



**IDAL**  
INVEST IN LEBANON

# INVESTMENT OPPORTUNITIES IN AKKAR

2018

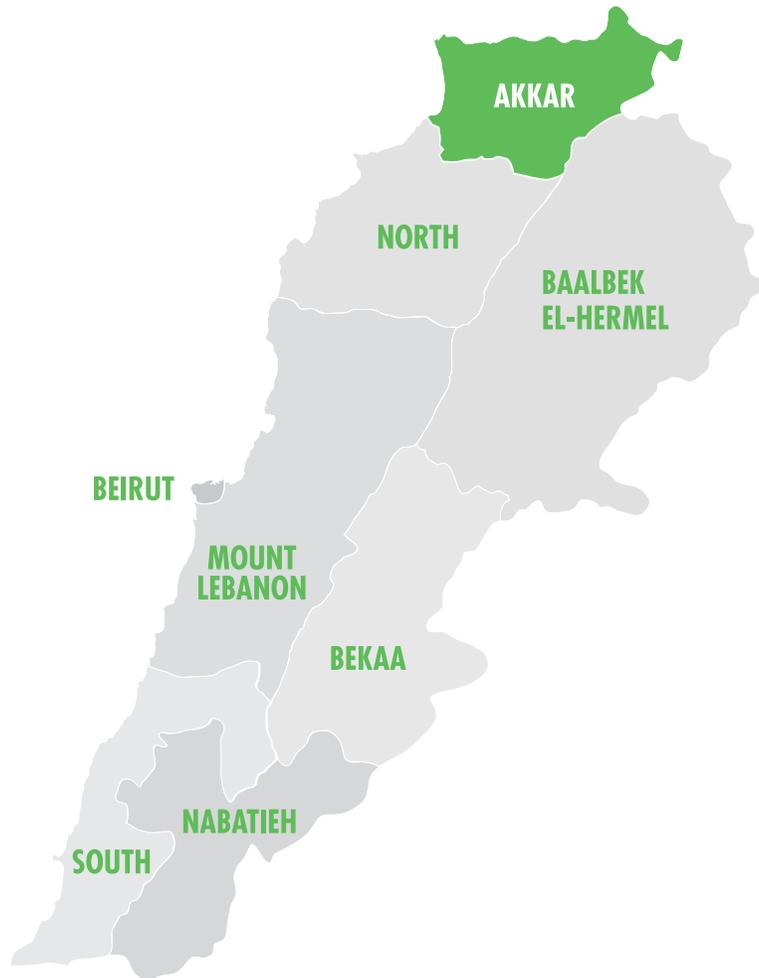




# I. SOCIO ECONOMIC BASELINE ANALYSIS OF AKKAR

The Governorate of Akkar is located in the far North of Lebanon, covering an area of **788 km<sup>2</sup>** or **7.5%** of the total Lebanese territory

LEBANON'S 8 GOVERNORATES



AKKAR GOVERNORATE

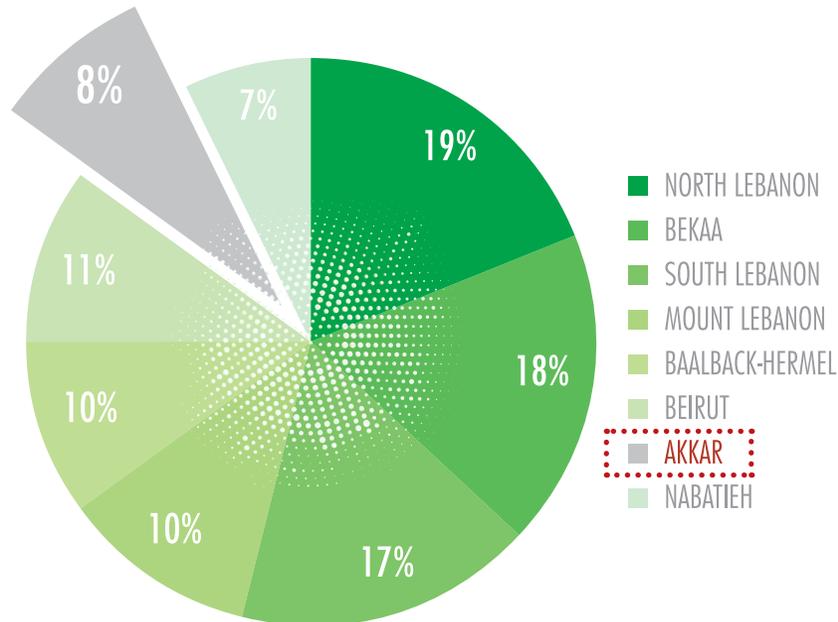


**AKKAR TOTAL AREA SIZE = 788 KM<sup>2</sup>**  
**7.5% OF TOTAL LEBANESE TERRITORY**

It has around **400,000 inhabitants** and a **population density of around 500 people/km<sup>2</sup>** one of the lowest among all the Governorates in Lebanon

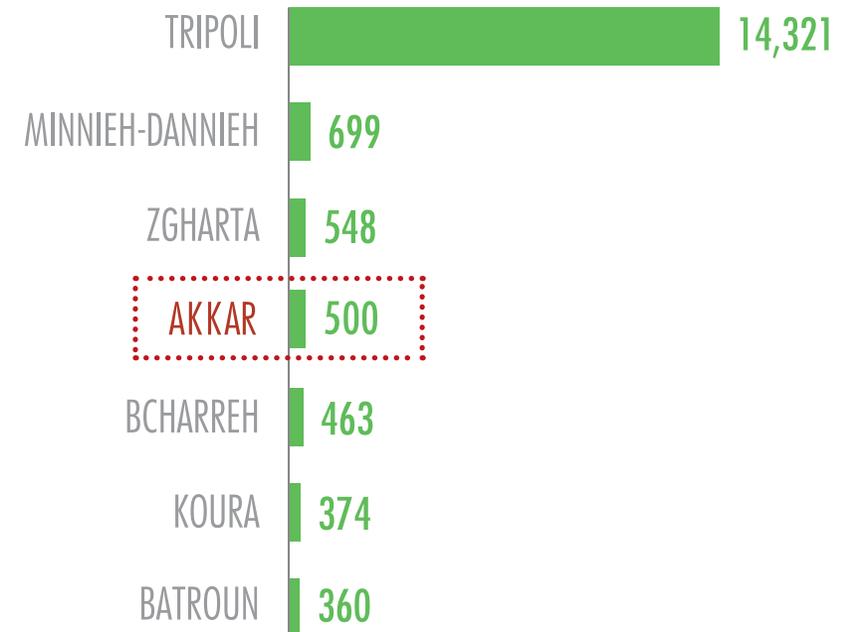
DISTRIBUTION OF POPULATION PER GOVERNORATE  
% | 2016

AKKAR TOTAL POPULATION  
= **389,899**  
POPULATION DENSITY  
= **494 PEOPLE/KM<sup>2</sup>**



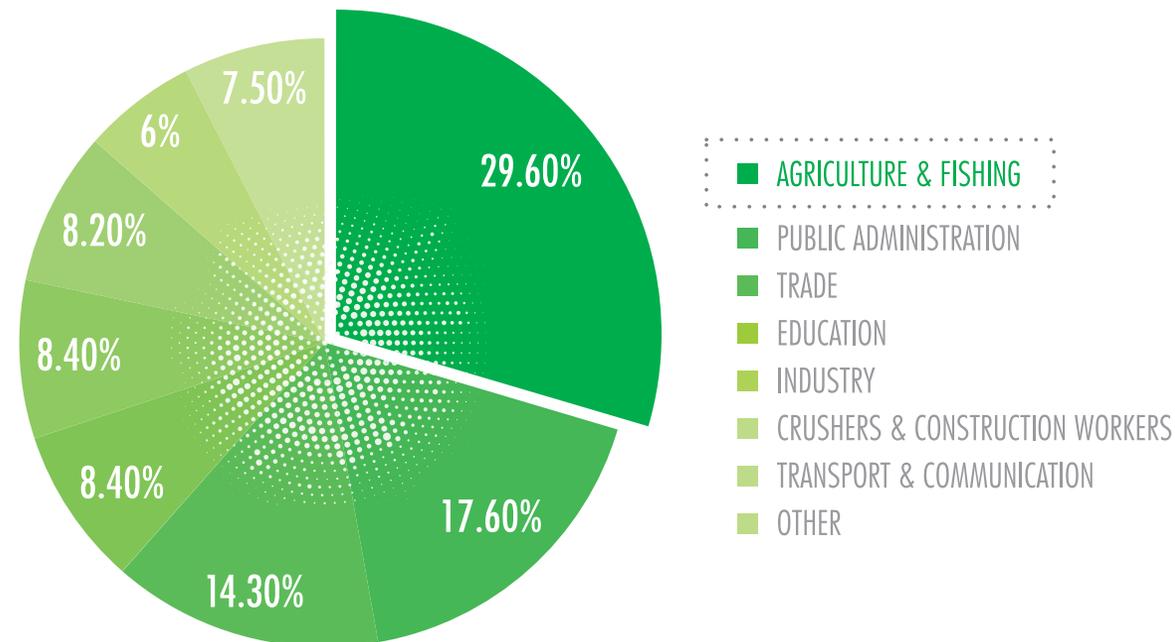
AKKAR TOTAL POPULATION = **389,899**  
POPULATION DENSITY = **494 PEOPLE/KM<sup>2</sup>**

POPULATION DENSITY IN NORTH LEBANON & AKKAR  
(NUMBER OF PEOPLE/KM<sup>2</sup> | 2016)



The economy of Akkar is mainly based on **agriculture and services sector** with 30% of the local labor force engaged in the Agriculture & Fishing sector

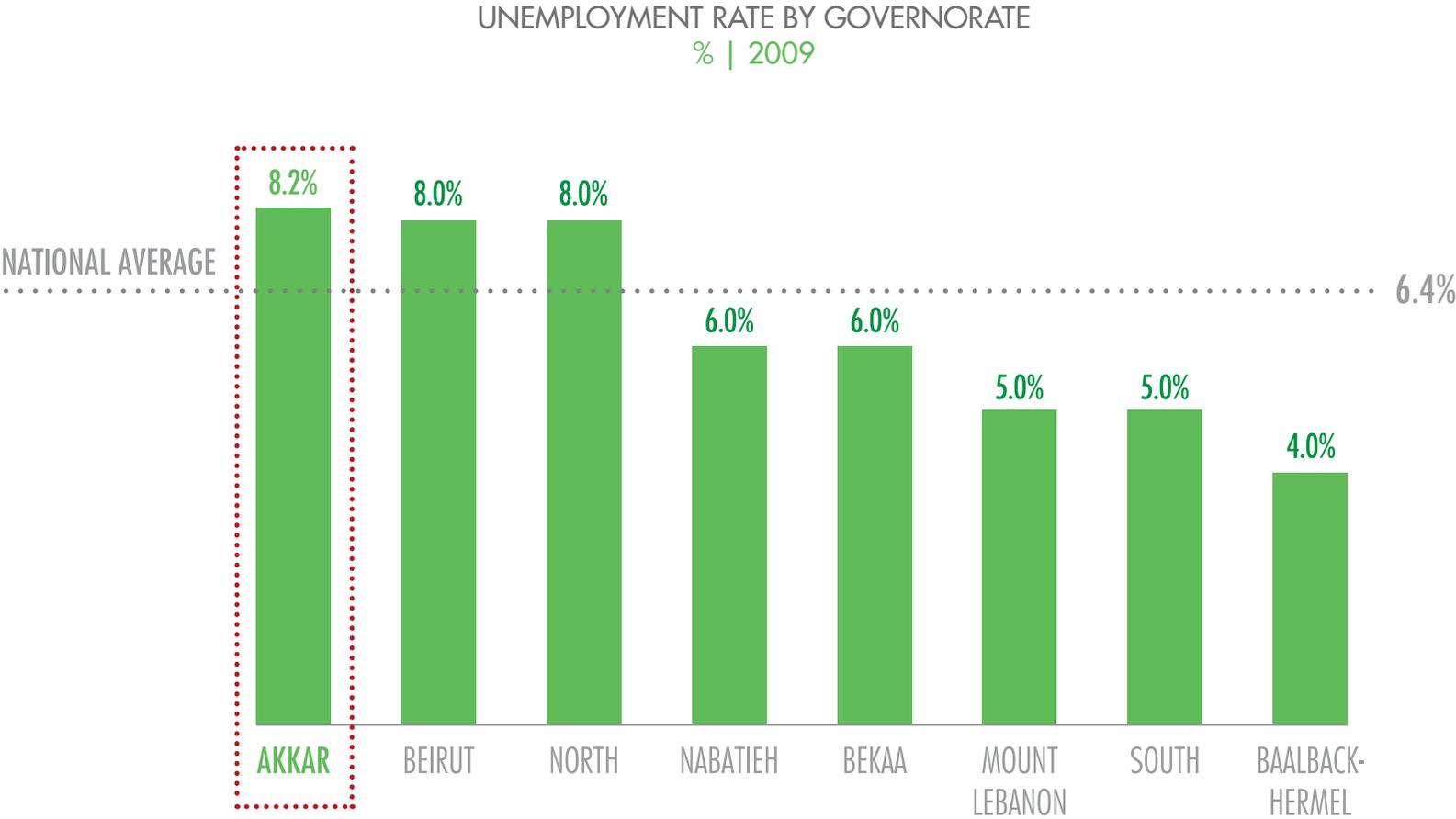
DISTRIBUTION OF LABOR FORCE BY ACTIVITY IN AKKAR  
% | 2008



LABOR IN AGRICULTURE = **25,592**

Source: Mada Association. Forgotten Akkar, 2008

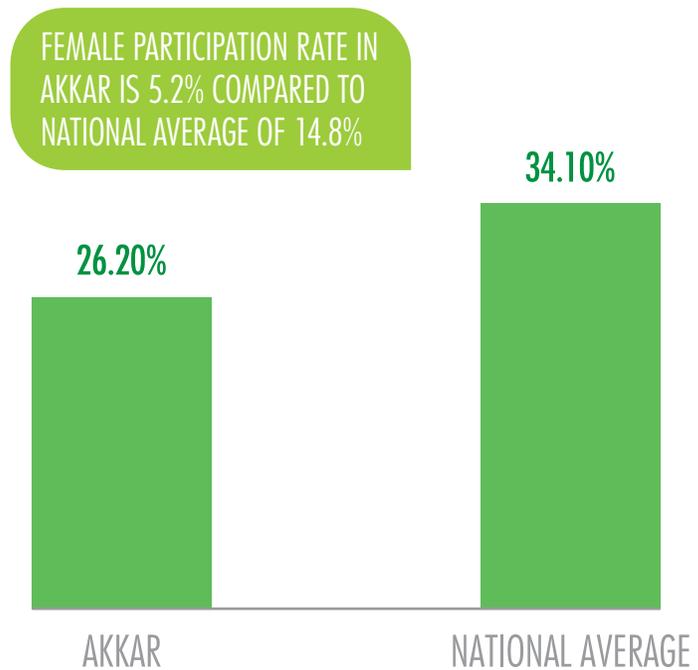
it has the highest unemployment rate in Lebanon estimated at **8.2%** compared to a national average of **6.4%**



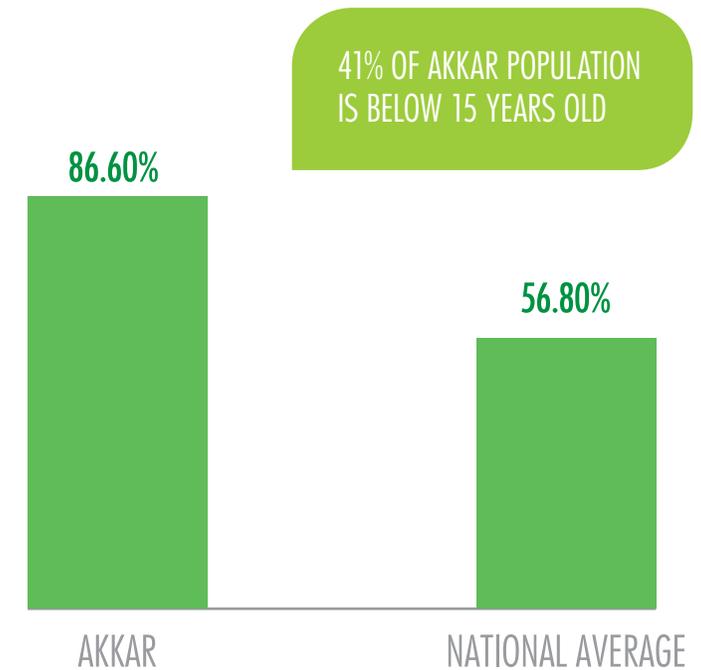
Source: CAS, *The Labour Market in Lebanon* - Najwa Yacoub, Lara Bdre 2011

# The participation rate in the labor force in Akkar is low mainly due to weak female participation rate as well as due to the high age-dependency rate

LABOR FORCE PARTICIPATION RATE



AGE-DEPENDENCY RATE



A scenic landscape featuring a vibrant green field in the foreground, a river or stream winding through the middle ground, and a range of mountains in the background under a bright blue sky filled with fluffy white clouds. The scene is captured from a low angle, emphasizing the vastness of the landscape.

## II. COMPETITIVE ADVANTAGES OF AKKAR

The competitive advantages of the district will be assessed along **4 dimensions**

## DIMENSIONS FOR ASSESSING AKKAR

- 1. ACCESS TO RESOURCES**  
Existing Natural Resources  
Economic Assets
- 2. ACCESS TO MARKETS**  
Infrastructure  
Exports Performance
- 3. ACCESS TO HUMAN CAPITAL**  
Universities & Vocational Schools
- 4. ACCESS TO FINANCE**  
Accessibility Indicators

# 1. ACCESS TO RESOURCES

Akkar is the **2<sup>nd</sup> largest agricultural area in Lebanon** after the Bekaa region due to its abundance in water resources and its fertile soil

SOIL CLASSIFICATION IN AKKAR  
2005



**LEGEND**  
**SOIL CLASSIFICATION**

- VERY GOOD
- GOOD
- MEDIUM
- LOW FERTILITY

MAJOR RIVERS IN AKKAR  
2005



**LIST OF RIVERS:**

- EL KEBIR
- OSTUENE
- ARQUA
- EL BARED

- Major City
- Major River
- River Basin Boundary
- International Border

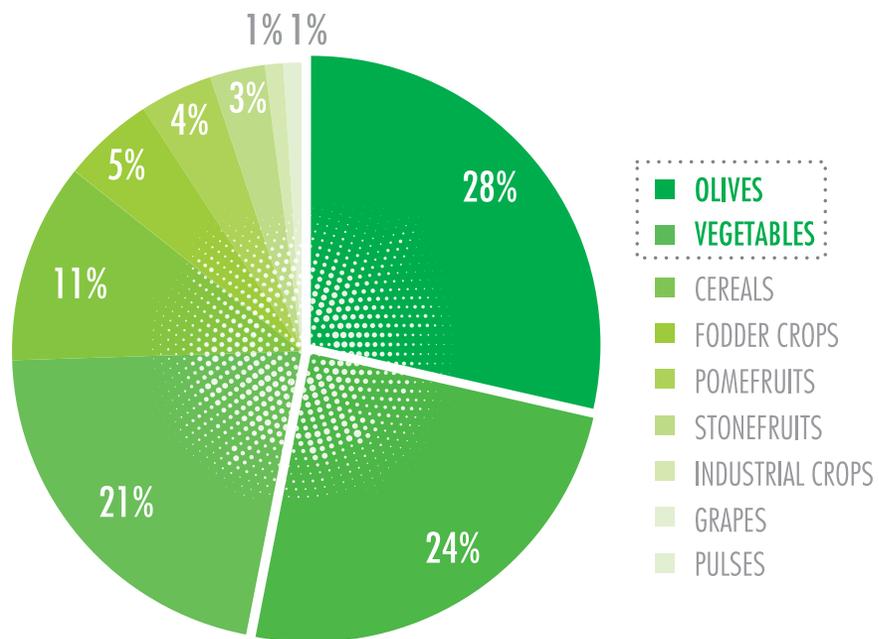
10 0 10 Kilometers

Source: CDR. National Physical Master Plan of The Lebanese Territory, 2005

# 1. ACCESS TO RESOURCES

## More than **50%** of the cultivated land in Akkar is used for the agriculture of **Olives and Vegetables**

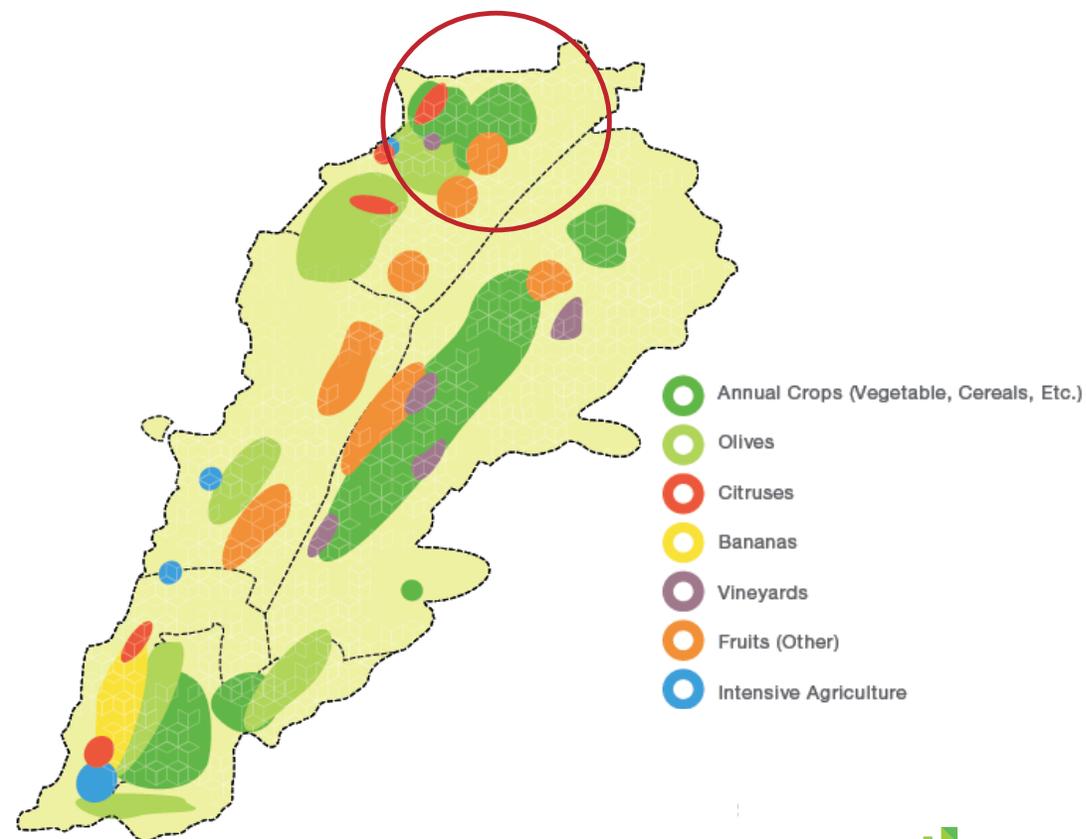
AKKAR PERMANENT & TEMPORARY CULTIVATED LAND PER PRODUCE  
% | 2015



AKKAR'S CONTRIBUTION TO TOTAL AGRICULTURE PRODUCTION= **14%**

Source: Ministry of Agriculture

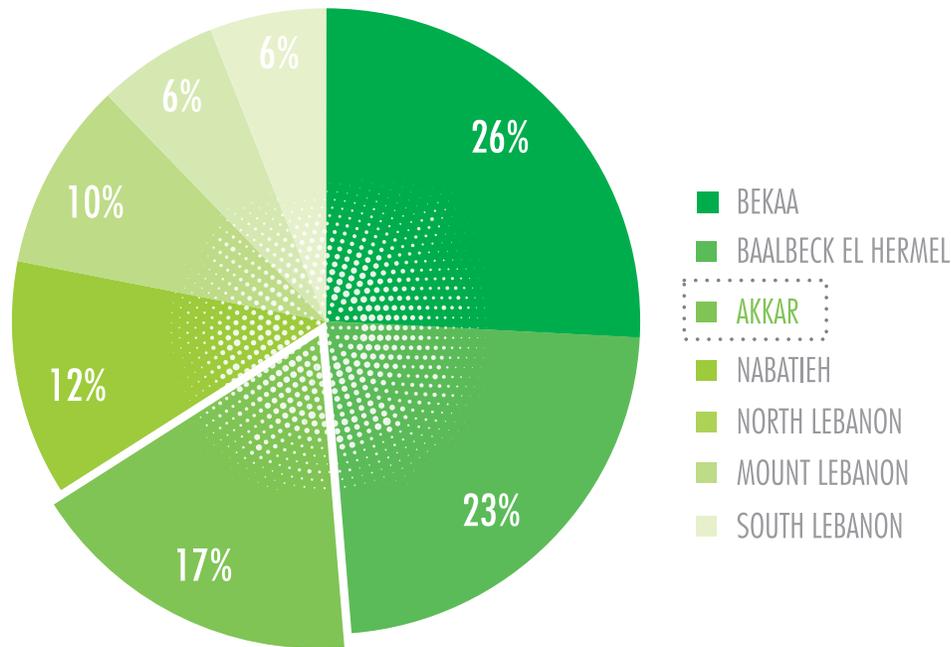
AGRICULTURAL MAP OF LEBANON  
% | 2010



# 1. ACCESS TO RESOURCES

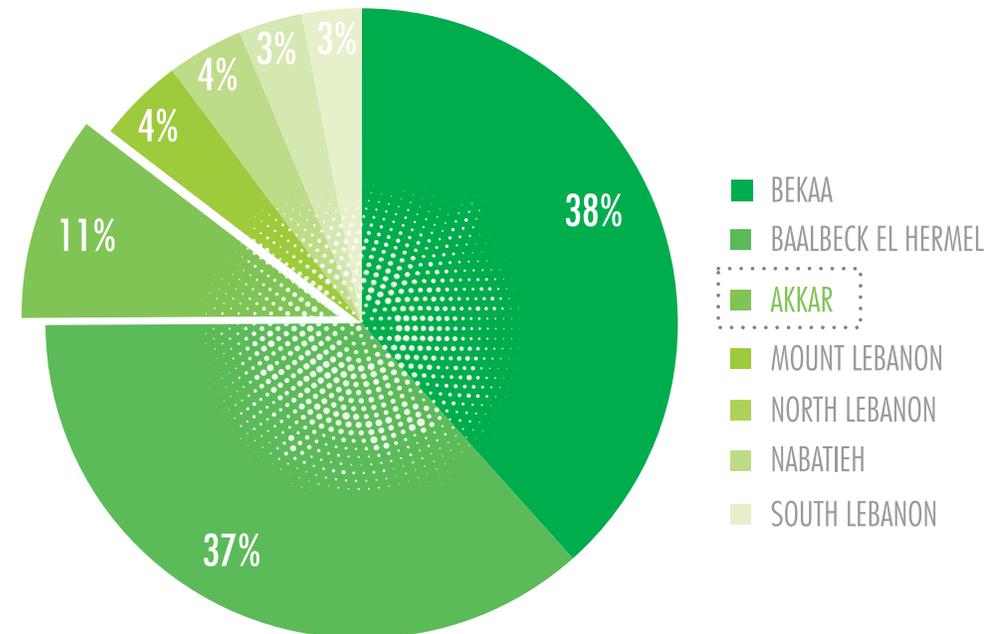
Akkar also has a **rich livestock production** in particular for cattle accounting for **17%** of total cattle heads of the country

DISTRIBUTION OF CATTLE HEADS IN LEBANON  
% | 2015



NUMBER OF CATTLE HEADS IN AKKAR = **16,013**

DISTRIBUTION OF SHEEP HEADS IN LEBANON  
% | 2015



Number of Sheep Heads in Akkar = **38,380**

\* Latest available figures

Source: FAO, Agriculture in Lebanon: Facts and Figures, The Core Module of the Census of Agriculture 2010

## 1. ACCESS TO RESOURCES

Due to its high wind levels, Akkar is embarking on major **wind farm investments led by the private sector**

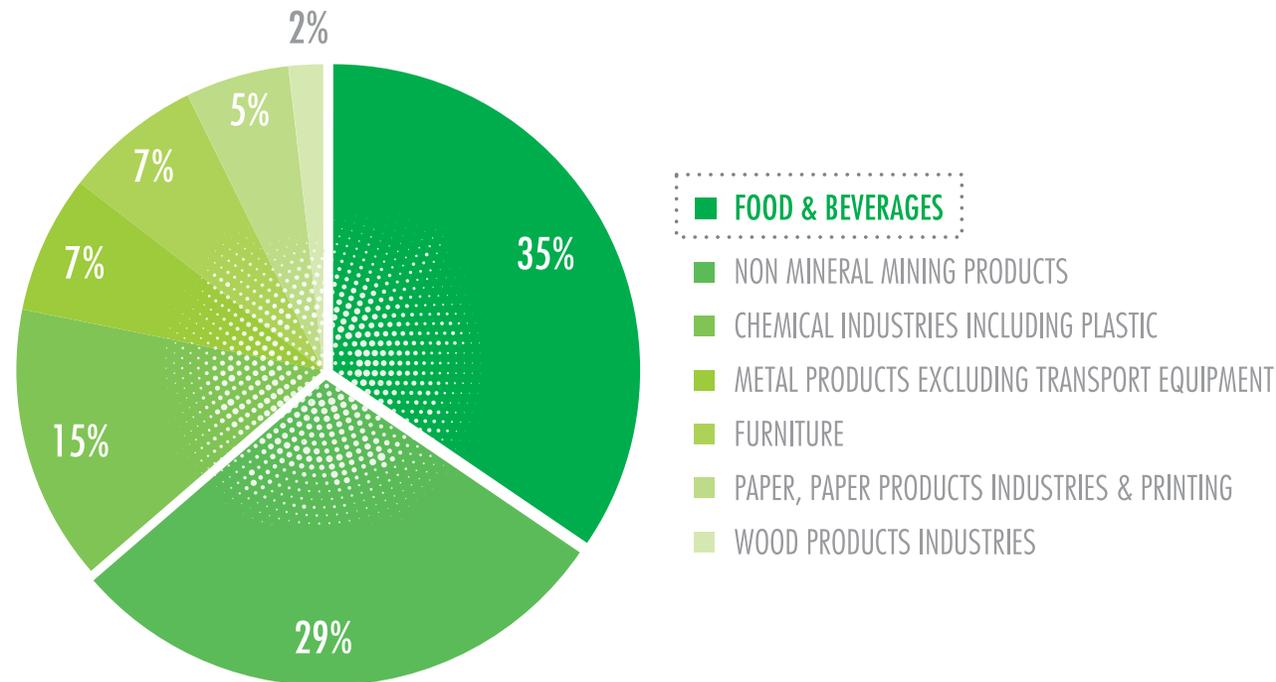


- In 2017, three wind farms in Akkar received a license from the Council of Ministers to produce electricity and sell it to the Government.
- The permits will be operated by Hawa Akkar, Sustainable Akkar, and Lebanon Wind Power, all private sector companies.
- This is the first Power Purchase Agreement (PPA) to be signed by the Lebanese Government since private power sale was sanctioned in 2002 by Law 462 and updated in 2010 by Law 288.
- The wind farms are expected to generate much needed value-added jobs to the residents of the region.

# 1. ACCESS TO RESOURCES

**35%** of industrial companies are operating in the **Agro-Food sector**, followed by **30%** in the **non mineral mining products**

DISTRIBUTION OF INDUSTRIAL FIRMS PER SECTOR IN AKKAR  
% | 2017-2018



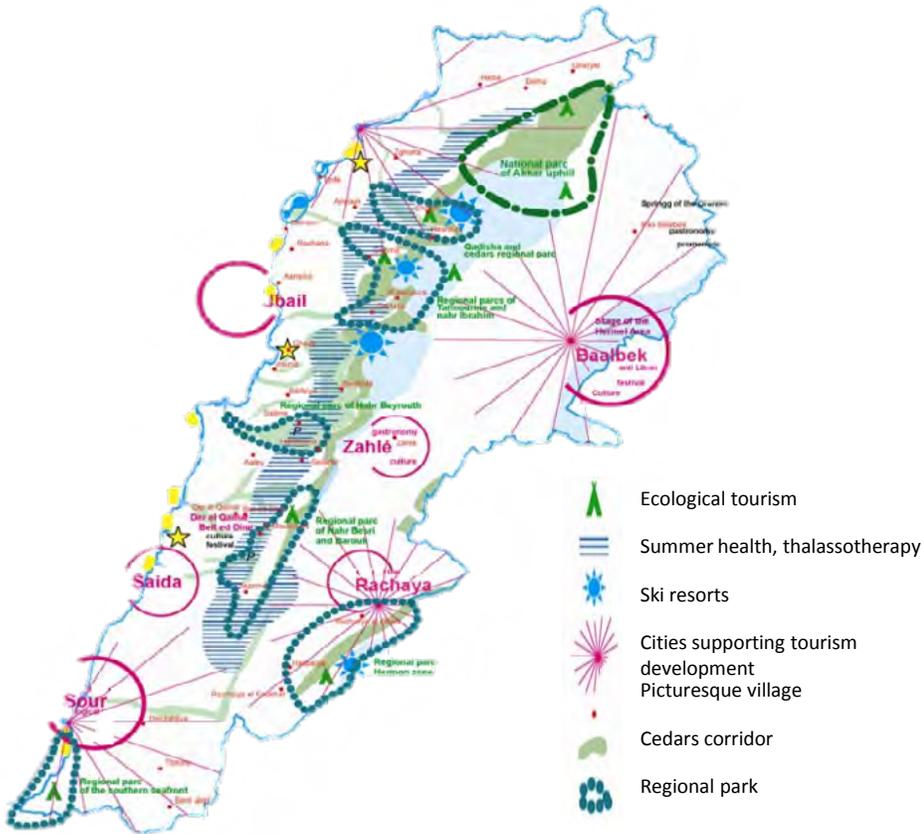
*\*This source only considers firms with at least 8 employees.*

*Source: Directory of Exports & Industrial Firms in Lebanon, 2017-2018 IDAL's calculations*

# 1. ACCESS TO RESOURCES

Akkar also offers endless opportunities of **cultural and eco tourism activities** mainly in Akkar Al Atika, winner of Lebanon's favorite village competition in 2016

MAP OF LEBANON'S TOURISTIC ATTRACTIONS



MAP OF AKKAR'S TOURISTIC ATTRACTIONS



Source: Council for Reconstruction & Development, 2005

# 1. ACCESS TO RESOURCES

Akkar has more than 200 religious and eco-touristic attractions including the **Iron Oaks forest, the largest in the Middle East**

NON EXHAUSTIVE

TOURISTIC ATTRACTIONS IN AKKAR



## NATURAL ATTRACTIONS

- **The forest of the Iron Oaks (Akkar al Atika), the largest in the Middle East**
- Qobayat's Scientific Permanent Museum for Animals, Birds and Butterflies
- Water mills in Andket
- Akkar Al Atika waterfalls, the highest in Akkar
- Ouyoun el Samak cascade in safinet el Qaytaah



## RELIGIOUS ATTRACTIONS

- The Old Mamluk Mosque in Akkar al Atika
- Ghezarta Church in Akkar al Atika
- Saydet al Qalaat Church in Menjiz
- Old Mosque in al Bireh
- Deir Dalloum in Zouk Hadara
- Evangelical Church in Minyara



## CULTURAL ATTRACTIONS

- Old Souk in Halba
- The Citadel of Hosn Akkar
- Qobayat's Scientific Permanent Museum for Animals, Birds & Butterflies
- The historical silk factory in Andket
- Roman temples in Akroum
- Cemeteries of al Salha, Akroum
- Old olive press with caves in Akroum
- Temples in Menjiz
- The old Serail in Burj
- Al Hosn citadel & Nebuchadnezzar in Kfarnoun
- Al Bireh heritage citadel

## 2. ACCESS TO MARKETS

In terms of access to markets, Akkar is located 40 mins away from the port of Tripoli, **Lebanon's 2nd biggest sea port...**

MAP OF TRANSPORTATION INFRASTRUCTURE  
2005



Source: Council for Reconstruction & Development, port of Tripoli

## 2. ACCESS TO MARKETS

In addition, various **infrastructure and logistics** projects are planned in the near future aiming at enhancing the region's access to international markets

### INFRASTRUCTURE & LOGISTICS PROJECTS IN NORTH LEBANON REGION

#### RASHID KARAMI INTERNATIONAL FAIR

- Area of 1 million sqm (not fully operational)
- 5th among the largest exhibition centers in the world
- Includes an exhibition space, a guest house and a theatre with 100 seat capacity

#### QLAYAAT AIRPORT

- Civil & military airport with a runway of 3km by 45m
- The plan is to activate the airport to accommodate commercial planes mainly low cost airlines and general cargo
- Capacity (per year): 1 million passenger and 200,000 tons of freight

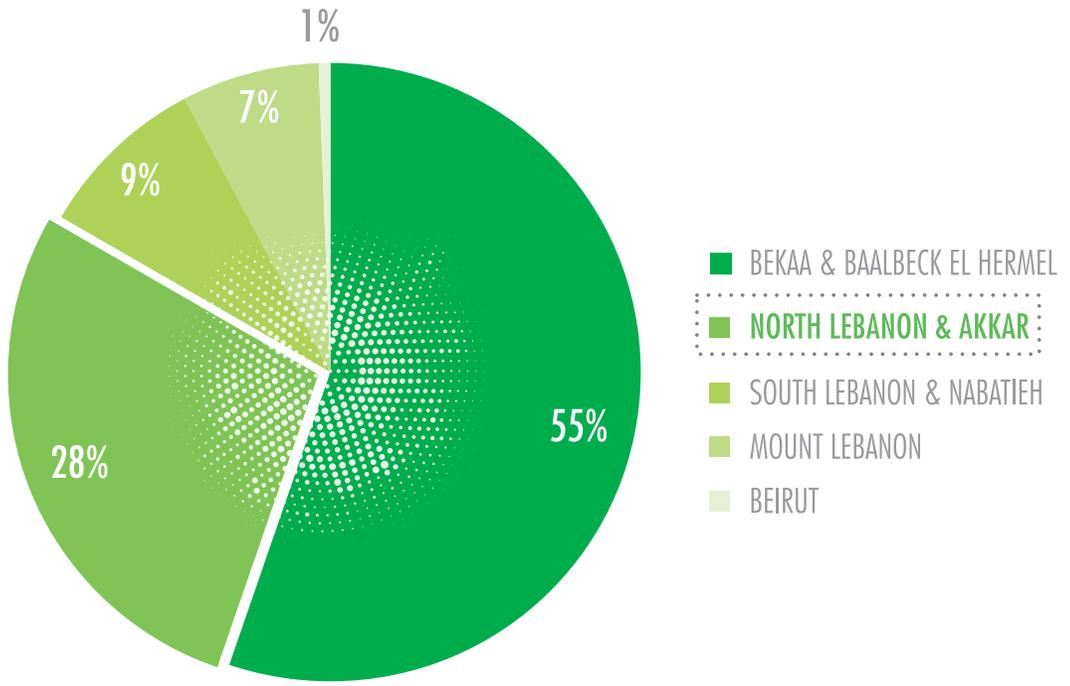
#### TRIPOLI SPECIAL ECONOMIC ZONE (TSEZ)

- Provides companies with fiscal, financial, as well as non-financial incentives.
- TSEZ was established in 2008 through law No 18 which created the framework for the zone and the authority that will regulate it.
- The zone is expected to become operational by 2020

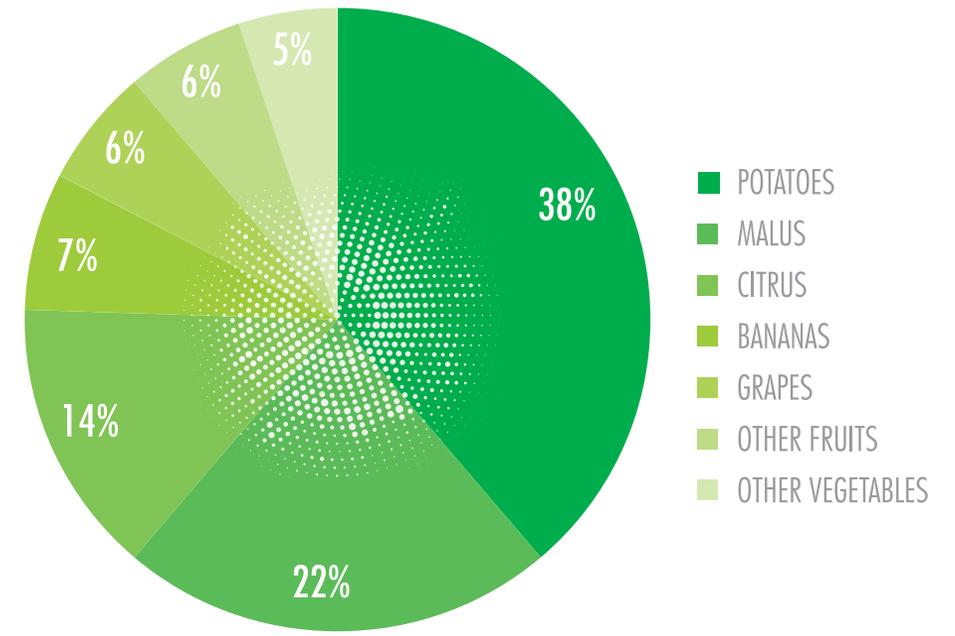
## 2. ACCESS TO MARKETS

The region is a **major exporter of fruits and vegetables** with **28%** of total crops in Lebanon are being exported from North Lebanon & Akkar

LEBANESE EXPORTS IN FRUITS & VEGETABLES BY GOVERNORATE  
% | 2017



LEBANESE CROP EXPORTS  
% | 2017

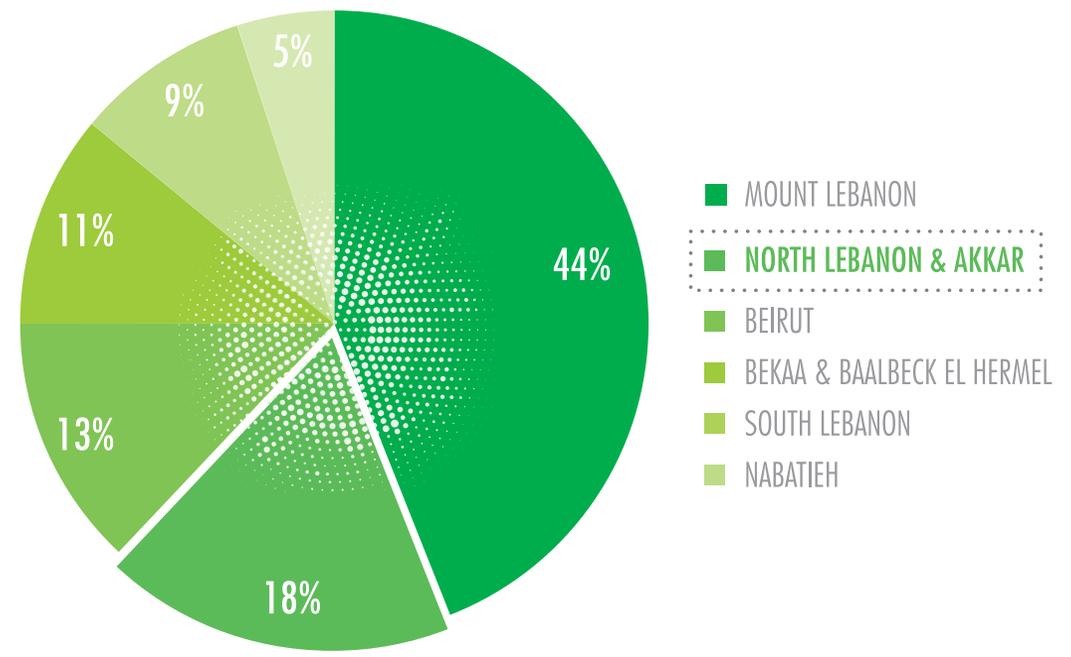


Source: IDAL's Calculations

### 3. ACCESS TO HUMAN CAPITAL

**18%** of total Lebanese labor force is located in North Lebanon & Akkar, the **second highest share in the country** after Mount Lebanon

DISTRIBUTION OF LABOR FORCE BY GOVERNORATE  
% | 2004

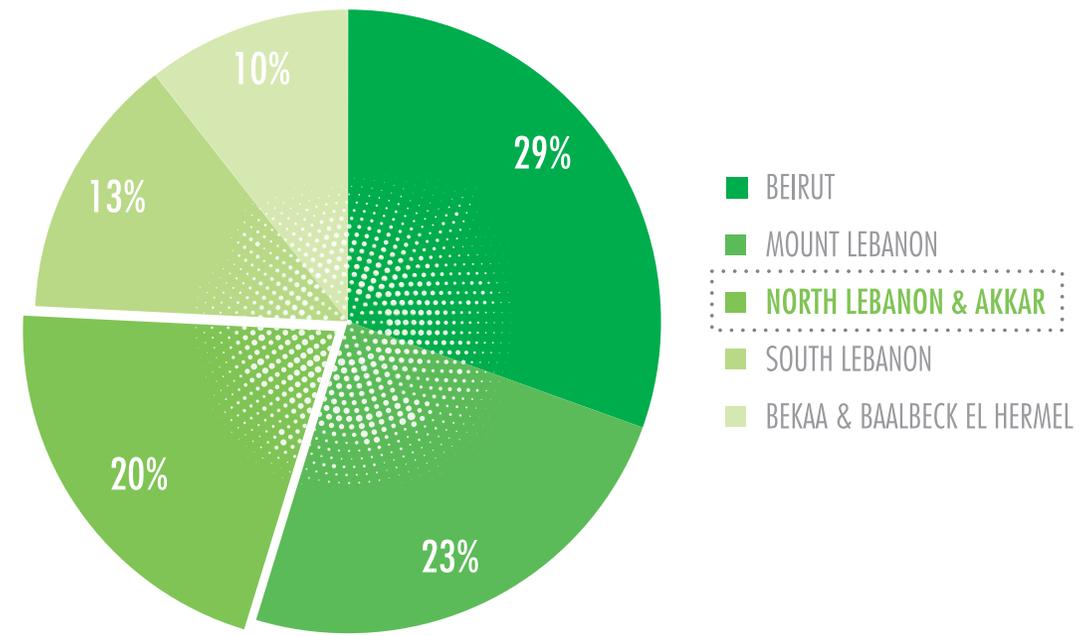


Source: Central Administration of Statistics, 2004

### 3. ACCESS TO HUMAN CAPITAL

Akkar region has access to **high-quality educational establishments** distributed in the North of the country

DISTRIBUTION OF PRIVATE UNIVERSITIES PER GOVERNORATE  
% | 2017

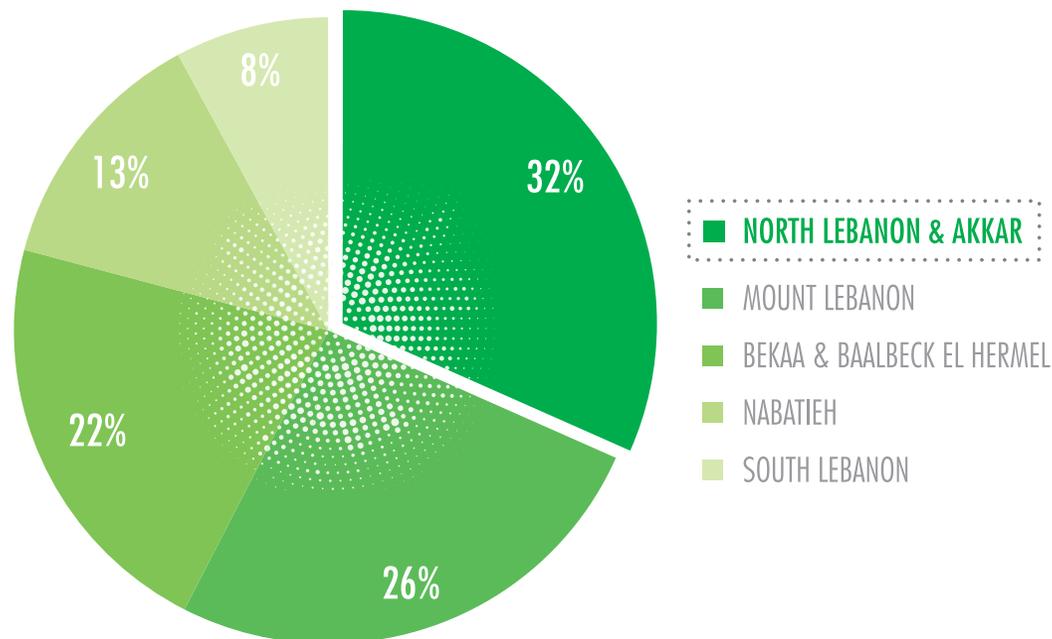


Source: Ministry of Education & Higher Education, IDAL Analysis

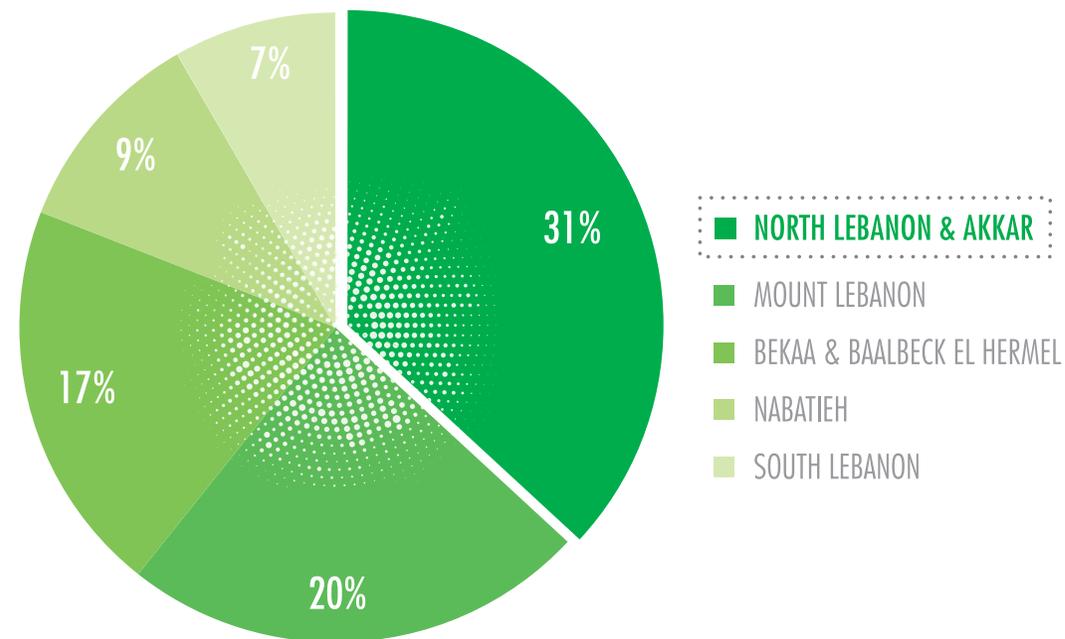
### 3. ACCESS TO HUMAN CAPITAL

The region is also home to **the largest number of vocational and technical schools** in the country with a share of 32%

DISTRIBUTION OF PUBLIC TECHNICAL SCHOOLS BY GOVERNORATE  
2016-2017



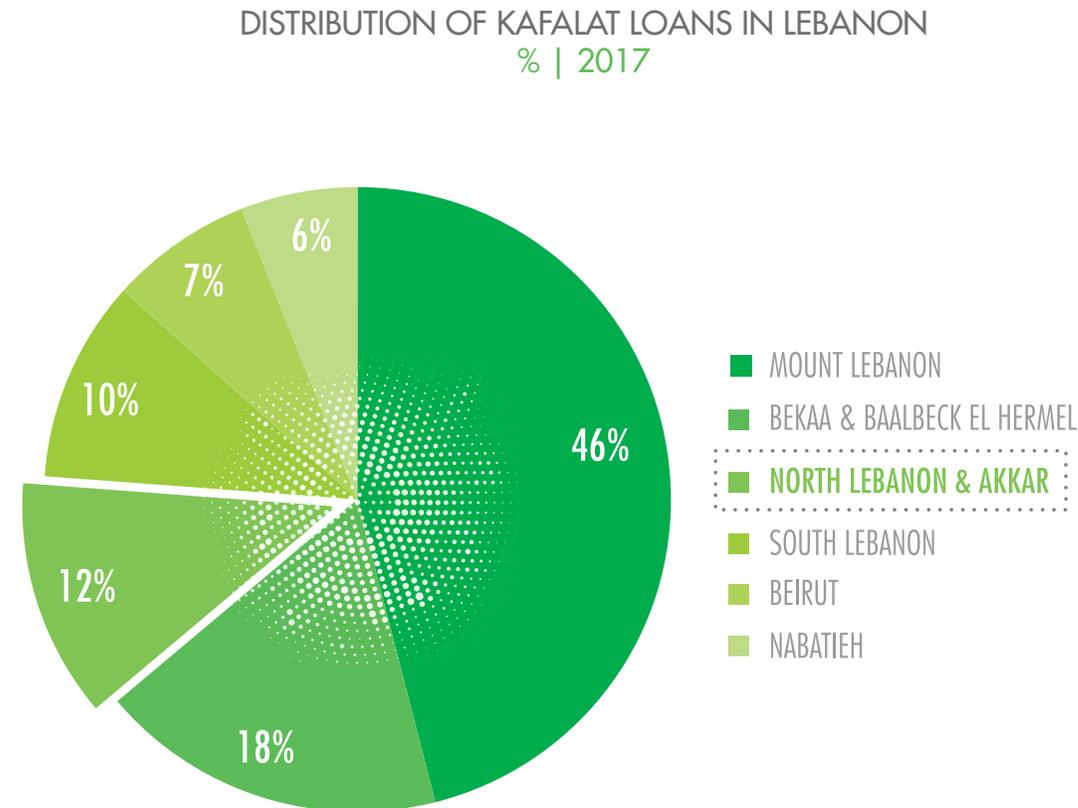
DISTRIBUTION OF PUBLIC TECHNICAL SCHOOL STUDENTS BY GOVERNORATE  
2016-2017



Source: The Center for Educational Research and Development, 2017

## 4. ACCESS TO FINANCE

Akkar is considerably better off in accessing finance than other regions in Lebanon with **12% of kafalat loans** are provided to projects in Akkar and North Lebanon



Source: Kafalat

The competitive advantages of the district can be summarized as follow

## DIMENSIONS FOR RATING AKKAR

1.

### ACCESS TO RESOURCES

- **Natural Resources:** 4 rivers, high wind levels and fertile land on the coast
- **Economic activities:**
  - 35% of industrial firms operate in the Agro-food sector
  - Rich livestock production with 17% of total cattle heads are located in Akkar

2.

### ACCESS TO MARKETS

- **Infrastructure:** access to the second largest seaport in addition to planned infrastructure and logistics projects to enhance access to international markets
- **Exports:** 28% of Lebanese fruits and Vegetables are exported from North Lebanon & Akkar

3.

### ACCESS TO HUMAN CAPITAL

- **Universities:** 18 universities offering business and law, and engineering programs
- **Technical & Vocational schools:** 32% of public technical schools are offering vocational courses in North Lebanon and Akkar
- **Labor pool:** Around 30% of the local labor force is engaged in the Agriculture sector

4.

### ACCESS TO FINANCE

- **Financing:** North Lebanon & Akkar is the third largest recipient of kafalat loans in Lebanon



### **III. CLUSTER DEVELOPMENT STRATEGY FOR AKKAR**

Based on the comparative advantages of the Governorate, **IDAL identified 2 main high-value clusters** that can be strengthened to increase their competitiveness

## 1. MEAT PROCESSING CLUSTER IN HALBA



## 2. WELLNESS CLUSTER IN AKKAR AL ATIKA



# The Meat processing cluster will be developed based on the existing natural resources and economic strengths of Akkar

## 1. MEAT PROCESSING CLUSTER IN HALBA



### STRENGTHS

- Availability of agricultural land;
- **Availability of more than 11,000 Cattle heads** which constitutes 16% of total cattle heads in Lebanon;
- Ideal climate for livestock farming;
- Availability of agricultural labor pool: 30% of total labor force in Akkar is engaged in agriculture-related activities.

### WEAKNESSES

- **Modest economies of scale;**
- **Lack of automation & industrialization** in the dairy and meat processing sector;
- **Deficiency in export market knowledge:** Exports of processed meat constitute less than 1% of total Lebanese exports.

Various **upcoming opportunities** are expected to boost the meat processing sector in the governorate and make it more competitive

## 1. MEAT PROCESSING CLUSTER IN HALBA



### OPPORTUNITIES

- **Strong regional demand:** GGC countries imports 50,000 tons of processed meat products per year;
- The meat industry is focusing more on premium charcuterie & sausage lines which have an added functional benefits;
- Rising demand for high protein meat snacks with healthier ingredients.

### RISKS

- Issues in **quality and standards** and export restrictions;

The Cluster Development Strategy for the Meat Processing can create high value added jobs in Akkar and raise the competitiveness of the livestock industry

## THE PROPOSED TRIPLE HELIX MODEL FOR CLUSTER DEVELOPMENT

### RESEARCH & DEVELOPMENT INSTITUTES

- INDUSTRIAL RESEARCH INSTITUTE
- LEBANESE UNIVERSITY IN NORTH LEBANON
- OTHER PRIVATE UNIVERSITIES IN NORTH LEBANON

### PRIVATE SECTOR

- LIVESTOCK FARMERS
- FEEDING STATIONS
- MEAT PROCESSING FACTORIES
- DISTRIBUTORS
- EXPORTERS

### GOVERNMENT



### SUPPORT INSTITUTIONS



As currently meat processing doesn't exist in Akkar region, IDAL will have to intensify its efforts to attract investors from the region and outside of it to **build this new cluster**

## EXAMPLE

### MEAT PROCESSING CLUSTER\*\* - HIGH-LEVEL CONCEPT

**PRODUCTION HOUSES** With an area of 15 ha (150,000m<sup>2</sup>) and Include:

- Slaughterhouses
  - Feedlots, Feed mills
  - Sausage making and meat processing plants with a capacity of 65,000 tons/year (15,000 tons for local consumption and 50,000 tons for export\*\*\*)
  - Cold storage facilities
  - Auxiliary facilities such as food packaging centers
- 
- R&D Centers and Incubators (5 ha) to develop new highly productive breeds of livestock
  - Vocational Education and Training (VET) at the following levels: industrial slaughter, food processing and sausage making And food safety

### SHOWROOM (2 HA)

Includes around 9 wholesalers & food retailers in addition to agreements international distributors

### MEAT PROCESSING CLUSTER - HIGH-LEVEL DESIGN CONCEPT



#### Note:

\*This value was selected based on benchmarking meat processing clusters in other countries which have similar characteristics (cluster's specialization, size, and production capacity)

\*\*The estimated total investment for the cluster is around USD 150 million including cost of facilities construction, meat processing equipment, and cold storage facilities

\*\*\*The estimated production capacity is based on the Lebanese local consumption and GCC countries imports of processed meat products

The region can also be recognized as a regional destination for the **Spa & Wellness services** given its secluded nature and stunning landscape...

## 2. WELLNESS CLUSTER IN AKKAR AL ATIKA



### STRENGTHS

- **More than 100 natural reserves and sites**
- A wealth of scenically undiscovered areas
- **Availability of quiet environment** for health and rehabilitation resorts
- **Ideal Climate for outdoor activities** (biking, caving, hiking and paragliding)
- **Rich cultural heritage** which is ideal for the spa and wellness sector
- Access to beach, mountain trail and countryside locations

### WEAKNESSES

- Low skilled labor force in the tourism industry;
- **Limited government support** for the sector in the region
- Low quality of available hospitality units in Akkar;
- **Shortage in branded hotels** (boutique, 3 & 4 stars hotels), resorts and spa facilities in Akkar;

...If it is able to **mitigate the risks and attract a high-quality hospitality brand** that can become the anchor of the cluster

## 2. WELLNESS CLUSTER IN AKKAR AL ATIKA



### OPPORTUNITIES

- **Greater awareness and demand** for healthy eating, meditation yoga, detox programs and other wellness services ;
- **Medical tourists** constitute 20% of the total number of patients in Lebanese hospitals;
- **Local & regional demand** for spa products created from natural resources.

### RISKS

- Increased regional competition;
- Lack of uniform quality standards & controls;
- Security & violence from political conflicts.

# The Cluster Development Strategy for the Wellness sector will gather leaders in the tourism and wellness industry

## THE PROPOSED TRIPLE HELIX MODEL FOR CLUSTER DEVELOPMENT

### RESEARCH & DEVELOPMENT INSTITUTES

- BALAMAND UNIVERSITY
- LEBANESE UNIVERSITY IN TRIPOLI
- OTHER PRIVATE UNIVERSITIES IN NORTH LEBANON

### PRIVATE SECTOR

- BUNGALOWS & RESORTS OPERATORS;
- GYMS, SPA, YOGA & DETOX OPERATORS;
- TRAVEL AGENCIES & TOUR OPERATORS.

### GOVERNMENT



### SUPPORT INSTITUTIONS



The **public private partnership** between the various actors of the cluster is expected to make it more effective and productive

## THE TRIPLE HELIX MODEL FOR CLUSTER DEVELOPMENT

### RESEARCH & DEVELOPMENT INSTITUTES

**R&D centers can assist the cluster members by:**

- Providing advice on new techniques of production and processing
- Accelerate innovation in the cluster and upgrade of quality of production

### PRIVATE SECTOR

▪ Those private sector players are at the core of the cluster.

- Through membership and commitment to the cluster, they can upgrade the marketing channels of the cluster, the branding, and ensure the sustainability of the cluster initiative.

### GOVERNMENT

**IDAL can assist the cluster members by:**

- Accessing funding for member firms
- Providing incentives
- Coordinating with the various stakeholders of the cluster

### SUPPORT INSTITUTIONS

**Support institutions can assist the cluster members by:**

- **Technical know-how**
- **Training & networking events**

# CONTACT US

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