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BEIRUT, LEBANON

GTR Global Trade Review

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Changing trade flows & increased expansion overseas

Meguerditch Bouldoukian

Head Financial Institutions, MENA region,

I. Changing trade flows (1 of 16)

- One of the characteristics of trade flows is that they change, they are dynamic, subject to the regional economic growth, or, are exposed to regional and global crisis that generate significant volatility in the trend of the evolution, permanently.

- To be more specific, the changing political and economic environment in the MENA landscape, the fluctuating price of oil and a series of various risks have introduced barriers to trade flows,
- Such as

1. Sanctions
2. Payments risks
3. Trade regulations
4. Price competitions and quality
5. Logistics costs
6. Financial crisis
7. Political unrest

I. CHANGING TRADE FLOWS (2 OF 16)

- While on the other hand, miscellaneous factors, have contributed positively to the trade flows, namely:

1. Availability of liquidity/credit
2. Export Credit Agencies
3. Product innovation
4. Efficient correspondent banking services
5. New methods of trade finance
6. Transportation facilities
7. Alternative financing options
8. Tax incentives/subsidies

- The following comparative statistical data provides us with this dynamism in trade flows:

1. Trade flows from the Far East to the MENA region, years 1994 and 2009
2. Trade flows from selected countries in Europe and the U.S. to the MENA region, years 2004 and 2009
3. Inter-Arab trade in 2007 and 2008

I. Changing trade flows, table a (3 of 16)

Exports from the Far East to MENA Markets

1994 Data

Countries	Selected Far East Countries								
	China (US$ M)	Hong Kong (US$ M)	Indonesia (US$ M)	Japan (US$ M)	Malaysia (US$ M)	Singapore (US$ M)	South Korea (US$ M)	Thailand (US$ M)	
Algeria	59.8	0.6	186.4	230.3	4.4	16.4	47.6	19.2	
Egypt	279.6	21.3	141.1	709.0	201.7	110.5	354.4	88.1	
Lebanon	105.5	7.3	17.0	125.5	15.6	33.1	113.8	51.1	
Libya	29.5	0.1	2.2	165.9	27.9	12.3	150.4	15.3	
Mauritania	31.6	0.1	7.3	29.1	2.3	0.0	1.1	12.1	
Morocco	89.6	9.5	26.0	111.9	11.7	23.8	38.5	6.1	
Sudan	38.6	0.2	8.9	25.6	18.8	10.4	31.8	12.0	
Syria	169.1	1.5	9.9	461.4	24.1	17.5	175.3	21.5	
Tunisia	50.5	2.0	18.4	68.6	8.4	20.5	20.3	7.7	Total Far East
TOTAL	853.8	42.6	417.2	1,927.3	314.9	244.5	933.2	233.1	4966.6
%	(17.2)	(0.9)	(8.4)	(38.8)	(6.3)	(4.9)	(18.8)	(4.7)	(100)
'OTHER ARAB' TOTAL	2,091.1	184.6	1,166.3	8,133.4	1,292.1	1,419.7	2,691.8	1,351.0	18,330.0
%	(11.4)	(1.0)	(6.4)	(44.4)	(7.0)	(7.7)	(14.7)	(7.4)	(100)
MENA TOTAL	2,944.9	227.2	1,583.5	10,060.7	1,607.0	1,664.2	3,625.0	1,584.1	23,296.6
%	(12.6)	(1.0)	(6.8)	(43.2)	(6.9)	(12.5)	(15.6)	(6.8)	(100)
Country Exports as % of Total Exports to Mena	(29.0)	(23.3)	(35.8)	(23.7)	(24.4)	(17.3)	(34.7)	(17.2)	
Far East Exports as % of Total Exports to Mena									(21.3)

I. Changing trade flows (4 of 16)

Imports to the Far East from MENA Markets

Countries	Selected Far East Countries: China (US$ M)	Hong Kong (US$ M)	Indonesia (US$ M)	Japan (US$ M)	Malaysia (US$ M)	Singapore (US$ M)	South Korea (US$ M)	Thailand (US$ M)	Total Far East
Algeria	3.8	0.0	1.6	108.7	0.0	61.3	19.4	0.0	
Egypt	15.2	26.3	9.6	79.9	5.0	122.7	159.1	15.1	
Lebanon	0.2	0.7	0.7	3.3	0.1	0.5	1.2	10.7	
Libya	2.6	0.0	54.5	0.6	1.5	5.9	5.2	3.5	
Mauritania	0.0	0.2	0.2	140.7	0.0	0.0	2.4	3.9	
Morocco	8.5	0.7	18.7	285.4	0.7	2.2	17.2	3.6	
Sudan	53.1	0.9	0.2	39.2	0.2	0.3	20.3	42.3	
Syria	2.0	15.4	17.2	17.1	0.9	1.9	1.4	17.4	
Tunisia	12.3	0.0	8.0	19.3	0.6	0.3	7.1	0.2	
TOTAL	97.7	44.2	110.7	694.2	9.0	195.1	233.3	96.7	1480.9
%	(6.6)	(3.1)	(7.5)	(46.8)	(0.6)	(13.2)	(15.7)	(6.5)	(100)
'OTHER ARAB' TOTAL	1,418.7	1,391.8	1,057.5	24,258.6	468.3	6,016.3	7,718.7	1,692.2	44,022.1
%	(3.2)	(3.2)	(2.4)	(55.1)	(1.1)	(13.7)	(17.5)	(3.8)	(100)
MENA TOTAL	1,516.4	1,436.0	1,168.2	24,952.8	477.3	6,211.4	7,952.0	1,788.9	45,503.0
%	(3.3)	(3.2)	(2.6)	(54.8)	(1.0)	(13.6)	(17.5)	(3.9)	(100)
Country Imports as % of Total Exports to Mena	(6.5)	(3.2)	(9.5)	(2.8)	(1.9)	(3.1)	(2.9)	(5.4)	
Far East Imports as % of Total Exports to Mena									(3.2)

Source : United Nations Statistical Division (UNSTAT) - Commodity Trade Statistics Unit. Geneva. 1994 Data

I. Changing trade flows, table B (5 of 16)

EXPORTS FROM THE FAR EAST TO MENA MARKETS - YEAR 2009

Niche Markets	Selected Far East Countries								
	China	Hong Kong	Indonesia	Japan	Malaysia	Singapore	South Korea	Thailand	TOTAL
	(US$ M)	(US$ M)	(US$ M)	(US$ M)	(US$ M)	(US$ M)	(US$ M)	(US$ M)	(US$ M)
Algeria	4.180,2	38,8	163,3	720,4	129,3	44,8	1.095,0	173,0	6.544,8
Egypt	5.107,3	226,0	708,8	1.360,0	809,6	317,4	1.528,2	587,2	x 10.644,5
Lebanon	1.439,6	61,9	67,2	263,6	95,1	45,3	191,5	142,6	2.306,8
Libya	2.002,9	6,4	56,2	240,7	86,3	58,6	1.235,0	225,2	x 3.911,3
Mauritania	241,7	6,7	16,4	17,0	70,5	-	5,7	52,1	410,1
Morocco	2.129,2	112,1	55,1	260,4	43,0	109,8	302,2	143,5	3.155,3
Sudan	1.705,4	11,6	80,1	104,7	40,0	26,8	232,8	72,3	2.273,7
Syria	2.210,4	18,6	90,1	280,1	174,3	31,0	960,1	183,6	3.948,2
Tunisia	711,2	57,2	42,5	85,1	48,2	26,7	126,8	103,7	1.201,4
Saudi Arabia	8.977,8	572,1	956,2	5.384,7	813,1	745,7	3.856,6	1.819,6	x 23.125,8
Kuwait	1.542,7	115,2	101,5	1.230,8	163,0	175,8	744,1	343,0	4.416,1
Bahrain	475,3	73,4	25,2	431,7	83,0	82,7	282,6	137,3	1.591,2
Qatar	872,4	49,1	73,9	1.635,4	544,3	248,7	1.309,8	345,0	5.078,6
Jordan	1.965,9	104,1	131,8	253,3	149,9	33,9	1.018,6	215,6	3.873,1
Yemen	1.168,4	5,3	102,8	176,5	204,8	71,2	125,4	233,9	2.088,3
UAE	18.632,3	2.756,3	1.265,8	6.489,7	2.850,2	3.717,6	4.977,7	2.459,3	x 43.148,9
TOTAL									117.718,1
TOTAL	53.362,7	4.214,8	3.936,9	18.934,1	6.304,6	5.736,0	17.992,1	7.236,9	117.718,1

GCC's share 79.18

I. Changing trade flows (6 of 16)

IMPORTS TO THE FAR EAST FROM MENA MARKETS - YEAR 2009

Niche Markets	Selected Far East Countries								
	China	Hong Kong	Indonesia	Japan	Malaysia	Singapore	South Korea	Thailand	TOTAL
	(US$ M)	(US$ M)	(US$ M)	(US$ M)	(US$ M)	(US$ M)	(US$ M)	(US$ M)	(US$ M)
Algeria	946,6	0,6	54,3	171,1	2,3	2,5	688,3	447,7	2.313,4
Egypt	752,5	202,1	93,7	303,1	36,3	47,0	463,0	55,4	1.953,1
Lebanon	8,9	1,6	1,9	2,5	0,9	1,7	13,3	3,1	33,9
Libya	3.173,9	0,02	103,0	1,7	23,4	78,2	2,9	8,4	3.391,5
Mauritania	853,9	2,5	0,9	142,3	0,3	-	5,7	0,9	1.006,5
Morocco	375,0	159,8	19,4	236,8	17,4	154,2	108,9	52,4	1.123,9
Sudan	4.684,8	0,8	667,7	1.076,5	100,7	8,7	14,6	26,9	6.580,7
Syria	10,0	3,6	1,5	36,2	1,4	0,1	90,5	0,1	143,4
Tunisia	107,5	21,1	11,9	143,9	9,8	13,5	18,9	6,3	332,9
Saudi Arabia	23.620,2	442,1	3.135,8	29.151,0	1.111,3	8.106,7	19.736,8	3.989,2	x 89.293,1
Kuwait	3.500,9	78,8	1.442,2	8,964,2	289,9	2.763,5	7.991,5	401,7	x 25.432,7
Bahrain	211,2	2,7	85,8	522,6	159,9	301,5	317,9	48,1	1.649,7
Qatar	1.376,1	28,1	238,6	15.897,4	327,7	4.623,8	8.386,5	1.660,5	32.538,7
Jordan	112,2	2,9	165,0	231,9	24,3	4,0	30,7	3,8	574,8
Yemen	1.237,5	14,5	1,6	323,5	75,5	127,4	52,7	1.029,4	2.862,1
UAE	2.595,2	337,7	287,0	22.665,3	1.737,2	4.281,1	9.310,0	6.666,5	x 47.880,0
TOTAL									217.110,4
TOTAL	43.566,4	1.298,9	6.310,3	79.870,0	3.918,3	20.513,9	47.232,2	14.400,4	217.110,4

Source: United Nations Commodity Trade Statistics Database – UN COMTRADE

GCC's share 199.3 B

I. CHANGING TRADE FLOWS, TABLE C (7 OF 16) 2004 Data

C. IMPORTS AND EXPORTS* FROM AND TO SELECTED EUROPEAN MARKETS FROM MEDITERRANEAN ARAB COUNTRIES (in millions of US$)

Import / Export	UK		France		Italy		Germany		Spain		Turkey		Greece	
	IM	EX												
Algeria	393	579	4.125	3.548	1.547	1.866	1.209	1.146	886	3.600	584	1.256	52	85
Egypt	1.227	865	1.248	383	1655	1.587	1.728	800	832	568	473	255	143	192
Lebanon	386	21	776	37	942	25	714	25	183	18	234	147	43	33
Libya	396	359	276	1.289	1.884	7.843	809	3.543	138	2.521	337	1.514	196	361
Morocco	589	877	3.161	3.179	1.159	577	1.053	509	2.126	2.342	364	106	45	44
Syria	162	90	375	411	675	927	639	1.102	163	277	395	358	96	22
Tunisia	277	285	3.189	3.208	2.418	2.435	1.075	1.029	674	590	322	100	61	22
Jordan	213	29	225	12	313	24	556	54	96	24	187	14	10	4
TOTAL	3.643	3.105	13.375	12.067	10.593	15.284	7.783	8.208	5.098	9.940	2.896	3.750	646	763

Source:

UN Statistics division
Commodity Trade Database
2004

* Exports include oil & Gas

Prepared by:

M. Bouldoukian
Head Financial Institutions
MENA Countries

BANQUE LIBANO-FRANÇAISE

I. Changing trade flows, table d (8 of 16)

EXPORTS FROM SELECTED MARKETS TO MENA MARKETS – YEAR 2009

Niche Markets	Selected Countries									
	Spain (US$ M)	France (US$ M)	UK (US$ M)	Germany (US$ M)	Italy (US$ M)	Russia (US$ M)	Ukraine (US$ M)	Turkey (US$ M)	USA (US$ M)	TOTAL
Algeria	2.922,3	6.959,5	510,6	2.039,9	3.598,2	1.437,0	266,7	1.782,0	1.108,7	**20.624,9**
Egypt	1.168,7	1.906,7	1.475,2	3.716,5	3.610,5	1.824,0	1.012,5	2.618,5	5.257,5	**22.590,1**
Lebanon	298,9	1.674,8	533,0	830,3	1.062,8	132,3	694,0	686,5	1.440,9	**7.353,5**
Libya	379,0	998,0	660,8	1.776,4	3.396,4	190,6	195,8	1.798,0	666,0	**10.061,0**
Mauritania	74,8	264,0	15,8	74,5	32,3	33,5	13,6	22,9	56,2	**587,6**
Morocco	4.318,2	4.823,0	466,3	1.784,2	1.901,0	410,0	126,1	600,5	1.606,1	**16.035,5**
Sudan	37,4	130,4	191,8	283,0	228,0	74,0	69,0	244,8	78,7	**1.337,1**
Syria	258,0	422,1	229,6	897,1	993,9	1.136,0	753,2	1.424,7	303,9	**6.418,5**
Tunisia	926,2	4.300,7	238,1	1.585,7	3.534,1	433,6	188,8	647,0	502,1	**12.356,3**
Saudi Arabia	1.225,9	3.511,4	4.132,0	6.745,1	3.401,1	333,4	498,1	1.771,1	10.803,6	**32.421,7**
Kuwait	207,3	832,6	703,6	1.336,9	831,8	76,9	22,2	221,3	1.951,7	**6.184,3**
Bahrain	97,5	812,3	376,3	424,1	216,5	1,2	0,1	113,7	668,5	**2.710,2**
Qatar	255,6	1.263,5	1.213,8	1.486,9	1.685,8	1,5	11,6	289,3	2.720,1	**8.928,1**
Jordan	163,9	453,2	382,9	950,5	556,3	231,9	474,3	455,2	1.193,4	**4.861,6**
Yemen	33,8	355,1	116,4	274,1	159,5	127,2	16,5	379,4	380,6	**1.842,6**
UAE	1.284,1	4.836,3	5.549,3	8.514,5	5.229,2	636,0	318,6	2.898,5	12.106,5	**41.373,0**
TOTAL										**195.686,0**
TOTAL	**13.651,6**	**33.543,6**	**16.795,5**	**32.719,7**	**30.437,4**	**7.079,1**	**4.661,1**	**15.953,4**	**40.844,6**	**195.686,0**

I. Changing trade flows (9 of 16)

IMPORTS TO SELECTED MARKETS FROM MENA MARKETS - YEAR 2009

Niche Markets	Selected Countries									
	Spain (US$ M)	France (US$ M)	UK (US$ M)	Germany (US$ M)	Italy (US$ M)	Russia (US$ M)	Ukraine (US$ M)	Turkey (US$ M)	USA (US$ M)	TOTAL
Algeria	5.288,8	3.817,8	797,2	903,4	8.418,3	6,8	0,7	2.027,9	11.150,4	**32.411,3**
Egypt	1.999,4	1.263,9	877,4	1.157,4	2.009,3	212,2	61,7	641,1	2.169,4	**10.391,8**
Lebanon	20,8	40,9	43,9	37,1	25,8	13,1	3,5	107,8	79,3	**372,2**
Libya	2.993,1	3.135,7	1.274,5	3.949,0	14.275,6	1,5	0,3	402,5	1.981,2	**28.013,4**
Mauritania	108,1	69,7	0,4	97,6	183,3	30,6	5,2	0,6	36,6	**532,1**
Morocco	3.289,0	3.453,8	486,2	723,0	584,5	357,5	4,1	234,7	519,9	**9.652,7**
Sudan	0,8	29,1	27,7	15,8	11,3	2,1	0,1	7,2	10,7	**104,8**
Syria	267,1	483,9	109,0	1.155,9	587,1	38,7	15,6	327,6	320,5	**3.305,4**
Tunisia	592,5	4.297,5	547,6	1.704,9	2.837,5	58,1	2,8	234,9	338,1	**10.613,9**
Saudi Arabia	3.383,0	3.135,0	675,5	892,8	2.727,1	28,3	8,3	1.691,9	23.243,1	**35.785,0**
Kuwait	317,5	483,5	1.055,3	128,4	100,8	0,04	1,1	184,2	3.969,1	**6.239,9**
Bahrain	46,8	175,1	18,6	92,0	49,7	0,6	1,3	24,2	502,7	**911,0**
Qatar	1.193,8	110,5	1.107,4	104,8	461,8	7,2	3,6	85,6	535,9	**3.610,6**
Jordan	15,1	13,9	23,6	45,2	59,8	16,5	14,9	20,3	954,3	**1.163,6**
Yemen	5,8	9,9	2,7	7,1	7,4	0,2	0,01	0,3	7,5	**40,9**
UAE	105,3	808,5	877,6	643,5	490,2	27,1	35,6	667,8	1.565,3	**5.220,9**
TOTAL										**148.369,5**
TOTAL	**19.626,9**	**21.328,7**	**7.924,6**	**11.657,9**	**32.829,5**	**800,5**	**158,8**	**6.658,6**	**47.384,0**	**148.369,5**

Source: United Nations Commodity Trade Statistics Database – UN COMTRADE

I. CHANGING TRADE FLOWS, TABLE E (10 OF 16)

Arab Monetary Fund

TABLE : 32																			جدول : 32
2007																			
INTER-ARAB MERCHANDISE IMPORTS																			الواردات السلعية البينية للدول العربية
FIGURES IN MILLIONS OF U.S. DOLLARS																			الأرقام بملايين الدولارات الأمريكية
PARTNER COUNTRY	JORDAN	EMIRATES	BAHRAIN	TUNISIA	ALGERIA	SAUDI ARABIA	SUDAN	SYRIA	SOMALIA	IRAQ	OMAN	QATAR	KUWAIT	LEBANON	LIBYA	EGYPT	MOROCCO	MAURITANIA	YEMEN	TOTAL
JORDAN		286.5	89.4	5.1	0.1	2,840.6	7.1	363.6	0.5	12.1	12.9	8.1	136.6	104.7	0.9	590.8	25.4	0.2	52.0	4,536.7
EMIRATES	472.6		656.5	28.0	1.6	2,661.9	114.9	451.7	213.2	4.3	49.2	1,153.6	347.8	436.2	193.2	444.9	51.0	0.0	376.3	7,656.8
BAHRAIN	9.0	332.5		15.5	0.0	566.0	0.2	5.9	0.2	0.5	32.0	39.8	67.2	10.0	0.0	26.3	1.7	0.1	0.2	1,107.1
TUNISIA	16.2	36.4	17.5		299.6	144.1	10.0	49.3	0.0	0.0	3.4	17.1	13.0	15.5	645.8	204.2	75.7	1.7	1.4	1,550.9
ALGERIA	92.9	48.7	24.9	200.3		112.2	0.8	21.2	0.0	0.0	1.8	10.8	5.3	24.0	0.7	239.5	62.1	3.8	0.2	849.3
SAUDI ARABIA	390.1	2,249.9	830.9	106.1	3.1		119.5	497.6	13.8	0.5	292.5	253.1	225.9	213.9	8.6	1,110.1	95.2	0.0	259.2	6,669.9
SUDAN	69.1	480.4	59.8	8.1	2.9	654.6		42.8	0.2	0.0	14.4	31.0	17.2	26.8	23.7	493.0	0.3	0.0	0.0	1,924.2
SYRIA	134.0	221.9	21.9	7.2	6.9	591.1	14.4		0.0	20.8	9.3	35.0	110.1	157.0	39.9	597.8	69.2	0.4	3.8	2,040.7
SOMALIA	0.6	46.9	0.0	0.0	0.0	15.6	0.0	0.2		0.0	49.8	0.0	0.0	0.0	0.0	0.3	0.1	0.0	47.3	160.9
IRAQ	2,164.9	0.0	0.4	17.8	219.6	0.0	0.0	7,993.1	0.0		93.3	10.1	0.0	160.4	0.0	507.4	0.6	0.0	62.3	11,229.9
OMAN	25.2	2,778.3	353.7	0.3	0.0	439.8	0.0	23.2	25.5	0.0		51.1	68.1	14.2	0.2	60.0	6.5	0.0	18.1	3,864.3
QATAR	64.7	645.8	162.6	2.7	0.2	972.1	0.2	68.6	1.2	0.1	75.4		48.1	48.2	8.8	41.1	3.5	0.1	5.4	2,148.7
KUWAIT	138.2	529.0	86.1	35.7	4.2	435.6	36.7	493.4	0.0	0.0	103.6	73.2		90.9	0.5	264.2	9.0	0.0	721.2	3,021.4
LEBANON	82.1	218.3	23.3	13.2	5.4	282.4	19.7	206.5	1.0	1.2	5.9	16.1	269.9		39.2	523.7	38.9	1.7	3.2	1,751.7
LIBYA	23.1	33.5	4.5	416.1	12.0	29.7	1.4	169.8	0.0	0.0	45.6	22.9	0.2	10.2		75.9	34.1	0.0	0.4	879.4
EGYPT	65.2	188.8	114.4	15.1	365.7	2,211.2	49.9	144.7	0.1	0.4	2.7	11.8	1,228.0	100.8	195.6		22.9	31.1	22.5	4,771.1
MOROCCO	7.5	158.1	33.7	202.3	789.3	1,744.0	0.5	25.2	0.1	7.7	3.6	40.8	31.5	24.0	97.0	341.5		1.3	0.5	3,508.5
MAURITANIA	0.1	30.3	0.4	8.9	34.6	5.9	0.3	0.5	0.0	0.0	0.0	0.0	0.0	0.5	0.0	9.7	22.2		0.2	113.6
YEMEN	48.0	1,623.3	11.6	1.0	0.8	683.5	3.1	33.3	73.2	0.2	118.8	10.2	340.0	39.8	0.0	132.7	4.2	0.0		3,123.5
TOTAL	**3,803.7**	**9,908.6**	**2,491.6**	**1,083.3**	**1,746.0**	**14,390.3**	**378.6**	**10,590.6**	**328.9**	**47.8**	**914.2**	**1,784.6**	**2,908.8**	**1,476.8**	**1,254.1**	**5,663.3**	**522.4**	**40.5**	**1,574.5**	**60,908.6**
41																				

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I. Changing trade flows, table f (11 of 16)

Inter-Arab Exports

Year 2008

Figures in Millions of US Dollars

	Jordan	Emirates	Bahrain	Tunisia	Algeria	Comoros	Djibouti	Saudi Arabia	Sudan	Syria	Somalia	Iraq	Oman	Qatar	Kuwait	Lebanon	Libya	Egypt	Morocco	Mauritania	Yemen	Total
Jordan		330.9	42.4	16.2	5.0	-	-	4,374.9	4.7	609.3	0.3	66.7	18.6	7.6	110.7	119.1	0.7	371.3	37.9	0.1	24.2	6,140.6
Emirates	218.3		751.1	49.6	101.4	-	-	8,773.2	587.2	304.3	187.0	1.1	3,092.6	1,559.1	346.6	346.3	155.6	274.7	38.1	-	725.3	17,511.4
Bahrain	29.0	516.4		18.5	0.0	-	-	9,437.1	0.0	19.5	5.8	-	28.9	63.0	52.5	27.3	-	17.0	2.4	0.1	0.6	10,218.1
Tunisia	25.9	58.1	14.8		778.5	-	-	125.6	11.6	106.3	0.0	-	2.6	10.9	43.3	11.7	645.5	113.7	89.8	0.6	2.8	2,041.8
Algeria	131.8	146.1	73.4	405.6		-	-	106.4	-	323.5	0.2	0.2	6.4	9.1	2.7	29.5	3.1	97.7	113.0	18.0	0.4	1,467.2
Comoros	-	19.9	-	0.0	-		-	-	...	...	...	...	1.0	...	...	-	...	-	1.6	-	-	22.5
Djibouti	1.0	47.6	-	1.4	-	-		1,141.2	-	-	1.1	-	27.7	-	-	2.2	...	11.1	25.3	-	20.6	1,279.2
Saudi Arabia	476.2	2,613.6	1,051.2	60.1	40.9	-	-		104.1	1,400.3	12.0	0.2	423.1	255.7	284.9	208.9	6.9	646.1	172.7	0.4	208.8	7,966.2
Sudan	90.7	571.6	62.2	27.9	0.3	-	-	610.9		70.1	0.1	-	28.9	28.3	15.6	31.6	17.4	282.4	1.9	-	3.2	1,843.2
Syria	234.5	1,608.2	13.5	10.5	28.3	-	-	764.8	15.4		-	1,006.8	0.0	37.7	294.8	223.6	244.3	288.0	44.3	0.4	6.0	4,821.2
Somalia	0.6	60.5	-	-	0.1	-	-	21.3	0.0	1.1		-	-	0.1	-	-	-	3.4	-	-	48.1	135.1
Iraq	809.9	-	0.2	6.4	-	-	-	574.7	0.1	741.1	-		69.2	0.8	-	269.0	-	178.7	3.4	-	18.3	2,672.0
Oman	31.4	3,626.8	404.6	3.4	0.9	-	-	697.9	0.1	0.1	22.4	-		15.4	67.9	14.4	0.2	71.3	1.7	-	17.3	4,975.8
Qatar	81.2	1,385.2	181.8	3.7	0.8	-	-	1,655.6	0.4	89.2	2.8	-	-		92.0	85.0	7.0	76.7	5.2	-	6.6	3,673.0
Kuwait	93.3	813.3	216.1	1.8	0.8	-	-	1,501.0	1.9	314.5	9.0	-	100.1	23.8		95.8	-	87.4	8.6	0.4	196.6	3,464.5
Lebanon	126.4	213.7	176.2	8.9	17.4	-	-	407.5	15.2	243.8	1.1	12.9	6.4	6.6	54.9		26.8	216.4	31.2	6.0	1.6	1,573.0
Libya	33.5	79.7	10.3	865.4	46.7	-	-	231.8	0.5	223.1	-	-	3.5	0.8	0.4	11.1		416.7	63.8	-	2.8	1,990.0
Egypt	104.6	465.8	48.4	128.0	656.7	-	-	4,479.7	60.2	507.4	1.2	3.8	28.5	25.0	161.5	127.1	102.7		48.1	7.7	39.5	6,996.0
Morocco	12.6	176.2	49.0	232.8	628.8	-	-	2,530.4	0.2	25.2	0.0	134.4	5.2	31.9	36.2	16.0	77.2	175.6		1.4	0.1	4,133.3
Mauritania	0.3	1.4	-	23.3	2.4	-	-	16.9	-	12.5	-	-	7.1	-	-	1.5	-	3.0	50.8		0.4	119.6
Yemen	51.2	1,635.4	10.8	2.6	0.0	-	-	1,136.8	66.1	136.0	69.9	-	-	4.7	440.0	16.0	-	81.5	7.7	0.0		3,658.7
	2,552.3	14,039.5	3,063.6	1,850.0	2,304.0	-	-	34,212.7	863.2	4,518.0	312.6	1,159.4	3,831.5	2,073.0	1,893.2	1,517.0	1,286.6	3,041.5	709.6	35.1	1,299.0	86,696

I. Changing trade flows (12 of 16)

- According to the Middle East Trade and Road Survey of 2009, total inter-Arab trade witnessed an overall increase over the period 1996-2006, equivalent to around 302%.

- This improvement in the overall scene of inter-Arab trade was driven by improvements in the volumes of inter-Arab exports and inter-Arab imports, which in 2006 reached $55.82 billion and $52.31 billion respectively. In the following data for the years 2007 and 2008, as per information from the Arab Monetary Fund, the trend of inter-Arab trade flows attained $60.9 billion and $86.6 billion respectively. See Tables E and F.

I. Changing trade flows (13 of 16)

- In a declaration to the press, "the Peninsula" newspaper in Qatar, Sheikha Lubna bint Khalid Al Qasimi, the Minister of Foreign Trade of UAE, stated that inter-Arab trade rose 8.8% in 2009 which figure will rise to $94.2 billion

- Sheikha Lubna explained that the recent global financial crisis serves as a catalyst and motivation for all Arab countries to develop their cooperation and achieve complete integration in order to strengthen the capacities that contribute to the development of their economies and keep them better positioned to confront potential future challenges.

I. Changing trade flows (14 of 16)

- Today, after the recent events in the Arab world, the flow of goods within the inter-Arab markets, as well as trade flow from other regions, the Far East or Europe will be affected, but in the short run.

- By looking closer to the comparative trade flows statistics, to and from MENA (the Far East and Europe/USA) and within the inter-Arab, we notice:

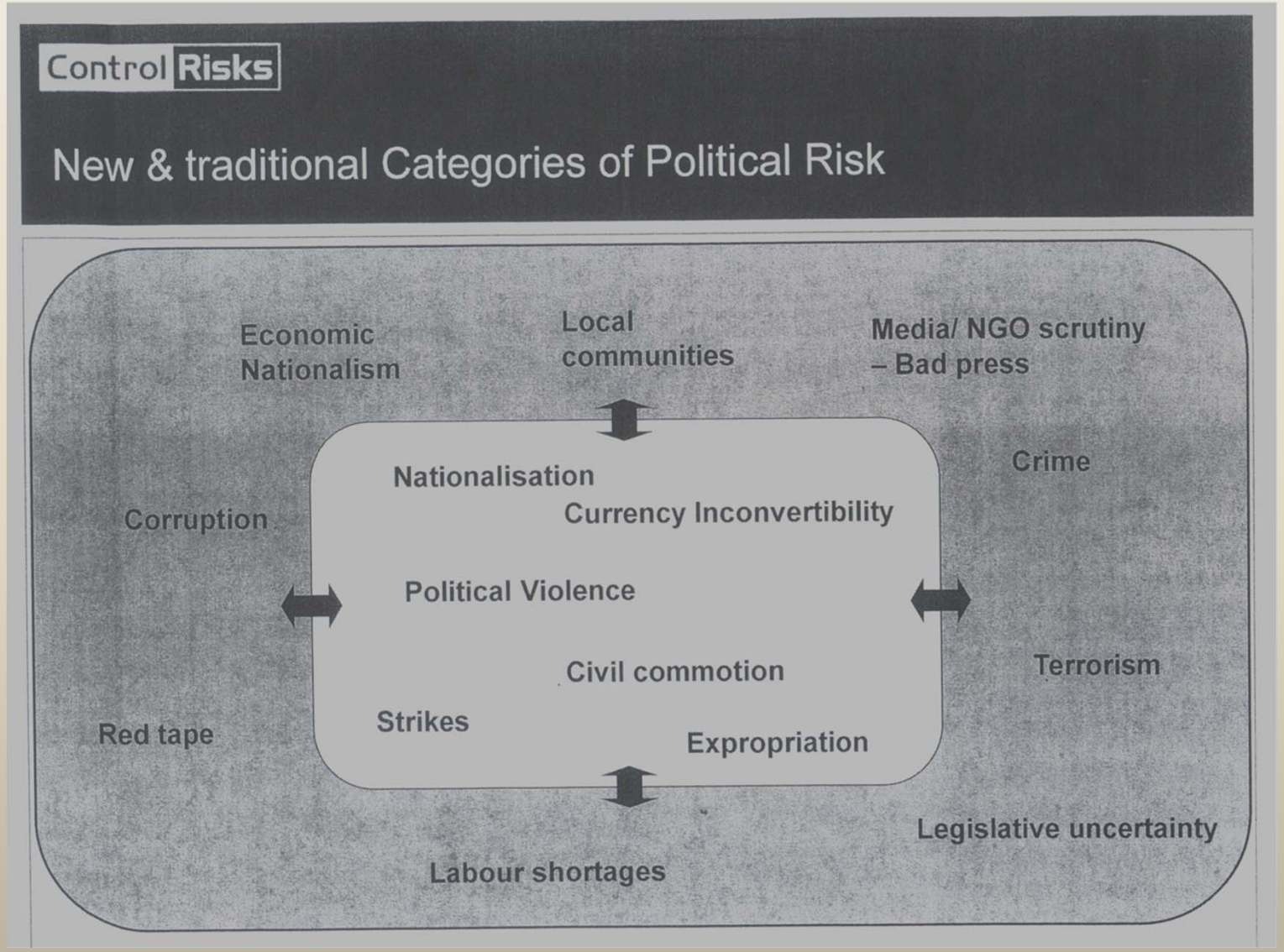
1. The predominance of the growth of China's share, together with South Korea, Japan, Thailand and Malaysia.
2. With respect to North Africa, the traditional rising shares of the U.S., France, Germany, Italy and Spain, followed recently by Turkey & Russia .
3. The emergence of Iraq as a prime importer of goods for its reconstruction.
4. The leading shares of the KSA, UAE, Syria and Egypt with respect to inter-Arab trade.

I. Changing trade flows (15 of 16)

- To conclude, the first part of my presentation, I would like to refer to one of the most important barriers as mentioned earlier, is payments risks. Correspondent banks and exporters/beneficiaries require some kind of protection against these risks. **You have to attack risks before they attack you.**

- Attached is a list of new and traditional categories of political risks: Table G

I. Changing trade flows, table G (16 of 16)



II. INCREASED EXPANSION OVERSEAS (1 OF 9)

- I shall focus now to the second part of my presentation, that is **"the increased expansion overseas of Lebanese banks".**

- This is about correspondent banking and the services rendered by Lebanese banks, which have played since more than a century an important role in rendering services to the Lebanese citizens and to its Business communities, within Lebanon and specially at present in the MENA region, together with international correspondent banking partners overseas.

- The following **draft** shows the beginning of correspondent banking between Lebanon and Brazil in 1919.

  This **draft** of that epoch, is an indication of one of the correspondent banking services rendered by a Lebanese bank , namely, Pharaon and Chiha together with Banque Française pour le Brésil in Sao Paolo.

II. Increased expansion overseas (2 of 9)

II. INCREASED EXPANSION OVERSEAS (3 OF 9)

- Other correspondent banking services rendered by Lebanese banks developed starting 1975. Within 15 years until 1990, 65 banks were established overseas in order to serve, mainly, their Lebanese clients over borders in the Diaspora.

- In the 90s and the first decade of this century, Lebanese banks became more and more cultured in correspondent banking.

- By rationalizing their foreign units, decisions were made according to the market requirements and the choice of the right strategies. By this, I mean, one of the following five strategies :

1. An Agency arrangement with a foreign correspondent
2. Correspondent banking from afar
3. Opening of a Representative office
4. The establishing of a branch
5. The establishing of a subsidiary or an affiliate.

II. INCREASED EXPANSION OVERSEAS (4 OF 9)

- Today, in view of:
- Changes in trade flows and investments, as demonstrated through the various tables,
- The expansion of the Lebanese Diaspora mainly on the African continent, Nigeria, Angola, Ghana, the Ivory Coast, Cameroon, Congo and other states,

- The spreading over of the Lebanese new generation in the MENA region, either as an expatriate or establishing new business ventures, in Europe, Algeria, Egypt, Jordan, Syria, Cyprus, Iraq, UAE, Yemen, the KSA, Kuwait, Oman, Qatar, Bahrain, Senegal … Lebanese banks have increased their expansionary ambitions overseas and followed their corporate clients and depositors, in Paris, London, Frankfurt, Geneva, New York, Bucharest, Cyprus, Minsk, Algiers, Cairo, the KSA, Muscat, Sana'a, Dubai, Dakar, Sudan, Abu Dhabi, Amman, Damascus, and lately in Najaf, Erbil, Baghdad, Basra by selecting the right strategy servicing unit, one of the 5 just mentioned earlier.

II. INCREASED EXPANSION OVERSEAS (5 OF 9)

- This continued expansion has been enabled due to the increase of the size of the banks locally – their comfortable strong equities, liquidity and profitability positions, their high capital adequacy ratios, their shareholders' commitment and support, their compliance to Tier I and Tier II criteria and the acquisition of a comprehensive banking culture and risks' management.

- Of course, the presence of the Lebanese banks overseas had to meet the challenges of competition from:

  - The Lebanese banks themselves
  - International banks – the U.S. majors and the European banks
  - MENA Region banks established in Europe
  - Consortium Arab Banks in the Middle East and Europe.

II. INCREASED EXPANSION OVERSEAS (6 OF 9)

- The success of overseas expansion can be ascribed to:

- The Liberal economic system of Lebanon that has given the opportunity to the Lebanese banks to develop, to be cultivated and educated in banking technology and IT.

- The reputation and professionalism of the managements and their staff

- Corporate and banking culture

- The flexible Central Banking regulations of Banque du Liban compared to most of the MENA country central banks and regulations. The banking system in Lebanon was founded in 1864 and continues to be viable until today.

II. INCREASED EXPANSION OVERSEAS (7 OF 9)

- International cooperation with the IFC's GTFP, ATFP's inter-Arab trade finance, various ECAs such as Coface , ECGD, OPIC, AFD, EIB, the Islamic Corporation for Insurance of Investments and Export Credits, Arab Investment and Export Credit Guarantee Corporation.

- BANQUE LIBANO-FRANÇAISE & ITS GROUP NETWORK CLOSELY COOPERATES WITH ALL THESE INTERNATIONAL AND REGIONAL INSTITUTIONS in rendering its trade finance and treasury services to its corporate clients and correspondent banks

- In order to continue this success, growth and profitability, especially from non-funded income services and compete within the European, MENA region and the Far Eastern markets Lebanese banks that will render correspondent banking services, they must:

II. INCREASED EXPANSION OVERSEAS (8 OF 9)

1. Permanently call on beneficiaries/suppliers in these regions that export goods to the MENA region and introduce their banks and trade finance services they render and the corporations they serve.

2. Develop strategic alliances between financial institutions in these regions. Again, this requires visits to these banks, introduce the bank and the services rendering capacities and networking.

3. Develop strategic alliances with ECAs within these regions.

4. Introduce the supply chain financing option for their corporate clients and beneficiaries simultaneously.

II. INCREASED EXPANSION OVERSEAS (9 OF 9)

5. Cooperate with the international rating agencies and other financial institutions and finance companies that provide ancillary services in detecting Money Laundering, shell companies.

6. And of course, continue to develop the international banking culture and introduce innovations in correspondent banking culture.

7. Develop and train correspondent banking RELATIONSHIP MANAGERS that are mobile and ready to travel and compensate them equitably.