



**IDAL**

INVEST IN LEBANON



INVESTMENT DEVELOPMENT  
AUTHORITY OF **LEBANON**

Presidency of the Council of Ministers

# ANNUAL REPORT 2012





# ANNUAL REPORT 2012



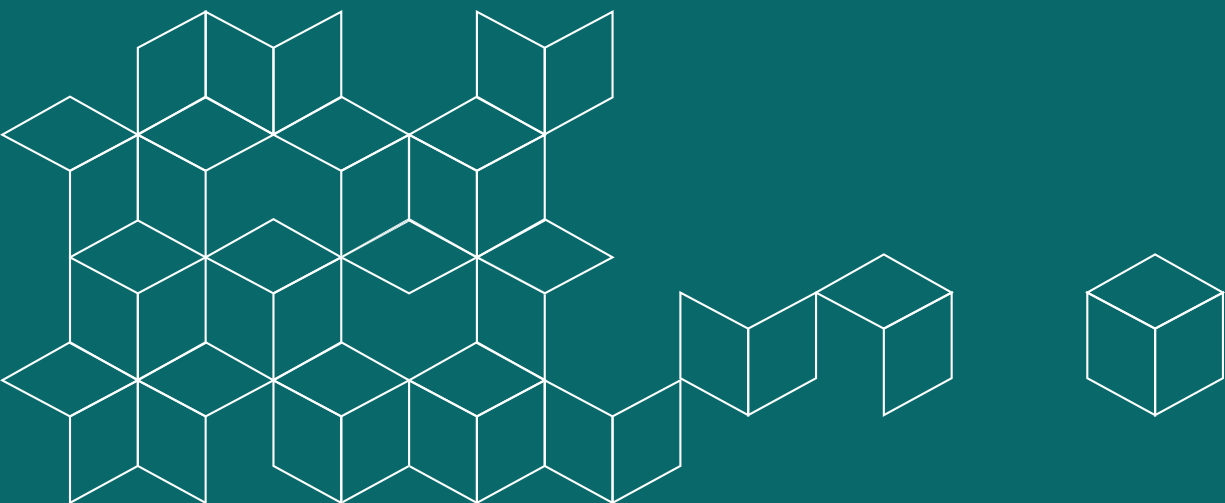


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# CHAIRMAN OVERVIEW





The background of the image is a close-up, low-angle shot of green grass blades. The blades are thin and elongated, with some showing a distinct central vein. They are arranged in a way that creates a sense of depth and movement, with some blades in sharp focus and others blurred in the foreground and background. The overall color palette is a range of greens, from light, airy tones to deeper, more saturated hues. A semi-transparent teal overlay is positioned in the upper right quadrant, containing the text.

OUR REPORT IS A

**GOOD INSPIRATION**





## CHAIRMAN OVERVIEW

### OUR REPORT IS A GOOD INSPIRATION

2012 was a particularly challenging year for the region as a result of the political upheavals that have affected individual countries and the repercussions of the European debt crisis which impacts are still being felt. The Lebanese economy was not insulated from the various events taking place in Syria, with the economy registering slower growth figures compared to previous years' levels. In fact Lebanon has proved to be very resilient over the past few years, specially that it managed to register the highest growth rates in the region when most emerging economies were hard hit by the financial crisis. Lebanon's resilience to external shocks is attributed to the country's strong fundamentals and the ability of its government to directly put in place measures and policies to mitigate contractionary risks. Indeed in 2012, the government actively worked on introducing a series of initiatives that would counter contraction in aggregate demand.

IDAL in particular, was very active in coordinating with the various government and the private sector to implement programs that would boost investments to competitive and promising sectors in Lebanon, including participating in various international and local missions, recommending regulatory changes that would boost investments, coordinating with associations and companies to identify issues hindering investments and providing support to local start-ups with potential to become global.

IDAL's efforts were not only limited to foreign investors but also to local companies. It was highly encouraging to see that more than 60 local companies with either greenfield or expansionary plans approached IDAL seeking its investment incentives in various sectors, mainly industry and tourism, reflecting continuous investment activity. This trend was also noticeable in the number of foreign companies that selected Lebanon to cater the local and the regional markets, with the number increasing by more than 50% compared to 2011 levels, with the trend shifting to European and American companies, with GCC companies remaining amongst our main investors.

In parallel, and as part of its strategy to promote regional development and to increase investments in productive sectors, IDAL proposed to amend its Investment Law No.360 with the aim of lowering the criteria required by projects to benefit from its incentives. Once the changes come into effect, IDAL expects projects located outside of Beirut whether in the Tourism or Industrial sectors to boom. In 2012, IDAL was able to generate 717 direct jobs and 2,080 indirect jobs.

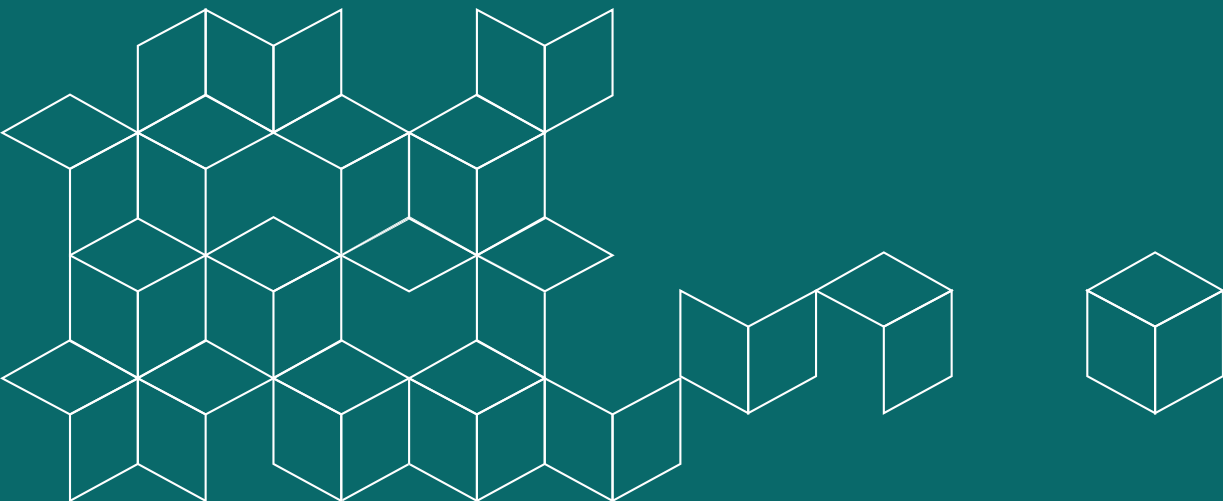
This report will thus bring forward the increasing local investment activity level witnessed against a backdrop of general economic slowdown and overall uncertainty resulting from the political turmoil in Syria. This report will thus be divided into 3 main sections: **Part I** will include the measures implemented by the current government to improve the business environment and Lebanon's resulting overall ranking. **Part II:** Will focus on IDAL's achievements in terms of job creation and investment activity generated. Particular focus will be done on the investment traffic generated in 2012 as compared to 2011. **Part III:** Will focus on export promotion achievements in the midst of slowdown of export activity through Syria and measures undertaken by the government to mitigate the negative impact of border closure.

In brief, it was a good year. A year that proved once again the resilient economy of Lebanon and that we have what it takes as an institution and as a country to weather crisis and instabilities, in the hope that year 2013 will hold an even better economic outlook to Lebanon and the region.

**Nabil Itani**  
Chairman, General Manager



# **BUSINESS ENVIRONMENT** & INVESTMENT PERFORMANCE



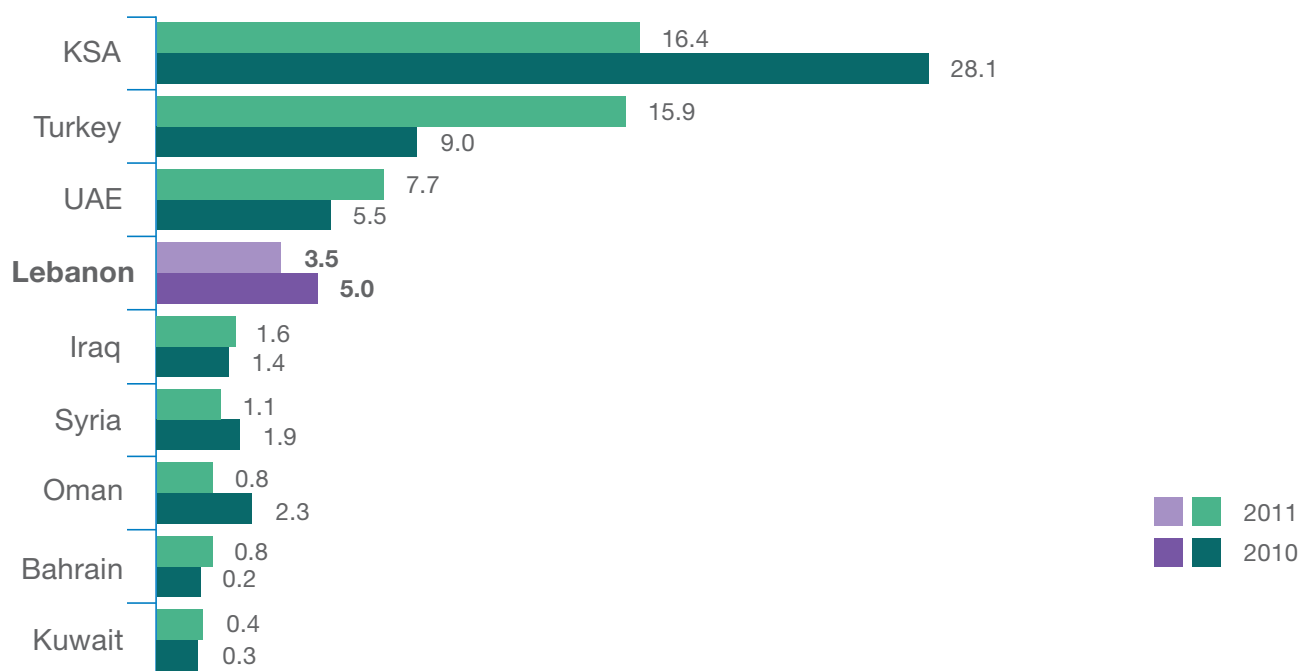
# LEBANON'S PERFORMANCE IN ATTRACTING INVESTMENTS

## LEBANON'S GLOBAL RANKING

► **10th position globally on the FDI Attraction Index**, after Singapore and Luxembourg - **which measures countries' success in attracting FDI over a rolling three-year period (2009 – 2011)**<sup>1</sup>. The FDI Attraction Index ranks countries by the FDI they receive in absolute terms and relative to their economic size. It is the average of a country's rankings in FDI inflows and in FDI inflows as a share of GDP.

► **4th in West Asia in terms of FDI inflows** - If we benchmark the country against West Asian Countries, Lebanon was once again in the top 5 (Figure 1), highlighting the importance of the country as a destination of net FDI inflows in the region.

Figure 1: FDI Flows: Top Economies in West Asia | **2010 – 2011**



Regional rankings clearly shows that Lebanon once again remains a favorite destination for investors despite the decrease of FDI inflows to Lebanon from USD 5.0 billion to USD 3.5 billion in 2011 resulting from slower investments in the real estate and services sectors from Arab investors, impacted by the regional and local political uncertainties that prevailed throughout much of the year.

Source: UNCTAD's World Investment Report 2012, AIECC

The Lebanese economy possesses key business drivers of FDI which have helped the country develop and maintain a competitive and outward-oriented economy, ensuring the pre-conditions for sustainable growth: It offers investors the ability to freely move their capital in and out of the country, provide them with the lowest corporate tax rates, coupled with a sound banking system.

Other key fundamentals include Lebanon's competitive labor force that combines high quality human resources with very affordable wages.

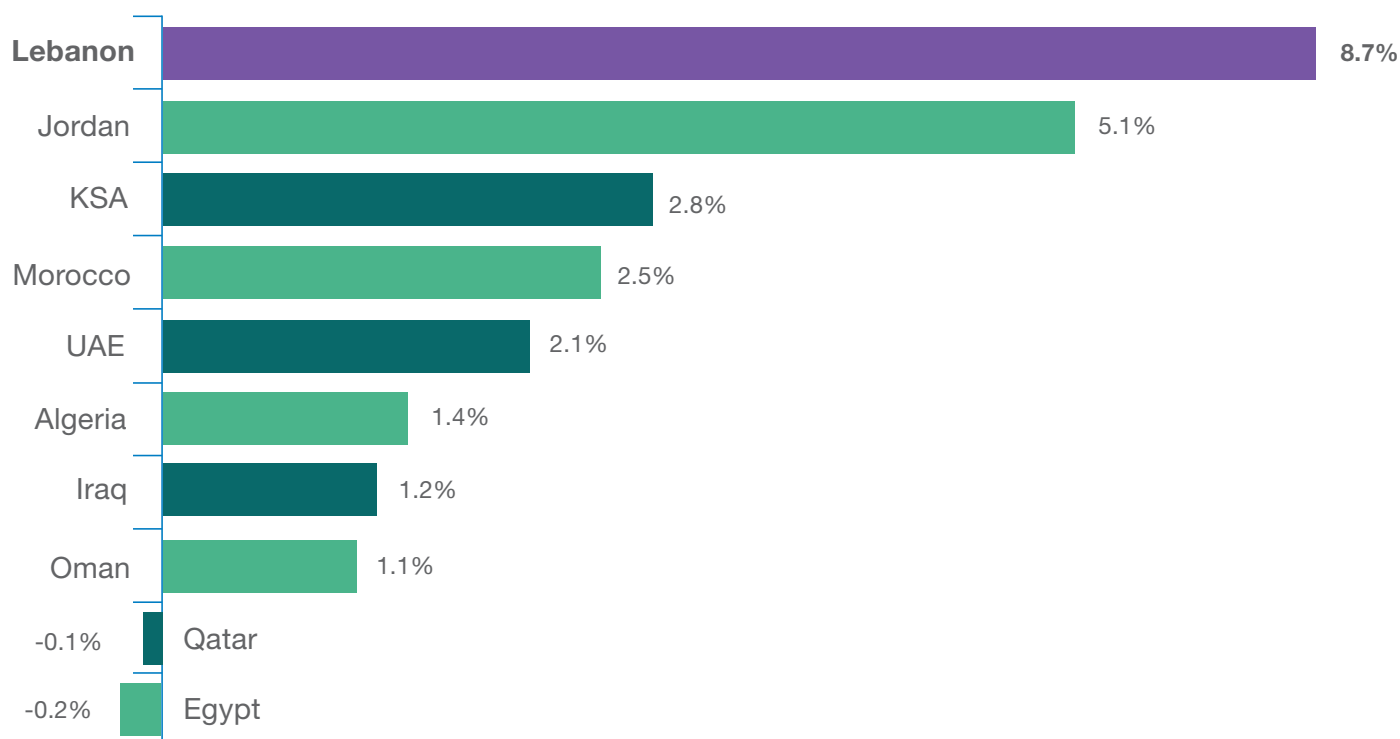
<sup>1</sup> World Investment Report 2012, UNCTAD

## KEY ENABLERS RANKING

- 12<sup>th</sup> Globally in terms of Soundness on Banks Rankings
- 4<sup>th</sup> Globally in Quality of Math and Science Education
- 10<sup>th</sup> Globally in Overall Quality of Education
- 1<sup>st</sup> Regionally in terms of Restriction on Capital Flows
- 1<sup>st</sup> Regionally on the Education Capability Index
- 1<sup>st</sup> Regionally in Number of Higher Education Students per 100,000 inhabitants
- 3<sup>rd</sup> Regionally on the ICT Development Index
- 2<sup>nd</sup> Regionally in Number of Procedures to enforce a contract
- 4<sup>th</sup> Regionally in Number of days to start a Business

Lebanon also leads the ranking in net FDI inflows to GDP (Figure 2). FDI inflows to Lebanon accounted for 8.7% of GDP in 2011, the highest in the Arab World, 8% of total FDI in Arab Countries and 4.4% of inflows to the MENA region. They also represented 6.6% of total flows to 13 countries that form West Asia, 0.5% of inflows to developing countries, and 0.2% of global foreign direct investment in 2011.

Figure 2: Net FDI Inflows as Percentage of GDP\* | **2011**



\*Latest available figures at the time of publication

Source: World Bank



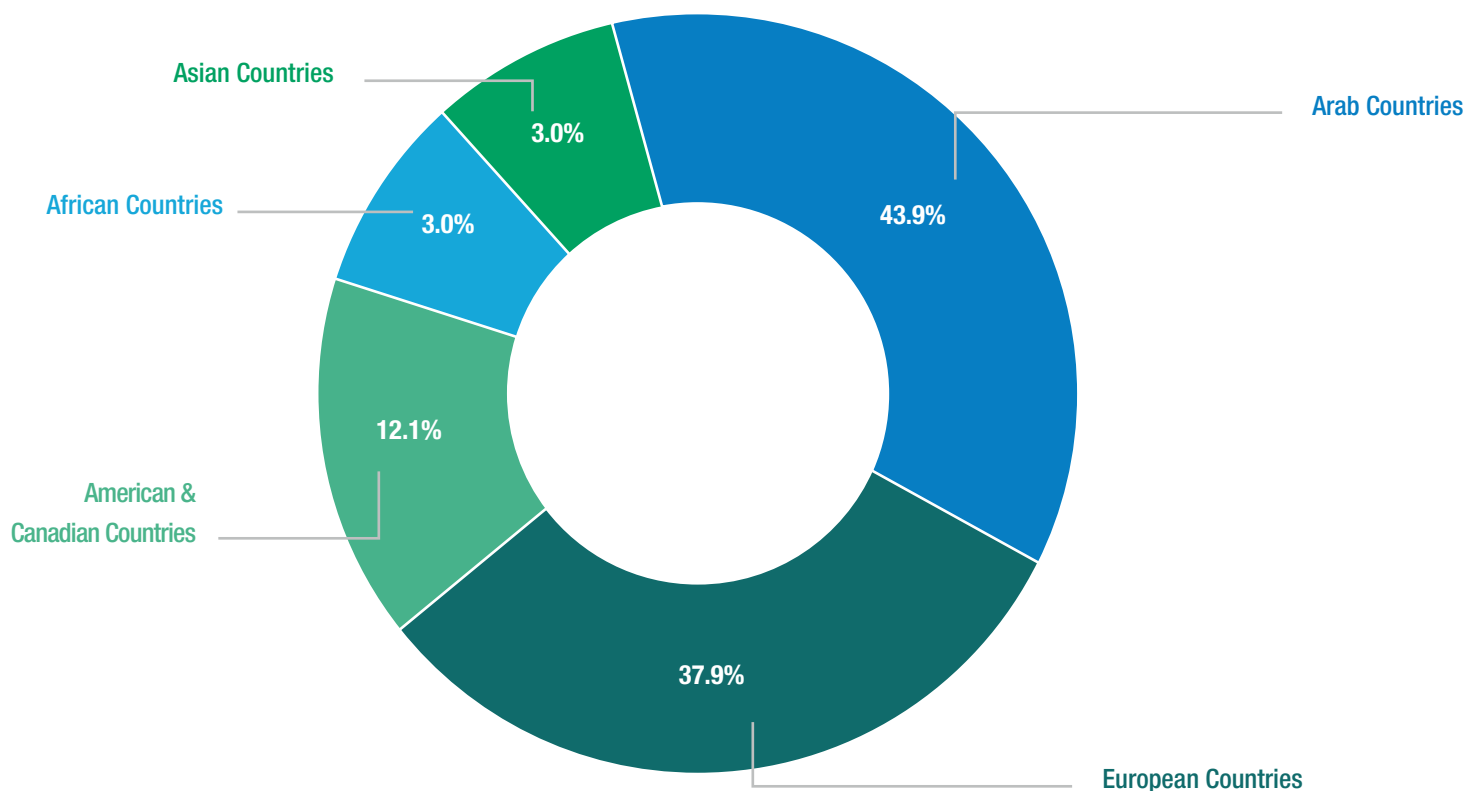
# FOREIGN COMPANIES IN LEBANON IN 2012

The number of foreign companies that registered in Lebanon in 2012 continued its pace from 2011 levels, with more than 50 companies opening branches, subsidiaries or representative offices to cater for the Lebanese or regional markets.

What would be interesting to pinpoint is the interest of Europeans in the Lebanese market, with almost 40% of the businesses registered in 2012 coming from Europe, reflecting a growing interest of Non-Arab economies in

Lebanon ( Figure 3). The two major European economies which increased their investment to Lebanon include the United Kingdom with 15.2% of the total foreign companies and France with 9.1%. Arab countries continue to be the main source of FDI to Lebanon, accounting for 44% of total number of foreign companies that invested in 2012, with UAE as the main investing country at 19.7% of total foreign companies, followed by Iraq and Egypt, at 6.1% and 4.5% of total foreign projects, respectively.

Figure 3: Distribution of Foreign Companies by Region (%) | **2012**

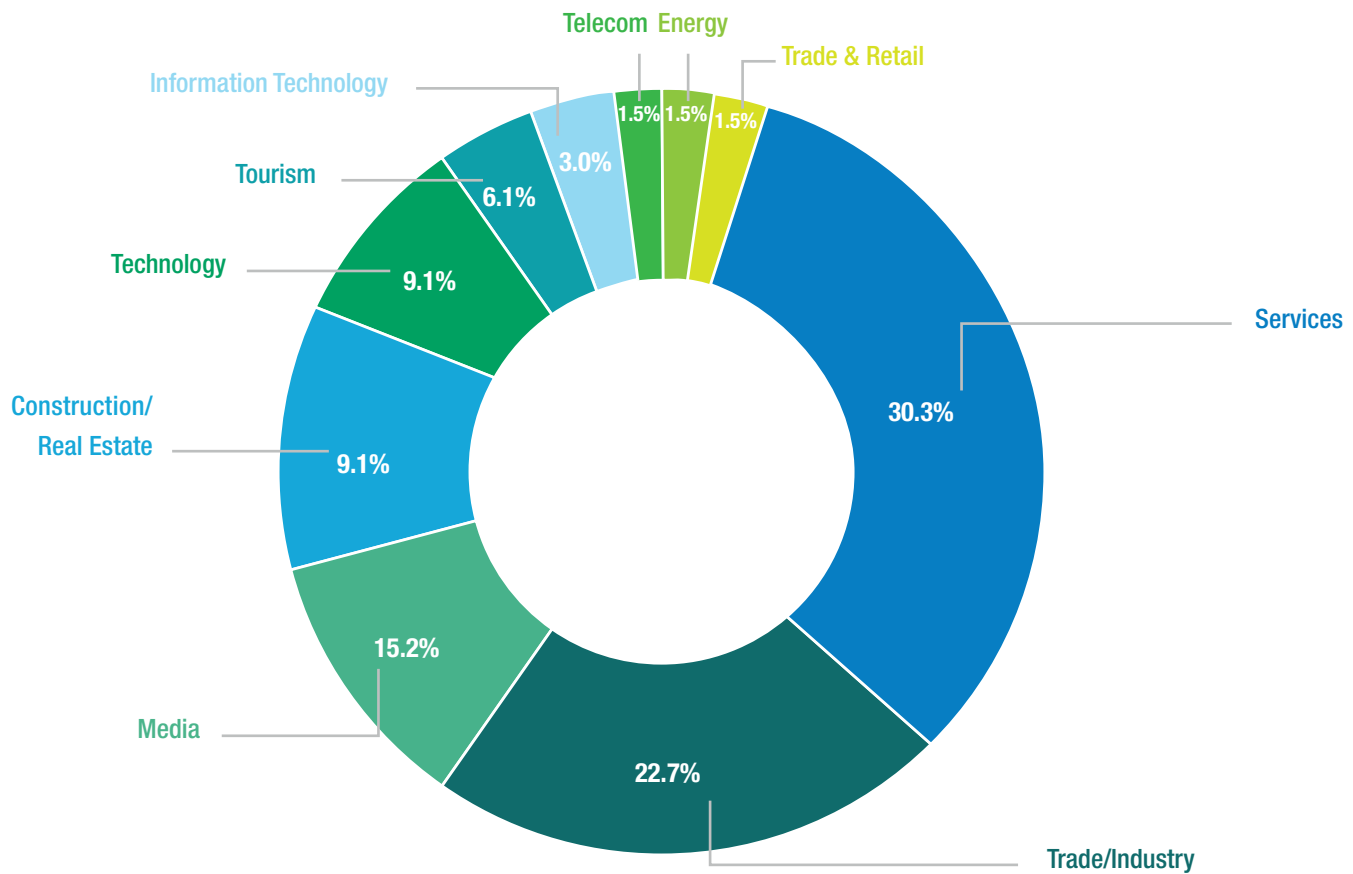


Source: Ministry of Economy and Trade, ANIMA

As for the main sectors of activity that foreigners were interested in, the services sector took the lead with 30.3% of total foreign companies investing in financial services, consulting services, research and education, transport and logistics, and healthcare. 22.7% invested in the trade sector of industrial products mainly pharmaceutical & chemical products, machinery and equipment as well as food and beverages (Figure 4).

Lebanon also witnessed during the same period an interest in the Media sector, followed by the real estate and Technology sectors, both at a 9.1% share of total businesses. The remaining of the businesses were scattered across Tourism, Information Technology, Telecommunication and Energy sectors.

Figure 4: Distribution of Foreign Companies in Lebanon by Sector of Activity (%) | 2012



Source: Ministry of Economy and Trade, ANIMA

# PROPOSED MEASURES FOR IMPROVING THE BUSINESS ENVIRONMENT

In order to counter the slowdown in economic activity witnessed in 2012 and retain confidence in the economy, the government proposed a series of measures aimed at raising aggregate demand, initiating work on structural reforms for longer-term influence and a deeper impact on growth.

Efforts were equally directed at boosting aggregate supply that should have a longer lasting impact on economic growth and overall competitiveness. A series of targeted policy measures were implemented to resolve particular bottlenecks.

## TARGETED POLICY MEASURES

### ► Tax cuts on industrial exports

The cabinet approved a draft law stipulating a 50% tax reduction on income generated from industrial exports. This initiative will provide much needed support to the Industrial sector whose share of GDP has dwindled over the past years (the sector accounted for around 15% of national GDP in 2004 while its share dropped to 7.5% in 2009) and which has been suffering from increasing input cost. This measure will primarily boost the sector's export competitiveness and eventually lead to increased investments in machinery and equipment and more export-oriented production. This measure is yet to be approved by Parliament

### ► Tax cuts for R&D spending

In an effort to stimulate investments in R&D activities and thus high value added activities, the Ministry of Industry initiated work on a draft law that would reduce by 50% income generated by companies engaged in R&D activities, providing an additional push in strengthening the supply side of the economy.

### ► Tax exemptions for investment projects

IDAL introduced changes to the decrees regulating Investment Law No.360/2001. More specifically it reduced the criteria needed by companies operating in the Industry, Agro Industry, Tourism, Telecommunication, Technology, Information Technology and Agriculture sectors, to benefit from fiscal incentives on their investment projects. These changes are pending final approval by the Council of Ministers and when implemented should play a role in stimulating local investment activity and investments in projects that foster transfer of technology.

# GOVERNMENT STRUCTURAL REFORMS IN 2012

## ► Investments in Infrastructure

The government dedicated significant efforts into upgrading its existing telecommunication network and providing telecom services at competitive costs.

Connection to the IMEWE, an ultra-high capacity fiber optic submarine cable, has increased the country's internet capacity by 700 additional Megawatts, allowing internet service providers and operators the necessary capacity to offer faster internet and 3G technology. As a result, the average mobile broadband speed has increased by 18 folds from May 2011 till May 2012 with prices declining by 40%. Household broadband speed has also increased by 15 folds with prices dropping by 80%. Sound broadband policies are key for faster GDP growth: a 10 percentage point increase in high-speed internet connections is shown to boost annual GDP growth in developing countries by 1.38 percentage points as per the World Bank econometric analysis.

Another significant accomplishment has been the government's support for the establishment of digital zones. With the release of decree 6397/2011, the government has committed to providing state-of-the-art infrastructure at low cost within specific digital zones so as to encourage the establishment of Technology and IT clusters. One such zone has already been established, the Beirut Digital District which now offers high end premises, fiber optic connection and reduced rates to companies in the fields of IT, Technology and Telecom.

## ► Facilitation of Business Procedures

The Ministry of Tourism put in place a One-Stop-Shop within its premises to expedite the issuance of tourism-related licenses, a key component of doing business. This is a great step forward given that the tourism sector directly accounts for 10% of the country's GDP and indirectly contributes to more than 30% of the country's output. Other ministries will follow.

## ► Business-Friendly Regulations

The presidency of the Council of Ministers (PCM) has pursued its initiative in improving Lebanon's Doing Business indicators co-jointly with the IFC. The reforms were concerned with the three phases of a business cycle: opening, operating and closing a business.

Requirements for opening a business in Lebanon have been revisited and most of the sections in the Lebanese Code of Commerce have been subsequently amended.

Effort is equally ongoing with regards to the modernization of the legal framework for secured lending transactions so as to allow for increased lending activities of SMEs. This will ensure that greater support is given to small and medium enterprises which are usually the drivers of innovation and growth.

Finally, particular attention has also been dedicated to restructuring insolvency procedures; whereby a law is currently being drafted to allow companies greater ease in closing down their businesses.

## ► Governance

Ensuring the sustainable flow of investments to the country requires the presence of an adequate governance structure that not only secures a competitive environment but also actively strives to remove impediments in doing business. In 2012, the government issued and approved a decree that stipulates the creation of a Lebanese Promotion Board to support and promote the tourism sector. This board will be responsible to identify priorities to develop the sector and promote Lebanese tourism.

In parallel, the Capital Markets Law enacted in 2011 resulted in the creation of the Capital Market Authority with its new board appointed in 2012 to better supervise and regulate the activities of capital markets in Lebanon.





# IDAL'S INVESTMENTS' ACHIEVEMENTS IN 2012

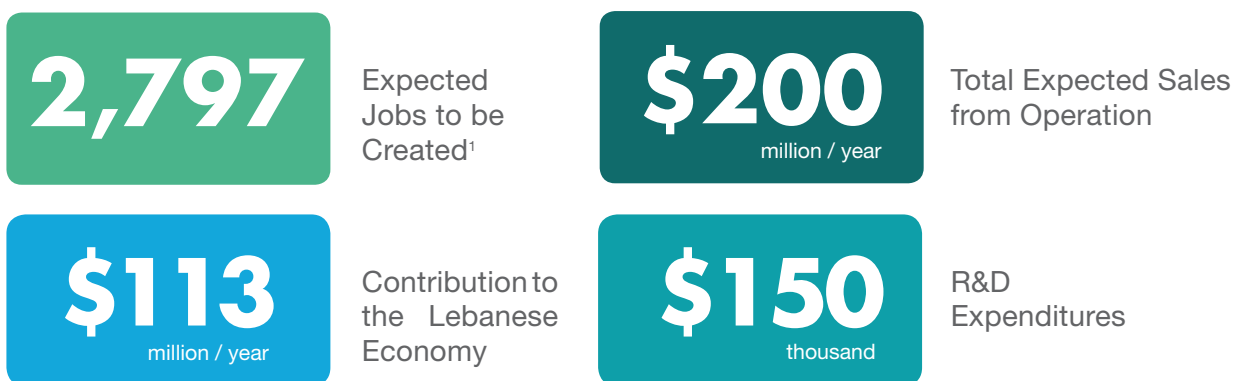


# FACTS AND FIGURES

## IDAL'S INDICATORS | 2012



## ECONOMIC IMPACT OF PROJECTS SUPPORTED BY IDAL | 2012



<sup>1</sup> Includes direct and indirect jobs when businesses start operations.

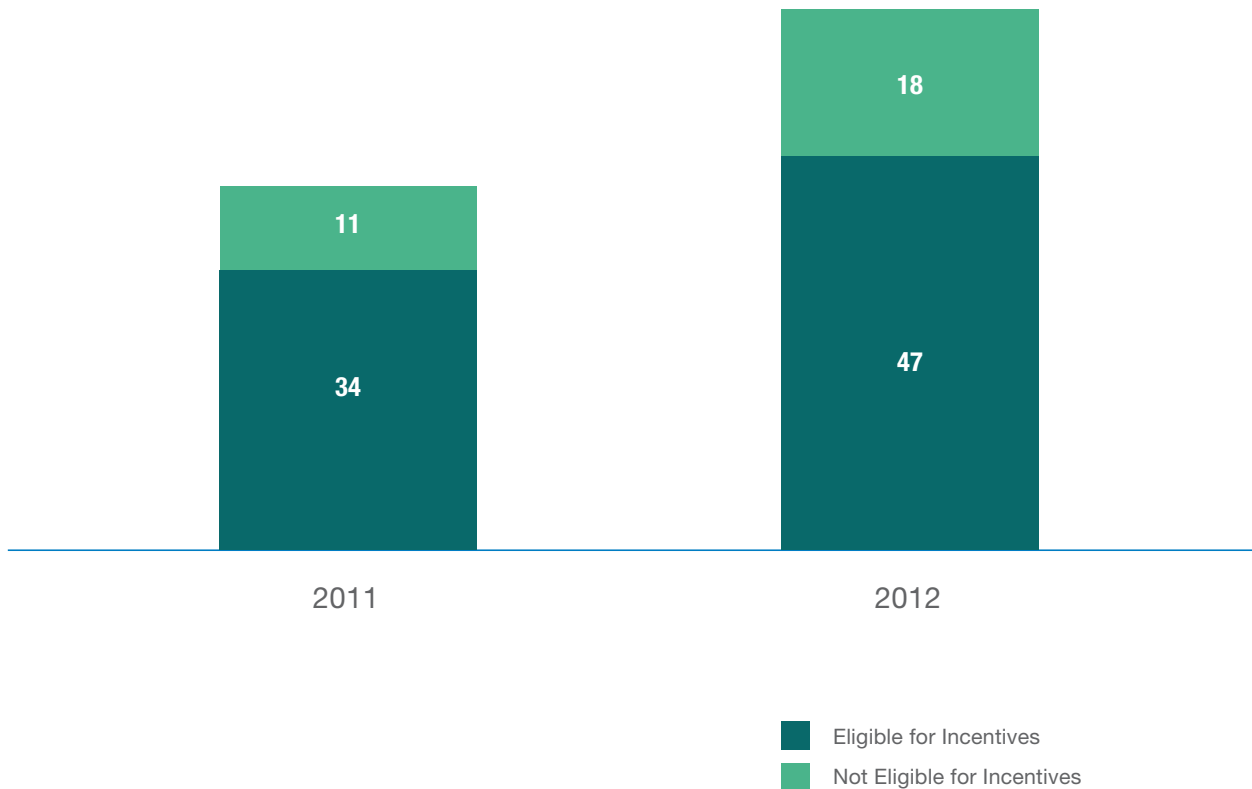
# PROJECTS SUPPORTED AND MEDIATED BY IDAL

## OVERVIEW OF POTENTIAL INVESTMENTS RECEIVED BY IDAL IN 2012

Despite the overall economic slowdown, IDAL witnessed the highest traffic of investors with solid investment proposals seeking Investment Law No. 360's incentives<sup>2</sup> ever recorded in a single year with an increase of 30% from 2011 levels. This noticeable achievement is largely due to increasing national awareness on IDAL's services and incentives, triggered by various targeted campaigns on a national and international front, but also to the continued trust of investors in Lebanon's ability to weather times of crises. Indeed, IDAL received more than 65 inquiries for potential investment projects in 2012, a clear indication

of ongoing activity and confidence in Lebanon's long-term prospects (Figure 1), 47 of which were eligible to benefit from IDAL's incentives granted by Investment Law No.360. From the 47 eligible projects, 13 ended up applying for IDAL's incentives, with the remaining either in the process of seeking financing or still completing their required documents. In terms of the nationality of these potential investors, only 2 were from foreign origins, with the remaining representing new investments by Lebanese companies or expansion of existing companies.

Figure 1: Inquiries by Potential Investors | 2011-2012

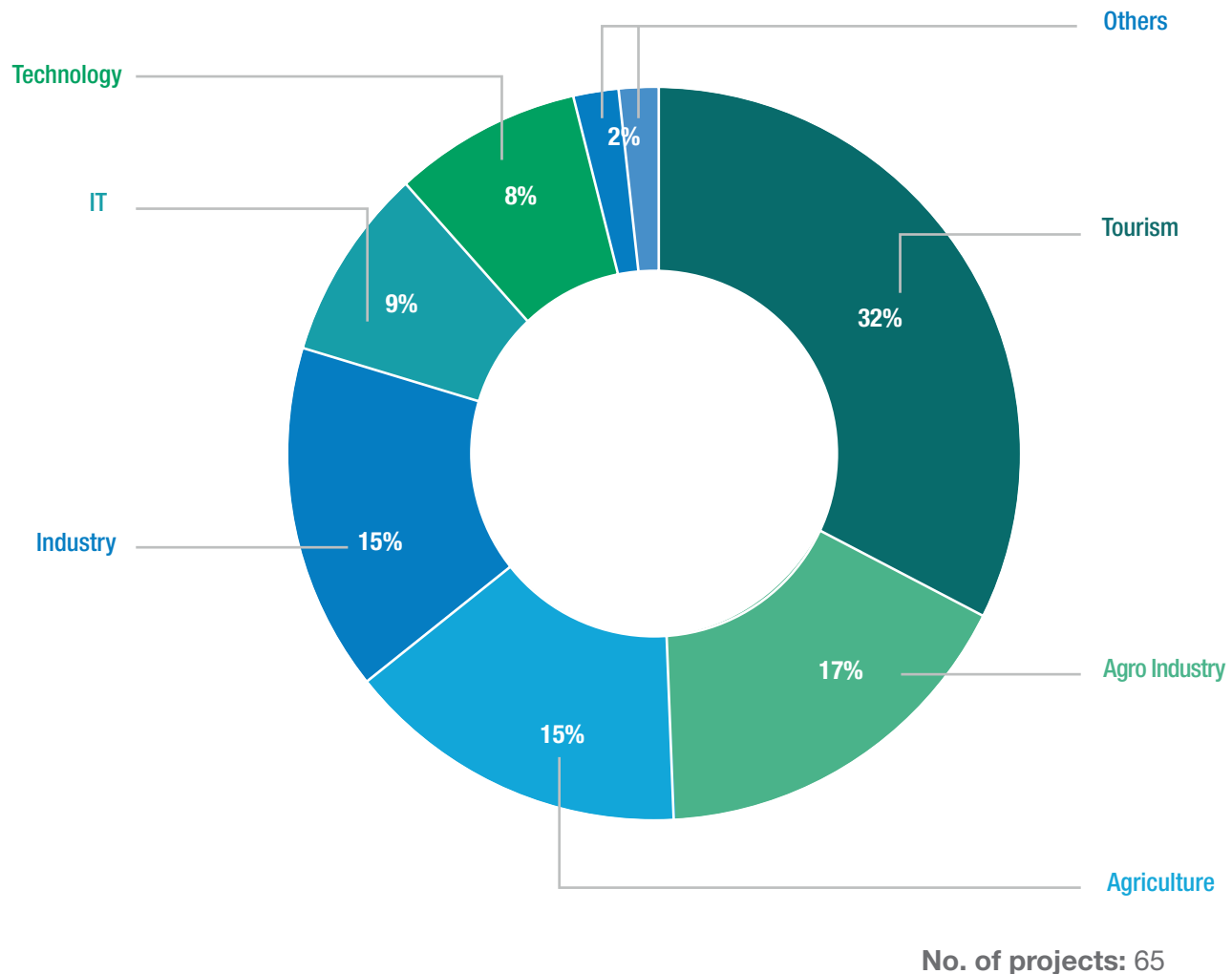


<sup>2</sup>IDAL's incentives include among others, exemptions on corporate income tax from profits which can run for a period of up to 10 years.

In terms of distribution by sector, 32% of the potential investments were in the Tourism sector (Figure 2), the majority of which are four-star hotels to be located in Mount Lebanon, a region that remains undersupplied in number of rooms under that category to cater for its growing touristic capacity. The agro-industrial sector came in second place with 17% of potential total investment projects, followed closely by the Agriculture and Industry

sectors with 15% each. Some of the projects expected to be developed by investors in these fields include farms, packaging houses, in addition to food & beverage plants. Indeed, the agro-industrial market is expected to grow by 4% annually until 2017. Although these projects are still in the study phase, and will probably see the light in the next few years, they are a clear indication of investors' interests in doing business in Lebanon.

Figure 2: Distribution of Potential Investment Projects by Sector | **2012**

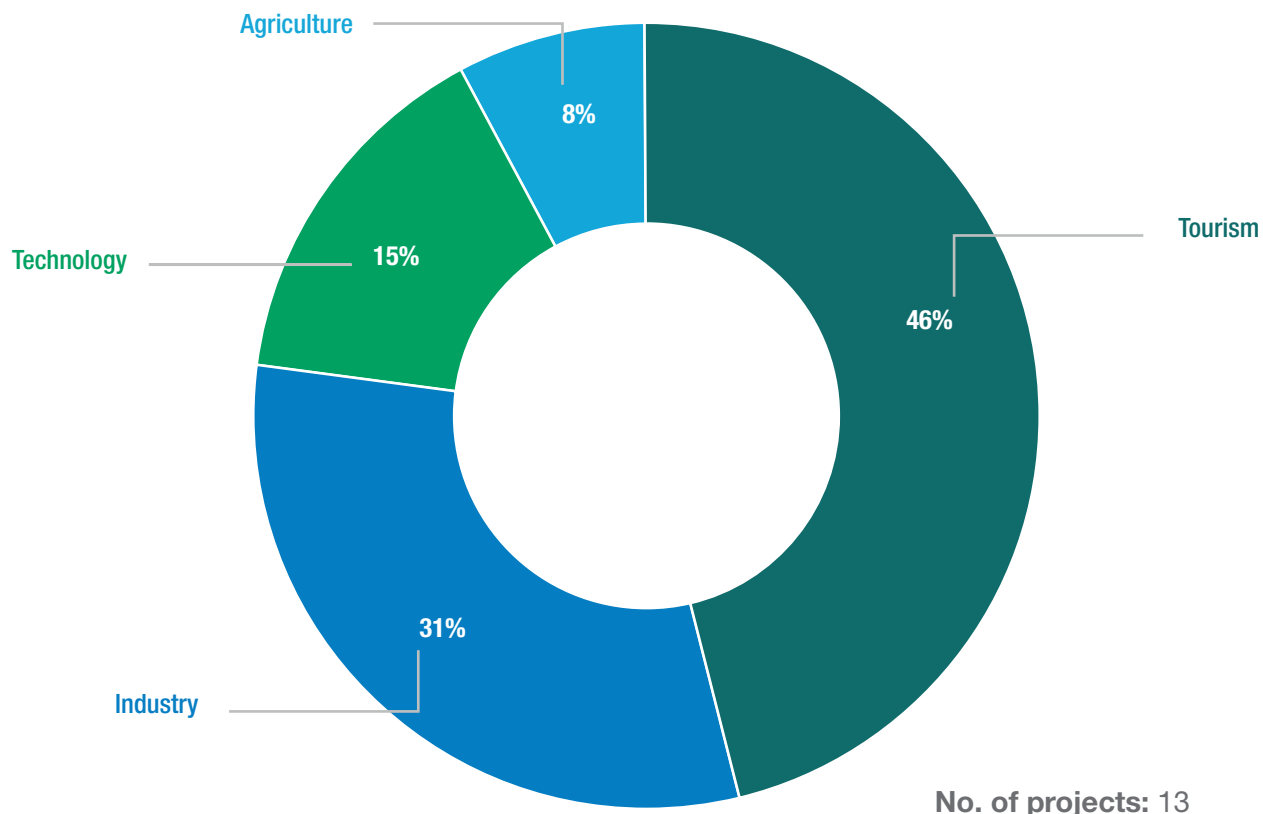


# OVERVIEW OF PROJECTS PROCESSED BY THE ONE-STOP-SHOP IN 2012

A total of 13 investment applications were processed by the One-Stop-Shop at IDAL in 2012, 5 of which received approval to benefit from the incentives granted by Investment Law No. 360 (mainly the exemption from paying corporate income tax on profits for a period up to 10 years), with the remaining 8 still in the pipeline. The value of these 13 projects amounted to a total of USD 480 million, with an estimated 1500 jobs expected to be generated.

Combining approved and pipeline projects, we notice that the Tourism sector garnered 46% of total investments (Figure 3), the majority of which are hotels & resorts. The Industrial sector, whose share in the total investment pie has been increasing gradually, came in second place with 31% of the total, followed by Technology (15%), and Agriculture (8%) sectors.

Figure 3: Distribution of Projects Processed by IDAL by Sector | 2012



In line with the trends of previous years, **Mount Lebanon and Beirut drew the greatest number of projects.** Beirut for its part continues to be a major hub for touristic projects, namely hotels. In fact, all projects processed in the tourism sector this year are to be located in Beirut, where business tourism is predominant. The mismatch between demand and supply of hotel rooms outside of Beirut is an issue

that is partly being addressed by IDAL, which aims to decrease investment requirements on touristic projects located outside of Beirut. **As for Mount Lebanon, it remains appealing area for industries** where industrial zones are located and where land costs tend to be lower.

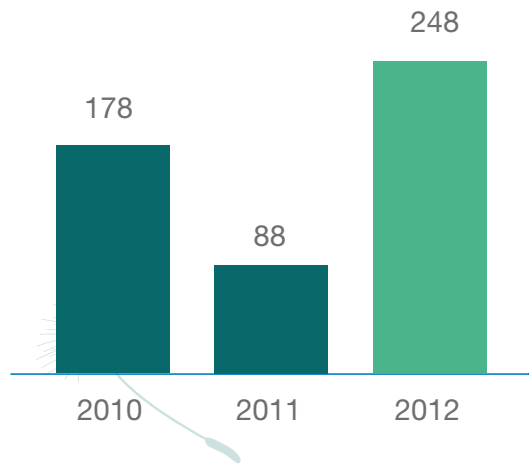


# OVERVIEW OF APPROVED PROJECTS IN 2012

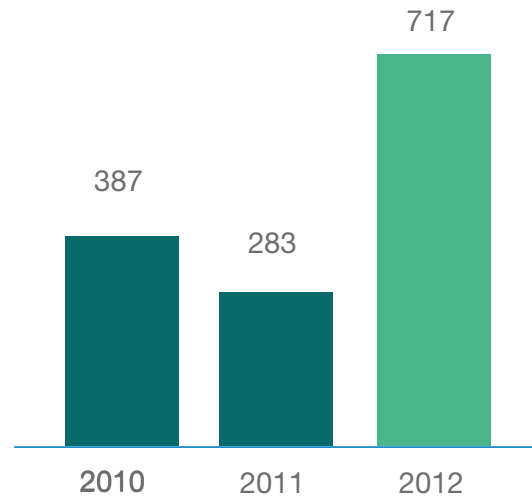
The 5 projects that were approved are expected to generate **USD 248 million and 717 new direct jobs in the upcoming years once they become operational.** These figures represent a considerable rise from the last two years, as the charts below highlight (Figure 4).

Figure 4: Economic Impact of Projects Approved in 2012

A. Total Investment Size (USD Million)



B. Expected Direct Jobs to be Created

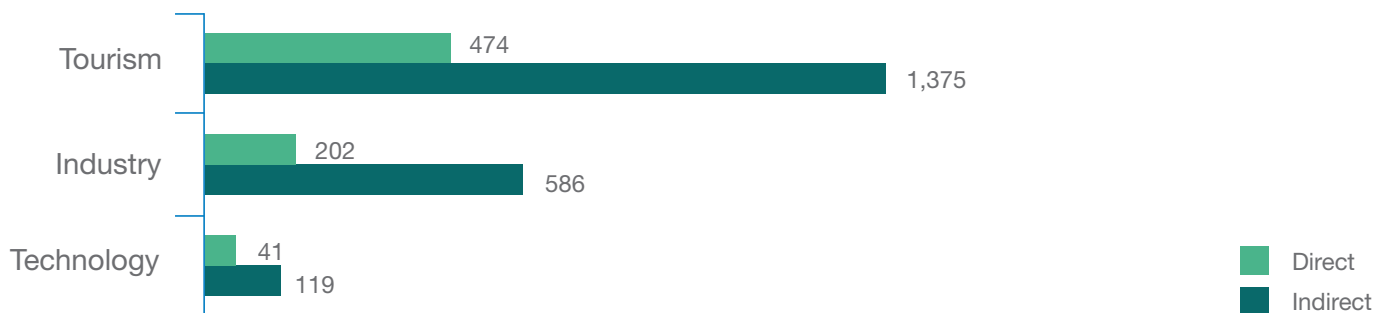


**In terms of the projects' distribution by sector, two were in the Tourism sector.** The first is the international hotel chain **Mandarin Oriental**, which is part of a USD 208 million investment that will have a workforce of 250 once operational in 2017. The second is the children's theme park **KidzMondo**, worth some USD 15 million with a staff of 224, expected to be operational later in 2013. In the Industrial sector, the pharmaceutical company, **Algorithm**, one of the largest companies in the market is expected to inject USD 12 million into the Lebanese economy, and add around 100 new jobs starting 2015. **Pharma M** another

large player in the pharmaceutical industry will diversify its operations and specialize in the manufacturing of high quality pharmaceutical products, while supporting a robust R&D facility. Finally, the **Inkript Group** will set up an advanced printing plant, worth around USD 11 million, to produce secure documents for official use.

**All in all, projects supported by IDAL are expected to generate a total of 717 direct jobs and 2,080 indirect<sup>3</sup> new jobs (Figure 5), 66% of which in the Tourism sector and 28% in the Industrial sector.<sup>4</sup>**

**Figure 5: Jobs to be Created by Sector | 2012**



In terms of the profile of investors, it was largely dominated by Lebanese nationals. A single project, the Mandarin Oriental Hotel, brought together Saudi with Lebanese investors. IDAL is working actively on targeting foreign investors. Indeed, various promotional campaigns were undertaken both in Lebanon and abroad during the course of 2012.

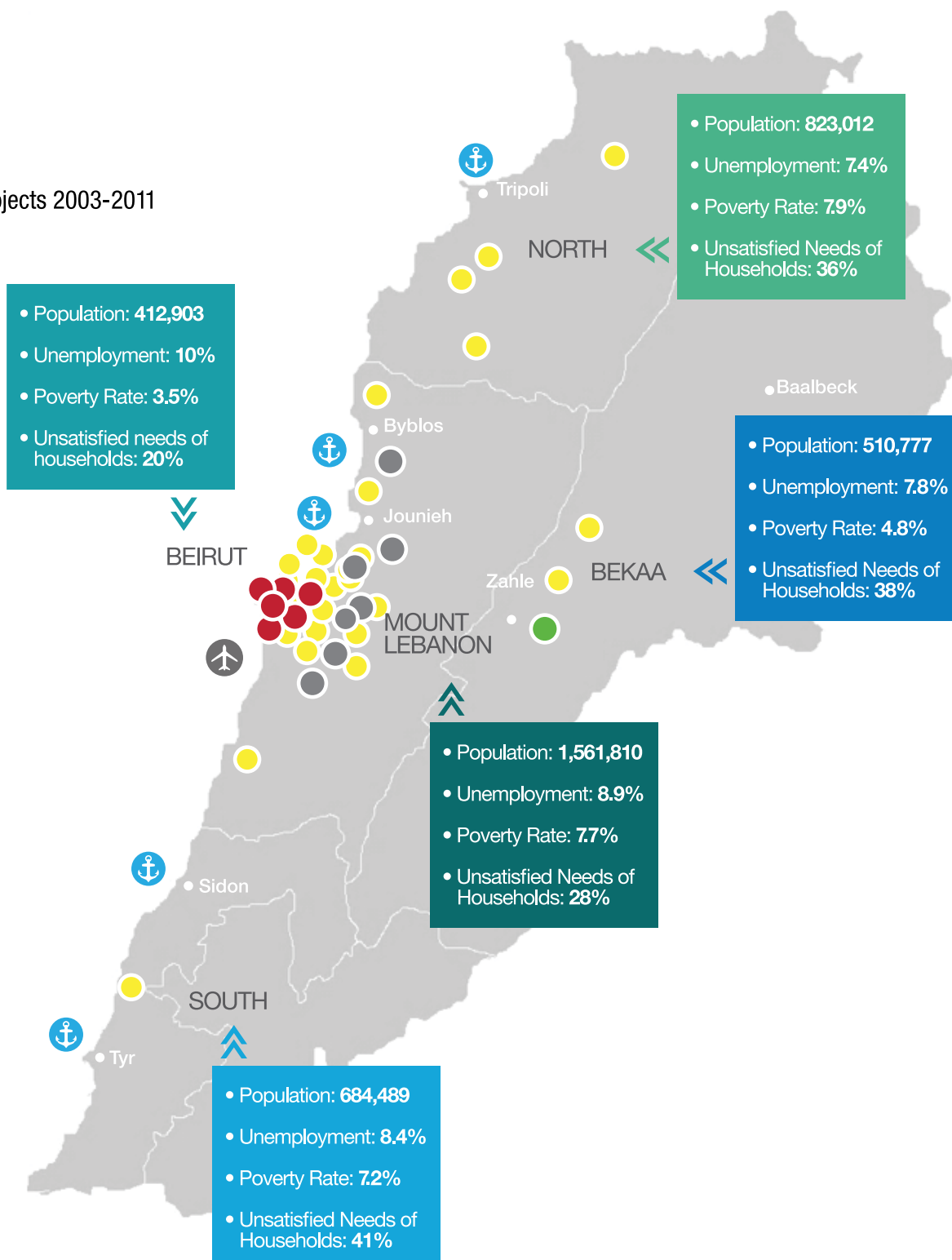
<sup>3</sup> Jobs will be created as soon as the projects become operational in the upcoming years.

<sup>4</sup> The tourism sector is estimated to generate around 1.5 times the direct number of jobs created. The industrial and agriculture sectors are estimated to generate 2.9 and 0.93 times the direct jobs. The ICT and technology sectors are estimated to generate 2.5 and 2 times the direct jobs respectively (employment multiplier used in developed economies).

# Mapping of Projects Mediated by IDAL in 2012

## Sectors

- Tourism
- Industry
- Agriculture
- Technology
- Previous Projects 2003-2011



Source: IDAL, Central Administration for Statistics

## Overview of Projects Mediated by IDAL in 2012

APPROVED PROJECTS			
TOURISM	Hotels & Resorts	Mandarin Oriental	<ul style="list-style-type: none"> <li>Investment Size: <b>USD 208 million</b></li> <li>Job Creation: <b>250</b></li> <li>Description: The international hotel chain will manage an impressive five-star hotel, to be located in Beirut's central district. The project will also feature a center for cultural activities and entertainment.</li> </ul>
	Leisure & Recreation Parks	KidzMondo	<ul style="list-style-type: none"> <li>Investment Size: <b>USD 15 million</b></li> <li>Job Creation: <b>224</b></li> <li>Description: KidzMondo is an entertainment complex for children, located in Beirut's New Waterfront, which will tend to recreate an imaginary city where children play adult roles in a highly realistic environment.</li> </ul>
INDUSTRY	Paper Products/ Packaging	Advanced Security Printing Solutions by Inkript	<ul style="list-style-type: none"> <li>Investment Size: <b>USD 11.3 million</b></li> <li>Job Creation: <b>102</b></li> <li>Description: Inkript seeks to produce secure printed documents for official uses, such as passports, ID cards, ballot papers, etc. The company will export its products to countries in the Middle East, Africa, and Asia.</li> </ul>
	Pharmaceuticals	Algorithm (Expansion)	<ul style="list-style-type: none"> <li>Investment Size: <b>USD 12.3 million</b></li> <li>Job Creation: <b>100</b></li> <li>Description: this pharmaceutical giant located in the Jounieh area is expanding its production line in Zikrit, Metn. Some of its products include non-sterile liquids, creams and ointments, suppositories, oral suspensions, in addition to other products under license.</li> </ul>
TECHNOLOGY	Pharmaceuticals	Pharma M	<ul style="list-style-type: none"> <li>Investment Size: <b>USD 1.1 million</b></li> <li>Job Creation: <b>41</b></li> <li>Description: Pharma M will specialize in the manufacturing of high quality pharmaceutical products classified as dietary supplements. It will boast an R&amp;D team that will develop some of the most innovative products on the market.</li> </ul>



## PROJECTS IN PIPELINE

PROJECTS IN PIPELINE			
AGRICULTURE	Farms	Taanayel Farms	<ul style="list-style-type: none"> <li>o Investment Size: <b>USD 2.025 million</b></li> <li>o Job Creation: <b>50</b></li> <li>o Description: The company plans to set up livestock farms in Zahle, Bekaa, for the purpose of producing fresh milk.</li> </ul>
TECHNOLOGY	Medical	REVIVA (Regenerative Medicine)	<ul style="list-style-type: none"> <li>o Investment Size: <b>USD 2.010 million</b></li> <li>o Job Creation: <b>30</b></li> <li>o Description: This pioneering medical technology project aims to establish an all-in-one medical center focusing on the use of stem cells for therapeutic and cosmetic purposes.</li> </ul>
INDUSTRY	Paper Industry	Dots 53	<ul style="list-style-type: none"> <li>o Investment Size: <b>USD 14.9 million</b></li> <li>o Job Creation: <b>25</b></li> <li>o Description: Dots 53 is to be a leading printing partner in the Lebanese market. Its products range cover books, magazines, commercial printing, along with stationary and specific packaging applications.</li> </ul>
	Pharmaceuticals	Pharmaline (Extension)	<ul style="list-style-type: none"> <li>o Investment Size: <b>USD 12.5 million</b></li> <li>o Job Creation: <b>29</b></li> <li>o Description: The Malia Group subsidiary, to be located in Nahr Ibrahim, Mount Lebanon, will seek to manufacture various pharmaceutical products according to GMP international regulations.</li> </ul>
TOURISM	Hotels & Resorts	Le Bristol (Renovation)	<ul style="list-style-type: none"> <li>o Investment Size: <b>USD 14 million</b></li> <li>o Job Creation: <b>41</b></li> <li>o Description: the renovation of one of Beirut's most renowned hotels will cover various parts of the building, in addition to creating two outlets stores.</li> </ul>
		Park Hill	<ul style="list-style-type: none"> <li>o Investment Size: <b>USD 132 million</b></li> <li>o Job Creation: <b>202</b></li> <li>o Description: Located in Ashrafieh, Beirut, Park Hill has launched a major mixed-use real estate development project. The 47-story tower will comprise a 4-star hotel along with multiple branded residences.</li> </ul>
		Lancaster Plaza Hotel	<ul style="list-style-type: none"> <li>o Investment Size: <b>USD 34 million</b></li> <li>o Job Creation: <b>212</b></li> <li>o Description: This new five-star hotel, located in Bir Hassan, Southern Beirut, will feature 66 rooms, of which 39 are suites.</li> </ul>
		Leisure & Recreation	Caprese - Ward El Cham



The background of the entire page is a teal color with a pattern of dandelion seed heads. The seed heads are white and have a radial, star-like appearance. They are scattered across the page, with some in the foreground and others in the background, creating a sense of depth. The overall aesthetic is clean and modern.

# SUCCESS STORIES IN

## **THE LEBANESE ECOSYSTEM**

In 2012, the growth of Lebanese start-ups maintained its surge, un-phased by regional disturbances and local economic slowdown. Some companies such as Care4Health, FOO and The Little Engineer, all technology oriented companies were among the fastest growing companies in the region, according to Arabia 500 and are now considered global players. The MIT Enterprise Forum Arab Startup Competition also ranked Lebanese Butterfly, Marhaba and Phoenus among the top entrepreneurs in the Arab world. The Global Innovation through Science and Technology (GIST) competition awarded Kactus and Ma2too3a, two Lebanese ICT startups during the Global Entrepreneurship Summit in Dubai this year. A growing number of business incubators and accelerators is accompanying this surge of entrepreneurial projects.

# IMPLEMENTED PROGRAMS AND INITIATIVES IN 2012

## SUPPORTING INNOVATIVE START-UPS

### **IDAL's Support to Entrepreneurs:**

Supporting innovative sectors with high-value add remains a core priority for IDAL. We are aware of the unlocked potential present among Lebanese entrepreneurs and the high impact of their activities on Lebanon's sustainable growth. Successful experience from other countries have shown that government efforts need to be focused. IDAL's support to the sector has been channeled on two major fronts:

#### ➤ **Awareness Initiatives:**

- o IDAL organized a series of workshops aimed at identifying and addressing the various gaps present within Lebanon's entrepreneurial ecosystem. The first workshop «**Supporting Innovative Start-ups**» was held in July 2012 and brought together stakeholders from the Lebanese, Arab, and international start-up community to identify best practices for accelerating start up growth and performance. A policy proposal came out from this workshop
- o IDAL partnered with Bader during the Global Entrepreneurship Week to provide mentorship in business law, finance, and business development to entrepreneurs.
- o We participated in the Global Entrepreneurship Summit held in Dubai in December 2012, to identify opportunities and channels for a new generation of startups in Lebanon and the region.

#### ➤ **Regulation and Policy Making:**

- o IDAL amended Investment Law No. 360's regulating decrees by lowering the eligibility criteria needed for start-ups to benefit from the financial exemptions offered by the institution, mainly a full exemption on corporate income tax for a period that can run up to 10 years. These amendments are pending Council of Ministers' approval
- o A new program aimed at building linkages and matchmaking services between investors and entrepreneurs and between local and foreign businesses was developed and is to be implemented starting 2013.

#### ➤ **The Way Forward:**

IDAL over the course of 2013 will focus on activating 3 main components:

- o Implementing a decree that will enable IDAL to be a main equity stakeholder in incubators involved in ICT related activities
- o Implement and expand its business matchmaking program and increase linkages with foreign companies to foster the export of Lebanese products and services
- o Support in the creation of an angel investor network to expose a larger number of Lebanese companies to regional and international investors.



## COMPUTING FDI LEVELS ACROSS ECONOMIC SECTORS

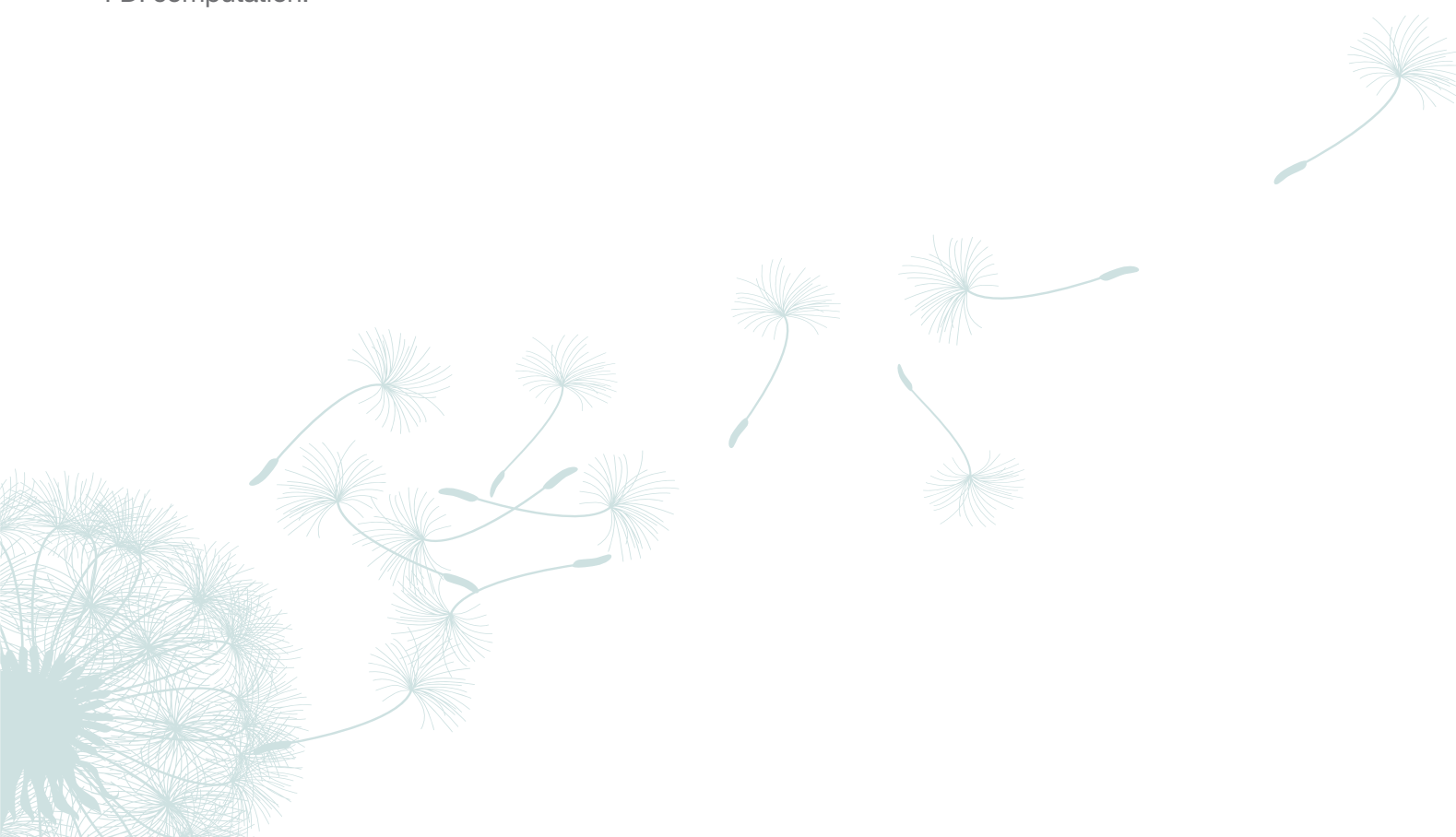
With the increasing globalization and the relative liberalization of movement of capital across countries, Foreign Direct Investment (FDI) inflows are perceived as an important source of economic development. Today an aggregate figure for FDI in Lebanon is computed by the Central Bank using the Balance of Payment method. Details on the distribution of FDI by sector and geography are however not available. As a matter of fact, only very few countries in the world lack such kind of information, given its importance in policy making and channeling government resources to the sectors with high growth potential.

Implementing the internationally agreed-upon methodology in calculating the FDI statistics is a major step in obtaining accurate and reliable statistics on FDI and eventually an essential step for the formulation of adequate policies.

In its capacity as Lebanon's investment promotion agency, IDAL is responsible for providing data about investments in Lebanon and more specifically FDI-related figures. In an effort to start gathering those figures, IDAL, in collaboration with ESCWA held a five-day workshop in September 2012, where an international expert provided hands-on training on FDI computation.

## IMPLEMENTING CUSTOMER MANAGEMENT SYSTEMS

In 2012, IDAL put in place an investor management system that enables the tracking of all investors seeking assistance from IDAL. This software has greatly improved investor servicing, with investors continuously provided with market intelligence information, toolkits on how to set-up and operate their businesses and the types of licenses needed, in addition to access and linkages to relevant financial institutions.



# INVESTMENT OPPORTUNITIES

As per its mandate, IDAL is responsible to highlight sectors with the readiness and potential to attract investments, taking into consideration the country's competitive advantages as well as internal and external constraints. One of the various sectors where Lebanon has the potential to grow and witness increase investments to serve the international market is the

## PHARMACEUTICAL SECTOR OVERVIEW

**Lebanon's pharmaceutical market was estimated to be worth around LBP 1,925 billion (USD 1.28bn) in 2012, a 6.5% growth in from 2011 levels. The market is expected to post a compounded annual growth rate (CAGR) of 7.71% through to 2015, reaching a value of LBP 2,095 billion (USD 1.41bn)**

The sector is currently composed of 11 manufacturing facilities, 146 importers, and an array of multinational companies, generally present through local distributors. Manufacturers mostly produce their own off-patent branded generics, but equally produce patented drugs under license for multinational companies; some have also manufactured their own innovative products. These local manufacturers capture 10 percent of total market share in Lebanon, with the remaining 90 percent occupied by imported drugs. Although this signals that the market still remains highly import dependent, recent years have witnessed an increase in pharmaceutical exports, with export figures growing at an average rate of 14% annually since 2008, reaching an approximate value of USD 31.45 million by end of 2012.

**Export activity has been picking up recently, with pharmaceutical exports growing at a CAGR of 14.1% from 2008 till 2012, reaching an approximate value of USD 31.45 million by end of 2012. The leading export destinations of Lebanese pharmaceutical products are Arab Countries (mainly Jordan, Iraq, and the UAE), followed by European Countries (mostly the UK and Cyprus).**

pharmaceutical sector. Over the past five years, Lebanon has witnessed a surge in investments in its pharmaceutical industry. Expansions of existing manufacturing plants as well as new greenfield ventures, have sought to seize emerging opportunities within the sector and cope with its changing dynamics.

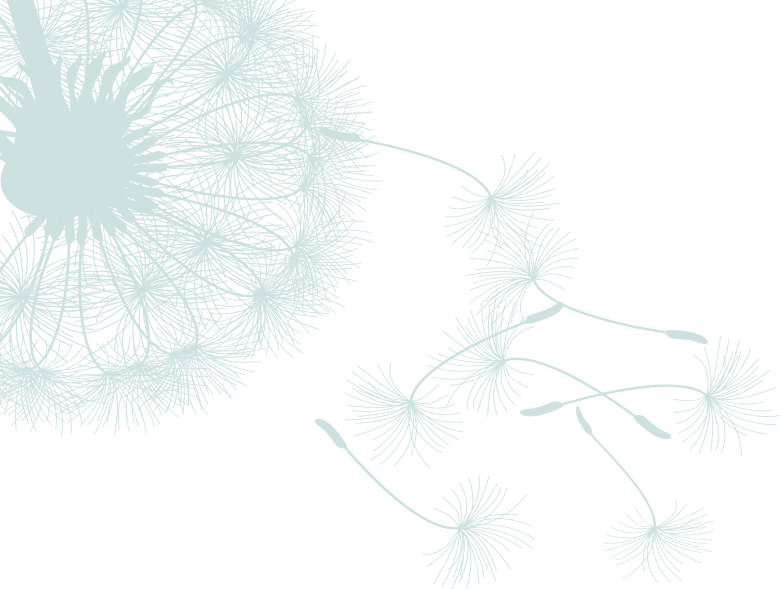
## SECTOR TRENDS AND OPPORTUNITIES

Opportunities for investments in pharmaceutical projects are vast. Companies can benefit from Lebanon's skilled labor base and strategic location to establish cost competitive manufacturing and sales hubs in the country, and capture the promising prospects for the pharmaceutical industry in the region.

In fact, as traditional western markets shrink in size, **emerging markets are promising ever-increasing profits** for sector players, and the Middle East rises as one of the most significant of these markets expected to be worth around USD 22 billion by 2020. This translates into great opportunities for local companies to serve the regional market. Another market changing trend is the **patent cliff currently facing the big players of the pharmaceutical industry**. Drugs worth USD 130 billion have lost their patents from 2009 till 2012, with **other blockbuster drugs reaching their patent expiry in the near future. This will allow more room for cost-competitive generic producers to gain market share.** These two combined trends also dictate that the big players will seek to invest alone or partner with local companies to bring low cost generics to serve the Middle East. Companies in Lebanon can therefore seize opportunities for joint ventures and partnerships with big players, like other similar companies have done in Russia and China with names like AstraZeneca and Pfizer respectively.

While the trends above undoubtedly usher in the prominence of generic products, technological advancements and lifestyle changes also drive towards other product development opportunities:

**Generics remain on the top of promising products.** Global spending on branded medications is projected to



## INVESTMENTS MEDIATED BY IDAL

increase from USD 596 billion last year to USD 615 billion in 2016, mostly in developed markets. By contrast, global generic spending is expected to increase from USD 242 billion USD 430 billion by 2016, of which USD 224 billion is forecast to come from spending on lower-cost generics in emerging markets.

**Over the Counter (OTC) and Health Nutrition** OTC is an attractive area for pharmaceutical companies where prescription drugs are deregulated. It is growing in mature markets as an ageing population is concerned about maintaining their health, attractiveness, and active lifestyles. In fast-growth markets, the new middle class can also afford non-essential medicines and personal care. As a result, wider access differentiation is now necessary through, “own-label” or “private-label” products, which are now on the shelves of pharmacies and retail stores.

**Bio-technology** The areas of biotechnology and biosimilars, combination devices, and “big data” analytics are particularly active. Biotechnology R&D: Among specific market segments, pharmaceuticals accounted for USD 798 billion in market revenue in 2011; and biotechnology accounted for USD 289 billion. Other opportunities also exist in preventive technologies, research activities in natural products, diagnostics, orphan drugs and new drugs.

Of the 11 Pharmaceutical manufacturing facilities present in the country, 5 have already undergone new investments in the past 5 years, and a sixth project is currently underway. These investments have been mediated by IDAL, which has supported the companies through its facilitation services and fiscal incentives. Together, these projects have **injected a value of USD 58.3 million to the local economy and generated 447 new jobs.** These investments have varied in type and included a mix of expansions and new projects. Three of the oldest pharmaceutical companies in the country: Algorithm, Benta, and Pharmaline, have undergone massive re-investments to upgrade their facilities and improve their production processes and capacities. Pharma M, a new player in the pharma market, has established a new plant to cater to the emerging natural products and supplements markets. Finally, Arwan pharmaceuticals has chosen Lebanon to launch its landmark project: the biggest and most technologically advanced pharmaceutical plant in the Middle East.

**CONCLUSION** - A changing health care landscape, expiring patents and generic competition, pricing pressures, heightened regulatory scrutiny, expansion into emerging markets, and increasing alliances and acquisitions are prompting global life sciences companies to adopt new business models designed to cater for increased competition. To support the sector, IDAL along with other public stakeholders will work on improving intellectual property rights and pricing policies.



# INVESTMENT HIGHLIGHTS

Each year IDAL chooses to feature a company that has contributed to the economy not only in terms of the investment size and jobs it has helped generate; but also in terms of its ability to introduce new technologies to a particular industry.



## ► Company Overview

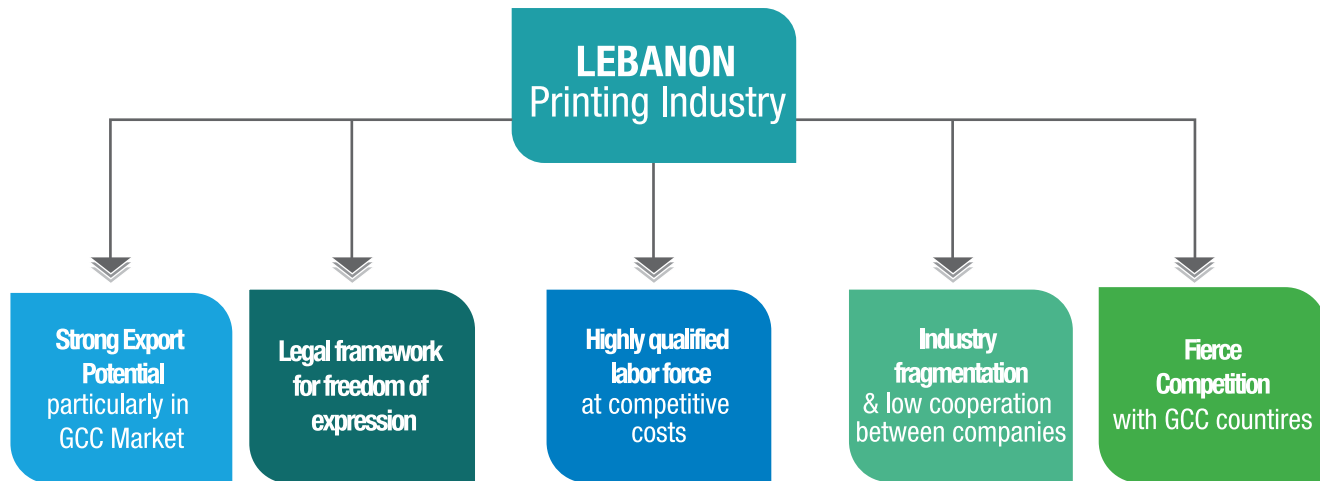
The Inkript Group is a Lebanese industrial company specialized in security solutions. Having previously established a subsidiary, (Inkript Cards), the company is now planning to open a new plant, Inkript Forms, which aims to deliver advanced security printing solutions to governmental agencies and business partners in the telecom and financial sectors. This business initiative is directly investing USD 11 million in the Lebanese economy and expecting to employ a total of 102 individuals. The new unit, which is located in the town of Bchamoun, in the outskirts of Beirut, will produce lottery tickets, cheque books, stamps, ballot papers, ID documents, and scratch & win cards, along with a vast array of sensitive and financial documents, using the latest antifraud technologies and methodologies, while relying on a research & development team.

## ► Market Overview

Lebanon's printing market is estimated at around USD 275 million, contributing to around 4% of total industrial output<sup>4</sup>, and around 6% of total value add. With more than 200 establishments, the sector also employs approximately 5,000 individuals. **The industry is mostly dominated by small and medium-sized companies, with 45% of firms** employing less than 9 employees, 41% companies employing between 10 and 34 employees, **14% employing more than 35 people and only 4% employing more than 100 people.** The competitive landscape of the printing industry is **dominated by 10 large players** that cater for the local and international markets

With respect to trade, Lebanon is a net exporter of printed goods. In 2012, exports reached some USD 90 million, compared to USD 68 million for imports, according to the Lebanese Customs. Exports of printed matters have sustained a positive growth path over the 2007-2010 period with a CAGR of 20%, highlighting the potential of this sector for growth. Export partners include Syria and Iraq, but also GCC and North African countries. Together, they account for more than 60% of total exports. On the other hand, Lebanon imports printed products mainly from France, the United Kingdom, and the United States. Overall, a growing market in the region, and particularly in the Gulf, is generating new opportunities for Lebanese printing firms, notably in specialized and high-added value products.

<sup>4</sup>Based on the Industrial Survey completed in 2007. More recent figures are not available.



### ➤ Competition & Differentiation

The competitive landscape for this sector is characterized by very few players, with security printing a relatively untapped sector. Very few competitors exist in Lebanon and the Arab region as a whole, with the main threat coming from Turkey, European countries, but also China, Australia, and the United States. Barriers to entry are relatively high due to the high security requirements.

The worldwide printing industry is currently facing structural changes stemming from the increasing use of digital printing and a resulting drop in the amount of printing. With increasing supplier (paper and paper product) and buyer power (publishers, retailers) leading to competitive pricing and decrease in profitability, companies are starting to embrace new technologies that would optimize cost and increase the revenue base.

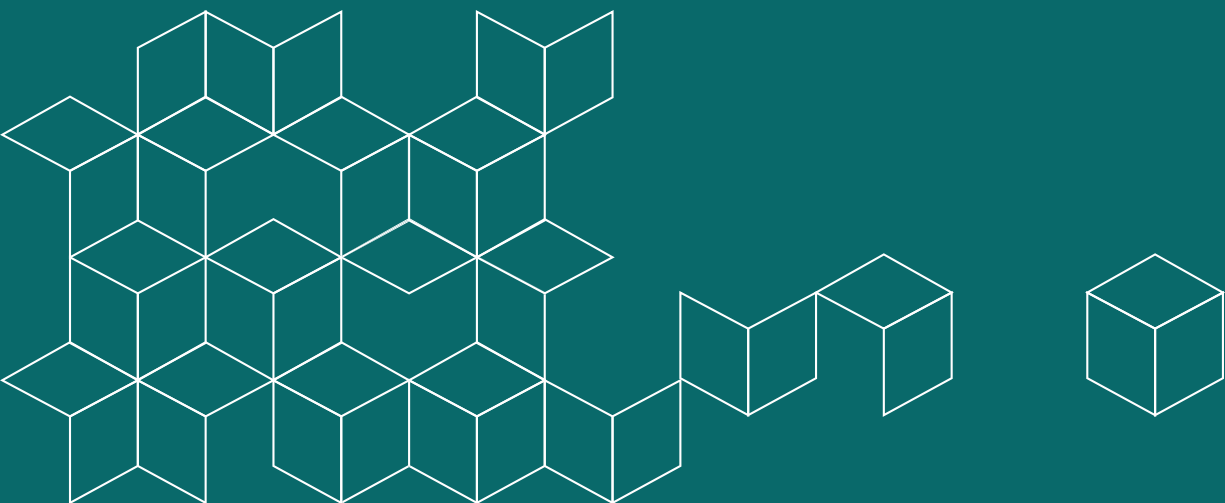
### ➤ Inkript & IDAL

Inkript has approached IDAL to benefit from the incentive schemes offered to companies either undergoing expansion or setting up new facilities. The project applied for one of IDAL's schemes which is the Package Deal Contract (PDC) which grants full exemptions on Corporate Income Tax over a period of 10 years, in addition to other benefits.





# EXPORT PROMOTION ACHIEVEMENTS IN 2012



Apart from supporting the inflow of investments, IDAL is also responsible as per its mandate, to promote the export of Lebanese products, mainly in the Agriculture and Agro-Industry sectors. Through its existing programs, which primarily offers financial as well as other non-financial services to exporters, IDAL has successfully managed

to boost outbound trade of agricultural products. Going forward, IDAL, in cooperation with concerned ministries will focus on providing the needed support to improve the competitiveness of Lebanese industries, foster their entry into new markets and increase their re-investments in Lebanon.

## PROMOTION OF THE AGRICULTURE SECTOR – NEW “AGRI-PLUS” PROGRAM

In 2012, IDAL initiated the implementation of the new “Agri Plus” program designed to support the growth of Lebanese agricultural exports.

The program include 3 components, namely

- o Production streamlining; which consists of providing exporters with the adequate training to improve quality of production
- o Packaging improvement; which consists of supporting exporters in improving packaging and cooling centers to meet international norms of quality
- o Marketing & promotion; to promote the sector regionally and internationally.

In 2012, IDAL sponsored the participation of Exporters in 3 food fairs, the aim of opening new non-traditional markets to Lebanese producers, mainly:

**Fruit Logistica** considered as the most important arena for fresh produce trade. It is the world’s leading exhibition that encompasses the highest number of international companies operating in the field of fruits and vegetables production and that provides suppliers an excellent opportunity to meet and make contacts. 56,000 visitors from 139 countries attended the event, 75% from Europe, 9% America, 8% Africa, 6% Asia and 2% from Oceania.

**WOP DUBAI 2012** the only dedicated trade show for fresh produce in the Middle East. In 2012 WOP had exhibitors from 18 countries with 8 country pavilions. 87.5% of which have received new orders at the show. Visitors from 54 countries have attended the show in 2012.

**Fresh Produce Ukraine:** Fresh Produce Ukraine is the only specialized international event focused on fruit & vegetable growing and post-harvest handling technologies in the countries of the Former Soviet Union.

Through this support, exports of Lebanese products have increased from previous years levels with a 13% rise in exports from 2011 levels despite the impact of the Syrian crisis on Lebanon; as Syria is considered the main channel for exported Lebanese agricultural goods.

In regards to the most exported products, Citrus and Malus account for around 40% of total exported fruits (Figure 1), while potatoes are the most exported vegetables .

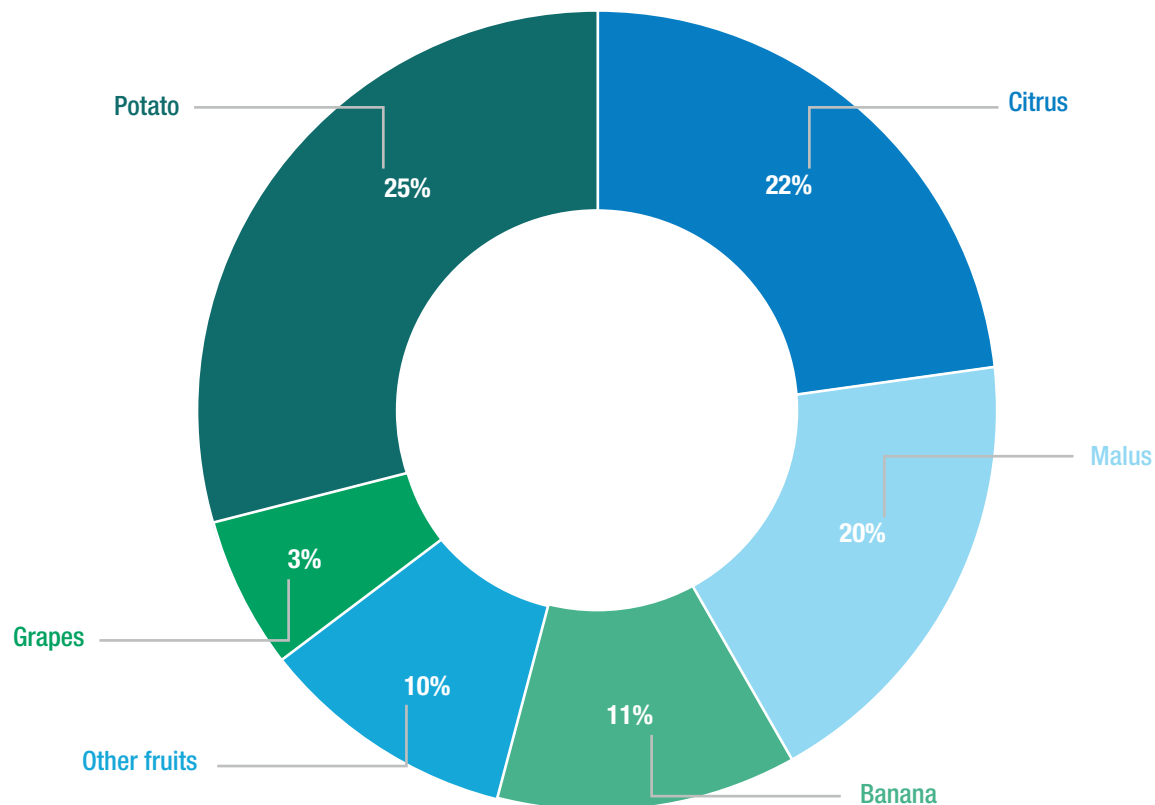
IDAL organized a series of workshops aimed at informing exporters on the latest trends and standards regarding exports:

**Workshop on Maritime Transport:** In a close collaboration with the Lebanese Ministry of Agriculture, we organized a workshop on «Maritime Transport and Export of Agricultural Products » in order to inform exporters, farmers and producers on the advantages of maritime transport as an alternative to land transportation following the current regional instabilities.

**Packaging and Protection Training:** As part of its mandate to enhance the quality of Lebanese exports through the “Agri Plus” program, IDAL organized a training workshop to Lebanese exporters highlighting the new technologies in packaging and protection of goods and produces. Workshops were organized with 2 quality control offices, TUV and Bureau Veritas to shed lights on the new trends and techniques. Workshops were organized in the Chamber of Commerce of Beirut, Zahleh and Tripoli to go over the new regulations pertaining to packaging and new specifications of packing houses needed by exporters to register to the Agri Plus program.

- o Workshops were organized with 2 quality control offices, TUV and Bureau Veritas to shed some light on the new trends and techniques for fresh produces packaging and the international standards for packing houses and cooling storage.
- o Workshops were organized in the Chamber of Commerce of Beirut, Zahleh and Tripoli to go over the new regulations pertaining to packaging and the new specifications of packing houses needed by exporters registered with the Agri Plus program.

Figure 1: Share of Exported Lebanese Agricultural Products | **2012**



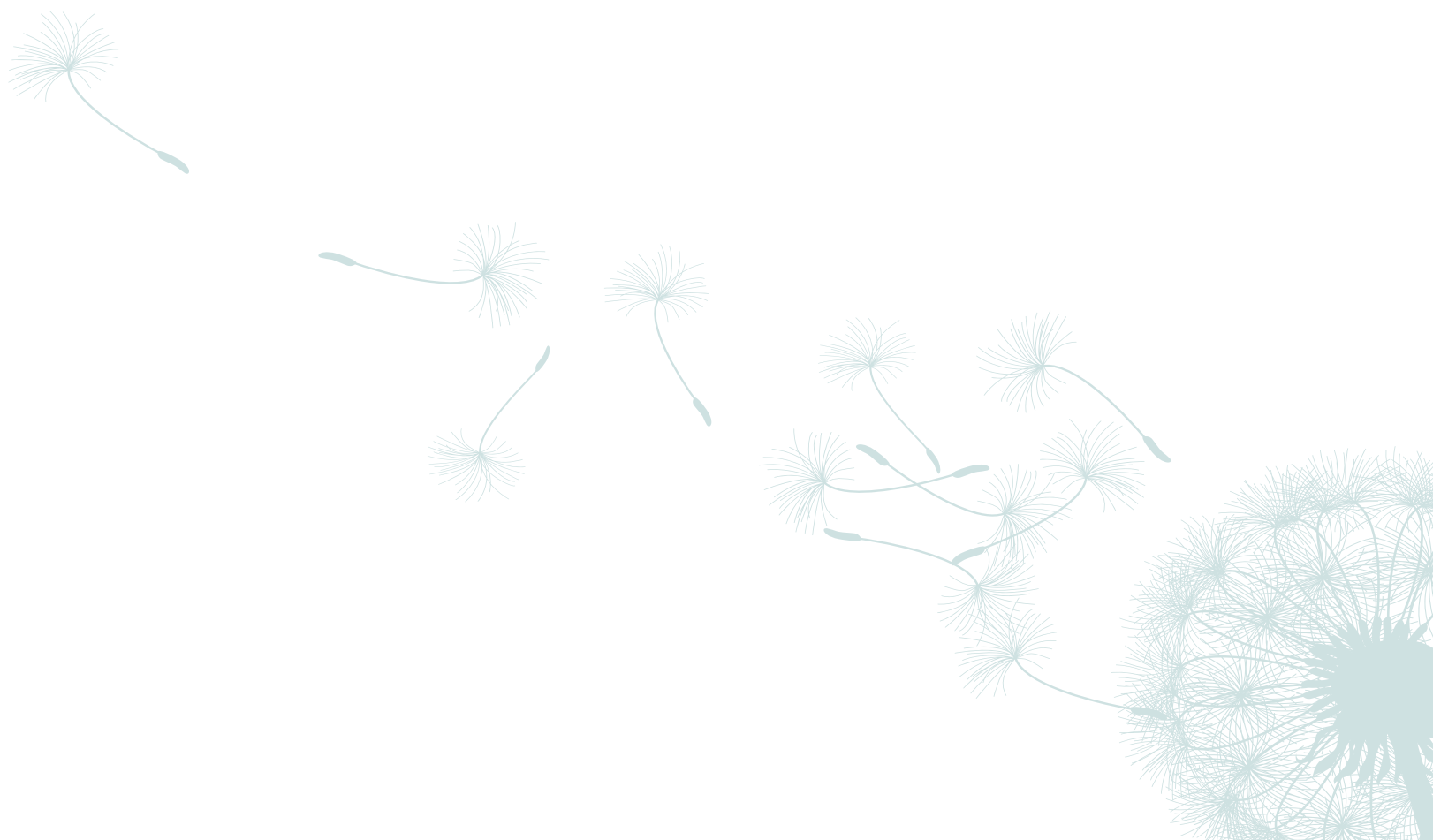
## PROMOTION OF THE AGRO FOOD SECTOR

As part of its mandate to support the growth of Lebanese agro food products, IDAL annually sponsors the participation of exporters in specialized food fairs. These food fairs have proved to be important for exposing Lebanese produces to international buyers. In 2012, IDAL sponsored the participation of producers at the following fairs:

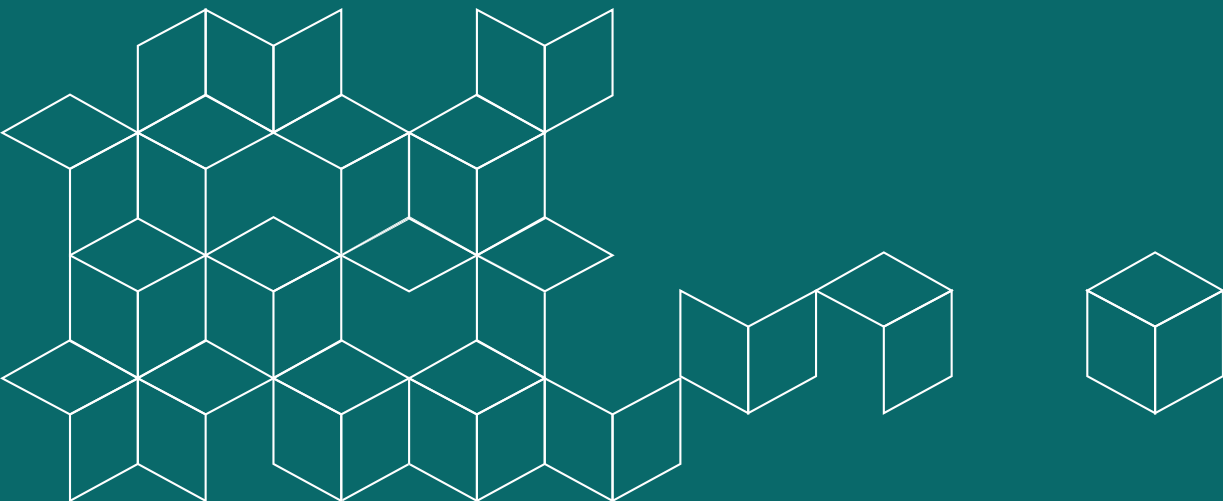
**Gulfood Dubai:** It is the most prominent fair for the MENASA region as it is one of the most attended fairs in the world, and certainly the most widely attended in the Middle East, North Africa and South Asia region. It is a meeting point for international trade visitors, coming from over 152 different countries, and has become a reference to those who wish to purchase International, but equally

Middle Eastern foods. The MENA region is the most important destination for Lebanese agro-food products, with more than 55% of total agro-food exports going to Arab countries. Within the region, Syria, Saudi Arabia, the UAE, and Iraq and Jordan, constitute the biggest markets for Lebanese Food and Beverage exports. The 2012 Gulf Food Fair was attended by 32 exporters.

**SIAL Paris:** IDAL sponsored and supported the Lebanese Pavilion at this year's SIAL exhibition in Paris, where over 6,000 international companies were present, representing 100 countries. This trade exhibition represents a major platform for Lebanese producers to showcase their agro industrial products. 12 Lebanese companies took part at the Lebanese pavilion.



# ACTIVITIES



# WORKSHOPS, CONFERENCES AND FORUMS

## PARTICIPATING IN POLICY SHAPING INITIATIVES

IDAL's role as an investment promotion agency (IPA) involves a high level of policy shaping and advocacy often developed during global and regional forums where similar IPAs and sub-national players get together. In 2012, IDAL participated in a series of investment and economic forums both on local and international levels in order to look into policies that could enhance investments and trade relations.

- o **20-23 APR, World Investment Forum:** We participated at the World Investment Forum organized by UNCTAD in Doha, Qatar. The conference was designed to facilitate dialogue and action on the world's key emerging investment-related challenges. The conference provided us with the opportunity to interact with global leaders, senior policy-makers, corporate executives, investors and heads of investment promotion agencies from countries around the world.
- o **2-3 MAY, Committee Meeting on the Amendment of the Treaty on Capital Investment:** The event was organized by the Arab League and was attended by IDAL's legal team. The aim of the participation was for Lebanon to take part in the decisions and studies undertaken regarding the amendments to the treaty.
- o **21-23 JUN, St.Petersburg International Economic Forum:** The event brought together leading business people and investment promotion agencies to look into ways to enhance economic collaboration between Russia and the respective countries. IDAL emphasized on the strategic location of Lebanon as a springboard to Russia to access a market of 300 million consumers.
- o **12-13 NOV, Economic and Financial Forum for the Mediterranean:** IDAL participated at the event which took place in Milan, Italy. It was attended by a great number of business people specialised in financial and economic affairs from the Mediterranean and who are interested into looking for solutions to enhance collaboration and partnerships between the various participating countries.

- o **29-30 NOV, Lebanon Economic Forum:** IDAL sponsored the event which took place in Beirut and participated at the plenary session on the current investment and economic climate.

## ENHANCING COLLABORATION WITH KEY NATIONAL PLAYERS

It takes more than one national player to positively contribute to the Lebanese economy and it also takes joint collaborative efforts to succeed in facilitating business procedures to investors. It is in this sense that IDAL spearheaded various initiatives aimed at enhancing collaboration between the organization and key players from both the public and private sectors.

- o **MAY-JUN, Awareness workshops at Lebanese leading banks:** Our team met with heads of corporate banking at leading banks in Lebanon during the months of May and June to inform them about IDAL's services and incentives schemes.
- o **8 MAY, Ministerial Collaboration with IDAL:** We organized a workshop to look into ways and mechanisms to enhance the collaboration between IDAL and the Ministry of Tourism, Industry, Agriculture, and Telecommunications in order to identify means to speed up the process of issuing licenses and permits pertaining to investment projects.
- o **24-28 SEPT, National Workshop on FDI Computation:** In our capacity as Lebanon's investment promotion agency we have partnered with ESCWA to hold a National Training Workshop on Foreign Direct Investment (FDI) Statistics in Lebanon. This stems from the need to have centralized and official statistics on the distribution of FDI by sector and the number of jobs generated as a result of foreign investments. Obtaining these figures will greatly enhance policy making and will enable the government to tailor its resources to sectors with growth potential. An international expert provided hands-on training on FDI computation during the five-day workshop that brought together professionals and practitioners from the private and public sectors







## BACKING-UP ENTREPRENEURSHIP IN LEBANON

As part of its mandate to promote economic growth, and given the important share that entrepreneurs represent of the adult population (15% of the adult population in Lebanon is engaged in entrepreneurial activity based on Booz & Co figures) IDAL has played an active role in encouraging foreign and domestic entrepreneurship activity especially in the areas of Information Technology, Digital Media, and Technology where medium-sized enterprises could benefit the most from its investment incentives.

- o **6 JUL, Supporting Innovative Start-ups:** We hosted a workshop at the Grand Serail on “Supporting Innovative Start-ups”, bringing together stakeholders from the Lebanese, Arab, and international start-up community. The workshop focused on two distinct themes:
  - » The role of accelerators in generating start-ups; their operational and business models, including their financial sustainability.
  - » Steps needed to strengthen the start-up ecosystem in Lebanon, by maximizing synergies & identifying areas of cooperation between its different stakeholders, mainly the public and private sector. This theme looked into the key enablers that were instrumental in kick-starting the start-up scene, and identifying areas where government support is mostly needed and effective.
- o **12 NOV, Meet the Experts:** As part of Global Entrepreneurship Week, IDAL and Bader Young Entrepreneurs Program brought together experts in business law, finance, and business development to answer questions and concerns on setting up a business in Lebanon. It was an afternoon of knowledge sharing, hands-on training and networking. The audience got the chance to meet successful entrepreneurs in Lebanon and abroad who rose to the challenge and took their businesses to the next level.
- o **27-31 MAR, Arabnet:** IDAL was a key sponsor in this year’s Arabnet which brought together over a 1,000 attendees and a 100 speakers from more than 22 countries. We had the chance to be present to inform young entrepreneurs on the benefits of investing in Lebanon and through IDAL’s services. Our team participated at a panel discussion on “Building a Digital Hub in Lebanon”, along with prominent figures from key ministries.

## ENHANCING ARAB BUSINESS PARTNERSHIPS

With Arab investors leading the list of investors in Lebanon, IDAL plays particular attention in targeting events where opportunities to network with Arab investors and highlight investment opportunities are available. More particularly, targeting Arab businessmen has been most effective during our presence in joint joint-Arab investment and economic forums.

- o **20-21 FEB, Forum of Arab Businessmen:** We have participated at the Forum of Arab Businessmen in Doha, Qatar through an intervention by Chairman Nabil Itani, highlighting Lebanon's potential and investment opportunities.
- o **1-2 MAR, Saudi-Lebanese Economic Forum:** IDAL has sponsored the event which took place in Beirut. The event aimed at enhancing business and economic relations between the two countries and was attended by over 200 business people.
- o **23-24 APR, Arab Investment Conference on Finance, Industry, Tourism, and Real Estate:** IDAL sponsored and participated at the event which took place in Beirut under the patronage of Prime Minister Najib Mikati. The event was attended by businessmen from major Arab countries with a special delegation attending from Sudan. The conference highlighted the promising investment opportunities in the main economic sectors in Lebanon and the rest of the Arab world. IDAL also took part in a panel discussion on the "Investment Climate in Lebanon" and Chairman Nabil Itani was awarded an honorary medal by the Joint Arab Chamber.
- o **10-11 MAY, Arab Economic Forum:** IDAL sponsored the event which took place in Beirut under the patronage of Prime Minister Najib Mikati. The event hosted ministers, government figures, financing organisations and prominent business people from the Arab world and the region. We took part in a panel discussion on Lebanon's economic climate along with the Lebanese Minister of Economy and Trade, Industry, and Tourism, as well as the President of the Chamber of Commerce, Industry and Agriculture in Beirut.
- o **22-23 MAY, Arab-Indian Forum:** IDAL participated at this event which took place in Abu Dhabi, UAE, along with Minister of State Marwan Kheireddine. The event was organised by the Emirati Ministry of Foreign Affairs and the General Union of Chambers of Commerce along with the Indian Ministry of Foreign Affairs. The forum looked into ways to develop and enhance business, economical, technological, and cultural relations between India and the Arab World. A special emphasis was on SMEs, sciences, technology, agriculture, education, and skills development.
- o **20-21 JUN, Iraqi Free Zone Financing Workshop:** IDAL co-organised along with the MENA-OECD Investment Programme, the third workshop regarding the management and financing of free zones. IDAL shared its expertise and know-how on the topic.
- o **29-30 JUN, Arab-Turkish Economic Forum:** The event which took place in Istanbul, Turkey, looked into ways of collaboration between Turkey and Arab countries. The forum included a showcase of the investment opportunities available in various economic sectors.
- o **12-13 SEP, Arab-European Economic Forum:** The event which took place in Beirut was sponsored by IDAL. It brought together leading business and economic personalities from Europe and the Arab world. We took part in the opening sessions and had an intervention in one of the panel discussions on the investment climate in Lebanon.

## REACHING OUT TO FOREIGN INVESTORS

Many foreign investors have shown interest in investing in Lebanon in 2012 and this was reflected in the considerable amount of delegations that IDAL attended to; whether located at its premises or through the Chamber of Commerce and other associations. IDAL also took part in investment forums and fairs outside of Lebanon to showcase Lebanon's various investment opportunities to new markets such as Iran and China.

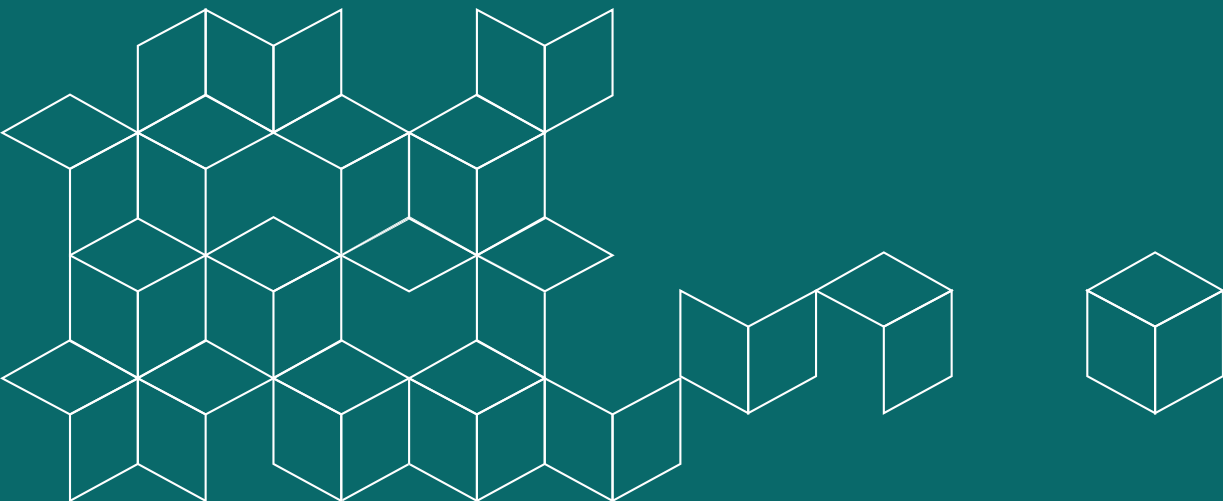
- o **28 MAR, "Accessing Lebanon":** the Middle East Association (MEA) organized an afternoon of networking between British and Lebanese businessmen in London, UK. The event was attended by 60 MEA members and other people with a keen interest in UK-Lebanese commercial relations. The participants were drawn from a range of industry sectors, as well as banking, legal and energy. IDAL presented Lebanon's potential sectors for investment and shed light on the economic climate and viability of the country.
- o **18 JUN, British Delegation:** A delegation of British business people visited IDAL through the Middle East Association and in collaboration with UK Trade and Investment department at the British Embassy in Lebanon. The delegation was exposed to the investment opportunities in Lebanon and the services and support that IDAL can offer them if they choose to invest.
- o **18 JUN, Chinese Delegation:** A Chinese delegation comprised of heads of prominent Chinese companies visited IDAL, in collaboration with GDP Holding. The delegation was looking for investment opportunities and partnerships with Lebanese firms especially in fisheries and information technology.
- o **26 SEP, "Opportunities in the ICT Sector in Lebanon", Chamber of Commerce Franco-Libanaise:** IDAL attended the event which took place in Paris, France through a joint effort between the Chamber of Commerce in Beirut and the joint Chamber of Commerce. IDAL presented to interested French businesses the various opportunities for investment in Lebanon.
- o **9 OCT, Australian Delegation:** An Australian delegation of businessmen visited Lebanon by invitation from the Australian-Lebanese Joint Chamber of Commerce and the Chamber of Commerce, Industry, and Agriculture in Beirut. The delegation which comprised mainly of Lebanese expats came to Lebanon for a scoping visit, and to look for possible joint ventures and export opportunities.
- o **12-13, OCT Forum de L'Investissement:** Lebanon, through Solidere, the Chamber of Commerce, Industry and Agriculture, and IDAL, has been represented at the Forum de L'Investissement in Paris. The Forum brought together investors from Europe and the world to discuss latest investment trends and shed light on investment opportunities available. IDAL lead a panel session on «Investment in Lebanon», where Lebanon's encouraging investment climate and lucrative economic sectors were presented.
- o **12-13 NOV, Forum on Investment Opportunities:** This forum took place in Iran and was attended by a team from IDAL and a delegation of 40 Lebanese business people. IDAL presented Lebanon's various investment opportunities especially in the agro food and industry sectors.
- o **3-4 DEC, China Overseas Investment Fair:** China has proved to be a new lucrative market for Lebanese exports, and it is in this capacity that IDAL has participated at the fair in Beijing, along with a delegation of Lebanese business people. IDAL showcased the various investment and export opportunities especially in the agro food sector.





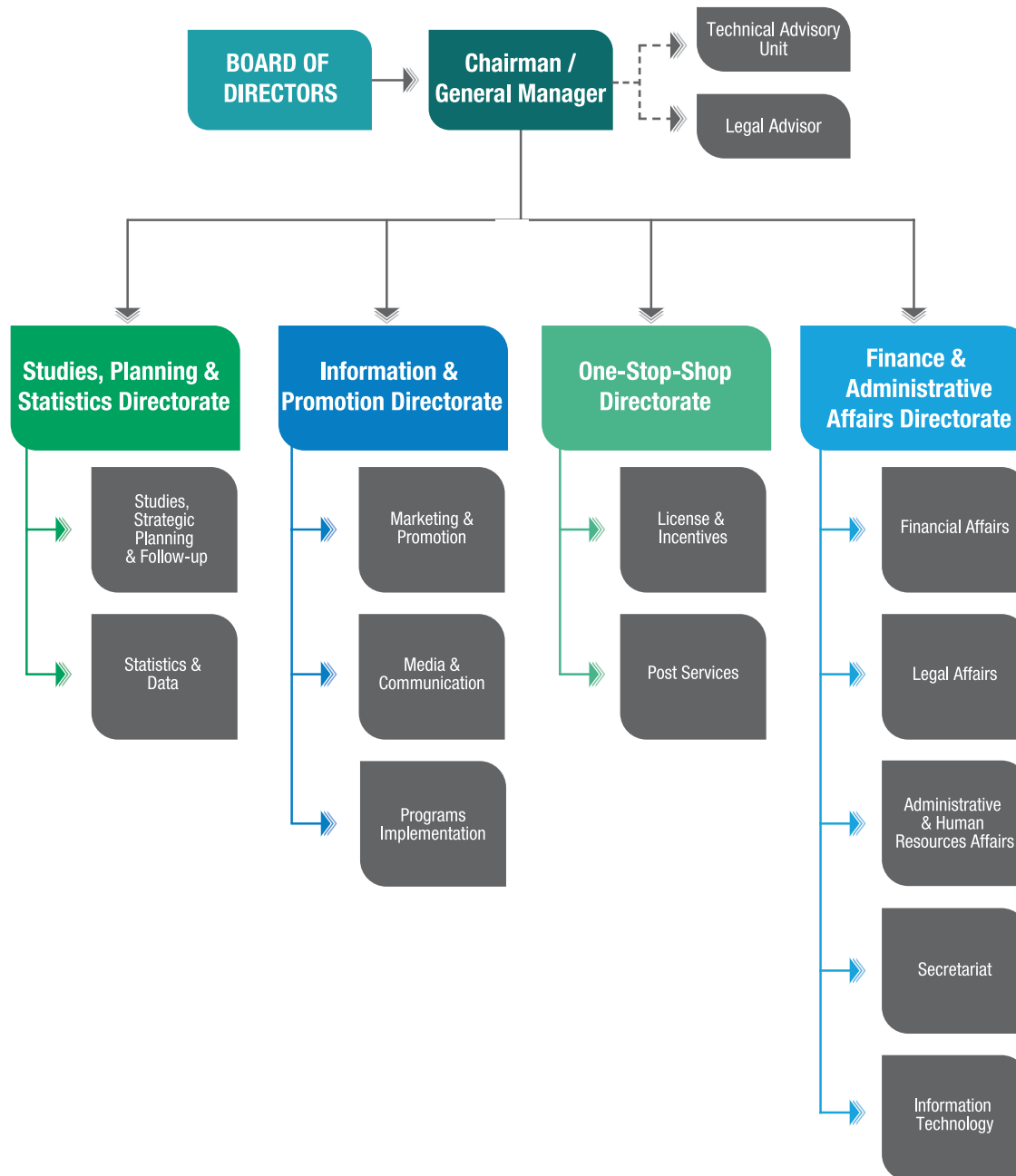


# APPENDIX



# IDAL'S GOVERNANCE STRUCTURE

## IDAL'S ORGANIZATION STRUCTURE



# IDAL BOARD OF DIRECTORS

