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Executive

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LEBANON UNCONDITIONAL

Resolved to Thrive

EDITORIAL

#276

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Sending a clear message: In English, Arabic and French

Asymmetry of information is a corrupt politician's best friend. Now, at the halfway point of the Aoun-Salam administration, trust in what was once heralded as an era of hope and change keeps eroding.

We would like to believe that the government is guided by a well-articulated strategy - one born of high-level coordination across ministries and anchored in a master plan that meets public expectations. Such a plan would address structural reforms, reconstruction, infrastructure development and, crucially, the recognition of government liability to depositors.

Yet the tone captured in this issue—weary, disappointed and skeptical—increasingly mirrors the criticisms we have voiced over past aministrations.

On June 19, the World Bank projected a 4.7 percent inflation-adjusted growth rate for Lebanon in 2025, signaling cautious optimism. But that outlook hinges largely on tourism and consumption, with limited capital inflows.

We are still waiting to hear of plans to enable investment in dysfunctional state-owned enterprises or to unlock the potential of promising companies through access to capital and markets. Isn't investment the precursor to economic growth and prosperity?

We recognize the impact of ongoing military violations against our country and the need for asserting state authority. We are also convinced that the government can - and must - do better on other priorities: sovereignty also means defending our healthcare, pensions, food security, industries, energy, education and environment.

In all these regards, Lebanon's private sector has once again demonstrated its capacity to lead. It is emerging as a key driver of economic recovery, offering a proactive alternative to stalled government reforms. While the government remains central to policy execution, it has grown increasingly oblivious to its role. Advocacy groups within the private sector are pushing for reforms in fiscal policy, administrative efficiency and social equity - efforts that complement international calls for structural change and align with World Bank recommendations. Meanwhile, the government continues to rely on an extractive model, taxing a weakened formal sector to balance its books, often at the expense of corporate sustainability, job creation and value generation.

Let us be clear: economies are not managed by ministries of finance and economy alone. They are collectively coordinated economic strategies and visions that optimize the productivity of national resources. Until that day arrives, the distance between government and society will continue to grow - and our fight for the Lebanon we want will go on.

Our commitment at Executive is to a Lebanon with a transparent and unified vision, a country that is unconditionally resolved to thrive.

To play a small part in working towards transparency and coordinated action, Executive Magazine will now be available in two additional languages - Arabic and French - allowing us to reach a broader audience and collaborate with a wider pool of journalistic talent.

Yasser Akkaoui
Editor-in-chief

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We invite you to enjoy our content in three languages.

LINKS TO ARABIC AND FRENCH TRANSLATIONS ARE NOW AVAILABLE IN EACH ARTICLE

REAL ESTATE AND SOCIAL SECURITY

Determined to make the mirage of stability into actionable reality

Executive

Responsible director Antoine Chidiac
Managing director & editor-in-chief Yasser Akkaoui

Editor-at-large Thomas Schellen
Managing editor Marie Murray
Journalist Jamile Youssef
Assistant Translation Editor Rita Tanos
Intern Maryam Alaouie
Contributors Massaad Kabalane Fares, Paul Salam, Afif Rafique
Art direction Tanya Salem
Photos Dana Helo, Hassan Shaaban, Bassam Gholam, Rita Nassar, Karim Sakr, Beirut Built Heritage Rescue, Archives, Agencies, Greg Demarque
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Published by NewsMedia sal
Sehnaoui Center, 7th floor, Ashrafieh, Beirut
Tel/fax: 01/611-696
editorial@executive.com.lb

Contact us – We need your input.
Please contact us with any suggestions or comments at:
www.executive-magazine.com or
editorial@executive.com.lb

For subscriptions – subscribers@executive.com.lb

AR FR

Houses of cards: The lesson of Lebanon's unstable urban housing crisis

No one could deny that the Lebanese inhabit a land after which many would-be military conquerors but also political expansionists and economic investors lust. There is ample evidence that this stretch of land on the Mediterranean coast must have been as highly attractive to the proverbial Roman legionnaires that have trodden here as to the deluded crusaders traversing it en route to what they saw as sacrificial conquest for the greater glory of Christendom.

Pioneering geneticists have found it fascinating to map the assemblage of the ancestries and identities of people who live today on this roughly 400 kilometers long stretch of Mediterranean lands spanning ancient Phoenician, Canaanite, and Philistine settlement areas.

Genetic logic would posit this historically hotly contested stretch of coast adorned by early urban cultures and city kingdoms as a habitat of coexistence, a collective model project of united nationalities and interactive economies. Instead, the Eastern Mediterranean coast has recently been once again brutally fragmented and claimed by multiple competing powers. In consequence, this densely populated, highly urbanized, war ravaged land with urban settlements whose living roots are among the deepest in the world, could become a route of tombs of urbanity.

Since two years, increasing numbers of scholars, media reports, activists and legal advocates have been describing the actions committed by Israel in the Gaza territory as "domicide" (domus: Latin for house), which is the deliberate and systemic destruction of homes. But I find myself having to wonder if another neo-Latin scholarly term from the late 20th century will become a byword for what is happening in Beirut: that term is urbicide (urbs: Latin for city).

A redefinition of urbicide – widened from a deliberate destruction of cities in conflicts – could describe a process of creeping dysfunctionality of the city as social and economic sphere.

The functional death of the city could arise from the congestive failure of urban productivity, or be caused by collapse of vital infrastructure such as water supply and drainage networks, or by organizational breakdown of informal and formal human social contracts on health, housing, education, etcetera.

Unrestrained Anthropocene is the term I resort to for describing the insane period mankind brought upon itself since the mid-20th century that is currently shaping up into arenas of overlapping existential threats of "poly crises and perma crises" (see comment piece page 6).

POST-BLAST BEIRUT AS A CASE STUDY

This month, early in year five ABB (after the Beirut Blast), it is instructive (see story page 28 and photo reportage page 30) to explore neighborhoods in port districts from Karantina to Gemmaizeh, Achrafieh, and the downtown (Beirut Central District or BCD). Karantina, as fated by old urban highway planning sins, exists in spatial isolation from the city and is the most insular and downtrodden quarter in the path of the Beirut Port Explosion.

While a much poorer quarter than others, the neighborhood also is a habitat of multi-communal diversity. Aside of street art, eye-catching murals installed post-blast on desolate walls, one of the things to see in the streets of Karantina are plaques in recognition of foreign donors that funded specific small urban rebuilding projects in the district. They adorn lamp poles, redesigned playgrounds, a new community center, and even a restored police station.

At the same time, however, Karantina shows next to no signs of vibrant economic activity of a sustainable nature (if one doesn't count warehouses, parked trucks and speeding delivery scooters as sustainable). There is definitely no visible trace of a national strategy for urban recovery and no indication of state initiatives in terms of social housing or provision of spatial livelihood development incentives.

In the first-impression, the neighborhood looks incomparably better than in 2021 and also better that it did in the mid 2010s, with many improvements of public spaces owed to local initiatives with foreign funding. Yet one cannot overlook the dirt and garbage thrown carelessly into vacant lots, on curbs and around buildings. Accentuated by roadside presence of broken or abandoned cars, the economic fabric is one of narrow streets with interrupted sidewalks and broken pavement, where people tend to be sitting idle in front of sad looking stores of mostly marginal and informal economic activity.

ESSENTIAL CONCERNS DERIVED FROM A SMALL QUARTER

Well-intended micro-improvements of previously broken and dysfunctional spaces in Karantina cannot conceal that larger economic and social barriers – such as the lack of pedestrian access to adjacent parts of Beirut – are still the same as a decade ago. The five-years-ABB impression of a very sad district in this macro-social and neighborhood-business regard is just as limited, stressed and unexciting as five years BBB (before Beirut Blast).

Beirut's fate lies in two paradigms of globalized capitalist civilization: the paradigm of urban productivity and the paradigm of the right to dignified housing. The paradigm of urban productivity affirms that economic growth happens in human agglomerations and collective productivity environments more organically than anywhere else. The right to dignified housing leaves no doubt that adequate dwelling is key to securing livelihoods in sustainable habitats under conditions of agglomeration.

> A redefinition of urbicide - widened from a deliberate destruction of cities in conflicts - could describe a process of creeping dysfunctionality of the city as social and economic sphere.

Satisfying both needs for a Lebanese community requires public intervention in the property sector as well as a well-funded housing strategy implemented by the state. Care of urban development cannot be allocated solely to civil society actors that are financially and ideologically supported by foreign development initiatives.

In an uncomfortable lesson from humble Karantina, self-inflicted urbicide is a danger that no nice ideas and donor-funded micro-projects will avert if Beirut continues down its current path. That is, if it continues to be a city where the powerful can achieve their interests without equitably contributing to the city's productivity while the bulk of its economic body, the labor force and their families, gradually suffocates.

WHY IT MATTERS

The United Nations' Sustainable Development Goal #11 (SDG11) is to "make cities and human settlements inclusive, safe, resilient and sustainable." It affirms housing and sustainable urbanity not only as a human right but also as a goal on which the community of nations has agreed.

However, the non-achievement of SDG11 by the target line of 2030 is 99.9 percent certain, judging by the latest SDG "progress" report of June 2025. This, and the protracted failure (seemingly over 80 percent probability) of realizing the sustainable development goals and the ever-more pressing climate goals by 2050, are humongous moral failures. With the non-achievement of SDGs also comes an economic debt to the future, a debt whose severity is further exacerbated by climate debt.

In these past fifty years, the urban value-added has driven the global development story, solidifying in formation of more and more megacities on all populated continents.

In the long history of the city, there can be no doubt of the construction of social walls that accompanied the societal wins of urban safety and freedom. The formation of slums for the precariat and of privileged ghettos for the very rich are part and parcel of the human experience of urban agglomeration.

Skills clustering, creation of new urban productivity, and belonging to a city of whose output, identity, and inclusiveness its people can be justifiably proud, is the upside of urban freedom. Smart belonging and urban freedom can even provide an antidote to the city's anonymity and alienation – if there is prudent urban governance. This means today that a transparent process and communal consensus on housing strategies are socioeconomic imperatives.

THE SIZE OF THE URBAN PIE

Demographic transitioning means the flattening of population curves. Capitalism, with its essence of relentless mutation, is sure to change under the influence of human behaviors. What seems safe to anticipate for the remainder of this century is that more people than in any previous century will live on this planet and that urbanization is not going to radically reverse. Enhanced urban productivity requires departure from exclusionary models of behavior and, hopefully, thinking. Practical regression of language barriers and geographic distance barriers to remote work will persist and become prominent, which means that more people have to work with more people who are not kin, not clan, and not national peers. Such a world cannot afford to remain steeped in racial phobias of the other.

When compared with the insane evil of deliberate domicide of the feared other, self-inflicted functional urbicide will never be as brutal, dehumanizing, and total. But even in a city with such deep, living heritage roots as Beirut, regression into a state of an economic backwater and zombie enterprise is a risk if no common-good orientation, mutuality of rights and obligations, or respect and sense of belonging show themselves. And practically, if no consensual taxation and submission of partisan financial interests to the common good is achieved, never mind the writing of another fanciful but not organically funded national housing strategy.

AR FR

Research in crisis

BY PAUL SALEM

DEVELOPING A NATIVE AND PARTICIPATORY FRAMEWORK

This is an adapted version of Keynote remarks delivered by Paul Salem on September 24 at the opening of a conference entitled Research in Conflict Settings, hosted by the American University of Beirut, and co-organized with Birzeit University and the Canadian international Development and Research Council.

There is little doubt that the contemporary Middle East is beset by multiple deep and cross-cutting crises. And indeed, this conference is convened to examine how engaged researchers can forge a path out of this crisis-laden reality. But before delving into our region's crises, and possible ways out, it is worth pausing to reflect on what we mean when we invoke the concept of 'crisis'.

Some see crisis as rupture — the sudden interruption of normal life. But as Michel Foucault asked, what exactly is "normal," and what injustices or exclusions might be hidden beneath it? For Antonio Gramsci, crisis was a time when "the old is dying and the new cannot yet be born" — an interregnum that is dangerous but also one that is full of potential. The Chinese word for crisis combines the characters for danger and opportunity — a reminder that crisis can be a turning point.

More recently, scholars and observers have described our global moment as one of polycrisis or even permacrisis — a convergence of political, economic, security, climatic, and digital shocks that feel less like temporary ruptures and more like a new normal. The danger of this framing is that it encourages resignation — the normalization of conflict and suffering. The challenge is to resist that temptation, to acknowledge the weight of crisis but also to search for a way forward.

THE MIDDLE EAST TODAY

Nowhere does the sense of polycrisis and permacrisis resonate more than in the Middle East. The region is caught in overlapping geopolitical conflicts, fragile politics, uneven economies, contested social structures, unfinished cultural debates, and severe environmental stress.

Geopolitically, wars have become the new normal, displacing millions, toppling governments, and reshaping alliances between states and armed groups. The most horrendous and heart rending is the killing and starvation of the Palestinian population of Gaza.

Politically, more than a century after the end of the Ottoman Empire, Arab states are still struggling to establish inclusive and accountable systems of governance. Monarchies remain relatively stable, but most of the revolutionary republics hardened into authoritarian rule. The few democracies have either backslid — as in Tunisia — or remain haunted by sectarianism and corruption, as in Iraq and Lebanon. Other states have collapsed into state failure and civil war, like Yemen and Libya, and most recently and terribly, Sudan.

Economically, the inequalities are staggering. Gulf economies have harnessed energy wealth to diversify, invest, and increasingly innovate. By contrast, energy-poor states with large populations — Egypt, Jordan, Tunisia — have failed to deliver growth and jobs commensurate with their demographic and educational potential. The promise of the "youth bulge" has too often turned into a source of frustration and unrest. Despite favorable fundamentals, the Arab region has fallen far short of the economic performance of East Asia, where similar challenges were turned into engines of growth.

Socially, questions of public space, women's rights, youth participation, and minority inclusion remain unresolved and contested. In some societies, space has opened for women and young people; in others, retrenchment and exclusion dominate.

Culturally, the Arab world is still wrestling with issues that have been on the table since the 19th-century Nahda: the relationship between religion and secularism, communal identity and individual rights, faith and reason. These debates remain unfinished, and their outcomes continue to shape politics and society.

Environmentally and technologically, the pressures are profound. Climate change and water scarcity are hitting the region earlier and harder than elsewhere, intensifying competition over resources and fueling migration. At the same time, digital transformation and artificial intelligence are reshaping economies and public spheres. These offer new opportunities for innovation and empowerment, but also new risks — disinformation, cyberwarfare, and technological exclusion.

Yet, despite the darkness, the region is not without sources of hope. Some economies are embracing transformation and finding paths toward diversification and modernity. Countries like Lebanon and Syria are presented with new openings to rebuild sovereignty, governance, and economic vitality. Across the region, brave actors in civil society, the private sector, and some public institutions are working to improve social and political conditions.

History offers perspective. Europe lay in ruins 80 years ago, East Asia 60 years ago. Today both are largely prosperous and peaceful. The only constant in history is change; the challenge is to bend it in a positive direction.

Scholars and observers have described our global moment as one of polycrisis — or even permacrisis — a convergence of political, economic, security, climatic, and digital shocks that feel less like temporary ruptures and more like a new normal.

ENGAGED RESEARCH

One might ask, what can engaged researchers do in the face of such daunting realities? But we, like other active and engaged groups within our world, have an important role to play: in engaging communities to identify agendas and priorities; in undertaking research that not only describes challenges but points to solutions and a way forward; in bringing the force of ideas to impact change in the real world.

For much of the twentieth century, research on crisis settings was largely extractive. Researchers would arrive, collect data, write reports, publish in journals, and move on. Communities under study often saw little benefit from this process. Today, that model is no longer acceptable. Communities in crisis need research that is not just about them, but also for them.

This means moving from passive observation to engaged scholarship. Researchers must become not just chroniclers of tragedy but contributors to recovery and transformation.

But this shift is not easy. It requires balancing scientific rigor with the urgency of action. We must still care about methodology, validity, peer review — but we must also be able to provide insights quickly enough to inform decision-making in real time.

It also requires breaking down silos. A crisis is rarely just a public health problem, or just an economic problem, or just a security problem. It is often all of these at once. That means researchers must collaborate across disciplines — political scientists with public health experts, economists with sociologists, computer scientists with artists and anthropologists.

And crucially, we must work with communities, not just on them. Participatory research approaches — co-creating knowledge with affected populations, sharing findings in ways that are accessible, and allowing communities to shape research priorities — are not just ethically sound, they are practically effective. Research designed with communities in mind is more likely to produce insights that are actionable and relevant.

In the prism of action, we must also take seriously the challenge of moving research findings forward along the path of policy impact and policy making. Engaged research without impact is of little worth to the communities it seeks to assist.

strategic foresight is a tool that we can all beneficially use, and to indicate that we have to imagine the outlines of a better future if we want to set our sights on trying to bring it about.

A RESOLUTE DETERMINATION

The Middle East today is defined not only by polycrisis and permacrisis, but also by resilience and potential. Its challenges are profound, but its future is not foreordained.

Citizens, policymakers, civil society, and researchers alike have roles to play. The more shoulders push against the wheel of history, the more likely it is to turn in a positive direction. The region has known many false dawns, but history teaches us that even prolonged periods of turmoil eventually give way to renewal and transformation. Europe rose from the devastation of two world wars; East Asia emerged from colonial subjugation and conflict to become a hub of prosperity. The Arab world is no less capable of such recovery.

What is required is both vision and persistence: the vision to imagine alternatives to endless conflict, and the persistence to pursue them despite setbacks. We must refuse the temptation of despair and the paralysis of resignation. If we can sketch out futures of just peace, inclusion, and prosperity — even in outline — we can orient policies, social movements, and scholarship toward those ends.

The Middle East's story is still being written. The question is whether it will be a story of perpetual breakdown, or one of eventual breakthrough. That depends not only on states and leaders, but also on the countless individuals, communities, and institutions that continue to strive, resist, and rebuild. It is to their resilience, and to the possibility of a more peaceful, prosperous, and just region, that we must commit our efforts and our hope.

LOOKING AHEAD

As we look ahead, we know that the polycrises the region is witnessing will not just cease, but will likely evolve and metastasize. Climate change will reshape agriculture, migration, and conflict patterns. Digital transformation will bring new research tools — real-time data, predictive analytics — but also new risks: surveillance, disinformation, cyberwarfare. Automation will disrupt labor markets, creating new social challenges. Furthermore, regional and global geopolitics will continue to evolve. Truly, while the old regional and global orders are dead, new ones have not yet emerged.

While it is not possible, in this complex reality, to predict the future, the methods of strategic foresight can help us describe alternative scenarios for the future, that can serve as a macro guide to the engaged research community, and to all those committed to turning the wheel of history in a more positive direction.

One can imagine three broad scenarios. First, a positive scenario in which the region turns from war to peace, with a two-state solution in Palestine, an Iran that has pulled back from regional ambitions, and a region that has negotiated peace, security, and economic integration on a solid footing. Within this positive scenario we can't realistically imagine democracy and good governance breaking out throughout the region but can imagine steady progress in consolidating democracy where it exists; increasing representation and accountability in both monarchies and republics and seeing improvements in political and economic governance that bring wider and more inclusive prosperity.

> Communities in crisis need research that is not just about them, but also for them.

A second scenario could be a very dark one, where conflict spreads, states collapse, and decades of fragile progress are undone. A middle scenario would be one resembling the pre-2023 status quo — semi-stability with festering crises alongside islands of prosperity.

These thumbnail sketches of possible futures are not presented to indicate any predictive capacity, but rather to indicate that the art and science of

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KAPITAL CONCEPT

Al Bourj Building, Martyrs' Square, Beirut Central District, Lebanon
Tel. + 961 1 991 911 | **E-mail.** info@kconcept.org

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The linchpin of leapfrogging

BY THOMAS SCHELLEN

AN INTERVIEW WITH MINISTER FADI MAKKI

The human being by conventional wisdom and scientific study is to a very large part a creature of habit. Discovering and applying the principles that allow individuals and businesses to change entrenched behaviors to become more productive, is what makes or breaks social adaptation and economic reason. In a democracy's institutional behavior, the quest for greater productivity and societal relevance is like the search for the philosopher's stone of governmental sustainability, or a transformative magic potion that facilitates institutional behavior change and speed of progress by a state and its institutions in service to its sovereign. For an insider perspective on Lebanon's current challenges towards this end, Executive sat down with Fadi Makki, the minister of state for administrative reform.

E ***When the office of the Minister of State for Administrative Reform (OMSAR) was established back in 1995, its very name stood for an important element in putting Lebanon's post-conflict public sector on the right development track. As such, OMSAR soon became associated in people's mind with the activities of UNDP in supporting the Lebanese public sector. Compared to the ministry's role back then, what is different about the "new" OMSAR today?***

As you are aware, OMSAR has been a project-driven ministry. If you have funding, [OMSAR] can work. If you don't have funding, it has nothing. My predecessors never thought of institutionalizing OMSAR. It had great features in good days, being agile, quick and a magnet for funding. It worked beautifully in times of abundance. But when dire times occurred, the whole thing literally collapsed. 2020 was when OMSAR collapsed and that is when we realized that we should have created capacity, talked about sustainability, and have institutionalized. There were so many learnings. I have inherited what is like a collapsed temple. It has legacy, it has history. It also has some kind of mandate but [this mandate] is not promulgated in law that was adopted in parliament. [The mandate} is not an actual law but was created by the Council of Ministers.

My first task when I came here four months ago, was to reassemble the team. I looked who is still there, who left that I could bring back, and where I could acquire new human resources. How could I be creative in obtaining support. There is so much innovation because "nécessité fait loi", necessity is the mother of invention. I was eager to open different ways to find resources. I discovered that there is much that you can source from volunteering. You can achieve much with a sort of advanced internships from graduate students from top universities. One could attempt reskilling of whoever was left, the few dozens of people that I still have at the ministry. Re-skilling is something that was never thought about before. You can re-skill, which we did. At the same time, you need funding. We are now using the likes of grants from the EU, UNDP, the Germans and others too, to support what we have, not fully replace. What is different from the old times is that we are not running only on grant money but that we are re-skilling, and using sources such as volunteering and pro-bono support form universities and we are also oiling the wheels for additional funding. Finally, for projects without owner, we are trying to obtain some loans, which speaks for the World Bank loan on digital transformation.

E ***So there are now three main channels of budgeting for OMSAR, one avenue through volunteering and pro bono contributions,***

one avenue would be through grant money, and one avenue would be debt finance? So there would be no revenue from the usual fiscal sources and taxation?

I have a small budget – the smallest in all the cabinet at about $600,000 – which I use for advisors. OMSAR is not a burden on taxpayers. And getting a loan for IT and technology would be an investment, not an [operating loan], because it has a high return on investment and would trigger and boost [development].

E ***How much of your operational calculation is based on volunteering for the public good? It is a fascinating concept that we witnessed for example through civil society initiatives to light up streets in Beirut in the darkest days of 2021. How much of your mission as a project ministry are you able to fulfill with volunteer contributions?***

Quite a lot. My ministry is 37 people. That is what I inherited. Of those, the professionals, meaning people with degrees, number one third. I have effectively 10 to 12 people that we have to re-skill. I have 20 more who are volunteers or sourced through grants and minimal contracting. So essentially I managed to triple our capacity in creative ways. This said, I am suffering [from human capital depletion] because with more people, I can unlock additional funding. [We need] people who can write concept notes, who can write proposals. We see a lot of good will in the donor community, but we cannot just tell them what we want. That kind of give and take requires advanced [human] resources, someone who has done some project management.

E ***What are currently your most important projects?***

Senior recruitment absorbs most of my capacity. I have three pillars; one is admin reform which comprises senior recruitment and the actual reform agenda of restructuring the public administration, the second pillar is digital transformation, and the third, anti-corruption. They go together. You cannot do anti-corruption without digital transformation, and we cannot do that without restructuring the administration. You cannot restructure without recruiting senior experts to oversee administrative reform. It is really a very nice framework that I oversee.

As I said, senior recruitment absorbs most of my capacity, simply because the sheer volume of demand on recruitment is incredible. In the first few months, we had openings for about 24 [senior] positions, between CDR, Ogero, and three regulatory authorities – telecom, civil aviation, and electricity –the privatization [council], Rachid Karami Fair, and a cannabis regulatory authority. These have all been open. We completed two sets of positions, filling eight positions at CDR, and one at Ogero. And [very shortly], we will have four sets of appointments to announce, which will be a very high load. As I speak today, we are looking at the imminent filling of positions at the Electricity Regulatory Authority, the Telecommunications Regulatory Authority, the [Higher Council of Privatization and PPP], and Tele Liban. These are almost 20 positions in senior capacity, and the recruitment process has been very demanding.

> I have three pillars; one is admin reform which comprises senior recruitment and the actual reform agenda, the second pillar is digital transformation, and the third is anti-corruption.

We meet every morning on this topic of senior recruitment where we discuss our targets and issues such as scoring [of candidates], interviewing, discrepancies, arbitration needs, coordination of experts, etc. It is really a big operation and I have been trying to have less personal involvement but there is fire fighting to be done all the time.

E ***Is there still a component of sectarian allocation in the process of appointing ranking civil servants?***

Unfortunately, yes. For example, we were told that the president of CDR is Sunni so we had to look at Sunni candidates only. We had a bit more than 30 percent of candidates that were non-Sunni but only looked at Sunnis.

E ***In terms of willingness and desire of qualified candidates by their professional background, is there a supply overhang or a demand overhang, meaning an overabundance of top candidates for each position or a desperate deficit in finding enough technically and personality-wise qualified candidates who want to work as premier civil servants for the Lebanese people?***

There is a very interesting metric, which is the number of people who are applying for a position that has not "normally" been associated with their sect. I have that number, and I want to see more of that. If I am catholic and thus don't apply for a position, such as president of CDR which has historically been held by a Sunni person, my not applying is a sign that I do not trust the system even though I heard the President and cabinet promising reform and talking about the reshuffling of positions. We have been looking at this figure as an important metric of trust.

E ***Are you a builder of meritocracy?***

Within constraints. There are certain rules that we are operating within. When we grade candidates, the information for name, sect, and gender is masked, so the people who are evaluating, don't know who they are evaluating. But to be realistic, on another level, we can look at the sect filter. It is meritocracy in the sense that those who we are naming in the short list, are the best. But it is not always the case that we are able to attract the very best from outside [of electronic recruitment channels on the platform of OMSAR]. That is why we are wondering if we need some room for head hunting.

E Do you use any AI tool in the process?

We got an offer recently. Suppose we have about 640 candidates for CDR positions. What we currently do is evaluate against minimum requirements – if a candidate meets them or not – and then a second filter, get the score, get the civil service score, and then a third score. It is really scientific. One interviewing company came to me and said, they could do that in one hour, providing a ranking and recommendation without even needing to short list, based on the competency framework that we give them. However, I do not think that this is ready yet. It could be deployed with some validation but I don't think it is perfectly legal. In a bid to be entrepreneurial, I am going to ask people to give us the permission to experiment with this, just to evaluate if the AI is reaching similar results as the official process. But principally, the limitations of AI would have to be disclosed and the perception of using an AI tool would need to be managed carefully.

E As you were saying, there was no real institution building at OMSAR during the project-driven 25 years of activity before the collapse of 2020. Why?

Not at OMSAR, and not at other institutions. I will tell you why. I was a beneficiary. I was director general at the Ministry of Economy from 2003 to 2005 and I at that time benefited from the technical assistance that OMSAR provided to the MoE, helping us in creating the planning and performance monitoring function. OMSAR wanted us to create a unit but we could not recruit at that time [due to a public sector hiring stop], so we could not populate that unit with staff. So we were enacting focal points, which means asking someone who is doing other things to also be responsible for performance planning, which is not ideal. I do not like focal point as a concept. Almost 25 years later, we still do not have planning functions at every ministry. It is still one of my top priorities to create such planning functions. But I want it through creation of units. It might sound strange to say that we want to hire in staffing new units in the administration, but I do not see any other way to build a public administration.

The administration is no longer as bloated as it once was. We are running with 30 percent of needed capacity and sometimes there are even more vacancies. Therefore, we can no longer speak about implementing reform without adding staff while reskilling existing manpower and letting some go who can no longer fit.

E In the mission statement on the OMSAR website, the three pillars are good governance, capacity building, and digital transformation. Anti-corruption is of course intrinsic to good governance, but the original mission focus on building capacity makes it sound somehow like OMSAR in the past was tasked with capacity building – but without building OMSAR's own institutional capacity. Isn't this a bit of a logical incoherence?

Yes, OMSAR was tasked with building capacity without building its own capacity first. This was a major shortcoming and that is why we are trying to avoid this by becoming institutionalized and perhaps create it as proper ministry, not as office of a minister of state. Right now it is a state minister's office that is tasked with admin reform. In order for the donors to say that it is the most important ministry, it has to be a ministry for admin reform. It is on everybody's mind that we need to do financial reform but at the same time we need to do admin reform. Without it, you can no longer do proper implementation of governance. Therefore, the time is right to properly institutionalize from inside of the ministry so that it becomes on-par with the big ministries.

Admin reform has been done on contractual basis with funding coming from here and there, but senior administrative appointments are here to stay and we need to think of something, a mechanism to contract people into senior positions, constantly upskill them, shift them and move them around. That human resource funding and strategy is what we need to play more and more fully.

E You mentioned several times the concept of skill building, reskilling, or upskilling. This brings to my mind that you developed a paper and whole study on e-readiness back in 2003, one in which OMSAR found this e-readiness to be low or wanting in the administration and elsewhere. Today the e-readiness seems still to be wanting but at the same time, we usually mean a totally different concept when one talks about e-readiness in context of a digital society, not just such things like landline penetration rates and basic ICT infrastructures. What does the high intensity and speed of digital development mean for your quest of reskilling people at OMSAR? How difficult is it to re-skill people?

It is difficult but it equally is an opportunity. Because you could leapfrog. We lost so many [of our administrative human] resources. Therefore, and I am talking here about the core administrative functions, the fiscal burden is no longer [as high as] it

> We can no longer speak about implementing reform without adding staff while reskilling existing manpower and letting some go who can no longer fit.

used to be. Pensioners are a separate consideration and I do not want to talk about the situation in the military. The hard-core administration is nothing [in terms of cost] compared to what it was before. This is a golden opportunity to invest in those [civil servants] who are remaining. We want to give those who stayed skills in planning, digital transformation, performance monitoring, and some technical skills.

At the same time, you want to bring in a very limited number [of new people]. You no longer need a full cache. This cache is now two thirds vacant. Yet, we don't want to refill every position. We want to transform the administration and make it more agile, more compact, and create a modern ministry. At the same time, we want [to hire people] to fill new administrative units of HR functions, planning and performance monitoring, and digital transformation functions. We need to map the administration and reskill some to fill the new functions, hire for the new functions and let some [people] go from the old functions. At the same time, we want to reengineer the [government] services. Technology and AI gives us the opportunity to do that. Its leapfrogging because you do not need anymore to automate the administration as it is. You could simply short-circuit many processes and cut down on red tape. From user perspective, there could be many cuts in the services value chain. So the sequence is restructuring, reengineering the services, and then filling positions to support these services.

***E** Leapfrogging is something that has been called for by OMSAR but that Lebanon somehow has not been good at over the past 30 years. Another hot term in corporate advisory is nudging, and it is a term that you have promoted previously in your career. Will nudging – gently pushing people into policy and behavior compliance – be part of your strategy?*

You probably noticed from the ministerial declaration at the start of this government that I managed to have the term behavioral science included as one of the principles in forming the administration. I am proud to have injected this. If you want, "piece of me" into this declaration. There is a lot of room for nudging and behavioral science in senior recruitment. By creating a shortlist with some kind of implicit ranking of candidates. Even though it is a shortlist and the ministers are free to choose the number four name, it will be slightly more difficult for them because they then have to prove why they choose the number four and not the number one candidate. This is behaviorally informing a shortlist. There is room for behavioral science.

There even is a lot of room for nudging even in anti-corruption and we will integrate those aspects into our new strategy for 2026 to 2030, which we are currently working on. We are trying to change perceptions and social norms. There are perceptions that there is so much corruption, making [the administration] a basket case. But in the moment when you are starting to change that perception with facts and numbers, of how many are applying [for civil service positions] and how much trust there is, perceptions change. We have to work with scientific tools where we are changing perceptions – and when you change perceptions, you start changing behaviors.

***E** As far as collaborations, there are your collaborations with other Lebanese ministries as well as collaborations with the international community or external partners. Half of the news items on your website highlight meetings with this or that ambassador or this or that international representative. It is obvious that outreach is important for OMSAR. Within this network building and outreach, both internally and externally, what are your priorities?*

In Lebanon, priorities are horizontal. I need to regain trust of three groups of stakeholders. My first group is citizens. I need to regain their trust. They kind of gave up on us, and I need to [build trust] inch by inch, using everything available to me: metrics, numbers, scientific methods, nudging, to change perceptions and change behavior. I also need to regain trust of the donor community because they gave up trusting us about five years ago. So many things happened during that time, we had the financial collapse, the corruption saga, the garbage saga, the thawra, the corona crisis, the port explosion. We had the total disintegration of government services. We saw [donor] support going straight into other NGOs or humanitarian relief but not into public administration. We are trying to regain this trust. And thirdly, we need to regain the trust of other ministries. And this is extremely important. OMSAR has been a kind of incubator and innovator that was carrying the torch of digital transformation in the government and was restructuring – and all of this collapsed five or six years ago. So ministries went it alone. Whoever managed to get a bit of funding, started a fragmented process, and this is extremely dangerous. But before I

We are trying to change perceptions and social norms. There are perceptions that there is so much corruption...We have to work with scientific tools where we are changing perceptions. When you change perceptions, you change behavior.

can tell them to stop doing this and to come and speak to us, I need my capacity. I am building my capacity and making sure that I am running ahead of them and do not slow them down, but I need to start putting some regulatory framework and standards in place so that they join this and that the different entities and ministries start speaking to one another and install systems that are interoperable. It is now my duty to regain the trust of the ministries. Otherwise, we are going to have a massive, chaotic, and fragmented projectization in services and in digital transformation in particular. This keeps me form sleeping because it would be an irreversible damage.

E Your ministry has a mission that relates to issues of public entities and ministries, from gender equality in the administration to computerization and automation, skill development, and so your fingers should be in every ministry as far as those issues. Is that right?

Absolutely. But what we are doing now is central planning and decentralized implementation. OMSAR will never be a big team and huge ministry, but I have to have a central planning function and team that does standard setting, that issues guidelines, and creates model ministries. There needs to be some handholding but not implementation. Implementation has to be decentralized, but in an orderly and organized fashion.

E In 2025, we see roles in digital transformation being held by the new Ministry of Investment and Technology Affairs, as well as by the Ministry of Telecommunications. How does OMSAR collaborate with the latter? Will it be necessary to establish a ministry of AI and digital transformation?

The creation of a ministry for technology and AI is a fact. The question is how we can minimize overlap and create more synergies between both of us. The basic idea is that we need a regulator. Will this ministry be the regulator? Or will this ministry be creating another regulator? I have a conceptual problem if there is a ministry to create a regulator. We should be very thrifty or efficient in how many organizations we create. You have different models and responsibilities with regard to digital transformation in the UAE and in Saudi Arabia, for example. There are different models so we have best to imagine the value chain. The value chain is thus: policy making, regulatory oversight, standard setting, and implementation and operations. And we are trying to make sure that this is clear. Implementation should stay within ministries, as for regulation, we should look at data regulation, cybersecurity, and many aspects of technology, the APIs and the interoperability. There is room for a technology regulator and there is room for the middle ware, the infrastructure that links all ministries through a seamless platform. However, the capacity-building and reengineering of services is clearly an OMSAR mandate.

E And you are also in the driver's seat as far as appointing the regulatory authorities that should ideally be independent from ministries?

And here I have now a suggestion. The Ministry of Telecommunications is involved in digital transformation where they look after data centers and have the connectivity. There is the Ministry of AI and Technology, there is OMSAR, and there is the Ministry of Industry that oversees Colibat for e-signatures, plus there is the Ministry of Justice that oversees some issues of signatures, and the Ministry of Finance that looks at payment gateways, and the central bank also is involved. What we need is some kind of a supreme council or higher institution, just like we have the higher privatization council. It is high time that in addition to the Ministry of Technology, the regulator, and OMSAR, we bring everybody together under the umbrella of one council headed by the prime minister. Something like this will be essential for coordination.

E Thinking about a behavioral case seen in the governance system of a global power, one that has lately been occupying the minds of people in most countries, is your ministry playing the role of a department of government efficiency? Are you Beirut Elon?

Am I DOGE? Not yet. But eventually we have to think of administrative efficiency and the fact that we have three pools [of people] at ministries and government: those who want to go, for whom we need to create a graceful exit; then there is the hard-working administration group of people who are reskillable and we need to invest in them, and then there is the third pool that will come from outside and need an appropriate salary scale. This is something that has a DOGE element. So not yet but eventually we will be needing to fulfill a government efficiency role.

In closing, talking about meritocracy and sectarian limitations, I want to add that there are a few cases where we have recently presented shortlists for senior recruitment candidates to the Council of Ministers. These shortlists contain names of people from different sects – and this will be a premiere. Even if the candidate is chosen who is member of sect that also previously was grandfathering this role, it is a breakthrough that we had the courage of taking the shortlist to the Council of Ministers with names where not only the Catholic candidate for the Tele Liban chairmanship is included but also the Maronite. This is already taking things halfway to a meritocratic system. I am extremely happy that at least on a few positions, we have made recommendations [diverging from the historic pattern].

Ankr Development Partners with Chaddad Group and RACE Sarl to Realize MONOT 95

By Bejjani Engineering & Contracting and MONOT 95 SAL

Ankr Development is pleased to announce the appointment of Chaddad Group and RACE Sarl on MONOT 95, a landmark residential tower in Achrafieh brought to life by Bejjani Engineering & Contracting (BEC).

Located in the heart of Achrafieh, MONOT 95 represents a bold step forward in redefining urban living in Beirut. Developed by BEC (Bejjani Engineering & Contracting), in partnership with the MONOT 95 SAL and designed by acclaimed architect Charles Hadife, the tower fuses contemporary design with the soulful elegance of Beirut's heritage.

MONOT 95 is one of six ongoing residential and commercial projects exclusively managed, marketed, and sold by Ankr Development in Lebanon. It marks the company's first development of its kind in the area, reflecting a growing commitment to investing in Beirut's urban renewal through thoughtfully designed, high impact spaces.

At the core of this project are trusted partners:

- Chaddad Group, led by Managing Partner Patrick Chaddad, serves as the main contractor, drawing on its record of major developments across Lebanon and Egypt.
- RACE Sarl, led by Founder and Managing Director Roy Akl, brings regional leadership in MEP contracting, ensuring every system, from mechanical to electrical, meets the highest standards of performance and durability.

"MONOT 95 is more than a building, it's a symbol of resilience, recovery, and the enduring spirit of Beirut," says Patrick Chaddad.

"We're proud to support a project that embodies Beirut's future. Being entrusted with the MEP works for MONOT reflects our team's commitment, expertise, and the strong partnerships we've built," says Roy Akl.

"MONOT 95 speaks to a new generation. Through design, I want to nurture a deeper sense of community and inspire people to stay because Lebanon is a beautiful place to call home," adds Charles Hadife.

Founders Kamal Bejjani and Jean Ramia of Ankr Development emphasize the project's broader impact on job creation, sustainability, and driving forward economic momentum for Lebanon's ongoing real estate recovery, expressing their enthusiasm for what this partnership means for the future of Beirut and its people.

"We consider this a prime location and are eager to collaborate with Charles on this project and future developments. We have great confidence in Lebanon's real estate potential as well as its people, and we remain committed to contributing meaningfully to the country's continued recovery and growth," said Jean Ramia, co-founder of Ankr Development.

Construction is now underway, and MONOT stands as a testament to "home, heritage, and hope", an invitation to experience the future of Beirut, rooted in its past and built for tomorrow.

MEDIA CONTACT:
Ankr Development
hello@ankrdevelopment.com
+961 71 09 88 88
www.ankrdevelopment.com

Talk about smart buying

BY THOMAS SCHELLEN

INTERVIEW WITH RAMI BITAR

In an economy that is based less on scarcity and more on need for fair distribution, panic buying is an anachronistic and mysterious but very real occurrence. The associated phenomena of sudden but needless shortages and price gouging for essential goods can become very dangerous, especially for those of us who have to count every penny twice when going to the neighborhood store, grocer, or gas station. But nonetheless, in times of impending catastrophes (both natural catastrophes and man-made ones, or the deep worry over either), narrow social strata of the somewhat affluent and easily fearful descend into archetypical hoarding, putting over-purchasing pressure on modern supply chains.

For conscientious merchants, panic buying is a menace. Generally, there are few things that individual merchants can do to discourage people from hoarding of essential goods. But when fears over the danger of yet another vile regional Middle Eastern war started to run hot in June of 2025, one fairly young and very ambitious Lebanese retail chain decided that it was the right moment to try some anticyclical action.

"After the recent escalations, having seen that people are in a state of fear and might go into panic buying, we decided to send a clear message to all our customers and the retail industry that Tawfeer is here and that we will invest in decreasing prices", says Rami Bitar, the CEO of both Capital Partners, an internationally active trade group, and supermarket chain Tawfeer. In what according to Bitar was "the complete opposite" of fearful customer expectations, the Lebanese supermarket chain lowered the prices for more than 1,000 items on its shelves as of June 18, while Lebanon's fears of a new level of armed conflict between Israel and Iran were running very high. Lowering prices and proactively communicating them to consumers would send a strong signal to alter the people's perceptions of impending political and macroeconomic instability and inflation, hoped Bitar.

As things unfolded over the twelve days of armed exchanges between Israel and Iran, the retail sector problem of over-purchasing was averted later in June, along with many much greater dangers. However, discussing the counterintuitive June 18 pricing measure in context of Tawfeer's business model and wider expansion strategy suggests that theirs is much more than a one-time tactic of mobilizing customer attention.

Challenging assumptions of what is possible, profitable, and prudent in local retail appears to be the core strategy of the supermarket chain, which, after having opened a 1,000 square meter market as its third store in Saida as of July 10, says that it operates 36 stores across Lebanon under a soft discounter model. This platform, which has in recent years expanded at a faster pace than a few local retail directories have kept up with, ties in with a new central logistics center, a solar power equipped warehouse that can accommodate up to 50,000 pallets of goods.

The warehouse, the construction of which was finalized earlier this year, according to Bitar represents an investment of $23 million. With its storage and distribution capacity that allows for optimization of human resources and streamlining of financials, accounting, and product distribution, is a cornerstone of Tawfeer's current, and recently upscaled, expansion plan of targeting about 500 outlets – in two categories of discount supermarket and discount neighborhood store – by 2030 and moving from just under 1,000 staff members today to a retail headcount of 3,500.

"We are not comparing ourselves to [high-price supermarkets present in Lebanon] which are catering to A- and B-type consumer categories, nor are we comparing ourselves to [existing] chains that cater to B- and C-type consumers. We provide ourselves as solution for inflation, a solution of smart buying," Bitar tells Executive. According to him, the discounter concept of Tawfeer is captured in the consumer philosophy of: 'why pay more when you can get the same quality as in a higher-end market but pay less?'

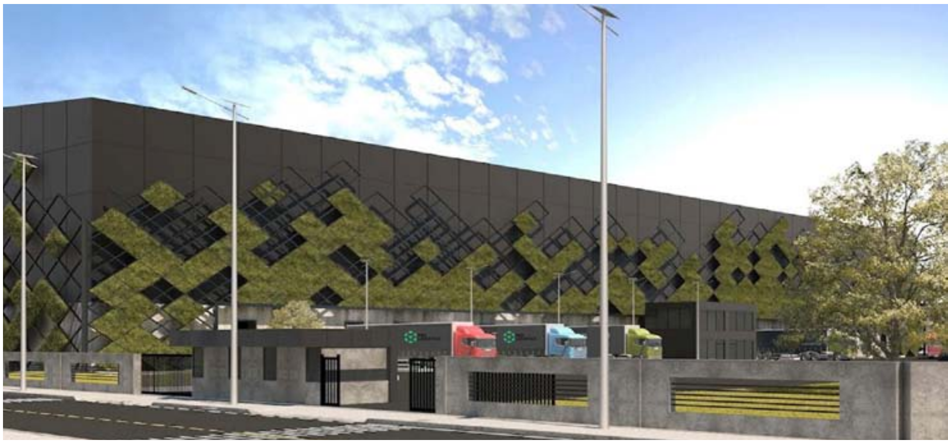
AN INTERNATIONALLY SUCCESSFUL BUSINESS MODEL

A soft discounter is positioning itself with a combination of proprietary store brands or value product lines, where it seeks to significantly undercut the prices of competitors and their legacy brands – Bitar says by 15 to 20 percent – and an additional modest selection of branded products that are offered at similar price points as found at competing markets. By number of stock keeping units (SKU, the individual codes that distinguish each item and its price) in its assortment, a soft discounter is situated nearer to a hard discounter – a retailer that carries an even more limited range of basic, store-branded goods – than to a conventional supermarket with ten thousands of SKUs from dozens of brands. The assortment in Tawfeer stores according to Bitar will be limited to 8,000 SKU that cover consumers' preeminent demands without loss in quality.

Marketers anywhere conventionally and historically like to target customers (A-type consumers) that are affluent and can be attracted to very profitable brands – such as imported store brands that might even be considered budget brands/value lines in their home markets but can be sold at a premium to an import-happy Lebanese consumer. Or they bet on customers (B-type consumers) that mostly base their buying decisions on appearance and habit rather than undertaking sharp price-value calculations or paying much attention to product information.

Habitual bargain hunters as well as people forced by circumstance into various coping strategies, or highly aware, information seeking and data comparing customers are not the types of consumers that marketers for the longest time have been prioritizing. Traditional retailers worked as standalone sellers with strong relationships but weak organization and limited consistence. Only in the last century, the prevalence of traditional retail regressed in developed markets such as European trade of fast-moving consumer goods (FMCG).

While modern retail made forays in Lebanon from the latter part of the 20th century, modern retail behemoths did not achieve all their proclaimed goals from the early 2000s, such as winning market dominance by way of opening hypermarkets in the 10,000 square meter size range. This notwithstanding, traditional retail has been more sticky than expected by foreign market entrants over the years. Also, as Bitar describes it, affinity to traditional retail is still the rule in the behaviors of Lebanese consumers. Yet in his perspective, the Lebanese retail market with a fragmented load of small, more likely than not inefficient, neighborhood stores (dekkaneh), a smattering of pricey hypermarkets, and provincial/communal chains with affiliations to consumers' historic loyalties, has become in post-crisis Lebanon overripe for the kind of consumers' behavior change that drives discount retail successes around the world.



"After the recent escalations, having seen that people are in a state of fear and might begin panic-buying, we decided to send a clear message to all our customers and the retail industry that Tawfeer is here and we will invest in decreasing prices."

Not only did the company stay the course of applying its business model consistently during the years of social crises and economic pressures, its newly announced goal of 500 stores by 2030 has upped its previous, already ambitious target by a factor five.

"Our 2013 decision on the opening of Tawfeer was due to the fact that we are a third-generation family business, which my grandfather established 80 years ago. As we were selling to more than 15 countries in Europe, including Germany, Spain, Austria, in the EU as well as Eastern European countries, we saw the huge rise of discounters in Europe. We saw this all over, whether in high-income countries, or in low-income countries," Bitar says.

As he experienced it, besides the rise of ecommerce, international growth trends in physical retail have focused in recent years on discounters and neighborhood stores, rather than very large supermarkets with sheer endless isles. Thus, in his opinion, the Lebanese market today is rife for the arrival of the discount store concept that Bitar discusses with a tone of admiration – recalling the story of German discount pioneer ALDI – and has experience with from working for over ten years in the trade and discount retail business in Eastern and Western Europe.

USUAL CHALLENGES AND A "SECRET SAUCE"

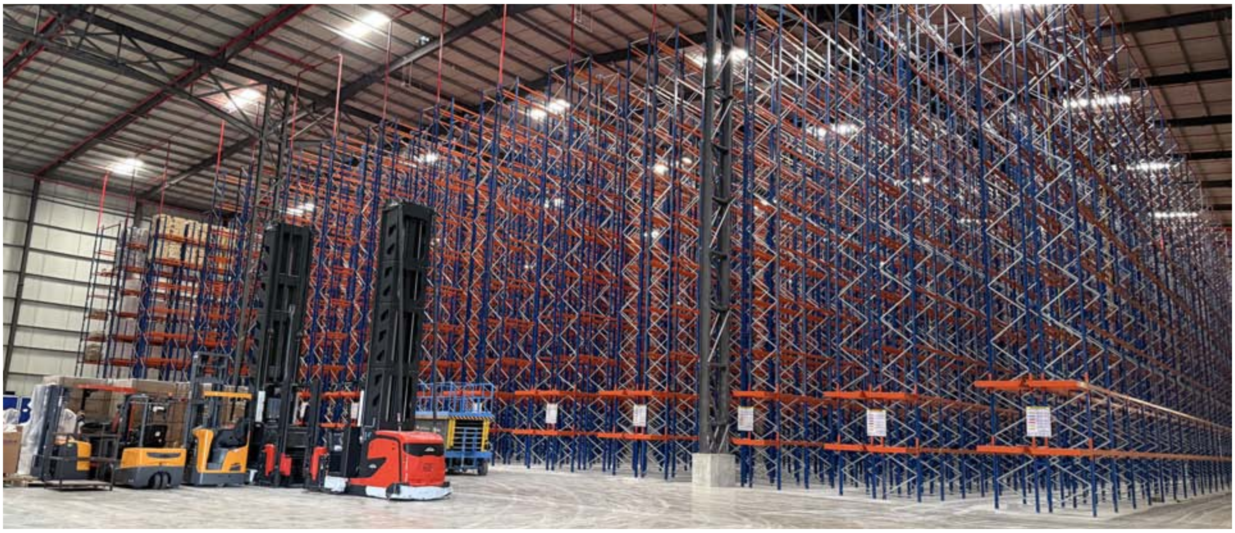
By Bitar's estimation, Tawfeer is already the third largest retail chain by its market position early in the second decade of its presence as multistore operator. Moreover, in terms of annual market share changes, it is the market's leading disruptor in terms of market positions. The largest annual growth in the retail sector "is coming from Tawfeer, every year now. That is why everybody is watching us and chasing us. We have the financial power and have the determination and are risk takers," says Bitar.

The chain's initial 20 stores – rolled out between 2015 and 2021 – had been designed on basis of a single pilot store's success between 2013 and 2015. After a one-year interruption of adding new stores because of the Covid19 crisis, about 40 percent of the current portfolio – which also includes stores operated under franchise – have been established since January of the first post-pandemic year 2022. Not only did the company stay the course of applying its business model consistently during the years of social crises and economic pressures, its newly announced goal of 500 stores by 2030 has upped its previous, already ambitious, target by a factor five.

Means used in pursuit of this new target include its own training facility, called Tawfeer Academy; vertical integration of value chains, acquiring for example the group's own industrial bakery and planning for a slaughterhouse; leveraging of its own importing capacity when making deals with existing wholesalers and importing agents; besides the aforementioned cutting down on overheads by use of a smart, centralized logistics hub that offers several advantages over the conventional picture of multiple delivery trucks with invoice-waving drivers lining up on urban streets next to supermarkets.

Fundamental requirements of and challenges to the operation, on the other hand, exist in form of substantial and hard to reduce operating costs (composed mainly of store rents, utilities, and employee costs) and threefold core concerns: stock management, employee supervision, and customer relations management.

Failures in these three areas – in form of product mismanagement, waste, internal theft, and customer theft – add greatly to the cost base of a retailer. A current study of the German retail environment by a specialized research institute named EHI has for example quantified total losses from these problem at about 1 percent of the retail sector's turnover in the country. This seemingly small percentage translates into an actual annual damage of 4.95 billion euros, with theft by customers – including organized theft by criminal gangs that even feed stolen products into online retail – amounting to 2.95 billion euros, followed by theft by own employees and employees of suppliers to the tunes of 890 million and 370 million euros. On



top of theft in its different forms, stock management problems accounted for about 750 million euros in losses discovered at inventory in 2024.

Tawfeer, like all retailers, has to contend with economic forces beyond their control (such as inflation) but aspires to reduce the impact of inflation on the consumer. In terms of meeting the future core challenges of the sector, however, it is betting on the all-new miracle technology of artificial intelligence. AI cameras that monitor store shelves, function in conjunction with electronic shelf labels and alert employees to discrepancies for shelving plans, will help optimize stock management at Tawfeer stores in what Bitar calls "a revolution of shelf monitoring". AI cameras will also be used for employee monitoring and reduction of internal theft. Customer monitoring via AI tools are intended for even wider uses, by creating heatmaps of customer behavior, measuring their facial expressions, and time spent at different shelves.

"All of this will allow us to gather big data, whether from products, from employees, or from clients, and will allow us to customize our ways to better serve clients," Bitar enthuses. For him, the future of marketing indubitably is "targeted promotions based on

"We have a plan, an aggressive investment plan, for the coming five years. We believe that we will be spending not less than $5 million on AI in the coming five years, and so we are budgeting at least $1 million a year for different software and developments"

AI-generated customer knowledge". He is, however, cognizant of the risk of being an early adopter of a technology whose flaws have yet to emerge in practical operations and has widened the organization's time window for expected amortization of investment into AI to double the 18 months recommended by consultants. This is a risk he is willing to take because of huge competitive advantages that he anticipates for retail innovation leaders.

"We have a plan, an aggressive investment plan, for the coming five years. We believe that we will be spending not less than $5 million on AI in the coming five years, and so we are budgeting at least $1 million a year for different software [products] and developments that will make our business easier, quicker, and more efficient," Bitar says, adding that the improvements expected from AI tools will apply across different departments of the operation, not just in stores.

In the human development aspect of the expansion plan, he on the other hand emphasizes the role of partnerships with small and micro retail players. In a belief that the Lebanese market has plentiful room for the concept of a neighborhood store of 200 to 300 square meters, Bitar wants to see hundreds of current dekkaneh operators become franchise partners that adhere to the same price policy as a Tawfeer discount supermarket.

"The traditional dekkaneh operators do not have a future. We want to integrate them to become part of Tawfeer. We need them, and they will need us because of changes in the market," he says, adding that these franchisees would remain owner-operators of their stores but become better equipped to face challenges from competitors. This concept, branded as Tawfeer Express, according to Bitar will carry a message for every small, traditional operator: "I don't want to see you go out of business, so let's partner."

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Institutional heft in tumultuous times

BY THOMAS SCHELLEN

AN INTERVIEW WITH LAU PRESIDENT CHAOUKI ABDALLAH

Just having celebrated its centennial, the Lebanese American University is starting its second century as an institution that is deeply invested in Lebanon's socioeconomic transformation. A glancing view at the past and ongoing pivots of the institution – from "girls' school" to women's college to liberal arts college and internationally active university – and the various external shocks that LAU had to overcome in the past 60 years and up to the latest war on Lebanon, gives the impression that the institution itself is a somewhat under researched case study in social and academic transformations. It is also a case study for organizational leadership that is inseparable from the American and the Lebanese heritages in both scholarly and personality profiles. Executive discussed the institution's constructive but meandering path with Chaouki Abdallah, the university's 10th president.

E ***It has been one year at the end of June since the news of your appointment. You have assumed your position officially in October of 2024, a very conflicted moment in Lebanon. But before you agreed to leave your position at a large US university, how long did it take for LAU to find you and convince you to assume the role of the president at the Lebanese American University?***

I have no idea how long the whole process took them. They started talking to me two or three months before we reached the agreement for me to come. I was at Georgia Tech as head of research when I got an email from the search firm, asking if I am interested [in the position at LAU]. I had a standard answer of saying 'thank you so much but I am happy where I am'. They responded by calling me and suggesting that I might want to speak to the chair of the board [of LAU]. Given that it was a Lebanese university, I accepted a call from the chair of the board and we talked for a long time, like 30 minutes. He told me some things that intrigued me. They made me say 'ha, I am interested'.

One thing that he said was that universities in Lebanon are consequential, almost the last line of defense, or the last institutions that are still delivering all their missions, so that people who graduate go on to do great things. He talked about LAU but also all other universities. And then he told me that during the economic collapse LAU took money out of their endowment in order to make sure that students were able to pay and attend classes. This led me to coming to see the board of LAU in Europe. My wife, who is American, is from Atlanta, and we always thought it would be my last post [to be at Georgia Tech] but she said, "why don't you go and talk to them. You thought about what you can give back to the country at one point, so let us."

E ***On the macro scale of things, your arrival at LAU coincided with the university's centennial, the hundredth anniversary year. Entering the second century is a hard inflection point or an incremental transition for LAU, as well as a psychological marker of importance indicating that you have something else to do now. What is this "something else" that you see as important for LAU's second century?***

To me, universities, and especially universities that are not for profit, are anchor institutions. They are not a business or bank. They are institutions that anchor society. The mission of the university on the highest level is to generate and propagate knowledge, and then become more than that. It becomes a mission to create the environment. It used to be that a university was only concerned about the student when they came to us and would then forget about them after they leave us [as graduates]. That is no longer the case. Before they come to us, we work with schools and we work with alumni. In addition to that, we now are a healthcare system provider.

After the first hundred years, LAU is part of the fabric of society, especially in higher education. The next hundred years, or the next chapter of the story entails the mission that we do a lot more to keep some of the talent that we produce, in the country. Lebanon is a brain factory. We export talents. We import everything else, but we export people who want to do great things for other places. It is not a question of wanting to keep everybody in here because the market and the society cannot absorb all the talent. However, I saw a recent study saying that 65 percent of college graduates aim to leave the country but only 16 percent actually want to leave. The others see no other choice but leaving.

Most people would like to stay if they have the opportunity. The role of the universities now is to create that [environment allowing people to stay and find careers] above and beyond what they already do, which is provide education. How will we do that? One of the areas that I worked with when I was with Georgia Tech, an area that really mashes with the Lebanese spirit, is entrepreneurship. How do you got people to start their own companies instead of just waiting to get hired by a bank or a company? Well, there is an art to that and we have a lot of entrepreneurship. The other area that is extremely important is for universities to be connected to their society, specifically in the research of solving problems.

There is a role for longer-term research and a role for research in basic sciences but there is an increasing need, and especially in a place like Lebanon, to solve problems, such as the problems that EDL has or that municipalities have in treating water, or that the government has in other areas. So I am promoting applied research. Academia has to be a part of society; it cannot be an ivory tower.

E ***LAU in the last century was perceived for a while as "that girls' school" or a second rate institution for those who could not get to the top university in Lebanon. That was something that people mentioned when discussing LAU even in the early 2000s. But at the current juncture, when Lebanon is still in a societal state of fragmentation, how do you see the role of LAU? Are you a potential unifier of society? Are you still strictly associated with the liberal American Arts tradition in education, or even the earlier missionary tradition that LAU was once founded under?***

Let me start with the premise of the question. At one time, there were no universities, or places that educated women. LAU filled that very important role. It was [Beirut College for Women] and before that, since 1835, the American School for Girls. Many people I meet today from the Gulf, or from Lebanon, often their mothers went to LAU, because there were at the time no universities educating women. We had a super-critical role and we are proud of that heritage and our origin. Having said that, how do we see ourselves today? We are a global university. We do believe in the American liberal arts education and its ideals because, if you do it right, it is the best model anywhere. In the US they have applied it rightfully for a long time. Now, there is a lot of pressure on this modal, for one reason or another, but it is very important to have the general education. It is important to have taken history and philosophy before you become a physician or an engineer.

Are we a unifier? I think the role of universities by definition is to make students safe to have ideas, not to make ideas safe for the students. We are not here to tell people what they like to hear. We are a unifier in the sense that we people get educated, and if you do it right, they learn how to question and to ask why. The important part of college education is not the material that you take a course on or the skills that you learn. You can do that by taking a short course. The important part is learning that you don't know everything.

After the first hundred years, LAU is part of the fabric of society ... The next hundred years, or the next chapter of the story entails the mission that we do a lot more to keep some of the talent that we produce, in the country.

E ***You mentioned that you see education as something that best is not done with a strong profit motive or focus on making money. On the other hand, the economic impact of a university on society is a measurable quantity and important in assessing the value of a provider. In 2016, the office of institutional research at LAU endeavored to gauge the economic impact of LAU on Lebanon and put the number at around $900 million, or 1.4 trillion LBP at the time, which was relative to a GDP of around 40 or 45 billion dollars. How do you assess the economic impact of LAU at this point in time, as the economy is emerging from the crisis years and still has a long climb ahead in order to climb back?***

When I mentioned that the university should not aim for profit I meant it should make enough money to break even and fulfill the mission. But the impact of universities is huge, economically. Just by the fact that we exist here, we buy [many things]. We have an impact, and our graduates have an impact. The ones who stay here will hopefully not only make good money but also pay taxes. According to studies, college educated persons stay married longer, are healthier, live longer, and contribute more to society. The benefits of education transcend the immediate benefits to the person who gets the education and extend to everybody else. I am aware of that study [on the economic impact of LAU], and I think we need to do this on a yearly basis. I think we should do it for all the universities. In fact, one of the things that I see right now as lacking severely, is a center or place where studies on the impact of X on everything – X in this case being higher education – are being done. We are thinking about how to do that. If you ask me how I would assess the total economic impact [of LAU] at this point, I couldn't even guess. Our budget today is in the neighborhood of $300 million including the hospital. That is the immediate economic impact.

> If you ask me how I would assess the total economic impact of LAU at this point ... Our budget today is in the neighborhood of $300 million including the hospital. That is the immediate economic impact.

E *So is the indirect impact impossible to measure at the moment?*

Studies I have seen speak of three to almost four dollars in indirect economic impact for each dollar in direct impact.

E *And with the benefits to every soft drink vendor, brewer, pizza baker and taxi driver, there will be another multiplier for calculating the induced impact and ancillary economic activity around a university.*

That is the type of things that needs to be researched, vetted, and eventually communicated. The way I would frame it is to ask: if you do not have this university or this campus, what would be the loss? You would not have the $300 million [of our budget]. Above and beyond that, it is about formulas and studies by economists. I think it should be done throughout [the country] and under normal circumstances, all the universities would submit data to an entity that is under the state, and the state will collate all information and have economists do the calculations and publish them. I am familiar with people who do this in every state in the US. I did it when I was in New Mexico, and we had people doing it in Georgia, and so on. To put it in perspective, at the last university that I was at, the budget was $2.5 billion and the impact to the state was $10 billion. I also saw a study on another state where they did a deep analysis and estimated that the impact is 3-4 dollars to the state for every dollar that is spent on higher education. This does not yet consider the long-time value creation. It is on a yearly basis where the impact for every dollar spent, is for three to four dollars. I myself do not calculate the economic impact of educated people in this way. As I mentioned, educated people will be much more involved and the impact of the university is not just economic. But today's economic reality [in Lebanon] is such that, if I don't have the [LAU] university and assume a four to one economic multiplier, I will immediately lose $1.2 billion in the economic activity of the country.

E *Continuing the discussion on value creation by the university in terms of entrepreneurial and industrial activity, I want to inquire about the situation of your affiliated hubs. Is there an operating entrepreneurship hub and an industry hub? How much value do these create?*

We have an entity that focuses on the interaction with the business world, with companies. We also have the Makhzoumi entrepreneurial innovation center. Our assets by numbers at the university are the students, not the president and faculty. There is one president and 300 faculty, and there are 9,000 students. That is what we build on and that is what the innovation hub does. Our hub at LAU is hosting 15 companies per year and we need to reach an output that is much bigger. By the way, AUB and USJ have something similar. Everybody has something of this type but it really needs to be scaled up to the size of Lebanon. I do not have the latest numbers, but Lebanon has about 200,000 college students. 80,000 of them are at the Lebanese University. I think USJ is 12,000, I am 9,000 and AUB is 8,000. Then there are for-profit universities, the largest is LIU but I don't know what they do. But the bottom line is that we need to get to [national] scale. We need to really connect these hubs and innovation centers together.

E *Turning to another topic of the time, in several recent speeches, such as a presentation at a conference at Phoenicia Hotel, you have talked about Artificial Intelligence, AI, and have a tech background. Are you planning a center for AI at LAU?*

I think AI is something that is not to be isolated at one place. I know that my colleagues at AUB are creating a college focused on computing and so forth. My belief is that AI belongs everywhere. However, since everyone is [moving into AI], you cannot have everyone doing their own thing. You need to create an AI hub, which was the model I used at Georgia Tech. We are using AI in our operations, we are using AI in medicine, we are using AI in teaching when we are creating courses for every student but also we are creating and delivering courses for executives outside. My point is that there will not be a college [for AI] or something separated. There will be an AI hub to coordinate all of these activities and we are probably launching this in the fall. What I am right now trying to figure out is 'what does LAU do in AI?' and I am discovering every day people either working in AI, wanting to work in AI, or doing research on AI. AI is going to be the substrate on which a lot of the business is going to be done, internally and externally. We are delivering courses, doing designs based on this, operationally we are [using it], we are evaluating people based on some AI tools, and so on. I probably spend 30 percent of my time interacting with an AI agent.

E I will not have anything to complain about this, as long as you are still occasionally interacting with a real life journalist…

I think you are safe for several reasons. Number one, you are asking questions that no AI agent would come up with. Your questions take our conversation into new directions. Number two, even under the most optimistic scenarios, creativity will always come from humans, not from a machine. The one test for me is humor. AI agents can now pass the Turing test but ask AI to tell you a joke and see if it is funny.

E In a final non-AI induced shift of my questioning, I want to ask you about the social angle of LAU activities. This is specifically about the fact that you had very important, and well publicized programs funded by the United States Agency for International Development, which up until this year has been funding activities around the world, including education. How did you experience this cessation of USAID funding as institution, and how did you cope?

We had about 20 million dollars impact on our budget. It was the second largest source of funding for us, and the impact was huge. We are still dealing with it. We said we are going to finish the students that we have and took this upon ourselves to take care of the students we have. We are not going to be able to do the same thing that we used to do, or as much as we used to do. We had a couple of programs [with US public funding], one was the USAID and another one was with MEPI, the Middle East Peace Initiative. That one is still ongoing. It is smaller but it has funding for the students.

We are a private university and after USAID going away, we get 90-some percent of our revenue from tuition ... We are looking at other ways of doing things.

In dealing with this issue, we are looking at the whole revenue mix of the university. We are a private university and after USAID going away, we get 90-some percent of our revenue from tuition. This is not sustainable, because we in turn give more than 50 percent in financial aid. We cannot [keep raising tuition payments] and maintain the quality as well as the financial support and so on. We are looking at other ways of doing things, such as diversifying our tuition base. We have a campus in New York now where we hopefully will generate some revenues. We have a successful online program which needs to be scaled. But we also are looking at areas beyond tuition. One thing [in revenue diversification] that I am focusing a lot on, is fundraising and philanthropy. We are trying to raise more funds for our endowment. Our endowment has been okay over the years, but we had to dip into it, as I mentioned, during the economic crisis and had to do the same thing during the summer war [of 2024]. The plan is now to raise some funds, leverage our international connections, our alumni, and others, and frankly try to take advantage of opportunities that we perhaps did not have before, namely the opportunity that Lebanon hopefully stays on this path and reaches a state where it becomes again an attractive place for international students.

E Would you like to have a campus in Aleppo, Homs, or Hama?

Syria is an interesting place, for a lot of reasons. We are ultimately looking at a global LAU strategy. There are many places in the world where there is potential, including places where there is a lot of Lebanese diaspora who want an American education. It could be in Africa, in Latin America, and many places but [the strategy] has to fit together. My criteria are twofold: one is if it is part of our mission and we therefore have to do it and figure out how to pay for it. The other criterion is if something is not part of our mission but will generate money and resources that feed into the mission. Syria, under these criteria, is not immediate but it certainly is on the horizon.

E Do you have a fundraising target for filling up your endowment?

Yes we do. We are now at 650 [million USD] and have a campaign to go up by about 200 to 250 million. But at four percent [interest returns] per year, we need to get to about a billion [dollars in the endowment] in order to have $40 million per year in interest. If we can get there, I can operate the financial aid more comfortably, and so on. Ultimately, by my back of the envelope calculation, we need about $1 billion and will probably get to $850 or 900 [million].

E *Is the current scholarship and financial support model still viable or will it have to change over the long term?*

No university can do [without this model]. Otherwise we can only admit people who can afford to pay. You will always have to have financial aid based on need and on academic [merit]. You need to provide that to be a university in the full sense of the word. Otherwise you are either depending on one source of funding where that source can dictate your decisions, or you only accept only people who can pay, regardless of their ability. This is a model that for profit universities apply: you pay, you get in. That is not something that I think is the mission of a true university. But financial aid cannot be 50 percent, that is too much. My goal would be to reach 30 to 40 percent.

> Either because of the positive trajectory that Lebanon is on, or because of restrictions on immigration in other places, people could be attracted back to Lebanon and one of the things we need to ask is how can we attract these people.

E *To return to the beginning of this conversation, you followed the call to LAU one year ago and came here during a very conflicted time. The past academic year was a period of several shocks, not only in the region and aggression on Lebanon, but also of shocks in the realm of academia that forced out people such as the president of Columbia University or confronted Harvard University with radical cuts in their funding by the federal government in the US. You also said in this interview that you do not see the ivory tower model as the future of education. So after this one year with commitment to LAU, would you say that you escaped the American academic ghetto to the freedom of the academic province of Lebanon or would you rather still be in Atlanta in sunny Georgia?*

I want to answer this from a few angles. First of all, my friends in the US thought that I knew something at the time. Of course, I did not. But it is a very challenging time for higher education everywhere. The many reasons for this have to do with culture, with politics, and with finance. In Lebanon, higher education has always been the road to the next level. My family is a great example. My father is a stone mason, with eight children, had them college educated, and today every single one of us is three levels higher in the socioeconomic or the financial order than my father was. It is very important to remember that one role or aspect of higher education is to continue to help individuals to have a good career and good income.

At the same time, there is an opportunity for us in Lebanon right now, because there are a lot of people, young professors or young graduates, who perhaps did not consider coming back last year and were planning to stay in other places. But either because of the positive trajectory that Lebanon is on, or because of restrictions on immigration in other places, people could be attracted back to Lebanon and one of the things we need to ask is how can we attract those people? How to make joining this [country] enough of an enticing opportunity that is not having people say we can come and visit for a while but will leave as soon as possible.

E *Is your identity then split between being a permanent contingency planner and a strategist for permanent development?*

Yeah, but a I think a good strategist is someone who thinks in terms of scenarios. The plan will always change. As the saying goes, a plan does not survive its first encounter with reality. But if you do not have a plan, you are always reacting and switching. We have a lot of this in the country and at LAU. We have always been reacting and existing in this constant crisis mode. When you put a plan together, you adapt. You may have to switch but you stick with the plan. My plan is to make LAU sustainable not just financially but also produce the economic impact, do the research on the economic impact, and the entrepreneurship aspect, and so on. I may not be able to do something when people, for example, say they will not support the entrepreneurship event. But that does not mean that I do not stay focused—and I think that people have to work towards this mind shift. And all of that relies on information, on data that you can extract and draw real insight from, versus saying 'so and so said this' or 'this is how we did it before'. That is the other cultural shift: to try to be data informed in our decision making.

E *How many years do you give yourself to work toward this goal or achieve this goal?*

My term is four years and so it is three more years. It is a work in progress and I am currently assembling a team and we are getting some things done. By the time I finish my term, we will see. Either my wife will tell me 'you come back' or she will say "I'll come and join you'.

Brought to you by **Philip Morris Management Services** – Lebanon

written by Philip Morris Management Services October 9, 2025

Whether yours is a generously sized garden or a petite patio, tending to our outdoor spaces can provide us with some much-needed calm and tranquillity while balancing our busy schedules.

As any keen gardener knows, a verdant space that's full of life starts from the ground up: good soil is the key to nurture your seedlings into a lush display of flowers and healthy leaves. Good soil contains a wealth of life, in fact, one gram (approximately a quarter of a tablespoon) of soil can contain up to 10 billion organisms.

In a truly beautiful cycle, decomposing matter from past plant life is what fuels the next season of growth. In a bid to be more sustainable, green-fingered folk swear by composting their organic kitchen and garden waste that helps them supercharge their gardens.

Composting is a conscious choice for a multitude of reasons. It's beneficial for plants, but also for the wider environment. It helps reduce communal waste and in turn, contributes to reducing methane and carbon dioxide emissions from waste treatment. Additionally, soil that has been treated with compost needs less irrigation and no synthetic fertilizer.

Composting is also a far better option than burning leaves and garden waste. When we burn garden waste, we not only sacrifice the nutrient value but also create smoke. The smell is unpleasant for us and for our neighbours besides that burning any organic material produces many harmful and potentially harmful chemicals, whether it's in the garden or elsewhere.

The best choice is always never to start or to quit cigarettes and nicotine altogether, but the reality is that many don't. For those who would otherwise continue to smoke, smoke-free alternatives that don't burn tobacco can significantly reduce harm by eliminating the burning process. These products are not risk-free and deliver nicotine, which is addictive, but they are a better choice than continued smoking.

Gardening is many things to many people. For some it's about finding a sense of calm in nature, for others it's a chance to admire something they've grown on their own.

For any gardener who smokes, however, there are always better alternatives to burning.

You may not be aware, but this also applies to the burning of tobacco in cigarettes.

When a cigarette is lit, over 6000 chemicals are released, many of them considered by experts to be harmful. Inhaling these high levels of harmful chemicals with cigarette smoke is the primary cause of smoking-related diseases.

Avoiding burning is a better choice

• Burning garden waste is a missed opportunity to make use of the nutrients in compost, and creates harmful smoke.

• Composting is a good alternative to utilise organic garden and kitchen waste.

• Compost provides nutrients for plants in the coming seasons.

• Compost helps reduce communal waste that ends up in landfills.

Burning organic materials produces smoke

• A burning cigarette releases 1000s of chemicals, many are harmful.

• Never starting or quitting tobacco and nicotine products entirely is the best choice.

• The best choice for adult smokers is to quit entirely.

• For those who don't quit, smoke-free alternatives that do not burn tobacco, whilst not risk free and addictive, represent a much better choice than continuing to smoke cigarettes.

For more information about smoke-free alternatives, please visit our website.

AR FR

Rebuilding Beirut

BY JAMILE YOUSSEF

WHAT RECOVERY LOOKS LIKE FIVE YEARS LATER

Five years have passed since the devastating blast at the Beirut Port and many of the areas of Mar Mikhael and Gemmayze appear to have been restored, as evidenced by summer scenes of residents, expats and tourists exploring and sipping cocktails in new cafes, pubs and restaurants. Yet a walk through these same streets confirms the blast's lasting impact. Some heritage buildings are still under construction, with scaffolding in front of them, while others are empty, quiet, and untouched.

Beyond the physical repairs and the reopened businesses, there are other questions about what was lost, what was saved, and what has changed.

Over the past five years, the neighborhoods hit hardest by the blast have undergone much of the same frenetic transformations that mark the rest of a city undergoing economic crisis and experiencing both periods of growth and periods of turmoil in fits and starts. Today, those working to restore and preserve heritage sites face challenges of waning economic commitments and shifts in both governance and demographic gentrification.

WHEN THE BLAST HIT

At 6:07 PM on August 4, 2020, a massive explosion, now considered one of the largest and most devastating in modern history—rocked the city of Beirut triggered by tons of unsafely stored ammonium nitrate in Beirut port. The pressure and heat wave from the blast killed 218 people, injured more than 6,500, and left over 300,000 without homes. Nearby residential and commercial areas witnessed severe damage.

Physical destruction spread in areas near and far beyond the port. According to a September 2020 Beirut Explosion Impact Assessment by Strategy&, the explosion caused approximately 3.12 billion U.S. dollars of damage in housing, healthcare, education, businesses, and culture. The cultural and historic sector alone accounted for 286 million U.S. dollars, across 60 city districts, representing how much of Beirut's identity was lost.

In neighborhoods like Gemmayze, Mar Mikhael, Achrafieh, and Karantina, modern-heritage homes from the period between 1920s to 1970s, suffered from shattered windows and door damage. Older traditional architecture buildings, from

Ottoman-era to French mandate (1860s-1920s), were more severely damaged. Many of these buildings lost their signature Pirani wood roofs, signature stairs, and stained glass, elements which make these buildings irreplaceable to the city's heritage and architectural identity. "The most painful part of the damage was to our traditional homes; we lost rare materials that we only find in older homes. This kind of detailed craftsmanship is difficult to recapture," says architect and co-founder of Beirut Heritage Initiative, Joy Kanaan. The Beirut Heritage Initiative is an independent collective dedicated to restoring Beirut's built and cultural heritage damaged by the blast.

A RUSH OF RESCUERS

Within 48 hours after the blast, 40 restorers and engineers-initiated Beirut Built Heritage Rescue to support the Lebanon Directorate of Antiquities to assess the damage. Soon afterwards, 200 architectural students, graduates and teachers joined the initiative as volunteers. Together, 1,600 heritage buildings were assessed and categorized based on risk: those at high risk of collapse requiring urgent and early intervention, those with significant damage but no immediate danger of collapsing, and buildings listed in 'green' or 'blue' zones with only minor damage. "One hundred heritage buildings were in a state of extreme danger; at high risk of collapsing entirely, these buildings were very close to the port… We acted and consolidated these most vulnerable buildings before the winter," explains Nathalie Al Chabab, an architect and cultural heritage expert.

Since day one, countless volunteers and civil society groups stepped in and supported the affected areas by clearing streets and removing rubble, helping with shattered glass, distributing food and water, offering shelter, and helping to repair damaged homes and businesses. This was believed to have drawn international and donor attention. "Once they saw us working … funds came," Al Chabab recalls, referring to support from donors including the European Union, Canada, Qatar, World Bank, UN agencies, UNESCO, ALIPH foundation, the German Archaeological Institute, and various NGOs. Kanaan praises the effort of the extraordinary people that worked together to rebuild the neighborhoods "by the people and for the people."

Thanks to this mass collective effort, none of the 100 buildings categorized as high risk collapsed. "What happened was a miracle" Al Chabab says. "All countries and construction companies now take the Beirut blast as a case study in heritage reconstruction, as nothing similar had ever happened." Nevertheless, damage is still visible in the nearby neighborhoods. Rehabilitation efforts are still ongoing by UN-Habitat and the World Bank and are expected to soon be completed.

> As the buildings were enhanced and brought back to life, short-term rental markets such as Airbnb accelerated.

In other cases, some of these buildings have been abandoned for years or even decades, with multiple inheritors unable to agree on what to do with the property. These houses are only structurally consolidated; temporarily supported to avoid collapse but not rehabilitated. Al Chabab warns that such support can last for two to five years, but after that, intervention is critical. Kanaan says that some of these buildings still are in need of repair and others are on the market to be sold. She adds that right now, the biggest threat to modern and traditional heritage is that many of these buildings sit on large blocks and have gardens around them, which raise their real estate market value. On the other hand, she notes that some of the rehabilitated buildings have benefited from the post-blast restoration efforts. Before the explosion, many of these heritage homes had been neglected in cases where owners could not afford maintenance amid Lebanon's economic crisis and the fluctuation of the Lebanese lira. Although the blast was devastating, it brought attention and funding that allowed some neglected buildings to receive needed repairs, and regain civic, state, and international attention.

THE AIRBNB EFFECT

As buildings were enhanced and brought back to life, short-term rental markets such as Airbnb accelerated. Restored homes and buildings become prime assets and attractive not only for their architectural charm but also for their profitability. Airbnb listings began replacing long-term residential rentals at higher rates. "We know houses that were restored and had tenants but are now listed on Airbnb," says Al Chabab, citing cases of landlords who took advantage of the new opportunity provided post-rehabilitation. In this climate of increased gentrification brought on by the short-term rental market, families, many of whom had lived in these heritage homes for years, found themselves unable to afford to live in their own neighborhoods.

Georges Shaaer, a shop manager who has worked in the same Mar Mikhael store since 1987, reflects on the area's transformation. "Before 2020, this was a commercial and residential area; there were shops like mine, AC repair, auto parts. For three to four years after the blast, the area was dead. Now it's all pubs. Maybe just me and two other shops remained in this street after the blast." He adds: "Many didn't come back. Renters left. These houses were turned into Airbnb; there are a lot of them in this area today." As of mid-2024, data from AirDNA, a platform that tracks global Airbnb performance, shows more than 2,200 listings in Beirut, many in traditional residential areas like Mar

Mikhael. Following the blast and the economic collapse, more landlords saw Airbnb as an opportunity to earn income in U.S. dollar during the currency devaluation.

This trend, which did not begin in the aftermath of the blast but was arguably accelerated by the explosion—reflects more than just a shift in residents; it changed how the neighborhood feels and works. Gemmayze and Mar Mikhael were once known for having close communities, where neighbors knew each other, and local craftspeople ran small family businesses. Today, many of those families and small businesses are gone. In their place there are vacation renters and tourists, giving the area a more transient and less rooted feeling. Even so, some argue that Airbnb and similar models injected much-needed life and revenue into a paralyzed economy, especially during Lebanon's economic, financial, and social collapse. But the lack of rental regulation, coupled with limited affordable housing alternatives, has made the situation hard for many.

HOW MUCH RECOVERY IS REAL?

Internationally, recovery is often measured in terms of aid delivered and physical reconstruction projects. But real recovery must go beyond infrastructure and include restoration of homes, streets, and cultural landmarks that carry identity, collective memory, and meaning. Lebanon's heritage architecture is a nation identity; its loss could deepen the national crisis.

After the blast, Law 194 was enacted in October 2020, which ceased the sale or modification of heritage buildings in blast-affected areas without approval from the Ministry of Culture. This measure aimed to prevent sales and protect Beirut's architectural identity from uncertain real estate transactions and market-driven redevelopment. But unfortunately, the law expired in October 2022, and no similar law nor protections have been enforced since.

Kanaan warns that without clear laws or financial compensation and help; many owners are left with impossible choices. Maintaining a heritage structure is expensive, especially in a country facing high inflation and

> "The country stands on a thin line. Another explosion, another wave of war, we just keep going and working."

ongoing multi-sectoral crises. "Many would rather sell or build high-rises to earn better income than leave an old house on a valuable plot" she says. The reason behind such decisions is often driven more by survival than greed in an environment where maintaining these buildings has become nearly impossible without support.

Even buildings officially classified as heritage by the Directorate General of Antiquities are at risk and often a burden for their owners. These owners can't demolish or renovate them freely, yet they receive no technical or financial help to restore them. "They're stuck," Kanaan adds. "They can't fix them, they can't sell them, and they're not supported by any governmental program." She stresses the need for creative solutions. Cultural centers, museums, or NGOs could adopt these homes, use them, maintain them, and compensate the owners. Otherwise, the city risks losing more than just buildings, it risks losing pieces of its identity and soul.

But the challenges run deeper than just laws or funding gaps. Lebanon's political and economic instability make it hard for anyone, either local or international, to invest and commit to long-term cultural projects. "We understand the situation is difficult," Kanaan says, "but unless institutions like the Honor Frost Foundation [a nonprofit organization that promotes the research and preservation of maritime archaeology, with a focus on the Eastern Mediterranean] or others adopt these buildings as offices, galleries, or cultural spaces, we will keep losing them."

TRAUMA BEYOND THE RUBBLE

For many, the emotional scars of the blast remain open. "Psychologically? Of course we did not recover," Al Chabab says; "the trauma is not over." Mar Mikhael shop owner Shaaer agrees. "The country stands on a thin line. Another explosion, another wave of war, we just keep going and working."

"The damage is not just physical; it is emotional and psychological. It was an absolutely devastating explosion," says Kanaan. She emphasizes that true recovery requires more than fixing and repairing buildings, arguing that the area will recover completely when there is security, economic stability, and when heritage buildings are not only protected, but alive and part of the urban environment.

THE DIFFERENCE BETWEEN SMOKE **AND AEROSOL**

written by Philip Morris Management Services
October 2, 2025

IT IS WIDELY KNOWN THAT CIGARETTE SMOKING IS HARMFUL, YET THERE ARE OVER ONE BILLION SMOKERS IN THE WORLD TODAY – A FIGURE THE WORLD HEALTH ORGANIZATION PREDICTS WILL REMAIN CONSTANT COME 2025!

If you hear the word aerosol, you might think of a can of deodorant, but it's actually much more than that. Aerosol is the scientific, umbrella term for solid and liquid particles suspended in gas – such as a cloud.
Smoke is actually a type of aerosol that is generated during combustion, the scientific name for 'burning.' And while smoke is an aerosol, not all aerosols are smoke.
Smoke-free products, while not risk-free—are a better choice for adults who already smoke.
Science and technology have allowed the production of alternative products that don't burn tobacco, therefore don't produce smoke—they are in fact, smoke-free.
When scientifically substantiated and subject to appropriate quality and safety requirements, smoke-free products do not create smoke and therefore should not be a source of second-hand smoke or ash. The absence of smoke can significantly reduce the average levels of harmful chemicals compared to cigarettes. Whilst not risk-free and delivering nicotine which is addictive, this makes them a better alternative for adults to continued smoking.
THESE ARE THE FACTS BROUGHT TO YOU BY PHILIP MORRIS LEBANON.
THE DIFFERENCE BETWEEN SMOKE AND AEROSOL

What is Smoke?
Smoke is described as the result of combustion or burning. When a cigarette is lit, tobacco burns at temperatures up to 900°C. This creates smoke which contains approximately 6,000 chemicals, with about 100 of them classified by public health authorities as harmful or potentially harmful. If the temperature is reduced to a level where tobacco or nicotine-containing liquid is heated instead of being burned, the smoke is removed.
What is Aerosol?
Aerosol is not associated with combustion. Smoke-free products, while not risk-free, have the potential to significantly reduce the average levels of harmful chemicals compared to cigarette smoke.
Consumers typically use the term "vapor" to refer to the aerosol generated from heated tobacco products or other nicotine-containing products.
Quitting tobacco and nicotine altogether is the best choice for health. Existing tobacco control measures designed to discourage initiation and encourage cessation should continue.
However, despite these efforts, millions of people continue to smoke. **Science-backed, smoke-free products** can play a role in moving adults who would otherwise continue to smoke away from cigarettes. With the right regulatory encouragement and support from civil society, **together we can deliver a smoke-free future** more quickly than relying on traditional measures alone.

1.https://www.who.int/tobacco/publications/surveillance/trends-tobacco-smoking-second-edition/en/
2.This should be scientifically substantiated on a product-by-product basis.

THESE ARE THE FACTS. BROUGHT TO YOU BY PHILIP MORRIS LEBANON.

STILL STANDING

BY DANA HELO

LIFE AFTER THE BLAST IN BEIRUT'S BEATING HEART

A heritage building on the Dora highway destroyed by the Beirut blast on Aug. 4, 2020

A heritage building rehabilitated after being destroyed by the Beirut blast on Aug. 4, 2020

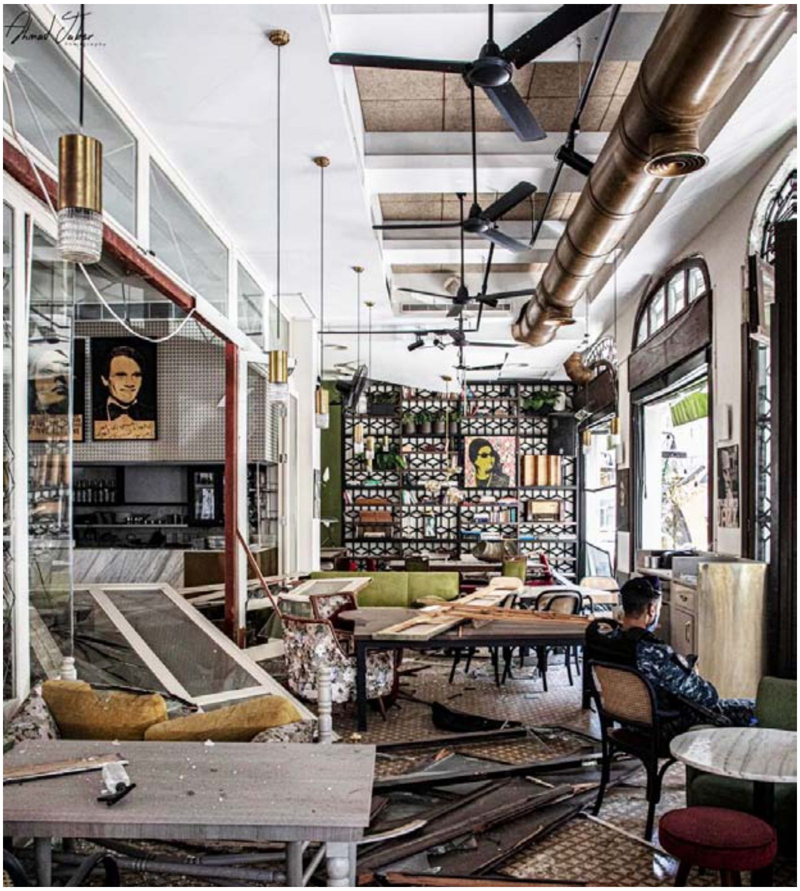
On August 4, 2020, Beirut was torn apart. In the historic neighborhoods of Gemmayzeh and Mar Mikhael, life was not just interrupted; it was vaporized. This is an intimate look at the people who lived the nightmare, chose to stay, and are still trying to piece their world back together, five years on.

6:07PM, 4/08/2020

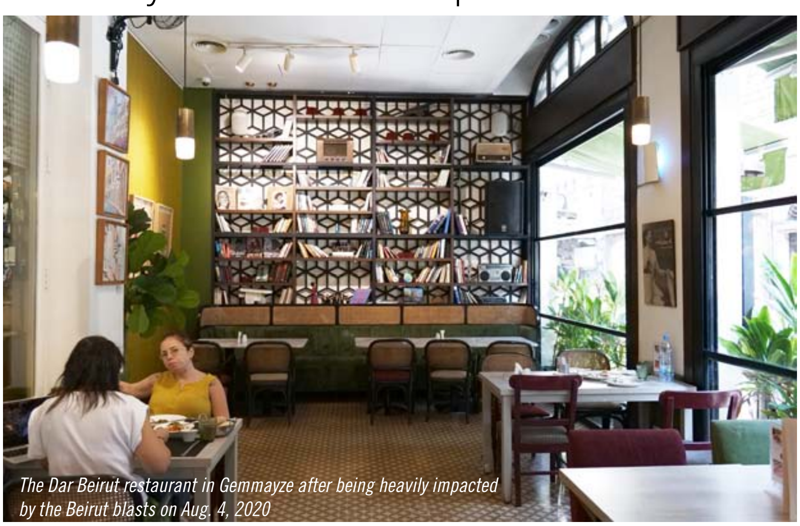
Hassan Hammoud was watering the plants outside his Gemmayzeh restaurant, Dar Beirut, when the explosion happened in a blink. "Everything was suddenly destroyed, and we could not understand."

The first thing that came to Hammoud's mind was to make sure he was alive. "I started feeling my whole body until I noticed blood coming out of my eye."

Walking through Gemmayzeh and Ashrafieh, trying to find a hospital to treat his injury, Hammoud describes the scenes of killed and injured people on the streets as a nightmare seen only in horror movies.



Hammoud began repairing the restaurant with what little cash he had, patching the kitchen and managing deliveries with few employees. Eventually the restaurant reopened.



The Dar Beirut restaurant in Gemmayze after being heavily impacted by the Beirut blasts on Aug. 4, 2020

A few streets away, Rita Nassar was taking out the trash. "I flew and I screamed a lot, there was a lot of dust… I saw everything was destroyed." Inside her art workshop, prayers continued to play on the radio.

For those who weren't there, the return was a descent into a nightmare. Elias Mahfouz, whose supermarket in Karantina was obliterated, raced back from the north. "The destruction was awful… I could not access the shop. The entrance was closed, so I entered through a small hole." His first thought was of his brother and father, who lived upstairs. Both were severely injured.

The immediate aftermath was a silent film of horror, dust-choked and bloodied. Patricia Bekhazi, who was in her family home with her mother and sister, described a city in shock: "In one moment, our house turned upside down. The windows and doors were fully destroyed," she said.

Bekhazi rushed to her balcony in fear, trying to understand the nature of the catastrophe that had knocked down her house in seconds. "What I saw was terrifying. The whole area was shattered, dusty, and in full chaos." Bekhazi and her mother had to wait for the next day to treat their injuries, as hospitals were either wrecked or unable to receive more casualties.

Bassam Gholam, a lawyer from Mar Mikhael whose family has lived there for 300 years, arrived at his mother's house in Mar Mikhael at the time of the explosion. "I saw people killed in front of me… buildings that have fallen and gas cylinders that may explode at any time."

Gholam was devastated to see the roof of his family's house on the ground, with his mother and uncle injured.

THE FIRST RESPONDERS: A PEOPLE ABANDONED

In the vacuum left by an absent government, the first responders were

The heritage house of Bassam Gholam in Mar Mikhael heavily destroyed by the blast on Aug. 4, 2020.

A sense of defiance becomes a means of recovery. For Gholam, it is the weight of history in the stones of his family home built in 1870.

The house of Bassam Gholam After rehabilitation with help from NGOs and AUB

The art workshop of Rita Nassar in Gemmayzeh destroyed by the blast on Aug. 4, 2020

> "I saw everything was destroyed." Inside her art workshop, prayers continued to play on the radio.

Rita Nassar arranging her paintings in her shop after being rehabilitated by an NGO

neighbors, strangers, and a generation of young Lebanese who mobilized overnight.

Karantina supermarket owner Mahfouz, surrounded by the ruin of his life's work, found salvation in them. "After three days, I gathered my employees… Groups of people holding cleaning detergents started coming to my shop to help. They offered support and saved me."

"They came with brooms and buckets, with nylon sheets to cover shattered windows, and with a fierce, shared purpose."

Bekhazi remembers them materializing from the dust. "People came to help remove the debris. We used to call them from the roads… They closed our windows with nylon until we fix them again."

This was not aid from above; it was solidarity from the ground up. It was the only thing that worked. "In big disasters, the Lebanese help each other," Gholam stated, a simple fact in a country where official institutions have so often failed.

Three days after the explosion, Hammoud visited his Gemmayze restaurant crying, feeling helpless, until passersby offered to help him clear the debris from his shop. "It's amazing how people rushed to our support," he said.

THE LONG, LONELY ROAD BACK TO ZERO

The cleanup was the easy part. The rebuild was a marathon of despair fought against an economic collapse, a pandemic, and a currency in freefall.

For Mahfouz, the hardest moment was not the destruction, but the reconstruction. "I saw that all my efforts were gone. I was throwing the ice cream refrigerators, the air conditioners… How am I going to repeat this?"

With no electricity, Mahfouz lost his dairy business. His solution was solitary, back-breaking labor. "Then came solar energy. I brought the equipment myself to use in my shop. I did it myself to save money." He found an online job outside Lebanon to get foreign currency that his own bank wouldn't give him. "I started rising little by little," he said, but his capital had vanished. "I could not fill more than one-third of the shop."

The financial calculations became surreal. Hammoud's restaurant sustained 100,000 U.S. dollars in damage. "I brought an architect, my friend, and told her I have 5,000 U.S. dollars to fix my shop."

Hammoud began repairing his restaurant with what little cash he had, patching the kitchen and managing deliveries with only a few employees. Clients offered him small donations, NGOs provided support, and eventually the restaurant reopened.

The super-market of Elias Mahfouz in Karantina destroyed by the Beirut blast on Aug. 4,2020

His first thought was of his brother and father who lived upstairs. Both were severely injured.

The supermarket of Elias Mahfouz fixed with his personal efforts and support from UNDP

With support from an NGO, Rita Nassar reopened her art space for children who were also affected by the explosion. She still walked cautiously through the streets, but the workshop had become her reason to keep going.

Bekhazi and her family gradually rebuilt their home, securing broken windows with nylon to endure winter nights and repairing walls as they could afford.

Gholam's family had to wait months before they could restore and then return to their historic Mar Mikhael house with support from NGOs.

THE NEW MAP OF THE CITY: NOSTALGIA AND FEAR

Rita Nassar expresses deep nostalgia and grief for her pre-blast neighborhood. "I do not like the new Gemmayzeh. I love the old one… You had old professions working in the street; it was beautiful here." The blast accelerated a change she laments: pubs and Airbnb apartments replacing a community of artisans and multi-generational families.

Bassam Gholam looks out at a neighborhood emptied of its soul. "Only 10 percent of the people who lived here before the explosion returned." A 2023 cluster-based survey by Beirut Urban Lab found that nearly 25 percent of residents in heavily impacted areas had not returned to their homes.

And of course, residual fears remain. Sudden noises, rattling glass, or the sound of planes overhead can trigger panic.

"I have some panic," admits Hammoud. "Three years ago, the glass behind me started shaking, and we jumped." Bekhazi doesn't leave the area. "If I hear the sound of a plane, I get a panic attack. I cannot hear loud sounds."

HEALING AND PROLONGED TRAUMA

So, has Beirut healed? The answer from its residents is a unified, painful no.

"People did not heal. They will not heal properly," says Mahfouz. "People remember it every day. Especially people who were injured or lost a relative. How can they forget?"

Bekhazi feels the pain sharpen with time. "Every year the pain gets worse… We just don't like to nag, and nobody listens anyway." For Gholam, the lack of accountability is the hardest to reckon with.

Yet, within this unresolved grief, a sense of defiance has become a means of recovery. For Hammoud, it is the love for his clients, who became family and then saviors. For Gholam, it is the weight of history in the stones of his family home, built in 1870. "This is the house of our grandparents," he says.

Mahfouz, surrounded by the shelves he slowly refilled, sees his shop as a child. "It is very precious, just like a son of mine." He knows another disaster would be the end, but he is still adding capital and hoping for the best.

Dana Helo is a Beirut- based journalist

Once upon a time in real estate

BY THOMAS SCHELLEN

HOUSING POLICIES AND PROPERTY MARKETS

Once upon a time, in a tiny, almost mythical land tugged away from the rest of the world on the far eastern shore of the Middle Ocean, people were gifted a narrative of a resilient society where they are the sovereign. Many were happy as they heard their leaders promise that wishes would work with surety for all in the land. And the people were content because almost all had their little homes. Water could be scarce in the summer, and electricity even scarcer, but their homes were cozy and the weather was fine. A few had palaces.

Those fairy tale times lasted for many cycles but one day a big explosion devastated parts of their capital city, not to mention many minds. The little country's economy—already tanking--sunk badly and the people's cherished money lost its value. Soon after, the country was overpowered by an especially vicious war that revealed the true depravity and depth of the people's hostile neighbors' anachronistic aggressiveness. Thus abruptly ended the time when citizens of the small land lived out their dream of owning homes, however humble, while aspiring investors could freely fulfill their desires for storing wealth in hospitable mansions and building lavish residential towers that made them richer although they added no real value to the country. The property market vanished.

Or did real estate speculation not really end in the small land? In September of 2025, a new Lebanon Real Estate Sector report by the once-prominent local lender Bank Audi, offers a depiction of a gradually recovering property market. The report opens with saying that "demand for real estate [in the first six months of 2025] has recorded a noticeable improvement, returning to levels seen in 2022, albeit weighed down by challenging fundamentals."

From a conventional economic advisory angle, it bears investigating if and why this statement – ant the entire report – comes with confusing undertones and hidden contradictions. But under a wider discourse on Lebanon's economic recovery, property angles deserve to be discussed not only as store of value and space for speculation. The prudent approach to property from a macro-social perspective that considers both the Sustainable Development Goals of the United Nations and decades of e economic insights into urbanization, is that sustainable real estate developments are under-discussed, potential levers for uplifting social unity and economic productivity in a needed urban development framework.

THE FLAT MARKET APPROACH

Bank Audi's new report largely adheres to the pre-crisis property narrative that has been the focus of banks, sell-side real estate advisors, and business periodicals for 25 years or more. Replicating this well-known narrative, the report selectively covers demand trends from the angles of transaction numbers and transaction values, and then shifts to discussing current and future supply trends based on data on cement deliveries and building permit issuance.

The paper concludes with a section that highlights property prices with traditional investor appeal in the downtown of Beirut and nearby districts. It adds an economic-political outlook that in its weighing – between an optimistic, a mid-range middling, and a disadvantageous scenario – favors the optimistic scenario. Under its benign assumptions – stable security with a lasting ceasefire and state "supremacy" over weapons for at least the next 12 months, comprehensive reconstruction efforts, an IMF agreement, and a financial gap resolution law – Lebanon would see GDP growth leap up across the 8 percent threshold. This growth would pull property prices up "by no less than 20 percent", with a recovery of the housing loan sector acting as "considerable catalyst to the market".

But is gradual market recovery the core story of real estate in 2025? Property cradles an ambiguous spot in the economic landscape of Lebanon. It is deeply rooted in the nation's mentality as a store of value and as an investment proposition. Smart urbanity and productive real estate development, on the other hand, are needed for a return to economic vibrancy. Yet, these aspects of the real estate theme are underdeveloped. They have almost never featured in forefront of minds and market reports or led to sincere considerations of social equity and economic productivity. The latest lender report on the real estate market is an illustration of this incongruence.

Admittedly, all three economic scenarios presented in the market outlook assessment of Bank Audi carry both upside and downside risks. By the bank's perception, however, the property sector, under all possible scenarios, harbors value in the medium to long term. Moreover, while the report concedes that at time of its publication property prices in Lebanon were still subdued in comparison with the pre-crisis status quo, the analysts interpret this to imply a potential for "substantial capital gains" if and when "politico-economic conditions become fully supportive" of the traditional property value proposition and also cause "a potential noticeable price surge" in real estate.

A SCORE OF OPEN QUESTIONS

What seems not to be covered under any of the bank's three scenarios cited above, is actual economic modeling of the impact of sector-specific policies or measures. Such could, for example, be real estate development regulations and social housing development incentives by the Lebanese state. The current, imbalanced regulations on property and urban development, or absence of property tax reforms, are not assessed as impact factors in the middling or negative scenarios. Nor is there any projection on property market developments under the positive scenario if, in addition to national stability and macro-financial efforts, a public national housing strategy were devised and implemented, and urban planning improved.

It is conceded in the Bank Audi report that the attractive, albeit risky, value proposition of local real estate over recent years has lately been reduced or, for upmarket real estate, already been eroded. But while explicitly acknowledging the need for a new property market approach that emphasizes diversification, improved quality, and increased affordability, the paper does not offer a strategic suggestion on how investment in Lebanese real estate could practically address these three worthy objectives.

> Property cradles an ambiguous spot in the economic landscape of Lebanon. It is deeply rooted in the nation's mentality as a store of value and as an investment proposition.

This leaves a bounty of questions. A perspective of two urban development advocates, published late last year by consultancy Badil on the housing crisis after three months of the recent war on Lebanon, argued vehemently for "immediate and sustained action to address short-term humanitarian needs and long-term structural deficiencies." Does this imply that a new national strategy for housing and real estate by the Lebanese government is needed as cornerstone in the recovery? Or would the opposite be better: should developing a new, smart, and sustainable approach to our dysfunctional property management and development be left to entirely to commercial actors, with society de-facto betting on the learning ability of the private sector players and their agency?

It is obvious that the vulnerability of the Lebanese society to corruption, inefficiency, local and regional crises, and war has also grown to acute danger for its housing market and urban productivity. Shouldn't the state thus be held to the duty of providing much more than, for example, unspecified incentives for creation of rural jobs? In more positive terms, might the 2025 inflection opportunity provide the golden chance for the government to consult with the business community and local academia to actually design a national strategy for social housing, urban productivity enhancement, and balanced development in this country?

In the background of this question looms the lamentable fact that even since before independence, reiterative administrative and governmental plans on urban development and real estate organization have gone unimplemented or failed. Flaws in housing policies over the post-1992 decades according to the Badil comment include lack of public housing programs and failure of allocating vacant properties and state-owned urban plots to socially productive use. Additionally, the simultaneous oversupply and artificially high prices of housing units in the conurbation of Beirut point to a distorted market.

Faced with the post-2024 environment of excessive social inequality and housing supply gaps as well as the country's huge backlog in economic productivity, Lebanon call ill afford any continuation of the broken housing system. Shouldn't therefore, a national real estate and environment strategy for protection and best practice be among the urgent priorities of 2025 for the current government? Shouldn't best use of the country's one proven natural asset – land – and the associated, man-made assets of urban heritage, be raised as grand themes of awareness building? If so, the society at large and powerful investors in particular can embrace the imperative of a regulatory and fiscal clean up of the property sector.

Urban productivity in the digital era

BY THOMAS SCHELLEN

SOCIAL EFFICIENCY AS ECONOMIC EFFICACY

Walking the warrens of old Beirut neighborhoods, driving along rural roads where one illogical turn follows the other, or traipsing past private and public white elephant real estate projects that testify to nothing but unproductive and vain ambitions, the discordant chaos of the country can make even a lifetime optimist doubt their beliefs. It appears inconceivable that this deep, dysfunctional by design, fiefdom system of Lebanon will make way for administrative structures that are not corruption prone, or a fiscal system that, by taxing profits and rentier incomes, prioritizes capturing an economically non-regressive share of economic gains.

And yet, under an ethical and efficient Lebanese fiscal system that is restructured for a digital-era economy with high profits from automation (including AI) and urban productivity (including exports of services), one cannot but daringly envision a tax regime that captures and redistributes part of the economic gains that professionals and landlords obtain as windfalls - free rentier benefits - from their economic activities in the Beirut metropolitan area. If one wants to talk seriously about the national economic recovery.

THE REAL ESTATE INGREDIENT IN ECONOMIC PRODUCTIVITY

Against the background of Lebanon's economic strengths and weaknesses as documented over the long term, real estate – and especially productive urban real estate – can either be a key enabler or a devastating barrier in the economic recovery process. Producing competitive, exportable services of high quality is thought to require the population's broad adherence to the rule of law as core public good in an economically complex society. For stakeholder groups invested in their society, clustering of the most creative and smartest workforce in productive urban Lebanese settings is therefore another precondition for competitive, exportable services to thrive.

Combining the three stakeholder groups – (1) all economically active people upholding the rule of law, (2) creative and smart professionals, (3) proactive landlords that abide by principles of smart and sustainable property development and maintenance – makes a compelling ethical case for redistributive tax justice. In such a system, part of the economic gains harvested by urban landlords and professionals would be reallocated to all economic actors who sustain the "rule of law" core public good.

Redesigning property taxes from the viewpoint of urban productivity also makes a strong case in manner of efficient taxation. Some economic gains accrued by landlords and professionals have to be siphoned off and invested into connectivity, hard infrastructures, etcetera, or redistributed by the state—but under preservation of fair and attractive economic deserts for each of the two groups. In theory, such tax measures, which reallocate a slice of their economic gains, will not be detrimental to but rather supportive of landlords' and professionals' long-term economic interests.

Over the long term, real estate - and especially productive urban real estate - can either be a key enabler or a devastating barrier in the economic recovery process.

However, today there are more urgent concerns in the real estate sector. These are two-pronged: the entrenchment of what the recent Bank Audi Real Estate sector report mentions as "challenging fundamentals" and the destruction that has been wrought on the country's building stock in 2024. Due to those two prongs of dysfunctionality, the war being the more severe one, the property landscape across much if not most of the territory is scarred and unclear.

The structural problems of the Lebanese property market include the current absence of housing loans by commercial banks, but also the high demand for affordable housing alongside significant urban building stock that is either vacant because of speculation or so dilapidated that it is unfit for habitation. Outdated regulations and old rent laws are factors in the conundrum.

Demagogically supercharged misconceptions about social and economic realities in Lebanon, are not rare. Offering one interpretation of the structural problems in the economy and their repercussions on the national real estate landscape, Bank Audi points to weakness of rural job creation and a "continuous" increase in the urbanization rate.

However, according to UN Habitat and the popular internet source World Population Review, Lebanon's urbanization has been above global averages already since the 1950s or 60s. The urbanization rate, which has been noticeably flattening in the 20 years since 2005, stood at estimated 89.4 percent in 2023 (21st in the world) but its trajectory has been curtailed around the 90 percent urbanization rate bound, mirrored in an estimated slight contraction (-1.23 percent) in the 2020-25 time period.

Another nuance to contemplate in the recent uptick on real estate trends on the supply side is changes in the geographic distribution of building permits issued in the first six months (H1) of 2025. Comparing the regional distribution of building permits in this period with the one of ten years ago, in H1 2015, there are several surprising drops and increases in the geographic distribution of these permits. The sharpest contraction in permit issuance was in North Lebanon, which includes the nation's second metropolis, Tripoli. North Lebanon in ten-year comparison fell from the second to the last spot in percentage share of total (18.8 percent to 1.1 percent) building permits. The percentage share of building permits this year was a fraction of the North's 20 percent share in habitation. On the other hand, increases in issuance shares were visible in the very three districts that last year bore the brunt of warfare: Nabatieh issuance increased from 8.7 to 11.4 percent, the Bekaa shot up from 8.4 to 12.1 percent, and South Lebanon more than doubled from 11.7 to 25.4 percent.

Between the three latter regions (which most people will associate with a mix of rural and urban envi-

URBANIZATION – NEITHER PANACEA NOR SYMPTOM OF DOOM

Whereas the urbanization rate, which on a global scale has increased from 34 percent in 1960 to 58 percent in 2024, can be a productivity-enhancing factor as well as a social and environmental detriment, it is a factor that cannot be avoided. Movement of people from rural to urban areas and population growth in Lebanon have made steady conversion of land to settled realms inevitable but, the trend has been poorly regulated and has not been steered into social and economic sustainability to date.

There is uncertainty over the real building stock in Lebanon. Due to the many upheavals in the country in the past five decades, social factors driving urbanization and internal migrations within Lebanon as well as regional human cross-border movements actually seem to have been increasingly complex and difficult to assess.

As a 2011 UN Habitat paper states, urbanization has been relentless from the 1960s onward and "urban expansion in Lebanon has been occurring without any guiding strategies or plans, merging the cities into single large agglomerations, threatening arable lands and biodiversity, creating transportation and traffic problems and increasing the challenge of infrastructure and services provision."

The crisis years of the 2020s have worsened this situation to the point that rural-urban development gaps are threatening Lebanon along with other consequences of the crisis and war-induced, growing inequality burden.

ronments), plus North Lebanon, 50 percent of building permits in the first six months of this year are accounted for. The other 50 percent of building permits in the first six months of this year were reported from the least war-torn governorates, Beirut and Mount Lebanon. However, when comparing the 2015 and 2025 numbers, there was much less variation in parentage shares of permits. Mount Lebanon was unchanged in the position of region with most issued permits and Beirut, arguably the most urban governorate in Lebanon, saw a minor contraction of 0.3 percentage points. For these two regions, 2025 H1 issuance hovered, almost unchanged from 2015, at about 45 and 5 percent, respectively.

This begs the question, absent of more granular data of whether the 16.1 percent jump in issuance reflects a future net increase in housing stock. The ten-year variation in the value of property sales transactions between the first six months of 2015 and 2025 in Bank Audi's real estate report showed that percentage-wise, variations between provinces were in the three to four percent range, or below.

Moreover, the H1 2025 and H1 2024 numbers of 2,500 to 3,000 construction permits are pro rata still significantly below the 7,500 permits issued in full year 2022, a year which in itself was part of a multi-year trough for builders and developers. According to a Bank Byblos press statement from October 2020, future real estate demand recorded in the second quarter of that year reflected significant contractions not only in quarter-on-quarter and year-on-year home buying intent, but even represented a record low for all 13 years in which the lender produced a real estate demand index. In the last three-month period before the index was discontinued in summer of 2020, a mere 1.1 percent of Lebanese residents responded affirmatively if they planned to either buy or build a residential property in the coming six months.

■ Property market vigor and sustainability in 2025 do not look convincing when compared to the heydays of post-conflict housing construction in Lebanon.

Shortly before the huge shock of the Beirut Port explosion, the demand signals already stood at less than 20 percent of the multi-year average measured starting in 2007, and was about 90 percent down from the peak expression of house acquisition plans over the period. According to a press statement, "6.4 percent of residents in Lebanon, on average, had plans to buy or build a residential unit in the country between July 2007 and June 2020, with this share peaking at nearly 15 percent in the second quarter of 2010".

Irrespective of the factors that drove upside blips in building permit issuance the first half of this year, property market vigor and sustainability in 2025 do not look convincing when compared to the heydays of post-conflict (i.e. during the decades from 1992 to 2012) housing construction in Lebanon, with peaks of over 12,000 annual permits early in the 2010s.

Until they disappeared at the end of Banque du Liban's calamitous attempt to steer the economy through years of government policy inaction, financing deals and housing loans propped up by central bank stimulus packages may have improved nominal GDP growth figures. However, in post-crisis analysis that can only underscore the importance of getting real estate policy right. Getting it right must start with adequate laws, corruption-resistant land registrations, and fair taxation up to the provision of incentives and securing of both property rights and obligations under an ethical and efficient framework.

Judging from the poor state of the building stock and from the situation of property regulations and markets, the signals for future real estate supply may be up from last year, but the overall real estate landscape still leaves an abysmal impression.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Lebanon's Coastal Real Estate

BY MASSAAD KABALANE FARES

CAN DEVELOPERS BRIDGE PUBLIC NEEDS WITH PRIVATE INVESTMENT?

Lebanon's coastline is one of our greatest assets, but it has also been the scene of decades of neglect, disputes, and short-term exploitation. With over 220 kilometers of Mediterranean shore, it should be a national driver of economic growth, tourism, and public well-being. Instead, we too often see projects that are speculative, unregulated, or closed off from the public. At a time when Lebanon is desperate for growth and stability, the question is whether developers can truly help balance private investment with public interest.

Public Access and Coastal Rights

The tension between public and private rights on the coast is not new. From the Ramlet el Bayda beach in Beirut, where citizens fought to keep the last natural beach accessible, to the Dalieh of Raouche, where access to a heritage site was blocked, people have witnessed how unregulated development can harm the public domain. In Keserwan, long stretches of the shore have been fenced off by resorts that charge entry fees to what should be open coastline.

Developers can change this picture. With clear rules and incentives, projects can reserve space for public boardwalks, promenades, or landscaped areas. The Dbayeh marina, for example, shows how a development can allow the public to walk along the waterfront while also hosting private clubs and restaurants. Byblos has managed to preserve open access around its old harbor while still attracting private investment. These are models that can be applied more widely.

As for reclaimed lands, or projects aimed at improving agricultural productivity and, more controversially, expanding coastal and urban areas, the issue has been left unresolved for too long. Many of these areas are occupied illegally or rented at symbolic rates. If legalized under strict regulation—with fair pricing, defined usage, and revenue directed to jobs and infrastructure—they can become productive assets instead of points of conflict. Otherwise, disputes will only deepen, and the state will continue losing both income and credibility.

ENVIRONMENTAL PROTECTIONS

Pollution is another major challenge. Everyone knows that untreated sewage and industrial waste are still being dumped into the sea along large parts of our coast. This damages not only the environment but also the long-term value of real estate projects themselves.

Developers have an opportunity to lead where the state has failed. By investing in on-site wastewater treat-

ment, solid waste management, and renewable energy, they can ensure their projects are sustainable and attractive to both residents and tourists. Imagine if every new resort or marina on the coast was required to have a proper sewage treatment plant, solar power generation, and waste recycling facilities. The cumulative impact would be enormous.

Globally, investors demand environmental, social, and governance (ESG) standards. Lebanon cannot afford to lag behind. A developer who takes these steps not only does the right thing but also increases the marketability and resilience of their project.

BEYOND PURE INVESTMENT VALUE

One of the biggest problems is that coastal real estate is often treated only as a speculative asset. Land is bought, subdivided, and flipped without adding any productive activity. This benefits a few but creates little for the economy.

But the reality is that every hectare of coastal land, if developed with a vision, can generate hundreds of direct and indirect jobs. Projects that include hotels, wellness resorts, marinas, serviced apartments, cultural spaces, or even sports facilities bring in tourists, foreign exchange, and sustainable employment.

Recent numbers confirm that there is still life in the real estate sector. Credit Libanais reported an increase in transaction values in the first half of 2025, despite the broader slowdown. Demand for coastal property remains strong, especially when there is a clear plan for long-term use rather than short-term speculation.

> Globally, investors demand environmental, social, and governance standards. Lebanon cannot afford to lag behind.

AVOIDING PAST MISTAKES

We cannot ignore the history of disputes. Ramlet el Bayda, Dalieh, the closures of stretches of beach in Keserwan—all of these left scars. If developers want to gain trust, they must actively avoid repeating these mistakes. That means leaving a portion of the waterfront open to the public, coordinating with municipalities on infrastructure, and being transparent about land use.

Some municipalities are already experimenting with public-private partnerships where developers build facilities but also maintain public walkways and lighting. This approach could be replicated elsewhere. The message is simple: development does not have to mean exclusion.

SHARED RESPONSIBILITY

Of course, none of this can happen without the state stepping in. Zoning must be enforced, reclaimed lands legalized transparently, and revenues reinvested in infrastructure. Municipalities should be given more authority to make sure developments serve local communities. Civil society has a role in keeping watch and ensuring access and heritage are respected.

But developers should not always be seen as the enemy. They can be part of the solution if given the right framework. The state must provide the rules, but developers can deliver the projects that balance profit with public value.

Lebanon's coast does not need to remain a battleground between private interests and public rights. It can become a shared space where investment, environment, and society come together. We already have examples that work on a small scale. What we need is the vision and courage to apply them across the coastline.

The choice is clear. Either we repeat the mistakes of unregulated, exclusive projects that serve a few and exclude the many, or we build a new model where coastal development genuinely supports Lebanon's future. Developers, the state, and the public all have a role. If we get it right, the coast can once again become one of Lebanon's greatest strengths.

Massaad Kabalane Fares –
Real Estate Consultant

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TO RISE FROM RUBBLE

BY THOMAS SCHELLEN

CAN CLIMATE ACTION SOLVE THE HOUSING CRISIS?

The critical acceleration of Lebanon's deeply entrenched housing crisis can be easily attributed to the degradation of the country's building stock due to the Hezbollah – Israel war and Israeli invasion of 2024. One year after the escalation of Israel's war against national territory and nine months on from the aggressive neighbor's violent assertion of continual military dominance over the southern Lebanese lands in their self-defined interest zone, occupation has not ended, notwithstanding the highly touted October 2025 ceasefire agreement in occupied Gaza. From the perspective of national housing and livelihoods, enemy presence in Lebanon reigns on in continued destruction and hidden displacement.

What is documented from last year's mayhem is that building stock was victimized in this conflict more than any other aspect of the Lebanese economy and livelihoods. Some $14 billion worth of economic losses and damages were recorded in the aftermath of this latest confrontation. This aggregate devastation was the outcome of a period of three-month intense war that occurred last fall in the envelope of a 15-month conflict between October 8, 2023 and December 20 of 2024. Further damages and economic losses—not yet captured in detail—have since dragged on, occurring in the nine months of the year to date.

Of these 15 months of Lebanese losses and destruction, 51.5 percent were counted by the World Bank in the category of economic losses. On top of these $7.2 billion, the World Bank's Rapid Damage and Needs Assessment for Lebanon (RDNA) estimates that, housing "is the most affected sector with damage costs amounting to US$4.6 billion, or 67 percent" of $6.8 billion in damages suffered by the Lebanese until the end of last year.

Moreover, reconstruction needs in the housing sector – representing $6.3 billion, or 57 percent of total conflict recovery costs of an estimated $11 billion that are required between 2025 and 2030 – are estimated to substantially exceed the $4.6 billion of damages and destruction inflicted on building stock.

CLARIFYING THE RECONSTRUCTION OUTLOOK

In assessing the heavy socioeconomic impact on the housing sector as well as the resulting needs, it is necessary to avoid a common misperception that property is wealth. Concentration of wealth in luxury properties and large real estate holdings certainly exists in Lebanon and is highly inequitable. But associating high levels of ownership of first residences in Lebanon with wealth, is incorrect. Thus, the property landscape attribute of distributed property ownership, which is actually comparatively widespread in society, cannot be equated with social resilience.

The gap between people's home ownership and their perception of own economic wellbeing has widened since 2020. In a 2023 survey conducted by pollsters IPSOS on behalf of German Konrad Adenauer Stiftung, 70 percent of respondents in a representative sample indicated that they own their home (residential unit). Yet according to the survey, a majority – 58 percent of respondents (albeit with substantial regional differences) – describe their living conditions as "poor or very poor", versus 35 percent considering them "average" and 7 percent who say their living conditions are "good or very good".

Conducted shortly before the country was exposed to the shock of the October 7, 2023 events in neighboring Israel and without inquiring about expectations of new conflict shocks, the survey sought to map the impact of the then-ongoing economic and financial crisis on the socioeconomic and political landscape of Lebanon. Already months before escalating shocks of conflict started to shake the region, Lebanon's socioeconomic situation was under such pressure that home ownership, even free of housing loan obligations, could not be regarded as viable store of value that is readily accessible via well-functioning property and mortgage markets.

In the larger setting of the post-economic-meltdown, the post-war situation of fiscal insolvency and lingering political bankruptcy, of peak multidimensional poverty and galloping inequality, the socioeconomic situation of 2025-35 is not stable, even if the overall economy has started to be on a recovery track. The shouldering of reconstruction costs of devastated housing by private households – despite some governmental easing of duties for owners of affected properties and despite a few new lending schemes in real estate finance – will be prohibitive for many years.

AN IMMOBILE STATUS QUO GETS VIOLENTLY DISRUPTED

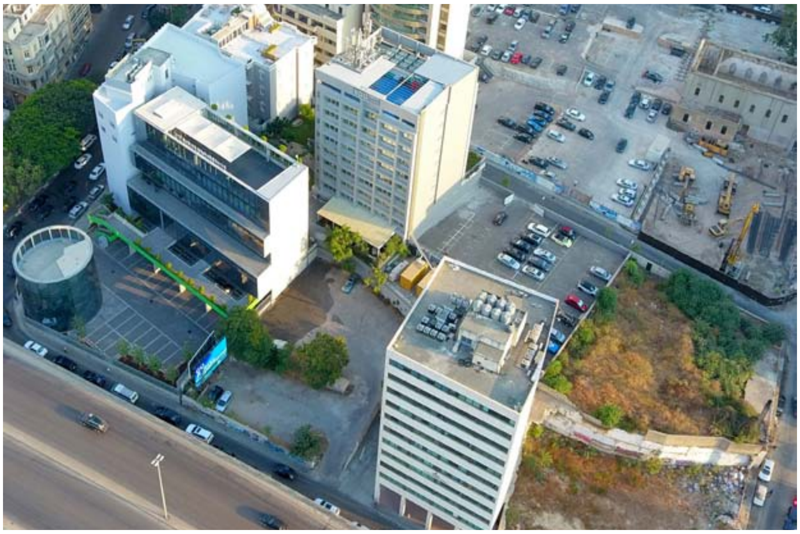
A second notable attribute of the Lebanese housing sector is a mixture of speculative pockets with overall stagnation. This dichotomy can be observed over the three decades since the end of the country's internal war in 1992. The 70 percent rate of home ownership reported from the 2023 survey respondents, is actually congruent with the rate of owner-occupied housing units reported years earlier by researchers for the Central Administration for Statistics (CAS).

> From the perspective of national housing and livelihoods, enemy presence in Lebanon reigns on in continued destruction and hidden displacement.

CAS surveys in 2007 and 2009 estimated the number of primary residences at 930,500, with a 2 to 1 split between apartments and single-family houses. According to the 2004 CAS census of buildings, 71 percent of units were owned by the people living in them. Moreover, a 2012 CAS paper on Population and Housing in Lebanon says, the country had slightly over 408,500 buildings, including single homes and multi-unit ones. In an indication of value-restricting factors, the age of the building stock was reported as high, with only 21 percent of units younger than 15 years at time of the research.

The 2025 RDNA estimates on the national housing stock of 1,650,000 units in 2024 is not easy to reconcile with CAS surveys or the correlated assumptions of national population and number of persons per household. One thing this could mean is that there is incongruity between damage estimates and reality: the destruction/damage count of 162,900 units is likely in the double-digit percent, not the 10 percent approximation of the World Bank.

The World Bank, echoing widespread lack of trust in state capacity to



Developing climate resilience is seen by some as the last chance for national action to improve urban habitats and find social living solutions.

fund recovery, opines that more than two thirds of the rebuilding burden is expected to fall on private citizens (or, as others speculate, non-state actors and Arab donors), not on the state. In the RDNA lingo, "Given Lebanon's predominantly private housing sector … it is estimated that around 70 percent of the infrastructure reconstruction needs (around US$ 4 billion) are expected to be privately financed. The remaining 30 percent (around US $2 billion) ... are expected to be financed by the public sector to support the poorest and most vulnerable homeowners."

How the most vulnerable homeowners will be defined and if they will enjoy the necessary political currency and unbiased administrative support for their plights, is probably a mere practical detail in the perspective of a macro-report. Given its repeated and always overburdening post-conflict reconstruction needs over almost four decades – in 1992, 97/8, 2006, and 2024/25 – the country has previously ventured into experiments from private sector investments into downtown Beirut to reliance on Arab and Western donors and acceptance of militia-controlled construction companies. What the Lebanese polity found out through these reconstruction and development ventures is that they unfailingly come with chains of expectations and obligations. They limit the polity from exercising true sovereignty and tie it to market logic and political logic of external powers.

Scenarios for escaping a perma-crisis of housing

The country faces simultaneous new challenges of rebuilding damaged or destroyed homes in half the governorates while also having to develop climate resilience in the highly urbanized nation. Failing to meet these challenges risks further exacerbation of the acute state of emergency and danger of the under-acknowledged housing perma-crisis.

In an upside risk, however, developing climate resilience is seen by some as the last best chance for national action to improve urban habitats and find social living solutions. This historic opportunity is spurred on by the housing crisis' intensity and the urgency of climate action in a country that, according to the Ministry of Environment, is much more a victim of climate problems than a proliferator.

When acknowledging that the Lebanese polity's old "chaos-as-usual" approach to housing is not viable for anything, three development vectors vie for priority in housing the Lebanese population in dignity and with improved sustainability.

The first vector is civic initiatives, efforts of recovery and rebirth of heritage, including 20th century urban heritage. It is a consistent vector of post-conflict support as previously evidenced by determined responses to the reconstruction needs of neighborhoods hit by the 2020 Beirut Port Blast.

The vector has been noticeably active in 2025. In a pointillist impression from this summer, new projects for revitalizing Beirut's Grand Theater and Mar Mikhael Station have been launched with civil society enthusiasm and international support by UNESCO and the Emirate of Sharjah in the former, and UNESCO and Italy in the latter project. Mediterranean neighbor country Italy moreover sponsored a September/October exhibition and series of discussions on urban renaissance projects, an initiative that Italian ambassador Fabrizio Marcelli claims was conceptualized last December, just after the end of large-scale hostilities in the 2024 war.

Civil, non-profit, private, and municipal projects are currently in the process of offering positive impulses of living urbanity in Lebanon. But expecting their scope to change cityscapes beyond investments a few thousand to single-digit million dollars – small change when compared to investment amounts that large commercial developers and political developers like to throw around – is high-risk. It is a niche development vector that attracts young innovators and altruists.

The second development vector demanding national attention is the foreign investments and externally funded reconstruction and development vector. This ethically and politically ambiguous vector has been hotly debated in the post-war environment. Experiences with this model and concerns over vague new concepts that were proposed and rumors that were pushed in recent months, have caused immediate and multi-faceted backlash. Still, the possibility of new harebrained investment schemes and political dependencies stands in the room.

CLIMATE RESPONSE AS HOPE FOR URBAN RESCUE

The third development vector is national ownership of the development process under integration into a global effort of tackling climate risk. This vector is a high minded sustainability scenario affiliated with the Nationally-Determined-Contributions (NDC) process devised under the Paris climate agreements of 2015. It serves two purposes: Lebanon can pursue sustainable and resilient urbanity by way of the country's newest climate action policy package.

The official launch of the climate action policy package for Lebanon was held, coincidentally, on the first anniversary of Israel's escalation of attacks on Lebanon in the morning of September 23, in the regally chandeliered hall of the Grand Serail. Short, easily quotable bullet point lists and fact sheets were handed out before short official speeches in a Lebanese political gathering. The circulated handouts, printed promises for post-conflict recovery through climate action, trumpeted the country's revised nationally determined contributions (NDC 3.0) as "practical tool for national recovery and hope".

The willful intensity of its meeting's opening presentations had proponents from involved agencies explaining the policy package by way of an 3.5 minute animation—catering to the attention span of local politicos, jaded journalists, and mundane stakeholders.

The fact sheets declared that prospective economic benefits of determined climate action would be positive for the economy and result in GDP growth by 2050 that could be 40 or 50 percent higher than in a business-as-usual (BAU) scenario. The printed declaration and fact sheet for Lebanon's NDC3.0 and its short and long-term low emissions development strategy explicitly mentioned the imperative of developing climate-resilient cities.

A paltry $12.8 billion needs to be invested into climate resilience by 2035, according to the projections of the Ministry of Environment and UNDP. The provided information on finance sketched out well-known theoretical funding pathways and mentioned the Luxembourg-domiciled Lebanon Green Investment Facility (LGIF) that was announced in 2024 in collaboration with the Cedar Oxygen Fund.

The brief outline was, however, short on how and when the urgent transition to urban climate resilience would be legislated, financed, incentivized and implemented. The national plan included the short-term targeting of 2030 and long-term targeting of 2050 for aspirations such as reducing losses in the water system to the point of sustainable supply, 100 percent wastewater treatment and reuse by 2050, and 100 percent electrification of urban and rural public transport.

Still, pushing for climate action points laudably to the needed aspiration of national sustainability. It is a conceptually viable alternative to a chaos-as-usual future of perma- and poly-crises in the crucial urbanity of Lebanon.

Whatever the cost that is not yet reconciled, whatever the political obstacles, whatever the external threats to Lebanese peace, the consequence of inaction today will be impossibly grim for the grandchildren of the current political leadership generation.

CLIMATE CRISIS AS HIDDEN CHANCE?

The multi-pronged challenge of making their building stock future proof for towering climate risk and the digital era is universal for nations with comparatively long histories of habitation and urban growth in the industrial age. This is demonstrated by the difficulties of meeting climate risk mitigation needs in prosperous EU countries.

In Lebanon, rehabilitation of urban water networks is mentioned in the Climate package prepared for the next Conference of Parties (COP) meeting that will convene this November in Belem, Brazil. It is in the package under the header of "building resilient cities," prepared in conjunction with an updated set of Nationally Developed Contributions (NDC 3.0).

NDC 3.0 stipulate the desire to achieve 22 percent reduction in Green House Gas (GHG) emissions by 2035 in an unconditional (nationally self-funded) scenario and 33 percent in a conditional one (meaning if climate action is supported by international aid). It further declares a target of reaching 20 to 35 percent of renewable energy by 2035.

The previous 2020 iteration of the same goals, which saw Lebanon submit its NDC 2.0 set admirably early, stipulated targets of 20 percent (unconditional) and 31 percent (conditional) for GHG reduction and 18 percent (unconditional) or 30 percent (conditional) in electricity generation from renewable sources by 2030.

According to the climate watch NDC tracker by US-based non-profit World Resources Institute, Lebanon's NDC 3.0 are improved in terms of clarity and transparency as well as adaptation but do not represent a strengthening of 2030 targets.

The fact sheet of short-term targets includes upgrading drainage networks, restoring degraded ecosystems, and integrating climate risk assessment in the management of cities.

Ensnared in the social safety net

BY JAMILE YOUSSEF

THE BURDEN OF NSSF END-OF-SERVICE PAYMENTS

Lebanon's End-of-Service Indemnity (EOSI) system—long presented as a pillar of worker protection—has become one of the most pressing and contentious legacies of the country's economic collapse. Designed to provide employees with a lump-sum payment upon retirement, equal to their final salary multiplied by years of service, the scheme today is strained to the breaking point. With the Lebanese pound having lost over 98 percent of its value, decades of accumulated contributions have been reduced to a fraction of their worth. Employers are now expected to cover massive settlement shortfalls, threatening the survival of compliant businesses and raising questions about the future of social protection in Lebanon.

A DEFUNDED FUND

The economic collapse of 2019–2020 was devastating for social protection. Contributions that once carried weight are almost completely diminished. "The contribution of employees, accumulating for their retirement phase, has lost its value. For instance, a previous contribution of 100,000 LBP now is worth 2,000 LBP." says Sabine Hatem, Chief Economist at the Institut des Finances Basil Fuleihan (IOF).

The International Labor Organization (ILO)'s Social Protection team echoes this concern in a written response provided to Executive: "Workers who cashed out their indemnities early in the crisis, received benefits that do not fairly match their career-long contributions. This steep drop in real value hinders EOSI core purpose, which is providing income security in old age." The ILO team also highlights how the currency collapse demolished the NSSF assets as most of its holdings were in Lebanese pounds, primarily in the form of treasury bills and local deposits. Following the state's eurobond default, their value now is roughly 20 percent of their nominal worth. While US dollar deposits are legally protected, they remain tied up under banking restrictions and are not fully accessible.

The state itself has been a chronic defaulter. By law, the government must pay NSSF contributions for their public sector employees, but unpaid dues have accumulated for years, and today their real value collapsed. According to a 2020 World Bank report titled 'Lebanon Public Finance Review: Ponzi Finance?', the government's arrears to the NSSF reached around 8,000 billion LBP by 2019 (equivalent to 5.3 billion USD at the official pre-crisis rate). Today, even if the state moved to repay, the real value of these dues has eroded beyond recognition.

PUNISHED FOR COMPLIANCE?

The collapse of the Lebanese pound turned the EOSI system upside down and had a huge impact on employers. Employers that always declared salaries correctly, now struggle to cover massive EOSI shortfalls.

BREAKING DOWN THE FORMULA

Below is a simplified example that uses basic regulations to illustrate what is happening with EOSI in Lebanon. Note that the NSSF has its own detailed formula.

- Before the crisis, an employee earning 800 USD per month was officially declared as 1,200,000 LBP at the fixed exchange rate at that time of 1,507.5 LBP per one USD. The employer paid an 8.5 percent monthly NSSF contribution, equivalent to 102,000 LBP.
- Today, the same salary must be declared at the new rate of 89,500 LBP. That means the monthly salary is registered as 71.6 million LBP.
- If the employee has worked for 20 years, their EOSI is calculated as: 71.6 million LBP × 20 years = 1,432 million LBP.
- Hence, all past contributions, at the old rate, now add up to almost nothing. If, for example, an employer worked 15 years before the crisis, the EOSI contribution for 15 years is 102,000 LBP x 15 years = 1,530,000 LBP
- Employers are forced to cover the entire settlement gap, which in these cases is equal to 1,432 million - 1.53 million

The impact on Lebanon's formal private sector has been severe. Employers who consistently declared salaries and paid contributions find themselves covering colossal gaps. Surprisingly, non-governmental organizations (NGOs) tell Executive that they feel threatened with impossible financial burdens due to their commitment to social justice. NGOs, key providers of social support and of jobs especially in the past five years, have long employed local staff for whom they consistently declared salaries and paid contributions. Unlike private businesses, NGOs do not generate profits and cannot reallocate donor funding to cover liabilities. "It's not ethical for us to use donations meant for the most vulnerable, and for recovery and reconstruction, to pay for end-of-service liabilities that we had already contributed," says Cedric Choukeir, Country Representative of Catholic Relief Services and a member of the steering committee for the Lebanon Humanitarian INGO Forum (LHIF). LHIF, an informal and independent coordinating body comprised of 73 international NGOs working to address the needs of vulnerable individuals, families and communities throughout Lebanon, shared a statement with Executive on the precarious state of humanitarian work in Lebanon given the new EOSI burdens and significant decreases in foreign funding. With a 4,000 person staff, 88 percent of whom are Lebanese nationals, LHIF warns there is much at stake for employees as well as those they serve.

Choukeir explains that employers who contributed faithfully throughout an employee's career are now forced to shoulder the cost of retroactive exchange rate losses. He recalls a case where the EOSI for a single employee reached 180,000 USD. "This isn't about three years; we're paying for 20," he says, explaining that the new system is forcing companies to "pay twice." In contrast to entities that under-declare salaries or avoid payments, law-abiding employers are carrying the largest burden. "We declare full salaries. We're fully compliant. Yet we're the ones punished the most," Choukeir notes. Many organizations warn they may shut down if no solution is found, and some have even turned to legal action.

The ILO's Social Protection team estimates that before the crisis, employers' share of EOSI settlements averaged to about 20 percent of the total benefit. Today, the figure has surged to over 90 percent. Employers are now required to make large lump-sum payments for NSSF within a single fiscal year, straining liquidity and operational budgets.

EMPLOYEES SHORTCHANGED

For many workers, the EOSI has become a source of frustration rather than security. The ILO social protection team warns that "Current EOSI values are insufficient to support a dignified life for retirees. The value of the accumulated contributions, which were not indexed to inflation has been almost completely lost".

In the public sector, the problem is critical. Following the collapse, employees received new allowances for productivity and perseverance, yet these were never integrated into their official base salaries. As a result, indemnities are calculated only on outdated figures. "Although allowances have significantly boosted public sector real earnings, the state still declares the old base salary, which is very low. Since allowances are not part of the base salary, the calculated EOSI is minimal, even though workers earned more, thanks to these allowances," says IOF's Hatem. The situation is even more damaging given that public sector basic salaries continue without any adjustment for inflation. The end result is indemnities that barely cover a month's living expenses.

The issue is not limited to the public sector. In the private sector, widespread under-declaration of salaries has long been a tactic to reduce contributions, leaving workers with EOSI settlements that reflect outdated figures rather than actual income. It has also deprived the NSSF of resources it desperately needs.

REFORM ON PAPER: LAW 319

In December 2023, Parliament passed Law 319, a long-awaited reform designed to transform Lebanon's outdated EOSI system into a modern, inflation-proof monthly pension model that aligns with international social security standards. The law introduces monthly pensions to replace one-off lump sum payouts, individual accounts for employees, a smaller NSSF governance board, and a structure that allows contributions to be invested for sustainability.

The ILO's Social Protection team explained that the new law creates a hybrid pension model. It combines a Notional Defined Contributions component, where individual accounts are credited annually based on average wage growth and with a component that guarantees a minimum pension. At retirement, the notional balance is not paid out as a lump sum, instead it is converted into a monthly pension, taking into account life expectancy, cost-of-living adjustments, and survivors' benefits.

In theory, the system is more resilient. As Hatem notes: "Moving from lump-sum payments to monthly indexed pension, protects the value of what retirees receive." The ILO's 2024 report on the new pension scheme simulates that after 2 to 7 years, depending on salary and years of services, cumulative pension payouts would surpass the lump-sum alternative.

Yet the reform is not without controversy. Employers face a sharp increase in contribution rates—from 8.5 percent today to as high as 17 or 18 percent. "It's too heavy. If the contribution rate is too high, employers will stop declaring all employees, or will turn into contractual arrangements instead of full-time," warns Ibrahim Muhanna of actuarial consultancy Muhanna & Co, predicting that such high rates will drive businesses into informality. "This is a good law for the employee, it acts more of a social welfare than social security, but it is very unfair to the employer." Muhanna also criticizes the new law's 'one size fits all' design. "The law acts like all employers are the same. But a hotel, a bank, and a school do not operate on the same economic cycle."

> Before the crisis, employers' share of EOSI settlements estimated to about 20 percent of the total benefit. Today, this figure has surged to over 90 percent.

Hatem emphasizes that first of all the government should see itself as an employer and plan accordingly: "The state must ask: How much will it cost us to pass this new law? If we need to go to an affordable solution, then we need to go to an affordable solution. If they cannot pay for that number of employees, maybe we should not have this number of employees in the public sector."

THE WAY FORWARD

The introduction of Law 319 could mark a turning point for Lebanon's social protection system, but only if it is implemented with fairness, transparency, and clear financial planning. Any reform must ensure financial sustainability, not just for today, but for decades to come. The ILO's Social Protection team points out that Lebanon's system is already marked by major gaps with only around 20 percent of the population enjoying some form of social protection and is far below the global average of 52.4 percent.

From a public finance perspective, reforms cannot be rushed or improvised. The country has shifted dramatically from the pre-2019 framework to today's post-collapse economy and continues to face uncertainty. That means every decision must be evidence-based backed by solid data, and detailed studies.

Reform requires discipline and should be fiscally sustainable over the medium and long term. Furthermore, public institutions must stop the practice of not settling their dues to the NSSF. "Social protection is a stabilizer. If someday we are not able to fulfill these dues, it is very risky and threatens employees who have no other source of revenue," says Hatem. Still, the new law is yet to be implemented as the required executive decrees are still pending.

Even before proceeding with the new law, businesses that are the backbone of the economy are facing impossible financial pressures. Employers cannot carry the burden alone. "We need a refinancing solution involving all stakeholders: NSSF, the state, and employers. No one should hold the burden alone. the problem is very big… It has to be an agreement of refinancing, where each part holds the burden," says Hatem. Muhanna reinforces this point: "You cannot protect employees if you do not protect the employer, as they are the ones offering the jobs."

Without a fair settlement for compliant employers, whether private sector companies or NGOs, the entire fledgling social security system could soon face another potentially fatal breakdown. Any solution must balance the interests and the benefit of all involved stakeholders: employees, businesses, government, and the NSSF.

Ethical Financing of End-of-Service Payments

BY JAMILE YOUSSEF

AN INTERVIEW WITH LPSN

The Lebanese Private Sector Network (LPSN) is a coalition of business leaders, professionals, and organizations committed to safeguard Lebanon's formal economy and promote sustainable growth. It operates through two main pillars: first, advocacy, which issues policy positions and engages in reform debates. Second a policy-to-action, represented by Lebanon Works, it aims to turn policy ideas into tangible initiatives that promote employment and growth.

In recent years, LPSN in collaboration with other private sector actors, has been actively advocating for reforms and practical solutions to the End-of-Service Indemnities (EOSI), managed by the National Social Security Fund (NSSF).

Following the 2019 economic collapse and the sharp currency devaluation of the Lebanese pound, in February 2024, the NSSF issued memo 740 updating the exchange rate used to calculate EOSI benefits accumulated over a 20-year period. The new calculation now applies an exchange rate of 89,500 LBP. However, throughout most of that period, employers made their contributions based on the official exchange rates at the time, which were first 1,500 LBP and later 15,000 LBP per one USD. This shift has created a significant challenge to Lebanon's private sector due to the gap between the value of contributions made and the compensation now to employees. Executive spoke with representatives of LPSN to discuss the pressures the formal private sector is currently facing, the risks on businesses, employees, and the whole economy, and the unresolved question of how to finance the gap.

The interview was conducted with the following representatives of the Lebanese Private Sector Network (LPSN):

- RIMA FREIJI – LPSN President | Tanmia - Chairwoman
- RICCARDO HOSRI – LPSN Treasurer & Economic Security unit lead | SACOTEL - CEO

- NAY EL HACHEM – LPSN Board member | El Hachem Law Firm - Managing Partner
- GEORGE ABBOUD – LPSN Co-lead Economic Security unit | Earth Technologies - CEO & Co-owner
- NAEIM EL ZEIN – Mira-Clé Training - Founder & Managing Partner

The responses to each of the questions reflect the views and insights shared by the network's representatives during the interview.

E *What is the end-of-service indemnity in Lebanon, and what is happening with it today?*

The EOSI is a lump sum that employees are entitled to at the end of their service. It is calculated by multiplying an employee's last monthly salary by the total number of years worked. Employers contribute 8.5 percent of salaries to the NSSF's EOSI branch, on a monthly basis. When an employee claims their end of service compensation, the last employer is responsible for covering any missing amount between total contribution made and the amount the employee is entitled to.

For decades, contributions were declared in Lebanese lira at the fixed official rate of 1,500 LBP per USD. Today, under NSSF memo 740, settlements are calculated at 89,500 LBP per USD. This change means earlier contributions cover only a fraction of the current required settlement, as there is no acknowledgment of earlier payments made at the old rate. This leaves employers responsible to cover the complete huge missing amount at the new rate.

The fund continued applying the law literally and issuing new memos, disregarding previous paid obligations at the exchange rate at that time and the extraordinary conditions created by the collapse in the country.

For firms with long-serving employees, EOSI settlements may now reach hundreds of thousands of dollars, a severe burden that might threaten companies' survival. As a private sector, we have already met our obligations in the past, yet are effectively forced to pay again the missing amount which is at inflated exchange rates and ignore the reality of the downturn situation.

E *Why do you describe this as unfair to the formal private sector? What are the risks if this continues?*

The formal private sector is now paying the price for compliance. Companies that consistently declared salaries, paid taxes, and contributed 8.5 percent to the NSSF are now accountable for the full weight of EOSI shortfalls. While in parallel, informal businesses, estimated to represent around 60 percent of Lebanon's economy, avoid such burdens entirely and remain untouched. This creates unfair competition. Formal companies bear the full cost of compliance, whereas informal businesses carry none of these burdens and dismiss employees without any consequence.

> For firms with long-serving employees, EOSI settlements may now reach hundreds of thousands of dollars, a severe burden that might threaten companies' survivial.

Additionally, by 2024, formal private sectors had systematically worked to restore salaries to their original pre-2019 USD value, despite the economic crisis and currency devaluation. This effort is to retain and shield employees from the unfolding crisis.

The issue is not only seen financially but structurally as well. The NSSF has not conducted regular audits of its accounts, transparency is absent, and the Court of Audit has failed to publish reports. This leaves the fund in a fragile position, with little trust and accountability to contributors or beneficiaries. We have already made our previous contribution at the exchange rate at that time, and it was the state's role to safeguard those funds. Our conscience is clear. We pay what the law requires, adjusted salaries, and support our staff, yet are treated as though those payments never happened.

In its current form, in case of default to fulfill its financial and legal commitments, which includes covering EOSI shortfall amount, the NSSF can block companies from importing, exporting, or completing corporate procedures through the "disclaimer clearance". Such action paralyzes businesses, even those that have paid their contribution for decades. The company's activity, operation, and survival are linked to a systemic problem beyond our control.

There will be a lot of risks if continuing down this path. Such overwhelming obligations of this scale threaten the survival of even well-established businesses. This is not a problem limited to one employer or one employee, it is a systemic issue across the entire formal private sector, due to currency devaluation. Companies with staff who have long service records face settlements that can wipe out years of revenue, while smaller firms are at equal risk of collapse under liabilities they could not anticipate or control. The issue of end of service compensation does not apply to a single company, but to the country's productive formal economy as a whole. If this continues, the result is a wave of bankruptcies and shutdowns in the formal sector, leading to widespread job losses, accelerating informality, and weakening of the social protection system that EOSI is meant to safeguard.

E *Faced with these risks, who should shoulder responsibility for closing the EOSI gap? Should it fall entirely on compliant employers, or should the cost be shared more fairly across government, businesses, and employees?*

The solution cannot be through pushing the entire cost of the shortfall onto employers. The legal private sector has already complied with the law and paid their contribution, but the state failed to safeguard these amounts. Now, those who follow the law and have adjusted their employees' salaries are penalized, while letting non-compliant sectors escape. Ironically, during the past five years of crisis, the only real safety net employees witnessed came from the formal private sector itself. Businesses continued to support staff and sustain operations at a time when neither the state nor the NSSF provided meaningful protection.

It is the NSSF and the government responsibility to find a solution. We are willing to contribute, but only in a realistic and predictable way that considers previous contributions and does not threaten our survival. A balanced framework, under state oversight and within a response that recognizes the crisis as national rather than individual, could distribute responsibility more equitably and give both employers and employees a degree of security.

E *How does the new pension law change things? Is the private sector ready to embrace this pension system?*

The new pension law, Law 319, passed in late 2023, seeks to replace the lump-sum EOSI with a pension system. Pensions will be paid monthly, rather than in a single lump sum. However, the exact employer contribution rates and the necessary implementation decrees are still very unclear.

On paper, this model addresses several flaws of the EOSI system. Yet for it to become a real solution, it must be implemented effectively, cover both employers and employees in the formal economy, and be paired with genuine reforms to address unresolved EOSI gaps. Without these conditions, the shift risks being another policy without delivering the stability and fairness needed for long-term viability.

Concerns remain. Higher contributions mean higher labor costs, and unless the system is applied nationwide, including to informal businesses, compliant firms will be at a greater disadvantage. Without stronger regulation, monitoring, and enforcement, the gap between the formal and informal sectors will widen further, and businesses will be at risk. They are already at risk. Moreover, pension system implementation decrees have not yet been issued, and the NSSF itself remains financially unstable and administratively weak.

It is unrealistic to move forward with pension reform while the unresolved EOSI gap remains. Switching to the new system without first settling the pre-crisis gap is not reasonable. If firms are forced to absorb the missing amount and then higher future contributions, they will simply collapse, leaving no private sector to fund the new pension scheme. In that case, the very system designed to provide secure retirement benefits would fail before it even begins.

E *What is your advice to employers, employees and the state?*

The formal private sector is the backbone of the economy. Formal firms pay taxes, customs, and NSSF contributions, and provide additional benefits such as medical insurance, if they collapse under impossible obligations, employees will lose their jobs and protections, while also, the state loses a critical source of revenue. Therefore, moving into informality may offer relief to employers and over time this will weaken worker protections and destabilize the economy.

Employers in the formal private sector are committed to formality, and cannot not declare salaries and pay NSSF contributions, and continue to ensure that employees keep their rights. The EOSI missing amounts are systemic and not the fault of individual companies. Hence, NSSF should stop using the disclaimer clearance as a tool to pressure companies. Currently, companies can be blocked from importing, exporting, or carrying out corporate procedures if they cannot cover EOSI gaps from the sharp currency devaluation. You cannot stop a company's trade activity because of a systematic problem. This practice risks shutting down long-established businesses and will be a back turn to employees as well as employers.

> If firms are forced to absorb the missing amount and then higher future contributions, they will simply collapse, leaving no private sector to fund the new pension scheme.

There should be a clear cut-off point between pre and post crisis years, recognizing contributions made before the collapse. It is unreasonable to say everything paid before is now nothing. There must be a legal settlement. Only a government-led framework can restore fairness and protect employers, employees, and the economy.

Furthermore, rebuilding trust in Lebanon's social protection system requires transparency, legal clarity, and shared responsibility. We cannot be asked to absorb crisis-related gaps alone. Survival of the formal economy and ethical financing depends on the state creating rules that are fair, enforceable, sustainable, and protect both employees and employers. The Network alongside other private sector organizations are collaborating to propose solutions and suggestions that are sustainable and fair for employees and employers alike, as both are victims of a crisis that is not their making.

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BUSINESS ESSENTIALS

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Zein AUB iPark propelled Lebanese startups globally in early 2025, showcasing ventures at Web Summit Qatar, Cyprus' Demo Day, and Paris' VivaTech. Highlights include Zaker, Walleti, and DonaLeb incorporating in Qatar, Parency winning Limassol's Elevate Bootcamp audience vote, and DonaLeb securing a Paris-based HR partnership. The **Beirut Digital District Demo Day** attracted 450 attendees, generating investments and collaborations. Zein AUB iPark continues championing Lebanon's leading startups, fostering regional and European partnerships.

Gulf Capital sold its majority stake in **ART Fertility Clinics**' Middle East operations to IVI-RMA Global. Since 2020, ART expanded to 15 clinics across UAE, Saudi Arabia, and India, quadrupling profits and achieving top IVF success rates. Operational enhancements included a genetic lab in Abu Dhabi and 220 medical publications. ART joins IVI-RMA's global network to continue providing world-class reproductive care in the region.

Amid Lebanon's healthcare crisis, **Life for Relief and Development** supplied six major hospitals and organizations with surgical tools, monitors, mobility aids, and medications. Since 2006, the NGO has supported displaced families, widows, orphans, and children with psychosocial services, trauma kits, seasonal aid, disability care, and education. Its ongoing humanitarian efforts ensure care for vulnerable populations, cementing its role as a key actor in Lebanon's relief and development sector.

Beycom entered the Syrian market via a 10-year partnership with **Hajjar Group**, unveiled at the region's largest e-commerce festival. The collaboration includes three tech projects, educating 65,000 students and creating 300,000 jobs. Aiming to boost e-commerce value above $2 billion, the initiative combines live events, virtual training, and partnerships, marking a major step for Syria's economy and regional digital growth.

Kempinski Hotels offers Double DISCOVERY Dollars from 1 August–30 September 2025. Members earn double on direct bookings across 850+ GHA DISCOVERY hotels, redeemable for stays, dining, spa treatments, and room upgrades. Rewards offer up to 14% back in D$, enhancing loyalty and reflecting Kempinski's commitment to personalized, global hospitality experiences.

From 28 July–3 August, **The Green Planet™ Dubai** hosted activities for children, including tree planting, birdwatching, composting, and storytelling. The indoor rainforest features 3,000+ plants and animals across a four-story canopy and nine botanical gardens. The week-long program fosters environmental awareness through immersive, hands-on learning for children and adults.

LAU Medical Center-Rizk Hospital introduced its Executive Health Preventive Program on 24 July 2025. Combining advanced diagnostics with wellness strategies, the program promotes proactive healthcare. The launch showcased upgraded facilities including hybrid operating rooms, ICUs, Cath Lab, and Stroke Center, establishing a new benchmark for preventive medicine in Lebanon and the region.

Kamalaya Wellness Sanctuary launched Wellness Guardians, a preventive wellbeing program providing pre-arrival consultations, lifestyle coaching, quarterly check-ins, and evidence-based tools. Guests staying five nights or more receive continuous support, bridging retreat experiences with daily life. Recognized globally, Kamalaya maintains its reputation as a top integrative wellness sanctuary.

Genetec Inc. expanded its Montréal headquarters and UK office, supporting a 65% global headcount increase since 2020. The 395,000 sq. ft. campus houses R&D, commercial teams, an

Experience Center, and employee amenities. With offices in Sydney, Dubai, Mexico City, and Washington D.C., Genetec strengthens global market presence while fostering innovation and collaboration.

Ecom Fest 2025 took place on 26 July in Beirut with 4,000–5,000 attendees. Featuring speakers, government representatives, and top professionals, the event highlighted youth empowerment, job creation, and Lebanon's digital potential. Through Beycom and The Engine, founder Jad Fakhani supports students, freelancers, and Lebanese talent, connecting them to global e-commerce opportunities.

P**UMA Middle East** launched **Al Hilal FC'**s home and away kits for 2025/26, celebrating the club's heritage. Inspired by Najd's architecture and the crescent moon, the collection continues showcasing Saudi culture globally. Kits are available at PUMA stores, Al Hilal outlets, and select retailers across the region.

We Design Beirut Edition Two runs 22–26 October 2025, celebrating design, culture, and creativity across historic landmarks. The festival features exhibitions, student showcases, panel talks, and immersive experiences, emphasizing empowerment, preservation, and sustainability. Programs like "Threads of Life" and "Design In Conflict" highlight Lebanon's heritage and foster collaboration, positioning Beirut as a regional hub for design and cultural innovation.

Huawei Qatar hosted the "Innovation in Education and Talent Excellence Awards," celebrating Qatari students' achievements in the 2024–2025 Global ICT Competition. UDST students won second place with "Be My Sense," competing against 40+ international teams. The event emphasized industry-academia collaboration, applied learning, and digital transformation. Huawei's initiatives, including the **ICT Academy** and **Seeds for the Future**, support Qatar's next-generation digital leaders, aligning with Qatar National Vision 2030.

Beirut's Colisee Cinema reopened as the Lebanese National Theater for the Lebanese International Monodrama Theater Festival starting 13 September. Founded in 1945, the cinema hosted Lebanon's golden era of theater and film. Renovated by **Tiro Association for Arts**, it now offers free theaters, festivals, workshops, and inclusive screenings. The festival unites Lebanese regions through arts, promotes cultural access, and supports emerging artists nationwide.

The UAE, Guest of Honour at the **7th China-Arab States Expo** in Yinchuan, showcased opportunities in technology, energy, infrastructure, tourism, and SMEs. With over 50 representatives, the **UAE pavilion** emphasized Middle East–Asia trade, highlighting USD 90 billion in 2024 non-oil trade and 95% growth in China investments. The expo reinforced historic ties, expanded economic cooperation, and promoted sustainable development and bilateral investment opportunities.

Four **AUB** community members were appointed to Lebanon's **National Commission for UNESCO**. Dr. Nadine Panayot chairs Education & Culture, Dr. Shady Hamadeh leads Science & Communication, and Dr. Rachid El Daif and Mona El Hallak contribute humanities expertise. They leverage AUB's research and educational excellence to implement projects, workshops, and initiatives, fostering cultural stewardship, sustainability, and national collaboration aligned with UNESCO's mission.

Swiss watchmaker **Breitling** partnered with the **National Football League** as its first global luxury timepiece sponsor. Launching team-edition collections, including Chronomat Automatic GMT and Endurance Pro, the partnership connects precision craftsmanship with NFL culture. Activations include Super Bowl LX and international games in London, Berlin, and Madrid. Fans can showcase team spirit via high-performance luxury watches, combining sport, tradition, and style worldwide.

DRIFT Offshore launched a 5,000 sq. ft. subsea repair facility in South Florida, creating five jobs. The center provides electronics, hydraulics, mechanical assembly, manipulator repair, system rebuilds, and technical support for Schilling and Perry products. Strengthening its US presence, DRIFT combines global ROV

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expertise with custom repair solutions, enhancing subsea equipment reliability and performance for clients while establishing itself as a trusted maintenance partner.

Al Habtoor Motors introduced flexible leasing for the all-electric **JAC E30X** in the UAE. The offer includes insurance, service plans, warranty, and roadside support, with monthly payments from AED 1,499. Designed for urban commuters, the E30X provides zero emissions, cost-effective performance, and reduced environmental impact. The leasing plan promotes accessible EV adoption, reflecting the UAE's shift toward sustainable, smart transportation.

Mastercard and **Circle** enable USDC and EURC stablecoin settlement for merchants and acquirers in Eastern Europe, the Middle East, and Africa. **Arab Financial Services** and **Eazy Financial Services** are first beneficiaries. The initiative supports faster, secure digital payments, integrates blockchain with traditional finance, enhances liquidity, and promotes financial inclusion. It positions stablecoins as a viable tool for high-volume transactions in the region.

Artificial Intelligence drives global business and investment, with hyperscalers and tech CEOs expanding GPU clusters. Adoption across **S&P 500** firms boosts productivity and margins, prompting data center growth. The Gulf, particularly UAE and Saudi Arabia, is investing heavily in AI infrastructure. Governments prioritize AI for economic and security goals. Investors should monitor margin expansion, data-center construction, and the balance between general and domain-specific AI platforms for sustainable returns.

Arab Bank became **LALIGA**'s Official Banking Sponsor in MENA, using football to strengthen brand engagement. The partnership offers fan experiences, co-created content, and exclusive offers, building on Arab Bank's support for the **Jordan Football Association** and national team, recently qualifying for the **2026 FIFA World Cup**. The collaboration enhances regional presence, innovation, and community connection while reinforcing the bank's "Beginnings Never End" platform.

The **National Rehabilitation Center** joined Dubai's "Welcome My School" initiative, raising health awareness among students. Workshops cover life skills, substance abuse prevention, and e-cigarette risks, alongside interactive activities and competitions. NRC CEO Yousef Altheeb Al Ketbi emphasized building a healthy, informed generation. The initiative strengthens partnerships with educational authorities, promoting preventive programs and fostering positive health habits among students and families.

At Orlando's **Clean Show 2025, LG** unveiled AI-powered commercial washers, dryers, and combos for laundromats, hotels, and healthcare. Innovations optimize water usage, drum balancing, and energy efficiency while connected solutions via Smart Laundry LAB enhance performance. LG reinforces leadership in sustainability, operational excellence, and North American commercial laundry innovation.

QOOT Cluster launched the third **Agri-Food Innovation Award** under "Lebanon Rises with Innovation," encouraging agrifood companies to showcase products. Supported by government ministries, the Netherlands Embassy, and EU, winners receive R&D vouchers, prizes, and networking opportunities. AFIA 2025 celebrates entrepreneurship, resilience, and sustainable growth, with the award ceremony set for 27 November 2025.

Intersec Saudi Arabia discussed security for the Kingdom's giga-projects, emphasizing AI, drones, facial recognition, and automated monitoring. Experts highlighted infrastructure, governance, and collaboration for large-scale developments. Held at **Riyadh In-**

ternational Convention & Exhibition Center, the event focused on safety, fire protection, and cybersecurity for mega-projects.

Fintech **Purpl** prioritizes compliance to ensure trust in cross-border payments. KYC verification, transaction monitoring, and partner oversight safeguard operations. AI-driven monitoring enhances security, transparency, and regulatory alignment, serving users in 115+ countries. Purpl integrates compliance into its core, bridging financial gaps while demonstrating that safety and scalability are crucial in digital finance.

Maskoon Fantastic Film Festival ran 1–5 October at **Metropolis Cinema**, highlighting Arab cinema addressing war, domestic violence, and migration. Screenings included Lebanon's The Sea and Its Waves and Morocco's Animalia. Classic films like Oldboy and a David Lynch tribute were featured. Panels explored filmmaking, and ALBA students created the festival trailer, emphasizing Arab voices in challenging times.

SC Capital Partners and CapitaLand Investment launched the SC GCC Real Estate Industrial Development Fund (GRID) in the UAE. The first Ras Al Khaimah project creates 1,800 jobs, hosts 50+ tenants, and covers 300,000 sqm. Targeting advanced industries, the fund fosters industrial growth, innovation, and global investment, strengthening RAK as a regional smart manufacturing hub.

MAHE Dubai celebrated students excelling in the BCom ACCA program. Sisters Sarah and Samaira Atique Sayed earned UAE national honors. Other students excelled in Advanced Performance Management, Taxation, and Strategic Business Leader exams. Recognized at "The Accounting Profession Redefined," achievements reflect rigorous academics, mentoring, and industry exposure, highlighting MAHE Dubai's role in producing globally competitive finance professionals.

Chedid Re hosted its annual Lebanese lunch themed "Here for You. Far Together," honoring regional partnerships across Europe, Middle East, South Asia, and Africa. Leaders were recognized for contributions to (re)insurance. Chairman Farid Chedid and CEO Elie Abi Rached highlighted long-term growth, resilience, and expansion, reinforcing the firm's global network and commitment to the international (re)insurance market.

The **Portail des Nations**, opening March 2026 in Geneva, will serve as the UN visitors' centre, showcasing multilateral diplomacy and the UN's work. Privately funded by Ivan Pictet, it offers immersive multilingual experiences for 200,000 visitors annually. Exhibits cover global cooperation in health, environment, and labor, fostering civic engagement, dialogue, and education in a leading diplomatic hub.

GAGE Programme's Endline Conference in Beirut reflected on seven years of participatory research with 100+ adolescents from Syrian, Palestinian, and Lebanese communities. Lebanon's crises limited youth voice, agency, and wellbeing. Findings emphasized safe spaces fostering confidence, critical thinking, and community cohesion. Agencies called for investment in education, safe spaces, and adolescent-responsive policies to strengthen resilience and inclusion.

LG unveiled four AI-driven vacuum innovations at IFA 2025 for Europe: robot vacuum with steam mop, robot station, stick vacuum, and wet-dry stick vacuum. Features include self-sterilizing docks, compact design, and high suction. The lineup combines efficiency, user-friendly design, and superior home-cleaning performance, reflecting LG's commitment to smart, modern living solutions.

Al Masaood introduced a 5-year service, roadside assistance, and unlimited warranty package for the Nissan Patrol Platinum City Twin Turbo in Abu Dhabi, Al Ain, and Al Dhafra. The campaign emphasizes comfort, reliability, and advanced technology, offering a worry-free ownership experience for SUV enthusiasts.

Ali Al Najjar was appointed CEO of **Al Ansari Exchange**, bringing 23+ years of experience. His focus includes digital innovation, financial inclusion, and sustainable growth. The appointment underscores the company's commitment to customer-centric services, diversification, and long-term resilience, reinforcing its regional leadership in remittance and currency services.

No time to lose

BY AFIF RAFIQUE

THE URGENT NEED TO INVEST IN LEBANON'S EDUCATION SYSTEM

Investing in Lebanon's education system is more urgent than ever, following years of compounding crises that caused a major deterioration in access to learning and forced many families to prioritize basic needs over education.

One in three children is out of school and out of learning; the most marginalized children lag behind their peers; and many teachers are not receiving the support they need.

Strengthening the education sector takes political will, courage and vision, but it will bring significant dividends, helping build a generation that is equipped to contribute to the country's prosperity and stability.

Education and learning are central to Lebanon's future. Every child, regardless of nationality, gender or legal status, must have access to a quality, inclusive education.

To achieve this, we need to put children and youth at the centre of reform efforts to improve the public school system, particularly for children who are currently out of school.

We need to ensure schools are building the foundational literacy, numeracy, and life and vocational skills needed for learning, for work and for life.

The Transition and Resilience Education Fund (TREF), an initiative of the Ministry of Education and Higher Education with multination sponsorship and implemented in coordination with UNICEF, is a tool for achieving these goals. Since 2022, TREF has aims to enhance the governance and efficiency of the education system, ultimately ensuring that more children are in school for longer and learning more.

Even during the darkest of times, during economic crisis and the deadly intensification of cross-border conflict in 2024, TREF's achievements demonstrated that Lebanon has the capacity to deepen reforms on equity and inclusion, teaching and learning, governance and cost-efficiency.

ENVISIONING A FUTURE

Despite the progress achieved, there is still a severe, but not insurmountable, education and learning crisis. Addressing it will require:

• **Getting all children in school and learning.**
We need to reach the estimated half a million children who are out of school and not learning. This involves helping children acquire the literacy and numeracy skills they need for learning, and easing their transition into formal education. It also means ensuring every school is inclusive, especially for children with special needs.

• **Setting a learning target and implementing evidence-based teaching and learning programmes.**
We need to measure progress towards improving the education system's performance. Setting a learning target that all of Lebanon's children, teachers, schools and partners can support will help ensure success.

• **Defining a vision for Lebanon's teachers.**
Numerous teachers have sought better-paying jobs abroad as the economic crisis drastically reduced their salaries and worsened their living conditions. Teachers who have remained in Lebanon are a cornerstone of society; we must support and motivate them.

• **Making the case for investment in Lebanon's public school system.**
By increasing its funding for schools and allocating support based on school needs, Lebanon can showcase its commitment to education for children, teachers and schools. Helping schools develop School Improvement Plans, annual budgets, and collect data on attendance and learning outcomes will motivate domestic and international partners to champion the benefits of Lebanon's public schools for children and for the country's future.

Failure to properly address Lebanon's education crisis would have dire consequences, turning today's children into a 'lost generation' with weak earning potential, increasing poverty and inequality, and reducing human capital – which could, in turn, lead to more instability.

In order to succeed, the Government must continue to place education at the top of the political agenda and commit the public financing required, so that all children in Lebanon, no matter their circumstances, benefit from quality teaching and learning, imparted by motivated teachers.

UNICEF is determined to continue working with the Government to promote quality, inclusive education, and urges all stakeholders to join efforts to bolster the education system.

The future of Lebanon's children, and of the country itself, is at stake. Failure is not an option.

Atif Rafique is the Chief of Education at UNICEF Lebanon since 2021