

Hotspot Guide

Lebanon

A Sample of what's on Offer

Hot Spot

Introduction



Why Invest in Lebanon ?

Strategic Geographical Location. At the centre of the Eastern Mediterranean, Lebanon is uniquely positioned at the crossroads of Africa, Asia, and Europe

Free Market Economy based on a long tradition of liberal investment policies; free enterprise and private initiative are the drivers of the Lebanese economy.

Lebanon is highly driven by wealth and many wealthy people come here to invest and party.



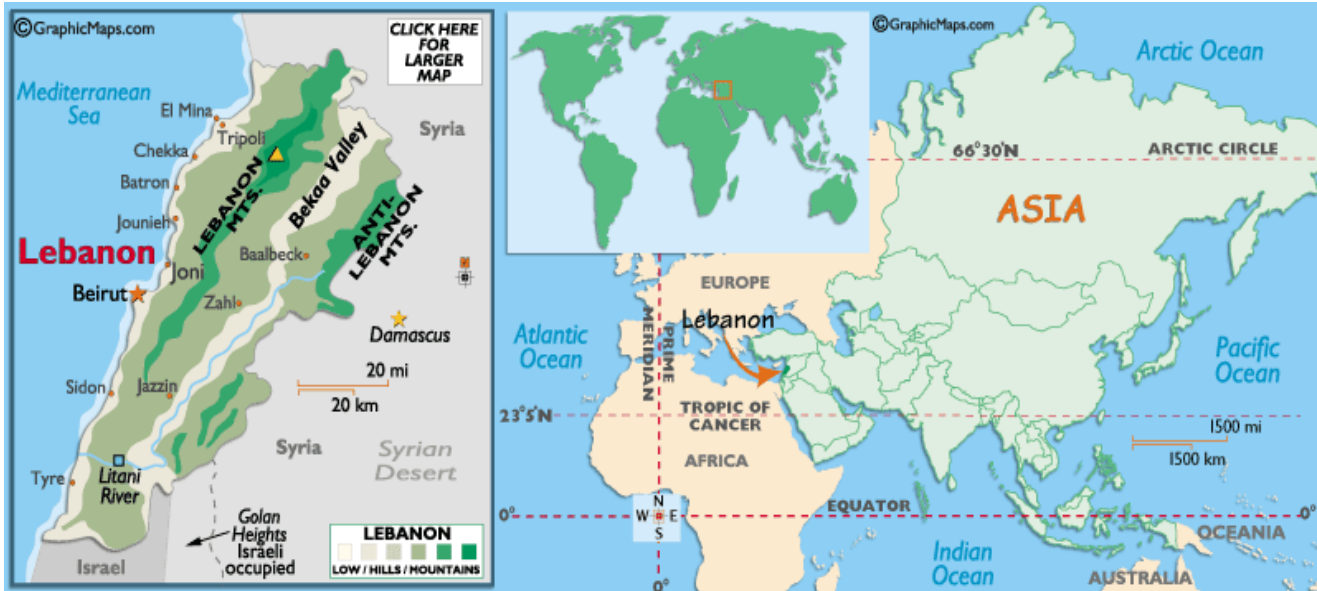
Fast Facts:

- **Location:** On the Eastern Shore of the Mediterranean Sea.
- **Capital City:** Beirut
- **Climate:** Lebanon has a Mediterranean climate characterized by a long, hot, and dry summer, and cool, rainy winter.
- **Average Temperature:** 23 C
- **Total Land Area:** 10,452 km²
- **Official Language:** Arabic, French
- **Total Population:** 4,099,000
- **Population Density:** 401/km²
- **Major Religion:** Christians
- **Currency:** Lebanese pound (LBP)
- **GDP:** \$31.298 billion
- **GNI per capita:** \$8,132
- **Inflation:** 4.2%
- **Annual Growth:** 1.2%
- **Main Exports:** Foodstuffs and Tobacco
- **Main Sources of Income:** Agriculture and Tourism
- **Unemployment:** 20%
- **Population Below Poverty Line:** 28%
- **Literacy:** male:93.1% female: 82.2%
- **Life Expectancy:** 70 years (men), 74 years (women)
- **Time Zone:** EET (UTC+2)
- **Internet Domain:** .lb
- **International Dialling Code:** 961



Geography

- Lebanon is located in Western Asia.
- It is bordered by the Mediterranean Sea to the west along a 225-kilometre (140 mi) coastline, by Syria to the east and north and by Israel to the south.



Economy

- Lebanon's economy and markets are best described at the dawn of the new millennium by a private and liberal economic activity and openness to abroad with perfect capital and labor mobility.
- The private sector contributes to around 75% of aggregate demand, a well-diversified sector that covers the totality of economic sectors and is a major pillar for growth and recovery.
- The Lebanese economy is also a typical open economy with a large banking sector equivalent to more than 2.5 times its economic sector and providing an important support to aggregate demand.
- Lebanon is ideally suited for agricultural activities in terms of water availability and soil fertility.
- The tourism industry in Lebanon has been historically important to the local economy and remains to this day to be a major source of revenue for Lebanon.



Politics

- Lebanon is a parliamentary democracy within the overall framework of Confessionalism, a form of consociationalism in which the highest offices are proportionately reserved for representatives from certain religious communities.
- The constitution grants the people the right to change their government. However, from the mid-1970s until the parliamentary elections in 1992, civil war precluded the exercise of political rights.
- According to the constitution, direct elections must be held for the parliament every 4 years.
- The last parliamentary election was in 2009.
- The Parliament, in turn, elects a President every 6 years to a single term.
- The President is not eligible for re-election. The last presidential election was in 2008. The president and parliament choose the Prime Minister. Political parties may be formed; most are based on sectarian interests

A Brief Guide to Purchasing Property in Lebanon

- Foreign ownership of real estate property is allowed in Lebanon.
- Foreigners can acquire up to 3,000 square meters (sq. m) of land. Any bigger than this, a prior decree from the Council of Ministers is needed.
- Foreigners can only own up to 3% of the total land area of Lebanon. In the case of Beirut, foreigners can acquire up to 10% of the total area of the city.

Property Market

- Now the market is showing positive signs of recovery.
- Real Estate is shifting from a family owned business to a professionally run one.
- The best example is that investors are now conducting surveys and market researches before they start building.
- Another positive sign is the return of international investors to Beirut Central District.



- Virgin, Ericsson, and almost all the leading financial institutions of the country have established their Head or Regional offices in this area.
- And the huge effort that has been consented by the country to re-attract investors is about to give its fruits.

Rental Income: Income tax on rental income is progressive. For small amounts of income the tax is not high, at around 2% above a threshold of US\$13,200 per annum. Deductions can amount to 30% of the gross proceeds/

Capital Gains: There are no capital gains taxes.

Inheritance: Inheritance taxes are levied at progressive rates from 3% to 45%.

Residents: The tax treatment of residents and non-residents is similar



Hot Spots:

- **Baalbek:** The 'Sun City' of the ancient world, is home to the most impressive ancient site in Lebanon and arguably the most important Roman site in the Middle East.



Beirut: This has beautifully reconstructed colonial relics and mosques of central Beirut's Downtown, the city is a triumph of rejuvenation. If you're in the young, vibrant neighbourhoods of Gemmayzeh or Achrafiye. Beirut is about living for the moment: partying, eating and drinking as if there's no tomorrow.



- **Zahle:** If you're arriving in Zahlé after some temple-gazing in quiet, conservative Baalbek, you'll probably find it a sharp and extremely pleasant contrast. Lively, bustling and even quite glitzy, this attractive resort town, enjoying a cool altitude of 945m, shares more in common with Beirut than with Baalbek.

