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Speech of H.E. the Finance Minister at the Business and Financial Forum: Lebanon at the Heart of International Conferences

Since Mr. Maroun el Helou said that we are having a dialogue today and not speeches, I will try to briefly highlight what is waiting for us in the coming days.

The main question is if our country can continue like that, economically and financially. Can we live in light of this turmoil in the region and the world, without stability or economic growth and without solving our financial problems?

We have to answer this question honestly, regardless of the context mentioned by H.E. Minister Raya Hassan on the importance of international conferences and their positive repercussions on Lebanon if the latter commits to the required obligations. In my opinion, implementing reforms in the economic model and in public finance, working on controlling the deficit and stimulating growth are, first and foremost, a Lebanese need and demand regardless of the international conferences which promises and commitments will definitely affect our situation positively.

Therefore, we have to acknowledge that regardless of these conferences, we must take bold steps to put the financial and economic process in the country back on the right track. This requires a bold and clear political will that is committed, by actions and not just words, to place the national interest before narrow personal interests. This process starts today in the ability of this government to adopt a bold budget that puts the finger on the wound, accurately identifies shortfalls and has the courage, capability and will to make a real difference.

From my position, allow me to say that if we assume the responsibility clearly and without ambiguity, and if we do not lose sight of the fundamental structural problems of this budget, we will achieve results. This is what we have been working on in the last few weeks and what we are currently working on with the PM and the ministers. We want to adopt a

balanced budget that will help us tackle our financial and economic situation.

These measures focus on reducing spending. This is something we can do without actually affecting the level of growth. Another issue is to increase revenues so that we can spend more on matters that positively affect the economy without heavily increasing the public debt. The third issue is how to stimulate growth. Yes, the problem of debt is that there is spending that generates more debts and debt service while the economic growth is stagnating, or almost. This means that the ratio of public debt to GDP will rise to unprecedented levels in the budgets of countries and in their financial situations.

After the adoption of the budget, we must clearly determine which economic model we are looking for and how we plan to put this economy back on track. Some are talking about pushing forward toward strengthening productive sectors, industry, agriculture and others so they indirectly alleviate the deficit in the balance of trade. Others, and they are also right, are pushing toward strengthening the sectors that have always pushed forward the Lebanese economy in terms of services and other matters. In our opinion, we need today to seriously and thoroughly discuss the entire economic file to determine which procedures are based on medium-term and long-term policies, in order to regulate the future financial and economic stability in our country and stop being vulnerable any structural tremor or imbalance that could lead to social crises that threaten the country's stability. I believe that there is a chance. I believe that we can achieve our objective when we integrate the roles of everyone in the State and the private sector; we have already taken a real step in this sense through the adoption of the law on partnership with the private sector and through what was approved yesterday, regardless of all propaganda that followed.

More importantly, we have started to implement this model in the public and private sectors. Consequently, our national responsibility requires from us to reflect it nicely, with transparency, to promote the confidence that we can benefit from the role and financing of the private sector to advance all our main sectors and launch development projects.

This requires a series of actions that have been submitted to the Council of Ministers, in line with the requirements of donors and parties providing assistance at CEDRE, and in line with global standards in revising laws fostering labor relations, especially Public Transactions Law, Public Procurement Law and the Modern Customs Law, in addition to other matters that have become essential for a transparent, clear and responsible relationship between the public and private sectors.

The political opportunity is favorable today and the great challenge we are facing requires we agree with each other. If we lose this opportunity, I think that we will have to make very painful and difficult choices. Therefore,

everyone should rally around the measures that can be adopted in the State Budget, as well as around other decisions, that I hate to qualify of unpopular, but that are bold and responsible and that shall put the country back on track to tackle its economic and financial situations.