Minister of Foreign Affairs and Emigrants Republic of Lebanon Mr Gebran Bassil

"Lebanon's future perspectives in the current crisis: elements for stability and prosperity"

Palais Egmont, Brussels February 10, 2015

Excellencies, Ladies and Gentlemen,

It is indeed a pleasure and an honor for me to speak before such a distinguished audience. Therefore allow me first to express my gratitude to H.E. Mr Didier Reynders for his introductory remarks and for his kind invitation which gave me the opportunity to address you this afternoon.

25 years ago, Lebanon hardly came out of a long protracted civil war. Since then, we have been struggling to overcome the damage caused by the absurd violence that threatened to blow the foundations of our democracy and our social fabric.

Since the end of the war we have been deploying colossal efforts in order to rebuild our country. For many years now we never wavered, and even the tremendous and scary challenges posed by the current situation in the middle-east will not undermine our resolve.

Unfortunately for us, our specificities, and the true nature of our role in the region is often ignored by the west, which adds up to our difficulties. Mainstream media and some academia or biased think tanks are keen on propagating stereotypes about us which, regrettably, highly influence public opinions.

Stereotyping aims at eluding the complexity of the real. There is a propensity right now in the west, to view us in a very narrow, simplistic and biased way: either as being militarily aggressed, or as cold political aggressors. We resent this simplistic false perception which relegates us either in the victims' box or in the aggressors' one.

My intention is to share with you some thoughts hoping that this will contribute to broaden your understanding of the Lebanese dynamics, while keeping away from stereotyped language. Lebanon's message is the antidote to that of Daech which contests our right to exist. To anyone who is patient enough to understand the Lebanese situation and people, Lebanon avers as a country with many assets and huge opportunities.

We are Lebanese, proud of our "Libanity" which is the result of the accumulation of centuries of civilizations: Throughout history, Lebanon became the crossing point for various civilizations coming from all horizons. Contemporary Lebanon, the country I proudly represent, is the result of this mix of cultures and civilizations. The diversity we haul is the message we carry. Lebanon was, is, and will remain a beacon of tolerance and coexistence, where differences are harnessed for consolidating a pluralistic and vibrant society.

We are rooted in this region and we were not transported to it,

We are not willing and we will not accept to be transferred away from it. In staying rooted in Lebanon, we will contribute together with our European neighbors to our shared and collective success, which will enable us to defeat radical organizations with obscure ideologies that spread extreme violence on both sides of the Mediterranean.

We will remain where we are, in Lebanon, and will neither give up our values nor stop promoting our message.

We are the carriers of the everlasting message of humanity that accepts the other and respects individual's freedoms:

Freedom to exist and to live one's specificities.

Freedom of belief and thought.

Freedom of speech and expression.

Lebanese social groups have resisted an amount of pressure that our society has endured for decades and ended up being strongly cemented. In contrast, some countries which have always been heralded as models of democracy and stability are showing signs of possible disintegration, under the pressure of the last global financial crisis.

Our strong democratic culture based on tolerance and coexistence has allowed us to develop a unique model of "consociative/consensual democracy", the good side of which is reflected in the fact that none of the Lebanese communities should be in the position to impose its views.

Lebanon's economy has proven to be resilient in face of tremendous challenges aggravated by the uncertainties in the region. We are one of the few countries in the region that did not seek assistance from the IMF to provide foreign currency during the crisis. At times when recession was severely hitting in several parts of the world, our economy grew in 2014 by almost 2%. It is certainly not sufficient to compensate the heavy burden due to the presence of more than 150 Syrian national per km² on our territory. It is also far from being sufficient to sustain employment opportunities for Lebanese youth entering the job market. Still, the economic situation could have been much worse, had Lebanon, and the Lebanese, not demonstrated a strong resilience in coping with economic challenges. Our sound banking sector contributed to resisting during stressful periods.

Despite the assets that Lebanon has at hand, we remain fully aware of the problems that are lurking on our doorsteps. These could be summarized as follows:

- 1. Institutional domestic challenges include overcoming the difficulties delaying the election of a new President of the Republic and moving forward towards the adoption of a new parliamentary electoral law which guarantees just and equitable representation. The President Lebanon needs is a person who represents people's choices and enjoys strong popular legitimacy. We are looking for a strong President whose election will guide our strategy in defeating Daech and promoting our democracy.
- 2. The Syrian crisis has put a strain on our economy. The humanitarian crisis is close to turning into a catastrophe. We call upon all our partners to support us, either through direct aid to the Lebanese host communities or through direct funding to our public institutions. Lebanon will not become a land of refuge or a territory for permanent settlement. We cannot bear the unbearable, and we have now reached the limits of our bearing capacity.
- 3. The deterioration of the security environment due to the sudden spread of criminal organizations, responsible for crimes against humanity, such as Daech and Al Nosra is a major source of concern. The Lebanese Armed Forces are bravely confronting these terrorist groups as Lebanon finds itself at the forefront of the battle against the obscure and extreme ideology.
- 4. In addition, Israel continues its occupation of parts of the Lebanese territory. Moreover, Lebanon suffers from daily Israeli violations of its airspace, while our maritime borders remain under a permanent Israeli threat. The permanence of the Israeli menace to our sovereignty and to the integrity of our territory should be addressed firmly and adequately by the international community in general and the EU in particular. We are fully committed to the full implementation of UN resolution

1701, as we are seeking stability and peace through respecting the terms of this resolution.

We stand ready to shoulder these challenges and rely on your support to overcome the hurdles that we find on our way. Essential for me is to convince the west that reductionist views and perceptions about who we are and what we can do, are not in our common interest. The west has so much to gain by treating us as equals and partners. It's true that you can do a lot to help us, given your advance in many fields, and given our battered current state of affairs, but don't be oblivious to the fact that we too can reciprocate and cooperate efficiently with you in order to assuage your security concerns, to help you find new outlets for your companies and new opportunities for your economy. Do you think the world could be safe or prosperous, with the Middle East being in such a dismal situation? Do you imagine that you can stabilize it without taking us into account and involving us in the common endeavour?

Our culture is that of openness and diversity that has enabled us, in the midst of a sectarian environment, to safeguard our country. Our statehood is the result of a process that drew on the sources of dialogue and negotiation.

Lebanese have demonstrated that they were energetic enough to come up with vigorous and creative initiatives, turning their weaknesses into assets. For instance, since the end of the 18th century, our people migrated because of adversity (occupation, war, hunger...). Today we have turned this presence around the globe into a huge asset due to their individual successes. Our diaspora is certainly one of our trump cards. It serves promoting our interests abroad and it can also serve our partners' interests through easing their way to enter new markets.

Our future is also that of our youth. Those who are under 25 constitute in Lebanon around 40% of the population. They must be offered the opportunity to remain rooted in their homeland and to contribute to its prosperity, rather than be encouraged to leave the country and look for new horizons overseas. We have invested in education and are proud to have the highest ratio of universities per capita in the Arab world. We believe that our skilled youth is our gateway to a flourishing and vibrant future. Investing in the knowledge economy is one of the pillars of our strategy to reinforce our capacities and encourage our youth to start their own businesses.

Ladies and Gentlemen,

We are committed to defend you in Europe through preventing terrorists to come to you through the Mediterranean and we remain dedicated to promote our common values across the basin. The Mediterranean sea is our common basin. Its wealth is common and we are willing to share it and share its benefits.

Indeed, the discovery of offshore gas reserves will bring Lebanon to a bright and enlightened future as it could contribute to the reduction of the country's deficits and provide it with substantial financial means. The Petroleum Administration's plan is to obtain license in development of hydrocarbons resources, primarily offshore gas. This plan could make Lebanon self-sufficient in energy, with the long-term prospect in also exporting gas using the Arab Gas Pipeline or possibly new pipelines to Cyprus or Egypt. Not only would the offshore reserves guarantee an economic manna, they would also serve to interconnect countries in the east of the Mediterranean and draw them nearer to their European partners.

We do have our competitive edge through:

- 1. The abundance of the proved reserves is undoubtedly a huge asset for Lebanon's future. 45% of our surveyed waters show a 50% probability of having around 96 TCF, amounting to more than 1,5 trillion USD.
- 2. We have adopted a system, inspired from Norway that has proven its success by:
 - The establishment of a sovereign fund for the management of the wealth that will be generated from our discoveries.
 - The management of the resources follows the pattern of "the maximum profitability".
 - Setting up clear rules of good governance and transparency aiming at optimizing the benefits in all related activities.
- 3. We already launched a process that was able to attract 46 major companies (the biggest in the EU, in Asia, in the US and in Russia). Knowingly, all major IOCs have participated in this process which is an indicator of the substantive offshore reserves, especially when compared to the numbers of IOCs that have participated in the process launched by other neighbouring countries.
- 4. We have demonstrated throughout our turbulent history, our resilience and have always stood up in front of challenges. Our youth is educated, our students are always on the universities' honor boards, our businessmen have achieved legendary successes, and our diaspora is industrious and dynamic. Lebanese success stories are

all over the place. Individuals' successes are a source of pride for our nation. Lebanese have proven their managerial leadership all over the world, in particular in companies active in the energy sector. Lebanon has the human resources which will enable us to establish the adequate structures to manage the sector and its revenues. In this vein, we believe that relying on a homegrown management of the sector is a guarantee for a durable prosperity.

5. Lebanon enjoys a unique geographical position that allows us to export gas to Europe either by land or by sea. Lebanon can easily get connected to the hub of pipes in the Mediterranean that provides a variety of supplies to Europe (natural or liquefied or regasified gas). This will consequently contribute to alleviating Europe's dependency on gas delivered by traditional routes.

The discovery of these reserves and the strategy that Lebanon has set to maximize the profitability of its energy sector is a source of sustainable stability in the Middle East. I am confident that Lebanon will be able to avoid that this stroke of luck for the country turns into a curse for its population. This is in our view a renewed expression of the balance of power in the East of the Mediterranean, since all countries in the region have to beneficiate of equal rights to explore and make use of the manna that lies in our territorial seas.

Ladies and gentlemen,

I hope that I was able to offer a wider scope on the challenges that Lebanon is facing and to highlight those strong points that characterize my country, suggesting on the same occasion to take a fresh look on the opportunities that lie within your reach in Lebanon, few miles away, on the eastern shores of the Mediterranean. In this same vein, we invite the European Union to rethink the terms of our bilateral cooperation, moving away from the logic of "more for more" that has reached the limits of its efficiency, towards a tailored partnership that will be mutually beneficial. We believe that it is in our interest to keep on working on reforming our system, and we more strongly believe that it is in the interest of the Member States of the European Union to further engage with Lebanon.

I thank you.