

The Tripoli Special Economic Zone (TSEZ) is the first project of its kind to develop a multi-use economic zone complete with all the required infrastructure and utilities. The TSEZ Law No. 18, was passed by the Lebanese Parliament in 2008 establishing the zone on a 50-hectare site adjacent to the Port of Tripoli. The creation of the TSEZ will attempt to overcome the barriers that have historically stymied foreign direct investment and prevented many local private sector businesses from expanding their operations in Lebanon.

#### TSEZ VISION AND MISSION

The TSEZ Board of Directors has adopted the following vision and mission statement for the TSEZ:

**Vision:** The Tripoli Special Economic Zone will be set up to be the focal trading and business platform for potential investors and a model for doing business in Lebanon thus acting as a catalyst for sustainable economic growth and a lever for the development of Tripoli and the North of Lebanon

**Mission:** To provide a streamlined and transparent business environment, develop state-of-the-art infrastructure services, build human resource capacities, and bolster SME capabilities in order to attract local and foreign investors and expand Lebanon's export potential with the aim of building a diversified and sustainable economy with significant job opportunities.

#### HIGHLIGHTS

- A true Free Economic Zone in the region and the only such economic zone in Lebanon
- Situated in Tripoli - the second largest city in Lebanon - thus leveraging local human-resource and raw-material capacities
- Strategic location - as it lies on the shortest path out to Syrian-Turkish trade routes, connecting east and west
- Easy access to the growing economies of the Gulf, Levant, and North Africa
- Substantial financial, administrative and fiscal incentives with no tax holiday limitations
- Plans for world-class infrastructure facilities are on the drawing board (railroad, port, telecommunications, roads, highways)
- Directly adjacent to the Port of Tripoli along the East Mediterranean coast
- Planned to include three business parks: for trading and services; for light industries, warehousing, and logistics; and for manufacturing
- Highly creative and multilingual labor force, and relatively low-cost skilled labor
- European-standard living conditions at low cost, low crime rate, pleasantly moderate climate, beautiful mountain resorts and beaches, and reputable educational and medical facilities
- Entrepreneurial private-sector environment and free-market economy

#### PORT OF TRIPOLI SITE

Located within an industrial area in Tripoli on industrial-designation land.

Reclamation works initiated with expected completion end 2016

#### RACHID KARAMI FAIR: FUTURE POTENTIAL SITE

- Situated in the southern quadrant of the City of Tripoli next to the coastal highway
- In close proximity to the central business district of Tripoli, and 600 meters from the seaside
- Originally designed by Brazilian architect Oscar Niemeyer
- Total area of approximately 100 hectares.



#### INFRASTRUCTURE

##### PORTS

The Port of Tripoli has a 600-meter-long, 15.5-meter-deep quay. Gulftainer, a UAE-based independent port-management company, has been awarded the concession to develop and operate the new container terminal. In the first phase, the terminal will be able to handle 400,000 containers a year. In the second phase it will be equipped to process 800,000 containers per year.

##### RAILWAYS

Both sites are in close proximity to the planned railroad network linking Tripoli to the Syrian border. Reconstruction of the 35-kilometer rail link between Tripoli and the Syrian border has been agreed with the Government of Syria. This will allow freight to move inland from the Port of Tripoli over the Syrian rail network.



#### TELECOMMUNICATIONS

Tripoli is the landing point of the India-Middle East-Western Europe submarine communications cable system between India and France. The node is very close to both TSEZ sites.



#### ROADS

Both sites are directly linked by road to the coastal highway, which has access to Lebanon's hinterland, Syria, and beyond. Tripoli is 22 kilometers from the Syrian border, 70 kilometers from Beirut, and 80 kilometers from Rafic Hariri International Airport.

#### FISCAL INCENTIVES PROVIDED BY LAW

- 100% customs exemption on imported raw material
- Duty-free export of finished goods
- Duty-free import of construction material, equipment, office machinery, and spare parts
- 100% exemption on VAT and excise tax for goods and services destined for exports
- 100% exemption on corporate profit tax (provided that not less than 50% of the workforce is Lebanese and the value of fixed assets or capital is greater than US\$300,000)
- 100% exemption on withheld tax on salaries for employees of tenants and on social security contributions
- 100% exemption on building permits fees and built property tax
- 100% exemption on shares and bonds issued by companies within TSEZ

#### FINANCIAL AND ADMINISTRATIVE INCENTIVES PROVIDED BY LAW

- Total capital and profit repatriation
- Unrestricted currency conversion
- 100% foreign ownership of companies permissible
- Flexible labor-law regulations with up to 50% foreign labor allowed
- No limitation on local-market sales as a percentage of production
- No nationality conditions for board-of-directors representation
- Equal treatment for foreign and local investments
- No restrictions (export licenses) for local suppliers selling products to firms in the zone
- One-stop shop: All business procedures streamlined through one bureau in the zone
- Investments may combine incentives provided under the TSEZ law with incentives provided by IDAL's (Investment Authority in Lebanon) Investment Promotion Law.

#### ADDITIONAL INCENTIVES

By law, power is allowed to be generated in the TSEZ by third-party private providers. Thus, the potential exists for uninterrupted and affordable power in the TSEZ. TSEZ will develop a secure environment around the sites, including security staff and full security systems. TSEZ sites are far from the areas that have witnessed security conflicts in the past.



#### COMPLEMENTARY POLICIES AND SAFEGUARD MEASURES

The TSEZ Authority will adopt an environmental policy that commits to long-term protection of environmental quality and human health and safety by providing sufficient financial support for environmental and social programs, educating and training employees on these programs.

The TSEZ Authority will adopt labor policies that will guarantee labor rights as per international labor standards and ensure the social and safety protection of its employees and of the workers employed by the TSEZ tenants.

The TSEZ Authority will adopt an emergency response plan aimed at minimizing employee exposure to risk of injury and limiting potential impact on the environment in emergency situations.



#### MANAGEMENT BOARD

The TSEZ is managed by an Authority, which includes a Board of Directors comprising a President and six members from the private sector, who serve for five-year renewable terms. The Board of Directors is the highest governing body of the TSEZ Authority.

The Authority is designed to be a distinct legal entity, having administrative and financial autonomy, but with managerial oversight from the Prime Minister. The primary duties of the Authority are to develop the Tripoli Special Economic Zone, attract investors, and promote international trade. More specifically, the Authority is mandated to grant licenses to enterprises in the zone, contract with outside developers or operators, coordinate the public policy inputs of the zone, and monitor performance and compliance of TSEZ activities.

The TSEZ Law allows for the Authority to contract private entities to develop and/or operate the zone.

