

# The 17th Arab Economic Forum

Location: Lebanon - Beirut, Phoenicia Hotel. April, 2nd. 2009



The 17th Arab Economic Forum was held on 2 and 3 April 2009 in Beirut, under the patronage of HE President of the Council of Ministers of Lebanon H.E. Fuad Siniora, and with the attendance of key Arab and international figures.

HE Nader AL Dahabi, Prime Minister of Jordan was the guest of honor at the forum, and high profile attendees included the Former Lebanese Prime Minister, HE Najib Mikati, HE Abdullah Bin Ahmad Zeinal Alireza, Minister of Trade and Industry in KSA, H.E. Adnan Kassar, President, General Union of Chambers of Commerce, Industry and Agriculture for Arab Countries, H.E. Riad Salamé, Governor, Central Bank of Lebanon, HE Salem Abdulaziz Al Sabah, Governor of the Central Bank of Kuwait, HE Sheikh Khaled Bin Saud AL Thani, Deputy Governor of Qatar Central Bank, H.E. Sheikh Saad Hariri, Member, Lebanese Parliament and HE Sheikh Saleh Kamel, President of the Islamic Chamber of Commerce & Industry, in addition to over 600 delegates that included Arab ministers, former ministers, leading officials, high level speakers, and a large numbers of business, finance and investment leaders and economic personalities.

The Forum contained 6 sessions in addition to the opening ceremony. The sessions discussed the following topics:

- Facing the Crisis
- Investing in Education and Human Resources
- How the Crisis is Likely to Impact FDI and Economic Reform
- The New Fundamentals of Real Estate Markets
- The Financing Gap and the Future of Banking Industry
- Impact of the Crisis on Arab Industries

The forum also presented the "Life Time Achievement Award" to H.E. Fuad Siniora, President of the Council of Ministers, H.E. Eng. Nader Al Dahabi, Prime Minister of Jordan, and H.E. Sheikh Salem Abdul Aziz Al Sabah, Governor, Central Bank of Kuwait. As well, "The Rafic Hariri Leadership Award" was granted to H.E. Abdullah Bahamdan, Chairman, The National Commercial Bank, Saudi Arabia, and "The Bassel Fleihan Young Leaders Award" was presented to Dr. Khater Massaad, CEO, Ras Al Khaimah Investment Authority, UAE.

The Arab Economic Forum 2009 was organized by Al Iktissad Wal Aamal Group in cooperation with the Central Bank of Lebanon, the Association of Banks in Lebanon, and the International Finance Corporation (IFC) of the World Bank.



## Day One: Thursday 2 April 2009

### Opening Ceremony:

- Mr. Raouf Abou Zaki , General Manager , Al-Iktissad Wal Aamal
- Dr. Froncois Bassil , Chairman , Association of Banks in Lebanon
- H.E. Adnan Kassar , President , General union of Chambers of Commerce , Industry and Agriculture for Arab Countries.
- H.E. Riad Salameh , Governor , Central Bank of Lebanon
- H.E. Sheikh Saad El-Hariri , Member , Lebanese Parliament
- H.E. Fouad Siniora , President of the Council of Minister , Lebanon
- H.E. Eng. Nader Al Dahabi , Prime minister , Jordan
- H.E. Abdullah Bin Ahmed Zainal Ali Reza , Minister of Commerce & industry, Saudi Arabia.

All the above names, discussed the economics of the region and which was attractive the speech of **Sheikh Saad El-Hariri** who assured that Lebanon was not affected by the crisis and is aware of it. In addition, he highlighted on the coming parliament elections and guaranteed that it is fateful for all the Lebanese because it will adjust the economic growth. Also he comforted all the Lebanese, esp. the businessmen, by the new comprehensive economic and social program, which the government will present soon to improve all the sectors in Lebanon.



H.E. Fouad Siniora presented solutions for the several sectors (transportation sector, energy sector, Banking and financial sectors Agricultural and industrial sector...) in the region. He also mentioned that Lebanon succeeded in decreasing the unemployment problem and the inflation which automatically affected positively on the Lebanese economic growth.



**In the 1st day, the panelists focused on the following topics:**

**1- Facing the crisis:**

- Outlook for the global economy and expected impact of rescue plans and economic stimulus measures.
- Have Arab governments been able to contain the crisis so far?
- What are the policies needed to offset the crisis and resume growth?
- What role for the international Monetary Fund?

**2- Investing in Education and Human Resources:**

- Investment requirements in education
- Investing in education as a long-term response to the crisis and looming unemployment
- Role of the private sector in education and prospects for partnerships with the public sector.

**3- How the crisis is likely to impact FDI and economic reform**

- Trends of investment flow after the crisis
- Offsetting the decline in foreign investment flows
- Reassessing economic reform: proceed or holdback.

## Day two: Friday 3 April 2009

In the 2nd day, the panelists focused on the following topics:

### 1- The New Fundamentals of Real Estate Markets:

- Arab real estate markets : lessons learnt from crisis and the shape of the future
- The new drivers of supply and demand
- The fallout of real estate crunch on the engineering and contracting sectors.

### Panelists:

- **Mr. Mounir D. Haidar** , Chief Executive officer , Sourouh , UAE
- **Mr. Mounir Douaidy** , General Manager , The Lebanese Co. for Development and Reconstruction of Beirut Central District S.A.L. (Solidere)
- **Mr. Abdullah F. AL Shakra** , Chairman , Al Hanoo Company , Saudi Arabia
- **Mr. Mohamad Ayash** , CEO and General Manager , Dolmen , Lebanon
- **Mr. Fadi Moussalli** , Regional Director , Jones Lang LaSalle Mena
- **Dr. Ahmed Mattar** , Secretary General , Arab Federation for Real Estate Development , Egypt

- Mr. Mounir D. Haidar explained the real estate sector in UAE and how it was affected by the crisis but he was optimistic and announced that Abu Dhabi can face the any crisis due to its resources.
- Mr. Mounir Douaidy announced that the real estate demand in Beirut especially Solidere decreased since the prices increased due to the small amount of properties.
- Mr. Abdullah F. AL Shakra , explained the economics stage in Saudi Arabia during the crisis and mentioned how they are prepared to face any problem
- Mr. Fadi Moussalli explained Dubai Real Estate problem and how much it was affected by the crisis due to the lack of the resources.
- Dr. Ahmed Mattar , presented his book which include plans and solutions a government must follow to avoid the crisis.
- **Mr. Mohamad Ayash highlighted on the concept design that Dolmen is following in order to make its project successful. He criticized the architectural design of the Gulf projects and assured that the design lead to the crisis and not the American financial status. He counted Dolmen projects in Falougha and Ain Zhalta and explained why Dolmen is concentrating its projects in Town of Lebanon and not in Beirut. He expresses his optimism and his trust in Lebanon and the Lebanese.**



## Press Releases

Six sessions on trends in the crisis, investment in education, investment challenges, the future of the property, the funding gap and the future of the banking industry, and the impact of the crisis on the Arab Industries.



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Arab Economic Forum continued its seventeenth session, which was organized by the Economy and Business Group in collaboration with the Central Bank of Lebanon and the Association of Banks in Lebanon and the International Finance Corporation (IFC), its second day. Hearing on the future of real estate and construction in light of the crisis in which he spoke each of the Chief Executive Officer of edifices in the UAE Mounir Haidar, Director General of Lebanese Company for the Development and Reconstruction of Beirut Central District (Solidere) Munir demodectic, and Chairman of Al Hanoo Holding Company in Saudi Arabia Abdullah Fahid Shakrah, Regional Director for the group Jones Lang LaSalle in the UAE Fadi MOUSSALLI, the Secretary General of the Arab Union for Real Estate Development d. Ahmed Matar.

Beginning, Haider focused on the importance of continued growth in the real estate sector and infrastructure in the Arab region, even in light of the crisis, pointing out that there is a real demand for residential units is caused by the large numbers of the middle class in most countries of the region. Haider considered that one of the causes of the crisis in the real estate sector in the UAE is the rapid growth and profit, as the profit of real estate companies in some cases to 75 percent while natural profit is up 12 percent.

Moussalli, in turn, pointed out that Dubai has been a leader in the real estate sector at the level of the Gulf Cooperation Council (GCC), and that this sector is the largest contributor to the GDP of the state. He pointed out that the real crisis began before the summer of 2008 on the impact of problems in some real estate companies. Moussalli pointed to a particular problem in Dubai, the availability of market Big Show vs. weak demand.

Shakrah considered that the real estate sector took the largest share of the repercussions of the global financial crisis, especially in countries where the real estate market shift to market speculation. He added that what happened does not mean there is a lack of tools for monitoring and accountability, but what is missing is strict in the application of the laws and the

creation of the authorities are able to monitor and control market forces and persuade or compel reference to a state of balance.

He spoke Douaidy for the real estate sector in Lebanon, noting the sector's ability to continue in light of the current financial crisis. He pointed out that the strength of the real estate market in Lebanon lies in the fact that the demand for real estate is an internal request until the Lebanese working abroad, making it a sustainable demand unlike what happened in the Gulf region, where most of the customers are from outside these countries. He added that this was prevented for landslides or decline in real estate prices in Lebanon. He expected to return prices to recover in the near future.

Ayash said *"the cause of Lebanon affected by the financial crisis is not having financial resources and surpluses, as in other markets to support developers. He pointed to the great efforts made to these developers to maintain their position in the market. It is these efforts to create a distinctive and useful projects to targeted customers and provide added value to them, with the need to carry this country's cultural identity projects which are built"*

