

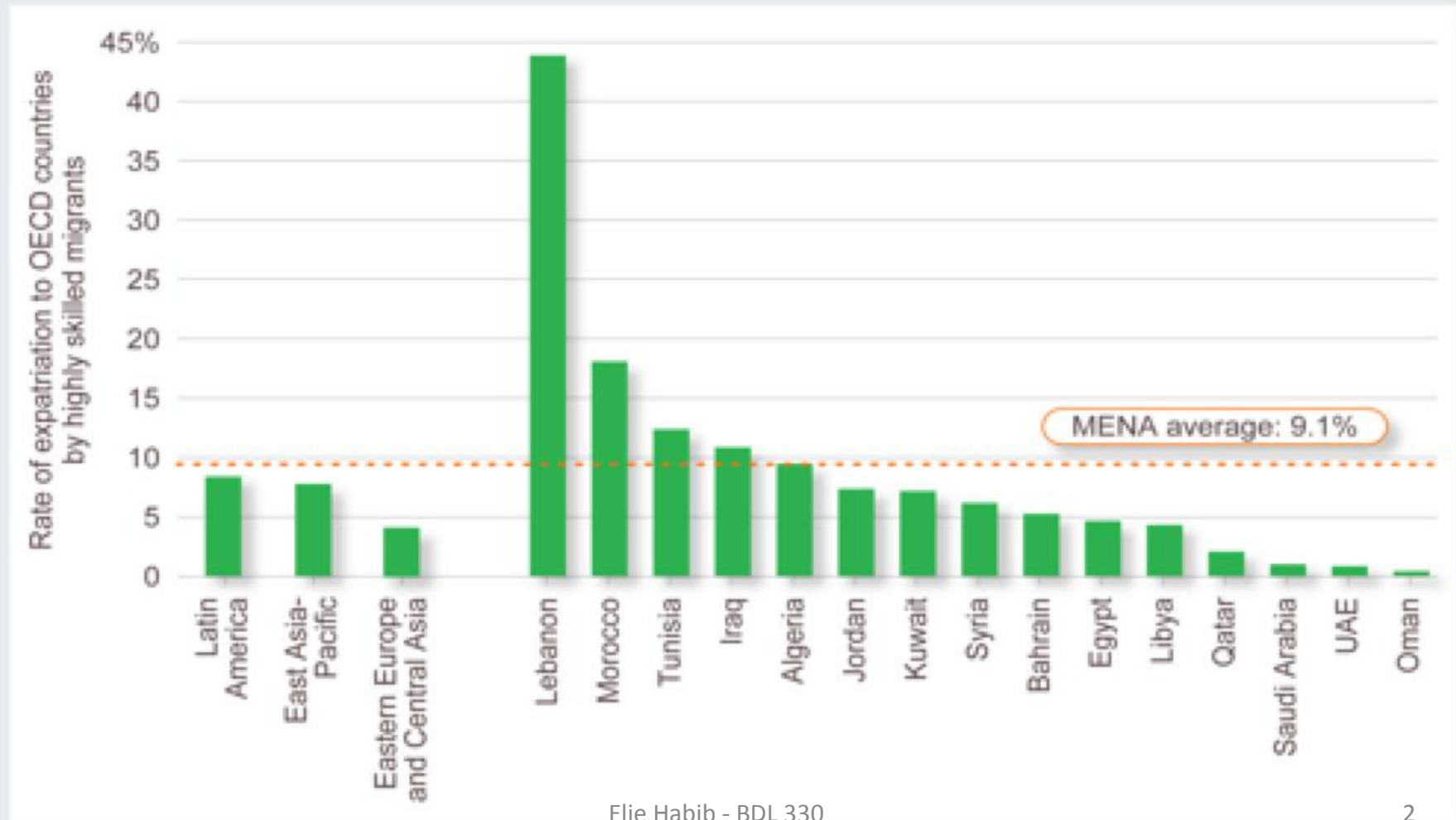
BANQUE DE LIBAN (BDL)

CIRCULAR 331

ELIE HABIB

Lebanese Brain Drain

Brain drain to OECD countries



BDL circular 331/6116: Enabler to a new direction in Lebanese economy

- Lebanon's Central Bank awarded Lebanese banks the possibility to receive financial facilities in order to invest in Lebanese VC funds, startups and incubators
- Banks as a result made available ~\$450 million of investment capital
- Early and later stage companies up to \$5m per investment
- Most of the available capital benefiting existing VC funds

ICT & other knowledge based sectors

- ✓ Web & mobile applications targeting various industries
- ✓ Digital goods & entertainment
- ✓ New media, content, publishing
- ✓ Gaming (no gambling)
- ✓ Streaming
- ✓ E-commerce
- ✓ E-payments
- ✓ Cloud based & infrastructure solutions and specialized B2B software

Investment Format

- US startup with a Lebanese (co)founder
- Meets the Usual Fundable Requirement (early stage to Series A)
- Open to Receive Funding form Lebanese VC
- Setup Operation in Lebanon as Part of Business Plan and Complement US operation
- Equity Funding in Lebanon but Legal Structure Allows for Funds to Flow to US
- Win-Win Situation for all Stakeholders

Focus: Regional and Global Appeal

Middle East Venture Partners (MEVP) benefited by launching a ~ \$55 million Impact fund

Arab World Markets

- Total population: 300+ million (% Youth (Age 15-29) = 30%)
- One language – Similar content & entertainment affinities – Progressive liberal economic & social reforms – Intensified circulation of humans and capital



Key Arab Internet Stats (2013 Est.)

- Total Arab web users: 120 million
- Growth rate: 20% year-on-year
- Internet penetration: 40%

Key Arab Mobile Stats (2013 Est.)

- Total smartphones: 70 million
- Growth rate: 17% year-on-year
- Mobile penetration: 96.4% (38% 3G)

Global Markets

