

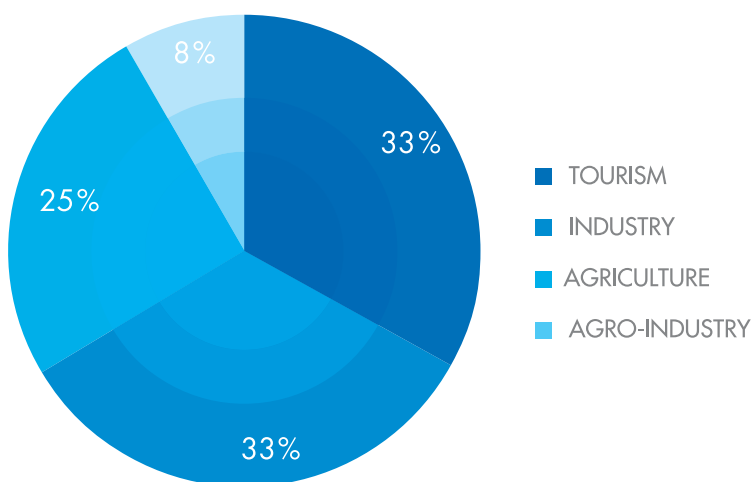
# LOCAL & FOREIGN INVESTMENT ACTIVITIES

(Q1 2019 REPORT)

Over the course of Q1 2019, IDAL met 12 eligible investors seeking to benefit from its various support schemes, including fiscal incentives. Eight of these were local investors, while the remaining four were divided between two from the Lebanese Diaspora and two foreigner investors from Luxembourg and Syria.

The Tourism and Industrial sectors seized the highest share of these projects (33% each), followed by Agriculture (25%) and Agro-Industry (8%) (Figure1).

**FIGURE 1 DISTRIBUTION OF ANNOUNCED PROJECTS BY SECTOR IN Q1 2019 (% SHARE)**



Source: IDAL

Activity in **the Tourism sector** is expected to pick up given improvements in the political and regional security climates and added exposure related to investment opportunities derived from the CEDRE Donor Conference. Other positive developments in this area include: the lifting of both the UK Foreign and Commonwealth Office advice against travel to Baalbek and Saudi Arabia's 15-month travel ban to Lebanon, as well as the establishment of a direct link by Lebanon's national carrier MEA to Madrid and a notable increase of business tourists coming to the country. In figures, the total number of passengers at the Beirut Rafic Hariri International Airport (BRHIA) increased slightly by 0.4% in Q1 2019 to reach 1.73 million passengers, accompanied by a rise in occupancy rates, improvements in room yields and average room rates in 4- and 5-star hotels. In line with this trend, four prospective investors approached IDAL in Q1 2019 presenting Tourism-related greenfield projects in the Beirut and Mount -Lebanon areas.

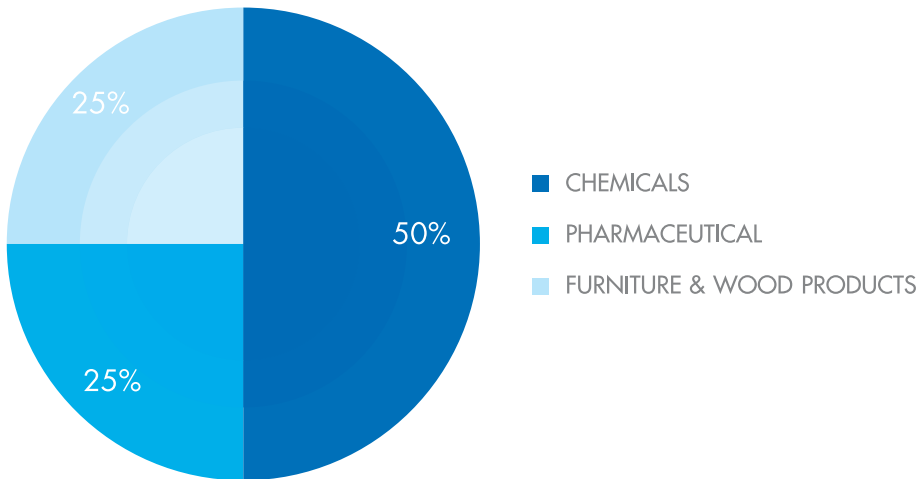
- As the undisputed Middle East capital for leisure and entertainment, Beirut attracted a new 4-star and 5-star hotel, including a spa and F&B cluster in the up and coming Mar Mikhael neighborhood.

- Given its topography and pleasant climate, Mount Lebanon attracted a new 4- and 5-star hotel in Byblos, including a food court and mall.

Once implemented, these projects will provide the Tourism sector with total investment inflows of USD 61 million and will create 370 direct jobs.

With the relative calm witnessed in Syria, investors are already setting their eyes on new opportunities related to its reconstruction effort. In fact, **the Industrial sector** attracted the second largest number of announced projects (Figure 2). These were divided between chemical industries (50%), pharmaceutical (25%) and furniture and wood products (25%).

**FIGURE 2 DISTRIBUTION OF INDUSTRIAL PROJECTS BY SUB-SECTOR IN Q1 2019 (% SHARE)**



Source: IDAL

- Given its proximity to the Syrian border, the Bekaa region is capitalizing on demand derived from reconstruction opportunities. It has already attracted a new plant that produces cement with a capacity of 3,500 ton/day, along with an expansion project aimed at increasing the level of aluminum production. In addition, a new pharmaceutical project will be established in the area to supply hospitals with serum products.

- A new wood factory was announced in North Lebanon to join the furniture and wood cluster in Tripoli

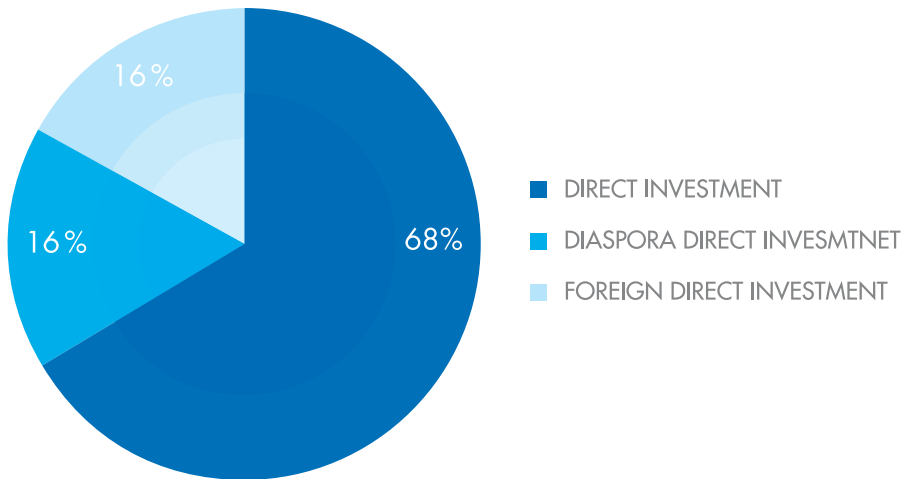
Once implemented, will provide the Industrial sector with total inflows of USD 235 million and will create 995 direct jobs.

**The Agricultural sector** attracted two new projects across various sub-sectors, including animal farming, mushrooms and truffles in the Bekaa and one meat factory in Beirut. The Agro-industrial sector also attracted a packing house project to store nuts in North Lebanon.

Once implemented, the above projects will provide the Agricultural and Agro-Industrial sector with total investment inflows of USD 7.5 million and will create 80 direct jobs.

It is worth mentioning that 68% of announced projects are Direct Investments, 32% Diaspora Direct Investment and Foreign Direct Investments (Figure 3).

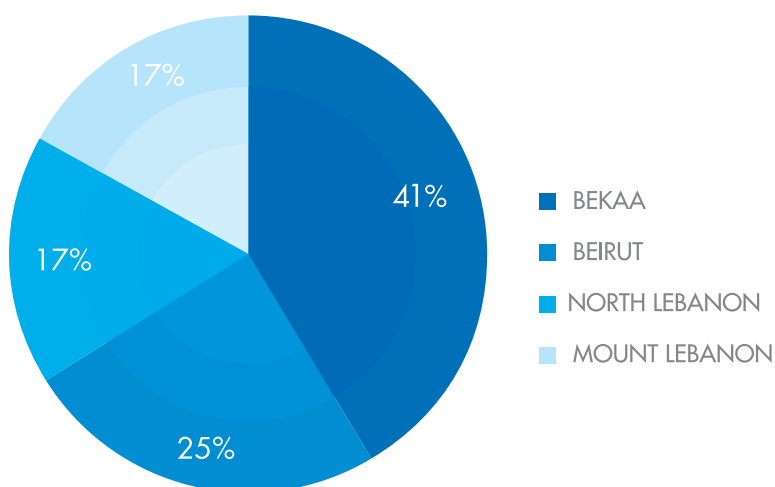
**FIGURE 3 DISTRIBUTION OF ANNOUNCED PROJECTS BY INVESTORS ORIGIN (% SHARE)**



Source: IDAL

In terms of geographical distribution, the Bekaa gained the largest share of projects at 41%, followed by Beirut (25%), North Lebanon (17%) and Mount Lebanon (17%) (Figure 4).

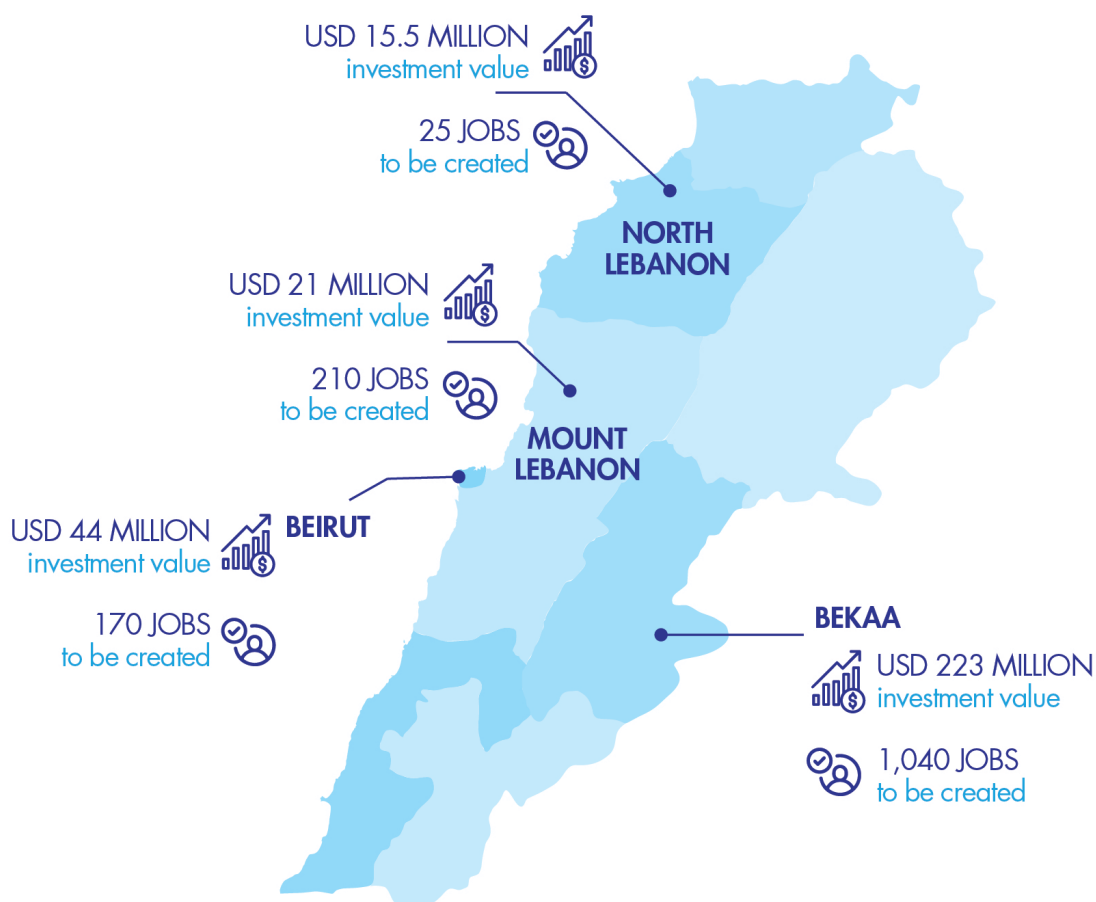
**FIGURE 4 DISTRIBUTION OF PROJECTS BY REGION IN Q1 2019 (% SHARE)**



Source: IDAL

In total, the 12 projects attracted in Q1 2019 have an estimated total value of USD 303.5 million and are expected to create 1,445 direct jobs.

**THEY ARE DISTRIBUTED AS FOLLOWS:**



Source: IDAL

## CONTACT US

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