

**Statement by**  
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**Presentation of the Investment Policy Review of Lebanon**  
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*AS PREPARED FOR DELIVERY*

**H.E. M. Salim Baddoura**, Ambassador of Lebanon to the United Nations,

**H.E. Mr. Nabil Itani**, Chairman, Investment Development Authority of Lebanon,

Excellencies,

Distinguished delegates,

Ladies and gentlemen,

It is my great pleasure to welcome you to UNCTAD for the presentation of the main findings and recommendations of the Investment Policy Review (IPR) of Lebanon. We hope that today's discussion will provide helpful comments and views to further improve the country's investment climate.

Ladies and gentlemen,

As I mentioned earlier today, the dynamics of investment and international production are undergoing significant changes. Multiple forces are at play which threaten multilateralism, depress trade and investment flows, and increase the challenges for developing countries to integrate international value chains. Our most recent estimates see a further decline in global foreign direct investment (FDI) of 41 per cent for the first half of 2018, and the decline, while led by developed economies, also affects developing countries and regions. FDI flows to the Middle East, which have been almost continuously declining since the financial crisis, dropped a further 16 per cent last year.

Lebanon, however, has proved to be a special case. It is a post-conflict country, in an instable region, which has welcomed a large number of refugees in recent years and faces important macroeconomic challenges. Yet, in a context of falling global and regional FDI flows, Lebanon has managed to attract significant levels of FDI and perform above the regional average. This is due in large part to its openness to trade, its strategic location, a strong local private sector and the quality of local education. It is also the outcome of the last two decades of reforms to improve the trade and investment climate.

FDI has contributed to the development of a well-diversified economy and if Lebanon were to address the constraints that still hamper the operational environment for businesses, it could reap significant economic and social development gains. In this respect, the IPR fosters not only policy reform, but also institutional change and capacity building with a view to assist the country in achieving its national development objectives and the Sustainable Development Goals. It is no exaggeration to say that the IPR could have a transformative effect on the type of investment attracted and job creation, which the country needs.

In particular, the IPR recommends the strengthening of institutional capacities, which affect the implementation of important laws and regulations, in areas such as commercial arbitration, environmental protection or labour inspections. It also recommends a better alignment between FDI regulations with the country's development objectives, streamlining business regulations and enhancing reform efforts in the areas of governance, transparency and business facilitation.

Our report also provides strategic recommendations to enhance the effectiveness of investment promotion efforts and sets out a roadmap for the promotion of Lebanon's information economy, which the Government views as a potential growth sector that FDI could contribute to. Lebanon, like all

economies, needs to adapt to rapid technological change, such as emerging technologies in robotics and artificial intelligence. These technologies are already having a transformative impact on economic activity as we know it. The IPR proposes several recommendations to ensure that the country is actively involved in shaping this new economy, including through FDI.

The IPR's recommendations are built around short-, medium- and long-term measures that require increased degrees of involvement by the Lebanese authorities. We look forward to working with the Government in providing further technical assistance to implement the recommendations of the report.

I would like to thank the ministries, authorities and agencies of Lebanon, in particular the Investment Development Authority of Lebanon (IDAL), the Ministry of Economy and Trade, the Ministry of Finance and the National Employment Office, as well as the private sector and civil society representatives, who have offered their sustained support throughout the review process. And I am very pleased to note that several high-level representatives of these entities travelled from Lebanon to be with us today. Your presence is a sign of the strong commitment of the authorities to implement this IPR.

Finally, let me thank both the Government of Lebanon and the Government of Sweden who jointly funded the IPR process, and the publication of the report.

I hope that the IPR recommendations will assist your efforts to improve investment policies and harness the benefits of investment for strengthening Lebanon's sustainable development.

Thank you.