



الاتحاد المصرفي العربي
Union of Arab Banks

National Workshop on: Remittances and Economic Development in Lebanon

**Remittances to Lebanon: Economic Impact and
the Role of Banks**

By:

Ali Awdeh

Union of Arab Banks



Presentation outline

1. Introduction
2. Facts about remittances to Lebanon
3. Economic impact of remittances to Lebanon
4. The role of Lebanese banks in attracting remittances:
 - The global network of Lebanese banks
 - Expatriates products and services offered by Lebanese banks



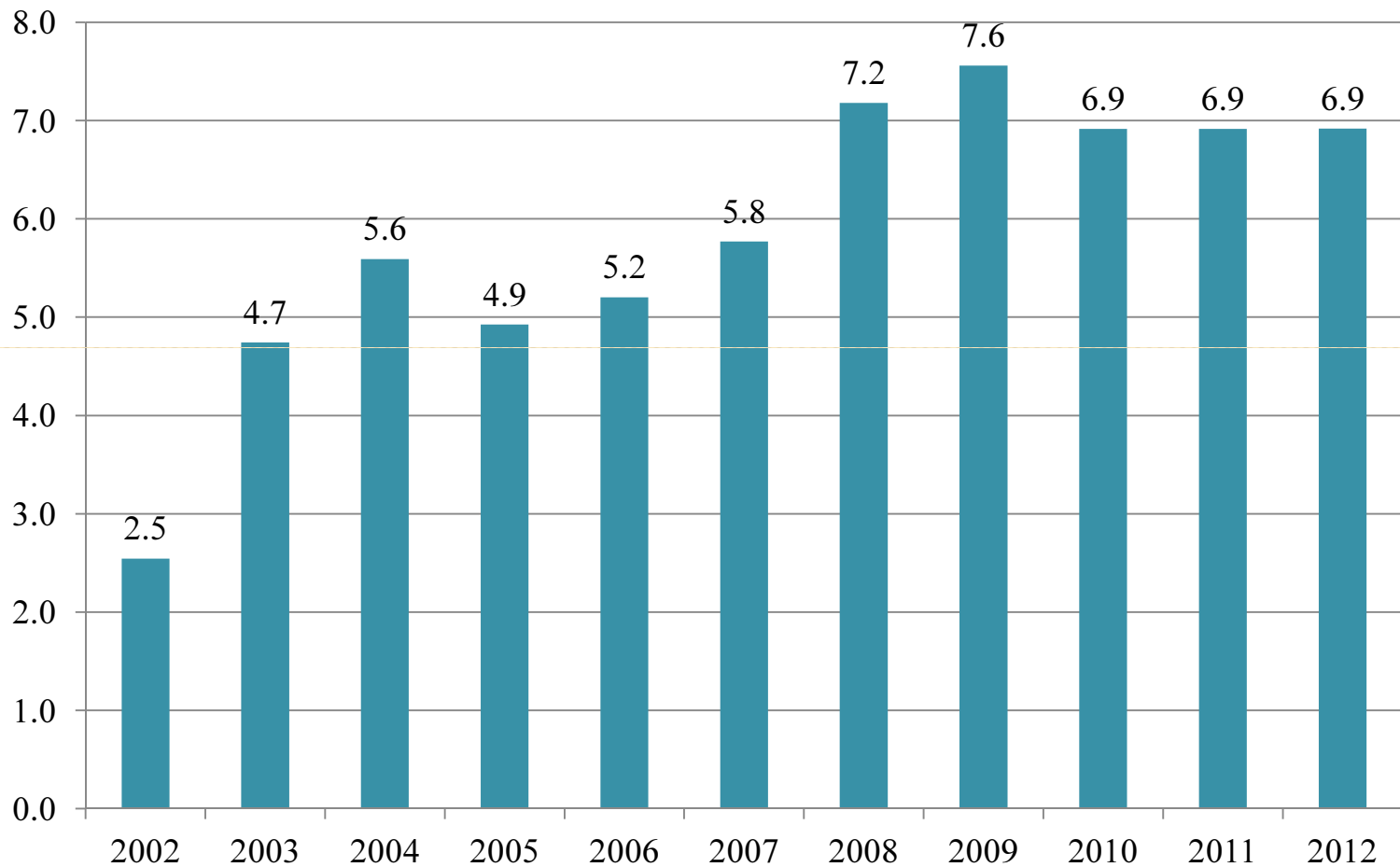
Remittances to Lebanon

- Lebanon is a notable case of a remittance-dependent economy, with a steady outflow of emigrants that ensure regular inflows of remittances.
- Financial inflows from Lebanese Diaspora exhibited remarkable stability in the face of significant political turbulences over the past few years.

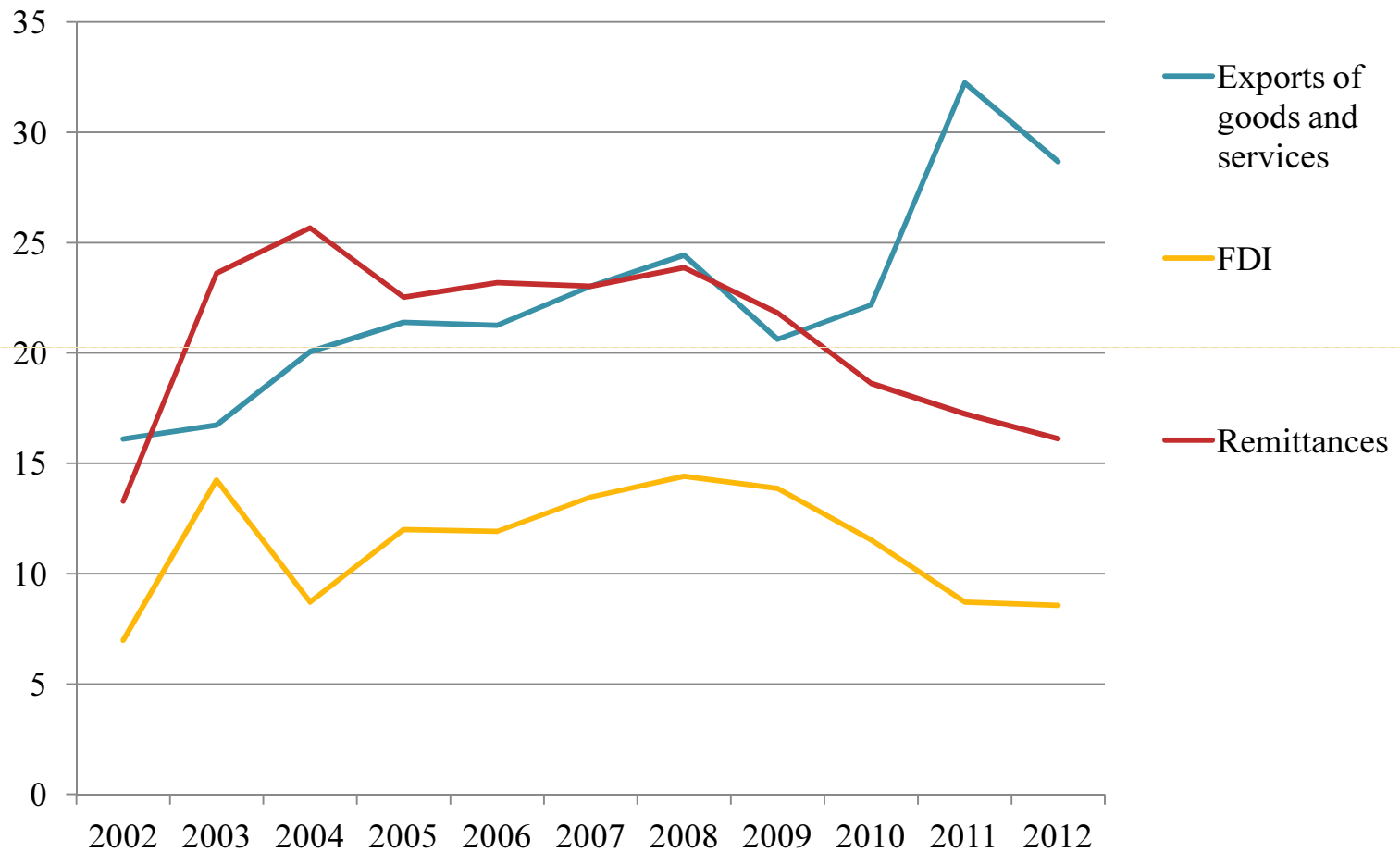


Remittances to Lebanon: some facts

Lebanon's remittance inflows (\$ billions)



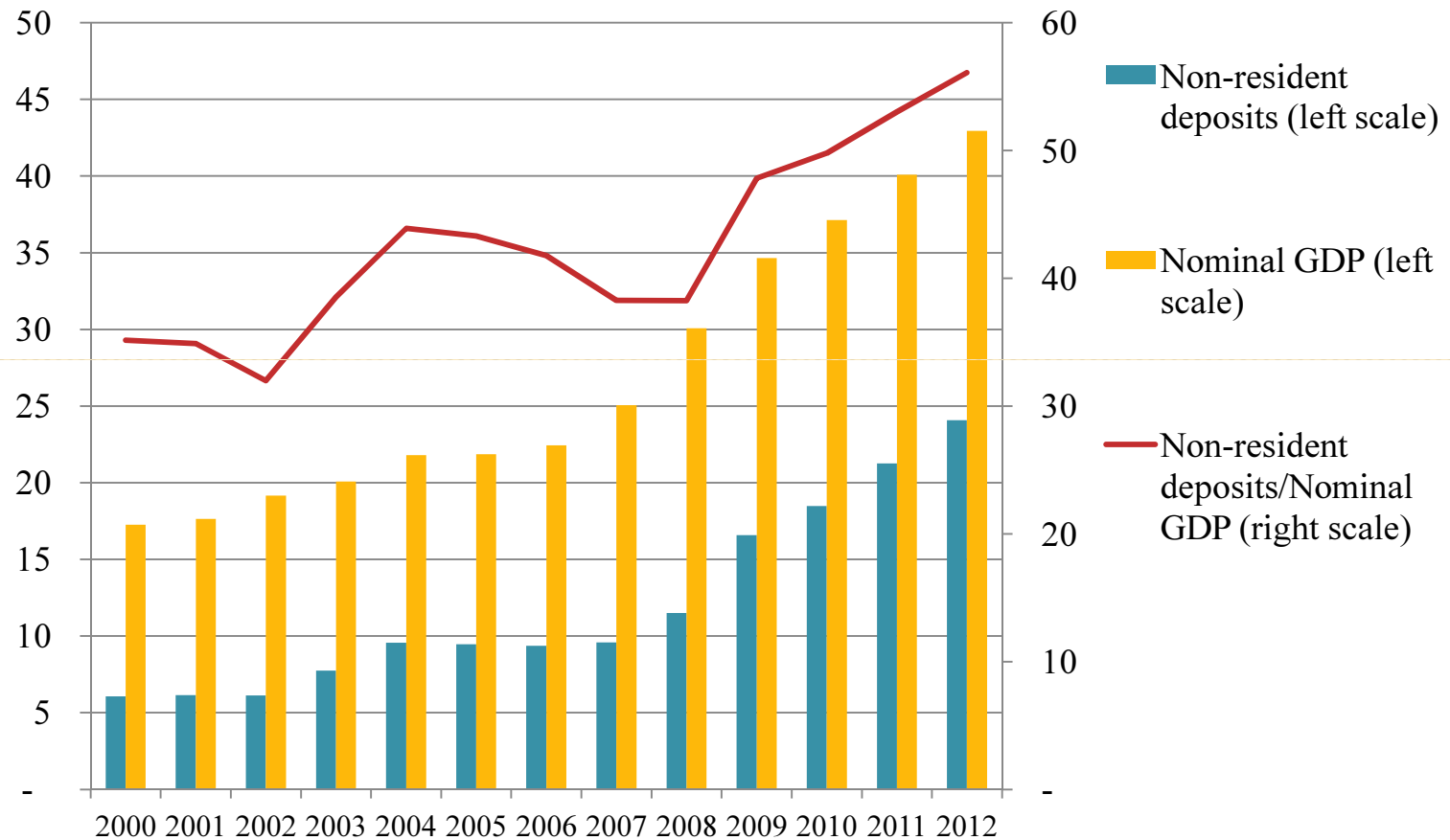
Inflows to Lebanon as % of nominal GDP



Remittances as percentage of nominal GDP

	2007	2008	2009	2010	2011	2012
Arab World	1.8	1.7	1.8	1.8	1.5	1.5
Algeria	0.1	0.1	0.1	0.1	0.1	0.1
Egypt	5.9	5.3	3.8	5.7	6.1	7.3
Jordan	20.1	17.3	15.1	13.8	12.0	11.5
Lebanon	23.0	23.9	21.8	18.6	17.2	16.1
Morocco	8.9	7.8	6.9	7.1	7.3	6.8
Sudan	2.2	2.9	4.0	1.7	0.7	0.7
Syria	2.6	na	na	na	na	na
Tunisia	4.4	4.4	4.5	4.6	4.3	5.0
Yemen	6.1	5.2	4.7	4.8	4.4	na

Non-resident deposits compared to nominal GDP (\$ billions)





The economic impact of remittances to Lebanon

Correlation between remittances growth rate and (real) GDP growth rate

	Correlation coefficient (2002-2012)
Arab World	0.42
Algeria	(0.09)
Egypt	0.09
Jordan	0.70
Lebanon	0.07
Morocco	0.24
Sudan	0.30
Tunisia	0.71

Correlation between remittances to Lebanon and selected macroeconomic variables

Correlation between:	Correlation coefficient (2000-2012)
Remittances and total investment, both as % of GDP	0.17
Amount of remittances (\$ billion) and CPI	0.78
Amount of remittances and amount of Imports, both in \$ billion	0.85
Percentage change of remittances and percentage change of Imports	0.26
Amount of remittances and current account deficit, both in \$ billion	(0.58)
Amount of remittances and budget deficit, both in \$ billion Budget deficit	(0.19)



The role of Lebanese banks

- The Lebanese banks could play a crucial role in attracting remittances to Lebanon through:
 1. Their global network
 2. The offered products and services to expatriates

Global network of Lebanese banks

Registered as			
	A subsidiary	A branch	A representative office
SGBL	Cyprus, Jordan		
Lebanon and Gulf Bank		Cyprus	
Jammal Trust Bank			UK, Ivory cost, Nigeria
Fransabank	Algeria, Syria, France, Sudan*, Belarus*	Iraq	Libya
BLC Bank	Cyprus		UAE
IBL Bank		Cyprus, Iraq	
Creditbank	Armenia	Russia	
Credit Libanais	Senegal	Cyprus, Bahrain, Iraq	Canada
Byblos Bank	Belgium, Sudan, Syria, Armenia, Congo	Cyprus, Iraq, France, UK	UAE, Nigeria
Blom Bank	France, Switzerland, Syria, Egypt, Saudi Arabia, Qatar	Cyprus, Jordan, UK, UAE, Romania	UAE

* Partner company. ** Sister company.

Global network of Lebanese banks – cont.

Registered as			
	A subsidiary	A branch	A representative office
BBAC Bank		Cyprus, Iraq	UAE
Banque Libano-Française	France, Syria	Iraq, Cyprus, Switzerland	UAE, Nigeria
Banque BEMO	Syria*, Luxembourg**	Cyprus, France	
Bank MED	Switzerland, Turkey	Cyprus, Iraq	
Bank of Beirut	UK, Australia	Germany, Cyprus, Oman	Iraq, UAE, Nigeria, Qatar, Libya
Bank Audi	Switzerland, France, Turkey, Syria, Egypt, Sudan, Qatar, Saudi Arabia, Monaco	Jordan, Iraq	UAE
FFA Private Bank	UAE		
Total countries	21	12	8
* Partner company. ** Sister company.			

Countries hosting Lebanese banks

	Subsidiaries for	Branch or branch networks for	Representative offices for
GCC countries			
Bahrain		1 bank	
Saudi Arabia	2 banks		
Qatar	2 banks		1 bank
UAE	1 bank	1 bank	7 banks
Oman		1 bank	
Other Arab countries			
Jordan	1 bank	2 banks	
Algeria	1 bank		
Syria	6 banks		
Iraq		8 banks	1 bank
Sudan	3 banks		
Egypt	2 banks		
Libya			2 banks
Western Asia			
Armenia	2 banks		
Turkey	2 banks		
Oceania			
Australia	1 bank		

Countries hosting Lebanese banks – cont.

	Subsidiaries for	Branch or branch networks for	Representative offices for
Europe			
Cyprus	2 banks	10 banks	
UK	1 bank	2 banks	1 bank
France	4 banks	2 banks	
Belarus	1 bank		
Russia		1 bank	
Belgium	1 bank		
Switzerland	3 banks	1 bank	
Germany		1 bank	
Monaco	1 bank		
Romania		1 bank	
Luxembourg	1 bank		
America			
Canada			1 bank
Africa			
Ivory Cost			1 bank
Nigeria			4 banks
Senegal	1 bank		
Congo	1 bank		

Lebanese commercial banks with expatriate products

		Has expatriate products/services
1	Fransabank	Yes
2	Arab Bank	Yes
3	Banque Libano-Française	Yes
4	BLC Bank	Yes
5	Near East Commercial Bank	No
6	BLOM Bank	Yes
7	Federal Bank of Lebanon	No
8	SGBL	Yes
9	Bank Med	No
10	BBAC Bank	Yes
11	Banque Pharaon et Chiha	No
12	Banque de Crédit National	No
13	Byblos Bank	Yes
14	Banque de L'industrie et du Travail	No
15	IBL Bank	No

Lebanese commercial banks with expatriate products – cont.

		Has expatriate products/services
16	Credit Libanais	Yes
17	Bank Audi	Yes
18	Fenicia Bank	Yes
19	Lebanese Swiss Bank	Yes
20	BSL Bank	Yes
21	Bank of Beirut	Yes
22	Jammal Trust Bank	No
23	Lebanon and Gulf Bank	Yes
24	Saudi Lebanese Bank	No
25	Al-Mawarid Bank	No
26	CreditBank	No
27	First National Bank	Yes
28	MEAB	No
	Banks with expatriate products/services	57%
	Banks without expatriate products/services	43%

Lebanese commercial banks offering “expatriate packages”

		Single product: housing loan	Package of products/services
1	Fransabank	X	
2	Arab Bank		X
3	Banque Libano-Française		X
4	BLC Bank		X
5	BLOM Bank	X	
6	SGBL	X	
7	BBAC Bank	X	
8	Byblos Bank		X
9	Credit Libanais		X
10	Bank Audi	X	
11	Fenicia Bank		X
12	Lebanese Swiss Bank	X	
13	BSL Bank	X	
14	Bank of Beirut		X
15	Lebanon and Gulf Bank*		X
16	First National Bank	X	



Lebanese commercial banks offering “expatriate packages”

- The products and services provided by these banks can be classified into financial and non-financial services.



Financial services

- The main financial services can be summarized as follows:
 - Different types of debit and credit cards in LBP and foreign currencies.
 - Different types of loans (e.g. personal, housing, car loans) in LBP and USD.
 - Different types of deposit accounts and saving schemes in LBP and USD.
 - Different types of Bancassurance products (e.g. motor insurance, travel insurance, personal accident, retirement plans, and children's education).



Non-financial services

- The main non-financial services can be summarized as follows:
 - Money transfers to Lebanon.
 - Bill domiciliation (e.g. electricity, water).
 - Forex buy/sell.
 - Airline, hotel, and taxi booking.
 - Investment and commercial loans with advice from specialist advisers.



Policy recommendations

- Improving the economic benefits of remittances: the role of policy makers and investment authorities.
- Developing the current products and services provided by Lebanese banks.



Thank you