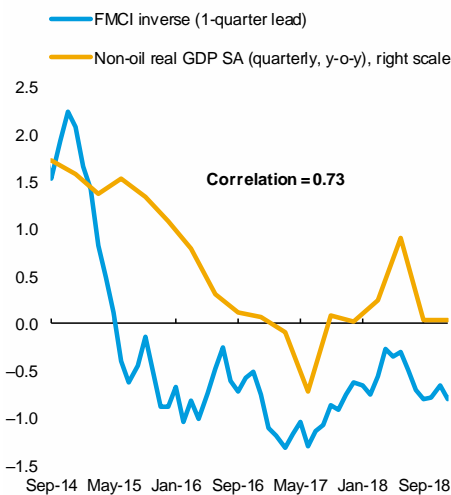
**1. Saudi Arabia**



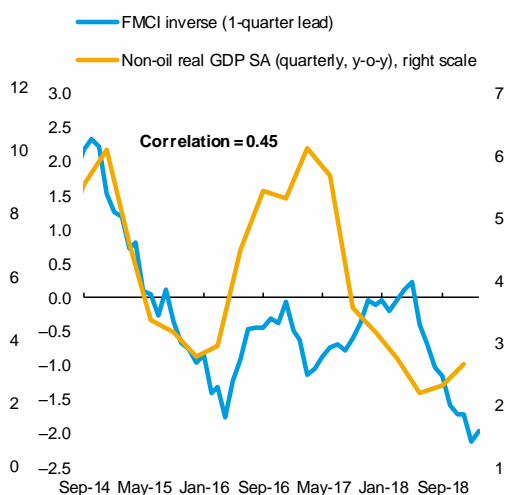
**2. UAE: Dubai**



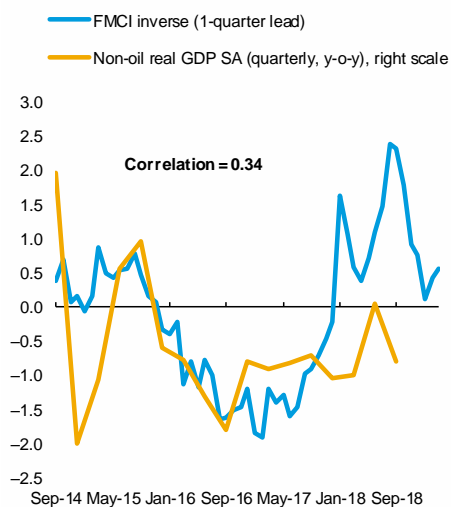
**3. Qatar**



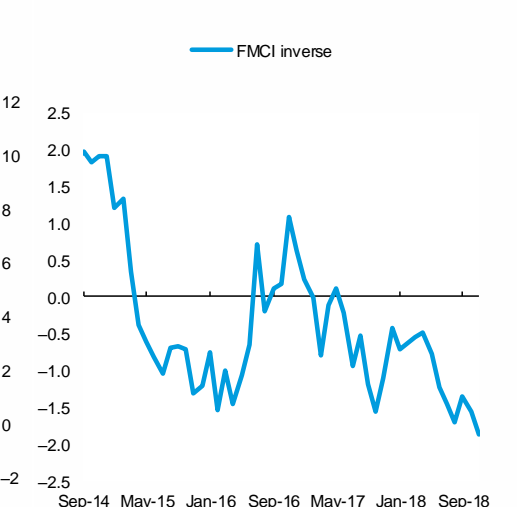
**4. Bahrain**



**5. Kuwait**



**6. Oman**



Sources: Haver Analytics, national authorities, and IMF staff calculations.  
 Note: FMCI = Financial and Monetary Conditions Index; SA = seasonally adjusted; y-o-y = year over year.

## MENAP Region: Selected Economic Indicators, 2000–20

(Percent of GDP, unless otherwise indicated)

	Average	2016	2017	2018	Projections	
	2000–15				2019	2020
<b>MENAP<sup>1</sup></b>						
Real GDP (annual growth)	4.6	5.2	2.2	1.8	1.5	3.2
<i>of which non-oil growth</i>	5.7	2.3	3.1	2.3	2.7	3.3
Current Account Balance	8.2	-3.9	-0.6	2.3	-0.9	-0.7
Overall Fiscal Balance	2.9	-9.5	-5.5	-3.1	-4.9	-4.0
Inflation (year average; percent)	6.5	5.1	7.0	9.6	9.5	9.0
<b>MENAP oil exporters</b>						
Real GDP (annual growth)	4.8	5.9	1.3	0.6	0.4	2.8
<i>of which non-oil growth</i>	6.2	1.6	2.5	1.2	2.1	2.9
Current Account Balance	11.6	-3.1	1.6	5.3	0.9	1.0
Overall Fiscal Balance	5.7	-10.4	-5.1	-1.9	-4.2	-3.1
Inflation (year average; percent)	6.9	4.0	3.6	9.2	9.0	8.8
<b>MENAP oil exporters excl. conflict countries</b>						
Real GDP (annual growth)	4.2	5.3	1.0	0.4	0.0	2.0
<i>of which non-oil growth</i>	5.9	2.3	2.7	0.9	1.7	2.6
Current Account Balance	12.1	-2.5	1.5	5.5	1.7	1.6
Overall Fiscal Balance	6.2	-9.2	-4.9	-2.5	-4.0	-2.9
Inflation (year average; percent)	6.8	4.5	3.5	9.8	9.6	9.6
<b>Of which: Gulf Cooperation Council (GCC)</b>						
Real GDP (annual growth)	4.8	2.3	-0.3	2.0	2.1	2.8
<i>of which non-oil growth</i>	6.7	1.9	1.9	2.3	2.9	3.3
Current Account Balance	15.3	-2.8	2.5	7.3	3.9	3.4
Overall Fiscal Balance	8.6	-10.7	-5.5	-1.7	-3.1	-2.2
Inflation (year average; percent)	2.7	2.1	0.2	2.1	0.4	2.4
<b>MENAP oil importers</b>						
Real GDP (annual growth)	4.3	3.7	4.1	4.2	3.6	4.0
Current Account Balance	-2.2	-5.6	-6.7	-6.5	-6.1	-5.3
Overall Fiscal Balance	-5.6	-7.2	-6.5	-6.7	-6.8	-6.5
Inflation (year average; percent)	6.0	7.5	14.4	10.4	10.5	9.5
<b>MENA<sup>1</sup></b>						
Real GDP (annual growth)	4.6	5.3	1.8	1.4	1.3	3.2
<i>of which non-oil growth</i>	5.8	2.0	2.8	1.9	2.6	3.3
Current Account Balance	8.8	-4.2	-0.3	3.1	-0.5	-0.4
Overall Fiscal Balance	3.6	-10.0	-5.5	-2.8	-4.7	-3.6
Inflation (year average; percent)	6.3	5.4	7.4	10.5	9.8	9.3
<b>Arab World</b>						
Real GDP (annual growth)	5.0	3.6	1.4	2.6	2.8	3.8
<i>of which non-oil growth</i>	6.2	1.8	2.4	3.0	3.5	3.8
Current Account Balance	9.8	-5.6	-1.0	2.9	-0.6	-0.4
Overall Fiscal Balance	4.0	-11.4	-6.2	-2.6	-4.8	-3.5
Inflation (year average; percent)	3.9	4.5	6.9	6.2	4.9	5.5

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

<sup>1</sup>2011–20 data exclude Syrian Arab Republic.

Notes: Data refer to the fiscal year for the following countries: Afghanistan (March 21/March 20) until 2011, and December 21/December 20 thereafter, Iran (March 21/March 20), and Egypt and Pakistan (July/June).

MENAP oil exporters: Algeria, Bahrain, Iran, Iraq, Kuwait, Libya, Oman, Qatar, Saudi Arabia, the United Arab Emirates, and Yemen.

GCC countries: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates.

MENAP oil importers: Afghanistan, Djibouti, Egypt, Jordan, Lebanon, Mauritania, Morocco, Pakistan, Somalia, Sudan, Syria, and Tunisia.

Arab World: Algeria, Bahrain, Djibouti, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Qatar, Saudi Arabia, Somalia, Sudan, Syria, Tunisia, United Arab Emirates, and Yemen.

## References

- Angelopoulou, E., H. Balfoussia, and H. Gibson. 2013. “Building a Financial Conditions Index for the Euro Area and Selected Euro Area Countries: What Does It Tell Us about the Crisis?” European Central Bank Working Paper 154, Frankfurt.
- Ben Ltaifa, N., A. Alreshan, A. Bibolov, D. Kirti, A. Ndoye, and E. Roos. 2018. “How Developed and Inclusive Are Financial Systems in GCC?” IMF Policy Paper, International Monetary Fund, Washington, DC.
- Blancher, N., M. Appendino, A. Bibolov, A. Fouejieu, J. Li, A. Ndoye, A. Panagiotakopoulou, W. Shi, and T. Sydorenko. 2019. “Financial Inclusion of Small and Medium-Sized Enterprises in the Middle East and Central Asia.” IMF Departmental Paper 19/02, International Monetary Fund, Washington, DC.
- Cakir, S. 2017. “Reforms to the Monetary Policy Framework.” IMF Country Report 17/63, International Monetary Fund, Washington, DC.
- English, W., K. Tsatsaronis, and E. Zoli. 2005. “Assessing the Predictive Power of Measures of Financial Conditions for Macroeconomic Variables.” BIS Paper 22, Bank for International Settlements, Basel.
- Erdem, M., and K. Tsatsaronis. 2013. “Financial Conditions and Economic Activity: A Statistical Approach.” *BIS Quarterly Review* (March).
- Gauthier, C., C. Graham, and Y. Liu. 2004. “Financial Conditions Indexes for Canada.” Bank of Canada Working Paper 22, Ottawa.
- Hatzius, J., P. Hooper, F. S. Mishkin, K. L. Schoenholtz, and M. W. Watson. 2010. “Financial Conditions Indexes: A Fresh Look after the Financial Crisis.” NBER Working Paper 16150, National Bureau of Economic Research, Cambridge, MA.
- Purfield, C., H. Finger, K. Ongley, B. Baduel, C. Castellanos, G. Pierre, V. Stepanyan, and E. Roos. 2018. “Opportunity for All: Promoting Growth and Inclusiveness in the Middle East and North Africa.” IMF Departmental Paper 18/11, International Monetary Fund, Washington, DC.
- Stepanyan V., B. Baltabaev, A. Guscina, M. Zaher, L. Zhu, and T. Stone. 2018. “Trade and Foreign Investment—Keys to Diversification and Growth in the GCC.” IMF Policy Paper, International Monetary Fund, Washington, DC.
- Stepanyan, V., G. Abajyan, M. Alnasaa, and A. Ndoye. Forthcoming. “Enhancing the Role of SMEs in the Arab World: Some Key Considerations.” International Monetary Fund, Washington, DC.