

# How the arab spring is affecting economies



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Moshe Shitrit Arab Spring How is the ' Arab Spring' affecting economies? \*

Since the Arab Spring started with the protest and revolutionary waves, the Arabs country's that controls the oil got benefits from the higher oil prices that this crisis has brought about. \* Bahrain has benefited from help from its Saudi neighbor, both in terms of troops and economic activity. The majority of Bahrain's oil revenue comes from a shared field with Saudi Arabia. But also it will likely suffer from a drop in the tourism and real states investments.

The EIU has therefore revised growth downwards from 4. 3 in 2011 to 2. 9 and in 2012, from 5. 2 to 3. 3. \* In Syria the situation has worsened since the latest revisions, so the EIU will again be revising downwards its growth predictions for this country. The government's continued violent reaction to protestors is likely to affect oil exports, tourism and domestic spending. \* Yemen continues to look unstable. While it will benefit from the start-up of liquefied natural gas (LNG) exports, as long as the president's post looks precarious, the rest of the economy will suffer. Surprisingly, Egypt and Tunisia are not thought to be faring as badly as one might think. The reason for this is owing mainly to the relatively peaceful nature of the revolutions and the lack of damage to the country's infrastructure and state institutions. While both countries have suffered from a downfall in tourism and restrictions on foreign exchange transfers, the EIU is confident about continued growth in 2012. \* The big winners have been Saudi Arabia, United Arab Emirates, Kuwait and Iraq, who have all benefited from higher oil prices.