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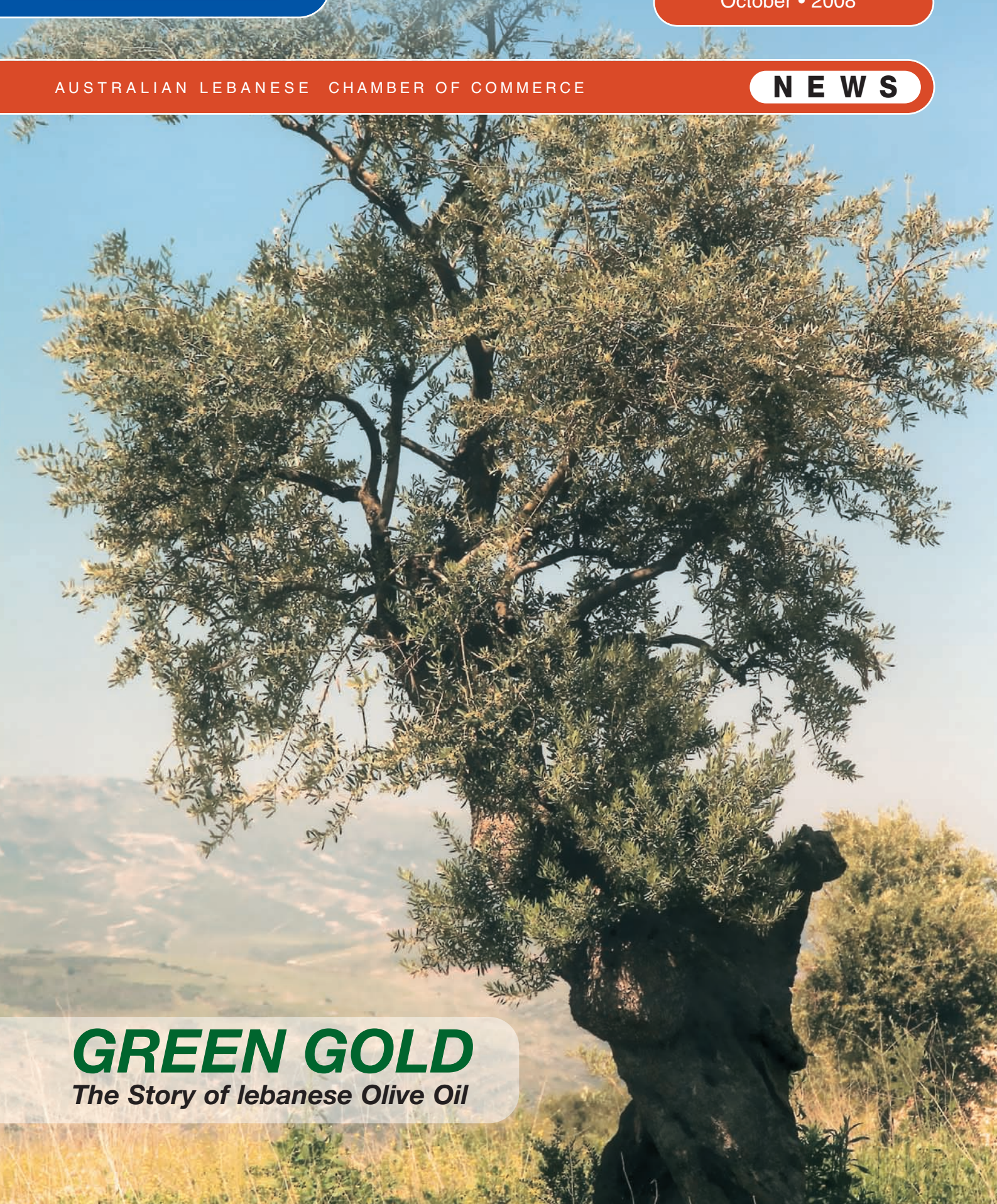
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NEWS

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The Story of Lebanese Olive Oil



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NEWS

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A Word from the President



Dear Members and Friends,

Another year is nearly over, and once again we all come together to attend the Annual Business Awards, that the Chamber is proud to have held annually, for the last Twenty three years this year.

I am aware that times are tough, but I have no doubt that with a strong will, determination and, careful planning, our economy will definitely improve. Let us all do what we can to help each other in whatever way possible, to overcome the current difficulties that most are facing, as a result of several factors both local and foreign.

On a brighter note, the Chamber is organizing a Middle East Trade Seminar on 7th November 2008, at the State and Regional Development, MLC Building Sydney.

For those who are interested, please contact our Office to make your reservations.

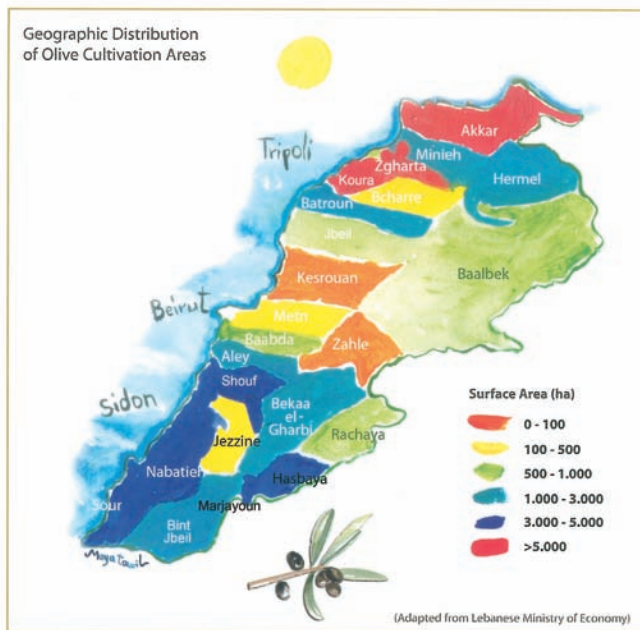
This is a good opportunity to catch up on the latest information & developments in that part of the world, which is witnessing an enormous boom in Construction, Investments and many other sectors.

Joe Khattar
President

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LEBANON'S OLIVE GROWING REGIONS



Olive trees grow in most of Lebanon, from the sub-tropical southern coast to the Bekaa Valley and the North, where the mountains are covered in snow in the winter. In fact, North Lebanon, including Akkar, accounts for 60% of all Lebanon's olives and the South, including the Shouf, accounts for most of the rest.

Olive cultivation occupies about 2-0% of Lebanon's total agricultural land (271,752 hectares). The average field size for more than 50% of Lebanese farmers is less than 0.5 hectares.

The best known oil-producing regions in northern Lebanon are Akkar, Zgharta, Koura and Batroun, while in Southern Lebanon, Nabatieh, Hasbaya, Marjayoun, and Rashaya el-Fukhar are most famous. These are all areas where olives have been grown for thousands of years and each area where olives have been grown for thousands of years and each area is proud of its olives and the oil it produces.

The Lebanese Ministry of Agriculture estimated in 2002 that 57% of all farmers in Lebanon were olive growers. In the last quarter of a century, the area under olive cultivation has nearly doubled, (now 57,000 hectares), sustaining an annual growth rate of around 3%.

Olive growing is the main agricultural activity in many regions of Lebanon, specifically in the North and around Nabatieh in the South, where it accounts for 33% and 47% of all cultivated crops respectively. However, even in areas where the olive is not the primary crop, such as in Mount Lebanon and other parts of South Lebanon, it represents for a substantial percent of total cultivated crops. Olive farming is estimated to be worth around US\$200 million, or approximately 20% of the value of total agricultural plant production.

Olive farming is still regarded as a family business, and land is handed down from generation to generation. Nowadays, though, it is regarded as a secondary occupation and 70% of olive farmers in South Lebanon, 50% in North Lebanon and 67% in Mount Lebanon, respectively are only part-time olive growers. Indeed, most of the farmers I spoke to while researching this book have another occupation and many only grow olives for local consumption.

Given its importance, there is a regrettable lack of information regarding the olive industry in Lebanon. Many figures, cited by experts and agencies, are just estimates, or worse, guesstimates. In 2003, only 3% of total production was exported, mostly to the US, Canada and Australia. Since 2003, export sales have quadrupled with the elimination of European Union custom duties on oils, making it easier for Lebanese producers to reach the European market. The increased demand for olive oil worldwide is also a factor.

Most Lebanese farmers still do not feel the need to implement costly international standards, as they prefer to sell their oil to their neighbors, relatives and friends. Furthermore, as local irrigation and pruning methods remain primitive, fluctuations in harvest will inevitably mean that Lebanon is not able to compete with countries using more productive methods, which guarantee more regular supplies of olive oil.

Some farmers though are changing their ways in order to produce a higher quality of oil and some have even obtained organic certification. They realize that they need to comply with International set Standards if they are to enter the export market. With the support of initiatives, backed by local NGOs, that have introduced modern oil presses and imposed quality controls, both the quality and quantity of Lebanese oil is on the increase.

Sheikh Sleiman El-Dagher, President of SILO (Syndicate of Inter-professional Lebanese Olive Oil Producers) estimated that, 1,150 farmers in Lebanon make a living from olives. There are 500 odd presses in Lebanon, but only 48 of them extract more than 80% of the country's oil. 85% of the registered mills are considered traditional. The rest are modern automatic or semi-automatic mills.

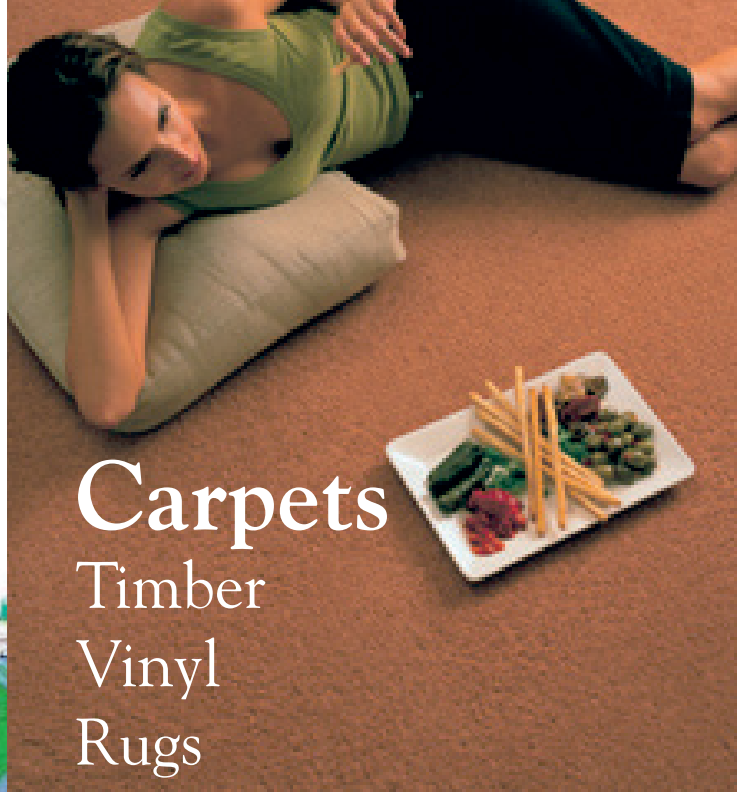
El-Dagher believes that the way forward for Lebanon is to concentrate on improving the standard of the mills and to focus on producing Extra Virgin olive oil as it fetches the best price when exported. He also envisages a role for the Government in funding the planting of olive trees in deprived rural regions.

Lebanon's olive oil industry currently does not enjoy Government protection, so cheaper, inferior quality imports are free to flood into the country, often passed off as locally produced oil. This hurts Lebanon's olive farmers and also tarnishes the country's reputation as an international producer of quality olive oil.

Many farmers are concerned about what the Government can do to protect the local market, so that they can continue to harvest their trees and make an honest living from their groves. There are numerous social and economic implications related to olive oil production in this country. Increased output would provide much needed work to the rural community, which in turn would help slow down rural migration from remote villages. Olive trees are inherently low maintenance, requiring little day-to-day management compared to other cultivation. This in itself affords farmers the opportunity to engage in other agricultural activities, with the potential to maximize both profits and local employment.

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THE NORTH

North Lebanon is home to Lebanon's highest mountain, the 3090-metre Qornet Al-Sawda and two important agricultural areas: Al-Koura and Akkar, both of which are famous for their olives and their fruits. The climate ranges from cold, snowy winters in the mountains to hot humid summers along the coast.

It boasts Lebanon's second largest city and important trading port, Tripoli. Founded by the Phoenicians in 800BC, Tripoli is a legend in its own right, and proud heir to historical remains that date back to the crusades and assorted empires of Islam. It is particularly famous for its old souks, traditional market places where tradesmen today still conduct their affairs as they did hundreds of years ago. Tripoli is also famous for its Lebanese desserts and sweets.

The North is also home to Lebanon's most famous writer Khalil Gibran, author of *The Prophet*. His hometown of Bsharre is in the Al-Arz region, not far from a grove of cedars - some of which are thousands of years old. The grove is a small reminder of the once mighty forests of cedar trees - the symbol of Lebanon - that covered the country and which were often mentioned in the Bible. These trees have been used since Antiquity in construction and shipbuilding.

Beneath Bsharre, the rocky cliffs and precipices of the Qadisha Valley are riddled with grottos and caves and the steep valley walls are studded with ancient monasteries and hermitages. As its western end, the port town of Batroun, which is mentioned in ancient Egyptian records, is a delightful warren of old cobbled roads and traditional Lebanese houses. Best known today for its lemonade, it was here, archaeologists suspect, that the first Phoenician ships were built, the same ships that later carried the olive tree to settlements around the Mediterranean.

THE SOUTH

South Lebanon, a land of citrus, banana and olive groves, has been inhabited for at least 6,000 years. The two main Phoenician cities there, Sidon and Tyre, still exist today. Their monuments, castles and ruins stand as a reminder of their former power and glory.

Tyre is Lebanon's southernmost city and lies just 20 kilometers from the Israeli frontier. It was founded around 3000BC and eventually became one of the most important Phoenician cities. Originally an island, Tyre was only linked to the mainland during the assault on the city by Alexander the Great, who built a wooden causeway to the island. This silted up and created a permanent land bridge. Its mosaic streets, Roman baths and arena remains of a crusader church, extensive Roman Byzantine necropolis and the largest hippodrome ever built make Tyre a unique and fascinating city.

Sidon, further to the north, was destroyed twice by war between the 7th and 4th centuries BC and once by an earthquake in the 6th century AD. Despite this, the town has many historic places, among them the Eshmoun Temple, an ancient centre of healing and the only Phoenician temple found so far with its carvings and sculptures intact, the extensive remains of a medieval city, complete with bath-houses, market places, churches, mosques and the Sea Castle, a Crusade fortification by the port.

In land, the Beaufort Castle is the largest and most scenic Crusader Castle in Lebanon and has been fought over into recent times.

The largely Christian town of Marjayoun is famous for its beautiful landscape and mild climate and is the regional centre for surrounding villages, which illustrate Lebanon's sectarian mosaic. Sunni and Shiite Muslims, Greek Orthodox and Catholic, Maronite Catholic and Protestant Christians as well as large numbers of Druze, all live in its environs.

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PROTECTING INTELLECTUAL PROPERTY IN THE UAE

What is intellectual property?

Intellectual property encompasses the wide array of intangible property that results from the creative and intellectual effort of individuals and organisations. This includes inventions, literary and artistic works, computer programs, databases, broadcasts, films, sound recordings, plant varieties, trade marks and designs.

Whether you are a prospective or existing Australian exporter looking to sell your products abroad to the UAE, an understanding of the regulations in force is pivotal to protecting your intellectual property and to maintain competitiveness in the world market.

Trade marks

To ensure full protection, it is advised that trademarks be registered with the UAE Trademarks Office. The registration process typically takes 10 months and has a validation period of 10 years with indefinite renewal options in 10 year intervals. A trademark is precluded from registration if it is identical or alike to previously registered marks, it is generic and not distinctive, or if it conflicts with morality and public order.

Copyright

The UAE Federal Law No. 7 of 2002 regarding Copyright and Related Rights protects computer software, databases, speeches, dramatic works, music, audio-visual works, plans, art, photographs, applied arts, maps and derivative works without registering copyright at the Office for the Protection of the Copyright and Neighbouring Rights.

In order to prevent another from using one's copyright, you must prove that your work has been copied. As such, the most secure avenue is to register copyright so as to prove ownership – registration shall be regarded as the authoritative reference to the copyrighted information. Non-registration shall not entail infringing upon the author's right. Protection is typically for the duration of the author's life plus 50 years or 50 years from the date of publication for the works of other categories, including corporations and performing artists.

Patents

A patent is protected for twenty years after the filing date. In order to be patentable an invention must be new, involve an inventive step or be capable of industrial application. A patent must be protected before the invention is made public.

These are obtained in the UAE by applying to the Ministry of Finance and Industry for a grant of patent. In the case of refusal, the applicant has the right to appeal to the Committee in the Patent Office. Accepted applications are published in the Official Gazette, and any interested party has the right to appeal to the Committee within sixty days as of the date of publication in the Official Gazette. In the absence of

opposition, the letters-patent or the utility certificate is issued.

With a validation period of fifteen years after the registration date and renewable for a further five years, patents can give companies a significant commercial advantage as they can be used to stop competitors using the same process. There is no need to show the competition has copied you.

Since the working of patents is an official requirement, a patented invention will be subjected to compulsory licensing by law if: it does not satisfy the working requirements within four years from the filing date; working has ceased for two consecutive years; the use does not cover the demands of the UAE; or if the owner refuses to license it under contract on fair terms.

Designs

Designs protect the appearance of products. In the UAE, registration is compulsory and application must be made before the design is launched to ensure full protection.

The registration of industrial drawings or designs is valid for five years after submission of application and can be renewed for an additional five years. Annuities must be paid within the final three months of the protection period, but late payment with a surcharge is possible within thirty days expiry of the due date.

Dubai Declaration

Recently, the unveiling of the Dubai Declaration in May 2008 has intensified efforts to curb illegal trade in counterfeit products by seeking greater cooperation with regional and global counterparts, including Interpol, to apprehend and punish dealers in fake contraband goods. The declaration, which will be adopted by all countries in the Arab world and 173 countries of the World Customs Organisation (WCO), encompasses a set of tough guidelines that will act as a benchmark for tracking and seizing fake goods and for convicting and fining those in breach.

Enforcement

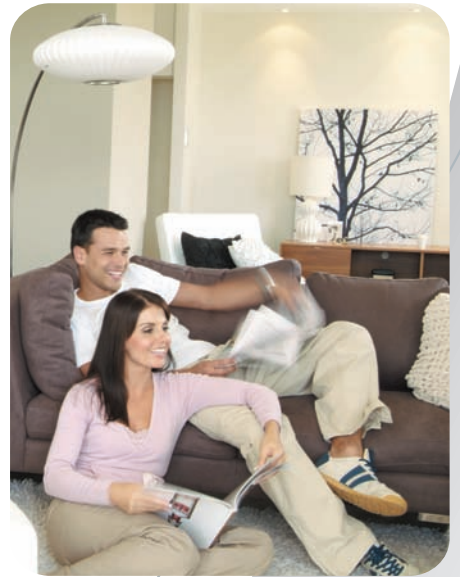
Enforcement comes in various forms, usually through fines or destruction. Prison sentences are unlikely. To ensure that you consider the most effective options and follow appropriate procedures, it is advised that you seek specialist legal advice in the area of intellectual property. As with any legal framework, effectiveness is maximised when procedures are followed.

For further information regarding the protection of intellectual property in the UAE, please contact:

James Harb (Partner) or **Danny Arraj** (Partner)
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LEBANESE BANKS CASH IN ON WORLDWIDE TURMOIL

The credit squeeze in the United States, Europe and some of the oil-rich Gulf countries has convinced many Lebanese expatriates and Arab nationals to transfer parts of their massive assets to Lebanese banks, local bankers said Friday. "The deposit base in some Lebanese banks surged in the third quarter and this trend is continuing due to the global financial crisis," Saad Andary, the adviser to the chairman of Bank of Beirut and the Arab Countries (BBAC), told The Daily Star.

He added that Beirut was now regarded as a safe haven by many depositors. At present, total bank deposits in Lebanese banks are close to \$73 billion and bankers expect this figure to reach \$80 billion by the end of 2008.

The International Monetary Fund has credited the Banque du Liban for adopting stringent measures that shielded Lebanese banks from the direct fallout of the global financial crisis. Andary said that most of the deposits are coming from Lebanese expatriates who are based in Africa and Europe.

According to the Association of Banks in Lebanon (ABL), more than 45 percent of the assets in Lebanese banks are liquid and most of this liquidity is in foreign currency, which affords protection to these banks. In addition, the lending-to-deposits ratio is one of the lowest in the region.

The Central Bank prohibits commercial banks from making direct investment in properties in Lebanon or any other country. But banks are allowed to lend, to a certain degree, to investors seeking to develop real estate projects.

"They [Lebanese expatriates] are liquidating some of their portfolios in Europe and the United States and depositing this cash in Lebanese banks," Andary said. Another

banker, who spoke on condition of anonymity, also applauded the ban on direct investment in real estate.

"This policy, which was enforced by [Central Bank Governor] Riad Salameh, has allowed local banks to avoid making any risky investment," the banker said. "At the end of the day banks should not venture with the deposits the clients."

The banker said that investors had confidence in the soundness of Lebanese banking system and this trust was translated into more deposits. Lebanese bankers stressed that if the flow of deposits increased in the coming months many banks would start paying lower rates on deposits because of various costs and risks associated with digesting such large amounts of capital.

"We have to cut our rates down and we have started doing this few months ago," Andary said.

The average current interest rate on dollar deposits is a little less than 4.5 percent, while the average interest on Lebanese-denominated deposits is between 8 and 9 percent.

Echoing similar views, Joe Sarrouh, the adviser to the chairman of Fransabank, said that banks are getting lot of inquiries from abroad. But he stressed it is difficult to calculate the deposits that are coming to the country for the time being. The Central Bank issues reports on the growth of Lebanese banks every six months.

"I expect the trend of inflow of deposits to accelerate in the coming few months," Sarrouh told The Daily Star. He also predicted that if the current trend continued, many banks in the country would reduce their rates.

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INVESTMENT IN LEBANON'S PROPERTY MARKET

In an interview this week, Nabil Itani, Head of the Investment Development Authority of Lebanon (IDAL) said that more than US\$4 Billion worth of properties were sold in the first eight months of this year, and the figure is expected to reach more than US\$5 billion by the end of 2008

"There is an unusual appetite for properties in Lebanon and if the demand continues at the same pace, then we will definitely exceed the transactions of 2007" Itani, said.

Saudi, Kuwaiti and united Arab Nationals were among the main real estate investors this year which is a clear indication that the confidence of Arab investors in Lebanon is being restored.

Last week a United Nation report showed that Lebanon witnessed a growth in Investments and Arab Capital Inflows by approximately 4 percent to US\$ 2.845 Billion in 2007

As for the current world financial problem, the director of the quality program at the Ministry of Economy and Trade, Ali Berro said that it was early to determine the impact of the Global financial crisis on the Arab region in general and Lebanon In particular. "but it is possible to say the Arab oil-producing countries might be negatively affected more than other countries. As for Lebanon, it will probably be least affected as a result of its small economy and limited Stock-Exchange activity", he added.

The Head of IDAL Nabil Itani, underlined the need to pass a new Legislation in the Parliament, that aims at encouraging investments in Agriculture, Industry and Technology.

"The oil rich Arab States are still flush with money, despite the crisis, and we should do our best to attract some of those funds". He said.

Michael Rizk

Head of Trade Relations
Australia-Lebanon - ALCC

LEBANON CAN WEATHER THE STORM - CITIGROUP

BEIRUT: In its first comment about the impact of the global financial crisis on Lebanon, Citigroup reiterated its optimism about the economic and financial outlook despite the global banking and financial turmoil, adding that the country's insulation is now perhaps its greatest asset amid the global turmoil, as reported by Lebanon This Week, the economic publication of the Byblos Bank Group.

It noted that while some hedge funds sold off some Lebanese Eurobonds last month, Lebanese banks and cash-rich individual investors have stepped in. It considered that the restricted ratings of Lebanese banks, because of the low sovereign ratings, have become a blessing as Lebanese banks are far less vulnerable to capital outflows compared with their counterparts in many emerging markets.

It added that what was once considered undesirable is now beginning to look quite attractive. The bank said that Lebanese Eurobonds were considered undesirable several years ago because the country was in a serious debt trap, the politics would not allow policy-makers to implement reforms, and regional uncertainty added to the problem. But things have changed since then, particularly since political stability has been restored with the Doha Accord. It said that, while the rest of the world could be grappling with a global recession, Lebanon could eventually lighten its debt burden and look optimistically to the future.

Citigroup still warned that Lebanon has not overcome its economic challenges. It noted that what is different this time is that, while the problems remain, potential solutions look quite promising. It said strong capital inflows from the Lebanese diaspora have pushed foreign currency reserves to record highs and appreciated the currency band from 1,501-1,511 per US dollar to a narrower and stronger 1,497-1,501 since early September 2008. Also, private sector bank deposits have increased annually by 15.5 percent as of

July which is the highest annual growth since 1999. It added that this pace is likely to increase further, as jittery Lebanese return to the comfort and better returns provided by Lebanese banks.

Citigroup expressed doubts that the much-needed privatization of the mobile licenses will go through during the term of the current Cabinet, and considered that a post-election Cabinet should push through the sale.

It believed that although the International Monetary Fund (IMF) is firmly on board to help Lebanon narrow its fiscal and external gaps, the sense of urgency is not there because of ample financing that is pouring into the country. But it warned that the continuing foreign interest in Lebanon is contingent on regional stability. It added that if the region remains stable and the privatization goes through in the second half of 2009, Lebanon's debt dynamics could change significantly.

Citigroup said in July that Lebanon's debt exposure is not as concerning as the headline number suggests due to a committed investor base, robust deposit growth in the banking sector and foreign interest in the real estate sector, while the IMF is monitoring Lebanon's economy and is working on a soft approach to debt sustainability.

In parallel, investors in Lebanese Eurobonds have remained remarkably loyal to Lebanese sovereign debt despite the country's inability to reduce its burden. It said the commitment to sovereign bonds can also be seen by the falling spread in US dollar lending, which suggests that even with lower yields on the bonds, interest remains strong. Further, as Lebanon's debt dynamics do not allow local interest rates to follow US rates, investors are inclined to remain in Lebanese assets to realize steady above-market returns. –

Courtesy of Daily Star - Lebanon



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The ALCC pays tribute to a great man of Lebanese descent

**PIONEER HEART SURGEON
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Michael Debakey the great pioneer in heart surgery passed away this year just few months from his one hundredth birthday.

In his lifetime, he performed more than 60,000 heart surgeries and designed more than 70 medical devices.

His list of accomplishments and awards, during the seventy five years of service in the medical profession, are endless, although the name Michael Debakey, was instantly recognized world-wide.

As the man behind the many innovations and successes in heart surgery, he remained extremely humble and would always say " My mother was an expert at sewing, so she taught me to sew" ...

Michael Debakey and many others of Lebanese descent, who are scattered all over the world, are an inspiration and a source of strength for us all.



The Chamber is in the process of preparing a powerpoint presentation about those of Lebanese origin that have made a difference to the world we live in.

Michael Rizk
Head of Trade Relations - Australia/Lebanon
The Australian Lebanese Chamber of Commerce Ltd

The Annual Business Luncheon – 20th June 2008 Doltone House Function Centre – Jones Bay Wharf Pyrmont

The Australian Lebanese Chamber Of Commerce hosted the Annual Business Luncheon on Friday 20th June 2008, with an excellent and attentive audience. In his speech, our Key Speaker, Mr Mike Smith, CEO ANZ Banking Corporation gave an insight on the Global issues which he based on "Some Perspectives on the Current State of the Market".

Our appreciation goes to each one of you, for sparing the time and effort to listen to an excellent Guest Speaker. Your attendance and support to the ALCC is greatly appreciated, and it is what makes these events interesting and enjoyable, and what we hope has become an excellent networking opportunity for each of you.

We extend a special thanks to all ALCC Sponsors, for their on-going support and loyalty, to John Alten, who carried out the role of MC with excellent style, to the Management of Brick and Block Company for being Event Sponsors of this year's Business Luncheon, and to Doltone House for their hospitality and excellent service.





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THE RESPONSIBLE "FINANCIAL CAPITALISM"

Financial capitalism is in the dock. All fingers of accusation are pointed at it. Politicians attacked it mercilessly. There has to be a victim. There has to be a scapegoat. It was chosen. The Russian president and German chancellor called for a new economic order. The four-party European summit (France, Italy, Germany and the UK) called for a world summit to be held as soon as possible to reconsider the rules of this capitalism. But is this capitalism responsible for destroying the world economy, causing its deeply entrenched assets to crumble? Is financial communism or socialism a corrupt system too, simply because it has failed in many nations where violations mounted?

The financial systems may not be corrupt; the accused is political regimes that conspire with institutions and individuals to turn their financial systems into havens for unlawful enrichment. When enrichment expands, wealth is unfairly distributed. "Expansionist" regimes favor adventure then suicide, followed by collapse and bankruptcy. It is the political regimes - not financial capitalism - that have gone bankrupt when major US and European banks collapsed. No expansionist regime can last for long. The high-net worth individuals, the "money whales," can devour small "fish," entering into cut-throat competition and ruthless money wars, only to fall and lose. At that moment, fear overcomes them; their wealth has been turned by investment funds into instruments that can neither buttress money markets nor reinvigorate the economy.

Profits gained without production are tantamount to money gained through gambling. Easy come easy go. They look for "preys," and most of the time, small investors fall victim. They feed on competition. Only stocks are no longer subject to the institutions' productivity and profits. They are valued in terms of supply and demand as basic goods unassociated with the issuer. A company can lose its capital when its stocks collapse in value. This does not have to do with lower productivity but with bankrupt assets.

Large banks took risks, as they breached these laws and bowed to the will of the "adventurous" investors. Whoever oversees hundreds of billions of dollars in investments is neither deterred by rules nor by systems. He enjoys the support of a conspiring political elite that may be sharing profits. According to the adventure "protocol," the size of borrowing must be floated. In the US, banks

kept \$1 as a guarantee for every \$35 of loans. They took more risks and exceeded the system limits. This is not "financial capitalism;" it is a financial crime. Few countries - Lebanon is one of them - impose lending restrictions (in Lebanon, it is 60 cents for every deposited dollar, and sometimes less). According to the IMF, this destructive expansion destroyed \$5.5 trillion of stock value in the US and left \$1.3 trillion in bank losses. In addition, the world growth dropped by 3 points off its annual average, i.e. between \$1.6 to 2.3 trillion a year and perhaps more in 2009 and the years to come.

Even if it champions the free economy principle, the financial capitalist system has allowed the state to intervene. It has provided citizens with welfare, supported health and education institutions and authorized some countries to subsidize consumer goods. The financial capitalist system has not allowed the freedom of expansion and the intentional theft of riches. The system has controlled financial assets and entitled central banks to monitor and scrutinize conditions, dubbing them as monetary authorities. The system has also interfered, nationalizing the failed institutions and privatizing the ones able to nurture the private sector. Where monitoring was tight, money institutions did not crash.

The current financial crisis pushed the US, the leader of the capitalist system, to nationalize and merge banking institutions. Worse, it is nationalizing bad assets and bonds. In order to preserve the financial capitalist system, the US president announced that the state's intervention would be exceptional. His administration's bailout plan did not set punishments to those responsible for crashes and bankruptcies. The American people seemed angry at the pay of senior employees in Wall Street, while the four European countries undertook to "punish those whose institutions have gone bankrupt." Had their performance been monitored, no mortgage crisis would have arisen and the financial markets would not have crashed.

The US plan is designed to treat a global finance that became ill with too much expansion. It has provided a way out of the crisis, but the market reaction seems wary. The end of the crisis is not defined by a law!

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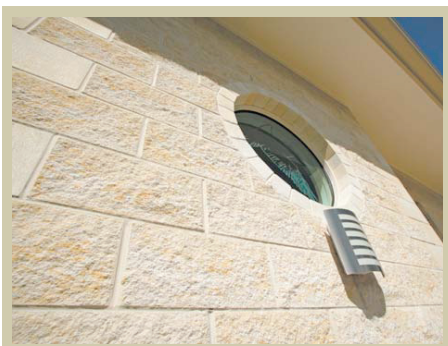


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Saboun Baladi: Traditional Olive Oil Soaps

The last few years have seen a revival in demand for olive oil soaps. Olive-based soaps are one of the most natural cleansing agents for the skin and are renowned for the purity of their ingredients.

Although the Phoenicians introduced the olive tree to France, and even though olive oil soap has been produced in the Mediterranean region for millennia, it was not introduced to Europe until the Middle Ages, when Silk Route traders returning to Europe from the Lebanese port cities of Sidon and Tripoli brought the first shipments of soap with them.

Olive oil soap is still made in the traditional way in Lebanon, generally from olives deemed unfit for consumption. However, the best quality soaps are made from Extra Virgin oil.

The process is relatively simple. Oil is mixed with lye, water and glycerine (for added moisture) in large vats and heated. The resulting soap is generally white in colour, although crushed olive pits can be added to the mix to turn it green and beauty soaps are often perfumed with natural fragrances such as rose or lavender. Once cooked, the mixture is poured onto huge moulds on the floor and left to cool.

Before the soap is fully dry, it is scored into cubes, to make it easier to cut later. The rope used in the scoring process is sometimes soaked in coloured dye, which leaves vibrant patterns on the soap. Finally, it is cut into cubes, stacked and left to harden.

Olive oil soap is used not only for personal hygiene but also used for hand-washing cloths. The water used to wash the floor after soap making is highly sought-after by nearby residents who use it to clean their own floors.

Soaps are usually stamped with the name of the soap maker, or a company logo. Each soap maker – and it is usually a family business in Lebanon – works with jealously-guarded recipes handed down from generations to generations.

As demand grows, olive soap is increasingly being made on a commercial scale. Lebanese companies are producing ever more sophisticated varieties of olive soap, incorporating new blends of oil and new, exotic fragrance to create soaps that are sold at high-end stores and specialist boutiques all over the world.

Audi Soap Museum, Sidon

The ancient city of Sidon, which is now the regional capital of southern Lebanon, began life over 6,000 years ago as a Phoenician city-state. By the Middle Ages, it had become an important regional centre for olive soap manufacturing and until quite recently, Sidon had many functioning soap factories. Today, most have stopped working but the city can now boast one of the few soap museums in the world.

Housed in a beautifully - restored former soap factory, the museum was created by Sidon's Audi family, a significant Lebanese banking dynasty. The building itself dates back to at least the 17th century.

Many of the elements of the former factory have been retained and clever displays document the use of olive oil soap throughout the ages. Visitors can also watch a documentary film explaining the different steps of production. The tools once used in soap making

are also on display, alongside other items like bathing accessories used in the old hammams (Turkish baths).

The museum has a charming café and a small boutique: and after learning about the history of the olive soap, visitors can buy cool, white blocks scented with laurel, lavender and amber.

Khan Al-Saboun, Tripoli

Tripoli's Khan al-Saboun (Soap Depot) was built at the beginning of the 17th century by Yusuf al-Saifi, the Ottoman governor of Tripoli. The graceful arcaded stone structure with a large interior courtyard originally served as a barracks for Ottoman troops. Later, the building was turned into soap factory and storehouse. It is in this archaic setting that the Hassoun family makes traditional Tripolitan olive soap today, as well as a range of olive-based moisturizing creams.

Their signature soap is a multicolour marvel, created by running a rope dipped in various dyes through the soap as it sets. It is moulded into rough ball that is then polished using a special blade unit it is round and smooth. This exotic soap, often scented with aromatic oils such as musk, amber, vanilla or ginger, is frequently given as a gift to Lebanese brides.

Other simpler soaps made here contain honey and shredded mint and are wonderfully refreshing on the skin. Hassoun is best known for a soap assembled in the form of a string of worry beads, which is exported all over the world.

Senteurs D'Orient

The soap here are significantly more upmarket than the traditional Lebanese versions. The smooth, sophisticated bars are carved into intricate designs and come in attractive packaging. They sell extremely well on the export market.

The olive oil used in these soaps is enhanced with Palm oil and Shea butter, which add extra moisturizing power. For some soaps, roses and laurel are blended into the bar, giving off intense fragrances. Others have added wheat germ or oats, which give them a slightly rough feel, but promote deep cleansing and exfoliation.

Zahia Abboud Soaps

Zahia Abboud makes traditional Lebanese soaps with her own olive oil, to which she adds lavender, musk and laurel. Wrapped in sheer white paper, exuding exotic aromas, the bars are stacked high in her tiny shop, next to her traditional stone olive press. A local artist makes minute sculptures out of her soaps, as well as strings of perfectly shaped worry beads chains. Old family machinery and tools are also on display.

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