

Lebanon

Key indicators

| | |
|--|---------------------|
| Population (millions) | 4.6 |
| GDP (\$ billions) | 51.8 |
| GDP per capita (\$) | 11270.6 |
| Share of world GDP (PPP\$, %) | 0.1 |
| Current account surplus/deficit, share of GDP (%) | -20.4 |
| Tariff preference margin (percentage points) | 4.2 |
| Imports and exports (goods and services), share of GDP (%) | 111.6 |
| Services exports, share of total exports (%) | 80.6 |
| Geographic region | Asia |
| Country group | |
| Income group | Upper-middle income |

SME Competitiveness Grid Summary

| Average scores [0-100] | Compete | Connect | Change |
|------------------------|---------|-------------|--------|
| FIRM CAPABILITIES | | | |
| Small | 44.7 | 43.4 | 44.3 |
| Medium | 61.7 | 62.8 | 66.2 |
| Large | 83.5 | 88.8 | 67.3 |
| All | 52.4 | 51.1 | 54.2 |
| BUSINESS ECOSYSTEM | 46.2 | 63.8 | 47.0 |
| NATIONAL ENVIRONMENT | 51.9 | 68.3 | 49.3 |

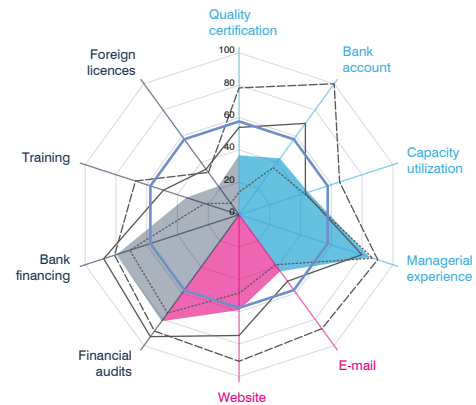
Reference level: 57.6 (a function of GDP per capita)

Weaknesses are scores below: 28.8 | **Strengths are scores above: 86.4**

SME Competitiveness Grid

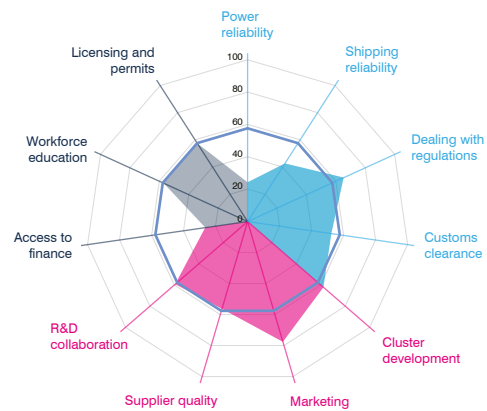
FIRM CAPABILITIES (Normalized scores)

| Compete | Small | Medium | Large | All |
|-----------------------------------|-------------|-------------|--------------|-------------|
| International quality certificate | 13.9 | 53.9 | 78.4 | 36.7 |
| Bank account | 36.0 | 69.7 | 100.0 | 43.0 |
| Capacity utilization | 42.3 | 43.2 | 65.3 | 45.0 |
| Managerial experience | 86.9 | 79.8 | 90.1 | 84.9 |
| Connect | | | | |
| E-mail | 38.2 | 50.9 | 87.1 | 43.3 |
| Firm website | 48.5 | 74.6 | 90.6 | 58.9 |
| Change | | | | |
| Audited financial statement | 75.2 | 93.2 | 88.9 | 81.4 |
| Investment financed by banks | 71.0 | 88.0 | 80.9 | 79.4 |
| Formal training programme | 22.5 | 49.1 | 67.3 | 34.2 |
| Foreign technology licences | 8.6 | 34.8 | 32.3 | 21.8 |



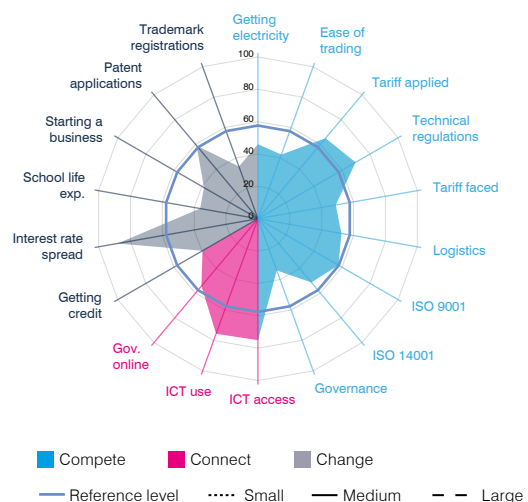
BUSINESS ECOSYSTEM (Normalized scores)

| Compete | Small | Medium | Large | All |
|--|-------------|-------------|--------------|-------------|
| Power reliability | 26.2 | 21.3 | 21.9 | 24.2 |
| Domestic shipping reliability | 32.4 | 72.8 | 100.0 | 42.7 |
| Dealing with regulations | 63.4 | 69.2 | 68.6 | 65.4 |
| Customs clearance efficiency | 49.0 | 50.0 | 70.7 | 52.4 |
| Connect | | | | |
| State of cluster development | | | | 62.1 |
| Extent of marketing | | | | 77.6 |
| Local supplier quality | | | | 56.3 |
| University-industry collaboration in R&D | | | | 59.2 |
| Change | | | | |
| Access to finance | 25.4 | 28.2 | 28.5 | 26.5 |
| Access to educated workforce | 54.3 | 64.0 | 56.1 | 57.2 |
| Business licensing and permits | 65.1 | 51.4 | 35.1 | 57.5 |



NATIONAL ENVIRONMENT (Normalized scores)

| Compete | All |
|--|-------------|
| Getting electricity | 46.0 |
| Ease of trading across borders | 42.2 |
| Applied tariff, trade-weighted average | 65.0 |
| Prevalence of technical regulations | 69.7 |
| Faced tariff, trade-weighted average | 48.9 |
| Logistics performance index | 52.4 |
| ISO 9001 quality certificates | 57.5 |
| ISO 14001 environmental certificates | 51.3 |
| Governance index | 34.0 |
| Connect | |
| ICT access | 75.1 |
| ICT use | 75.6 |
| Government's online service | 54.3 |
| Change | |
| Ease of getting credit | 39.6 |
| Interest rate spread | 88.1 |
| School life expectancy | 36.3 |
| Ease of starting a business | 38.5 |
| Patent applications | 59.0 |
| Trademark registrations | 34.3 |



Note: Scores range from 0 to 100, a higher score indicates a better outcome. Series with missing data are indicated as (-) in the tables and omitted from the radar charts.

Source: World Bank Enterprise Survey (2013) for firm level data; for other sources and methodology see Annex.

SME Export Potential

Lebanon is an upper-middle income country with a population of 4.6 million and GDP of \$51.8 billion. Goods and services account for 19.4% and 80.6% of exports, respectively.

The country's unrealized potential to increase existing exports of goods lies within its home region and to Africa (see table below). *Articles of jewellery* have an unrealized export potential of around \$123 million in the home region. Other products with unrealized potential in the home region and to Africa include *generating sets* and *printed books*.

Regarding new export products, Lebanon has diversification opportunities in metals, machinery, carpets, as well as beverages with products such as *wire of non-alloy aluminium* and *wind-powered generating sets*. The production of the former good scores relatively well on the price stability indicator. Other products for diversification include *carpets and other floor covering* and *grape must*.

Small firms in Lebanon perform well in managerial experience and audited financial statements. They underperform, however, in owning internationally recognized quality certifications and foreign technology licences, and offering formal training programmes to employees. The largest gap between small and large firms lies in domestic shipping reliability. The country's national environment performs well in interest rate spread.

Unrealized potential: Existing export products

| Product description | Product code | Exports (\$ million) | Value of unrealized potential exports by destination (\$ million) | | | | | Development indicators | | | | | | |
|---|--------------|----------------------|---|----------|------|--------|---------|------------------------|--------------|----------------|------------|-------|-------|-------|
| | | | Africa | Americas | Asia | Europe | Oceania | Price stability | SME presence | Women employed | Technology | | | |
| Articles of jewellery and parts thereof, of precious metal other than silver, whether or not plated or... | 711319 | 271 | 123 | 0 | 123 | 123 | 0 | 0 | 0 | 0 | Red | Green | Red | Red |
| Generating sets with compression-ignition internal combustion piston engine "diesel or semi-diesel... | 850211 | 60 | 60 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Red | Red | Red | Red |
| Printed books, brochures and similar printed matter (excluding those in single sheets; dictionaries... | 490199 | 87 | 87 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Green | Red | Green | Red |
| Gold, incl. gold plated with platinum, unwrought, for non-monetary purposes (excluding gold in powder... | 710812 | 260 | 0 | 0 | 123 | 0 | 0 | 0 | 0 | 0 | Red | Red | Red | Red |
| Generating sets with compression-ignition internal combustion piston engine "diesel or semi-diesel... | 850213 | 60 | 60 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Red | Red | Red | Green |
| Non-alcoholic beverages (excluding water, fruit or vegetable juices and milk) | 220290 | 36 | 0 | 0 | 36 | 0 | 0 | 0 | 0 | 0 | Green | Red | Green | Red |
| Generating sets with compression-ignition internal combustion piston engine "diesel or semi-diesel... | 850212 | 43 | 43 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Green | Red | Red | Red |
| Fresh apples | 080810 | 32 | 0 | 0 | 32 | 0 | 0 | 0 | 0 | 0 | Green | Red | Red | Red |
| Household refrigerators, absorption-type | 841829 | 36 | 0 | 0 | 0 | 36 | 0 | 0 | 0 | 0 | Red | Green | Red | Red |
| Live goats | 010420 | 5 | 0 | 0 | 5 | 0 | 0 | 0 | 0 | 0 | Red | Red | Red | Red |

Notes: Unrealized potential table: Top 10 products in decreasing order of unrealized export potential to the world. **Exports:** Average value over 2011-2015. **Price stability, SME presence, and Women employed:** Green - performance above a country's trade-weighted mean. Red - the opposite. **Technology:** Green - transformed products exported by countries at least matching the country's per capita GDP. Red - the opposite. Blank spaces - data not available.

Source: ITC Export Potential Map, <http://exportpotential.intracen.org>