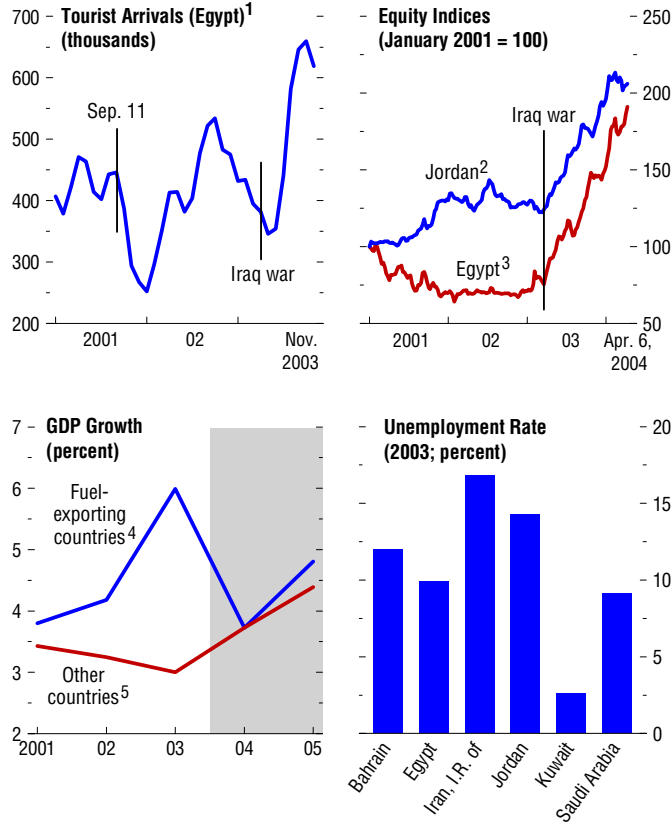


Figure 1.16. Middle East: Reduction in Uncertainties Boosts Prospects

Non-oil activity and short-term prospects recovered in the second half of 2003, with tourism rebounding and equity prices surging. However, the projected leveling off of oil production will dampen growth in oil-exporting countries. Unemployment rates remain high throughout the region, underlining the importance of reforms to boost medium-term growth.



Sources: Bloomberg Financial, LP; Haver Analytics; and IMF staff estimates.

¹3-month moving average.

²Jordan stock market general price index

³The Hermes financial index.

⁴Bahrain, Iran, I.R. of, Kuwait, Libya, Oman, Qatar, Saudi Arabia, United Arab Emirates, and Yemen.

⁵Egypt, Jordan, Lebanon, and Syrian Arab Republic.