• Undiversified economy, large presence of the state in economy = CROWDING OUT PRIVATE SECTOR JOBS
• Dependency on oil revenues + budget rigidities = LIMITED RESPONSE to COVID-19
• Widespread corruption and weak governance = FUEL FOR POPULAR DISCONTENT.
• BOTTOM LINE – CRISIS WITH PROTRACTED IMPACT

Contraction of the economy in 2020:
GDP down 9.7 percent (the worst economic performance since 2003).

Twin surpluses turn to twin deficits:
Budget deficit at 29 percent of GDP with gross financing needs of $67 bln.
Current account deficit, estimated at 18.8 percent of GDP
Spatial disparities in non-monetary welfare across governorates

Legend:
- <=15% of national mean
- 15 to -5% of national mean
- [-5 to 5%] of national mean
- [5 to 15%] of national mean
- >15% of national mean