



**Speech of Ambassador Christina Lassen, Head of the Delegation of the  
European Union to Lebanon**

**Lebanon National Day of Industry and EU-Arab Industrial Cooperation**

Grand Serail  
2 June 2016

*CHECK AGAINST DELIVERY*

Your Excellency Prime Minister Tammam Salam,  
Your Excellency Minister of Industry H.E. Hussein Hajj Hassan,  
Mr. Riad Salameh, Governor of the Central Bank of Lebanon,  
Mr. Yehia Al Shemali, President of the Arab Federation for Industrial Export  
Development,  
Mr. Emmanuel Noutary, General Delegate of ANIMA Investment Network,  
Ladies and gentlemen,

I am happy to be among you today to celebrate the National Day of Lebanese Industry and the EU-Arab Industrial Cooperation organised in the framework of the third Euro-Arab Conference to Support SMEs. This conference is an important milestone for the EU-funded project EUROMED Invest and I would like to thank all the partners, in particular ANIMA, for having organised these 'Mediterranean economic events'.

Ladies and gentlemen,

Small and Medium Enterprises (SMEs) are a vital part of the economy in Lebanon and – taken together – provide a large proportion of employment in the country. The EU consistently places SMEs at the heart of its policies both in Europe as well as in this region. The adoption of the Euro-Mediterranean Charter for Enterprise in 2004 has been a milestone to shape SME policies and to promote businesses. Creating more and better jobs is only possible with sustained economic growth, driven by a dynamic private sector.

Economic development in general and employment opportunities for the youth in particular, are among the key EU priorities that emerged when we last year did a big review of our policy for this region. In the new European Neighbourhood Policy, these are top priorities, also for our cooperation with Lebanon.

Economic growth and job creation is not only important for the sake of the economy, but also for stability. We all have a responsibility to work together to create an enabling environment to provide long-term opportunities for growth. And this is not possible without trade and industrial development.

In most countries, it is the private sector that drives growth and creates jobs. Support to the private sector in Lebanon has long been a priority for the European Union. Substantial sums have been spent from our side to enhance the capacity of SMEs in Lebanon, to boost the private sector and to improve the business environment. This support is even more relevant now, when so many companies

struggle in their daily business because of the difficult situation in the country and in the region.

But supporting SMEs in itself is not enough. We also need to make sure that these companies have a market to sell to. First of all to the Lebanese home market where better quality products can replace imports. But just as is importantly, Lebanon needs to strengthen its exports. And as you know as well as me, Lebanon currently has a big trade deficit with its major trading partners, including the European Union. We recently have had good exchanges with the Minister of Industry about this and about the impact of the EU-Lebanon Association Agreement. With the Association Agreement, Lebanon has zero tariffs on industrial goods and zero tariffs on most agricultural goods. But this has clearly not been enough to boost exports to Europe. An agreement alone cannot perform miracles. In addition to the Agreement, our Lebanese partners have to do their job in implementing much needed strategic reforms and in creating a business-friendly environment. But also, and just as importantly, we need to ensure that Lebanese products are up to the standards and quality level required by the European markets.

This is why we have recently launched a 15 million Euro programme that will assist the agricultural and wood processing sectors - most notably fruit, vegetables and furniture - in Lebanon. Value-chain development, direct support to companies and assistance to Business Development Centres will be at the core of this programme. In partnership with business organisations, local actors and financing institutions, we will help re-organising value chains, assist in product development and technology upgrade, provide advice and mentorship to companies and facilitate strategic partnerships with the European Union.

We see this quality lift as a win-win for all: improved quality of Lebanese export products will not only help access the European markets, but any other market in the world. So standards and quality are a 'must' if a country wants to export – not to mention their importance for consumer protection and health issues for the domestic market as well.

To conclude, I would like to emphasise that the process we are engaged in is very important and it brings us closer to our shared ambition for the region: to create a Euro-Mediterranean area where the businesses can establish, develop, import, export, invest, build business partnerships and create jobs in optimal conditions.

Let me end by thanking again H.E. Prime Minister Tammam Salam, H.E. the Minister of Industry Hussein Hajj Hassan and the organisers for the continued efforts to strengthen the cooperation between the European Union and Lebanon.

Thank you.