**Embassy** **of** **India** **Beirut**

**No.BEI/COM/201/01/2018** **10 December, 2018**

**Economic & Commercial Report – November, 2018**

(**Data given below are for September 2018 as updated figures for**

**November 2018 are not released by Lebanese authorities)**

**1.** **ECONOMIC INDICATORS OF LEBANON:**

|  |  |
| --- | --- |
| **GDP** | **2017** (estimated) |
| Nominal GDP | US$ 51.84 billion |
| GDP Growth Rate (%) | 2.0% |
| GDP (per head) PPP | US$ 19,500 |

|  |  |
| --- | --- |
| **International** **reserves** (US$ bn) | **2017**  (actual) |
| Total international reserves | 55,411 |

|  |  |  |
| --- | --- | --- |
| **Total** **trade** **(US$** **bn)** | **2016** | **2017** |
| exports | 2.98 | 2.8 |
| imports | 18.70 | 23.1 |
| Trade balance **(US$** **bn)** | (-) 15.72 | (-) 20.3 |

**ii.** **Total** **Trade** **commodity-wise** **with** **India** **by** **end** **of September, 2018:**

|  |  |  |  |
| --- | --- | --- | --- |
| HS code | Description | Import | Export |
|  |  | Thousand $ | Thousand $ |
| 1. | Live animals, animal products | 11,347 | 0 |
| 2. | Vegetable products | 24,996 | 12 |
| 3. | Animal or vegetable fats and oils | 190 | 0 |

|  |  |  |  |
| --- | --- | --- | --- |
|  | and their cleava |  |  |
| 4. | Prepared food stuffs; beverages, spirits and vinegar | 5,987 | 49 |
| 5. | Mineral Products | 1,161 | 39 |
| 6. | Products of the chemical or allied industries | 30,301 | 40 |
| 7. | Plastics and articles thereof; rubber | 12,161 | 819 |
| 8. | Raw hides and skins, leather, fur skins | 1,887 | 0 |
| 9. | Wood and articles of wood; wood charcoal; cork | 217 | 0 |
| 10. | Pulp of wood; paper and paperboard | 3,104 | 624 |
| 11. | Textile and textile articles | 33,440 | 39 |
| 12. | Footwear, umbrellas, artificial flowers | 2,358 | 6 |
| 13. | Articles of stone, plaster, cement, glass | 11,659 | 0 |
| 14. | Natural or Cultured pearls, precious or semi-precious | 60,646 | 868 |
| 15. | Base metals and articles of base metal | 7,905 | 6,534 |
| 16. | Machinery, electrical instruments | 25,947 | 304 |
| 17. | Vehicles, aircraft, vessels, transport equipment | 38,607 | 5 |
| 18. | Optical, photographic, medical, musical instruments | 1,752 | 0 |
| 19. | Miscellaneous manufactured articles | 3,045 | 41 |
| 20. | Works of art, collectors‟ pieces and antiques | 23 | 4 |
|  | **Total** *(US$* *thousands)* | **276,734** | **9,385** |

**iii.** **Top** **ten** **import** **from** **India** **commodity-wise** **by** **end** **of** **September, 2018:**

|  |  |  |
| --- | --- | --- |
| Ranking | Description | Import |
|  |  | Thousand $ |

|  |  |  |
| --- | --- | --- |
| 1. | Natural or Cultured pearls, precious or semi-precious | 60,646 |
| 2. | Vehicles, aircraft, vessels, transport equipment | 38,607 |
| 3. | Textile and textile articles | 33,440 |
| 4. | Products of the chemical or allied industries | 30,301 |
| 5. | Machinery, electrical instruments | 25,947 |
| 6. | Vegetable products | 24,996 |
| 7. | Plastics and articles thereof; rubber | 12,161 |
| 8. | Articles of stone, plaster, cement | 11,659 |
| 9. | Live animals, animal products | 11,347 |
| 10. | Prepared Foodstuffs, beverages, spirits and vinegar | 5,987 |

**iv.** **Top** **ten** **export** **to** **India** **commodity-wise** **by** **end** **of** **September, 2018:**

|  |  |  |
| --- | --- | --- |
| Ranking | Description | Export |
|  |  | Thousand $ |
| 1. | Base Metals and articles of base metals | 6,534 |
| 2. | Natural or Cultured pearls, precious or semi-precious | 868 |
| 3. | Plastics and articles thereof; rubber | 819 |
| 4. | Pulp of Wood or of other fibrous cellulosic material | 624 |
| 5. | Machinery, electrical instruments | 304 |
| 6. | Prepared food stuffs; beverages, spirits and vinegar | 49 |
| 7. | Miscellaneous manufactured articles | 41 |
| 8. | Products of the chemical or allied industries | 40 |
| 9. | Textile and textile articles | 39 |
| 10. | Mineral Products | 39 |

**v.** **Major** **Exports/Imports** **Indices** **are** **as** **follows:**

**Volume of bilateral trade [India & Lebanon]:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Year** | **India’s** **Export** **to** **Lebanon** | **India’s** **Import** **from** **Lebanon** | **Total** **trade** |
| 2013 | US$407.81m | US$ 25.47m | US$ 433.20 m |
| 2014 | US$406.13 m | US$ 23.65 m | US$ 429.78 m |
| 2015 | US$322.76 m | US$ 19.99 m | US$ 342.75 m |
| 2016 | US$280.09 m | US$ 13.01 m | US$ 293.10 m |
| 2017 | US$307.00 m | US$ 12.00 m | US$ 319.00 m |

**vi.** **The principal export destinations of Lebanon**

|  |  |  |
| --- | --- | --- |
| Ranking | Name of the Country | Till end of September, 2018Million US dollars |
| 1 | United Arab Emirates | 320 |
| 2 | South Africa | 165 |
| 3 | Saudi Arabia | 152 |
| 4 | Syrian Arab Republic | 140 |
| 5 | Iraq | 110 |
| **42** | **India** | **9** |

**vii.** **The principal import sources of Lebanon**:

|  |  |  |
| --- | --- | --- |
| Ranking | Name of the Country | Till end of September, 2018Million US dollars |
| 1 | China | 1,542 |
| 2 | Greece | 1,285 |
| 3 | Italy | 1,160 |
| 4 | United States | 1,113 |
| 5 | Germany | 873 |
| **17** | **India** | **277** |

**viii.** **Principal** **Commodities** **of** **Import** **&** **Export** **by** **Lebanon** **from** **all** **countries:** **(US$** **in** **Millions)** **(Till** **end** **of** **September, 2018)**

|  |  |  |  |
| --- | --- | --- | --- |
| **HS** **Code** | **Description** | **Import** | **Export** |

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **US$** **in** **Million** | |
| 1. | Live animals, animal products | 753 | 18 |
| 2. | Vegetable products | 708 | 124 |
| 3. | Animal or vegetable fats and oils | 111 | 36 |
| 4. | Prepared foodstuffs, beverages, tobacco | 999 | 294 |
| 5. | Mineral products | 3,204 | 21 |
| 6. | Products of the chemical or allied industries | 1,654 | 267 |
| 7. | Plastics and articles thereof; rubber | 564 | 130 |
| 8. | Raw hides and skins, leather, fur skins | 52 | 8 |
| 9. | Wood and articles of wood; wood charcoal; cork | 167 | 6 |
| 10. | Pulp of wood; paper and paperboard | 270 | 109 |
| 11 | Textiles and textile articles | 574 | 39 |
| 12. | Footwear, umbrellas, artificial flowers | 109 | 7 |
| 13. | Articles of stone, plaster, cement, glass | 338 | 17 |
| 14. | Pearls, precious stones and metals | 1,010 | 505 |
| 15. | Base metals and articles of base metal | 964 | 295 |
| 16. | Machinery, electrical instruments | 1,772 | 226 |
| 17. | Vehicles, aircraft, vessels, transport equipment | 1,269 | 17 |
| 18. | Optical, photographic, medical, musical instruments | 274 | 13 |
| 19. | Arms and ammunition; parts and accessories | 12 | 0 |
| 20. | Miscellaneous manufactured articles | 332 | 64 |
| 21. | Works of art, collectors‟ pieces & antiques | 19 | 4 |
|  | **Total** *(in* *USD* *millions)* | **15,156** | **2,199** |

**2.** **BILATERAL**

* The 11th edition of annual ‘Art of Living’ Commercial Exhibition held under the patronage of the Prime Minister-designate Saad Hariri started on 14 November 2018. The Mission participated in this Exhibition as part of its Market Expansion Plan. The Exhibition was inaugurated by Member of Parliament Mr. Nazih Najem and remained open till 18 November, 2018.
* 14 Indian companies (under FIEO) representing sectors including; Textiles; Pharmaceuticals; Gems and Jewellery; Processed Food; and Home Décor are also participated in this Exhibition.
* Indian Register of Shipping (IRClass) on 19 November 2018 signed an Agency Agreement with the Exceptional Operations Classification (XOClass) of Lebanon, to develop the Lebanese market for ships’ management, surveys and classification. The signing ceremony was held at the Chamber of Commerce, Industry and Agriculture of Beirut and Mount Lebanon (CCIABML) and in the presence of Ambassador Sanjiv Arora and Mr. Mohamad Choucair, Chairman CCIABML. IRClass will shortly open a new office in Beirut.
* Ambassador attended the Military Parade held in Beirut to celebrate the 75th Anniversary of Independence of Lebanon on 22 November, 2018. The National Day Parade was attended by HE General Michel Aoun, President; HE Nabih Berri, Speaker of Parliament; HE Saad Hariri, Prime Minister – designate; Cabinet Ministers; Army Commander General Joseph Aoun and a large number of other officials of defense forces; former Presidents and Prime Ministers; Heads of Diplomatic Missions and International Organizations; and a large number of other attendees from different spheres.
* Ambassador also attended the Reception held immediately after the Military Parade at Baabda Presidential Palace, at which every Head of Mission was jointly received for Independence Day greetings by the President, Speaker, Prime Minister – designate and Caretaker Minister of Foreign Affairs and Emigrants. Besides greeting them, Ambassador interacted with a large number of other dignitaries on this occasion.
* Ambassador accompanied by officials of the Mission visited Nahar El Ibrahim Gurudwara in Lebanon on 25 November on the occasion of 550th Prakash Parv of Guru Nanak Dev Ji and addressed a large gathering of Indian nationals in Lebanon.
* Ambassador attended the observance of the International Day of Solidarity with the Palestinian People, organized by the United Nations Economic and Social Commission for Western Asia (ESCWA) at the United Nations House in Beirut on 26 November, 2018. The official ceremony comprised reading of the statement of the United Nations Secretary General on this occasion, and statements by Mr. Mounir Tabet, Acting Executive Secretary of ESCWA; HE Ehab Bessaiso, Minister of Culture, State of Palestine; and HE Jean Oghassabian, Minister of Women’s Affairs of Lebanon, who represented HE Saad Hariri, Prime Minister – designate. After the official programme, the attendees visited a photo exhibition on Palestine organized at the same venue in partnership with the Institute of Palestine Studies.
* Ambassador convened a meeting of all officials of the Mission in solemn remembrance of the victims of the dastardly terror attacks in Mumbai on 26 November, 2008.
* Mr. K. Srinivasan, President- APAC, South Asia, Middle East and Africa and Mr. Sandeep Crasta, Vice President-Sales, Growth Markets from M/s Intellect Design Arena FZ LLC Comapny, Dubai called on Ambassador on 26 November 2018.. They gave an update on their Company’s efforts to develop business in Lebanon and sought Ambassador’s guidance. Executives of this Company had earlier called on Ambassador in July 2018.
* Col Jeevan B. Commanding Officer (CO) of Indian Battalion -INDBATT-XIX (11 Jat) called on Ambassador on 26.11.2018. CO was accompanied by Maj. G. Krishnan , Chief  Operation Officer (COO) of INDABTT XX. During the meeting, wide range of issues related to INDBATT were discussed. The meeting was followed by a luncheon hosted by the Ambassador.
* India marked on Monday the tenth anniversary of the Mumbai attacks in 2008 with ceremonies at sites across the city that became battlegrounds in the wave of violence that left 166 people dead. On November 26, 2008, India’s financial capital was attacked by ten gunmen of Pakistan-based militant group Lashkar-e-Taiba (LeT) armed with AK-47 assault rifles and hand grenades.
* As part of on-going celebration of 150th Birth Anniversary of Mahatma Gandhi, Mission organised an event at Wellspring Learning Community School on 29 November 2018. The event included a talk on Mahatma Gandhi, screening of a documentary film, quiz competition on Mahatma Gandhi and a dance workshop.

**Following** **candidates** **have** **joined** **ITEC** **(Civil)** **courses** **in** **India** **in** **the** **month** **of** **November 2018**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **S.No.** | **Name** **&** **Designation** | **Ministry** | **Course** | **Institute** | **Dates** |
| 1. | Ms. Carol Abou Nader | Ministry of Economy and Trade, Lebanon | Total Quality Management & ISO 9001 : 2015/14001/22000/27000 & Six Sigma (TQM) course | National Institute for Micro, Small & Medium Enterprises, Hyderabad | 12.11.2018 to 21.12.2018 |
| 2. | Mr. Mohammad Berro, | Ministry of Foreign Affairs & Emigrants Lebanon | Promotion of Micro enterprises | National Institute for Micro, Small & Medium Enterprises, Hyderabad | 12.11.2018 to 21.12.2018 |
| 3. | Ms. Sarah Malaeb, | Faculty Member, Modern University for Business & Science, Lebanon | Science Technology and Innovation Policy | Indian Institute of Sciences, Bangalore | 13-20.11.2018 |

**Following** **candidates** **have** **joined** **ITEC** **(Defence)** **courses** **in** **India** **in** **the** **month** **of** **November 2018**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **S.No.** | **Name** **&** **Designation** | **Ministry** | **Course** | **Institute** | **Dates** |
| 1. | Lt. Ali Chokr | Lebanese Army | Artillery Young Officers Course Ser No. YO Fd 1924 | School of Arty, Deolali | 28 Nov 2018 to 11 June 2019 |
| 2. | Lt. Rabih Feghaly |
| 3. | Lt. Mohamad Jaffal |
| 4. | Lt. Youssef Sleiman |
| 5. | Major Kassem Fawaz | Lebanese Army | Artillery Long Gunnery Staff Course (Officer) (LGSC) FD SER No. 1926 | School of Arty, Deolali | 21 Nov 2018 to 26 Nov 2019. |

**Trade** **Inquires** **during** **the** **month** **of** **February** **2018:**

From India: Twenty six (26)

From Lebanon: Nine (9)

Oral Trade Inquiries: Eleven (11)

**Business visa issued by Embassy of India during the Month of November 2018:** **47**

**3.** **INTERNAL**

**(I)** **ECONOMY**

**Gross** **public** **debt** **at** **$84bn** **at** **end-September** **2018**

Lebanon's gross public debt reached $83.8bn at the end of September 2018, constituting an increase of 5.4% from $79.5bn at the end of 2017 and a rise of 7.3% from $78.2bn at end- September 2017. In nominal terms, the gross public debt grew by $4.3bn in the first nine months of 2018 relative to an increase of $3.3bn in the same period of 2017.

**Consumer** **Price** **Index** **up** **6.3%** **in** **first** **10** **months** **of** **2018**

The Central Administration of Statistics' Consumer Price Index increased by 6.3% in the first 10 months of 2018 from the same period last year, and compared to a growth of 4.3% in the first 10 months of 2017. Also, the CPI increased by 6.3% in October 2018 from the same month of 2017.

**New** **industrial** **licenses** **up** **56%** **in** **first** **half** **of** **2018**

The Ministry of Industry issued 333 new industrial licenses in the first half of 2018, constituting an increase of 56.3% from 213 licenses in the first half of 2017. Construction licenses accounted for 41.7% of issued licenses in the covered period of 2018, followed by con-struction & investment licenses with 31.8%, and investment licenses with 26.4%.

**(II)** **TRADE** **&** **COMMERCE**

**Industrial** **exports** **up** **3%** **to** **$1.5bn** **in** **first** **seven** **months** **of** **2018**

Figures released by the Ministry of Industry show that industrial exports totalled $1.5bn in the first seven months of 2018, constituting an increase of 2.6% from $1.4bn in the same period of 2017. Industrial exports reached $198.5m in July 2018, up by 6.5% from $186.3m in the preceding month, and down by 8% from $215.7m in July 2017.

**Stock** **market** **index** **down** **26%** **in** **first** **10** **months** **of** **2018**

Figures released by the Beirut Stock Exchange (BSE) indicate that the trading volume reached 70,379,383 shares in the first 10 months of 2018, constituting a decrease of 1.7% from 71,609,264 shares traded in the same period of 2017; while aggregate turnover amounted to $522m, down by 13.3% from a turnover of $602.2m in the first 10 months of 2017.

**Lebanon** **ranks** **142nd** **globally,** **13th** **among** **Arab** **countries** **in** **terms** **of** **ease** **of** **doing** **business**

The World Bank Group's Doing Business 2019 report ranked Lebanon in 142nd place among 190 countries and jurisdictions worldwide and in 13th place among 22 Arab countries and territories in terms of the ease of doing business. Lebanon's global rank dropped six spots from 136th place in the 2018 survey, while its regional rank regressed by one notch year-on-year. Lebanon also came in 42nd place among 51 upper middle-income countries (UMICs) in the 2018 and 2019 surveys.

**Trade** **deficit** **widens** **by** **5%** **to** **$13bn** **in** **first** **nine** **months** **of** **2018**

Total imports reached $15.2bn in the first nine months of 2018, constituting an increase of 4.9% from $14.5bn in the same period of 2017; while aggregate exports grew by 4.1% year-on-year to $2.2bn in the covered period. As such, the trade deficit widened by 5% annually to $13bn in the first nine months of 2018 due to an increase of $702.2m in imports, which were partly offset by a rise of $86.8m in exports.

**(III)Banking**

**Value** **of** **cleared** **checks** **down** **1.2%,** **returned** **checks** **up** **14%** **in** **first** **10** **months** **of** **2018**

he value of cleared checks reached $55.7bn in the first 10 months of 2018, constituting a decline of 1.2% from $56.4bn in the same period of 2017. In comparison, the value of cleared checks regressed by 0.4% in the first 10 months of 2017 and decreased by 2.5% year-on-year in the same period of 2016. The value of cleared checks in Lebanese pounds increased by 3.2% year-on-year to the equivalent of $18.2bn in the first 10 months of 2018.

**Banking** **sector** **assets** **at** **$241bn** **at** **end-September** **2018**

The consolidated balance sheet of commercial banks operating in Lebanon shows that total assets stood at $241.1bn at the end of September 2018, constituting an increase of 9.7% from the end of 2017 and an expansion of 13% from end-September 2017. Loans extended to the private sector reached $59.4bn at the end of September 2018.

**Top** **100** **banks** **in** **Arab** **world** **include** **11** **Lebanese** **banks**

In its 2018 survey of the Top 100 banks in the Arab world, *The* *Banker* magazine included 11 Lebanese commercial banks on its list. In comparison, there were 21 banks from the UAE, 12 banks from Saudi Arabia, 10 from each of Bahrain and Qatar, nine from Kuwait, seven from each of Morocco and Oman, six from Egypt, five from Jordan, and one bank from each of Algeria and Tunisia.

**(IV)** **Finance**

**Aggregate** **net** **profits** **of** **listed** **banks** **up** **9%** **to** **$1.1bn** **in** **first** **nine** **months** **of** **2018**

Financial results issued by the six banks listed on the Beirut Stock Exchange show that their aggregate net profits reached $1.1bn in the first nine months of 2018, constituting an increase of 8.6% from net earnings of $1bn in the same period of 2017. Further, the banks' aggregate pre-tax profits increased by 9.7% year-on-year to $1.4bn in the first nine months of 2018. The net interest income of the six banks, including net interest on financial instruments, totalled $2.2bn in the covered period, up by 9.3% from $1.98bn in the first nine months of 2017.

**Balance** **sheet** **of** **financial** **institutions** **down** **6%** **in** **first** **nine** **months** **of** **2018**

Figures released by Banque du Liban show that the consolidated balance sheet of financial institutions in Lebanon reached LBP2,365bn, or $1.57bn at the end of September 2018, constituting a decrease of 5.9% from LBP2,513bn, or $1.67bn, at end-2017, and a decline of 6.8% from LBP2,537bn or $1.68bn at end-September 2017.

**(V)** **BUDGET** **&** **TAXES**

**Lebanon** **ranks** **113th** **globally,** **13th** **among** **Arab** **economies** **in** **ease** **of** **paying** **taxes**

The PricewaterhouseCoopers/World Bank Group Paying Taxes for 2019 ranked Lebanon in 113th place among 189 countries and jurisdictions worldwide and in 13th place among 20 Arab economies included in the survey. Also, Lebanon ranked in 30th place among 51 upper middle-in-come countries (UMICs) included in the survey. Lebanon's global and regional ranks were unchanged from the 2018 survey.

**(VI)** **Infrastructure,** **Real** **estate** **and** **construction**

**Asking** **prices** **for** **new** **apartments** **in** **Beirut** **at** **$594,639**

Figures released by Property advisory firm RAMCO show that the current asking prices by developers for first floor apartments in buildings under construction in Beirut averaged $3,359 per square meter (sqm). It indicated that the study covered 252 buildings under construction in Beirut.

**Housing** **demand** **improves** **in** **third** **quarter** **of** **2018** **after** **Parliament** **allocates** **LBP100bn** **for** **mortgage** **subsidies**

Demand for residential real estate in Lebanon improved in the third quarter of 2018, as reflected by the results of the Byblos Bank Real Estate Demand Index. The Index posted a monthly average of 51.4 points in the third quarter of 2018, constituting an increase of 17.4% from 43.7 points in the second quarter of 2018 and a growth of 3.7% from 49.6 points in the third quarter of 2017. The Index decreased by 19.3% in July and by 14.2% in August, but increased by 26.3% in September.

**Number** **of** **real** **estate** **transactions** **down** **18%** **in** **first** **10** **months** **of** **2018**

Figures released by the Ministry of Finance indicate that there were 49,652 real estate transactions in the first 10 months of 2018, constituting a decrease of 17.6% from 60,276 deals in the same period of 2017. In comparison, the number of real estate transactions grew by 16.6% year-on-year in the first 10 months of 2017 and increased by 1.2% annually in the same period of 2016.

**(VIII)Transport,** **Port** **&** **Airport**

**Airport** **passengers** **up** **7%** **in** **first** **10** **months** **of** **2018**

Figures released by the Beirut-Rafic Hariri International Airport (HIA) show that 7,536,392 passengers utilized the airport (arrivals, departures and transit) in the first 10 months of 2018, constituting an increase of 7.4% from 7,016,089 passengers in the same period of 2017. The number of arriving passengers grew by 8% year-on-year to 3,762,585 in the first 10 months of 2018.

**Top** **five** **freight** **forwarders'** **import** **activity** **down** **12%** **in** **first** **nine** **months** **of** **2018,** **export** **activity** **down** **20%**

Figures released by the Port of Beirut show that overall import shipping operations by the top five freight forwarders through the port reached 235,042 20-foot equivalent units (TEUs) in the first nine months of 2018, constituting a decrease of 12.2% from 267,647 TEUs in the same period of 2017. The five freight forwarders accounted for 75.2% of imports to the Lebanese market and for 49.6% of the total import freight forwarding market in the first nine months of 2018.

**CMA** **CGM** **posts** **net** **profits** **of** **$76.5m** **in** **first** **nine** **months** **of** **2018**

The Lebanese-owned and France based container shipping firm CMA CGM declared consolidated net profits of $76.5m in the first nine months of 2018 down from net profits of $628m in the same period of 2017, as the growth in operating expenses was higher than the increase in revenues.

**Moody's** **revises** **CMA** **CGM's** **outlook** **to** **'negative'**

Moody's Investors Service affirmed the Lebanese-owned and France-based container shipping group CMA CGM's corporate family rating at 'B1', its probability of default rating at 'B1-PD' and its senior unsecured bond ratings at 'B3'. But it revised the outlook on all the ratings from 'positive' to 'negative' following CMA CGM's announcement on October 25, 2018 of its intention to make a tender offer to acquire supply chain management company CEVA logistics AG. It noted that the outlook revision also takes into account downside risks in the container shipping industry, including the U.S.-China trade tensions, rising fuel costs, and the upcoming IMO 2020 low sulphur fuel regulation.

**(X)** **Energy and Environment**

**USAID-funded** **initiative** **to** **provide** **clean** **water** **in** **West** **Bekaa**

The U.S. Agency for International Development (USAID) provided $800,000 in funding for the construction of a solar-powered pump station and a 300 cubic meter reservoir in Ghazzeh in the West Bekaa region. The initiative aims to provide clean water to 21,000 residents of Ghazzeh. The Lebanon Water Project will implement the project in partnership with the Bekaa Water Establishment and the Ghazzeh Municipality. The pump and reservoir are expected to save over $60,000 in fuel costs annually. The U.S. government, through USAID, has invested over $180m in the Lebanese water sector since 2000.

**(XI)Tourism**

**New** **car** **sales** **down** **9%** **in** **first** **10** **months** **of** **2018**

Figures released by the Association of Automobile Importers in Lebanon show that dealers sold 28,590 new passenger cars in the first 10 months of 2018, constituting a decrease of 8.7% from 31,324 cars sold in the same period of 2017.

**Occupancy** **rate** **at** **Beirut** **hotels** **at** **64%,** **room** **yields** **down** **2%** **in** **first** **nine** **months** **of** **2018**

EY's benchmark survey of the hotel sector in the Middle East indi-cated that the average occupancy rate at hotels in Beirut was 63.6% in the first nine months of 2018, down from 65.4% in the same pe-riod of 2017 and compared to an average rate of 62.7% in 14 Arab markets included in the survey. The occupancy rate at Beirut hotels was the sixth highest in the region in the first nine months of 2018, unchanged from the same period of 2017.

**4.** **LEBANON EXTERNAL**

1. **UAE / China –** **Lebanon**

**Economy** **Ministry** **imposes** **tariffs** **on** **UAE** **and** **Chinese** **aluminum** **imports**

The Ministry of Economy & Trade issued Decision 202/1 on October 30, 2018, which imposes tariffs on the imports of aluminum and aluminum-based products from China and the United Arab Emirates for a period of four months. Specifically, aluminum imports from China will be subject to a 20% tariff, while those from the UAE will be subject to a 14% tariff. The decision, which aims to protect the local production of aluminum and related products, places tariffs on rods, cutters and other aluminum-based goods that are imported from the two countries. However, the decision stipulates that Lebanese aluminum manufacturers are not allowed to raise the price of their products from current levels, unless global aluminum prices increase.

1. **EU –** **Lebanon**

**EU** **pledges** **€100m** **to** **support** **public** **education**

The European Union (EU) and the Ministry of Education & Higher Education announced a new €100m financial package to support the education sector in Lebanon, which will be extended through the EU Regional Trust Fund. The funding consists of €80m to cover students' enrolment fees in primary education, teachers' salaries, as well as the maintenance of public schools during the school years 2018/19 and 2019/20. It also includes €10m earmarked for non-formal educational programs, in line with the ministry's policy and plans. The remaining €10m will be allocated to improve the quality of education at Lebanese schools, such as by introducing the child-centered teaching and learning approaches, as well as to strengthen the ministry's capacity to collect data and monitor the quality of educational services. The EU has provided €228m to the public education sector in Lebanon since 2012, in addition to important contributions from EU member states.

1. **EBRD –** **Lebanon**

**EBRD** **signs** **MoU** **with** **the** **Association** **of** **Lebanese** **Industrialists**

The European Bank for Reconstruction and Development (EBRD) signed a memorandum of understanding (MoU) with the Association of Lebanese Industrialists to provide services and support to small- and medium-sized enterprises (SMEs) in the industrial sector. The MoU would allow Lebanese SMEs to gain access to EBRD's expertise in the field.

**(Pawan Chopra)** **Attache** **(Comm** **&** **ITEC)**

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