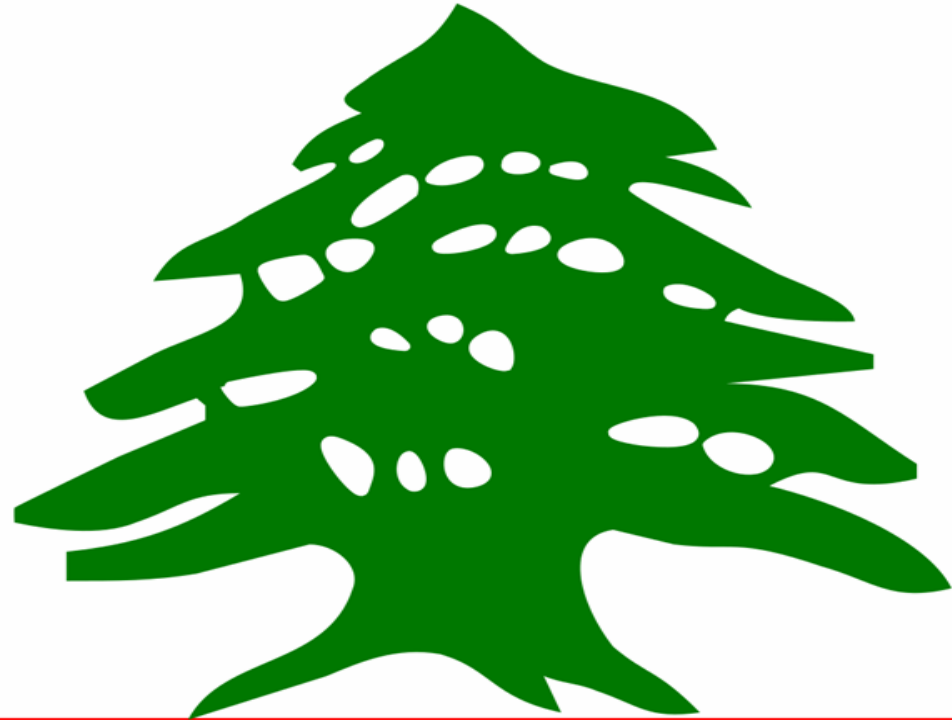


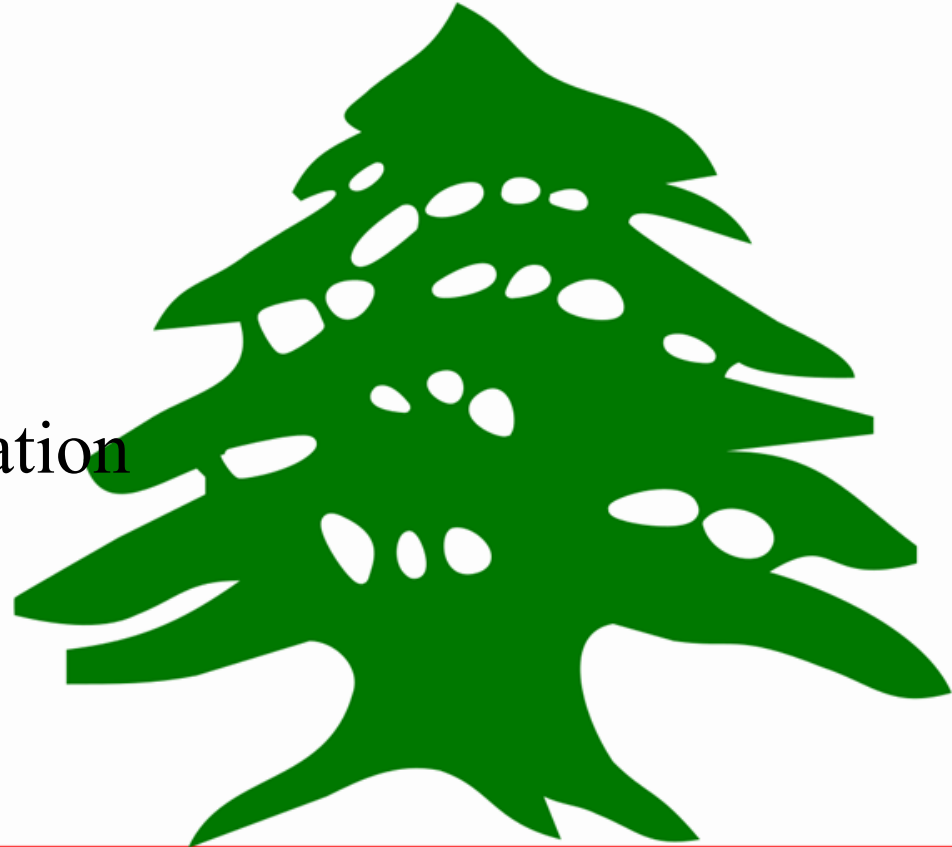
Lebanon's Economy



By
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Outline

- Lebanon
- Economic System
- Current Economic Situation
- Questions



Lebanon

- Capital: Beirut
- Population: 5.8 Million
- Member of the Arabian World
- Official Language: Arabic
- Other languages: French, English and Armenian
- Religions: Islam, Christianity and Druze

Political System:

- Parliamentary Democratic Republic
- Follows the confessional system
- It currently does NOT have a president



Economic System

- Free-market
- Open
- Developing
- Currency: Lebanese Pound (1\$=1500 LBP)

Economy

Facts:

- Minimum wage is 450\$ (675,000 LBP)
- Heavily relies on importation of goods
- Limited natural resources
- Attractive tax rates
- 3 main sectors: Service, Industrial and Agricultural

Note: the service sector makes up 70% of the GDP



REPUBLIC OF LEBANON
MINISTRY OF ECONOMY & TRADE

Taxation System

- 15% tax on corporate profits
- 2% to 20% tax on all wages and salaries. The rate increases as the salary increases
- 10% tax on income from movable capital
- 0% to 14% property tax. Also varies depending on the value of the property
- 10% VAT tax
- 0 to 70% custom duties and a range of 0 to 5% tariffs on “industrial goods, tobacco and most of agricultural goods”.

Current Situation

- Debt-to-GDP ratio is currently 120%
- Public debt is around \$69 billion
- Tax income decreased by 2.2% from 2010 to 2014
- Foreign direct investments has been decreasing since 2009 and are currently \$2.3 billion

Current Situation (Cont.)

On the bright side:

- Inflation levels have been decreasing since 2013
- GDP has increased from \$21.8 billion in 2006 to \$47.1 billion in 2015
- The Tourism & Hospitality sector is growing and had an additional 12% contribution to the GDP in 2015 (it was 21.2%)

On the dark side:

- Lebanon is currently suffering from deflation (- 3.7%)
- Economic growth has been decreasing for the past 5 years and is currently only 1%
- The industrial (21%) and agricultural (5.5%) sectors' contribution to the GDP is decreasing

The Backbone of the Lebanese Economy: The Financial Services Sector



- The Lebanese banking system managed to make itself the main recipient of the petrodollars during the oil boom in 1960
- If it wasn't for Lebanon's Central bank strict policy, the economy wouldn't have survived the many hits it had received in the last decade. And it wouldn't have been growing for the past decade or so.
- The banking sector is known for its “high liquidity and solid capital adequacy”
- In 2015, private sector loans-to-deposits ratio was 32 percent
- Loans to the private sector made up 94% of the GDP





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Thank You for Listening

Any Questions? 😊