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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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Middle Eastern Department

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

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**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.

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