

## **Lebanon International Investment Forum Summary**

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Attendees of the Lebanon International Investment Forum included high level decision makers from Lebanon's Prime Minister's Office, relevant industry sector Ministers, representatives from: the Council for Development and Reconstruction, The Higher Council for Privatisation and PPP, local embassies, the private sector. Other attendees included investors, local and international banks and major sponsors.

There was a consensus from the attendees and speakers from the public and private sectors, that the Lebanon International Investment Forum took place at a significant time, just a few days after the CEDRE conference in Paris, which highlighted the many investment opportunities available in Lebanon.

The Forum was opened by the **President of the Council of Ministers, H.E. Mr. Saad Hariri**, represented by the Minister of Telecommunications, H.E. Mr. Jamal El Jarrah. There were also keynote speeches from the Minister of Energy, H.E. Mr. Cesar Abi Khalil, and the Chairman of the Chamber of Commerce, Industry and Agriculture of Beirut and Mount Lebanon, Mr. Mohamed Choucair.

H.E. Mr. Jamal Jarrah, representing **H.E. Mr Saad Hariri**, indicated that the Lebanon International Investment Forum has been organised in a timely manner, a few days after the CEDRE Conference that has allocated large amounts of funds to solve the many problems facing Lebanon's economic sectors.

H.E. the Minister of Telecommunications, Mr. Jamal Jarrah stated that the Ministry of Telecommunications was the major focus of the CEDRE Conference, with many projects opening with the expansion of the telecoms network to include all the Lebanese regions as well as the core project of implementing fibre optics; making Lebanon a strategic place for the internet in the Middle East. These projects will provide additional income to the Lebanese Treasury and provide jobs to the Lebanese people.

The Minister of Energy and Water, H.E. Mr. Cesar Abi Khalil, has indicated that fifty-five percent of the commitments in the CEDRE Conference are for the electricity, water and wastewater sectors. In the electricity sector, the Ministry of Energy has established one of the first projects in the country in partnership with the private sector, which was a model presented at the Paris Conference and will boost Lebanon's economic position.

Regarding the oil & gas sector, H.E. Mr. Cesar Abi Khalil announced for the first time, that the consortium of companies Eni, Total and Novatek have submitted the final exploration plan, which is the last stage before starting the mobilization of their workforce and the final preparations for the drilling process which will be in the year 2019. The LPA is currently studying the plan alongside the Ministry which must be approved within a month's time, thus signalling the

launch of the exploration phase in the Lebanese marine waters. This will add a major boost to the Lebanese economy through the funds that will be invested by the international companies in the preparatory period of the exploration phase as well as with the recruitment process in Lebanon.

H.E. Mr. Cesar Abi Khalil added that by Lebanese Law, the local employment rate should be 80% and there will be preferential rates for local suppliers and contractors ranging from 5% to 10% respectively. Also, it is important to mention that works to be completed by companies exceeding 50,000 USD will be subject to general tendering process, and the above preferential treatment will be applied. Furthermore, the chairman of the LCEC assured that investments in renewable energy projects in Lebanon are set to exceed 1 billion USD in the next five years.

Mr. Ibrahim Chahrour representing the President of the Council of Development and Reconstruction of Lebanon (CDR) acknowledged that The Lebanon International Investment Forum comes at an exceptional stage in the history of Lebanon. Firstly, Lebanon is at the gates of producing a new government with many challenges being faced on economic and financial levels.

Mr. Ibrahim Chahrour stressed the important role public investment plays in promoting growth, creating jobs and improving living standards, and it is an opportunity that was offered at the CEDRE Conference to obtain soft loans for the implementation of infrastructure projects and public services. However, for this opportunity to work, it has to be accompanied by reforms; improvement in the management of public investments, a focus on external loans and to start creative partnerships with the private sector through PPP. Finally, it should be noted that the management of public investments is a dynamic process and the programs scheduled should be reviewed every couple of years in light of the latest developments in Lebanon and the region.

The Secretary General of the Higher Council for Privatisation and PPP, Mr. Ziad Hayek stressed on the importance of the Private Public Partnership (PPP) on the Lebanese economy in terms of job creation thus limiting the immigration of the Lebanese Citizens and giving them better living standards. Mr. Hayek estimated that with spending 6 billion dollars on PPP projects, it could create more than 200,000 jobs within five years. Mr. Ziad Hayek added that the PPP Law was put forward at the CEDRE conference as one of the achievements of the Lebanese government in order to encourage countries and multilateral organisations to give Lebanon an opportunity, and give financial support to fund many of the projects that are included in the CIP. Although PPP took only one third of the CIP, the most important projects included the toll road from Khaldeh to Nahr Ibrahim and the expansion of the airport.

Mr. Mohamed Choucair, Chairman of the Chamber of Commerce, Industry and Agriculture of Beirut and Mount Lebanon, declared on behalf of the private sector that they strongly demand the implementation of the promised reforms, without which there is no hope of the success of the loan programme through CIP that was announced at the CEDRE Conference, and the restoration of

confidence of the Lebanese and Arab brothers and the international community in the country.

H.E. Ambassador Christina Lassen, the Head of the Delegation of the European Union to Lebanon, stated during her opening speech of the second day of the conference that the Lebanon International Investment comes at a very timely period, only few days after the CEDRE conference where EU and International Partners have committed to support Lebanon stability and prosperity.

The Forum tackled all the issues regarding the new funds provided by the International community at the CEDRE Conference through its distinguished speakers from the government and private sector including European and world funds. These speakers delegated their time during the conference to discuss the main issues related to the attractiveness of the country in terms of attracting new investments, including: what makes Lebanon a top investment destination, what are the benefits for Lebanon, the future role of the private sector, defining PPP Law and the types of reforms needed.

The PPP Law seems to be the solution for macro problems in Lebanon as some of the private sector speakers claimed as it promotes economic diversification, supports jobs creation, solves fiscal issues for the government and creates additional revenues for the government.

The Forum deducted that there are strict reforms to be implemented in the energy sector and the other sectors as well. There is a need to make reforms; there is a willingness of the private sector as well as the international and financial institutions to provide financing. After the elections, this will be a high priority for the new government. This conference was very useful in advancing the idea of Lebanon being a land of opportunities for investment.

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