

INVESTMENT DEVELOPMENT AUTHORITY OF LEBANON
Presidency of the Council of Ministers

IDAL

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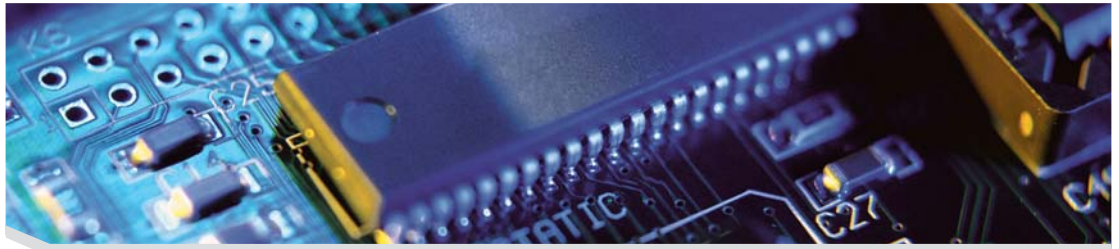
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Testimonial

"We would like to voice Ericsson's gratitude for all the efforts you and the Lebanese government have exerted at all levels, resulting in the establishment of the Global Service Delivery Center which facilitates communication with other Ericsson's centers. We would like as well to address a special note of thanks to IDAL Chairman and Director General, Mr. Nabil Itani, and his team for their valued assistance in that respect".

Hans Severin
Chairman of Ericsson Lebanon

Itani: Telecommunication will register a significant growth



Dear Readers,

We present to you this issue underlying an important economic theme, namely the telecommunications sector in Lebanon. In an era governed by rapid technical changes, technology has gained an increasing importance to become the most significant criteria for societies' development and progress. Information technology is considered to be an important barometer to development.

Realizing this sector's importance, the Lebanese government facilitated many projects in this regard. The various open policies it followed paved the way for communication with the outside world, as it is undergoing continuous modernization and development to accompany the fast progress. Moreover, it lately introduced the DSL fast internet service, which will add to the development of Lebanon's competitiveness in the region and contribute in attracting private investment companies in addition to providing several Investment opportunities in this field and other related ones.

In this regard, Lebanon has many assets that set it apart from neighboring countries, among which: its highly skilled, competent, specialized human capital graduating yearly from its universities and institutes; the proper technological infrastructure such as incubators and easy access to necessary funds to establish those projects. Furthermore, Lebanon is emerging as a growing market for contracting high quality services.

We believe the telecommunications sector, which is essential as a development motive, will register a significant growth with revenues reaching half a billion dollars during this year's first 5 months, and it will support other productive sectors.

Beside the ICT sector, this issue will highlight several events in which IDAL has participated as well as many conferences and forums. Yet the peak activity of this period of time was about the other mission of IDAL, thus encouraging and supporting productive sectors through Export Plus and AGROMAP programs. IDAL participated and/or organized numerous activities and seminars in that respect.

With regards to investments, IDAL granted incentives under Investment Law to two new investment projects, namely the Summerland Hotel and Ericsson's Global Service Delivery Center. The two projects are a proof that the investment climate in Lebanon is still attractive for investments and that investors still believe in the feasibility of their investments therein.

Nabil Itani
Chairman - General Manager

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Arab Economic Forum - Lebanon - May 4-5, 2007



IDAL - Lebanon



Ericsson - August, 2007



Events @ IDAL

IDAL participates in the Arab Economic Forum



IDAL sponsored and took part in the Arab Economic Forum organized by Al-Iktissad Wal-Aamal on May 4 and 5 under the high patronage of Prime Minister Fouad Siniora. IDAL chairman made an intervention on how to increase Arab competitiveness in attracting investments, highlighting the need to achieve Arab economic integration to reap the benefits of the existing financial surpluses in the region.

OECD Manager of Investment Programs visits IDAL



An OECD delegation presided by the manager of Investment programs in the MENA region, Alexander Böhmer, visited IDAL to look into the ways of cooperation between OECD and IDAL. Their visit came in the framework of the ministerial meeting with ministers from 16 Arab countries. They discussed also the idea of a special agenda for development in Lebanon and its investment climate, as well as how to improve and amend legislation in this field.

Programs Update

Successful participation in SIAL exhibition

The Chairman of IDAL Mr. Nabil Itani discussed with a delegation of the syndicate of Lebanese agro-food industries headed by Georges Nasraoui the outcomes of the Agro Market Access Program (Agromap) in 2006, in light of IDAL's participation in SIAL (Salon International de l'Alimentation) exhibition organized in Paris last October. Itani pointed out that the program achieved its forecast results as export horizons grew and extended for various food industries, saying that the introduction of these industries on international markets has known a major step forward.

It is worth mentioning that the participation in SIAL exhibition was quite successful for Lebanese industrialists who were able to secure 173 contracts worth \$2,100,000 according to the syndicate's statistics.



Tour on Popins Factory

The Chairman of IDAL Mr. Nabil Itani, accompanied by the President of the Lebanese Industrialists Association Fadi Abboud and the vice president Hawlo Tleiss, visited "Daher International Food Company" after being granted incentives according to investment law 360.

Itani pointed out that \$US 20 million projects in the agro-food sector benefited from the incentives of IDAL so far. He highlighted that the importance of this project goes beyond its financial and investment value, as it falls under the feasibility of the economy in general, for it is linked to different sectors and industries. The project is established on 17,000 square meters. It includes one factory for dried fruits, another one for biscuits and chocolate and a factory for dried and frozen potatoes. To date, it has provided 270 job opportunities following the implementation of the first stage of the project, knowing that the second stage will bring that figure to 800 job opportunities.



Tour on Packing Houses in the South

The Chairman of IDAL Mr. Nabil Itani visited the packing houses of fruits and vegetables in the South area within the framework of the Export Plus program. Itani explained that the tour aimed at determining the needs of the packing houses in order to develop them. A series of extension activities shall target farmers and update them on the required specifications to develop such houses, Itani announced.

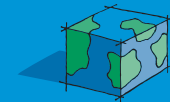


Seminar on trade exchange between Lebanon and Egypt

The commercial bureau of Egypt's embassy in Lebanon and the Lebanese syndicate of fruits and vegetables exporters and importers organized, in cooperation with IDAL, a seminar aimed at developing trade exchange between Lebanon and Egypt.

In his presentation, the Chairman of IDAL Mr. Nabil Itani said that Egypt ranked fourth in 2006 on the list of countries importing Lebanese agricultural products through the Export Plus program. It was the highest record registered by Lebanese agricultural products to Egypt, growing steadily up to 50% annually.



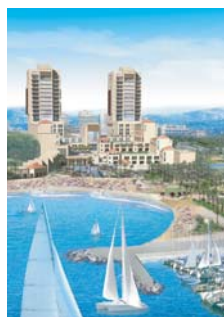


Projects Update



Ericsson

The International communication company Ericsson launched its Global Service Delivery Center (GSDC) mid August. This center provides services for communication providers in the EMEA region, and depends on high technologies. It is expected to attract other companies providing similar services, since it increases Lebanon's competitiveness. Investments in this project are estimated at 630 thousand \$US, generating in a first step, 100 job opportunities for engineers, technicians and management staff.



Summerland

The built area for this project situated in Mount Lebanon is 65 thousand square meters. It is located in the old site of the Summerland Hotel. The cost of this resort amounts at 82 million \$US, and it includes a five star hotel, a yacht club, restaurants, shops, a gym, as well as different courts and outdoor sitting areas. It will provide 221 direct job opportunities, and 90 seasonal.

Project	Type Of Incentives	Sector	Size of Investment (US\$ million)	Jobs Created
Summerland	Package Deal Contract	Tourism	82	221
Ericsson	Investment Projects Incentives	ICT	0.63	100

Infrastructures

The launch of high speed internet DSL

The launch of the Digital Subscriber Line DSL service contributes in further developing the telecom sector in Lebanon, hence supporting the IT development efforts and the governmental computerization projects, as well as the economic development in general. It also makes the investment environment in Lebanon more attractive and adds to its preferential advantages. The number of subscribers in this service which was launched in May is expected to reach 45000 by the end of 2007. The licensed companies authorized to provide this service are 11 companies, besides OGERO.

According to the Telecom Ministry, the number of telephone posts providing this service will reach 350 to cover all the Lebanese regions by the end of 2008.

The installation cost is \$38, and the monthly bill depends on the speed requested by the subscriber.

Speed	Cost (US\$)
128 kb/s	23.9
256 kb/s	33.9
512 kb/s	46.9
1MB/s	76.9

Investment News

Europtima to launch KROUM

KROUM "Le Luxe de l'Authentique", a US \$ 22 million mountain project in Ehden, is located on 13 hectares dominated by the "Mar Sarkis" Monastery. It will include a traditional Lebanese commercial / residential mixed use village, a 120 rooms 5 stars hotel, a residential spine offering a diversity of apartments and a medi-spa. The total built area will be about 35,000m2. In its first stage, KROUM will provide 280 job opportunities.



CMA-CGM to build New HQ in Beirut

French-based company CMA-CGM has started the construction of a new 12 million headquarters office near the Port of Beirut. The 5200 m2 building will provide facilities to 150 employees. The company signed a three-year transshipment deal with the Port of Beirut under which the port will manage a minimum of 100 thousand containers per year. The project will be completed before the end of 2008.



Ace Hardware to open 6 stores in Lebanon

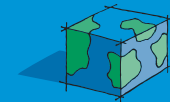
Ace Hardware is planning to open 6 stores in Lebanon in the next decade. The US-based hardware cooperative said that its first store is under construction and will be inaugurated soon. Ace offers established brand awareness with top most recognizable brands in the world.



Shuaa Capital to open new office in BCD

Shuaa Capital, one of the region's leading investment banks, unveiled its plan to open branch in Beirut Central District in September this year. This bank was established in 1979 for the express purpose of investing and promoting capital flows into the Arab region.





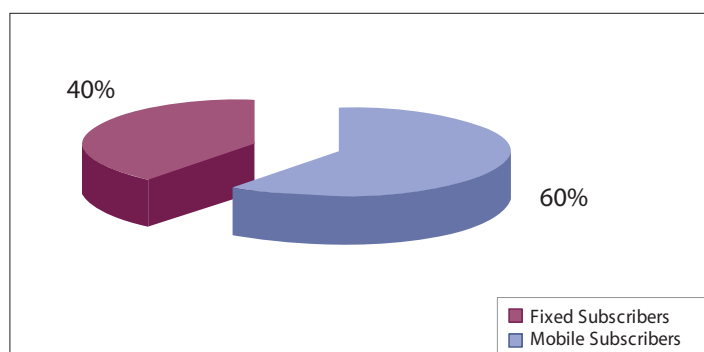
The Telecommunications sector in Lebanon

Key Indicators

	Number of subscribers
Fixed Telephony	687.000
Mobile Telephony	1.050.000
Internet	450.000

Source: MOT, Ogero, mobile operators, internet providers

Approximate distribution of mobile and fixed telephony subscribers in Lebanon



Period	Value (Million \$)	Forms of revenues
January to July 2007	755	Total
January to June 2007	720	Direct feeding of the treasury

Source: Ogero

Internet Users in Different Arab Countries	
Egypt	5 million
Morocco	4,6 million
Sudan	2,8 million
Lebanon	700 thousand

Source: International Telecommunication Union - 2006

Sector Highlights



Lebanon has all the structural components necessary for its success in the ICT era. The "Commercial Guide" issued by the US Department of Trade expected Lebanon to become a regional center for ICT, thanks to its skilled and multilingual labor force and the good standard of its advertising agencies, as well as the existence of information providers and electronic gateways. The report mentioned the government's plans to expand the ICT infrastructure offer important opportunities to foreign investors.

Lebanon recently joined the group of countries participating in the maritime international cable project "I-ME-WE" which aims at linking together with a modern communication the countries between India and the UK cable. Lebanon which is a founding and active member in the project, has a vital role to play, as it will be the linking point for the participants of the eastern Mediterranean shores.

According to the statistics issued by the ITU, Lebanon ranked 5th among 21 Arab countries in 2006, with regards to the number of internet subscribers. The ratio of internet users to the population number reaches 19,5%, while it reaches in all Arab countries combined 7.2% only. Internet users in Lebanon constitute 3% of the total internet users in the Arab world.

The number of internet providers in Lebanon reached 6875 providers, double the average of providers in the Arab world, which amounts at 3310 in each country. As for the number of PCs, it was 409000 by the end of 2006 according to the ITU statistics. The ITU considered those figures to be extremely interesting, considering the small size of the country and its population number compared to the Arab countries.

According to the Information and Communication Technology Opportunity Index 2007, Lebanon registered the best performance among 19 States in the MENA region, in terms of the educational level, and the human skills available in the ICT sector. Universities and colleges graduate about 1500 engineers and technicians in IT.

According to Ogero, the number of subscribers in the fixed telephony reached 687 000 subscribers in June 2007. Based on the information collected from the 2 mobile telephony providers and internet providers, the MOT estimated the number of internet users in Lebanon at around 450 thousand, knowing that the number of subscribers in mobile telephony has exceeded 1.050.000 subscribers.