



INVESTMENT DEVELOPMENT  
AUTHORITY OF **LEBANON**

Presidency of the Council of Ministers

# IDAL COMPANY PROFILE



[investinlebanon.gov.lb](http://investinlebanon.gov.lb)

# HEADLINES

## I. ABOUT US

### 2. OUR CONSULTANCY SERVICES

### 3. TARGETED SECTORS

### 4. OUR INCENTIVES

### 5. OUR ACHIEVEMENTS

### 6. LEBANON AT A GLANCE

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# THE GOVERNMENT OF LEBANON, THROUGH IDAL, OFFERS INVESTORS A RANGE OF FACILITATION SERVICES AND FISCAL EXEMPTIONS

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## ABOUT US

The National Investment Promotion Agency of Lebanon

## HISTORY

Established in 1994 with the aim of promoting Lebanon as a key investment destination and attracting, facilitating & retaining investments in the country

## GOVERNANCE

IDAL reports to the Presidency of the Council of Ministers (who exercises a tutorial authority over it), and has financial & administrative autonomy

## LEGISLATION

Investment Law No. 360 was enacted in 2001 to regulate investment activities in Lebanon

# OUR MANDATES

## INVESTMENT PROMOTION

- ▶ Provide economic, commercial and legal information of relevance to investors
- ▶ Identifies business opportunities across various economic sectors
- ▶ Provide in depth analysis of sectors
- ▶ Grant fiscal exemptions and fees reduction to investment projects
- ▶ Facilitate issuance of permits and licenses
- ▶ Provide on-going support for investment projects
- ▶ Actively promotes Lebanon as key investment destination

## EXPORT PROMOTION

- ▶ Provide data on external markets
- ▶ Support companies in accessing external markets
- ▶ Subsidize participation in foreign fairs

### **IDAL CURRENTLY HAS 3 EXPORT PROMOTION PROGRAMS IN PLACE:**

#### **1. AGRI PLUS (2012):**

Which provides subsidies and support to exporters of agricultural products

#### **2. AGRO MAP (2004):**

Which subsidizes the participation of agro food companies in foreign fairs

#### **3. MARITIME BRIDGE PROGRAM (2015):**

Which provides support to exporters of Lebanese products to Gulf countries and Jordan

# IDAL OFFERS INVESTORS A RANGE OF SERVICES THROUGHOUT THEIR DIFFERENT STAGES OF OPERATION

## 1 PRE-INVESTMENT STAGE MARKET INTELLIGENCE

- Information on investment opportunities
- Data on economic sectors with growth potential Legal, financial, industrial information
- Data on investment climate
- Business Matchmaking support

## 2 FINANCING STAGE PACKAGE OF INCENTIVES

### **FISCAL INCENTIVES:**

Exemptions from corporate income tax generated by the project which can go up to 100% exemption for 10 years

### **FINANCIAL INCENTIVES:**

Reduction on land registration fees

### **NON-FINANCIAL INCENTIVES:**

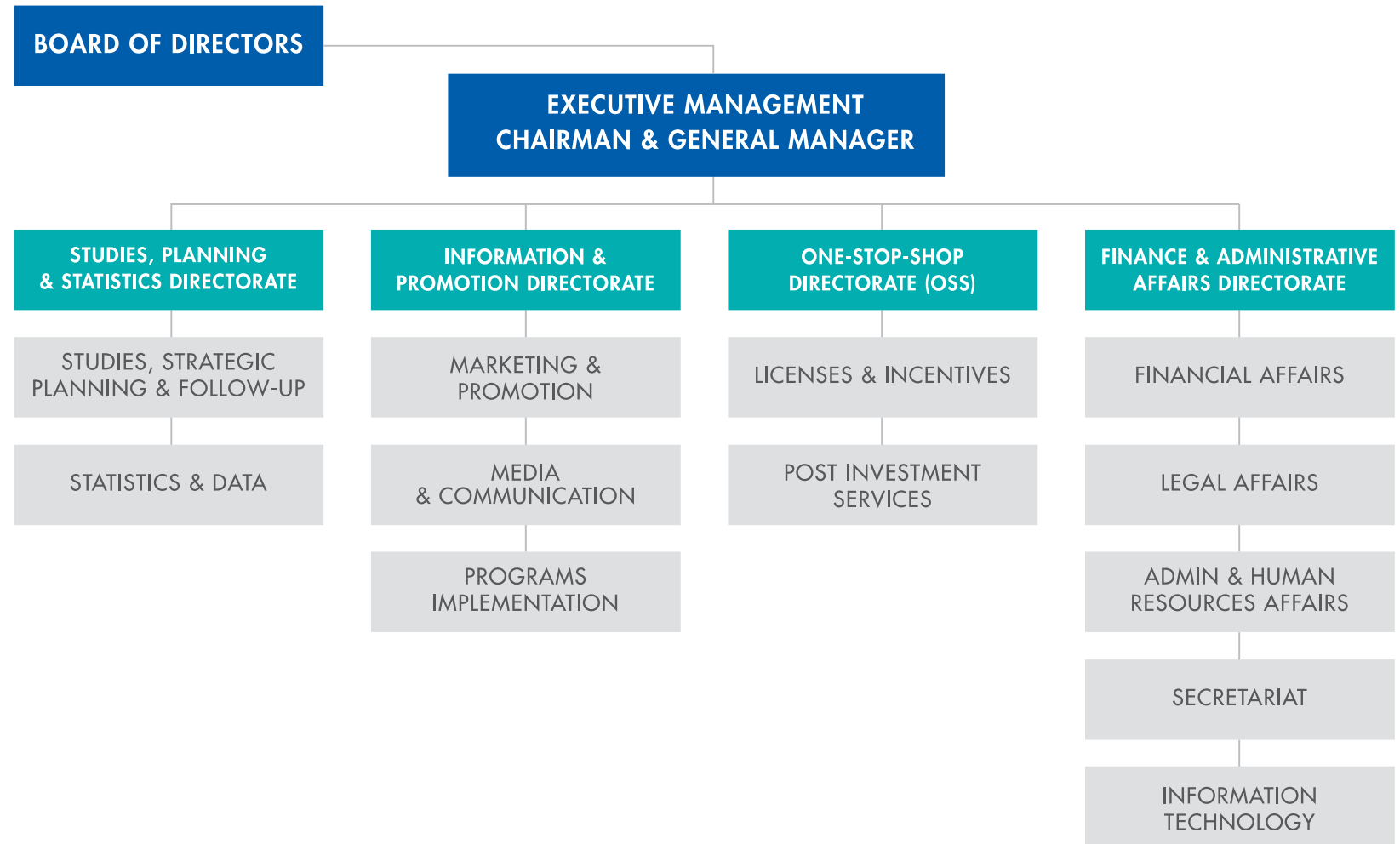
Employees for the project are granted work permits with the support of IDAL

## 3 LICENSING & AFTER-CARE STAGE ONE STOP SHOP

IDAL serves as a One Stop Shop for Investors. We supersede all public administrations, authorities and municipalities in issuing administrative permits and licenses except those granted by the Council of Ministers.

We follow up with investors after the start of their operations

# OUR STRUCTURE



# HEADLINES

I. ABOUT US

**2. OUR CONSULTANCY SERVICES**

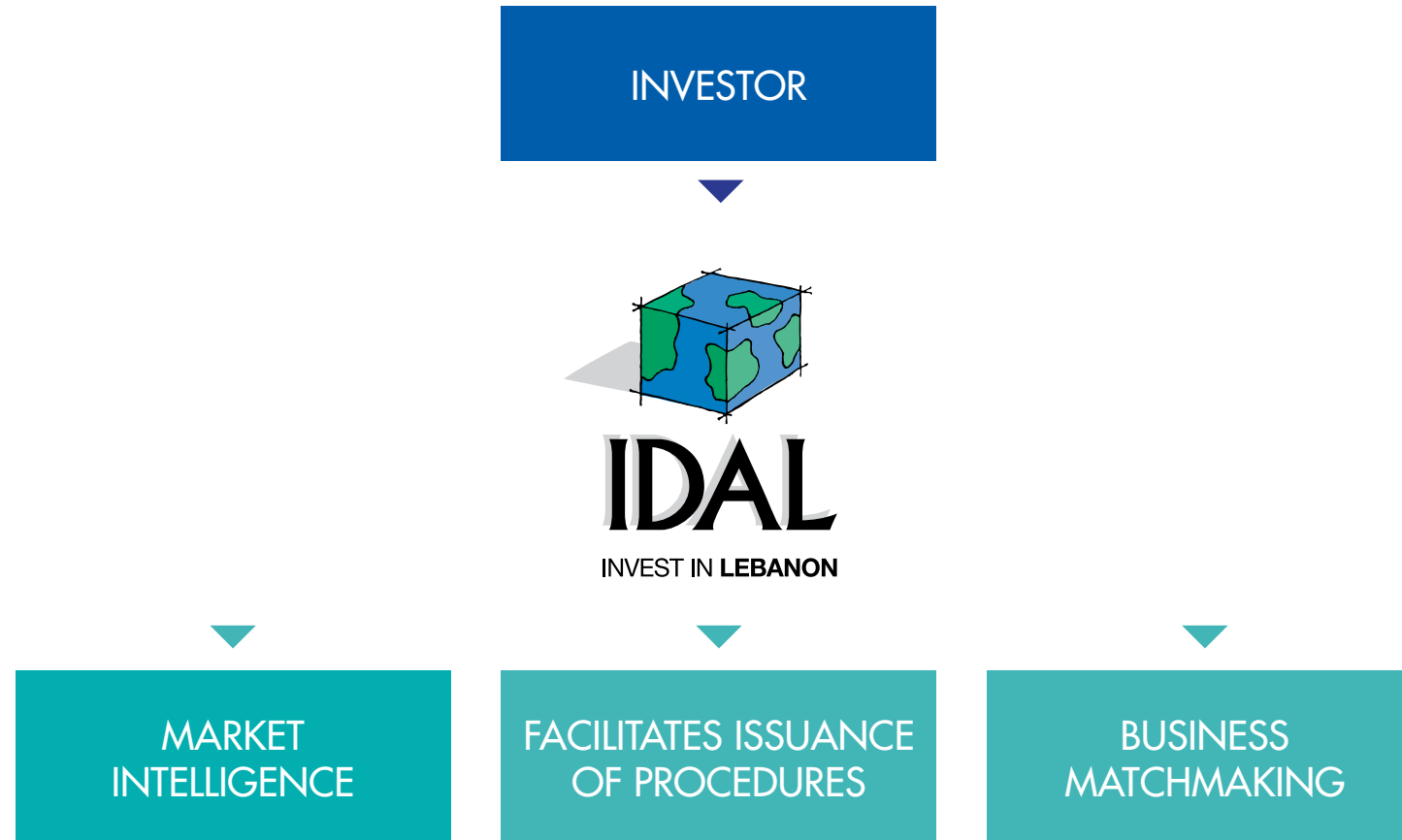
3. TARGETED SECTORS

4. OUR INCENTIVES

5. OUR ACHIEVEMENTS

6. LEBANON AT A GLANCE

# OUR CONSULTANCY SERVICES



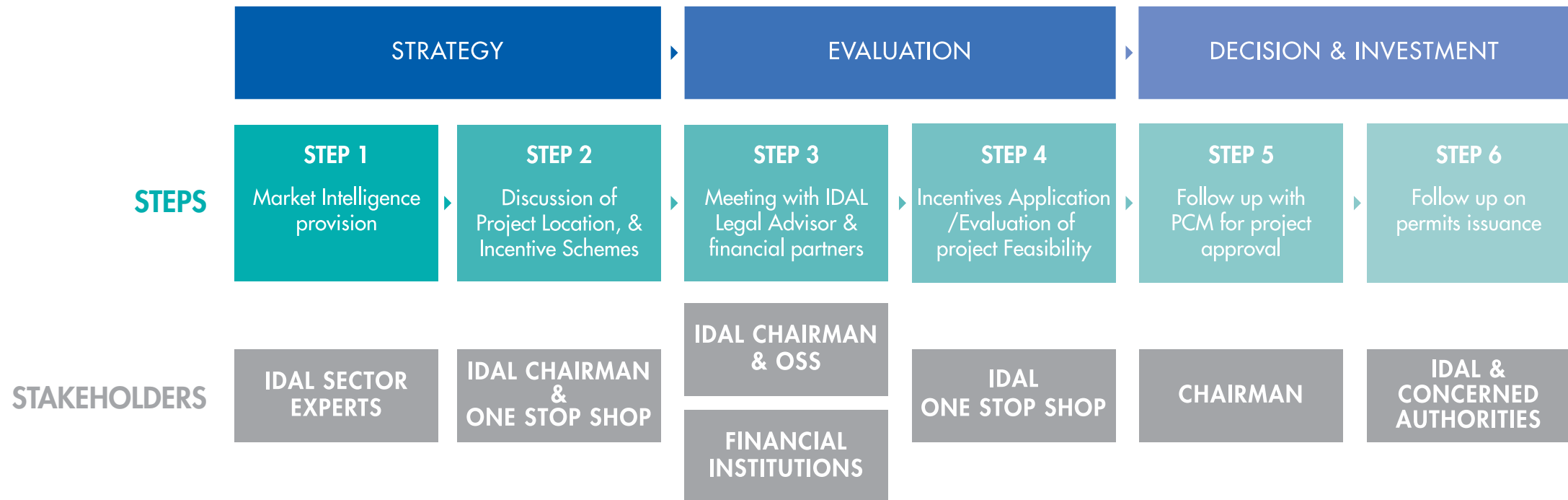


# OUR CONSULTANCY SERVICES

- ▶ **PROVISION OF MARKET INTELLIGENCE (BY SECTOR & TOPIC)**
- ▶ **INTRODUCTION TO POTENTIAL PARTNERS & SUPPLIERS**
- ▶ **ADVISING ON THE FINANCING OF PROJECT (INCLUDING INCENTIVES)**
- ▶ **MATCHING WITH POTENTIAL INVESTORS / ENTREPRENEURS**
- ▶ **ASSISTANCE IN APPLYING FOR INCENTIVES**
- ▶ **ASSISTANCE IN COORDINATING WITH LICENSING AUTHORITIES TO FACILITATE THE ISSUANCE OF LICENSES & PERMIT (TO SET-UP & OPERATE A BUSINESS)**

# OUR CONSULTANCY SERVICES

WE CAN PROVIDE YOU WITH A FULL RANGE OF CONSULTANCY SERVICES FOR YOUR INVESTMENT PROJECT



PCM\* = Presidency Of The Council Of Ministers

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**3. TARGETED SECTORS**

4. OUR INCENTIVES

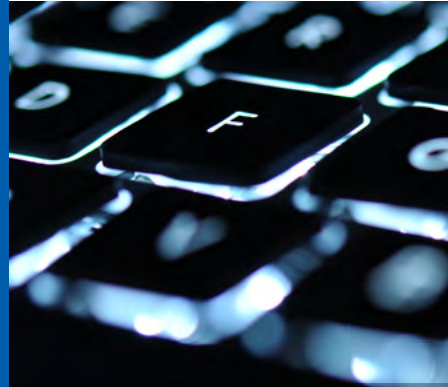
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# EIGHT SECTORS ARE ELIGIBLE FOR OUR INCENTIVES

IDAL PROVIDES  
INCENTIVES TO EIGHT  
SECTORS WITH GROWTH  
POTENTIAL & READINESS  
FOR DEVELOPMENT

THESE SECTORS WERE  
INCLUDED IN LAW N.360  
IN 2001



TECHNOLOGY



FOOD & BEVERAGES



INFORMATION TECHNOLOGY



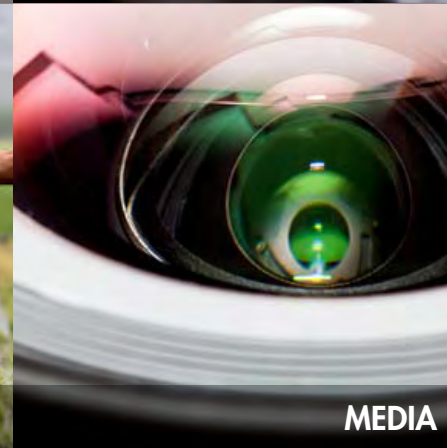
TOURISM



INDUSTRY



AGRICULTURE



MEDIA



TELECOM

# TARGETED SECTORS



- ▶ CHEMICALS, INCLUDING PLASTICS
- ▶ PHARMACEUTICALS
- ▶ PAPER & PRINTING
- ▶ METALS
- ▶ NON-METALLIC MINERALS
- ▶ TEXTILES
- ▶ FURNITURE
- ▶ ELECTRICAL MACHINERY & EQUIPMENT



- ▶ ANIMAL OR VEGETABLE FATS & OILS
- ▶ PROCESSED FOOD
- ▶ DAIRY PRODUCTS
- ▶ BEVERAGES & SPIRITS
- ▶ DRIED FRUITS & NUTS



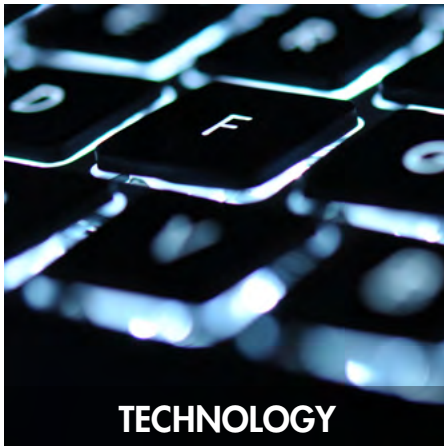
- ▶ HOTELS
- ▶ LEISURE FACILITIES
- ▶ HEALTHCARE TOURISM
- ▶ CULTURAL & RELIGIOUS
- ▶ BUSINESS CONFERENCES



- ▶ SOFTWARE PUBLISHERS
- ▶ COMPUTER PROGRAMMING
- ▶ DATA PROCESSING, DATA MINING, HOSTING RELATED SERVICES
- ▶ INTERNET SERVICE PROVIDERS



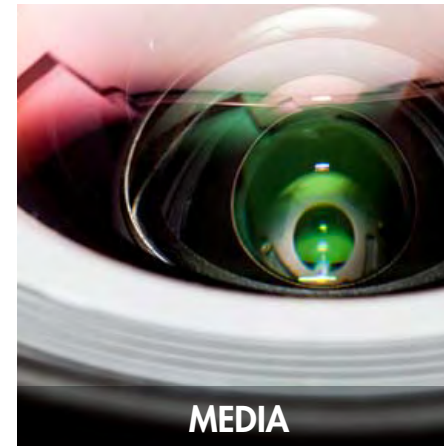
# TARGETED SECTORS



- ▶ ICT MANUFACTURING
- ▶ MEDICAL TECHNOLOGIES
- ▶ CLEAN TECH
- ▶ R&D



- ▶ CROP FARMING
- ▶ LIVESTOCK
- ▶ FISHERIES & AQUACULTURE
- ▶ PACKAGING CENTERS & MATERIALS
- ▶ PRODUCTION FACILITIES



- ▶ ADVERTISING
- ▶ TV BROADCASTING
- ▶ DIGITAL MEDIA
- ▶ PRODUCTION & POST-PRODUCTION HOUSES
- ▶ PUBLISHING HOUSES



- ▶ MOBILE NETWORK OPERATORS
- ▶ TELEPHONE OPERATORS
- ▶ VALUE ADDED SERVICES (VAS)
- ▶ TELEMARKETING & CALL CENTERS

# HEADLINES

I. ABOUT US

2. OUR CONSULTANCY SERVICES

3. TARGETED SECTORS

**4. OUR INCENTIVES**

5. OUR ACHIEVEMENTS

6. LEBANON AT A GLANCE

## TWO TYPES OF INCENTIVE SCHEMES:

### 1. JOB CREATION BASED INCENTIVE

Also called

#### **PACKAGE DEAL CONTRACT (PDC)**

Provided to projects based on:

- (1) INVESTMENT SIZE
- (2) NUMBER OF JOBS CREATED
- (3) SECTOR

#### **INCENTIVES PROVIDED**

- ▶ 100% exemption of Income Tax
- ▶ 100 % exemptions on Taxes on Project Dividends for up to 10 years
- ▶ Up to a 50% reduction on Work & Residence Permit Fees
- ▶ Up to a 50% reduction on Construction Permit Fees
- ▶ Full exemption from Land Registration Fees

## OUR INCENTIVES





# 1. JOB CREATION & SECTOR BASED INCENTIVE PACKAGE DEAL CONTRACT (PDC)

## INCENTIVES GRANTED BASED ON JOB CREATION & SECTOR BASED

- |   |   |
|---|---|
| ▶ 100% Exemption on Income Tax for up to 10 years   | ▶ Zero Land Registration Fees                                     |
| ▶ Up to 50% Reduction on Construction Permit Fees   | ▶ 100% Exemption on Taxes on Project Dividends for up to 10 years |
| ▶ Up to 50% Reduction on Work and Residence Permits | ▶ Obtaining Work Permits of all categories                        |

# 1. JOB CREATION & SECTOR BASED INCENTIVE PACKAGE DEAL CONTRACT (PDC)

## ELIGIBILITY CRITERIA

SECTORS	MINIMUM INVESTMENT REQUIRED (USD)	MINIMUM JOB CREATION
TOURISM	15.000.000	200
INDUSTRY	10.000.000	100
AGRO-INDUSTRY	3.000.000	60
AGRICULTURE	2.000.000	50
INFORMATION TECHNOLOGY	400.000	25
TECHNOLOGY	400.000	25
TELECOMMUNICATION	400.000	25
MEDIA	400.000	25

## TWO TYPES OF INCENTIVE SCHEMES:

### 2. REGION & SECTOR BASED INCENTIVE

Also called

#### INVESTMENT PROJECTS BY ZONE (IPZ)

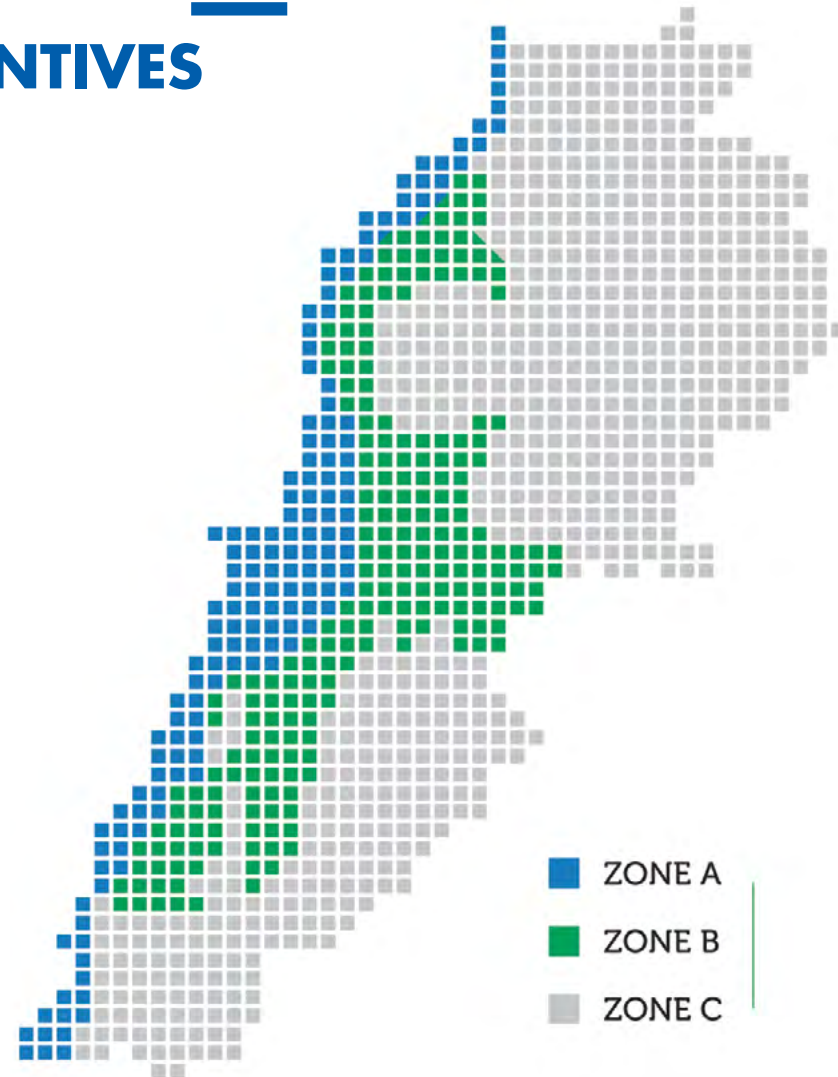
Provided to projects based on:

- (1) GEOGRAPHICAL LOCATION  
ACROSS 3 ZONES: A, B, C
- (2) INVESTMENT SIZE
- (3) SECTOR

#### INCENTIVES PROVIDED

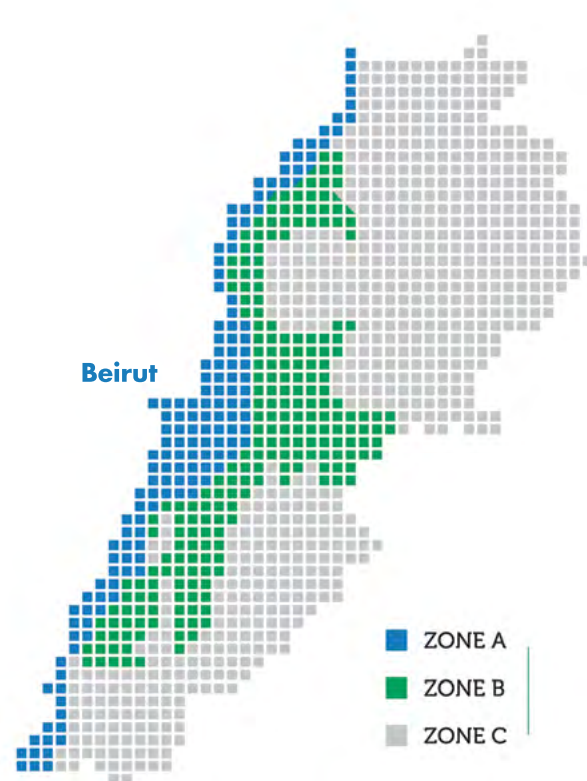
- Up to 100% tax exemptions for 10 years for projects located in remote areas (Zone C)
- Work Permits granted

## OUR INCENTIVES



## 2. REGION BASED INCENTIVE INVESTMENT PROJECTS BY ZONE (IPZ)

► **EIGHTS SECTORS ARE ELIGIBLE FOR OUR INCENTIVES**



**INCENTIVES GRANTED BASED ON GEOGRAPHICAL DISTRIBUTION & INVESTMENT SIZE**

ZONE A	ZONE B	ZONE C
Work permits for all categories.	Work permits for all categories.	Work permits for all categories.
Full exemption from corporate income tax for a two-year period provided that at least 40% of the company's shares are listed on the Beirut Stock Exchange.	A 50% reduction on corporate income tax and taxes on project dividends for a five-year period.	Full exemption from corporate income tax and taxes on project dividends for a ten-year period.
	Full exemption from corporate income tax for two additional years provided that at least 40% of the company's shares are listed on the Beirut Stock Exchange.	Full exemption from income tax for two additional years provided that at least 40% of the company's shares are listed on the Beirut Stock Exchange.

## 2. REGION BASED INCENTIVE INVESTMENT PROJECTS BY ZONE (IPZ)

### ELIGIBILITY CRITERIA

SECTORS	MINIMUM INVESTMENT REQUIRED (USD)		
	ZONE A	ZONE B	ZONE C
TOURISM	10.000.000	4.000.000	1.000.000
INDUSTRY	5.000.000	3.000.000	1.000.000
AGRO-INDUSTRY	2.000.000	1.500.000	1.000.000
AGRICULTURE	1.500.000	1.000.000	500.000
INFORMATION TECHNOLOGY	200.000	200.000	200.000
TECHNOLOGY	200.000	200.000	200.000
TELECOMMUNICATION	200.000	200.000	200.000
MEDIA	200.000	200.000	200.000

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2. OUR CONSULTANCY SERVICES

3. TARGETED SECTORS

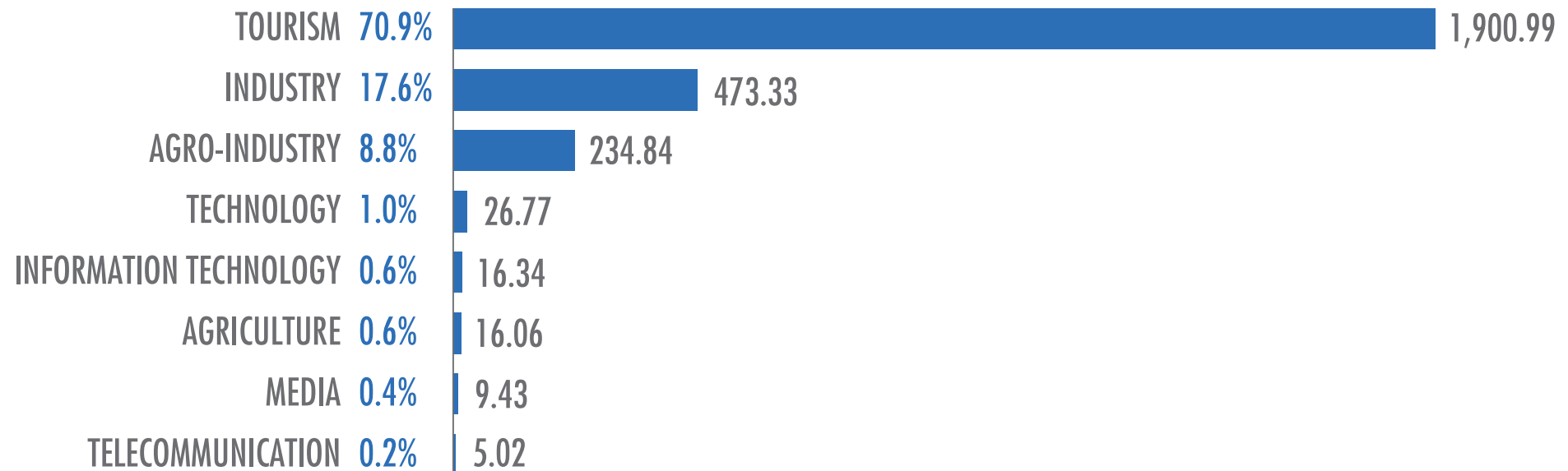
4. OUR INCENTIVES

**5. OUR ACHIEVEMENTS**

6. LEBANON AT A GLANCE

# OUR ACHIEVEMENTS

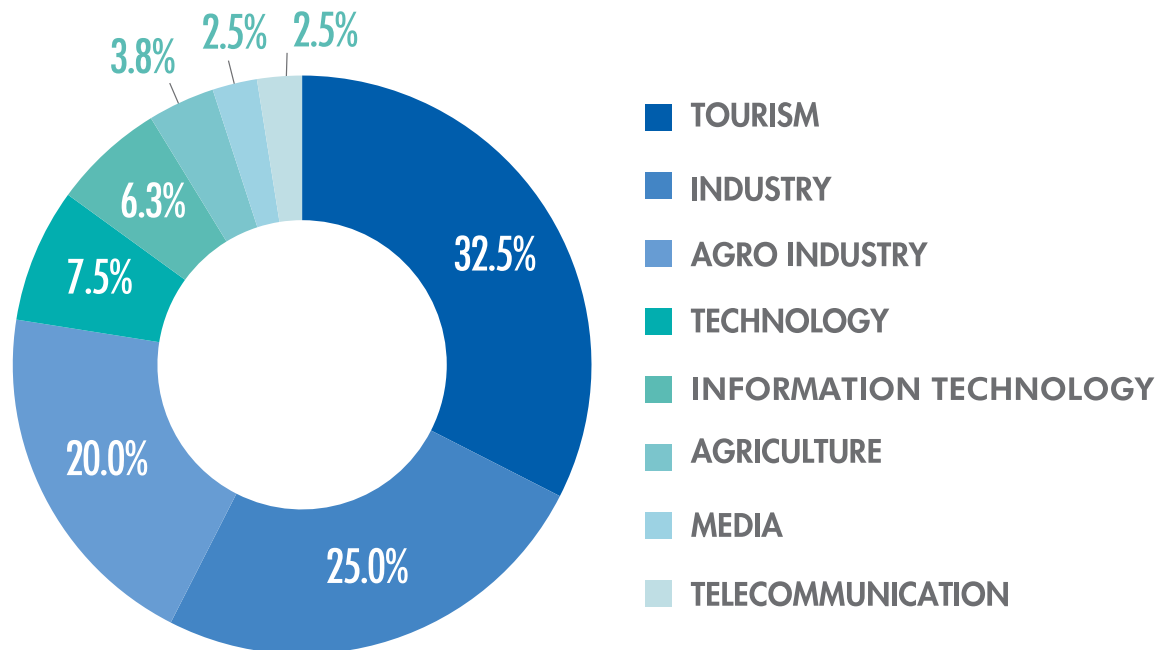
## INVESTMENTS ATTRACTED THROUGH IDAL (USD MILLION) (2001-2017)



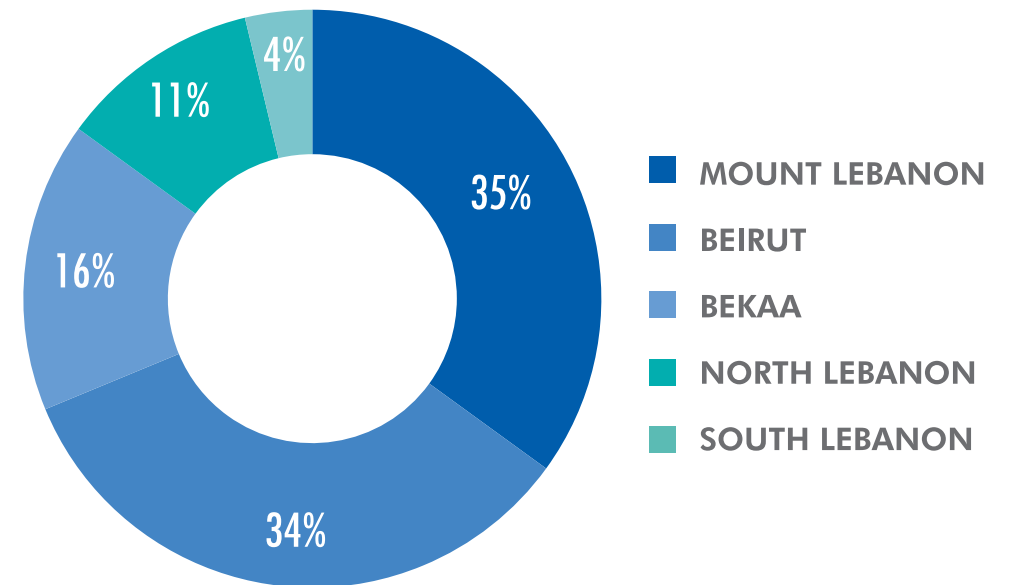
**TOTAL: 2,682,761 USD**  
Source: IDAL's Calculations

# OUR ACHIEVEMENTS

DISTRIBUTION OF PROJECTS BY SECTOR  
(%) (2001-2017)



DISTRIBUTION OF PROJECTS BY REGIONS  
(%) (2001-2017)

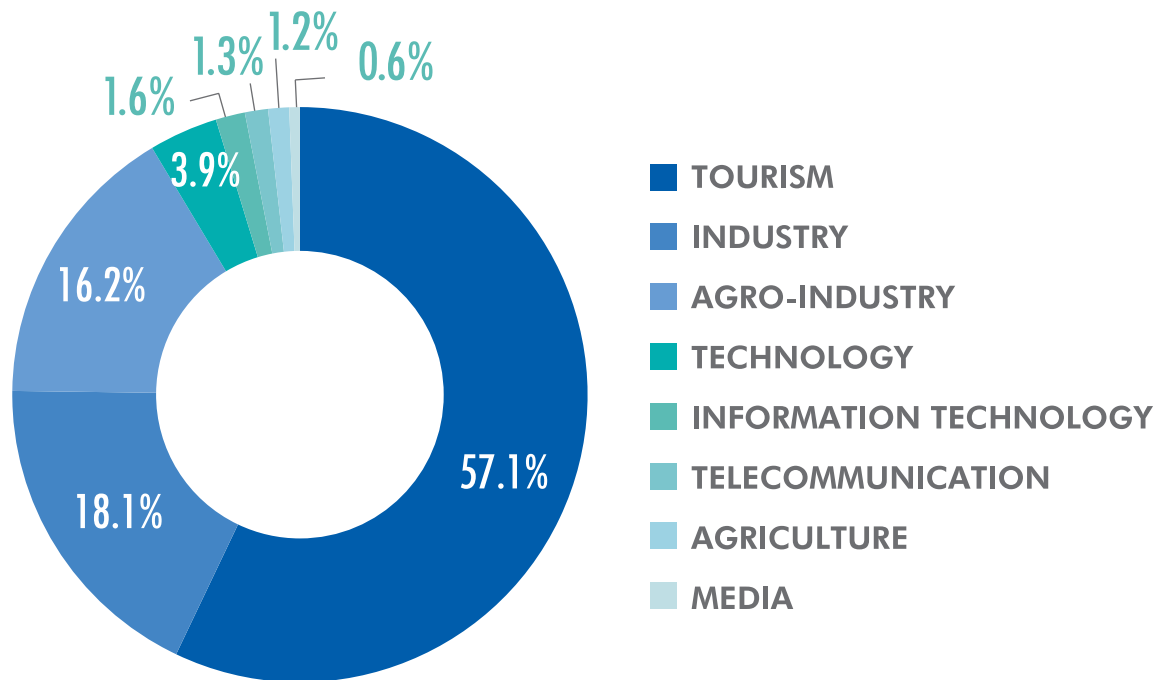


TOTAL: 80  
Source: IDAL's Calculations

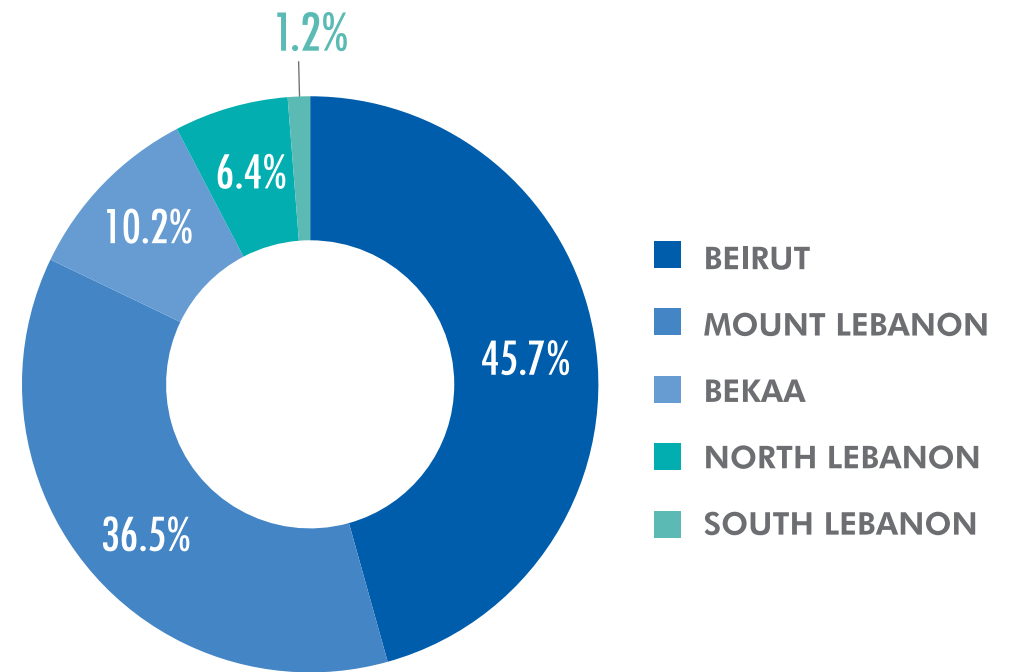


# OUR ACHIEVEMENTS

DISTRIBUTION OF JOB CREATED PER SECTOR  
(%) (2001-2017)



DISTRIBUTION OF JOB CREATED PER MUHAFAZA  
(%) (2001-2017)



TOTAL: 9,769  
Source: IDAL's Calculations

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2. OUR CONSULTANCY SERVICES

3. TARGETED SECTORS

4. OUR INCENTIVES

5. OUR ACHIEVEMENTS

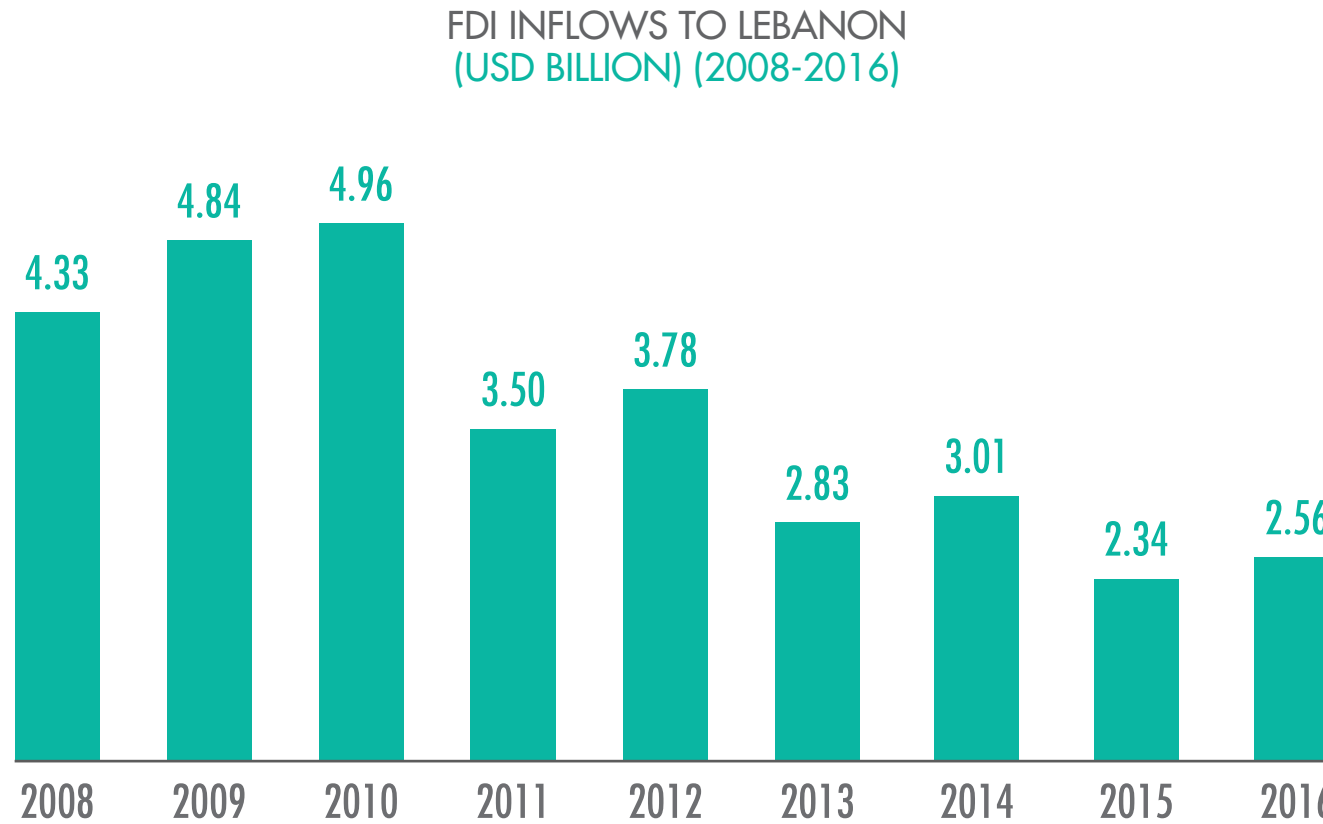
**6. LEBANON AT A GLANCE**

# ECONOMIC PROFILE & SYSTEM (2016)

- ▶ FREE MARKET ECONOMY
- ▶ NON-INTERVENTIONIST STANCE  
TOWARDS PRIVATE INVESTMENTS
- ▶ ONE OF THE MOST LIBERAL INVESTMENT  
CLIMATES IN THE MIDDLE EAST
- ▶ GDP AT CURRENT PRICES (PROJ) (USD BILLION): **51.8**
- ▶ GDP/CAPITA (PROJ) (CURRENT USD): **11,511**
- ▶ REAL GDP GROWTH (PROJ): **1.0%**
- ▶ AVERAGE INFLATION RATE (PROJ): **1%**
- ▶ TRADE BALANCE (USD MILLION): **-15,728**
- ▶ FDI INFLOWS (USD BILLION): **2.56**
- ▶ UNEMPLOYMENT RATE (AVG.%): **20%**

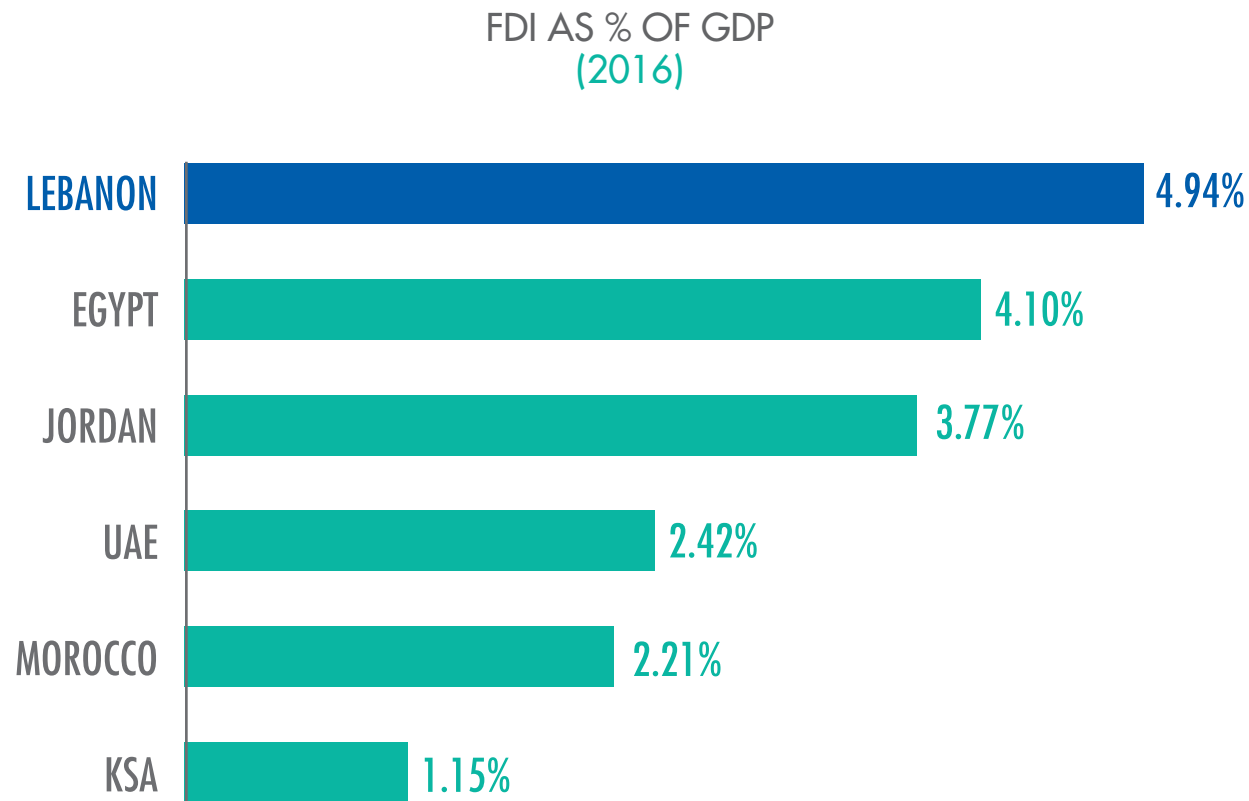
Source: International Monetary Fund (IMF), World Bank, Bank Audi,  
Central Administration for Statistics (CAS), Ministry of Economy and Trade,  
Lebanese Customs Administration

# FOREIGN INVESTMENTS TO LEBANON HAVE SUSTAINED THEIR POSITIVE FLOW DESPITE A REGIONAL AND WORLDWIDE DECLINE IN FDI



Source: UNCTAD - World Investment Report 2017

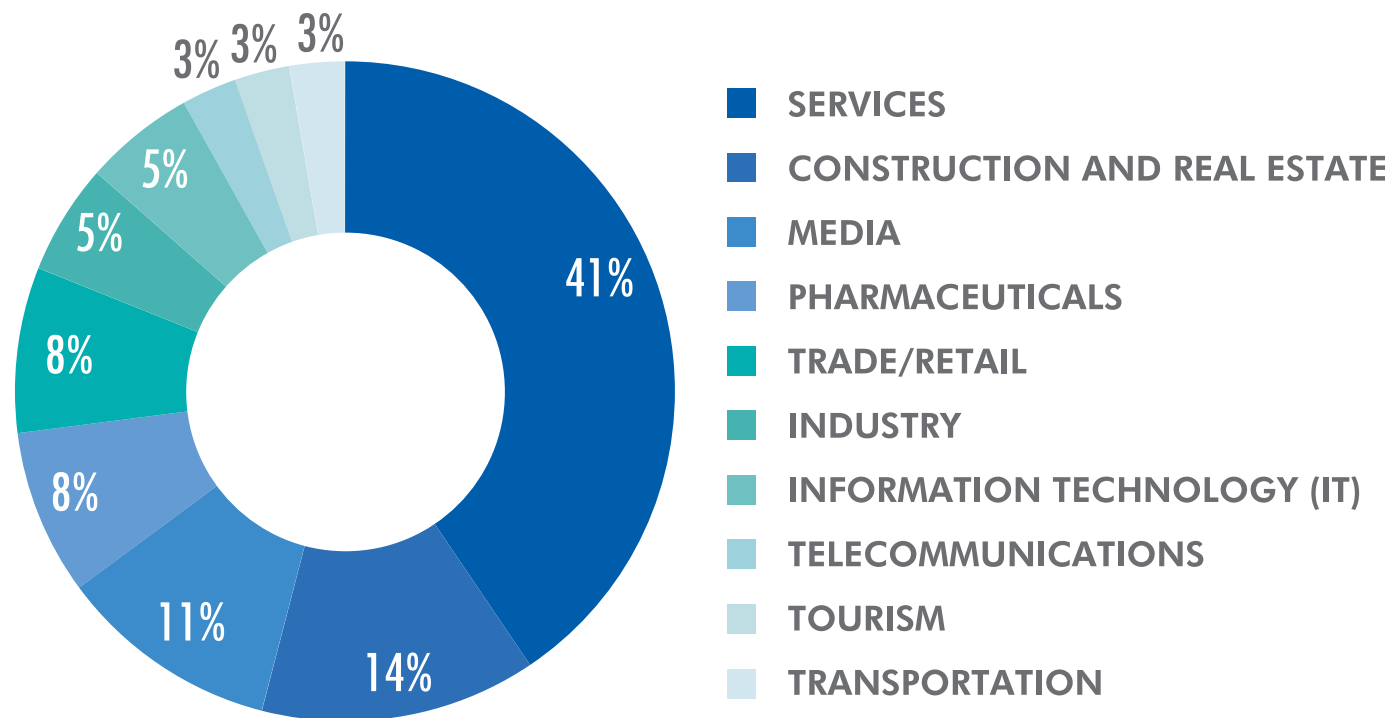
IN FACT **FDI % GDP** IS THE HIGHEST IN LEBANON COMPARED TO ITS REGIONAL PEERS,  
HIGHLIGHTING THE IMPORTANCE OF **FDI** TO OUR ECONOMY



Source: UNCTAD - World Investment Report 2017

# SERVICES & REAL ESTATE ARE THE TOP SECTORS OF INTEREST FOR FOREIGN INVESTORS

DISTRIBUTION OF FOREIGN COMPANIES BY SECTOR  
(%) (2016)



Source: IDAL's Calculations

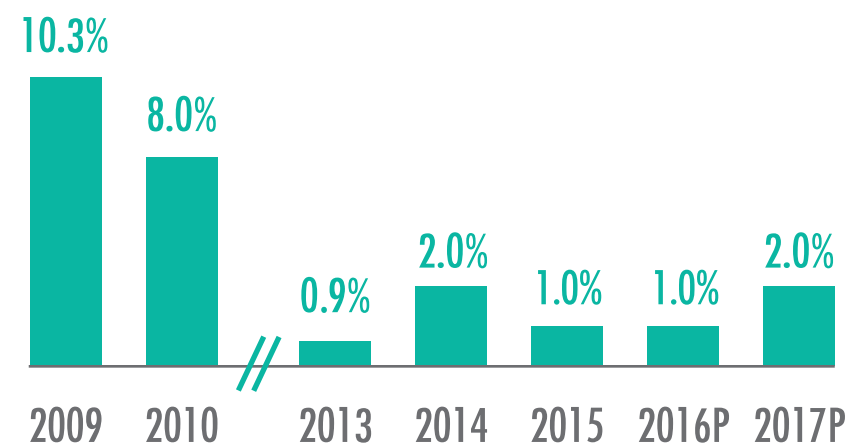
## EXCELLENT ECONOMIC FUNDAMENTALS

### LEBANON HAS A RESILIENT ECONOMY DESPITE THE REGIONAL CHALLENGING ENVIRONMENT

► Lebanon was one of the global performers in 2009 amidst the worldwide financial crisis and despite the Arab Spring managed to maintain stable growth levels.

► Despite continuing regional challenges, IMF estimated Lebanon's GDP growth for **2015 at 1.0%**, and projecting a growth rate of **2.5% for 2018**.

REAL GDP GROWTH (%)

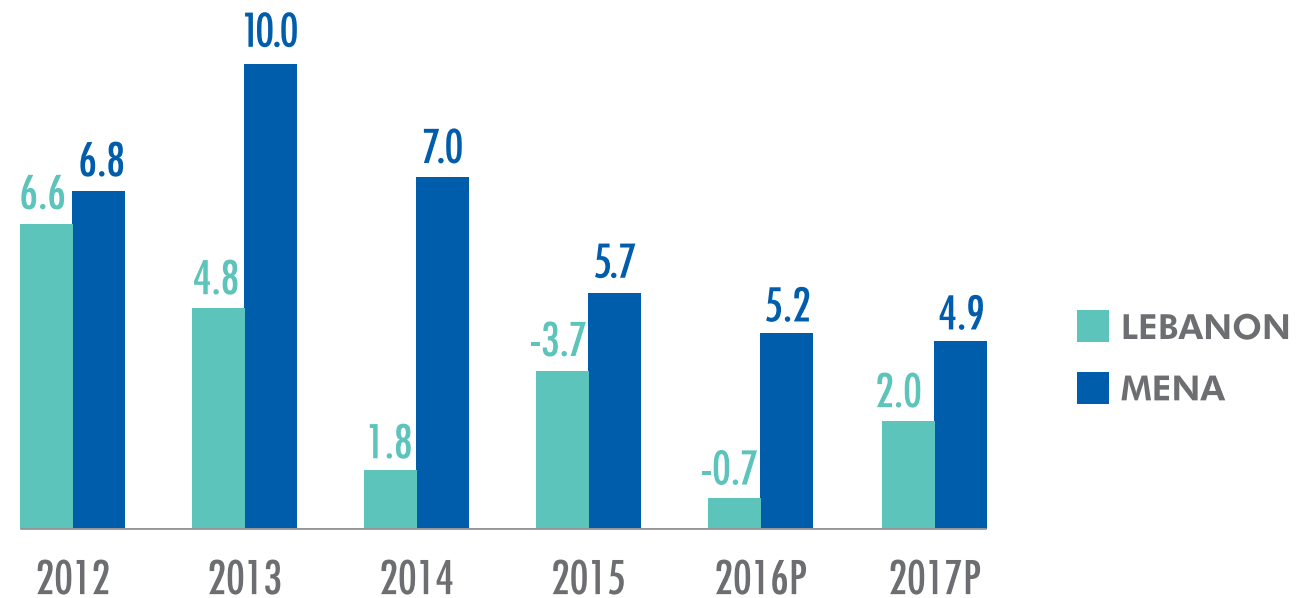


Source: IMF

## ...WITH A LOW INFLATION RATE REGIME

- ▶ A low inflation environment **provides business certainty for investors.**
- ▶ Over the past 3 years Lebanon was able to maintain a low inflation rate compared to the MENA average inflation rate.

INFLATION (YEAR-OVER-YEAR % CHANGE)



Source: IMF



# EXCELLENT ECONOMIC FUNDAMENTALS WITH THE SOUNDEST BANKING SYSTEM IN THE REGION

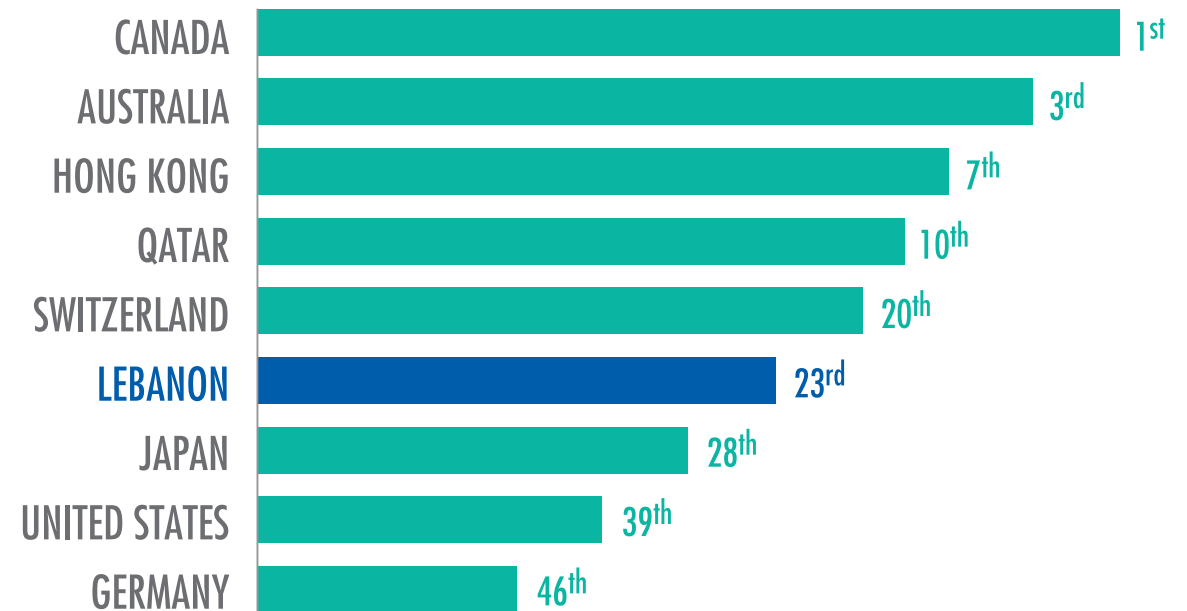
► Soundness of banks ranking assesses the **stability and efficiency** of the financial market.

NOTE: STANDING AMONG 139 COUNTRIES

**Low ranking:** banks may require recapitalization;

**High Ranking:** banks are generally healthy with sound balance sheets

## SOUNDNESS OF BANKS RANKING (2015)



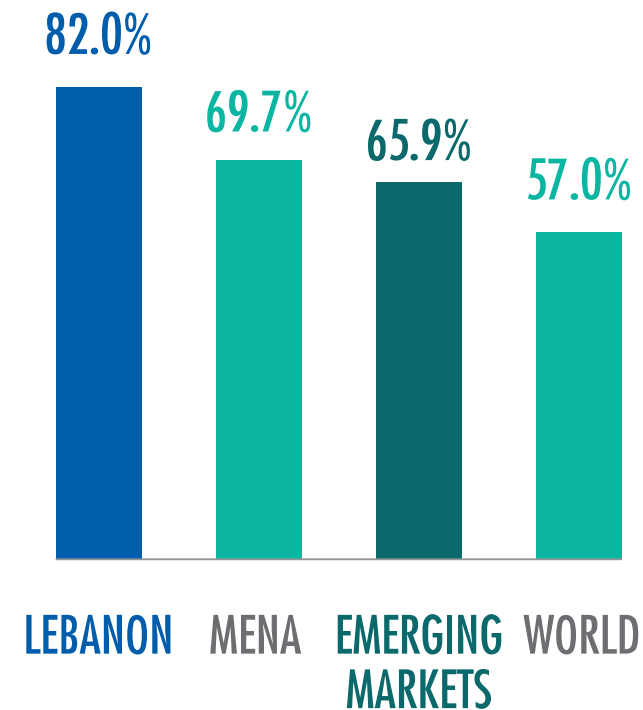
Source: World Competitiveness Report 2015-2016

## ...WITH HIGH LIQUIDITY RATIO

- ▶ Lebanese banking sector maintained a strong liquidity levels with a **liquidity ratio equal to 82%**, among the highest regionally and globally, thus enabling the commercial banks to finance the government and private sector needs while maintaining a stable interest rate structure.
- ▶ Banking sector's consolidated assets: **USD 186 billion in 2015**, or **363% of country's GDP**

Note: Liquidity ratio refers to highly liquid assets held by a bank to meet its short-term obligations

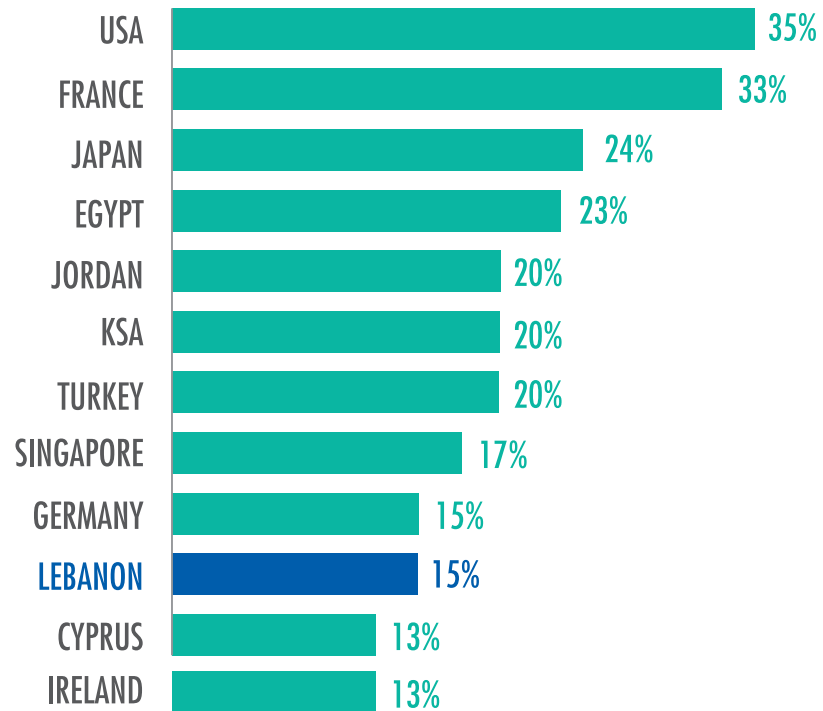
LIQUIDITY RATIO (2014)



Source: IMF

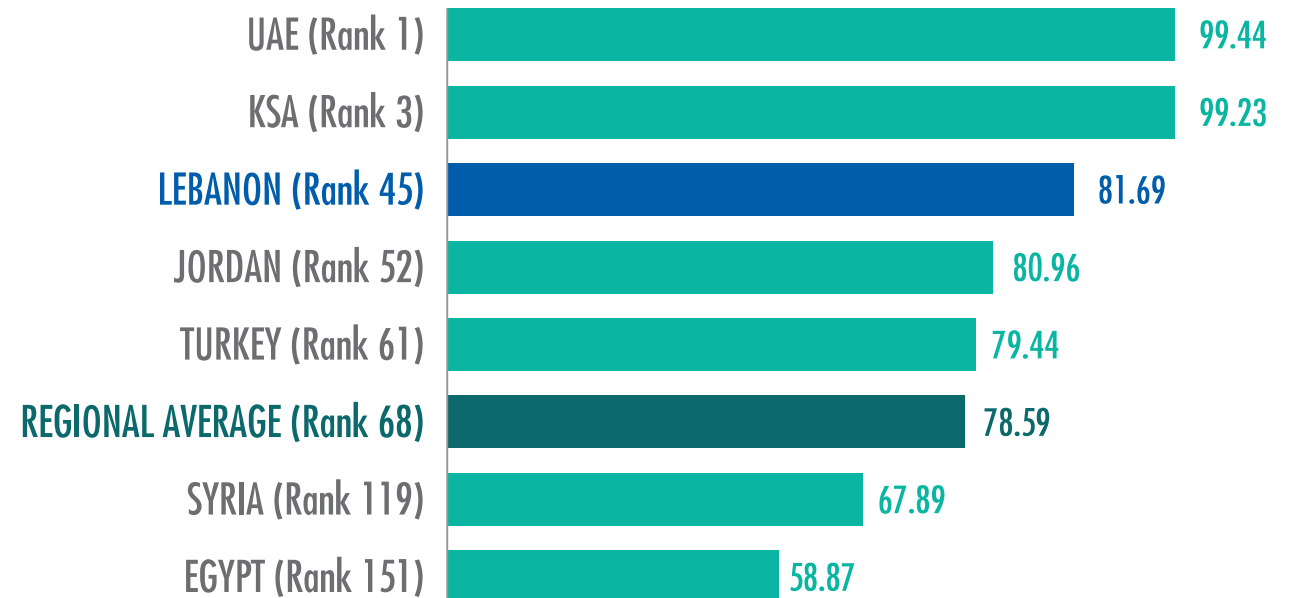
# LEBANON OFFERS AN OVERALL TAX ADVANTAGE FOR FIRMS TO EXPAND & EASE OF PAYING TAXES

CORPORATE TAX RATES (2016)



Source: Country's Investment Promotion Agencies

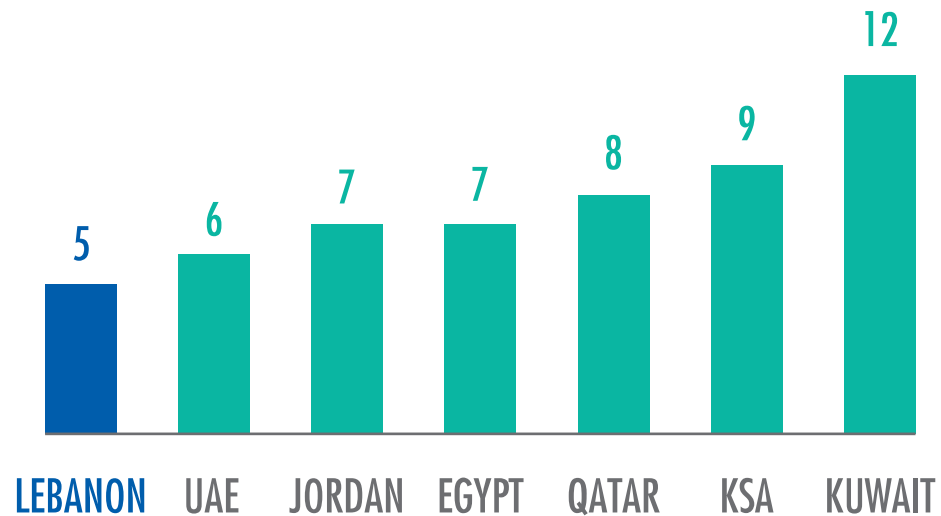
EASE OF PAYING TAXES 2015 (SCORE OVER 100)



Source: Doing Business Report 2016

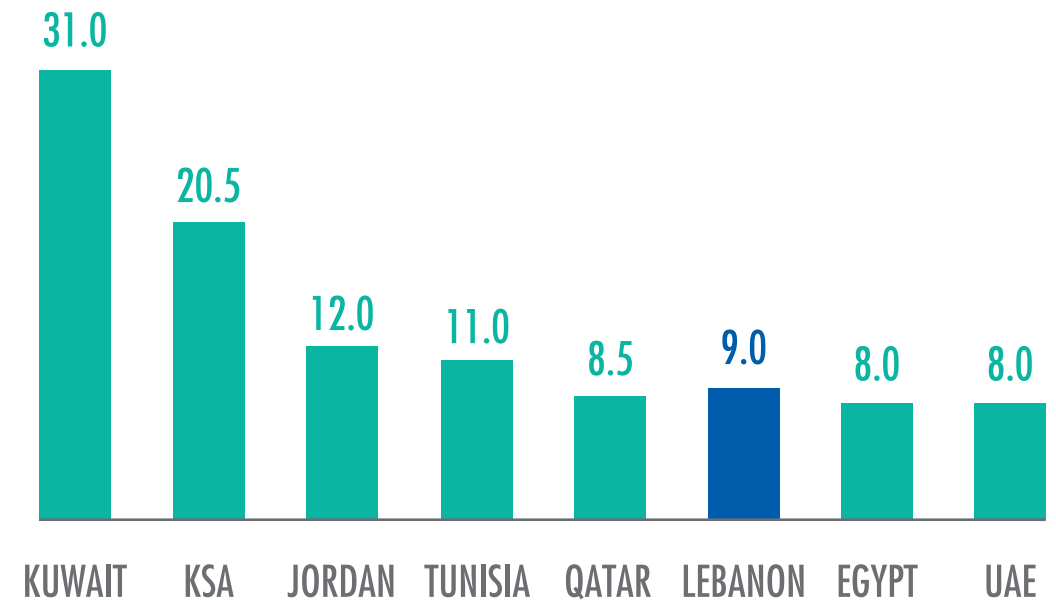
# ESTABLISHING A BUSINESS IN LEBANON INVOLVES RELATIVELY FEW STEPS & LESS TIME

NUMBER OF PROCEDURES TO START A BUSINESS  
(2015-2016)



Global Competitiveness Report 2015-2016

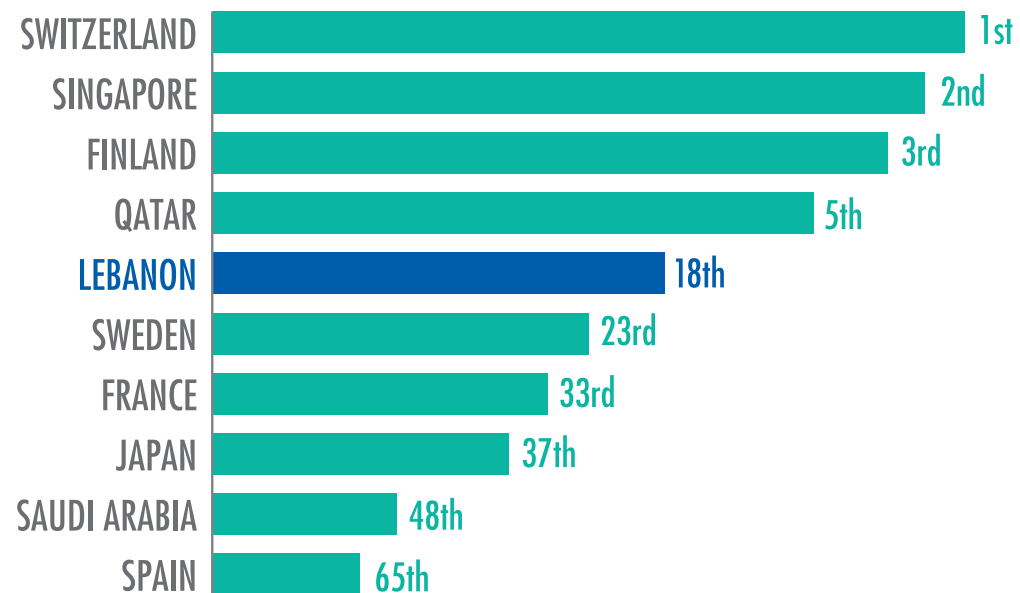
NUMBER OF DAYS TO START A BUSINESS  
(2015-2016)



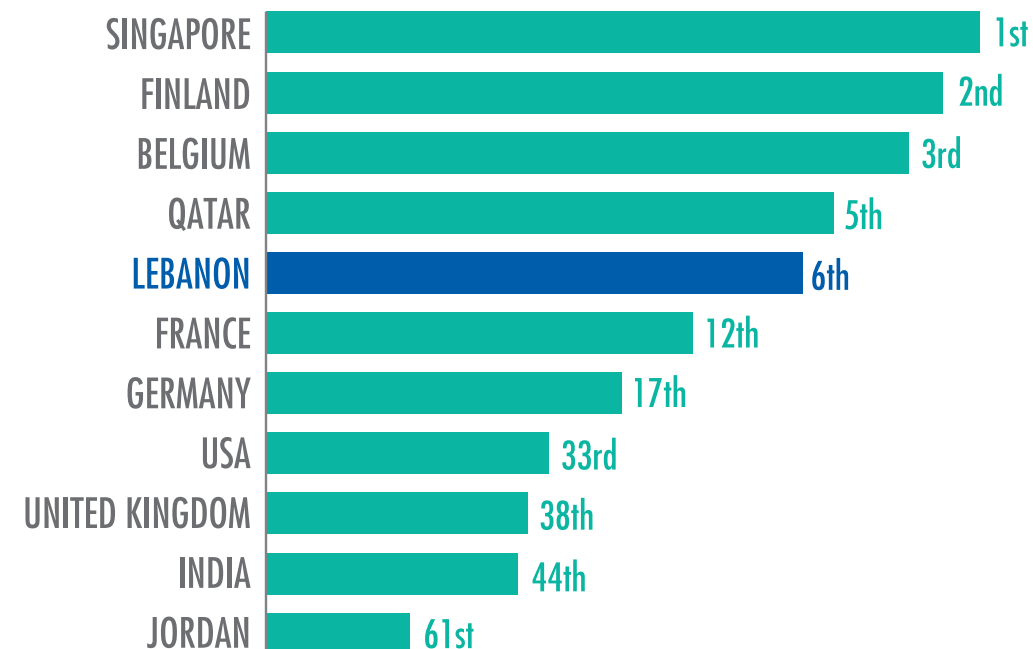
Global Competitiveness Report 2015-2016

# A DYNAMIC WORKFORCE: LEBANON HAS ONE OF THE WORLD'S BEST EDUCATED WORKFORCE...

OVERALL QUALITY OF EDUCATION  
(2016-2017)



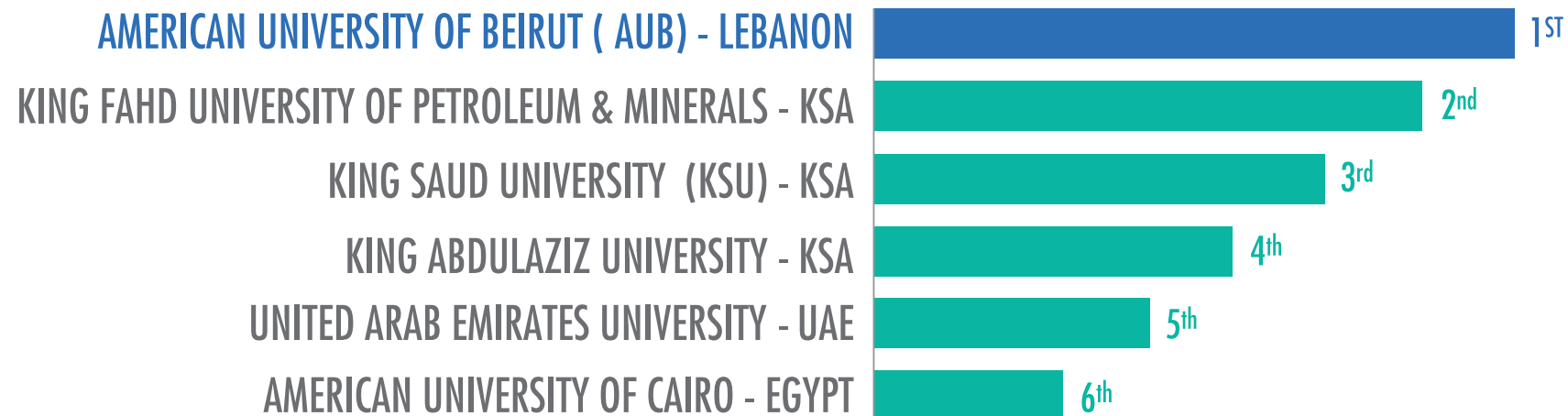
QUALITY OF MATH & SCIENCE EDUCATION  
(2016-2017)



Source: World Competitiveness Report 2016-2017

## ... AND ONE OF THE TOP EDUCATION INSTITUTIONS IN THE MIDDLE EAST

### TOP 6 UNIVERSITIES IN THE MIDDLE EAST (2017)

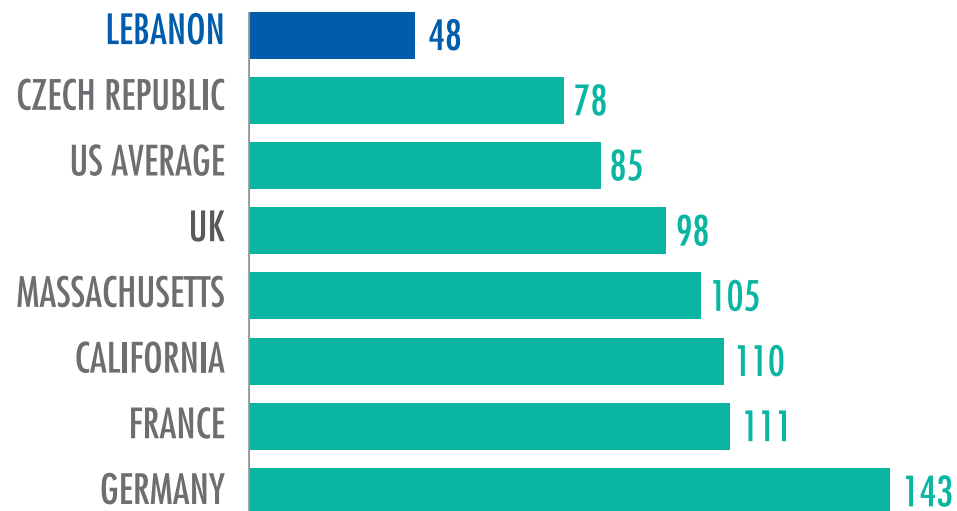


Source: QS University Ranking 2017

# A COST-COMPETITIVE WORKFORCE

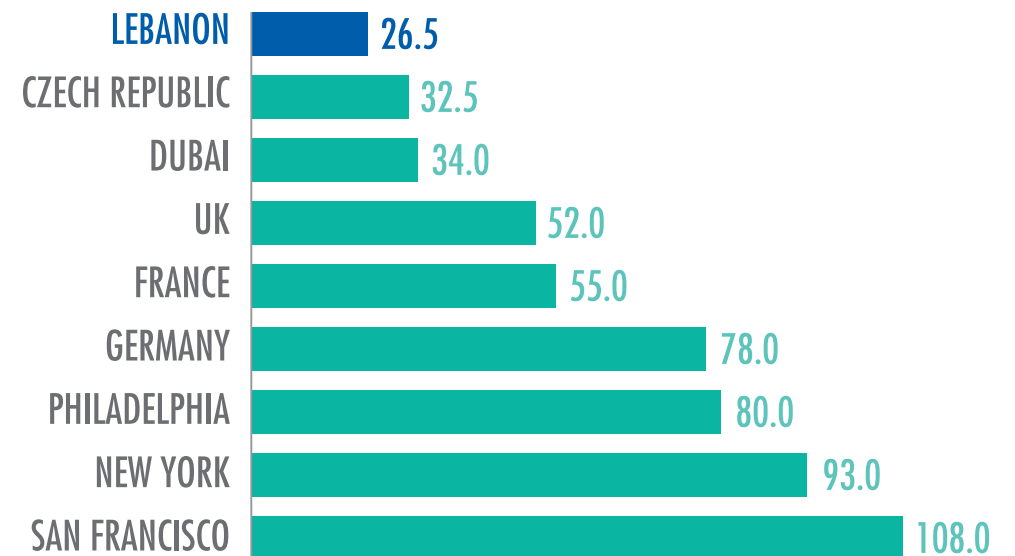
► THIS LABOR FORCE IS EQUALLY COST EFFICIENT, ESPECIALLY IN SECTORS WITH HIGH VALUE-ADDED

AVERAGE ANNUAL WAGES IN THE HIGH TECH SECTOR  
(USD'000) (2009-2010)



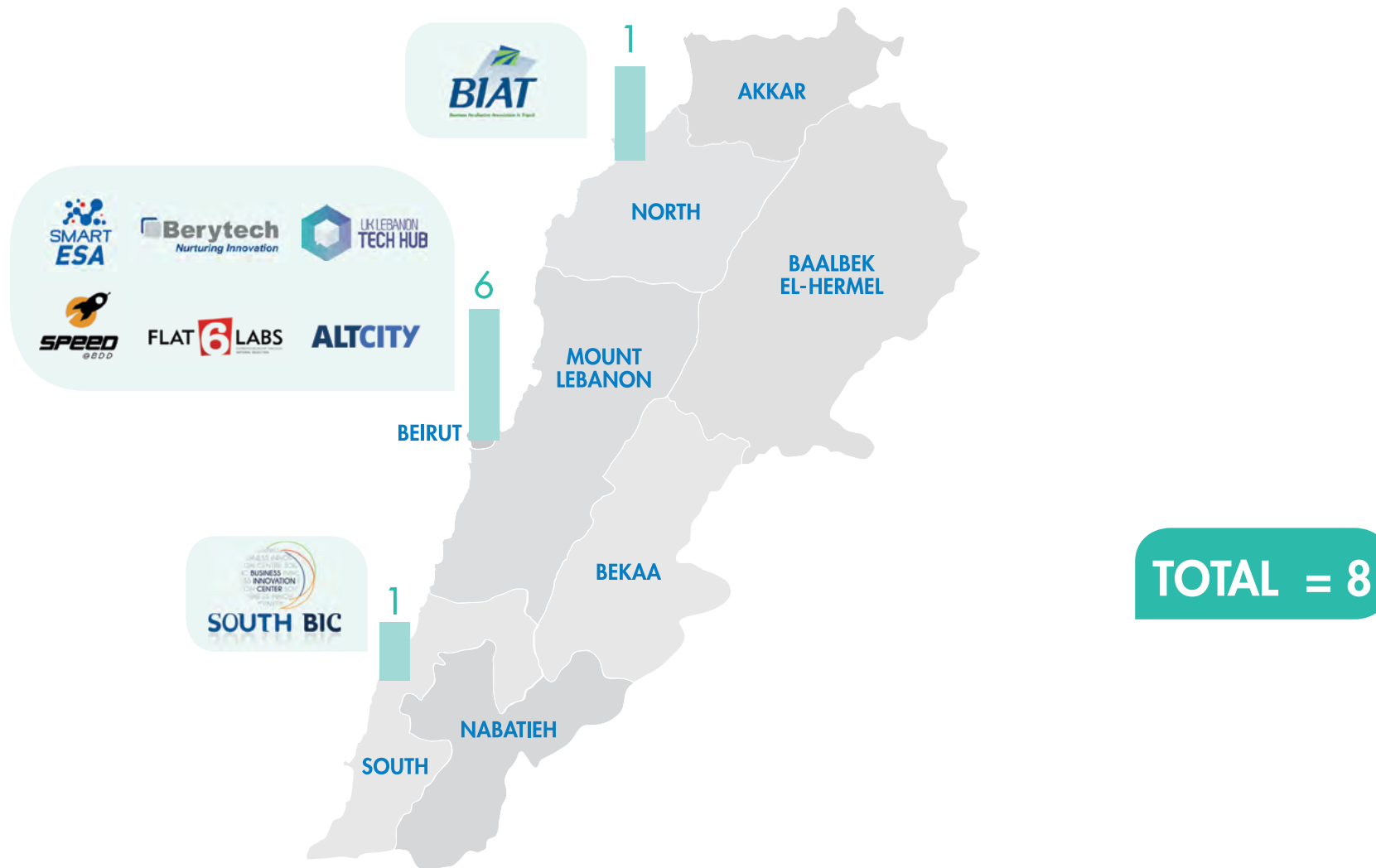
Source: The Tech America Foundation, Global 50, Remuneration Planning Report 2009/2010, Watson Wyatt Data

AVERAGE ANNUAL WAGES OF SOFTWARE ENGINEERS  
(USD'000) (2011-2012)



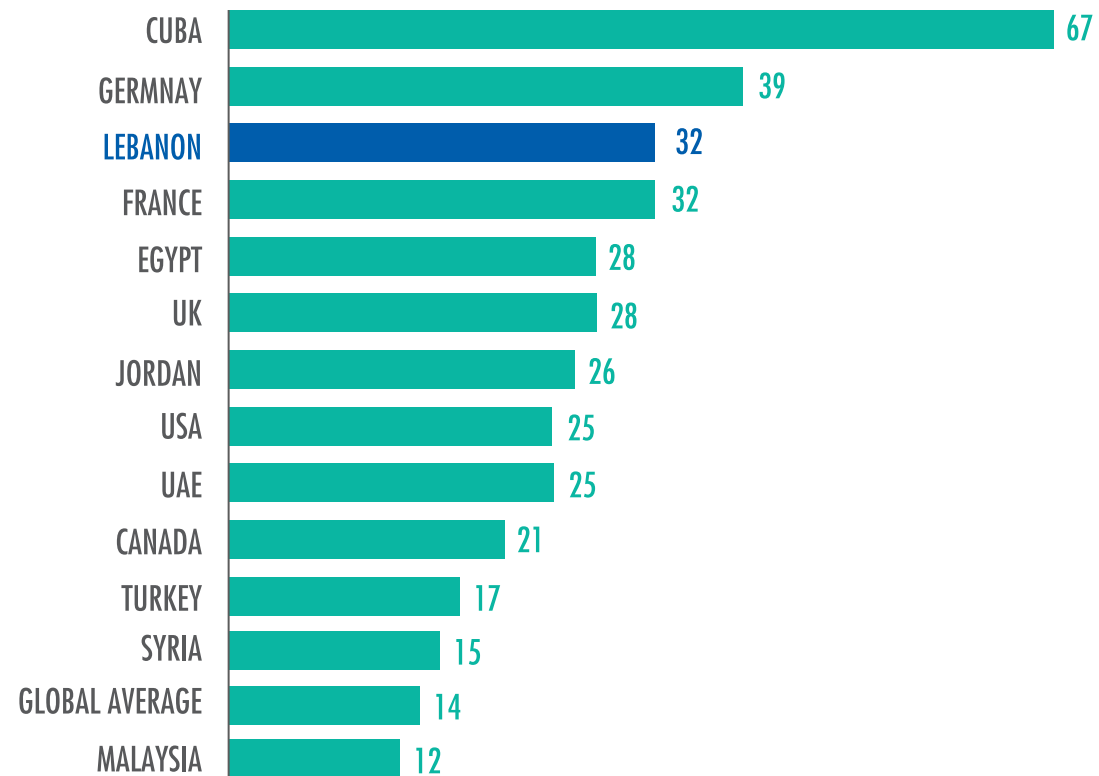
Source: Glassdoor, Global 50, Remuneration Planning Report 2011/2012, Watson Wyatt Data Services, InfoPro

# TODAY THERE ARE MORE THAN 8 INCUBATORS/ ACCELERATORS IN LEBANON PROVIDING SUPPORT TO START-UPS IN THE TECHNOLOGY SECTOR





## PHYSICIANS PER 10,000 POPULATION SELECTED REGIONAL & OECD COUNTRIES | 2007-2015



Source: World Health Organization report 2015

# MOST HOSPITABLE MENA DESTINATION FOR BUSINESS & LEISURE

► **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.

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

► **Availability of natural resources** as an excellent coastline, a wide range of natural attractions, unique historical and archeological sites and a suitable climate.



► In 2016, Beirut ranked **1st International city for food**

► In 2016, **Jbeil** was crowned Arab Tourism Capital

► In 2013, Beirut made it as **one of the Best Top 25 Cities in the World.**

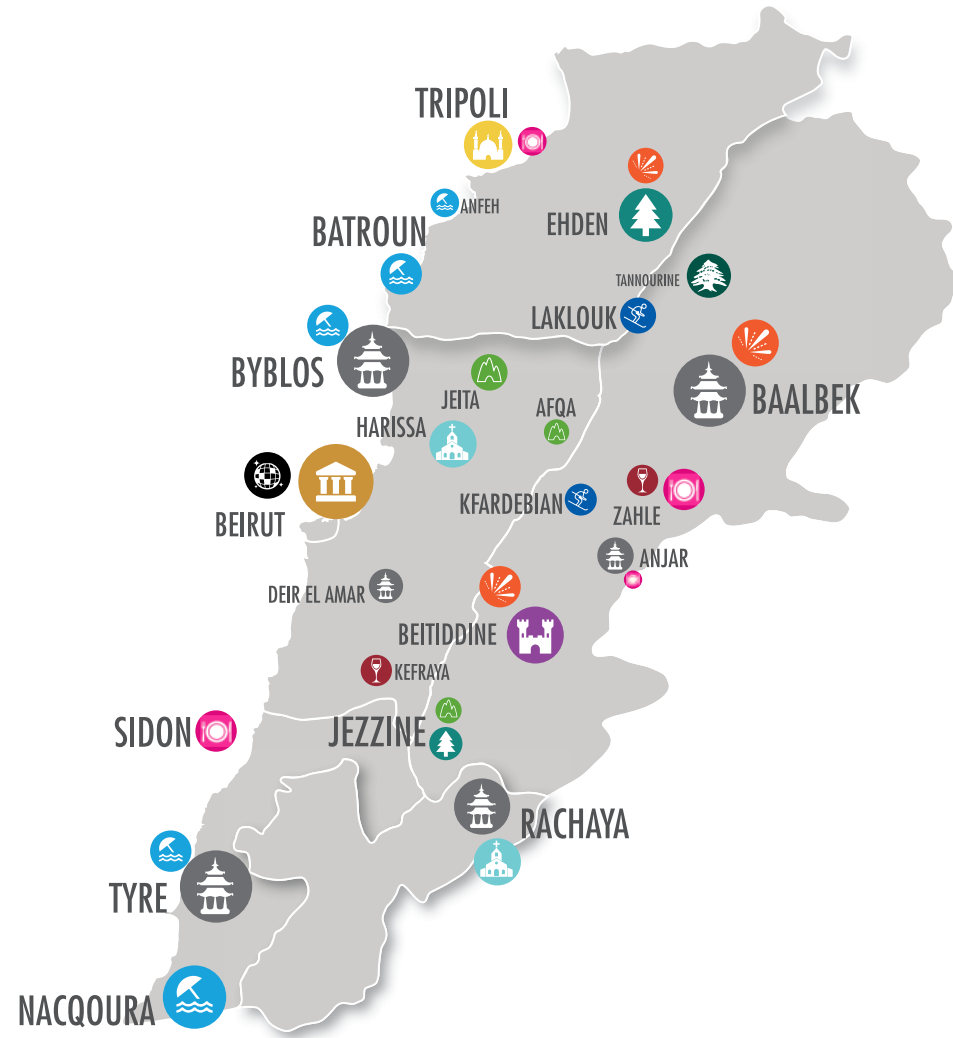
► In 2009, New York Times recommended Beirut as the **1<sup>st</sup> place to visit in 2009** among 44 places worldwide.

5 SITES INSCRIBED ON THE WORLD HERITAGE LIST:

- ANJAR
- BAALBEK
- BYBLOS
- OUADI QADISHA
- THE FOREST OF THE CEDARS OF GOD
- TYRE

# IN ADDITION TO ENDLESS OPPORTUNITIES OF FUN, BEACH, CULTURAL & OUTDOOR ACTIVITIES

- TEMPLE
- MOSQUE
- CEDARS
- FOOD
- WINE
- MUSEUM
- CASTLE
- FESTIVAL
- NIGHTLIFE
- CHURCH
- BEACH
- SKI
- PINE



# CONTACT US

INVESTMENT DEVELOPMENT  
AUTHORITY OF LEBANON



/InvestInLebanon



@Invest\_Lebanon



/investmentdevelopmentauthorityoflebanon



/InvestInLebanon



T + 961 (1) 983306/7/8

F + 961 (1) 983302



invest@idal.com.lb

export@idal.com.lb

investinlebanon.gov.lb



Lazarieh Tower, 4th Floor,  
Emir Bechir Street,  
Riad El-Solh, Beirut, Lebanon  
P.O.Box: 113-7251