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Let me stop and ask Raed: how does all this good news from the advanced economies, or relatively good news with some question marks, look from your point of view?

Raed CHARAFEDDINE

As a matter of fact, we have been hit earlier this morning with a piece of bad news, which is the resignation of the Prime Minister, Hariri. This will certainly adversely impact the economic and political stability of Lebanon, for all kinds of reasons. When it comes to the Arab region and the MENA region, we have the oil-exporting and oil-importing countries. On the level of the oil-exporting countries, we have seen sluggish growth, which is projected at 1.7% in 2017 by the IMF and certainly, at the same time, we have stubborn budget deficits. As far as the MENA oil-importing countries are concerned, they suffer fiscal impotence and high public indebtedness, despite the projected rise in growth, by the way, in these countries of 4.3%.

However, these are only symptoms of profound structural socio-economic challenges and contemporary macroeconomic adversities. Let me take a minute by just aligning, or at least listing some of these challenges that we face in our part of the world, whether oil-importing-or-exporting countries. The structural socio-economic challenges encompass the lack of economic diversification and rentier economies; fiscal inefficiencies and public finance unsoundness; unemployment and job market failures; weakness of intra-regional economic integration and uniformity; insufficiency and unsustainability of economic growth and development; retardation of technological innovation, as well as the knowledge economy and research and development; weakness in financial inclusion and financial capabilities; and exposure to financial crime, compliance pressure and poor governance. As for the contemporary macroeconomic adversities, they too are mainly the outcome of regional political and security unrest and conflicts, accompanied by severe socioeconomic disturbances that are caused by massive population displacement, in addition to socioeconomic and resource price shocks, in the case of oil prices.

This is the country of Lebanon. Not only do we have our own challenges, as far as the relative political instability of having two tough neighbours in our region, but we also have one-and-a-half-million Syrian refugees, as well as 500,000 Palestine, Iraqi and other refugees. We have two million refugees in Lebanon, among a population of a little over four million. I just wanted to give that backdrop to where we stand. Later in my intervention, I will talk specifically about how the Central Bank was able to overcome these challenges, within Lebanon and the region as well.