



APRIL 2025

ECONOMIC FREEDOM AND DOING BUSINESS

*Perspectives on the Abraham Accords
countries, Saudi Arabia and Iran*

ROBERT LAWSON, SMU

SIMEON DJANKOV, LSE

Introduction

The Friedberg Economics Institute was founded in 2014 with a vision to raise awareness about the nature and benefits of economic freedom.

Our platform for advancing this vision has been education, our initial target audience was outstanding Israeli university students, and we continue annual five-day day seminars teaching Israeli students these principles.

Our objective is to cultivate a new generation of young leaders who understand economic freedom and the powerful and reliable path it creates to prosperity.

Indeed, the evidence regarding Israel is compelling. Although the economic success of modern Israel is often attributed to “hi-tech”, too little attention is paid to the enormous improvement in economic freedom over the years. In 1980 Israel was 89th in the world in the annual Fraser Institute Economic Freedom of the World Index. Today it stands at number 41.

In 2020, the Abraham Accords were signed by Israel, UAE, Bahrain, and Morocco to pave a path to peace and prosperity.

At the Friedberg Economics Institute, we saw the importance of using the Abraham Accords as a platform for widening our net of education about economic freedom to include all the signatories of the Accords.

The thinking was, and is, that emerging from the common Abrahamic patrimony, and the interest in expanding business and cultural exchange, are the principles that are common to this tradition and that prove most reliable to leading to prosperity.

This is the tradition of law – law that protects property and contracts – which encourages and enables individuals to be creative, with knowledge that the results of their creativity will be secure.

In 2022 we held our first seminar in Israel where outstanding university students from Israel, UAE, Bahrain, and Morocco spent five days learning together about economic freedom from a world-class faculty. In 2023, we did our second seminar in Abu Dhabi, also with outstanding university students from Israel, UAE, Bahrain, and Morocco learning this material together.

Friendships were formed and knowledge was shared about the principles of economic freedom, the core elements of prosperity, and the great potential of the MENA region.

We now produce this short monograph to help leaders in the region, and everywhere, get a deeper sense about why we invest so much in education about economic freedom to build a new generation of young leaders who understand its importance.

In addition to profiling the Abraham Accords countries, we include in the analysis Saudi Arabia and Iran. We include the former because of the leadership role it plays in the region and also to convey that despite its great natural wealth, the correct economic principles securing economic freedom can produce even greater returns. We include Iran to convey that a country that has prodigious natural wealth is poor because of its dismal record in economic freedom which deprives its citizens of their natural and creative potential.

The data, so to speak, speaks for itself. The average per capita GDP of countries in the top 25% of the Fraser Institute Economic Freedom Index score is six times higher than the average of the bottom 25%. For all key measures, countries with better economic freedom scores show superior economic and social results. When considering the six countries that are profiled in this study, we see in every case data show they would achieve superior economic outcomes with better economic freedom scores.

Regarding regulation and Doing Business, each country would improve economic growth with better performance in Doing Business scores. However, particularly compelling is that the data show that if Iran had a Doing Business regulation score equal to the best country in the region, its cumulative GDP growth from 2008 to 2022 would have more than tripled – to 23% from 6.4%. In the case of Morocco, growth would have increased from 24.7% to 48.6%.

We were fortunate to get two leading scholars in this field to do this work – Bob Lawson of Southern Methodist University and co-author of the Fraser Institute annual Economic Freedom of the World report and Simeon Djankov of the London School of Economics, who was instrumental in creating the Doing Business report at the World Bank in 2003.

We hope this work will further the adoption of these important principles, all part of the Abrahamic tradition, which will advance what we all aspire toward – more prosperity and peace.

We want to extend special thanks and gratitude to Ken and Frayda Levy for their encouragement and support which made this work possible.



Bob Borens
Director, Friedberg Economics Institute
Jerusalem

About the Authors



Robert Lawson

Robert Lawson is a Clinical Professor and director of the Bridwell Institute for Economic Freedom at SMU's Cox School of Business, where he also holds the Jerome M. Fullinwider Centennial Chair in Economic Freedom. He earned his Ph.D. and M.S. in Economics from Florida State University and his B.S. from Ohio University's Honors Tutorial College. Before SMU, he taught at Auburn, Capital, and Shawnee State universities.

A founding co-author of the Fraser Institute's *Economic Freedom of the World* report, Lawson has published over 100 academic works. He co-authored the Amazon bestseller *Socialism Sucks* with Benjamin Powell, and his research has been cited over 14,000 times. A past president of the Association of Private Enterprise Education, he is also a Senior Fellow at the Fraser Institute and a Mont Pelerin Society member. His contributions have earned him the Adam Smith Award from the Association of Private Enterprise Education.

Simeon Djankov

Djankov is policy director at the London School of Economics' Financial Markets Group and was previously rector of the New Economic School in Russia and a visiting lecturer at Harvard. He has authored several books, including *Inside the Euro Crisis* (2014) and *Europe's Growth Challenge* (2016), and has published over 90 academic articles. He earned his PhD in economics from the University of Michigan in 1997.

Simeon Djankov was a senior fellow at the Peterson Institute for International Economics. Previously, he served as Bulgaria's deputy prime minister and finance minister (2009–2013) and held key roles at the World Bank, including chief economist for finance and private sector development. During his 17 years there, he worked on trade, privatization, corporate governance, and regulatory reforms worldwide. He founded the World Bank's *Doing Business* and *Women, Business and the Law* projects.

Economic Freedom in Abraham Accords & Selected Nations

Robert Lawson

Southern Methodist University

Matthew Mitchell

Fraser Institute

WHAT IS ECONOMIC FREEDOM?

The cornerstones of economic freedom are personal choice, voluntary exchange, open markets, and clearly defined and enforced property rights. Individuals are economically free when they are permitted to choose for themselves and engage in voluntary transactions with other people as long as they do not harm the person or property of others. When individuals possess economic freedom, they are able to decide what, when, and how goods and services will be produced, exchanged, and consumed. Put another way, economically free individuals are permitted to decide for themselves rather than having options imposed on them by the political process or by the use of violence, theft, or fraud by others.¹

Economic freedom is critical for economic progress; societies with more economic freedom prosper, while those without economic freedom typically fail. When people are free to make their own economic choices with their own property, they have the incentives to work hard to satisfy the wants and desires of others. Farmers earn income when they grow

food for people to eat. Manufacturers gain when they make products for people. Teachers teach our kids and they rightly get paid to do so. And so on. Furthermore, economists believe that when goods and services trade in free markets, the entire system becomes more dynamic and better handles ever-changing consumer demands and producer supplies.

Economic freedom is critical for economic progress.

In this monograph, we highlight the recent history and current situation with respect to economic freedom among the signatory nations to the Abraham Accords, which normalized relations between Israel and the United Arab Emirates, Bahrain, and Morocco.² In addition, we include Saudi Arabia and Iran because of their outsized geo-political importance in the region.

THE ECONOMIC FREEDOM OF THE WORLD INDEX

For nearly 30 years, the Fraser Institute has published an *Economic Freedom of the World* (EFW) index. The EFW index is designed to measure the degree to which the institutions and policies of countries are consistent with economic freedom. The index uses over 40 indicators, for up to 165 nations, some as far back as 1970.³

¹ Much of the text in this section comes from the Economic Freedom of the World: 2023 Annual Report by James Gwartney, Robert Lawson, and Ryan Murphy (Fraser Institute). <https://www.fraserinstitute.org/studies/economic-freedom-of-the-world-2023-annual-report>

² Although Sudan is also a signatory to the Abraham Accords, it is not included in this report. <https://www.fraserinstitute.org/studies/economic-freedom-of-the-world-2024-annual-report>. All of the data in this monograph are taken from this report.

³ See Gwartney, James, Robert Lawson, and Ryan Murphy (2024), Economic Freedom of the World: 2024 Annual Report (Fraser Institute): <https://www.fraserinstitute.org/studies/economic-freedom-of-the-world-2024-annual-report>. All of the data in this monograph are taken from this report.

In order to achieve a high EFW rating, a country's government must do some things, but refrain from others. Governments enhance economic freedom when they provide an infrastructure for voluntary exchange, and protect individuals and their property from aggressors who might use violence, coercion, or fraud to seize things that do not belong to them. To this end, the legal system is particularly important. A country's legal institutions must protect the person and property of all individuals from the aggressive acts of others and enforce contracts in an even-handed manner. Governments must also permit access to a sound money that results in macroeconomic price stability and predictability. Governments must also refrain from actions that restrict personal choice, interfere with voluntary exchange, and limit entry into markets. Economic freedom is reduced when taxes, government expenditures, and regulations override personal choice, voluntary exchange, and market coordination.

The EFW measure might be thought of as a measure of the degree to which scarce resources are allocated by personal choices coordinated by markets rather than by centralized planning directed by the political process. It might also be thought of as an effort to identify how closely the institutions and policies of a country correspond with the classical liberal ideal of a limited government, where the government protects property rights and arranges for the provision of a limited set of "public goods" such as national defense and access to money of sound value, but little beyond these core functions. To a large degree, a country's EFW summary rating is a measure of how closely its institutions and policies compare with the idealized structure implied by standard textbook analysis of microeconomics.

The construction of the EFW index is based on three important methodological principles. First, objective sources of data are preferred to those that involve surveys or value judgments. With that said, given the multidimensional nature of economic freedom and the importance of legal and regulatory elements, it is sometimes necessary to use data based on surveys, expert panels, and generic case studies. To the fullest extent possible, however, the index uses objective sources of data. Second, the data used to construct the index ratings are from external sources such as the International Monetary Fund, World Bank, and World Economic Forum that provide data for a large number of countries. Data provided directly from a source within a country are rarely used. Importantly, the value judgments of the authors or others in the Economic Freedom Network are never used to alter the raw data or the rating of any country. Third, we strive for transparency throughout. The report provides information about the data sources, the methodology used to transform raw data into the ratings of the components and subcomponents and how these ratings are used to construct both the area and summary ratings.

The EFW index rates 165 nations. The data are available annually from 2000 to 2022 and for years ending in zero or five back to 1970. This dataset makes it possible for scholars to analyze the impact of both cross-country differences in economic freedom and changes in that freedom across several decades. The EFW measure is a valuable tool for scholars seeking to examine the contribution of economic institutions more thoroughly and disentangle their influence from political, climatic, locational, cultural, and historical factors as determinants of growth and development.

Structure of the EFW index

The index measures the degree of economic freedom present across five major areas: [1] Size of Government, [2] Legal System and Property Rights, [3] Sound Money [4] Freedom to Trade Internationally, and [5] Regulation of credit, labor, and business.

Within the five major areas, there are a total of 25 components in the index. Many of the components are themselves made up of several subcomponents (which in turn may be based on several more underlying sources of data). In total, the index incorporates 45 distinct components and or subcomponents of data. Each component and subcomponent is placed on a scale from 0 to 10 that reflects the distribution of the underlying data.

When subcomponents are present, they are averaged to derive the component rating. The component ratings within each area are then averaged to derive ratings for each of the five areas. In turn, the five area ratings are averaged to derive the summary rating for each country.



AREA 1

Size of Government focuses on how government expenditures and tax rates affect economic freedom. Taken together, the five components of Area 1 measure the degree to which a country relies on personal choice and markets rather than government budgets and political decision-making. Countries with lower levels of government spending, lower marginal tax rates, and less government investment and state ownership of assets earn the highest ratings in this area.



AREA 2

Legal System and Property Rights focuses on the importance of the legal system as a determinant of economic freedom. Protection of persons and their rightfully acquired property is a central element of economic freedom. Many would argue that it is the most important function of government. The key ingredients of a legal system consistent with economic freedom are rule of law, security of property rights, an independent and unbiased judiciary, and impartial and effective enforcement of the law. The eight components of Area 2 are indicators of how effectively the protective functions of government are performed. The Area 2 rating is adjusted based on a Gender Disparity Index (GDI) that reflects cross-country differences in legal rights based on gender. The GDI is generated using the World Bank's Women, Business, and the Law reports. This World Bank dataset tracks the existence of legal and regulatory barriers imposed on women that may impede their ability to participate in formal economic activity. Thus, the GDI provides a de jure measure of gender disparity under the law, and it does so only in narrowly-defined areas related to employment and property ownership. Since the GDI is derived from formal legal and regulatory codes, social norms and religious customs do not influence the scores.



AREA 3

Sound Money focuses on the importance of money and general price stability in the exchange process. Sound money—money with relatively stable purchasing power across time—reduces transaction costs and facilitates exchange, thereby promoting economic freedom. The four components of this area provide a measure of the extent to which people in different countries have access to sound money. In order to earn a high rating in Area 3, a country must follow policies and adopt institutions that lead to low (and stable) rates of inflation and avoid regulations that limit the ability to use alternative currencies.



AREA 4

Freedom to Trade Internationally focuses on exchange across national boundaries. In our modern world, freedom to trade with people in other countries is an important ingredient of economic freedom. When governments impose restrictions that reduce the ability of their residents to engage in voluntary exchange with people in other countries, economic freedom is diminished. The components in Area 4 are designed to measure a wide variety of trade restrictions: tariffs, quotas, hidden administrative restraints, and controls on exchange rates and the movement of capital. In order to get a high rating in this area, a country must have low tariffs, easy clearance and efficient administration of customs, a freely convertible currency, and few controls on the movement of physical and human capital.



AREA 5

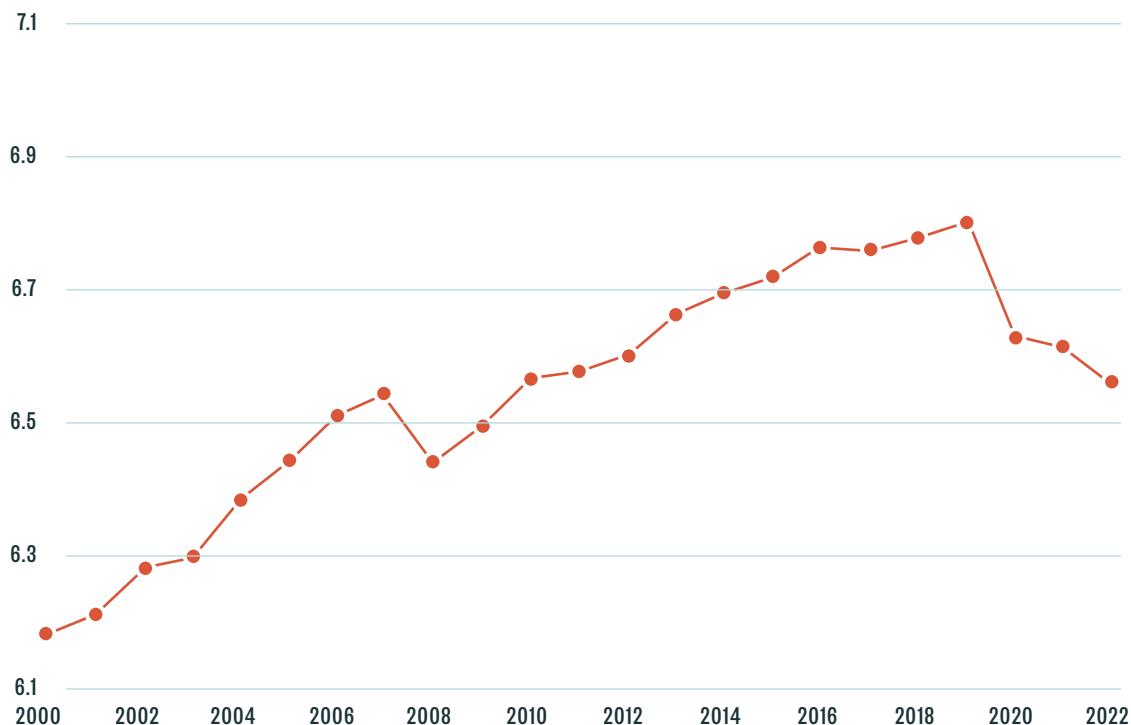
Regulation measures how regulations that restrict entry into markets and interfere with the freedom to engage in voluntary exchange reduce economic freedom. The components of Area 5 focus on regulatory restraints that limit the freedom of exchange in credit, labor, and product markets.

Most Recent EFW Index Ratings & Rankings

For the most recent year, 2022, the ten highest scoring nations are Hong Kong, Singapore, Switzerland, New Zealand, United States, Denmark, Ireland, Canada, Australia, and Luxembourg. The rankings of some of the other major world economies are Japan (11th), Taiwan (19th), Germany (16th), Korea (32nd), France (36th), Italy (51st), Mexico (65th), India (84th), Brazil (85th), China (104th), and Russia (119th). The 10 lowest-rated countries are: Libya, Iran, Argentina, Myanmar, Algeria, Yemen, Syria, Sudan, Zimbabwe, and Venezuela.

Overall, the index shows modest increases in average economic freedom across the globe since 2000 as most countries have continued the process of market liberalization that began in the 1980s. But the last few years have been rocky. Thanks, no doubt to the coronavirus pandemic, the world average has fallen to 6.56 from 6.80 since 2019—a 0.24-point decline. This erases over a decade's worth of improvement in the global average and is about twice as large as the global decline witnessed during the financial crisis.

AVERAGE ECONOMIC FREEDOM RATING, 2000-2022



We take no position on the efficacy of the various public-health policies designed to deal with the coronavirus pandemic; they very well may have saved millions of lives, or they may have been completely ineffectual. That is a question for epidemiologists and health economists to work out. Our concern is economic freedom, and on that margin, there is no question that government policies responding to the coronavirus pandemic have reduced economic freedom.

ECONOMIC FREEDOM AND HUMAN PROGRESS

There are two main reasons many economists believe that economies with more economic freedom will grow and prosper faster than those that use centralized economic control. The data support this view.

First, the incentives under economic freedom encourage people to work harder and produce more because they personally benefit from such work. Workers and businesses profit when they discover how to cost effectively make the products people want to buy. Marxist slogans like “to each according to his needs, from each according to his abilities” may sound nice, but if the authorities promise that your needs will be accommodated regardless of your efforts, what incentive do you have to work to create value for others? People are very often willing to work altruistically for close family and friends, but few of us are willing to wake up at 4am in the morning to milk cows so that distant strangers in the city can enjoy milk – at least we’re not willing to do so without payment in exchange. All of the experiments in history of collectivizing farms and factories and then “sharing” the proceeds equally have ended up in failure.⁴ Even when these enterprises were voluntary (which was rare in most socialist regimes) like in the Israeli kibbutzim, most such enterprises failed to thrive and have been privatized.⁵

Second, and more importantly, market prices convey knowledge to workers and businesses about what jobs and products are most desired by consumers. The wages of workers and other resources tell businesses how best to make products. These prices convey *information* that we all as workers, business owners, and consumers need. Suppose there is a flood in a food-producing valley and all the tomato plants are destroyed. In the language of economists, what if the supply of tomatoes falls? This knowledge needs to be somehow conveyed to restaurants so that they might change the menu or raise the price of those dishes containing tomatoes. Consumers likewise need to economize on their use of tomatoes because quite simply there are now fewer tomatoes to go around. In a market economy, this problem is handled immediately and seamlessly because the market price of tomatoes will increase. This increase in the price of tomatoes sends a signal to the restaurants and consumers giving them the incentive to cut back.⁶

⁴ See, for example, Mitchell, Matthew, Peter J Boettke, and Konstantin Zhukov. 2023. *The Road to Freedom: Estonia's Rise from Soviet Vassal State to One of the Freest Nations on Earth*. Vancouver, BC: Fraser Institute.

⁵ See Omri Senderowicz (2023) *From Society to Community: Privatizing the Israeli Kibbutz (1975-2020)*. Ann Arbor: University of Michigan Press.

⁶ For the classic discussion on this issue, see F.A. Hayek (1945) “The Use of Knowledge in Society.” *American Economic Review* 35(4): 519-530.

In contrast, in a command and control economy, where production, allocation, and prices are controlled by the government, bureaucrats would have to recognize the flood damage to the tomato crop, then send out orders to restaurants to cut back, and also tell consumers (how?) to eat fewer tomatoes. Now imagine doing this for the hundreds of thousands of different goods and services being produced, transported, sold, and consumed in a modern economy. Or imagine doing it for subtle changes in market conditions such as a change in demand brought on by a new fad in clothing or a change in supply brought on by a superior management strategy. The bottom line is that even the most intelligent and best intentioned bureaucrats lack the knowledge to effectively coordinate the millions of participants in a modern economy.

Thus, for reasons associated with incentives and with employing economic knowledge more effectively, we would expect an economic system based on private property

and market exchange to outproduce any command and control system. We wouldn't expect economic freedom to bring about a Garden of Eden on Earth, but it will outproduce the alternative system. And, indeed, this is exactly what we find. Whenever and wherever they have been tried, centrally planned economies inevitably lead to confusion, shortages, social repression, anemic

Economically free nations outperform less free nations on every margin.

growth, and systematic neglect of consumers. This is why the Hungarian economist János Kornai dubbed the socialist economies of the Soviet Union and Eastern Bloc "shortage economies."⁷

Today, the advocates of Soviet-style economic central planning are few and far between, but there are many who still believe that life would be better if the government took a more active role in the economy. Those who call for more government spending, more regulation, and more protectionism believe that these measures will make their societies more prosperous and just. The graphs that illustrate relationships between economic freedom and various other indicators of human progress suggest that this is not so. The evidence in these graphs is overwhelming. Economically free nations outperform less free nations on every margin.

The graphs begin with the data on the relationship between economic freedom and the level of GDP per capita. This is the best single measure we have of a country's standard of living. Countries that score in the top quartile of the EFW index have average GDP per capita levels of over \$55,000. As you go down to the 2nd, 3rd, and 4th (i.e., lowest) quartiles of the EFW index, the average income falls by about half each time to the point where income levels in the bottom quartile are less than \$10,000 per person--only about 1/6th that of those in the top quartile.

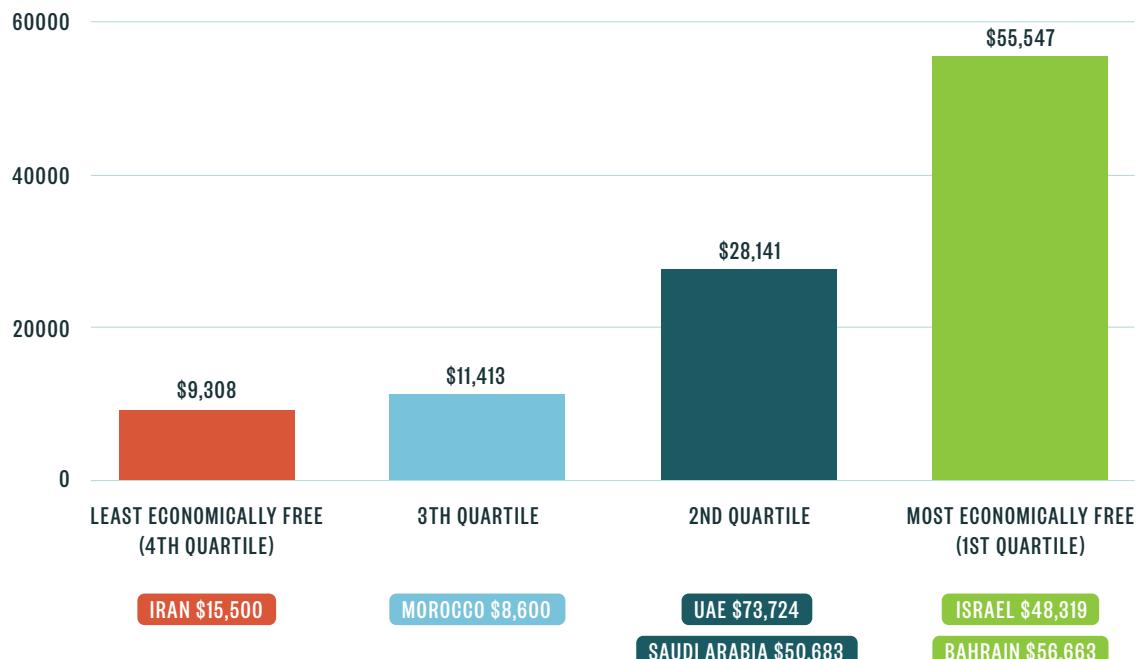
⁷ János Kornai (1980) *Economics of Shortage*. Stockholm: Institute for International Economic Studies.

ECONOMIC FREEDOM AND GDP PER CAPITA



The graphics then go on to illustrate the relation with other economic and social outcomes. Israel, United Arab Emirates, Bahrain, Morocco, and Saudi Arabia, and Iran are all noted in the graphs, along with the United States (ranked 5th overall in economic freedom) for reference purposes.

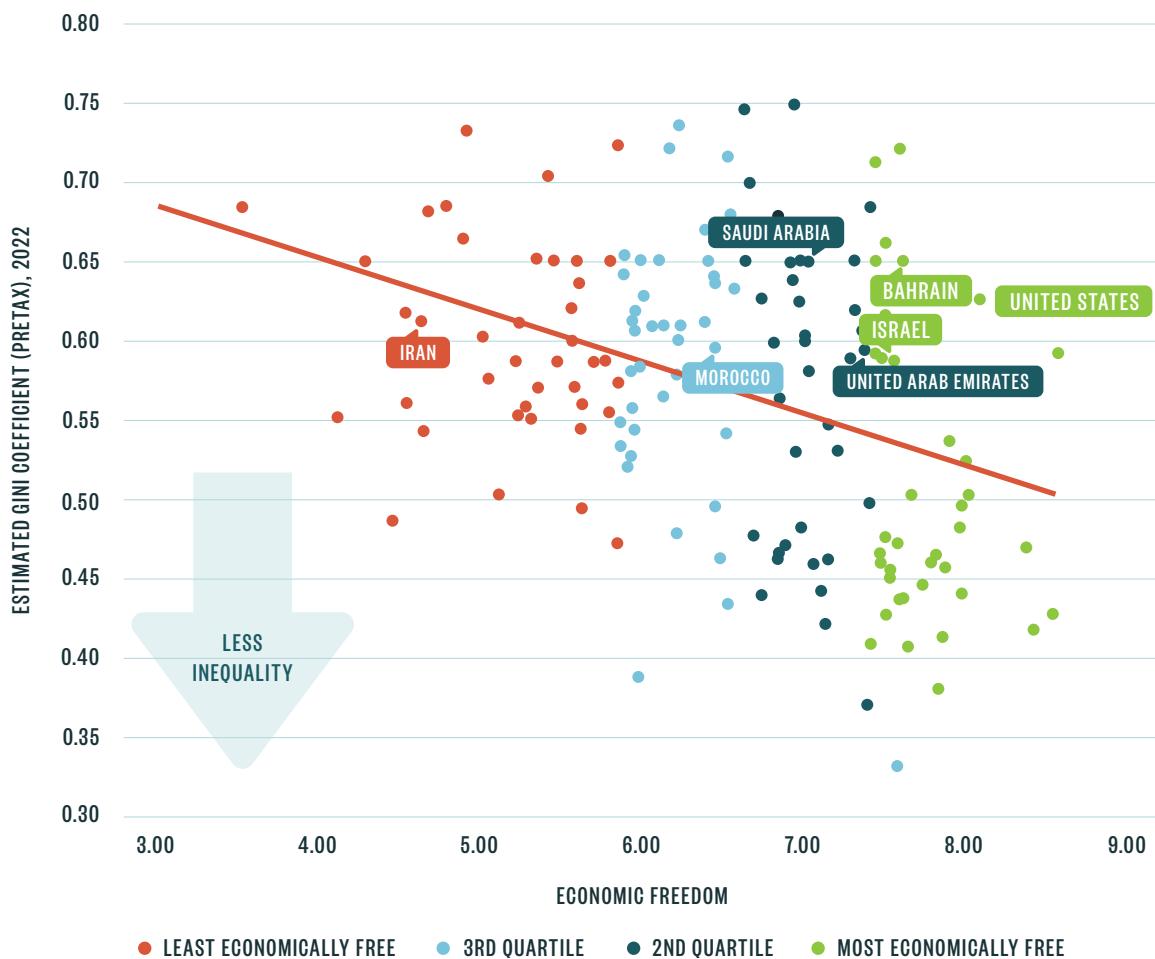
ECONOMIC FREEDOM AND AVERAGE GDP PER CAPITA BY EFW QUARTILE



There is a strong positive relationship between how countries score on the EFW index and GDP per capita. It is interesting to note that all the oil-exporting nations have higher per capita GDP than we would expect based on economic freedom alone.

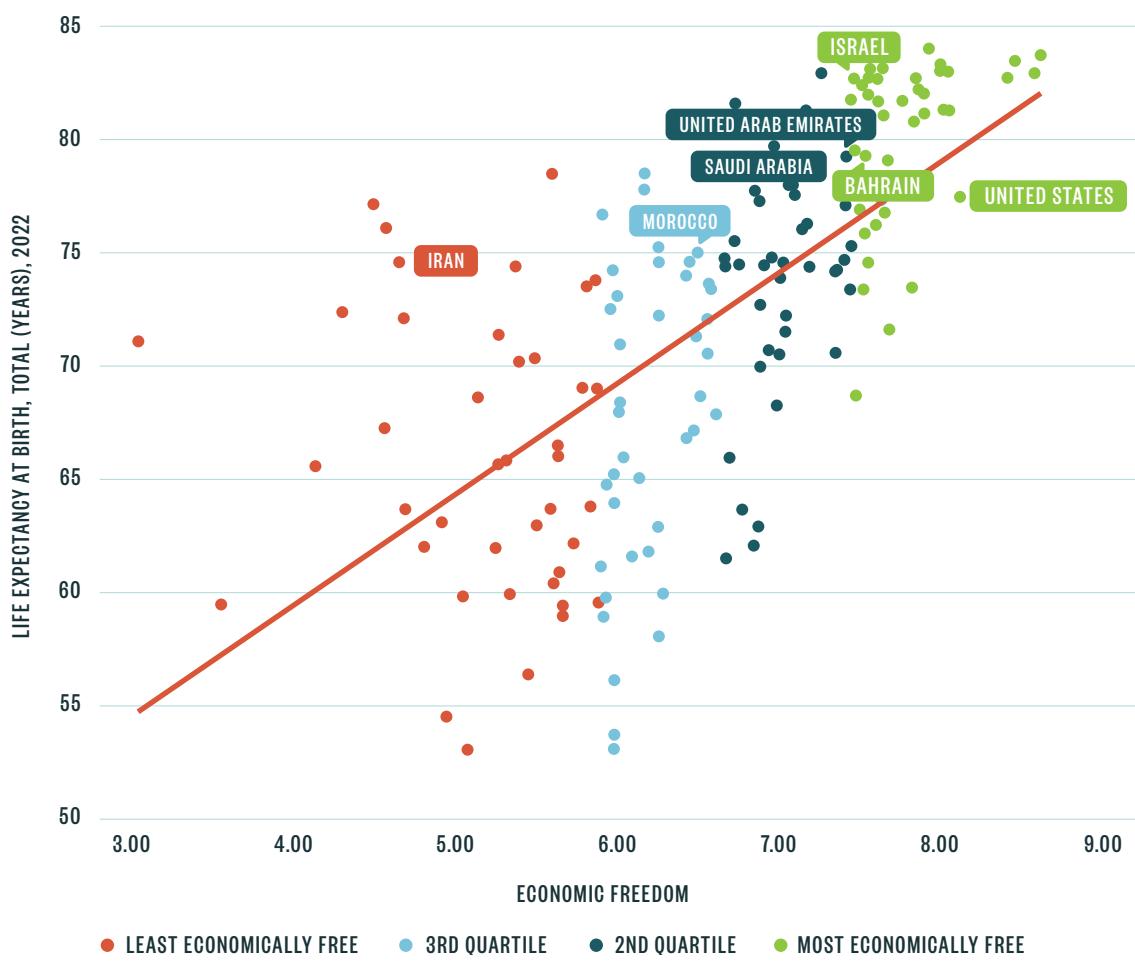
This suggests that while economic freedom matters for prosperity, other factors such as natural resources also matter. Note that Iran, even with its oil resources would likely be much, much richer if it could liberalize its economy granting its people more economic freedom. Sources: Fraser Institute, *Economic Freedom of the World: 2024 Annual Report* and World Bank, *World Development Indicators Database*.

ECONOMIC FREEDOM AND INCOME INEQUALITY



The Gini Index is a measure of income inequality, where higher values indicate more income inequality. Interestingly, and contrary to the expectations of many, countries that have more economic freedom exhibit more income *equality*, though the relationship is weak. Nevertheless, the data suggest that the concern that economic freedom will usher in greater income inequality is misplaced. Sources: Fraser Institute, *Economic Freedom of the World: 2024 Annual Report* and World Bank, *World Development Indicators Database*.

ECONOMIC FREEDOM AND LIFE EXPECTANCY



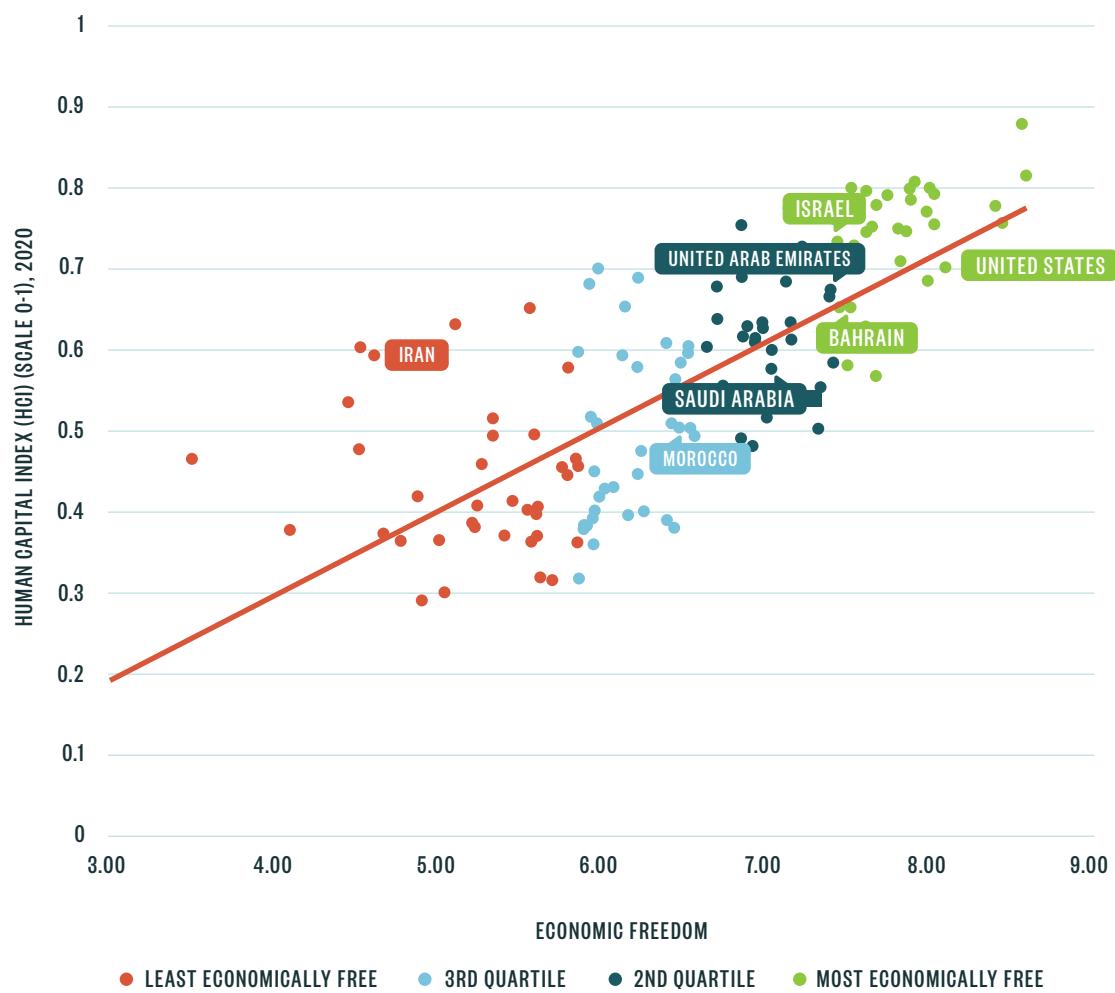
Life expectancy at birth is much greater in countries with more economic freedom.
 Sources: Fraser Institute, *Economic Freedom of the World: 2024 Annual Report* and
 World Bank, *World Development Indicators Database*.

ECONOMIC FREEDOM AND INFANT MORTALITY RATE



Infant mortality rates are lower in countries with more economic freedom. Sources: Fraser Institute, *Economic Freedom of the World: 2024 Annual Report* and World Bank, *World Development Indicators Database*.

ECONOMIC FREEDOM AND HUMAN CAPITAL



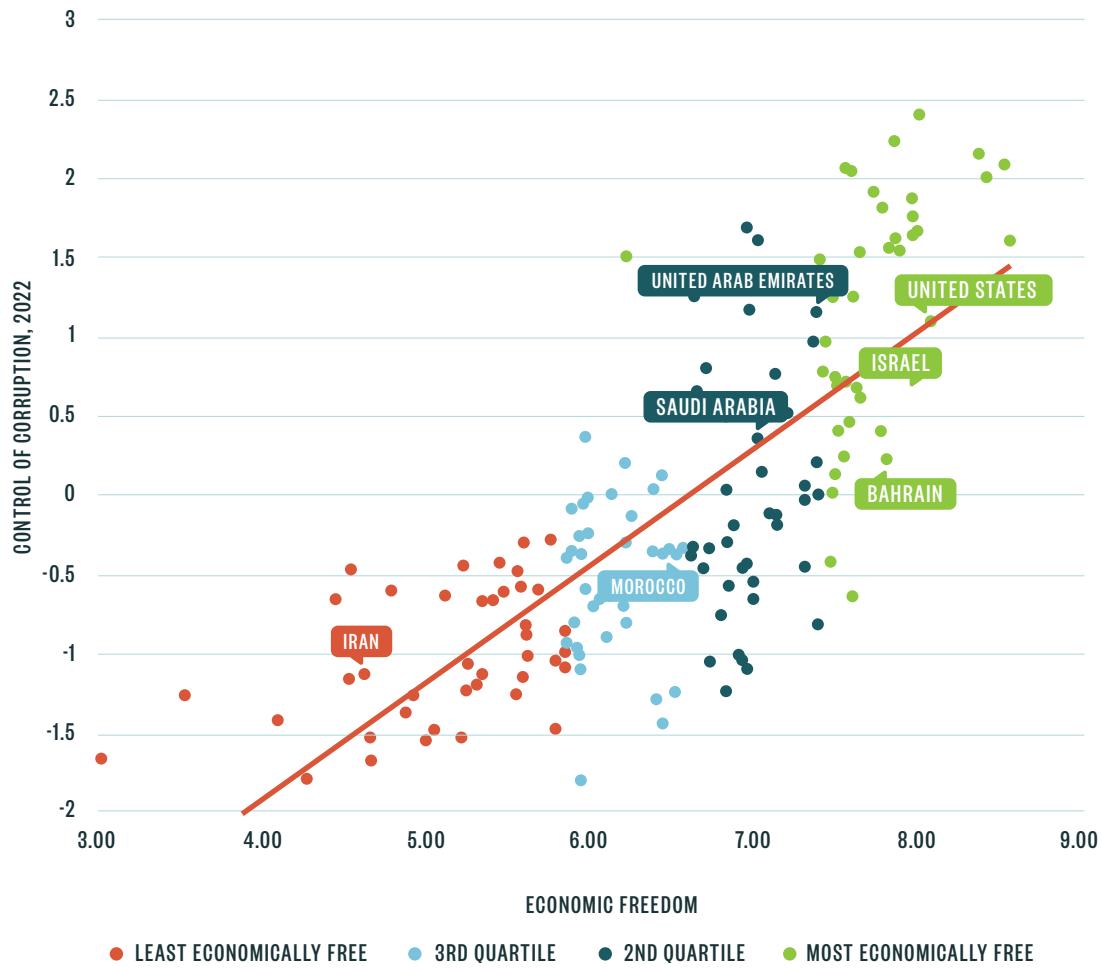
Countries with more economic freedom develop more educated and skilled workers as evidenced by the Human Capital Index, which calculates the contribution of health and education to worker productivity. Sources: Fraser Institute, *Economic Freedom of the World: 2024 Annual Report* and World Bank, *World Development Indicators Database*.

ECONOMIC FREEDOM AND LITERACY



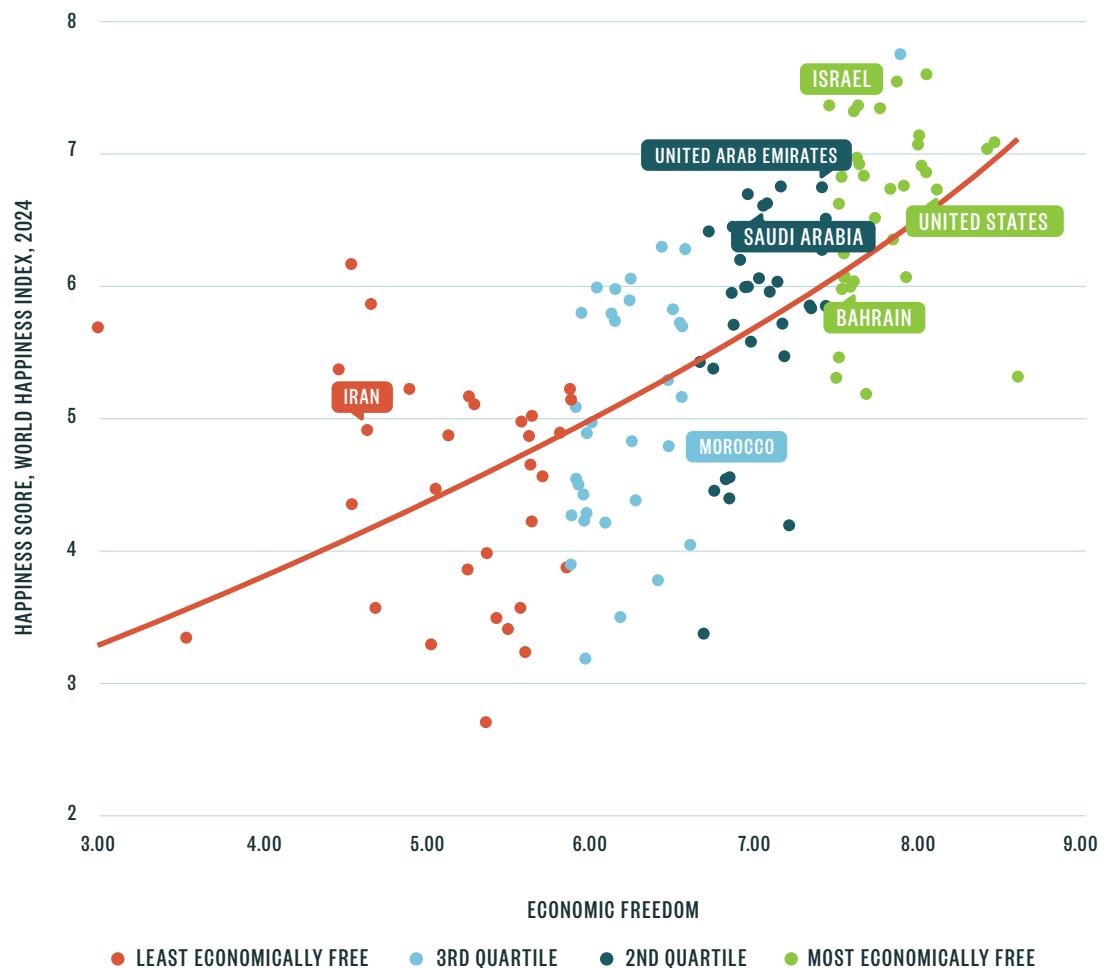
Literacy, measured as the percent of those aged 15 and above who are literate, is higher as countries achieve more economic freedom. Sources: Fraser Institute, *Economic Freedom of the World: 2024 Annual Report* and World Bank, *World Development Indicators Database*.

ECONOMIC FREEDOM AND CONTROL OF CORRUPTION



Countries that score higher on the EFW index have a better track record with controlling corruption. Sources: Fraser Institute, *Economic Freedom of the World: 2024 Annual Report* and World Bank, *World Development Indicators Database*.

ECONOMIC FREEDOM AND HAPPINESS



According to the World Happiness Index, which measures peoples' self-reported satisfaction with life, people on average are happier in countries with more economic freedom. Sources: Fraser Institute, *Economic Freedom of the World: 2024 Annual Report* and Gallup, Oxford Well-Being Research Centre & UN Sustainable Development Solutions Network, *World Happiness Report: 2024*.

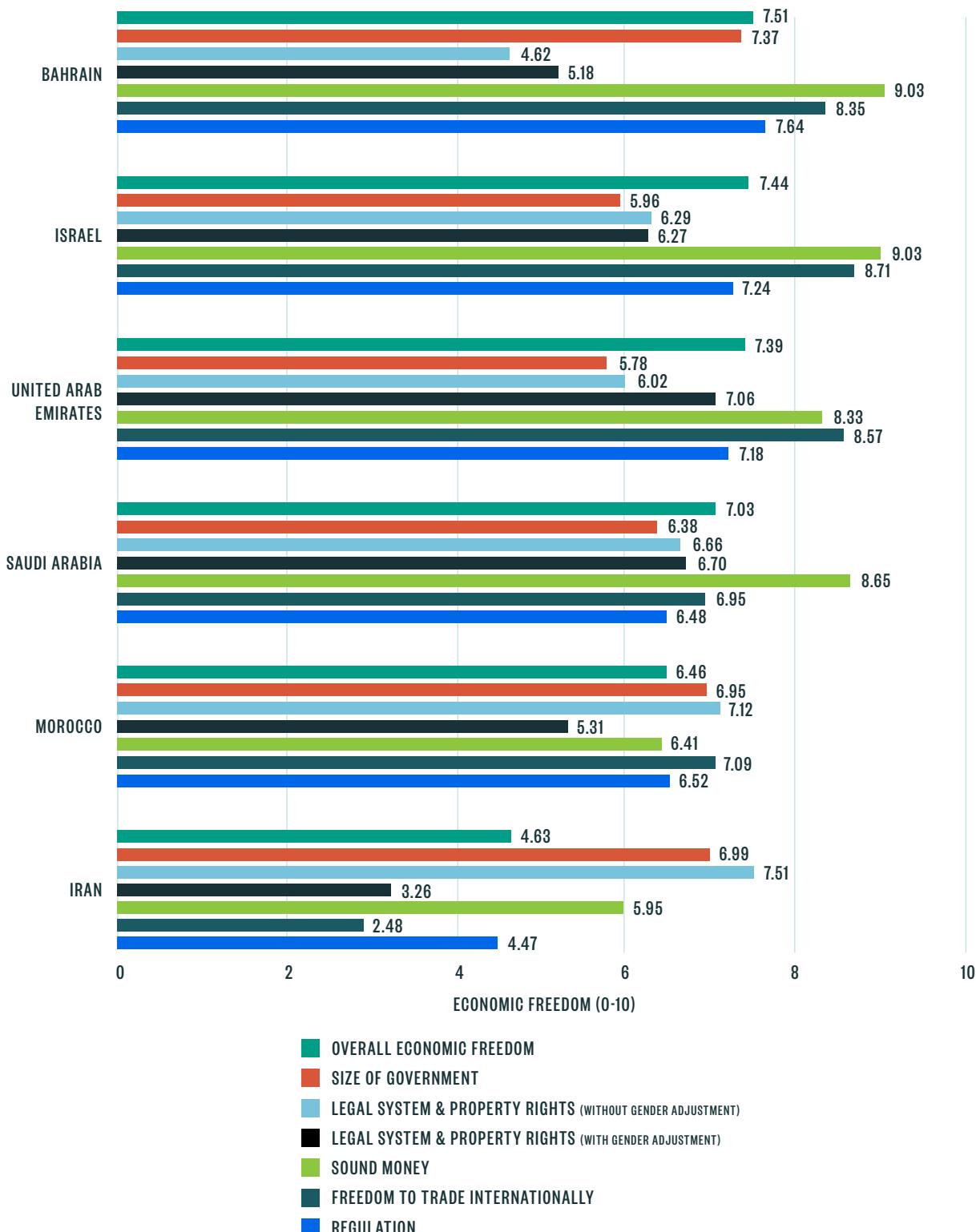
ECONOMIC FREEDOM IN BAHRAIN, ISRAEL, UNITED ARAB EMIRATES, SAUDI ARABIA, MOROCCO AND IRAN

Let us examine the economic freedom record, as measured by the EFW index, in Israel, the United Arab Emirates, Bahrain, Morocco, Saudi Arabia, and Iran. Overall, these nations allow their citizens a diverse range of economic freedom. Though none score near the very top of the EFW index, Israel, UAE, and Bahrain score at about the upper 75th percentile with Saudi Arabia now not too far behind. Morocco scores in the bottom half, and Iran scores near the very bottom of the scale.

All six nations, including Israel, treat men and women somewhat unequally within the legal system. As a consequence, the legal structure and property rights area ratings are somewhat lower than would otherwise be the case. For all six countries, this offers an opportunity. Equalizing the legal treatment of women and men with respect to employment and property ownership is one of the easiest ways for these nations to improve both their legal structure and property rights area *and* overall EFW index ratings.

The country pages to follow show the EFW data we have for these countries and offer a short narrative. We cannot claim to be experts in any of them. Our remarks should be seen as a reflection of how outsiders, but outsiders informed by data, see these nations.

OVERALL ECONOMIC FREEDOM



Bahrain

Like the United Arab Emirates, Bahrain has ranked consistently in the top two quartiles reaching a ranking of 34th in 2022, making it the most economically free of the six countries considered here. Also like the Emirates, the people of Bahrain have enjoyed decades of economic growth and now enjoy enviable living standards. Again, oil helps, but it is the economic freedom of Bahrain that has allowed it to translate that oil wealth into widespread prosperity.

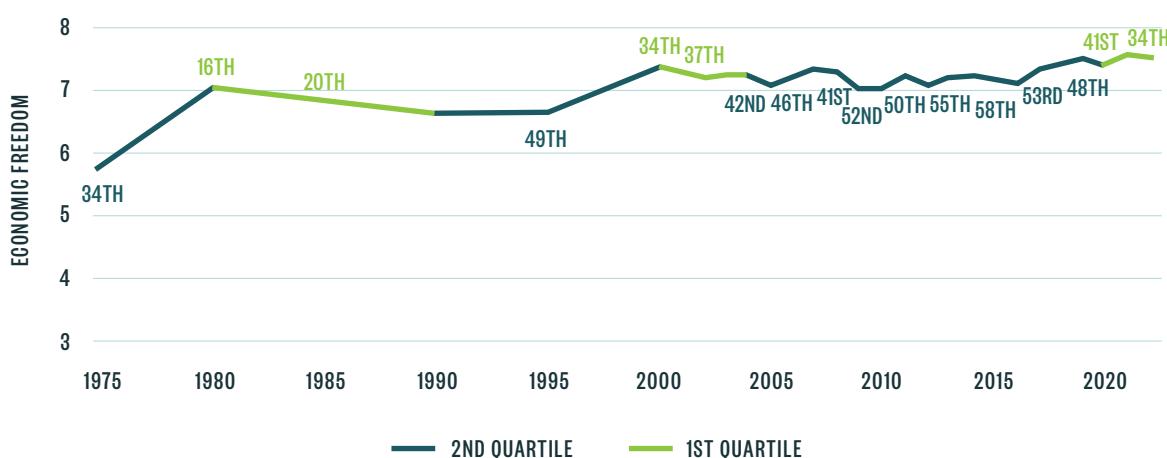
Unlike the UAE however, Bahrain has maintained some restraint when it comes to government spending with a moderately high score in Area 1 of 7.37 (it ranks 41st in this area). Of course, Bahrain would score even higher in this area but for its high consumption spending (1A) and state ownership of assets (1E) related to the government-run oil industry.

In the legal and property rights area, Bahrain scored 5.18 and ranked a low 75th. This is not good. The weaknesses in the legal system appear to be across the board, and with the exception of good scores for real estate transactions (2G) and policing (2H), the problem appears to be systemic. The country's score, though, in this area would have been 6.29 if women were afforded the same economic rights as men.

Bahrain's sound money rating is high at 9.03 (12th). Its free trade area rating is decent at 8.35 (45th), but could improve if it liberalized non-tariff barriers (4B) and capital controls (4D).

Bahrain exhibits a relatively light regulatory environment with an Area 5 score of 7.64 (21st).

BAHRAIN ECONOMIC FREEDOM



BAHRAIN	1980	1990	2000	2010	2020	2022
SUMMARY RATINGS	6.97	6.61	7.34	7.06	7.44	7.51
1. Size of Government	6.77	4.80	6.98	6.71	7.34	7.37
A. Government consumption	3.25	0.00	3.78	4.74	3.26	3.40
B. Transfers and subsidies	9.81	9.64	9.43	9.44	9.43	9.43
C. Government investment		0.32	7.66	5.34	10.00	10.00
D. Top marginal income tax rate	10.00	10.00	10.00	10.00	10.00	10.00
E. State ownership of Assets	4.02	4.02	4.02	4.02	4.02	4.02
2. Legal System & Property Rights — With Gender Adjustment	4.12	4.11	3.70	4.36	4.78	5.18
A. Judicial independence	4.87	4.83	4.79	5.50	5.37	5.38
B. Impartial courts			4.36	4.60	4.45	4.54
C. Protection of property rights			6.58	7.68	7.67	7.67
D. Military interference in rule of law and politics	8.33	8.33	5.00	5.00	5.00	5.00
E. Integrity of the legal system	5.07	5.07	5.91	5.53	5.00	5.21
F. Legal enforcement of contracts			5.00	4.89	4.89	4.89
G. Regulatory restrictions on the sale of real property				8.53	9.40	9.40
H. Reliability of police			6.60	7.73	8.23	8.23
<i>Gender Legal Rights Adjustment (0-1)</i>	0.35	0.35	0.35	0.41	0.53	0.65
3. Sound Money	8.68	8.83	8.99	8.04	9.31	9.03
A. Money growth		9.78	9.35	7.53	9.94	9.94
B. Standard deviation of inflation	6.81	6.92	6.91	5.40	8.24	7.62
C. Inflation: Most recent year	9.22	8.63	9.72	9.22	9.07	8.55
D. Freedom to own foreign currency bank accounts	10.00	10.00	10.00	10.00	10.00	10.00
4. Freedom to trade internationally	8.46	8.42	8.86	8.11	8.20	8.35
A. Tariffs	9.39	9.27	9.19	8.22	8.37	9.11
B. Regulatory trade barriers			8.81	8.10	6.91	6.91
C. Black market exchange rates	10.00	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	6.00	6.00	7.45	6.13	7.50	7.37
5. Regulation	6.81	6.88	8.17	8.09	7.57	7.64
A. Credit market regulations	9.00	9.15	10.00	8.47	8.30	8.64
B. Labor market regulations			8.03	8.39	7.40	7.40
C. Business regulations	4.62	4.62	7.19	7.04	6.56	6.67
D. Freedom to enter markets and compete			7.48	8.46	8.02	7.83

Israel

Among all the nations in this report, none has exhibited quite the range of experiences with economic freedom as Israel. Whatever else it may have been, the Zionist movement was a socialist one, so it is no surprise that Israel had low levels of economic freedom at its founding. This remained the case into the 1970s and 1980s. Hyperinflation and economic stagnation eventually led Israeli voters and politicians to privatize state enterprises and liberalize trade such that Israel today comfortably scores between 7 and 8 (on the 10-point EFW scale) good enough for the top quartile. Once an economic laggard, today's Israel is rightly considered a high-tech and innovative economy.

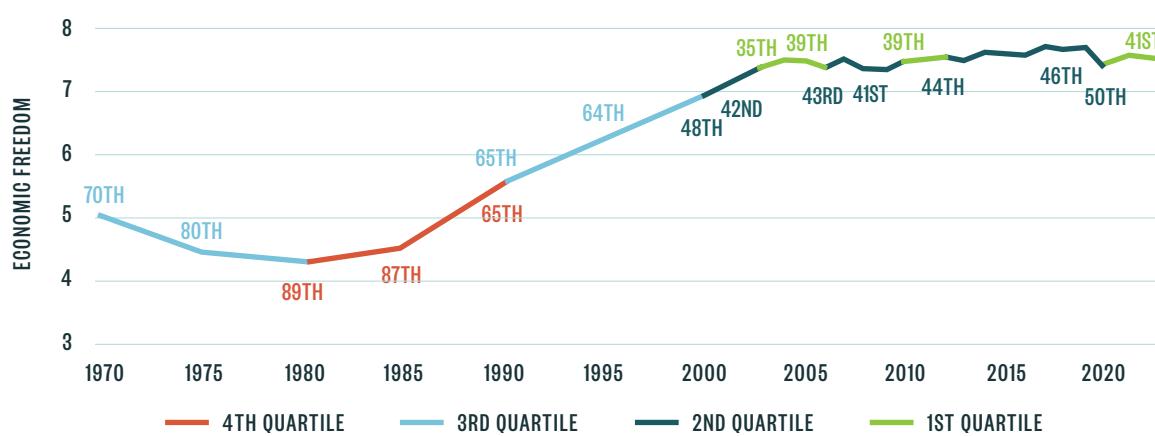
Israel has a very large fiscal government with a 5.96 rating (ranking 123 out of 165 in this area). High government consumption expenditures, which would include military spending, result in a rating of 3.0 in Component 1A. Top marginal tax rates are 50% and thus Component 1D is also relatively low.

In the legal system area, a score of 6.27 is good enough for 45th ranking overall. The dark spots for Israel in this area are related to military interference in legal affairs (2D) and costly contract enforcement (2F). In the area of legal systems and property rights, the country would score higher (6.66 instead of 6.27) if it permitted women the same economic rights as men.

Israel's monetary system is now very stable with a rating of 9.03 (13th). This was not always the case. In 1980, Israel's hyperinflation and macro-instability garnered the nation a terrible score in Area 3 of just 1.71. Monetary reform is the single biggest factor explaining Israel's improvement in the EFW index.

Likewise, Israel has turned away from its protectionist and high regulation roots. The free trade area rating has improved to 8.71 from 6.49 and now ranks 24th in the world. Israel has deregulated such that its score in this area has risen to 7.24 (37th) from 4.33. Military conscription, however necessary, is a big factor in Israel's low rating in the labor market component (5B).

ISRAEL ECONOMIC FREEDOM



ISRAEL	1980	1990	2000	2010	2020	2022
SUMMARY RATINGS	4.26	5.49	6.85	7.39	7.29	7.44
1. Size of Government	2.70	5.37	4.88	6.09	5.49	5.96
A. Government consumption	0.00	2.09	2.18	3.41	2.21	3.00
B. Transfers and subsidies	4.47	5.59	3.92	7.26	5.07	5.80
C. Government investment		8.92	8.14	8.09	7.59	8.39
D. Top marginal income tax rate	1.00	3.50	2.50	4.00	5.00	5.00
E. State ownership of Assets	5.32	6.73	7.67	7.67	7.60	7.60
2. Legal System & Property Rights — With Gender Adjustment	6.05	5.41	6.31	6.00	6.20	6.27
A. Judicial independence	7.08	7.18	7.54	7.40	6.91	7.09
B. Impartial courts	7.91	7.91	8.13	7.04	7.11	7.38
C. Protection of property rights			7.02	7.32	7.45	7.45
D. Military interference in rule of law and politics	5.00	3.33	6.67	4.17	4.17	4.17
E. Integrity of the legal system	6.05	4.49	7.82	7.81	8.22	8.39
F. Legal enforcement of contracts	6.11	6.77	4.82	4.82	4.74	4.74
G. Regulatory restrictions on the sale of real property		4.81	4.81	5.63	6.93	6.93
H. Reliability of police			6.78	6.76	7.16	7.16
<i>Gender Legal Rights Adjustment (0-1)</i>	0.88	0.88	0.88	0.88	0.88	0.88
3. Sound Money	1.71	4.35	7.91	9.43	9.55	9.03
A. Money growth	1.84	7.10	8.60	9.60	8.73	8.44
B. Standard deviation of inflation	0.00	5.32	8.50	9.20	9.72	9.42
C. Inflation: Most recent year	0.00	0.00	9.54	8.92	9.76	8.24
D. Freedom to own foreign currency bank accounts	5.00	5.00	5.00	10.00	10.00	10.00
4. Freedom to trade internationally	6.49	6.81	8.89	8.46	8.07	8.71
A. Tariffs	6.60	9.39	9.68	7.40	8.46	8.52
B. Regulatory trade barriers			8.99	8.07	7.65	7.65
C. Black market exchange rates	9.80	9.20	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	3.08	1.83	6.88	8.39	6.16	8.66
5. Regulation	4.33	5.53	6.24	6.99	7.13	7.24
A. Credit market regulations	1.95	4.78	6.54	9.50	8.76	9.27
B. Labor market regulations	2.59	3.35	3.83	4.77	4.86	4.93
C. Business regulations	8.45	8.45	8.35	6.57	7.16	7.22
D. Freedom to enter markets and compete			6.26	6.59	8.03	8.03

United Arab Emirates

With its low level of personal taxation—UAE has no income tax at all—and openness to global trade (its EFW ranking in this area is 30th), the country has scored in the 1st or 2nd quartile of overall economic freedom in every year for which we have data. Dubai is a global leader in business, and its impressive skyline is a visual reminder of the power of economic freedom to usher in prosperity. Oil certainly helps UAE's cause, but oil alone, as we see with Iran (and elsewhere in countries like Venezuela) is clearly not sufficient for growth. Prosperity requires economic freedom, which the UAE has.

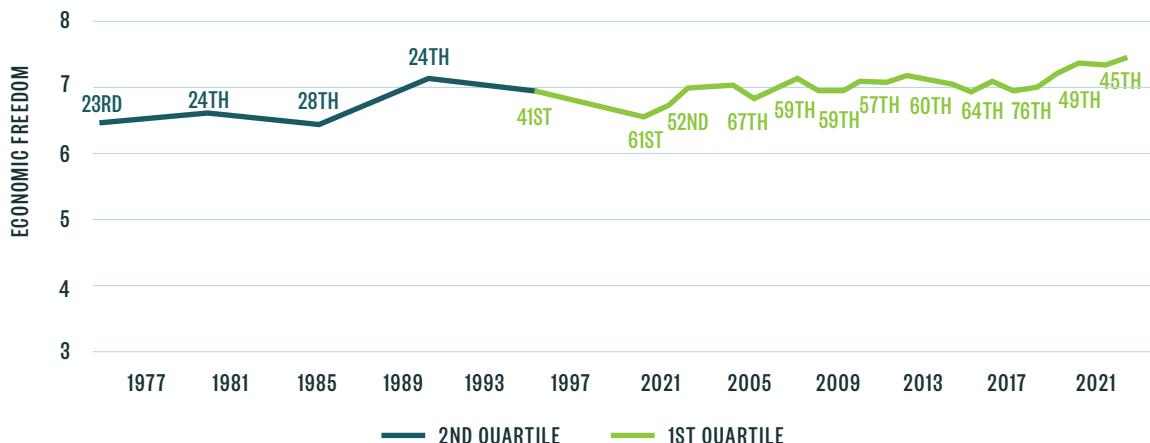
The UAE's index rating would be higher except for its exceptionally high government spending financed from revenues from the government-controlled oil industry. This is particularly evident in the low scores for government investment spending (1C) and state ownership of assets (1E). The Emirates' size of government ranking was a very low 134th out of the 165 countries in the latest EFW index.

The legal structure and property rights area of the EFW index, even with the gender adjustment, scores 7.06 and ranks 29th overall. The weakest components are related to judicial independence (2A) and contract enforcement (2F).

The Emirates score a moderate 8.33 in the sound money area, which ranks 55th. The current inflation rate, reported to us at about 5% per year, is a little high (1C) and has been modestly unstable over time (1B).

In both free trade and regulation, UAE scores reasonably well—8.57 in free trade (30th) and 7.18 (42nd) in regulatory freedom. Banking and labor market regulations could be liberalized somewhat to improve this latter rating.

UNITED ARAB EMIRATES ECONOMIC FREEDOM



UNITED ARAB EMIRATES	1980	1990	2000	2010	2020	2022
SUMMARY RATINGS	6.56	7.09	6.58	7.04	7.31	7.39
1. Size of Government	4.36	6.36	6.12	6.64	5.30	5.78
A. Government consumption	0.37	2.91	4.71	6.74	3.98	5.45
B. Transfers and subsidies		9.81	9.71	9.71	7.96	8.90
C. Government investment			3.45	2.81	0.00	0.00
D. Top marginal income tax rate	10.00	10.00	10.00	10.00	10.00	10.00
E. State ownership of Assets	2.72	2.72	2.72	3.94	4.55	4.55
2. Legal System & Property Rights — With Gender Adjustment	3.56	4.09	4.58	4.56	6.98	7.06
A. Judicial independence	5.28	5.60	5.90	5.65	5.83	5.93
B. Impartial courts	5.78	5.78	6.59	6.42	7.01	6.81
C. Protection of property rights			6.92	6.92	7.63	7.63
D. Military interference in rule of law and politics	6.67	6.67	8.33	8.33	8.33	8.33
E. Integrity of the legal system	4.26	4.26	5.55	5.51	5.88	6.25
F. Legal enforcement of contracts			4.91	4.91	5.42	5.87
G. Regulatory restrictions on the sale of real property	9.30	9.30	9.30	9.91	9.91	9.91
H. Reliability of police			9.12	9.27	9.30	9.30
<i>Gender Legal Rights Adjustment (0-1)</i>	0.29	0.29	0.29	0.29	0.88	0.88
3. Sound Money	8.75	9.49	6.48	8.03	8.96	8.33
A. Money growth		9.47	9.07	7.23	9.63	9.39
B. Standard deviation of inflation	8.08	9.32	5.58	5.23	7.06	5.86
C. Inflation: Most recent year	8.18	9.18	1.27	9.65	9.17	8.07
D. Freedom to own foreign currency bank accounts	10.00	10.00	10.00	10.00	10.00	10.00
4. Freedom to trade internationally	10.00	9.17	8.95	8.42	8.14	8.57
A. Tariffs	10.00	10.00	9.60	8.67	9.00	8.77
B. Regulatory trade barriers			9.20	8.36	7.82	7.82
C. Black market exchange rates	10.00	10.00	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	10.00	7.50	6.98	6.64	5.73	7.70
5. Regulation	6.10	6.32	6.79	7.57	7.18	7.18
A. Credit market regulations	7.04	6.17	6.71	7.75	6.63	6.48
B. Labor market regulations			6.32	7.92	6.90	6.90
C. Business regulations	5.16	6.47	8.76	7.99	7.49	7.66
D. Freedom to enter markets and compete			5.37	6.11	8.05	8.05

Saudi Arabia

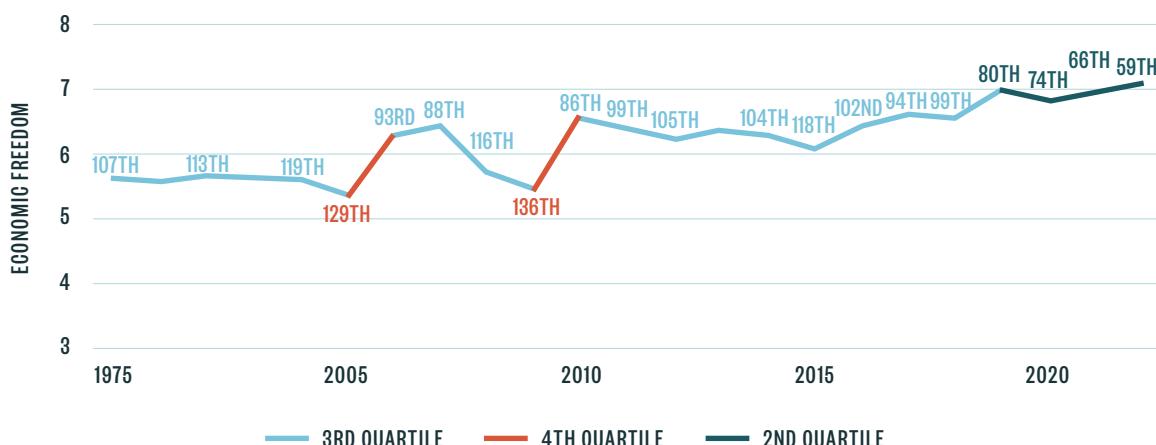
Saudi Arabia entered the EFW index only in 2000, so our data are more limited than for the other nations. Even with the shorter time horizon, we can see the Saudi economy has undergone a stunning transformation in recent years. Once in the bottom half of the EFW index, it now finds itself with scores around 7 and its ranking in 2022 has climbed to 59th—well above the half-way mark. The weakest areas for Saudi Arabia in terms of economic freedom are associated with its high government spending levels (99th), lack of trade openness (98th), and stiff regulations (89th).

Despite having no income taxes and only low payroll taxation (1C), the same problem of overspending (1A) and state control of assets (1E) that afflicts the other oil-rich nations also harms Saudi Arabia's EFW rating in Area 1.

The legal and property rights area rating is now 6.70, which, while not particularly good, is much improved from when the rating was 4.41 in 2000. It is worth noting that Saudi Arabia has dramatically improved its equality of treatment for women and much of the improvement in its overall score and ranking can be attributed to that.

The monetary system is relatively sound. But as mentioned, trade and general business regulations are a problem. In Area 4, the rating is a low 6.96 driven by very high tariffs (4A) and capital controls (4D). In Area 5, we observe a rating of 6.48 on the basis of high regulations in labor markets and in general when it comes to doing business. Both trade liberalization and deregulation are required if Saudi Arabia intends to sync up its economic freedom to that of its gulf neighbors like the United Arab Emirates and Bahrain.

SAUDI ARABIA ECONOMIC FREEDOM



SAUDI ARABIA

2000 2010 2020 2022

SUMMARY RATINGS **5.59** **6.53** **6.85** **7.03****1. Size of Government** **6.74** **5.61** **5.79** **6.38**

A. Government consumption	0.07	0.38	0.95
B. Transfers and subsidies	9.72	7.79	7.79
C. Government investment	10.00	4.77	7.64
D. Top marginal income tax rate	10.00	10.00	10.00
E. State ownership of Assets	3.49	3.49	3.15

2. Legal System & Property Rights — With Gender Adjustment **4.41** **4.72** **6.69** **6.70**

A. Judicial independence	4.69	5.57	5.55	5.38
B. Impartial courts	3.99	4.67	4.63	4.85
C. Protection of property rights	7.50	7.58	7.69	7.69
D. Military interference in rule of law and politics	8.33	8.33	8.33	8.33
E. Integrity of the legal system	6.16	6.15	6.48	6.52
F. Legal enforcement of contracts	5.00	4.67	4.82	4.82
G. Regulatory restrictions on the sale of real property		9.96	9.97	9.97
H. Reliability of police	10.00	8.89	9.37	9.37
<i>Gender Legal Rights Adjustment (0-1)</i>	0.35	0.35	0.88	0.88

3. Sound Money **4.94** **7.57** **8.83** **8.65**

A. Money growth	0.00	8.80	9.79	9.79
B. Standard deviation of inflation	5.80	3.61	6.90	5.80
C. Inflation: Most recent year	9.01	7.86	8.62	9.01
D. Freedom to own foreign currency bank accounts		10.00	10.00	10.00

4. Freedom to trade internationally **7.53** **6.67** **6.95**

A. Tariffs	8.63	6.35	5.99
B. Regulatory trade barriers	6.49	7.74	7.13
C. Black market exchange rates		10.00	10.00
D. Controls of the movement of capital and people	6.00	3.76	3.21

5. Regulation **6.26** **7.24** **6.27** **6.48**

A. Credit market regulations	10.00	9.00	7.00	7.52
B. Labor market regulations	5.05	7.37	6.15	5.99
C. Business regulations	7.46	6.46	5.95	6.28
D. Freedom to enter markets and compete	2.54	6.19	6.15	6.15

Morocco

This North African nation has ranked in the 3rd quartile of economic freedom for more than 50 years. It scored 6.46 and ranked 90th out of 165 in 2022. Like most countries, it has liberalized its overall economy modestly over the decades as evidenced by increasing EFW scores from around 5 in the 1970s to well over 6 points in recent years. Despite these modest reforms, Moroccan economic freedom has not changed much relative to the rest of the world.

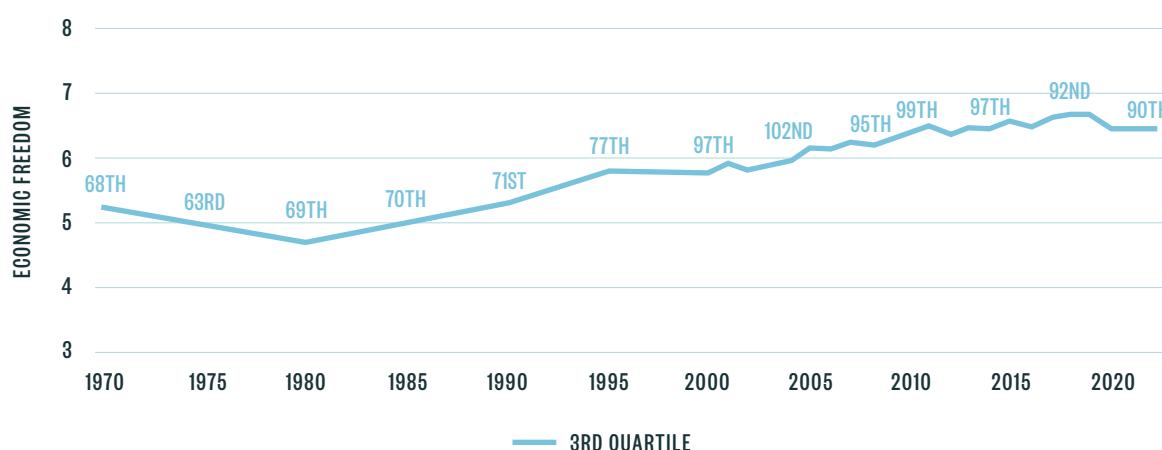
Government size is moderately high with an Area 1 rating of 6.95 (EFW ranking: 66th). This is driven by high government consumption spending (1A) and relatively high marginal tax rates of 38% on those with top incomes (1D).

Morocco's weakest economic freedom area is in the legal system and property area. Its 5.31 rating yields a rank of 70th out of 165. Similar to Bahrain, the problem is systemic with low scores in all categories except for the components dealing with real property and police (2G and 2H). As with other governments in this region, the country's legal system and property rights score is lower than it would otherwise be if women were afforded the same rights as men (it is adjusted from 6.02 to 5.31).

Morocco stands out among the six nations for its exceptionally low rating in the sound money area. Its rating is 6.41, which ranks very very low at 121st in the world. A quick fix to the Area 3 score would be to allow Moroccans to own foreign currency bank accounts both domestically and abroad. This is something that could be achieved with a quick change of legislation.

The freedom to trade internationally is limited as shown by the Area 4 rating of just 7.09 (90th), and regulations are quite overbearing with a rating in Area 5 of 6.52 (86th).

MOROCCO ECONOMIC FREEDOM



MOROCCO	1980	1990	2000	2010	2020	2022
SUMMARY RATINGS	4.74	5.31	5.77	6.33	6.44	6.46
1. Size of Government	5.65	6.26	6.81	6.96	6.51	6.95
A. Government consumption	5.51	6.12	5.10	4.87	4.49	4.80
B. Transfers and subsidies	9.02	9.51	8.16	8.13	7.72	9.62
C. Government investment	7.28	10.00	10.00	10.00	9.59	9.59
D. Top marginal income tax rate	2.00	0.00	4.00	5.00	4.00	4.00
E. State ownership of Assets	4.46	5.65	6.79	6.79	6.75	6.75
2. Legal System & Property Rights — With Gender Adjustment	2.81	3.62	4.45	4.90	5.27	5.31
A. Judicial independence	4.86	4.96	5.14	5.20	5.96	6.04
B. Impartial courts	4.16	4.16	4.42	4.28	4.68	4.45
C. Protection of property rights			3.26	4.06	4.83	5.27
D. Military interference in rule of law and politics	3.33	5.00	6.67	6.67	6.67	6.67
E. Integrity of the legal system	3.68	3.72	7.23	6.53	6.28	6.04
F. Legal enforcement of contracts	3.07	4.72	4.10	4.28	4.09	4.38
G. Regulatory restrictions on the sale of real property		6.98	6.98	6.97	7.52	7.52
H. Reliability of police			7.07	6.42	7.79	7.79
Gender Legal Rights Adjustment (0-1)	0.47	0.47	0.59	0.76	0.76	0.76
3. Sound Money	6.20	6.61	6.89	6.85	7.25	6.41
A. Money growth	8.49	8.52	8.73	8.61	9.42	8.77
B. Standard deviation of inflation	8.19	9.06	9.60	9.18	9.86	9.54
C. Inflation: Most recent year	8.11	8.87	9.24	9.61	9.72	7.34
D. Freedom to own foreign currency bank accounts	0.00	0.00	0.00	0.00	0.00	0.00
4. Freedom to trade internationally	4.08	4.67	5.81	6.78	6.69	7.09
A. Tariffs	1.43	4.78	3.19	5.55	6.67	6.36
B. Regulatory trade barriers			6.74	7.37	7.60	7.60
C. Black market exchange rates	9.80	7.40	10.00	10.00	10.00	10.00
D. Controls of the movement of capital and people	1.00	1.83	3.29	4.21	2.49	4.40
5. Regulation	4.95	5.38	4.87	6.16	6.46	6.52
A. Credit market regulations	7.10	7.45	7.79	7.53	8.47	8.71
B. Labor market regulations				4.28	5.61	4.93
C. Business regulations	2.79	3.30	2.80	4.80	5.39	5.39
D. Freedom to enter markets and compete				4.61	6.10	6.17

Iran

Before the revolution, Iran exhibited moderately high levels of economic freedom—good enough to be in the top half of the economic freedom rankings—but that ended quickly. Iran now finds itself near the bottom of the EFW index with a score of just 4.63 in 2022. This ranks 158th out of 165 and is lower by far than any other country considered here. In spite of its massive oil capacity, the lack of economic freedom has resulted in poor growth and low incomes for Iranian citizens. Iran's experience, especially in relation to Bahrain and UAE, demonstrates that oil alone is insufficient to generate growth and development. The current regime's near-total government control of economic life is to blame for Iran's pathetic economic performance.

Although government taxation and spending are not terribly high in relative terms (64th), Iran's rankings in the rest of the areas of the EFW index are abysmally low: legal system and property rights (143rd), sound money (135th), trade (165th), and regulations (157th). Because it affords women fewer economic rights with respect to employment and property ownership than men, Iran's legal system and property rights score of 3.26 is significantly lower than it would otherwise be (4.62). In fact, this is the largest gender disparity of any country considered here.

With few exceptions, Iran requires wholesale economic liberalization across all areas. It needs to improve property rights and the rule of law eliminating special privileges for the political and religious elites. It needs to print less money and stabilize prices. Inflation is now over 40% per year! It needs to open its economy to the benefits of global trade. The mean tariff rate is 20% ,and black market currency exchange premiums are off the charts. And finally, Iran needs to unleash the entrepreneurial spirit of the Iranian people by eliminating the regulations that are squeezing the lifeblood out of its people.

IRAN ECONOMIC FREEDOM



IRAN, ISLAMIC REP.	1980	1990	2000	2010	2020	2022
SUMMARY RATINGS	4.24	4.71	5.16	5.39	4.43	4.63
1. Size of Government	4.99	5.33	5.34	6.38	6.68	6.99
A. Government consumption	3.44	7.30	4.68	5.85	4.77	5.31
B. Transfers and subsidies	8.23	8.94	9.52	7.99	7.99	7.99
C. Government investment	4.45	6.93	6.79	6.90	9.37	9.37
D. Top marginal income tax rate	0.00	1.50	7.00	7.00	8.00	
E. State ownership of Assets	3.85	3.46	4.23	4.15	4.26	4.26
2. Legal System & Property Rights — With Gender Adjustment	2.26	2.97	3.37	3.43	3.27	3.26
A. Judicial independence	2.26	3.65	4.22	4.17	3.52	4.03
B. Impartial courts	2.34	3.14	3.09	2.95	2.24	2.21
C. Protection of property rights			0.00	2.82	2.11	2.11
D. Military interference in rule of law and politics	6.67	6.67	8.33	8.33	6.67	6.67
E. Integrity of the legal system	3.62	2.90	6.23	5.15	4.99	4.41
F. Legal enforcement of contracts	1.09	3.04	3.00	2.96	3.08	3.08
G. Regulatory restrictions on the sale of real property		5.84	5.84	5.87	8.17	8.17
H. Reliability of police			7.50	6.63	6.32	6.32
Gender Legal Rights Adjustment (0-1)	0.41	0.41	0.41	0.41	0.41	0.41
3. Sound Money	8.19	9.39	7.57	8.06	5.28	5.95
A. Money growth	9.78	9.78	8.35	9.34	7.78	7.78
B. Standard deviation of inflation	7.66	8.73	7.73	6.94	3.35	6.02
C. Inflation: Most recent year	5.32	9.05	4.21	5.95	0.00	0.00
D. Freedom to own foreign currency bank accounts	10.00	10.00	10.00	10.00	10.00	10.00
4. Freedom to trade internationally	1.45	2.05	5.06	4.94	2.37	2.48
A. Tariffs	2.93	6.15	8.34	4.11	5.37	5.37
B. Regulatory trade barriers			1.99	4.67	3.43	3.63
C. Black market exchange rates	0.00	0.00	8.86	10.00	0.00	0.00
D. Controls of the movement of capital and people	1.43	0.00	1.07	0.96	0.68	0.92
5. Regulation	4.32	3.83	4.47	4.14	4.56	4.47
A. Credit market regulations	3.07	3.08	4.67	4.67	6.19	6.19
B. Labor market regulations			3.52	3.92	4.07	4.07
C. Business regulations	5.57	4.58	5.52	4.47	3.35	3.01
D. Freedom to enter markets and compete			4.17	3.52	4.61	4.61

Enhancing Growth through the Lens of Doing Business:

EXAMINING THE ABRAHAM ACCORDS COUNTRIES
AND SAUDI ARABIA AND IRAN

Simeon Djankov

London School of Economics

Meng Su

London School of Economics

INTRODUCTION

A growing body of data and literature has developed which suggest that economic growth and prosperity are enhanced through improving economic freedom and regulatory regimes that encourage rather than inhibit starting and operating businesses.

Economist John Cochrane, Senior Fellow at the Hoover Institution, in a 2016 Wall Street Journal opinion piece, pointed to a relationship between better regulatory policies and better economic performance. Cochrane plotted 2014 income per capita for 189 countries against the World Bank's "Distance to Frontier" ease-of-doing business measure for the same year.

DOING BUSINESS SCORES VS. GDP PER CAPITA



Source: John Cochrane, Hoover Institution

The Ease of Doing Business is a composite score of 12 measures for business regulation: starting a business; employing workers; dealing with construction permits; getting electricity; registering property; getting credit; protecting minority investors; paying taxes; trading across borders; contracting with government; enforcing contracts; resolving insolvency.

Cochrane summarizes what is clear on the graph: "...the higher a country's score, the higher its per capita income."

We use this perspective to look at the four signatory countries in the Abraham Accords – Israel, UAE, Bahrain, and Morocco – and we also include Saudi Arabia and Iran, two countries of outsized influence in the region, to see the impact of regulation on economic performance.

Identification of common rules that improve economic performance can help improve each country and can also provide opportunity for productive mutual dialogue among these countries.

BACKGROUND

Iran's total economic growth over the 2008-2022 period would rise by 16.6 percentage points, more than tripling the actual recorded growth of 6.4%, if Iran had the same regulations on commercial activity as Saudi Arabia, the country with the best aggregate Doing Business score in 2022. Similarly, Morocco's cumulative growth throughout the 2008-2022 period would have been 23.9 percentage points greater, or double what was accomplished, if its terms of regulation attained the level of Saudi Arabia. Toward the end of the sample period, the six economies examined in this brief—Bahrain, Iran, Israel, Morocco, Saudi Arabia, and the United Arab Emirates—exhibited noteworthy advancements in, and advantages of, regulatory reform.

Iran's total economic growth ... would rise by 16.6 percentage points... if Iran had the same regulations on commercial activity as Saudi Arabia.

This initiative for reform may be linked to the signing of the Abraham Accords in Bahrain, Morocco, and the United Arab Emirates, or it could stem from the necessity of adapting regulations to include remote work and more flexible scheduling in the post-Covid business landscape, which includes remote work and more flexible scheduling. When economies face market failures, governments often implement new or updated regulations. However, the regulation of business activities varies significantly across countries, and is influenced by factors such as

income level, legal framework, and societal attitudes towards economic freedom. Previous research has explored a diverse range of regulations, including those governing securities markets, business entry and operations, corporate taxation, and property registration. Countries may be impoverished specifically because regulations are detrimental to economic freedom.

The business cycle also influences how governments oversee economic activities. The move away from individualism and classical liberalism inevitably results in a loss of freedoms and the development of a stifling business climate. During economic downturns, societies tend to call for increased protections from their governments which are designed to improve security at the expense of liberty. Historical instances of previous crises indicate that such protective measures often persist long after the initial reasons for regulation or state intervention have faded.

This brief draws on a rich and esteemed body of literature regarding the factors influencing macroeconomic performance. The growth rate of real per-capita GDP is positively associated with initial human capital and political stability and negatively correlated with measures of market distortions.

For a given starting level of real per-capita GDP, economic growth is bolstered by higher initial education levels and life expectancy, lower fertility rates, reduced government spending, better adherence to the rule of law, lower inflation rates, and enhancements in trade terms. It is important to note that “market distortions” and “rule of law” are not interchangeable; these two concepts are influenced by the scarcity of cross-country data on regulatory frameworks or, more broadly, the microeconomic foundations of growth.

The gap in cross-country data was swiftly addressed by the introduction of the Fraser

Institute *Economic Freedom of the World* index. The elements of this index and its comprehensive time-series have enabled hundreds of researchers to explore the causal connections between various factors that shape the business environment for entrepreneurs and their impact on economic growth. The index includes several important components, ranging from indicators of market distortions to measures of rule of law, regulations, and taxation. The growing body of literature utilizing the *Economic Freedom of the World* index has reached around four thousand studies, with a common conclusion that market-distorting regulations or those that hinder entrepreneurship restrict a nation’s growth potential.

Additionally, a smaller yet significant advancement in this area was the establishment of the World Bank’s *Doing Business* project in 2003, which emphasizes one aspect of economic freedom – regulatory freedom. The *Doing Business* indices were developed from the perspective of an average local entrepreneur, positing that excessive regulation, beyond a certain level of ILO conventions, tends to be detrimental to growth. This dataset has also generated a significant amount of research, resulting in noteworthy findings and some prominent criticisms.

Excessive regulation, beyond a certain level of ILO (International Labor Organization) conventions, tends to be detrimental to growth.

The *Doing Business* indicators were initially released by the World Bank in 2003. A team dedicated to the Doing Business initiative was established three years prior during the formulation of the *World Development Report 2002: Building Institutions for Markets*. The emphasis on the significance of institutions in development was advocated by Nobel Prize laureate Joseph Stiglitz, who was the Chief Economist at the World Bank at that time. The motivation behind *Doing Business* stemmed from two main sources: first, the experiences of centrally planned economies highlighted the squandering of entrepreneurial talent and resources due to excessive regulation. Following the fall of socialism, research that showcased the advantages of streamlined regulation would prove beneficial for reformers in Eastern Europe. Second, *The Other Path*, authored by Hernando de Soto, President of the

Institute for Liberty and Democracy in Lima, Peru, illustrated how the exorbitant costs of starting a business in Peru restrict economic opportunities for the impoverished. In the summer of 1983, a group of researchers working with de

What gets measured gets done.

Soto obtained the permits required to open a small garment business on the outskirts of Lima, Peru, with the objective of measuring how long it would take. The answer was an astonishing 289 days. De Soto correctly conjectured that measuring and reporting this data would pressure the government to improve its efficiency. In the foreword to the revised 2002 edition of his book, de Soto reports that because of changes to regulations and procedures, the same business could get all the required permits in a single day.

What gets measured gets done. Over the past twenty years, no report has illustrated this aphorism better than *Doing Business*. Anchored in rigorous research and methodology, *Doing Business* gathered detailed and objective data on eleven areas of business regulation, which served to help governments diagnose and correct issues in administrative procedures. The report zeros in on the quantifiable components of complex regulatory processes which can be contested, compared over time and across economies, and ultimately, reformed.

The measures of regulatory ease were intended to be comparable across countries, which was achieved by basing the data collection on a precisely defined hypothetical enterprise and the circumstances that it faced. The hypothetical case is a firm with at least 60 employees, which is located in the country's largest business city. It is a private, limited-liability company and does not operate in an export-processing zone or an industrial estate with special export or import privileges. It is 100 percent domestically owned, and exports constitute more than 10 percent of its sales.

One significant assumption is the location of the standardized business—the subject of the Doing Business case study—in the largest business city of the economy. The reality is that business regulations and their enforcement may differ within a country, particularly in federal states and large economies. Gathering data for every relevant jurisdiction in each of the 189 economies covered by Doing Business is infeasible. Nevertheless, where policy

makers are interested in generating data at the local level, beyond the largest business city, and learning from local good practices, Doing Business has complemented its global indicators with subnational studies. Also, starting with Doing Business 2015, coverage was extended to the second-largest city in economies with a population of more than 100 million.

Doing Business recognizes the limitations of the standardized case scenarios and assumptions. Although such assumptions come at the expense of generality, they also ensure the comparability of data. Some Doing Business topics are complex, so it is important that the standardized cases are defined carefully. For example, the standardized case scenario usually involves a limited liability company or its legal equivalent. There are two reasons for this assumption. First, private limited liability companies are the most prevalent business form (for firms with more than one owner) in many economies around the world. Second, this choice reflects the focus of Doing Business on expanding opportunities for entrepreneurship: investors are encouraged to venture into business when potential losses are limited to their capital participation.

Another key assumption underlying the Doing Business indicators is that entrepreneurs have knowledge of and comply with applicable regulations. In practice, entrepreneurs may not be aware of what needs to be done or how to comply with regulations and may lose considerable time trying to find out. Alternatively, they may intentionally avoid compliance—by not registering for social security, for example. Firms may opt for bribery and other informal arrangements intended to bypass the rules where regulation is particularly onerous. Levels of informality tend to be higher in economies with especially burdensome regulation. Compared with their formal sector counterparts, firms in the informal sector typically grow more slowly, have poorer access to credit, and employ fewer workers—and these workers remain outside the protections of labor law and, more generally, other legal protections embedded in the law. Firms in the informal sector are also less likely to pay taxes. Doing Business measures one set of factors that help explain the occurrence of informality, and it provides policy makers with insights into potential areas of regulatory reform.

Doing Business created a platform for informed debate about regulatory and institutional frameworks for economic development, and inspired thousands of articles published in peer-reviewed journals. Many *Doing Business* indicators have been incorporated into the indexes of other institutions, spurring more debate about the ideal business climate to drive inclusive, sustainable economic growth.

Doing Business indices demonstrate that, while quantitative rankings can be hard for government leaders to ignore, reforms do not necessarily follow comprehensive evidence to support change. *Doing Business* helped inspire the Human Capital Index (HCI), which was launched at the 2018 International Monetary Fund/World Annual Meetings in Indonesia. Like *Doing Business*, the HCI relies on solid research and methodology to measure complex concepts. Data that is easy to analyse, trace, and act on promotes reform and increases transparency and accountability.

Sound, efficient business regulation is critical to maintain a thriving private sector, and governments are tasked with fostering a supportive environment for entrepreneurs and small- and medium-size enterprises. Without such support, it becomes ever more difficult to end extreme poverty and boost shared prosperity around the world.

In this brief, we first discussed the convergence of several studies, noting some of the criticisms of the underlying methodology. Our main finding is consistent with previous research utilizing the *Economic Freedom of the World* index: entrepreneurship is thwarted by regulation in many countries around the globe. We chose not to rest on this generalization, believing that examining examples of regulatory reform best allows us to evaluate causality. For example, scholars report that regulatory reform in Portugal resulted

in increased firm formation and employment, but mostly among firms most readily deterred by existing heavy entry regulations. Small firms owned by less-educated entrepreneurs that operate in low-technology sectors such as agriculture, construction, and retail trade saw an increase. Other researchers find that regulation has significant effect on aggregate output factors such as labor, physical capital, and

The reforms encourage entrepreneurs to become serial entrepreneurs.



productivity. Still other researchers find that regulatory reform in Mexico increased the number of registered businesses and can be attributed to former wage earners opening businesses of their own. This study found that reform also increased wage employment. The study also noted less positive outcomes: current unregistered business owners were no more likely to register their business after the reform. Finally, the results imply that the competition from new entrants decreased the income of incumbent businesses.

Over seven thousand studies of regulations for new businesses range from investigations of the macroeconomic effects of regulatory reform to analyses of specific work arrangements that benefit from streamlined regulation, and make note of the procedures, time, and cost to entrepreneurs that register their businesses. For example, scholars investigating the aggregate economic cost, and which factors impede enterprise investment, find that the aggregate cost of red tape varies widely across the countries, with an average cost of one percentage point of annual GDP. Other researchers studying the regulatory effects of home-based work during and after the Covid pandemic found that working at home benefits entrepreneurs by lowering fixed costs and allowing them to engage in joint market and household production. Regulatory reform in Singapore, now the easiest country in which to start a business, led to a significantly higher level of business creation. The firms created in response to the reform had a higher survival rate than previous cohorts of new firms. This effect is more pronounced for low-income female individuals and industries with high start-up capital, implying that financial constraints and nonpecuniary benefits likely drive the effect. The reform also encourages entrepreneurs to become serial entrepreneurs, and they open a larger business with a similar survival rate for their second firm. These findings suggest that the reform effectively attracted more individuals into self-employment without significantly lowering the average quality of workers.

Critics of these studies argue that what is good for entrepreneurs is not always good for society, but the literature is split when testing this hypothesis. A society which cannot negotiate regulatory reform may not achieve optimal outcomes. Too little regulation in some areas of business activity can endanger public safety. Lax enforcement of regulation can lead to disastrous outcomes for worker safety or public health. In some of these cases, however, the heavy burden of regulation makes businesses avoid being formal, and in doing so avoid all regulation.

Critics also argue that government focus on improving the business environment takes energy away from more pressing needs, like education or healthcare. This argument stretches credibility, as countries have various ministries and agencies responsible

for different aspects of public sector governance. More likely, reforms go in bundles where a reformist government improves regulation and service delivery in multiple dimensions. Also of note, regulatory reform hardly costs any money and generally does not pull budget resources away from other public services.

Reforms go in bundles where a reformist government improves regulation and service delivery in multiple dimensions.



activity is crucial, although it is not the sole significant factor related to regulatory burdens. Numerous government agencies worldwide, such as the U.S. Congressional Budget Office, are tasked with assessing the impact of proposed regulations on national budgets and factoring those impacts into their baseline projections if the regulations are implemented.

For instance, shortening the timeline for preparing and finalizing an environmental impact study under the National Environmental Policy Act could influence the budget in at least two ways. First, by decreasing permitting timelines, project development may proceed more quickly, leading to higher royalty payments from oil and gas production on federal lands, as production could rise from a reduced waiting period for federal approvals and enhanced willingness of developers to invest in new initiatives. Second, heightened overall productivity stemming from increased capital investment and reduced energy costs could create wider macroeconomic effects, which would subsequently raise tax revenues.

Keeping these caveats in mind, this brief examines the connection between regulation and growth in six economies of the Middle East: Bahrain, Iran, Israel, Morocco, Saudi Arabia, and the UAE. The aim is to assess their advancements in regulatory reform over a fifteen-year period (2008-2022) and to determine if this progress is linked to economic growth.

TRENDS IN GROWTH AND REGULATORY REFORM

The six economies analysed in this paper—Bahrain, Iran, Israel, Morocco, Saudi Arabia, and the United Arab Emirates—have shown a certain momentum for reform, particularly towards the end of the observed period. This push for reform could be linked to the signing of the Abraham Accords in Bahrain, Morocco, and the United Arab Emirates, as well as the need to adapt regulations to the new business landscape shaped by the Covid pandemic, which includes remote work and more flexible schedules.

These reforms are reflected in six various *Doing Business* indicators:



STARTING A BUSINESS

Examines the ease and speed with which entrepreneurs can establish new enterprises.



PAYING TAXES

Measures tax burdens and compliance complexity for businesses.



EMPLOYING WORKERS

Assesses labor market flexibility, worker protections, and employment regulations.



ENFORCING CONTRACTS

Analyzes the efficiency and reliability of judicial mechanisms in resolving business disputes.



PROTECTING MINORITY INVESTORS

Evaluates the legal rights of minority shareholders in corporate governance structures.



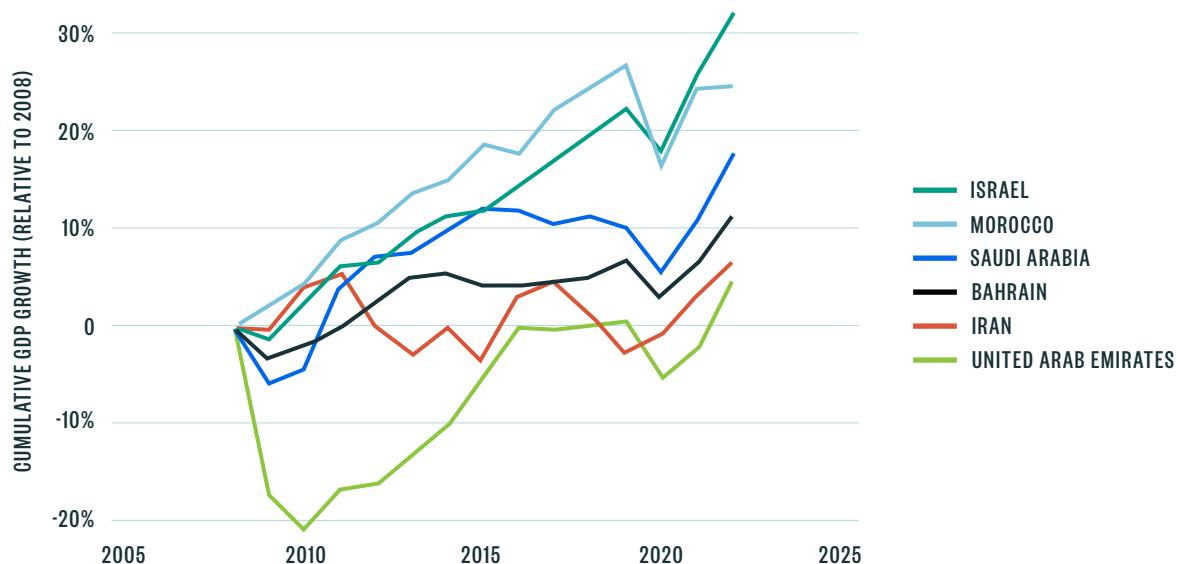
RESOLVING INSOLVENCY

Looks at the frameworks for bankruptcy resolution and business recovery.

We chose these sets of indicators because time-series data is available for them, encompassing the duration of the Covid pandemic. The data for 2008-2019 is taken from the World Bank's website and was last updated in October 2021. The data for the Covid pandemic years (2020-2022) was collected by a team at the London School of Economics, using identical methodology.

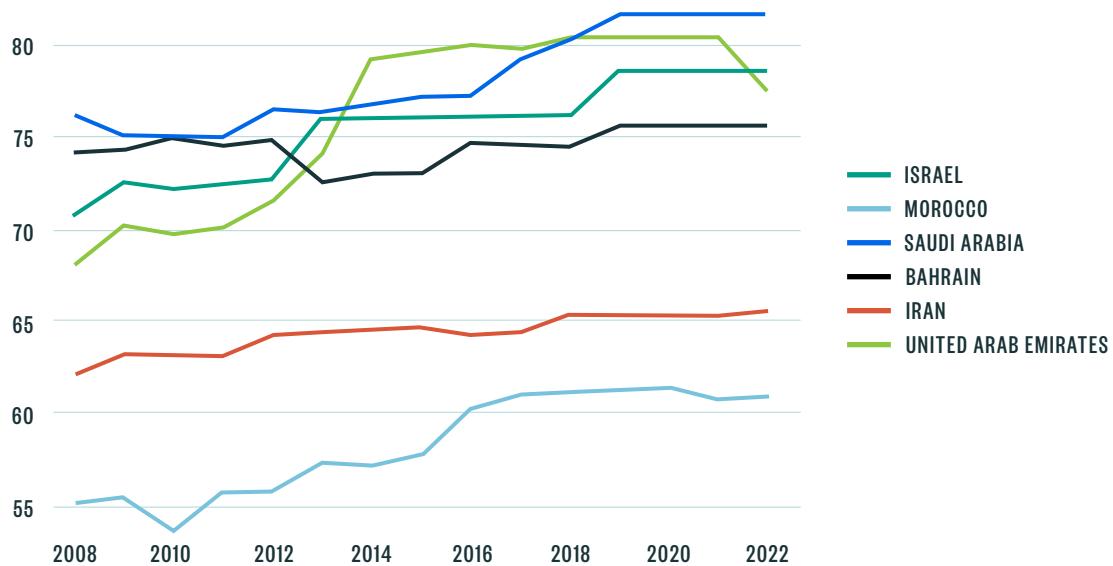
Figure 1 shows the cumulative growth in the fifteen-year period under study, 2008 to 2022, of the six economies. Israel shows the most progress, recording a 32% growth, followed by Morocco (25%) and Saudi Arabia (18%). At the other end of the spectrum, the United Arab Emirates and Iran record an anaemic growth of 5 and 6 percent, respectively. This slow pace of average growth masks different trajectories, however: stagnation in Iran versus a sharp recession and gradual acceleration in the United Arab Emirates. Bahrain is in the middle, recording a steady albeit unimpressive growth, cumulatively at 11%.

FIGURE 1 CUMULATIVE GDP PER CAPITA GROWTH, 2008-2022



Next, we will illustrate the regulatory changes that occurred over the same timeframe in six of the Doing Business areas (Figure 2). The goal is to correlate these changes with economic growth. A casual observation of the shifts reveals four distinct patterns. Firstly, Iran exhibits minimal changes in regulation, whereas the United Arab Emirates fluctuates between improvements and declines in certain indicators, mirroring their economic growth trajectories. Secondly, both Israel and Saudi Arabia have implemented several regulatory reforms, with Israel making changes earlier in the period and Saudi Arabia doing so later. Thirdly, Morocco demonstrates consistent improvements throughout the sample period and, in fact, leads the six countries in the total number of reforms. Lastly, Bahrain experiences a decline in the first half of the sample period, followed by improvements that closely align with changes in Saudi Arabia. Overall, there is significant volatility and varying reform patterns among the six economies. Nonetheless, one clear trend emerges toward the end of the sample period—around 2020—indicating a movement toward reform.

FIGURE 2 AGGREGATE SCORE OVER 2008-2022



Notes: See Appendix A for breakout of score components. Starting a Business: All improve, except for Iran (no significant change); Minority Shareholder protections: All improve, except for Bahrain and Israel (no significant change); Paying Taxes: All improve, except for Saudi Arabia and UAE (no significant change); Enforcing Contracts: Saudi Arabia and UAE improve; Bahrain no change; Iran, Morocco and Israel deteriorate; Labor Regulation: UAE and Bahrain deteriorates, others no significant change; Insolvency: Israel improves, Morocco deteriorates, others no significant change.

These descriptive statistics show a certain positive mapping between regulatory reform and economic growth. Such transmissions may take place through various channels. The approach we envision is based on increased economic activity resulting from more accessible methods of conducting business. However, it is probable that this uptick in economic activity will attract greater interest from both domestic and foreign investors, leading to even more beneficial outcomes: a rising tide lifts all boats.

Additionally, we conduct a comparative statics analysis to assess the extra growth a country could have experienced if it had updated its regulations to match the standards of the top-performing country in our sample—Saudi Arabia.

FROM REGULATORY REFORM TO GROWTH

To explore the potential relationship between economic growth rates and regulatory reform, we present basic correlations of these indicators on a global scale. The analysis reveals that the overall challenges of conducting business (Figure 3) are linked to lower economic growth. When all forms of regulation are considered together, every type aside from the difficulty of enforcing contracts remains significant in explaining future economic growth.

Hypothetically, if a country were to adopt the regulatory framework of Saudi Arabia, the top performing country, the results are quite revealing. Extrapolation from the correlation in Fig 3 between growth and Doing Business score yields follow results:

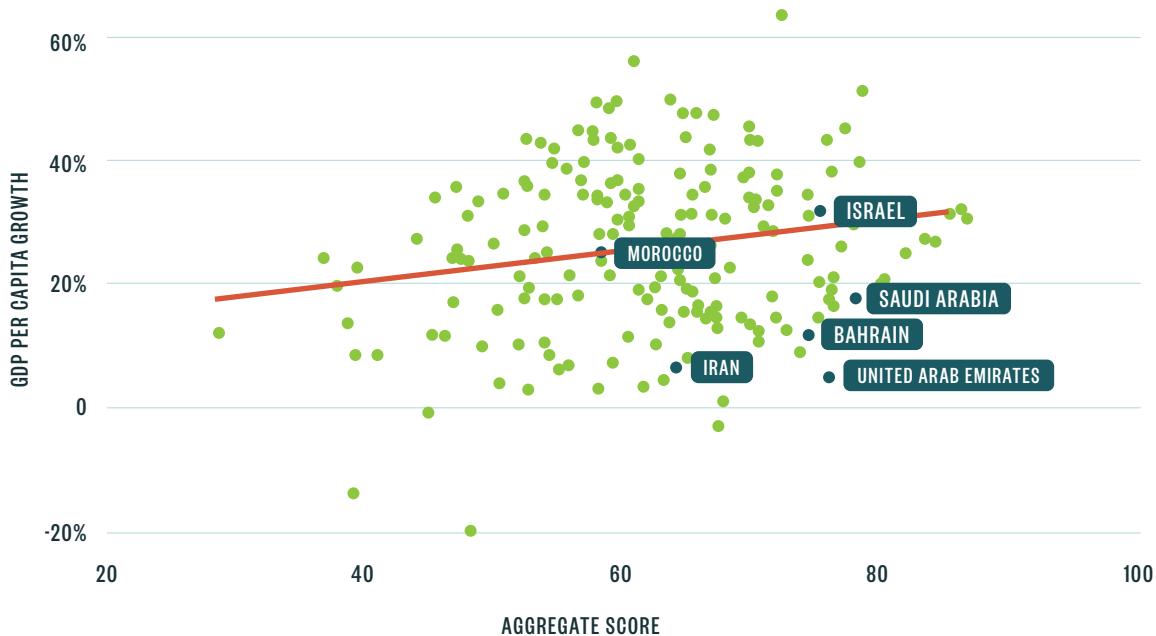
	ACTUAL*	HYPOTHETICAL**	NET INCREASE (% POINTS)
MOROCCO	24.7%	48.6%	23.9
IRAN	6.4%	23%	16.6
BAHRAIN	11.2%	15.5%	4.3
ISRAEL	32.1%	35.3%	2.4
UAE	5.0%	7.4%	2.4
SAUDI ARABIA	17.9%	REFERENCE	

*Actual cumulative growth 2008-2022
 ** Growth if matched Doing Business score of best performing country

The existing literature has approached the relationship between regulation and growth from two main angles. First, high-growth companies tend to operate freely in seizing business opportunities that would otherwise incur significant regulatory expenses. Second, individuals running informal businesses and entrepreneurs, who are uncertain about committing to formal business pursuits, may take the leap into formalization.

In developing nations, informal businesses represent up to 50% of economic activity, a proportion that has increased following the Covid pandemic after a period of gradual decline. These enterprises provide livelihoods for billions of individuals. However, their contribution to economic development remains a topic of debate. A significant portion of this informality is found in agriculture, encompassing both subsistence farming and the informal sale of marketable crops. Additionally, a considerable number of self-employed vendors and peddlers, who live at nearly subsistence levels, contribute to employment in this sector.

FIGURE 3 GDP PER CAPITA AND AVERAGE AGGREGATE SCORE, 2008-2022



The evidence regarding shifts in registration costs offers one perspective on informality. Another perspective can be drawn from the impact of microcredit, which indicates that while such funding provides some assistance to information entrepreneurs, it rarely leads to substantial growth or transforms these entities into formal businesses. Additionally, there is a developing view of slums as areas characterized by persistent informality rather than as transitional spaces between agriculture and the formal economy. Research suggests that informal enterprises begin and sustain their existence in an informal manner; they evade taxes and regulations, and they typically do not engage with the formal sector. Attracting them to formalize is challenging, even with incentives. Rather than being sources of entrepreneurial dynamism, these businesses are seen as stagnant and unproductive. They enable their owners and employees to get by, but little beyond that.

The evidence suggests that a lack of better-educated workers is not an impediment to economic growth. Indeed, when it comes to many observable characteristics, workers in both informal and formal firms tend to be quite similar. The real challenge lies in the availability of educated entrepreneurs—individuals capable of effectively managing productive businesses. These entrepreneurs are responsible for establishing and expanding modern businesses that informal firms, despite their advantages in evading taxes and regulations, simply cannot rival. This dynamic is what leads to the gradual decline of the informal economy during the development process.

From this standpoint, the key policy recommendation for promoting the formal economy and reducing the informal sector is to enhance the supply of educated entrepreneurs, whether through immigration or education and training. The evidence strongly supports the notion that the formal and informal economies are largely distinct, each producing different goods using varied labor, capital, and entrepreneurial resources, and targeting different customer bases.

CONCLUSIONS

A certain level of regulation is needed for the economy to grow, as such regulation reduces the uncertainty in doing business. Empirical evidence indicates that the quality of government plays a significant role in influencing how regulatory reforms impact economic growth.

The analysis does not suggest that all regulations are negative. In fact, government regulation can serve several beneficial purposes. One of government's primary positive functions is to establish intellectual property protections. Without sufficient safeguards, companies might be reluctant to invest significantly in new technologies, as they would be unable to fully reap the rewards of their innovations. The less exclusive an invention is, the more important these protections become. However, it is essential to weigh the balance between encouraging investment and the societal costs that arise from monopolistic limitations on production.

In recent years, there has been significant focus within the economic growth literature on the influence of government institutions. Economists define institutions as the rules that guide and limit human behaviour in economic and social contexts. Nobel laureate Douglass North described institutions as the “rules of the game.” These rules govern human actions and influence the incentives individuals encounter in their economic activities. Some of these rules are formal, like the laws established by legislatures or the regulations created by governmental agencies. Others are informal, encompassing social and cultural norms that encourage behaviours such as kindness towards neighbours or honesty. Institutions play a crucial role in economic development, to the extent that some leading economists regard them as a “fundamental cause of long-term growth.” However, assessing the quality of institutions poses significant challenges, prompting economists

to be innovative in their approaches. Notable examples of efforts to address this issue include the *Economic Freedom of the World* index and the *Doing Business* project.

Promoting safe experimentation with new technologies, rather than hindering technological innovation, results in more positive outcomes.

more receptive to technological advancements tend to prosper. Regulators should resist pressure from interest groups affected by new technologies and strive to communicate the advantages of these innovations to the public, even when those benefits come with associated risks. Promoting safe experimentation with new technologies, rather than hindering technological innovation, results in more positive outcomes. The relationship between technological advancement and its growth is well-established. This serves as a secondary factor that boosts economic activity and is a crucial avenue connecting regulation and growth.

Upon revisiting the six sample countries we examine in greater detail; one observation is that certain positive regulatory developments appear to align with the signing of the Abraham Accords. This may suggest that national governments in Bahrain, Morocco, and the UAE sought to enhance the competitiveness of their businesses in anticipation of Israeli investment and access to their markets as part of preparations for implementing these accords. Another possibility is that the COVID pandemic prompted a demand for regulations that support more flexible work arrangements, such as remote work, leading regulators to ease restrictions on companies and workers.

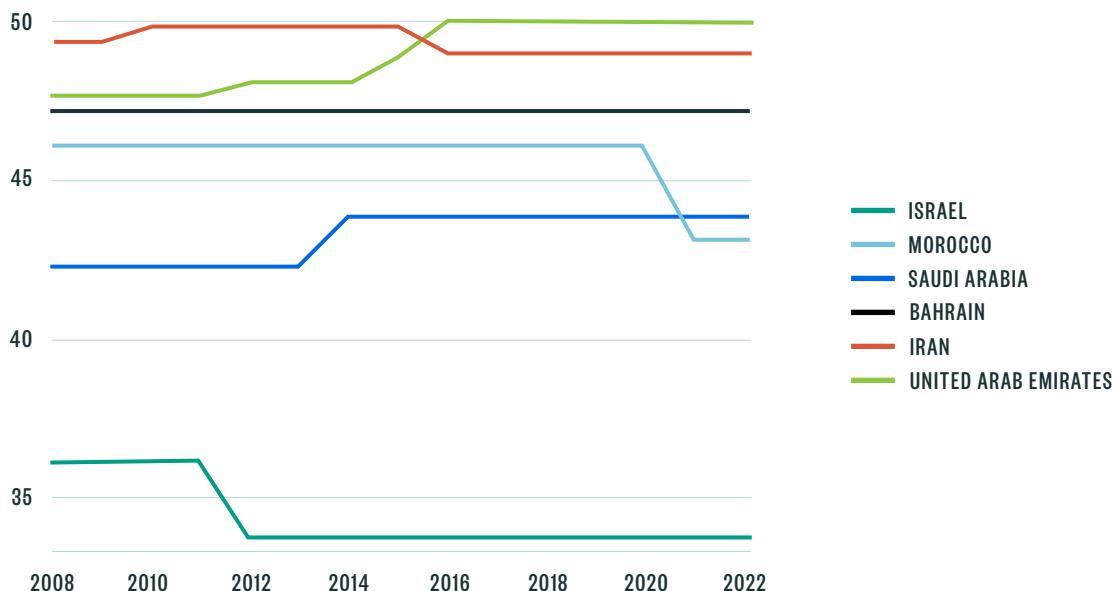
To drive significant progress in regulatory reform, public institutions must cultivate trust among the populace. This begins with strong performance, but procedures are also essential. One key reason for the declining trust and support for governments is the perception of “technocracy.” A growing number of people feel disenchanted with their governments, believing that a small cadre of technocrats, in collusion with political and economic elites, are controlling society. Such a situation undermines trust in institutions and diminishes support for reform. Overcoming this challenge is undoubtedly difficult, particularly in light of the weakened state of many governments.

The solution should focus on simplifying procedures while adhering to clearly defined constraints. The alternative to technocracy should not be seen as merely “populist,” but rather as institutions that genuinely address the needs and concerns of the populace. These institutions must be established and operate within clearly articulated and communicated constraints, established by constitutions, along with a strong commitment to protecting citizens’ rights.

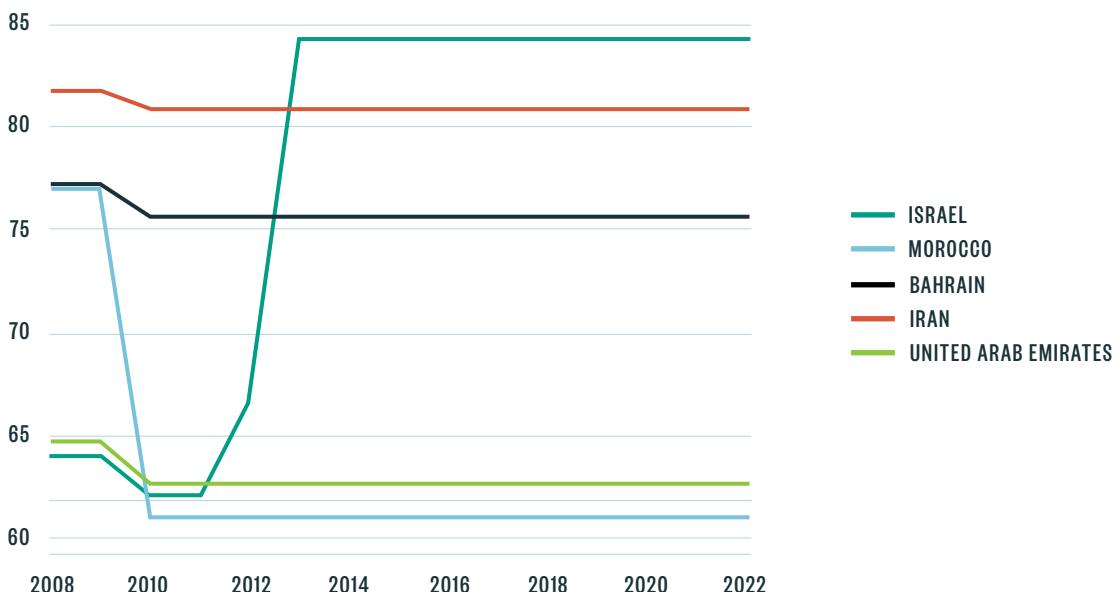
The findings in this paper are challenging to align with public interest theories of regulation, but they do align with the public choice perspective, which highlights the rent-seeking behavior of politicians. Businesses are subject to stricter regulation under less democratic governments, and this type of regulation does not produce clear social advantages. It seems that the primary beneficiaries of stringent regulatory measures are the politicians and bureaucrats rather than the public.

APPENDIX A: FIGURE 2 BY CATEGORY

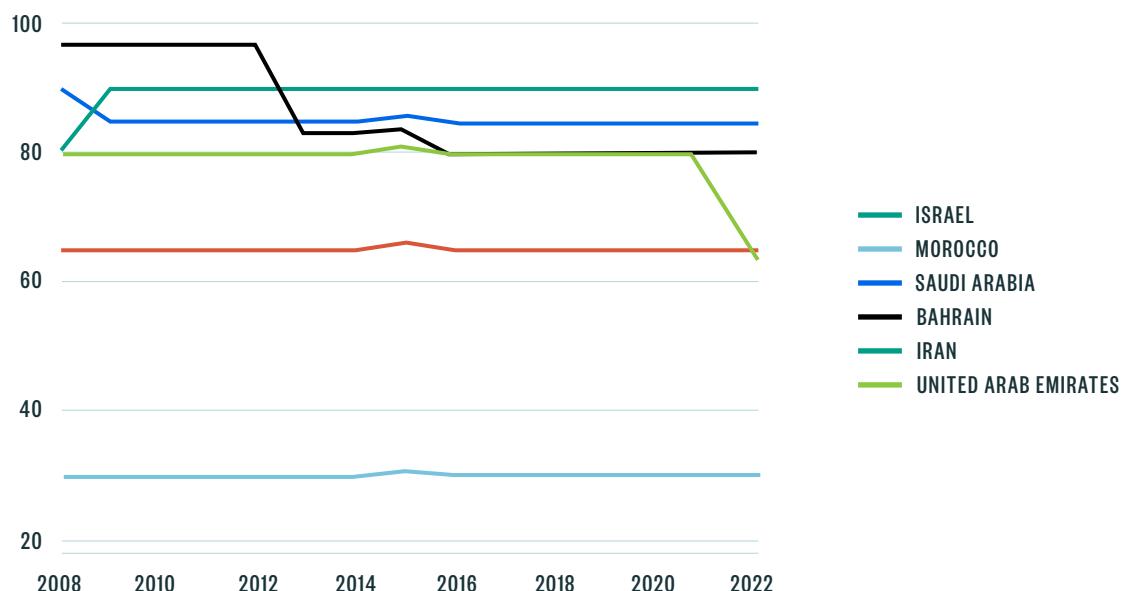
ENFORCING CONTRACTS SCORE OVER 2008-2022



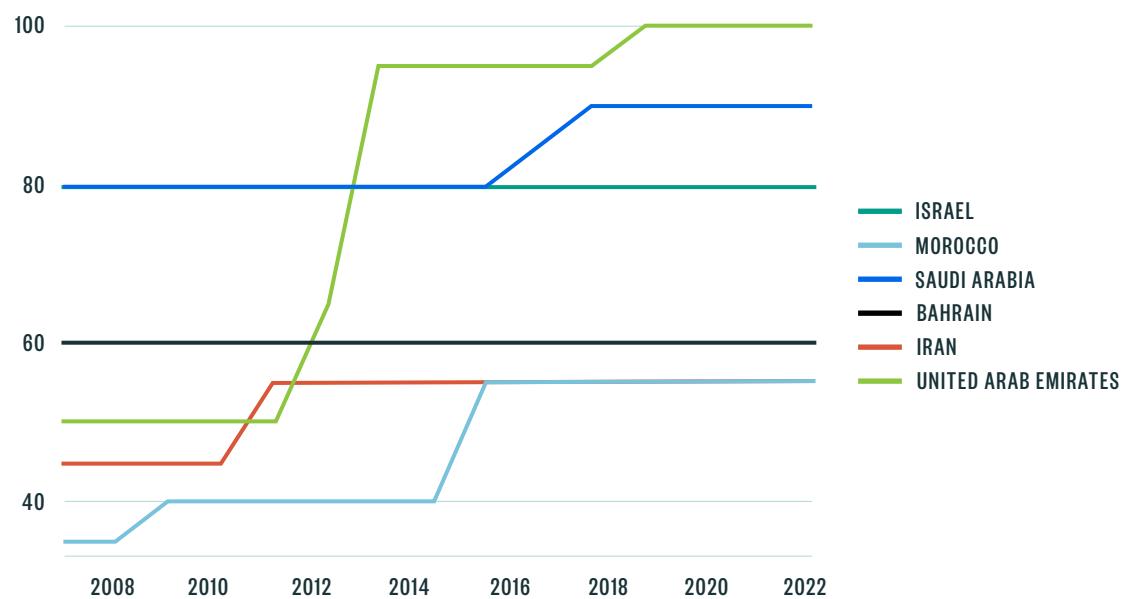
RESOLVING INSOLVENCY SCORE OVER 2008-2022



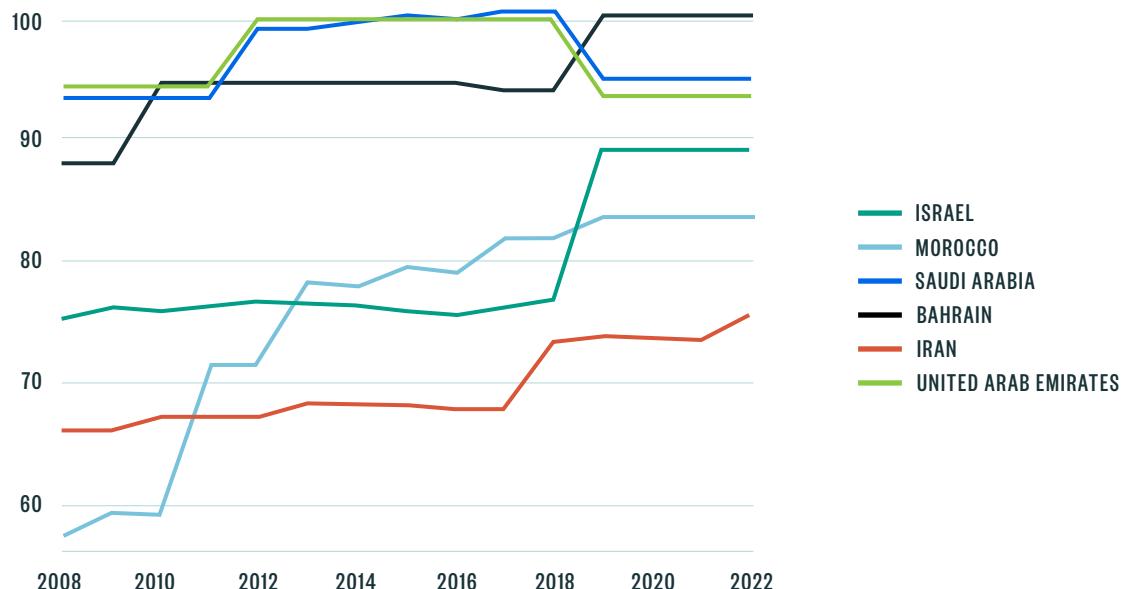
LABOR REGULATION SCORE OVER 2008-2022



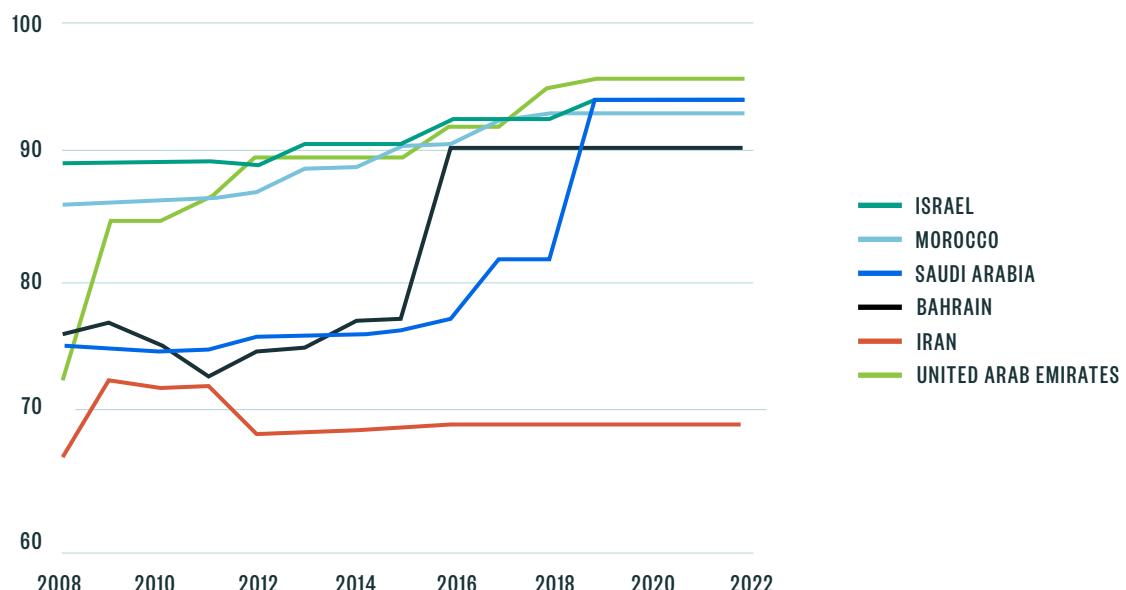
PROTECTING MINORITY SHAREHOLDER SCORE OVER 2008-2022



STARTING A BUSINESS SCORE OVER 2008-2022



PAYING TAXES SCORE OVER 2008-2022



APPENDIX B: COMPARATIVE STATISTICS ANALYSIS 2008-2022

CODE	NAME	ACTUAL GROWTH	EXPECTED INCREASE IF MATCHED TO SAU (% POINTS)
MAR	MOROCCO	24.7%	23.9
IRN	IRAN	6.4%	16.6
BHR	BAHRAIN	11.2%	4.3
ISR	ISRAEL	32.1%	3.2
ARE	UNITED ARAB EMIRATES	5.0%	2.4
SAU	SAUDI ARABIA	17.9%	REFERENCE



WWW.FEI.ORG.IL

INFO@FEI.ORG.IL