



IDAL

INVEST IN LEBANON

**COVID-19
INVESTMENT
AND EXPORT
GUIDE**

JUNE 2020

CONTENT

1. INTRODUCTION	P 04
2. LICENSING AND PERMITS	P 05
3. TECHNICAL SPECIFICATIONS AND STANDARDS FOR A SELECTION OF COVID-19 RELATED PRODUCTS	P 06
4. TESTING AND PRODUCT CERTIFICATION SERVICES	P 08
5. TECHNICAL SUPPORT	P 09
6. IMPORT PROCEDURES	P 10
7. EXPORT PROCEDURES	P 12
8. GETTING YOUR INDUSTRIAL FACILITY READY FOR COVID-19	P 14
9. APPENDIX: CLASSIFICATION OF INDUSTRIAL ACTIVITY BASED ON MINISTRY OF INDUSTRY DECREE	P 15

1. INTRODUCTION

Turning Crisis Into Successful Opportunities!

Despite the economic, financial and health crisis that have hit the country since October 2019, a series of investment opportunities have come to light that companies can benefit from to supply local, regional and international markets.

As demand is growing for various products and services needed to fight COVID-19, IDAL has put in place a guide that details all the requirements needed to produce industrial goods in addition to the licenses needed to operate and export.

This guide includes the following information:

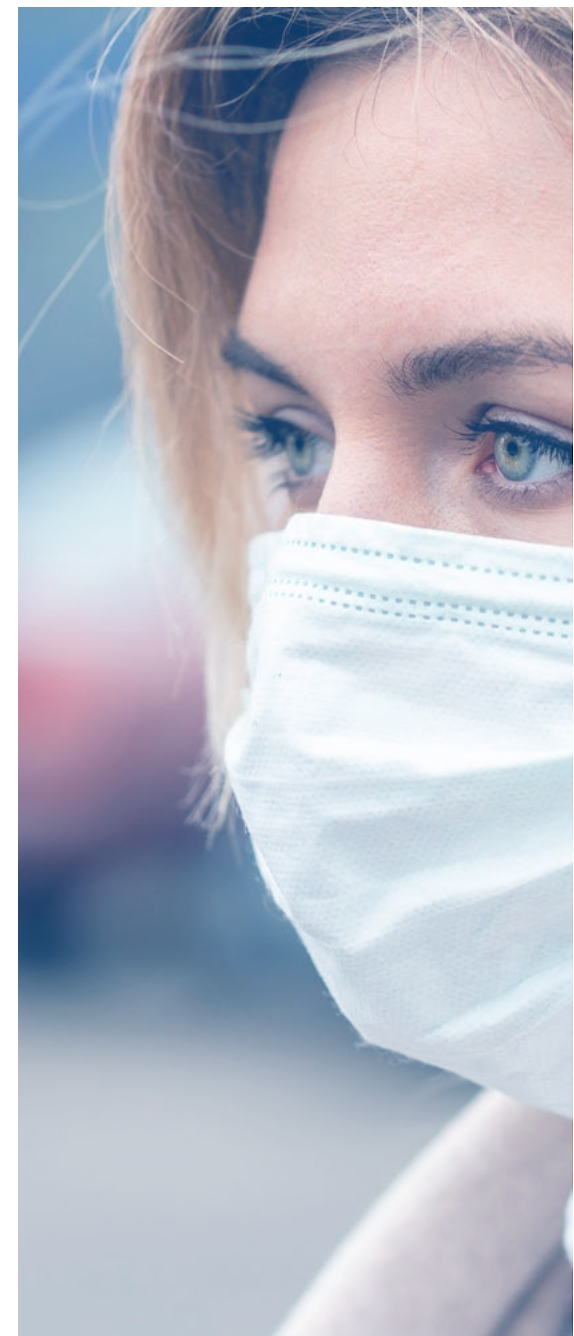
- Permits and licenses needed to manufacture various COVID-19 related products;
- Technical specifications recommended for the manufacturing of COVID-19 related products;
- Testing Services and Certifications;
- Technical Support;
- Import and Export Procedures;
- Safety measures for industrial facilities to fight COVID-19

2. LICENSING AND PERMITS

Manufacturing of COVID-19 related products requires first the issuance of an industrial license by the Ministry of Industry. There is no specific licenses related to COVID-19 related products.

If you are considering establishing a business to produce surgical masks or ventilators, the same industrial permit is needed. The only difference is the category in which your business is classified. There are five categories adopted by the Ministry of Industry. Each category classification is based on the size of the project (i.e. production capacity) as well as the type of industry (agro-processing, pharmaceutical, medical equipment...). For each category, there is a corresponding application form and licensing fee. Most COVID-19 related products are under category 3 or 4 based on the Ministry of Industry classification. In the appendix, you can find the decree issued by the Council of Ministers specifying the businesses by industry classification based on ISIC Version 3.

In case you are considering building your own industrial facility, you need first to apply for an Establishment Permit followed by a Construction and Occupancy Permits. Once all those documents are obtained, the investor can apply for an investment license as a last step. To know more about the documents needed to obtain the licenses, the process, and the fees please click [here](#).



3. TECHNICAL SPECS AND STANDARDS FOR A SELECTION OF COVID19-RELATED PRODUCTS

The Lebanese government is working to regulate and standardize technical specifications for COVID-19 related products. [LIBNOR](#) or the Lebanese Standards Institution is the national authority that issues standards and guidelines for all products manufactured in Lebanon and is a full member of the International Organization for Standardization (ISO).

In October 2019, LIBNOR announced two new mandatory standards deemed critical in the fight against COVID-19:

DECREE NO. 5705

related to chemicals, disinfectants and antiseptics, click [here](#).

DECREE NO. 5707

related to mandatory protective clothing and equipment;

These standards were issued by a Ministerial Decree and are therefore considered binding and failure to comply could lead to non-marketability on the Lebanese market.

LIBNOR has also published a list of Lebanese standards that need to be purchased for the following category of products:

- Antiseptics/Disinfectants Standards
- Personal Protective Equipment
- Non- Active Medical Devices including medical gloves and surgical clothing and drapes
- Rapidly Manufactured Ventilator System

Standards developed by LIBNOR related to COVID-19 goods can be found on the following [link](#). The Ministry of Industry issued specific regulations for the production of cloth masks. This can be found under the following [link](#).

Additional technical specifications issued by international accreditation bodies can be used as a reference for producing COVID related goods. Such guidelines aim to inform Lebanese industrialists on international specs followed including the design of the Rapidly Manufactured Ventilator System (RMVS), which the UK Government and Medtronic have generously shared with the public.

- Canadian Specifications for Gowns, Surgical Face Masks, Respirator Masks, Eye Protection, Protective Coveralls, Nitrile and Vinyl Gloves, Hand Sanitizer, ICU-level Ventilators, Thermometers - [Canadian Guide with Easy-to-Use Chart](#)
- United Kingdom (UK) Specifications for Gowns, Surgical Face Masks, Respirator Masks, Eye Protection, Protective Coveralls - [UK Guide](#)
- UK's Specs for a Rapidly Manufactured Ventilator System (RMVS) - [Guide 1](#) and [Guide 2](#)
- Medtronic, the global ventilator producer, has shared its ventilator [Specs Guide](#)

Additional Resources:

- Technical Specs for producing Medical Gloves - [FDA \(US\) Specifications](#)
- Information about N95 Respirators and Surgical Masks - [FDA Guide](#)

The International Standards Organization (ISO) has also released standards for various COVID-19 related products for free in a read-only format. You can check them in this [link](#).



4. TESTING & PRODUCT CERTIFICATION SERVICES

The Industrial Research Institute (IRI) under the Ministry of Industry is the national laboratory for testing the quality of manufactured products in Lebanon. The Laboratory of IRI has more than 400 internationally accredited methods for testing products making it the number one choice for exporters and industrialists in Lebanon.

IRI provides various services to manufacturers in Lebanon including testing that are very important for exporters to access markets, product certification (IRI's own marks as well as other International marks) or system certification (such as ISO certifications) and general consultancy services to help manufacturers in quality compliance.

There are other laboratories run by the private sector that can help in testing products and provide quality certificates. Below are some of the major testing laboratories that can help you in testing your products:

- The Quality Control Center at the Chamber of Commerce, Industry, and Agriculture of Tripoli and North Lebanon [link](#).
- Agro-Food Development Center & Laboratories at Saida Chamber [link](#).
- Food quality Center at chamber of Zahle [link](#).
- The Environment Laboratory (EVL)- LEAF at AUB [link](#).



Product certification by IRI takes on average around 2 weeks and includes on the ground audit of the manufacturing facility. Inspection and control are conducted according to international best standards. Annual cost of product certification issued by IRI is around 8,000\$ or 12 million Lebanese Lira. This certificate enables producers and exporters to demonstrate their high-quality compliance to local and international authorities.

For the other marks offered by IRI such as the NF (Norme Francaise), the procedures of the corresponding international bodies are applied.

5. TECHNICAL SUPPORT

There are various organizations offering technical support to entrepreneurs interested to start producing goods to fight COVID-19. We list below the major organizations offering valuable support in terms of grants, prototyping, networking or other technical assistance.

- Entrepreneurs have access to a Fabrication Lab (Fab Lab) managed by [Berytech](#), a major incubator and accelerator in Beirut. The Fab Lab, an open-access digital fabrication lab enables to create, prototype, and turn concepts into reality. The Fab Lab tools include 3D Printers, Laser Cutters, Vinyl Cutters, CNC Routers, Electronics Workbench, and much more... Membership fees to the Fab Lab range between USD 40 to USD 120 per month.

Berytech is supporting up to 5 projects with up to a \$10,000 grant each to cover material used to prototype COVID-19 related solutions at the Berytech Fab Lab.

Visit this page to learn about Fab Lab services for COVID-19 products specifically [here](#).

- The Lebanon Enterprise Development project funded by USAID is also offering grants for companies that are trying to produce goods or offer services that are in high-demand due to COVID-19, but that have specific constraints that are limiting their ability to do so or their ability to meet demand.

Read [here](#) to know more about eligibility criteria to apply to the grants.

- The European Bank of Reconstruction of Development (EBRD) also is providing technical assistance to companies interested to develop new COVID-19 related products by matching them to local and international consultants that can help them develop business strategy, marketing strategy, compliance to technical requirements... To know more about the EBRD program, check this [here](#).

- The Tech Access Partnership (TAP) developed by the United Nations Technology Bank in partnership with the UN Development Programme (UNDP), UN Conference on Trade and Development (UNCTAD) and the World Health Organization (WHO) aims to support developing countries to scale up local production of critical health technologies needed to combat COVID-19. TAP will facilitate connections between experienced manufacturers and local manufacturers in developing countries to share key data, knowledge and other relevant support through a coordinated network.

In order to join the Tech Access Partnership Network, please visit the following [link](#).

6. IMPORT PROCEDURES

Before you start operations, you might need to import machinery and other input material. In this section, we try to simplify for you the process and explain to you what the requirements are.

1- Order: Order your imported products from your suppliers and receive (a) an Original Purchase or Commercial invoice, (b) bill of lading, (c) a Packing List, (d) a copy of the letter of credit from the bank stating that the invoice value is paid or will be paid in a specified time limit (may be requested for value verification only in case customs officers doubt the invoice value) as well as (e) a Certificate of origin issued by the authorized party of the country of export if the invoice does not mention the origin of the goods, or in case you (the importer) wish to benefit from preferential treatment if the exporter is not approved by the customs authorities of the exporting country;

2- Comply with Requirements: Depending on the type of imported good/(s), a number of other documents may also be required for custom clearance, including import licenses, certificates of conformity to mandatory standards, or Sanitary and Phyto-Sanitary (SPS) certificates (this mainly applies to food and agriculture projects). You can check the International Trade Centre market access map tool that helps importers and exporters understand requirements in each market worldwide for each HS code of product to be exported or imported. You can consult the following page for more information: <https://www.macmap.org>. You can also consult the website of the Ministry of Economy and Trade* which provides information on when you need an import license and which ministry issues it [here](#).

* According to the Ministry of Economy and Trade, there is only 60 products that require import license (such as Vaccines for veterinary medicine, veterinary drug, some seeds and seedlings, arms and ammunitions, fuel oils, Electric and telephone wires, copper wire and codes...) and 87 products that require an export license (such as Paper and paper board waste, Gas cylinders, bottles, etc...) while there is 253 products that require a technical certificate or visa (SPS or TBT).



3- Prepare for Custom Clearance: (a) Fill a Declaration form based on the Single Administrative Document (SAD) from any custom agent; (b) Get a Quietus (a statement that all dues are paid) from the National Social Security Fund (must not have expired at the day of registration of the Single Administrative Document (SAD));

4- Receive your Order: In order to complete the custom clearance procedure you need to pay certain custom duties and taxes. Exemptions apply in certain cases. Machinery and raw material used for industrial production were exempted from the 3% custom duty in the 2019 Budget. Please find the circular [here](#). There are additional fees to be paid for imports such as local consumption duty which is applicable to certain types of goods including, but not limited to, tobacco products, fuels, cars, cement, lime, plaster and alcohols. There is also VAT and a stamp duty. In case of Claims of Exemptions or Reductions, please refer to the lists of products which may avail of exemptions or reductions according to commercial treaties on this [link](#).

It is important to note that Lebanon is signatory of an association agreement with the European Union making imports from EU exempted from any custom duties and taxes. The same applies for Arab countries as Lebanon is signatory of the GAFTA agreement and with the US due to the Generalized System of Preferences (GSP).

Based on World Bank data, clearance and inspections required by customs authorities for imported products require around 84 hours and costs around 300 dollars. Clearance and inspections required by agencies other than customs for imported products require also around 84 hours and cost around 165 dollars. Port or border handling requires around 180 hours and costs around 325 dollars. However, these numbers need to be considered with caution. These are average numbers and might not apply in all cases. The World Bank gathers this data from local freight forwarders, customs brokers, port authorities and traders.

DISCLAIMER:
Always consult with a custom agent on latest custom procedures.

7. EXPORT PROCEDURES

Note: It is important to note that currently export of Personal Protection Equipment (PPE) are banned by Lebanon. To know more about current temporary trade measures being implemented by countries around the world related to the COVID-19 crisis, please visit the following [link](#).

If you wish to export your products, here is what you need to know to help you in your export journey from Lebanon.

1. Find your Customer/(s): your customer can be a distributor or agent to your product/(s). You can also opt for the e-commerce option by listing your products in well-known market places.

2. Comply with Requirements: Most countries impose Non-tariff trade barriers for import such as Sanitary and Phytosanitary (SPS) measures as well as other technical barriers to trade. This means in order to export your product to a certain market, you need to conduct several tests in accredited labs to make sure your product/(s) are compliant with destination country quality, labelling and packaging requirements. **The Industrial Research Institute** that falls under the Ministry of Industry is an accredited lab that is the go-to laboratory for exporters. Following testing, you need to register your products in the destination country before exporting your product. Each market has its own regulations and requirements. Also depending on the product you are exporting, you might need to have an export license in Lebanon. The Ministry of Economy and Trade has the list of products that require such license. The International Trade Centre developed a very helpful tool to help exporters understand requirements in each market for each HS code of product to be exported. You can consult the following page for more information: <https://www.macmap.org>



3. Receive Order/(s): (a) Issue an original commercial invoice and (b) prepare the letter of credit from the bank stating that the invoice value is paid or will be paid in a specified time limit (it may be requested for value verification when customs officers doubt the invoice value). Also (c) issue a packing list P/L which is a commercial document accompanying the commercial invoice and the transport documents. It is issued by the exporter and provides information on the imported items and the packaging details of each shipment (weight, dimensions, handling issues, etc.);

4. Prepare for custom clearance: (a) Get a certificate of origin Lebanon from the chamber of commerce*; (b) Get a Quietus called baraa'it zeme in Arabic which is a statement that proves all dues are paid from the Social Security Office (must not have expired at the day of registration of SAD) and (c) Fill a declaration form based on the Single Administrative Document (SAD) from any custom agent. Please note as an exporter, you don't pay custom duties.

5. Ship your product/(s): (a) Prepare your freight documents: Depending on the means of transport used, the following documents are to be filled in and presented to the customs authorities in the importing country in order for the goods to be cleared: The Bill of Lading (B/L) which is issued by the shipping company to the operating shipper, TIR Carnet, road waybill, Air waybill... (b) Prepare the insurance invoice as it is required for customs clearance only when the relevant data do not appear in the commercial invoice indicating the premium paid to insure the merchandise.

* Please note that in order for the chamber of commerce to issue a certificate of origin for an exporter, they need first an invoice that is signed by the authorized person according to the certificate of incorporation of the company, enclosing the commercial Register and the financial registration number of the company and fulfilling the fee of the financial stamp. If the exporter is not the manufacturer, he or she should show invoices from the local suppliers and their industrial certificate issued by Ministry of Industry.

DISCLAIMER:
Always consult with a custom agent on latest custom procedures.

It is important to note that Lebanon is signatory of an association agreement with the European Union making exports to EU countries exempted from any custom duties and taxes. The same applies for Arab countries as Lebanon is signatory of the GAFTA agreement and with the US due to the Generalized System of Preferences (GSP).

However not all products produced in Lebanon can qualify to benefit from the EURO 1 agreement or the GAFTA agreement. There are special rules of origin applied to determine whether this product can benefit from custom exemptions or not. You can consult the Ministry of Economy and Trade to know more about rules of origin for specific products.

Based on World Bank data, Clearance and inspections required by customs authorities take around 48 hours and cost around 300 dollars (Based on World Bank ease of Doing Business report of 2019). Port or border handling requires around 96 hours and costs around 18 dollars.

As mentioned above, these numbers should be considered with caution as they reflect average rates and period.

8. GETTING YOUR INDUSTRIAL FACILITY READY FOR COVID-19

The Ministry of Industry has developed a video explaining the basic safety guidelines that need to be taken in an industrial facility in Lebanon to help contain spreading of COVID-19: This is the [link](#) to the video.

The Ministry of Industry issued also regulations regarding the safety measures that need to be taken in food manufacturing facilities and other industrial facilities (in Arabic only): you can find them here: [link 1](#) and [link 2](#).

UNIDO in Lebanon has also produced a document that summarizes all safety measures that need to be taken by industrial companies in Lebanon to fight COVID-19 (in English): you can find them [here](#).

If you wish to have more information on how to register your business in Lebanon, how to access financing, how to register Intellectual Property, how to file for taxes, or how to employ people, kindly visit the Business Support Unit section on [IDAL website](#).

9. APPENDIX: CLASSIFICATION OF INDUSTRIAL ACTIVITY BASED ON MINISTRY OF INDUSTRY DECREE

The Ministry of Industry decree can be found [here](#).





INVESTINLEBANON.GOV.LB

Lazarieh Tower 4Th Floor, Emir Bechir Str. Riad El Solh
P.O.Box: 113-7251 Beirut Lebanon

T: +961 (1) 983 306 invest@ldal.com.lb
F: +961 (1) 983 302 export@ldal.com.lb

