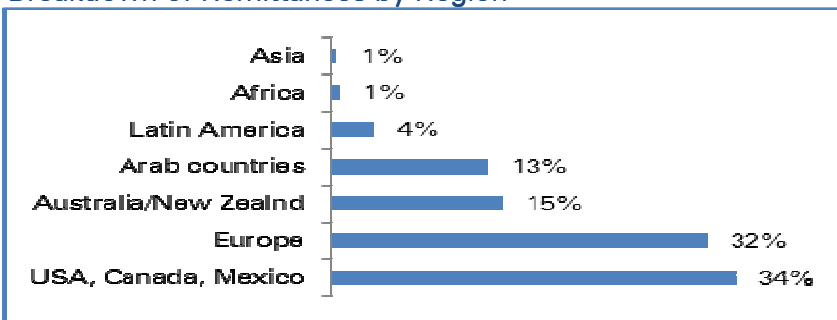




## Breakdown of Remittances by Region



Source: World Bank

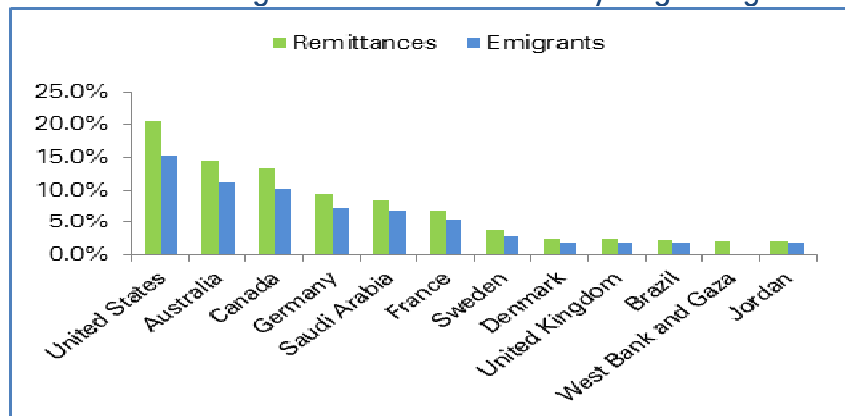
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## Breakdown of Emigrants and Remittances by Originating Country



Source: World Bank, international Organization for Migration

Far from being a myth, Lebanon’s migrating flows remain one of the highest in the world. Although it is not unusual for small countries to have high rates of migration, especially when torn with wars, decisions to leave one’s homeland are seldom taken lightly. Whether forced or voluntary, people’s migration is usually motivated by security or economic reasons, and while many remain homesick and conserve cultural and economic ties with their country of origin, only a small fraction eventually returns.

Data conflicts regarding the Lebanese diaspora, and definitions of a migrant differ from one country to the other. While circulating estimates puts the size of Lebanese diaspora near 14 million people, including second generations and those who relinquished their nationalities, the International Organization for Migration (IOM) estimates Lebanese migrants, actually holding the Lebanese passport and living abroad, at 849,700 people as of mid-year 2013.

In addition to its historical reputation of exporter of skills and talents, Lebanon has recently become a significant host for a sizable immigrating community. Violence and the spread of battle zones in Syria have displaced more than 2 million citizens, with Lebanon being their largest refuge. The United Nations Commissioner for Higher Relief (UNCHR) reported 763,000 Syrians in Lebanon by September 2013, in addition to 300,000 Palestinians established in Lebanon following their two major migrations in 1948 and 1967.

The net migration rate, which indicates the contribution of migration to the overall level of population change, stands at a negative -12.08 migrants/1000 people in Lebanon (2012 estimate), ranking the country 9th in the world on the scale of migration flows. Unsurprisingly, Jordan beats this score coming second in the world with a rate of -33.42/1000 and more recently, Syria moved up to score -27.82/1000. As part of a long standing conflict zone, the 3 countries sustain constant demographic pulls. On a comparative basis, Qatar’s net migration rate stands at a positive 40.62 migrants /1000. Lebanese immigrants account for 17.6% of the population, with 47.6% of them women and 21% under 15 years old. These shares stem from the fact that family reunification and education are also major motivations to migration.

The Lebanese diaspora is well attributed for leveraging the country's balance of payments. Accounting for 17% of the country's GDP, expatriates' remittances amounted to \$7.47 billion in 2012. With remittances predominately originating from North America and Europe, the weak economic conditions in these regions have resulted in flat growths in remittances flows in the past 2 years; however, they are expected to recover in 2013.

Within the MENA region, the World Bank's migration reports highlighted increasingly accelerating movements. The largest corridor is from Egypt to the GCC, with around 2.4 million Egyptians currently residing there, including 1.3 million in Saudi Arabia alone. As for the Lebanese in the GCC, aside from the 58,261 living in KSA, no official data was readily available about the totals currently residing there. In the recent year, repeated splits over Lebanon's political stance from the Syrian crisis led some of the GCC countries to restrict the entry of Lebanese to their countries, and rumors spread about the expulsion of politically involved Lebanese working in the GCC.

Nevertheless, the tight measures in the GCC regarding the nationalization of foreigners are a major hassle to migrants to this area. Excluding the option of being a citizen, migrants to the GCC remain temporary no matter how long they stay, which fortifies their ties with their countries of origin and increase their chances of returning, or else, moving to another country.

Matching the migration stocks against their remittances would noticeably reveal the concentration of the Lebanese diaspora that holds close ties with Lebanon. Using percentages instead of values, figure 2 above shows the breakdown of emigrants and remittances by their country of origin. Accordingly, the largest community still in contact with Lebanon resides in the United States, where 20.6% of Lebanese emigrants work to send 15.3% of total remittances cashed in Lebanon. Lebanese in Australia represent 14.5% of expatriates and send home 11.2% of total remittances. Emigrants to Canada constitute 13.4% of total settlers abroad, and generate 10.31% of remitted funds to Lebanon. Next come Lebanese in Germany standing at 9.5% of the community abroad and responsible of transferring 7.2% of funds to Lebanon. In fifth place, Lebanese working in KSA are now about 8.4% of the migrating population, bringing back to their compatriots around 6.7% of total remittances.

Granted, outward migration is blamed for the brain drain in the originating country, the reduction of labor force, and subsequently the deterioration of the output quality. As for inward migration, common conceptions evoke the increase of unemployment and the rise of ethnic and social strife.

However, when the sunny side is up, emigrating citizens play a considerable role in lifting the economies of their home countries, especially through their financial transfers. They also create markets for our products in their residence countries, transmit knowledge, information and know-how from destination country to origin, and create businesses that could eventually contribute to the foreign direct investment in their home countries. Studies provide evidence that migrants who return from abroad to their developing countries are more likely to become entrepreneurs compared to non-immigrants, owing to human capital and savings acquired overseas. On the

social side, benefits are also expressed through the social remittances, which create new attitudes and efficient behaviors contributing to the development of the home country.

As for the incoming migrants, they can boost consumption and output in the destination country, especially when they voluntarily migrate to it for a perceived opportunity and better standards of living. It might be true that they skew the unemployment for the low-skilled workers and put downward pressure on their wages and salaries, but they can also create new opportunities and businesses through the increased consumption they represent. In Lebanon's case however, the critical nuance, is that the immigrating populations were forced to move in, fleeing a crisis in their own country. Their abrupt influx therefore created an economic and social shock and left no time for adequate adaptation and integration. The channeling of these populations into efficient economic cycles remains highly challenging, especially as the hosting country has limited resources and endures economic strains of its own.

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