

# ELCIM INFO



## ● MILESTONE

Since ELCIM was re-launched in 2005, progress has been made in several significant areas, leading to various improvements in Lebanon's industrial sector. Specifically, more than 860 manufacturing small and medium-sized enterprises (SMEs) have been informed about the beneficial ELCIM activities and services. ELCIM has also launched joint actions, or cluster activities, that involve several companies at the same time. Such activities have proven to be an important and effective tool in the advancement of local industries, as they include participation at international fairs and exhibitions that promote Lebanese goods abroad and improve export potential to foreign markets. The second aspect of the cluster activities is the workshops and training seminars, which provide technical assistance to Lebanese companies.



## PROUD ACHIEVEMENTS

### ELCIM CLUSTER ACTIVITIES



▼ Agro-food workshop

### TRADE FAIRS

Since October 2006, ELCIM has offered cluster activities for 111 companies, which cover four industrial sectors: agro-food and beverages, printing and paper, packaging and software. Although each company's requests are handled individually, it is the main aim of these activities to provide group actions, mainly through attendance at leading international trade fairs. Currently, preparations are underway for about 33 companies to attend one of three integral exhibitions in 2007: the Pakex and Anuga trade fairs, and the International Furniture Fair of Valencia.

#### **Pakex: Birmingham, UK, May 15-18**

One of the only international, English-speaking fairs concerning the packaging industry this year, Pakex focuses on the supply of global packaging industries. Covering several areas of the sector – including packaging materials and containers, processing equipment, packaging machinery, pack design and other related products and services – the fair hopes to reach the goal of an estimated 97 million initiated business deals. A total of 1,100 exhibitors and 30,000 attendees are expected to participate, of which are 12 companies from Lebanon. Representatives include managing directors, chairmen, directors and senior officers from sectors as diverse as beverage, chemical, confectionery, cosmetics, dairy, food, hardware, industrial, pharmaceutical, retail, toys, tobacco, storage/distribution and printing.

#### **Anuga: Cologne, Germany, October 13-17**

At least 12 local manufacturing companies have confirmed that they will be promoting Lebanese cuisine at the Anuga exhibition in Germany, the world's leading international food and beverage trade fair. Attracting leaders in the field, the fair boasts the highest attendance from different nations, making it the ideal platform for raising awareness about Lebanese foods. During the last



▼ LFA members with Miss Zimmer from FFF



▼ Mr. D. HENCE & Mr. T. HIJAZI

event in 2005, 6,294 suppliers and 158,817 visitors from 156 countries participated – ELCIM hopes to capitalise on this international presence to showcase Lebanese cuisine to different European markets. Part of the preparation plans for Anuga includes a targeted media promotion – involving the distribution of product brochures and press releases, among other marketing material – that will extend beyond companies in attendance to retail outlets in France. In order to increase export potential, ELCIM will also detail potential buyers, distributors and retail outlets prior to the fair, and set up meetings with prospective clients. Furthermore, ELCIM is contributing to a specially prepared Buyer's Guide to Lebanese Cuisine, which will reflect the interests of European markets and consumers.

#### **International Furniture Fair of Valencia (FIM): Valencia, Spain, September 24-29**

To date, nine Lebanese manufacturers have applied for participation at the FIM in Valencia. An exclusive international trade event, the fair expects to attract 85,000 trade buyers, of which 75,000 hail from Spain and the remainder from over 100 different countries. One of the most important features of the fair is that it covers several areas of the furniture business – including classical, modern and rest and relax furniture, high décor, natura contemporaneo (the evolution of rustic furniture into contemporary designs), avant-garde and European design, DeCo (showcase for ceramics, glass, décor and home accessories). Such diversity allows for increased opportunities for Lebanese participants, which ELCIM hopes will secure beneficial business transactions in foreign markets.

## WORKSHOPS AND TRAINING SEMINARS

As part of its commitment to advancing Lebanese industries, ELCIM has launched several workshops and training seminars to improve the software and technical development of participating companies. The main objectives of this programme are: 1) to strengthen the building capacity of software manufacturers by enhancing quality and performance; 2) to qualify software manufacturing companies to identify business opportunities, strategic alliances and joint ventures. Consisting of five main workshops, the programme encompasses the following topics: quality standards, marketing and branding, technical documentation, human resource management, and technology strategies.

Specific services provide companies with individual assistance, the analysis of qualification needs, competence building, expert training, and the opportunity to establish connections with European markets. In fact, ELCIM offered many Lebanese software firms the opportunity to enter the sub-contracting market for European clients for the first time. Emphasising the importance of the software industry to the modernisation and growth of the economy, ELCIM provides the essential information and tools needed to advance software manufacturing productivity in Lebanon.



▼ Workshop on Technical Documentation in Software Companies



## PROMOTING STANDARDS OF EXCELLENCE

### ELCIM ACHIEVEMENTS SINCE 2005

ELCIM directly offers services to manufacturing firms in Lebanon. To date, the project's Business Advisers have been engaged in the process of assisting companies with 278 actions. A breakdown shows that 226 are receiving expert advice on eligible activities; 196 are preparing for technical and financial specifications; and 59 have been provided with a brief business analysis.

The implementation of ELCIM actions began in September 2006, with 75 business improvements currently underway, out of which 36 have already been completed. It is expected that by May 2007, an additional 80 actions would have been finalised. A total of 155 SMEs have received beneficial business assistance from ELCIM, or are expected to do so within the next two months. On an individual level, it is clear that the services offered by the project have proven invaluable to industry in Lebanon.

"The Lebanese industry needed ELCIM urgently," explained Mr. Farid Kamel, managing director of Kameltan, a leather production company. "We were in deep need of financing because we were receiving our business rates from the banks, which were much higher." Kamel approached ELCIM for loan assistance to purchase new machinery for his factory. Kamel also requested a complete feasibility study, profit and loss studies and guidance for the



future of the company, including investment opportunities and tips on management and marketing. Without the intervention of ELCIM, the desired results would have been, "much, much more difficult, especially financially," he claimed.

In total, 200 companies have formally applied to ELCIM requesting a total of 356 actions, of which 278 are eligible. These specified actions include financial assistance; marketing and export development; quality management and certification;

improvement of production; energy saving measures; product development; training; reorganisation; and strategic business assessment. In fact, the area of financial assistance is ELCIM's most requested action, with a total of 101 applications. Joint collaborations with Kafalat and Lebanese banks have allowed ELCIM to bolster their financial support system.

"Approaching banks for facilities and/or loans these days without the assistance of reputable institutions, such as ELCIM, would have been very difficult," said Mr. Mohammad Gandour, general manager of MCG the Dairy, sal, which produces Dairiday, Lebanon's first bottled fresh milk. "Banks would have requested more supporting documents to accept our file and would have imposed strict conditions – like assigning one of its internal departments or third-party institutions to conduct the necessary analysis and risk assessment – which requires more time, longer delays and higher costs." Gandour added that he found the programme ELCIM proposed to industrialists on the whole beneficial, especially actions concerning a feasibility study for new investment opportunities.

Another major area ELCIM covers is improvement of Quality Management Systems, with a total of 75 action requests. In such cases, ELCIM is able to offer assistance in receiving international certification, including applications for ISO, HACCP and related licenses. Among the sectors benefiting from such services are food processing manufacturing, printing and packaging, as well as cosmetic/ chemical metal processing.

Dr. Fady Gemayel, the chairman and general manager of Gemayel Freres, operates one of the country's leading packaging companies, with a staff of 300 employees and technically advanced machinery. Although the company independently received ISO certification in 1998, Gemayel approached ELCIM for two projects: to benefit from the foreign professional expertise offered through training programmes and team building intervention to improve the effectiveness of middle management.

"We appreciate the fact that ELCIM allowed us to have top-notch people in the field," explained Gemayel. "ELCIM has also intervened on a sector level, which benefits all our companies." Gemayel went on to add that ELCIM's intervention in the sector on the whole has greatly benefited the packaging industry, especially through its business studies on the region and feasibility studies for export opportunities.

ELCIM has also provided invaluable assistance in the area of franchising, working closely with the Lebanese Franchising Association (LFA). According to Mr. Charles Arbid, president of the LFA, ELCIM's services benefit all members by helping develop their franchising system to promote their products and concepts. Through the project, Mrs. Chantal Zimmer, the general secretary of the Federation Française de la Franchise (FFF), was invited to assist launching the LFA, which led to the signing of a friendship protocol between the two organisations. In his capacity as owner and general manager of RECTANGLEJAUNE, Arbid has requested ELCIM's assistance with bringing in a franchising and a production expert, preparations for which are currently underway. "ELCIM is helping us, as industrialists, to specify our needs, implement action plans and bring in the most suitable experts," said Arbid.

Providing technical guidance to improve production development is a key element of the ELCIM project, with 14 requested actions to date. It is for this reason that Mr. Ziad Bekdache, owner and general manager of one of Lebanon's leading printing companies OPP, approached ELCIM. In addition to receiving a financial plan for expansion and new investment, Bekdache also sought procedure guidelines from a production expert, currently in process, to improve the department and prepare for its complete computerisation. "The expert provided by ELCIM was excellent and very serious. All the ELCIM team is highly professional and ready to listen and carry out all individual requests."

With a multitude of other actions provided by ELCIM over the past two years to benefit Lebanese industrial enterprises, the project is undoubtedly a proven success. "Industry is impossible in Lebanon because everything is high – labour is high, costs are high – it is very difficult," said Kamel. "ELCIM is a very important project that helped the Lebanese industry stay alive."

