Contents

About the Authors / iv

Acknowledgments / vi

About the Co-publishers / vii

Introduction / 3

Arab World Economies—Weathering the Storm / 5

Research on Economic Freedom / 10

The Index of Economic Freedom in the Arab World / 13

Conclusion / 18

Data Tables / 19

References / 52

Appendix: Methodology / 57
About the Authors

Salem Ben Nasser Al Ismaily
Salem Ben Nasser Al Ismaily holds degrees in Telecommunications, Liberal Arts, Industrial Engineering, Business Administration, Management and Philosophy from universities in United Kingdom and the United States. Al Ismaily worked at the Public Establishment for Industrial Estates (PEIE) from 1984 to 1996 as the Managing Director. In 1996, he was appointed as the Deputy Chairman and Executive President of the Omani Centre for Investment Promotion and Export Development where he continues to serve in the same capacity. He is the founder and chairman of International Research Foundation. Al Ismaily has published several papers on the subject of cross culture, management, and the economy, including two books on corporate culture. He also serves as a board member of many private companies in the field of financial services and energy on his personal capacity.

Salem Ben Nasser Al Ismaily is professionally involved in the promotion of investment in Oman. Therefore, to avoid a conflict of interest, he excused himself from calculating the index though he undertook the bulk of the analysis.

Amela Karabegović
Fred McMahon
Fred McMahon directs the Centre for Globalization Studies at the Fraser Institute. The Centre publishes the annual reports, Economic Freedom of the World, and coordinates the Economic Freedom Network of independent think-tanks in 75 nations and territories. McMahon is the co-author, with Amela Karabegović, of the report, Economic Freedom of North America.

The Centre for Globalization Studies is responsible for the Fraser Institute's Global Centre for Mining Studies, which publishes the Fraser Institute's Annual Survey of Mining Companies. McMahon has authored several books, including Looking the Gift Horse in the Mouth: The Impact of Federal Transfers on Atlantic Canada, which won the Sir Antony Fisher International Memorial Award for public-policy books, Road to Growth: How Lagging Economies Become Prosperous (with a foreword by former Irish Prime Minister John Bruton), and Retreat from Growth: Atlantic Canada and the Negative Sum Economy (with a foreword by Nobel Laureate Robert Mundell).

Marisha Warrington
Marisha Warrington is a former Fraser Institute Policy Analyst who worked in the departments of Bio-Pharma & Health Policy and Globalization Studies. She holds an Honours Bachelor’s degree in Sociology and Law and Society from York University and a Masters Degree in Public Policy from Queen Mary University of London (UK), where the focus of her dissertation was on a Public Choice Evaluation of the European Union Services Directive and its impact on British healthcare policy. During her tenure at the Fraser Institute, Ms. Warrington contributed research on urban-policy issues related to the Fraser Institute’s books in the series, Canada Strong and Free, to health and pharmaceutical policy issues, and to the Institute’s annual publication, Economic Freedom of the World. Her most recent co-publication is The Hidden Cost of Single-Payer Health Insurance: A Comparison of the US and Canada (2008).
Acknowledgments

The authors would like to acknowledge Michael Walker, President of the Fraser Institute Foundation, James Gwartney of Florida State University, and Robert Lawson of Auburn University for their invaluable ideas and assistance. We would also like to thank Ronald Meindarus, director of the Cairo office of the Friedrich Naumann Foundation for Liberty, for his support. Miguel Cervantes provided valuable help preparing the tables in this report.

We also wish to thank the Friedrich Naumann Foundation for Liberty, Cairo, Egypt, and Canada’s Aurea Foundation for supporting this project.

The opinions expressed in this report are those of the authors and do not necessarily reflect the views of the supporters, trustees, or staff of the Fraser Institute.
About the Co-publishers

Friedrich Naumann Foundation for Liberty

The Friedrich Naumann Foundation for Liberty (FNF) is an independent, non-profit, nongovernmental organization that is committed to promoting liberal policy and politics. Founded in Germany in 1958, the Foundation has won a reputation for promoting freedom worldwide.

To create an open society, FNF is guided by the principles of Liberalism and its message of mutual tolerance and acceptance of diversity. Its core concepts such as the protection of human rights, the application of the rule of law, liberal democracy, and a free-market economy have proven throughout the centuries that Liberalism offers appropriate solutions for the present and the future in public and personal life. Our intensive work in political education, political consultancy, training, and dialogue is carried out in Germany and our offices in over 50 countries worldwide.

Website: <http://www.freiheit.org>.

International Research Foundation

The International Research Foundation (IRF), Sultanate of Oman, was established in 2005 as a non-governmental, independent, non-profit “think tank” based in Oman to conduct research on domestic and international economic issues with emphasis on the Arab World. The IRF has set its research and public-affairs agenda on a collegial basis, relying on the input of its researcher staff, its editorial board, and its Senior Fellows. It maintains a working arrangement with governmental and non-governmental organizations in the region and other parts of the world. The IRF is the regional member of the Fraser Institute’s Economic Freedom Network.

The vision of IRF is to create wealth and jobs through promotion of economic freedom. Its mission is to measure, research, and communicate to a global audience the impact of competitive markets with free economic policies on the welfare of individuals.

The Board of Trustees of the IRF consists of high-profile private-sector members from different organizations. The IRF has initiated the establishment of a network of academic researchers to facilitate research projects, which will help in its endeavor to research economic issues affecting the daily life of individuals.

Website: <http://www.irfoman.org/>.
Fraser Institute

Our vision is a free and prosperous world where individuals benefit from greater choice, competitive markets, and personal responsibility. Our mission is to measure, study, and communicate the impact of competitive markets and government interventions on the welfare of individuals.

Founded in 1974, we are an independent research and educational organization with locations throughout North America and international partners in over 70 countries. Our work is financed by tax-deductible contributions from thousands of individuals, organizations, and foundations. In order to protect its independence, the Institute does not accept grants from government or contracts for research.

Economic Freedom of the Arab World
2009 Annual Report
Introduction

This is the sixth report on economic freedom in the Arab world. The first was published by the same authors in the *Arab World Competitiveness Report 2005* (Lopez-Claros and Schwab, 2005). The second and subsequent editions were published by the International Research Foundation (IRF) of Oman and the Fraser Institute. Last year, the Friedrich Naumann Foundation for Liberty, Cairo office, also became a co-publisher.

The index in this edition adds data for 2007, the most recent year for which data are available. As well, the scores for previous years have been recalculated using revised data from the World Bank for its Doing Business and World Development Indicators databases. *Economic Freedom of the Arab World* is modeled on the annual reports in the series, *Economic Freedom of the World* (Gwartney and Lawson, various years).¹

The classical definition of economic freedom is:

Individuals have economic freedom when (a) property they acquire without the use of force, fraud, or theft is protected from physical invasions by others and (b) they are free to use, exchange, or give their property as long as their actions do not violate the identical rights of others. Thus, an index of economic freedom should measure the extent to which rightly acquired property is protected and individuals are engaged in voluntary transactions. (Gwartney, Lawson, and Block, 1996: 12)

The mechanics of economic freedom are easy to understand. Any transaction freely entered into must benefit both parties. Any transaction that does not benefit both parties would be rejected by the party that would come up short. This has consequences throughout the economy. Consumers who are free to choose will only be attracted by superior quality and price. A producer must constantly improve the price and quality of existing products or invent new products. Without this, customers will not freely enter into transactions with

---

¹ In 1984, Michael Walker, who was then Executive Director of the Fraser Institute, in conjunction with Milton and Rose Friedman, started the Economic Freedom project to enhance understanding of the connection between economic freedom and political and civil freedoms, and their collective role in influencing economic performance. The research phase of the project involved about 60 of the world’s top scholars including three Nobel Laureates. The Economic Freedom Network now has member institutes in 76 nations and territories, including Oman, Jordan, and Gaza.
the producer. Many billions of mutually beneficial transactions occur every day, powering the dynamic that spurs increased productivity and prosperity throughout the economy.

Economic freedom has been shown in top-level, peer-reviewed research to promote prosperity, economic growth, and other positive outcomes, discussed later in this report. It is also highly consistent with Arab and Muslim culture and tradition. For much of the past millennium, it is likely that the Muslim world has enjoyed the greatest level of economic freedom, in general, and trade openness, in particular, in the world. (Hourani, 1992) It is only over the past few centuries that this lead has slipped away.
Arab World Economies—
Weathering the Storm

The global recession set off by the financial crisis in late 2008 has strained economies in the Arab world but early signs suggest that the downturn in the region will not be as severe as it has been in other emerging markets or the developed countries. Arab economies are, on the whole, weathering the crisis better than others in the short term. In the long term, however, a prolonged recession is likely to create the potential for social and political instability.²

Oil economies have managed to maintain high levels of capital spending despite the decrease in revenues from oil. Non-oil-producing countries, on the other hand, might show delayed effects as capital inflows from remittances, foreign investment, and tourism revenue fall and affect the rest of their economies. Countries less integrated into the global economy are not likely to see severe losses.

Gross domestic product (GDP) growth for the Arab world in 2008 was 6%, but is projected to fall to 3.1% in 2009 (World Bank, May 2009). This is a radical departure from the IMF Energy Information Administration’s earlier forecast of 5.9% growth for 2009 but still compares favorably with other emerging economies, such as that of Latin America, where GDP growth fell from 4.2% in 2008 to -2.2% in 2009. Some Gulf countries such as Qatar, Oman, and Abu Dhabi are expected to achieve anticipated GDP growth of over 5% in the midst of the crisis.

The economy of the Arab world can be divided roughly into two regions: that rich in resources, mostly hydrocarbons, and that with abundant labor. For the resource-rich economies of the Arab world, lower oil prices and declining government revenues have created significant deficits in fiscal balances, which affected investors’ confidence and contributed to a drop in equity prices. Oil-exporting countries experienced a sharp decline in oil revenues at the onset of the economic crisis. Although forecasts show relative increases in oil prices, it is unlikely revenues will soon return to the all-time highs they reached prior to the crisis. Real estate, a major investment market in the Gulf, reflected similar investor fears and a credit crunch.

Despite the fall in oil and gas revenue, the decline of the stock markets, and the problems of the real-estate sector, the region’s oil exporters—the countries of the Gulf Co-operation Council (GCC), Saudi Arabia, Kuwait, Oman, Bahrain, Qatar and UAE, as well as Algeria and Libya—have proven resilient,

² Salem Ben Nasser Al Ismaily, the lead author of this report, is primarily responsible for this section of the publication.
due to sustained high oil prices during the pre-crisis boom and government responses that mitigated the effects of the downturn. Between 2005 and 2008, high oil prices facilitated robust economic growth, including various diversification efforts throughout oil economies, leading to increased growth between 2005 and 2008 in areas of the economy outside the oil industry. This helped oil-exporting countries build up foreign assets and lower government debt, cushioning their financial systems, although they did suffer losses from investing in foreign assets (IMF, January 2009).

According to IMF reports (IMF, January 2009), aggressive government responses to the downturn included fiscal stimulus and rescue packages and sustained high government spending. Saudi Arabia increased government spending for 2009 by 15.8%, with a $124.7 billion stimulus package. After a long period of political deadlock, Kuwait passed a stimulus package of $5.2 billion in April 2009 to help speed up economic recovery. The United Arab Emirates provided some $32.7 billion in subsidies and assistance to its financial and investment institutions. Sovereign wealth funds in the countries of the Gulf Co-operation Council (GCC), though they lost significant percentages of their values, also played a role in mitigating the effects of the crisis by providing liquidity and increasing financial stability. The funds’ increased involvement in financial transactions has brought them under greater scrutiny by regulators throughout the world.

Although GCC countries face significant reductions in economic growth over the next two years, their overall performance will largely be determined by the duration of the global recession and the fluctuation of oil prices. As these economies try to ride out the crisis, economists stress the importance of coordinated policy responses, tighter control of financial structures, and greater measures to improve investor confidence. (IMF, January 2009)

In April 2009, oil prices stabilized at about $50 per barrel, despite falling demand and much pessimism about the short-term prospects for the international economy. The main reason for this was that oil had become a store of value for those who lost confidence in the dollar and other currencies. There remains, however, extreme uncertainty about the state of the international economy and the short-term as well as longer-term prospects for oil prices. The oil-rich states have predictably, since August 2008, experienced a sharp decline in revenues. According to the US government’s Energy Information Agency, oil income for Arab members of OPEC will continue to fall from $678 billion in 2008 to $268 billion in 2009. Saudi Arabia’s export revenues are forecast to decline from $285 billion to $111 billion and Iraq’s from $59 billion to $23 billion. While forecasts must be treated with caution, these estimates seem reasonable (Energy Information Administration, 2009).

This will have a direct impact on the economies of the larger oil producers. For example, the Saudi budget is expected to go into deficit by possibly as much as 11%-12% of GDP for the first time since 2002 (HSBC, April 2009). Economic growth has decelerated from about 4% in 2008 to almost zero in 2009. In the UAE, the large budget surplus recorded in 2008 will give way to a deficit in 2009. Economic growth has fallen sharply from nearly 8% in 2008 to under 1% (HSBC, 3 Currency in US dollars unless otherwise noted.

---

3 Currency in US dollars unless otherwise noted.
Currently, high government expenditures are filling the void left by the retrenchment of private-sector activity in oil-producing states. This is the case, for example, in Kuwait, Libya, Oman, and Saudi Arabia.

The other part of the Arab economic world—the net oil importers such as Morocco, Tunisia, Egypt, Jordan, Syria, and Lebanon—is likely to see a delayed impact of the downturn. It is anticipated that pressure will intensify throughout 2009, as major industries in these countries suffer the effects of decreased remittances, which are a significant source of national income. These countries will also suffer an overall decline in foreign direct investment and lower revenues from tourism. The latter will have a strong impact upon the economies of Jordan and Morocco, where international tourism made up 10% and 9% of GDP, respectively, in 2008 (Intissar, 2009).

Remittances totaled $33.7 billion across the Middle East’s oil-importing economies in 2008, constituting 8% of GDP in Morocco, 14% in Jordan, and a remarkable 20% in Lebanon. Remittances across the region are expected to fall from a total of $33.7 billion in 2008 to $29 billion in 2009 (Intissar, 2009). Though the drop in remittances seems marginal, coupled with an anticipated $11-billion decline in foreign direct investment (FDI) across these economies from 2008 to 2009, the effects are likely to be painful for individual households. In addition to a decrease in annual exports and imports, capital flows are also expected to fall. The effects of the tightening financial conditions in the GCC countries are already discernible in the form of decreased FDI flows to non-oil-producing countries, which traditionally targeted the industrial sector, infrastructure, and real-estate markets.

As Middle-Eastern economies are not deeply integrated into the global economy and have fewer links to global financial institutions, they have not been as hard hit by the crisis. But they are likely to suffer secondary effects resulting from decreased capital flows, slumping further into poverty and higher unemployment. Unemployment rates are expected to jump from 9.5% in 2008 to 10.3% in Morocco in 2009, for example, and from 8.4% in 2008 to 13.9% in 2009 in Egypt. Inflation has also increased following a spike in commodity prices in early summer 2008, causing social unrest in Tunisia, Lebanon, Morocco, Egypt, and Mauritania (IMF, May 2009).

Foreign investment in the Middle East is a concern. As long as the major industrialized countries continue to experience uncertainty about their own prospects for growth, the future of direct investment in Middle Eastern economies will also face uncertainty.

Most oil-importing countries have responded to the crisis by adopting fiscal and monetary policies to ease the pressure and by reducing fiscal deficits. Tunisia, Jordan, and Morocco have taken measures to ease monetary pressures by lowering interest rates but, until now, policy measures have been largely inadequate due to limited resources. Economists of the International Monetary Fund (IMF) stress the need for these countries to pursue better coordinated measures including structured fiscal reforms, improved financial supervision, and long-term planning (IMF, May 2009).

The International Monetary Fund warns that a protracted period of global economic turmoil could prompt oil-exporting countries to reassess their
long-term expectations for oil prices and thus curtail planned spending on infra-
structure and investment in oil production, which are already low (IMF, May 2009). This would have negative effects on the economy of the entire region because the demand for Arab workers in the oil-rich states would fall with con-
sequent effect on their remittances. Revenues from inter-Arab tourism would decline, resulting in lower investment by the richer Arab states in the poorer ones. This, in turn, could lead to lower asset prices, which would feed through to corporate and, eventually, bank-balance sheets, placing even greater stress on financial institutions in the region.

Governments in the non-oil-producing states or those producing only a little oil were not well placed to help. What assistance they could extend resulted in larger budget deficits. In Syria, for example, the budget deficit officially planned for 2009 is now $5.3 billion, equal to about 9.25% of forecast GDP (IMF, May 2009).

In the second half of 2008, Egypt suffered a 35% fall in revenues from the Suez Canal as a result of the slowdown in international trade (Global Investment House, 2009). Tourism revenues have also fallen; this will reduce GDP growth by several percent. As a result of the crisis, Egypt has delayed increasing energy prices, which would have reduced the energy subsidy bill that reached $15 billion in June 2008. The government is wary of anything that raises prices after the 18% increase in 2008. As of early 2009, inflation is forecast at about 8%. Economic growth has decelerated and is expected to be about 4%, compared with 7% in 2008.

However, the most important challenge facing these Arab countries is reducing unemployment. The slowdown in economic growth that is now being experienced is expected, according to forecasts (IMF, January 2009), to last at least a year, and will reduce the level of employment. Greater socioeconomic and even political pressures in the region can therefore be expected. This is a factor that may contribute to continued instability in many Arab states.

The Arab states are not significant exporters of products other than oil, so they are less exposed to the contraction of world trade. In 2007, Arab states accounted for about 20% of world fuel and mining exports but only about 1% of world exports of manufactured goods (Intissar, 2009). This meant that, in sum, Arab states accounted for less than 5% of total world exports. Normally, this would be a depressing statistic; it is a silver lining during a worldwide recession.

It is also worth noting that central banks across the region have reacted strongly, providing liquidity, cutting reserve requirements, and lowering interest rates. This is the case in Egypt, Jordan, Kuwait, Saudi Arabia, and the UAE. Countries with pegged exchange rates (such as Bahrain, Kuwait, Libya, Oman, Qatar, Saudi Arabia, Syria, and the UAE) have benefited from the continued monetary easing in the United States. In countries that have been most affected by pressures on the financial sector, tighter liquidity, falling property values, and rocky stock markets, the policy responses have been relatively swift. Authorities have put in place many measures to shore up confidence and prevent a sys-
temic banking crisis. These have included introducing blanket deposit insurance (Kuwait and UAE), providing liquidity, and injecting capital into banks (Qatar, Saudi Arabia, and UAE). (IMF, May 2009)
Looking forward

The real hope for the Arab economies depends on the quality of economic policies and reforms that they will adopt. According to the World Bank’s Doing Business report, 13 Arab economies introduced an impressive 31 reforms, 29 of which made it easier to do business while two made it harder (World Bank, July 2009). The most dramatic regulatory reforms in the Arab world make it easier to start a business by reducing the time, number of procedures, and costs associated with start-ups. According to the report, 10 of the 20 Arab economies examined simplified their start-up procedures and reduced costs. For example, Tunisia and Yemen eliminated the minimum capital requirement for starting a business while Jordan reduced it by more than 96%. The report finds: “Yemen’s move is one of the boldest reforms this year as its minimum capital requirement was among the highest in the world” (pg. 11). Starting a business is the top area of reform in the Arab world for the five-year period tracked, with reforms seen in Egypt, Jordan, Lebanon, Mauritania, Oman, Saudi Arabia, Syria, Tunisia, West Bank and Gaza, and Yemen. The next most popular areas of reform during this period are in getting credit (information) and easing trade across borders.

Another good sign is that many of the aforementioned oil-producing countries have sought to invest wisely with the surplus cash they earned in recent years. This was particularly true of Saudi Arabia and Oman. Budget surpluses enabled them in recent years to reduce internal debt. It also resulted in an accumulation of foreign assets. GCC oil-producing nations have concentrated on infrastructure projects and promoting greater involvement by the private sector in developing sectors other than oil and gas. Abu Dhabi, the richest oil-producing member of the UAE, had $875 billion in investment funds at the beginning of 2008; Kuwait’s Reserve Fund for Future Generations had $250 billion. Even Libya had accumulated $50 billion in its Oil Reserve Fund (International Financial Services London, March 2009).

If the crisis encourages Arab governments to restructure their economies and increase economic freedom, they will be better placed when the international economy picks up. On the other hand, the fact that oil-producing states have not been affected as much as others may induce complacency. This could, in turn, lead to a failure to enact meaningful economic reforms at this critical juncture and only ensure similar problems in the future global downturns that are sure to follow. However, the World Bank’s report on reform (World Bank, July 2009) gives strong reason to hope for a continued strong policy response.

The recovery of Arab economies is likely to be slow, protracted, and inextricably bound to the global recovery. In order to come out of the crisis stronger, governments in the region must think about how their economies should develop over the long term, establish strong economic institutions, and consider serious economic reforms. Within the Arab economies, there were no reforms related to enforcing contracts, employing workers or in getting credit (legal rights).
Research on Economic Freedom

Increases in economic freedom that are, in effect, a return to the classical Arab model of free trade and open markets would help meet the challenges discussed above and generate the economic dynamism needed to create the jobs and prosperity that the region requires for a successful future. The era of government-directed economies, import substitution, and other uses of government power (largely based on Western socialist models) to direct the economy did not produce the results needed for regional prosperity and advancement.

A large body of empirical research has found that economic freedom is key to increasing prosperity, particularly among the emerging nations. Fact-based studies in top academic journals have shown that economic freedom promotes growth, prosperity, and other positive outcomes. The relationship of economic freedom to prosperity is unsurprising. Individuals and families are best able to look after themselves when free to do so, without external constraints.

Moreover, economic freedom has intrinsic value and is inextricably linked to all other freedoms. Individuals and families should have the inherent right to make their own economic decisions. When they do, that economic freedom liberates them from government dependence and opens the door to other freedoms.

Economic freedom creates positive social and economic dynamics. In economically free nations, people succeed by creating goods or services that others want to buy. In other words, people get ahead by creating benefits for other people. Where economic freedom does not exist, economies grow slowly, if at all, and people gain by rent-seeking and limiting the possibilities of others. In the case of economic freedom, the biggest gains are achieved by people who increase the size of the pie for everyone; without economic freedom, the biggest gains are by those who cut a bigger slice of the pie for themselves to the disadvantage of others. This is a key reason that economic freedom has been shown to promote democracy and other freedoms (Griswold, 2004). A society where individuals gain by promoting the well-being of other individuals (by efficiently creating goods and services people want) differs dramatically from one where, in the absence of economic freedom, rent seeking—cutting a bigger slice of the pie for oneself—and power hoarding to the disadvantage of others is the path to increased wealth and power. In the first, positive social and economic dynamics lead to a stable, peaceful, civil society marked by freedom; in the second, negative dynamics create incentives to reduce freedoms.

Since the publication of the first edition of the Economic Freedom of the World in 1996 and, more recently, national and regional indexes like this one, there have been about 350 scholarly and policy articles that have used the
economic freedom indexes to explore the relationship between economic freedom and other socioeconomic outcomes. Here, we will focus briefly on the relationship of economic freedom to economic growth and prosperity.

Intuitively, one would expect that economic freedom would have a positive impact on economic growth because economic freedom creates a climate that allows individuals and business to allocate their resources to the highest end use. However, the question is ultimately an empirical one. One of the first studies, Easton and Walker (1997) found that changes in economic freedom have a significant impact on the steady-state level of income even after the level of technology, the level of education of the work-force, and the level of investment are taken into account. De Haan and Sturm (2000) show empirically that positive (negative) changes in economic freedom lead to positive (negative) changes in economic growth rates. Using the economic freedom index published in Gwartney, Lawson, and Block (1996) and per-capita GDP data for 80 countries, their results indicate that, after educational level, investment, and population growth have been taken into account, changes in economic freedom have a significant impact on economic growth.

Gwartney and Lawson (2004) examined the impact of economic freedom on economic growth but with a specific focus on investment and productivity. They found that economic freedom strongly promotes investment. Nations with an economic freedom score below 5 (on a scale from zero to 10 where higher value indicates higher level of economic freedom) attracted US$845 in investment per worker over the period from 1980 to 2000 and only US$68 per worker in foreign direct investment. Nations with an economic freedom score above 7 attracted US$10,871 in investment per worker, including US$3,117 of foreign direct investment. Moreover, investment is more productive in economically free nations. Holding constant factors thought to affect growth and productivity, such as initial per-capita GDP, tropical location, coastal location, change in human investment, and public investment, Gwartney and Lawson found that an increase of one percentage point in the ratio of private investment to GDP leads to increases in the growth rate of per-capita GDP by 0.33 percentage point in an economically free country. The same increase in private investment in a less economically free country increases the growth rate of per-capita GDP by 0.19 percentage point. In other words, investment in economically free nations (with a score above 7) had a positive impact on growth that was 70% greater than investment in nations with poor levels of economic freedom (score below 5). Using the same regression model, Gwartney and Lawson also calculated the impact of economic freedom on overall growth through both direct and indirect effects. They found that, if a nation increased its economic freedom by one unit (on a scale from zero to 10) in the 1980s, it would have seen increased growth of 1.9 percentage points a year over the period from 1980 to 2000. Because of the high rates of growth associated with economic freedom, they also found that over the long term economic freedom explains over two thirds of the cross-country variation in GDP.

Increases in economic freedom also reduce poverty (Norton and Gwartney, 2008). Specifically, the weighted $1-per-day poverty rate was 29.7% in 2004 for countries with EFW ratings of less than 5 but only 7.7% for countries with EFW
ratings between 6 and 7; the $2-per-day poverty rate declines from 51.5% to 46.2% to 38.9% as one moves from the least-free to the most-free economies. Moreover, a one-unit increase in the EFW rating between 1980 and 1995 was associated with a 5.21 percentage-point reduction in the $1-per-day poverty rate and a 5.22 percentage-point reduction in the $2-per-day poverty rate. Norton and Gwartney also examined the relationship between economic freedom and other measures of well-being. In the most unfree economies, 72.6% of the population has access to safe water compared to nearly 100% in the most free economies. Life expectancy of people in the mostly free group is over 20-years greater than for those in mostly unfree economies. Mostly free economies have more than twice as many physicians per 1,000 population than mostly unfree economies. For every 1,000 births, 64 more babies survive in mostly free economies per year than in the mostly unfree countries. For every thousand children under age of five, 109 more children survive in mostly free countries each year than in those countries that are mostly unfree.

For a sample of literature on economic freedom, see the web site, <http://www.freetheworld.com>. For a summary of literature on economic freedom and economic prosperity, see Berggren, 2003 and Doucouliagos and Ulubasoglu, 2006.
The Index of Economic Freedom in the Arab World

The structure of the index

The index published in Economic Freedom of the World uses 42 components in five areas. Because underlying data for some of the components used in the world index were not broadly available for the Arab world, they were replaced by similar components with broader coverage of the Arab world. The index published in Economic Freedom of the Arab World includes the same five areas as Economic Freedom of the World but has 39 components. The score for each of the five areas is derived by averaging the components within that area. The most recent data available for this report are from 2007.

The five areas, described in more detail below, are

Area 1: Size of Government: Expenditures, Taxes and Enterprises;
Area 2: Commercial and Economic Law and Security of Property Rights;
Area 3: Access to Sound Money;
Area 4: Freedom to Trade Internationally;
Area 5: Regulation of Credit, Labor, and Business.

The overall rating was computed by averaging the scores of the five areas. Each component was normalized on a scale of zero to 10. Appendix A describes the procedures by which scores between zero and 10 were derived for each category. Details on sources and methodology can also be found in Appendix A.

For consistency, the minimums and maximums used in last year’s report are also used in this year’s report. Global rather than regional minimums and maximums were used because of the small variability in some of the components among Arab countries and in order to place the Arab nations in a broader context. Thus, a high score indicates that a nation is doing well, not only in comparison with its immediate regional neighbors but also in comparison with nations around the world whose economic practices encourage economic freedom.

The index published in Economic Freedom of the Arab World includes data for the 22 nations of the League of Arab States. Eleven of these nations also appear in Economic Freedom of the World and the relative rankings of these nations in both indexes are very similar, despite the slightly different menu of components used in the index published in Economic Freedom of the Arab World. An overall score was computed for 15 of the nations included in Economic Freedom of the
Arab World; an overall score could not be computed for the remaining seven because of a lack of data. This is an advance from last year’s report when scores for only 13 nations could be calculated; additional data allowed us to calculate a score for Qatar and Bahrain this year. New data for the latter, including data for previous years, is particularly significant since Bahrain ranks number one in the index for economic freedom in the Arab world.

The index published in Economic Freedom of the Arab World is compiled only from third-party data: in order to ensure objectivity, none of the sponsoring institutions provides any original data. As well, the formulas used in the calculations have remained the same for each year of the report. Thus, the authors of the report are unable to influence the standings of the nations in the report. Moreover, any outside observer would be able to replicate the index in full, producing identical results.

A review of the results

As noted above, to increase coverage of the Arab world Economic Freedom of the Arab World uses a menu of variables somewhat different from that used in Economic Freedom of the World. The indexes are highly consistent with one another. Of course, even hard economic data, such as the data on government expenditure used in the index, are constantly revised, while other data streams are based on surveys. The scores in this index should be treated as highly precise, though not exact, estimates. Thus, there are very small differences between the two indexes.

Changes in economic freedom come slowly as policies and attitudes change and develop. Nonetheless, it is encouraging that levels of economic freedom have remained constant over a difficult period. The years from 2002 to 2007 reflected by survey data have seen great political stress in the region such as the continuing fallout of the Iraq war, instability in Palestine, troubles in Lebanon, and other factors. Yet, economic freedom in the region has remained relatively constant.

As Economic Freedom of the Arab World evolves, it will offer a key insight on where progress is being made and, because of the extensive descriptive capacity of its 39 components, will provide a detailed prescription indicating where policy improvements are required.

The rankings

Bahrain holds the top spot this year with a score of 7.9, Kuwait and Lebanon are tied for second with a score of 7.8, Oman is fourth with a score of 7.7. The closeness of the scores suggests a near tie for top spot, since the top four are within 0.2 points of each other. The top four are followed by another two nations tied at fifth, Qatar and Jordan, which are only 0.3 points behind Bahrain.4

4 Jurisdictions involved in on-going, high-level internal conflicts (in this case, the West Bank and Gaza, and Iraq), have not been ranked. Economic freedom is clearly eroded by lack of personal security and the data that are available would fail to reflect this.
The Gulf States have achieved the highest level of economic freedom in the Arab world on average. Contrary to what one might think, this is not made easier by wealth from oil production and export, which presents a great temptation for governments to overspend and crowd out private-sector economic activity and weaken free markets so that economic power remains concentrated in the hands of those who control the oil revenues. Because of the oil wealth, governments have the means to protect their positions, even if economic activity outside the oil sector is weak. Despite this, the Gulf States have worked to open their economies internally and externally to world trade and this is a credit to governance in the region.

Algeria, Syria, Mauritania, and Tunisia have the weakest levels of economic freedom. And, while the top scorers all rank very close to each other, there are significant gaps among the bottom four with Algeria at 5.7 and Syria at 5.8, while Tunisia and Mauritania are tied at 6.4.

**Individual areas**

Following is a description of the variables used to measure economic freedom, explanations of why they are relevant, and the scores for each of the Arab nations where data are available.5

**Area 1: Size of Government: Expenditures, Taxes and Enterprises**

The four components of Area 1 indicate the extent to which countries rely on individual choice and markets rather than the political process to allocate resources and goods and services. When government spending increases relative to spending by individuals, households, and businesses, government decision-making is substituted for personal choice and thus economic freedom is reduced. The first two components address this issue: Government consumption as a share of total consumption (1A) and Transfers and subsidies as a share of GDP (1B).

Government consumption (1A) refers to the extent to which the government itself provides goods and services. If government employees build a road, it is included as government consumption; if the construction is contracted to a private company, it is no longer included in government consumption though it is categorized as government spending. Competitive contracting builds efficiency and lessens the politicization of the economy, if the contracting is done impartially. Transfers and subsidies (1B) weaken markets by rewarding political power and position rather than the ability to produce goods and services the world wants and will pay for.

The third component (1C) measures the extent to which countries use private enterprise and free markets rather than government enterprises to produce goods and services. The fourth component (1D) is based on the top marginal income-tax rate and the income threshold at which it applies. High marginal tax rates that apply at relatively low income levels increasingly deny individuals the fruits of their labor.

---

5 This description closely follows Gwartney and Lawson, 2006: 10–12.
Table 2 shows the results for Area 1: Size of Government. Lebanon is by far the best performer, followed by Egypt and, tied for third, Bahrain, Jordan, and Morocco. Unfortunately, several states, particularly Algeria and Saudi Arabia, have overly large government sectors, which will stifle entrepreneurial activity by state interference in the economy either through high taxation or high spending or both.

**Area 2: Commercial and Economic Law and Security of Property Rights**

Security of persons, contracts, and rightfully acquired property are central elements of both economic freedom and a civil society. Indeed, the legal system is the most important internal function of government. Security of property rights, protected by the rule of law, is essential to economic freedom. Freedom to exchange, for example, is meaningless if individuals do not have secure rights to property, including the fruits of their labor. Failure of a country’s legal system to provide for the security of property rights, enforcement of contracts, and the mutually agreeable settlement of disputes will undermine the operation of a market-exchange system.

As is appropriate for an assessment of economic freedom, the index focuses on economic and commercial law. However, the first two components in this area—2A, Military interference in the rule of law and the political process and 2B, Integrity of the legal system—are measures of whether or not the rule of law is applied impartially and consistently, which is also essential for effective economic and commercial law. Component 2C, Regulatory restrictions on the sale of real property, provides information on how easy it is to establish property rights and 2D, Legal enforcement of contracts, indicates whether agreements freely entered into are effectively protected by the rule of law. Both 2C and 2D are composites of other sub-components that measure the number of procedures, delays in judgments, and costs. Procedures that are too numerous, time-consuming, or costly lead to deterioration of the legal system’s ability to protect freely made agreements.

Table 3 shows the results for this area. The Gulf States on average lead here, though Tunisia and Mauritania also have relatively strong scores. The top three jurisdictions are Saudi Arabia, Oman, and Kuwait. The weakest performers are Somalia, Sudan, Syria, Algeria, and Libya.

**Area 3: Access to Sound Money**

Money is essential to exchange. An absence of sound money undermines gains from trade and erodes the value of property held in monetary instruments. Sound money is essential to protect property rights and, thus, economic freedom. When governments print money to finance their expenditures, they are in effect expropriating the property and violating the economic freedom of their citizens. This (measured in component 3A) leads to inflation. High and volatile rates of inflation (components 3B and 3C) distort relative prices, alter the fundamental terms of long-term contracts, and make it virtually impossible for individuals and businesses to plan sensibly for the future. Component 3D is designed to measure the ease with which other currencies can be used via domestic and foreign bank accounts: that is, can one freely exchange and obtain differing currencies.
Table 4 shows the results for this area. The leaders in this area, Lebanon and, tied for second, Djibouti, Oman, and Saudi Arabia have among the best records in the world for Access to Sound Money. All have scores over 9. Average scores in this area are typically higher than in other areas, though Comoros, Libya, Sudan, and Algeria are at the bottom of the rankings and could improve their policy.

**Area 4: Freedom to Trade Internationally**

In a world of high technology and low costs for communication and transportation, freedom of exchange across national boundaries is a key ingredient of economic freedom. The components in this area are designed to measure a wide variety of restraints that affect international exchange: these include tariffs (4A and its sub-components), exchange rate distortions (4B), and exchange rate and capital controls (4C). Individuals in the Arab world should have the right to buy and sell from each other and from everyone in the world: Arab consumers should be able to buy the products they want regardless of origin and Arab producers should be able to sell freely to the world market.

The leaders are Yemen, in top spot, followed by Qatar, and Bahrain. The Gulf States along with Yemen have in general the strongest scores in this area (table 5). Tunisia, Syria, Morocco, and Algeria do quite poorly with scores below 6.0. The uneven performance of Arab states in this area is one of the reasons that they have achieved only limited trade integration.

**Area 5: Regulation of Credit, Labor, and Business**

When regulations restrict entry into markets and interfere with the freedom to engage in voluntary exchange, they reduce economic freedom. Regulatory restraints that limit the freedom of exchange in credit, labor, and product markets are included in the index. Red tape can strangle business expansion, entrepreneurship, and job creation.

The first component (5A) reflects conditions in the domestic credit market. Individuals should be able to make their own decisions in credit markets and deal with the institutions they would choose freely. The components are designed to measure whether government allows free markets to determine credit or whether this is politically determined and whether credit is available in a timely, cost-efficient manner to credit-worthy individuals and businesses that freely seek it. The top three in this category are Lebanon, followed by Bahrain and Saudi Arabia.

Many types of labor-market regulation (5B) infringe upon the economic freedom of employees and employers. Individuals should be able to work for whom they wish and employers should be able to hire whom they wish. Variables include difficulty in hiring, rigidity in hours, dismissal regulations and costs, and conscription. Bahrain is the leader in labor-market freedom followed by Oman and Jordan. Egypt and Sudan had the lowest scores.

Like the regulation of the credit markets and labor markets, the regulation of business activities (5C) inhibits economic freedom. Individuals should be able to open the business they wish when they wish and close it when they choose. The regulation-of-business sub-components are designed to identify the extent
to which regulatory restraints and bureaucratic procedures limit establishing a business (5Ci) and closing it (5Cii). Bahrain comes in first followed by Tunisia and Sudan. The worst performer is Mauritania.

In regulation overall, the Gulf States along with Lebanon on average have the best scores. The leaders are Bahrain in first, followed by Lebanon, Oman, and Saudi Arabia, tied for second. Unfortunately for the region, those with the lowest scores include the region’s largest economy, Egypt. Syria, Mauritania, Egypt, and Sudan all score below 6.0 (table 6).

Conclusion

The Arab world has considerable diversity in economic freedom, with some nations having high levels of economic freedom by world standards and others relatively low levels. Unfortunately, those nations with low levels deprive their citizens of the well-known benefits of economic freedom. Economic freedom in the region has remained stable over the period of the index. This is a considerable achievement given the challenges the region has faced in recent years. As discussed in the analysis of recent economic development, the impact of high oil prices may also present economic challenges to the oil states.
**Data Tables**

This section presents detailed economic freedom scores for all components used in constructing the index for the 22 countries of the League of Arab States. An overall score was computed for 15 of the nations included in *Economic Freedom of the Arab World*; an overall score could not be computed for the remaining seven because of a lack of data. This is an advance from last year’s report when scores for only 13 nations could be calculated. Due to additional data, this year we were able to calculate a score for Bahrain and Qatar.

For all countries, we present area scores as well as scores for each component, where data were available. All the scores in the index are values out of 10: 10 is the highest possible score and zero (0) is the lowest. A higher score indicates a greater degree of economic freedom.

A more complete description of each component, including the methodology used to calculate the scores, can be found in the Appendix A: Explanatory Notes and Data Sources

**Data available to Researchers**
The full data-set, including all of the scores published in this report as well as data on which these scores were based, can be freely downloaded at <http://www.freetheworld.com>. If you have any difficulties retrieving the data, please feel free to contact us via e-mail: <freetheworld@fraserinstitute.org>.
### Table 1: Overall Economic Freedom Scores and Ranks

<table>
<thead>
<tr>
<th></th>
<th>Algeria</th>
<th>Bahrain</th>
<th>Comoros</th>
<th>Djibouti</th>
<th>Egypt, Arab Rep.</th>
<th>Iraq</th>
<th>Jordan</th>
<th>Kuwait</th>
<th>Lebanon</th>
<th>Libya</th>
<th>Mauritania</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2007</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Score</td>
<td>5.7</td>
<td>7.9</td>
<td>7.0</td>
<td>7.6</td>
<td>7.8</td>
<td>7.8</td>
<td>6.4</td>
<td>6.6</td>
<td>7.7</td>
<td>7.6</td>
<td>5.8</td>
</tr>
<tr>
<td>Rank</td>
<td>15</td>
<td>1</td>
<td>10</td>
<td>5</td>
<td>2</td>
<td>2</td>
<td>12</td>
<td>11</td>
<td>4</td>
<td>5</td>
<td>14</td>
</tr>
<tr>
<td><strong>2006</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Score</td>
<td>5.7</td>
<td>8.0</td>
<td>6.8</td>
<td>7.5</td>
<td>7.9</td>
<td>7.6</td>
<td>6.3</td>
<td>6.5</td>
<td>7.7</td>
<td>7.7</td>
<td>5.5</td>
</tr>
<tr>
<td>Rank</td>
<td>14</td>
<td>1</td>
<td>10</td>
<td>6</td>
<td>2</td>
<td>5</td>
<td>12</td>
<td>11</td>
<td>3</td>
<td>3</td>
<td>15</td>
</tr>
<tr>
<td><strong>2005</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Score</td>
<td>5.7</td>
<td>7.9</td>
<td>6.7</td>
<td>7.7</td>
<td>7.8</td>
<td>7.7</td>
<td>6.7</td>
<td>6.5</td>
<td>7.9</td>
<td>8.0</td>
<td>5.6</td>
</tr>
<tr>
<td>Rank</td>
<td>14</td>
<td>1</td>
<td>10</td>
<td>4</td>
<td>3</td>
<td>4</td>
<td>10</td>
<td>11</td>
<td>1</td>
<td>1</td>
<td>15</td>
</tr>
<tr>
<td><strong>2004</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Score</td>
<td>5.6</td>
<td>7.9</td>
<td>6.5</td>
<td>7.6</td>
<td>7.9</td>
<td>7.7</td>
<td>6.6</td>
<td>6.4</td>
<td>7.9</td>
<td>8.0</td>
<td>5.4</td>
</tr>
<tr>
<td>Rank</td>
<td>14</td>
<td>1</td>
<td>11</td>
<td>6</td>
<td>1</td>
<td>5</td>
<td>10</td>
<td>13</td>
<td>3</td>
<td>2</td>
<td>14</td>
</tr>
<tr>
<td><strong>2003</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Score</td>
<td>5.3</td>
<td>8.0</td>
<td>6.3</td>
<td>7.6</td>
<td>7.9</td>
<td>7.8</td>
<td>6.5</td>
<td>6.3</td>
<td>7.9</td>
<td>8.0</td>
<td>5.0</td>
</tr>
<tr>
<td>Rank</td>
<td>14</td>
<td>1</td>
<td>13</td>
<td>6</td>
<td>3</td>
<td>5</td>
<td>10</td>
<td>12</td>
<td>3</td>
<td>2</td>
<td>15</td>
</tr>
<tr>
<td><strong>2002</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Score</td>
<td>5.1</td>
<td>8.1</td>
<td>6.3</td>
<td>7.6</td>
<td>7.9</td>
<td>7.8</td>
<td>6.7</td>
<td>6.3</td>
<td>7.9</td>
<td>7.8</td>
<td>6.4</td>
</tr>
<tr>
<td>Rank</td>
<td>15</td>
<td>1</td>
<td>12</td>
<td>6</td>
<td>3</td>
<td>5</td>
<td>10</td>
<td>15</td>
<td>1</td>
<td>1</td>
<td>14</td>
</tr>
<tr>
<td>Country</td>
<td>2007 Score</td>
<td>2006 Score</td>
<td>2005 Score</td>
<td>2004 Score</td>
<td>2003 Score</td>
<td>2002 Score</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>------------------</td>
<td>------------</td>
<td>------------</td>
<td>------------</td>
<td>------------</td>
<td>------------</td>
<td>------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Score</td>
<td>Score</td>
<td>Score</td>
<td>Score</td>
<td>Score</td>
<td>Score</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Morocco</td>
<td>6.6</td>
<td>6.5</td>
<td>6.5</td>
<td>6.4</td>
<td>6.4</td>
<td>6.4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oman</td>
<td>7.7</td>
<td>7.6</td>
<td>7.9</td>
<td>7.9</td>
<td>7.9</td>
<td>7.9</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Qatar</td>
<td>7.6</td>
<td>7.7</td>
<td>7.9</td>
<td>8.0</td>
<td>8.0</td>
<td>8.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>7.4</td>
<td>7.4</td>
<td>7.4</td>
<td>7.3</td>
<td>7.3</td>
<td>7.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Somalia</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sudan</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Syrian Arab</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Republic</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tunisia</td>
<td>5.8</td>
<td>5.5</td>
<td>5.6</td>
<td>5.0</td>
<td>5.4</td>
<td>5.4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>United Arab</td>
<td>6.4</td>
<td>6.3</td>
<td>6.4</td>
<td>6.4</td>
<td>6.3</td>
<td>6.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emirates</td>
<td>7.3</td>
<td>7.4</td>
<td>7.3</td>
<td>7.3</td>
<td>7.3</td>
<td>7.2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>West Bank &amp; Gaza</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yemen, Republic</td>
<td>7.2</td>
<td>7.1</td>
<td>7.3</td>
<td>7.2</td>
<td>7.2</td>
<td>7.2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Table 2: Area 1. Size of Government: Expenditures, Taxes, and Enterprises

<table>
<thead>
<tr>
<th></th>
<th>Algeria</th>
<th>Bahrain</th>
<th>Comoros</th>
<th>Djibouti</th>
<th>Egypt, Arab Rep.</th>
<th>Iraq</th>
<th>Jordan</th>
<th>Kuwait</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2007</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. General government consumption spending</td>
<td>3.7</td>
<td>3.3</td>
<td>8.5</td>
<td>2.6</td>
<td>7.8</td>
<td>5.8</td>
<td>2.2</td>
<td>7.7</td>
<td></td>
</tr>
<tr>
<td>B. Transfers and subsidies as a percentage of GDP</td>
<td>8.5</td>
<td>9.2</td>
<td>7.0</td>
<td>7.5</td>
<td>6.7</td>
<td>6.7</td>
<td>7.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Government enterprises and investment</td>
<td>2.0</td>
<td>4.0</td>
<td>4.0</td>
<td>6.0</td>
<td>7.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D. Top marginal tax rate</td>
<td>10.0</td>
<td>10.0</td>
<td>7.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Area 1 Score</td>
<td>4.7</td>
<td>6.6</td>
<td>7.2</td>
<td>6.6</td>
<td>6.5</td>
<td>8.6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Area 1 Rank</td>
<td>15</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>6</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2006</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. General government consumption spending</td>
<td>4.1</td>
<td>3.3</td>
<td>8.5</td>
<td>2.4</td>
<td>7.4</td>
<td>6.1</td>
<td>2.1</td>
<td>7.7</td>
<td></td>
</tr>
<tr>
<td>B. Transfers and subsidies as a percentage of GDP</td>
<td>8.6</td>
<td>9.2</td>
<td>6.3</td>
<td>7.2</td>
<td>8.5</td>
<td>8.2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Government enterprises and investment</td>
<td>0.0</td>
<td>4.0</td>
<td>2.0</td>
<td>4.0</td>
<td>7.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D. Top marginal tax rate</td>
<td>10.0</td>
<td>10.0</td>
<td>7.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Area 1 Score</td>
<td>4.2</td>
<td>6.6</td>
<td>6.4</td>
<td>6.1</td>
<td>6.9</td>
<td>8.6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Area 1 Rank</td>
<td>15</td>
<td>4</td>
<td>5</td>
<td>8</td>
<td>2</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2005</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. General government consumption spending</td>
<td>4.2</td>
<td>2.9</td>
<td>8.2</td>
<td>3.0</td>
<td>7.3</td>
<td>6.8</td>
<td>2.1</td>
<td>7.2</td>
<td></td>
</tr>
<tr>
<td>B. Transfers and subsidies as a percentage of GDP</td>
<td>8.6</td>
<td>9.0</td>
<td>8.1</td>
<td>6.4</td>
<td>7.8</td>
<td>8.5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Government enterprises and investment</td>
<td>2.0</td>
<td>4.0</td>
<td>0.0</td>
<td>6.0</td>
<td>7.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D. Top marginal tax rate</td>
<td>10.0</td>
<td>8.0</td>
<td>7.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Area 1 Score</td>
<td>5.0</td>
<td>6.5</td>
<td>5.9</td>
<td>6.6</td>
<td>6.7</td>
<td>8.6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Area 1 Rank</td>
<td>14</td>
<td>6</td>
<td>10</td>
<td>4</td>
<td>3</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2004</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. General government consumption spending</td>
<td>4.0</td>
<td>2.9</td>
<td>8.0</td>
<td>2.8</td>
<td>7.3</td>
<td>5.7</td>
<td>1.6</td>
<td>7.4</td>
<td></td>
</tr>
<tr>
<td>B. Transfers and subsidies as a percentage of GDP</td>
<td>8.4</td>
<td>9.5</td>
<td>8.3</td>
<td>8.6</td>
<td>7.9</td>
<td>9.0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Government enterprises and investment</td>
<td>2.0</td>
<td>4.0</td>
<td>0.0</td>
<td>2.0</td>
<td>7.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D. Top marginal tax rate</td>
<td>10.0</td>
<td>7.0</td>
<td>7.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Area 1 Score</td>
<td>4.8</td>
<td>6.6</td>
<td>5.6</td>
<td>5.8</td>
<td>6.6</td>
<td>8.8</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Area 1 Rank</td>
<td>15</td>
<td>3</td>
<td>10</td>
<td>8</td>
<td>3</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>---------</td>
<td>---------</td>
<td>---------</td>
<td>----------</td>
<td>----------------</td>
<td>------</td>
<td>--------</td>
<td>--------</td>
<td>---------</td>
</tr>
<tr>
<td>2007</td>
<td>4.5</td>
<td>4.8</td>
<td>2.5</td>
<td>0</td>
<td>0</td>
<td>6.3</td>
<td>7.4</td>
<td>6.3</td>
<td>6.4</td>
</tr>
<tr>
<td></td>
<td>7.80</td>
<td>9.4</td>
<td>9.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>8.0</td>
<td>10.0</td>
<td>0.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6.2</td>
<td>6.6</td>
<td>5.5</td>
<td>6.3</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>9</td>
<td>3</td>
<td>13</td>
<td>7</td>
<td>14</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>4.6</td>
<td>4.6</td>
<td>2.5</td>
<td>0.0</td>
<td>0.0</td>
<td>6.1</td>
<td>7.0</td>
<td>6.2</td>
<td>6.4</td>
</tr>
<tr>
<td></td>
<td>8.1</td>
<td>9.4</td>
<td>9.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>7.0</td>
<td>10.0</td>
<td>0.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5.8</td>
<td>6.7</td>
<td>5.5</td>
<td>6.3</td>
<td>5.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>10</td>
<td>3</td>
<td>12</td>
<td>6</td>
<td>13</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>6.0</td>
<td>4.4</td>
<td>1.5</td>
<td>0.4</td>
<td>0.0</td>
<td>5.9</td>
<td>6.7</td>
<td>6.0</td>
<td>6.2</td>
</tr>
<tr>
<td></td>
<td>8.1</td>
<td>9.4</td>
<td>9.2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>8.0</td>
<td>10.0</td>
<td>0.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>7.0</td>
<td>6.6</td>
<td>5.2</td>
<td>6.5</td>
<td>5.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>4</td>
<td>13</td>
<td>6</td>
<td>14</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>5.5</td>
<td>4.5</td>
<td>2.2</td>
<td>0.0</td>
<td>0.0</td>
<td>7.5</td>
<td>6.0</td>
<td>6.0</td>
<td>5.8</td>
</tr>
<tr>
<td></td>
<td>7.7</td>
<td>9.4</td>
<td>9.2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>8.0</td>
<td>10.0</td>
<td>0.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6.8</td>
<td>6.6</td>
<td>5.4</td>
<td>6.4</td>
<td>5.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>3</td>
<td>11</td>
<td>6</td>
<td>14</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 2, continued: Area 1. Size of Government: Expenditures, Taxes, and Enterprises

<table>
<thead>
<tr>
<th></th>
<th>Algeria</th>
<th>Bahrain</th>
<th>Comoros</th>
<th>Djibouti</th>
<th>Egypt, Arab Rep.</th>
<th>Iraq</th>
<th>Jordan</th>
<th>Kuwait</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2003</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. General government consumption spending</td>
<td>3.9</td>
<td>3.0</td>
<td>7.8</td>
<td>2.6</td>
<td>7.4</td>
<td>5.0</td>
<td>1.5</td>
<td>6.9</td>
<td></td>
</tr>
<tr>
<td>B. Transfers and subsidies as a percentage of GDP</td>
<td>8.4</td>
<td>8.9</td>
<td>8.4</td>
<td>9.2</td>
<td>7.7</td>
<td>9.2</td>
<td>7.7</td>
<td>9.2</td>
<td></td>
</tr>
<tr>
<td>C. Government enterprises and investment</td>
<td>2.0</td>
<td>4.0</td>
<td>0.0</td>
<td>2.0</td>
<td>7.0</td>
<td>7.0</td>
<td>7.0</td>
<td>10.0</td>
<td>10.0</td>
</tr>
<tr>
<td>D. Top marginal tax rate</td>
<td>10.0</td>
<td>7.0</td>
<td>7.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Area 1 Score</td>
<td>4.7</td>
<td>6.5</td>
<td>5.7</td>
<td>5.8</td>
<td>6.5</td>
<td>8.7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Area 1 Rank</td>
<td>15</td>
<td>2</td>
<td>8</td>
<td>7</td>
<td>2</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2002</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. General government consumption spending</td>
<td>4.1</td>
<td>3.3</td>
<td>6.9</td>
<td>3.0</td>
<td>7.5</td>
<td>5.1</td>
<td>1.8</td>
<td>6.8</td>
<td></td>
</tr>
<tr>
<td>B. Transfers and subsidies as a percentage of GDP</td>
<td>6.9</td>
<td>9.6</td>
<td>8.4</td>
<td>9.3</td>
<td>6.9</td>
<td>9.4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Government enterprises and investment</td>
<td>2.0</td>
<td>4.0</td>
<td>0.0</td>
<td>2.0</td>
<td>7.0</td>
<td>7.0</td>
<td>7.0</td>
<td>10.0</td>
<td>10.0</td>
</tr>
<tr>
<td>D. Top marginal tax rate</td>
<td>10.0</td>
<td>7.0</td>
<td>7.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Area 1 Score</td>
<td>4.3</td>
<td>6.7</td>
<td>5.7</td>
<td>5.9</td>
<td>6.4</td>
<td>8.8</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Area 1 Rank</td>
<td>15</td>
<td>2</td>
<td>9</td>
<td>8</td>
<td>4</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Area 1</td>
<td>Score</td>
<td>Rank</td>
<td>Score</td>
<td>Rank</td>
<td>Score</td>
<td>Rank</td>
<td>Score</td>
<td>Rank</td>
<td>Score</td>
</tr>
<tr>
<td>--------</td>
<td>-------</td>
<td>------</td>
<td>-------</td>
<td>------</td>
<td>-------</td>
<td>------</td>
<td>-------</td>
<td>------</td>
<td>-------</td>
</tr>
<tr>
<td>Libya</td>
<td>5.1</td>
<td>3.3</td>
<td>6.5</td>
<td>2</td>
<td>8.7</td>
<td>1</td>
<td>5.7</td>
<td>12</td>
<td>4.8</td>
</tr>
<tr>
<td>Mauritania</td>
<td>5.1</td>
<td>4.7</td>
<td>1.9</td>
<td>0</td>
<td>0.0</td>
<td>8.0</td>
<td>6.4</td>
<td>5.1</td>
<td>5.1</td>
</tr>
<tr>
<td>Morocco</td>
<td>8.0</td>
<td>9.4</td>
<td>9.2</td>
<td>7.6</td>
<td>7.6</td>
<td>7.6</td>
<td>7.6</td>
<td>7.6</td>
<td>7.6</td>
</tr>
<tr>
<td>Oman</td>
<td>8.0</td>
<td>8.0</td>
<td>0.0</td>
<td>2.0</td>
<td>0.0</td>
<td>8.0</td>
<td>7.0</td>
<td>10.0</td>
<td>10.0</td>
</tr>
<tr>
<td>Qatar</td>
<td>4.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>4.8</td>
<td>5.6</td>
<td>5.0</td>
<td>6.3</td>
<td>6.3</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>5.1</td>
<td>6.2</td>
<td>5.3</td>
<td>6.4</td>
<td>5.0</td>
<td>6.2</td>
<td>5.3</td>
<td>6.4</td>
<td>5.0</td>
</tr>
<tr>
<td>Somalia</td>
<td>8.0</td>
<td>11</td>
<td>4</td>
<td>12</td>
<td>14</td>
<td>10</td>
<td>12</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Sudan</td>
<td>8.0</td>
<td>7.7</td>
<td>9.4</td>
<td>9.2</td>
<td>8.0</td>
<td>7.0</td>
<td>10.0</td>
<td>10.0</td>
<td>7.0</td>
</tr>
<tr>
<td>Tunisia</td>
<td>8.0</td>
<td>8.0</td>
<td>0.0</td>
<td>2.0</td>
<td>0.0</td>
<td>8.0</td>
<td>7.0</td>
<td>10.0</td>
<td>10.0</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>5.1</td>
<td>6.1</td>
<td>5.3</td>
<td>6.4</td>
<td>5.0</td>
<td>6.1</td>
<td>5.3</td>
<td>6.4</td>
<td>5.0</td>
</tr>
<tr>
<td>West Bank &amp; Gaza</td>
<td>2</td>
<td>7</td>
<td>11</td>
<td>4</td>
<td>12</td>
<td>2</td>
<td>7</td>
<td>11</td>
<td>4</td>
</tr>
<tr>
<td>Yemen, Rep.</td>
<td>5.1</td>
<td>3.3</td>
<td>6.5</td>
<td>2</td>
<td>8.7</td>
<td>1</td>
<td>5.7</td>
<td>12</td>
<td>4.8</td>
</tr>
</tbody>
</table>

**Notes:**
- All countries are ranked from 1-20, with 1 being the most economically free.
- The scores are based on a scale from 0 to 10, with 10 being the highest.
- The data for each country is as follows:
  - General government consumption spending
  - Transfers and subsidies as a percentage of GDP
  - Government enterprises and investment
  - Top marginal tax rate

**Years:** 2002, 2003
## Table 3: Area 2. Commercial and Economic Law and Security of Property Rights

<table>
<thead>
<tr>
<th></th>
<th>Algeria</th>
<th>Bahrain</th>
<th>Comoros</th>
<th>Djibouti</th>
<th>Egypt, Arab Rep.</th>
<th>Iraq</th>
<th>Jordan</th>
<th>Kuwait</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2007</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Military interference in rule of law &amp; political process</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
<td>0.0</td>
<td>8.3</td>
<td>8.3</td>
<td>3.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Integrity of the legal system</td>
<td>5.0</td>
<td>8.3</td>
<td>5.8</td>
<td>2.5</td>
<td>6.7</td>
<td>8.3</td>
<td>6.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Regulatory restrictions on the sale of real property</td>
<td>6.8</td>
<td>9.6</td>
<td>7.0</td>
<td>7.4</td>
<td>8.2</td>
<td>8.6</td>
<td>7.7</td>
<td>8.6</td>
<td>8.1</td>
</tr>
<tr>
<td>i. Number of procedures</td>
<td>3.5</td>
<td>8.0</td>
<td>7.0</td>
<td>7.0</td>
<td>8.0</td>
<td>6.5</td>
<td>6.5</td>
<td>6.5</td>
<td></td>
</tr>
<tr>
<td>ii. Time (days)</td>
<td>9.5</td>
<td>9.8</td>
<td>9.5</td>
<td>8.0</td>
<td>9.9</td>
<td>9.8</td>
<td>9.4</td>
<td>9.7</td>
<td></td>
</tr>
<tr>
<td>iii. Cost (% of property value)</td>
<td>7.6</td>
<td>3.2</td>
<td>5.6</td>
<td>7.9</td>
<td>7.9</td>
<td>6.7</td>
<td>9.9</td>
<td>8.1</td>
<td></td>
</tr>
<tr>
<td>D. Legal enforcement of contracts</td>
<td>6.0</td>
<td>6.0</td>
<td>5.6</td>
<td>4.8</td>
<td>5.3</td>
<td>5.8</td>
<td>6.3</td>
<td>6.0</td>
<td>6.4</td>
</tr>
<tr>
<td>i. Number of procedures</td>
<td>2.5</td>
<td>3.4</td>
<td>4.1</td>
<td>3.6</td>
<td>1.6</td>
<td>4.3</td>
<td>1.8</td>
<td>4.8</td>
<td></td>
</tr>
<tr>
<td>ii. Time (days)</td>
<td>6.1</td>
<td>7.1</td>
<td>1.7</td>
<td>3.3</td>
<td>7.0</td>
<td>5.7</td>
<td>6.6</td>
<td>5.5</td>
<td></td>
</tr>
<tr>
<td>iii. Cost (% of debt)</td>
<td>9.3</td>
<td>6.2</td>
<td>8.7</td>
<td>9.1</td>
<td>8.8</td>
<td>8.8</td>
<td>9.6</td>
<td>8.9</td>
<td></td>
</tr>
<tr>
<td>Area 2 Score</td>
<td>5.7</td>
<td>7.2</td>
<td>6.3</td>
<td>6.1</td>
<td>6.1</td>
<td>7.2</td>
<td>7.8</td>
<td>6.1</td>
<td></td>
</tr>
<tr>
<td>Area 2 Rank</td>
<td>17</td>
<td>9</td>
<td>12</td>
<td>13</td>
<td>13</td>
<td>9</td>
<td>3</td>
<td>13</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Algeria</th>
<th>Bahrain</th>
<th>Comoros</th>
<th>Djibouti</th>
<th>Egypt, Arab Rep.</th>
<th>Iraq</th>
<th>Jordan</th>
<th>Kuwait</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2006</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Military interference in rule of law &amp; political process</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
<td>0.0</td>
<td>8.3</td>
<td>8.3</td>
<td>3.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Integrity of the legal system</td>
<td>5.0</td>
<td>8.3</td>
<td>6.7</td>
<td>2.5</td>
<td>6.7</td>
<td>8.3</td>
<td>6.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Regulatory restrictions on the sale of real property</td>
<td>6.8</td>
<td>9.6</td>
<td>7.0</td>
<td>7.4</td>
<td>7.6</td>
<td>8.6</td>
<td>7.7</td>
<td>8.6</td>
<td>8.1</td>
</tr>
<tr>
<td>i. Number of procedures</td>
<td>3.5</td>
<td>8.0</td>
<td>7.0</td>
<td>7.0</td>
<td>8.0</td>
<td>6.5</td>
<td>6.5</td>
<td>6.5</td>
<td></td>
</tr>
<tr>
<td>ii. Time (days)</td>
<td>9.5</td>
<td>9.8</td>
<td>9.5</td>
<td>8.0</td>
<td>9.9</td>
<td>9.8</td>
<td>9.4</td>
<td>9.7</td>
<td></td>
</tr>
<tr>
<td>iii. Cost (% of property value)</td>
<td>7.6</td>
<td>3.2</td>
<td>5.6</td>
<td>7.9</td>
<td>7.9</td>
<td>6.7</td>
<td>9.9</td>
<td>8.1</td>
<td></td>
</tr>
<tr>
<td>D. Legal enforcement of contracts</td>
<td>6.0</td>
<td>6.0</td>
<td>5.6</td>
<td>4.8</td>
<td>5.3</td>
<td>5.8</td>
<td>6.3</td>
<td>6.0</td>
<td>6.4</td>
</tr>
<tr>
<td>i. Number of procedures</td>
<td>2.5</td>
<td>3.4</td>
<td>4.1</td>
<td>3.6</td>
<td>1.6</td>
<td>4.3</td>
<td>1.8</td>
<td>4.8</td>
<td></td>
</tr>
<tr>
<td>ii. Time (days)</td>
<td>6.1</td>
<td>7.1</td>
<td>1.7</td>
<td>3.3</td>
<td>7.0</td>
<td>5.7</td>
<td>6.6</td>
<td>5.5</td>
<td></td>
</tr>
<tr>
<td>iii. Cost (% of debt)</td>
<td>9.3</td>
<td>6.2</td>
<td>8.7</td>
<td>9.1</td>
<td>8.8</td>
<td>8.8</td>
<td>9.6</td>
<td>8.9</td>
<td></td>
</tr>
<tr>
<td>Area 2 Score</td>
<td>5.7</td>
<td>7.2</td>
<td>6.3</td>
<td>6.1</td>
<td>6.2</td>
<td>7.2</td>
<td>7.8</td>
<td>6.1</td>
<td></td>
</tr>
<tr>
<td>Area 2 Rank</td>
<td>17</td>
<td>9</td>
<td>12</td>
<td>14</td>
<td>13</td>
<td>9</td>
<td>3</td>
<td>14</td>
<td></td>
</tr>
</tbody>
</table>
### Table 3: Area 2. Commercial and Economic Law and Security of Property Rights

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2007</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Military interference in rule of law &amp; political process</td>
<td>5.0</td>
<td>6.7</td>
<td>8.3</td>
<td>6.7</td>
<td>8.3</td>
<td>1.7</td>
<td>0.0</td>
<td>3.3</td>
<td>6.7</td>
<td>8.3</td>
<td>6.7</td>
<td></td>
<td>3.3</td>
</tr>
<tr>
<td>B. Integrity of the legal system</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Regulatory restrictions on the sale of real property</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i. Number of procedures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii. Time (days)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>iii. Cost (% of property value)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D. Legal enforcement of contracts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i. Number of procedures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii. Time (days)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>iii. Cost (% of debt)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Area 2 Score</strong></td>
<td>5.7</td>
<td>7.2</td>
<td>6.3</td>
<td>6.1</td>
<td>6.2</td>
<td>7.2</td>
<td>7.8</td>
<td>6.1</td>
<td>5.8</td>
<td>7.2</td>
<td>7.8</td>
<td></td>
<td>6.4</td>
</tr>
<tr>
<td><strong>Area 2 Rank</strong></td>
<td>17</td>
<td>9</td>
<td>12</td>
<td>14</td>
<td>13</td>
<td>9</td>
<td>3</td>
<td>14</td>
<td>16</td>
<td>4</td>
<td>8</td>
<td></td>
<td>11</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2006</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Military interference in rule of law &amp; political process</td>
<td>5.0</td>
<td>6.7</td>
<td>8.3</td>
<td>6.7</td>
<td>8.3</td>
<td>1.7</td>
<td>0.0</td>
<td>3.3</td>
<td>6.7</td>
<td>8.3</td>
<td>6.7</td>
<td></td>
<td>3.3</td>
</tr>
<tr>
<td>B. Integrity of the legal system</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Regulatory restrictions on the sale of real property</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i. Number of procedures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii. Time (days)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>iii. Cost (% of property value)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D. Legal enforcement of contracts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i. Number of procedures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii. Time (days)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>iii. Cost (% of debt)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Area 2 Score</strong></td>
<td>5.7</td>
<td>7.2</td>
<td>6.3</td>
<td>6.1</td>
<td>6.2</td>
<td>7.2</td>
<td>7.8</td>
<td>6.1</td>
<td>5.8</td>
<td>7.2</td>
<td>7.8</td>
<td></td>
<td>6.4</td>
</tr>
<tr>
<td><strong>Area 2 Rank</strong></td>
<td>17</td>
<td>9</td>
<td>12</td>
<td>14</td>
<td>13</td>
<td>9</td>
<td>3</td>
<td>14</td>
<td>16</td>
<td>4</td>
<td>8</td>
<td></td>
<td>11</td>
</tr>
</tbody>
</table>
### Table 3, continued: Area 2. Commercial and Economic Law and Security of Property Rights

<table>
<thead>
<tr>
<th></th>
<th>Algeria</th>
<th>Bahrain</th>
<th>Comoros</th>
<th>Djibouti</th>
<th>Egypt, Arab Rep.</th>
<th>Iraq</th>
<th>Jordan</th>
<th>Kuwait</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2005</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Military interference in rule of law &amp; political process</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
<td>0.0</td>
<td>8.3</td>
<td>8.3</td>
<td>3.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Integrity of the legal system</td>
<td>5.0</td>
<td>8.3</td>
<td>6.7</td>
<td>2.5</td>
<td>6.7</td>
<td>8.3</td>
<td>6.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Regulatory restrictions on the sale of real property</td>
<td>6.8</td>
<td>9.6</td>
<td>7.0</td>
<td>7.4</td>
<td>7.6</td>
<td>8.6</td>
<td>7.7</td>
<td>8.5</td>
<td>8.1</td>
</tr>
<tr>
<td>i. Number of procedures</td>
<td>3.5</td>
<td>7.0</td>
<td>6.5</td>
<td>6.5</td>
<td>6.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii. Time (days)</td>
<td>9.5</td>
<td>8.0</td>
<td>9.8</td>
<td>9.2</td>
<td>9.7</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>iii. Cost (% of property value)</td>
<td>7.6</td>
<td>7.8</td>
<td>6.7</td>
<td>9.8</td>
<td>8.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D. Legal enforcement of contracts</td>
<td>6.0</td>
<td>6.0</td>
<td>5.6</td>
<td>4.8</td>
<td>5.3</td>
<td>5.8</td>
<td>6.3</td>
<td>6.0</td>
<td>6.4</td>
</tr>
<tr>
<td>i. Number of procedures</td>
<td>2.5</td>
<td>3.6</td>
<td>4.3</td>
<td>1.8</td>
<td>4.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii. Time (days)</td>
<td>6.1</td>
<td>3.3</td>
<td>5.7</td>
<td>6.6</td>
<td>5.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>iii. Cost (% of debt)</td>
<td>9.3</td>
<td>9.1</td>
<td>8.8</td>
<td>9.6</td>
<td>8.9</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Area 2 Score</td>
<td>5.7</td>
<td>7.2</td>
<td>6.3</td>
<td>6.1</td>
<td>6.2</td>
<td>7.2</td>
<td>7.8</td>
<td>6.1</td>
<td></td>
</tr>
<tr>
<td>Area 2 Rank</td>
<td>17</td>
<td>9</td>
<td>12</td>
<td>14</td>
<td>13</td>
<td>9</td>
<td>3</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td><strong>2004</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Military interference in rule of law &amp; political process</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
<td>0.0</td>
<td>8.3</td>
<td>8.3</td>
<td>3.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Integrity of the legal system</td>
<td>5.0</td>
<td>8.3</td>
<td>6.7</td>
<td>2.5</td>
<td>6.7</td>
<td>8.3</td>
<td>6.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Regulatory restrictions on the sale of real property</td>
<td>6.8</td>
<td>9.6</td>
<td>7.0</td>
<td>7.4</td>
<td>7.6</td>
<td>8.6</td>
<td>7.7</td>
<td>8.5</td>
<td>8.1</td>
</tr>
<tr>
<td>i. Number of procedures</td>
<td>3.0</td>
<td>8.0</td>
<td>7.0</td>
<td>7.0</td>
<td>8.0</td>
<td>6.5</td>
<td>6.5</td>
<td>6.5</td>
<td>6.5</td>
</tr>
<tr>
<td>ii. Time (days)</td>
<td>9.5</td>
<td>9.8</td>
<td>9.5</td>
<td>8.0</td>
<td>9.9</td>
<td>9.8</td>
<td>9.4</td>
<td>9.7</td>
<td></td>
</tr>
<tr>
<td>iii. Cost (% of property value)</td>
<td>7.6</td>
<td>3.2</td>
<td>5.6</td>
<td>8.1</td>
<td>7.9</td>
<td>6.7</td>
<td>9.9</td>
<td>8.1</td>
<td></td>
</tr>
<tr>
<td>D. Legal enforcement of contracts</td>
<td>6.0</td>
<td>6.0</td>
<td>5.6</td>
<td>4.8</td>
<td>5.3</td>
<td>5.8</td>
<td>6.3</td>
<td>6.0</td>
<td>6.4</td>
</tr>
<tr>
<td>i. Number of procedures</td>
<td>2.5</td>
<td>3.6</td>
<td>4.3</td>
<td>1.8</td>
<td>4.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii. Time (days)</td>
<td>6.1</td>
<td>3.3</td>
<td>5.7</td>
<td>6.6</td>
<td>5.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>iii. Cost (% of debt)</td>
<td>9.3</td>
<td>9.1</td>
<td>8.8</td>
<td>9.6</td>
<td>8.9</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Area 2 Score</td>
<td>5.7</td>
<td>7.2</td>
<td>6.3</td>
<td>6.1</td>
<td>6.2</td>
<td>7.2</td>
<td>7.8</td>
<td>6.1</td>
<td></td>
</tr>
<tr>
<td>Area 2 Rank</td>
<td>17</td>
<td>9</td>
<td>12</td>
<td>14</td>
<td>13</td>
<td>9</td>
<td>3</td>
<td>14</td>
<td></td>
</tr>
</tbody>
</table>
### Economic Freedom of the Arab World: 2009 Annual Report

**Area 2: Commercial and Economic Law and Security of Property Rights**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2005 Score</td>
<td>5.0</td>
<td>6.7</td>
<td>8.3</td>
<td>6.7</td>
<td>8.3</td>
<td>1.7</td>
<td>0.0</td>
<td>3.3</td>
<td>6.7</td>
<td>8.3</td>
<td>6.7</td>
<td>6.7</td>
<td>6.7</td>
</tr>
<tr>
<td>2004 Score</td>
<td>5.0</td>
<td>6.7</td>
<td>8.3</td>
<td>6.7</td>
<td>8.3</td>
<td>1.7</td>
<td>0.0</td>
<td>3.3</td>
<td>6.7</td>
<td>8.3</td>
<td>6.7</td>
<td>6.7</td>
<td>6.7</td>
</tr>
</tbody>
</table>

**Table 3, continued: Area 2**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2005 Score</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2004 Score</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Table 3, continued: Area 2. Commercial and Economic Law and Security of Property Rights

<table>
<thead>
<tr>
<th></th>
<th>Algeria</th>
<th>Bahrain</th>
<th>Comoros</th>
<th>Djibouti</th>
<th>Egypt, Arab Rep.</th>
<th>Iraq</th>
<th>Jordan</th>
<th>Kuwait</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2003</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Military interference in rule of law &amp; political process</td>
<td>0.0</td>
<td>5.0</td>
<td></td>
<td>5.0</td>
<td>0.0</td>
<td>8.3</td>
<td>8.3</td>
<td>3.3</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5.0</td>
<td>6.7</td>
<td>8.3</td>
<td>6.7</td>
<td>8.3</td>
<td>1.7</td>
<td>0.0</td>
<td>3.3</td>
<td>6.7</td>
</tr>
<tr>
<td>B. Integrity of the legal system</td>
<td>3.3</td>
<td>8.3</td>
<td></td>
<td>6.7</td>
<td>3.3</td>
<td>6.7</td>
<td>8.3</td>
<td>6.7</td>
<td></td>
</tr>
<tr>
<td></td>
<td>6.7</td>
<td>8.3</td>
<td>8.3</td>
<td>8.3</td>
<td>8.3</td>
<td>3.3</td>
<td>5.0</td>
<td>8.3</td>
<td>8.3</td>
</tr>
<tr>
<td>C. Regulatory restrictions on the sale of real property</td>
<td>6.8</td>
<td>9.6</td>
<td>7.0</td>
<td>7.4</td>
<td>7.6</td>
<td>8.6</td>
<td>7.7</td>
<td>8.5</td>
<td>8.1</td>
</tr>
<tr>
<td>i. Number of procedures</td>
<td>2.5</td>
<td></td>
<td>7.0</td>
<td></td>
<td>6.5</td>
<td>6.5</td>
<td>6.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii. Time (days)</td>
<td>9.5</td>
<td></td>
<td>8.0</td>
<td></td>
<td>9.8</td>
<td>9.2</td>
<td>9.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>iii. Cost (% of property value)</td>
<td>7.1</td>
<td></td>
<td>8.0</td>
<td></td>
<td>6.7</td>
<td>9.8</td>
<td>8.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D. Legal enforcement of contracts</td>
<td>6.0</td>
<td>6.0</td>
<td>5.6</td>
<td>4.8</td>
<td>5.3</td>
<td>5.8</td>
<td>6.3</td>
<td>6.0</td>
<td>6.4</td>
</tr>
<tr>
<td>i. Number of procedures</td>
<td>1.9</td>
<td></td>
<td>0.6</td>
<td></td>
<td>3.2</td>
<td>1.3</td>
<td>4.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii. Time (days)</td>
<td>7.3</td>
<td></td>
<td>7.3</td>
<td></td>
<td>7.8</td>
<td>7.5</td>
<td>5.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>iii. Cost (% of debt)</td>
<td>9.0</td>
<td></td>
<td>9.4</td>
<td></td>
<td>9.8</td>
<td>9.6</td>
<td>9.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Area 2 Score</td>
<td>4.0</td>
<td>7.2</td>
<td>6.3</td>
<td>6.1</td>
<td>6.2</td>
<td>7.2</td>
<td>7.8</td>
<td>6.1</td>
<td></td>
</tr>
<tr>
<td>Area 2 Rank</td>
<td>19</td>
<td>9</td>
<td>12</td>
<td>14</td>
<td>13</td>
<td>9</td>
<td>3</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2002</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Military interference in rule of law &amp; political process</td>
<td>0.0</td>
<td>5.0</td>
<td></td>
<td>5.0</td>
<td>0.0</td>
<td>8.3</td>
<td>8.3</td>
<td>3.3</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5.0</td>
<td>6.7</td>
<td>8.3</td>
<td>6.7</td>
<td>8.3</td>
<td>1.7</td>
<td>0.0</td>
<td>3.3</td>
<td>6.7</td>
</tr>
<tr>
<td>B. Integrity of the legal system</td>
<td>3.3</td>
<td>8.3</td>
<td></td>
<td>6.7</td>
<td>3.3</td>
<td>6.7</td>
<td>8.3</td>
<td>6.7</td>
<td></td>
</tr>
<tr>
<td></td>
<td>6.7</td>
<td>8.3</td>
<td>8.3</td>
<td>8.3</td>
<td>8.3</td>
<td>3.3</td>
<td>5.0</td>
<td>8.3</td>
<td>8.3</td>
</tr>
<tr>
<td>C. Regulatory restrictions on the sale of real property</td>
<td>6.8</td>
<td>9.6</td>
<td>7.0</td>
<td>7.4</td>
<td>7.6</td>
<td>8.6</td>
<td>7.7</td>
<td>8.5</td>
<td>8.1</td>
</tr>
<tr>
<td>i. Number of procedures</td>
<td>2.5</td>
<td></td>
<td>7.0</td>
<td></td>
<td>6.5</td>
<td>6.5</td>
<td>6.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii. Time (days)</td>
<td>9.5</td>
<td></td>
<td>8.0</td>
<td></td>
<td>9.8</td>
<td>9.2</td>
<td>9.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>iii. Cost (% of property value)</td>
<td>7.1</td>
<td></td>
<td>8.0</td>
<td></td>
<td>6.7</td>
<td>9.8</td>
<td>8.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D. Legal enforcement of contracts</td>
<td>6.0</td>
<td>6.0</td>
<td>5.6</td>
<td>4.8</td>
<td>5.3</td>
<td>5.8</td>
<td>6.3</td>
<td>6.0</td>
<td>6.4</td>
</tr>
<tr>
<td>i. Number of procedures</td>
<td>1.9</td>
<td></td>
<td>0.6</td>
<td></td>
<td>3.2</td>
<td>1.3</td>
<td>4.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii. Time (days)</td>
<td>7.3</td>
<td></td>
<td>7.3</td>
<td></td>
<td>7.8</td>
<td>7.5</td>
<td>5.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>iii. Cost (% of debt)</td>
<td>9.0</td>
<td></td>
<td>9.4</td>
<td></td>
<td>9.8</td>
<td>9.6</td>
<td>9.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Area 2 Score</td>
<td>4.0</td>
<td>7.2</td>
<td>6.3</td>
<td>6.1</td>
<td>6.2</td>
<td>7.2</td>
<td>7.8</td>
<td>6.1</td>
<td></td>
</tr>
<tr>
<td>Area 2 Rank</td>
<td>19</td>
<td>9</td>
<td>12</td>
<td>14</td>
<td>13</td>
<td>9</td>
<td>4</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Libya</td>
<td>Mauritania</td>
<td>Morocco</td>
<td>Oman</td>
<td>Qatar</td>
<td>Saudi Arabia</td>
<td>Somalia</td>
<td>Sudan</td>
<td>Syria</td>
</tr>
<tr>
<td>-----------</td>
<td>-------</td>
<td>------------</td>
<td>---------</td>
<td>------</td>
<td>-------</td>
<td>-------------</td>
<td>---------</td>
<td>-------</td>
<td>-------</td>
</tr>
<tr>
<td>Area 2 Score</td>
<td>5.0</td>
<td>6.7</td>
<td>8.3</td>
<td>6.7</td>
<td>8.3</td>
<td>1.7</td>
<td>0.0</td>
<td>3.3</td>
<td>6.7</td>
</tr>
<tr>
<td>Area 2 Rank</td>
<td>19</td>
<td>9</td>
<td>12</td>
<td>14</td>
<td>13</td>
<td>9</td>
<td>4</td>
<td>20</td>
<td>18</td>
</tr>
</tbody>
</table>

Table 3, continued: Area 2. Commercial and Economic Law and Security of Property Rights

5.0  | 6.7 | 8.3 | 6.7 | 8.3 | 1.7 | 0.0 | 3.3 | 6.7 | 8.3 | 6.7 | 3.3 | 8.6 | 8.7 | 8.5 | 9.0 | 8.5 | 9.5 | 8.4 | 9.5 | 8.8 | 6.1 | 8.7 | 9.4 | 8.6 | 8.7 |

6.7  | 10.0 | 8.3 | 8.3 | 8.3 | 3.3 | 5.0 | 8.3 | 8.3 | 6.7 | 3.3 | 8.6 | 8.7 | 9.4 | 8.6 | 8.7 | 8.5 | 9.0 | 8.5 | 9.0 | 8.5 | 9.0 | 8.5 | 9.0 | 8.5 | 9.0 | 8.5 | 9.0 | 8.5 | 9.0 | 8.5 | 9.0 |

8.6  | 8.5 | 9.5 | 8.4 | 9.5 | 8.8 | 6.1 | 8.7 | 9.4 | 8.6 | 8.7 | 8.5 | 8.0 | 9.0 | 7.5 | 9.7 | 9.4 | 9.9 | 9.8 | 9.7 | 9.5 | 9.8 | 9.8 | 9.9 | 9.8 | 9.8 | 9.9 | 9.8 | 9.9 | 9.8 | 9.9 | 9.9 |

8.5  | 9.0 | 8.5 | 8.5 | 8.5 | 8.5 | 8.0 | 9.0 | 7.5 | 9.7 | 9.4 | 9.9 | 9.8 | 9.9 | 9.8 | 9.7 | 9.5 | 9.5 | 9.8 | 9.7 | 9.4 | 9.8 | 9.8 | 9.8 | 9.8 | 9.8 | 9.8 | 9.8 | 9.8 | 9.8 | 9.8 | 9.8 |

9.5  | 9.2 | 9.8 | 10.0 | 9.4 | 8.8 | 9.7 | 9.5 | 9.5 | 9.8 | 9.7 | 9.5 | 9.8 | 9.8 | 9.7 | 9.5 | 9.8 | 9.7 | 9.4 | 9.8 | 9.8 | 9.8 | 9.8 | 9.8 | 9.8 | 9.8 | 9.8 | 9.8 | 9.8 | 9.8 | 9.8 | 9.8 |

7.8  | 8.0 | 9.0 | 10.0 | 8.5 | 8.5 | 8.0 | 9.0 | 7.5 | 9.7 | 9.4 | 9.9 | 9.8 | 9.9 | 9.8 | 9.7 | 9.5 | 9.5 | 9.8 | 9.7 | 9.4 | 9.8 | 9.8 | 9.8 | 9.8 | 9.8 | 9.8 | 9.8 | 9.8 | 9.8 | 9.8 | 9.8 |

6.5  | 6.5 | 5.9 | 6.4 | 6.1 | 5.0 | 4.7 | 6.7 | 5.7 | 6.0 | 7.1 | 6.4 | 7.6 | 7.5 | 7.9 | 8.0 | 7.5 | 8.1 | 2.5 | 4.7 | 6.7 | 5.7 | 6.0 | 7.1 | 6.4 | 7.6 | 7.5 | 8.0 | 7.5 | 8.1 | 4.7 | 6.7 |

6.4  | 8.7 | 3.6 | 3.0 | 2.3 | 9.4 | 1.1 | 4.5 | 7.3 | 7.0 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 |

7.3  | 8.5 | 7.0 | 7.7 | 5.5 | 10.0 | 5.9 | 7.7 | 7.3 | 7.0 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 |

9.0  | 9.5 | 9.8 | 9.4 | 8.8 | 9.7 | 9.5 | 9.8 | 9.0 | 8.5 | 9.0 | 8.5 | 9.0 | 8.5 | 9.0 | 8.5 | 9.0 | 8.5 | 9.0 | 8.5 | 9.0 | 8.5 | 9.0 | 8.5 | 9.0 | 8.5 | 9.0 | 8.5 | 9.0 | 8.5 | 9.0 | 9.0 |

5.8  | 7.6 | 7.9 | 8.0 | 7.5 | 8.1 | 2.5 | 4.7 | 5.6 | 7.6 | 7.5 | 6.4 | 6.4 | 7.6 | 7.5 | 6.4 | 7.6 | 7.5 | 6.4 | 7.6 | 7.5 | 6.4 | 7.6 | 7.5 | 6.4 | 7.6 | 7.5 | 6.4 | 7.6 | 7.5 | 6.4 | 7.6 |

Table 4: Area 3. Access to Sound Money

<table>
<thead>
<tr>
<th></th>
<th>Algeria</th>
<th>Bahrain</th>
<th>Comoros</th>
<th>Djibouti</th>
<th>Egypt, Arab Rep.</th>
<th>Iraq</th>
<th>Jordan</th>
<th>Kuwait</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2007</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Money growth</td>
<td>5.8</td>
<td>7.2</td>
<td>9.7</td>
<td>7.7</td>
<td>7.8</td>
<td>7.8</td>
<td>7.9</td>
<td>9.1</td>
<td></td>
</tr>
<tr>
<td>B. Standard deviation of inflation</td>
<td>9.7</td>
<td>8.6</td>
<td>9.6</td>
<td>8.8</td>
<td>3.5</td>
<td>9.3</td>
<td>9.2</td>
<td>9.0</td>
<td></td>
</tr>
<tr>
<td>C. Inflation: Most recent year</td>
<td>9.3</td>
<td>8.9</td>
<td>9.0</td>
<td>8.1</td>
<td>3.8</td>
<td>8.9</td>
<td>8.9</td>
<td>9.2</td>
<td></td>
</tr>
<tr>
<td>D. Freedom to own foreign currency bank accounts</td>
<td>0.0</td>
<td>10.0</td>
<td>0.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td></td>
</tr>
<tr>
<td>Area 3 Score</td>
<td>6.2</td>
<td>8.7</td>
<td>4.8</td>
<td>9.1</td>
<td>8.7</td>
<td>9</td>
<td>9</td>
<td>9.3</td>
<td></td>
</tr>
<tr>
<td>Area 3 Rank</td>
<td>16</td>
<td>7</td>
<td>19</td>
<td>2</td>
<td>7</td>
<td>5</td>
<td>5</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td><strong>2006</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Money growth</td>
<td>6.6</td>
<td>7.2</td>
<td>9.9</td>
<td>7.4</td>
<td>8.2</td>
<td>7.6</td>
<td>7.9</td>
<td>9.1</td>
<td></td>
</tr>
<tr>
<td>B. Standard deviation of inflation</td>
<td>9.7</td>
<td>9.5</td>
<td>9.5</td>
<td>8.7</td>
<td>3.0</td>
<td>9.3</td>
<td>9.4</td>
<td>9.1</td>
<td></td>
</tr>
<tr>
<td>C. Inflation: Most recent year</td>
<td>9.5</td>
<td>9.6</td>
<td>9.3</td>
<td>8.5</td>
<td>0.0</td>
<td>8.7</td>
<td>9.4</td>
<td>8.9</td>
<td></td>
</tr>
<tr>
<td>D. Freedom to own foreign currency bank accounts</td>
<td>0.0</td>
<td>10.0</td>
<td>0.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td></td>
</tr>
<tr>
<td>Area 3 Score</td>
<td>6.4</td>
<td>9.1</td>
<td>4.9</td>
<td>9.1</td>
<td>8.8</td>
<td>8.9</td>
<td>9.2</td>
<td>9.3</td>
<td></td>
</tr>
<tr>
<td>Area 3 Rank</td>
<td>14</td>
<td>5</td>
<td>19</td>
<td>5</td>
<td>8</td>
<td>7</td>
<td>4</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td><strong>2005</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Money growth</td>
<td>7.5</td>
<td>7.2</td>
<td>7.5</td>
<td>7.9</td>
<td>8.7</td>
<td>7.9</td>
<td>7.1</td>
<td>9.8</td>
<td></td>
</tr>
<tr>
<td>B. Standard deviation of inflation</td>
<td>9.5</td>
<td>9.3</td>
<td>9.5</td>
<td>8.6</td>
<td>3.0</td>
<td>9.6</td>
<td>9.5</td>
<td>9.1</td>
<td></td>
</tr>
<tr>
<td>C. Inflation: Most recent year</td>
<td>9.7</td>
<td>9.5</td>
<td>9.4</td>
<td>9.0</td>
<td>2.6</td>
<td>9.3</td>
<td>9.2</td>
<td>9.9</td>
<td></td>
</tr>
<tr>
<td>D. Freedom to own foreign currency bank accounts</td>
<td>0.0</td>
<td>10.0</td>
<td>0.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td></td>
</tr>
<tr>
<td>Area 3 Score</td>
<td>6.7</td>
<td>9.0</td>
<td>3.7</td>
<td>9.2</td>
<td>9.1</td>
<td>9.2</td>
<td>8.9</td>
<td>9.7</td>
<td></td>
</tr>
<tr>
<td>Area 3 Rank</td>
<td>16</td>
<td>7</td>
<td>19</td>
<td>3</td>
<td>5</td>
<td>3</td>
<td>9</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td><strong>2004</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Money growth</td>
<td>7.0</td>
<td>7.9</td>
<td>7.0</td>
<td>8.1</td>
<td>9.3</td>
<td>8.4</td>
<td>7.5</td>
<td>9.5</td>
<td></td>
</tr>
<tr>
<td>B. Standard deviation of inflation</td>
<td>9.4</td>
<td>9.4</td>
<td>9.5</td>
<td>8.5</td>
<td>3.0</td>
<td>9.6</td>
<td>9.7</td>
<td>9.1</td>
<td></td>
</tr>
<tr>
<td>C. Inflation: Most recent year</td>
<td>9.3</td>
<td>9.5</td>
<td>9.4</td>
<td>7.7</td>
<td>8.4</td>
<td>9.3</td>
<td>9.8</td>
<td>9.7</td>
<td></td>
</tr>
<tr>
<td>D. Freedom to own foreign currency bank accounts</td>
<td>0.0</td>
<td>10.0</td>
<td>0.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td></td>
</tr>
<tr>
<td>Area 3 Score</td>
<td>6.4</td>
<td>9.2</td>
<td>3.5</td>
<td>9.3</td>
<td>8.9</td>
<td>9.3</td>
<td>9.3</td>
<td>9.6</td>
<td></td>
</tr>
<tr>
<td>Area 3 Rank</td>
<td>16</td>
<td>7</td>
<td>19</td>
<td>4</td>
<td>9</td>
<td>4</td>
<td>4</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>
### Table 4: Area 3. Access to Sound Money

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>6.3</td>
<td>8.2</td>
<td>8.1</td>
<td>8.4</td>
<td>7.9</td>
<td>6.0</td>
<td>9.0</td>
<td>8.8</td>
<td>6.2</td>
<td>8.3</td>
<td>7.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>7.9</td>
<td>8.8</td>
<td>9.6</td>
<td>9.1</td>
<td>8.2</td>
<td>9.4</td>
<td>9.7</td>
<td>9.0</td>
<td>9.6</td>
<td>8.7</td>
<td>9.3</td>
<td>8.2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>9.3</td>
<td>8.5</td>
<td>9.6</td>
<td>8.8</td>
<td>7.2</td>
<td>9.2</td>
<td>8.4</td>
<td>9.2</td>
<td>9.4</td>
<td>7.8</td>
<td>9.3</td>
<td>8.0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.0</td>
<td>0.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>10.0</td>
<td>10.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5.9</td>
<td>6.4</td>
<td>6.8</td>
<td>9.1</td>
<td>8.5</td>
<td>9.1</td>
<td>6.0</td>
<td>6.8</td>
<td>6.9</td>
<td>8.2</td>
<td>8.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Area 3</td>
<td>18</td>
<td>15</td>
<td>13</td>
<td>2</td>
<td>9</td>
<td>2</td>
<td>17</td>
<td>13</td>
<td>12</td>
<td>11</td>
<td>9</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>6.3</td>
<td>8.2</td>
<td>8.4</td>
<td>8.4</td>
<td>8.3</td>
<td>5.1</td>
<td>8.6</td>
<td>9.3</td>
<td>6.2</td>
<td>8.3</td>
<td>8.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>7.9</td>
<td>8.6</td>
<td>9.6</td>
<td>9.4</td>
<td>8.1</td>
<td>9.7</td>
<td>9.5</td>
<td>8.5</td>
<td>9.6</td>
<td>9.0</td>
<td>9.3</td>
<td>8.4</td>
<td></td>
</tr>
<tr>
<td></td>
<td>9.3</td>
<td>8.8</td>
<td>9.3</td>
<td>9.4</td>
<td>7.6</td>
<td>9.6</td>
<td>8.6</td>
<td>8.0</td>
<td>9.1</td>
<td>8.1</td>
<td>9.3</td>
<td>5.8</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.0</td>
<td>0.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5.9</td>
<td>6.4</td>
<td>6.8</td>
<td>9.3</td>
<td>8.6</td>
<td>9.4</td>
<td>5.8</td>
<td>6.3</td>
<td>7.0</td>
<td>8.3</td>
<td>8.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Area 3</td>
<td>17</td>
<td>14</td>
<td>13</td>
<td>2</td>
<td>9</td>
<td>1</td>
<td>18</td>
<td>16</td>
<td>12</td>
<td>10</td>
<td>11</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>6.3</td>
<td>8.2</td>
<td>8.6</td>
<td>7.3</td>
<td>8.3</td>
<td>5.6</td>
<td>7.9</td>
<td>9.5</td>
<td>6.1</td>
<td>8.3</td>
<td>8.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>8.0</td>
<td>8.5</td>
<td>9.7</td>
<td>9.6</td>
<td>8.5</td>
<td>9.7</td>
<td>9.4</td>
<td>8.9</td>
<td>9.7</td>
<td>9.0</td>
<td>9.3</td>
<td>9.7</td>
<td></td>
</tr>
<tr>
<td></td>
<td>9.6</td>
<td>7.6</td>
<td>9.8</td>
<td>9.6</td>
<td>8.2</td>
<td>9.9</td>
<td>8.3</td>
<td>8.6</td>
<td>9.6</td>
<td>8.8</td>
<td>9.3</td>
<td>7.6</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.0</td>
<td>5.0</td>
<td>0.0</td>
<td>10.0</td>
<td>10.0</td>
<td>0.0</td>
<td>5.0</td>
<td>0.0</td>
<td>0.0</td>
<td>10.0</td>
<td>10.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6.0</td>
<td>7.3</td>
<td>7.0</td>
<td>9.1</td>
<td>8.9</td>
<td>9.5</td>
<td>7.1</td>
<td>6.3</td>
<td>7.2</td>
<td>8.5</td>
<td>9.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Area 3</td>
<td>18</td>
<td>12</td>
<td>15</td>
<td>5</td>
<td>9</td>
<td>2</td>
<td>14</td>
<td>17</td>
<td>13</td>
<td>11</td>
<td>7</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>6.3</td>
<td>8.2</td>
<td>8.6</td>
<td>8.0</td>
<td>8.3</td>
<td>5.3</td>
<td>7.8</td>
<td>9.6</td>
<td>6.8</td>
<td>7.9</td>
<td>8.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>8.5</td>
<td>8.9</td>
<td>9.7</td>
<td>9.6</td>
<td>9.0</td>
<td>9.7</td>
<td>9.4</td>
<td>8.5</td>
<td>9.8</td>
<td>9.0</td>
<td>9.3</td>
<td>8.7</td>
<td></td>
</tr>
<tr>
<td></td>
<td>9.6</td>
<td>7.9</td>
<td>9.7</td>
<td>9.8</td>
<td>8.6</td>
<td>9.9</td>
<td>8.3</td>
<td>9.1</td>
<td>9.3</td>
<td>9.0</td>
<td>9.4</td>
<td>7.5</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.0</td>
<td>5.0</td>
<td>0.0</td>
<td>10.0</td>
<td>10.0</td>
<td>0.0</td>
<td>5.0</td>
<td>0.0</td>
<td>0.0</td>
<td>10.0</td>
<td>10.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6.1</td>
<td>7.5</td>
<td>7.0</td>
<td>9.4</td>
<td>9.2</td>
<td>9.5</td>
<td>7.0</td>
<td>6.3</td>
<td>7.2</td>
<td>8.7</td>
<td>8.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Area 3</td>
<td>18</td>
<td>12</td>
<td>14</td>
<td>3</td>
<td>7</td>
<td>2</td>
<td>14</td>
<td>17</td>
<td>13</td>
<td>10</td>
<td>11</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Table 4, continued: Area 3. Access to Sound Money

<table>
<thead>
<tr>
<th></th>
<th>Algeria</th>
<th>Bahrain</th>
<th>Comoros</th>
<th>Djibouti</th>
<th>Egypt, Arab Rep.</th>
<th>Iraq</th>
<th>Jordan</th>
<th>Kuwait</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2003</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Money growth</td>
<td>7.8</td>
<td>7.3</td>
<td>6.0</td>
<td>8.3</td>
<td>8.9</td>
<td>8.4</td>
<td>7.3</td>
<td>9.4</td>
<td>9.0</td>
</tr>
<tr>
<td>B. Standard deviation of inflation</td>
<td>9.4</td>
<td>9.5</td>
<td>9.5</td>
<td>9.7</td>
<td>3.0</td>
<td>9.8</td>
<td>9.6</td>
<td>9.1</td>
<td>3.0</td>
</tr>
<tr>
<td>C. Inflation: Most recent year</td>
<td>9.5</td>
<td>9.7</td>
<td>9.6</td>
<td>9.1</td>
<td>2.8</td>
<td>9.7</td>
<td>9.8</td>
<td>9.7</td>
<td>3.0</td>
</tr>
<tr>
<td>D. Freedom to own foreign currency bank accounts</td>
<td>0.0</td>
<td>10.0</td>
<td>0.0</td>
<td>10.0</td>
<td>10.0</td>
<td>0.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
</tr>
<tr>
<td>Area 3 Score</td>
<td>6.7</td>
<td>9.1</td>
<td>3.0</td>
<td>9.4</td>
<td>9.4</td>
<td>9.5</td>
<td>9.2</td>
<td>9.6</td>
<td></td>
</tr>
<tr>
<td>Area 3 Rank</td>
<td>16</td>
<td>9</td>
<td>19</td>
<td>6</td>
<td>6</td>
<td>3</td>
<td>8</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td><strong>2002</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Money growth</td>
<td>7.3</td>
<td>8.3</td>
<td>6.1</td>
<td>9.3</td>
<td>9.0</td>
<td>9.4</td>
<td>9.1</td>
<td>9.6</td>
<td>9.0</td>
</tr>
<tr>
<td>B. Standard deviation of inflation</td>
<td>9.2</td>
<td>9.8</td>
<td>9.5</td>
<td>9.8</td>
<td>3.0</td>
<td>9.6</td>
<td>9.5</td>
<td>9.1</td>
<td>3.0</td>
</tr>
<tr>
<td>C. Inflation: Most recent year</td>
<td>9.7</td>
<td>9.9</td>
<td>9.9</td>
<td>9.5</td>
<td>6.1</td>
<td>9.6</td>
<td>9.8</td>
<td>9.6</td>
<td>3.0</td>
</tr>
<tr>
<td>D. Freedom to own foreign currency bank accounts</td>
<td>0.0</td>
<td>10.0</td>
<td>0.0</td>
<td>10.0</td>
<td>10.0</td>
<td>0.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
</tr>
<tr>
<td>Area 3 Score</td>
<td>6.6</td>
<td>9.5</td>
<td>3.1</td>
<td>9.7</td>
<td>9.5</td>
<td>9.7</td>
<td>9.6</td>
<td>9.6</td>
<td></td>
</tr>
<tr>
<td>Area 3 Rank</td>
<td>16</td>
<td>8</td>
<td>19</td>
<td>2</td>
<td>8</td>
<td>2</td>
<td>4</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Country</td>
<td>Money growth</td>
<td>Standard deviation of inflation</td>
<td>Inflation: Most recent year</td>
<td>Freedom to own foreign currency bank accounts</td>
<td>Area 3 Score</td>
<td>Area 3 Rank</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------</td>
<td>--------------</td>
<td>---------------------------------</td>
<td>-----------------------------</td>
<td>-----------------------------------------------</td>
<td>--------------</td>
<td>-------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Libya</td>
<td>6.3</td>
<td>7.9</td>
<td>9.6</td>
<td>0.0</td>
<td>6.7</td>
<td>16</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mauritania</td>
<td>8.2</td>
<td>9.7</td>
<td>9.6</td>
<td>10.0</td>
<td>9.1</td>
<td>9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Morocco</td>
<td>8.7</td>
<td>9.6</td>
<td>9.7</td>
<td>10.0</td>
<td>3.0</td>
<td>19</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oman</td>
<td>8.4</td>
<td>9.0</td>
<td>9.6</td>
<td>10.0</td>
<td>9.4</td>
<td>6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Qatar</td>
<td>8.5</td>
<td>8.3</td>
<td>9.6</td>
<td>10.0</td>
<td>9.4</td>
<td>6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>5.3</td>
<td>8.7</td>
<td>9.5</td>
<td>0.0</td>
<td>9.3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Somalia</td>
<td>7.2</td>
<td>8.8</td>
<td>9.5</td>
<td>10.0</td>
<td>7.9</td>
<td>8</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sudan</td>
<td>9.3</td>
<td>9.4</td>
<td>9.9</td>
<td>0.0</td>
<td>7.9</td>
<td>9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Syrian Arab Republic</td>
<td>7.9</td>
<td>9.0</td>
<td>8.8</td>
<td>0.0</td>
<td>7.9</td>
<td>9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tunisia</td>
<td>7.9</td>
<td>9.2</td>
<td>9.7</td>
<td>0.0</td>
<td>8.2</td>
<td>11</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>8.7</td>
<td>8.6</td>
<td>9.5</td>
<td>0.0</td>
<td>8.5</td>
<td>11</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>West Bank &amp; Gaza</td>
<td>8.0</td>
<td>8.6</td>
<td>9.5</td>
<td>0.0</td>
<td>8.6</td>
<td>11</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yemen, Rep.</td>
<td>6.0</td>
<td>6.8</td>
<td>9.6</td>
<td>6.8</td>
<td>7.2</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2002

<table>
<thead>
<tr>
<th>Country</th>
<th>Money growth</th>
<th>Standard deviation of inflation</th>
<th>Inflation: Most recent year</th>
<th>Freedom to own foreign currency bank accounts</th>
<th>Area 3 Score</th>
<th>Area 3 Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Libya</td>
<td>6.3</td>
<td>7.9</td>
<td>9.6</td>
<td>0.0</td>
<td>6.6</td>
<td>16</td>
</tr>
<tr>
<td>Mauritania</td>
<td>8.5</td>
<td>9.2</td>
<td>9.6</td>
<td>10.0</td>
<td>8.0</td>
<td>8</td>
</tr>
<tr>
<td>Morocco</td>
<td>8.6</td>
<td>9.4</td>
<td>9.6</td>
<td>10.0</td>
<td>6.9</td>
<td>19</td>
</tr>
<tr>
<td>Oman</td>
<td>9.0</td>
<td>9.4</td>
<td>9.7</td>
<td>10.0</td>
<td>1.3</td>
<td>3</td>
</tr>
<tr>
<td>Qatar</td>
<td>8.8</td>
<td>9.9</td>
<td>9.6</td>
<td>10.0</td>
<td>15</td>
<td>13</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>5.3</td>
<td>8.0</td>
<td>9.6</td>
<td>0.0</td>
<td>17</td>
<td>13</td>
</tr>
<tr>
<td>Somalia</td>
<td>8.0</td>
<td>8.0</td>
<td>9.5</td>
<td>10.0</td>
<td>13</td>
<td>9</td>
</tr>
<tr>
<td>Sudan</td>
<td>8.0</td>
<td>8.9</td>
<td>9.5</td>
<td>0.0</td>
<td>12</td>
<td>9</td>
</tr>
<tr>
<td>Syrian Arab Republic</td>
<td>9.2</td>
<td>9.6</td>
<td>9.5</td>
<td>0.0</td>
<td>10.0</td>
<td>10</td>
</tr>
<tr>
<td>Tunisia</td>
<td>9.0</td>
<td>9.9</td>
<td>9.5</td>
<td>0.0</td>
<td>8.7</td>
<td>11</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>8.7</td>
<td>8.6</td>
<td>9.5</td>
<td>6.8</td>
<td>8.7</td>
<td>11</td>
</tr>
<tr>
<td>West Bank &amp; Gaza</td>
<td>8.5</td>
<td>8.6</td>
<td>9.5</td>
<td>6.8</td>
<td>8.5</td>
<td>11</td>
</tr>
<tr>
<td>Yemen, Rep.</td>
<td>6.0</td>
<td>6.8</td>
<td>9.6</td>
<td>6.8</td>
<td>7.2</td>
<td>3</td>
</tr>
</tbody>
</table>
### Table 5: Area 4. Freedom to Trade Internationally

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Algeria</td>
<td>Bahrain</td>
<td>Comoros</td>
</tr>
<tr>
<td>A. Taxes on international trade</td>
<td>7.1</td>
<td>8.7</td>
<td>4.0</td>
</tr>
<tr>
<td>i. Revenue from trade taxes (% of trade sector)</td>
<td>8.6</td>
<td>9.6</td>
<td>8.6</td>
</tr>
<tr>
<td>ii. Mean tariff rate</td>
<td>6.8</td>
<td>9.2</td>
<td>4.0</td>
</tr>
<tr>
<td>iii. Standard deviation of tariff rates</td>
<td>5.8</td>
<td>7.3</td>
<td>0.0</td>
</tr>
<tr>
<td>B. Black-market exchange rates</td>
<td>8.2</td>
<td>10.0</td>
<td>10.0</td>
</tr>
<tr>
<td>C. Capital controls</td>
<td>2.3</td>
<td>6.2</td>
<td>1.8</td>
</tr>
<tr>
<td>Area 4 Score</td>
<td>5.8</td>
<td>8.3</td>
<td>5.9</td>
</tr>
<tr>
<td>Area 4 Rank</td>
<td>17</td>
<td>3</td>
<td>16</td>
</tr>
</tbody>
</table>
## Table 5: Area 4. Freedom to Trade Internationally

<table>
<thead>
<tr>
<th>Country</th>
<th>2007</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A. Taxes on International Trade</td>
<td>B. Black-market Exchange Rates</td>
<td>C. Capital Controls</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Revenue from trade taxes (% of trade sector)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Algeria</td>
<td>8.6</td>
<td>8.6</td>
<td>8.6</td>
</tr>
<tr>
<td>Bahrain</td>
<td>9.6</td>
<td>9.6</td>
<td>9.6</td>
</tr>
<tr>
<td>Comoros</td>
<td>8.6</td>
<td>8.0</td>
<td>8.9</td>
</tr>
<tr>
<td>Djibouti</td>
<td>9.6</td>
<td>9.0</td>
<td>8.9</td>
</tr>
<tr>
<td>Egypt, Arab Rep.</td>
<td>8.6</td>
<td>8.0</td>
<td>9.0</td>
</tr>
<tr>
<td>Iraq</td>
<td>8.0</td>
<td>9.0</td>
<td>7.3</td>
</tr>
<tr>
<td>Jordan</td>
<td>10.0</td>
<td>10.0</td>
<td>7.5</td>
</tr>
<tr>
<td>Kuwait</td>
<td>7.3</td>
<td>7.3</td>
<td>7.2</td>
</tr>
<tr>
<td>Lebanon</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
</tr>
<tr>
<td>Libya</td>
<td>7.3</td>
<td>7.2</td>
<td>10.0</td>
</tr>
<tr>
<td>Mauritania</td>
<td>10.0</td>
<td>10.0</td>
<td>9.0</td>
</tr>
<tr>
<td>Morocco</td>
<td>7.3</td>
<td>7.2</td>
<td>7.3</td>
</tr>
<tr>
<td>Oman</td>
<td>5.5</td>
<td>5.9</td>
<td>4.0</td>
</tr>
<tr>
<td>Qatar</td>
<td>9.1</td>
<td>9.2</td>
<td>6.6</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>9.2</td>
<td>9.2</td>
<td>7.1</td>
</tr>
<tr>
<td>Somalia</td>
<td>9.2</td>
<td>9.2</td>
<td>5.4</td>
</tr>
<tr>
<td>Sudan</td>
<td>4.0</td>
<td>6.2</td>
<td>1.7</td>
</tr>
<tr>
<td>Syrian Arab Republic</td>
<td>6.8</td>
<td>7.9</td>
<td>0.0</td>
</tr>
<tr>
<td>Tunisia</td>
<td>8.0</td>
<td>8.9</td>
<td>7.2</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>8.7</td>
<td>8.7</td>
<td>7.7</td>
</tr>
<tr>
<td>West Bank &amp; Gaza</td>
<td>4.5</td>
<td>4.5</td>
<td>4.5</td>
</tr>
<tr>
<td>Yemen, Rep.</td>
<td>4.8</td>
<td>4.8</td>
<td>5.0</td>
</tr>
</tbody>
</table>

**Notes:**
- Area 4 Score: The combined score for taxes, black-market exchange rates, and capital controls.
- Area 4 Rank: The ranking of countries based on Area 4 Score.

**Economic Freedom of the Arab World: 2009 Annual Report**
Table 5, continued: Area 4. Freedom to Trade Internationally

<table>
<thead>
<tr>
<th></th>
<th>Algeria</th>
<th>Bahrain</th>
<th>Comoros</th>
<th>Djibouti</th>
<th>Egypt, Arab Rep.</th>
<th>Iraq</th>
<th>Jordan</th>
<th>Kuwait</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2004</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Taxes on international trade</td>
<td>6.1</td>
<td>8.6</td>
<td>3.8</td>
<td>4.7</td>
<td>6.3</td>
<td>8.9</td>
<td>8.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>i. Revenue from trade taxes (% of trade sector)</td>
<td>7.7</td>
<td>9.5</td>
<td>7.8</td>
<td>8.1</td>
<td>9.4</td>
<td>8.2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii. Mean tariff rate</td>
<td>6.4</td>
<td>9.1</td>
<td>3.8</td>
<td>6.2</td>
<td>7.1</td>
<td>9.3</td>
<td>8.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>iii. Standard deviation of tariff rates</td>
<td>4.3</td>
<td>7.3</td>
<td>0.0</td>
<td>3.8</td>
<td>7.9</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Black-market exchange rates</td>
<td>8.1</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
</tr>
<tr>
<td>C. Capital controls</td>
<td>0.8</td>
<td>5.4</td>
<td>3.1</td>
<td>5.4</td>
<td>5.4</td>
<td>0.0</td>
<td>7.7</td>
<td>4.6</td>
<td>2.3</td>
</tr>
<tr>
<td>Area 4 Score</td>
<td>5.0</td>
<td>8.0</td>
<td>6.5</td>
<td>6.4</td>
<td>6.7</td>
<td>8.0</td>
<td>7.8</td>
<td>6.9</td>
<td></td>
</tr>
<tr>
<td>Area 4 Rank</td>
<td>18</td>
<td>5</td>
<td>11</td>
<td>12</td>
<td>10</td>
<td>5</td>
<td>7</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td><strong>2003</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Taxes on international trade</td>
<td>5.9</td>
<td>8.6</td>
<td>3.8</td>
<td>4.5</td>
<td>6.3</td>
<td>8.9</td>
<td>8.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>i. Revenue from trade taxes (% of trade sector)</td>
<td>7.1</td>
<td>9.4</td>
<td>7.2</td>
<td>8.0</td>
<td>9.5</td>
<td>8.1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii. Mean tariff rate</td>
<td>6.4</td>
<td>9.1</td>
<td>3.8</td>
<td>6.2</td>
<td>7.1</td>
<td>9.3</td>
<td>8.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>iii. Standard deviation of tariff rates</td>
<td>4.3</td>
<td>7.3</td>
<td>0.0</td>
<td>3.8</td>
<td>7.9</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Black-market exchange rates</td>
<td>8.1</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>5.5</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
</tr>
<tr>
<td>C. Capital controls</td>
<td>0.8</td>
<td>6.9</td>
<td>3.1</td>
<td>5.4</td>
<td>5.4</td>
<td>0.9</td>
<td>7.7</td>
<td>4.6</td>
<td>3.8</td>
</tr>
<tr>
<td>Area 4 Score</td>
<td>4.9</td>
<td>8.5</td>
<td>6.5</td>
<td>6.4</td>
<td>5.1</td>
<td>8.0</td>
<td>7.8</td>
<td>7.4</td>
<td></td>
</tr>
<tr>
<td>Area 4 Rank</td>
<td>16</td>
<td>2</td>
<td>10</td>
<td>11</td>
<td>14</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td><strong>2002</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Taxes on international trade</td>
<td>5.2</td>
<td>8.6</td>
<td>3.8</td>
<td>4.4</td>
<td>6.2</td>
<td>8.9</td>
<td>7.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>i. Revenue from trade taxes (% of trade sector)</td>
<td>5.0</td>
<td>9.3</td>
<td>6.9</td>
<td>7.8</td>
<td>9.4</td>
<td>7.3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii. Mean tariff rate</td>
<td>6.4</td>
<td>9.1</td>
<td>3.8</td>
<td>6.2</td>
<td>7.1</td>
<td>9.3</td>
<td>8.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>iii. Standard deviation of tariff rates</td>
<td>4.3</td>
<td>7.3</td>
<td>0.0</td>
<td>3.8</td>
<td>7.9</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Black-market exchange rates</td>
<td>8.1</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>5.5</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
</tr>
<tr>
<td>C. Capital controls</td>
<td>0.8</td>
<td>6.9</td>
<td>3.1</td>
<td>5.4</td>
<td>5.4</td>
<td>0.9</td>
<td>7.7</td>
<td>4.6</td>
<td>3.8</td>
</tr>
<tr>
<td>Area 4 Score</td>
<td>4.7</td>
<td>8.5</td>
<td>6.5</td>
<td>6.4</td>
<td>5.1</td>
<td>8.0</td>
<td>7.8</td>
<td>7.3</td>
<td></td>
</tr>
<tr>
<td>Area 4 Rank</td>
<td>17</td>
<td>2</td>
<td>10</td>
<td>11</td>
<td>14</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>------------</td>
<td>-------</td>
<td>------------</td>
<td>---------</td>
<td>------</td>
<td>-------</td>
<td>--------------</td>
<td>---------</td>
<td>-------</td>
<td>----------------------</td>
</tr>
<tr>
<td>2004</td>
<td>6.0</td>
<td>7.4</td>
<td>4.4</td>
<td>8.9</td>
<td>9.2</td>
<td>8.7</td>
<td>5.8</td>
<td>4.5</td>
<td>6.1</td>
</tr>
<tr>
<td></td>
<td>6.0</td>
<td>7.7</td>
<td>4.3</td>
<td>8.4</td>
<td>9.2</td>
<td>8.7</td>
<td>5.8</td>
<td>7.1</td>
<td>4.9</td>
</tr>
<tr>
<td>2003</td>
<td>6.0</td>
<td>7.4</td>
<td>4.4</td>
<td>8.9</td>
<td>9.2</td>
<td>8.7</td>
<td>5.8</td>
<td>4.5</td>
<td>6.1</td>
</tr>
<tr>
<td></td>
<td>6.0</td>
<td>7.7</td>
<td>4.3</td>
<td>8.4</td>
<td>9.2</td>
<td>8.7</td>
<td>5.8</td>
<td>7.1</td>
<td>4.9</td>
</tr>
<tr>
<td>2002</td>
<td>6.0</td>
<td>7.4</td>
<td>4.2</td>
<td>8.9</td>
<td>9.2</td>
<td>8.7</td>
<td>5.8</td>
<td>4.5</td>
<td>6.0</td>
</tr>
<tr>
<td></td>
<td>6.0</td>
<td>7.7</td>
<td>4.3</td>
<td>8.4</td>
<td>9.2</td>
<td>8.7</td>
<td>5.8</td>
<td>7.1</td>
<td>4.9</td>
</tr>
<tr>
<td>2004</td>
<td>6.0</td>
<td>7.4</td>
<td>4.4</td>
<td>8.9</td>
<td>9.2</td>
<td>8.7</td>
<td>5.8</td>
<td>4.5</td>
<td>6.1</td>
</tr>
<tr>
<td>2003</td>
<td>6.0</td>
<td>7.7</td>
<td>4.3</td>
<td>8.4</td>
<td>9.2</td>
<td>8.7</td>
<td>5.8</td>
<td>7.1</td>
<td>4.9</td>
</tr>
<tr>
<td>2002</td>
<td>6.0</td>
<td>7.4</td>
<td>4.2</td>
<td>8.9</td>
<td>9.2</td>
<td>8.7</td>
<td>5.8</td>
<td>4.5</td>
<td>6.0</td>
</tr>
<tr>
<td></td>
<td>6.0</td>
<td>7.7</td>
<td>4.3</td>
<td>8.4</td>
<td>9.2</td>
<td>8.7</td>
<td>5.8</td>
<td>7.1</td>
<td>4.9</td>
</tr>
</tbody>
</table>

Table 5, continued: Area 4. Freedom to Trade Internationally
Table 6: Area 5. Regulation of Credit, Labor, and Business

<table>
<thead>
<tr>
<th></th>
<th>Algeria</th>
<th>Bahrain</th>
<th>Comoros</th>
<th>Djibouti</th>
<th>Egypt, Arab Rep.</th>
<th>Iraq</th>
<th>Jordan</th>
<th>Kuwait</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2007</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>A. Credit Market Regulations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i. Ownership of banks</td>
<td>0.0</td>
<td>10.0</td>
<td>2.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
</tr>
<tr>
<td>ii. Foreign bank competition</td>
<td>8.0</td>
<td>8.0</td>
<td>6.0</td>
<td>3.0</td>
<td>3.0</td>
<td>3.0</td>
<td>3.0</td>
<td>9.0</td>
<td></td>
</tr>
<tr>
<td>iii. Interest rate controls/negative real interest rates</td>
<td>10.0</td>
<td>10.0</td>
<td>9.0</td>
<td>10.0</td>
<td>6.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
</tr>
<tr>
<td>iv. Getting Credit</td>
<td>3.2</td>
<td>5.3</td>
<td>1.5</td>
<td>1.3</td>
<td>4.8</td>
<td>1.5</td>
<td>3.7</td>
<td>5.3</td>
<td>5.7</td>
</tr>
<tr>
<td>a. Legal Rights Index</td>
<td>3.0</td>
<td>3.0</td>
<td>1.0</td>
<td>3.0</td>
<td>3.0</td>
<td>4.0</td>
<td>4.0</td>
<td>3.0</td>
<td></td>
</tr>
<tr>
<td>b. Credit Information Index</td>
<td>3.3</td>
<td>0.0</td>
<td>1.7</td>
<td>3.3</td>
<td>0.0</td>
<td>3.3</td>
<td>5.0</td>
<td>8.3</td>
<td></td>
</tr>
<tr>
<td><strong>B. Labor Market Regulations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i. Rigidity of Employment Index</td>
<td>5.2</td>
<td>7.7</td>
<td>5.4</td>
<td>5.4</td>
<td>7.3</td>
<td>6.2</td>
<td>7.0</td>
<td>8.7</td>
<td>7.5</td>
</tr>
<tr>
<td>a. Difficulty of Hiring Index</td>
<td>5.6</td>
<td>10.0</td>
<td>6.1</td>
<td>3.3</td>
<td>10.0</td>
<td>6.7</td>
<td>8.9</td>
<td>10.0</td>
<td>5.6</td>
</tr>
<tr>
<td>b. Rigidity of Hours Index</td>
<td>4.0</td>
<td>8.0</td>
<td>4.0</td>
<td>6.0</td>
<td>8.0</td>
<td>4.0</td>
<td>8.0</td>
<td>6.0</td>
<td>10.0</td>
</tr>
<tr>
<td>c. Difficulty of Firing Index</td>
<td>6.0</td>
<td>5.0</td>
<td>6.0</td>
<td>7.0</td>
<td>4.0</td>
<td>8.0</td>
<td>4.0</td>
<td>10.0</td>
<td>7.0</td>
</tr>
<tr>
<td>ii. Mandated cost of hiring (% of salary)</td>
<td>4.9</td>
<td>10.0</td>
<td>7.1</td>
<td>5.5</td>
<td>7.8</td>
<td>8.0</td>
<td>8.0</td>
<td>6.0</td>
<td></td>
</tr>
<tr>
<td>iii. Mandated cost of worker dismissal (weeks of wages)</td>
<td>9.5</td>
<td>9.9</td>
<td>7.2</td>
<td>8.4</td>
<td>6.3</td>
<td>10.0</td>
<td>9.9</td>
<td>7.8</td>
<td>9.5</td>
</tr>
<tr>
<td>iv. Conscription</td>
<td>1.0</td>
<td>10.0</td>
<td>10.0</td>
<td>0.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
</tr>
<tr>
<td><strong>C. Business Regulations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i. Starting a business</td>
<td>7.9</td>
<td>9.1</td>
<td>7.7</td>
<td>7.4</td>
<td>9.1</td>
<td>7.4</td>
<td>8.1</td>
<td>7.9</td>
<td>8.6</td>
</tr>
<tr>
<td>a. Number of procedures</td>
<td>2.9</td>
<td>4.7</td>
<td>4.7</td>
<td>5.3</td>
<td>4.7</td>
<td>4.7</td>
<td>3.5</td>
<td>7.6</td>
<td></td>
</tr>
<tr>
<td>b. Duration (days)</td>
<td>8.9</td>
<td>9.0</td>
<td>8.3</td>
<td>9.2</td>
<td>6.3</td>
<td>9.2</td>
<td>8.4</td>
<td>7.8</td>
<td></td>
</tr>
<tr>
<td>c. Cost (% of income per capita)</td>
<td>9.8</td>
<td>7.7</td>
<td>7.3</td>
<td>9.2</td>
<td>9.2</td>
<td>9.1</td>
<td>10.0</td>
<td>8.9</td>
<td></td>
</tr>
<tr>
<td>d. Minimum capital (% of income per capita)</td>
<td>9.9</td>
<td>9.4</td>
<td>8.9</td>
<td>8.6</td>
<td>9.9</td>
<td>8.3</td>
<td>9.8</td>
<td>9.9</td>
<td></td>
</tr>
<tr>
<td>ii. Closing a business</td>
<td>7.2</td>
<td>7.8</td>
<td>4.9</td>
<td>5.0</td>
<td>6.0</td>
<td>6.6</td>
<td>5.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Time (years)</td>
<td>7.8</td>
<td>5.2</td>
<td>6.0</td>
<td>5.9</td>
<td>6.0</td>
<td>6.3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Cost (% of estate)</td>
<td>9.2</td>
<td>7.7</td>
<td>7.2</td>
<td>8.9</td>
<td>10.0</td>
<td>7.2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. Recovery rate (cents on the dollar)</td>
<td>4.5</td>
<td>1.7</td>
<td>1.8</td>
<td>3.0</td>
<td>3.7</td>
<td>2.1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Area 5 Score</strong></td>
<td>6</td>
<td>8.7</td>
<td>7.6</td>
<td>6.3</td>
<td>5.8</td>
<td>7.5</td>
<td>7.7</td>
<td>7.9</td>
<td></td>
</tr>
<tr>
<td><strong>Area 5 Rank</strong></td>
<td>13</td>
<td>1</td>
<td>6</td>
<td>12</td>
<td>16</td>
<td>7</td>
<td>5</td>
<td>2</td>
<td></td>
</tr>
</tbody>
</table>
## Table 6: Area 5. Regulation of Credit, Labor, and Business

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2007 A. Credit Market Regulations</td>
<td>5.7</td>
<td>5.8</td>
<td>7.4</td>
<td>5.7</td>
<td>5.7</td>
<td>4.5</td>
<td>5.3</td>
<td>5.7</td>
<td>5.7</td>
<td>5.6</td>
<td>6.3</td>
<td>5.5</td>
<td></td>
</tr>
<tr>
<td>10.0</td>
<td>9.0</td>
<td>10.0</td>
<td>10.0</td>
<td>9.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td></td>
</tr>
<tr>
<td>2008 B. Labor Market Regulations</td>
<td>5.2</td>
<td>9.2</td>
<td>7.5</td>
<td>7.7</td>
<td>4.8</td>
<td>8.5</td>
<td>8.7</td>
<td>8.6</td>
<td>8.3</td>
<td>5.4</td>
<td>5.8</td>
<td>8.9</td>
<td></td>
</tr>
<tr>
<td>2009 C. Business Regulations</td>
<td>7.5</td>
<td>8.4</td>
<td>7.7</td>
<td>6.1</td>
<td>7.0</td>
<td>7.4</td>
<td>7.0</td>
<td>7.2</td>
<td>6.9</td>
<td>5.7</td>
<td>8.0</td>
<td>7.3</td>
<td></td>
</tr>
<tr>
<td>2010 Area 5 Score</td>
<td>6</td>
<td>8.7</td>
<td>7.6</td>
<td>6.3</td>
<td>5.8</td>
<td>7.5</td>
<td>7.7</td>
<td>7.9</td>
<td>5.6</td>
<td>6.5</td>
<td>7.9</td>
<td>5.5</td>
<td></td>
</tr>
<tr>
<td>2011 Area 5 Rank</td>
<td>13</td>
<td>1</td>
<td>6</td>
<td>12</td>
<td>16</td>
<td>7</td>
<td>5</td>
<td>2</td>
<td>17</td>
<td>11</td>
<td>6</td>
<td>8</td>
<td></td>
</tr>
</tbody>
</table>
### Table 6, continued: Area 5. Regulation of Credit, Labor, and Business

<table>
<thead>
<tr>
<th>Area 5</th>
<th>2006</th>
<th>Algeria</th>
<th>Bahrain</th>
<th>Comoros</th>
<th>Djibouti</th>
<th>Egypt, Arab Rep.</th>
<th>Iraq</th>
<th>Jordan</th>
<th>Kuwait</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Credit Market Regulations</td>
<td></td>
<td>5.3</td>
<td>8.3</td>
<td>5.2</td>
<td>5.3</td>
<td>4.3</td>
<td>6.7</td>
<td>6.9</td>
<td>8.7</td>
<td></td>
</tr>
<tr>
<td>i. Ownership of banks</td>
<td></td>
<td>0.0</td>
<td>10.0</td>
<td>2.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td></td>
</tr>
<tr>
<td>i.) Foreign bank competition</td>
<td></td>
<td>8.0</td>
<td>8.0</td>
<td>6.0</td>
<td>3.0</td>
<td>3.0</td>
<td>9.0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>iii. Interest rate controls/negative real interest rates</td>
<td></td>
<td>10.0</td>
<td>10.0</td>
<td>9.0</td>
<td>10.0</td>
<td>7.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td></td>
</tr>
<tr>
<td>iv. Getting Credit</td>
<td></td>
<td>3.2</td>
<td>5.3</td>
<td>1.5</td>
<td>1.3</td>
<td>3.2</td>
<td>1.5</td>
<td>3.7</td>
<td>4.5</td>
<td>5.7</td>
</tr>
<tr>
<td>a. Legal Rights Index</td>
<td></td>
<td>3.0</td>
<td>3.0</td>
<td>1.0</td>
<td>3.0</td>
<td>3.0</td>
<td>4.0</td>
<td>4.0</td>
<td>3.0</td>
<td></td>
</tr>
<tr>
<td>b. Credit Information Index</td>
<td></td>
<td>1.7</td>
<td>3.3</td>
<td>0.0</td>
<td>3.3</td>
<td>5.0</td>
<td>6.7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Labor Market Regulations</td>
<td></td>
<td>5.2</td>
<td>9.2</td>
<td>7.5</td>
<td>7.7</td>
<td>4.8</td>
<td>8.5</td>
<td>8.7</td>
<td>6.5</td>
<td></td>
</tr>
<tr>
<td>i. Rigidity of Employment Index</td>
<td></td>
<td>5.2</td>
<td>7.7</td>
<td>5.4</td>
<td>5.4</td>
<td>7.3</td>
<td>6.2</td>
<td>7.0</td>
<td>8.7</td>
<td>7.5</td>
</tr>
<tr>
<td>a. Difficulty of Hiring Index</td>
<td></td>
<td>5.6</td>
<td>10.0</td>
<td>6.1</td>
<td>8.3</td>
<td>10.0</td>
<td>6.7</td>
<td>8.9</td>
<td>10.0</td>
<td>5.6</td>
</tr>
<tr>
<td>b. Rigidity of Hours Index</td>
<td></td>
<td>4.0</td>
<td>8.0</td>
<td>4.0</td>
<td>6.0</td>
<td>8.0</td>
<td>4.0</td>
<td>8.0</td>
<td>6.0</td>
<td>10.0</td>
</tr>
<tr>
<td>c. Difficulty of Firing Index</td>
<td></td>
<td>6.0</td>
<td>5.0</td>
<td>6.0</td>
<td>7.0</td>
<td>4.0</td>
<td>8.0</td>
<td>4.0</td>
<td>10.0</td>
<td>7.0</td>
</tr>
<tr>
<td>ii. Mandated cost of hiring (% of salary)</td>
<td></td>
<td>4.9</td>
<td>10.0</td>
<td>7.1</td>
<td>5.5</td>
<td>7.8</td>
<td>8.0</td>
<td>8.0</td>
<td>6.0</td>
<td></td>
</tr>
<tr>
<td>iii. Mandated cost of worker dismissal (weeks of wages)</td>
<td></td>
<td>9.5</td>
<td>9.9</td>
<td>7.2</td>
<td>8.4</td>
<td>6.3</td>
<td>10.0</td>
<td>9.9</td>
<td>7.8</td>
<td>9.5</td>
</tr>
<tr>
<td>iv. Conscription</td>
<td></td>
<td>1.0</td>
<td>10.0</td>
<td>10.0</td>
<td>0.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>3.0</td>
</tr>
<tr>
<td>C. Business Regulations</td>
<td></td>
<td>7.5</td>
<td>8.4</td>
<td>7.7</td>
<td>6.1</td>
<td>6.5</td>
<td>7.5</td>
<td>6.9</td>
<td>7.3</td>
<td>6.9</td>
</tr>
<tr>
<td>i. Starting a business</td>
<td></td>
<td>7.9</td>
<td>9.1</td>
<td>7.7</td>
<td>7.3</td>
<td>8.1</td>
<td>7.5</td>
<td>7.8</td>
<td>7.9</td>
<td>8.6</td>
</tr>
<tr>
<td>a. Number of procedures</td>
<td></td>
<td>2.9</td>
<td>5.3</td>
<td>4.7</td>
<td>4.7</td>
<td>3.5</td>
<td>7.6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Duration (days)</td>
<td></td>
<td>8.9</td>
<td>9.0</td>
<td>6.3</td>
<td>9.2</td>
<td>8.4</td>
<td>7.8</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. Cost (% of income per capita)</td>
<td></td>
<td>9.9</td>
<td>8.7</td>
<td>9.5</td>
<td>9.0</td>
<td>10.0</td>
<td>8.7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d. Minimum capital (% of income per capita)</td>
<td></td>
<td>9.9</td>
<td>8.6</td>
<td>9.9</td>
<td>8.0</td>
<td>9.7</td>
<td>9.9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii. Closing a business</td>
<td></td>
<td>7.2</td>
<td>7.8</td>
<td>4.9</td>
<td>5.0</td>
<td>6.0</td>
<td>6.6</td>
<td>5.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Time (years)</td>
<td></td>
<td>7.8</td>
<td>5.2</td>
<td>6.0</td>
<td>5.9</td>
<td>6.0</td>
<td>6.3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Cost (% of estate)</td>
<td></td>
<td>9.2</td>
<td>7.7</td>
<td>7.2</td>
<td>8.9</td>
<td>10.0</td>
<td>7.2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. Recovery rate (cents on the dollar)</td>
<td></td>
<td>4.5</td>
<td>1.7</td>
<td>1.7</td>
<td>3.0</td>
<td>4.1</td>
<td>2.0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Area 5 Score</td>
<td></td>
<td>6.0</td>
<td>8.7</td>
<td>7.6</td>
<td>6.3</td>
<td>5.5</td>
<td>7.4</td>
<td>7.6</td>
<td>7.3</td>
<td></td>
</tr>
<tr>
<td>Area 5 Rank</td>
<td></td>
<td>13</td>
<td>1</td>
<td>3</td>
<td>12</td>
<td>17</td>
<td>7</td>
<td>3</td>
<td>8</td>
<td></td>
</tr>
</tbody>
</table>
## Table 6, continued: Area 5. Regulation of Credit, Labor, and Business

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Credit Market Regulations</td>
<td>5.2</td>
<td>5.8</td>
<td>7.4</td>
<td>6.1</td>
<td>7.4</td>
<td>4.5</td>
<td>5.3</td>
<td>5.4</td>
<td>5.6</td>
<td>5.8</td>
<td>5.5</td>
<td>10.0</td>
<td>10.0</td>
</tr>
<tr>
<td></td>
<td>8.0</td>
<td>10.0</td>
<td>5.0</td>
<td>8.0</td>
<td>8.0</td>
<td>8.0</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
<td>10.0</td>
<td>10.0</td>
</tr>
<tr>
<td></td>
<td>3.0</td>
<td>6.0</td>
<td>8.0</td>
<td>3.0</td>
<td>8.0</td>
<td>8.0</td>
<td>8.0</td>
<td>8.0</td>
<td>8.0</td>
<td>8.0</td>
<td>8.0</td>
<td>10.0</td>
<td>10.0</td>
</tr>
<tr>
<td>10.0</td>
<td>8.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
</tr>
<tr>
<td></td>
<td>2.3</td>
<td>2.3</td>
<td>3.7</td>
<td>3.2</td>
<td>6.2</td>
<td>2.5</td>
<td>0.5</td>
<td>3.2</td>
<td>3.7</td>
<td>1.7</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td></td>
<td>3.0</td>
<td>2.3</td>
<td>4.0</td>
<td>4.0</td>
<td>5.0</td>
<td>1.0</td>
<td>3.0</td>
<td>4.0</td>
<td>0.0</td>
<td>2.0</td>
<td>2.0</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td></td>
<td>1.7</td>
<td>1.7</td>
<td>3.3</td>
<td>8.3</td>
<td>0.0</td>
<td>3.3</td>
<td>3.3</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td></td>
<td>5.3</td>
<td>5.8</td>
<td>8.9</td>
<td>8.5</td>
<td>8.8</td>
<td>5.0</td>
<td>5.4</td>
<td>5.9</td>
<td>8.5</td>
<td>8.6</td>
<td>6.1</td>
<td>6.1</td>
<td>6.1</td>
</tr>
<tr>
<td></td>
<td>5.1</td>
<td>3.7</td>
<td>7.6</td>
<td>7.3</td>
<td>9.3</td>
<td>6.4</td>
<td>7.0</td>
<td>5.1</td>
<td>8.7</td>
<td>6.9</td>
<td>6.7</td>
<td>6.7</td>
<td>6.7</td>
</tr>
<tr>
<td></td>
<td>3.3</td>
<td>0.0</td>
<td>5.6</td>
<td>10.0</td>
<td>10.0</td>
<td>6.1</td>
<td>8.9</td>
<td>7.2</td>
<td>10.0</td>
<td>6.7</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
</tr>
<tr>
<td></td>
<td>6.0</td>
<td>6.0</td>
<td>6.0</td>
<td>4.0</td>
<td>8.0</td>
<td>8.0</td>
<td>6.0</td>
<td>6.0</td>
<td>6.0</td>
<td>6.0</td>
<td>6.0</td>
<td>6.0</td>
<td>6.0</td>
</tr>
<tr>
<td></td>
<td>6.0</td>
<td>5.0</td>
<td>10.0</td>
<td>8.0</td>
<td>10.0</td>
<td>5.0</td>
<td>5.0</td>
<td>2.0</td>
<td>10.0</td>
<td>8.0</td>
<td>6.0</td>
<td>6.0</td>
<td>6.0</td>
</tr>
<tr>
<td></td>
<td>7.1</td>
<td>6.7</td>
<td>8.2</td>
<td>8.0</td>
<td>6.9</td>
<td>6.9</td>
<td>6.0</td>
<td>7.6</td>
<td>10.0</td>
<td>8.4</td>
<td>6.7</td>
<td>6.7</td>
<td>6.7</td>
</tr>
<tr>
<td></td>
<td>9.1</td>
<td>7.6</td>
<td>9.9</td>
<td>8.1</td>
<td>7.8</td>
<td>6.7</td>
<td>7.8</td>
<td>9.5</td>
<td>7.7</td>
<td>7.5</td>
<td>9.5</td>
<td>9.5</td>
<td>9.5</td>
</tr>
<tr>
<td>1.0</td>
<td>0.0</td>
<td>5.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>0.0</td>
<td>3.0</td>
<td>10.0</td>
<td>10.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td></td>
<td>5.5</td>
<td>8.0</td>
<td>7.3</td>
<td>8.0</td>
<td>6.6</td>
<td>8.2</td>
<td>6.0</td>
<td>8.3</td>
<td>6.4</td>
<td>7.0</td>
<td>6.2</td>
<td>6.2</td>
<td>6.2</td>
</tr>
<tr>
<td></td>
<td>7.0</td>
<td>9.2</td>
<td>8.1</td>
<td>9.3</td>
<td>7.2</td>
<td>8.2</td>
<td>5.9</td>
<td>8.7</td>
<td>8.7</td>
<td>7.0</td>
<td>5.8</td>
<td>5.8</td>
<td>5.8</td>
</tr>
<tr>
<td></td>
<td>4.7</td>
<td>7.6</td>
<td>5.3</td>
<td>3.5</td>
<td>5.3</td>
<td>5.3</td>
<td>4.1</td>
<td>5.3</td>
<td>6.5</td>
<td>4.1</td>
<td>4.1</td>
<td>4.1</td>
<td>4.1</td>
</tr>
<tr>
<td></td>
<td>6.0</td>
<td>9.5</td>
<td>8.4</td>
<td>6.9</td>
<td>8.2</td>
<td>8.0</td>
<td>9.6</td>
<td>9.3</td>
<td>5.5</td>
<td>7.0</td>
<td>7.0</td>
<td>7.0</td>
<td>7.0</td>
</tr>
<tr>
<td></td>
<td>8.3</td>
<td>9.8</td>
<td>9.9</td>
<td>9.2</td>
<td>9.2</td>
<td>9.6</td>
<td>9.9</td>
<td>9.6</td>
<td>9.0</td>
<td>9.0</td>
<td>7.1</td>
<td>7.1</td>
<td>7.1</td>
</tr>
<tr>
<td></td>
<td>8.3</td>
<td>8.6</td>
<td>8.7</td>
<td>7.6</td>
<td>10.0</td>
<td>0.0</td>
<td>9.9</td>
<td>9.2</td>
<td>8.3</td>
<td>4.7</td>
<td>4.7</td>
<td>4.7</td>
<td>4.7</td>
</tr>
<tr>
<td></td>
<td>4.0</td>
<td>6.7</td>
<td>6.6</td>
<td>6.8</td>
<td>5.9</td>
<td>6.1</td>
<td>7.9</td>
<td>4.1</td>
<td>6.5</td>
<td>6.5</td>
<td>6.5</td>
<td>6.5</td>
<td>6.5</td>
</tr>
<tr>
<td></td>
<td>2.1</td>
<td>8.5</td>
<td>6.3</td>
<td>7.5</td>
<td>6.1</td>
<td>9.1</td>
<td>5.1</td>
<td>7.3</td>
<td>7.3</td>
<td>7.3</td>
<td>7.3</td>
<td>7.3</td>
<td>7.3</td>
</tr>
<tr>
<td></td>
<td>8.9</td>
<td>7.7</td>
<td>9.6</td>
<td>7.2</td>
<td>8.9</td>
<td>9.2</td>
<td>6.1</td>
<td>9.1</td>
<td>9.1</td>
<td>9.1</td>
<td>9.1</td>
<td>9.1</td>
<td>9.1</td>
</tr>
<tr>
<td></td>
<td>0.8</td>
<td>3.8</td>
<td>3.7</td>
<td>3.1</td>
<td>3.1</td>
<td>5.6</td>
<td>1.3</td>
<td>0.0</td>
<td>3.1</td>
<td>3.1</td>
<td>3.1</td>
<td>3.1</td>
<td>3.1</td>
</tr>
<tr>
<td></td>
<td>5.3</td>
<td>6.5</td>
<td>7.9</td>
<td>7.5</td>
<td>7.6</td>
<td>5.9</td>
<td>5.6</td>
<td>6.5</td>
<td>6.8</td>
<td>5.9</td>
<td>5.9</td>
<td>5.9</td>
<td>5.9</td>
</tr>
<tr>
<td></td>
<td>18</td>
<td>10</td>
<td>2</td>
<td>6</td>
<td>3</td>
<td>14</td>
<td>16</td>
<td>10</td>
<td>9</td>
<td>14</td>
<td>14</td>
<td>14</td>
<td>14</td>
</tr>
</tbody>
</table>
### Table 6, continued: Area 5. Regulation of Credit, Labor, and Business

<table>
<thead>
<tr>
<th></th>
<th>Algeria</th>
<th>Bahrain</th>
<th>Comoros</th>
<th>Djibouti</th>
<th>Egypt, Arab Rep.</th>
<th>Iraq</th>
<th>Jordan</th>
<th>Kuwait</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2005</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>A. Credit Market Regulations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i. Ownership of banks</td>
<td>5.1</td>
<td>8.3</td>
<td>5.2</td>
<td>5.3</td>
<td>4.3</td>
<td>6.7</td>
<td>6.9</td>
<td>8.5</td>
<td></td>
</tr>
<tr>
<td>ii. Foreign bank competition</td>
<td>0.0</td>
<td>10.0</td>
<td>2.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td></td>
</tr>
<tr>
<td>iii. Interest rate controls/negative real interest rates</td>
<td>10.0</td>
<td>10.0</td>
<td>9.0</td>
<td>10.0</td>
<td>7.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td></td>
</tr>
<tr>
<td>iv. Getting Credit</td>
<td>2.3</td>
<td>5.3</td>
<td>1.5</td>
<td>1.3</td>
<td>3.2</td>
<td>1.5</td>
<td>3.7</td>
<td>4.5</td>
<td>4.8</td>
</tr>
<tr>
<td>a. Legal Rights Index</td>
<td>3.0</td>
<td>3.0</td>
<td>1.0</td>
<td>3.0</td>
<td>3.0</td>
<td>4.0</td>
<td>4.0</td>
<td>3.0</td>
<td></td>
</tr>
<tr>
<td>b. Credit Information Index</td>
<td>1.7</td>
<td></td>
<td></td>
<td></td>
<td>3.3</td>
<td>3.3</td>
<td>5.0</td>
<td>6.7</td>
<td></td>
</tr>
<tr>
<td><strong>B. Labor Market Regulations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i. Rigidity of Employment Index</td>
<td>5.2</td>
<td>9.2</td>
<td>7.5</td>
<td>8.2</td>
<td>4.8</td>
<td>8.5</td>
<td>8.7</td>
<td>8.6</td>
<td>6.5</td>
</tr>
<tr>
<td>a. Difficulty of Hiring Index</td>
<td>4.4</td>
<td>10.0</td>
<td>6.1</td>
<td>8.3</td>
<td>10.0</td>
<td>6.7</td>
<td>8.9</td>
<td>10.0</td>
<td>5.6</td>
</tr>
<tr>
<td>b. Rigidity of Hours Index</td>
<td>4.0</td>
<td>8.0</td>
<td>4.0</td>
<td>6.0</td>
<td>8.0</td>
<td>4.0</td>
<td>8.0</td>
<td>6.0</td>
<td>10.0</td>
</tr>
<tr>
<td>c. Difficulty of Firing Index</td>
<td>6.0</td>
<td>5.0</td>
<td>6.0</td>
<td>7.0</td>
<td>4.0</td>
<td>8.0</td>
<td>4.0</td>
<td>10.0</td>
<td>7.0</td>
</tr>
<tr>
<td>ii. Mandated cost of hiring (% of salary)</td>
<td>4.9</td>
<td>10.0</td>
<td>7.1</td>
<td>5.5</td>
<td>7.8</td>
<td>8.0</td>
<td>8.0</td>
<td>6.0</td>
<td></td>
</tr>
<tr>
<td>iii. Mandated cost of worker dismissal (weeks of wages)</td>
<td>9.5</td>
<td>9.9</td>
<td>7.2</td>
<td>8.4</td>
<td>6.3</td>
<td>10.0</td>
<td>9.9</td>
<td>7.8</td>
<td>9.5</td>
</tr>
<tr>
<td>iv. Conscription</td>
<td>1.0</td>
<td>10.0</td>
<td>10.0</td>
<td>0.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>3.0</td>
<td></td>
</tr>
<tr>
<td><strong>C. Business Regulations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i. Starting a business</td>
<td>7.9</td>
<td>9.1</td>
<td>7.7</td>
<td>7.3</td>
<td>7.9</td>
<td>7.6</td>
<td>7.7</td>
<td>7.9</td>
<td>8.5</td>
</tr>
<tr>
<td>a. Number of procedures</td>
<td>2.9</td>
<td></td>
<td></td>
<td></td>
<td>3.5</td>
<td>4.7</td>
<td>3.5</td>
<td>7.6</td>
<td></td>
</tr>
<tr>
<td>b. Duration (days)</td>
<td>8.9</td>
<td></td>
<td></td>
<td></td>
<td>8.3</td>
<td>8.7</td>
<td>8.4</td>
<td>7.8</td>
<td></td>
</tr>
<tr>
<td>c. Cost (% of income per capita)</td>
<td>9.8</td>
<td></td>
<td></td>
<td></td>
<td>9.2</td>
<td>8.8</td>
<td>10.0</td>
<td>8.5</td>
<td></td>
</tr>
<tr>
<td>d. Minimum capital (% of income per capita)</td>
<td>9.9</td>
<td></td>
<td></td>
<td></td>
<td>8.4</td>
<td>7.8</td>
<td>9.7</td>
<td>9.8</td>
<td></td>
</tr>
<tr>
<td>ii. Closing a business</td>
<td>7.2</td>
<td>7.8</td>
<td>4.9</td>
<td>5.0</td>
<td>6.0</td>
<td>6.7</td>
<td>5.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Time (years)</td>
<td>7.8</td>
<td></td>
<td></td>
<td></td>
<td>5.2</td>
<td>6.0</td>
<td>5.9</td>
<td>6.0</td>
<td>6.3</td>
</tr>
<tr>
<td>b. Cost (% of estate)</td>
<td>9.2</td>
<td></td>
<td></td>
<td></td>
<td>7.7</td>
<td>7.2</td>
<td>8.9</td>
<td>10.0</td>
<td>7.2</td>
</tr>
<tr>
<td>c. Recovery rate (cents on the dollar)</td>
<td>4.5</td>
<td></td>
<td></td>
<td></td>
<td>1.7</td>
<td>1.7</td>
<td>2.8</td>
<td>4.2</td>
<td>1.8</td>
</tr>
<tr>
<td><strong>Area 5 Score</strong></td>
<td>5.9</td>
<td>8.7</td>
<td>7.6</td>
<td>6.5</td>
<td>5.5</td>
<td>7.4</td>
<td>7.6</td>
<td>7.3</td>
<td></td>
</tr>
<tr>
<td><strong>Area 5 Rank</strong></td>
<td>13</td>
<td>1</td>
<td>2</td>
<td>10</td>
<td>16</td>
<td>7</td>
<td>2</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>--------------</td>
<td>-------</td>
<td>------------</td>
<td>---------</td>
<td>------</td>
<td>-------</td>
<td>--------------</td>
<td>---------</td>
<td>-------</td>
<td>--------------------</td>
</tr>
<tr>
<td>Score</td>
<td>5.7</td>
<td>5.8</td>
<td>6.7</td>
<td>6.1</td>
<td>7.4</td>
<td>4.5</td>
<td>5.3</td>
<td>5.4</td>
<td>5.6</td>
</tr>
<tr>
<td>10.0</td>
<td>9.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
</tr>
<tr>
<td>Area 5 Rank</td>
<td>13</td>
<td>1</td>
<td>2</td>
<td>10</td>
<td>16</td>
<td>7</td>
<td>2</td>
<td>8</td>
<td>5</td>
</tr>
</tbody>
</table>

### Table 6, continued: Area 5. Regulation of Credit, Labor, and Business

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ownership of banks</td>
<td>0.0</td>
<td>10.0</td>
<td>2.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>8.0</td>
<td>10.0</td>
<td>5.0</td>
<td>8.0</td>
<td>8.0</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
</tr>
<tr>
<td>Foreign bank competition</td>
<td>8.0</td>
<td>8.0</td>
<td>6.0</td>
<td>3.0</td>
<td>3.0</td>
<td>9.0</td>
<td>3.0</td>
<td>3.0</td>
<td>8.0</td>
<td>3.0</td>
<td>8.0</td>
<td>8.0</td>
<td>8.0</td>
<td>8.0</td>
<td>8.0</td>
<td>8.0</td>
<td>8.0</td>
<td>8.0</td>
</tr>
<tr>
<td>Interest rate controls/negative real interest rates</td>
<td>10.0</td>
<td>10.0</td>
<td>9.0</td>
<td>10.0</td>
<td>7.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>9.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
</tr>
<tr>
<td>Getting Credit</td>
<td>2.3</td>
<td>5.3</td>
<td>1.5</td>
<td>1.3</td>
<td>3.2</td>
<td>1.5</td>
<td>3.7</td>
<td>4.5</td>
<td>4.8</td>
<td>2.3</td>
<td>2.3</td>
<td>3.7</td>
<td>3.2</td>
<td>6.2</td>
<td>2.5</td>
<td>3.2</td>
<td>3.7</td>
<td>1.7</td>
</tr>
<tr>
<td>Legal Rights Index</td>
<td>3.0</td>
<td>3.0</td>
<td>1.0</td>
<td>3.0</td>
<td>3.0</td>
<td>4.0</td>
<td>4.0</td>
<td>3.0</td>
<td>3.0</td>
<td>3.0</td>
<td>3.0</td>
<td>4.0</td>
<td>4.0</td>
<td>3.0</td>
<td>3.0</td>
<td>2.0</td>
<td>4.0</td>
<td>3.0</td>
</tr>
<tr>
<td>Credit Information Index</td>
<td>3.3</td>
<td>3.3</td>
<td>5.0</td>
<td>6.7</td>
<td>1.7</td>
<td>1.7</td>
<td>3.3</td>
<td>0.0</td>
<td>0.0</td>
<td>3.3</td>
<td>3.3</td>
<td>3.3</td>
<td>3.3</td>
<td>3.3</td>
<td>3.3</td>
<td>3.3</td>
<td>3.3</td>
<td>3.3</td>
</tr>
<tr>
<td>Rigidity of Employment Index</td>
<td>5.2</td>
<td>7.7</td>
<td>5.4</td>
<td>7.1</td>
<td>7.3</td>
<td>6.2</td>
<td>7.0</td>
<td>8.7</td>
<td>7.5</td>
<td>5.1</td>
<td>3.7</td>
<td>7.2</td>
<td>7.3</td>
<td>9.3</td>
<td>6.4</td>
<td>6.6</td>
<td>5.1</td>
<td>8.7</td>
</tr>
<tr>
<td>Difficulty of Hiring Index</td>
<td>4.4</td>
<td>10.0</td>
<td>6.1</td>
<td>8.3</td>
<td>10.0</td>
<td>6.7</td>
<td>8.9</td>
<td>10.0</td>
<td>5.6</td>
<td>1.1</td>
<td>0.0</td>
<td>5.6</td>
<td>10.0</td>
<td>10.0</td>
<td>6.1</td>
<td>10.0</td>
<td>7.2</td>
<td>10.0</td>
</tr>
<tr>
<td>Rigidity of Hours Index</td>
<td>4.0</td>
<td>8.0</td>
<td>4.0</td>
<td>6.0</td>
<td>8.0</td>
<td>4.0</td>
<td>8.0</td>
<td>6.0</td>
<td>10.0</td>
<td>4.0</td>
<td>6.0</td>
<td>6.0</td>
<td>4.0</td>
<td>8.0</td>
<td>8.0</td>
<td>4.0</td>
<td>8.0</td>
<td>6.0</td>
</tr>
<tr>
<td>Difficulty of Firing Index</td>
<td>6.0</td>
<td>5.0</td>
<td>6.0</td>
<td>7.0</td>
<td>4.0</td>
<td>8.0</td>
<td>4.0</td>
<td>10.0</td>
<td>7.0</td>
<td>4.0</td>
<td>6.0</td>
<td>10.0</td>
<td>8.0</td>
<td>10.0</td>
<td>5.0</td>
<td>5.0</td>
<td>2.0</td>
<td>10.0</td>
</tr>
<tr>
<td>Mandated cost of hiring (% of salary)</td>
<td>4.9</td>
<td>10.0</td>
<td>7.1</td>
<td>5.5</td>
<td>7.8</td>
<td>8.0</td>
<td>8.0</td>
<td>6.0</td>
<td>7.1</td>
<td>6.7</td>
<td>8.2</td>
<td>8.0</td>
<td>6.9</td>
<td>6.9</td>
<td>6.0</td>
<td>7.6</td>
<td>10.0</td>
<td>6.1</td>
</tr>
<tr>
<td>Mandated cost of worker dismissal (weeks of wages)</td>
<td>9.5</td>
<td>9.9</td>
<td>7.2</td>
<td>8.4</td>
<td>6.3</td>
<td>10.0</td>
<td>9.9</td>
<td>7.8</td>
<td>9.5</td>
<td>9.1</td>
<td>7.6</td>
<td>9.9</td>
<td>8.1</td>
<td>7.8</td>
<td>9.5</td>
<td>7.7</td>
<td>7.5</td>
<td>9.5</td>
</tr>
<tr>
<td>Conscription</td>
<td>1.0</td>
<td>10.0</td>
<td>10.0</td>
<td>0.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>3.0</td>
<td>1.0</td>
<td>0.0</td>
<td>5.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>0.0</td>
<td>0.0</td>
<td>3.0</td>
<td>10.0</td>
</tr>
</tbody>
</table>

### Footer
Friedrich Naumann Foundation / International Research Foundation / Fraser Institute
### Table 6, continued: Area 5. Regulation of Credit, Labor, and Business

<table>
<thead>
<tr>
<th></th>
<th>Algeria</th>
<th>Bahrain</th>
<th>Comoros</th>
<th>Djibouti</th>
<th>Egypt, Arab Rep.</th>
<th>Iraq</th>
<th>Jordan</th>
<th>Kuwait</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2004</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>A. Credit Market Regulations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i. Ownership of banks</td>
<td>5.1</td>
<td>8.1</td>
<td>5.2</td>
<td>4.5</td>
<td>5.8</td>
<td>6.9</td>
<td>8.1</td>
<td>8.2</td>
<td></td>
</tr>
<tr>
<td>ii. Foreign bank competition</td>
<td>0.0</td>
<td>10.0</td>
<td>2.0</td>
<td>10.0</td>
<td>10.0</td>
<td>4.0</td>
<td>8.0</td>
<td>8.0</td>
<td></td>
</tr>
<tr>
<td>iii. Interest rate controls/negative real interest rates</td>
<td>8.0</td>
<td>7.0</td>
<td>3.0</td>
<td>4.0</td>
<td>8.0</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
<td></td>
</tr>
<tr>
<td>iv. Getting Credit</td>
<td>5.7</td>
<td>6.3</td>
<td>7.9</td>
<td>6.1</td>
<td>6.0</td>
<td>5.0</td>
<td>4.0</td>
<td>4.0</td>
<td></td>
</tr>
<tr>
<td>a. Legal Rights Index</td>
<td>3.3</td>
<td>0.0</td>
<td>3.3</td>
<td>3.3</td>
<td>0.0</td>
<td>3.3</td>
<td>5.0</td>
<td>8.3</td>
<td></td>
</tr>
<tr>
<td>b. Credit Information Index</td>
<td>3.3</td>
<td>0.0</td>
<td>3.3</td>
<td>3.3</td>
<td>0.0</td>
<td>3.3</td>
<td>5.0</td>
<td>8.3</td>
<td></td>
</tr>
<tr>
<td><strong>B. Labor Market Regulations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i. Rigidity of Employment Index</td>
<td>4.8</td>
<td>7.7</td>
<td>5.4</td>
<td>7.1</td>
<td>7.3</td>
<td>6.2</td>
<td>7.0</td>
<td>8.7</td>
<td>7.5</td>
</tr>
<tr>
<td>a. Difficulty of Hiring Index</td>
<td>4.4</td>
<td>10.0</td>
<td>6.1</td>
<td>8.3</td>
<td>10.0</td>
<td>6.7</td>
<td>8.9</td>
<td>10.0</td>
<td>5.6</td>
</tr>
<tr>
<td>b. Rigidity of Hours Index</td>
<td>4.0</td>
<td>8.0</td>
<td>4.0</td>
<td>6.0</td>
<td>8.0</td>
<td>4.0</td>
<td>8.0</td>
<td>6.0</td>
<td>10.0</td>
</tr>
<tr>
<td>c. Difficulty of Firing Index</td>
<td>6.0</td>
<td>5.0</td>
<td>6.0</td>
<td>7.0</td>
<td>4.0</td>
<td>8.0</td>
<td>4.0</td>
<td>10.0</td>
<td>7.0</td>
</tr>
<tr>
<td>ii. Mandated cost of hiring (% of salary)</td>
<td>4.9</td>
<td>10.0</td>
<td>7.1</td>
<td>5.5</td>
<td>7.8</td>
<td>8.0</td>
<td>8.0</td>
<td>6.0</td>
<td></td>
</tr>
<tr>
<td>iii. Mandated cost of worker dismissal (weeks of wages)</td>
<td>9.5</td>
<td>9.9</td>
<td>7.2</td>
<td>8.4</td>
<td>6.3</td>
<td>10.0</td>
<td>9.9</td>
<td>7.8</td>
<td>9.5</td>
</tr>
<tr>
<td>iv. Conscription</td>
<td>1.0</td>
<td>10.0</td>
<td>10.0</td>
<td>0.0</td>
<td>0.0</td>
<td>10.0</td>
<td>10.0</td>
<td>3.0</td>
<td></td>
</tr>
<tr>
<td><strong>C. Business Regulations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i. Starting a business</td>
<td>7.9</td>
<td>9.1</td>
<td>7.7</td>
<td>7.3</td>
<td>7.4</td>
<td>7.6</td>
<td>7.5</td>
<td>7.9</td>
<td>8.4</td>
</tr>
<tr>
<td>a. Number of procedures</td>
<td>2.9</td>
<td>3.5</td>
<td>2.9</td>
<td>3.5</td>
<td>2.9</td>
<td>3.5</td>
<td>7.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Duration (days)</td>
<td>8.9</td>
<td>8.3</td>
<td>6.1</td>
<td>8.4</td>
<td>8.4</td>
<td>7.8</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. Cost (% of income per capita)</td>
<td>9.8</td>
<td>9.2</td>
<td>8.8</td>
<td>10.0</td>
<td>10.0</td>
<td>8.4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d. Minimum capital (% of income per capita)</td>
<td>9.9</td>
<td>8.3</td>
<td>7.7</td>
<td>9.7</td>
<td>9.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii. Closing a business</td>
<td>7.2</td>
<td>7.8</td>
<td>4.9</td>
<td>5.0</td>
<td>5.9</td>
<td>6.7</td>
<td>5.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Time (years)</td>
<td>7.8</td>
<td>5.2</td>
<td>6.0</td>
<td>5.9</td>
<td>6.0</td>
<td>6.3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Cost (% of estate)</td>
<td>9.2</td>
<td>7.7</td>
<td>7.2</td>
<td>8.9</td>
<td>10.0</td>
<td>7.2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. Recovery rate (cents on the dollar)</td>
<td>4.5</td>
<td>1.7</td>
<td>1.7</td>
<td>2.9</td>
<td>4.1</td>
<td>1.7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Area 5 Score</strong></td>
<td>5.9</td>
<td>8.6</td>
<td>7.6</td>
<td>6.5</td>
<td>5.2</td>
<td>7.4</td>
<td>8.0</td>
<td>7.2</td>
<td></td>
</tr>
<tr>
<td><strong>Area 5 Rank</strong></td>
<td>15</td>
<td>1</td>
<td>4</td>
<td>11</td>
<td>18</td>
<td>6</td>
<td>2</td>
<td>7</td>
<td></td>
</tr>
</tbody>
</table>
### Area 5: Regulation of Credit, Labor, and Business

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Area 5 Score</strong></td>
<td>10.0</td>
<td>9.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
</tr>
<tr>
<td><strong>Area 5 Rank</strong></td>
<td>15</td>
<td>1</td>
<td>4</td>
<td>11</td>
<td>18</td>
<td>6</td>
<td>2</td>
<td>7</td>
<td>17</td>
<td>10</td>
<td>2</td>
<td>5</td>
<td>8</td>
</tr>
</tbody>
</table>

**Table 6, continued: Area 5. Regulation of Credit, Labor, and Business**

<table>
<thead>
<tr>
<th></th>
<th>5.7</th>
<th>6.3</th>
<th>7.9</th>
<th>6.1</th>
<th>6.0</th>
<th>4.5</th>
<th>5.3</th>
<th>5.4</th>
<th>5.6</th>
<th>5.8</th>
<th>6.3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5.0</td>
<td>10.0</td>
<td>5.0</td>
<td>8.0</td>
<td>8.0</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
</tr>
<tr>
<td></td>
<td>8.0</td>
<td>8.0</td>
<td>8.0</td>
<td>8.0</td>
<td>8.0</td>
<td>8.0</td>
<td>8.0</td>
<td>8.0</td>
<td>8.0</td>
<td>8.0</td>
<td>8.0</td>
</tr>
<tr>
<td></td>
<td>2.3</td>
<td>2.3</td>
<td>3.7</td>
<td>3.2</td>
<td>2.0</td>
<td>2.5</td>
<td>0.5</td>
<td>3.2</td>
<td>3.7</td>
<td>1.7</td>
<td>2.7</td>
</tr>
<tr>
<td></td>
<td>5.0</td>
<td>3.0</td>
<td>3.0</td>
<td>3.0</td>
<td>4.0</td>
<td>5.0</td>
<td>3.0</td>
<td>3.0</td>
<td>5.0</td>
<td>5.0</td>
<td>3.0</td>
</tr>
<tr>
<td></td>
<td>1.7</td>
<td>1.7</td>
<td>8.3</td>
<td>0.0</td>
<td>0.0</td>
<td>5.0</td>
<td>5.0</td>
<td>3.3</td>
<td>5.0</td>
<td>3.3</td>
<td>3.3</td>
</tr>
<tr>
<td></td>
<td>4.8</td>
<td>6.1</td>
<td>8.8</td>
<td>8.5</td>
<td>8.8</td>
<td>5.3</td>
<td>5.4</td>
<td>5.9</td>
<td>8.5</td>
<td>8.6</td>
<td>6.1</td>
</tr>
<tr>
<td></td>
<td>3.0</td>
<td>4.0</td>
<td>7.2</td>
<td>7.3</td>
<td>9.3</td>
<td>6.4</td>
<td>7.0</td>
<td>5.1</td>
<td>8.7</td>
<td>6.9</td>
<td>6.7</td>
</tr>
<tr>
<td></td>
<td>1.1</td>
<td>0.0</td>
<td>5.6</td>
<td>10.0</td>
<td>10.0</td>
<td>6.1</td>
<td>10.0</td>
<td>7.2</td>
<td>10.0</td>
<td>6.7</td>
<td>10.0</td>
</tr>
<tr>
<td></td>
<td>4.0</td>
<td>6.0</td>
<td>6.0</td>
<td>4.0</td>
<td>8.0</td>
<td>8.0</td>
<td>6.0</td>
<td>6.0</td>
<td>6.0</td>
<td>6.0</td>
<td>4.0</td>
</tr>
<tr>
<td></td>
<td>4.0</td>
<td>6.0</td>
<td>10.0</td>
<td>8.0</td>
<td>10.0</td>
<td>5.0</td>
<td>5.0</td>
<td>2.0</td>
<td>10.0</td>
<td>8.0</td>
<td>6.0</td>
</tr>
<tr>
<td></td>
<td>7.1</td>
<td>6.7</td>
<td>8.2</td>
<td>8.0</td>
<td>6.9</td>
<td>6.9</td>
<td>6.0</td>
<td>7.6</td>
<td>10.0</td>
<td>8.4</td>
<td>8.4</td>
</tr>
<tr>
<td></td>
<td>9.1</td>
<td>8.5</td>
<td>9.9</td>
<td>8.1</td>
<td>7.8</td>
<td>6.7</td>
<td>7.8</td>
<td>9.5</td>
<td>7.7</td>
<td>7.5</td>
<td>9.5</td>
</tr>
<tr>
<td></td>
<td>1.0</td>
<td>0.0</td>
<td>5.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
</tr>
<tr>
<td></td>
<td>5.6</td>
<td>7.8</td>
<td>7.3</td>
<td>8.0</td>
<td>6.1</td>
<td>8.2</td>
<td>5.7</td>
<td>7.3</td>
<td>6.2</td>
<td>6.7</td>
<td>5.8</td>
</tr>
<tr>
<td></td>
<td>6.8</td>
<td>8.9</td>
<td>8.1</td>
<td>9.3</td>
<td>6.6</td>
<td>8.2</td>
<td>5.4</td>
<td>8.5</td>
<td>8.6</td>
<td>6.7</td>
<td>6.2</td>
</tr>
<tr>
<td></td>
<td>4.7</td>
<td>4.7</td>
<td>5.3</td>
<td>3.5</td>
<td>4.1</td>
<td>5.3</td>
<td>6.5</td>
<td>4.1</td>
<td>4.1</td>
<td>6.5</td>
<td>4.1</td>
</tr>
<tr>
<td></td>
<td>6.0</td>
<td>8.3</td>
<td>8.4</td>
<td>6.6</td>
<td>8.0</td>
<td>9.6</td>
<td>9.3</td>
<td>6.5</td>
<td>6.5</td>
<td>6.5</td>
<td>6.5</td>
</tr>
<tr>
<td></td>
<td>8.3</td>
<td>9.7</td>
<td>9.9</td>
<td>9.2</td>
<td>9.6</td>
<td>9.9</td>
<td>9.6</td>
<td>6.9</td>
<td>6.9</td>
<td>6.9</td>
<td>6.9</td>
</tr>
<tr>
<td></td>
<td>8.3</td>
<td>8.5</td>
<td>8.7</td>
<td>7.0</td>
<td>0.0</td>
<td>9.3</td>
<td>9.1</td>
<td>6.6</td>
<td>6.6</td>
<td>6.6</td>
<td>6.6</td>
</tr>
<tr>
<td></td>
<td>4.3</td>
<td>6.7</td>
<td>6.5</td>
<td>6.8</td>
<td>5.7</td>
<td>6.0</td>
<td>6.1</td>
<td>3.8</td>
<td>5.5</td>
<td>5.5</td>
<td>5.5</td>
</tr>
<tr>
<td></td>
<td>2.1</td>
<td>8.5</td>
<td>6.3</td>
<td>7.5</td>
<td>6.1</td>
<td>9.1</td>
<td>5.1</td>
<td>7.3</td>
<td>7.3</td>
<td>7.3</td>
<td>7.3</td>
</tr>
<tr>
<td></td>
<td>8.9</td>
<td>7.7</td>
<td>9.6</td>
<td>7.2</td>
<td>8.9</td>
<td>9.2</td>
<td>6.1</td>
<td>9.1</td>
<td>9.1</td>
<td>9.1</td>
<td>9.1</td>
</tr>
<tr>
<td></td>
<td>0.8</td>
<td>3.7</td>
<td>3.6</td>
<td>3.1</td>
<td>3.1</td>
<td>5.5</td>
<td>1.1</td>
<td>3.1</td>
<td>3.1</td>
<td>3.1</td>
<td>3.1</td>
</tr>
<tr>
<td></td>
<td>5.3</td>
<td>6.7</td>
<td>8.0</td>
<td>7.5</td>
<td>7.0</td>
<td>6.0</td>
<td>5.5</td>
<td>6.2</td>
<td>6.8</td>
<td>6.1</td>
<td>6.1</td>
</tr>
<tr>
<td></td>
<td>17</td>
<td>10</td>
<td>2</td>
<td>5</td>
<td>8</td>
<td>14</td>
<td>16</td>
<td>12</td>
<td>9</td>
<td>13</td>
<td>13</td>
</tr>
</tbody>
</table>
### Table 6, continued: Area 5. Regulation of Credit, Labor, and Business

<table>
<thead>
<tr>
<th></th>
<th>Algeria</th>
<th>Bahrain</th>
<th>Comoros</th>
<th>Djibouti</th>
<th>Egypt, Arab Rep.</th>
<th>Iraq</th>
<th>Jordan</th>
<th>Kuwait</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Credit Market Regulations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i. Ownership of banks</td>
<td>5.1</td>
<td>8.1</td>
<td>5.2</td>
<td>4.5</td>
<td>5.8</td>
<td>6.9</td>
<td>8.1</td>
<td>8.2</td>
<td></td>
</tr>
<tr>
<td>ii) Foreign bank competition</td>
<td>8.0</td>
<td>7.0</td>
<td></td>
<td>2.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>8.0</td>
</tr>
<tr>
<td>iii. Interest rate controls/negative real interest rates</td>
<td>10.0</td>
<td>10.0</td>
<td>9.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
</tr>
<tr>
<td>iv. Getting Credit</td>
<td>2.3</td>
<td>5.3</td>
<td>1.5</td>
<td>1.3</td>
<td>3.2</td>
<td>1.5</td>
<td>3.7</td>
<td>4.5</td>
<td>4.8</td>
</tr>
<tr>
<td>a. Legal Rights Index</td>
<td>3.0</td>
<td></td>
<td>1.0</td>
<td></td>
<td>6.0</td>
<td>5.0</td>
<td>0.0</td>
<td>4.0</td>
<td></td>
</tr>
<tr>
<td>b. Credit Information Index</td>
<td>0.0</td>
<td></td>
<td>3.3</td>
<td></td>
<td>3.3</td>
<td>6.7</td>
<td>6.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>B. Labor Market Regulations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i. Rigidity of Employment Index</td>
<td>4.8</td>
<td>7.7</td>
<td>5.4</td>
<td>7.1</td>
<td>7.3</td>
<td>6.2</td>
<td>7.0</td>
<td>8.7</td>
<td>7.5</td>
</tr>
<tr>
<td>a. Difficulty of Hiring Index</td>
<td>5.6</td>
<td></td>
<td>10.0</td>
<td></td>
<td>8.9</td>
<td>10.0</td>
<td>6.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Rigidity of Hours Index</td>
<td>4.0</td>
<td></td>
<td></td>
<td>2.0</td>
<td>6.0</td>
<td>4.0</td>
<td>10.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. Difficulty of Firing Index</td>
<td>5.0</td>
<td></td>
<td></td>
<td>2.0</td>
<td>5.0</td>
<td></td>
<td>10.0</td>
<td>6.0</td>
<td></td>
</tr>
<tr>
<td>ii. Mandated cost of hiring (% of salary)</td>
<td>4.9</td>
<td>10.0</td>
<td>7.1</td>
<td>5.5</td>
<td>7.8</td>
<td>8.0</td>
<td>8.0</td>
<td>6.0</td>
<td></td>
</tr>
<tr>
<td>iii. Mandated cost of worker dismissal (weeks of wages)</td>
<td>9.5</td>
<td>9.9</td>
<td>7.2</td>
<td>8.4</td>
<td>6.6</td>
<td>10.0</td>
<td>9.9</td>
<td>7.8</td>
<td>9.5</td>
</tr>
<tr>
<td>iv. Conscription</td>
<td>1.0</td>
<td>10.0</td>
<td>10.0</td>
<td>0.0</td>
<td>0.0</td>
<td>10.0</td>
<td>10.0</td>
<td>3.0</td>
<td></td>
</tr>
<tr>
<td><strong>C. Business Regulations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i. Starting a business</td>
<td>7.9</td>
<td>9.1</td>
<td>7.7</td>
<td>7.3</td>
<td>7.3</td>
<td>7.6</td>
<td>6.4</td>
<td>7.9</td>
<td>8.4</td>
</tr>
<tr>
<td>a. Number of procedures</td>
<td>2.9</td>
<td></td>
<td>5.3</td>
<td>4.7</td>
<td>3.5</td>
<td>7.6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Duration (days)</td>
<td>8.8</td>
<td></td>
<td>8.4</td>
<td>8.3</td>
<td>8.4</td>
<td>7.8</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. Cost (% of income per capita)</td>
<td>9.8</td>
<td></td>
<td>9.3</td>
<td>9.7</td>
<td>10.0</td>
<td>9.2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d. Minimum capital (% of income per capita)</td>
<td>9.9</td>
<td></td>
<td>8.6</td>
<td>8.0</td>
<td>9.7</td>
<td>9.9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii. Closing a business</td>
<td>7.2</td>
<td>7.8</td>
<td>4.9</td>
<td>5.0</td>
<td>5.9</td>
<td>6.7</td>
<td>5.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Time (years)</td>
<td>6.8</td>
<td></td>
<td>6.0</td>
<td>5.9</td>
<td>6.0</td>
<td>6.3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Cost (% of estate)</td>
<td>9.6</td>
<td></td>
<td>7.2</td>
<td>8.9</td>
<td>10.0</td>
<td>7.2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. Recovery rate (cents on the dollar)</td>
<td>6.0</td>
<td></td>
<td>8.3</td>
<td>7.0</td>
<td>5.9</td>
<td>8.0</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Area 5 Score**
- 2003: 5.9 / 8.6 / 7.6 / 6.5 / 5.2 / 7.3 / 8.0 / 7.2

**Area 5 Rank**
- 2003: 15 / 1 / 4 / 10 / 18 / 6 / 2 / 7
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>10.0</td>
<td>5.7</td>
<td>6.1</td>
<td>7.9</td>
<td>6.1</td>
<td>6.0</td>
<td>4.5</td>
<td>5.3</td>
<td>5.4</td>
<td>5.6</td>
<td>5.8</td>
<td>6.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5.0</td>
<td>10.0</td>
<td>5.0</td>
<td>8.0</td>
<td>8.0</td>
<td>3.0</td>
<td>8.0</td>
<td>8.0</td>
<td>8.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5.7</td>
<td>6.1</td>
<td>8.0</td>
<td>8.0</td>
<td>3.0</td>
<td>8.0</td>
<td>8.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.3</td>
<td>9.0</td>
<td>9.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.5</td>
<td>5.0</td>
<td>3.2</td>
<td>3.2</td>
<td>0.5</td>
<td>3.2</td>
<td>3.2</td>
<td>3.2</td>
<td>3.2</td>
<td>1.7</td>
<td>2.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5.0</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
<td>2.0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.7</td>
<td>1.7</td>
<td>0.0</td>
<td>8.3</td>
<td>0.0</td>
<td>3.3</td>
<td>3.3</td>
<td>3.3</td>
<td>3.3</td>
<td>3.3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4.8</td>
<td>6.1</td>
<td>8.8</td>
<td>8.5</td>
<td>8.8</td>
<td>5.3</td>
<td>5.4</td>
<td>5.9</td>
<td>8.5</td>
<td>8.6</td>
<td>6.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3.0</td>
<td>4.0</td>
<td>7.2</td>
<td>7.3</td>
<td>9.3</td>
<td>6.4</td>
<td>7.0</td>
<td>5.1</td>
<td>8.7</td>
<td>6.9</td>
<td>6.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.0</td>
<td>0.0</td>
<td>5.6</td>
<td>10.0</td>
<td>4.0</td>
<td>3.9</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4.0</td>
<td>6.0</td>
<td>4.0</td>
<td>6.0</td>
<td>4.0</td>
<td>4.0</td>
<td>10.0</td>
<td>2.0</td>
<td>2.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4.0</td>
<td>6.0</td>
<td>10.0</td>
<td>10.0</td>
<td>5.0</td>
<td>0.0</td>
<td>8.0</td>
<td></td>
<td>7.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>7.1</td>
<td>6.7</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>6.9</td>
<td>6.0</td>
<td>6.9</td>
<td>10.0</td>
<td>8.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>9.1</td>
<td>8.5</td>
<td>9.9</td>
<td>8.1</td>
<td>7.8</td>
<td>6.7</td>
<td>7.8</td>
<td>9.5</td>
<td>7.7</td>
<td>7.5</td>
<td>9.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.0</td>
<td>0.0</td>
<td>5.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>1.0</td>
<td>3.0</td>
<td>10.0</td>
<td>10.0</td>
<td>0.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5.4</td>
<td>7.2</td>
<td>7.3</td>
<td>8.0</td>
<td>6.2</td>
<td>8.2</td>
<td>5.7</td>
<td>8.2</td>
<td>6.4</td>
<td>6.7</td>
<td>6.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6.8</td>
<td>7.8</td>
<td>8.1</td>
<td>9.3</td>
<td>6.6</td>
<td>8.2</td>
<td>5.4</td>
<td>8.5</td>
<td>8.6</td>
<td>6.7</td>
<td>6.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4.7</td>
<td>8.2</td>
<td>3.5</td>
<td>3.5</td>
<td>4.1</td>
<td>5.9</td>
<td>4.1</td>
<td></td>
<td>4.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6.0</td>
<td>9.6</td>
<td>8.4</td>
<td>6.9</td>
<td>7.8</td>
<td>9.4</td>
<td>7.4</td>
<td>7.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>9.0</td>
<td>9.9</td>
<td>10.0</td>
<td>9.5</td>
<td>9.8</td>
<td>9.9</td>
<td>9.7</td>
<td>8.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>8.3</td>
<td>8.6</td>
<td>9.8</td>
<td>7.6</td>
<td>0.0</td>
<td>9.9</td>
<td>9.2</td>
<td>4.7</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4.0</td>
<td>6.7</td>
<td>6.5</td>
<td>6.8</td>
<td>5.9</td>
<td>6.0</td>
<td>7.9</td>
<td>4.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.1</td>
<td>8.5</td>
<td>3.1</td>
<td>7.5</td>
<td>6.1</td>
<td>9.1</td>
<td>5.1</td>
<td>7.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>8.9</td>
<td>7.7</td>
<td>9.6</td>
<td>7.2</td>
<td>8.9</td>
<td>9.2</td>
<td>6.1</td>
<td>9.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>9.1</td>
<td>6.2</td>
<td>7.3</td>
<td>6.9</td>
<td>6.9</td>
<td>4.4</td>
<td>9.4</td>
<td>6.9</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5.3</td>
<td>6.5</td>
<td>8.0</td>
<td>7.5</td>
<td>7.0</td>
<td>6.0</td>
<td>5.5</td>
<td>6.5</td>
<td>6.8</td>
<td></td>
<td>6.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>17</td>
<td>10</td>
<td>2</td>
<td>5</td>
<td>8</td>
<td>14</td>
<td>16</td>
<td>10</td>
<td>9</td>
<td></td>
<td>13</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 6, continued: Area 5. Regulation of Credit, Labor, and Business

<table>
<thead>
<tr>
<th></th>
<th>Algeria</th>
<th>Bahrain</th>
<th>Comoros</th>
<th>Djibouti</th>
<th>Egypt, Arab Rep.</th>
<th>Iraq</th>
<th>Jordan</th>
<th>Kuwait</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Credit Market Regulations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i. Ownership of banks</td>
<td>5.1</td>
<td>8.1</td>
<td>5.2</td>
<td>4.5</td>
<td>5.8</td>
<td>6.9</td>
<td>8.1</td>
<td>8.2</td>
<td></td>
</tr>
<tr>
<td>ii) Foreign bank competition</td>
<td>0.0</td>
<td>10.0</td>
<td>2.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td></td>
</tr>
<tr>
<td>iii. Interest rate controls/negative real interest rates</td>
<td>8.0</td>
<td>7.0</td>
<td>3.0</td>
<td>4.0</td>
<td>8.0</td>
<td>8.0</td>
<td>8.0</td>
<td>8.0</td>
<td></td>
</tr>
<tr>
<td>iv. Getting Credit</td>
<td>2.3</td>
<td>5.3</td>
<td>1.5</td>
<td>1.3</td>
<td>3.2</td>
<td>1.5</td>
<td>3.7</td>
<td>4.5</td>
<td>4.8</td>
</tr>
<tr>
<td>a. Legal Rights Index</td>
<td>3.0</td>
<td>1.0</td>
<td>1.0</td>
<td>6.0</td>
<td>5.0</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
<td></td>
</tr>
<tr>
<td>b. Credit Information Index</td>
<td>0.0</td>
<td>3.3</td>
<td>3.3</td>
<td>6.7</td>
<td>6.7</td>
<td>1.7</td>
<td>1.7</td>
<td>8.3</td>
<td>3.3</td>
</tr>
<tr>
<td><strong>B. Labor Market Regulations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i. Rigidity of Employment Index</td>
<td>5.1</td>
<td>9.2</td>
<td>7.5</td>
<td>8.2</td>
<td>4.8</td>
<td>6.0</td>
<td>8.7</td>
<td>8.6</td>
<td>6.5</td>
</tr>
<tr>
<td>a. Difficulty of Hiring Index</td>
<td>4.8</td>
<td>7.7</td>
<td>5.4</td>
<td>7.1</td>
<td>7.3</td>
<td>6.2</td>
<td>7.0</td>
<td>8.7</td>
<td>7.5</td>
</tr>
<tr>
<td>b. Rigidity of Hours Index</td>
<td>5.6</td>
<td>10.0</td>
<td>10.0</td>
<td>6.0</td>
<td>10.0</td>
<td>10.0</td>
<td>6.7</td>
<td>10.0</td>
<td>6.7</td>
</tr>
<tr>
<td>c. Difficulty of Firing Index</td>
<td>4.0</td>
<td>2.0</td>
<td>2.0</td>
<td>6.0</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
<td>10.0</td>
<td>10.0</td>
</tr>
<tr>
<td>ii. Mandated cost of hiring (% of salary)</td>
<td>5.0</td>
<td>10.0</td>
<td>7.1</td>
<td>5.5</td>
<td>7.8</td>
<td>8.0</td>
<td>8.0</td>
<td>8.0</td>
<td>6.0</td>
</tr>
<tr>
<td>iii. Mandated cost of worker dismissal (weeks of wages)</td>
<td>9.5</td>
<td>9.9</td>
<td>7.2</td>
<td>8.4</td>
<td>6.6</td>
<td>10.0</td>
<td>9.9</td>
<td>7.8</td>
<td>9.5</td>
</tr>
<tr>
<td>iv. Conscription</td>
<td>1.0</td>
<td>10.0</td>
<td>10.0</td>
<td>0.0</td>
<td>0.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>3.0</td>
</tr>
<tr>
<td><strong>C. Business Regulations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i. Starting a business</td>
<td>7.9</td>
<td>9.1</td>
<td>7.7</td>
<td>7.3</td>
<td>7.3</td>
<td>7.6</td>
<td>6.4</td>
<td>7.9</td>
<td>8.4</td>
</tr>
<tr>
<td>a. Number of procedures</td>
<td>2.9</td>
<td>5.3</td>
<td>4.7</td>
<td>3.5</td>
<td>7.6</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Duration (days)</td>
<td>8.8</td>
<td>8.4</td>
<td>8.3</td>
<td>8.4</td>
<td>7.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. Cost (% of income per capita)</td>
<td>9.8</td>
<td>9.3</td>
<td>9.7</td>
<td>10.0</td>
<td>9.2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d. Minimum capital (% of income per capita)</td>
<td>9.9</td>
<td>8.6</td>
<td>8.0</td>
<td>9.7</td>
<td>9.9</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii. Closing a business</td>
<td>7.2</td>
<td>7.8</td>
<td>4.9</td>
<td>5.0</td>
<td>5.0</td>
<td>5.9</td>
<td>6.7</td>
<td>5.1</td>
<td></td>
</tr>
<tr>
<td>a. Time (years)</td>
<td>6.8</td>
<td>6.0</td>
<td>5.9</td>
<td>6.0</td>
<td>6.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Cost (% of estate)</td>
<td>9.6</td>
<td>7.2</td>
<td>8.9</td>
<td>10.0</td>
<td>7.2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. Recovery rate (cents on the dollar)</td>
<td>6.0</td>
<td>8.3</td>
<td>7.0</td>
<td>5.9</td>
<td>8.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Area 5 Score</strong></td>
<td>5.9</td>
<td>8.6</td>
<td>7.6</td>
<td>6.5</td>
<td>5.2</td>
<td>7.3</td>
<td>8.0</td>
<td>7.2</td>
<td></td>
</tr>
<tr>
<td><strong>Area 5 Rank</strong></td>
<td>15</td>
<td>1</td>
<td>4</td>
<td>10</td>
<td>18</td>
<td>6</td>
<td>2</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Area 5 Score</td>
<td>Libya</td>
<td>Mauritania</td>
<td>Morocco</td>
<td>Oman</td>
<td>Qatar</td>
<td>Saudi Arabia</td>
<td>Somalia</td>
<td>Sudan</td>
<td>Syrian Arab Republic</td>
</tr>
<tr>
<td>-------------</td>
<td>--------</td>
<td>------------</td>
<td>---------</td>
<td>------</td>
<td>-------</td>
<td>-------------</td>
<td>--------</td>
<td>-------</td>
<td>--------------------</td>
</tr>
<tr>
<td>5.7</td>
<td>6.1</td>
<td>7.9</td>
<td>6.1</td>
<td>6.0</td>
<td>4.5</td>
<td>5.3</td>
<td>5.4</td>
<td>5.6</td>
<td>5.8</td>
</tr>
<tr>
<td>5.0</td>
<td>10.0</td>
<td>5.0</td>
<td>8.0</td>
<td>8.0</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
<td></td>
</tr>
<tr>
<td>8.0</td>
<td>8.0</td>
<td>8.0</td>
<td>8.0</td>
<td>3.0</td>
<td>8.0</td>
<td>8.0</td>
<td>8.0</td>
<td>8.0</td>
<td></td>
</tr>
<tr>
<td>10.0</td>
<td>9.0</td>
<td>9.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td></td>
</tr>
<tr>
<td>2.3</td>
<td>2.3</td>
<td>3.7</td>
<td>3.2</td>
<td>2.0</td>
<td>2.5</td>
<td>0.5</td>
<td>3.2</td>
<td>3.7</td>
<td>1.7</td>
</tr>
<tr>
<td>7.0</td>
<td>2.0</td>
<td>3.0</td>
<td>4.0</td>
<td>5.0</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
<td>2.0</td>
<td></td>
</tr>
<tr>
<td>1.7</td>
<td>1.7</td>
<td>0.0</td>
<td>8.3</td>
<td>0.0</td>
<td>3.3</td>
<td>3.3</td>
<td>3.3</td>
<td>3.3</td>
<td></td>
</tr>
<tr>
<td>4.8</td>
<td>6.1</td>
<td>8.8</td>
<td>8.5</td>
<td>8.8</td>
<td>5.3</td>
<td>5.4</td>
<td>5.9</td>
<td>8.5</td>
<td>8.6</td>
</tr>
<tr>
<td>3.0</td>
<td>4.0</td>
<td>7.2</td>
<td>7.3</td>
<td>9.3</td>
<td>6.4</td>
<td>7.0</td>
<td>5.1</td>
<td>8.7</td>
<td>6.9</td>
</tr>
<tr>
<td>0.0</td>
<td>0.0</td>
<td>5.6</td>
<td>10.0</td>
<td>8.9</td>
<td>3.9</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td></td>
</tr>
<tr>
<td>4.0</td>
<td>6.0</td>
<td>4.0</td>
<td>6.0</td>
<td>4.0</td>
<td>10.0</td>
<td>2.0</td>
<td>2.0</td>
<td>2.0</td>
<td></td>
</tr>
<tr>
<td>4.0</td>
<td>6.0</td>
<td>10.0</td>
<td>10.0</td>
<td>5.0</td>
<td>0.0</td>
<td>8.0</td>
<td>7.0</td>
<td>7.0</td>
<td></td>
</tr>
<tr>
<td>7.1</td>
<td>6.7</td>
<td>8.2</td>
<td>8.0</td>
<td>6.9</td>
<td>6.9</td>
<td>6.0</td>
<td>7.6</td>
<td>10.0</td>
<td>8.4</td>
</tr>
<tr>
<td>9.1</td>
<td>8.5</td>
<td>9.9</td>
<td>8.1</td>
<td>7.8</td>
<td>6.7</td>
<td>7.8</td>
<td>9.5</td>
<td>7.7</td>
<td>7.5</td>
</tr>
<tr>
<td>1.0</td>
<td>0.0</td>
<td>5.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>1.0</td>
<td>0.0</td>
<td>3.0</td>
</tr>
<tr>
<td>5.4</td>
<td>7.2</td>
<td>7.3</td>
<td>8.0</td>
<td>6.2</td>
<td>8.2</td>
<td>5.7</td>
<td>8.2</td>
<td>6.4</td>
<td>6.7</td>
</tr>
<tr>
<td>6.8</td>
<td>7.8</td>
<td>8.1</td>
<td>9.3</td>
<td>6.6</td>
<td>8.2</td>
<td>5.4</td>
<td>8.5</td>
<td>8.6</td>
<td>6.7</td>
</tr>
<tr>
<td>4.7</td>
<td>8.2</td>
<td>5.9</td>
<td>3.5</td>
<td>4.1</td>
<td>5.9</td>
<td>4.1</td>
<td>4.1</td>
<td>4.1</td>
<td>4.1</td>
</tr>
<tr>
<td>6.0</td>
<td>9.6</td>
<td>8.4</td>
<td>6.9</td>
<td>7.8</td>
<td>9.4</td>
<td>7.4</td>
<td>7.0</td>
<td>7.0</td>
<td>7.0</td>
</tr>
<tr>
<td>9.0</td>
<td>9.9</td>
<td>10.0</td>
<td>9.5</td>
<td>9.8</td>
<td>9.9</td>
<td>9.7</td>
<td>8.3</td>
<td>8.3</td>
<td>8.3</td>
</tr>
<tr>
<td>8.3</td>
<td>8.6</td>
<td>9.8</td>
<td>7.6</td>
<td>0.0</td>
<td>9.9</td>
<td>9.2</td>
<td>4.7</td>
<td>4.7</td>
<td>4.7</td>
</tr>
<tr>
<td>4.0</td>
<td>6.7</td>
<td>6.5</td>
<td>6.8</td>
<td>5.9</td>
<td>6.0</td>
<td>7.9</td>
<td>4.1</td>
<td>6.5</td>
<td>6.5</td>
</tr>
<tr>
<td>2.1</td>
<td>8.5</td>
<td>3.1</td>
<td>7.5</td>
<td>6.1</td>
<td>9.1</td>
<td>5.1</td>
<td>7.3</td>
<td>7.3</td>
<td>7.3</td>
</tr>
<tr>
<td>8.9</td>
<td>7.7</td>
<td>9.6</td>
<td>7.2</td>
<td>8.9</td>
<td>9.2</td>
<td>6.1</td>
<td>9.1</td>
<td>9.1</td>
<td>9.1</td>
</tr>
<tr>
<td>9.1</td>
<td>6.2</td>
<td>7.3</td>
<td>6.9</td>
<td>6.9</td>
<td>4.4</td>
<td>9.4</td>
<td>6.9</td>
<td>6.9</td>
<td>6.9</td>
</tr>
<tr>
<td>5.3</td>
<td>6.5</td>
<td>8.0</td>
<td>7.5</td>
<td>7.0</td>
<td>6.0</td>
<td>5.5</td>
<td>6.5</td>
<td>6.8</td>
<td>6.2</td>
</tr>
<tr>
<td>17</td>
<td>10</td>
<td>2</td>
<td>5</td>
<td>8</td>
<td>14</td>
<td>16</td>
<td>10</td>
<td>9</td>
<td>13</td>
</tr>
</tbody>
</table>
References


Ernst & Young (2003). Ernst & Young in the Middle East. Compiled and published by Ernst & Young offices throughout the region.


International Monetary Fund (2006c). *World Economic and Financial Surveys. Regional Economic Outlook: Middle East and Central Asia*. IMF.


International Monetary Fund (2008b). *World Economic and Financial Surveys. Regional Economic Outlook: Middle East and Central Asia (May)*. IMF.

International Monetary Fund (January 2009). *World Economic Outlook Update: Global Slump Challenges Policies*. IMF.


Appendix A: Explanatory Notes and Data Sources

The index published in *Economic Freedom of the Arab World* was derived from 39 distinct pieces of data ("components"). The overall rating was computed by averaging the five areas and area scores were derived by averaging the components within each area. Economic freedom is measured on a scale from zero to 10 where a higher value indicates a higher level of economic freedom.

Note that minimums and maximums used to compute the individual scores were taken from *Economic Freedom of the World* instead of the 22 countries included in the index. For those variables not used in the EFW report, minimums and maximums were derived from the 141 countries included in the EFW report. We used “global” instead of regional minimums and maximums because of the small variability in some of the components among the Arab countries.

Area 1 Size of Government: Expenditures, Taxes, and Enterprises

A General government consumption spending as a percentage of total consumption

This component measures general government final consumption expenditure as a percentage of final consumption expenditure (formerly known as total consumption). The rating for this component was derived using the following formula: 

\[
\frac{(V_{\text{max}} - V_i)}{(V_{\text{max}} - V_{\text{min}})} \times 10
\]

The \( V_i \) is the country’s actual government consumption as a proportion of total consumption, while the \( V_{\text{max}} \) and \( V_{\text{min}} \) were the maximum and minimum values set to 40% and 6%, respectively. The 1990 data in *Economic Freedom of the World* were used to derive maximum and minimum value for this component. Nations with higher government expenditure relative to total consumption receive lower scores.

Source World Bank, 2009a.

B Transfers and subsidies as a percentage of GDP

This component measures government subsidies and other transfers as a percentage of GDP. The rating for this component was derived using the following formula:

\[
\frac{(V_{\text{max}} - V_i)}{(V_{\text{max}} - V_{\text{min}})} \times 10
\]

The \( V_i \) is the country’s ratio...
of transfers and subsidies to GDP, while the $V_{\text{max}}$ and $V_{\text{min}}$ were the maximum and minimum set to 37.2% and 0.5%, respectively. The 1990 data in the *Economic Freedom of the World* were used to derive maximum and minimum value for this component. Countries with higher government subsidies and other transfers relative to GDP receive lower scores.

**Source**  World Bank, 2009a.

**C Government enterprises and investment**

The rating for this component was computed using (a) government investment as a share of total investment and (b) the number, composition, and share of output generated by State-Owned Enterprises (SOEs). Nations with lower government investment as proportion of total investment and fewer SOEs receive higher scores.

**Source**  Gwartney and Lawson, 2009.

**D Top marginal tax rate**

This component measures the highest marginal income-tax rate (individual rate) and the threshold at which this rate applies. Countries with higher marginal income-tax rates that take effect at lower income thresholds received lower ratings based on the matrix found below.

<table>
<thead>
<tr>
<th>Top Marginal Tax Rate</th>
<th>&lt; $25,000</th>
<th>$25,000 – $50,000</th>
<th>$50,000 – $150,000</th>
<th>&gt; $150,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 20%</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>21% – 25%</td>
<td>9</td>
<td>9</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>26% – 30%</td>
<td>8</td>
<td>8</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>31% – 35%</td>
<td>7</td>
<td>7</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>36% – 40%</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>41% – 45%</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>46% – 50%</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>51% – 55%</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>56% – 60%</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>61% – 65%</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>66% – 70%</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>&gt; 70%</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

**Sources**  World Bank, 2009a; Ernst & Young, 2003.
Area 2 Commercial and Economic Law and Security of Property Rights

A Military interference in rule of law and the political process

This component is based on the Political Risk Component G (Military in Politics) from the International Country Risk Guide (ICRG), which measures the extent to which military is involved in politics. “Since the military is not elected, involvement, even at a peripheral level, diminishes democratic accountability. Military involvement might stem from an external or internal threat, be symptomatic of underlying difficulties, or be a full-scale military takeover. Over the long term, a system of military government will almost certainly diminish effective governmental functioning, become corrupt, and create an uneasy environment for foreign businesses.” The International Country Risk Guide measures military involvement on a scale from zero to 6 where a higher value indicates a lower potential risk. These values were then transformed into a zero-to-10 scale.


B Integrity of the legal system

This component is based on the Political Risk Component I (Law and Order) from the International Country Risk Guide. The component is based on “[t]wo measures comprising one risk component. Each sub-component equals half of the total. The ‘law’ sub-component assesses the strength and impartiality of the legal system, and the ‘order’ sub-component assesses popular observance of the law.” The International Country Risk Guide measures law and order on a scale from zero to six, where a higher value indicates a lower potential risk. These values were then transformed into a zero-to-ten scale.


C Regulatory restrictions on the sale of real property

This component is based on the World Bank’s Doing Business dataset and it measures the steps, time, and cost involved in registering property. The World Bank uses “a standardized case of an entrepreneur who wants to purchase land and a building in the largest business city—already registered and free of title dispute.” The cost includes costs such “as fees, transfer taxes, stamp duties, and any other payment to the property registry, notaries, public agencies or lawyers. The cost is expressed as a percentage of the property value, assuming a property value of 50 times income per capita.”

The rating for this component was derived using the following formula: \((V_{\text{max}} - V) / (V_{\text{max}} - V_{\text{min}})\) multiplied by 10. The \(V\) represents the steps, time, and cost as a percentage of property value. \(V_{\text{max}}\) was set to 21.0 procedures, 956 days, and 30.4% and \(V_{\text{min}}\) to 1.0 procedure, 1.0 day, and 0.1%. Nations with values that fall below \(V_{\text{min}}\) received a score of 10 whereas those nations that have values above \(V_{\text{max}}\) received a score of zero.
i number of procedures

ii time (days)

iii cost (% of property value)

Sources World Bank, 2009b.

D Legal enforcement of contracts

This component is based on the World Bank’s Doing Business dataset. The component measures “the efficiency of contract enforcement by following the evolution of a sale of goods dispute and tracking the time, cost, and number of procedures involved from the moment the plaintiff files the lawsuit until actual payment.” The rating for this component was derived using the following formula: \((V_{\text{max}} - V_i) / (V_{\text{max}} - V_{\text{min}})\) multiplied by 10. The \(V_i\) represents the procedures, time and cost as a percentage of debt. \(V_{\text{max}}\) was set to 58.0 procedures, 1,459.0 days, and 227.3% and \(V_{\text{min}}\) to 14.0 procedures, 109.0 days, and 5.5%. Nations with values that fall below \(V_{\text{min}}\) received a score of 10 whereas those nations which have values above \(V_{\text{max}}\) received a score of zero.

Sources World Bank, 2009b.

Area 3 Access to Sound Money

A Money growth

The M1 money supply figures were used to measure the growth rate of the money supply. This component measures the growth of the money supply in the last five years minus the annual growth of real GDP in the last 10 years. The rating for this component was derived using the following formula: \((V_{\text{max}} - V_i) / (V_{\text{max}} - V_{\text{min}})\) multiplied by 10. \(V_i\) represents the average annual growth rate of the money supply during the last five years adjusted for the growth of real GDP during the previous 10 years. The values for \(V_{\text{min}}\) and \(V_{\text{max}}\) were set at zero and 50%, respectively. If money growth equals the long-term growth of real output (i.e. growth of real GDP in the last 10 years), then a nation gets a rating of 10. If the growth of money supply is greater than the long-run growth in real output, a nation gets a score less than 10. Nations with a value greater than 50% receive a rating of zero.

Source World Bank, 2009b.
B Standard deviation of inflation
The Consumer Price Index (CPI) was used as the measure of inflation for this component. The following formula was used to determine the zero-to-10 scale rating for each country: \((V_{\text{max}} - V_i) / (V_{\text{max}} - V_{\text{min}}) \times 10\). \(V_i\) represents the country’s standard deviation of the annual rate of inflation during the last five years. The values for \(V_{\text{min}}\) and \(V_{\text{max}}\) were set at zero and 25%, respectively. If there is no variation in inflation rate over the past five years, a nation gets a score of 10. The higher the inflation variability, the lower the rating a nation receives. Those nations that have a standard deviation great than 25% get a score of zero.

Sources World Bank, 2009a; International Monetary Fund 2006c and 2008b.

C Inflation: Most recent year
The Consumer Price Index (CPI) was used as the measure of inflation for this component. The zero-to-10 country ratings were derived by the following formula: \((V_{\text{max}} - V_i) / (V_{\text{max}} - V_{\text{min}}) \times 10\). \(V_i\) represents the rate of inflation during the most recent year. The values for \(V_{\text{min}}\) and \(V_{\text{max}}\) were set at zero and 50%, respectively; the lower the rate of inflation, the higher the rating. Those nations that have an inflation rate higher than 50% get a score of zero.

Sources World Bank, 2009a; International Monetary Fund, 2006c and 2008b.

D Freedom to own foreign currency bank accounts
This component measures if foreign bank accounts are allowed, both domestically and abroad, without any restrictions. If foreign bank accounts are allowed both domestically and abroad without any restrictions a nation gets a score of 10. If foreign bank accounts are allowed domestically but not abroad, or vice versa, a nation gets a rating of 5.

Sources International Monetary Fund, 2004a, 2005, 2006a, 2007a, 2008a.

Area 4 Freedom to Trade Internationally

A Taxes on international trade

i Revenue from trade taxes (% of trade sector)
This sub-component measures taxes on international trade as a percentage of imports and exports. The zero-to-10 country ratings were derived by the following formula: \((V_{\text{max}} - V_i) / (V_{\text{max}} - V_{\text{min}}) \times 10\). \(V_i\) represents the revenue derived from taxes on international trade as a share of imports and exports. The values for \(V_{\text{min}}\) and \(V_{\text{max}}\) were set at zero and 15%, respectively. The greater the taxes on international trade as a share of exports and imports, the lower the score. Nations that have a value greater than 15% get a rating of zero.

Source World Bank, 2009b.
ii  Mean tariff rate
This sub-component measures the unweighted average of tariff rates. The zero-to-10 country ratings were derived by the following formula: \( \frac{(\text{V}_{\text{max}} - \text{V}_i)}{(\text{V}_{\text{max}} - \text{V}_{\text{min}})} \) multiplied by 10. \( \text{V}_i \) represents the country’s mean tariff rate. The values for \( \text{V}_{\text{min}} \) and \( \text{V}_{\text{max}} \) were set at zero and 50%, respectively. A higher mean tariff rate results in lower rating. Nations with a mean tariff rate of over 50% get a score of zero.


iii  Standard deviation of tariff rates
This sub-component measures the standard deviation of tariff rates. The zero-to-10 country ratings were derived by the following formula: \( \frac{(\text{V}_{\text{max}} - \text{V}_i)}{(\text{V}_{\text{max}} - \text{V}_{\text{min}})} \) multiplied by 10. \( \text{V}_i \) represents the standard deviation of the country’s tariff rates. The values for \( \text{V}_{\text{min}} \) and \( \text{V}_{\text{max}} \) were set at zero and 25%, respectively. Countries with greater variation in their tariff rates get lower ratings. Nations with standard deviation of over 25% get a score of zero.


B  Black-market exchange rates
This component measures the difference between the official rate and parallel black market exchange rate. The zero-to-10 country ratings were derived by the following formula: \( \frac{(\text{V}_{\text{max}} - \text{V}_i)}{(\text{V}_{\text{max}} - \text{V}_{\text{min}})} \) multiplied by 10. \( \text{V}_i \) is the country’s black-market exchange rate premium. The values for \( \text{V}_{\text{min}} \) and \( \text{V}_{\text{max}} \) were set at zero and 50%, respectively. If there is no black market exchange rate, a nation gets a score of 10. The higher the difference between the two rates, the lower the rating. Nations with a value greater than 50% get a score of zero.


C  Capital controls
This component measures restrictions on capital transactions. Specifically, this component looks at 13 different types of international capital controls as reported by the International Monetary Fund. The zero-to-10 country ratings were derived by computing the number of controls not levied as a percentage of the total number of controls which was then multiplied by 10.

Sources  International Monetary Fund, 2004a, 2005, 2006a, 2007a, 2008a.
Area 5  Regulation of Credit, Labor, and Business

A  Credit Market Regulations

i  Ownership of banks
The rating for this sub-component is based on the percentage of bank deposits held in privately owned banks. When private deposits were between 95% and 100%, nations received a score of 10. When private deposits totaled between 75% and 95%, countries received a score of 8. When private deposits were between 40% and 75%, nations received a score of 5. When private deposits were between 10% and 40%, nations received a score of 2. Nations received a rating of zero if private deposits were less than 10% of total bank deposits.


ii  Foreign bank competition
This sub-component is based on two variables: percentage of banking assets held by foreign-owned banks and the number of applications for commercial banking licenses from foreign entities denied as a percentage of total number of applications for commercial banking licenses received from foreign entities. If a country approved all or most foreign bank applications and foreign banks had a large share of the banking sector assets, then the country received a higher rating according to table below.

<table>
<thead>
<tr>
<th>Foreign Bank License Denial Rate (Denials/Applications)</th>
<th>0%</th>
<th>0%–49%</th>
<th>50%–100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign bank assets as a share of total banking sector assets</td>
<td>80%–100%</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>40%–79%</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>0%–39%</td>
<td>8</td>
<td>6</td>
</tr>
</tbody>
</table>


iii  Interest rate controls/negative real interest rates
This sub-component is based on two variables: real interest rate (i.e., lending interest rate minus inflation as measured by the Consumer Price Index) and lending minus deposit interest rate. When interest rates were determined primarily by market forces (i.e., lending interest rate is not too much higher [less than 8%] than the deposit interest rate) and the real interest rate was positive, countries were given a rating of 10. When the real rates were sometimes slightly negative (less than 5%) and the differential between the deposit and lending rates was large (8% or more), countries received a rating of 8. When the real lending interest rate was persistently negative by a single-digit amount and the differential between the lending and deposit interest rate was 16% or higher, nations received a score of 6. When the lending and deposit interest rates differ by 24%
or more and the real rates were often negative by 10% or more, countries were assigned a rating of 4. When the real lending rate was persistently negative by a double-digit amount and the difference between the lending and deposit rate was 32% or more, countries received a rating of 2. A zero rating was assigned when the deposit and lending rates differ by 36% or more and real lending rates were persistently negative by double-digit amounts or hyperinflation had virtually eliminated the credit market.

**Sources** World Bank, 2009a; International Monetary Fund, 2006c and 2008.

**iv Getting credit**

The following two sub-components are based on the World Bank’s Doing Business dataset, which measures the extent to which collateral and bankruptcy laws facilitate lending and the availability of credit information from either public or private registries.


**a Legal rights index**

The “legal rights index measures the degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders and thus facilitate lending. The index includes 7 aspects related to legal rights in collateral law and 3 aspects in bankruptcy law.” A score of 1 is assigned for each aspect of the index. “The index ranges from 0 to 10, with higher scores indicating that collateral and bankruptcy laws are better designed to expand access to credit.”

**b Credit information index**

The “credit information index measures rules affecting the scope, accessibility and quality of credit information available through either public or private credit registries.” A score of 1 is assigned for each of the six aspects of the index. “The index ranges from 0 to 6, with higher values indicating the availability of more credit information, from either a public registry or a private bureau, to facilitate lending decisions.” The values from zero to 6 were then transformed into a zero-to-10 scale.

**Source** World Bank, 2009b.

**B Labor market regulations**

**i Rigidity of employment index**

**a Difficulty of hiring index**

“The difficulty of hiring index measures (i) whether term contracts can be used only for temporary tasks; (ii) the maximum cumulative duration of term contracts; and (iii) the ratio of the minimum wage for a trainee or first-time
employee to the average value added per worker.” The index is measured on a scale from 0 and 100 (where higher values indicate more rigid regulation), which was then transformed into a zero-to-10 scale, where a higher value indicates more flexible regulation.

b **Rigidity of hours index**

“The rigidity of hours index has 5 components: (i) whether night work is unrestricted; (ii) whether weekend work is unrestricted; (iii) whether the workweek can consist of 5.5 days; (iv) whether the workweek can extend to 50 hours or more (including overtime) for 2 months a year; and (v) whether paid annual vacation is 21 working days or fewer.” For each one of these questions, the answer “no” indicates more rigid regulation. The index is measured on a scale from 0 and 100 (where higher values indicate more rigid regulation), which was then transformed into a zero-to-10 scale, where a higher value indicates more flexible regulation.

c **Difficulty of firing index**

“The difficulty of firing index has 8 components: (i) whether redundancy is disallowed as a basis for terminating workers; (ii) whether the employer needs to notify a third party (such as a government agency) to terminate 1 redundant worker; (iii) whether the employer needs to notify a third party to terminate a group of 25 redundant workers; (iv) whether the employer needs approval from a third party to terminate 1 redundant worker; (v) whether the employer needs approval from a third party to terminate a group of 25 redundant workers; (vi) whether the law requires the employer to consider reassignment or retraining options before redundancy termination; (vii) whether priority rules apply for redundancies; and (viii) whether priority rules apply for reemployment.” The index is measured on a scale from 0 and 100 (where higher values indicate more rigid regulation), which was then transformed into a zero-to-10 scale, where a higher value indicates more flexible regulation.

**Source** World Bank, 2009b.

ii **Mandated cost of hiring (% of salary)**

This sub-component measures the non-wage cost of hiring an employee as a percentage of salary. It includes social security payments (including retirement fund; sickness, maternity and health insurance; workplace injury; family allowance; and other obligatory contributions) and payroll taxes. The lower the non-wage cost, the higher the rating. The rating for this component was equal to: \((V_{\text{max}} - V) / (V_{\text{max}} - V_{\text{min}})\) multiplied by 10. The \(V\) represents the non-wage cost of hiring an employee. The \(V_{\text{max}}\) and \(V_{\text{min}}\) were set to 55.2% and 0.0 %, respectively. Nations with values that fall below \(V_{\text{min}}\) received a score of 10 whereas those nations that have values above \(V_{\text{max}}\) received a score of zero.

iii  Mandated cost of worker dismissal (weeks of wages)
This sub-component measures “the cost of advance notice requirements, severance payments and penalties due when terminating a redundant worker, expressed in weeks of wages.” The rating for this component was equal to: \( \frac{(V_{\text{max}} - V_i)}{(V_{\text{max}} - V_{\text{min}})} \) multiplied by 10. The \( V_i \) represents the cost of firing an employee. The \( V_{\text{max}} \) and \( V_{\text{min}} \) were set to 359.7 weeks and 0.0 weeks, respectively. Nations with values that fall below \( V_{\text{min}} \) received a score of 10 whereas those nations that have values above \( V_{\text{max}} \) received a score of zero.

Source  World Bank, 2009b.

iv  Conscription
This sub-component measures the duration of military conscription. Nations without military conscription received a rating of 10. If the duration of conscription was six months or less, nations were given a score of 5. When the length of the conscription was more than 6 months but not more than 18 months, countries were given a rating of 3. If the duration of conscription was more than 12 months but not more than 18 months, countries were given a score of 1. Nations with military conscription of over 18 months were given a score of zero.


C  Business regulations

i  Starting a business
This sub-component measures how easy it is to start a business. It looks at the number of procedures, the time it takes to go through these procedures, the costs of starting a business such as fees, and minimum capital requirement needed to formally start a business. The rating for this component was equal to: \( \frac{(V_{\text{max}} - V_i)}{(V_{\text{max}} - V_{\text{min}})} \) multiplied by 10. The \( V_i \) represents the procedures, time (in days), cost as a percentage of income per capita and minimum capital requirement as a percentage of income per capita. \( V_{\text{max}} \) was set to 19.0 procedures, 203.0 days, 835.4%, 5111.9%; and \( V_{\text{min}} \) to 2.0 procedures, 2.0 days, 0.0%, 0.0%. Nations with values that fall below \( V_{\text{min}} \) received a score of 10 whereas those nations that have values above \( V_{\text{max}} \) received a score of zero.

\begin{itemize}
  \item [a] number of procedures
  \item [b] duration (days)
  \item [c] cost (% of income per capita)
  \item [d] minimum capital (% of income per capita)
\end{itemize}

Source  World Bank, 2009b.
ii Closing a business
This sub-component measures how difficult it is to close a business. It specifically measures the time and costs (as a percent of the estate) of closing a business as well as the recovery rate (cents on the dollar). The time and cost rating was equal to: \( \left( \frac{V_{\text{max}} - V_i}{V_{\text{max}} - V_{\text{min}}} \right) \times 10 \). For the recovery rate, the following formula was used: \( \left( \frac{V_i - V_{\text{min}}}{V_{\text{max}} - V_{\text{min}}} \right) \times 10 \). The \( V_i \) represents the time, cost and the recovery rate. \( V_{\text{max}} \) was set to 10.0 years, 76.0%, 92.6%; and \( V_{\text{min}} \) to 0.4 years, 1.0%, 0.0%.

\[ \begin{align*}
\text{a} & \quad \text{time (years)} \\
\text{b} & \quad \text{cost (% of estate)} \\
\text{c} & \quad \text{recovery rate (cents on the dollar)}
\end{align*} \]

Source World Bank, 2009b.