**Assessment of**

**The EU-Lebanon Association Agreement on Trade of Industrial Products Report**

**September 2016**

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**Introduction**

Initiated and headed by the Minister of Industry, Dr. Hussein El Hajj Hassan, meetings were held to assess the EU-Lebanon Trade Association Agreement, to examine the status and volume of trade between Lebanon and the EU countries, to discuss the reasons preventing Lebanon from benefiting from this agreement to refine the sectoral exports strategies to the European markets, and to identify the sectors that Lebanon needs to export or increase their exports to the European markets.

In addition to the Director General of the Ministry of Industry, Mr. Dany Gedeon and the Minister of Industry consultant, Mr. Mohammad El-Khansa, the meeting was attended by representatives of: the Ministry of Industry, the Ministry of Trade and Economy, the Higher Council of Customs, the Industrial Research Institute (IRI), the Lebanese Standards Institution (LIBNOR), the Federation of Chambers of Commerce, Industry and Agriculture in Lebanon (FCCIAL), the Association of Lebanese Industrialists (ALI), Syndicate of Lebanese Food Industries, the Lebanese Dairy Board (LBD), the Syndicate of the Pharmaceutical Manufacturers in Lebanon. Discussions addressed the results of the Association Agreement implementation since its entry into force, and methods to help increase Lebanon’s exports and cut its imports to reduce trade deficit.

Economic repercussions and statistical results of commercial movement of industrial products were discussed in light of the implementation of the EU-Lebanon Association Agreement. It was clear that Lebanon did not benefit from its entry to the European markets, for many reasons, such as the technical, substantive and administrative barriers hindering the Lebanese exports and obstructing their access to the EU markets. Also, it is clear that policies of openness have affected the Lebanese market and led to a hefty increase in imports.

When this Association Agreement was signed, many hopes and promises were made. Particularly, the opportunity for Lebanese exporters to enter new markets that have currently over 500 million consumers. Today, in view of the growing trade deficit between Lebanon and the EU countries, a thorough review must be done to look into the reasons why these expectations were not met.

It was necessary to take measures at various levels, such as requesting the EU to adopt trade exchange facilitation measures by removing technical and non-technical barriers that allows Lebanon to increase exports to Europe, which in turn will lead to the increase of Lebanese economy growth rate.

This report was built on the facts, views, researches, and studies presented and discussed by the participants. At the end, a number of suggestions were formulated.

1. **The economic situation in Lebanon**

Over the last five years, Lebanese economy had witnessed many difficulties reflected in various negative economic indicators at different levels. According to the latest estimations of the Central Administration for Statistics and World Bank, 27% of the Lebanese population (around one million individuals) was estimated to be poor, living on less than the annual consumption average (2011-2012). Currently, Lebanese society chiefly suffers from unemployment. According to the Ministry of Labor, unemployment rate reached 25%, affecting 66% of youth (of both genders), youth also counted 44% of emigrants total by the end of the year 2015.

In 2015, the GDP reached 51.1 billion USD. Our Imports bills crept up to 18 billion USD while exports did not exceed 3 billion USD. In June 2016, public debt was around 72 billion USD.

In 2015, real growth rate dropped by 1%, against 2% in 2014 and 3% in 2013 and 9% in 2009.

Since the start of the Syrian crisis in 2011, Lebanon and neighboring countries witnessed unexpected refugees influx. As of 2016, the Syrian refugees’ population, according to the United Nations High Commissioner for Refugees (UNHCR), was estimated at 1.5 million, more than 30% of the total population of Lebanon, in addition to other 500 thousand Palestinians, Iraqis, and refugees of other nationalities. The spill-over of the Syrian conflict in Lebanon led to an aggravated economic, social, health, educational even security crisis. The cumbersome number of Syrian refugees strained the Lebanese infrastructure that already suffers from serious deficiencies in the basic infrastructural services (electricity, water, sanitation, transport, solid waste, schools, rent, hospitals…), it also contributed to an increase in unemployment affecting 35% of Lebanese youth.

Furthermore, Lebanese has been exposed to fierce competition from Syrian workers in many fields and sectors. Many Syrian refugees illegally practice a number of professions with fewer wages and without paying any taxes or fees, particularly in the industrial sector. As a result, national industries are forced to close down or lay-off a large number of its Lebanese workers.

Lebanon needs 23,000 new job opportunities per year. The local market provides merely 3,800 opportunities. This situation is worsened by the displaced Syrians, fiercely competing with the Lebanese labors. From 2011 till 2016, more than two hundred thousand Lebanese lost their jobs.

According to international organizations, an estimated 1.87 billion USD is needed to cover the refugees’ needs for the year 2015, whereas, assistance offered by donors countries did not exceed 40% of the estimated basic needs. In 2016, Lebanon needed an estimated 2.6 billion USD. Still, Lebanon did not receive sufficient donations even after participating in “Donors Conference” on February 4th, in London. Lebanon had suffered enormous losses estimated at 13.1 billion USD (World Bank 2016) due to the burdensome Syrian crisis, heavily weighing on Lebanon’s economy and presaging a looming economic dumping over the years. Due to this and all previous crises that consecutively struck Lebanon, many changes occurred in the economic, social, production, development, political and other standing situations. Refugees’ camps are using for gratis the hydraulic and electric resources and other social basic community services (roads, lands, sanitation, hospitals, education, security…) while Lebanese suffer from the deteriorated services of these two exhausted sectors- due this grim situation in Lebanon- particularly the volume of waste and the ensuing social, economic, and security negative effects.

The impact of the civil war in Syria was reflected in a significant decline in the Lebanese industrial and agricultural sectors. Border closures restricting trade with Syria and neighboring countries caused a drastic decline in agricultural and industrial exports to neighboring countries particularly Arab countries; the Lebanese-Syrian border considered the main land transport route for exports. As a result, agricultural exports fell by 11.4% in 2015 compared to 2014. Also, the Lebanese industrial exports, dropped by 5.1% in 2013 compared to the same period in 2012, by 6.9% in 2014 compared to 2013, and 6.5% in 2015 compared to 2014. Exports fell by a total of 610.9 million USD between 2012 and 2015.

This sharp decline in exports was due to many difficulties facing overland exports and complications hampering sea exports, mainly in terms of time and cost. The number of subsidized loans disbursed by Kafalat to SMEs, particularly in agricultural and industrial sectors, fell by 19.2% in the year 2015. Moreover, the value of these loans declined by 14.8% within the same year, indicating a decrease in investment expenditures in these two sectors.

Tourism sector has also deteriorated; its growth rate remained slow due to the various situations affecting the country.

To tackle the current economic situation and imminent problems caused by the Syrian refugees’ influx, a growth in the volume of Lebanese economy must be achieved by increasing exports which will reduce unemployment and activate the economic cycle.

It is disconcerting and troubling that Lebanon, the smallest Arab country in the Middle East, is burdened with the highest concentration of refugees from different countries (Palestine, Iraq, Syria, etc…), which is an international responsibility, unjustifiably weighing on the shoulders of Lebanon. Countries who are involved in the crisis - under the guise of offering support to Lebanon to face the tremendous challenges that emerged from the Syrian refugees’ influx, the closed borders and security threats – offer assistance merely sufficient to keep Syrian refugees on Lebanese territories, which entails unbearable costs to Lebanon, destabilizing its structure and stability.

1. **Trade between Lebanon and the EU 2003-2015**

**2.1 Trade balance**

From 2003 till 2015, Lebanese exports to the EU countries reached 4.7 billion USD. Imports from these countries to Lebanon amounted to 78.3 billion USD, registering a staggering trade deficit of 73.6 billion USD (table no. 1).

Trade deficit with the EU countries increased from 3.1 billion USD in 2003 to 7.2 billion USD during 2015. The highest deficit was in 2014, it totaled a record 8.4 billion USD. During this year, imports reached 8.7 billion USD against 367 million USD of exports (table no.1).

From 2003 till 2015, the average annual imports from EU reached around 6 billion USD (equivalent to 1,505 USD per capita) while the average annual exports within the same period reached around 359.5 million USD (an equivalent of 0.72 USD for each European citizen) i.e. 6% of the annual average imports. The trade balance annual deficit averaged around 5.7 billion USD.

During 2002, imports reached 3 billion USD. From 2003 till 2015, annual imports amounted to 6 billion USD, an increase of 3 billion USD.

In 2002 Exports reached 179.4 million USD, from 2003 to 2015 annual exports rate was around 359.5 million USD, an increase of 180.1 million USD.

In 2002, trade balance deficit was around 2.8 billion USD. From 2003 till 2015, the annual trade deficit average amounted to 5.7 billion USD, an increase of 2.8 billion USD in trade deficit with EU (table no. 1).

Coverage rate fell from 6% in 2002 to 4.5% in 2015 compared to 10.1% in 2007. Hence, our imports are 22 times higher than our exports.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Year** | **Exports** | **Imports** | **Trade Balance** | **Exports****/Imports** |  |
| **2002** | 179 | 2,993 | -2,813 | 6.0% |   |
| **2003** | 177 | 3,279 | -3,102 | 5.4% | Implementation of the agreement with regards to tariffs elimination on most Lebanese industrial products |
| **2004** | 185 | 3,940 | -3,756 | 4.7% |   |
| **2005** | 216 | 3,983 | -3,767 | 5.4% |   |
| **2006** | 275 | 3,779 | -3,504 | 7.3% | During this period Lebanon was under Israeli blockade for 2 months which hindered the import/export process.  |
| **2007** | 456 | 4,525 | -4,069 | 10.1% |   |
| **2008** | 517 | 5,887 | -5,371 | 8.8% | Gradual reduction of tariffs on imports from the EU. |
| **2009** | 400 | 6,230 | -5,830 | 6.4% |   |
| **2010** | 434 | 6,431 | -5,996 | 6.7% |   |
| **2011** | 505 | 7,276 | -6,771 | 6.9% |   |
| **2012** | 444 | 8,250 | -7,806 | 5.4% |   |
| **2013** | 354 | 8,356 | -8,002 | 4.2% |   |
| **2014** | 367 | 8,750 | -8,383 | 4.2% | Maximum rate of trade deficit was in the year 2014. |
| **2015** | 344 | 7,587 | -7,243 | 4.5% | The trade deficit was reduced due to decrease in oil prices and the euro exchange rate |
| **Total** | **4,853** | **81,266** | **-76,413** | **6.0%** |  |

**Table no.1: Value of exports and imports by number (million dollars).**

* 1. **The main products imported from the European Union from 2002 to 2015, and how they were affected by the implementation of the Agreement**

*Below, a detailed list of the most imported products from the EU in 2002, which represent 67.2% of the total imports, and the impact of the implementation of the Agreement on the trade exchange for these products.*

**Chemical industry products (Section 6):** imports of this article ranked first during the year 2002, with a value of 424.7 million USD, while exports were limited to 27.4 million USD (table no. 2).

In 2002, trade deficit reached almost 397.3 million USD. From 2003 till 2015, the annual trade deficit amounted to nearly 742.9 million USD, an increase of 345.5 million USD.

In 2002, trade deficit for chapter 30 (pharmaceutical products) reached 245.6 million USD. From 2003 to 2015 the annual trade deficit for this chapter reached around 492.5 million USD, a staggering increase in the trade deficit of an estimated 246.9 million USD (table no. 2 and 3).

**Electrical machinery and equipment (section 16):** In 2002, imports of this article ranked second with a value of 409.5 million USD. Exports of this article amounted to 12.6 USD within the same year (table number 2).

During 2002, the trade deficit reached nearly 396.9 million USD. The annual trade deficit widened from 2003 till 2015 to reach 667.1 million USD, an increase in deficit of nearly 270.2 million USD.

In details, the trade deficit for chapter 84 (Nuclear reactors, boilers, machinery and mechanical appliances) reached nearly 246 million USD in 2002 while the annual trade deficit for this chapter from 2003 till 2015 reached nearly 412.5 million USD, an increase in the deficit of roughly 166.5 million USD (table number 2 and 3).

**Transport equipment (section 17):**

During 2002, imports of this article ranked third, with a value of 354.7 million USD, while exports amounted to 1.3 million USD within the same year (Table 2).

In 2002, the trade deficit was about 353.4 million USD. From 2003 to 2015, annual trade balance deficit amounted to about 664.7 million USD, a rise in the deficit of approximately 311.4 million USD.

More specifically, the trade deficit for chapter no. 87 (vehicles, vessels, bikes and associated transport equipment) reached almost 341.1 million USD during 2002, while the annual trade deficit for this chapter from 2003 to 2015, was about 597.3 million USD, an increase in the deficit of approximately 256.2 million USD (Table 2 and 3).

**Mineral products (section 5):** In 2002, imports of this article came in the 4th place, reaching 323.9 million USD, against 13.9 million USD of exports (table number 2).

In 2002, the trade deficit reached nearly 310 million USD. From 2003 till 2015, the annual trade deficit reached nearly 1,710 million USD, an increased deficit of nearly 1400 million USD. In 2002, trade deficit for chapter 27 (Mineral fuels, mineral oils and products of their distillation) reached nearly 309.3 million USD. From 2003 till 2015, the annual trade deficit for this chapter reached almost 1694 million USD, an increase in deficit valued at 1,384 million USD (table number 2 and 3).

**Live animals and animal products (section 1)**: In 2002, imports of this article reached, at the 5th place, 263.9 million USD, while exports were limited to 2.5 million USD during the same year (table number 2).

In 2002, the trade deficit amounted to 261.4 million USD. From 2003 till 2015, the annual trade deficit stretched to nearly 293 million USD, an increase in deficit of almost 31.6 million USD.

In detail, the trade deficit for chapter number 4 (Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere specified or included) reached nearly 128.9 million USD during 2002 whereas the annual trade deficit from 2003 till 2015 for this chapter reached almost 167 million USD, an increase in deficit of approximately 38.1 million USD (table number 2 and 3).

**Food manufacturing products (section 4)**: in 2002, imports of this article ranked 6th, at a value of 235.3 million USD. During the same year, exports of this article reached 21.6 million USD (table number 2).

In 2002, the trade deficit reached nearly 213.7 million USD while the annual trade deficit between 2003 and 2015 reached nearly 355.8 million USD, an increase in deficit of almost 142.1 million USD. In 2002, trade deficit for chapter 19 (Preparations of cereals and flour products) reached nearly 38.4 million USD. From 2003 till 2015, the annual trade deficit for the current chapter reached around 83.4 million USD, an increase in deficit of 45 million USD (table number 2 and 3).

**Table 2: Impact of the Agreement implementation on the trade exchange with the European Union in 2003, by Section (million dollars)**



**Table 3: Impact of the Agreement implementation on the trade exchange with the European Union in 2003, by Chapter (million dollars)**



# The main TBTs facing Lebanese industrial exports to EU countries

Lebanese industrial products face many obstacles in reaching the European market, mostly due to non-tariff (substantive, technical and administrative) barriers which limit the access of these products to European markets, although these products meet the required qualities and specifications- often used as an excuse to protect industrial products in the EU.

For instance, the conformity certificates issued by IRI, is nationally and globally approved (since 2004), in accordance with the international standard ISO 17025. Currently, there are 356 testing methods, adopted internationally and distributed to 14 laboratories in different sectors; there is also a metrology and calibration laboratory, and a welding accreditation body in Lebanon, the Lebanese Welding Center.

IRI is also a member of the:

* EuroLab,
* The International Association for Cereal Science & Technology (ICC),
* The International Committee For non- Destructive testing (ICNDT).

The institute also has a network of international relations and partnerships that help in providing industrialists with all exports requirements in terms of assessment and issuance of conformity and quality certificates.

* 1. **Products of industrial sectors that have the potential to access the EU markets, or products that already have access to the EU market and have the potential to be increased.**

**3.1.1 Pharmaceutical sector**

**a- Current situation**

The value of pharmaceutical products imported from the EU to Lebanon reached more than 560 million USD in 2015 while the value of exports didn’t exceed one million USD (exports were limited to two countries: Cyprus and Malta, prior to becoming members of the EU).

Characteristics of this sector:

- High production capacity.

- The Lebanese pharmaceutical factories acquired GMP certificates from the Lebanese Ministry of Public Health, ISO certificate, and other additional certificates issued by European entities. These factories are equipped with the newest imported -mostly from Europe- machinery and technology, operated by pharmacists, chemists, engineers and technicians, graduates of Lebanese universities that follow the European educational system, some of them are even postgraduates that pursuit higher education at European universities.

- Under license manufacturing for European and global laboratories (which ensures their commitment to EU quality standards).

**b- Exports barriers**

* The preferences within the EU, favoring products manufactured by its own countries.
* The registration conditions of factories at the European Union before registering products; which affects their access to European markets.

**c- Steps for the facilitation of exports to the EU**

* The registration of Lebanese pharmaceutical factories through field visits by the European Health authorities to theses factories, to inspect the following:
1. Compliance to European standards.
2. In cases of non-compliance, help these Lebanese factories, to comply with European standards, according to the EU programs (upgrade).
3. Classify and register Lebanese pharmaceutical factories in Europe according to the EU drug manufacturing specifications (to allow these factories enter the EU markets and facilitate their access to Arab and African countries markets).
* Encourage the EU countries to import pharmaceutical products made in Lebanon under license for European Laboratories and consider their products as made in Europe.
* Allow the Lebanese pharmaceutical factories an export quota of 200 million USD per year within the EU countries.
* Request the EU to encourage investments in the pharmaceutical sector and use the Lebanese factories and Lebanon market as a base for its exports to the region and all countries worldwide.
* Request the EU to collaborate with pharmaceutical factories in Lebanon to purchase and distribute their products on refugees.
* Request the EU to sign a Continuous Development Program for all technical staff working in Lebanese pharmaceutical factories on all drug manufacturing technical aspects.

**3.1.2 Food manufacturing sector**

**a- Current situation**

From 2003 till 2015 the total value of food products imports reached 5.3 billion USD against 638.5 million USD of exports.

Factories exporting to the EU use no more than 50% of their production capacity using the current available investments.

**b- Exports barriers**

* Rules of origin.
* Multiple entities in the EU authorized to issue certificates of quality and conformity.
* The required exports documents vary from one country to another (for instance Spain requires Technical Data Sheet for each product).

**c- Steps for the facilitation of exports to the EU**

* Adopt the simple rule of origin on the added-value of 35%.
* Facilitate the entry of Lebanese products to the EU, particularly those awarded with certificates of conformity from national and international accreditation bodies.
* Facilitate the entry of ISO-certified (22000) Lebanese products.
* Unify the required documents and standards, since most Lebanese specifications are established according to European reference and CODEX ALIMENTARIUS standards.

**3.1.3 Dairy products sector**

**a- Current situation**

The dairy sector shows its importance in Lebanon; the annual consumption per capita in Lebanon falls within the international average.

In 2015, the imported and locally manufactured milk and milk products reached 800 million USD, compared to 9 million USD exports.

In 2015, imports of cheese and dairy products from the EU amounted to 223 million USD against 244 thousands USD of exports.

This sector is considered active particularly in the manufacturing of white cheese and cottage cheese, but these products face harsh competition by the imported milk (liquid, concentrated, powder) imported from many countries including the EU countries. The movement of exports to the EU faces many technical barriers; it is worth noting that the EU countries do not produce the same dairy products that are manufactured in Lebanon.

**b- Exports barriers**

The European dairy products sector is protected by the EU countries.

**c- Necessary steps to facilitate exports to the EU**

* Encourage European industrial companies working in this sector to use Lebanese factories to manufacture under license or private Label, and benefit from Lebanese market to launch its products through it to the Arab markets.
* Allow exports of this sector, particularly the products that are not produced in Europe, through the following mechanism:
	+ The Ministry of Industry identifies the factories eligible for exporting.
	+ The Ministry of Economy and Trade communicates this list with the European Commission.
	+ Visit the identified industries when needed to inspect their production processes and products.
	+ Adopt IRI and/or the [Lebanese Agricultural Research Institute](https://www.google.com.lb/url?sa=t&rct=j&q=&esrc=s&source=web&cd=5&cad=rja&uact=8&ved=0ahUKEwiHz52o2fXPAhVSOMAKHRcIA9YQFgg4MAQ&url=http%3A%2F%2Fwww.arabo.com%2Flinks%2F%2C225%2C200%2C228%2C199%2C228%2F%2C212%2C209%2C223%2C199%2C202%2F%2C210%2C209%2C199%2C218%2C201%2F9120.html&usg=AFQjCNHk9PdZnwx9jAQswz4nXX_7akNpTg&sig2=jmX7et0-DgqRl5NKP844wA) (LARI) accreditation and accept the certificates of compliance and required tests results issued by these two entities in the EU countries.

**3.1.4 Meat sector**

1. **Current situation**

Many meat factories that produce cold and canned meat are ISO certified. Although a large number of meat used by these factories is imported from the EU countries.

1. **Exports barriers**

The European meat sector is protected by the EU countries.

1. **Steps to facilitate exports to the EU.**
* Allow exports of this sector, particularly products that Europe does not have, through the same mechanism as in the dairy sector (cf. 3.1.3/c).

**3.1.5 The nuts sector**

1. **Current situation**

In 2015, imports of nuts from EU reached 2.1 million USD, compared to 5.3 million of exports within the same year.

This sector’s strengths:

* + High production capacity
	+ High quality manufacturing that meets the EU requirements.
1. **Exports barriers**

High custom tariffs up to 12.5% on the customs clause no. 200819 (Fruit, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included, including mixtures), is damaging the competitiveness of Lebanese nuts: the rules of origin of the tariff number 2008 are considered “wholly obtained products”.

When applying this rule, it is impossible to consider that the manufactured nuts are of Lebanese origin; therefore they can’t be exempted from customs duties imposed by the EU countries.

1. **Steps required to facilitate exports to the EU**

Adopt the simple rule of origin on the added value by 35%.

* + 1. **Clothing and shoes manufacturing Sector**

**Current situation**

For many years, clothing and shoes manufacturing was one of the main Lebanese industries. It ranked second, after the food industry, in terms of production value and the number of workers and industries. This sector has witnessed continuous deterioration for many reasons, particularly the increase of cheap ready-made clothing imports.

The clothing sector attracts investments easily; it is essential to safeguard the remaining clothing factories and work on restoring and reviving this sector considering its important role at different levels, including its ability to highly absorb the pervasive current unemployment which is increasing steadily, while protecting the environment from pollution.

**Exports barriers**

Lebanese industry unable to acquire originating status to comply with the EU adopted rules of origin.

**Necessary steps for the facilitation of exports to the EU**

**Clothing sector**

- Request the EU to treat dyed textiles as the printed fabrics to benefit from the originating status.

- Consider that operations start from textiles not yarns.

- Adopt simple rules of origin on the added-value by 35% to allow clothing acquire the originating status.

**Shoes sector**

Adopt simple rules of origin on the added-value by 35% to grant clothing the originating status.

**4. Offer support to institutions and projects:**

* Connecting Lebanese companies with EU companies for certain products to target niche markets and work on joint investments to help develop and increase export capacities and competitiveness of SMEs.
* Support and cover the expenses of Lebanese companies’ participation in exhibitions organized in the EU to contribute in the promotion of Lebanese products and create new opportunities for joint cooperation between Lebanon and the EU.
* Assist Lebanon in establishing National Food Traceability System, improve the management of distribution channels (i.e. wholesale markets), and improve the agro-food manufacturing areas.
* Focus on using European marketing standards: market studies to assess market’s needs and determine the required standards. Request technical assistance to establish marketing tools in Lebanon.
* Improve business incubator environment; develop infrastructures, support innovation and small and medium-sized enterprises.
* Refund the implemented projects that were jointly funded by the European Union, and that contributed to the modernization and development of the industrial sector in Lebanon, for example, the Euro-Lebanese Centre for Industrial Modernization (ELCIM). Some other projects contributed to the stimulation of innovation, for example, the Centre for Innovation and Technology (CIT). There are also projects that contributed to establishing the foundations of cleaner production in Lebanon such as the Lebanese Cleaner Production Center (LCPC) -which has worked since its inception on the deployment of clean production methods in factories through the rational use of manufacturing and recycling of any recyclable materials- all related to the Industrial research Institute (IRI). This resulted in considerable savings for these factories while reducing the negative environmental impacts during the production processes.
* In the context of supporting the Lebanese economy to become more competitive, robust and ready for exports markets, to be able to achieve sustainable development. The technical assistance offered by the EU is vital for the development of quality infrastructure.
* Quality basic foundations were successfully completed in the first three phases of the Quality program which was initially established to interact with global markets, particularly the EU.

These foundations, initially designed to improve the conformity of the Lebanese products, particularly agro-food industries, with the international requirements and standards for health, safety and environment, are still not completed and need professional follow-up.

Based on the existing foundations and success stories in both the public and private sectors, particularly in supporting Lebanese food industries in the previous phases of the quality program -QUALEB, it is essential to provide technical support, which has a direct impact on the completion of quality infrastructure in Lebanon and accelerate the implementation of the Lebanese-EU Association Agreement and prepare Lebanon for the Agreement on Conformity Assessment and Acceptance of Industrial Products (ACAA).

* The Ministry of Economy and Trade quality program- QUALEB role has been proved as essential and effective and the support provided by the European Union must undoubtedly be continued. For this reason, we request technical support from the European Union to promote quality infrastructure in Lebanon.

**Conclusion**

# The objective is to increase Lebanese exports to Europe, to contribute in expanding the volume of the national economy, to create new job opportunities, and attract new joint investments. We also need to find solutions to overcome this economic crisis worsened by the repercussions of the Syrian crisis on all Lebanese sectors, and to address the critically growing trade deficit between Lebanon and the EU.