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Lebanon climbing out of an inglorious past

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THIS is a true and sad story about Lebanon, a spectacularly beautiful country whose cosmopolitan people, until the 17-year civil war which ended seven years ago, were among the most prosperous in the Arab world.

The Lebanese are shrewd businessmen and said to be so adaptable that for many years the country was a kind of middleman in a sea of Middle Eastern troubles.

Its main ports, the capital Beirut and Tripoli, acted as transit centres for the countries of the interior, namely Syria, Jordan and Iraq. In fact, Beirut was the banking centre of the Middle East and the home of entrepreneurs who could arrange every kind of business deal.

Dubbed the jewel of the eastern Mediterranean, Lebanon was the playground of the rich with a distinctly French flavour.

All this changed. The war cruelly turned Lebanon into a country of tragedies and chaos.

The Palestine Liberation Organisation (PLO), the Syrian army, an Israeli occupation force, and Western and United Nations peace-keeping forces were all involved during the violent assault.

History has it that Lebanon took little part in the Arab-Israeli wars of 1948 and 1956 and none in the wars of 1967 and 1973. But clashes between private armies of Muslims, Druse, Christians and militant Palestinians led to civil wars in 1958 and again in 1975.

Attacks by the PLO across the Israeli border in 1969 and 1973 brought reprisals from the Israelis and Lebanese forces, led by Christians of the right-wing Falangist Party.

By 1980, there were 33 private armies and two years later Falangist President Bachir Gemayal was murdered after three weeks in office.

Beirut was a divided city, the Christians held the east, the Muslims the west of the capital. Sunni Muslims were strong in Tripoli, Shiites in Beqa'a and the south and the Druse in the Chouf mountains. The Druse claim to be one of the sects in Islam, believe in reincarnation, do not fast during the Ramadan or perform the Haj in Mecca, and show equal hostility to Muslims and Christians.

The legal Lebanese government was virtually powerless.

Inflation rose steeply. Lebanese fought Lebanese. In a land where sniping, bombing, kidnapping and assassination were the order of the day, the people's main aim was survival.

With all this tragedy, one is forced to question the rationale behind the Malaysian Government's move in improving its economic relationship with Lebanon.

The answer is simple. Apart from sympathising with the pain and deprivation Lebanon has suffered, Malaysia realises Lebanon has begun to rebuild itself and lay the foundation for durable peace at home and in the region. It must be mentioned that Lebanon was one of the first countries with which Malaysia established diplomatic relations. There have been numerous contacts at official and commercial levels since the early 60s. Malaysia established a Trade Office in Beirut in 1968.

The group of 35 Malaysian businessmen and 14 journalists who joined Prime Minister Datuk Seri Dr Mahathir Mohamad's three-day official visit to Lebanon from June 16 discovered the painful realities of war - bullet-ridden walls everywhere, collapsed buildings, little children begging in the street, to name a few.

But they also saw remarkable signs of the Lebanon people's determination to climb out of their inglorious past and put their economy in its rightful place. Work to repair buildings in the Beirut Central District (BCD), reduced to a scarred battlefield during the war, was massive.

According to the data centre at the Chamber of Commerce and Industry in Beirut, the growth of the country's Gross Domestic Product, though comparatively slower, reflects the fact that its economy is recovering at an acceptable pace.

The Lebanese economy was more than 70 per cent larger in real terms by the end of 1996 than it was in 1990 when the internal war ended.

This, plus other evidence of encouraging growth, spurred Malaysian businessmen to establish joint ventures in Lebanon.

Proton Berhad signed a distributorship agreement with the Malaysia Lebanese Trading House Ltd in Beirut, witnessed by Dr Mahathir.

At the same function, Premier Equity (Cayman) Ltd signed with a Lebanese company for the development and reconstruction of the BCD. Premier Equity proposes to develop a five-star hotel and service apartment suites.

Malaysia Airlines, which established direct Kuala Lumpur-Beirut flights some time ago, is working towards making Beirut airport the centre of its Middle East and North African operations.

Other businessmen in the delegation are studying the potential before making any commitment, but are fully aware that they must strike while the iron is hot.

As for Lebanese businessmen, Dr Mahathir's visit raised their hopes to attract their Asian counterparts. They also had the opportunity to study the "Malaysian model" in economic prosperity.

With an annual output of US\$96.2 billion (RM230 billion), the Malaysian economy is eight times larger than Lebanon's and is growing twice as quickly.

Financially both Malaysia and Lebanon regard currency stability and inflation as important concerns.

The economy of both countries also involves large capital inflow. The difference is that while in Malaysia the funds are directed into high technology industries producing cars and electrical goods, in Lebanon they are channelled into the t-bill market and property.

Indeed, the visit has given both parties the opportunities to forge the relationship and open new avenues for businesses. But more important, it reminds everyone of the stark reality of what communal strife and religious rivalries can do to a lovely country.

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