



Factsheet: Arab region

Highlights from the International Yearbook of Industrial Statistics 2023

The Arab region, which comprises both African and Asian economies, has a diverse and complex manufacturing sector that faces various macroeconomic challenges affecting its growth and competitiveness. Recent influential factors include the challenge of diversification, regional conflicts, the COVID-19 crisis and the impact of the ongoing conflict in Ukraine.

The manufacturing industry in the Arab region is diverse, marked by **varying levels of development, specialization and integration**. Lower technology industries, such as food, beverages and refined petroleum products, constitute nearly **two-thirds of manufacturing value added (MVA)**. The share of higher technology industries, such as electronics and machinery, remains relatively low and concentrated in a few countries, such as Oman, Morocco, Qatar, Saudi Arabia and the United Arab Emirates. The manufacturing sector of Arab economies is dominated by the Asian subregion, which has increased its regional share over time. In contrast, the African subregion has a lower regional share despite having a higher share of manufacturing in GDP (10.6 per cent in 2022) than the Asian subregion (10.2 per cent). This indicates an ongoing **rebalancing** of manufacturing activities within the Arab region.

The **SDG 9 Industry Index** underscores the diverse trajectories of Arab countries in recent years with a significant lead of the Asian subregion. While countries like Oman and the United Arab Emirates demonstrated remarkable progress, others such as Lebanon and Libya experienced a significant decline. The Competitive Industrial Performance (CIP) Index highlights a **dynamic performance** in the past decade, with Asian Arab economies, particularly those in the Gulf Cooperation Council (GCC), ranking higher than their African counterparts, indicating a greater degree of industrial development and global competitiveness. The United Arab Emirates and Saudi Arabia lead in the Asia subregion.

Manufacturing employment has stagnated in recent years in Arab economies, although with some differences by subregion. While Arab economies in Africa showed a gradual shift from female-led to male-led employment growth, their Asian counterparts presented a more volatile pattern, with female employment experiencing both significant growth and decline.

In summary, the Arab region's manufacturing sector exhibits a landscape marked by diversity, challenges and growth opportunities. Arab economies in Africa and Asia seem to be diverging in terms of their industrial development. While some countries demonstrate strong performance and innovation, others face challenges in sustaining industrial growth. **Tailored policies and strategies are essential** for bolstering the manufacturing sector, boosting trade, promoting integration and diversification, and ensuring sustainable economic development across the Arab world.



OVERVIEW

- » MVA share in GDP: 10.3%
- » MVA growth rate: 6.8%
- » Manufacturing share in employment: 10.3%
- » Manufacturing employment
♂: 16% ♀: 84%



MAIN INDUSTRIES

- » Chemicals
- » Coke and refined petroleum prod.
- » Food products



INDUSTRIAL PERFORMANCE

- » CIP Index average rank: 54th
- » SDG Industry Index:
★★★★★☆☆☆☆

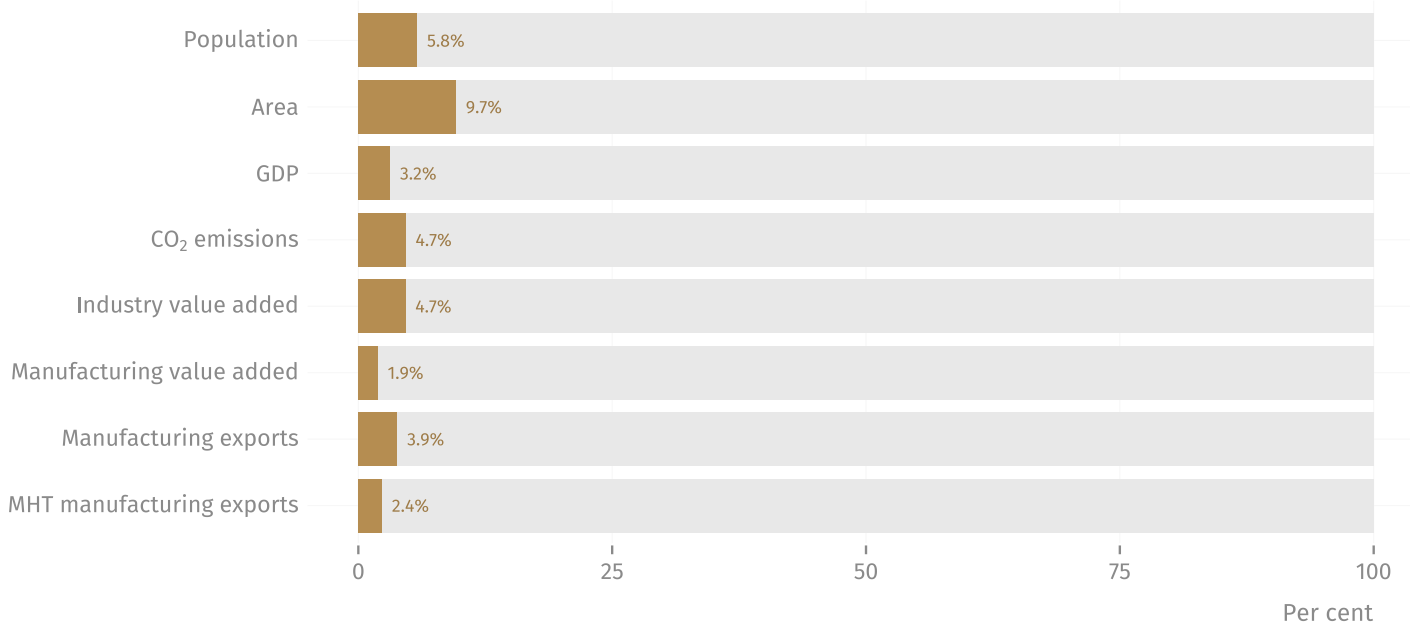


Figure 1 | Share of Arab economies in the world economy, 2022

Source: UNIDO calculations based on data from [1; 2; 3; 4]

Note: Figures for CO₂ emissions are for 2020. CO₂ = carbon dioxide; MHT = medium-high and high technology industries.

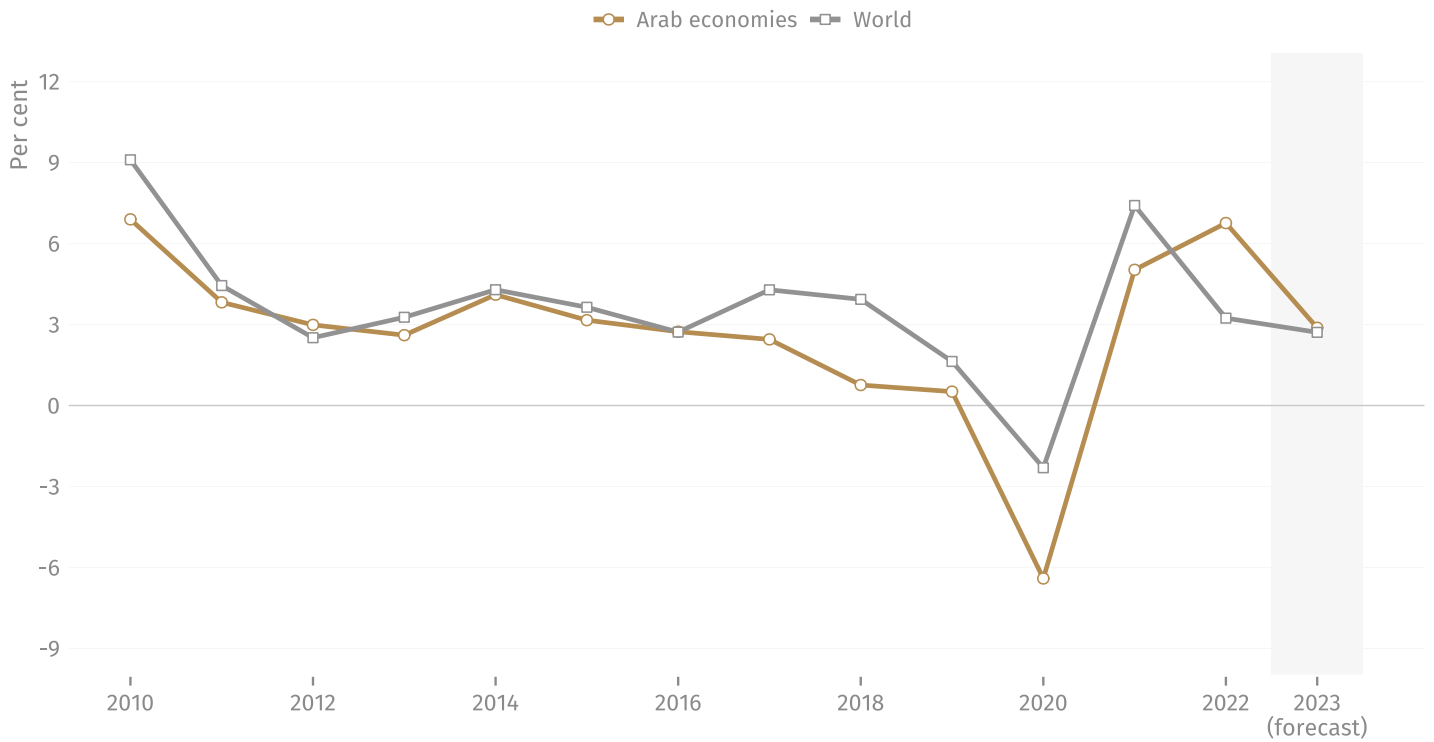


Figure 2 | Manufacturing value added growth rate

Source: [1]

Note: Growth rates are calculated over the values in constant 2015 USD.

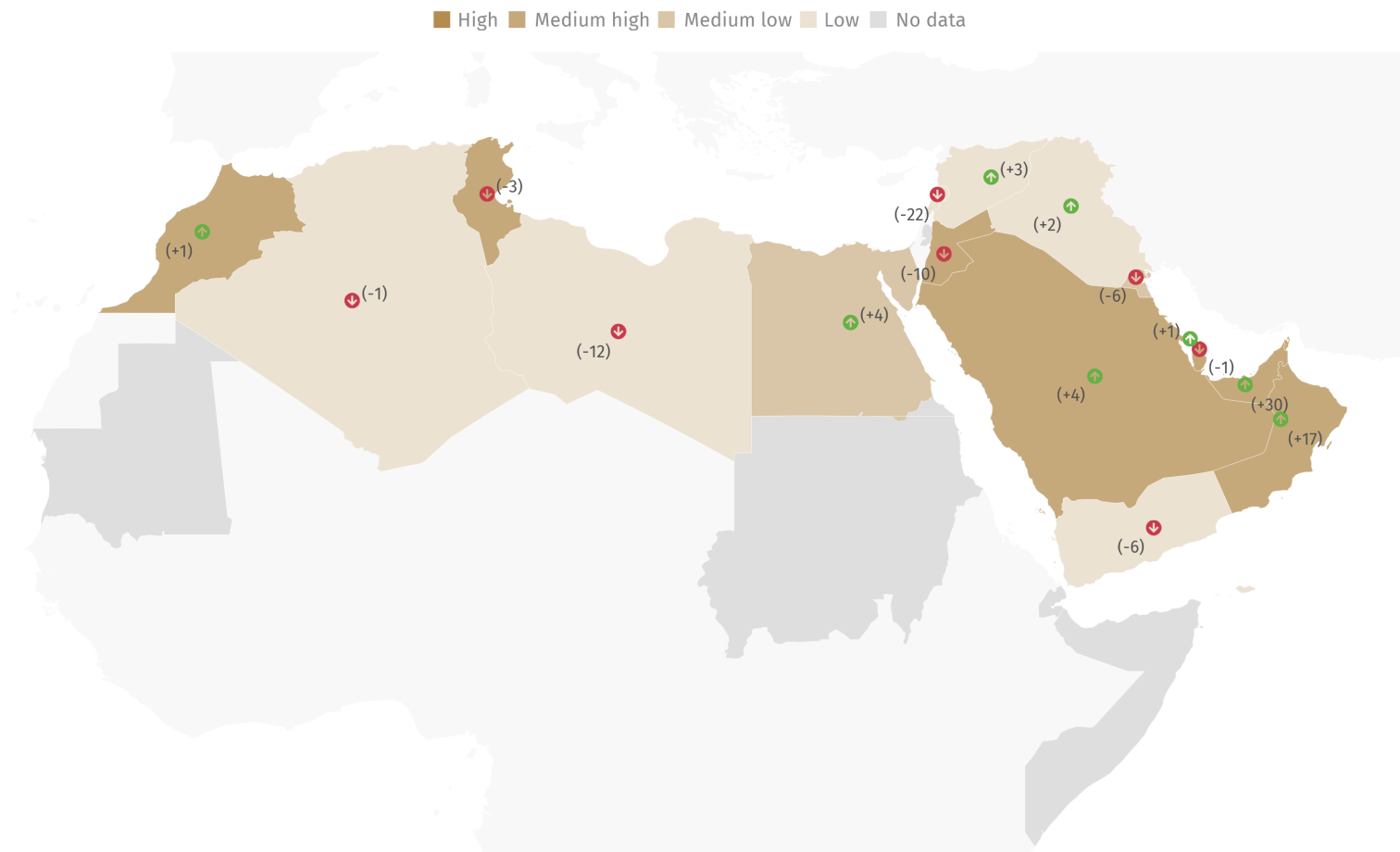


Figure 3 | SDG 9 Industry Index global ranking in Arab economies, 2020

Source: [2]

Note: The map shows two indicators related to the global ranking of the SDG 9 Industry Index: (1) the fill color indicates the quartile in 2020, and (2) the icon and the text in parentheses show the change recorded in the ranking between 2015 and 2020.

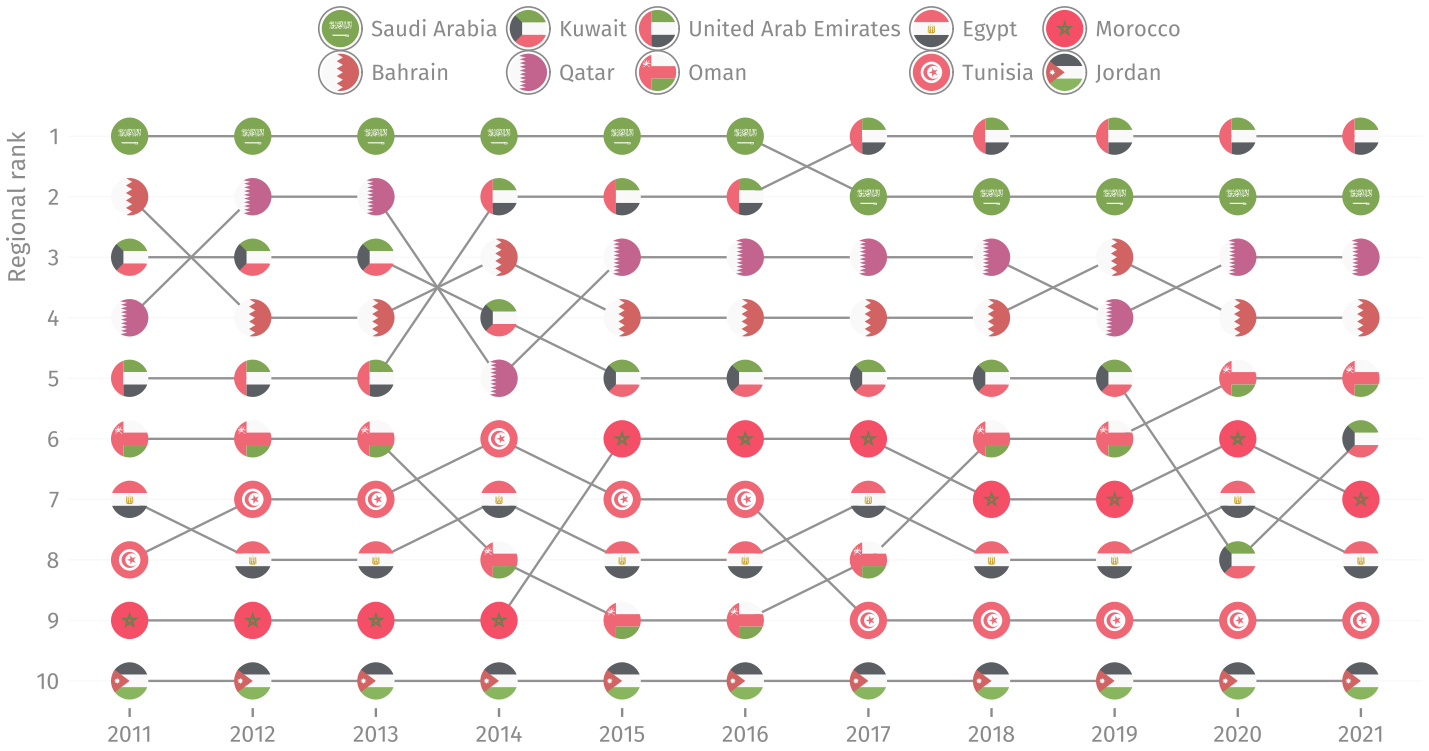


Figure 4 | Top ten economies in the Competitive Industrial Performance (CIP) Index, Arab economies

Source: [3]

Note: This graph shows the ranking of countries in the region and not the global CIP ranks.

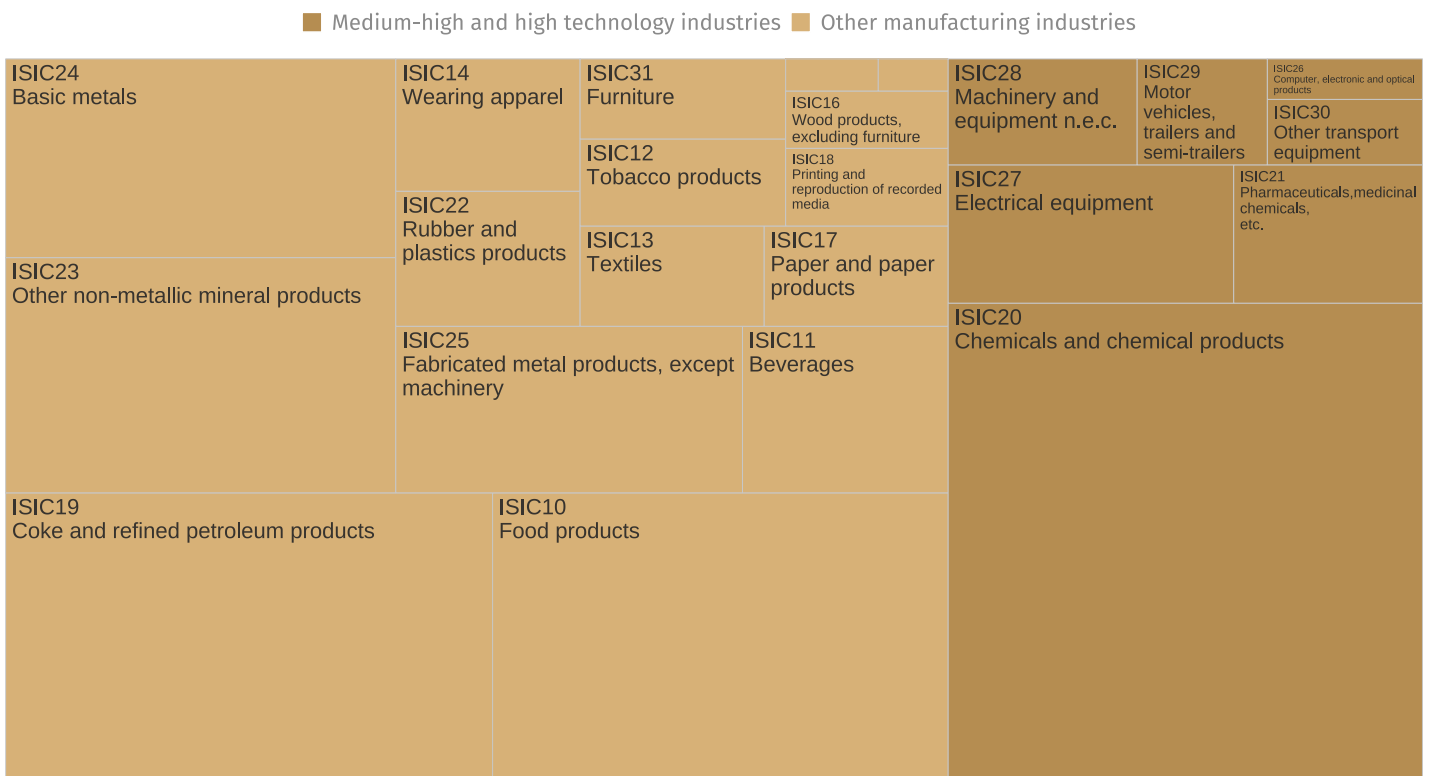


Figure 5 | Distribution of manufacturing value added by industry in Arab economies, 2021

Source: [5]

Note: The chart presents the most recent structure of regional manufacturing by industrial activity; the colours distinguish manufacturing industries according to technological intensity.

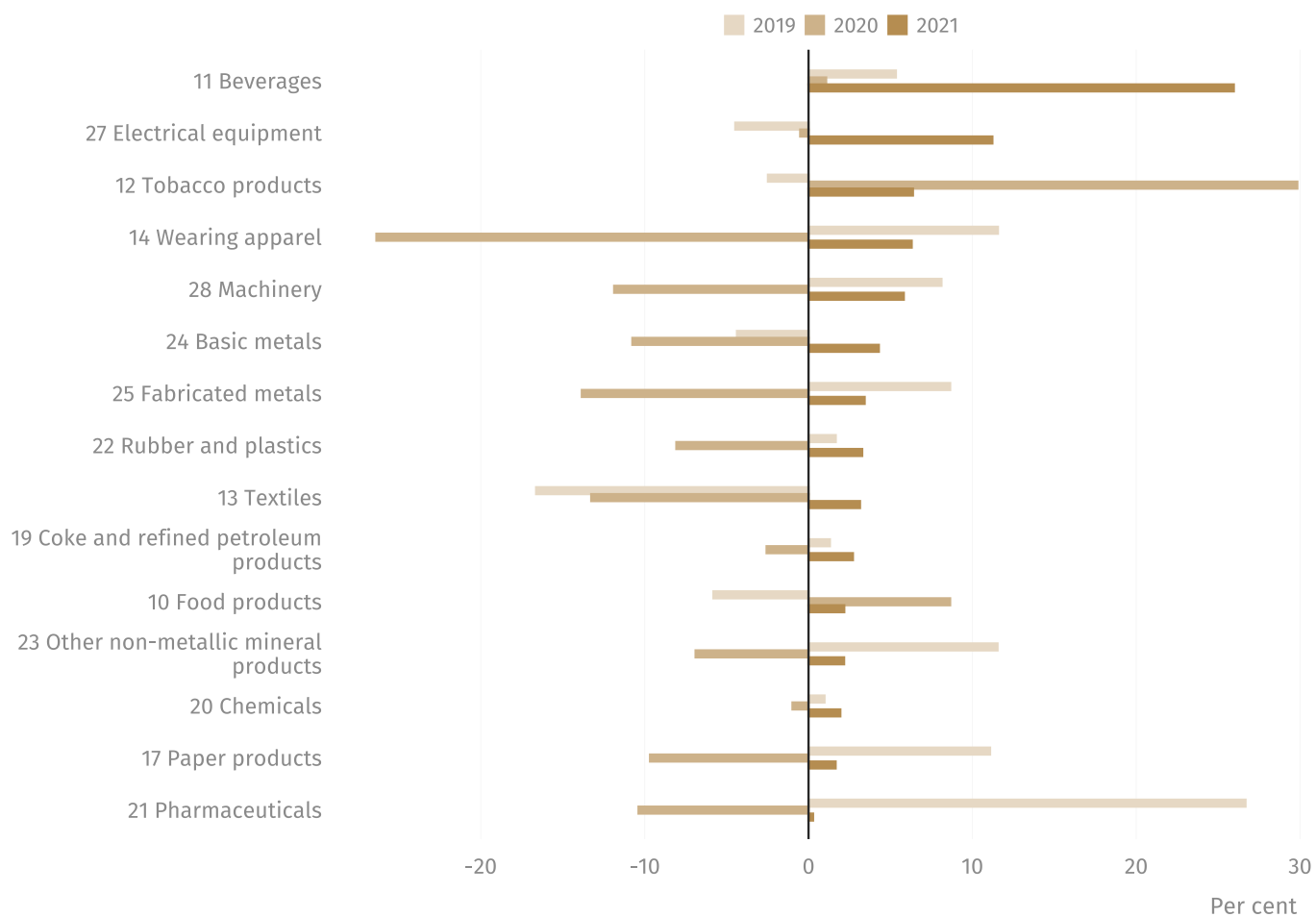


Figure 6 | Growth rate of value added by manufacturing industry, Arab economies

Source: [6]

Note: The bars are ordered by growth rate in 2021.

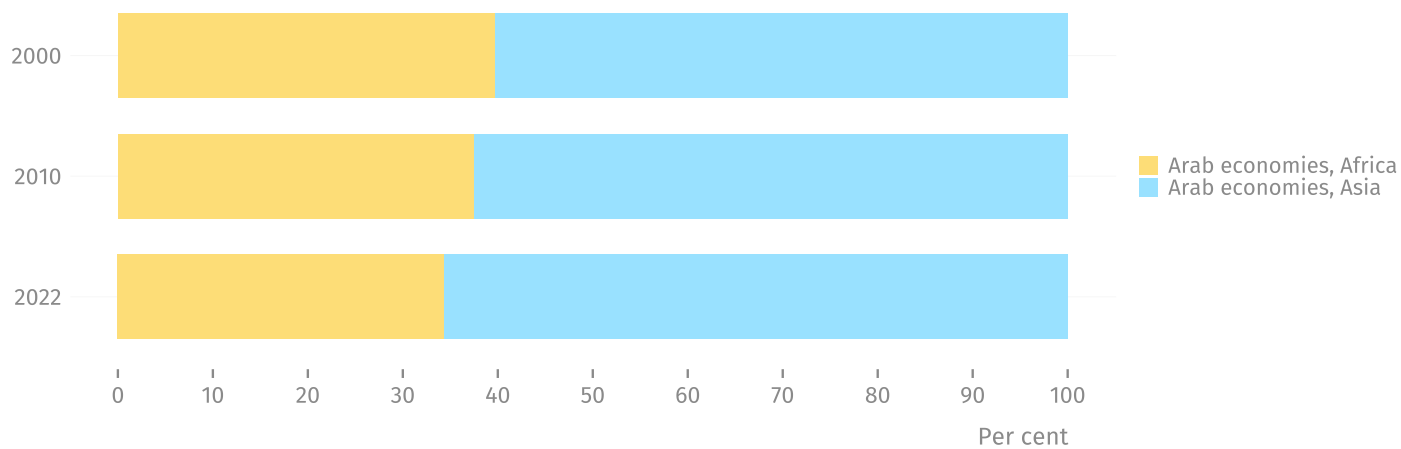


Figure 7 | Share of manufacturing value added in Arab economies, by subregion

Source: [5]

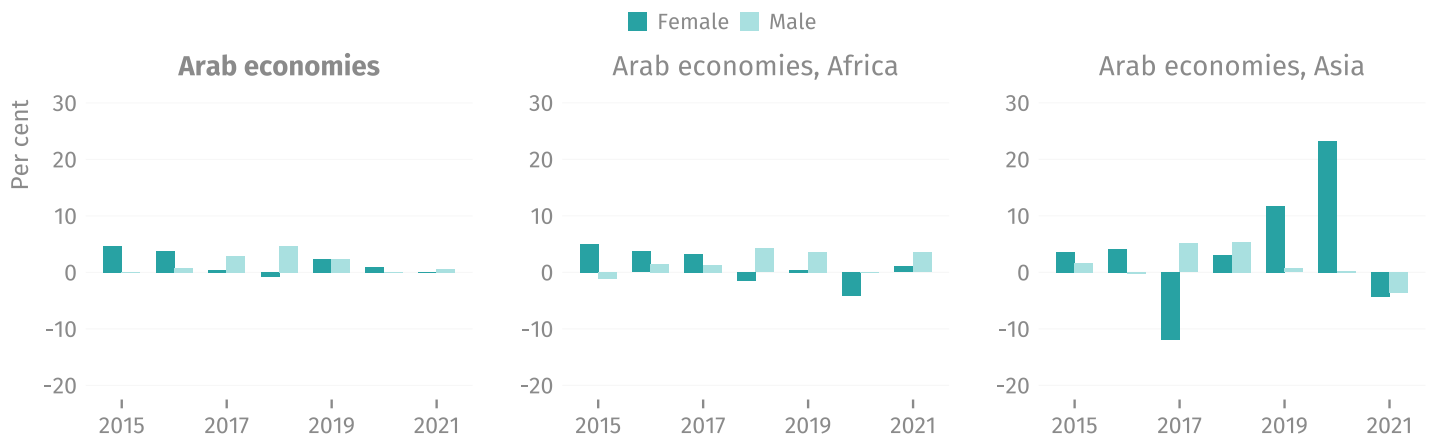


Figure 8 | Growth rate of manufacturing employment in Arab economies, by sex and subregion
Source: [7]

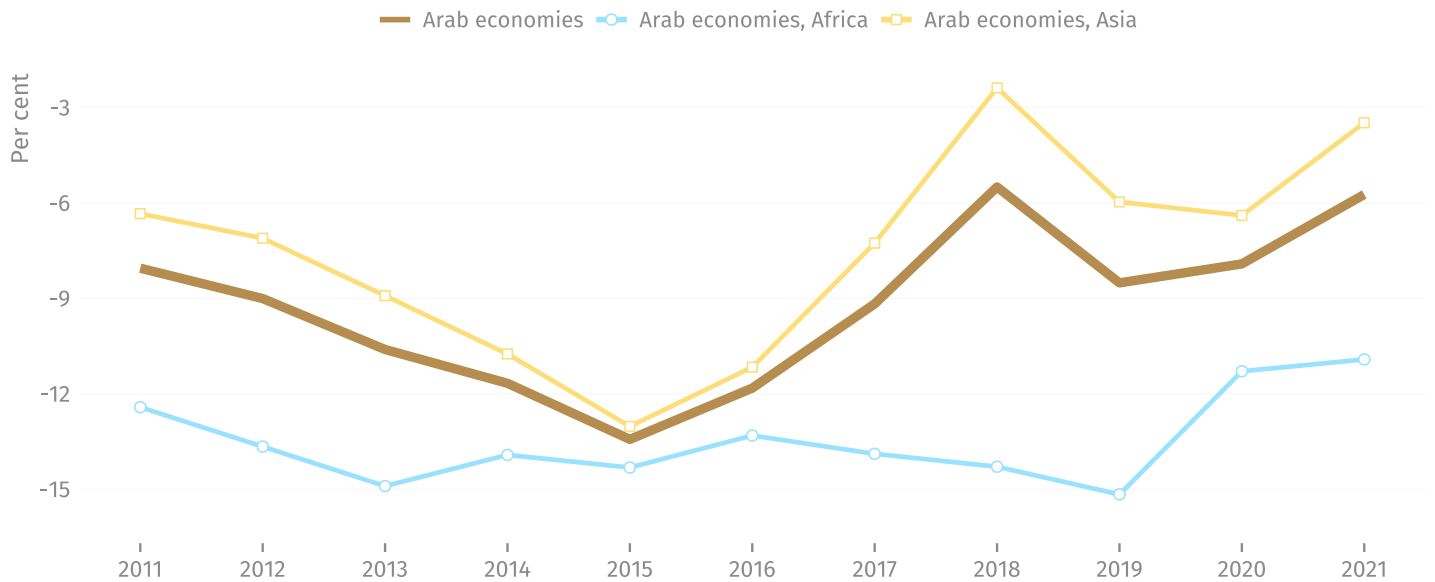


Figure 9 | Trade balance in manufacturing goods as a share of GDP, Arab economies
Source: [1; 8]

Table 1 | Industrial indicators by country/area, latest available year

	MVA per capita 2022 (2015 US\$)	MVA growth rate 2022 (%)	MVA share in GDP 2022 (%)	MHT share in MVA 2020 (%)	Industry value added share in GDP 2022 (%)	Manuf. share in exports 2022 (%)	MHT share in manuf. exports 2022 (%)	Manuf. trade balance 2021 (% GDP)	Manuf. share in employment 2022 (%)	Manuf. CO ₂ intensity 2020 (kg/US\$)	CIP Index 2021 (rank)
Algeria	197	2.8	4.9	2.7	22.9	23.1	5.1	-11.7	10.7	1.51	99
Bahrain	4,041	5.4	16.7	24.6	30.7	66.7	23.1	6.8	11.9	0.38	51
Comoros	88	1.8	6.0	...	6.9	51.8	49.1	-18.7	5.9
Djibouti	99	2.7	3.2	...	8.5	71.9	29.8	-34.1	0.2
Egypt	568	6.4	13.7	22.7	26.0	60.0	37.1	-6.7	12.5	0.50	68
Iraq	111	4.2	2.5	9.2	36.6	5.9	6.9	-18.3	6.2	2.29	150
Jordan	673	2.3	17.6	24.2	21.8	82.7	44.6	-14.8	9.3	0.21	75
Kuwait	1,890	16.7	7.0	31.9	52.0	74.0	34.8	-3.9	5.6	1.68	62
Lebanon	241	5.3	3.9	19.9	6.7	78.7	40.6	-22.4	10.8	0.48	105
Libya	193	-5.3	2.6	16.1	40.1	8.0	10.0	-31.8	...	1.63	120
Mauritania	101	3.5	6.1	...	13.3	47.0	1.4	-11.1	6.5
Morocco	364	1.3	14.4	41.2	16.4	80.7	64.1	-14.1	10.8	0.40	66
Oman	1,692	5.9	9.0	45.0	41.5	49.1	44.4	-3.1	13.2	1.75	56
Qatar	5,681	4.3	8.9	63.5	43.4	26.5	28.5	9.2	5.3	1.20	50
Saudi Arabia	2,512	7.9	12.5	36.7	35.9	37.1	39.2	0.7	5.5	1.11	35
Somalia	9	3.5	2.2	...	2.8	25.3	16.5	-12.7	10.7
State of Palestine	305	2.3	10.3	7.2	11.9	83.3	14.3	-23.0	12.4	...	111
Sudan	127	-1.7	6.7	...	12.5	4.9	26.6	-23.1	7.7	0.22	...
Syrian Arab Republic	45	3.8	5.7	21.5	31.7	65.1	22.4	-10.2	14.2	2.65	118
Tunisia	521	2.0	12.7	27.6	17.3	86.8	48.9	-7.4	18.3	0.75	70
United Arab Emirates	4,721	11.1	10.6	39.2	32.3	54.3	34.6	-6.1	9.4	2.01	29
Yemen	55	2.2	9.6	2.1	15.4	20.2	32.4	-36.7	5.5	0.58	150

Source: [1–3; 8]

Note: Manufacturing value added per capita figures are in constant 2015 US dollars. Figures based on national accounts variables for 2023 are UNIDO estimates. CO₂ intensity is calculated as CO₂ emissions in kilograms per unit of manufacturing value added in constant 2015 US dollars. With the objective of maximizing data availability, the latest observed value for manufacturing share in employment is used. Manuf. = manufacturing

Table 2 | Industrial indicators by country/area group, latest available year

	MVA per capita 2022 (2015 US\$)	MVA growth rate 2022 (%)	MVA share in GDP 2022 (%)	MHT share in MVA 2020 (%)	Industry value added share in GDP 2022 (%)	Manuf. share in exports 2022 (%)	MHT share in manuf. exports 2022 (%)	Manuf. trade balance 2021 (% GDP)	Manuf. share in employ-ment 2021 (%)	Manuf. CO ₂ intensity 2020 (kg/US\$)
World	1,879	3.2	16.8	45.1	21.4	76.5	59.2	-0.2	13.6	0.44
Arab economies	627	6.8	10.3	32.4	31.5	44.3	36.2	-5.7	10.3	1.06
Selected regional groups										
Gulf Cooperation Council (GCC)	2,941	8.6	11.1	38.9	37.2	47.3	35.6	-0.5	8.5	1.38
Arab Maghreb Union (UMA)	289	1.6	8.0	29.5	22.6	42.2	44.7	-14.0	11.6	0.83
Arab LDCs subregion	82	-0.4	6.7	2.1	12.3	38.6	21.5	-22.7	7.8	0.31

Source: [1; 2]

Note: Manufacturing value added per capita figures are in constant 2015 US dollars. Figures based on national accounts variables for 2023 are UNIDO estimates. CO₂ intensity is calculated as CO₂ emissions in kilograms per unit of manufacturing value added in constant 2015 US dollars. With the objective of maximizing data availability, the latest observed values for manufacturing share in employment are used to calculate the group aggregates. Manuf. = manufacturing

Table 3 | Countries/areas in Arab economies

Arab economies, Africa	Morocco	Jordan	Syrian Arab Republic
Algeria	Somalia	Kuwait	United Arab Emirates
Comoros	Sudan	Lebanon	Yemen
Djibouti	Tunisia	Oman	
Egypt	Arab economies, Asia	Qatar	
Libya	Bahrain	Saudi Arabia	
Mauritania	Iraq	State of Palestine	

Selected regional groups

Table 4 | List of countries/areas included in Gulf Cooperation Council (GCC)

Gulf Cooperation Council (GCC)			
Bahrain	Oman	Saudi Arabia	
Kuwait	Qatar	United Arab Emirates	

Table 5 | List of countries/areas included in Arab Maghreb Union (UMA)

Arab Maghreb Union (UMA)			
Algeria	Mauritania	Tunisia	
Libya	Morocco		

Table 6 | List of countries/areas included in Arab LDCs subregion

Arab LDCs subregion			
Comoros	Mauritania	Sudan	
Djibouti	Somalia	Yemen	

References

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Vienna International Centre
Wagramerstr. 5, P.O. Box 300,
A-1400 Vienna, Austria



+43 1 26026-0



stat.unido.org



stat@unido.org



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION



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