



Republic of Lebanon
Office of the President of the Council of Ministers

How the Government can Support Innovation and Support the High Potential of Tech Entrepreneurs

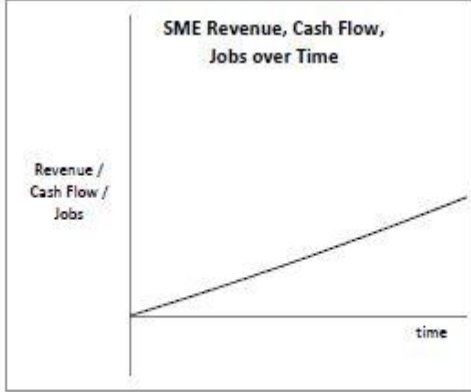
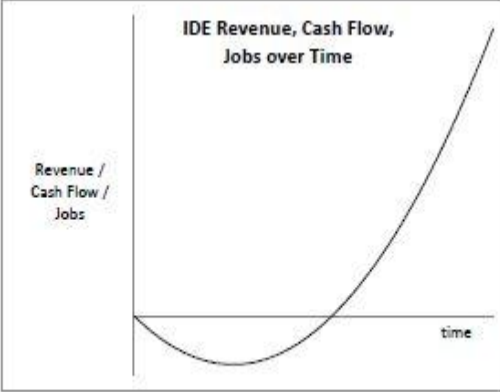


Lebanese National Energy

October 28, 2017

Why Focus on Innovation and Entrepreneurship?

- Government policy focused on promoting growth, creating jobs and reducing poverty should support both SME and IDE Entrepreneurship.
- IDE, although more challenging, offers greater potential upside in the long run through the creation of more jobs and exports.

SME Entrepreneurship	IDE Entrepreneurship
Focus on addressing local and regional markets only.	Focus on global markets.
Innovation is not necessary to SME establishment and growth, nor is competitive advantage.	The company is based on some sort of innovation (tech, process, business model) and potential competitive advantage.
"Non-tradable jobs"—jobs generally performed locally, e.g. restaurants, dry cleaners, service industry.	"Tradable jobs"—jobs that do not have to be performed locally.
Most often family businesses or businesses with very little external capital.	More diverse ownership base including wide array of external capital providers.
The company typically grows at a linear rate. When you put money into the company, the system (revenue, cash flow, jobs, etc.) will respond quickly in a positive manner.	The company starts by losing money, but if successful will have exponential growth. Requires investment. When you put money into the company, the revenue/cash flow/jobs numbers do not respond quickly.
	

Source: Bill Aulet and Fiona Murray, MIT, Nov 2012



Lebanon has come a long way in developing its Innovation Ecosystem...

- Lebanon has all the right ingredients at its disposal: highly educated and ambitious entrepreneurs, an open economy, unparalleled financial expertise with a strong liquid banking sector, and a successful and loyal Diaspora
- The establishment of Kafalat, the iSME project, the CMA, the BSE and the SME Unit at MoET, BDD, ect...
- Ingenuity of BDL's 331 initiative in addition to their subsidized loans
- An active entrepreneurial private sector and its provision of incubators and accelerators
- A growing number of Investment funds
- Brilliant Lebanese start-ups who are topping the list of successful start-ups regionally with multiple success stories such as cleartag, diwani, and chahiya...



... ranking second in the Arab world in terms of investments in tech startups...

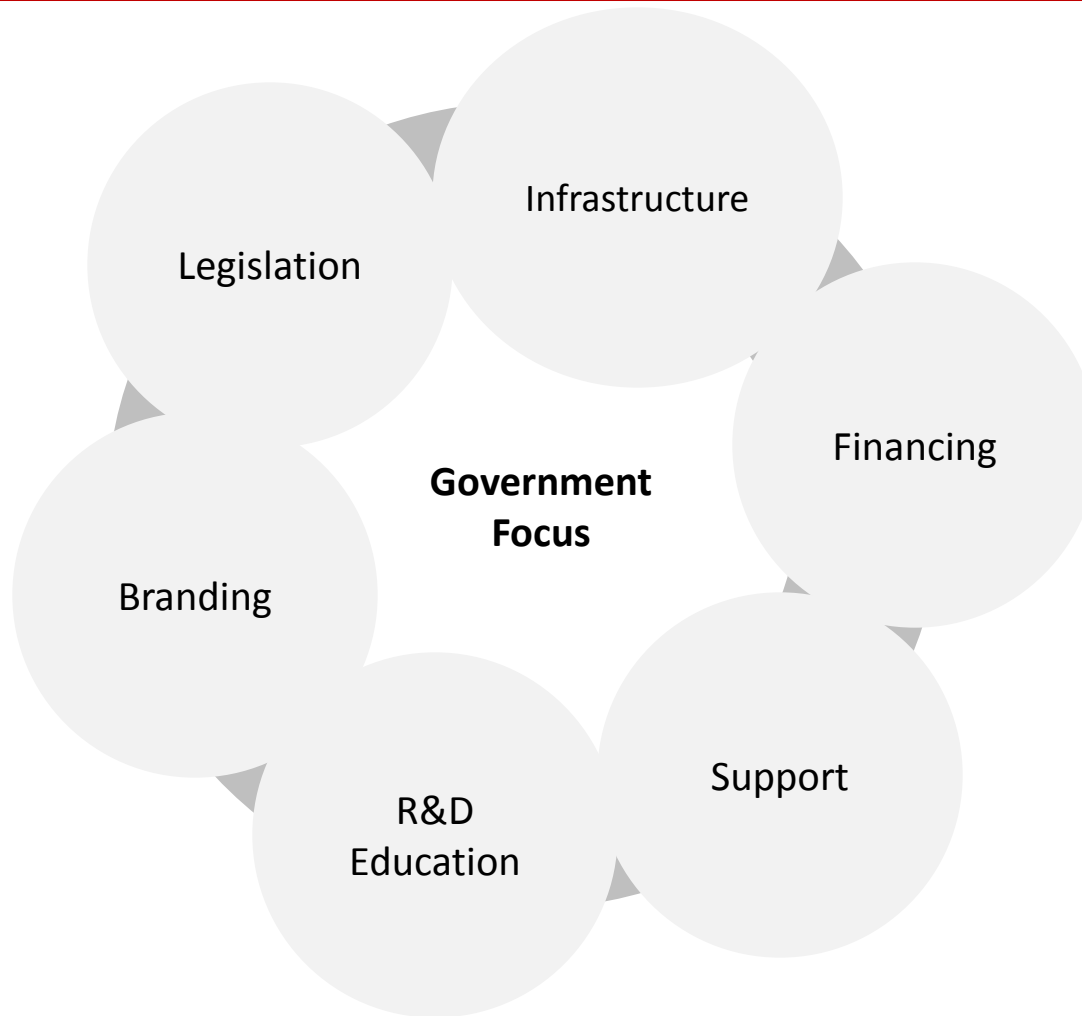
	Number of Deals				Ranking			
	2013	2014	2015	2016	2013	2014	2015	2016
UAE	33	57	66	78	1	1 ---	1 ---	1 ---
Lebanon	11	21	31	37	5	5 ---	3 ↑	2 ↑
KSA	19	24	21	30	4	4 ---	4 ---	3 ↑
Egypt	30	32	13	26	2	3 ↓	6 ↓	4 ↑
Jordan	25	39	33	21	3	2 ↑	2 ---	5 ↓
Palestine	5	13	14	7	7	6 ↑	5 ↑	6 ↓
Tunisia	2	11	9	7	9	7 ↑	7 ---	7 ---
Bahrain	6	3	4	6	6	9 ↓	9 ---	8 ↑
Morocco	5	4	6	5	8	8 ---	8 ---	9 ↓
Syria	1	1	0	1	11	11 ---	12 ↓	10 ↑
Algeria	2	2	1	0	10	10 ---	11 ↓	11 ---
Kuwait	0	1	3	0	14	12 ↑	10 ↑	11 ↓
Oman	1	0	0	0	12	13 ↓	13 ---	11 ↑
Qatar	1	0	0	0	13	14 ↓	14 ---	11 ↑

	Value of Deals in Million				Ranking			
	2013	2014	2015	2016	2013	2014	2015	2016
UAE	\$35	\$118	\$160	\$799	2	2 ---	1 ↑	1 ---
Lebanon	\$7	\$26	\$30	\$56	5	4 ↑	2 ↑	2 ---
Jordan	\$31	\$13	\$22	\$15	3	5 ↓	3 ↑	3 ---
Morocco	\$4	\$1	\$3	\$15	6	8 ↓	7 ↑	4 ↑
Egypt	\$77	\$155	\$7	\$12	1	1 ---	5 ↓	5 ---
Tunisia	\$0.10	\$2	\$1	\$8	11	7 ↑	10 ↓	6 ↑
Palestine	\$2	\$4	\$6	\$7	7	6 ↑	6 ---	7 ↓
KSA	\$31	\$57	\$14	\$5	4	3 ↑	4 ↓	8 ↓
Bahrain	\$0.40	\$0.60	\$0.60	\$1	12	10 ↑	11 ↓	9 ↑
Syria	\$0.05	\$0.01	\$0	\$0.05	9	12 ↓	12 ---	10 ↑
Algeria	\$2.40	\$1.20	\$2.50	\$0	8	9 ↓	8 ↑	11 ↓
Qatar	\$0.20	\$0	\$0	\$0	13	14 ↓	14 ---	11 ↑
Oman	\$0.01	\$0	\$0	\$0	10	13 ↓	13 ---	11 ↑
Kuwait	\$0	\$0.20	\$2	\$0	14	11 ↑	9 ↑	11 ↓

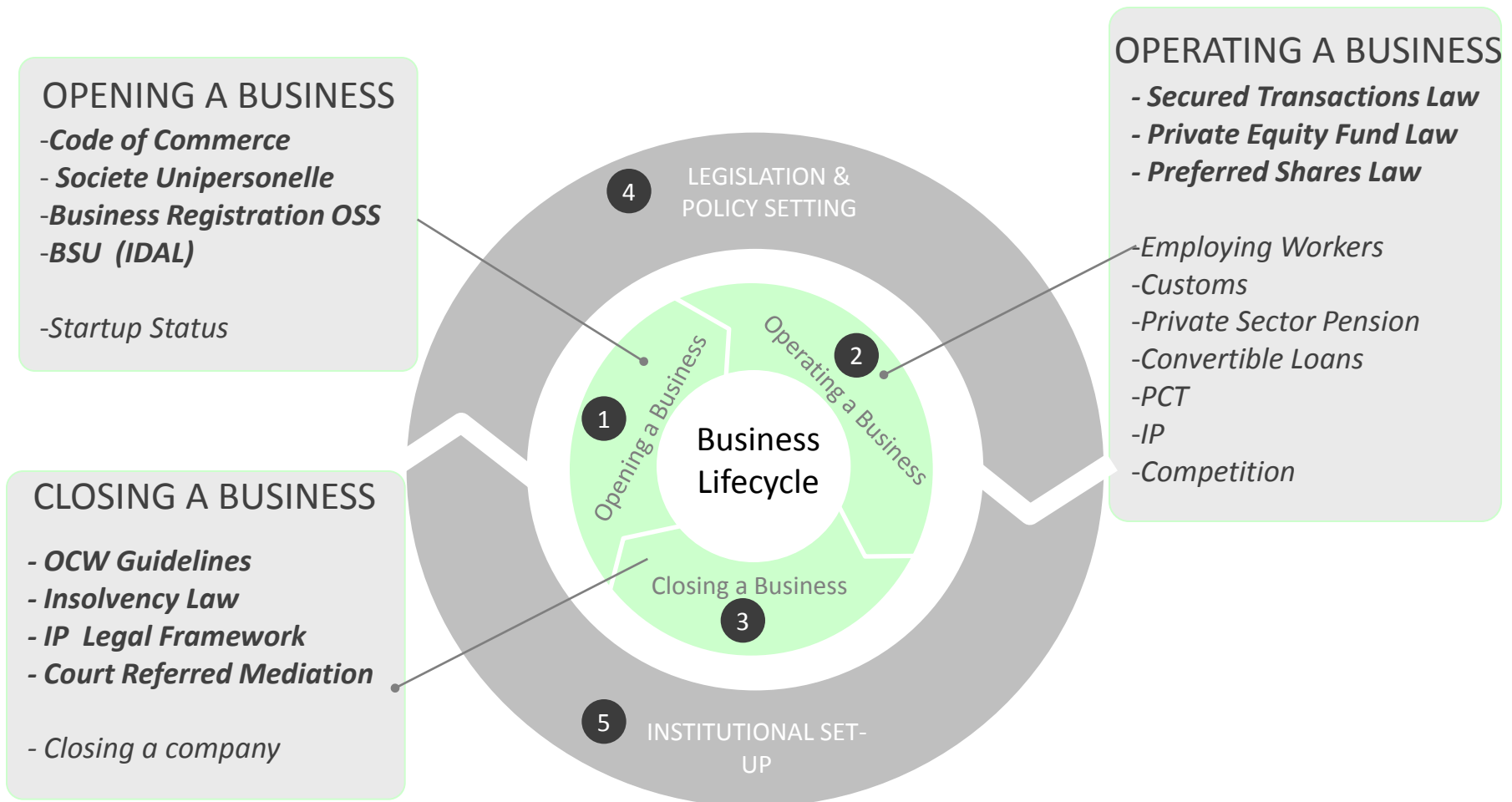
Source: **arabnet**



... but it still has a long way to go to reach its full potential



The Prime Minister's Office involvement in further enabling the SME life cycle...



... and in developing the skills needed to upgrade our workforce, scale businesses and digitize SMEs

The Office of Prime Minister is working to support youth activities across Lebanon in innovation, technology, entrepreneurship and creativity. As part of that effort, we organized a “Summer of Innovation”, to help give visibility to all groups organizing youth activities in these fields between July and September 2017.

Please visit: summerofinnovation.io

SUMMER OF
INNOVATION
صيف الابتكار 2017



Thank you

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