



# LEADING THE FUTURE



ANNUAL  
REPORT  
**2014**

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## I. FOREWORD BY THE CHAIRMAN

With a 6% increase in FDI in 2014, Lebanon was one of the few countries in the MENA region to register an increase in foreign investment flows. While regional FDI flows continued their downward trend, decreasing by 4% from 2013 levels as a result of the various global and regional crises that swept the region, Lebanon was able to continue attracting investments which reached 3.1 Billion USD by end of year.

Lebanon can still capitalize on its strong fundamentals to boost growth and lure foreign investments mainly its highly liquid banking system and stable monetary policy. The positive performance of 2014 was facilitated by the stimulus package implemented by the Central Bank to foster entrepreneurial activity across sectors. IDAL also played an instrumental role in maintaining investor confidence in the local economy through continuously promoting the wealth of investment opportunities available across economic sectors and the country's competitive advantages. This was done through our continuous presence in international conferences and fairs as well as through our online platforms.

Within this context, IDAL's strategy in 2014 was to maintain its reach to its targeted investors in particular the Lebanese diaspora and provide it with information on the investment climate in Lebanon as well as on investment opportunities across sectors. Given the success achieved by the diaspora in the field of ICT, a special focus was placed on identifying investment opportunities where the diaspora could play a key role in knowledge transfer.

IDAL was also very active in promoting the Lebanese industry internationally. The financial and technical support provided to exporters in the Agriculture sector have enabled exports to increase year on year; facilitated by the access to new markets that IDAL helped foster under the same umbrella, IDAL also focused on enhancing information provision to exporters and improving their exposure to foreign markets. In the IT Sector IDAL is continuously providing investors with information on international opportunities with the aim of promoting employment.

Paving the way for 2015, IDAL will continue promoting investments across all its sectors with a particular emphasis on the Media sector given the potential of the country in turning into a hub for film production. Focus will also remain on attracting diaspora investments in all sector through a national strategy that will identify key markets and sectors of interest to the diaspora.

**Nabil Itani**  
Chairman, General Manager

## II. INVESTMENT SCENE IN 2014



## II. INVESTMENT SCENE IN 2014

### ► OVERALL INVESTMENT CLIMATE

While worldwide foreign direct investment (FDI) flows in 2014 registered an 8% decline reaching 1.26 trillion USD from previous year's levels, 2014 witnessed both a geographical and sectoral redistribution of FDI. Developing and emerging economies are becoming the new investment destinations given their booming economies and large market demand. More specifically, developing economies saw their FDI reach new highs of 700 billion USD, 4% higher than 2013, with a global share of 56% of world FDI, mainly driven by developing Asia, the world's largest recipient region. Developed economies on the other hand saw their share of total FDI flow drop to 14% or an estimated 511 billion USD, mostly due to large divestments in the United States. Flows to transition economies also were impacting, dropping by half to reach 45 billion USD affected by regional conflicts.

Flows to the Middle East and North Africa were slightly impacted by political uncertainties in the region resulting in a 4% decline in FDI flows reaching an estimate of 44 billion USD. However, Lebanon managed to maintain high levels of FDI inflows, registering an increase of 6.6% year-on-year, amounting to 3.1 billion USD in 2014, compared to 2.83 billion USD in 2013.

According to the IBM report termed "Global location trends", the mixed FDI performance across regions and countries is explained by more fundamental changes in corporate architectures and operating models across different sectors and business activities. There were marked declines across many sectors, notably those with more 'contestable' investment projects (in other words, projects for which locations need to compete). In contrast, market-driven sectors, such as tourism, wholesale & retail and food & beverages saw growth, notably in emerging markets. Transport equipment remains the largest sector for FDI measured by the number of jobs, accounting for 18% of jobs created from foreign investment in 2013. Tourism has emerged as a key source for foreign investments in recent years and is maintaining its position as the second largest sector for foreign investment, while chemicals is third. The life sciences sector no longer features among the top 10 sectors for foreign investment, after a decline of 25% in jobs created globally. Natural resource dependent sectors, such as minerals, metals, agriculture and forestry all experienced significant declines, with falls of 30%, 20% and 35%, respectively.

It is noteworthy that the ICT and Business Services sectors saw marked declines of 21 % and 11% respectively in jobs created from foreign investment in 2013 compared to 2012, partly as a result of dramatic transformations in the IT and services sectors. This shift is attributed to an increasing number of companies in moving away from large global delivery centers to more geographically dispersed delivery capability, resulting in an inclination for investing in large remote development and delivery centers and a greater focus on establishing smaller centers in key markets. Consequently, the number of jobs created from FDI in lower cost countries will decrease. In addition, the Business Process Outsourcing (BPO) and Shared Service Centers (SSC) models are increasingly being used for higher value activities and functions, leading to different requirements and types of centers. In line with these global trends, IDAL has been focusing for the past couple of years on promoting Lebanon's ICT sector and its BPO industry, given the advantage that the country holds in those 2 sectors.

### ► INVESTING IN LEBANON: WHAT IS THE GOVERNMENT PROVIDING?

At the Presidency of the Council of Ministers, two laws were proposed in 2014 to foster economic activity: (1) The first law aims at creating a fund of 30 million USD provided by the International Bank for Reconstruction and Development & run by Kafalat to invest in ideas and early-stage start-ups (iSME), (2) and another law was drafted to give the government the right to legislate in the field of customs.

In parallel, the Central Bank launched a series of packages to stimulate investment and consumption and encourage start up activity. The 1st of that package was Circular 331, which provides start-ups with the needed financing to grow their business. A year later, this Circular had much impact on changing the tech scene, with the number of venture capitalist and start-ups benefiting continuously increasing. This circular almost removes all risk for commercial banks as it guarantees 75% of their investments either directly into startups or into startup funds. Since its announcement, four funds have taken advantage of this new circular. The Central Bank also announced that it was working on a 1 billion USD package to support economic activity in Lebanon in 2015. This would be the 3rd financial package offered by the Bank, following the 1.47 billion USD in 2013 and the 800 million USD in 2014, and mainly consists of extended loans to commercial banks at an interest rate of 1%. This stimulus package is expected to yield a real GDP growth rate of 2% in 2015.

Other initiatives were implemented by line ministries to foster investment activity. The Ministry of Tourism (MoT) was in the process of issuing a decree in collaboration with the Office of the Minister of Administrative Reform (OMSAR) to amend procedures for acquiring tourism permits. The decree is designed to simplify administrative procedures and help tourist establishments use the new rules before the end of the year. The project is also in collaboration with the Municipality of Beirut and the International Finance Corporation (IFC).

The Ministry of Industry (MoI) also has its share of the development pie. The MoI is currently working in collaboration with the Italian Cooperation in Beirut and the Council for Development and Reconstruction to obtain a €7 million loan over 30 years, to be granted to small and medium plants or to investments in industrial zones.

Another prominent sector that received encouragement from the government in 2014, is the Media sector and more specifically the film industry. The cabinet approved a draft law to reduce the corporate income tax on companies involved in movie production. Awaiting the approval of parliament.

Other initiatives aimed at stimulating investment activities include USAID's partnership with Berytech Foundation, part of the Berytech group of business innovation centers and venture capital funds for local startup companies. The program builds on private-sector expertise to provide matching equity capital for early stage investors and businesses, as well as an equity guarantee to mitigate the risk of investing in early-stage businesses. This equity guarantee scheme is an innovation in this space, to incentivize private sector investment capital into the early-stage business ecosystem. The program will also help provide mentoring, business networks and other forms of support as companies grow and create more jobs and simulate economic activity.

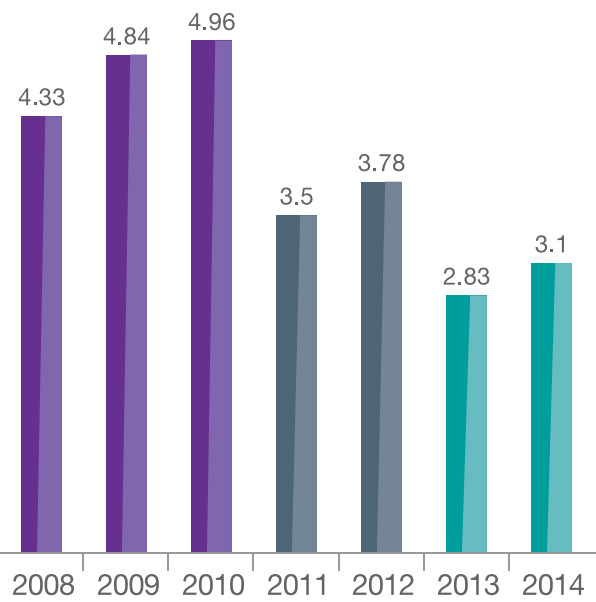
## FOREIGN INVESTMENTS IN LEBANON IN 2014

### FDI inflows into Lebanon

Despite a continuous decrease in foreign investment flows to the MENA region, the aforementioned governmental initiatives helped Lebanon maintain a steady level of foreign direct investments registering an increase of 6.6% year-on-year, amounting to 3.1 billion USD in 2014, compared to 2.83 Billion USD in 2013, in the backdrop of a GDP growth rate of 2.0%, according to UNCTAD's latest World Investment Report. Foreign investments to Lebanon have continued their upward trend facilitated by increasing private investments projects.

This positive performance was facilitated by the formation of the cabinet in February of 2014 – after a stalemate of eleven months – which created a positive climate and led to a slight improvement in economic activity.

### FDI INFLOWS TO LEBANON (USD billion | 2008-2014)

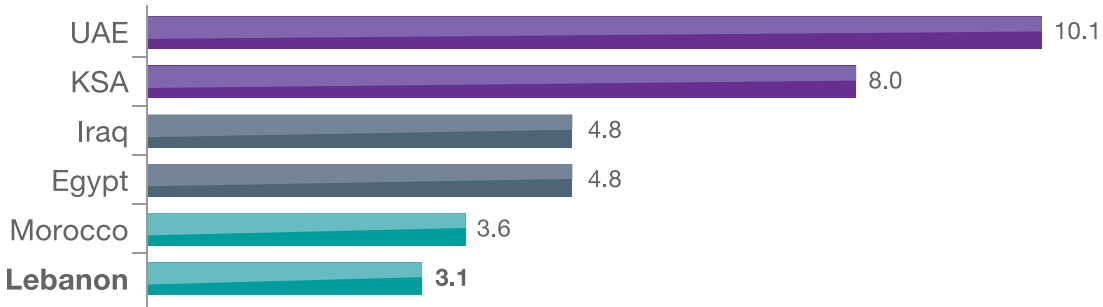


Source: UNCTAD - World Investment Report 2015

While most of the MENA region countries witnessed a decline in their FDI inflows, Lebanon fared better compared to other countries, being one of the few countries that registered an increase in FDI levels in 2014.

Lebanon remains one of the largest non-oil economies recipient of FDI in the region, despite the fact that FDI to the MENA region as a whole continued their slide.

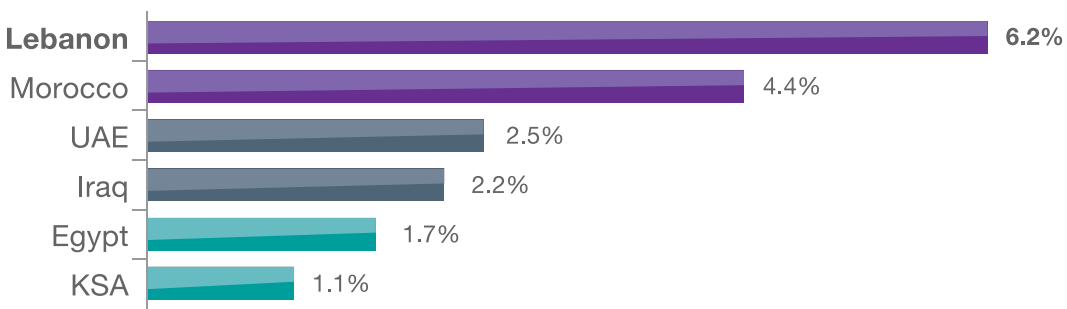
### FDI INFLOWS TO THE MENA REGION (USD billion | 2014)



Source: UNCTAD - World Investment Report 2015

In relative terms, when accounting for a country's size and GDP relative to the FDI inflows into it, Lebanon remains on top of the list, with FDI inflows accounting for 6.2% of GDP.

### FDI INFLOWS IN THE MENA REGION AS A % OF GDP (% | 2014)



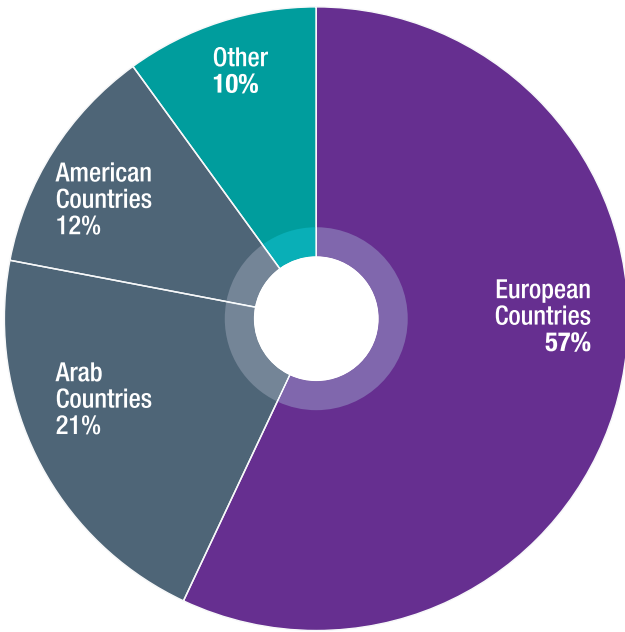
Source: UNCTAD - World Investment Report 2015, IMF

► Foreign Investment Structure

A series of foreign investment projects and foreign partnerships were announced during 2014 highlighting the continuous faith of foreign investors in the Lebanese economy. What was highly noticeable was the important influx of European companies into Lebanon, accounting for 57% of foreign companies in 2014. The three main European countries are the United Kingdom with 12%, and France and Germany each representing 10% of total foreign companies respectively, which are also Lebanon's main trade partners.

Arab investors' share of foreign companies declined to reach 21% from the total investors, with the UAE remaining the leader with 17% of the total , followed by Syria and Oman, each with 2.5% of the total number of foreign projects during the same period. Syrian investments are considerably higher this year and are expected to further increase, due to the massive relocation of Syrian businesses into the country.

DISTRIBUTION OF FOREIGN COMPANIES IN LEBANON BY COUNTRY OF ORIGIN  
(% share|2014)

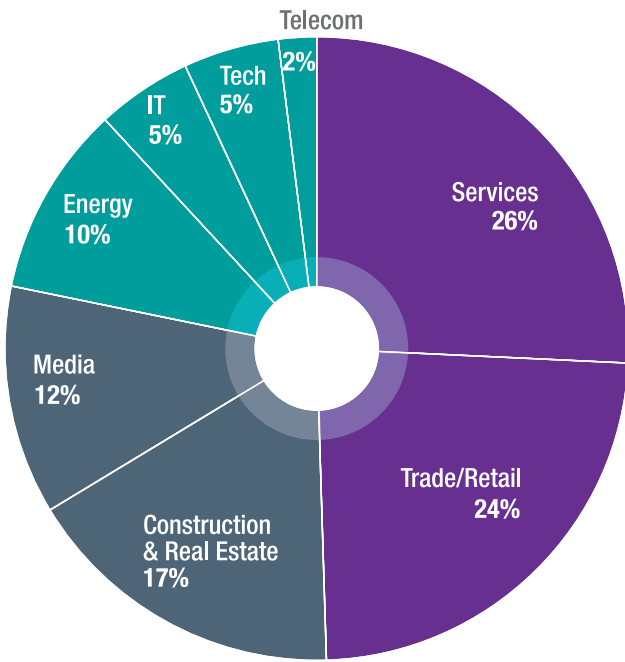


Source: Ministry of Economy and Trade, Financial Times

In terms of distribution by sector, 50% of this year's foreign investments were made in the Services and Trade/Retail sectors, each with 26% and 24% total projects respectively. A net surge in projects related to energy was noticed, with 10% of total businesses investing in power production and construction-related projects. 42 companies opened representative offices or branches

to sell their products to the local and regional markets mainly medical technology, construction, ceramics and financial services. Every year, the construction & real estate sector, being one of the most resilient industries in the country, maintain a substantial share of the foreign investment market, with 17% of total activity in 2014.

DISTRIBUTION OF FOREIGN COMPANIES IN LEBANON BY SECTOR OF ACTIVITY  
(% share|2014)



Source: Ministry of Economy and Trade, Financial Times



## ► Major Foreign Investments in 2014

Major investments that shaped the year stretch across various sectors namely Media, Energy, Financial Services, as well as Telecommunications and Information Technology.

Investments in the **Media Sector** include the international news outlet Australian Broadcasting Corporation (ABC) that is set to open a new bureau in Beirut to increase its broadcast coverage of the Middle East. Lebanon is increasingly being used by news agencies to cover the region. Another investment is the opening of a UK production and post-production company specialized in programs for kids.

In the **Financial Services Sector**, Investbank, the United Arab Emirates-based retail banking firm, has opened a new branch in Lebanon to serve the local market. The Central Bank of Hungary is also planning to set foot in the country by establishing an office in Beirut.

An Investment in the **Energy Sector** was achieved by the German company mk Group holding, that will open an office in Beirut to sell energy supply systems to the Middle East, using Lebanon as a hub.

Verizon Communications, a US based firm, announced an investment in the **Telecommunications and IT sectors**. It has expanded its private Intellectual Property (IP) multiprotocol private label switching (MPLS) infrastructure into Lebanon. The expansion is part of a wider growth strategy which has seen the firm's MPLS capabilities also expanded into Cambodia, Laos, Nepal, Iraq, Bangladesh, Yemen, Madagascar, Mauritius and Tunisia.



► INVESTMENTS MEDIATED BY IDAL

IDAL has played an important role in fostering investments to Lebanon by providing investors with a set of fiscal, labor, and administrative incentives to facilitate the set-up and operation of their projects in selected growth generating sectors mainly: Industry, Agro-Industry, Agriculture, Tourism, Information Technology, Telecommunication, Technology, and Media. Since 2003, IDAL oversaw the implementation of 56 projects, mobilizing 1.7 billion USD worth of investments, and directly generating around 6,000 jobs spread across the various economic sectors and regions of Lebanon.

In 2014, the “One Stop Shop” Directorate at IDAL processed 11 investment projects which applied to IDAL in order to benefit from its various incentives and business support services. 4 of these projects received approval from the Council of Ministers and / or the Presidency of the Council of Ministers to benefit from IDAL’s incentives granted by Investment Law No. 360, and the remaining 7 are still in the pipeline.

The approved projects are valued at around 40 million USD and are expected to generate around 200 direct jobs when implemented. Of these 4 projects, 2 were Expansion and 2 Greenfield. These projects are spread across the Beirut and Mount Lebanon Mohafazat and across the following sectors: Agro-Industry, Industry, and Technology.

2014 APPROVED PROJECTS			
AGRO-INDUSTRY	Agro Food	Omran Industrial Food Company	o Investment Size: <b>USD 3,035,813</b> o Expected Direct Job Creation: <b>62</b> o Location: <b>Bekaa</b> o Nationality of Investor: <b>Lebanese</b> o Description: Lebanese owned company located in the Bekaa region and specialized in the manufacturing of confectionary.
	Plastic Industry	API Manufacturing Premises	o Investment Size: <b>USD 21,348,408</b> o Expected Direct Job Creation: <b>30</b> o Location: <b>Zouk Mosbeh</b> o Nationality of Investor: <b>Lebanese</b> o Description: Expansion projects for manufacturing of polypropylene (PP-RCT) pipes and fittings
INDUSTRY	Pharmaceutical Industry	Pharmaline	o Investment Size: <b>USD 12,522,459</b> o Expected Direct Job Creation: <b>39</b> o Location: <b>Byblos</b> o Nationality of Investor: <b>Lebanese</b> o Description: Is one of the leading players in the pharmaceutical industry, currently producing more than 140 generic drugs under various dosages. It exports to countries throughout the Middle East, GCC, North Africa, Europe and Russia. Through its expansion project, Pharmaline is seeking to increase its market share in the region
	Medical	REVIVA Regenerative Medicine	o Investment Size: <b>USD 2,010,000</b> o Expected Direct Job Creation: <b>30</b> o Location: <b>Bsalim, Metn</b> o Nationality of Investor: <b>Lebanese</b> o Description: Medical technology project that establishes an all-in-one medical center focusing on the use of stem cells for therapeutic, cosmetic, and banking purposes
TECNOLOGY			

Note: Approved projects are defined as projects which have received approval from the Council of Ministers (for projects which qualify for the Package deal Contract scheme) or approval from the Presidency of the Council of Ministers (for projects which qualify for the Investment Projects Schemes).

STATISTICS

Sectorial Distribution of projects

Sector	Number of Projects	% of Total	Total Investment	% of Total	Total Jobs to be Created	% of Total
Agro-Industry	1	25.00%	3,035,813	7.80%	62	38.51%
Industry	2	50.00%	33,870,867	87.03%	69	42.86%
Technology	1	25.00%	2,010,000	5.16%	30	18.63%
Total Projects	4	100%	38,916,680	100.00%	161	100.00%

Regional Distribution of projects

Province	Number of Projects	% of Total	Total Investment	% of Total	Total Jobs to be Created	% of Total
Beirut	1	25.00%	3,035,813	7.80%	62	38.51%
Mount Lebanon	3	75%	35,880,867	92.20%	99	61.49%
Total Projects	4	100%	38,916,680	100.00%	161	100.00%

MAPPING OF APPROVED INVESTMENT PROJECTS BY GEOGRAPHICAL ZONES

Approved by IDAL

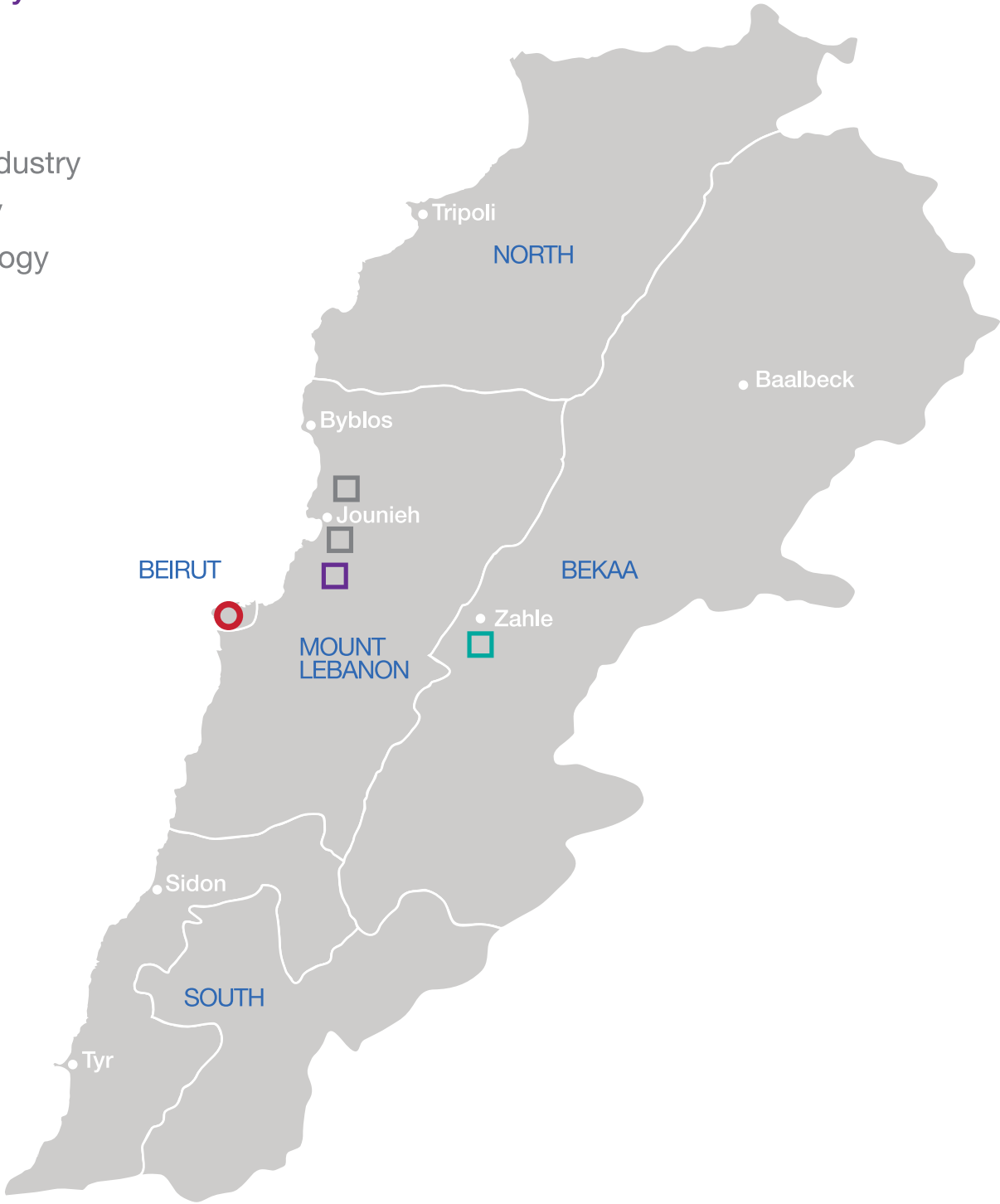
Tourism

Completed

Agro-Industry

Industry

Technology



PROJECTS IN PIPELINE			
AGRICULTURE	Farms	Al Rihan Poultry	<ul style="list-style-type: none"><li>Investment Size: <b>USD 4,000,000</b></li><li>Expected Direct Job Creation: <b>60</b></li><li>Location: <b>Jezzine, South Lebanon</b></li><li>Nationality of Investor: <b>Lebanese</b></li><li>Description: A new farm for breeding hens to produce and sell eggs domestically and internationally</li></ul>
AGRO-INDUSTRY	Agro Food	Lebanese Roasting Group	<ul style="list-style-type: none"><li>Investment Size: <b>USD 5,975,900</b></li><li>Expected Direct Job Creation: <b>75</b></li><li>Location: <b>Hsoun, Byblos</b></li><li>Nationality of Investor: <b>Lebanese</b></li><li>Description: Expansion project for the production of mixed nuts “Castania”</li></ul>
	Agro Food	Roasting & Food Processing Plant	<ul style="list-style-type: none"><li>Investment Size: <b>USD 4,562,063</b></li><li>Expected Direct Job Creation: <b>97</b></li><li>Location: <b>Halat, Byblos</b></li><li>Nationality of Investor: <b>Lebanese</b></li><li>Description: Expansion project for the production of “Rifai” products</li></ul>
INFORMATION TECHNOLOGY	Metals, Machinery & Equipment	Dalal Steel Industries	<ul style="list-style-type: none"><li>Investment Size: <b>USD 8,949,155</b></li><li>Expected Direct Job Creation: <b>42</b></li><li>Location: <b>Zahle, Bekaa</b></li><li>Nationality of Investor: <b>Lebanese</b></li><li>Description: A steel factory expanding its facility to meet local and international demands</li></ul>
INDUSTRY	IT	Logos	<ul style="list-style-type: none"><li>Investment Size: <b>USD 279,421</b></li><li>Expected Direct Job Creation: <b>32</b></li><li>Location: <b>Beirut</b></li><li>Nationality of Investor: <b>Lebanese</b></li><li>Description: A leading regional information technology and enterprise solution provider expanding its operations in Beirut in software development</li></ul>
TOURISM	Leisure & Recreation	Ward El Cham & Caprice	<ul style="list-style-type: none"><li>Investment Size: <b>USD 15,663,120</b></li><li>Expected Direct Job Creation: <b>164</b></li><li>Location: <b>Beirut</b></li><li>Nationality of Investor: <b>Lebanese</b></li><li>Description: Project that consists of two restaurants surrounding an entertainment center for children that will also include an ice skating ring</li></ul>
	Hotels & Resorts	Eden Rock	<ul style="list-style-type: none"><li>Investment Size: <b>USD 300,000,000</b></li><li>Expected Direct Job Creation: <b>350</b></li><li>Location: <b>Beirut</b></li><li>Nationality of Investor: <b>Lebanese</b></li><li>Description: Is a new mixed-use development consisting of hotels and serviced apartments stretching on the coast of Ramlet Al Bayda in Beirut with a corresponding land area of 22,295 sqm</li></ul>

Note: Projects in the Pipeline are projects which have either been approved by IDAL’s board and are pending approval of the Council of Ministers or President of the Council of Ministers, or are projects that are pending the completion of the investor’s file.

► Other Investment Projects Processed by IDAL

Over the course of 2014, the “One Stop Shop” team processed the application of more than 36 investors that approached IDAL to benefit from its various support schemes including its fiscal incentives. 83.3% of these investors were of Lebanese origin, with the remaining 16.7% foreign (2 Syrian, 1 Italian and 1 Belgian). The majority of these investments (83.3%) were new or Greenfield projects, while the remaining 16.7% were expansions.

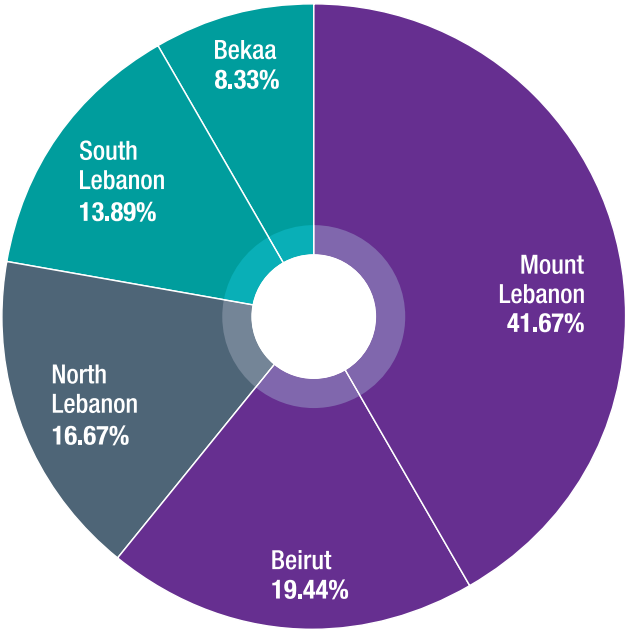
64% of the reviewed projects were eligible for IDAL’s incentives, with the remaining not meeting IDAL’s requirements in terms of investment size and number of jobs created. It would be interesting to note that 3 of

the rejected projects would be eligible for our incentives should they decide to establish themselves in a different investment zone, namely investment zone C.

Some of the projects that were eligible for IDAL’s incentives were approved by the Council of Ministers and / or the Presidency of the Council of Ministers while the remaining are still completing their legal papers.

In terms of the geographical distribution of these projects 41.67% of these are in Mount Lebanon, 19.44% in Beirut, 16.67% in North Lebanon, 13.89% in South Lebanon and 8.33% in Bekaa, highlighting a noticeable shift of projects to areas outside of Beirut.

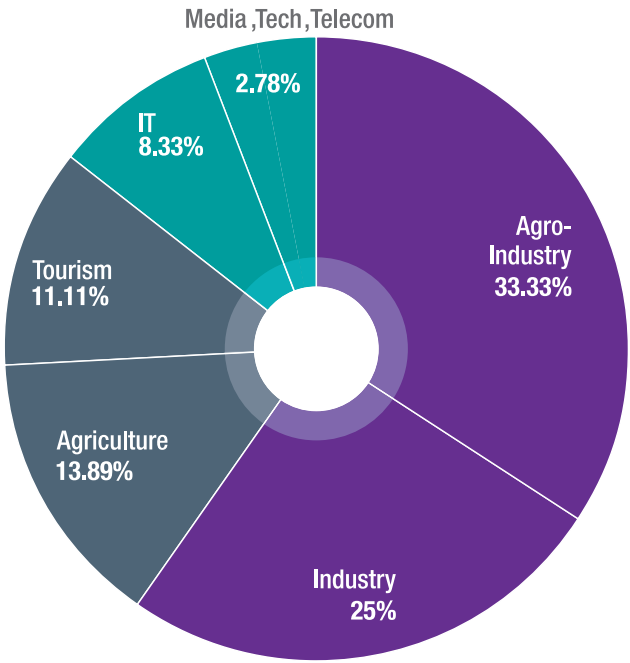
GEOGRAPHICAL DISTRIBUTION OF PROJECTS



In terms of the distribution of projects by sector of activity, 33.33% of these investments are in the Agro Food sector, 25% in the Industrial sector, 13.86% in the Agriculture sector, 11% in the Tourism sector, 8.33% in

the Information Technology (IT) sector, and 2.78% in the Technology, Media and Telecom sectors.

DISTRIBUTION OF POTENTIAL PROJECTS BY SECTOR OF ACTIVITY



A more in depth analysis of the projects brought forward in the **Agriculture sector** show that from the 4 investment proposals received, one included a packing house and three are farms.

In the **Agro-Industrial sector**, from the 13 investments proposals are which were brought forward, two were investments in olive oil factories, two in canned foods plants, one factory for the production of sweets two mineral water bottling factories, one winery, one chicken processed meat plant, a roastery, a dairy products factory, a noodles factory and a dried fruits factory.

The **Industrial sector** has seen 9 investment proposals covering various sub sectors. These proposals include investments in two aluminum plants, two

soap manufacturing plants, one pharmaceutical plant, one plastic pipes factory, one generators production plant, one printing services and books' publishing company and plant dedicated to the production of the main components needed to build floating hotels and buildings.

In the **Information Technology & Technology** sectors, 3 investments in software development were received and one solar energy plant will be established as a technology project.

For the **Media sector**, a media city for production and post-production activities has been reviewed.

4 projects are planned to be developed in the **Tourism sector**, which consist of 2 resorts and 2 hotels.

### III. EXPORT PROMOTION





### III. EXPORT PROMOTION

#### ► PROMOTING THE EXPORT OF THE AGRICULTURAL SECTOR

In 2001, IDAL put in place the “Export Plus” program to promote the export of agriculture products to regional and international markets. In 2011, this program was replaced by the “Agri Plus” program which added various new components to the existing program with an emphasis on product quality.

By the end of 2014, export of agricultural products witnessed 1% increase from previous year’s levels, a positive increase considering the challenges faced by Lebanese exports in general and the agricultural export sector in particular, as a result of the closing of the border areas with Syria, directly impacting transit and land shipment of goods.

More specifically, the total quantity of exported fruit and vegetables reached 526,000 tons, while egg exports recorded a modest transaction of 1,374 boxes. The increase in export was supported with the opening of the Russian market that Lebanese exporters tapped into given the competitive advantages of Lebanese produces in the local Russian market.

Meanwhile, olive oil exports recorded an increase of 25% compared to 2013 with a volume of 3,143 tons in 2014 ,with a significant percentage (23%) of the exported olive oil quantity directed to zone “d”, which includes North and South America and Australia, some of the new markets penetrated by Lebanese exporters.

166 exporters were registered in the “Agri Plus” program by the end of the year compared to 143 in 2013 with 8 specialized in the export of olive oil and one specialized in the export of honey. The following table presents the number of registered exporters and their distribution by province.

#### AGRI PLUS REGISTERED EXPORTERS (2014)

Province	Year 2014
Bekaa	81
North	37
Mount Lebanon	27
South	16
Beirut	5
Total	166

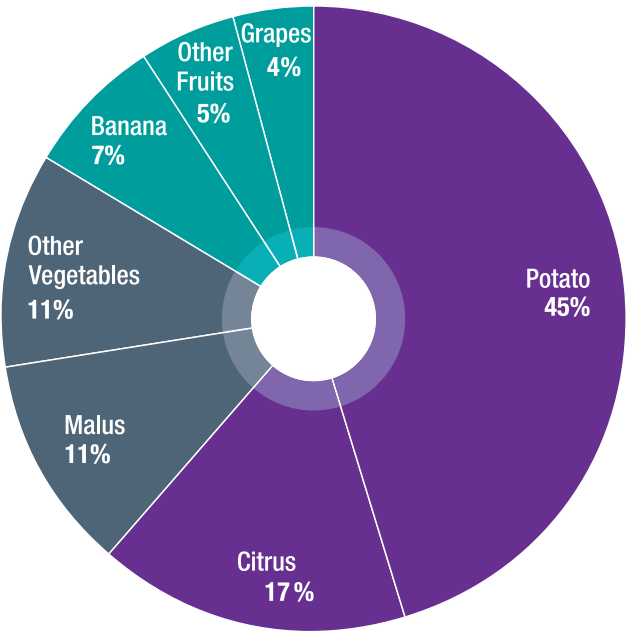
Exporters benefiting from the “Agri Plus” program need to meet specific packaging requirements. In 2014, 177 packaging centers met the requirements set forth by IDAL in comparison with 141 registered packhouses in 2013, highlighting the improving standards of Lebanese

produces. 36 packaging centers worked over the course of 2014 on improving their specifications, resulting in a 25% increase in packhouses between 2013 and 2014.

#### ► Exports of Fruits And Vegetables: 2014 Performance

Potatoes were the highest exported products in 2014. Their total exports reached 238,531 tons accounting for 45% of total exports, followed by citrus with 86,568 tons (17% of total), while the export of grapes reached their lowest export levels with only 22,937 tons accounting for 4% of the total.

#### MAJOR AGRICULTURAL EXPORTS (% share | 2014)



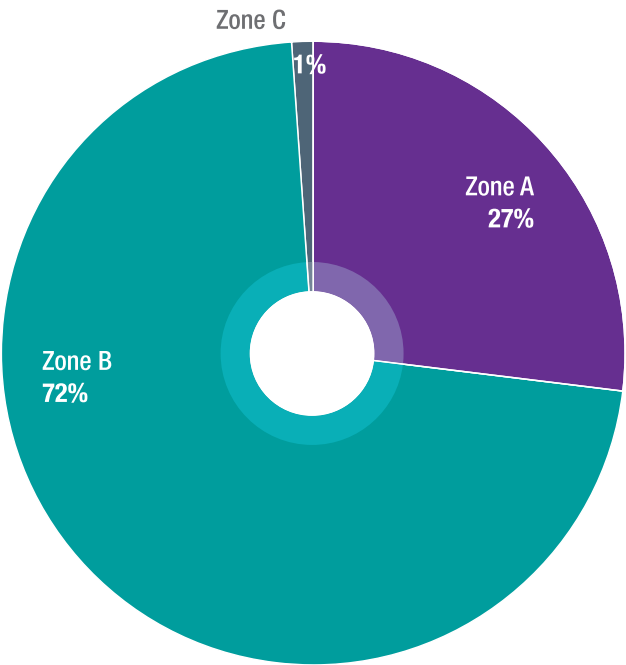
Source: IDAL’s Calculations

The “Agri Plus” program classifies Lebanese products importing countries into four zones as follows:

- **Zone “a”:** Syria and Jordan
- **Zone “b”:** Egypt, Libya, Soudan, Turkey, Saudi Arabia, United Arab Emirates, Yemen, Oman, Kuwait, Qatar, Bahrain, Iraq and Iran
- **Zone “c”:** European countries, Africa and Middle Asia
- **Zone “d”:** North and South America, Australia, and East Asia

The majority of Lebanese agricultural exports are destined to Zone “b” accounting for the highest proportion (72% of total) while only 32 tons were exported to Zone “d” which again highlights the need and opportunity to open up to new markets.

AGRICULTURAL EXPORTS BY ZONE (% share | 2014)



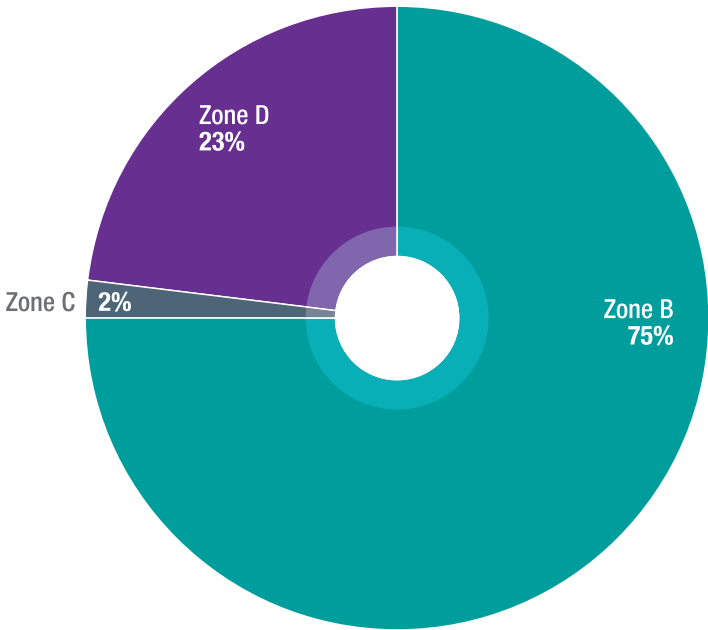
Source: IDAL's Calculations

► Exports of Olive Oil: 2014 Performance

The monthly average export of olive oil through the “Agri Plus” program reached 261.9 tons in 2014 registering a positive performance compared to last year’s exports. The export of olive oil is very seasonal, fluctuating over the year and with a peak registered during the last quarter of the year when the season actually begins.

In terms of the markets with the highest appetite for Lebanese olive oil products, the bulk of the exports were shipped to the zone “b”, with 2,353 tons accounting for around 75% of total exports. The second destination of olive oil exports was zone “d”, where the exported quantity reached 736.4 tons (Chart).

OLIVE OIL EXPORTS BY ZONE (% share | 2014)



Source: IDAL's Calculations

► PROMOTING THE EXPORT OF ICT PRODUCTS

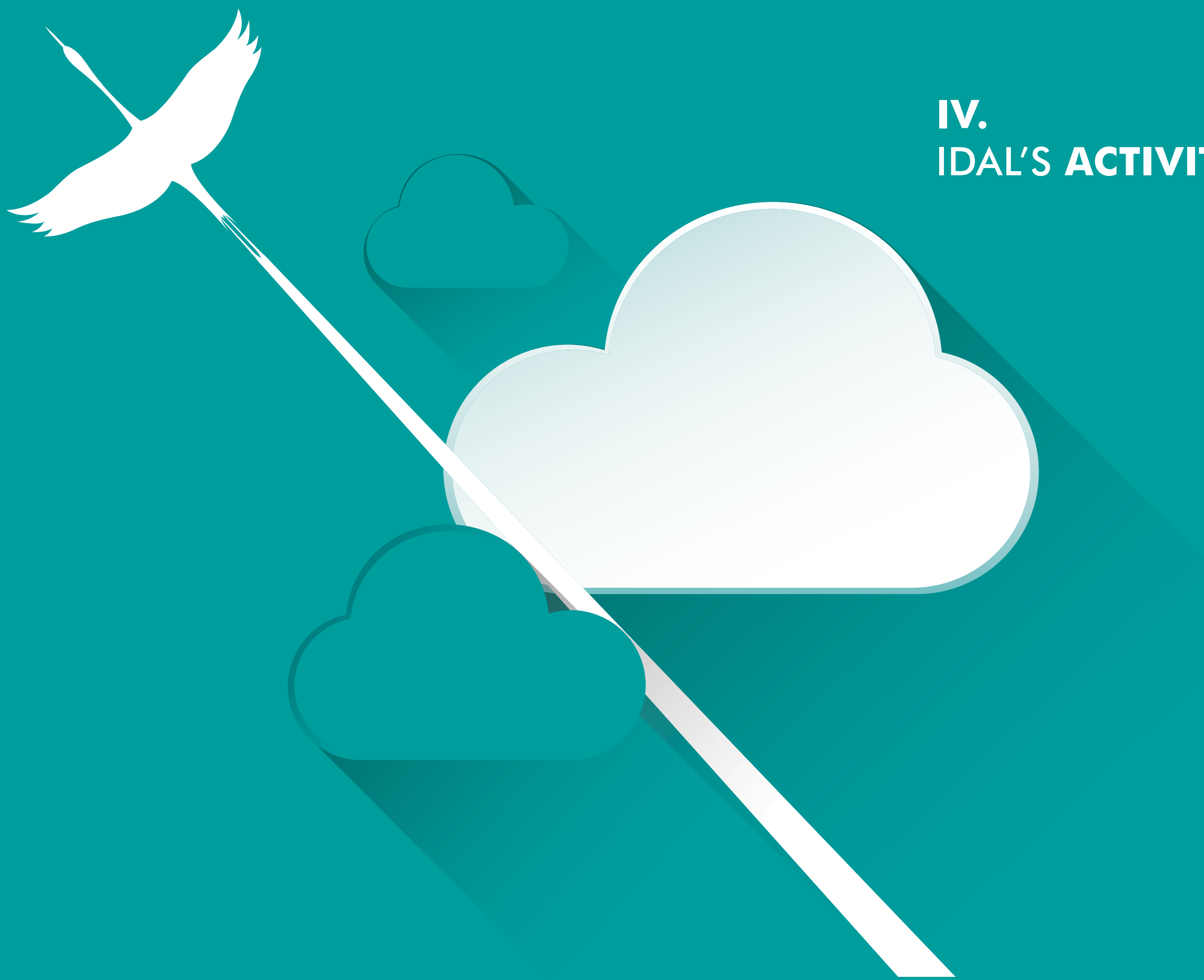
In an effort to support Lebanese companies in accessing new markets and expanding their businesses, IDAL provided them with the chance to take part in global tenders through an access to a database of global competitive bids. This service has been introduced by IDAL to cover global tenders in the ICT and industrial sectors with emphasis on the MENA region. They are made available and updated on IDAL’s website every week.

We have posted over 50 bids in 2014 alone across the MENA region with the majority being in Kuwait, Oman, U.A.E., Saudi Arabia and Turkey. Although not many companies were successful in applying for the bids, however, following an assessment survey sent to 954 respondents, 93% believe we should continue on

providing this service given its usefulness. The reason why most were not successful in applying goes to the lack of education in the formalities related to applying for bids in general. Following this assessment, IDAL will work on a training program with the aim of increasing the know-how of Lebanese companies, especially SMEs, on tenders’ modality.

The bids for the ICT market were various in nature, ranging from e-commerce platforms and call center services to government mobile applications and websites. IDAL also put in place a directory of ICT companies operating in Lebanon in an effort to foster business process outsourcing opportunities.





#### **IV. IDAL'S ACTIVITIES AND EVENTS**

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### ► ENGAGING WITH START-UPS AND ENTREPRENEURS

#### 4 MAR, Arabnet Beirut

Year on year IDAL has been participating at the largest event for the digital sector in Lebanon at the Hilton Habtoor Hotel in Beirut. It gave us the chance to network and meet top digital professionals and also start-ups who can benefit from IDAL's range of services especially in the IT sector. The conference was attended by significant international, regional, and local ICT and media companies as well as incubators and accelerators.

#### 20 NOV, BDL Accelerate

IDAL was an ecosystem partner at the Banque du Liban Accelerate event which brought together 1,500 persons from over 20 countries. The event which aimed at putting

together "Blueprints for Success" among international entrepreneurs, investors, and professionals, witnessed the launch of many initiatives, among which the launch of the UK-Lebanese Tech Hub.

#### 21 NOV, Start-up Weekend in Tripoli

IDAL took part as a strategic partner in the North Lebanon Startup Weekend organized by the Center of Entrepreneurship of the Beirut Arab University. The participants, mainly high-school and university students took part in 60 seconds pitches to develop several projects and ideas. IDAL which was also present during the awards ceremony, presented the winner of the 3rd award with a USD 2,000 grant.

### ► DIASPORA ENGAGEMENT

#### 20 MAR, EUROMED Business Opportunities Roadshow

IDAL partnered with Berytech, Beirut Creative Cluster and Anima Investment Network to bring to Beirut a cross-border innovative business event offering a unique concentration of SMEs and international groups, start-ups, entrepreneurs & diaspora talents, innovation clusters and investors with a specific focus on Euro-Mediterranean relations. IDAL participated at the event through a panel on Business Opportunities in EuroMed along with key players from Europe, Egypt, Morocco, and Tunisia.

#### 24 MAR, EUROMED Migration Conference III

Within the framework of the EUROMED Migration III project, a third migration and development workshop took place in Frankfurt on Private Sector Development through Migration. The conference covered over a week the best practices for migrant engagement in private sector development. IDAL's participation revolved around knowledge sharing of best practices in Lebanon in that regard.

#### 4 JUN, MTM I-map Investment Conference

IDAL participated in the final conference on the MTM i-MAP held in Brussels under the title "Towards More Targeted Migration Policies". The meeting was also attended by representatives of expatriate institutions and migration directorates from all member states.

#### 16 SEPT, 3rd EUROMED Migration Conference

IDAL took part at the 3rd "EUROMED migration" conference hosted by the French Ministry of Foreign affairs in Lyon-Paris. The meeting aimed to discuss experiences on ways to engage high profile migrants for a greater impact on development and interaction with their countries of origin and seek ways to strengthen the relations between governments and highly successful members of the diaspora to build sustainable partnership for development.

#### 2 OCT, Working Towards Transnational Partnerships

IDAL participated in the "Meeting of the International Organization for Migration" organized by the Italian Ministry of Foreign Affairs and held in Rome in presence of officials, experts and representatives of several expatriate business associations and organizations. IDAL's Chairman delivered a speech during a workshop that revolved around "productive investments through multinational partnerships and projects", highlighting the expatriates' efforts aimed to contribute to the development process in their homeland.

#### 3 NOV, ESCWA Remittances and Development in Lebanon Conference

IDAL, represented by its Chairman, Mr. Nabil Itani had an intervention during the event and has shed light on the various investment opportunities available for the Lebanese diaspora as well as the schemes available at IDAL for their support.

#### 19 NOV, EUROMED Migration Profile Process

IDAL was part of the Lebanese delegation that participated in the EUROMED Migration Profile Process Regional Meeting in Jordan. The overall objective of this project is to foster cooperation on migratory issues between the European Neighbourhood Instrument (ENI) South Partner Countries and EU Member States, as well as between ENI South Partner Countries themselves.

The project also aims to assist partners in their efforts to manage various forms of migration through evidence-based and coherent migration policies.

#### 19 DEC, EUROMED Migration III General Director's Meeting

Within the framework of the European Union's EUROMED Migration III, the Chairman of IDAL, Mr. Nabil Itani participated at the Director's General meeting in Rome. The objective of the meeting was to evaluate the progress achieved within EUROMED Migration III and seek consensus on the strategic and thematic orientation for the next phase of the program.

### ► SECTOR PROMOTION

#### 17 FEB, Workshop at the Association of Lebanese Industrialists (ALI)

In order to raise awareness on IDAL's business support services and incentives, an awareness workshop was held at the ALI targeted at business owners who are looking into expanding their businesses.

#### 5 MAR, Meeting between IDAL and the Ministry of Economy and Trade

On making sure that a unified image is being showcased when promoting Lebanese products in exhibitions and conferences abroad.

#### 1 APR, HORECA Trade Show

IDAL took part in the opening of the National Food Industry Day with Chairman Nabil Itani delivering an intervention during a press conference, highlighting the importance of the Agro Food sector. The National Food Industry Day was on the margins of the HORECA exhibition taking place in Beirut.

#### 5 MAY, Lebanese Wine Day in Berlin

IDAL, represented by Board Member Mr. Wassim Audi, participated in the event in Berlin organized by the Ministry of Agriculture.

#### 10 JUN, Beirut Cinema Week

IDAL, in its efforts to promote for investments in the media sector, participated at this year's Beirut Cinema Week, organized by "Cinema Liban" at the Sofitel Hotel in Beirut. It was a great opportunity to introduce IDAL's incentives and business support services to the sector.

#### 18 JUN, Workshop on "Safety Requirements"

In the framework of the Agri - Plus program, IDAL, with the cooperation of TUV HELLAS, Lebanon branch, organized a workshop on "Safety requirements" comprising the Agri-Plus program, as well as the international quality certificates GLOBAL GAP, HACCP and ISO 22000 requirements at the headquarters of the Chamber of Commerce Industry and Agriculture in Zahle.



#### 4 SEPT, Murex D'Or

Lebanon is home to one of the most significant Media industries in the Middle East. The local media sector is highly developed and consists of varied industries including television broadcasting facilities, advertising services, TV and audiovisual production, as well as new emerging sectors like Digital media, and traditional media industries like publishing and music production. It is in this capacity that IDAL was present at the Murex D'Or at the Casino du Liban to put Lebanon in Focus by capturing success stories of business people, directors, producers, and politicians.

#### 19 OCT, SIAL Paris

IDAL was present at the SIAL Agro Food Trade Show which took place in Paris between 19-23 October. SIAL brought together over 7,500 exhibitors from 104 countries, among which is Lebanon with 18 exhibitors, 11 of which were part of the Lebanese Pavilion at the trade show. Lebanon's participation at this event is proof of the competency of the Agro Food sector and the importance to open up to new markets, especially the European.

#### 14 NOV, "Export to Russia" Workshop

IDAL organized a workshop on the standards and opportunities available to "Export to Russia" at Adnan Kassar Building in Beirut. The workshop which was attended by over 200 interested Agri and Agro manufacturers and exporters included a detailed presentations by IDAL, the Ministry of Economy and Trade, and the Russian Embassy covering characteristics of the Russian market, opportunities available, and demand. Shipping companies were also available to brief the audience on the available shipping lines and routes.





## ► FOREIGN DELEGATIONS AND DIPLOMATIC VISITS

### **2 MAR, Chinese Delegation from Complant**

Chairman of IDAL, Mr. Nabil Itani and board members Mr. Wassim Audi and Mr. Mourched El Hajj Chahine have met with a Chinese delegation that is looking into the possibility of exporting olive oil, nuts, canned food and wine to China. The delegation was headed by the Chinese Ambassador to Lebanon, the counselor, and a company representative from Complant. IDAL organized a tour for the delegation to main suppliers of olive oil, roasteries, agro-food, and wine in the North and the Bekaa.

### **16 APR, Meeting with the Chinese Economic and Commercial Counselor**

Chairman of IDAL, Mr. Nabil Itani, discussed with the Chinese Economic and Commercial Counselor for Lebanon means of boosting economic and trade relations between both countries; emphasizing on IDAL's readiness to support Chinese companies in setting up their businesses in Lebanon and access the regional market.

## ► EXECUTIVE MEETINGS

### **16 JAN, Meeting with the Syndicate of Lebanese Food Industrialists**

The Chairman of IDAL, Mr. Nabil Itani, met with a delegation of the Syndicate of Lebanese Food Industrialists to discuss the series of exhibitions and trade shows we will be taking part to promote Lebanese agro-food exports.

### **10 MAR, Arab Investement Promotion Agencies Meeting**

In the framework of the Lebanese Economic Forum, heads and representatives of Arab investment development authorities participating in the forum held a meeting at IDAL's headquarters to tackle the activities and key missions of investment development authorities, as well as ways to increase Arab investment rates in Lebanon and attract foreign investments.

### **7 APR, Amended Arab League Investment Agreement**

IDAL took part in the workshop organized by the OECD, and which was held at the League of Arab States Headquarters in Cairo to discuss "The amended Arab League Investment Agreement: key improvements and ratification process".

### **29 APR, Meeting with Turkish Ambassador**

Chairman of IDAL, Mr. Nabil Itani met with the Turkish Ambassador to Lebanon Mr. Inan Ozildis mainly in regards to IDAL's participation at the WAIPA conference.

### **2 SEPT, Meeting with Indian Ambassador**

Chairman of IDAL Mr. Nabil Itani and board member Mr. Mourched El Hajj Chahine met with the new Indian Ambassador to Lebanon H.E. Ms. Anita Nayar. Ms. Nayar presented to IDAL the opportunity to participate at the SURAJKUND CRAFTS MELA exhibition in India from 1-15 February 2015, of which Lebanon is a strategic partner as per the endorsement of the Ministry of Economy and Trade.

### **8 APR, Annual Investment Meeting**

IDAL attended the Annual Investment Meeting which took place in Dubai. The workshop gathered key policy makers to discuss means to increase investments to emerging markets.

### **15 MAY, 14th World Investment Meeting**

IDAL participated at the "14th World Investment Meeting" organized by the World Association of Investment Promotion Agencies (WAIPA) in Istanbul.

### **29 OCT, Working on a Network of Arab Investment Promotion Agencies**

IDAL, represented by its Chairman, Mr. Nabil Itani participated in a marginal meeting among Investment Promotion Agencies (IPAs) from the Arab World in Dubai to discuss the "Initial Policy Draft Document" to establish an Arab Union that brings together all Arab IPAs in order to ensure knowledge transfer and discussions over investment to the region and ways of promoting the region as a viable investment destination for FDI and inter-Arab investments.

## ► CONFERENCES AND FORUMS

### **10 JAN, Symposium on Investment in Iraq**

The Chairman of IDAL, Mr. Nabil Itani, attended in Beirut a symposium on Investments in Iraq, with 35 attendees from Iraq's Investment Promotion Agency representing 18 states. We presented at the symposium our own experience in building an administrative framework that encourages investments.

### **7 MAR, Meeting with Investment Promotion Agencies (IPAs)**

On the margins of the Lebanon Economic Forum, Chairman of IDAL has met with heads of IPAs to discuss cooperation in attracting investments to the region.

### **8 MAR, Lebanon Economic Forum**

IDAL was one of the main organizers at the 2014 Lebanon Economic Forum along with Al Iktissad Wal Aamal. We took part in a panel on Challenges of the Transitional Phase in the region through an intervention by the Chairman. The forum, which was under the patronage and presence of the President of the Republic, also included a keynote speech by Mr. Itani at the inauguration, through which he highlighted the importance of IPAs working together to increase FDI inflows to Lebanon and the region.

### **8 APR, Lebanese Week in Jeddah**

A team of IDAL participated at the Lebanese Week in Jeddah event which was organized by the Chamber of Commerce and Industry and Agriculture in Beirut and Mount Lebanon in collaboration with the Chamber of Commerce in Jeddah. Chairman of IDAL, Mr. Nabil Itani took part in the opening of the event highlighting Lebanon's FDI performance, Lebanese exports and deposits in the Lebanese banks. Itani also emphasized on the importance of Saudi investments in Lebanon which so far have created investment opportunities in several economic sectors.

### **9 JUN, "Future of the Lebanese Economy" Forum**

As a strategic partner, IDAL sponsored the "Future of the Lebanese Economy" forum, organized by the Union of Arab Chambers.

### **19 JUN, 22nd Edition of the Arab Economic Forum**

Year on year IDAL sponsors the Arab Economic Forum taking place in Beirut. This forum which gathers key economic entities from all over the Arab world looked into the issues and difficulties of transition to stability across the Arab world, and on the policies and challenges of restoring growth.

### **21 AUG, "The Road to Economic and Social Equality Development" Conference**

IDAL, represented by Chairman Nabil Itani, took part in the conference on "SMEs: The Road to Economic and Social Equality Development" at the Movenpick Hotel, Beirut. Mr. Itani emphasized on the role of IDAL in providing support for Small and Medium Sized enterprises especially in the ICT and AgroFood sectors through incentive schemes and other support services including access to global bids and tenders. Mr. Itani was commended by the association of Arab Banks.

### **19 SEPT, Iklim Economic Forum**

IDAL participated as sponsor at the 1st economic forum in Iklim El Kharoub. We had a special session on the development of investment opportunities in the area.



#### 18 NOV, Arab-Turkish Forum

In the framework of the Arab-Turkish Forum, IDAL participated in the second meeting for senior officials and experts in the ministries of economy, trade and investment in the Arab countries and Turkey, which was held at the General Secretariat of the Arab League headquarters in Cairo.

### ► INVESTOR SUPPORT

#### 24 SEPT, Visiting Al Rifai Factory

IDAL visited the upcoming new factory of Al Rifai in Halat, Jbeil. The new project is estimated to have an investment value of \$4.5 million according to Al Rifai sources, and is expected to create around 100 new job opportunities. The aim of this new initiative is to expand Al Rifai's production capacity in order to cater to local, regional, and international markets, in addition to the increase in product line and quality improvement.

#### 9 DEC, Meeting on “Enhancing the regional cohesion for Investments”

IDAL, represented by its Legal Advisor, Me. Walid Hanna, participated in the meeting, organized by the Organisation for Economic Co-operation and Development (OECD) at the General Directorate of the Arab League in Cairo. We also participated in the meeting organized by the OECD on Investment and Promotion Policies.



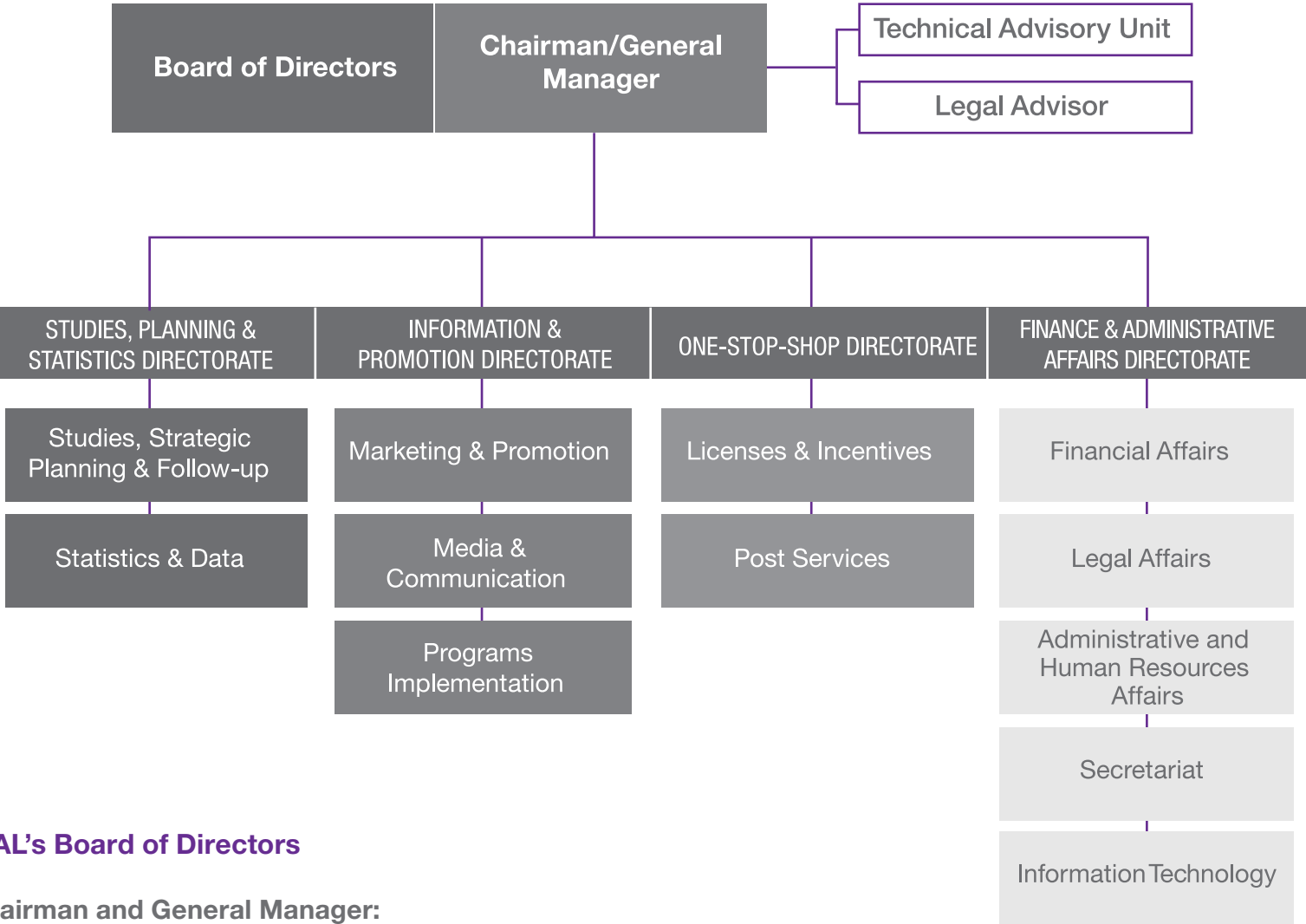
## V. APPENDICES





# V. APPENDICES

## ORGANIZATION AND GOVERNANCE STRUCTURE



### IDAL's Board of Directors

#### Chairman and General Manager:

- ▶ Mr. Nabil Itani

#### Board Members:

- ▶ Mr. Georges Kassab (Full-Time Board Member)
- ▶ Mr. Wassim Audi
- ▶ Mr. Ramzi El Hafez
- ▶ Mr. Mourched El-Hajj Chahine
- ▶ Mr. Farid N. El Khesheh

#### Government Commissioner:

- ▶ Dr. Nassib Hoteit

## IDAL BRIEF

### Who We Are

The Investment Development Authority of Lebanon (IDAL) is the national investment promotion agency that was established in 1994 with the aim of promoting Lebanon as a key investment destination, and attracting, facilitating and retaining investments in the country. IDAL enjoys financial and administrative autonomy and reports to the Presidency of the Council of Ministers who exercises a tutorial authority over it.

### Our Services

- ▶ Facilitating the issuance of permits and licenses required for starting and operating a business through coordinating with corresponding public institutions.
- ▶ Granting various types of fiscal exemptions and fees reduction to investment projects as stipulated in Investment Law No. 360.
- ▶ Providing economic, commercial, legal, industrial and other information relevant for investment decisions.
- ▶ Identifying and promoting investment opportunities in various growth promising sectors.
- ▶ Mediating contacts between investors and entrepreneurs to identify potential joint-venture opportunities.
- ▶ Providing information on economic sectors with investment potential.
- ▶ Participating in the capital of joint-stock companies in specific fields.
- ▶ Providing advice on issues affecting the investment climate in Lebanon.
- ▶ Arranging for business meetings with officials from both private and public sectors.
- ▶ Providing after-care service for investment projects.

### What We Do

Investment Law No.360 that was enacted in 2001 reinforced IDAL's mission, providing a framework for regulating investment activities in Lebanon, and providing investors with a range of incentives and business support services. In addition to its role as investment promotion agency, IDAL is entrusted with the active promotion and marketing of Lebanese exports including agricultural and agro-industrial products.

### Identified Target Sectors

Investment Law No.360 identified a set of priority sectors that showed the most promising opportunities in terms of their investment potential and impact on socio-economic growth. The identified sectors include: Industry, Agriculture, Agro-Industry, Tourism, Information, Communication, Technology, and Media.

