



**-Lebanon-**  
*last updated on 2003-08-19*

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## GENERAL FEATURES OF TRADE POLICY

The economy of Lebanon has been heavily damaged by 17 years of fighting. The public sector was badly hit, as the government lost most of its revenues. The massive task of rebuilding the country's infrastructure from telephones and electricity to health and education has begun, with efforts concentrating towards the restoration of Lebanon as a free trade and services centre for the Middle East.

The Lebanese economy suffers from a crippling public debt and extensive deficits. Lebanese public debt reached 30 billion euros at the end of December 2002, which is equivalent to 173% of Lebanese GDP. Interest payments on debt alone absorbed 85,6% of 2002 budget revenues. Moreover, the fiscal deficit was equivalent to 36% of expenditure in 2002.

Unemployment is about 13% of the working population.

Since 2000, the Lebanese government has adopted a reform program to improve the Lebanese economy notably incorporating liberal economic policies, tax reform and privatisation. The Hariri's government aims at boosting economic growth, limiting the budgetary deficit and reducing the debt service.

In order to cope with the public debt, the Hariri's government introduced a value-added tax (VAT) on February 1st, 2002. The Lebanese authorities are also taking measures to improve foreign investment. Lebanon expects to gain revenues from the privatisation of the public sector. Lebanon has also turned to the International Community, mainly to the European Union and the Arab countries for help in addressing the debt problem (the Paris II Conference was held on November 23rd, 2002).

Lebanon is an observer at the World Trade Organisation. It requested to accede to the WTO on January 30, 1999 and submitted its Memorandum on its external trade regime on June 13, 2001.

Lebanon became a member of the Arab free trade zone in 1997, which focuses on a yearly 10% reduction of duties during ten years. It has also concluded bilateral agreements with Syria, Egypt, Kuwait, the United Arab Emirates, and Iraq (in 2002) which aim at reducing duties of 25% within 4 years.

### EU- Lebanon trade relations

Trade arrangements between Lebanon and the European Union are governed by the Association Agreement, signed on June 17th, 2002. Lebanon is the eighth non-candidate Mediterranean nation to conclude an association agreement with the EC (only Syria remains and is currently negotiating such an agreement). The Association Agreement replaces the Cooperation Agreement, which entered into force on 1st July 1977 and exempted Lebanese industrial exports to the EC from quotas and duties. The former envisages free trade

in industrial goods by 2014.

The EU is the main trade partner of Lebanon. Imports from the EU to Lebanon accounted for 42 % of all Lebanese imports and were worth 3.1 billion dollars in 2001. Exports to the EU from Lebanon amounted to 19 % of total exports in 2001 (i.e. 170.9 million dollars). Lebanon's exports are primarily directed towards the Arab states.

For more statistics, check

<http://mkaccdb.trade.cec.eu.int/stb/stat/comext.pl?action=search>

*The following table is an overview of the tradeflow between the European Union and Lebanon*

Section	Year	Import(Euro)	Export(Euro)
<b>Animals &amp; animal products</b>	1996	9,896,940	146,821,200
	1997	11,989,060	177,101,490
	1998	10,421,460	165,879,830
	1999	7,947,580	158,804,630
	2000	6,970,350	183,079,590
	2001	9,575,650	165,274,860
	2002	12,409,890	202,272,070
	2003	20,186,010	159,857,560
<b>Vegetable products</b>	1996	2,514,400	26,229,190
	1997	2,449,600	31,960,150
	1998	2,194,550	37,600,670
	1999	1,915,320	34,346,550
	2000	2,059,580	35,497,940
	2001	2,144,310	43,677,080
	2002	2,262,560	44,165,510
	2003	2,330,700	36,046,700
<b>Animal or vegetable fats</b>	1996	118,970	18,488,290
	1997	99,910	19,791,840
	1998	76,130	23,988,460
	1999	58,850	16,699,440
	2000	64,150	15,064,530
	2001	55,910	16,628,750
	2002	82,040	7,225,540
	2003	471,410	6,605,790
<b>Prepared foodstuffs</b>	1996	5,838,800	110,039,320
	1997	6,588,980	134,724,720
	1998	7,961,240	133,094,030
	1999	8,622,000	134,619,180
	2000	9,558,450	140,166,000
	2001	15,890,560	164,134,580
	2002	13,193,300	169,016,140
	2003	12,022,560	164,203,250
<b>Mineral products</b>	1996	414,010	256,448,120
	1997	5,899,220	304,190,190
	1998	276,890	200,976,930
	1999	5,784,900	252,718,310
	2000	15,649,460	388,563,180
	2001	20,371,040	237,158,200
	2002	17,840,850	221,713,500
	2003	22,120,100	352,201,470
	1996	19,782,450	255,964,430
	1997	18,284,390	291,296,010
	1998	18,612,430	305,065,470

<b>Chemical products</b>	1999	20,723,280	333,098,360
	2000	30,032,970	355,151,780
	2001	25,233,600	395,923,370
	2002	18,014,280	402,786,100
	2003	19,303,280	377,713,710
<b>Plastics &amp; rubber</b>	1996	316,640	88,917,920
	1997	601,590	106,616,520
	1998	780,610	97,951,130
	1999	995,960	91,250,190
	2000	1,499,150	87,135,650
	2001	2,338,450	102,977,940
	2002	2,198,590	92,544,330
<b>Hides &amp; skins</b>	2003	5,856,590	86,388,960
	1996	1,296,130	9,562,240
	1997	3,106,150	11,485,530
	1998	3,666,860	10,781,730
	1999	4,732,170	8,370,710
	2000	7,099,340	10,814,410
	2001	2,455,040	14,372,950
	2002	2,230,090	14,143,700
<b>Wood &amp; wood products</b>	2003	2,599,910	12,475,600
	1996	39,500	16,469,990
	1997	137,370	17,909,740
	1998	73,560	23,771,950
	1999	367,040	18,854,780
	2000	1,755,980	23,854,730
	2001	834,230	27,814,220
	2002	501,300	25,031,720
<b>Wood pulp products</b>	2003	293,170	25,470,130
	1996	4,399,610	68,403,200
	1997	5,412,020	78,038,570
	1998	8,607,770	81,083,090
	1999	7,943,940	83,258,680
	2000	5,113,570	86,738,910
	2001	6,948,590	98,907,090
	2002	6,489,290	102,549,360
<b>Textiles &amp; textile articles</b>	2003	6,523,780	98,211,520
	1996	20,309,760	183,138,270
	1997	17,650,050	198,634,650
	1998	18,648,000	207,918,690
	1999	16,041,630	166,709,020
	2000	17,907,190	178,336,000
	2001	14,494,850	224,955,080
	2002	13,823,450	223,440,250
<b>Footwear, headgear</b>	2003	12,717,420	192,694,020
	1996	580,760	33,287,780
	1997	753,270	34,150,030
	1998	742,170	34,332,110
	1999	1,018,530	23,816,650
	2000	338,810	23,084,090
	2001	350,250	30,480,140
	2002	404,480	27,364,870
<b>Articles of stone, plaster, cement, asbestos</b>	2003	1,541,840	21,677,340
	1996	141,220	80,464,640
	1997	482,310	87,651,690
	1998	244,310	73,369,090
	1999	505,870	64,107,120
	2000	690,720	62,533,220
	2001	666,950	75,390,970
	2002	776,710	65,520,660

<b>Pearls, (semi-)precious stones, metals</b>	1996	18,922,860	93,588,370
	1997	34,231,930	112,362,650
	1998	25,649,050	103,876,150
	1999	33,490,240	123,998,040
	2000	30,905,790	102,368,110
	2001	26,702,830	124,339,610
	2002	31,845,350	139,559,240
	2003	24,655,280	99,500,370
<b>Base metals &amp; articles thereof</b>	1996	17,474,230	163,792,650
	1997	22,432,320	163,553,460
	1998	23,135,700	157,054,880
	1999	22,751,610	119,192,820
	2000	36,984,650	130,706,890
	2001	33,260,430	144,132,520
	2002	27,388,710	123,275,010
	2003	21,392,850	106,245,900
<b>Machinery &amp; mechanical appliances</b>	1996	6,840,810	612,175,810
	1997	11,099,980	536,383,780
	1998	12,201,060	572,138,480
	1999	16,232,450	442,381,500
	2000	16,591,080	429,867,930
	2001	19,547,990	490,990,350
	2002	11,178,660	464,788,170
	2003	13,103,600	451,505,780
<b>Transportation equipment</b>	1996	1,080,110	181,721,050
	1997	1,795,310	295,542,780
	1998	1,699,230	190,383,990
	1999	1,894,980	202,392,570
	2000	44,165,610	256,381,800
	2001	19,720,280	276,656,730
	2002	4,173,900	253,889,120
	2003	3,220,270	705,289,860
<b>Instruments - measuring, musical</b>	1996	2,028,100	51,037,360
	1997	2,553,370	62,395,720
	1998	3,492,890	56,464,520
	1999	2,514,090	61,576,050
	2000	2,187,840	63,635,510
	2001	2,672,380	87,749,870
	2002	2,200,070	75,820,250
	2003	2,303,560	89,112,380
<b>Arms &amp; ammunition</b>	1996	150,850	2,936,090
	1997	41,910	3,634,230
	1998	321,140	3,613,280
	1999	0	3,880,730
	2000	2,210	4,578,290
	2001	3,720	5,011,340
	2002	12,550	4,742,890
	2003	0	4,132,660
<b>Miscellaneous</b>	1996	581,240	65,316,970
	1997	680,450	64,908,230
	1998	892,520	69,712,450
	1999	1,136,310	60,544,090
	2000	2,229,900	63,116,140
	2001	3,286,390	78,283,390
	2002	1,680,450	77,747,970
	2003	2,039,770	59,288,750
<b>Works of art</b>	1996	329,820	2,906,330
	1997	1,436,810	3,620,820
	1998	159,970	3,016,500
	1999	448,320	3,133,200
	2000	241,110	4,252,080

	2001	410,460	3,231,600
	2002	685,560	4,077,780
	2003	593,980	2,578,410
Other	1996	2,422,170	2,477,610
	1997	2,079,450	2,977,330
	1998	2,632,950	2,737,160
	1999	1,952,280	2,621,650
	2000	1,473,980	3,574,430
	2001	1,733,760	3,097,690
	2002	1,904,800	6,356,510
	2003	2,643,360	2,424,170

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## TARIFFS AND DUTIES

In December 2000, Lebanon liberalised its import regime significantly. Now about 80% of tariff lines have duties between 0 and 5% and only about 12% of EU exports of industrial goods are subject to tariffs higher than 15%.

To get the tariffs' level of any product, check:

<http://mkaccdb.trade.cec.eu.int/wtdtar/wtdquery.pl?country=LB>

### IMPORT PROCEDURES

See: <http://mkaccdb.trade.cec.eu.int/wtdoc/wtdout.pl?COUNTRY=LB&DOC=OVERVIEW>

Direct link to the market access database: <http://mkaccdb.trade.cec.eu.int/index.html>

DG Trade website: [http://trade-info.cec.eu.int/europa/index\\_en.php](http://trade-info.cec.eu.int/europa/index_en.php)

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## NON TARIFF BARRIERS

Agriculture and Fisheries

### Sanitary and phytosanitary measures

● [040088-Lebanon- Live bovines, bovine products and derivates \[2004-10-01\]](#)

Import restrictions on EU bovine meat and meat products because of BSE.  
Countries involved, UK, PT

- [General statement on BSE to all Third Countries on 17/03/2004 in reaction on the](#)

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## IPR

Counterfeiting is a serious concern for EU exporters to Lebanon. Indeed, the level of pirating is high, as 83% of computer software and 80% of videos are estimated to be pirated.

In 1924, Lebanon promulgated a law on copyrights, which was amended in 1999. Although Lebanon was one of the first countries to legislate on the issue and despite the fact that the provisions seem relevant, the implementation of the law remains insufficient.

Annex 3 of the Association Agreement stipulates that Lebanon shall ratify the revisions of the Paris Convention for the protection of industrial property (1967, amended in 1979), the Bern Convention for the protection of Literary and Artistic Works (amended in 1979) and the Nice Agreement concerning the International Classification of Goods and Services for the purposes of the Registration of Marks (1977, amended in 1979) five years after the entry into force of the Association Agreement .