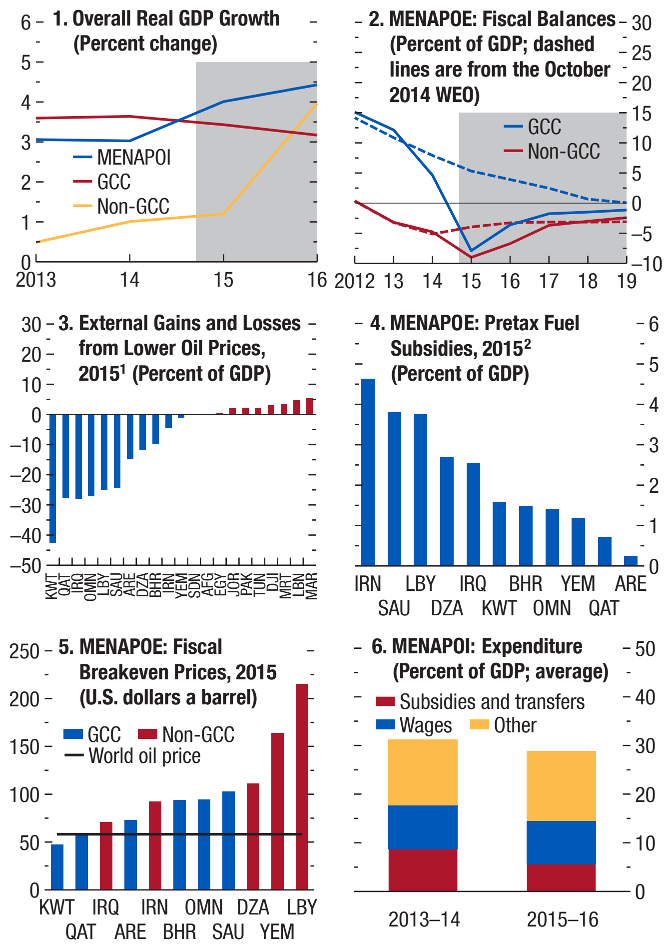
Figure 2.8. Middle East, North Africa, Afghanistan, and Pakistan: Oil, Conflicts, and Transitions

Growth remained tepid across the Middle East, North Africa, Afghanistan, and Pakistan (MENAP) in 2014 amid declining oil prices, intensifying conflicts, and continued policy uncertainty. The steep decline in oil prices has weakened the external and fiscal balances of the region's oil exporters, while providing much-needed breathing room for the oil importers. Across the region, lower oil prices provide an opportunity for structural and subsidy reforms, which would create fiscal space for growth-enhancing investments, improve competitiveness, and support jobs and inclusive growth.



Sources: Haver Analytics; IMF, Information Notice System; International Energy Agency; national authorities; and IMF staff estimates.
Note: Gulf Cooperation Council (GCC) = Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates; MENAP oil exporters (MENAPOE) = Algeria, Bahrain, Islamic Republic of Iran, Iraq, Kuwait, Libya, Oman, Qatar, Saudi Arabia, United Arab Emirates, Yemen; MENAP oil importers (MENAPOI) = Afghanistan, Djibouti, Egypt, Jordan, Lebanon, Mauritania, Morocco, Pakistan, Sudan, Syria, Tunisia. Data labels in the figure use International Organization for Standardization (ISO) country codes. Data from 2011 onward exclude Syria.
[1]External losses (gains) from lower oil prices are calculated as the projected difference in the U.S. dollar value of net oil exports in 2015, using the 2015 oil price assumptions in the April 2015 and October 2014 *World Economic Outlooks*, and the volume of net oil exports in the latter, with adjustments for idiosyncratic country-specific factors.
[2]The size of the subsidy bill is estimated using 2013 data. Calculations are based on a price-gap analysis following Clements and others 2013 and Sdralevich and others 2014.