

Speech by **HE Saad Hariri, President of the Council of Ministers and Prime Minister of Lebanon**

Lebanon-UK Business & Investment Forum 2018

12th December 2018 at Savoy Place, London

"I am pleased to be here today, heading a high level Lebanese delegation from both the public and private sectors, to take part in the first Lebanon-UK business and investment forum.

It is true that our meeting is taking place at a time when both our countries are navigating through various challenges. However, this should not stall our joint efforts to further the excellent and effective partnerships that we have forged over the years on the political, security and business fronts. I am confident that today's event will take our business and investment relations to levels that meet our ambitions and our potential. The signing of the engine agreement between Middle East Airlines and Rolls Royce later today attests to this potential.

Admittedly, Lebanon's economy is under tremendous pressure, due partly to continued regional turmoil. Moreover, our economic and social challenges are compounded by the continued presence of one and a half million Syrians displaced for the eighth year in a row.

At the CEDRE conference in Paris, the Lebanese government presented a comprehensive vision aimed at jumpstarting growth through revamping our physical infrastructure, restructuring the public sector, modernizing our legislation and procedures, enhancing governance and improving transparency, updating procurement laws and procedures, and unleashing the potential of our productive sectors. This vision is anchored in significant fiscal adjustment so as to ensure macroeconomic stability.

This vision, the pillars of which will be discussed later today, was welcomed and supported by all countries and financial institutions present at the conference, including the United Kingdom. The private sector, Lebanese and international, has an important role to play in the execution of this vision. Today's forum is in line with the road map that we have envisaged to achieve this objective.

After the convening of CEDRE, Lebanon successfully convened parliamentary elections, and embarked on the process of forming a national unity government while respecting Lebanon's delicate political balance. Admittedly, this is not an easy task and it explains why the process of government formation is taking more time than desired. Maintaining this delicate balance and forging political consensus is of utmost importance and the only way to ensure that the CEDRE agenda is on the right track.

That said, the delay in government formation has not halted our progress on the implementation of the CEDRE projects and reforms.

Indeed, since CEDRE, we have been revisiting certain sectors and projects to expedite planning and execution. We are also maintaining regular dialogue with the Multilateral Development banks, many of them are present with us today, to align the funding pledged at CEDRE with the projects of Lebanon's Capital Investment Program. We launched earlier this year three PPP projects in the transport and telecommunications sectors. Other mega projects are also currently under discussion. In this connection, I invite you to take a look at the multi-year plan presented at CEDRE to rehabilitate and modernize our physical infrastructure as it offers vast opportunities for British businesses, in the transport, water, waste water and energy sectors, including renewable energy. To put it in numbers, we envisage spending around USD 2 billion a year on infrastructure projects.

In addition, since CEDRE, we have finalized with the consultant McKinsey a comprehensive productive sectors strategy identifying major investment opportunities in five key sectors namely industry, agriculture, tourism, financial services and the knowledge economy. The strategy will be unveiled after the formation of the new government.

Moreover, the Lebanese Parliament ratified in September important legislations pertaining to judicial mediation, e-transactions, transparency in the oil and gas sector, whistleblower protection as well as a framework law for the solid waste sector. The remaining legislative reforms, as outlined in the CEDRE agenda, are currently under discussion in the joint parliamentary committees. Capital market reforms are ongoing, as you will also discuss later today with the governor of the Central Bank, and the preparations for the second licensing round for oil and gas exploration are steadily advancing.

Undoubtedly, our region is witnessing a critical period. I believe that despite all the ongoing turmoil, the region is headed towards a period of stability, growth and prosperity, and we all need to be prepared for this phase in order to tap into the numerous investment and business opportunities that lie ahead. One way for both of us to move forward is for the private sector in both our countries to establish joint ventures and partnerships. The Lebanese private sector is well established in the countries of the region, especially those expected to witness major reconstruction efforts, such as Iraq and in due time Syria. Furthermore, the Tripoli Special Economic Zone in northern Lebanon presents the ideal platform for British manufacturers to produce and export to the region. The zone is strategically located, only 30 km away from the Syrian borders and adjacent to the second largest port in Lebanon.

It benefits from a state of the art infrastructure, a regulatory framework that is conducive to private sector investment, and generous fiscal and administrative incentives. The zone,

coupled with other logistics facilities in the area, will also position Lebanon as a natural platform for the eventual reconstruction of Syria.

I have no doubt that the future of Lebanon is bright. Indeed, my country is undergoing major economic and infrastructure rehabilitation. I invite you to be part of this process. To be part of the change that is awaiting Lebanon. To help us shape the new Lebanon we all aspire to, the Lebanon we want, the Lebanon of stability, prosperity, diversity and coexistence. Our dialogue does not end today. In fact, this forum and the subsequent follow up to it will mark the beginning of a new journey in the Lebanese British business and investment relations, one that builds on the solid partnership of the past and paves the way for increased cooperation and new ventures.

I look forward to welcoming you in Lebanon. All government institutions and myself will be available to handle any issue or concern you may have when considering an investment opportunity in Lebanon. The new government will be firmly committed to the CEDRE reforms, including fiscal reforms. We succeeded over the past months in ensuring strong political consensus in the country over key reform measures, and all stakeholders are determined to work together to make sure that their implementation takes place in a timely manner.

I invite you to visit Lebanon and meet our talents, our creative minds, to feel the energy of our private sector and entrepreneurs, and to witness first-hand Lebanon's economic revival. Finally, I would like to extend my appreciation to Ambassadors Chris Rampling and Rami Mortada and their respective teams for their remarkable work over the past months to organize this event with large participation from Lebanon and the United Kingdom, as well as participation of senior representatives of international financial institutions and multilateral development banks

I want to tell you that, yes, we do not have a government but we are passing laws, we will work with CEDRE, with the reforms, we want to make it a success with the help of everyone. The President, the Speaker and everybody understands the process that we are in and understand the opportunity that we have from CEDRE and everybody is much invested in this process and thank you for being here and I would love to see you in Lebanon”.