The effect of the 2008 global financial crisis was heavily reflected through the substantial global recession of 2009 where annual real GDP growth declined to -2.4 per cent. The world economy improved as of the second quarter of 2009 and reached 4.0 per cent in 2010. Following a slight decrease, the worldwide growth rates of 2011 and 2012 somewhat stabilized recording respectively 2.8 and 2.6 per cent. The steady 1.3 per cent growth rate of the developed economies in 2011 and 2012 continue to weigh heavily on the worldwide growth rate, which is still being compensated by the developing countries whose economies recorded 6.0 and 5.6 per cent respectively. On the other hand, the ESCWA region displayed a slight recession in 2012 caused by the unstable political situation, and recorded a 4.0 per cent growth rate after recording 4.5 per cent during 2011. However, despite the political and security situation, the ESCWA region is still demonstrating a significant economic resilience, as its growth rates exceeded those of the world by 1.7 and 1.4 per cent during 2011 and 2012 respectively.

The growth rate of 4.46 per cent of the real GDP of the ESCWA region in 2011 marks an important recession of the real GDP of MDE countries whose growth rate decreased from 5.27 in 2010 to 0.64 per cent in 2011 and which was compensated by the increase of real GDP growth rates of the GCC countries from 4.73 to 6.40 per cent for the same period. This recession is caused by the political uprisings and unstable security situation in some MDE countries such as Yemen whose real GDP growth rate recorded a staggering -15.3 per cent during 2011.

Estimations indicate a reversion of the real GDP growth trend in the ESCWA region, which is caused by a decrease of MDE real GDP growth rate from 5.27 per cent in 2010 to 0.64 per cent in 2011, coupled with a decrease of the GCC real GDP growth rate from 6.4 per cent in 2011 to 4.6 per cent in 2012; this resulted in an overall recession of the ESCWA.
The relative contribution of MDE and GCC countries to the real GDP of the ESCWA region remains stable with the main portion of just below 70% going to the GCC countries.

The average rate of real GDP per capita in the GCC countries witnessed a promising growth of 2.77 per cent in 2011 after displaying a somewhat shy growth of 0.82 per cent in 2010. This growth indicates a slow recovery of the GCC countries which were greatly affected by the 2008 financial crisis. On the other hand, the less affected MDE countries exhibited a steady average real GDP per capita rate of roughly 3 per cent during 2008, 2009 and 2010. However, due to the unstable security situation caused by the late political uprisings in many countries such as Yemen, Syria and Sudan, the real GDP per capita of the MDE countries exhibited a dramatic decrease and recorded a decline of -2.14 per cent in 2011.

The average annual GDP per capita in the ESCWA region stood at US$3,503 in 2011 against US$3,452 in 2010 and thus displayed a slight increase. However, this average continues to mask a huge disparity between the GCC and the MDE countries, recording a real GDP per capita of US$14,019 and US$1,363 respectively in 2011; individual real GDP per capita rates range between as low as US$526 in Yemen and as high as US$36,510 in Qatar.

Palestine recorded the highest growth rate in real GDP per capita in 2011 with a growth rate of 6.54 per cent, while Yemen recorded the lowest, with a growth rate of -18.1 per cent.

The per capita disposable national income in the ESCWA region reached US$6,683 in 2011 and thus recorded the highest level in the past 5 years. This was a result of the increase of the per capita disposable national income of all ESCWA countries but Yemen where it

region from 4.91 per cent in 2010, to 4.46 in 2011 and to 4.0 per cent in 2012.

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The GCC countries account for more than two thirds of the total GDP of ESCWA countries which increased to US$1,973,841 million in 2011.

Final expenditure consumption increased in ESCWA countries from US$971,840 million in 2009 to US$1,050,278 million in 2010, of which the GCC countries account for 55.24 per cent. The share of private to total consumption expenditure in the GCC countries is 31.4 per cent in 2010, compared to 17.3 per cent in the MDE countries for the same period.

The ratio of gross capital formation to GDP recorded an average of 25.61 per cent in 2010 for the GCC countries whereas it stood at 20.36 per cent for MDE countries, resulting in an average ratio of 23.81 per cent in the ESCWA region in 2010. In 2009, the latter ratio stood at an average of 24.81 per cent for the ESCWA region. The relative contribution of the MDE countries to the gross capital formation of the ESCWA countries increased from 26.8 per cent in 2007 to 29.5 per cent in 2009 before slightly decreasing to 29.3 in 2010.

The commercial balance of the GCC countries is recovering following the increase of the oil and oil derivatives prices, which deteriorated massively after the global financial crisis of 2008. The trade balance recorded 20.1 per cent in 2010 compared to 13.2 per cent in 2009. On the other hand, the trade balance for the MDE countries remains negative and recorded -7.7 per cent in 2009 against -4.3 per cent in 2010. The increase of the net exports to GDP in GCC countries compensated for the negative trade balance of the MDE countries and was translated in the trade balance of the ESCWA region which increased from 5.9 per cent in 2009 to 11.7 per cent in 2010.