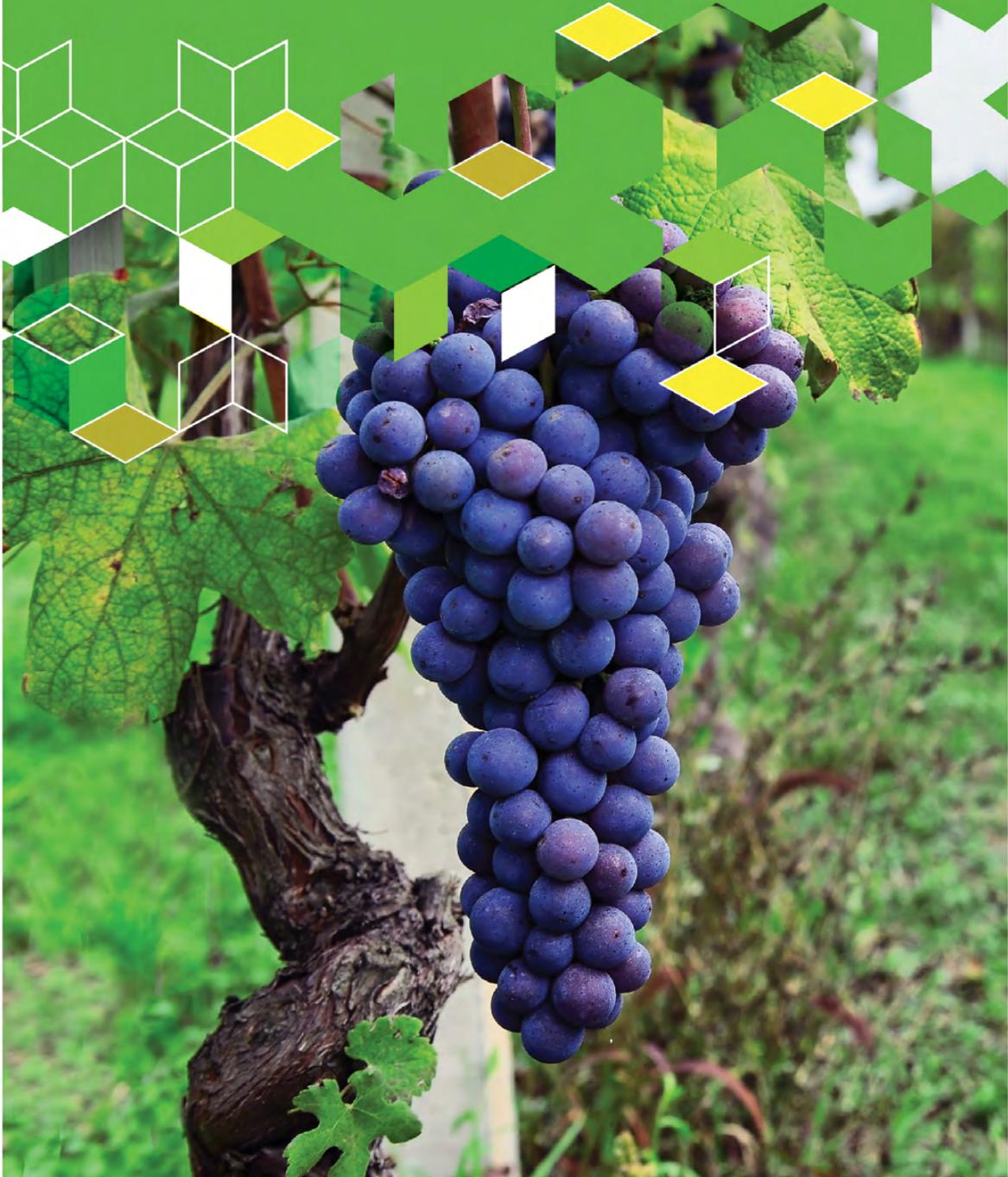




IDAL
INVEST IN LEBANON

AGRICULTURE

FACT BOOK
2016



CONTENT

SECTOR OVERVIEW	P 4
TRADE STATISTICS	P 6
INVESTMENTS IN THE SECTOR	P 7
MAIN STAKEHOLDERS	P 8
MAIN CONTACT DETAILS	P 9
CONTACT US	P 10

SECTOR OVERVIEW

MAIN GEOGRAPHICAL FEATURES

Lebanon's moderate climate, rich soil, and abundant water resources provide it with the key factors of agricultural production. The country is endowed with the highest proportion of agricultural land in the Middle East.

According to the latest figures of the Food & Agriculture Organization (FAO),

65% of Lebanese territory is covered by agricultural areas

14% of the total area of Lebanon is considered arable¹

Rainfall in the country remains relatively abundant at an average of

2.2 billion m³/yr significantly higher than the regional average

The country is also rich with water resources



The climate is moderate overall and is suitable for the cultivation of a wide variety of crops that would normally grow in both cold and tropical countries.

Major regions for crops, meadows and pastures include the Bekaa plain (where more than 40% of the land is cultivated), the North, particularly in Koura and Akkar, and the South with the coastal region from Sidon to Tyre (where intensive agriculture

is also present in greenhouses).

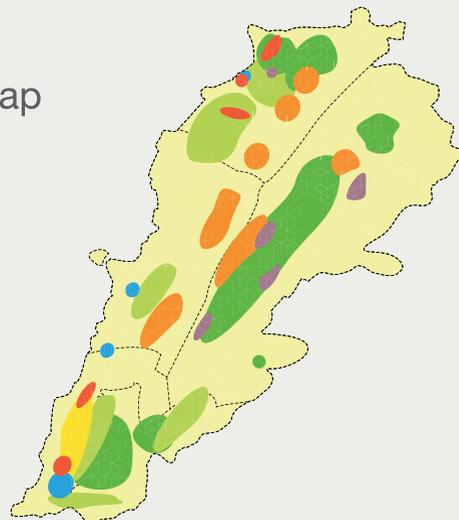
Mount Lebanon and Nabatiyeh are also important agricultural zones, albeit with lower shares of cultivated land due to their rough landscape.

CONTRIBUTION OF THE SECTOR TO THE ECONOMY

The Agricultural industry generates around 4.7% of Lebanon's GDP². It employs roughly 10% of the Lebanese labor force³.

Agricultural Map of Lebanon

- Annual Crops (Vegetable, Cereals, Etc.)
- Olives
- Citruses
- Bananas
- Vineyards
- Fruits (Other)
- Intensive Agriculture



Source: FAO, 2010

MAIN AGRICULTURAL PRODUCTS

Fruits constitute a large share of agricultural production in Lebanon at

26%

Citrus, apples, grapes and bananas are the biggest in terms of volume.

Vegetables rank first in production size, making up

48%

of total agricultural production. Potatoes are the main produce within this category

Livestock production has also been picking up in recent years.

In fact, meat production has more than doubled since 1990 reaching levels slightly below

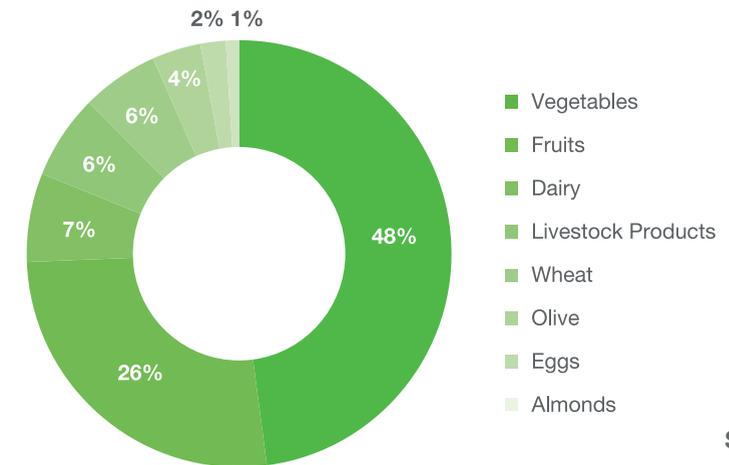
200,000T



Other produce are tobacco and cereals (mainly wheat and barley).



Figure 1: Agricultural Output by Subsector | 2012



Source: FAO 2012

Citrus accounts for

17%

of total fruits production

Apples account for

23%

of total fruits production

Grapes account for

14%

of total fruits production

Bananas account for

18%

of total fruits production⁴

¹ Arable lands consist of temporary crops and meadows, market and kitchen gardens, and temporary fallow areas.

² National Accounts.

³ Central Administration of Statistics, Statistical Year book 2009, Green Projects and Agriculture.

⁴ Based on FAO data, 2012.

TRADE STATISTICS

EXPORT PERFORMANCE

While agricultural production had been previously limited to meeting local market needs, it has recently shifted towards export production.

Exports of agricultural products have fluctuated over the last few years, due to varying factors and conditions.

From 2011-2014, the compounded annual growth rate of agricultural exports (CAGR) was 7.11% increasing from 400,181 tons in 2011 to 526,782 tons in 2014, despite the Syrian civil war having closed off major trade routes.

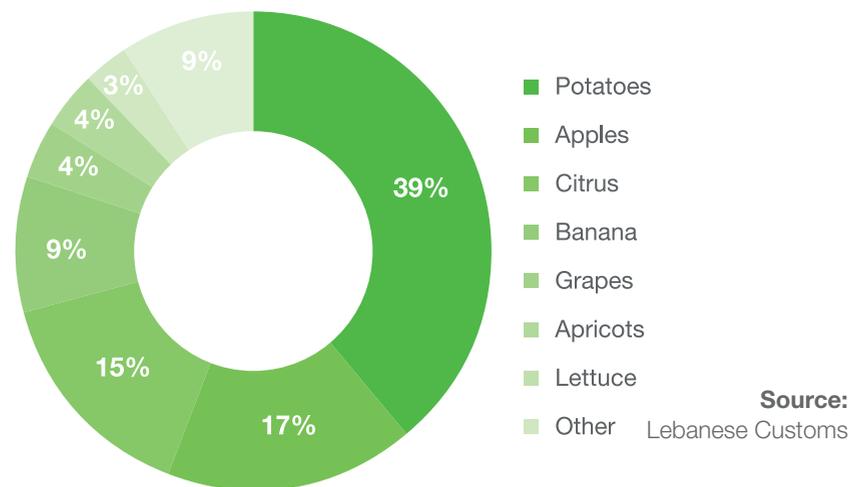
Over the 2014-2015 periods, nearly all agriculture product exports declined sharply with a net decrease of 33% as a result of the closure of the Syrian-Jordanian land borders (Nassib Border).

In 2015, agricultural exports accounted for around 22.5% of total exports reaching 43,328 tons. By value, agricultural exports accounted for around 6.2% of total exports in 2015.

Vegetable exports accounted for 42.4% of agricultural exports in 2015, fruits for 46.2% and cereals for 11.3% (Figure 2). Potatoes are amongst the largest exports within this category, and have witnessed a considerable increase over the past 5 years, reaching 238,500 tons in 2015.

It is worth noting that Lebanon remains highly import dependent on agricultural products, with imports in this sector amounting to LBP 1,372 Billion in 2015 (about 5 times the value of agricultural exports).

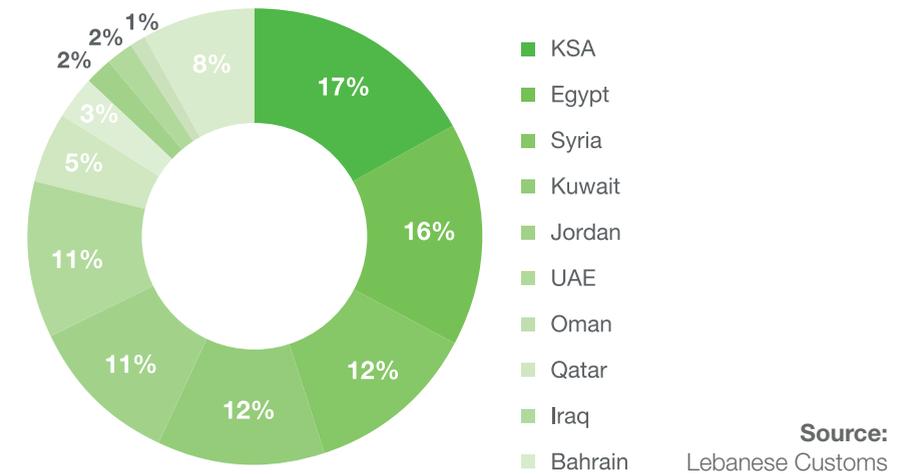
Figure 2: Agricultural Exports in Lebanon % | 2015



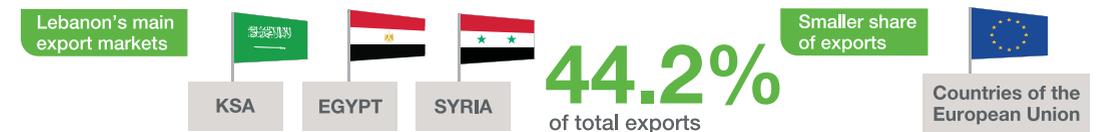
The largest share of Lebanese agriculture exports is destined to the GCC countries with a share of 50% of total exports. KSA, Kuwait and UAE rank first, second and third respectively within this category. The Arab countries (excluding GCC) rank second amongst country groups and occupy around 41% of total exports, with Egypt, Syria and Jordan as main destinations.

EXPORT DESTINATIONS

Figure 3: Agricultural Exports by Destination % | 2015



EXPORT PARTNERS



INVESTMENT TRENDS

Overall, Lebanon is seeking to diversify and enlarge its fruit varieties such as kiwi, custard apple, and truffles. The same can be said for fresh water farming which kicked off in the 1990s. On another level, organic agriculture is gaining in popularity, and there are currently some 300 farmers working in this area.

INVESTMENT THROUGH IDAL

IDAL mediated an agriculture project for Kuwaiti NPPC Fresh Produce Factory specializing in premium packaging for fruits and vegetables. The project has generated 62 new jobs, enhancing the livelihoods of several rural households.

Agriculture in Lebanon has great potential for growth, for it still hasn't reached its expansion limit. In addition to the country's ideal climate and landscape, other factors such as skilled labor, devoted research (8 agricultural colleges established across the

territory), and good export opportunities to the Middle East, also make investments in this sector highly attractive.

On another level, the persistent dependence on imports signals that the market is far from being saturated. With demand greatly exceeding local supply and local conditions favoring agricultural activity, Lebanon's diverse and rich agricultural sector makes it eye-catching for future investments.

MAIN STAKEHOLDERS

MINISTRY OF AGRICULTURE

The Ministry of Agriculture has put in place a new four-year strategy expected to significantly improve the sector's competitiveness by 2019, the main pillars of this plan include efforts to increase exports and improve production.

The ministry has also focused on providing financing. In August 2010, a Memorandum of Understanding with the Lebanese Banks' Association was signed to provide investors in the sector with soft loans to finance small and medium enterprises at low interest rates.

Other programs run by the ministry include a project focused on the promotion of olive and olive oil production, one of the hallmarks of Lebanese production.

INTERNATIONAL ORGANIZATIONS

Extensive funding has been directed to the agricultural sector from organizations such as the FAO, UNDP, IFAD, USAID and the EU.

INVESTMENT DEVELOPMENT AUTHORITY OF LEBANON (IDAL)

As per its mandate, IDAL is responsible for assisting in the support, promotion and marketing of Lebanese agricultural products among others. For that purpose, it launched in 2001 the Export Plus program, an initiative aimed at boosting exports of agricultural products through both financial and non-financial services. An amended and improved program, AgriPlus, was put in place in 2012.

The program provides exporters with decreased transportation costs. IDAL also assists Lebanese producers in tapping foreign markets through organizing training sessions, & participating in food fairs in potential markets. Products that receive assistance include fruits, vegetables & eggs.

MAIN CONTACT DETAILS

Ministry of Agriculture-MoA
www.agriculture.gov.lb

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

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

The Federation of the Chambers of Commerce Industry & Agriculture in Lebanon
www.cci-fed.org.lb

▶ Beirut and Mount Lebanon
www.ccib.org.lb

▶ Tripoli and North Lebanon
www.cciat.org.lb

▶ Saida and South Lebanon
www.ccias.org.lb

▶ Zahleh and the Bekaa
www.cciaz.org.lb

Industrial Research Institute-IRI
www.iri.org.lb

Quality Programme-QUALEB
www.qualeb.org

Lebanese Standards Institution-LIBNOR
www.libnor.org

Lebanese Agricultural Research Institute (LARI)
www.lari.gov.lb

National Council for Scientific Research Lebanon
www.cnrs.edu.lb

KAFALAT s.a.l
Loan guarantee company
www.kafalat.com.lb

Sources:

Ministry of Agriculture;
Federation of the Chamber of Commerce Industry and Agriculture in Lebanon;
Lebanese Economic Accounts 2010;
FAO 2010;
World Bank Database



FAO extends assistance through the provision of seeds and fertilizers, and support in the rehabilitation of greenhouses and the stocking of animals. The organization also provides financial assistance through partly funding grants to help agricultural companies invest in new technology



Projects implemented by the **UNDP**, particularly those funded by the Lebanese Recovery Fund (LRF) established in 2006, include wide-ranging assistance to horticulture smallholders and livestock keepers. Projects also focus on the cultivation of aromatic plants and herbs, as well as water management projects including a hydro-agriculture development initiative in the area of Marjaayoun.



A recent **USAID** project has been launched in support of agricultural value chains in Lebanon. The project aims to transfer marketing and production know-how to Lebanese farmers to help raise their productivity, and increase agricultural value added. It equally has a parallel focus on agro-food industries, thus reinforcing linkages between both sectors.





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:



/InvestInLebanon



@Invest_Lebanon



/Investmentdevelopmentauthorityoflebanon



/InvestInLebanon



T +961 (1) 983306/7/8
F +961 (1) 983302/3



invest@idal.com.lb
export@idal.com.lb
investinlebanon.gov.lb



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

