

# Overview on the Lebanese Maritime Industry

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Excellencies, Distinguished Guests,  
Ladies and Gentlemen,

Lebanon takes pride in being the guest country at this forum, and I am delighted to be here along with my other Lebanese colleagues, to brief you of the state of affairs in Lebanon in general, and its maritime services sector in particular.

### **ROLE OF THE “INTERNATIONAL CHAMBER OF NAVIGATION OF BEIRUT”**

First, let me introduce our association the “International Chamber of Navigation of Beirut”:

The chamber was established in 1939. Lebanon was then under the French mandate. Our chamber has since been devoting its entire resources and energy to defend and protect the interests of the shipping industry in Lebanon.

Additionally we joined forces with Arab shipping organizations across the Arab world, and established eight years ago, the Arab Federation of Chambers of Shipping, based in Alexandria, Egypt, and in which we assume the role of vice chairman. The Federation has proven to be an efficient tool removing transit obstructions, and enhancing regional shipping services.

Our Chamber also contributed directly to a number of key initiatives, including the construction of the Beirut container terminal in 2000 and the drafting a new law governing the maritime section of the Lebanese Customs regulations.

## **EXTENSION OF BEIRUT CONTAINER TERMINAL**

Of course our achievements would have been materialized without the support of the authorities concerned, namely the Ministry of Public Works and Transport, Beirut Port Authority and Customs Authority.

Thanks to the Minister Mr. Ghazi Arid, Beirut port got larger, and the container terminal main quay no.16 length will increase from 600 to 1100 meters long. This expansion will enable the port to accommodate an increased number of large ships and expand the capacity of handled containers. These works are now underway, and are scheduled to be completed within 36 months.

## **EXCELLENT ACTIVITIES AND REVENUES IN 2008 AND 2009**

Allow me now to give you an account of the state of affairs at Beirut port, as proven by official statistics:

In spite of the international monetary crisis, and the slump in global trade activity in 2008/2009, Beirut Port recorded a substantial growth in its financial revenues.

Along with this, the Lebanese treasury collected a significantly larger amount of customs duty and VAT in 2009, taking into account that 2008 was also an excellent year for Beirut Port.

These tables will give you a clearer view of the progress made in years 2008 and 2009 by Beirut port.

Statistics of Beirut Ports during 2008 and 2009

	<b>Year 2009</b>	<b>Year 2008</b>	<b>+ / -</b>	<b>+ / - %</b>
<b>Total number of ships</b>	2395	2055	+340	+17 %

Table 1

	<b>Year 2009</b>	<b>Year 2008</b>	<b>+ / -</b>	<b>+ / - %</b>
<b>Quantity of goods (million tons)</b>	6,322	5,746	+576 thousand tons	+10 %
<b>Quantity of goods imported (millions tons)</b>	5,653	4,906	+747 thousand tons	+ 15 %

<b>Quantity of goods exported (thousands tons)</b>	669	840	-171 thousand tons	- 20 %
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Table 2

	<b>2009</b>	<b>2008</b>	<b>+ / -</b>	<b>+ / - %</b>
<b>Quantity of cars</b>	104703	100744	+3959 cars	+ 4%

Table 3

	<b>2009</b>	<b>2008</b>	<b>+ / -</b>	<b>+ / - %</b>
<b>Total containers discharged/loaded</b>	994601	945100	+49501 TEU	+ 6%
<b>Total containers discharged full for Lebanese market</b>	284964	256766	+28198 TEU	+ 11%
<b>Total containers loaded full with</b>	41377	485357	-6980 TEU	- 15%

<b>Lebanese cargoes</b>				
<b>Total containers discharged reloaded (transshipment containers) (full/empty)</b>	397227	411960	-14733 TEU	- 4%

Table 4

	<b>2009</b>	<b>2008</b>	<b>+ / -</b>	<b>+ / - %</b>
<b>Total revenues US\$</b>	2831,515 millions US\$	2093,433 millions US\$	+738,082 millions US\$	+ 35%
<b>Port revenues (US\$ millions)</b>	163,486	132,548	+30,938 millions US\$	+ 23%
<b>Customs revenues (US\$ millions)</b>	1623,875 millions US\$	970,430 millions US\$	+653,445 millions US\$	+ 67%

<b>VAT revenues (US\$ millions)</b>	1040,078 millions US\$	987,171 millions US\$	+52,907	+ 6%
<b>Harbor Master revenues (US\$ millions)</b>	4,076	3,284	+792 thousands US\$	+ 24%

Table 5

It goes without saying that the container terminal was the driving power behind this excellent performance, and we are confident that Beirut container will continue to be as successful as ever, attracting international shipping lines to use its facilities as a hub for their operations in the region, and more upon completion of the extension project.

### **LEBANON IS A NET IMPORTING COUNTRY**

It is worthwhile to mention Lebanon is a net importing country, since the value of its imported goods exceeds US\$ 16 billion per year while the value of its exports is less than US\$ 3.5 billion per year.

	<b>2009</b>	<b>2008</b>	<b>+ / -</b>	<b>+ / - %</b>
<b>Value of imported goods US \$</b>	16,242 billions	16,137 billions	+105 millions	+ 1%
<b>Value of exported goods US\$</b>	3,484	3,478	+6 millions	Less - 1 %

Table 6

There were 285000 TEU shipped to the Lebanese market during 2009

#### **4 MAJOR SHIPPING LINES CONTROL MORE THAN 70% OF THE LEBANESE MARKET**

The shipping industry in Lebanon is a replica of several others such as banking, insurance, communications where big corporations control the larger shares of business

There are 4 major international maritime lines whose business account for 71% of Lebanon's shipping trade.

Their respective shares are:

MSC (Switzerland) around 88000 TEU            or 31 %.

CMA CGM (French) around 53000 TEU	or 19 %
MAERSK (Danish) around 34000 TEU	or 12 %
Hamburg Sud (German) around 27 000 TEU	or 9 %
All others around 83000 TEU	or 29 %

### **BEIRUT PORT HUB FOR MSC AND CMA/CGM**

At this time, MSC & CMA/CGM are relying on Beirut Port as a transshipment center for about 400000 TEU per year.

### **INTERNATIONAL SHIPPING LINES PARTNERS IN LEBANESE AGENCIES**

I must also clarify that the MSC & Maersk, own 50% of their local agencies in Lebanon, while CMA/CGM owns 100% of its Lebanon agency due to the fact that the parent company is the Lebanese Saadeh family.

### **LIBERALIZATION OF LEBANESE MARITIME SERVICES**

On the other hand, we, as Lebanese shipping community, support Lebanon's accession to the World Trade Organization (WTO) as well as the liberalization of the services sector, including shipping services, subject clear conditions and regulations.

In this regard, we recommended that the Lebanese Ministry of Transport decree issued in 1994, which requires that a minimum of 50 % of the shipping agency shares belong to Lebanese individuals or companies, be maintained and kept nominative, and made non-transferable to non-Lebanese shareholders.

May I mention here that when Jordan joined the "WTO", it agreed with its partners in WTO that a minimum of 50% of any shipping or transport entity be owned by Jordanian partners.

As opposite to this, Egypt became part of "WTO" without any restriction as to the ownership of the shipping agencies, but later on and after they realized the importance of the damage inflicted on the shipping agencies, Egypt adopted a law whereby a minimum of 51% of any shipping entity should be retained by Egyptians.

On another front, Syria recently abstained from signing the Association Agreement with the European Union in order to protect the interests of Syrians against being overtaken by Europeans.

The Syrian law in force at present stipulates that maritime agencies should be fully owned by Syrians.

Bearing these risks in mind, we asked the Lebanese government to limit non-Lebanese party's ownership to a maximum of 50% of any shipping entity.

Fully opening the doors to foreign companies without the obligations to have a Lebanese partner will endanger the existence and the role of the Lebanese shipping services which will be forced to close doors and lay off employees and increase the unemployment in this vital sector.

Finally I wish you and the Forum success and prosperity.

Thank you for your attention.