



مصرف لبنان
BANQUE DU LIBAN

Challenges and Opportunities Facing Entrepreneurs in Lebanon

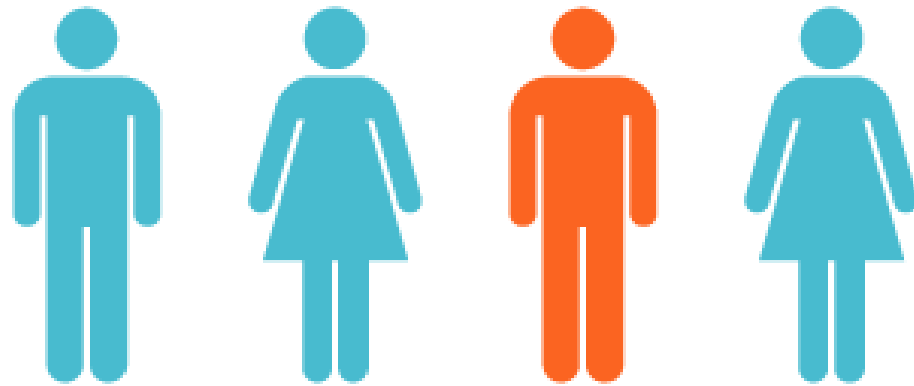
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First Vice-Governor, Banque du Liban

Arab Innovation Network 2013
6 December, 2013 | Amman – Jordan



I. Challenges in the MENA Region

Youth Unemployment in the Middle East



26.5%
in 2012
expected at
28% in
2017

MENA has the highest youth unemployment rate worldwide, with **one** youth out of **four** without a job.

Youth Unemployment in the Middle East

-Youth unemployment is a main challenge in MENA region:

- 26.5% in 2012
- Expected to increase to 28% in 2017

-Despite high levels of educational attainment, lack of employable skills is an important barrier to youth employment

-The level of youth unemployment and low living standards:

- Could be considered as a factor that pushed Youth to demand change – the Arab Spring.
- Causing pressure on economies to create more adequate jobs

Job Creation



75 million

Number of jobs needed in the MENA by 2020 just to keep employment levels at current position

Job Creation

-Growing demography is another challenge faced by Arabs

- Expected population growth 40% over the next two decades
- More than half of population under the age of 25

-There is a pressing need to create jobs:

- 75 million jobs are needed by 2020 to sustain current levels of unemployment

-The answer lies in fostering an entrepreneurial environment:

- Innovation, competition, efficiency, productivity
- Start ups and SMEs
- Contribution to job creation and Gross Domestic Product



II. Opportunities in the MENA Region

Entrepreneurship Ecosystem in the MENA

Exhibit 5: The Entrepreneurship Ecosystem



- Personal Enablers
- Financial Enablers
- Business Enablers
- Environmental Enablers

Exhibit 6: The Entrepreneurship Ecosystem in the MENA Region



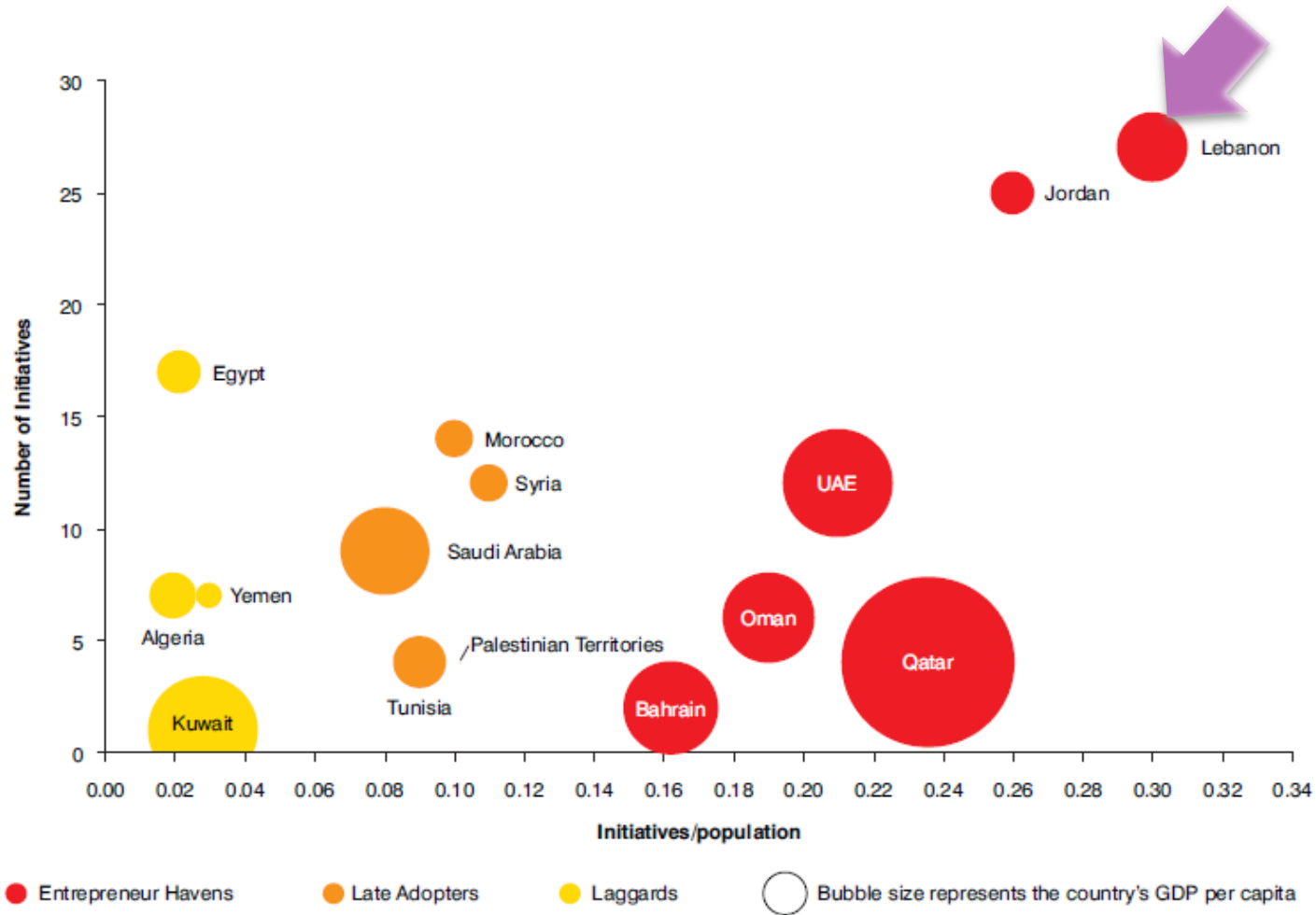
- Abundant Initiatives
- Average Number of Initiatives
- Insufficient Number of Initiatives

Entrepreneurship Ecosystem in the MENA

- To support entrepreneurship, an adequate infrastructure or ecosystem should be set up.
- Ecosystem in MENA region is not fully developed yet, it can be improved by:
 - Facilitating access to funding
 - Promoting entrepreneurship culture
 - Revisiting tax and regulation
 - Strengthening formal education and training
 - Coordinating support.

Entrepreneurial Initiatives

Exhibit 9: Number of Entrepreneurial Initiatives by Country (1974 to 2010)

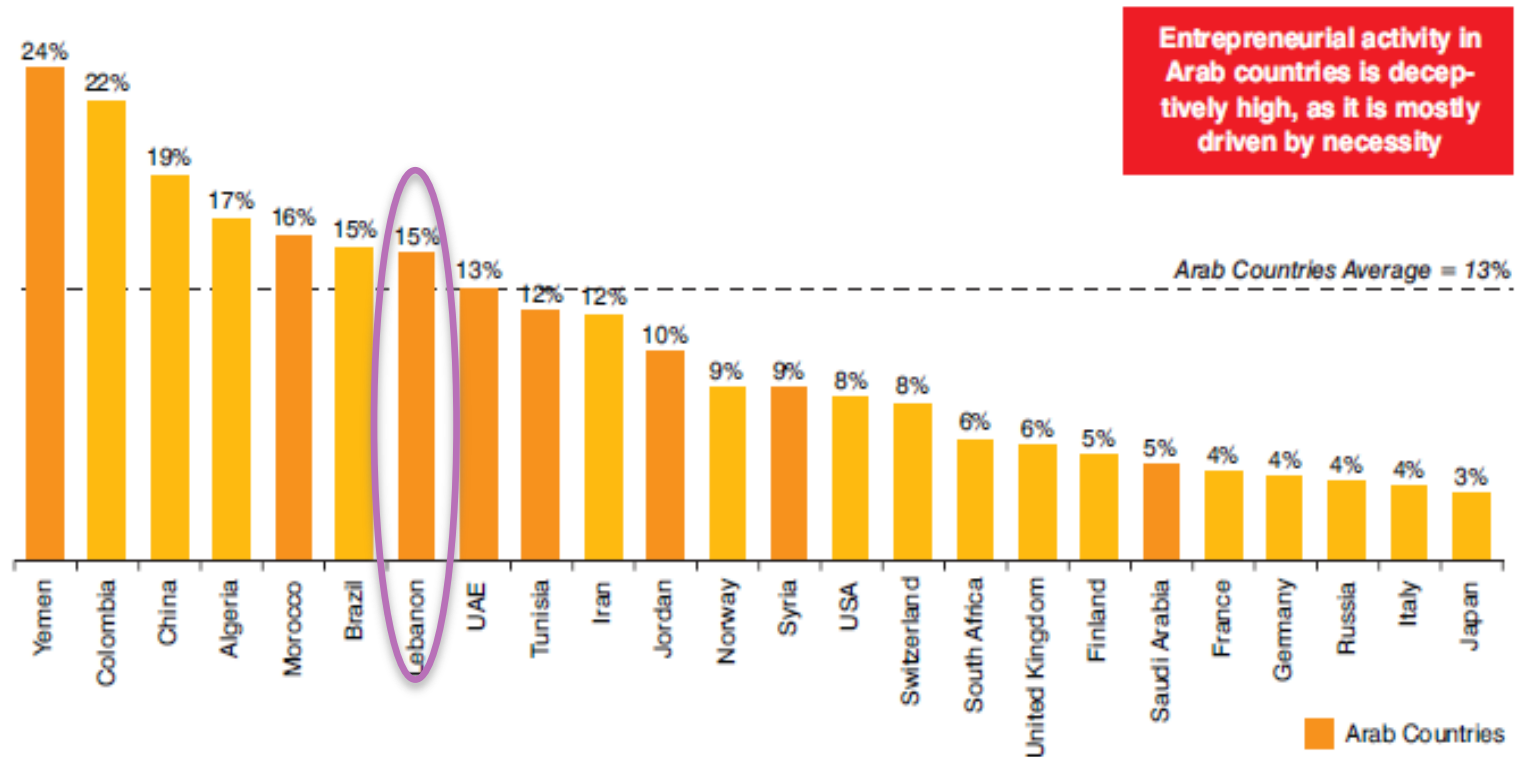


Entrepreneurial Initiatives

- Individual entrepreneurial ecosystems are developing at different rates in the MENA region:
 - Entrepreneurial Havens with many initiatives (ex Lebanon and Jordan)
 - Late adopters with a number of initiatives (ex Saudi Arabia and Morocco)
 - Lagging Behind with few or no initiatives (ex Kuwait, Egypt)
- All Arab countries have ample room to grow their entrepreneurial ecosystems.

Early Stage of Entrepreneurial Activity

Exhibit 2: Early-stage Entrepreneurial Activity
(% of Adult Population, 2009)



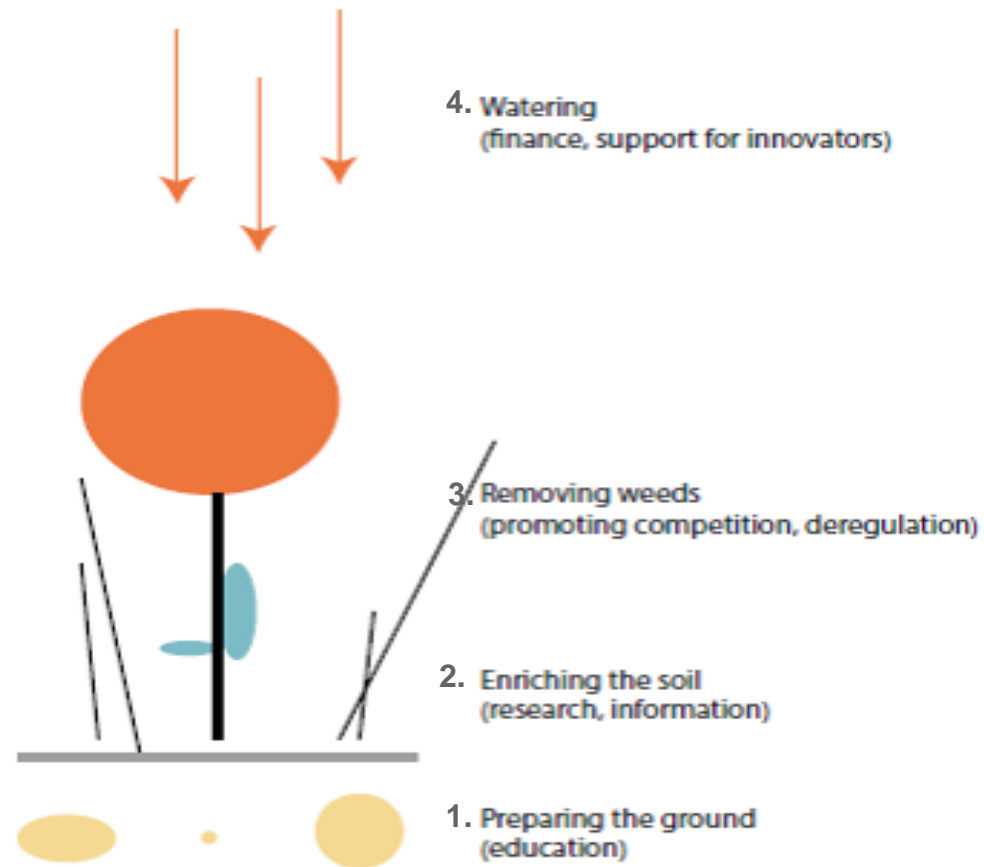
Early Stage of Entrepreneurial Activity

- Entrepreneurial activity in the MENA countries is deceptively high, as it is driven mostly by necessity
- We need to support value added entrepreneurship and innovation activities as:
 - They have positive spillover on economy
 - They are worth supporting with targeted initiatives



III. Lebanon Fostering Entrepreneurship

Entrepreneurship Vision



Source: World Bank 2010.

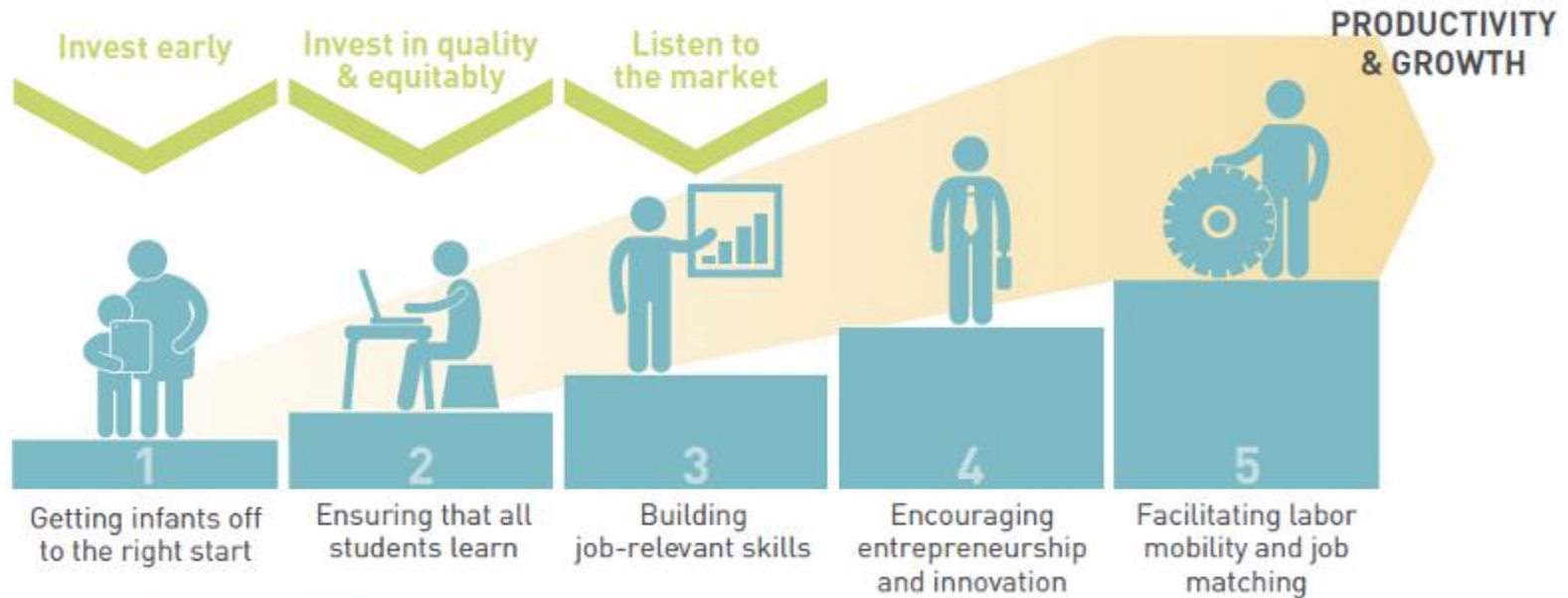
Entrepreneurship Vision

- Entrepreneurship is like gardening:
 - Planting the seed: it all starts with education (life skill, school, continuous training...)
 - Removing all sorts of weeds: fostering entrepreneurship to spread through competition, deregulation...
 - The soil needs to be constantly enriched: continuous improvement and R&D
 - Watering: financing is what keeps the garden alive and flourishing

1. Planting the Seed: Education

Skills towards Employment and Productivity Approach (STEP)

The Skills toward Employment and Productivity (STEP) Approach



Source: World Bank 2010a.

1. Planting the Seed: Education

Skills towards Employment and Productivity Approach (STEP)

- It is never too early to start building the skills of youngsters towards employment and productivity (early education)
- Everyone in school and university should learn entrepreneurial principles
- Companies should encourage their employees to unleash their talents through support and continuous training
- The job market system should be able to adequately match between skills and jobs for youth

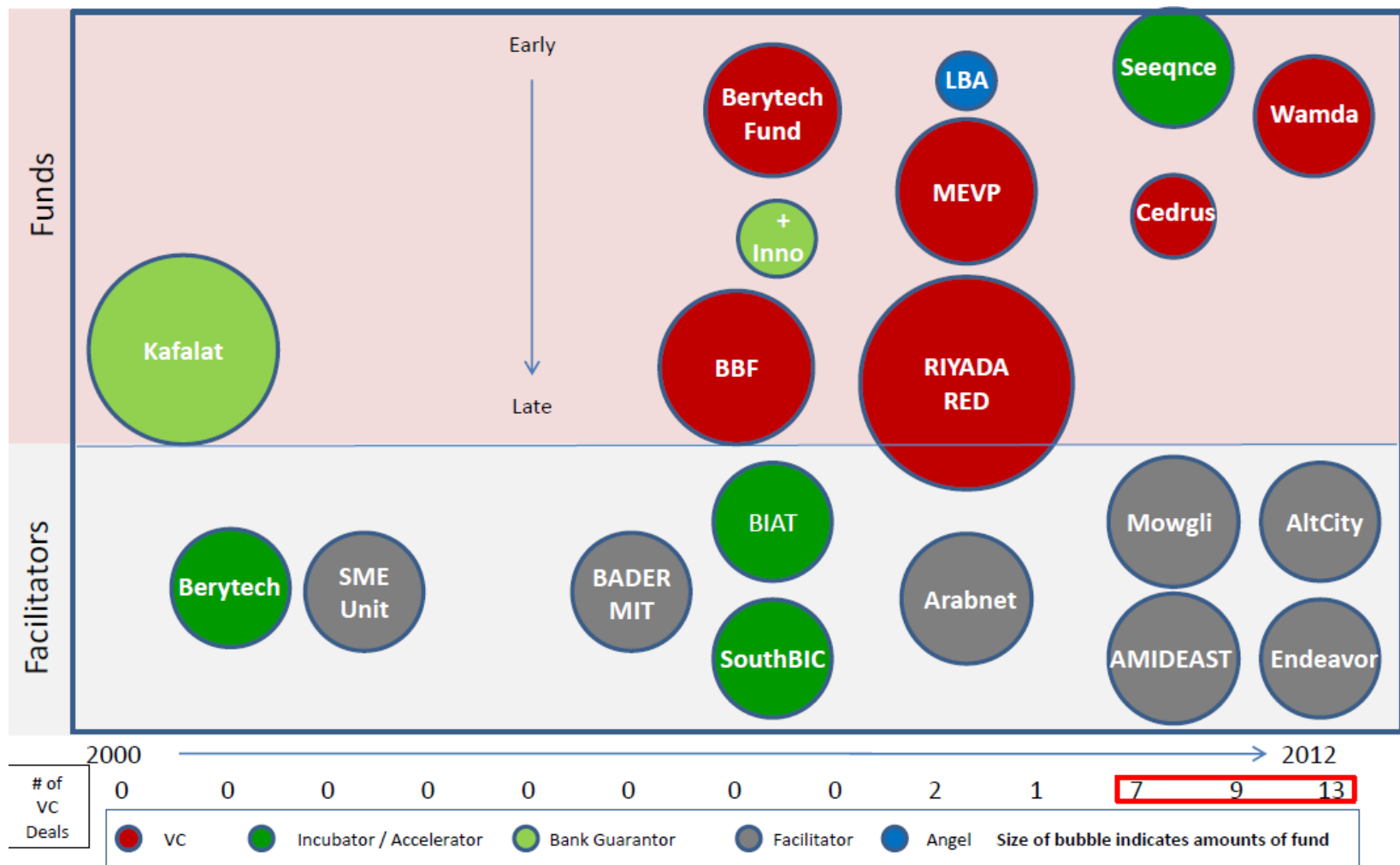
2. Enriching the Soil: Developing Education

University	Degree - Courses	Extra Curricular Activities
 <p>AUB American University of Beirut الجامعة الأميركية في بيروت</p>	<p>BBA – Entrepreneurship Management Concentration, MBA - Leadership and Behavior in Organization Course</p>	<p>Entrepreneurship Club, Center for Entrepreneurship Conferences: Entrepreneurship and Innovation in the Levant and the GCC, Eco-Entrepreneurship Award, Etc.</p>
 <p>LAU الجامعة اللبنانية الأمريكية Lebanese American University</p>	<p>BSB – Family and Entrepreneurial Businesses or Information Technology Management Concentrations,</p>	<p>Institute for Family and Entrepreneurial Businesses, Entrepreneurship Club, Conference: Entrepreneurship Support Initiatives in Lebanon, Innovation@Cisco, etc.</p>
 <p>Université Saint-Joseph</p>	<p>Diploma – Social Entrepreneurship , Masters - Business and Management , Entrepreneurship and New Technologies Concentration</p>	<p>Centers and observatories for research and innovation</p>
 <p>ESA</p>	<p>Executive MBA</p>	<p>Young Entrepreneurship Forum in collaboration with BDL , Round tables, etc.</p>
 <p>جامعة بيروت العربية BEIRUT ARAB UNIVERSITY</p>	<p>Management Major - Entrepreneurship & Small Business Course, MA Degree in Business Administration - Small Business Management / Entrepreneurship Course</p>	<p>Center for Entrepreneurship</p>

2. Enriching the Soil: Developing Education

- The Lebanese educational system has been striving to support and develop young entrepreneurs. Such endeavors are taking place at various educational levels:
 - Schools (job fairs, competitions, entrepreneurship week...)
 - NGOs supporting school students (mentoring, internships...)
 - Universities (dedicated programs and extra curricular activities...)

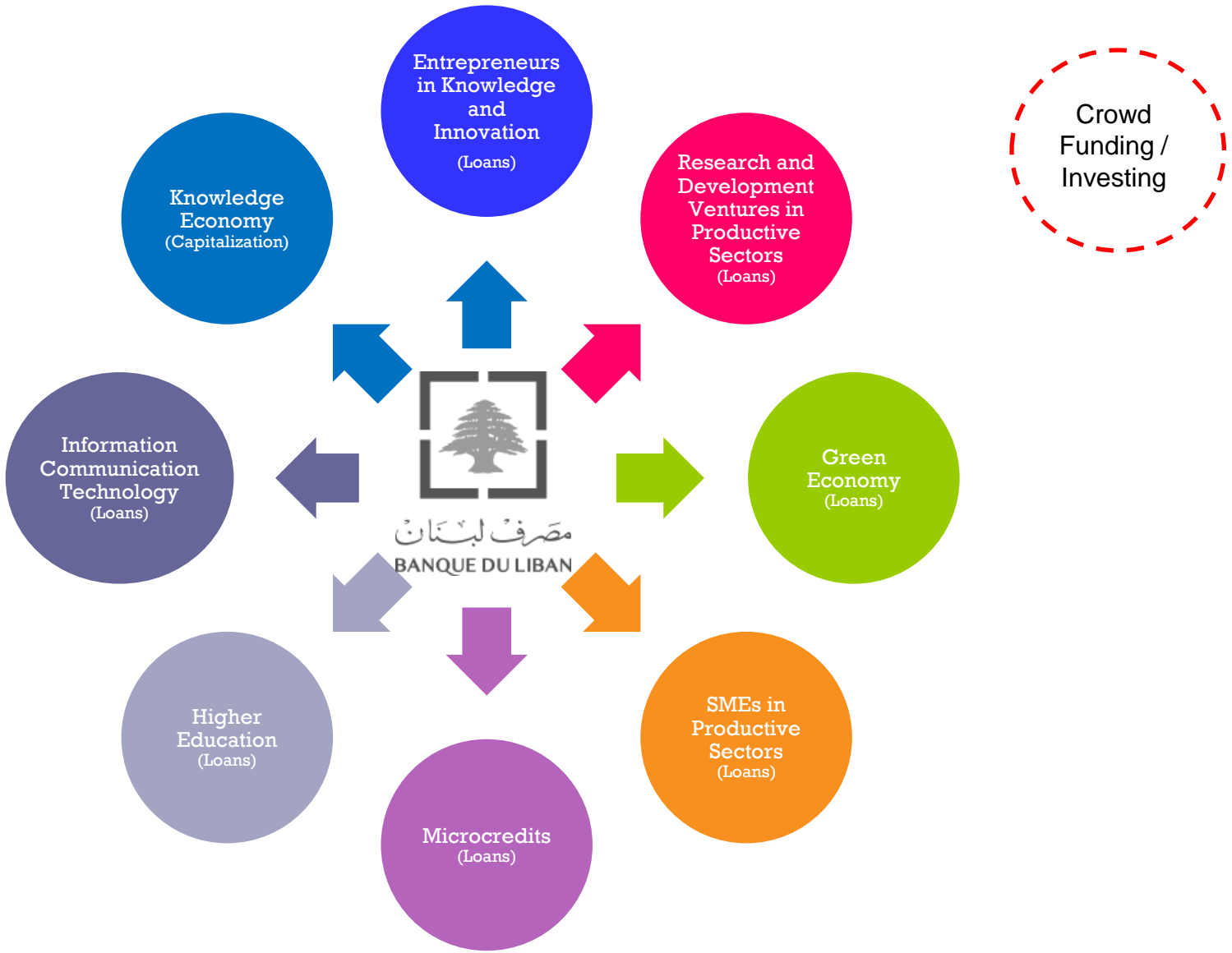
3. Removing Weeds: Growing Entrepreneurial Culture in Lebanon



3. Removing Weeds: Growing Entrepreneurial Culture in Lebanon

- The entrepreneurship culture in Lebanon is quite diverse, and the ecosystem is evolving. Entrepreneurs are provided with:
 - Various forms of access to finance
 - Support through incubators and accelerators
 - Educational initiatives through universities
 - Professional support through associations
 - Training, networking, mentorship
 - Government support through targeted initiatives

4. Watering: BDL Supporting Economic Growth



4. Watering: BDL Supporting Economic Growth

Banque du Liban has been providing incentives for banks in order to secure adequate financing in the economy with the aim of creating job opportunities for the Lebanese youth and ensure the necessary financing for small and medium enterprises through loans and recently capitalization:

- Loans to productive sectors (agricultural, industrial, tourist, information technology...), as well as housing, education and environmentally-friendly projects.
- Capital contribution scheme for start-up companies, incubators and accelerators

Entrepreneurs Lebanon

Online portal

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Lebanese entrepreneur, this platform was created specifically for you! Click here to meet other entrepreneurs, and have easy access to funds and resources.

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Investors

Investor, click here to meet Lebanese entrepreneurs and other investors like you, and browse interesting projects you can invest in.

Explore

Resources

Supporter of the entrepreneurship ecosystem, view all support to (aspiring) entrepreneurs available in Lebanon today. Resources include funds, business plan competitions, incubators, training organizations, mentors, and other service providers.

Explore

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Entrepreneurs Lebanon

Online portal

BDL has also created “Entrepreneurs Lebanon”, an online platform for networking and exchange of ideas between entrepreneurs, investors and resources. In a simple and easy manner, entrepreneurs can share their ideas with potential investors, matching innovation with financing.

Presently, we are working on expanding this platform and making it more active and more comprehensive.



Thank you

Banque du Liban

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