their dependence on high oil prices. The continued impact from Europe's weakness affecting tourism and trade flows, remittances, and travel spending will hold down the region's overall growth prospects in the short term. Oil prices remain the major influence on the expectations for the region; prices may be depressed by prolonged European weakness or rise if oil supplies are disrupted as a result of continuing geopolitical tensions in the region, especially further armed unrest.

Oil-exporting economies are projected to grow 4.8 percent in 2012 and 3.7 percent in 2013. Iran will slow down to just 0.4 percent in 2012 and 1.3 percent in 2013. Saudi Arabia will post 6.0-percent growth in 2012 and 4.1 percent in 2013, while Algeria will accelerate by 3.1 percent and by 3.4 percent in the next two years. A major recession is under way in Sudan where a 7.3-percent decline in GDP is forecast for 2012, moderating to a 1.5-percent decline in 2013. Oil importers, meanwhile, will accelerate to 2.2 percent in 2012 and nearly catch up with oil exporters with 3.6-percent growth in 2013. A slow recovery is expected in Egypt with 1.5-percent growth in 2012 and 3.3 percent in 2013; Tunisia is expected to rebound to 2.2 percent in 2012 and 3.5 percent in 2013; and Israel will slow down to 2.7 percent in 2012 before speeding up to 3.8-percent growth in 2013. The region as a whole is expected to undergo 4.2-percent growth in 2012 and 3.7 percent in 2013.

Sub-Saharan Africa

One of the best-performing regions during the global recession, Africa recorded another year of strong growth and was relatively immune from the uncertainties in financial markets and worsening global conditions at the end of 2011. Growth was 5.1 percent, with oil-exporting countries growing faster at 6.2 percent, middle-income countries the slowest at 3.9 percent (including South Africa with 3.1 percent growth), and the poorest countries doing very well at an average 5.8-percent growth. Ghana's first year of oil production resulted in growth of 13.6 percent. Nigeria performed well at 7.2 percent in 2011, as did Ethiopia at 7.5 percent and Democratic Republic of Congo at 6.9 percent.

High commodity prices ensured growth was stable during 2011. Limited financial links with Europe insulated this region from most of the adverse developments of 2011—with the exception of South Africa, whose financial system was affected by volatility and the depreciation of the rand. Trading links with Europe have been weakening in the last few decades, allowing diversification toward the fast-growing emerging markets and dampening contagion from the eurozone crisis. Strong investment in natural resource extraction continued.

South Africa's growth decelerated rapidly, reflecting the stronger financial and trading links between this relatively advanced economy and Europe. Unemployment remains high, and growth is expected to moderate further in the largest economy in the region to 2.7 percent in 2012, but should improve to 3.4 percent in 2013. As the global demand for diamonds slows down, so will Botswana's growth: projections are for 3.3-percent growth in 2012 and back up to 4.6 percent in 2013. Ghana's growth will moderate somewhat to 8.8 percent in 2012 and 7.4 percent in 2013. Tighter fiscal and monetary policies will restrict growth in the non-oil sector in Nigeria, but higher oil output is expected to compensate leading to a robust 7.1-percent growth in 2012 and 6.6 percent in 2013. New oil reserves coming on-stream in