Remittances to Lebanon: Economic Impact and the Role of Banks

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Executive Summary

Lebanon is one of the largest remittance-receiving countries worldwide, where remittances have exceeded one fifth of its nominal GDP and surpassed financial inflows from both exports of goods and services and foreign direct investments over the past decade.

This study analyzed several aspects of remittances received by Lebanon and found that these remittances considerably boost non-resident deposits in domestic banks. Nevertheless, they have a weak positive economic impact, a low correlation with domestic investment, and a high correlation with both inflation and imports.

The study also presented an overview of the global network of Lebanese banks and their products and services targeting Lebanese expatriates worldwide. The findings of a comprehensive survey show a considerable gap between supply and potential demand in terms of presence of Lebanese banks in countries hosting large Lebanese Diaspora and in terms of products and services designed for expatriates.

[1] Disclaimer: the opinions expressed are those of the author and do not necessarily reflect the views of ESCWA.

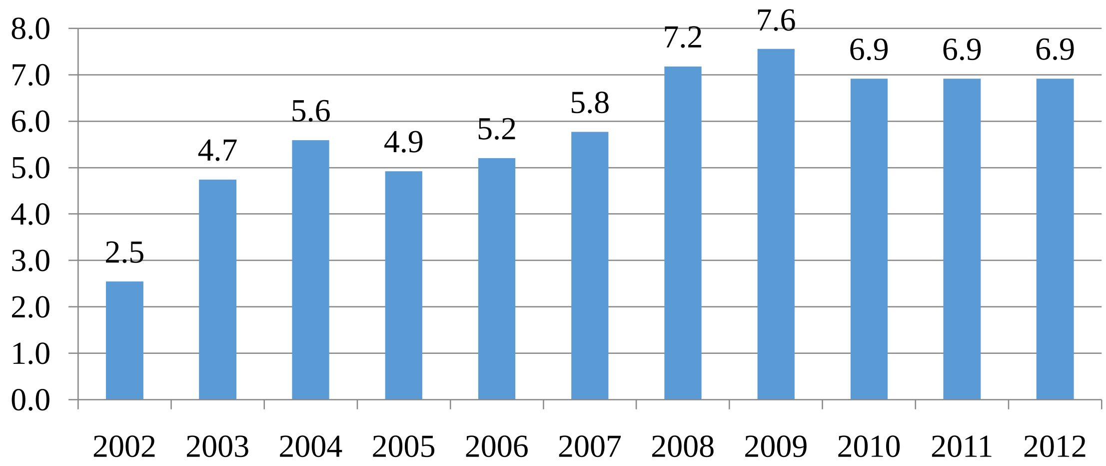
1. Importance of remittances to Lebanon

Lebanon is a notable case of a remittance-dependent economy, with a steady outflow of emigrants that ensure regular inflows of remittances. Some estimates state that Lebanon has an overseas Diaspora of around 14 million people, more than three times the size of its domestic population that continues to send billions of dollars back home every year. Financial inflows from this Diaspora exhibited remarkable stability in the face of significant political turbulences over the past few years.

In general, Lebanon has been consistently attracting financial inflows over the past few decades, which are related to: (1) the regional oil wealth, (2) the attractiveness of the country's real estate sector and its banking sector, and (3) the existence of a large Lebanese Diaspora. These financial inflows are boosted by five major factors. Two with a direct impact: oil price and interest rate spread; and three factors that affect these inflows indirectly: foreign reserves, monetary stability, and dollarization of the economy. Additionally, the ability of holding deposits in foreign currencies and the open and unrestricted convertibility between local currency and foreign currencies stimulate foreign financial inflows to Lebanon.[2]

Remittances represent a large share of these inflows and recorded \$2.54 billion in 2002, \$4.74 billion in 2003, \$5.59 billion in 2004, \$4.92 in 2005, \$5.20 billion in 2006, \$5.77 in 2007, \$7.18 billion in 2008, \$7.56 billion in 2009, \$6.91 billion in 2010, \$6.91 billion in 2011, and \$6.92 billion in 2012 (Figure 1).[3]

Figure 1: Lebanon's remittance inflows ($ billions)



The average annual growth rate of remittances to Lebanon over the period 2003-2012 was 13.0%, and was greater than the Arab region average (10.1%) over the same period. This shows that despite the ups and downs the country faced over the past decade (e.g. in years 2005 and 2006, and since 2011), it is still a major regional destination for remittances. If we exclude the last 2 years (2011 and 2012) where remittances witnessed no significant change, the average annual growth rate of remittances to Lebanon between 2003 and 2010 increases to 16.3% (Table 1).

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[2] World Bank (2012).
[3] The World Bank database.

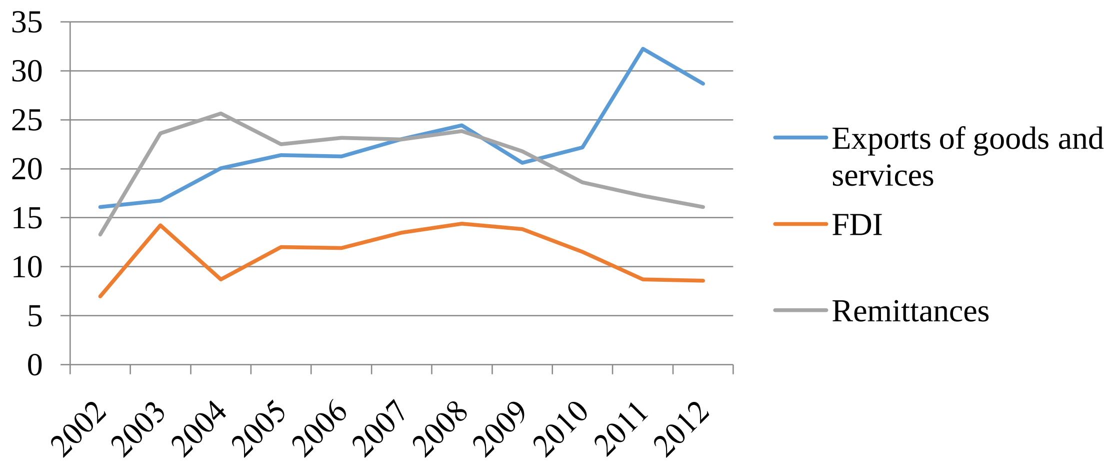
Table 1: Remittances to Lebanon and other Arab countries ($ billions)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Arab World	16.1	20.5	23.6	22.9	24.9	30.0	34.5	33.0	37.9	38.8	40.5
Algeria	1.1	1.8	2.5	0.2	0.2	0.1	0.1	0.2	0.2	0.2	0.2
Egypt	2.9	3.0	3.3	5.0	5.3	7.7	8.7	7.1	12.5	14.3	19.2
Jordan	2.1	2.2	2.3	2.5	2.9	3.4	3.8	3.6	3.6	3.5	3.6
Lebanon	**2.5**	**4.7**	**5.6**	**4.9**	**5.2**	**5.8**	**7.2**	**7.6**	**6.9**	**6.9**	**6.9**
Morocco	2.9	3.6	4.2	4.6	5.5	6.7	6.9	6.3	6.4	7.3	6.5
Sudan	1.0	1.2	1.4	0.7	0.8	1.0	1.6	2.1	1.1	0.4	0.4
Syria	0.1	0.9	0.9	0.8	0.8	1.0	1.3	1.3	1.6	0.0	0.0
Tunisia	1.1	1.3	1.4	1.4	1.5	1.7	2.0	2.0	2.1	2.0	2.3
West Bank & Gaza	1.0	0.6	0.6	0.6	0.9	1.1	1.2	1.2	1.5	1.7	0.0
Yemen	1.3	1.3	1.3	1.3	1.3	1.3	1.4	1.2	1.5	1.4	0.0

Source: the World Bank data.

The importance of remittances compared to other sources of financial inflows is shown in Figure 2. This graph compares inflows from remittances, FDIs, and exports of goods and services, all computed as percentage of nominal GDP. Until 2010, inflows from remittances were higher than those from FDIs or from exports of goods and services. But only in 2011 and 2012 remittances were surpassed by inflows from exports. This slight decrease in remittances during the past 3 years was due to: (1) the internal political instability that seriously affected the economic activities in Lebanon, and (2) the effects of the regional political and security developments, mainly the conflict in Syria. These adverse events have affected – among other sectors – the real estate sector, which is a major absorbent of remittances in Lebanon.

Figure 2: Lebanon's inflows from remittances, from FDIs, and from exports of goods and services, all as percentage of nominal GDP



Source: done by the author based on the World Bank data.

Furthermore, to highlight the importance of Lebanon's remittances in relative terms, Table 2 presents these remittances as percentage of Lebanon's nominal GDP. Remittances range from a minimum of 13.3% of nominal GDP in 2002, to a maximum of 25.7% in 2004. They also recorded a ratio above 20% over the entire 2003-2009 period. Compared to other Arab countries, Lebanon displays the largest remittance values relative to the size of its economy (Table 2).[4] Furthermore, over the past decade, Lebanon's remittances have ranged from 15 to 24% of the overall remittances figures in the Arab region (Table 3).

Table 2: Remittances as percentage of nominal GDP

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Arab World	2.2	2.5	2.5	1.9	1.8	1.8	1.7	1.8	1.8	1.5	1.5
Algeria	1.9	2.6	2.9	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Egypt	3.3	3.6	4.2	5.6	5.0	5.9	5.3	3.8	5.7	6.1	7.3
Jordan	22.4	21.6	20.4	19.9	19.1	20.1	17.3	15.1	13.8	12.0	11.5
Lebanon	**13.3**	**23.6**	**25.7**	**22.5**	**23.2**	**23.0**	**23.9**	**21.8**	**18.6**	**17.2**	**16.1**
Morocco	7.1	7.3	7.4	7.7	8.3	8.9	7.8	6.9	7.1	7.3	6.8
Sudan	6.6	6.9	6.5	2.7	2.3	2.2	2.9	4.0	1.7	0.7	0.7
Syria	0.6	4.1	3.4	2.9	2.4	2.6	na	na	na	na	na
Tunisia	4.6	4.6	4.6	4.3	4.4	4.4	4.4	4.5	4.6	4.3	5.0
West Bank & Gaza	36.6	18.2	17.7	16.0	na	na	na	na	na	na	na
Yemen	12.1	10.8	9.2	7.7	6.8	6.1	5.2	4.7	4.8	4.4	0.0

Source: done by the author based on the World Bank data.

All of the above figures prove the sustainability of remittances to Lebanon despite all internal and regional political and security turbulences. Nevertheless, it is worth looking at the impact of the 2008 international financial crisis, which had a negative impact on the remittances flowing to the Arab region. The impact of the crisis was translated into a decrease in the nominal value of remittances, their proportion of GDP, and even compared with other sources of financial inflows. This retreat was mainly the result of the economic shock that hit some of the regional traditional sources of remittances (e.g. Dubai).

The year-to-year remittance inflow figures show that Lebanon was not seriously affected by the crisis like most of the other countries in the region. In fact, nominal gross inflows to Lebanon increased by 5.3% in 2009 from 2008, compared with a decline of 17.8% in Egypt, 5.2% in Jordan, 9% in Morocco, 0.6% in Tunisia, 6% in Mauritania, 4.8% in Syria, and 17.8% in Yemen. Consequently, the overall Arab region recorded a decline in remittances by 4.5% in 2009.

Nevertheless, the quarterly fluctuations of inflows following the crisis shows that remittance inflows to Lebanon dropped by 20% during the third quarter of 2008, i.e. immediately after the crisis erupted, which represented the highest drop among the remittance-receiving countries in the region. The recovery occurred during the following quarter (i.e. the fourth quarter of 2008) and inflows to Lebanon grew by 2.4% from the previous quarter, compared with a drop of 9% in Jordan, 36.4% in Morocco, and 9.5% in Sudan. Remittance inflows to Lebanon improved further during the first quarter of 2009 with an increase of 8.3% (quarter-to-quarter), compared with a

[4] The economic impact of these remittances will be discussed in Section 6.

drop of 24% in Egypt, 13% in Jordan, and 8% in Morocco. Then, inflows to Lebanon declined by 5.2% during the second quarter of 2009, followed by an increase by 10% during the third quarter. This recovery continued during the fourth quarter of 2009 that recorded a growth in remittances of 4%.[5] The above figures show that remittances to Lebanon were affected only immediately after the crisis, and this impact was short and limited to the third quarter of 2008 and the second quarter of 2009.

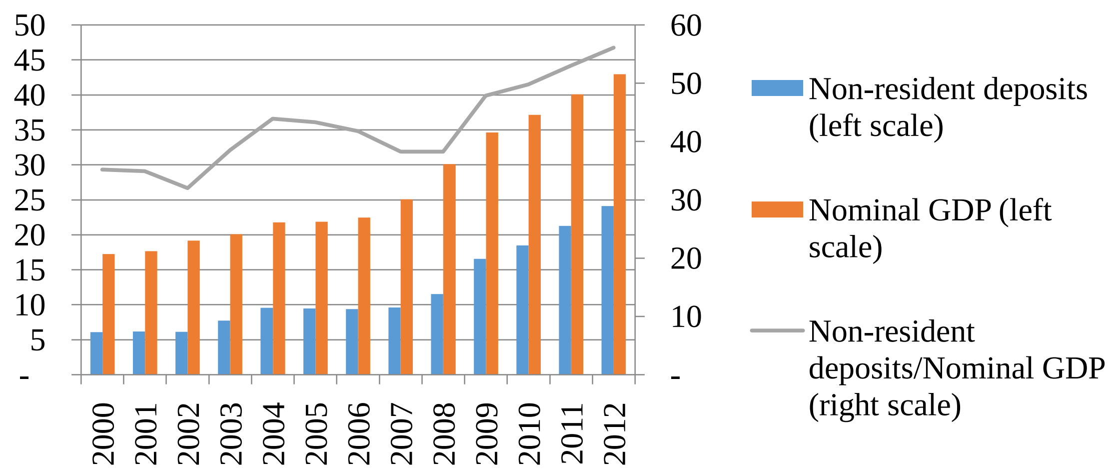
Table 3: Market share of major Arab remittance-receiving countries (as percentage of the total Arab region remittances)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Algeria	6.6	8.5	10.4	0.7	0.8	0.3	0.3	0.5	0.5	0.5	0.5
Egypt	18.0	14.4	14.1	21.9	21.4	25.5	25.2	21.7	32.8	36.9	47.5
Jordan	13.3	10.7	9.9	10.9	11.6	11.4	11.0	10.9	9.6	8.9	8.8
Lebanon	**15.8**	**23.1**	**23.7**	**21.5**	**20.9**	**19.2**	**20.8**	**22.9**	**18.2**	**17.8**	**17.1**
Morocco	17.9	17.6	17.9	20.0	21.9	22.4	20.0	19.0	16.9	18.7	16.1
Sudan	6.1	6.0	5.9	3.1	3.2	3.3	4.6	6.5	2.9	1.1	1.0
Tunisia	6.6	6.1	6.1	6.1	6.1	5.7	5.7	6.0	5.4	5.2	5.6

Source: done by the author based on the World Bank data.

A large part of remittances flowing to Lebanon has been channeled through the domestic banking system and ended in the form of "non-resident deposits". This in fact reflects the confidence of the Lebanese Diaspora in the local banking sector despite the negative political, security and economic developments that the country has witnessed since 2005.These inflows have led to significant non-resident deposit growth rates over the past decade, and resulted in a considerable increase in the capacity of Lebanese banks to lend to the government carrying thereby a large part of the public debt. In fact, Lebanon's sovereign debt was boosted by the demand from the domestic banking sector that continuously receives remittances inflows. Figure 3 shows the development of non-resident deposits compared to Lebanon's nominal GDP.

Figure 3: non-resident deposits ($ billions) compared to nominal GDP ($ billions)



Source: done by the author based on the World Bank data and the Central Bank of Lebanon data.

[5] Ghobril (2012).

The monetary policy in Lebanon has always been dedicated to secure permanent financial inflows to the country. This policy, vis-à-vis a sound banking regulation and tight supervision from the Central Bank have magnified inflows. However, the exclusive reliance on monetary policies to manage and attract foreign inflows, to ensure macroeconomic stability, and to manage risks associated with macroeconomic imbalances, put excessive burden on the monetary policy. Moreover, foreign inflows have helped improving the efficiency of the banking sector in all aspects related to processes, practices and regulations that aimed to create an attractive environment for foreign resources. Furthermore, the stabilization of the exchange rate and the accumulation of foreign reserves have constituted some of the policy tools that helped secure financial inflows to the banking sector. [6]

2. Lebanon emigration statistics

Throughout modern history, Lebanon has experienced several waves of emigration, and for more than a century and a half it has been sending inhabitants abroad. From the mid-nineteenth century until World War I, a third of the population of Mount Lebanon emigrated mainly to North and South America. Between the 1929 Great Depression and the end of the Second World War, Lebanese emigration decreased. It resumed after 1945 and increased considerably during the 1960s, where the demand for labor in the GCC countries drove an emigration wave of Lebanese citizens. The Lebanese civil war (1975-1990) triggered another large emigration wave, and it is estimated that 990,000 people left the country, accounting for 40% of the total population (Tabar, 2010).

Over the past four decades particularly, Lebanon witnessed a continuous pattern of outflow of young and educated Lebanese males, and more recently an increase in young and educated female migrants. Consequently, the majority of Lebanese households have at least one family member living abroad.

In the following, we cite the findings of several studies to reveal the characteristics of Lebanese emigrants over the past four decades (Appendix A summarizes the findings of the below cited studies).

2.1 Characteristics of emigrants according to the emigration year

In a survey conducted on 900,000 emigrants between 1975 and 2001, Kasparian (2003) found that 54.4% left between 1975 and 1990, 18.4% between 1991 and 1995, 26.6% between 1996 and 2001, and 0.7% were undetermined. These results show a significant trend of emigration after the civil war ended in 1991.

In her most recent study, Kasparian (2009) surveyed 8,061 Lebanese household to detect the pattern of emigrants between 1992 and 2007. The author found that the number of emigrants during the covered period was 466,000 and accounts for 10.3% of the Lebanese resident population, and that 45% of Lebanese households have at least one family member who migrated during the studied period. Besides, 25% of emigrants left the country between 1992 and 1996, 29% between 1997 and 2001, and 46% between 2002 and 2007.

A survey done by Central Administration of Statistics in Lebanon (CAS 2010) on a sample of 13,575 Lebanese households, found that 6.3% of them had at least one member who emigrated

[6] The World Bank (2012).

between 2004 and 2009. The study also found that out of the total emigrants during the studied period, emigrants in 2005 and in 2006 account for 20%, those who emigrated in 2007 are about 24.3%, individuals who migrated in 2008 are 17.6%, and those who emigrated in 2009 equal to 6.5% of total emigrants.

Tabar (2010) stated that during and after the civil war in Lebanon, Australia and Canada witnessed an unprecedented increase in the number of Lebanese emigrants. For instance, out of the 144,000 thousand emigrants of Lebanese origin living in Canada in 2001, 37% arrived between 1991 and 2001, 36% arrived in the 1980s, and only 10% immigrated to Canada before 1971. The author added that this type of Lebanese migration led to a considerable drop in the number of Lebanese migrants bound for Latin America.

2.2 Characteristics of emigrants by age

Abi Farah (2001) studied a sample of 478,301 emigrants between 1975 and 2001, and found that the majority of them were less than 50 years old: 28.4% were between 20 and 34, and 28.1% between 35 and 49.

Kasparian (2003) found that 63.7% of emigrants were between 25 and 44 years old. Kasparian (2009) also revealed that 15% of emigrants were below 25 years old at the time of emigration, 69% were between 25 and 44 years old, and 13.5% between 45 and 59 years old.

CAS's (2010) study found that the overwhelming majority of emigrants were young people, with 77.4% under 35 years old, and those between 15 and 24 years old represented 32.7% of total emigrants.

2.3 Characteristics of emigrants according to the reason of emigration

Kasparian (2003) stated that 41.3% of emigrants cited unemployment as the main reason for emigration, whereas 21.1% stated family reunion as reason, and 17.1% attributed their emigration to the general circumstances, 10.9% to economic condition, and 5.3% claimed that the reason of emigration was war.

Kasparian (2009) stated that family reasons represented the main cause of migration of young Lebanese women (68%). However, the reasons for emigration of women have changed over time and fewer young women emigrate for family reasons. Instead, they leave for work or (to a lesser extent) to study abroad. Consequently, the percentage of young women who emigrated for family reasons decreased from 74.0% during 1997-2001 to 62.4% during 2002-2007. Conversely, the percentage of those who were looking for work abroad increased from only 8.8% during 1992-1996 to 23.3% during 2002-2007.

According to CAS (2010), the main reason that prompted individuals to migrate is looking for work (65.9%).

2.4 Families vs. individuals

CAS (2010) found that 86% of immigrants were individuals who have migrated on their own, 6% migrated along with other member(s) of their families, and 8% of individuals migrated with their entire families. Besides, 42.3% of total migrants were married upon emigrating.

2.5 Characteristics of emigrants by gender

CAS (2010) results show that the majority of emigrants were men and accounts for 76.3% (versus 23.7% for women).

2.6 Characteristics of emigrants by educational level

Tabar (2010) stated that prior to the 1980s Lebanese emigration had predominantly been formed of unskilled workers migrating to the USA, Australia, and Canada. But since the 1980s, a major development in Lebanese migration occurred with an increase in skilled emigrants departing to the GCC countries.

Abi Farah’s (2001) survey showed that 29.2% of total emigrants were university graduates, 3.4% were technicians, and 18.4% were high school graduates.

In the same vein, Kasparian’s (2003) survey revealed that most of the migrants were either university graduates (25.4%) or high school graduates (23.6%). Besides, the survey showed that migrants are highly educated or skilled: 21.7% of them were professionals (other than lawyers, engineers, and physicians), 13.3% majored in business management and marketing, 12.8% were engineers, 9.9% were administrators, 8.9% were computer scientists, 7.9% were students, 5.9% were merchants, 4.9% were lawyers, 3% were self-employed, 2.5% were physicians and pharmacists, and 9.2% from other professions.

Kasparian (2009) stated that 43.4% of emigrants had university degree, 22% had a baccalaureate diploma, 17.4% had elementary school diploma, and only 12% had no diploma at all. Moreover, 30% of emigrants with university degrees had business diplomas, 25% engineering diplomas, 13% majored in computer sciences, 13% medical doctors, and 12% had degrees in social sciences.

Finally, CAS’s (2010) study found that university graduates accounted for 44.4% of emigrants, those with secondary level of education represented 29.1%, while those with primary level education constituted 23%.

2.7 Characteristics of emigrants according to the country of destination

Kasparian (2003) found that North America absorbed 29.5% of emigrants between 1975 and 1990, Western Europe 24.4%, the Arab countries 20.4%, Australia 13.1%, Africa 6.3%, Central and South America 4.3%, Eastern Europe 1.4%, Asia 0.4%, and 0.1% were left undetermined.

Kasparian’s (2009) study revealed that during the 1992-2007 period, 35% of emigrants went to the Arab countries, 22% to North America, 20% to Western Europe, 9% to Australia, 8% to Africa, 3% to Latin America, and 2% to Eastern Europe. The author added that after 1992 there was a clear trend of rising emigration to the Arab countries, mainly the GCC countries. More specifically, the Arab countries were the preferred destination of 20% of all Lebanese emigrants between 1992 and 1996, but this proportion increased to 31% between 1997 and 2001, and to 45.5% between 2002 and 2007.

CAS (2010) findings showed that the percentage of emigrants to the Arab countries represented 39.2%, 32% to Europe, 19.5% to USA and Canada, 12.1% to Africa, and 7.6% to Australia.

2.8 Characteristics of emigrants according to the financial support sent back home

Kasparian's (2009) survey indicated that 49% of migrants provided financial support to their families in Lebanon regularly or from time to time. What is more interesting is that first-generation migrants tend to be more supportive than the recent ones. The survey showed that 58% of those who migrated between 1992 and 1996 support financially their families regularly or from time to time, while this percentage declines to 52.6% for those migrated between 1997 and 2001, and further decreases to 41.6% for those who migrated during the 2001-2007 period.[7] The lower share of remittances sent by recent migrants to their families is due to the fact that they need time to start generating enough income to allow them to support their family back home.

Finally, to sum up all the above findings, we note that:

- Early Lebanese emigrants headed primarily to the USA and Latin America. This wave of emigration was constituted of semi-skilled and unskilled labor and lead to permanent settlement and integration in the host counties.
- A similar pattern of emigration was triggered after the Second World War, but included a broad range of destinations such as Australia, New Zealand, France, West Africa and the GCC.
- The civil war in Lebanon (1975-1990) was one of the reasons behind a large emigration wage, mainly to North America, Australia, and Western Europe. Nevertheless, another large wave of emigrants targeted the GCC countries after the civil war ended, due mainly to economic reasons (i.e. looking for jobs).
- The overwhelming majority of emigrants were young, and a large proportion of them were single at the time of emigration.
- The majority of emigrants are males, with an increasing trend of female emigrants.
- A large proportion of emigrants over the past four decades tend to be educated or skilled workers.

3. Where do the remittances come from?

The destination of Lebanese migrants is reflected by the sources of inward electronic cash transfers to Lebanon. As such, the six Gulf Cooperation Council countries accounted for 58% of all electronic cash transfers to Lebanon in 2009, while all Arab countries accounted for about 64.5%. Furthermore, the major advanced economies represented 17% of total electronic cash transfers, while those from Africa and Central and Latin America represented 9.3%. Per country figures show that the UAE was the main source of inward electronic cash transfers with 24% of the total amount in 2009. It was followed by Saudi Arabia with 13.5%, Qatar with 9.3%, Kuwait with 8.8%, Australia with 6.2%, the United States with 6%, Iraq with 4.5%, Gabon with 3.7%, Canada with 2.3%, and Jordan with 2.2% (Figure 4).[8]

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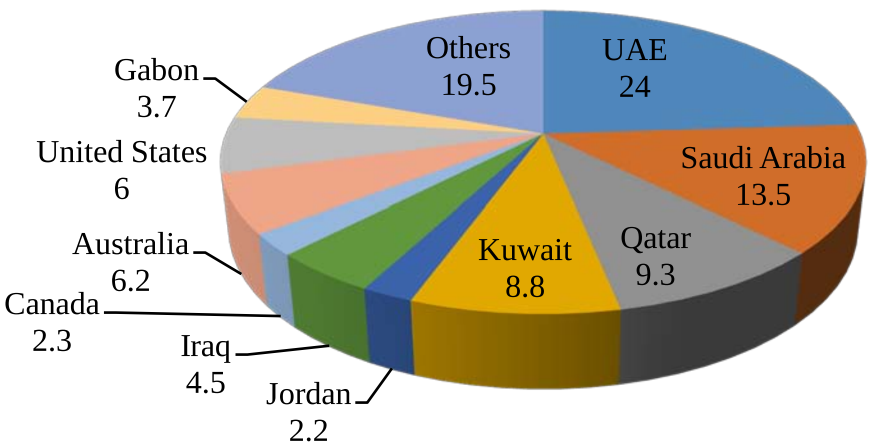
[7] In this regard, Hourani (2005) states that Lebanese expatriates' remittance constitutes 22% of household incomes in Lebanon and 88% of their savings.

[8] Ghobril (2012).

Figure 4: Major sources of cash electronic transfers to Lebanon – 2009 (%)



Several factors could explain this distribution of inward cash transfers. Firstly, despite the fact that the number of Lebanese expatriates living in Saudi Arabia is higher than those living in UAE, there are two phenomena that might disclose the difference in electronic money transfers between those two countries (in favor of UAE) to Lebanon. On the one hand, various surveys unveil the fact that the average monthly salary per worker is somewhat higher in the UAE than in Saudi Arabia. On the other hand, some other surveys suggest that – in general – job profiles of Lebanese expatriates in UAE are somehow higher than for those living in Saudi Arabia, which is in turn reflected in their income.

Secondly, regarding remittances from South America, statistics show that electronic banking activities remain rather "shy" and in need for development. Moreover, around half of the population in that region does not resort to banks in the first place. This may explain the relatively limited proportion of electronic transfers from South America to Lebanon. We can add one more point and that is that the overwhelming proportion of the Lebanese Diaspora in Central and Latin America is formed of second or third generation of Lebanese emigrants and has thus relatively weak connections with Lebanon.

Thirdly, many African countries have relatively low banking penetration rate and rigid regulations regarding money transfers, which make it hard for Lebanese expatriates in Africa to transfer money in a direct or conventional way. Therefore, many Lebanese emigrants in Africa are forced to use alternative ways to transfer money to Lebanon such as physically carrying it home.

4. Global network of Lebanese banks

The Lebanese banking sector has a wide global network spread over thirty one different countries in the five continents. Nevertheless, this global network is dominated by few banks (or actually banking groups). This is shown in Table 4 that includes Lebanese banks with global presence.

Bank Audi has the largest overseas network of banking subsidiaries with 9 subsidiaries, followed by Blom Bank (6), then Byblos Bank and Fransabank (5 subsidiaries each), Bank of Beirut, Banque Libano-Française, SGBL, Banque Bemo and Bank Med (2 subsidiaries each), and finally

BLC Bank, CreditBank, Credit Libanais, and FFA Private Bank (1 subsidiary each). In terms of foreign branches (or branch networks), Blom Bank has branches in 6 different countries, followed by Byblos Bank (4 countries), then Bank of Beirut, Credit Libanais, and Banque Libano- Française (3 countries each), IBL Bank, BBAC, Banque Bemo, Bank Med, and Bank Audi (2 countries each), and finally, Lebanon and Gulf Bank, Fransabank and Creditbank (1 country each). Regarding the representative offices, Bank of Beirut has the largest network with 5 offices, then Jammal Trust Bank (3 countries), then Byblos Bank and Banque Libano-Francaise (2 countries), then one office for each of Fransabank, BLC Bank, Credit Libanais, Blom Bank, BBAC, and Bank Audi. Finally, regarding non-bank subsidiaries, Blom Bank has the largest network with 5 non-bank subsidiaries, followed by 1 non-bank subsidiary each for Byblos Bank and Bank Med.

Consequently, Bank Audi has the largest foreign branch network with presence in 12 different countries, followed by Byblos Bank and Blom Bank (11 countries each), then Bank of Beirut (10 countries), Fransabank and Banque Libano-Française (7 countries each), Credit Libanais and Bank Med (5 countries each), Banque Bemo (4 countries), Jammal Trust Bank and BBAC (3 countries each), SGBL, BLC Bank, IBL Bank, and Creditbank (2 countries each), and finally Lebanon and Gulf Bank and FFA Private Bank (1 country each).

Table 4: Global network of Lebanese banks

	Registered as			
	A subsidiary	**A branch**	**A representative office**	**A non-bank subsidiary**
SGBL	- Cyprus - Jordan			
Lebanon and Gulf Bank		- Cyprus		
Jammal Trust Bank			- UK - Ivory cost - Nigeria	
Fransabank	- Algeria - Syria - France - Sudan* - Belarus*	- Iraq	- Libya	
BLC Bank	- Cyprus		- UAE	
IBL Bank		- Cyprus - Iraq		
Creditbank	- Armenia	- Russia		
Credit Libanais	- Senegal	- Cyprus - Bahrain - Iraq	- Canada	
Byblos Bank	- Belgium - Sudan - Syria - Armenia - Congo	- Cyprus - Iraq - France - UK	- UAE - Nigeria	- Syria (insurance company)
BLOM Bank	- France - Switzerland - Syria - Egypt - Saudi Arabia - Qatar	- Cyprus - Jordan - UK - UAE - Romania	- UAE	- Egypt (securities firm) - Egypt (insurance company) - Syria (insurance company) - Syria (financial services) - Jordan (securities firm)

BBAC Bank		- Cyprus - Iraq	- UAE	
Banque Libano-Française	- France - Syria	- Iraq - Cyprus - Switzerland	- UAE - Nigeria	
Banque BEMO	- Syria* - Luxembourg**	- Cyprus - France		
Bank MED	- Switzerland - Turkey	- Cyprus - Iraq		- Saudi Arabia (investment company)
Bank of Beirut	- UK - Australia	- Germany - Cyprus - Oman	- Iraq - UAE - Nigeria - Qatar - Libya	
Bank Audi	- Switzerland - France - Turkey - Syria - Egypt - Sudan - Qatar - Saudi Arabia - Monaco	- Jordan - Iraq	- UAE	
FFA Private Bank	- UAE			
Total countries	**21**	**12**	**8**	**4**

Source: the Association of Banks in Lebanon.* Partner company. ** Sister company.

Regarding the regional distribution of the overseas network, Table 5 shows that the GCC countries host 5 Lebanese bank subsidiaries, 3 branches or branch networks, 8 representative offices, and 1 non-bank subsidiary. The other Arab countries host 13 Lebanese bank subsidiaries, 10 branches or branch networks, 3 representative offices, and 4 non-bank subsidiaries. Western Asian countries host 4 bank subsidiaries only. Europe hosts 14 bank subsidiaries, 18 branches or branch networks, and 1 representative office. North America hosts 1 representative office. Africa hosts 2 bank subsidiaries and 5 representative offices. Finally, Australia hosts 1 bank subsidiary.

Table 5: Countries hosting Lebanese banks

	Subsidiaries for	**Branch or branch networks for**	**Representative offices for**	**Non-bank subsidiaries for**
GCC countries				
Bahrain		1 bank		
Saudi Arabia	2 banks			1 bank
Qatar	2 banks		1 bank	
UAE	1 bank	1 bank	7 banks	
Oman		1 bank		
Other Arab countries				
Jordan	1 bank	2 banks		1 bank
Algeria	1 bank			
Syria	6 banks			2 banks
Iraq		8 banks	1 bank	
Sudan	3 banks			
Egypt	2 banks			1 bank
Libya			2 banks	
Western Asia				
Armenia	2 banks			
Turkey	2 banks			
Europe				
Cyprus	2 banks	10 banks		
UK	1 bank	2 banks	1 bank	
France	4 banks	2 banks		
Belarus	1 bank			
Russia		1 bank		
Belgium	1 bank			
Switzerland	3 banks	1 bank		
Germany		1 bank		
Monaco	1 bank			
Romania		1 bank		
Luxembourg	1 bank			
America				
Canada			1 bank	
Africa				
Ivory Cost			1 bank	

Nigeria			4 banks	
Senegal	1 bank			
Congo	1 bank			
Oceania				
Australia	1 bank			

Source: the Association of Banks in Lebanon.

A major reason for the distribution of the global network of Lebanese banks shown in Table 5 is market accessibility. For instance, despite the presence of a large Lebanese Diaspora in the GCC countries, legal restrictions limit the ability of Lebanese banks to expand in those countries. Moreover, the banking sector in most of the GCC countries is rather saturated and is characterized by a tough competition and by the presence of large international banks. This may keep Lebanese banks away from endeavoring in such markets.

As for Africa, political instability and high financial risks have always discouraged Lebanese banks from expanding in the majority of Sub-Saharan African countries. Nevertheless, Lebanese banks have recently established some presence across various African countries such as Senegal, Nigeria, Sudan, and the Democratic Republic of Congo, and are expected to further expand in that region during the upcoming years.

The large presence of Lebanese banks in Europe is explained by several factors. Market accessibility is one factor. Secondly, Europe is the main trading partner for Lebanon, which provides Lebanese banks with a considerable trade finance business. Thirdly, Europe includes several major Lebanese Diaspora hubs (e.g. Cyprus, France and Switzerland).

5. Expatriate banking products/services provided by Lebanese banks

To shed light on the “expatriate banking products/services” provided by the Lebanese banks, we performed a comprehensive survey that covered 28 commercial banks operating in Lebanon. These banks have been chosen according to the following criteria: (1) all of them are commercial banks, and (2) all of them are Lebanese banks and not subsidiaries of foreign banks. One single exception was made by including the Arab Bank – Lebanon (which is a subsidiary of the Arab Bank PLC) because it has a considerable banking package targeting Lebanese expatriates in the GCC countries specifically. The banks included in the survey are presented in Table 6. The data collection was done through several methods: direct contact/interviews with several bank seniors, and through the websites of some other banks.

The survey showed that out of the 28 surveyed banks, 17 banks have a least 1 single product dedicated to Lebanese expatriates, versus 11 banks with no explicit products/services dedicated to Lebanese expatriates. (Table 6)

Table 6: Lebanese commercial banks with expatriate services/products*

		Has expatriate products/services
1	Fransabank	Yes
2	Arab Bank	Yes
3	Banque Libano-Française	Yes
4	BLC Bank	Yes
5	Near East Commercial Bank	No
6	BLOM Bank	Yes

7	Federal Bank of Lebanon	No
8	SGBL	Yes
9	Bank Med	Yes
10	BBAC Bank	Yes
11	Banque Pharaon et Chiha	No
12	Banque de Crédit National	No
13	Byblos Bank	Yes
14	Banque de L'industrie et du Travail	No
15	IBL Bank	No
16	Credit Libanais	Yes
17	Bank Audi	Yes
18	Fenicia Bank	Yes
19	Lebanese Swiss Bank	Yes
20	BSL Bank	Yes
21	Bank of Beirut	Yes
22	Jammal Trust Bank	No
23	Lebanon and Gulf Bank	Yes
24	Saudi Lebanese Bank	No
25	Al-Mawarid Bank	No
26	CreditBank	No
27	First National Bank	Yes
28	MEAB	No
	Proportion of banks with expatriate products/services	**61%**
	Proportion of banks with no expatriate products/services	**39%**

Source: bank websites and direct contact with bank seniors.* Other than money transfers. Arab Bank was included in the survey because it has a considerable package of expatriate products and services.

Moreover, out of the 17 banks that have products dedicated to Lebanese expatriates, 8 provide only one single banking product: Expatriate Housing Loan. The other 9 banks have more alternatives to housing loans solely, and provide a “package of products and services” (financial and non-financial). (Table 7)

Table 7: Expatriate services/products provided by Lebanese commercial banks

		Single product: housing loan	**Package of products/services**
1	Fransabank	X	
2	Arab Bank		X
3	Banque Libano-Française		X
4	BLC Bank		X
5	BLOM Bank	X	
6	SGBL	X	
7	Bank Med		X
8	BBAC Bank	X	

9	Byblos Bank		X
10	Credit Libanais		X
11	Bank Audi	X	
12	Fenicia Bank		X
13	Lebanese Swiss Bank	X	
14	BSL Bank	X	
15	Bank of Beirut		X
16	Lebanon and Gulf Bank*		X
17	First National Bank	X	
	Proportion of banks with one single product	**47%**	
	Proportion of banks with a package	**53%**	

Source: bank websites and direct contact with bank seniors. * One service other than housing loan. Arab Bank was included in the survey because it has a considerable package of expatriate products and services.

These 9 banks that provide more than housing loans are: Arab Bank (Lebanon), Banque Libano-Française, BLC Bank, Bank Med, Byblos Bank, Credit Libanais, Fenicia Bank, Bank of Beirut, and Lebanon and Gulf Bank.

The products and services provided by these banks can be classified into financial and non-financial services. (Table 8)

1. The main financial services can be summarized as follows:

- Different types of debit and credit cards in LBP and foreign currencies.
- Different types of loans (e.g. personal, housing, car loans) in LBP and USD.
- Different types of deposit accounts and saving schemes in LBP and USD.
- Different types of Bancassurance products (e.g. motor insurance, travel insurance, personal accident, retirement plans, and children's education).

2. The main non-financial services can be summarized as follows:

- Money transfers to Lebanon.
- Bill domiciliation (e.g. electricity, water).
- Forex buy/sell.
- Airline, hotel, and taxi booking.
- Investment and commercial loans with advice from specialist advisers.

Table 8: Expatriate packages provided by Lebanese commercial banks*

1	**Arab Bank**
	Arab Bank introduces services designed to meet the needs of Lebanese Expats, residing and working in the UAE (see below)

	• Savings back home through Arab Bank dual account
	• Free money transfers
	• Non-resident home loans
	• Access to retail products in UAE
	    o Payroll Accounts
	    o Credit Cards
	        ✓ Internet shopping card
	        ✓ Visa classic credit card
	        ✓ Visa gold credit card
	        ✓ MasterCard titanium credit card
	        ✓ Visa Platinum credit card
	    o Loans
	        ✓ Personal Loan
	        ✓ Auto Loan
	        ✓ Non-Resident Lebanese home loan
	    o Elite Banking
	        ✓ Financial security
	        ✓ Network access
	        ✓ Lifestyle benefits

	Arab Bank introduces services designed to meet the needs of Lebanese Expats, residing and working in Bahrain (see below)

	• Savings back home through Arab Bank dual account
	• Free money transfers
	• Non-resident home loans
	• Access to retail products in Bahrain
	    o Payroll Accounts
	    o Credit Cards
	    o Loans

	Arab Bank introduces services designed to meet the needs of Lebanese Expats, residing and working in Qatar (see below)
	• Savings back home through Arab Bank dual account • Free money transfers

	• Non-resident home loans
	• Access to retail products in Qatar
	    o Payroll Accounts
	    o Credit Cards
	    o Loans
	    o Remittance Services
	        ✓ Standing Instructions
	        ✓ Bill Domiciliation
	        ✓ Purchase/Collection
	        ✓ Transfers
	        ✓ FX Buy/Sell

2	**Banque Libano-Française**

	• Benefit from the following advantages for USD 7 per month:
	    o Two free Cash Platinum debit cards
	    o A Premium Platinum card for USD 150 instead of USD 300
	    o Free Point SMS service to track your card transactions
	    o 50% discount on your Euro Blue card
	    o Incoming transfers at a flat fee of USD 4
	    o Free standing orders for your automatic transfers
	    o Free E-Banking and Call Center services to manage account remotely
	    o Free settlement of all utility bills in Lebanon
	    o Special conditions on housing loans to expatriates in USD and LBP
	• Expatriates Housing Loans in LBP and USD
	• Renovation Housing Loan for Expatriates

3	**BLC Bank**
	Financial Services: • Expatriates account • Housing loans • Time Deposit Account • Land purchase Loan
	Non-Financial Services: • Airline Tickets • Hotel packages

<table>
<tr><td></td><td>Rent a car
Taxi Companies</td></tr>
<tr><td>4</td><td>Bank Med</td></tr>
<tr><td></td><td>Free monthly incoming transfers
Free international debit card for the first year
Free monthly statement of account
Free cash withdrawals from any BankMed ATM network
Free SMS notification alert on international debit card
Free credit card for the first year
Free SMS notification on credit debit card
Free credit card e-statement
Free monthly utility domiciliation fee on landline bill
Free 24/7 electronic banking services via MedPhone, MedMobile, and MedOnline
Attractive interest rate on saving account
In-principle approval within 2 working days on housing loan</td></tr>
<tr><td>5</td><td>Byblos Bank</td></tr>
<tr><td></td><td>Services provided by Byblos Bank S.A.L. – Abu Dhabi Representative Office:
Consumer Banking
Expatriate housing loan
Auto loan
Cards
Online banking
Commercial banking
Correspondent banking
Countries it serves
United Arab Emirates
Qatar
Bahrain
Oman
Yemen</td></tr>
<tr><td></td><td>Services provided by Byblos Bank Representative Office Nigeria Ltd.:</td></tr>
</table>

	• Consumer Banking
	    o Expatriate housing loan
	    o Auto loan
	    o Cards
	    o Online banking
	• Commercial banking
	• Correspondent banking
	
	Countries it serves
	• Nigeria
	• Ghana
	• Ivory Coast
	• Senegal
	• Other West African Countries

	Services provided by Byblos Bank RDC S.A.R.L. – Congo Mainly commercial lending, transfers and payments, letters of credit, letters of guarantee, and documentary collection services.
6	**Credit Libanais**

	• Fixed Term Deposit Account
	• Expatriates housing loan
	• Visa Card in Euro
	• Bancassurance products
	    o Motor insurance
	    o Travel insurance
	    o Personal accident
	    o Retirement
	    o Children's education

7	**Fenicia Bank**
	• Full range banking accounts available in major currencies • International cards • Investment and commercial loans with advice from specialist advisers • Housing loans
8	**Bank of Beirut**
	Non-Resident Lebanese Expatriate Financial Package – Dubai

	• Non-Resident Lebanese Expatriate Account • Non-Resident Lebanese Expatriate money transfers

	Non-Resident Lebanese Expatriate Financial Package – Qatar
	• Managing finances
	• Consumer loans
	• Transferring money
	• Housing Loan for Lebanese Expatriates in LBP and USD
	• Bancassurance Products
	  o Educational saving schemes
	  o Retirement saving schemes
	• Credit card
	• Personal credit facilities

9	**Lebanon and Gulf Bank**
	• LBP Home Loan • UAE Dirham Card

Source: bank websites and direct contact with bank seniors. * Including housing loans. Arab Bank was included in the survey because it has a considerable package of expatriate products and services.

Tables 6, 7 and 8 highlight the following facts:

a. Out of the twenty eight surveyed Lebanese commercial banks, only seventeen have explicit products/services dedicated to Lebanese expatriates. The other eleven banks do not have such products/services.
b. Out of the seventeen banks that provide products/services dedicated to Lebanese expatriates, eight have only one single product (Expatriate housing loan), whereas the other nine offer explicitly more than one product to offer.
c. Out of the nine banks that have more than one product/service dedicated to expatriates, three banks (namely the Arab Bank, Byblos Bank, and Bank of Beirut) have a comprehensive strategy to attract remittances, shown by their considerable presence abroad coupled with offering a wide range of banking products and services. (As shown in Table 8)

6. The economic impact of remittances

Foreign financial inflows to Lebanon tend to fuel an increase in aggregate demand and contribute to the increase in consumption thereby causing fluctuations in the economic activity rather than stimulating sustainable, long-term economic growth. Moreover, productive industries and innovative activities generally do not benefit from these financial inflows.[9] Laureti and Postiglione (2005) examined the impact of capital inflows on economic growth in eleven Mediterranean countries for the period 1990-2000, and classified Lebanon among the countries that were not able to benefit from capital inflows in order to promote sustained and long-term broad-based growth.[10]

Financial inflows also contribute to shaping the structure of the economy while strongly influencing the economic policies of Lebanon, and creating challenges for the country. Due to Lebanon's experience of heavy economic distortions and deficits, authorities tend to rely heavily on foreign financial inflows.

Remittances are an important source of external funding for the Lebanese economy and more specifically, they provide for a large portion of consumption. They contributed to support expenses of basic needs such as food, clothing, education and medical treatments. More recently and during the past few years, a considerable portion of this money has been used to buy land and houses (and in many cases for investment/speculation purposes), which contributed to the massive increase in real estate activities and prices in Lebanon.[11] Therefore, remittances have a limited impact on economic growth and job creation.

To detect the impact of remittances on (real) economic growth in Lebanon (and other remittance-receiving Arab countries), we computed the correlation coefficient between remittances growth

[9] World Bank (2012).

[10] This in fact is the not a unique characteristic of Lebanon. For instance, Abdih, Barajas, Chami, and Ebeke (2012) explore the impact of remittances on government revenue, using a sample of 17 remittance-dependent countries in the Middle East, North Africa, Central Asia, and the Caucasus for the period 1990–2009. They found that remittances affect private consumption and imports but not domestic investment.

[11] Hourani (2005) gave examples on how remittances received by Lebanese households living in rural areas are used in home-construction activities instead of agricultural projects (pp. 23-24). According to *i-map*, 70% of apartments sold in 2008 were sold to Lebanese emigrants. Tabar (2010) claimed that the majority of remittances sent to Lebanon is used on a personal level – for goods, education, health care – a significantly smaller part is set aside for investments, and an even smaller part for savings, bonds, and job creation. The author added that it is estimated that a huge amount of money is sent every year to welfare, charitable, and philanthropic institutions.

rate and real economic growth rate between 2002 and 2012. The results show that Lebanon has (apart from Algeria) the lowest correlation coefficient (0.07). This figure was 0.09 in Egypt, 0.70 in Jordan, 0.24 in Morocco, 0.30 in Sudan, 0.71 in Tunisia, and 0.42 for the entire Arab region (Table 9). This suggests that Lebanon does not benefit from the massive inflow of remittances to boost its economic growth.

Table 9: Correlation between remittances growth rate and (real) GDP growth rate

	Correlation coefficient
Arab World	0.42
Algeria	(0.09)
Egypt	0.09
Jordan	0.70
Lebanon	0.07
Morocco	0.24
Sudan	0.30
Tunisia	0.71

Source: done by the author based on the World Bank data.

Furthermore, we computed the coefficient of correlation between remittances and several macroeconomic variables and we found the following: (Table 10)

- There is a low correlation between remittances and investments, which suggests that inflows from remittances do not boost local investment.
- There is a very high positive correlation between remittances and both inflation and imports, which suggests that remittances inflows are used mainly in consumption (resulting in increase in prices), and more specifically, the consumption of imported goods (resulting in an increase in imports). Consequently, the positive impact of remittances on the current account is (at least partially) offset by an increase in imports.
- There is a negative correlation between remittances and current account deficit, which suggests that Lebanon’s external balance benefits from these financial inflows.
- There is a moderate negative correlation between remittances and budget deficit (i.e. remittances lower budget deficit), which may be due to customs and taxes collected by the government on imports and consumption.
- Therefore, Lebanon’s ability to manage its twin deficit rests partially on remittances.

Table 10: Correlation between remittances to Lebanon and selected macroeconomic variables

Correlation between:	**Correlation coefficient**
Remittances and total investment, both as % of GDP	0.17
Amount of remittances (S billion) and CPI	0.78
Amount of remittances and amount of Imports, both in $ billion	0.85
Percentage change of remittances and percentage change of Imports	0.26
Amount of remittances and current account deficit, both in $ billion	(0.58)
Amount of remittances and budget deficit, both in $ billion Budget deficit	(0.19)

Source: done by the author based on the World Bank data.

Therefore, it is clear that despite the fact that Lebanon – particularly the Central Bank – has a clear and effective policy of attracting capital inflows (including remittances), it lacks a parallel effective policy to direct these capital inflows towards the productive economic sectors. As mentioned above, the largest proportion of capital inflows are directed towards consumption and the real estate sector.

We finally note that World Bank (2012) assessed the benefits and costs of foreign inflows to Lebanon (of which remittances form a major part) and their impact on the economic activity. The study came up with the following conclusions:

1. Economic activity in Lebanon is highly dependent on foreign financial inflows the country has been attracting from the Arab region for the past 40 years.
2. Foreign inflows have fueled an increase in aggregate demand and contributed to the increase in consumption.
3. There is a potential cost for these financial inflows represented by the misallocation of foreign financial inflows, which seem to benefit essentially sectors producing non-traded goods. For instance, the study found a strong correlation between foreign financial inflows (excluding those related to exports of goods) and the indicators of the real estate and construction sectors.
4. Foreign financial inflows have generated an appreciation of the real exchange rate.
5. Foreign financial inflows have lead to an expansion of the deposits base and the authorities in Lebanon, especially the Central Bank, constantly face the risk of seeing these large inflows fueling higher fiscal imbalances, increased trade and current account deficits, asset bubbles, and generating appreciation in the exchange rate with deterioration in competitiveness. Consequently, the Central Bank had to tighten regulation and follow a policy of sterilization and to build up substantial reserves in foreign currencies at high cost.

7. Policy recommendations

Remittances represent about 20% of Lebanon's GDP, which is more than FDIs and export revenues. Lebanon can improve its efforts to benefit from the huge remittances resources by adopting a comprehensive plan that significantly increases the Diaspora's impact on economic development and job creation.

Until today, Lebanese Diaspora funds have represented a massive untapped potential. There could be many ways to raise capital from Lebanese emigrants, such as "Diaspora bonds"[12] and other investment means. A Diaspora bond is a special bond that can be introduced by the government or by domestic financial institutions. It could provide emigrants with premium interest rates, deposit guarantee schemes, and many other incentives. Lebanon can benefit from the issuance of Diaspora bonds only if they are designed to circumvent the country's weaknesses and obstacles.

Other investment tools could target projects of interest to emigrants, such as schools, housing, hospitals and other projects that benefit their families in Lebanon. Therefore, the impact of Diaspora's engagement in supporting the real economy can be significantly increased by using these tools.

[12] This kind of bonds has already being issued by several countries, e.g. India.

Nevertheless, Georges Sassine[13] claims that the success or failure of Diaspora bonds is based on three key drivers.

- First, the profile of the country's Diaspora network, its size and wealth, how well organized it is and how easily it can be tapped into.
- Second, the relationship between the Diaspora and its home government.
- Third, patriotism, i.e. the emotional tie to their homeland and their national identity.

Regarding the first point, Lebanon enjoys a large and relatively well-off expat community. However, its relationship with the Lebanese government and its sense of patriotism vary widely. The lack of trust in a corrupt Lebanese government could negatively impact the Diaspora's willingness to invest in Diaspora bonds. The solution could be to ensure that investments funded by the Diaspora benefit the whole society. For instance, proceeds from these bonds could be used to fund national infrastructure projects such as railways or refineries to build Lebanon's oil and gas industry.

The Lebanese government needs to establish institutions focused on government-Diaspora liaison through and beyond embassies and consulates and strengthen emigrants' link to Lebanon.

Another extremely important matter is reducing international money transfer fees to encourage Lebanese migrants to send more money home through official channels.[14] Money transfers to Lebanon are indeed very expensive and much more so than in many other countries. The high cost of sending money through official channels continues to be an obstacle to the utilization of remittances for development purposes, as people seek out informal channels as a preferred means for sending money home. For instance, the cost of sending BHD1000 to Lebanon costs BHD 8, whereas it costs 1.5 to both India and Sri Lanka, 2.5 to Bangladesh, and nil to Pakistan (see Appendix B for other examples). There are many policy options to reduce remittance fees by encouraging greater competition and promoting innovative money transfer technologies, such as internet-based payment platforms.

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Appendix A: Lebanon emigration statistics

	Kasparian (2003)	**Kasparian (2009)**	**CAS (2010)**	**Abi Farah (2001)**
By year of emigration	54.4% between 1975 and 1990 18.4% between 1991 and 1995 26.6% between 1996 and 2001 0.7% undetermined	25% between 1992 and 1996 29% between 1997 and 2001 46% between 2002 and 2007	20% in 2005 20% in 2006 24.3% in 2007 17.6% in 2008 6.5% in 2009	
By age of emigrants	63.7% between 25 and 44	15% below 25 69% between 25 and 44 13.5% between 45 and 59	32.7% between 15 and 24 77.4% below 35	28.4% between 20 and 34 28.1% between 35 and 40
By reason of emigration	41.3%: unemployment 21.1%: family reunion 10.9%: economic conditions 5.3%: war 17.1%: general circumstances	Young women who emigrated for work and study: 8.8% between 1992 and 1996 23.3% between 2002 and 2007	65.9%: looking for work	
Families vs. individuals			86% individuals 6% emigrated with other family member 8% emigrated with the entire family And: 42.3% were married	
By gender			76.3% men 23.7% women	
By educational level	25.4% university graduates 23.6% school graduates	43.4% has university degree 22% has a baccalaureate diploma	44.4% has university degree 29.1% with secondary level	29.2% university graduates 18.4% school graduates

		17.4% has elementary school diploma 12% has no diploma.	23% with primary level	
By country of destination	Emigrants between 1975 and 1990: 29.5% to North America 24.4% to Western Europe 20.4% to Arab countries 13.1% to Australia 6.3% to Africa 4.3% to Central and South America 1.4% to Eastern Europe 0.4% to Asia 0.1% undetermined	35% to Arab countries 22% to North America 20% to Western Europe 9% to Australia 8% to Africa 3% to Latin America 2% to Eastern Europe	39.2% to Arab countries 32% to Europe 19.5% to USA and Canada 12.1% to Africa 7.6% to Australia	
By financial support		49% of all emigrants provide financial support 58% of emigrants between 1992 and 1996 provide financial support 52.6% of emigrants between 1997 and 2001 provide financial support 41.6% of emigrants between 2001 and 2007 provide financial support		

Appendix B: cost of money transfer through MoneyGram to Lebanon and other countries

From	To	Amount	(deducted) Fees
Bahrain	Lebanon	1000 BHD	8.00 BHD
	India	1000 BHD	1.50 BHD
	Pakistan	1000 BHD	0.00 BHD
	Sri Lanka	1000 BHD	1.50 BHD
	Bangladesh	1000 BHD	2.50 BHD
UAE	Lebanon	1000 AED	20 AED
	India	1000 AED	15 AED
	Pakistan	1000 AED	15 AED
	Sri Lanka	1000 AED	15 AED
	Bangladesh	1000 AED	15 AED
Kuwait	Lebanon	1000 KWD	12.75 KWD
	India	1000 KWD	2.00 KWD
	Pakistan	1000 KWD	0.00 KWD
	Sri Lanka	1000 KWD	4.00 KWD
	Bangladesh	1000 KWD	2.00 KWD
Qatar	Lebanon	1000 QAR	30 QAR
	India	1000 QAR	18 QAR
	Pakistan	1000 QAR	15 QAR
	Sri Lanka	1000 QAR	15 QAR
	Bangladesh	1000 QAR	15 QAR
France	Lebanon	1000 Euro	45 Euro
	Morocco	1000 Euro	37 Euro
	Algeria	1000 Euro	37 Euro
	Tunisia	1000 Euro	37 Euro
	Egypt	1000 Euro	33 Euro
Australia	Lebanon	1000 AUD	25 AUD
	Egypt	1000 AUD	23 AUD
	India	1000 AUD	15 AUD
Canada	Lebanon	1000 CAD	50 CAD
	China	1000 CAD	15 CAD
	India	1000 CAD	12 CAD
	Pakistan	1000 CAD	12 CAD
Brazil	Lebanon	1000 USD	46 USD
	China	1000 USD	41.35 USD

Source: http://global.moneygram.com/lb/en (extracted on April 22, 2014).