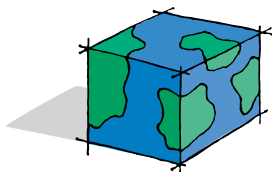




INVESTMENT DEVELOPMENT
AUTHORITY OF **LEBANON**

Presidency of the Council of Ministers

INVESTMENT OPPORTUNITIES IN LEBANON 2019



IDAL

INVEST IN **LEBANON**

investinlebanon.gov.lb

HEADLINES

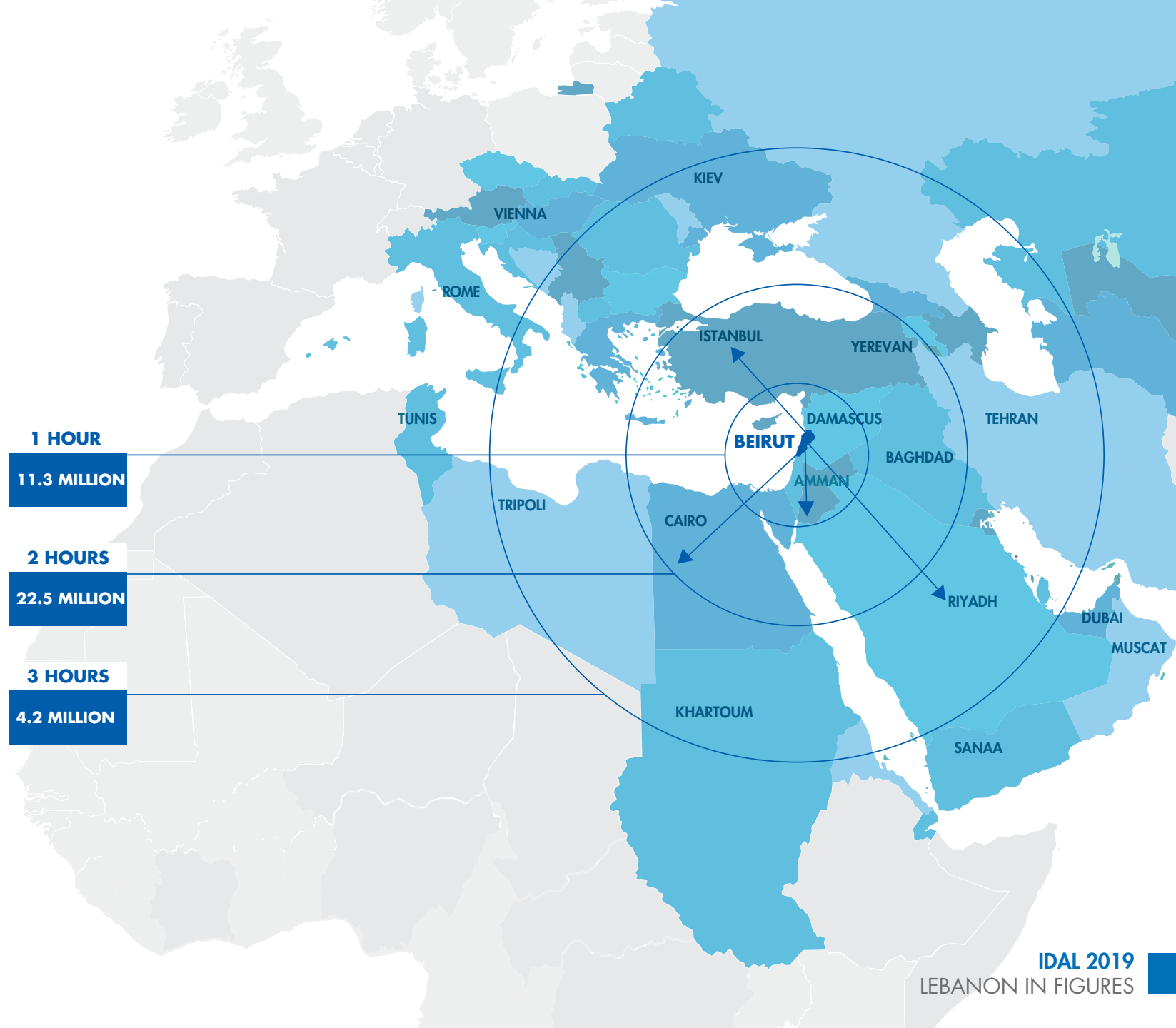
1. LEBANON IN FIGURES

2. LEBANON'S COMPETITIVE ADVANTAGES

3. INVESTMENT OPPORTUNITIES

4. ABOUT IDAL

**LEBANON IS
LOCATED AT THE
CROSSROAD OF
EAST & WEST
LINKING ITS
POPULATION
TO A MARKET
OF MORE THAN
500 MILLION
PEOPLE**





INVESTMENT REGULATORY FRAMEWORK

- ▶ FREE MARKET ECONOMY
- ▶ NON-INTERVENTIONIST STANCE TOWARDS PRIVATE INVESTMENTS
- ▶ NO RESTRICTIONS ON THE MOVEMENT OF CAPITAL, PROFITS AND DIVIDENDS
- ▶ ONE OF THE MOST LIBERAL INVESTMENT CLIMATES IN THE MIDDLE EAST
- ▶ FOREIGN AND DOMESTIC INVESTORS HAVE ACCESS TO LOCAL COURTS AND TO COMMERCIAL ARBITRATION
- ▶ LEBANON IS A SIGNATORY OF THE 1965 CONVENTION ON THE SETTLEMENT OF INVESTMENT DISPUTES BETWEEN STATES AND INVESTORS (ICSID CONVENTION)
- ▶ LEBANON HAS A NATIONAL INVESTMENT GUARANTEE AGENCY AND IS A MEMBER OF THE MULTILATERAL INVESTMENT GUARANTEE AGENCY (MIGA)



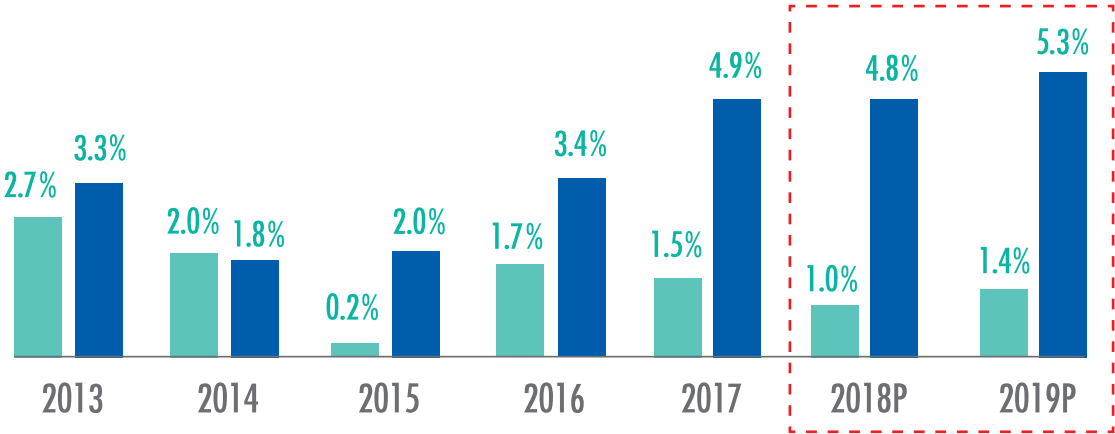
ECONOMIC PROFILE (2018)

- ▶ GDP AT CURRENT PRICES (USD BILLION): **54.18**
- ▶ GDP PER CAPITA (CURRENT USD): **12,013**
- ▶ REAL GDP GROWTH: **1%**
- ▶ AVERAGE INFLATION RATE: **4.4%**
- ▶ TRADE BALANCE (USD MILLION): **-13,110**
- ▶ FDI INFLOWS (USD BILLION - 2017): **2.63**
- ▶ UNEMPLOYMENT RATE (EST. 2017): **6.3%***

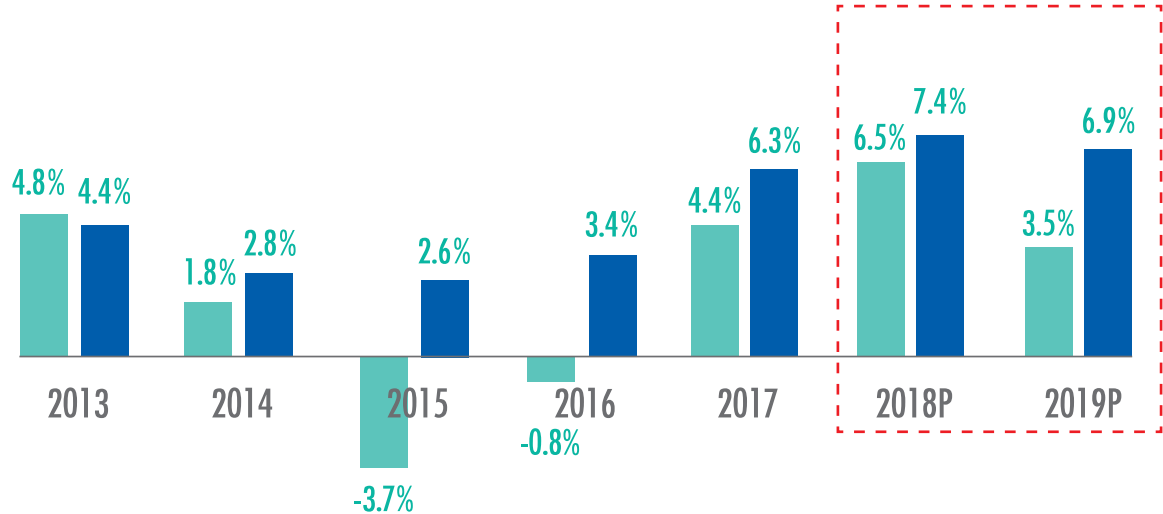
Source: International Monetary Fund (IMF Estimates), Central Bank of Lebanon, Lebanese Customs Administration, UNCTAD, *International Labor Organization (ILO)

LEBANON HAS A RESILIENT ECONOMY DESPITE THE CHALLENGING REGIONAL ENVIRONMENT

REAL GDP GROWTH (% | 2013-2019)



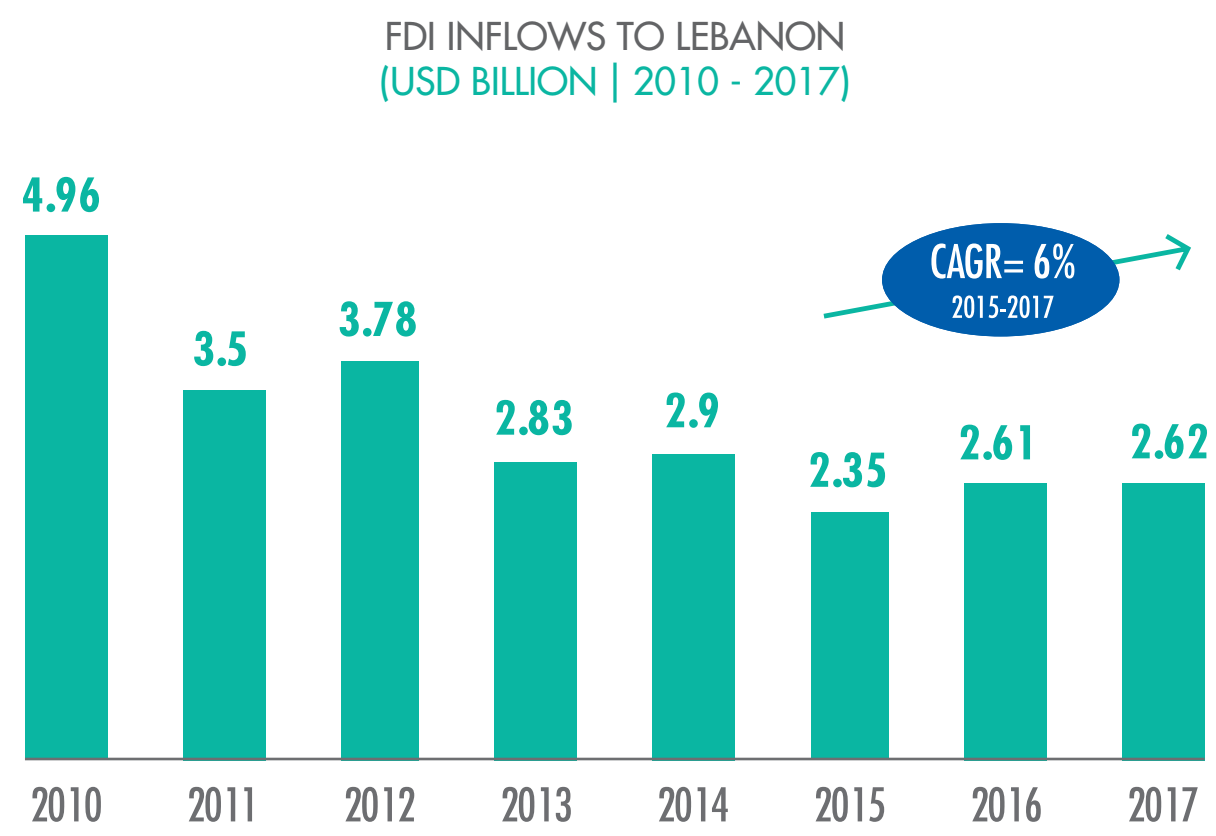
INFLATION (YEAR-OVER-YEAR % CHANGE | 2013-2019)



LEBANON
MENA

Source: IMF, 2018.

FOREIGN INVESTMENTS TO LEBANON HAVE SUSTAINED A STABLE FLOW DESPITE A REGIONAL & WORLDWIDE DECLINE IN FDI

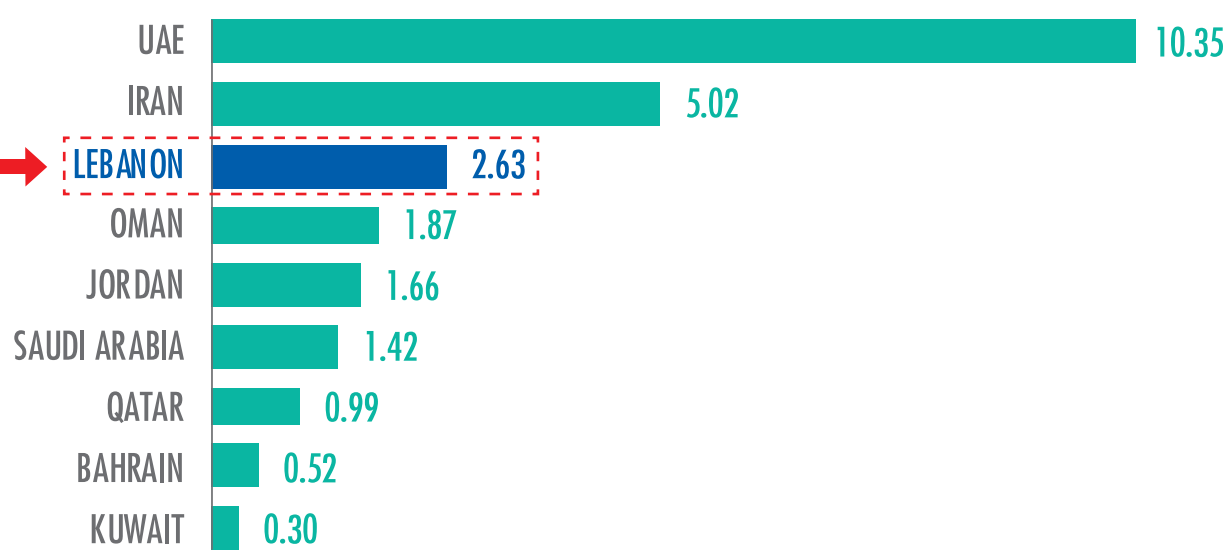


Note: FDI to West Asia dropped from USD 31 billion in 2016 to USD 26 billion in 2017.

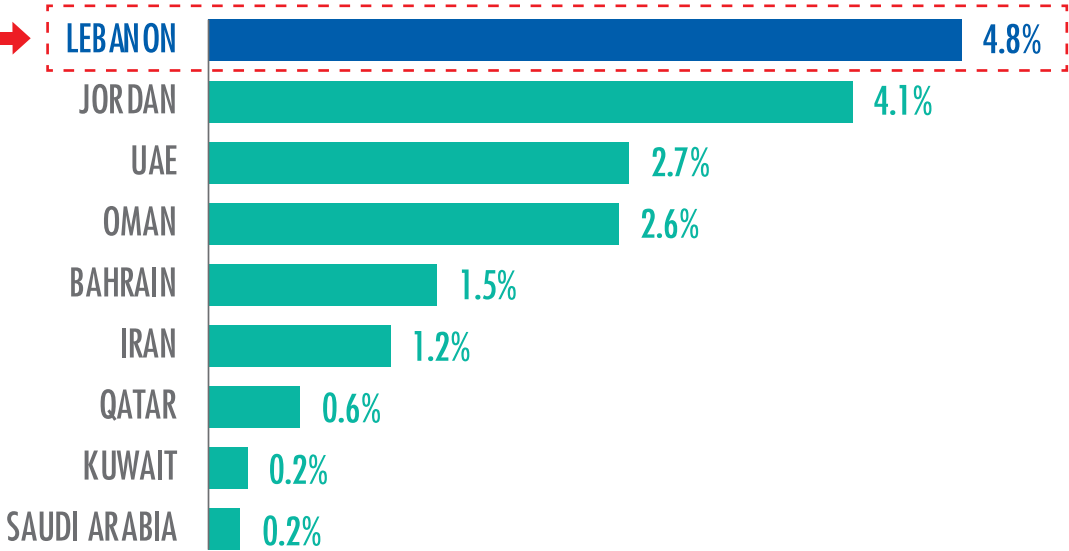
Source: UNCTAD - World Investment Report 2018

FDI FLOWS TO LEBANON REMAIN THE HIGHEST AMONG NON-OIL ECONOMIES IN THE REGION, HIGHLIGHTING THE COUNTRY'S ATTRACTIVENESS TO INVESTORS

FDI INFLOWS IN SELECTED MENA COUNTRIES
(USD BILLION | 2017)



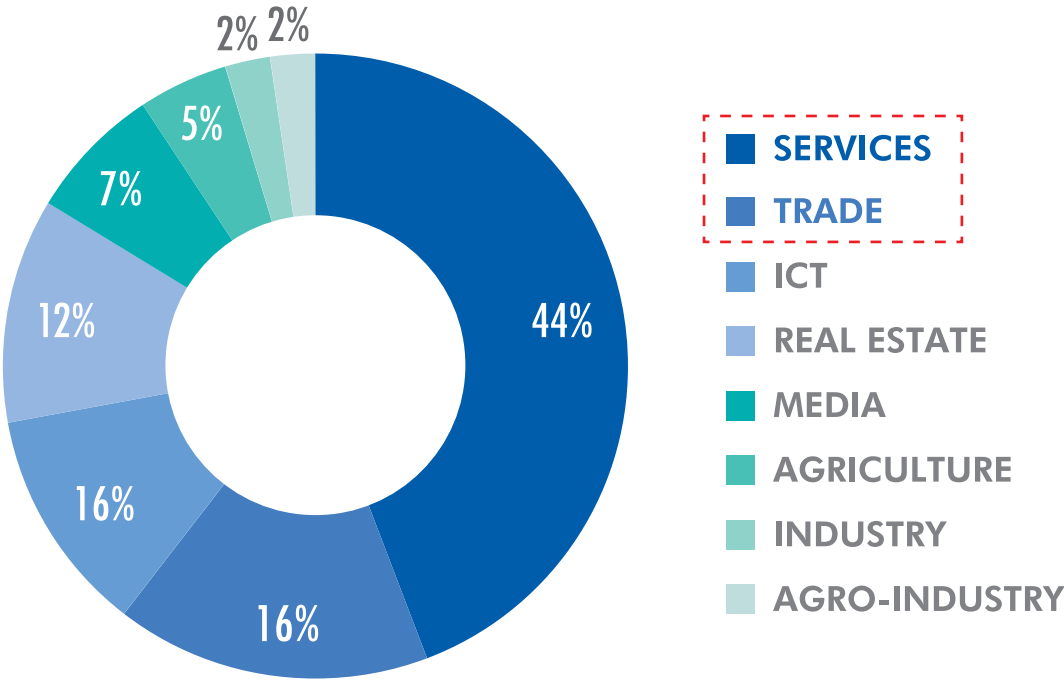
FDI AS % OF GDP IN SELECTED MENA COUNTRIES
(% | 2017)



Source: UNCTAD, IMF.

LEBANON IS MAINLY A SERVICE-ORIENTED ECONOMY & FOREIGN INVESTMENTS REMAIN CONCENTRATED IN THE SERVICES & TRADE SECTOR

DISTRIBUTION OF FOREIGN COMPANIES BY SECTOR
(% | 2017)



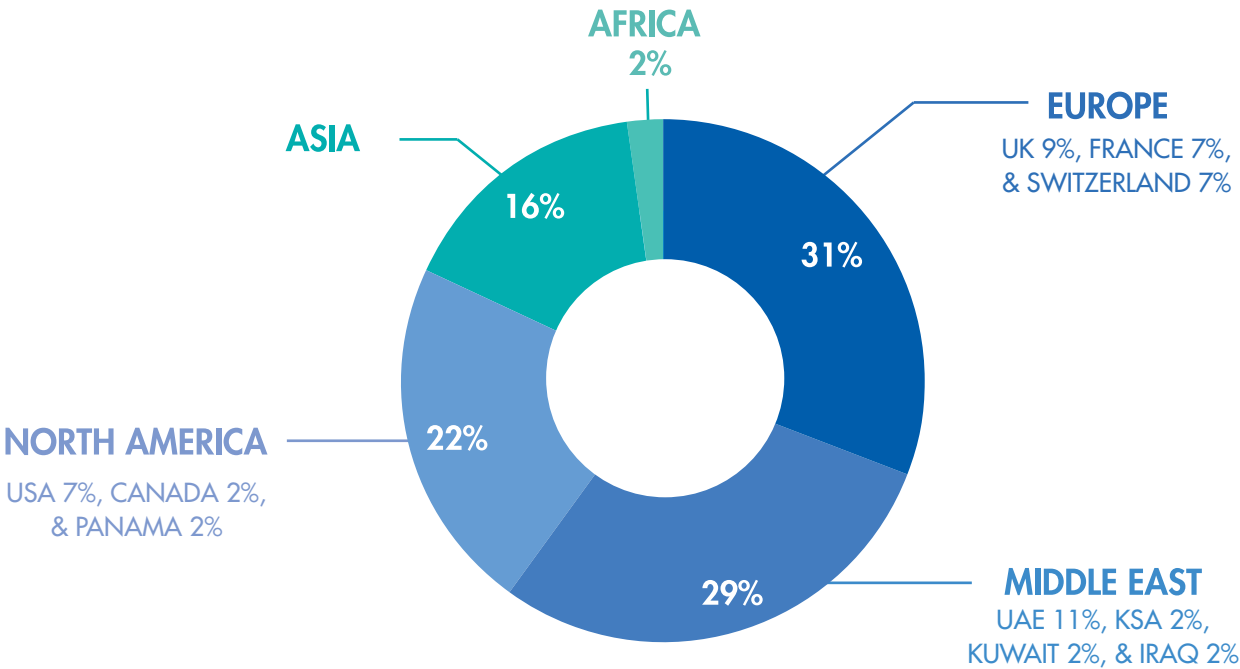
Source: IDAL's Calculations, Financial Times, Ministry of Economy & Trade.

Non-Exhaustive List



ARAB AND EUROPEANS ARE THE LARGEST INVESTORS IN LEBANON

DISTRIBUTION OF FOREIGN COMPANIES BY COUNTRY OF ORIGIN
(% | 2017)



Source: fDi Markets - The Financial Times, Ministry of Economy & Trade, and IDAL.

HEADLINES

1. LEBANON IN FIGURES

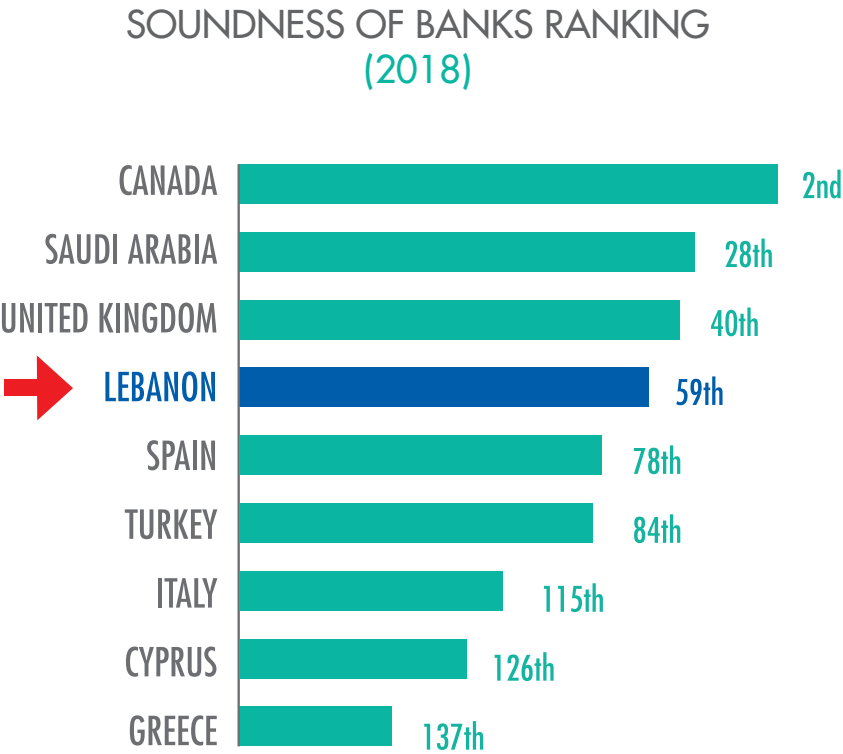
2. LEBANON'S COMPETITIVE ADVANTAGES

3. INVESTMENT OPPORTUNITIES

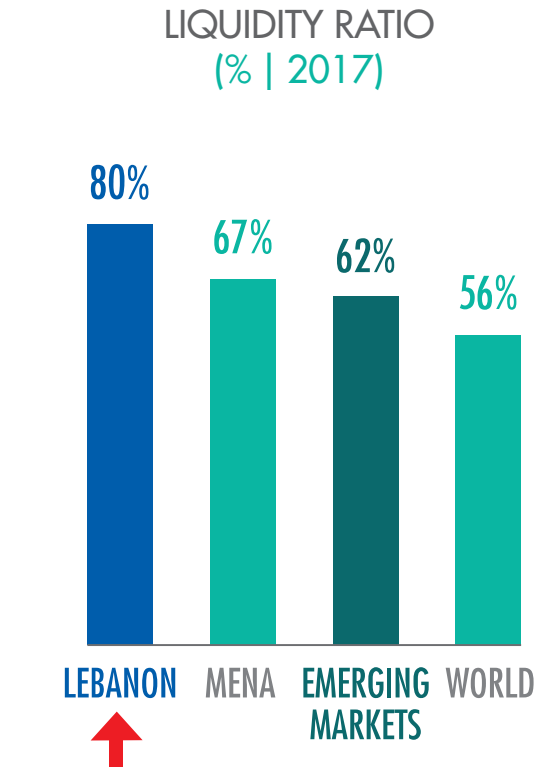
4. ABOUT IDAL

COMPETITIVE BUSINESS ENVIRONMENT

LEBANESE BANKS HAVE ONE OF THE HIGHEST LIQUIDITY RATIOS IN THE WORLD...



Source: World Competitiveness Report, 2018.

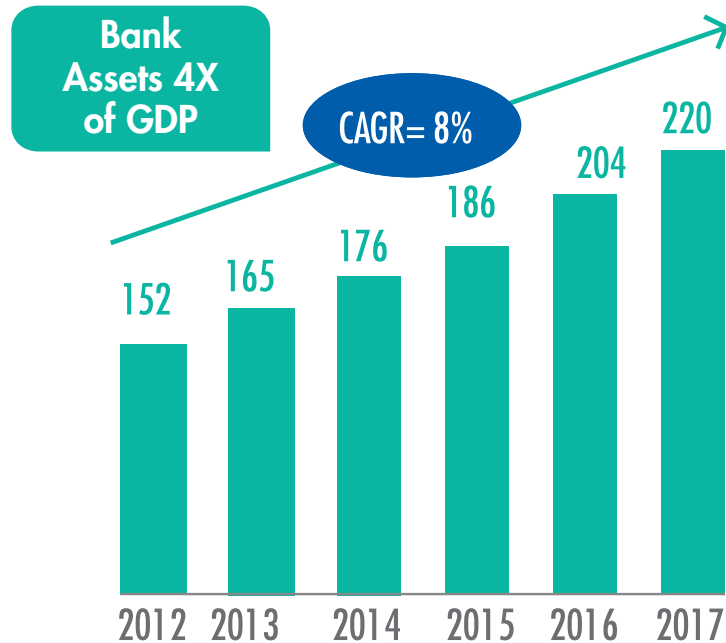


Source: Bankdata Financial Services, IMF, Orbis Bank Focus, Fitch, MENA Central Banks.

Note: Soundness of Banks ranking measures the degree of soundness of financial institutions. Standing among 137 countries. Low ranking: banks may require recapitalization; High Ranking: banks are generally healthy with sound balance sheets.

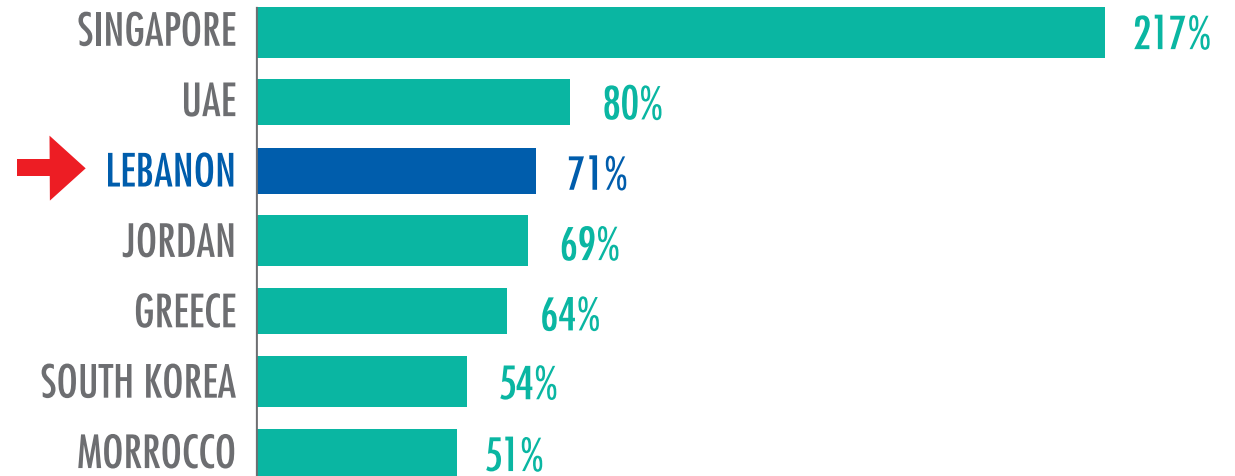
...PROVIDING EASY ACCESS TO FINANCE FOR THE PRIVATE SECTOR

COMMERCIAL BANKS ASSETS
(USD Billion | 2012-2017)



Source: Central Bank of Lebanon.

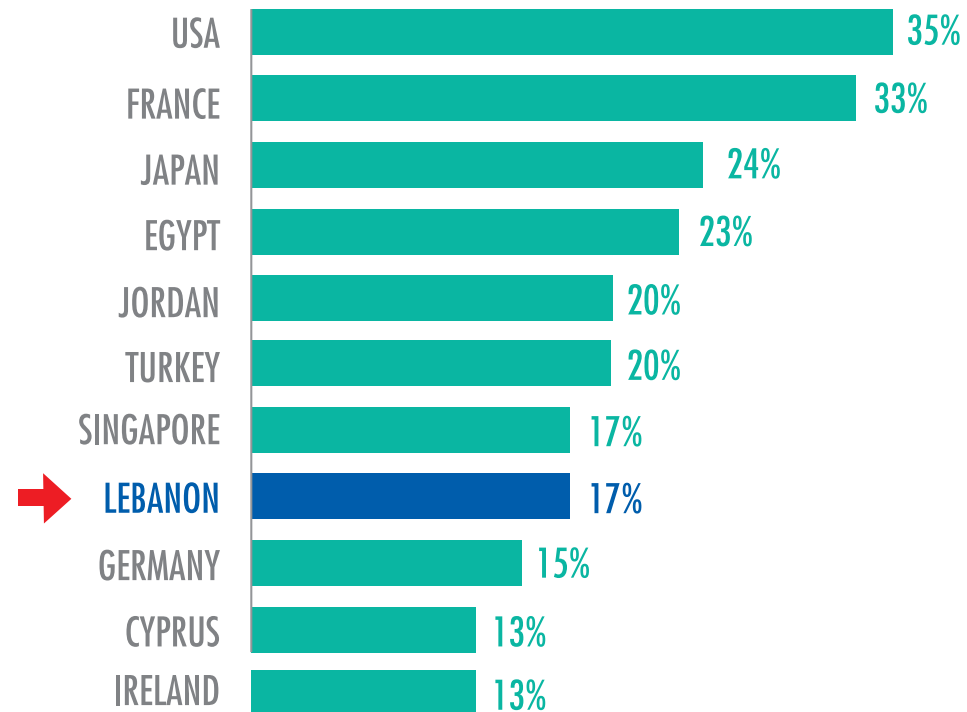
CORPORATE LOANS TO GDP
(% | 2017)



Source: Central Bank of Lebanon and World Bank.

LEBANON HAS A VERY ATTRACTIVE TAX REGIME THAT IS FRIENDLY FOR INVESTORS...

CORPORATE TAX RATES (% | 2017)



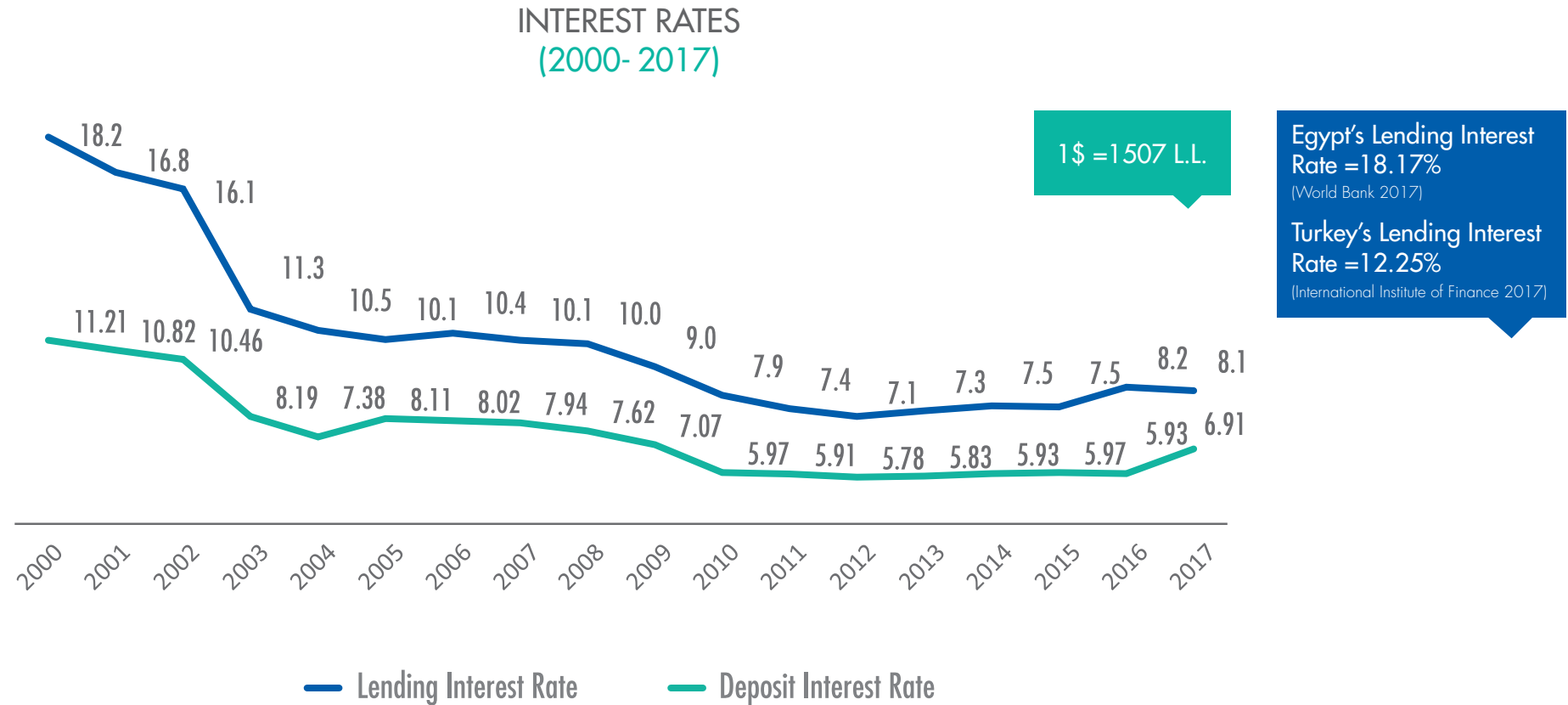
Source: Country's Investment Promotion Agencies.

TAXES ON CORPORATIONS IN LEBANON (% | 2017)

- ▶ **Taxes on Dividends:** 10%
- ▶ **Taxes on Deposit Interests:** 7%
- ▶ **Branch Remittance Tax:** 10%
- ▶ **Payroll Tax:** Between 2% and 20%
- ▶ **Real Property Tax:** Between 4% and 14%
- ▶ **Social Security including three schemes:** Family (6%), Medical (11%) and End of Service Indemnity (8.5%)

Source: IDAL.

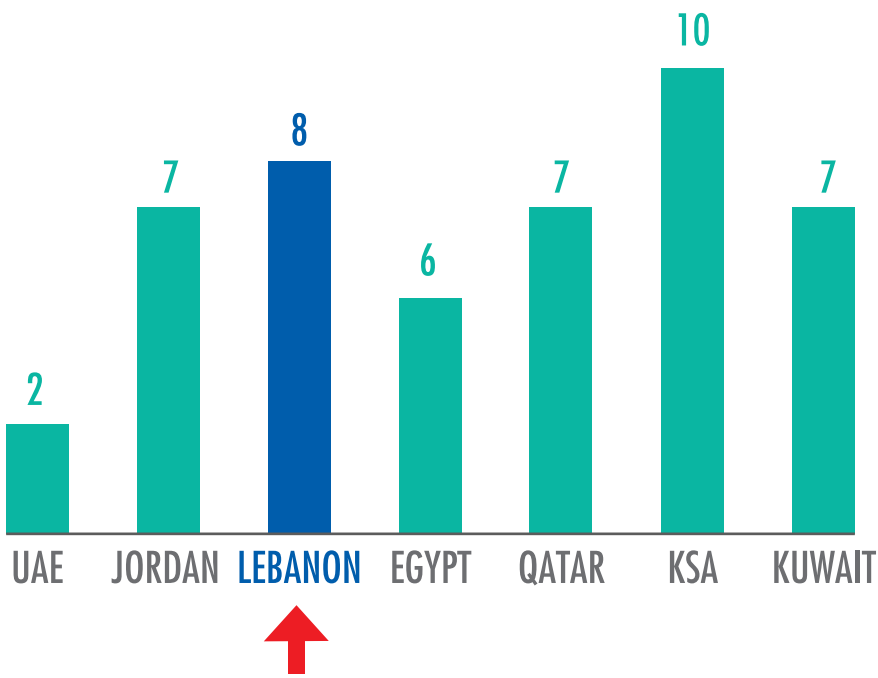
...WITH COMPETITIVE INTEREST RATES AND FIXED EXCHANGE REGIME



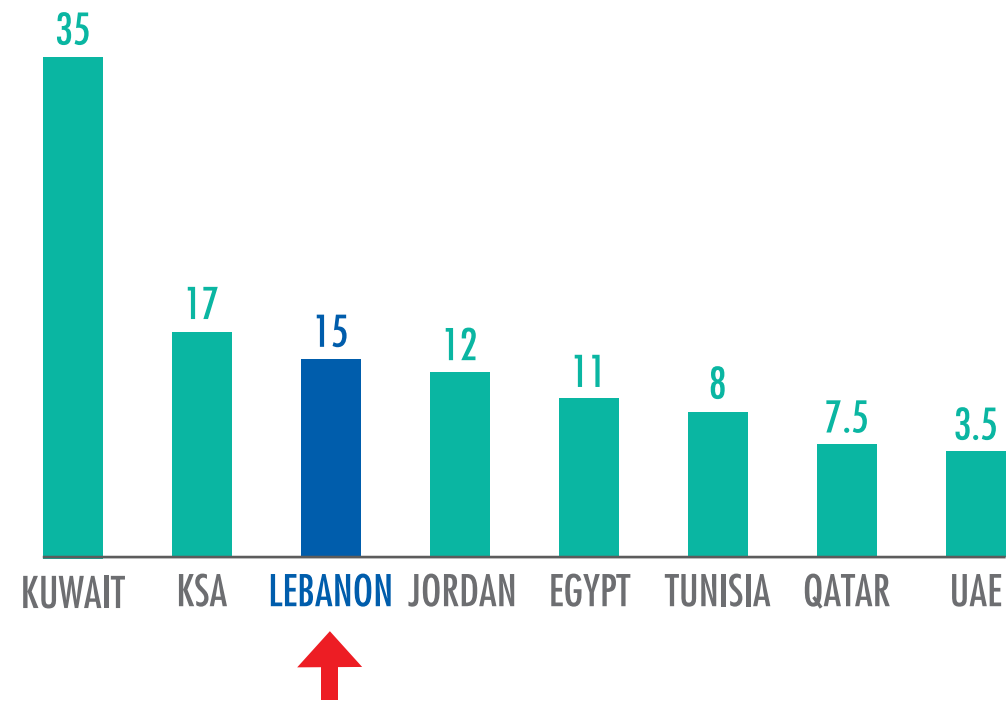
Source: World Bank 2018, Central Bank of Lebanon.

ESTABLISHING A BUSINESS IN LEBANON INVOLVES RELATIVELY FEW STEPS AND TIME

NUMBER OF PROCEDURES TO START A BUSINESS
(2018)



NUMBER OF DAYS TO START A BUSINESS
(2018)



Source: Doing Business in Lebanon 2019.

FOREIGN COMPANIES LOOKING TO USE LEBANON AS THEIR EXPORT HUB FOR THE MIDDLE EAST BENEFIT FROM A SERIES OF INCENTIVES OFFERED TO OFFSHORE COMPANIES

INCENTIVES FOR OFFSHORE COMPANIES

- ▶ All shareholders and Board of Directors can be non-Lebanese persons
- ▶ Chairman-General Manager and foreign employees are exempted from work permits
- ▶ Exempted from taxes on profits and dividends distribution
- ▶ Transfer of shares is not subject to stamp duties and is exempted from taxation
- ▶ Lump-sum annual tax of US\$667

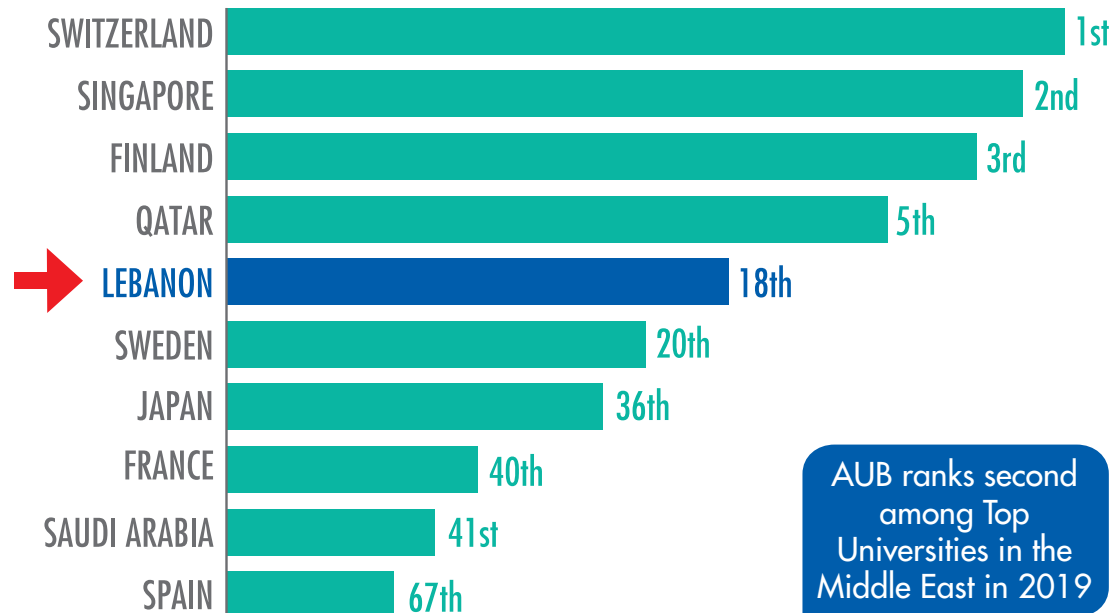


Source: IDAL.

A DYNAMIC WORKFORCE:

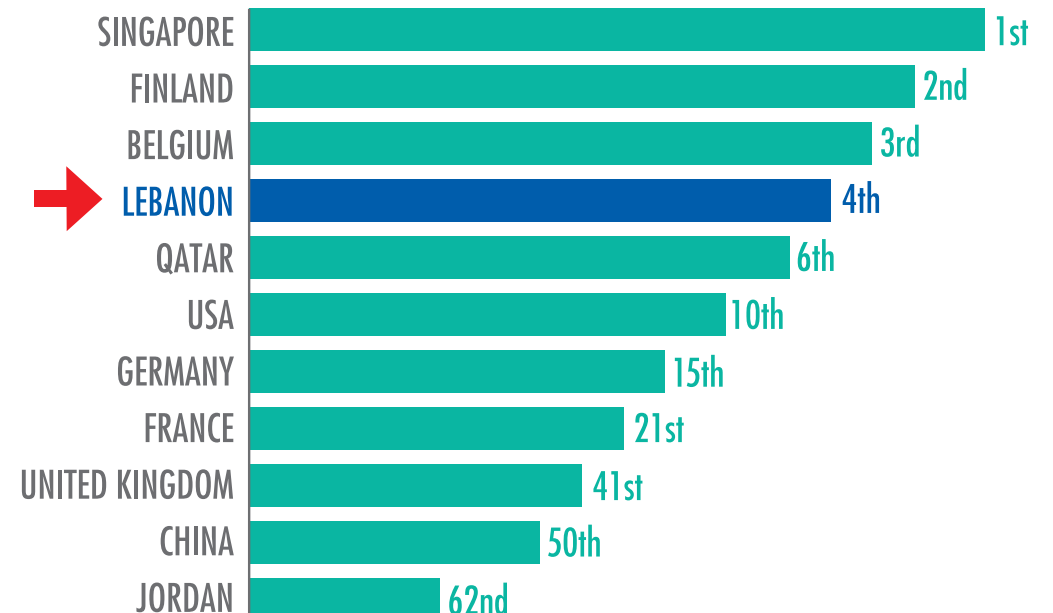
LEBANON HAS ONE OF THE REGION'S BEST EDUCATED WORKFORCE ...

OVERALL QUALITY OF EDUCATION SYSTEM
(2017-2018)



AUB ranks second
among Top
Universities in the
Middle East in 2019

QUALITY OF MATH & SCIENCE EDUCATION
(2017-2018)



Note: Standing among 137 countries.
Source: World Competitiveness Report 2017-2018.

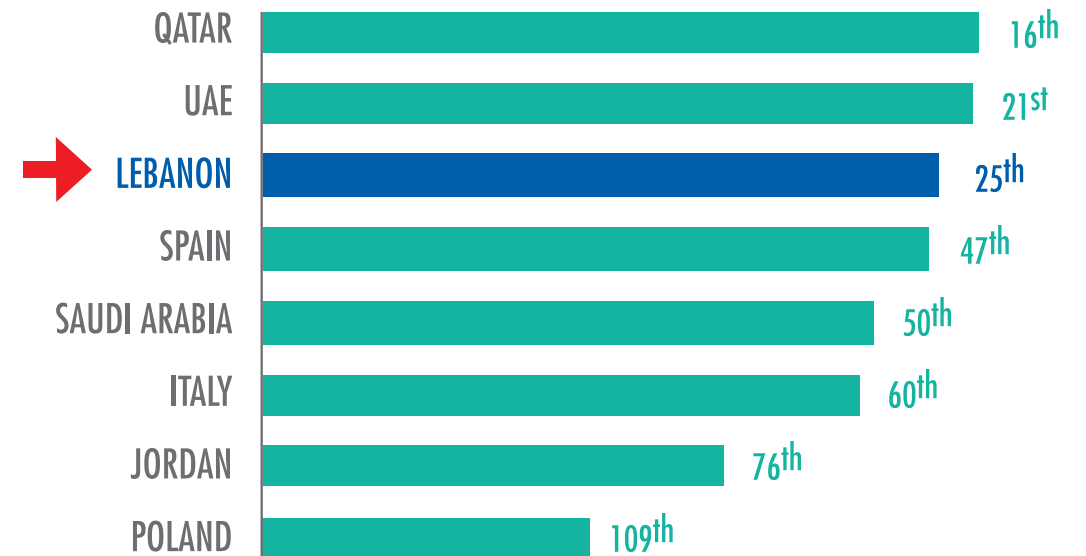
INVESTORS CAN EASILY TAP INTO THE HIGHLY-SKILLED AND MULTILINGUAL WORKFORCE TO MEET THEIR JOB REQUIREMENTS...

EASE OF FINDING SKILLED EMPLOYEES RANKING
IN SELECTED MENA COUNTRIES* (2018)



Note: * It measures to what extent can companies find people with the skills required to fill their vacancies

SKILL SET OF GRADUATES RANKING IN SELECTED
MENA COUNTRIES* (2018)

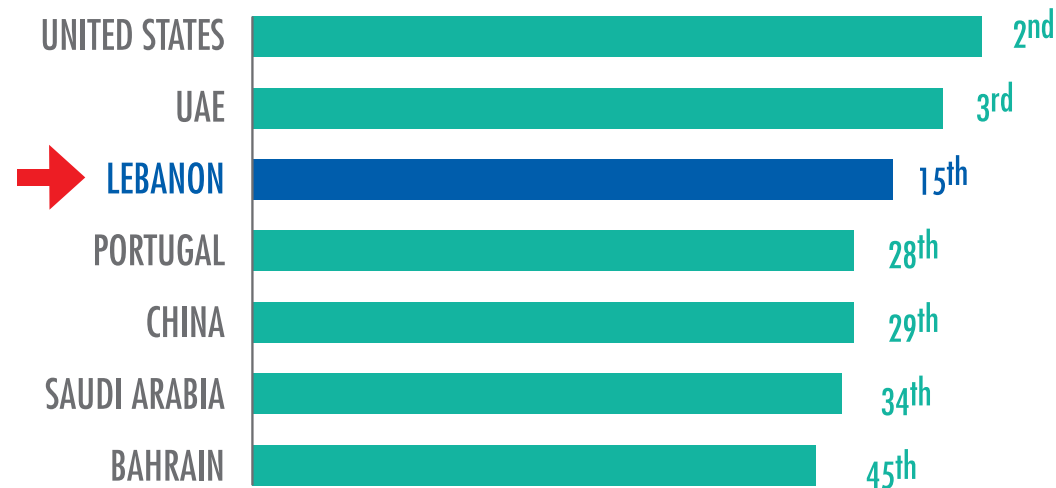


Note: * It measures to what extent graduating students from secondary education as well as graduating students from university possess the skills needed by businesses

Source: Global Competitiveness Report, World Bank, 2018.

... WITH A LEADING NUMBER OF GRADUATES IN ENGINEERING AND SCIENCE

AVAILABILITY OF SCIENTISTS AND ENGINEERS RANKING
(2017-2018)



Source: Global Competitiveness Report,
World Bank, 2018.

ENROLLED STUDENTS IN PRIVATE UNIVERSITIES IN
LEBANON BY MAJORS (2016-2017)



24,300 STUDENTS in Engineering, and
Industrial related majors or 31% of total



4,600 STUDENTS in Information Technology
and Telecommunication or 6% of total



10,400 STUDENTS in Health Studies
or 13% of total



4,200 STUDENTS in Natural Sciences,
Mathematics & Statistics or 5% of total

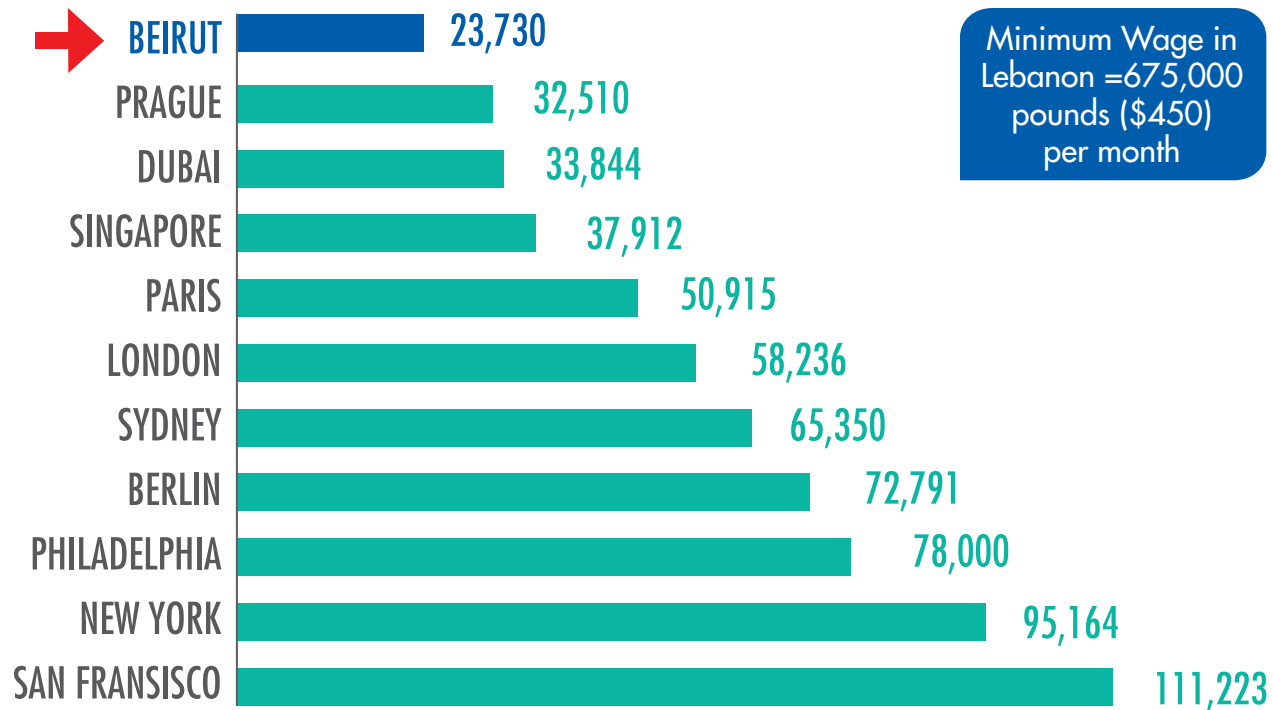


34,800 STUDENTS in Commerce,
Business & Law or 44% of total

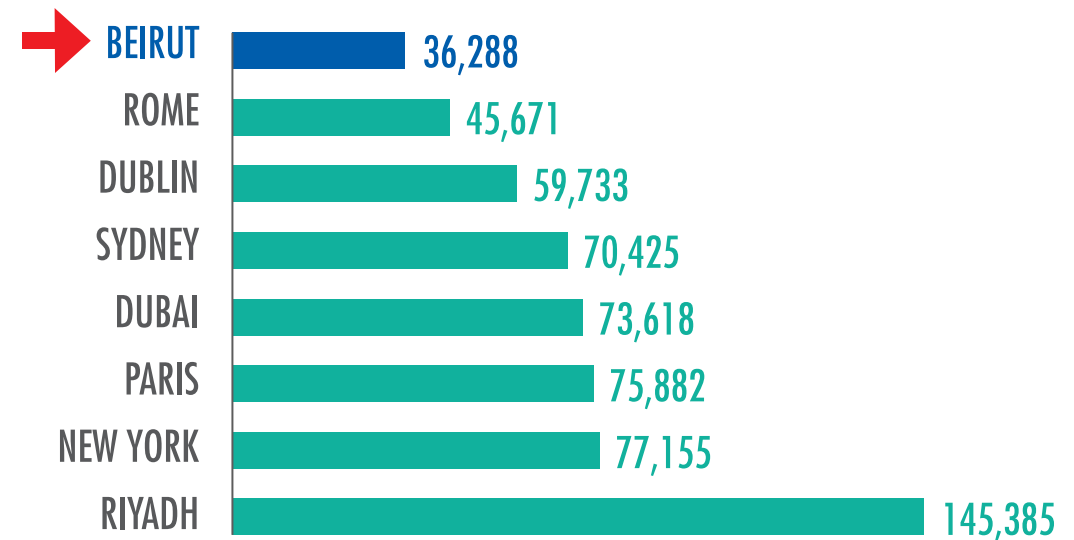
Source: The Center for Educational Research
and Development (CERD), 2016-2017.

THE LEBANESE LABOR FORCE IS EQUALLY COST COMPETITIVE, ESPECIALLY IN SECTORS WITH HIGH VALUE-ADDED

AVERAGE ANNUAL WAGES OF A SOFTWARE ENGINEER
IN SELECTED CITIES (USD | 2018)



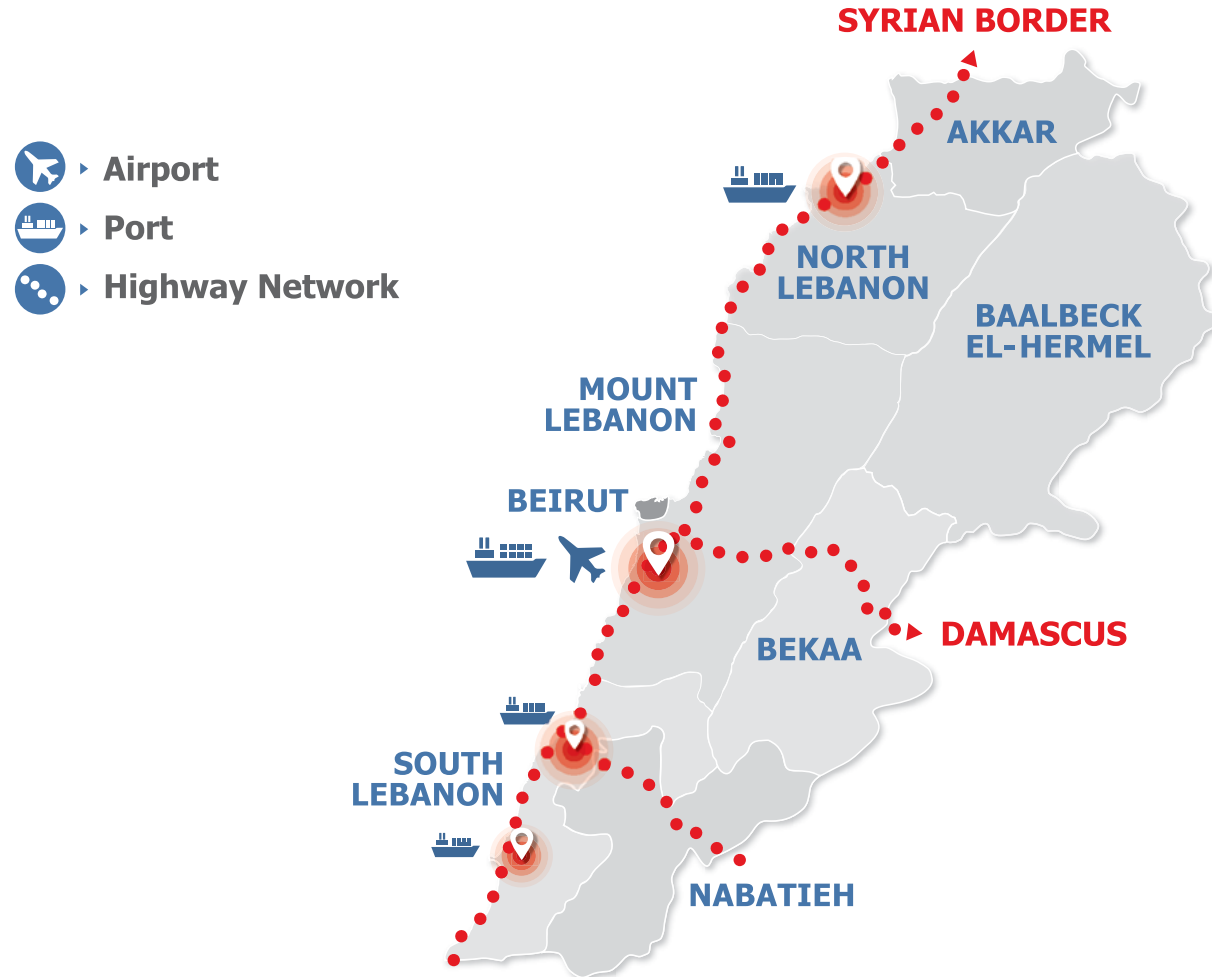
AVERAGE ANNUAL WAGE OF A PROJECT MANAGER
IN SELECTED CITIES (USD | 2018)



Source: Payscale.

EASY ACCESS TO MARKETS

LEBANON IS WELL CONNECTED TO ITS NEIGHBOURING COUNTRIES THROUGH A WELL DEVELOPED TRANSPORT NETWORK AND LOGISTICS INFRASTRUCTURE



LEBANON HAS SIGNED AROUND 100 TRADE AND INVESTMENT AGREEMENTS AS WELL AS DOUBLE TAX TREATIES WITH MAJOR TRADE PARTNERS IN ORDER TO INTEGRATE FURTHER INTO THE GLOBAL ECONOMY



2nd

Among the
MENA Countries
for Trade Freedom



54

Bilateral Agreements
for the Promotion and
Protection of Investments



34

Tax Conventions
to Facilitate Trading
Across Borders

QUALITY OF LIFE

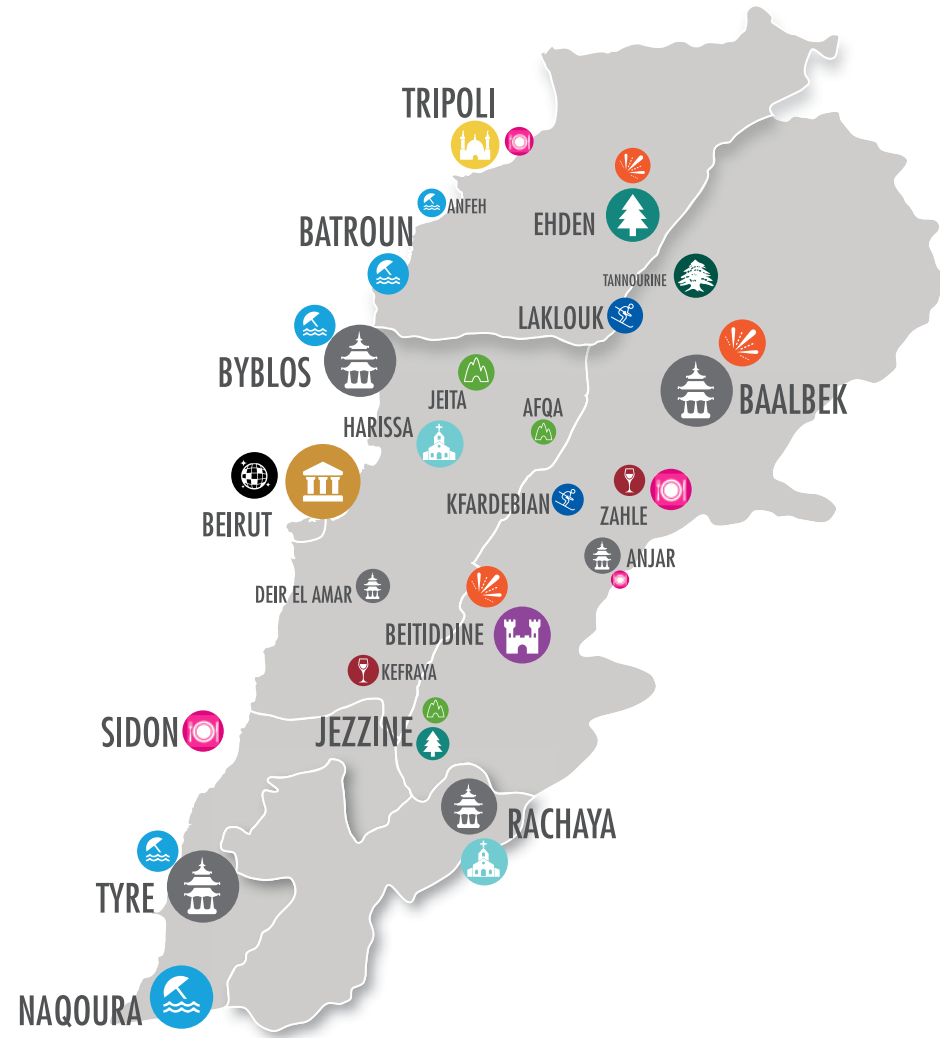
LEBANON IS AMONG THE MOST HOSPITABLE MENA DESTINATIONS FOR TOURISM & LEISURE...

- ▶ In 2016, Beirut ranked **1st International city for food** by Travel & Leisure.
- ▶ In 2016, **Byblos** was crowned Arab Tourism Capital by the Arab Council of Tourism and crowned as the best touristic city in Arab states for 2016.
- ▶ In 2013, Beirut made it as **one of the Best Top 25 Cities in the World** by Condé Nast Traveler.
- ▶ In 2009, The New York Times recommended Beirut as **the number one place to visit** among 44 destinations worldwide.
- ▶ 5 Sites Inscribed On The World Heritage List: **Anjar, Baalbek, Byblos, Wadi qadisha and the forest of the cedars of God and Tyre.**
- ▶ Lebanon hosts over **15 international music and entertainment festivals** during the summer season.
- ▶ In 2018, the Vatican reintroduced Lebanon to its list of **worldwide pilgrimage destinations.**



...AND OFFERS ENDLESS OPPORTUNITIES FOR CULTURAL & OUTDOOR ACTIVITIES

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



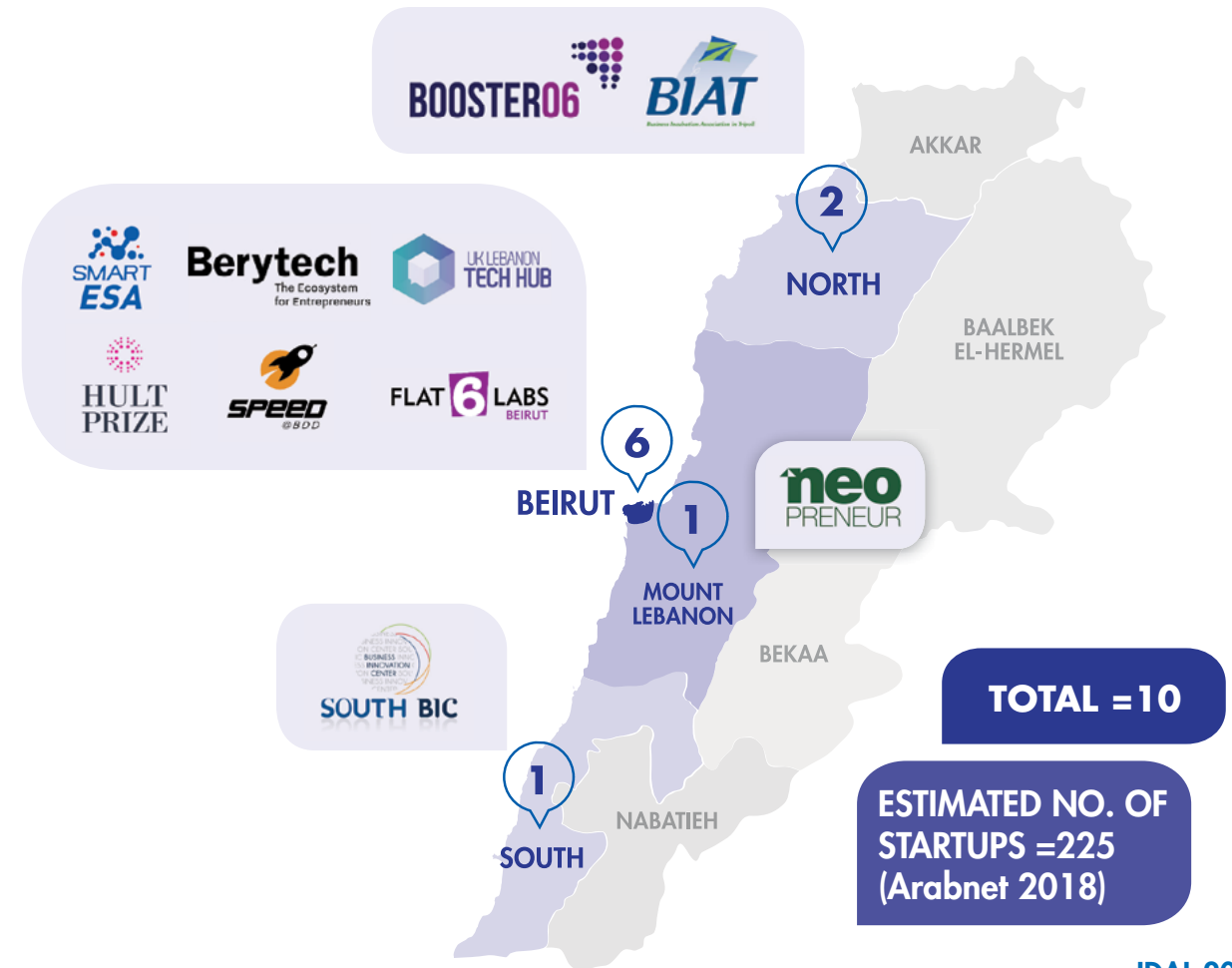
LEBANON'S TECH STARTUP SCENE IS BOOMING, WITH THE PRESENCE OF A SUPPORTIVE ECO-SYSTEM

FINANCIAL SUPPORT

- ▶ **10 venture capital firms** have operations in Lebanon.
- ▶ Central Bank Circular 331 provides up to USD 650 million for Lebanese Bank's equity investment into incubators, accelerators and funds operating in Lebanon.
- ▶ Kafalat provides **financial guarantees** for loans of up to USD 400,000 granted by commercial banks to SMEs.

TECHNICAL SUPPORT

- ▶ **10 incubators & accelerators** that provide training, technical & financial assistance to new and existing businesses across Lebanon.
- ▶ The newly-established **Business Support Unit (BSU)** at IDAL provides startups with free legal and tax/accounting advice, as well as licensing support to operate and grow.
- ▶ In 2017, **Lebanon ranked 4th worldwide on the Global Ranking for Total Early Stage Entrepreneurial Activity (TEA)**.



HEADLINES

1. LEBANON IN FIGURES

2. LEBANON'S COMPETITIVE ADVANTAGES

3. INVESTMENT OPPORTUNITIES

4. ABOUT IDAL

An aerial photograph of Beirut, Lebanon, showing a dense urban landscape with numerous high-rise buildings and residential structures. The city is situated along the coast of the Mediterranean Sea, with a prominent promenade and palm trees visible in the foreground. The sea is a deep blue, and the sky is clear with some light clouds. A semi-transparent white box is overlaid on the center of the image, containing text.

**INVESTMENT OPPORTUNITIES IN LEBANON
SPAN ACROSS VARIOUS SECTORS
INCLUDING BUT NOT LIMITED TO ICT,
AGROFOOD AND TOURISM**

LEBANON IS EMBARKING ON A BOLD INFRASTRUCTURE REHABILITATION PROGRAM THAT IS EXPECTED TO UNLOCK INVESTMENT OPPORTUNITIES IN VARIOUS SECTORS

CAPITAL INVESTMENT PROGRAM MAIN PROJECTS

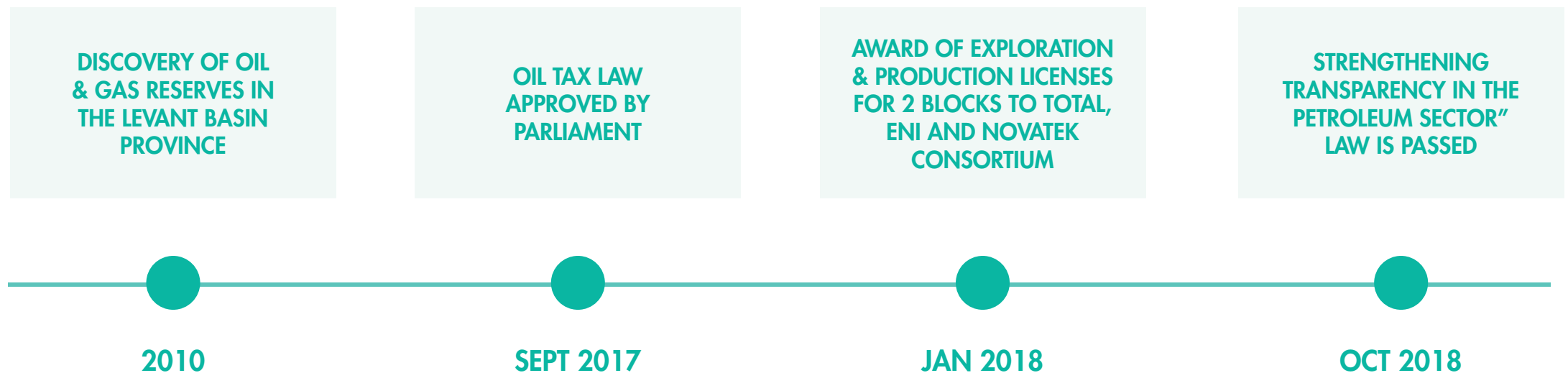
- ▶ Beirut-Damascus Highway Completion (Transport)
- ▶ Rehabilitation & Development of Beirut Airport (Transport)
- ▶ Greater Beirut Water Supply Project –Transmission lines (Water)
- ▶ Upgrade water systems in Greater Beirut (Water)
- ▶ New Power Plants with the capacity of 1,000 MW (Electricity)
- ▶ Fiber deployment and connection to the most economic points (Telecom)
- ▶ Upgrade GSM network to 5G (Telecom)
- ▶ Solid waste management to cover all Lebanon (Solid Waste)
- ▶ Infrastructure for Tourism such as National Libraries, Theater, Museums and historical cities, archeological sites and buildings (Tourism)
- ▶ Infrastructure for 3 Industrial zones (Alkaa, Baalbek and Terbol) and Tripoli Special Economic Zone (Industry)

Source: Capital Investment Program 2018, Presidency of the Council of Ministers.



IN PARALLEL, LEBANON IS WORKING ON THE DEVELOPMENT OF A COMPETITIVE OIL AND GAS SECTOR THAT IS EXPECTED TO CONTRIBUTE TO THE EXPANSION AND GROWTH OF OTHER ECONOMIC SECTORS SUCH AS MANUFACTURING, TRADE, SERVICES...

TIMELINE OF EVENTS IN THE OIL & GAS SECTOR



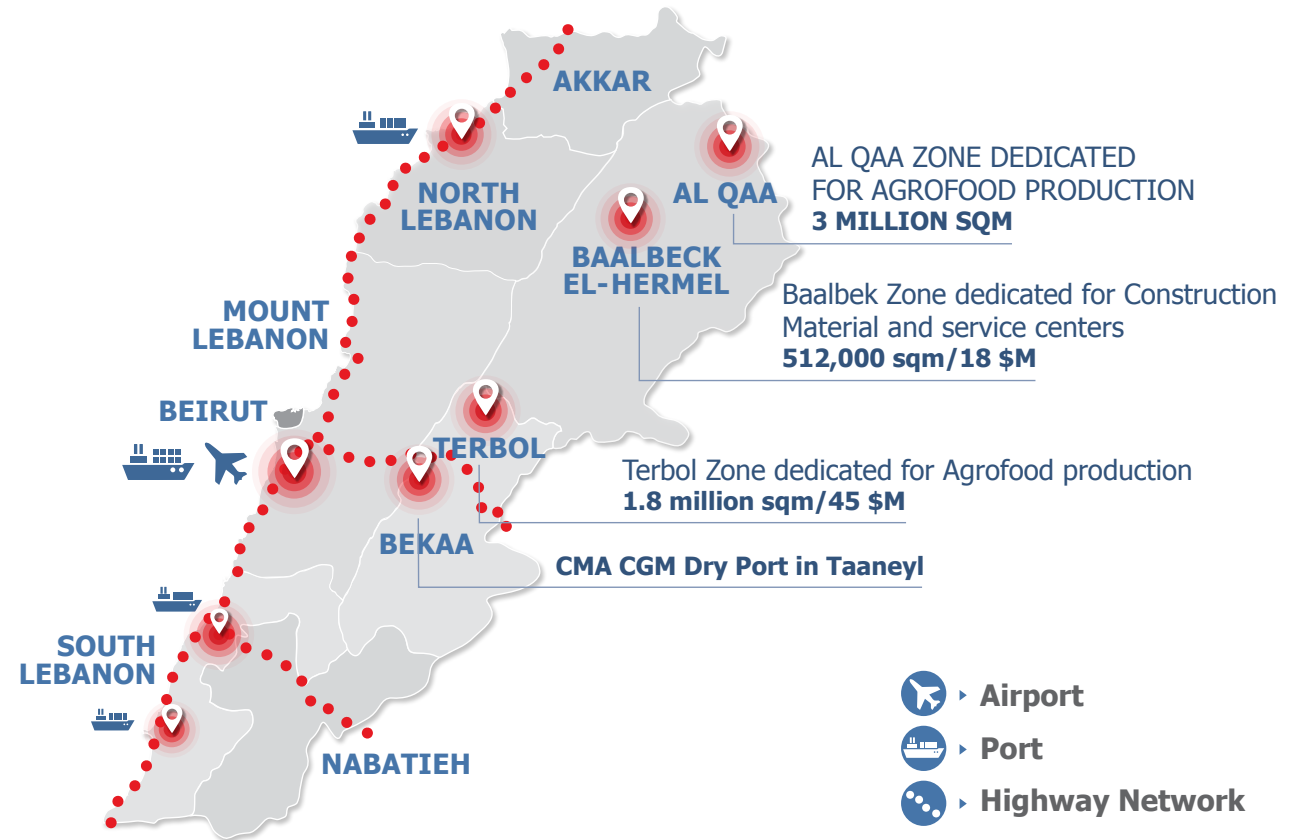
Source: Lebanese Oil & Gas Initiative / logi-lebanon.org

SEVERAL NEW-GENERATION INDUSTRIAL ZONES ARE BEING DEVELOPED IN LEBANON TO INCREASE THE COMPETITIVENESS OF THE LEBANESE INDUSTRIAL SECTOR

General Features of the Industrial Zones

- ▶ Affordable long-term rent of the land
- ▶ Dedicated shared off-grid electric generation network
- ▶ High-quality water infrastructure, fiber optic network
- ▶ Shared Site Management Services (security, maintenance, common areas)
- ▶ High-quality logistics infrastructure within zone: One-Stop-Shop with single coordinator
- ▶ Proximity to land borders and major highways
- ▶ Proximity to a 20,000 sqm dry port in Taanyel operated by CMA-CGM

Source: Lebannon Economic Vision Report, Mckinsey.



THE TRIPOLI SPECIAL ECONOMIC ZONE (TSEZ) IS MEANT TO BE AN EXPORT-ORIENTED LOGISTICS AND MANUFACTURING HUB FOR DOMESTIC AND FOREIGN INVESTORS...

Competitive Advantages of Tripoli Special Economic Zone

- ▶ Located in Lebanon's second largest city, Tripoli
- ▶ Close proximity to Syrian borders (30 km)
- ▶ Reasonably priced industrial land
- ▶ Competitive local labor cost
- ▶ Shared infrastructure and utility services
- ▶ Labor regulatory incentives
- ▶ Advanced logistics infrastructure
- ▶ Unique administrative, legal, and regulatory framework with a single window clearance

Source: TSEZ.

Tripoli Special Economic Zone Master Plan



...WITH AN “EXTREMELY GENEROUS SET OF FISCAL INCENTIVES” TO ENCOURAGE INVESTORS INTERESTED IN THE RECONSTRUCTION OF NEIGHBOURING COUNTRIES

Fiscal Incentives of Tripoli Special Economic Zone

- ▶ 100 percent customs exemption on imported raw material
- ▶ Duty free export of finished goods;
- ▶ Duty free import of construction material, equipment, office machinery and spare parts
- ▶ 100 percent exemption on VAT and excise tax for goods and services destined for exports
- ▶ 100 percent exemption on corporate profit tax (provided that not less than 50 percent of the workforce is Lebanese and the value of fixed assets or capital is greater than USD 300,000)
- ▶ 100 percent exemption on withheld tax on salaries for employees of tenants and on social security contributions
- ▶ 10 percent exemption on building permit fees and built property tax
- ▶ 100 percent exemptions on shares and bonds issued by companies within TSEZ.

Source: TSEZ, TSEZ, World Bank, Lebanon Economic Monitor 2016.



THREE PPP PROJECTS ARE CURRENTLY UNDERWAY THAT ARE EXPECTED TO BOOST THE LOCAL ECONOMY BY CREATING THOUSANDS OF JOBS

List of Approved PPP Projects

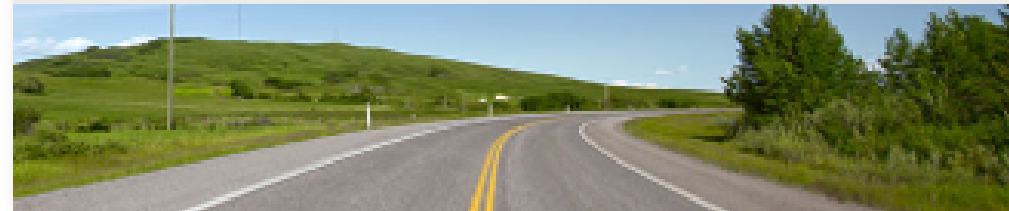
- ▶ **Expansion of the Beirut Rafik Hariri Airport**
Development of a new terminal for 6 million passengers and its concourse along with improvements to existing airport infrastructure.
- ▶ **Khalde-Nahr Ibrahim Expressway**
It is a 38-kilometer expressway including a 12-km tunnel section, three to four lanes, interchanges, service roads and bridges.
- ▶ **Lebanon Cloud Data Center**
One or more scalable data center facilities and infrastructure based on Tier 3 standard, offering cloud infrastructure, platform and software services (IaaS, PaaS and SaaS) to both the public and private sectors, with the potential of expanding services in the region.

Source: HCP-PPP

Expansion of the Beirut Rafik Hariri Airport



Khalde-Nahr Ibrahim Expressway



Lebanon Cloud Data Center



INFORMATION COMMUNICATION & TECHNOLOGY SECTOR:

LEBANON IS ON ITS WAY TO BECOME A HUB FOR THE KNOWLEDGE ECONOMY...

ACCESS TO RESOURCES

- ▶ **Incubation & Acceleration:** 10 incubators and accelerators provide training technical and financial assistance.
- ▶ **New Business Parks & Clusters** in the digital industry with BDD spanning over an area of 17,500 m2 hosting more than 100 companies of which 43 are startups and scaleups.
- ▶ **Business Support Unit - BSU (2018):** Provides startups with market information, free legal & tax/accounting advice as well as licensing support.
- ▶ **Co-working spaces:** Serve as a cost-effective alternative to traditional offices including ALKindy, Beirut Digital District, Founders Bei & Antwork.
- ▶ **Mentorship programs:** Provide startups with access to both local and international mentors including LebNET, Endeavor and Lebanon for entrepreneurs...).

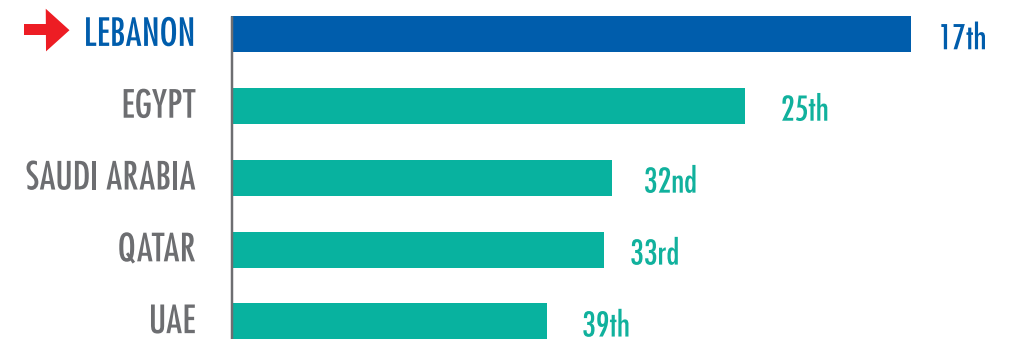
ACCESS TO HUMAN CAPITAL

- ▶ 4,593 enrolled students in Information Technology and Telecommunication
- ▶ 24,302 enrolled students in Engineering, and Industrial Transformations

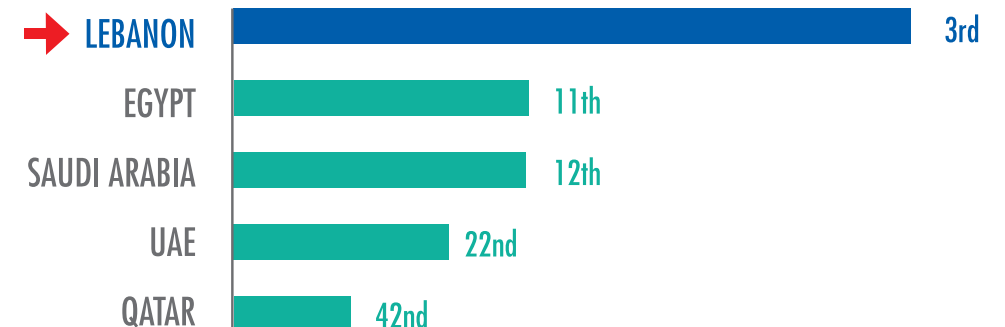
Source: GEM Global Report 2017-2018.

Note: Study based on 54 economies from all regions.

GLOBAL RANKING OF SELECTED COUNTRIES FOR RATE OF NASCENT ENTREPRENEURS (2017-2018)



GLOBAL RANKING OF SELECTED COUNTRIES FOR A NEW FIRM ENTREPRENEURS (2017-2018)



... WITH A WIDE RANGE OF FINANCIAL SUPPORT & ACCESS TO PROMISING MARKETS

ACCESS TO MARKETS

- ▶ **The MENA region's ICT spending** is expected to reach **USD 242 billion by 2019**, growing at a CAGR of 4.36% in 2016-2019.
- ▶ The African market equally presents promising potential especially for software developers and mobile applications. **Sab-Saharan Africa will have the largest increase of mobile penetration (8%)** between 2017-2025.
- ▶ The European market is the third top ICT exports destination for Lebanon with **34.7% of total ICT companies exporting to Europe in 2017**.
- ▶ **Lebanon is ranked 64th among 151 countries and 6th in the top 10 economies** in the West Asia and North Africa country based on UNCTAD B2C E-commerce Index 2018.

ACCESS TO FINANCE

- ▶ **IDAL's Tax Incentives:** Exemptions on corporate income tax for up to 10 years for local and foreign companies operating in the ICT sector.
- ▶ **10 VC firms:** Fund for early stage, pre-seed, seed and emerging companies investing in a minimum of 100,000 up to USD 10 million in startups.
- ▶ **The Central Bank of Lebanon's Circular 331** provides up to USD 650 million to guarantee 75% of bank's investments in startups, incubators, accelerators and funds.
- ▶ **Kafalat:** Financial guarantees for loans up to USD 400,000 granted by commercial banks for SMEs.
- ▶ **Telco Fund:** Fund of USD 48 million initiated by MIC that supports startup operating in the ICT sector. Investments in startups start with a value of USD 100,000 and could reach up to USD 2 million.

**LEBANON'S
COMPETITIVE
ADVANTAGES
IN THE ICT SECTOR
TRANSLATE INTO
PROMISING
BUSINESS
OPPORTUNITIES IN
KEY SUB-SECTORS**

	SUB-SECTOR	OPPORTUNITIES
1	GAMING	Biggest Markets For Gaming: There are increased opportunities for gaming on tablets and smartphones; around 60% of the MENA online population are gamers.
2	E-HEALTH	E-health is a competitive sub-sector for Lebanon, due to availability of skilled talent, the right legal framework and synergies with other markets and industries
3	AD TECH	In the MENA region, spending on advertising is on the rise, reaching a value of USD 27.5 billion in 2020 with biggest opportunities in Search, Display and other ways like emails and mobile messaging
4	ENTERPRISE SOFTWARE AS A SERVICE (SAAS)	Saas is a new business model for the delivery of services and it gives Lebanese companies the possibility to sell services over the cloud. The MENA market is expected to reach USD 411.7 million by 2019.
5	MEDIA STREAMING	Online music revenues are expected to grow at a CAGR of 6.5% in 2018-2022 in the MENA. Moreover, the region is ranked as the 2nd in the world by number of daily YouTube videos views.
6	CONSUMER INTERNET (SOCIAL NETWORKS & APPS, SEARCH, CONTENT WEBSITES)	There Is An Especially High Demand For Arabic Content Creation: In 2017, 4.8% of the world internet users are arabic speakers with a penetration rate of 43.8%.
7	FINANCIAL & E-PAYMENT SOLUTIONS	70% of respondents in the Middle East and Africa were ready to use their smartphone to make payments compared with only 38% in Europe in 2016.

AGROFOOD SECTOR: LEBANON HAS THE POTENTIAL TO BE A LEADER IN THE F&B INDUSTRY...

ACCESS TO RESOURCES

- ▶ **Large and diversified agriculture land:** Lebanon has the largest rate of agriculture land in the Middle east at 63% of its total territory, supporting the development of a competitive agriculture processing sector.
- ▶ **A large diaspora network:** Lebanon has a large diaspora across the world estimated at around 10 million people which is a major demand driver for Lebanese agrofood products.

ACCESS TO HUMAN CAPITAL

- ▶ The sector has an estimated workforce of **20,607** constituting the highest share of the industrial sector total workforce at **25%**.
- ▶ Vocational schools specialized in food industry are also available across the country. Lebanon's human capital relies on high-quality tertiary and technical education with a total of **390 technical schools** (public and private) mainly **concentrated in Mount and North Lebanon**.

Source: The Center for Educational Research and Development (CERD), 2016-2017.

... FACILITATED BY TRADE AGREEMENTS AND AVAILABILITY OF FINANCING

ACCESS TO MARKETS

Lebanon is a member of:

- ▶ **Greater Arab Free Trade Area (GAFTA)**
- ▶ **Euro-Med Partnership**
- ▶ **European Free Trade Area (EFTA)**

Which provide an easy access for Lebanese agrofood exports.

ACCESS TO FINANCE

- ▶ **IDAL's Incentives:** Tax exemptions up to 10 years for local and foreign companies operating in the agrofood sector.
- ▶ **Kafalat:** Financial guarantees for loans up to USD 400,000 granted by commercial banks for SMEs.
- ▶ **IDAL's "Agro-Map" Program (2014):** Provides exporters with access to foreign market through subsidizing their participation in international fairs.
- ▶ **Economic and Social Fund for Development:** Loans up to 50,000 for SMEs in the Agrofood sector.

WHAT ARE THE OPPORTUNITIES?

1. OLIVE OIL

- ▶ Exports valued at **USD 26 million** in 2018, and have been growing at a CAGR of 11% between 2009 and 2017.
- ▶ There are growth opportunities in the production of extra virgin olive oil and other specialized products from olive oil.



3. WINE

- ▶ Exports valued at **USD 21 million** in 2018 and have been growing at a CAGR of 6% between 2009 and 2017.
- ▶ There are ample opportunities for the development of the sector and specializing in niche markets (organic wine, flavored wine) that require research and innovation.



2. DAIRY PRODUCTS

- ▶ Exports valued at **USD 6 million** in 2018.
- ▶ Lebanon's exports of milk and cream registered a CAGR of 23% between 2009 and 2017 one of the highest growth rates among Lebanese exports indicating the growth potential of this sector in the region.



4. DRIED FRUITS & NUTS

- ▶ Exports valued at **USD 99 million** in 2018.
- ▶ Lebanon's Exports of dried fruits and nuts registered a CAGR of 43% between 2009 and 2017. The sector has been the number one Lebanese exported product for many years indicating its strong potential.



MEDICAL TOURISM SECTOR: LEBANON IS EXPECTED TO BE AN ENGINE OF HEALTH TOURISM GROWTH IN THE REGION...

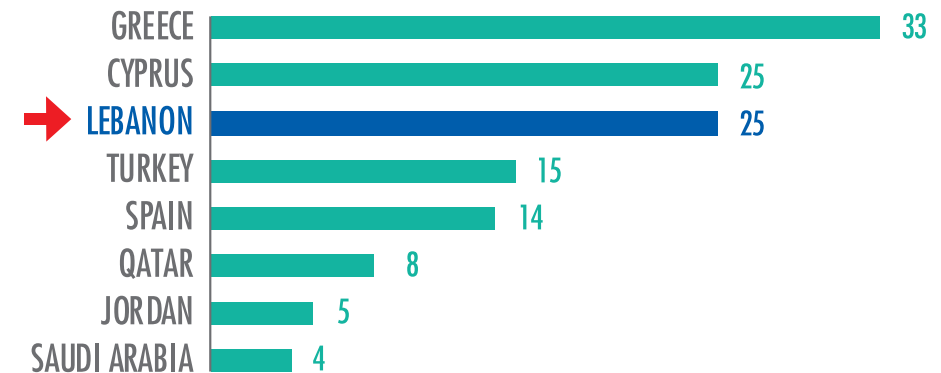
ACCESS TO HUMAN CAPITAL

- ▶ **31 doctors per 10,000 population** one of the highest in the world
- ▶ **7 licensed medical schools and more than 18,000 certified physicians**
- ▶ **Multilingual country** with high academic profile:
Ranked 1st among MENA countries for English Proficiency

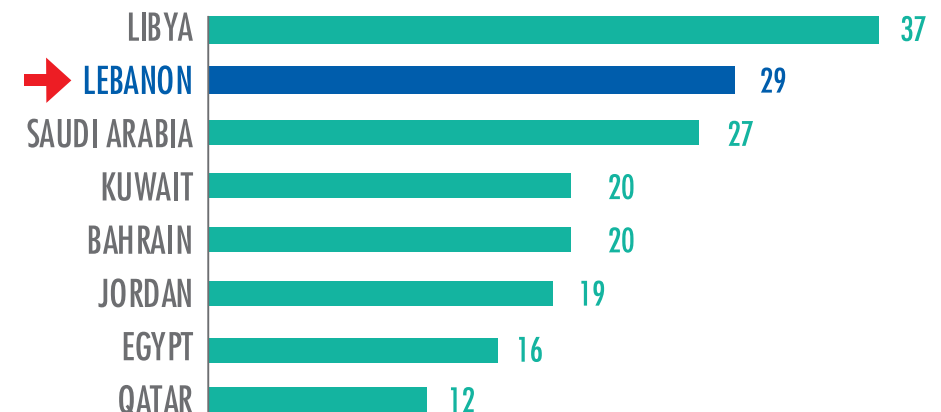
ACCESS TO RESOURCES

- ▶ International patients account for **20%** of the total number of patients in hospitals.
- ▶ **Has one of the 10 Most Technologically Advanced Hospitals in the world (CMC).**
- ▶ **Gold Seal of Approval®** as JCI-(Joint Commission International) accredited entities such as **Bellevue Medical Center(2012), CMC (2009), AUBMC (2007).**
- ▶ **Ranked 1st among Arab Countries and 32nd out of 163 countries In Bloomberg Global Health Index 2017.**

DENSITY OF MEDICAL EQUIPEMENT PER 1,000,000 POPULATION



DENSITY OF HOSPITAL BEDS PER 10,000 POPULATION (2014)



Source: World Health Organization, 2014.

...OFFERING A VARIETY OF OPPORTUNITIES TO CATER FOR THE REGION

ACCESS TO MARKETS

- ▶ Healthcare spending was valued at USD 4.14 billion in 2017, with expenditure per capita at USD 681.
- ▶ Healthcare spending in Lebanon is expected to grow at a CAGR of 4.2% during the 2017-2022 period.
- ▶ The MENA healthcare market is expected to be valued at **USD 144 Billion by 2020**.
- ▶ The MENA market has a geographical advantage in exposing locally-based entrepreneurs to 1 billion people within just a four to six-hour reach.
- ▶ The e-Health Market in Middle East and Africa was estimated at USD 7.85 billion in 2016 and is expected to grow at a CAGR of 12.5% in 2016-2021.

Note: *Bloomberg Health-Efficiency Index tracks medical costs and value.

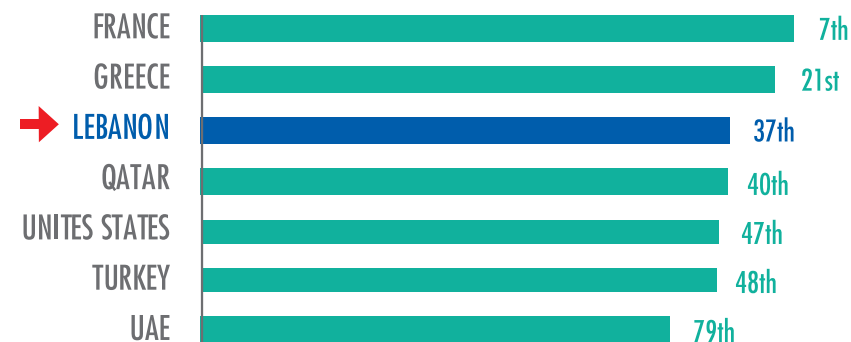
**Number of years that a new born can expect to live in good health taking into account mortality and disability.

HEALTHCARE EFFICIENCY RANKING IN 56 COUNTRIES* (2018)



Source: Bloomberg 2018.

Health Ranking** (2018)



Source: World Bank, Global Competitiveness Report, 2018.

INVESTMENT OPPORTUNITIES EXIST IN LONG-TERM STAY HOSPITALS THAT PROVIDE A VARIETY OF SERVICES...

BRANDED LUXURY WELLNESS MEDICINE CENTER



► Lebanon's summer mountain resorts characterized by their wild health, have attracted international patients, accounting for 20% of total patients. This could be leveraged to create a branded luxury Wellness Medicine and Center including sports, nutrition, coaching and stress management activities.

ELDERLY CARE CENTER



► Lebanon's population over 65 years old is expected to reach 11% of the total population in 2020, up from 8% in 2015. This could be leveraged to invest in mixed-use real estate projects in serene environments to establish home care services catering for the elderly.

Source: UN Population Division, Bank BEMO.

HEADLINES

1. LEBANON IN FIGURES

2. INVEST IN LEBANON

3. INVESTMENT OPPORTUNITIES

4. ABOUT IDAL

WHO WE ARE

ABOUT US

The Investment Development Authority of Lebanon (IDAL) is the country's national investment promotion agency.

HISTORY

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

GOVERNANCE & LEGISLATION

IDAL reports to the Presidency of the Council of Ministers - which exercises tutorial authority over it - and enjoys financial and administrative autonomy.

BUSINESS SUPPORT UNIT

The BSU provides startups with market information, free legal and tax/accounting advice, as well as licensing support.

OUR MANDATES

INVESTMENT PROMOTION

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

EXPORT PROMOTION

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

IDAL CURRENTLY HAS 3 EXPORT PROMOTION PROGRAMS IN PLACE:

1. AGRO-MAP (2004)

Subsidizes the participation of agrofood companies in international fairs.

2. AGRI PLUS (2012)

Provides subsidies and support to exporters of agricultural products.

3. MARITIME BRIDGE PROGRAM M LEB (2015)

Provides support to exporters to Arab countries.

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

1 PRE-INVESTMENT STAGE MARKET INTELLIGENCE

- ▶ Information on investment opportunities
- ▶ Data on economic sectors with growth potential
- ▶ Data on investment climate, including legal, financial and industry-specific information
- ▶ Business matchmaking support

2 FINANCING STAGE PACKAGE OF INCENTIVES

FISCAL INCENTIVES:

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

FINANCIAL INCENTIVES:

Reduction on land registration fees

NON-FINANCIAL INCENTIVES:

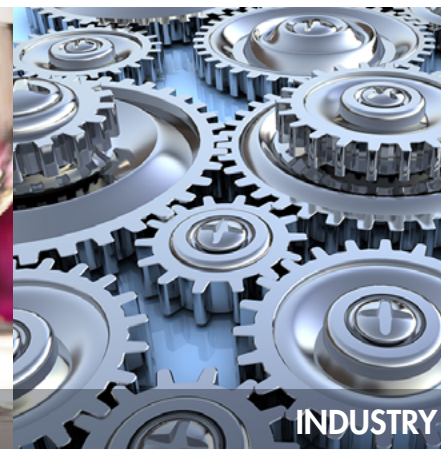
Assistance with obtaining work permits for project employees

3 LICENSING & AFTER-CARE STAGE ONE STOP SHOP

- ▶ IDAL supersedes all public administrations, authorities and municipalities in issuing administrative permits and licenses, except those granted by the Council of Ministers
- ▶ IDAL follows up with investors after the start of their operations

8 SECTORS ARE ELIGIBLE FOR OUR INCENTIVES

IDAL PROVIDES INCENTIVES
TO 8 SECTORS WITH GROWTH
POTENTIAL & READINESS FOR
DEVELOPMENT, AS SPECIFIED
IN INVESTMENT LAW No. 360



—

IDAL OFFERS 2 TYPES OF INCENTIVE SCHEMES: —

1

JOB CREATION BASED INCENTIVE PACKAGE DEAL CONTRACT (PDC)

Provided to projects based on:

- (1) Investment size
- (2) Number of jobs created
- (3) Sector

INCENTIVES PROVIDED

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

2

REGION & SECTOR BASED INCENTIVE INVESTMENT PROJECTS BY ZONE (IPZ)

Provided to projects based on:

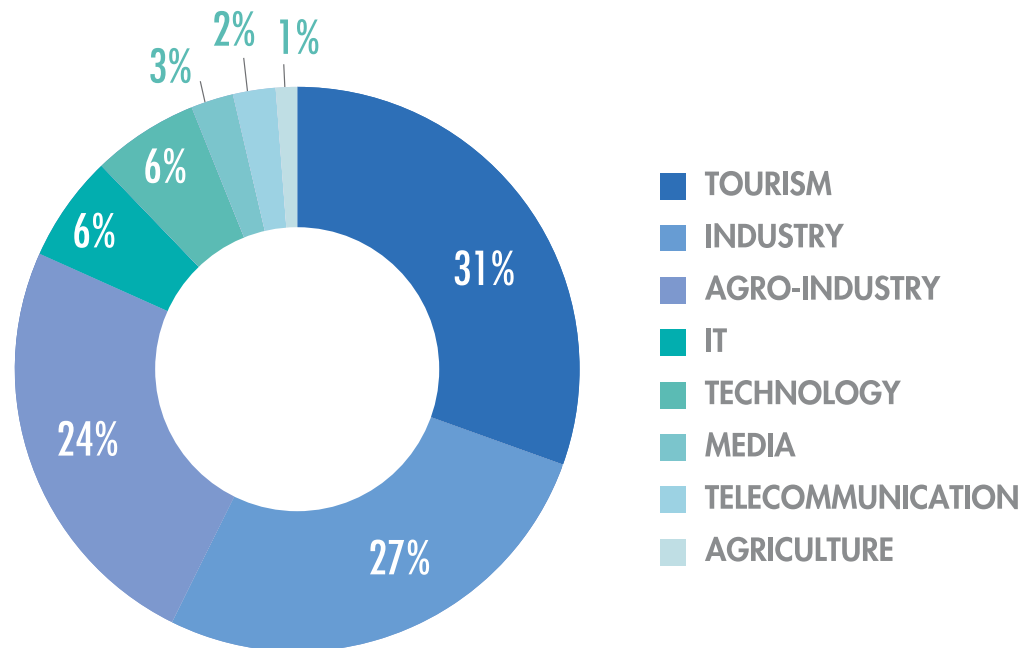
- (1) Geographical location
Across 3 zones: A, B, C
- (2) Investment size
- (3) Sector

INCENTIVES PROVIDED

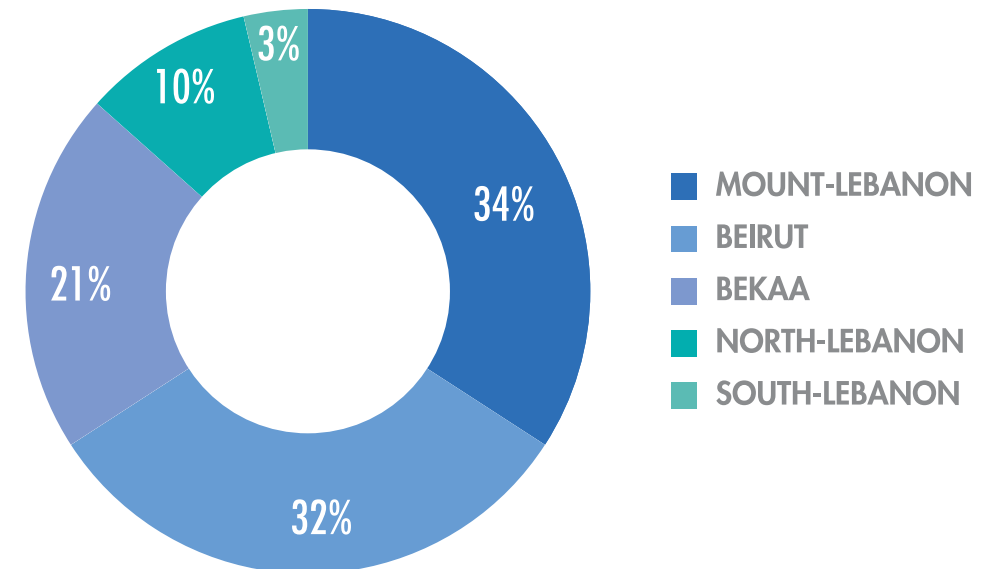
- ▶ Up to 100% tax exemptions for 10 years for projects located in remote areas (Zone C)
- ▶ Work Permits granted

OUR ACHIEVEMENTS: OVER THE LAST 15 YEARS IDAL HAS SUPPORTED MORE THAN 80 INVESTMENT PROJECTS DISTRIBUTED ACROSS VARIOUS SECTORS

DISTRIBUTION OF ATTRACTED PROJECTS BY SECTOR
(% | 2003-2018)



DISTRIBUTION OF ATTRACTED PROJECTS BY REGIONS
(% | 2003-2018)

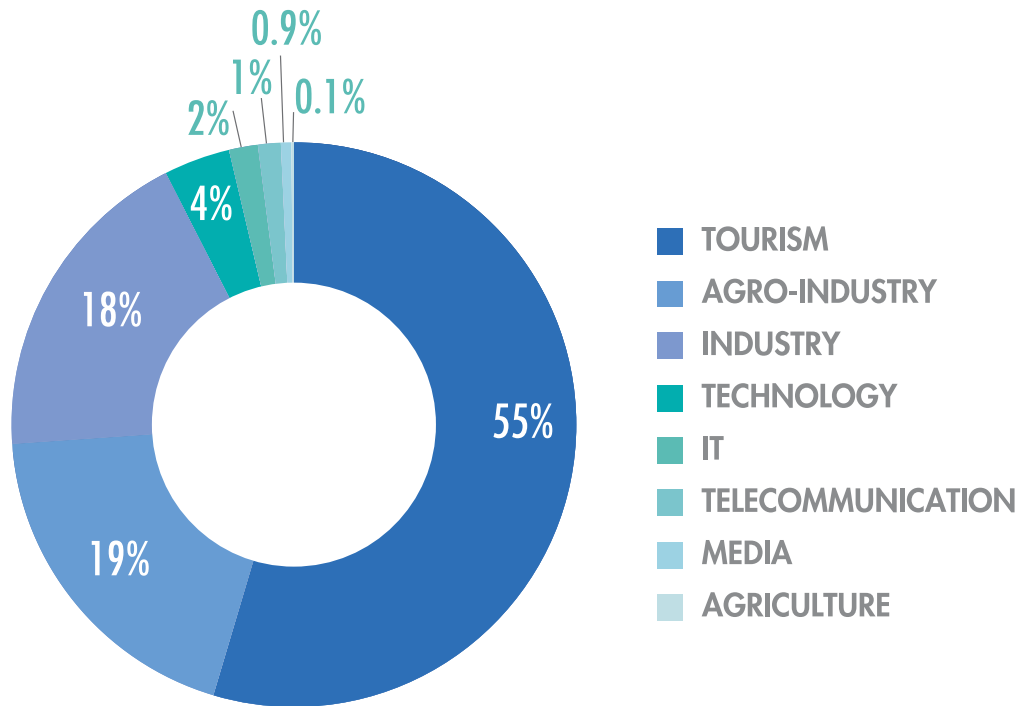


TOTAL: 82

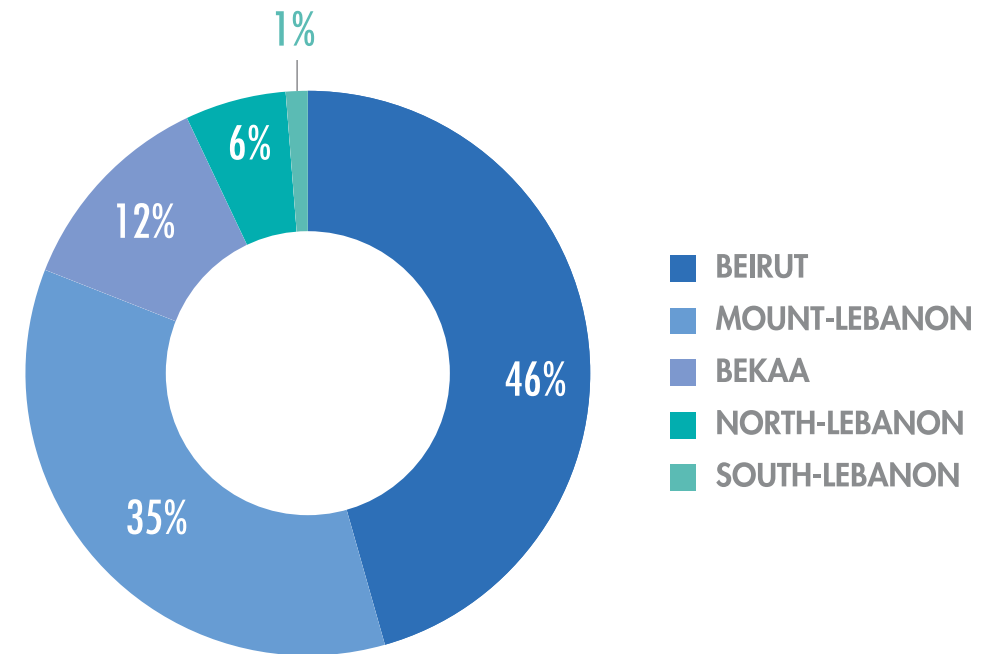
Source: IDAL's Calculations.

OUR ACHIEVEMENTS: IT HAS CONTRIBUTED TO THE CREATION OF MORE THAN 10,000 JOBS DIRECTLY, THE MAJORITY OF WHICH IN BEIRUT & MOUNT LEBANON

DISTRIBUTION OF JOB CREATED PER SECTOR
(% | 2003-2018)



DISTRIBUTION OF JOB CREATED BY REGION
(% | 2003-2018)



TOTAL: 9,744

Source: IDAL's Calculations.

CONTACT US

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