



***Government of Lebanon
Economic Plan***

September 15, 2020

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List of Abbreviations

BEE	Business Enabling Environment
BdL	Central Bank of Lebanon
BSE	Beirut Stock Exchange
CDD	Customers Due Diligence
CMA	Capital Markets Authority
EIB	European Investment bank
EBRD	European Bank for Reconstruction and Development
EDL	Electricité du Liban
FDI	Foreign Direct Investment
GoL	Government of Lebanon
G2P	Government-to-Person
HCP	High Council of Privatization and PPPs
ICT	Information and Communications Technology
IDAL	Investment Development Authority of Lebanon
IFC	International Finance Cooperation
IMF	International Monetary Fund
IP	Intellectual Property
LCPS	Lebanese Centre for Policy Studies
NEMS	Non-Equity Modes of Investments
NPTP	National Poverty Targeting Program
OCW	Out-of-Court workouts
PCA	Post Clearance Audits
PBB	Performance Based Budgeting
PIT	Personal Income Tax
PPP	Public Private Partnership
P2G	Person-to-Government
Q-UBI	Quasi-Universal Basic income
RCA	Revealed Comparative Advantage
RM	Risk Management
SEZ	Special Economic Zones
SIC	Special Investigation Commission
SME	Small and Medium-sized Enterprises
WBES	World Bank's Enterprise Survey

Executive Summary (DRAFT SUMMARY)

Lebanon is facing a **perfect economic storm** due to 30 years of social, economic, financial and fiscal mismanagement, to the COVID 19 pandemic and, last but not least, the terrible blast in Beirut Port while **the country does not have the fiscal space** to boost the economy through massive injection of funds as is being done in various countries.

Lebanon can only rely on its human resources, local and international investors and on international assistance from IMF which will pave the way for financing from CEDRE, EIB, EBRD, friendly countries, etc.

This requires us to (i) **request and obtain emergency assistance from the international community**, (ii) **provide the right environment to rebuild the confidence** of the international community, the local and international investors and the Lebanese diaspora and (iii) develop our most important resource: our highly educated human capital.

As Lebanon has no option but to move from a rentier economy fueled by unsustainably high interest rates to a productive economy to the maximum extent possible and as it has and will have no means in any foreseeable future to seriously boost its economy by itself, without financial assistance and without economic reforms, our overall economic approach is based on leveraging:

- Its network of friendly countries and various economic and financial partners;
- A new era attracting the Lebanese to invest in a productive economy as the rentier economic business model of Lebanon fueled by high interest rates and higher return than any productive economy is past history;
- The reformed legal and fiscal environment and a modernized infrastructure environment to rebuild the investors' confidence in Lebanon and in their ability to earn an adequate return on investment;
- Investments that will be made through CEDRE and other similar programs and infrastructure investments;
- The Lebanese diaspora's commitment to Lebanon through contributions in productive investments, donations and sponsorships, knowledge, relationships, lobbying and market access as well as providing remote job opportunities in the international knowledge economy;
- Partnerships with and knowhow transfer from friendly countries, multilateral agencies and partners which will be of paramount importance to foster the growth of the economy;
- The McKinsey study as:
 - o An investor reference providing insights on the best investment opportunities and sectors; and
 - o Along with the CEDRE reform program, a reference for the necessary reforms and infrastructure investments to be executed;

Noting that it should be updated every other year starting in 2021 to keep it up-to-date, measure results and factor in any changes to the environment.

Considering the aforementioned:

OUR VISION: A friendly, culturally diverse, and economically productive, competitive, innovative and sustainable country that embraces an inclusive and equitable growth for all Lebanese citizens.

OUR MISSION: To continuously define, promote and implement reforms, policies, laws, measures and investments leading to a sustainable: (i) Creation of a business-friendly environment, (ii) Creation of economic value and productive jobs, and (iii) Reduction in the Budget and Balance of Payments deficits.

As such, Lebanon aspires to shift its economy to a productive, innovative, and competitive economy. This transformation implies a focus on the comparative advantage approach and knowledge-based industrial activities, aided by government policies and driven by a vibrant and pioneering private sector. The aim is to achieve a sustainable, diverse, and inclusive economic growth in a fair and equitable manner, such that all Lebanese can enjoy good living standards and reach their full potential. Such growth should come mainly from the productive sectors with a highlight on knowledge economy as, in a few years, knowledge-based activity and innovation should be the main engine for growth.

Nevertheless, initially, we should **focus on emergency measures with the assistance of the international community to:**

- (i) to preserve the chain of supply,
- (ii) provide temporary storage areas for all type of grains,
- (iii) rebuild Beirut, its port,
- (iv) define a long term strategy for silos across various regions in Lebanon,
- (v) rebuild the economic network destroyed by the blast, companies, SMEs, small shops, restaurants, etc., and other existing productive economy stakeholders that were badly impacted by the blast, and
- (vi) define emergency plans to face more efficiently future catastrophic situations like earthquakes, tsunamis, etc.

Section 1. A Roadmap to Economic Growth

The country is at a critical inflection point, and major decisions have to be taken to deal with the urgency of the current situation. The proposed plan is aimed at restoring lost credibility and strengthening confidence. It also lays out a clear actionable framework for delivery.

1.1. The Overall Major Structural Impediments of the Lebanese Economy

The Lebanese economy is in an extremely difficult position, which has been exacerbated since the events of October 2019 and further aggravated by the impact of the ongoing COVID19 pandemic and the Beirut port explosion. Economic growth has remained anemic for years and recently turned to negative; public debt as a percentage of GDP has sky-rocketed in the last decade to unsustainable levels; and the twin deficits (current account deficit and the public sector deficit) have grown steadily during the last decade. The roots of the current situation can be traced to the chronic structural distortions built over several decades that have made the Lebanese economy extremely vulnerable to internal and external shocks. An Economic Plan aimed at 'jump starting' the economy on a path of accelerated inclusive and equitable economic growth will have to address these structural distortions with courage and a sense of urgency. A promising initiative is the "Financial Recovery Plan" and the intention of the country to pro-actively engage and negotiate a comprehensive program with the International Monetary Fund and other donors and lenders to address the most urgent and immediate needs and reforms for achieving financial stability. Going forward, the country will need to embark on a far-reaching Economic Plan addressing structural reforms and with which all sectoral growth strategies are aligned. Among the most significant and deeply rooted structural impediments to be addressed simultaneously with the Financial Recovery Plan are a rentier economy, a constrained business enabling environment and significantly damaged financial and real sectors, insufficient infrastructure investments and overall low value-added productive sectors.

1.1.1. A Rentier Economy

The postwar economic and political reconstruction was based on a fiscal and monetary policy mix that was maintained over the years, which in the long run ended up entrenching chronic distortions and planting the seeds of a rentier economy. The demands of the post war reconstruction imposed significant public sector expenditures in Infrastructure reconstruction projects and in addressing the commitments of the "TAEF Accords". This, along with corruption and overspending, resulted in public sector deficit financing which was supported by a finance-based BdL monetary policy determined at maintaining foreign exchange stability through a dollar-pegged system, more or less controlled inflation and securing an uninterrupted flow of foreign capital into the country.

The results of this policy mix were a growing loss on competitiveness of the tradable sector of the Lebanese economy. The choice of expansionary fiscal and monetary policies resulted in high real interest rates and high real exchange rates because of an ever-increasing public-sector deficit funded by the BdL regular purchases of Government Bonds at increasing real interest rates. The BdL maintained a fixed nominal exchange rate regime and for years the inflow of foreign capital remained uninterrupted. The large size of fiscal deficits and the

growing amount of funding requirements de facto “crowded out” the private productive sector that could not afford competing for credit at high real interest rates and an overvalued real exchange rate that placed local industry at a disadvantage against imported goods.

Even prior to the October 2019 crisis, the Lebanese productive sector was struggling and underperforming. Over the past few years, the private sector’s performance has been weak, and firms had started downsizing and reducing the number of employees, but these negative trends have accelerated rapidly since October 2019. According to the most recent data provided by the Ministry of Economy and Trade, firms’ real sales dropped by 11.1% annually in the past three years and total employment dropped by 3.6% annually. Between October 2019 and January 2020 about a third of firms have “temporarily” reduced their employees’ salaries by an estimated 40% on average, one third of companies reduced their workforce by 60% on average, and 12% have ceased or suspended their operations.

Commercial Banks became a transit vehicle or an intermediary conduit between Europe and the Arab countries and contributed to the process of attracting foreign capital aimed mostly to finance the growing deficits of the public sector. During this period the BdL acted as a development bank instead of an independent monetary authority. The BdL should be an autonomous technical entity and deliver its core mission of controlling inflation. The issuance of Eurobonds at relatively high interest rates although at rates lower than domestic Treasury Bonds denominated in Lebanese Pound, allowed banks to offer extremely attractive returns in US dollars from abroad, which enabled the BdL to continue to accumulate International Reserves and therefore secure the stability of the Lebanese Pound.

Maintaining currency stability with ever increasing twin deficits and an overvalued exchange rate for more than two decades without any reform done in parallel came at a high cost for the Lebanese economy and to its public finances. As a result, the current account deficit as a percentage of the GDP grew from 20% in 2010 to 27% in 2019, having reached levels close to 58% during this period; while the fiscal deficit as a percentage of GDP grew from 7.4% in 2010 to close to 12% in 2019. In the same period, public debt as a percentage of GDP grew from about 50% in 2010 to an unsustainable 150% in 2019. During the same period, real GDP growth rate remained on average below 3% per year and recently has turned negative.

It is in this context that the rentier economy emerged, where a rentier income is defined as commercial banks’ profits resulting from normal banking operations and also from holding financial assets with very high yields. The BdL kept increasing rentiers’ incomes by raising real interest rates and lowering domestic inflation. Expansionary fiscal policy raised the rates and increased the amount of interest payments from the government to the rentiers. High interest rates hampered investments in all productive sectors, except in real estate and banks assets such as deposits, favoring rent-seeking activities over productive activities. According to McKinsey, Lebanon attracted over US\$ 90 billion between 2005 and 2015; 70% of which or USD72 billion was used to buy real estate and imported goods and approximately USD22 billion were deposited in banks at high interest rates that ultimately was invested in Government Bonds aimed at financing public sector deficits. About 36% of government expenditures pay debts services, 58% pay salaries and only 7% is destined for urgently needed capital investments.¹

The fiscal and monetary policy mix adopted and maintained by Lebanon for decades eventually came to an end. Starting in November 2017, when then Prime Minister Hariri resigned while in Saudi Arabia, confidence and trust in the Lebanese economy faltered and only a further increase of already high interest rates were able to keep BdL’ reserves at an acceptable level. The protests of October 2019 along with the BdL decision to stop pumping fresh dollar in the banks translated into a strain on the banking sector liquidity abroad and in the local market, in turn further impairing confidence and trust. These events combined with

¹ GoL / McKinsey (2018). Lebanon Economic Vision.

the COVID-19 pandemic had a devastating impact in Lebanon. As a result, the rentier economy became unsustainable. The sudden end of capital inflows from abroad, followed by the March 2020 Eurobonds default; the dramatic reduction of BdL International Reserves; the increasing misalignments between the officially pegged exchange rate and the unofficial exchange rate markets sealed the end of the 'fiscal and monetary policy mix' adopted and maintained in the postwar period. The country now faces the need for deep cuts in public sector expenditures and imports to stabilize current accounts and to adopt reforms in the BdL's monetary and exchange rate policies. In addition, there is a need to conduct a comprehensive solvency assessment and probably implement a regulatory reform of the banking sector. The Financial Recovery Plan and the ongoing negotiations with the IMF and the donor community are promising steps in this direction.

An often-overlooked aspect of Lebanon's rentier economy relates to market concentration and anti-competitive practices. In a somewhat outdated World Bank study, extraordinary rents accruing from monopolistic behavior represent more than 16% of Lebanon's GDP.² Although Article 14 of Lebanese Law (73/83) on trade of goods, materials and crops prohibits restrictive economic practices, cartelization and other forms of market concentration and anti-competitive practices the laws are not being enforced. These market distortions are prevalent in sectors such as cement and agri-food which the current crisis has exacerbated.

Lebanon lacks a competition law and an antitrust enforcement framework. A competition draft law along with a consumer protection draft law are being prepared in collaboration with the Ministry of Economy and Trade and other entities (to be presented to CoM by mid-August) and are coming at a critical juncture as they can effectively support and complement Lebanon's social safety net. In addition, the Judiciary will also need to start acting more efficiently in resolving pending and new anticompetitive cases based on strict technical and legal criteria.

Exclusive rights granted to some importers also hinder competition. Lebanon's Legislative Decree No. 34 of 1967 provides specific regulations regarding commercial agencies and exclusive distribution. It gives distribution agents registered under its provisions (including those that distribute goods and services on their own account rather than through agency agreements) the right to request Customs to block entry of goods (even second-hand goods) that have not been approved by the registered agent, essentially providing a state monopoly to registered importer/distributors. Exclusive vertical arrangements are common between manufacturers/brand owners and their distributors, but they can result in anticompetitive practices. These issues will be partially addressed by a new Competition Law (in preparation).

A different approach will have to be followed regarding the regulation of natural monopolies. There are natural monopolies in Lebanon's electricity, telecoms, ports, and water and airlines sectors - some of these are in urgent need for a deep regulatory and operational restructuring. There is an imminent need to rationalize subsidies and "right-pricing" in the electricity sector as part of the efforts to stop the bleeding in public finances. There is also an imminent need to reduce waste, fraud, and abuse and to increase productivity. As part of the needed structural reforms, the adoption of effective regulatory frameworks, significant public investments in infrastructure and the establishment of technically competent regulatory and supervisory agencies of natural monopolies will be essential to strengthen competition and build a dynamic economy.

² Sebastian Dessuss and Joey Ghaleb. (2006) "Lebanon- Trade and Competition Policies for Growth: A General Equilibrium Analysis" The World Bank

1.1.2. A Constrained BEE

Lebanon's BEE is severely constrained, ranking 88 of the 141 countries surveyed.³ Beyond political instability, weak macroeconomic conditions, corruption and inadequate supply of infrastructure are often cited as major constraints. Firms are also constrained by weak institutions and high regulatory burden, uncompetitive product markets, inefficient labor policies and regulations, and limited business dynamism (see Figure 1).

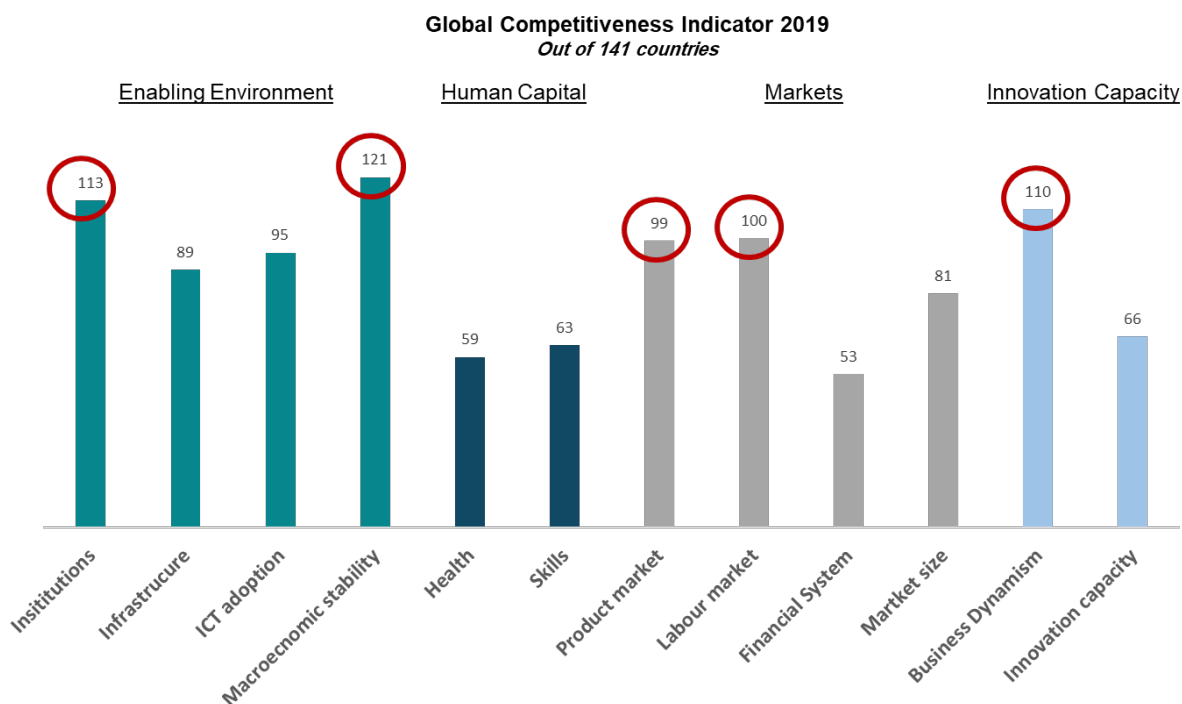


Figure 1: Global Competitiveness Indicator 2019

Key enabling policy and legislative requirements needed to support private initiative and investments are missing, outdated or underutilized. A review of the enabling policy landscape highlights the absence of a competition framework, a suboptimal investment policy, an underutilized PPP framework, an outdated public procurement system, weak digital financial services, a nascent intellectual property framework and a partially updated code of commerce.

Firms face multiple challenges throughout the business lifecycle from entry to exit. Starting a business, obtaining licenses and credit, managing labor, paying taxes, trading across borders, and closing a business are all costly, cumbersome, time intensive and require multiple procedures. As a result, Lebanon ranks as one of the least competitive economies in the Arab world. According to the Ease of Doing Business 2020 rankings, Lebanon ranks 143rd out of 190 economies (see Figure 2) and 15th among the 20 MENA countries. Reform has been lagging behind. Since 2013, only one reform was implemented which is adopting the judicial mediation law⁴ in 2019, while on average each MENA country implemented 13 reforms since 2013.

³ Global Competitiveness Report 2019, World Economic Forum

⁴ DB 2020: Lebanon made enforcing contracts easier by adopting a law that regulates all aspects of mediation as an alternative dispute resolution mechanism.

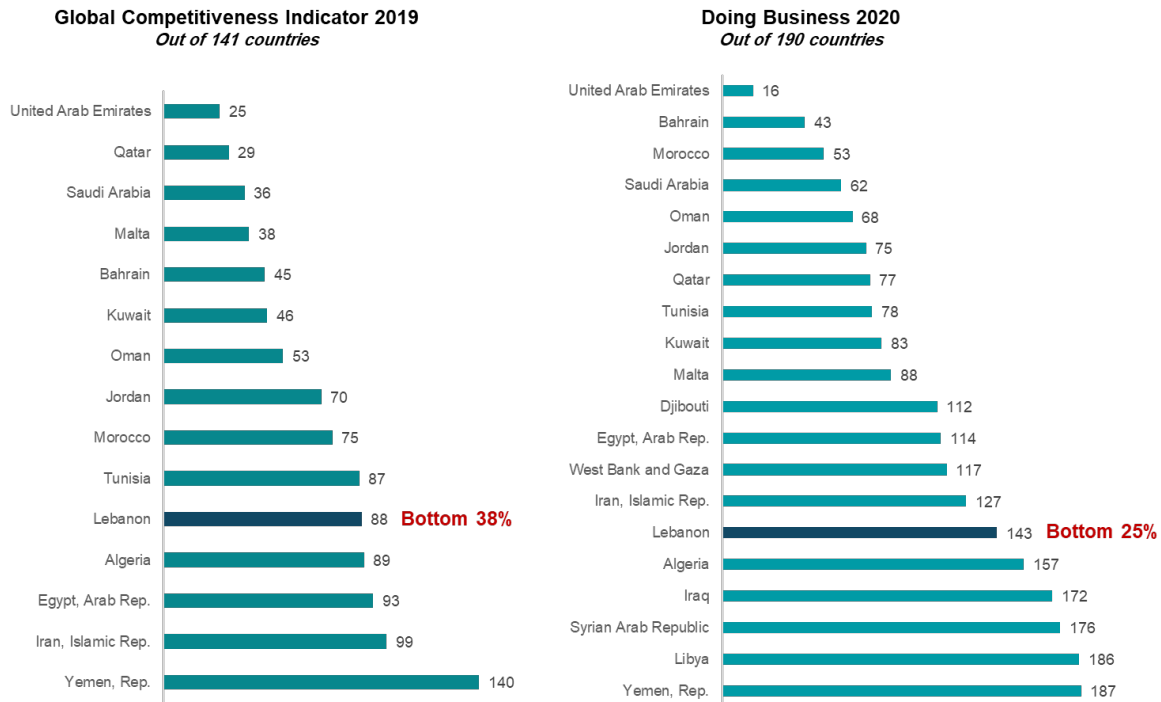


Figure 2: Lebanon's ranking in Leading Competitiveness Indicators

The failure to develop and maintain a favorable business environment over recent decades has undermined the competitiveness of the economy and translated to low and declining levels of investments and exports. Even prior to the crisis, the contribution of investment to real GDP growth fell sharply from 1.3% in 2011 to 0.1% in 2015. FDI has been steadily declining since 2010 from USD3.7 billion to USD2.7 billion in 2015. Similarly, exports also dropped from USD4.2 Billion to USD3.2 billion for the period 2010 to 2018.

Even prior to the crisis, foreign investment volumes and their composition were sub-optimal. About 70% of investment announcements in Lebanon during 2003 to 2017 were in market-seeking sectors,⁵ while only 16% were in efficiency-seeking and 14% in strategic asset-seeking sectors. Most investments were not conducive to the creation of value-added jobs. A review of Lebanon's policy, regulatory and institutional environment for investment, highlights challenges and gaps. An analysis of the Investment Law 360 has highlighted multiple gaps, including that it:

- (i) is incomplete in terms of investor rights and asset protection, including an inefficient and extremely slow dispute settlement mechanisms;
- (ii) contains an inflexible and insufficient legal base for investment promotion and attraction: though IDAL is an autonomous legal entity with its own budget reporting to the Prime Minister, the law makes the institution inflexible and ill-prepared to function as an effective investment promotion agency;
- (iii) offers a seemingly generous but untested incentives scheme with no mechanism in place to conduct an effectiveness assessment of incentives in terms of attracting investments of generating jobs; and
- (iv) is outdated in its regional approach to incentives and is not adapted to newly created markets like the Knowledge Economy.

⁵ Market-seeking FDI includes retail, professional and business services, construction, logistics & distribution. Strategic assets-seeking FDI includes tourism. The majority of export-oriented sectors fall under the efficiency seeking FDI - tradable business services or export oriented processing sector are prime examples of this kind of investment.

On the institutional level, benchmarking IDAL against global best practices in investment promotion suggests that IDAL's performance could be seriously strengthened along some dimensions. First, it is particularly weak on strategic planning, aftercare and policy advocacy. IDAL provides a limited range of services that do not capture the whole investor life cycle, for example it doesn't cater for follow-up investments. Second, aftercare services aiming at investor retention and expansion, and promotion of linkages and spillovers to the domestic economy, are not developed. Third, reviewing the governance framework will also likely help IDAL to unlock its full potential and maximize its leverage of policy makers to improve the product and investment climate of the country. Fourth, reducing the number of target sectors to those with the strongest value proposition to foreign investors will help to focus the agency's limited resources. In addition, this will aid Government policy and its product development effort on sub-sectors that can become the drivers of future economic growth of the country, such as tradable services.

Significant areas in Lebanon's public procurement system remain in need of reform. In addition to an outdated public procurement law, other procurement challenges include: (i) a weak control environment that does not enforce the implementation of rules and procedures; (ii) lack of an institutional and independent procurement policy unit and of complaints handling mechanism; (iii) lack of procurement performance information/data; (iv) lack of private sector competitiveness; (v) weak implementing agencies; and (vi) lack of transparency. The World Bank is finalizing a diagnosis on the Methodology for Assessing Procurement Systems (MAPS). A draft public procurement law that was reviewed and commented on by the World Bank and OECD/Sigma is being reviewed by the parliament sub-committee. Revision is supplemented by MAPS assessment recommendations and by collected comments. It is expected to have the law ratified by end-August 2020.

Digital financial services are lagging behind due to regulatory constraints. According to the Global Findex 2017 data, only 33.1% of Lebanese adults have made or received digital payments in 2017 compared to 31.9% in 2014. The share of Lebanese adults that made or received digital payments in 2017 is the 43rd lowest among 144 countries globally. It is also lower than the average rate of MENA countries of 37.7%. In addition, 13.8% of Lebanese reported using the Internet to buy goods or services online in 2017, of which 16.4% paid online for the purchase, while 83.4% paid cash on delivery. While there is significant interest from market players (banks, telcos, fintech, money transfer operations) to offer digital financial services, implementation texts following Law 81 are needed to clarify the legal status of e-money and agent banking. Closely linked, there is no licensing framework for non-bank payment service providers and no proportional customer due diligence regulations in place. There is no supervisory approach to financial technology and little acceptance of innovation surrounding financial services which are not bank-based. The progress on digitizing bulk Government to Person payments is relatively limited although there is potential improvement with the planned implementation of Lebanon's Pay-Gov system following a staged approach to avoid delays.

Lebanon has a nascent intellectual property framework, which currently acts as disincentive for startups and SMEs to develop new technologies and technical innovations, further anchoring the economy in traditional industries. Patent awards in Lebanon are based on a deposit system with limited examination, which significantly reduces the application worthiness. Also, high rates of software piracy constitute a drag on digital market growth. Intellectual property enforcement (by Lebanon's Internal Security Forces ISF, Customs and Judiciary) is weak.

Law No. 126 in April 2019 introduced amendments to the Lebanese Code of Commerce in an effort to modernize it. However, amendments are not comprehensive, leaving some important issues out and not in line with a modern business environment, including waiving the paid in capital and simplifying the legal entity for Start-Ups.

Transaction costs associated with business entry and registration remain high and continue to burden firms, especially for startups and SMEs. Lebanon ranks 151th out of 190 economies in starting a business, according to the DB 2020 registering a 0.4% decrease in score compared to 2019. Currently, it takes 8 steps and 15 days to register a business, with a cost approaching 42.3% of per capita income. While many countries have abolished archaic requirements - such as high paid-in capital requirement and the use of notaries - Lebanon continues to impose these requirements. It is worth noting that the average cost to establish a business in the MENA region is 16.7% of per capita income, significantly lower than that of Lebanon. Also, paid in capital has been abolished in more than 117 countries. Online business registration is not yet available. IFC supported the Government of Lebanon in implementing the short-term vision of the National Commercial Registry Strategy approved in 2014. This reform should result in a 'Commercial Registry One Stop Shop' through Interoperability Platform which will ultimately lead to an optimized, transparent, shorter and less expensive registration process with standardized flow of activities between different public-sector bodies. However, the Strategy foresees legislative changes only in its medium-term vision which is not yet initiated.

The licensing and permit regime has several challenges that create unnecessary burdens for business. These include burdensome and complex procedures for issuing licenses and permits, a lack of risk-based approaches for licensing, a lack of transparency and predictability in process, and difficulty in obtaining information about procedures, requirements, fees, and documents as these are not necessarily published online. For example, Lebanon ranks 164th out of 190 economies in dealing with construction permits in 2020,⁶ a 0.5% decrease in score compared to 2019. It takes about 22 procedures and 276 days to secure a permit. This is compared to 15.7 and 123.6 for MENA. A major issue in obtaining licenses is the high incidence of bribery and corruption. According to the WBES 2019, 56% of firms in Lebanon are expected to give gifts to get a construction permit.

Even prior to October 2019, firm access to finance was problematic and is expected to be seriously impaired for a significant period of time due to the damage made to the banking sector. According to the WBES, 47.8% of firms identified access to finance as a major constraint to their business operation. Credit infrastructure remains weak pending key legislative reforms on secured transaction frameworks which hampers lending to the private sector. The absence of a secured transactions framework limits the scope of assets that businesses can take as collateral. A draft law on secured transactions, supported by IFC, is pending Parliamentary approval. In the absence of credit, secured transaction reform will not have an impact; however as credit intermediation resumes following the restructuring of the banking sector, allowing movable asset-based lending will be key. A new bankruptcy law is pending Parliament approval as well and should be considered to secure a swifter and transparent process of bankruptcy that will ultimately facilitate financing. Financing in general has been dominated by banking services but there are encouraging and emerging alternative sources of finance: peer-to-peer lending, crowdfunding, direct capital markets especially for SMEs and Mid-Caps, by creating the appropriate regulatory and legislative environment for the new instruments.

Lebanon has been doing well in Venture Capital investments compared to its peers but is lagging in angel/seed funding. To further develop alternative sources of finance, Lebanon will have to establish National Credit Bureaus and Rating Agencies or encourage such international agencies to open in Lebanon.

The potential of capital markets in facilitating access to finance post crisis remains to be explored. Lebanese capital markets are under-developed, listing only 10 large companies (6 of which are banks) with little or no transactions on most of them, and contributed very little to financing of the economy. Prior to the crisis the CMA had taken some actions aimed at enhancing key pillars of CMA development, including awarding a license for the operation of

⁶ World Bank Ease of Doing Business Ranking 2020

a new electronic trading platform. However, in the short to medium term, it is unlikely that capital markets could play a greater role in financing the real economy due to structural challenges, including the macroeconomic environment and its impact on investors' confidence. As the macroeconomic environment stabilizes, capital markets could potentially play a larger role in financing to key strategic sector, including infrastructure and SMEs financing; but this would require strong commitment from a wide range of public authorities.

Firms face constraints related to hiring and firing labor. High social security contributions (particularly for startups); expensive firing regulations; no flexibility in employing non-full-time employees (i.e. seasonal, partial, etc.); work permits for foreign labor; discretionary granting of work permits; and expensive and cumbersome processes for firing labor are some of the issues raised by the private sector as constraints to their business operations. The Ministry of Labor is currently drafting a new Labor Law addressing the issues of high labor costs and labor market inflexibilities.

Although a tax management modernization program was initiated in 2010, the impact of reforms has not yielded much benefit in improving the tax regime. Lebanon currently ranks 116th out of 190, scoring 0.4% less than the year before. Tax effort is extremely low at 42%.⁷ Firms face issues with the tax payment and inspection processes. A high number of tax payments is required - 20 payments per year, requiring up to 181 hours to comply, and more than 43 weeks to obtain a VAT refund. Lebanon scores poorly on other aspects of the transparency of the tax inspections regime, and tax inspections are prone to corruption. Tax corruption and tax evasion are intertwined. Therefore, reducing corruption will also increase tax compliance and collections. Relevant authorities are not required, by regulation, to publish tax compliance requirements and make them accessible on a web portal, and they do not do so. Tax inspectors are not required to provide copies of inspection reports to the inspected firms within a specified time. Firms can obtain a copy, but they need to go through an arduous process. Authorities are not required by law to give firms a grace period during which they may remedy deficiencies. The law does not provide for a transparent, risk-based system to "filter" or manage complaints from the public - instead of conducting additional tax inspections any time a complaint is received; nor does it provide for grievance reporting and redress mechanisms. In addition, the current tax and tariffs regime in Lebanon makes no differentiation for startups, or smaller firms. There are efforts currently being rolled out by the Ministry of Finance to allow for online tax filing and payments. Some taxes can be filed online but not all.

Trade processes and procedures conducted by Lebanese border inspection agencies are complex and time-consuming. Cumbersome – when not useless – processes and procedures, requirements for submission of redundant documents, low levels of customs automation, and excessive inspections of cargo are cited as key sources of inefficiency by the private sector. This is confirmed by Lebanon's low ranking in the Ease of Doing Business 2020 Trading Across Borders indicator, in which Lebanon ranks 153rd out of 190 countries worldwide. Key border functions such as quarantine or standards agencies also lag both in terms of procedural simplification and application of automation. Lack of systematic coordination among the control agencies complicates the day-to-day business of Lebanese traders who spend disproportionate amounts of workhours to process their declaration packages. These inefficiencies lead to increased costs, and longer time to import and export. In some cases, "unofficial payments" are required to speed the process. The Higher Council of Customs submitted a new customs strategy and law, incorporating a new organizational structure, an e-single window and modernized risk management system to the Council of Ministers for approval in the second half of 2019; however, it has not been approved yet. The Customs Strategy was sent back to the Ministry of Finance in February 2020 for comments. It is worth noting that the World Bank is providing advisory services for GOL on Trade facilitation.

⁷ McKinsey. Lebanon Economic Vision. 2018

Resolving insolvency is another issue facing firms struggling in their operation. Lebanon ranks 151th out of 190 countries in resolving insolvency framework,⁸ mainly due to an outdated legal framework that is misaligned with recognized good practices and lacks the provisions needed for a dynamic private sector and effective debt recovery. Issues that face firms include low judicial capacity, hurdles to close a company down and inability to resort to rescue proceedings. On average it takes a minimum of 3 years for a secured creditor to recover only 30.8% from an insolvent firm as opposed to 1.7 years and 70.2% in OECD countries. Two IFC-supported draft laws, insolvency and insolvency practitioners, were approved in 2018 by the Council of Ministers, however they are still pending Parliamentary approval. These laws aim to improve the business environment through the removal of market constraints to access finance. A modern and efficient insolvency regime helps creditors achieve maximum value for assets, facilitating higher distribution to creditors as a whole and reducing the burden of insolvency. Consequently, lenders are encouraged to grant higher-risk loans improving the access to finance of MSMEs, through softening immovable collateral requirement

OCWs as complements or alternatives to the formal insolvency system can facilitate the restructuring of viable corporates experiencing temporary financial difficulties, achieving better financial, economic and social outcomes. Devising an effective OCW framework has become especially relevant in the context of eventual economic recovery, given the increasingly widespread corporate distress resulting from the ongoing crises.

In the 2019 Corruption Perceptions Index, Lebanon ranked 137 out of 180 countries and the Global Corruption Barometer identified that nearly one in two Lebanese is proposed a bribe in return for their vote, while one in four is subject to blackmail if they refuse to vote in a certain way. Corruption in Lebanon is widespread at all levels of society. Political parties, public administration, the Parliament and the police are perceived as the most corrupt institutions of the country. Lebanon has yet to establish appropriate integrity structures supported by strong political will to fight corruption. Lebanon's confessional power-sharing arrangements fuels patronage networks and clientelism, which undermines further the country's governance system

Anti-corruption legislation exists in Lebanon, but it is not adequately enforced. There is legislation that prohibits public servants from requesting or receiving, directly or through the intermediary of another person, by reason of the function they hold gifts, gratifications or incentives of whatever nature and the law on Fighting Money Laundering allows the formation of the SIC to investigate money laundering violations and lift bank secrecy in cases under criminal investigation and authorized by a court. SIC's powers have recently been increased to comply with international standards regarding terrorism financing, auditing Lebanese and non-Lebanese tax uniformity. In 2018, the SIC investigated 489 cases, which resulted in lifting bank secrecy and funds controlling in only 30 cases.

1.1.3. Insufficient Infrastructure Investments

Lebanon has suffered decades of under investments in critical infrastructure necessary to sustain a process of economic reform aimed at jump starting the economy. Still pending to materialize are the core agreements reached at the CEDRE Conference in (Paris IV) that resulted in the international community pledging USD11 billion of funding for the Lebanese Government's Capital Investment Program, conditional on a corresponding reform program. International funding would include USD9.9 billion of concessional funding, envisaged to be implemented alongside private investment. A quarter of the Capital Investment Program is targeted at the electricity sector. As an immediate aftermath of

⁸ World Bank Ease of Doing Business Ranking 2020

COVID19, the amount pledged has now been reduced to USD6.4 billion. High priority infrastructure sectors that are in need for investments are electricity, telecom, transportation and customs.

Little to no progress has been registered to take advantage of a PPP framework. The passage of the PPP law in September 2017 provided the legal basis. In September 2019, the government approved the decree addressing the administrative structure and staffing of the HCP and included a clause on financial regulations. This decree has been recently published (July 23, 2020) in the official gazette and is now effective. As a result, the HCP board will approve the financial regulations. Three new mega-projects are awaiting the PPP law to be included under a PPP modality: the expansion of Rafic Hariri International Airport; the Khalde – Nahr Ibrahim Expressway; and the Lebanon Cloud Data Centre.

In 2019, the Ministry of Energy and Water announced the Electricity Plan. It sets out the measures the Ministry will take to correct the chronic deficit of the state utility EdL, including a large scale roll out of independent power projects for both renewable and conventional electricity generation. About one third of the total public debt of the country or about 50% of GDP is attributed to the electricity sector.

The Electricity Plan (the third in the last 10 years), approved by the Council of Ministers on 8 April 2019, sets out three main objectives: reduction of technical and commercial losses; increase in generation and reduction of fuel costs; and increasing consumer tariffs. It envisages expansion of the generating capacity in Lebanon by 3,150MW in the next six years.⁹ In addition - and before the crisis - Lebanon initiated the process of financing its first set of independent wind power projects. The current crisis will undoubtedly significantly delay the implementation of the plan due to lack of financing and investors' interest in participating unless a credible IMF program is implemented.

The new plan aims at raising tariffs and eliminating electricity subsidies of about 2½ percent of GDP by 2023. Thus far in 2019 the authorities have already increased electricity bill collections by about 0.2% of GDP and completed the high-voltage lines in Mansourieh which will reduce technical losses by 1 percent. In its September 11, 2019 Article IV Consultation Report, the IMF estimates that if the plan would be fully implemented it could have achieved 1.9% of GDP savings by 2025 in a pre-crisis scenario.

1.1.4. Low Value-Added Productive Sectors

A sustained long-term growth strategy for Lebanon should be grounded in a small open economy model and driven by low tariffs, a flexible exchange rate regime and a dynamic export sector built on competitive and comparative advantages. In the LCPS study,¹⁰ 337 out of 1,147 exported products were identified as having a comparative advantage making up 30% of the total exported products but amount to USD 2.7 Billion in 2017 which is 70% of total exports. Agro-food and chemical products were found to have the highest untapped export growth potential.

The Lebanon Economic Vision by McKinsey (2018) also addressed Lebanon's comparative advantage, by prioritising based on the assessment of four dimensions: size and maturity of local sector, recent performance and growth of local sector, market growth potential and sector competitiveness. 31 sub-sectors were prioritised across 4 main criteria whereby focus sectors were mostly selected among subsectors with increasing market share, suggesting

⁹ Chris Brown and Rebacca Chedid. (2019). Infrastructure Development in Lebanon. North, Rose and Fulbright LLP

¹⁰ Sami Atallah, Nancy Ezzeddine, and Jana Mourad. LCPS Policy Brief September 2019. Capitalizing on Lebanon's Comparative Advantage. LCPS: Beirut.

comparative advantage. The top three priority sectors include: food processing, soap and sanitation, and pharma, among others. In the industry sector, the vision prioritized several value-added sectors based on the assessment of four primary dimensions: size and maturity of local sector, recent performance and growth of local sector, market growth potential and sector competitiveness.

IDAL has also mapped available investment opportunities based on the degree of needs and Lebanon's competitiveness. A short-list of industries was identified and filtered, based on their readiness for development and their potential for short- and long-term development, with high priority based on the same set of criteria that was specified in the Lebanon Economic Vision. Food/agro-food products and pharmaceuticals were common sectors of high export growth potential.

Finally, the Ministry of Economy and Trade has calculated the full set of Revealed Comparative Advantage figures across all agricultural and industrial products based on the HS4 Coding System (see Appendix A). The exercise was done for the 2017, 2018, and 2019 calendar years, and the goods with a RCA>1 in all three years are listed in Appendix A. Post crisis and once the economic and financial situation has stabilized, MoET will redo the calculations. However, for now we think that the attached list of goods can be considered to be a robust fundamental/initial list for designing policy, as with the potential devaluation of the Lira we expect more products to be added and not the inverse.

Lebanon has the potential to develop a dynamic competitive economy based on a much higher value-added production than it currently does. The Lebanese labor market also offers a unique opportunity to provide a significant supply of skilled and unskilled labor, currently being dramatically underutilized.

Unemployment in Lebanon has remained stubbornly in excess of 10 percent, with youth unemployment close to 25 percent. The structural constraints in the economy have resulted in creating only about 20% new jobs annually in the last two decades as a percentage of the number of new job seekers coming into the labor market every year. This excess labor supply depresses wages, marginalizes migrant workers, many of whom are undocumented and low skilled and prepared to work for low wages. This is despite the low labor force participation rate of educated Lebanese women (20% compared to 35% for the Arab region), and the high rate of emigration - about half of every cohort goes abroad to find employment¹¹ with an increasing trend year after year.

Most of the jobs created in the Lebanese economy are in low value-added sectors such as wholesale and retail trade, repair and maintenance, transport and storage, food and hospitality services. Therefore, employers have little concern about lack of skills and are unwilling to pay high wages. According to business environment and investment climate surveys, the prime concerns of employers relate to political instability, macroeconomic uncertainty, poor governance, cost of financing and weak public infrastructure and not related to supply of labor. The Lebanese education system comes first in the Arab region in terms of international comparisons of student learning, making the Lebanese highly employable across the world but not in their own country. Tertiary education in Lebanon is considered high quality, though Lebanon trails behind peers in terms of primary and secondary education. According to the Universal Scale Score, Lebanon is classified as "poor" and its public expenditures per student are low compared to peers.¹² This explains the fact that Lebanon has one of the highest skilled (with university degrees) emigration rates in the world and the highest among the Arab states. For the university graduates who stay behind, the unemployment rate has

¹¹ Zafirios Tzannatos (2012). "Unemployment in Lebanon: Lack of Skills or lack of Skilled Jobs?"

¹² McKinsey. Lebanon Economic Vision. 2018

been increasing over time and more than doubles the rate of Lebanese without a university degree indicating an over-supply of college educated Lebanese.¹³

With over 1.3 million Syrian refugees in Lebanon, the country is shouldering the largest burden in terms of refugee per capita. This is straining the already very weak financials of the country as well as infrastructure such as water, wastewater, electricity, and transportation among others. Given that most of the refugee population is below 24, the pressure on the education sector is untenable; the Lebanese education system can only accommodate 100,000 of the 300,000 Syrian refugee children, even after some expansions are enacted in the education sector.¹⁴ There is a feeling of resentment and many Lebanese blame the refugees for a reported spike in crime, increase in food prices driven by an increase in demand, and competition for local jobs.

1.2. The Necessity of Reform

After a long political stalemate and successive shocks that have affected its economy, and disrupted the functioning of its institutions, Lebanon is in urgent need of reforms that lay the foundation of a new economic model more competitive and efficient. These reforms are key to unlock the promised international aid and set the Lebanese economy on the path of sustainable and inclusive growth.

The recent financial and economic meltdown amplified by the COVID-19 lockdown, raised new and additional challenges. It also made the necessity of embarking on structural reforms, which will be key for the recovery of the economy and the stabilization of the society, more apparent. **Shifting from a rent based to a productive economic system requires a deep – and sometimes painful – transformation at all levels.**

The GoL is cognizant that facing up to the current challenges can only be possible through a full engagement with the international community. To this end, the GoL has requested IMF support on May 13, 2020 and started negotiations towards this end. The main objective is to seek technical assistance as well as immediate funding to shore up BDL reserves, help fund the immediate government budgetary needs, finance badly needed social spending, and contribute to bank recapitalisation.

1.2.1. Ensuring Post-Crisis Financing and Boosting SMEs

A program with the IMF will revive investor confidence, both at home and abroad, for public and private sectors alike. It will particularly unlock the concessional resources allocated to infrastructure development projects at CEDRE conference in April 2018. To this end, the GoL is fully committed to achieve and speed up the relevant structural and sectoral reforms.

The Lebanon Financial Recovery Plan adopted by the Lebanese Council of Ministers on April 30, 2020, addresses in detail the key adjustments to be implemented on the fiscal and monetary side to restore fiscal balance and financial stability. Upon this basis the negotiations with the IMF are being conducted. This should lay the foundations of a new

¹³ Zafiris Tzannatos (2012). “Unemployment in Lebanon: Lack of Skills or lack of Skilled Jobs?”

¹⁴ Humanitarian Crisis: Impact of Syrian Refugees in Lebanon, <https://www.wilsoncenter.org/event/humanitarian-crisis-impact-syrian-refugees-lebanon>

economic model more geared toward growth and value creation. It should first of all pave the way for financing the productive economy.

The first task is to ensure the necessary financial resources needed for this economic transformation and speed up the post-crisis recovery. This task is all the more challenging given the distressed banking sector and the total absence of fiscal space at the state level. **Therefore, external support is deeply needed – not to say indispensable, with the IMF programme and the concessional financing promised at CEDRE having to be activated swiftly.**

As presented in the Financial Recovery plan, stabilizing the Lebanese banking sector is a prime concern for the Government given its role to finance the real economy. This objective should be at the core of an IMF support program. Rebuilding trust in the banking system and channeling the financial resources to the real economy are the building blocks of the economic transformation the GoL is committed to achieve. However this effort should go hand in hand with monetary and fiscal adjustments, laying the foundation of a strict fiscal discipline and resilient monetary policy (see section 2.4 and 2.6).

To this end the BdL has appointed a special task force to come up with a restructuring plan that puts the financial sector on a sustainable path. Given banks' situation today (functional insolvency and illiquidity), a restructuring program will lead to recapitalization, mergers, or resolution. Therefore it is crucial to build the maximum consensus among stakeholders on how to share the costs of the crisis exit in fairness and in a manner that best serves the national interest.

One quick way to speed up the stabilization of the sector is to open it up to new banks. The new comers will boost confidence, stir competition and act as drivers to the banking sector transformation. This plan should include the sound policy measures needed to minimize damage to depositors' savings, recapitalize and restore trust in the sector. The earlier it's done, the faster the recovery.

The GoL will engage with the international development banks and agencies for the establishment of microfinance programs to support SMEs, in particular for the rural agriculture, eco-tourism and small industries. This initiative remains at an early stage, but may prove very useful in boosting individual entrepreneurship at the sectoral level.

The GoL understands it is imperative to look at alternative sources of financing to circumvent the liquidity challenges affecting the country. Therefore, it will explore with multilateral agencies ways to extend the scope and capabilities of the Oxygen Fund that aims at providing short term facilities to importers and to exporters, in partnership with the local Lebanese Banks, the BDL and the Association of Lebanese Industrialists.

To overcome the bottleneck of finance, unlock international aid and put the Lebanese economy on a path of a sustainable recovery, a host of structural reforms is needed, namely reforms to improve the business climate, enhance productivity, reduce inequalities and strengthen social cohesion.

1.2.2. Fighting Corruption, Promoting Transparency and Accountability

The GoL intends to enact the following laws and policies to change outdated and complex regulations that stifle businesses and facilitate corruption.

Reform 1: Independence of the judiciary. The impartiality, independence and efficiency of the judiciary is the cornerstone of a democratic system of governance and the underlying condition of a sound economy. The GoL is committed to speeding up key reforms, currently

debated in parliament, in order to regain the confidence of the population as well as investors and donors. The main goal of the proposed reforms is to ensure the independence, impartiality and efficiency of the judicial branch within a system of checks and balances that guarantees and protects the separation of powers. The proposed draft enhances judicial independence by increasing the number of elected judges in the High Judicial Council, ensuring objective criteria for nominations and providing guarantees for judges. It also enhances transparency and accountability by reforming the judicial inspection and strengthening its role. Faced with an ever increasing influx of cases, namely those related to corruption, the other challenge facing the judiciary is to administer justice in a reasonable period of time.

Reform 2: Anti-corruption strategy execution. The GoL will carry on implementing the anti-corruption strategy 2020-2025 adopted by the CoM on May12, 2020. The first steps are well underway. They had already started with the adoption of the “Right to Access to Information” law of 2017, the “Whistle-blower Protection” law of 2018 and the “Anti-corruption in the Public Sector and the Creation of the National Commission for Combating Corruption” law of 2020. They will continue with the selection of the members of the National Commission for Combating Corruption and the support required for the Commission to start performing its role. Other legislative reforms are in their final phases in Parliament, particularly the “Illicit Enrichment” law, and amendments to the banking secrecy provisions. Further pivotal legislations to counter systemic corruption are also being drafted, like the “Conflict of Interests” law, “Public Asset Recovery” law that should set up the mechanism through which the state will recoup its stolen funds. In addition, the strategy recommends key actions to promote transparency and accountability, including forensic audits of major public bodies and institutions.

1.2.3. Boost Investments and Stimulate Economic Activity

Reform 3: New Investment policy. Lebanon needs a new investment strategy geared towards productive sectors with competitive edge and valued added jobs. A window of opportunity in the midst of the current crisis and the ensuing devaluation of the Lebanese pound is to boost industries with high export potential. The GoL is committed to strengthen IDAL’s role and capabilities, and enlarge the scope of its services to capture the whole investor cycle, from strategic planning to aftercare and policy advocacy. The review and update of the investment law will also include the protection guarantees required by foreign investors. Once the new investment framework is in place, the GoL will engage in an investor outreach program and implement an “Invest in Lebanon” communication campaign.

Reform 4: Enacting Competition. The competition law will set an antitrust enforcement framework that will match international best practices. It aims chiefly at protecting the consumer and promoting a culture of competition that will drive prices down, enhance quality of goods and services, and boost innovation and creativity. Lebanon current legislation gives the distribution agents the right to request Customs to block entry of goods that have not been approved by the registered agent, essentially providing a state monopoly to registered importer/distributors. These **exclusive rights** hinder competition, harm consumer, undermine the related industry and therefore should be abolished.

Reform 5: Leveraging Private Investment through PPP. PPP is key to achieve the above stated vision to shift from a rentier to a productive economy. The need for PPP projects is all the more pressing since Lebanon has no more fiscal space to develop its infrastructure and its financial sector is under severe pressure. In this regard, the GoL has recently (July 23, 2020) published an HCP decree (approved by the Council of Ministers in September 2019) addressing administrative structure and staffing in the gazette. Following this, HCP Board will approve financial regulations. The GoL commits to activate the HCP and develop a

comprehensive infrastructure investment finance policy spanning both public and PPP investment, as these two aspects need to be closely coordinated.

Reform 6: Establishing Specialised Economic Zones. The industrial, financial, and ICT sectors play a key part in the transition to a productive economy. Solutions are needed to address the numerous constraints hindering Lebanon's industrial establishments from functioning at their full capacity. One option is the creation of SEZs and industrial parks for their capacity to attract new investments particularly from foreign enterprises. The latter will stimulate growth, create jobs and introduce new technologies in the domestic economy. The GoL will pursue this option and will define a Specialized Economic Zones' Strategy that will leverage Lebanon's comparative advantage in high value-added sectors (knowledge economy, creative industries and design, agro-industries).

Reform 7: Modernise and digitise public procurement. A sound public procurement system needs to have good procurement laws and regulations. It should instill in people the confidence that the taxpayer money is being used in appropriate and efficient ways. The GoL will enact the new public procurement law that is expected to be approved by the parliament. It will then issue the implementing regulations. This first step should pave the way for the deployment of an electronic public procurement platform and the building of a procurement database. The most direct result of the online hub will be to boost competition, limit corruption and substantiate indicators related to transparency, efficiency and economic activity.

1.2.4. Revamping Infrastructure to Stimulate Growth

GoL is determined to pursue its commitments at CEDRE and undertake the necessary reforms to accelerate the implementation of all the infrastructure projects as listed in the Capital Investment Plan. These projects are of utmost importance to boost economic growth, create jobs and enhance productivity.

Reform 8: Putting the electricity reform plan into action. The Government intends to achieve the reforms initiated in the electricity sector and gradually eliminate its fiscal deficit. The government cognizes that this reform is key to encourage donors to disburse the concessional funding of USD 11 billion pledged at the CEDRE conference in April 2018. It will also have tremendous positive impact on public finances, economic growth and the environment. The government will not raise tariffs before increase in electricity supply to avoid any additional fees on Lebanese citizens total electricity bill. In fact, the electricity reform plan intends to reach financial balance, through cost reduction, control of technical and non-technical losses, and collection improvement, rather than tariff increase.

Reform 9: A new vision for the telecom sector. The GoL is working for the adoption of a unified vision for the telecom and ICT sector, as the real driver of growth in today's knowledge economy. Affordable and high speed internet is a must for the development of the economy and especially the Knowledge Economy. The sector should open to competition to trigger creativity and competitiveness, and engage in the necessary reforms to attract investments and concessionary projects. The reform will standardize terms and conditions of all data service providers including revenue sharing, right to build infrastructure, spectrum usage, and others. It will also define clear, transparent and non-discriminatory terms for access to MoT fiber infrastructure.

Reform 10: Enhancing the transport sector. The transport sector is a key enabler of sustainable growth. With the CEDRE concessional financing scheme, the GoL is determined to enhance the physical networks and services upon which the economy depends to enable the movement of people and goods. This should facilitate the access of businesses and consumers to markets and services and promotes economic diversification. The integration is expected to create opportunities for businesses in the regions to expand and develop, thereby

supporting job creation. At the same time, GoL recognizes the need to develop a transport system, which aligns economic growth with environment preservation and social sustainability.

Reform 11: Complete Customs modernisation. This key reform is key to fast-track economic growth, develop trade, boost export and balance fiscal and external deficits. Improving the effectiveness, efficiency, accountability and transparency of the Customs administration will also enhance community protection and strengthen Lebanon relations with its trading partners and its access to international markets. The GoL will push forward the new strategy and law submitted by the Higher Council of Customs in the second half of 2019, including new organizational structure and a modernized risk management system.

1.2.5. Build a competitive workforce and an inclusive community

Reform 12: Adopt the new Labor Law : a new labor is under preparation. It aims at extending rights protection to additional productive sectors, to cover seasonal workers in agriculture, remote workers (namely those using new technologies), and houseworkers. In addition the draft law organizes part-time work. The Government intends to finalize this new regulation that strengthens community inclusion and push it to the parliament for adoption.

Reform 13: Vocational Training Program : The government intends to develop a new vocational training program to better meet industry needs and help youth and unemployed to secure employment. To this end it already initiated a collaboration agreement with a worldwide leading distance learning institution to develop education programs aiming at creating jobs and sharpening skills in high value added sectors.

1.2.6. Strengthening Social Safety Nets to Avoid Hard Lending

Reforms 14, 15, 16, 17: Social inclusion Programmes. The current severe crisis Lebanon is undergoing aggravates pre-existing inequities and vulnerabilities. In order to avoid further increasing social hardship and to cushion the negative effects of a deep recession and devaluation, the GoL will replace the existing product based subsidy program by a Broad-Coverage Compensation Programme to Lebanese citizens residing in Lebanon. In essence:

- I- Every Lebanese citizen resident in Lebanon will receive a direct monetary subsidy based on his age and the payment will be made to the head of the household.
- II- The amount of the subsidy will be such that the purchasing power of the Lebanese citizen will be maintained.
- III- Households from the top socio-economic groups will be discouraged from applying for the program as certain exclusions based on affluence will be conducted.
- IV- Prices of goods will reflect market prices, which will result in lower local demand for imports, in more competition and in a substantial reduction in smuggled quantities.
- V- The amount received can be used by the household freely to buy any type of good he wishes which will lead to higher macro-economic efficiency and should reduce imports and promote local consumption.
- VI- Non-residents and non-citizens will pay real market prices and a similar program for refugees will have to be financed by the international community thus bringing hard currency to the country.
- VII- The amount of the subsidy will be calculated to maintain current purchasing power and to cover essential needs of the poorest households. The NPTP program will be merged with this program.
- VIII- As the economy recovers, more households will be excluded which will reduce the cost of the program over time.

- IX- This program will automatically reduce the cost of subsidy as seen by the country on a consolidated basis and will reduce the net outflow of foreign currency from the Central Bank.

In addition, As education is key for future economic growth, education cash transfers will be provided for children of the families benefiting from the above program.

The above programs will be funded through the GoL budget as part of the IMF program and the GoL will seek international funding and contribution to that effect.

Reform 18: Empowering women in the workplace. The government sees women playing a critical role in the economic recovery and women empowerment as a prerequisite for sustainable and inclusive growth. To this effect, it will support Lebanon's women's economic empowerment and take the necessary measures to close gender gaps and promote equality in the workplace. This includes:

- Key laws, legislations, and execution decrees to remove discrimination against women and to support their participation and protection in the economic life; and
- Building capacity to mainstream gender in the public sectoral strategies, policy, and budgets (e.g. gender audits, strengthen Gender Focal Points Units in ministries and agencies).

1.3. Strategic Framework

This section sets the strategic framework of the Government policy to achieve the economic transformation to which it aspires. **Two policy priorities stem from the vision statement: Shifting from a rentier to a productive economy and promoting an inclusive and equitable growth for all Lebanese citizens.** These priorities are supported by twelve pillars of reforms as listed in Figure 3.

The first three pillars have been addressed in detail in the Financial and Economic Recovery Plan presented by the government (April 2020). This plan emphasized three priority areas: reforming public finance, including public debt restructuring; laying the foundation of a resilient monetary policy; and stabilizing the banking sector (highlighted section in Figure 3).

These areas of reforms are key to lay the ground for an IMF program, a prerequisite of economic revival. Therefore, the Government started by laying out its plan to adjust the fiscal balance, reverse the current account deficit, identify the loss on the banking side and the ways to deal with it. This plan serves as the baseline for the negotiations with the IMF.

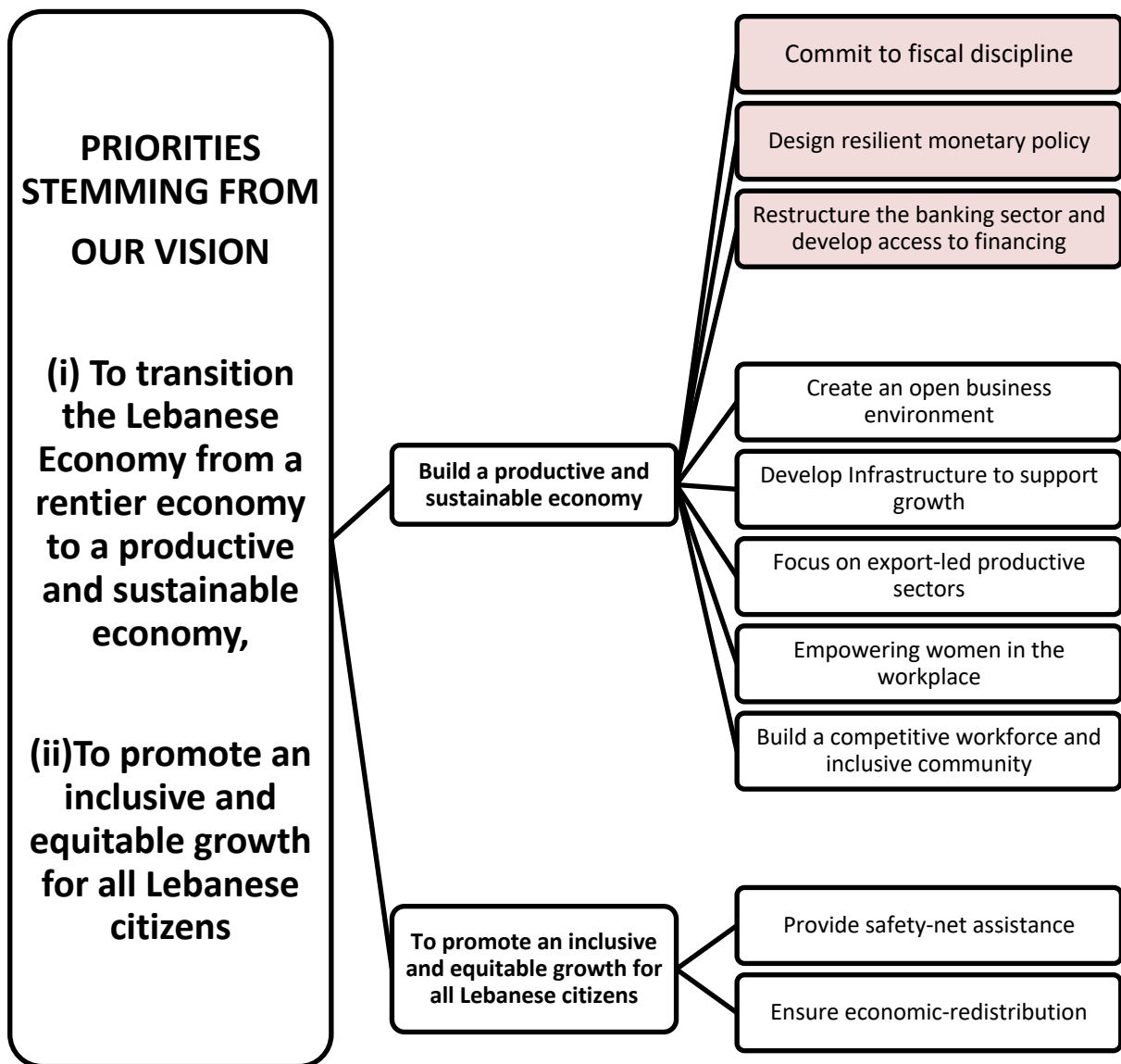


Figure 3: Strategic Framework and Pillars of Economic Recovery

Based on that, the Government Economic plan offers a strategic roadmap for an economic transformation. It identifies the **structural reforms** needed to put the economy on the path of sustainable and inclusive economic growth. It focuses primarily on how to create an **enabling business environment** that fosters growth and job creation. The Government has identified the enablers/reforms underpinning competitiveness and productivity and has set its priority reforms accordingly. This should lead to prepare and improve the domestic environment for long term productive investments.

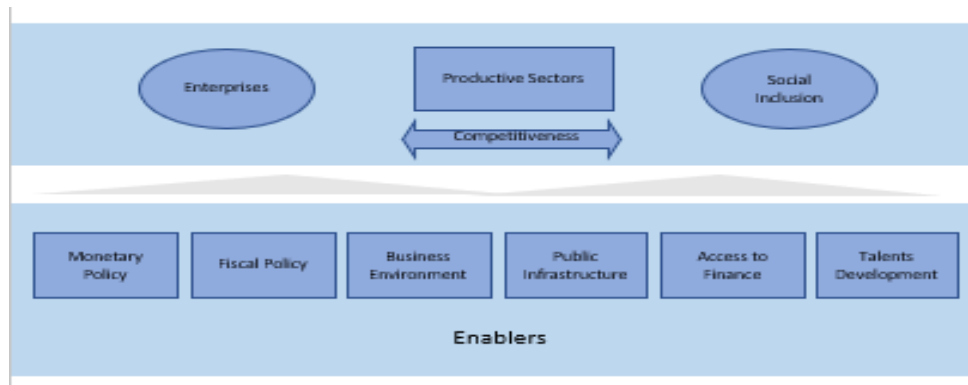


Figure 4: Enablers and drivers of the economic recovery

Creating the conducive environment will **enable enterprises**, the real engines of the Lebanese economy, to play their part as the real engines of growth and wealth creation. Improving the public infrastructure and services are key to reduce their production costs and increase their productivity. Another key enabler is to facilitate access to financing especially in the context of the current financial crisis.

One key pillar of the Government policy is to support **export-led growth**. This takes on a particular importance given the severe shortage in foreign currencies and the pitfalls of the rentier economy that prevailed in the last decade. The Government Economic Plan for 2020 gives a particular focus on three productive sectors with high potential for export: the industrial sector, agriculture and tourism. The three of them are sources of national comparative advantages and value creation.

In parallel, the government aims to **enhance innovation and productivity growth**, which are the main drivers of a sustainable economic growth. This requires a mix of policies to incentivize and foster investment in intangible assets, or “**knowledge-based capital**”, with a focus on the quality of human capital.

One more important pillar of inclusive growth is the **empowerment of women in the workplace**. The objective is not only to close gender gaps—and make progress on the road to equality, but also propel economic growth. The tenth pillar of Government plan is to ensure social inclusion, through programs and initiatives to protect workers rights, as well as the poorest segments of the Lebanese population from the dire consequences of the crisis.

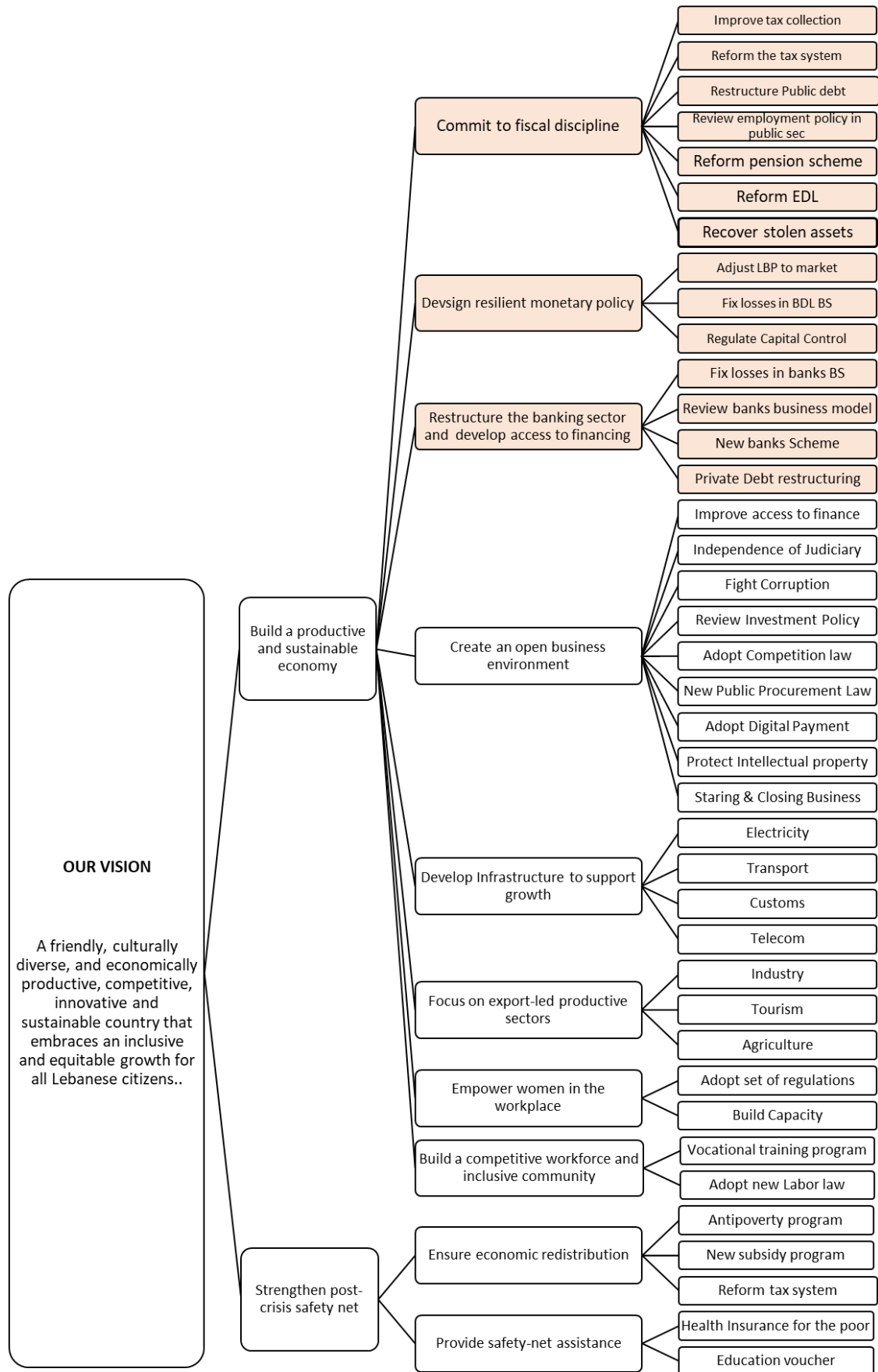


Figure 5: Strategic Framework and Priority Areas of Reforms

Section 2. Restoring Macroeconomic Sustainability and Supporting Growth

2.1. Creating A Business-Friendly Environment

Despite its severity and adverse impact, the crisis provides a window of opportunity for reforms and is a chance for the GOL to enact long due reforms to fix its business environment, support its ailing private sector and accelerate economic recovery. The crisis raised new and additional challenges, but it also made the necessity of reforming the business environment, which will be key for the recovery of the private sector and the economy, more apparent.

Reducing the cost of doing business, minimising unnecessary regulatory barriers, creating a level playing field, fostering competition, and improving governance will improve the efficiency and competitiveness of the Lebanese private sector and accelerate the recovery of the economy. It will also increase the attractiveness of the Lebanese economy for foreign investments as the economic and financial situation stabilises and prospects improve.

Key elements of the Government Economic Plan are growth-enhancing reforms to improve competitiveness and promote a productive economy, including a long list of business environment reforms. In addition to the economic and financial plan, the Government identified its 3 years development priorities across several areas including productive sectors with a focus on creating an enabling environment for the private sector to operate and grow.

2.2. List of Business Environment Improvement Measures and Reforms

The business environment is defined as a set of policy, legal, institutional, and regulatory conditions that govern and enable business activities. Reforming the business environment focuses on updating, streamlining or simplifying inconsistent, out-dated and complex regulations that constrain businesses and facilitate corruption. The following section focuses on business environment reforms that are cross-cutting, benefiting all sectors of the economy. It evaluates business environment along the three phases of the business lifecycle, entry, operations, and exit, and the enabling policy landscape (see **Error! Reference source not found.**). However, to ensure an optimal business environment, crosscutting reforms need to be coupled with strategic reforms within specific priority sectors.

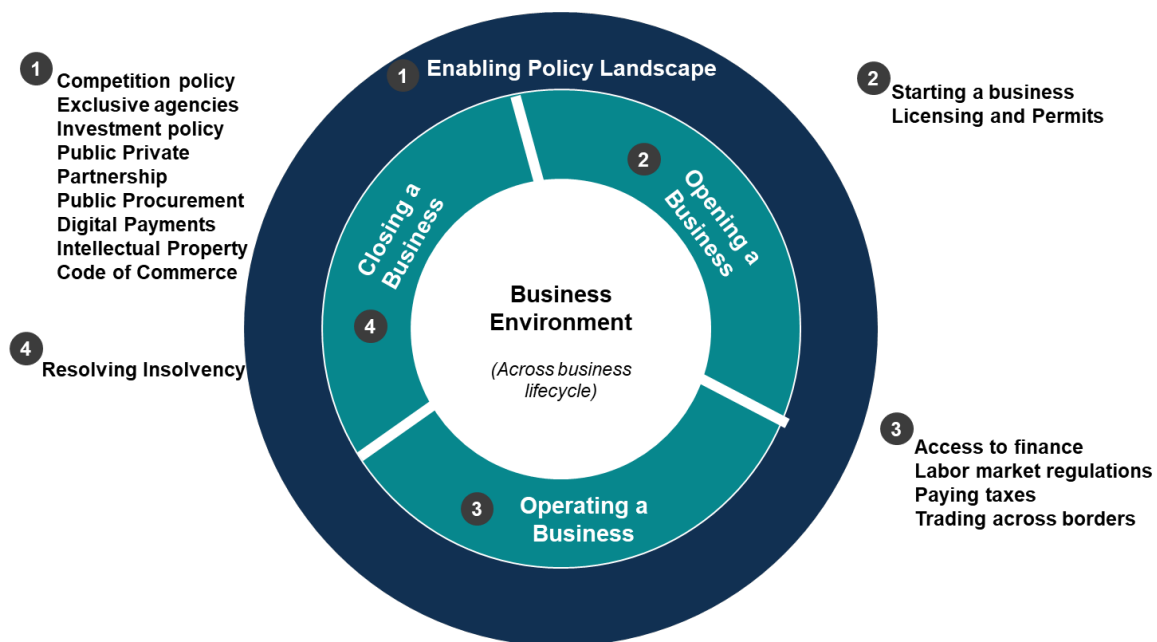


Figure 6: Business Environment Topics Across Business Lifecycle

2.2.1. Enabling policy landscape

- a) **Competition policy:** *Building an effective competition framework*
- Enact a competition law after including the recommended amendments according to international and regional best practices.
 - Draft and approve the executive regulations.
 - Establish and empower a well-functioning competition commission.
 - Foster competition enforcement and advocacy.
 - Build a competition culture.
- b) **Exclusive Agencies:** *abolish exclusive agencies*
- Review and amend all related regulations and Ministerial decrees Legislative Decree No. 34 of 1967 as part of the competition law being completed.
- c) **Investment policy:** *Recommendation: Improve investment policy and promotion*
- Develop and adopt an investment strategy focusing on retaining and attracting FDI, local and NEMS in high value-added sectors.
 - Review and update the investment law, as well as new decrees to strengthen IDAL and include investor protection guarantees important for foreign investors.
 - Establish a one-stop shop for investors at IDAL to facilitate foreign and local investment.
 - Develop a proactive investor outreach program and implement an “Invest in Lebanon” communication campaign.
- d) **Public Private Partnership:** *Leverage Private Investment through PPP*
- HCP Board to approve financial regulation.
 - Develop a Fiscal Commitments and Contingent Liabilities Framework and debt management strategy to support the long-term sustainability and management of GoL financial commitments to PPPs.
 - Develop a comprehensive diagnostic and strategy for infrastructure finance in Lebanon, covering public, PPP private sector investment.

- On this basis, a more meaningful roadmap may be articulated to expand PPP investment in Lebanon.
- e) **Public Procurement:** *Modernise and digitise public procurement (Quick Win)*
- Enact the draft public procurement law.
 - Draft and approve implementing regulations.
 - Institutionalise independent procurement policy and complaint mechanism.
 - Develop and deploy e-procurement.
 - Build database to substantiate procurement indicators related to efficiency, transparency, economy, among others.
- f) **Digital Payments:** *Improve the legal and regulatory framework for digital payment*
- Pass executive regulations associated with Law 81 on Electronic Transactions and Personal Data that allows e-money services and implement it.
 - Adopt conducive regulation for Non-Bank E-Money issuance, creating a specialised licensing window for nonbank DFS providers to issue e-money accounts.
 - Modernise customer on-boarding while maintaining financial integrity standards by putting in place tiered CDD requirements and enable agent banking.
 - Update/strengthen regulations related to (i) Data privacy and protection laws and (ii) Cybersecurity and Cybercrime Prevention.
- g) **Speed up the implementation of fast, secure, and efficient digital government-to-person (G2P) and person-to-government (P2G) payments**
- Implement the Payment System for Government Transactions (BDL – PayGov), the third component of the National Payment System.
 - Adopt a staged approach with public administration (e.g. starting with the Ministry of Finance) and use cases (e.g. starting with payroll digitisation or tax payments).
 - Ensure coordination between the BdL, MOF, and public entities involved in digital transformation including OMSAR is critical to operationalise PayGov and continue to build out use cases.
- h) **Intellectual Property:** *Modernise Intellectual Property Framework and improve enforcement*
- Sign international conventions.
 - Modernise IP laws.
 - Enhance IPPO's financial and human resources.
- i) **Code of Commerce:** Update the Law No. 126 in April 2019 and amend it to reach a modern business environment, including waiving the paid in capital and simplifying the legal entity for Start-Ups.

2.2.2. Opening a Business

- a) **Starting a business:** The reform aims at streamlining the process and reducing the time and cost to establish a new business. This should include:

- Abolish the paid in capital requirement.
- Waive mandatory use of intermediaries (notaries, lawyers).
- Establish an integrated, online one stop shop to register a business (ongoing project led by OMSAR).

b) **Licensing and permits:** *Recommendation: Streamline construction, manufacturing and other types of permits¹⁵ and initiate an assessment of key operating and sectoral licenses and permits across priority sectors (such as technology, manufacturing, agriculture, tourism- identified/to be identified in GoL's Economic plan).*

2.2.3. Operating a Business

a) **Improving access to finance I:** *Modernise secured lending framework to increase access to credit.*

(IFC is ready to support the GoL in implementing the below recommendations)

- Enact Secured transactions draft law (*Quick Win*).
- Draft and approve secured transactions implementing regulations.
- Establish and operationalise an effective electronic Movable Assets registry.
- Raise awareness and develop the capacity of public and private stakeholders.

Capital markets could play a greater role in financing the real economy due to structural challenges, including the macroeconomic environment and its impact on investors' confidence. As the macroeconomic environment stabilises, then capital markets could potentially play a larger role in financing to key strategic sector, including infrastructure and SMEs financing.

b) **Improving access to finance II:** *Develop Capital Markets (medium- to long-term)*

- Prioritise the implementation of the plan for capital markets development, among key actions:
 - i. Continue with implementation of a new electronic trading platform (ETP) and merge it with BSE.
 - ii. Assess best course of action for the BSE (including potentially a merger with the new ETP).
 - iii. Approve regulations for the exchange.
 - iv. Review a set of regulations with a view to allowing non-traditional mechanisms for fund raising to develop, including those brought by fin-tech.

c) **Labor market regulations:** *Improve the legal and regulatory framework for employment and facilitate talent attraction:*

- Update the Labor Law and align it to international best practice.
- Introduce special visas and work permits for high-skilled foreign experts.
- Improve regulatory framework related to stock options to facilitate talent attraction for startups.

d) **Paying taxes:** *Streamline tax payment and inspection process and review tax treatment for Startups and SMEs:*

¹⁵ OMSAR already submitted a request for IFC to provide support on streamlining construction permits.

- Publish online all tax compliance requirements.
 - Set up hotline/grievance mechanisms for discretionary abuse of power during tax inspections.
 - Mandate tax inspectors to provide copies of inspection reports to the inspected firms within a certain period of time.
 - Simplify VAT collection and speed refunds.
 - Digitise all tax filings and payment.
 - Review tax treatment for Startups and SMEs.
- e) **Trading across borders:** *Streamline, automate and reduce costs of trading across borders*
- COM to approve Customs Strategy (*Quick Win*).
 - Develop an inventory of all administrative fee schedules.
 - Conduct a Time Release Study.
 - Adopt Effective RM and PCA systems.
 - Develop and implement a national e-Single Window (automation).

2.2.4. Closing a Business

- a) **Resolving Insolvency:** modernise Insolvency framework:
(*Note that IFC is ready to support the GoL in implementing the below recommendations on the insolvency framework.*)
- Enact the new Insolvency and IP laws (*Quick Win*).
 - Draft and approve executive regulations for both laws.
 - Build the capacity of judges on the new regime.
 - Develop a training curricula for IPs and license the first generation.
 - Draft and approve the Judiciary Mediation executive regulations and build judges capacities on the new mechanism (*Quick Win*).
- b) **Devising an effective OCW framework:** *Suggest to BdL to revise circulars (No. 135) on financial restructuring and strengthen regulatory and supervisory guidance to resolve non-performing loans and facilitate corporate restructuring.*

2.3. SPECIAL ECONOMIC ZONES

A Beirut International Economic Zone (BIEZ) should be urgently established to attract investors and multinational firms, integrate domestic firms into global value chains, promote exports, and create jobs.

Besides generous tax incentives, the BIEZ should have an independent regulatory authority and an independent judicial system (with an international panel of judges) giving full confidence to investors and multinational firms.

The zone should be located in Beirut District Center and/or close to other relevant facilities. While a world-class facility is extremely important, due to the time constraint BIEZ can be initially locate in the Lazarieh buildings. Once another site is selected and constructed, the zone can be relocated if need be.

Similar economic zones may be established in other major cities.

2.4. Tax and Revenue Measures

The Lebanese Government's Financial Recovery Plan projects that the primary budget balance will be improved from -0.9% in 2019 to 1.6% in 2024. By excluding the portion of capital expenditures that will be financed externally with the unlocking of the CEDRE commitments, the “domestic primary surplus” in 2024 would be 3.8%. To achieve this target the government will be undertaking an ambitious fiscal consolidation policy by attempting to increase revenue and reduce public expenditures. As a result of the current economic environment, tax collections has fallen and tax receipts on interest income have dropped, resulting in a decrease in the tax to GDP ratio from 16.2% in 2019 to 13.6% in 2020. Even in pre-crisis the ratio of Lebanon is low compared with other countries in the region like Jordan (21%) and Egypt (17%) and extremely low compared to other countries like Turkey (25%) and the EU (35.7%). Moreover, according to the World Bank Ease of Doing Business report Lebanon currently ranks 116th out of 190 countries in the index of paying taxes. Tax effort is also extremely low at 42% (McKinsey, 2018).

In order to put this figure on an upward trajectory, Lebanon will have to make a significant overhaul of its entire tax policy and tax administration system to basically double the ratio of tax revenues over GDP and in the tax effort index by 2024. On the tax policy side, the objective of the government will have to propose and approve a new tax reform aimed at broadening the tax base, increase progressivity to improve tax fairness and adopt measures favoring tax simplicity and efficiency to encourage voluntary compliance. In addition, a comprehensive review should be made on tax expenditures to eliminate or reduce tax exemptions such as in the real estate and financial services sectors that do not constitute verifiable and justifiable incentives for promoting productive investments. Overall tax rates will be rationalized to maximize revenues. In doing so it is critical to note here that while increasing certain taxes will increase revenues, increasing taxes above a certain “optimal level” will cause tax revenue to decrease because it will encourage tax evasion and avoidance and discourage the development of taxed activities, such as work and investments. Therefore, a pro-growth tax policy should aim at broadening the tax base, maintain low maximum tax rates, eliminate unnecessary tax expenditures and improve progressivity. Finally, to improve progressivity certain tax rates could be increased like the VAT on luxury goods and improve progressivity in PIT. Similar actions can be considered in alcoholic beverages and cigarettes for short term gains in revenues. The Ministry of Economy and Trade is being technically supported by DFID (UK Embassy) in its effort to identify the list of luxury goods for Lebanon.

Tax Administration will have to be restructured and improve its institutional efficiency in enforcing and collecting taxes and also encouraging voluntary compliance. An efficient tax administration will be itself improving collections. As noted above, according to the World Bank Ease of Doing Business report an onerous high number of tax payments is required, 20 payments per year, requiring up to 181 hours to comply, and more than 43 weeks to obtain a VAT refund. These cumbersome and costly compliance processes constitute a disincentive for taxpayers. Tax inspections are also prone to corruption during the audit processes. Tax corruption and tax evasion are intertwined. Therefore, reducing corruption will also increase tax compliance and collections. There are efforts currently rolled by the Ministry of Finance to allow for online tax filing and payments. Online tax filing and payments should be mandatory for large taxpayers and voluntary for small taxpayers. There has been valuable experience internationally that demonstrates that online platforms reduce corruption by eliminating the physical exposure of tax inspectors and taxpayers. Taxpayers services aimed at assisting taxpayers comply with their tax obligations will also improve compliance and collections.

Another area where compliance and collection have historically been problematic is customs. In order to address this issue, smuggling through illegal crossings needs to be addressed;

additionally procedural measures such as the digitization of data on imported goods as well as the introduction of scanners should be introduced.

In addition to overhauling the entire tax policy and tax administration tax system, other measures aimed at increasing revenue will be pursued, the most important one being the recovery of stolen assets. The Financial Recovery Plan sets a preliminary objective to recover at least US\$10 billion over the coming five years. Not only would this provide cash injection in the Treasury, but also it would help the government regain the eroded public trust and thus enhance voluntary compliance.

Revenue enhancing reforms must be accompanied by a comprehensive effort aimed at streamlining the Budget Cycle process and rationalizing public expenditures in order to achieve the public sector deficit targets by 2024. Reducing non priority public expenditures by eliminating losses provoked by excessive subsidies and inefficient public services should be addressed by adopting a comprehensive review of the pricing mechanisms of public services. The new Electricity Law is a move in the right direction aimed at minimizing commercial losses. There is no doubt that the government will need to redefine government expenditures' priorities based on principles of cost/ benefit analysis and measurable economic and social returns. This is the approach of modern Budgeting principles which is based on what is called PBB where Budgets are prepared on a zero base every year and driven by key performance indicators aimed at achieving short term and long term socio-economic returns. A Budget reform based on a PBB model is needed in Lebanon as the resulting efficiencies in expenditures will actually boost macro and micro efficiency and boost economic growth and at the same time open a "fiscal space" for addressing urgent social programs targeted at reducing poverty and hardships resulting from the current crisis. Rational priority of expenditures and the elimination of waste will also open a space for increasing much needed public investments in infrastructure.

2.5. Measures to adjust the balance of payments

One of the main challenges facing the Lebanese economy is to contain the increasing balance of payments' deficit that reached lately alarming levels. This structural deficit is putting downward pressure on the Lebanese pound, threatening social stability.

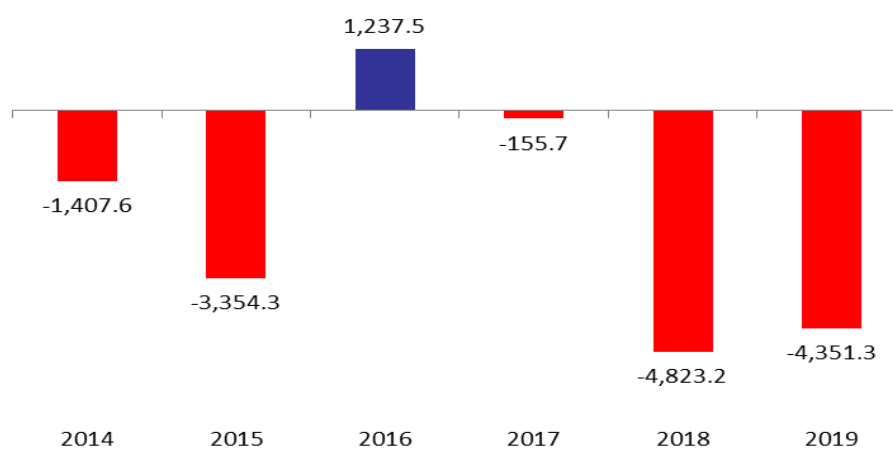


Figure 7: BOP in M \$ Source: BDL

Although imports are expected to fall significantly because of the crisis, capital inflows are unlikely to be sufficient to fully finance the gap, unless serious actions are taken to restore trust and attract investments and foreign currencies. This is in a nutshell the whole purpose of the Government economic plan.

Hence the focus on tourism and other export-led industries. Any adjustment in terms of trade balance will be positively reflected in the balance of payments. Measures to increase exports are based on the RCA factors calculated by MoET and the McKinsey study regarding the development of productive sectors with high added value, including but not limited to agro-food, high-tech manufacturing, and ICT.



Figure 8: Trade Balance in B \$ - Source: BDL

On the other side, the anticipated shift to a flexible exchange rate as mentioned in the Government financial recovery plan and the devaluation of the Lebanese pound against the US dollar, will have a positive impact on the balance of payments. In other words, there will be an increase in remittances of foreign workers abroad, a decrease in the import bill and an increase in exports certainly leading to an improvement in the trade balance, and a booming tourism industry.

For decades, foreign transfers and mainly expatriates' remittances were the main source of the Lebanese balance of payments financing. With the rise of the current financial crisis, foreign transfers to Lebanon declined gradually, especially after the implementation of the *de facto* Capital Control, and the situation got worse after the Covid-19 outbreak, which paralysed the world economy. In addition, with the devaluation of the Lebanese Pound, once the confidence in the financial sector is restored, remittances will flow again through it and improve the said balance of payment, in the mean time, the real balance of payment should factor in the cash flowing outside the financial sector.

We are aware that attracting funds and investments to Lebanon at this stage faces many obstacles. But we are still confident that Lebanon will pass through this crisis thanks to the belief of the international community in the primary role of Lebanon regionally and worldwide, and the belief of the Lebanese people in their own country, especially the Lebanese diaspora, which has never failed its motherland.

2.6. A Sustainable Monetary Policy

As Lebanon considers moving from the current pegged foreign exchange regime towards a flexible exchange regime, a compatible monetary policy should be adopted.

The choice of exchange rate regime must be a function of whether the regime is consistent with the monetary policy objectives and which exchange rate mechanism provides the most accurate price signals to domestic agents and facilitates adjustments to external and internal shocks. A flexible exchange rate regime allows a discretionary monetary policy and provides the economy with an ability to determine its own long term domestic inflation path independently of the rest of the world's inflation. Monetary independence is lost under a fixed exchange rate regime and the economy imports the inflation rate of the country to which it is pegged; the US\$ in the case of Lebanon. Adjustments under a flexible exchange rate regime works via relative prices changes feeding through into permanent changes in the real exchange rate, while adjustments under a fixed exchange rate operates by imposing external price discipline on the real economy.

In general, a flexible exchange rate regime offers greater potential than a fixed rate for smoother and less costly adjustments to real shocks but in practice this is not always the case and shocks may be exacerbated by a disruptive BdL monetary policy and the level of domestic indexation of wages and prices. Under a flexible exchange regime, the BdL will have to definitely cease and desist acting as a development bank and adopt an independent and technical role of a monetary authority pursuing a monetary policy driven by pre-set inflation targets. Strict monetary discipline and pre-set inflation targets are crucial to sustain monetary and exchange rate stability. In practice the BdL might also and occasionally intervene in the exchange rate market to smooth out short term unusual fluctuations of the exchange rate, but never intervene in fundamentals upward or downward long term trends of the exchange rate reflecting permanent changes in the real economy.

Aiming towards a flexible exchange rate might create socio-economic instability and turmoil, as the purchasing power of citizens might be slashed away, leading to potential political and security instabilities. Financial stability is very crucial to regain confidence in the national economy. However, a de facto situation of a floating exchange rate regime in the parallel market is taking place and it is eating up efforts of the BdL to maintain moderate levels of inflation and of the Government to maintain socio-economic stability. Therefore, the BdL should capitalize the moment and impose strict monetary order and a smooth extended transition towards a new flexible exchange rate regime. Managing the transition by a disciplined and technical BdL is crucial to reduce the current instability and build credibility in the new exchange rate regime. The flexible exchange regime is at the essence of a small open economy driven by exports because it increases the competitiveness of local production for export, in absolute terms, taking into consideration all factors of production. The government needs to focus its reform efforts towards enhancing the export potential of Lebanese products, by lowering the costs of production, so that the economy can benefit from the devaluation of the currency considering the new flexible exchange rate regime.

2.7. Investment and Trade Policies

One of the most important pillars of Lebanon's economic reforms going forward consists in building an open and competitive economy with the promotion of exports as the driving force. With decades of proven success of the export-oriented strategies first developed by Japan and Germany, and later followed by the East Asian "small tigers" - Hong Kong, Singapore, South Korea, and Taiwan-, and later by other developing countries such as

the successful case of Chile, export-oriented strategies have proven their ability to promote sustained growth, create productive jobs, improve productivity, attract sizeable inflows of capital, management and technology, and contribute to the financial stability of the economy. Lebanon is well positioned to learn from these experiences and adopt an export led growth strategy.

Several reforms will have to be addressed to boost exports. These reforms include access to finance, financial support for accreditation and certification according to international standards and participation in international trade fairs, entering new trade agreements or renegotiating existing ones, providing selective tax incentives, developing E-Commerce platforms, supporting targeted interventions aimed at improving productivity, food quality, and increasing standards to comply with foreign regulations among others. Reforms need to be harmonized and tailored to address the structural challenges that the Lebanese economy is facing and build on its comparative advantages. The recent devaluation of the Lebanese lira has “de facto” improved Lebanon’s competitiveness. However, this “de facto” market driven exchange rate adjustment should be seen as an opportunity by the BdL to propose and adopt a flexible exchange rate regime aimed enhancing the competitiveness of the tradeable sector of the economy. The “status quo” with regards to foreign exchange rates in Lebanon reflects the monetary and fiscal distortions of the past and not a well-planned and formal new foreign exchange regime. A new regime consistent of a flexible exchange rate system is one where the BdL only intervenes in the foreign exchange market by selling and buying foreign exchange to stabilize or “smooths out” major short term fluctuations but not to alter fundamental upward or downward long term trends in the exchange rate.

Other policy reforms should also aim at improving the efficiency of all public institutions, rehabilitating the depleted infrastructure, reducing corruption, bureaucracy and red tape, and higher value-added production. Finally a comprehensive review of import tariffs and other import restrictions will also need to be performed and reformed to make sure that tariffs are in general low and as homogenous as possible, consistent with a model of an open and competitive economy.

Policies aimed at actively promoting investments in sectors with the highest growth potential (such as the manufacturing sector) need to be put in place. These include the provision of smart and time limited tax holidays and other time limited incentives to firms that would set up facilities in Lebanon, primarily for export. For example, the Singaporean experience in successfully promoting exports was owed to the ability to effectively promote and carefully target investors to attract more and higher quality FDI.

Lebanon’s trade balance for services had been in surplus for many years with exports of services constituting more than 70% of total exports of goods and services in 2019. Therefore, it is important to design policies aimed at further promoting these services exports and building on Lebanon’s success in making a steadily increasing contribution to GDP value-added. In fact, many services sectors have witnessed prominent growth some of which constitute ideal sectors for investment and promotion (particularly with the direction towards a knowledge economy) given their export oriented nature, low capital requirements, and robust regional and international demand such as the ICT sector that encompasses ICT Services and Manufacturing, Hardware Retail, and Telecommunications (IDAL, 2020). The International Trade Centre’s fieldwork and case study experiences highlight several factors which are likely to have a determining role in driving services competitiveness.

These factors are, among others:

- Endowments, especially Human Capital (talent, education, skills, ideas, culture of customer focus, tertiary enrollments, vocational training, languages)
- Investment in intangible assets (corporate IP e.g. copyright, business methodologies, brands) to create a supportive environment for innovation
- Enabling digital infrastructure (quality of the telecommunications network)
- Quality of institutions (governance, transparency, rule of law)

- Efficiency of domestic regulation (inefficiencies and rigidities, burdensomeness of domestic regulatory compliance costs)
- Connectedness with the international markets (trade and investment openness, export promotion, mutual recognition, interoperability of standards, seamlessness of regulation across borders)
- Services business stakeholder consultation (existence of services industry coalitions, public/private consultation mechanisms)
- National strategic policy focus (better services statistics, inter-agency consultation, vision and roadmap for services, building hubs of excellence)

The export-oriented strategy will focus on the above mentioned measures and factors (among others) with an ultimate aim of enhancing Lebanese exports of both goods and services and identifying the appropriate levers available to correct the deficiencies and address the issues being faced in the current trade regime. Consequently, already existing trade agreements may need to be revisited and new trade and investment deals may be made to contribute to the development of key sectors and the productive economy.

Identify Lebanon's comparative advantages and re-allocate incentives based on the principle of comparative advantage will have a direct and indirect impact on redressing the Lebanese economy. Lebanon has been suffering from a loss in its competitiveness namely due to high costs of production and its inability to exploit market potential, in addition to the significant developments and diversification efforts in the region that hindered Lebanon's chances to export. Despite the fact that exports could be improved should these costs of production decrease, productive sectors (namely Agriculture and Manufacturing) could still make progress under the current conditions by strategically capitalizing on existing comparative advantages that match demand in global markets.

Measures of comparative advantage are many, all of which follow a quantitative approach. A key measure of how well a country is producing a product is through the RCA indicator. The RCA represents the share of a product in the country's total exports divided by the share of that product in the world's total exports. Notwithstanding the decrease in Lebanon's exports, 337 out of 1,147 exported products were identified as having a comparative advantage making up 30% of the total exported products but amount to USD 2.7 Billion in 2017 which is 70% of total exports. Moreover, agro-food and chemical products seemed to have the highest untapped potential.

As per the ITC export potential map, the total untapped export potential for Lebanon stands at \$1.5 bn with 64 products (HS6 classification) representing 53% of the total untapped potential export (refer to Appendix A Table 2 for a full analysis and a list of Lebanese products with the highest revealed comparative advantage).

Further analysis is required for export potential for goods not yet produced in Lebanon or produced in Lebanon but not yet exported in sufficient quantities for various reasons (hence their RCA is low or NA).

The Lebanon Economic Vision by McKinsey & Co. also addressed Lebanon's comparative advantage, by prioritizing based on the assessment of four primary dimensions: size and maturity of local sector, recent performance and growth of local sector, market growth potential and sector competitiveness. Consequently, 31 sub-sectors were prioritized across 4 main criteria whereby focus sectors were mostly selected among subsectors with increasing market share, suggesting comparative advantage. The top three priority sectors include: food processing, soap and sanitation, and pharma, among others. High growth markets were also identified for each of the priority sectors. In the industry sector, the vision prioritized several sectors based on the assessment of four primary dimensions: size and maturity of local sector, recent performance and growth of local sector, market growth potential and sector competitiveness. Consequently, priority sectors and high growth markets were identified.

IDAL has also mapped available investment opportunities based on the degree of needs and Lebanon's competitiveness. A short-list of industries was identified and filtered, based on their readiness for development and their potential for short and long term development, with high priority based on the same set of criteria that was specified in the Lebanon Economic Vision.

To ensure Competitiveness, Lebanon needs to review its competition law and ensure the implementation of sound competition measures that protect market entry regulations and prevent illicit agreements and illegal oligopolistic and monopolistic structure in the market. The country lacks a competition law whose overarching objective is to ensure fair competition and enhanced market access by preventing monopoly and anticompetitive agreements and abuses of dominance, thereby safeguarding consumer welfare and economic efficiency, promoting output, innovation and technical progress. As such, the ratification and enactment of a competition law is crucial to eliminate all sorts of anti-competitive regulations and conducts, and unnecessary barriers and practices with an aim of stimulating productivity and competitiveness. The reach of such a law extends to also promoting economic growth, reducing poverty, attracting local and international investments and the improvement in total consumer wellbeing through better prices and quality of goods and services. In fact, enhanced competition in the Lebanese economy serves and acts as an enabler for the above mentioned export-oriented strategy, and allows for the extension of the goods and services in which Lebanon possesses a comparative advantage. A preliminary draft of this law is currently being prepared at the Ministry of Economy.

Section 3. Action Plan & Follow-up mechanism on implementation

The following proposed action plan is part of a bigger set of measures and reforms. The implementation of the Financial Recovery Plan or a version of it is a pre-condition for the Economic Plan to be successful. The Financial Recovery Plan or a version of it is needed to re-build the foundations of the Lebanese economy and bring the urgently needed financial stability which is essential to build back the trust of the Lebanese people and the international financial community. No other possible measures can succeed if credibility and trust in the authorities and its policies are not re-gained.

3.1. Governance

The below action plan is complex and involve multiple stakeholders. Establishing a governance/ management structure to manage the action plan is critical to establish ownership and commitment. To organise its effort and ensure successful implementation of this action plan, the GoL will establish a governance structure, including (i) a PM / VPM led ministerial reform committee which will provide strategic direction and guidance, (ii) a PMO office which will be in charge of project management and follow up, and (iii) technical Working Groups who will be responsible of developing and detailing the actions to be implemented. A PM decision requiring committee to report on a monthly basis and escalation of non-progressing reforms to the PM level committee is critical. Also, regular consulting with the private sector and the civil society are key. (See Figure 9 and Figure 10)

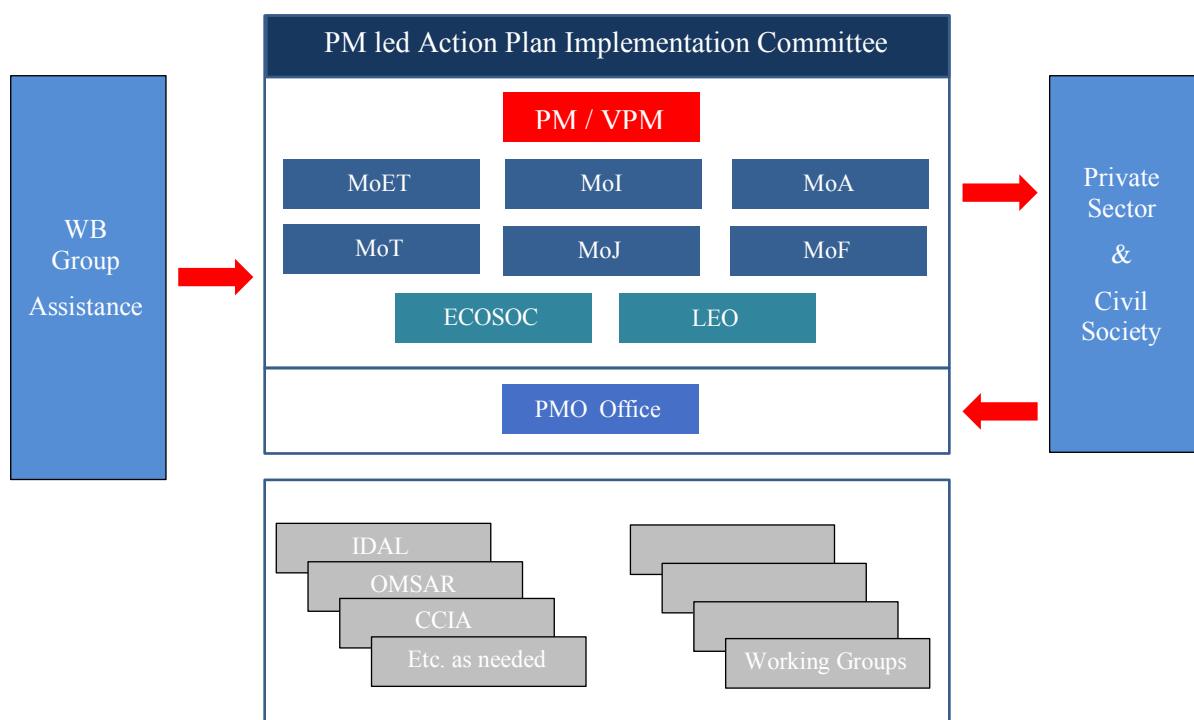


Figure 9: Governance Structure for Action Plan management

	Representation	Roles and Responsibilities
PM / VPM led Action Plan Implementation Committee	<ul style="list-style-type: none"> • Chaired by the PM / VPM • Membership from relevant ministries • Includes a private sector representative (Economic and Social Council of Lebanon and Lebanese Economic Organization) 	<ul style="list-style-type: none"> • Establishes ownership at the highest level • Determines overall priorities • Unblocks implementation obstacles/delays together with the council of ministers
PMO Secretariat	<ul style="list-style-type: none"> • Within the PCM • Includes staff with Monitoring & Evaluation & Project Management capacity 	<ul style="list-style-type: none"> • Is responsible for the project management of the Action Plan • Establishes a working mechanism • Manages relationship with the WB Technical Assistance team • Prepares monthly reports to the PM / VPM and the Council of Minister on progress against the Action Plan • Has the responsibility for determining where implementation of the Action Plan is beyond the resources available to the responsible ministries (financial or technical or human) for, and escalating this to the PM / VPM level committee where needed • Follows up on outreach activities by the concerned Minister to private sector and other stakeholders to get input where needed on the direction of reforms, and to ensure awareness of implemented reforms
Technical Working Groups	<ul style="list-style-type: none"> • Key stakeholders from ministries and public agencies relevant to each indicator • WG to be chaired by DG or equivalent 	<ul style="list-style-type: none"> • Develop and implement detailed work plans based on the Action Plan and bring in expertise where needed (e.g. legal assessments, Legal amendments, IT assessments)

Figure 10: Governance Structure for Action Plan management

3.2. Action plan

N°	Initiative / Reform	Action Plan <i>(numbering corresponding with narrative report)</i>	Stakeholders		To be achieved within				External Financing Required	Priority <i>(very high, high, medium)</i>	Performance Indicators	Comments
			Owner Entity	Other Entities	Under 3 Month	3 to 6 Months	6 to 18 Months	16 to 36 Months				
1. Ensuring Post-Crisis Financing and Boosting SMEs												
1.1	Ensuring Post-Crisis Financing and Boosting SMEs	1.1.1 Secure Necessary Financing	MOET, BDL	MOF	x							
		1.1.2 Implement Key fiscal and monetary adjustment	MOF, BDL		x							
		1.1.3 Unify the currency rate and define the related policy	BDL									
		1.1.4 Stabilise the banking sector	BDL		x							
		1.1.5 Engage with international development banks to establish micro-finance programs to help SMEs	MOET, IDAL				x					
2. Fighting corruption, promoting transparency and accountability												
2.1	Independence of Justice	2.1.1 Prepare law draft for judiciary reform, including all executive measures to be taken and submitted to the parliament.	Ministry of Justice		x						Law draft prepared and submitted to parliament	
		2.1.2 Discuss and adopting the Law	Parliament			x				High	Law voted in parliament	
		2.1.3 Law enforcement and execution	Council of Ministers			x				High	Executive decrees issued	
2.2	Implementing the anti-corruption strategy 2020-2025 (May12, 2020)	2.2.1 Formation of the anti-corruption body	Council of Ministers,		x					High	Nominations decree issued; ACB status and modus operandi approved	
		2.2.2 Enactment of the "Right to Access to Information Law" of 2017	Council of Ministers	Parliament	x					High	Executive decrees issued	
		2.2.3 Enactment of the "Illicit Enrichment Law" of 1999	Council of Ministers	Parliament	x					High	Executive decrees issued	
		2.2.4 Enactment of the "Whistle-blower Protection Law"	Council of Ministers	Parliament	x					High	Executive decrees issued	
		2.2.5 Preparation of "Conflict of Interests Law"	OMSAR		x					High	Law draft prepared	
		2.2.6 Adoption of "Conflict of Interests Law" Draft	Parliament		x	x				High	Law voted in parliament	
		2.2.7 Enactment of "Conflict of Interests Law"	Council of Ministers	Parliament	x	x				High	Executive decrees issued	
		2.2.8 Preparation of "Public Asset Recovery Law"	Ministry of Justice		x					Very High	Law Draft prepared	
		2.2.9 Adoption of "Public Asset Recovery Law"	Parliament		x	x				Very High	Law voted in parliament	
		2.2.10 Enactment of "Public Asset Recovery Law"	Council of Ministers	Parliament	x	x				Very High	Executive decrees issued	
		2.2.11 Forensic audits of major public bodies and institutions.	Council of Ministers			x				High	List of Major public bodies Audit firms assigned	

N°	Initiative / Reform	Action Plan (numbering corresponding with narrative report)	Stakeholders		To be achieved within				External Financing Required	Priority (very high, high, medium)	Performance Indicators	Comments
			Owner Entity	Other Entities	Under 3 Month	3 to 6 Months	6 to 18 Months	16 to 36 Months				

3. Revamping Infrastructure to stimulate growth												
3.1	Putting the electricity reform plan into action	3.1.1 Implementing the electricity plan approved by the COM on cabinet session on 8/4/2019	Ministry of Energy				x				Very High	
		3.1.2 Improving electricity current infrastructure	Ministry of Energy				x				High	
		3.1.3 Improving collection, raising tariffs and setting special scheme for low income citizens	Ministry of Energy			x					High	
		3.1.4 Promote and market renewable energy through public-private partnerships	Ministry of Energy						x	x	High	
		3.1.5 Continue deployment of smart-meters	Ministry of Energy					x			High	
		3.1.6 Amending Law 462/2002 (Regulating the Electricity Sector) and appointing the Regulatory Authority	Parliament COM		x	x					High	
		3.1.7 Optimization of EDL fuel procurement	Ministry of Energy		x	x					High	
		3.1.8 Corporatization of EDL	Ministry of Energy			x					High	
		3.1.9 Adoption of a unified vision for the ICT sector and clear consensus on policy	Ministry of Telecom				x				High	
		3.1.10 Review the current Telecom 431 to modernize sector and reactivate role of regulatory authority	Ministry of Telecom		x						High	
		3.1.11 Standardization of the terms and conditions of all Data service providers licenses	Ministry of Telecom				x				High	
		3.1.12 Modernization of the fixed-line network and extension of the optical fiber-based broadband network	Ministry of Telecom					x			High	
		3.1.13 Drafting clear, transparent and non-discriminatory terms and conditions for access to MoT fiber infrastructure (prices, methods of allocations, SLA, etc...)	Ministry of Telecom	CoM			x				High	
		3.1.14 Launch tender for cell phone operator	Ministry of Telecom			x					High	
		3.1.15 Approval of the national road transport strategy	Ministry of Transport	CoM, CDR		x					High	
		3.1.16 Beirut port directive plan and modernization of the port's legal system	Ministry of Transport	CoM, OMSAR, Customs			x				High	
		3.1.17 Establish the Regulatory authority for the civil aviation sector	Ministry of Transport	CoM, Parliament				x			High	
		3.1.18 Work to make the necessary amendments to the Aviation Law 481/2002	Ministry of Transport	parliament			x				High	
		3.1.19 Complete customs procedures digitization including electronic payment	Ministry of Finance	OMSAR			x				High	
		3.1.20 Web solution for customs users	Ministry of Finance				x				High	
3.1.21 Enhance customs risk management	Ministry of Finance				x				High			
3.1.22 Improving procedures at the borders crossings including scanner equipment	Ministry of Finance			x					High			

N°	Initiative / Reform	Action Plan (numbering corresponding with narrative report)	Stakeholders		To be achieved within				External Financing Required	Priority (very high, high, medium)	Performance Indicators	Comments
			Owner Entity	Other Entities	Under 3 Month	3 to 6 Months	6 to 18 Months	16 to 36 Months				

4. Strengthening Social Safety Nets												
4.1	Food Support Program	4.1.1 Establish the Quasi UBI Program (excluding medication and EDL)	Ministry of Economy, Ministry of Social Affairs, BDL, CoM		x						Very High	
		4.1.2 Engage with IMF and potential donors and international agencies to ensure funding	COM, MoET, MoF, MOSA		x	x					Very High	
		4.1.3 Implementation of the Quasi UBI Program	MoET, MOSA, CoM	MOET		x	x				Very High	
		4.1.4 Extending the program to include EDL	MoEW, Ministry of Economy, Ministry of Social Affairs, BDL, CoM			x					Very High	
		4.1.5 Engage with BDL / IMF to ensure funding	MoET BDL			x					Very High	
		4.1.6 Implementation of the extended Program	MoEW, Ministry of Economy, Ministry of Social Affairs, BDL, CoM			x					Very High	
4.2	Education Voucher	4.2.1 Establish an education Voucher Program to support students in poor families	MoSA MEHE		x						High	
		4.2.2 Engage with potential donors and international agencies to ensure funding	COM, MOSA, MEHE	CoM		x					High	
		4.2.3 implementation of the Education voucher program	MSA MEHE				x				High	
4.3	Health Insurance Policy	4.3.1 Policy Agenda for Health Insurance program	NSSF, MoPH	MOSA		x					High	
		4.3.2 Program to Enlarge the NSSF scheme for health coverage to target the poor	NSSF	CoM		x					High	

5. Empowering women in the workplace												
5.1	Women empowerment in the workplace	5.1.1 Draft law to remove discrimination against women and to support their participation and protection in the economic life.	WNC		x						Very High	
		5.1.2 Adopt law by the parliament	Parliament			x					Very High	
		5.1.3 Capacity Building program for gender equality, including training and staffing	WNC				x				High	

6. Enabling Business Environment													
6.1	Investment Policy	6.1.1 Amend Investment Law 360 decrees to foster investments in high-value added sectors	MoET, IDAL		x						High	Investment Law 360 revised Investment Policy Agenda focusing on FDI and NEMS	
		6.1.2 Revise Investment Law 360 and regulatory functions	MoET, IDAL		x						High	Roles and functions of Investment Regulatory Authority defined	
		6.1.3 Introduce a reference to non-discrimination to protect foreign investors	MoET, IDAL	MoF, MoJ			x					High	Clear measures to protect foreign investors
		6.1.4 Re-assess the current investment restrictions and recommend changes	MoET, IDAL	MoF, MoJ			x					High	Reduced number of restrictions
		6.1.5 Sign Apostille Convention of 1961 to remove the need for double-certification by the originating country then by the receiving country	MoET	Chambers of commerce, MoJ, MOFA				x				Medium	Apostille of 1961 convention signed
		6.1.6 Modernize the treaty network based on a careful and face-based cost-benefit analysis	MoET	chambers of commerce		x	x					Medium	Policy note for a New treaty network

N°	Initiative / Reform	Action Plan <i>(numbering corresponding with narrative report)</i>	Stakeholders		To be achieved within				External Financing Required	Priority <i>(very high, high, medium)</i>	Performance Indicators	Comments
			Owner Entity	Other Entities	Under 3 Month	3 to 6 Months	6 to 18 Months	16 to 36 Months				
6.2	Enacting Competition	6.2.1 Review the existing Competition Law and antitrust enforcement framework	MoET		x					High	Revised draft of Competition Law	
		6.2.2 Adoption of the amended Competition Law	Parliament			x				High	Competition Law voted	
		6.2.3 Establishment of Competition National Agency	CoM				x			Very High	Competition National Agency established and members designation CAN status drafted	
		6.2.4 Review and amend all related regulations and Ministerial decrees Legislative Decree No. 34 of 1967- Abolish exclusive agencies	MOET CoM				x			Medium	All regulations to abolish Exclusive agencies enforced	
6.3	Leveraging Private Investment through PPP	6.3.1 Publish HCP decree addressing administrative structure and staffing in the gazette	CoM		x					High	Decrees addressing HCP staffing and structure issued New HCP structure and enlarged team	
		6.3.2 HCP Board to approve financial regulation	HCP		x					High	Financial regulation approved by BOD	
		6.3.3 Develop PPP Financial Strategy (Fiscal Commitments and Contingent Liabilities Framework and debt management)	HCP CoM			x				High	Draft of PPP financial Strategy	
		6.3.4 Develop a comprehensive diagnostic and strategy for infrastructure finance in Lebanon	HCP CoM			x				High	Draft of GoL Infrastructure Financing Strategy	
6.4	Modernize and digitize public procurement	6.4.1 Adoption of the public procurement law	Parliament		x					High		
		6.4.2 Enact the draft public procurement law	MOF COM			x				High		
		6.4.3 Institutionalize independent procurement policy and complaint mechanism	Ministry of Finance			x				High		
		6.4.4 Develop and deploy e-procurement	Ministry of Finance				x			High		
		6.4.5 Build database to substantiate procurement indicators related to efficiency, transparency, economy, among others	Ministry of Finance					x		Medium		
6.5	Improve the legal and regulatory framework for digital payment	6.5.1 Draft Executive decrees of Electronic Transaction and Personal data Law 81 including on E-Signature, E-Payment and E-Registration	MoET	MoJ		x				High		
		6.5.2 Draft Executive decrees for Law 81 on E-Filing	MoF	MoJ		x				Medium		
		6.5.3 Implement e-registration between government entities	OMSAR			x				High		
		6.5.4 Draft Law related to Data privacy and protection and Cybersecurity and Cybercrime Prevention	OMSAR			x				Medium		
		6.5.5 Adopt conducive regulation for Non- Bank E-Money issuance, creating a specialized licensing window for nonbank DFS providers to issue e-money accounts	OMSAR			x				High		

N°	Initiative / Reform	Action Plan <i>(numbering corresponding with narrative report)</i>	Stakeholders		To be achieved within				External Financing Required	Priority <i>(very high, high, medium)</i>	Performance Indicators	Comments
			Owner Entity	Other Entities	Under 3 Month	3 to 6 Months	6 to 18 Months	16 to 36 Months				
6.6	Modernize Intellectual Property Framework and improve enforcement	6.6.1 Review the existing IP law that was sent to Parliament in 2005 Ministry of Economy and Trade	MoET			x				High		
		6.6.2 Adopt the revised IP law	Parliament			x				High		
		6.6.3 Enhance IPPO's financial and human resources	MoET				x			High		
		6.6.4 Twin the IPO with leading international IP offices to upgrade Lebanon's current Intellectual Property Rights framework	MoET					x		Medium		
		6.6.5 Establish specialized court to hear IPR claims	MoET MoJ					x		Medium		
6.7	Streamline the procedure of establishing a business	6.7.1 Draft Amendment to the Code of Commerce related to paid-in capital requirements	MoET, IDAL, CoM		x					Very High		
		6.7.2 Draft a new simplified legal entity for Start-Ups	MoET, IDAL, CoM			x				High		
		6.7.3 Draft law proposal to waive stamp duties for companies benefiting from Law 360	MoET, IDAL, CoM			x				High		
		6.7.4 Waive mandatory use of intermediaries (notaries, lawyers)	MoJ	IDAL, CoM		x				High		
		6.7.5 Publish all administrative requirements, taxes and fees online in a centralized portal	MoF			x				Very High		
		6.7.7 Implement E- Portal for industrial licenses at the Ministry of Industry	Ministry of Industry	IDAL, Chambers, ALI				x		High		
		6.7.8 Establish an integrated, online One Stop Shop to register a business	OMSAR, IDAL, CoM		x					Very High		
		6.7.9 Streamline constructions permits and initiate an assessment of key operating and sectoral licenses and permits	MoET			x				High		
6.8	Improving access to finance Developing Capital Market	6.8.1 Review Secured Lending Law	Parliament	CoM		x				High		
		6.8.2 Draft and approve secured transactions implementing regulations	MoF	CoM			x			High		
		6.8.3 Establish and operationalize an effective electronic Movable Assets registry	MoF	CoM					x		Medium	
		6.8.4 Continue with implementation of a new electronic trading platform (ETP)	MoF Central Bank	MOET				x		High		
		6.8.5 Approve regulations for the exchange	Central Bank					x		High		
		6.8.6 Review a set of regulations with a view to allowing non-traditional mechanisms for fund raising to develop, including those brought by fin-tech	MoF Central Bank						x		High	
6.9	Streamline tax payment and inspection process and review tax treatment for Startups and SMEs	6.9.1 Publish online all tax compliance requirements	MoF			x				High		
		6.9.2 Simplify VAT collection and expedite refunds	MoF			x				High		
		6.9.3 Review tax treatment for startups and SMEs	MoF			x				High		
		6.9.4 Streamline the fiscal inspection process	MoF			x				High		

N°	Initiative / Reform	Action Plan <i>(numbering corresponding with narrative report)</i>	Stakeholders		To be achieved within				External Financing Required	Priority <i>(very high, high, medium)</i>	Performance Indicators	Comments
			Owner Entity	Other Entities	Under 3 Month	3 to 6 Months	6 to 18 Months	16 to 36 Months				
6.10	Improve the legal and regulatory framework for employment and facilitate talent attraction	6.10.1 Update the Labor Law	MoL		x		x			Very High		
		6.10.2 Adopting the new Labor Law	Parliament		x		x			High		
		6.10.3 Introduce special visas and work permits for high-skilled foreign experts	MoL		x	x				High		
		6.10.4 Develop a draft proposal to implement fast-tracking process for approving work permits at IDAL	MoET, IDAL				x			High		
		6.10.5 Improve regulatory framework related to stock options to facilitate talent attraction for startups	BSE				x			High		
		6.10.6 Design training programs for Tech Companies	MoET				x			Very High		
		6.10.7 Strategy to boost Vocational training program	MoL MEHE/MOET				x			Very High		
6.11	Streamline, automate and reduce costs of trading across borders	6.11.1 Streamline and expedite the process of getting a certificate of origin for IT firms (Software Development)	Ministry of Industry		x	x				High		
		6.11.2 Develop an inventory of all administrative fee schedules	MoF		x	x				High		
		6.11.3 Adopt Effective Risk Management (RM) and Post Clearance Audits (PCA) systems	MoF					x		Medium		
		6.11.4 Automate and implement national e-Single Window	MoF					x		High		
6.12	Modernize insolvency and contract enforcing framework.	6.12.1 Review the existing Insolvency Law	MoET	CoM, Parliament			x			High		
		6.12.2 Adopt the Insolvency law	Parliament				x			High		
		6.12.3 Develop a training curricula for Insolvency Practitioners	MoET, MoJ	CoM					x		High	
		6.12.4 Establish an automated court and capacity to process complaints electronically	MoJ						x		High	
		6.12.5 Establish an online platform to publish commercial cases	MoJ						x		High	
		6.12.6 Draft and approve the Judiciary Mediation executive regulations and build judges capacities on the new mechanism	MoJ					x	x		High	
6.13	Establishing Specialized Economic Zones	6.13.1 Prepare Policy proposal for special economic zone	MoET	IDAL			x			Very High		
		6.13.2 Investment Proposal to propose to potential investors	MoET, IDAL				x			High		
6.14	Creating Business Environment Booster Committee	6.14.1 Drafting the Status and Modus operandi of the BEBC and the strategic plan	CoM, IDAL, MOET				x			Very High		
		6.14.2 Forming the technical committees	CoM, IDAL, MOET				x			High		
7. Tax Revenue Measures												
7.1	Tax Revenue enhancing measures	7.1.1 Improving collection	MoF			x						
		7.1.2 VAT on luxury goods	MoF			x						
		7.1.3 Improve progressivity in Personal Income Tax	MoF			x						
		7.1.4 Digitization of data on imported goods	MoF			x						
8. Balance of Payment												
8.1	Measures to address the Balance of Payment	8.1.1 Increase exports are based on the RCA factors	MoF and BDL, IDAL, MOET, MoI, MoAgr, Chambers			x						

N°	Initiative / Reform	Action Plan <i>(numbering corresponding with narrative report)</i>	Stakeholders		To be achieved within				External Financing Required	Priority <i>(very high, high, medium)</i>	Performance Indicators	Comments
			Owner Entity	Other Entities	Under 3 Month	3 to 6 Months	6 to 18 Months	16 to 36 Months				
9. Monetary Policy												
9.1	Monetary Policy	9.1.1 Flexible exchange rate regime	BDL		x			x				
10. Investment and Trade Policies												
10.1	Update Accreditation and certification	10.1.1 Update the accreditation and certification current procedure to meet international standards	MoET			x				High		
		10.1.2 Agenda to support Quality Programs and Interventions to enhance productivity	MoET			x				High		
10.2	Participation in International trade fairs	10.2.1 Agenda for participation in international trade	MoET	IDAL		x				High		
		10.2.2 Agenda to hold international fairs in Lebanon to promote industries with export potential	MoET	IDAL	x					High		
10.3	Ecommerce Support Program	10.3.1 Support program for e-commerce platforms businesses, including fiscal incentive.	MOET, MoF	IDAL, CoM		x				High		

Appendix A. Comparative Advantage: Goods with RCA>1 (2017, 2018, and 2019)

As per the ITC export potential map, the total untapped export potential for Lebanon stands at \$1.5 bn. The results shown in the table below and in the below excel books show:

1. Total value for untapped potential for 64 products represents 53% of the total untapped potential export;
2. Several products recorded a very low export and/or untapped potential despite having a high RCA or an RCA above 1;
3. This exercise does not cover export potential for goods not yet produced in Lebanon or produced in Lebanon but not yet exported in sufficient quantities for various reasons (hence their RCA is low or NA);
4. Several products recorded a very low RCA despite having a high export and/or untapped potential;
5. The exercise based on sorting the top 20 products according to the highest RCA proved to have lower values in terms of export and untapped potential than when sorting according to the already top 20 exported products from Lebanon.

	Based on products with highest RCA	Based on top exported products	TOTAL (after deducting common products)
Total number of products (by HS6)	67	95	146
Total number of products with Average RCA>1	47 (70%)	57 (60%)	88
Total number of products with export and untapped potential	38	42	64
Total value of export potential	USD 328 Mn	USD 1,362	USD 1,554 Mn
Total value of untapped potential	USD 151 Mn	USD 692 Mn	USD 791 Mn

Table 1: Export potential and untapped potential

Building on the ITC analysis, two exercises were conducted in parallel as follows:

1. The top 20 products (by HS4 customs code) out of all products with an RCA greater than 1, and common among the years 2017, 2018 and 2019 were identified (totaling 66). These 20 products were then further classified by their HS6 customs code to obtain a more detailed description of the products within each family of products.

For each product (HS6), the RCA was calculated and the export potential, untapped potential and potential markets were identified.

2. The top 20 products (by HS4) exported from Lebanon were identified (taking 2019 as benchmark). These 20 products were then further classified by their HS6 customs code to obtain a more detailed description of the products within each family of products.

For each product (HS6), the RCA was calculated and the export potential, untapped potential and potential markets were identified.

The below detailed tables provide the 64 products with export and untapped potential export and the details of the RCA analysis with their corresponding untapped potential and potential markets in descending order:

TOTAL PRODUCTS WITH UNTAPPED POTENTIAL		UNTAPPED POTENTIAL	POTENTIAL MARKETS
HS6	Description	millions USD	TOP 3
711319	Articles of jewellery and parts thereof, of precious metal other than silver	317.1	United Arab Emirates, Switzerland and Qatar
80810	Fresh apples	102.2	Egypt, Bangladesh and Belarus
50400	Guts, bladders and stomachs of animals (other than fish), whole and pieces thereof, fresh, chilled, frozen, salted, in brine, dried or smoked	21.4	Netherlands, Morocco and Germany
850213	Generating sets with compression-ignition internal combustion piston engine "diesel or semi-diesel engine" of an output > 375 kVA	21.1	Bangladesh, Saudi Arabia and Egypt
780110	Unwrought lead, refined	20	United Arab Emirates, Spain and Turkey
401110	New pneumatic tyres, of rubber, of a kind used for motor cars, incl. station wagons	19.7	NA
850211	Generating sets with compression-ignition internal combustion piston engine "diesel or semi-diesel engine" of an output <= 75 kVA	16	Saudi Arabia, Nigeria and Guinea
70190	Fresh or chilled potatoes (excluding seed)	15.9	Kuwait, Iraq and Jordan
280920	Phosphoric acid, polyphosphoric acids, whether or not chemically defined	15.5	Saudi Arabia, Netherlands and India
200819	Nuts and other seeds, incl. mixtures, prepared or preserved	15.4	Saudi Arabia, United States of America and Germany
80840	Fresh quinces	15.4	NA
850212	Generating sets with compression-ignition internal combustion piston engine "diesel or semi-diesel engine" of an output > 75 kVA but <= 375 kVA	15.2	Saudi Arabia, Egypt and Bangladesh
850433	Transformers having a power handling capacity > 16 kVA but <= 500 kVA	14	Saudi Arabia, Egypt and Algeria
490199	Printed books, brochures and similar printed matter	13.8	United States of America, United Kingdom and Saudi Arabia
210690	Food preparations, n.e.s.	13	Egypt, Saudi Arabia and Algeria
180631	Chocolate and other preparations containing cocoa, in blocks, slabs or bars of <= 2 kg, filled	12.8	Saudi Arabia, Kuwait and Jordan
401120	New pneumatic tyres, of rubber, of a kind used for buses and lorries	12.7	NA
80830	Fresh pears	12.2	NA
70511	Fresh or chilled cabbage lettuce	11.5	Saudi Arabia, Kuwait and United Arab Emirates
180620	Chocolate and other food preparations containing cocoa, in blocks, slabs or bars weighing > 2 kg or in liquid, paste, powder, granular or other bulk form, in containers or immediate packings of a content > 2 kg	9.9	Saudi Arabia, Egypt and United Arab Emirates
310310	Superphosphates (excluding those in tablets or similar forms, or in packages with a gross weight ...		
310311	Superphosphates containing by weight => 35 % of diphosphorus pentoxide "P2O5"	9.9	Bangladesh, Brazil and Côte d'Ivoire
310319	Superphosphates (excl. such products containing by weight => 35 % of diphosphorus pentoxide		
200190	Vegetables, fruit, nuts and other edible parts of plants, prepared or preserved by vinegar or acetic acid (excluding cucumbers and gherkins)	6.7	Saudi Arabia, Kuwait and United Arab Emirates
091099	Spices (excluding pepper of the genus Piper, fruit of the genus Capsicum or of the genus Pimenta, vanilla, cinnamon, cinnamon tree flowers, clove "wholefruit", clove stems, nutmeg, mace, cardamoms, seeds of anise, badian, fennel, coriander, cumin and caraway, and juniper berries, ginger, saffron, turmeric "curcuma" and mixtures of various types of spices)	6.3	Saudi Arabia, Jordan and Egypt
180690	Chocolate and other preparations containing cocoa, in containers or immediate packings of <= 2 kg	5.8	Saudi Arabia, Kuwait and United Arab Emirates
330590	Preparations for use on the hair	5.5	Saudi Arabia, Kuwait and United Arab Emirates
180610	Cocoa powder, sweetened	5.3	Kuwait, Saudi Arabia and Qatar
091091	Mixtures of different types of spices	5.2	Saudi Arabia, United Arab Emirates and Nigeria
200799	Jams, jellies, marmalades, purées or pastes of fruit, obtained by cooking, whether or not containing added sugar or other sweetening matter (excluding citrus fruit and homogenised preparations of subheading 2007.10)	4	Saudi Arabia, Jordan and Egypt
150910	Virgin olive oil and its fractions obtained from the fruit of the olive tree solely by mechanical or other physical means under conditions that do not lead to deterioration of the oil	3.7	Saudi Arabia, United States of America and Kuwait
850434	Transformers having a power handling capacity > 500 kVA	3.4	Saudi Arabia, United Arab Emirates and Algeria
850490	Parts of electrical transformers and inductors	3	Jordan, Saudi Arabia and Egypt
850421	Liquid dielectric transformers, having a power handling capacity <= 650 kVA	2.9	Iraq, Algeria and Saudi Arabia
780199	Unwrought lead (excluding refined lead and lead containing by weight antimony)	2.9	Egypt, Saudi Arabia and United Arab Emirates
200520	Potatoes, prepared or preserved otherwise than by vinegar or acetic acid (excluding frozen)	2.3	Iraq, Nigeria and Jordan
780191	Unwrought lead, containing by weight antimony as the principal other element	2.2	Oman, United Arab Emirates and Bangladesh
200110	Cucumbers and gherkins, prepared or preserved by vinegar or acetic acid	1.9	Saudi Arabia, Netherlands and United States of America
850422	Liquid dielectric transformers, having a power handling capacity > 650 kVA but <= 10,000 kVA	1.9	Egypt, Qatar and United Arab Emirates
200551	Shelled beans "Vigna spp., Phaseolus spp.", prepared or preserved otherwise than by vinegar or acetic acid (excluding frozen)	1.9	Saudi Arabia, Bahrain and Kuwait
200570	Olives, prepared or preserved otherwise than by vinegar or acetic acid (excluding frozen)	1.9	Saudi Arabia, United States of America and Iraq
490110	Printed books, brochures and similar printed matter, in single sheets, whether or not folded	1.8	Algeria, Nigeria and Egypt
110520	Flakes, granules and pellets of potatoes	1.5	Oman, Saudi Arabia and Kuwait
200899	Fruit and other edible parts of plants, prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit	1.5	Netherlands, France and Spain
150990	Olive oil and fractions obtained from the fruit of the olive tree solely by mechanical or other physical means under conditions that do not lead to deterioration of the oil (excluding virgin and chemically modified)	1.3	Saudi Arabia, United States of America and Kuwait
330510	Shampoos	1.1	Saudi Arabia, Kuwait and United Arab Emirates
330520	Preparations for permanent waving or straightening	1.1	Saudi Arabia, Egypt and United Arab Emirates
200897	Mixtures of fruits, nuts and other edible parts of plants, prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit	0.999	United States of America, Canada and Algeria
490191	Dictionaries and encyclopaedias, and serial instalments thereof	0.932	Guinea, Egypt and Algeria
850220	Generating sets with spark-ignition internal combustion piston engine	0.871	Bangladesh, Nigeria and United States of America
200559	Unshelled beans "Vigna spp., Phaseolus spp.", prepared or preserved otherwise than by vinegar or acetic acid (excluding frozen)	0.84622	France, Saudi Arabia and United Arab Emirates
151800	Animal or vegetable fats and oils and their fractions, boiled, oxidised, dehydrated, sulphurised, blown, polymerised by heat in vacuum or in inert gas or otherwise chemically modified, inedible mixtures or preparations of animal or vegetable fats or oils or of fractions of different fats or oils...	0.813	Netherlands, Spain and United Kingdom
200791	Citrus fruit jams, jellies, marmalades, purées or pastes, obtained by cooking, whether or not containing added sugar or other sweetening matter (excluding homogenised preparations of subheading 2007.10)	0.792	Egypt, United Arab Emirates and Kuwait
180632	Chocolate and other preparations containing cocoa, in blocks, slabs or bars of <= 2 kg (excluding filled)	0.785	Saudi Arabia, United Arab Emirates and Kuwait
220900	Vinegar, fermented vinegar and substitutes for vinegar obtained from acetic acid	0.7781	Iraq, United States of America and Saudi Arabia
200811	Groundnuts, prepared or preserved	0.747	Saudi Arabia, United Arab Emirates and Nigeria
780600	Articles of lead, n.e.s.	0.674	Oman, Saudi Arabia and United Arab Emirates
70519	Fresh or chilled lettuce (excluding cabbage lettuce)	0.668	Belarus, Kuwait and Qatar
850239	Generating sets	0.561	Ghana, Saudi Arabia and Nigeria
330530	Hair lacquers	0.4071	Jordan, Belarus and Saudi Arabia
200710	Homogenised preparations of jams, jellies, marmalades, fruit or nut purées and nut pastes, obtained by cooking, whether or not containing added sugar or other sweetening matter, put up for retail sale as infant food or for dietetic purposes, in containers of <= 250 g	0.276	Saudi Arabia, Jordan and Iraq
711311	Articles of jewellery and parts thereof, of silver, whether or not plated or clad	0.25	United Arab Emirates, United States of America and Spain
200510	Homogenised vegetables put up for retail sale as infant food or for dietetic purposes, in containers ...	0.2366	Saudi Arabia, Egypt and Kuwait
200540	Peas "Pisum Sativum", prepared or preserved otherwise than by vinegar or acetic acid (excluding ...	0.1733	Côte d'Ivoire", Iraq" and Saudi Arabia
TOTAL		790.61	

Table 2: Top 64 products with export potential and untapped potential

BREAKDOWN OF TOP 15 EXPORTED PRODUCTS (BY HS4) INTO HS6 BY EXPORT VALUE IN 2017 / 2018 / 2019				LEBANON'S EXPORT VALUE			WORLD'S EXPORT VALUE			RCA				UNTAPPED POTENTIAL	POTENTIAL MARKETS
HS6	Description	Export Value - Millions USD			Export Value - Millions USD			2017	2018	2019	Avg.	millions USD	TOP 3		
		2017	2018	2019	2017	2018	2019								
7.01.90	Fresh or chilled potatoes (excluding seed)	30.32	15.31	1.13	3,408	3,350	3,887	48	27	1.81	25.6	15.9	Kuwait, Iraq and Jordan		
28.09.20	Phosphoric acid; polyphosphoric acids, whether or not chemically defined	12.84	33.25	15.70	3,357	4,101	4,101	21	48	23.91	30.9	15.5	Saudi Arabia, Netherlands and India		
20.08.19	Nuts and other seeds, incl. mixtures, prepared or preserved (excluding prepared or preserved with vinegar, preserved with sugar but not laid in syrup, jams, fruit jellies, marmalades, fruit purée and pastes, obtained by cooking, and groundnuts)	37.46	32.93	44.76	4,347	4,679	4,823	46	42	57.97	48.7	15.4	Saudi Arabia, United States of America and Germany		
49.01.99	Printed books, brochures and similar printed matter (excluding those in single sheets; dictionaries, encyclopaedias, periodicals and publications which are essentially devoted to advertising)	64.53	60.53	40.06	13,964	14,849	14,159	25	24	17.67	22.3	13.8	United States of America, United Kingdom and Saudi Arabia		
21.06.90	Food preparations, n.e.s.	47.27	24.18	7.09	37,064	42,945	43,557	7	3	1.02	3.7	1.3	Egypt, Saudi Arabia and Algeria		
7.05.11	Fresh or chilled cabbage lettuce	10.36	9.37	7.01	1,000	1,040	1,024	56	54	42.77	50.7	11.5	Saudi Arabia, Kuwait and United Arab Emirates		
31.03.10	Superphosphates (excluding those in tablets or similar forms, or in packages with a gross weight of <= 10 kg)	-	-	0.0	-	-	17	-	-	9.49	3.2	-	-		
31.03.11	Superphosphates containing by weight => 35 % of diphosphorus pentoxide "P2O5" (excl. such products in tablets or similar forms, or in packages with a gross weight of <= 10 kg)	46.4	61.8	20.3	1,040	1,142	1,127	240	322	112.61	224.8	9.9	Bangladesh, Brazil and Côte d'Ivoire		
31.03.19	Superphosphates (excl. such products containing by weight => 35 % of diphosphorus pentoxide, or in tablets or similar forms, or in packages with a gross weight of <= 10 kg)	3.4	3.5	3.0	158	212	158	115	99	117.53	110.3	-	-		
20.01.90	Vegetables, fruit, nuts and other edible parts of plants, prepared or preserved by vinegar or acetic acid (excluding cucumbers and gherkins)	12.53	14.01	9.14	1,439	1,549	1,369	47	54	41.73	47.4	6.7	Saudi Arabia, Kuwait and United Arab Emirates.		
09.10.99	Spices (excluding pepper of the genus Piper, fruit of the genus Capsicum or of the genus Pimenta, vanilla, cinnamon, cinnamon tree flowers, dove "wholefruit", clove stems, nutmeg, mace, cardamoms, seeds of anise, badian, fennel, coriander, cumin and caraway, and juniper berries, ginger, saffron, turmeric "curcuma" and mixtures of various types of spices)	4.86	5.16	3.74	705	698	703	37	44	33.23	38.1	6.3	Saudi Arabia, Jordan and Egypt		
33.05.90	Preparations for use on the hair	19,465	21,287	6,378	7,648,751	8,362,135	7,931,300	14	15	5.02	11.3	5.5	Saudi Arabia, Kuwait and United Arab Emirates		
09.10.91	Mixtures of different types of spices	5.15	5.83	2.95	446	458	506	62	76	36.49	58.1	5.2	Saudi Arabia, United Arab Emirates and Nigeria		
20.07.99	Jams, jellies, marmalades, purées or pastes of fruit, obtained by cooking, whether or not containing added sugar or other sweetening matter (excluding citrus fruit and homogenised preparations of subheading 2007.10)	6.84	5.30	5.94	2,696	2,876	2,599	14	11	14.29	13.0	4	Saudi Arabia, Jordan and Egypt		
15.09.10	Virgin olive oil and its fractions obtained from the fruit of the olive tree solely by mechanical or other physical means under conditions that do not lead to deterioration of the oil	11.61	15.60	11.27	6,591	6,904	5,887	9	13	11.96	11.6	3.7	Saudi Arabia, United States of America and Kuwait		
20.05.20	Potatoes, prepared or preserved otherwise than by vinegar or acetic acid (excluding frozen)	792	2,381	1,784	2,435,726	2,610,349	2,494,900	2	5	4.47	3.9	2.3	Iraq, Nigeria and Jordan		
20.01.10	Cucumbers and gherkins, prepared or preserved by vinegar or acetic acid	2.02	1.71	5.30	573	652	546	19	16	60.67	31.7	1.9	Saudi Arabia, Netherlands and United States of America		
20.05.51	Shelled beans "Vigna spp., Phaseolus spp.", prepared or preserved otherwise than by vinegar or acetic acid (excluding frozen)	11	15	2,841	634,277	682,581	682,021	0	0	26.02	8.7	1.9	Saudi Arabia, Bahrain and Kuwait		
20.05.70	Olives, prepared or preserved otherwise than by vinegar or acetic acid (excluding frozen)	3,235	3,893	3,084	1,926,477	2,065,428	1,930,266	9	11	9.98	10.1	1.9	Saudi Arabia, United States of America and Iraq		
49.01.10	Printed books, brochures and similar printed matter, in single sheets, whether or not folded (excluding periodicals and publications which are essentially devoted to advertising)	0.05	0.27	1.94	1,859	2,327	2,184	0	1	5.55	2.1	1.8	Algeria, Nigeria and Egypt		
11.05.20	Flakes, granules and pellets of potatoes	6.53	9.36	0.32	531	601	613	66	92	3.29	54.0	1.5	Oman, Saudi Arabia and Kuwait		
20.08.99	Fruit and other edible parts of plants, prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit (excluding prepared or preserved with vinegar, preserved with sugar but not laid in syrup, jams, fruit jellies, marmalades, fruit purée and pastes, obtained by cooking, and nuts, groundnuts and other seeds, pineapples, citrus fruits, pears, apricots, cherries, peaches, strawberries, palm hearts and cranberries)	3.93	2.72	2.67	3,330	3,697	3,758	6	4	4.43	5.1	1.5	Netherlands, France and Spain		
15.09.90	Olive oil and fractions obtained from the fruit of the olive tree solely by mechanical or other physical means under conditions that do not lead to deterioration of the oil (excluding virgin and chemically modified)	9.45	10.08	1.64	1,637	1,536	1,098	31	39	9.36	26.5	1.3	Saudi Arabia, United States of America and Kuwait		
33.05.10	Shampoos	4078	5122	766	5,237,094	5,575,797	5,517,066	4	5	0.87	3.5	1.1	Saudi Arabia, Kuwait and United Arab Emirates		
33.05.20	Preparations for permanent waving or straightening	6,970	6,576	617	169,847	199,678	171,630	221	196	22.46	146.3	1.1	Saudi Arabia, Egypt and United Arab Emirates		
20.08.97	Mixtures of fruits, nuts and other edible parts of plants, prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit (excluding mixtures of nuts, groundnuts and other seeds and preparations of the Müsli type based on unroasted cereal flakes of subheading 1904.20.10, and prepared or preserved with vinegar, preserved with sugar but not laid in syrup, jams, fruit jellies, marmalades, fruit purée and pastes, obtained by cooking)	0.61	0.71	2.14	956	1,058	1,063	3	4	12.55	6.6	0.999	United States of America, Canada and Algeria		
49.01.91	Dictionaries and encyclopaedias, and serial instalments thereof	0.01	-	0.17	134	-	144	0	-	7.20	2.5	0.932	Guinea, Egypt and Algeria		
20.05.59	Unshelled beans "Vigna spp., Phaseolus spp.", prepared or preserved otherwise than by vinegar or acetic acid (excluding frozen)	3,475	3,766	566	334,409	357,579	316,453	56	63	11.17	43.2	0.8462	France, Saudi Arabia and United Arab Emirates		
15.18.00	Animal or vegetable fats and oils and their fractions, boiled, oxidised, dehydrated, sulphurised, blown, polymerised by heat in vacuum or in inert gas or otherwise chemically modified, inedible mixtures or preparations of animal or vegetable fats or oils or of fractions of different fats or oils...	6.05	5.68	6.77	2,679	2,745	3,156	12	12	13.41	12.6	0.813	Netherlands, Spain and United Kingdom		
20.07.91	Citrus fruit jams, jellies, marmalades, purées or pastes, obtained by cooking, whether or not containing added sugar or other sweetening matter (excluding homogenised preparations of subheading 2007.10)	0.00	0.10	0.06	115	124	119	0	5	3.09	2.6	0.792	Egypt, United Arab Emirates and Kuwait		
22.09.00	Vinegar, fermented vinegar and substitutes for vinegar obtained from acetic acid	1,412	1,694	698	655,066	725,302	676,704	12	14	6.44	10.6	0.7781	Iraq, United States of America and Saudi Arabia		
20.08.11	Groundnuts, prepared or preserved (excluding preserved with sugar)	0.46	0.58	0.92	2,530	2,390	2,056	1	1	2.80	1.7	0.748	Saudi Arabia, United Arab Emirates and Nigeria		
78.06.00	Articles of lead, n.e.s.	2.16	1.74	0.55	417	383	316	28	27	10.85	21.9	0.674	Oman, Saudi Arabia and United Arab Emirates		
7.05.19	Fresh or chilled lettuce (excluding cabbage lettuce)	0.04	0.05	0.03	1,394	1,508	1,532	0	0	0.10	0.1	0.668	Belarus, Kuwait and Qatar		
33.05.30	Hair lacquers	136	180	230	600,366	664,852	642,546	1	2	2.24	1.7	0.4071	Jordan, Belarus and Saudi Arabia		
20.07.10	Homogenised preparations of jams, jellies, marmalades, fruit or nut purées and nut pastes, obtained by cooking, whether or not containing added sugar or other sweetening matter, put up for retail sale as infant food or for dietetic purposes, in containers of <= 250 g	0.01	0.01	0.19	513	593	587	0	0	2.06	0.8	0.276	Saudi Arabia, Jordan and Iraq		
20.05.10	Homogenised vegetables put up for retail sale as infant food or for dietetic purposes, in containers...	189	163	154	111,919	111,701	96,187	9	9	10.00	9.3	0.2366	Saudi Arabia, Egypt and Kuwait		
20.05.40	Peas "Pisum Sativum", prepared or preserved otherwise than by vinegar or acetic acid (excluding...)	71	70	133	268,306	310,981	272,184	1	1	3.05	1.9	0.1733	Côte d'Ivoire, Iraq and Saudi Arabia		
09.10.12	Ginger, crushed or ground	-	0.00	0.01	75	83	81	-	0	1.08	0.4	ND	NA		

Table 3: Top HS6 Products with a RCA above 1

BREAKDOWN OF TOP 15 EXPORTED PRODUCTS (BY HS4) INTO HS6 BY EXPORT VALUE IN 2017 / 2018 / 2019				LEBANON'S EXPORT VALUE			WORLD'S EXPORT VALUE			RCA				UNTAPPED POTENTIAL	POTENTIAL MARKETS
HS6	Description	Export Value - Millions USD			Export Value - Millions USD			2017	2018	2019	Avg.	millions USD	TOP 3		
		2017	2018	2019	2017	2018	2019								
31.03.90	Mineral or chemical phosphatic fertilisers (excluding superphosphates, those in pellet or similar forms, or in packages with a gross weight of <= 10 kg)	-	-	0.81	-	-	201	-	-	25.15	8.4	ND	NA		
11.05.10	Flour, meal and powder of potatoes	0.05	0.01	0.00	95	107	111	3	0	0.17	1.1	ND	NA		
7.01.10	Seed potatoes	0.03	0.03	0.05	901	1,001	1,059	0	0	0.32	0.2	ND	NA		
7.05.21	Fresh or chilled witloof chicory	0.02	0.06	-	105	104	109	1	3	-	1.5	ND	NA		
7.05.29	Fresh or chilled chicory (excluding witloof chicory)	0.00	0.00	-	196	193	189	0	0	-	0.0	ND	NA		
09.10.11	Ginger, neither crushed nor ground	0.00	0.00	0.02	763	813	887	0	0	0.15	0.1	ND	NA		
09.10.20	Saffron	0.00	-	0.02	459	472	199	0	-	0.47	0.2	ND	NA		
09.10.30	Turmeric "curcuma"	0.00	-	0.04	275	349	301	0	-	0.85	0.3	ND	NA		
21.06.10	Protein concentrates and textured protein substances	0.01	0.00	0.27	2,129	2,293	2,307	0	0	0.72	0.2	ND	Saudi Arabia, Cyprus and Netherlands		
20.08.20	Pineapples, prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit (excluding preserved with sugar but not laid in syrup, jams, fruit jellies, marmalades, fruit purée and pastes, obtained by cooking)	0.01	0.00	0.00	1,320	961	886	0	0	0.02	0.0	ND	NA		
20.08.30	Citrus fruit, prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, n.e.s.	0.01	-	0.02	753	848	719	0	-	0.16	0.1	ND	NA		
20.08.50	Apricots, prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit (excluding preserved with sugar but not laid in syrup, jams, fruit jellies, marmalades, fruit purée and pastes, obtained by cooking)	0.00	0.00	0.09	137	139	123	0	0	4.47	1.6	ND	NA		
20.08.60	Cherries, prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit (excluding preserved with sugar but not laid in syrup, jams, fruit jellies, marmalades, fruit purée and pastes, obtained by cooking)	0.01	0.00	-	275	283	262	0	0	-	0.1	ND	NA		
20.08.70	Peaches, incl. nectarines, prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit (excluding preserved with sugar but not laid in syrup, jams, fruit jellies, marmalades, fruit purée and pastes, obtained by cooking)	0.00	-	0.01	792	801	739	0	-	0.04	0.0	ND	NA		
20.08.80	Strawberries, prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, n.e.s.	-	0.00	-	274	284	295	-	0	-	0.0	ND	NA		
20.08.91	Palm hearts, prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit (excluding prepared or preserved with vinegar)	0.00	0.01	0.01	105	103	98	0	0	0.45	0.3	ND	NA		
72.04.10	Waste and scrap, of cast iron (excluding radioactive)	84.92	113.37	0.07	1,454	1,958	1,975	314	344	0.21	219.5	ND	NA		
72.04.21	Waste and scrap of stainless steel (excluding radioactive, and waste and scrap of batteries and electric accumulators)	1.71	1.77	3.99	6,245	6,887	6,339	1	2	3.94	2.3	ND	NA		
72.04.29	Waste and scrap of alloy steel (excluding stainless steel, and waste and scrap, radioactive, or waste and scrap from batteries and electric accumulators)	0.67	0.52	8.11	2,264	2,516	2,101	2	1	24.10	9.0	ND	NA		
72.04.49	Waste and scrap of iron or steel (excluding slag, scale and other waste of the production of iron and steel; radioactive waste and scrap; fragments of pigs, blocks or other primary forms of pig iron or spiegeleisen; waste and scrap of cast iron, alloy steel or tinned iron or steel; turnings, shavings, chips, milling waste, sawdust, filings, trimmings and stampings; waste and scrap of primary cells, primary batteries and electric accumulators)	1.54	2.38	65.62	20,357	24,162	20,482	0	1	20.02	7.0	ND	NA		
24.01.10	Tobacco, unstemmed or unstripped	24,363	29,192	41,846	1,949,445	2,035,723	1,752,472	67	85	149.18	100.5	ND	NA		
24.01.20	Tobacco, partly or wholly stemmed or stripped, otherwise unmanufactured	-	-	1,158	8,975,419	9,029,212	8,502,720	-	-	0.85	0.3	ND	NA		
24.01.30	Tobacco refuse	117	40	216	267,263	236,007	238,058	2	1	5.67	3.0	ND	NA		
20.05.60	Asparagus, prepared or preserved otherwise than by vinegar or acetic acid (excluding frozen)	4	1	2	275,914	251,775	262,072	0	0	0.05	0.0	ND	NA		
20.05.80	Sweetcorn "Zea Mays var. Saccharata", prepared or preserved otherwise than by vinegar or acetic acid (excluding frozen)	11	127	10	908,228	1,029,384	969,367	0	1	0.06	0.3	ND	NA		
20.05.91	Bamboo shoots, prepared or preserved otherwise than by vinegar or acetic acid (excluding frozen)	1	3	96	320,956	333,609	302,703	0	0	1.98	0.7	ND	NA		
20.05.99	Vegetables and mixtures of vegetables, prepared or preserved otherwise than by vinegar, non-frozen	14,662	18,686	12,941	3,654,764	3,884,674	3,809,605	22	29	21.22	23.8	ND	NA		
76.02.00	Waste and scrap, of aluminium	-	-	54	14,058,846	15,978,149	13,565,348	-	-	0.02	0.0	ND	NA		
TOTAL EXPORTS OF ALL PRODUCTS				3,288	3,275	3,002	17,694,952	19,460,171	18,754,622						

Source: ITC Trade Map and Export Potential Map

RCA > 10

1< RCA < 10

RCA < 1

ND No Data

Table 4: Top HS6 Products with a RCA above 1 (Cont'd)

BREAKDOWN OF TOP 15 EXPORTED PRODUCTS (BY HS4) INTO HS6 BY EXPORT VALUE IN 2017 / 2018 / 2019		LEBANON'S EXPORT VALUE			WORLD'S EXPORT VALUE			RCA				UNTAPPED POTENTIAL	POTENTIAL MARKETS
HS6	Description	Export Value - Millions USD			Export Value - Millions USD			2017	2018	2019	Avg.	millions USD	TOP 3
		2017	2018	2019	2017	2018	2019						
711319	Articles of jewellery and parts thereof, of precious metal other than silver	61	66	115	93,926	102,558	101,900	3	4	7	4.8	317.1	United Arab Emirates, Switzerland and Qatar
80810	Fresh apples	12,725	13,208	19,764	7,670,445	7,711,383	7,069,646	9	10	17	12.2	102.2	Egypt, Bangladesh and Belarus
50400	Guts, bladders and stomachs of animals (other than fish), whole and pieces thereof, fresh, chilled, frozen, salted, in brine, dried or smoked	3,117.00	3,772.00	21,061.00	5,100,035	5,703,094	5,231,922	3	4	25	10.8	21.4	Netherlands, Morocco and Germany
850213	Generating sets with compression-ignition internal combustion piston engine "diesel or semi-diesel engine" of an output > 375 kVA	25.12	34.02	8.91	4,445	4,813	4,329	30	42	13	28.4	21.1	Bangladesh, Saudi Arabia and Egypt
780110	Unwrought lead, refined	3	10	49	4,971	4,887	3,798	3	13	81	32.1	20	United Arab Emirates, Spain and Turkey
401110	New pneumatic tyres, of rubber, of a kind used for motor cars, incl. station wagons	1	2	35	40,893	42,787	41,368	0	0	5	1.9	19.7	NA
850211	Generating sets with compression-ignition internal combustion piston engine "diesel or semi-diesel engine" of an output <= 75 kVA	30.26	28.71	10.45	1,764	1,890	1,811	92	90	36	72.9	16	Saudi Arabia, Nigeria and Guinea
200819	Nuts and other seeds, incl. mixtures, prepared or preserved	37.46	32.93	44.76	4,347	4,679	4,823	46	42	58	48.7	15.4	Saudi Arabia, United States of America and Germany
80840	Fresh quinces	2	6	23	33,142	40,159	34,722	0	1	4	1.8	15.4	NA
850212	Generating sets with compression-ignition internal combustion piston engine "diesel or semi-diesel engine" of an output > 75 kVA but <= 375 kVA	21.74	23.91	5.70	1,547	1,506	1,433	76	94	25	64.9	15.2	Saudi Arabia, Egypt and Bangladesh
850433	Transformers having a power handling capacity > 16 kVA but <= 500 kVA	0.04	0.15	18.56	1,040	1,152	1,002	0	1	116	38.9	14	Saudi Arabia, Egypt and Algeria
490199	Printed books, brochures and similar printed matter	64.53	60.53	40.06	13,964	14,849	14,159	25	24	18	22.3	13.8	United States of America, United Kingdom and Saudi Arabia
180631	Chocolate and other preparations containing cocoa, in blocks, slabs or bars of <= 2 kg, filled	15.55	13.07	12.47	4,425	4,644	4,520	19	17	17	17.6	12.8	Saudi Arabia, Kuwait and Jordan
401120	New pneumatic tyres, of rubber, of a kind used for buses and lorries	1	0	13	22,941	24,378	23,878	0	0	3	1.2	12.7	NA
80830	Fresh pears	1,804	1,608	868	2,686,800	2,713,502	2,520,862	4	4	2	3.1	12.2	NA
180620	Chocolate and other food preparations containing cocoa, in blocks, slabs or bars weighing > 2 kg or in liquid, paste, powder, granular or other bulk form, in containers or immediate packings of a content > 2 kg	0.21	0.56	10.56	4,466	4,588	4,798	0	1	14	4.9	9.9	Saudi Arabia, Egypt and United Arab Emirates
310310	Superphosphates (excluding those in tablets or similar forms, or in packages with a gross weight ...)	-	-	0.03	-	-	17	-	-	9	3.2		
310311	Superphosphates containing by weight >= 35 % of diphosphorus pentoxide "P2O5"	46.44	61.79	20.31	1,040	1,142	1,127	240	322	113	224.8	9.9	Bangladesh, Brazil and Côte d'Ivoire
310319	Superphosphates (excl. such products containing by weight >= 35 % of diphosphorus pentoxide)	3.37	3.53	2.98	158	212	158	115	99	118	110.3		
180690	Chocolate and other preparations containing cocoa, in containers or immediate packings of <= 2 kg	19.07	22.28	3.65	14,001	14,965	14,532	7	9	2	5.9	5.8	Saudi Arabia, Kuwait and United Arab Emirates
180610	Cocoa powder, sweetened	0.04	0.06	0.27	399	418	416	1	1	4	1.8	5.3	Kuwait, Saudi Arabia and Qatar
850434	Transformers having a power handling capacity > 500 kVA	0.11	0.01	1.86	1,399	1,717	1,405	0	0	8	2.9	3.4	Saudi Arabia, United Arab Emirates and Algeria
850490	Parts of electrical transformers and inductors	0.12	1.62	0.60	11,673	12,417	11,547	0	1	0	0.4	3	Jordan, Saudi Arabia and Egypt
850421	Liquid dielectric transformers, having a power handling capacity <= 650 kVA	0.12	0.01	1.94	1,384	1,402	1,417	0	0	9	3.0	2.9	Iraq, Algeria and Saudi Arabia
780199	Unwrought lead (excluding refined lead and lead containing by weight antimony)	0.28	-	5.61	1,618	1,620	1,533	1	-	23	7.9	2.9	Egypt, Saudi Arabia and United Arab Emirates
200520	Potatoes, prepared or preserved otherwise than by vinegar or acetic acid (excluding frozen)	792	2,381	1,784	2,435,726	2,610,349	2,494,900	2	5	4	3.9	2.3	Iraq, Nigeria and Jordan
780191	Unwrought lead, containing by weight antimony as the principal other element	-	-	1.80	721	745	721	-	-	16	5.2	2.2	Oman, United Arab Emirates and Bangladesh
850422	Liquid dielectric transformers, having a power handling capacity > 650 kVA but <= 10,000 kVA	0	0	1	1,464	1,713	1,706	0	0	3	1.3	1.9	Egypt, Qatar and United Arab Emirates
200551	Shelled beans "Vigna spp., Phaseolus spp.", prepared or preserved otherwise than by vinegar or acetic acid (excluding frozen)	11.00	15.00	2,841.00	634,277	682,581	682,021	0	0	26	8.7	1.9	Saudi Arabia, Bahrain and Kuwait
200570	Olives, prepared or preserved otherwise than by vinegar or acetic acid (excluding frozen)	3,235.00	3,893.00	3,084.00	1,926,477	2,065,428	1,930,266	9	11	10	10.1	1.9	Saudi Arabia, United States of America and Iraq
490110	Printed books, brochures and similar printed matter, in single sheets, whether or not folded	0.05	0.27	1.94	1,859	2,327	2,184	0	1	6	2.1	1.8	Algeria, Nigeria and Egypt
200899	Fruit and other edible parts of plants, prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit	3.93	2.72	2.67	3,330	3,697	3,758	6	4	4	5.1	1.5	Netherlands, France and Spain
200897	Mixtures of fruits, nuts and other edible parts of plants, prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit	0.61	0.71	2.14	956	1,058	1,063	3	4	13	6.6	0.999	United States of America, Canada and Algeria
490191	Dictionaries and encyclopaedias, and serial instalments thereof	0.01	-	0.17	134	142	144	0	-	7	2.5	0.932	Guinea, Egypt and Algeria
850220	Generating sets with spark-ignition internal combustion piston engine	2.17	1.59	0.46	3,533	4,338	3,607	3	2	1	2.1	0.871	Bangladesh, Nigeria and United States of America
200559	Unshelled beans "Vigna spp., Phaseolus spp.", prepared or preserved otherwise than by vinegar or acetic acid (excluding frozen)	3,475.00	3,766.00	566.00	384,409	357,579	316,453	56	63	11	43.2	0.84622	France, Saudi Arabia and United Arab Emirates
180632	Chocolate and other preparations containing cocoa, in blocks, slabs or bars of <= 2 kg (excluding filled)	0.03	0.18	0.83	4,394	4,661	4,936	0	0	1	0.4	0.785	Saudi Arabia, United Arab Emirates and Kuwait
200811	Groundnuts, prepared or preserved	0.46	0.58	0.92	2,530	2,390	2,056	1	1	3	1.7	0.747	Saudi Arabia, United Arab Emirates and Nigeria
850239	Generating sets	0.92	-	0.84	2,405	2,214	1,782	2	-	3	1.7	0.561	Ghana, Saudi Arabia and Nigeria
711311	Articles of jewellery and parts thereof, of silver, whether or not plated or clad	0.56	1.07	0.56	12,002	7,682	7,128	0	1	0	0.5	0.25	United Arab Emirates, United States of America and Spain
200510	Homogenised vegetables put up for retail sale as infant food or for dietetic purposes, in containers ...	189	163	154	111,919	111,701	96,187	9	9	10	9.3	0.2366	Saudi Arabia, Egypt and Kuwait
200540	Peas "Pisum Sativum", prepared or preserved otherwise than by vinegar or acetic acid (excluding ...)	71.00	70.00	133.00	268,306	310,981	272,184	1	1	3	1.9	0.1733	Côte d'Ivoire", Iraq" and Saudi Arabia
240120	Tobacco, partly or wholly stemmed or stripped, otherwise unmanufactured	-	-	1.16	8,975	9,029	8,503	-	-	1	0.3	ND	NA
710812	Gold (including gold plated with platinum), unwrought or in semi-manufactured forms)	401.18	289.37	1,070.97	245,113	211,415	210,081	9	8	32	16.3	ND	NA
930320	Sporting, hunting or target-shooting shotguns, with at least one smooth barrel	0	0	416	506	533	960	5	5	2,710	906.6	ND	NA

Table 5: Top Exports Analysis

BREAKDOWN OF TOP 15 EXPORTED PRODUCTS (BY HS4) INTO HS6 BY EXPORT VALUE IN 2017 / 2018 / 2019				LEBANON'S EXPORT VALUE			WORLD'S EXPORT VALUE			RCA				UNTAPPED POTENTIAL	POTENTIAL MARKETS
HS6	Description	Export Value - Millions USD			Export Value - Millions USD			2017	2018	2019	Avg.	millions USD	TOP 3		
		2017	2018	2019	2017	2018	2019								
930330	Sporting, hunting and target-shooting shotguns with one or more rifled bores	0	0	-	609	540	609	4	1	-	1.6	ND	NA		
930390	Firearms and similar devices which operate by the firing of an explosive charge	-	0	-	37	36	38	-	20	-	6.5	ND	NA		
711320	Articles of jewellery and parts thereof, of base metal clad with precious metal	1	-	0	270	262	182	12	-	2	4.8	ND	NA		
740400	Waste and scrap, of copper (excluding ingots or other similar unwrought shapes)	74	88	95	17,943	19,853	18,983	22	26	31	26.7	ND	NA		
720410	Waste and scrap, of cast iron (excluding radioactive)	85	113	0	1,454	1,958	1,975	314	344	0	219.5	ND	NA		
720421	Waste and scrap of stainless steel (excluding radioactive, and waste and scrap of batteries)	2	2	4	6,245	6,887	6,339	1	2	4	2.3	ND	NA		
720429	Waste and scrap of alloy steel (excluding stainless steel, and waste and scrap	1	1	8	2,264	2,516	2,101	2	1	24	9.0	ND	NA		
720430	Waste and scrap of tinned iron or steel (excluding radioactive, and waste and scrap of batteries)	-	-	-	1,133	1,202	687	-	-	-	-	ND	NA		
720441	Turnings, shavings, chips, milling waste, sawdust, filings, trimmings and stampings of iron	-	-	-	2,455	2,908	2,547	-	-	-	-	ND	NA		
720449	Waste and scrap of iron or steel (excluding slag, scale etc.)	2	2	66	20,357	24,162	20,482	0	1	20	7.0	ND	NA		
720450	Remelting scrap ingots of iron or steel (excluding products whose chemical composition conforms)	-	-	-	62	125	70	-	-	-	-	ND	NA		
401130	New pneumatic tyres, of rubber, of a kind used for aircraft	0	0	-	605	643	676	2	2	-	1.5	ND	NA		
401140	New pneumatic tyres, of rubber, of a kind used for motorcycles	-	0	-	1,576	1,610	1,620	-	0	-	0.0	ND	NA		
401150	New pneumatic tyres, of rubber, of a kind used for bicycles	0	-	-	837	883	930	-	-	-	-	ND	NA		
401161	Pneumatic tyres, new, of rubber, having a "herring-bone" or similar tread	-	-	-	100	13	1	-	-	-	-	ND	NA		
401162	Pneumatic tyres, new, of rubber, having a "herring-bone" or similar tread	-	-	-	32	6	5	-	-	-	-	ND	NA		
401163	Pneumatic tyres, new, of rubber, having a "herring-bone" or similar tread	-	-	-	14	4	1	-	-	-	-	ND	NA		
401169	Pneumatic tyres, new, of rubber, having a "herring-bone" or similar tread	-	-	-	20	2	2	-	-	-	-	ND	NA		
401170	New pneumatic tyres, of rubber, of a kind used on agricultural or forestry vehicles and machines	0	0	0	2,675	3,016	2,510	-	0	0	0.0	ND	NA		
401180	New pneumatic tyres, of rubber, of a kind used on construction, mining or industrial handling vehicles and machines	0	-	3	5,025	6,128	6,301	-	-	2	0.8	ND	NA		
401190	New pneumatic tyres, of rubber	0	0.31	0.00	1,283	1,688	1,532	-	1	0	0.4	ND	NA		
401199	Pneumatic tyres, new, of rubber	-	-	0.00	122	6	3	-	-	6	2.0	ND	NA		
200820	Pineapples, prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit	0.01	0.00	0.00	1,320	961	886	0	0	0	0.1	ND	NA		
200830	Citrus fruit, prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit	0.01	-	0.02	753	848	719	0	0	0	0.1	ND	NA		
200850	Apricots, prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit	0.00	0.00	0.09	137	139	123	0	0	4	1.6	ND	NA		
200860	Cherries, prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit	0.01	0.00	-	275	283	262	0	0	-	0.1	ND	NA		
200870	Peaches, incl. nectarines, prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit	0.00	-	0.01	792	801	739	0	-	0	0.0	ND	NA		
200880	Strawberries, prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit	-	0.00	-	274	284	295	-	0	-	0.0	ND	NA		
200891	Palm hearts, prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit	0.00	0.01	0.01	105	103	98	0	0	0	0.3	ND	NA		
240110	Tobacco, unstemmed or unstripped	24.36	29.19	41.85	1,949	2,036	1,752	67	85	149	100.5	ND	NA		
240130	Tobacco refuse	0.12	0.04	0.22	267	236	238	2	1	6	3.0	ND	NA		
999999	Commodities not elsewhere specified	15.53	23.02	36.68	622,272	887,153	857,778	0	0	0	0.2	ND	NA		
760200	Waste and scrap, of aluminium	24.07	27.82	28.68	11,885	13,389	11,735	11	12	15	12.8	ND	NA		
850231	Generating sets, wind-powered	-	0.21	-	5,897	6,336	7,997	-	0	-	0.1	ND	NA		
850240	Electric rotary converters	0.00	0.00	0.03	200	194	191	0	0	1	0.4	ND	NA		
850410	Ballasts for discharge lamps or tubes	0.06	0.05	0.04	1,547	1,332	1,110	0	0	0	0.2	ND	NA		
850423	Liquid dielectric transformers, having a power handling capacity > 10,000 kVA	0.00	0.00	0.02	4,856	4,457	4,090	0	0	0	0.0	ND	NA		
850431	Transformers having a power handling capacity <= 1 kVA	0.12	0.12	-	4,961	5,374	4,983	0	0	-	0.1	ND	NA		
850432	Transformers, having a power handling capacity > 1 kVA but <= 16 kVA	0.35	0.35	0.00	545	563	551	3	4	0	2.4	ND	NA		
850440	Static converters	1.18	1.85	0.23	53,496	58,929	60,685	0	0	0	0.1	ND	NA		
850450	Inductors	0.00	0.00	0.05	11,012	11,771	11,553	0	0	0	0.0	ND	NA		
310390	Mineral or chemical phosphatic fertilisers (excluding superphosphates)	-	-	-	-	-	811	-	-	-	-	ND	NA		
200560	Asparagus, prepared or preserved otherwise than by vinegar or acetic acid (excluding frozen)	4.00	1.00	2.00	275,914	251,775	262,072	-	-	0	-	ND	NA		
200580	Sweetcorn "Zea Mays var. Saccharata", prepared or preserved otherwise than by vinegar or acetic acid (excluding frozen)	11.00	127.00	10.00	908,228	1,029,384	969,367	0	1	0	0.3	ND	NA		
200591	Bamboo shoots, prepared or preserved otherwise than by vinegar or acetic acid (excluding frozen)	1.00	3.00	96.00	320,956	333,609	302,703	0	0	2	0.7	ND	NA		
200599	Vegetables and mixtures of vegetables, prepared or preserved otherwise than by vinegar, non-frozen	14,662.00	18,686.00	12,941.00	3,654,764	3,884,674	3,809,605	22	29	21	23.8	ND	NA		
841112	Turbojets of a thrust > 25 kN	-	1,007.00	19,781.00	32,835,195	47,332,145	51,362,824	-	0	2	0.8	ND	NA		
841121	Turbopropellers of a power <= 1,100 kW	-	-	1.00	1,046,350	1,335,721	1,291,139	-	-	0	0.0	ND	NA		
841191	Parts of turbojets or turbopropellers	4.00	70.00	104.00	46,388,449	52,475,075	57,503,815	0	0	0	0.0	ND	NA		
841199	Parts of gas turbines	1,797.00	564.00	-	21,958,783	20,462,342	20,496,236	0	0	-	0.2	ND	NA		
TOTAL EXPORTS OF ALL PRODUCTS				3,288	3,275	3,002	17,694,952	19,460,171	18,754,622						

Source: ITC Trade Map and Export Potential Map

RCA > 10 1 < RCA < 10 RCA < 1 ND No Data

Table 6: Top Exports Analysis (Cont'd)

Appendix B. References

In addition to the Financial Recovery Plan and other documents and data furnished by the Ministry of Economy and Trade, the following references were consulted:

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