



IDAL
INVEST IN LEBANON



INVESTMENT DEVELOPMENT
AUTHORITY OF **LEBANON**

Presidency of the Council of Ministers



2016
ANNUAL REPORT

GROWING BEYOND BORDERS

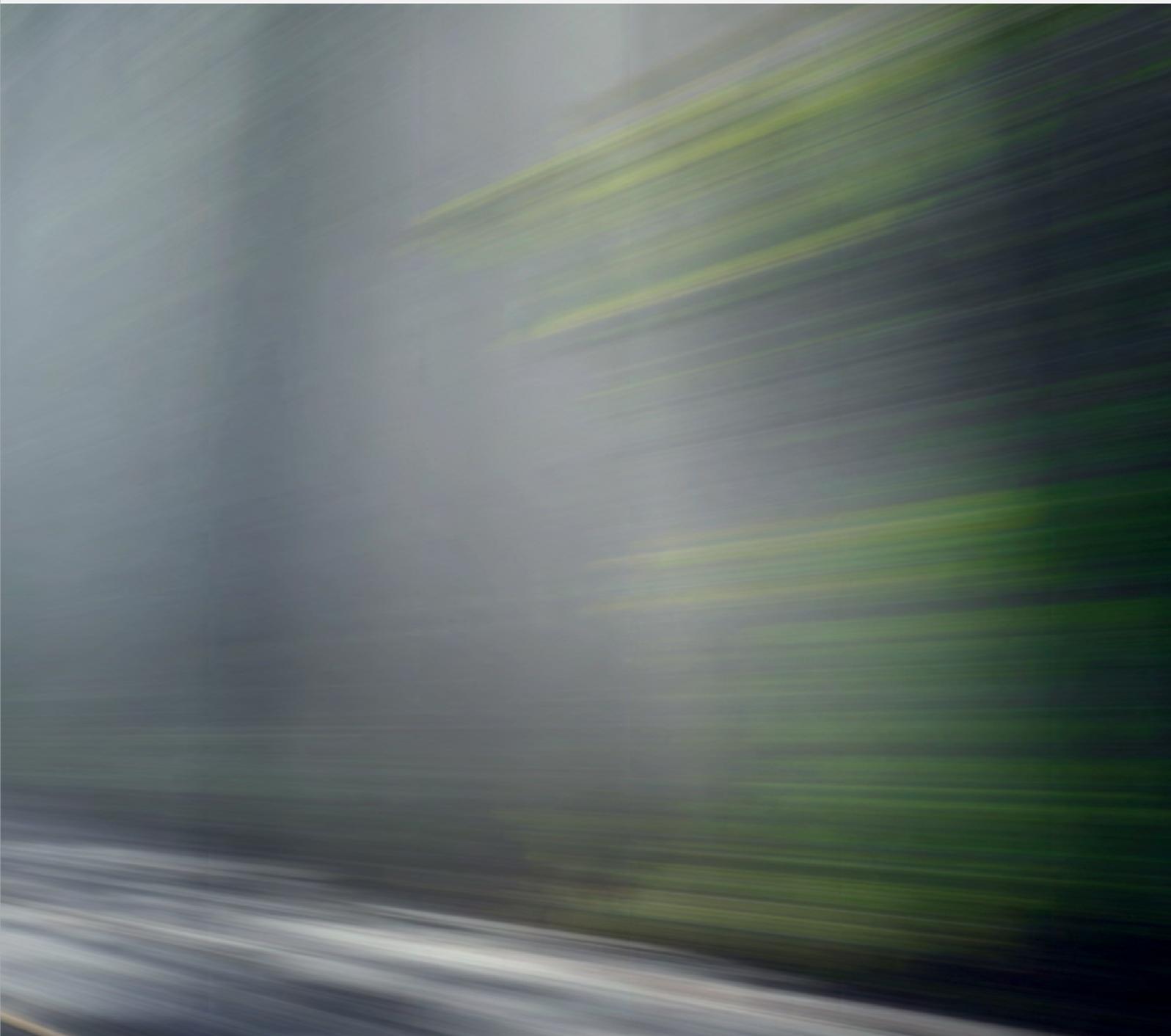
15th
IDAL
ANNIVERSARY
2001 / 2016

01	FOREWORD BY THE CHAIRMAN	06
02	IDAL AT A GLANCE... 15 YEARS OF ACHIEVEMENTS	10
03	FOREIGN INVESTMENTS OVERVIEW	16
	A. Global & Regional Investment Climate B. Foreign Investment Structure in Lebanon C. Investment Mediated by IDAL	
04	EXPORT PROMOTION	30
05	MARKETING & PROMOTION	36
	A. Social Media & Digital Marketing B. Events & Conferences	
06	APPENDIX	48

GROWING BEYOND BORDERS



| **01** FOREWORD BY THE CHAIRMAN





FOREWORD BY THE CHAIRMAN

2016 was a positive year for Lebanon fuelled by a general level of optimism brought forward by the election of a President and the formation of a government. Foreign Direct Investments (FDI) flows to Lebanon jumped by the end of 2016 to reach 2.56 USD Billion, a 2% increase from 2015 levels reflecting continuous confidence in our economy despite the many challenges faced by the region overall. The economy was able to sustain positive growth figures albeit moderate compared to previous years supported by a continuous decrease in oil prices which helped reduce trade deficit and improve fiscal balance.

The Investment Development Authority of Lebanon has played an instrumental role in maintaining investors' confidence in the economy despite regional imbalances, supported by Lebanon's key economic fundamentals mainly an open market economy, the availability of a talented and competitive labour force in high-value added sectors, a competitive taxation regime and attractive incentive schemes. These are supported by other important pillars mainly a top notch education system with Lebanon ranking 6th worldwide on the Quality of Science and Education and the American University of Beirut ranking 1st regionally, access to a regional market of 437 million people and an unbeatable quality of life. IDAL has helped over a span of 15 years the creation of more than 6,000 direct jobs and generation of more than 1.7 billion USD worth of investments across Lebanon. It was able to deliver on its performance with its active targeting of investors.

2016 was a good year for projects in the services, construction and IT sectors. Lebanon has been an attractive destination for services companies as FDI figures have highlighted over the past. We are seeing more and more financial services companies setting foot in the country, in addition to more investments in the construction sector paving the way for the reconstruction in Syria. Investments in the Information Technology sector is becoming more and more prominent supported by the installation in 2016 of the fibre-optic network by the Ministry of Telecommunications which would cover 85% of the Lebanese population by the end of 2017 and 100% by the end of 2020 as part of its five-year “Lebanon 2020 Digital Telecom Vision” project. IDAL has been an active driver in turning Lebanon into a knowledge base economy through its support of IT companies in growing abroad and scaling up. It has fostered several B2B meetings globally.

On the Export promotion front, IDAL has played an instrumental role in maintaining and sustaining positive export flows of Lebanese products despite the closing of the border areas with Syria. The renewal of the “Agri Plus” as well as the “Maritime Lebanese Bridge” programs have helped maintain positive export figures in the agriculture and industrial sectors, thus averting major impact on farmers and other labor force.

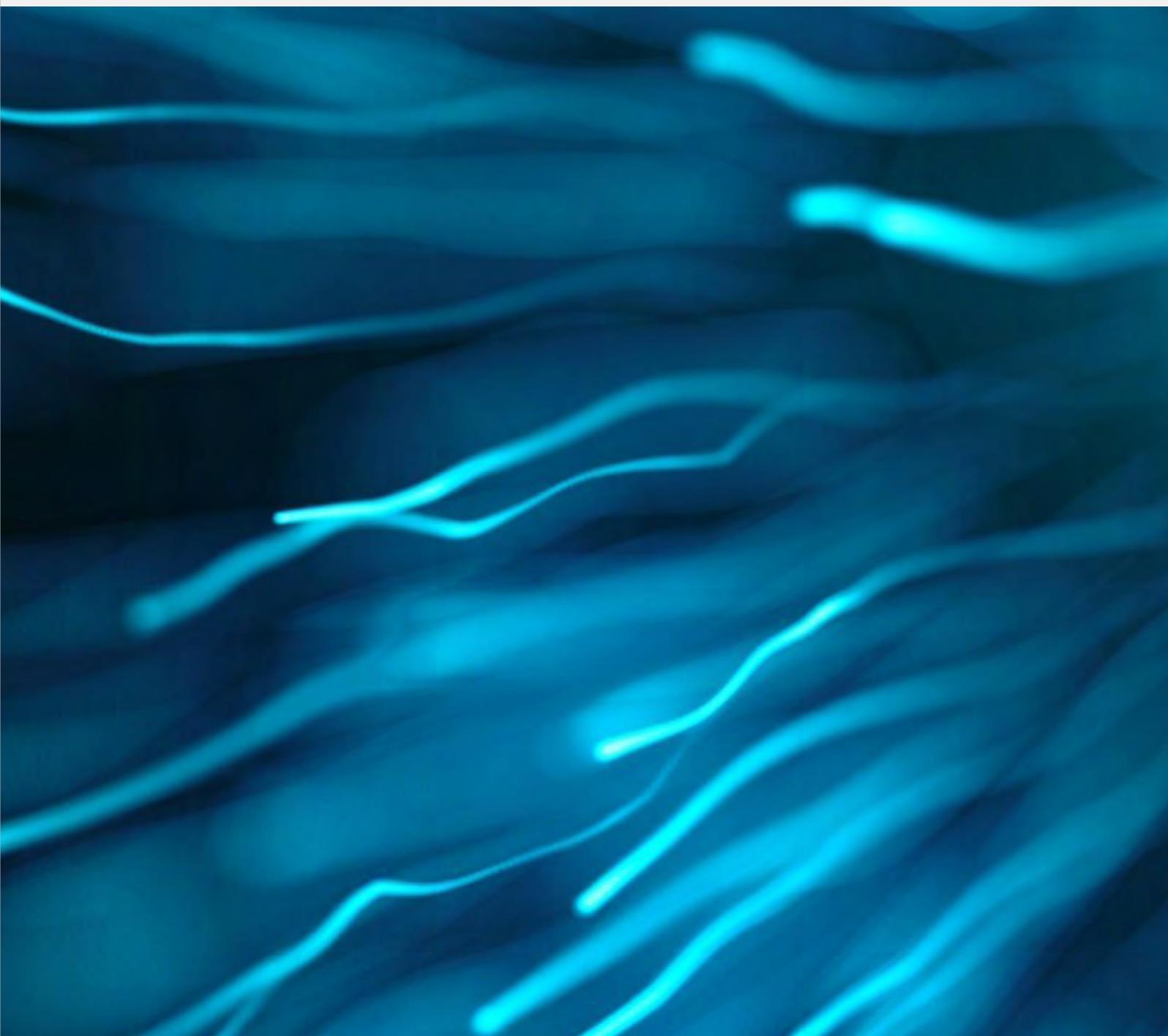
Going forward we will capitalize on the new government vision to keep supporting the knowledge economy and turn Lebanon into a producer of knowledge rather than consumer of knowledge.



Nabil Itani
Chairman, General Manager



| **02** IDAL AT A GLANCE...
15 YEARS OF ACHIEVEMENTS



02 IDAL AT A GLANCE... 15 YEARS OF ACHIEVEMENTS

2016 marked the 15th anniversary of the enactment of Investment Law No. 360. Since the ratification of the law in 2001, more than **50 projects** have benefited from the various financial & non financial incentives granted by IDAL with an investment size exceeding **USD 1.7 billion** (Figure 1&2), & generating more than **6,000 direct and 10,000 indirect work opportunities** (Figure 3), thus, contributing to the country's socio-economic development.

Furthermore, IDAL has provided advice and aftercare service to more than **200 investment projects** and met with more than **500 businessmen** interested in operating projects in Lebanon. In addition, IDAL has launched several initiatives not only in traditional productive sectors, but also in innovative sectors, in an attempt to encourage balanced development and promote diversification of the Lebanese economy.

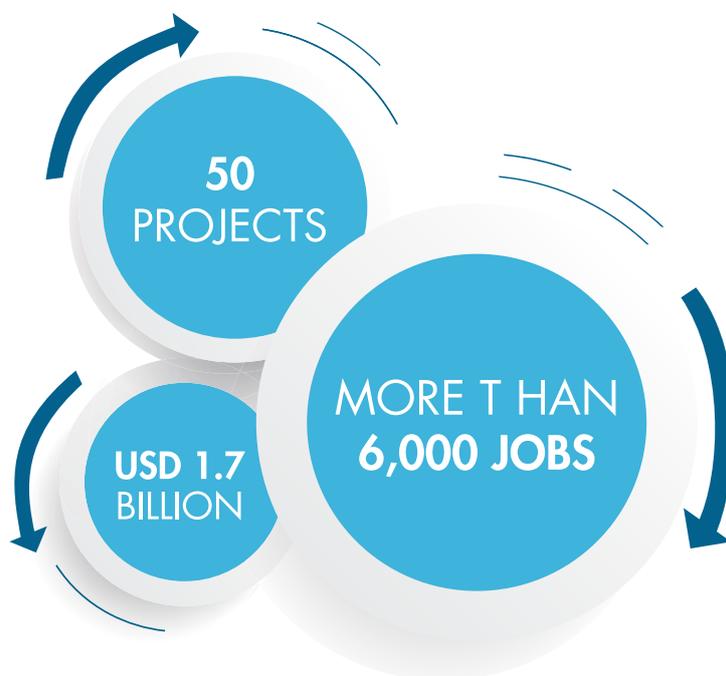
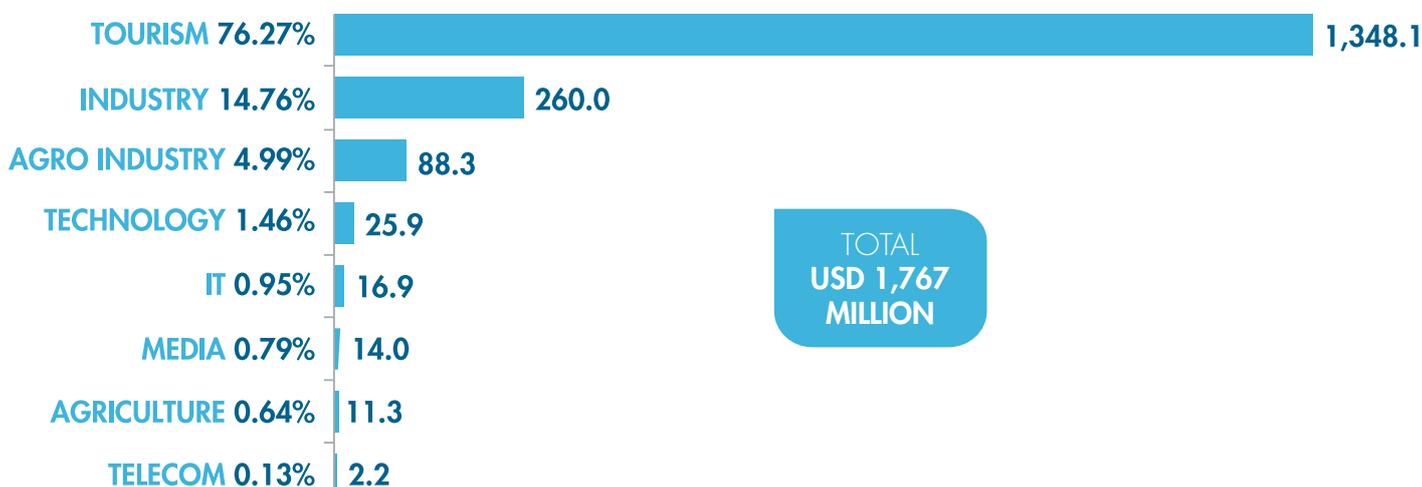
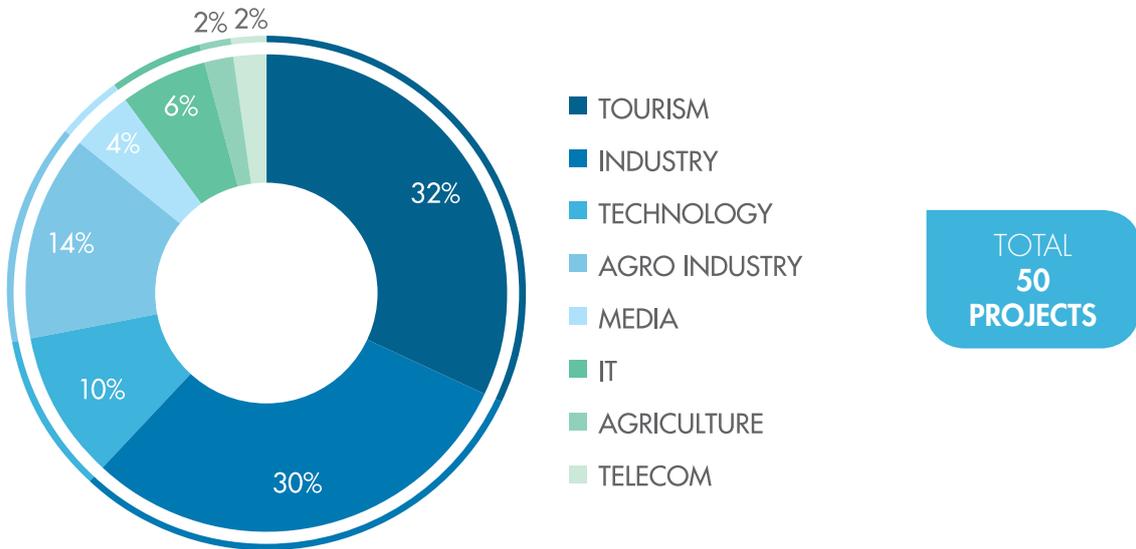


Figure 1: Investment Projects Supported by IDAL by Value (USD Million | 2001-2016)



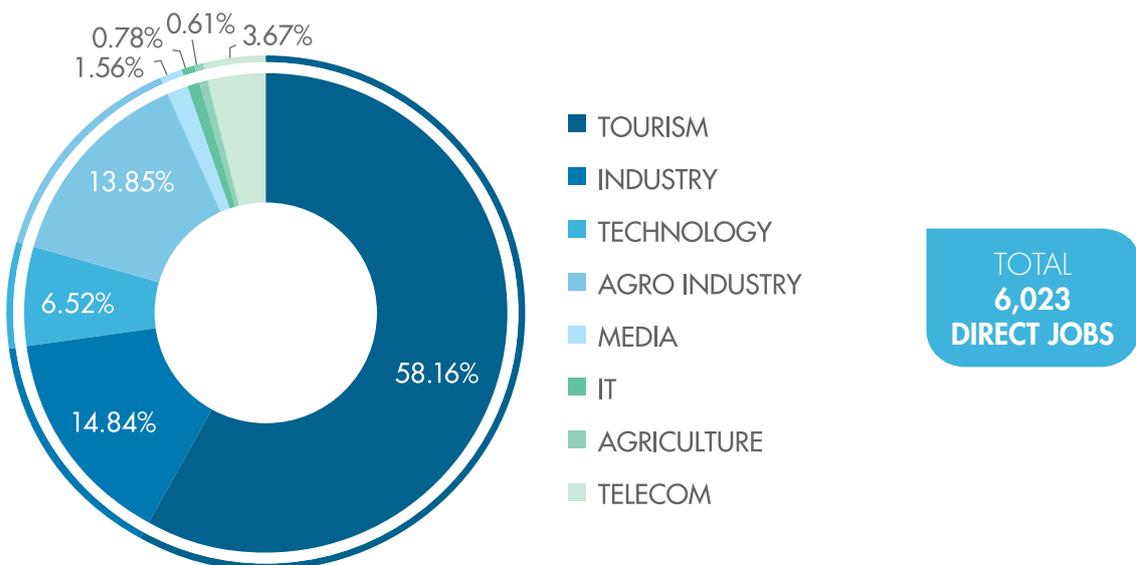
Source: IDAL's Calculations

Figure 2: Distribution of Investment Projects Supported by IDAL by Sector (% Share | 2001-2016)



Source: IDAL's Calculations

Figure 3: Distribution of Jobs Created by Sector (% Share | 2001-2016)



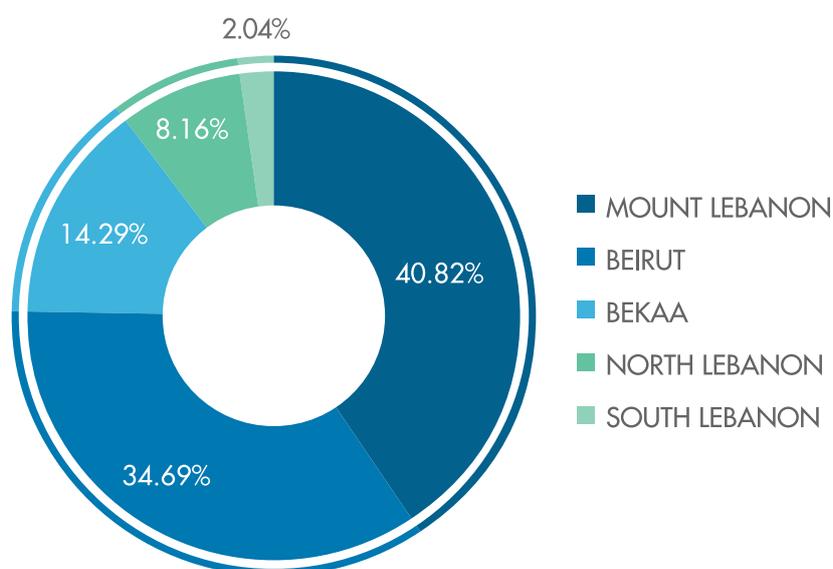
Source: IDAL's Calculations

WE HAVE:

- ▶ Simplified for investors access to relevant economic information And market intelligence through the development of over 50 Publications & studies
- ▶ Supported business linkages between lebanese & foreign investors
- ▶ Promoted for lebanon as a viable business destination through Promotional campaigns, media coverage, and participation In conferences, forums, and trade shows
- ▶ Positively contributed to national GDP with an increase of **16% In exports** through our export promotion programs
- ▶ Influenced policies & lobbied for a better business environment
- ▶ Processed over 200 projects and met with over 500 interested Investors
- ▶ 50 Investment projects were approved with total investment Value of usd 1.7 Billion
- ▶ Providing more than **6000 persons** with jobs opportunities

IDAL's greatest concentration of investment projects has been in mount lebanon (40.82%) Followed by beirut (34.69%) & The bekaa (14.29%) (Figure 4)

Figure 4: Distribution of Investment Projects Supported by IDAL by Region (% Share | 2001-2016)



Source: IDAL's Calculations

We helped in offering the lebanese people fresh and healthy agronomical and agricultural goods.

Agro-industry investment size: USD 40.7 Million

Jobs created: 954

Agriculture investment size: USD 11.2 Million

Jobs created: 37

We contributed to the world of construction
To turn destinations into places of belonging.

Industry investment size: USD 261 million

Jobs created: 894

In the world of media, we took part in setting up facilities to bring people diversified means of entertainment.

Media investment size: USD 14 million

Jobs created: 47

As we reflect on the past we look forward to a future where IDAL keeps on pushing boundaries & providing talents with unprecedented opportunities that help societies overall. We will be achieving stronger regional development especially in rural areas of the country and fully engaging with the diaspora to tap into their energy for knowledge sharing and investment opportunities.

To keep the touristic sector dynamic and alive we have supported hotels & resorts to attract millions of visitors from all over the globe.

Tourism investment size: USD 1.3 Billion

Jobs to be created: 3,503

Idal helped in supporting companies that provide means of networking and connection to lebanon and the region.

Telecommunications investment size:

USD 2.2 Million

Jobs created: 221

And strived to uphold the country as the hub for regional innovation.

Information technology investment size:

USD 16.8 Million

Jobs to be created: 94

Technology investment size: USD 25.6 Million

Jobs created: 360

We will actively contribute to the strengthening of the local economy **through technology-enhanced investment projects** and keep on engaging with international and local communities to capitalize on the highly skilled Lebanese workforce to ensure a better quality of life to the Lebanese.

The last 15 years were only the beginning for us at IDAL...we look forward to the next milestone with greater achievements and successes.

GROWING BEYOND BORDERS



| **03** FOREIGN INVESTMENTS OVERVIEW



03 FOREIGN INVESTMENTS OVERVIEW

A. GLOBAL & REGIONAL INVESTMENT CLIMATE

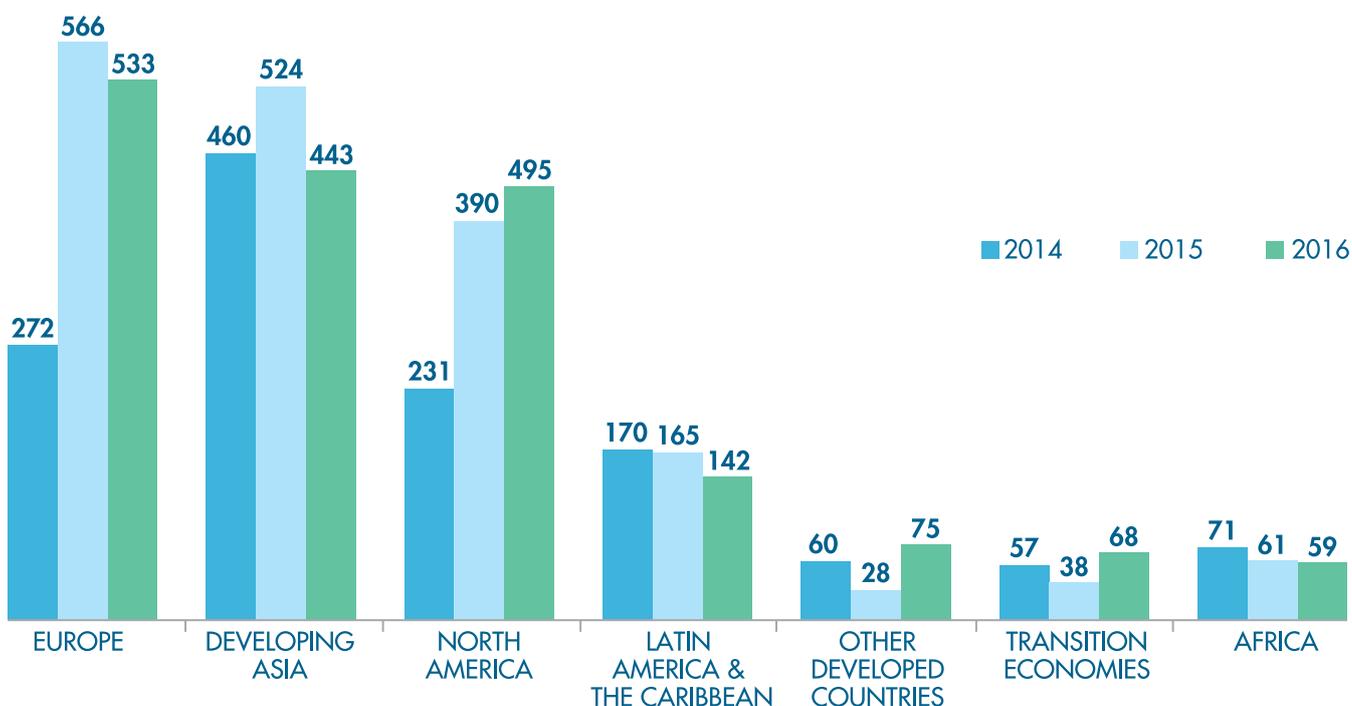
Global FDI flows reached USD 1.75 trillion in 2016, a 2% decrease from 2015 levels, as economic growth and world trade volumes remain weak as per the latest World Investment Report issued by UNCTAD.

Developing economies were hit the hardest; including Asia, Africa and Latin America: FDI flows to developing economies contracted by 14% to reach USD 646 billion in 2016 (Figure 5). In absolute terms, the bulk of the decline in flows was registered in Hong Kong, but inflows to Indonesia, Mongolia, Singapore, Thailand & Turkey also fell sharply. African countries excluding Egypt and Latin American countries were equally impacted. In contrast, foreign investments in China & India remained more or less unchanged, experiencing a 1% decline and 1% increase, respectively.

Developed economies on the other hand saw their FDI levels increase by 5% to reach USD 1 Trillion and their share in global FDI inflows grow to 59% – the highest share since 2007. Modest growth of FDI in North America and a sizeable increase in other developed economies more than compensated for a fall in FDI to Europe (Figure 5). In fact, the low growth prospects in the EU has rendered the EU market less attractive for multinational companies compared to other investment destinations, such as the BRICS countries (Brazil, Russia, India, China & South Africa).

In contrast, FDI to transition economies enjoyed a robust upswing of 81% to USD 68 billion, reversing the trend observed over the last two years. The increase is principally attributed to investments associated with the privatization of State-owned assets in the Russian Federation and mining exploration activities in Kazakhstan.

Figure 5: Regional Contribution to Global FDI Flows (USD Billion | 2014 - 2016)

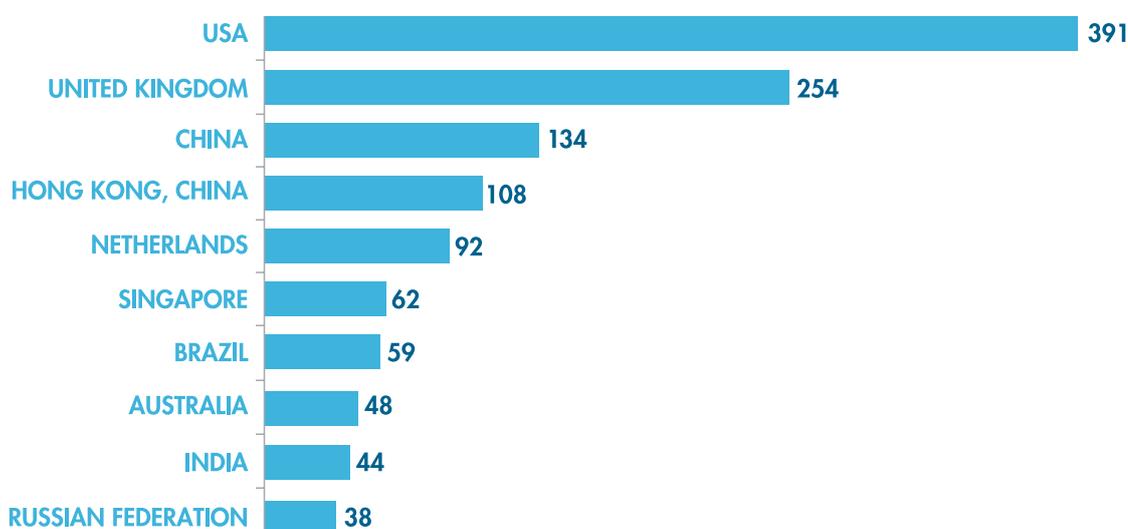


Source: UNCTAD World Investment Report 2017

In terms of most attractive investment destination, the USA remained the number one preferred destination for investors among host economies in 2016, with around USD 391 billion of FDI inflows registered.

Inflows to the United Kingdom followed (USD 254 billion), as did inflows to China (USD 134 billion), and Hong Kong (USD 108 billion) (Figure 6).

Figure 6: Estimated FDI Inflows: Top 10 Host Economies (in Billion USD | 2016)



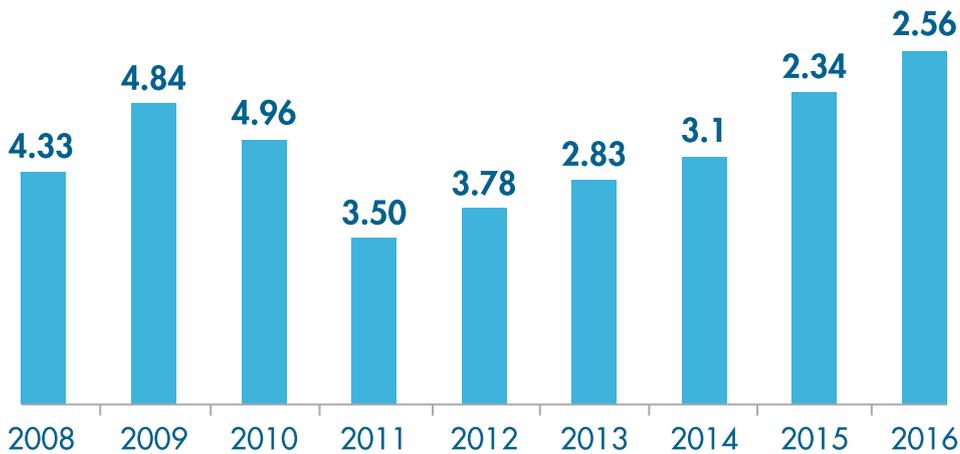
Source: UNCTAD World Investment Report 2017

The West Asia region where Lebanon belongs, witnessed a decline in FDI flows for the 8th consecutive year: FDI inflows dropped by 2% to reach USD 28 billion in 2016, as persistent low oil prices, political and geopolitical uncertainties, and regional conflicts continued to affect FDI and other forms of multinational companies' activities. More specifically, conflicts in countries lying at regional crossroads, such as Iraq and the Syrian Arab Republic, have interrupted traditional business links, dragging down FDI flows in all West Asian economies.

Turkey, Saudi Arabia and the United Arab Emirates accounted for the lion's share of inward FDI stock in the West Asia region. As for Lebanon, it has succeeded in attracting a higher level of FDI inflows which increased by **8.9% to USD 2.56 billion in 2016** (Figure 7)

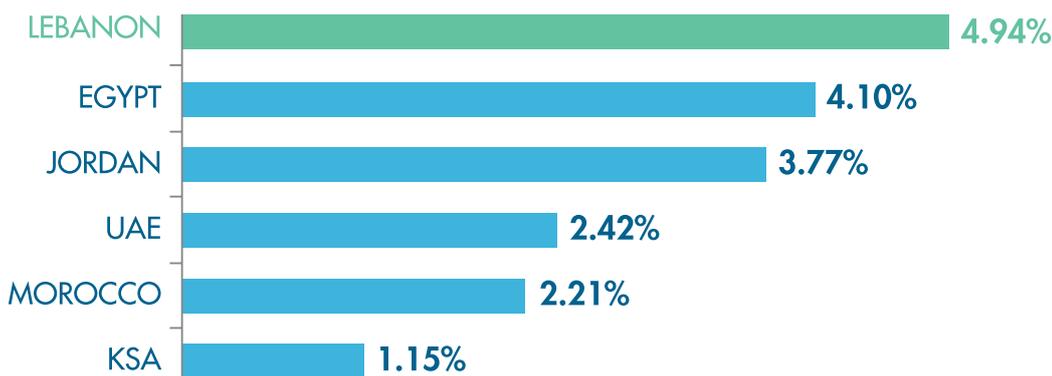
In relative terms, when accounting for a country's size and GDP relative to FDI stock, Lebanon stands out as one of the strong performers with FDI stock accounting for 119% of GDP, followed by Bahrain (88%), Jordan (85%) and KSA (36%) (Figure 8)

Figure 7: FDI Inflows to Lebanon (USD Billion | 2008-2016)



Source: UNCTAD World Investment Report 2017

Figure 8: FDI Inflows to the Mena Region as a % of GDP (% Share | 2016)



Source: UNCTAD World Investment Report 2017

B. FOREIGN INVESTMENT STRUCTURE IN LEBANON

Around 36 foreign investment projects and foreign partnerships were announced in 2016 in Lebanon.

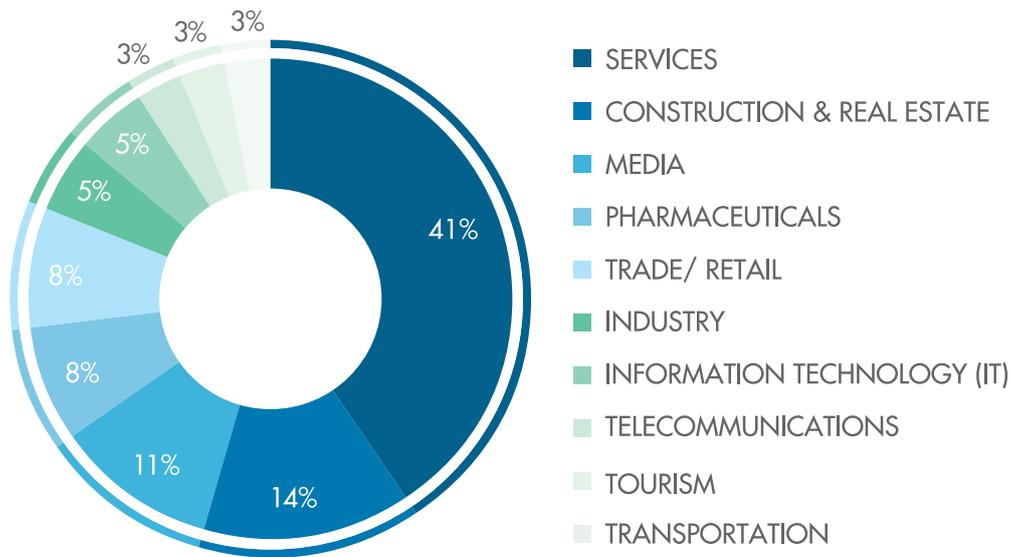
The majority of the foreign investments registered in 2016 were in the Services sector with around 41% of new foreign projects compared to 2015. Four financial companies opened either a branch or representative office in Lebanon. These investments reflect the confidence of foreign investors in the Lebanese financial sector which has shown resilience due to the Central Bank policy of maintaining high foreign currency reserves that cover almost 80% of local currency money supplies.

The construction sector remains attractive for investors due to the potential reconstruction efforts in Syria. 4 Construction and real estate companies have started operation in 2016 to reach potential benefits.

Four media companies have opened rep offices or branches to provide digital and press coverage for Lebanon and the Middle-East.

A trend worth noting is the increase in investments in the Information Technology (software development) accounting for around 5% of total foreign projects (Figure 9).

Figure 9: Distribution of Foreign Companies in Lebanon by Sector of Activity (2016)



Source: Lebanese Ministry of Economy & Trade, fDi Market Intelligence

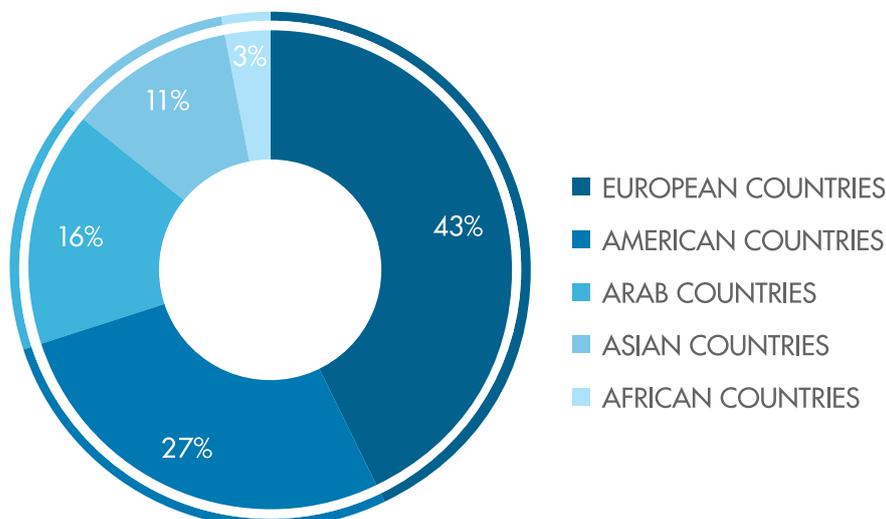
The European Union has maintained a close investment relation with Lebanon. In fact, European companies were the main investors in Lebanon, accounting for more than 43% of the foreign companies in 2016 (Figure 10). The main European countries are the United Kingdom with the largest share of 27%, followed by France with 5%, Switzerland, Italy, Bulgaria and the Netherlands with 3% each of total foreign companies.

The second largest share of investors is distributed among North American countries (USA and Canada) with 8 American projects and 2 Canadians.

Arab investors' share of foreign companies in Lebanon decreased in 2016 to reach 16% from the total investor base, distributed as follow: Iraq with 5%, and Kuwait, Bahrain, UAE and Algeria with 3% each of total foreign investments in Lebanon. The reduction of investments flows from Arab countries were mainly attributed to the weak economic performance of oil-exporting countries, substantially affected by the slump in oil prices.

The remaining investors were from Asian countries (Singapore, Hong Kong and Turkey) with 11% and one African country (Nigeria) with 3% of total foreign companies.

Figure 10: Distribution of Foreign Companies in Lebanon by Country of Origin (% share | 2016)



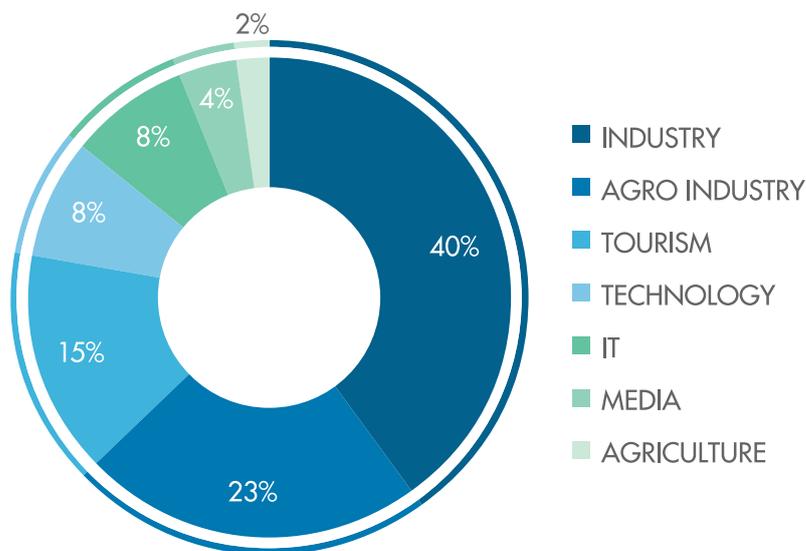
Source: Lebanese Ministry of Economy & Trade, fDi Market Intelligence

C. INVESTMENT MEDIATED BY IDAL

Over the course of 2016, the “One Stop Shop” directorate registered a significant traffic activities with 48 new investors approaching IDAL to benefit from its various support schemes including its fiscal incentives. The majority of these investors (42 investors) were Lebanese and 6 of foreign origins (3 British, 1 Emirati, 1 Kuwaiti and 1 Yemeni).

In terms of the distribution of projects by sector, the Industry and Agro-Food sectors seized the highest share with around 40% & 23% respectively, followed by the Tourism sector (with a share of 15%) (Figure 11).

Figure 11: Distribution of Projects reviewed by IDAL by Sector in 2016 (%share)

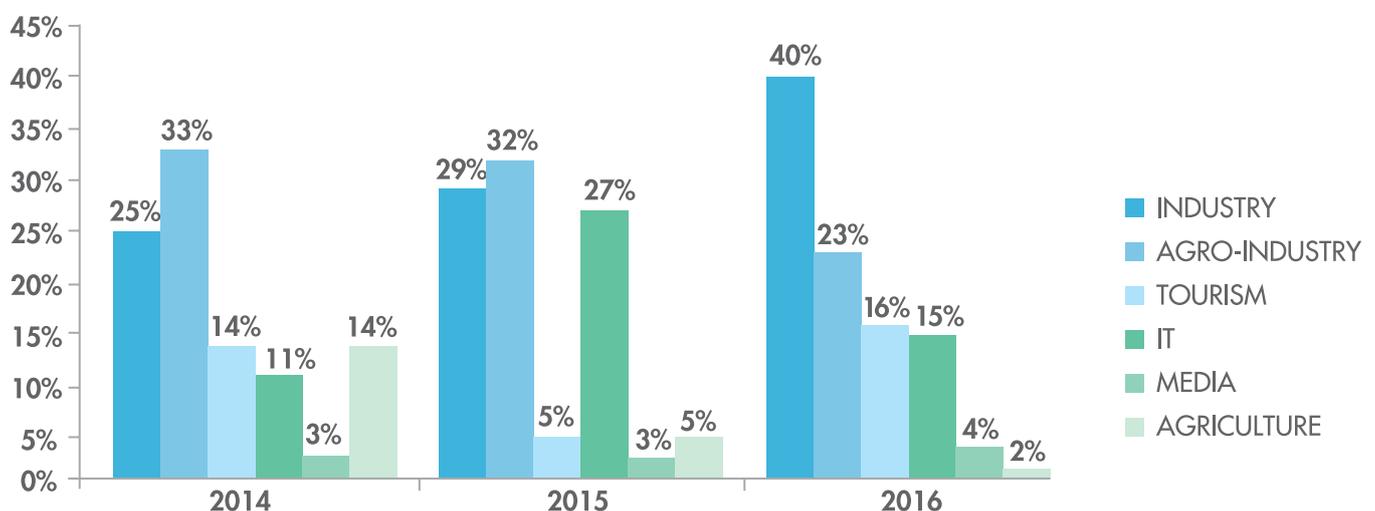


Source: IDAL's Calculations

With the increasing demand for Lebanese Industrial and Agro-food products, an increase in investment in those two promising sectors was noted during the last three years (Figure 12), with the majority of investments in the Agro-food sector concentrated in

processed food and beverages including meat, jams, chips, wine and beer (Figure 13). The latter sub-sector has experienced a significant growth amidst the massive influx of refugees and the potential of the Lebanese industry to offer specialized exports.

Figure 12: Distribution of Projects by Sector (2013-2016) (% share)

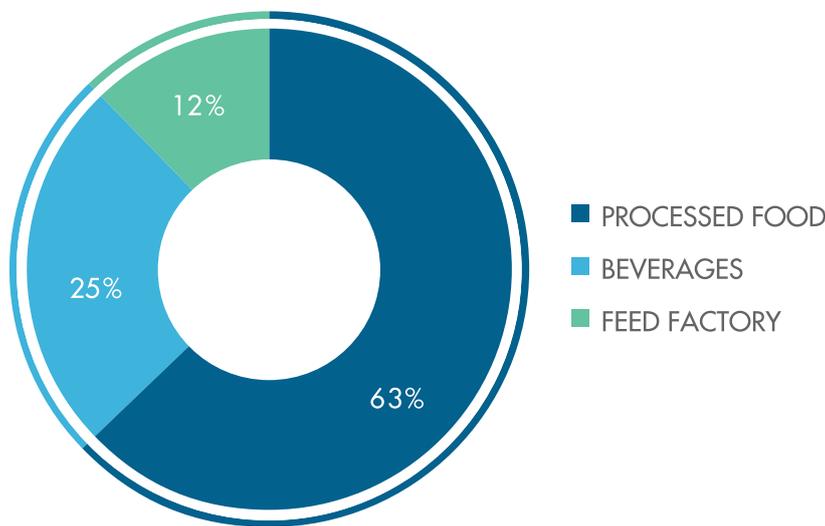


Source: IDAL's Calculations

In fact, local production of processed meat has been rapidly increasing to keep up with the rising influx of Syrian refugees. Exports of conserved jams have also been increasing (CAGR of 23% since 2013) mainly to Saudi Arabia, Kuwait & United Arab Emirates thus boosting local production. As for dairy production, the latter also saw an increase in factories meeting shortage in production and an ongoing dependence on international markets. It is worth noting that the global demand for agro food products is expected to increase in the upcoming years due to a growing population along with a rising disposable income

and urbanization. Agro suppliers are investing in product innovation, product differentiation & quality improvement to adapt to the changing lifestyle of consumer preferences, moving towards healthier nutrition. In addition, global demand has been supported by low food prices. In fact, the Food Price Index of the Food and Agriculture Organization of the United Nations (FAO) decreased by 23% from 2013 to 2016, including meat by 15%, dairy by 38% and vegetable oils by 16%, driven by improvements in production techniques combined with a drop in oil prices

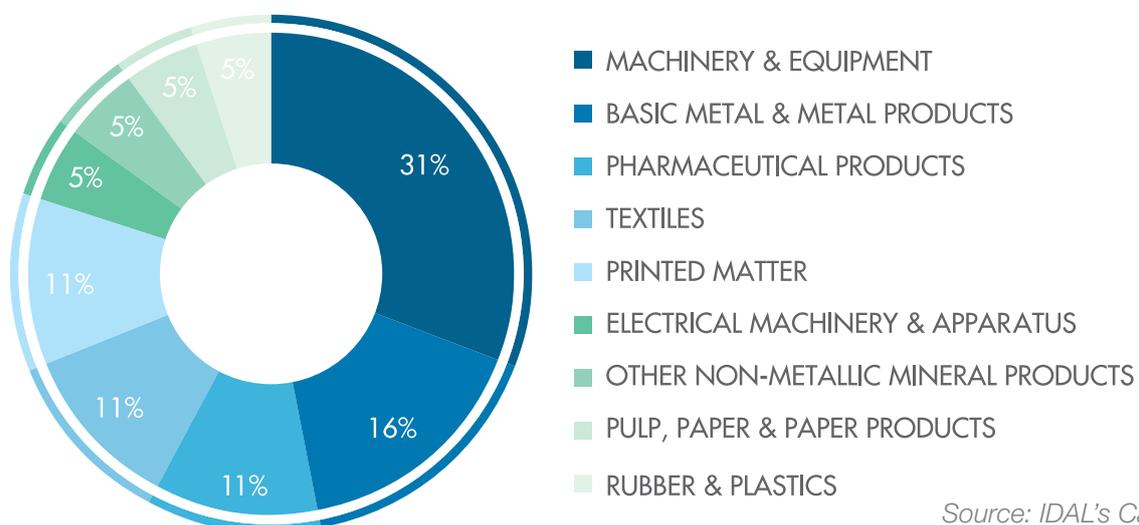
Figure 13: Distribution of Agro-Food Projects by Sub-Sector in 2016 (% share)



Source: IDAL's Calculations

In terms of investments in the industrial sector, more than 9 new investments were noted across various sub-sectors mostly explained by the increasing dependency of Arab countries on Lebanese products to meet their industrial needs (Figure 14).

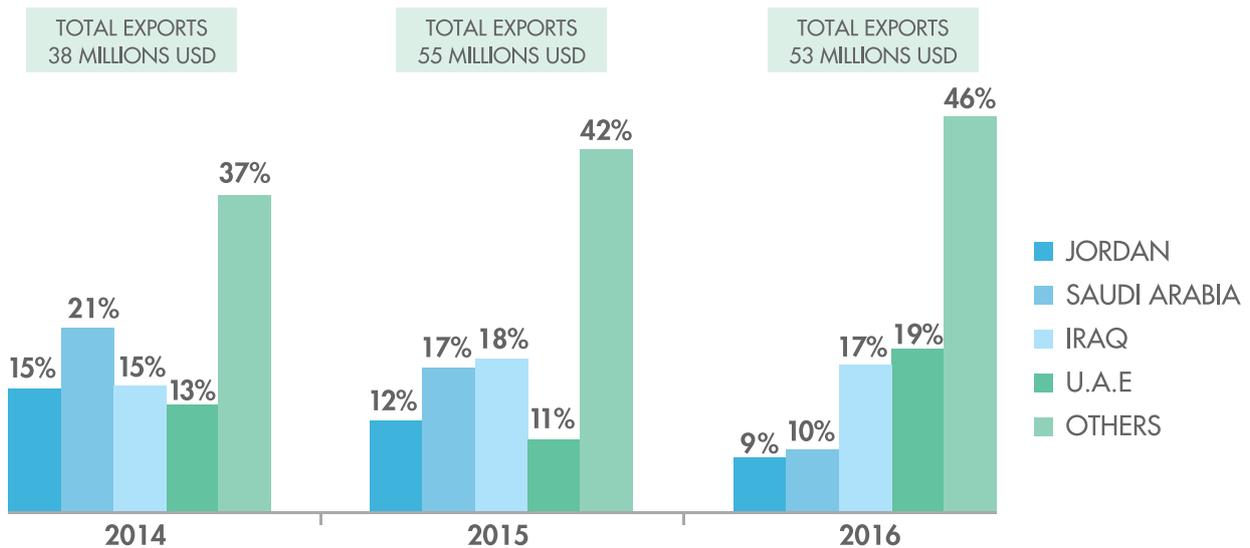
Figure 14: Distribution of Industrial projects by Sub-Sector in 2016 (% share)



Source: IDAL's Calculations

Within the industrial sector the pharma sub-sector has also witnessed a continuous investment activity marked by an increase in regional demand for Lebanese pharmaceutical products targeting Iraq, Saudi Arabia, Jordan and the United Arab Emirates as shown below (Figure 15).

Figure 15: Top Targeted Countries for Pharmaceutical Products (2014 - 2016)

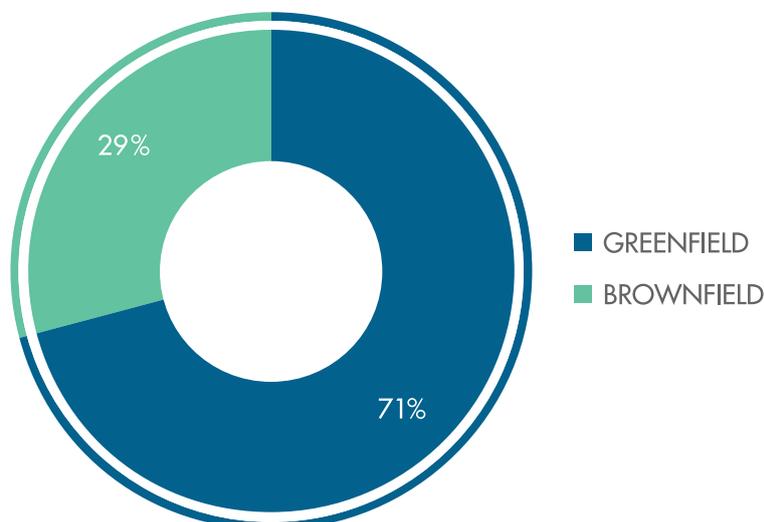


Source: Lebanese Customs

Finally, the fast growing ICT sector attracted new investments supported by Circular 331 that has made more funding available for start-ups, which have (as of September 2016) received around USD 46 million in investments.

In terms of distribution by type, 71% of the investments processed by were Greenfield projects (new projects), while the remaining 29% were Brownfield (expansion of existing projects) (Figure 16).

Figure 16: Distribution of Projects by Type in 2016 (%share)

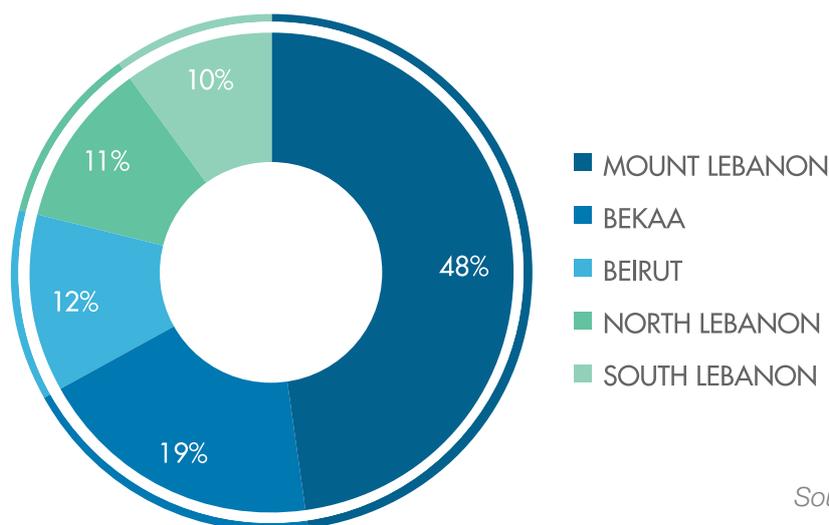


Source: IDAL's Calculations

As for the geographical distribution of the projects, Mount Lebanon attracted the highest share in 2016 (48%) (Figure 17) given the presence of industrial zones and a competitive labor force. As for the Bekaa,

the percentage of projects in this region increased from 12% in 2015 to 19% in 2016. The remaining projects were distributed between Beirut (12%), North Lebanon (11%) and South Lebanon (10%).

Figure 17: Distribution of Projects by Region in 2016 (% share)



Source: IDAL's Calculations

In 2016, 37 projects were eligible for IDAL's incentives 11 of which were processed and would benefit from the various incentives and business support services.

There are two incentives' 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 is targeted to small & medium sized projects and that require IDAL's Board and Presidency of the Council of Ministers approvals

- **Package Deal Contract (PDC) scheme** that is targeted to large scale projects that require IDAL's Board, the Presidency of the Council of Ministers and Council of Ministers approvals

Three projects were granted IDAL's incentives package and the remaining eight were pending specific approvals. One of these projects, Hawa Chicken-Broiled Produced & Distributed Company

SAL brownfield project, has 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 investment incentives schemes.

The approved project is **valued at USD 52.6 million** and it is expected to generate around **309 direct jobs when implemented** (Figure 17). In addition, two other projects were granted IDAL's incentives after following the same process: Roasting & Food Processing Plant "AIRifai" project, **valued at USD 4,562,063** and expected to create around **97 direct jobs when implemented** and HTTP SAL project, valued at USD 275,000 and expected to create **33 direct jobs when implemented** (Figure 18).

The other 11 projects (one project processed in 2013, two projects in 2015 and the remaining eight in 2016) are still in the pipeline (Figure 19).

Figure 18: Approved Projects in 2016

APPROVED PROJECTS			
AGRO-INDUSTRY	FARMS	HAWA CHICKEN EXPANSION PROJECT	<p>Investment Size: USD 52,600,000 Expected Direct Job Creation: 309 Type of Investment: Expansion Type of Incentive Scheme from IDAL: Package Deal Contract (PDC) Location: Anfeh & Zakroun, North Lebanon Nationality of Investor: Lebanese Description: establishing 5 new plants (phase1: slaughterhouse, rendering plant, pet food; phase 2: hatchery plant and feed factory.</p>
	DRIED FRUITS & NUTS	ROASTING & FOOD PROCESSING PLANT "AL RIFAI"	<p>Investment Size: USD 4,562,063 Expected Direct Job Creation: 97 Type of Investment: Expansion Type of Incentive Scheme from IDAL: PDC Location: Halat, Jbeil, Mount Lebanon Nationality of Investor: Lebanese Description: The project aims at increasing production capacity to meet the increasing demand of its products.</p>
IT	SOFTWARE DEVELOPMENT	HTTP SAL	<p>Investment Size: USD 275,000 Expected Direct Job Creation: 33 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 aims at producing high tech products for the communication industry with target consumers that include Cisco, Google, Juniper, Alcatel, Intel and many others.</p>
	SOFTWARE DEVELOPMENT	LOGOS	<p>Investment Size: USD 279,421 Expected Direct Job Creation: 32 Type of Investment: Expansion Type of Incentive Scheme from IDAL: 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 Status: Project approved by IDAL's board but pending approval from the Presidency of the Council of Ministers</p>

Figure 19: Projects in the pipeline 2016

PROJECTS IN THE PIPELINE		
AGRO-INDUSTRY	FARMS	<p>WILCO PM.</p> <p>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: The project is part of Wilco PM. expansion of its poultry production chain to replace the old poultry slaughterhouse. The expansion entails the construction and operation of a new poultry slaughterhouse, processing lines and rendering plant. Status: Project approved by IDAL's board but pending approval from the Presidency of the Council of Ministers and the Council of Ministers.</p>
	PROCESSED FOOD	<p>DAHER INTERNATIONAL FOOD</p> <p>Investment Size: USD 10,000,000 Expected Direct Job Creation: 92 Type of Investment: New Type of Incentive Scheme from IDAL: PDC Location: Bekaa Nationality of Investor: Lebanese Description: Factory to produce breaded chips, pretzel snacks and nuts. Status: Project approved by IDAL's board and by the Presidency of the Council of Ministers but pending approval from the Council of Ministers.</p>
	JUICE	<p>LE PRÉ</p> <p>Investment Size: USD 5,420,000 Expected Direct Job Creation: 50 Type of Investment: New Type of Incentive Scheme from IDAL: PDC Location: Mount-Lebanon Nationality of Investor: Lebanese Description: Factory to produce apple juice Status: Currently being processed by IDAL's team</p>
INDUSTRY	METALS, MACHINERY & EQUIPMENT	<p>DALAL STEEL INDUSTRIES</p> <p>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 Status: Project approved by IDAL's board but pending approval from the Presidency of the Council of Ministers and the Council of Ministers.</p>
	OTHER NONMETALLIC MINERAL PRODUCTS	<p>GLASS PACK</p> <p>Investment Size: USD 3,466,000 Expected Direct Job Creation: 114 Type of Investment: New Type of Incentive Scheme from IDAL: Investment Project by Zone (IPZ) Location: Bekaa Nationality of Investor: Lebanese Description: this project is primarily aiming to open a new glass factory Status: Project approved by IDAL's board but pending approval from the Presidency of the Council of Ministers.</p>

PROJECTS IN THE PIPELINE

PROJECTS IN THE PIPELINE			
INDUSTRY	CHEMICALS	GENERAL PAINTS CO S.A.L.	<p>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 primarily aims at increasing the company's production capacity Status: Pending approval of IDAL's board.</p>
	GENERATORS FACTORY	JUBAILI BROS	<p>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 primarily aims at increasing the company's production capacity Status: Pending approval of IDAL's board</p>
IT	BROADBAND WIRELESS INTERNET PROVIDER	CONNEXIONS SERVICES S.A.L	<p>Investment Size: USD 3,000,000 Expected Direct Job Creation: 37 Type of Investment: New Type of Incentive Scheme from IDAL: IPZ Location: Mount Lebanon Nationality of Investor: Lebanese Description: the company will provide broadband wireless Internet connection using WiMIX technology Status: Pending approval of IDAL's board</p>
	SOFTWARE DEVELOPMENT	S.&A.S LTD	<p>Investment Size: USD 905,000 Expected Direct Job Creation: 15 Type of Investment: Expansion Type of Incentive Scheme from IDAL: PDC Location: Mount Lebanon Nationality of Investor: Lebanese Description: The company manufactures board control system for elevators and generators Status: Pending approval of IDAL's board</p>
	SOFTWARE DEVELOPMENT	IMPLIFY SAL	<p>Investment Size: USD 227,000 Expected Direct Job Creation: 20 Type of Investment: New Type of Incentive Scheme from IDAL: IPZ Location: Mount Lebanon Nationality of Investor: Lebanese Description: The company will develop a data platform that allows unification of all existing data sources within a company into virtual database Status: Project approved by IDAL's board but pending approval from the Presidency of the Council of Ministers</p>

These 11 projects are valued at USD 63,439,872 and are expected to generate more than 565 direct jobs when implemented. These 11 projects are distributed among the 3 sectors: Agro- Food, Industry and IT. By investment value, the Industry sector grasped the lion share (51%) of the total investments value, while the Agro-Food (42%) and IT sectors (7%) of the total investments value.

This shift from the conventional investment practice in the tourism sector in Lebanon to investment in the Agro-Food and Industry sectors is due to the political, security and regional turmoil which mostly affected the tourism sector. Moreover, the increasing demand for Lebanese agro-industrial and industrial products and their competitiveness in the regional markets helps in attracting more investments to those two promising sectors.



| **04** EXPORT PROMOTION



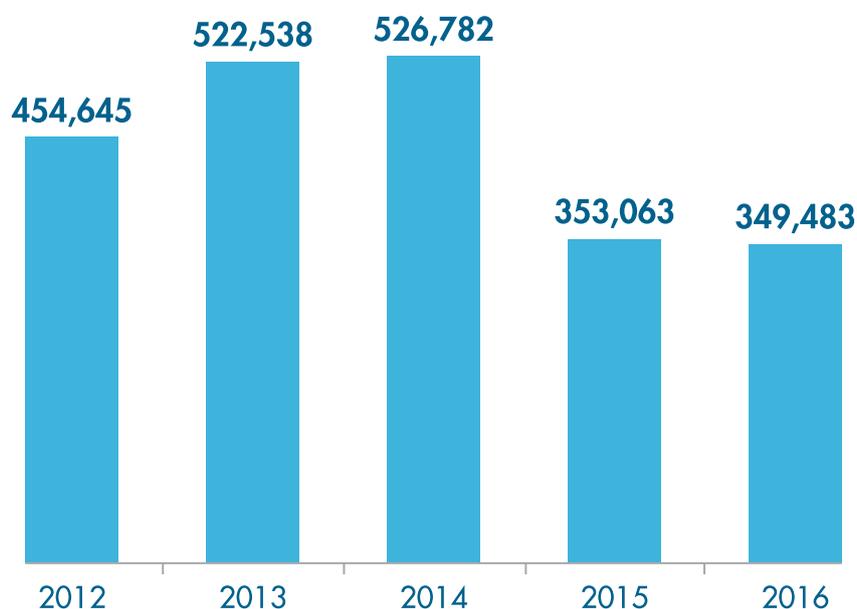
04 EXPORT PROMOTION

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. By the end of 2016, exports of agricultural products witnessed a 1% decrease from previous year's levels (Figure 20), 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 349,483 tons, while egg exports recorded a transaction of 39,203 boxes compared to 72,666 boxes in 2015. As for honey exports, they recorded a modest transaction of 21.65 tons exported to the UAE, KSA, Qatar, Bahrain & USA.

Figure 20: Evolution of Exports (2012-2016 | Tons)



Source: IDAL's Calculations

Meanwhile, olive oil exports recorded an increase of 59% compared to 2015 levels with a volume of 6,899 tons in 2016, 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.

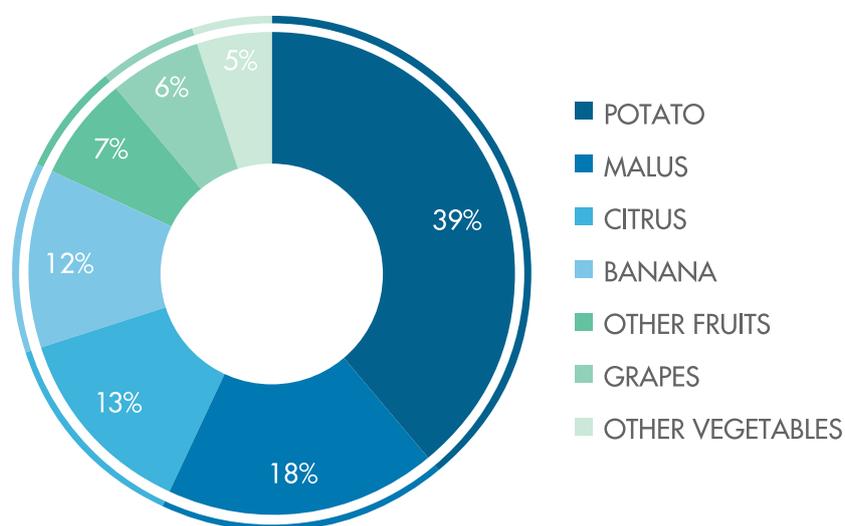
173 exporters were registered in the "Agri Plus" program by the end of the year compared to 171 in 2015 with 11 specialized in the export of olive oil, one specialized in the export of honey and one specialized in the export of Flowers and Plants. Exporters benefiting from the "Agri Plus" program need to meet specific packaging requirements. In 2016, 206 packaging centers met the requirements set forth by IDAL, highlighting the improving standards of Lebanese produces.

B. EXPORTS OF FRUITS & VEGETABLES: 2016 PERFORMANCE

Potatoes accounted for the bulk of total agricultural exports with 135,377 tons, accounting for 39% of total exports, followed by Malus with 62,327 tons

(18% of total), while the export of Grapes reached their lowest export level with only 19,248 tons accounting for 6% of the total exports (Figure 21).

Figure 21: Major Agricultural Exports (% share | 2016)



Source: IDAL's Calculations

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

Zone “A”: Syria and Jordan

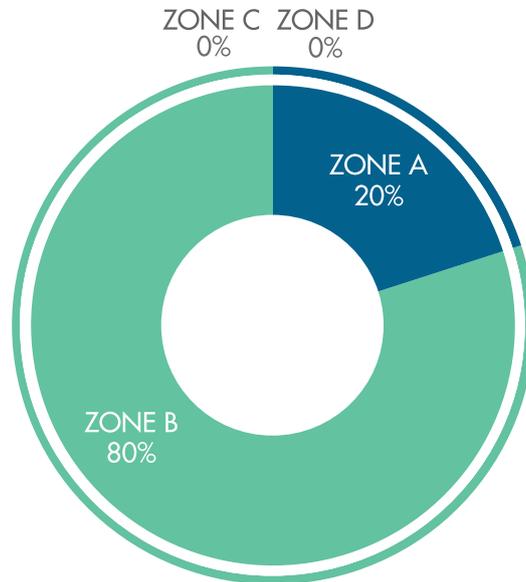
Zone “B”: Egypt, Libya, Sudan, Turkey, Saudi Arabia, United Arab Emirates, Yemen, Oman, Kuwait, Qatar, Bahrain, Iraq and Iran

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 (80% of total) while only 31 tons were exported to Zone “D” which again highlights the need and opportunity to open up to new markets (Figure 22).

Figure 22: Agricultural Exports By Zone (% share | 2016)



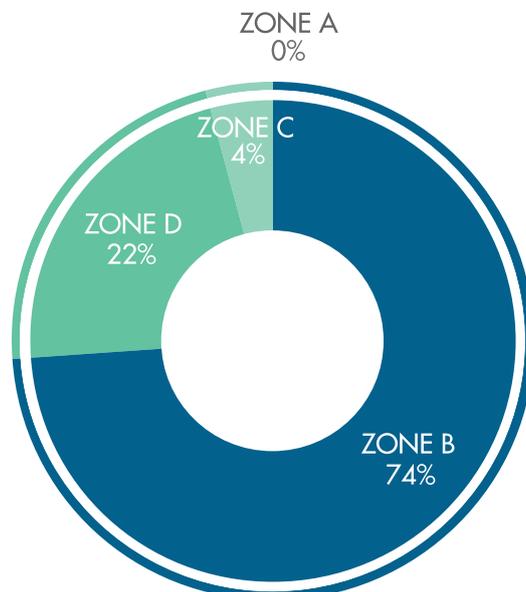
Source: IDAL's Calculations

C. EXPORTS OF OLIVE OIL: 2016 PERFORMANCE

The monthly average export of olive oil through the “Agri Plus” program reached 575 tons in 2016 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 5,074 tons accounting for around 74% of total exports. The second destination of olive oil exports was zone “D”, where the exported quantity reached 1,532 tons (Figure 23).

Figure 23: Olive Oil Exports By Zone (% share | 2016)



Source: IDAL's Calculations

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

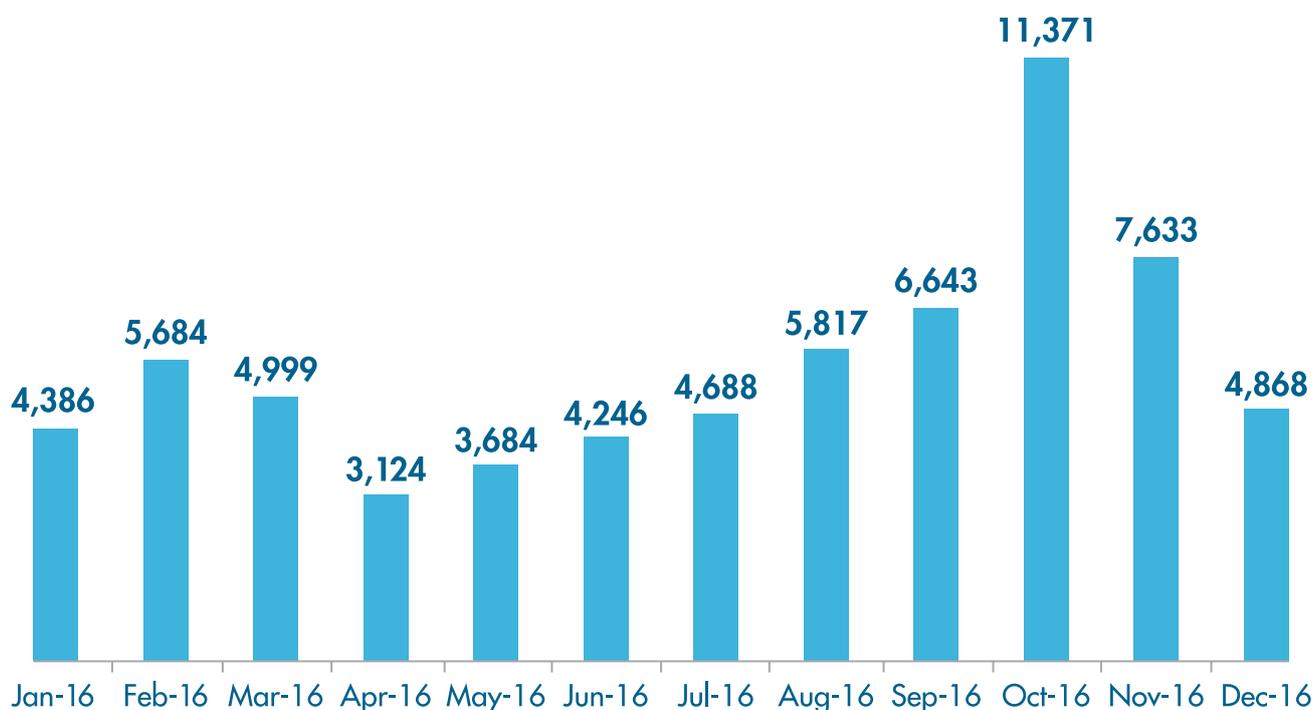
transport as a result of the closure of land borders between Lebanon, Syria and Jordan, countries whose borders have historically been considered fundamental for Lebanese exports to the Gulf region.

During the second year of the M.LEB program implementation, the results registered were as follows:

- Agricultural exports (fruits and vegetables) reached 59,594 tons;
- Industrial exports amounted to 1,587 tons;
- Agro-food exports recorded 5,963 tons;
- 3,450 trucks were shipped abroad the vessel of which 3,042 trucks were subsidized.
- The Kingdom of Saudi Arabia imported the highest percentage of Lebanese products through the program, registering 57% from the total, while Kuwait came second with 22% of total export, and Jordan came in third with 18%. It is worth mentioning that the highest share of products was exported to the Gulf countries through the port of Doha in the Kingdom of Saudi Arabia.

The month of October 2016 witnessed the highest exported quantities through the program, registering 11,371 tons while the exported quantities were at their lowest in April, with 3,124 tons. (Figure 24).

Figure 24: Monthly Exported Quantities through M.LEB program (2016 | tons)



Source: IDAL's Calculations

GROWING BEYOND BORDERS



| **05** MARKETING & PROMOTION



05 MARKETING & PROMOTION

A. SOCIAL MEDIA & DIGITAL MARKETING

The importance of social media and digital platforms is insurmountable. As a public institution, it has gotten us closer to our audience through listening to their needs and making sure that they know enough about our support services and activities so that they can benefit from them.

In 2016, we have relied heavily on video content and have put forth a strategy to reach out to foreign markets through our social media platforms. Additionally, and to appeal to our diaspora, we have launched a Portuguese version of our website on the margins of our participation at the Lebanese Diaspora Energy Conference in Sao Paulo, Brazil.

As a result, we have seen an increase in engagement across all our platforms:

FACEBOOK: The page which reached so far over 7,000 followers is constantly engaging with its audience through rich content with an accumulated reach of over 1.5 million for the posts. Branded content from other parties have also increased to reach more than 20,000 people.

TWITTER: With a fan base of over 1,600 we have tweeted over 2,000 times mostly on events and sector and business news. More than 50% 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 over 1,000 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 as well as testimonials from leading public figures on IDAL and Lebanon's general business environment.

OUR WEBSITE: IDAL's website is perhaps the most active and sought after among all public institutions, with a high SEO and an array of 4 languages, investors, academics, and startups regard IDAL's website as a main reference for all economic, investment, and legal information on opening and operating a business in Lebanon. Our traffic for 2016 has reached over 500,000 page views according to Google Analytics. In 2016, we have witnessed an increase in web traffic of 16.86% and an increase of around 24% in page views from 2015 figures. The majority of our viewers come from Lebanon, the United States, the United Kingdom, France, and Saudi Arabia respectively.

B. EVENTS & CONFERENCES

▲ CONFERENCE & FORUMS

21 JAN, FINANCING IN THE MEDIA SECTOR ROUNDTABLE: IDAL moderated the panel on “Financing the Media Industry” at the Centre Culturel Francais (CCF). The event, which was organized by the Fondation Liban Cinema, the CCF, and the Ministry of Culture, witnessed an announcement by the Central Bank for a subsidized loan to support the sector. The sector holds tremendous potential, and, if supported adequately, will place Lebanon on the cultural and touristic map thanks to the talents behind many of the works being done.

21 JAN, FRONTIER EXCHANGE - MIDDLE EAST & NORTH AFRICA CONFERENCE: IDAL took part in the Frontier Exchange Middle East and North Africa in London, a major international investment roadshow of the fastest growing companies from the Middle East and North Africa. Frontier Exchange introduced the MENA region’s most attractive companies and investment projects to over 70 interested investors from around the world. Chairman of IDAL, Mr. Nabil Itani, gave a presentation highlighting Lebanon’s potential as an investment destination and got the chance to meet first hand with investors from around the world through business-to-business meetings.

19 FEB, THE CYPRUS LEBANON BUSINESS FORUM: IDAL represented by Chairman Nabil Itani took part in the Lebanese Economic delegation to Cyprus which attended the “Cyprus Lebanese Business and professional Association Forum” at St. Rapheal’s resort in Limassol. Chairman of IDAL, Mr. Nabil Itani, gave a presentation highlighting Lebanon’s potential as an investment destination.

21 FEB, GULFOOD FAIR: IDAL’s Chairman, Mr. Nabil Itani, participated at the opening of the Lebanese Pavillion in Gulfood Fair, organized in Dubai in the presence of the Lebanese consul in Dubai Sami Nmeir and the president of Syndicate of Lebanese Food industrialists (SLFI) Ahmad Hoteit, as well as many Lebanese participants.

27 FEB, TRIPOLI ECONOMIC CONFERENCE & EXHIBITION: IDAL represented by Chairman Nabil Itani participated as a speaker at the Conference of “Challenges & Opportunities for Tripoli Development” highlighting on how to Support the policy and development of the productive sectors, the conference took place at the Order of Engineers and Architects of Tripoli, IDAL also participated in the exhibition held during the conference.

30 MAR, UNION OF ARAB BANKS CONFERENCE: IDAL participated in the Union of Arab Banks Conference 2016 which was held under the auspices of H.E. the Prime Minister represented by the Minister of Environment Mr. Mohammad Machnouk. Mr. Nabil Itani, delivered a key word following the opening on the “General overview of the Arab Banking and Economic Integration”.

6 APRIL, HORECA TRADE SHOW: IDAL took part in the opening of the National Food Industry Day with Chairman Nabil Itani delivering an intervention during a press conference, highlighting the importance of the Agro Food sector.

19 APRIL, 15 YEARS ANNIVERSARY: Under the patronage of the President of the Council of Ministers Mr. Tammam Salam, IDAL celebrated the 15 years to the enactment of Investment Law No.360 in the presence of ministers, Ambassadors of Arab and Foreign States, heads and members of economic factions as well as investors. The event which took place at the Grand Serail, was an opportunity to honor 5 countries who positively contributed to the Lebanese economy and to the investment climate; namely KSA, UAE, UK, Italy and South Africa. Reflecting on the past 15 years of achievements, and looking forward to a new milestone where Lebanon is and forever will be the thriving heart of business in the Middle East.

24-26 APRIL, BULGARIA-LEBANON BUSINESS FORUM: IDAL took part in the Bulgaria-Lebanon Business workshop, Chairman of IDAL, Mr. Nabil Itani, gave a presentation highlighting Lebanon's investment climate, opportunities and incentives.

29 APRIL, JOINT ARAB COOPERATION.. THE BASIS FOR DEVELOPMENT & PEACE: IDAL participated at the "Joint Arab cooperation... the basis for development & peace" conference organized by the Arab Women Investors Union in Sharm el-Sheikh. Chairman Mr. Nabil Itani called for a comprehensive Arab vision for economic development to face the current challenges and pave the way for a promising future based on successful experiences in the world. Itani was handed an appreciation trophy from the Union.

2 MAY, JOINT ARAB COOPERATION.. THE BASIS OF DEVELOPMENT & PEACE-SHIELD: IDAL represented by Chairman Nabil Itani participated as a speaker at the Conference of "Joint Arab cooperation .. the basis of development and peace- shield, organized by the "Arab Women Investors Union".

3-4 MAY, "THE PRESENTATION OF THE BRIDGE TO INNOVATION (B2i) PROGRAM" BERYTECH: As part of IDAL's strategy to support the growth of the ICT sector and improve its competitive advantages, IDAL participated as a partner at the "The presentation of the Bridge To innovation (B2i) Program" organized by the Lebanese Canadian IT Association and Berytech aiming to facilitate access for the Lebanese Innovative Entrepreneurs to the north American ICT markets where it featured an introduction of the program followed by a networking dinner with the Canadian Delegation and the participating Lebanese entrepreneurs.

19-18 MAY, BEIRUT INTERNATIONAL FRANCHISE FORUM & EXHIBITION - BIFEX: IDAL sponsored the Beirut International Franchise Forum and Exhibition – BIFEX a yearly event organized by LFA in presence of government officials, the private sector, Arab retailers and entrepreneurs, and the media. IDAL was present via a booth at the exhibition throughout the conference.

1-3 SEP, CHOUF BUSINESS EXPO: The Chairman of IDAL Eng. Nabil Itani took part at the Chouf Business Expo in Baakline. Mr. Nabil Itani called upon the adoption of policies and strategies that will create a suitable environment for the establishment of new projects and the development of existing ones.

13-14 OCT, WAIPA ANNUAL MEETING: IDAL, represented by its Chairman, Mr. Nabil Itani, participated at the annual meeting of the World Association of the investment promotion agencies WAIPA, held in Istanbul, Turkey under the "Inclusive Investments and a Sustainable Future" theme. The meeting, which brought together government officials, businessmen and experts in the development of FDI policies and strategies, was an opportunity to display the current situation and discuss the available investment opportunities.

27 OCT, LEBANESE - FRENCH ECONOMIC FORUM:

IDAL, represented by its Chairman, Eng. Nabil Itani, participated at the “Lebanese - French Economic Forum” held at the headquarters of the Chamber of Commerce and Industry of Paris, and organized by the Lebanese - French Chamber of Commerce, in partnership with the Federation of the Lebanese Chambers, the Chamber of Commerce and industry of Paris, the Chamber of Beirut and Mount Lebanon, the Lebanese Central Bank, the Association of Industrialists, the Higher Institute of Business and Business France. The aim of this forum, held under the title: “Cross - Meetings between France, Lebanon and Africa: the Power of Partnership with the Lebanese Diaspora” is to open up the prospect of cooperation between the Lebanese and French companies in African markets.

3-4 NOV, “ECONOMIC ARAB - EUROPEAN CONFERENCE”: Participating at the Economic Arab-European conference, organized by the Al-Iktissad

▲ DIASPORA ENGAGEMENT

7- 9 JUNE, WORKSHOP TO DEVELOP A NATIONAL STRATEGY ON DIASPORA ENGAGEMENT AND DIRECT INVESTMENTS:

IDAL has spearheaded a three days’ workshop to develop a national strategy on diaspora engagement and direct investments with experts from the International Centre for Migration Policy Development (ICMPD) ‘s MIEUX program. The workshop which brought together a national committee made up from prominent figures from the public and the private sectors tapped into lessons learnt, case studies, and hands-on strategy drafting.

12 JULY, EMIGRANTS ECONOMIC FORUM:

IDAL participated at the 2nd Emigrant Economic Conference organized by Al-Iktissad Wal Aamal Group at the Movenpick Hotel under the auspices of the Speaker of the Parliament Mr. Nabih Berri, the support the Prime Minister, Mr. Tammam Salam with the collaboration of the Ministry of Foreign affairs & Expatriates.

27-28 SEP, LEBANESE DIASPORA ENERGY CONFERENCE: Represented by its Chairman Mr. Nabil Itani, IDAL participated at the Lebanese Diaspora Energy Conference organized in New York by the

wal Aamal Group under the auspices of the President and the Prime Minister of the Hellenic Republic with the presence of European and Arab officials, Itani called upon strengthening the cooperation between the two regions through the removal of barriers allowing a free inflow of goods, people and money, the set-up of strategies that would mobilize manpower and encourage entrepreneurship, as well as the support of investors, protection and maintenance of their investment, the enhancement of communications with expatriates all over the world and linking them economically to their home country.

14 NOV, AMAN UNION 7TH ANNUAL MEETING:

Under the Patronage of IDAL’s Chairman Mr. Nabil Itani, the AMAN Union held its 7th Annual Meeting in Beirut. The meeting brought together a group of international and regional experts and professionals to discuss important topics in the insurance and reinsurance sector, export credit, trade finance & the challenges facing those areas.

Lebanese Ministry of Foreign Affairs. Mr. Itani had an intervention during the “Investment, Diversity and Economic Growth” session in which he stressed the need to strengthen ties with Lebanese communities for the benefit of the Lebanese economy. He also mentioned the promising sectors promoted by “IDAL” and enjoying readiness for growth. The head of the Lebanese International Business Council Dr. Nassib Fawaz hosted a dinner in Dearborn in honor of Itani, who met with a number of expatriates and businessmen of Lebanese origins.

28 NOV, IDAL SESSION AT THE LDE IN SAO PAULO:

IDAL led a session at the LDE in Sao Paulo on Exploring Opportunities through the Lebanese Diaspora: Investment in Lebanon/Triangular trade. The session started with a keynote speech from Chairman Itani and was moderated by renowned journalist of Lebanese origins Mr. Guga Chacra. IDAL was also present at the event through a contact point booth where investors interested to know more about doing business in Lebanon were able to be equipped with the relevant information for an informed decision.

▲ SECTOR PROMOTION

28 JAN, PROGRAM LAUNCH OF THE “CHINESE LOAN”: IDAL held a Press Conference to announce the Program launch of the Chinese Loan” after the Lebanese Council of Ministers has approved to mandate the Investment Development Authority of Lebanon – IDAL to repay the Chinese loan through Lebanese exports by virtue of its resolution no 86 dated 31/10/2012.

In this regard, an MOU has been signed between IDAL and the China National Complete Plant Import & Export Corporation (Group) known as the “COMPLANT” to coordinate the repayment of the loan. The parties agreed to proceed with the payment of the Chinese loan through Lebanese products which are: Olive Oil, Wine, Canned and dried fruits, fruit Jam, and dried Nuts.

4/12 FEB, INFO SESSIONS FOR THE “CHINA LOAN” REPAYMENT”: IDAL organized two workshops implementation in Marjeyoun and Tripoli to introduce the implementation mechanism of Chinese loan repayment program by Lebanese products.

17 MAR, OPPORTUNITIES IN THE IT SECTOR IN LEBANON IN PARIS: IDAL, represented by Chairman Nabil Itani, participated as a strategic partner at the “Investment opportunities in the Tech & ICT sectors” conference held at la Maison de l’Unesco – Paris. The event, which was co-organised by the French-Lebanese Chamber of Commerce and Business France, was packed with investors’ meetings and thought provoking discussions on the investment opportunities available in the ICT sector between France & Lebanon. Fifteen companies from Lebanon took part in the event and met with over 50 interested French companies.

7 APRIL, TECHNICAL WORKSHOP ON HOW TO DO BUSINESS IN THE EU AND THE NETHERLANDS:

IDAL, represented by Chairman Nabil Itani, participated as a partner at the “How to Do Business in the EU and Netherland” technical workshop held at the Movenpick Hotel – Beirut. This workshop was co-organized by the Embassy of Netherland and the Lebanese Dutch Business Association. The event was packed with investors, exporters and entrepreneurs discussing the business opportunities in the Agriculture, Agrofood and Industrial sectors between Lebanon and the EU countries.

60 representatives from different Lebanese companies, establishments and ministries took part of the event elaborated to support Lebanese exporters’ access new markets and expand their businesses. Mr Hans Verhulst and Mr Ari Bijil provided the attendees through presentations, cases studies and success stories with detailed information on the EU standards and requirements and how the Lebanese products could have a competitive edge there.

IDAL distributed a survey on the attendees to collect information about the ability of the attendees to export and enter these markets in ordered to conduct a census including the information on the products exported to Europe and Netherland and to check what are the attendees’ needs regarding these markets (standards, requirements, documents, importers...). 46.7% of the attendees filled out these surveys, and all of them are willing to enter the European market.

3 MAY, MEMORANDUM OF UNDERSTANDING WITH THE NETHERLANDS: IDAL signed along with the Chamber of Commerce , Industry and Agriculture of Beirut and Mount Lebanon Memorandum of Understanding with the Minister for Foreign Trade and Development Cooperation of the Netherlands represented by the Centre for the Promotion of Imports from developing countries (CBI), under the patronage of the President of the Council of Ministers Mr. Tamam Salam and the Prime Minister of the Netherlands Mr. Mark Rotti, in the presence of the Minister of Economy and Trade Dr. Alain Hakim.

11-22 MAY, CANNES FILM FESTIVAL: In 2015, IDAL partnered with the Ministry of Tourism and Fondation Liban Cinema to support the promotion of Lebanese films and the movie industry at the Cannes Film Festival 2015 edition.

In 2016 and for the second consecutive year, IDAL continued its support to Lebanese Filmmakers at the Cannes Film Festival. 3 Lebanese movies have made us proud by being selected to either premiere at Cannes Film Festival or to take part in Cinéfondation competition that supports the new generations of filmmakers.

22 OCT, LAUNCH OF "IKLIM FUND FOR DEVELOPMENT AND INNOVATION": IDAL, in collaboration with the Beirut Arab University Federation of Chambers of Commerce in Beirut and Mount Lebanon, Bank Egypt Lebanon, and Lebanon fund for Development and Innovation, sponsored today the launch of the Iklm Fund for Development and Innovation at the Beirut Arab University Campus in Debbiyyeh. In his word, Chairman Nabil Itani, declared that this initiative aims at enhancing sustainable economic development, thus resulting in a positive impact on social development, through the creation of a business environment that encourages young people to initiate projects and establish SMEs. he Fund's role is to assist in the implementation of investment projects across linked and consecutive services provided to the project.

23-25 OCT, LEBANESE WEEK IN MUSCAT: IDAL co-sponsored the "Lebanese week in Muscat". In his speech at the opening ceremony, Chairman Nabil Itani presented Lebanon`s investment opportunities, stressing the fact that the Sultanate and Lebanon enjoy competitive economic advantages, which entitles them to play a leading role each in its surroundings. He called upon the development of bilateral relations at all economic levels, thus contributing to enhancing this leading role. Eng. Itani held side work meetings to enhance the partnership between the two countries.





▲ FOREIGN DELEGATIONS & DIPLOMATIC VISITS

11 FEB, VISIT OF ECONOMIC DELEGATION FROM OMAN: IDAL welcomed an Economic Delegation from Oman to explore investment opportunities in Lebanon. The delegation which was headed by the President of the Omani Chamber of Commerce Mr. Saeed Bin Saleh Alkioumi was accompanied by the President of the Chamber of Commerce, Industry and Agriculture of Beirut and Mount Lebanon Mr. Mohamad Choucair and the Ambassador of Lebanon to Oman Mr. Houssam Diab. Chairman of IDAL, Mr. Nabil Itani, presented Lebanon's investment climate and the various opportunities available across the productive sectors.

16 MARCH, VISIT OF TURKISH AMBASSADOR TO LEBANON: Chairman of IDAL, Mr. Nabil Itani, met with the newly appointed Turkish Ambassador to Lebanon Mr. Tchatgay Argis. The introductory meeting was important to discuss ways of cooperation between the two countries to encourage investments and boost economic relations. Sectors of focus include tourism, construction, industry and others.

13 APRIL, MALTESE DELEGATION VISIT: Minister of Economy of Malta Dr. Chris Cardona and Mr. John Buttigieg (Malta Enterprise) met Chairman of IDAL, Mr. Nabil Itani and discussed ways of investment cooperation between the two countries.

3 MAY, CANADIAN ICT DELEGATION VISIT: IDAL welcomed the Canadian ICT Delegation who came to Introduce the B2i project' Lebanese Canadian Tech hub, Setup a plan of coordination to promote the Canadian Innovation sector in Lebanon and facilitate to the Lebanese Startup the access to the Canadian market. The delegation which was headed by the President - B2i Mr. Fadi Joseph was accompanied by Mr. Fadi Ziade Consul General at the Consulate General of Lebanon in Montreal and Nathalie Nercessian, trade Commissioner at the Canadian Embassy in Lebanon. Chairman of IDAL, Mr. Nabil Itani, presented Lebanon's investment climate and the various opportunities available across the productive sectors.

27 MAY, VISIT OF AN OFFICIAL DELEGATION FROM KURDISTAN: Chairman of IDAL, Mr. Nabil Itani, met with a delegation from Kurdistan headed by the Minister of Agriculture Mr. Abdel Sattar Majeed. The delegation discussed agriculture issues especially those pertaining to export promotion programs.

17 AUG, THE LEBANESE CHARGE D'AFFAIRE TO SOUTH AFRICA: Chairman Nabil Itani met today with the Lebanese Charge d'Affaire to South Africa, Mr. Ara Khatchadourian. The meeting tackled ways of cooperation between the Ministry of Foreign affairs and IDAL regarding the conference to be held in South Africa on Feb. 2017, focusing on Enhancing The Trade and Investment Relations between Lebanon and South Africa. The discussions stressed as well the strong Diasporic –Lebanese relationship that should be invested in fruitful projects in Lebanon.

6 SEP, VISIT OF BRAZILIAN AMBASSADOR: The Chairman of IDAL Mr. Nabil Itani, welcomed the Brazilian ambassador in Lebanon George Kadri accompanied by the Dubai Chief executive officer of APEX Caren Jones. Discussions tackled the enhancement of bilateral economic relations between Lebanon and Brazil. Itani highlighted the importance of the Lebanese community's role in Brazil in terms of promoting economic and investment relations in particular, pointing out that Lebanon has all the advantages to play a key role in the Middle East region, serving as a hub to the foreign companies to reach the region.

18 NOV, VISIT OF CHINESE AMBASSADOR: The Chairman Of IDAL Mr. Nabil Itani engineer discussed ways of enhancing cooperation between Lebanon and China with the Chinese ambassador in Beirut, Jiang Jiang. The discussions tackled economic sectors, especially IT, where Chinese companies can benefit from the expertise and capacities of the Lebanese youth and university graduates. Both parties talked about the opportunity of creating productive partnerships between Lebanon and China, targeting Arab, European and African countries' markets.

21 NOV, VISIT OF MALAYSIAN BUSINESSMEN DELEGATION: Upon a request of some Malaysian businessmen aspiring at investing in Lebanon and the region, the Chairman of IDAL Mr. Nabil Itani discussed ways of cooperation between Lebanon and Malaysia with a delegation from the Malaysian General Consulate headed by Trade Commissioner Khairul Annuar Abdul Halim. Both sides confirmed the fact that Malaysia and Lebanon possess many opportunities for cooperation especially in the investment and trade fields, in the light of the similarity between the two countries.

▲ INVESTOR SUPPORT

11 APRIL, HAWA CHICKEN PROJECT RECEIVED THE PACKAGE DEAL OF CONTRACT FROM IDAL: Hawa Chicken's CEO Mr. Jean Hawa, received the Package Deal Contract from IDAL's Chairman Mr. Nabil Itani, following the approval of the Council of Ministers. The investment project consists of an expansion of the current factory by 61,000 sqm in Anfeh. It includes a new slaughterhouse, refrigeration and storage as well as production and recycling facilities. The expansion project has an investment value of USD 52.6 million and will create 309 job opportunities. The incentives granted include corporate income tax exemptions as well as permits and licenses fees reductions for up to 10 years.

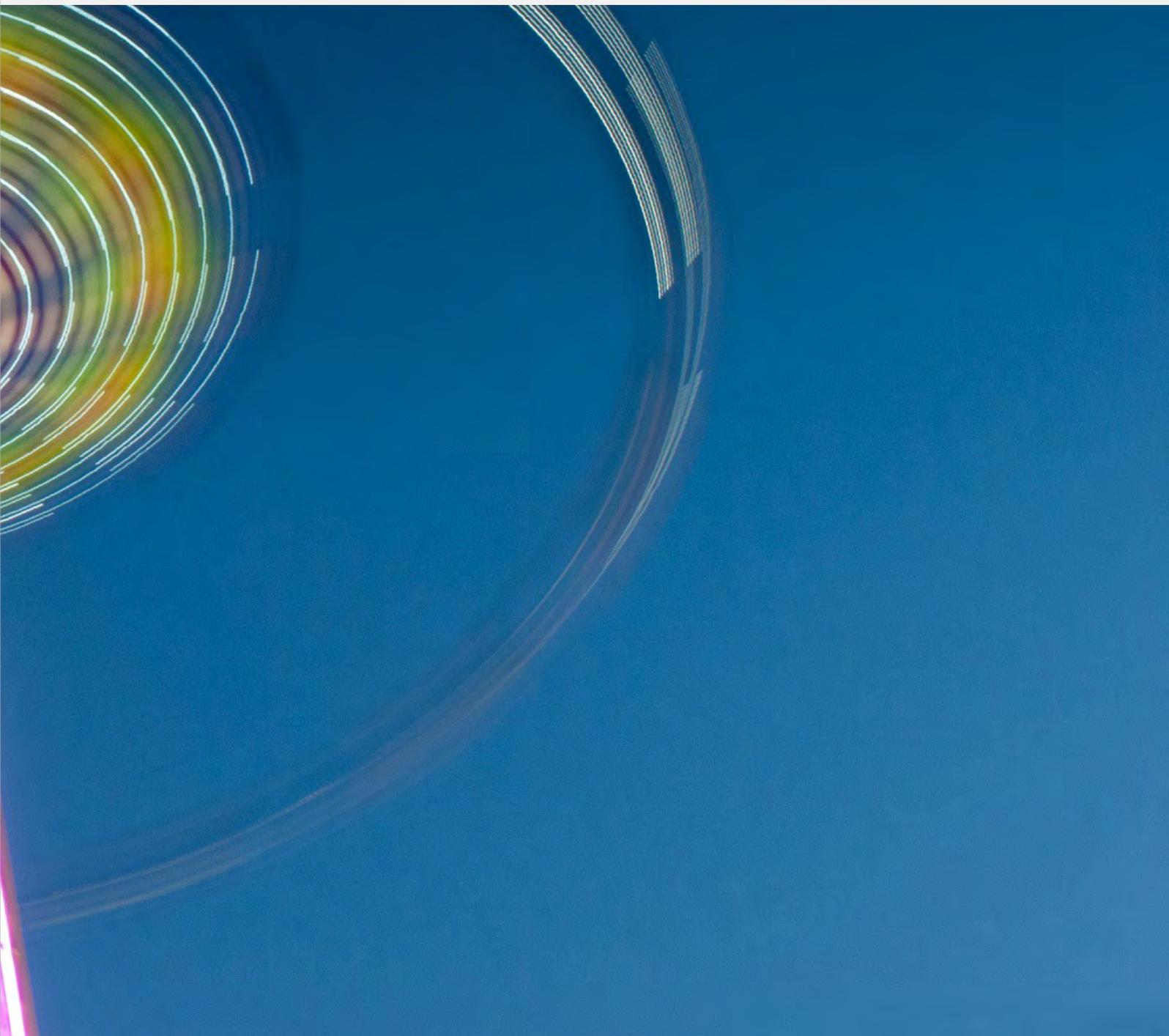
13 APRIL, VISIT TO DAHER FOOD FACTORIES: Chairman of IDAL, Mr. Nabil Itani visited Daher Food Factories in Fourzol-Bekaa, a project of USD 32 million that will create 410 jobs that was granted the "Package Deal Contract" from IDAL.

19 JULY, ALGORITHM PHARMACEUTICAL PROJECT: Mr. Nabil Itani and the Executive Director of the Algorithm Pharmaceutical project laid the first stone of the project to be executed in Zekrit in the presence of the head of municipality Mr. Adib Morkos. The industrial project is worth USD 12.4 million and will recruit 360 jobs. The project was granted the Package Deal Contract.

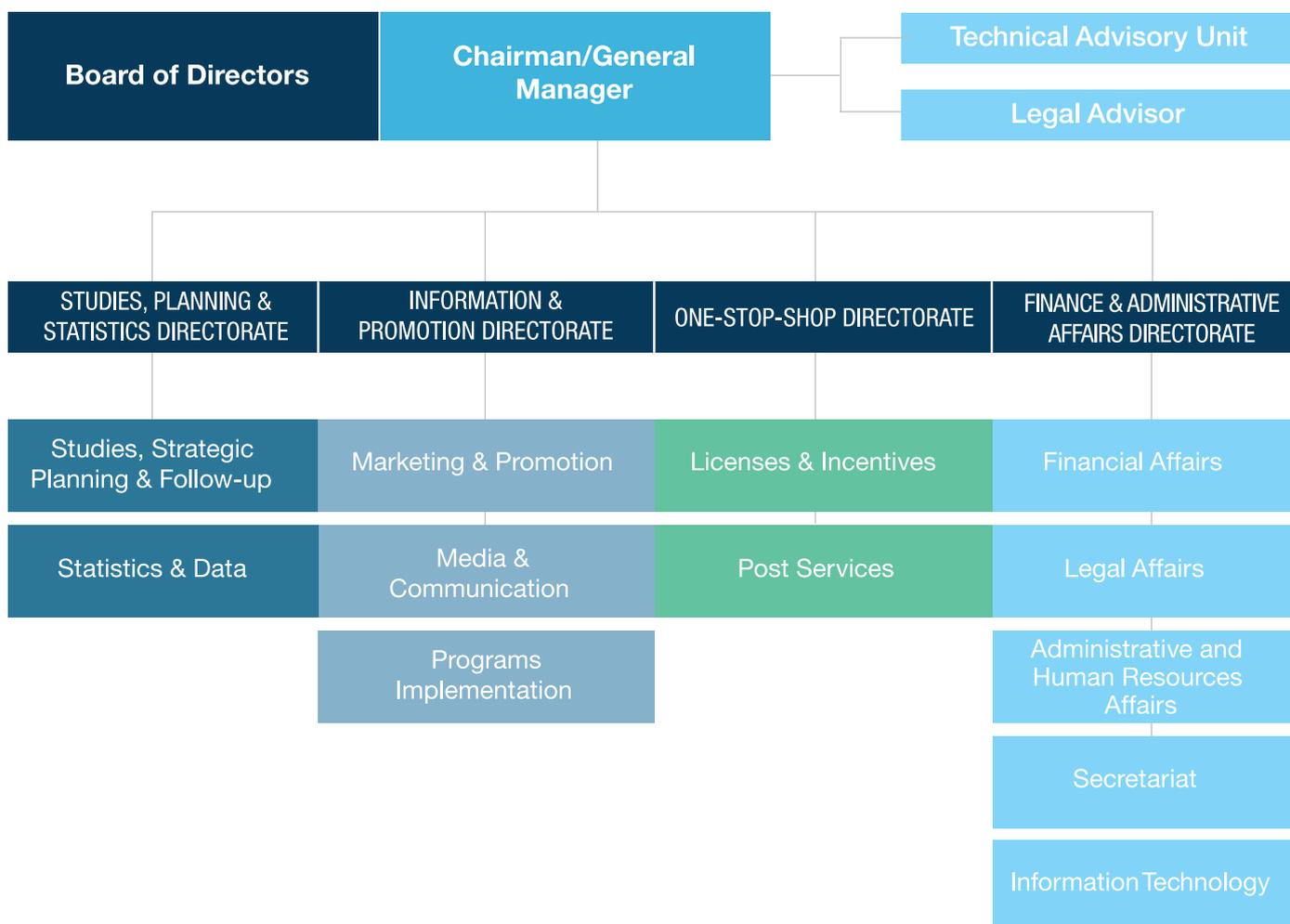
GROWING BEYOND BORDERS



| 06 APPENDIX



ORGANIZATION & GOVERNANCE STRUCTURE



IDAL'S BOARD OF DIRECTORS

Chairman & 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.

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