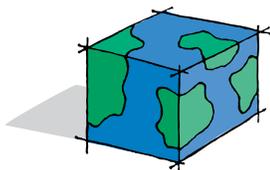




INVESTMENT DEVELOPMENT
AUTHORITY OF **LEBANON**

Presidency of the Council of Ministers



IDAL

INVEST IN **LEBANON**

investinlebanon.gov.lb

IDAL COMPANY PROFILE

HEADLINES

1. ABOUT US

2. OUR CONSULTANCY SERVICES

3. TARGETED SECTORS

4. OUR INCENTIVES & ACHIEVEMENTS

5. LEBANON AT A GLANCE

**THE GOVERNMENT
OF LEBANON,
THROUGH IDAL,
OFFERS INVESTORS
A RANGE OF
FACILITATION
SERVICES
AND FISCAL
EXEMPTIONS**

ABOUT US

The National Investment Promotion Agency of Lebanon

HISTORY

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

GOVERNANCE

IDAL reports to the Presidency of the Council of Ministers (who exercises a tutorial authority over it), and has financial & administrative autonomy

LEGISLATION

Investment Law No. 360 was enacted in 2001 to regulate investment activities in Lebanon

OUR MANDATES

INVESTMENT PROMOTION

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

EXPORT PROMOTION

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

IDAL CURRENTLY HAS 3 EXPORT PROMOTION PROGRAMS IN PLACE:

1. AGRI PLUS (2012):

Which provides subsidies and support to exporters of agricultural products

2. AGRO MAP (2004):

Which subsidizes the participation of agro-food companies in foreign fairs

3. MARITIME BRIDGE PROGRAM (2015):

Which provides support to exporters of Lebanese products to Gulf countries and Jordan

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

1 PRE-INVESTMENT STAGE MARKET INTELLIGENCE

- ▶ Information on investment opportunities
- ▶ Data on economic sectors with growth potential Legal, financial, industrial information
- ▶ Data on investment climate
- ▶ Business Matchmaking support

2 FINANCING STAGE PACKAGE OF INCENTIVES

FISCAL INCENTIVES:

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

FINANCIAL INCENTIVES:

Reduction on land registration fees

NON-FINANCIAL INCENTIVES:

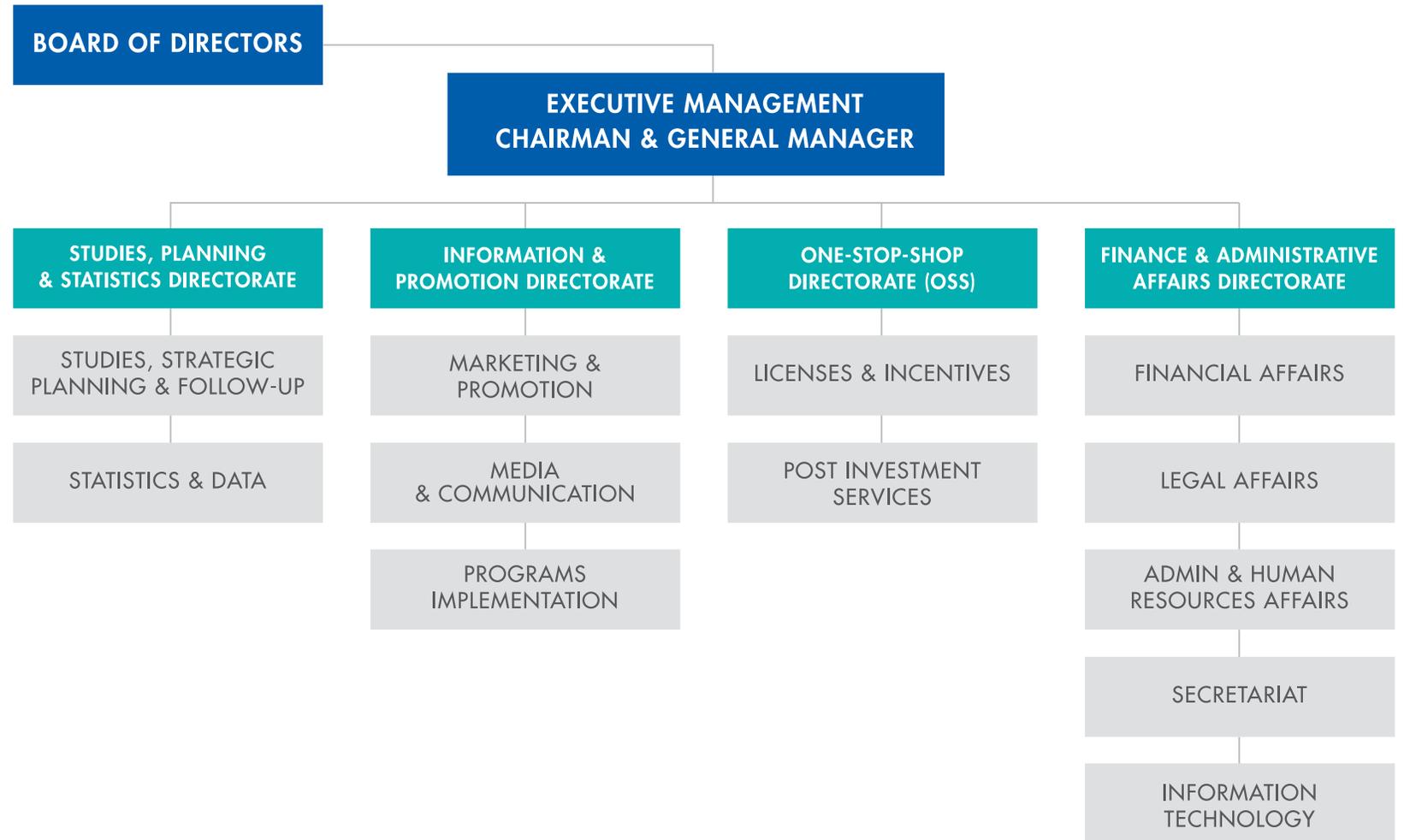
Employees for the project are granted work permits with the support of IDAL

3 LICENSING & AFTER-CARE STAGE ONE STOP SHOP

IDAL serves as a One Stop Shop for Investors. We supersede all public administrations, authorities and municipalities in issuing administrative permits and licenses except those granted by the Council of Ministers.

We follow up with investors after the start of their operations

OUR STRUCTURE



HEADLINES

1. ABOUT US

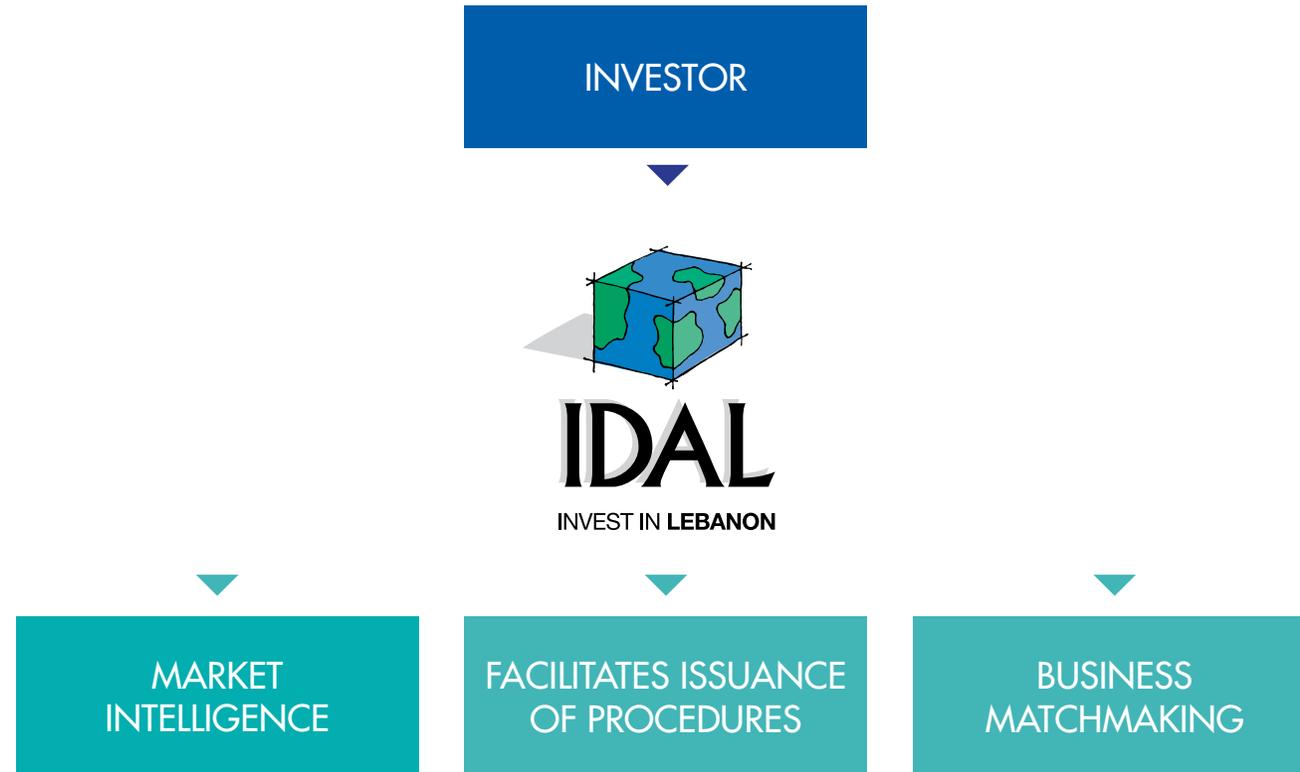
2. OUR CONSULTANCY SERVICES

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OUR CONSULTANCY SERVICES

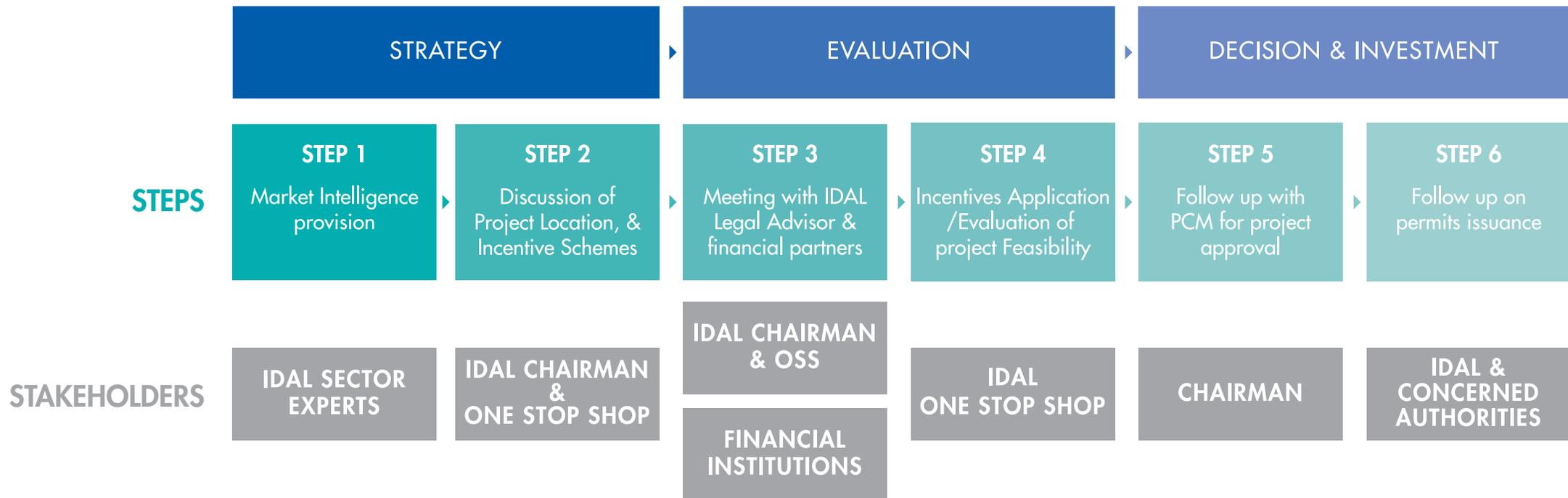


OUR CONSULTANCY SERVICES

- ▶ **PROVISION OF MARKET INTELLIGENCE (BY SECTOR & TOPIC)**
- ▶ **INTRODUCTION TO POTENTIAL PARTNERS & SUPPLIERS**
- ▶ **ADVISING ON THE FINANCING OF PROJECT (INCLUDING INCENTIVES)**
- ▶ **MATCHING WITH POTENTIAL INVESTORS / ENTREPRENEURS**
- ▶ **ASSISTANCE IN APPLYING FOR INCENTIVES**
- ▶ **ASSISTANCE IN COORDINATING WITH LICENSING AUTHORITIES TO FACILITATE THE ISSUANCE OF LICENSES & PERMIT (TO SET-UP & OPERATE A BUSINESS)**

OUR CONSULTANCY SERVICES

WE CAN PROVIDE YOU WITH A FULL RANGE OF CONSULTANCY SERVICES FOR YOUR INVESTMENT PROJECT



PCM* = Presidency Of The Council Of Ministers

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8 SECTORS ARE ELIGIBLE FOR OUR INCENTIVES

IDAL PROVIDES INCENTIVES
TO 8 SECTORS WITH GROWTH
POTENTIAL & READINESS FOR
DEVELOPMENT

THESE SECTORS WERE INCLUDED
IN LAW No. 360 IN 2001



TECHNOLOGY



FOOD & BEVERAGES



INFORMATION TECHNOLOGY



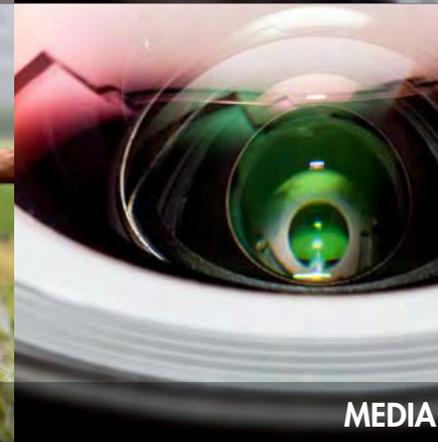
TOURISM



INDUSTRY



AGRICULTURE



MEDIA



TELECOM

TARGETED SECTORS



- ▶ CHEMICALS, INCLUDING PLASTICS
- ▶ PHARMACEUTICALS
- ▶ PAPER & PRINTING
- ▶ METALS
- ▶ NON-METALLIC MINERALS
- ▶ TEXTILES
- ▶ FURNITURE
- ▶ ELECTRICAL MACHINERY & EQUIPMENT



- ▶ ANIMAL OR VEGETABLE FATS & OILS
- ▶ PROCESSED FOOD
- ▶ DAIRY PRODUCTS
- ▶ BEVERAGES & SPIRITS
- ▶ DRIED FRUITS & NUTS



- ▶ HOTELS
- ▶ LEISURE FACILITIES
- ▶ HEALTHCARE TOURISM
- ▶ CULTURAL & RELIGIOUS
- ▶ BUSINESS CONFERENCES



- ▶ SOFTWARE PUBLISHERS
- ▶ COMPUTER PROGRAMMING
- ▶ DATA PROCESSING, DATA MINING, HOSTING RELATED SERVICES
- ▶ INTERNET SERVICE PROVIDERS

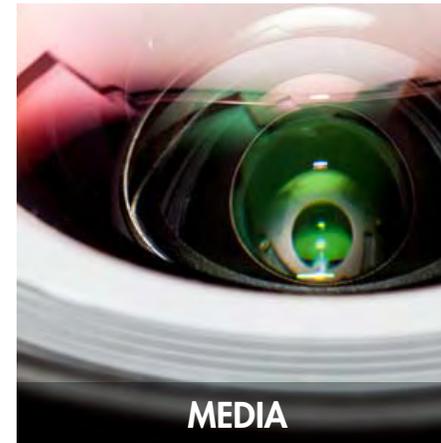
TARGETED SECTORS



- ▶ ICT MANUFACTURING
- ▶ MEDICAL TECHNOLOGIES
- ▶ CLEAN TECH
- ▶ R&D



- ▶ CROP FARMING
- ▶ LIVESTOCK
- ▶ FISHERIES & AQUACULTURE
- ▶ PACKAGING CENTERS & MATERIALS
- ▶ PRODUCTION FACILITIES



- ▶ ADVERTISING
- ▶ TV BROADCASTING
- ▶ DIGITAL MEDIA
- ▶ PRODUCTION & POST-PRODUCTION HOUSES
- ▶ PUBLISHING HOUSES



- ▶ MOBILE NETWORK OPERATORS
- ▶ TELEPHONE OPERATORS
- ▶ VALUE ADDED SERVICES (VAS)
- ▶ TELEMARKETING & CALL CENTERS

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IDAL OFFERS 2 TYPES OF INCENTIVE SCHEMES:

1

JOB CREATION BASED INCENTIVE PACKAGE DEAL CONTRACT (PDC)

Provided to projects based on:

- (1) INVESTMENT SIZE
- (2) NUMBER OF JOBS CREATED
- (3) SECTOR

INCENTIVES PROVIDED

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

2

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

Provided to projects based on:

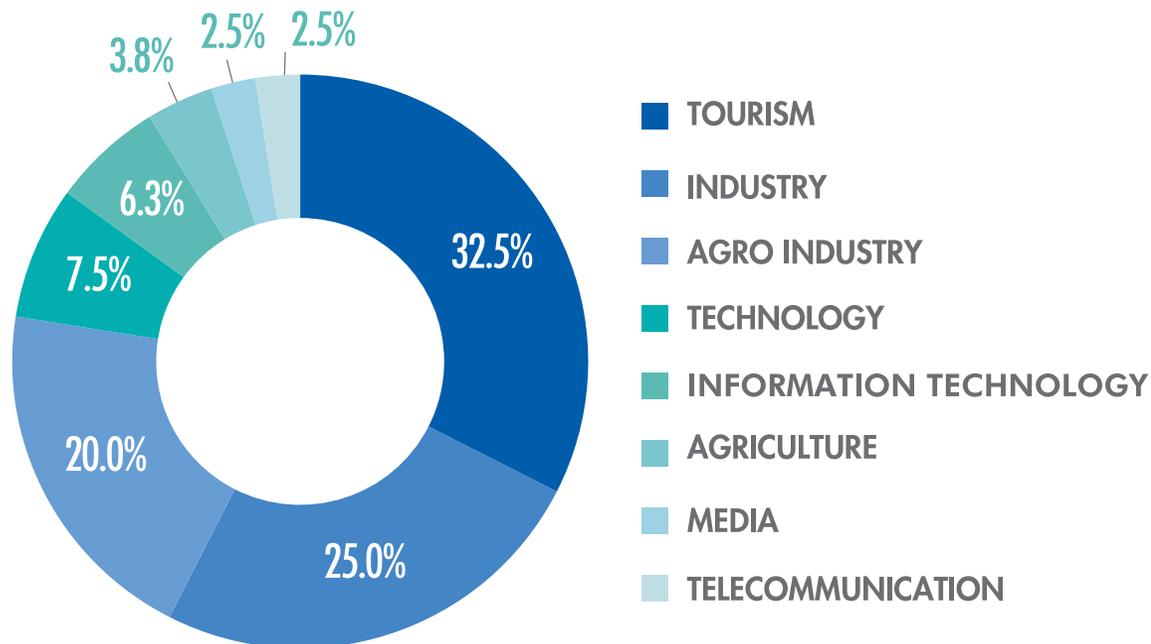
- (1) GEOGRAPHICAL LOCATION
ACROSS 3 ZONES: A, B, C
- (2) INVESTMENT SIZE
- (3) SECTOR

INCENTIVES PROVIDED

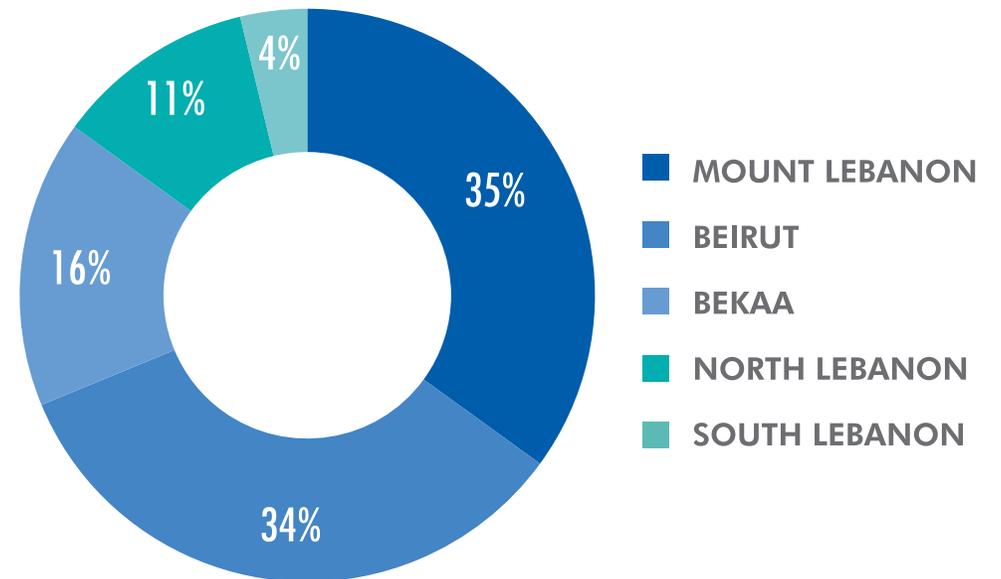
- ▶ Up to 100% tax exemptions for 10 years for projects located in remote areas (Zone C)
- ▶ Work Permits granted

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

DISTRIBUTION OF PROJECTS BY SECTOR
(%) (2001-2017)



DISTRIBUTION OF PROJECTS BY REGIONS
(%) (2001-2017)

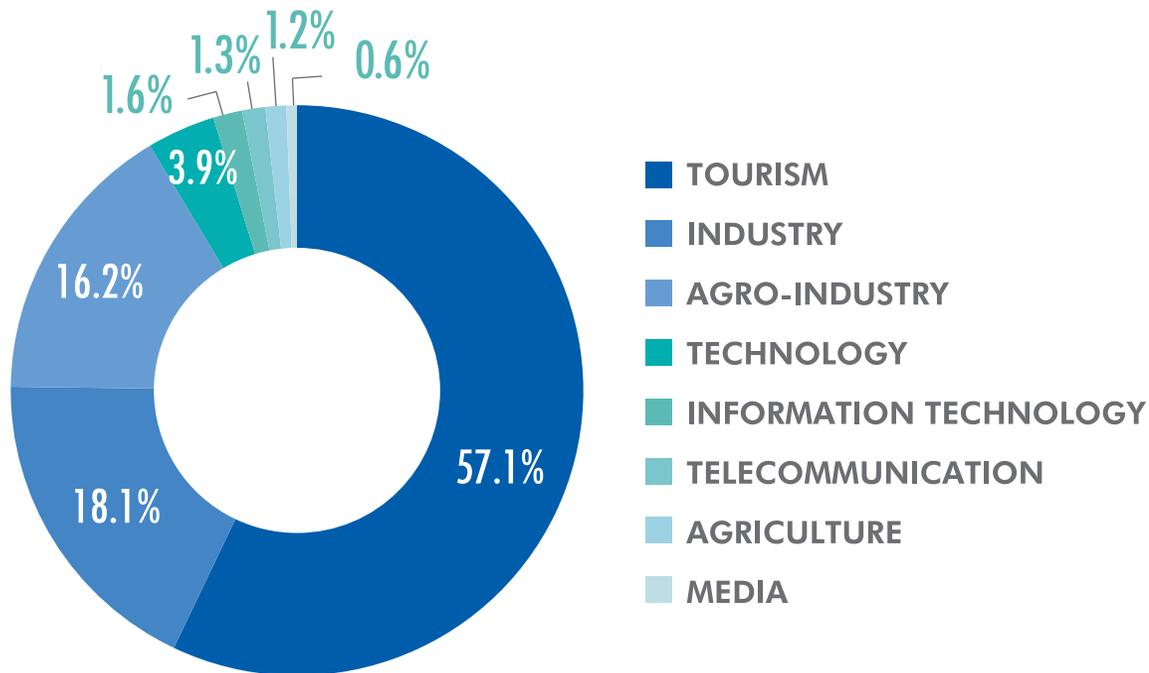


TOTAL: 80

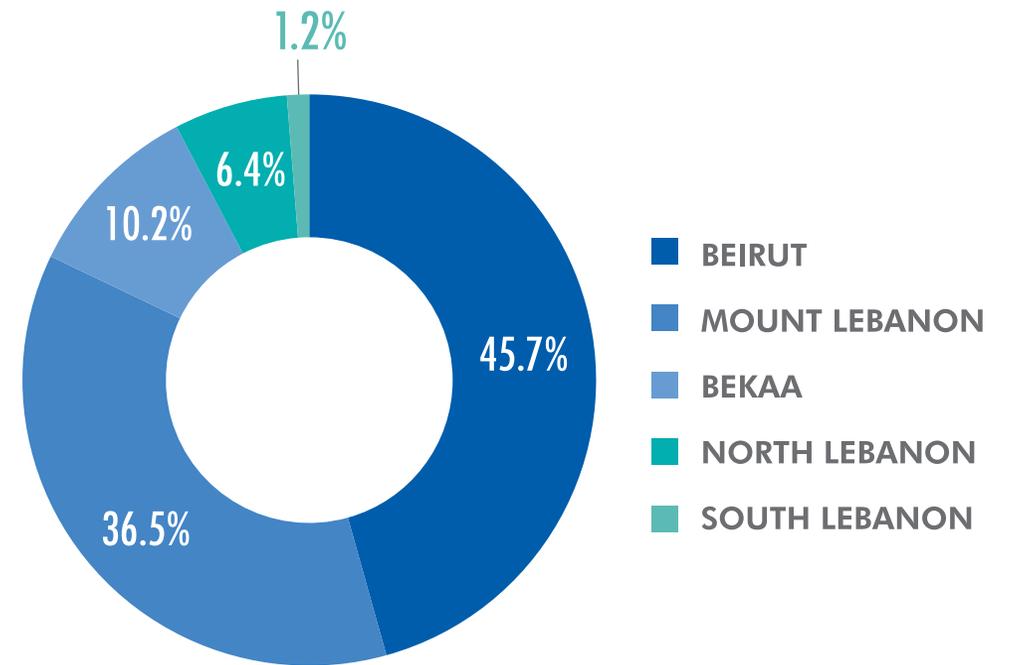
Source: IDAL's Calculations

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

DISTRIBUTION OF JOB CREATED PER SECTOR
(%) (2001-2017)



DISTRIBUTION OF JOB CREATED PER MUHAFAZA
(%) (2001-2017)



TOTAL: 9,769

Source: IDAL's Calculations

HEADLINES

1. ABOUT US

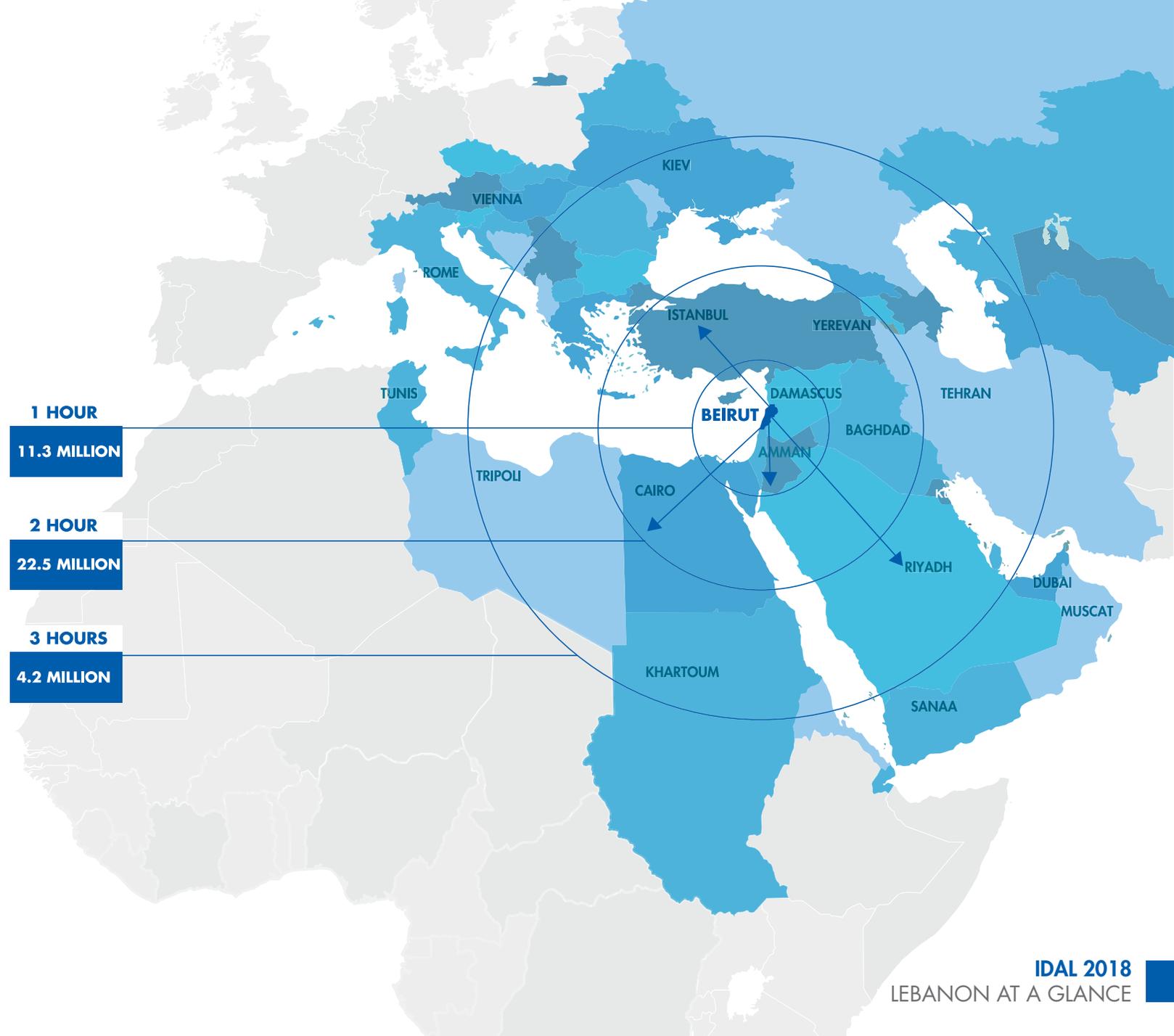
2. OUR CONSULTANCY SERVICES

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



ECONOMIC PROFILE & SYSTEM (2017)

- ▶ FREE MARKET ECONOMY
- ▶ NON-INTERVENTIONIST STANCE TOWARDS PRIVATE INVESTMENTS
- ▶ ONE OF THE MOST LIBERAL INVESTMENT CLIMATES IN THE MIDDLE EAST
- ▶ GDP AT CURRENT PRICES (USD BILLION): **52.7**
- ▶ GDP/CAPITA (CURRENT USD): **11,680**
- ▶ REAL GDP GROWTH (PROJ - 2018): **2.0%**
- ▶ AVERAGE INFLATION RATE: **3.1%**
- ▶ TRADE BALANCE (USD MILLION): **-20,286**
- ▶ FDI INFLOWS (USD BILLION - 2016): **2.56**
- ▶ UNEMPLOYMENT RATE (EST. 2017): **6.3%***

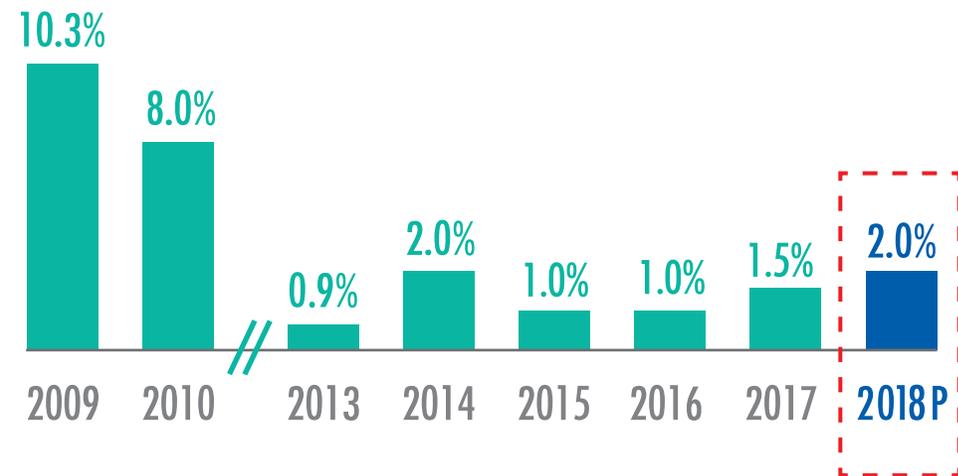
Source: International Monetary Fund (IMF), Central Administration for Statistics (CAS), Lebanese Customs Administration, UNCTAD, *International Labor Organization (ILO)

LEBANON HAS A RESILIENT ECONOMY DESPITE THE REGIONAL CHALLENGING ENVIRONMENT

► **Lebanon was one of the best global performers in 2009** amidst the worldwide financial crisis and despite the Arab Spring managed to maintain stable growth levels.

► Despite continuing regional challenges, IMF estimated Lebanon's GDP growth for **2018 at 2.0%**, and projecting a growth rate of **2.5% for 2020**.

REAL GDP GROWTH (%)



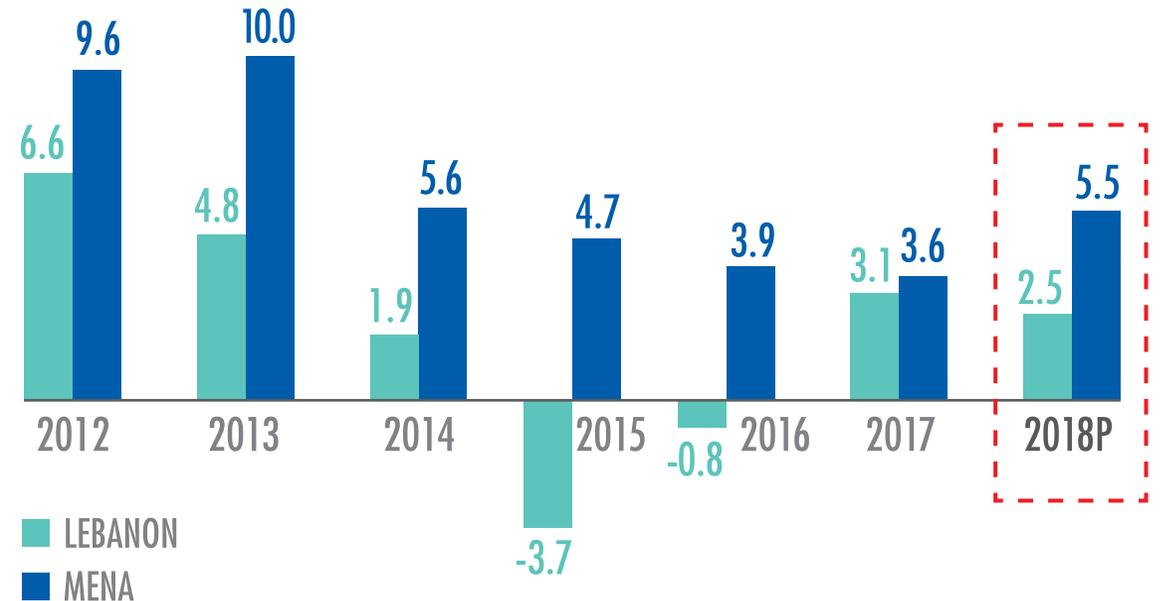
Source: IMF

...WITH A LOW INFLATION RATE REGIME

► A low inflation environment **provides business certainty for investors.**

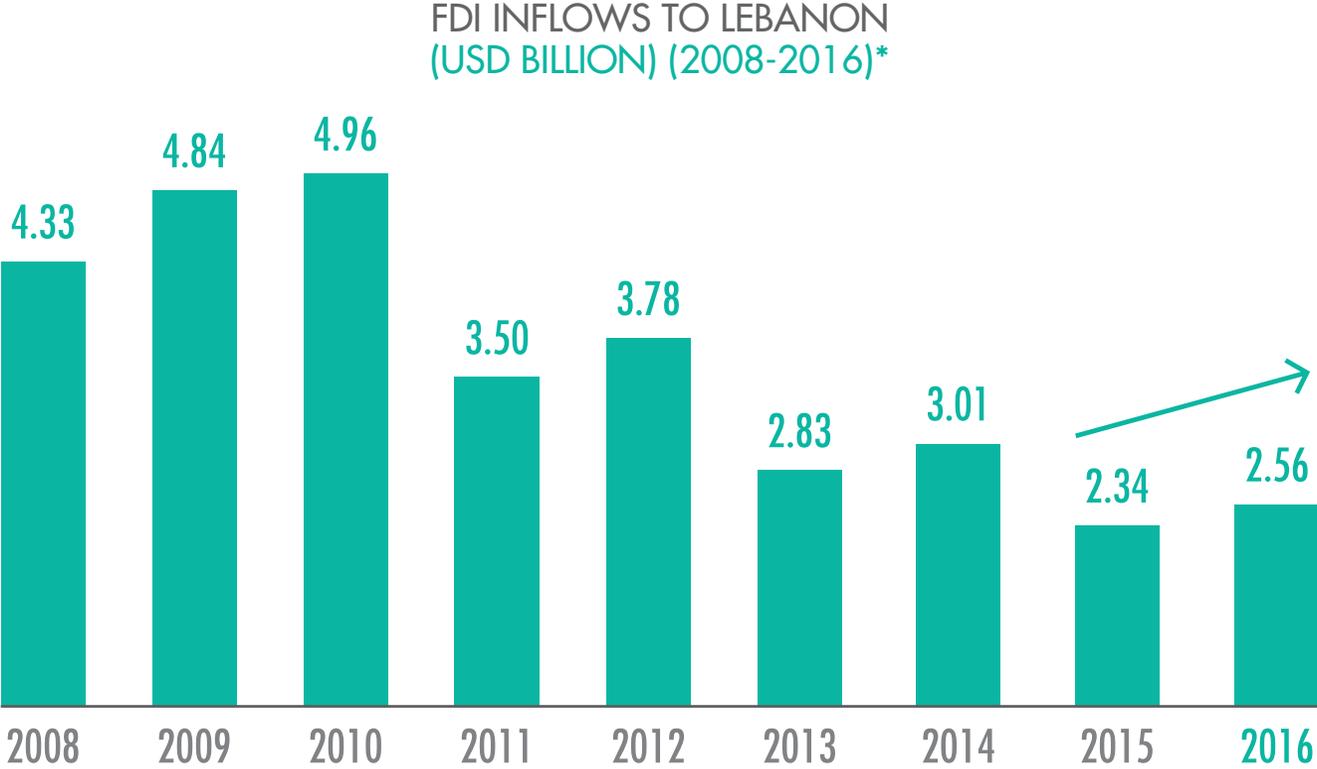
► Over the past 3 years Lebanon was able to maintain a low inflation rate compared to the MENA average inflation rate.

INFLATION (YEAR-OVER-YEAR % CHANGE)



Source: IMF

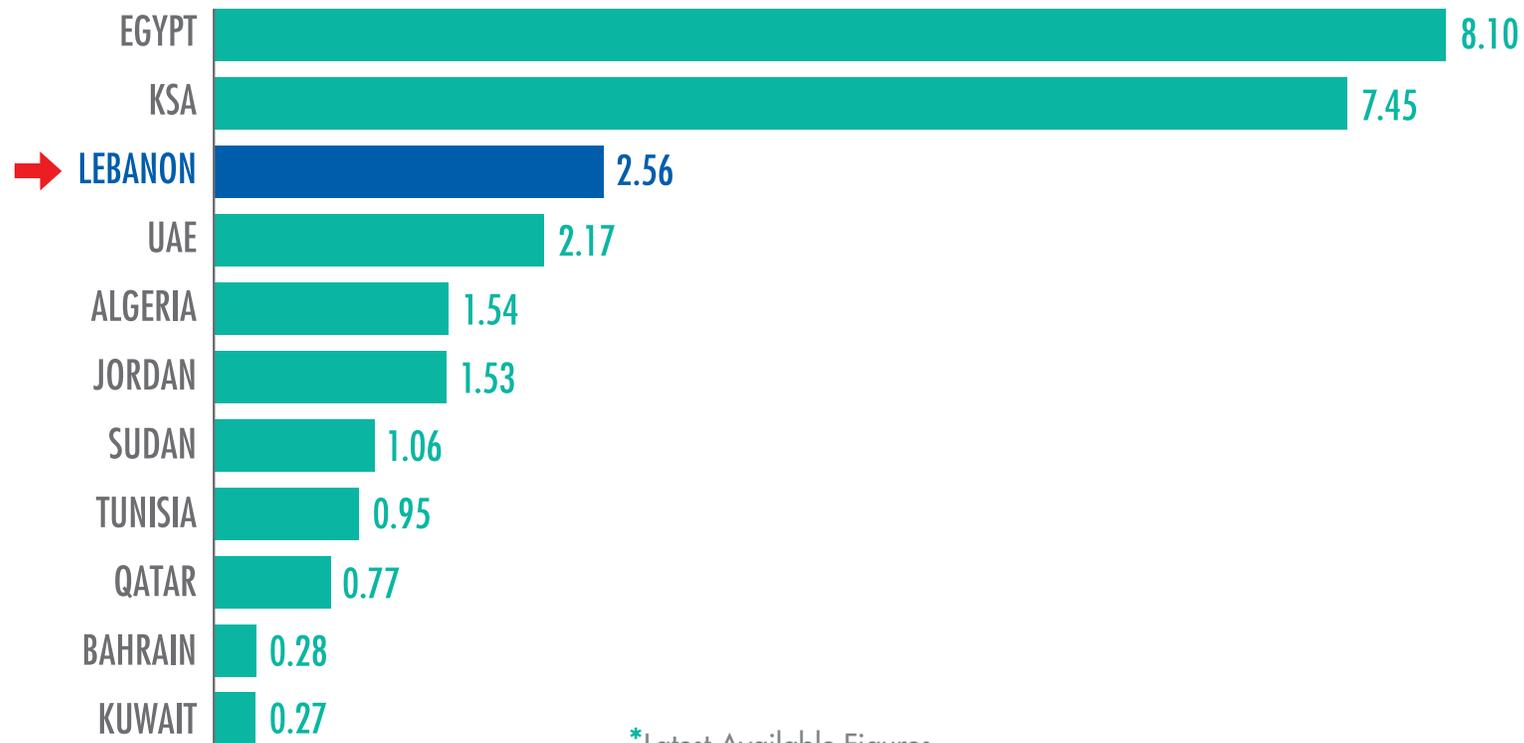
FOREIGN INVESTMENTS TO LEBANON HAVE SUSTAINED THEIR POSITIVE FLOW DESPITE A REGIONAL & WORLDWIDE DECLINE IN FDI



*Latest Available Figures
Source: UNCTAD - World Investment Report 2017

FDI TO LEBANON REMAIN AMONGST THE HIGHEST IN THE REGION EXCLUDING OIL RICH ECONOMIES HIGHLIGHTING THE COUNTRY'S RESILIENCE

FDI INFLOWS TO THE MENA REGION
(USD BILLION | 2016)*

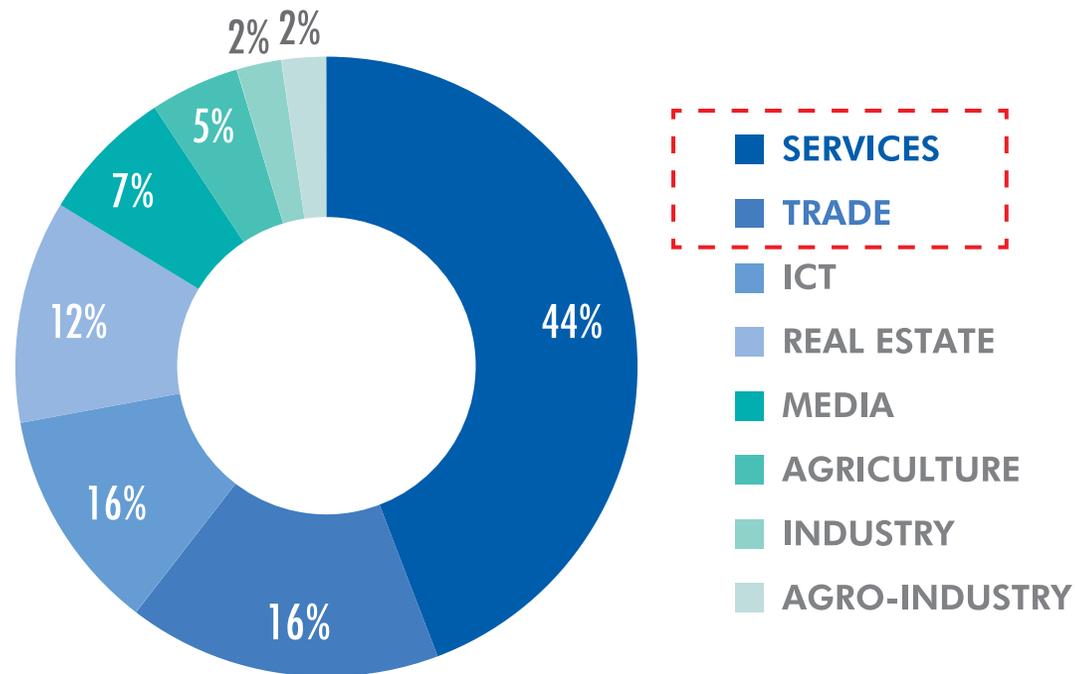


*Latest Available Figures

Source: UNCTAD - World Investment Report 2017

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

DISTRIBUTION OF FOREIGN COMPANIES BY SECTOR
(%) (2017)



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

EXCELLENT ECONOMIC FUNDAMENTALS: LEBANON HAS THE SOUNDEST BANKING SYSTEM IN THE REGION...

► Soundness of banks ranking assesses the **stability & efficiency** of the financial market.



Note: Standing among 137 countries

Low ranking: banks may require recapitalization;

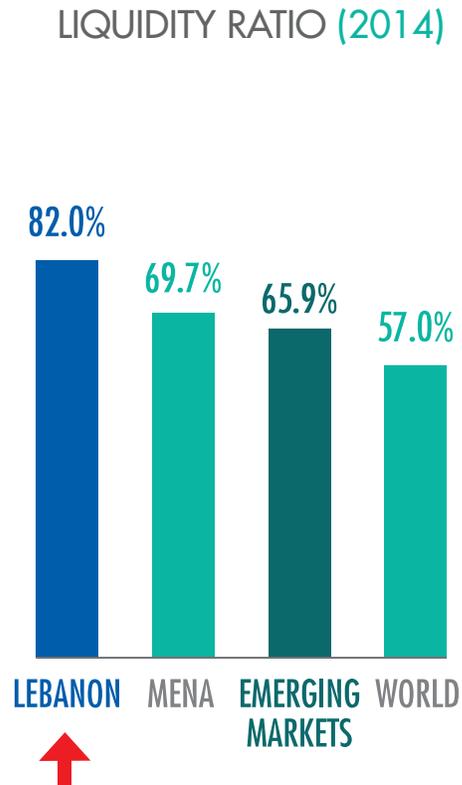
High Ranking: banks are generally healthy with sound balance sheets

Source: World Competitiveness Report 2017-2018

...WITH HIGH LIQUIDITY RATIO AND ROBUST BANKS' ASSETS

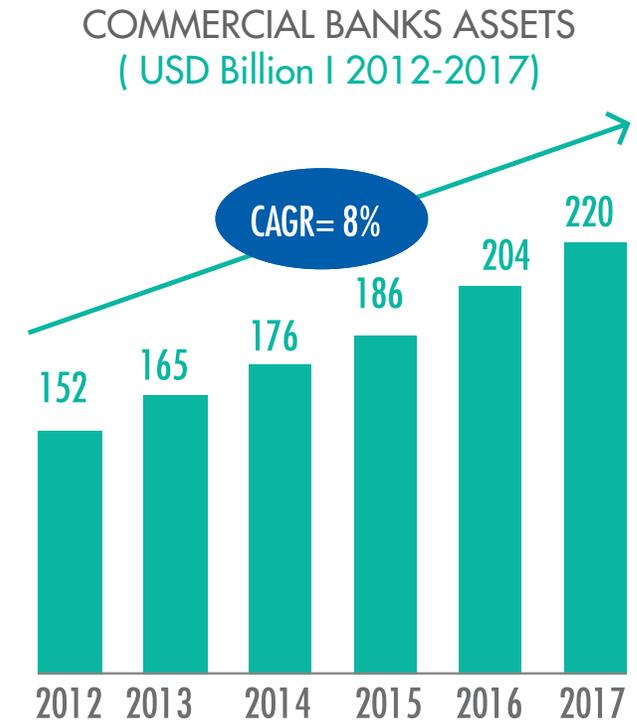
► Lebanese banking sector maintained a strong liquidity levels with a **liquidity ratio equal to 82%**, among the highest regionally and globally.

► Banking sector's consolidated assets: **USD 220 billion in 2017**, or **363% of country's GDP**



Source: IMF

Note: Liquidity ratio refers to highly liquid assets held by a bank to meet its short-term obligations



Source: Central Bank

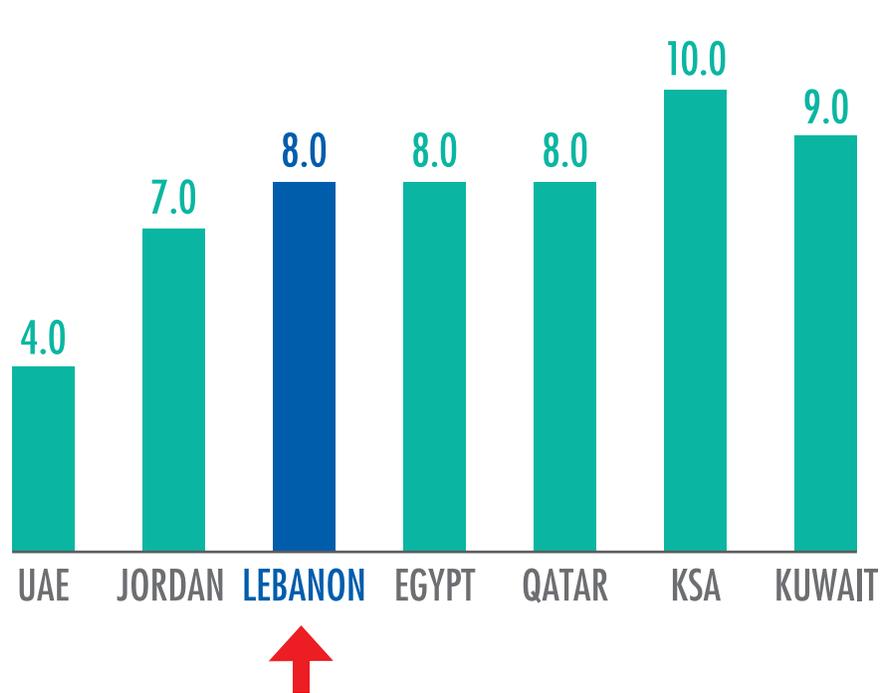
LEBANON OFFERS AN OVERALL TAX ADVANTAGE FOR FIRMS TO EXPAND WITH A COMPETITIVE CORPORATE TAX RATE



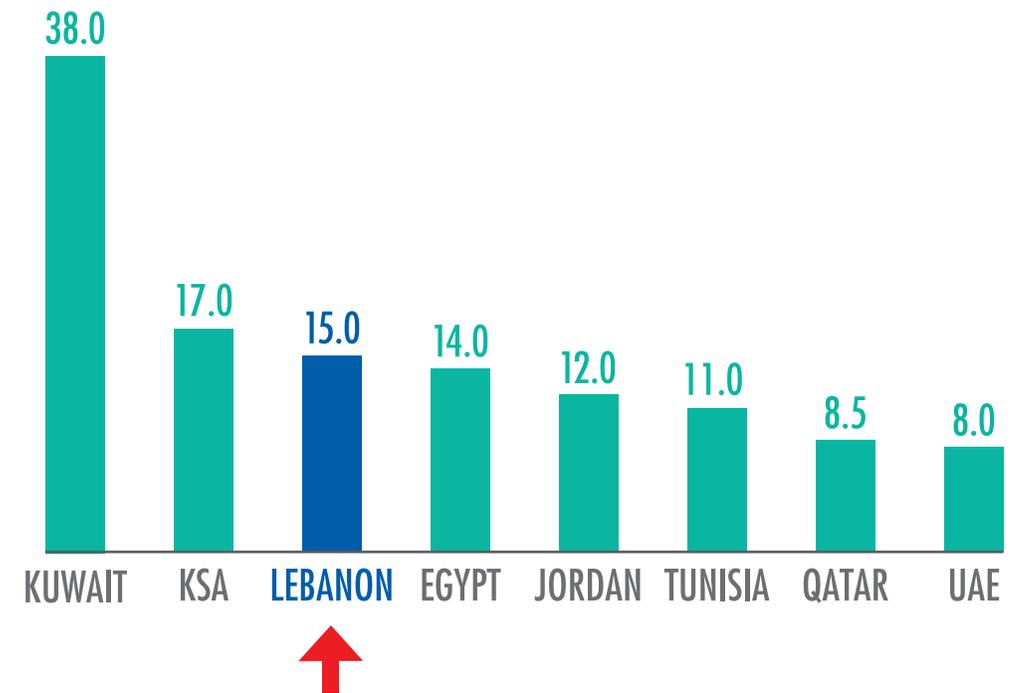
Source: Country's Investment Promotion Agencies

ESTABLISHING A BUSINESS IN LEBANON INVOLVES RELATIVELY FEW STEPS AND TIME

NUMBER OF PROCEDURES TO START A BUSINESS
(2018)



NUMBER OF DAYS TO START A BUSINESS
(2018)

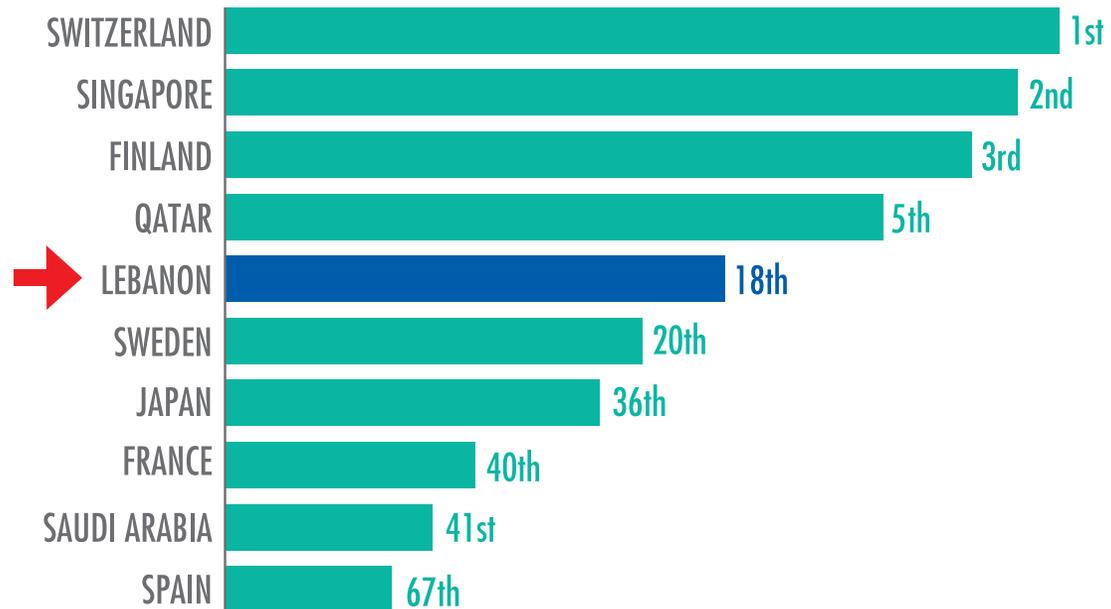


Source: Global Competitiveness Report 2018

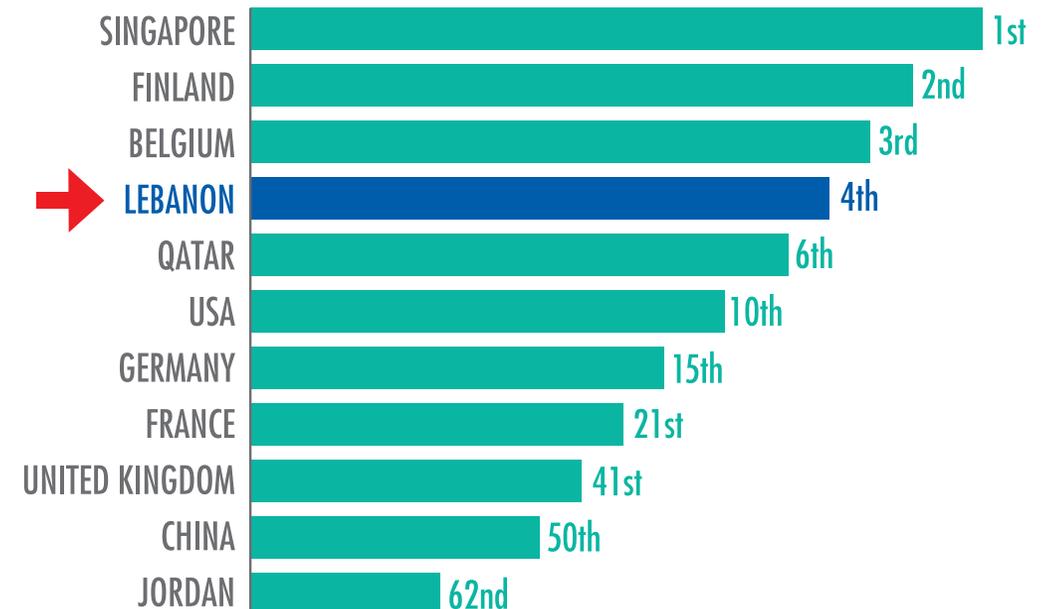
A DYNAMIC WORKFORCE:

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

OVERALL QUALITY OF EDUCATION SYSTEM
(2017)



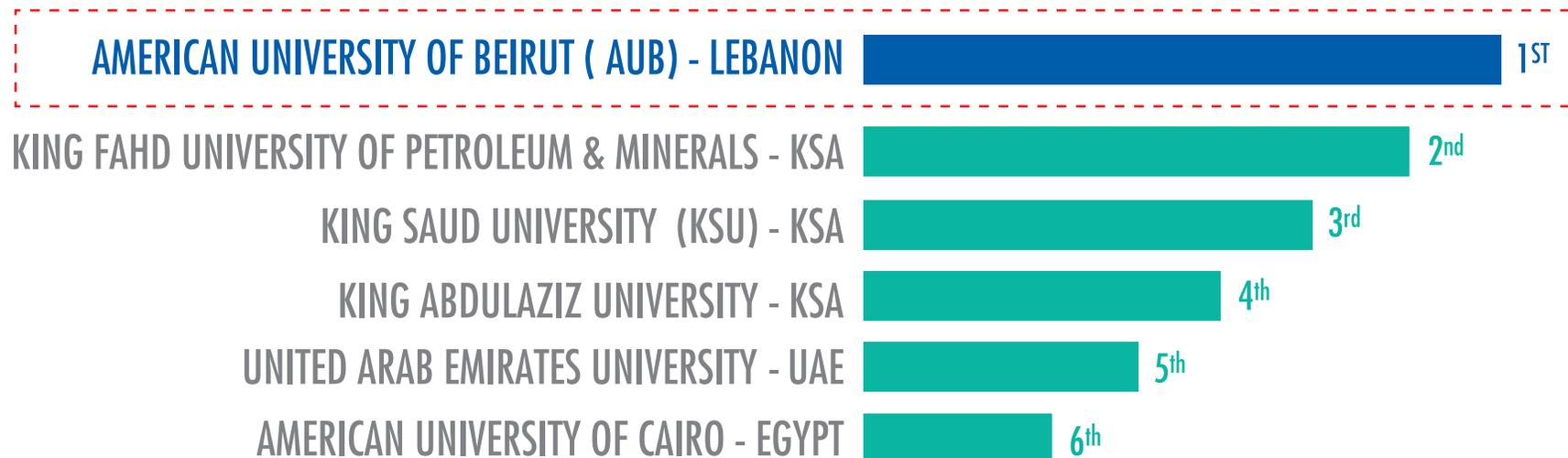
QUALITY OF MATH & SCIENCE EDUCATION
(2017)



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

... AND ONE OF THE TOP EDUCATION INSTITUTES IN THE MIDDLE EAST

TOP 6 UNIVERSITIES IN THE MIDDLE EAST (2017)



Source: Quacquarelli Symonds University Rankings 2017

IT HAS THE HIGHEST RATES OF BOTH NASCENT ENTREPRENEURS AND NEW FIRM ENTREPRENEURS IN THE MENA

GLOBAL RANKING OF SELECTED COUNTRIES FOR RATE OF NASCENT ENTREPRENEURS* (2016)



GLOBAL RANKING OF SELECTED COUNTRIES FOR RATE OF NEW FIRM ENTREPRENEURS** (2016)



Source: GEM Global Report 2016

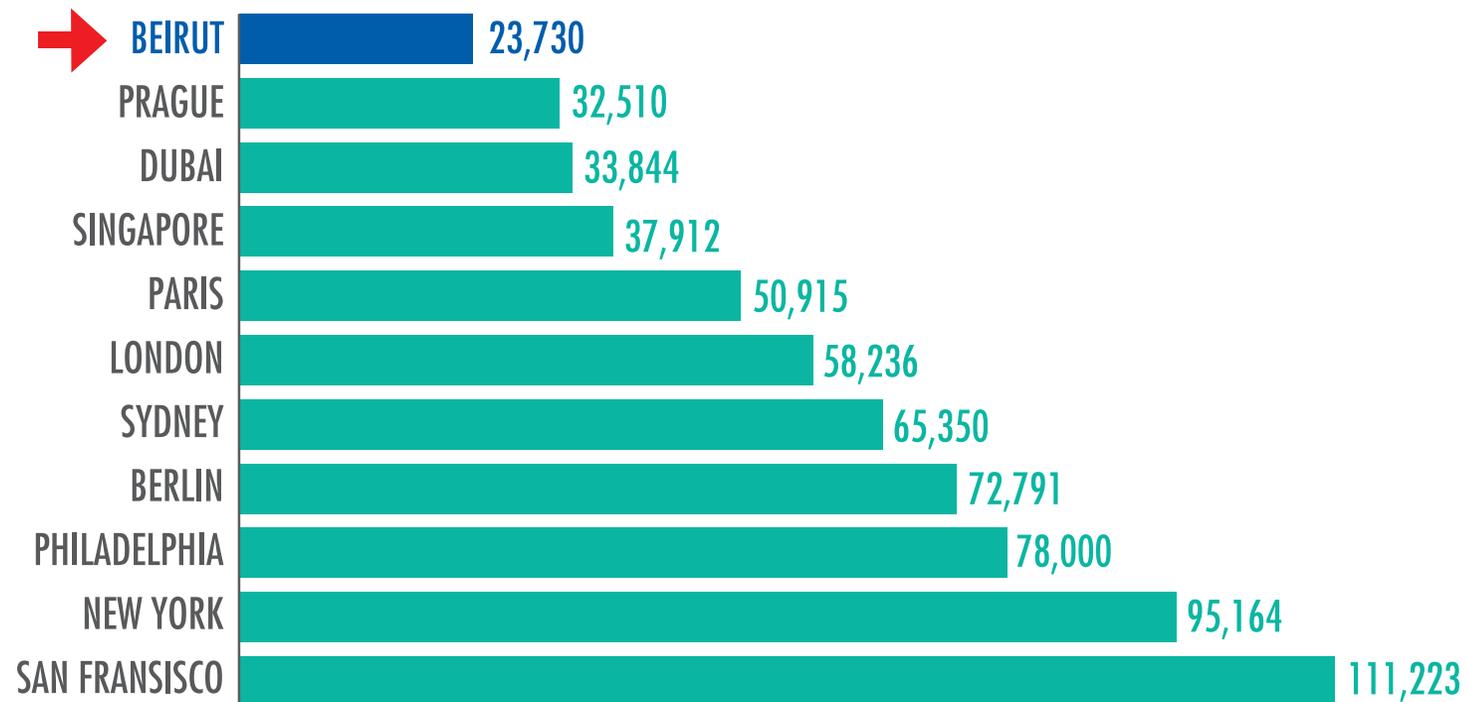
Note: Study based on 62 countries from all regions

*Nascent entrepreneurs are those who have committed resources to starting a business, but have not yet paid wages or salaries for more than three months.

**New firm entrepreneurs have paid wages/salaries for more than 3 months but less than 3 and a half years

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

AVERAGE ANNUAL WAGES OF A SOFTWARE ENGINEER IN SELECTED CITIES
(USD'000) (2018)



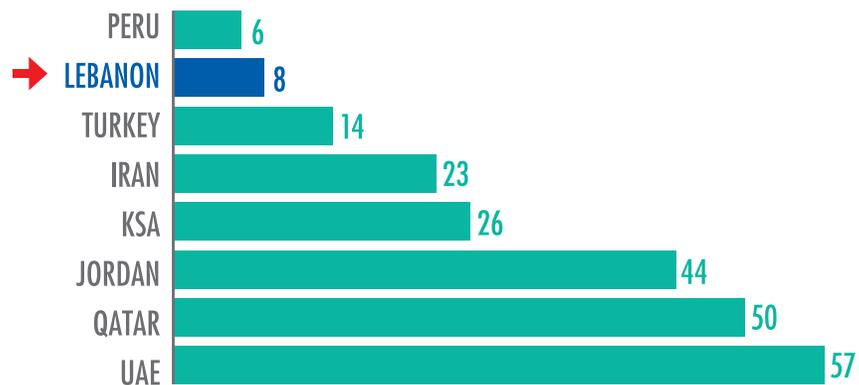
Source: Payscale

LEBANON'S STARTUP SCENE IS BOOMING...

▶ In 2016, Lebanon was ranked **8th worldwide** on the Global Ranking for Total Early Stage Entrepreneurial Activity

▶ In 2016, Lebanon ranked **1st worldwide for its Entrepreneurship Impact on Innovation**

TOTAL EARLY STAGE ENTREPRENEURIAL ACTIVITY
(2016-2017)



Source: GEM Global Report 2016/2017

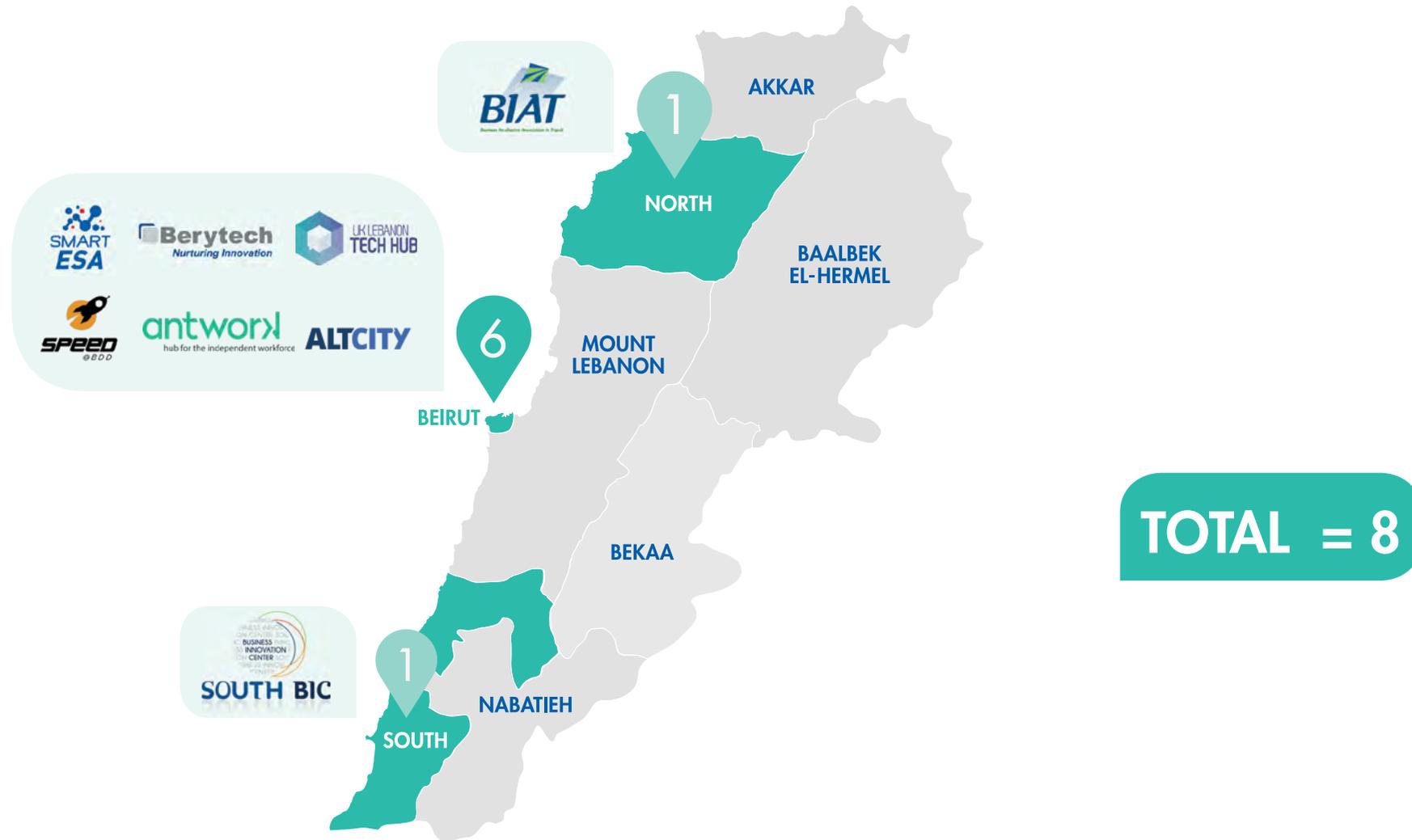
▶ FINANCIAL SUPPORT:

- ▶ 7 venture capital firms have operations in Lebanon
- ▶ Central Bank Circular 331 provides an amount of up to USD 400 million for Lebanese Bank's equity investment into startups, incubators, accelerators and funds operating in Lebanon

▶ ECOSYSTEM:

- ▶ 8 incubators and accelerators that provide training, technical & financial assistance to new and existing businesses across Lebanon

...AND MANY WORKING SPACES SPANNING ACROSS THE COUNTRY TO ACCOMMODATE LEBANESE YOUTH



LEBANON IS AMONGST THE MOST HOSPITABLE MENA DESTINATION FOR BUSINESS & LEISURE

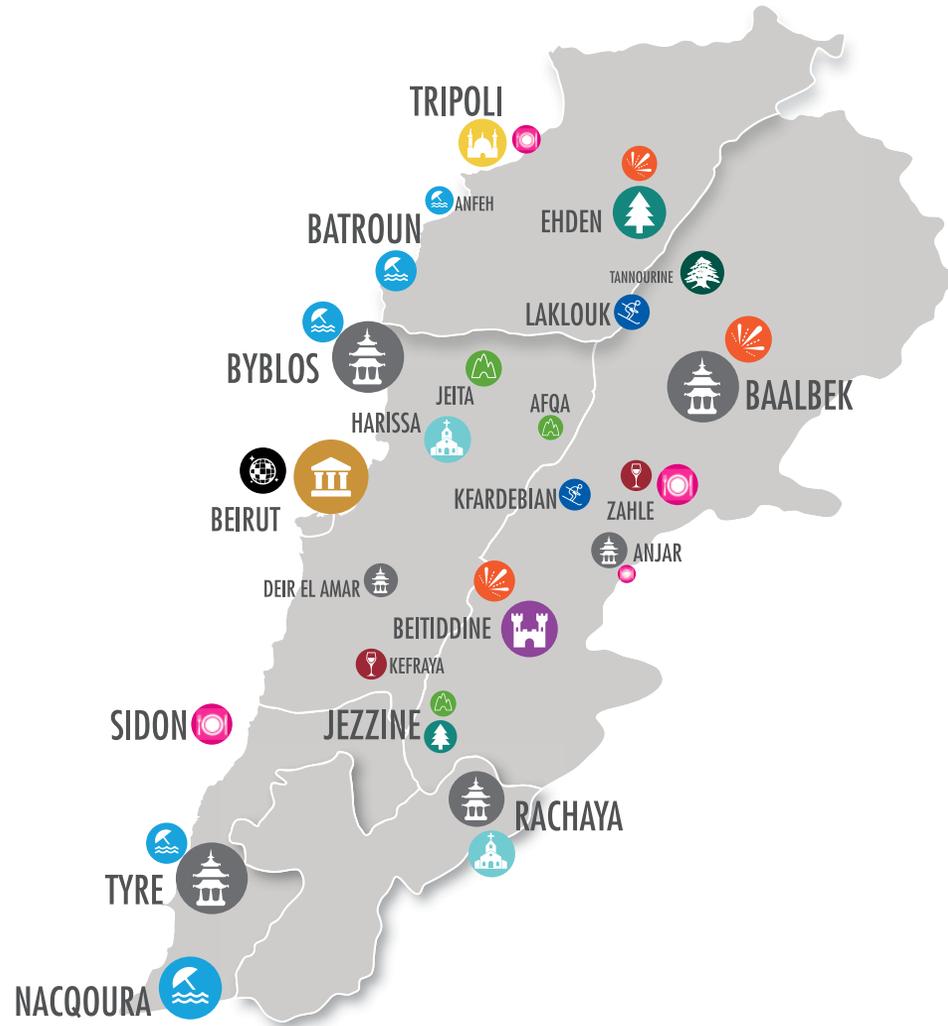
- ▶ **A unique landscape:** Lebanon is endowed with a unique landscape and a natural heritage and a mild climate that distinguish it from all the neighboring countries.
- ▶ **Leisure attractions:** Lebanon has been cited by the CNN and the New York Times as the number 1 city in the world for its unique beaches and resorts, and Beirut's vibrant nightlife.
- ▶ **Availability of natural resources** as an excellent coastline, a wide range of natural attractions, unique historical and archeological sites and a suitable climate.



- ▶ In 2016, Beirut ranked **1st International city for food**
- ▶ In 2016, **Jbeil** was crowned Arab Tourism Capital
- ▶ In 2013, Beirut made it as **one of the Best Top 25 Cities in the World.**
- ▶ In 2009, New York Times recommended Beirut as the **1st place to visit in 2009** among 44 places worldwide.
- ▶ 5 Sites Inscribed On The World Heritage List:
 - ▶ **ANJAR**
 - ▶ **BAALBEK**
 - ▶ **BYBLOS**
 - ▶ **OUADI QADISHA**
 - ▶ **THE FOREST OF THE CEDARS OF GOD**
 - ▶ **TYRE**

...AND OFFERS ENDLESS OPPORTUNITIES OF FUN, BEACH, CULTURAL & OUTDOOR ACTIVITIES

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



CONTACT US

INVESTMENT DEVELOPMENT
AUTHORITY OF LEBANON



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