

# Lebanese SME FORUM

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## **Taking Advantage of Promising Traditional and Emerging Sector : Agro-Food Sector: Lebanese Success Story**

BIEL – Pavilion Royal

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SLFI – General Secretary

# Fact & Figures

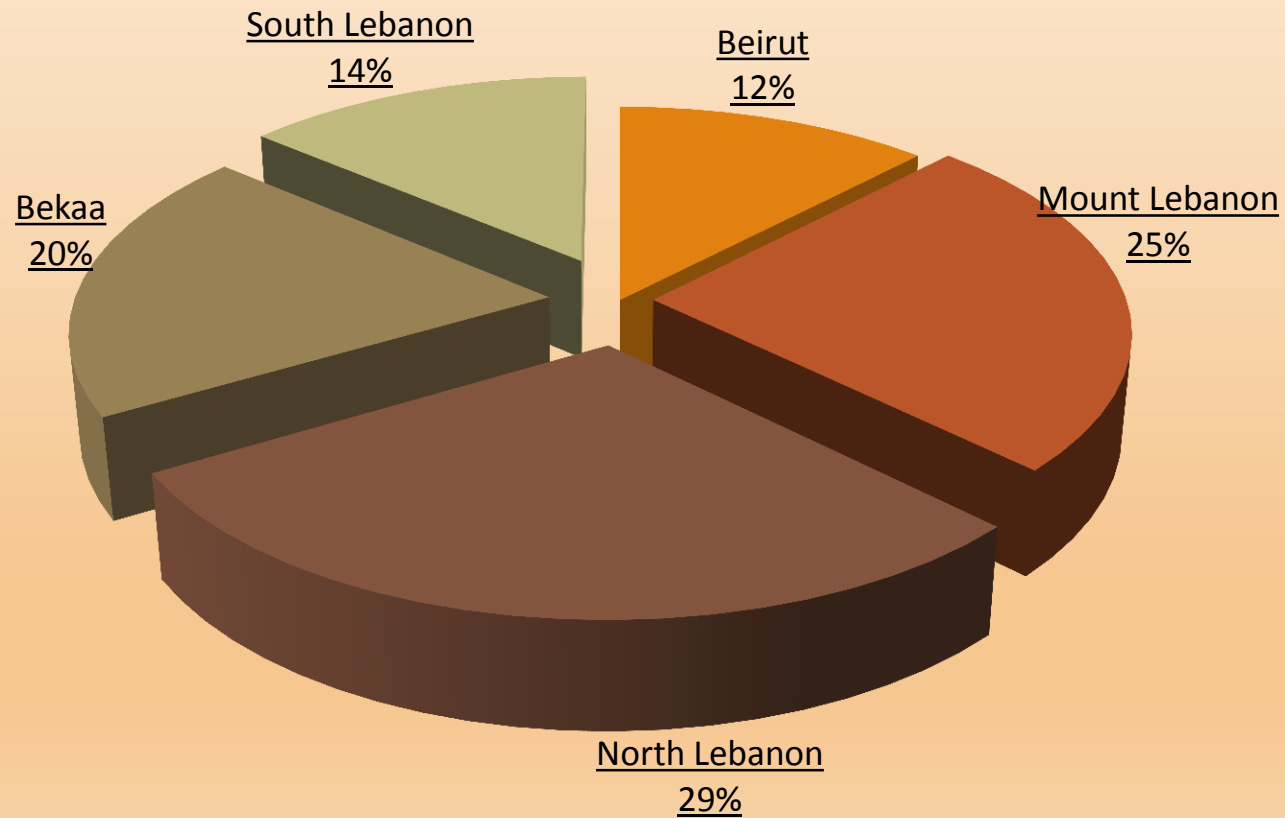
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	Number	% of Total
FOOD FACTORIES	750	33.2%
WORKFORCE	20,700	24.9%
WAGES & SALARIES \$(000)	132,000	24.0%
OUTPUT \$(000)	1,750,000	25.7%
VALUE ADDED \$(000)	560,000	31.8%

Food Sector	Establishments		Workforce		Wages		Output		V. A.
	No.	%	No.	%	\$000	%	\$m	%	%
All	750	100	20,700	100	132,000	100	1,750	100	32
Meat & Poultry	14	1.9	1,650	8	10,810	8	142	8	29
Fruit & Vegetables	70	9.5	3,010	15	17,300	13	200	12	28
Oils & Fats	33	4.5	381	2	1,350	1	60	3	14
Dairy	112	15.2	1,925	9	9,730	7	155	9	18
Mills	32	4.3	586	3	3,500	3	190	11	16
Animal feed	15	2.0	145	1	685	1	25	2	24
Bakery	222	30.2	5,682	28	26,810	20	207	12	34
Confectionery	57	7.7	1,476	7	11,760	9	12	1	43
Drinks & Water	13	1.8	1,760	8	20,115	15	354	20	49
Wines	15	2.0	550	3	7,775	6	50	3	60
Alcohol	14	1.9	180	1	1,010	1	9	1	36

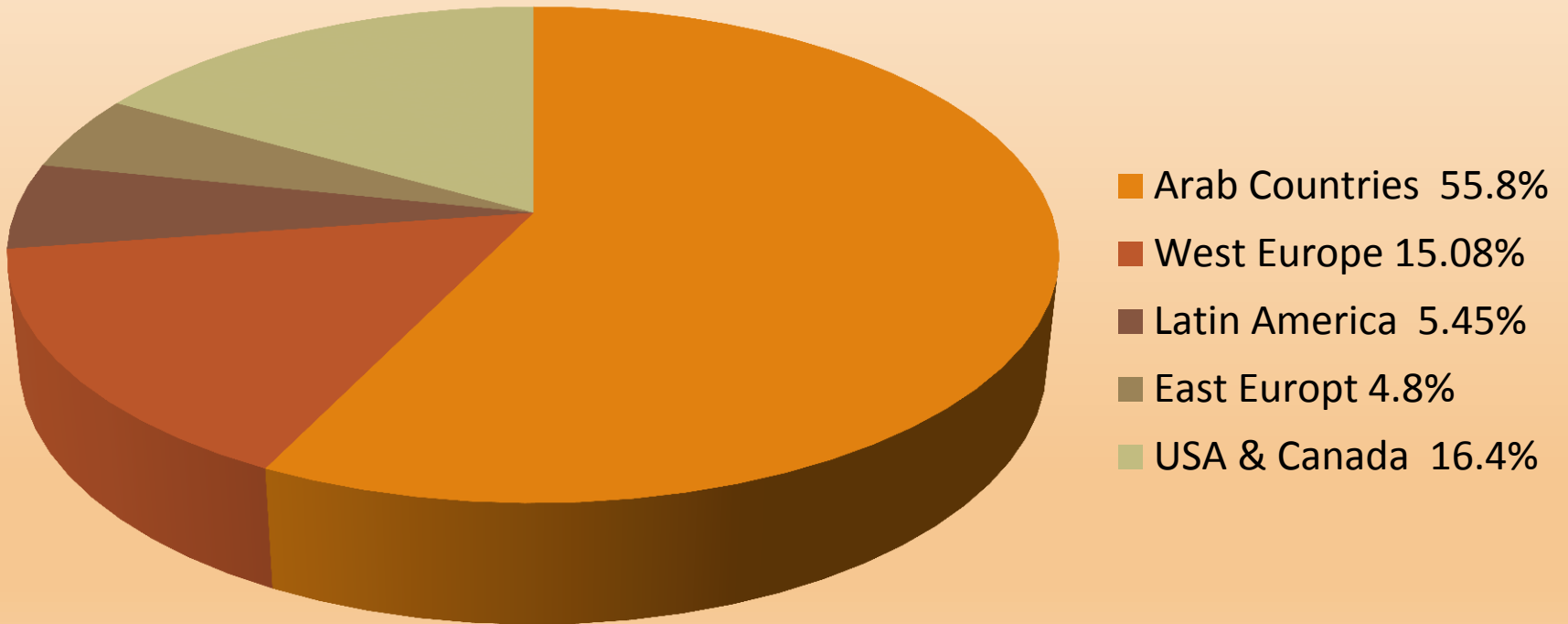
# Industries by region

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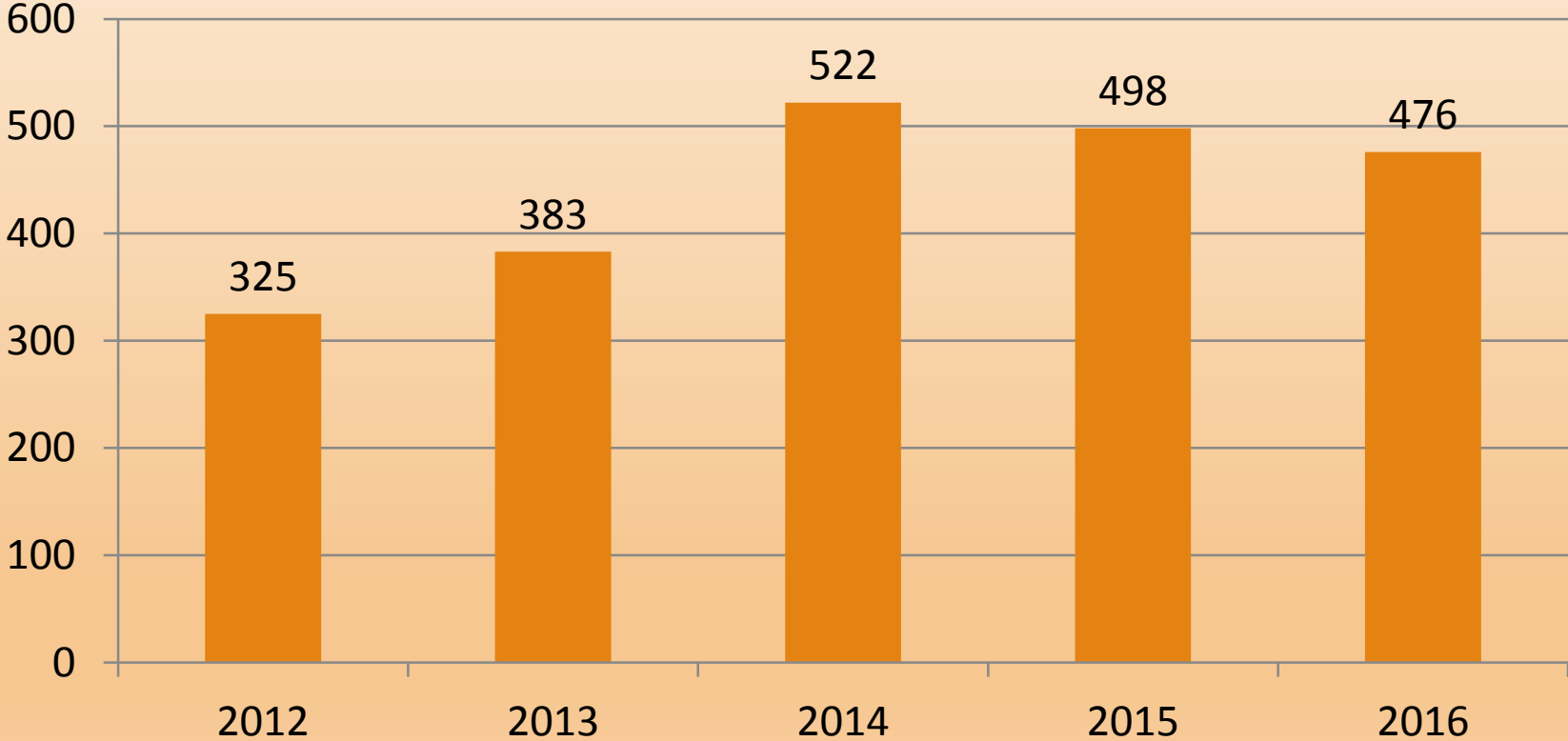


# EXPORT DESTINATIONS

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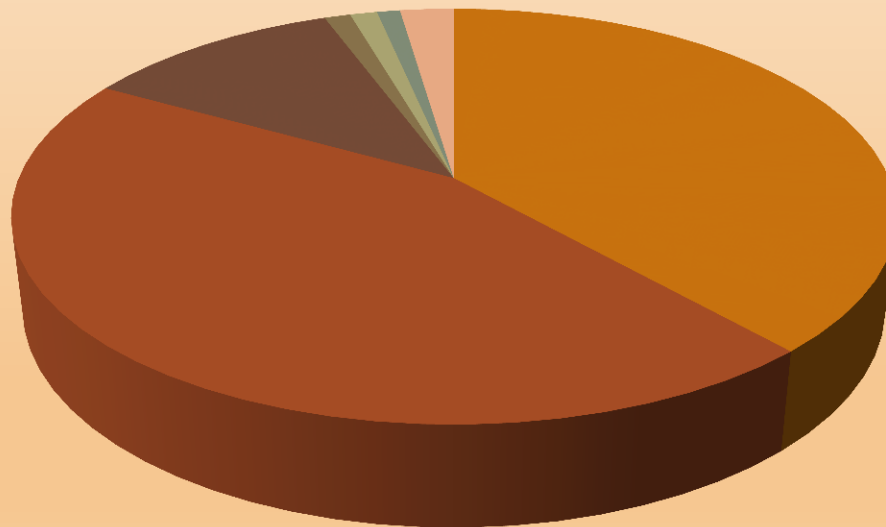
# EXPORT VOLUME ( Millions of \$)



# Export Distribution By Sector

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Sales



- Wine&Beer
- Conerves,Pickles...
- Confectionary
- Nuts
- Coffee
- Olive oil
- Spices

# Strengths

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- Climatic conditions and varied soil structures favor diversified agricultural produce.
- Export Oriented Industries with more than 75 various destinations.
- High caliber skilled labor and Food Technologies Operators.
- The strong image of the Lebanese food products in foreign countries such as the Gulf, EU and USA is relatively reputable.



# Strengths

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- Lebanese and Arab Diaspora represent natural consumers.
- Support institutions and infra-structure including labs for testing and R&D centers in Universities and Chambers, and a vocational school specialized in Food Industries.
- International Exposure due to active participation in local and international fairs and exhibitions such as ANUGA, SIAL , HORECA, GULFFOOD, NYFFS.

# Weaknesses

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- Lack of agricultural raw materials suitable for processing
- Poor farmer training
- High level of operating expenses.
- Absence of economies of scale compared to neighboring countries. (Majority of factories are small in size)
- Deficiency in supporting infrastructure, such as electricity, good logistics, and government waste collection services, good water supply, ...
- 85%-90% family businesses, classified as SME's.

# Opportunities

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- Regional political situation and its implications.
- A Gateway to 350 M consumers Market (GAFTA) and 500 M (Euro Zone).
- Strong business ties with African countries through active Lebanese Diaspora.
- Growing awareness towards Lebanese and Mediterranean food consumption, labeled as healthy food.

# Opportunities

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- Bio Labeling – Mediterranean Diet.
- International and Local Support Institutions (Qualeb, USAID, LibanPack,...) to build a solid Quality infrastructure.
- The development of new products with higher values addition.
- Potential of products Geographical indication labels.

# Threats

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- Regional political situation and its implications.
- The high speed development of neighboring countries competing for same markets.
- Unfair competition, risk of fraud.

# Recommendations

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- Marketing and product upgrade.
- Quality Infra-structure.
- Upgrading SME's to Corporate.

# Marketing & Product Upgrade

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- Product Development : increase and/or create new products based on the existing product line.
- Product Improvement : develop existing products to make them exportable.
- Product Adaptation : Develop existing product to match the tastes and preferences of foreign consumers.
- Active participation in international specialized trade fairs (Anuga, SIAL, Gulfood, NYFFS,...)

# Quality Infra-Structure

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- 50+ food processing units already acquired ISO 22000
- 10 food processing units already acquired ISO 22005
- Promote and Support programs to offer accreditations and adaptation of adequate manufacturing processes.



# Transforming SME to Corporate

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- Many SME's active in the food processing sector are deprived from expansion opportunities due to:
  - - Access to finance.
  - - Legislative issues.
  - - Lack of Industrial Zones.
  - -Legislation complications .
- Transfer from family type business to corporate legal form is a crucial condition for prosperity and continuity of any Company.

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Thank you for your interactive  
participation