

**European models of freedom of movement, establishment
and trade: The hurdle of Lebanese sole agency**

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The domestic setting

A major element of surprise for the foreign manufacturer tends to arise upon a dispute with a Lebanese importer who might have represented him over a period of years in a "sole/exclusive agency" contract which, for one reason or the other, the manufacturer/exporter would like to discontinue. For the European trader who is used to the protection of Articles 85 and 86 regulating competition, the snare of the Middle Eastern agency/distributorship is the more surprising in view of the compensation owed by the foreign principal to the agent/distributor under Decree-Law 34 of 1967 (amended 1975): "The trader who sells on his own behalf what he purchases in accordance with a contract which grants him the capacity of representative or exclusive distributor, shall be deemed to be the same as a commercial representative....The agent [ie the commercial representative] shall, notwithstanding any agreement to the contrary, be entitled to claim compensation equivalent to any damage he may have sustained or to any profits he may have lost..."

The comparative setting

The paper will examine the "sole agency" phenomenon and the assimilation of the trader/importer to this category in a comparative perspective, notably with regard to the possible justification for this type of "conventions in restraint of trade" in the European Union and in the United States. It will note, in particular, the problem arising from the various legal categories and regimes which regulate "distribution networks" in Europe and in the Arab Middle East. This section concludes with some results surrounding the confusion of legal terms of reference in a way which may call into question the demands for hasty legislative abolition of "the hurdle of sole agency".

Reform

Some further avenues are finally examined with regard to reform, notably other dimensions of trade which relate to freedom of movement and establishment.

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