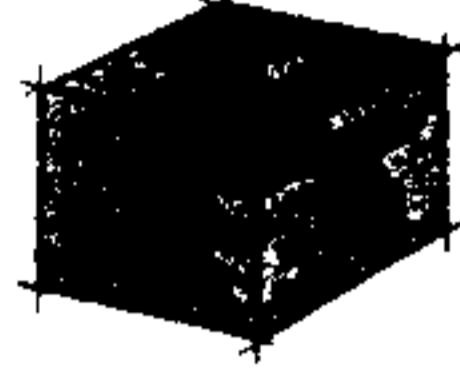


الجمهورية اللبنانية
مكتب وزير الدولة لشؤون التنمية الإدارية
مركز مشاريع ودراسات القطاع العام



IDAL



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Republic of Lebanon
Office of the Minister of State for Administrative Reform
Center for Public Sector Projects and Studies
(C.P.S.P.S.)

Industries Potentially Suitable For Lebanon

Investment Development Authority of Lebanon

IDAL

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Industries Potentially Suitable for Lebanon

Introduction

Lebanon plans to encourage future industrial investments in areas where it processes a comparative advantage. This implies away from capital and energy-intensive as well as polluting industries, and toward industries which entail high value added in product design, marketing and distribution. In the future, industrial investments within sectors will foster the comparative strengths of Lebanon, namely creative product design and packaging, flexible production which responds rapidly to changes in style and fashion, and/or important marketing, distribution and service content. Lebanon is a good production center for multinational companies who want to tailor or adapt their products to the specific requirements of Middle Eastern customers or who wish to add a local service content to their product offering.

The resulting data covers a large portion of the potentially suitable industries for Lebanon, based on its long-term competitive advantages, without ruling out the possible existence of other viable projects. By that, the nonexistent industrial projects in this list are not banned; conversely, and due to varying economic conditions, some of these projects might even prove “interesting” to implement after conducting suitable feasibility studies.

Targeted Industries

Industries potentially suitable for Lebanon are those which have the following characteristics:

1. Skill intensive rather than labor intensive industries

The Lebanese have an aptitude for fast learning they are generally well educated, informed, enterprising and adaptable to change. As a result, industries which foster human resources and skills are very suitable for Lebanon, especially those which require creativity and enterprise. Many highly qualified Lebanese living throughout the world would welcome returning to their home country if suitable career opportunities become available in the industrial and other sector of the economy.

2. High value added industries

To take advantage of the skills available in Lebanon, high value-added industries - including branded products available from international companies - are suitable for Lebanon.

3. Low energy intensive industries requiring limited natural resources

Lebanon has limited natural resources and energy. As a result, it will shy away from industries which consume large amounts of energy and/or natural resources. Such industries are best left to neighboring oil and resource rich countries.

4. Environmentally friendly industries

Lebanon is a small and beautiful country which generates significant income from tourism. As such, Lebanon will promote environmentally friendly industries and shy away from industries which could harm its environment.

5. Export oriental industries

Given its small market, Lebanon will promote export oriental industries to establish necessary economies of scale and to capitalize on global and regional free market trends promoted by the WTO, the Arab League and the Euromed free trade agreement.

Based on the here above criteria the future trends in industrials investments can be summarized as follows:

Future Trends in Industrial Investments

Away From (examples)	Towards (examples)
<ul style="list-style-type: none"> • Mass produced foods 	<ul style="list-style-type: none"> • Fine Lebanese specialty foods • Soft drinks • Arak and wine
<ul style="list-style-type: none"> • Spinning, weaving, tanning • Mass produced clothing and footwear 	<ul style="list-style-type: none"> • Branded/Designer clothing and footwear • Leather accessories • Ties
<ul style="list-style-type: none"> • Mass market furniture (except for domestic market) • Board and paper processing • Mass market printing 	<ul style="list-style-type: none"> • Quality furniture (for domestic and export markets) • Quality packing materials • Quality printing and publishing
<ul style="list-style-type: none"> • Foundries, smelters • Automotive equipment • Shipbuilding 	<ul style="list-style-type: none"> • Jewelry • Silveware • Dies • Selected Machinery and spare parts
<ul style="list-style-type: none"> • Basic and intermediate chemicals • Rubber products • Specialty chemicals and engineering plastics • Mass produced glass and plastic products 	<ul style="list-style-type: none"> • Fabricated building products • Generic and licensed pharmaceuticals • Soaps, detergents, toiletries, perfumes, personal care products • Decorative ceramics • High-quality glass products
<ul style="list-style-type: none"> • Mass produced electrical and electronic products 	<ul style="list-style-type: none"> • Software and specialized programming services

Examples of Promoting Industries

There are several promising industries in Lebanon that fit the country's competitive advantages taking into account the vocation of Lebanon, the needs of its market, the planned industrial and environmental policies and the future regional and international agreements. The data listed covers a large position of the potentially suitable industries for Lebanon based on their long-term competitive advantages without ruling out the possible exist of other viable projects. Industries excluded from the hereunder list are not banned, conversely, and due to varying economic conditions, some of these projects might even prove "interesting" to implement after conducting suitable feasibility studies. The following list classifies *Industries Potentially Suitable for Lebanon* into five divisions, one to five, according to their suitability, and ability to succeed and prevail:

- **Division One (1):** Most Suitable for Lebanon.
- **Division Two (2):** Very Suitable.
- **Division Three (3):** Suitable.
- **Division Four (4):** Less Fitting Industries but Could be Considered
Appropriate and Suitable.
- **Division Five (5):** Barely Suitable for Lebanon.

All industries incorporated in the study are suitable, but they are listed according to their standing in the selection criteria mentioned earlier. Any modifications, ratification, or changes in the customs policy, general economic trend, or international agreements contracted with Lebanon, for example, will definitely affect the divisions of these industries according to the scheme followed in this study. All the industrial sectors have been referenced according to the internationally adopted ISIC nomenclature.

Industries potentially suitable for Lebanon

DIVISION I

1- FOOD AND BEVERAGE

<i>ISIC Reference</i>		<i>Products / Activities</i>
1531	DA	Processing and preserving of potatoes
15842	DA	Manufacture of chocolate and sugar confectioneries
158421	DA	Manufacture of chocolate products
1587	DA	Manufacture of condiments and seasonings
1588	DA	Manufacture of homogenized food preparations and dietetic food
1589	DA	Baby food production
1591	DA	Manufacture of distilled potable alcoholic beverages
1592	DA	Production of ethyl alcohol fermented materials
1593	DA	Manufacture of wines
1594	DA	Manufacture of cider and other fruit wines
1596	DA	Manufacture of beer

2. TEXTILE

<i>ISIC Reference</i>		<i>Products / Activities</i>
1772	DB	Manufacture of knitted and crocheted pullovers, cardigans and similar articles

3. WEARING APPAREL AND ACCESSORIES

<i>ISIC Reference</i>		<i>Products / Activities</i>
182223	DB	Manufacture of ladies' outerwear (excl. workwear, leather clothing and sportswear)
1824	DB	Manufacture of other wearing apparel and accessories
182402	DB	Manufacture of babies' clothing (garments)
182403	DB	Manufacture of hats, caps, bonnets, fashion articles, embroidery and pleated articles and other wearing apparel and accessories
192	DC	Manufacture of leather luggage, handbags and accessories
193	DC	Manufacture of leather footwear
362	DN	Manufacture of jewelry and related articles
3661	DN	Manufacture of imitation jewelry

6. CHEMICALS AND PLASTICS

<i>ISIC Reference</i>		<i>Products / Activities</i>
244	DG	Manufacture of pharmaceuticals, medicinal chemicals and botanical products
2442	DG	Intravenous, dialysis and irrigating solutions
245	DG	Manufacture of soap and detergents, cleaning and polishing preparations, perfumes, cosmetics and other toilet preparations

11. PUBLISHING, PRINTING AND REPRODUCTION OF RECORDED MEDIA

<i>ISIC Reference</i>		<i>Products / Activities</i>
221	DE	Publishing and printing (books, directories, newspapers, journals, periodicals, etc).
221401	DE	Publishing of Compact Discs, audiotapes, records and videodiscs
221402	DE	Publishing of videotapes
222401	DE	Graphic production
2232	DE	Reproduction of video recording
2233	DE	Reproduction of computer media

12. ADVANCED INDUSTRIES

<i>ISIC Reference</i>		<i>Products / Activities</i>
331	DL	Manufacture of medical and surgical appliances and dental laboratories
331022	DL	Manufacture of orthopedic and prosthesis articles

DIVISION 2

1. FOOD AND BEVERAGE

<i>ISIC Reference</i>		<i>Products / Activities</i>
15131	DA	Production of snacks and ready-to-eat meals
1532	DA	Manufacture of fruit and vegetable juices
1533	DA	Processing and preserving of fruits and vegetables (e.g. jam, pickles freeze drying of vegetables)
155	DA	Production of dairy products (yogurts, cheeses, flavored milk products etc).
1552	DA	Manufacture of ice cream
1582	DA	Manufacture of biscuits and of preserved pastry goods and cakes

1562	DA	Starch Products
1571	DA	Manufacture of prepared feeds for farm animals
1572	DA	Manufacture of prepared pet foods
1585	DA	Manufacture of macaroni, noodles, couscous and similar farinaceous products
1598	DA	Production mineral soft drinks
41	E	Collection, purification and distribution of source water

3. WEARING APPAREL AND ACCESSORIES

<i>ISIC Reference</i>		<i>Products / Activities</i>
1810	DB	Manufacture of leather clothing
1822	DB	Manufacture of outerwear, excl. workwear and leather clothing
1823	DB	Manufacture of underwear and night clothing
182222	DB	Manufacture of men's outerwear (excl. workwear, leather clothing and sportswear)
182224	DB	Manufacture of tailor-made men's outerwear
182225	DB	Manufacture tailor-made ladies' outerwear, include mixed ladies' and men's tailor-made outerwear
182401	DB	Manufacture of sportswear

4. WOOD AND PAPER

<i>ISIC Reference</i>		<i>Products / Activities</i>
2124	DE	Manufacture of wallpaper
212501	DE	Manufacture of labels, stickers, etc.

5. FURNITURE: WOOD, METAL, OR PLASTIC

<i>ISIC Reference</i>		<i>Products / Activities</i>
361	DN	Manufacture of household furniture
3615	DN	Manufacture of mattresses
361102	DN	Upholstering of furniture

6. CHEMICALS AND PLASTICS

<i>ISIC Reference</i>		<i>Products / Activities</i>
24142	DG	Plant extracts for pharmaceutical, perfumery, cosmetic and food industries (potential)
2512	DH	Retreating and rebuilding of rubber tyres
2524	DH	Plastic products for engineering use

8. PACKAGING MATERIAL

<i>ISIC Reference</i>		<i>Products / Activities</i>
21122	DE	Manufacture of paper and paperboard or multilayer laminates for packaging purposes
21211	DE	Manufacture of containers of paper and paperboard (e.g.boxes)
22224	DE	Printing of packaging

9. FABRICATED METAL PRODUCTS

<i>ISIC Reference</i>		<i>Products / Activities</i>
2826	DJ	Molds, tools and dies

10. MACHINERY AND EQUIPMENT

<i>ISIC Reference</i>		<i>Products / Activities</i>
292402	DK	Manufacture of weighing appliances and retail shop machines
3120	DL	Manufacture of electricity distribution and control apparatus

12. ADVANCED INDUSTRIES

<i>ISIC Reference</i>		<i>Products / Activities</i>
3162	DL	Uninterruptible power supplies (UPS) alarm security equipment/systems and devices
3230	DL	Production of Compact Discs
333	DL	Manufacture of industrial process control equipment
3320	DL	<i>Electrical or electronics systems instrumentation</i>

13. MISCELLANEOUS

<i>ISIC Reference</i>		<i>Products / Activities</i>
2621	DI	Manufacture of ceramic household and ornamental articles
363	DN	Manufacture of musical instruments
365	DN	<i>Manufacture of games and toys</i>

DIVISION 3

1. FOOD AND BEVERAGE

<i>ISIC Reference</i>		<i>Products / Activities</i>
1511	DA	Preserving and packing of meat
1512	DA	Production and preserving of poultry meat

4. WOOD AND PAPER

<i>ISIC Reference</i>		<i>Products / Activities</i>
2030	DD	Manufacture of builders carpentry and joinery
2122	DE	Manufacture of household and sanitary goods and toilet requisite of paper
2123	DE	Manufacture of paper stationery

5. FURNITURE: WOOD, METAL, OR PLASTIC

<i>ISIC Reference</i>		<i>Products / Activities</i>
361101	DN	Manufacture of chairs and seats
3612	DN	Manufacture of business furniture
3613	DN	Manufacture of kitchen furniture

6. CHEMICALS AND PLASTICS

<i>ISIC Reference</i>		<i>Products / Activities</i>
243	DG	Specialized paints and coatings
2462	DG	Manufacture of glues and gelatins
2521	DH	<i>Manufacture of plastic plates, sheets, tubes, pipes and profiles (rigid PVC/PET films and sheets, expanded polystyrene sheets)</i>

7. INDUSTRIAL BUILDING MATERIAL

<i>ISIC Reference</i>		<i>Products / Activities</i>
263	DI	Manufacture of ceramic tiles and flags
281	DJ	Manufacture of structural metal products, windows, doors, window and door frames
2523	DH	Manufacture of builders' ware of plastic
20301	DD	Manufacture of wooden doors, windows, door and window frames
268203	DI	Manufacture of bituminous roofing material

8. PACKAGING MATERIAL

<i>ISIC Reference</i>		<i>Products / Activities</i>
2522	DH	Manufacture of plastic packing goods (e.g. bottles, crates, trays, cups, etc).
2872	DJ	Manufacture of light packaging (e.g. Cans).

9. FABRICATED METAL PRODUCTS

<i>ISIC Reference</i>		<i>Products / Activities</i>
2741	DJ	Precious metals production
2821	DJ	Manufacture of tanks, reservoirs and containers of metal (especially from stainless steel).
2822	DJ	Manufacture of central heating radiators and boilers
2851	DJ	Treatment and coating of metals and metallic products
286	DJ	Manufacture of cutlery, tools and general hardware
2863	DJ	Manufacture of locks and hinges

10. MACHINERY AND EQUIPMENT

<i>ISIC Reference</i>		<i>Products / Activities</i>
2912	DK	Assembly of pumps and compressors
2913	DK	Manufacture of taps, cocks and valves and similar appliances
2914	DK	Conveyor belts, transmission belts, V-type belts and rubber belting
2922	DK	Manufacture of lifting and handling equipment, elevators, and escalators
2971	DK	Assembly of electric domestic appliances
2972	DK	Manufacture of non-electric domestic appliances
313	DL	Manufacture of insulated wire and cable
3140	DL	Manufacture of accumulators, primary cells and primary batteries under license
315	DL	Manufacture of lighting equipment and electric lamps
322	DL	Assembly of radio, and communication equipment and apparatus.
3430	DL	<i>Manufacture of parts and accessories for motor vehicles and their engines</i>

12. ADVANCED INDUSTRIES

<i>ISIC Reference</i>		<i>Products / Activities</i>
3320	DL	Electrical or electronics systems instrumentation
295	DK	Waste water treatment equipment

13. MISCELLANEOUS

<i>ISIC Reference</i>		<i>Products / Activities</i>
1440	CB	Salt production
364	DN	Manufacture of sports equipment

DIVISION 4

1. FOOD AND BEVERAGE

<i>ISIC Reference</i>		<i>Products / Activities</i>
1520	DA	Processing and preserving of fish and fish products

2. TEXTILE

<i>ISIC Reference</i>		<i>Products / Activities</i>
1740	DB	Manufacture of made-up textile articles, except apparel
174002	DB	Manufacture of sails, tents and tarpaulins
1751	DB	Manufacture of carpets and rugs
1752	DB	Manufacture of cordage, rope, twine and netting

3. WEARING APPAREL AND ACCESSORIES

<i>ISIC Reference</i>		<i>Products / Activities</i>
1821	DB	Manufacture of workwear

4. WOOD AND PAPER

<i>ISIC Reference</i>		<i>Products / Activities</i>
202	DD	Manufacture of veneer sheets
2020	DD	Manufacture of plywood, laminboard, particle board, fiber board and other panels and boards

21121	DE	Manufacture of printing paper and printing paperboard
21212	DE	Manufacture of corrugated paper and paperboard

6. CHEMICALS AND PLASTICS

<i>ISIC Reference</i>		<i>Products / Activities</i>
2412	DG	Manufacture of dyes and pigments
2415	DG	Manufacture of fertilizers and nitrogen compounds

7. INDUSTRIAL BUILDING MATERIAL

<i>ISIC Reference</i>		<i>Products / Activities</i>
2612	DI	Shaping and processing of flat glass
2640	DI	Manufacture of bricks, tiles and construction products
2661	DI	Manufacture of products in concrete or artificial stone for construction purposes
268201	DI	Manufacture of bituminous and construction material

8. PACKAGING MATERIAL

<i>ISIC Reference</i>		<i>Products / Activities</i>
261301	DI	Manufacture of glass containers (e.g. bottles)

9. FABRICATED METAL PRODUCTS

<i>ISIC Reference</i>		<i>Products / Activities</i>
272	DJ	Manufacture of tubes and pipes of cast iron and steel
2751	DJ	Casting of iron, steel, and light metals
2754	DJ	Casting of other non-ferrous metals
2811	DJ	Manufacture of metal structures and parts of structures
284002	DJ	Manufacture of stamped, pressed, deep drawn and forced metal products
371	DN	Recycling of metal waste and scrap

DIVISION 5

2. TEXTILE

<i>ISIC Reference</i>		<i>Products / Activities</i>
1753	DB	Manufacture of non-wovens and articles made from non-wovens, except apparel

10. MACHINERY AND EQUIPMENT

<i>ISIC Reference</i>		<i>Products / Activities</i>
342	DM	Manufacture of bodies (coachwork) for motor vehicles, manufacture trailers and semi-trailers

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