

US, Lebanon close to deal on new trade pact

MOVE HAILED AS STEP ON PATH TO WTO

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BEIRUT: The United States expects to finalize a new trade agreement with Lebanon by the end of November, marking progress in Beirut's stalled bid for membership in the World Trade Organization (WTO).

Viewed as a prelude to a bilateral free-trade agreement between the two countries, the new Trade and Investment Framework Agreement (TIFA) should eventually lead to Lebanon's ascension to the WTO, US Ambassador Jeffrey Feltman said in a speech at a dinner hosted by the Lebanese American Chamber of Commerce on Friday.

"What that means is economic opportunities for Lebanon," Feltman said of the country's anticipated inclusion in the world body.

Lebanon, which gained WTO observer status in 1999, has missed several target dates for ascension due to the governments' failure to adopt the required legislation on a range of trade issues, including piracy, anti-dumping, customs duties and food safety standards.

From the American perspective, one of the most significant stumbling blocks to Lebanon's

entry stems from the government's lax protection of intellectual property rights.

A US diplomatic source said the TIFA would signal that Lebanon's bid is back on track but cautioned that significant hurdles remained.

"This is definitely a step towards WTO entry, but the ball is in Lebanon's court in terms of membership," the diplomatic source told *The Daily Star* on condition of anonymity.

|| 'The ball is in Lebanon's court in terms of membership'

The US Agency for International Development (USAID) "has spent millions of dollars to support Lebanon's WTO bid," the source added, "but political problems have prohibited them from implementing the required economic reforms."

In 2005 the Ministry of Economy and Trade received a grant from USAID worth almost \$3 million to finance a 12-month technical assistance program in advance of Lebanon's third round of WTO negotiations.

Feltman also announced at

Friday's dinner a new US private-sector initiative to assist in Lebanon's reconstruction. The Overseas Private Investment Corporation and Citigroup will mobilize private capital in a fund to offer loan facilities to small and medium enterprises and to finance home reconstruction, repairs and long-term mortgages.

Feltman spoke at the launch of a similar program, the Lebanese-American Renaissance Partnership (LARP), earlier Friday at the Phoenicia InterContinental Hotel in Beirut. The LARP delegation, composed mainly of US-based Lebanese business leaders with dual citizenship, is the third private-sector American team to visit Lebanon to determine the best use of reconstruction aid following this summer's war.

In contrast with a US-Lebanon Partnership fund created in September, LARP is not sponsored by President George W. Bush's administration.

Feltman trumpeted the financial and diplomatic support the US has provided Lebanon over the years, saying that America put its "muscle" behind efforts to establish an international tribunal to prosecute suspects in the assassination of former



From left: American businessman George Hage, Feltman, Haddad and Walid Maalouf of USAID

Prime Minister Rafik Hariri.

"Through our leadership on the UN Security Council, our alliances in Europe and elsewhere, and with our close relationship to moderates throughout the Arab world, the United States has advocated loudly

and forcefully on behalf of Lebanese sovereignty and independence," Feltman said.

"I assure you too that Washington has emphasized to Lebanon's southern neighbor the importance of not undermining international efforts to

support Lebanon," he said.

The Lebanese minister economy and trade, Sami Haddad, reiterated the current administration's commitment implementing wide-ranging economic reforms.

The ministry is in the proce

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Photo by Fadi Abou Chayyoun

he Phoenicia.

of updating a five-year plan proposed by Premier Fouad Siniora before the war.

Haddad pledged to reduce expenditures by privatizing the telecom sector and Electricite du Liban, and by closing the

The partnership organization also announced grants to humanitarian organizations, including the Lebanese Family Planning Association, the Association of Motherhood and Infancy and the Children's Can-