

Rise on the horizon

1 – Rise in Property Taxes collected:

In the first seven months of the year 2004, collected property taxes rose by 31.3 percent on the same period last year to reach LL 155.1 billion. In the month of July alone, according to figures issued by the directorate of Real Estate Registry, property taxes amounted LL25.4 billion, up 7.6 percent from the corresponding month of 2003.

The proportion of collected taxes by region in the first seven months of the year indicated that Beirut was the highest with 38.3 percent, followed by Baabda 20.8 percent, Metn 15.4 percent, Kesrouan 7.9 percent and Bekaa with 4.6 percent.

2 - Slight rise in permits in first seven months:

Construction permits issued for the first seven months of 2004 covered a total area of 5,106,420m², 3.2 percent rise from the same period in 2003, according to figures from the Order of Engineers of Beirut and Tripoli. Almost half of the construction permits issued were for Mount Lebanon with 46.7 percent. Approximately 20 percent were issued for North Lebanon, 14.7 percent in South Lebanon, 12.9 percent for Beirut and 5.8 percent for the Bekaa.

3 - UN report: FDI on the rise:

According to World Investment Report issued by the UN Conference on Trade and Development (UNCTAD), Foreign Direct Investment (FDI) in Lebanon rose to \$358 million in 2003, up from \$257 million in 2002, a jump of 12.1 percent in one year. This brought total accumulated investment for the past 10 years (up to the end of 2003), to \$1.981 billion.

Lebanese investments abroad also rose in 2003 to \$97 million from \$74 million in 2002. The report puts Lebanon in 90th position worldwide in 2003 in terms of FDI.

Foreign investments in Lebanon have risen considerably since September 11, 2001. Most of these investments came from Arab Gulf companies, focusing on real estate and touristic projects and hotels.

Overall investment in Lebanon and other Arab countries has surpassed other years, but is still lower than countries in Asia, Europe and the U.S. Total FDI in the Arab countries in 2003 stood at \$7.3 billion. Bankers and analysts who participated in several investment conferences in Beirut say "Arab states could attract more investment if they liberalize their economies and give more tax incentives".

Abdallah Hayek P.E
CEO
Hayek Group s.a.r.l
Beirut – Nov. 2004