

Economic situation in North Africa

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Abstract. North Africa as an economic region has always attracted the attention of specialists in various fields of knowledge from around the world. Designated region has always remained in the spotlight as a dynamic and creative Arabic Centre. Economic of the North Africa for many years distinguished specific features and unique way of development. The biggest key point is of course peace in Middle East which will lead to better unification of Arab states. Peace will bring more stable economical activities with other nations. In this article the author considers modern economic development of North Africa.

The Arab world is united territorially: the vast area stretching from the Arabian (Persian) Gulf through the areas of South-West Asia and North Africa to the Atlantic coast, 19 Arab countries with an ethnically congener cal population, numbering about 300 million people. 90% of people in these countries are Arabs and other 10% – are representatives of other nationalities and ethnic groups. Arabs, regardless of country of residence, consider themselves as belonging to one nation. Arab nations are united by a common language – Arabic, as well as community economic destinies. Strong unifying factor in Arabic countries is Islam: 90% of their populations (Arabs and non-Arabs) are Muslims, 10% belong to other faiths, mostly Christian. However, the above-noted factors that unite the Arabs, are relative, and the whole Arab world is extremely variegated, which can be seen in different natural and geographical factors, ethnic, demographic, linguistic and confessional orders, historical and cultural lives, in economic and social and political development of people living in these territories. In this case, they differ not only among the Arab countries of Asia, or the Mashreq, and North Africa – the Maghreb, but also within each of these areas. Heterogeneity of the Arab world has a significant impact on developing of integration issues.

As an economic regions Middle East and North Africa have always attracted the attention of specialists in various fields of knowledge from around the world. Designated region has always remained in the spotlight as a dynamic and creative

Arabic Centre. For many years economics of the Middle East and North Africa distinguished specific features and unique way of development. Up to date, the region's economy feature is the fact that a significant portion of GDP in many countries of the region constitute the income from petroleum products and their derivatives, as well as a strong relationship of the economy with the customs and religious tenets of the Middle East and North Africa.

Middle East and North Africa are not only vast and, most importantly, effective markets for different products – from industrial complexes to the food and consumer goods – but rather large financial reservoirs. These countries hold 60% of world oil reserves, they are distinguished by the world's highest level of population growth (3.5% annually), they are located in strategically important parts of the world, linking Europe, Africa, Asia and the Pacific.

Africa has rich and diverse natural resources. Among them are the resources of mineral fuels: oil, proven reserves amount to 9 billion tons approximately, or more than 3% of the world total; gas -, respectively, to 9 trillion. m³, or about 5% enriched uranium – more than 500 thousand tons, or 1 / 3 of the world's reserves.

The largest oil and gas fields are located in North Africa. The mining and chemical materials are also important resources of this region, particularly phosphates, prevalent in North Africa (Morocco, Algeria, Tunisia), and their reserves are about 60 billion tons, or about 70% of world reserves. One of the first places in the world belongs to the African

reserves of precious metals and diamonds. Explored reserves of gold are about 43 thousand more than 55% of world proven reserves [1].

These countries in the world economy have increased leaps and bounds in the first half of the 70's, when as a result of multiple price increases in crude oil, they were able to accumulate considerable gold reserves. «Free» capital of the Arab countries these days, according to various estimates; reach \$ 100 billion, and their investment in Europe only amounts to \$ 600 billion. The Middle East conflict, which continues for nearly half a century is burden on the economy of the region. Persisting for many decades it caused deeply traumatic damage to the normal economic and social life.

Due to chronic instability and the internecine tensions, fueled by largely common regional tensions, considerable cash and the «petrodollars» first of all, settle in the accounts of foreign banks and international capital to make large investments to unstable Middle East.

In the second half of the 70's the development of the Arab world started to change. As a result of repeated rise in oil prices since 1973, dramatically increased income of some countries such as, Petroleum Exporting Countries (UAE, Saudi Arabia, Kuwait, etc.).

It is possible to create social and productive infrastructure in these countries and improve the lives of all people. In other countries that have no income from oil exports, only the rising prices, the food shortages, have sharply increased foreign debt. In the changed conditions not only economic but also political orientation began to change. While maintaining anti-capitalist rhetoric, countries such as Syria, Iraq and Tunisia were to restore economic ties with the West.. In the early 90's in the Arab Maghreb Union greater attention was paid to finding additional opportunities and reserves to deal with acute problems of socio-economic development. By this time, clearly identified the need for new approaches and trends related to increasing economic growth, and make it sustainable and stable. The successful solution of this problem depends largely on overcoming the stagnation, on improvement of the living standards of the general population, especially the great «social bottom», to overcome the harsh social contrasts. Acceleration of economic development is to create a basis for addressing such social and economic issues as food insecurity, mass unemploy-

ment, to make available for different social groups and strata, particularly with limited income, basic services in health and education. Such an economic policy designed to ensure sustainable and consistent economic capacity of the Arab countries, the transformation of economies in transition to a socially oriented market economy, based by dynamic domestic private and cost-effective public sector with the participation of foreign capital, allowing to solve the actual problems of contemporary Arab society, which is centered on problem of underdevelopment, and is closely associated with her unequal status of exporters of raw materials and fuel in the international division of labor [2].

Almost half a century of independent national development of the Arab states have made progress in raising the national economies, some of them – significant.

Individual states, mainly oil producing Arab Gulf monarchies, at such a key indicator -the level of annual per capita income, were able to approach the group of most developed countries. However, as evidenced by the analysis of major macroeconomic and social indicators, despite progress, practically in front of all the countries of the Middle East and North Africa, the biggest issue is the deepening diversification of the national economies structure, the development of advanced high-tech industries solve many social problems – mitigating and eliminating the mass unemployment , raising the living standards of broad segments of the population and the elimination of poverty, rising health care and education, etc [3].

With the increase in exports of petroleum products, increasing the flow of funds into infrastructure development and social investment.

Intensively developed, Algeria, Bahrain and the UAE, mainly by supporting investments in construction and tourism, Kuwait – in financial services, and Saudi Arabia – in the energy-intensive manufacturing, construction and financial services. Oil-importing countries benefit from the favorable situation in the region and high demand in the domestic market as well as on foreign direct investment. Speaking about major issues, the Arab States suffer from water scarcity. The total volume of surface water is consumed in the Arab world, 57% comes from the territory of the nearby non-Arab regions. Water problems cause difficulties for industrial and agricultural sector. In addition to water issue, agricul-

tural development is reason for desertification. At present, desert occupies 68.4% of the Arab world territory [4].

Given the limited available natural resources – land suitable for agriculture, water sources needed for industrial development and irrigated agriculture, the key issue is the search of appropriate means, including financing, mainly from domestic sources, based on more fully engaged in the commercialization of certain existing rich natural, human resources and the unique historical and cultural values.

The development of the tourism industry, as convincing evidence of the mid XX century world experience, allows a relatively short historical period achieved significant improvements in these important economic and social problems. Moreover, the rapid rise of the tourism industry contributes to the expense resulting from foreign tourism revenue in preserving the cultural historical values, conservation and ecological restoration, etc. Such assessments are fully confirmed by the practice of a number of Arab States in recent decades. Countries belonging to the tourist centers of the world, including such as Egypt and Tunisia, have achieved a high level in the development of the tourism industry, although, in general, relatively low level of economic development. This was largely due to deliberate policy of the state to support the tourism industry, the promotion of large, small and medium national enterprises engaged in the provision of tourism services. Such policies are based on the view of the high competitive advantages held by these countries due to several factors, including:

- possession of a number of favorable natural and climatic conditions;
- presence of unique, world-class historical and cultural monuments;
- focus these Muslim mosques, a visit which the Muslims of the world (1.2 billion) relates to the five precepts of the Scriptures – Koran;
- the presence of significant mass excess of cheap labor;
- advantageous geographical position, characterizing the extent of the marine shoreline and the intersection of sea and air communications, linking three continents – Asia, Africa and Europe;
- the availability of vast green areas suitable for recreation and the production of various food products. The main objectives and priorities in the development of the industry- increase employment

among the population and income earned from the tourism industry, which became a major source of economic development and solving social problems, strengthen the multiplier effect provided by the development of the tourism industry to other sectors of national economies. The development of the tourism industry has a growing impact on the development and implementation of projects on the Protection of World Cultural Heritage – numerous unique historical monuments, many of which are as classified by UNESCO to «global heritage» of human civilization [5].

Now the Arab world is in the process of intense transformation, which is a consequence of integration within the region and with the rest of the world. The region has seen a significant increase in foreign investment, a steady increase in gross domestic product, and significant changes in the economic system due to market liberalization and diversification. Program of diversification and privatization carried out in much of the region. In the countries – exporters of oil, especially the six members of the bloc of the Cooperation Council of the Gulf (GCC) – Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE share of non-oil economy now accounts for almost half of GDP. In other places there is a growth of construction and services sectors, while the relative contribution of manufacturing and agriculture in recent years reduced. The financial services industry is expanding rapidly, which, in turn, supports private sector development. Governments, especially in Egypt, Jordan, Morocco and Tunisia, are given to private ownership state-owned enterprises, banking and telecommunications sector. Not surprisingly, the inflow of direct foreign investment in MENA has increased fourfold since 2002 and exceeded \$ 80 billion in 2007. Saudi Arabia and the UAE – the largest recipients of foreign capital: the proportion is 40% foreign direct investment in the region. With the increase in exports of petroleum products, increasing the flow of funds into infrastructure development and social investment. Intensively developed, Algeria, Bahrain and the UAE, mainly by supporting investments in construction and tourism, Kuwait – in financial services, and Saudi Arabia – in the energy-intensive manufacturing, construction and financial services. Oil-importing countries benefit from the favorable situation in the region and high demand in the domestic mar-

ket as well as on foreign direct investment [6]. Status and Future Prospects in the Middle East economy is mainly determined by the slow development of world economy and oil market, a complex foreign policy situation in this region, especially the policies of individual Middle Eastern states. The influence and relative importance of these factors varies across countries. It should be noted that the optimistic economic picture of the region does not provide a continuing long-term growth. Despite reforms in many countries of the region, improving the economic status depended largely on the cyclical and external factors such as weather, oil prices and rising exports.

The biggest key point is of course peace in Middle East which will lead to better unification of Arabic states. Peace will bring more stable economic activities with other nations.

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Солтүстік Африка елдерінің экономикалық жағдайы

Араб елдерінің экономикалық дамуы өзіндік даму жолдарымен ерекшеленеді. Араб әлемі тәуелсіз ұлттық даму жолында көптеген жетістіктерге қол жеткізді. Бүгінгі таңда бұл аймақтың экономикалық дамуының негізін және де ұлттық өнімінің негізгі бөлігін мұнай өндірісінен түсетін кіріс құрайды. Сонымен қатар жаңа кезеңде бұл аймақта іске асырылған реформаларға қарамастан, экономикалық ахуалдың дамуы мұнай бағасына, экспорттың өсуіне және тағы басқа факторлармен тығыз байланысты. Бұл мақалада автор Солтүстік Африка елдерінің жаңа кезеңдегі экономикалық ахуалын қарастырды.

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Экономическая ситуация в Северной Африке

Экономика арабских стран отличалась специфичными особенностями и своеобразным путем развития. Почти за полвека независимого национального развития арабские государства добились прогресса в подъеме национальных экономик, некоторые из них – значительного. На сегодняшний день особенностью экономики региона является тот факт, что значительную часть ВВП многих стран региона составляют доходы от реализации нефтепродуктов и их производных, а также сильная взаимосвязь экономики с традициями и религиозными постулатами стран Ближнего Востока и Северной Африки. Несмотря на реформы во многих странах региона, улучшение экономического положения зависело во многом от циклических и внешних факторов, таких, как погода, цены на нефть и рост экспорта. В данной статье автор рассматривает современное экономическое развитие Северной Африки.