

LEBANON CAN, SME'S LEBANON@POTENTIAL

ASSOCIATION OF LEBANESE
INDUSTRIALISTS

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JULY 11TH, 2017

AGENDA

- SME'S AN ACTIVE ROLE IN THE WORLD ECONOMY
- SME'S AS A DRIVER OF BUSINESS : GERMANY
- SME'S IN LEBANON : FLEXIBILITY, AND EXPERTISE IN MANAGING CRISIS
- EMPOWERING SME'S IN LEBANON: A WINNING MODEL FOR A STRONG AND PROSPEROUS ECONOMY

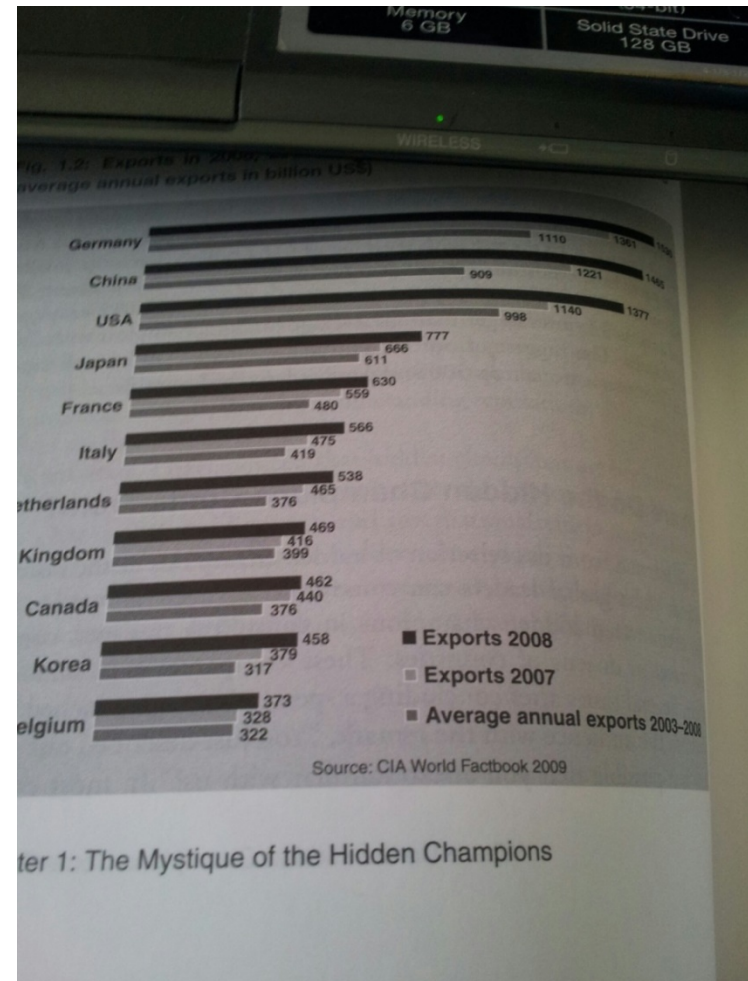
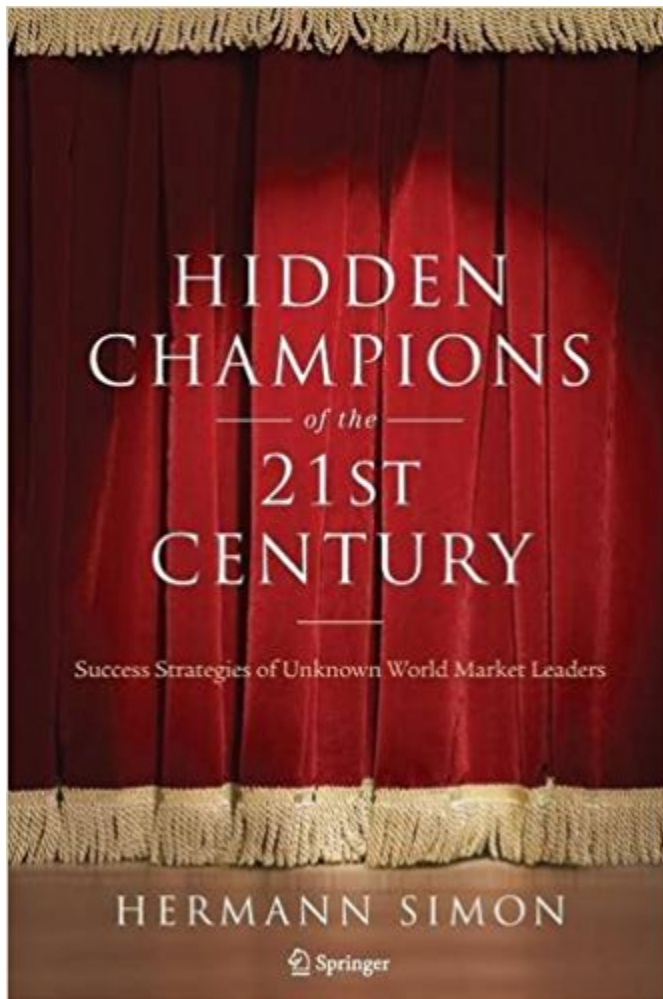
SME'S IN EU

DEFINITION

Company category	Staff headcount	Turnover	Balance sheet total
Medium-sized	< 250	≤ € 50 m	≤ € 43 m
Small	< 50	≤ € 10 m	≤ € 10 m
Micro	< 10	≤ € 2 m	≤ € 2 m

Small and medium-sized enterprises (SMEs) represent 99% of all businesses in the EU.

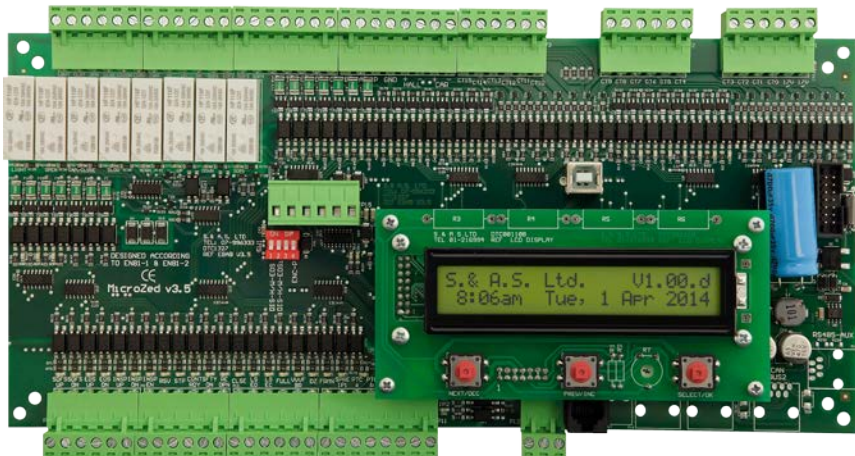
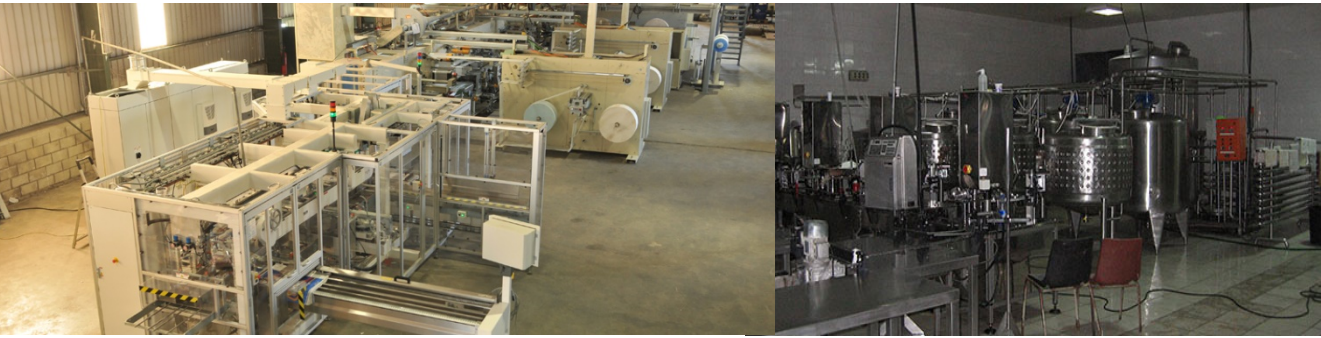
LEARNING FROM GURUS IN MANAGEMENT



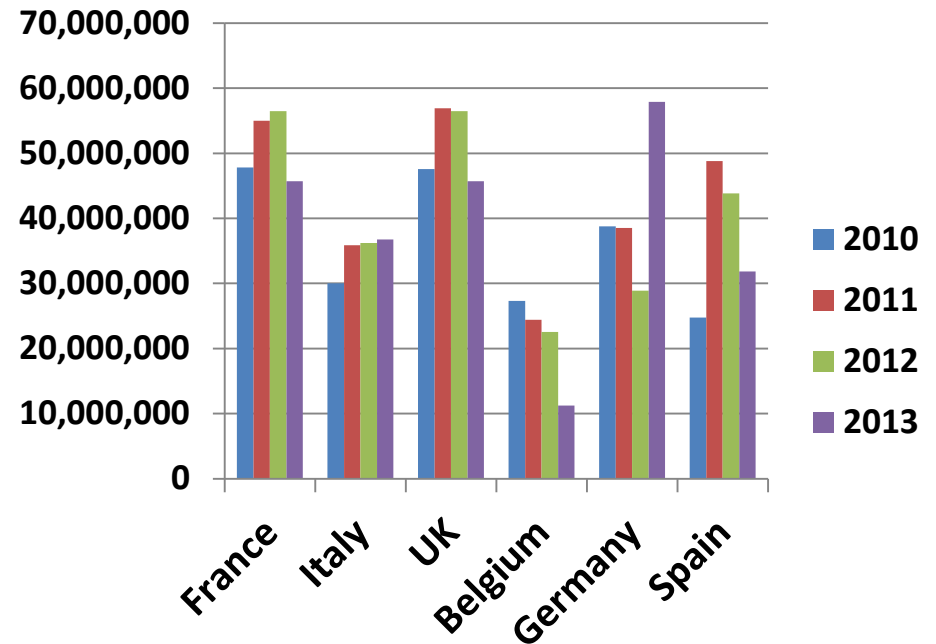
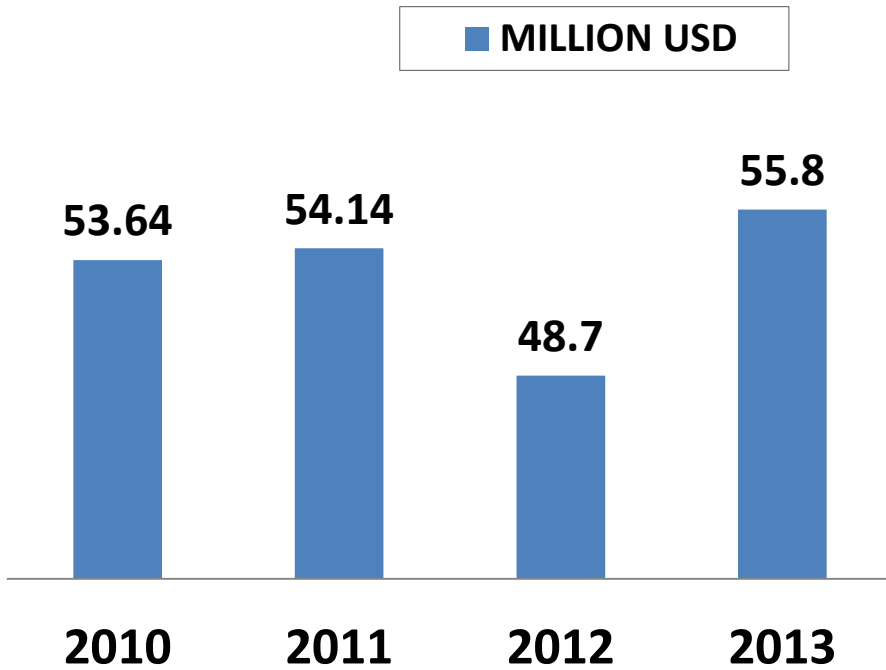
SUCCESS STORIES FROM LEBANON TO THE WORLD

YEARLY SALES	>20 mil USD	5 TO 20 USD	1 To 5 USD	0 TO 1 USD
	5 %	10 %	23 %	62 %

SPECIALIZED, AND ADVANCED PRODUCTS

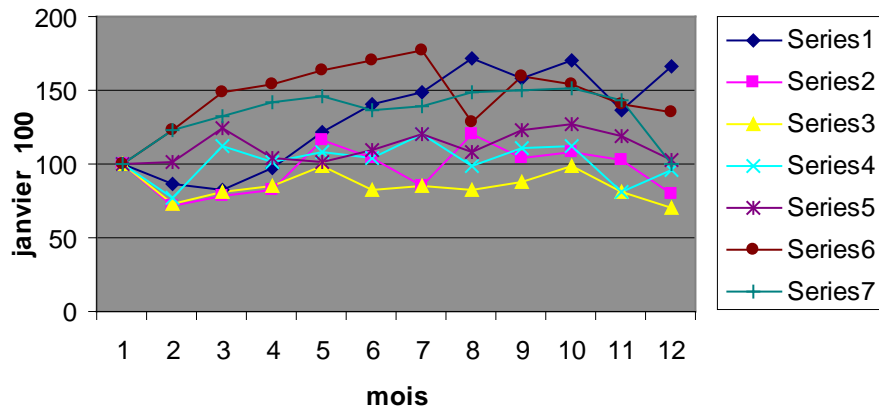


EXPORTS TO USA, AND TO EUROPE

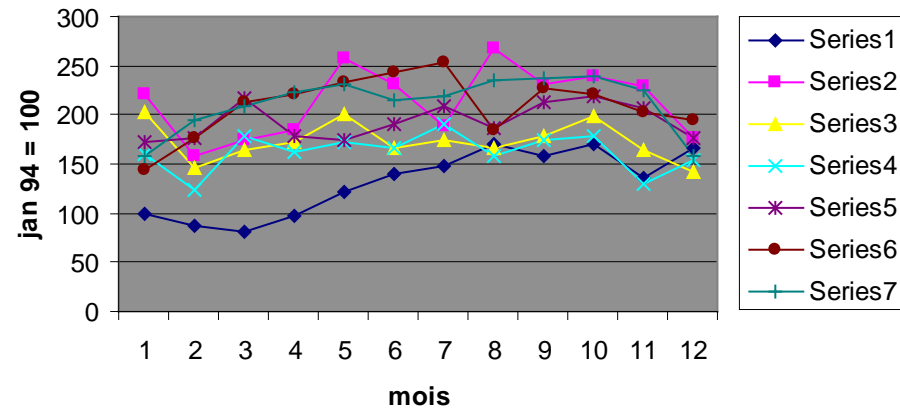


SUCCEEDING IN TURBULENT ENVIRONMENTS AND FACING PERMANENT CHANGE

ventes mensuelles 94 -2000



ventes mensuelles 94-2000 base jan94



- HAS BECOME AN EXPERT IN MANAGING CRISIS
- FLEXIBILITY AND RESILLIENCE

THE LEBANESE INDUSTRIALIST: A CREDIBLE PARTNER

- EXCEPTIONAL DRIVERS : HIDDEN CHAMPIONS, SUCCEEDING AGAINST ALL ODDS. POTENTIAL FOR SUCCESSFUL OPPORTUNITIES



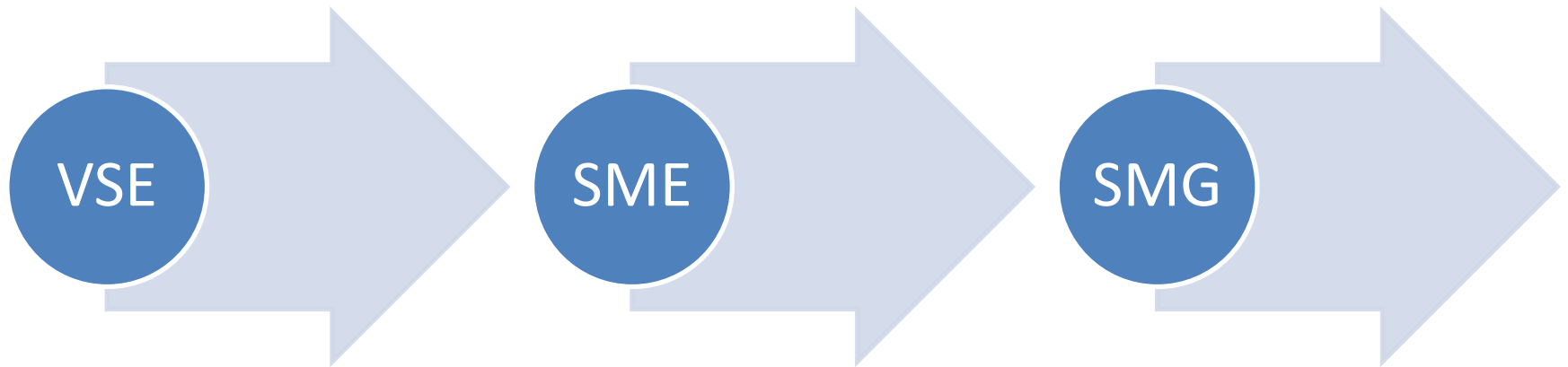
PROMOTING LEBANESE DNA

- QUALITY
- EXCELLENCE
- SERVICE
- CREATIVITY, DESIGN, INNOVATION

SME'S IN LEBANON: A STRONG MODEL TO THE WORLD

- 1977 FIRMS' SALES 8.8 BILLION USD IN 2015
- DEALING WITH CHANGE, AND CRISIS
MANAGEMENT
- ENTREPRENEURIAL GROUP: OPERATIONAL
FLEXIBILITY, AND STRATEGIC VISION

SPECIFIC NEEDS FOR EACH



AWERENESS
CLUSTERS
MERGER LAW

MARKETS
EQUITY FOR GROWTH
R&D

REGIONAL EXPANSION
JOINT VENTURES

REALITY, AND AMBITIONS :

BUILD INTRINSIC VALUE

- ESTABLISHED SUCCESS STORIES FOR MANY, WITH ADDITIONAL POTENTIAL
- NEED TO CHANGE FOR OTHERS
- FROM GENERALISTS TO A SMALL COUNTRY, TO SPECIALISTS TO THE WORLD. SPECIALIZE TO EXCELL
- FOCUS ON CORE COMPETENCIES, AND VALUE ADDED PRODUCTS
- INSURE ECONOMIES OF SCALE

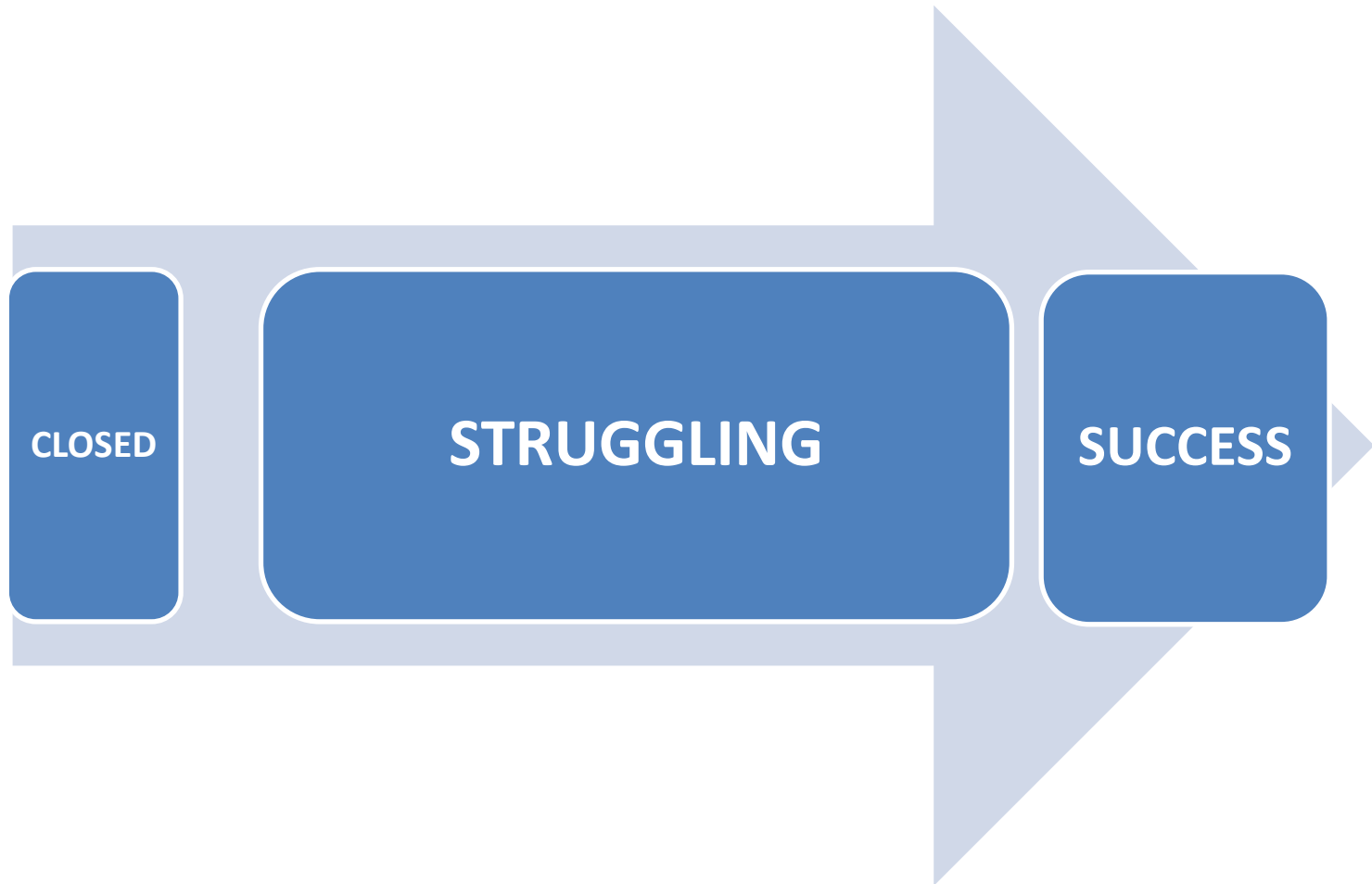
LEBANESE SME'S, DRIVERS OF THEIR SECTOR IN THE REGION

- CENTRAL COMMAND, R&D, PRODUCT MANAGEMENT, PROMOTION, MARKETING AND DEVELOPMENT IN LEBANON,
- PRODUCING VALUE ADDED PRODUCTS FOR LEBANON, AND TO THE WORLD THRU DIRECT SALES OR THRU OUTSOURCING TO EUROPE
- PRODUCING MASS PRODUCTION WHERE POSSIBLE (REGION, AFRICA, IRAK,.....)

REALITY, AND LOST OPPORTUNITIES

- SALES FROM 10.5 BILLION USD IN 2011, TO 8.8 BILLION USD IN 2015
- FIRMS FROM 2365 IN 2015, TO 1977 IN 2015, 388 FIRMS CLOSED
- EXPORTS DOWN FROM MORE THAN 4 BILLION IN 2011, TO 2.9 BILLION IN 2016
- UNEMPLOYMENT UP TO 25 %, 34 % FOR THE YOUTH

YES WE CAN, ACT NOW



ALL IN A NATIONAL PROGRAM

GOVERNMENT

- DEFEND FROM UNFAIR & ILLEGAL IMPORTS
- OPEN UP MARKETS
- COMPARABLE COSTS
- PROVIDE LOGISTICS: LAND....
- LEGAL FRAMEWORK : MERGER LAW
- ECONOMIC DIPLOMACY: EXPORTS & INVESTMENTS
- DOING BUSINESS

CHAMPIONS

- UNIVERSITIES, IRI: R&D
- CMA : REACH WORLD
- LEVERAGE SUCCESS STORIES
- MEDIA:MADE IN LEBANON
- IDAL: PROMOTE FDI'S
- BANKS: SME'S EQUITY FUND
- CENTRAL BANK : 331 INNOVATIVE INDUSTRY

ASSOCIATIONS

- SME'S SUPPORT
- COMMON LOGISTICS
- LIBANPACK
- SECTORS COOPERATE IN CLUSTERS : SPECIALIZE IN PRODUCTS OR PROCESSES
- EXPORTS VEHICLES

GOVERNMENT

- **DEFEND FROM UNFAIR, AND ILLEGAL IMPORTS**
- **OPEN UP MARKETS**
- **COMPARABLE COSTS**
- **PROVIDE LOGISTICS: LAND....**
- **LEGAL FRAMEWORK : MERGER LAW**
- **ECONOMIC DIPLOMACY: EXPORTS & INVESTMENTS**
- **DOING BUSINESS**

- **SOCIO-ECONOMIC RECOVERY PROGRAM, AND ECONOMIC STIMULUS MEASURES**

LEARNING FROM OTHERS

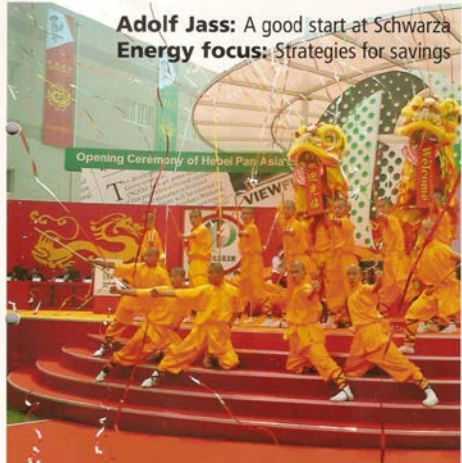
- ENCOURAGING, FINANCING, SUBSIDIZING....
(TURKEY, FRANCE, UK)
- PROTECTING:
- DUTIES, AND WTO SAFEGUARD MEASURES
- DISRUPTING THRU NON TARIFF TECHNICAL BARRIERS TO TRADE

LEARNING FROM GERMANY

PPPI PULP & PAPER INTERNATIONAL

december 2005 www.paperloop.com

Adolf Jass: A good start at Schwarza
Energy focus: Strategies for savings



INAUGURATING HPLC
 Asia's largest newsprint machine

profile mill

By Elizabeth Bains and Justin Toland
Papierfabrik Adolf Jass celebrates as PM 1 climbs a steep startup curve

TAKING THE BOUQUETS

THEY CAME WITH FLOWERS. They came with chocolates. They came with champagne and they all wanted to shake one hand — that of Dr. Marietta Jass-Tochmann. The daughter of the founder of Papierfabrik Adolf Jass, Jass-Tochmann is recognized as the driving force behind the family-owned company's new 400,000 tonne/yr. constantboard mill. Located on the former site of a Communist-era collective combine for synthetic fibers, Papierfabrik Adolf Jass Schwarza (Rudolstadt-Schwarza, Thuringia, Germany) has been designed to capitalize on the trend toward lightweight packaging. The Voith Paper PM 1 will produce 90-120 g/m² machine and corrugating medium in a basis weight range of 75-110 g/m².

GENESIS OF A P M

The inauguration of the new mill on September 22, 2005, was the occasion for much well wishing and collection on a job well done. Addressing the hundreds of guests, Jass-Tochmann said the new facility was founded on the desire of Papierfabrik Adolf Jass ("Jass"), "to expand into a modern company."
 When Adolf Jass founded the company in 1960 it was a producer of corrugated board based paper, located in Götzen on the Lohr-Dreez-Saary, Germany. Jass set up the first two paper machines in Paldau, Hesse, Germany in 1970. Today, the Paldau mill produces 500,000 tonne/yr. of wellstock and together on two machines, PM 3 and PM 4.
 Schwarza is located just 170 km from Paldau. Initially Jass had considered building the new mill further east to tap into the growing Polish and Czech markets, but in the end decided that it would be better served by having the new site close to its existing operations, enabling the company's three machines to specialize. While PM 1 takes care of the lighter weights, PM 3 can focus on producing wellstock at weights of 110 g/m² and above, with PM 4 concentrating on machine of 125 g/m² and above.



There were other advantages to locating the new mill in Schwarza. Because of high unemployment in the region, the Euro 200 million (\$240 million) project qualified for grants of more 70 million from the government of Thuringia. According to managing director, Jass, Helge Pfundtner, even before the start and was confirmed, "we were convinced the political bodies and authorities would be reliable partners for the investment project."
 The infrastructure of the brownfield site in Rudolstadt-Schwarza was another selling point. "It had a river, an industrial siding track, a power plant and a future thermal recycling plant," explains Jass-Tochmann.
 With funding in place and a 30 m high soil pile that covered the site removed, work on the project began in earnest in September 2003. After three months to check Jass's emissions submission, groundbreaking took place on December 2, 2003. "One year later, on December 15, 2004, the carcass of the mill was complete," says Jass-Tochmann.
 Voith Paper won the contract to supply a complete papermaking line (from stock preparation to the slitter-

Other key suppliers

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SPECIALIZE IN PRODUCTS OR PROCESSES**
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- **MEDIA: MADE IN LEBANON**
- **IDAL: PROMOTE FDI'S**
- **BANKS: SME'S EQUITY FUND , INVESTMENTS OVERSEAS**
- **CENTRAL BANK : 331 INNOVATIVE INDUSTRY**
- **LEVERAGE SUCCESS STORIES**

ADDITIONAL DRIVERS FOR LEBANESE SMI'S

- LEBANESE NETWORK AND NEW MARKETS
- LINKEAGES DESIGNERS AND INDUSTRY



MORE DRIVERS

TRADITIONAL FURNITURE INDUSTRY AND CREATIVE
DESIGNERS UNIDO EU PROJECT TRIPOLI



SPECIAL TASK FORCE FOR EMPOWERING SME'S

- SME'S HAVE PROVEN TO BE AN ASSET FOR LEBANON
- SME'S ARE ONE OF THE KEY DRIVERS FOR LEBANON'S SUSTAINABLE DEVELOPMENT
- SME'S DEVELOPMENT IS A DRIVER FOR OTHER SECTORS AS WELL
- SME'S FULL SUCCESS NEEDS A MULTIFACETED SOLUTION : A SPECIAL TASK FORCE IS SUGGESTED, TO SET A NATIONAL STRATEGY TO EMPOWER LEBANESE SME'S

LEBANON IS A SMALL COUNTRY, BUT
WITH ITS SME'S, IT IS FOR SURE
A WORLD OF OPPORTUNITIES!