



IDAL
INVEST IN LEBANON



INVESTMENT DEVELOPMENT
AUTHORITY OF **LEBANON**

Presidency of the Council of Ministers

NEW HORIZONS

**ANNUAL
REPORT**

2015

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01
CHAIRMAN'S
FOREWORD





01 CHAIRMAN'S FOREWORD

Lebanon's performance in 2015 needs to be framed within the overall regional and international investment climate. The crises in the Arab countries and the drop in oil prices have sharply impacted outward investment flows from the region. Drop in remittances from Arab countries were equally important. The continuous slowdown in Europe had an impact on transactions flows to the region. With this big picture in mind, one can put the slowdown of Lebanon into perspective: while FDI flows grew by 10% in 2014, they dropped by more than 24% in 2015.

Despite this overall regional and international environment, several measures were put in place by the Government to sustain local demand: The stimulus package put in place by the Central Bank of Lebanon has contributed to stimulating lending activity across various economic sectors. Investment projects processed by IDAL in 2015 were 19% higher than in 2014 reflecting confidence by investors of using Lebanon as a base to serve the regional market. The majority of these projects were in the Agro Food and Industrial sectors, reflecting increasing demand for Lebanese goods in regional and international markets. Equally important, the decrease in interest rates on housing loans by the Central Bank also had a positive impact on real estate transactions.

IDAL has played a key role in continuously promoting the competitive advantages of the country in global forums. The ability of the country to serve as an outsourcing destination for high value added goods was put at the forefront of our marketing efforts given our exceptional talent base.

2015 was a year of great support to our local industry to expand abroad. We have played an instrumental role in safeguarding exports of agriculture, agro food and industrial goods amidst the closure of the border areas with Syria through the newly launched Maritime Bridge Program. The program offered Lebanese exporters with alternative routes for their products. The Media sector also received support by IDAL with the sponsoring of the Lebanese presence at the Cannes Film Festival a major event where 3 Lebanese films were recognized.

Going forward we will continue playing a key role in maintaining the image of the country as a great place for doing business and providing investors with the needed services and incentives.

Nabil Itani
Chairman, General Manager



02

FOREIGN INVESTMENT OVERVIEW

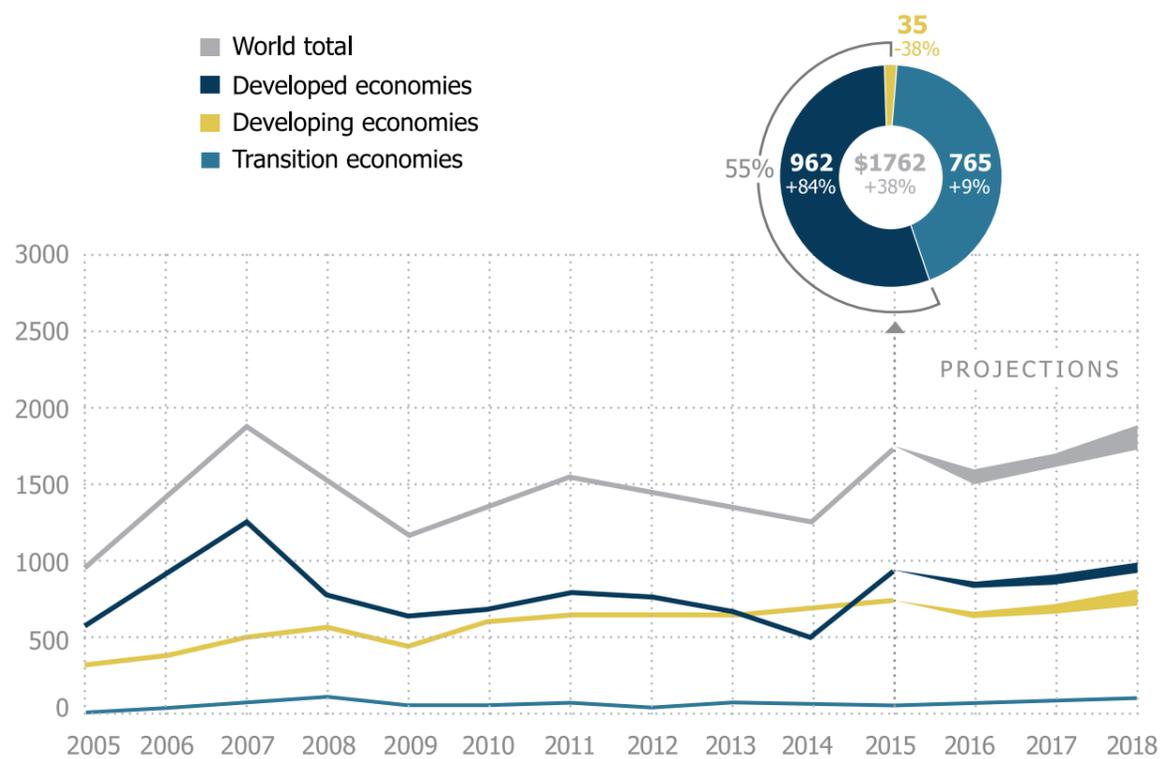
02 FOREIGN INVESTMENT OVERVIEW

■ a. GLOBAL AND REGIONAL INVESTMENT CLIMATE

Global FDI flows jumped by 36% in 2015 to an estimated US\$ 1,762 billion, their highest level since the global economic and financial crisis of 2008-2009 according to the UNCTAD World Investment Report 2016 (Figure 1). This rise in FDI was somewhat “unexpected”, given the global macroeconomic environment, which was dominated by a slow

growth in emerging markets and a sharp decline in commodity prices. According to the UNCTAD report, the principal explanation for this rise in FDI levels was a surge in cross-border M&As (+67%), with only a limited contribution from greenfield investments – an 8% rise from the previous year.

Figure 1: FDI Inflows: Global and by Group of Economies (2005-2015) (US Billion Dollars)



Source: ©UNCTAD, FDI/MNE database (www.unctad.org/fdistatistics)

A surge in FDI targeting developed economies (+84%) was the principal factor behind the global rebound. Strong growth inflows was reported in the European Union as well as in the United States where FDI quadrupled, although from a historically low level in 2014. The main drivers of this upward trend are found in improved growth prospects in the United States, the demand-stimulating effects of lower oil prices, and continued investment liberalization and promotion measures.

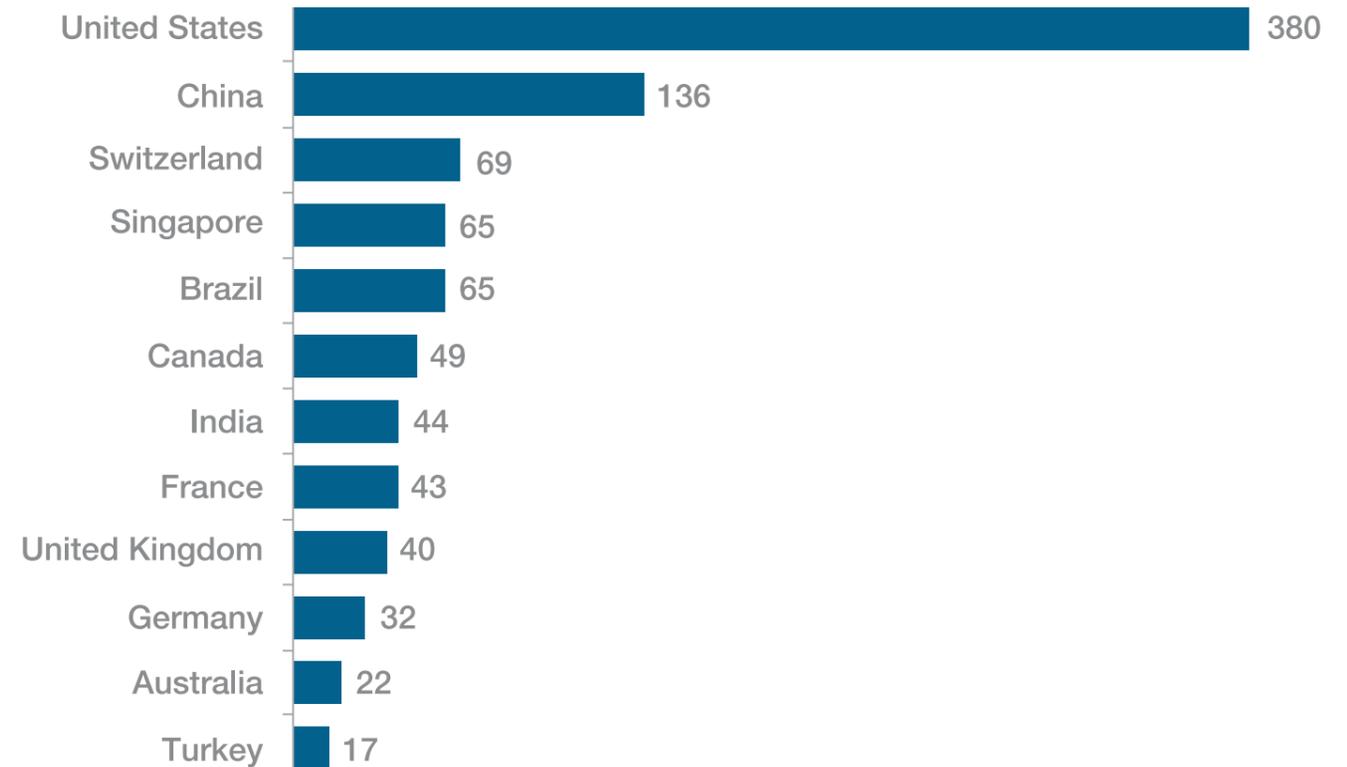
According to the UNCTAD report, developing economies saw their FDI reaching a new high of \$765 billion,

9% higher than in 2014. The net result was that the share of developed economies in the world FDI inflows increased from 41% in 2014 to 55% in 2015, reverting a five-year trend that has seen developing and transition economies emerge as majority recipients of these flows.

Figures show that the United States came in first position among host economies in 2015, with some US \$ 380 billion of FDI inflows registered. Inflows to Hong Kong followed (US \$ 175 billion), as did inflows to China (US \$ 135 billion), Ireland (US \$ 101 billion), and the Netherlands (US 73 billion) (Figure 2).

Figure 2: Estimated FDI Inflows to Top 20 Host Economies in 2015

Estimated FDI Inflows: Top 20 Host Economies in 2015 (Billions of US Dollars)



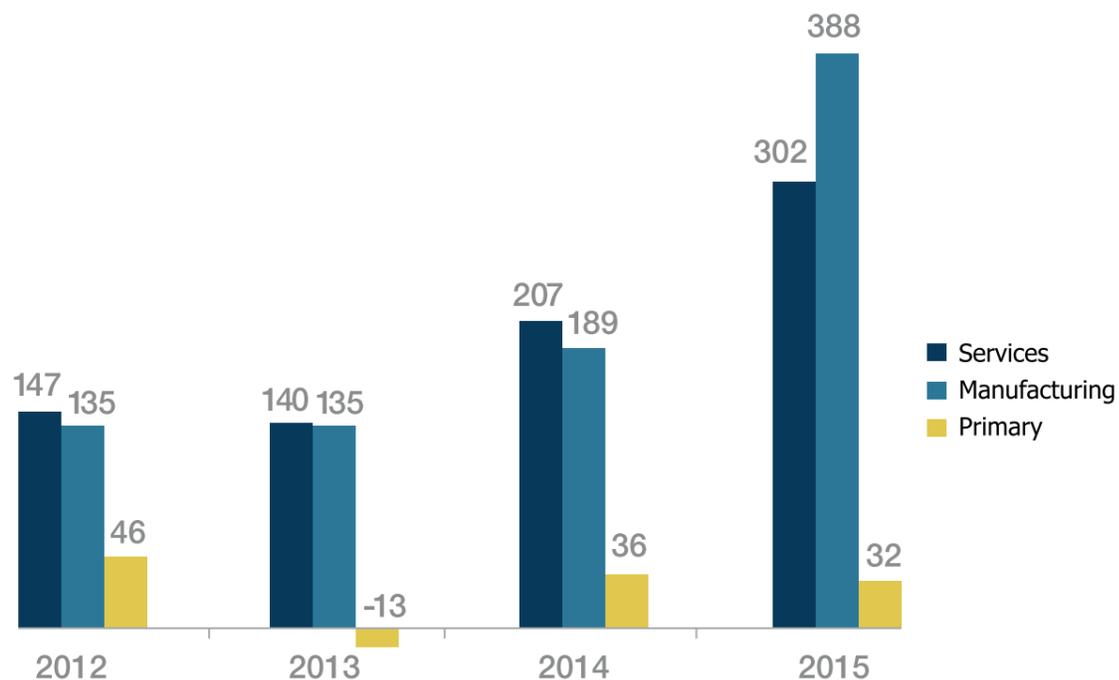
Source: 2016 UNCTAD World Investment Report

In terms of the distribution of global FDI across economic sectors, there as continued concentration of flows in the service sector with cross-border M&As in the services sector increasing by US\$ 95 billion in or the equivalent of 46% from 2014 levels (Figure 3).

Also sales of cross-border M&As in manufacturing reached a historical high in absolute terms (US\$ 388 billion in 2015), surpassing the previous record set in 2007. It is worth mentioning that increases in cross-border M&As in manufacturing were significant in pharmaceuticals (up to US\$ 61 billion), non-metallic mineral products (up to US\$ 26 billion), furniture (up to US\$ 21 billion) and chemical products (up to US\$ 16 billion).

Figure 3: Value of Cross-border M&A Sales, by Sector (2012-2015)

Value of cross-borders M&A sales, by sector, 2012-2015 (Billions of US Dollars)



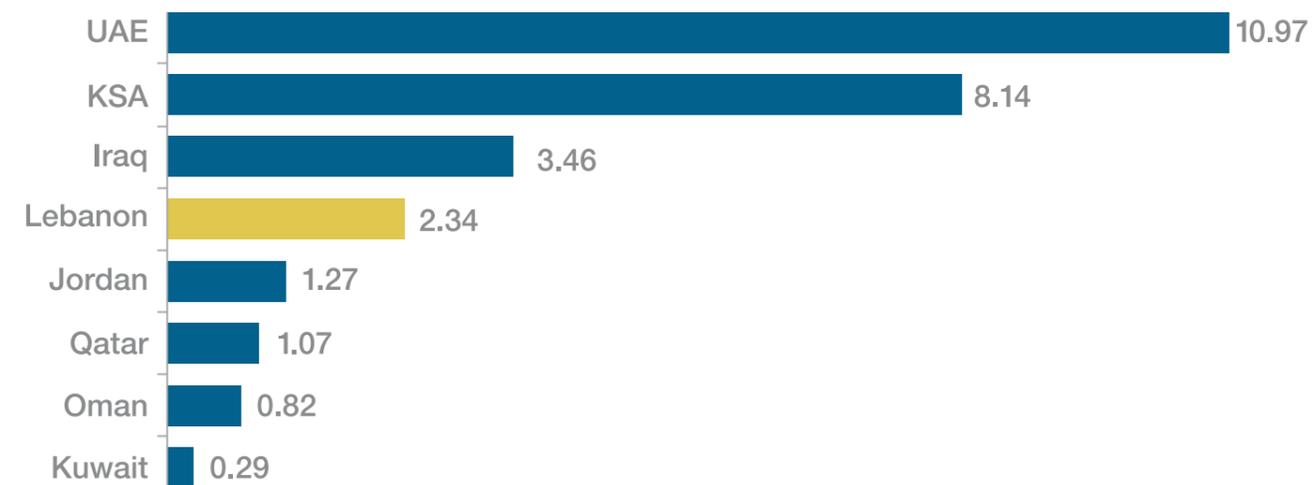
Source: 2016 UNCTAD World Investment Report

The West Asian region on the other hand was still impacted by political disturbances causing FDI inflows to drop by 2% to reach US\$ 42 billion.

Depressed oil prices and the geopolitical uncertainty continued to affect FDI to oil-producing West Asian countries, with inflows remaining at low levels in Qatar and Kuwait and stable in UAE (US\$ 11 billion) (Figure 4). Inflows to Turkey on the other hand, the largest recipient in the sub region, rose by 36 % to 17 US \$ billion. The significant increase, boosted by a surge in cross-border M&As has made Turkey the fifth largest FDI recipient in developing Asia as a whole.

Figure 4: FDI Inflows to Arab Host Countries in 2015

FDI Inflows to Arab Host Countries in 2015 (Billions of USD Dollars)



Source: 2016 UNCTAD World Investment Report

As for Lebanon, FDI inflows dropped by 19 % to 2.34 billion in 2015. The reason behind this drop remains the political and security instability with investors adopting a “wait and see” attitude.

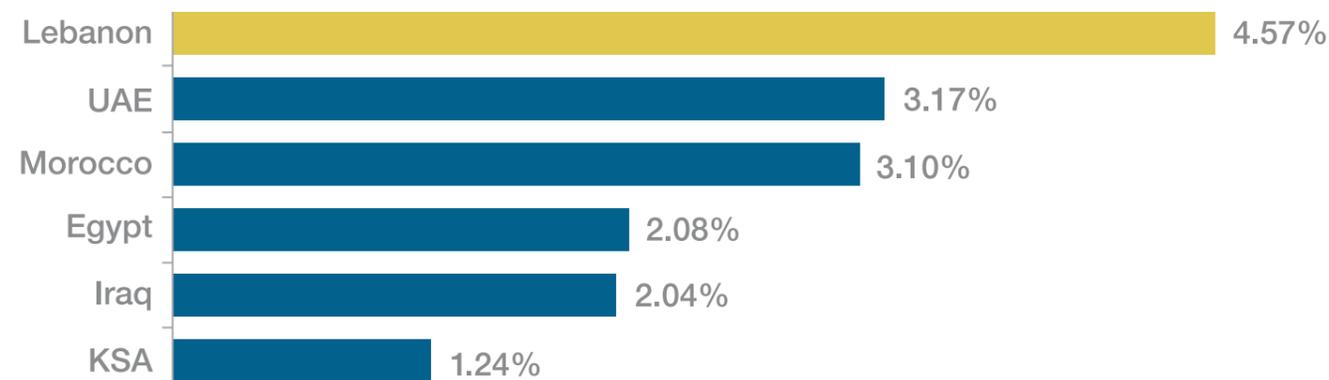
However, Lebanon has succeeded to remain one of the largest non-oil economies recipient of FDI in the region, thanks to its friendly business and regulatory

environment, sophisticated banking industry, and the availability of high quality educational institutions.

In relative terms, when accounting for a country’s size and GDP relative to FDI inflows into it, Lebanon remains on the top of the list, with FDI inflows accounting for 4.57% of GDP (Figure 5)

Figure 5: FDI Inflows to the MENA Region as a % of GDP in 2015

FDI Inflows to the MENA Region as a % of GDP in 2015 (% share)



Source: 2016 UNCTAD World Investment Report and IMF Statistics

■ b. FOREIGN INVESTMENTS STRUCTURE IN LEBANON

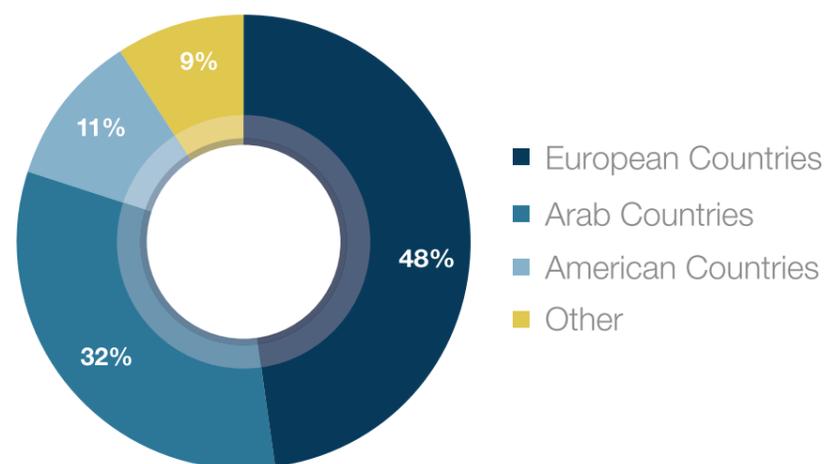
Lebanon's legal framework and investor-friendly public policies have played an important role in maintaining investors' confidence in the local economy. Lebanon's highly skilled multilingual and cost competitive labour force, in addition to the country's liberal policies have been instrumental in keeping Lebanon on the radar of investors looking to serve the local and regional markets.

In 2015, despite regional imbalances, around 44 foreign investment projects and foreign partnerships were announced, a number slightly higher than 2014 figures.

European companies were the main investors in Lebanon, accounting for more than 48% of the foreign companies in 2015 (Figure 1). The three main European countries are France with 9%, UK with 9% and Italy with 4.5% of total foreign companies respectively.

Arab investors' share of foreign companies in Lebanon increased in 2015 to reach 32% from the total investors, with the UAE remaining the leader with 22.7% of total foreign companies, followed by Jordan with 4.5% of the total foreign investments in Lebanon.

Figure 1: Distribution of Foreign Companies by Country of Origin (%share | 2015)



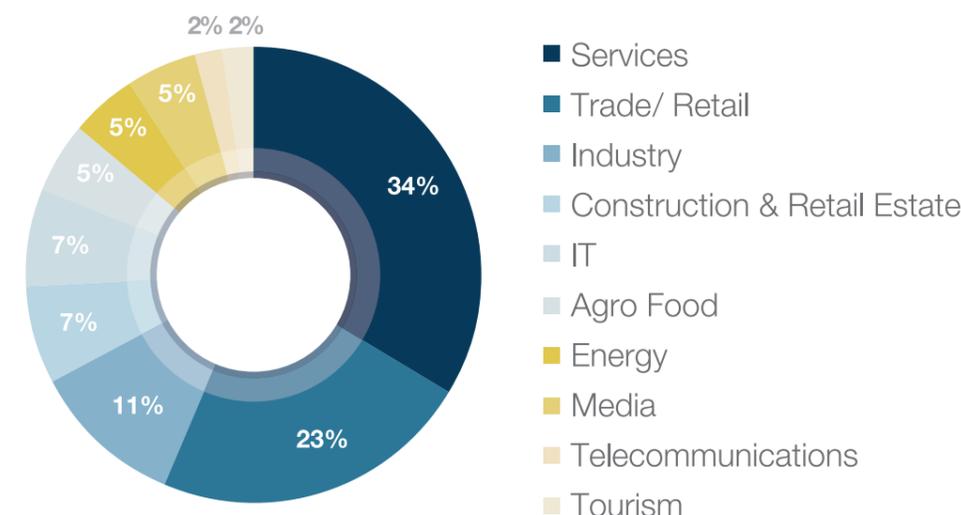
Source: Ministry of Economy & Trade, ANIMA Investment Network, fDi Intelligence

In terms of distribution by sector, More than 68% of these investment projects were made in the Services, Trade / Retail, and Industry sectors (Figure 2), with 34% in the services sector in 2015 compared to 26% in 2014. More specifically 4 companies operating in the financial sector opened either a branch or representative office in Lebanon. These investments reflects the confidence of foreign investors in the Lebanese financial sector which remains strong due

to Central Bank policy of maintaining high foreign currency reserves that cover almost 80% of local currency money supplies, as well as stable prices and a favourable interest rates.

A trend worth noting is the increase in investments in the Information Technology (software development) accounting for around 7% of total foreign projects, a 2% increase from 2014 figures.

Figure 2: Distribution of Foreign Companies in Lebanon by Sector of Activity (2015)



Source: Ministry of Economy & Trade, ANIMA Investment Network, fDi Intelligence

In addition to including the traditional components of FDI from equity capital to re-invested earnings, UNCTAD specifies that real estate investments of a private, non-business nature covering recreational facilities, vacation homes and residences owned by non-residents for personal use or leased to others should, in principle, be included in foreign direct investment.

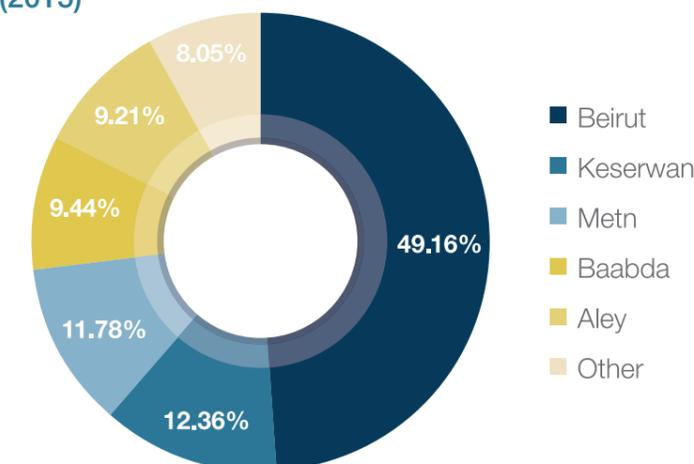
In Lebanon, the real estate sector has been one of the key attractive sectors for foreigners. Despite the relative slowdown in the real estate market due to the internal and regional situation, prices have remained stable. Arab investors have remained committed to maintaining businesses in Lebanon despite hard

conditions prevailing in the country, with the real-estate sector in particular staying noticeably active.

According to statistics of the General Directorate of Real Estate Affairs, the value of real estate transactions by foreigners in 2015 reached around USD 546.13 million and was distributed among 5 main districts (Figure 3).

Beirut grasped the lion share (49.16%) of total real estate acquisitions by foreigners in Lebanon. Arab nationals renowned for their consistent demand for luxurious spacious flats in Lebanon. Those apartments are usually above 220 square meters and are very well located mainly in Beirut.

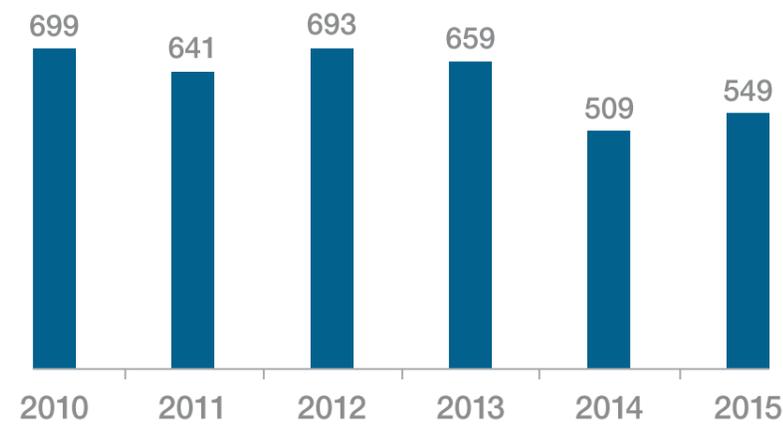
Figure 3: Distribution of Foreign Investments in the Real Estate Sector in Lebanon by District (2015)



Source: General Directorate of Real Estate Affairs

It is worth noting that the value of sales to foreigners, after two consecutive years of decline, has increased by 10.3% from 2014 levels (Figure 4).

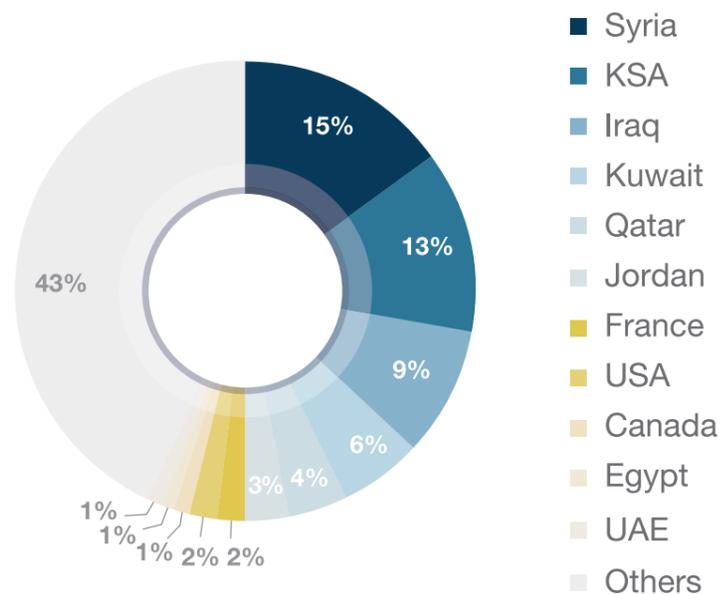
Figure 4: Evolution of Real Estate Acquisitions by Foreigners in Lebanon (in Million USD)



Source: General Directorate of Real Estate Affairs

As for the distribution of the real estate acquisitions by foreign nationalities (Figure 5), Syrians have seized the largest portion of real estate acquisitions in 2015 (15%). Saudi Arabia came second with 13% of total real estate acquisitions.

Figure 5: Distribution of Real Estate Acquisitions by Foreigners in Lebanon (%share | 2015)



Source: General Directorate of Real Estate Affairs

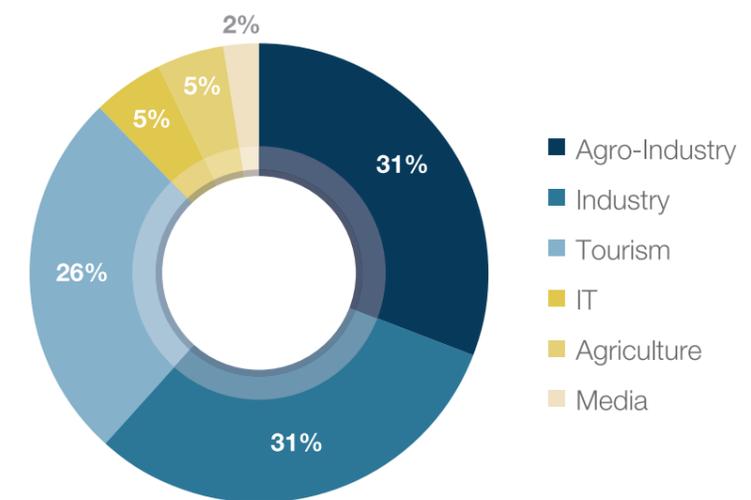
c. INVESTMENTS MEDIATED BY IDAL

MANAGED PROJECTS – Are planned investments by foreign or local companies that involve at least one visit to IDAL as part of their consulting process. Over the course of 2015, the “One Stop Shop” Directorate at IDAL processed the application of more than 43 investors (a 19% increase from 2014 levels), who approached IDAL to benefit from its various support schemes including its fiscal incentives. The majority of

those investors (41 investors) were Lebanese, while 2 are of foreign origin (1 German and 1 Saudi Arabian).

The majority of the investment projects were in the Agro-industry and Industrial sectors which grasped the highest share with around 31% each, followed by the Tourism sector (26%) (Figure 1).

Figure 1: Distribution of all Projects reviewed by IDAL by Sector in 2015 (%share)



Source: Lebanese Customs

The surge in investments in the Agro Food sector is linked to an increasing demand for Lebanese goods as highlighted in the 11.2% growth in Agro Food exports over the course of 2014-2015. More specifically, the bulk of investments were in processed food factories that manufacture processed meat, pickles and nuts. Processed food companies have tapped into international food markets with high quality products like canned hummus, olives and pickles targeting the Lebanese diaspora and specifically the Lebanese restaurants in Europe and USA.

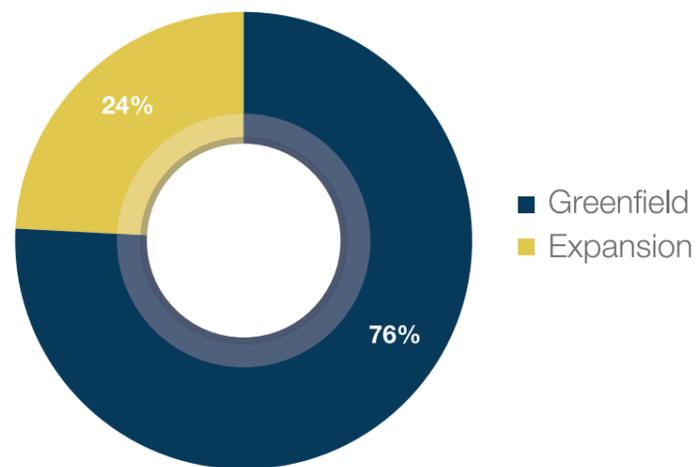
investment activity in the industrial sector may be partially explained by the Syrian crisis; with most of its industry in distress (many factories have been destroyed or abandoned by owners), Syria as well as other Arab countries are now increasingly dependent on Lebanese products to meet their industrial needs.

As for the Industry sector, new investments were made across several sub-sectors. The increase in

It is also worth mentioning that the Information technology sector is now grasping a larger share of total projects in 2015 with the issuance of Intermediate Circular 331 that made available around USD 400 million to encourage Lebanese commercial banks to invest in the equity capital of startups, incubators, accelerators, and other companies working in this sector.

In terms of types of projects, 76% of these investments were Greenfield (New) projects, while the remaining 24% were expansions (Figure 2)

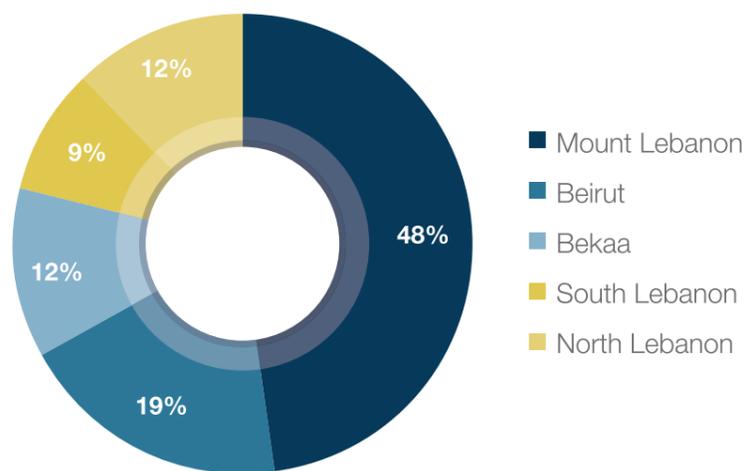
Figure 2: Distribution of Projects mediated by IDAL by Type in 2015 (%share)



Source: IDAL

As for the geographical distribution of the projects, the share of Mount Lebanon has increased from 41% in 2014 to 48% in 2015 providing cheaper land options and operating costs (Figure 3). As for Beirut, the percentage of projects in this region did not change from 2014 (19% of total projects). The other projects were distributed between North Lebanon (12%), Bekaa (12%) and South Lebanon (9%).

Figure 3: Distribution of Projects by Region in 2015 (% share)



Source: IDAL

PROJECTS PROCESSED BY IDAL

Are projects which are processed by IDAL's board as deemed eligible for IDAL's incentives as per Investment Law No. 360.

In 2015, out of the 21 projects eligible for IDAL's incentives, IDAL processed 10 investment projects which applied to the "One Stop Shop" directorate in order to benefit from the various incentives and business support services. There are two incentive schemes that investors can choose from and which differ in the extent of exemptions provided and in the eligibility criteria:

- Investment Project by Zone (IPZ) scheme that requires IDAL's Board and Presidency of the Council of Ministers approvals
- Package Deal Contract (PDC) scheme that requires IDAL's Board, the Presidency of the Council of Ministers and Council of Ministers approvals

One of these projects, Castania Expansion project in Jbeil Lebanon, has undergone the required process and received the approval of IDAL's Board of Directors, the Council of Ministers and the Presidency of the Council of Ministers to benefit from IDAL's PDC incentives scheme. The approved project is valued at USD 5,975,900 and is expected to generate around 75 direct jobs when implemented.

PROJECTS IN THE PIPELINE			
AGRO-INDUSTRY	FOOD & BEVERAGES	WILCO	Investment Size: USD 11,109,850 Expected Direct Job Creation: 58 Type of Investment: Expansion Type of Incentive Scheme from IDAL: PDC Location: Mount Lebanon Nationality of Investor: Lebanese Description: This project is primary aimed at increasing the company's production capacity
	FARMS	HAWA CHICKEN (Expansion Project)	Investment Size: USD 52,600,000 Expected Direct Job Creation: 309 Type of Investment: Expansion Type of Incentive Scheme from IDAL: PDC Location: Anfeh and Zakroun, North Lebanon Nationality of Investor: Lebanese Description: Establishing 5 new plants (phase 1:slaughterhouse, rendering plant, pet food; phase 2:hatchery plant and feed factory)
	FARMS	AL RIHAN POULTRY	Investment Size: USD 4,000,000 Expected Direct Job Creation: 60 Type of Investment: New Type of Incentive Scheme from IDAL: PDC Location: Jezzine, South Lebanon Nationality of Investor: Lebanese Description: A new farm for breeding hens to produce and sell eggs domestically and internationally
INDUSTRY	GENERATORS FACTORY	JUBAILI BROS	Investment Size: USD 12,083,446 Expected Direct Job Creation: 55 Type of Investment: Expansion Type of Incentive Scheme from IDAL: PDC Location: South Lebanon Nationality of Investor: Lebanese Description: this project is primary aimed at increasing the company's production capacity
	CHEMICALS	GENERAL PAINTS CO S.A.L.	Investment Size: USD 8,000,000 Expected Direct Job Creation: 50 Type of Investment: Expansion Type of Incentive Scheme from IDAL: PDC Location: Mount Lebanon Nationality of Investor: Lebanese Description: this project is primary aimed at increasing the company's production capacity
	METALS, MACHINERY & EQUIPMENT	DALAL STEEL INDUSTRIES	Investment Size: USD 8,949,155 Expected Direct Job Creation: 42 Type of Investment: Expansion Type of Incentive Scheme from IDAL: PDC Location: Zahle, Bekaa Nationality of Investor: Lebanese Description: a steel factory expanding its facility production to meet local and foreign markets demand

PROJECTS IN THE PIPELINE			
INFORMATION TECHNOLOGY	SOFTWARE DEVELOPMENT	KLANGOO	Investment Size: USD 200,000 Expected Direct Job Creation: 7 Type of Investment: New Type of Incentive Scheme from IDAL: Investment Project by Zone (IPZ) Location: Mount Lebanon Nationality of Investor: Lebanese Description: this project is primarily aimed at increasing the company's production capacity
	SOFTWARE DEVELOPMENT	LOGOS	Investment Size: USD 279,421 Expected Direct Job Creation: 32 Type of Investment: Expansion Type of Incentive Scheme from IDAL: Investment Project by Zone (IPZ) Location: Beirut Nationality of Investor: Lebanese Description: a leading regional information technology and enterprise solution provider expanding its operations in Beirut in Software Development
	BROADBAND WIRELESS INTERNET PROVIDER	CONNEXIONS SERVICES S.A.L	Investment Size: USD 3,000,000 Expected Direct Job Creation: 37 Type of Investment: New Type of Incentive Scheme from IDAL: Investment Project by Zone (IPZ) Location: Mount Lebanon Nationality of Investor: Lebanese Description: the company will provide broadband wireless Internet connection using WiMIX technology

Note: Projects in the Pipeline are projects which have either been approved by IDAL's board and are pending approval of the Council of Ministers or President of the Council of Ministers, or are projects that are pending the completion of the investor's file.

Source: IDAL



03

EXPORT PROMOTION

03 EXPORT PROMOTION

a. EXPORT OF AGRICULTURE PRODUCTS: "AGRI PLUS" PROGRAM

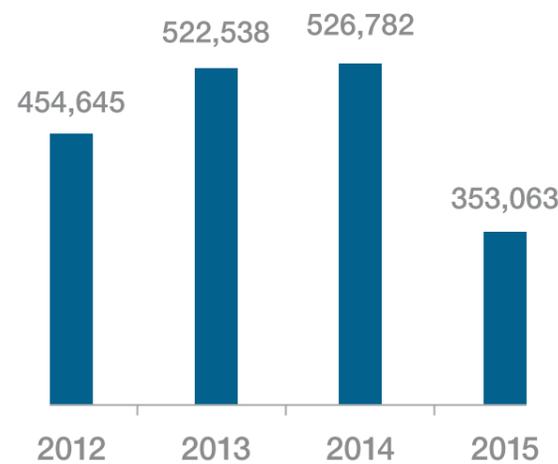
In 2011, IDAL put in place the "Agri Plus" program to promote the export of agriculture products to regional and international markets. This program was able to increase exports of agriculture goods by 16% between 2012 and 2014.

By the end of 2015, exports of agricultural products witnessed a 33% decrease from previous year's levels

(Figure 1), due to the closing of the border areas with Syria, directly impacting transit and land shipment of goods. More specifically, the total quantity of exported fruits and vegetables reached 353,063 tons, while egg exports recorded a transaction of 72,666 boxes compared to 1,400 boxes in 2014. As for honey exports, they recorded a modest transaction of 22,41 tons exported to the UAE, Jordan, KSA and USA.

Figure 1: Evolution of Exports (Tons) (2012-2015)

Evolution of Agricultural Exports (2012-2015)



Source: IDAL

Meanwhile, olive oil exports recorded an increase of 38.1% compared to 2014 with a volume of 4,341 tons in 2015, with a significant percentage (27%) of the exported olive oil quantity directed to zone "d", which includes North and South America and Australia, some of the new markets penetrated by Lebanese exporters.

171 exporters were registered in the "Agri Plus" program by the end of the year compared to 166 in 2014 with 7 specialized in the export of olive oil and one specialized in the export of honey.

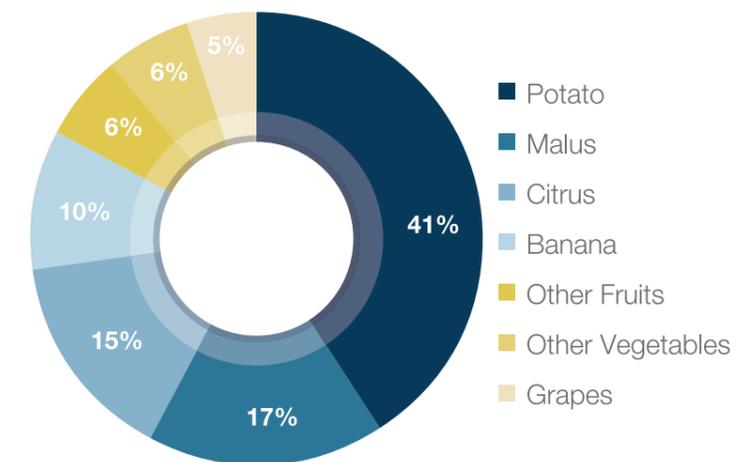
Exporters benefiting from the "Agri Plus" program need to meet specific packaging requirements. In 2015, 177 packaging centers met the requirements set forth by IDAL, highlighting the improving standards of Lebanese produces.

b. EXPORTS OF FRUITS & VEGETABLES: 2015 PERFORMANCE

Potatoes accounted for the bulk of total agricultural exports with 144,138 tons, accounting for 41% of total exports, followed by Malus with 59,902 tons

(17% of total), while the export of Grapes reached their lowest export level with only 17,053 tons accounting for 5% of the total exports.

Figure 2: Major Agricultural Exports (% share | 2015)



Source: IDAL

The "Agri Plus" program classifies Lebanese products importing countries into four zones as follows:

Zone "A": Syria and Jordan

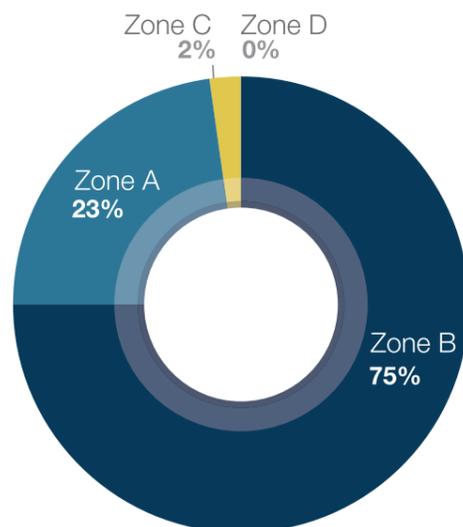
Zone "B": Egypt, Libya, Sudan, Turkey, Saudi Arabia, United Arab Emirates, Yemen, Oman, Kuwait, Qatar, Bahrain, Iraq and Iran

Zone "C": European countries, Africa and Middle Asia

Zone "D": North and South America, Australia, and East Asia

The majority of Lebanese agricultural exports are destined to Zone "b" accounting for the highest proportion (75% of total) while only 18 tons were exported to Zone "d" which again highlights the need and opportunity to open up to new markets.

Figure 3: Agricultural Exports By Zone (% share | 2015)



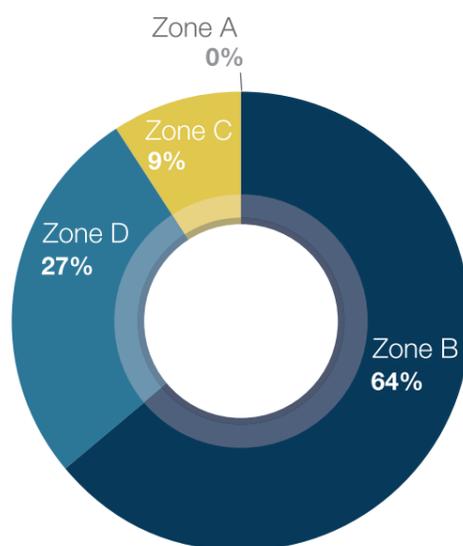
Source: IDAL

c. EXPORTS OF OLIVE OIL : 2015 PERFORMANCE

The monthly average export of olive oil through the “Agri Plus” program reached 361 tons in 2015 registering a positive performance compared to last year’s exports. The export of olive oil is very seasonal, fluctuating over the year and with a peak registered during the last quarter of the year when the season actually begins.

In terms of the markets with the highest appetite for Lebanese olive oil products, the bulk of the exports were shipped to the zone “b”, with 2,767 tons accounting for around 64% of total exports. The second destination of olive oil exports was zone “d”, where the exported quantity reached 1,170 tons.

Figure 4: Olive Oil Exports By Zone (% share | 2015)



Source: IDAL

d. MARITIME LEBANESE EXPORTS BRIDGE (M.LEB)

The Maritime Lebanese Exports Bridge (M.LEB) program was put in place by the Lebanese Government in September 2015 to create a temporary maritime bridge for trucks loaded with Lebanese produce as an alternative mean to land transport as a result of the

closure of land borders between Lebanon, Syria and Jordan, countries whose borders have historically been considered fundamental for Lebanese exports to the golf region.

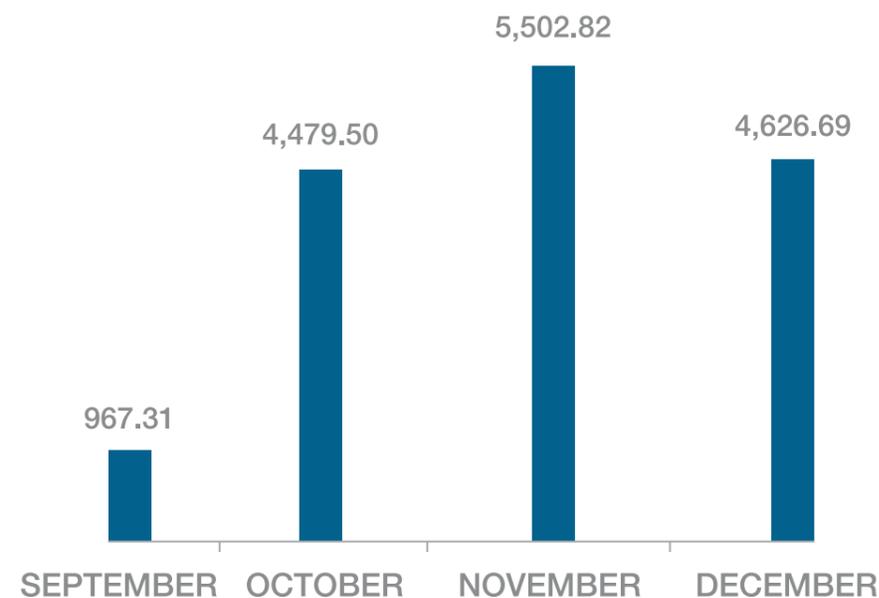
In the first quarter of the M.LEB program implementation, i.e. from September 17, 2015 to December 31, 2015, the results registered were as follows:

- Agricultural exports (fruits and vegetables) reached 14,096 tons;
- Industrial exports amounted to 368 tons;
- Agro-food exports recorded 1,113 tons;
- 829 trucks were shipped abroad the vessel of which 715 trucks were subsidized.
- The Kingdom of Saudi Arabia imported the highest percentage of Lebanese products through the program, registering 66%, while Kuwait came second with 18%, and Jordan came third with 12%. It is worth mentioning that the highest share of products was exported to the Gulf countries through the port of Duba in the Kingdom of Saudi Arabia.

The month of November witnessed the highest exported quantities through the program, registering 5,503 tons while the exported quantities were at their lowest in September, with 967 tons, noting that this quantity was exported within 13 days of the said month, as

the program was launched on the 17th of September. However, the monthly upward trend of the overall exports witnessed a slight decline in December, as a result of an additional increase applied to the transportatio cost (Figure 1).

Figure 1: 2015 Monthly Exported Quantities (tons)



Source: IDAL



04

MARKETING
& PROMOTION

04

MARKETING & PROMOTION

a. CIRCULATION OF INFORMATION

One of IDAL's main roles is to provide market intelligence and economic information to investors wishing to establish their business in Lebanon as well as to Lebanese companies who intend to expand their business beyond the borders.

In 2015 IDAL was able to develop various market studies and fact books on new industries, territories, and services and also to upgrade existing information on the sectors of focus.

ICT MARKET IN NIGERIA

In 2014 Nigeria became Africa's largest economy and is projected to become a global economic powerhouse by 2040. This market report provides you with key insights into Nigerian market and includes information on market trends, export and import activity, and key business opportunities.

ICT MARKET IN IVORY COAST

The Ivory Coast is the second largest economy in Africa and the largest economy in the West African Economic and Monetary Union (UEMOA). Since 2011 the Ivory Coast has registered remarkable growth that you can tap into. This market report provides you with key insights into Ivory Coast market. It includes information on market trends, export and import activity, and key business opportunities.

ICT MARKET IN FRANCE

In 2011 the French ICT market accounted for 16% of the total European ICT market. The sector generated a turnover of €148 billion and accounted for 8.2% of the country's GDP. It currently engages a workforce of 1,335,000 employees. The report sheds

light into all those details and more so that you are able to make an informed decision should you wish to expand your business.

DIRECTORY OF ICT COMPANIES IN LEBANON

This updated directory provides you with basic information on ICT companies in Lebanon, their contact information, product description, and export markets.

FILM INDUSTRY FACTBOOK

This publication provides you with basic information on the Film Industry in Lebanon. It highlights the value chain, fact and figures, socio-economic impact of the sector, support provided to the sector and more.

MEDIA FACTBOOK

This publication provides you with basic information on the Media sector in Lebanon, it includes market analysis, regulatory framework, investment opportunities and others.

TECHNOLOGY FACTBOOK

This updated publication provides you with basic information on the Telecommunication sector in Lebanon such as market size, competitive advantages, research and development, medical technologies, investment opportunities and more.

TELECOMMUNICATION FACTBOOK

This updated publication provides you with basic information on the Telecommunication sector in Lebanon such as market size, regulatory framework, investment opportunities and more.

b. SOCIAL MEDIA

IDAL is considered one of the most active public institutions on social media, providing investors and interested business people with on-going information on doing business in Lebanon, the investment climate, and also a snapshot of the various initiatives that the institution is partaking in.

WE HAVE HAD A SIGNIFICANT INCREASE IN SOCIAL MEDIA ENGAGEMENT IN 2015:

Facebook: The page which reached so far 5,000 fans is constantly engaging with its audience through rich content with an accumulated reach of over 900,000 for the posts.

Twitter: With a fan base of 1,500 we have tweeted over 2,000 times mostly on events and sector and business news. More than 40% of our followers are influencers and potential investors from various sectors, especially ICT. Our main objective in using Twitter as a communication tool is to listen to influential figures/corporations and build active relationships with them through online networking.

Linkedin: Our presence on LinkedIn is growing with 800+ followers to date, with 30% being in senior job posts. The industry with the highest interest in our page are people from the Banking sector with 8% followed by Information Technology with 7%. LinkedIn has been important for us to communicate with investment professionals and securing a presence on a medium dedicated to professionals.

YouTube: Our channel on YouTube aims at educating the general online public and sharing original visual content for information purposes. It contains promotional videos on Lebanon and our products and services with over 6,000 views.

c. EVENTS

08 NOV, IDAL Received a delegation from MIEUX to Link Between Diaspora and local Development:

Within its efforts to set a national initiative to attract Lebanese expatriates' investments, IDAL received a delegation from the MIEUX, an EU Migration Expertise program, which will provide technical advice and expertise on linking between diaspora and local development.

The delegation comprised an expert from the European Union, Mr. George Portugal (Portuguese presidential advisor and member of the emigrant Council), Mrs. Thelma Harris of Connect Ireland, and Mr. Noisad Hodewala of MIEUX program.

16 FEB, Mentoring and coaching by our Lebanese Diaspora:

As part of IDAL's strategy to support the growth of the ICT sector and improve its competitive advantages, IDAL partnered with the UNDP's TOKTEN project "Transfer of Knowledge Through Expatriates Nationals" and the Ministry of Economy, and Berytech, to provide mentorship to selected companies operating in the field of applied sciences and software. This is part of a series of mentoring sessions that the group mentioned above is planning to organize within the coming year.

The 1st mentorship session took place with Steven Bathiche, currently Director of Research at Microsoft Corp.'s Applied Sciences Group,

The session took place on February 16, at Berytech. During the mentorship session, Steven Bathiche talked about his experience in Microsoft Corp. and introduced the new strategic trends in IT and shed lights on projects that Microsoft is currently working on. Going forward Steven would be interested in mentoring Lebanese startups working in the field of co-locating display and sensing technologies (his current technical focus).

29 MAY, "Mobilizing diaspora for global integration in investment knowledge transfer" conference:

IDAL participated in the "Mobilizing Diaspora for Global Integration in Investment and Knowledge Transfer" conference, organized by the World Bank Group, in cooperation with the "Mediterranean Integration Center" in Marseille - France.

IDAL's Chairman Eng. Nabil Itani declared that IDAL is striving to set up a local strategy to attract DDI, and boost the economic link between Lebanese residents and expatriates.

SECTOR PROMOTION

12 MAR, Beirut Film Festival: Within the framework of the support that IDAL can provide to the media sector in Lebanon, aiming at raising awareness about the services it can offer, IDAL sponsored the “Beirut Film festival”, which was organized between 12 and 18 March 2015.

27 MAR, “The Time to invest in the media sector” conference: We organized a conference titled ‘Invest in Media’ at the Cinemacity in Beirut Souks in partnership with Fondation Liban Cinema to encourage investments in the sector, in particular film production.

The event was under the patronage and presence of the Minister of Information and Minister of Culture whereby they foresaw the signing of a memorandum of understanding between IDAL, represented by Chairman Nabil Itani and Fondation Liban Cinema, represented by its President Mrs. Maya de Freige. The conference included three panels of discussion covering investment opportunities, challenges, support and new sector trends.

13 MAY, Cannes Film Festival: IDAL, sponsored by Chairman Nabil Itani, was present this year in Cannes to promote for the Lebanese film industry. We took part in a roundtable discussion at the dedicated Lebanese pavilion on the ‘new drive of Lebanese cinema’ where academics and professionals commented on the evolution of feature films and documentaries and the new initiatives to stimulate the sector across the financing, distribution, and promotion fields.

We also sponsored screenings of Lebanese films: Screening of “Rough-Cuts”, a selection of excerpts from movies in postproduction and distribution, The road, by Rana Salem, The other side of November, by Maryanne Zehil Nour, by Khalil Zaarour Heatwave, by Joyce Nashawati Screening of « Film ktir kbeer»: A feature narrative directed by Mir Jean Bou Chaaya and produced by Kabreet Productions.

12 AUG, Launching of the Lebanese Export Maritime Bridge Program (M.Leb): IDAL has held a press conference on August 12, 2015 to announce the issuance of a decree allocating IDAL a treasury credit worth 21 billion Lebanese Pounds to support the agricultural and industrial exports to Arab countries through the sea for a period of seven months. The Chairman of IDAL Nabil Itani declared that the Lebanese Exports Maritime Bridge program was set to ensure the flow of Lebanese products to traditional markets, sustain the position of the Lebanese products in these markets, as well as enhance the consumer confidence and maintain the supply and demand balance within the Lebanese market.

21 SEP, Workshop on the Mechanism of “Maritime Lebanese Export Bridge (M.Leb)”: IDAL, and in cooperation with the Chamber of Commerce, Industry and Agriculture of Zahle and the Bekaa, organized a workshop on agricultural and industrial exports support mechanism through the “Maritime Lebanese Exports bridge”, at the headquarters of the Chamber.

04 Nov, Info-Session At SGBL: Chairman of IDAL, Mr. Nabil Itani, lead a discussion with key executives from the SGBL Bank on investment incentives and opportunities in Lebanon. The banking sector is considered a main stakeholder for IDAL as they play a key role in the investment value chain through guidance and funding.

15 Oct, Round Table To Elucidate The Lebanese Exports Maritime Bridge Program (M.Leb):

In Cooperation with the CCIAS, IDAL organized a round table to elucidate the Lebanese Exports Maritime Bridge program (M.LEB) details. The Chairman of IDAL Nabil Itani declared that the M.LEB was set to ensure the flow of Lebanese products to traditional markets, sustain the position of the Lebanese products in these markets, as well as enhance the consumer confidence and maintain the supply and demand balance within the Lebanese market, with the closing of the Land borders.

FOREIGN DELEGATIONS AND DIPLOMATIC VISITS

8 JAN, Meeting with the Lebanese Ambassador To Oman Mr. Hussam Diab: Chairman of IDAL Mr. Nabil Itani met with the Lebanese Ambassador to Oman Mr. Hussam Diab. The discussions tackled ways of enhancing economic cooperation, especially in the investment field, as well as the creation of the Oman-Lebanese Business Council.

11 FEB, Meeting with the Ambassador Of Canada To Lebanon Ms. Michelle Cameron: Chairman of IDAL, Mr. Nabil Itani has met today with the Ambassador of Canada to Lebanon Ms. Michelle Cameron. They discussed ways to enhance cooperation between Lebanon and Canada especially in drafting bilateral agreements to boost economic relations.

16 MAR, Meeting with a Chinese delegation from the ministry of Commerce: We met a Chinese delegation from the Ministry of Commerce to boost trade and economic relations and look into FDI computation methodologies. Mr. Itani emphasized on the fact that the economic relations between Lebanon and China are not recent and that Lebanon was the first Arab country to sign a treaty with China 60 years ago.

20 Jul, Meeting with the Lebanese Ambassador in Mexico: The Chairman of IDAL Eng. Nabil Itani met the Lebanese Ambassador in Mexico Hisham Hamdan. Both sides stressed the necessity of encouraging the partnership relations between Lebanon and Mexico, particularly by enhancing mutual investments between the two countries.

27 Jul, Visit of Delegation from Sudan-Ambassador Hag Magid Mohammad Al Suwar: We have met with a delegation from Sudan headed by the Ambassador Hag Magid Mohammad Al Suwar, Secretary General of the Sudanese Working Abroad. The aim of the meeting was to exchange know-how on diaspora engagement and the programs in place to attract investments.

01 Oct, Visit of the Danish delegation from the investment fund for developing countries: A Danish delegation from the Investment Fund for Developing Countries headed by Lisbeth Erlands, Vice President Europe & MENA, visited IDAL’s Chairman Engineer Nabil Itani. The delegation explored the investment climate in Lebanon and the opportunities it offers, emphasizing the willingness and desire to invest in Lebanon after the Fund’s decision to expand its activities and services in this country.



EXECUTIVE MEETINGS

13 JAN, Meeting With the Lebanese-Egyptian friendship Association: We have met with the Lebanese-Egyptian Friendship Association on the margins of the preparations to launch the 13th edition of the Lebanese-Egyptian Business Forum on the 13th of February 2015.

The meeting has shed some light on ways to enhance the business relations between both countries in an effort to improve upon the region's economic climate. Egyptian investors have historically been interested in real estate, construction and infrastructure, financial services and others.

21 JUL, Visit of the delegation of the fruits and vegetables exporters Association: A delegation of the Fruits and Vegetables Exporters Association, under the chairmanship of Mr. Naim Khalil discussed with IDAL's Chairman Eng. Nabil Itani the agricultural export subsidy mechanism through the "Maritime Lebanese Export Bridge (M.Leb)" approved lately by the Cabinet.

Engineer Itani declared that agricultural exports during the first five months of 2015 recorded a slight drop of only 2%, compared with the same period of 2014.

27 NOV, Meeting in Tripoli to revive the one million square meter Rachid Karame international Fair: Tripoli's officials are planning to revive the one million square meter Rachid Karame International Fair. It is a joint effort between the private sector, represented by the Chamber of Commerce, Industry, and Agriculture in Tripoli and the North and the public sector, represented by the Municipality of Tripoli and the Order of Engineers.

A meeting was held for this purpose between Chairman of IDAL Mr. Nabil Itani, CEO of Rachid Karame International Fair Mr. Houssam Kobayter, Mayor Amer Tayyeb el Rafei, Chairman of the Tripoli Chamber Toufic Dabbousi, Chairperson of the Tripoli Special Economic Zone Raya Haffar el Hassan, Chairman of the Lebanese Exhibitions and Conferences Association (LECA) Elie Rizk and the Chairman of the Order of Engineers Marius Beaini.

CONFERENCE AND FORUMS

01 APR, Dinner to honor the delegations participating in the "Lebanon Economic Forum": IDAL organized a dinner to honor the delegations participating in the "Lebanon Economic Forum: Strategic Guidelines for economic and social development" held at Phoenicia Hotel.

IDAL's chairman Engineer Nabil Itani delivered a speech, stressing the importance of holding this conference at this period of time, where Arab countries and the Middle East region face major challenges and changes that reflected on economic sectors, and on the overall investment climate.

05 MAY, Arab Economic Forum: IDAL participated at the Arab Economic Forum, at the Phoenicia Hotel. The chairman Eng. Nabil Itani headed the fourth session, which focused on the future of investment in the Arab world and how to enhance the business environment in the region.

Itani stressed the need for investment cooperation between the Arab countries and the promotion of mutual investments through the identification of opportunities, potential and promising sectors in each of the Arab countries. He also stressed the necessity of supporting local investors and retaining them, enhancing the after-care services, communicating with the Arab expatriates in all countries of the world, and promoting the region as a whole, with its natural resources, human competencies and consumers' markets.

03 JUN, Hellenic economic Forum: IDAL participated in the 4th Arab-Hellenic Economic Forum organized by the Arab-Hellenic Chamber of Commerce and Development in Athens on June 3 and 4, 2015. IDAL's chairman Eng. Nabil Itani had an intervention during the "Arab countries - the investment climate: opportunities and obstacles" session, focusing on the investment climate in Lebanon as well as the available incentives and opportunities.

10 NOV, 2nd Lebanese-Egyptian Business Forum: IDAL participated as a co-organizer in the 2nd Lebanese-Egyptian Business Forum held in Cairo. The "Opportunities of developing trade, investment and services between Egypt and Lebanon" session was chaired by IDAL's Chairman Nabil Itani.

23 NOV, 3rd Arab-Portuguese Economic Forum: IDAL, represented by its Chairman Engineer Nabil Itani, participated at the 3rd Arab-Portuguese Economic Forum organized by the Arab-Potuguese Chamber of Commerce.

Itani had an intervention during the "Arab - Portuguese Cooperation-Investment in Tourism and real estate: Arabic-Portuguese investment flows" session, where he focused on Lebanon's investment climate and the promising opportunities in many sectors.

19 NOV, Press Conference To launch The Lebanese Emigrants Economic Forum: Chairman of IDAL, Mr. Nabil Itani, participated in a Press Conference to launch the Lebanese Emigrants Economic Forum that will take place on Dec 15,16 in Beirut. Mr. Itani stressed that IDAL's participation at this Forum stems from its strategy to highlight Investment Opportunities in Lebanon and the Incentives and facilitations any investor can get through IDAL.

27 APR, WAIPA conference: Mr. Nabil Itani, Chairman-General Manager of IDAL took part at the G20 WAIPA conference on “Foreign Direct Investment” in Istanbul.

The conference is organized in association with Invest in Turkey, B20 and the United Nations Conference on Trade and Development (UNCTAD) to include Investment Promotion Agencies’ perspective to G20 processes to ensure continuous improvement in global investment climate, more inclusive global economic systems and higher connectivity among all economies

18 MAY, “The Mexican-Lebanese Business Relations Development” conference: IDAL participated in the “The Mexican-Lebanese Business Relations Development” conference, jointly organized by the Mexican Embassy in Beirut and the RDCL. In its presentation, IDAL focused on the investment opportunities available in Lebanon in front of a Mexican business delegation who have expressed the interest in investing in Lebanon. IDAL’s presentation also focused on the comparative advantages of the country, and the incentives that each investor can take advantage of.

26 MAY, Arab Chinese Businessmen Conference: IDAL was a main sponsor in the 6th session of the Arab Chinese Businessmen Conference that took place in Phoenicia, Beirut. Apart from our booth presence throughout the conference, we organized a workshop the second day of the conference covering a keynote speech by Chairman Nabil Itani, a presentation on Lebanon’s investment climate, opportunities and incentives as well as a panel discussion headed by Mr. Itani on “Lebanon: Promising Investment Opportunities in the Framework of the Economic Belt of the Silk Road”.

14 JUN, WAIPA World Investment Conference: IDAL, represented by its Chairman Mr. Nabil Itani and board members Mr. Mourched El Hage Chahine and Mr. Wassim Audi, took part in the XX annual WAIPA World Investment Conference in Milan, Italy.

This annual meeting brought together Investment Promotion Agencies (IPAs) from a vast number of countries and other government officials, private sector and academia relevant to FDI policy and strategy. During this event, the Vice-Presidents and Regional Directorships of the WAIPA have been elected.

On the margins of this visit, IDAL assisted the Lebanese Pavilion at the “Lebanon Expo Milano 2015” organized in the presence of the Minister of Economy and Trade and the Ministry’s General Manager.

9 SEP, “Seminar on Economic Development for Developing Countries”: IDAL, represented by its chairman, Eng. Nabil Itani took part at the “Seminar on Economic Development for Developing Countries” in Beijing-China from Sept 9 till 15.

Mr. Nabil Itani, have met various economic and diplomatic fractions and was part of various field visits on the margins of the Seminar on Economic Development for Developing Countries happening in China. He also delivered a country presentation about the investment climate and Opportunities.

18 NOV, 17th Conference for Arab Business Owners and Investors in Abu Dhabi: Chairman of IDAL, Mr. Nabil Itani, participated in a panel on “Entrepreneurship and Innovation in Agriculture, Industry and Energy sectors” at the 17th Conference for Arab Business Owners and Investors in Abu Dhabi.

Mr. Itani stressed on the importance of creating new jobs for the Arab youth and embrace innovation especially in the Agriculture sector in order to decrease the food gap. The need in the Arab world for Agriculture investments amount alone to 81 Million USD.

INVESTOR SUPPORT

28 JAN, IDAL Visits advanced plastic industries factory: We have visited the factories of Advanced Plastic Industries S.A.L. (API) following the approval to benefit from IDAL’s incentives and business support services in light of their expansion project worth \$20 million.

Mr. Nabil Itani, Chairman of IDAL, re-affirmed his pride in this innovative project that is able to compete and expand globally due to its high-quality production. He added during the visit that the government, through IDAL, has a duty towards supporting these industries for the success of the industrial sector as a whole.

16 OCT, Visit to “Jiyeh Resort”: The Chairman of IDAL Mr. Nabil Itani visited the “Jiyeh Resort” touristic project that benefited from IDAL’s incentives.

He was received by Mr. Mohammed Saleh and toured together the project and the historical monuments that have emerged at the execution of the project, and which dates back to about two thousand years.

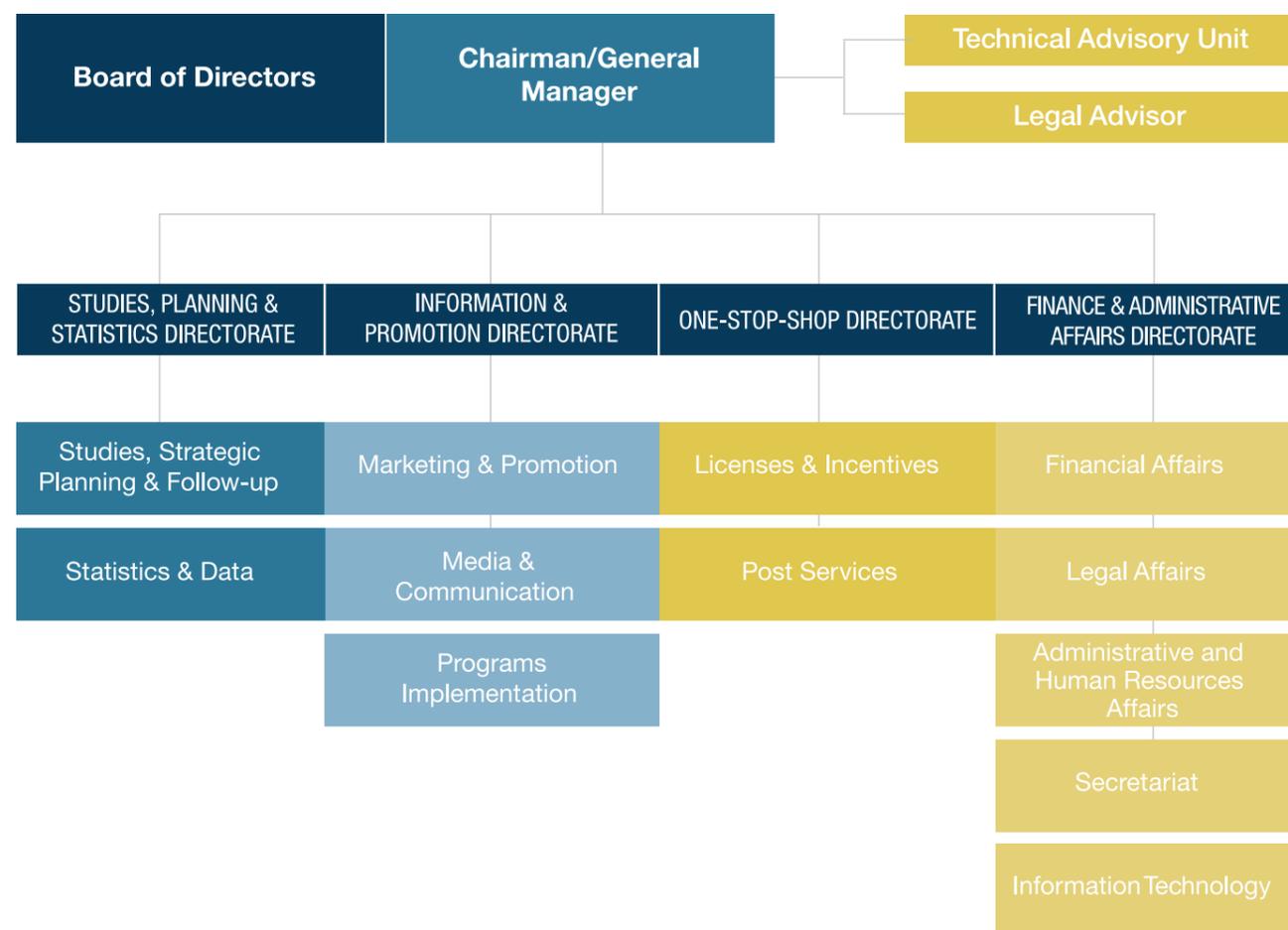
21 OCT, Visit to the new buildings of the “Hawa Chicken”: The Chairman of IDAL Eng. Nabil Itani, along with the Board member M. Wassim Audi and a delegation of the agency, visited the new buildings of the “Hawa Chicken” project where they were briefed on the functioning of the existing facilities in Anfeh, an expansion of the Safra factory. They were updated on the techniques used in the manufacturing of chicken according to the international standards regarding environmental protection and food safety. The volume of investment in the plant is \$ 52.6 million.



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APPENDIX

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ORGANIZATION AND GOVERNANCE STRUCTURE



IDAL'S BOARD OF DIRECTORS

Chairman and General Manager:

Mr. Nabil Itani

Board Members:

Mr. Georges Kassab (Full-Time Board Member)

Mr. Wassim Audi

Mr. Ramzi El Hafez

Mr. Mourched El-Hage Chahine

Mr. Farid N. El Kheshen

Government Commissioner:

Dr. Nassib Hoteit

IDAL BRIEF

WHO WE ARE

The Investment Development Authority of Lebanon (IDAL) is the national investment promotion agency that was established in 1994 with the aim of promoting Lebanon as a key investment destination, and attracting, facilitating and retaining investments in the country. IDAL enjoys financial and administrative autonomy and reports to the Presidency of the Council of Ministers who exercises a tutorial authority over it.

WHAT WE DO

Investment Law No.360 that was enacted in 2001 reinforced IDAL's mission, providing a framework for regulating investment activities in Lebanon, and providing investors with a range of incentives and business support services. In addition to its role as investment promotion agency, IDAL is entrusted with the active promotion and marketing of Lebanese exports including agricultural and agro-industrial products.

OUR SERVICES

Facilitating the issuance of permits and licenses required for starting and operating a business through coordinating with corresponding public institutions.

Granting various types of fiscal exemptions and fees reduction to investment projects as stipulated in Investment Law No. 360.

Providing economic, commercial, legal, industrial and other information relevant for investment decisions.

Identifying and promoting investment opportunities in various growth promising sectors.

Mediating contacts between investors and entrepreneurs to identify potential joint-venture opportunities.

Providing information on economic sectors with investment potential.

Participating in the capital of joint-stock companies in specific fields.

Providing advice on issues affecting the investment climate in Lebanon.

Arranging for business meetings with officials from both private and public sectors.

Providing after-care service for investment projects.

IDENTIFIED TARGET SECTORS

Investment Law No.360 identified a set of priority sectors that showed the most promising opportunities in terms of their investment potential and impact on socio-economic growth. The identified sectors include: Industry, Agriculture, Agro-Industry, Tourism, Information, Communication, Technology, and Media.

Lazarieh Tower 4th Floor, Emir Bechir Str. Riad El Solh

P.O.BOX: 113-7251 Beirut Lebanon

T: +961 (1) 983 306 / 7/ 8

F: +961 (1) 983 302

E: invest@idal.com.lb, export@idal.com.lb

investinlebanon.gov.lb