



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

Why Lebanon is still faring pretty well?

Why Lebanon fared well during the Global Financial Crisis? A question is expected to be answered in one of the most important sessions in Planet Lebanon 2010 conference.

Planet Lebanon 2010 is the manifestation of new visions, old hopes and genuine desire for a brand new Lebanon. It is our sincere wish that through providing a place for the creation and development of Arab-international ties, we may play a decisive part in rebuilding our national economy, and paving the way to unprecedented heights.

Amongst the top of Keynote speakers the session will host Dr. Joseph Tarabay, Chairman of the Association of Lebanese Banks. And H.E.M. Riad SALAME, Governor of the Central Bank of Lebanon.

The session will discuss the stabilizing features of the Banking sector and its challenges in supplementing stronger growth in the country.

As you all know, growth in Lebanon in 2010 is predicted by the IMF and several other institutions, such as private banks working in Lebanon, to be between 6 and 7 percent. That is a pretty good number for this year, especially since we are still in a global financial crisis.

There are many reasons why Lebanon is still faring pretty well compared to other countries. The one essential factor this year was that there has been some kind of stability in political terms and also on the security front. We had a very good tourist season with a lot of Lebanese immigrants and international visitors coming in.

You also have to add that, due to the stable financial system and the stable banking system in Lebanon, we still have very good inflows coming in. The balance of payments surplus now is almost \$3.3 billion for the first seven months of the year. This is double the surplus posted in the same period last year. This mostly comes from petrodollar-rich Gulf countries, where many Gulf investors are still looking to Lebanon as a destination for their investments. Unfortunately most of this is still going to real estate investments and major real estate compounds; although they are good for the Lebanese economy, in the long run they create a certain crowding out of other activities like agriculture and industry.

**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 Migration: Costs and Benefits

International migration is one of the most important factors affecting economic relations between developed and developing countries in the 21st Century. At the start of the century it was estimated that about 175 million people – roughly 3 percent of the world population – lived and worked outside the country of their birth.

The international remittances sent by these migrant workers to their households back home have a large and profound impact on the developing world. According to Global Development Finance, international worker remittances sent home by migrant workers represent the second most important source of external funding in developing countries. International worker remittances now total \$75 billion per year and are about twice as large as the level of official aid-related inflows to developing countries. While no comprehensive figures have ever been collected on the number of migrants involved, the amount of money sent home by migrants from these countries has been substantial. International worker remittances as a share of gross domestic product (GDP) varied between 2 and 22 percent of GDP for various Middle East and North Africa countries during the period 1998 to 2003. In all likelihood these figures actually underestimate the level of remittance monies returning to Middle East and North Africa countries, because they only include those remittances which come back through official, banking channels. Many migrants, who do not trust banks, remit their money back home through informal and unrecorded means.

Lebanon is the only country that has over 10 percent of its labor force living and working abroad. Even the two largest labor-exporting countries in North Africa – Morocco and Tunisia – have less than 8 percent of their labor force working abroad. By comparison, 15 of the 38 countries in the Latin America and Caribbean region have over 10 percent of their labor force living and working abroad.

Migration is mostly a “brain drain.” Most of our emigrants are highly skilled, 70 percent of Lebanese migrants have more than 9 years of schooling, which is very high. While the level of education of emigrants from other Middle East and North Africa countries currently living in the OECD (America) and the OECD (Europe) are less than Lebanon.

From the standpoint of economic development, the basic question is quite clear: How are worker remittance monies spent or used? Do migrant workers channel their international remittance earnings into human and physical capital investments back home, or do they merely use these monies to purchase new “status-oriented” consumer goods for themselves and their families?

All these questions are expected to be answered in Planet Lebanon 2010 conference. Hope to see you in 29 June 2010

Warm regards

Ghayath Rifai (General Executive Secretary)

Lebanon's economy maintains buoyant performance in Q1 of 2010

At the banking level, activity continued to be driven by a strong increase in customer deposits within the context of steadily strong inflows. A bank deposit growth of \$2.4 billion (2.5 percent) was reported over the first three months of 2010, allowing banks to pursue their financing activities aided by a high financial flexibility. Lending activity managed to gain some vigor reporting a healthy growth of circa \$2.3 billion (8.2 percent) in an environment of de-leveraging across the globe.

It is worth noting that following the significant drop in foreign rates to historical lows, bank spreads continued to contract in the first quarter of 2010. An additional rise in banks' net profits was yet reported, with banks significant overall balance sheet growth generating a supportive quantity effect that more than offset the adverse price effect of shrinking spreads.

The Lebanese economy continued in the first quarter of 2010 to witness buoyant performance in its real sector activity along with a persisting strong growth in capital inflows and financial aggregates, according to Bank Audi's Lebanon economic report. Driven by both improved consumption and investment components, real GDP is projected to grow by 6 percent in 2010, as per new IMF forecasts, thus slightly contracting from 2009 growth but maintaining a healthy pace. In parallel, the rate of inflation, which had reported a moderate 4.2 percent in 2009 on an annual basis, remained relatively low at 1.24 percent in the first quarter of 2010.

Both internal and external growth drivers were on the upside this year, unscathed by the persisting global sluggishness or the slow regional recovery.

At the level of domestic drivers, the continuing improvement in domestic political conditions and security normalization were at the base of such domestic growth drivers. The domestic investment aggregate benefited from regained confidence in Lebanon's short to medium-term economic prospects, with growing capital spending by businesses and corporates. The domestic consumption aggregate meanwhile benefitted from the increasing spending on behalf of the significant incoming of Lebanese non-residents to their home land.

At the level of external drivers, FDI, remittances, touristic spending and exports were on the upside. The growth of foreign direct investment to Lebanon continued to be driven by improving domestic politico-security conditions and recovering regional liquidity. Regarding remittances and inflows toward the home economy growing by 65 percent year-to-date, the balance of payments reported a record high surplus of \$978 million in the first quarter of 2010. As to tourism, the aggregate number of tourists rose by an additional 32 percent in the first quarter of 2010 and de-taxed expenditures grew by 23 percent year-on-year. The country's exports grew by 12 percent in the first quarter of 2010. At the monetary level, currency conversions continued toward the national currency at a healthy pace that neared \$1-billion per month since the beginning of the year, decreased dollarization ratios to 10-year lows. This has indirectly raised the central bank's foreign assets to a record high of above \$30 billion, the equivalent of 83 percent of LP Money supply (111 percent when including gold reserves), suggesting a significantly high level of foreign exchange immunity at large. At the fiscal level, the first quarter of 2010 reported a further improvement in government debt and deficit ratios. While public revenues went up by 9.0 percent over the first quarter of 2010, public spending went down by 13.0 percent year-on-year, despite the rise in fuel oil prices, mainly as a result of public spending rationalization. Based on preliminary figures of the 2010 budget draft, public deficit to GDP might slightly expand to 10.8 percent in full year 2010, but debt to GDP would continue its downward trend and would end the current year at close to 147 percent, the lowest level in 11 years. At the capital markets' level, activity was favorable as well, extending the gains reported over the past year. The Stock Market index rose by 3 percent over the first quarter of 2010 following the 27.3 percent rise of 2009. The demand on bonds was even more noticeable, as it emanated from both resident and foreign investors, contracting the mean spread on the \$18 billion of outstanding bonds by 86 basis points over the period to move from 290 basis points in December 2009 to 204 basis points in March 2010. Likewise, local currency paper (Treasury bills and Certificates of Deposits) benefited from buoyant demand, as suggested by large subscriptions in such instruments since the beginning of 2010.

Story in Pictures

TELL A FRIEND
Do you have a friend who works for Lebanese expatriates around the planet?

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A Lebanese disabled man, sits on his wheelchair as he casts his vote at a polling station during the municipal elections in the southern port city of Sidon, Lebanon, on Sunday, May 23, 2010. Tens of thousands of Lebanese headed to ballot stations Sunday to vote in the third of four-stage municipal elections in south Lebanon. (AP Photo/Mohammed Zaatari)



Flags representing countries taking part in the World Cup 2010 adorn a building in downtown Beirut on May 10, 2010. Three weeks before the start of World Cup football in South Africa, the Lebanese remain divided about supporting the participating teams; the instrument is in a battle flags of all sizes and colors. AFP PHOTO/ANWAR AMRO

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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Lebanese International Business Council's 6th annual conference

Planet Lebanon 2010
29th June until 1st July 2010

Official Launching of the PLANET LEBANON Website in five languages

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The sixth Lebanese International Business Council (LIBC) World Conference and exhibition is our response to the global economic and financial crisis, with a special highlight on how to enhance employment, investment and trade prospects by offering the Lebanese, Near Eastern, Gulf and African markets with a rare chance to network with their Lebanese-international and Arab-international counterpart, and remain informed of critical economic strategies and variables via panels of selected speakers.

Held under the high Patronage of the President of the Republic, His Excellency General Michel Sleiman, the event is designed to allow room for expertise exchange, relationship building and cooperation opportunities, and provide a refined, targeted display venue for your products and services.

After the success of Planet Lebanon 2005, and a four-year imposed hiatus, LIBC is proud to relaunch Planet Lebanon 2010, under the title of the Lebanese-Arab Expatriates Networking Conference. Planet Lebanon 2010 is the manifestation of new visions, old hopes and genuine desire for a brand new Lebanon. It is our sincere wish that through providing a place for the creation and development of Arab-international ties, we may play a decisive part in rebuilding our national economy, and paving the way to unprecedented heights.

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Planet Lebanon 2010 offers sponsorship programs that deliver creative, comprehensive, multi-channel marketing outreach to maximize business development objectives. The Conference Sponsorship Program combines the leading international congress with special events, an exhibition, specialized newsletter, directories, websites, e-literature and media coverage, that are designed to maximize the synergy benefits of multi-channel marketing and business development. Special stands will also be provided for the sponsors at the concurrently held site. Select your package from a full range of unique 'Official Sponsors Packages' designed to maximize effective marketing and business development opportunities. Other Sponsorship Packages such as MAIN or EXCLUSIVE SPONSORS are available. For more information please contact the LIBC.

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The editors value your comments, suggestions and contributions.

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