



REPUBLIC OF LEBANON
MINISTRY OF INDUSTRY



STRATEGIC DEVELOPMENT PLAN FOR INDUSTRIAL ZONES IN LEBANON 2019-2030

Chantal AKL

Head of Industrial Zones and Parts Bureau





Ministry of Industry

Lebanese Industrial Sector

Strategic Development Plan

Industrial Zones in Lebanon





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Mandate & Functions of the Mol

- ***Law 642/97 Establishment of the MOI Article 2:***
- Organize, coordinate, protect and develop national industries.
- Issue permits for industrial enterprises.
- Inspect and control their compliance with standards and specifications.
- Suggest the creation of Industrial Parks and Zones by specific classifications.
- Conduct economic studies, researches, and industrial statistics and promote industrial products in domestic and foreign markets.

Decree 13173/98

Article 21: The Industrial Zones and Parts Bureau is responsible for:

Suggest the establishment of industrial parks and zones

Supervision and control of the bodies that manage the industrial areas

Vision 2025

1 Expanding the domestic market

2 Increasing the internal and external competitiveness.

3 Increasing industrial exports.

4 Increasing investment and financing.

5 Encouraging green industries.

6 Encouraging knowledge-based industries.

7 Media for Industry



Plans for 2016-2025

- The vision 2025 is also accompanied by an Executive strategic plan (2016-2020) and an operational plan for the years 2016-2017 and 2018, which the MOI has been implementing since 2016.

Importance of Industrial Zones

- Possibility of providing a modern, cost efficient business infrastructure.
- Support economic reform.
- Support industrial development.

Importance of Industrial Zones

- Support employment generation policies.
- Possibility of mainstreaming environmental sustainability into industrial operations.

This is done through the establishment of common standards for environmental impact mitigation and the introduction of new common technologies that mitigate the environmental impact of industry.



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Overview

- High sub-sectorial and geographical concentration
 - 70% of all firms are concentrated in just 5 manufacturing subsectors
 - food products & beverages
 - non-metallic mineral products
 - fabricated metal products
 - electrical machinery and chemicals.

Overview

- High sub-sectorial and geographical concentration
 - More than 55% of registered manufacturing enterprises are located in Beirut and Mount Lebanon regions
 - Scattered over residential and agricultural areas, in addition to areas earmarked for commercial and industrial activity.

Overview

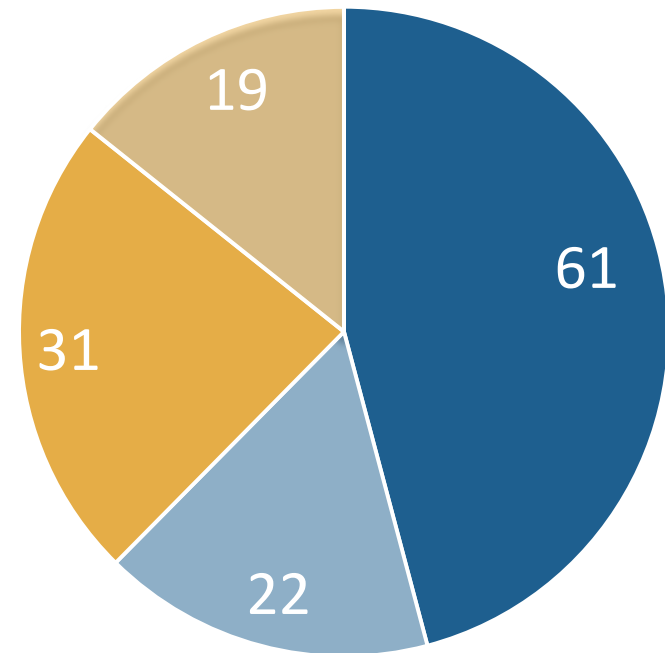
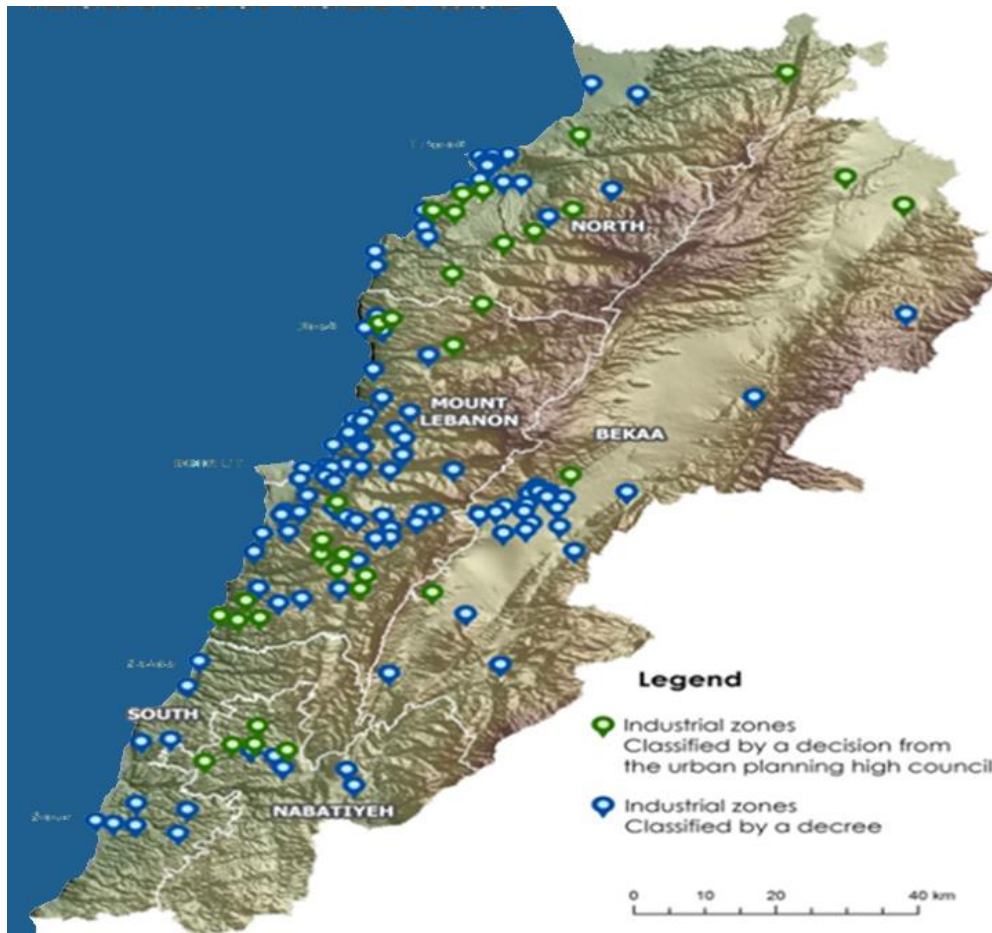
- Small scale of industry.
 - 75% employ less than 20 workers and generate 20% of gross MVA
 - 3% employ more than 100 workers and generate 50% of the gross MVA
- High cost of production due to:
 - Unreliability of infrastructural services
 - Scarcity of land

Overview

- Inadequate land zoning
- Strong global competition
- A small domestic market
- Weak private sector investment
- Weak environmental sustainability

Past and current status

Lebanon has 133 officially recognized private industrial zones:



■ Mount Lebanon ■ Bekaa

■ North ■ South & Nabatiyeh

Challenges

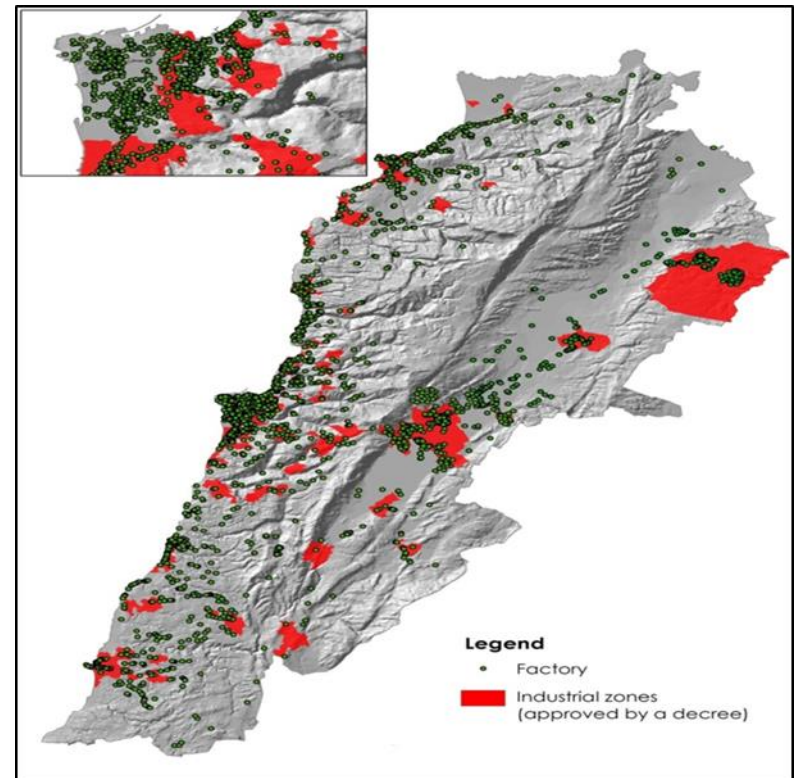
- Absence of a national plan to create organize and develop IZ.
- High cost of land.
- High cost of labor.
- High cost of energy.
- Scarcity of land leasing operations.
- Lack of services.
- Lack of appropriate infrastructure.

Challenges

- No accurate estimates of how many industrial and commercial enterprises occupy the IZ.
- Difficult for the government to monitor and implement environmental protection measures.
- IZ do not offer dedicated support infrastructure or services or any fiscal incentives to enterprises that occupy them.

Challenges

- Scattering of industry prevents clustering and the deepening of value chains and diminishes the potential benefits resulting from the economies of scale.



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Ongoing plans for Industrial Zones in Lebanon

- Development of a Strategic development Plan for Industrial Zones in Lebanon 2019-2030.
- New infrastructure investment for both existing and new IZs.

Vision

“Industrial Zones that contribute effectively and consistently to the growth of a successful industrial sector and towards the achievement of the sustainable development Goals”

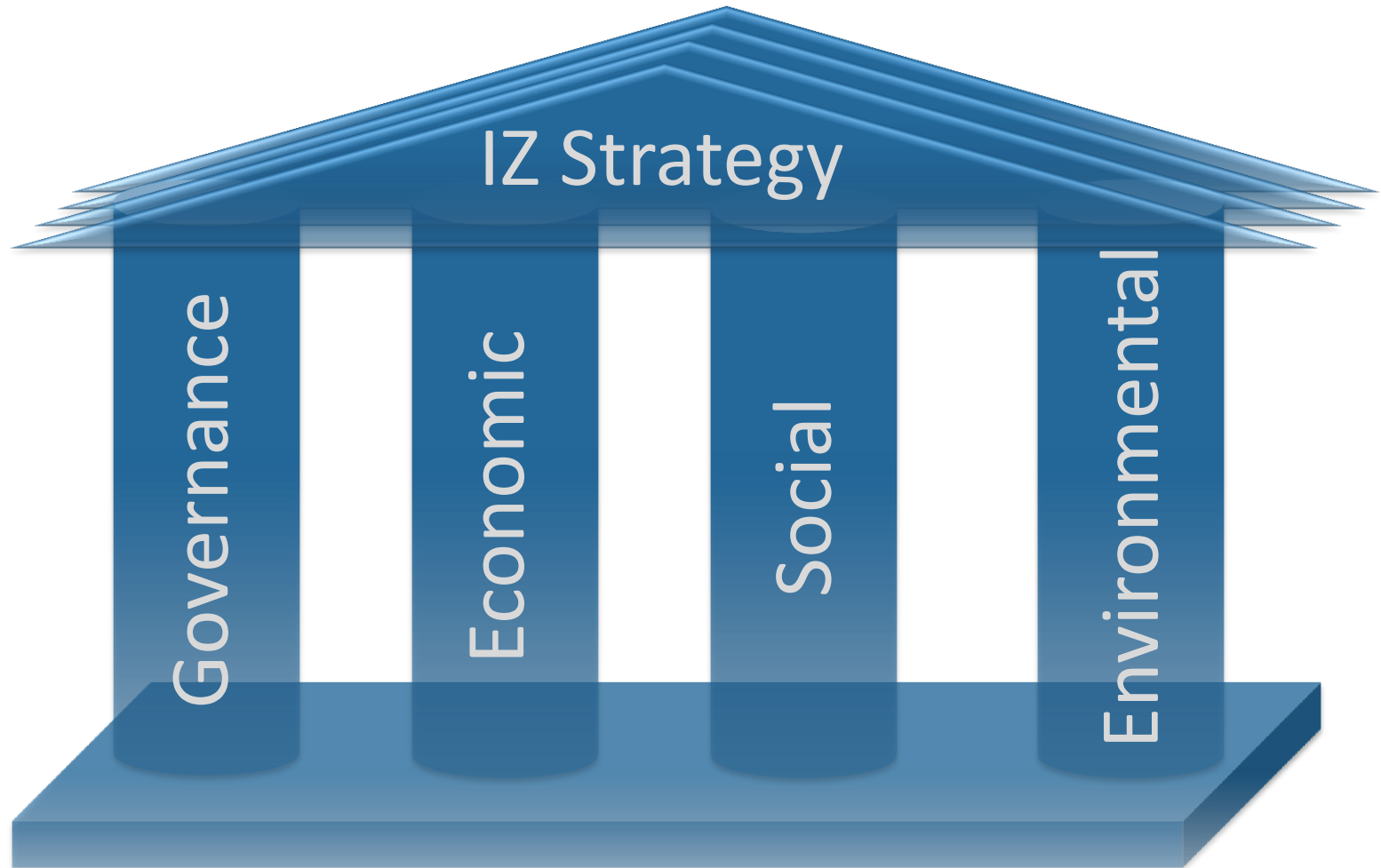
Mission

“Enhance the governance of Industrial Zones and enable the planning, development and restructuring of Industrial Zones that maximize economic and social benefits, while minimizing adverse environmental impact”

Objectives

- Support infrastructure in the industrial zones:
 - Legal framework
 - Roads
 - Electricity
 - Telephone
 - Waste treatment
 - Parking
 - Green areas and buffers
 - Firefighting system
 - Sewage
 - Irrigation
 - Medical center...

IZ National Strategy



Governance Objectives

G.O.1

- Coordinate and improve licensing and permitting procedures

G.O.2

- Mobilize and coordinate partners and stakeholders and develop Public-Private Partnerships with the objective of attracting financing and developing of the zones (ex MOI 3)

G.O.3

- Improve the capacity of the MOI to implement this strategy

Economic Objectives

E.O.1

- Develop new sustainable industrial zones in all regions of Lebanon (ex MOI 1)

E.O.2

- Leverage IZs to widen Lebanon's Industrial base (MOI Step)

E.O.3

- Develop quality infrastructure to attract private investment

E.O.4

- Offer quality business services to enterprises to support their growth (ex MOI 4)

E.O.5

- Support Innovation, R&D and knowledge economy

Social Objectives

S.O.1

- Ensure positive impact on local economic development communities

S.O.2

- Ensure healthy implementation of IZs—public and worker health & Safety standards

S.O.3

- Ensure Sensitivity to cultural heritage

Governance Objectives

Env.O.1

- Ensure Environmental Protection

Env.O.2

- Promote Investment in the “green” economy



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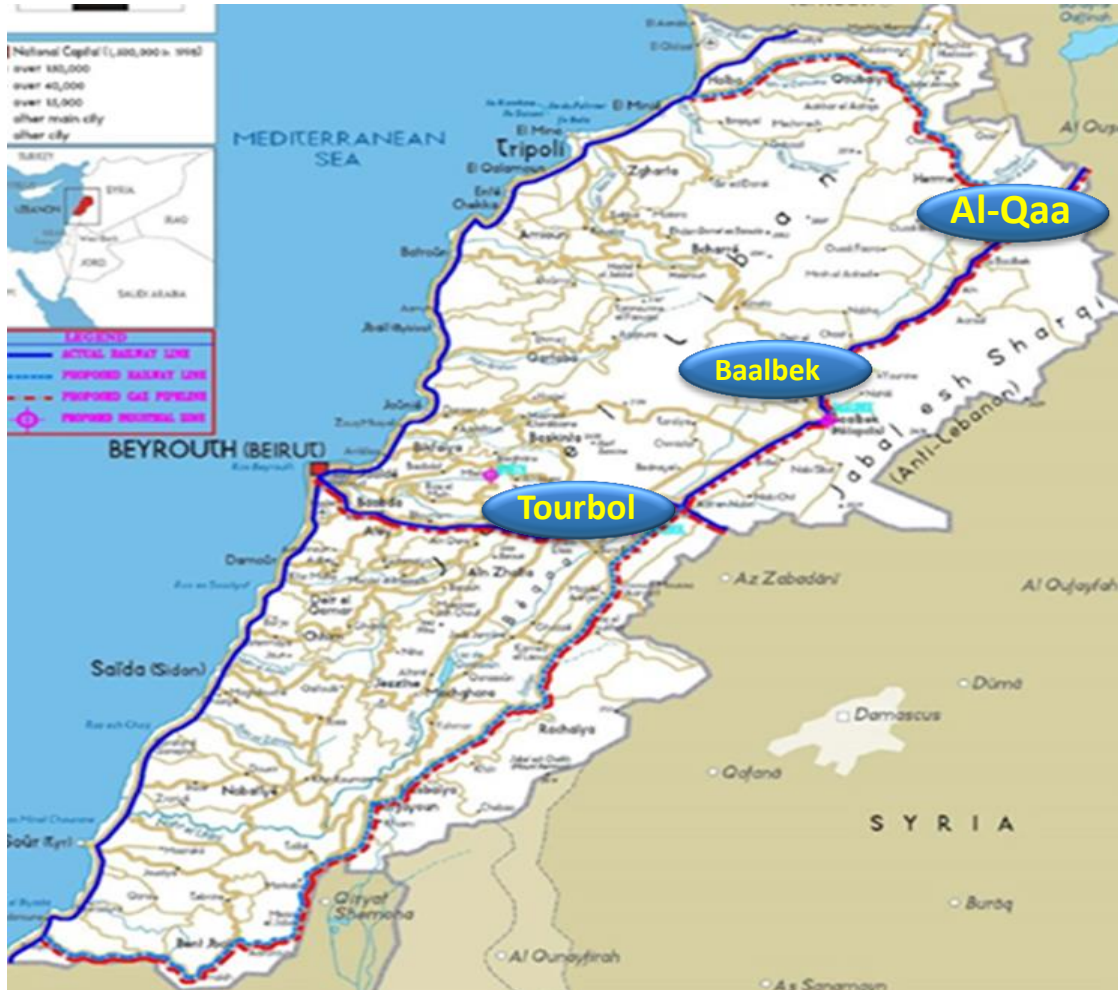
Existing IZs

- Contour line around the city of Beirut.
- Areas to be targeted include:
 - Bourj Hammoud,
 - Dekwaneh,
 - Boushrieh (Near Nahr el-Mott)
 - Boushrieh (Mar Maroun),
 - Boushrieh (El-Barad El-Younani),
 - Wata Amarat Shalhoub,
 - Zalka,
 - Biakout,
 - Bsalim,
 - Jdeideh,
 - Mkaless,
 - Sin El-Fil,
 - El- Hadath,
 - Baabda,
 - Kfarchima,
 - Choueifat,
 - Bchamoun.

New IZs

- New Industrial Zones
- Four IZs have been planned in a UNIDO MOI project
- Three of them are part of a national government priority (governmental decision #75 April 2018)
 - Tourbol – Koussaya, Bekaa
 - Baalbek, Baalbak El Hermel
 - Al Qaa, Baalbak El Hermel
- The New IZ are part of the Capital Investment Plan (CEDRE)

First Phase of the Strategy



- Setting up three IZs Al-Qaa, Baalbak and Tourbol
- Creation of 46,000 job opportunity of which 8,000 are direct opportunities
- Infrastructure approximate cost 150,000,000 \$

Tourbol, Baalbek & Al Qaa IZs

- These IZs attracted financial commitments for their construction and development of:
 - 7 million Euro from the Government of Italy
 - 52 million Euro from the EIB
- In addition, the European Bank for Reconstruction and Development (EBRD) is considering a loan of USD 46 million for investment in the development of these zones.

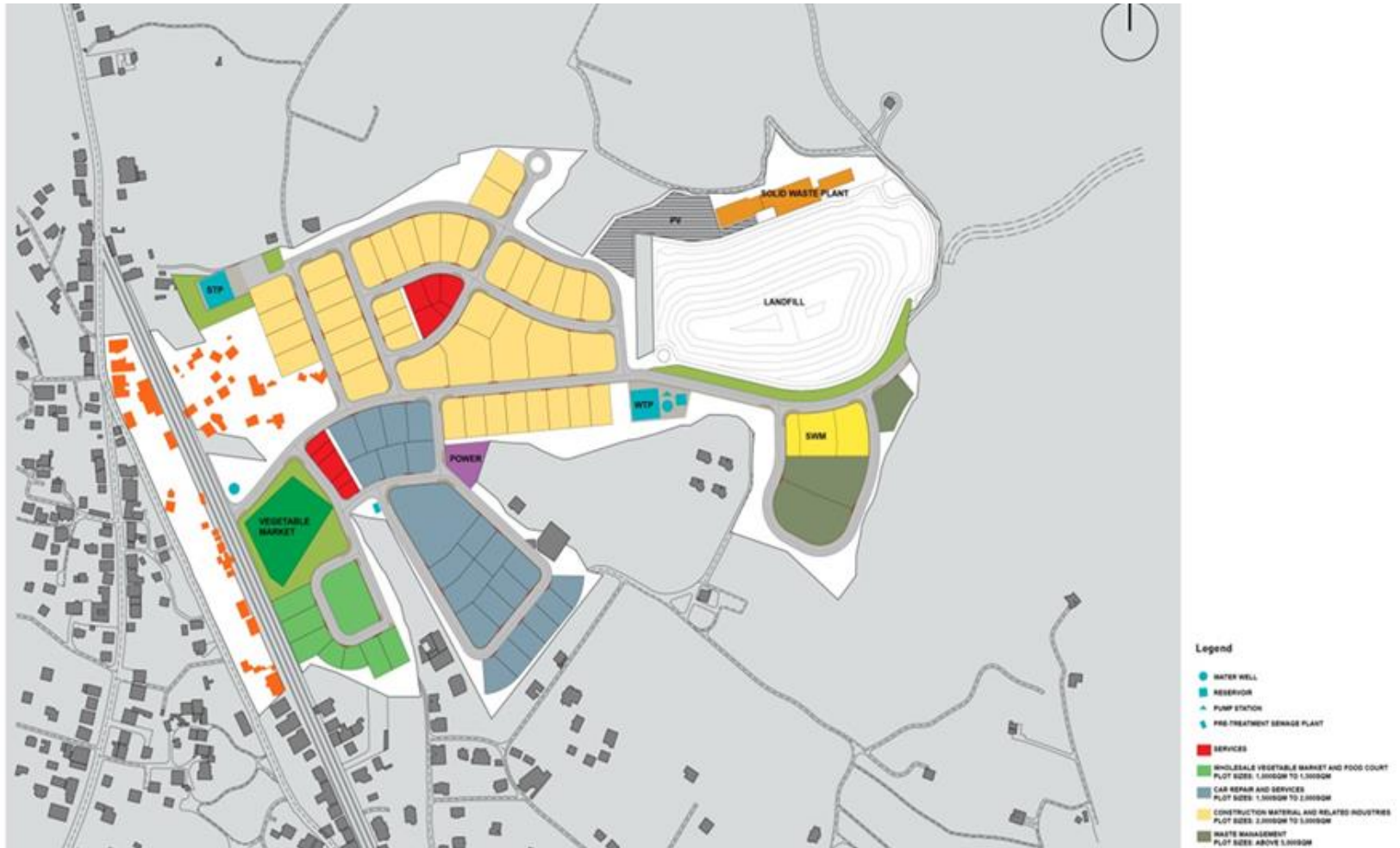


Area: 512,198sqm



Baalbek IZ

- Approximate area of 500,000 m²
- 85 plots of area between 750 & 10,000 m²
- 4,000 job opportunity of which 1,000 are direct opportunities
- 50% of the land is being exploited
- Annual rental fees 6\$, including services between 32 and 47\$
- Approximate infrastructure cost: 25,000,000 \$

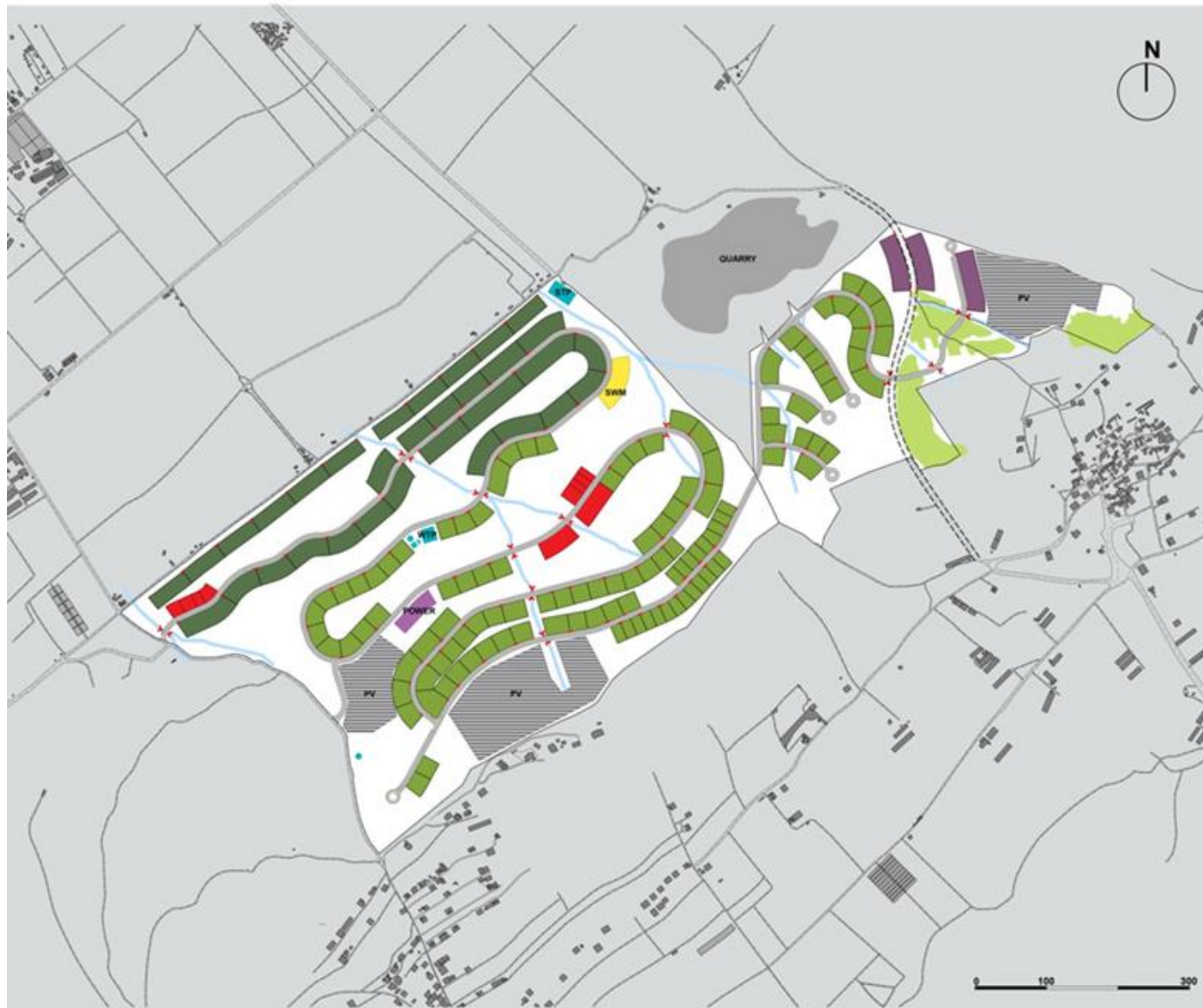


Baalbek Master Plan



Tourbol-Kousaya IZ

- Approximate area of 1,850,000 m²
- 174 plots of area between 750 & 10,000 m²
- 24,000 job opportunity of which 3,000 are direct opportunities
- 28% of the land is being exploited
- Annual rental fees 12 \$, including services between 23 and 58 \$
- Approximate infrastructure cost: 70,000,000 \$



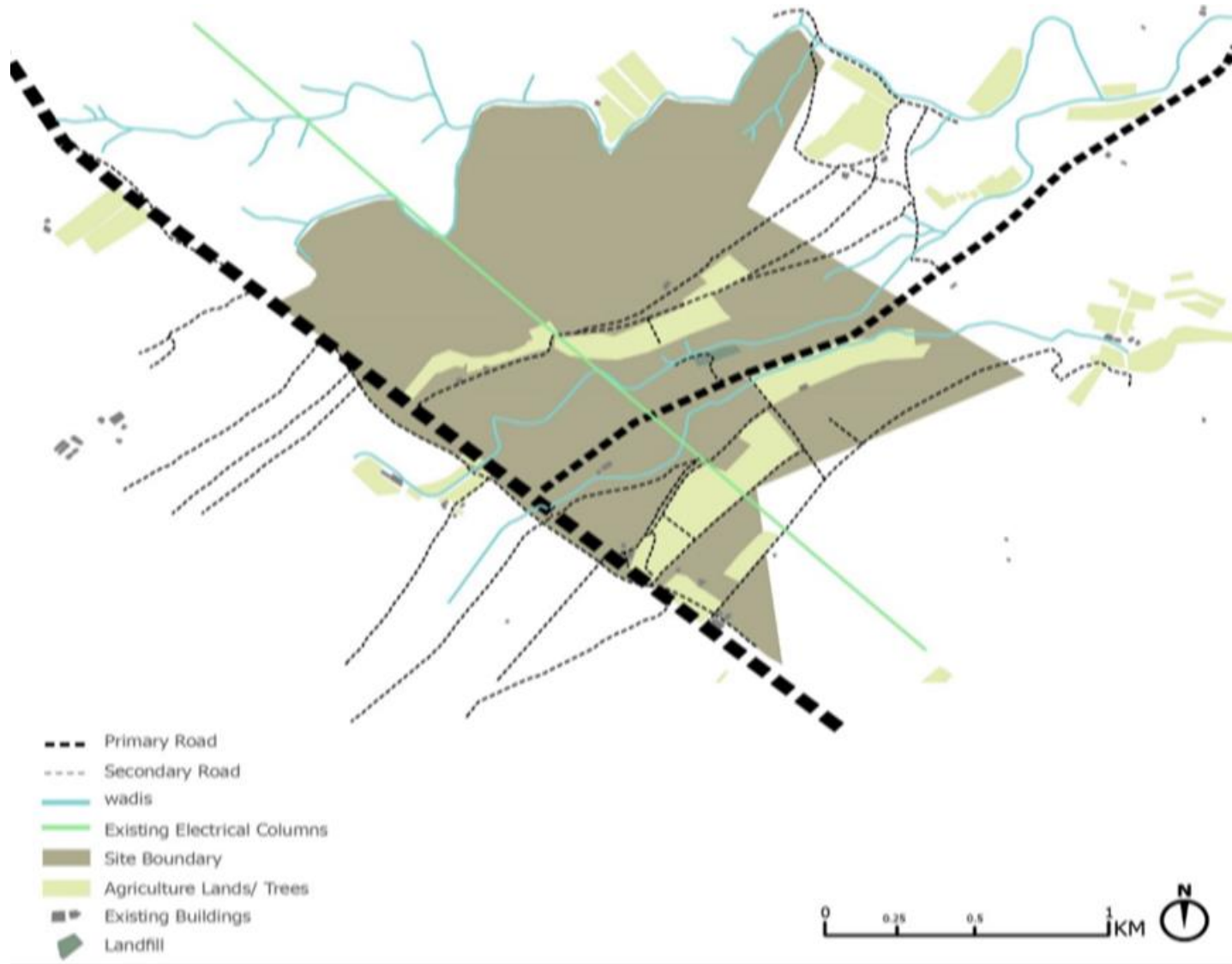
Tourbol-Kousaya Master Plan



Al Qaa IZ

- Approximate area of 1,800,000 m²
- 365 plots of area between 1,000 & 9,000 m²
- 18,500 job opportunity of which 3,700 are direct opportunities
- 65% of the land is being exploited
- Annual rental fees 12 \$, including services between 8 and 39 \$
- Approximate infrastructure cost: 54,000,000 \$





Al Qaa Master Plan



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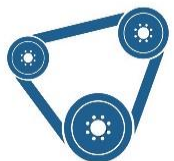
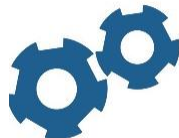


Thank You!

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