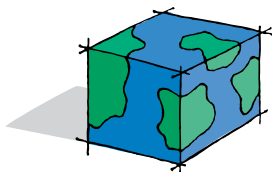




INVESTMENT DEVELOPMENT
AUTHORITY OF **LEBANON**

Presidency of the Council of Ministers

INVESTMENT OPPORTUNITIES IN LEBANON 2018



IDAL

INVEST IN LEBANON

investinlebanon.gov.lb

HEADLINES

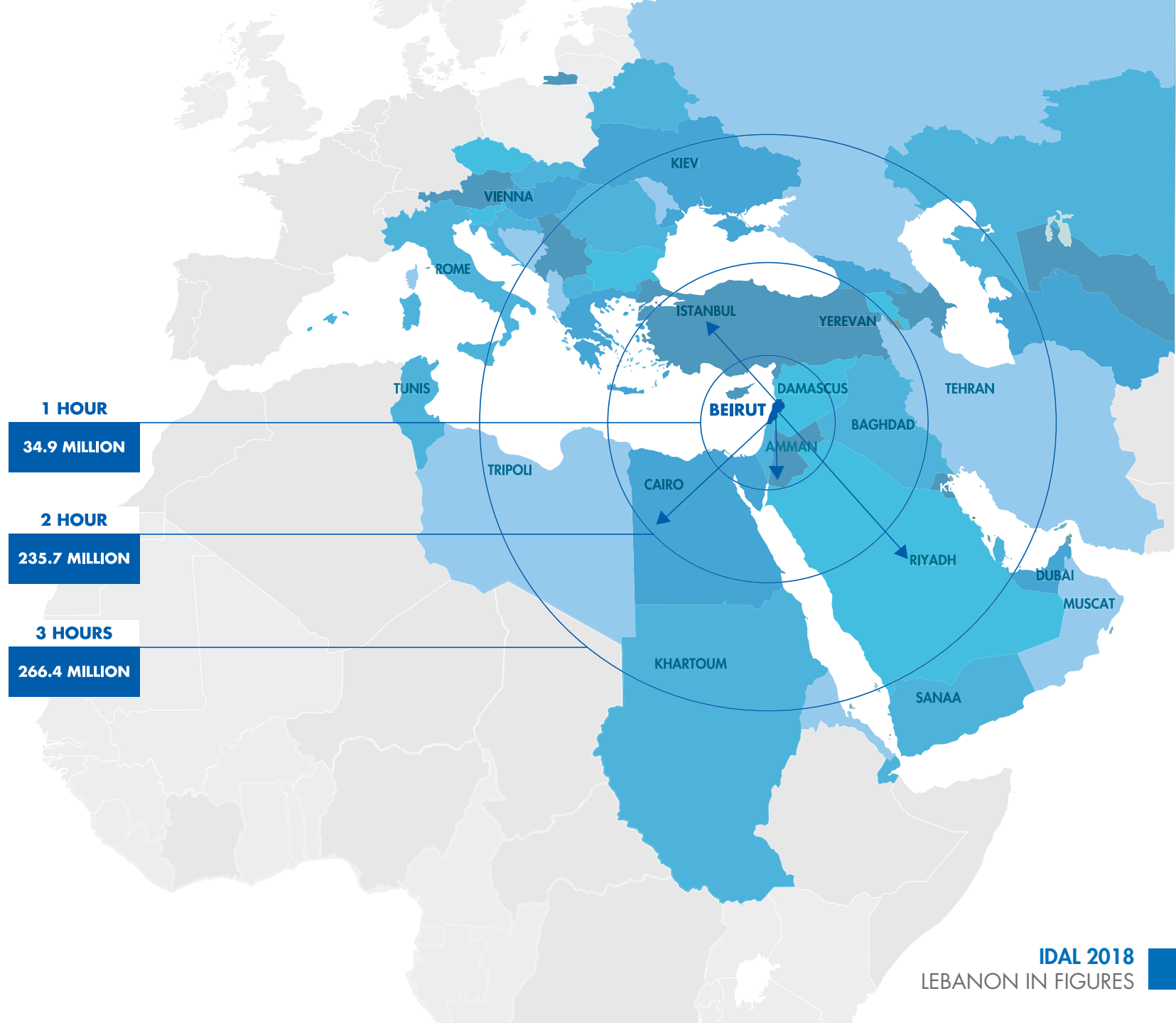
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**LEBANON IS
LOCATED AT THE
CROSSROAD OF
EAST & WEST
LINKING ITS
POPULATION
TO A MARKET
OF MORE THAN
537 MILLION
PEOPLE**



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 - 2017): **2.63**
- ▶ UNEMPLOYMENT RATE (EST. 2017): **6.3%***

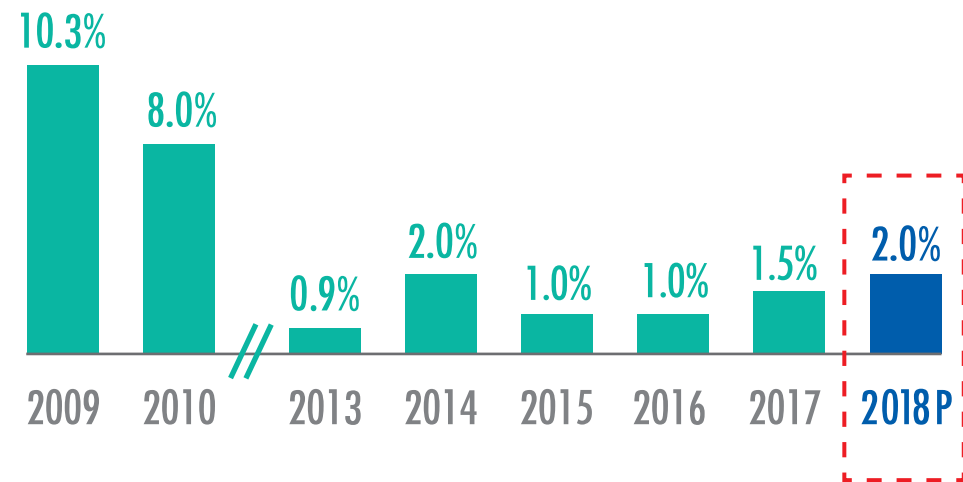
Source: International Monetary Fund (IMF), Central Administration for Statistics (CAS), Lebanese Customs Administration, UNCTAD, *International Labor Organization (ILO)

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 (%)

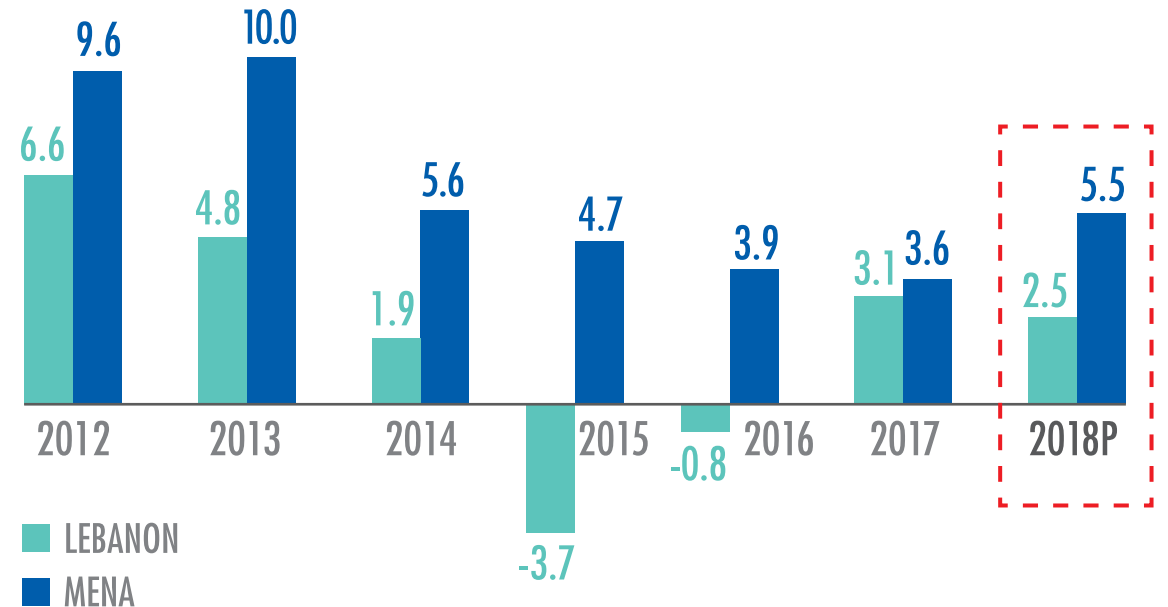


Source: IMF

...WITH A LOW INFLATION RATE REGIME

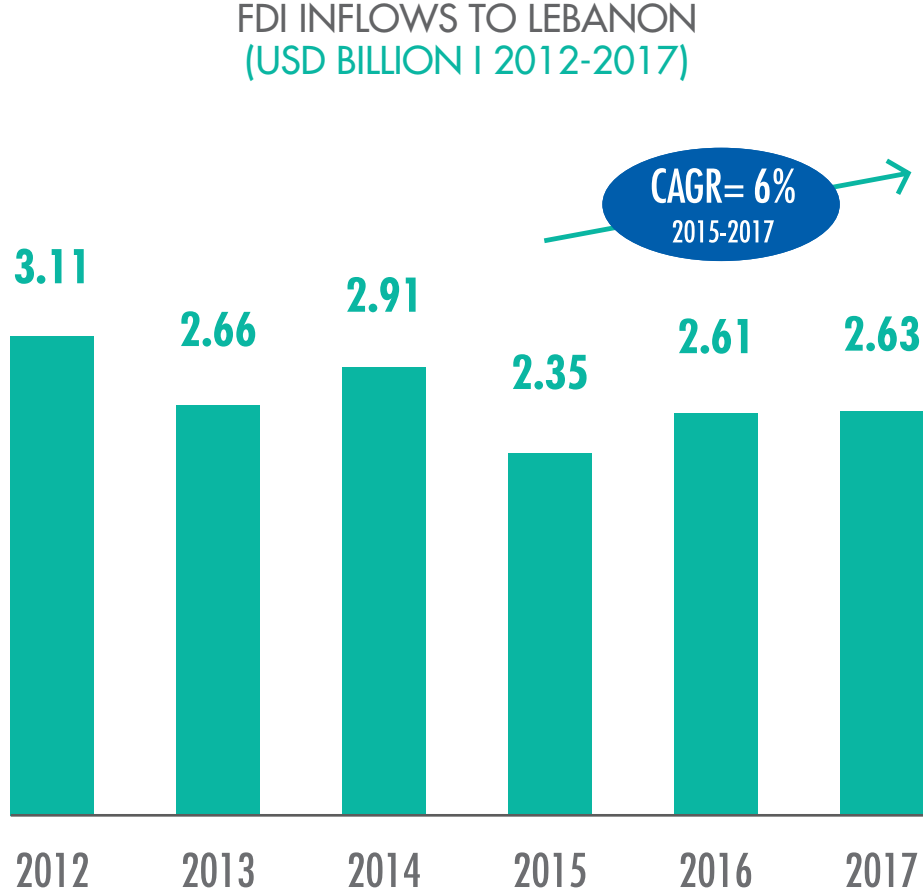
- ▶ A low inflation environment **provides business certainty for investors.**
- ▶ Over the past 3 years Lebanon was able to maintain a low inflation rate compared to the MENA average inflation rate.

INFLATION (YEAR-OVER-YEAR % CHANGE)



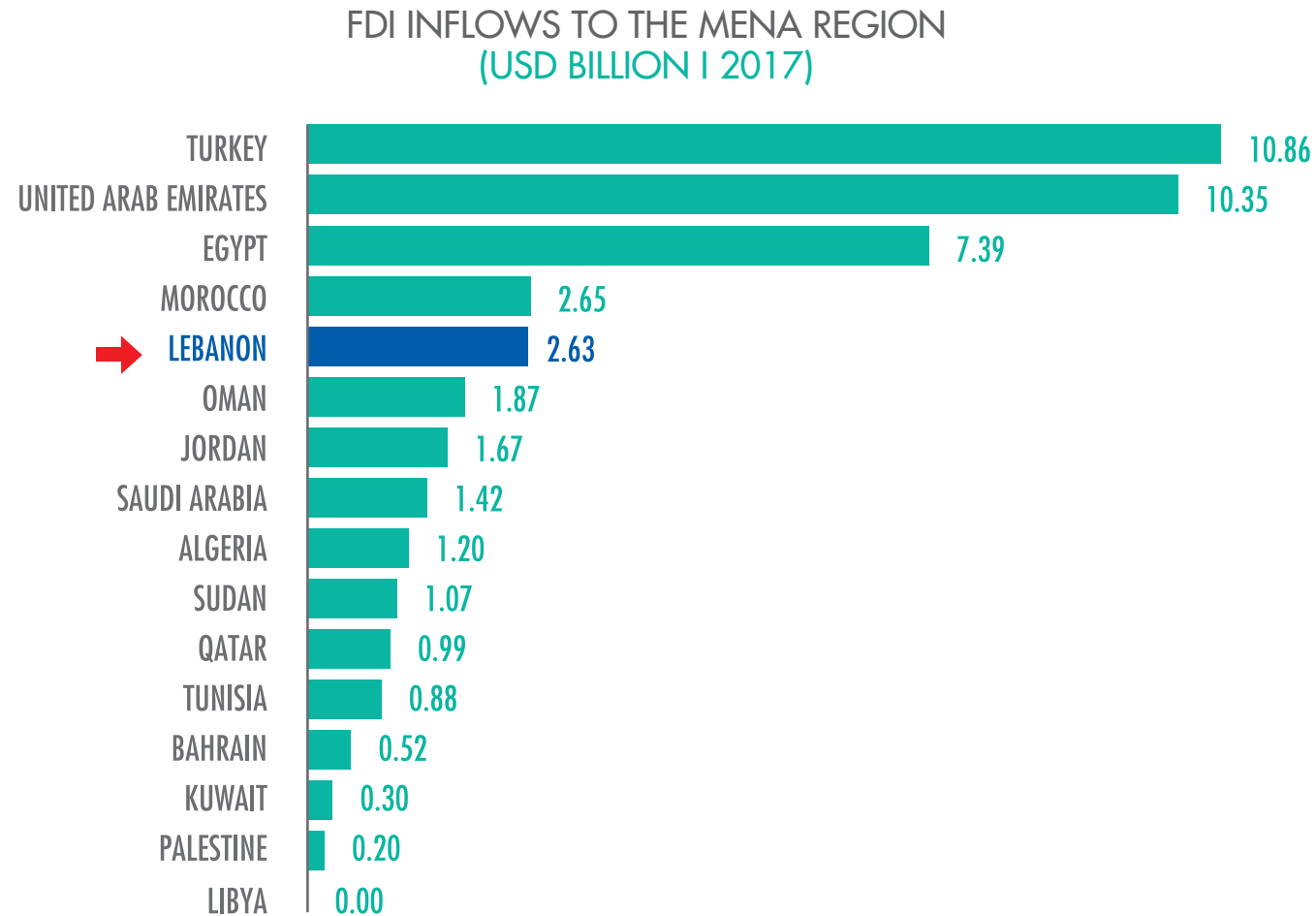
Source: IMF

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



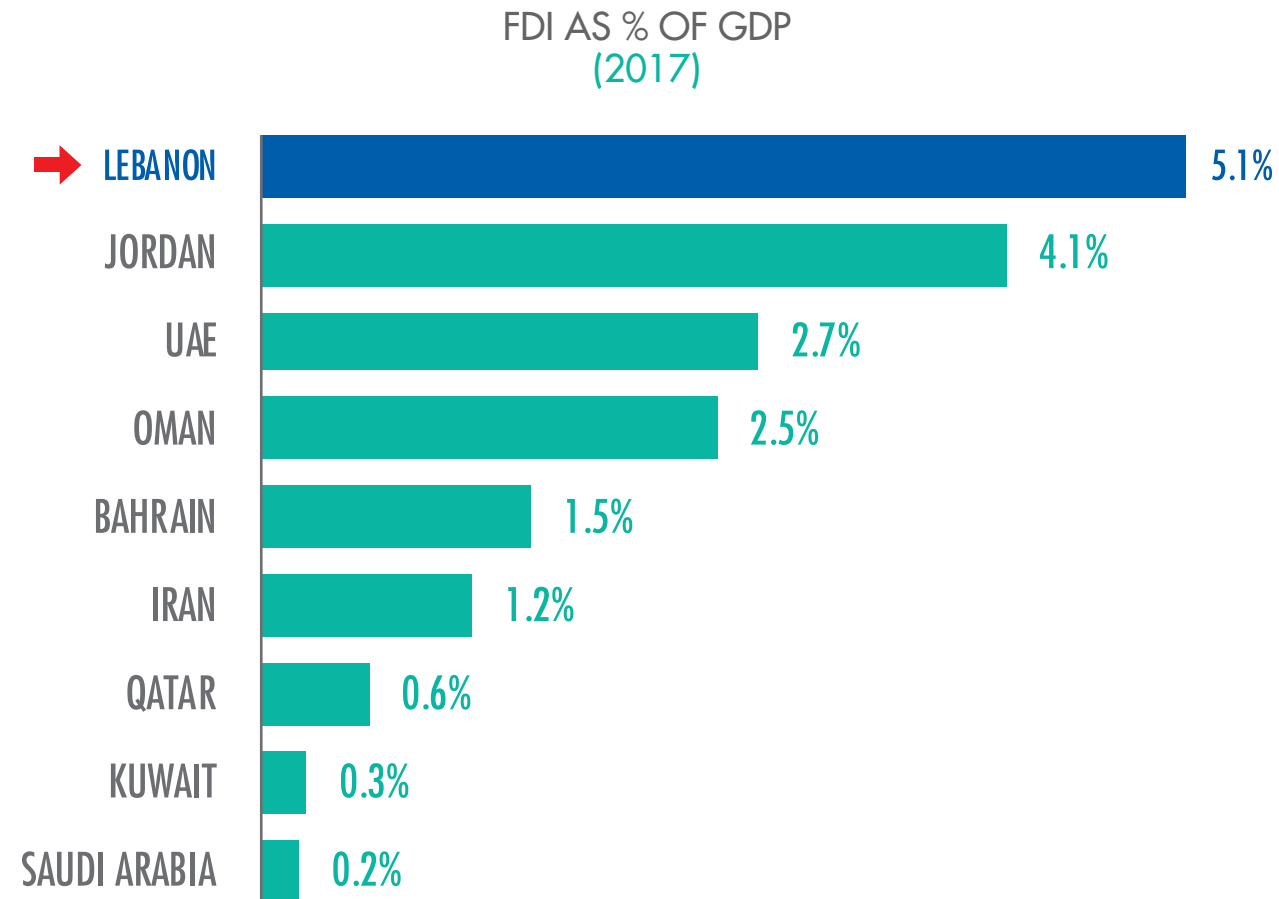
Source: UNCTAD - World Investment Report 2018

FDI TO LEBANON REMAINS AMONGST THE HIGHEST IN THE REGION HIGHLIGHTING THE COUNTRY'S RESILIENCE



Source: UNCTAD - World Investment Report 2018

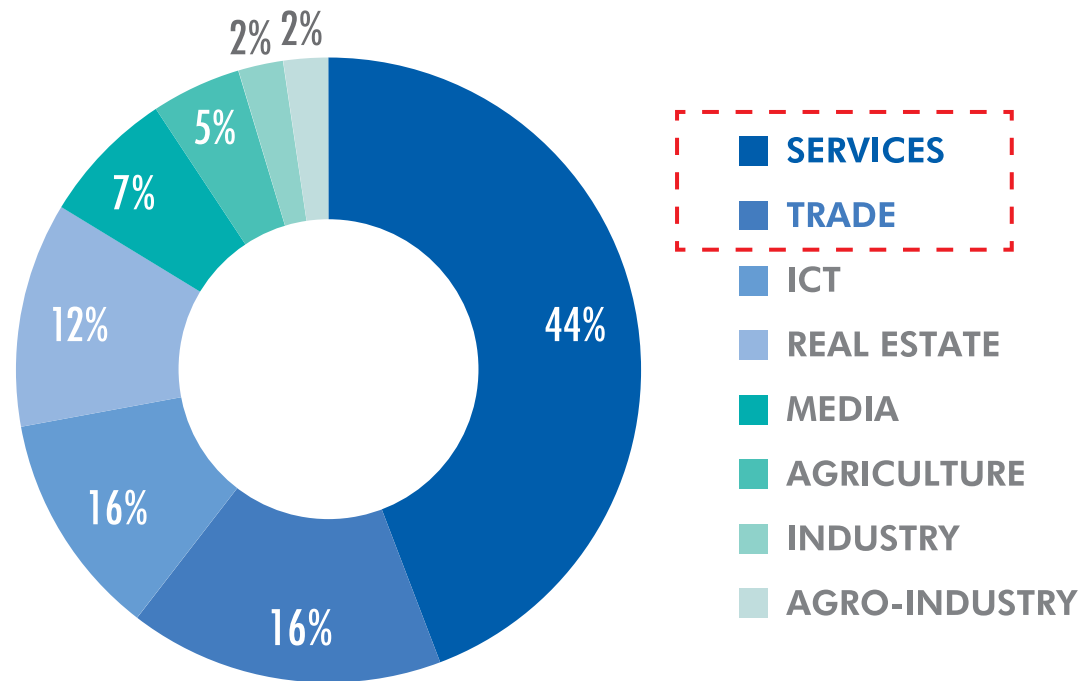
IN FACT FDI AS % OF GDP IS THE HIGHEST IN LEBANON COMPARED TO IT REGIONAL PEERS, HIGHLIGHTING THE IMPORTANCE OF FDI TO OUR ECONOMY



Source: UNCTAD - World Investment Report 2018

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

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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;

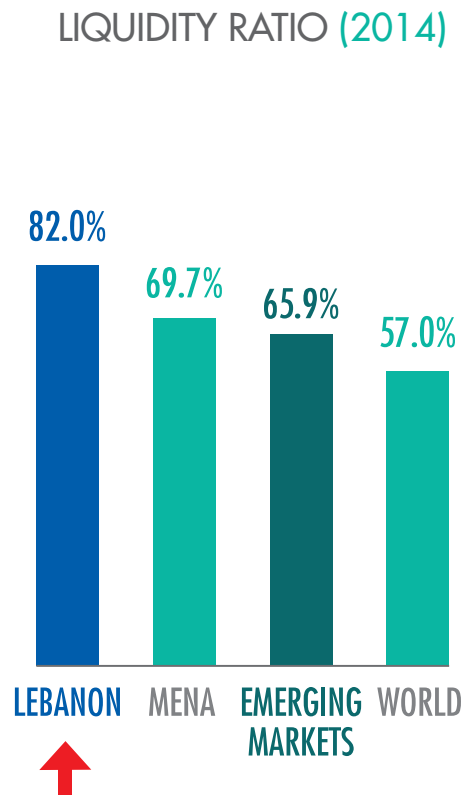
High Ranking: banks are generally healthy with sound balance sheets

Source: World Competitiveness Report 2017-2018

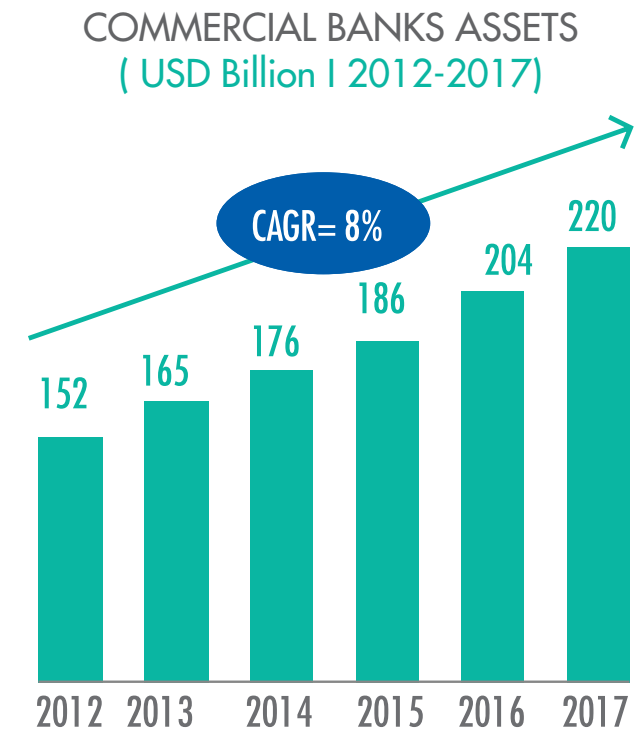
...WITH HIGH LIQUIDITY RATIO AND ROBUST BANKS' ASSETS

► 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



Source: Central Bank

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

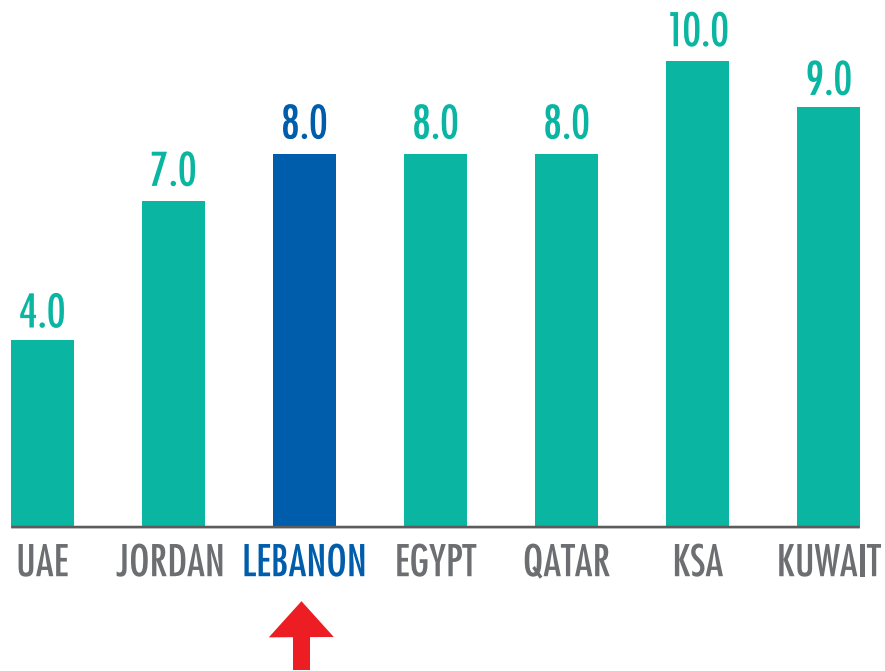
LEBANON OFFERS AN OVERALL TAX ADVANTAGE FOR FIRMS TO EXPAND WITH A COMPETITIVE CORPORATE TAX RATE



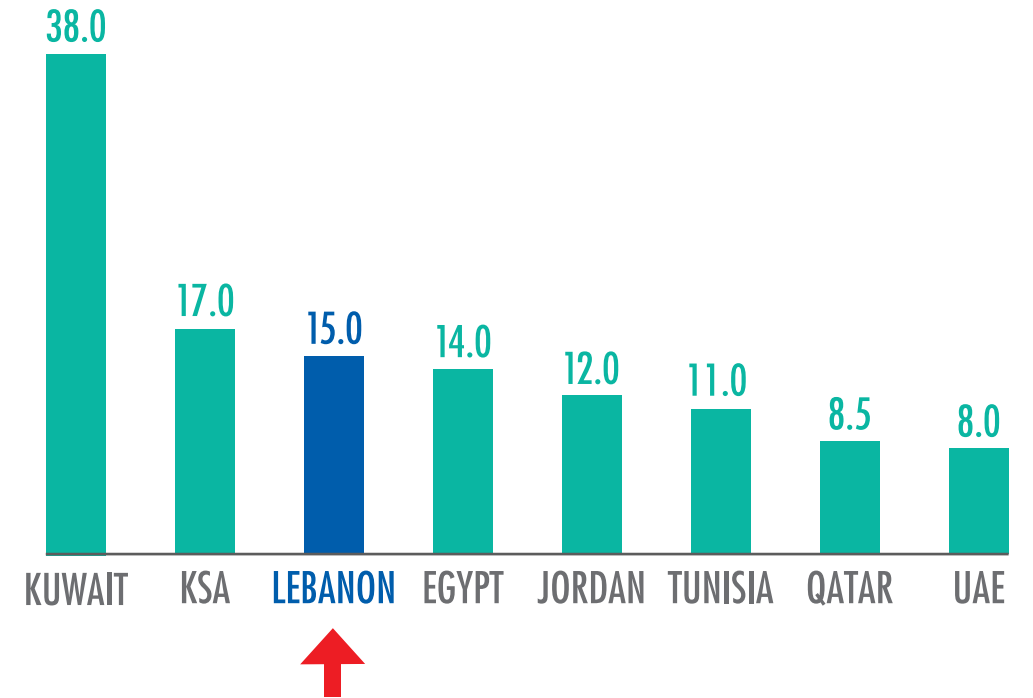
Source: Country's Investment Promotion Agencies

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)

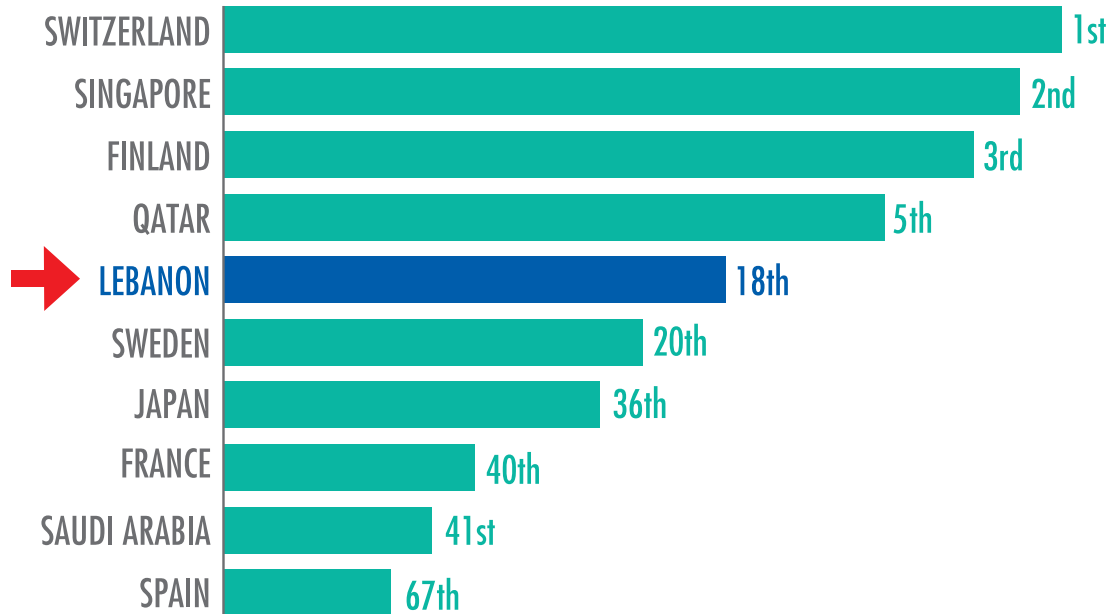


Source: Global Competitiveness Report 2018

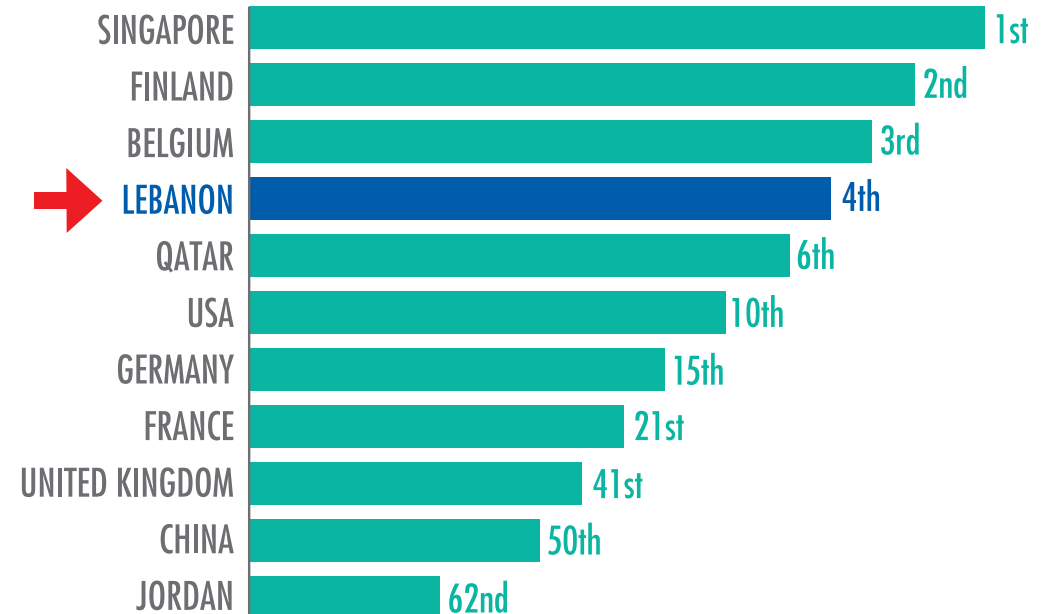
A DYNAMIC WORKFORCE:

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

OVERALL QUALITY OF EDUCATION SYSTEM
(2017)



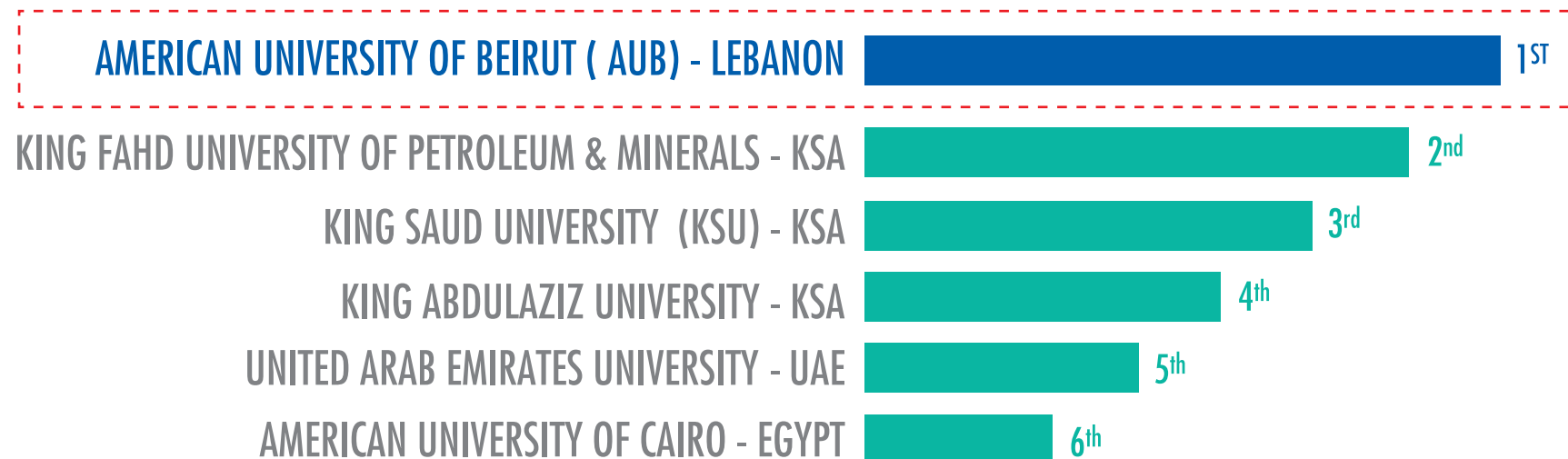
QUALITY OF MATH & SCIENCE EDUCATION
(2017)



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)



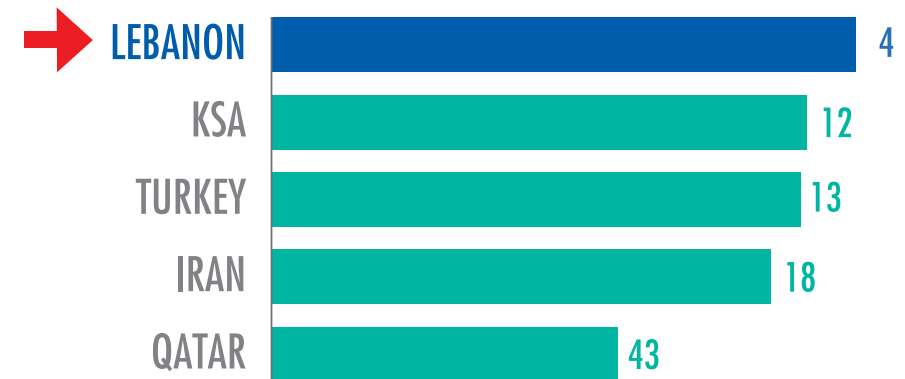
Source: Quacquarelli Symonds University Rankings 2017

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

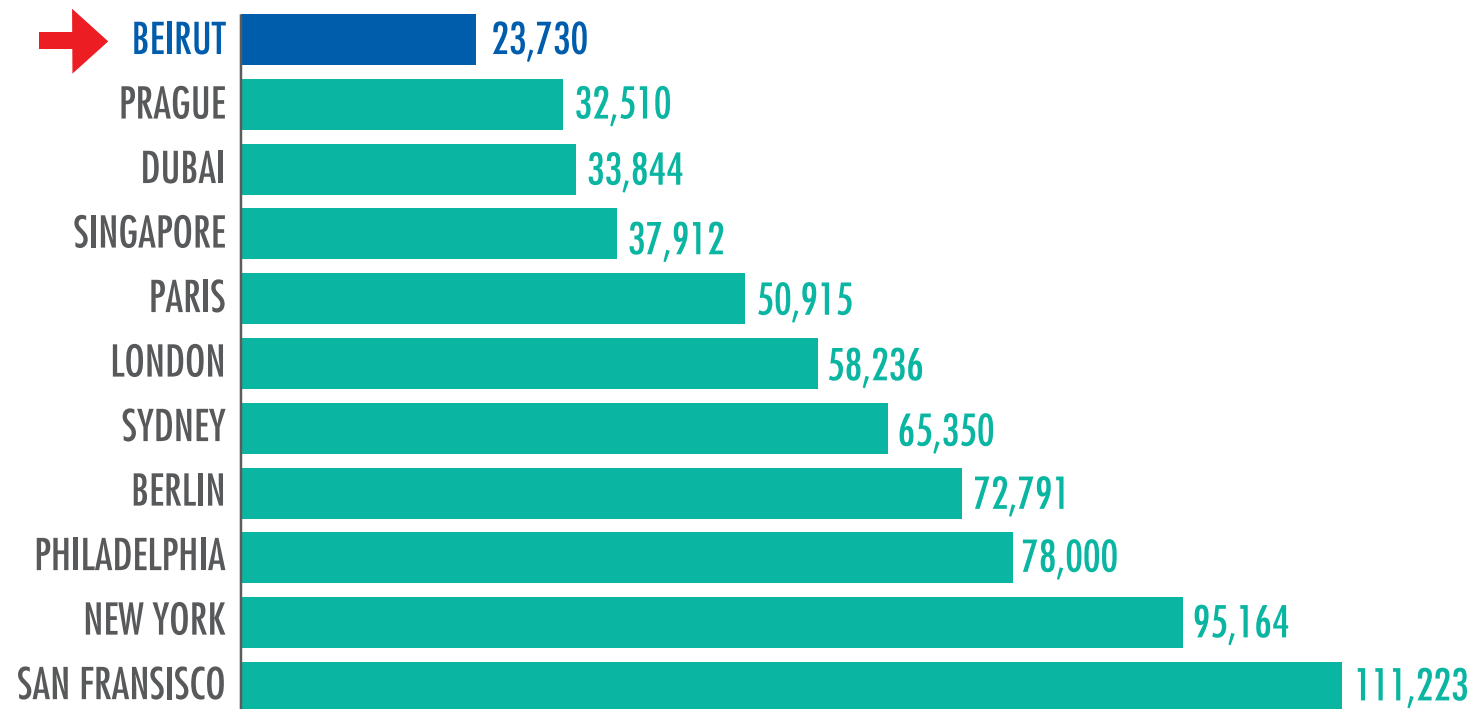
Note: Study based on 62 countries from all regions

*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)



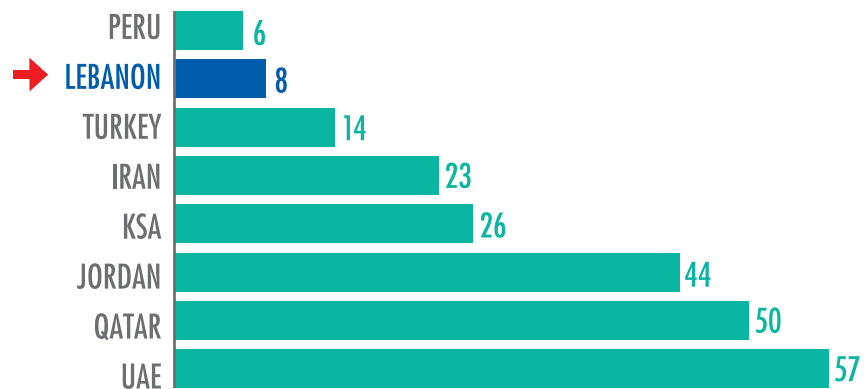
Source: Payscale

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

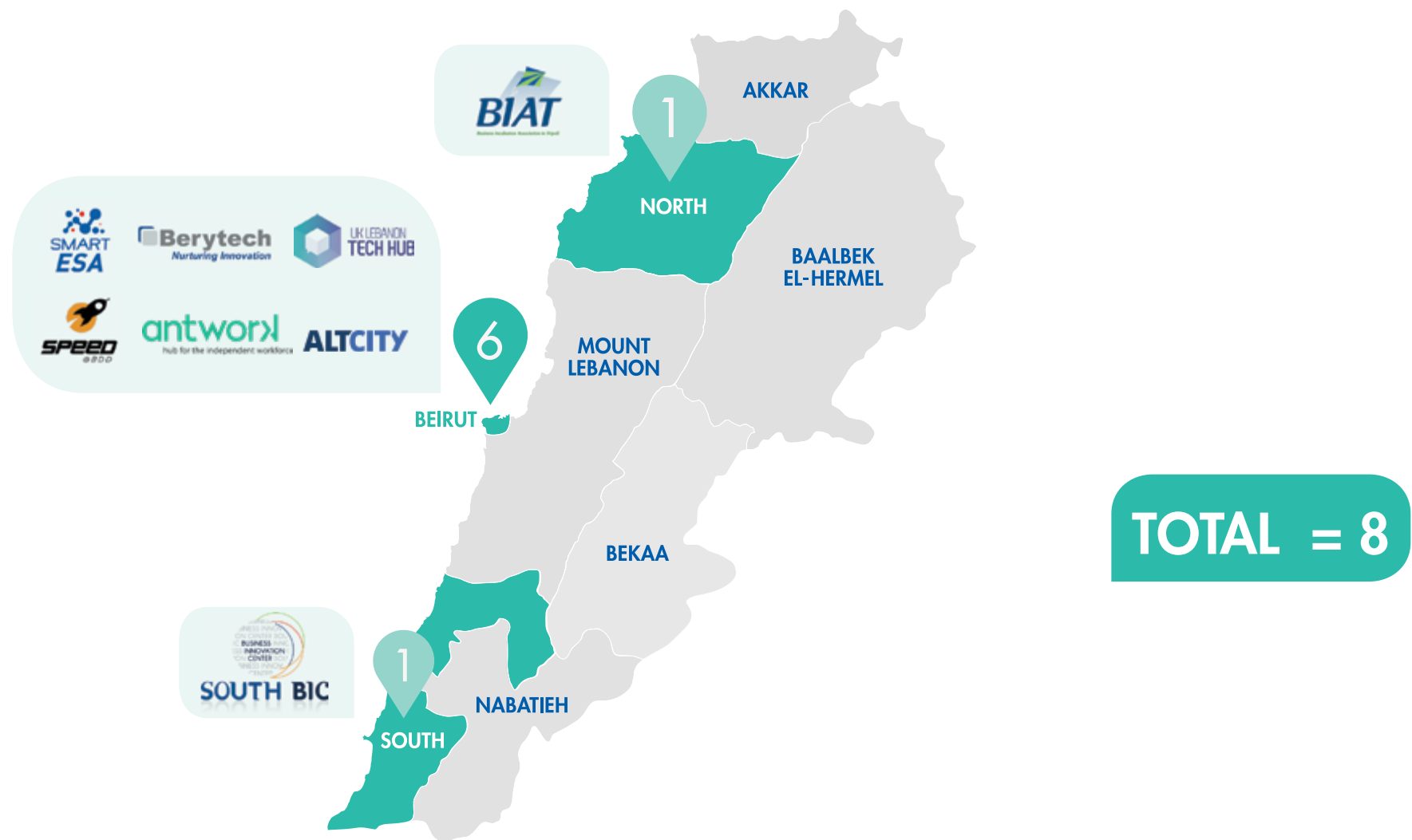
▶ FINANCIAL SUPPORT:

- ▶ 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

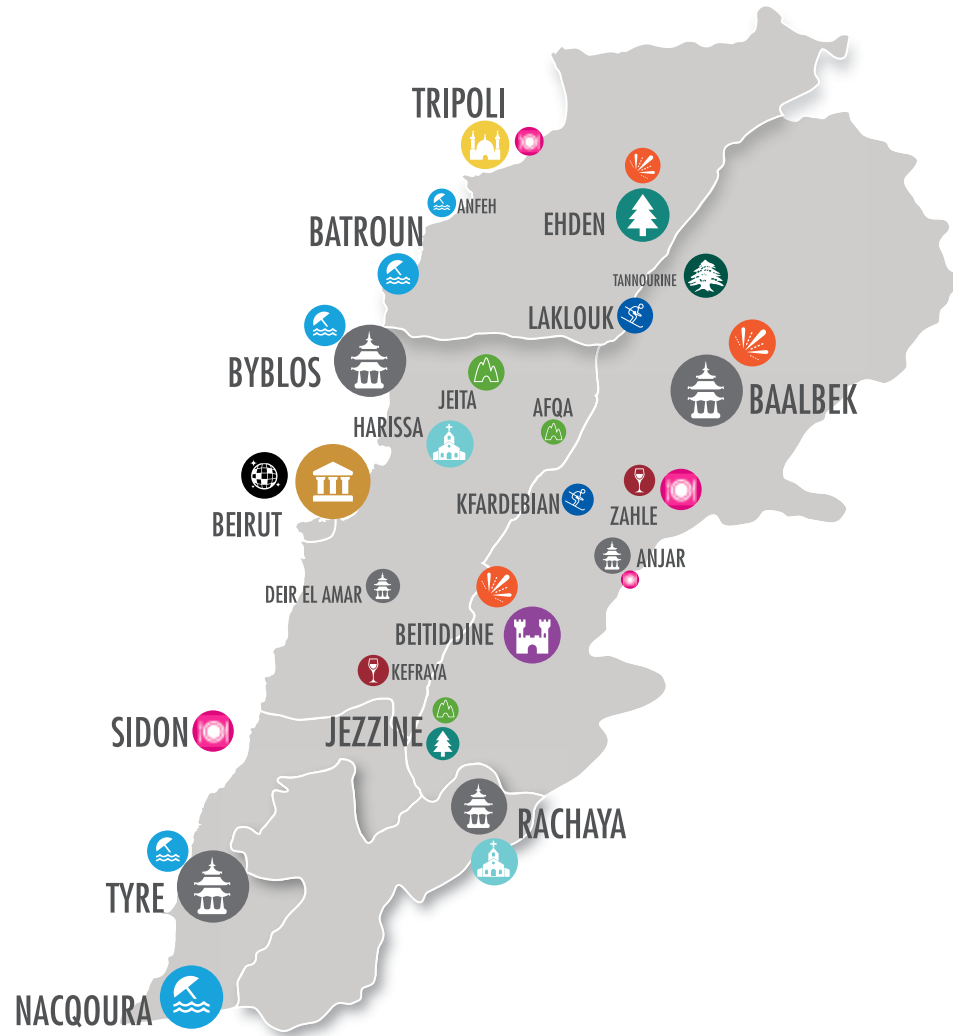
- ▶ **A unique landscape:** Lebanon is endowed with a unique landscape and a natural heritage and a mild climate that distinguish it from all the neighboring countries.
- ▶ **Leisure attractions:** Lebanon has been cited by the CNN and the New York Times as the number 1 city in the world for its unique 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



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**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

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



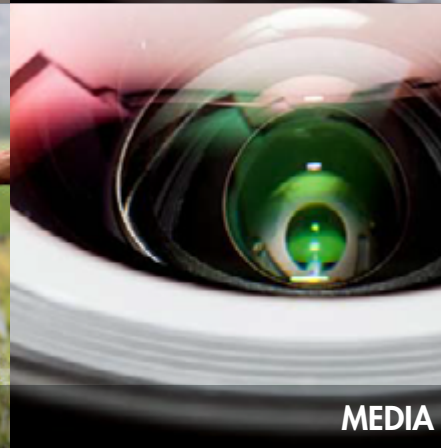
TOURISM



INDUSTRY



AGRICULTURE



MEDIA



TELECOM

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:

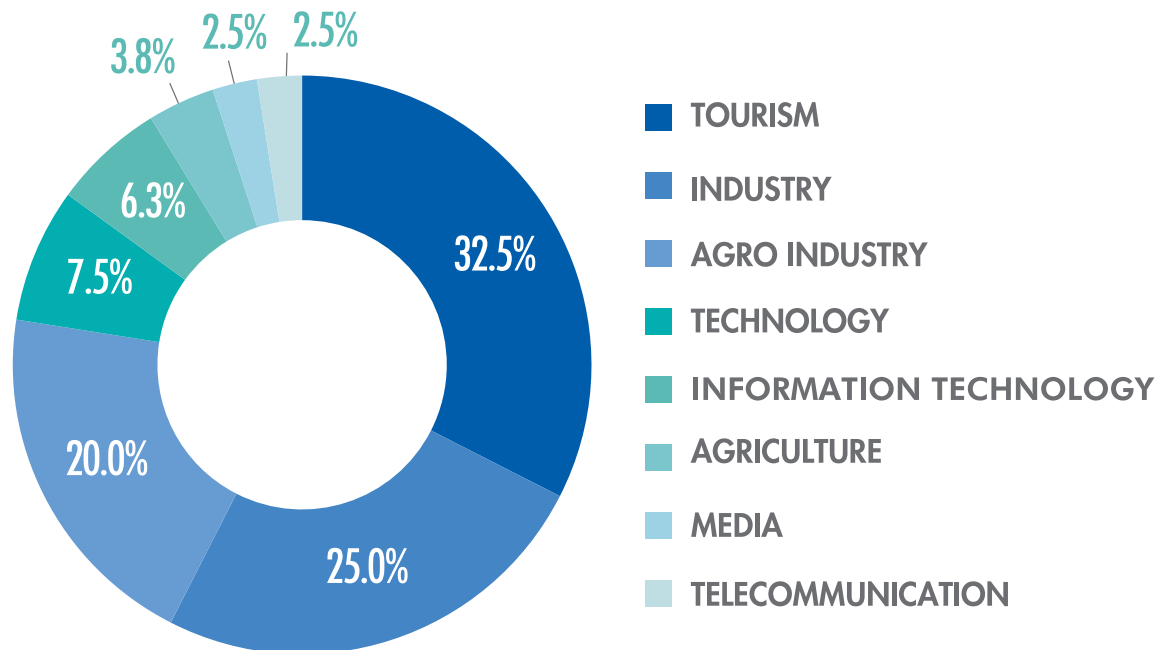
- (1) GEOGRAPHICAL LOCATION
ACROSS 3 ZONES: A, B, C
- (2) INVESTMENT SIZE
- (3) SECTOR

INCENTIVES PROVIDED

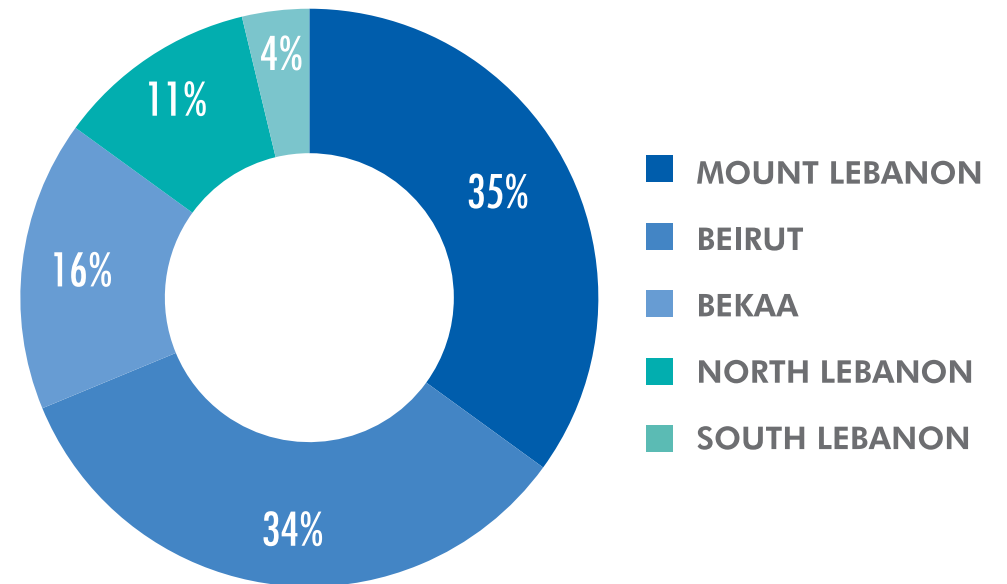
- ▶ Up to 100% tax exemptions for 10 years for projects located in remote areas (Zone C)
- ▶ Work Permits granted

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)

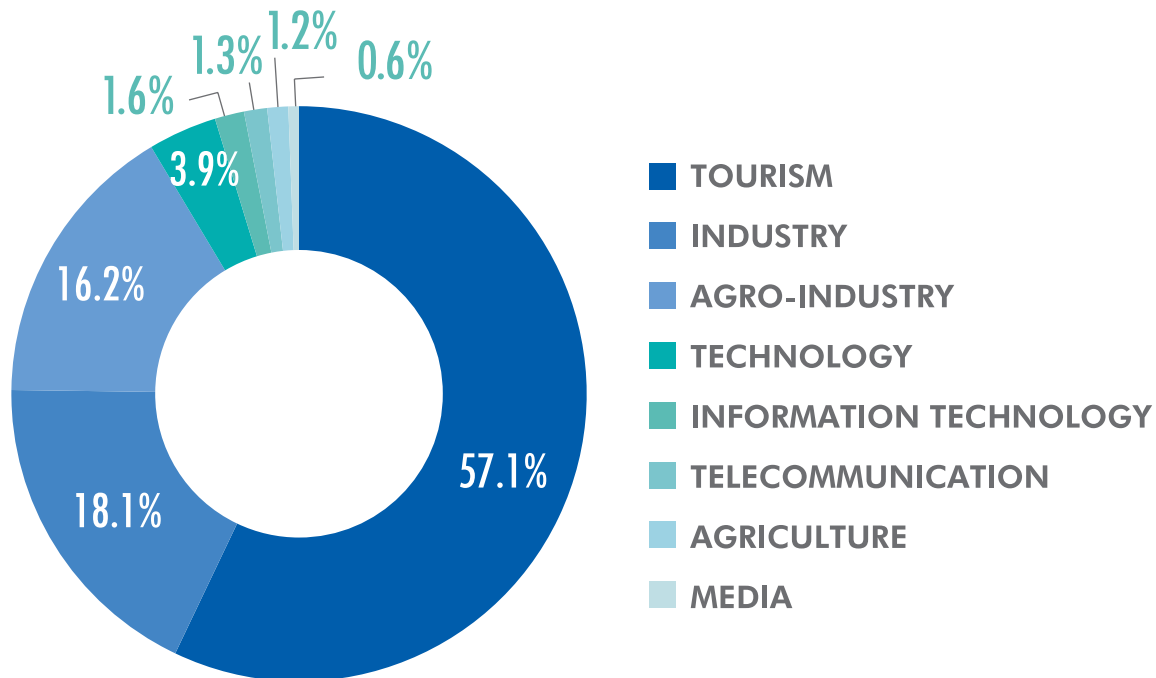


TOTAL: 80

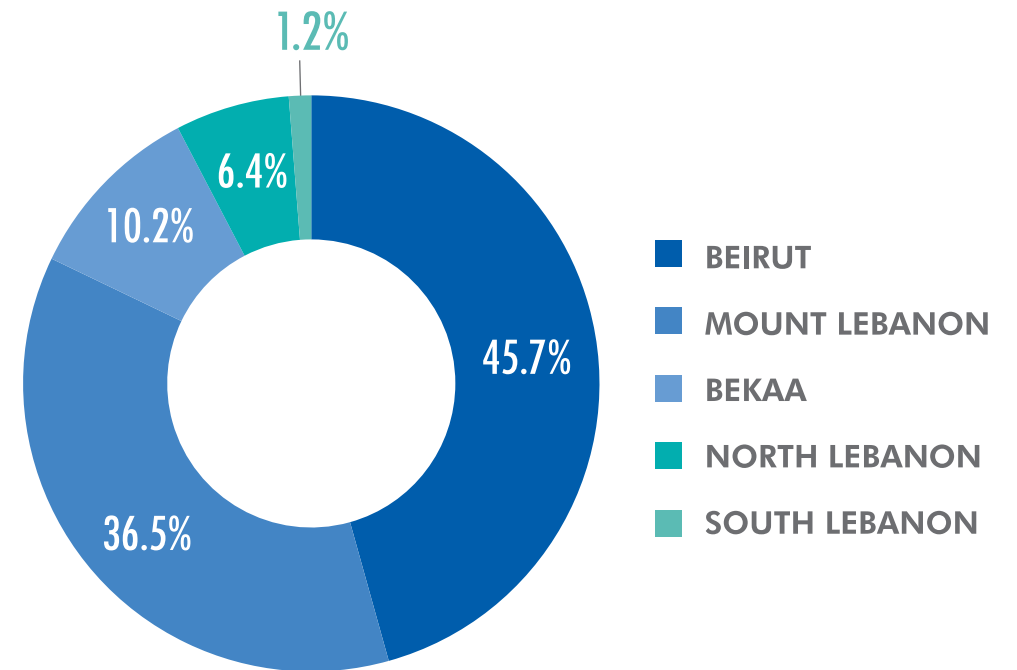
Source: IDAL's Calculations

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

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An aerial photograph of a coastal city, likely Beirut, Lebanon, showing a dense urban landscape of multi-story buildings and a prominent road along the waterfront. The sea is visible on the right side of the frame. A semi-transparent white rectangular box is overlaid on the center of the image, containing blue text.

**INVESTMENT OPPORTUNITIES IN LEBANON ARE
ABUNDANT FROM FINANCIAL SERVICES TO
REAL ESTATE, TOURISM, AND ICT...**

**HERE ARE A FEW EXAMPLES OF OTHER
INVESTMENT OPPORTUNITES**

HEALTHCARE TOURISM SECTOR

FACTS & FIGURES

- ▶ **32 doctors per 10,000 population** one of the highest in the world (compared to 28 in the UK & 17 in Turkey)
- ▶ **35 beds per 10,000 population** ahead of the Usa & Turkey
- ▶ **190 hospitals** spread throughout the country with a total of **15,000 beds**
- ▶ Optimal climate for rehabilitation
- ▶ **7 licensed medical schools and more than 15,000 certified physicians**
- ▶ Multilingual country with high academic profile

FACTS & FIGURES

- ▶ International patients account for **20%** of the total number of patients in the hospitals
- ▶ **Has one of the 10 Most Technologically Advanced Hospitals in the world (CMC)**
- ▶ Gold Seal of Approval® as JCI-(Joint Commission International) accredited entities such as **Bellevue Medical Center(2012), CMC (2009), AUBMC (2007)**
- ▶ Healthcare spending in the Middle East is expected to increase by **4.2% between 2015 & 2020**
- ▶ **Ranked 1st among Arab Countries and 32nd out of 163 countries In Bloomberg Global Health Index 2017**
- ▶ Healthcare spending in Lebanon expected to grow at a **CAGR of 8%**

HEALTHCARE SECTOR: LEBANON, A HUB FOR MEDICAL TOURISM

► Investments opportunities exist in long term stay hospitals which provide medical services mainly in:

- **Mental disability**
- **Physical Rehabilitation (Long term rehabilitation)**
- **Geriatrics**
- **Centers for Alternative Medicine**
- **Specialized Treatment Centers**

THE ATTRACTIVENESS OF LEBANON AS A HUB FOR MEDICAL TOURISM CAN BE RATED **BASED ON 6 PARAMETERS**



PHARMACEUTICAL SECTOR:

THERE ARE OPPORTUNITIES TO INVEST IN THE PHARMACEUTICAL INDUSTRY GIVEN THE LABOR FORCE KNOW HOW & THE INCREASING DEMAND FOR PRODUCTS

FACTS & FIGURES

- ▶ More than **1500 students** graduate yearly in the fields of Biology, Chemistry, Pharmacy & Medicine
- ▶ Lebanon's pharmaceutical market is estimated at around **USD 1.63 billion** (2015), and expected to grow at a CAGR of 6.2% to 2020
- ▶ Importers share in the market is **92%-95%** (146 importers/agents)
- ▶ Sector dominated by **13 pharmaceutical companies**
- ▶ More than **6,346** pharmaceuticals products and **2,185 community pharmacies**
- ▶ **IP system** that protects patents

OPPORTUNITIES

1. JV FOR PATENTED DRUGS



2. PRODUCTION OF GENERICS



3. PRODUCTION OF OTC DRUGS



4. PRODUCTION OF NATURAL PRODUCTS



INFORMATION COMMUNICATION & TECHNOLOGY SECTOR: LEBANON HAS THE POTENTIAL TO BECOME A HUB FOR THE KNOWLEDGE ECONOMY

FACTS & FIGURES

- ▶ Size of the Lebanese ICT market was **USD 436.2 million in 2016**
- ▶ Expected to grow to **USD 543.3 million** by 2019 with a CAGR of 7%
- ▶ Contributed to **3% of Lebanon's GDP** in 2013
- ▶ Exports of ICT related activities accounted for **22.03% of total service exports** in 2016

FACTS & FIGURES

- ▶ The local ICT sector comprises around **800 companies** mostly SME's
- ▶ The Software Industry employs around **5000 individuals**
- ▶ **Software Companies** operate across 3 major activities:
 1. Software Development
 2. Web Solution
 3. Mobile Services Applications

COMPETITIVE ADVANTAGES OF THE ICT SECTOR

HUB TO ACCESS EMERGING MARKETS

- ▶ The **MENA region's** ICT spending is projected to total **USD 212.9 billion** in 2016, accounting for **6.1%** of worldwide ICT spending. This value is expected to grow at a **CAGR of 4.36%** in 2016-2019.
- ▶ The number of **Internet users** in the Arab world is expected to reach **226 million** by 2018.
- ▶ **Potential to access the African Market from Lebanon** with SIM connection penetration rates (excluding M2M) in sub-Saharan Africa estimated at **77%** in 2015.

ENABLING INFRASTRUCTURE

- ▶ **600 million USD** to be invested in Lebanon Telecom Infrastructure until 2020
- ▶ Lebanon **2020 Digital Telecom Vision launched**
- ▶ **New Business Support Unit** available at IDAL for startups
- ▶ **Beirut Digital District** largest digital park in Lebanon

ECOSYSTEM: FINANCIAL SUPPORT

- ▶ **CIRCULAR 331**, issued by the Central Bank in 2013, provides an amount of up to 400 Million USD for Lebanese banks' equity investment into startups, incubators, accelerators, and funds operating in Lebanon. These investments are 75% guaranteed by the Central Bank.
- ▶ **KAFALAT** provides **financial guarantees** for loans of up to USD 400,000 granted by commercial banks to SMEs.
- ▶ **New Teleco Fund** (MIC Fund) that supports startups in software development

A NUMBER OF COMPETITIVE ADVANTAGES CHARACTERIZE THE LOCAL ICT SECTOR & RESULT IN A NUMBER OF BUSINESS OPPORTUNITIES IN KEY SUB-SECTORS:

	SUB-SECTOR	OPPORTUNITIES
1	GAMING	Biggest Markets For Gaming: There are increased opportunities for gaming on tablets and smartphones; 78% of the 1.2 billion gamers worldwide play on tablets and smartphones.
2	E-HEALTH	ETobb and Sohati are the most well-known e-health portals in Lebanon.
3	AD TECH	Biggest Markets For Ad Tech: Lebanon presents a competitive advantage for the development of ad tech products, especially in three key areas: Mobile, Search, Video
4	ENTERPRISE SOFTWARE AS A SERVICE (SAAS)	Biggest Markets For ENTERPRISE SAAS: CRM/ERP/BPM, Government (public cloud offerings) Advertising (Cloud advertising)
5	MEDIA STREAMING	Biggest Markets For Media Streaming: Online music and video revenues in MENA are expected to grow at a rapid pace, providing opportunities for entrepreneurs in Lebanon.
6	CONSUMER INTERNET (SOCIAL NETWORKS & APPS, SEARCH, CONTENT WEBSITES)	There Is An Especially High Demand For Arabic Content Creation: The number of active Arab Internet users is set to rise to 197 million by 2017. Only 3% of online content is in Arabic, while more than 60% of users in the MENA region prefer Arabic content.
7	FINANCIAL AND E-PAYMENT SOLUTIONS	In the MENA region, mobile payments are gaining popularity, and the number of mobile banking users is expected to jump from 19.8 million in 2013 to 82.1 million users by 2017.

GAMING

- ▶ The global CAGR for gaming was forecasted at **6.2%** for the period 2016-2020.
- ▶ The Leading gaming countries in the MENA have generated **USD 2.7 billion** of gaming revenues in 2017



BIGGEST MARKETS FOR GAMING:

- ▶ **78% of the 1.2 billion gamers worldwide play on tablets and smartphones.**
- ▶ **TABLETS** gaming on tablets is expected to grow at a **6.17% CAGR** to reach **USD 12.85 billion** by 2020.
- ▶ **SMARTPHONES** gaming is expected to grow at an **13.8% CAGR** over the period 2016-2020. Mobile Gaming is forecasted to account for **40%** of the global gaming market in 2020.
- ▶ **Number of Employees in the sector in Lebanon: 151***
- ▶ **Number of Companies in the sector in Lebanon: 8***

**to be updated*

E-HEALTH

- ▶ **The Global Healthcare IT Market** is expected to grow at a **CAGR of 15.9%** from 2016-2021.
- ▶ The E-health market is growing in the **Arab world**, fueled by increasing demand for healthcare services in the GCC. Expenditure on healthcare services in the GCC hovered at **USD 49.8 billion in 2013**, and is reaching 69 billion at around **5% until 2020**.



- ▶ **E-health** is a competitive subsector for Lebanon, due to availability of skilled talent, the right legal framework and synergies with other markets and industries.
- ▶ **ETobb & Sohati** are the most well-known e-health portals in Lebanon, and are now becoming global players.



- ▶ **Number of Employees in the sector in Lebanon: 123***
- ▶ **Number of Companies in the sector in Lebanon: 5***

**to be updated*

ADTECH

- ▶ In the **MENA region**, spending on digital advertising is on the rise, providing opportunities for entrepreneurs in Lebanon.
- ▶ In 2015, Digital advertising spending accounted to **USD 2.42 billion** in MENA growing at a CAGR 21.8% to reach **USD 6.5 billion by 2020**.



BIGGEST MARKETS FOR AD TECH:

- ▶ **MOBILE**, will become the third-largest Internet advertising platform worldwide.
- ▶ **SEARCH**, will continue having the largest share of total advertising revenue. Its market size was estimated at **USD 73 billion** in 2015 and is expected to hit **74 million** in 2018
- ▶ **VIDEO**, will witness the sharpest growth, with global video Internet advertising revenue is expected to rise at a **24% CAGR** until 2018



ENTERPRISE SOFTWARE AS A SERVICE (SAAS)

- ▶ **SaaS** is a new business model for the delivery of services, and it gives Lebanese companies the possibility to overcome political instability and work around time-consuming export procedures by selling products over the cloud.
- ▶ The SaaS market in the Middle East is expected to hit **USD 307 million** by 2018.
- ▶ From 2014 to 2018, a total of **USD 4.7 billion** will be spent on public cloud services in the MENA region.



BIGGEST MARKETS FOR ENTERPRISE SAAS:

- ▶ **CRM/ERP/BPM:** Through 2018, CRM is forecasted to contribute to **30%** of all spending on SaaS in the region in 2016, the MENA market for Business Process as a service is amounted USD 256 million and is expected to reach USD 327 million by 2020.
- ▶ **GOVERNMENT:** In 2017, public cloud offerings will account for more than **25%** of government business services in areas other than national defense and security.
- ▶ **ADVERTISING:** Cloud advertising is expected to grow from **USD 90.3 billion in 2016 to USD 151 billion in 2020.**
- ▶ **Number of Employees in the sector Lebanon: 3098***
- ▶ **Number of Companies in the sector Lebanon: 94***

**to be updated*

MEDIA STREAMING

- ▶ Global digital music streaming revenues amount to USD 49 million in 2018 and is expected to grow at a CAGR of **7%** over the period 2018-2020 and electronic home video will grow **28%**.
- ▶ Digital music revenues in **MENA** were estimated to grow at a **CAGR of 5.7%** from 2018 to 2022 providing opportunity for developers in Lebanon.
- ▶ Two of the most known players in this subsector in Lebanon are **Anghami**, a digital music streaming app, and **Cinemoz**, an on-demand video portal for Arabic movies and videos.



BIGGEST MARKETS FOR MEDIA STREAMING:

- ▶ **MUSIC:** in the MENA, online music revenues are expected to grow at a **CAGR of 5.7%**, reaching **USD 91 million** in 2022.
- ▶ **VIDEO:** YouTube statistics place MENA as the second-highest regional consumer worldwide, where **285 million videos are viewed every day**, and two hours of video are uploaded every minute.
- ▶ **Number of Employees in the sector in Lebanon: 65***
- ▶ **Number of Companies in the sector in Lebanon: 3***

**to be updated*

CONSUMER INTERNET (SOCIAL NETWORKS & APPS, SEARCH, CONTENT WEBSITES)

There is high demand for arabic content creation:

- ▶ Demand for **Arabic content** still largely outweighs supply, indicating the potential for new products and Lebanese entrepreneurs to serve the consumer Internet market.
- ▶ The number of active Arab Internet users is set to rise to **226 million by 2018**.
- ▶ Only **5.6%** of online content is in Arabic, while **41.7%** of users in the Middle East region are Arabic speakers.
- ▶ **35%** of users search mainly in Arabic, while **24%** search mainly in English and only **19%** always search in English.

The only 2 company exits out of Lebanon thus far have been in consumer Internet:

- ▶ Online recipes portal **Shahiya** was acquired by Japan-based Cookpad for **USD 13.5 million** in December 2014
- ▶ French company **Webedia** acquired a majority stake in digital content portal Diwaneer for areported **USD 25 million** in March 2014.



FINANCIAL & E-PAYMENT SOLUTIONS

- ▶ **Globally**, the mobile payments market was valued at USD **594 billion in 2016, growing at a CAGR of 32% from 2017 to 2022.**
- ▶ The **MENA region's** share of this market is expected to grow at a **CAGR of 80%** through 2017, when transactions are forecasted to hit **USD 27.6 billion.**



- ▶ In the **MENA region**, mobile payments are gaining popularity, and the number of mobile banking users is expected to jump from **19.8 million in 2013 to 82.1 million users by 2017.**
- ▶ The Digital payments segment in the MENA amounts to USD 66,364 million in 2018 expected to grow at a CAGR of 14% over the period 2018-2022
- ▶ **Number of Employees in the sector in Lebanon: 648***
- ▶ **Number of Companies in the sector in Lebanon: 11***

**to be updated*

AGRO-FOOD SECTOR:

LEBANON HAS THE POTENTIAL TO BE A LEADER IN THE F&B INDUSTRY DUE TO HIGH QUALITY PRODUCTS

FACTS & FIGURES

- ▶ Major contributor to the Lebanese economy accounts for **32%** of Industrial sector's output
- ▶ Exports increased at a **CAGR of 4.6%** for the period of 2012 - 2017
- ▶ It generates around **4.5% of Lebanon's GDP** with an estimated size of **2 billion USD**
- ▶ **17%** of total Industrial export in 2017
- ▶ **Key exported products** include Sugar & Sugar Confectionary; Beverages, Spirits & Vinager, followed by Fuits & Nuts

FACTS & FIGURES

- ▶ Largest employer in industrial sector with **20,607 individuals**
- ▶ More than **970 companies** in **9** sub-sectors
- ▶ **KAFALAT** Guarantees for Loans (up to USD 400,000) granted by commercial banks to SMEs
- ▶ **IDAL: 100% exemption from corporate income & project dividends taxes** for up to 10 years for improvements in the Agro-food sector provided minimum requirements are met

WHAT ARE THE OPPORTUNITIES?

1. OLIVE OIL

- ▶ Most prominent Agro-Food Product
- ▶ Exports increased by **27%** between 2014-2015
- ▶ Oil productivity between **18 to 25%**
- ▶ Opportunities in extra virgin olive oil from new varieties of olive such as Barnea(Senolia), Frantoio



3. WINE

- ▶ Industry estimated at **41 Million USD**
- ▶ Mainly export dependent
- ▶ **40 wineries** that produce more than **8.5 bottles/year**
- ▶ Opportunity in wine tourism activities



2. DAIRY PRODUCTS

- ▶ Large number of players: Liban lait, Dairy Houry & co, Skaff Dairy, Taanayel les fermes
- ▶ Availability of **farming locations** in Bekaa and North Lebanon
- ▶ Opportunities in organic dairy products such as flavored milks & dairy snacks



4. DRIED FRUITS & NUTS

- ▶ Exports increasing at a **CAGR of 8.5%** over last few years
- ▶ **55 roasteries** in Mount Lebanon (**40% of the total**)
- ▶ Opportunity: Reshape dried fruits & nuts to create higher value and supply regional markets



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