



*Promoting Lebanon's news, events & Business Opportunities
to Lebanese expatriates around the planet*

e-LIBC

Welcome to edition
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Founding president's Message

Let's have a great PLANET LEBANON 2010 together...

I wanted to give you an update regarding the Council you've come to love and appreciate over the last years. Recently, LIBC members met in Beirut to discuss the LIBC's future, both short and long term. One of the decisions taken was to rearrange the LIBC structure which will last until the needs of the Council dictate that we perhaps go back to our original leadership setup. Another decision taken was to focus more of our energy this year on Planet Lebanon 2010 Conference.

As the year unfolds, I will be meeting with representatives of all constituencies wishing to work with LIBC. As Lebanese, we are proud of our tradition of openness, and we certainly intend to practice what we preach. One of our most important communication tools, Planet Lebanon Web site, is finally ready to play its expected outreach role, and you'll be able to register in our event. This website in addition to LIBC website and E-LIBC newsletter are as popular as ever.

LIBC offices around the world are always open for suggestions. LIBC doesn't exist in a vacuum, but through the aspirations and activities of its members and supporters. It is the collection of shared memories which make the hard work of running the Council so worthwhile for me and all those who contribute their time and efforts. Let's have a great PLANET LEBANON 2010 together...

**Warm regards,
Nassib Fawaz (Founding president LIBC)**

General Executive Secretary's Message

ABOUT e-LIBC

e-LIBC provides Monthly news on Lebanese society worldwide, Lebanon's news, events & Business Opportunities to Lebanese expatriates around the planet and provides links to useful electronic and print resources aimed at strengthening Lebanese society worldwide.

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Lebanese economy growing rapidly

Lebanon's economic growth could exceed the 7 percent forecast by the International Monetary Fund (IMF) providing the country maintains the relative political and security stability it has enjoyed this year.

It is essentially the consumption market. Tourism was good. The activity this summer was at record levels. An IMF staff visit to Lebanon in September concluded real gross domestic product could grow at around 7 percent in 2009 — more than a previous forecast of 4 percent.

This can be achieved and even more provided we keep having this environment of political and security stability.

Lebanon's economy has largely shrugged off the effects of the global financial crisis and economic slowdown. The country has been helped by a more stable climate since May 2008, when Qatar mediated a deal to defuse a deep political crisis.

Remittances have poured into Lebanon over the past year—a trend which would produce a 20 percent increase in bank deposits this year.

High interest rates on the Lebanese pound combined with the country's relative stability have encouraged depositors to switch their funds into the local currency. As a result, liquid foreign assets at the central bank, which intervened to mop up excess liquidity, have almost doubled in a year, according to the Central Bank governor Riad Salameh.

The markets are satisfied with the level of rates as they are and Central Bank are watching to see at what level this decline will really have an impact on the deposit inflows.

The proportion of bank deposits held in dollars now stood at 65.5 percent—a fall of more than 10 percentage points since early 2008.

Until July, the central bank had been mopping up liquidity through issuing 5-year certificates of deposit. The central bank now hopes that credit markets and the private sector will absorb any excess liquidity.

I think that Central Bank must encourage lending in Lebanese pounds. If this effort is successful, there might be a drastic drop in dollarisation because the economy will start demanding the Lebanese pound for its activity.

Credit demand could grow quickly upon the formation of a new government, which might be seeking project finance.

Warm regards

Ghayath Rifai (General Executive Secretary)

Beirut ranks as 33rd most expensive retail rent in world

A survey of the world's most expensive retail rental locations has ranked Beirut as the 33rd most expensive city worldwide. The 2009 survey of 60 cities around the world by property consultants Cushman & Wakefield found Beirut to be the second most expensive of 12 cities in the Middle East and Africa region, and the most expensive of 10 Arab cities included in the rankings, as reported by Lebanon This Week, the economic publication of the Byblos Bank Group.

In a previous survey Beirut ranked as the 43rd most expensive city globally and the third most expensive in the Middle East and Africa.

The study evaluates retail rent location prices in 274 streets in 60 countries around the world.

The rent of retail space in Beirut was less costly than in Stockholm, Luxembourg and Helsinki and more expensive than in Budapest, Caracas, and Taipei in Taiwan. The most expensive rental retail location in Beirut was the Beirut Central District at \$1,800, per-square-meter in 2009, which is significantly lower than the global average of \$2,400 and higher than the Middle East and Africa average of \$995.

According to Cushman & Wakefield, Beirut's retail market has enjoyed a period of steady expansion, which has put rents under upward pressure. It said the prime locations remain the ABC Center, City Mall and Verdun, all of which are showing rental values of around \$1,400 per-square-meter a year. It noted, however, that the Souks shopping center in the Beirut Central District, which opened earlier this month, may yet set higher benchmark rents. Cushman & Wakefield said Lebanon posted one of the best performances in the Middle East and Africa, with retail rents rising by 26 percent annually, second only to Bahrain which posted a 50 percent rise, and compared to a marginal increase of 0.8 percent for the region.

It said Lebanon was one of just 12 countries worldwide that posted rental growth in the first half of 2009. Lebanon accounted for four of the top 10 rental locations in the Middle East and Africa, with the Beirut Central District ranking in second place in the region and in first place among Arab markets. It was followed in fourth place by the ABC Center in Achrafieh at \$1,470 per-square-meter, Verdun Street in 5th place at \$1,364, and Kaslik Street in 7th place at \$1,260. Five locations in Lebanon ranked among the top 10 locations in the region for fastest rental growth.

The Beirut Central District posted the strongest growth in the region with an 80 percent rise in rent in the 12 months ending June 2009.

Kaslik posted the third highest rental growth at 20 percent, Hamra Street registered the fourth highest rental growth at 13.3 percent, the ABC Center came in fifth place with a 12 percent growth, and Verdun Street in sixth place with an 8.3 percent growth in rents. New York's Fifth Avenue is the world's most expensive retail location at \$19,200 per-square-meter a year.

Read more: <http://www.cushwake.com>

several gaps in the promotion of Lebanon, particularly in the area of tourism wherein a great number of people around the world are still unaware that Lebanon has so much more to offer than its cedar trees.

A total of \$960.4 million were transferred electronically to Lebanon in 2008, up 31 percent from the previous year, while transfers from Lebanon amounted to \$429.7 million, up 33.7 percent year-on-year. The average amount per transaction to Lebanon was \$927.4 in 2008 compared to \$961.3 in 2007, while the average amount per transaction from Lebanon totaled \$488.

Economics

Lebanon's Fiscal Deficit at \$1.84B up to August 2009 Lebanon's

fiscal deficit widened by 8.88% during the first eight months of 2009 to reach LP 2.77 trillion (\$1.84B) compared to the same period a year earlier, according to the ministry of Finance.

However, the deficit grew at a slower pace than the 2008/2007 same period of 9.7%. This came as revenues surged by 26.5% to LP 8.57 trillion (\$5.68B), with both Tax and non Tax revenues rising 30% higher. At the same time, expenditures gained 22% to LP 11.35 trillion (\$7.53B). Moreover, the increase in the fiscal deficit is mainly due to a rise in both debt servicing and EDL transfers since the primary balance recorded a surplus of \$647M this year against \$563M registered a year earlier. In details, the government spent 421 billion pounds (\$280M) more in the first eight months of 2009 on interest payments as compared with the same period last year. As for Electricite du Liban (EdL) subsidies, they are still draining on the Treasuries' resources and remain a major structural problem to be tackled by the incumbent government as they surged 11.5% to LP1.7 trillion (\$1.14B) compared to the same time scale in 2008.

BoP Surplus at \$4,367M up to August 2009

Lebanon's Balance of Payment (BoP) hit a surplus of \$4.4B in the first eight months of 2009, an all time high level since 1990, with a year on year rise of 26.2%. On a monthly basis, the BoP recorded a surplus of \$1,019M for the fifth consecutive month in August compared to a surplus of \$402M in the same month last year. The surplus was boosted by the tourist season that reached its peak in August, leading to a positive change in both BdL and commercial banks' net foreign assets. Although the former achieved a positive balance, it dropped by around 26% to \$784M from last August as BdL's foreign currency assets grew at a slower pace of 3.6% between July and August 2009 compared to an increase of 6.7% a year earlier. As for the latter, it recorded its third positive balance this year in August with a surplus of \$235M compared to a \$655.8M deficit a year ago.

Commercial Banks' Profits at \$747M up to August 2009

The consolidated profits of commercial banks in Lebanon dropped by 7.72%, or by an amount of \$62M, to \$747M in the first eight months of 2009, compared to the same period in 2008, as banks maintained a high level of liquidity during the global credit crisis. On the other hand, the banking sector in Lebanon continued to show solid balance sheets as commercial banks' combined assets registered a monthly increase of \$2B in August to reach \$107.37B, adding 18.4% from a year earlier. In details, on a monthly basis, total loans provided to the private sector inched 0.5% up to \$27.1B of which 85% were denominated in foreign currencies. Furthermore, commercial banks continued to finance the public sector's debt by increasing their stake in government debt. Hence, total claims on the public sector grew by 2% in August from the previous month to \$26.8B extending their year on year rise to 10.6%. With respect to private sector deposits at commercial banks, they increased 1.84% from July this year and 19% from August 2008 to \$89.3B. Non resident private sector deposits increased by around 4% from July to \$14.85B as expatriates and foreign investors consider Lebanese banks safe for their capitals. Moreover, the dollarization rate of deposits fell to 66% in August, its lowest level since 2000, from 72.9% a year ago because depositors continued to switch their savings to the local currency on higher yields.

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Register now!

Lebanese International Business Council's 6th annual conference
NEW DATE ! Planet Lebanon 2010

The Lebanese International Business Council (LIBC) was established in 1999 under the decree No 4 dated 4/12/1999 issued by the Ministry of Interior. It was created in response to an ever growing need for Lebanese Business people abroad to work together in an increasingly developing market.

A non-profit organization, its aim is to promote the economic and financial development of Lebanon by encouraging investments in various profitable projects while bringing together Lebanese business people around the globe who wish to be part of this unique council.

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In a confirmation of the confidence given to, the Lebanese International Business Council (LIBC), from H.E President of the republic of Lebanon General Michel Sleiman.

President Sleiman accepted to patronage the new date of the 6th World Conference of the Lebanese International Business Council (LIBC), also known as Planet Lebanon, which will be postponed from July 2009 to June 2010.

Planet Lebanon 2010 will be held from 29-30 June 2010 at Beirut Internationall Exhibition and Leisure Center. It is expected to witness the largest gathering of elite local and expatriate Lebanese and Arab businessmen.

One again LIBC thanks General Michel Sleiman for his continues confident in LIBC and in the international event will be held under his patronage.

This event is the single most important international economic and financial convention of Lebanese and Arab expatriates to date.

What is notable about the upcoming LIBC conference is the fact that hands-on business can be conducted during the convention with the prospect of materializing profitable deals during the business rounds. International and local industry representatives will attend this convention to establish and cultivate off-shore, free zone, import/export relations that will strengthen the industry position of Lebanese businesses around the world.

Notable is also the fact that dignitaries of several countries will be attending this convention to create trade relations with the Caribbean region and the rest of the world.

Hereby we cordially invite you to seize this opportunity to expand your mercantile horizons alongside the unforgettable experience of the soothing touch of Beirut breeze.

Register for Planet Lebanon2010 now!

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The editors value your comments, suggestions and contributions.

Speak to us at info@libc.net

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