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July 28, 1997

WP/97/85

Correction 1

Subject:    **Restoring the Boom—Growth, Investment, and Savings in the Arab Economies**

### **CORRIGENDUM**

Page 1 of WP/97/85 (July 1997) is reissued to correct the title and footnote. A corrected page is attached.

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WP/97/85

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Middle Eastern Department

**Restoring the Boom—Growth, Investment, and Savings in the Arab Economies<sup>1</sup>**

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July 1997

**Abstract**

Sustaining a high rate of economic growth is the major policy issue facing the Arab economies. A detailed analysis of growth, investment, and savings for the period 1971-96, including through a growth accounting exercise, shows that increasing long-run growth requires improvements in both investment and domestic savings. In the past, the Arab region's growth was overly reliant on volatile external sources of funding, and total factor productivity growth was too low. The paper discusses the policy priorities to overcome the legacy of poor growth.

JEL Classification Numbers: D24, E21, E22, N15

Keywords: Growth; Investment; Savings; Growth Accounting; Arab; Middle East and North Africa

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<sup>1</sup>A summary version of this paper was presented at the seminar on "Sustainable Growth in the Arab World" hosted by the Government of Yemen. The authors would like to thank Peter Kunzel for excellent research assistance.

## Contents

	Page
Summary .....	3
I. Introduction .....	4
II. Growth, Investment, and Savings in the Arab Region .....	5
A. Overview .....	5
B. The Growth Picture .....	5
C. The Investment Picture .....	7
D. The Savings Picture .....	9
E. Putting it all Together .....	14
III. Growth Accounting and the Link to Investment .....	14
A. Background .....	15
B. Growth Accounting .....	16
C. Application to the Arab Countries .....	18
IV. Policy Implications .....	30
V. Concluding Remarks .....	33
Tables	
1. Savings-Investment Balance of Arab Countries, 1970-96 .....	11
2. External Financing of Arab Countries, 1970-96 .....	13
3. Selected Arab Countries: Growth Accounting with a Capital Share of 0.3 .....	19
4. Selected Arab Countries: Capital Shares Based on National Account and Regression Estimates .....	21
5. Selected Arab Countries: Capital Shares Implied by Different Initial Conditions .	25
6. Selected Arab Countries: Capital Shares in Non-oil Sector of Oil-Exporting Countries .....	27
Charts	
1. Growth Indicators, 1970-96 .....	6
2. Investment, 1970-96 .....	8
3. Selected Arab Countries, Comparison of Total Factor Productivity Growth, 1971-96 .....	23
4. Selected Arab Countries, Comparison of Capital Shares, 1971-96 .....	26
5. Selected Arab Countries: Total Factor Productivity, Capital Stock, and Employment Growth .....	29
References .....	34