

Non-resident inflows to Lebanon to rise 2.4 percent in 2018: IIF

The London based Institute of International Finance projected non-resident capital inflows to Lebanon at \$8.5 billion in 2018, an increase of 2.4 percent from \$8.3 billion in 2017, compared to a peak of \$15.6 billion in 2009. “Non-resident capital inflows to Lebanon would be the seventh highest among 14 countries in the Middle East and North Africa region,” IIF said. Lebanese expatriates in the Arab Gulf, Africa and Europe send remittances back home in form of saving accounts or to buy houses.

The IIF indicated that Lebanon’s projected non-resident capital inflows for 2018 include \$3.2 billion in portfolio investment, \$2.9 billion in other investment inflows, mainly banking-related flows, and \$2.4 billion in foreign direct investment.

IIF expected other flows to grow by 15 percent in 2018 from an estimated \$2.5 billion in 2017.

It also expected FDI inflows to drop by 4 percent from \$2.5 billion in 2017. “Non-resident capital inflows to Lebanon would account for 4.7 percent of total non-resident capital flows to MENA economies in 2018 and for 15.8 percent of total non-resident capital flows to the MENA region’s oil importers,” the report said. IIF said that Lebanon posted the second smallest decrease in net capital inflows in 2017 among six economies in the MENA region that registered a decline in their inflows last year.

“Non-resident capital inflows to Lebanon accounted for 5.9 percent of total non-resident capital inflows to the MENA region in 2017 and for 12.4 percent of total non-resident capital flows to the MENA region’s oil importers,” the report concluded.