

# Tripoli Special Economic Zone: Business Advocacy Approach: The Fundamental Support of the National Business Community

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# Why a Global Business Advocacy Approach for TSEZ?

- This informal structured approach led by the national Lebanese business organizations aims to:
  - ✓ Support the Tripoli Special Economic Zone and enhance its chances of success
  - ✓ Expand investment opportunities for all national firms
  - ✓ Improve the business climate in the country

## Promising future

**The city of Tripoli and its vicinities are becoming again one of the most vibrant business areas in the country**



# Attractiveness of the TSEZ : A Vision Based on Performance and Efficient Values



## 1. A Dynamic Development Platform

- Attract local and foreign investments
- Develop business activities
- Create jobs and generate exports
- Implement good business practices

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# Attractiveness of the TSEZ : A Prime Geographic Location



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# Attractiveness of the TSEZ : A Vision Based on Performance and Efficient Values

## 2. An Efficient Economic Concept

- Simplification of procedures pertaining to starting and conducting business
- A pilot project to reform business processes and procedures in Lebanon
- Introduce new business practices including PPP projects



# TSEZ : Port Site



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# Attractiveness of the TSEZ : A Vision Based on Performance and Efficient Values

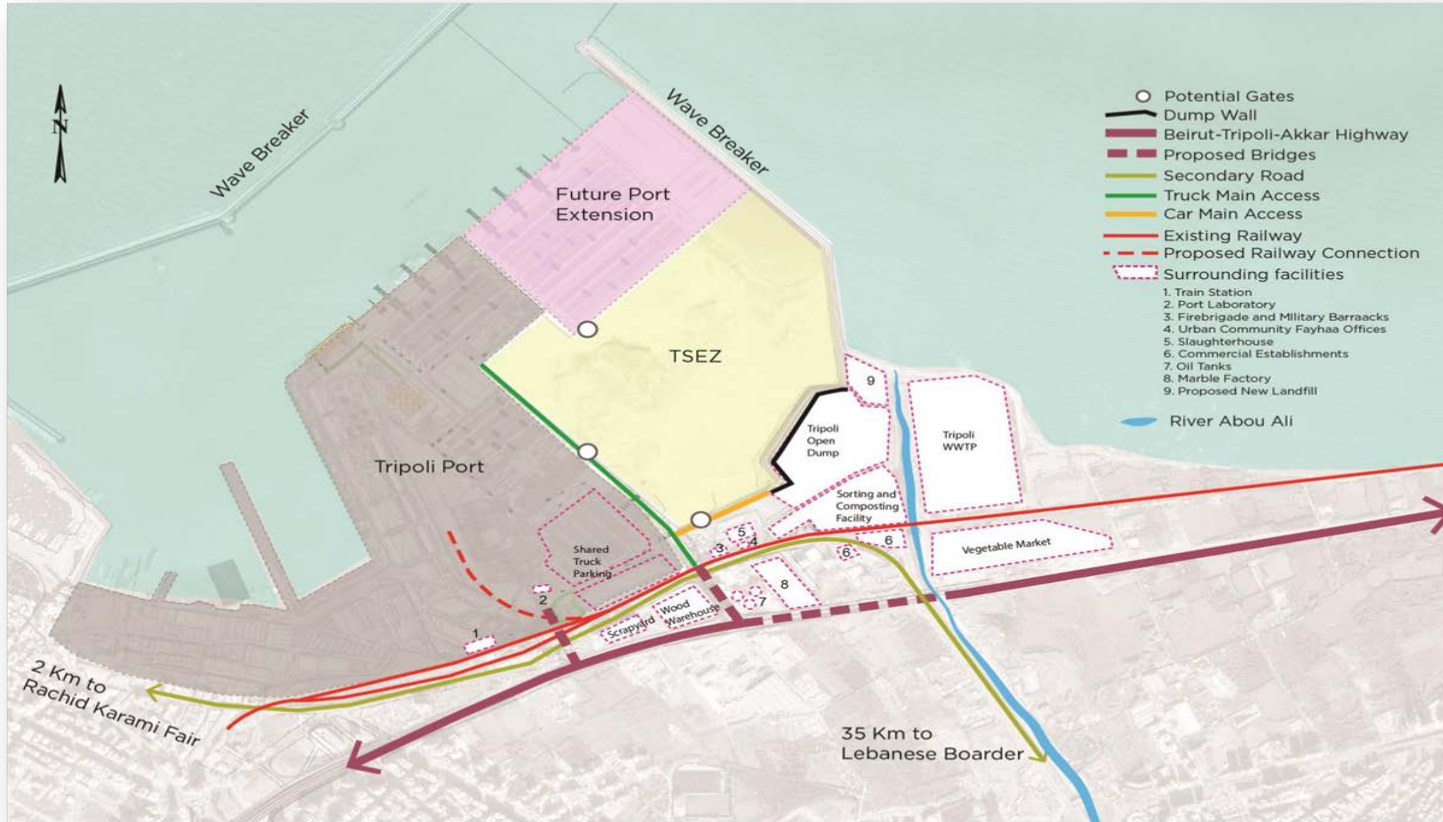
## 3. A Modern Organization and Efficient Master Plan

- Customs and administration / support services on-site.
- Multiple form of implementation: renting, leasing, constructed spaces, land free  
...
- Quality infrastructure for the site and the industrial uses (transport, electricity, security...)
- A prime geographic location





# Master Plan : Key Facts

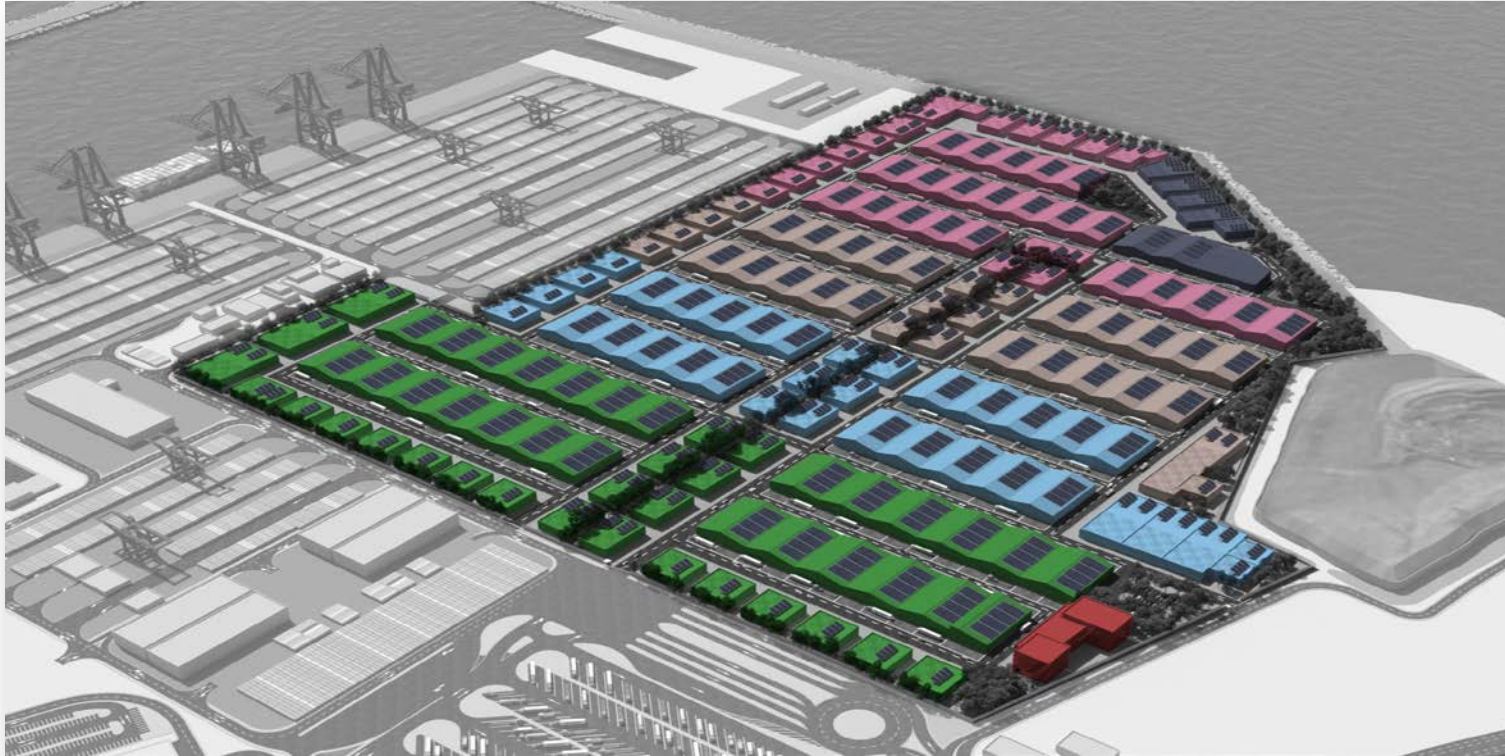


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# An Efficient Master Plan Concept



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# Attractiveness of the TSEZ: A Vision Based on Performance and Efficient Values

## 4. An Effective Legal and Regulation Context

- Unique design of key administrative, legal, taxation, and regulatory frame work with a single window clearance
- Lifting any restrictions on foreign ownership as well as on capital and dividend repatriation
- Simplification of work permit procedures for foreigners

# Attractiveness of the TSEZ: A Vision Based on Performance and Efficient Values



## 5. Tax Incentives:

- 100% exemption on building permit fees, customs exemption on imported raw material, duty free export, exemption on VAT and excise tax for exports, exemption of tax on salaries and on shares and bonds issued by companies within TSEZ

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# Attractiveness of the TSEZ :A Vision Based on Performance and Efficient Values

## 6. Local Advantages and Prospects

- Availability of large land spaces and built industrial area
- Low operational costs and facilities of the Port of Tripoli
- Availability of human resources and education institutions
- Low living cost
- Business boom

# What are the potential Sectors to be Attracted by the TSEZ?

<b>Small and Medium sized industries with high added value and export potential:</b>	<b>Services and other uses:</b>
<ul style="list-style-type: none"><li>➤ Apparel and clothing</li><li>➤ Food processing</li><li>➤ Chemicals and Plastics</li><li>➤ Paper products</li><li>➤ Construction material</li><li>➤ Upstream and downstream oil and gas operations</li><li>➤ Metal fabrication</li><li>➤ Furniture</li><li>➤ Electronics</li></ul>	<ul style="list-style-type: none"><li>➤ Logistics and warehousing</li><li>➤ Marine based services (maintenance and reparation)</li><li>➤ Trade and Service companies /regional offices</li><li>➤ Vehicle repair and services</li><li>➤ Logistics for potential companies involved in oil and gas industries or in Syria reconstruction</li></ul>



# Who Would be the First Potential Tenants of the TSEZ?

- The attractiveness of the TSEZ for potential investors will be pending on the different phases of the project, and the practices observed. The origin of potential investors in the TSEZ can be classified as follows:
  - ✓ From Tripoli and northern Lebanon
  - ✓ From other Lebanese regions
  - ✓ From Lebanese Diaspora
  - ✓ From close neighboring countries (Syria, Jordan, Iraq and Turkey)
  - ✓ From Gulf countries: Funds and companies
  - ✓ From international companies as platform for their regional activities

# What are the TSEZ Potential Investment Forms?

- New Investments attracted by the infrastructure program and management facilities of TSEZ
- Start ups or expansion of existing businesses subsidiaries or branches
- Relocation of Lebanese entrepreneurs from Lebanon and Gulf countries.
- Regional foreign direct investments: Syrian, Turkish, Jordanian and Gulf companies



# Risks and Uncertainties: Challenging Perspective

## 1. Site Environmental Nuisances

- With the existence of a solid waste sorting plant, a slaughterhouse, a sewage pipeline and waste-water treatment plant and an old Oil jetty pipeline

## 2. Global Economic and Business Environment Weaknesses

- Like in other sectors and in the different Lebanese regions, business activities in the TSEZ will face multiple political, economic and social challenges along with countless complications that face conducting business in the country

## 3. Inadequate and Deficient Local Business Environment

- The development TSEZ may face some difficulties owing to the weak economic structures of Tripoli and its surrounding and the lack of financial and qualified human resources



# Business Community Support and Advocacy: An Essential Step

## Associate the National Business Community to the Project Implementation

- The limitation of the support of an SEZ to the public authorities and the local business community is not sufficient to ensure the success of this kind of operation, and such projects need the support of the whole national business associations
- Opportunities that the TSEZ is expected to offer, will not be confined to the region of Tripoli, but they may well extend to a large number of Lebanese regions, as well as to regional and international investors

# Business Community Support and Advocacy



## Positive Contagion Effect

- TSEZ initiative is expected to induce a “positive contagion effect” in the city of Tripoli, its close vicinities and probably in the different regions of the country
- TSEZ’s attractiveness is not limited to Tripoli and the northern region: All Lebanese operators may invest in this new attractive site
- The application of simplified business measures could subsequently be extended to all activities and regions

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# Business Community Support and Advocacy



## Objectives of the Business Advocacy Action Plan

- To ensure a strong legacy for the TSEZ project, implementation started in November 2008
- To ensure sustainability and continuity for this long term investment in Lebanon, through commitment, tangible objectives and supportive actions
- Take into consideration the uniqueness of the TSEZ : Countless advantages, a diversity of opportunities, and especially a high proportion of prospects and positive impact on Lebanon's business environment
- A multiple face program to improve the business competitiveness environment
- An opportunity to introduce Public-Private Partnerships projects to promote new investments forms

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# Framework to support the TSEZ by the Lebanese Business Community: The Action Plan

Action	Specific topic	Activities
1	<b><i>Initiate the business community's mobilization: set the action plan</i></b>	Stakeholders' mapping with chambers and business associations
		Sign a MoU between TSEZA and the chambers and business associations
		Identify and define networking and supportive events
		Awareness and communication campaigns
		Presentations / roadshow agenda
		Partnerships and collaboration with business sector associations
		Champion/ Establishment of a strategic steering committee
		Assign a specific role for the CCIAT and the business associations

Remark: All steps of the advocacy strategy and action plan will be set under the direction and in coordination with the Tripoli Special Economic Zone Authority (TSEZA)



# Framework to support the TSEZ by the Lebanese Business Community: The Action Plan

Action	Specific topic	Activities
2	<b><i>Identification of potential investors in infrastructure and operations management</i></b>	Identify specific stakeholders interested in infrastructure construction and operation management
		List of potential local and international investors
		Financial schemes and participation models
		Business community impact for best practices
		Conferences and events



# Framework to support the TSEZ by the Lebanese Business Community: The Action Plan

Action	Specific topic	Activities
3	<b><i>Promote investment and attract investors/tenants</i></b>	Identify potential tenants in Lebanon and potential international investors specially in the MENA region.
		Presentations/roadshow by countries and sectors of activity
		Regular meetings with potential investors/ specific needs
		Benchmark with other regional and international SEZs and collect data on best practices
		Address specifically the Lebanese Diaspora Entrepreneurs





# Framework to support the TSEZ by the Lebanese Business Community: The Action Plan

Action	Specific topic	Activities
4	<b><i>Information and communication</i></b>	<p>A communication and promotional plan is proposed to improve the zone's attractiveness</p> <p>Identify available support; both financial and non-financial incentives are determined</p> <p>Communicate on different events in preparation and invite entrepreneurs to participate including Diaspora executives</p> <p>Invite experts and specialists to improve services and management advantages</p>



# Framework to support the TSEZ by the Lebanese Business Community: The Action Plan

Action	Specific topic	Activities
5	<b><i>Lobbying to improve administrative and regulatory processes/practices</i></b>	Establish a lobbying group
		Identify obstacles and implement modifications when needed to ease and speed up businesses
		Intolerance of fraudulent practices within the TSEZ area



# Framework to support the TSEZ by the Lebanese Business Community: The Action Plan

Action	Specific topic	Activities
6	<b><i>Evaluation and monitoring</i></b>	Set key indicators for monitoring and assessment
		Regular reports, fact findings and analysis
		Initiate recommendations and adjustments measures when needed.
		Identify actions and measures which could be extended in the benefit of the Global economy
		Extend support to cover the new ICT extension at the Rachid Karamah Fair centre



# Conclusion and Key Success Factors



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# Conclusion

- Designed as a promising platform to boost the economic development in North Lebanon area, the Tripoli Special Economic Zone “would be a vibrant economic zone” (Ban Ki Moon).
- To achieve its objectives, the project is expected to rely on a dynamic approach involving the management team in direct charge of the venture, the regional and national public authorities, and the local and global Lebanese business community.
- Mobilizing the business community to support this project is not only intended to ensure the success of this zone of activity, but also to help expanding investment opportunities for all domestic firms and improving the business climate in the country.
- The establishment of the TSEZ is considered as a major development hub to attract local and foreign investments aiming to develop business activities in the North area, to create jobs, to generate exports and to positively impact the “ Doing business environment” in Lebanon/



# Conclusion

- Based on multiple advantages proposed by its regulation framework, its modern infrastructures, and its efficient management concept, the TSEZ offer a large number of benefits including:
- A new vibrant business momentum in Tripoli after years of instability and exclusion
- An opportunity to participate to the TSEZ infrastructure investments and operation tasks
- The multiple advantages offered by the TSEZ to any direct investment in the area
- The possibility to offer products and services to operators established within the TSEZ
- The positive contagion effect of the TSEZ experience to improve the overall business environment in Lebanon



# Advocacy Support: Key Success Factors

➤ Despite its “informal character”, the advocacy approach in favor of the TSEZ project needs a clear and dynamic action strategy led by the national business organizations, with a prime goal to join forces and to:

- ✓ Initiate the business community’s mobilization
- ✓ Clearly define objectives, demands, target actions to assure the success of the project
- ✓ Identify potential investors in infrastructure and operations management
- ✓ Promote investment and attract investors/tenants
- ✓ Set an information and communication strategy
- ✓ Lobby to improve Administrative and regulatory processes/ practices
- ✓ Set an evaluation and monitoring pattern

Remark: All steps of the advocacy strategy and action plan will be set under the direction and in coordination with the Tripoli Special Economic Zone Authority (TSEZA)

