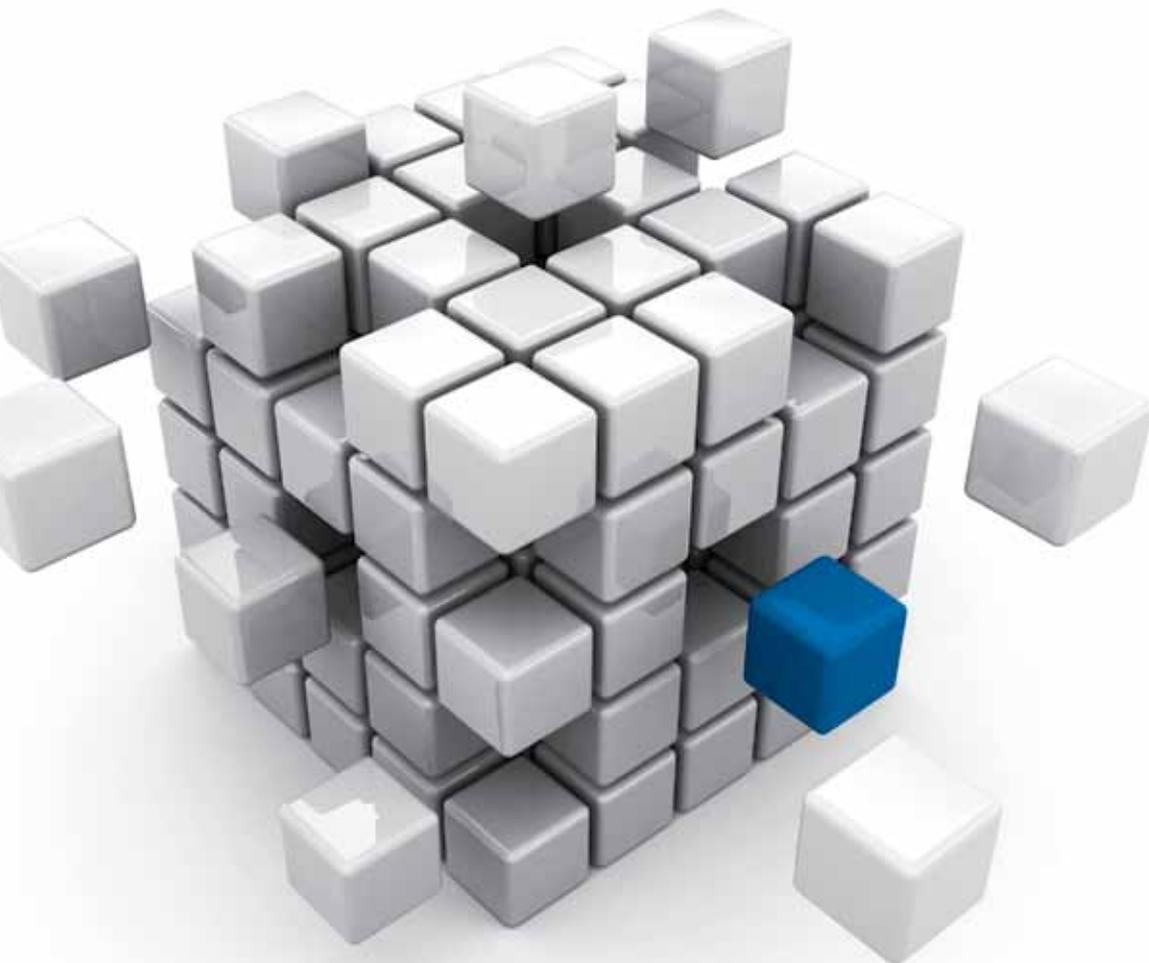


**IDAL**

ANNUAL REPORT 2011

THE INVESTMENT DEVELOPMENT  
AUTHORITY OF LEBANON

**PRESIDENCY OF THE COUNCIL OF MINISTERS**





# MESSAGE FROM THE CHAIRMAN



‘Our aim for 2012 is to increase investments to sectors with high value-add where Lebanon has a competitive edge in, in addition to broadening the range of services provided to our investors to improve their investment experience in Lebanon.’

The Lebanese economy has witnessed positive growth levels over the last 2 years, making Lebanon one of the region’s top performers in terms of economic growth. Despite the continuous slowdown in some of the major economies compounded by the political upheals that have impacted the region, Lebanon’s economy was able to generate investment opportunities across various sectors. Along these lines, Lebanon was able to attract 5.4% of the total share of FDI inflows to the region due to a series of comparative advantages. IDAL in particular, managed to increase the amount of investments it mediated from previous year’s level, supported by incentives provided by Investment Law No.360.

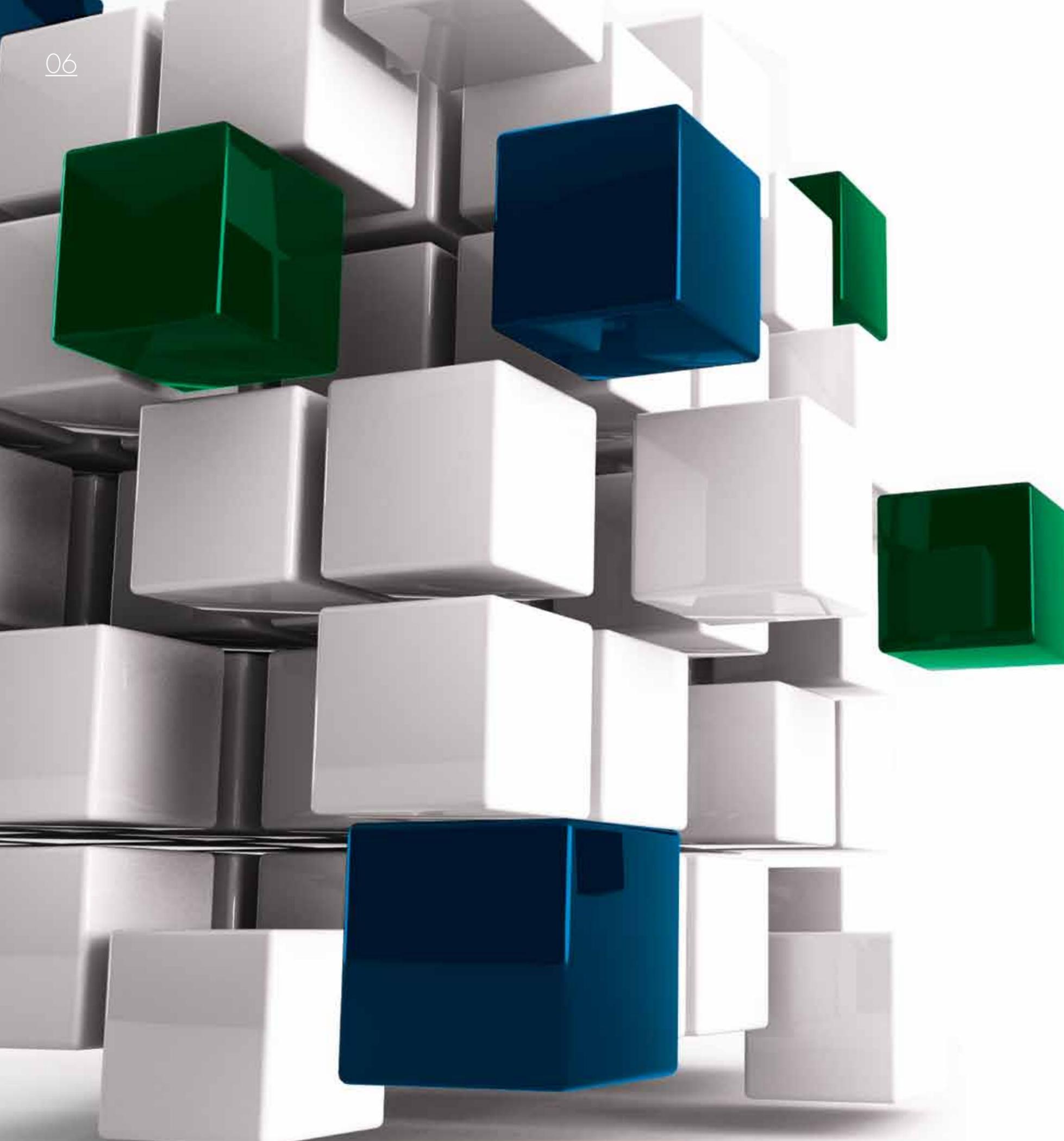
This resilience is attributed to the fact that Lebanon has the right fundamentals to continue attracting investments mainly through a favorable macro-economic environment, low interest rates and a well-diversified economy. Building on the reform agenda which started in 2011, specifically those related to IDAL, our aim for 2012 is to increase investments to sectors with high value-add where Lebanon has a competitive edge in, in addition to broadening the range of services provided to our investors to improve their investment experience in Lebanon. Ultimately we would like to turn IDAL into the “go to entity” for all kind of information needed by investors to undertake their business decisions.

This annual report will highlight IDAL’s achievements in promoting and facilitating investments to Lebanon and promoting the export of specific industries. More specifically, this report will tackle the policies and reforms that were put in place throughout 2011 to promote investments, provide an overview on the type of investment projects mediated by IDAL and their impact on selected socio-economic indicators, in addition to providing an overview of selected economic sectors with investment potential. The report will also introduce a new program put in place by IDAL to support the export of agricultural products.

**Nabil Itani**  
Chairman, General Manager

# TABLE OF CONTENTS

<u>I. INTRODUCTION</u>	<u>07</u>
<u>II. LEBANON IN THE INTERNATIONAL CONTEXT</u>	<u>11</u>
1. ECONOMIC PERFORMANCE IN 2011	
2. FOREIGN INVESTMENT ACHIEVEMENTS IN 2011	
3. MAJOR COMPANIES THAT INVESTED IN LEBANON IN 2011	
4. POLICIES FOR IMPROVING THE BUSINESS ENVIRONMENT	
<u>III. IDAL INVESTMENT ACHIEVEMENTS: 2010-2011</u>	<u>21</u>
1. OVERVIEW OF PROJECTS MEDIATED BY IDAL	
2. JOBS CREATED BY IDAL	
3. GEOGRAPHIC DISTRIBUTION OF PROJECTS	
4. TYPES OF INVESTMENT PROJECTS MEDIATED BY IDAL	
5. PROFILE OF INVESTORS	
6. INCENTIVE SCHEMES FAVORED BY INVESTORS	
7. POTENTIAL INVESTMENT PROJECTS MEDIATED BY IDAL	
<u>IV. A SECTOR HIGHLIGHT: ICT</u>	<u>33</u>
1. TECHNOLOGY SECTOR: SEMI-CONDUCTOR & ELECTRONICS SUB-SECTORS	
2. TELECOMMUNICATION SECTOR	
<u>V. EXPORT PROMOTION PROGRAMS</u>	<u>41</u>
1. PROMOTION OF THE AGRICULTURE SECTOR - "AGRI PLUS" PROGRAM	
2. PROMOTION OF THE AGRO FOOD SECTOR	
<u>VI. COOPERATION FOR SUCCESS</u>	<u>45</u>
<u>VII. REACHING OUT TO INSTITUTIONS &amp; INVESTORS</u>	<u>49</u>
<u>VIII. LOOKING FORWARD</u>	<u>55</u>



**I. INTRODUCTION**



## 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 President 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 an investment promotion agency, IDAL is entrusted with the active promotion and marketing of Lebanese exports including agricultural and agro-industrial products.

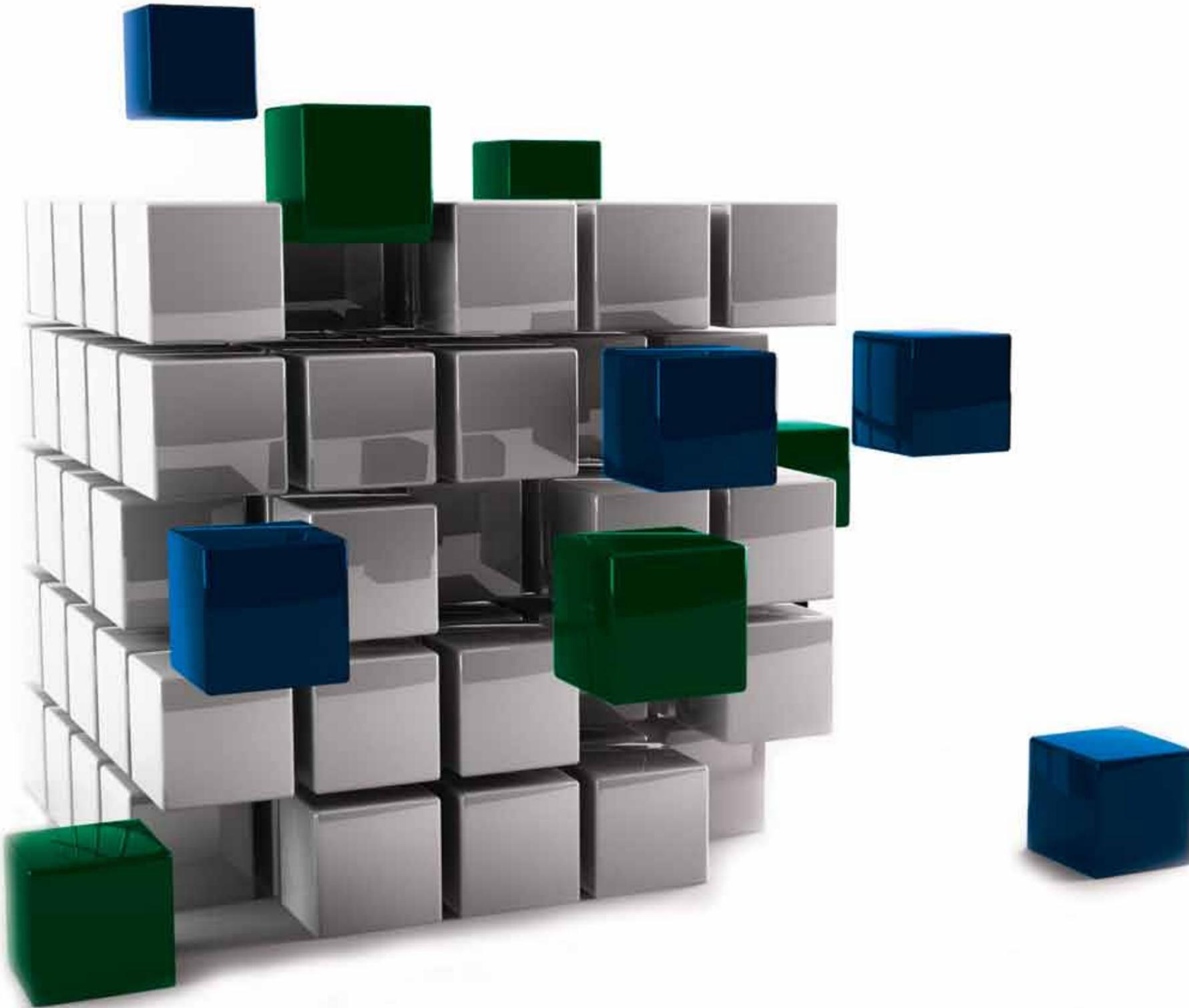
## IDENTIFIED TARGET SECTORS

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 Technology, Telecommunication, Technology, and Media.

## 2011 AIMS AND OBJECTIVES

The financial year 2011 was the first year of a 3-year strategic plan. For that period IDAL's aims and objectives were to:

- Develop a national investment strategy in line with the Ministerial Declaration.
- Provide world-class and efficient services to facilitate the set-up and operations of existing and potential investors.
- Improve the image of Lebanon as a key investment destination and continue promoting the services provided by IDAL.
- Pro-actively promote Lebanon to geographically and industrially targeted international and national investors.
- Actively influence the quality of the investment environment.
- Ensure the provision of accurate, consistent, timely and accessible economic, financial, commercial and legal information of relevance to investors and management for decision and policy-making.



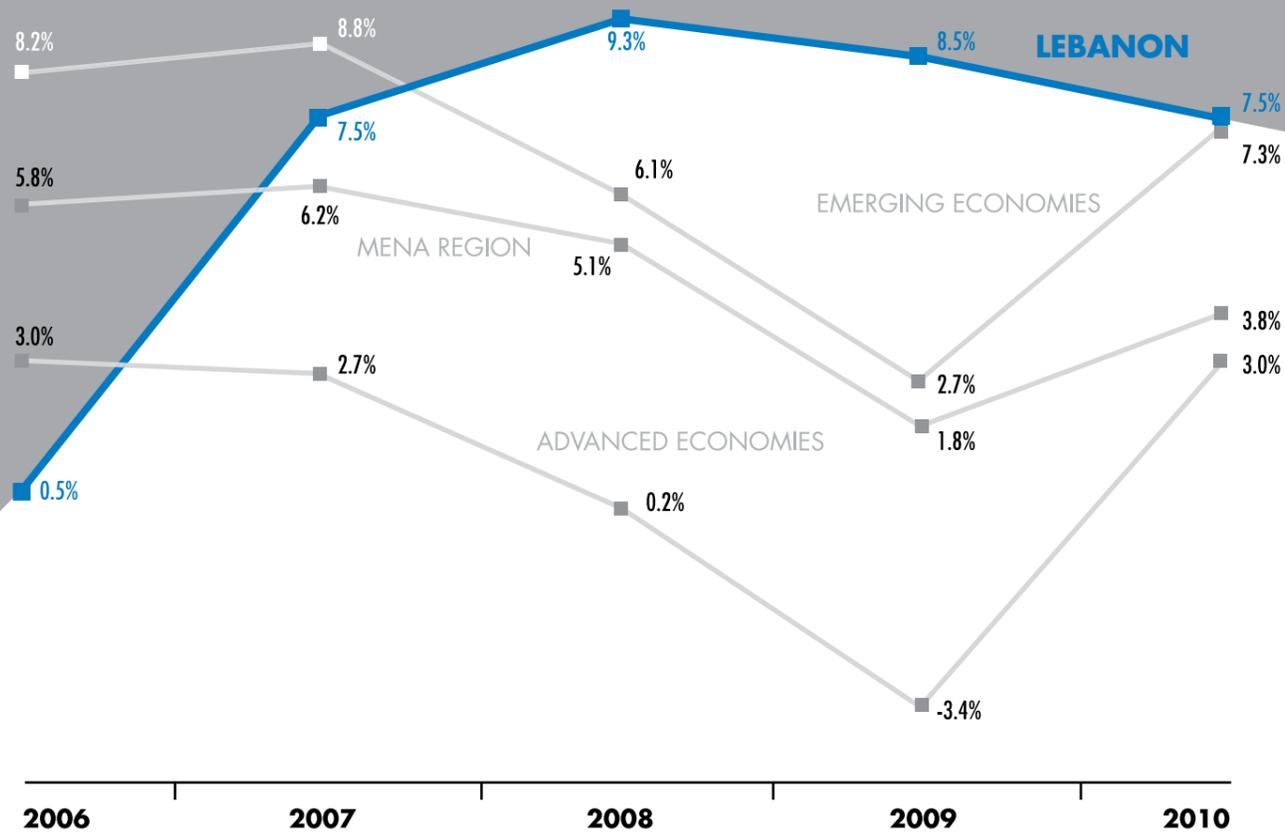
II. LEBANON IN  
THE INTERNATIONAL  
CONTEXT

1. ECONOMIC PERFORMANCE IN 2011

The Lebanese economy witnessed a positive and sustainable growth over the period spanning from 2008 to 2010, with GDP growth rate registering a figure of 9.3% in 2008, 8% in 2009, and a 7.5% growth figure in 2010. The economic and financial performance of Lebanon was notable in the face of the worldwide financial and regional political crises (FIGURE 1).

Its resilient banking system and prudent macroeconomic policies have provided the right tools to weather the consequences of the external crisis. The prospects for 2011 were bleaker due to the repercussions of the regional up-heals on demand and inflow of capital. In fact, the International Monetary Fund (IMF) revised its growth forecast for Lebanon at 1.5% in 2011.

FIGURE 1: REAL GDP GROWTH RATES (2006 - 2010)

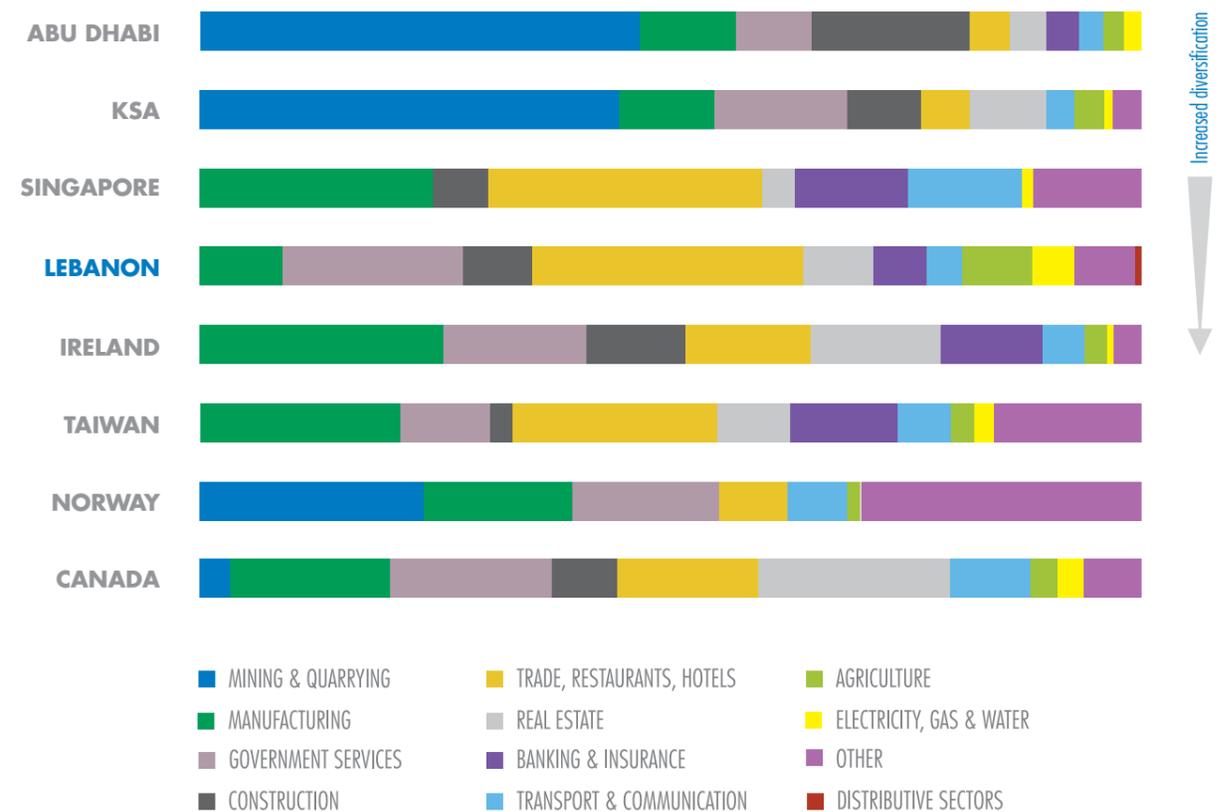


Source: International Monetary Fund, World Economic Outlook Database, April 2010

This slowdown was however not reflected on the level of economic activity, with bank loans to the private sector continuing their positive sustained trend, albeit at a slower rate. Latest figures by the Banking Association show that bank loans to the private sector reached USD 39.375 billion as of end of December 2011, a 14% increase from 2010 levels.

The Lebanese economy is expected however to pick up on its growth path as it has key success drivers and the fundamentals for a highly diversified economy (FIGURE 2) to weather external crises.

FIGURE 2: ECONOMIC DIVERSIFICATION OF LEBANON VS. OTHER SELECTED ECONOMIES – GDP BREAKDOWN



Source: Saudi Arabia Central Department of Statistics; Statistics Singapore; Ireland CSO; Statistics Norway; Statistics Canada; Taiwan DGBAS; Abu Dhabi Statistical Yearbook; IMF World Economic Outlook 2010; Boaz & Co.

2. FOREIGN INVESTMENT ACHIEVEMENTS IN 2011

Foreign direct investments to Lebanon have been on the rise since 2007, and have registered a compounded annual growth rate (CAGR) of 16% over the last 4 years, reaching USD 4.95 billion in 2010, according to World Bank figures.

Recent estimates, however, have pointed to a drop in FDI levels to USD 3.9 billion in 2011. Undoubtedly, these projections are largely affected by the wave of Arab upheavals which have had a significant impact on the region's economic stability and attractiveness since the beginning of 2011 (FIGURE 3). Other agencies such as the Arab Investment and Export Credit Guarantee Corporation (AIECGC) and the United Nations Conference on Trade & Development (UNCTAD) have estimated FDI levels for 2011 to stand at USD 3 billion. This resulted in Lebanon ranking fifth compared to its regional competitors, in terms of expected FDI inflow to the region for 2011, behind Qatar, Egypt, Saudi Arabia, and Iraq (oil-rich economies), down by one position from the year before (FIGURE 4).

The leading sectors for foreign investments in 2011 were still **the Services and Trade sectors** which attracted the majority of total FDI inflows, specifically within the Financial Services and Consulting sub-sectors, Transport & Logistics and Trade of industrial products, with branches of foreign companies opening in Lebanon to either serve the local or regional market.

Foreign inflows to the real estate sector have dropped compared to 2010 levels as a result of a reduction in liquidity in Arab markets, with Arab investors considered

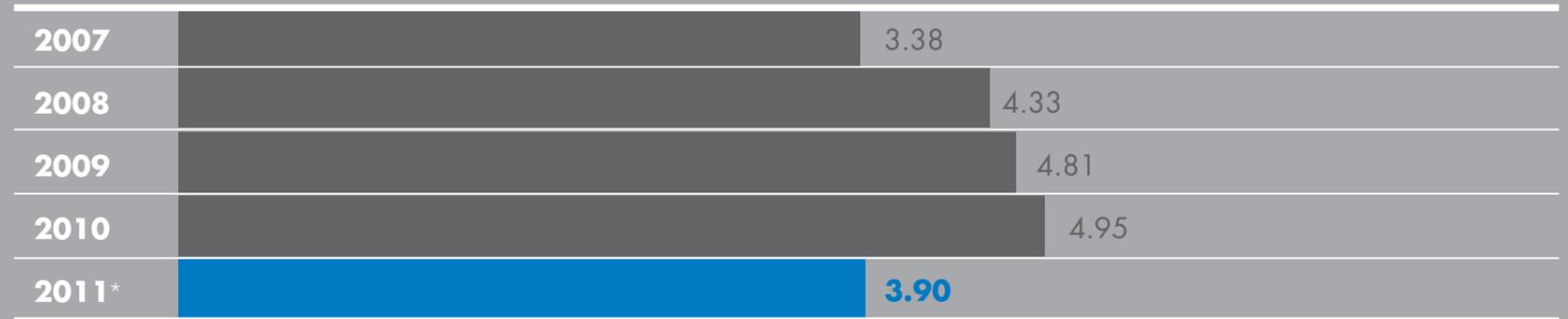
the prime investors in the Lebanese real estate market. Few investments were noted in the IT, Telecommunication and Energy sectors.<sup>1</sup>

The United Arab Emirates (UAE) continues to be the main source of FDI to Lebanon, accounting for 30.8% of total FDI inflows. It would be interesting to note that the UAE, together with Kuwait (7.7%) have a share that is almost equal to European countries, namely France (23.1%) and Germany (15.4%), with around a 40% share each, representing together almost 80% of total FDI inflows in 2011, and reflecting a growing interest of non-Arab economies in Lebanon.

Lebanon's share of **total FDI inflow into the MENA region stood at 5.4%, compared to 7.7% last year.** Around **USD 64 billion** were invested in the Middle East and North Africa (MENA) region in 2011.

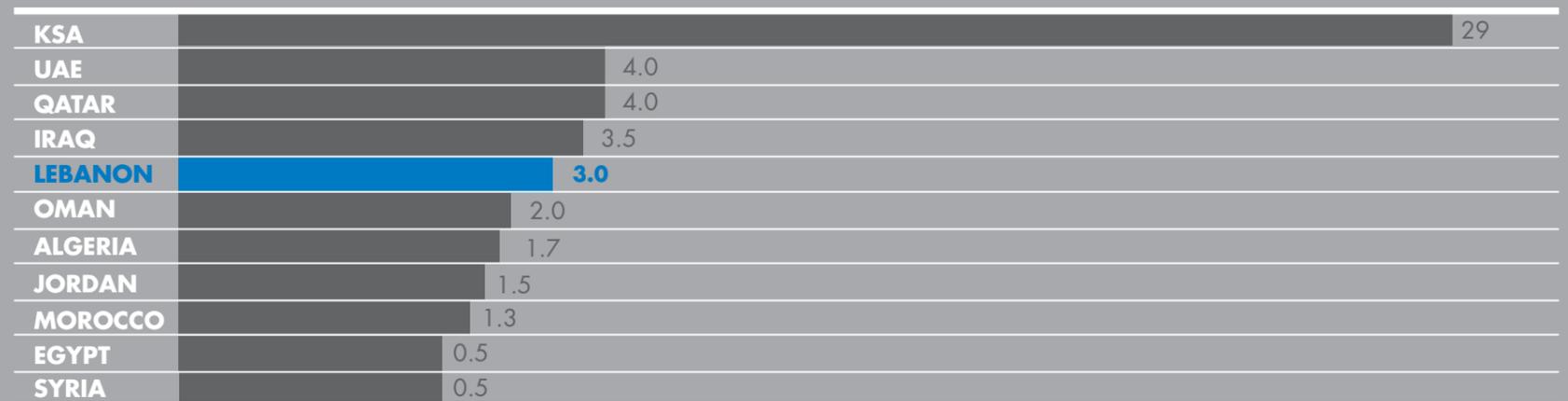
<sup>1</sup> Data on foreign companies in Lebanon were compiled through various sources, including the Financial Times, Business Monitor International, Ministry of Economy and Trade, Trade Register at Ministry of Justice, in addition to other sources. To date, there are no official figures for the breakdown of FDI by sectors, although IDAL is currently in the process of leading the exercise of computing national FDI by sector.

**FIGURE 3:**  
FOREIGN INVESTMENTS  
TO LEBANON (2007-2011)  
BILLIONS OF USD  
  
**Source:** WORLD BANK



\* Estimation

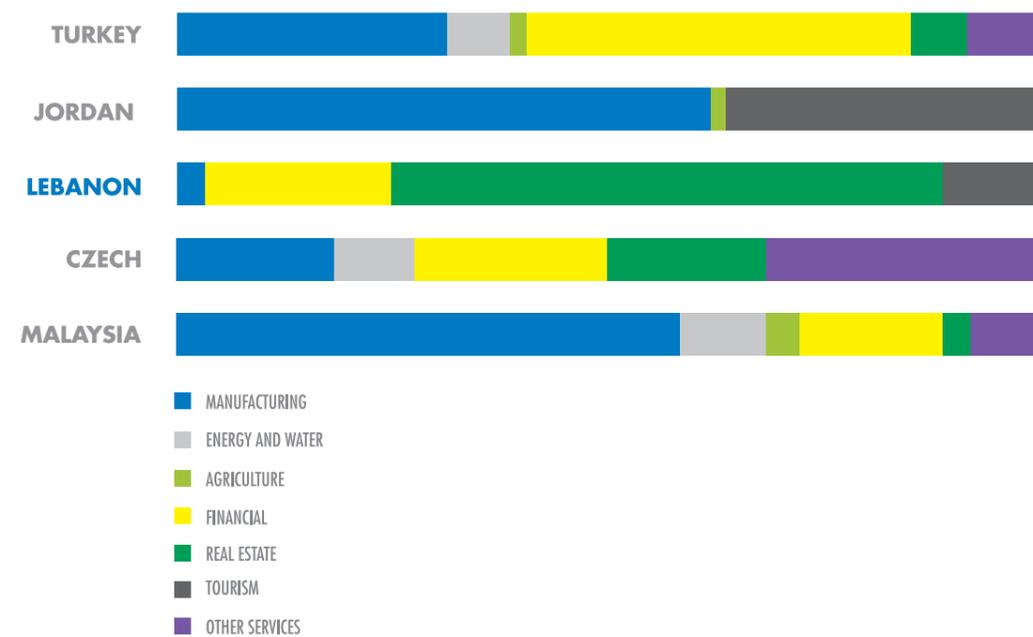
**FIGURE 4:**  
FDI INFLOWS TO  
MENA REGION (2011E)  
BILLIONS OF USD  
  
**Source:** UNCTAD



Despite this high stock of investments, foreign investments in Lebanon do not have a high diversification ratio. **More than 70% of FDI are concentrated in the Services, Trade and Real estate sectors.** To achieve diversification rates similar to other emerging economies (FIGURE 5), some adjustments need to take place that will require national consensus and policies to channel investments to sectors with higher value add.

Amendments that IDAL is currently introducing to its Investment Law No. 360 are geared towards these objectives and target sectors that Lebanon has a competitive edge in (such as Healthcare tourism, IT, Technology, etc..).

**FIGURE 5:** FDI SECTORIAL BREAKDOWN FOR FIVE COUNTRIES (2009)



**Source:** ESCWA, ISPAT Turkey, Czech National Bank, Malaysian Department of Statistics

### 3. MAJOR COMPANIES THAT INVESTED IN LEBANON IN 2011

Many foreign companies selected Lebanon in 2011 to provide services to the local or regional markets. The majority of these companies were in the services and trade sectors. Below is a list of some of the companies:

#### Acer / Packard Bell

The PC manufacturer entered the Lebanese market via a partnership agreement between its subsidiary Packard Bell and the local company Distinet.

#### Qatar Petrochemical Company (QAPCO)

The 80%-20% joint venture between the Qatari group and French Total opened a plant in Tripoli Free Zone to supply ethane gas and NLG to Lebanon and Libya.

#### McLaren

The sports car company teamed up with local agent Saad & Trad to become its local service partner and clients' assistance provider.

#### Microsoft / MSN Arabia

The group's Arabic web portal announced plans to sign a strategic partnership with lebaneserealestate.com to support the local real estate market.

#### Qatar National Bank (QNB)

Announced the opening of a full service branch in Lebanon, which will be based in Beirut.

#### Shift Technologies

A UAE-based business and IT consulting firm and member of AW Rostamani Group announced the opening of its new office in Lebanon that would provide support for Shift Technologies' expansion plans in the Levant, Turkey, and North Africa while acting as the internal resource development centre for the company.

#### Zurich Financial Services

The Swiss-based firm took control of Compagnie Libanaise d'Assurances to accelerate its expansion into the Middle East and Gulf markets.

#### Standard Capital

Panama-based insurance company Barents Re is to establish an office in Lebanon. The new facility will target the Middle Eastern market due to its economic growth and growing banking and credit card sectors.

#### Servcorp

The Australian provider of serviced and virtual office solutions opened its first business center in Beirut.

#### Zain (MTC)

The telecommunications group subsidiary opened 15 new outlets in Lebanon to expand its service portfolio.

#### Gulf Marine Services

UAE's Gulf Marine Services (GMS) invested in the Non-Automotive Transport sector in a sales, marketing & support project.

#### Deutsche Post

DHL Express, part of Germany-based Deutsche Post, has expanded its logistics center at the Rafik Hariri International Airport in Beirut, doubling its size to 6000 square meters and serving both air and road shipment markets. It is part of a USD 4.2 million investment into the country.

#### 4. POLICIES FOR IMPROVING THE INVESTMENT ENVIRONMENT

##### Amending Investment Law No.360

Since the ratification of Investment Law No.360 in 2001 and its corresponding implementing decrees, IDAL was able to oversee the implementation of 43 projects, mobilizing USD 1.6 billion worth of investments, and directly contributing to the creation of more than 6,000 jobs across the various economic sectors and regions of Lebanon, with an estimated 11,127 indirect jobs created through the various linkages that exist in the economic sectors' value chains.

Ten years down the line, with the technological advances taking place globally, affecting the attractiveness and competitiveness of sectors, coupled with the presence of institutional and legal obstacles to investments, the Executive government, represented by IDAL, has gone forth with re-assessing the policies in place to attract investments. This decision stems out of the need to be compatible with today's global economic trends and challenges. In fact, regional competition for investments has increased dramatically over the last couple of years, with economic zones spurring across the region, offering very attractive exemptions (administrative, financial, etc...) for foreign companies. Capturing a share of these investments amidst the regional and international slowdown and sluggish growth has been a priority for national governments.

A Ministerial Committee was formed to look into the existing Law's impact in attracting investments and its contribution to regional development.

As a first step, the two decrees related to the investment incentives granted to companies that meet certain criteria were put forth for revision. Amendments were suggested to the following:

- The criteria upon which projects are granted incentives were revised. A scheme for small and medium scale projects was catered for to ensure that projects with a moderate investment size can benefit from the various exemptions, in addition to a scheme for large scale projects aimed at multinationals or at projects which have a high impact on employment

- The parameters used to assess a project fit for incentives were also revised. Ensuring quality of products and conformity with international standards of competition were considered a priority

- The current zoning system used to determine the level of incentives based on a region's socio-economic challenges was revised to favour regions with higher unemployment rates

Moreover, the Committee is looking into an implementing decree to put into force the role of IDAL in issuing permits and licenses for projects that benefit from its incentives, thus contributing to improving "doing business" procedures.

Approval of the above amendments is yet to take place in 2012.

##### Other Reforms

In parallel, other government entities have also gone forth with putting in place policies to improve the business environment for investment.

The Presidency of the Council of Ministers has made important strides in implementing selected components of the IFC "Doing Business" reform plan directed at streamlining the procedures needed to open and operate a business in Lebanon.

The components currently being tackled include (1) amendments of the Lebanese Code of Commerce and its related laws important to regulate commercial activity in Lebanon, (2) the modernization of the legal framework for secured lending transactions to increase lending activities of SMEs, (3) restructuring of the insolvency regime, which is essential for local companies but even more so for foreign companies in Lebanon and (4) automating the Commercial Registry (CR). The latter component was initiated with the launch of a pilot project that would enable the automation of a portion of the records at the CR.

In parallel, the Ministry of Telecommunication has launched the 3G network that would greatly improve connectivity across all Lebanon and solve one of the key enablers of the business environment.

Other efforts have been noted by OMSAR, the Office for State and Administrative Reforms, including the pilot of One Stop Shop facilities within selected ministries to speed up the issuance of the respective licenses and permits.

These facilities are expected to be rolled out starting 2012 within selected ministries.

The Ministry of Industry is currently working on several proposals that would improve the competitiveness of industrial companies. A draft law was brought forward by the Ministry that would allow industrial companies involved in Research and Development activities (R&D) to deduct all expenditures related to this activity from the taxable income. This initiative would contribute to increasing R&D activities; fostering innovation and increasing competitiveness of Lebanese companies.





### 1. OVERVIEW OF PROJECTS MEDIATED BY IDAL

The Investment Development Authority of Lebanon (IDAL) has played an important role in channelling investments to Lebanon by providing investors with a set of financial, labour, and administrative incentives to facilitate the set-up and operation of their projects in selected growth generating sectors, mainly: Industry, Agro-Industry, Agriculture, Tourism, Information Technology, Telecommunication, and Media. Projects in these sectors benefit from our incentives provided they meet minimum requirements. On average, it takes around two months for a project to be approved by IDAL's Board and the Council of Ministers/President of the Council of Ministers.<sup>2</sup>

2010 and 2011 were exceptional years for us since they marked a drastic shift in the type of investments usually attracted by IDAL from the traditional Tourism sector, to sectors with higher value-add namely Technology and Industry.

A total of **8 projects**<sup>3</sup> were approved by IDAL's board over the above mentioned period to benefit from IDAL's investment incentives, totalling a combined investment value of **USD 93 million**, or the equivalent of a staggering **83% increase over the 2008-2009 period**.

It is important to note that 4 of these 8 projects applied to IDAL in 2010 but were only processed in 2011 once the Cabinet was in place.

Two of these investment projects fell in the Technology sector<sup>4</sup> (25% of total) (FIGURE 1), specifically in the manufacturing of pharmaceutical products, **2** in the Agro-Industrial sector, **1** in the Industrial sector and more specifically in the Electrical Machinery sub-sector, and **3** projects spanning over Media, Tourism, and ICT. All these projects were approved by the Executive authority (the Council of Minister / President of the Council of Ministers) and have yet to become operational.

**All investments in the Technology sector** were carried by Lebanese pharmaceutical companies which are increasingly using new technologies and innovations in their production processes. These modernization plans highlight the potential of Lebanese companies to increase their competitiveness on the regional and international scale, considering that almost all these companies have an international platform catering to the Arab and Asian markets.

The **Agro Industrial sector** witnessed the entry of 2 new players in the market, including a producer of beverages, soft drinks in particular. The beverage market in Lebanon has vast potential for growth and is far from being saturated, with the number of producers estimated at around 42. A third of those are soft drinks companies, and to date, they continue to enjoy lucrative business activities. The majority of Lebanese beverage companies have regional operations with brands well penetrated in regional and international markets.

As for **the Media sector**, an investment took place in the development of a post-production facility, an activity with a strong growth potential in Lebanon. With a strong presence of advertising agencies and production houses serving the entire MENA region, post-production facilities equipped with the latest digital technology are a promising field within the media cluster.

In terms of investment size by sector, **Tourism** still held the biggest share of total investments (**34%**), the equivalent of USD 32 million. This amount was covered by a single project, the expansion of the Intercontinental Vendôme Hotel, a five-star hotel operating in downtown Beirut. The share of Tourism investments from total investments mediated by IDAL, however, has been reduced considerably in favour of **the Technology and Industry sectors**, which both seized **19%** and **23%** respectively of the total invested value for 2010-2011 (FIGURE 2).

Depending on the schemes applied. Package Deal Contract projects require approval of the Council of Ministers.

Technology sector includes manufacturing of ICT components, medical technologies, pharmaceuticals, and research and development.

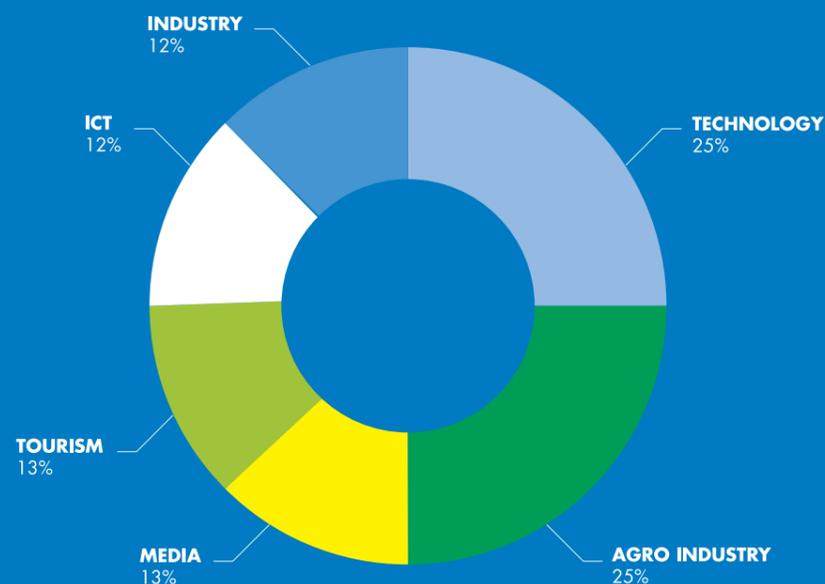


FIGURE 1: NUMBER OF INVESTMENTS MEDIATED BY IDAL PER SECTOR (2010 - 2011)

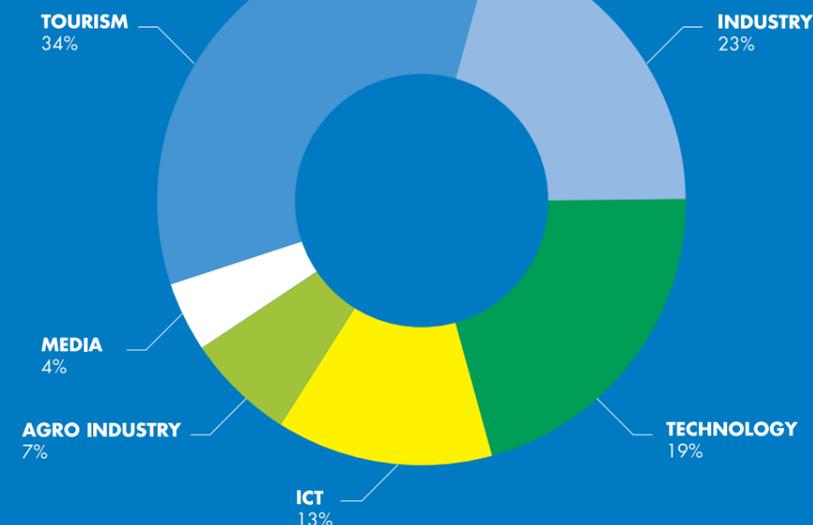


FIGURE 2: INVESTMENTS MEDIATED BY IDAL BY INVESTMENT SIZE (2010 – 2011)

**Table 1: OVERVIEW OF PROJECTS MEDIATED BY IDAL IN 2010 - 2011**

<b>INDUSTRY</b>	<b>ELECTRICAL EQUIPMENT</b>	<b>Matelec:</b> A <b>USD 32 million</b> investment project expanding the company's industrial facilities in producing electronic transformers. This company is located in Jbeil (Mount Lebanon) and <b>105 new jobs</b> are to be created as a result of its expansion, increasing its capacity from 120 MVA up to 220 kV transformers, a first in the region for the local market.
<b>AGRO-INDUSTRY</b>	<b>FOOD PRODUCTS</b>	<b>Tayyebat:</b> A <b>USD 3 million</b> factory specialized in the production of frozen potatoes, located in Saida, South Lebanon. This project is expected to generate around <b>60 jobs</b> .
	<b>BEVERAGES</b>	<b>Cedars Beverages:</b> A USD 3 million investment project that will produce juices and soft drinks, located in Koura (North Lebanon). It aims to provide jobs for <b>63 individuals</b> .
<b>TECHNOLOGY</b>	<b>PHARMACEUTICAL &amp; MEDICAL EQUIPMENT</b>	<b>Arwan Pharamceuticals:</b> A <b>USD 17 million</b> investment project located in Jadra (Mount Lebanon) for the development of biotechnology products. <b>83 new jobs</b> are to be created as a result of this project, which will be considered as a landmark in Lebanon and the region for its products and the extent of technology used.
		<b>Cynoprod:</b> A <b>USD 670,000</b> project focused around the production of medical devices for the dental market using a state of the art production centre and utilizing the latest technology in dental solutions. The company specializes in zirconia, metal, and frameworks through milling and digital casting. A total of <b>10 jobs</b> are to be created.
<b>MEDIA</b>	<b>POST - PRODUCTION FACILITY</b>	<b>Front D'Or:</b> A <b>USD 4.1 million</b> investment in post-production services. <b>25 new jobs</b> are to be created as a result of this project, which will contribute to the development of a regional hub for all media, music production companies and television directors.
<b>ICT</b>	<b>TELECOMMUNICATION</b>	<b>Waves:</b> A <b>USD 12 million</b> investment project which aims at delivering high-speed internet using Wi-Max technology. The company, located in the outskirts of Beirut, is expected to generate <b>50 new jobs</b> .
<b>TOURISM</b>	<b>HOTELS</b>	<b>Hotel Vendome Extension:</b> A <b>USD 31.8 million</b> investment targeting the expansion of the 5-star boutique hotel "Intercontinental Vendome" in Ain Al Mrayseh (Beirut). <b>70 new jobs</b> are to be created as a result of this expansion, which would enhance the luxurious experience of personalized services and fine dining for both leisure and business travelers.

**2. JOBS CREATED BY IDAL**

In total, **466 new jobs are expected to be directly created** as a result of 8 projects mediated by IDAL in the last 2 years. 93 of those are to be generated by investments in the Technology sector, 228 by investments in the Industrial sector (including Agro Industry), and 70 by investments in the Tourism sector. (FIGURE 3)

If we take into account the indirect jobs created as a result of the existing value chains within each sector, IDAL would have contributed to generating around **1,951 jobs** over this 2 year period.<sup>5</sup>

The employment multiplier is the highest for the agro food industry which generates 5.7 times the direct number of jobs created. 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).

**FIGURE 3: JOBS TO BE CREATED BY SECTOR, THROUGH INVESTMENTS MEDIATED BY IDAL (2010 - 2011)**

TECHNOLOGY	93	186
AGRO-INDUSTRY	123	701
INDUSTRY	105	305
TOURISM	70	105
ICT	50	125
MEDIA	25	63

■ Total Direct Jobs: **466**  
 ■ Total Indirect Jobs: **1485**

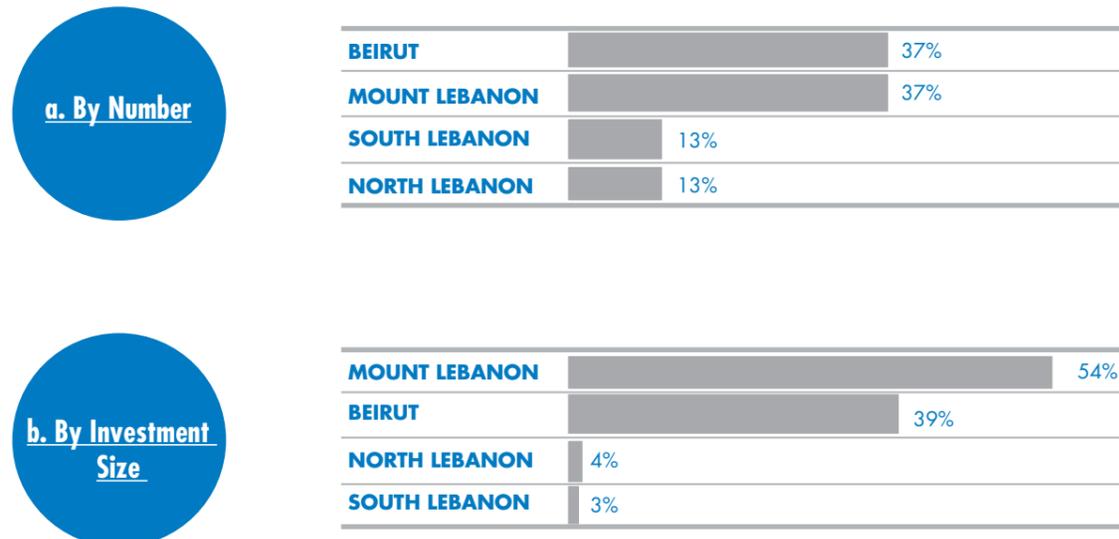


### 3. GEOGRAPHIC DISTRIBUTION OF PROJECTS

The majority of projects mediated by IDAL were in Beirut & Mount Lebanon (37% of total projects each), particularly the Cazas of Metn, Jbeil, and Shouf. The increase in investments outside of Beirut, a notable shift from previous years, can possibly be explained by the fact that non-Tourism projects such as those in Technology, Industry, and ICT, prefer to operate outside of Beirut in order to benefit from cheaper land and operating costs.

The North and South maintained their positions as industrial centres, having each received one agro-industrial project. In terms of **investment size by Mohafaza**, Mount Lebanon also managed to attract the highest share (54% of total projects) or the equivalent of USD 51 million. Beirut drew USD 36 million in investments, or 39% of the total (FIGURE 4, a & b).

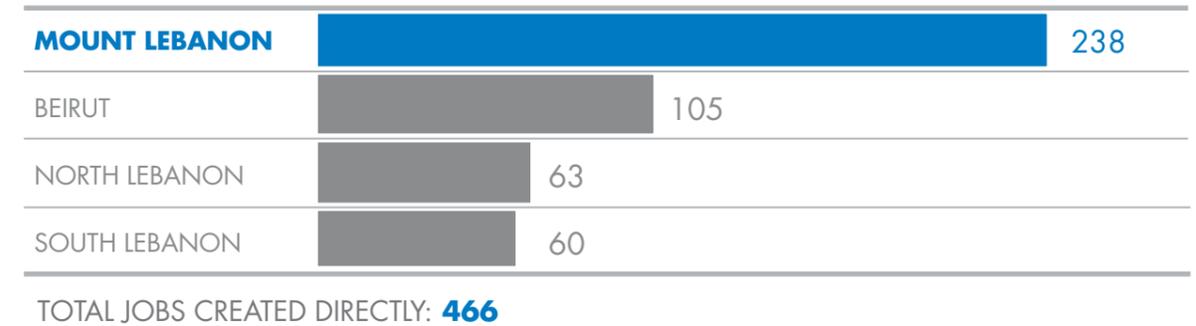
**FIGURE 4:** REGIONAL DISTRIBUTION OF INVESTMENT PROJECTS MEDIATED BY IDAL (2010 – 2011)



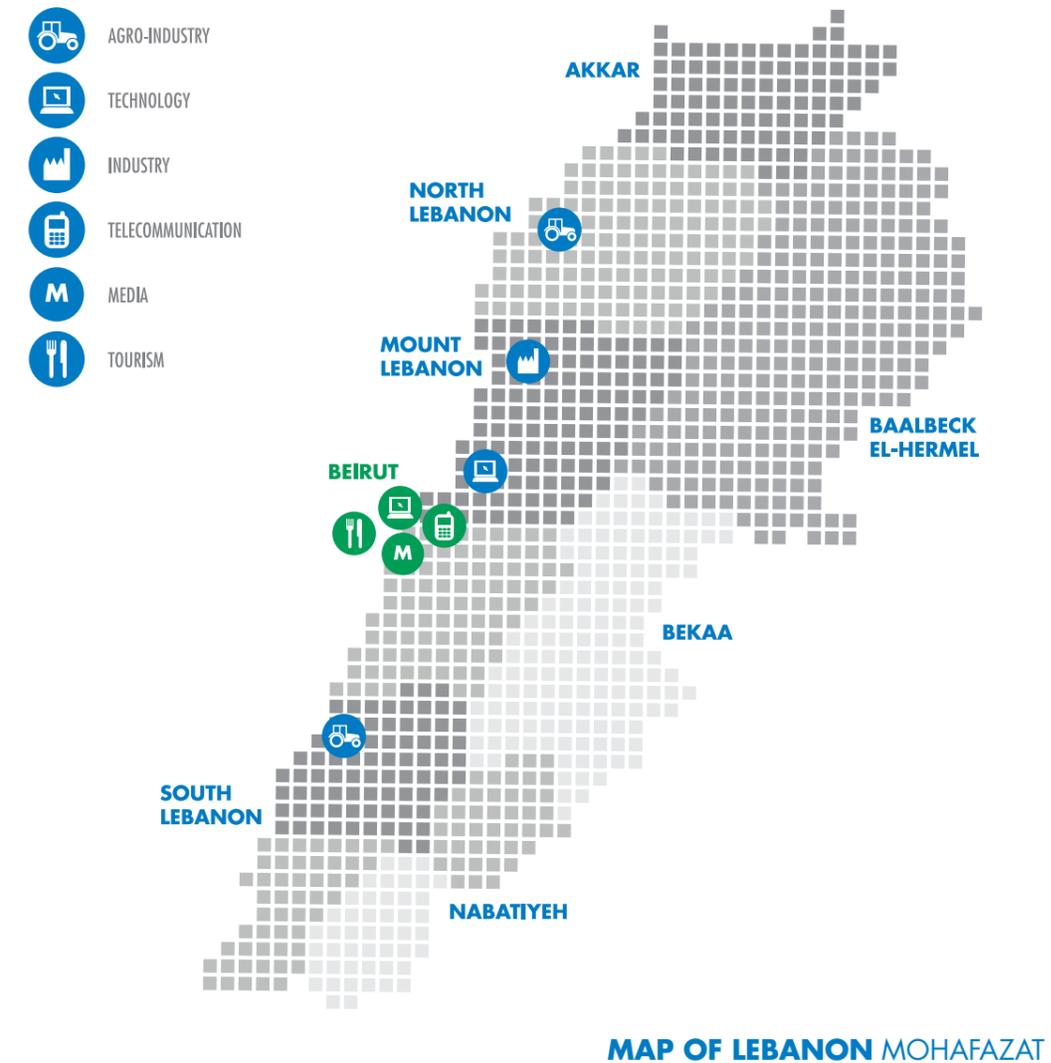
Based on (FIGURE 5), it comes as no surprise then that through investments mediated by IDAL, jobs will mostly be created in Mount Lebanon. Precisely, 238 jobs are expected to be generated in this Muhafaza. Mount Lebanon has an unemployment rate estimated at 9% according to the Central Administration for Statistics (CAS).

Beirut follows in second place with 105 jobs, North Lebanon in third place with 63 jobs, and finally the South with 60 jobs (FIGURE 5). Going forward, IDAL aims to promote investments to these regions which display high unemployment rates.

**FIGURE 5:** JOBS CREATED DIRECTLY BY REGION THROUGH INVESTMENTS MEDIATED BY IDAL (2010 - 2011)



**FIGURE 6:** MAPPING OF INVESTMENTS MEDIATED BY IDAL TO GEOGRAPHICAL ZONES (2010-2011)

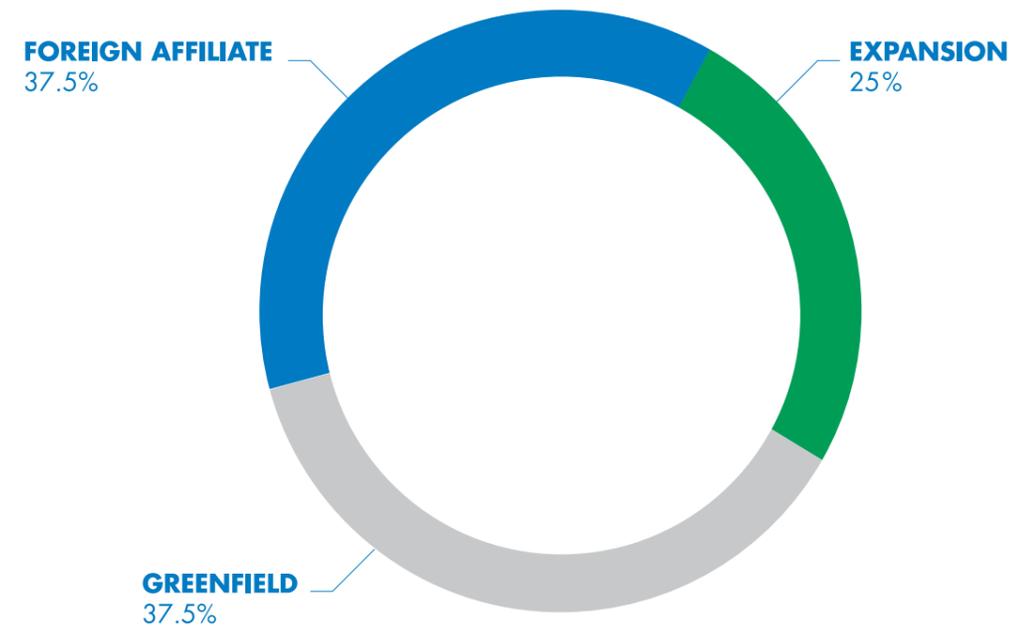


**4. TYPES OF INVESTMENT PROJECTS MEDIATED BY IDAL**

37% of the investments that benefited from IDAL's incentives were Greenfield projects, new projects exhibiting continuous innovation by Lebanese companies. Another similar share was attributed to foreign affiliated projects, particularly from Canada, the UAE, and Kuwait.

The remaining 25% were expansion projects, since IDAL offers incentives not only to new projects but to expanding ones as well. These expansions are sound indicators that investment projects in Lebanon are enjoying lucrative business activities (FIGURE 7).

**FIGURE 7:** DISTRIBUTION OF PROJECTS MEDIATED BY FORM (2010 - 2011)



**5. PROFILE OF INVESTORS**

As for the origin of investors that benefited from IDAL's incentives, 87% were of Lebanese origins which means that, going forward, IDAL will need to increase its awareness activities among well targeted foreign companies.

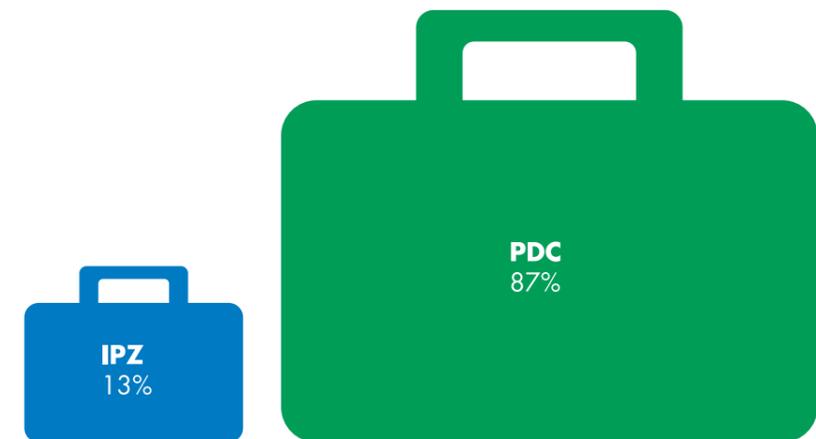
**6. INCENTIVE SCHEMES FAVOURED BY INVESTORS**

87% of investments that were mediated by IDAL during the 2010 – 2011 period opted for the Package Deal Contract (PDC) (FIGURE 8). This incentive scheme is meant to target large-scale projects which have high investment values and job creation levels. In return, it offers them generous benefits regardless of their location in the country.

The Investment Project by Zone (IPZ) scheme, more lenient in its selection criteria, is more suitable for small-to-medium scale projects primarily located in Zone C, the least developed region of Lebanon.

As per the IPZ incentives scheme which divides Lebanon into three geographical zones ( Zone A, Zone B, Zone C ).

**FIGURE 8:** DISTRIBUTION OF PROJECTS MEDIATED BY IDAL BY INCENTIVE SCHEME (2010 - 2011)



“ IDAL plays an invaluable role in promoting Lebanon as a business destination especially through emphasizing the competence of the Lebanese industrial sector that is popular for its skilled labour force and high-quality products in the region ”

**Nehmat Frem**  
President, Lebanese Association of Industrialists



**7. POTENTIAL INVESTMENT PROJECTS REVIEWED BY IDAL IN 2011**

In addition to the projects that have received IDAL's incentives in 2011, the One-Stop-Shop (OSS) Directorate processed more than 53 requests from potential investors during the course of this year. Out of these 53 projects, 80% are potential investors that could benefit from IDAL's incentive schemes, with the remaining 20% either not meeting the minimum investment /job requirements set by Investment Law No.360 or operating in sectors which do not fall under the law. Three companies are now in the process of submitting their applications for review. Below is an overview of the investment projects that IDAL's team reviewed for eligibility for investment incentives:

■ Among the Industrial projects that came forth, 2 were in the expansion of existing Pulp & Paper production facilities, 3 in the construction of new Furniture & Wood facilities, 3 in the manufacturing of Machinery & Equipment, and specifically auto parts, and 3 from the pharmaceutical sector, 2 of which are expansion of existing production lines (FIGURE 9).

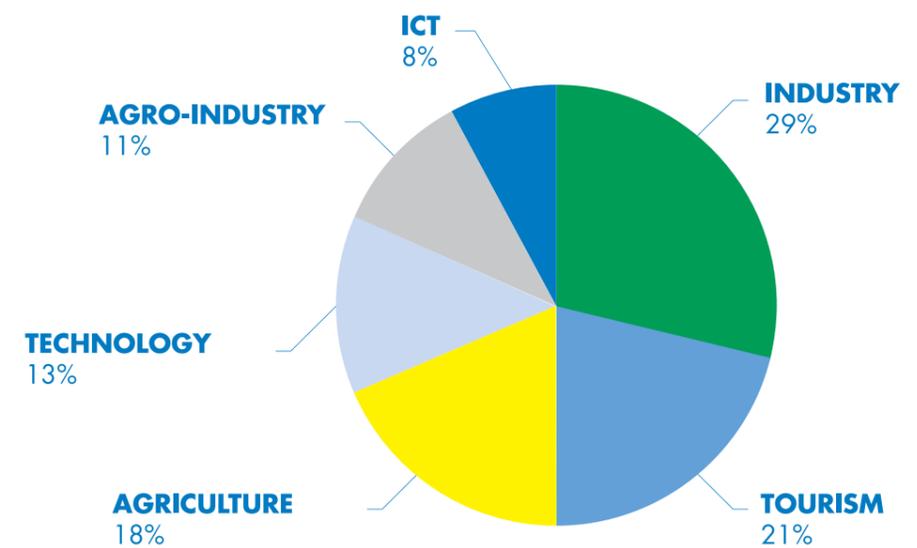
■ 7 of the 11 Projects that came forth in the Tourism industry were investments in 5 stars hotels located in the Mount Lebanon area. This category of hotels is currently under-supply in Mount Lebanon. Two projects also came forth in the leisure & recreational sub-sectors. It is to be noted that potential investors in 3 stars hotels remain inexistent.

■ The ICT sector witnessed a continuous surge of projects in software development targeted at the financial industry, a niche where Lebanon can have a competitive edge in.

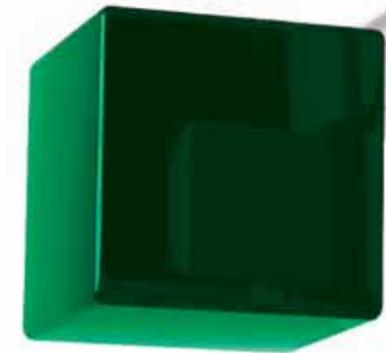
■ 45% of the proposed projects are to be located in Mount Lebanon, 29% in Beirut, 13% in Bekaa, 8% in North Lebanon and 5% in the South.

It is worth noting that all the investors that came forth to IDAL with investment proposals were of Lebanese origins, with only few expatriates, again highlighting the need for IDAL to increase its awareness activities among foreign companies.

**FIGURE 9: POTENTIAL INVESTORS BY SECTOR OF OPERATION (2011)**



**IV. A SECTOR**  
**HIGHLIGHT: ICT**



During 2011, IDAL led the development of an investment promotion strategy that consisted of identifying the sectors with the highest propensity to grow and attract investments, taking into consideration the country's competitive advantages as well as internal and external constraints. Various sectors where Lebanon could compete for investments were identified, among which are the Technology (or high end-manufacturing) and Telecommunication sectors.

## 1. TECHNOLOGY SECTOR: SEMI CONDUCTOR & ELECTRONICS SUB-SECTORS

### Technology Sector Overview

Technology innovations are increasingly being engines for the competitiveness and sustainability of world economies. Knowledge and Technology intensive industries have not only driven the fast growth of the sector itself but also innovations and productivity across all sectors, and were responsible for a global value-added equal to USD 18.2 trillion in 2010. This represented 30% of the world GDP, with the US, EU Japan and China being the major centers of global activity.

At present, the trend in the technology sector is moving towards outsourcing parts of the process to emerging economies, enabling multinationals to remain competitive and cost effective, while creating opportunities for new innovative players. Lebanon has benefited from this global opportunity and is currently witnessing the surge of high tech companies specialized in the manufacturing of electrical equipment, clean technologies and most remarkably in the design of semiconductors.

### Worldwide Sector Overview

The worldwide semiconductor industry has registered a stellar performance over the last few years, with annual revenue reaching a record breaking figure of **USD 298.3 billion in 2010**, against a total of USD 138.9 billion in 2001.<sup>7</sup> Global demand for high-end electronics and the advancement in semiconductor technology continue to be the growth drivers of the industry.

The manufacturing of semiconductors is mainly taking place in Asia, particularly in **Taiwan** with **TSMC** (Taiwan Semiconductor Manufacturing Company) being the world largest semiconductor foundry. The design however is still dominated by the **US, Japan and South Korea** which represent more than 45% of the market share. Nevertheless, opportunities are continuously available for new and innovative companies with the pace of the market change being extremely high. High degrees of flexibility and specialization are required which give the opportunity for small and emerging companies to penetrate the market, adapt rapidly and meet very specific requirements. As such, the production of concepts is currently being relocated in other parts of the world, progressively moving out of the Silicon Valley, as the success in this industry relies only on a strong human capital base, available for cheaper pay outside the US.

### The Semi-Conductor and Electronics Industry in the Middle East and Lebanon

Although the sector is still at its embryonic stage in the region, notable efforts have been made at the public and private sector levels, including commitment from selected national governments to diversify their economies and invest in industries with high technology focus, mainly the manufacturing of semi-conductors and electronic components.

In Lebanon, the local technology sector is still at an early stage but the opportunity for the industry to flourish is significant. Backed by the educational advantage and outstanding engineering capabilities of the Lebanese workforce, local SMEs are rapidly developing into highly specialized and export oriented product development experts. Highly flexible to market needs, manufacturers such as S.&A.S. Controllers have been able to respond to the specific requirements of international customers, exporting high quality electronic controllers and gaining significant shares of the global market.

Multilane is another company that has developed expertise in the semiconductor industry, making itself one of the major global players in a niche segment of the industry. Multilane produces specialty test equipment for the computer industry and communication equipment for the semiconductor and optical transport markets. Multilane has invested in the talent of its workforce and has successfully trained a considerable pool of professionals to date.

<sup>7</sup> According to the Semiconductor Industry Association

CASE STUDIES IN THE MENA REGION

■ The **Abu Dhabi** government announced in 2010 plans to start investing in the infrastructure needed to develop and attract semi-conductor industries, through “investing in building an advanced technology cluster”. Acquisition of a semi-conductor US based company, Globalfoundries took place in that same year, and the latter is expected to initiate its activities in Abu Dhabi beginning 2012. This will be coupled with the establishment of a semiconductor polytechnic university that will provide intensive training to local engineers, and have ties to foundries in the US and Singapore.

■ **Jordan** saw the emergence of a public-private partnership program (PPP), the Jordan Electronics Initiative (Jtrex) under the leadership of the King Abdullah Fund for Development. This entity will be responsible for supporting the launch of an electronics design industry in Jordan and will serve as a catalyst for creating the proper eco system for the industry to flourish and attract foreign companies, including offering incubation services.

Interview with Fadi Daou  
Founder of MultiLane:

*A company that develops technology products for the optical communication market. MultiLane’s state of the art products enable leading semiconductor companies to offer communication equipment for the next generation network. MultiLane’s customers include the likes of Cisco Systems, Broadcom, Intel Corporation, Gennum, Google, Teledyne Scientific, Cortina, Adtran, IPG Photonics, and TE connectivity.*



**Q: What do you think is the future of the semi-conductor industry in Lebanon in the next 5 years? What are the specific activities that you see have the most potential given current constraints?**

The Semiconductor industry is worth 350 USD billion today, and can absorb a lot more engineers that Lebanon can produce or train. In other words, if we create the right eco system for this industry, and we train 5,000 engineers in this sector, we will have more than 5,000 highly paid jobs. A fundamental issue for enabling such an eco system is the elimination of barriers of integration into the global semiconductor industry, easing customs for some essentials for this industry, train a critical mass of engineers on needed skills to effectively compete in this sector, and simplify some of the labor law issues such as work permits, etc..

**Q: What are Lebanon’s competitive advantages that would make it an attractive hub for the tech sector?**

Lebanon’s competitive advantage is the human capital, well educated in general, worldly, multi-lingual, innovative, have excellent work ethics and loyal, all are critical ingredients to attract a multinational company to open an R&D center in Lebanon.



Technical Training and Education: The future for the Industry

The potential of turning Lebanon into a center for the manufacturing of electronics is emphasized by its human capital base, with more than 2,000 computer and communication engineers joining the ranks of the workforce every year.

**An Applied Training Center**, following the Indian model, was set up by Fadi Daou in 2009 at the Lebanese University, to ensure that engineers involved in semi-conductor activities were provided with the practical and specialized training in the field of semiconductors, mainly training in System on a Chip (SOC) design. The subsidiary developed advanced optical transport equipment that has been deployed by Ross Telecom, the leading Russian telecommunication carrier. The subsidiary, ACT VLSI, was acquired in January 2011 by IPG Photonics, marking the first M&A in Lebanon for technology developed in Lebanon. The R&D culture is still at its early stage in Lebanon with many barriers still to overcome such as the availability of researchers, the absence of clusters, and sub-optimal collaboration with academic institutions or multinational companies

How is the Government helping the Semi-Conductor Industry?

To date, no direct support has been provided by the Government to ensure that the adequate infrastructure needed for the semi-conductor industry to flourish is available. IDAL, however, provides companies involved in the semi-conductor or manufacturing of ICT related equipment, with a set of fiscal exemptions on profits generated, amongst others, as part of its incentive schemes.



## 2. TELECOMMUNICATION SECTOR

### Sector Overview

According to a study developed by Booz & Co “Over the past decade, the telecom industry has helped fuel the digital transformation of entire industries, economies, and societies. The rapid uptake of mobile communications, the increasing availability of broadband access, and, more recently, the development of smartphones and the widely popular mobile apps—all come thanks, in whole or in part, to the innovations and investments emanating from the telecom sector”

### Value Added Services (VAS)

#### A Sector with High Potential in Lebanon

The telecommunication industry is moving away from the traditional segment and is now witnessing converging trends translated into vertical integration. The mobile app business is expected to generate USD 40 billion in revenue by 2014. This lucrative part of the value chain has pushed traditional telecom operators away from providing the network infrastructure to providing savvy consumers and businesses with applications for information and entertainment use. Innovation is increasing within this niche market, and it has manifested itself amongst Lebanese entrepreneurs and developers who have supplied the VAS market with new solutions. Several local companies have already established themselves as important regional players in the communication markets.

**Example of companies involved in VAS**, include Dermanzar, a company specialized in developing applications for the iPhone and FOO, a company that designs application systems for the telecommunications, insurance, financial services and healthcare industries, among others. These companies were started by young aspiring entrepreneurs and have now turned into global companies, with some generating more than 80% of their sales internationally. Clearly, Lebanon has the means to turn into a hub for value added services.

#### Investment Opportunities in the Sector:

- Security applications and systems for the business sector.
- High end call centers (are already operational but can be further developed and are very promising. Today several call centers have already selected Lebanon as a hub to carry their activities).
- Tele-Education, distant learning and E-learning.

### Interview with Joe Samaha Founder of Invigo:

*A company specialized in mobile applications for telecom equipment. Invigo provides services and products for mobile operators in the region*



**Q: What do you think is the future of Value Added Services (VAS) industry in Lebanon in the next 5 years? Why are we witnessing a shift towards application development versus operation:**

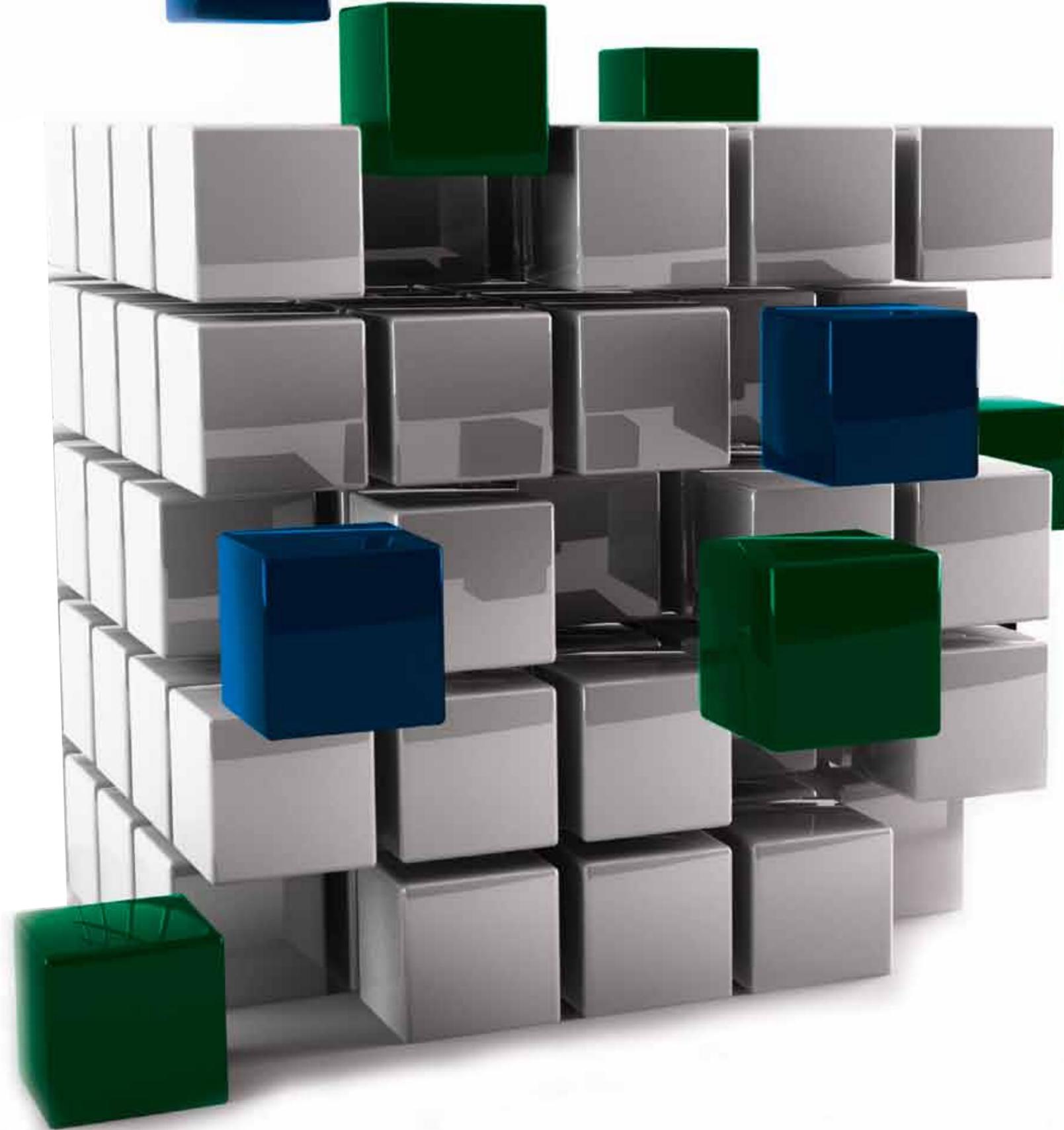
The VAS industry is targeted towards international mobile operators. Our customers are mobile operators present in different regions and countries. Our products currently focus on two main families: Device Management and Backup, and Roaming. An adjacent important industry is mobile applications for smartphones. This can be targeted to consumers or businesses (not only operators). A company that develops mobile applications as a product or service (outsourcing) would be working in this industry. In this greater definition, we do see that there is potential for growth in the geographical markets as well as in the range of products. Any Lebanese company that targets the mobile industry has a great prospect whether in developing smartphone or internet applications for businesses or consumers. The company can focus on a specific area of products, or choose to become a service company that develops applications on demand from customers.

**Q: Do you think that Lebanon can turn into a hub or outsourcing location for the manufacturing of applications for mobile equipment? If yes, what are the pre-requisites for this to take place?**

We believe that “Software Development” or “Outsourcing” for Mobiles is an area with great potential in Lebanon, for the following reasons:

- The industry has just emerged and so is on a strong global growth path.
- The quality of education in Lebanon is better than other regional countries making it possible to recruit skilled human resources.
- Labor costs are lower than in Europe and the United States.
- Lebanese human resources are bi-lingual or tri-lingual making it easier to communicate effectively with regional as well as international companies.

Regarding pre-requisites, I believe Lebanon should focus on three things: (1) facilitate the setup of companies (2) focus on improving the computer science programs to reach international standards especially in public academic institutions (3) create awareness around this industry to attract immigrant graduates, professionals and entrepreneurs to come back to their homeland and contribute positively to the growth of this sector.



V. EXPORT PROMOTION PROGRAMS



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 offer 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.

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

In 2001, IDAL has put in place the “Export Plus” Program to support exporters in the marketing of their agricultural products in regional and international markets. This support came in the form of direct cash subsidies to cover a portion of exporters transport cost. In 2006, a government decision was passed to gradually remove these subsidies by a rate of 20% on an annual basis until 2011, the time by which a new mechanism of support is to be put into effect. Despite the reduction in subsidies which have reached 20% in 2010, the export of agriculture products didn’t witness any major reduction.

With the Export Plus program coming to an end in 2011 and with the government decision to move away from direct subsidy to providing support to programs that would boost productivity and quality in line with the World Trade Organization (WTO) requirements, a Ministerial Committee was formed to recommend a new form of support to the agriculture sector.

**The new “AGRI PLUS” program was developed as a result and was approved by the Council of Ministers. This new program will be divided into four parts:**

**1. Production Streamlining:** providing exporters with the adequate training to improve quality of production and foster the growth of new products that meet regional and international demand.

**2. Packaging Improvement:** supporting exporters in improving packaging and cooling centres to meet international norms of quality.

**3. Marketing & Promotion:** putting in place a full fledge program to promote the sector regionally and internationally. The program will provided the needed technical and financial support for exporters to participate in food fairs.

**4. Financial Support:** will cover a portion of the packaging cost.

### Facts & Figures about the Agriculture Sector:

- Agricultural production in 2009 totalled LBP 2574 billion, nearly 4.8 % of GDP.
- It employs roughly 10% of the Lebanese labor force, and is the fourth largest employer in the country.
- Agricultural exports accounted for 3.8% of total exports by November 2011.
- Key Agricultural products include: Fruits mainly citrus, apples, bananas and grapes, but also significantly olives which account for 41% of total agricultural production, and vegetables such as potatoes, tomatoes and maize, which account for 23% of total production.



## 2. PROMOTION OF THE AGRO FOOD SECTOR

Due to the importance of the Agro Food sector to the economy in terms of its contribution to output and employment, IDAL has put in place in 2004 a program that would provide exporters with the needed financial assistance to access and tap into new markets. This resulted in the signing of a protocol agreement between IDAL and the Syndicate of Lebanese Food Industrialists (SLFI). The program sponsors the participation of Lebanese industrialists in leading regional and international food fairs and exhibitions.

Seven years down the line, IDAL is recommending to go beyond providing financial subsidies for food fair participation, to providing a more comprehensive support to agro food exporters to improve the quality of their products to meet international norms of exports.

**IDAL’s objective is to put in place a program that would focus on three broad types of services:**

**1. Market Intelligence:** providing exporters with continuous and updated information on key export markets and consumer needs.

**2. Technical Assistance:** which will consist in providing exporters with the assistance needed to improve production process and receive quality control certifications.

**3. Business Linkages:** whereby IDAL will provide exporters with the financial and technical means to access new markets through the participation in international food fairs.

**This program will aim to achieve four main objectives:**

- Provide the information necessary for producers’ production and marketing decisions.
- Increase the competitiveness of Lebanese food producers, by assuring their compliance with export standards.
- Allow agro-food products wider access to foreign markets.
- Improve the image of Lebanese food products in foreign markets.

This program is in the process of being drafted and should be operational in 2013.

### Facts & Figures about the Sector:

- A major contributor to the Lebanese economy: In 2009, it generated an estimated 32.5 % of the Industrial sector output and around 2.54% of the country’s GDP.
- 3rd largest employer in the industrial sector: Estimated workforce of 30,670 accounting for 23.3% of the Industrial sector workforce.
- Agro Food exports accounted for 6.8% of total exports by November 2011.

VI. COOPERATION  
FOR SUCCESS



“As the leading representative of the private economy in Lebanon, the Chamber views its cooperation with IDAL from the national perspective of promoting investment, and fostering economic development and growth. We define our common objective as one of raising national wealth and prosperity to levels comparable with those of advanced countries.”

**Mohamed Choucair**

Chairman, Chamber of Commerce, Industry and Agriculture of Beirut and Mount Lebanon and Chairman of the Federation of the Chambers of Commerce, Industry and Agriculture in Lebanon



IDAL's close networking with the Chambers of Commerce, Agriculture, and Industry as well as the positive cooperation with the various industrial associations, sub-national players, and economic factions in the country, has helped create a synergistic approach to tackling issues of foreign and domestic investments in Lebanon.

IDAL is seen as a key partner, not only as a provider of information on the overall economic climate and investment opportunities across various economic sectors, but also as a facilitator between potential investors and entrepreneurs.

### Working together with the Chambers of Commerce, Agriculture, and Industry

The cooperation between the local Chambers of Commerce, Agriculture and Industry (CCAI) and IDAL creates a synergetic network that makes it possible to provide optimal advice and insight to local and foreign companies on joint venture opportunities. This cooperation extended during 2011 to attend to business delegations and foreign visitors. In an effort to increase awareness on IDAL and its services, we have organised a series of awareness workshops targeted at the various members of the CCAI in Beirut and the North, which were attended by key business people wishing to expand their businesses and embark on new projects while benefiting from the incentives schemes that IDAL provides.

### Forging partnerships with the Arab Chambers of Commerce

IDAL's cooperation with subnational players goes beyond local chambers of commerce to the pan-Arab. In an effort to represent Lebanon in major economic forums and conferences in the region and to reach out to Lebanese expatriates who form the bulk of the Lebanese investor base, IDAL has forged partnerships with the General Union of Chambers of Commerce, Industry & Agriculture for Arab Countries. Joint Chambers are important platforms for connecting with potential investors in foreign countries and for informing them about potential investment opportunities in Lebanon. IDAL's partnerships with these Chambers materialized in various local and international events which brought together Lebanese businessmen with their corresponding European and Arab counterparts.

### Working with the Lebanese Banking Association

Banks are an indispensable factor in a business's value chain. IDAL, in its capacity as a provider of fiscal incentives to investors, went a step further to ensure that direct business linkages are created between financial institutions and the government. This involved organising awareness workshops targeted at the members of the Lebanese Banking Association in order to encourage investment projects seeking loans from banks to be aware of the additional financial benefits that are available to them through IDAL.

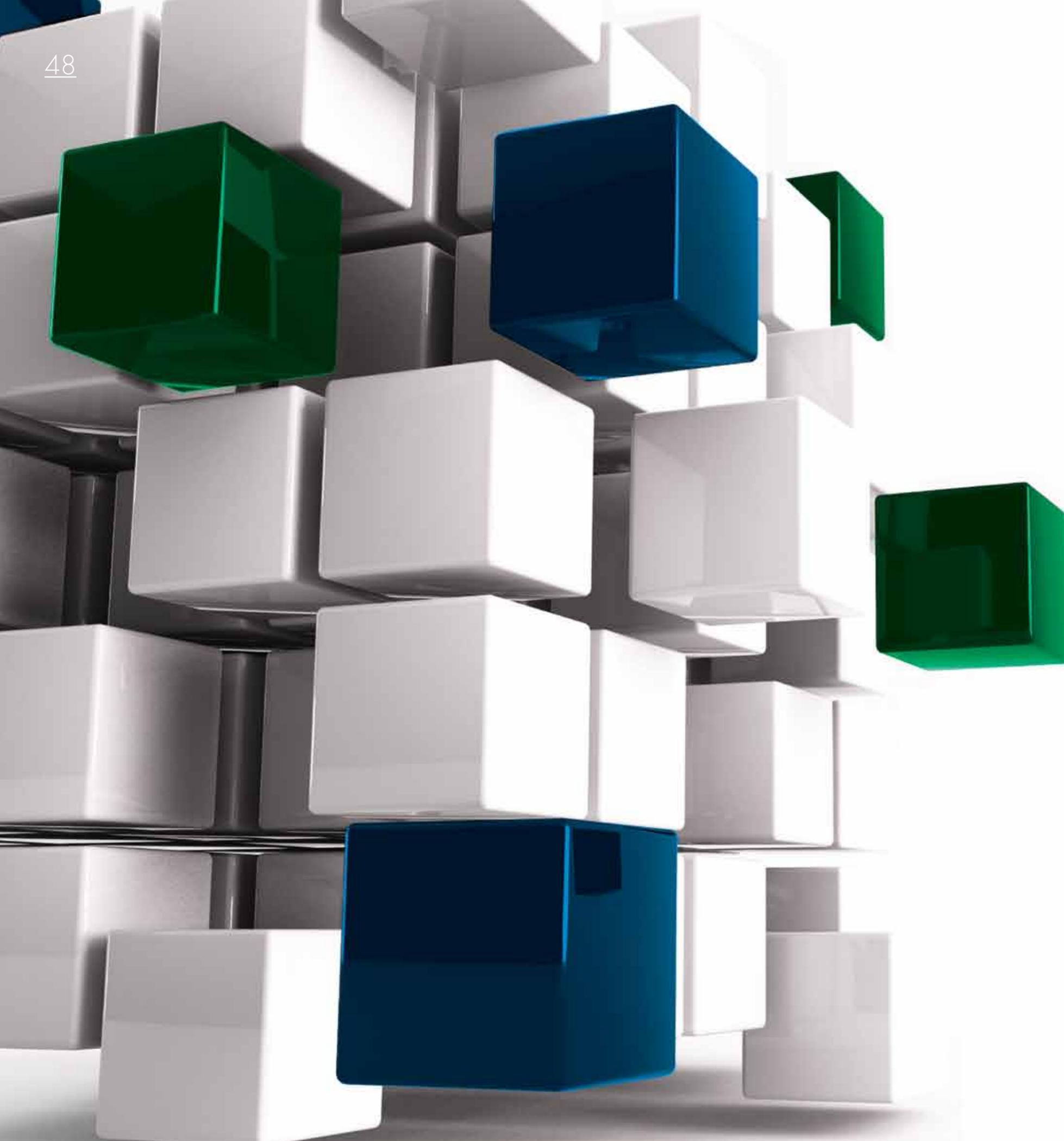
### Working together with the Ministries of Agriculture, Industry, and Economy

IDAL has maintained its collaboration with the various ministries and government institutions which are responsible for putting in place the policies to increase investments across the various economic sectors, and those involved in implementing programs that encourage the export of Lebanese products.

Continuous cooperation materialized with the Ministry of Industry to ensure that the right policies and incentives are in place to encourage the expansion and growth of Lebanese companies, while fostering joint venture opportunities with foreign companies. Today, the industrial sector accounts for around 11.8% of the country's total output, and around 12% of total labor force. Therefore, in an effort to assess impediments to investing in this sector, various meetings took place between the Association of Lebanese Industrialists (ALI) and IDAL. Discussions revolved around optimizing the existing investment incentive schemes to encourage expansion of Lebanese industries, and adopting the right policies to increase the competitiveness of Lebanese industries. The outcomes of these meetings will be reflected in the amendments being introduced by IDAL to Investment Law No.360. In parallel, collaboration was sustained throughout the year with the Ministry of Agriculture and the Ministry of Economy and Trade in order to define and develop the new program for supporting the exports of Lebanese agriculture products.

### New Partners: The Entrepreneur and Innovators of Tomorrow

2011 witnessed the fostering of new partnerships and collaborations between IDAL and the entrepreneur community represented by various associations, mainly Berytech, Endeavour, Sequence and others. This cooperation materialized in IDAL partnering with Berytech to organize a full day workshop at the Global Entrepreneurship week, whereby IDAL presented its services and incentives. Entrepreneurs represent an important target segment to IDAL and a lot of targeting efforts were deployed this year to reach out to them and increase their awareness on the type of support provided by the government in their favour.



**VII. REACHING OUT  
TO INSTITUTIONS AND  
INVESTORS**





We believe that having a proactive approach in reaching out to institutions and investors is key to encourage foreign direct investment to Lebanon and to promote our services.

2011 was a very active year that witnessed various events, workshops, conferences, campaigns and foreign delegations which we participated at or attended to.

### Foreign Delegations

Foreign delegations interested to invest and create links in Lebanon and the region have visited IDAL to learn more on the economic outlook of the country and look into possible partnerships and business matching opportunities. We have attended to foreign delegations whether at our premises or through our collaboration with the Chamber of Commerce, Industry, and Agriculture in Beirut, these include; a delegation from Basra in Iraq, Alexandria in Egypt, as well as Sudan, Monegasque, and Ukraine.

### Economic Forums

In our capacity as a key national economic player, we have participated and sponsored a variety of economic forums such as the "Arab Economic Forum" held in Beirut, the "Arab-Spanish Economic Forum" held in Spain, the "Lebanon Economic Forum" also in Beirut, the "German-Arab Economic Forum", the "Lebanese-Saudi Business Forum", as well as the "first Arab-International Forum for Young Entrepreneurs and Businesspersons" which brought together over 300 young entrepreneurs from Lebanon, the diaspora, and the region. We also took part in the "Arab Conference for Banking, Industry, Tourism, and Real Estate" in Beirut, organised by the General Union of Arab Chambers.

### Campaign and activities targeting Lebanese Expatriates

Lebanese expatriates constitute a key target audience for IDAL especially that remittances from Lebanese emigrants totalled to USD 7.6 billion in 2010 (around 22% of GDP) and were forecasted at a similar figure for 2011. In order to increase their awareness on the services available to them by IDAL, we have engaged with them through a targeted summer campaign aimed at encouraging them to "Invest in the Land, Home, and Life they Love". This was followed later in the year by our participation at the International Conference for Lebanese Diaspora held in Beirut whereby we organised a panel discussion involving prominent Lebanese who have come back to the country and invested in various projects and businesses.

### Trade Exhibitions

IDAL's role also involves export promotion. It is in this capacity that we have participated at the Fruit Logistica exhibition in Berlin, HORECA, and the Fancy Food Show in the USA. We were also present at the "Le Liban en France" trade exhibition in Paris that was organised by the Chamber of Commerce, Agriculture, and Industry in Beirut.

### Building Staff Capabilities

We firmly believe in providing our staff with training and development opportunities so that they are better equipped to face the competition and handle daily work challenges.



With the aim of increasing their know-how and participate in knowledge sharing sessions with other investment promotion agencies, our staff have attended:

- (1) A training on effective FDI promotion organized by GDP Global an international consultancy firm
- (2) Training on “Effective Project Appraisal: How to Promote sustainable Investments” by ANIMA-MED Academy
- (3) Capacity building workshops in Kuala Lumpur and Morocco organised by the Islamic Development Bank
- (4) Seminar on Economic Zone Building in China
- (5) Conference organized by ANIMA on MedInvest whereby major investment promotion agencies in the mediterranean got together in Beirut to exchange know-how and discuss the latest issues facing the region



VIII. LOOKING FORWARD

The current unstable political situation in the region has hit trade and investment hard. While domestic direct investment and the Arab world remains the major contributor to the country's economic growth, capturing a share of these investments has proved to be competitive. Furthermore, and as a result of the global economic crisis, we notice the emergence of a more demanding and meticulous investor that is not afraid to benchmark and compare an investment destination over another. As such IDAL's medium-term strategy will focus on improving services provided to investors and providing investment incentives that target the most promising sectors.

## IDAL'S THREE-YEAR STRATEGY

### STUDIES AND PLANNING DIRECTORATE

Based on the 2010-2011 achievements, the Directorate will continue updating the information it provides to investors, increase their knowledge of the sectors that display the highest potential for growth, and provide them with guidance on the country's investment climate and potential areas of opportunities.

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#### **Medium-Term Objectives**

- Continuously provide investors with the knowledge base needed to carry out investments in growth promising sectors and turn IDAL into the first point of contact for investors.
- Increase investments in existing and new strategic sectors.
- Strengthen IDAL's policy advisory and advocacy role through contributing to the improvement of the country's investment climate.

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#### **Medium-Term Targets**

- Implementation of the investment promotion strategy.
- Amendments to Law No.360 and implementing decrees approved.
- Provide information of relevance to investors on IDAL's website and through prints.
- At least one new program developed to support a high priority sector.

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### ONE STOP SHOP DIRECTORATE

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#### **Medium-Term Objectives**

- Upgrade the infrastructure needed to facilitate investments.
- Improve services provided to investors.

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#### **Medium-Term Targets**

- After care strategy developed and implementation started by end of 2012.
- National and foreign investors satisfaction with investment facilitation services and after care services is at least 50% by end of year 1.
- A mechanism to be put in place to ensure coordination with concerned entities in the issuance of licenses.

## INFORMATION AND PROMOTION DIRECTORATE

### Medium-Term Objectives

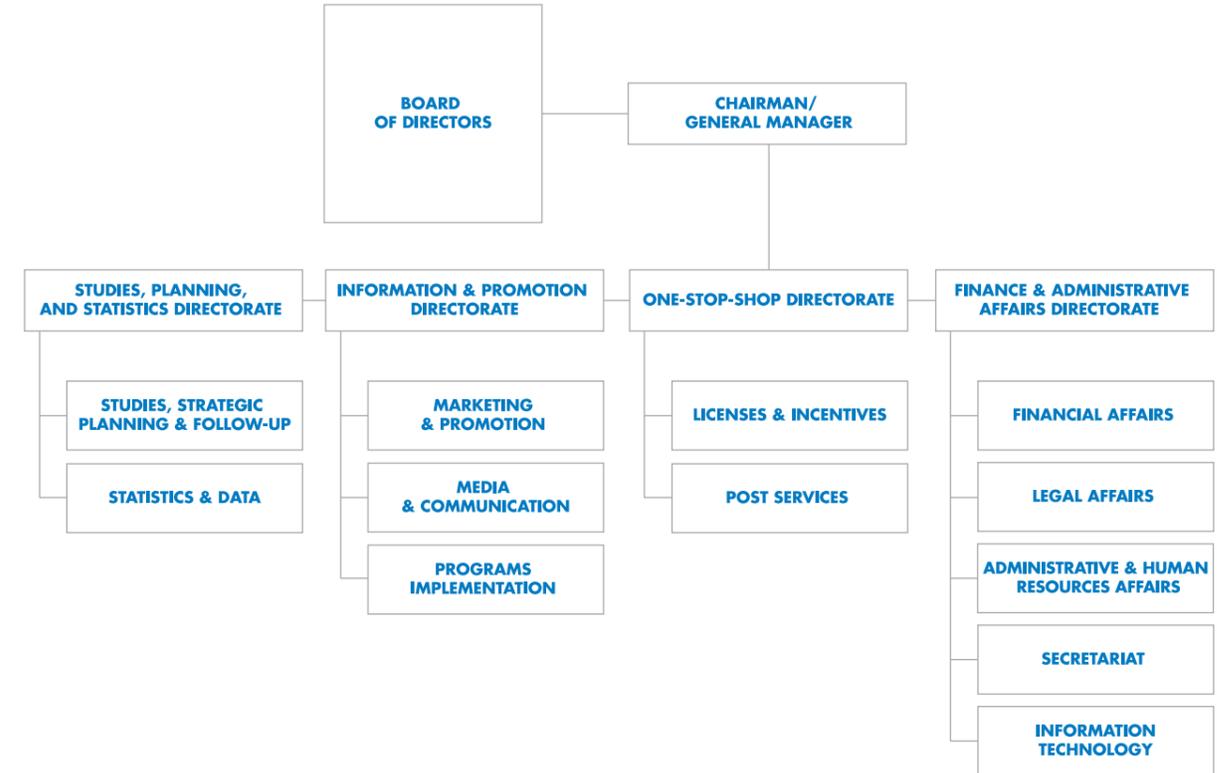
- Create more visibility and awareness for IDAL among its target audience.
- Build upon IDAL's brand equity and brand cohesion by reaffirming its role and position.
- Position IDAL as a 'go-to' entity to promote Lebanon as an investment destination.
- Maintain a positive and constant communication flow with the target audience.
- Ensure a proactive approach to competition.
- Promote Lebanon as a key investment destination to potential Arab Investors.
- Create expatriate recognition and trust in IDAL.
- Enter new geographical markets and target companies for investment.

### Medium-Term Targets

- Implementation of the investment promotional plan initiated in 2012.
- At least 70% of the planned activities to be implemented in 2012.
- At least 90% of existing and 50% of new foreign investors exposed to IDAL are attracted through promotional events and services by 2014.
- At least 70% of local businesses are aware of IDAL's export promotion services by 2014.

## OUR GOVERNANCE STRUCTURE

### IDAL's Organization Structure



### IDAL BOARD OF DIRECTORS

#### CHAIRMAN AND GENERAL MANAGER

MR. NABIL ITANI

#### BOARD MEMBERS

MR. GEORGES KASSAB – FULL TIME MEMBER  
 MR. HAWLO TLEISS-FULL TIME MEMBER  
 MR. WASSIM AUDI  
 MR. RAMZI EL HAFEZ  
 MR. MOURCHED EL-HAJJ CHAHINE  
 MR. FARID N. EL KHESHEN

#### GOVERNMENT COMMISSIONER

DR. NASSIB HOTEIT



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AUTHORITY OF LEBANON**

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Scan the code to check  
our investment incentives

