



# INVESTMENT OPPORTUNITIES IN BAALBECK EL HERMEL

2017





# I. BASELINE ANALYSIS OF BAALBECK EL HERMEL

The governorate includes **63 towns and villages** spreaded over the 2 districts:  
El Hermel & Baalbeck, the largest district in Lebanon with a total area of **2,319 km<sup>2</sup>**

### BAALBECK EL HERMEL GOVERNORATE



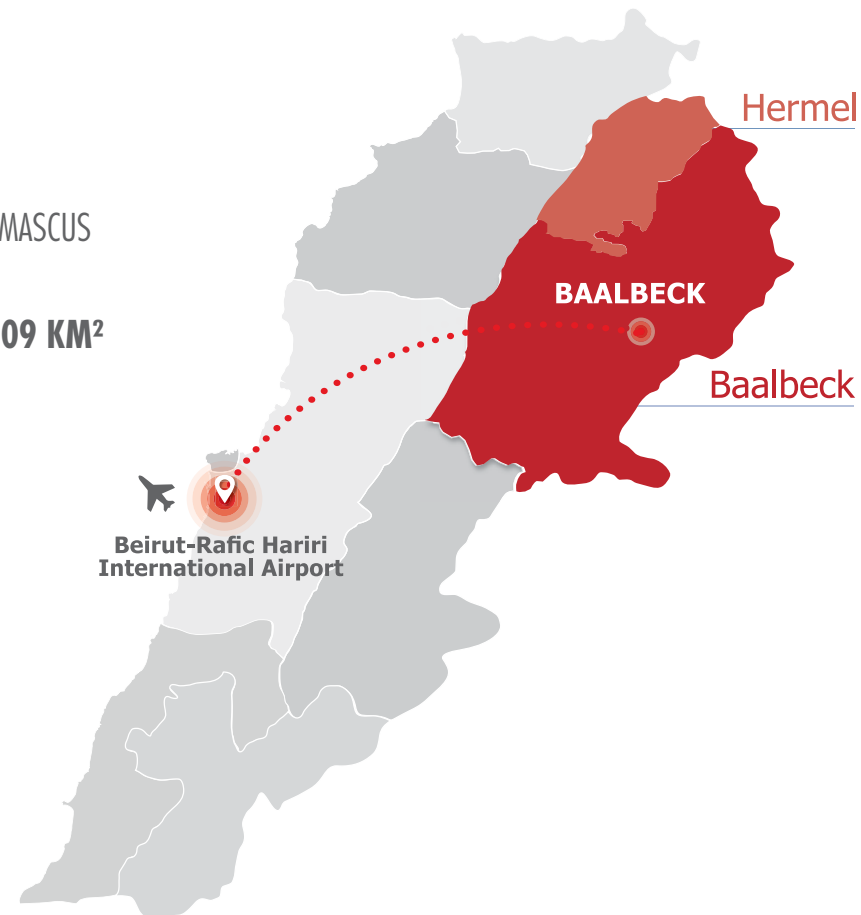
▶ **1 H 59MIN**

▶ **88.8 KM**

▶ VIA ZAHLE - BAALBECK HIGHWAY & BEIRUT DAMASCUS INTERNATIONAL HIGHWAY

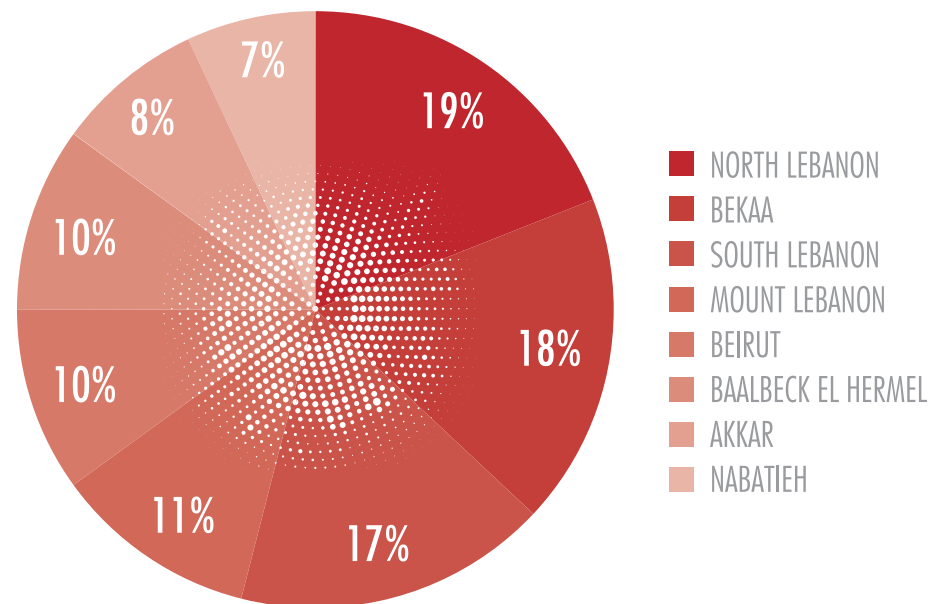
▶ BAALBECK EL HERMEL TOTAL AREA SIZE = **3,009 KM<sup>2</sup>**

▶ % OF TOTAL LEBANESE TERRITORY = **28.7%**



It is one of the least populated Governorate with around **416,000 inhabitants** and a low population density not exceeding **180 people/km<sup>2</sup>**...

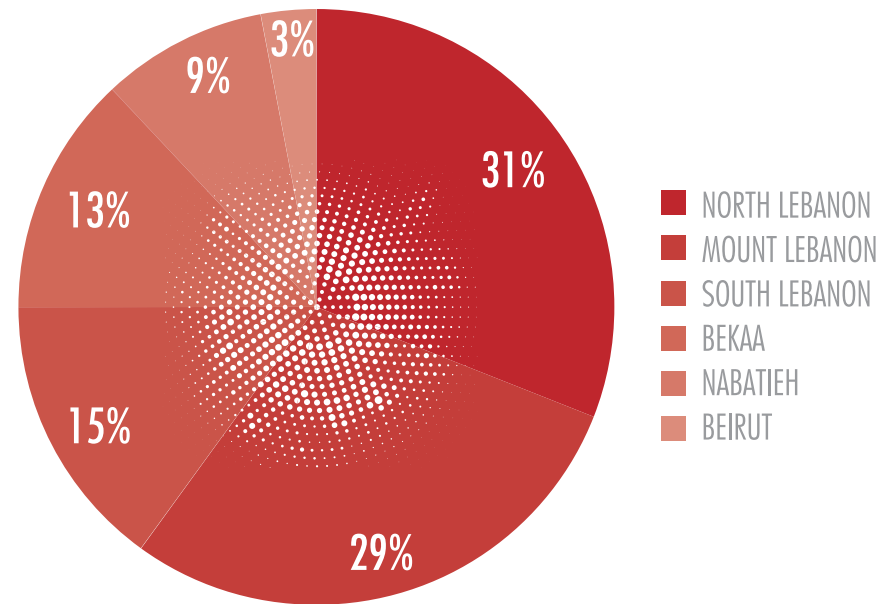
DISTRIBUTION OF POPULATION PER GOVERNORATE  
(2016)



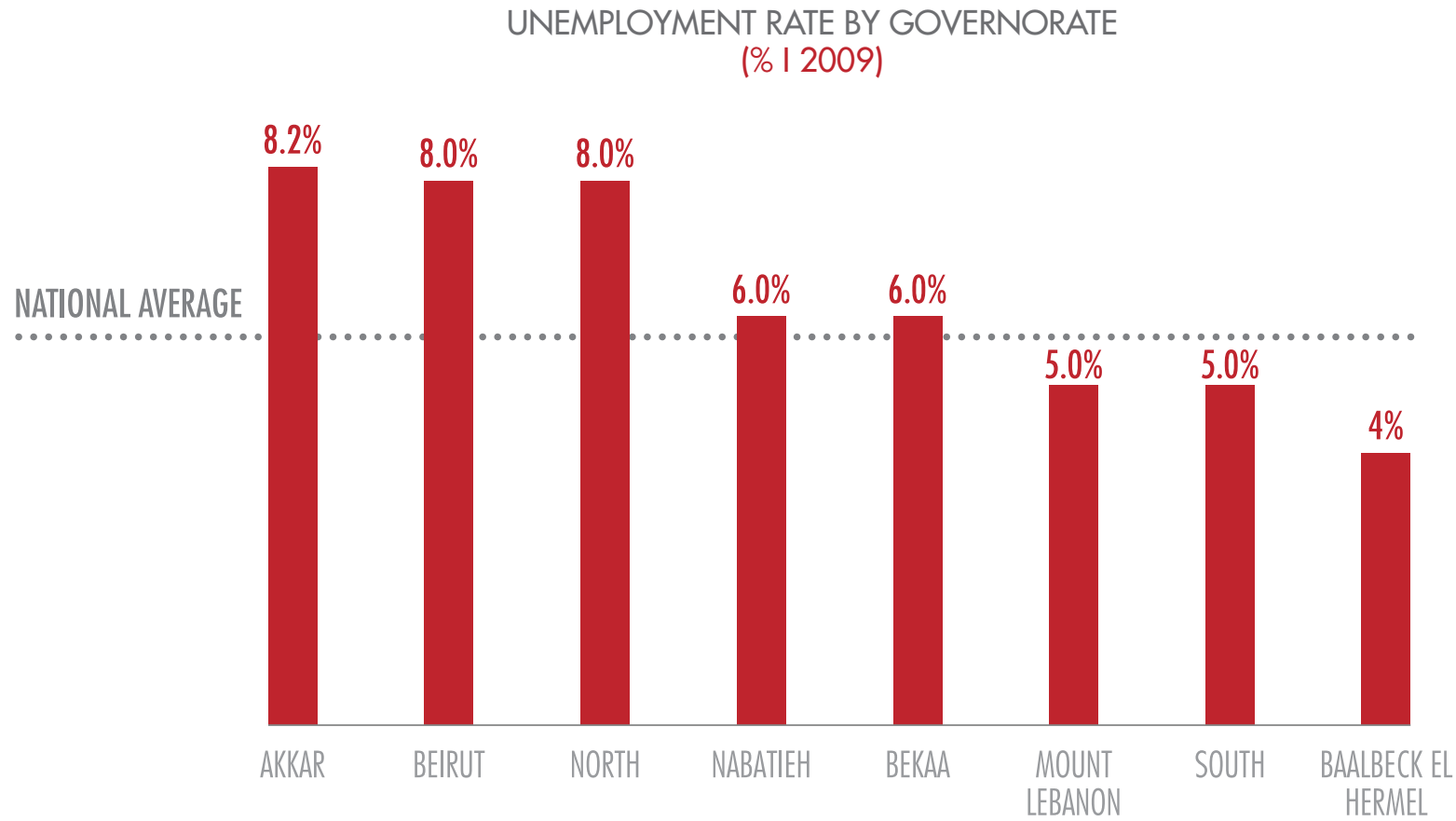
BAALBECK EL HERMEL TOTAL POPULATION = **416,427**  
POPULATION DENSITY = **180 PEOPLE/KM<sup>2</sup>**

...With **13%** of its population deprived

CONCENTRATION OF POOR HOUSEHOLDS PER GOVERNORATE  
% | 2014



Baalbeck El Hermel has the lowest unemployment rate in Lebanon reaching **4%** compared to a national average of **6.4%**



Source: *The Labour Market in Lebanon* - Najwa Yacoub, Lara Bdre 2011

A close-up photograph showing a person's hand, wearing a dark blue jacket with white and red stripes on the cuff, pouring a large quantity of golden wheat grains from a metal tray into a large, curved wooden trough. The grains are captured in mid-air, creating a dynamic sense of movement. The background is slightly blurred, showing industrial structures.

## II. COMPETITIVE ADVANTAGES OF BAALBECK EL HERMEL



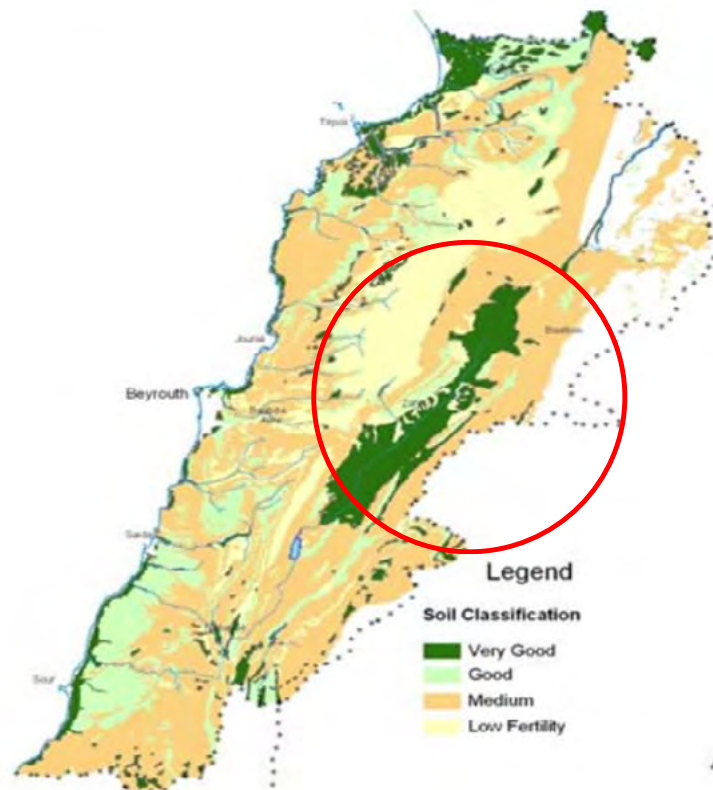
The competitive advantages of the district will be assessed along **4 dimensions**

## DIMENSIONS FOR ASSESSING BAALBECK EL HERMEL

- 1. ACCESS TO RESOURCES**
  - Natural Resources
  - Economic Activities
- 2. ACCESS TO HUMAN CAPITAL**
  - Technical & Vocational Schools
  - Universities
  - Labor Pool
- 3. ACCESS TO MARKETS**
  - Infrastructure
  - Export Activities
- 4. ACCESS TO FINANCE**
  - Banks & Financial Institutions
  - Kafalat Loans

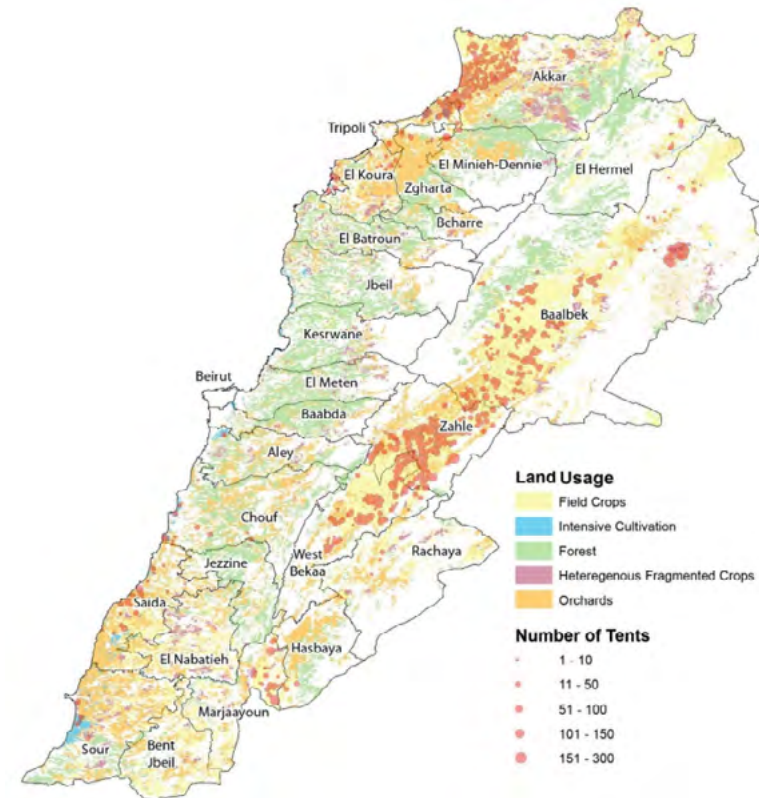
# The soil texture in Baalbeck provides a great potential for **field crop** and intensive cultivation...

SOIL CLASSIFICATION OF AGRICULTURAL DOMAIN IN LEBANON



Source: Council of Development & Reconstruction

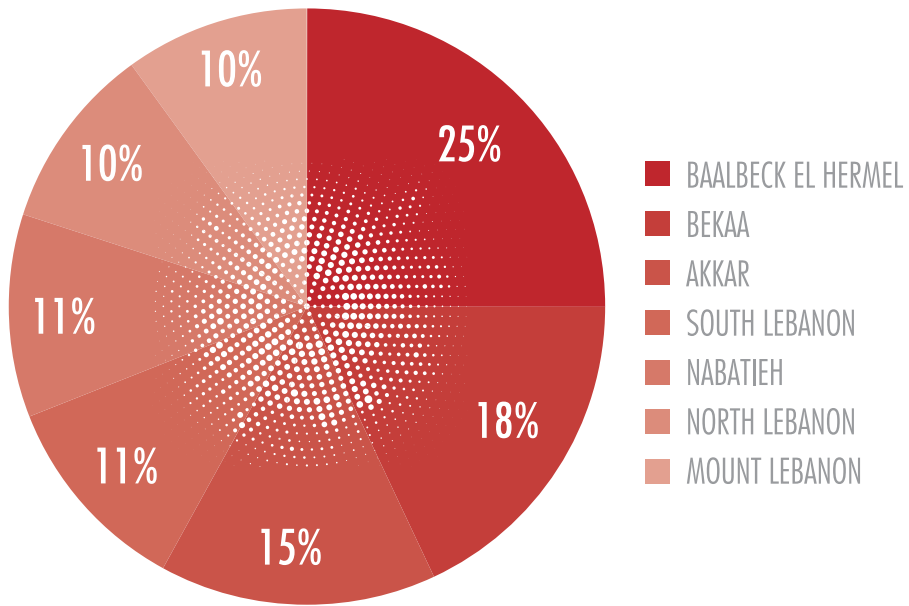
LAND USAGE AGRICULTURAL DOMAIN IN LEBANON



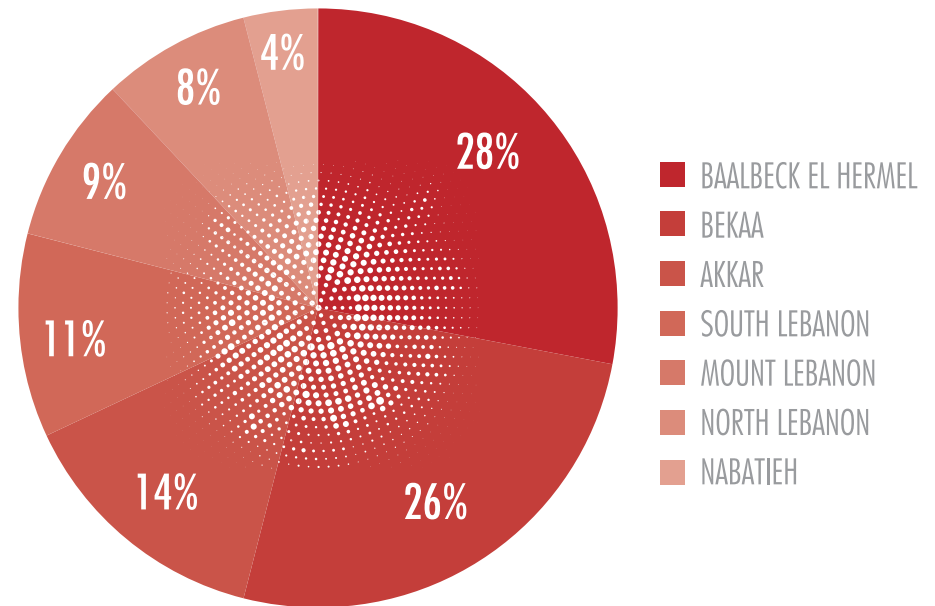
Source: Ministry of Agriculture

# ...as reflected in its share of **cultivated and irrigated lands**

CULTIVATED LAND BY GOVERNORATE  
(% SHARE | 2010\*)



IRRIGATED LAND BY GOVERNORATE  
(% SHARE | 2010\*)

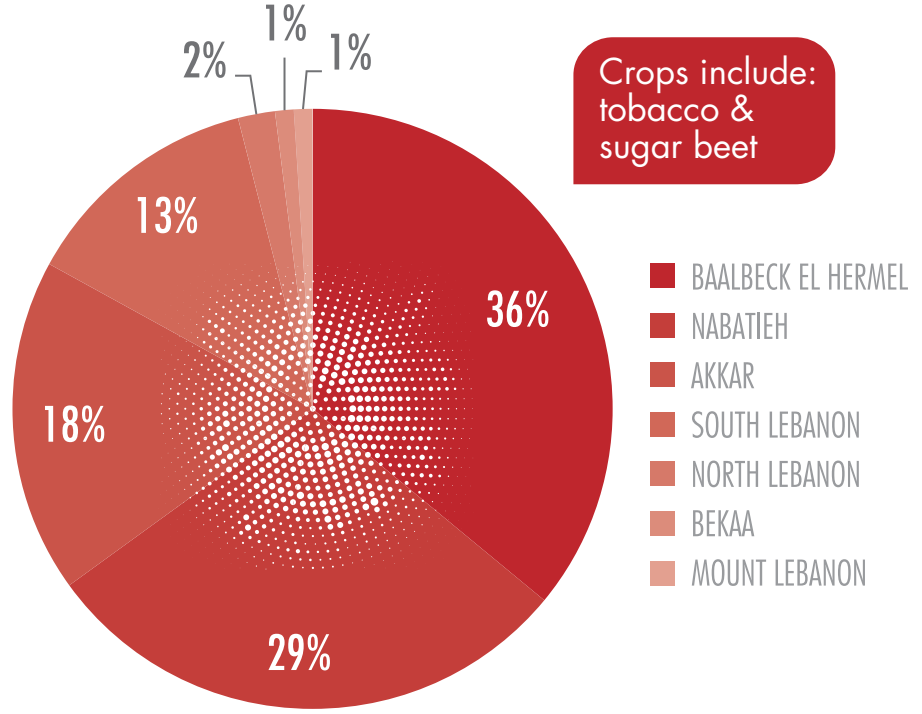


\*Latest Available Figures

Source: FAO, Agriculture in Lebanon: Facts & Figures, The Core Module of the Census of Agriculture 2010

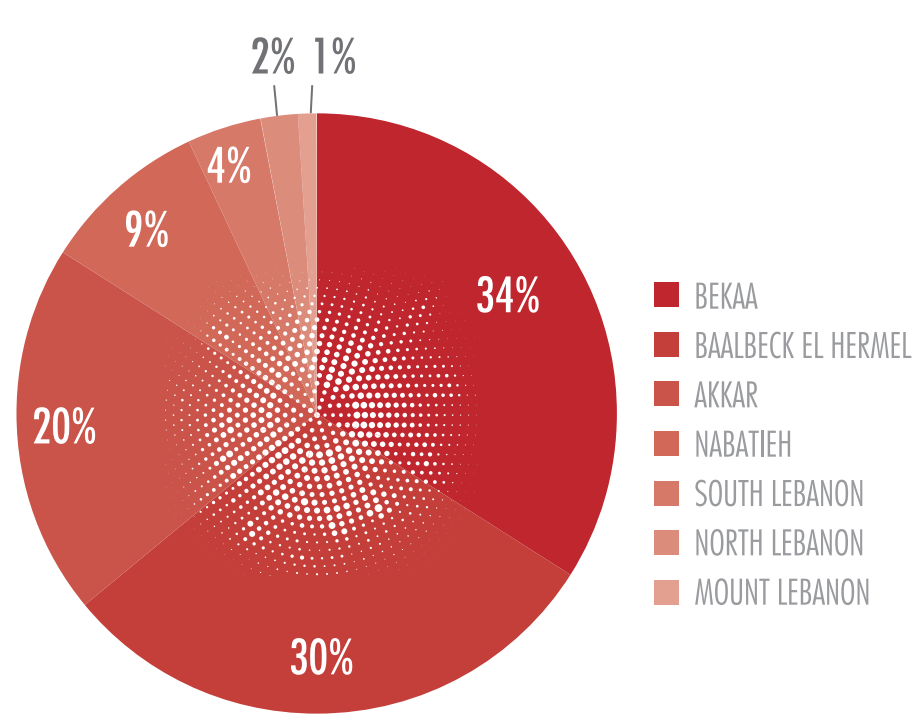
In terms of **crop production**, the governorate grasps the highest share of industrial crop and 2nd highest share of cereals production in Lebanon creating opportunity to generate an integrated value chain in bakery & confectionery products

DISTRIBUTION OF INDUSTRIAL CROP PRODUCTION BY GOVERNORATE (2010)



TOTAL INDUSTRIAL CROP PRODUCTION (E.G. SUGAR BEET, TOBACCO)= **9,699 HA**

DISTRIBUTION OF CEREALS PRODUCTION BY GOVERNORATE (2010)

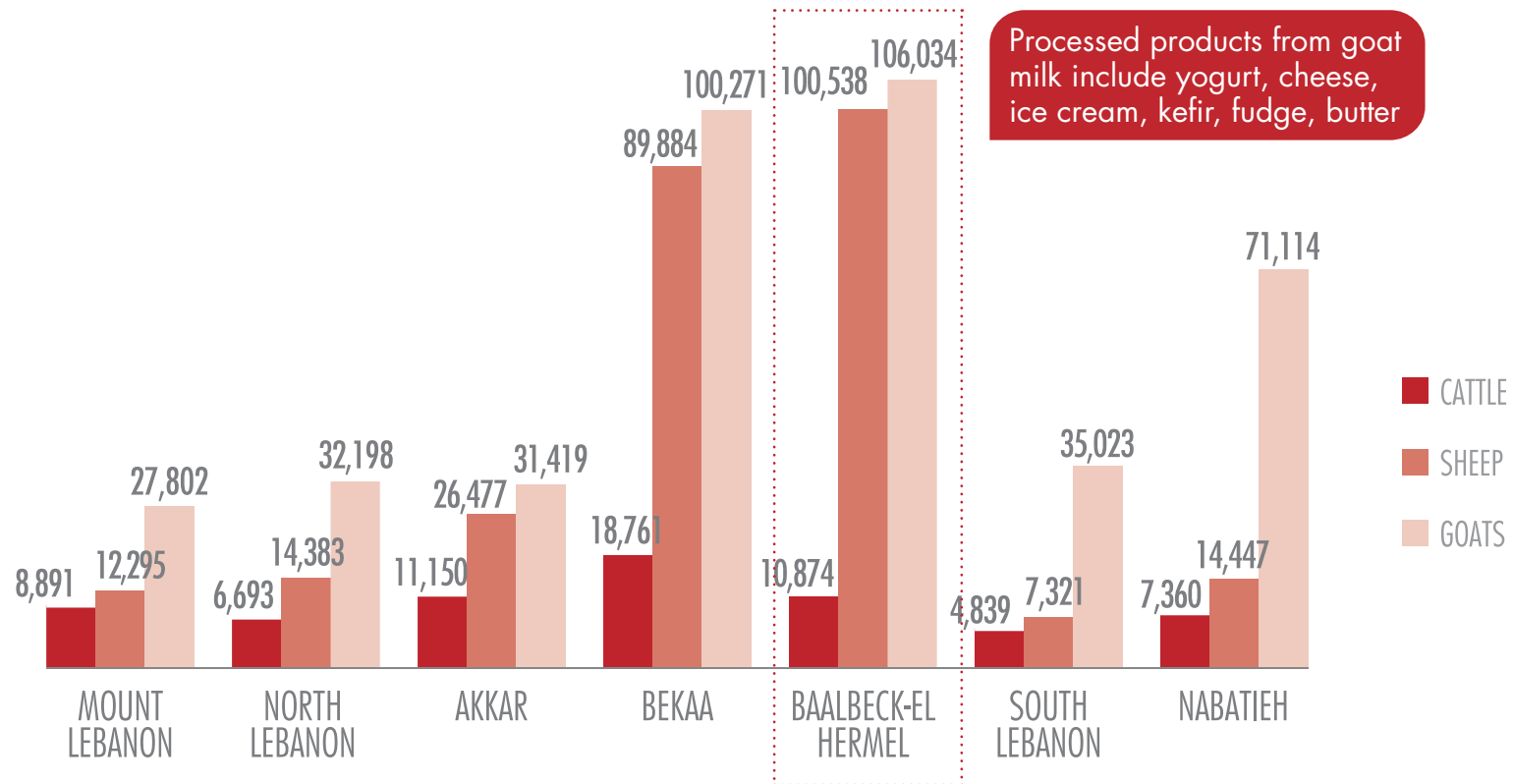


TOTAL CEREALS PRODUCTION = **44,924 HA**

Source: FAO, Agriculture in Lebanon: Facts & Figures, The Core Module of the Census of Agriculture 2010

## The Governorate also holds a considerable number of **livestock heads** creating opportunity to **expand goat dairy production**

DISTRIBUTION OF LIVESTOCK HEADS BY GOVERNORATE  
(2010\*)

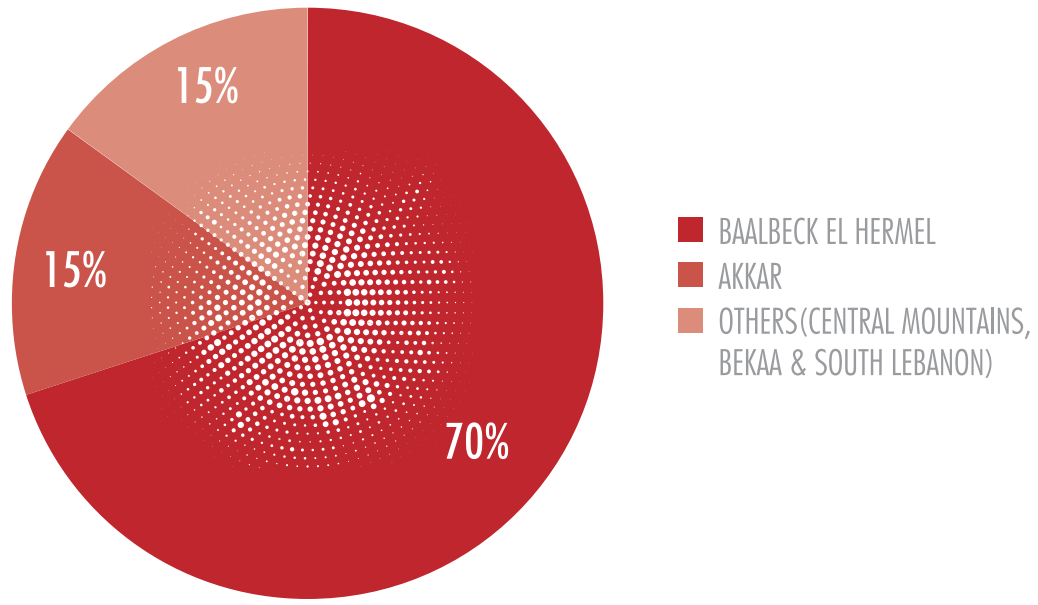


\*Latest Available Figures

Source: FAO, Agriculture in Lebanon: Facts & Figures, The Core Module of the Census of Agriculture 2010

The Hermel district enjoys the presence of the **Assi river** (7km length) which makes the district **one of the major hydrographic regions in Lebanon** creating opportunities to boost fish farming and meet the local demand

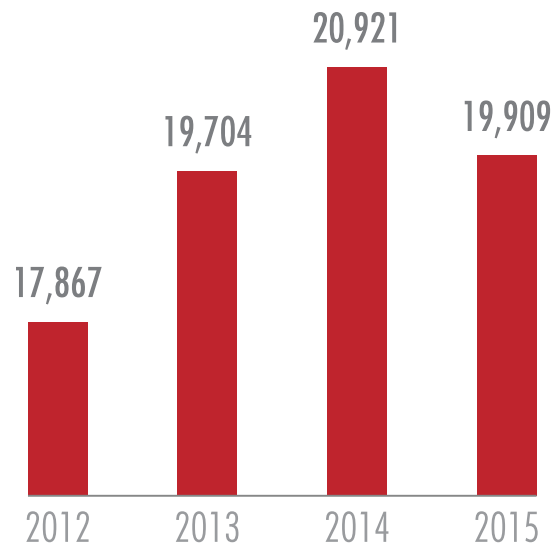
DISTRIBUTION OF AQUACULTURE FARMS IN LEBANON  
(% SHARE | 2010)



TOTAL NUMBER OF FARMS = 220

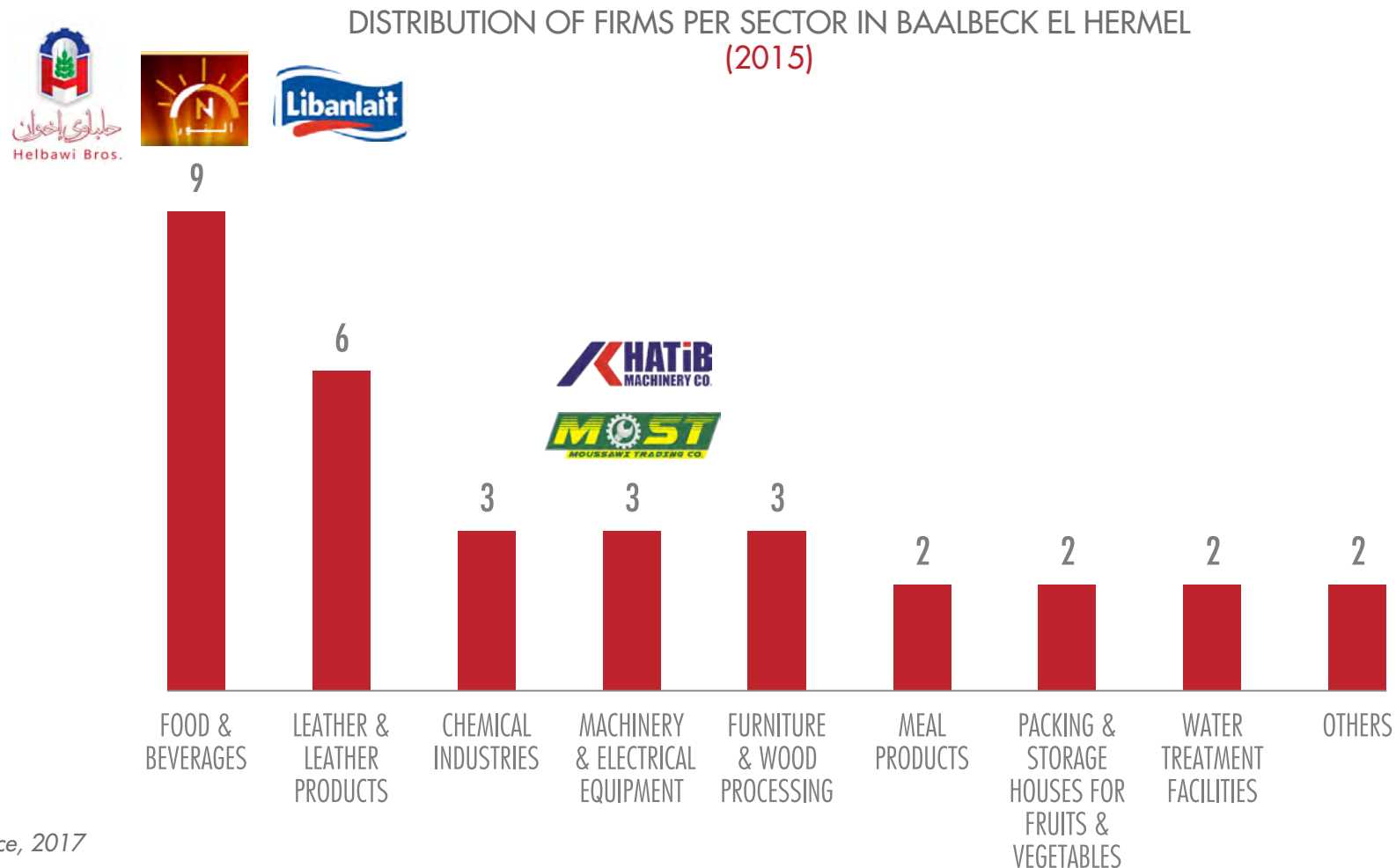
Source: Food & Agriculture Organization of the United Nations (FAO)

VALUE OF IMPORTED FISH  
(TONS | 2012-2015)



Source: Lebanese Customs

On the Industrial level, around **32 industrial firms** are located in the governorate, **34%** which are engaged in agro-food related activities



Source: Ministry of Finance, 2017

The Baalbeck district will also include a **new industrial zone with a total surface area of 512,000 sqm & comprising 88 plots**

#### INDUSTRIAL ZONE IN BAALBECK

|  |  |
|--|--|
| <b>AREA SIZE</b>                             | <b>512,000 SQM</b>   |
| <b>INVESTMENT SIZE</b>                       | <b>USD 18 MILLION</b>  |
| <b>INFRASTRUCTURE</b>                        | Equipped with roads, water, waste treatment plants, sewage system, power generation & piping |
| <b>JOB CREATION<br/>(CONSTRUCTION PHASE)</b> | <b>530 JOBS</b>  |
| <b>JOB CREATION<br/>(OPERATIONAL PHASE)</b>  | <b>3,895 JOBS</b>  |
| <b>EXPECTED DATE OF OPERATION</b>            | <b>2019</b>  |
| <b>DONORS</b>                                | Italian Government, European Bank for Reconstruction & Development & World Bank              |

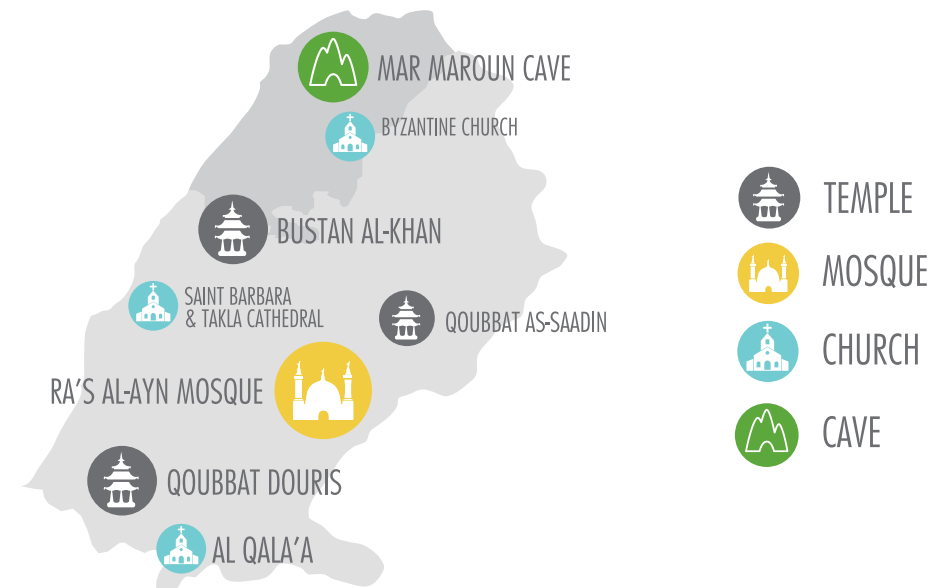


Baalbeck hosts one of the **largest temples of the Roman Empire** which was designated a **World Heritage site** and is the **2nd most visited site** in Lebanon....

MOST VISITED ARCHEOLOGICAL SITES IN LEBANON  
(2010)

| SITE            | NO. OF VISITORS |
|-----------------|-----------------|
| JEITA GROTTA    | 430,000         |
| BAALBECK        | 150,000         |
| JBEIL           | 100,000         |
| BEIT ED-DINE    | 100,000         |
| TYRE            | 50,000          |
| NATIONAL MUSEUM | 50,000          |



MAP OF BAALBECK EL HERMEL TOURISTIC ATTRACTIONS



# ...With more than 30 religious touristic attractions

NON EXHAUSTIVE

RELIGIOUS TOURISTIC ATTRACTIONS IN BAALBECK EL HERMEL

|  |   |   | TOTAL NUMBER OF SITES  |
|--|---|---|------------------------|
|   | <p><b>BAALBECK</b></p> <ul style="list-style-type: none"> <li>▪ Saint Barbara &amp; Takla Cathedral</li> <li>▪ Saint Georges Church</li> <li>▪ Saydet Al Ma'aounet Church</li> <li>▪ Mar Gerges Ancient Church</li> <li>▪ Saydet Bechouat Ancient Church</li> <li>▪ Al Saydeh Ancient Monastery</li> <li>▪ Saint Paul Ancient Church</li> <li>▪ Saint John Church</li> <li>▪ Saint Joseph Church</li> <li>▪ Lady Al Bechara Ancient Church</li> <li>▪ Mar Elias Church</li> <li>▪ Al Qala'a Church</li> </ul> | <ul style="list-style-type: none"> <li>▪ Al Oumawi Al Kabir Mosque</li> <li>▪ Al Hanbalee Mosque</li> <li>▪ Al Sayda Khaoula Shrine</li> <li>▪ Al Nahr Mosque</li> <li>▪ Al Maqased Mosque</li> <li>▪ Qoubbat Al Amjad</li> <li>▪ Al Nabi Chiit Shrine</li> </ul> | <p><b>30 SITES</b></p> |
|  | <p><b>EL HERMEL</b></p> <ul style="list-style-type: none"> <li>▪ Byzantine Church</li> <li>▪ Mar Maroun Cave</li> <li>▪ Brissa monuments</li> </ul>   |   |                        |

However the region lacks hotel rooms that would cater for the increasing cultural and religious tourism

HOTELS & MOTELS IN BAALBECK EL HERMEL  
(2017)

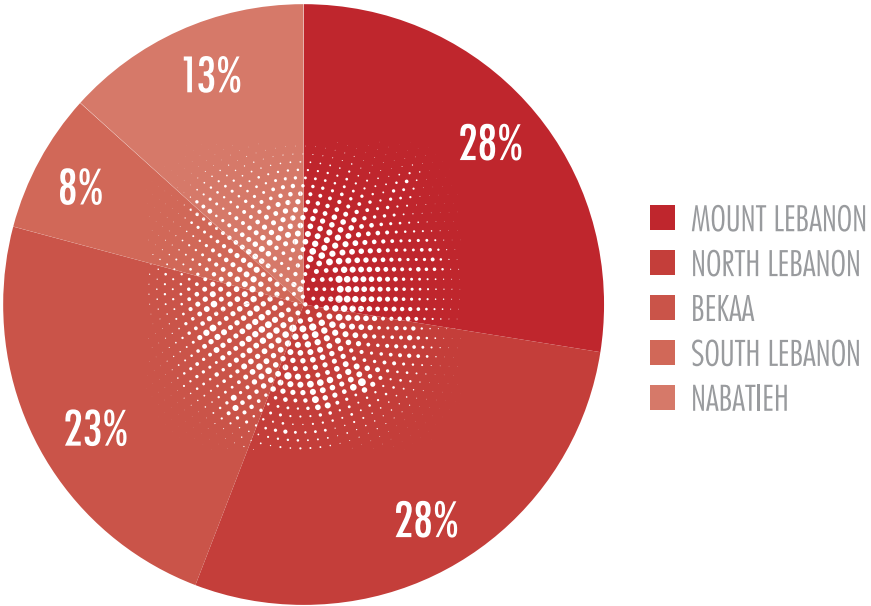
| HOTEL/MOTEL        | DESCRIPTION              |
|--------------------|--------------------------|
| PALMYRA            | 3 STARS HOTEL (20 ROOMS) |
| LA MEMOIRE         | 3 STARS HOTEL (9 ROOMS)  |
| KANAAN GROUP HOTEL | 3 STARS HOTEL (40 ROOMS) |
| L' ANNEXE          | BOUTIQUE HOTEL (5 ROOMS) |
| AL JAMMAL          | MOTEL (5 ROOMS)          |
| CHOUMAN            | MOTEL (5 ROOMS)          |

TOTAL N OF ROOMS = **84 ROOMS**  
TOTAL NUMBER OF TOURISTS = **150,000 (2010)**

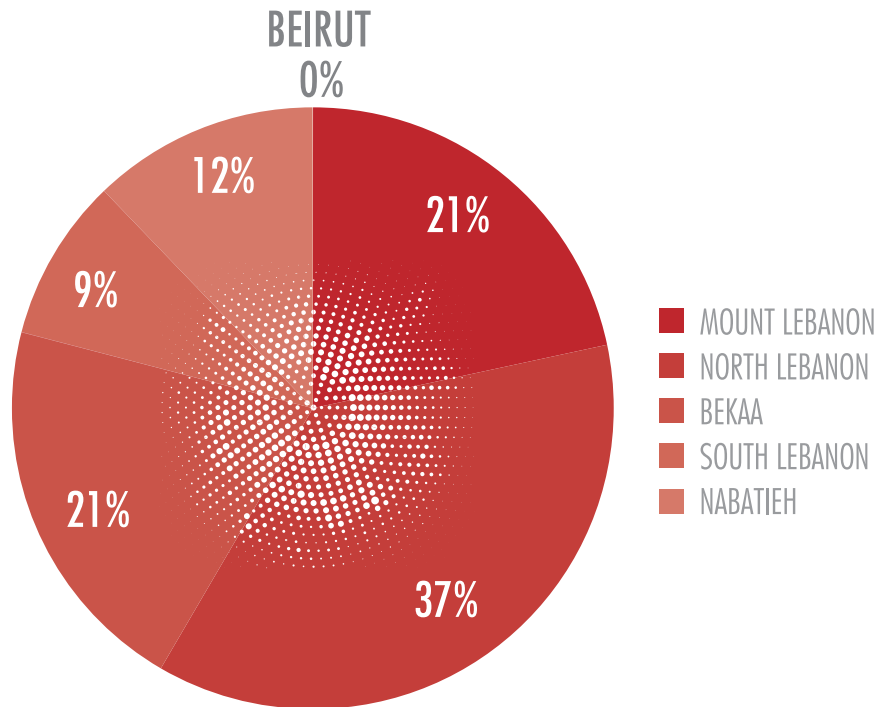
Bekaa (including Baalbeck El Hermel) is home to **23% of the country's public technical schools** and **21% of total students**



DISTRIBUTION OF PUBLIC TECHNICAL SCHOOLS BY GOVERNORATE 2015-2016



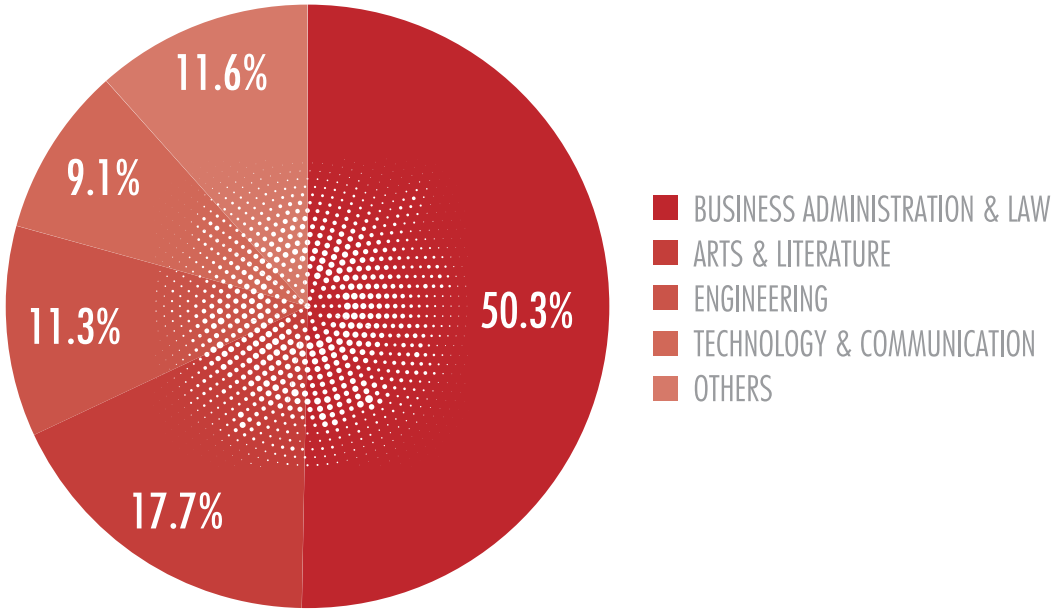
DISTRIBUTION OF PUBLIC TECHNICAL SCHOOL STUDENTS BY GOVERNORATE 2015-2016



Source: The Center for Educational Research & Development, 2016

In addition to 2 universities enrolling around **8,200 students**, the majority of whom **graduate with a degrees in Business Administration & Law**

DISTRIBUTION OF REGISTERED STUDENTS IN BAALBECK EL HERMEL PER MAJOR (2016)

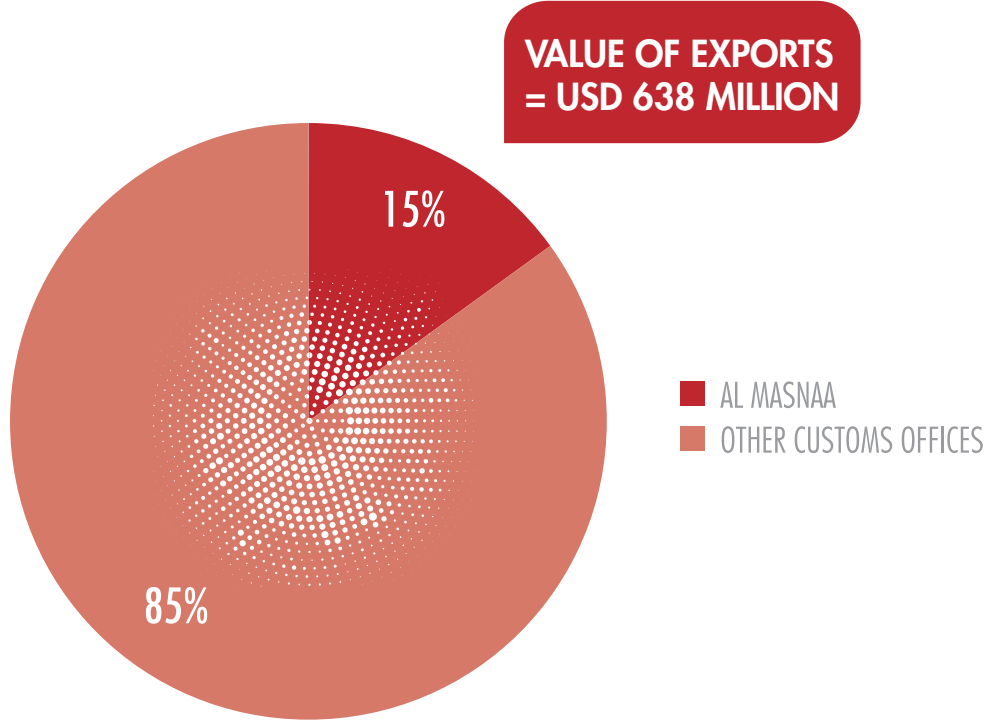


REGISTERED STUDENTS = 8,200

Source: Ministry of Education & Higher Education, IDAL Analysis

In terms of access to markets, **the Governorate is 48 km away from Al Masnaa**, the main customs office between Lebanon and Syria

LEBANESE EXPORTS THROUGH AL MASNAA  
(%SHARE | 2010)



Source: Lebanese Customs

In addition to the availability of **Rayak airport** (30km away from Baalbeck) which could serve as a main export gateway once operational

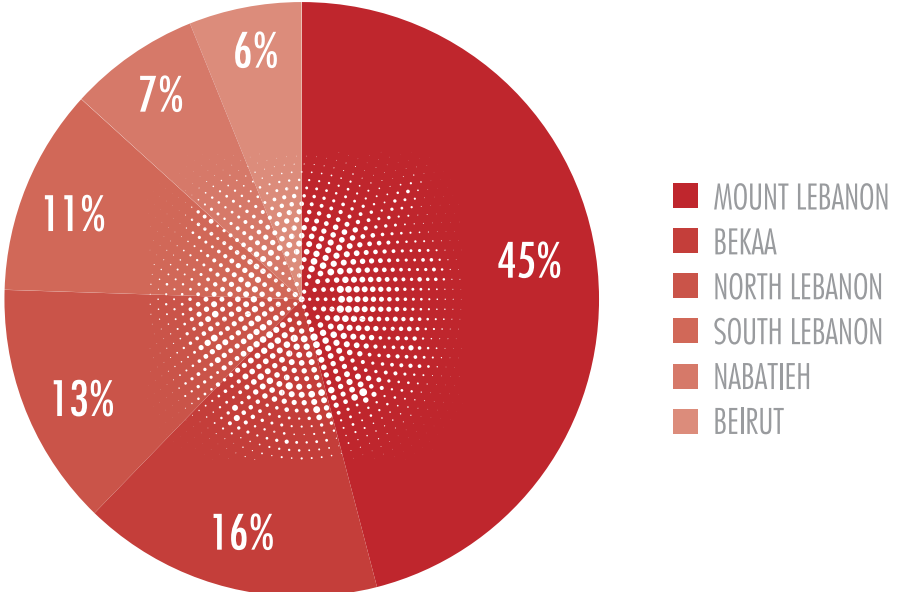
RAYAK AIRPORT



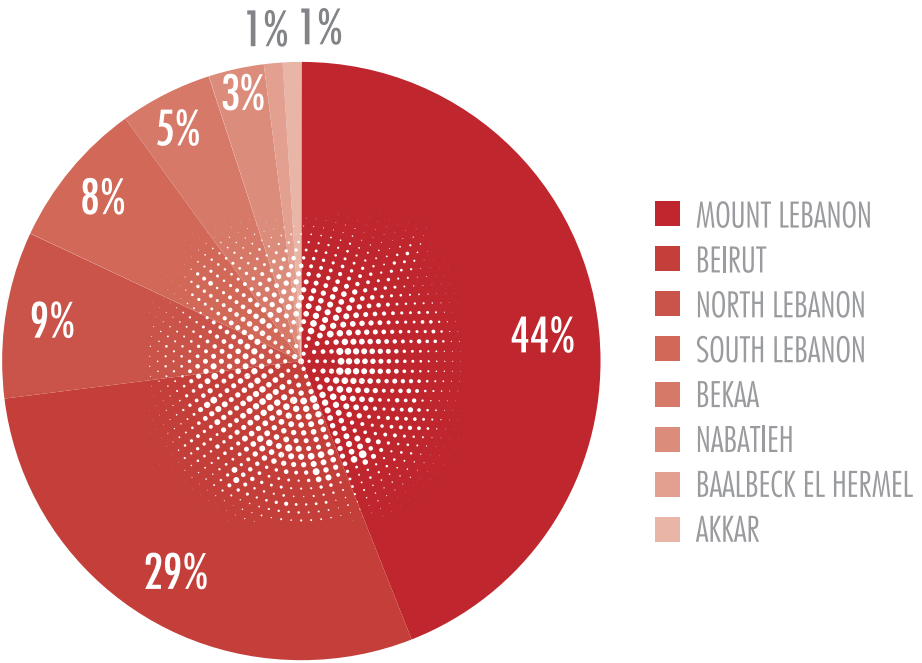
Source: Lebanese Air Forces

On the financial level, the Bekaa including Baalbeck El Hermel accounts for **16%** of total kafalat loans in Lebanon however lacks enough commercial banks

DISTRIBUTION OF KAFALAT LOANS IN LEBANON  
% | 2017



DISTRIBUTION OF COMMERCIAL BANK BRANCHES IN LEBANON  
% | 2017



Source: IDAL Analysis



The competitive advantages of the governorate can be summarized as follow

## DIMENSIONS FOR RATING BAALBECK EL HERMEL

1.

### ACCESS TO RESOURCES

- **Natural Resources:** Assi river and fertile land
- **Economic activities:** 25% of cultivated land in Lebanon

2.

### ACCESS TO HUMAN CAPITAL

- **Technical and Vocational Schools:** 23% of the country's public technical schools are located in Bekaa & Baalbeck El Hermel
- **Universities:** 2 universities with around 8,254 students. The majority of students graduates in business and law
- **Labor pool:** specialized in agriculture and agro-food

3.

### ACCESS TO MARKETS

- **Infrastructure:** access to Rayak Air Base (30mins away from Baalbeck)
- **Export Activity:** 15% of Lebanese exports are cleared through Al Masnaa customs office (54 mins away from Baalbeck)

4.

### ACCESS TO FINANCE

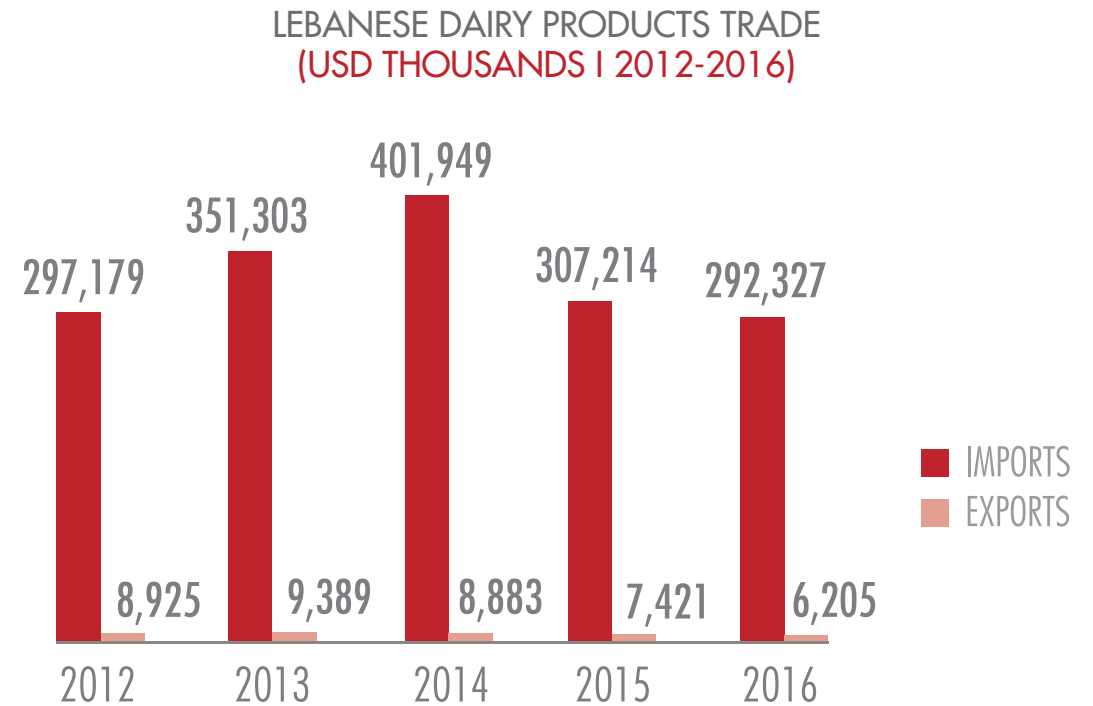
- **Financing:** 16% of the country's kafalat Loans and 1% of commercial bank branches



### **III. INVESTMENT OPPORTUNITIES IN BAALBECK EL HERMEL**

# The Dairy sector in Baalbeck El Hermel has a great potential for growth given the availability of farming locations & the increasing demand for dairy products

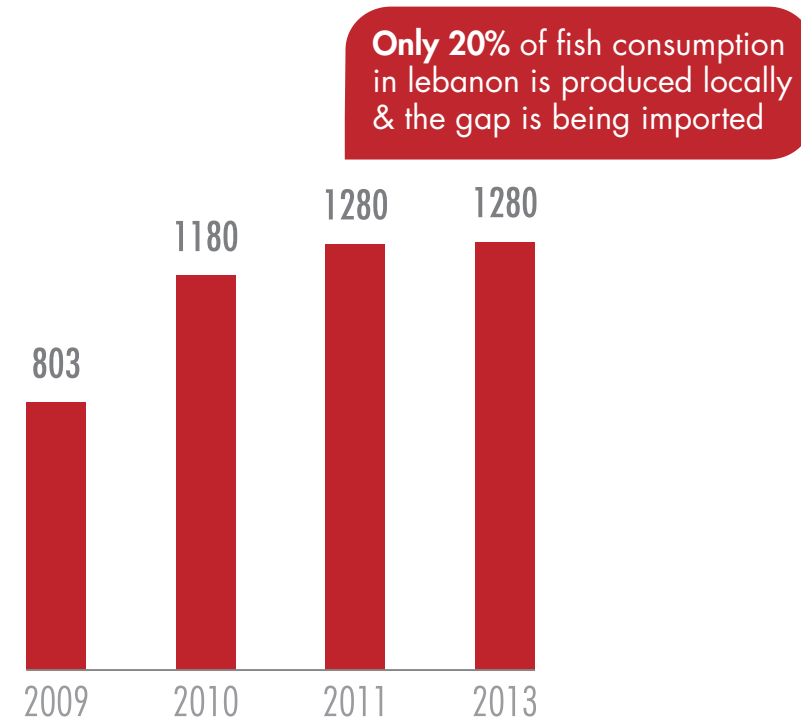
- The sector in Lebanon is dominated by a large number of SMEs with **Liban Lait biggest dairy firm** in addition to other Dairy Khoury & Co, Skaff Dairy, Jaber & Sons, Taanayel les fermes and Hawa Dairy
- Lebanese consumers' interest in health and wellness is growing rapidly which creates new opportunities for manufacturing organic dairy products particularly those targeted to children such as:
  - **FLAVORED MILKS**
  - **DAIRY SNACKS**



## Also, the **Recirculating Aquaculture System RSA** represents a new way of aquaculture farming at Assi river borders

- The 2 main aquaculture species culture in Lebanon are **Rainbow Trout (90% of total aquaculture production) & Tilapia (10%)**
- **Fish production** is far below the potential production capacity that could be attained through implementing new farming system such as Recirculating Aquaculture System (RAS)
- This technique allows the cultivation of new fish species in Lebanon such as Barramundi, Sea Bass, Stripped Bass & other species

AQUACULTURE FISH PRODUCTION IN LEBANON  
(TONS | 2009-2013)



# Potential clustering options for Baalbeck El Hermel revolve around the agro-food and aquaculture sectors

## POTENTIAL CLUSTER OPTIONS FOR BAALBECK EL HERMEL

| POTENTIAL CLUSTERS / CRITERIA                                | ACCESS TO LABOR | LOWER LABOR COST | AVAILABILITY OF LAND | LOW COST OF LAND | INFRA-STRUCTURE |
|--|-----------------|------------------|----------------------|------------------|-----------------|
| AGRO-FOOD<br>(DAIRY CLUSTER WITH LINKAGES TO ANIMAL FARMING) | ✓               | ✓                | ✓                    | ✓                | ✓               |
| FISHERIES CLUSTER<br>(AQUACULTURE FISH FARMING)              | ✓               | ✓                | ✓                    | ✓                | ✗               |

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