

SPECIAL MAP: BEIRUT'S PRIVATE COAST

Executive

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INVIGORATING HEALTHCARE



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OUR NATIONAL MALADY



We need our heads checked. Honestly, I think we Lebanese are suffering from what can only be described as Stockholm Syndrome. Why is it that people are suddenly so in love with our ministers? What exactly is Wael Abou Faour doing? “He’s making sure our food is safe to eat and pushing through healthcare reforms,” you might reply. As minister of public health, that’s his job. I can’t fathom why our response to a minister who is doing his job for a change is to applaud him. What about all of the others who don’t? Why are we not angry? Why are we not demanding more? There has been a food safety draft law written for 12 years. We should be furious that no minister of public health has raised this issue before, not smitten with one who finally bothers to do something. On healthcare reform, Abou Faour’s simply applying a law first passed in 1994.

The same is true for Ali Hassan Khalil. He’s weeding out corruption at the Ministry of Finance? This is the bare goddamn minimum. We should be revolting, not heaping praise on public servants for serving.

What is distorting reality is their reliance on professional media and public relations advisors who are obviously in a fierce competition to get the most coverage for their respective clients. If ego stroking is what it takes to get our public servants going, so be it — let’s get each one a PR advisor!

But sadly, it seems we’ve all just given up. I didn’t want to believe that, but it’s true, and I saw proof of it firsthand during this year’s ArabNet conference at a panel I moderated. On this panel were two former ministers and two private sector heavyweights. When the speed of Lebanon’s internet came up, none dared truthfully discuss the problems. Instead, they pointed to whatever tiny backwater managed to have even slower internet than us, and praised our failing state for providing anything at all. Four months earlier, at Accelerate, people were angry and demanding answers. The name Abdel Moneim Youssef was on everyone’s lips. How did we all just give up in four short months?

We’re sick, and all of the generic pharmaceuticals in the world won’t cure us.

Yasser Akkaoui
Editor-in-chief

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Waiting for (re)forms

The new unified prescription form is part of a wider context of healthcare reform the Ministry of Public Health is working on. However, its future implementation remains in question.



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A male model with dark hair, styled back, is sitting on a large, textured rock formation. He is wearing a vibrant blue Brioni suit with a subtle checkered pattern, a white dress shirt, and a blue patterned tie. He is looking off to the side with a serious expression. The lighting is dramatic, highlighting the texture of the rock and the fabric of the suit.

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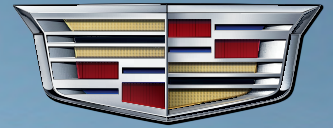
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> A boat transporting over 150 **asylum seekers** sank after leaving the Libyan port of Misrata en route to Italy, claiming at least 50 lives. According to Palestinian news site Donia Al-Watan, at least eight passengers were Palestinian refugees from the **Ain el-Hilweh** camp in Sidon.

> A **Lebanese Army soldier**, 32 year old Mohammad Hussein Shabake, was killed during a **raid** on a militant hideout in the town of Bhannine in northern Lebanon. The shootout that erupted during the raid also left a suspected militant dead.

> The **Lebanese Army** released a statement announcing the arrest of **ISIS commander** Hassan Ghorli, also known as Abu Harith al-Ansari. Ghorli was detained while receiving treatment at a Bekaa hospital and, according to the statement, was a leading figure in the clashes between militants and the army in Aarsal in August 2014.

> The Lebanese Army stated that no deal has been made for **Fadel Shaker** to

leave the Palestinian refugee camp of **Ain el-Hilweh**, where he is currently believed to be hiding. Shaker, a former pop singer who became a close associate of Salafist sheikh Ahmed al-Assir, is wanted on a variety of terrorism related charges.

> The **Lebanese parliament** failed to elect a **president** for the 20th consecutive time earlier this month after an electoral session was dismissed for failure to reach a quorum, with only 54 of 128 MPs attending. The country has been without a president since May 2014, when former President Michel Sleiman's term ended.

> Foreign Minister **Gebran Bassil** canceled a trip to **Saudi Arabia**, allegedly in response to Riyadh's move to condemn Hezbollah's involvement in the Syrian crisis at the UN Security Council.

> Speaking at a news conference in Beirut, French Minister of State for Development and Francophonie Annick Girardin cautioned that

the **Lebanese government** cannot benefit from \$181 million in soft loans approved by the French Development Agency if a president is not elected before a June deadline.

> Former prime minister and current head of the Future Movement's parliamentary bloc **Fouad Siniora** testified before the **Special Tribunal for**

the country in April.

> Labor Minister Sejaan Azzi ratified the **National Social Security Fund** bylaw amendments needed for the implementation of the unified prescription form. Policymakers hope that adopting a unified form will expand the market share for generic drugs and save money for the NSSF and patients alike.



Fouad Siniora testified at the Special Tribunal for Lebanon

Lebanon in The Hague. Siniora is the most senior politician to testify at the STL to date. He noted that while former Prime Minister Rafik Hariri had maintained a civil relationship with Hafez al-Assad, his ties with Damascus worsened when Bashar came to power.

> According to the Lebanese daily *As-Safir*, **EU sanctions** placed on Moscow last year over the Ukrainian crisis have disrupted negotiations for an **arms deal** between Lebanon and Russia. It is expected that the weapons Lebanon will receive as part of the \$3 billion Saudi grant announced in December 2013 will begin arriving in

> Central bank governor **Riad Salameh** stressed that Lebanese banks are not involved in money laundering operations to finance the Islamic State of Iraq and Syria (ISIS), after US Assistant Secretary of the Treasury for Financial Intelligence Daniel Glaser expressed concerns about this possibility during a visit to Beirut.



Riad Salameh: No ISIS money in Lebanese banks



Fadel Shaker remains at large



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QUOTE OF THE MONTH

“ARAB VOTERS ARE GOING TO THE POLLS IN DROVES. LEFT WING ORGANIZATIONS ARE BRINGING THEM IN BUSES.”

—Benjamin Netanyahu, during the recent Israeli legislative elections

> According to *The Daily Star*, an internal memorandum to aid agencies concerning **new residency measures** for Syrian nationals included a provision that refugees sign a pledge not to work in Lebanon, something that has raised concern among these aid organizations.

> The **Syrian Center for Policy Research**, with support from the UNDP and UNRWA, released a report entitled “Syria: Alienation and Violence”, detailing the impact the Syrian conflict has had on human and economic development in the country. The report, whose release coincided with the fourth anniversary of the outbreak of the conflict, noted that “the expanding internationalization of the conflict served to deepen the suffering of Syrians with scant hope of ending the crisis.”

> In a recently published report on the Lebanese economy, the **Institute of International Finance** said that stabilization and reforms are becoming increasingly urgent. While the report predicts a small growth in GDP supported

by the central bank’s stimulus package, it notes that economic recovery in 2015 and 2016 is contingent on an improvement in the security situation.

> **Cedrus Bank** was officially launched on March 3, following the acquisition of Standard Chartered Bank in Lebanon by Cedrus Invest.

> Data released by the **central bank** reveals that credits from commercial banks and financial



Beirut ranked 181st out of 230 cities globally for quality of life

institutions utilized by the private sector totaled \$56.5 billion at the end of September 2014, rising 6.7 percent or \$3.6 billion from the end of 2013.

> The **Order of Engineers and Architects of Beirut and Tripoli** granted 972 new construction permits in January 2015, a 29.1 percent decrease from the number issued in January 2014. The surface area of construction permits issued also dropped year-on-year, down 20 percent to 842,248 square meters.

> Lebanon ranked 135th among 166 countries in the **Economist Intelligence Unit’s Healthcare Outcome Index**. With a higher rank indicating a better outcome, this means the country has the 32nd best healthcare outcome worldwide, and the third best out of 22 countries in the MENA region. The EIU index analyzes four health indicators, namely disability-adjusted life years, health-adjusted life expectancy, adult mortality

and life expectancy at the age of 60.

> Beirut ranked 181st out of 230 cities worldwide in the **Mercer 2015 Quality**

of Living rankings. It placed 15th out of 24 cities in the MENA region, falling behind cities such as Dubai (74) and Port Louis, Mauritania (82). Ranking 230th, Baghdad was the lowest ranking city in the MENA region and globally.

> **ArabNet**, a tech business that serves as a hub for digital professionals and entrepreneurs, held its sixth annual Beirut conference in mid March. During this year’s event, regional startup accelerator Flat6Labs announced that it is launching a tech program in Lebanon, whereby it will invest seed money amounts ranging from \$30,000 to \$50,000 in more than 100 companies in exchange for 10–15 percent equity in the companies.

> Lebanese daily **Al-Akhbar** abruptly shut down its English language website, after plans to launch a print edition were canceled.





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**LEADERS
DE DEMAIN**

> Healthcare

A prescription of order

Injecting hope into a virulent healthcare setting

When word broke earlier this year that physicians and pharmacists have been treated to new prescription forms by order of Health Minister Wael Abou Faour, the matter seemed pale — perhaps even byzantine — when compared with the minister's flashier preoccupations. Who wants to bother with discussing some bureaucratic, procedural reform when there are so many daring indictments of food villains and patient-rejecting hospitals to drum up, replete with photo ops?

Even with the prospect that the new prescription regime might save citizens and the state some pretty pennies on drug expenditures — 30 percent ought to be possible, according to officials (see story page 18) — and at the same time stimulate local production of generic pharmaceuticals, almost everyone ignored examining the new measure and its significant, albeit not short term, implications.

Everyone except EXECUTIVE, that is. Even more shocking than the malnourished attention given to pharmaceutical issues that each year represent, give or take, 5 percent of our painfully high total imports bill, is another healthcare cost problem. Lebanon may spend much more than it needs to on branded pills but as a society we spend far too little on health overall, it appears, whether on primary healthcare or on preventive medicine.

Data shows that Lebanon spent a mere 7.2 percent of its GDP on health in 2012. This sounds good when compared with an exorbitant expenditure of 12.4 percent of GDP back in 1998 but when compared with the average of 9.3 percent share of healthcare in the GDP of the developed nations in the Organization for Economic Cooperation and Development (OECD), this is far from enough. It means we and especially our younger generations may be sitting on a medical time bomb.

This explosive potential has two components. The first is underfunding and under-investment. According to the Economist Intelligence Unit's Healthcare outcomes index 2014, the Lebanese currently get good value on money spent on healthcare, as spending per individual amounts to \$684 and ranks higher in outcomes than for spending.

However, the index unsurprisingly shows a correlation between healthcare expenditures and outcomes. Maintaining a developed healthcare system typically requires total expenditures to hover around or above 10 percent of national GDP and countries that do so demonstrate advanced efficiency in health outcomes. Not investing sufficiently in the universal provision of advanced healthcare — and such underspending is implied by the sinking share in GDP — means that the national bill is in danger of blowing up from an eruption of accumulated health risks.



The second component of Lebanon's health gamble is the combination of an aging population and a general increase in lifestyle diseases.

The evidence for this is as strong as it is shocking, even when examining just one massive lifestyle risk. More than one third of Lebanese adults smoke cigarettes, according to a 2008 survey. The survey cautions that "11.3 percent of the adult Lebanese population suffers from smoking-related heart disease [while] smokers with heart disease make up 6.6 percent of the total population."

Aging and correlated demographic change is also an established fact. A Lebanese male born between 2005 and 2010 can expect to live 76 years, while a female can expect to reach 80. While longer lifespans are not at all a bad thing, experience from developed economies such as Japan shows that population aging has massive implications for healthcare and state spending needs.

If the inevitable rise of lifestyle diseases and the increasing needs of an older populace come to a point of confluence with underfunded and underinvested health safety nets and woefully insufficient pension structures, the cost bomb could be mindblowing for a state that has made it a habit to exist on the financial edge. Conventional economic wisdom is that countries with debt issues — and boy do we have one — will be hit harder by increases in health and age related spending needs.

Making healthcare more efficient in Lebanon, as in the

case of the prescription form reform, is a step in the right direction. The latest view is that the notorious fragmentation of Lebanon's healthcare landscape could even be a positive for the sector by adding resilience. But the piecemeal reforms and small improvements that have been achieved in the past 20 years cannot and must not detract from the overriding need to address the future of Lebanese healthcare with what has been lacking in the past decades: political vigor and administrative rigor.

Thus far, healthcare reform packages had to be slipped onto the desks of incoming ministers with cautious hopes that one or another component — like the implementation of prescription forms — might find favor with the new politico in the building. This makes the historic pattern of healthcare restructuring and development in Lebanon into the most pathetic excuse for the lack of a national strategy that one can imagine.

Henceforth, thus, two urgent issues demand proper and immediate care: health investments and implementation of legal frameworks. In addition to reforming healthcare financing, the government must explore options to spur

investment in health infrastructure. The only way to maintain and further improve the quality of Lebanon's clinics and hospitals is through a consistent flow of investment injected into the medical system. Ways for achieving this, whether through state funding, public-private partnerships, or new and inventive methods have to be researched and discussed

in inclusive dialogue. Neither behind closed doors nor in populist political announcements and not even in reliance on generous donors can our health network leap into the 21st century.

One good news of the recently initiated reform of prescription processes for pharmaceuticals is that it adds a vital, and hitherto missing, component: data. The new process will allow authorities to track how doctors prescribe and pharmacies dispense medications

— making clearer not just how one of the major components of Lebanon's healthcare system works, but also allowing the identification of perpetrators of bad and wasteful practices in the medical field. This, in turn, will over time inform the contours of further financial and insurance reforms. And that is the genius hidden in the new prescription pad.

TWO URGENT ISSUES DEMAND PROPER AND IMMEDIATE CARE: HEALTH INVESTMENTS AND IMPLEMENTATION OF LEGAL FRAMEWORKS

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> Food safety

Hungry for change

A new law is needed to ensure the country's food is safe to eat

Food safety has become a national spectacle over the past several months. While there have been no recent foodborne epidemics, Health Minister Wael Abou Faour has incessantly reminded us that much of what we eat “violates health standards.” Yet despite this cringeworthy thought, it is refreshing to see the minister taking food safety so seriously — notwithstanding our nagging suspicions about his true motives for waging this campaign and disappointment over his lack of hard numbers to reinforce how serious the risks we face are. Abou Faour has repeatedly pledged not to let food safety fall off the radar when he leaves office, but we need much more than a pledge. We need serious institutional reform.

For far too long, Lebanon's elected officials have known there are serious problems with the current system for ensuring that what we eat is safe and clean. That said, Abou Faour is the first minister of public health to name, shame and promise change in over a decade. His efforts are laudable, but the problem is overlapping authority — the ministries of agriculture, public health, tourism, economy and industry, as well as each of the country's six governors all play a role in monitoring food safety, not to mention the municipalities. When multiple government agencies have responsibilities for something, it is all too easy for everyone to do nothing but blame each other if and when an epidemic happens.

In recent years, intermittent reports of warehouses full of expired meat or potato chips have surfaced time and again. Last year, EXECUTIVE reported that farmers facing a water crisis were diverting wastewater to be used for irrigation. There is no legitimate reason why negligent food handling has continued for so long. We understand that business owners on any link of the food chain might try sneaking expired products into the market rather than counting them as losses, but this is

absolutely unacceptable.

Today, according to the director general of the ministry of health, there are only 70 health inspectors working for the ministry, which is underfunded and understaffed. If, as the director general claims, other ministries are not doing their jobs properly vis-à-vis food safety, the chances that this crusade will end with Abou Faour's term are far too high for us to be comfortable relying only on a pledge that Wael's war will outlast him. We need institutional change and concentrated authority. We need a new law, and a draft approved in January 2015 by parliament's joint committees seems like the best start.

Chapter three of the draft calls for the creation of a centralized body, the Lebanese Food Safety Commission, that would have full control of food safety from inspecting imported food before it is distributed, to visiting farms and slaughterhouses to make sure best practices are being implemented. This is a good idea provided the commission is fully staffed with enough inspectors to routinely conduct randomized safety checks throughout the country. While article 30 of the draft delineates 21 tasks the commission will be responsible for — such as overseeing the ‘traceability’ process, i.e. tracking food through all stages of production to analyze any potential risks — the exact details will come in future bylaws.

Parliament Speaker Nabih Berri reportedly wants to convene a legislative session in mid April, and this draft should be on the agenda and given an up or down vote. On top of that, the cabinet must swiftly pass any necessary implementing decrees to ensure the food safety commission is created quickly, given proper authority and fully funded. The unfortunately common practice of reforms being stillborn because the cabinet fails to follow up with the necessary implementing decrees cannot be allowed to happen in this case. Food safety is a must, and the only way to avoid more scandals in the future is to properly monitor and regulate the sector. Ensuring safety is a day-in and day-out job, not something that will happen when someone raises a stink every few years. Better to turn the current spectacle into something productive, lest we have a true food safety issue in the future.

> ICT

Light a fire

Some problems with Lebanon's internet can be fixed quickly; others cannot

Lebanon is far from a bastion of fast and cheap internet. But stacked next to bumpy disorganized highways, intermittent electricity and a recent proliferation of private water companies that distribute water of questionable quality when the state runs out, internet infrastructure is probably the best infrastructure that the country has aside from air and seaports.

This is very bad news, considering it is more an indication

of poor infrastructure than the relatively positive state of the internet. Internet speeds are still very slow compared to other countries. Download speeds averaged 3.3 Mbit/s, according to Ookla Net Index calculated over a period of 30 days ending March 24. This compares to a global average of 22.6 Mbit/s calculated over the same period.

If you think that such slow internet has a marginal impact, think again. Sluggish speeds not only hinder streaming YouTube videos; they drag down the growth of the entire economy. And conversely, a 10 percent increase in broadband penetration has correlated to an additional 1.38 percent in GDP growth in low and middle income countries, according to the International Telecommunications Union. To spark growth,

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fire up your internet. Frustratingly, the country's internet could be sped up almost immediately by activating the brand new fiber optic backbone to carry traffic from local central offices to international exchanges. Other obstacles to fast internet, however, will likely take longer to overcome. These include upgrading the 'last mile' capacity from the country's internet backbone to homes and businesses, licensing more capacity to internet service providers and bringing down the steep prices for a decent connection (see article page 34).

While infrastructure upgrades to the 'last mile' are a matter of investment and time, licensing capacity and lowering prices are purely political and administrative tasks. The fact that they are unlikely to happen anytime soon is a categorical indictment of government leadership on the issue. The person with the biggest stake in this leadership is Abdel Moneim Youssef, simultaneously the head of state owned telecom company Ogero and the director general of operations and maintenance at the Ministry of Telecommunications. Youssef has not only failed to improve the country's ICT sector, he is stridently — and ridiculously — unapologetic (see article page 30). He must be replaced by competent and hard working individuals.

Youssef's departure will not, however, be enough. The post of telecommunications minister has long been warped into that of a mini-finance minister by perverse fiscal arrangements. Finance ministry estimates for January–November 2014 peg telecom revenues as making up the majority of the state's nontax revenue (where customs revenues are counted under tax revenues) at \$1.2 billion. As such, anyone overseeing the sector sits on a certain amount of power — certainly much more than those heading any other non 'sovereign' ministry.

This corruption of the function of the telecoms minister has stymied real reforms in the sector since at least 2003 when then-Minister of Telecommunications Issam Naaman warned that privatization of the sector would lead to a serious loss in annual revenues. Only when political chieftains stop fighting over the telecoms post and agree to undo the current distortion of the office will Lebanon have a chance at true competitiveness in communications and all the sectors that rely on it.

This, however, will take comprehensive detente and agreement among Lebanon's parasitic politicians. So start by firing up the internet backbone. Then fire Youssef.

> Urban planning

Throw open the doors

The public must be given a say in how Beirut grows


There's a glaring contradiction between the privately owned plots on the cadastral map of Beirut and legislation regarding ownership along the coast. A 1925 decree — still in force today — says that the coast is public property. It defines coast, or "maritime public domain," as the "seashore until the farthest distance that the wave[s] could reach in winter and sand shores and pebbles." This should automatically mean that the sandy beach of Ramlet al-Baida is unquestionably public property. Yet the cadastral maps for the area show that the sandy beach has been divided into parcels, which are today almost entirely privately owned. EXECUTIVE has not yet been able to ascertain how this happened, but the fact remains that it did. And this is not just an esoteric legal incongruity: it affects one of the city's last undeveloped coastal areas, including its only sandy beach. Clearly, a reasonable solution is needed to balance the public's right to enjoy the coast with the substantial sums of money private owners have invested in the land.

One option would be for either the city of Beirut or the Lebanese state to buy the land, thus preserving it for the public. Such a move would work best in the context of a larger, well studied urban plan for the city, and should not be a knee jerk reaction to public anger. After all, both the city of Beirut and the government currently own land along Beirut's western

coast, yet we see no sign that either is currently managing its trash-strewn parcels to maximize public use and benefit. A parallel and more immediate solution would be to make the process of obtaining exemptions from coastal zoning laws more difficult and — crucially — more expensive. Exemptions are, after all, deviations from duly enacted public policy. They should be neither easily obtainable nor wildly lucrative.

The best and most efficient way to do this would also be one of the simplest: bring the exemptions process into the light. Currently, developments requiring exemptions receive only a technical review before being sent to the Council of Ministers for political approval behind closed doors. The public has no say in this process — a highly problematic fact when developments abut or encroach upon lands used by many citizens, such as those along Beirut's western coast.

The public must be allowed to evaluate and comment on project exemptions. At a minimum, that means better disclosure of aberrant development plans, and public hearings open to all citizens with an opinion to air. While not a panacea, this minor reform would introduce a higher standard of scrutiny that is sorely lacking at present. And while it would not address all coastal developments, it would place greater constraints on the largest — the Eden Rock Resort on Ramlet al-Baida, currently in the excavation phase, would have been affected, for instance.

Bringing the exemptions process into the light should only be the first step to better mediate between private landowning interests and those of the public, but it is a necessary one. Policymakers, throw open your doors. 



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WAITING FOR (RE)FORMS

THE NEW UNIFIED PRESCRIPTION FORM IS PART OF A WIDER CONTEXT OF HEALTHCARE REFORM THE MINISTRY OF PUBLIC HEALTH IS WORKING ON. HOWEVER, ITS FUTURE IMPLEMENTATION REMAINS IN QUESTION.

By Jeremy Arbid

The Lebanese people's preference for the expensive over the reduced price, for the label over the no-name brand, is one based on perception. The thinking goes that a ridiculous price tag distinguishes financial and class superiority. Instead, it is name recognition that serves towards authenticating quality and trust, so companies register trademarks to maintain that recognition and separate themselves from the rest of the pack. In Lebanon, brand name drugs dominate the market, but off label generics are frequently just as effective in reducing pain, alleviating symptoms or curing the sick — oftentimes for a fraction of the price. In Lebanon, new unified prescription forms authorize pharmacists to substitute prescribed medication for generics under specified conditions: the substituted drug must be on the list of comparable medicines published by the Ministry of Public Health, the substituted medicine must be cheaper than the prescribed medicine, the doctor must indicate acceptance of substitution and the patient must give consent.

It is in the larger context of healthcare reform that the Ministry of Public Health attempts to implement these prescription forms — the new regulation might encourage greater prescribing of generic medication thereby improving affordable access to quality healthcare service. At least that is the intention. According to the 2007 Household Survey conducted by the Central Administration of Statistics, 51.7 percent of those residing in Lebanon have no health

THE NEW REGULATION MIGHT ENCOURAGE GREATER PRESCRIBING OF GENERIC MEDICATION

insurance. While the Ministry of Public Health functions as the insurer of last resort — according to a 2012 report on Lebanon's health statistics by Université Saint Joseph, it counts approximately 1.6 million Lebanese as beneficiaries (as of 2005). Total healthcare expenditures in 2012, the latest statistics available from the ministry, amounted to just over \$3.1 billion, 7.17 percent of the nation's GDP. Based on those figures, EXECUTIVE calculates that out of pocket expenses — what individuals without health insurance pay — in 2012 reached nearly \$800 million. The ministry, meanwhile, paid nearly \$430 million in 2012 on total healthcare expenditures

with the National Social Security Fund (NSSF) doling out nearly another half a billion dollars in reimbursements. Medication accounts for a large portion of this spending as the country imported \$1.1 billion in pharmaceutical products last year, according to figures from Lebanese Customs. The nominal value of drug sales will likely also be

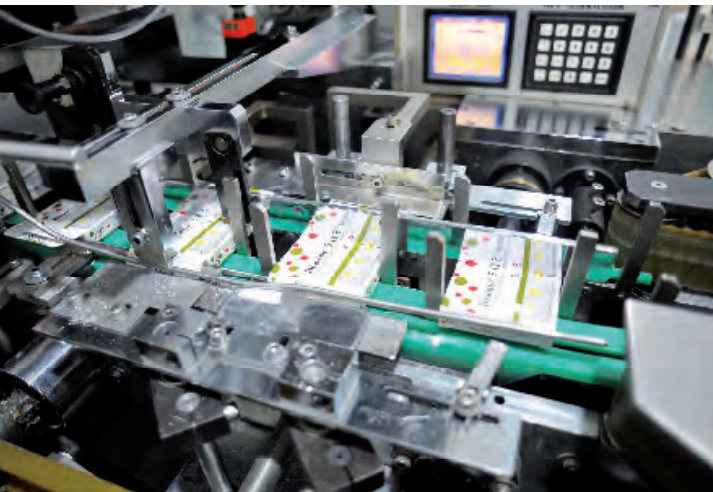
affected by implementation of the unified prescription forms — the volume of imports is projected to rise steadily in coming years but an increase in the share of generics would impact those importing drugs or manufacturing locally (see medical market box).

Furthermore, the new forms supposedly allow the tracking of prescriptions, where statistics could point out anomalies in prescription bias toward certain drugs or pharmaceutical companies, and — perhaps to a certain extent — would allow for the monitoring of incomes of those writing

MEDICAL MARKET

Pharmaceutical sales, according to projections from market research firm Business Monitor International (BMI), amounted to \$1.5 billion in 2014, a projected increase of 8.4 percent over the previous year. Imports made up 95 percent of those sales. Going into further detail, BMI estimates nearly 74 percent of total sales in 2014 (\$1.1 billion) were for prescription medication and that patented drugs accounted for almost 46.2 percent (\$700 million) of total spending on pharmaceuticals and 26.6 percent (\$400 million) spent on generics with the remaining sales attributed to over the counter medicines. Put another way, their projections highlight patented drugs as 46 percent of pharmaceutical expenditure in 2014. Meanwhile, generics remain low as a percentage of prescribed medications. Walid Ammar, director general of the ministry of public health, says the figure lies somewhere between 15 and 20 percent by volume. To determine the nominal value of Ammar's percentages, one must rely upon BMI projections due to the unavailability of government data and the unwillingness by both the Order of Physicians and the Order of Pharmacists to share these numbers.

Local manufacturers' contribution to pharmaceutical sales, according to BMI, accounted for about 5 percent of total pharmaceutical sales in 2014. Much of the production by local manufacturers is exported mainly to countries in the Arab region, with Saudi Arabia a leading consumer of Lebanese medicine. The government supports Lebanon's pharmaceutical manufacturers by giving tax incentives on exports. In 2014, Lebanon exported 936 tons of pharmaceutical products worth \$38 million.



and dispensing prescriptions. There is common agreement among those EXECUTIVE spoke to that implementing the forms will be a positive measure, promoting public health while also saving money for the patients and the government — which by some accounts could be dramatic. Strangely, however, this acclaimed step has been years in the making, and its future implementation remains in question.

DELAYS, OPPOSITION AND SHRINKING PROFITS

“All the administrative obstacles were solved,” says Minister of Public Health Wael Abou Faour, speaking to EXECUTIVE about the unified prescription forms. Yet even with all the hurdles out of the way, Abou Faour admits that as of late March the forms were not yet being used to prescribe medication and have yet to be printed.

The legal framework needed to implement the prescription forms was prepared years ago, according to Mohammed Karaki, director general of the NSSF, in a written response to EXECUTIVE’s interview request. He writes that

the adoption of the unified prescription form “came within the framework of applying the Law on the Practice of the Pharmacy Profession,” ratified by parliament in March 2010 amending articles of a previous law. Afterwards, in December 2011, then Minister of Health Ali Hassan Khalil issued ministerial decision 1295 publishing the sample prescription form and the conditions under which a pharmacist could substitute medicines.

Yet even with the law passed and the implementing decision issued, the prescription forms are not in use. Until recently, much focus had been upon an administrative hurdle at the NSSF — the fund needed to amend their internal rules. Antoine Boustani, head of the Order of Physicians, had said in February his syndicate could not begin printing the prescription forms until the NSSF amended Article 42 of its bylaws that stipulated pharmacists could only dispense medicine as written in the doctor’s prescription. Karaki confirmed the fund would amend the article noting that the minister of labor had already given approval. Indeed, on March 9 — the day EXECUTIVE spoke with Nabil Semaan, an advisor at the Ministry of Labor and former administrative director of the NSSF — Minister of Labor Sejaan Azzi announced the fund had ratified the amendment.

There has been opposition, as the four year gap between the issuance of the decision and its supposed near implementation indicates. Abou Faour has all but stated the obvious, that commercial interests of the various stakeholders impeded the process.

According to Walid Ammar, director general of the Ministry of Public Health, recent delays are due to the hesitancy of the Order of Physicians. They were “not convinced for different reasons. Some of them don’t trust the generic [medications], some have their own interests, and some are afraid that this prescription form [enables] the Ministry of Finance [to] have a more accurate figures about their income so they should have to pay more taxes,” Ammar says. Karaki corroborates the notion of taxes as an important aspect. “This is considered a method the Ministry of Finance could adopt to follow up on doctors’ incomes, so doctors will limit the unwarranted prescriptions they issue,” he explains.

The forms would facilitate the calculation of a physician’s income since written prescriptions indicate patient consultations, for which income should be taxed.

Taxable income is also likely a sticking point for the Order of Pharmacists, which collect duties on the import of pharmaceutical products. “It is worth noting,” reads a report by Ministry of Public Health official Rita Karam, “that drug importers pay a fee of 0.75 percent of the import bill to the Lebanese Order of Pharmacists, of which 0.25 percent is

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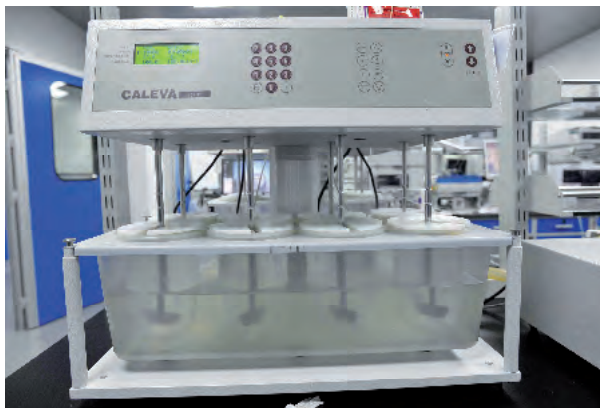
CONTROLLING COSTS

Walid Ammar, director general of the Ministry of Public Health, explains that the ministry set out to mitigate spending by first working towards limiting import prices and profit margins. The ex-factory price is the main target, he says, where ex-factory is the price of the product if it were bought at that factory, e.g. without costs of transportation. The ministry determines the local price by looking first to the product's country of origin for ways to reduce the profit margin, then to those importers and pharmacists in Lebanon. "We have issued several decisions over the years that have reduced the profit margins gradually and the most recent one is to have categories where you have different profit margins depending on the category. The higher ex-factory price gets lower profit margins — this is to encourage the generics mainly," Ammar adds.

The ministry also compares prices of medicines in other countries' markets and prior to 2005 based the local price of a given drug on its mean value across markets, though now the government sets the price to the lowest found in a comparison survey of other markets. What has had a big impact, says Ammar, is the ministry's altering of the profit allowed to the pharmacists — rather than receiving a percentage of the retailing price for a given medicine the pharmacist now can only calculate their profit by a flat rate lump sum. Ammar gives an example of how the ministry has altered the pharmacists' profit margin for medicines that fall into the highest category on the drug public price list — instead of allowing the pharmacist to mark up the retailing price of a given medicine by a certain percent the ministry has capped expensive drugs with a flat rate lump sum. "We have transformed the profit margin of the pharmacists from a percentage to a lump sum; everything that has an ex-factory above \$300 the profit margin of the pharmacist is \$86," Ammar says.

Additional measures to reduce the cost of drugs have focused on the primary healthcare network — local clinics and public hospitals — where generics are dispensed when prescribing medication. But Ammar says that the primary healthcare network has reached capacity, so this is no longer an area that can squeeze profit margins. The alternative has been to shift attention back to the market, where "more than 80 percent of sold drugs are branded, and most are originators [brand name]," says Ammar. A strict registration mechanism validates, among multiple quality controlling factors, the manufacturing conditions and drug bioequivalency, enabling the government to control comparisons of generics to originators and to clearly indicate the equivalence.

In combination, these regulations are meant to reduce the cost of healthcare in Lebanon by controlling profit margins and promoting greater use of generics where those medicines can be appropriately substituted in lieu of the expensive brand name drug. Factoring in the soon to be implemented unified prescription forms might further restructure the share of generics prescribed and the landscape of Lebanon's pharmaceutical market.



"THIS REFORM BENEFITS THE PHARMACISTS TO CLARIFY THEIR ROLE AS A MEDICATION THERAPY EXPERT"

deducted from the pharmacist's profit. An additional fee of 0.25 percent of the import bill is also paid to the Lebanese Order of Physicians." EXECUTIVE had requested these data points from the Order of Physicians, which deferred to the Order of Pharmacists; the latter declined to share the statistics.

The new prescription form would seem to be a good development for pharmacists — the forms would integrate the pharmacist into the consultative process with the doctor and the patient. It is, according to Abdalla el Lakany, dean of the faculty of pharmacy at Beirut Arab University, a needed step towards improving the doctor-pharmacist relationship. "This reform benefits the pharmacists to clarify their role as a medication therapy expert." Traditionally, he says, the role of the pharmacist has been limited to the dispensing of medications rather than a direct role in patient care vis-à-vis doctors. In Europe and North America the practice is a patient centered, holistic approach where the pharmacist is a cornerstone in a patient's treatment regimen, says Lakany, because of their drug expertise. "It is very normal for doctors to ask the advice of the pharmacist," in Western countries, Lakany says, adding that Lebanon's new prescription forms might be one step towards changing the culture.

The Order of Pharmacists is backing the implementation of the new prescription forms, Rabi Hassouneh, head of the syndicate, tells EXECUTIVE, but it is not enthusiastic. "Financially, it is negatively affecting the pharmacists, but we have agreed to abide by it and implement this law because we know this should be a huge benefit to the community,

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public and to the government budget for pharmaceutical expenditures,” he says. He adds that the government should put in place a system to incentivize physicians and pharmacists to prescribe and dispense generic prescription medicine. Hassouneh would not elaborate as to what such an incentive scheme might look like, saying only, “We have to follow what is happening in other countries.” When EXECUTIVE asked whether the Ministry of Public Health would compensate any of the stakeholders for potential losses in revenue, Abou Faour retorted, “Everyone is going to lose, but the one who is going to win is the Lebanese patient and the state. [Other stakeholders] are gaining a lot of profits — why should they be compensated?”

For the pharmacists, the profit margins have been squeezed at their expense — the government determines the price at which a drug can be imported whereby both syndicates collect duties as a percentage of the import bill. Concerning the pharmacists, the government decides the price at which medicine can retail for. The 2010 law meanwhile also requires that the pharmacist, upon consent

“YOU CAN MONITOR WHICH DOCTOR PRESCRIBED WHAT, WHICH PHARMACIST GAVE WHAT, YOU CAN TRACK STATISTICS”

from both the doctor and patient, substitute the equivalent, and cheaper, generic in place of the more expensive brand name drug. And, as Ammar explained to EXECUTIVE, for the most expensive drugs the pharmacist now receives a lump sum as profit rather than a percentage of the cost.

PUZZLE PIECES

The new forms should theoretically improve transparency in the writing and dispensing of drugs, in part by creating a paper trail from the doctor to the pharmacist. Boustani says that doctors previously were required to purchase stamps to put on each form with the intention of more oversight of the prescription, but it remained an unenforced practice. Boustani notes the presence of barcodes on the new forms, saying, “you can monitor which doctor prescribed what, which pharmacist gave what, you can track statistics. In the past you could go to the pharmacist and get whatever you wanted. Now you can’t — theoretically you can’t. We’re going to see what happens on the ground.”

While the new forms do create a trail, it is hard to see how prescriptions could be regulated without also implementing a computer system for the Ministry of Public Health to track prescriptions all the way to reimbursement from social security. Implementing the forms cannot be the final solution, says Hassouneh, “There should be an electronic solution starting from the Ministry of Health going to the social security [institutions] passing by [the] physician and it has to end at the pharmacist, otherwise the tracking won’t be effective. We cannot track manually thousands of prescriptions distributed in the market.” Boustani says the physicians syndicate will be fully online within the next two months. When asked whether the government might have plans to implement such a computer system to track prescriptions, Abou Faour answers only that “Yes, we are working on [the computer system], but [there is] no time frame.”

Unified prescription forms and the potential computer system are but two pieces of the healthcare reform puzzle — there have been past measures as well, according to the Ministry of Public Health. The new prescription pads are “part of a national strategy that we have been implementing for years now,” says Ammar, adding context to the latest regulation by describing previous measures (see box page 22).

The World Health Organization in its 2010 World Health Report on Healthcare Financing found that Lebanon’s various healthcare reforms had curtailed unnecessary expenditures. “Reduced spending on medicines, combined with other efficiency gains, means that health spending as a share of GDP has fallen from 12.4 percent to 8.4 percent,” from





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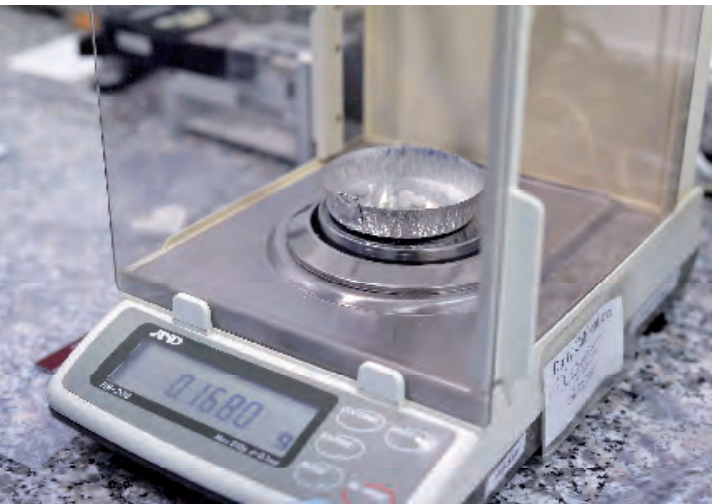
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1998 to 2004 and by 2012 that ratio stood at 7.17 percent. No government data is available for the latest year, but projections of healthcare expenditures in 2014 by Business Monitor International reached \$3.7 billion; the Institute for International Finance announced in March Lebanon's 2014 GDP reached nearly \$47 billion, thus total healthcare expenditures might approach 8 percent of GDP for that year.

Multiple people EXECUTIVE spoke to pointed out that the prescription of generic medicines as a percentage lies somewhere between 15 and 20 percent by volume. Ammar says this range is not based on any published studies but instead relies upon the quantity of drugs imported into Lebanon. "We are assuming that what is imported is sold. This is not really accurate, so in terms of importation [generics] represent about 15 percent, and you add the local manufacturing [to reach] 20 percent in volume," he says. Karaki corroborates, writing to EXECUTIVE that "15 percent of medicine currently used in Lebanon is generic, while generic medicine comprises 40 percent of the list of medicines approved by the NSSF," but notes that the NSSF has not conducted any studies as to cost savings.



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The indication is that an increase in the prescribing of generics over the more expensive brand name medicines might decrease the financial burden on the government and reduce out of pocket expenses for individuals. But again, the government has not projected what effect this might have on healthcare expenditures, holistically or otherwise, leaving Ammar to speculate. "I think this will lower by 30 percent the overall bill, for everybody — the ministry, the social security [institutions], even the beneficiary," he says.

A CHANGING LANDSCAPE

With a retail sales volume forecasted to steadily increase in the coming years, the dispensing of generics might increase in share once the regulation is implemented, but it is the nominal value of those sales that might be subject to change. Byblos Bank, in a September 2014 issue of Lebanon This Week, summarized BMI projections noting that the market research company has "attributed the elevated expenditures on pharmaceuticals in Lebanon to the market's high reliance on imported pharmaceuticals and on over-prescription of medicine in the country. It considered that the lack of consolidation among importers has maintained medicine prices at high levels and has reduced the competitiveness of distributors." Byblos Bank also noted BMI's finding that "patented drugs would account for 62.6 percent of total spending on prescription drugs," for 2014 and said that BMI "expected the usage of non patented medicines to increase in coming years, mainly due to rising awareness about generic medicines."

"If the market functions well," says Ammar, discussing the role of local manufacturers and importers in shaping Lebanon's pharmaceutical market, "everything you do is in the hope of being capable of purchasing the very expensive drugs within the resources available." He points out that Lebanon will continue to spend lots of money on importing medication because there will always be a need — people are getting older, life expectancy is increasing and there are more noncommunicable diseases, he says. "We'll never, in absolute figures, pay less than before," he says, "but instead of having an increase of 20 or more percent each [year] you are flattening the curve."

Those importing medications tend to agree. Discussing the dynamics of the pharmaceutical market, Armand Pharès, president of the Lebanese Pharmaceutical Importers Association, says that "the dynamics include various forces. You have the generics and such a law which will bring the spending down and you have two forces that will bring spending up: one is the growth in population, access to medical services, improvement in diagnosis; the second is the introduction of highly priced and sophisticated medicines."

Referring to figures from the Customs agency, Lebanon imported \$1.1 billion in pharmaceutical products last year

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— Customs does not simplify its categorization methods to represent the value of imported prescription medications or generics. Pharès points to statistics from IMS Health — a market research firm — for a picture of medicines sold in the pharmacies, “The analysis of the IMS gives us for 2013 a total retail market of \$750 million at net selling prices. Add \$110 million to the public institutions and more or less the same for hospitals and we end up at \$970 million — approximately 77 percent at the pharmacy level, about 11 percent public institutions and 12 percent at the hospitals.”

For the importers not much might change in the interim, but Abou Faour surmises they will be affected by the new regulation, “I think they are pretending that it doesn’t affect them; I think it will affect them because you’ll be moving from brand to generic. The generic with the lower prices will have lower profits.” Pharès does not disagree, but neither does he acknowledge a potential decline to importers’ profits, “At the level of each importer, one should look at one’s profits as the reward one can get from conducting its duties properly — in accordance with public interest; you will always have your share of legal profits whether it is a generic sold or whether it is the originator [brand name].”

Just as Ammar noted that Lebanon’s healthcare expenditures will never decrease in absolute value because of a continuous need for advanced medications to treat a growing and aging population, so to does Pharès. “Bringing the newest and most efficient drugs,” he says, “happens [to be] very expensive, but if you have a drug that is life saving and is costing as much as a car, would you prefer to buy a car or save your life? If you save your life you might say ‘oh [look at] these crooks who manufactured [or] imported such expensive drugs’ instead of saying ‘thanks to those who could make such lifesaving drugs available to us.’”

The multinational company that EXECUTIVE was able to interview for this article spoke cautiously. When asked what the prescription forms might mean to company strategy Fouad Jeweidi, Levant country head for multinational pharmaceutical Boehringer Ingelheim, only says, “I don’t feel it is a threat to multinational companies because at the end of the day we are trying to offer the best to the patient in terms of medication and disease management.”

LOCAL OPPORTUNITY

Bernard Tannoury, chairman and CEO of Benta Pharma Industries (BPI), a local manufacturer of generic medicines, acknowledges that the regulation will have an impact in the coming years — “Not yet, [but] it will. The unified prescription is an essential tool in any modern, regulated market.”

Perhaps local companies like BPI will help increase the

share of generics prescribed in Lebanon. “It will drastically change our [strategy],” Tannoury says, adding, “Hopefully it will boost the generic business and will boost the business of all the local manufacturers — our bread and butter is the generic business.”

But given the strong reliance on imports to meet Lebanon’s medication needs, it is likely that local manufacturers will face difficulty in penetrating the market with their generics. Tannoury declined to share company data on its position in the Lebanese market with EXECUTIVE, noting its proprietary nature, but did say that BPI’s “revenues rely to date mainly on the Lebanese market; however the company has been working on the development of international markets to increase its exports and revenues from abroad.”

It seems likely then that local manufacturers will look to the Arab region’s markets for exports. In 2014, Lebanon exported only \$38 million in pharmaceutical products according to Customs figures, mainly to Saudi Arabia, Jordan, Iraq, the United Arab Emirates and Kuwait. Industry support by the government to local manufacturers is forthcoming. The Investment Development Authority of Lebanon (IDAL) refers, on its website, to the local pharmaceutical industry as immature and presenting many opportunities for growth.

To encourage such growth, IDAL offers pharmaceutical companies with “financial and non-financial incentives which can run up to 100 percent exemption from corporate income tax for a period of 10 years.” Meanwhile, the Ministry of Industry is planning to “introduce 100 percent exemptions on [research and development] expenditures as well as a 50 percent exemption from all taxes incurring

from export activities,” according to IDAL’s pharmaceutical industry factbook. In fact, BPI was one of several local manufacturers that benefited from such government support.

The main challenge for local manufacturers then, says Ammar, is that “they are operating in a country with a very small population so they don’t have a big market. Our help was to improve the quality of their production, to help them in our pricing strategy to export.”

The atmosphere hanging above the pharmaceutical market reflects a wait and see attitude. With the current lack of available data on all fronts, it is difficult to reach any definitive conclusion on the market’s direction or the effect on retailers — on the rise in share in the prescribing of generics, or the potential savings awaiting the government. Controlling the quality of available generics and encouraging an increase in their share of prescriptions is a step towards improving patient health and decreasing the amount they pay out of pocket. But in this case, only time will tell what impact the yet to be implemented forms might have, and how quickly change might come.

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Lebanese hoping to own a home back in their home country can also benefit from the opportunity the current market in Lebanon offers. A special loan scheme has been developed for them, the **Expatriate Housing Loan**. All Lebanese citizens residing or working abroad with at least two years of work experience are entitled to benefit from this loan. The loan amount, which is in US Dollars, covers up to 70% of the property value in the case of purchase and up to 60% in the case of construction or renovation. The loan period is up to 20 years with competitive interest rates.

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Master muddler

A bewildering 40 minutes with Abdel Moneim Youssef

Abdel Moneim Youssef is not your average public servant. If there is one compelling impression from meeting him in person, it is that there is much more to him than meets the eye. In this sense, his office at the Ministry of Telecommunications is revealingly unrevealing: large but functional, not overtly more guarded than the premises of other Grade 1 national officials, and adorned with memorabilia — fittingly in his case, blown-up images of historic Lebanese phone cards decorate the spacious waiting area.

But the bureaucrat has certain attributes that pit him as quite exceptional for a public servant. For one, he singlehandedly holds a tremendous amount of power over the telecommunications sector. He is at once director general of operations and maintenance at the Ministry of Telecommunications and chair-general manager of state owned fixed line operator Ogero, which acts as an internet service provider while simultaneously being responsible for selling international capacity to the private sector.

The man is also incredibly elusive. Reaching Youssef required going through specific channels that are not usually required for journalists to meet public servants.

Then, there are the opinions people hold of him. Everybody involved with telecommunications in Lebanon seems to have one. Some view him as highly self interested, others regard him as no different from any other government employee — and some of those in the know even provided EXECUTIVE with two conflicting views, describing him as “extremely smart and charming if he wants to be,” but also going as far as alleging that he must be “a maniac” or have a “crazy conspiracy theory” — speaking on condition of anonymity, of course.

But for anything telecom sector related, Youssef is the go-to person. He is Mr. X — or Ms. X, as EXECUTIVE termed the theoretical, all knowing, unknown telecoms guru. He is the one who should be able to — and certainly is able to — answer basic questions on the minds of the Lebanese. Questions such as why has the new fiber optic internet backbone not been turned

on yet? Why isn't Ogero granting international capacity to private sector ISPs? Why is our internet so slow and expensive?

Before EXECUTIVE encountered Youssef, we were told he had a knack for derailing a topic by either losing his interlocutors in details or with his charming personality. Sitting down with him, it quickly became clear that he was not going to give us any information — much less a straight, serious answer. Youssef can talk, knows how to waste time and is a master of deflecting inconvenient questions. Besides not allowing recording equipment, Youssef would craft his answers in a way to not only avoid the topic, but also be unspecific to the point of making generalization into an art form.

When asked why the new fiber optic network contracted in 2011 — which now connects the bulk of the central offices in Lebanon as well as many of the country's heavy users such as universities and hospitals — has not been turned on, Youssef immediately retorted on the semantics, not the substance, of our question. ‘Heavy users’ is a meaningless term, he shot back, embarking on a diatribe arguing that the term was “not even a word.” If you look up ‘heavy users’ on Google, he said, it would yield no results. He went further to say that ‘heavy users’ was only a term used by people in Lebanon, to describe a concept that does not exist in the rest of the world's parlance.

EXECUTIVE of course does not know when Youssef last googled the term, but we can confirm that a March 2015 search yields high level international technical sources as using the term ‘heavy users’ in important discussions — such as the net neutrality debate — and for considerable time in exactly the same way in which it was entailed in the question posed to him.

To a question about why our new, state of the art fiber optic backbone had not yet been switched on to carry



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data traffic, Youssef retorted with an ill informed rebuttal about heavy users. The question remained unanswered, but Youssef's response served a purpose: the longer the talk about definitions, the more time Youssef won as the clock counted down to 6 p.m., when he informed us he had another meeting.

At a certain point in the interview — and though his English appeared highly adequate for claiming knowledge on the appropriateness of the technical terms he disputed — Youssef became apologetic about his poor command of the language, excusing himself, in English, as having been “French educated” and switched to arguing in French from that point on.

There are many strategies to waste time through talking, but it is an art to talk for 40 minutes and provide answers that are as far from clear as they are far from being quotable, in the sense of saying anything of informative value. “What’s the relation between internet and fiber optic?” he barked at EXECUTIVE when once more pressed for an answer as to why the fiber wasn’t turned on.

The discussion ascended to heights usually reserved to the performances of the Théâtre de l’Absurde as Youssef advanced to question the premise of a newly existing fiber optic network by asking us how we were sure it was really there. The question was surprising, given that the network had been budgeted, tendered and indeed installed according to various statements given to EXECUTIVE by telecommunications consultants, private sector contractors and vendors who had worked on the project — and notably, by advisors to the Ministry of Telecommunications. Taking a somewhat contradictory position to the gauntlet just thrown that was perhaps worthy of a Camus essay, Youssef then went on to assert that of course we have fiber optic internet.

But this statement is too vague to be understood as a claim that the new

network is indeed on, as Lebanon does have an older fiber optic network built over a decade ago that links five central offices together, which we understand is in operation. This network was originally built only to carry Ogero’s internal traffic, and was not meant to be used as a wide area network as it is used now, to carry internet traffic.

When speaking, it is very common for one to forget to be precise and qualify what is being discussed, so any potential misunderstandings can generally be clarified through merely asking a simple follow up question. When pressed for a more specific

“WHAT’S THE RELATION BETWEEN INTERNET AND FIBER OPTIC?”

answer, as in whether Youssef was referring to this older network, or if he was claiming that the new network was, indeed, turned on, he exploded.

The bone of contention appeared to be that EXECUTIVE had called the fiber optic network “old,” or as he reworded it, “ancient.” He thus addressed this supposed question of network longevity — which EXECUTIVE had not asked and not intended to ask — with a discourse on how fiber optic cables have a very long lifespan.

Indeed, fiber optic cabling, provided it is properly insulated under the ground, is essentially good forever. Yet when it comes to being able to carry an entire country’s capacity, no matter how long it physically lasts, it will not be able to carry traffic it was not designed for.

Youssef added that the older fiber that was built from 1994 to 2000 is only being used at 35 percent of its capacity.

But in an attempt to revert back to the matter of whether Youssef was actually claiming that the new network was off or if his claims were just stating vague facts in order to confuse,

EXECUTIVE asked him if he had signed any documents approving the activation of the newer network.

He responded saying that he signed papers for fiber optic cables “every day.” Again, it is unclear whether this means that Youssef signs papers approving some kind of fiber optic related work or if he was indeed claiming that he had signed papers approving turning on sections of the new network.

To close the discussion, he invited EXECUTIVE to call up all of our sources and tell them they were wrong. “They are completely ignorant,” he said. Every source we had cited in our interview — the advisors to the Ministry of Telecommunications, the consultants, the internet services providers — were implied. All of them.

After we dismissed some ideas implied by our interviewee — such as buying shovels and digging trenches to check for the presence of cables, or calling respected experts to insult them — the net gain of 40 minutes’ exposure to Youssef’s mastery in haranguing was thin. What we learned was that the questions we were asking, for some reason, were questions that Youssef did not want to answer.

If there is one thing Youssef can be congratulated for, it is his prowess in semantics. Not unsimilar to the style of long, colorful discourses of thesis and antithesis that are preached by certain prestigious schools in Paris in order for their students to succeed in oral presentations, Youssef can talk. While we leave him with new appreciation of how one can use this talent in a top public administrative position, we can only speculate as to how this public servant uses this ability for the greater good of national telecommunications.

What we no longer wonder about is his charm, or that he knows what he is doing. As he shakes hands with EXECUTIVE before ushering us out of the door, smiling, he apologizes for being so “disagreeable.”





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Four reasons Lebanon's internet is so slow

Broadband in Lebanon faces layers of obstacles



Lebanon's anemically slow internet cannot be considered broadband by any measure

Though Lebanon has a high international capacity coming in through underwater fiber optic cables — to the likes of several hundreds of megabits per second (Mbit/s) — internet speeds at the actual level of the user are overwhelmingly low. In Beirut, they average about 3.2 Mbit/s according to the Ookla Net Index for household downloads, calculated over a 30 day period ending March 18. This is not considered broadband by modern definitions, and pales in comparison to the global average of 22.3 Mbit/s, calculated over the same time frame.

But the problem is manifold: getting broadband internet in the country faces layers of obstacles.

Here are four of the main reasons why internet speeds in Lebanon are suffering.

1. THE BRAND NEW FIBER OPTIC NETWORK IS NOT ON

Lebanon's newest fiber optic network, by all appearances, is completely switched off. The project was commissioned in 2011 by then Minister of Telecommunications Nicolas Sehnaoui and implemented by local civil works company Consolidated Engineering and Trading (CET) in partnership with international telecommunications company Alcatel-Lucent at a cost of \$55 million.

This network connects the bulk of the central offices (COs) in the

country as well as heavy users such as businesses, universities, hospitals, mobile operators and the army, with the newest generation of cables. This network, however, has not yet been approved for further development and use by the new administration under Sehnaoui's successor Boutros Harb — and thus has yet to be switched on. The foggy reason given by advisors to the ministry is that there are mistakes made by contractors that are still in the process of being corrected.

That means we are still relying on older infrastructure to relay data traffic between COs and heavy users, which is mostly made out of copper, save for a small fiber optic loop connecting five COs including



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Adlieh, Jdeideh and Tripoli. However, according to Maroun Chammas, chair of internet service provider IDM, this network was built to handle Ogero's billing and back office traffic and was never meant to act as the country's backbone for internet traffic. The difference in speeds is quite pronounced. Fiber optic internet can go up to 100 Mbit/s, compared to copper, which is 8 Mbit/s at best, according to Ghassan Hasbani, CEO of consulting firm Graycoats, who adds that the limitations of copper become increasingly problematic the farther the user is from the CO.

When EXECUTIVE spoke with CET in January, the company's vice president, Dany El-Horr, explained that after the company delivered the project, having dug one million meters of trenches while Alcatel-Lucent laid down 4,000 kilometers of fiber optic cables, remaining work was forced to a halt when Sehnaoui left office and CET was barred from even entering the COs to test the signal strength of the equipment they had installed. "In most of the country, the cables were laid down, tested, accepted and handed over to the consultant. But in some parts, [such as] in the north, after the government [changed], we were banned from accessing the [COs] to finish our work," he says.

When put to Walid Karam and Margo Moussy, two advisors to the minister of telecommunications, they confirmed that although the fiber optic cable and equipment has been for the most part installed, it has not been turned on — as in, there is no data traversing the cables in the ground linking the COs. Moussy claims that the new fiber optic infrastructure is not in use because it has not yet been accepted by the ministry.

Karam explains that CET made a number of errors laying the fiber in the ground, and the ministry now has to work with the company to fix the problems. He claims that in some cases, these were quite major problems due to

technical specifications that weren't respected, such as the amount of concrete cement above the cables in the ground, and these were being redone completely. Neither Karam nor Moussy, however, could specify exactly how much of the fiber needed work, nor could they determine exactly when the fiber optic network would be turned on.

These blips in some parts of the implementation, however, do not properly explain why the entire fiber optic network is off. In fact, serious questions remain as to why the operational part of the network, which would at least provide high speed internet to many businesses, universities, hospitals and administrations, has not been turned on. Moreover, the kinds of fixes that Karam and Moussy refer to could, by all logical deductions, be finished within a matter of weeks. The fact that we have not seen any results is puzzling at best.

2. THE LAST MILE

Switching on the new fiber optic network would make a great difference for some of the institutions that make up the economic backbone of our country. And while it is a crucial step, it is only a first step in giving access to broadband to all Lebanese citizens. While the fiber optic network installed by CET and Alcatel-Lucent connected the COs and heavy users, it does not connect the COs to the final leg of the telecommunication network: the average end user. These connections are still made through much slower copper infrastructure.

So even if the fiber optic backbone was switched on, the average internet user would not feel the difference.

But a plan is on the way, we are told. According to advisors Karam and Moussy, Minister of Telecommunications Boutros Harb is currently devising a plan for an FTTX project (fiber to the premises). But the project is still in the planning phase, as it had not yet been determined

whether it would bring fiber to the home, to the building or to the curb. Moussy and Karam added that we should expect an announcement from the minister on this matter "soon."

On the sidelines of a reception organized by the Ministry of Telecommunications for Open Innovation Week at the end of February, Harb confirmed to EXECUTIVE that plans for a last mile project would be announced soon. This prospective announcement, however, has been overdue for at least several months now. Last December, Karam tweeted that Harb was to

EVEN IF THE FIBER OPTIC BACKBONE WAS SWITCHED ON, THE AVERAGE INTERNET USER WOULD NOT FEEL THE DIFFERENCE

announce a fiber-to-the-curb project before the end of that year. It might not be unreasonable to venture that we might have to wait a little longer for the elusive announcement. Despite EXECUTIVE's repeated requests, Harb has failed to grant longer interviews for the past two months.

3. BOTTLENECK IN THE E1 LINES

The next reason Lebanon's internet is so slow is not related to infrastructure — or a lack thereof. Rather, a problem that would linger even if the shiny, state of the art fiber optic network was expanded to home users and was turned on, is an apparent obstruction in the distribution of international capacity to the private sector internet service providers (ISPs).

Lebanon does not lack in international capacity. The country's three international exchanges in Beirut, Jdeideh and Tripoli are the gateways for international capacity to reach the country, connecting Lebanon to three underwater fiber optic cables. IMEWE cable connects Lebanon to

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India and various Middle Eastern destinations, as well as to Western Europe. Meanwhile, the Cadmos cable connects Lebanon to Pentaskhinos in Cyprus and the Berytar cable connects Lebanon to Tartous in Syria.

While EXECUTIVE has not been able to confirm the exact amount of international capacity the country is receiving with either the ministry or Ogero, the state-run fixed line operator and guardian of the country's telecommunication infrastructure, estimates from consultants and industry leaders peg the capacity at somewhere between 300 and 600 gigabits per second.

But a very small percentage of this is actually passed down to the private sector ISPs. Many internet ISPs have complained of a bottleneck at the level of distribution of international capacity.

Ogero, which also acts as an ISP, is in addition entrusted with leasing access to international capacity through E1 lines on behalf of the government. E1s are the units of

capacity — 2.048 Mbit/s each — connecting the client to the CO. Even if there is physical fiber linking the ISP to a CO, the ISP must buy enough E1s to take advantage of faster speeds. While Ogero directly leases internet connections to end users, private sector ISPs buy from Ogero then resell the lines to end users.

Ogero could be leasing a lot more E1 lines than it is. When we spoke to Khaldoun Farhat, CEO of ISP Terranet, he claimed that ISPs are not getting the capacity they are requesting from Ogero. Farhat explained that Ogero wasn't giving any more E1 lines because they are claiming that ISPs "have the capacity they need."

While EXECUTIVE was unable to get someone from Ogero to speak on the topic, the advisor to the minister of telecommunications, Karam, claims that one of the reasons Ogero is not granting the ISPs E1 lines is because they are reselling them illegally to Alpha, Touch, and illegal ISPs and DSPs. "They claim that they have x number of customers. Admin says

OGERO HAS, BY THE MOST CONSERVATIVE ESTIMATES, OVER 60 PERCENT OF THE MARKET FOR INTERNET SERVICE PROVISION

this is the capacity that you need. When [they] need more, [they] have to prove that they need more private customers," he says.

However, Farhat says that Ogero and the ministry are requesting that ISPs give a detailed list of their clients, full contact details, capacity sold and price. He claims that this is something that ISPs refuse to do, since Ogero competes with ISPs and is worried that this is a measure for the state run company to 'poach' their clients.

While EXECUTIVE could not verify either claim, the outcome of this debacle has been to solidify Ogero's

position in the market as a competitor with ISPs. The lack of bandwidth has forced the ISPs to buy capacity from the private sector — such as via satellite, according to Farhat. This is more expensive, and makes it harder for the ISPs to compete with the market prices at which Ogero is selling. Ogero has, by the most conservative estimates, over 60 percent of the market for internet service provision.

Moreover, not getting enough E1 lines either prevents the private sector ISPs from expanding their network of customers, or, more likely, forces them to offer slower speeds for each customer as they stretch the maximum amount of people on the same line.

4. THE HIGH PRICES

Many ISPs will tell you that if a user wants a faster connection, they can get it — provided they are willing to pay for it. Many businesses in the country have slightly faster internet than in homes, though they often complain about the very high amount they pay for it.

The price of internet service is neither an outcome of market competition or of cost to the providers. Rather, the prices are set by the government and are linked to internet speeds, and every time the government wants to lower the price of the internet, they have to issue a decree, according to Mohamed Alem, managing partner at law firm Alem & Associates. That means a service provider cannot actually lower the price of the internet without a change in the tariffs applied to them.

If internet speeds went up overnight astronomically, then, we would still have to wait for the government to pass a decree to make the faster internet affordable, and in this way Lebanon is still at the mercy of the government. As Graycoats' Hasbani puts it, "There's no point having this capacity with an extremely expensive price to access it. No one will access it."



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One man's army

Wael Abou Faour's food safety campaign may not outlive him

On a crisp February morning just before dawn, two boys walk down the narrow street leading to the center of the Sabra meat market with short knives tucked away in sheaths attached to their belts. Just a few months earlier, Health Minister Wael Abou Faour had told a press conference, "I'm embarrassed to show the media what the inspectors discovered at Sabra." According to a writeup in *The Daily Star* on the conference, the minister said he'd also ordered the closure of a few butcher shops in the camp. When EXECUTIVE visited in February, evidence of closures was nowhere to be found. One butcher — who asked not to be named — said the camp's slaughterhouse had long been shuttered. Indeed, the daily *Al Mustaqbal* reported the closure back in 2003. Today, predawn Sabra is an open air market for wholesalers selling to retailers. Beef sold in the market is slaughtered elsewhere. For Hassan Merhi, a young man who only recently joined the family business, elsewhere is privately run slaughterhouses in Choueifat or Fanar.

Merhi's uncle used to ply his trade at the Beirut slaughterhouse. He says his family has been slaughtering for generations — claiming his great-grandfather used to walk sheep from Medina, Saudi Arabia, to Beirut. Refusing to be too specific or offer exact figures, he confides that transportation costs involved in moving operations from outside Beirut to Sabra are high so the family sometimes clandestinely slaughters somewhere in the city. Knowing that's illegal, he won't say where. Merhi's cost saving scheme is not, however, unique.

As is often the case in Lebanon, EXECUTIVE was not able to get

exact statistics on illegal slaughter practices, but Bassel Al-Bazzal, head of animal health services at the Ministry of Agriculture, knows it's happening. "Actually, all over Lebanon they are slaughtering outside of the slaughterhouses," he says, as he takes EXECUTIVE on a virtual tour of the private and public slaughterhouses in the country. Repeatedly referring to a list compiled in 2013, which he says is confidential, Bazzal explains that there are a total of 14 licensed private slaughterhouses in the country — 12 of which are in Mount Lebanon. "But there are some

THE HEALTH MINISTRY HAS ONLY 70 INSPECTORS — THE MINISTRY OF ECONOMY AND TRADE EMPLOYS 170

[private] slaughterhouses that are not registered yet, so we can say there are more than this," he says. Additionally, there are 13 public abattoirs run by municipalities.

MONITORING MISHAPS

Licenses, he says, come from the Ministry of Industry while the Ministry of Agriculture provides a health registration number, which he explains is not exactly a license, but is necessary for a slaughterhouse to run legally, as per Law 949/1 from 2011. The Ministry of Agriculture has veterinarians on site to inspect meat post slaughter to ensure it is ready for market. The ministry also has inspectors who visit abattoirs to see if they comply with technical and health criteria, Bazzal explains. They visit



General Abou Faour

during the day, after the actual killing — which takes place in the wee hours of the morning — is finished.

"We inspect the places, not the process of slaughtering. It's not possible to go at night," he says.

Not seeing the process also decreased the usefulness of a recent and well publicized visit to the Beirut slaughterhouse by the UN's Food and Agriculture Organization (FAO). Maurice Saade, the FAO representative in Beirut, tells EXECUTIVE in a telephone interview that the body is refraining from making specific recommendations until members can see the abattoir in action. "We need to come back and visit once it's reopened," Saade says. He explains that the FAO has prepared a report and, as of mid March, planned to hand it over to the Ministry of Agriculture. He says that because the ministry commissioned the report, it will be the ministry's call whether or not to make it public.

MURKY MANDATE

Both Bazzal and Walid Ammar, director general of the Ministry of Public Health, place the responsibility of regulating unlicensed slaughterhouses at the doors of the country's various municipalities. Ammar explains that the ministry has 70 inspectors spread throughout Lebanon (which he says is too few, pointing to the 170 inspectors employed by the Ministry of Economy and

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Trade). These inspectors are under the administrative control of the governors of the country's six governorates, meaning it is the governors who should be sending them out on inspections on a day to day basis, Ammar says. If ever there is a 'health event' — such as a concentrated outbreak of food poisoning — Ammar notes the ministry's role is to order inspectors to investigate. Further, the ministry can send inspectors to do preventative investigations if authorities have reason to suspect a health event may be imminent. As an example, Ammar points to swimming pools, saying that last summer children got sick after visiting certain pools, so this year inspectors will monitor them before they open for the season.

When it comes to food safety, Ammar recognizes there are problems in Lebanon, but admits it

was not his first priority as an issue that needs to be addressed. He says that when a new minister takes office, he presents a list of priority interventions based on his own research for the minister to consider (unlicensed 'beauty clinics', for example). In the case of Wael Abou Faour, Ammar says the minister was the one to push hard on food safety. Ammar does argue, however, that the country needs a unified food safety law. Existing legislation does not directly address food safety, which means different ministries have overlapping authorities. Cabinet approved a draft law earlier this year but it is unclear when Parliament will consider the draft.

And while there has been no shortage of media hype surrounding a handful of serious cases of food poisoning, the numbers — while slightly outdated — paint a different picture. According to statistics

compiled by the Ministry of Public Health, foodborne diseases are by no means an epidemic in Lebanon. For example, in 2011, there were only 311 cases of food poisoning reported to the ministry and only 15 documented cases of parasitic worms. In 2012, the most recent data, there were 319 food poisoning cases, and the number of people with parasitic worms jumped to 36, but that still represents 0.0009 percent of a population of 4 million.

Numbers aside, Abou Faour seems determined to continue with his crusade, which Ammar says is putting stress on the ministry's inspectors. "The health inspectors are the army of Abou Faour now," he says. "It's his own army," he adds with a laugh. Asked if that army will outlive its general, Ammar is far from optimistic: "We need a bigger budget; we need more resources; but what we [really] need is other ministries [and the municipalities] to do their work." 

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Becoming clearer

The 'first look' results from Lebanon's airborne onshore survey are promising

The search for potential onshore hydrocarbon reservoirs in Lebanon is moving along more quickly than anticipated. Fully analyzed and interpreted data from an airborne survey of 6,000 square kilometers will be ready by the end of the second quarter, three months ahead of schedule, according to NEOS GeoSolutions, the US based company conducting the survey. NEOS is looking mostly at onshore Lebanon in the north, but the survey also includes both on and offshore acreage along the coast — known as the 'transition zone.' While the full data set will not be made public — in fact, it is for sale — early indicators suggest Lebanon's onshore has potential.

In March, Lebanon's Lampion Oil & Gas Services completed a ground magnetotelluric survey to complement the airborne survey being conducted by NEOS GeoSolutions. The local firm was subcontracted by US based Zonge International, which itself was subcontracted by NEOS. Lampion's Rachad Ghanem tells EXECUTIVE. He explains that Lampion is collecting extra data to "calibrate" the data NEOS already collected from the air. According to an oilfield glossary written by the oil and gas services company Schlumberger, a magnetotelluric survey is a type of electromagnetic (EM) survey that measures "naturally occurring electric and magnetic fields at the earth's surface." Data gleaned from such a survey is used to "map subsurface resistivity variations," reports the website of Electromagnetic GeoServices (EMGS), a company that does these surveys. Resistivity is a measurement of "how strongly a material opposes the flow of an electric current," according to EMGS website. A report from

Schlumberger further explains "some fluids (e.g. gas and oil) have very high resistivities while formation water and shales have low resistivities. These variations can help to discriminate between fluids." A magnetotelluric survey also gives a picture of the subsurface far deeper down than 2D or 3D seismic surveying, according to Schlumberger's glossary. While NEOS did take magnetotelluric measurements from the air, Lee Harper, the company's director of operations, explains in an email exchange that the ground survey "allows us to calibrate our airborne EM data, as well as enhance our overall data set. Ground [magnetotelluric] surveys are able to capture lower frequencies than airborne systems, which allows us to look deeper into the ground."

THE REAL STORY

Contrary to a press report from January saying that NEOS would also conduct an onshore 2D seismic survey, the company is actually only incorporating 2D data shot by another company in 2013. "NEOS does not have plans to conduct any onshore seismic acquisition. Our Lebanon project will include the integration of some of the existing seismic [data], principally in the transition zone part of the survey area, into our interpretation and analysis," Amanda Jane, NEOS' project manager for the Lebanon survey, told EXECUTIVE in an email exchange back in January. Jane said the Lebanese Petroleum Administration was expected to hand over the 2D data for incorporation by the end of January.

ALL EYES ON Q2

The airborne survey finished in December 2014, according to a

company press release, and so called 'first look' data became available to the survey's underwriters in February 2015. NEOS will not reveal who is underwriting the project, in line with standard industry practice, but the company's local partner, PetroServ, told EXECUTIVE in October that it is underwriting the survey to the tune of \$7.5 million. In a narrated slideshow describing the survey, NEOS reports that the project is moving ahead of schedule — 'first look' data was initially expected to be delivered by end of March. The slideshow says NEOS is "presently anticipating having the full interpretation ready for delivery on an accelerated basis at some point late in the second quarter," as opposed to by the end of September as originally planned. Once the data is fully analyzed, it will be available for purchase.

In a slideshow on its website describing the 'first look' data, NEOS includes some tantalizing information about clay and iron oxide deposits on the western margins of the Bekaa Valley. While the company has a commercial interest in talking up the results to sell more licenses to access them, misleading potential clients with embellishments would damage the company's credibility, meaning what they say about survey results thus far should be taken with a grain of salt, but not entirely dismissed as marketing mumbo jumbo. The deposits, the slideshow explains, are often a sign that oil or gas could lie below. "If you had hydrocarbon bearing intervals in the subsurface under Bekaa, these are the types of [indirect hydrocarbon indicators] one would expect to see and they are in the place where one would expect to see them."



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Thinking ahead

Lebanon can learn from Israel's bumbling regulatory changes for offshore gas



Since 2010, policymakers in Israel have had to repeatedly intervene in the energy sector to deal with challenges — not just opportunities — presented by the discovery of large gas fields.

In December 2014, Israel's antitrust commissioner David Gilo revoked a previous agreement that allowed US based Noble Energy and Israeli company Delek to retain ownership of Israel's biggest offshore field, Leviathan, in return for giving up two small fields, Tanin and Karish. The decision threatens the development of Leviathan, expected by 2018, and risks delaying it for an undetermined period of time.

The decision comes after the results of a report, commissioned by the Public Utilities Authority, were made public on December 18, confirming previous worries, including an ongoing increase in the price of natural gas sold by the Tamar consortium (the Noble and Delek led partners in Tamar, another large field) and anticipating

an increase in electricity prices, as a result of “monopolistic contractual demands,” locking Israeli consumers into artificially high and perennially rising prices. The Israel Electric Corporation (IEC) is currently paying around \$5.70 per million British Thermal Units (mmBtu), perceived as a reasonable price, but the concern is about future developments and trends. The starting price for IEC's long term supply agreements was \$5/mmBtu but would eventually reach \$7.70/mmBtu.

The decision, which triggered a clash with the Ministry of Energy, also comes amid a mood of economic populism in Israel, relayed at the highest levels of state institutions (including by certain members of the cabinet and the Knesset), and fueled further by the March 17 national election.

Noble has threatened to freeze “additional exploration or development investments” in Israel until the resolution of this and other regulatory matters. Regulatory

uncertainty is perceived as a deterrent for foreign investments in Israel, particularly in the oil and gas sector. Gilo's decision to renege on a previous agreement is not an isolated event. Since 2010, (i.e. after the discovery of Tamar and Leviathan), Israeli authorities have repeatedly intervened to regulate the sector. First, through the Sheshinski committee — a special commission whose recommendations, including a major tax increase, were approved by the Knesset in March 2011 — and second, through the Tzemach committee and the decision in 2013 to put a cap on gas exports, upsetting companies who argue that the Israeli market is too small and exports are needed to justify huge development costs. With such regulatory uncertainty finding a potential buyer for Leviathan might prove to be challenging, although the field retains enough appeal for investors.

Unless a compromise is found — which seems to be a possibility — the Noble–Delek partners will be required to renounce one of their two major fields, Leviathan or Tamar, prompting, by the same token, a lengthy legal battle with the state. A potential compromise could include retaining Tamar and Leviathan, in exchange for selling Tanin and Karish, in addition to a requirement to sell the gas separately, thus creating competition. Another compromise might involve establishing a public company to buy the gas and sell it domestically at ‘reasonable’ prices, or even imposing controversial price controls. The latest plan proposed by Gilo involves breaking up the monopoly into several entities, each of which would sell the gas separately. The plan bars Noble from selling Tamar gas in the domestic market.



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In Leviathan, each partner would sell its share of the gas separately. In addition, the plan calls for Delek to sell its stakes in Tamar and requires Noble and Delek to sell their stakes in Karish and Tanin. The plan was reportedly rejected by the concerned parties. The Antitrust Authority — which initially said the plan was final and failure to abide by it would lead it to declare that the current ownership structure constitutes a restraint of trade, prompting unilateral action — has delayed its decision until the end of April to allow enough time to reach an agreed solution.

The debate surrounding the way the sector is being managed is so intense and widely backed by the public that a possible change in the institutional framework and the establishment of a regulatory authority cannot be ruled out.

The uncertainty over Leviathan's ownership and possible development delays might jeopardize gas supply deals currently in discussion, including:

- A letter of intent with Britain's BG, operator of an LNG plant in Idku, Egypt, to supply 7 bcm of natural gas per year over a period of 15 years. The deal is estimated to be worth around \$30 billion.
- A preliminary deal with Jordan's National Electric Company to supply 45 bcm of natural gas over a period of 15 years, for approximately \$15 billion.

• A \$1.2 billion deal with the Palestine Power Generation Company to supply 4.75 bcm of natural gas over a period of 20 years. The PPGC already declared in early March that the deal will be canceled within 30 days unless regulatory issues are solved.

The US is a firm supporter of these deals, which it perceives as helping secure regional stability by


STABILITY IS PARTICULARLY VITAL FOR THE ENERGY SECTOR

fostering mutual interests, and has been instrumental in facilitating the negotiations. The Israeli move is therefore perceived by the Americans as an obstacle to the policies they are pursuing in the region. Special Envoy for International Energy Affairs at the Department of State Amos Hochstein, who visited Israel following Gilo's announcement that he is revoking the deal with Noble and Delek, had two main messages to convey: first, the dispute will have consequences on the investment environment in Israel, and second, gas agreements with potential regional clients are an opportunity that must not be discarded.

Stability and the ability to anticipate the regulatory framework are particularly vital for the energy

sector, one that requires major investments at the initial phase with the expectation of a return on investments. Regulatory uncertainty is already affecting the attractiveness of the sector and more difficulties are to be expected if the process drags on. Italy's Edison, which prequalified for Lebanon's first licensing round, is now reconsidering its decision to acquire the two small Israeli gas fields close to the Lebanese border, Tanin and Karish. But energy is also a strategic sector. If unchallenged, a monopoly would emerge supplying energy to broad sectors, and any change in future prices would affect the entire economy.

The desire to prevent that is understandable. But adapted measures should have been taken long ago if Israel wanted smooth sailing through the extractive process. The problem is the failure to anticipate any of the developments and always being a step behind: failure to anticipate the possibility of large discoveries and develop an adequate fiscal framework; the lengthy period to make a (first) decision on Noble and Delek forming a possible monopoly; making a decision that failed to address monopoly concerns (forcing them to sell Tanin and Karish, which together hold up to 3 tcf of natural gas, compared to Tamar and Leviathan's approximately 32 tcf); and finally deciding, a year later, to retract that decision.

Recent developments in Israel are a case in point, demonstrating how important it is to set a policy as early on in the process as possible to avoid regulatory uncertainty. This is worth pondering in a country like Lebanon where de facto monopolies are tolerated. 

MONA SUKKARIEH is cofounder of Middle East Strategic Perspectives, a Beirut based political risk consultancy.

FAST FACT SHEET

Noble Energy and Delek discovered seven gas fields in Israel, including **Leviathan** (with gross mean resources of **22 trillion cubic feet (tcf) of natural gas**) and **Tamar** (with gross mean resources of **10 tcf of natural gas**).

Leviathan ownership: Noble Energy 39.66%, Delek Drilling and Avner Oil Exploration (both are units of Delek Group) hold 22.67% each. Ratio Oil Exploration 15%.

Tamar ownership: Noble Energy 36%, Isramco 28.75%, Avner 15.625%, Delek Drilling 15.625% and Alon Natural Gas Exploration 4%.

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> **Climate change**

Feeling the heat

Notorious for their hydrocarbon consumption, Gulf countries are beginning to fight back against climate change

The sight was electrifying: a solar powered flying machine ascended into the desert morning in order to probe a new frontier for ecology and sustainability. Venturing far beyond the conventional concept of an airplane, Solar Impulse II is a science adventure to test and develop new practical technologies that can deal with the urgent, global problem of climate change.

Hatched by two Swiss celebrity explorers, Andre Borschberg and Bertrand Piccard, the experimental

aircraft intends to circumnavigate the earth in a five month-long flight that is divided into 12 segments. To optimize its chances of success, Solar Impulse II took off last month from Abu Dhabi.

The ultimate problem the flight seeks to address — climate change — is defined as the modification of climate patterns, both regionally and globally, and has been attributed to the increased level of carbon dioxide in the atmosphere due to fossil fuel consumption. The general consensus is that a continuous buildup of

emissions will have dire effects on the planet, such as seas submerging cities and extreme weather patterns.

The environment has always been a highly important topic in the world's agenda but the current environmental protection campaigns seen around the globe are unprecedented, as Hollywood actors, top politicians and ordinary people have made climate change their personal crusades. Leonardo DiCaprio, actor and UN representative on climate change, stated at the 2014 UN Climate Change Summit in New York that "climate



The first solar powered flight around the world took off from Abu Dhabi



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change is not fiction ... droughts are intensifying, our oceans are acidifying ... we're seeing extreme weather events in the west Antarctic and Greenland ice sheets melting at unheard of rates."

These statements characterize the mood of the public at a time where saving the environment is the only way forward. While the global debate over climate change is today as heated as ever, Gulf Cooperation Council countries — highly scrutinized due to their roles as some of the top carbon emitters in the world due to their heavy energy consumption — are beginning to take action against climate change.

THE ACTIONS

"The planet has a fever. If your baby has a fever, you go to the doctor. If the doctor says you need to intervene here, you don't say, 'Well, I read a science fiction novel that told me it's not a problem.' If the crib's on fire, you don't speculate that the baby is flame retardant. You take action." — Al Gore

When we burn gas, oil or coal, the infamous fossil fuels, carbon dioxide (CO₂) is released into the atmosphere, leading to an overall increase in the planet's temperature. It is indisputable to say that at the heart of the matter of climate change is carbon emissions production. Hence, the decrease of carbon emission is regarded as a crucial factor in controlling the planet's temperature.

The effort to control climate change is a not a recent phenomenon. In the last decades, the governments of many countries have agreed to enter into numerous treaties to achieve this target. In 1979, the pioneering world climate change conference took place, hand in hand with the oil crisis and realization among many nations of their oil dependency. In 1988, the Intergovernmental Panel on Climate Change (IPCC) was set up.

Until then there was no framework to monitor climate change,

hence the IPCC and the second World Climate Conference called for a global treaty to be put in place. The United Nations General Assembly called for the swift implementation of a framework convention. As a result, The United Nations Framework Convention on Climate Change (UNFCCC) was implemented in 1992 and although countries adhered to it (by considering what to do to limit global temperature increases and the resulting climate change), it required

THERE IS AN INCREASING AWARENESS OF ENVIRONMENTAL AND SUSTAINABILITY MATTERS AMONGST GCC COUNTRIES

fine tuning. By 1995, countries realized that emission reductions provisions in the Convention were inadequate. It was a turbulent time for climate change. The measures were not successful, and some argued insufficient, to fulfill the required goals.

NEW LANDMARKS

In 1997, the Kyoto Protocol was adopted. It was seen as a very positive development, especially after the Convention. The effect of the protocol is that it legally binds developed countries to emission reduction targets. The protocol's first commitment period started in 2008 and ended in 2012. The second commitment period began on January 1, 2013 and will end in 2020. There are now 195 Parties to the Convention and 192 Parties to the Kyoto Protocol. The protocol entered into force on February 16, 2005. To ensure targets are met, the parties to the protocol have continued the negotiations and have amended the protocol to achieve more tangible and increasingly ambitious targets by 2030.

Other highly significant developments have been the COP15 (Copenhagen Accord), the Cancún agreements, the Doha amendments and most recently the COP20 Lima Climate Change Conference in December 2014. The effect of these recent developments is to give the required 'legality' to all these agreements, to ensure pledges are officialized, binding and structured. A lot of progress has been made at international level that has great implications on economic and sustainable development, the management of resources and population demographics.

THE UAE AND GCC CLIMATE CHANGE PLAYERS

It is common knowledge that Gulf countries are amongst the higher producers of carbon emissions with the highest per capita carbon footprint in the world, which has been driven by the vast number of resources, ambitious projects and economic developments in these countries. Currently, the UAE annual per capita footprint amounts to roughly 7.8 hectares per person. Kuwait is now ranked as the world's worst footprint and Qatar is the second, according to the 2014 WWF's Living Planet Report.

However, there is a growing awareness of environmental and sustainability matters amongst Gulf Cooperation countries and in the Middle East, which is paving the way for a 'greener future' in this part of the world. The UAE especially has been at the region's forefront of environmental friendly projects such as the zero pollution, zero waste city and Masdar's carbon emissions reductions strategies under the various protocols and conventions.

To name recent legal measures with positive implications for reducing emissions, the UAE launched via its Supreme Council of Energy a mandatory energy efficiency standardization and

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labeling scheme designed to improve energy conservation and maximize energy utilization in residential properties. The energy consumed by ventilation devices and air conditioners is truly significant and the labeling system introduced in 2012 has enabled a more efficient control of power consuming devices, in line with international standards focused on decreasing electrical power consumption.

The UAE's progress in this field has been gradual but consistent, as it has also introduced 'green city's concepts' while government buildings have to adhere to energy savings programs including new buildings (2011 Supreme council of energy initiative with the Dubai Municipality and DEWA). This initiative becomes even more powerful in light of construction projects being developed for the 2020 Dubai EXPO.

On the international stage, the UAE sent a high level delegation to the 20th COP 20 meeting held in Lima, Peru, in December 2014. The conference is a central forum where countries can communicate their strategies to reduce climate change, paving a way to the new global agreement in Paris in 2015. The UAE's participation was very well regarded and it emphasized its strong commitment to climate change control, via major commercial renewable investments through Masdar (up to \$2 billion of projects), carbon capture storage and funding of renewable energy projects in developing countries via IRENA and the Abu Dhabi Fund for Development.

In January 2015, UAE vice president, prime minister and ruler of Dubai, Sheikh Mohammed bin Rashid Al Maktoum, announced the launch of the Green Economy for Sustainable Development strategy. This plan focuses on environmental preservation as well as establishing the UAE as a world leader in green technology, renewable energy and



reduction of carbon emissions (carbon capturing and storage technologies).


Projects, policies, legislation and international collaborations are seen as the pillars of this national initiative that will certainly transform the UAE's economic infrastructure and provide parameters to the other GCC nations. The Abu Dhabi Sustainability week that took place from January 17–24, 2015, brought together politicians, leaders and investors, to shape the future of climate change and the world's green economies.

IT IS NECESSARY FOR THE WHOLE REGION'S POPULATION TO ADOPT AN ENERGY SAVING AND CONSERVATIONIST APPROACH

According to Masdar, Abu Dhabi's Executive Council could give Masdar permission to build Nour 1, a 100 megawatt photovoltaic plant. As the organization points out, the project has been put on hold since 2011, but it is a necessary step in Abu Dhabi's goal to source 7 percent of its powers from renewable energy by 2020.

It is within the UAE's drive towards change its position and reputation to a clean future that Abu

Dhabi welcomed Solar Impulse II and its pilots and supported the team's attempt to fly around the world using solar energy. Within the first 11 days from their takeoff in Abu Dhabi, Borschberg and Piccard — whose international team also includes UAE volunteers and a Lebanese nutritionist — already experienced weather related delays, bureaucratic obstacles and even the temporary breakdown of the Solar Impulse II website. But more importantly, their attempt is to demonstrate that clean energy can achieve things that have been previously thought impossible. They have completed their first four flight segments successfully and with a few new records.

This is a futuristic initiative that might change the history of aviation and clean energy and the UAE is at the forefront of it. However, the UAE still remains one of the world's worst carbon emitters and it is necessary for the country's and the whole region's population to adopt an energy saving and conservationist approach in order to reduce the per capita footprint. Education and high scale initiatives will assist in this plan and the UAE is on the right track. 

NICOLE PURIN is senior legal counsel for Standard Chartered Bank.

Delve into a Man's Mind at MEN'S WORLD Exhibition

May 21st and 24th, 2015 at La Marina Joseph Khoury- Dbayeh

Advertorial



It is a universal truth that the best way to understand a man is to think like a man. Men have their own mindset, needs, interests, aspirations, not to mention dreams. In a nutshell, men have their own world. Stemming from that belief, **FEW** (Fairs & Exhibitions World), a newcomer in the event management arena, decided to dedicate an entire exhibition for men. Whether they are seeking simple apparel or aiming for a tad of sophistication, men can find it all at **MEN'S WORLD** Exhibition. Stretching over 3,500 sq.m. in the heart of La Marina Joseph Khoury Dbayeh, **MEN'S WORLD** Exhibition is the venue where men can explore a fascinating array of clothing, sports gear, high-tech equipment, cars, boats, and so much more, all within a laid-back, yet fun atmosphere.

The Company

Organized under patronage of the Ministry of Tourism and in partnership with SGBL bank, **MEN'S WORLD** Exhibition is the brainchild of **FEW**, an event management company run by a passionate team of media specialists. "We started **FEW** because we had great ideas for events with an innovative twist and we felt, with our media, advertising, sales and event management background and expertise in the field, we can make them happen," states Lina Haj, **FEW** Managing Director. Indeed, the **FEW** team brings more than 15 years of experience to the event planning scene. They are dedicated, creative, and zealous about bringing forth events that are not just flawless, but memorable. From conception to execution, they work on the clock to make sure that any event will be forever imprinted in people's minds.

The Concept

Inspired by international exhibitions with a similar theme, **MEN'S WORLD** Exhibition will take the Lebanese scene by storm with its unique concept and definitely spectacular venue. "**MEN'S WORLD** Exhibition is a new concept in Lebanon. We have seen exhibitions solely for boats or cars but today we are bringing together 150 exhibitors from various sectors under one umbrella," explains Joelle Ghannam, one of **FEW** partners. Young and old will find in **MEN'S WORLD** Exhibition anything from clothes to sports apparel all the way to boats and luxury items. A VIP lounge is also made available to make sure that guests receive preferential treatment. But this is not all, entertainment galore awaits all visitors, including live bands, bike parades, and daily shows.

The Venue

Needless to say, La Marina Dbayeh is renowned for its mesmerizing setting with the beautiful Mediterranean on one side and the long-stretched coast on the other. Brigitte Khoury, **FEW** Managing Partner, emphasizes, "From the onset, La Marina was our number one choice for this exhibition because we wanted an outdoor venue that has the charm of La Marina and the facilities to host an exhibition of this scale." La Marina is also sought after for its glamorous ambiance where comfort blends with sophistication. For years, La Marina has become synonymous with top-notch events, including exhibitions, fashion shows, and concerts. Today, La Marina Dbayeh will be hosting yet another unique exhibition that is expected to attract more than 25,000 visitors from Lebanon and the region to come and discover a "**MEN'S WORLD**."

CONTACT US

For more information, contact **FEW** sarl (Fairs & Exhibitions World)
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Exhibitors Profile

- Cars, ATV's, motorcycles, watercrafts, marine and aviation products.
- Wireless communications, high-tech electronics, cameras, home theaters and car audio equipment
- Spas, pools, sports and fitness equipment, hiking and hunting gears
- Health products, personal care furniture and home renovation ideas and products
- Clothing, gadgets, watches and accessories
- Financial institutions
- Travel & Tourism

A promotional poster for the MEN'S WORLD Exhibition. It features a man from the back, wearing a dark suit jacket with a deep V-neckline and a dark bow tie. The background is dark. Text on the poster includes: "The ultimate EXHIBITION for you gentlemen", "MEN'S WORLD" in large bold letters with a red bow tie icon between the words, "Experience the lifestyle you desire", "21 - 24 May 2015", "4 - 10 pm", "La Marina Joseph Khoury - Dbayeh", "Organized by FEW", and social media handles for @mensworldexhib, fb.linkedin.com/mensworldexhibition, facebook.com/MensWorldExhibition, and mensworldexhib.

Let it snow!

Lebanon's ski resorts plan for the future ... come snow or shine *By Nabila Rahhal*



In solid form, dihydrogen monoxide can provide hours of enjoyment

Lebanon has a longstanding reputation as the top winter sports destination in the region. With four major ski resorts in the country, each offering a unique experience, it is easy for both local and foreign winter activities enthusiasts to find what suits their tastes.

THE GHOST OF WINTER 2013–2014

With such a reputation to uphold, it is no wonder that last year's dry winter — which saw only 219 millimeters of rainfall from the beginning of the year until the end of March, 72 percent less than the yearly average for Beirut — came as a surprise to the country's ski operators. "We carried out all the preseason preparations such as

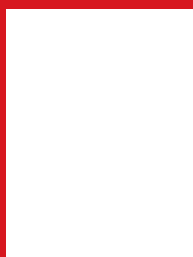
running maintenance checks on our ski equipment, buying the *mazout* [heavy fuel oil] for our generators and hiring the seasons' employees; we didn't expect it would be such a dry year ... it was really exceptional and a financial loss for us," says Nicole Wakim, marketing and development manager at Mzaar Ski Resort, the company which operates in the Mzaar Kfardebian area.

This financial loss was also felt by owners of the ski rental shops and restaurants dotting the roads leading to the ski resorts. According to a sales clerk at Mike Sports' Feytroun branch, although their store was open the whole season, they only sold or rented ski equipment for a few days when the lower slopes were open. "This certainly led to an economic loss because employees' salaries still

had to be paid, and also because the wealthy Lebanese don't usually like to buy from the old collection, so it has pretty much gone to waste," she says.

Winter 2013–2014 raised fears among ski operators, and the businesses reliant on them, that Lebanon's climate was becoming dryer, which in turn affected how they approached the season this year. "Save for Zaarour Club [which was relaunched this winter], no big investment was made in the resorts this year as they were all cautious, [afraid] that this season would be the same as last year's or be late. They did not start spending on renovations until it started snowing in December," says Ronald Sayegh, Founder and CEO of Skileb, an online booking website for ski vacations in Lebanon.

VANCEMENT



TOO MUCH OF A GOOD THING

This season's storms helped quell some fears that more dry winters would feature in Lebanon's future, and caused hundreds of Lebanese who had missed the previous winter's skiing to rush to the slopes when the first snowflakes fell in January 2015.

Yet some of the ski resort operators and businesses EXECUTIVE spoke to say that while this season has picked up, its late start and excessive snowstorms make it compare poorly to the previous five years. "Ideally, the ski season starts around Christmas, but this year the snowfall was late and we opened the slopes on January 10. Also, we had 10 days in February when we had heavy storms and had to close until they subsided, in addition to the nonoperational days needed to prepare the slopes for skiing after the

storms, which are also considered a loss," says Mzaar's Wakim, explaining that what is important for ski resort operators is for the weather to remain cold for a long time in order for the snow not to melt. With the weather already heating up in mid March, she does not expect the season to last longer than early April.

Despite this, Wakim says Mzaar Ski Resort's slopes were busy this season, with more people on the weekend but also with many people choosing to ski on weekdays when it is less expensive and also less busy.

Elie Fakhry, co-owner of Téléskis des Cèdres, which operates the ski resort in the Cedars, says that this was the best year among the last five for skiing conditions. He explains that due to the area's high altitude the snow was of extremely good quality and remained in better condition

longer than at other resorts, prolonging their ski season.

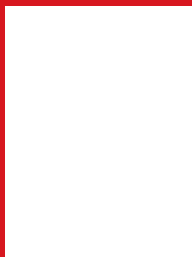
Laklouk Village Vacances, the ski resort located in Laklouk village (just below Imhij) also had a good season, with Nour Saab, the resort's manager, saying it was "three times better" than any of the past few years. This success has been supported by weeklong school organized ski trips. "It is mainly the Lycée schools which organize such trips at our resort because they find it convenient that we provide a complete package with ski equipment, instructors, meals and lodgings in our hotel, which is walking distance from the slopes," says Saab.

Despite being only in their first phase of development, Carol El Murr, CEO of Zaarour Club, said that their first season of operation has "exceeded their expectations" with the



**ZAAROUR CLUB SKI
RESORT REOPENED IN
2015, BECOMING THE
CLOSEST RESORT TO
THE CAPITAL**

VANTAGE



number of skiers alone reaching up to 2,000 at times during the weekend, judging by ticket sales.

WHO LED THE SKI SEASON?

While a good ski season can attract a significant number of tourists or expats living in the region to Lebanon, this year it was mostly those residing in Lebanon who filled up the slopes, according to Skileb's Sayegh. "The Lebanese were the ones that energized the season this year, especially since there was no snow last year. But the Lebanese only go up on weekends, if not only for the day, and cannot be compared to the tourists who stay a week in a chalet or a hotel in terms of spending power," says Sayegh, adding that this year, using the bookings for ski vacations on Skileb as reference, there was less than half the number of ski tourists that Lebanon usually gets in the winter.

According to Joost Komen, general manager of the InterContinental Mzaar Mountain Resort & Spa, only 30 percent of the hotel's guests this season were tourists, mainly Lebanese or European expats working in the Gulf region, while the rest were local guests. Although declining to give the actual percentage of room occupancy, Komen says that this year's overall occupancy is in line with previous "good snow" years.

Saab says that 20 percent of the skiers in Laklouk Village Vacances were European tourists. "They are attracted to the resort because some of our ski instructors speak Russian or German and they feel at ease communicating with them," she explains.

Sayegh blames the ongoing unstable security situation in the region for what he calls this season's lackluster performance when it comes to tourist numbers, recalling a year when the resorts opened for a shorter period than this year — from late January to mid March only — and still

performed better than they did this season because, he says, the country was relatively better off politically.

THE NOT SO NEW KID ON THE BLOCK

Following last year's slump, the ski resort operators and surrounding businesses were only too happy to welcome local residents, marketing and promoting their distinguishing advantages to lure them to their resort over others.

Zaarour Club opened this season, following a \$40 million first phase of renovation and reconstruction, after Gabriel El Murr's family took over operations about three years ago, says Carol El Murr. "We transformed it from a somehow neglected private club into a modern public ski resort," she adds.

Skiing wise, part of their investment involved the widening

COMPLEMENTARY BUSINESSES ARE VITAL FOR BOTH TOURISTS AND LOCALS

of the slopes and the introduction of the latest equipment, including four modern chairlifts, two 'magic carpets' (conveyor belts that beginners merely stand on to be transported to the top of the slopes), a tubing area for those who don't want to ski and snowmaking machines to help fill in the patches of rock, should the snow start to melt. The first phase also included the construction of a modern ski station with escalators to take the skiers to the slopes.

According to Murr, having such high end and fresh facilities is a distinguishing factor which drew a lot of visitors to their resort. Other such factors, outlines Murr, are their proximity to Beirut — Zaarour is a mere 35 kilometers away from the capital — ensuring visitors won't spend a big chunk of their day on the

road, as well as the convenience of their resort, with ample parking space directly facing the station and a locker area for skiers' belongings.

THE IMPORTANCE OF AFTER SKI ACTIVITIES

What may be Zaarour's biggest drawback, until it is fully open, is that despite boasting well known eateries such as Classic Burger and Shawarmanji in its food court — and despite plans to launch a newly constructed boutique hotel on its premises by the summer — the surrounding area is still largely underdeveloped. Skiers who want to spend the weekend there have few choices when it comes to après-ski activities or even lodgings.

Murr is confident that such businesses will develop over time. "We are still at the soft opening phase as a resort and cannot be compared to others in terms of complementary businesses such as hotels and food and beverage outlets, especially since the area itself has been largely neglected since the 1990s, whereas other ski resort areas were in continuous development. Slowly, with the success of this resort, more such places will be established," says Murr, adding that they had to include ski rental stores in their resort because there were close to none on the road to Zaarour when they first opened.

Such complementary businesses are vital for both tourists and locals who want more than just physical activity in their stay at the resorts. For those, Mzaar, Lebanon's largest ski resort with 13 ski lifts and 80 kilometers of ski runs, remains the most popular destination. "The majority of the ski resort packages we sold are for Mzaar because it has many hotels and chalets, and is therefore well equipped to welcome tourists," says Sayegh.

Wakim explains that the resort, which also owns the InterContinental Mzaar hotel, plans special après-ski

Executive Magazine announces THE YOUNG LIONS PRINT COMPETITION



March 20, 2015 (Beirut): As the country representative for the Cannes Lions Festivals, Executive Magazine in cooperation with the IAA Lebanon chapter (International Advertising Association) and SOA (Syndicate of Advertising) organized the 2015 Young Lions Print Competition that took place on March 27 at the American University of Beirut. The aim of this national competition was to select the best talent to represent Lebanon at the Young Lions Competitions 2015 at Cannes Lions, the International Festival of Creativity.

Thanks to the collective effort and support of Lebanese advertising agencies, Fortune Promoseven, Impact BBDO, J.Walter Thomson, Leo Burnett, Lowe Pimo, Memac Ogilvy, Publicis, Young and Rubicam and the kind support of Air France that reconfirmed its commitment to

supporting young Lebanese talent, winners will be able to fly to the Cannes Lions.

Cannes Lions International Festival is the world's leading celebration of creativity in communications and the only truly global meeting place for advertisers, advertising and communications professionals. Founded in 1954, the Festival takes place every June in Cannes, France.

The challenge of the Young Lions Print Competition was to produce a print ad within seven hours represented by one creative team. A brief inspired from a Lebanese charity or non-profit organization was shared among participants at the start of the competition. The winners of the competition will be announced on April 2nd, 2015.

Mr. Joe Ayache, president of IAA Lebanon chapter said, "As an international body whose main mission is 'inspiring excellence worldwide', the IAA is very happy to be engaged with Young Cannes Lions as it is its mantra and its mission in the world to encourage excellence in imagination, especially with our young talents who will be the next beacons of creativity not only in Lebanon but also in the Middle East and beyond."

Mr. Georges Jabbour, president of the SOA added, "Lebanon has always been known as the jewel of creativity in the MENA region, and Executive Magazine is proving to be once again one of the pioneers to set and apply the international standards related to the advertising industry. A few years ago, Executive Magazine brought BPA to Lebanon and the region, and made a daring move in terms of press transparency. Today, with the Young Lions Competition, Executive Magazine team, and Yasser Akkaoui, are proving their total commitment to the creative excellence and the premium quality of the advertising business in Lebanon."

"Cannes Lions is the place to be in June for advertising people around the world," said Mr. Naji Boulos, managing director of Memac Ogilvy, adding, "Giving the chance for young talents to be part of this memorable experience is the best gift, the Lebanese advertising industry can give to the new generation."

Mr. Yasser Akkaoui, editor-in-chief of Executive Magazine said, "Knowledge coupled with freedom has always been behind Lebanese resilience. One can only respect our partner advertising agencies for their continuous efforts to nourish our young talents, making sure they achieve their potential locally, regionally and internationally." The competition gave young emerging talent in the advertising industry the space to showcase their creativity and test their skills against their peers. Winners of the competition received a free entry and an all-expenses-paid trip to Cannes on Air France, from June 21 till June 27, 2015.

Executive was proud to bring together this year's competitors and to see young creative Lebanese again surpassing our greatest expectations. We will continue to advocate, nurture and support innovative youth in order to position Lebanon at a higher level of creative recognition globally.



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With its historical and natural attractions, the Cedars is not dependent on the ski season

events for almost every weekend of the ski season, ranging from extreme ski and jumping competitions to nighttime skiing and fireworks, as well as a lingerie fashion show.

“The aim of all these events is to have constant activity in the resort and to create dynamism in the area, beyond just skiing for the people who are staying there for the weekend. People come to these events and the hotels are busy because of that,” says Wakim, adding that in her opinion, the Mzaar resort and hotel are what brings visibility to all businesses in the Kfardebian area during winter.

The manager on duty at Le Montagnou, a well known French restaurant in Faraya, says they were already fully booked for all weekends in February starting from the beginning of the month and had high footfall even on weekdays.

WHAT'S IN A BUCK?

With all the gear that has to be brought or rented beforehand, and with the typical cost of weekend day passes reaching up to \$60 in Mzaar, skiing is an expensive sport. The Lebanese were feeling its toll this year and ski equipment outlets said they were frequently asked, especially by those in their early 20s, if they rent out ski clothes instead of selling them.

Saab believes that Laklouk Village

Vacances’ competitive advantage over other resorts is their lower prices, with a weekend full day pass costing \$23 and a weekday one costing \$16. Saab also says that the food and beverage options in the resort’s restaurants are reasonably priced — a cheese manoushe goes for LBP 3,000 (\$2), for instance.

WHEN THE SNOW DOESN'T FALL

Despite the relative success of this season, ski resort operators are not about to forget last year’s almost snowless experience, and have developed contingency plans should similar conditions be repeated.

Part of Mzaar’s plans before the next winter season is to widen their upper level slopes at an altitude of 2,200 meters to ensure a sustainable domain in case it does not snow on the lower levels, says Wakim. She explains that the snow did reach that height in the winter of 2013–2014, but skiers could not access the upper area.

The most viable contingency plan for all ski resorts remains diversifying their activities to become year round destinations for tourists and locals alike.

At Zaarour, the Murr family had that goal in mind from the beginning — planning a lake with a promenade surrounding it, swimming

pools, sports courts and a spa. “I feel the summer will be even better for us because the winter is short but, from April onward, we have lovely weather here which people will want to come and enjoy as an escape from the heat in Beirut,” says Murr.

With its historic and natural attractions, the Cedars is not ski dependent and has no problem attracting tourists for weekend stays in the summer, explains Sayegh, saying that they sell many such weekend packages for tourists on their other booking sites.

Mzaar has become a favorite spot during the month of August, when the Feast of the Assumption is celebrated in an almost month long festival of activities and events in the area, but remains rather calm during the summer otherwise. “Mzaar sees summer activity in mid August but that is largely driven by locals. Tourists will not come spend their summer vacation at a ski resort but would go for one day excursions,” says Sayegh.

Yet Wakim says they are working on diversifying their activities that take place on the slopes to create dynamism in July and September as well. “We can no longer depend only on winter,” she says.

Laklouk Village Vacances has long relied on the summer season to complement its winter operations and hosts Camp Rage, an outdoor activities children’s summer camp which runs for two weeks straight, according to Saab. The resort also has about 15 outdoor summer activities which attracts a lot of families, says Saab.

Whether in the summer or winter, getting some fresh air and escaping the busy city to the mountains is something most Lebanese and tourists enjoy. Resort operators and complementary businesses would do well to keep that in mind and design activities and packages that keep people coming back.



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A roller coaster ride

Makdessi Street's nightlife has dramatically risen and fallen in popularity over the past 10 years

By Nabila Rahhal

When Lebanon's Civil War ended in 1990, Hamra was at a standstill in terms of nightlife, with almost no pubs or restaurants in operation on Makdessi, the street just north of the main road. In 2005, the roller coaster ride began its slow ascent with the opening of De Prague, a cross between a pub and a coffee shop, located next to HSBC bank. It was followed two years later by Le Rouge, a French restaurant.

But it was with the opening of Danny's in 2009, a pub on what is now called the Alleyway, the narrow street connecting Makdessi to Hamra's main road, and the neighboring outlets shortly after, that the street really took off. In less than two years, 32 pubs or restaurants had opened on Makdessi Street and its immediate vicinities, excluding Hamra's main road, and it was considered a top destination for nightlife.

"What made Hamra so successful was that everyone knew it. It wasn't a local destination but a national one. I had people coming to my venue Clé — on Wardieh Street, perpendicular to Makdessi — from Jounieh or Metn, saying that this was the first time they come to Hamra but they had heard so much from their parents about the nightlife here in the 1960s that they wanted to see it for themselves," says Ussama Makarem, CEO of Makarem Group, which operates BistroBar on Makdessi Street among other hospitality venues in Beirut.

THE DESCENT

Although Makdessi Street began to lose some of its luster in mid 2013, when the street became too crowded and the outlets on it too loud, the



In the past, security concerns have hampered the growth of nightlife areas

venue operators EXECUTIVE spoke to say Makdessi Street's plummet began in earnest in early 2014, mostly because of the country's security situation.

Makarem recalls that 2014 started off on the wrong foot, as suicide bombings rocked the country, including at a Raouche hotel, and security forces raided the Napoleon Hotel just off Makdessi Street. "Political issues really affected the street and many people got scared to come here and cut it off completely," he says.

Charles Frem, owner of Garcia's in Hamra and Central Station in Mar Mikhael, also believes that the security situation, and specifically — according to him — the rumors which circulated regarding a possible explosion in Hamra, scared people from coming to Makdessi.

Those interviewed for the article all blamed the high concentration of beggars on Makdessi Street as another reason people started going elsewhere. "The other factor that also played a role in the slight decline of

the area is, unfortunately and not to be prejudiced, the beggars that flooded to Hamra from the conflict in Syria," says Saadi Hamady, owner of Poly Project Inc. which operates Bricks on Makdessi Street. "It is true there are beggars in many other areas in Lebanon but there was a high concentration in Hamra and Makdessi which annoyed the local clients who then preferred to go elsewhere," said Hamady, adding that, on a positive note, the Syrian residents residing in the area helped support many of the businesses on the street, including his own.

In parallel to people growing uncomfortable with the climate surrounding nightlife on Makdessi Street, other areas such as Mar Mikhael or Badaro — which were similar to Makdessi initially, but newer and therefore more exciting for some — brought competition, according to Frem. Since the number of people living in Lebanon who can afford to go out is not that high, Makdessi Street understandably felt the strain. "We are all competing

“MAKDESSI ... [IS] NO LONGER A NATIONAL DESTINATION ... LIKE MAR MIKHAEL NOW IS, BUT A REGIONAL ONE”



Glass half empty?

for the same piece of cake and that is why it is [survival of] the fittest in management, cost, quality and service,” explains Frem.

Hamady believes that the declining economic situation, both globally and locally, is also to blame for the decreased activity, not only in Makdessi but across Lebanon as well. “We definitely have less business than before but you have to understand people are living from paycheck to paycheck,” he says, adding that while there are venues that are able to attract wealthy customers who can go out every night, he is talking about the average, middle income Lebanese.

An indication of this difficult period is that, according to Anis Rbeiz, the real estate agent who brokered most of the rental deals for the Makdessi outlets, around thirteen venues on or in the immediate vicinity of Makdessi Street shut down within the last two years. Rubeiz also added that he had difficulty renting out these venues again.

ON THE WAY UP

But nightlife on Makdessi Street is not over yet — in fact, it is slowly going uphill again with the opening of the Courtyard, a cluster of four resto-pubs under one roof just next to Alleyway, in October 2014.

According to Makarem, who operates BistroBar, one of the four venues in the cluster, all the venues are full on weekends and quite busy during weekdays. BistroBar, as an example, has a capacity of 120 people seated during the day and 220 people at night, when it turns into a bar style environment. “The new cluster, with its high ceilings and open design, has created some extra traffic to the area, but we have to see if it will be able to compete with the rooftops when they open in the summer,” says Frem.

Meanwhile, Hamady also agrees that the Courtyard has brought increased footfall to the opposite end of Makdessi Street, but says that Bricks has its own loyal client base and does not really depend on that extra activity. “We might get extra clients if the whole area is booming,

but that would be the cherry on the cake, not something we would depend on,” he says.

CATERING TO THE RESIDENTS

While Makdessi Street is on the rise again, the nature of its clients is changing. “Makdessi is catering to the residents of Hamra and the close surrounding areas. We are no longer a national destination which people come to from all areas, like Mar Mikhael now is, but a regional one,” says Makarem.

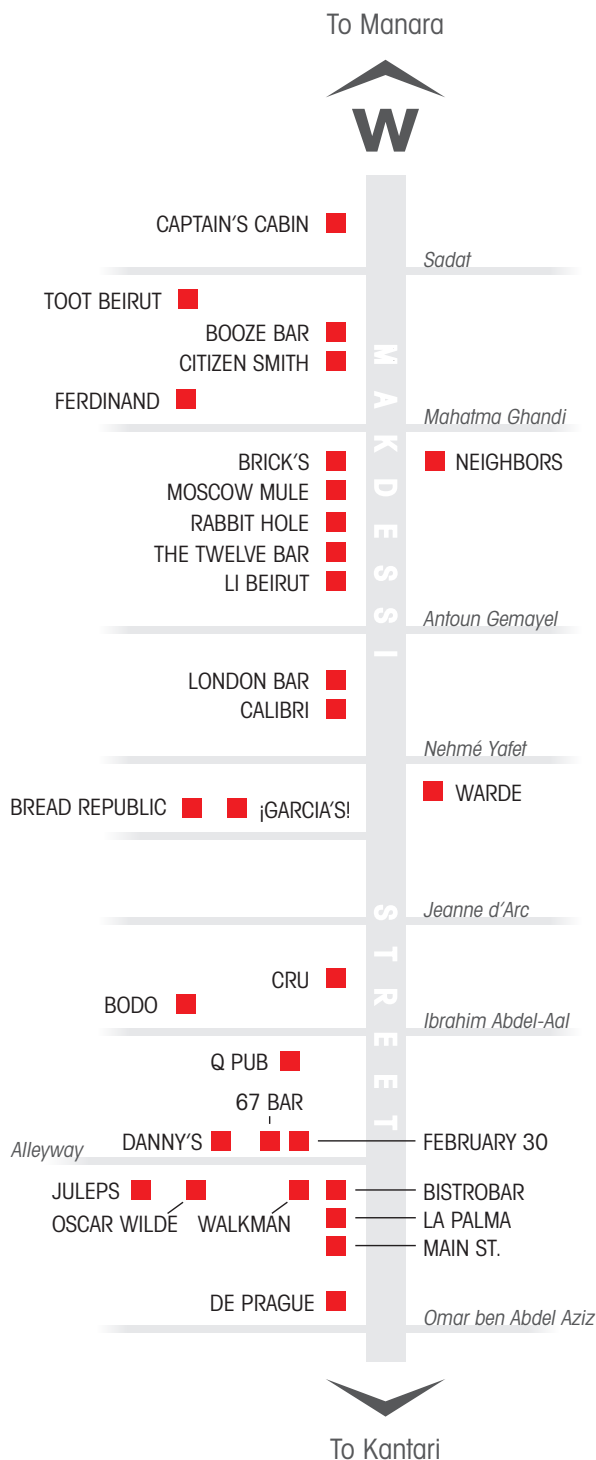
The purchasing power of those who frequent Makdessi has also changed according to Frem. “Makdessi now attracts those who get one drink each and appetizers to share. The places are indeed full but they are not making money,” he says, adding that this does not apply to some venues in the Courtyard which are attracting the big spenders. The average bill for a small dinner and two rounds of drinks for two people at Palma, one of the outlets in the Courtyard, is approximately \$100 while a similar order at the other end of Makdessi Street would cost you half that amount.

As such, Makarem explains that his business approach to BistroBar was — keeping his target clientele in mind — to create a casual and laid back venue which can be enjoyed both day and night. BistroBar has a full French-Italian menu, which includes a salad bar during the day and live performances three nights a week. “It is a place that can be enjoyed by all age groups at any time,” he says.

THE ETERNALLY CHARMING HAMRA

The food and beverage sector on Makdessi Street specifically, and in Hamra in general, does indeed have its ups and downs but all those interviewed insist that “Hamra will never die.” Being in close vicinity to AUBMC, two major universities and

THE MAKDESSI PUB CRAWL



Map not to scale
Source: EXECUTIVE

While popularly called Makdessi Street, the road labeled as such officially takes three names: Cheikh Elias Gaspard from Sadat to Jeanne d'Arc, Makdessi from Jeanne d'Arc to Omar ben Abdel Aziz and Rebeiz east of Omar ben Abdel Aziz

two international high schools — not to mention numerous businesses and banks — ensures that the area will have a steady flow of visitors, according to Frem and Hamady. “A lot of my customers are university students or foreign professors in these institutions who usually live around the area,” says Hamady.

Perhaps a show of good faith in Makdessi Street is that hospitality projects are still being developed there. A hotel and furnished apartments project facing Bricks is nearing completion, and Caramel, a boutique hotel with a restaurant bar called Propaganda in its lobby is under development by Frem himself

THE ASSOCIATION IS ALSO COLLECTING MONEY FOR IMPROVEMENTS ON THE STREET

and set to open in August (though Frem admits that he already owns the hotel and had begun the investment in its renovation before 2012).

Hamady speaks of the recently founded Makdessi Traders' Association which organized the Makdessi Street Festival last April and are organizing another edition for this May with the aim of bringing added activity to the street. According to Hamady, they are also collecting money from the businesses on the street for improvements and beautification projects, which include fixing the pavement and municipality street lights and adding some greenery. “They are working very seriously and have the support of the municipality and governor,” he says.

Whether riding high during 2010–2012's peak years, or on a downward slump with half empty venues — or even something in between like we see now — Makdessi Street is still hanging on.





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All grown up

As ArabNet hosts its sixth Beirut conference, it is also showing signs of maturity — and corporatization



Ties not yet required

Some are starting to see it. As the world moves to the web and mobile, leaders of industry are beginning to see changes happening from their vantage points at the top of the chain of command. They also see threats to their positions. The term ‘burning platform’ refers to the idea that traditional industries can’t stay immobile because the platform under their feet is on fire. As the world moves from non digital to digital, leaders of traditional industries are beginning to adapt and innovate in a bid to remain competitive and relevant in their markets.

This transformation has had an impact on many sectors globally, ranging from the media — with the onslaught of social networks, videos and new forms of content — to transportation and the disruption caused by companies like Uber, to banking, with the proliferation of financial technology companies and vertical accelerators focused on the industry.

Some larger firms are starting to move into this space — just look at the partnership between financial giant Barclays and startup accelerator

TechStars in London. However, this change has been slower in the Middle East. In the leadup to the sixth ArabNet Beirut conference, EXECUTIVE caught up with ArabNet founder Omar Christidis. The head of the tech

“WE NEED TO GET [TRADITIONAL INDUSTRIES] TO FOCUS MORE ON THEIR DIGITAL PLATFORMS”

conference business claimed that CEOs of traditional industries in Lebanon are not yet fully cognizant of the degree of change the digital revolution will bring. “I think that is going to certainly reshape the industry. I think that it is going to have a more drastic impact than most CEOs expect — on all industries,” he says.

CORPORATES IN THE CROWD

But to some, the change is becoming increasingly evident. The lineup of this year’s ArabNet Beirut integrated many more corporate elements than in previous rounds. Among the speakers representing the

traditional industries were Neemat Frem of Indevco and Nayla Tueni of An-Nahar, who came to speak about how the shift to digital is changing their industries.

While some of them may have been there due to the pull factor — i.e. Christidis and his team’s enthusiasm to welcome corporates to the digital world — others are legitimately starting to see their industries change under their feet. “The industries that have been disrupted harder are the ones where the CEOs have had more of a burning platform and have had to figure it out. And I would say media is one of those sectors, I would say it has been one of the fastest transformed of all sectors,” says Christidis.

Having more speakers from traditional industries interested in web and mobile has been a key focus for Christidis in Lebanon, as having big players in traditional industries as potential clients for web and mobile companies would naturally be a boon to the sector. “They’re the biggest spenders in our economy. So if we want to move dollars, budget, into digital — whether that’s services, advertising, whatever — we need to get these guys to focus more on their digital platforms.”

And looking towards the future disruption in traditional industries, Christidis points to banking as the next big sector to witness an overhaul. The Lebanese banking sector in particular is the perfect potential client due to its size and profitability. While banks have always made heavy investments in tech — from the first core systems to ATMs, to online and mobile banking, as well as digital trading technology — Christidis claims that awareness about the transformations in banking is still shy. “We’re only seeing the tip of the iceberg in terms of the disruption in



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this space,” he says. “The extent of the disruption is bigger today than anyone imagines it.”

ARABNET GOES CORPORATE

The panel speakers at the conference are not the only things that have become more corporate. ArabNet has grown considerably since its first conference in Beirut in 2010 when it was itself still a startup. Five years later, with conferences in Saudi Arabia and the UAE under its belt, ArabNet has turned into a successful regional business, which, according to Christidis, has been profitable since day one.

The company has grown 30–40 percent per year over the past three years and recorded revenues of over \$1.5 million in 2014 according to Christidis. Saudi Arabia is its biggest market in terms of revenues, followed closely by the UAE, then Lebanon. Saudi is also the fastest growing market and represents about one fourth of its revenues. This is in contrast to three years ago, when Lebanon represented 100 percent of its business. Today the country represents about 25 to 30 percent, he says.

With events its most profitable business segment — currently making up 95 percent of revenues — ArabNet has also branched into media through online content and, most recently, with a quarterly print magazine that the company hopes to keep investing in. It is certainly not a dull time to invest in media: the landscape is seeing a massive overhaul as outlets are either drastically changing to

adapt to the digital space or dropping out of the race entirely. Christidis, however, is confident that the print magazine can be a sustainable business, citing the existence of large budgets for print advertising still.

ArabNet’s most recent business endeavor, however, is still for the most part in its ideation phase. The next venture, says Christidis, is in business intelligence, including industry reports and business matching. While Christidis notes that the model for commercialization is not yet clear for this segment, he sees great opportunity in this domain as the web and mobile industry is severely lacking in data.

This would also be a great boon to the sector. “For us, to move the industry forward, I think this is one of the key challenges. We need to have industry level data. We need to chart

WITH GREAT GROWTH COMES GREATER NEED FOR INSTITUTIONALIZATION

our own growth as a sector.” In line with these initiatives, the company is currently fixing up its database, cleaning its data and investing internally in knowledge management.

Last summer, ArabNet joined the Endeavor network, a nonprofit that helps businesses grow and scale through mentorship and access to markets. Through this, ArabNet hopes to further expand and institutionalize its business. Christidis explains that the decision to pursue business intelligence was partly informed by the Endeavor process, which encouraged ArabNet to see the added value their insights, understanding and relationship with the market could bring to a business intelligence operation. Endeavor also pointed out that this would be a highly scalable segment of the business.

INSTITUTIONALIZATION

With great growth, however, comes greater need for institutionalization. As the company has never raised external funding, it remains in the hands of Omar Christidis and his mother Anbar Nashashibi, with a fifty–fifty partnership. Christidis explains that while legally they are not required to set up specific corporate governance practices, they see the institutionalization of the business as being important for the positive connotations that good governance entails.

“Family businesses have a bad reputation, especially among the younger generation. They see them as kind of nepotistic and places where you can’t advance, places where there are no clear systems or policies, kind of chaos,” he says. “It’s really important that the company not be run like a family business ... It’s an important thing that we have continued to invest in — to make sure that we have the systems and structures and policies, the staff feels that they are empowered to make decisions, that they’re not going to get whimsical decisions from family members.”

Family involvement in the business includes Christidis and his parents, Nashashibi and father Theodore Christidis. Nashashibi serves as the chair and supports them with VIP and government relations, while the elder Christidis advises and oversees the financials. Prior to ArabNet, Christidis was involved in Nashashibi’s event management company, International Business Alliance Group, as vice president.

ArabNet is currently in the process of setting up a board of advisors with the guidance of Endeavor, says Christidis, and it also hopes to have a board of directors by the end of this year. With two legal entities in Lebanon and one in the UAE, it is currently in the process of structuring its corporate holdings in a way that makes sense for an investor or partner to come in. 



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How developers are positioning themselves along Beirut's western waterfront

On February 10, 1966, Inmaa Tourism and Hotels bought two plots of land on the sandy shores of Ramlet al-Baida. Eight years later, the company bought seven more plots, bringing its total land holdings on the coast in this area of Beirut to around 30,000 square meters (m²). The land is still owned by Inmaa. Who owns Inmaa, however, is another story entirely, one which reflects the confusing ownership structure of the land stretching from Dalieh near the Pigeon Rocks to the end of Beirut's southern city limits (see map). Individual people own only around 27 percent of the Dalieh-Ramlet al-Baida land. The public sector — via the Beirut Municipality and the Lebanese government — each own three plots which represent around 5 percent of the land. Corporations own the rest. The three with the largest holdings are Sakhrat Al-Bahr Real Estate, Al-Bahr Real Estate and Inmaa. On a human level, however, Rafik Hariri's heir and Wissam Achour are the most important players on Beirut's private coast.

WHO OWNS INMAA

In 2005, Inmaa's majority shareholder, Kuwait's General Investment Authority, was trying to sell the company to divest from the land, according to a news report carried by MENA FN. However, this attempt failed, claimed the report, so Inmaa would again try to put itself up for sale.

In Beirut, Raja Makarem stood behind his large wooden desk, using a laser pointer to highlight plots on a giant map of the city on the wall. Nine years ago, he says, he was on the cusp of brokering a deal for an American company to buy 70,000 m² of land for \$140 million — including the nine Inmaa plots, which he says accounted for 30 percent of the total land on offer. For the Inmaa land, the buyers were slated to purchase the company's shares, not the land it owned. The deal, he says, fell through.

In 2007, Stow Capital Partners, a real estate company registered in Bermuda with offices in the UK and Lebanon, announced they'd bought 40,000 m² of land "on the outskirts

of the city of Beirut." Stow's website explains "[t]he plot was identified in early 2005 as a site with legal problems where value could be added. An option was taken on the land allowing for a window of opportunity to sort through the legal hurdles and investigate if resolutions could be facilitated, while locking in a very competitive price." A 2014 document from Lebanon's commercial registry shows no reference to Kuwait's General Investment Authority's ownership in Inmaa. Instead, Walid Daouk, a nonexecutive director at Stow and former information minister, owns 21.2 percent of Inmaa, while Stow itself owns 8.1 percent. Inmaa's largest shareholder is a company called Barbara Bay Ltd with 32.3 percent. EXECUTIVE believes Barbara Bay is registered in the Cayman Islands, but could not retrieve documents showing definitive proof. Nazem el-Khoury, Stow's executive director and a former minister of environment, tells EXECUTIVE that Stow kicked around ideas for a large scale development a



few years ago, but believes the plans are on hold. He suggests Farouk Kamal, Stow's executive chairman, is the best person to ask about the company's current plans for the land and the companies that own Inmaa. Kamal did not respond to phone messages left at his office nor an email seeking comment. It is unclear why Stow says it bought 40,000 m² of land when the company is only associated with the 30,000 m² owned by Inmaa. Kamal, who is also chairman of Beirut Waterfront Development of Zaitunay Bay fame, told EXECUTIVE in January 2014 that a project on the site had been "fully designed — but I don't know if we will launch it."

JUMPING DOWN THE RABBIT HOLE

Over the course of the past six months, EXECUTIVE has connected the 51 plots of land stretching from Daliéh south to Beirut's city limit to actual human owners. Nahnoo, a local NGO, shared nine of the land ownership documents with EXECUTIVE, the rest came from the DGLRC and the Commercial Registry. The process was slow moving at points in part because companies own the vast majority of the land — 90 percent of the approximately 290,000 m² — not individual people.

Corporate ownership of land is legal under Lebanese law and useful for a variety of reasons, explains Eddy Sakr, a partner with the auditing and tax advisory firm Sarkis Sakr & Partners. One reason, he says, is for succession planning, as dividing a company among one's children is often better for future development purposes than dividing the land. In Lebanon, every plot of land consists of 2,400 shares, and if a plot has

ANOTHER REASON TO REGISTER LAND IN THE NAME OF A COMPANY IS TO AVOID FEES RELATED TO BOTH SELLING AND BEQUEATHING IT

multiple shareholders, all must agree on how to use the land before it can be developed. The records show that ownership in many of the Daliéh plots was passed from parents to children, resulting in miniscule holdings and multiple owners. For example, plot number 1116 is the fifth smallest of the 13 Daliéh plots with a total area of 1,458 m². Yet it has 26 owners. Records show Al-Bahr Real Estate owns almost all of the plot (with 2133.6771 shares) with the 25 remaining people having inherited

a number of shares ranging from 66.6667 to 0.7292. If land is passed to children via a company, Sakr says, the children have more flexibility as shareholders in a company to brush aside dissenting voices when the time comes to develop the land.

Sakr says that another reason to register land in the name of a company is to avoid fees related to both selling and bequeathing it. "If land is owned by a person, and that person wants to sell or give it to their kids, they have to go to the real estate directorate and pay a 6 percent fee for the sale [or transfer]." If the land is corporately owned and the corporation is a joint stock company (a société anonyme libanaise or SAL in Lebanon), "you can transfer shares from one person to another without having to pay any tax," says Sakr. As the Inmaa example illustrates, land in this part of Beirut has often changed hands via corporate deals rather than land sales. Sakr warns that developers who buy a company only for the land it owns may avoid a registration fee in the short term, but could end up paying more in the long run should they want to develop the land. On the books of the original land-owning company, he says, the land will have a certain value that has no doubt gone up by the time the buyer acquires that



first company. When that buyer wants to sell units in whatever project gets built on the land, the land itself will have to be revalued and the developer will pay a capital gains tax on the difference in valuations — an amount that more often than not exceeds the registration fee.

SO WHO OWNS WHAT?

The Lebanese government owns three of the plots, clustered south of the Mövenpick hotel on a curve in the land, for a total area of 5,729 m². Beirut's municipality also owns three plots. One is a slender strip of 246 m² wedged between two privately owned plots, which are themselves surrounded by the government's land. The city's other two plots — 5070 and 5069 — are prime, sandy beach property right on the water at the northern edge of Ramlet al-Baida and total 8,568 m². Almost all of the human owners of shares in a plot inherited their land. Exceptions include, but are not limited to, Kamal Sadr — who purchased the 3,987 m² plot 1554 north of the city's land in 2014 — and Salwa Beidoun. Beidoun today owns 100 shares in each of four Dalieh plots (1113, 1117, 1118 and 1119). The purchase is registered on July 31, 1990. Al-Bahr Real Estate

owns the remaining shares in each of the plots Beidoun partially owns. Whether she only bought a small amount of shares in 1990 or bought them all and sold most to Al-Bahr later is unclear from the records. EXECUTIVE was unable to reach any of the individual human owners.

THE HARIRIS

While Rafik Hariri is today 'known' for having bought up much of the Dalieh land, he actually first acquired seafront property in Ramlet al-Baida, not Dalieh. And he did it indirectly. It all started in 1981 when Hariri bought 73 percent of the shares of Méditerranée Investors Group (MIG), which in turn owned 59 percent of BankMed, according to a 2005 BankMed annual report. The next year, the annual report says, Hariri bought all of MIG and in 1983 BankMed "became a wholly owned subsidiary of MIG." In a 1994 interview published on his website, former Prime Minister Fouad Siniora explained that when Hariri bought BankMed, he also became owner of one of the bank's "sister companies," as Siniora puts it, called Mediterranean Real Estate, which owned plots 4026, 4027, 4285 and 2233 (a total of 15,703 m²) — all beach properties between

the city of Beirut's land and the land currently under development for the Eden Rock Resort. Additionally, in the interview Siniora says that in 1991 Hariri bought shares in a company called National Company for Land and Buildings (NCLB), which then owned plot 2231, the largest of the Dalieh–Ramlet al-Baida plots with a total area of 29,073 m². Today, over 99 percent of NCLB is owned by a holding company founded in 1984 called Irad Investment Company. Irad also owns 200 of Mediterranean Real Estate's 5,000 shares (or 4 percent).

The land ownership documents do not provide a detailed history of how the land has changed hands, rather they show only the current owners. For four plots, the documents did reveal who a company bought shares from, but that is the exception, not the rule. Ditto the commercial registry documents. They only show current shareholders, not the history of share purchases. That said, there are several land owning companies that purchased land within years or — in the most extreme case, days — from when they were founded which are today owned by Irad. For example, Irad owns 99.9 percent of the National Company for Land and Buildings 2 (NCLB2). NCLB2 was



founded on July 10, 2002 and bought three plots in Ramlet al-Baida on July 13, 2002. Two of the plots, according to the Siniora interview, were at one point owned by Mediterranean Real Estate. Al Bahr Real Estate, founded in 1994, purchased shares in two Dalieh plots in 1998, bought more shares in another Dalieh plot in 2000 and then acquired MP Michel Murr's shares in four others on May 26, 2007. Irad owns 99.9 percent of Al Bahr. A third company, Sakhrat Al-Bahr, was founded in 1994 and on December 30 1995 purchased shares in three Dalieh plots and, on the same day, bought all 2,400 shares in three other Dalieh plots. Irad does not own Sakhrat Al-Bahr. In fact, only 89 of the company's 26,500,000 shares have listed owners on its commercial registry document. Among them, however, are BankMed Investment SAL (BMI), MEP Investment SAL (99 percent owned by BMI) and Med Properties SAL (99 percent by Bank Med Group SAL Holding).

WISSAM ACHOUR

In 2011, Wissam Achour made what appears to be his first foray into purchasing land in Ramlet al-Baida through a contract with a company called Eden Rock Tourism and

Development. His lawyer, Bahij Abou Mjahed, told EXECUTIVE in January that Achour will pay \$175 million for the 22,295 m² of land — or \$7,849 per square meter, quite a jump from the \$2,000 per square meter Raja Makarem was about to sell land right next door for in 2006. The money has not been fully paid, Mjahed said, and only will be once the two tower resort complex currently in the excavation

ACHOUR DID NOT BUY LAND DIRECTLY, BUT RATHER HE BOUGHT COMPANIES THAT OWN THE LAND

phase starts drawing in capital. In 2013, he made another purchase more closely in line with the tradition of the area.

Achour did not buy land directly, but rather he bought companies that own the land. Commercial registry documents show that Achour now owns 80 percent of Mediterranean Real Estate (the company Hariri owned via his purchase of BankMed, according to the Siniora interview), and thus plots 4027 and 4026. He also bought Al-Bahr Real Estate 2, which owns plots 1388 and 1389 — smaller

plots near the Lebanese government's land — as well as 5071 and 2369. The latter two, 4027 and 4026, are in a line of plots that stretch across much of Ramlet al-Baida's sandy shore and the two cover a total area of 30,265 m². The documents do not show who Achour bought the companies from, but Irad has a 4 percent stake in Mediterranean Real Estate as does FRH Holding, 99.9 percent of which is owned by Fahd Rafik Hariri. Irad and FRH Holding also each have one share out of 30,000 shares in Al-Bahr Real Estate 2. Achour's 30,000 plus square meters of contiguous beach is not far from the Eden Rock Resort. Four plots stand between the two parcels — plots which are all owned by companies of which Irad owns 99.9 percent.

Manal Dana, Achour Development's marketing manager, tells EXECUTIVE, as she has told other news outlets, that Achour has no big development plans for the 30,265 m². "The land will be renovated so people can go down on clean sand without any garbage. There will be small fees at the entrance to preserve it and [fund] small entertainment activities, like in Europe. But there will not be any towers on it, it will not be constructed, this area."



On the occasion of Mother's Day, **Dr Burgener Switzerland**, the Swiss Expert in Skin Beauty & Rejuvenation, and **Elixir SPA**, Hilton Beirut Habtoor Grand, invited Lebanese mothers for exclusive tailor-made mini treatments.

The all new BMW X5 M and BMW X6 M see **BMW M Group** set the pace once again in the high performance Sports Activity Vehicle and Sports Activity Coupe segment.

LG Electronics launched its newly renovated flagship store at **SEALCO's**, the brand's official distributor in Lebanon.

The **Lebanese Oil and Gas Initiative** announced the launching of its new platform connecting Lebanese experts in the global petroleum industry to educate Lebanese citizens and lobby decisionmakers. The NGO will raise initial funds via a crowd funding campaign on **Zoomaal**.

The Nutrition and Food Sciences department of the Faculty of Agricultural and Food Sciences at the **AUB** and **Boecker®** held a Symposium at the Charles Hostler Hall at AUB on Monday March 16, 2015.

Byblos Bank extended cash support to three non-profit associations in a ceremony held at its headquarters in Ashrafieh during which the Children's Cancer Center of Lebanon, Anta Akhi and Caritas Lebanon—Ashrafieh Sector, each received \$10,000.

This year marks the 21st anniversary of Land Rover's introduction of the autobiography designation — then and now the pinnacle of the **Range Rover** model line-up.

The **Leo Burnett** team collected two Grand Prix, 12 golds, 23 silvers, and 18 bronzes, as well as 124 shortlists in the Dubai **Lynx Awards** gala operated by the **Cannes Lions**.

The **Institute of International Finance** released its report on the Lebanese economy during a press conference held at **Byblos Bank** headquarters in Beirut.

Adidas has unveiled the new Pibe de Barr10 boots that will be worn by one of the world's best player, Lionel Messi, and inspired by the Barrio de Las Heras, Rosario, where Messi learned to play the game.

Despite the tough situation Lebanon and the Levant have been facing in the last few years, **IN SHAPE** fair attracted more than 150 participating companies and 25,000 visitors eager to know all about the novelties and breakthroughs in related beauty fields.

Nissan has announced its headline sponsorship of the 10th **Dubai Corporate Games**, which will see 3,000 regional company employees take part in a variety of competitive sporting challenges.

Officine Panerai, the luxury Italian watchmaking brand, joined the elite

crowd and boat enthusiasts at the **Dubai International Boat Show 2015** for the sixth consecutive year.

Belvedere Vodka unveiled its new 'Know the Difference' advertising campaign photographed and directed by avant-garde fashion photographer Ellen von Unwerth, at 10 Corso Como, during **Milan Fashion Week**.

The launch and signature ceremony of **Berytech Fund II** was held on the February 25 at the Four Seasons Hotel, in the presence of senior representatives from **Banque du Liban**, senior management of major banks in Lebanon, the president of the **Association of Banks**, François Bassil and Wajdi Najem, the Vice-Rector of the **Université Saint-Joseph**, the institution where the **Berytech** initiative originated.

Maggi Diaries, the web based series covering the culinary journeys of five exceptional Arab women, returned for its second season to take viewers on a global journey of culinary exploration across India, Turkey, KSA, UAE and Italy.

Global real estate network **Lamudi** takes a closer look at the property portfolios of the region's top three billionaires who have made all or part of their fortune in real estate.

Waterfront City proudly announced its third consecutive year of support for the "Built it Green" forum, organized by **e-EcoSolutions** company in a press conference held in Waterfront's sales offices on March 4, 2015.

The **Coca-Cola Foundation** in partnership with **INJAZ Al-Arab** awarded the Lebanese winner of the sixth edition of Ripples of Happiness program, LOYAC, with a \$10,000 grant.

Grohe's new campaign, "Masters of Technology" highlights its tradition as a technical innovator.

Founded in 1975, **TUMI** is proud to celebrate 40 years of design excellence and outstanding product innovation with a collection aptly titled '1975'.

Under the patronage of the Ministries of Education and Public Health and with the support of **Roche Lebanon** and **SGBL**, the 'Know to Beat' program targeted high school students to increase education and awareness of cancer.

The **Lebanese Pediatric Society** hosted a two day conference, starting March 10, at the Four Seasons Hotel in Beirut exploring the ongoing inadequate supply of essential nutrients for 1–6 year old children in Lebanon.

Under the patronage of her Royal Highness Princess Rym Ali, **UNFPA** launched a handbook entitled "Reporting on Gender-Based Violence in the Syria Crisis" to help journalists better understand issues surrounding gender-based violence.

A.N. Boukather, the exclusive distributors of **Mazda**, **KTM** and other automotive brands in Lebanon, recently launched the Mazda Snow Park featuring professionally designed rails, ledges and jumps on the Jonction slopes of **Mzaar's** ski resort.

The Board of Directors of **Air Arabia** announced that its assembly has approved the distribution of a 9 percent cash dividend of the company's share capital for the year 2014.

G.A. Bazerji & Sons S.A.L., the sole importer and distributor of **Suzuki** vehicles in Lebanon, unveiled in its showroom its much awaited mid-size premium sedan offering, the "Ciaz".

Creditbank S.A.L. won the Best SME Loan award at the 2014 Banker Middle East Levant Product Awards.

This year, **Cadillac Middle East** is off to a strong start, having announced its best January sales on record and achieving a total year on year growth of 27 percent.

MasterCard and **McDonald's** announced a strategic collaboration to introduce innovative electronic payment solutions at McDonald's restaurants in Lebanon and across other key markets in the Middle East and Africa.

Adidas by Stella McCartney celebrated 10 years of innovative athletic style with a SS15 collection filled with powerful technical ability.

Fattal Group celebrated its joint venture with **Bidvest Group** at Les Caves de Taillevent in Ashrafieh.

Unveiled at the Geneva Show, the Sway is a glimpse at how a future generation of compact **Nissan** models might look if the company's striking new design language was applied to a European hatchback.

The **Lebanese Society of Medical Oncology** and **Bayer HealthCare** are joining forces to spread the message that colorectal cancer is preventable, treatable and beatable.

Officine Panerai is reopening and enlarging its Hong Kong boutique in Canton Road, having entrusted the project to the architect and designer Patricia Urquiola.

World Kidney Day's (WKD) 10th anniversary was celebrated on March 12. WKD is jointly organized by the **International Society of Nephrology** and the **International Federation of Kidney Foundations**.

A press conference was held on March 3 at the **Fransabank** premises in Bab Idriss to present the 11th edition of **JABAL** under the patronage of Lama Tammam Salam.

Following the acquisition of **Standard Chartered Bank sal** in Lebanon by **Cedrus Invest Bank**, **Cedrus Bank sal** is now officially unveiled.

Visa Inc. announced it is supporting consumer payments with the new **Samsung Galaxy S6**.

Bridgestone Corporation announced that the **Bridgestone** brand will be the title sponsor of the Bridgestone World Solar Challenge 2015, which will be held in Australia from October 18 to 25.

Samsung Electronics Co., Ltd. recently announced its entirely redefined smartphones, the Galaxy S6 and Galaxy S6 edge.

SAMENA Telecommunications Council has announced that **Ciena®**, the network specialist, has joined its membership, becoming the latest global technology provider to come on board the SAMENA Council platform.

Samsung Electronics Co., Ltd announced the launch of its new camera, NX500, combining industry-leading design and technology for everyday use with the capabilities that professional photographers can rely on.

Truecaller announced the launch of the new Truecaller on iOS.

In celebrating motherhood, **Bellevue Medical Center** hosted a unique fair entitled "Expecting Great Things" which targeted pregnant mothers and aimed to offer them the latest expert advice on the topics of pregnancy, delivery, and baby care.

Bassma, an NGO working on empowering destitute families hosted, with the support of a group of devoted volunteers, a fun-filled Mother's Day trip and lunch at Lebanon's iconic **Jeita Grotto** on Sunday March 22, 2015.

Flydubai, in its fifth year of operation, announced its annual results for 2014 and reported a net profit of AED 250 million (\$68 million) an increase of 12.3 percent compared to 2013 with total revenue of AED 4.4 billion (\$1.2 billion) for the 12 month period, ending on December 31.

Samsung Electronics Co., Ltd. announced a new lineup of premium home appliances that enable consumers to manage and master the entire cooking process from start to finish.

Lebanon will host the first CSR Levant Summit to be held on April 15–17 at **ESA Business School** (Ecole supérieure des affaires) in Beirut under the Patronage of H.E. Boutros Harb, Minister of Post and Telecommunications in Lebanon and sponsored by telecom operator **Alfa**.

The **Nissan** Patrol has won 'SUV of the Year' in both **Automan** and **Evo Magazine** awards, adding more prestigious accolades for the Japanese automaker's iconic mode.

Bassoul-Heneine sal, the official **BMW Group** importer in Lebanon, has announced the arrival of the most emotive, classy and agile car in its segment — the BMW 2 Series Convertible.

The general assembly of the **Syndicate of Advertising** in Lebanon announced the election of a new board as such; President, George Jabbour, Vice President, Carole Hayek, Secretary, Joe Ayache, Treasurer, Claude Hajjar and eight members to its board; Grace Sahyoun, Alain Hochar, Alain Yazbeck, Fadi Asmar, Mazen Moussalem, Naji Boulos, Serge Dagher and Wilson Issa.

British Airways is set to be one of the first companies to have a specially developed app on the new Apple Watch when it launches on April 24.

"**3mo Al Dikkanji**", the innovative convenience store, officially opened the doors of its first branch in the Chiyah area through a grand opening ceremony held on March 17.

Alghanim & Sons Automotive, the sole authorized dealer of **Rolls-Royce Motor Cars** and the official importer of **BMW** and **MINI** in Kuwait, was recently recognized for its stellar performance in 2014.

Edmunds.com recently named the 2015 **Nissan** Altima "Most Popular Midsize Car," the 2015 Nissan Frontier "Most Popular Compact Truck," and the 2015 Nissan Pathfinder "Most Popular Midsize Traditional SUV."

Etihad Airways launched its new global brand campaign with the worldwide premiere of a new television commercial in Abu Dhabi, attended by actress Nicole Kidman, representatives of the global media and hundreds of specially invited guests.

Bringing the bold motif of the Hawaii Camo Pack into a softer visual mode, **Adidas** Originals has created the Hawaii Camo Lace Pack for 2015.

On March 10, 2015, the **Lebanese Order of Physicians** represented by its President Antoine Boustany and the **ESA**

Business School represented by its Director General, Stéphane Attali, signed a framework cooperation agreement at the **Maison du Médecin**.

For the second consecutive year, **SGBL** sponsored the "Raid des Cèdres 2015", organized by the **Rangers Regiment**, on March 8, 2014, under the patronage of the commander of the Lebanese Army, General Jean Kahwaji.

The **Ali Bin Ali Group** unveiled its plans to run "Katara Plaza" project in Doha, which will open its doors in 2016.

Jacques Saadé, CEO of **CMA CGM Group**, a world leader in container shipping, received in Marseille on March 5, Alexandre Najjar, the Lebanese-French writer.

Attracting a fresh group of customers to the **Mini** family, the all new Mini 5-door Hatch has arrived to the **Bassoul-Heneine sal** showrooms.

Credit Libanais Banking Group held its annual ceremony that gathered some 1,200 employees and senior managers who congregated from various Lebanese regions, in the presence of distinguished board members.

For the fifth consecutive year, **SGBL** sponsored the Francophonie month, « La Grande Kermesse », in partnership with the **French Embassy** and the **French Institute of Lebanon**.

TBWA\RAAD announced that Reda Raad, who served as the company's Chief Operating Officer, has been named the CEO of the company.

The **Renault Group** brands, Renault and Dacia, represented in Lebanon by **Bassoul-Heneine**, have seen their sales soar to a level unequaled since the end of the war in Lebanon with a total of 2,377 vehicles sold in 2014.

Sanofi, global healthcare leader, celebrated the inauguration of its new state-of-the-art headquarter offices based in Beirut and covering Near East countries.

Under the patronage of the UK Ambassador to Lebanon H.E Tom Fletcher and in the presence of key media figures and industry experts, a private event was held on the March 18 at **BeitMisk** to celebrate the project's most recent honors received from British award programs.

The famous French champagne house **Piper-Heidsieck** will be the exclusive champagne of the **Oscars®**, after signing a three-year partnership with the Academy of Motion Picture Arts and Sciences.

Spinneys took the initiative to modify its Hazmieh branch, becoming the first supermarket in Lebanon allowing people with disabilities and special needs to shop on their own.



CONFERENCES

DATE	NAME	ORGANIZERS	CONTACT / E-MAIL	WEBSITE
LEBANON				
2-3 Apr	The Fifth Risk Management Annual Forum	Union of Arab Banks	+961 1 377 800; uab@uabonline.org	www.uabonline.org
15-17 Apr	CSR Levant	Informa Middle East	+971 4 335 2437; register-mea@informa.com	www.csrlevant.com
29 Apr-1 May	IEEE	IEEE	icm2013@ul.edu.lb	sdlwc.net/conferences/taeece2015
5-6 May	Arab Economic Forum	Al Iktissad Wal Aamal	+961 1 740 173; forums@iktissad.com	www.iktissadevents.com
8-9 May	EU Lebanon Cooperation Day	IFP	+961 5 959 111; info@ifpexpo.com	www.ifpexpo.com
26-27 May	The Smart Banking Event	Arabcom	+961 5 450212; yp@arabcomgroup.com	www.arabcomgroup.com
11-12 Jun	The Third Media Economic Forum on: "The Role of Media in Promoting the Economic Boom in the Arab World"	Union of Arab Banks	+961 1 377 800; uab@uabonline.org	www.uabonline.org
DUBAI				
9 Apr	12th Government and Business Leading CEO Conference	Datamatix Group	+971 4 332 6688; info@datamatixgroup.com	www.datamatixgroup.com
9 Apr	Dubai Sports Economy and Investment Conference	Datamatix Group	+971 4 332 6688; info@datamatixgroup.com	www.datamatixgroup.com
13-14 Apr	The World Takaful Conference	Mega Events	+971 4 343 1200; yasmeen@megaevents.net	www.megaevents.net
14-15 Apr	Fourth Annual Logistics in Oil, Gas and Petrochemicals Summit	Fleming Gulf	+971 4 609 1555; info@fleminggulf.com	www.fleminggulf.com
26-30 Apr	Strategy Leaders Forum	Informa Middle East	+971 4 336 5161; info-mea@informa.com	www.informa-mea.com
29-30 Apr	Communications Technology and Information Security in Banks Forum	Union of Arab Banks	+961 1 377 800; uab@uabonline.org	www.uabonline.org
4-5 May	Fifth Annual Global Petrochemicals Technology Summit	Fleming Gulf	+971 4 609 1555; info@fleminggulf.com	www.fleminggulf.com
5-7 May	Arabian Hotel Investment Conference	Meed Events	+971 4 818 0200; events@meed.com	www.meed.com
6 May	MENA Travel Awards	MENA Travel awards	+971 4 390 25 17; farah@menatravelawards.com	www.menatravelawards.com
11-12 May	Global Airport Leaders Forum	Reed Exhibitions	+971 4 364 2813; wellah.ellis@reedexpo.ae	www.reedexpo.com
12-13 May	Cards and Payments Middle East	Terrapinn	+971 4 440 2500; enquiry.me@terrapinn.com	www.terrapinn.com
16-20 May	Twenty First Smart Government and Smart Services Conference	Datamatix Group	+971 4 332 6688; info@datamatixgroup.com	www.datamatixgroup.com
18-19 May	Fourth Oil and Gas Security Summit	International Research Networks	+971 4 453 3515; info.me@irn-international.com	www.irn-international.com
18-20 May	Insurance Leaders Forum	Informa Middle East	+971 4 336 5161; info-mea@informa.com	www.informa-mea.com
24-28 May	Fifth GCC Government and Business Future and Young Leaders Conference	Datamatix Group	+971 4 332 6688; info@datamatixgroup.com	www.datamatixgroup.com
25-27 May	Port Optimization Forum 2015	Informa Middle East	+971 4 336 5161; info-mea@informa.com	www.informa-mea.com
1-4 Jun	Fifth GCC Government and Business Future and Young Leaders Conference	Datamatix Group	+971 4 332 6688; info@datamatixgroup.com	www.datamatixgroup.com
7-11 Jun	Sixth GCC New Economic Strategies Conference	Datamatix Group	+971 4 332 6688; info@datamatixgroup.com	www.datamatixgroup.com
8-10 Jun	Compensation and Benefits 2015	Informa Middle East	+971 4 336 5161; info-mea@informa.com	www.informa-mea.com
ABU DHABI				
31 Mar-2 Apr	National Security Summit Middle East	IQPC Middle East	+971 4 364 2975; enquiry@iqpc.ae	www.iqpc.ae
20-22 Apr	Fifth Annual Global Pipeline Integrity and Technology Summit	Fleming Gulf	+971 4 609 1555; info@fleminggulf.com	www.fleminggulf.com
9-10 Jun	Arabian Banking Technology Exhibition & Conference 2015	Bahrain Exhibitions	+973 17558800; sfa@pinnacleimg.com	www.abtclive.com
QATAR				
18-21 May	World Stadium Congress 2015	IQPC Middle East	+971 4 364 2975; enquiry@iqpc.ae	www.iqpc.ae
KSA				
14-15 Apr	WEPower	BME Global	+44 207 511 9582; info@bme-global.com	www.bme-global.com
5-6 May	Third Annual Digital Grids and Smart Cities Summit	Fleming Gulf	+971 4 609 1555; info@fleminggulf.com	www.fleminggulf.com
10-12 May	Saudi Safety & Security	BME Global	+44 207 511 9582; info@bme-global.com	www.bme-global.com
10-13 May	HR Leaders Saudi	Informa Middle East	+971 4 336 5161; info-mea@informa.com	www.informa-mea.com
11-12 May	Kingdom Waste Management Forum	Fleming Gulf	+971 4 609 1555; info@fleminggulf.com	www.fleminggulf.com
12-13 May	Second Annual Kingdom Cyber Security Forum	Fleming Gulf	+971 4 609 1555; info@fleminggulf.com	www.fleminggulf.com
24-26 May	GCC Environment Forum	BME Global	+44 207 511 9582; info@bme-global.com	www.bme-global.com
OMAN				
19 May	Oman Energy and Water Exhibition and Conference	Oman Expo	+968 246 60124; info@omanexpo.com	www.omanexpo.com
BAHRAIN				
27-29 Apr	Bahrain Energy and Infrastructure Forum	Meed Events	+971 4 818 0200; events@meed.com	www.meed.com
18-19 May	11th Annual World Islamic Funds & Financial Markets Conference	Mega Events	+971 4 343 1200; yasmeen@megaevents.net	www.megaevents.net
EGYPT				
1-2 Apr	The Arab Banking Conference	Union of Arab Banks	+961 1 377800; uab@uabonline.org	www.uabonline.org
TURKEY				
1-2 Apr	Turkish-Arab Economic Forum	Al Iktissad Wal Aamal	+961 1 780 200; forums@iktissad.com	www.iktissadevents.com
JORDAN				
21-23 May	World Economic Forum on the Middle East and North Africa 2015	World Economic Forum	+41 (0)22 869 1449	www.weforum.org


EXHIBITIONS

DATE	NAME	ORGANIZERS	CONTACT / E-MAIL	WEBSITE
LEBANON				
20-23 Apr	HORECA Lebanon	Hospitality Services	+961 1 480 081; info@hospitalityservices.com.lb	www.hospitalityservices.com.lb
29 Apr-1 May	IEEE	IEEE	icm2013@ul.edu.lb	sdiwc.net/conferences/taeece2015
6-10 May	Electrotech	TCFM	+971 2 679 5444; theees@emirates.net.ae	www.tcfm.ae
13-17 May	Beirut Boat Show	IFP	+961 5 959 111; info@ifpexpo.com	www.ifpexpo.com
21-24 May	Men's World 2015	Fairs and Exhibitions World	+961 3 823 447; lindhaj@fewlb.com	
26-30 May	Garden Show & Spring Festival	Hospitality Services	+961 1 480 081; info@hospitalityservices.com.lb	www.hospitalityservices.com.lb
2-5 Jun	Project Lebanon	IFP	+961 5 959 111; info@ifpexpo.com	www.ifpexpo.com
DUBAI				
14-16 Apr	Aluminium Middle East	Reed Exhibitions	+971 4 364 2813; wellah.ellis@reedexpo.ae	www.reedexpo.com
15-17 Apr	Gulf Education and Training Exhibition	International Conferences and Exhibitions	+971 4335 5001; info@icedxb.com	www.icedxb.com
21-23 Apr	Arab Oil & Gas	International Conferences & Exhibitions	+971 43355001; info@icedxb.com	www.icedxb.com
4-7 May	Arabian Travel Market	Reed Exhibitions	+971 4 364 2813; wellah.ellis@reedexpo.ae	www.reedexpo.com
5-7 May	PhotoWorld Dubai	IIR Middle East	+971 2 493 5168; infoex@iirme.com	www.informaexhibitions.com
10-12 May	Airport Show	Reed Exhibitions	+971 4 364 2813; wellah.ellis@reedexpo.ae	www.reedexpo.com
12-13 May	Ecommerce Show ME 2015	Terrapinn Middle East	+971 1 4440 2500; enquiry.me@terrapinn.com	www.terrapinn.com
12-13 May	The Mobile Show Middle East 2015	Terrapinn Middle East	+971 14440 2500; enquiry.me@terrapinn.com	www.terrapinn.com
12-13 May	Retail Show Middle East	Terrapinn Middle East	+971 14440 2500; enquiry.me@terrapinn.com	www.terrapinn.com
12-13 May	Future Bank Middle East	Terrapinn Middle East	+971 14440 2500; enquiry.me@terrapinn.com	www.terrapinn.com
12-13 May	Telecoms World Middle East	Terrapinn Middle East	+971 14440 2500; enquiry.me@terrapinn.com	www.terrapinn.com
25-26 May	Future Outdoor Lighting	ACM Events	+971 4 3614554; Nisrine.aboulhosn@acm-events.com	www.acm-events.com
26-28 May	Beauty World Middle East	EPOC Messe Frankfurt	+971 4 389 4500; info@epocmessefrankfurt.com	www.epocmessefrankfurt.com
2-4 Jun	Automechanika Dubai	EPOC Messe Frankfurt	+971 4 389 4500; info@epocmessefrankfurt.com	www.epocmessefrankfurt.com
2-4 Jun	Hardware + Tools Middle East	EPOC Messe Frankfurt	+971 4 389 4500; info@epocmessefrankfurt.com	www.epocmessefrankfurt.com
ABU DHABI				
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22-24 Apr	Gulf Education and Training Exhibition	International Conferences and Exhibitions	+971 4 335 5001; info@icedxb.com	www.icedxb.com
28 Apr-2 May	2nd Get in Shape	TCFM	+971 2 679 5444; theees@emirates.net.ae	www.tcfm.ae
5-9 May	International Jewellery and Watch Show	Reed Exhibitions	+971 4 364 2813; wellah.ellis@reedexpo.ae	www.reedexpo.com
13-16 May	2nd Abu Dhabi Property Market	TCFM	+971 2 679 5444; theees@emirates.net.ae	www.tcfm.ae
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14-15 Apr	WEPower	BME Global	+44 207 511 9582; info@bme-global.com	www.bme-global.com
3-5 May	The Hotel Show Saudi Arabia	DMG Events	+971 4 438 0355; dmgdubai@dmgeventsme.com	www.dmgevents.com
10-12 May	Saudi Safety and Security	BME Global	+44 207 511 9582; info@bme-global.com	www.bme-global.com
11-13 May	Saudi Energy	IFP	+961 5 959 111; info@ifpexpo.com	www.ifpexpo.com
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20-22 Apr	Global Higher Education Exhibition	OITE	+968 2465 6010; sales@ghedex.om	www.oite.com
27 Apr-1 May	COMEX IT, Telecom and Technology Show	OITE	+968 2465 6010; sales@ghedex.om	www.oite.com
EGYPT				
9-12 Apr	Cityscape Egypt	IIR Middle East	+971 4 335 2437; register@iirme.com	www.cityscapeegypt.com
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4-5 May	LightingTech Qatar	ACM Events	+971 4 3614554; Nisrine.aboulhosn@acm-events.com	www.acm-events.com
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BAHRAIN				
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12-14 May	GULF INTERIORS 2015	Bahrain Exhibitions	+973 17558800; beca@beca.bh	www.bahrainexhibitions.com
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Middle Eastern firms can lure the best and brightest, if only they implement the right strategies

All these elements are a permanent part of the value proposition of these firms. The leaders of these companies know that high end professional services depend upon deep and constantly refreshed expertise. Consulting professionals build long term, productive relationships with business executives. They think innovatively about their clients' most complex challenges. They must keep acquiring knowledge, sharpening their skills and sharing expertise with their colleagues.



This commitment to a clear set of corporate values is particularly important because talented staff are so mobile and, in our region, in short supply. More business people need to understand the importance of attracting talent; doing so successfully is critical to every company that hopes to thrive in the Middle East in the future. 

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Engine: V6 60° 2979 CC – Max power: 330hp at 5000rpm – Max torque: 500Nm at 4500rpm – Max speed: 263km/h – 0 to 100km/h acceleration: 5.6 sec – Fuel consumption: (combined cycle) 9.6l/100km – (urban cycle) 14l/100km – (extra urban cycle) 7.1l/100km – CO2 emissions (combined cycle) 223g/km – (urban cycle) 326g/km – (extra urban cycle) 16 g/km

GHIBLI S

Engine: V6 60° 2979 CC – Max power: 410hp at 5500rpm – Max torque: 550Nm at 5000rpm – Max speed: 285km/h – 0 to 100km/h acceleration: 5.0 sec – Fuel consumption: (combined cycle) 10.4l/100km – (urban cycle) 15.7l/100km – (extra urban cycle) 7.3l/100km – CO2 emissions (combined cycle) 242g/km – (urban cycle) 364g/km – (extra urban cycle) 171g/km

GHIBLI S Q4

Engine: V6 60° 2979 CC – Max power: 410hp at 5500rpm – Max torque: 550Nm at 5000rpm – Max speed: 284km/h – 0 to 100km/h acceleration: 4.8 sec – Fuel consumption: (combined cycle) 10.5l/100km – (urban cycle) 15.8l/100km – (extra urban cycle) 7.6l/100km – CO2 emissions (combined cycle) 246g/km – (urban cycle) 368g/km – (extra urban cycle) 176g/km

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