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SAAD HARIRI

.....
"Lebanon has all the advantages to be the region's top technology hub."

LEBANON LOOKS AHEAD

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On The Cusp Of A Transformation

By Claudine Coletti

The vibrant country of Lebanon has always been one of extreme importance to the Arab world due to its location and commerce. Known for its beauty, warmth and thriving entertainment scene, Lebanon is today heading towards a positive economic future as it establishes plans to fight a significant fiscal deficit and encourage growth.

Lebanon's journey, however, is known to be paved with challenges. As they seek political stability and an answer to the demands of over a million refugees on the country's infrastructure and job market, the Lebanese people are calling out for opportunities to take control of their own destinies. The government is responding, putting initiatives in place to both draw in significant international investment while encouraging banks and VCs to pour capital into building a startup ecosystem.

In its 2018 budget, the government projected that in the coming year Lebanon's deficit will be reduced by \$145 million compared to 2017, and in its economic outlook for the country, The World Bank projected a 2% annual growth for the country over the medium term. This is good news for the country's numerous entrepreneurs and business leaders.

In our first special edition exploring Lebanon's current business landscape and its plans and hopes for the future, we have spoken to the heads of the country's largest and most innovative companies to find out how they are facing the future and uncover their growth plans. Delving into its major sectors, including technology, healthcare, real estate and finance, we showcase Lebanon's best and brightest entrepreneurs and reveal how their vision is helping boost their beloved country's future.

As Lebanon continues to grow and work towards its future transformation, we are proud to applaud the achievements of its most inspiring individuals and most successful corporates.

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LEBANON'S YOUNG INNOVATORS

With over 60% of the population under the age of 30, *Forbes Middle East's* very first class of Arab 30 Under 30 in February 2018 was a dynamic mix of social entrepreneurs, artists, celebrities and intellectuals. With such diverse areas of expertise, these innovators are transforming the rules of business. In order to be featured in this list of 30, the individual needed to be of Arab origin and should have been born in the year 1988 or later. Many in the list are scattered across the globe as they strive to prove their mettle in countries far from home, with the following six young entrepreneurs originally hailing from Lebanon.



Eve Tamaz Najjar 28

Founder, Sensio AIR
Residence: London, United Kingdom
Category: Science

Sensio AIR is a patented air quality monitor that identifies allergens like pollen and pet dander in real-time. The device is linked to a mobile application where users can log their symptoms and get tailored advice to improve their health. Tamraz has a PhD in Neurosciences from Ecole normale supérieure, Paris. She also featured on Forbes 2018 30 under 30 list.



Ray Dargham 27

Co-founder and CEO, STEP Group
Residence: Dubai, U.A.E.
Category: Media

Ray Dargham co-founded in 2012 STEP Group, which hosts an annual two-day tech conference in Dubai, which attracted more than 6,000 attendees last year. It also publishes online news sites StepFeed and YallaFeed, which boast 3 million unique monthly visitors. Dargham has raised \$2.5 million from venture investors, including London-based North Base Media.



Nicolas Zaatar 24

Co-founder and CTO, NAR
Residence: Beirut, Lebanon
Category: Enterprise Technology

Three-year-old startup, NAR, makes drone based software solutions to detect glitches in industrial applications. It uses artificial intelligence to automate the analysis of drone data, and pinpoint areas of interest on-the-fly. The software can help detect pipeline leaks and other defects in real time. Zaatar graduated with a B.S. in Computer Engineering from the Lebanese American University, and raised funding from Leap Ventures.



Mark Chahwan 26 Jad Sayegh 26

Co-founders, Sarwa

Residence: Dubai, U.A.E. **Category:** Finance

Mark Chahwan, Jad Sayegh and Nadine Mezher founded in 2016 a robo wealth advisory service that gives personalized financial advice to customers based on their risk profile. So far, they have 1,000 customers, mostly highly paid young professionals. They get advice for a fraction of the cost traditional wealth managers charge. Sayegh developed the algorithms. Last year, Sarwa received an Innovation Testing License from Dubai Financial Services Authority, the financial regulatory agency of DIFC (Dubai International Financial Centre) and raised funds from Shorooq, an Abu Dhabi venture capital firm.

Jawad Fares 28

Medical Doctor and Researcher

Residence: Beirut, Lebanon **Category:** Healthcare

Jawad Fares' research on injuries from cluster munitions—bombs that release lots of smaller explosives—led to the "Fares Scale of Injuries due to Cluster Munitions" that assesses injuries based on functional impairment. The scale helps better classify the wounds of victims and determine the best possible treatment. He also featured on Forbes 2018 30 under 30 list.



IMAGES FROM SOURCE

Hussein Bazaza 27

Designer, Hussein Bazaza

Residence: Beirut, Lebanon

Category: Fashion

Before establishing his own clothing line in 2012, Bazaza did an internship with Lebanese designer Rabih Kayrouz in Paris and worked for another famed Lebanese couturier, Elie Saab, as a junior designer in Beirut. He won best emerging designer award at The Middle East Fashion Awards in 2015. Bollywood and Arab actresses such as Aishwarya Rai Bachchan, Nadine Njeim and Mai Ezz Eldin have worn his designs.



Lebanon's Bond With Fintech



The Lebanese economy is in a debilitating condition due to political as well as social instability. Nevertheless, the country's financial system is performing commendably. In the words of Lebanon's central bank governor Riad Salameh, "the country's economy will not require extensive measures or means from the regulator to withstand instability or the political crisis."

That outlook provides an optimistic and positive approach to the issue.

As per the reports stated by credit agency, Moody's, Lebanon's banking system will remain stable in terms of expectations of modest economic growth and inflows of foreign deposits, which are eventually helping the banks to finance the government. Domestic credit will grow slightly at 2-3% over a period of 12 to 18 months as interest rates will rise. The reports said that the country's economy grew 1.9% in 2017 and is likely to see a modest rise in GDP, with a growth of 2.5% in 2018 and 3% in 2019. This forecast is based on expectations of the country running with co-operative economic policy and also the government's resumption of long-delayed public investment projects as scarcity of investment opportunities is a major threat for banks.

The country's banking system has variable liquidity buffers in order to withstand a period of short-term outflows or slower financial inflows that would eventually mitigate the risk of deposit flight of investments. The capital buffers of banks are also modest and the ratio of equity to assets is at around 9% where the lender's heavy exposure to the government policies stands along with a challenging operating system. Surpassing all threats, the Lebanese banking system remains the strongest and with Lebanon advancing towards financial innovations, it is also the region's second most sought after location for setting up an advanced fintech start-up ecosystem.

Vindicating this, in 2017, 54% of bank account holders adopted the digital banking system, a fair growth from 2016's levels of 38%. Region-wise, Lebanon ranks third in the Adoption of Digital Banking Services and second for people who use mobile banking. With fintech's progressive digital financial services, Lebanon can easily bypass geographical restrictions and be receptive to customers' demands.

Economic analysis of Lebanon shows that medium-term economic prospects will remain sluggish whereas the macro-financial risks will remain high. With parliamentary elections around the corner, the spending boost will be offset by

tightened lending regulations as imposed by the Central Bank. The fiscal side will witness a tax windfall and the persistent rise in interest payments imposed on the public debt will widen the fiscal deficit with a projected 8.3% of GDP. The country has one of the lowest tax rates globally. The Investment Development Authority of Lebanon offers tax breaks for up to 10 years, as well as other incentives to local and foreign companies operating in the ICT sector and meeting specific requirements.

In April 2018, at the CEDRE Investment Conference in Paris, donors from various countries pledged to provide Lebanon with over \$11 billion in the form of soft loans to fund infrastructure projects. The pledges were mostly around the reforms, which include lowering the fiscal deficit by 1% annually over five years, among other measures.

It is important to understand how Lebanon can produce lucrative results due to its competitive advantages. As Lebanon hosts 14% of the region's fintech start-ups, it is also the fourth most served market by fintech companies, with 27% of MENA fintech startups serving the Lebanese market.

Lebanon's banking system is one of the strongest in the region and ranks 23rd worldwide in terms of soundness of bank rankings. With Lebanese banks adopting financial innovations, vital opportunities are created for cooperation with fintech companies. Fransabank invested \$2.5 million in local fintech startup PinPay, while Bank Audi launched a mobile contactless payment service, Tap2Pay, to optimize cashless payments in Lebanon.

Today, around six venture capital firms have operations in Lebanon in addition to various regional VCs, which have backed a number of local fintech companies. The Central bank of Lebanon issued Circular No. 331 in 2013, through which up to \$400 million was dedicated for Lebanese banks' equity investment into startups, incubators, accelerators and funds operating in the country. There are eight incubators and accelerators that provide training, technical and financial assistance to new and existing fintech companies in Lebanon.

Battling with the precarious situation in the region, the Lebanese banking sector is efficiently maintaining a solid financial position and is displaying the ability to absorb the pressures it faces. It is also acting as a hedge against unexpected crises courtesy of the commitment of Lebanese banks to implement banking legislation, risk management and international standards.

The country is maintaining a continuous effort to combat money laundering and the financing of terrorism, which includes the November 2015 adoption of the Law on Fighting Money Laundering and Terrorist Financing. Lebanon is balancing global pressure to stress the transfer of funds while simultaneously maintaining banking secrecy. 

NIKHIL SHAH, ASSOCIATE DIRECTOR, BUSINESS & FINANCIAL SERVICES CONSULTING, FROST & SULLIVAN

Inspiring A Generation

Maroun N. Chammas, Chairman and CEO at Berytech, sees firsthand the impact of Lebanon's empowered entrepreneurs.

How empowered are young people in Lebanon currently to become entrepreneurs and develop their own businesses? How is this different from the past?

Today, entrepreneurs have an entire ecosystem to support their venturing into the startup world. Berytech was founded in 2002 by visionaries at the Saint Joseph University, with that sole mission, to provide entrepreneurs with access to business support, funding, networking, incubation, acceleration, location, and internet when none of it existed.

Along that journey and with the support of the Central Bank and Circular 331, more accelerators, support organizations and funds have blossomed, providing an array of support and funding options, but most importantly making the innovative youth aware that they can create their own opportunities.

What more could the government do to develop the entrepreneurial ecosystem and encourage young people to stay and grow in Lebanon?

It is clear today that a common vision for a more efficient, accessible, competitive and integrated Lebanon is urgently needed. We need to establish the Ministry of Innovation, Technology and Entrepreneurship to develop the Lebanon Innovation, Technology and Entrepreneurship Strategy. This will help transform the country into an e-Lebanon, within the pillars of government, education, businesses venture capital and entrepreneurship.

Innovation and entrepreneurship go hand in hand, and capacity building is what strengthens both. I refer here to E-cap (entrepreneurial capacity building) and our ability to improve on building new businesses, as well as I-cap (innovation capacity building) and our ability to improve on developing innovations.

What are some of the problems being tackled by your startups and how are they making a difference?

World food crisis, transportation, environment and social impact are some of the main problems our star entrepreneurs are tackling these days.

Social impact startups that are improving the lives of people in the community include FabricAid, which is providing



Maroun N. Chammas

under-privileged communities with access to second-hand clothes.

Startups that are trying to solve the need for public transportation include YallaBus, which is digitizing and organizing the use of public buses. Carpolo has created a platform to simplify carpooling, and Loop provides the first fully-integrated electric scooter sharing service in the world.

Looking at agriculture and food, Startchy is introducing technology to solve challenges in the sector such as by creating a bio-coating for apples.

Environmental impact startups include NAR, which has developed smart drones that help prevent forest fires and oil spills, and RIEGO which has developed a smart irrigation system.

What does Berytech look for when deciding whether or not to invest in a startup?

We look for startups whose ideas fit the following criteria:

- Idea validation: whether it clearly addresses a problem and has market validation, as well as a clear value proposition.
- Impact: whether it directly improves outcomes for targeted problems.
- Innovation: whether it is a new idea, device or method for the market or society.
- Sustainability: whether the business model presented is feasible, can generate revenue and is scalable across markets.
- Prototype: whether the product/service demo clearly exhibits functionality.

What are Berytech's future goals? What are your own growth plans?

As the Vice Chairman of MEDO, the petroleum group, and Chairman of IDM, the first ISP, I know that the future today is in ICT.

Berytech will increase its support for innovative Lebanese companies and people and create the right environment for innovation by unifying all the efforts being done today within the Lebanese and regional ecosystem. Lebanon has always been a hub for talent. Now with funding, high-profile networking, and an ultimate goal to play a role in the future of ICT, nothing can stop us.

Creating Opportunity

Rabih Ready, founder of RAR Holding, remembers how he set up and grew his manufacturing business and holding company, which now has presence in nine countries: Lebanon, Italy, the U.A.E., Kuwait, KSA, Iraq, Oman, Irbil and Nigeria.



How long were you with your family business before deciding to branch out on your own? What made you decide to leave and go to Italy?

I was involved with the family business from a young age, but I always felt that the trading business model was not sustainable in the long run as it relies on the manufacturer's risks of bankruptcy, M&A, etc. So, I decided to go to Italy—a pioneer in our industry—to try and further understand the business from a manufacturing point of view.

Where did you get the initial investment to start your own venture? Why did you choose the U.A.E. to establish your company?

I gathered enough money for the initial investment from my personal savings. To be honest, I didn't choose the U.A.E. particularly, the opportunity to start a factory there arose and I was quick to act. In the early 2000s, the U.A.E. was still a growing country with great potential, but no one could even imagine that in 18 years' time it would become the country it is today. I was lucky to have started there.

When you opened your own coatings company were you in competition in any way with your family business?

It was exactly the opposite, the manufacturing units that I have established have ensured a sustainable trading model for the family business. The business since then has grown faster as it was trading from our U.A.E. or Italian-based factories.

Having set up in 2000, how did you grow and get through the crisis of 2009—did the halting of construction affect business?

When we started the business in Dubai, I remember very well our sales team being surprised with the amount of sales they could close. I was mostly focused on how to expand operations to be able to deliver on time. The country was booming and we were offering Italian technology at local prices.

The exponential growth that we had from month to month has ensured large retained earnings that we have kept as a contingency fund.

During 2009's crisis, our business thrived even more—we didn't stop selling and we used our contingency fund to offer long payment terms, which helped our customers survive the crisis. When the country's economy recovered we gained an unparalleled loyalty from our largest customers, allowing us to obtain 70% market share in our industry.

When and how did you make the transition to RAR Holding Group?

RAR Holding is the result of a large expansion that we have undergone. The group was expanding at an average of 1.33 new factories per year for nine consecutive years. We had to create an entity that could manage the group's operations and the financials.

What do you specialize in? How long did it take you to acquire your current portfolio?

In 2000, our first line of business was wood coatings manufacturing—we are currently among the top three in the world. Later, we expanded to all types of paints and construction chemicals, and this year we were placed 63rd in the top 100 companies worldwide and signed licenses and manufacturing agreements with leading companies, namely PPG and Bayer.

In 2008, we have considered a vertical integration strategy in which we decided to invest in producing the major raw material for paints. The strategy was quite successful and now the holding encompasses three refineries of solvents in Kuwait, KSA and Iraq and four plants that produce resins in Lebanon, KSA, Iraq and Dubai.

What operations do you have in Lebanon?

In 2011, we established a resin manufacturing facility in Hosrayel's industrial area. We later invested into a powder coatings factory. Back then, our main vision for Lebanon was to produce goods that are not being manufactured in the country. To this day, our factories have no local competition.

On the other hand, with vast experience in the manufacturing business in Italy, we realized that our factory in Lebanon could very well compete in European markets. In fact, our highly qualified human capital along with investments in solar energy have ensured a cost-efficient production that could reach the European market at low prices and equivalent quality. In Q4 2017 we inaugurated a paints factory that was built to serve the European market under toll manufacturing and joint venture agreements with world leading companies.

What are your biggest challenges currently?

There are different challenges in the various countries that we operate in. However, one challenge that is common in most regions is the price orientation that is impeding the introduction of innovative products. Our expenditure on R&D is receiving very low ROI since customers are focusing on cheaper products rather than cost efficient solutions.

How do you plan to expand in the next year?

Our vision in the short run is to maintain a leading market position while focusing on sectors that show major growth. In the long run, we have adopted a triple A strategy that will place us in the top 10 in the world in the next 10 to 15 years. The strategy mostly involves entering new markets through strategic partnerships and acquisitions, especially in developing countries. On the other hand, we are investing in products that we hope would set the trend of the industry in the next five to ten years.

Can you tell us about your political aspirations?

I have always perceived politicians and diplomats as economic catalysts whose first worry should be to ensure the welfare of the societies they represent. The latter has encouraged me to embark in the diplomatic field and became the consul of the Republic of Palau in Lebanon. I have currently no aspirations to embark in politics as I'm fully focused on growing the business. Yet, as all principled citizens, if I were to be offered the opportunity to serve the economic and social welfare of my country in the fields I have specialized in, I would certainly sign up for the job.

An Imbalance Of Power: Lebanon's Energy Crisis

From its heyday as an exporter of power, to an energy crisis that it has been battling since the 1990s, Lebanon is trying to correct the imbalance of supply and demand with reform measures. But as the crisis compounds, the reforms need to transcend from paper to action.

By Neha Kaul

With electricity consumption per capita outstripping electricity generation by a significant margin, Lebanon has been struggling to meet its electricity demands since the end of the civil war 27 years ago, with the supply-demand imbalance resulting in regular power cuts across the country.

H.E. Cesar Abi Khalil, Lebanon's Minister of Energy, believes that decisions made during the 1990s continue to haunt the energy equation today. "Building combined cycle power plants in the 90s, which should have been fired on natural gas and have instead been fired on gasoil since, resulted in generation costs that skyrocketed when the oil prices soared to \$140 per barrel," he explains.

While imports have helped to ease the situation—more than 7.5% of electricity demand has been imported from Syria and Egypt through the regional interconnection grid—regional instabilities have disrupted these, and the added demand for electricity created by an influx of refugees to Lebanon have compounded the capacity shortage.

The Economic Cost

H.E. Khalil points to a study conducted by the UNDP in 2017, which found that the situation has been aggravated by the presence of 1.5 million displaced Syrians in Lebanon, requiring around 500 MW of additional power. This cost the government in the region of \$333 million in 2017, and that could reach \$500 million in 2018 with the increase in oil prices.

A 2016 research paper, "*The Lebanese Electricity Woes: An Estimation of the Economical Costs of Power Interruptions*"—part of the Swiss-based MDPI's academic research document, *Energies*—brought into sharp focus the importance of studying the economic



H.E. Cesar Abi Khalil,
Lebanon's Minister of
Energy



Jessica Obeid, Visiting
Energy Analyst at
Chatham House

costs of power cuts to inform electricity planning and guide policy makers to allocate capital more optimally to the energy sector.

According to the Policy Paper for the Electricity Sector in 2010, based on \$700/MWh representing the average value of lost load (how much it costs the economy to not produce electricity), the total cost of energy losses for the Lebanese economy reached \$23.2 billion between 2009 and 2014, although the rental of two floating Turkish power plants in 2013 enabled losses to drop from a peak of around \$5.7 billion in 2012, to a low of \$3.8 billion in 2014.

The government is aware of the criticality of the economic costs of the crisis, ramping up efforts to ensure reforms are implemented on a war footing. "The crisis is critical when you cannot supply sufficient energy to cover the demand of the country. It is critical to know that with every kWh that we produce we lose 7 US cents but with every kWh that we do not produce we lose 70 US cents (the value of the lost load)," says H.E. Khalil. "Today we have about 2000 MW of production capacity connected to the grid while the demand is for above 3300 MW."

The situation has been compounded by an apparent lack of investment into the country's electrical infrastructure. However, the approval of the Policy Paper for the Electricity Sector in June 2010 by the National Unity Government has been translated into a number of plans and accomplished projects.

"Reforms are mere ink on paper. The sector is suffering from the lack of political will, not technical solutions," says Jessica

Obeid, formerly Chief Energy Engineer at a UN agency in Beirut and presently Visiting Energy Analyst at Chatham House, a globally renowned, independent UK-based think tank. “Some measures have been implemented to reduce the shortage in electricity supply, such as the power barges connected in 2013. However, a country with a public debt to GDP ratio of 150%, should be using its resources for investments rather than an unsustainable rental mechanism.”

Private Generators: Boon Or Menace?

The sole official provider of electricity in Lebanon, Electricite du Liban (EDL), currently co-exists with private generators that offer electricity output for neighborhoods during chronic power interruptions. However, as EDL and the authorities struggle to meet growing demand, the rising cost of electricity bills from private generators is putting a strain on household budgets.

“The cost of electricity from private generators goes up to 50 US cents per kWh. In contrast, the cost of electricity from the government/EDL ranges between 17-23 US cents per kWh. EDL tariffs have been fixed since the 1990s and average at around 9.5 US cents per kWh,” Obeid explains. This means that despite government subsidies on electricity in Lebanon, the people end up paying a high bill. “In the past decade, the value of lost load on the Lebanese economy has amounted to more than \$32.2 billion and the treasury has paid EDL around \$15.8 billion. So, the electricity sector has cost the Lebanese more than \$48 billion in the past decade,” adds Obeid.

H.E. Khalil believes the private generator sector poses one of the key challenges to the reforms. “Established private generation businesses—estimated to be worth more than \$2 billion today—benefit from the gap of power generation, making up for the lost load and selling their electricity at very high prices to the consumers,” he explains. “This business forms a large network across the value chain, starting from the import of gasoil to the import and assembly of generators all the way through to the investors placing large funds in this business.” The long-standing deficit of EDL is seen as another stumbling block, driven largely by its dependence on subsidies and contributions from the general treasury, which means it must seek approval from a council of ministers.

“It’s hard to imagine a solution that doesn’t account for private generators, but the government should put strict regulations on their operation, tariff and greenhouse gas emissions and emphasize the monitoring and follow-up on the implementation,” adds Obeid. “Municipalities and communities should play an active role in electricity generation and decreasing greenhouse gas emissions and should be allowed to generate their own green electricity. Many already operate their own diesel generators and have a separate generator network to cater for the electricity needs of their communities.”

Reforms: The Way Forward

Several reforms are now underway. The Policy Paper for the Electricity Sector in 2010 allowed for an emergency deployment plan of 700 MW, consisting of three land-based power plants in Zouk, Jiyeh and Deir Aamar. Two of these have now been delivered and connected to the grid, despite administrative delays. Reforms also include a tender to purchase 850 MW of electrical capacity for the coming months, as well as commission two other

power plants—Selaata 1 and Zahrani 2. Three Floating Storage Regasification Units offshore have also been tendered to supply coastal power plants with natural gas, reducing power production costs by at least 40%.

There have also been high-level discussions on restructuring the electricity sector, for example through the privatization of EDL, although Obeid believes there are a number of reasons why this would be challenging. “Privatization requires an independent regulator, strong institutions, a high level of transparency, good governance and a proper valuation of the assets. First there should be basic reforms, transparent procurement and data. The lack of access to information in the sector is detrimental to management, monitoring and the attraction of investment,” she says. “Attracting investment into the sector is important.”

“In the distribution sector we managed to execute one of the first successful PPPs, with the award of the three regional distribution sub-sectors to three different companies,” says H.E. Khalil. “These have, in large areas of the country, managed to ameliorate the service, decrease the costs and decrease by half the technical and non-technical losses, which were initially estimated at above 40%.” The smart grid that has started to be deployed in some areas is also helping to further reduce the technical and non-technical losses.

The sector’s heavy dependence on imported fuels may also be weakening its security and increasing economic volatility. Renewable energy systems could play an important role, not only in minding the electricity supply gap at less cost, but also in increasing the overall security of the sector. Obeid believes there’s been a decoupling between the renewable energy and the thermal power sectors in the country, and renewables have taken a better pace. “Lebanon has embraced the PPP model and engaged the private sector in bidding and expressing interest for wind and solar farms, at a cost lower than 11 US cents per kWh. But they remain a risky business,” she says. “Lebanon should be cautious in tendering a large number of projects. They pose questions on whether the grid can sustain this capacity and whether the government can afford to pay the bill without delays.”

Net-metering—a credit mechanism adopted by Lebanon in 2011—involves exporting potential electricity surplus to the grid and billing the customer for the difference between the amount consumed from the grid and that fed-back to the grid. “Lebanon should facilitate the net-metering and the NEEREA loan process, which now require a minimum of five months,” says Obeid. “In addition, in a county struggling with waste management and elevated electricity shortage, waste-to-energy plants are an obvious solution.”

Looking ahead and experts agree there is a need to avoid the pitfalls of past reforms, with a greater focus on reducing demand and decentralizing electricity generation. Access to a reliable and continuous supply of electricity is essential to economic growth, technological advancements and a good standard of living. Continued power cuts in Lebanon have had a debilitating impact on the socio-economic fabric of the country, while associated economic costs have mounted.

The Lebanese energy crisis requires multi-fold action, from managing demand-side and supply-side numbers and ramping up generation capacity, to revisiting energy pricing structures and resolving financial deficits. The key lies in the political will to implement reforms. **F**

Leading A Tech Transformation

Roula Moussa, Founder of DiasporaID, is transforming economies and governments with technological innovation and AI. Here she talks about how she got to where she is today, and how technology is changing the game for Lebanese people.

You had an early start as an entrepreneur. How were you able to accelerate at such a young age in an era where internet technologies were still somewhat new in Lebanon?

It was a combination of different factors that interplayed together to put me on this path, the first being my upbringing, I guess. It was a traditional one by all means, but it was also marked by frequent travel, moving from capital to capital by virtue of my father's profession. This filled me with a strong adventurous drive. Any time I did not spend exploring the outside world was spent in my father's library. Read enough novels and you'll develop an overly optimistic mindset—a common trait of many first-movers and entrepreneurs.

The second factor was being in the right field at the right time, graduating with a degree in computer engineering just before the dotcom boom. The third key point watershed moment in technical sales, which constituted the third watershed moment in my pre-founder career. It helped me become attuned to the needs of a business, and adept at predicting their future needs.

The inevitable growth in demand for a digital transformation partner by regional businesses became very evident to me. This developed sense, which coupled with my enthusiasm and slightly excessive optimism made me dive headlong into the path of acceleration you described. And the rest, as they say, is history. Or, back then, "the future". I was lucky to be at the bleeding edge of this exciting industry as it was budding in the Middle East.

What mindset must young entrepreneurs of today adopt to succeed in today's competitive market?

Above all, they need to adopt a mindset of lifelong learning. This is indispensable. The world is now an open playground. Geographical boundaries have been abolished in the

professional and technological contexts, and everyone is competing with the best of the best, on a global scale. If you rely just on what you've learnt in school or university, or in the onset of your career, your prospects are dim.

Entrepreneurs must be extremely adaptive and resilient, just as today's startups are expected to morph and pivot to fit the market, even if it means making radical course adjustments.

But this same competitive, difficult environment that's moving at breakneck speeds also means that there's no shortage of new problems to solve, or new ways to solve them. Look for a need you can solve better than anyone else at the moment, roll up your sleeves, and have a go at it. You should be out there trying and failing. Nothing teaches you like failure, and the earlier the better. If you do not succeed, aim to fail fast, learn and have another go at another problem.

Where does the Lebanese government stand on the AI revolution?

I'll tap into my optimistic side and say we have a golden opportunity, and I've picked up lots of encouraging signals from this presidential term. President Aoun has spoken more than once about bringing technology to the fight against corruption, and the private sector is eager to pitch in and contribute.

Many governments are just beginning to make headway, and the gap between us and the rest of the world is not as pronounced as in other sectors. I think we can learn a lot from the French state of affairs, for example. President Macron assigned Cedric Villani, a professor and fields-medal winner as AI minister, and charged him with leading an Artificial Intelligence task force made up of academics and private sector experts to draft the French government's AI strategy, which would also serve as an inspiration for



This was a tough undertaking in the past, viewing the extent of the geographical divide, but now we can leverage the platform revolution, digital technologies and AI to approach this challenge in a different way. And we opted to do just that with our DiasporaID platform, to activate the Lebanese diaspora for socio-economic engagement.

You were recognized as one of the 200 most powerful Arab women in 2014 by Forbes Middle East. How challenging it is for women to make it to the top in the Arab world, particularly in STEM fields?

Having had an entrepreneurial path early on in my career kept me shielded me from experiencing most of the difficulties that Arab women have in the work environment, but I am well aware of their presence. On the other hand, we have many brilliant examples of Arab women who made it big in the STEM field. Arm yourself with grit, form support networks and work twice as hard, focusing on the

the rest of the world. Almost all countries are going in this direction and so should we.

We just need to have the will. The private sector can work wonders here if given the chance. It was, after all, the pillar of e-governments in the region, and we have no shortage of experts and talents to leverage the AI revolution to positively disrupt our economy, and upend sectors like education, tourism, administration, environment, or even diasporic engagement, as we are doing with DiasporaID.

For a country whose diaspora is approximately three times its national population, how can the Diaspora contribute in the employment and economic growth in Lebanon?

Take a moment to think of the amazing ways with which blockchain technology can revolutionize society, by virtue of its distribution. Our Lebanese diaspora is our blockchain. If properly activated, it would become an unstoppable force for development, contributing time, talent, treasure and trade to our economy, and tipping agents to our diplomacy.

challenges that lie ahead.

What is your greatest challenge?

Figuring out how to harness all of the know-how and technological resources we have amassed in the private sector, and put them under the disposal of the government and the public sector, to ignite a digitally-fueled economic and innovation revolution in Lebanon.

What is one creative hobby or passion that you enjoy doing when you aren't busy dominating the business world?

I have recently become obsessed with futurism and imagining the future, as it is shaped by technology. How would an immensely powerful AI solve our current problems? A caveman would have never been able to imagine virtual reality, let alone television. I assume we could think the same about our current perception and what technology has in store for us in the coming decade or two. It is just mind-blowing stuff. Scary and exciting at the same time.

Banking On Growth

Lebanon's economy is remarkably resilient given the political, social and economic pressures the country faces. The banking sector remains a key strength in difficult times.

By Dominic Dudley

In a press conference on 9 July 2018, Lebanon's caretaker foreign minister Jubran Bassil said his country's economy was on the "brink of collapse". It was dramatic language, but hardly unprecedented when it comes to Lebanon.

The economy's impending demise has often been warned about in the past, but somehow it has continued to keep ticking along. But the warning signs are getting to the point where they are becoming harder to ignore. "We are reaching our limits. We have a resilient economy but it cannot stand for ever," says Marwan Mikhael, head of research for Blominvest Bank.

The pressures are certainly intense these days, due to a combination of domestic and regional factors. The Lebanese authorities have long struggled to keep a semblance of fiscal order—the IMF estimates that public debt was above 150% of GDP at the end of 2017 and will continue to grow in the coming years. Low oil prices in recent years have dented the prospects of Lebanese expatriates in key overseas markets in the Gulf, putting pressure on the amount of remittances they send home. And the brutal civil war in Syria since 2011 has cut former trade routes and led to huge numbers of refugees descending on Lebanon.

Yet through all the tough times, the Lebanese economy has been able to lean on one sector to keep things moving: the banks. Expatriate Lebanese—who easily outnumber residents of the country—continue to send money home to banks in Beirut and those banks in turn continue to buy government debt, thereby allowing the country to keep paying its bills, even as overall debt levels rise to worryingly high levels.

For now, that situation continues to prevail. Ratings agency Moody's Investors Service says the outlook for Lebanon's

banking sector is stable at the moment, which analyst Alexios Philippides says is down to an "expectation of a modest pick-up in economic activity and continued inflows of foreign deposits into the country, helping banks finance the government and the economy".

There have been a few other reasons for very cautious optimism of late. One came in April with the promise of \$11 billion in financial aid over five years from international donors at the CEDRE conference in France. That should provide funds to resume public investment projects and could lead to a modest increase in overall economic growth, from 1.9% last year to a predicted 2.5% in 2018 and 3% in 2019, according to Moody's. In order to receive the money, the government will also have to implement some reforms, including overhauling the country's electricity system, expanding its revenue base with new taxes and

bringing spending under control.

In addition, having slumped in the wake of the Syrian war in 2011, the tourism industry is also now showing signs of life with a 10% rise in tourist arrivals in 2017, reaching the highest level for seven years.

The domestic political scene has also been showing some signs of improvement. Since the crisis in November when Prime Minister Saad Hariri resigned during a visit to the Saudi capital Riyadh, only to withdraw his resignation the following month once he was back home, things have settled down. The

first parliamentary elections in nine years took place in May this year. Parliament approved the 2017 budget in October 2017 and the 2018 budget in March this year—the first budgets approved over the past 12 years.

There are plenty of risks on the horizon though. Renewed political arguments could easily lead to reforms being delayed and promised financial aid failing to arrive. And the economy remains relatively vulnerable. The construction and real estate sectors, which along

with tourism have historically been the growth engines for the economy, have not been doing so well. Philippides points out that "construction permits, a leading indicator of future activity, declined 12% year-on-year in the first four months of 2018 and property sales declined 16% year-on-year for the first five months of 2018."

The all-important banking sector also faces some risks. The heavy exposure that banks have to the sovereign increases their financial risk and means that both the banks and the government are vulnerable to any deposit flight.

"CONSTRUCTION PERMITS, A LEADING INDICATOR OF FUTURE ACTIVITY, DECLINED 12% YEAR-ON-YEAR IN THE FIRST FOUR MONTHS OF 2018 AND PROPERTY SALES DECLINED 16% YEAR-ON-YEAR FOR THE FIRST FIVE MONTHS OF 2018."



The vulnerability of the banking sector to political risk was highlighted in November, when an estimated \$2.6 billion of private-sector deposits left the system during the political crisis, according to Moody's—equivalent to 2% of the total. That was, however, reversed once the Prime Minister rescinded his resignation. The situation was also smoothed by the Banque du Liban (BdL), the central bank, increasing interest rates, especially on local currency products, to support deposit inflows and to halt the trend for greater dollarization.

The weak economic environment coupled with the recent political instability is clearly visible in relatively low levels of consumer confidence. The most recent data from the Byblos Bank / American University of Beirut (AUB) consumer confidence index—covering the first quarter of this year—showed a fall of 1.6% from the final quarter of last year, leaving the index at 60.8%. One critical element of that was the introduction of a number of tax rises in late 2017, which dented consumer spending power, but the political environment has also played a role.

“Consumer confidence retreated in the first quarter of 2018, as citizens waited throughout 2017 for government measures that would improve their quality of living and economic well-being,” said Nassib Ghobril, chief economist at Byblos Bank. “Lebanese households remain highly sceptical about the flood of political promises that started in the first quarter of the year in the run-up to the May parliamentary elections, a factor that

reflects the prevailing crisis of confidence between citizens and the political class in general.”

It is not just consumers that are wary. Surveys suggest that private sector companies are also adopting a cautious approach. The IHS Markit purchasing managers index (PMI)—a survey of activity in the private sector—remains below the 50-point mark that separates expansion from contraction. Indeed, it dropped to an eight-month low of 46 points in June, with output, new orders and employment levels all falling. “Private sector activity continues to deteriorate,” said Mikhael. Last month we had a PMI of 46, which relates to a growth rate of 1.2%, which is very low for an emerging or frontier economy like Lebanon. It’s not creating enough jobs for the labour market.”

The situation is also evident in a rise in non-performing bank loans and a decline in new loans to the private sector. “Capital Intelligence expects loan growth to be somewhat subdued in the short to medium term while profitability will continue to be under pressure partly due to higher provisioning requirements coupled with higher taxes,” says George Panayides, a senior credit analyst at ratings agency, Capital Intelligence.

Yet despite all that, the banking sector still looks like one of the few areas of the Lebanese economy that is functioning relatively well—something that should help the country to work through its current crisis. “Overall, the banking sector in our opinion continues to be one of the remaining ‘jewels’ in Lebanon,” adds Panayides. 





LEBANON LOOKS AHEAD

Saad Hariri, Prime Minister of Lebanon, is moving forward with a programme of reforms and international investment to provide the country's citizens with more stability and a better quality of life. He spoke exclusively to FORBES MIDDLE EAST about his plans for the future of the country.

BY CLAUDINE COLETTI

In May 2018, Saad Hariri, 48, was named Prime Minister of Lebanon for the third time.

A billionaire son of one of the country's most prominent families, Hariri has politics in his blood. His renowned father, Rafic Hariri, led the country from 1992 to 1998 as it emerged from the devastation of civil war, and then again from 2000. His tragic assassination on February 14, 2005, brought his second son to the fore.

Hariri remembers his father as a deeply honorable man. "He placed a great importance on honesty. His lesson was that in politics as in life, always be honest, it will eventually pay," the Prime Minister told FORBES MIDDLE EAST. "I had never contemplated a political career. The assassination of my father changed my destiny in that sense."

At that time, Hariri was a businessman and Chairman of Saudi Oger. In 2005, he stepped into his father's role as head of the Future Movement. He admits that the transition from businessman to politician was not an easy one.

"There was a learning period during the first five years, where I was a political leader but did not run for the office of Prime Minister," he explains. "My first term as Prime Minister in 2010 put me through another steep learning

curve on how government works. In my second term that just ended, I was much more comfortable in my role."

His first term came to an end in 2011. He won the role for a second time five years later, in December 2016. Then, in November 2017, the Prime Minister announced his resignation in a televised interview during a visit to Saudi Arabia, citing fears of an assassination plot. The shock broadcast sent ripples throughout the Middle East and the world. He rescinded his resignation a month later.

Three months into his third term, while facing significant challenges and opposition, Hariri today remains hopeful. "I look forward to forming the government to best serve my country and fellow citizens," he insists.

FORBES MIDDLE EAST spoke to Hariri as he once again attempts to form a representative Cabinet with the strength to unite a divided Lebanon. With billions of dollars of international investment committed to the country, including loans from the World Bank and the European Bank for Reconstruction and Development, the Prime Minister is planning an intense programme of reforms designed to increase jobs and improve services and infrastructure—what he needs now is a government to lead.



In April 2018 the CEDRE Investment Conference in Paris resulted in a commitment of \$11 billion in investment for Lebanon from international donors. How do you intend to use this money?

At the CEDRE conference, the government of Lebanon stated our vision based on four pillars. The first pillar is what we call the Capital Investment Programme, which is a set of infrastructure projects. Phase one is about \$10-\$11 billion and it covers areas in energy, water supply, waste water, roads and transport in general. So, most of the money will be spent on the rehabilitation of infrastructure.

Lebanon's economy has proven resilient despite the varied pressures, and Moody's predicts modest growth of up to 3% over the next couple of years. How will the new government keep this momentum going?

The momentum will actually continue based on an expected growth of more than 5%. Moody's made its forecast excluding the impact of the government's vision that was presented at CEDRE.

The government of Lebanon with the IMF forecast another scenario based on the Capital Investment Programme and an attempt to diversify the sources of national income and growth. It's going to take place through the investment in infrastructure through

diversification of the sources of national income and growth. And also, through a set of reforms—be it fiscal, sectorial or structural.

Moreover, investment in the rehabilitation of Lebanon's infrastructure will attract foreign direct investment into the country. In addition, we expect Lebanon to play an important role in the reconstruction in Syria.

We believe that the combination of all of this is going to lead to sustainability of the economy. It's going to give it some new blood, new oxygen to take off.

Lebanon continues to feel the economic strain of hosting over a million refugees. How do you plan to face this challenge going forward?

Lebanon has over the past few years presented to the international community the impact of hosting around 1.5 million refugees. The international community has been generous and has provided Lebanon with close to \$1.2 billion annually to support of the basic needs of these refugees. We believe that Lebanon needs double that amount. The government is therefore taking part of the pressure, especially in health services, education and other parts, and it is impacting our budget.

On top of that, the pressure of the Syrian refugees is felt in the increase of unemployment among the

Saad Hariri, Lebanon's Prime Minister and Emmanuel Macron, France's President, at the Elysee Palace on April 10, 2018

Lebanese. There is strong competition between Lebanese people and the refugees for basic jobs and services as well as in other sectors. We hope that by investing in infrastructure this will alleviate some of the pressure and provide employment for both Lebanese and Syrians. That's how we expect to mitigate the impact of the Syrian refugees in Lebanon.

Having said this, we continue to believe that the only viable solution to the refugee issue is through their safe return back to Syria. In this context, we welcome the initiative by the Russian government and other host communities and countries to help mobilize international support for the return of these refugees.

What other plans do you have to increase job opportunities and quality of life for your citizens?

The Capital Investment Programme is the main vehicle through which we expect to generate better quality of life and higher employment. We as a government will embark on a very ambitious investment in infrastructure. This will have a dual effect.

Firstly, employment opportunities will improve, as we expect that the Capital Investment Programme is going to generate around 160 million labor days in the coming 8-10 years. Secondly, quality of life will automatically improve by improving quality services for our people.

In the last five years Lebanon has successfully built the foundations of an entrepreneurial ecosystem that supports investment in technology startups, such as through Circular 331. How much of an impact is this having on young Lebanese entrepreneurs?

Technology is affecting every sector of the global economy, and this opens up huge opportunities for young Lebanese entrepreneurs who are able to develop innovative products and services. There is a robust ecosystem supporting these entrepreneurs, with accelerators and incubators to nurture ideas, venture capital funds to give a boost of growth, and a strong network of NGOs to provide mentorship and support throughout the journey.

How much investment has been secured by these startups?

More than \$180 million has been invested in technology startups in the past five years in Lebanon—an increase of less than \$10 million in 2013 to more than \$50 million in 2017 alone.

Lebanon has jumped from 5th place in the region in 2013 in both number and value of startup investments, up to 2nd place in 2017, behind only the U.A.E. Lebanon also has over 25 active investment institutions, which is the largest community of investors after the U.A.E. and Saudi Arabia.

Do you foresee this encouraging young expats to return to the country?

This is definitely a great reason for Lebanese diaspora to come back to the country. Lebanon has all the advantages to be the region's top technology hub. From a strong base of creative

and technology talent, to an active investor community and support ecosystem, to a culture that encourages and values the entrepreneurial spirit.

With success stories like Anghami, one of the region's most valuable startups, there are great role models showing that technology entrepreneurs can build businesses from Lebanon that reach regional and global heights.

What should business leaders be doing to help to fight corruption in Lebanon?

Lebanon does suffer from a high level of corruption, and while we believe that sometimes it has been overexaggerated, it continues to be a major problem.

We hope and expect that the set of reforms we presented to the CEDRE conference will deal quite a lot with the problems of better efficiency and less corruption.

In this context, there are many initiatives underway in parliament, such as developing the e-government, implementing structural and sectorial reforms, making improvements to the way we do business, and at the same time encouraging the involvement of the private sector in the provision of services to Lebanese citizens.

The combination of all this, we believe, will help tremendously in fighting corruption.

As you set about forming your new Cabinet, what are your key priorities in terms of representation and how do you hope to inspire the people of Lebanon through the new government?

My key priority is to form a national accord government where the major parliamentary blocks are represented. My aim is to lock a consensus in the Cabinet for the quick and transparent execution of the investment and reform program, for the first phase of which we secured financing at the CEDRE conference in Paris.

How do you hope to work with other Gulf states to bring about peace and economic stability for Lebanon and the wider region?

Lebanon has always enjoyed privileged relations with the GCC states. They have been essential for the rebuilding of our country after the civil war, and they are vital for our economy. Hundreds of thousands of Lebanese work there, and their remittances make a sizeable portion of our GDP. Their citizens are foremost in terms of tourists and investors in Lebanon.

Our government adopted in December 2017 a resolution of dissociation and non-interference in Arab quarrels and internal Arab affairs. We are committed to build on this resolution to maintain and improve our ties with them.

What makes you most proud of your country?

I have many reasons to be proud of Lebanon, but I am perhaps proudest when I meet young Lebanese men and women and feel the energy, creativity and skills they have.

They are my hope, and they are the hope of Lebanon for a better future. 

A Rise In Retail And Economic Outlook



Lebanon's economy is driven largely by the private sector, which contributes as much as 88% of aggregate demand in the country. Private household consumption constitutes the largest component of total spending in the economy, within which food contributes the maximum share. This has been the main driver of GDP growth.

On the other hand, the contribution of public investment to real GDP has been minimal at 12%, although stimulus packages by the Central Bank and pledges by the international community to revive a politically paralysed economy have been introduced over the years.

Contribution to the GDP is somewhat fragmented across sectors, with the top five sectors—construction and real estate, wholesale and retail trade, financial services, education and public administration—contributing 56%. Construction and real estate is a mainstay of the economy, contributing around 16% to the GDP.

As a predominantly service-driven economy, banking and tourism are two important sectors, contributing approximately 9% and 7% to the economy respectively. Recent tourism statistics indicate signs of improvement. Total tourist arrivals reached 1.7 million in 2017—an 11.2% increase compared to the year before—which is the highest level since 2011. This increase is mostly thanks to European, American, Iraqi and Egyptian visitors.

Political gridlock and security issues due to civil war in the neighbouring country of Syria has mellowed economic growth over the years. Foreign direct investment flows to Lebanon have been volatile, reaching all-time highs in 2009 followed by record lows in 2011. The economy has suffered, with violence

and political instability scaring off wealthy Gulf visitors and investors at large.

However, a key milestone was achieved in May 2018, with Lebanon concluding its first Parliamentary elections since 2009. Prime Minister Saad Hariri's agenda is centred on overhauling the country's infrastructure by tapping into soft loans pledged by the international community, as well as commitment to a policy of disassociation from regional conflicts.

Overall, the outlook for Lebanon's economy is somewhat better than previous years, on the back of a stabilized political environment and buoyant consumer sentiment. However, a strong rebound momentum will take time to build, and it may be years before it starts reflecting noticeably in the economy.

The Retail Sector

Lebanese culture has developed under the influence of several civilizations, with the most recent influence being that of the French. This cultural influence is visible in the way that retail options are structured in Beirut and also the way people choose to entertain and shop. The city has a distinct culture of gardens, squares and open spaces, with Beirut Central District comprising almost half of all open spaces in the city. Areas like Hamra, Mar Elias, Barbour, Bourj Hammoud and parts of Verdun have several street shops that offer consumers options outside of mall environments. From a retail supply perspective, Beirut has about 1.3 million sqm of retail space; of this, modern format retail facilities constitute around 45%.

Until 2010, the retail sector was on an upward trajectory in Lebanon. For regional and western firms seeking fresh growth opportunities in emerging markets, the growing middle classes of the Levant economy presented a lucrative prospect.

While these fundamentals remain in place, the troubled political climate since early 2011 curbed the sector's growth. However, reported retail sales suggest that there has been an

increase of 3.3% year-on-year in the first quarter of 2018—its fastest pace since 2012. This reflects strength in personal consumption spending activity in Beirut, with consumer confidence levels potentially running high thanks to income growth following the approval of a new public-sector salary scale in late 2017.

Lebanon's long-term prospects outweigh the current instability. Despite its small size and relatively low income, Lebanon has gained a name as a retail hub. Lebanon's retail sector has significant long-term potential, but further instability in the region may dent resumed consumer confidence. As the economy sees the benefits of an uptick in tourism and consumer confidence, retail brands already active in the market will be well placed to profit, and new ones will have a viable avenue to tap into.

	GDP AT CURRENT PRICES CAGR: 4% (LBP)	NUMBER OF TOURISTS TO LEBANON CAGR: 4%	MODERN FORMAT RETAIL GLA GROWTH CAGR: 7% (SQM)
2012	66,500	1,365,000	400,000
2015	76,600	1,354,000	480,000
2018	83,000	1,690,000	590,000

RAHUL RATHI, HEAD OF RETAIL, GRMC ADVISORY SERVICES

Taste Of Success

Akram Kassatly, Chairman of Kassatly Chtaura, talks about how the region has embraced the flavors of the nearly 100-year-old family business.

What is it about the beverages sector that inspired your family to start the business?

The family business was started in 1919 by my father Nicolas Kassatly. I am just developing his mission, and since then the company has expanded into many different categories of beverages.

What have been some of the biggest challenges you have faced?

The 1975 civil war and its complications were our biggest challenges as it was full of instability and insecurity. Roads were blocked, shops and banks were closed, etc. After surpassing that, we faced new oppositions with every brand we created, mainly by its direct international competitor, and we came ahead in many places.

As your success has grown, how did you break into the wider regional and international markets?

Excellence in quality has always been our number one priority. It increased our drive to constantly improve our production while implementing new technologies, thus increasing sales both locally and abroad.

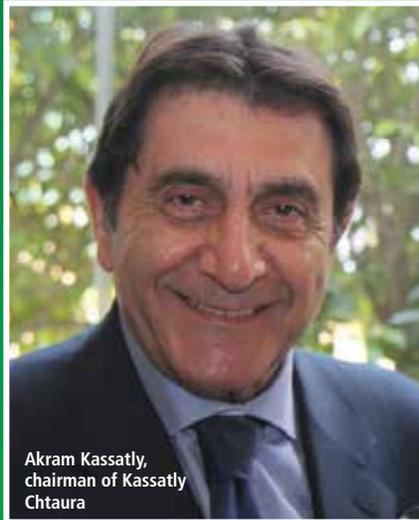
What are the most popular products and flavors across the countries that you distribute to?

Syrups, mainly Jallab, Liqueurs, Fruitastic Juices and Jams under the Kassatly Chtaura brand, are the biggest locally, and in the GCC region (syrups only). Alcoholic RTD under the Buzz Brand are also big locally, as well as in Iraq, Syria, and Caribbean and African countries.

Freez, the non-alcoholic soda with 20 flavors was lately updated to a one of a kind superior look colored bottle that is exclusive to us, and it has done wonders in its existing markets all over the world (the MENA region, Europe, Canada, U.S., some African countries and the Caribbean).

As for the Wine category, Chateau Ka is big locally, in Dubai's Duty Free, France, Belgium, and the UK.

Beirut Beer, born in 2014, has surpassed all expectations locally and is growing in new markets (Europe, Canada,



Akram Kassatly,
chairman of Kassatly
Chtaura

U.S., Iraq, Syria and the U.A.E.)

Last but not least, Mezza, the flavored malt beverage, is expanding in some Arab countries and now in Europe. Soon it will be on sale in the U.S., and Canada.

How do you engage with your customers to determine what their needs and tastes are?

We are known to be very close to our clients and distributors and listen to their needs. But most of the times, we create the demand for a new product. If one of our existing brands proves to be successful but is restricted by

some cultural or regional rules, then we adapt it to make it more sellable: the idea of Freez originated from our Gulf customer that wanted a non-alcoholic version of Buzz. Hence Freez was born and has been a pioneer in its category.

As for the end consumer, we engage with them mostly on TV and our social media pages, and we are present in socially responsible events, not just where the hype is. This creates a positive effect on the Lebanese society and creates meaningful relationships between our brands and our consumers.

When you're creating a new beverage, what are the most important aspects in terms of flavor that you look for? What makes your products unique?

Lots of research and development, travel, a good vision and most importantly a great team come together to create a great product that pleases all tastes. What makes it unique is the flavors that we choose, the packaging, smart advertising and superior quality.

How are you planning to expand your range and reach in the future?

This however, is not the end, as we keep looking for new opportunities, new markets and new trends, and we'll keep listening to our customers. We aim to expand horizontally with new innovative brands like we have always been known to do.



Unwavering Drive

Faye Rasamny, Chairman and CEO of RYMCO, discusses the growth and challenges affecting the automotive industry and how RYMCO has achieved the status of market leader.

You began your career with RYMCO in 1998—the same year the company went public. In the 20 years since, how fast have you witnessed the business expanding? What is your current market share in Lebanon?

Our performance at RYMCO is directly linked to the products we sell and our award-winning after-sales service. Product performance in our line of business is very cyclical and cannot be overlooked as it quickly becomes a trend. In order to mitigate the impact of the industry's cyclical and fast-changing trends, we need to constantly think of new ideas and strategies to overcome natural weaknesses and make the most out of the opportunities

at hand in any given cycle.

In a market structure, every weakness, if well managed, generates greater opportunities and learning curves. Accordingly, by quickly shifting gears to address market trends, we were able to accelerate our performance and achieve several milestones in the last couple of years, bringing our market share in Lebanon to 14.4%. In the past five years, we acquired Lotus and McLaren, covering the supercars segment, as well as Datsun and Lada to cover the entry-level segments. Additionally, it is worth mentioning the growth of our luxury brands, GMC and Infiniti, which doubled in volume over the past two years.

With 40% of our revenue coming from overseas, our business also covers the international market, enabling us to make the most of the opportunities in our portfolio.

When you became acting COO in 2009, what were you tasked with changing about the business? Now that you lead the board, what are your priorities for the coming year?

My priorities as COO were to implement new strategies that would help increase revenue, while swiftly managing cost, and to establish a profound culture. Such strategies needed to be managed very carefully, since we were dealing with a brand that was already very well perceived.

My main priority as chair of the board is to plan for further operations and expansions in the next decade while sustaining and growing our current vision and performance.

How do you plan to expand your presence and partnerships globally?

We plan to continue our global expansion by taking professionalism and exceptional customer service wherever it goes to quickly earn trust in new markets, by uncovering untapped needs in different markets and partnering with prestigious brands to present new offerings that address those needs. We have always been fast movers; as such, we will also continue to tap into the unmet needs of customers in different markets and forge partnerships with prestigious brands to present new offerings that fulfill those needs. We look forward to more sales, generative expansions and partnerships in the near future.

Why do you think RYMCO is a leader amongst the automotive distributors in Lebanon? What are the core values that make it so successful?

For years, our values and hard work have been the essence of our performance and success. We believe values go beyond individual work ethics to the brand ethos itself, which creates continuous support and trust between our company and the end user.

At the core of our values is customer centricity; we continuously strive to provide our clients with an

unmatchable customer experience, both before and after the sale, as well as expand our offerings to cater to their changing needs.

Team work is another main driver of our success. By providing a stimulating environment for our staff and recruiting some of the best and most dedicated people in the business, we have been able to achieve ambitious goals, despite the challenges this country has faced over the years.

Personally, I am proud of what we have achieved, and when I say “we”, I am addressing every employee that works at the company no matter where they are positioned. Being a market leader means only one thing: we collectively made this achievement a reality. Because we are a solid team, we are also more than ready to tackle new challenges and strive for even bigger achievements in the future.

Ultimately, we believe leadership cannot be measured by the mere number of cars sold over the course of a year, since this is related to segment coverage, and we have only covered 60% of the total segments in the past. Leadership is measured by the number of satisfied customers that keep coming back to renew their cars—an area we have a proven track record in. It is also measured by a healthy balance sheet, which ensures continuity and builds solid ground for future investments and expansion.

Has the automotive sector suffered in Lebanon due to challenges being faced by the country?

The automotive sector has suffered from a shrinking economy, which has affected our growth pace. Interest rates have also increased, impacting customers’ ability to purchase cars. We foresee a gloomy period ahead, as the margins of the automotive industry are decreasing year-on-year.

However, such a situation only motivates us and drives us to think of what’s next and creatively strategize for the coming period.

What are the most popular brands and styles in the Lebanese market?

The trend nowadays is to shift to a new segment called “B crossover”, which is a mini-SUV style vehicle at the price of a mid-sized sedan. This segment is grabbing attention in Lebanon due to the country’s geography, which requires a tougher, higher ground clearance car. We have also witnessed the introduction of affordable luxury hatchbacks, which are attracting new customers who want a fancy car in a medium size that’s suitable for the city and that’s also affordable.

As a member of the Young President Organization, what would your top pieces of advice be to aspiring leaders?

Perseverance, ethics, honesty and hard work are the key attributes to any success. Rubbing shoulders with great achievers and mentors is always truly inspiring.

**Elias Bou Saab,
Advisor on International
Cooperation for the
President of Lebanon,
former Minister of
Education and current
Parliament member.**



Speaking Up For Change

Elias Bou Saab, Advisor on International Cooperation for the President of Lebanon, former Minister of Education and current Parliament member, gives his views on what measures the new government can take to boost Lebanon's future.

By Claudine Coletti

Being a founder and a member of many international associations, which political measures do you think should be taken to attract foreign investors and foreign customers to the Lebanese market?

First of all, I believe that it is crucial for us to modernize our regulatory framework. We need to reduce red tape and increase efficiency across ministries to encourage small business owners and entrepreneurs to innovate and invest in local businesses and their country.

Secondly, we must work on instilling trust in a youth that has become desensitized to corruption and chaos in government. For this, we need to put anti-corruption laws and measures in place.

Thirdly, but equally as important, the country's infrastructure has to deliver and measure up to the expectations of any person looking to invest or start a business. This means providing citizens and entrepreneurs with uninterrupted electricity, safe roads and fast internet connections to name a few.

By providing all this in a regulated and clear business-friendly framework, Lebanon can attract investment, as well as retain and bring back top talent from abroad.

Having declared the East of the Mediterranean as rich in oil and gas, do you consider it to be a blessing or a curse, taking into consideration geopolitical conflicts and political sectarianism?

The outcome and impact of discovering offshore oil and gas depends entirely on Lebanon's internal political dialogue. If parties are in political discord and blocking each other or pushing different agendas then of course we won't benefit at all from the oil and gas.

However, if all parties put their differences aside, align on the ultimate outcome and see the benefits that this brings to Lebanon and the Lebanese people, then of course this would be great news.

We are currently working to unite all of Lebanon's factions and parties, by engaging them in the process from the early days, and drafting laws and measures that are clear, transparent and fair to all. This discovery holds tremendous potential for Lebanon, and we must make sure that all of the Lebanese people reek the benefits.

Lebanon is facing an environmental crisis. Keeping in mind the readiness of many entrepreneurs and investors to tackle this problem, why is the government delaying the mobilization of these resources?

Everyone genuinely wants what is best for Lebanon. The difficult part is getting all of the political factions to agree on the how, who and where. How are we going to start this process, who is in charge and where do we begin?

Again, political discord unfortunately slows down the pace of action and reaction to crises. There are of course multiple corporations that are eager to start a clean-up process, however the government must ensure that these companies are honest, capable and knowledgeable enough about Lebanon's nature and ecology to get the job done right.

Once again, the ultimate solution goes back to parliament and the upcoming new government, who need to draft new laws protecting the conservation of our nature—which is a huge source of tourism and agricultural revenue—as well as holding people accountable for any environmental destruction or damage.

What are your views about including human rights education in the national school curriculum?

During my tenure as Minister of Education, I gave much of my time to the revamping and updating of the national curriculum, and secured \$100 million in concessional financing from the World Bank for this project. The funds are currently with the Ministry of Finance, and it is up to the new government to implement the proposed new curriculum once it is presented and approved by Parliament.

This new curriculum certainly includes the themes of human rights and anti-corruption, but will also bring to the classroom topics such as special needs education, women's empowerment and civil rights. **F**

Castania has survived and grown for the last 35 years, during some tough times for Lebanon. How have you and your family kept the business going in that time?

In the 80s and 90s, and during periods of war in Lebanon, demand for coffee and nuts was still growing. The company was young and thirsty for growth and so was my father. They managed to keep production and distribution going, sometimes under bombs and shells. We did not export at that time, but we have always taken measures to keep our business running.

We then managed to open an international market for our product, which helped a lot to compensate on loss of sales whenever crisis hit the local market. After the 2006 war that struck Lebanon, we were at risk of a shortage of imported products due to embargos, and the inability to export as well. So, we decided it was about time to have a factory abroad, to keep our business running. We opened a factory in Amman, Jordan, which supplies KSA and Iraq, and is able to supply to all other markets.

How good is business at the moment? What is your market share and value?

Due to economic turmoil in the region business is in a stable state at the moment. We are currently leading the Lebanese market with a 36% market share. We are leaders in other Arab countries as well, based on data from the big supermarkets.

What is the product development process? Where are your nuts imported from and how long does it take to roast them for example? Do you outsource any part of the process?

We import raw materials. Almost every type of nut comes from a different region. We only deal with the best suppliers, in terms of quality and food standards compliance. After receiving the goods, samples are taken and tested in our labs before being accepted into our warehouses. Nuts are then stored in refrigerated warehouses, under 4 degrees Celsius. Before being transferred to production, nuts pass through advanced and high-speed segregation machines to check for remaining hazards, like stones, glass and wood.

Each type of nut in Castania has its own recipe and way of roasting, which gives our products their unique crunchiness and taste. After the roasting process we move to mixing and packaging. The latter is done using advanced machines and material, where the nuts are packed under a controlled atmosphere to prolong shelf life and preserve freshness and crispness.

All our production systems are ISO 22000 certified,



Staying Fresh

Peter Daniel, CEO of Castania, talks about how the global brand dominates its sector and remains innovative even after more than three decades in the industry.

which controls every process and keeps records to comply with strict food hygiene regulations.

When did you rebrand and how did you approach that? What do you think now makes your brand stand out?

One of the first things I learned about our product is that a big part of the buying behavior is impulsive, which pushed me to reconsider the packaging and the brand's look. In 2003 we ventured into a total revamp, which was costly because we picked one of the best packaging designers. After a total revamp, our brand stood out on shelves and sales started to grow.

We have earned consumers' trust for our consistency and for fulfilling the promise of quality. Our marketing campaigns have been successful in making Castania a loved brand, and our management systems create a team with a family spirit and global vision under a corporate governance.



How important is the packaging to the food quality and how have you innovated and embraced technology to remain at the cutting edge?

It is crucial to directly pack nuts after roasting to protect them from oxygen, humidity and light. To do this we use advanced packaging technology and complex packaging material. That allows zero oxygen penetration and protects them from humidity and light, keeping the nuts fresh for more than five years. We also pack in metal cans, which are mainly exported to places where products are badly handled, so the can is hard enough to take the hits and not leak air.

Where do you have a presence globally and how easy is it to attract business from international investors?

Castania is present in more than 41 countries. Our big markets are in KSA, Iraq, the U.A.E., Qatar, the U.S. and

Europe (ethnic markets). Our brand is famous in the region, and usually whenever distributors are looking for premium snack nuts they reach out to us directly. We also exhibit in international food exhibitions to find new distributors.

How do you keep your product range fresh? What new avenues are you currently exploring?

We are now following the trend by adding more mixes for dried fruits and raw nuts into our range. We have recently launched our fruit and nut bars, in four different flavors.

You've opened nut boutiques—what services are available and how popular are they?

We have nut boutiques in Kuwait, Oman, Qatar and Malaysia. We expect to open our New York branch early in 2019.

As we control our distribution in Lebanon, which makes Castania available in almost every store in the market, we did not have the appetite to open boutiques everywhere. But there is always demand for the retail concept because sometimes consumers prefer to create their own mixes. We have the best location for a Castania Boutique in Beirut International Airport duty free, where our product is the perfect gift for travelers.

The concept has proven to be successful in engaging the consumer in the gourmet snacking experience, where service and generosity are key to drive sales, particularly in markets where people are not familiar with the product and brand. We intend to open more Castania boutiques in the Gulf region, Europe

and the U.S.

As a second-generation leader, what did you learn from your parents about running a business and what will you pass on to your children?

My father has played a major role in helping me reach my position in leading the company. The best thing is that he has let me apply my ideas and make decisions, without interfering, with the option to fail. This cannot have been easy for a founder who has been taking care of his company his whole life.

Family spirit, commitment, involvement, honesty, respect for the individual, passion and quality are the great values I learned from my parents. I will try to do the same with my children and transfer all the core values. Most importantly I will do my best to keep the business going with the same vision.

Forbes^{Middle East}

LEBANON 100

Lebanon is one of the most diverse and vibrant countries in the region. The country is a hub for the banking industry and has a thriving tourism sector, including medical tourism. Although the resilient country has undeniably faced adverse conditions both economically and politically, the spirit of the Lebanese people has remained intact.

With this in mind, we are for the first time unveiling our Lebanon 100—a list of the 100 most successful Lebanese individuals and companies who have contributed to the country's progress and feature on a variety of *Forbes Middle East's* rankings.

The World's Richest Lebanese

There are seven Lebanese billionaires*, featuring prominent business people including current Prime Minister, Saad Hariri, and former Prime Minister, Najib Mikati.

Top 10 Listed Companies In Lebanon

We include 10 companies listed on the Beirut Stock Exchange, which were ranked on the basis of revenues, profits, assets and market value, with each of the criteria given equal weights.

Top 15 Most Powerful Lebanese Women

We recognize 15 prominent women in business who have achieved great success across a number of industries and currently reside across the Arab World.

Lebanese Stars On the Global Stage

Singers, directors and fashion designers from Lebanon have been making a name for themselves across the world. We highlight the biggest of these names.

Top Lebanese Startups

We highlight 18 innovative Lebanese startups, looking at the funds raised, revenues and level of innovation.

Top 35 Influential Lebanese Business Personalities

Finally, we list 35 prominent Lebanese personalities who are high achievers in their respective fields, from business to medicine and politics.

**Note: Billionaires' wealth is as of March 6, 2018*

Constructing A Smart Future

Sakr Sakr, Founder of Sakr Real Estate, talks about the challenges currently facing the real estate market, and how smart properties can help to fight the downturn.

How strong is the real estate market in Lebanon currently?

The real estate market has definitely witnessed better days than the ones we are currently dealing with. This is due to many factors, such as the unstable economic situation and safety environment in the Middle East, which has had an impact on the spending power of Lebanese expats. On a micro level, the freeze in subsidized loans has led to a slowdown in real estate transactions.

Taking all these factors into consideration, we adopted a new strategy that facilitates the purchase of real estate properties, whether for end users looking to buy a home or investors searching for land or residential property. We guarantee the best deals for clients and help to maintain stability in the market through loans at 0% interest, easy payment plans and unbeatable offers.



What makes Sakr Real Estate and its projects unique?

We invest in a concept that creates upscale lifestyle standards instead of looking for the formula that generates immediate revenue. We make sure that we know what the client will want in future by closely studying the market of today and current behaviors, in order to understand their needs 10 years from now.

Our recipe for success lies in our futuristic approach, which can be seen in our projects, such as Admir, which won international awards based on its unique and bold concept. We also offer our clients worry-free deals thanks to solid marketing and sales strategies by embracing risk and offering bold guarantees across all our projects, whether ready to move-in, under construction or off-plan. In addition to our offers, we have a flexibility in payment terms that is hard to achieve by any other developer. All of that puts us ahead of the curve.

What new projects do you have coming up?

Along with our large portfolio of agriculture, residential and industrial land allotment projects, we have increased our residential portfolio to include lifestyle communities of apartments and townhouses that serve different target

audiences. We recently launched a smart industrial city carefully designed to facilitate jobs in all industries.

In 2020, Lebanon will witness the launch of a new landmark by Sakr Real Estate—the international award-winning Mont MeMa a haven that harmoniously combines the lifestyle of a city and the serenity of a village.

You say that you want your investments to provide business opportunities for Lebanese expats—in what way are they doing this? What do you think the future holds for Lebanon and the Lebanese people?

Our investments are set based on studies and research to ensure we serves the future demands and needs of the market. Lebanon is getting ready for an economic boost due to the oil and gas exploitation and rebuilding Syria, which has already started. For that reason, we have made sure to build an integrated hub that will serve this purpose. The Nahr Ibrahim Industrial Region (NIIR) will host hundreds of managers, workers and labors from Lebanese locals and expats. We have also created Halat Seaview and Quattro residential projects, with affordable prices to secure upscale accommodation for employees looking for a home minutes away from their work.

I strongly believe Lebanon and the Lebanese people have a very promising future ahead. It is well known that the real estate market follows cyclical behavior with ups and down. We are anticipating a boost that will reenergize the real estate market with a noticeable impact on prices.

THE WORLD'S RICHEST LEBANESE



1. Taha Mikati ▲

Age: 73 **Source of wealth:** Telecom
\$2.8 Billion (+\$200 Million vs. 2017)

Taha Mikati is the cofounder, with his billionaire brother Najib, of Beirut-based holding company M1 Group. Its investments include stakes in South African telecom firm MTN, fashion retailer Pepe Jeans, and prime real estate in New York, London and Monaco. Mikati and his brother Najib founded Investcom in 1982, selling satellite phones at the height of Lebanon's civil war. They expanded into Africa where they built cellphone towers in Ghana, Liberia, and Benin, among other countries. In 2005, Investcom went public on the London Stock Exchange, and in 2009, South Africa's MTN bought the Mikatis' stake for \$3.6 billion.



2. Najib Mikati ▲

Age: 62 **Source of wealth:** Telecom
\$2.7 Billion (+\$100 Million vs. 2017)

Najib Mikati is the cofounder, with his billionaire brother Taha, of Beirut-based investment firm M1 Group. Its investments include stakes in South African telecom firm MTN, fashion retailer Pepe Jeans, and real estate in New York, London and Monaco. Mikati and his brother Taha founded Investcom in 1982, selling satellite phones at the height of Lebanon's civil war. They expanded into Africa where they built cellphone towers in Ghana, Liberia, and Benin, among other countries. In 2005, Investcom went public on the London Stock Exchange, and in 2009, South Africa's MTN bought the Mikatis' stake for \$3.6 billion.

3. Bahaa Hariri ▼

Age: 51 **Source of wealth:** Real estate, Investments, Logistics
\$2.1 Billion (-\$100 Million vs. 2017)

Bahaa Hariri is the eldest son of slain Lebanese Prime Minister Rafik Hariri; he inherited his fortune from his father, who was a billionaire. In 2008, he sold his stake in Saudi Oger, the family construction business, to his brother Saad Hariri, the current prime minister of Lebanon. Bahaa Hariri founded and chairs Horizon Group, a real estate holding company with investments in Amman, Jordan and Beirut, Lebanon. He helped revitalize an area of Amman, called Abdali. The project, in partnership with the Jordanian government, is worth an estimated \$5 billion. He's the majority owner of Globe Express Services, a logistics company with a presence in more than 100 countries.



4. Robert Mouawad ▶

Age: 73 **Source of wealth:** Fine jewelry **\$1.6 Billion (Flat vs. 2017)**

Robert Mouawad inherited the family's eponymous high-end jewelry business that his grandfather founded in Beirut in 1890. He turned over the business to his sons Fred, Alain and Pascal in 2010. Mouawad boasts one of the most dazzling gem collections in the world, including the Kimberly Star, a 111.11-carat yellow pear-shaped diamond. Robert Mouawad also owns extensive real estate and has developed luxury residences on a man-made island in Bahrain.



5. Saad Hariri ▲

Age: 48 **Source of wealth:** Construction, Investments
\$1.5 Billion (+\$500 Million vs. 2017)

Saad Hariri is the prime minister of Lebanon. He assumed the position in December 2016, and previously held the post between 2009 and 2011. He's the son of the late billionaire Rafik Hariri, who was murdered in 2005 while serving as prime minister. Hariri inherited a stake in Saudi Oger, a construction company his father built into one of the biggest in Saudi Arabia. Saudi Oger reportedly shut down operations in July 2017 following a cutback in spending by the Saudi government and failed to pay wages to workers. Through Oger Telecom, Hariri owns a stake in Turk Telekom, Turkey's formerly state-owned telecom company. His cousin Mohammed Hariri is chairman.



6. Ayman Hariri ▲

Age: 39 **Source of wealth:** Construction, Investments
\$1.3 Billion (+\$100 Million vs. 2017)

Ayman Hariri is a son of the late Rafik Hariri, Lebanon's prime minister, who was assassinated while in office in 2005. He inherited a stake in his father's Saudi-based construction company Saudi Oger, and sold it to his brother Saad in 2014. In 2017, he sold his 42% stake in family holding company GroupeMed, with interests in banking and real estate, for \$535 million. He invests in startups through New York-based firm Red Sea Ventures; among its investments was smart thermostat Nest, now part of Google. He's a cofounder and CEO of Vero, an ad-free social media platform that lets users share music, videos and photos.

6. Fahd Hariri ▶

Age: 37
Source of wealth: Construction, Investments
\$1.3 Billion (Flat vs. 2017)

Fahd Hariri is the youngest son of the late billionaire Rafik Hariri, who was Lebanon's prime minister. He was assassinated while in office in 2005. In 2012, Fahd Hariri sold his shares in the family construction firm Saudi Oger to his brother Saad Hariri, who is now Lebanon's prime minister. He has invested some of the proceeds in three Lebanese banks, including Bank Audi, and in real estate in New York and Paris. He has also developed three residential buildings in Beirut.



Investing In Tomorrow's World

Hisham Itani, Chairman and CEO of Resource Group Holding (RGH), reveals how the new technologies built and invested in by RGH are changing lives in Lebanon.



Can you tell us a bit about your journey and how you turned a small family printing company into a global digital solutions provider and technology investment group?

I got involved in the family business, Inkript, while still at university. I saw untapped potential in the firm and looked for ways to expand the company, by giving more prominence to technology adoption. Starting in 1993, we introduced several technologies, such as personalization solutions, which allowed us to offer services that are digitally customized, including checkbooks and bonds.

These were existing technologies, of course, but it became obvious that technology can drive the business. In 2003, the full potential of secure smartcards became

clear to us, and we started introducing it into the region. Consequently, Inkript became one of the leading smartcard manufacturers in the Middle East and Africa.

Seeing the impact of new technologies made it evident that research and development is an essential aspect of moving a business forward. We started investing significantly in R&D in 2005, which helped us rapidly unlock new markets and opportunities.

We soon had a growing portfolio of ventures. We needed to consolidate these businesses to harness the rising momentum to incubate new ideas and startups. As a result, we established RGH in 2008.

In recent years, RGH's portfolio of businesses has continued to evolve, now including digital security,

telecoms infrastructure, secure communications and cyber security, among others.

It has been quite a journey, and I think the key to making it this far is trusting our instincts and aiming for markets where we have a competitive advantage. At the same time, you need to think about how you can make a difference in people's daily lives as you build a technology group.

How do you consistently stay ahead of trends in technology?

Our R&D center is what keeps us ahead of trends in technology. It allows us to pro-actively adapt new technologies and to develop these into our own proprietary solutions. We are determined to push new technologies before the demand is even visible.

To achieve that objective, we conduct research and analyze opportunities across our markets and engage our in-house development team where we see gaps. That said, it is also important to have the right overall vision to guide R&D activities.

We innovate around people's lives, in other words we want to enhance their day-to-day lives by developing and customizing technologies. It is all about security, fast processes and convenience. With our multicultural team, we can accentuate diversity and spark creativity, which promotes rapid innovation.

Do you feel that Lebanon is fully embracing digital transformation?

I can see Lebanon's digital transformation in action. As we all know, digital transformation is inevitable for societies, the benefits are inarguable. We are glad to see Lebanon's public sector taking advantage of automation, and we can see the resulting convenience every day.

The availability of high-speed internet access is, of course, central to digital transformation. Serta, an RGH subsidiary, was awarded a major part in the tender aimed at rolling out fiber optic internet across Lebanon. This was the first time that an infrastructure project of this size was initiated in Lebanon since at least 2004.

We are also helping the Lebanese government to enable citizen automation through Inkript, by providing e-vehicle solutions (including biometric driving licenses, electronic vehicle registration cards, secure vehicle plates and RFID tags), biometric passports, e-residency permits and e-work permits. All these digital security programs are intended to make the lives of Lebanon's citizens hassle free.

What new technologies do you think are going to have the most impact on your businesses in the coming year?

Cybersecurity will have a major impact in the Middle East because it is an ongoing concern worldwide and particular

to this region. In fact, RGH is developing a cybersecurity bundle that will protect governments and private enterprises against threats.

Additionally, there is a lot of hype around blockchain and the internet of things (IoT), and for a good reason. We think both of these technologies will have a significant impact, with IoT technology driving smart cities in Lebanon in the future. Of course, AI is another area we are actively pursuing, especially in relation to biometrics, one of our core businesses.

RGH is implementing a national fiber optics deployment project that will help secure fast internet broadband in Lebanon—what will the potential impact of this be on the country?

Fiber optic internet is a game changer for the Lebanese economy because it enables affordable low-latency, high-speed internet for everyday use. It creates opportunities for Lebanese businesses that will now be able to better compete with companies across the world, at a lower cost.

Fast internet also stimulates the creative economy, and we look forward to seeing that happen in Lebanon. Fiber optics impacts citizens too, by giving them easier access to education and more efficient ways to communicate.

What more do you think needs to be done to foster tech-startups and entrepreneurship in Lebanon?

I think that fostering entrepreneurship requires active support and guidance, helping young entrepreneurs acquire the tools they need to move their business ideas forward. We need to actively grow a culture of entrepreneurship in Lebanon.

Starting a business requires a certain type of mindset and successful business people should lead the way, showing prospective entrepreneurs what they stand to achieve by building businesses. Only by growing this culture will the country step into its potential to emerge as a tech hub.

What are your top pieces of advice for up-and-coming entrepreneurs?

You must be determined to succeed in business. There is an old proverb, "obstacles do not block the path, they are the path". Entrepreneurs must navigate the road to success by steadfastly overcoming obstacles. Only by believing in your business will you have the energy to overcome these hurdles time and time again.

Time management is important too because as an entrepreneur, time constraints can become extreme. Finally, I think that building solid teams and meaningful relationships are key because ultimately those people will carry your success in the long run.

Keeping Finance In The Family

Entrepreneur, Eduardo Fakhoury, set up Credit Financier Invest in 2005 having grown up immersed in the family banking business. Today he's expanding his unique approach to trading to the Gulf, Jordan, Europe and the UK.

When did you set up Credit Financier Invest and what were your goals at the time?

Credit Financier Invest was established in 2005, however the company traces its origins to a private banking department established within a sister firm, Credit Financier, in 1998. Following its success, the first entity within the Group—Credit Financier Invest Sal—was established in 2005 after a spin off separating the trading business from the credit business. Since then, CFI has served thousands of clients and executed over two million trades.

I started the business because of my passion for trading, numbers and financial markets. I was observing the ridged banking services and high pricing whereby these trading services were offered to a few select clients. I wanted to establish a more flexible financial broker that would provide a better service at a much lower price by using technology and making trading accessible for clients from all levels and not just the elite.

Have you had any challenges finding investors in Lebanon? How does business in Lebanon compare to your EU branches?

Our success in Lebanon was relatively easy. We were one of the first to offer trading services accessible to clients of all sizes at a much lower cost and with a better service, like a 24-hour dealing desk. This, together with our good reputation, has led us to succeed and conquer the market place.

Learning from what we have done in Lebanon and with a clear objective to be a worldwide leader, we followed the same formula for success in Europe, i.e. great service with competitive pricing and sustainably building a stronger and stronger reputation. We understood that as we were not known before, success would take more time, but we are patient. Today, CFI is known abroad and we have clients from over 20 countries trading on our platforms.

How has business grown since operations began?

Over the last 20 years, CFI has continued to expand, with

entities joined under its holding company: CFI Financial Group Holding Limited. We are no longer a family company. Family values are very important to us, but we have joined forces with key strategic partners such as Hisham Mansour, founder and former CEO of MIG Bank, Switzerland, and our aim is to continue to grow.

The Group owes its successful growth to a strong commitment to providing superior services, conditions and technology, and an understanding that reputation, clients' trust and its people are the key assets.

Today, the group comprises:

- Credit Financier Invest (CFI) Sal.—Beirut, Lebanon regulated by the Central Bank of Lebanon.
- Credit Financier Invest (CFI) Ltd. Previously CFI Markets Ltd.—Larnaca, Cyprus regulated by the Cyprus Securities and Exchange Commission.
- Credit Financier Invest (DIFC) Ltd. (CFI Dubai)—Dubai, United Arab Emirates, regulated by the Dubai Financial Services Authority.
- Credit Financier Invest for Financial Brokerage Ltd. (CFI Jordan)—Amman, Jordan regulated by the Jordan Securities Commission (JSC).

CFI Limited has also now received authorization to setup a branch in London, UK.

What are some of the current trends in online trading?

In terms of pricing, commissions and spreads have dropped significantly in recent years and now profit margins per trade are really small, which makes it great for clients as it has reduced their trading costs significantly. We don't expect it to go down any further, as it has become very tight.

In terms of accessibility, today it is very easy to open an account, make a deposit and trade online within hours. Different platforms are now accessible from PCs, laptops, smartphones, tablets, mobiles and smart watches.

In terms of technology, we expect it to continue evolving and we will make sure to invest in the latest trends and stay up-to-date. One example of a new development

Eduardo Fakhoury,
founder Credit
Financier Invest i



in technology is robot or algorithmic trading, whereby investors use simple programs to make trades based on pre-decided criteria.

What are the three biggest lessons you learnt from the family business before branching out on your own?

Although we don't consider ourselves a family business anymore, we continue to grow as a big family and we treat ourselves as one team. Family values are very important for us as behind great companies are people. Today, we have team members that have been with us for 20 years and we are proud of that.

The main three lessons we have learned from family businesses are:

- Mutual understanding and support is very important for families as it is for business teams.
- Each team member is part of the bigger family and should be treated as such.
- Clarity and transparency is as important in family businesses as it is elsewhere.

Do you have any plans for expansion in the coming year?

Yes, we have acquired the license to open a branch in London and we are finalizing steps to launch this fully. We are also looking for growth opportunities through new jurisdictions

or acquiring other players in the market. This will remain an ongoing goal for us as our aim is to become a worldwide leader in online trading.

What advice do you have for potential investors looking to get into trading?

We advise investors to first accurately study the broker they plan to invest through and to do that from different angles, i.e. regulations, history, pricing, technology, employees and services provided.

Secondly, we strongly advise them to consider how much they plan to invest, what they plan to invest in, and build a plan. It is important that they understand all the details of what they are investing in and the potential risks and rewards. Needless to say, one of the key important elements a client should take into consideration is portfolio diversification, in order to diversity risk and reward.

Finally, we strongly advise them to stick to what they have planned and not change that along the way. Many times investors lose more than they should because they enter a trade, decide to take profit and stop loss but then change that along the trade. Although sometimes, this might work for their advantage, from what we see it is most often to their disadvantage. Therefore following strict rules is very important in trading.

TOP 10 LISTED COMPANIES IN LEBANON

Aggregate

Revenues

\$8.7
Billion

Aggregate

Profits

\$1.4
Billion

Aggregate

Assets

\$128.2
Billion

Aggregate

Market Value

\$8.6
Billion



1 Bank Audi

Banks & Financial Services

Revenues: \$3.3 B Profit: \$559 M

Assets: \$43.8 B Market Value: \$2.3 B

In April 2017, Bank Audi appointed Samir Hanna as the chairman, replacing Raymond Audi. Hanna will retain his position as the Group CEO of the group, which is appointing a chairman from outside of the family for the first time. Founded in 1962, the bank's initial group of shareholders comprised members of the Audi family.

2 BLOM Bank

Banks & Financial Services

Revenues: \$2.2 B Profit: \$485 M

Assets: \$32.5 B Market Value: \$2.5 B

BLOM Bank in November 2016 signed an agreement with HSBC Bank Middle East, an indirect wholly-owned subsidiary of HSBC Holdings to acquire the latter's business in Lebanon, which comprises three branches with total assets of approximately \$953 million. Naaman Azhari heads the bank as its Chairman. His sons Saad, Samer and Amr Azhari hold executive management positions.



A Sparkling Legacy

Yeprem Chakardemian, the Lebanese founder of YEPREM Jewelry, first established the company in 1964 with a gold bracelet he had been given by his mother. Today YEPREM is a family empire, with its stunning creations worn by A-list celebrities and icons.

What are the most important elements to creating a new piece of YEPREM art?

It is the outstanding mechanism of the jewelry that intrigues me most. I also make sure the manufacturing process is complicated yet delicate, in order to create unusual pieces inspired from the female silhouette.

YEPREM has a global reputation for pushing the boundaries of creativity and craftsmanship, by designing pieces of wearable art that show the true value of each and every woman wearing our statement jewels.

Does Lebanon inspire your artwork in any way?

It surely does. The breathtaking nature of Lebanon inspires me every day and encourages me to design.

I specifically admire the sea view from a high altitude, which gives me the freedom to contemplate.

What have been the top pieces of advice that you have given your children as they have entered the business?

There are many, but the top three pieces of advice I always give to my three children—John, Loutfic and Virna—are:

- Make sure you are managing the business the right way
- Always be honest and sincere
- Manage the business with great passion

Looking back at your career, what milestone makes you most proud?

It was in 2013, after around 50 years of hard work and dedication, YEPREM had revolutionized and surpassed all expectations in the jewelry industry. Its contemporary creations with timeless elegance and understated sophistication became global.

I was and still am highly proud of my team for believing in YEPREM and working so passionately.

And of course, my three children, the second generation who are continuing the YEPREM vision of creating luxurious statement jewelry with groundbreaking designs, and taking the brand on a trend-setting journey around the globe.

Who has been your favorite celebrity to design for?

All YEPREM stars are unique in their own way and simply glow effortlessly. However, my personal favorite has always been



Yeprem Chakardemian

Jennifer Lopez, as I admire her sense of style that is always so coherent with the jewels.

Is there anyone left that you haven't worked with yet but would like to?

An interesting collaboration is actually being planned at the moment, but I prefer to keep it out of the spotlight until the official announcement.

3 Byblos Bank

Banks & Financial Services

Revenues: \$1.3 B **Profit:** \$170 M

Assets: \$22.7 B **Market Value:** \$844 M

Byblos Bank was established in 1950, it is the third largest bank in Lebanon. The bank announced that its net profits at the end of 2017 had increased by 2.91% to reach \$170 million as compared to 2016. Its successful business operations are based on a universal banking model which includes commercial, corporate, private, investment, retail and Islamic banking.



4 Bank of Beirut

Banks & Financial Services

Revenues: \$1 B

Profit: \$204 M

Assets: \$18.4 B

Market Value: \$999 M

The bank was first established in 1963 as Realty Business Bank and was renamed as Bank of Beirut in 1973. In 2000 the bank established the first Lebanese Investment Fund and in 2006 it acquired the private banking portfolio of Scotiabank U.K. Bank of Beirut operates representative offices in the U.A.E., Ghana and Nigeria in the Gulf and Africa.

5 BLC Bank

Banks & Financial Services

Revenues: \$318 M

Profit: \$46.5 M

Assets: \$5.9 B

Market Value: \$198.7 M

BLC Bank was founded by the Abou Jaoudeh family in 1949 and was renamed Banque Libanaise pour le Commerce in 2004. The bank offers banking, insurance and asset management services. Its subsidiaries include USB Bank PLC Cyprus, BLC Finance SAL, and BLC Services SAL. Fransbank, the oldest banking institution in Lebanon owns over 68.58% of BLC Bank.



6 Holcim

Industrials

Revenues: \$159.8 M **Profit:** \$43.3 M

Assets: \$264.3 M **Market Value:** \$304.5 M

Holcim Lebanon, a member of LafargeHolcim, was established in 1929 as one of the leading cement companies in the country. It combines the production and marketing activities, for grey and white cement as well as ready mix concrete, through its cement plant in Chekka and subsidiaries. In 2016 the company had an annual cement production exceeding 2,343 tons.

IMAGES FROM SOURCE

7 Banque BEMO

Banks & Financial Services

Revenues: \$103.8 M **Profit:** \$18.4 M
Assets: \$1.8 B **Market Value:** \$80.7 M

Lebanon's Obegi Family founded the bank as Credit Libanais Sal in 1961. Banque Saudi Fransi owns 10.33% of Banque BEMO which was acquired in 2003. Its subsidiary BEMO Investment Firm Ltd is headquartered in Dubai and operates as an asset management company.



8 Solidere

Real Estate & Construction

Revenues: \$67.7 M
Profit: \$-116.4 M
Assets: \$2.7 B
Market Value: \$1.3 B

Solidere is a Lebanese joint stock company incorporated in 1994 for planning and redeveloping the Beirut Central District. One of the most significant projects that the company has delivered in the country has been Beirut Souks, a 100,000 square meters retail center opened in 2009. Other projects include, Beirut Exhibition Center, Saifi Village-Quartier des Arts, Beirut Uptown Park among others.



IMAGES FROM SOURCE

9 Rasamny Younis Motor

Automobiles

Revenues: \$249.6 M
Profit: \$6.3 M
Assets: \$153.4 B
Market Value: \$35.5 M

In 1934 the Rasamny brothers founded Rasamny Brothers Inc. The family owned and operated business representing brands such as Chrysler, Ford and Honda in the automotive industry in addition to Palmolive, Colgate and other brands. After 41 years the company went public in 1998, becoming the only automotive dealer to be listed on the Beirut Stock Exchange.

10 Société Libanaise des Ciments Blancs

Industrials

Revenues: \$13.5 M **Profit:** \$4.5 M
Assets: \$26.3 M
Market Value: \$28.6 M

Société Libanaise des Ciments Blancs established in 1961 is majorly focused in the production and sale of white cement in Lebanon. Holcim Liban holds 66% of the company, making it the majority shareholder. The parent company is Holcim Ltd, headquartered in Switzerland.

Healing Hospital

Bellevue Medical Center's CEO, Nayef Maalouf, tells us about the center's unique location and approach to patient care.

When did you and your family first decide to open Bellevue Medical Center in Lebanon and when did you first break ground?

The idea started in 1998, and the construction phase was initiated in 2005.

How long did it take to build? What are some of the unique features?

The construction took around four years, and the design is an evidence-based design.

There is a growing body of literature that demonstrates the connection between the physical environment, patient satisfaction and wellbeing. The colors, the material used and the artwork displayed in the hospital fosters an environment of wellbeing. Patients have access to nature through indoor and outdoor gardens, and the views from patients' rooms.

The hospital is set in a stunning location—how does it feel working in such a beautiful setting?

Nature, undoubtedly, contributes a lot to our positive work environment. There is universal agreement that a healing environment is desirable for patients and for providers. At Bellevue Medical Center, our patients, doctors and staff feel blessed to be surrounded by nature and a calm environment, which has been proven to foster patient's recovery, reduce the rate of medical errors, and decrease stress for patients, their families and those involved in patient care.

What are some of the key issues affecting Lebanon's healthcare sector currently?

We face a tremendous nurses shortage that prevents us from opening all of our beds to patients without changing our nurse/patient ratio.

Although we are receiving many patients from the Gulf who are seeking our services, if the economic and security situation were better Lebanon could be a hub for medical tourism.

How have things grown since you opened?

Bellevue Medical Center opened its doors in 2009, with a vision to become the top provider of healthcare in Lebanon. We have adhered to this same vision ever since, and I am now very proud of the long list of achievements we've accomplished in less than 10 years since that first day.

In 2010, we affiliated with the University St. Joseph (USJ) Medical School. Since then, we have hosted the USJ Medical House Staff on clinical rotations as they embark on their residencies to become practicing physicians.

Then, in 2011, we were accredited by the Lebanese Ministry of Public Health. We also inaugurated the Bellevue International Training Center, which is an American Heart Association Certified Training Center for resuscitation techniques through basic life support and advanced cardiovascular life support program training.

In 2012, we received our first JCI Accreditation, only six months from the Board's decision to acquire it, becoming one of the youngest hospitals in the world to have received it in such a short period of time.

We won the Quality Improvement and Patient Safety Award in 2014 at the MedHealth MENA Congress and were nominated for the Green Hospital Award. The following year we got our JCI Re-Accreditation, and we were nominated for the Sustainability Award in the Arab Health Congress.

Last year we received the HACCP certification and the Best Health Care Operator of the Year Award from the International Finance Magazine. We served more than 23,000 inpatients, 16,500 ER visitors, and over 60,000 visitors to our clinics. More than 55,000 tests were ordered in the outpatient setting alone. Last year, we performed more than 6,000 surgeries and 1,440 deliveries.

This year we became the first hospital in Lebanon to receive the Gold Certification from PlaneTree, and we conducted the first successful uterus transplant in the MENA region and Africa.



Nayef Maalouf,
CEO of Bellevue
Medical Center

What are your goals for the coming year?

Our main goal is to maintain a high level of quality in the care we provide to our patients, improving our patients' experience, increasing their level of satisfaction, and keeping ourselves up-to-date with the latest evidence-based quality improvement and patient safety standards.

Our biggest technology investment will be in providing an EMR system that ensures better and more accessible treatment, improving care and disease control.

We are planning in the short term to increase bed capacity by 15% to cater for higher demand. In the medium term a bigger infrastructure expansion plan will take place, including increasing the capacity of our beds, our external clinics, our centers of excellence and more.

The hospital received the Gold Certification for Excellence in Person-Centered Care from Planetree International in May this year—can you tell us what that was for and what it means?

A Planetree certification represents the highest level of achievement in person-centered care, based on evidence and standards. Bellevue Medical Center is one of only 85 healthcare organizations worldwide to receive it, the second in the MENA region and the first in Lebanon.

The certification process included a site visit by representatives from Planetree, and a discussion with recent patients, families and current staff. Planetree validated that specific person-centered policies are in place, including non-restrictive visiting hours and a shared medical record policy. Also staff members at all levels are involved in the implementation of person-centered care, and the hospital's physical environment supports patient and family engagement in their care.

How does Bellevue Medical Center stand out from its competitors?

First and foremost, by being a healing hospital, we continuously work on improving our patient experiences. We are committed to offering the highest quality healthcare with compassion and love in an environment of excellence and continuous growth.

We have great clinical outcomes compared to other hospitals. We have one of the lowest rates of nosocomial and surgical site infections in the country and a very low rate of re-admissions or shorter lengths of stays than expected. Our patient satisfaction rates exceed 95%.

We stand out for our location and we are known for our family spirit throughout the whole institution.





Hungry For Growth

Christophe Kallassi, CEO of GROUPKA, tells us what motivates him and keeps the Kallassi Group as a leading family business in consumer goods.

When the company was established in the 50s, what was its first product line? How did things develop and expand from that to now?

The company was started in 1950 as a small grocery shop, which later developed into a wholesale business. In 1980 the first two products imported were ham and milk powder, which led to the establishment of an import and distribution company.

In 2006, a joint venture was formed with Arla Foods International, and 100% of the shares of King Food sal/ Burger King Lebanon were acquired. These success stories allowed Kallassi Group to rate among the top five FMCG companies in Lebanon.

Did you always want to get into the family business? What first drew you in? Is there any area that you are particularly interested in?

In 2006, after graduating from university with a BA in Finance, I joined KPMG Lebanon as a junior auditor. In 2009, I joined GROUPKA as a manager in training, and I have undergone a rotation in all different departments of all the companies in the group. The major challenge was how to transform the business from a family business to a well-structured corporation.

How do you see things changing across Lebanon in terms of demand for your products and services? Are things growing? Are consumers feeling positive?

Lebanon is becoming more and more challenging. Growth needs to focus on three pillars: offering the best service to our

clients; creating the best quality products; and having the best cost management.

On the other hand, integrating technology in our day-to-day business helps us better serve our customers and take the group forward.

You're a very young CEO—what to you are the key elements to good leadership?

The key elements of a good CEO are transparency, managing talented people and driving the group's employees towards one vision and one direction, keeping in mind and at close distance the values of the group.

How do you ensure that your four core values of people, teamwork, loyalty and discipline are embedded throughout the business and with each employee? What difference do you think this makes to productivity?

The four values—people, teamwork, loyalty and discipline—are the foundation of our group. Recruitment, training and coaching are based on the above values. As a group we make sure that all upper management believe, live and work with them accordingly. Without these values we will jeopardize and weaken our main foundation. Hence, productivity and profitability are positively impregnated with these values

What other sectors might GROUPKA expand into in future?

GROUPKA's next step is to expand from a local market to international scenes, this can be achieved by acquiring new brands and businesses outside Lebanon.

TOP 15 MOST POWERFUL LEBANESE WOMEN

1 Elissar Farah Antonios

CEO, Citibank U.A.E. **Banking and Financial Services**

A seasoned international banker, Elissar leads Citi's largest and most diverse franchise in the Middle East and Africa responsible for the institutional client group and global consumer bank in the U.A.E. She holds an MBA from the Imperial College in London and a Bachelor's in Mathematics from the American University of Beirut.



2 Randa El Assaad

CEO, Arif & Bintook Consulting Architects and Engineers **Banking and Financial Services**

Randa El Assaad has been with Dubai-based Arif & Bintook Consulting Architects and Engineers since 1992 and became CEO in 2011. Aside from overseeing day-to-day operations of the firm, she also helps the team develop new design concepts and engineering designs. She has a BSc in Electrical and Electronic Engineering from the University of Beirut.

3 Mona Bawarshi

CEO, Gezairi Transport **Logistics and Transportation**

Mona Bawarshi is CEO of Gezairi Transport, a family-owned freight forwarding, shipping and logistics company based in Lebanon with several branches. She is a member of the Lebanese Vessels Owners Committee and the International Federation of Freight Forwarders Association. Mona is also a founding member of the Abdul Salam Bou Azza El- Gezairi Charity Foundation.



Working For A Greater Good

Dr Matta Matta, Chief of Infectious Diseases at Bellevue Medical Center, explains his passion for the field, and what more can be done to protect the vulnerable in Lebanon.

What first attracted you to a career in medicine, and in infectious diseases in particular?

Infectious diseases is the only specialty where your actions impact not only the health of your patient but the entire community. By abusing antibiotics, you promote antimicrobial resistance, which would wipe the efficacy of antibiotics. Infectious diseases can be likened to a war between the physician and the microbes that as living creatures are smart and adaptable, therefore it is up to us to be smarter and find new ways to combat them.

As a specialist in the field of infectious diseases, what are the current trends that you're seeing in that area?

For a long time, infectious diseases were a success story in medicine. The advances in that field allowed many breakthroughs from chemotherapy to transplantation to intensive care. However, recently we are facing more and more resistance from the bacteria to most antibiotics. This is leading to higher mortality and morbidity. A second threat is the increase in the number of epidemics all over the world and their propagation because of the ease in international travel.

How is the healthcare sector developing in Lebanon? Is there enough investment and access to quality care?

The healthcare sector in Lebanon is globally good and developing. There are world class facilities in Lebanon. However, in my opinion, there should be more focus on primary care and I think to improve it there should be more family physicians that coordinate the care of the general population.

The Lebanese patient today lacks access to diseases prevention measures. There are limited screenings of patients, limited awareness campaigns on various infectious diseases, and there is no transfer of information between different physicians of the same patient.

What more could be done to serve the population and improve general health in Lebanon?

In infectious diseases we are facing a lack of prevention and vaccination. The pediatrics population usually is adequately vaccinated, however this not the case in the general adult and immunocompromised populations. Vaccination should be lifelong and special populations such as pregnant women, smokers, the elderly and cancer patient need to be vaccinated to protect themselves and their families. Sexual health and sexually



Dr Matta Matta,
Chief of Infectious
Diseases at Bellevue
Medical Center

transmitted infections are also an area of concern because the issue is still taboo in some societies in Lebanon.

What have been your biggest achievements—what are you most proud of?

What I am really proud of is seeing former students who passed with me during their care being successful and telling me that I was a big reason and an inspiration for their success, or for passionately choosing their specialty fields.

What are your professional goals currently?

To just be the best doctor and person that I can be. To raise awareness for diminishing the stigma of Aids and Hepatitis. To make infectious diseases more understood in the society, and to better integrate their patients in the society, to be more acceptable in work and in the society. To raise awareness about vaccines to give us more resistance as a Lebanese population. To raise awareness about abusing antibiotics due to its detrimental effect on the health of the individual and the population.

4 Hala Fadel

Partner, Leap Ventures **Investments**

Hala Fadel is the co-founder and managing partner of Lebanon-based venture capital firm Leap Ventures. Fadel was previously a portfolio manager at French asset management firm Comgest, where she spent 12 years commuting between Paris and Beirut. An MIT MBA graduate, she launched in 2005 the MIT Enterprise Forum Arab Startup Competition, which selects promising startups from a pool of thousands of candidates annually.



5 Ingie Chalhoub

President and Managing Director, Etoile Group **Retail**

As the President and Managing Director of Etoile Group, Ingie Chalhoub represents fashion brands, including Chanel, Valentino, and Ralph Lauren in the Middle East. Earlier this year, in Paris, Chalhoub and her husband, Patrick, were presented with the prestigious Chevalier de la Légion d'Honneur award—the highest civilian merit in France—to commemorate their commitment to promoting French luxury in France and the Middle East.

6 Joumana Chelala

Deputy General Manager, Head of Consumer Banking, Byblos Bank **Banking and Financial Services**

Joumana Chelala serves as the Deputy General Manager and Head of Consumer Banking at Byblos Bank. Chelala pursued an MBA from the Lebanese American University.

7 Christine Sfeir

CEO, Treats Holding **Food and Beverages**

In 1998 Christine Sfeir introduced the Dunkin' Donuts franchise to the Middle East by opening its first franchise store in Lebanon when she was 22. DD has now grown to more than 30 locations across the country. Currently she serves as the CEO of Meeting Point (Dunkin' Donuts) and Treats Holding which represents Semsom and Green Falafel. Semsom operates in Beirut, Jeddah, Kuwait and Muscat. The first Semsom Eatery opened in New York, U.S. in 2013.



8 Caroline Fattal Fakhoury

Senior VP; Board Member, Fattal Group **Diversified**

Caroline Fattal Fakhoury began her career in marketing at Unilever's European Business Group in Paris. She went on to become Sales Director at Unilever Asia Middle East & North Africa before moving on to work Fattal Group, her family's company. She now specializes in executive coaching at Praesta. Caroline has lived and worked in France, Argentina, and Dubai and is now based in Lebanon.

Resilience Through Innovation

Dr Toni Issa, CEO of IPT, discusses how Lebanon's petroleum sector has been affected by conflict and how his family business has survived.

In the last 30 years how have you witnessed the business landscape change in Lebanon, and how has this affected IPT?

During the civil war, the petroleum sector witnessed the closure of foreign petroleum companies and the emergence of local companies out of which IPT was born, established in 1986 by Michel Issa.

Following the end of the civil war, the country underwent a major rehabilitation and reconstruction phase that included the petroleum sector. IPT was able to overcome the new challenges and obstacles imposed by the post-war era, especially after 2005 when the second generation of Issa Family joined the management and helped IPT achieve unprecedented success in the petroleum sector.



Dr Toni Issa, CEO of IPT

How much does regional instability influence your sector and how do you overcome this?

Lebanon relies on the import of petroleum products, so it is directly influenced by any regional instability. However, the petroleum sector in Lebanon is semi-regulated by the Lebanese Ministry of Energy and Water, which partially helps in mitigating the risks that may arise mainly from the fluctuation of prices.

IPT adopts a proactive strategy that optimizes the import process while relying on its joint strategic partnership with major international oil traders. In addition, the instability in neighboring countries, especially in Syria, also affects the sector, given the uncontrolled border activity that allows the smuggling of petroleum products from both sides of the borders.

Why do you think your family business has flourished when so many others fail?

We greatly invested in the Lebanese market and work hard to remain on top of the competition. When I joined the management in 2005, we developed and implemented a growth strategy that consisted of transforming our gas stations into a modern and welcoming place offering diversified products and services, while adopting a vertical integration approach by owning and operating directly our storage terminals,

distribution fleet and service stations. We also embedded sustainability and CSR at the heart of our operations.

The overall approach contributed to a remarkable increase in IPT's market share, with more than 190 gas stations currently spread across Lebanon.

Can you tell us more about the work you're doing with USEK to produce biodiesel from waste cooking oil?

We established the IPT Energy Center (IPTEC) in 2012, which is a specialized research center that carries out studies and projects on energy conservation and efficient energy use. We partnered with several local and international institutions (UNDP, ESCWA, and ministries) to implement a series

of studies and projects—mainly the National Campaign for Air Pollution Reduction in Lebanon through Efficient Energy Use in Land Transportation.

In this framework, IPTEC and USEK recently signed an MOU to build a pilot plant to produce biodiesel from Waste Cooking Oil (WCO) with the UNDP support. This project consists of WCO collection and transformation into ecologically safer and cheaper biodiesel to be sold at selected IPT stations and used in USEK generators.

What plans for expansion are you currently working on?

Our future plans are based on technology and innovation. Following the biodiesel production project, we are planning to equip our petrol stations with solar electric-vehicle chargers, while also looking to invest in the MoEW bid to develop solar power farms and sell power to Electricité du Liban (EDL).

We are also leading the establishment of a Business and Innovation Center in Amchit, which is expected to open in 2019—"Berytech Amchit"—in collaboration with Saint Joseph University. This aims to foster innovation and entrepreneurship in Mount Lebanon and the North, provide access to funds and contribute to job creation for thousands of young Lebanese entrepreneurs, especially in the field of renewable energy.



9 Nadia Cheaib

Founder, CEO, Clingroup Holding **Healthcare**

Nadia Cheaib founded the clinical trial services company in 2002. With 12 years of experience in clinical research in France and the UK under her belt. She is president of the Middle East Clinical Research Association (MECRA), where she develops clinical research infrastructure in the MENA region so that they conform to local culture and regulation, as well as international research standards. Nadia Cheaib has a doctorate in pharmacy and medical research from University of Rennes 1, France.

10 Myrna Soufan

COO, Banque Bemo
Banking and Financial Services

Born in 1963, Myrna Soufan joined Banque Bemo in 1999 as the Chief Audit Executive in-charge of the internal audit. Later she climbed the ranks to become the Chief Operating Officer in 2011. She also serves as the member of the executive committee of the bank. Soufan holds an MBA from Université du Québec à Montréal, Canada. She is also a Certified Internal Auditor (CIA) and member of the Institute of Internal Auditors.

11 Sana Khater

CFO, Waha Capital
Investments

Sana Khater is the CFO of Waha Capital, an Abu Dhabi-based investment company. Prior to this she was also CFO and Director of North Africa Holding, the Kuwaiti investment holding company, and before that CFO of the National Bank Of Kuwait (NBK). She holds degrees in accounting and management accounting from McGill University, and a math BA, as well as an MBA, from the American University of Beirut.

12 Jinan Zoya

General Manager
Family Business Council – Gulf **Services**

Jinan Zoya runs the Gulf Family Business Council, a Dubai-based non-profit—she joined in 2015—which brings together some of the biggest merchant families in the Gulf, including Al Ghurair, Jameel and Alghanim. Prior to her current role she has worked for the likes of Zoya Consulting, Virgin Megastore MENA, Contax Partners and Ipos. She is an American University of Beirut graduate and holds an Executive MBA from London Business School.



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13 **Roula Moussa**
Founder, Managing Partner & CEO,
Netways, DiasporalD **Technology**

In 1996 Roula Moussa founded the web development company Netways. The company grew to become pioneer of internet technologies in the MENA region. She has also founded DiasporalID, a digital network aiming to bring Lebanese communities, professionals and businesses worldwide together in 2016. She holds a diploma in engineering from the École Supérieure d'Ingénieurs de Beyrouth University.

14 **Claudine Aoun Roukoz**
Founder, CEO,
Clementine
Media & Advertising

The daughter of Lebanese Prime Minister, Claudine Aoun Roukoz is a communications expert and founder of Clémentine, a communications agency. She also acts as a Special Assistant to the President of the Lebanese Republic and President of the National Commission for Lebanese Women. Roukoz holds a Master's degree in cinematographic and audiovisual studies from the Sorbonne University in Paris. She is married to General Chamel Roukoz.



15 **Rola Tabsh Jaroudi**
Managing Partner,
Alem & Associates **Services**

Rola Tabsh Jaroudi took up the role of Managing Partner of Alem & Associates in 2016. She heads the organization's Beirut office, taking care of mergers & acquisitions, corporate and real estate practices. An ardent law professional, Jaroudi has contributed to the drafting of several laws such as private equity fund, single mother company and global depository receipts. She hold LLB from the Lebanese University and has been a member of the Beirut Bar since 1995.



Powering The Perfect Smile

Dr Raed Lattouf, founder of the Dr Raed Lattouf Clinic in Beirut, talks about what inspires him and how he's leveraged social media to make his name.

What inspired you to go into the dental industry?

Since my childhood I was passionate about the smile and its magical effect on relationships between people. I knew that the smile could open doors, resolve conflicts and capture hearts.

I did not think it was going to be my future job and my passion. But I soon found myself on the benches of Saint Joseph's University, and it was at that moment that I began on my path. It's been tough, with great difficulties, but also with many successes and a great sense of satisfaction.

When did you set up your clinic and how has business grown since?

I opened my first dental practice in 1998, after graduation, but I continued to specialize at the same time when I was asked to teach at the university. I was also a regular visitor to Kuwait for more than 10 years, where I was treating patients. My clientele constantly increased through word-of-mouth recommendations, and they reached a peak in 2015 thanks to the power of social media.

What are your most popular procedures?

Most patients are asking to get what is known as a Hollywood smile and the latest procedures in implant dentistry.

How do you ensure you stand out from your competitors?

Continuous education and participating in the most advance dental meetings all over the world have helped me to develop a beneficial synchronization between my skills and the latest technology in the field. Also, continuous investment in new machines, materials and team training keeps us ahead in terms of performance and better services.

On the other side, my presence on social media has allowed me to differ from my competitors and keep an advanced position in my professional field.

Who are your key consumers and how do you connect with them?

Each of my patients is a key consumer, but certainly the celebrities I've treated from different political or artistic fields have helped to extend visibility for my work and contributed in building my solid reputation in aesthetic dentistry.

People from all over the world can see my work and follow the different stages of treatment, especially the amazing results we provide to our patients. The first contact is often directly through social media, where my expert team provides potential patients with all the details about their situation through pictures, x-rays and online pre-consultations. This continues at the clinic until they have their new smile.

We also hold annual corporate events to keep that social connection between patients and our team, which creates more loyalty for the clinic.

Is cosmetic dentistry growing in popularity in Lebanon and why do you think this is?

The Lebanese population has always been interested in aesthetics and Lebanon is known for having the best specialists in the region. However, it is only in recent years that dental aesthetics has emerged and in a very short time we have become a reference in the region and worldwide.

Recently many studies have shown the benefits of the smile on general health, especially on stress relief. Smiling can boost the mood and is very beneficial for people struggling with anxiety and depression. A healthy smile equals healthy confidence. We believe that a smile is a very important social asset, which can help a person appear more attractive, more relaxed and more confident to those around them, even if they don't feel this way on the inside.

At the end of the day, the better you feel about how you look the better you end up feeling about yourself.

A professional portrait of Dr. Raed Lattouf, a middle-aged man with dark hair and a light beard, wearing a dark suit jacket, a white dress shirt, and a dark bow tie. He is looking slightly to the left of the camera with a neutral expression. The background is a plain, light-colored wall.

Dr Raed Lattouf,
founder of the
Dr Raed Lattouf
Clinic in Beirut

What are some of the new technologies and practices evolving the industry at the moment?

The introduction of laser in dentistry has made a big difference in the results, the reduction of working time, the precision of the gesture and especially the comfort of the patient.

New materials, such as very thin porcelain veneers, allow us to obtain a charming smile while preserving the integrity of the dental structures for a very natural and long-lasting result.

On the same level, the new implant procedures that interest the middle-aged population have become quicker and simpler. Computerized planning and advanced x-ray techniques make it possible to rehabilitate the edentulous patients in one-day

procedures with minimal invasive surgeries, which makes implantation a daily routine and more popular.

Do you have any plans to expand or open new clinics?

I have just inaugurated my new specialized center—unique in the Arab world—which gathers all the specialties in modern dentistry and is equipped with the most advanced technologies.

Given the growing demand, several projects are underway for the opening of similar centers in Dubai and Saudi Arabia. The new projects involve different specialties in dental services, including dermatology and plastic surgeries to ensure a full beauty makeover for our patients.

LEBANESE STARS ON THE GLOBAL STAGE



The Doyenne

Now in her 80s, Fairouz (real name Nohad Haddad) began her singing career in a chorus at Lebanon's public radio station. She shot to fame in 1952 with her first album *Itab*. Her melodies combined Arab and European instruments while her voice transcended boundaries to gather fans from Lebanon and from across the world, according to Virginia Danielson, an expert on Middle Eastern music at NYU Abu Dhabi.

Fairouz has sold more than 80 million records worldwide and performed on grand stages, including Royal Albert Hall in London, Carnegie Hall in New York and John F. Kennedy Center for the Performing Arts in Washington, D.C.

GETTY IMAGES



ELISSA

SINGER

Fondly referred to as the Queen of Romance by her fans, three of Elissa's songs have appeared on the Billboard Charts. The Lebanese singer, who started her career in 1992, has sold over 30 million albums. Elissa has performed in live concerts across the world and has collaborated with international singers including Cheb Mami, Chris De Burgh, Christina Aguilera, and Gérard Ferrer.



RAGHEB ALAMA

SINGER

Popular for his live concerts in Europe and the U.S., Alama has conducted more than 14 concerts outside the Arab world since 2016. He has had international collaborations with Shakira and Askin Nur Yengi. He began his career in the 1980 as a contestant on the talent show *Studio El Fan*. The Lebanese star is watchmaker Hublot's first Middle East brand ambassador and he has his own perfumes line "Le Grand Amour" and "Notes D'Amour".



GETTY IMAGES



CAROLE SAMAHA

SINGER

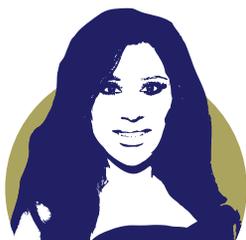
The Lebanese singer has released six albums and has also collaborated with international artists such as Alessandro Safina and Mario Reyes. She has received many international awards including a World Music Award for Best Performer in the Middle East (2014) and Daf Bama Music Awards for Best Middle Eastern Female Act and Best Performer in the Middle East in Hamburg 2016. Recently, she was chosen by FIFA to perform the song for the 'Women's World Cup Under 17-Jordan 2016'. Before starting her pop music career, Samaha was a classical actress and has worked extensively with the super actors Mansour Rahbani and Marwan Rahbani.



NANCY AJRAM

SINGER

Nancy Ajram's album *N8* first appeared on the Billboard in 2014, and she was the first and only female sponsor and spokesperson of Coca-Cola in the Middle East and the Arab world. The Lebanese singer has endorsed many international brands including Persil and Glade. She is a member of the jury in "The Voice Kids" program in the Middle East since 2016 and has won multiple international awards. Ajram released her first album at the age of 15 in 1998 and has since released eight more studio albums, out of which two were aimed at children.



NAJWA KARAM

SINGER

Karam started her career in 1989 with the release of her album "Ya Habayeb", the first in a series of 22 albums. Since 2016, the Lebanese singer has performed in over 16 concerts outside the Arab World in the U.S, Canada, Australia, France, Sweden and many other countries. Karam is also a judge on the well-known television show *Arabs Got Talent*. The Arab singer produced the Middle East's very first 3D music video for her song *MaFi Noum* in collaboration with Sony Entertainment and Rotana. Karam is one of Rotana's highest-paid artists.



GETTY IMAGES



NADINE LABAKI

DIRECTOR

Labaki is one of the most famous filmmakers in the Arab World. Her movie *Capharnaüm*, written and directed by her, won the Jury prize at the 2018 Cannes Film Festival, one of the highest honors bestowed at the prestigious French film festival. Labaki has presented two previous films in Cannes. In 2005, she wrote *Caramel*, her first feature film. It was first presented at Directors' Fortnight in 2007 and in 2011 she returned to Cannes with *Et maintenant on va où?* (*Where Do We Go Now?*), a bold and universal parable on tolerance. The film premiered at the Cannes Film Festival in the Certain Regard category in 2011. It won many awards in festivals like Cannes, San Sebastian Film Festival, and Stockholm Film Festival. Labaki is an actress, screenwriter and director and she has made a number of adverts and music videos for singers, including for superstar Nancy Ajram.



GETTY IMAGES



ZIAD DOUEIRI

DIRECTOR

Doueiri's latest film *The Insult* became the first Lebanese film to be nominated for an Oscar, shortly after being selected for the Golden Lion Award at the Venice Film Festival 2017. He has also won the François Chalais Award at Cannes Film Festival for his movie *West Beirut* in 1998. Born in 1963, Doueiri is a cinematographer, film director and writer. He has directed and written four movies including *The Insult* (2017), *The Attack* (2012), *Lila Says* (2004), and *West Beirut* (1998), in addition to directing many TV series such as *Baron Noir*. Doueiri first gained notice for his work under Quentin Tarantino as camera assistant for movies including *Jackie Brown*, *From Dusk Till Dawn*, *Pulp Fiction*, and *Reservoir Dogs*.

**ELIE SAAB**

FASHION DESIGNER

Saab's designs have been worn by celebs such as Halle Berry, Sandra Bullock, Angelina Jolie, Taylor Swift, Jennifer Lopez, Sonam Kapoor and Katy Perry among many others. In 1982, Saab opened his first boutique in Beirut at the age of 18. He shot to fame after Hollywood star Halle Berry wore one of his designs at the Oscars in 2002. The Lebanese designer is a regular in international fashion shows and has 11 boutiques spread across Europe, North America and in the Middle East and at many others points of sales.



GETTY IMAGES



REEM ACRA

FASHION DESIGNER



The Lebanese international designer launched her eponymous line Reem Acra New York in 1997 and has participated in 80 to 100 international fashion shows so far. Her collections are carried by 150 global stores including some of the world's most exclusive retailers such as Bergdorf Goodman and Neiman Marcus. Acra is a member of the Council of Fashion Designers of America (CFDA), and has dressed celebrities such as Angelina Jolie, Taylor Swift, Jennifer Lopez, Madonna and Kate Hudson. Recently, Acra appeared as the lead judge on the hit Middle Eastern reality TV show, *Fashion Star*.



ZUHAIR MURAD

FASHION DESIGNER

Murad opened his first atelier in Beirut in 1997 and is a regular participant in Paris Fashion Week. He has participated in more than 35 international fashion shows so far and his brand is presented in over 120 points of sales spread all over the globe, including prestigious stores like Harvey Nichols, Harrods, Saks Fifth Avenue, Neiman Marcus, VAKKO and many others. Murad's designs have been worn by celebs such as Nicole Kidman, Jennifer Lopez, Jessica Chastain, Beyonce, Catherine Zeta-Jones, Hally Berry, Helen Mirren and Celine Dion among many others.



GETTY IMAGES



RABIH KAYROUZ

FASHION DESIGNER

Founder of the renowned fashion house Maison Rabih Kayrouz, the Lebanese designer has participated in Paris Haute Couture Fashion Week and in 18 international fashion shows so far. He presents four collections a year, with his ready-to-wear collections sold in Beirut and Paris. Additionally, more than 50 multi-brand stores around the world carry his designs. Kayrouz studied at the French Chambre Syndicale de la Haute Couture and Maison Rabih Kayrouz is a member of the Fédération de la Haute Couture et de la Mode. In 2013, Kayrouz was nominated as Chevalier des Arts et des Lettres by the French government. Celebrities such as Catherine Deneuve, Inès de la Fressange, Isabelle Huppert, Pink and many others have worn his designs.



GEORGES HOBEIKA

FASHION DESIGNER

Hobeika is a Lebanese fashion designer of Haute Couture and ready-to-wear clothing. He officially opened his atelier in Lebanon in 1995, and became one of the best red-carpet couturiers in the world after international celebrities such as Adriana Lima, Heidi Klum, Fan Bing Bing, Eva Longoria and Jennifer Lopez chose his designs. He has been presenting his collections in Paris Fashion Week twice a year since 2000 and has participated in 35 fashion shows so far. His collections are sold in his boutiques in Lebanon and Paris and among other points of sales around the world like Harvey Nichols, Bloomingdales, and Rubaiyat. As of January 2017, Maison Georges Hobeika was named an elected Guest Member of La Chambre Syndicale de la Haute Couture.

GETTY IMAGES



TONY WARD

FASHION DESIGNER



The Lebanese designer grew his family's couture house into an international brand by presenting his First Collection under the Tony Ward label in 1997. Ward has participated in more than 50 international fashion shows and has presented during Paris Fashion Week. The designer's brand is now distributed in more than 40 high-end boutiques and multi-brand stores worldwide such as Harvey Nichols, Bosco Di Ciliegi, and Esti's, Kleinfeld. He has dressed celebrities such as Sharon Stone, Rihanna, Beyoncé, Whitney Houston, Felicity Huffman, Rita Ora, Alessandra Ambrosio, Annette Bening, Pink, Cindy Crawford, and Zoe Saldana,



GEORGES CHAKRA

FASHION DESIGNER

Georges Chakra is a Beirut-based Lebanese haute couture fashion designer and he has participated in more than 39 international fashion shows mainly at Paris Fashion Week. In 2006, his collection appeared in the film *"The Devil Wears Prada"*, starring Meryl Streep. Chakra started off with a small studio in his living room, sketching, and sewing the garments himself. In the fall of 2002, Chakra expanded his workshop to Paris for the Haute Couture Fashion Week, debuting his first collection on the French runway. Many celebrities and public figures including Beyonce, Blake Lively, Jennifer Lopez, Katy Perry, and Arab celebrities such as Queen Rania of Jordan, Ahlam Al Shamsi, and Majida Al Roumi have worn his creations.



GETTY IMAGES



Raising His Voice

Marcel Ghanem, Lebanese journalist and former host of the widely popular Lebanese political talk show "Kalam Ennas" discusses his career highlights and hopes for his country.

You started your career in law—what made you want to move into media and how did you make that transition?

In addition to my career in law, I always had a passion for journalism and media. In 1995, after working for years in Radio Liban Libre (RLL) as Editor-in-Chief of the news department, Pierre El Daher (CEO of LBC Channel back then) asked me to host and prepare a TV program called "Kalam Ennas". Back then, I accepted the challenge and I considered that we could make a change and raise the bar of freedom in the country that was suffering from political domination and occupation.

How have you managed to tackle controversial political subject matter in the Middle East, which is a region that mostly does not promote free press?

It was never an easy task. Sometimes you have to break taboos and set the trend in order to create the change you want. The years were full of challenges and political pressure but we managed to navigate with wisdom and people were expecting more from us every time.

I believe that "leadership is not a position or a title, it is action and example". Lebanon has been for many years the beacon of freedom in the region. Our country had martyrs of opinion and journalism and because of them Lebanon had this level of freedom and still does.

What are the biggest challenges you have come up against in your 30-year career and how have you overcome them?

I think the biggest challenge has been remaining at the top. It is difficult to reach the top in your career, but what is much more difficult is to try to stay at the top. You have to keep working every day as if it's your first day in your career. I never consider that what I do is enough. I always want to achieve more and this passion was the reason behind my 30-year career.

How important to you are high ethical standards and how do you maintain them?

I used to teach "ethics of media" at the university and I

believe that a successful journalist is the one who knows how to respect the ethics of society. Sometimes we have to sacrifice news or a scoop because of ethical standards.

Respecting ethics comes along with respecting the heritage of the country and the privacy of each confession in Lebanon. This country was built based on diversity and you cannot be successful on TV without respecting this diversity.

What to you has been the highlight of your career so far?

The love of the people.

As a media figure and a voice of the people, what do you think are the most pressing issues for Lebanese nationals currently and how hopeful are you that a new government will be able to tackle them?

I believe that people are tired of the daily life problems they encounter. From the lack of water, to electricity to internet and most of all the daily traffic jams. People are also tired financially due to the lack of work opportunities and stability and prosperity of the country.

The newly formed government must respond to all the needs of the people quickly otherwise Lebanon will not be the same country as we know it. The poor are getting poorer and the middle class is in extinction. Drastic measures

Who would you most like to interview that you have not already met and why?

I have met and interviewed many interesting people in my life before, but I always say If I have to retire one day, I would love to interview Feiruz as my last interview.

What is your ultimate goal?

Helping people achieve a better future.

What dream do you hope to achieve in the future?

I believe that I am still in the middle of my career. I hope to achieve more with time, but most of all I would like to be surrounded by my friends, family and people I love.

TOP INNOVATORS LEBANESE STARTUPS

1. Anghami

Music streaming platform

Elie Habib, Eddy Maroun

\$29 M • 2011

Eddy Maroun came up with the idea of Anghami when he wanted to listen to music while skiing at a Lebanese mountain resort but couldn't because iTunes wasn't yet available in the country. Anghami today is the leading homegrown music platform in the region, with Arabic and international content.

Eddy and Elie struck up a friendship in 2000, when Habib hired Maroun, a skilled musician, to play tunes he wanted to turn into ringtones for mobile phones.



IMAGE FROM SOURCE



2. Scriptr

IoT application platform

Rabih Nassar

\$5 M • 2015

Scriptr is an IoT Platform that enables enterprises to develop and deliver IoT applications with reduced time-to-market and increased cost efficiency. Before founding Scriptr in 2015, Rabih founded Apstrata, a cloud platform that helps Mobile Network Operators benefit from the developer economy in 2009. Rabih holds an MBA from the École Supérieure des Affaires in Beirut.

3. Falafel Games

Develops and publishes massively multiplayer online games

Vincent Ghossoub, Radwan Kasmiya

\$4.8 M • 2016

Founded in 2016 by Vincent Ghossoub and Radwan Kasmiya, Falafel Games develops and publishes massively multiplayer online games. The startup has over 2 million users in the GCC and had started operations in China before moving its base to Beirut. The gaming startup is known for games like *Action Anime*, *Knights of Glory* and *Hot Blood*.



4. Sqwirl Lab

Startup studio

Karl Abouzeid, Ziad Jureidini

2016

Sqwirl Lab is a startup studio that works on developing new startups. It started as an urban deliveries service in July 2016 and then pivoted into a company that creates other startups in 2017. The startup studio provides other startups with seed stage financing through their fund. When opened it was Beirut's first startup studio.



IMAGES FROM SOURCE



5. Energy24

Alternative Energy storage and generator

Antoine Saab, Nadia Moussouni

\$3 M • 2011

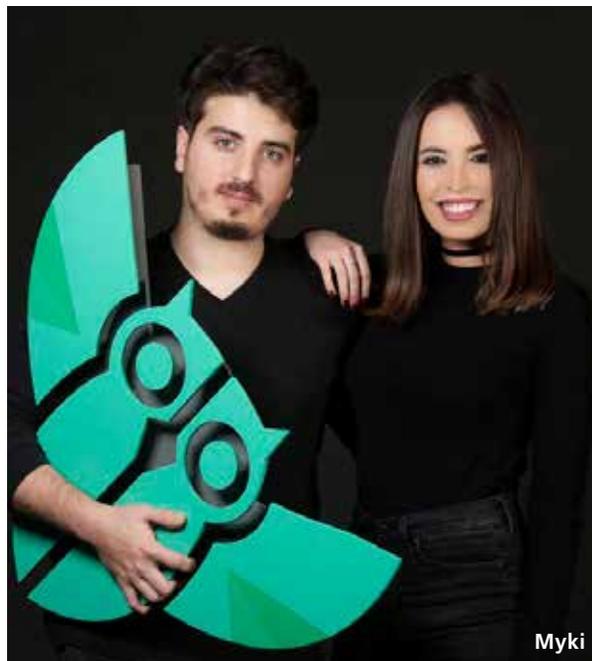
Energy24 or E24 designed an array of affordable and cost-effective energy storage and generation solutions. Through these energy solutions customers could save between 50% to 80% on their energy bills. It was founded by Antoine Saab and Nadia Moussouni in 2011 and their first product was sold in 2013.



Blink My Car



Feedeed



Myki

6. Blink My Car

Car care app

**Ralph Choueiri, Rami Hallal,
Joseph Khalil \$1.6 M • 2015**

7. Risk+ Solutions

Financial intelligence and risk
management solutions

**Jad Doumith, Chadi El Nawar
\$1.5 M • 2017**

8. Loop

Electric scooter sharing technology

**Anwar Sukkarie
\$1.3 M • 2015**

9. Myki

Cybersecurity

**Antoine Vincent Jebara,
Priscilla Elora Sharuk
\$1.2 M • 2015**

10. L'Atelier du Miel

Honey production

**Marc-Antoine, Ralph Bou
Nassif, Rabih Trabolsi
\$600K • 2011**

11. Zoomaal

Crowdfunding platform

**Abdallah Absi
\$580K • 2012**

12. N.A.R.

Drone software for oil and gas
industry

**Nicolas Zaatar,
Charlie El Khoury
2015**

13. Kamkalima

Arabic interactive learning platform
for K-12

**Siroun Shamigian,
Nisrine Makkouk
2015**

14. Moodfit

Online interior design platform

**Mohamad Sabouneh,
Tarek Jaroudi,
Ghassan Abi Fadel
2016**

15. Brate

Products, services and businesses
marketplace

**Shadi Tabbara,
Samih Harfouche
\$400K • 2012**

16. Feedeed

Online marketplace for skills and
services

**Dany Abu Jawdeh,
Romy Saber,
Fidaa Ghibreel
\$355K • 2014**

17. Troy Dimension

3D printer manufacturer for
prototypes

Marwan Al Chaar 2016

18. Presella

E-ticketing platform

**Ali Koubaissy,
Karim Muhtar,
Louay Al Kadri,
Walid Singer 2012**

Health And Beauty Connection

Dr Ghanem, Founder of Pharmacie Le Gabriel in Achrafieh, Beirut, explains how he started his small pharmacy and developed it over time to become a three-dimensional business that serves health and wellness needs.

You opened your first pharmacy in 1998, just a year after you graduated. How did you get the investment at that time to start a company on your own?

I got my license to open a pharmacy from the Lebanese Order of Pharmacists in 1997. In 1998, during my last year of studying for my doctorate degree, I started working on the project in order to be able to do it. I managed to gather \$50,000. Half was provided by my father and I took a bank loan to cover the rest of my expenses.

In your first ten years in business, how did you attract loyal customers and grow your retail business?

Although the pharmacy was small, it attracted a wide range of neighborhood clients because of the luxurious and personalized customer experience. I built a personal relationship with my customers. I was constantly present as their trusted consultant and advisor on all medical issues. I also made sure to diversify the medical and parapharmaceutical products. I would get the customers what they needed even if I personally had to search for the products in other pharmaceutical companies.

In 2008, you supported your wife in opening G spa to help make Pharmacie Le Gabriel part of a Health and Beauty network. What is the experience you're hoping to provide people with? Do the pharmacy and the spa share product lines?

The G spa concept started to come to life when my wife Roula left her job at a production company to join me in expanding the project I had and start a full-fledged spa experience.

We worked together round the clock. From day one, we decided that G spa would offer a professional, comprehensive spa wellness experience to our clients; no compromises were to be made. Roula took over this venture and I gave her all my support.

The pharmacy and the spa complete each other. They offer



Dr Karim Ghanem

a unique experience to our clients, with product diversity, adjacent doors and one professional system.

At what point did you decide to expand your knowledge of wellbeing and beauty?

In my second location, as having a para-pharmacy was part of my expansion, I believed that, to give better advice to the clients, I had to know more about this industry.

I got my dermo-cosmetology degree from Lyon University in France, which established a partnership with the Lebanese university in 2003. That opened new doors for me to attain more certificates. As I focused to get a better grasp of the cosmetic and dermatological skin consultation field, I attended workshops and

trained at dermatologist clinics.

What made you decide to set up a product range three years later? Were you having trouble finding quality products?

I am continuously looking for something new, and when I came across the "Puresentiel" brand I was impressed by their aromatherapy concept and over-the-counter products. I started by importing them, and as the need increased and my belief in it grew, I decided to become the exclusive distributor of the brand.

How do you now contribute to all three businesses?

I delegate and trust the teams. I rely on general managers and senior management to do their part of the job and reach targets. I only manage the pharmacy closely, as I always did from the beginning.

Regarding the G spa, Roula Ghanem is the leading mind, general manager and decision maker. For Health Essentials, Joumana Boustany takes the lead. They always consult and brainstorm strategically for further development and find ways to face challenges and grow sustainably.

Re-defining Beauty

Dr Charbel El Hachem, plastic and reconstruction surgeon, studied under a master of the profession before bringing his world-class skills back to the Middle East. Here he discusses what motivates him, and how Lebanon is embracing plastic surgery.

What inspired you to follow a career in plastic surgery after completing your medical degree?

Helping people who suffer from malformations has always been the source of my inspiration. It was what motivated me to specialize in plastic and reconstructive surgery. The most fulfilling act of surgery I can achieve is to relieve patients, not only from their physical problems, but also from the psychological problems they go through because of how other people perceive them.

How did you manage to be selected to study at the Ivo Pitanguy Institute?

After conducting long and thorough research into global institutes teaching plastic and reconstructive surgery, it became obvious that Instituto Ivo Pitanguy was the best. It is where the world's most famous doctors in plastic and reconstructive surgery go to learn from the master, and where the most famous stars go seeking the natural look at the hands of Ivo Pitanguy.

After finishing seven years of general medical studies, I was so determined to go to Brazil, that I started studying Portuguese—it was mandatory to succeed the test. I went to La Sorbonne in Paris to present my degree in Portuguese, then I flew to Rio to present the plastic surgery exam.

I knew it was going to be a tough competition. Only 2% of the candidates who apply every year are taken, and students are only allowed to present twice. That year, seven Brazilians and seven foreigners were selected, and I was one of them.



What would you say are top three lessons you learnt while you were perfecting your trade in Brazil?

I learnt more than three relevant lessons at the institute but the top three are, first, to listen carefully to the people seeking help to understand what they suffer from, whether it is from a severe malformation or from an early aging symptom causing a deep discomfort. Once the diagnosis is done, you must measure the expectations of the patient vs the possible results, and be responsible by saying no when the requests are illogical or might disfigure the patient. Professor Pitanguy was known for giving his patients a natural look and it's a legacy we, his students, respect and work to perpetuate.

Second, beyond a transactional or commercial action, reconstructive surgery is here to help people feel better about themselves. Therefore, I follow the path of my professor in Rio, and I operate for free when patients that are suffering from certain conditions and don't have the means for the operation come forward seeking my help.

The third lesson is understanding the impact that plastic surgery can have, by seeing patients who are extremely happy with a transformation of their lives that has given them back their self-respect. I help my patients look better not flawless. When people feel better about their physical appearance, it will reflect on their soul.

After working with some of the industry's biggest names in Brazil, what made you decide to return to Lebanon and set up your own clinic?

After working in Brazil, I decided to come back because I missed my home and family. But also, I had the opportunity to introduce these new Brazilian procedures and techniques to Lebanon, where common surgical interventions were defying any natural look. I felt I had a purpose, a mission to bring back to our culture what it has always been known for: humanity, elegance and refinement.

By introducing new state-of-the-art techniques to the Middle Eastern market, I was able to gain the trust of my patients and re-define the parameters of beauty. Being taught the secrets of the industry by the Master, Prof Pitanguy as well as the league of surgeons in Brazil, allowed me to provide excellence in plastic surgery. The novelty introduced to the market attracted patients from the Middle East seeking excellence in healthcare.

Is plastic surgery growing in popularity in Lebanon? Have you noticed any trends in the types of procedures people are asking for?

Plastic surgery has grown in popularity worldwide. Lebanon

is definitely a place where people want to look better, but I always remind my patients that whatever they are looking for, it is about their natural look, inner beauty and character. It is not about trends, it is about identity.

Today, social media has been weaponized. The digital platforms bombard people with daily pictures of new trends as if they are the ultimate look to be accepted or adulated by society. I advise my patients to be aware of how much manipulated content related to plastic and reconstructive surgery is being spread by social chatter. You even see fake operations showing you unbelievable results that distort your mind and make you think that you have to go through such surgical interventions.

Your mind affects your body, and the experiences you go through affect your physical self. As a plastic surgeon, I try to help my patients find the harmony between body and soul so their physical appearance can reflect their inner beauty.

How do you identify if someone qualifies for a procedure or whether they are seeking surgery for unnecessary reasons?

Every patient must have a scientific medical reason for the technique to be performed. This is very personal. Plastic surgery is not a production of a series, every patient is unique, every surgery is unique. Therefore, the pre-operative evaluation should be performed in the smallest details, exploring the patient's look, individuality and expectations. Accordingly we set a plan together to proceed.

What are your predictions for your industry in the coming year?

There's no doubt that Lebanon will see a continuous rise in plastic surgery as it attracts a broader audience regarding age and treats a wider diversity of body areas. Social media, celebrity culture and the availability of preventative cosmetic procedures are all drivers of cosmetic surgery.

Is advanced technology having an impact?

I regularly attend meetings and conferences in Brazil and in the west in general to keep myself updated about the latest technologies or surgical methods being newly introduced or used, but I don't believe technology has yet overthrown a surgeon's skills with his hands. Our work is still manual and technology's impact on plastic and reconstructive surgery is still slow, even though it is being used in micro-surgery today.

TOP 35 INFLUENTIAL LEBANESE BUSINESS PERSONALITIES



Raed Khoury



Fayez Rasamny



Christophe B El-Kallassi

Fayez Rasamny

Chairman & CEO
RYMCO
Automobiles

Raed Khoury

Minister of Economy & Trade /
Founder
Cedrus Bank
Banking

Akram Kassatly

President & CEO
Kassatly Chtaura
Beverages

Ali-Ghassan A Merehbi

Founder & Chairman
Arabian Construction
Company (ACC)
Construction

Elias Murr

Chairman
Group Murr
Construction

Georges Hage

Group CEO
C.A.T. Group
Construction

Talal Shair

Chairman & CEO
Dar Group
Construction

Wael S. Khoury

Chairman
Consolidated Contractors
Company (CCC)
Construction

Ghassan Hasbani

Deputy Prime Minister,
Minister of Public Health / CEO
Graycoats,
Consulting

Christophe B El-Kallassi

Chairman & General Manager
Kallassi Group
Diversified

Michel Zovighian

Chairman & CEO
Group Sehnaoui
Diversified

Neemat Frem

President & CEO
INDEVCO
Diversified



Elias Bou Saab

Elias Bou Saab

Advisor of the President of Lebanon / Founder

American University in Dubai

Education

Eduardo Fakhoury

Founder & Managing Director
CFI Group Holding

Financial Services

Farid Chedid

Founder, Chairman & CEO
Chedid Capital Holding Group

Financial Services

Peter Daniel

CEO Lebanese Roasting Group (Castania) Food



Neemat Frem

Dr. Charbel El Hachem

Plastic Surgeon
Various Hospitals

Healthcare

Nayef Maalouf

CEO
Bellevue Medical Center

Healthcare

Dr. Matta Matta

Owner
Various Hospitals

Healthcare

Dr. Raed Lattoouf

Owner
Raed Lattouf Clinic

Healthcare



Eduardo Fakhoury

Roger Edde

Chairman
Eddesands Hotel and Wellness Resort

Hospitality

Andreas Iliovits

Founder & Chairman
Mosart Marble & Mosaic International, The Bridge Lebanon

Industrials

Rabih Reaidy

Chairman RAR Holding

Industrials

Michel Pierre Pharaon

Chairman
Libano Suisse

Insurance



Peter Daniel



Dr. Charbel El Hachen



Dr. Raed Lattoouf

IMAGES FROM SOURCE



Rabih Reaidy



Nayef Maalouf



Dr. Matta Matta

Maroun Chammas

Chairman & CEO
Berytech
Investments

Yeprem Chakardemian

Owner
Yeprem Jewelry
Jewelry

Marcel Ghanem

Journalist & Presenter
MTV Media

Dr. Toni Issa

Vice Chairman & President
IPT Group
Oil & Gas

Marc Chamoun

CEO Marc Chamoun
Properties Real Estate

Wissam Ali Achour

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Achour Development
Real Estate

Sakr A. Sakr

Chairman
Sakr Power & Real Estate
Real Estate

Dr. Karim S Ghanem

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Retail

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Chairman
Azadea
Retail

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Resource Group Holding
(RGH)
Technology

Raghida Dergham

Executive Chairman & Journalist
Beirut Institute
Think Tank



Marcel Ghanem



Maroun Chammas



Sakr A. Sakr

Stepping Out

Andreas Iliovits, founder of Mosart Marble, tells us about his latest venture—multi-purpose entertainment complex, The Bridge.



Andreas Iliovits, founder of Mosart Marble

Of all the projects and structures that have been created from Mosart Marble, what are you most proud of?

I am proud of all the projects and structures that have been created from Mosart Marble; however, I am extremely proud of the Presidential Palace project because it was such a big challenge in which are million M2 of stone was produced and more than 20,000 cubic meter of massive artwork fabricated in Mosart factories. The development was completed in the time requested, was accomplished with high/international quality, and is the biggest stone project executed in the world.

What do you think it is about marble that so captures people's attention and imagination?

Marble is a natural stone that we can work with, and we can change its form to create architectural and artistic masterpieces.

Can you tell us about your new venture in hospitality?

The new hospitality venture in Lebanon is called The Bridge. We are working on an establishment that holds entertainment, health, culture, food and family recreational activities all under one roof.

Why have you decided to branch out into such a different sector?

I decided that it is time to create some sort of diversity in my business, and after some extensive research, I found that the service and hospitality sectors in Lebanon are more successful than contracting industries. Lebanon is known for its extensive services that it offers to its people and tourists, whereby the industry relies on its services, tourism, and hospitality sectors.

What is it about The Bridge that is different to what is currently in the market?

The Bridge is a complex that we can customize to suit our clients' needs. It is tailor-made for every individual—covering all activities carried out in an entire day. You can arrive at our complex in the morning and leave the next day.

Breakfast can be served at Kan yama Kan, exercise is carried out at the gym, relaxation time can be spent at the spa, dinner is served at the French restaurant, drinks are poured at Bearcat, and the party gets started at Pitch Black.

Shining The Spotlight On Lebanon

Nathalie Rahal and Chady Fayad, co-founders of ICE International Events, want to showcase the possibilities Lebanon has to offer on regional and global stages.



Nathalie Rahal

What turns a good event into something unforgettable? What are the key elements that you think should always be considered or included?

Basically, turning an event into something unforgettable requires two types of thinking: the creative, and the technical. No two events are the same, no matter how similar they are, and in our opinion, the most important part at the early stage is grasping the theme, concept and spirit of the event to later derive a whole consistent world from.

The whole ICE team goes to the event site when it's still deserted soil. We brainstorm, we connect with the elements of the environment, and we form the identity of the event. And then we make sure to create a homogeneous experience for our client.

Then comes the technical part, which we do with impeccable attention to detail to keep consistency. What others take for granted, we do with passion. We rely on the skills of our team of designers, architects, graphic developers and technicians to deliver the perfect finish.

It is a hectic job but we live for it, which gives our work a boost that no materialistic gains can provide.

In the 10 years you've been running your own company, what are the moments that you are most proud of?

It was heartwarming when the pope publicly thanked the event-organizing company—which was ICE— saying that this was the most organized visit he had witnessed throughout his tour around the globe.

When we're travelling and see videos that promote Lebanese tourism and see that most of the events highlighted are done by ICE, we feel like we're doing something bigger than ourselves by contributing to the socioeconomic reality of our country, and by working passionately to enhance its cultural image. Like when the Jounieh Bay was filled with fireworks and all the world saw it highlighted on CNN.

Where did you initially get the investment to set up your own business and what were the biggest challenges you faced as new entrepreneurs in 2008?

Actually, in 2008, we had already faced the hardships and the biggest challenge, which was surviving the 2006 war that hit Lebanon. We were having the most productive year when suddenly a negative force came over the country in a split-second and everything came tumbling down.

We didn't know what was going to happen next. People kept asking us what are you doing in Lebanon? They said that with our experience and capacity we can go anywhere more stable and maximize our revenues at the fraction of the risk. But we stayed, because we realized that we belong to Lebanon no matter how hard it is to be in it. We had the confidence to invest in a project while few others believed in this country. We borrowed a small amount of \$50,000, then success fed the next ventures.

How much oversight and creative input do you have over your sister companies?

We monitor very closely all of our companies. We are involved in all of them. We craft an annual strategy. We go about our managerial approach with the same organizational approach we adopt in managing our events. It is engraved in our culture now. This is why we are able to manage such big groups.

We have people that are specialists in their field, operating on a high level of transparency and trust. We are strong believers in harmony between our teams and our companies, just like we are on the smallest operational level, this is reality for the management of the group. We all support each other and respect that the main goal is engaging with each other and succeeding in each project.



Chady Fayad

What's the most unusual or memorable event that you have hosted?

We love all of our events, but we are mostly proud of the ones we did at zero benefits, for NGOs, for social causes, which contribute to the betterment of society and to Lebanon. We feel a strong sense of responsibility towards our country.

What the biggest last-minute change that's cropped up in your line of work and how have you overcome it?

The event that does not have a last-minute problem does not exist. Sometimes things are not controllable by us, like the weather.

We always have Plan A, Plan B and

Plan C. We take decisions and actions on the spot. We have connections and backup from our sister companies, and resources through a close relationship with suppliers and our relationships in the market. This allows us to be agile and to overcome challenges at the last minute.

Do you think Lebanon is becoming an easier place for young people to thrive and establish their own businesses?

Even though we have everything to strive for in Lebanon, the people still feel almost as if they are on their own. You don't feel supported in Lebanon. The lack of security and support from the government, especially in our industry, makes it hard, but possible. It just needs lots of energy, devotion and patience.

What would be your dream project to work on?

Nathalie: To work on a global event that gets hosted in Lebanon, like the FIFA World Cup. This boosts the country and rehabilitates it while improving all of its functions, crafting them from scratch.

Chady: I agree that Lebanon is a culturally rich country because of our roots and people. We already export culture to the whole world. We dream of hosting events like the Expo that happens in Milano, in Dubai, and other major cities. We dream of a Beirut Expo.

We dream of such change that requires the country to rejuvenate itself, to boost all of its infrastructure and sectors, and to create a positive disruptive volcano to move the country forward. We dream of awakening the world the potential that Lebanon really possesses.

Top Places To Visit In Lebanon

By Nermeen Abbas and Amany Zaher

Pigeons' Rock (The Rock of Raouché)

Lebanon is famous for its exquisite nature, diversity, glamor, European flavor and hospitable people. Its cities are carved among the most famous names in ancient history as major outposts and seaports in Phoenician and Roman times, just two of the great civilizations that touched this important Middle Eastern crossroads.

Lebanon's diverse patchwork of Mediterranean-lapped coast, rugged alpine peaks and green fertile valleys is packed into a parcel of land some 225km long and 46km wide. There are four main geographic regions in Lebanon, differentiated by topography and climate. From west to east, they are the coastal plain, the Mount Lebanon Range, the Bekaa Valley, and the Anti-Lebanon mountains, the capital has been called the Paris of the East thanks to its French influences and vibrant cultural and intellectual life.

Here are some of the most naturally beautiful and culturally important places to visit in Lebanon.

Jeita Grotto

In the Valley of Nahr El-Kalb, north of Beirut, you will find the jewel of the tourism industry in Lebanon—the Jeita Grotto. The road leading to the caverns is carved into the mountains and surrounded with trees. Once inside, two separate but interconnected karstic limestone caves—referred to as the lower cave and the upper galleries—span nearly 9 kilometers. Visitors can explore these using a ropeway and a train.

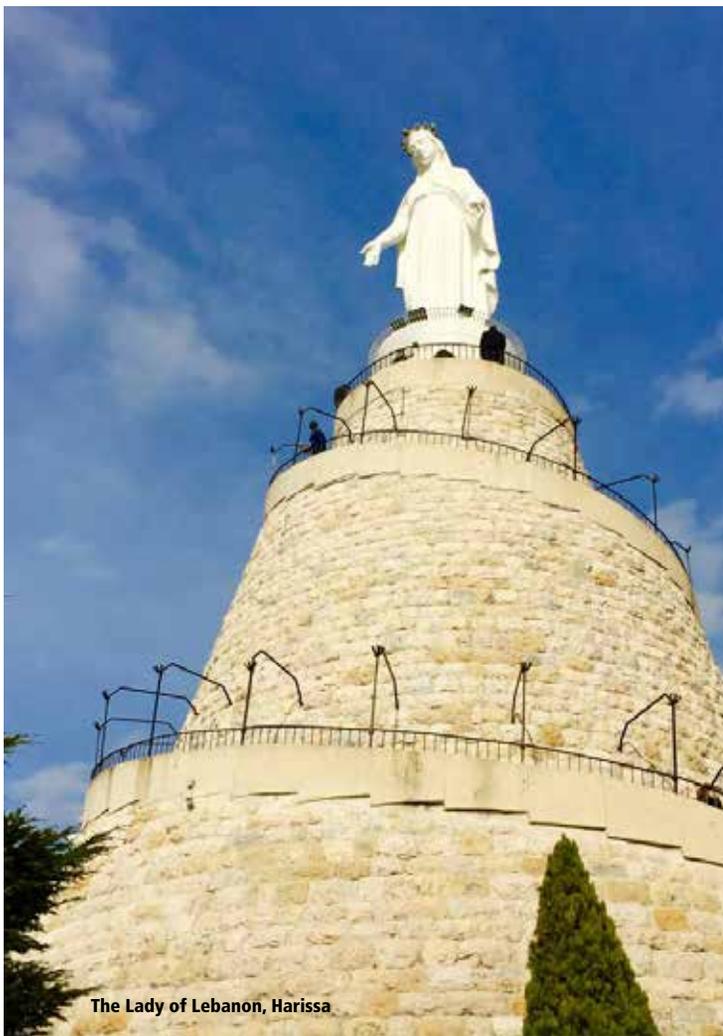
The lower cave was found in 1836 by American missionary, William Thomson, who after venturing some 50 meters into the cave, fired a shot from his gun to discover the cavern. It was opened to the public in 1958. The upper galleries, opened in 1969, were discovered in 1958. They contain the biggest stalactites in the world, measuring 8.2 meters.

Baalbek

This Phoenician city, where a triad of deities was worshipped, was known as Heliopolis during the Hellenistic period. It retained its religious function during Roman times, when the sanctuary of the Heliopolitan Jupiter attracted thousands of pilgrims.

Baalbek, with its colossal structures, is one of the finest examples of Imperial Roman architecture at its apogee. The Temple of Jupiter, principal temple of the Baalbek triad, was remarkable for its 20-meter-high columns that surrounded the cella, and the gigantic stones of its terrace. The adjacent temple dedicated to Bacchus is abundantly decorated, with its monumental gate sculpted with Bacchic figures.

Baalbek became one of the most celebrated sanctuaries of the ancient world, progressively overlaid with colossal constructions that were built over more than two centuries.



The Lady of Lebanon, Harissa

The Lady of Lebanon, Harissa

On a 1,970-foot (600-meter) hilltop and just 26 kilometers from Beirut, a painted bronze statue of the Virgin Mary with her hands outstretched toward the city, stands on Mount Harissa, overlooking the Bay of Jounieh. The statue has become one of the world's most important shrines to the Virgin Mary and attracts millions of visitors each year. It is one of the most visited sanctuaries in Lebanon.

The statue was made in Lyon of bronze and covered with white paint. It stands 8.5 meters tall. It arrived in Beirut in 1906, and the construction of the sanctuary was finished on 3rd May 1908.

Beiteddine

Beiteddine is best known for its 19th-century palace, which displays the best example of ancient Lebanese architectural style. It was built over a 30-year period by Emir Bechir el Chehabi II, who ruled Mount Lebanon for more than half a century.

The Beiteddine Palace, boasts vast courtyards, beautiful fountains, ochre stone and perfectly geometrical arcades. The imposing doors of inlaid marble, the typical mandaloun balconies closed in by intricate woodwork, and the richly colored windows are all characteristic of the period.

Beiteddine also hosts an annual summer festival—the Beiteddine Art Festival). It lies 45 km southeast of Beirut and is situated 900 meters above sea level.



Baalbek

Forest of the Cedars of God “The Arz er-Rabb”

The Arz er-Rabb, or the Forest of the Cedars of God, is an ancient forest and one of the rare sites where the “Cedrus libani” still grows—one of the most valued construction materials in the ancient world that is cited 103 times in the Bible.

The Egyptians used cedar wood to build their temples and sun ships, while Hiram and Tyre sent cedar to Solomon to build the temple of Jerusalem. Cedar wood was also used in building the Phoenician fleet. The oldest cedar trees reach a height of 35 meters and a circumference of 14 meters.

Nearly 2,500-years-old, the Forest of the Cedars is located on Mount Makmel, at between 1900 and 2050 meters altitude and to the East of the village of Bcharré. It is considered a national natural site by UNESCO.

Pigeons’ Rock (The Rock of Raouché)

Off the coast of Raouché, lies the famous natural landmark of Pigeons’ Rock—also known as the Rock of Raouché. These two huge rock formations, made of sedimentary pale soft porous limestone rock eroded over millions of years, stand like gigantic sentinels on the Mediterranean Sea. They were formed in the prehistoric era by geological movement.

There are many activities for visitors, including paragliding, parasailing, swimming, jet skiing and walking along the Corniche.

Qadisha Valley

One of the deepest and most important settlement sites of the first Christian monasteries in the world is set in this extraordinarily rugged landscape. The valley is located in northern Lebanon, north of the Mount Lebanon Range, and West of the Forest of the Cedars of God. At the bottom of the wild steep-sided gorge runs the Qadisha River, whose source is in the Qadisha Grotto at the foot of the Cedars.

The rocky cliffs of the Qadisha Valley have served over centuries as a place for meditation and prayer. The valley comprises the largest number of monasteries and hermitages dating back to the very first spread of Christianity.

The word “Qadisha” comes from a Semitic root meaning “holy”, and the valley’s depths lie at the bottom of sheer cliffs that are rich in water from melting snow. 



A Port In A Storm

The war in neighbouring Syria has brought more than a million refugees to Lebanon, placing strains on the country's infrastructure and introducing further pressure into its jobs market.

By Dominic Dudley

Counting the number of Syrian refugees in Lebanon is not an easy task. The United Nations High Commission for Refugees (UNHCR) says there were just over 976,000 registered refugees in the country as of the end of June 2018. Some 351,000 are living in the Bekaa Valley in the eastern half of the country, 255,000 are in Beirut, 252,000 in the north of the country and 118,000 in the south.

These numbers are lower than in the recent past—in May 2015, the number of registered refugees was close to 1.2 million and it has been declining steadily since then. But not all refugees will have needed or wanted to register with the UNHCR and the true number may well be closer to 1.5 million.

In a country like Lebanon, where the pre-Syrian war population was around 4.4 million, these are big

numbers and the presence of so many people arriving in a short period of time—often vulnerable and with limited resources—has inevitably placed pressure on the economy, society and government. The IMF noted in a report issued on 21 June 2018 that “Spillovers from the conflict in Syria, including large numbers of refugees, have affected growth and strained public infrastructure and services.” The organization went on to say that it “commended the authorities for their generous efforts in hosting refugees and agreed that Lebanon needs continued international support to address this challenge.”

Lebanon has certainly been remarkably welcoming to those fleeing the war. However, there are signs that the patience of some sections of Lebanese society is starting to wear thin and there are calls from some for the government to do more to encourage refugees to return to Syria, notwithstanding the fact of ongoing conflict in much of the country.

These days the official response to the refugee crisis is jointly run by the Lebanese government, the United Nations and various national and international NGOs and donors, with the current Lebanon Crisis Response Plan (LCRP) covering the years 2017-2020. The plan covers more than the Syrian refugees, also aiming to help host communities as well as Palestinian refugees in Lebanon. In all, some 3.3 million people were in need of assistance in 2017 under the plan.



There were just over 976,000 registered refugees in the country as of the end of June 2018. Some 351,000 are living in the Bekaa Valley in the eastern half of the country, 255,000 are in Beirut, 252,000 in the north of the country and 118,000 in the south.

The situation of Syrian refugees is often difficult, according to the most recent Inter-Agency Coordination report on the LCRP. Some 74% of them lacked a legal residency permit as of May 2017 and just 17% of refugee births are registered. The proportion of displaced Syrians living in poverty stands at 76%, while 53% live in inadequate housing, 91% have some level of food insecurity and 22% lack access to improved drinking water supplies.

Employment remains a critical problem. Only 56% of Syrian refugee men aged 15-64 were doing some work last year, but on average most of them only worked for 14 days a month. The main areas of work are informal labour in agriculture and construction—two areas where the Lebanese government officially allows refugees to work; other sectors such as the services industry are theoretically off-limits.

As the IMF noted, the presence of so many people is putting significant pressure on Lebanon's infrastructure, including its schools and hospitals, housing stock, utilities networks and more besides. There have been some positive elements though. Companies have access to a large pool of cheap labour. In the early years following the outbreak of the Syrian war, there was also a boost to consumption levels in Lebanon, which helped to offset the decline in tourist arrivals. Some of that persists even now—mobile phone subscriber numbers have increased substantially over recent years and remain high.

Overall though, analysts say there have probably been more costs than benefits. "There have been positive and negative impacts,"

says Dina Ennab, sovereign analyst at Capital Intelligence, a ratings agency. "Initially, the first flow of refugees helped boost domestic demand, and contributed to modest growth. However, as the number of refugees increased to over a million, Lebanon's fragile infrastructure and limited resources were significantly affected."

Some take a more pessimistic view of the situation. "For me, there is no positive impact of refugees on Lebanon. All I can see is a negative impact, by using the infrastructure, by competing with Lebanese workers," says Marwan Mikhael, chief economist at Blominvest Bank. "I don't buy the issue of adding to consumption. Unemployment has more than doubled among Lebanese workers. It's not a competition on the same level playing field."

A recent report by Blominvest on the impact of refugees on the economy noted that Lebanon's unemployment rate doubled to approximately 18-20% following the start of the Syrian war in 2011, with the increase particularly afflicting young Lebanese workers aged 15-24 years. Syrians who are working tend to be employed in lower paid jobs and are, according to the bank, driving down wages for the wider population. "The average monthly wage of an employed Syrian refugee is at L£418,000 (\$278) while that of a Lebanese worker stands at L£900,000 (\$600)," the report stated.

The situation is creating pressure on the government to encourage refugees to return home, although insisting on that at a time when the war is still raging carries the risk of placing the refugees back in harm's way. There have been some small-scale efforts to repatriate refugees but reports from on the ground suggest that many who are going are doing so only reluctantly and, once back, are coming under pressure from the Assad regime in Damascus.

Maha Yahya, director of the Carnegie Middle East Center in Beirut, says a majority of refugees in both Lebanon and Jordan are unwilling to go back to Syria unless they can be assured of their safety and security—something that most of them believe is not possible without a political transition in Syria.

Experience from past crises including Afghanistan and Palestine shows that refugees can often remain outside their home countries for years and even decades. The only real solutions to their fate are safe return to their home countries, integration in their host countries or resettlement in a third country. Right now, all those options look problematic for Syrians seeking shelter in Lebanon. **F**

The Role Of Risk Management In Lebanon's Economic Future



Ahmad Waarie,
Managing Consultant
Middle East, Willis
Towers Watson

Our connected business world has seen a fundamental shift in how companies manage risk. In a year where news headlines are dominated by stories of data breaches, non-compliance and more, businesses are seeing the writing on the wall: improve risk awareness and implement risk management practices or court disaster.

But what does that mean in the context of Lebanon? And how will educating ourselves on risk enable all of us to serve our clients better, support our colleagues more effectively, and contribute positively to our communities?

Lebanon: Mitigating Business Risk

First, is the country really on the brink of economic disaster? A quick survey of its recent economic challenges may suggest so, but dig a little deeper and the future is brighter than it seems.

With its strategic intercontinental positioning, a trade-friendly coastal location, a culture centred on merchant activity and a history of exemplary economic recovery following national turbulence, Lebanon has the commercial foundations and resilience required to achieve great recovery. We need only look at how successfully it weathered the 2008 economic crisis—achieving 8.5% growth.

Restoring the country's economy and business activity to its pre-2011 level is certainly possible, but only if businesses turn their focus to developing robust plans for risk and human capital management. Leaders have a choice: invest in improvements now or close their eyes and hope their companies emerge from the current challenges unscathed. The latter isn't an option.

Tech Innovation: Opportunities And Threats

While countries such as Germany, the U.S. and Switzerland are considered top of the list for tech innovation, Lebanon is not to be ignored. Several incubators and accelerators dedicated to

supporting tech startups now exist in the country.

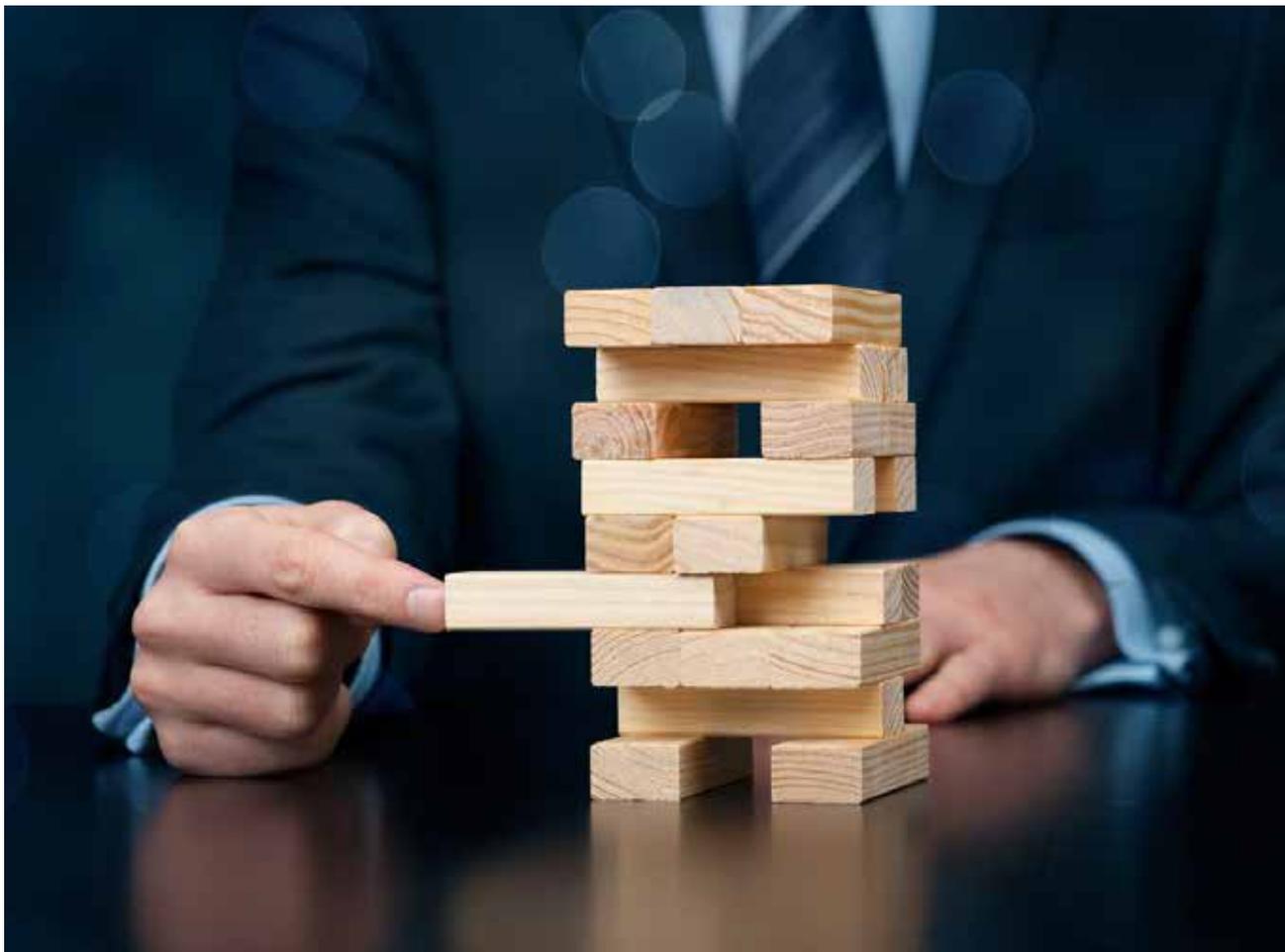
Lebanon has already made progress with high-tech SMEs focused on specialist areas such as clean technologies and hardware design. With initiatives such as the EU's Horizon 2020 Innovation and Research Programme ready to bolster the country's technological market, the future looks bright. Indeed, Horizon 2020 has pinpointed Lebanon as a country that stands to benefit from the almost EUR80 billion of funding on offer.

But to capitalise on this opportunity, businesses must now turn their attention to two key areas of risk: loss of tech talent to competitors and cyber-risk.

A quick look at the Fortune Global 100 shows that nimble new companies are surging up to the top spots. This is directly linked to a cultural shift where top talent moves from company to company every few years instead of staying around for decades. This is a key threat to businesses since they stand to lose valuable expertise within the company if they don't nurture their workforce effectively. It is therefore more important than ever to keep employees happy, challenged and stimulated in their roles. Better employer-employee communication also means information and awareness training can be more effectively pushed out to teams.

Another challenge affecting employees is automation. Three years ago, 91% of jobs in Europe, the Middle East and Africa (EMEA) were carried out by humans. Today it's 85%. In three years' time it is expected to be 75%. Within the next three years we will also see a 6% drop in the number of full-time employees, globally and across EMEA. Therefore, a work culture of continuous improvement and adaptation is integral to greater retention and attraction of talent.

The subject of cyber-risk affects businesses across all sectors. However, the banking and insurance sectors are two in which rigorous cybersecurity practices are particularly vital—not only are both enjoying growth, they are also



becoming increasingly digitized.

The country's insurance market was worth \$1.63 billion in 2017, according to the Association of Insurance Companies in Lebanon, and the Lebanese banking sector grew by 7.6% in 2017 compared with 2016. Risk management actions underlie the continued private and public confidence in both sectors, including investment in HR, technology and legal services that ensure full compliance with international regulations. Not only will this ensure that consumer confidence in both sectors persists, it will also protect businesses from the costs and penalties associated with data breaches.

Around 66% of all claims for cyber breaches are caused by employees losing devices, accidentally revealing sensitive information or acting maliciously. In contrast, just 18% of breaches are due to hacking. Therefore, it's vital to place security at the centre of company culture and make it second nature to all members of staff.

Building A Happy, Healthy Workforce
Failure to maximize employee health can

threaten the future of businesses. Research has shown that an unhealthy worker is more likely to take time off and is less engaged than a healthy one—not good for them or for business.

Poor health risk management is a notable way in which problems around insurance premiums and claims can arise. Working on establishing a company culture of health and well-being and providing health benefit packages that truly impact each employee's daily health will go a long way toward mitigating any risk created by poor staff health.

Lebanon Today And Tomorrow

Contrary to the bleak picture often painted in the media, the economic future for Lebanon and its home-grown businesses does hold promise. While the economic situation is far from ideal at present, it is not the first time the country has been hit by challenges, yet its track record shows that a return to its former economic position is not without precedent.

By developing a robust risk management plan, businesses could find themselves emerging from the current situation in a stronger position than previously imagined. **F**

Risk management actions underlie the continued private and public confidence in Lebanon's banking and insurance sectors.



"ALTHOUGH SOMETIMES I MIGHT SOUND SOMETIMES IDEALIST OR TOO OPTIMISTIC BUT I THINK MY FATHER USED TO SAY TO ME IN EVERYTHING BAD THERE'S SOMETHING GOOD THAT IS GOING TO COME OUT OF IT AND THERE WILL ALWAYS BE A TOMORROW."

—SAAD HARIRI

"In Lebanon, there are completely different opinions and values in one country in terms of religion, modernity, tradition, East and West - which allows for a kind of intellectual development not available anywhere else."

—RABIH ALAMEDDINE

"Love is the law of God. You live that you may learn to love. You love that you may learn to live. No other lesson is required of Man."

—MIKHAIL NAIMY,
THE BOOK OF MIRDAD



"You can't say history teaches us this or that; it gives us more questions than answers, and many answers to every question."

—AMIN MAALOUF

"There is nothing more precious than our country."

—SAAD HARIRI

"Spring is beautiful everywhere, but it is more than beautiful in Lebanon. Spring is the spirit of an unknown God speeding through the world, which, as it reaches Lebanon, pauses, because now it is as at home with the souls of the Prophets and Kings hovering over the land, chanting with the brooks of Judea, the eternal Psalms of Solomon, renewing with the Cedars of Lebanon memories of an ancient glory."

—KHALIL GIBRAN

"My name means 'hope' in Arabic, and I was born when there was a war in Lebanon."

— AMAL CLOONEY



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