



IDAL

INVEST IN LEBANON

**TOURISM
FACT BOOK**



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SECTOR OVERVIEW



SECTOR OVERVIEW

The Tourism Industry in Lebanon has always been an important contributor to the local economy, representing a major source of income and employment.

The direct contribution of Tourism to GDP, which includes internal tourism consumption and purchase by tourism providers, constituted 9.3% of Lebanon's GDP in 2012, whereas the total contribution which reflects the wider impact on the economy accounted for 25.1% of GDP.

The size of the industry is expected to rise from USD 4.1 billion in 2012 to USD 4.2 billion in 2013 and its total contribution to the economy to reach USD 11.1 billion, remaining one of the highest ratios in the world (Figure 1). Capital Investments to this sector have amounted to USD 1.3 billion in 2012 (10.0% of total investments) and are expected to increase by 2.7% in 2013, according to the WTTC.

The Total Contribution of Travel and Tourism to GDP* includes:

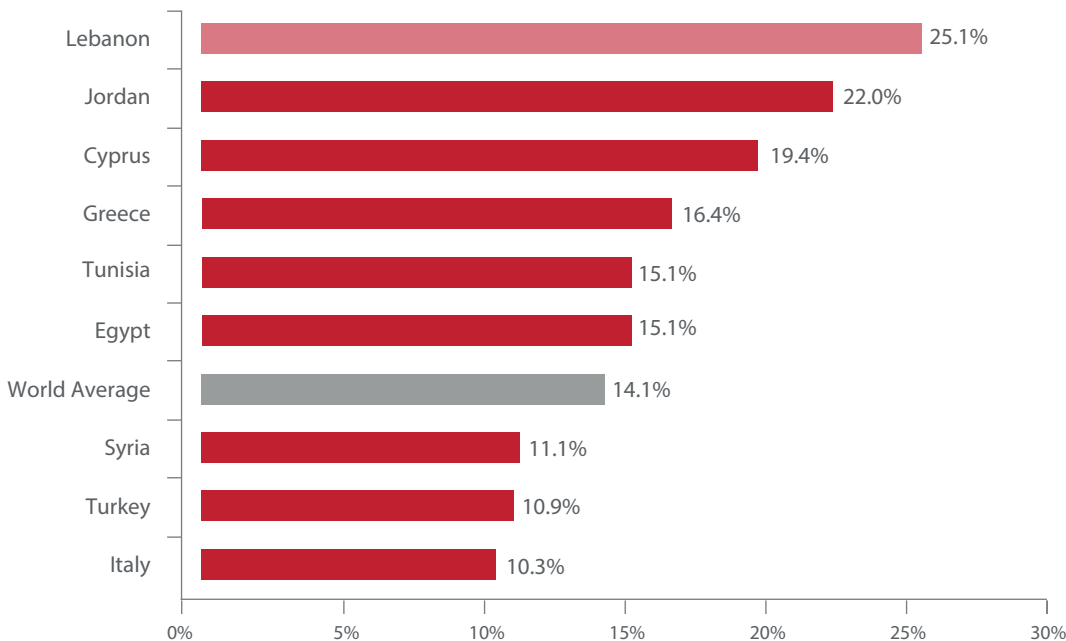
- ▶ direct contribution to GDP
- ▶ domestic supply chain
- ▶ capital investments
- ▶ government collective spending
- ▶ imported goods from indirect spending induced impact.

According to the World Travel & Tourism Council (WTTC)

Total contribution of the tourism sector : It generated

25.1% of GDP. **322,500** jobs in total (24% of total employment).

Figure 1: Travel and Tourism Total Contribution to GDP % share | 2012



Source: WTTC's "Travel & Tourism Economic Impact 2013 Lebanon" report

Furthermore, the Travel and Tourism industry continues to contribute significantly to employment, generating 120,000 direct jobs in 2012 and 322,500 jobs in total (9.0% and 24.0% of total employment respectively). This number however is expected to fall by 2.1%.

Total jobs are also expected to follow the same trend with a 1.8% decrease in 2013, to reach 317,000 jobs. This labor intensive industry benefits from a large pool of skilled and multilingual labor force, which has been a main driver for the industry's growth.

TOURISTS ARRIVALS

The number of tourists to Lebanon has increased substantially over the years.

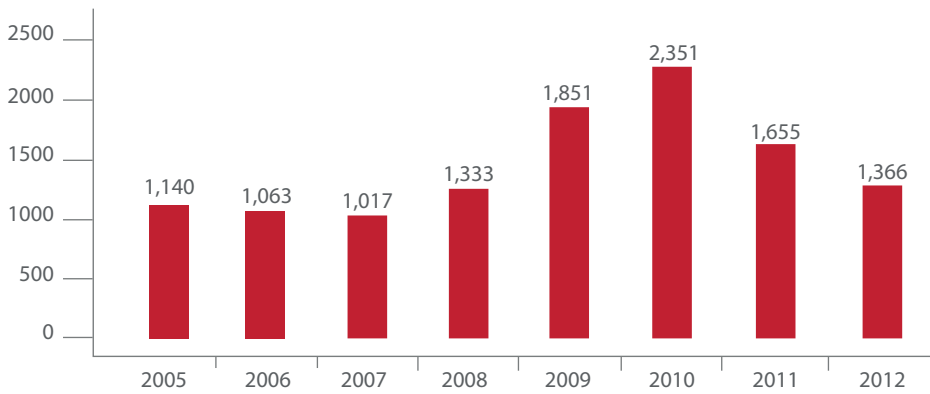
2010 was an exceptional year for Lebanon's tourism industry with a total number of tourists amounting to 2.4 million and registering a 27% increase from 2009 levels, one of the highest rates in the world.

Compared to growth rates of tourists arrivals in the region, Lebanon's tourism sector is significant and constantly expanding. With a compounded annual growth of 16% recorded over the 2005 - 2010 period, the tourism sector is

considered as one of the fastest growing sectors regionally. Lebanon has been retaining its competitiveness in the region mainly due to its unique geographic features as well as a historical location.

Since 2011 however, numbers have witnessed a drop due to regional turmoil, reaching 1.7 million tourists in 2011 and 1.4 million in 2012 (**Figure 2**).

Figure 2: Number of Tourist Arrivals in thousands | 2005-2012



Source: Ministry of Tourism

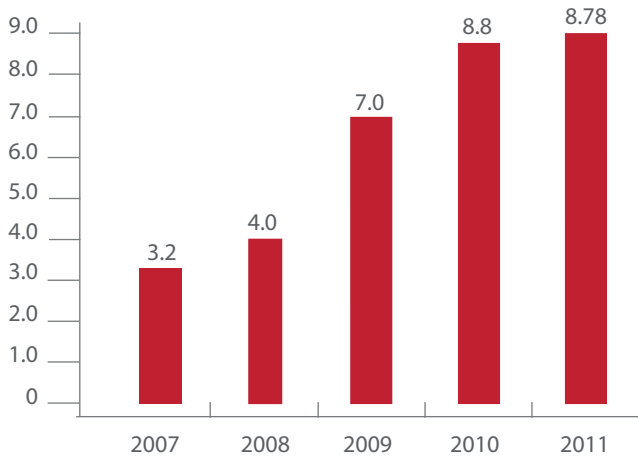


TOURISTS SPENDING

In 2011, overall tourist spending was expected to generate USD 8.78 billion, up by 25.4% from USD 7 billion in 2009, accounting for around 20% of the country's GDP according to the Ministry of Tourism. This number is 24% higher than the world average (Figure 3). In terms of revenue generated, the Tourism sector ranks second regionally after Egypt, with a growth rate of 5.2% in Lebanon, versus 3.2% in the Middle East.

Tourists in Lebanon spend on average USD 3,000 per visit, one of the highest averages in the world. Saudi tourists spend the most in Lebanon and account for 23% of total spending, followed by Kuwaitis who represent 10% share of the total. The amount of spending as well as the length of stay decline among European and American tourists.

Figure 3: Tourists Spending USD billion | 2007- 2011



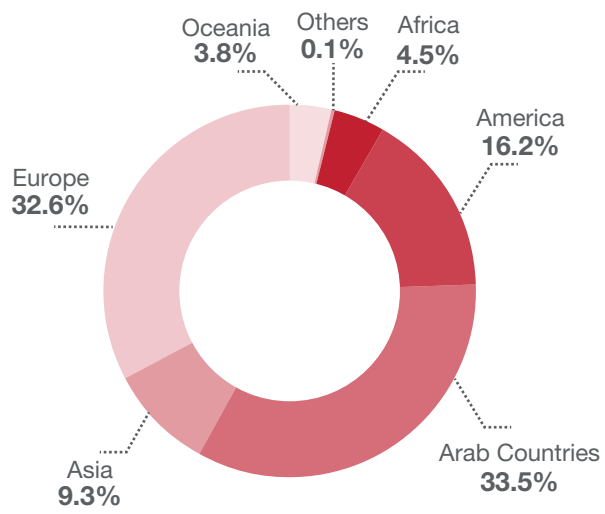
Source: Ministry of Tourism

TOURISTS PROFILES

Arab tourists account for the highest share of tourists coming to Lebanon, reaching 458,069 visitors and representing 33.5% of the total number of tourists in 2012. European visitors constitute 32.6% of total incoming visitors with 444,824 tourists, followed by the Americans who account for 16.2% of the total with 221,174 visitors during the same period (Figure 4).

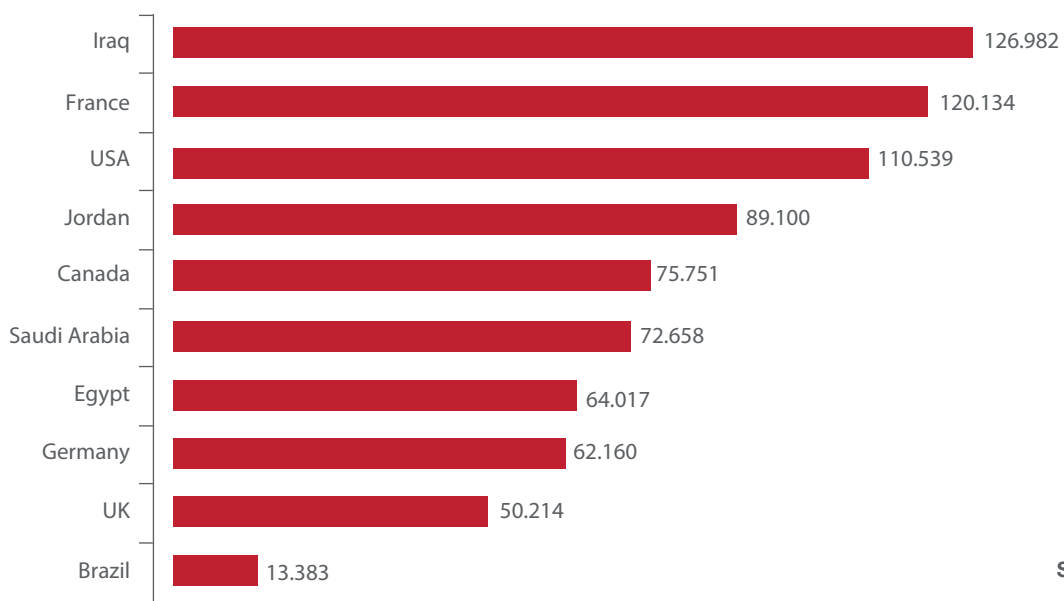
If we take a look at the breakdown by country of origin, we can see that Iraqi and French visitors lead the way with 126,982 and 120,134 visitors respectively in 2012. American visitors come next in line 110,539 visitors, followed by Jordanians with 89,100 visitors, and Canadians with 75,751 visitors during the corresponding period of time (Figure 5).

Figure 4: Tourists by Region of Origin | 2012



Source: Ministry of Tourism

Figure 5: Tourists by Country of Origin in thousands | 2012



Source: Ministry of Tourism

COMPETITIVE STRENGTHS



COMPETITIVE STRENGTHS

Lebanon's attractiveness as a popular touristic destinations lies in its mix and variety of activities offered to business, religious, adventurous and leisure tourists. Growth potential exists in both city centered attractions as well as in mountains, ski resorts, beaches and wild life.

1. LEISURE ATTRACTIONS

Lebanon has been cited by CNN and the New York Times as the number 1 city in the world for its unique beaches and resorts, and the vibrant Beirut's nightlife.

Leisure tourism continues to have the highest market share although business, ecotourism and health tourism in Lebanon are on the rise. Leisure spending was expected to total USD 10.0 billion in 2011, representing 89.6% of the total, compared to 10.4% for business travel spending.

2. CULTURAL AND RELIGIOUS HERITAGE

Lebanon tourism sector is one of the most diverse in the world. Lebanon's cultural heritage, combined with its many historical and religious sites make it one of the top

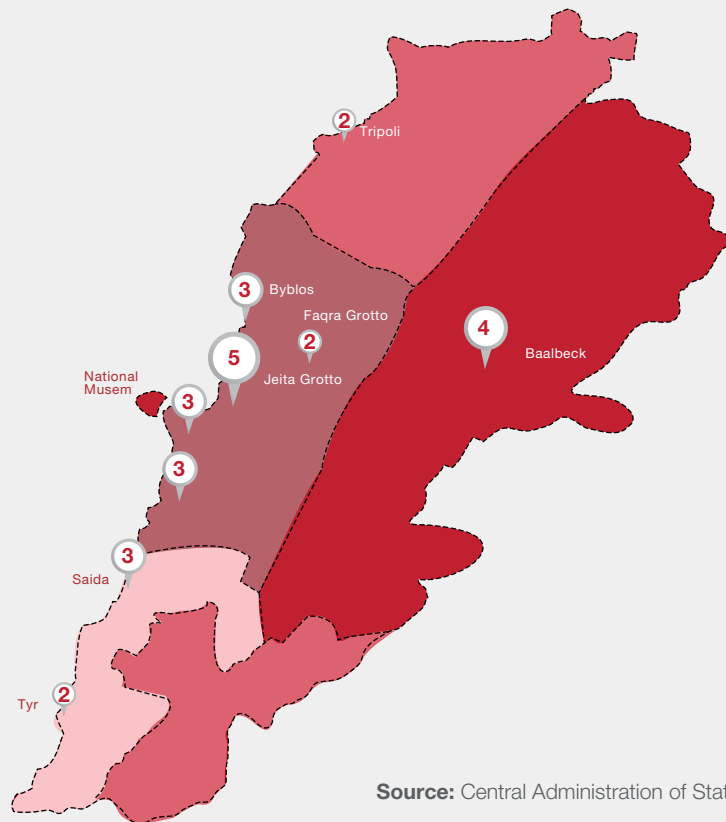
destinations for cultural, wellness, ecotourism and religious tourism. Despite the tremendous growth registered in this sector, Lebanon's tourism industry remains one of the highly promising sectors providing ample opportunities.

A number of touristic sites have been nominated by the UNESCO as World Heritage sites and have attracted a great number of international and regional tourists.

These include:

- ▶ Anjar
- ▶ Baalbek
- ▶ Byblos
- ▶ Tyre
- ▶ OuadiQadisha (the Holy Valley)
- ▶ The Forest of the Cedars of God (HorshArz el-Rab)

Most Visited Tourist Sites of Lebanon | 2008



Source: Central Administration of Statistics

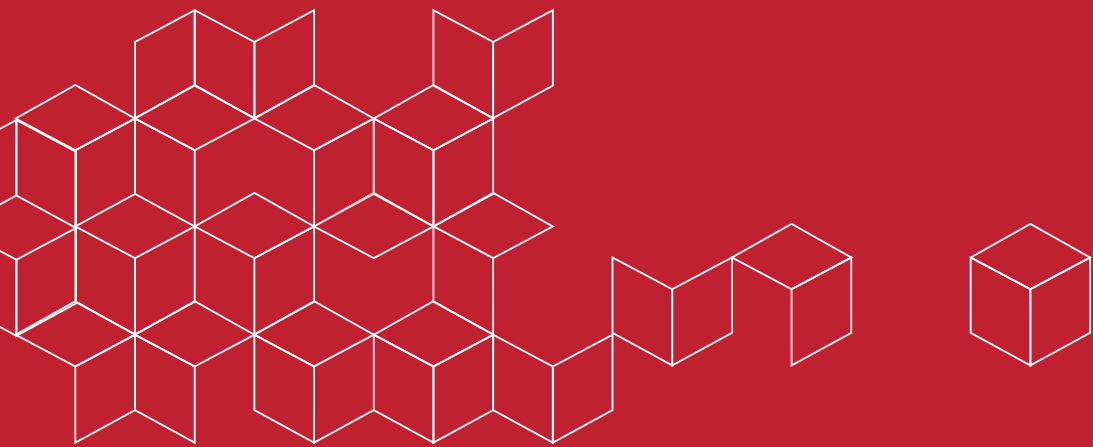
3. A UNIQUE LANDSCAPE

Lebanon is endowed with a unique landscape and a natural heritage and a mild climate that distinguish it from all the neighboring countries.

4. HUMAN RESOURCES

Lebanon's educated and multilingual workforce is one of the major strengths of the tourism industry as people are trained to assist and receive tourists with various cultural backgrounds.

INVESTMENTS IN THE SECTOR



FOREIGN INVESTMENTS

Investments in the tourism sector have been one of the most important drivers behind Lebanon's economic growth. In 2012, capital investments to the Tourism sector reached a total of USD 1.3 billion. Lebanon's unique features that extend from cultural, to religious, business and winter tourism have been attracting local as well as foreign investors to exploit Lebanon's diverse opportunities. Examples of new ventures include:



The USD 20 million KidzMondo theme park for children located in the Beirut Waterfront and expected to start operations in 2013



مجموعة ماجد الفطيم
MAJID AL FUTTAIM GROUP

The USD 844 million 'Majid Al Futtaim' shopping mall located in the Southern suburb of Beirut



The 5-star Kempinski Hotel, with an investment value of USD 160 million to open in Beirut city centre soon. The Kempinski Hotel benefited from an incentive package from IDAL.

"MSC (Switzerland) Tourism, Catering"

The leader in the cruise industry to make four Beirut Port calls per season, in partnership with the Lebanese Wild Discovery

INVESTMENTS THROUGH IDAL

Through its Investment Law No. 360, IDAL assisted 13 investment projects which generated around USD 860 million worth of investments in 7 years (79% of total invested value). The tourism sector attracted 37% of total projects which benefited from IDAL's incentives schemes (Table 1).

Share of tourism projects from total investments mediated by IDAL



Table 1: List of tourism projects mediated by IDAL | 2003-2011

Sub-Sector	Project Name	Company Name	Investor's Origin	Investment Value (USD'000)
Leisure	Beirut Waterfront Development	Beirut Waterfront Development	Lebanon & United Kingdom	43,876
Leisure	Metropolitan City Center	Metropolitan City Center s.a.r.l.	United Arab Emirates	85,000
Hotels	Hilton Beirut	Al Ikarat Waal Abnia s.a.l.	Lebanon & Iraq	46,000
Hotels	Four Seasons - Beirut	Kingdom - Beirut s.a.l.	Saudi Arabia	103,200
Hotels	Park Avenue Suite Hotel	Serene Real Estate s.a.l	Lebanon	44,700
Hotels	Jiyeh Resort, Blue Island	Jieh Resort (J.R.) s.a.l	Lebanon	21,180
Hotels	Grand Hyatt - Beirut	Ste Mediterranenne Des grands Hotels s.a.l	Kuwait	126,000
Hotels	The Landmark	The Landmark s.a.l	Kuwait	126,000
Hotels	Raouche Rotana Suites	Societe Generale Immobiliere s.a.l.	Lebanon & Libya	18,543
Hotels	Summerland Hotel & Resort	Ste General d'Entreprises Touristiques s.a.l.	Lebanon & Saudi Arabia	155,481
Hotels	Staybridge suites Hotel	Soligrand s.a.l	Lebanon	45,300
Hotels	Hotel Vendome – Extension	Societe Hotelier Vendome	Lebanon	31,800

INVESTMENT OPPORTUNITIES



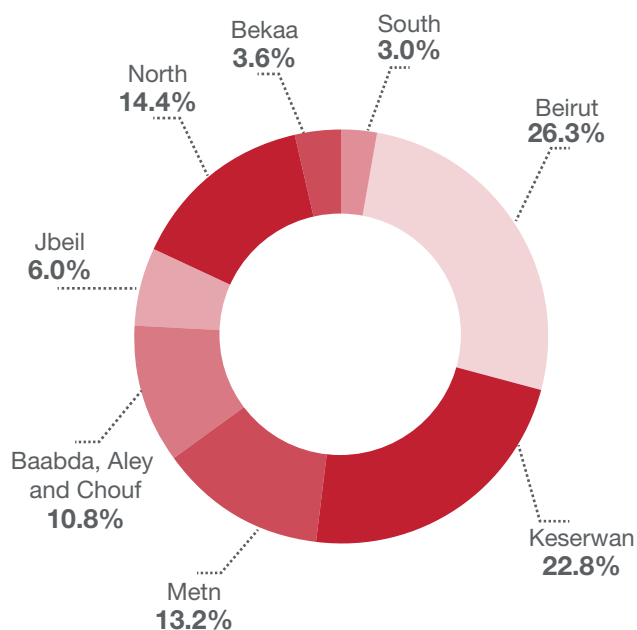
INVESTMENTS OPPORTUNITIES

The tourism sector in Lebanon is far from being saturated. With an anticipated growth over the coming years, the diverse profile of incoming tourists along with the various attractions spread across all the country, Lebanon provides investors with ample opportunities across various niches of the tourism industry.

1. HOTELS

With five-star hotels considerably increasing in numbers, significant opportunities exist for investors in the three and four-star hospitality segments, especially in the North and South regions where religious and cultural sites make up for the main touristic attractions (Figure 6).

Figure 6: Geographical Distribution of Hotels in Lebanon | 2013



Source: Syndicats des Hoteliers au Liban

Table 2: Hotels Distribution by Category | 2010

Region	No. of 1 star hotels	No. of 2 stars hotels	No. of 3 stars hotels	No. of 4 stars hotels	No. of 5 stars hotels	No. of Hotels by Region	% of total
Beirut	-	10	19	41	18	88	26.3%
Keserwan	5	21	22	26	2	76	22.8%
Metn	1	18	12	9	4	44	13.2%
Baabda, Aley & Chouf	4	10	12	10	-	36	10.8%
Jbeil	5	4	10	1	-	20	6.0%
North	11	21	10	6	-	48	14.4%
Bekaa	2	5	2	1	2	12	3.6%
South	3	3	2	2	-	10	3.0%
Total	31	92	89	96	26	334	100.0%
% of total	9.3%	27.5%	26.6%	28.7%	7.8%	100.0%	

Source: Syndicat des Hoteliers au Liban

2. MEDICAL TOURISM

Lebanon is expected to be increasingly important engine of health tourism growth in the region with the local industry estimated at USD 1.2 billion and registering an average annual rate of 30% since 2009.

Lebanon is endowed with specialized doctors, advanced medical services, internationally renowned hospitals and

an ideal climate. With 15,000 physicians, 270 hospitals and one of the highest ratios of physicians to population (Figure 7 and Figure 8), Lebanon is seeking to attract more foreign patients and become a leading center for health care tourism in the region.

Investment opportunities exist in long term stay hospitals which provide medical services mainly in:

- ▶ Mental disability
- ▶ Physical Rehabilitation (Long term rehabilitation)
- ▶ Geriatrics
- ▶ Centers for Alternative Medicine
- ▶ Specialized Treatment Centers

Figure 7: Physicians per 10,000 Population
Selected Regional & OECD countries
| 2005-2010

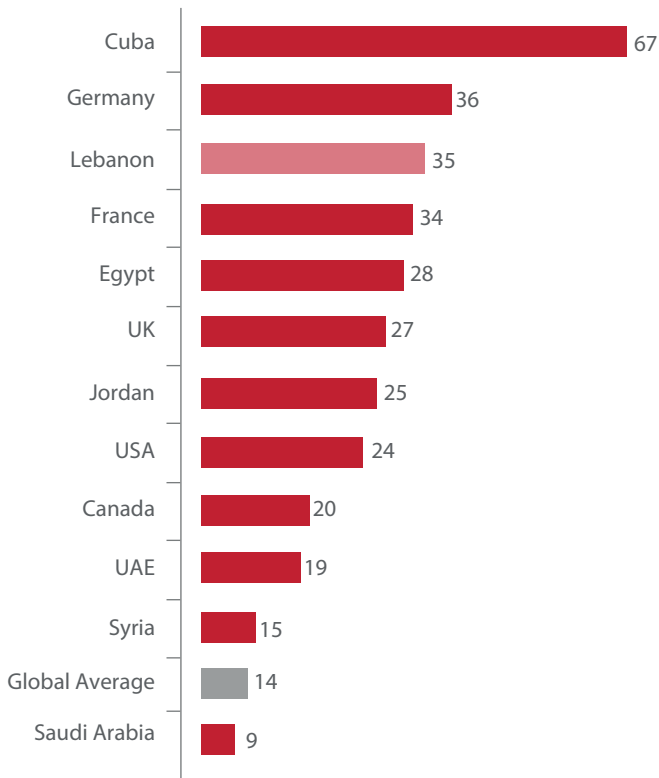
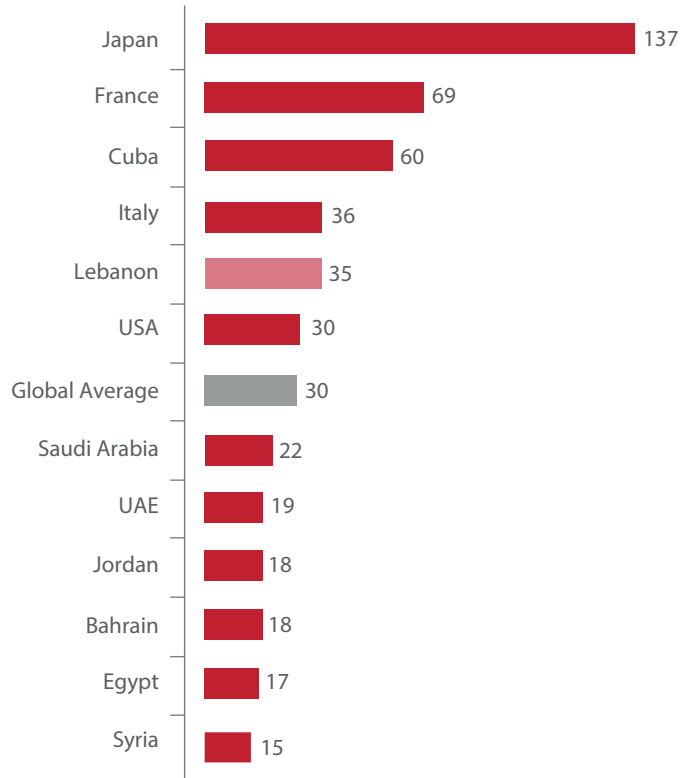


Figure 8: Beds per 10,000 Population
Selected Regional and OECD countries
| 2005-2011



Source: World Health Organisation **2010**

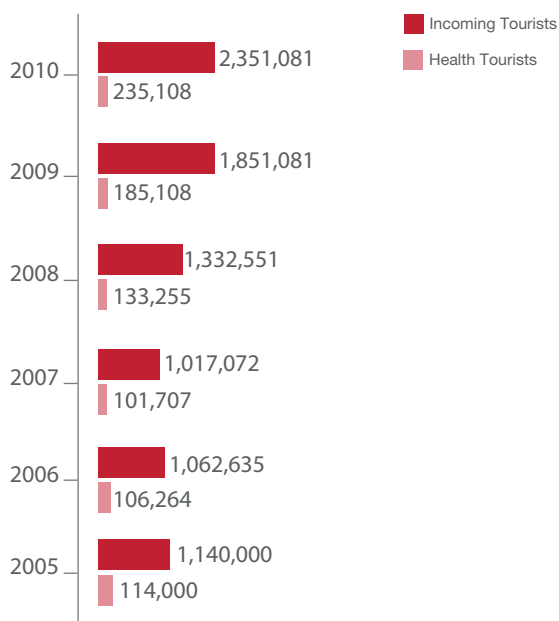
With a healthy climate and environmental diversity, Lebanon is witnessing a growing number of health tourists with most of these visitors coming from the Middle East, as well as, from Asia and America. It is estimated that medical tourists constitute 10% of the total number of incoming tourists to Lebanon, reaching 235,000 tourists in 2009. The average expenditures per health tourist in Lebanon is around USD 6,900 during the treatment period.

Currently, 117 short stay hospitals are registered at the syndicate of private hospitals versus only twenty hospitals for long stay, whereas the demand is for rehabilitation and long term treatments is increasing by local and regional patients.

patients. Opportunities also exist in specialized clinics as well as in health consultancy firms which would handle the entire trip of a patient wishing to receive treatment for a specific illness in a foreign country.

Lebanese health institutions follow the international standards of services and care and more than 80% of the country's hospitals are accredited by the Australian consulting firm Overseas Project Corporation of Victoria (OPVC).

**Figure 9: Health Tourists vs. of Total Tourists
| 2005-2011**



Source: Ministry of Tourism and K&M international

2. BUSINESS AND CONVENTION CENTERS

Business and Convention Centers (BCCs) are centers of great importance to the Lebanese economy as they are increasingly backing up the upsurge in business tourism. Currently, other than a number of BCCs located in hotels, only very few large exhibition centers exist:

- ▶ Beirut International Exhibition & Leisure Center (BIEL)
- ▶ Palais des Congres (Dbayeh)
- ▶ Forum de Beyrouth (Beirut)
- ▶ Platea (Mount Lebanon)

These exhibition centers are mainly concentrated in Beirut and Mount Lebanon which leaves room for expansion in the various untapped regions. Opportunities exist in large scale as well as in small to medium-scale centers:

- ▶ Large-scale BCCs: To host regional and international fairs, in addition to worldwide events and summits, which normally require facilities with areas exceeding 10,000 sqm, the equivalent of around 8,000 seats.
- ▶ Medium-to-small scale BCCs: luxurious facilities usually comprised of several rooms to host meetings and conferences, as well as banquets. The size of the largest room can vary from 1,000 sqm to 3,000 sqm.



USEFUL CONTACTS

Ministry of Tourism Lebanon
www.lebanon-tourism.gov.lb

Syndicate of Hospitals
www.syndicateofhospitals.org.lb

Syndicate of Hotels Owners:
 World Travel and Tourism Council –
 Lebanon Report 2011
http://www.wttc.org/site_media/uploads/downloads/lebanon.pdf



CONTACT US

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