



NEWS RELEASE

Kuwait and Lebanon ranked as Arab world's most economically free nations

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For Immediate Release

DOHA, QATAR—Kuwait and Lebanon are the most economically free Arab nations, according to the *Economic Freedom of the Arab World: 2008 Annual Report*, released November 5 by the Fraser Institute, one of Canada's leading economic research organizations, and the International Research Foundation of Oman.

It's the second year in a row Kuwait topped the rankings, while Lebanon was ranked third last year. The two nations each scored 7.7 on the overall economic freedom index. They were followed closely by Oman (7.6), Jordan (7.5), Saudi Arabia (7.4), the United Arab Emirates (7.3) and Yemen (7.1).

Economic freedom is based on the cornerstones of personal choice, voluntary exchange, freedom to compete, and security of private property. Research shows that individuals living in countries with high levels of economic freedom enjoy higher levels of prosperity, greater individual freedoms, and longer life spans. The complete report can be found at www.freetheworld.com

"High levels of economic freedom are key attributes of the most prosperous nations around the world. People living in countries with high levels of economic freedom enjoy better standards of living and personal freedoms, while the citizens of countries with low levels of economic freedom often find themselves mired in poverty, governed by totalitarian regimes and have few if any, individual rights or freedoms," said Fred McMahon, Fraser Institute director of globalization studies.

"Economic freedom allows people to make their own decisions based on what is best for themselves and their families. Time and again we have seen that individual ingenuity and drive is always more successful than centralized government planning."

The *Economic Freedom of the Arab World: 2008 Annual Report* compares and ranks Arab nations in five economic freedom areas: size of government; commercial and economic law and security of property rights; access to sound money; freedom to trade internationally, and the regulation of credit, labour, and business.

The report, which has been published since 2005 in partnership with the International Research Foundation (IRF) of Oman, is an outgrowth of the Fraser Institute's annual Economic Freedom of the World report, which ranks the economic freedom levels of 141 nations around the globe.

The report measures at least some areas of economic freedom in 22 nations: Algeria, Bahrain, Comoros, Djibouti, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Qatar, Saudi Arabia, Somalia, Sudan, Syrian Arab Republic, Tunisia, United Arab Emirates, West Bank and Gaza, and Yemen.

However, data limitations allowed calculation of the overall level of economic freedom only for Algeria, Egypt, Jordan, Kuwait, Lebanon, Morocco, Oman, Saudi Arabia, Syria, Tunisia, UAE, West Bank and Gaza, and Yemen. The rankings are entirely based on third party data. The full data sets are available at www.freetheworld.com

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The top performer in each of the sub-categories was:

1) Lean Government: Lebanon

This category examines various measures to determine whether the government sector is inappropriately large, crowding out personal choice with government decisions.

2) Commercial and Economic Law and Security of Property Rights: Saudi Arabia

This area examines whether laws affecting economic and commercial matters are fairly and transparently applied in a timely manner, and whether property rights and contracting are protected by the rule of law.

3) Access to Sound Money: Saudi Arabia

This measures the extent to which a nation's currency is sound and holds its value over time.

4) Freedom to Trade: Yemen

This measures the extent to which businesses and individuals can freely trade with businesses and individuals in other nations.

5) Ease of Doing Business: Oman

This measures the extent to which the regulatory burden hinders the formation or advancement of businesses, the free movement of labour, and ability to obtain or advance credit.

“The five key areas of Economic Freedom that we are able to measure serve as a benchmark for government officials and policy makers,” McMahon said.

“Governments that pursue policies that encourage economic freedom should be applauded. In the long un, these policies will provide additional opportunities for people, improve their nation's economy, and create a better life for their people.”

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