



Embassy of Lebanon

Investment Opportunities in Lebanon

Throughout history, Lebanon has always been the cradle of many cultures and civilizations, and became famous as a regional centre of commerce and banking in the Middle East. Thanks to its location at the crossroads of Europe, Africa and Asia, and therefore, being the starting point to enter the world markets, Lebanon has created a regional and international basis for business activities.

Lebanon is trying to attract foreign investments and to use them to realize the greatest number possible of projects and a further development of Lebanese production sectors. A major role in this field is played by the General Office of Investment Promotion, called in brief IDAL.

IDAL was founded in 1994 by decree of the Council of Ministers in order to promote Lebanon as a viable investment direction. The role of the General Office of Investment Promotion was strengthened by enacting in 2001 the Law No. 360 and implementing regulations to encourage investment. The above-mentioned institution has set up the Centre for Information and Support Investors ISIC, forming a kind of a foreground for IDAL. To provide assistance to all who wish to invest their capital and resources in Lebanon, specialized teams of the center gather and continuously update reliable information about the fields of investment, the target sectors and markets.

IDAL recently prepared a special program to encourage the Lebanese living abroad to invest in their homeland. For this purpose have been formulated and presented proposals in the field of complementary reforms, legislation, incentives and facilities necessary to remove existing obstacles or difficulties. The General Office of Investment Promotion is also involved in organizing advertising campaigns, distribution of publications and materials,

arranging conferences, exhibitions and workshops aimed at providing information on investment opportunities in Lebanon.

Among the most important incentives to invest in Lebanon are:

1 – free market economy and private initiative with absence of restrictions on payments and transfer of money,

2 – free financial environment thanks to transparent laws and lack of limits in establishment of banks,

3 – Bank of Lebanon's wise monetary policy, which managed to avoid repercussions of the financial crisis. As a result, Lebanon has become a safe harbour for financial flows contributing to the development of the sectors such as real estate, manufacturing, banking and insurance activities.

To facilitate banks financing of production sectors, the Bank of Lebanon has drawn up a plan to promote credit activities and offered a whole package of incentives and facilities aimed at providing low-interest, medium- and long-term loans. This enabled the further development of various sectors of industry, tourism and agriculture, and consequently attracted more foreign investments.

4 - fair tax system and tax incentives, because the tax rates in Lebanon do not exceed 15% and are classified among the lowest in the world. The Lebanese Government wants to strengthen the positive climate for investment by adopting exemptions such as exemption from income tax on profit sharing, fees reduction for work and residence permits in Lebanon, ease in obtaining work permits for categories of workers needed to the completion of undertaken projects, reducing building permit fees, exemption from land registration, merge or partition fees.

5 - low labour costs and qualified workforce with adequate skills, fluent in foreign languages.

The main economic sectors in Lebanon with the greatest potential for foreign direct investment of capital include: tourism (tourist investments in Lebanon in 2009 - according to the statistics of the International Tourism Organization - increased by 60%, and the value of current investments in

this sector is estimated at 4 billion USD), business and financial services, ventures in real estate field, computer science and software, medical services, education, food industry, industrial activities.

Factors giving Lebanon a strong position to face competition may be specified as follows: living standard, availability of labour, relevant qualifications, access to regional markets, possibility of establishing joint-ventures, possibilities to purchase plots of land and properties, adequate transport infrastructure, professional staff, access to local markets, organizational environment, research and development environment, political and economic stability, IT infrastructure and communication, low labour costs, international image of business environment.

Despite some concern about the political and economic situation, as well as the increase of public debt in Lebanon, were held here many conferences, meetings and seminars on economy including investment matters. This proves the continuous trust in the possibilities of our country. From these meetings are worth mentioning: Arab Economic Forum, Beirut International Franchise Forum and Exhibition, Lebanese-Italian Economic Forum, Lebanese Business and Investment Summit as well as numerous meetings held by the members of the Lebanese Chamber of Commerce, Industry and Agriculture with the representatives of similar regional and international organizations.

It should be noted that 92% of foreign investment in Lebanon were realized thanks to the initiative of Arab businessmen and Lebanese emigrants.

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