IDAL
INVEST IN LEBANON

MEDIA
FACT BOOK 2015

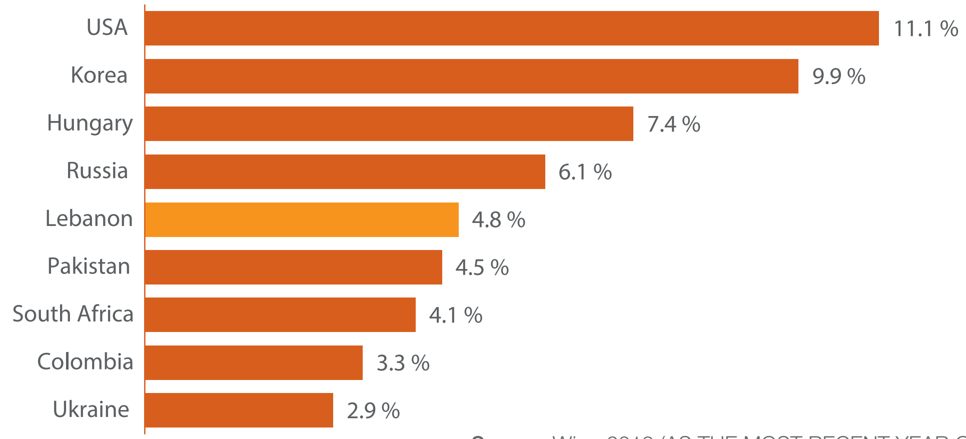
CONTENT

SECTOR OVERVIEW

Lebanon is home to one of the most noteworthy Media industries in the Middle East. The Lebanese media sector is highly developed and consists of varied industries including television broadcasting, advertising services, audiovisual production, publishing, music production as well as new emerging markets such as Digital media. The industry is a major contributor to the Lebanese economy. Lebanon heads the advertising community in the Levant with a total spending of USD 463 million.[1]

It also has the highest contribution of creative industries to the national GDP in the MENA. Latest figures by WIPO indicate that the media industry accounted for nearly 4.75% of Lebanese GDP in 2013 and generated an added value generated of around 55.3%. Based on most recent estimates, there are around 400 companies working in the sector, employing around 4.5% of the Lebanese labor force.[2]

Contribution of the Creative Industries to GDP for Selected Economies % I 2013



Source: Wipo 2013 (AS THE MOST RECENT YEAR OF DATA AVAILABIITY)

1 Tech-Ticker 2014
2 WIPO 2013

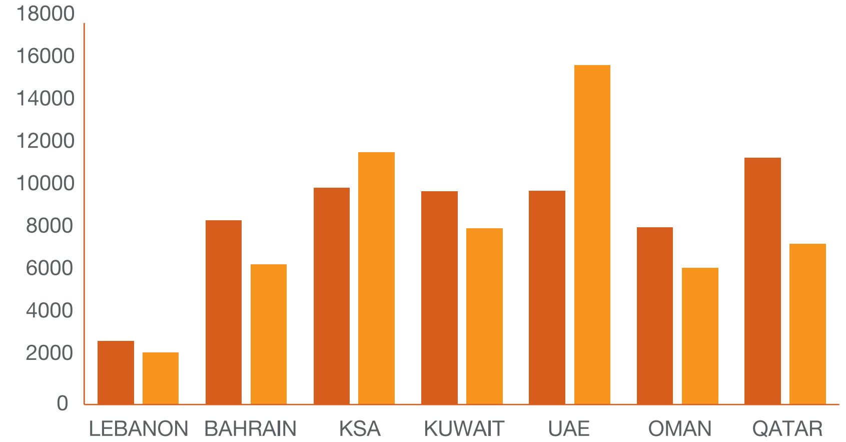
COMPETITIVE ADVANTAGES

1. COST COMPETITIVE AND HIGHLY SKILLED LABOR FORCE

Lebanon is a source of talent to the entire Arab region that is both highly skilled and cost competitive. Every year, some 600 students are estimated to graduate with a degree in audiovisual arts. Specialized universities and faculties ensure these students are fit to meet the market requirements. Seven Lebanese universities offer courses in film production or audiovisual arts. These institutions include the Academie Libanaise Des Beaux Arts (ALBA), the audiovisual faculty at the Lebanese University and the IESAV faculty at the Université Saint Joseph (USJ).

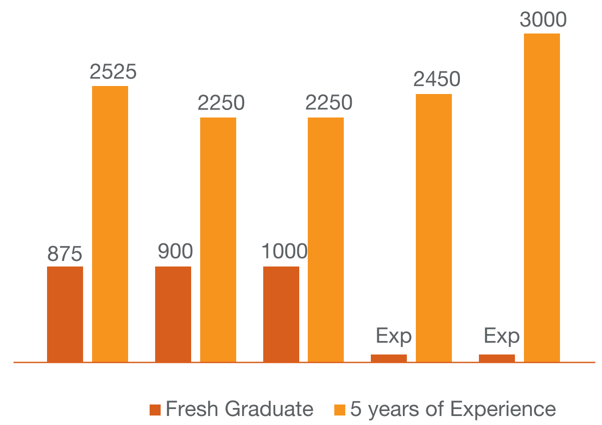
Lebanon also enjoys an abundant supply of creative writers, actors, directors, and a continuing influx of technical graduates as well as translators, with many creative people in Beirut fluent in at least three languages.
Workers are not only highly skilled with average wages usually 50%-60% lower than in GCC countries. Compared to the Gulf region, the Lebanese workforce is very cost efficient to investors in the field of advertising.

Average Salaries in Advertising USD Million I 2013



Source: Gulf Business 2013, Morgan McKinley 2013, Expat Arrivals 2013, InfoPro 2013

Salary Scale in Advertising in Lebanon USD I 2013



Source: InfoPro 2013

Exp: indicates that prior experience is required, and as such no salary scale exists for Fresh Graduates in this position

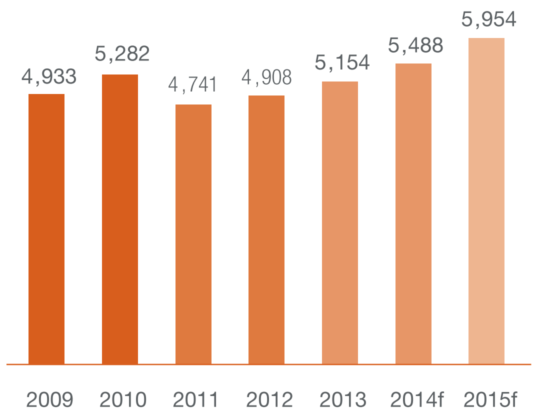
2. ACCESS TO A LARGE MIDDLE EASTERN MARKET

• Total household media consumption in the Middle East is considerably higher than in most developed markets, including the US, Japan, and European countries, with an average annual growth rate of 22.9%.[3]

• The market continues to be highly promising with a youthful population ensuring a continued rise in demand; 24.02 % of the Lebanese population is under the age of 15 and 42.4% falls under the age of 24.[4] Similarly, at the regional level, 52% of the population in the Arab world is aged 25 and less.

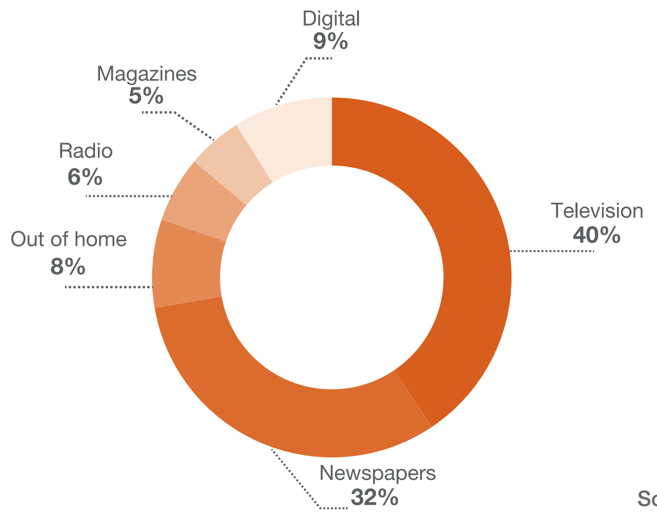
• According to the Arab Media Outlook report, ad spending is expected to grow by 5.9% till 2015 owing to the economic recovery of the Arab world and the growth of digital advertising.[5] Although Arab marketing still relies heavily on traditional advertising means such as television and newspapers, new approaches are catching on fast. Online advertising amounted to USD 300 million in the MENA region with a growth rate of 37% and is expected to reach USD 1 Billion in 2017. The Arab online addressees is one of the fastest growing sectors with a growth rate of 2500% per annum. It is estimated that internet users will be around 413 million in the Arab world, by 2015, while only 3% of online content is in Arabic. This shows the vast online content creation potential.

Advertising Expenditure in the Arab World USD Million | 2015-2009



Source: Wipo 2013 (AS THE MOST RECENT YEAR OF DATA AVAILABIITIY)

Advertising expenditure in the MENA by Platform % | 2014



Source: Arab Media Outlook 2015-2011

[3] McKinsey & Company Global Media Report 2013
[4] CIA Factbook 2014
[5] Arab Media Outlook

3. LIBERAL MEDIA SECTOR

The country has the most liberal media sector in the Middle East, with minimal to no restrictions on broadcasting and publishing activities. In the MENA region, Lebanon is one out of only three countries[8] to be classified as partially free and it is ranked the second highest in terms of Press Freedom Index.

5. ADEQUATE LEGAL FRAMEWORK

The Lebanese government has persistently spearheaded efforts to modernize media laws while playing an active role in enforcing intellectual property rights and regulations.

4. DIVERSE GEOGRAPHY

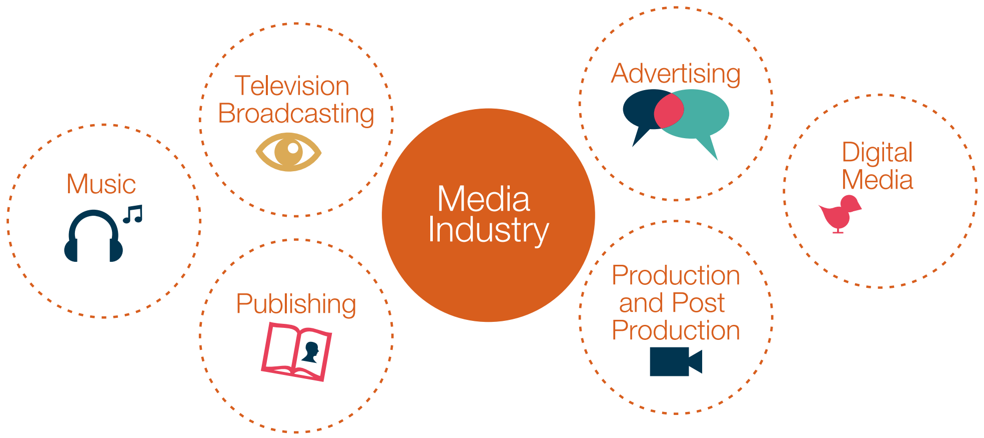
Lebanon's diverse geographic scene is considered very adequate for filming and production, facilitated with the presence of 250 days of sunlight, offering weather conditions and geographic areas adequate for shooting, and with diverse locations.

[8] The other two being Morocco and Kuwait

MARKET ANALYSIS

While Media industry spans across several fields, the main activities addressed in this analysis include:

1. Television Broadcasting
2. Advertising
3. Production and Post production
4. Digital Media
5. Publishing
6. Music



1. TELEVISION BROADCASTING

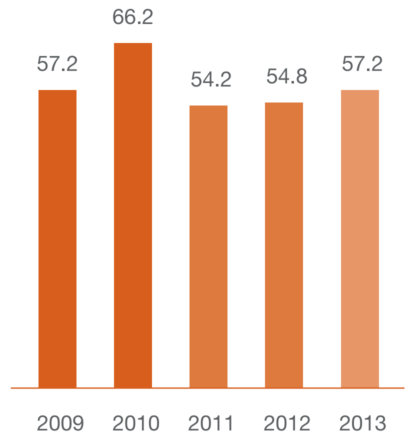
The domestic broadcasting scene in Lebanon is well developed with over 10 terrestrial channels, and TV penetration rates at 93.4 %. A dominant advertising platform, nearly 38% of total advertising spend goes to television stations, some USD 57.2 million.[9]

The sector is currently dominated by free to air television; domestic television stations nonetheless remain popular and many local stations are now available via satellite. The Lebanese broadcasting scene counts today 22 FTA satellite channels headquartered in Lebanon and one government owned TV channel (TeleLiban). Lebanese domestic channels have been the most-viewed locally unlike other countries where pan-Arab networks are prevailing.[10]

Lebanese channels not only dominate the local market but also surrounding countries. The country currently hosts a number of the Middle East's most popular satellite televisions, a prime example being Rotana/LBC, Lebanon's most widely viewed television station, and one of the ten largest media groups in the region.

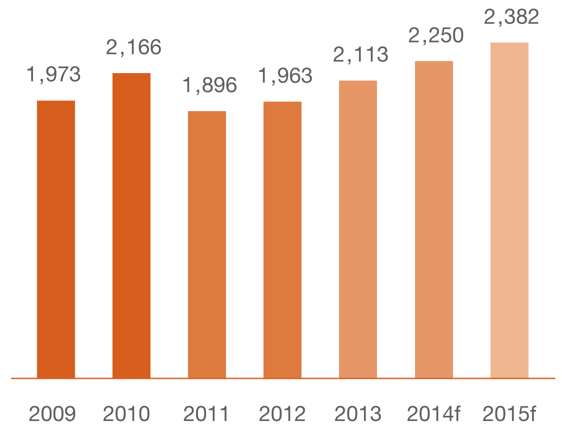
Openness to an Arab speaking population of more than 360 million individuals and restrictions on television establishments in neighboring Arab countries, make of Lebanon an ideal location to broadcast from to the region and the Arab Diaspora. While free satellite and terrestrial television currently occupy 95 % of the market share in the Arab region, new niches like pay TV for specialized channels and internet pay TV (IPTV) are popular in the market, especially in the Gulf. Similar to satellite television broadcasting, opportunities for such ventures can be seized from Beirut.

Television Advertising Expenditures in Lebanon USD Million I 2009-2013



Source: Zenith Optimedia (2013)

Television Advertising Expenditures in the MENA USD Million I 2009-2013



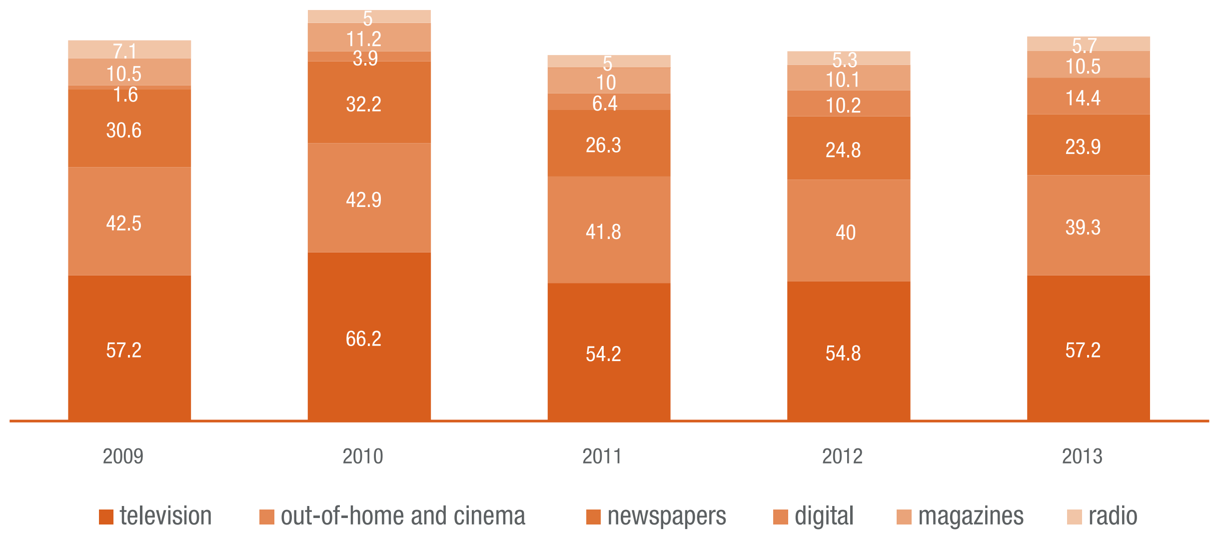
Source: Arab Media Outlook 2015-2011

9 Zenith Optimedia
10 BankMed - Analysis of Lebanon's Media and Advertising Sector - May 2014

2. ADVERTISING

Lebanon's advertising expenditures rank continuously amongst the highest in region. After the sector spiked in 2010 with an aggregate net expenditure of USD 161.4 million, it slowed down due to economic and political stress. However, in 2013, it recovered and rose by 3.9% to be estimated at USD 151.1 million.[11] The country is a regional provider of media support services, both creative agencies and media buying agencies handle client accounts for the entire MENA region from Beirut. At present, there are more than 150 advertising agencies operating in the country.[12] These enterprises have developed a wide array of services including account management, creative development and production as well as media planning and buying. Several great companies have equally delved into public relations management and established their own research units.

Advertising Expenditure in Lebanon by Platform USD Million | 2013



Source: Arab Media Outlook 2015-2011

The industry generates its highest revenues from TV advertising representing nearly 60% of ad spend. Advertising in print media equally constitutes a considerable share. In particular, newspaper advertising represents 24 % of total ad values, and is expected to keep increasing steadily, though slowly for the 3 coming years.[13]

Billboards and below the line form an important, albeit less significant part of ad revenues. While advertising on the internet still represents a small share of total ad spends, this sector is growing steadily and is highly promising for the future, with latest trends indicating a penchant towards new media outlets like mobile & online platforms.

11 Zenith Optimedia (2013)
12 BankMed - Analysis of Lebanon's Media and Advertising Sector (May 2014)
13 Ipsos

3. PRODUCTION AND POST-PRODUCTION

The surge in advertising spend at both the local and regional level has nurtured solid production and post-production industries in Lebanon. Advertising agencies and Production houses in the country now export their services across the region, and are a firm base for the industry at the regional level. Local companies have branched out into Saudi Arabia, Dubai, Egypt, and now serve clients across the entire region, capturing a significant share of advertising spend across the Arab World.

Production services

There are currently around 97 audiovisual production / post-production companies operating in Beirut, working at an average of 1000 shooting days per year. Production services cover television programs, commercials, documentaries, feature films, music videos, radio commercials, and photography. Below is an overview of the main activities in this sub-sector.

a. TV Programs

The large satellite broadcasting hub in Lebanon provides a base for a substantial TV production industry. Companies specializing in production services for televisions are involved in content creation for local as well as regional television channels. Production mostly include entertainment, drama series, reality shows and talk shows. Hits such as Superstar, The Voice, Dancing with the Stars and Arab Idol, make Lebanon the market leader in entertainment shows in the region. The Voice Arabia's 2014 final episode, which aired from a Lebanese TV network, attracted an estimated 100 million viewers from the Arab Region.

80% of the production in Lebanon is to service the GCC countries which promotes TV advertising spending. The main competitor would be the UAE where comparable quality is offered at higher prices, giving Lebanon a comparative advantage. Moreover, while television content is produced in Syria and Egypt at cheaper rates, more sophisticated tasks are usually executed in Lebanon which offers higher quality at acceptable rates.

The most popular and successful shows since 2011 have been the "Arabized" versions of international formats for non-scripted shows and mostly Turkish series for scripted shows. In addition, local investment by Arab media companies has contributed to the export of local content to the international scene.

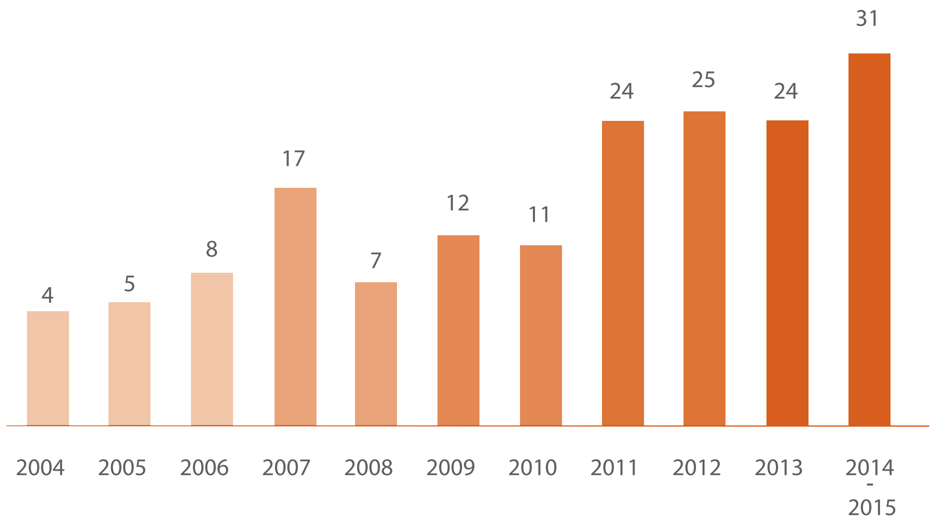
b. TVC's and Music Videos

The majority of production services rely heavily on the production of television commercials, which account for the bulk of their revenues, music videos fall second, while the market for short and feature films is currently expanding slowly. Around 10 large production companies dominate the market but the trend has been lately towards opening smaller production houses. Furthermore, Lebanon is regarded as the market leader in the region in the market for music clips and TVC's with some of the most popular of the high profile artists topping the charts. Moreover, in 2011, the Lebanese Production Group W&P shot the first 3D music video in the Middle East for the Lebanese vocalist Najwa Karam.

c. Film Production

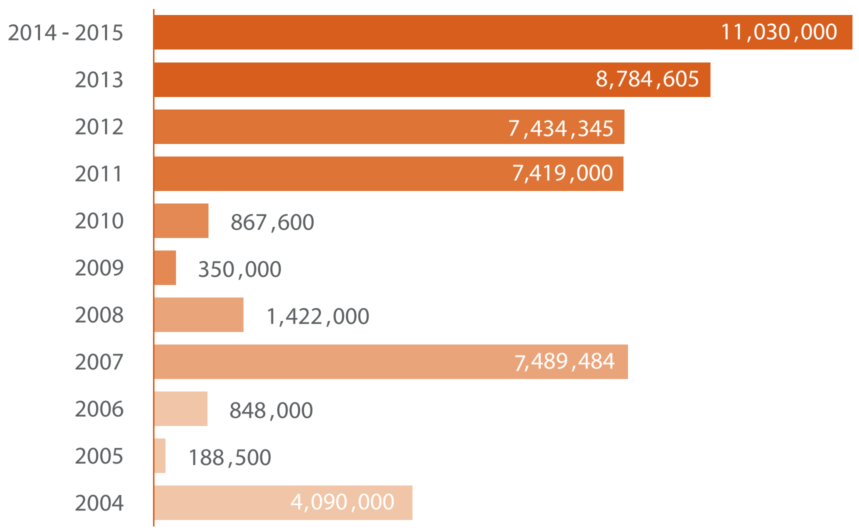
The Film industry has seen a significant growth over the last 4 years as measured by the numbers of Lebanese films produced per year, hovering at 31 units in 2015 with an approximate investment value of USD 32.4 million, which represent a significant growth compared to an yearly average of 11 and an investment size of USD 8.8 million produced in the previous 4-year period. In fact, the film production growth in Lebanon since 2004 has reached record levels of f 675%.

Film production per year number of films I 2004-2015



Source: Fondation Liban Cinema

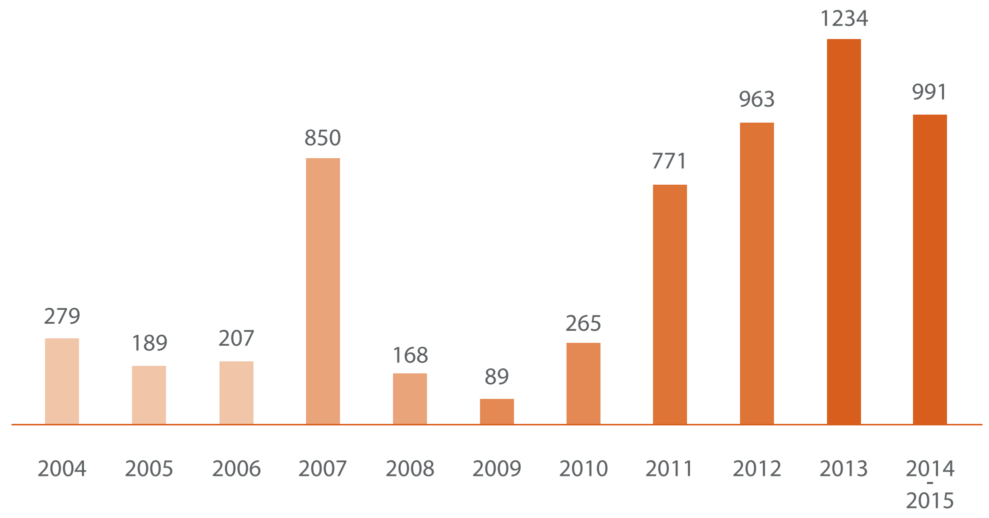
Aproximate amount of money invested in Lebanese movies per year USD I 2004-2015



Source: Fondation Liban Cinema

The film industry is becoming particularly attractive as it entails to the growth of a "film community" which ismade of creative talents, producers, technicians and movie-goers more, in addition to an increasing interest from the financial and private sector in investing in the Lebanese Audio-Visual Industry, seen as a pillar of the "Econonomy of Knowledge".

Number of people working in film production per year number of people I 2004-2015



Source: Fondation Liban Cinema

A private initiative, termed "Fondation Liban Cinema" (FLC), is partnering with the movie industry stakeholders as well as governmental entities to support the Lebanese audiovisual industry, by promoting Lebanese films on the international scene and by lobbying for change on the legislation front in order to get governmental support for this industry.
FLC's aim is to also to attract foreign production and investments into Lebanon. The Lebanese film industry is growing constantly, representing important financial challenges.

Studies done by the UNESCO affirm that Lebanon is an open studio for cinema production all year round. This means that Lebanon can attract Arab and foreign producers to shoot films in Lebanon.

Post-production services

This industry sub-sector comprises of companies that offer services in editing, film/tape transfers, titling, closed captioning, and computer-produced graphics, animation and special effects, as well as developing and processing motion picture films. All in all, there are around 25 post-production facilities in Lebanon. These are divided across big facilities like the Gate, and the PostOffice, which offer cutting edge services and technologies to clients from the entire Arab Region. The trend is however moving towards smaller post production facilities focusing on digital media and film, with specialization in 3D animation and special effects.

Opportunities in the sector

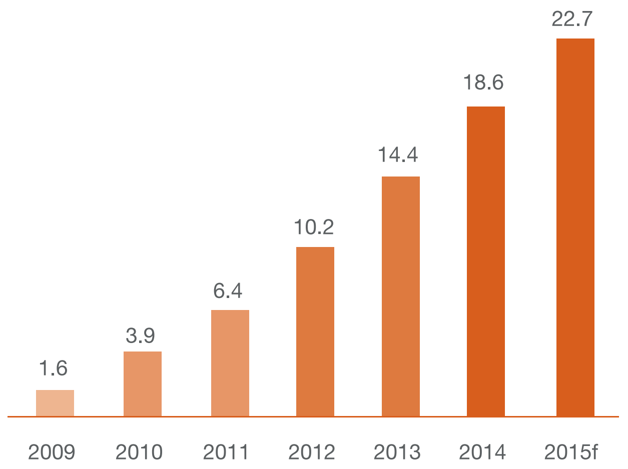
Production and post-production services have emerged as profitable industries, especially with the need for high quality content creation in the region. Production facilities like ready studios and filming equipment also present opportunities to serve the regional market, with current projects like Studio vision catering to various Arab television channels. The edge in the Lebanese industry remains its ability to provide quality at reasonable prices; while the industry is highly developed, mainly because of the human skills available, it continues to offer relatively cheaper production costs compared to the Gulf countries.

4. DIGITAL MEDIA

Digital Media is currently the most widely expanding field within the Lebanese Media Industry. It is comprised of products combining information and communications technologies with media content. Main areas of specialty in the field include animation and visual effects, digital games, digital publication and interactive designs, as well as various kinds of digital content (be they text, audio or video) that are transmitted via the internet or mobile. While it constitutes only 9.5% of total advertising expenditures in Lebanon, digital advertising observed the highest growth for the past few years, rising with a compound average growth rate of 89% during 2009-2013, and reaching USD 14.4 million.[14]

With around 52 % of the Arab population being below 25 years old, there has been a rising interest for new digital media in the region and contributing to the growth in the future of this industry. Number of internet users were estimated at 67.19%, with crudely half accessing it daily.[15] The industry in was also propelled by the increase in mobile and internet penetration rates regionally: mobile phone internet usage is 94% in the MENA and internet penetration rate is 40.2%, higher than the global average of 34.3%.[16]

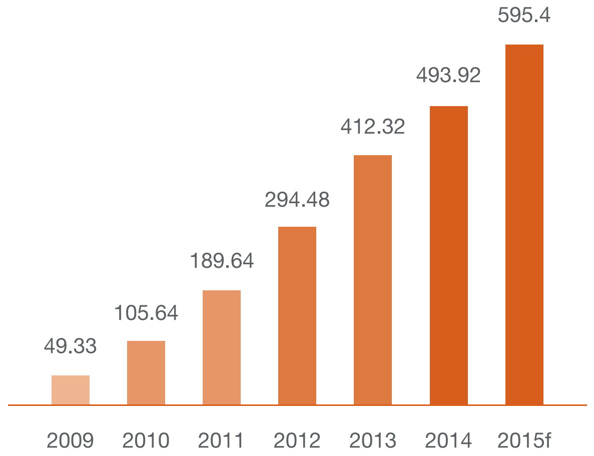
Digital Advertising Expenditure in Lebanon USD Million | 2009-2015



Source: Fondation Liban Cinema

14 BankMed - Analysis of Lebanon's Media and Advertising Sector - May 2014
15 Internet Live Stats 2014, Pew Research Center 2014
16 eMarketer 2013

Digital Advertising Expenditure in the MENA USD Million | 2009-2015



Source: Arab Media Outlook 2015-2011

This increase is further inflated by the surge in internet advertising expenditures, and therefore signal great opportunities for content creation in web and mobile. Arab digital ad spending currently account for 9 % of total Arab ad revenues amounting to approximately USD 495 million. Studies project that the increase in spending in the region will reach USD 1Billion in 2017.[17]

Online commerce market similarly expanded in Lebanon and in the Arab region. Popular e-commerce websites such as namshi.com, mysouk.com and shopgo.me have launched Lebanese websites in 2013 due to increased local demand.[18]

Similarly, Mobile TV is on the rise with traditional media making use of the digital world to increase its exposure to the public. Today, Lebanese broadcasting channels offer live-streaming on their gateways and many have expanded their digital platform to include free mobile applications with news alerts, live streaming and archives.[19]

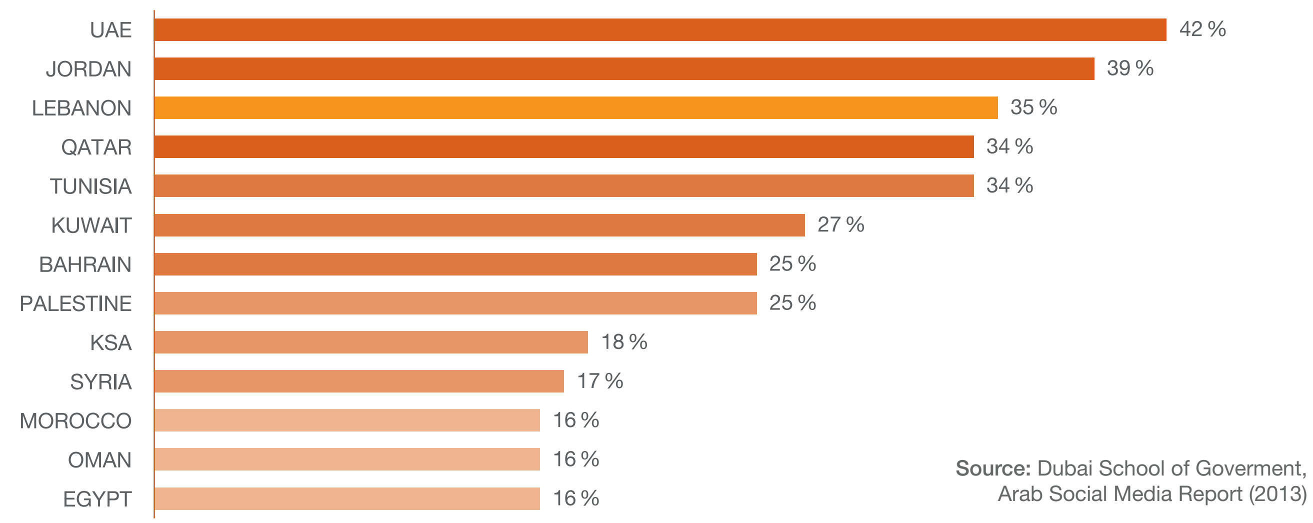
Web drama is another emerging niche market with promising prospects. In 2010, the first Web Drama in Arabic was released, co-produced by BBC World Service Trust hasco-produced. It was distributed on its proper site together with other sites such as Facebook and You-Tube, and has recorded massive viewing hits.

Demand for Arabic content still largely outweighs supply, thus indicating the potential for new products in the digital market. According to recent estimates, 3 % of content in the Arab Region is actually in Arabic, whereas more than 60 % of users in the region tend to prefer Arabic content. Players are still limited in this field and competition is minor with very new local producers at the moment, thus leaving room for new entrepreneurs to venture into new projects in this nascent industry. Demand for content is driven by consumers' increasing appetite for online entertainment, particularly social networking and online games.

By June 2012, the number of Facebook accounts has tripled in just two years from 16 million to 45 million in the Arab region and reached approximately 55 million accounts in 2013.[20] The three dominant languages on Facebook are English, French and Arabic with a rising penetration rate for the Arabic version of Facebook around the MENA region. Particularly in Lebanon, the Internet penetration rate rose from 56% to 61% from 2012 to 2013. Lebanon also ranks second in terms of Facebook usage and tops the list of countries using Facebook in English in the Arab region.[21]

17 Arab Net 2014
18 Daily Star 2013
19 BankMed - Analysis of Lebanon's Media and Advertising Sector - May 2014
20 Arab Social Media Report 2013
21 SGBL EcoNews Issue 19 April 2014

Facebook Penetration Rates in the Arab World % | 2013



Source: Dubai School of Goverment, Arab Social Media Report (2013)

Digital gaming

Digital gaming is another interesting field in this promising industry. Digital games sales in the Middle East and Africa is set to rise at a compound annual growth rate of 29 % to reach USD 3.2 billion in 2016, compared with global growth of 17 % for the same period. The biggest markets for digital games are the UAE, Saudi Arabia, and Egypt. KSA has one of the highest average revenue per user (ARPU) rates in social gaming with more than 65% of internet users playing online games. Most prominent games in the region include Kammelna with 1.35 million users and Jawaker with 500,000 registered users and source of investment from the UAE.[23]

SUCCESS STORIES

Birdy nam nam

This mobile game was created in Beirut by a team of three developers who developed it in Arabic with a strong adherence to local taste making it quite appealing to the Arab world and the Arab diaspora. Released in September 2011, the game has been downloaded more than 400,000 times in the first month of its release. The game has also ranked number one in the Arab World on the ITunes Store.

Wixel studios

The first online game development company established in Beirut since 2007, Wixel Studios produces original content and exports it to the region with near future plans including expansion into Europe.

Anghami

Anghami is the first music streaming platform and digital distribution company in the MENA region that provides the ability to stream and download Arabic and international music. Launched in 2012 by two Lebanese entrepreneurs, the mobile online application and website has seen major success with 1 million users registered in just four months. It has also partnered with the biggest gurus in the media industry like MBC Group.

[23] Arab Media Outlook 2015-2011

5. PUBLISHING

Owing to its liberal political system and its educated population, the country is home to one of the most dynamic publishing sectors in the Middle East. There are around 200 active publishing houses in Lebanon, the highest in the MENA region, and surpasses Egypt, Syria and Jordan. Nearly 50 % of the output is generated by the 5 biggest publishing houses. More than 50 % of the output is exported to the Arab Market, mainly to the UAE Saudi Arabia, Jordan and Iran. A breakdown by book subjects shows that Islam, children's books, literature and politics are the most published topics. While publications in Arabic occupy the biggest share of products, both French and English publications are equally popular in Lebanon.

Newspapers and magazines are also widely produced in Lebanon. With 17 newspapers released daily and around 1500 weekly and monthly periodicals, the industry in the country is quite active; almost half of all prints circulated in the Middle East region are produced in Beirut. Newspaper advertising spend account for 15.8% of total advertising spend.[24] The trend has been moving lately in favor of more specialized magazines, be they in sports, technology, fashion, or finance. Celebrity news and fashion magazines still attract the widest readers though and are ranked at the top. Opportunities have equally been arising in the production of brochures, technical manuals, and various educational publications.

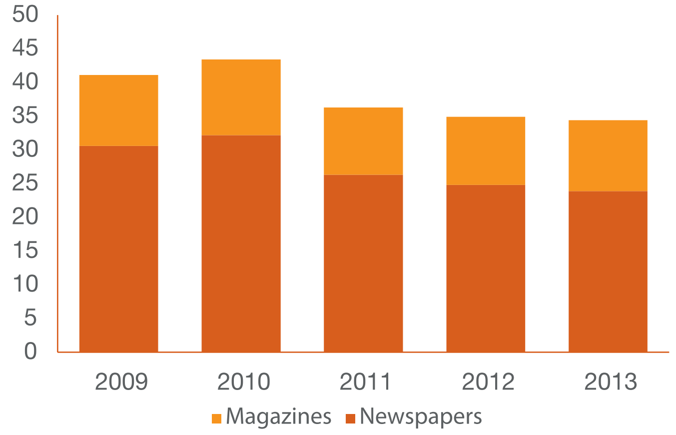
6. MUSIC

The music recording and publishing industry in Lebanon consists of 1237 operators and employs 2400 workers. The market for record labels managing artists in the music sector is diverse with Rotana being the largest label for Arabic music. Others also hold significant market shares, such as Melody, Platinum Records and to a lesser extent, Alam El Fann. These labels also operate Arabic music channels on satellite television, and radio channels in some cases, and are able to cross-promote their artists across divisions. There also exist hundreds of smaller labels in the region which are serving a few artists each and are lacking the scale and resources to make a big impact in the market.

Meanwhile, the big four international labels; Sony, EMI, Warner and Universal, have all entered the regional market, with varying degrees of scale. They are providing increasing competition to existing local record labels. Most have concentrated on exploiting their international catalogues in the region, whether alone or through representatives such as Fairwood Arabia, EMI and Universal. Yet some have introduced efforts that go beyond pure licensing and physical sales opportunities.

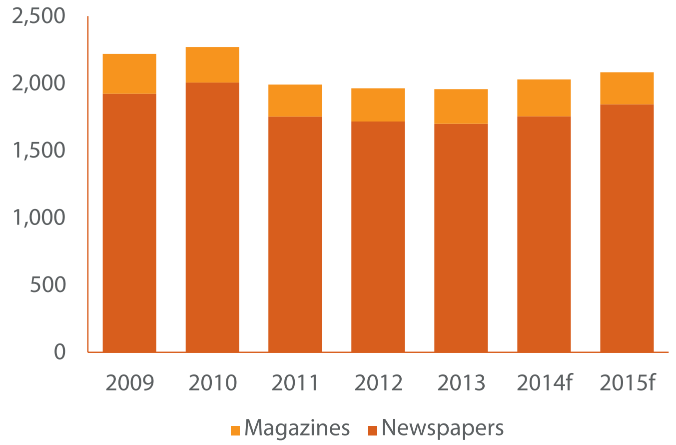
[24] BankMed - Analysis of Lebanon's Media and Advertising Sector - May 2014

Print Media Advertising Expenditure in Lebanon USD Million | 2013



Source: Zenith Optimedia (2013)

Print Media Advertising Expenditure in Lebanon USD Million | 2013



Source: Arab Media Outlook 2015-2011

INVESTMENTS IN THE SECTOR

Both local and regional investors have indicated an eagerness to invest in the media sector in Lebanon, benefiting from its developed media services, talented workforce, and proximity to a booming regional market.

FOREIGN INVESTMENTS

The industry has been an attractive field for both locals and foreigners alike. Media services in particular have benefited from a large number of foreign investors eyeing the skilled populace and developed media environment. Foreign investments in media support services includes international agencies like Leo Burnett, Saatchi and Saatchi, Impact BBDO, JWT and others. Recent ventures in other fields include:

THE BRITISH ECONOMIST GROUP

The British Economist group, which opened a regional representative office in Beirut in 2010 as part of its strategy to strengthen its presence in the Middle East. This office will be managed by its local partner Alef, a Lebanese Publishing and Media Company, and will serve Lebanon Syria Jordan Palestine and Iraq from Beirut.

HACHETTE Livre

French Hachette Livre and Lagardere have created a joint venture with Librairie Antoine to publish books in Arabic from Beirut as of 2009.

FRANCE 24

France 24, the French global news channel has partnered with SGBL bank in 2010 to start broadcasting its new Arabic Speaking news channel.

GULF FILM

Gulf film, owner of grand cinemas, has opened new movie theatres in 2 different locations in Lebanon in 2011.

INVESTMENTS THROUGH IDAL

Two projects have benefited from the incentives available to the Media sector in Investment Law No. 360, which has identified the media industry as one of the key sectors with potential to attract investments. Under this law, IDAL has granted a package deal contract for VTR Beirut, a joint British Lebanese venture supplying high-tech post-production services. The company proved to be a highly profitable venture and now caters to clients from the entire region. Another project mediated by IDAL is Front D'Or, equally a post-production facility. The 4.1 million dollar investment has created 25 new jobs, and is expected to contribute substantially to the development of a regional hub for the film and music industries.

TRENDS AND INVESTMENT OPPORTUNITIES

The convergence between the media and telecom sectors has opened new horizons in the field of digital media, with opportunities arising in the following:

- Content creation in Arabic
- Online Gaming
- Online Advertising
- Specialized 3D animation
- VOD

REGULATORY FRAMEWORK

Lebanon has the most liberal media sector in the Middle East. Its government has persistently spearheaded efforts to liberalize the sector and modernize media laws, while playing an active role in enforcing intellectual property rights and regulations. The sector is monitored and regulated by the Ministry of Information; below are the main laws which govern the media environment:

THE AUDIOVISUAL LAW

With the enactment of the 1994 Audiovisual Media Law – or law 382 -, and later its application decrees, the country became the first Arab State to allow the operations of privately held TV's and radios on its territories. Licenses for televisions and radios are issued for a renewable period of 10 years, conditional upon the station's technical and financial capacities.

THE INTELLECTUAL PROPERTY LAW

The Intellectual Property Law (IP) was drafted by the Ministry of Economy and Trade (MoET), and passed as a law in 1999. Provisions under the law cover patents, industrial designs, trademarks, copyrights, unfair competition, and penalties for Infringement. As of 2006, Lebanon has had a special IPR police unit mandated with the enforcement of intellectual property laws. Lebanon has also adhered to international conventions related to intellectual property rights.

THE SATELLITE TELEVISION BROADCASTING LAW

The law was enacted in 1996 and allows televisions to broadcast via satellite from Lebanon.

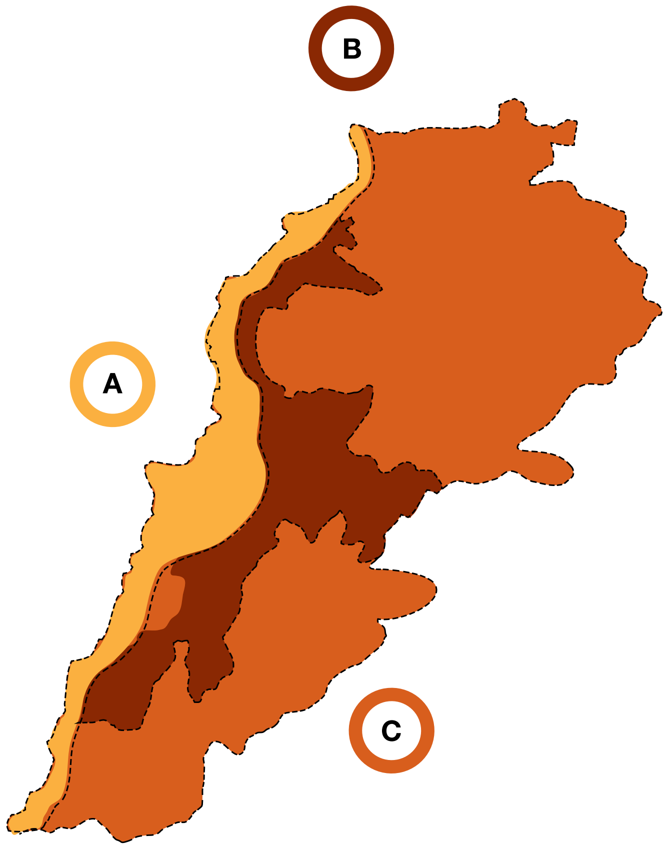
THE INVESTMENT LAW

In 2001, the Lebanese parliament passed Investment Law 360 under which IDAL provides financial and non-financial incentives for investment in selected sectors including the Media industry considered a priority activity covered by the law.

INCENTIVES AVAILABLE TO PROJECTS IN THE MEDIA SECTOR

1. INCENTIVES PROVIDED BY IDAL

a. Region Based Incentives or Investment Project by Zone (IPZ)



ZONE A

Eligibility Criteria:
Minimum Investment Requirement is USD 200,000

Incentives:
100% Exemption from corporate income tax for two years provided that the company's shares are listed in the Beirut Stock Exchange. In this case, the effective negotiable shares should be no less than 40% of the capital of the company

Work permits for various categories, exclusively needed for the project, provided that at least two Lebanese nationals are employed for each foreigner. All employees should be registered with the National Social Security Fund

ZONE B

Eligibility Criteria:
Minimum Investment Requirement is USD 200,000

Incentives:
50% reduction on corporate income tax and taxes on project dividends, for a period of five years. The reduction shall be applicable as soon as excavation works for the project commence, in accordance with the provisions of the Law

Work permits for various categories, exclusively needed for the project, provided that at least two Lebanese nationals are employed for each foreigner. All employees should be registered with the National Social Security Fund

ZONE C

Eligibility Criteria:
Minimum Investment Requirement is USD 200,000

Incentives:
A 100% exemption from corporate income tax and taxes on project dividends for a period of 10 years. The exemption shall be applicable as soon as excavation works for the project commence, in accordance with the provisions of the Law

Work permits for various categories, exclusively needed for the project, provided that at least two Lebanese nationals are employed for each foreigner. All employees should be registered with the National Social Security Fund

b. Region Based Incentives or Package Deal Contract (PDC)

Eligibility Criteria:
Minimum Investment Requirement is USD 400,000
Minimum Number of Jobs Required: 25

Incentives:
100% exemption from Corporate Income Taxes for up to ten years starting as from the commencement date of the exploitation of the project

100% exemption of Taxes on Project Dividends for up to ten years starting as from the commencement date of the exploitation of the project

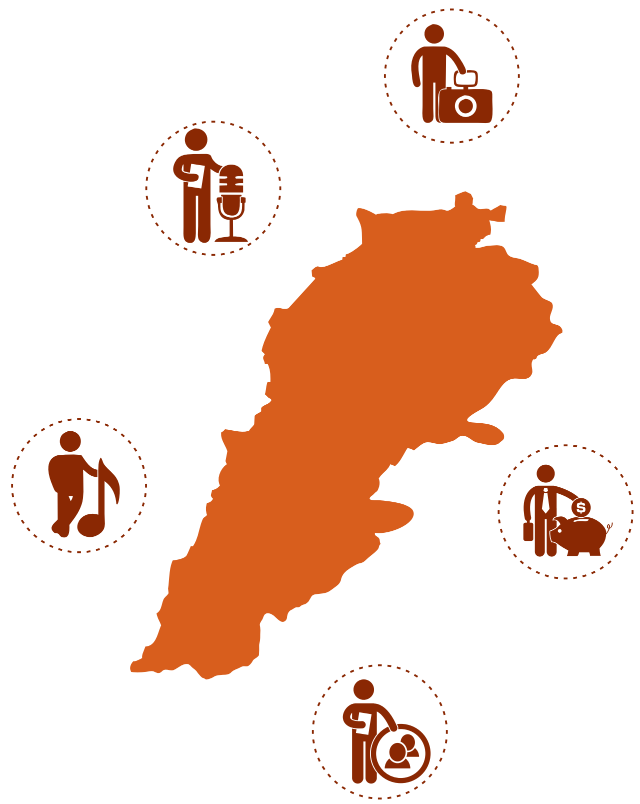
Up to 50% Reduction on Work and Residence Permit Fees regardless of their category and depending on the number of permits required. Also the value of the certificate of deposit entrusted to the Housing Bank shall be reduced by half

Up to 50% Reduction on Construction Permit Fees related to the buildings to be established & needed for the execution of the project benefiting from the provisions of the Package Deal Contract

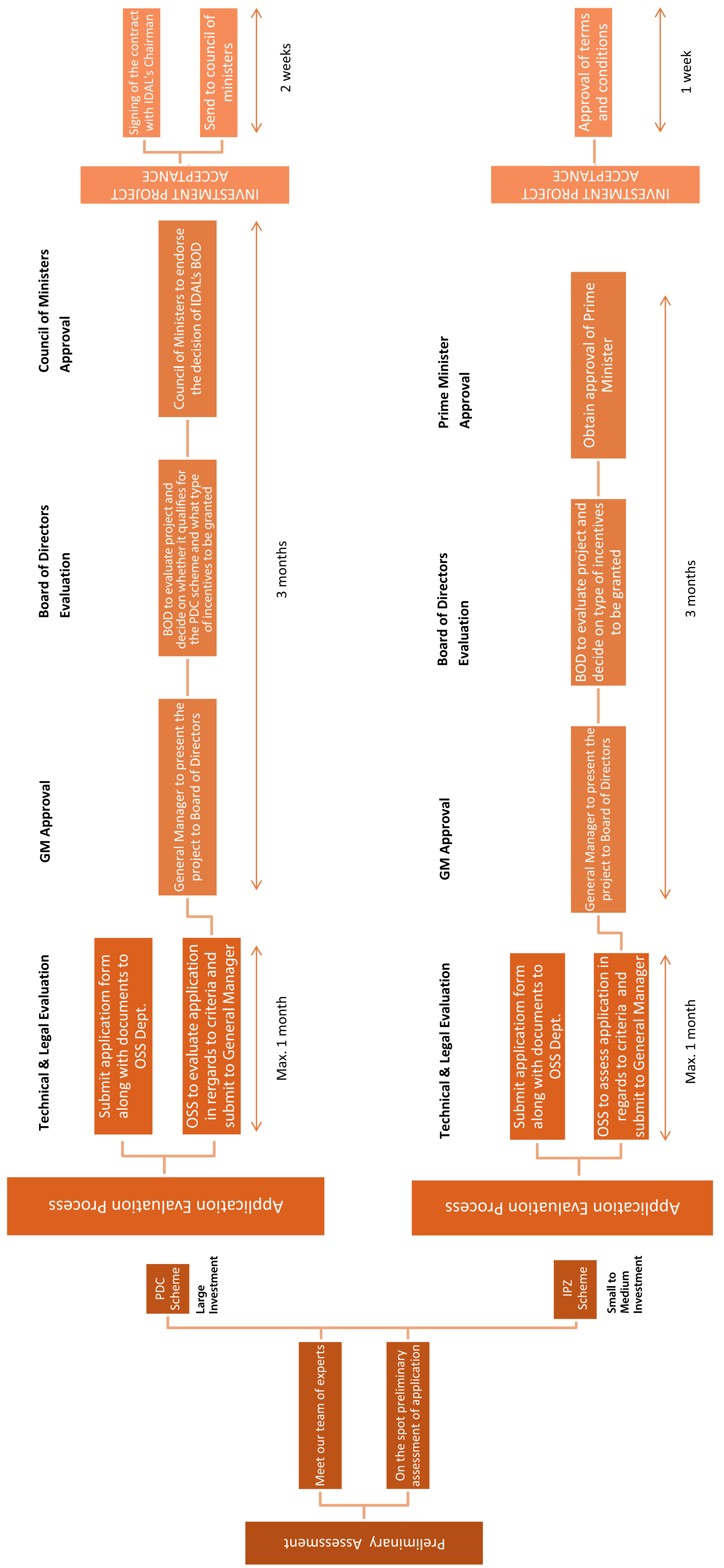
100% exemption from Land Registration Fees at the Real Estate Register and from fees needed for annexation, sub-division, mortgage and registration of lease contracts at the Real Estate Register

Obtaining Work Permits of all categories provided that the project benefiting of the Package Deal Contract preserves the interests of the local labor force through employing at least two Lebanese nationals against one foreigner, and registering them in the National Fund for Social Security

Exemption from the obligation of including Lebanese natural and legal persons in the Board of Directors in Joint Stock companies



2. APPLICATION PROCESS AT IDAL



USEFUL CONTACTS

Ministry of Information
www.ministryinfo.gov.lb

National Audiovisual Council

National News Agency
www.nna-leb.gov.lb

Ministry of Culture
www.culture.gov.lb

Ministry of Telecommunications
www.mpt.gov.lb

Ministry of Economy and Trade - MoET
www.economy.gov.lb

Investment Development Authority of Lebanon - IDAL
www.investinlebanon.gov.lb

The Lebanese Press Syndicate
www.pressorder.org

Lebanese Advertising Agencies Association
www.aaa.org.lb

Association of Lebanese Commercial Producers - ALCP

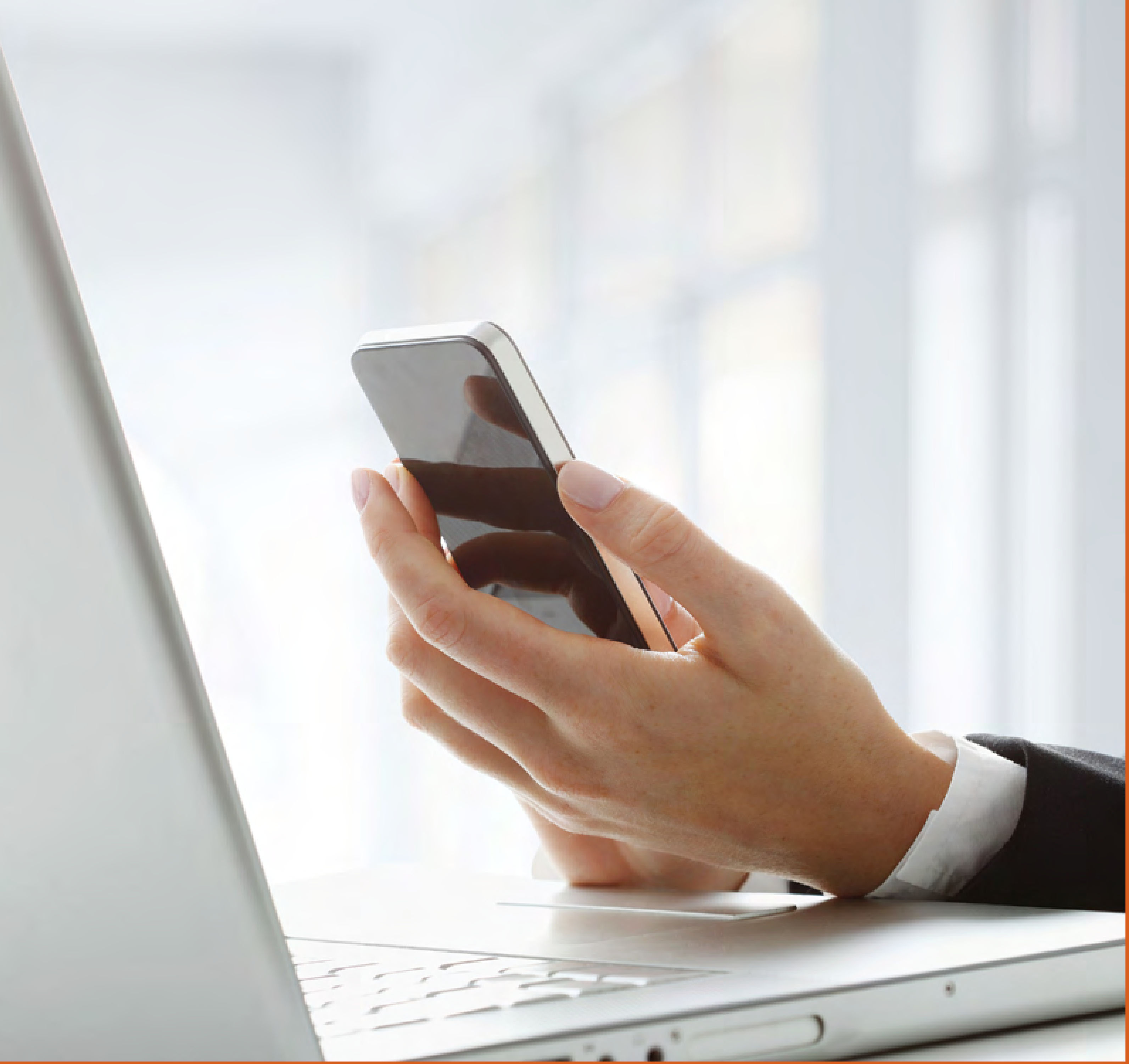
Fondation Liban Cinéma
www.fondationlibancinema.org

Berytech
www.berytech.org

Syndicate of Publishers' Union in Lebanon
www.publishersunionlb.com

Beirut Creative Cluster
www.beirutcreativecluster.org

Beirut Digital District
www.beirutdigitaldistrict.com



CONTACT US

If you require any further information on investing in Lebanon or on the services IDAL can offer you, please do not hesitate to contact us at the following:

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