

Executive3

An aerial photograph of a coastal city, likely Beirut, Lebanon. The image shows a large parking lot filled with cars, a road with palm trees, and a beach area with buildings and a pier extending into the sea. The sky is blue with some clouds. The image is split vertically, with the left side showing a closer view of the parking lot and the right side showing a wider view of the coastline and the sea.

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May 2019

SPECIAL REPORT

HOSPITALITY AND TOURISM

- > Travel advisories
against Lebanon
- > Sustainable tourism
- > Tourism competitiveness
- > Tourism and the Lebanon
Economic Vision

ALL FOUR SEASONS



Developing year-long tourism in Lebanon

The tourism industry has long been touted as a main contributor to GDP in Lebanon's services-oriented economy, but it endured an almost four-year long downturn following the onset of the war in Syria in 2012 and the Arab Gulf countries' travel advisories against Lebanon that have been issued on and off since mid-that year. The tourism industry has been gradually recovering since 2014, and although it is still not back to its much-hailed peak of 2010, it seems there is a strong will among stakeholders to get Lebanon back in its tourism groove.

On March 19, during an afternoon Q&A session at the national "Towards Sustainable Tourism" conference, Prime Minister Saad Hariri said that several sectors in Lebanon's economy benefit from tourism and, as such, more attention should be given to the sector. This, he said, should start with "improving our performance and working more scientifically."

In McKinsey's Lebanon Economic Vision (LEV), tourism showed up in a double role, once as a proposed driver of economic growth along with other pillars, such as industry and agriculture (see story page 30 and comment page 34), and then again as one of three "flagship projects" proposed by the international consultancy firm as "quick wins" for Lebanon. Regardless of the feasibility of implementing its recommendations (for a critique of the tourism section of the LEV, see comment page 26), the inclusion of tourism in the report has at least kick-started the conversation on developing and maximizing the potential of the tourism industry in Lebanon.

WINTER WONDERLAND

The tourism sector has indeed been getting back on its feet starting 2014. The number of visitors to Lebanon last year was 1.96 million, an increase from 1.86 million in 2017, according to



■ Tourists from the Arab Gulf are particularly advantageous to the industry given that their average length of stay in Lebanon is longer.

figures from the Ministry of Tourism that show tourism numbers steadily rising these past four years. In its 2018 Economic Impact report, the World Travel and Tourism Council placed tourism's direct contribution to Lebanese GDP at 6.5 percent, the highest it has been since 2012 (though still considerably lower than the above 10 percent contribution to GDP seen in 2010).

The tourism year started on a positive note with a white blanket of snow encouraging both local and foreign ski enthusiasts to hit the slopes. Both Zaarour Club, a ski resort in Metn's Zaarour, and the Mzaar Ski Resort, in Kfardebian, reported an active season which began on December 31 last year and ended in the second week of April—as compared to only 20 operational days in the 2018 season for Zaarour Club and a month and a half for Mzaar Ski Resort, which at a higher elevation. Speaking

for Zaarour Club, its chairperson and CEO Carol el-Murr says 44,000 skiers took to their slopes this year compared to just 14,000 last season.

Both ski resorts have a hotel on the premises and say occupancy rates this winter were better than those of 2018. While Intercontinental Mzaar declined to provide occupancy rates, they did disclose that 27 percent of guests were non-Lebanese. Murr says Le Grand Chalet had an average of 58.75 percent occupancy from December through March (as compared to 35.5 percent average occupancy for the same period in 2018), with 57 percent of guests non-Lebanese.

THE RETURN

Another positive start to 2019 tourism in Lebanon was Saudi Arabia lifting its travel advisory against Lebanon on February 13. While the impact of this decision can only be really evaluated with the start of the summer season following the Eid el-Fitr break in early June, early indicators are favorable in terms of Saudi tourists further bolstering Lebanon's tourism sector.

Tourist arrivals to Lebanon for the first two months of 2019 were 231,055, a 4.22 percent increase from the same period in 2018, according to figures from the Ministry of Tourism. The number of Saudi nationals visiting Lebanon during that period (effectively the two weeks following the travel advisory being lifted) was 10,041 as compared to the 6,009 Saudi tourists recorded during the same period last year. According to an earlier interview EXECUTIVE conducted with head of the syndicate of hotel owners Pierre Achkar (see December 2017 issue), tourists from the Arab Gulf are particularly advantageous to the industry given that their average length of stay in Lebanon is longer—at least 10 days—than tourists from Europe and the Near East, and that they tend to be higher spenders, opting for suites instead of regular rooms, and also spending more in the country. The latest figures from tourist tax refund company Global Blue's Lebanon insights indicate that tourism spending by Saudi nationals during the first quarter of 2019 increased by 45 percent from the same period in 2018.

Even if the Saudis visit Lebanon in the numbers that they used to in the years prior to 2012, it seems Minister of Tourism Avedis Guidanian has learned the lesson of not having Lebanon reliant on one tourism stream alone. On April 15, he announced his ministry's plan to boost the sector through diversifying the tourism markets and attracting visitors from Europe, even while the ministry continues to focus on tourists from the Arab region.

Hospitality & Tourism

365 DAYS OF TOURISM

As Wadih Kanaan, president of the tourism, transport, and civil regulation committee at the Economic and Social Council, notes, Lebanon has traditionally been a summer destination with a peak number of tourists in July, August, and the first half of September—as well as major holidays like Eid el-Fitr and Christmas—and a drop throughout the year otherwise. Taking 2018's figures as an example, tourist arrivals to Lebanon peaked in July at 262,779 (with June and August close to July's highs), while numbers for the rest of the year were significantly lower. For example, Lebanon received only 159,187 tourists in April, and 129,520 in November.

Kanaan believes that if tourism in Lebanon is to be a consistent driver of economic growth, then there has to be a national strategy for year-long tourism that would bring in a more or less steady stream of visitors. He says his committee has been working with a comprehensive list of stakeholders (which includes everyone from managers of car rental companies, to tour operators, to owners of hotels and restaurants, along with heads of tourism syndicates and related ministries of transportation, interior, economy, and environment) to create a national policy for tourism that has achieving year-long tourism as its main goal, an aim that was absent from previous strategies that placed focus on summer beach tourism.


Although details of the strategy have not been shared to date, Kanaan says that in order to achieve

year-long tourism—he calls it sustainable tourism—we should start by diversifying Lebanon's tourist offerings and packaging them into destinations, complete with the proper tourism infrastructure such as hotels, restaurants, and a good transport network, which Kanaan says is key for tourists to be able to get around in Lebanon as they are accustomed to in other countries. “The council's goal is to have year-long tourism and when we create attractive destinations across Lebanon, we will be able to do just that. For example, if we were able to develop one ski destination in Lebanon which would have 70 hotels with 15,000 rooms then we can market it as a destination abroad,” he says.

According to Kanaan, and based on EXECUTIVE's fieldwork, Lebanon does indeed have the potential for diverse tourism offerings that could be further explored and promoted to attract visitors to Lebanon throughout the year. Ecotourism has been on the rise over the past five years, especially during spring when Lebanon's freshwater bodies are at their peak appeal (for more on freshwater tourism, see article page 16). Kanaan is a main promoter of religious tourism in Lebanon and believes this offering lends itself to year-long tourism as those tourists would be in Lebanon for the religious sites, regardless of the season.

GETTING THE WORD OUT

While creating destinations and packaging them is an important first step, it is not enough, says Kanaan. He argues that instead of vaguely marketing Lebanon as a country destination abroad, we should focus on promoting individual destinations that exist in the country but are under-used or promoted (for more on marketing Lebanon, see comment page 24). “Instead of promoting Lebanon as a whole we should promote tourism destinations inside of Lebanon because we have a diversity of offerings in Lebanon. We can have a destination for skiing, another one for cultural tourism, another one for religious tourism, beach tourism and so on ... so a European would come to Lebanon because he is interested in ecotourism for example. We have all this to offer, but we don't have a clear identity for any of tourism assists that would make it a destination,” explains Kanaan.

Despite a soon-to-be launched strategy for year-long tourism in Lebanon, the country remains the busiest in summer for now. As such, summer 2019 will be a telling test as to whether tourism can indeed be a viable contributor to the economy. 



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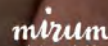
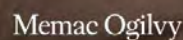
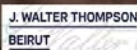
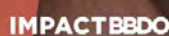


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**WHERE THE
FRESH WATER
FLOWS**

By Nabila Rahhal

The potential for year-long sustainable tourism around Lebanon's rivers and lakes

Following a particularly long winter that included snowfalls as late as mid-April, Lebanon has truly come alive this spring. The lush greenery dotted with colorful wildflowers, the swarm of bright butterflies, and the gushing rivers and serene lakes all make visitors to these areas pop out their phone cameras far too frequently in an attempt to capture their natural beauty.

Picturesque sites such as those described above—and the activities that could be done around them—are assets for Lebanon's tourism, especially in spring when the majority of Lebanon's freshwater bodies are at their peak appeal. It is rare to see a lake or river in Lebanon without a restaurant, café, or picnic site as its backdrop, unless they are part of a natural reserve. More recently, the banks of lakes and rivers have also been the sites of a variety of ecotourism activities such as hiking and cycling. However, there is a potential for sustainable year-long tourism (see overview page 12) at Lebanon's lakes and rivers that has yet to be fully developed.

FOOD FOR THOUGHT

According to Jad Abou Arrage, assistant professor at the faculty of tourism and hospitality management at the Lebanese University, whenever there is a freshwater body the first thing to develop is the infrastructure to access it—no matter how primitive that infrastructure might be—and the second is a touristic enterprise, usually in the form of a restaurant, to cater to visitors. Once one restaurant opens and is successful, others typically follow, creating a cluster of restaurants that can be found around many of the water bodies in Lebanon. Starting from the late 1920s, Zahle's Berdawni river restaurants were a popular visit point and were even the subject of a poem by Ahmad Shawki entitled “*Ya Arrous el-Wadi*” (the bride of the valley), in reference to the two hills between which the Berdawni flows. Today, each region of Lebanon has its preferred riverside cluster: the north has Nabeh Mar Sarkis in Ehden, the Shouf has Nabeh el-Safa's waterfalls, the south has the waterfalls at Jezzine, and the Bekaa has Lake Qaraoun.

Regardless of their location, by and large these riverside restaurants have the same struc-

ture and business model. EXECUTIVE's field research found that the average capacity was 500, and that typically Lebanese *mezze* and *mashaweh* are offered on the menu, with some local variations. For example, restaurants around Hermel's Assi river are known for their trout fish, while those around Ehden's Mar Sarkis spring are known for their *kibbeh*. The average bill is \$20 per person, although it can go as low as \$12 or as high as \$35 depending on the order.

AMMIQ WETLANDS

Location: Ammiq, West Bekaa

Size: 3,500 hectares including the conservation area, which includes Tawlet Ammiq (an eco-restaurant), and Beit (an ecolodge)

Freshwater bodies: Ammiq wetlands

Entrance fee: LL7,000, but considering raising it to LL10,000

International Designations: Important Bird Area - Ramsar Site - Wetland of International Importance

Ammiq Wetlands is privately owned by Skaff Estate. With the support of A Rosha, an international Christian organization engaging communities in nature conservation, Skaff Estate began working on rehabilitating the conservation in 1997 when it was in danger of being drained due to overgrazing and uncontrolled irrigation. A Rosha worked with the Skaff Estate for 10 years in order to extend the season for the wetlands and maintain the rich biodiversity of the area. The wetlands are currently closed in winter, but there are plans to have them accessible to the public yearlong.



Hospitality & Tourism

For most of the low altitude restaurants surveyed, the season starts before the Easter break or by the end of April; waterside restaurants at higher altitudes open in early June when temperatures stabilize. Those EXECUTIVE spoke with described May and June as “field-trip season,” as during that period their clientele is mostly made up of school children having lunch while on a field trip, or larger groups who have rented buses privately or via tour operators to take day excursions across Lebanon.

This is followed by the summer season when restaurant owners say business is at its best due to local Lebanese children being on vacation, Lebanese expats visiting, and the generally higher number of tourists. According to those interviewed, tourists from the Arab Gulf were a big percentage

of their clientele until their numbers plummeted five years ago and only began increasing again this past summer. Only restaurants around the Hasbani and Wazani rivers in south Lebanon rely entirely on Lebanese since they lie behind the security line and as such, non-Lebanese would need to obtain a permit from defense ministry offices in Saida or Nabatiyeh to access them, which many consider a hassle.

The season ends by mid-October, when most of these restaurants recede to their smaller winter venue—often an indoor section of the same restaurant—where they make just enough money to cover their expenses and maintain a market presence. “We reduce the number of staff by half in winter and only open on weekends since we get far less customers than we do in the summer—usually those who are from the area and are loyal to us,” says Saadeh Hamade, the manager of Anjar’s Al Jazira restaurant.

A summer meal with a view is one way to enjoy freshwater bodies, but instead of that being the only option, it could exist as part of a more developed tourism infrastructure that makes full use of these natural tourism assets.

DOMAINE DE TAANAYEL

Location: Taanayel, Bekaa

Size: 230 hectares

Freshwater bodies: The main artificial lake, Lake Taanayel, and two additional lakes that were created in 2015 following particularly dry seasons

Entrance fee: LL3,000 for everyone over the age of three

Number of fixed employees: 62 employees, mainly guides, with additional seasonal employees in the summer

Domaine De Taanayel was established by the Jesuits in 1863. In 2009, arcenciel entered into a long-term partnership agreement with the domaine, upon their request. After arcenciel rehabilitated the land, they opened the domaine for tourism. Prior to that, the lake’s main purpose was irrigation of the domaine’s vast agricultural land that includes apple trees and grape vines. While that is still the lake’s primary function, ecotourism is a very successful added value.



TO THE RESCUE

Ecotourism is defined by the International Ecotourism Society as tourism directed toward natural environments intended to support conservation efforts and observe wildlife. It is a socially responsible form of tourism that supports local communities and environmental sustainability.

Ali Awada, founder of kayaking and rafting company Sport Nature Club, believes that ecotourism came about because travelers had grown weary of the conventional mass tourism model of a bus “to main sites and a fast food restaurant on the way back.” He had noticed the emergence of the ecotourism trend in the 1990s, when he was living in France, and thought of bringing back an element of it to Lebanon. “To me, its role would be twofold: it would show people a different side of Lebanon—especially since we were coming out of the civil war—and it would also develop rural tourism in neglected areas such as Khiam, Hermel, and Akkar, where three main rivers are,” says Awada, referencing the Litani, Assi, and Awali rivers respectively. Awada established his kayaking and rafting business in 1995, starting with the Assi river in Hermel, and says he takes an average of 500 adventurers per summer either rafting or kayaking there.

Ecotourism is not new to Lebanon, but the past decade has seen a rapid increase in the number

■ “In 1997, there were only four ecotourism operators, in 2010 there were 25, and today there are close to 90.”



of ecotourism operators in the country. “In 1997, there were only four [ecotourism operators], in 2010 there were 25, and today there are close to 90,” says Abou Arrage. “This is because domestic tourism has developed a lot over the past couple of years; many Lebanese cannot afford to travel abroad anymore, and so seize the opportunity to enjoy nature activities once a week on Sundays as the cost is much less.”

The increase in visits to Lebanon’s natural biospheres and protected areas also indicates a growing interest among those in Lebanon to enjoy the country’s natural beauty where it exists (see boxes for more on these sites). For example, Domaine Taanayel, famous for its lake, had around 12,000

visitors in 2010, when arcencial, a Lebanese non-profit organization focusing on development, first took over management. By 2018 that had increased over 15-fold to 183,000 visitors. Tony Saliba, head of ecotourism at arcencial attributes this increase to the growing interest in ecotourism in Lebanon.

Through ecotourism, the potential for tourism around Lebanon’s fresh water bodies is diversified and expanded beyond just having lunch overlooking the water to something that is more sustainable for the industry and for the environment. Mark Aoun, general manager of local ecotourism NGO Vamos Todos, explains that a wide variety of their activities take place over freshwater bodies. The most obvious example is hiking or trekking, which is popular near almost all freshwater bodies including along Nahr el-Jawz in Batroun, the Qadisha valley close to the cedars, and alongside Chouwen in the Jabal Moussa Reserve.

Rafting is most popular in Hermel’s Assi River, although Awada says he is trying to increase the popularity of the Litani river in the south. There is also caving across the Jezzine waterfalls and zip lining and climbing in Balou Balaa, close to Batroun.

Boat rides used to be common on Lake Qaraoun, but this season boats have been banned due to worries that they will be pulled by the overflow-drain pipe toward the end of the lake, and to prevent them from polluting the lake by dumping fuel, according to Sami Alawieh, director of Litani River Authority.

Hospitality & Tourism

SHOUF BIOSPHERE RESERVE

Location: Shouf (70 percent) and West Bekaa (30 percent)

Size: The core zone is 55,000 hectares, which makes up 2 percent of Lebanon. When the biosphere was formed it added 22 surrounding villages to its area, making it 5 percent of Lebanon overall

Freshwater bodies: Barouk river, Nabeh el-Safa, and Al-Rayan spring

Entrance fee: LL7,000 for adults, LL5,000 for children under 16

Number of fixed employees: 45 full-time employees, in addition to seasonal employees

International Designations: UNESCO Biosphere Reserve - Important Bird Area - International Union for Conservation of Nature Green List of Protected and Conserved Areas

Shouf Biosphere Reserve was declared a natural reserve in 1996 by a decree from the Ministry of Environment following a proposal or request from a committee formed of representatives from villages in the area. It contains the three biggest remaining cedar forests in Lebanon and is one of the oldest reserves in the country.



While tourism in Lebanon is concentrated in the summer, ecotourism around freshwater bodies opens up the possibility of spring tourism—a positive step toward year-long tourism (see overview page 12)—since these assets are at their maximum appeal in the cooler spring months. Some rivers, such as Nahr el-Dahab, which is part of the Jabal Moussa Reserve, dry up in the summer and so can only be enjoyed in spring. Rafting in Jounieh's Nahr el-Kalb is a spring-only activity as well, according to Awada, since water levels are too low in the summer. For low altitude locations, spring is the ideal time for hiking before it gets too hot.

THE MONEY TRAIL

Having a well-maintained and managed freshwater body in an area can revitalize the local economy through ecotourism. Abou Arrage says municipality heads who have recognized the value of their natural assets have capitalized on them by introducing hiking trails and organizing events around these freshwater bodies. For example, the Kfour municipality in Keserwan developed a hiking trail connecting four springs.

As part of their mandate, biospheres work on including and empowering the communities in which they are based. In keeping with that, both the Shouf Biosphere Reserve and the Jabal Moussa Reserve employ youth from the region as guides and guards and support women from the community in producing *mounneh* (such as jams, syrups, honey) that they brand and sell under the biosphere's name, taking only a small percentage of profit.

The biospheres have also encouraged the creation of guesthouses and *tables d'hôte* (when a family opens its doors to visitors for a fixed-price set menu) within these communities. In Jabal Moussa Reserve, there are different formulas for tables d'hôte starting with the basic \$10 formula of salad, a main meal, and drink, while Shouf Biosphere Reserve fixes the price at \$15 for a full lunch. In addition, there are the peripheral businesses that open in proximity of the reserve and benefit from it. These activities include camping sites near the Jabal Moussa Reserve, and horseback riding or cycling next to the Shouf Biosphere Reserve—these activities are not allowed within the reserves.

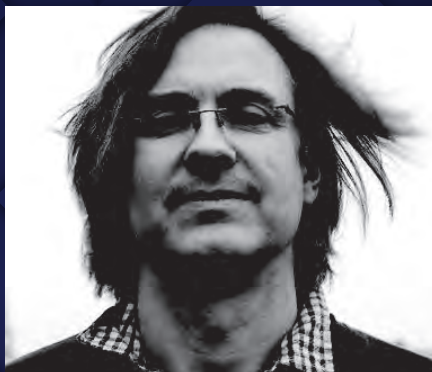
Hotels and conventional restaurants overlooking freshwater bodies and in proximity to reserves also benefit from increased business. “Barouk has beautiful nature overlooking the river with the backdrop of the cedars forest reserve, and so a lot of people are coming to enjoy the activities in and around the reserve, such as biking and hiking, and end up staying

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Hospitality & Tourism

in the area overnight,” says Imad Mahmoud, owner of the Hideout, a guest chalet that opened in the area in October 2018 in response to the increased activity.

The economic potential of ecotourism within and surrounding these reserves is significant. A 2015 study entitled “The Economic Value of the Shouf Biosphere Reserve” found that the biosphere generates revenues in the range of \$16.8 million to \$21.4 million annually.

To illustrate the economic impact of well-managed natural assets on their surroundings, Joelle Barakat, conservation manager at Jabal Moussa Reserve says: “Before the Jabal Moussa Reserve in 2007, the area did not have much tourism infrastructure, and only hikers or locals knew of the natural sites. With the reserve, more guest-houses and small restaurants have opened. We have 28,000 visitors per year, while at the beginning, there were just 300.” She goes on to explain that their main target is to create a cycle where the whole community is working for and benefitting from the biosphere.

THE RIVER RUNS THROUGH

Despite what is being done at a private level in terms of ecotourism around freshwater bodies, there is definitely room for better organization of this type of tourism and for capitalizing more on freshwater bodies that are not parts of natural reserves. “You feel that the river itself is not an attraction in Lebanon as we don’t have comprehensive tourism products around our rivers, or a tourism strategy to promote them, like rivers in other cities around the world do,” explains Abu Arrage (see more in leader page 10). “One of the reasons for this is that governance of these rivers is not organized or clear, with municipalities, the Ministry of Environment, the Ministry of Energy and Water, and the Ministry of Interior all having one sort of authority or another over these waterbodies.”

Visible pollution and littering also stand in the way of fully enjoying freshwater bodies located outside of reserves. Although 10 rivers fall under the Ministry of Environment’s natural protected sites list—meaning certain regulations such as maintaining cleanliness and keeping 16 meters around the river free from construction in theory are in place—EXECUTIVE’s team found countless examples of littering along these supposedly protected waters.

Such sights negatively impact tourism around those waterbodies, as people want to enjoy nature’s beauty when on an outing, and so would avoid places

JABAL MOUSSA RESERVE

Location: Keserwan District

Size: Its core is 1,250 hectares plus an additional 6,250 hectares once villages were added to it when it became a biosphere

Freshwater bodies: Nahr Ibrahim and Dahab River

Entrance fee: LL8,000 for adults, LL4,000 for children under 16

Number of fixed employees: 14 full-time employees, mainly guards at entry points and office staff

International Designations: UNESCO Biosphere Reserve

Jabal Moussa Association was founded in 2007 by Pierre Doumit and other prominent figures from the local community in an attempt to protect a part of the mountain that was being threatened by quarries. To do so, Doumit long-term rented that land and formed the association to protect the rest of the mountain in a similar manner. Jabal Moussa Reserve is a nature site under the protection of the Ministry of Environment but is not a government-designated reserve because it is on privately owned land.



they hear are polluted, explains Abu Arrage. The polluted state of the Litani (see article page 40) has negatively impacted tourism around Lake Qaraoun explains Wissam Massaad, the owner of Chalet Du Lac, a restaurant overlooking the lake. “We had already felt the impact of the pollution on our business in 2017, but 2018 was worse in terms of a decrease in number of clients because there was more coverage of the pollution in 2018,” he says. “People would hear that the Qaraoun smells or looks bad, and would prefer to spend their day elsewhere in Zahle or Anjar.”

If the Ministry of Tourism is to be taken seriously in its appeal for year-long tourism, then it would be well advised to clean up Lebanon’s freshwater bodies and coordinate with stakeholders to capitalize on these beautiful tourism assets through ecotourism and conventional tourism activities—before it is too late.





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DIVERSIFY TO SUCCEED

How can Lebanon compete in tourism?

Dubai is ranked the fourth most-visited city in the world according to the Mastercard Global Destination Cities Index 2018. New attractions and experiences have contributed to Dubai's success, bulwarked by a comprehensive marketing strategy. Campaigns promoting Dubai tourism showcase the city as a safe and exciting destination for travelers. Dubai's marketing plan is primarily accomplished by the efforts of a large group of independent firms and agencies that work together to serve their independent interests. Those carrying out the marketing plan include both private-sector firms and public-sector agencies (e.g. the Department of Tourism and Commerce Marketing). The success of Dubai's marketing should prove to Lebanon the need for a better public-private strategic and systematic coordination. In Lebanon, sadly, there has not been serious attention to the role of the private sector in investment decision-making and management of tourist spots in order to increase the prosperity of the tourism industry.

Lebanon has many natural, cultural, and social strengths that have enabled it to carry out its tourism activity. However, it should be noted that its strengths are not enough to carve its place in world tourism today. What Lebanon needs is a destination marketing plan that promotes the country as a must-visit tourist destination. McKinsey's Lebanon Economic Vision (LEV) highlighted the tourism sector as one of the five sectors the company believed should be focused on in order to revamp the economy. While McKinsey's recommendations include realistic strategies such as creating a "vibrant calendar" for events and issuing bulk visa for corporates, the plan still lacks in several areas. For example, while it outlines changes necessary for an improved aviation policy, these need fleshing out in order to constitute a fully comprehensive plan that could aid the tourism sector. Moreover, Tripoli—the city with the second-largest amount of Mamlouk architectural heritage in the world—is not mentioned in the tourism section of McKinsey's LEV, raising serious questions as to whether certain cities have been given priority at the expense of others in McKinsey's vision.

Another element that was missing from McKinsey's tourism vision was clarity on how Lebanon can compete with neighboring mass tourism regions. To be able to position itself in a harsh competition context, Lebanon must put in place differentiation strategies for tourism promotion. These tactics will be based on several factors, such as the establishment of country brand, the diversification of tourism products, the diversification of markets, the development of ecotourism, and the reduction of airport taxes. In its plan, McKinsey put emphasis on traditional approaches to tourism promotion, such as boosting medical tourism and business (MICE) tourism. However, the competitiveness potential for medical and MICE tourism is highly limited given the head start of regional countries such as Turkey and the UAE.

In order to assert Lebanon's competitive edge over its neighbors, the government should first



polish up its image. Lebanon still suffers from the lingering hangover of wars and political conflicts. The role of tourism diplomacy is critical in order to promote destination Lebanon; this means opening new offices of representation and tourism promotion in the various source markets with high tourist potential. Securing the services of a local tourism professional in each issuing market would be an important strategic act; their role would be to participate in the implementation of a marketing and communication strategy, as well as the necessary lobbying with the tour operators and sales networks. In addition, Lebanon has to target niche markets. Creative approaches from the government ought to promote Lebanon as a tourist destination for cultural, religious, and gastronomic tourism, as well as leisure and recreational tourism. Another opportunity to diversify Lebanon's tourism offerings would be to sign agreements and partnerships with international event planners as an essential part of promoting the country as the preferred Arab wedding destination.

In 2018, Lebanon ranked 105 out of 137 countries on the World Economic Forum's Travel and Tourism Competitiveness Index. Lebanon's unfavorable competitiveness rank can be partially attributed to the sector's poor tourism infrastructure. With a view to promoting tourism, new activities should be launched in order to foster rapid development of the tourism infrastructure,

■ Lebanon's unfavorable competitiveness rank can be partially attributed to the sector's poor tourism infrastructure.

in terms of both physical facilities, and the quality and diversity of tourism services. This should include restoration and protection of archeological sites such as the castle in

Saida, natural sites like Qornet Sawda, urban infrastructure, and transportation. 

Samer Elhajjar has a PhD in marketing from the University of Strasbourg. He is an assistant professor at the University of Balamand and consults in strategic management and marketing.

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A MISGUIDED STRATEGY



McKinsey's tourism vision for Lebanon

Tourism is one of the most promising sectors as a driver of economic growth in Lebanon, and so was an essential part of McKinsey's Lebanon Economic Vision (LEV). The management consultancy's report—presented in the form of a 1274 slide-long powerpoint presentation—dedicated around 120 slides to the tourism sector. How was this vision developed, and does it constitute a comprehensive tourism strategy that takes into consideration the realities of Lebanon? Does this plan examine the ever-changing tourism and travel market with the emergence of new destinations and the shifts in travelers' behaviors and preferences?

In the process of developing their tourism vision, McKinsey experts consulted with the tourism and culture ministries, a former tourism min-

ister, the tourism committee of the Economic and Social Council, three main tourism syndicates (that represent conventional tourism services), and two persons in the nightlife business. We do

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not believe that the personal opinions of these stakeholders alone—to the exclusion of many other key actors representing different tourism types and market segments—were suf-

ficient to build an integrated strategy for the sector. Moreover, the diagnostic upon which the vision was formulated did not draw a clear map of

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the sector dynamics from a value chain perspective. For example, the accommodation services considered by the study were limited to conventional hotels, and all other forms of accommodation were neglected.

As a result of ignoring Lebanon-specifics, the tourism vision initiatives and recommendations were not comprehensive nor inclusive and showed a limited knowledge of the Lebanese legal context and framework. For example, McKinsey acknowledged the need to clean Lebanon's public beaches in its recommendations, but listed their proposed "owner" for this task as the Ministry of Tourism, whereas this task necessitates the joint efforts of many public and private entities including the Ministry of Environment, the Ministry of Public Works and Transport, and concerned municipalities. Moreover, the initiatives' prioritization seemed to fit with the interests of few stakeholders and serve the mass tourism concept with its leisure market segments, rather than promoting a sustainable tourism approach based on small scale adventure and experiential tourism forms that generate higher revenues and minimize the negative impacts of tourism on the natural and cultural resources. Based on our own research and research conducted abroad, it is clear that tourism development should incorporate different tourism types and create synergies and complementarities between them in order to respond to the diverse market demands for innovative and authentic experiences.

From a marketing perspective, the LEV proposed to promote and brand Lebanon as the "up and coming Mediterranean Riviera" with three main types of tourism: leisure (including "City and Entertainment," "Sun & Sea," and "Culture," as well as a "niche offering in ultra-luxury ecotourism"), business (with a focus on the MICE segment and the GCC), and medical. This market and branding vision bears many paradoxes, especially for two types of tourism. The ultra-luxury ecotourism concept does not match with the realities of Lebanon due to the small size of its nature reserves, their proximity to urban settlements, the fragility of natural ecosystems, and the absence of legislation for ecotourism in general. It is worth mentioning that none of the nature reserve managers or nature-based tour operators who have been working on this market were consulted.

As for the Sun & Sea segment of leisure tourism, it is one of the least competitive markets for

Lebanon due to the low attractiveness of the coastline and the high levels of sea water pollution, in addition to the very low capacity to compete with neighboring destinations such as Turkey, Cyprus, and Egypt, resulting in a deteriorated value for money. Moreover, sun and sea tourism is not a trending market segment anymore according to many international studies and reports.

Meanwhile, the 22 proposed priority initiatives did not promote a balanced socio-economic development model since they favored the center-


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periphery model, which increases disparities and gaps between urban and rural areas. The LEV mentions three tourism anchor destinations and urban/coastal hubs in Beirut, Byblos, and Sour, instead of developing regional tourism clusters and geographical destinations offering thematic

experiences for travelers, with all what they need in terms of services, facilities, and activities.

In addition to that, as for most the economic sectors mentioned in the vision, the tourism priority initiatives are not presented with a clear time frame that identifies how long is needed for their implementation.

In terms of economic impact, the LEV estimated that the number of jobs in the tourism sector will increase from 89,000 in 2017 to 185,000 in 2025. However, there is no explanation of how these 96,000 jobs will be created in the space of six years, how they will be distributed on the different sub-sectors of the tourism industry, and which tourism businesses and services will absorb them.

Thus, Lebanon's tourism development strategy should be aligned with international market trends and should be flexible to cope with the fast changing environment. Moreover, it should be shaped according to Lebanon's particularities, especially the unstable political scene and the frequent crises that should be faced by integrating the concept of resilience within the national tourism strategy. 

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