

INVESTMENT DEVELOPMENT AUTHORITY OF LEBANON  
Presidency of the Council of Ministers

# IDAL

# INVESTOR NEWSLINE

WINTER 2003

## Inside this issue

### Page 2

- Events @ IDAL

### Page 3

- IDAL News
- Investment News

### Page 4

- The Agro food sector in Lebanon

## IDAL Contact Info

Investment Development  
Authority of Lebanon  
Azarieh Tower, 4<sup>th</sup> Floor  
Emir Bachir Street  
Riad El Solh  
PO.Box: 113-7251 Hamra  
Beirut 1103-2170 Lebanon  
Tel: +961 (1) 983306/7/8/9  
Fax: +961 (1) 983302/3  
E-mail: invest@idal.com.lb

## Happy New Year!

Dear Readers,

The last quarter of 2003 was a busy period for IDAL, and it brought to us a lot of positive developments. On the marketing and promotion fronts, we did not spare an opportunity, both in Lebanon and elsewhere, to showcase Lebanon and raise awareness about the various investment opportunities existing in the country. In September, IDAL enlisted the support of Carlos Ghosn, Nissan's Chief Executive Officer, to be IDAL's special ambassador, advocating the case of Lebanon among Japanese businesses. The roundtable organized by IDAL, on the occasion of the visit to Lebanon by Dr. Craig Barrett, Intel Corporation's Chief Executive Officer, was an opportunity to highlight the many success stories that the country offers in IT to a renowned audience of professionals. The Brazilian presidential visit to Lebanon was yet another opportunity to market Lebanon among Brazilian businesses and rekindle the contacts which we already initiated with Brazilian investors during our trip to Sao Paulo, Foz de Iguacue and Brazilia last June.

On the internal front, we have relocated in mid-October to new offices in Downtown Beirut to better serve our growth. After several months of preparation, we have released our website in Arabic to service our Arab-speaking investors and friends.

In another vote of confidence in Lebanon, we are pleased to announce through this newsletter, the opening of new offices for Oracle Corporation, the world's leading software enterprise company, and Tejari, the Middle East premier online marketplace. With Lebanon regaining its position as the location of choice for regional headquarters in the Levant region, we welcome all the companies that have chosen to invest in Lebanon - new and those long-established investors - and we commit once again to strengthen our efforts to make Lebanon an outstanding place to do business.

In this issue, we are pleased to feature the agro food market, presenting key highlights and statistics on a sector quickly emerging as one of Lebanon's most promising industries.

As the year comes to an end, I want to thank all those who contributed to IDAL's success in 2003 for their support and encouragement. On behalf of everyone at IDAL, I would like to extend our warmest wishes for a happy and prosperous New Year.

**Samih N. Barbir**  
Chairman - Managing Director

## Testimonials

**"Thanks to IDAL, we were able to complete all formalities and issue all licenses required to set up our representative office in Lebanon in less than one week!"**

Kassem Fares,  
Managing Director -  
Oracle for the Levant

"The support we received from IDAL was overwhelming and much appreciated. Through active involvement and vigilant guidance, IDAL has been our partner since we first set foot in Lebanon, initially supplying us with all required information, and later on facilitating and streamlining the issuance process for all necessary permits and licenses. Our collaboration with IDAL in this regard proved to be very successful and effective and to say the least free of bureaucracy."

"Lebanon offers numerous advantages to a company like Oracle: a strategic location, talented and skilled labor and a developed services infrastructure. We have been expanding our business in the region, and opening an office in Beirut, the home of so many regional corporate headquarters, made sense not only to exploit the Lebanese market but also to serve as a springboard into other countries in the Levant region."



**ORACLE**



## Events @ IDAL

### **IDAL showcases Lebanon's economic and investment strength to President Lula of Brazil**

IDAL was a key sponsor of the business meeting which was organized by the Chamber of Commerce, Industry and Agriculture of Beirut and Mount Lebanon on December 5, 2003, to honor the visit of the Brazilian delegation headed by President Luiz Inacio Lula da Silva. During the event, IDAL delivered a keynote presentation, highlighting the investment opportunities available in Lebanon. The event was an opportunity for IDAL to meet with Brazilian investors and Lebanese expatriates, and follow up on contacts initiated last June during the Planet Lebanon 2003 conference in Brazil.

### **Business Roundtable with Intel CEO Craig Barrett**

IDAL hosted on October 27, 2003, a business roundtable on the occasion of the visit to Lebanon by Dr. Craig Barrett, Intel Corporation's Chief Executive Officer. The event represented an opportunity for Lebanese organizations and companies to share win stories with Dr. Barrett, showcasing the benefits and accomplishments that they achieved by deploying technology solutions in their work environment. The roundtable, which gathered key business leaders from both the private and public sectors such as education, public health, industry, pharmaceutical and IT, also offered a free venue to discuss with Dr. Barrett the importance of IT deployment for Lebanon's economy. Dr. Barrett's trip to Lebanon is the first of its kind in many years by a CEO of a multinational company the size of Intel.



### **IDAL to play a role in SME development**

Within its ongoing efforts to support and develop Small and Medium Enterprises (SMEs) in Lebanon, Mr. Samih Barbir, IDAL's Chairman and Managing Director visited the Regional Center for Entrepreneurship and Investment Training (ARCEIT) - developed and operated by UNIDO ITPO in Bahrain. During his visit, Mr. Barbir discussed with Dr. Hashim Hussein, head of ITPO Bahrain, the approach adopted to develop entrepreneurial capabilities and to provide an enabling operational environment for Bahraini start up projects and SMEs, as well as ways to implement this initiative in Lebanon.

### **SOFI joins IDAL's global partner network of investment promotion agencies**

IDAL has signed an investment promotion agreement with the Swiss Organization for Facilitating Investments (SOFI) aiming to promote and strengthen Lebanese and Swiss investments in both countries. The memorandum of agreement sponsors economic ties through transferring Swiss capital investments and know-how to Lebanon, promoting Swiss investment in Lebanon and supplying investment-related information to companies in both countries, as well as working together to identify and select suitable Swiss and Lebanese business partners for prospective joint ventures.



### **IDAL enlists the support of Nissan's CEO to promote Lebanon**

IDAL has invited Mr. Carlos Ghosn, Nissan's Chief Executive Officer, to become a special ambassador of Lebanon, advocating its case in Japan and elsewhere in the global community and persuading businesses to explore investment opportunities in the country. Within the 43<sup>rd</sup> annual ACI Conference of the Financial Markets Association, Mr. Samih Barbir, IDAL's Chairman and Managing Director, has presented Mr. Ghosn with an official letter requesting the above.



### **"Export Plus" Information Sessions**

Within its strategy dedicated to improve the quality of Lebanese agricultural exports of fruits and vegetables, IDAL has organized a series of information sessions entitled "Export to Europe". The sessions, which were held with the collaboration of the two contracted inspection companies - Bureau Veritas-Liban and SGS-Liban - in Beirut, Tripoli, Saida and Zahle, aimed at spreading awareness among farmers and exporters about the regulations and standards imposed by the various European countries with regard to the imports of fresh fruits and vegetables.



## ....& more events

IDAL continued to seek each and every occasion in Lebanon and abroad to reinforce Lebanon's visibility within international business circles. In Lebanon, IDAL participated in the second Forum for Young Businessmen organized by Confex (September 3-4), the 43<sup>rd</sup> ACI - The Financial Markets Association (September 10-14), the Arab World Travel and Tourism Exchange - AWTTE (October 16-19) where it hosted the only conference in the exhibition on investment opportunities in tourism; and the Career Orientation Exhibition organized by the Assembly of Professionals and Technicians in Lebanon (October 27-28). IDAL was also present in the annual meeting of World Bank and IMF in Dubai (September 18-24), the Government Leaders Conference organized by Microsoft in Rome (September 14-17), the Lebanese-Bahraini Forum in Manama (October 18-20), the EU-Mashrek Partnernariat Conference in Damascus (October 23-25), the second annual meeting of ANIMA conference in Marseilles (October 22-24), the Arab Businessmen and investors conference in Algiers (December 9-10), the International Conference on Investment in Rabat organized by the Department of Investments in the Ministry of in Charge of Economic Affairs (December 11-12), as well as the Lebanese Week in Barcelona (December 12-18) jointly organized by the Chamber of Commerce of Barcelona and the Chamber of Commerce, Industry and Agriculture of Beirut and Mount Lebanon.



## IDAL News

### New offices for IDAL

On October 20, 2003, IDAL relocated to a brand new office in downtown Beirut. The new two-story premise overlooking the Roman ruins and the future "Garden of Forgiveness", adopts a modern open space set up to ensure maximum communication between employees while at the same time maintaining productivity and accommodating the new personnel expected to be recruited in 2004.

### IDAL releases the Arabic version of the website

IDAL has released recently its website in Arabic: [www.idal.com.lb/arabic](http://www.idal.com.lb/arabic). The website will provide Arabic-speaking investors with access to a broad range of investment, economic and general information about Lebanon as well as information about the services and products offered by IDAL in Arabic.



## Investment News

### Intel inaugurates the first Finance Competence Center in the region

Intel Corporation, along with Hewlett Packard and Microsoft, have established the first Finance Competence Center at the American University of Beirut. The center, which was inaugurated last October during the visit to Lebanon by Dr. Craig Barrett, Intel Corporation's Chief Executive Officer, is designed to be a state-of-the art technology venue providing students, software developers, engineers, with the tools and the means to conduct their research and development and training. The center, which caters for Lebanon and the Arab world, establishes a key platform for developing applications tailored for the needs of financial institutions.



### Regional b2b leader, Tejari, launches its Lebanon operation

Tejari, the Dubai-based online marketplace, announced last August the launch of its operations in Lebanon - Tejari Lebanon - as part of its ongoing regional expansion strategy. Tejari's operation in the country will serve the e-procurement needs of both the private and government sectors, through developing relationships with various suppliers who are already procuring indirect materials for utilities, airports and ports; hospitals and schools; food services; medical services; sanitation; etc. The development of Tejari's operation in Lebanon follows the company's successful forays into Jordan, and of course Dubai, its home base.



## National database for FDI

A committee, headed by IDAL, was appointed by the Prime Minister to put in place a national database for Foreign Direct Investment (FDI), and install the proper mechanism to collect FDI stock by source and by sector. The committee includes representatives from the Ministry of Finance, Ministry of Industry, Ministry of Justice, Ministry of Economy & Trade, the Commercial Register at the Ministry of Justice, Banque du Liban and the Federations of the Chambers of Commerce, Industry and Agriculture in Lebanon.

## Interesting Websites

Two new websites were released recently through commendable initiatives undertaken by the private sector.

- InfoPro Research, a publishing and business research company, released a business and economic database, [www.databank.com.lb](http://www.databank.com.lb), providing a range of intelligence and data on various economic and business indicators in Lebanon.
- CONNEXUS Consulting, a local consultancy group specialized in privatization, released a website, the Lebanese Privatization & Regulation Infrastructure - Strategy & Monitoring, [www.lprism.com](http://www.lprism.com), offering a broad base of legal information, critical analysis and public debate forums on privatization.



# The Agro Food Sector in Lebanon

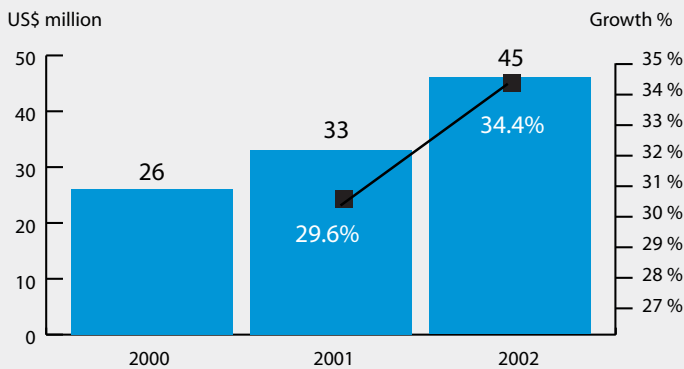
## Key Indicators

### Lebanon: Agriculture & Food Indicators

Average Production of Cereals	95,000 metric tons
Average Cereal Crop Yields	2,415 kg/ha
Net Trade of Cereals (% of Consumption)	89%
Average Meat Production	35 kg per capita
Irrigated Land (% of Total Cropland)	39%
Average Daily Calorie Supply	
<b>Total</b>	<b>3,256 kcal per capita</b>
<b>From Animal Products</b>	<b>460 kcal per capita</b>

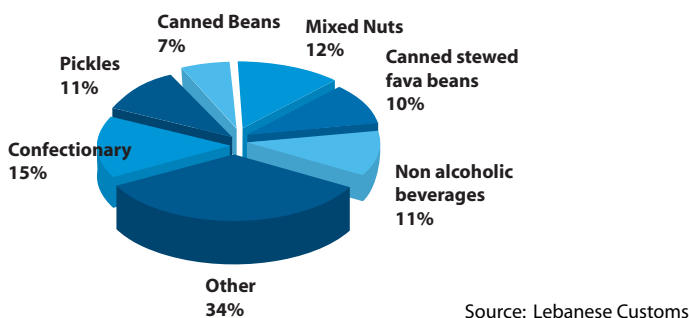
Source: Food & Agriculture Organization of the UN - World Resources 2002-2004

### Total agro food exports



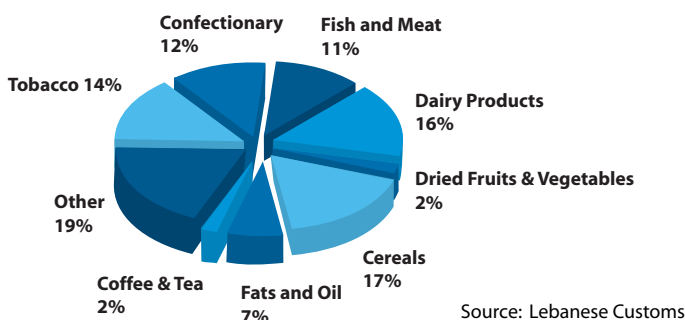
Source: Lebanese Customs

### Agro food exports by product



Source: Lebanese Customs

### Agro food imports by product



Source: Lebanese Customs

## Niche agro food sub-sectors



Organic Products



Dairy Products



Bottled Water



Olive & Olive Oil



Wine



Specialty Food



Jam & Honey



Ornamental Flowers

## Sector Highlights

- The agro food market is quickly emerging as one of Lebanon's most important industries, mainly driven by shifts in global consumer demand, improving technical abilities as well as a wider appeal for Lebanese cuisine in Europe and North America.

- Market sources estimate the sector at approximately US\$1 billion in 2002, with companies operating in the market accounting for nearly 25% of the total industrial output, and employing 21% of the workforce.<sup>1</sup>

- The market is characterized by high percentage of family-owned and small-scale establishments, and an important concentration of market share among a limited number of market players.<sup>2</sup> 94% of agro food industries in Lebanon are small to medium scale employing less than 19 employees.

- Although production of agro food is relatively small, and Lebanese consumers satisfy their consumption needs for many products through imports, the export market for local products is still in its embryonic stages but offers a growing potential. In 2002, agro food exports amounted to US\$45 million, accounting for 4.3% of total exports, while statistics released by the Lebanese Customs estimated the total for the first nine months of 2003 at US\$38 million (5% of total exports for the period).<sup>3</sup> Confectionary, pickles, mixed nuts and non-alcoholic beverages, represent the main agro food exports originating from Lebanon, with the US (30%) and Saudi Arabia (10%) being the main recipient markets.

- In order to improve marketing channels and increase competitiveness in overseas markets, IDAL is currently in the process of launching the Agro Plus program. The initiative aims at supporting industrialists in areas of marketing and promotion, food safety and quality assurance. The program is expected to be initiated during the course of 2004.

<sup>1</sup> Ministry of Industry

<sup>2</sup> ibid

<sup>3</sup> Lebanese Customs