



THE AGE OF REFORMS

ANNUAL REPORT

2017

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REFORM

CHAIRMAN'S FOREWORD

RECOVERY IS YET TO COME



The election of President Aoun and the formation of a new Government, relaxed the political atmosphere that was weighing on investors' confidence and opened the door for several new reforms that have been introduced in order to further boost the economy. The good economic performance in 2017 was a result of several government initiatives and legislations that have had a positive impact on the overall economic situation of Lebanon, by increasing GDP growth and improving investor confidence. Preliminary figures published by the International Monetary Fund (IMF) show that the Lebanese economy expanded by 1.5% in 2017 and this growth is expected to continue in the coming years to reach 2.5% in 2020.

After long years of delay due to a political deadlock, the Lebanese government has approved in December 2017 a bid presented by a consortium of three companies to start oil and gas exploration in two out of ten maritime blocks for a period of 5 years. This step will undoubtedly open the page for a new era of economic prosperity by entering the club of oil countries and becoming an energy producer for the first time.

At the parliamentary level, the timely approval of the Public-Private Partnership (PPP) law will eventually drive a sustained rebound of private investments by sending a positive message to foreign investors. The implementation of this law through future public-private partnerships will be a key driving force for easing the burden on public finances, creating an enabling environment for the expansion of the private sector and hence creating more jobs.

Despite the slowdown in growth among oil exporters, driven by oil production cuts and continued geopolitical tensions, Lebanon's resilience and ability to rebound encourages many local and foreign investors to develop and realise their projects in Lebanon. The Investment Development Authority of Lebanon (IDAL) continued to play an instrumental role in maintaining investors' confidence in the economy despite regional imbalances, supported by Lebanon's key economic fundamentals; mainly an open market economy, the availability of a talented and competitive labour force in high-value added sectors, a competitive taxation regime and attractive incentive schemes. As a matter of fact, this year, more than 80 investors have been tracked by IDAL, a 90% increase from 2016 levels.

In 2017, we sustained our efforts in supporting the technology and ICT sectors with a fact finding mission to Stockholm – Sweden to get a comprehensive picture of how this city has worked to create a knowledge economy and an environment for start-ups to flourish and develop a partnership with concerned entities to foster knowledge transfer between Sweden and Lebanon. This fact finding mission has been preceded by a Swedish businessmen delegation that visited IDAL to explore the investment and business climate in Lebanon. Moreover, and with the support of IDAL, more than 20 Lebanese start-ups and SMEs participated in GITEX 2017 which was held in Dubai. The Lebanese participation in this exhibition was a significant success, with a number of Lebanese companies receiving financial awards and ratings, including Modeo and Cherpa, who won a cash prize of \$15,000 each. The 1st was awarded the best idea prize, while the 2nd won the best youth employment startup prize.

Moreover IDAL placed special focus on supporting the country's agro-food industry as well. In the framework of supporting the promotion and access of Lebanese Agro-Food products to new markets, IDAL sponsored in 2017 more than 60 Lebanese exporters to participate in International food fairs such as Gulfood in the UAE, Fancy Food Show in the USA and Anuga in Germany. It is worth noting that the agro food exports increased by 3% in 2017 reflecting the high potential of this sector in regional and international markets.

And for the first time, IDAL has initiated an investment promotion campaign across the Lebanese regions in order to provide local as well as foreign investors with the most up-to-date economic data and market intelligence on key sectors in each Lebanese governorate. This campaign has been undertaken through outdoors advertising, digital, and online publications on IDAL's website. This campaign has successfully enabled IDAL to attract more investors who were attracted by IDAL's services and incentives.

Solid momentum is expected to continue in 2018. IDAL will capitalize on the government's efforts to develop a comprehensive economic plan which will put the country on a new track and create favourable conditions for prosperity and inclusive growth for the Lebanese economy.

Nabil Itani
Chairman, General Manager

RISE

**GLOBAL & REGIONAL
INVESTMENT CLIMATE**

GLOBAL & REGIONAL INVESTMENT CLIMATE

Global GDP growth is estimated to have picked up to 3% in 2017 according to the latest figures published by the World Bank. The global economic performance was supported by consumption related to international tourism and trade activities.

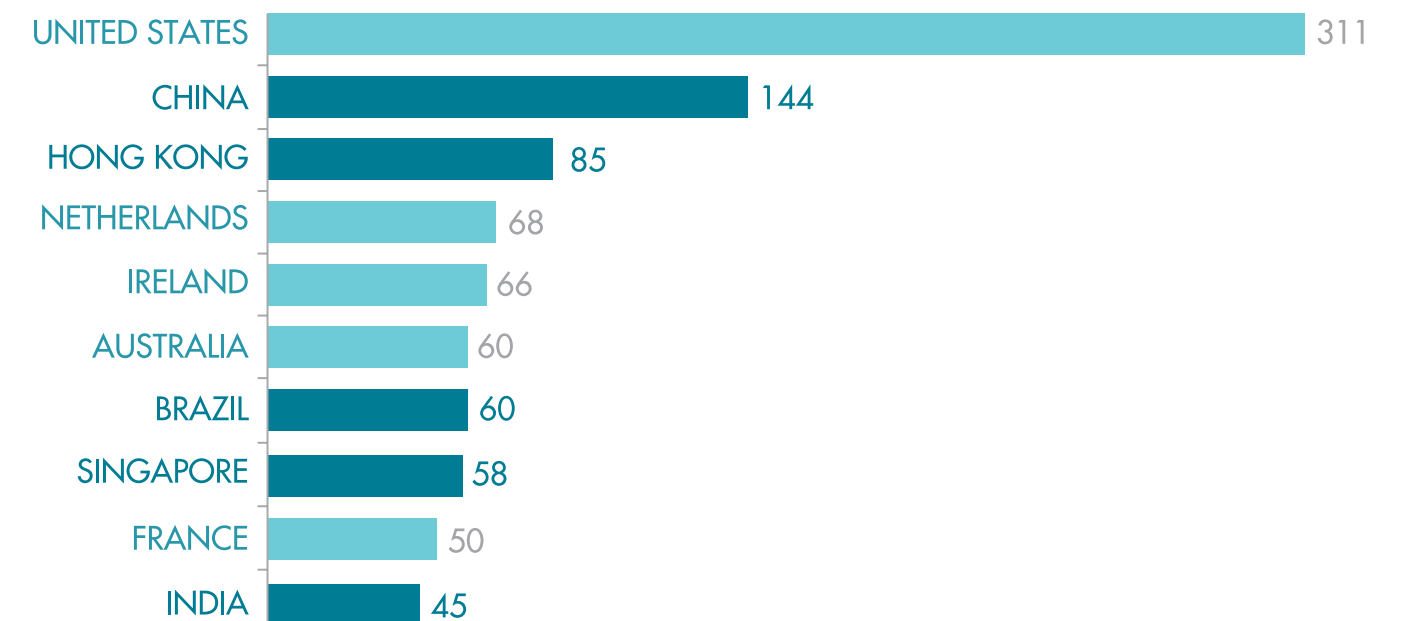
In contrast, global foreign direct investments (FDI) fell by 23% in 2017, from USD 1.87 trillion to USD 1.43 trillion in 2016, as figured in UNCTAD world investment report 2018. The fall was caused by political uncertainty over international trade policy and the major decline in the global average return on foreign investment estimated at 6.7% down from 8.1% in 2012. The economic consequences reflected by a slowdown in the rate of expansion of global production, a stagnating global value chain (GVC), a decreasing greenfield FDI (-15.2%) with equity investment flows and intracompany loans recording a fall estimated at (-23%). Only reinvested earnings rose, accounting for half of global FDI, with more than 50% of foreign affiliates' income being re-invested.

Investment sentiment was reflected by a major drop in FDI towards developed countries. Falling inflows to developed economies are estimated at -27% in comparison to 2016 figures with 30% less cross-borders M&A activities, absence of megadeals in London, and lower financial inflows towards US offshore financial centers. Besides, other developed countries such as Switzerland registered strong investment flows with ChemChina acquisition of Syngenta and Johnson and Johnson's acquisition of Actelion. In addition to these positive flows, some major companies re-invested their earnings in the United States and Ireland and others experienced an intracompany debt recovery such as Norway and Switzerland.

On the other hand, Developing countries regained their position as the largest FDI host in the region with China, Hong Kong and Singapore, the largest three FDI hosts in Asian economies (Figure 1). FDI inflows to these countries were estimated at USD 144 billion, USD 85 billion and USD 58 billion respectively. These inflows were mainly the result of a sharp increase in the value of cross-border M&A sales, driven by small numbers of large deals.

Notably, the acquisition of 49% stake of Essar Oil Ltd, the second largest privately-owned Indian oil company by Petrol Complex Pte Ltd (Singapore) and Rosneftgaz (Russia Federation). Moreover, countries in Latin America and the Caribbean registered a 3% increase in FDI as result of large acquisitions of Brazilian companies by Chinese buyers.

FIGURE 1
ESTIMATED FDI INFLOWS: TOP 10 HOST ECONOMIES IN (USD BILLION | 2017)



Source: UNCTAD Investment Monitor 2018

FDI flows to Africa registered a marginal decline of 1% in FDI due to the detrimental macroeconomic effects of the commodity bust. African countries affected by the commodity prices were mainly Nigeria, followed by Angola, and Egypt. However, commodity-rich economies such as Congo and the Democratic Republic of Congo received positive inflow of FDI. Congo. On the other hand, South Africa registered a notable recovery of 43% in FDI and Ethiopia with 14% in FDI targeting the agricultural, manufacturing and health sectors.

The Middle-East region experienced a slowdown in investment growth due to severe terms-of-trade deteriorations in oil-exporting economies and uncertainty associated with political conflict in several oil-importing economies. According to UNCTAD 2018, Middle-Eastern countries attracting the largest part of FDI are Turkey with USD 10.8 billion, UAE with USD 10.3 billion, Egypt with USD 7.3 billion, Iran with USD 5 billion and Lebanon with USD 2.6 billion (Table 1).

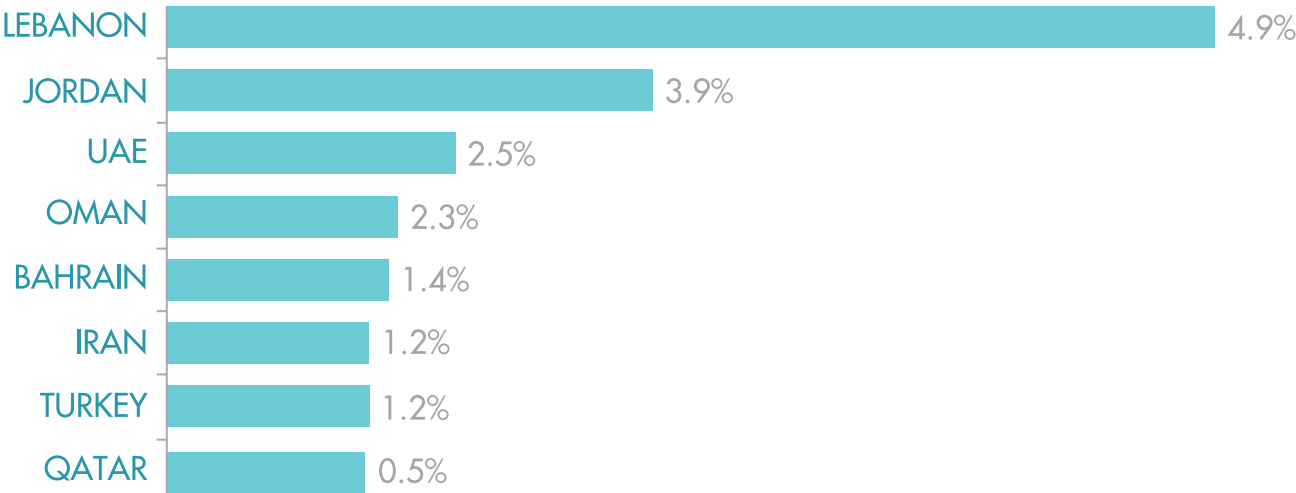
TABLE 1
FDI INFLOWS TO THE MIDDLE-EAST (2016 - 2017)

COUNTRIES	FDI 2016	FDI 2017	VARIATION
BAHRAIN	243	519	114%
YEMEN	(561)	(270)	52%
IRAN	3,372	5,019	49%
QATAR	774	986	27%
IRAQ	(6256)	(5,032)	20%
OMAN	1,680	1,867	11%
UAE	9,605	10,354	8%
JORDAN	1,553	1,665	7%
LEBANON	2,610	2,628	1%
EGYPT	8,107	7,392	-9%
TURKEY	12,942	10,864	-16%
KUWAIT	419	301	-28%
SAUDI ARABIA	7,453	1,421	-81%

Source: UNCTAD, IDAL's calculations

As FDI per contribution to GDP, FDI towards Lebanon remained the highest contributor to GDP among other Middle-Eastern countries with 4.9% followed by Jordan 3.9%, UAE 2.5%, Oman 2.3%, Bahrain 1.4%, Iran 1.2%, Turkey 1.2% and Qatar 0.5% (Figure 2).

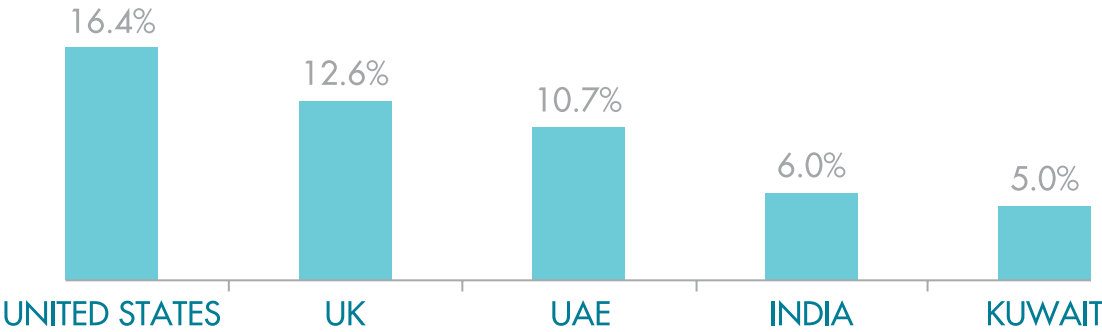
FIGURE 2
FDI CONTRIBUTION TO GDP (2017)



Source: UNCTAD, IMF, IDAL's calculations

As for greenfield projects towards the region, it declined by 26% in comparison to 2016 figures. Greenfield projects were estimated at 497 projects with a total value of USD 20.8 billion and generating 44,534 direct jobs. American and British nationals were the largest investors in the region accounting for 29% of total foreign projects (Figure 3).

FIGURE 3
TOP 5 SOURCING COUNTRIES TO INVEST IN THE MIDDLE-EAST (% SHARE I 2017)



Source: fDi Markets, The Financial Times - data compiled by IDAL

RE- SHAPE

OVERVIEW OF INVESTMENT ACTIVITIES IN LEBANON

- A. NEW LAWS & DECREES
- B. FOREIGN INVESTMENT STRUCTURE
- C. LOCAL & FOREIGN INVESTMENT ACTIVITIES
- D. INVESTMENTS MEDIATED BY IDAL

OVERVIEW OF INVESTMENT ACTIVITIES IN LEBANON

The investment climate in Lebanon has been favourable compared to 2016 with a rebound in international trade and financial markets, increasing tourism and confidence in Lebanon and the implementation of series of reforms and policies in the country.

A. NEW LAWS & DECREES

The formation of a new Government has achieved records in numbers of legislations and policies that had a positive impact on the overall economic situation of Lebanon including the improving investor confidence across the board. New economic legislation, funds and strategies have been set to promote investments.

1) NEW ECONOMIC LEGISLATIONS:

- **National fiscal policy** reform to boost overall government performance and reduce fiscal deficit to 5.7% of GDP by 2022
- Approved legislations to support tax & regulatory environment for **hydrocarbon** development and **public-private partnership**
- **Reduction of income tax** on entities that are committed to environmental-friendly products and practices such as waste pollution (Decree No.167)
- Issuance of permits and licenses for private investors to invest in the renewable energy sector National Energy Efficiency Action Plans & Annual Reports (NEEAP)

2) NEW ECONOMIC DECREES TO PROMOTE INVESTMENTS:

- Approval of decrees (No. 43) related to the exploration and production agreement related to **offshore oil and gas development**
- Approval of a decree related to the construction of 3 wind farms with total capacity of 200MW
- Issuance of a decree (No. 167) to promote environmental sustainability in which encourage **investments in clean tech**

3) POLICIES TO PROMOTE INFRASTRUCTURE DEVELOPMENTS:

- Reducing monthly rates and fees on internet services through fiber optic and DSL
- Initiated the **construction of 2 data centers** with local cloud platform for storage space and software running, providing new opportunities for big data companies
- **Reduced High-speed internet** services prices by 20% to up to 300%
- USD 200 million deal signed with the World Bank to **upgrade road network**
- Ratification of Public Private Partnership (**PPP**) **Law** to work alongside the private sector in developing public infrastructure schemes
- **Upgrading of 7 technical agricultural schools** to improve agricultural production
- **The Ministry of Agriculture-FAO initiated a green plan** to support small-scale Lebanese farmers through agricultural infrastructure investments

4) MAJOR INITIATIVES & STRATEGIES TO PROMOTE INVESTMENTS:

- Launch of the Diaspora for Investment & Development (**Diaspora ID**) to raise funds and promote local start-ups
- Launching of the **Business Support Unit (BSU)** by IDAL to support start-ups and entrepreneurs by providing them with free audit and legal services;
- Launching of the “Visit Lebanon 2017” initiative which consisted in inviting 150 foreign companies and guide them in **exploring investment opportunities in the tourism sector**.
- Started the installation of the fiber optic networks as part of “**2020 Digital Telecom Vision**” to cover 100% of the Lebanese population by 2020.

5) FUNDS TO FINANCE INVESTMENT DEVELOPMENTS:

- **The Central Bank of Lebanon** played a vital role in helping to steer economy policy by implementing an **economic stimulus program**, with fresh funds announced for 2018
- Extended **subsidized loan** payment to support **productive sectors** and **green energy projects** (Circular No. 465)
- Provided **free interest rate** to banks to invest in **start-ups**, incubators, accelerators & venture capitals (Circular No. 452)
- Lifted reserves to support Lebanese **manufacturers in exporting** their products (Circular No.462)
- Issued a subsidized loan to stimulate **real estate** activities (Circular No. 450)

B. FOREIGN INVESTMENT STRUCTURE IN LEBANON

“Lebanon announced 45 new foreign projects & partnerships in 2017”

One of the main trends characterizing these investments is a shift away from capital-intensive projects towards knowledge-intensive ones.

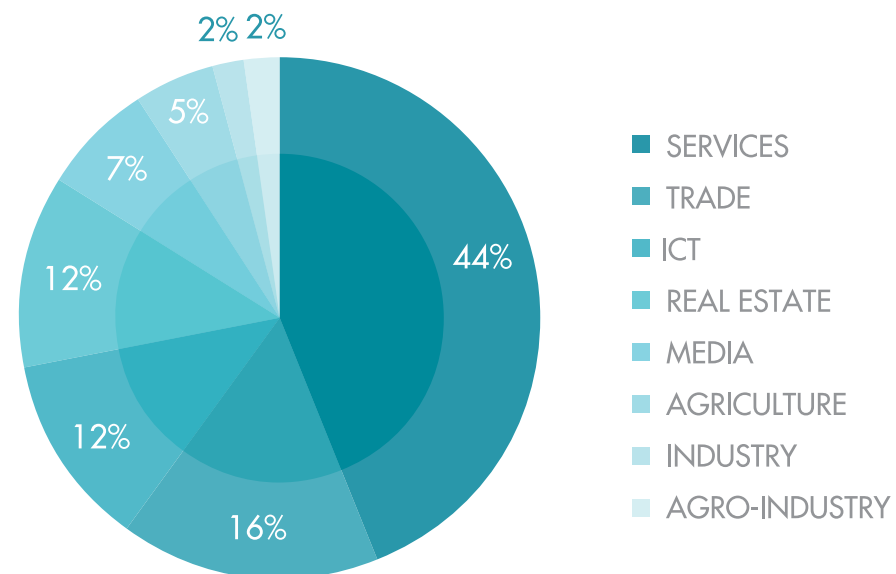
We have also observed a growing trend of internationalization, namely through foreign brands expressing interest in setting up shop locally. Additionally, **three international media companies** have established Lebanese branches & representative offices, through which they plan on providing press coverage and other digital services to the region as a whole.

The services sector attracted the largest share of projects, most often backed by local production expansions & entrepreneurship activities (Figure 4). This sector remains catalyzed by financial institutions and consulting firms.

The ICT sector is witnessing solid activity, with ventures in software development, data processing, eHealth services, & technical support. ICT projects particularly illustrate Lebanon’s competitive advantage in a growing knowledge economy.

The construction and real-estate sectors remain attractive for investors. This is mainly due to a strong demand for unparalleled freedom, quality infrastructure, as well as potential reconstruction efforts in Syria.

FIGURE 4
DISTRIBUTION OF FOREIGN COMPANIES IN LEBANON BY SECTOR OF ACTIVITY (% SHARE | 2017)



Source: fDi Markets, Ministry of Economy & Trade, data Compiled by IDAL

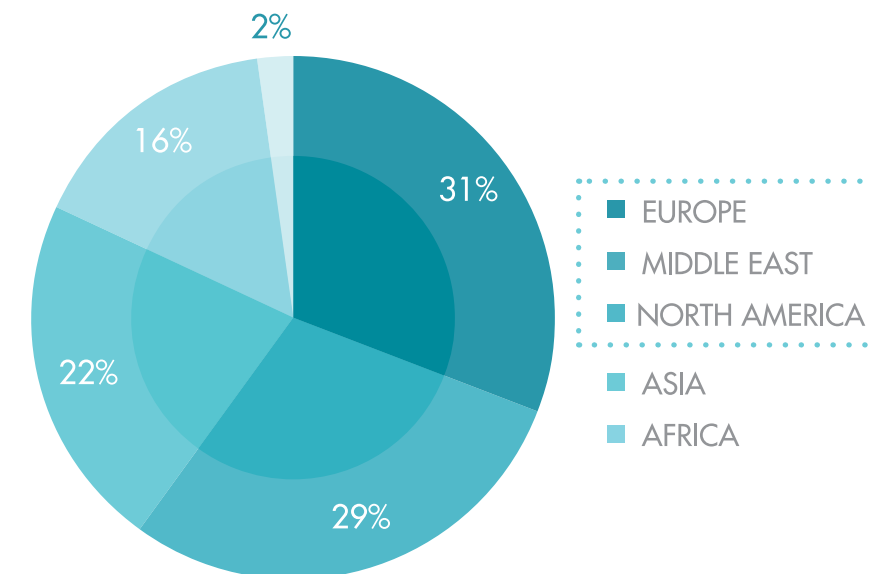
Europe accounted for **31%** of foreign investments in Lebanon, the largest share for 2017. The main countries represented are the United Kingdom (9%), France (7%) and Switzerland (7%). European projects mainly revolved around services, including ICT, Consulting, and Financial Advisory.

Middle-Eastern countries came in second with **29%** of the total of foreign investments in Lebanon. The UAE took the lead (11%), followed by the KSA (2%), Kuwait (2%), and Iraq (2%). The decline in fund flows from GCC countries is mainly attributed to the slump in oil prices. This segment of investors focused on infrastructure and real estate developments, as well as certain trade activities.

North America represented **22%** of the total of foreign companies in Lebanon, with investments from the USA (7%), Canada (2%), and Panama (2%). Projects targeted the real-estate, media, and consulting sectors.

The remaining investing countries are Turkey (4%), followed by China, Hong-Kong, Japan, and Uganda (2% each). Their main sectors of focus are infrastructure and real estate development. (Figure 5).

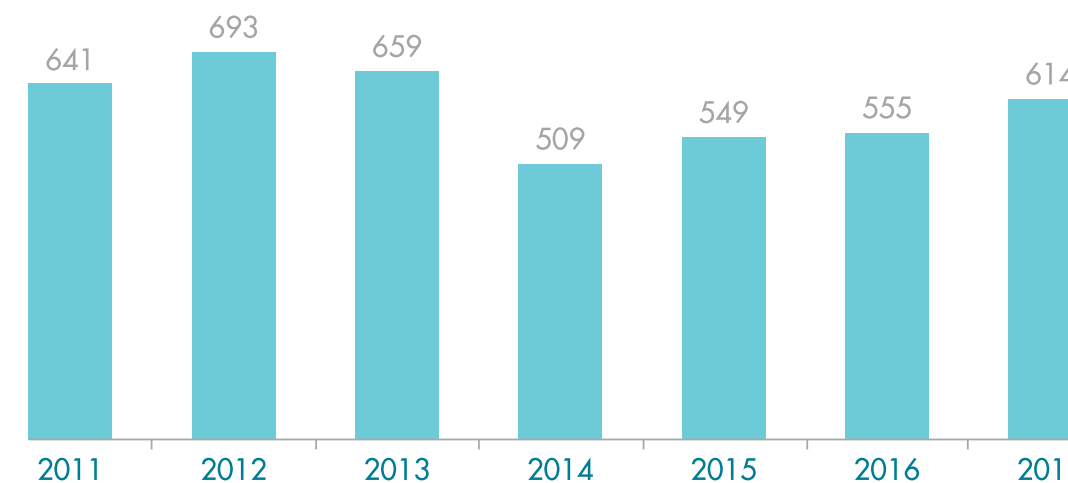
FIGURE 5
DISTRIBUTION OF FOREIGN COMPANIES IN LEBANON BY COUNTRY OF ORIGIN (% SHARE, 2017)



Source: IDAL's Calculations

In a further boost to the economy, foreign investor appetite has returned to the real estate market. According to statistics of the General Directorate of Real Estate Affairs, the value of real-estate transactions by foreigners increased by 11% reaching USD 614 million in 2017 (Figure 6).

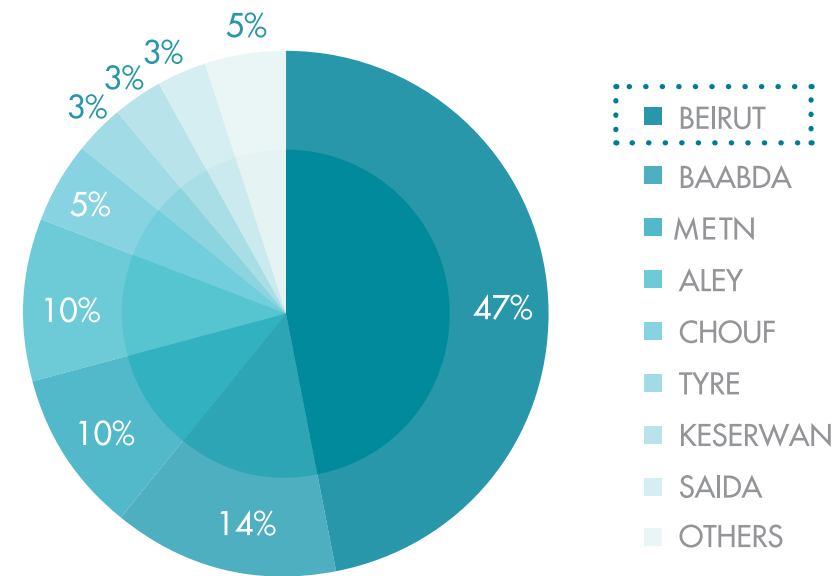
FIGURE 6
EVOLUTION OF REAL ESTATE ACQUISITIONS BY FOREIGNERS IN LEBANON (USD MILLION | 2017)



Source: General Directorate of Real Estate Affairs

Beirut grabbed the lion share with 46.84% of total real estate acquisitions by foreigners in Lebanon (Figure 7). Arab nationals renowned for their consistent demand for luxurious spacious flats which are usually above 220 square meters and are very well located mainly in Beirut.

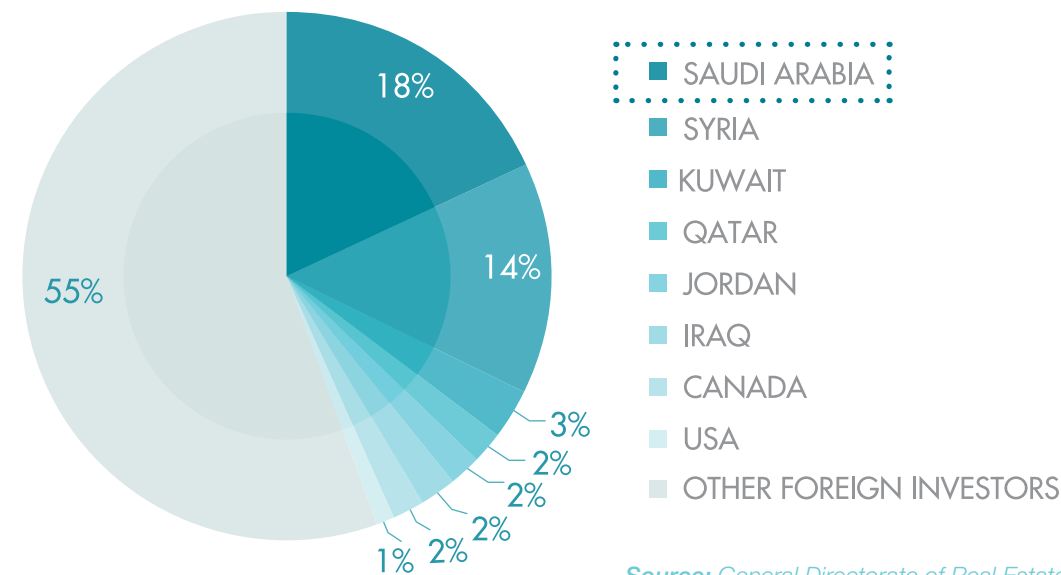
FIGURE 7
DISTRIBUTION OF FOREIGN INVESTMENTS IN THE REAL ESTATE SECTOR IN LEBANON BY DISTRICT (% SHARE | 2017)



Source: General Directorate of Real Estate Affairs

As for the distribution of real estate acquisitions by foreign nationalities, Saudis seized the largest portion of total acquisitions in 2017 (18.3%). The real estate market remained attractive to Saudi investors unaffected by the political crisis with the Kingdom. Syria came second with 13.9% of total real estate acquisitions (Figure 8).

FIGURE 8
DISTRIBUTION OF REAL ESTATE ACQUISITIONS BY FOREIGNERS IN LEBANON (% SHARE | 2017)



Source: General Directorate of Real Estate Affairs

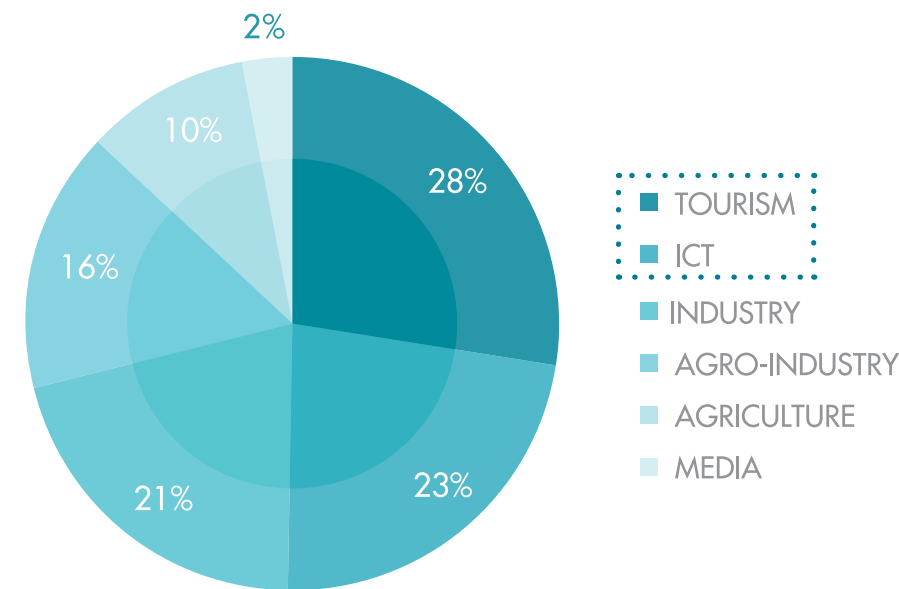
C. LOCAL & FOREIGN INVESTMENTS ACTIVITIES

Over the course of 2017, IDAL’s “One-Stop-Shop (OSS) ” provided assistance to 80 new investors seeking to benefit from its various support schemes, including fiscal incentives. Indeed the Investment Development Authority of Lebanon (IDAL) provides local and foreign companies alike with a set of services including market intelligence on economic sectors in Lebanon, incentives to establish their project in Lebanon, after care services and export promotion.

The OSS is involved in providing incentives to companies to set up in Lebanon. The majority of investors (70 investors) assisted by IDAL were of Lebanese and upon the remaining (10 investors) were foreign (American, British, Canadian, Dutch, Egyptian, and Indian).

The Tourism and ICT sectors seized the highest share of these projects (28% and 23% respectively), followed by the Industrial sector (21%) (Figure 9).

FIGURE 9
DISTRIBUTION OF PROJECTS BY SECTOR (% SHARE | 2017)



Source: IDAL's Calculations

The Tourism sector is gaining trust due to improvements in the political climate, and the consequent increase in tourism activity. As a matter of fact, 22 prospective investors approached IDAL in 2017 to present greenfield projects encompassing all governorates. Beirut secured the largest share (36%), followed by Mount-Lebanon (27%), Beqaa (23%), and North-Lebanon (14%).

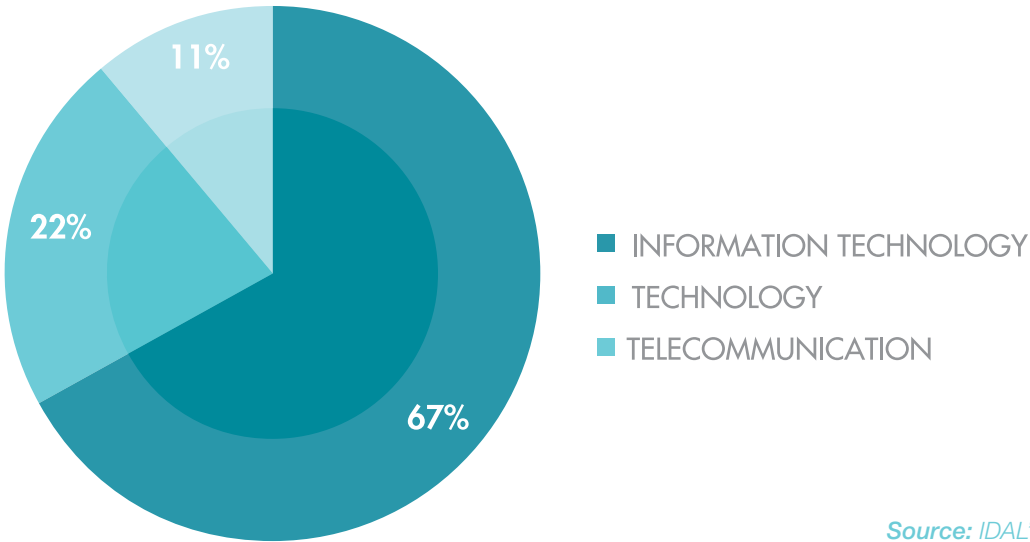
- Being one of the main commercial and cultural hubs of the Middle-East, Beirut is anticipating an increase in tourist and medical activities. 8 new developments are currently in the pipeline. These projects are mainly aimed at developing entertainment establishments (i.e. hotels, restaurants, night-clubs, theaters, cinemas, libraries); medical facilities (including cancer treatment hotels/ hospitals); and wellness centers (gyms & spas).
- Given its topography, Mount-Lebanon attracted 6 new projects related to outdoor activities including skiing, hiking, and mountain climbing, through the introduction of eco-friendly villages and guest-houses.

- The Bekaa is expected to welcome 5 large entertainment and recreational projects including car racing and horse racing tracks, wedding venues, F&B clusters, and 3 to 4-star hotel developments.
- In preparation for the reconstruction of Syria, North-Lebanon is witnessing the development of hotels, club houses, wellness-centers, 650 chalets, 70 villas, ski trails, and therapy spas.



The ICT sector attracted the second largest number of foreign projects (Figure 10). These are split between IT (67%), Technology (22%), and Telecommunication (11%). The Central Bank of Lebanon provides an interest free environment to stimulate investment in this sector (circulars 331, 452, and 454).

FIGURE 10
DISTRIBUTION OF ICT PROJECTS BY SUB-SECTOR (% SHARE | 2017)



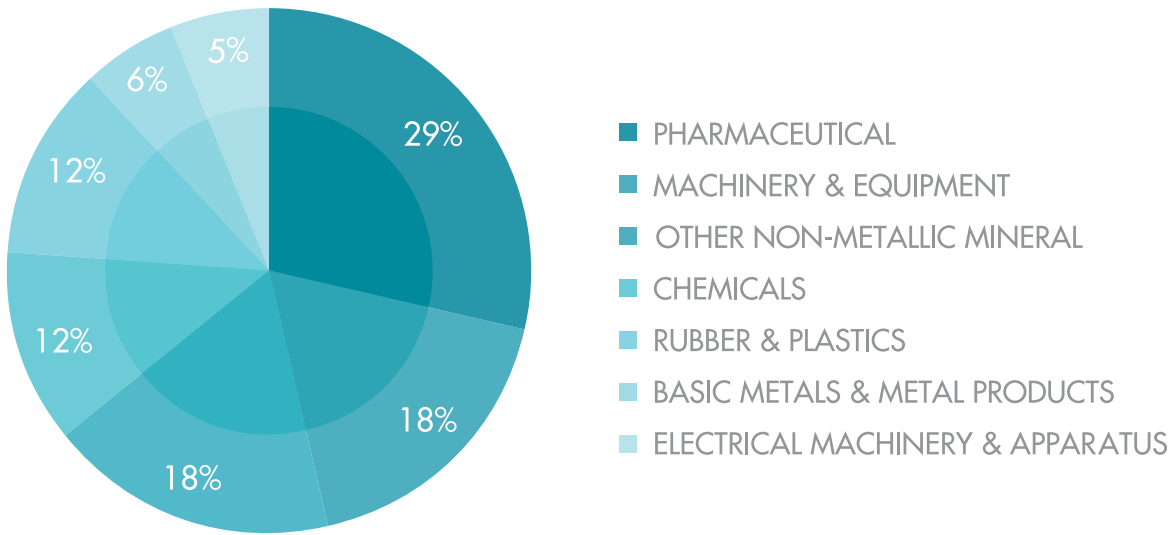
Source: IDAL's Calculations

- Fintech (financial optimization tools), eHealth (health management tools), & education services (platforms connecting private tutors with students) topped the list of projects in ICT, further reflecting the digital transformation that Lebanon is undergoing.
- The high availability of qualified engineers gave rise to technology projects such as the production of surveillance technology, advanced security systems, cameras, and solar energy.
- A new call center project is also planned, motivated by the trilingual labor force.



The Industrial sector attracted 17 new projects across various sub-sectors (Figure 11). This trend is mainly explained by the increasing dependency of Arab countries on “Made in Lebanon” pharmaceutical products and other intermediaries.

FIGURE 11
DISTRIBUTION OF INDUSTRIAL PROJECTS BY SUB-SECTOR (% SHARE | 2017)



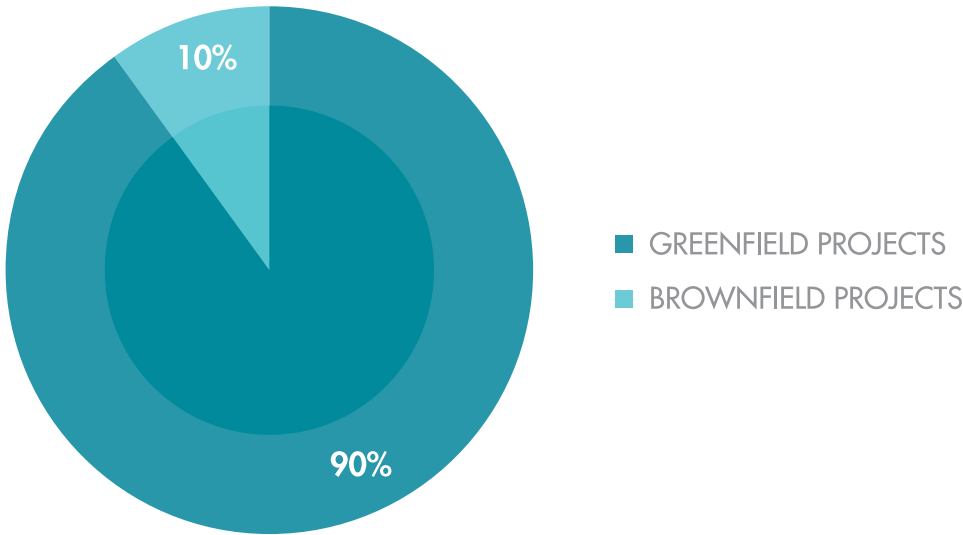
Source: IDAL's Calculations

- The pharmaceutical sub-sector has benefited from an increase in regional demand, particularly from Iraq, Saudi Arabia, Jordan and the United Arab Emirates. In fact, pharmaceutical exports increased by 130% in 2017 due to an ageing population and the increasing level of health problems such as diabetes, heart and cardiovascular diseases. New projects will generate over 15 new medical products, backed by estimated investments of USD 1.3 billion.
- New manufacturing projects including metallic, non-metallic, chemicals, machinery, and plastic have also experienced a solid expansion in 2017, enhancing Lebanon's positioning as a regional export platform, and boosting its role as a provider of intermediary and final industrial products for global supply chains.



It is worth mentioning that 90% of announced projects are classified as greenfield and 10% as brownfield (Figure 12).

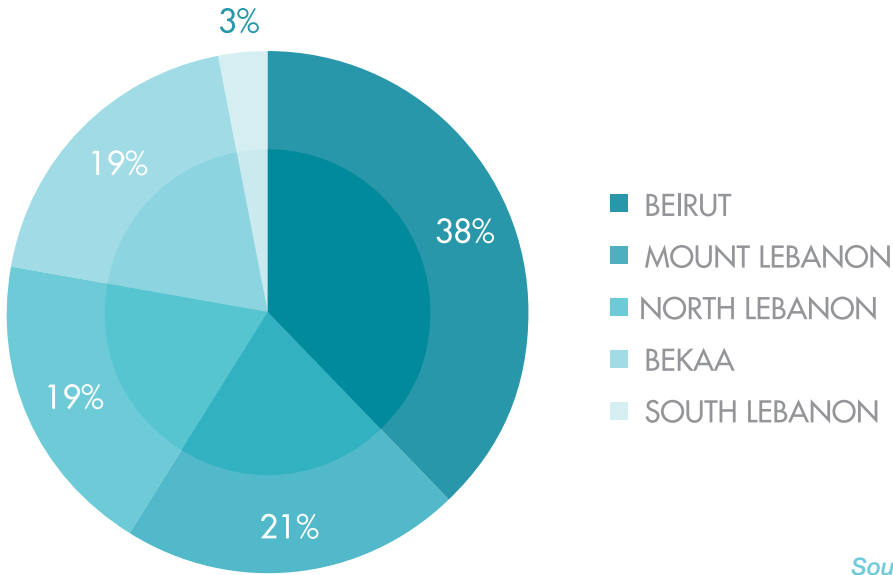
FIGURE 12
DISTRIBUTION OF PROJECTS BY TYPE (% SHARE | 2017)



Source: IDAL's Calculations

As for the geographical distribution of projects, Beirut has gained the largest share (38% of all projects), followed by Mount-Lebanon (21%), North-Lebanon (20%), Beqaa (19%), & South-Lebanon (3%) (Figure 13).

FIGURE 13
DISTRIBUTION OF PROJECTS BY REGION (% SHARE | 2017)



Source: IDAL's Calculations

In total, the **80** above mentioned projects have an estimated total value of **USD 3.6 billion**, and are expected to create **12,052 direct jobs**. They are distributed as follows:

GOVERNORATE	USD IN INVESTMENTS	JOBS CREATED
BEIRUT	2.9 BILLION	8,005
MOUNT LEBANON	538 MILLION	1,688
NORTH LEBANON	98 MILLION	1,030
BEKAA	52 MILLION	1,244
SOUTH-LEBANON	13 MILLION	85

D. INVESTMENTS MEDIATED BY IDAL

2 incentives schemes are available to investors through IDAL’s “One Stop Shop”:

- **The Investment Project by Zone (IPZ) scheme** which is mostly catered for small and medium-sized projects, and is based on their geographical location, investment size, and sector type. It requires the approval of IDAL’s Board of Directors and that of the Presidency of the Council of Ministers.
- **The Package Deal Contract (PDC) scheme** is mostly catered for large-scale projects which have a high impact on employment, and which is based on the size of the investment, the jobs it creates, and sector type. It requires the approval of IDAL’s Board of Directors, the Presidency of the Council of Ministers, and that of the Council of Ministers.

In 2017, IDAL approved 9 projects valued at USD 111,707,847 and expected to generate 627 direct jobs (Table 2).

TABLE 2
APPROVED PROJECT IN 2017

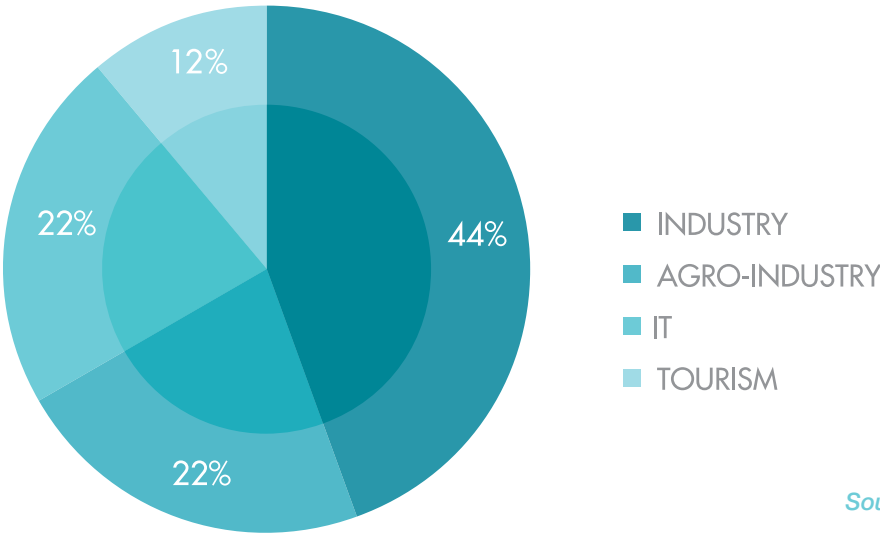
APPROVED PROJECT IN 2017 BY IDAL - PRESIDENCY OF THE COUNCIL OF MINISTERS				
PROJECT	SECTOR	ESTIMATED INVESTMENT SIZE	ESTIMATED JOB CREATED	REGION
GLOBAL SNACKS	AGRO-INDUSTRY	10,025,000	92	BEKAA
WILCO PM	AGRO-INDUSTRY	11,109,850	58	NORTH LEBANON
GENERAL PAINTS CO	INDUSTRY	8,000,000	50	MOUNT LEBANON
JUBAILUI BRO	INDUSTRY	12,083,446	55	SOUTH LEBANON
GLASSPACK	INDUSTRY	43,090,200	114	BEKAA
DALAL EXPANSION	INDUSTRY	8,949,155	42	BEKAA
LOGOS	IT	279,421	32	BEIRUT
NEUMANN	IT	227,000	20	NORTH LEBANON
FOREST RESORT PROJECT	TOURISM	17,943,775	164	MOUNT LEBANON

Source: IDAL’s Calculations

These projects are distributed along 4 sectors: Industry 44%, followed by Agro-Industry 22%, IT 22% and Tourism 12% (Figure 14). By investment value, the industrial sector grabbed the lion share

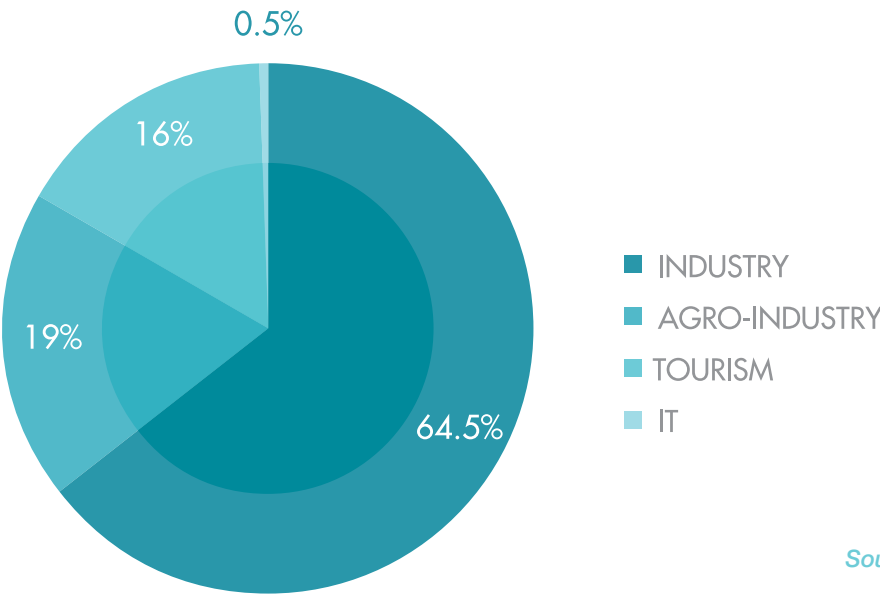
at 64.5% of the total investments value, while the Agro-Industrial sector accounted for 19%, the tourism 16%, and IT 0.5% of the total investments value (Figure 15).

FIGURE 14
APPROVED PROJECTS BY SECTOR OF ACTIVITY



Source: IDAL’s Calculations

FIGURE 15
APPROVED PROJECTS BY INVESTMENT SIZE (% SHARE I 2017)



Source: IDAL’s Calculations

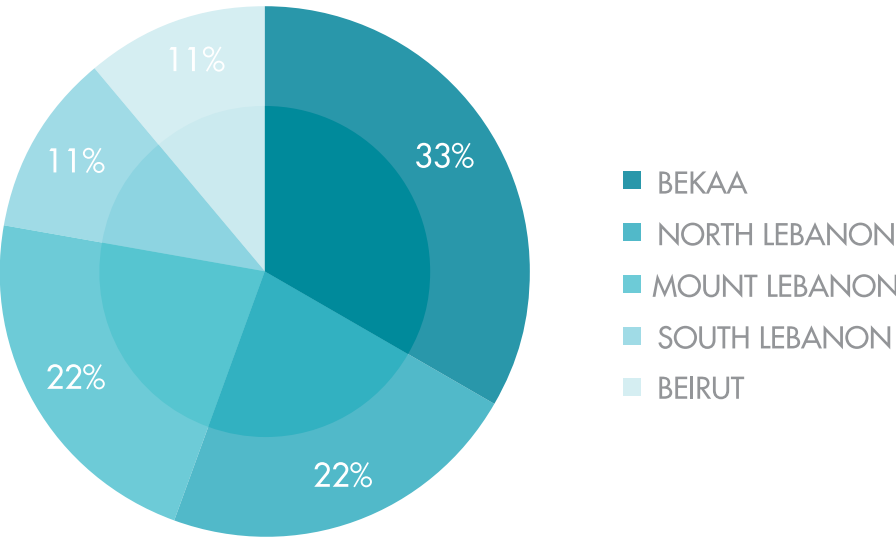
More specifically, the bulk of investments were in industrial factories that manufacture car paints, electric-diesel generators, steel for prefabricated houses and glass bottles. The rest were agro-food factories, producing processed meat and chips.

These investments resulted from an increasing demand for Lebanese agro-food and industrial products which helped in attracting more investments to these promising sectors. For instance, in 2017, Lebanese agro-food and industrial companies have exported 24% more tons in comparison to 2016 figures. Facilitating the industrial development will contribute to a rapid economic growth in remote areas, absorb unemployment rate by creating new opportunities along to value chain.

It is worth mentioning that investment in the ICT sector is essential in generating a higher level of productivity to the Lebanese economy and in supporting the integration of Lebanon in the global digital economy. The sector is mainly stimulated by the issuance of BDL Intermediate Circular 331 that made available around USD 400 million to encourage Lebanese commercial banks to invest in the equity capital of start-ups, incubators, accelerators, and other companies working in the knowledge economy.

The majority of the approved projects were located in the Bekaa 33% (Figure 16). The remaining projects were distributed between North Lebanon and Mount Lebanon 22% each, South Lebanon and Beirut at 11% each.

FIGURE 16
APPROVED PROJECTS BY GOVERNORATE (% SHARE | 2017)



Source: IDAL's Calculations



BROADEN

EXPORT PROMOTION

A. AGRI PLUS PROGRAM
B. MARITIME LEBANESE EXPORTS BRIDGE (M.LEB)

EXPORT PROMOTION

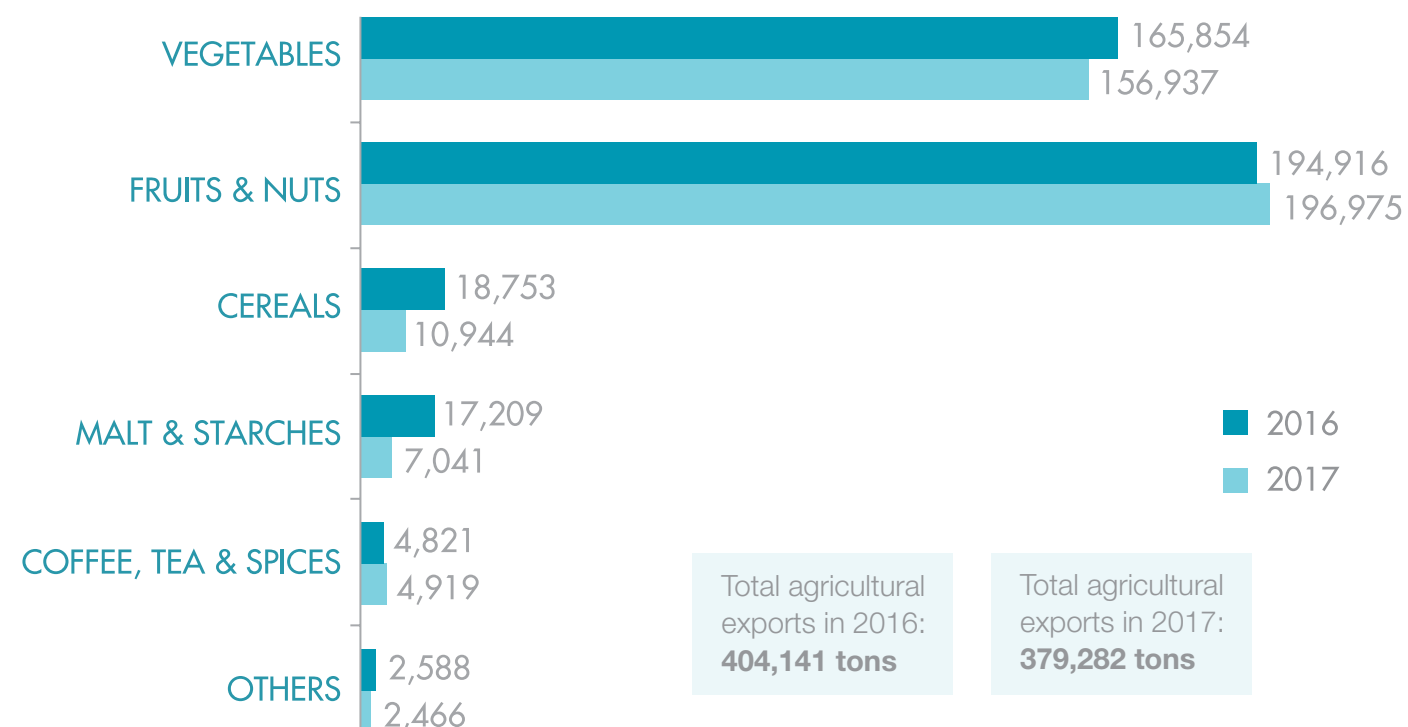
A. “AGRI PLUS” PROGRAM

The “Agri Plus” program was put in place in 2011 as an extension to the existing “Export Plus” program. The program aims at increasing the volume of the Lebanese agricultural export, to both traditional and new markets rests.

The continuous effects of the Syrian conflict extended beyond the country’s borders and had

an impact on the Lebanese trade activity mainly on the agricultural exports. In 2017, Lebanese agricultural exports slightly decreased from 2016 levels with a total of 379,282 tons compared to 404,141 tons in the previous year (Figure 17). Malt and Starches, and Cereals exports witnessed a considerable drop of 59% and 41% respectively, while exports of fruits and nuts increased by 1%.

FIGURE 17
LEBANESE AGRICULTURAL EXPORTS (TONS | 2016-2017)



Source: Lebanese Customs

Agri Plus exports through the program were also affected in the aftermath of the Syrian crisis and the closure of the land borders between Syria and Jordan. The total exported quantities of fruits and vegetables dropped by 1% from 349,283 tons in 2016 to 344,621 tons in 2017. Moreover, the

exported quantities of olive oil also witnessed a 4% decrease from 2016’s levels. As for the exported quantities of eggs, the number of exported boxes dropped from 39,203 to 11,238 boxes in 2017 (Table 3).

TABLE 3
LEBANESE EXPORTS THROUGH AGRI PLUS PROGRAM (2016-2017)

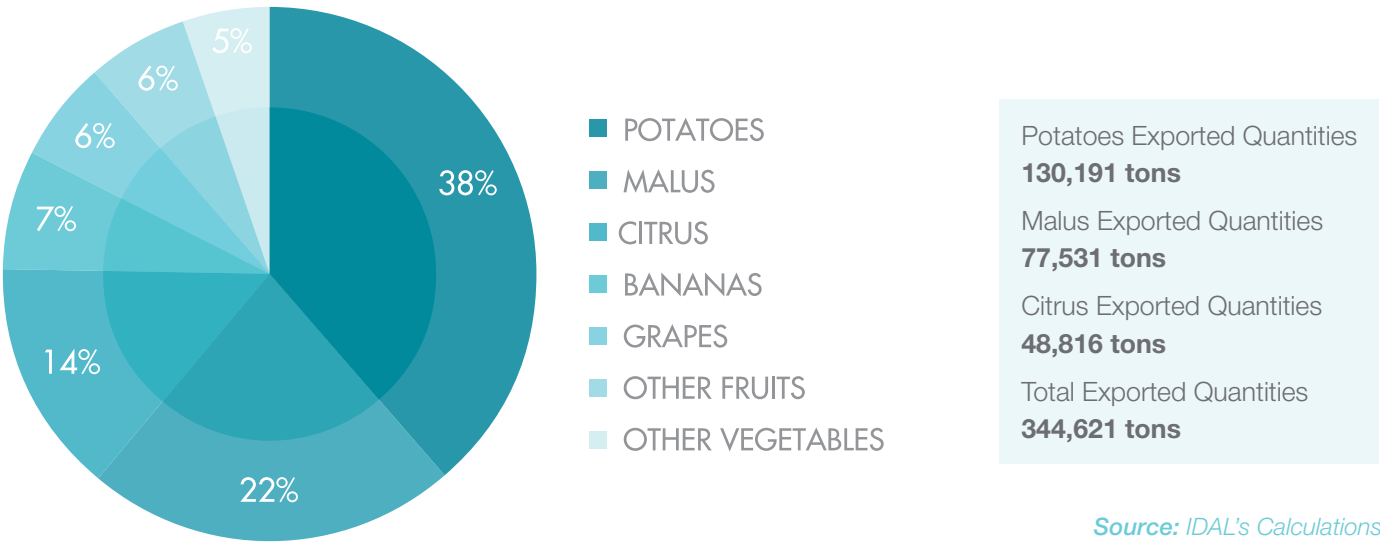
	2016	2017	% CHANGE
FRUITS & VEGETABLES (TONS)	349,283	344,621	-1%
OLIVE OIL (KILOLITERS)	6,899	6,641	-4%
EGGS (BOXES)	39,203	11,238	-71%

Source: IDAL's Calculations

1) Fruits & Vegetables Exports

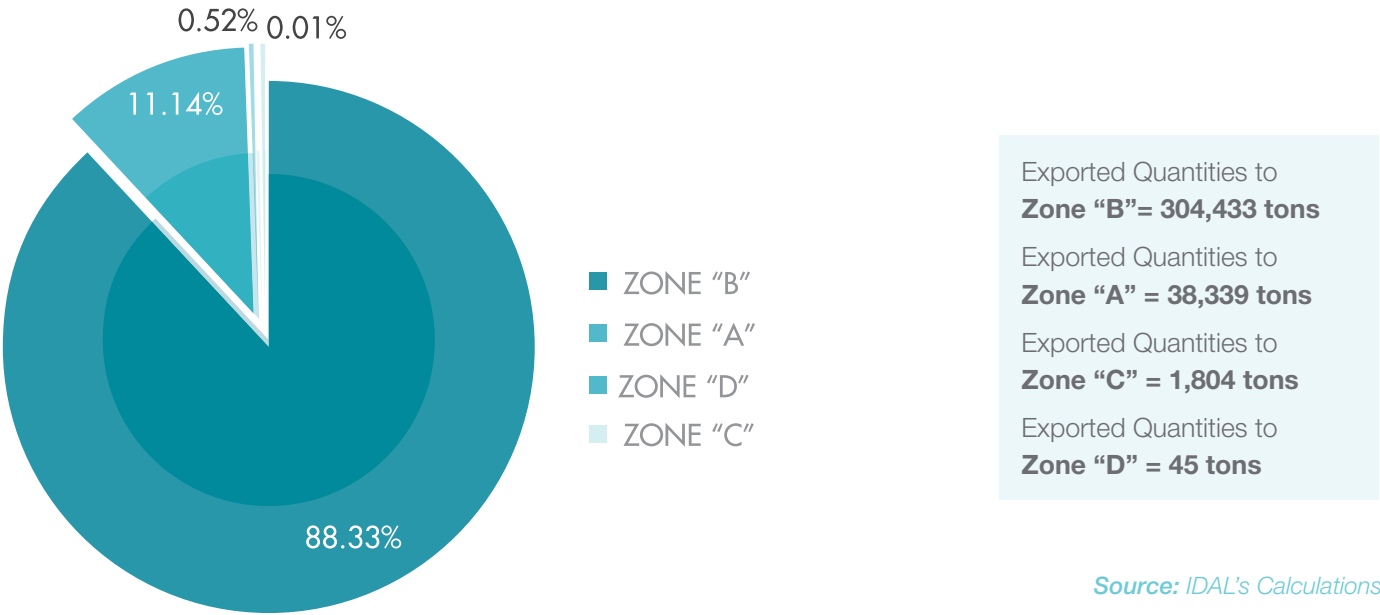
In 2017, potatoes’ exports ranked first with a total of 130,191 tons, accounting from 38% of total exports, followed by Malus with 77,531 tons, and Citrus with 48,816 tons accounting from 14% of total fruits and vegetables exports (Figure 18).

FIGURE 18
DISTRIBUTION OF FRUITS & VEGETABLES EXPORTS (% SHARE | 2017)



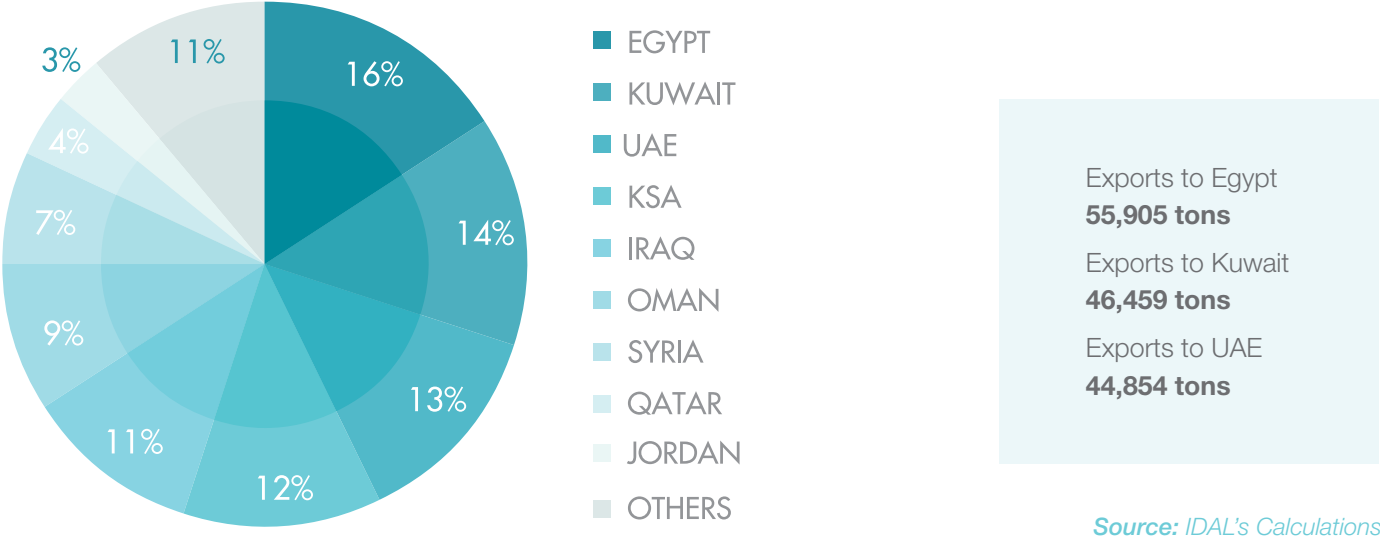
By zone, the majority of exported goods were shipped to zone “B” (Bahrain, Egypt, Iran, Iraq, Kuwait, Libya, Oman, Qatar, Saudi Arabia, Sudan, Turkey, United Arab Emirates, and Yemen) with 88% of the total exports, followed by zone “A” (Jordan and Syria) with 11% (Figure 19).

FIGURE 19
DISTRIBUTION OF FRUITS & VEGETABLES EXPORTS BY ZONE (% SHARE | 2017)



It is worth noting that Egypt grabbed the highest share of fruits and vegetables exports (16%) followed by Kuwait and UAE (Figure 20).

FIGURE 20
DISTRIBUTION OF FRUITS & VEGETABLES EXPORTS BY COUNTRY (% SHARE | 2017)



2) Olive Oil Exports

The total exported quantities of olive oil reached 6,641 kiloliters in 2017 with a monthly average of 553 kiloliters. The highest exported quantity was registered in April with 819 kiloliters (Figure 21).

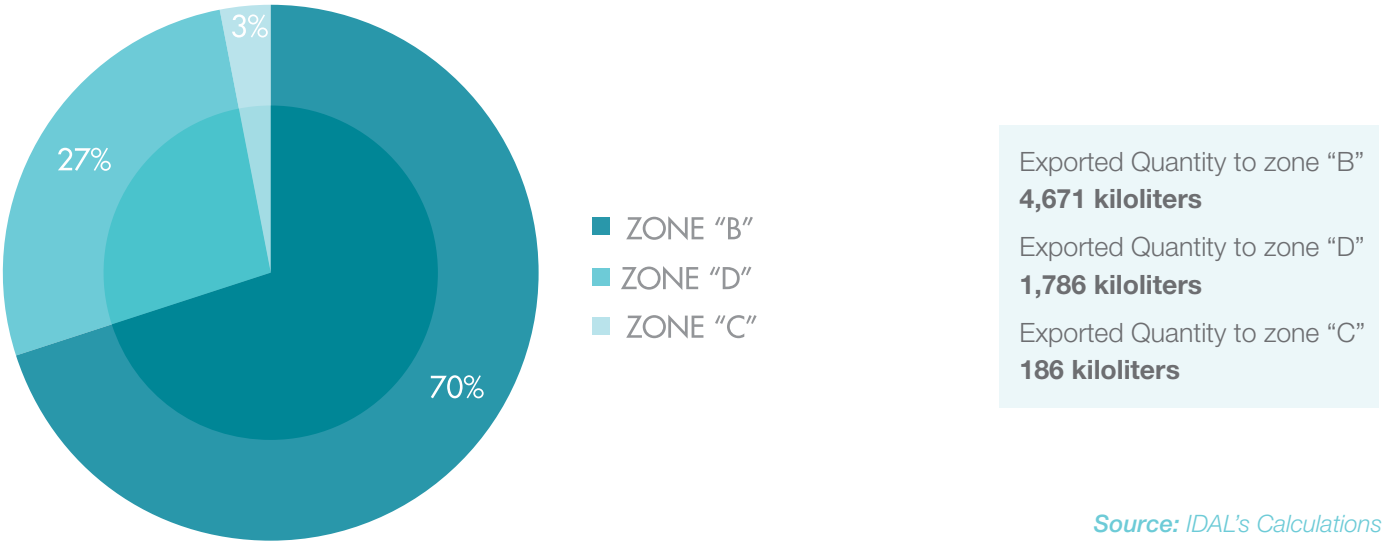
FIGURE 21
OLIVE OIL MONTHLY EXPORTED QUANTITIES (KILOLITERS | 2017)



The bulk of Olive Oil exports were shipped to zone “B” (Gulf Countries), with 4,671 kiloliters, representing around 70% of total olive oil exports (Figure 22). The second destination was zone “D” (North and South America and Australia), and exported quantity reached 1,786 kiloliters. As for zone “C”, (Africa, European countries, and Middle Asia), it grabbed the lowest share with only 186 kiloliters.

It is worth noting that the olive oil is among the most prominent Lebanese signature agro-industrial products and it is gaining more ground on both domestic and international markets given its premium quality and competitive price.

FIGURE 22
DISTRIBUTION OF OLIVE OIL EXPORTS BY ZONE (% SHARE | 2017)



3) Other Products Exports

The exported quantity of eggs reached 11,238 boxes shipped to Qatar only. As for the plants and flowers, 0.55 tons only have been exported to Jordan.

B. MARITIME LEBANESE EXPORTS BRIDGE (M.LEB) PROGRAM

The “Maritime Lebanese Exports Bridge” (M.LEB) program was launched by IDAL in 2015 following a Council of Ministers decision (Resolution No.1, dated 02.07.2015) aimed at giving IDAL a treasury credit of 21 Billion LBP to cover a part of the cost of Lebanese products exported to Arab countries by sea.

The M.LEB program consists of subsidizing the difference between land-route transport costs and maritime transport costs before the closure of borders, for both agricultural and industrial exports to the Arab countries.

In 2017 (excluding April and May when the program was temporarily suspended), exports through M.LEB program reached 53,282 tons. Agricultural exports (fruits and vegetables) grabbed the lion share with 88% of total exports (46,790 tons) followed by agro-food exports with 7%, while industrial exports (3,912 tons) represented only 5% of total exports (2,580 tons) (Figure 23).

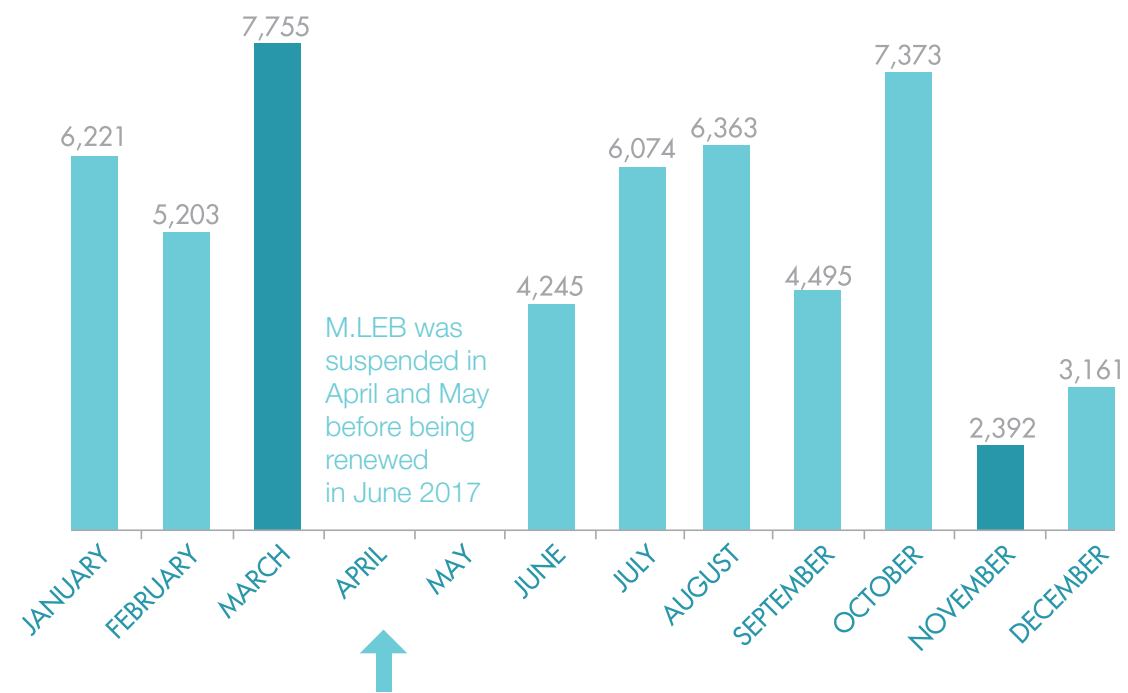
FIGURE 23
DISTRIBUTION OF EXPORTED QUANTITIES THROUGH M.LEB (% SHARE | 2017)



In 2017, the highest exported quantities through the program was registered in March (before the temporary suspension of the program for 2 months) with 7,755 tons, while the exported

quantities were at their lowest level in November with 2,392 tons due to the delay in subsidies' payments to vessels' owners (Figure 24).

FIGURE 24
MONTHLY EXPORTED QUANTITIES (TONS | 2017)

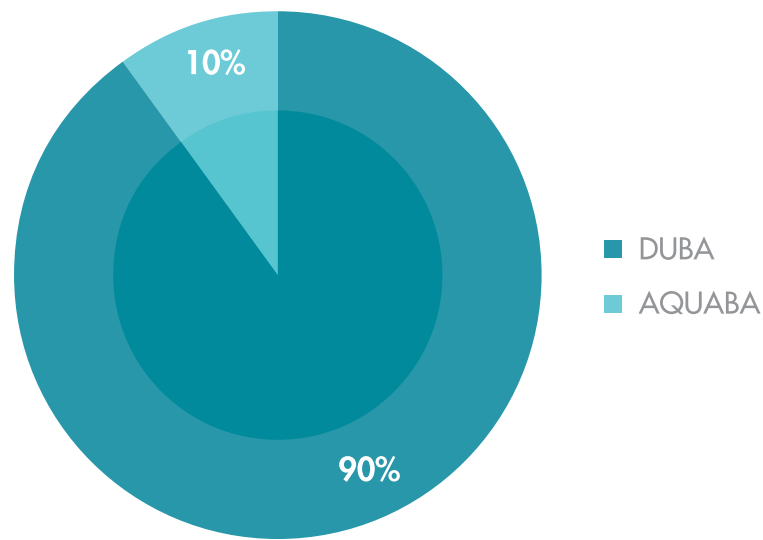


Source: IDAL's Calculations

As for the importing markets, the highest share of Lebanese products was exported to the Gulf countries through the port of Duba in the Kingdom of Saudi Arabia, grabbing 90% of the total exports, while the markets of the Hashemite Kingdom of

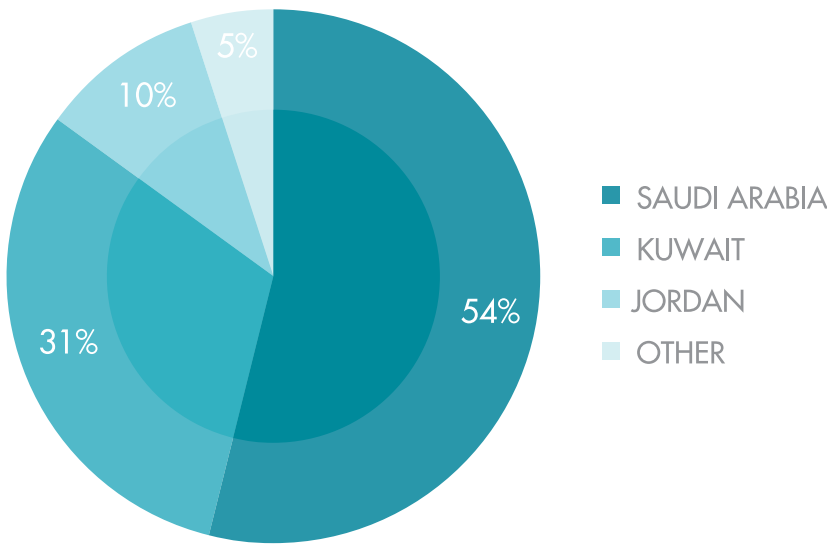
Jordan were the second destination through the port of Aqaba with a share of 10% (Figure 25). The Kingdom of Saudi Arabia imported the highest share of Lebanese products (54.1%) followed by Kuwait (31.3%), and Jordan (9.5%) (Figure 26).

FIGURE 25
EXPORTS DESTINATION BY PORT (% SHARE | 2017)



Source: IDAL's Calculations

FIGURE 26
EXPORTS DESTINATION BY COUNTRY (% SHARE | 2017)

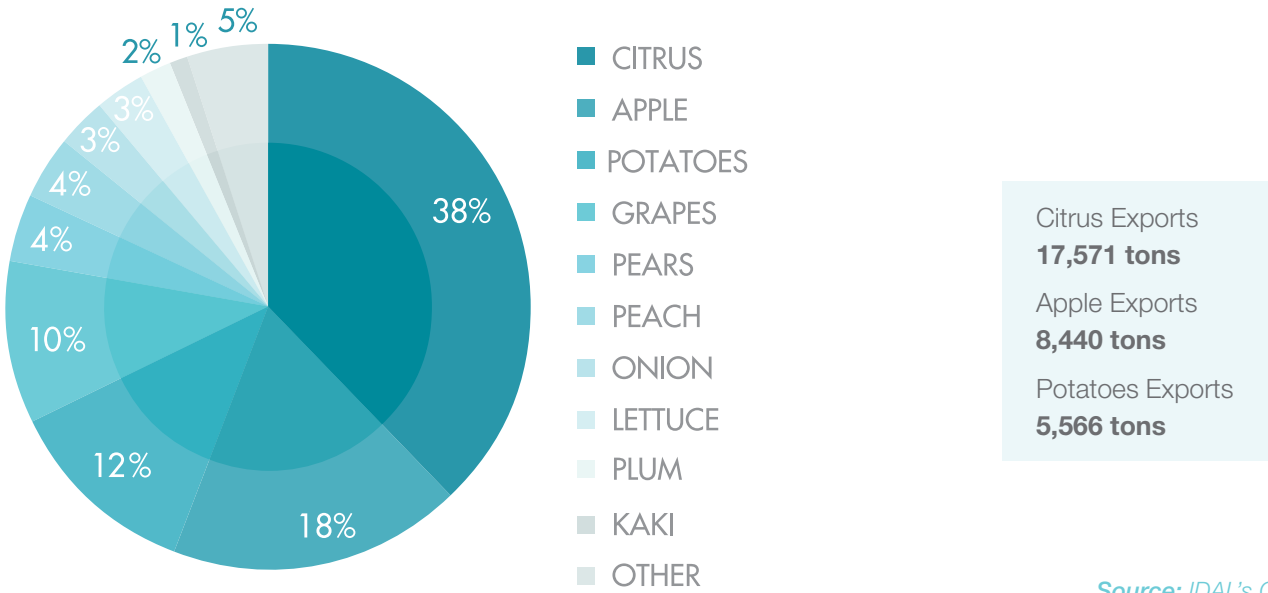


Source: IDAL's Calculations

1) Agricultural Exports

The total volume of agricultural exports during 2017 (excluding April and May), reached around 46,790 tons, representing 88% of the total volume of exports through the program. Citrus exports ranked first with 38% of the total of agricultural exports, followed by Apples which reached 18% (Figure 27).

FIGURE 27
DISTRIBUTION OF AGRICULTURE EXPORTS BY PRODUCT (% SHARE | 2017)



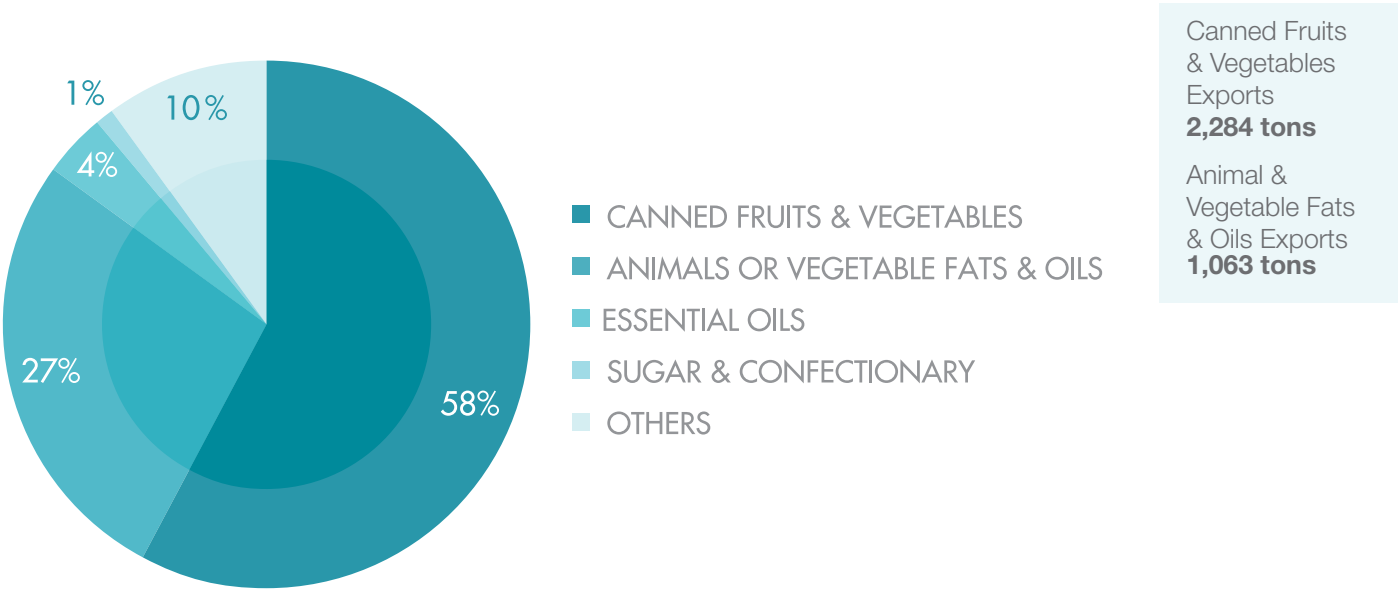
Source: IDAL's Calculations

2) Agro-Food Exports

The total volume of agro-food exports through the program reached 3,912 tons by the end of 2017, representing 7% of the total volume of exports through the program.

The exports of “Canned Fruits and Vegetables” ranked first, registering 56% of the total of agro-food exports within the program in 2017, followed by exports of “Animal and/or Vegetable Fats and Oils” which constituted 31% (Figure 28).

FIGURE 28
DISTRIBUTION OF AGRO-FOOD EXPORTS BY PRODUCT (% SHARE | 2017)

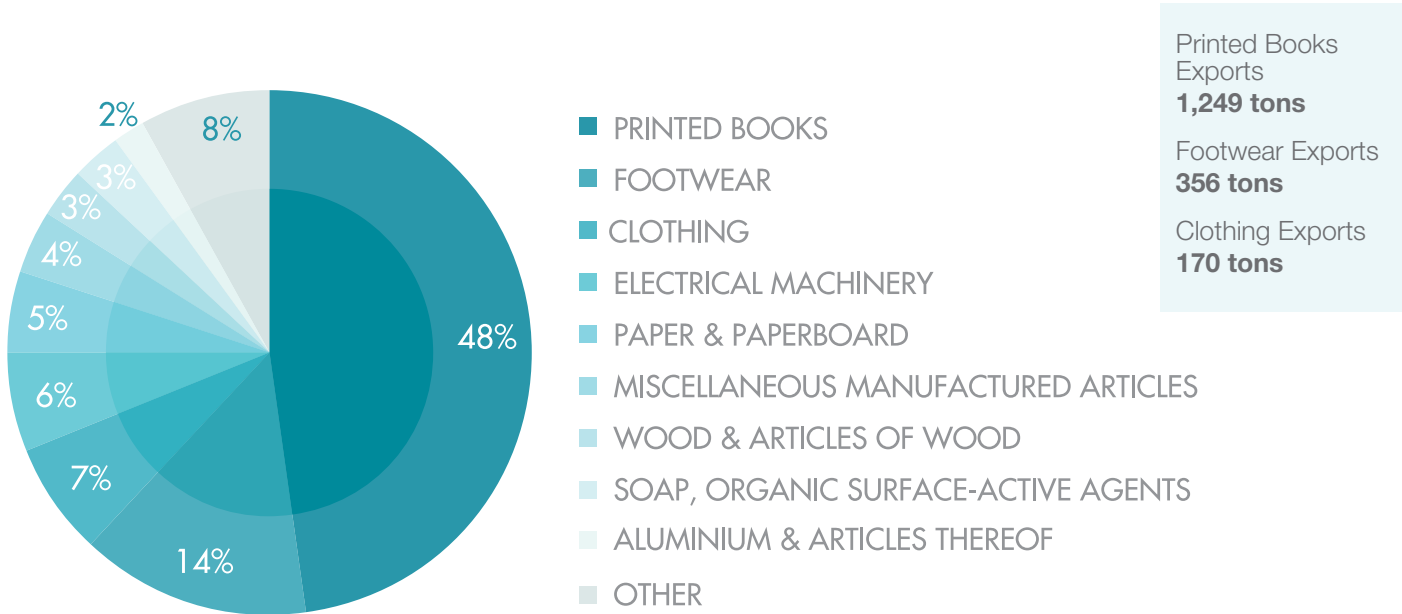


Source: IDAL's Calculations

3) Industrial Exports

As for the industrial exports, they accounted for around 5% total exported quantity through the M.LEB program in 2017, with a total quantity of 2,580 tons. Printed books exports registered the greatest share of industrial exports, totalling 48%, followed by footwear (14%) and clothing (7%) (Figure 29).

FIGURE 29
DISTRIBUTION OF INDUSTRIAL EXPORTS BY PRODUCT (% SHARE | 2017)



Source: IDAL's Calculations

PROMOTION & MARKETING ACTIVITIES

PROMOTION & MARKETING ACTIVITIES

A. INVEST IN THE REGIONS CAMPAIGN

Each of Lebanon's governorate boasts an abundance of investment opportunities based on its socio-economic environment and the natural resources it holds. You can find regional core strengths in agriculture, tourism, agro food, and soft industries. Those prominent regional economies

offer a diverse investment environment. In line with IDAL's strategy to enhance regional development and increase investments and job creations in rural areas, we have launched in 2017 a campaign targeting Lebanon's governorate and highlighting the economic strengths and opportunities of each.

The campaign covered 2 governorates.
The rest will be covered in 2018.

■ NORTH LEBANON



Access to Human Capital

- Presence of 18 universities with more than 100,000 registered students.
- The North is home to 28% of the country's technical public schools & 37% of its private technical schools
- 11% of labor force operates in agriculture sector and 11% in industrial sector

■ COMPETITIVE ADVANTAGES



Access to Natural Resources

- 3 rivers and fertile land on the coast
- Home to 41% of Lebanon's olive groves



Access to Finance

- North Lebanon accounts for 29% of commercial banks in Lebanon



Access to Markets

- Port of Tripoli: The port is the 2nd port in Lebanon after the Port of Beirut with an approximate area of 3 Million m2 and receives about 450 ships every year, averaging 37 ships per month.
- Tripoli Special Economic Zone: The Tripoli Special Economic Zone spans over 55 hectares and provides companies with fiscal, financial, as well as non-financial incentives. They are currently working on the licensing regime & the one stop shop.
- Qleyaat Airport: Named the Airport of Rene Mouawad with a capacity of 1 million passengers and 200 000 tons of freight per year. The government has plans of restoring this airport for low-cost airlines.
- The Tripoli International Fair (TIF): Spanning over an area of 1,000,000 meters square is considered 5th among the largest exhibition centers in the world in terms of dimensions and variety of constructions.



Business Ecosystem

- Chamber of Commerce, Agriculture, and Industry in Tripoli: One of the oldest chambers of commerce in the Arab world, it is a trusted establishment that has managed to consolidate business traditions with the development of economic life.
- Incubation Support: Presence of the Business Incubation Association of Tripoli which has provided mentorship opportunities to more than 2500 entities and has hosted more than 145 start-ups in its space, in addition to the the Beirut Arab University - Center for Entrepreneurship.

BAALBECK EL HERMEL



COMPETITIVE ADVANTAGES



Access to Human Capital

- 2 universities and higher education institutions are available in Baalbeck - El Hermel region (Lebanese University faculty of Science sand American University of Culture & Education).



Access to Natural Resources

- 80% of aquaculture fish farms in Lebanon are located in El Hermel region along the the Assi river with an estimated average yield of 10-12 tons/year.
- The soil texture in Baalbeck provides a great potential for crop production. The region grabbed the highest share (25%) of total cultivated land in Lebanon



Business Ecosystem

- The presence of Advancing Research Enabling Communities Center (AREC) that includes a research farm, seed bank, and cold storage facility.
- More than 10 milk storage and cooling centers have been established to serve small dairy holders and producers. The Project "Recovery and Rehabilitation of dairy sector in Bekaa Valley and Hermel-Akkar Uplands" aims at upgrading and improving the capacities and the skills of dairy processors.
- Development of a waste treatment plant a part of a EU-funded project aiming at constructing a sanitary landfill and a pilot bio-digester that can produce electricity out of organic waste.
- More than 32 industrial firms are located in Baalbeck - EL Hermel governorate. The majority of these firms (34% of total) are engaged in agro-food related activities.

B. EVENTS & CONFERENCES

CONFERENCE & FORUMS

23 FEB, LEBANESE EGYPTIAN BUSINESS FORUM:

IDAL participated at the Lebanese Egyptian Business Forum organized by the Al Iktissad wal Aamal Group under the auspices of the Prime Minister. Chairman Nabil Itani delivered a speech in the opening session urging the enhancement of trade and investment exchange between Egypt and Lebanon.

16 MARCH, LEBANESE ECONOMIC FORUM:

IDAL participated at the Lebanese Economic Forum, held under the auspices of the Prime Minister Mr. Saad Hariri. IDAL's intervention during the first session focused on the economic and investment indicators in Lebanon, as well as on sectors showing readiness for investment like health tourism, media, information and communication technology, food industry, technology, agriculture & the pharmaceutical industry.

6 APRIL, SILK ROAD CONFERENCE:

IDAL participated in the Silk Road Conference organized by the Fransabank Group and the Silk Road Chamber of International Commerce. Chairman Nabil Itani called upon taking advantage of this initiative by organizing workshops aiming at boosting this cooperation and setting recommendations to enhance it.

7 APRIL, FIRST CONFERENCE OF LOCAL DEVELOPMENT IN IKLIM EL-KHARROUB:

IDAL participated at the First Conference of Local Development in Iklim El- Kharroub held at the BAU premises in Debbyeh. Chairman Nabil Itani, stressed the need to implement the comprehensive development plan, developed for the region, by providing it with all means of success: exploitation of assets and natural resources, enhancement of the economic and social impact of the proposed projects, mobilization of the manpower potentials and energies, and activation of the economic link with its expatriates spread in the countries of the world and encourage them to contribute to development.

The Union of Municipalities of Iklim Al Kharoub honored Mr. Itani during the conference in recognition of his efforts and IDAL's support for the development projects in the region.

26-27 APRIL, BIFEX:

IDAL Sponsored "Beirut International Franchise Forum and Exhibition" – BIFEX a yearly event organized by LFA in presence of government officials, the private sector, Arab retailers and entrepreneurs, and the media.

2-3 MAY, 25TH ARAB ECONOMIC FORUM:

IDAL participated at the 25th Arab Economic Forum. During the Forum, the Al-Iktissad Wal-Aamal Group honored IDAL as a permanent partner in the forum. IDAL's Chairman Nabil Itani mentioned that this initiative is a tribute to IDAL for the efforts exerted to carry on its tasks, in terms of promoting Lebanon as a viable investment destination in the region, and supporting the productive sectors through the promotion of their exports.

11-14 MAY, SMARTEX CONFERENCE & EXHIBITION:

As a strategic partner, IDAL sponsored the Smartex Conference and Exhibition. IDAL was present through an interactive booth as well as through a panel discussion. The exhibition in its first edition attracted thousands of visitors and gave visibility to IDAL as a strategic partner for the technology sector.

4-9 SEP, SEMINAR ON ECONOMIC DEVELOPMENT FOR DEVELOPING COUNTRIES:

IDAL, represented by its Chairman, Nabil Itani took part at the "Seminar on Economic Development for Developing Countries" in Beijing-China. Mr. Itani met various economic and diplomatic factions and was part of various field visits on the margins of the Seminar on Economic Development for Developing Countries happening in China. He also delivered a country presentation about the investment climate and opportunities.

31 OCT - 3 NOV, WORLD ENTREPRENEURS INVESTMENT FORUM:

IDAL participated at the Invest in Bahrain Forum (IIBF) and World Entrepreneurs Investment Forum 2017 (WEIF) held in Manama. Chairman Nabil Itani delivered a speech during the Maritime-Continental Silk Road (One Belt One Road for Development) session.

8 DEC, LEBANESE-KOREAN BUSINESS FORUM:

IDAL participated at the Lebanese - Korean Business Forum organized by Beirut Chamber of Commerce, Industry and Agriculture jointly organized by the Embassy Korea in Beirut. In its presentation, IDAL focused on the investment opportunities available in Lebanon in front of a Korean business delegation who have expressed the interest in investing in Lebanon.

DIASPORA ENGAGEMENT:

2-3 FEB, THE AFRICA LDE CONFERENCE IN JOHANNESBURG:

Chairman of IDAL Eng. Nabil Itani, along with a delegation from the institution, took part at the Lebanese Diaspora Energy Conference (LDE), held in Johannesburg. Along with the Conference Mr. Itani held gatherings with several Lebanese expatriate figures in Africa, and met with officials from the South African Gauteng Growth and Development Agency.

4-6 MAY, THE LEBANESE DIASPORA ENERGY (LDE) CONFERENCE, BEIRUT:

IDAL participated at the fourth edition of the Lebanese Diaspora Energy (LDE) conference organized by the Ministry of Foreign Affairs and Emigrants. During his intervention, IDAL's Chairman called the expatriates to invest in Lebanon and benefit from its advantages and opportunities, strengthen Lebanon's foreign trade, take advantage of the potential and services provided by Lebanese institutions and forge real productive partnerships between foreign and Lebanese institutions.

13 DEC, EXPERIENCE EXCHANGE & COLLABORATION ALTERNATIVES FORUM:

IDAL took part at the Forum "Experience Exchange & Collaboration Alternatives", organized at the Four Seasons for a business delegation from Armenia visiting Beirut. The meeting was a great opportunity to exchange ideas and best ways of doing business between Armenia and Lebanon mainly in the Technology, Industry, Agriculture, Pharma and many other promising sectors.

4-5 AUG, PLANET LEBANON:

IDAL participated at the "Planet Lebanon 2017" conference organized by the LIBC for the seventh time with a presentation focused on the business environment in Lebanon as well as the promising opportunities available in many productive sectors.

23-24 SEP, THE LEBANESE DIASPORA ENERGY (LDE) CONFERENCE, LAS VEGAS:

A delegation from IDAL participated at the LDE conference, organized by the Ministry of Foreign Affairs in Las Vegas - USA. In the "Knowledge Economy: Public Private Partnerships & Educational Institutions" session, IDAL tackled the ICT sector in Lebanon, which grew by 7% between 2014 and 2016 and is expected to grow by 9.7% in 2019. IDAL also hosted a gala dinner in honor of participating expatriates.

24-25 NOV, THE LEBANESE DIASPORA ENERGY (LDE) CONFERENCE, MEXICO:

The Chairman of IDAL Mr. Nabil Itani, along with a delegation from the institution, took part at the Lebanese Diaspora Energy Conference (LDE), held in Cancún-Mexico. Along with the conference Mr. Itani held gatherings with several Lebanese expatriate figures in Mexico.

SECTOR PROMOTION:

8-10 FEB, FRUIT LOGISTICA EXHIBITION:

In the framework of the support to the productive Lebanese sectors, Chairman of IDAL Mr. Nabil Itani inaugurated the Lebanese pavilion at Fruit Logistica exhibition in the presence of Lebanese Ambassador Mr. Mostafa Adib.

This pavilion, organized by the Federation of Lebanese Chambers for the seventh consecutive year under IDAL's sponsorship, extends to 77 square meters. The number of Lebanese participants totaled 49 exporters and 14 companies dealing with Lebanese fresh produce and related services.

21 FEB, ARABNET:

IDAL was present at this year's Arabnet conference to announce the services of its upcoming business support unit for startups. IDAL had a booth at the conference with free live legal and auditing advice to all startups wishing to open and operate a business in Lebanon.

26 FEB-MAR 2, GULFOOD EXHIBITION:

In the framework of supporting the promotion and the marketing of Lebanese agrofood industries, IDAL subsidized the participation of the Syndicate of the Lebanese Food Industrialists (SLFI) at the Gulfood exhibition. The support allows the participation in the exhibitions under a unified Lebanese pavilion in order to market the production of each company as well as promoting the name of Lebanon as a leading producer.

7 MARCH, MEDIA DINNER:

IDAL organized a dinner in honor of the Lebanese media professionals in the economic field. This event was held under the auspices and in the presence of the Minister of Information, H.E. Mr. Melhem Riachi.

28 MARCH, PRESS CONFERENCE TO ANNOUNCE A NEW SUPPORT PROGRAM:

IDAL and the Syndicate of Lebanese Food Industries organized a joint press conference to announce a new program to support the agro-food industry.

IDAL has developed a new integrated program aiming at increasing the volume of agro food exports and enhancing their competitiveness and subsidize their participation in three relevant international exhibitions in 2017: Gulf Food in Dubai, Fancy Food Show in New York and Anuga in Germany. The Chairman of the SLFI declared that this program provides an opportunity for small enterprises that cannot afford participation in international exhibitions to be present in such events, introduce their products to foreign markets and increase their exports.

16-17 MAY, INVESTMENT & INNOVATION FORUM:

IDAL spearheaded the participation of 8 companies in the Technology sector at the Investment and Innovation Forum, part of the Arabnet Digital Summit in Dubai. This sponsorship came in harmony with what the Lebanese government is trying to do: to open new markets for them, introduce them to potential investors and to promote for their exports.

17-28 MAY, CANNES 2017:

In the framework of supporting the Lebanese media sector, and for the 3rd consecutive year, IDAL, in partnership with Fondation Liban Cinema (FLC) and the Lebanese Office du Tourisme in Paris, welcomed local filmmakers at the Lebanese pavilion in Cannes. IDAL supported LEBANON FACTORY 2017 which showcased 4 short films co-directed by 4 talented Lebanese young directors. Four Lebanese young directors (Ahmad Ghossein, Mounia Akl, Shirin Abou Chacra, and Rami Kodeih) were chosen and invited to co-write and co-direct 4 short movies with 4 other non-Lebanese directors.

15 JUNE, RENEWAL OF THE M.LEB PROGRAM:

Under the patronage and presence of Prime Minister Saad Hariri, IDAL held a coordination meeting at the Grand Serail during which Chairman Nabil Itani announced the renewal of the M.Leb program. Mr. Itani announced that the volume of exports made through the program in a year and a half amounted to 103,853 tons.

25-17 JUNE, FANCY FOOD SHOW:

As part of its support to the productive sectors, particularly the agro-food industry, IDAL sponsored the Lebanese Pavilion at the Fancy Food Show, which took place in New York, supporting the creation of an exchange platform between exporters and commercial centers in both Americas.

8-12 OCT, GITEX:

With the support of IDAL, Lebanon participated at GITEX 2017 IDAL supported 22 Lebanese start-ups and SMEs with the aim of forging partnerships and meeting potential investors. Chairman Nabil Itani, officially opened the Lebanese pavilion accompanied by Lebanon's Consul in Abu Dhabi, Mr. Sami Nmeir. The Lebanese participation in this exhibition was a significant success, with a number of Lebanese companies receiving financial awards and ratings, including Modeo and Cherpa, which won a cash prize of USD 15,000 each. The first was awarded the best idea prize, while the second won the best youth employment startup prize.

As for the global competition organized by "Wamda", Fig startup won the fintech track, while Lightsense won the telecommunication track.

7-11 OCT, ANUGA EXHIBITION:

In the framework of supporting the promotion and the marketing of Lebanese agrofood industries, IDAL sponsored the Lebanese Pavilion at ANUGA exhibition in Germany. This participation aims at increasing Lebanese products exports in addition to the establishment of an exchange platform between exporters and commercial centers in Europe.

27 OCT, H.E PRIME MINISTER

SAAD EL HARIRI MET WITH GITEX WINNERS:

H.E Prime Minister Saad Hariri met with the Lebanese companies who were present at GITEX in Dubai with the support of IDAL and Speed Lebanon. He reconfirmed the government's commitment to Lebanon's entrepreneurial ecosystem and congratulated the 4 winners who won GITEX's Global Competitions and WAMDA's track competitions.

28 OCT, THE LEBANESE NATIONAL ENERGY CONFERENCE:

IDAL Participated at the Lebanese National Energy conference where Chairman Nabil Itani highlighted in his speech on "New Technologies and the 4IR", and Lebanon's economic shift to an era of knowledge, technology, and innovation.

FOREIGN DELEGATIONS & DIPLOMATIC VISITS:

24 JAN, VISIT OF AN EGYPTIAN DELEGATION:

IDAL welcomed an Egyptian delegation headed by the Advisor to the Minister of Investment and International Cooperation for Arab and African Affairs, Mr. Fathi Abdel Azim. Discussions tackled ways to promote economic relations, particularly investment, between Egypt & Lebanon, prior to the Lebanese-Egyptian Joint Higher Committee meeting.

14 MARCH, VISIT OF AN ALGERIAN DELEGATION:

The Chairman of IDAL Mr. Nabil Itani discussed with the Algerian Ambassador to Lebanon Mr. Ahmed Bouziane ways of stimulating economic relations, particularly investment between Lebanon and Algeria.

14 MARCH, VISIT OF A TUNISIAN DELEGATION:

IDAL welcomed the Tunisian Ambassador to Lebanon Mr. Karim Boudali. The discussions tackled ways of cooperation to enhance the Lebanese and the Tunisian investments and encourage businessmen. Discussions tackled also joint steps to be performed by IDAL and the Tunisian investment authority to promote and facilitate investments, such as drafting a memorandum of understanding to support investments in both countries.

29 MARCH, VISIT OF A DELEGATION FROM THE WORLD BANK:

IDAL's Chairman Mr. Nabil Itani met with a delegation from the World Bank to discuss potential projects that could generate employment for Lebanese in key sectors. Discussions tackled the role of IDAL in identifying these key sectors and providing the right tools to foster job creation from providing tax breaks to companies to supporting in developing clusters.

5 APRIL, A DELEGATION OF BULGARIAN BUSINESSMEN VISITS IDAL:

The Chairman of IDAL, Mr. Nabil Itani, discussed with a delegation of Bulgarian businessmen participating in the first Lebanese-Bulgarian business forum, ways of promoting bilateral relationships between the two countries. The delegation headed by the President of the Bulgarian Chamber of Commerce and Industry, Mr. Tsvetan Simeonov, and embracing the President of the Lebanese-Bulgarian Business Council, Mr. Ahmad Alaeddine as well as the President of the Bulgarian Lebanese Business Council, Mr. Mohamad Hassan Hamidi Sakr.

21 APRIL, VISIT OF AMBASSADOR OF RWANDA TO LEBANON:

Chairman of IDAL, Mr. Nabil Itani discussed with the Ambassador of Rwanda to Lebanon, Mr. Williams Nkurunziza, the enhancement of bilateral relations. He stressed the need to take joint steps between IDAL and the Investment Promotion Agency in Rwanda, such as the organization of bilateral economic workshops in order to explore opportunities of cooperation and promote and facilitate investments between the two countries. He called for opening the Rwandan market to Lebanese products and establishing business partnerships. Ambassador Nkurunziza stressed the necessity of benefitting from Lebanese expertise in many fields, especially industry and agriculture (apples and grapes).

10 MAY, VISIT OF A SWEDISH BUSINESSMEN DELEGATION:

A Swedish businessmen delegation visited IDAL to explore the investment and business climate in Lebanon. The Swedish delegation considered that the openness of Lebanon is an important foundation that contributes to strengthening economic relations, especially investments between the two countries.

16 MAY, VISIT OF A PAKISTANI BUSINESSMEN DELEGATION:

IDAL welcomed today a delegation of Pakistani businessmen headed by the Trade Development Authority of Pakistan (TDAP) represented by Mr. Inam Ullah Khan and H.E. Mr. Aftab Ahmad Khokher, Ambassador of Pakistan to Lebanon. The delegation's interests were mainly in textile, IT services, food processing, and pharmaceuticals and were looking to enhance trade & investment with Lebanon.

EXECUTIVE MEETINGS

21 MARCH, THE 8TH MEETING OF THE LEBANESE-EGYPTIAN HIGHER COMMITTEE:

In the framework of the 8th meeting of the Lebanese-Egyptian Higher Committee, organized in Cairo, the technical committee emergent from the MOU signed between IDAL and GAFI held its first meeting. IDAL's Chairman Mr. Nabil Itani and GAFI Chairman Mr. Mohamed Khudair discussed ways of cooperation to implement the agreement through enhancing investment cooperation, promoting the investment opportunities available in the two countries, exchanging information and instigating mutual initiatives, and providing training opportunities in the field of investment legislation and investment promotion.

14-16 SEP, MISSION TO STOCKHOLM:

IDAL's Chairman, Mr. Nabil Itani, headed a fact finding mission to Stockholm - Sweden for three days to get a comprehensive picture of how Stockholm City has worked to create a knowledge economy and an environment for start-ups to flourish and develop a partnership with concerned entities to foster knowledge transfer between the 2 countries especially that IDAL is in the process of launching a business support unit that will provide free consulting services for start-ups.

27 JULY, VISIT OF EGYPTIAN AMBASSADOR TO LEBANON:

IDAL's Chairman Mr. Nabil Itani discussed ways to strengthen economic relations with the Egyptian Ambassador to Lebanon Mr. Nazih Al-Najari. Najari expressed his country's desire to increase Lebanese exports to Egypt by importing more Lebanese products, especially agricultural ones.

24-27 OCT, VISIT OF A SWEDISH DELEGATION:

IDAL welcomed a delegation from Sweden to Lebanon who are looking for collaborative opportunities between both countries in the areas of entrepreneurship, tourism and innovation. The 3 days-visit covered meetings with officials, hotel chains, and key players in the start-up ecosystem.

INVESTOR SUPPORT

9 MARCH, MEETING WITH A DELEGATION OF LEBANESE INVESTORS:

H.E. Prime Minister Saad Hariri met with a delegation of Lebanese investors who benefited from IDAL's incentives schemes in the last few years, in the presence of the Chairman of IDAL Mr. Nabil Itani and the Prime Minister's Development Advisor Mr. Fadi Fawaz. The meeting was in the form of an open discussion whereby the investors presented solutions to improving the doing business environment in order to increase the competitiveness of Lebanese companies in international markets.

30 MAY, PACKAGE DEAL CONTRACT TO GLASS PACK SAL PROJECT:

IDAL's Chairman, Mr. Nabil Itani, handed over the package deal contract to "Glass Pack SAL" company, represented by Mr. Abdullah Rizk, upon its approval by the Council of Ministers in its latest session. The investment project is valued at USD 30,446,000 and will provide 114 direct jobs upon completion.



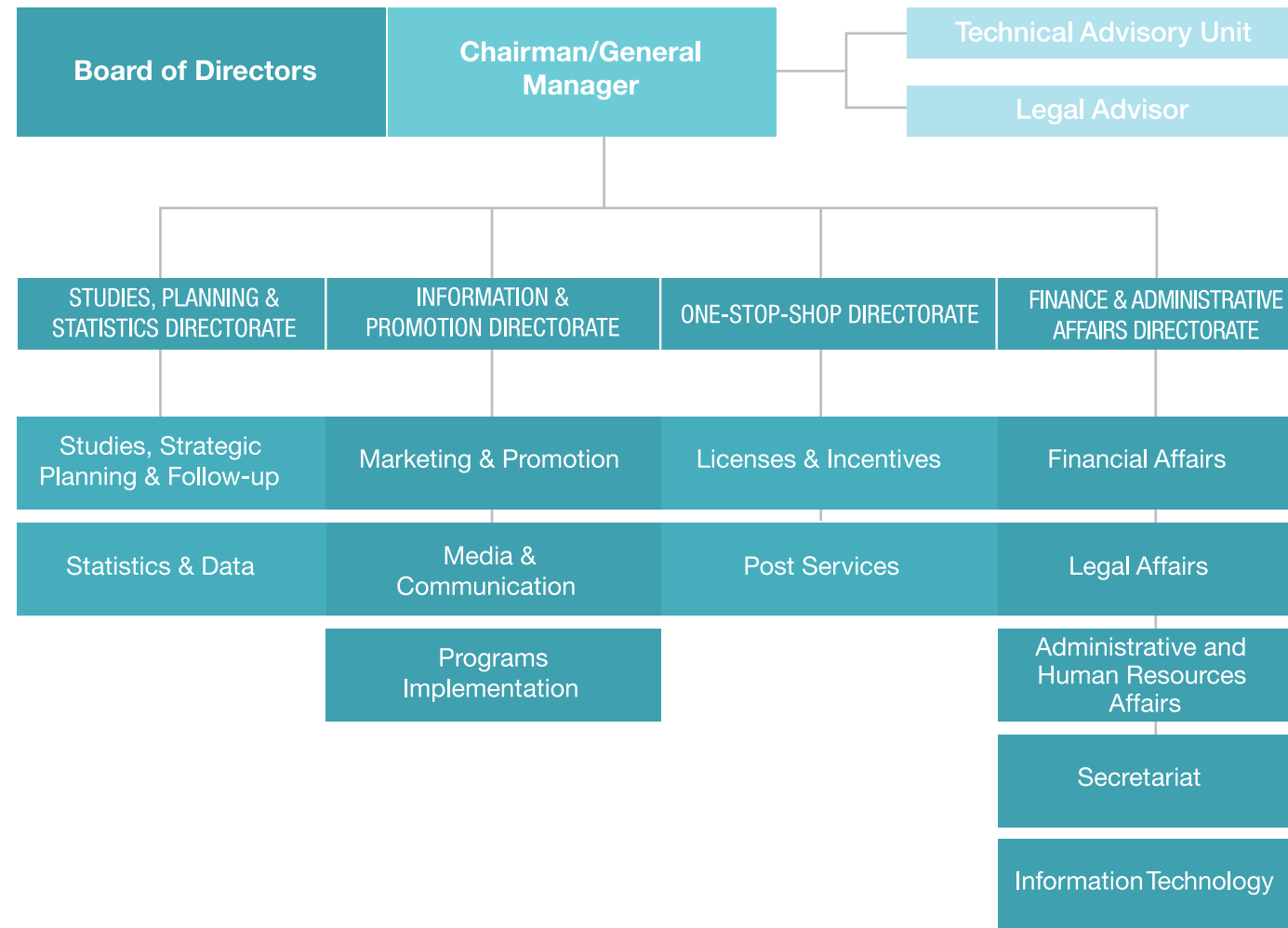
APPENDIX



06

APPENDIX

ORGANIZATION & GOVERNANCE STRUCTURE



IDAL'S BOARD OF DIRECTORS

CHAIRMAN & GENERAL MANAGER:
MR. NABIL ITANI

BOARD MEMBERS:
MR. GEORGES KASSAB (FULL-TIME BOARD MEMBER)
MR. WASSIM AUDI
MR. RAMZI EL HAFEZ
MR. MOURCHED EL-HAGE CHAHINE
MR. FARID N. EL KHESHEN

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.

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.

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.

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.

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