

“CEDRE” Conference

Maison du Futur, Sérail Bikfaya
Friday, 21 September, 2018

H.E. President Amine Gemayel,

H.E. Prime Minister Fouad Siniora,

Dear Ministers, honorable MPs,

Ladies and gentlemen,

It is an honor to welcome you here today to today`s expert discussion on the “CEDRE” conference organized together with our partner *Maison du Futur/ and the Levant Institute for Strategic Affairs* At this point I would also like to welcome our guests Sami Nader and Kamal Hamdan as speakers.

The CEDRE conference took place a month before the the parliamentary elections – the first after nine years – that took place in May 2018. . Lebanon is now facing a crucial period with many challenges ahead out of which the reform and development of its economy is central. .

The economic situation in Lebanon shows the necessity for quick action: with one of the highest government debts in the world at around 152% of gross domestic product and a budget deficit of around 5 billion USD in 2017 the economic situation seems very difficult at the first glance. The civil war in Syria negatively affects Lebanon with an influx of refugees of 1.5bn.

Prime Minister Saad Hariri presented his "Vision for Stabilization, Growth and Employment" at the April 2018 CEDRE Conference in Paris. Following this, new financial aids of about \$11 Billion in loans and grants were agreed on. However the government formation as one of the preconditions to univocally address reforms, is taking longer than expected.

Despite the unstable regional security situation, Lebanon still is a harbor of stability. However the current economic indicators are putting this stability at risk and more signs of a growing anger coming from the streets is arising. One of the main economic problems that is violently apparent, is poverty. Since 2011 the influx of refugees from Syria into Lebanon has gradually brought the issue of Lebanese poverty into the public discourse. The number of people living under the poverty line in Lebanon has risen by more than 66 percent since 2011.

In Lebanon, residents face challenges of access to basic services, adequate and affordable housing, and healthcare facilities continuously haunt the poor. The study of poverty and inequalities in Lebanon is usually reduced into measurements without creating proper linkages into broader aspects of social and public policy. In Lebanon, residents face challenges of access to basic services, such as affordable housing or electricity.

These examples show that Lebanon has to implement economic reforms soon. This needs co-operative efforts by the government, private companies, banks, economic advisory organs, and the mass media.

The international community - including Europe and Germany - has always been at the side of Lebanon. In line with this premise, further financial support for Lebanon was guaranteed as a result of the CEDRE Conference in April 2018.

The political partnership between Germany and Lebanon has just recently been reemphasized during the visit of the German Chancellor to Beirut. Nevertheless it is economic stability that forms the backbone of a strong partner state, creates wealth and social cohesion among its citizens, and enables it to absorb shocks like those induced by security instability, external political interference or global negative impacts such as migration pressure or a new financial crisis.

As Konrad Adenauer Foundation we are proud to bear the name of the first German chancellor whose legacy is strongly linked to what we call “Germany`s economic miracle” - which is the economic post-war recovery and reform of the New Germany on the basis of the Social Market Economy. Since its inception in 1955, a key policy issue on which KAS is closely cooperating with its friends and partners around the world has been economy.

In Lebanon we are looking forward to work with and support all cooperative efforts by the new government and all other actors involved in implementing economic and structural reforms that can deliver significant improvements in the daily lives of the Lebanese.

I am glad to see so many speakers and guests contributing to this event, our dialogue will certainly open up new perspectives on the subject. Again, I would like to extend my utmost gratitude to all guests joining us today and I look forward to our discussion.

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