

**Discussion Forum on
« Why Trade Matters in Development Strategies »
Geneva, 27-29 November 2013**

**Presentation on Lebanon
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and
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DISCUSSION FORUM ON
TRADE AND DEVELOPMENT STRATEGIES:

*LEBANON'S EXPERIENCE OF INTEGRATING THE TRADE DIMENSION
INTO ITS NATIONAL STRATEGY AS WELL AS IN
BILATERAL AND MULTILATERAL ASSISTANCE PLANS*

27-29TH NOVEMBER, 2013

REPRESENTATIVES FROM THE MINISTRY OF ECONOMY AND TRADE

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Lebanon: Country Profile



- Relatively small country with a diverse population of about 4.3 million inhabitants.
- Recognized for its strategic geographical position in the MENA region and at the global level.
- Considered to be an Upper Middle Income Country by the World Bank.
- Its economy has traditionally followed a laissez-faire model and is based primarily on the service sector
- Construction, tourism, and financial services are the most prominent sectors among Lebanon's exports and imports of commercial services. Wholesale and retail trade constitutes 15% of Lebanon's total GDP, also making it an important source of growth for the economy.

Lebanon Trade Sector Characteristics (1)

- The tables below show the main trading partners (both imports and exports) for the year 2012.

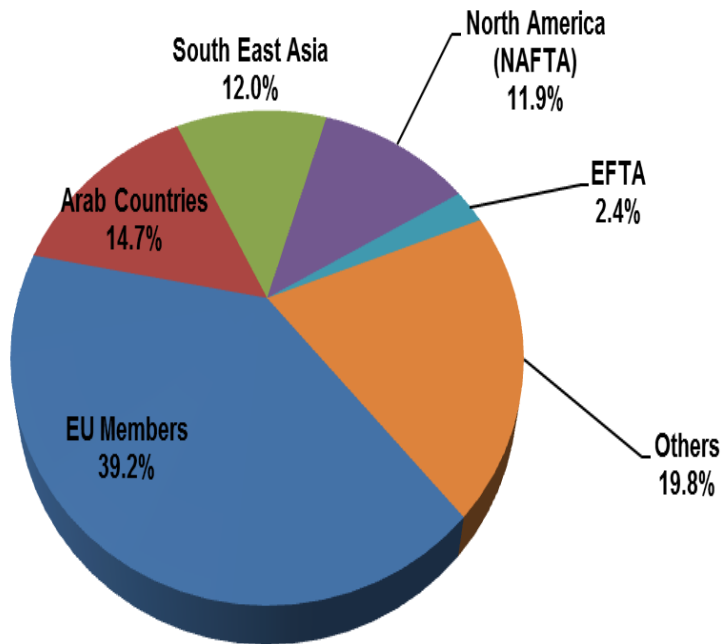
				2012		
Imports	Rank	Country	% Share of Total			
	1	United States	11%			
	2	Italy	9%			
	3	China	8%			
	4	France	7%			
	5	Germany	6%			
	6	Turkey	5%			
	7	Greece	4%			
	8	Egypt	4%			
	9	Kuwait	3%			
	10	United Kingdom	2%			
			Others	41%		
		TOTAL	100%			

				2012		
Exports	Rank	Country	% Share of Total			
	1	South Africa	19%			
	2	Switzerland	12%			
	3	Saudi Arabia	8%			
	4	United Arab Emirates	8%			
	5	Syrian Arab Republic	7%			
	6	Iraq	5%			
	7	Turkey	4%			
	8	Jordan	3%			
	9	Belgium	2%			
	10	Egypt	2%			
			Others	30%		
		TOTAL	100%			

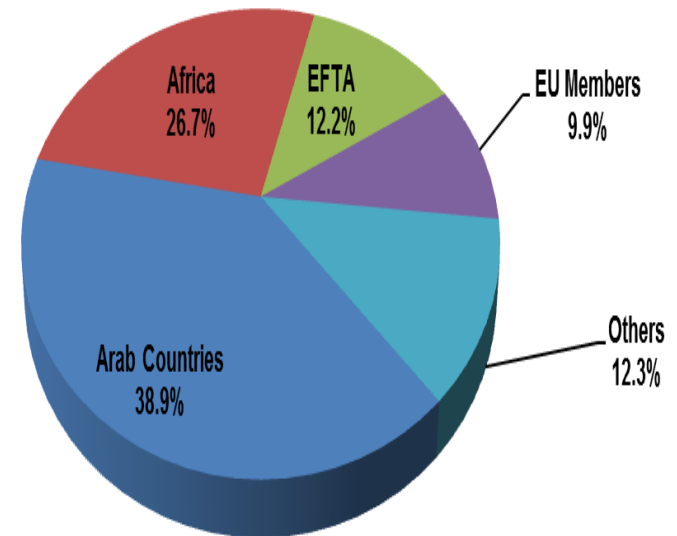
Lebanon Trade Sector Characteristics (2)

- The pie charts below show the main trading partners (both imports and exports) according to their main market for the year 2012.

Imports from Lebanon 2012



Exports from Lebanon 2012



Lebanon Trade Sector Characteristics (3)

- The tables below identify the major traded products (both imports and exports) for the year 2012.

2012				
	Rank	HS Code	Name of Chapter	% Share of Total
Imports	1	27	Mineral fuels, mineral oils and products	28%
	2	1 to 23	Food and Beverages	14%
	3	71	Precious or semi-precious stones, pearls, imitation jewelry etc.	7%
	4	87	Vehicles other than railway or tramways etc	7%
	5	84	Boilers, machinery and mechanical appliances etc.	6%
	6	30	Pharmaceutical products.	5%
			Others	34%
	TOTAL			

2012				
	Rank	HS Code	Name of Chapter	% Share of Total
Exports	1	71	Precious or semi-precious stones, pearls, imitation	38%
	2	1 to 23	Food and Beverages	13%
	3	85	Electrical machinery and equipment	6%
	4	84	Boilers, machinery and mechanical appliances etc.	5%
	5	74	Copper and articles thereof.	4%
	6	72	Iron and steel.	3%
			Others	31%
	TOTAL			

Lebanon's Policy Guidelines and Priorities

- The government package of reforms has generally aimed at:
 - Improving the investment climate
 - Supporting private-led growth
 - Expanding Exports
 - Rehabilitating infrastructure- access to electricity, transportation, water supply and sanitation, and information technology and telecommunications
 - Furthering human development- access to education, health care and social protection
 - Improve Governance
 - Strengthen the nation's statistical capabilities

- The procedure through which the above mentioned reforms are agreed upon is as follows:
 - Each Ministry submits its sector strategy and priorities to the Council of Ministers (CM) for approval
 - Implementation of these reform packages takes place at the level of the Ministry in coordination with the Presidency of Council of Ministers (PCM).
 - Individual project proposals are submitted by each ministry-- either unilaterally or jointly with the relevant stakeholders (such as EU, UN agencies, USAID, World Bank etc)—to CM, who then takes the appropriate decision

How is Lebanon Integrating the Trade Dimension into the National Strategy?

1) Numerous international and regional trade agreements exist in Lebanon, including:

- ❑ **Association Agreement with Europe (AA)**, including the European Neighborhood Policy (ENP)
- ❑ **European Free Trade Association (EFTA)**
- ❑ **Greater Arab Free Trade Area (GAFTA)**
- ❑ **Bilateral Framework Agreements**

In addition, efforts to join agreements at the regional level, such as the **Agadir Agreement**, and multilateral mechanisms, such as the accession to the **World Trade Organization (WTO)**, continue to be a work in progress.

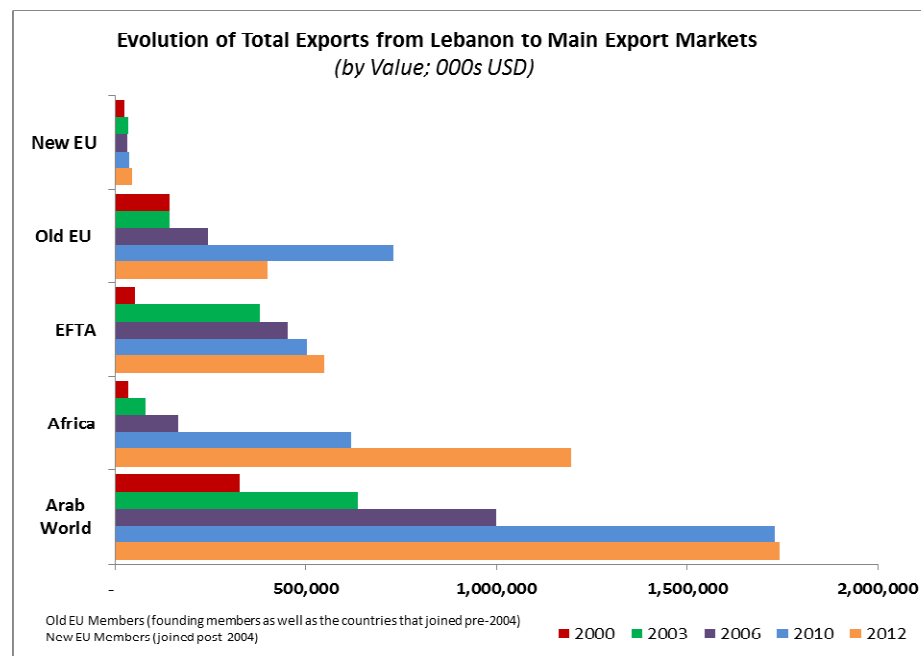
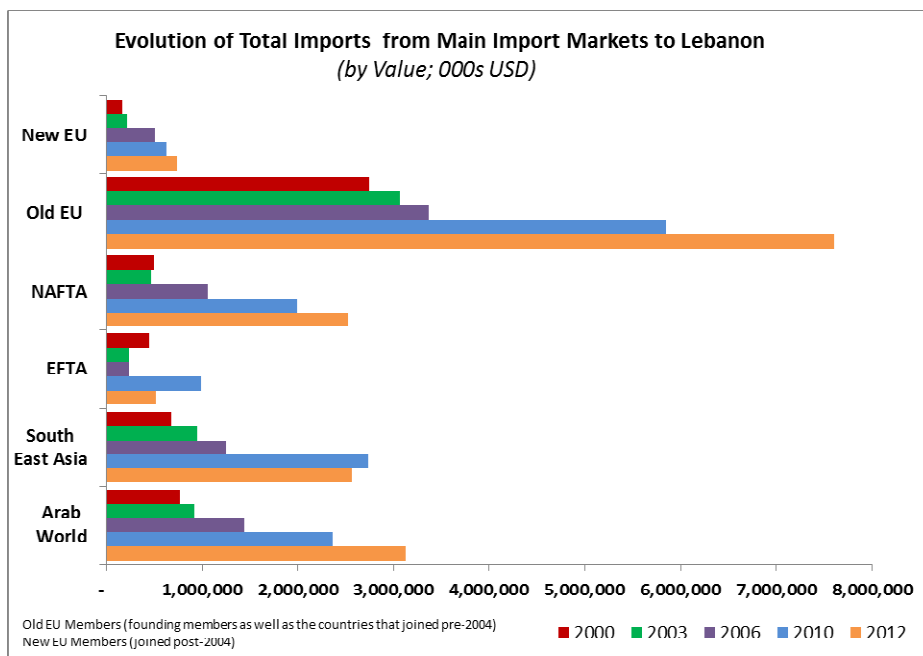
Those agreements mainly focus on:

- a. Reducing tariff and non-tariff barriers to trade
- b. Encouraging the development of international growth strategies

How is Lebanon Integrating the Trade Dimension into the National Strategy?

a. Reducing tariff and non-tariff barriers to trade

□ Due to domestic policies and trade agreements, significant steps have been made at reducing tariffs



□ Steps have been taken to reduce non-tariff barriers. For example, initiation of projects such as “NAJM Customs Reform Project” and ““Quality Standards and Regulations”)

How is Lebanon Integrating the Trade Dimension into the National Strategy?

b. Encouraging the development of international growth strategies

□ Achieve this by:

- Improving the Business Environment
- Supporting Private Led Growth
- Promoting and Diversifying Exports

□ Examples of Projects being Implemented:

- “One Stop Shop” initiative
- “Improving the Business Environment in Lebanon (IBEL)” initiative
- “National SME Strategy Development” project
- “Export Promotion Services” initiative
- “Reinforcement of the Lebanese Private Sector Competitiveness—
Quality Component: Strengthening of Quality Management,
Capabilities, and Infrastructure in Lebanon”
- “Agriculture and Rural Development Program

How is Lebanon Integrating the Trade Dimension into the National Strategy?

2) UNDAF Framework (2010-2014)

Based on national policy and planning documents and the identified UN Country Team comparative advantages, the UN Country Team selected five UNDAF outcomes:

- i. Democratic governance and institutional development
- ii. Socio-economic development and regional disparities reduction
- iii. Environmental sustainability
- iv. Human rights
- v. Gender

Challenges



Despite such programs and initiatives, some challenges still prevent the process of growth in trade from achieving its full potential:

- Procedural Problems
- Family Businesses
- High Production Costs
- Standards and Quality Requirements
- Limited Data Collection and Management Methods



Thank You

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