June - October 2026 Nº 278

Executive

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EDITORIAL

#278

Resilience is not a policy

This summer, despite suffering violent aggressions, Lebanon did what it always does. In April, bombs fell quiet in the capital, the diaspora came home, arrivals leapt within weeks and by July property deals reached their highest monthly level of the year. We are told, once more, that the Lebanese are resilient. We are. But reading this issue, I am struck by how much of it is private substitution for a state that has stopped showing up.

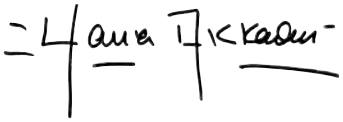
Look at the evidence. Solar panels supply 15 percent of the country's electricity and generators supply over 50 percent. Privately. An industrial agriculture company in the Bekaa runs entirely on its own power and builds its own fuel station. A popular juice producer and exporter operating in the south shut for two and a half months this year and kept paying its bills. Small firms absorb the costs of building institutional resilience, burdening themselves with a role that should be filled by the state. Lebanese engineers lead AI companies abroad while Lebanon ranks 117th of 135 countries on AI governance and is in desperate search of fundamental AI laws and a budget for the digital strategy created by its emergent Ministry of Technology and Artificial Intelligence. We are, as one municipality president put it, AI-capable but not AI-ready.

The pattern repeats everywhere. Ten years after a national garbage emergency, we finally have a law letting municipalities run their own collection, and a new waste authority. The latter, with no published budget. Our tourism ministry's events page is still dated August 2024. A $100,000 housing loan buys 16 square meters in Downtown Beirut. The World Bank expects the economy to shrink 6.4 percent this year. Four in five households struggle to afford necessities.

None of this is new, which is precisely the problem. The private sector has learned to live without the state. The state has learned that it can let it. The arrangement is expensive, exhausting and, as the spring war reminded us, collapses the moment the bombing starts.

Our negotiators in Washington are asking the world to trust in the Lebanese state and invest in our people. Fair enough. But the case for public trust must first be made at home. The government cannot yet disarm anyone, but it should and indeed can run an airport, can and should record and publish data and budgets. Technically, the state can supply electricity, and support and regulate any municipality that wants to collect their own trash. Small, visible, accountable wins are where a, albeit underfunded, state does its job. These wins are what credibility is made of.

Resilience kept us alive. It will not build a country. Let us train a state that does its share.



Yasser Akkaoui
Editor-in-chief

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Published by NewsMedia sal
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Much ado about economic peace:
Understanding the Lebanon trap



Sustained, or lasting, economic peace is the precondition for Lebanese social salvation. This is a simple truth that one can call self-evident in the face of our global neighborhood's long ongoing perma-conflict. It is confirmed, once again this June 5, by the United Nations' assessment of Lebanon's urgent survival needs to be funded with $331.5 million for the ongoing three-month period. This added request raises the total UN 2026 flash appeal for the most urgent country support to $639.9 million between March and August of this year.

Moreover, the timeless truth about the need to avoid the multi-dimensional human disaster of war has been locally reinforced in 2026, as it has before in 2024 and 2006 (and before and before…). The lesson of three wars is thus being transcribed into a solid knowledge that peace for the small state of Lebanon is indispensable for national development under all traditional and contemporary perspectives of sovereignty.

A sustainable economy, an economy that does repeat wild swings between growth in year one and recession in years two to five, an economy that capitalizes on autochthon creativity and globally integrated productivity, an economy that achieves global benchmarks for balancing na-tional accounts in trade and payments, an economy that preserves its natural, human and so-cial assets, that can grow without entering dependence-inducing monetary programs and can sustain the population without requiring recurrent external food aid due to social emergencies – is a viable goal for Lebanon. But only in a time of peace.

Before even beginning to talk about foundations for practical peace in Lebanon, however, one has to acknowledge that economic peace is nothing if not a difficult proposition. Sustainable economic peace in the 21st century in general and in the Middle East in particular is not an easy sell, from two contrarian angles.

A PRACTICAL PEACE

One angle is that the principle of peace presents itself as a vision and ideal rather than a lasting societal foundation throughout the historic reality of peace building. From this angle, one simply has to recognize that complete long-lasting peace is not a result of perfect contracts among enlightened sovereign republics. It is a visionary ideal worth striving for, but it is not achievable on basis of one nation's sovereignty, however strong that nation may be. It is an imagined polit-ical reality for which there is not even a fleeting precedent in the Lebanese context.

The second, equally weighty but almost impossibly complex angle to the conundrum of practi-cal peace is based on a threefold economic-political observation. First, zero-sum approaches to economic competition, including those with military implications, aren't always economically inferior than cooperative, mutually beneficial ones; the assumption that win-win is always su-perior doesn't hold up. Second, we now understand just how vast and interlinked the potential gains and losses are across environmental, social, economic, and civilizational domains, which means a major war in the 21st century could produce outcomes that are genuinely unpredictable and threaten humanity's existence as a whole. Third, agreements to avoid military conflict and political hostility are no longer enough to guarantee that individual nations can sustain their economies or maintain economic self-determination, and this gap may be even wider in today's digital age than it was in earlier eras.

Practical peace in the digital age will have to be forged by the global and economically interconnected community of nations on basis of understanding that war, irrespective of any preliminary bottom line with a win-lose zero sum outcome, is in the long run a lose-lose game with 1000 percent predictability.

Whereas this latter insight in the politico-economic interplay of war and peace has not been at the center of global attention in the post-Cold War era, it is harshly brought to the fore or our attention by the conflicts blasting over the Middle East region in this year of 2026. In support of this view, where-

as matters of war and peace evidently have upsides as well as downsides under an politico-economic focus, the international energy markets in this spring and summer make for a most convincing argument that decisions of war and aggression have unexpected and detrimental global impacts on nearly all national economies.

By the way, the example of crude oil is just a highly visible real economy one in a number of escalating arguments against the fragmentation of the economic world. Another tangible politico-economic lesson of the Iran war of 2026 is the complexity that intertwines the opportunity costs of war and the paucity of peace dividends. The expansion of the financialized meta-economies of global trade in the past four decades has ballooned global financial flows but it has also radically increased systemic fragilities, need for costly oversight, and risks tied to fragmentation. According to a June 2026 research paper under the World Economic Forum's initiative for Navigating Global Financial System Fragmentation, for example, the risk of systemic financial fragmentation including tariffs and trade conflicts, is, in a worst-case projection, as high as $6.9 trillion, more than 6 percent of global GDP.

Middle Eastern history of the late 20th and early 21st century thus is more than just a strict, relentless moral teacher that peace is a vision to strive for. It shows the world that economic peace is the indispensable foundation for a state of sustainable sovereignty. Executive Magazine coincidentally regards this "practical peace" as a foundation to a sovereign Lebanese state.

THE TRAP OF SELF-DIVIDE

One can call the primary obstacle to nation-level implementation of practical peace in Lebanon the "Lebanon trap". In part, this term attempts to codify the centuries old reality that the Lebanese polity has been a sideline event in geopolitics but also an attractive morsel for expansionist empires. Colonizers, conquerors and neo-colonial powers have used the military-political coastal "highway" of the eastern Mediterranean territory and sat at the local decision-making tables either directly or by proxy.

Existing within the confines of a very limiting territorial enclosure has been the fate of many small polities living in not-easy-to-defend lands. But in Lebanon, this fragmentation into small communities has been made worse by a lack of shared purpose among its culturally and economically diverse communities. This diversity is potentially a great strength, but historically it instead created a deeper, almost inescapable dimension to the constraints of this small polity, the Lebanon trap.

This diversity is potentially a great strength, but historically it instead created a deeper, almost inescapable dimension to the constraints of this small polity; the Lebanese trap.

Throughout a millennia-spanning history, this trap has been sprung repeatedly by conquerors and invading empires as well as local lords that used a "divide and rule" strategy. Furthermore, many a power usurper also benefited from local "self-divide and be ruled" competition among communities. Examining the contemporary Lebanese mentality of the 21st century, it serves to remember that every Lebanese self-identified as coming from a plethora of faith-based communities long before its current politico-economic, openly or covertly arms bearing, sectarian organizations were established at different points during the past 100 years.

This historic fragmentation and diversity is the cultural baseline of Lebanon. It is both a restraint and a tremendous opportunity. However, this opportunity can be turned into the Lebanon trap in three ways: when the country's diverse communities remain vulnerable to corruption; the polity repeatedly defers to foreign empires and modern quasi-empires when making national decisions; and local communities tend to avoid taking responsibility for their own conduct, which should be the foundation of sovereignty. The result is a mentality of open subservience to external powers, combined with shameless finger-pointing between communities.

CLUTCHING AT SOVEREIGN STRAWS

The regional case thus is indeed the master class material for investigating the flaws of two of the 20th century's highly popular thought experiments in the construction of practical peace – political pacifism and economic peace dividends. The enabling environment for this master class is the wide presence of diverse religions and ideologies that have been competing for allegiance of polities and societies around the region. On the levels of tribe-like societies, nation-states and would-be hegemons, the region has been witnessing active competitors for popular adherence to identity systems that have historically ranged from dedicated Islamism and convinced Zionism to dynastic rule, capitalist laissez faire, socialist utopias, agnostic totalitarianism and lately to social media anarchy.

Political pacifism and economic peace are not materializing in the most developed societies and also have not shown systemic impact in least-developed countries that struggle for baseline survival. In the Arab regional context, however, to cite Lebanese economic thinker and author Nassim Taleb, "the Levant has been a mass producer of consequential events nobody saw coming".

In a deeper dive into the enigma of Lebanese mentality, it seems prudent to recall scientific research on development of mindsets from perspectives of memory, cognitive selection, and reason. A century of research into reconstructive and constructive memory has convinced most people that memories

are not unchangeable recordings of facts. Similarly, cognitive dissonance has been called out in the middle of the last century as coping mechanism for solving intractable contradictions by way of mental dismissal. The very faculty of human reason finally has been noted earlier in the current century for its social (and social capital) utility, meaning the ability to use reasoning for constructing arguments after the fact and winning social acceptance.

To sum up the anatomy lesson of the Lebanon trap, its material baseline is the state's combination of small territory, inferior political power, and minimal military capability with the country's attractiveness to would-be conquerers.

This transactional aspect of reason, according to an investigation into "The Enigma of Reason" supersedes the intellectual functionality of reason as instrument of truth detection or improved decision making. In the context of behavioral economics, as in wider behavioral studies, debates over memories, reason, and a wide range of cognitive processes and biases have taken on the mantle of self-evident truths. Understanding these truths helps explain why many Lebanese hold conflicting beliefs and dark outlooks. After centuries of instability and lack of sovereignty, repeated trauma and false narratives have shaped these mindsets as a way to survive and fit into society. Peace is a vision that has not been invalidated by historic shocks of the last century – from the horror of "never again" to the evil of weapons of mass destruction. But perfect peace has never been achieved. The most rational approach should nonetheless be that practical peace is a worthy and attainable state of existence but also not yet a realistic platform of existence.

A MENTALITY CHANGE

In juxtaposition to such pessimism, however, the scope of economic peace and economic democracy is being reshaped and possibly increasing. The issue is controlling the territory, the metaverse, and the narrative in the digital world within a multi-trillion dollar global economy whose two ideologically, culturally, and socially juxtaposed largest players USA and China control half of total productivity and where trillion-dollar wars are becoming the rule of armed conflict.

For the Islamic world and wider Middle East region, the new scope of war and peace risks in a digitized political and economic environment comes at a time when conflict risk has been reaffirmed as high and when the Iranian model has confirmed its readiness to operate as a determined and unrestrained conflict actor when under threat. It furthermore comes during an inflection period for Arab economies. Oil-exporting autocratic economies in the Gulf are making efforts to recast themselves into new roles as transportation, tourism, trade, and services hubs, partially with advanced AI adoption efforts and entrepreneurship aspirations.

These factors contribute to regional power shifts and new risks of imbalance that are made all the weightier in Lebanon by the fact that Israel is today not just a developed economy in the high income bracket of advanced capitalism with massive technological and military exports. Israel in 2026 stands as a regional hegemonic player with an expansionary ideological-politico-economic game plan. Perhaps the clearest illustrations of the changed position of Israel can be found in the increasing Israeli weapons exports in recent years and two new attempts of Israeli lobbying in the USA to become a strategic partner in mission-critical military tech infrastructures.

Under these circumstances, backward comparisons are not helpful. New and competing power cores with regional conflict potential have been emerging in Israel, Iran, and the GCC. When compared to the increased power interests and potentials for economic competition of these countries, the already much less significant political and economic potential of Lebanon seems to be at a multi-decade low point. As proven for a repeated time by the war of March 2026, the country is suffering from impotence to defend its territory and is moreover exposed to territorial intrusions, or what critics of Israel call unchecked "Gazafication".

To sum up the anatomy lesson of the Lebanon trap, its material baseline is the state's combination of small territory, inferior political power, and minimal military capability with the country's attractiveness to would-be conquerors. The trap is a combination of the centuries-long experience of extreme vulnerability to external pressures, including foreign sponsors of the economy, with readiness of an internally dichotomous polity to ostracize groups instead of constructing pathways of integration.

There is no evidence that sovereignty has ever protected Lebanon and powered this state to the point of being an equal contender relative to neighboring countries, nor is there evidence of a valid concept of national sovereignty as secret base for Lebanese success in the future. There is moreover no political, military or economic leverage that Beirut can bring to bear in this situation. But there is a path forward: by reshaping the mentality and mindset at the heart of the Lebanon trap, the country can begin to change its own trajectory.



Ankr Development Co-Founders Partner with the Gemayel Family to **Launch ANKR 687,** a Flagship Residential Project in Saifi

Ankr Development has officially announced the signing of an agreement with the Gemayel family, marking the formal commencement of ANKR 687, a landmark residential development set in the heart of Saifi, one of Beirut's most historic and culturally significant neighborhoods.

The agreement brings together Ankr Development co-founders Kamal Bejjani and Jean Ramia with members of the Gemayel family, Naji, Maurice, and Philip, in a partnership centered on a shared vision for contemporary urban living that respects the character and heritage of Beirut.

Located in Saifi, ANKR 687 is envisioned as a distinctive residential address that brings together architecture, history, and considered living. The project is designed by acclaimed architect Charles Hadife, whose approach combines contemporary architectural expression with functional, thoughtfully planned spaces.

More than a residential development, ANKR 687 seeks to become part of the neighborhood's evolving identity. Its architecture is conceived to respond to Saifi's distinctive urban fabric, while drawing inspiration from the area's architectural heritage, cultural character, and vibrant sense of place.

The partnership with the Gemayel family marks an important milestone for Ankr Development as it continues to expand its portfolio of high-impact residential and commercial developments across Lebanon. With ANKR 687, the developer further advances its approach to urban development creating projects that are rooted in their surroundings while introducing a contemporary perspective on how Beirut can live, work, and evolve.

ANKR DEVELOPMENT CO-FOUNDERS

"Following the success of Monot 95, ANKR 687 reflects our continued belief in Achrafieh and in the potential of Beirut.

We wanted to build on that journey by creating a residence that feels genuinely connected to its surroundings, contemporary in the way it lives, yet fully showcasing the character and history of Saifi.

Our vision was to create more than a building: a modern Beirut address that brings together thoughtful architecture, privacy, and city life, while respecting the identity of the neighbourhood.

ANKR 687 is part of a broader vision for Lebanon. What we have achieved over the past three years is only the beginning.

We believe in Lebanon's potential and in continuing to invest, build, and create here.

We hope ANKR 687 contributes to the continued evolution of Achrafieh and becomes a lasting part of the Beirut we believe in."

THE GEMAYEL FAMILY

"After considering many offers, we chose Kamal and Jean because we share the same values: our love for Lebanon and Beirut, honesty, and hard work. Built on trust, this partnership has become deeply personal.

We are proud to see this place come to life while respecting its history, and hope it brings a true sense of community to the heart of Beirut and inspires others to invest in our beloved city."

ARCHITECT CHARLES HADIFE

"From the beginning, our intention was not to impose a new identity on Saifi, but to create a building that naturally belongs to it. We wanted to create a dialogue between the city and its surroundings designing a place that is anchored to Beirut, yet open to the sky."

With ANKR 687, Ankr Development and the Gemayel family are bringing together a shared appreciation for Beirut's architectural identity with a forward-looking vision for residential living creating a new address in Saifi that is designed to belong to the city, its history, and its future.

A Realist's Wager

BY YASSER AKKAOUI



LEBANON'S DIPLOMATIC SURVIVAL STRATEGY RUNS THROUGH WASHINGTON, NOT TEL AVIV

In the intricate theater of Levantine diplomacy, the ongoing trilateral negotiations surrounding the June 2026 ceasefire framework between the United States, Israel, and Lebanon are widely misread. International observers parse the diplomatic communiqués for signs of a grand bargain, analyzing the technical capabilities of the Israeli and Lebanese delegations as if they were engaged in a conventional negotiation over borders and sovereignty. But this misconstrues the fundamental architecture of the talks. Lebanon is not at the table to outmaneuver Israel; it lacks the leverage, the unified government, and the military deterrent to do so. Instead, for better or worse, Beirut is engaged in a delicate test of statehood for an audience of one: the United States.

Lebanon arrives at these negotiations fielding a state apparatus hollowed out by economic collapse, shattered by Israeli demolishment of civilian infrastructure, and sidelined by Tehran's grip. There is no traditional diplomatic leverage. Yet, in the paradox of Lebanese statecraft, this extreme fragility serves as its primary geopolitical currency.

The strategy is one of vulnerability presented as a value proposition. The Lebanese state is banking on the premise that a total institutional collapse on the Mediterranean remains a red line for American security interests. Beirut is essentially signaling that while it holds no strong cards, its survival as a functioning state is of such paramount interest to Washington that American investment is a geopolitical necessity. To salvage the republic, Lebanon is not attempting to negotiate a sovereign peace it cannot enforce. It is attempting to convince Washington that investing in a Lebanese state is the only viable alternative to the permanent entrenchment of a sprawling Iranian proxy network.

To comprehend the posture of Beirut, one must deconstruct the illusion of the bilateral talks with Israel. The primary objective of the Lebanese delegation is not to trap Israel in a diplomatic masterstroke, but simply to remain in the room, demonstrating good faith, exhibiting state-like behavior, and signaling a willingness to engage within a shaky but still vital international order.

The true counterpart in these meetings is the United States. It is an exercise in proving institutional viability to the Americans. By repeatedly showing up in Washington, Lebanon secures the political capital required to survive. This relationship with the United States is still the primary tie that can deliver structural dividends: vital funding for the Lebanese Armed Forces, diplomatic cover, and occa-

sional leverage to restrain Israeli escalation. Paradoxically, gaining the confidence of Israel's primary enabler is the only mechanism Beirut possesses to extract any concessions from Tel Aviv.

Executing this strategy requires navigating a political landscape in Washington that is highly complex. Washington operates as a labyrinth of competing interests fractured between traditional political wings, the administration, Congress, and, where Lebanon is concerned, deeply entrenched diaspora networks that often work at cross purposes.

■ The strategy is one of vulnerability presented as a value proposition. Beirut is essentially signaling that while it holds no strong cards, its survival as a functioning state is of such paramount interest to Washington that American investment is a geopolitical necessity.

The Lebanese diplomatic strategy relies heavily on a triad of American power centers, deeply influenced by the Lebanese diaspora. First is the Oval Office, where familial ties and personal affinities elevate the profile of Lebanon within an administration where executive attention is paramount. The presence of influential Lebanese Americans in high level advisory roles provides Beirut with internal channels that are crucial for maintaining presidential goodwill.

The second pillar encompasses the National Security apparatus and Congress, navigated by established lobbying infrastructure like the American Task Force for Lebanon (ATFL). While executive envoys handle the White House, these task forces leverage decades of bipartisan relationship building to sustain funding and political support within congressional committees. They provide a stabilizing force, often guided by seasoned figures who understand the brutal realities of Lebanese constraints and help keep the bilateral relationship on the rails despite periodic crises.

The third and perhaps most vital pillar is the United States military. Central Command knows the Lebanese Armed Forces (LAF) better than the Lebanese state itself does. The Pentagon views the army as a critical, albeit heavily constrained, defense against total institutional collapse. While American defense officials harbor exasperation over the Lebanese army's inability to confront Hezbollah, the uncomfortable reality is that Lebanon's security has always been managed by proxy. The LAF's incapacity has been shaped in no small part by decades of deliberate international underinvestment, designed to ensure that the army never posed a threat to Israel. This created the security vacuum Hezbollah moved to fill. Handing over Lebanon's security to external powers has never led to stable outcomes in the region.

To engage this complex Washington ecosystem, Beirut has fielded a negotiating team built less for technical boundary disputes and more for political signaling. The delegation balances two distinct archetypes of Lebanese statecraft. One wing of the team, anchored by figures representing the presidency, provides unshakeable nationalist credibility. Rooted in Lebanon's south, this presence ensures the delegation cannot be easily pressured or dismissed as out of touch with the realities of Israeli occupation. The other wing, led by Lebanon's ambassador to the United States, provides the dynamic, fluent translation of Lebanese interests into the political language of Washington, signaling to the Americans and Israelis a genuine desire for structural stability.

Together, they are managing an international lifeline. Continued engagement forces Tel Aviv and Washington to view the Lebanese state not merely as an extension of armed factions, but as an independent entity worthy of preservation.

VYING FOR A PIECE OF LEBANON

Any discussion of Lebanese statebuilding is ultimately haunted by the specter of Tehran. Iran insists on keeping its Lebanese card firmly in its geopolitical deck. Although the utility of Hezbollah as a deterrent against a direct Israeli strike on Iranian soil has degraded significantly since 2023, the militia remains the most potent instrument Tehran possesses for confronting Israel and extracting leverage from the United States. Iran remains committed to preserving Hezbollah's vanguard status regardless of the catastrophic cost to Lebanon — to its civilian infrastructure, demolished by Israeli military action, and to its institutional viability, eroded by both internal dysfunction and external aggressions.

This reality imposes an absolute ceiling on what the current negotiations can achieve. The fundamental

■ While American defense officials harbor exasperation over the Lebanese army's inability to confront Hezbollah, the uncomfortable reality is that Lebanon's security has always been managed by proxy, shaped in no small part by decades of deliberate international underinvestment, designed to ensure that the army never posed a threat to Israel.

demand of Beirut, an Israeli withdrawal from Lebanese territory, is contingent upon conditions that the Lebanese state has no power to enforce. Israel systematically destroys entire villages while demanding the disarmament or significant pullback of Hezbollah; Iran categorically refuses. The current fear is that there is no foreseeable pathway for an Israeli withdrawal or the disarmament of Hezbollah. The result is a diplomatic paralysis dictated entirely by foreign capitals.

This hegemonic veto over Lebanese sovereignty exposes the desolate domestic reality of the state, which is further exacerbated by profound internal divisions. The Lebanese negotiating position is inherently hampered by a fractured government where the President, the Prime Minister, and the Speaker of Parliament often pull in contradictory directions.

Furthermore, the state is buffeted by competing international pressures. While the United States pushes for rapid stabilization, regional powers like Saudi Arabia and Turkey apply their own competing pressures. Riyadh works to consolidate Lebanon's negotiating front while simultaneously resisting any settlement that would draw Beirut into Israel's sphere of influence, and Ankara positions itself as a counterweight to Israeli regional hegemony rather than a facilitator of a peace agreement. These counterpressures push the Lebanese presidency to constantly triangulate between patrons and undermining the cohesion of the state. Consequently, the government has operated for decades as a junior partner in its own security apparatus, ceding the monopoly on violence to a deeply entrenched non-state actor backed by foreign powers. Today, that institutional erosion is nearly absolute. The government cannot negotiate a sovereign peace because it does not control its own territory.



Given these intractable realities, the most worrying short-term outcome of the current diplomatic push is a managed fragmentation. Should Washington and Tehran reach a broader regional accommodation, they might lean on Israel and Hezbollah to impose a lasting ceasefire, creating a tactical pause of a year or two to allow for basic reconstruction. But this would not be a restoration of the Lebanese republic.

In such a scenario, the country remains carved into three distinct spheres of influence: an Israeli military occupation entrenched in the south, Hezbollah secured in its parallel enclaves, and the Lebanese state squeezed in the middle, attempting to govern a fractured archipelago of uncontested zones. This tripartite Lebanon is inherently unstable, mirroring the volatile status quo of the 1980s and 1990s, where foreign occupation and armed non state actors trap the country in a perpetual cycle of conflict.

In such a scenario, the country remains carved into three distinct spheres: an Israeli military occupation entrenched in the south, Hezbollah secured in its parallel enclaves, and the Lebanese state squeezed in the middle.

SCENARIOS FOR A BETTER FUTURE

Western diplomatic rhetoric often frames Middle East peace agreements through the utopian lens of economic dividends, the promise that laying down arms will inevitably unlock regional connectivity, foreign investment, and sweeping prosperity. For Lebanon, this narrative is a flawed distraction from the grim, immediate work of national survival.

A sharp line can be drawn between two distinct economic horizons. The seismic, transformative boom that would follow full regional normalization, drawing massive investment and linking Lebanon into a Mediterranean economic corridor with Israel, Syria, Cyprus, and Turkey is an inaccessi-

ble vision in the current strategic and socio-political environment.

What remains accessible, however, is a realist's path to greater stability. This does not require resolving the century old Arab-Israeli conflict; it simply requires the Lebanese state to resume the fundamental duties of governance in the areas it still nominally controls. A lasting ceasefire would allow the state to begin cleaning up the catastrophic banking crisis, overhauling the paralyzed electricity grid, stabilizing digital infrastructure, improving transportation networks, and completing a second airport. These are the basic mechanics of survival, fueled by diaspora remittances and independent of the weapons of Hezbollah or the occupation of Israel.

Furthermore, the economic rationale for a ceasefire centers around stemming apocalyptic hemorrhaging before new wealth can be generated. The most lucrative economic policy Lebanon can adopt regarding Israel is simply avoiding the recurring total wars that annihilate billions of dollars in infrastructure and capital every few years. Merely averting that cyclical destruction constitutes a massive economic benefit.

To achieve this, Lebanese policymakers must look to the cold, pragmatic models of Egypt and Jordan, rather than the expansive commercial normalization seen in the Gulf. The normalization model of the United Arab Emirates relies on fundamentally different social and economic backgrounds that simply do not translate to the Levant. The goal for Lebanon is not cultural normalization, which remains socially and politically unpalatable to vast segments of the population, but strict, state to state conflict management.

In Egypt and Jordan, a cold peace allows state ministries to manage shared electricity grids, gas rights, and border security at arm's length. Even a highly restricted relationship, where Lebanese and Israeli ministries manage maritime borders and energy needs through indirect channels, much like how Beirut historically engaged with Damascus to resolve infrastructure and digital crises during periods of political tension, would yield massive economic relief.

Pursuing this pragmatism is incredibly difficult given the volatile political climate in Israel, where ruling right-wing factions push aggressively for territorial seizures at immense human and environmental costs, making the state a severe, ongoing regional disruptor. Yet, for the Lebanese policymaker, this hostile geography cannot be an excuse for institutional paralysis.

The alternative is a commitment to endless, open warfare. But for a state facing economic and institutional collapse, perpetual war offers no viable future. Governance, in this context, requires severe realism. The state must find a way to stabilize the country and protect its citizens, even when the underlying regional conditions remain hostile.

■ Furthermore, the economic rationale for a ceasefire centers around stemming apocalyptic hemorrhaging before new wealth can be generated.

It is a deeply uncomfortable reality, but one that demands rigorous pragmatism. This unsentimental approach to crisis management should not be framed as a choice between desirable outcomes, but as a severe triage where the preferences of the state are irrelevant. Policymakers must focus entirely on the treatment required for survival, regardless of how unpalatable the underlying geopolitical conditions may be.

INSTITUTIONAL TRIAGE

For policymakers in Beirut and Washington, the path forward requires abandoning the search for a silver bullet. There is no immediate diplomatic maneuver that will unilaterally disarm Hezbollah, evict Iranian influence, or guarantee a permanent Israeli withdrawal. The Lebanese state remains crippled by institutional atrophy and foreign hegemony. But acknowledging this reality is the prerequisite for a functional strategy.

The immediate mandate for the Lebanese government is an incremental, almost tedious, reclamation of domestic sovereignty. The longer the state delays, the greater the chance that the outcomes Lebanon most fears—namely, cyclical wars and Israeli territorial seizures—will come to pass. The state cannot yet challenge Hezbollah in the South or in the Dahieh, but it can aggressively reassert control where it does not have to fight for it. This means consolidating unquestioned authority over critical infrastructure like the airports and the seaports, securing administrative Beirut, and reinforcing the presence and services of the state in uncontested regions such as Kesrouan, Metn, Chouf, Jbeil, Batroun, and Akkar.

By proving its competence and monopolizing security in these safe zones, the state can begin to rebuild its institutional credibility, both with a deeply cynical Lebanese public and with the skeptical international partners whose financial and military support is vital for its survival.

There are glimmers of hope on the distant horizon. Broader geopolitical realignments, particularly potential shifts in Syria, may eventually precipitate a strategic eclipse of Iranian proxy influence, opening a window for the reemergence of a fully sovereign Lebanese republic. But waiting passively for regional tides to turn is not a substitute for governance.

Until that window opens, the survival of the republic depends entirely on treating its profound vulnerabilities through rigorous, unglamorous institutional rehabilitation. The state must function as a defense against total collapse, patiently accumulating capacity, territorial control, and international goodwill until the geopolitical weather finally breaks.

Is peace the answer?

BY JAMILE YOUSSEF



TESTING THREE PATHS FOR A BETTER FUTURE

Lebanon, exhausted by war in spring 2026, arrives at the negotiation table with Israel in a desperate socioeconomic position and an urgent question. The question animating Beirut's government led by President Aoun and Prime Minister Nawaf Salam is whether a deal with Israel can secure a cessation of hostilities and unlock economic recovery.

In Lebanese society, the very idea of negotiating directly with Israel has important change-making potential, even though some of this potential is socially divisive. Moreover, although peace may be necessary for achieving a positive turning point in the economy, it is almost certainly insufficient. Lebanon's economic collapse precedes the war, and its causes are structural, political, and self-inflicted.

To understand what a settlement can and cannot deliver, Executive has developed three scenarios. They are a peace-without-reforms scenario, a reform-without-peace scenario, and a reform-with-peace scenario, with an approach of mapping out the divergent growth trajectories each scenario implies.

The war between Israel and Hezbollah erupted in 2023 after nearly seventeen years of relative calm along Lebanon's southern border before intensifying dramatically in September 2024. The conflict came at a time when Lebanon was already suffering from corruption, economic collapse, banking failure, high debt, lack of institutional sovereignty. Although the war lasted only two months, the ceasefire that followed never produced lasting stability, and violations and Israeli strikes persisted throughout the period.

Following the November 2024 ceasefire agreement, Lebanon witnessed important political developments, including the election of a president, the formation of a new government, and a series of appointments across key state institutions. These changes helped revive hopes of reform and contributed to a modest economic recovery, with real GDP expansion to 3.5 percent in 2025 according to the World Bank Lebanon Economic Monitor after it witnessed a sharp contraction in the previous year.

In March 2026, hostilities erupted once again, extending beyond ninety days and renewing fears that Lebanon may remain trapped in a cycle of conflict and instability. By the end of May, Lebanon's Ministry of Public Health had reported over 3,300 killed, with more than 10,000 injured. On May 21st, international news agency Reuters reported an estimate from the Lebanese Minister of Finance Yassine Jaber at 20 billion USD in damages and an economic contraction of seven percent.

PEACE WITHOUT REFORM

The first trajectory worth tracking is a peace scenario based on observable data from countries in the region that have embarked on similar endeavours. The 1994 Israel–Jordan Peace Treaty was an agreement that not only ended the state of war between the two countries but also built a foundation of trade cooperation, tourism, transportation, energy, water, telecommunications, and investment. The agreement was built on the belief that stability and regional integration would create new opportunities for economic growth.

In the year following the treaty, the World Bank recorded a six percent GDP growth, continuing a recorded two-year period of economic growth.

Overall, the Hashemite Kingdom benefited from increased foreign aid, tourism, stronger diplomatic ties with Western countries, and higher investor confidence.

However, according to the International Monetary Fund (IMF) data, growth slowed in subsequent years and averaged roughly 3 percent annually since 2010. The slowdown reflected the persistence of structural challenges and weak institutional capacity. While stability helped improve the business environment, attract international support, and encourage investment, it did not fundamentally alter the country's economic trend.

Jordan's experience demonstrates the limits of peace as an economic strategy. More than thirty years after the peace agreement, the country continues to struggle with high unemployment, dependence on foreign aid, high public debt, and modest growth rates that generally fluctuate between 2 and 3 percent annually since 2010.

Jordan is not the only regional example. Egypt, the first Arab nation to officially enter a peace agreement with Israel, experienced a similar pattern. The Egypt-Israel Peace treaty of 1979, signed by President Anwar El-Sadat, Prime Minister Menachem Begin and witnessed by US President Jimmy Carter, contributed to greater stability, strengthened Egypt's relations with Western countries, and was followed by substantial U.S. economic and military assistance combined with rising tourism revenues, remittance inflows, and increased activity through the Suez Canal.

IMF data reflects this as it recorded real Egyptian GDP growth at 3.4 percent in 1980, slightly decreasing to 2.2 percent following year, but accelerating to its highest recorded peak at nearly 9 percent in 1983. However, despite what may be described as an initial "peace premium," Egypt has continued to face corruption, bureaucratic inefficiencies, inability to foster pluralistic growth, and persistent economic challenges since those initial dividends, and economic growth continued to drop dramatically for a decade. Although it expanded again in 1997 due to state-level structural reforms, Egypt's economy is marked by repeated cycles of expansion and slowdown, with recoveries failing to reach previous peaks.

This pattern suggests that while peace may contribute to stability and growth, it does not guarantee a lasting economic transformation. The experience of both Jordan and Egypt suggests that peace can improve economic conditions and create new opportunities, but it does not by itself guarantee sustained growth or structural transformation.

REFORM WITHOUT PEACE

If peace is not, on its own, a guarantor of economic flourishing, it is worth asking whether reform without an enabling environment of negotiated peace is a suitable driver of growth. Lebanon's own experience suggests that reform efforts alone do not guarantee sustained growth. Beginning in 2011, successive governments launched anti-corruption and governance initiatives, including the development of a National Anti-Corruption Strategy and the adoption of legislation on access to information, whistleblower protection, and anti-corruption oversight.

Yet these efforts unfolded within a context of political uncertainty and recurrence of war and sanctions, spillover effects from the Syrian conflict, and the arrival of large numbers of refugees. Despite these challenges, IMF data shows that the economy expanded from 0.9 percent in 2011 to 2.8 percent, 3.8 percent, and 2.4 percent in the three years that followed. This period illustrates how reforms and institutional improvements can support economic activity even in difficult circumstances, while also highlighting the limits of reform in the absence of lasting stability.

During the early years of Rafik Hariri's premiership, between 1992 and 1996, Lebanon experienced a period in which ambitious reconstruction plans coincided with relatively high hopes for regional peace following the Madrid and Oslo processes. Hariri's government launched Horizon 2000, a large-scale reconstruction and reform program aimed at rebuilding infrastructure, restoring the banking sector, and reviving Beirut's role as a regional financial and commercial hub. This combination of domestic reform momentum and an external environment in which a broader Arab-Israeli settlement seemed plausible contributed to a strong economic rebound. The IMF recorded Lebanon's average annual growth rates in the range of 7 to 8 percent during these years, reaching over 10 percent in 1996, the highest in its postwar history. Confidence in the currency was restored, capital inflows increased, and reconstruction activity drove growth across construction, services, and finance.

If peace is not, on its own, a guarantor of economic flourishing, it is worth asking whether reform without an enabling environment of negotiated peace is a suitable driver of growth.

However, this period also illustrates the fragility of growth built on expectations rather than realized peace. As the regional peace process stalled in the mid-to-late 1990s and domestic political tensions resurfaced, growth rates declined sharply, and the debt burden accumulated during the reconstruction phase became increasingly difficult to manage. The 1992-1996 episode therefore offers a useful counterpart to the post-2011 period discussed above: whereas the later period shows reform proceeding without peace, the early Hariri years show strong growth driven partly by reform but heavily reliant on an anticipated

peace dividend that ultimately did not materialize, leaving the economy exposed once those expectations faded.

Building on this experience, Executive's reform-without-stability scenario begins with the 4 percent growth recorded in 2025 by World Bank data, reflecting the gains associated with a period of relative stability and institutional reform. It then assumes a contraction similar to Lebanon's 2024 after war recession, before returning to growth rates comparable to those observed during the post-2011 period.

Drawing on Lebanon previous experience and cycles, including the strong vacillation of GDP growth in the 2000s, the scenario assumes that a reform-without-stability trajectory is unlikely to follow a smooth upward path. Periods of growth may be interrupted by renewed security shocks, political crises, or regional tensions, producing a pattern of uneven recovery in which economic gains are followed by setbacks before growth resumes again.

This scenario suggests that reforms may help mitigate the economic costs of instability and support recovery, but their full benefits—which, according to Executive's estimates, could translate to an economy with a GDP of 200 billion USD—are unlikely to be realized without a more secure and predictable political environment.

PEACE AND REFORM: AN UNREALIZED PROJECTION

Unsurprisingly, a more promising trajectory emerges when reform is coupled with stability. This speculative scenario assumes that Lebanon successfully addresses the mentioned issues and implements reforms while achieving the stability necessary for long-term recovery.

De-facto external peace, as it existed in a precarious way in the 2006-2023 period despite the absence of a state monopoly over violence and a concurrent dual presence of a political and a militarized Hezbollah organisation, has for the purpose of this scenario been replaced with the assumption of a formal peace treaty between Lebanon and Israel that is guaranteed by international and regional agreements.

This scenario anticipates a confluence of peace and reform momentum, the positive indications of which are borne out by data and expert opinions. In January 2026 Lebanon Economic Monitor, the World Bank projections estimate that Lebanon could sustain growth of around 4 percent if reform efforts continue and political stability is maintained, this aligns with IMF forecast. Several Lebanese economists, including Marwan Baraket, Layal Mansour, and Fouad Zmokhol, echoed similar views in interviews with Executive magazine, emphasizing the importance of structural reforms in restoring long-term growth and rebuilding confidence in the economy.

Decisively, this scenario also assumes that a solution for the longest-standing problem complex of inefficiency and corruption – which has invariably been identified as residing in the Lebanese power utility, Electricite du Liban – will be solved. A 2007 World Bank Policy Research Working paper estimated that reform of the electricity sector alone could raise Lebanon's growth potential by approximately 0.2 to 0.3 percentage points annually.



■ Despite countless reports, conferences, popular protests, and government promises to the opposite, the proposition of EDL reform as potential growth booster is undeniable.

Despite countless reports, conferences, popular protests, and governmental promises to the opposite, the proposition of EDL reform as potential growth booster is as undeniable in 2026 as it was in 2007. A June 2026 IMF "Diagnostic of Governance and Corruption (DGC)" cites the electricity sector as an examination of how corruption and patronage systems impact public service delivery and describes EDLL reform as outstanding.

The electricity sector in Lebanon provides a clear example of governance failure among other examples of mismanagement of state owned enterprises and state assets, many of which lack clear valuation. Decades of political interference, delayed reforms, and mismanagement turned what should have been a driver of economic growth into a major burden on public finances. The sector had become a symbol of the state's inability to deliver basic services efficiently. According to BlomInvest Bank's 2026 report, Turning the Lights On: Solutions for Lebanon's Electricity Crisis, electricity-sector cumulative debt and related interest payments exceeded $43 billion by 2020, making it one of the largest contributors to Lebanon's public debt.

Notably, many of the further structural challenges identified in the 2007 World Bank Policy Research Working Paper remain relevant today and progress in addressing the country's key economic constraints has been limited. Additionally, a fiscal reform could generate annual growth of approximately 0.3–0.4 percent per year. Our scenario conservatively assumes only the lower bound of the electricity-sector reform estimate and gradually increases growth from 4 percent to 5 percent over the six consecutive years. This intentionally conservative assumption does not fully account for the potential gains that could arise from broader reforms in governance, public administration, anti-corruption efforts, and the banking sector.

The comparison of three scenarios highlights a central lesson for Lebanon: neither peace nor reform alone is likely to be sufficient. The peace scenario suggests that stability can generate important economic benefits by reducing uncertainty, encouraging investment, improving access to international support, and creating a more favourable environment for private-sector activity. However, from previous experience we can conclude that stability may create opportunities, but it does not by itself address the structural weaknesses that limit economic performance. The peace trajectory laid out here is an illustrative benchmark only and not a forecast. Lebanon's economic structure, institutions, demographic profile, and political environment differ significantly from those of Jordan and Egypt, meaning the actual outcomes could be either stronger or weaker depending on a host of factors particular to the Lebanese case.

> The reform-with-stability scenario ... allows the benefits of reform to be fully translated into economic growth and creates the conditions for a more durable recovery.

The reform-with-stability scenario produces the strongest outcome. In this case, governmental and sectoral increase long-standing inefficiencies and increase the economy's productive capacity, while stability provides the predictability needed for business to expand. The combination allows the benefits of reform to be fully translated into economic growth and creates the conditions for a more durable recovery.

While reforms can improve economic fundamentals and support recovery, continued conflict and political instability would likely discourage investment, disrupt tourism, delay reconstruction, and leave growth vulnerable to recurring setbacks. Economic gains may still occur, but they are likely to be smaller, less predictable, and more easily reversed by future shocks.

The analysis therefore suggests that the greatest challenge facing Lebanon is not choosing between peace and reform but achieving both simultaneously.

THE QUESTION FACING LEBANON

The debate surrounding a potential agreement between Lebanon and Israel is often framed as a choice between war and peace, conflict and stability. Yet the economic question is more complex. History suggests that peace can create opportunities by encouraging investment, reviving tourism, reducing uncertainty, and opening new channels of regional cooperation. However, peace alone does not automatically translate into prosperity.

Lebanon's economic collapse did not begin with the current war. Long before the latest conflict, the country was struggling with a banking crisis, chronic electricity shortages, rising public debt, corruption, and weak state institutions and infrastructure. These structural problems would continue to constrain growth regardless the situation on the border. Without stronger institutions, greater transparency, accountability, and meaningful economic reforms, many of the potential benefits of stability risk being lost to the same governance failures that contributed to the crisis in the first place.

The question facing Lebanon today is therefore not simply whether peace can generate economic benefits. History suggests that it can. The more important question is whether Lebanon can build the institutions capable of turning those opportunities into lasting prosperity.

Lebanon's tourism whiplash

BY THOMAS SCHELLEN



RESILIENT HOSPITALITY, MISSING STRATEGY

Viewed from a planetary distance, Lebanon is a wonderful destination. And viewed through the local economic lens, the country's tourism is a sector that in 2026 has already slumped and jumped with astounding velocity.

Seasonal and annual volatility of Lebanon's tourism industry is a recurrent experience of stakeholders in this sector but the 2026 experience is uncommon. The flaming up of a new war between Israel and Hezbollah at the beginning of March firstly came at the worst time for the tourism sector.

Secondly, while the war snuffed out hopes for a partial recovery of the national economy and a much-needed boost of positive GDP growth for the mid-term, its impact on visitor flows was immediate and hard.

Finally, it recasts a long simmering question back into the limelight: does Lebanon's tourism sector have real prospects, plus a viable strategy, for mitigating security and perception risks and can Lebanese hospitality be turned into a motor for sustainable economic growth for the period to 2030 and beyond?

This is how the summer season unfolded for Maurice Sursock, hospitality entrepreneur who is active in the Lebanese Private Sector Network (LPSN) as part of a group of about ten hospitality actors, including operators and consultants.

His enterprise Food & Design Catering runs two upscale offerings, the Cafe des Lettres located in the French embassy compound in Beirut and the Yarze Country Club to the east of the capital. Speaking to Executive he confirms seeing shorter or delayed itineraries and smaller visitor cohorts early in the season.

"I have friends who are in the nightlife sector and they see a drop this year because many expatriates did not show up; it my own sector, which is much more in institutional catering, we also feel affected because many Lebanese did not return to spend the summer in Lebanon," says Sursock, but goes on to comment, "what is good in Lebanon is that things can pick up very easily when you have a period of stability."

For fellow tourism stakeholder and LPSN member Joumana Dammous Salamé, the dynamism of Lebanese tourism is amazing. In this sense, even the, rather limited accommodation capacity of the Lebanese market, has its upside. She tells Executive that this capacity limit allows quite easily for stunning shifts of hoteliers' economic fortune in tandem with any recovery of visitor demand.

She further points out that hospitality operators in the country have invested themselves into satisfying many new demand trends, such as rural, environmental, and adventure tourism, and have also engaged with and invested in high value-added offerings fromP developing guesthouses to niche experiences.

Dammous Salamé is an event organizer and publisher whose scope of activities has expanded from local events and newsletter production in Lebanon to a regional scope with ambitions to see her family company's HORECA – hotels, restaurants, and catering – show come to cities in every country of the region.

Citing examples how past focuses on beach and party tourism got redirected in past years to hiking and discovery of villages, and also adding a new accommodation channel with the variably themed guest houses, she describes the changes of the sector as "impressive".

She tells Executive that she regards tourism as major driver of the economy and one where a new opportunity opens when another closes. "I find our industry vibrant, we are amazing", she says.

MORE GLOBAL AND MORE GRANULAR

It serves to render the sector experience of 2026 to date in numbers. With the launch of the first missiles of the spring war, visitor arrivals evaporated by 80 percent, from 205,000 in January and February to 41,300 in March and April. Four months later, local media reports enthused that approximate daily arrivals leapt up by an astounding 500 plus percent within a matter of a few weeks, spurred on by a feeble ceasefire but mainly linked to reassured diaspora visitor appetite.

The global leisure travel industry today accounts for about one tenth in global GDP and is vital especially for island nations and smaller countries. Lebanon is a small country that is a peculiar tourism case because its culture of hospitality has been welcoming visitors earlier than others.

The year's first shock of travel disruption reverberated across the world. This massive shock was triggered by the conflict over Iran, not by the latest Lebanon war.

Two further questions are worth asking: what are the implications of the 2026 global tourism disruptions for the small Lebanese market that today represents approximately 0.1 percent of the global leisure travel? And inversely, is Lebanon's 2026 tourism under-performance, whose origins were external and entirely out of local control, a case to draw wider conclusions from – not jut locally but also internationally?

GLOBAL IMPACT BEYOND THE PALE?

The Gulf conflict shock impacted international tourist travels late in the first quarter of 2026. According to UN Tourism, worldwide leisure travel activity still rose for that Q1 period – it reached 307 million and were about 1.95 percent up year-on-year (y-o-y).

By mid-year, however, the picture is both more complicated and more troubling at least for the Middle East region: extended conflict impacts in the Gulf and entire Mashreq region cannot be denied.

This means that the Gulf conflict's impacts on the economic activity of leisure travel and tourism constituted a standalone economic calamity in its own right, albeit one correlated with the conflict's impacts on energy trade and shipping of goods through the Strait of Hormuz.

Due to the disruption, global growth trends were by midyear predicted to range "1 to 2 percentage points below UN Tourism's initial [growth] forecast of 3 to 4 percent for 2026", according to UN Tourism, the independent UN-affiliate body that was previously known as World Tourism Organization [since 1975] and since 2009 as UNWTO.

> What are the implications of the 2026 global tourism disruptions for the small Lebanese market?

At the same time, narratives of capacity rebuilding and ambitious destination management targets are sent by state-aligned and private operators from the Gulf region. These calming messages appear to be cast as countermeasure against half-year numbers. Moreover, at the end of this year, tourism destinations in the Gulf and the entire region might discover that they had nothing but political grandstanding and vacillating stick-and-carrot exchanges to protect them from severe (and potentially even still ongoing) disruptions that could not have been anticipated at the start of 2026.

This growth impediment appears less alarming than earlier tourism shocks of the 21st century, namely the Great Recession of 2007-8 and the even more severe Covid 19 pandemic and recession. But in the current iteration, the regionally focused conflict shock is surrounded by incessant geoeconomic tremors – trade wars, hegemonic delusions, populist

OLD AND NEW CHALLENGES FOR A YOUNG INDUSTRY

International tourism, with its stellar rise from 1975, is a more recent economic powerhouse than agriculture, manufacturing, financial services, and even automation / information technology, but has always been vulnerable to externalities. In the past five years, in the aftermath of the 2020 pandemic, debates over tourism risks proliferate.

Since 2021, impending challenges from "negative externalities" have increasingly been warned about: addressing them "requires the assessment and compensation of its real impacts", a UN development expert and a Saudi destination administrator said in a 2024 co-written comment for the World Economic Forum, to give just one example. Their expert comment advised that public and private tourism-risk mitigation strategies should stretch from "sustainable tourism planning and community participation" to investments that should be funded via "taxation of tourism-related revenues redirected towards the local community."

A 2025 paper by the Organization of Economic Cooperation and Development contributed nuances on the importance of destination management and data analytics. The paper argued that destinations need "tailored, forward-looking and strategic tourism development plans," an end to which Destination Management Organizations (DMOs) should be created.

Citing a litany of examples from OECD countries and partners, it made five recommendations, the concluding one being collection and sharing of more timely and granular data on visitor behaviors and "leveraging new technologies" such as AI and big data.

This same line of reasoning that led delegates to the Saudi Arabia-hosted 26th UN Tourism General Assembly of 2025 to not only conclude that "the global tourism sector is at a turning point" but also lift AI to the top of the sector's current, multi-year agenda to 2030 and beyond.

The event of last November, which was attended by delegations from 160 countries – including a Lebanese delegation led by tourism minister Laura Khazen Lahoud – noted that AI has become a defining issue for the global leisure travel industry and permeates the industry in practically all its verticals and vectors.

The results of the UN Tourism GA's focus on AI were several. In addition to the recommendations of the Riyadh Declaration, the "Digital Agenda and AI to Redesign Tourism" is the topic of the upcoming International Tourism Day in late September. Going forward into next year, AI is also a banner theme of the 2027 Year of Sustainable and Resilient Tourism, a decennial event that is purposed to boost the beneficial interrelation between tourism and economic inclusivity, environmental stewardship and social cohesion.

By mid-year, grounds for caution about global tourism growth to 2030 still appeared outshone by projections of rapid expansion — the World Travel and Tourism Council predicts the sector will grow 1.5 times faster than global GDP. Yet climate change, the fickleness of human behavior, and the role of people in making hospitality mutually enjoyable for hosts and visitors all demand strategies that go beyond profit and productivity.

A contrarian reading might ask whether the "turning point" highlighted in the 26th UN Tourism GA's Riyadh Declaration in fact marks a convergence of climate, social, and economic risks — and whether those risks will deepen as tourism-reliant countries and global leisure operators take on a rapidly growing, arguably existential, dependency on AI agents and cyber tools.

However, there is no guarantee that the currently accumulating inflection points in behavior of leisure travelers and their hosts cannot see AI turn from a productivity enhancement into a straw on the tourist-carrying camel's back.

and migration-related stresses of the international order.

By the later part of this summer, smaller and not yet fully analyzed shocks have further been accumulating with climate-related incidents as far afield as the California coast and the Himalayas.

Severe heatwaves across the Northern hemisphere occurred in tandem with, sometimes horrific, local events that impacted tourists. These recently included flash floods in the Grand Canyon, forest fires that displaced holidaymakers in central France as well as highly-frequented destinations on the northern rim of the Mediterranean, and an even more devastating glacier crash and flood that killed scores of locals, pilgrims, and other tourists at the Nepali-Chinese border.

REASSESSING TOURISM VALUE FOR THE NATIONAL ECONOMY

Inbound Lebanese tourism, according to data cited at the beginning of August from official Lebanese sources, was down by over 40 percent y-o-y for the first five month of the year and over 30 percent in the first half.

Arrivals over seven months were lower by 30.3 percent y-o-y. July 2026 arrivals were still 7.9 percent lower, at 436,600 passengers, when compared with the same month in 2025.

For the first seven months, total traffic at Rafik Hariri International Airport RHIA, still the only operational commercial airport in Lebanon, reached 2.75 million passengers, a 27.5 percent contraction from the previous year's Jan – Jul period.

Over the past two decades, the percentage contribution of tourism to Lebanese GDP has been strongly fluctuating; in peak years it has been estimated to range as high as 20 plus percent, the country standing out as

the most-tourism intensive of all Arab countries by this metric.

In other years, however, estimates described a much reduced GDP contribution that ranged in the single digits. For skeptics of the long-term viability of the Lebanese seasonal and expatriate driven tourism model of several decades, the first half in 2026 can thus be taken as universal warning signal that local tourism risks entail not only local problems such as seasonal congestion and always present external war risks.

Rather, local operators may also have to account for global problem factors from over-tourism to climate risk, and lastly must prepare for wholly unexpected shocks that could be related to automation in the international leisure travel industry – or a shock that is today not part of any risk scenario.



Local operators may also have to account for global problem factors from over-tourism to climate risk, and lastly must prepare for wholly unexpected shocks that could be related to automation in the international leisure travel industry.

THE ABYSMAL 2026 SCENARIO

Whatever the actual risk balance will be by the end of 2026, the latest full-year projection for the Lebanese economy is mindbogglingly worse – and specifically bad tourism – than what was estimated for the first half of the year.

The World Bank Lebanon Economic Monitor (LEM) publication from August 2026 is ominously titled "A conflict-torn economy". Tourism is highlighted in this semi-annual LEM issue as prime factor in economic losses due to armed conflict. The full-year projection of foregone income from inbound tourism streams – travel receipts and local visitor spending – is modeled at $3 billion or more. This projection according to its authors makes even allowances for unspecified higher losses of revenue because of possible misclassification of some expatriate tourist spending as "resident" and because of the use of cash in the informal tourism economy.

This new economic picture contrasts sharply with the LEM for winter 2025. That issue, titled "A fragile rebound", says that "remittances and tourism" would remain the primary engines of growth but warns in the same breath that these "critical growth drivers" are threatened by risks that include regional instability and delayed reforms.

What the World Bank does not assume in its mid-year projection is that a comprehensive ceasefire will see the light of implementation by the end of the year. This pessimism on the likelihood of continuing conflicts in South Lebanese locales explains the World Bank's prediction of a 6.4 percent contraction of real GDP and dark auguring for the country's real GDP growth "to be 10.4 percentage points lower than in a no-conflict counterfactual." In practical terms, instead of a 4 percent growth that had been the World Bank's growth prediction for 2026, the contraction of the year is expected to be worse than the one seen in 2024.

[NOT] ALL ECONOMIES ARE EQUAL, BUT SOME ARE MORE EQUAL THAN OTHERS?

At time of this writing, the full severity of that unexpected conflict impact on the global and regional leisure travel sector is not widely being reflected upon, given that second-quarter impacts have not yet been collated for many markets and destinations.

For the Middle East region overall (13 countries on the UN Tourism map), tourist arrivals dropped 14 percent in the first quarter. The Arab region's busiest airport, Dubai International (DXB), for example, was forced to declare a 31.3 percent contraction in passenger volume in the first half of 2026 versus the first six months of 2025.

Not all regional economies seem to be equal in approaching their tourism futures. Strong regional economy players such as Turkey and Saudi Arabia but also smaller Mediterranean countries such as Malta and Cyprus have boosted their respective strategies in the aftermath of the Covid 19 pandemic or outright created their

THE LONE AIRLINE CARRIER

A side observation on the shallowness and lack of diversity of travel offerings to destination Beirut concerns the questions of projected airport capacity developments and international carrier representation in Lebanon on the one hand and the concentration of available flights and airline seats on the other. On the second point, national carrier Middle East Airlines (MEA) handled over 45 percent of arriving and over 49 percent of departing passengers in the first seven months of 2026 — a drop of barely a percentage point against the same period in 2025. Such dominance is not unusual. In countries like the UAE, France, Germany, and Turkey, the main national carrier and its budget subsidiaries typically account for 50 to 80 percent of aircraft movements and passenger volumes at the primary airport.

What is alarming in Lebanon's case is how quickly international airlines dropped Beirut when conflict began in 2024 and again in 2026, and how slowly the airport has been restored to global networks. The resulting gaps and bottlenecks in commercial service look more manageable for Emirates, Air France, Lufthansa, and Turkish than for MEA, and the outlook for mid- to long-term affordability and diversity of Beirut's international links is not rosy.

The other aviation challenge – of capacity expansion and diversification– adds more complexity as well as uncertainty. Some stakeholders that Executive talked with in the local tourism sector have pointed to US American political promises for opening the skies to direct flights between Beirut and North America.

Several Lebanese tourism stakeholders noted, however, that the near to mid-term prospects for under-development Rene Moawad Airport in the north of the country are pointing more to niche operations and private aviation than to larger presence of budget airlines or known brand names. Expansion efforts at the main RHIA airport in Beirut have been a recurrent story and capacity developments there were over the years frequently lagging behind projected demand growth.

While talk of MEA launching a budget unit and developing a North Atlantic route to the US has energized stakeholders, neither initiative would automatically make Lebanon more competitive as a destination — and no US carrier currently serves competing Eastern Mediterranean airports like Tunis, Cairo, Amman, Baghdad, or Damascus.

tourism strategies in the recent past. Vigorously pursuing its goal of a double-digit percent contribution of tourism to GDP, Saudi Arabia may be the biggest surprise entrant to leisure travel from the Arab region, as the kingdom has elevated the sector to a strategic priority under its Vision 2030.

Thus in dealing with the recent Gulf conflict crisis for tourism, what Dubai and other Gulf locations apparently had, and Lebanon definitely did not, was a budget, a will, and a multi-channel strategy for global marketing communication. Gulf-based carriers have inundated their mailing lists to media outlets and journalists with messages of new network expansions and planned new destinations while at the same time undertaking marketing campaigns and reputation risk mitigation efforts.

Lebanon also saw a locally celebrated upswing of its sector activity this summer, but efforts of tourism risk management or promotion of destination Lebanon at best appear subdued in comparison to Arab peers. Spot checks of Lebanese ministry websites since the start of June reveal anywhere from none to sporadic news items and press releases. Some ministries displayed their announcements but tended to prefer noting items of a person-centered type ("the minister said, the minister met…"). Other ministries that have relevant services and information for foreign visitors showed no news at all.

The Ministry of Tourism, whose strongest claim to promotional fame seems to be its role as partner in launching a purpose-built Lebanon tourism app in 2025, has been showing the same promises ("news and circulars section is coming soon") in June as well as in August, and its events page has consistently been showing a future timeline of August 2024).

Tourism stakeholders interviewed by Executive are well aware that inquiries by prospective visitors to the country will overwhelmingly be met with discouraging search results. As travelers increasingly turn to AI-powered search, many will first learn of security alerts and travel advisories the moment they type 'Lebanon.' However severe the overall Lebanese economic reality will appear at the end of the year, there is no denying the weighty restraint of lost tourism revenue.

MULTI-YEAR STRATEGIC PERSPECTIVE?

From a multi-year perspective, however, the 2026 numbers reconfirm the vulnerability and fragility of a hospitality sector that is both a key driver of annual GDP and a profound factor of uncertainty. Despite of the importance of tourism receipts for the national economy, the tourism



Family-run hospitality groups face a conflict of interest if the AI question turns to filling managerial roles that may have been previously micro-managed by the head of the family busienss.

ministry has typically been dependent on pro-bono advertising support for production and dissemination of marketing campaigns. Stakeholders recall donor-funded innovation and training sessions sponsored at different times by UN Tourism.

These concerns stem from a clear pattern in the past 15 years of data: extreme seasonal and monthly volatility has become a near-constant feature of Lebanon's tourism sector. While recent news focuses on rebuilding hotels damaged by local unrest or the 2020 Beirut Port explosion, the latest available data—such as from the Investment and Development Authority of Lebanon (IDAL)—shows neither major new hotel projects nor progress on the sector's structural deficits.

Lebanese hospitality expert, Alain Chehab, speaks from the dual perspective of an independent hospitality consultant and manager responsible for a catering department in a well-known family-owned hospitality and restaurant group.

To his mind, the challenges of the local sector link back to the culture of individualism and attempting to do business guided by one's own wiles. Given a weak sense of belonging throughout the hospitality sector, he says he would "want to make the hospitality sector feel that we all are under one [umbrella and strategy] and all share the same objectives". For Chehab this means public authorities and the minister of tourism should offer a strategic vision to local tourism entrepreneurs and "give them room for innovation under a unified strategy."

The strategic level is where tourism development must be addressed, including the role and integration of AI into the sector. When the discussion turns to AI issues, the tourism stakeholders that Executive consulted with, voiced similar views on the utility of cyber tools. But they appeared much less convinced that AI will be a panacea for local tourism problems or even come near to such a functionality.

"I am very interested in the governance of family businesses in hospitality sector, and it is a very complex topic," Chehab says, as he identifies several structural weaknesses that may not favor reform and innovation, including AI adoption.

Citing the managerial culture of many family-owned tourism ventures he observes how some were treating AI less as an indispensable visionary tool and more as a marketing argument.

He also agrees that family-run hospitality groups face a conflict of interest if the AI question turns to filling managerial roles that may have previously been micro-managed by the head of the family business. Dammous Salamé highlights the value she unlocked in utilizing AI in her managerial role but adds that she has encountered tourism practitioners who seem to be less eager to benefit from freely offered AI training opportunities than she had expected.

Similar behavioral trends had



been noted in global business surveys, where introduction of AI in company operations had to be very specific and clearly defined, company-wide and collaborative strategic use of cyber tools and data sharing was met with wariness and trust barriers.

Even the Riyadh declaration, which centrally highlighted tourism opportunities for AI enhancement and operations, warned that the tech advancements also risk deepening inequalities among states and destinations.

This does not prevent AI utilization in the tourism sector from being over-hyped. When the kingdom of Saudi Arabia in June announced the launch of an "AI Tourism Vision," the all-inclusive message of a "national strategy designed to transform every stage of the tourism journey through artificial intelligence" reminds of the promises in commercial marketing that have become notorious for over-exaggerations and blind spots.

For Dammous Salamé, artificial intelligence will be an inescapable element of change in the industry but she calls it crucial not to lose sight of the fact that tourism is a people business. In terms of private sector tourism development efforts, however, she acknowledges the need for concerted action. "AI probably can make the business more productive and more efficient," she says. "Because it will affect anything that can be automated and AI generated or facilitated - it will reduce costs, and on the contrary multiply the effect of our human industry. We [as private sector network] will put more import on that," she elaborates.

In principle, there is no question about the utility of AI in improving productivity and control of business processes, but there is a big question over the true cost efficiency of AI. In the specific Lebanese context of a tourism sector that comprises many family operators and small and very small enterprises, top-level questions loom over political priorities, policies, human resources and structural reforms in public administrations, extent and capacity of conventional and digital infrastructure, and funding for everything. Further questions hinge on cultural factors and a-synchronicity of AI adoption by individuals, small businesses and family organizations, public agencies and ministries.

For Dammous Salamé, artificial intelligence will be an inescapable element of change in the industry, but she calls it crucial not to lose sight of the fact that tourism is a people business.

In practice, this means that AI is not seen as a panacea at all. Sursock, the hospitality entrepreneur, says "I do not think that AI is going to make

a big difference in the short term but I am sure that it is going to help the sector and can help in promoting Lebanon as a destination".

"In my opinion, we are not really thinking in the long term," he cautions; "we are trying to stay sustainable and profitable at the same time, because it is now for two or three years that we have continuous war. But we also need to do some R&D and develop our products, because we cannot stay where we are. We have to invest in ourselves."

On basis of fluctuations in staffing needs for his organization in the wake of the two recent wars, Sursock reasons that "We will not really reduce the actual number of staff. But we will not be obliged to recruit more managers when we have more business. This is the formula," he says.

Sector performance over the long term shows that 2025, which was a growth year compared to 2024, has seen visitor counts in the range of 1.6 to 1.7 million. This number of inbound tourists is similar to the visitor count of 2005, only with the difference that the mid-2000s were years of rational ambition for developing the sector under an envelope of regional calm, with medium-term aims to ramp up visitor flows to become year-round and diversified, not cease growing for at least a decade, and break into the double-digit millions of arrivals.

In contrast, the reality of Lebanese tourism has been a fluctuation and oscillation that effectively led to a halving of the country's share in the global tourism market – from 0.2 percent to 0.1 – as the arrival numbers remained constrained and capacity building was repeatedly disrupted whereas the global number of annual leisure travels doubled from 800 million in 2005 to 1.6 billion in 2025.

Chehab, the consultant, cites personal experience in dealing with individual clients and organizations to emphasize that rational behavior change cannot be taken as a given. He expresses doubts that behaviors such as a Lebanese propensity to skirt rules and game the system would change if an AI-enabled tourism strategy requires moving towards more economic formality.

Moreover, he points to locally embedded cultures of subservience as well as large economic inequality as pillars of the socioeconomic reality. While such old behavior patterns would still be sticky, Chehab believes that educated, conscientious, and globally minded professionals would reject such a corruptible culture. The result would be the need to create the rule of accountability, a culture enshrined in law and regulations. "This is perhaps the major issue. You can put regulations, and put traffic lights on the roads, and implement everything, but who will control [all that]?", Chehab says.

■ The reality of Lebanese tourism has been a fluctuation and oscillation that effectively led to a halving of the country's share in the global tourism market.



DESTINATION FUTURE

According to some impromptu social media pages of the Lebanese Ministry of Tourism, an exchange on tourism opportunities took place in Beirut with presence of UN Tourism Secretary-General Sheikha Al Nuwais and Tourism Minister Laura Lahoud. [Some reports said however that a Memorandum of Understanding (MoU) was signed for building the country's capacities for destination management organizations (DMOs).]

Destination management is defined by UN Tourism as "coordinated management of all the elements that make up a tourism destination."

LPSN members Dammous-Salamé and Sursock concur that the hospitality sector need is for an overall tourism strategy that hinges upon public sector participation and investment. They further confirm the network's interactions with the Ministry of Tourism, ongoing efforts, and projects for AI tools that will be made available to Lebanon visitors.

That means that there is no reason to see leisure travel to diminish as flagship economic activity. At the same time, the tourism pairings between societies of origin and destinations will continue to shift. But for Lebanon, despite its hospitality sector's proven resilience and quick-bounce-back characteristics, the past few decades do not document either sustainable or economically viable growth of its market share in global tourism currently, and apparently for years to come.

Deja Stink

BY EXECUTIVE EDITORS



CONVERTING LEBANON'S TRASH TO ECONOMIC TREASURE

Talking trash, sorry: discussing political solutions for solid waste management, is a parliamentary tradition in the Lebanese Republic. Ten years ago this past summer, the long overdue closure of the overfull Naameh landfill south of Beirut sent Sukleen's trucks home empty, and within weeks the capital's streets were lined with rotting garbage. The "You Stink" movement that followed pulled tens of thousands of people onto the streets — at its peak, an estimated 250,000 on a single day in August 2015 — and turned trash into perhaps the most visceral symbol of state failure Lebanon had produced since the civil war.

A decade on, Lebanon is still mired in largely unrecycled trash and also in unresolved waste management debates at both the public square of opinionating and the parliament halls. In the latter, the bone of political contention is the text of a January 2026 law amendment – known as Law 38 of 2026 – and the role of a newly appointed government entity, The National Solid Waste Management Authority (SWMA) headed by Marwan Rizkallah.

Questions pertaining to the waste management debates include who gets to run Lebanon's waste sector as well as the less overt matter of who profits both financially and politically from keeping it broken. As is true of many dysfunctional sectors in Lebanon, the solutions to the entrenched solid waste problem require as much political will as they do resources, capacity building, and awareness of what best practices might look like for Lebanon.

After zooming in on the trash problem over the past few weeks, Executive editors have concluded that, broadly speaking, the solution seems to hinge on decentralization, depoliticization, transparency and regulation, and a fundamental shift in the Lebanese mindset that moves from viewing garbage as waste and liability to garbage as an economic resource.

LOST IN CENTRALIZATION

For most of the post-civil-war period, Lebanon ran waste collection as a tightly centralized affair, split across three separate functions that, from an outsider's perspective, seemed to lack coordination or communication amongst eachother. The Ministry of Environment set policy and strategy, the Council for Development and Reconstruction (CDR) contracted out collection to a handful of private operators (Sukleen until 2018, then RAMCO and City Blu) and the whole system was bankrolled through the Independent Municipal Fund (IMF) under the Ministry of Finance (MoF).

The MoF-IMF collected funds for solid waste collection, processing, and disposal on behalf of municipalities and redistributed the money without their input, per the government's own National Integrated Solid Waste Management Strategy documentation as per an Executive Summary of a study conducted in coordination with the World Bank in February 2024. Municipalities themselves, of which Lebanon has 1,065, one of the highest per-capita counts of any country its size, according to Ministry of Interior and Municipalities figures from last year, had essentially no legal say in who collected their waste, what it cost, or where the money went.

Lebanon generates somewhere around 6,500 tons of municipal solid waste a day nationally, per UNDP estimates, though the economic collapse pushed daily volumes down by roughly a quarter between 2018 and 2022, from about 7,300 tons a day to around 5,600, according to a 2024 CDR report. Of that, only a small fraction is recovered. Estimates range from about 8 percent recycled nationally to 15-20 percent

once composting and material recovery are folded in. Most of the rest is landfilled or, worse, dumped illegally in Lebanon's valleys or burned. A 2023 World Bank technical note found that most municipalities were spending more than 75 percent of their entire budgets on waste collection and disposal, pushing some into deficits and dwarfing capacity to provide other services.

Meanwhile, the country's existing waste infrastructure has consistently underperformed its design capacity. The Karantina sorting facility in Beirut, for instance, was built with a rated capacity of 1,800 tons a day, which is nearly a third of the country's entire daily waste output concentrated in a single site, and yet it sat effectively non-functional for years after the 2020 port explosion, and is only now approaching a partial reopening, at a reduced 1,250 tons a day, following a Germany- and EU-funded rehabilitation that UNDP expected to wrap up around October 2025. A single facility carrying that much of the national load is a fragility problem subject to Lebanon's political and financial winds.

In order for the new waste law's municipal responsibilities to work, the central government would urgently need to provide support in the form of capacity building to convert refuse to resource, regulation to prevent increased use of illegal dumps, and promote transparency as a starting point.

This is one core argument for decentralization, and it found legislative traction on January 5, 2026, when Parliament passed Law No. 38, amending Article 28 of the original 2018 waste law to let municipalities collect service fees directly from households and businesses and contract collection companies on their own terms. Municipalities can now also outsource fee collection itself, not just physical collection, meaning even under-resourced councils have a practical path to implementation without building expertise from scratch.

Skeptics note that many of Lebanon's municipalities are barely functioning institutions at all. As per information from election monitors at the most recent municipal polls, at least 134 of the country's 1,065 were formally dissolved ahead of its first municipal elections in nearly a decade, finally held in May 2025, and many more were described as de-facto inactive due to political disputes or lack of funds. In order for the new waste law's municipal responsibilities to work, skeptics, including this magazine, contend that the central government would urgently need to provide support in the form of capacity building to convert refuse to resource, regulation to prevent increased use of illegal dumps and promote transparency as a starting point.

DEPOLITICIZATION: A SECTOR BUILT FOR CAPTURE

If decentralization addresses who runs the system, depoliticization appears as the key for addressing the thorny question of why it keeps failing regardless of who's nominally in charge. The story of the Naameh landfill, opened in 1997 as a "temporary" solution meant to hold roughly 2 million tons, and closed in 2015 after having taken in some 15 million tons, is an illustrative example. Political actors spent nearly two decades unable to agree on an alternative site in large part because every landfill decision in Lebanon carries sectarian and territorial weight.

The financing structure has compounded that problem. Routing sector funding through the Independent Municipal Fund and the general treasury rather than through fees tied transparently to actual service cost meant the money moving through the sector was difficult to trace to a specific outcome and remained opaque to the municipalities. That kind of centrally gate-kept resource is easily politicized, which is a large part of why reform efforts stalled for years even after Law 80 was first passed in 2018 establishing the legal framework for integrated solid waste management.

Depoliticizing the sector is a means of means confining the central government to the roles it can, hopefully, legitimately play, such as setting and regulating binding technical standards, monitoring compliance, enforcing penalties, and then moving implementation and financing to the municipal level, where the incentive to deliver a functioning service is strongest, because voters and business owners can see the results directly and locally.

SEPARATING THE ROLES

The sector's institutional structure has, at least nominally, kept the functions of the Ministry of Environment, the CDR, and the IMF under the MoF separated. In practice, none of the three answered meaningfully to municipalities or to the public, and Lebanon's National Integrated Solid Waste Management Strategy itself acknowledges that the sector has lacked a dedicated regulatory body, which is one reason the strategy calls for establishing a National Solid Waste Management Authority (SWMA) as a central oversight function.

That authority's board and director were appointed alongside the government's approval of its updated national strategy at the turn of 2025 into 2026, and government documentation describes the SWMA's intended role in explicitly regulatory terms. What isn't yet publicly documented is how the authority's financing, contracting and regulatory functions will actually be divided and implemented in practice, or what its operating budget will be. Whether the SWMA's mandate will match that stated design when and if it becomes fully operational remains to be seen.

MIGRATING TRASH FROM REFUSE TO RESOURCE

The capstone of any sustainable solid waste management solution, and arguably the piece of trash reasoning with the most potential to change public sentiment, is the one that seems to be the least discussed. Recent debates have focused mainly on how to fund the treatment of recoverable waste; specifically, who should pay, and how much. This particular debate – which Executive editors perceive as convoluted, politicized, and overall not productive – misses the point that Lebanon's waste is an untapped resource.

A September 2022 Q&A conducted by entreneurial ecosystem Berytech with longtime waste-management expert Samar Khalil put the country's potential recycling-sector turnover at somewhere between $65 million and $272 million a year while estimating that Lebanon currently loses roughly $64 million a year in unrecovered e-waste material alone, plus further losses in unrecovered paper and organic-waste value, largely because so little of the waste stream is sorted at the source. The same analysis put the job-creation potential of a properly functioning recycling sector at somewhere between 1,900 and 2,500 new positions over roughly nine years.

One timely example where utilizing this potential is a matter of urgency—though one still complicated by Israel's ongoing bombardment—is in the area of rubble. Lebanon generates roughly 1.65 million tons of construction and demolition waste a year, with 40-45 percent of it concentrated in Beirut and Mount Lebanon alone while only ten percent is recycled, according to a policy brief published by the American University of Beirut (AUB)'s Nature Conservation Center in August 2025. The brief models a phased national recycling program reaching an 80 percent recovery rate by 2036, and projects that a properly regulated rubble-recycling industry that turns debris back into aggregate, reclaimed asphalt and recovered metals could amount to a $20-25 million annual market. Most importantly, it directly reduces the need to quarry raw material from Lebanon's mountains.

A second example is Lebanon's iron and steel exports, which alone were worth $120.3 million in 2024, according to UN Comtrade trade data, out of total national exports of $4.29 billion that year. That revenue stream built substantially on scrap and recovered material could plausibly grow with better domestic sorting and collection, though comtrade classifications don't allow a precise breakdown of how much of that $120.3 million specifically originated as recovered scrap versus other iron and steel products.

> Lebanon already has more waste-treatment infrastructure than it currently uses, and as of January 2026, it has a legal pathway for municipalities to finance and contract collection directly.

The last decade has seen many valiant attempts to instill a comprehensive local culture of recycling, with varying rates of success. Ventures like Recycle Lebanon, founded in 2015, and its EcoSouk retail arm, which describes itself as the first zero-waste shop in the Middle East, have spent a decade attempting to make circular, locally sourced alternatives to imported, disposable goods work commercially in the Lebanese environment. What these types of ventures need is greater market access in the form of public procurement rules that prioritize recycled or reused domestic material and predictable supply. Municipalities could provide that supply in a decentralized sorting and management scenario.

TRASH TALK NEED NOT BE FAR FROM TRASH ACTION

None of these proposed solutions necessarily require reinvention of the entire waste management sector. Lebanon already has more waste-treatment infrastructure than it currently uses, and as of January 2026, it has a legal pathway for municipalities to finance and contract collection directly. It has its own national strategy calling for a decentralized, transparently regulated, cost-recovery-based model. What's urgently needed from this moment onwards is for the sector, and the National Solid Waste Management Authority in particular, to operate effectively and accountably as regulator, monitor, and enforcer.

Over ten years after the 2015 garbage crisis, the sector is still, for the most part, financing waste management centrally and treating it as a liability, but based on Law 38, it could slowly be moving towards looking at waste management as a local public service that can sell its byproduct back into the economy. Whether it does will depend on whether the SWMA publishes a transparent budget, cost breakdown and contracting rules and whether citizens and anyone outside government will wield their power to keep corruption and our reusable resources far apart.

Cablevision and OSN Group
Expand Long-Standing Partnership with Exclusive Distribution Agreement in Lebanon



The agreement brings OSNtv and OSN+ together under a single framework, reinforcing the long-standing partnership between Cablevision and OSN Group in the Lebanese market.

Beirut, Lebanon – 13 October 2026: Cablevision, Lebanon's leading pay-TV provider, has renewed and expanded its long-standing exclusive distribution agreement with OSN Group, building on a key partnership that has spanned more than a decade. The agreement reinforces both companies' shared commitment to delivering premium entertainment to audiences across Lebanon.

For the first time, the agreement brings together both OSNtv and OSN+ under a single distribution framework, giving Cablevision and CV+ subscribers seamless access to OSN Group's premium entertainment ecosystem across both linear television and streaming. The expanded offering strengthens the value available to customers, with OSN+ now integrated into Cablevision and CV+'s portfolio through selected bundles and add-on package options alongside OSN's market-leading TV channels.

The renewed partnership underscores Cablevision's continued commitment to serving its subscribers in Lebanon with world-class entertainment. By strengthening its long-standing relationship with OSN Group, Cablevision continues to expand access to premium content while further reinforcing its position in the Lebanese market.

Bassam Jaber, CEO of Cablevision, said "We are proud to build on our long-standing relationship with OSN Group and continue working together as its exclusive distribution partner in Lebanon. By combining OSN's premium TV channels with OSN+, we aim to enhance the entertainment experience for our subscribers with greater flexibility and access to an even broader range of premium content."

Elie Habib, Group COO of OSN Group and CEO of Anghami & OSN+, added "Our partnership with Cablevision has been built on a shared commitment to delivering premium entertainment experiences to audiences in Lebanon. Bringing OSNtv and OSN+ together under a single distribution framework marks an important step, allowing us to better reflect how audiences choose to watch content today. As we continue to invest in the market, this renewed agreement reinforces our commitment to bringing world-class entertainment for subscribers across Lebanon."

As one of OSN Group's longest-standing distribution partners, Cablevision has played an important role in bringing premium entertainment to Lebanese audiences for more than 10 years. The renewed agreement builds on this successful relationship while positioning both companies to meet evolving consumer viewing habits.

The partnership further strengthens Cablevision's position as OSN Group's exclusive distribution partner in Lebanon, ensuring subscribers in Lebanon continue to enjoy access to an extensive catalogue of premium international series, blockbuster movies, exclusive originals, children's programming and live entertainment across both OSNtv and OSN+.

Diverging realities for Lebanon's food producers

BY ANDREAS GROES



A LOOK AT AGRIFRESH, BALKIS, AND BIOMASS

Lebanon's food producers have spent the past seven years navigating a financial crisis, currency collapse, soaring prices and repeated conflict. The upheaval has fundamentally changed the economics of producing food locally. While higher import costs have created opportunities for some producers to replace imported goods, rising production costs, weakened purchasing power and conflict have made it increasingly difficult for others to maintain production and sales.

Those different realities are reflected in the experiences of three Lebanese producers operating in different parts of the food sector. Agrifresh, led by partner and CEO Roy Noujaim, produces fresh-cut vegetables in the Bekaa Valley, supplying primarily restaurants. Balkis, where Ali Beydoun is operations manager, produces juice at its facility in Insarieh, using fruit from orchards in southern Lebanon and targeting the higher end of the consumer market. Biomass, headed by CEO Mario Massoud, works with a network of farmers across Lebanon, bringing locally grown fresh produce to market.

Their experiences have been shaped by the pile-up of crises that began with the economic collapse of late 2019 and escalated with the COVID-19 pandemic and the Beirut blast of August 2020. Any relief from these polycrises was only tamped down by periods of lower level conflict beginning in October 2023, and subsequent phases of all-out war on Lebanon and the systematic destruction of the south which has damaged an estimated 22.5 percent of Lebanon's agricultural land, according to Lebanon's Ministry of Agriculture on 17 April 2026.

The currency collapse was accompanied by high inflation. Annual inflation reached 221 percent in 2023, before slowing to 45 percent in 2024 and 15 percent in 2025, according to Lebanon's Central Administration of Statistics (CAS). Food inflation followed a similar trajectory, falling from 208 percent in 2023 to 22 percent in 2024 and 15 percent in 2025. While food prices rose almost as fast as overall prices in 2023, food inflation slowed considerably faster than the overall inflation in 2024, before the two rates converged in 2025.

Against this backdrop, agriculture has increased its share of the Lebanese economy. According to the Centre

de Recherches et d'Études Agricoles Libanais (CREAL), agriculture accounted for 9.4 percent of GDP in 2025, compared with 5.8 percent in 2020. The increase does not necessarily mean that agricultural production has grown by the same proportion, as agriculture's share of GDP is also affected by changes in the size and composition of the wider economy.

ADAPTING TO A NEW ECONOMIC REALITY

For Agrifresh, one of the first consequences of the financial crisis was losing access to financing for growth.

"When we started growing our company, we were relying on loans from banks like any other company that would grow. You can't only rely on your own revenue stream or your profit. So when the economic crisis hit in 2019, that was one of the biggest challenges we were facing back then. Our growth was only based on our own revenue generation," Noujaim explains.

The crisis also increased the cost of keeping the business running. Agrifresh relies heavily on electricity to keep its fresh vegetables refrigerated, while fuel is needed for distribution and irrigation.

"Our business relies a lot on energy because we have fridges all over the place. Our products have to be cooled at very low temperatures 24/7, so you can't lose electricity," Noujaim tells Executive.

Integrated Petroleum, a oil and gas trading organization headquartered in Doha, recorded a rising price of diesel by 85 percent in Lebanon between September 1, 2025 and September 1, 2026, adding further pressure on producers reliant on fuel for transport, irrigation and generators.

As electricity and fuel supplies became increasingly unreliable, Agrifresh invested in its own energy infrastructure in 2021, gradually expanding its solar system as the company's energy needs have grown. The company also built a fuel station in 2022 at its factory to ensure that its distribution fleet would not be affected by shortages.

"Now we operate 100 percent on solar energy. We no longer rely on the energy provided by the government because we know it's not reliable and it might go out at any second," Noujaim says.

The wars have presented a different challenge. While Agrifresh's production facilities have not been directly affected by the fighting, the company has felt the impact through its customers. Restaurants in the south were largely out of operation during periods of intense fighting, while some restaurants in the north saw a small increase in demand, among other reasons because displaced people moved north.

The impact extended beyond the areas directly affected by the fighting. "Most of our customers are restaurants. People would tend to go out less during war times," he notes.

> "There are five different kinds of vegetables that we didn't grow in Lebanon because they had been imported and were not very expensive. Nowadays, because of inflation and high import costs, there was an opportunity for us to start growing these vegetables"

Another challenge for Agrifresh has been the rising cost of imported inputs.

"We rely a lot on imported materials, like packaging material. All of these are imported, they're not produced in Lebanon. So they were impacted by inflation. Our products have, over the last six years, become a lot more expensive," Noujaim tells Executive.

But higher import costs have also created opportunities for Agrifresh to replace some imported products with locally grown alternatives.

"There are five different kinds of vegetables that we didn't grow in Lebanon because they had been imported and were not very expensive. Nowadays, because of inflation and high import costs, there was an opportunity for us to start growing those vegetables in Lebanon, and this is what we have done," Noujaim explains.

The locally grown alternatives include baby spinach, sucrine lettuce and beetroot leaves. While these products continue to be imported, Agrifresh says it can compete with them on both price and quality.

"We are 15 to 20 percent cheaper," Noujaim says.

Forced to shut down production

While Agrifresh has been able to adapt to the changing market, the war has presented Balkis with a more fundamental challenge of keeping its production running.

"We closed fully because our facilities are based in the south. Our areas were being targeted or being under threat, and it was not safe for us to operate in those areas," Beydoun tells Executive.

The interruptions were not limited to a single period. In 2026, Balkis was unable to operate for almost two and a half months.

"Sometimes there was no threat and we were able to manufacture, and then there was a threat, so we had to shut down and go home. During those periods, we had to continue with the usual business expenses and all, but we were unable to supply the market, we were unable to sell," Beydoun recalls.

The company also experienced a prolonged closure in 2024, when it was unable to operate for around three months. The closures came on top of the financial pressures created by Lebanon's economic crisis. The banking crisis made it difficult for Balkis to access its funds and carry out international payments. Rising fuel and electricity costs have added further pressure to the company's production costs.

The economic downturn has also hit Balkis on the demand side. As the

company sells a high-end product, the decline in purchasing power has reduced the size of its potential market.

"We don't make the same now as we did six years ago. In our case, our product is a luxury item. Due to the circumstances and wars, the consumer market has been materially impacted," Beydoun says.

A VOCADOS LEFT AT HOME

For Biomass, the consequences have been felt both in the fields and in its ability to reach foreign markets. The war has particularly affected their operations in southern Lebanon where farmers were forced to leave.

"It was way too dangerous to stay in the south. We lost crops and we lost farmers," says Mario Massoud, CEO of Biomass.

The loss of production has also affected the company's exports. "We export avocados to European countries. Most of our avocados are located in the south. During the wars we couldn't export," Massoud says.

The war has also changed Biomass's geographical production footprint, with the company now producing less in southern Lebanon.

"The farmers in the south are more limited than they were in the past, so we have fewer farmers there now," Massoud adds.

The rising cost of production has added another pressure on farmers. "Most of the irrigation is done on fuel, and you have farmers not irrigating as well, losing crops because they can't afford the fuel," he notes.

Despite the higher cost of producing locally, Biomass sees an advantage over imported fruits and vegetables.

"It has become more expensive to produce, but it is cheaper compared to imported goods. Producing locally is still more competitive than importing from Europe or from neighboring countries," Massoud argues.

A WEAKER POUND IS NO MAJOR GAIN FOR PRODUCERS

Nassib Ghobril, Chief Economist at Byblos Bank Group, says the crisis has affected businesses through both declining purchasing power and rising costs.

"The financial crisis led to the decrease in the purchasing power of households, which affected consumption and consumer demand, which in turn affected sales at companies," says Ghobril. "It increased the cost of imports and their operating costs and created a period of uncertainty and lack of visibility. There have been many theories that this will encourage local production and it will reduce imports. But we have not seen this."

"The economy still relies on imports," he adds. "We have seen an increase in local production but not to the point of replacing imports. Last year, the import bill was about $21 billion, which is the highest level on record. Exports were around $3.5 billion, so we still have a wide trade deficit."

The figures refer to Lebanon's overall trade in goods. Yet the depreciation of the pound has not translated into significantly lower production costs in Lebanon.

"It did not get cheaper because you still have high energy costs, you still have very high operating costs, administrative costs, the cost of formalities with the public administration, poor infrastructure. And anyway, there are products that are raw materials that industry still needs to import that are not produced locally," Ghobril argues.

The continued reliance on imports comes despite some improvement in Lebanon's overall economic conditions compared with the beginning of the crisis.

"Today conditions are relatively better than they were in 2020. You have a stable exchange rate, you have a larger economy, you have lower inflation, you have a functioning government and parliament," Ghobril notes.

INFRASTRUCTURE IS THE KEY TO FUTURE GROWTH

But adapting to the changing market is only part of the challenge. Roy Noujaim from Agrifresh says greater government support could help farmers adopt new technologies and production methods.

"Something that we would like to see more changes is probably more governmental support incentivise and support the adoption of new technologies," Noujaim says. "It can be on the financial side and it can be on the consulting side as well."

Beydoun and Massoud similarly point to the need for greater government support for the sector, including better access to finance and support for farmers.

Despite the challenges, Massoud believes Lebanon already has many of the natural conditions needed for its agricultural sector to prosper.

"We have a climate, soil, sun, water, and microclimates that few countries in the region have. Unfortunately, we don't have the proper infrastructure in place for the farming and agriculture sector to prosper properly. If we get the right infrastructure, we have everything that the Lebanese terrain can offer. I think food production and agriculture here has a bright future," says Massoud.

■ "It has become more expensive to produce, but it is cheaper compared to imported goods. Producing locally is still more competitive than importing from Europe or neighboring countries."

askLex

YOU HAVE THE RIGHT ***to understand your rights***



At some point, almost everyone encounters a legal situation. A contract that doesn't feel right, a dispute with a landlord, a workplace issue, an inheritance that's become complicated… In those moments, most people do one of three things: they pay for advice they can't easily afford, they rely on someone who "knows someone," or they do nothing and hope it goes away.

This is the legal gap. It isn't a gap in the law itself because legal frameworks exist precisely to protect people, but a gap in access. The legal system was never designed to be navigable without professional help, and professional help was never designed to be affordable or available to everyone.

For too long, legal clarity has functioned as a privilege; something you access based on what you can afford or who you know, not based on what you need.

Artificial intelligence is changing that equation. Not by replacing lawyers, but by doing something the legal system never could on its own: meeting people where they are. Understanding a situation in plain language. Cutting through complexity to show someone what they're actually dealing with, what their options are, and what their next step should be.

This is the premise behind askLex. Launching in Lebanon on July 4th, askLex is a free app that listens, understands, and builds a path forward: turning what was once an overwhelming, expensive process into something navigable. And when professional legal help is genuinely needed, askLex connects users directly to the right people.

The impact goes beyond convenience. When legal clarity stops being reserved for those who can afford it, something more fundamental shifts: for individuals, for families, for communities. People who understand their rights are better positioned to protect them.

askLex launched July 4th in Lebanon. Free, accessible, and built for everyone.

Joining a race without owning a course

BY JAMILE YOUSSEF



IS THE COUNTRY FIT FOR AI?

It is the no-brainer of the century. No one tracking the headlines and global debates can today deny that Artificial intelligence is a technical revolution progressing at never-before-seen speed, an unprecedented global investment focus, and a hyper-divisive social phenomenon. As such, the emergence of AI is indubitably reshaping the global economy - not to mention disrupting human life as it has been known over millennia. In the specific case of this country, its denizens are faced with rethinking everything that has been governing lives and livelihoods in one of the longest-standing continuous human habitats. After six millennia of urban settlements, tomorrow's Lebanon that emerges today, may never look the same.

Only three years ago, in 2023, a report by consultants McKinsey & Company on 'The economic potential of generative AI' speculated that generative AI combined with other automation technologies, could contribute 0.5 to 3.4 percentage points to annual labor productivity growth. Since 2023, much more visible and tangible indications have been the rollout of AI infrastructures and the astronomical capital expenditure, or capex, in AI projects around the world. Highly touted current estimates of AI-related capex from Jan 2024 to mid 2026 range slightly north of one trillion dollars, or possibly 1.1 trillion. In a fateful contrast to the initial global capex rush into anticipated AI bonanzas, Lebanon meanwhile has still remained a near-pariah of extreme risk in the world-spanning financial ocean of investment flows and has in the exact same 30-month even suffered two episodes of severe war with far-ranging physical destruction and economic disruption.

World-leading investment banks such as Goldman-Sachs and JP Morgan are projecting that cumulative five-year AI project and infrastructure capex from beginning of 2024 to end of 2028 will reach almost $3 trillion in today's money. As large economic shapers and hosts of countries – for which increased economic productivity is a dream scenario and all but seven of which achieve less than $3 trn in annual GDP – accelerate investments in AI, Lebanon faces a fundamental

question: can it transform its exceptional talent into lasting economic advantage, or will it remain an exporter of expertise while others build the ecosystems that capture the rewards?

Artificial intelligence has rapidly evolved from a technological innovation into a strategic driver of econo mic competitiveness. Governments are no longer asking whether AI will transform their economies but how quickly they can position themselves to benefit from it. The global competition is about building the institutions, infrastructure and ecosystems that allow AI to generate innovation and economic development.

This shift is particularly visible across Gulf countries. Saudi Arabia's National Strategy for Data and AI aim to attract around 20 billion US dollar in data and AI investment by 2030. Meanwhile, Abu Dhabi Government has allocated approximately 3.5 billion U.S. dollar under its Digital Strategy 2025-2027 to become the world's first AI-native government by 2027. AI is seen as central to future economic competitiveness.

Years of economic collapse, institutional fragmentation and underinvestment in Lebanon's digital infrastructure have left the country without the financial resources or enabling ecosystem that support AI development elsewhere in the region. Interviews for this article consistently pointed to one competitive advantage: its people. Despite these challenges, Lebanon continues to produce highly skilled engineers, entrepreneurs and technology professionals, many of whom lead global companies, build AI startups or work remotely for international firms while maintaining personal connections to Lebanon's innovation ecosystem.

This contrast between abundant talent and limited institutional readiness defines Lebanon's AI challenge and frames the central question explored in this article: what will it take for Lebanon to move from being AI-capable to becoming AI-ready?

TALENT IS LEBANON'S GREATEST COMPETITIVE ADVANTAGE

International discussions about artificial intelligence often concentrate on computing power, data centres and technological manufacturing. Those investments of course are important, but Lebanon's comparative advantage lies elsewhere. Yousif Asfour, Chief Information Officer at the American University of Beirut, leads enterprise technology and digital transformation across both university and the Medical Center. From that perspective he confirms to Executive that "our strength is on the talent. Where we need to develop is the ecosystem around that. Lebanon's opportunity in AI is less about technology and more about application, innovation and entrepreneurship."

Artificial intelligence is already part of Lebanon's economy. Businesses are experimenting with generative AI, university students in Lebanon are learning to build AI models, and Lebanese engineers are contributing to international technology companies in notable ways. Some examples are Karim Atiyeh, co-founder and Chief Technology Officer of fintech company Ramp, which is valued at US$32 billion. Entrepreneur May Habib leads Silicon Valley AI company Writer, one of Forbes' top AI start-ups. Samer Abu-Ltaif heads Microsoft's Europe, Middle East and Africa (EMEA) operations, while 23-year-old Rayan Dabbagh launched AI startup Bounty, backed by Andreessen Horowitz. Yet Lebanon remains largely absent from the institutions, infrastructure and investment flows shaping the global AI economy.

Rather than competing with countries investing billions in AI infrastructure, Lebanon has an opportunity to focus on developing specialized applications, AI-enabled services and entrepreneurial ventures that build on its strengths in education, healthcare, finance and software development. Asfour argues that this should become the country's strategic direction.

Kamel Alghossainy brings both entrepreneurial and public-sector experience. He is Mayor of Baakline, CEO of Park Innovation- a Shouf-based innovation organisation- and a signatory to the Global Urban Data Centres Pact – a global initiative promoting sustainable and resilient digital infrastructure. He summarises Lebanon's challenge succinctly: "We are AI-capable, but we are not AI-ready."

Rather than competing with countries investing billions in AI infrastructure, Lebanon has an opportunity to focus on developing specialized applications, AI-enabled services and entrepreneurial ventures that build on its strengths.

Talent can build companies, create products and generate research. But talent alone cannot create an innovation economy. That requires institutions capable of supporting innovation at scale, the foundations that Lebanon still needs to build.

BUILDING THE FOUNDATIONS OF AI

Lebanon is not starting from zero. The country has universities, software developers, entrepreneurs and businesses experimenting with AI. The challenge is that these assets operate in isolation rather than as part of a coordinated and integrated innovation system. This gap between talent and an enabling structural support system is perhaps the biggest obstacle hindering Lebanon's AI readiness.

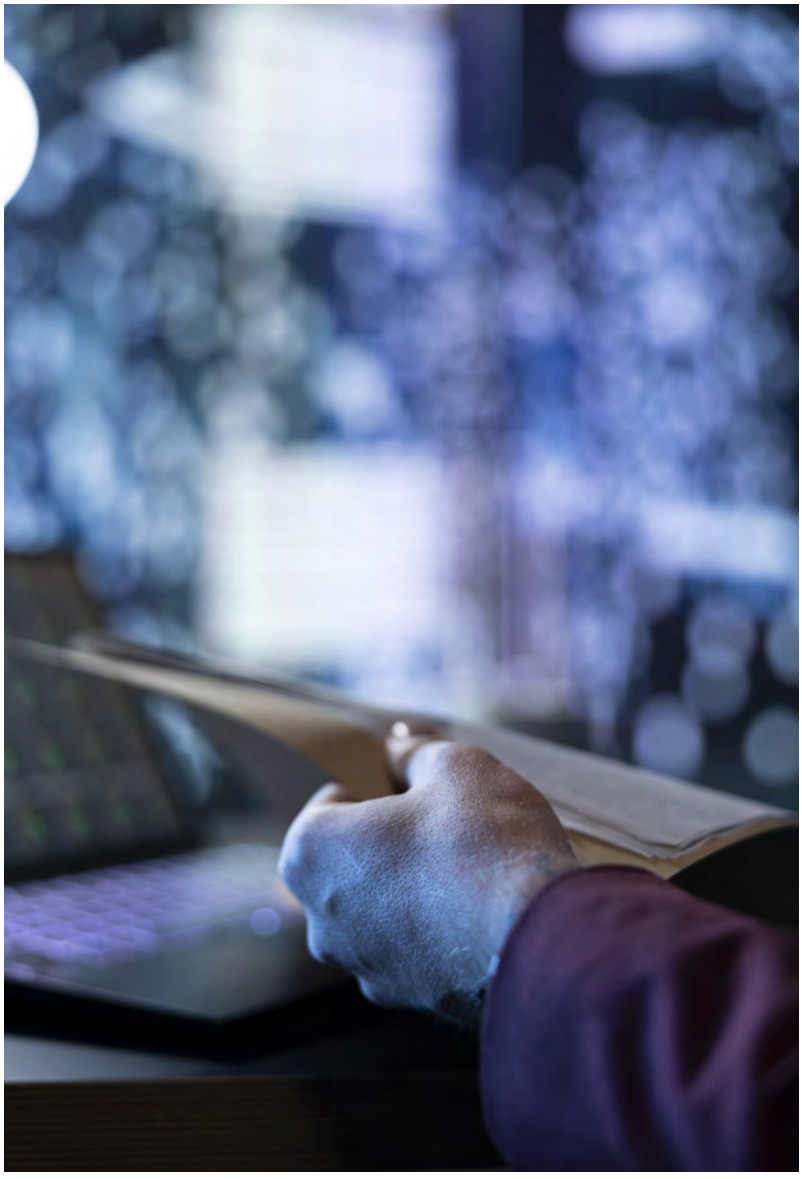
AI readiness extends far beyond access to tools such as ChatGPT and Claude. It encompasses the institutional,

legal, technological and economic foundations that enable AI to be developed, deployed and scaled responsibly. Countries that succeed are distinguished not by the number of programmers they produce, but by reliable infrastructure, effective regulation, high-quality data and effective governance.

In the 2026 Global Index on Responsible AI, a project launched by the Global Center on AI Governance based in Switzerland which looks at metrics such as inclusion, sustainability, trust and safety to measure ethical use and governance of AI, Lebanon ranks 117th out of 135 countries and jurisdictions, with an overall score of 34.26, well below the Middle East and North Africa average of 45.51. The country performs comparatively well in data quality and AI technology diffusion, both above the regional average, suggesting growing adoption of AI technologies. However, it scores substantially below the regional average in the institutional foundations that enable AI to scale, particularly in government digital policy, compute capacity and e-government delivery. The results reinforce a consistent message: Lebanon's greatest challenge is not adopting AI but creating the conditions that allow it to scale.

Rudy Shoshany, digital transformation expert with more than 20 years of experience advising organisations on digital strategy, cybersecurity and fintech transformation, shares: "Our national AI ecosystem is very weak, the problem is not a shortage of technical talent but the absence of the governance, infrastructure and institutional support needed for AI to scale." AI ecosystems depend on reliable electricity, high-speed internet, cloud computing, cybersecurity, digital identity systems, interoperable government databases that have high water needs for cooling purposes, and clear regulation. Asfour argues that Lebanon's infrastructure remains fragmented. "You need connectivity. You also need governance and a legal framework." That fragmentation extends well beyond electricity shortages. Government systems remain fragmented, digital services are uneven and perhaps the majority of government data has not been digitalized or consistently maintained, and many organisations still lack the integrated digital infrastructure needed for AI adoption.

■ Lebanon's immediate priorities are more fundamental: reliable electricity, affordable high-speed internet, secure government systems and modern data-management practices.



Much of the debate around AI focuses on sovereign clouds, supercomputers and national data centres. While these investments may eventually become important, Lebanon's immediate priorities are more fundamental: reliable electricity, affordable high-speed internet, secure government systems and modern data-management practices. "We don't even have basic proper internet connectivity across Lebanon," Christophe Zoghbi, founder and CEO at ZAKA confirms. ZAKA is a Lebanon-based AI education and innovation company that helps individuals and organisations across the MENA region adopt artificial intelligence.

Infrastructure alone, however, will not create a functioning AI ecosystem. Clear and balanced regulation is equally important. AUB's Asfour argues that legal frameworks should protect citizens without discouraging experimentation. "You have to have the legal frameworks to protect people from predatory services and give them enough room to take risks and innovate." He also makes the point that AI regulation should be considered alongside intellectual property, company formation and bankruptcy rules that shape the broader innovation environment.

> Organizations cannot deploy AI effectively if they do not know what information they possess, whether it is accurate, how it is stored or whether different systems can communicate with one another.

Good regulation creates certainty for investors, facilitates entrepreneurship and encourages responsible innovation. When asked about this, Shoshany notes that "the private sector also needs protection, a national data centre, governance, policy and laws to protect it in case any problem happens. All of these are non-existent to this date."

AI BEGINS WITH DATA

"AI means data, without a clear data collection strategy, organisations cannot make effective use of AI " says Zaka founder Zoghbi, summarising what is perhaps the most misunderstood aspect of AI adoption. The statement appears deceptively simple but has profound implications.

Organisations cannot deploy AI effectively if they do not know what information they possess, whether it is accurate, how it is stored or whether different systems can communicate with one another. Rather than creating value from disorganised information, AI amplifies the quality of existing data and the maturity of the systems that manage it.

"A lot of companies nowadays don't even have clear data collection strategies," Zoghbi explains. "They don't know what data to collect, how to store it, how to structure it or how to make use of it."

Paper-based records remain common, particularly across public institutions. Data are frequently scattered across departments, stored in incompatible formats or duplicated across multiple systems. In many cases, organisations are still completing the digital transformation that should precede AI adoption. This absence of a data culture limits AI adoption before organisations begin discussing machine learning or generative AI. Without reliable, structured and accessible information, AI systems produce unreliable results, reducing trust in the technology and discouraging further investment.

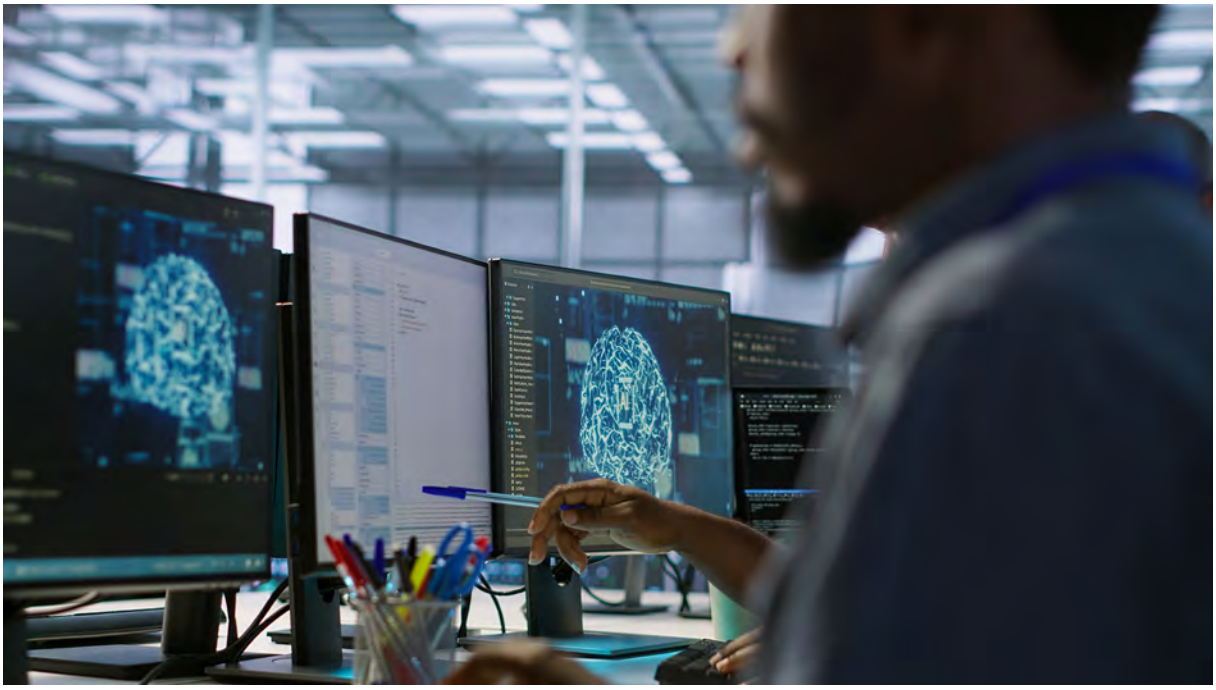
Another related concern regarding the paucity of digitalized data in Lebanon in particular, but perhaps across other countries in the Arab region, is that AI knowledge can only operate on inputs, and when the archives of Arabic knowledge and culture cannot be accessed, they cannot become part of the source materials that feed into the ways that AI is transforming global learning and behaviour.

Countries with mature AI systems treat data as strategic infrastructure. Data are collected using common standards, stored in compatible formats and governed by clear rules on ownership, privacy and access. This allows information to move securely across organisations, reduces duplication and improves the quality and reliability of the data used to train and operate AI systems. In contrast, when organisations rely on paper records, disconnected databases or inconsistent data collection practices, AI tools become less accurate, less reliable and more difficult to scale.

Lebanon's Digital Transformation Strategy 2020-2030 recognises many of these challenges. It calls for stronger interoperability between government systems, common digital platforms, improved data governance and wider adoption of open APIs. These recommendations remain highly relevant because digital transformation and AI readiness are not separate agendas. Digital transformation creates the institutional and technological foundations on which AI depends. Without it, even the most advanced AI tools cannot deliver sustained innovation.

Strong data governance also creates confidence. Businesses are more willing to invest in digital systems and AI applications when they know that data are accurate, protected and can be shared securely under clear legal and technical frameworks. Governments play an important role by establishing common standards for data collection, interoperability, cybersecurity and privacy, allowing both public institutions and the private sector to build AI solutions on trusted digital foundations rather than fragmented information.

"The more mature a country is on AI," Zoghbi observes, "the more data culture you see."



GOVERNMENT MUST BECOME AN AI USER, NOT ONLY A REGULATOR

Much of the public debate surrounding AI focuses on regulation. Governments are expected to establish legal frameworks, protect citizens' rights and address emerging risks associated with artificial intelligence. Those responsibilities are essential, but they represent only one part of government's role.

AUB's Asfour argues that governments should demonstrate AI's value by applying it within public administration rather than limiting their involvement to legislation. "The government can both help advance AI by putting in the legal frameworks... but the government can also very quickly demonstrate how AI can be useful by applying it within the government itself."

The opportunities are numerous. Administrative processes such as driving licensing, permits, document processing, civil registry services and citizen communication are tasks that AI can streamline while maintaining appropriate human oversight.

> Mayor Alghossainy has begun introducing AI into Baakline's daily operations. The municipality has used AI to analyze historical budgets, review contracts, and draft standard operating procedures.

When public institutions become early adopters, they create demand for local technology firms, encourage innovation and provide startups with opportunities to develop solutions for real operational challenges. Lebanon's Digital Transformation Strategy proposes dividing large ICT projects into smaller contracts that are more accessible to SMEs, creating a Digital Marketplace Platform to increase SME participation in government contracts, and expanding the use of APIs to support startups and digital innovation. If implemented, these measures could allow public procurement to support Lebanon's technology ecosystem while accelerating digital transformation.

Rather than pursuing ambitious national projects that require substantial investment, smaller AI initiatives can demonstrate tangible results, build institutional confidence and generate lessons for wider implementation. Asfour summarises the philosophy: "Small frequent successes are much better than a big vision that never gets there."

Municipalities offer an equally important opportunity. Drawing on his experience as Mayor of Baakline, Alghossainy argues that local governments can become practical example for AI adoption. While acknowledging that most municipalities still lack

the digital infrastructure, technical expertise and financial resources needed to implement advanced AI systems, he has begun introducing AI into Baakline's daily operations. The municipality has used generative AI to analyse historical budgets, review contracts, and draft standard operating procedures. There are projects initiated to train municipal staff in the use of generative AI. AI-powered legal assistance, administrative tools and citizen services can improve municipal operations without requiring billion-dollar investments. Small-scale projects addressing clearly defined problems often generate faster results than highly ambitious national programmes. It could also reduce waiting times, improve service quality and increase public confidence in digital government.

For Lebanon, the next phase of digital transformation should depend less on announcing ambitious strategies and more on implementing practical AI solutions across public institutions. AI readiness is ultimately not a measure of technological sophistication but of a country's ability to convert algorithms into productivity, talent into businesses and innovation into sustainable economic growth.

FROM STRATEGY TO EXECUTION

Drawing from personal perceptions and conversations, general attitudes around AI adaptation in Lebanon seem to be enthusiastic. Recent years have seen the establishment of the Ministry of Technology and Artificial Intelligence, work towards a national AI framework, consultations with stakeholders and initiatives such as NUMŪ, Lebanon's National Digital and AI Capacity-Building Programme, to strengthen digital and AI skills. These developments demonstrate growing recognition that AI will shape future economic competitiveness. Yet awareness alone does not create readiness.

"There are talks and discussions," says digital transformation expert Shoushany, "but there is no action." While the strategy sets out an ambitious vision for digital transformation, it does not include a dedicated implementation budget or financing plan, making execution more dependent on shifting government priorities and external funding. Implementation has often been limited by institutional fragmentation, political instability and limited administrative capacity.

Progress requires consistent implementation across successive governments, and sustained coordination across government, academia and the private sector. International experience reinforces this point. Singapore has complemented its AI strategy with initiatives such as the Global AI Assurance Sandbox, Privacy-Enhancing Technologies Adoption Guide and the Data Protection Trustmark to strengthen trust, privacy and responsible AI adoption. The United Arab Emirates has introduced a National Artificial Intelligence Security Policy establishing minimum requirements for AI governance, infrastructure security and risk management, while Estonia has embedded data protection, privacy and human oversight into its national AI strategy. These examples illustrate that AI readiness depends not only on innovation, but also on building trusted institutions capable of governing its use.

These examples illustrate that AI readiness depends not only on innovation, but also on building trusted institutions capable of governing its use.

Lebanon's is demonstrating that institutions can translate strategy into measurable progress. Success will depend less on ambitious announcements than on consistent implementation, practical partnerships and a willingness to build capability one step at a time.

AN OPPORTUNITY STILL WITHIN REACH

Perhaps the greatest misconception surrounding AI policy is that every country should attempt to replicate Silicon Valley. For Lebanon, this would be both unrealistic and unnecessary, and arguably detrimental. The country cannot match the financial resources, global technology, foundational AI research and large-scale computing infrastructure like the United States, China, Saudi Arabia or the United Arab Emirates.

On the other hand, Lebanon does not begin from zero. It has universities, communities of developers, technology companies, entrepreneurs and a large diaspora. It now has a government office explicitly responsible for technology and AI, a public strategy process and capacity-building initiatives. These developments deserve recognition, but they should not be confused with readiness itself. Lebanon's comparative advantage lies elsewhere: in its skilled people and entrepreneurial ambition.

Lebanese professionals already contribute to international AI projects while working remotely from Lebanon. That model generates valuable income and strengthens technical expertise. However, sustainable economic transformation requires more than exporting skilled labour.

AI will continue advancing regardless of Lebanon's economic circumstances. The real question is whether Lebanon will create an ecosystem that transforms talent into innovation and economic growth or continue exporting the very people who could build it. Lebanon has already demonstrated that it is AI-capable. The challenge now is becoming AI-ready not through larger ambitions, but through stronger institutions, better implementation and sustained investment in the people who remain its greatest competitive advantage.

The homogenezation trap

BY MAY EL HACHEM



WHAT STANDS OUT IN A NEUTRALIZED PLAYING FIELD?

In May 2025, three management scholars at MIT's Sloan School, David Wingate, Barclay Burns, and Jay Barney, published a paper whose title arrived like a cold shower in the middle of the loudest conversation in business: Why AI Will Not Provide Sustainable Competitive Advantage. Their argument was not that AI is overhyped, or that its disruptions are exaggerated. It was something more unsettling: that the race every company in the world is currently running is, structurally, a race to a tie.

I have been thinking about that paper a great deal since because it names something that most AI strategy discourse tends to avoid. I am a Lebanese lawyer working across a region where the pressure to adopt AI is near-total, where the topic permenates boardroom conversations, and where the question of whether to adopt has seemingly been settled in favor of how fast. The MIT Sloan argument shifts the question again. And this time, the shift matters.

THE GOLD RUSH HAS A CATCH

The case for adoption is not in dispute. According to global management consulting firm McKinsey's 2025 State of AI survey, which drew responses from nearly 2,000 participants across 105 countries, 88 percent of organizations now use AI in at least one business function, up from 78 percent the year before. Research by the London School of Economics and consulting firm Protiviti, published in October 2024 and based on surveys of nearly 3,000 workers, shared their compelling findings that professionals using AI save an average of 7.5 hours per week.

But Wingate, Burns, and Barney identify a structural problem that no amount of enthusiasm about these numbers resolves. Every serious technical advance ultimately becomes equally accessible to every company. Algorithms commoditize and open-source models erode proprietary offerings within months of their release.

The MIT Sloan paper's argument is that talent is plentiful, hardware competition is fierce, and what may be proprietary at time of release becomes table stakes within months.

"Far from being a source of differentiation," Wingate, Burns, and Barney write, "artificial intelligence will be a source of homogenization." When everyone runs the same engine, the engine is no longer the race.

THE HOMOGENIZATION TRAP

This is the paradox that most AI strategy fails to confront directly. The universality that makes AI valuable as a category makes it worthless as a differentiator. If your competitor has access to the same models, the same automation capabilities, and the same tools, the advantage does not accumulate to either of you, and your market ranking remains more or less the same.

What rises in value when the tools flatten out? As Harvard Business School's Institute for Business in Global Society argued in September 2025, AI cannot reliably distinguish good ideas from mediocre ones. It cannot guide long-term business strategy. It cannot replicate the kind of cultural intelligence and contextual judgment that determines whether a decision is right for a specific market, a specific organization, a specific moment in time.

The economists Ajay Agrawal, Joshua Gans, and Avi Goldfarb, writing in IMF Finance & Development in June 2025, argue that AI is fundamentally a prediction machine. It processes inputs and generates probabilistic outputs at extraordinary scale and speed. But between the prediction and the decision sits judgment, the weighing of values, context, uncertainty, and stakes that cannot be reduced to pattern recognition.

As prediction becomes cheap, judgment becomes scarce. The antidote to AI homogenization is not more AI. It is better human thinking.

The problem is that most organizations are doing the opposite.

The RAND Corporation, in a report published in August 2024, found that more than 80 percent of AI projects fail to reach meaningful production deployment, at almost twice the failure rate of conventional IT projects, with the primary cause traced not to technology but to the broken organizational foundations underneath.

Nicholas Carr mapped the deeper cost of this dynamic in The Glass Cage, his 2014 study of automation across aviation, medicine, and financial trading. His argument echoes one prominent concern around AI adaptation, which is that when machines absorb skilled tasks, humans lose the capacity to perform those tasks independently. The pilot who delegates to autopilot loses situational awareness; when the system fails, the judgment needed to recover has already atrophied. The financial analyst who defers to algorithmic outputs loses the interpretive muscle that once gave those outputs meaning. Competence, Carr demonstrates, is something that must be practiced. Practices that go unused erode. And in the current race to automate as much as possible as fast as possible, entire categories of human capability are going unpracticed.

HUMAN-CENTERED AI IS STRATEGY, NOT PHILOSOPHY

For this region, the stakes are specific. McKinsey's 2025 research on the GCC shows that close to 90 percent of CEOs report using GenAI, above global averages. Yet only 11 percent are what McKinsey calls "value realizers": organizations that have genuinely scaled AI and can attribute meaningful earnings to it. The gap between adoption and value creation is a readiness problem, and underneath the readiness problem is a human capital problem that no amount of software procurement resolves.

The cultural intelligence, relational depth, and contextual market knowledge that define competitive advantage in this part of the world cannot be generated by any model. They were built over decades. They are precisely what AI cannot replicate, and precisely what is most at risk in an undiscriminating adoption sprint.

The phrase "human-centered AI" has acquired the texture of a values statement, the kind of language that appears in sustainability reports between carbon targets and inclusion metrics. It is neither. It is the only AI strategy that holds up structurally.

The companies that will extract durable advantage from AI are not the ones with the most tools. They are the ones that use AI to do more of what only humans can do, not less. That means fixing the process before automating it. It means investing in the quality of human judgment before deploying the tools that will amplify it. It means treating creative culture, contextual expertise, and institutional knowledge not as costs to be optimized away, but as the moat that gives AI outputs their value in the first place.

Practices that go unused erode. And in the current race to automate as much as possible as fast as possible, entire categories of human capability are going unpracticed.

AI amplifies whatever it finds. A company with sharp human judgment and strong creative culture, deploying AI, becomes exponentially more capable. A company with broken processes and atrophied thinking, deploying the same tools, becomes exponentially more broken, faster, and at lower cost.

The questions for every business leader in this region is what, exactly, is the AI going to amplify? Is what you have built worth amplifying? And what essential skills might be lost in the process?

May El Hachem is the founder of askLex, an AI platform for legal advice

Institutional Resilience in Lebanon

BY YOUMNA ZOD



IS BEING BUILT PRIVATELY

In Lebanon, instability is a daily operating burden that businesses are increasingly forced to absorb on their own. Institutional resilience is vital for small and medium enterprises in this national context, where economic collapse and recurring security crises compound to create cascading failures in electricity, banking, supply chains, and administrative systems. For every single SME, it means deciding which functions cannot be allowed to fail and then rebuilding them at firm level when the wider environment cannot support them reliably.

From my experience in leading corporate strategy, digital transformation and business development, this usually comes down to a few core continuity points: energy, payments, procurement, documentation, workforce coordination, and client trust. The companies that remain dependable are not simply the ones that work harder. They are the ones that redesign their internal systems so these functions continue to operate despite external breakdowns.

Electricity is the clearest example of this private substitution. Before the recent solar boom, a 2019 IMF country report drawing on World Bank enterprise data found that 97 percent of surveyed businesses in Lebanon reported experiencing electrical outages, while 84 percent said they used private generators, which supplied almost half of their electricity needs. That figure should now be read as a pre-solar baseline rather than a current description of the market. But the management lesson remains the same: firms have had to build parallel energy systems because the public one is not dependable enough.

The response to the collapse of state electricity has been striking. According to the Lebanese Center for Energy Conservation's 2023 Solar PV Status Report, installed solar PV capacity rose from 92 MWp at the end of 2020 to 1,081 MWp by the end of 2023, with cumulative investment reaching nearly $1.4 billion (LCEC, 2023). During Beirut Energy Week in September 2023, LCEC-linked figures indicated that decentralized solar capacity had already surpassed 1,000 MW and was tracking toward roughly 1,300 MW by year-end. Because EDL's effective generation capacity had dropped so sharply, that meant installed solar capacity represented more than 40 percent of the country's available electricity generation capacity at that moment. In the finalized 2023 report, LCEC said solar contributed 15 percent of Lebanon's actual electricity generation mix for the full year, up from 2.2 percent in 2021.

This matters because solar in Lebanon is not only an energy story. It is an institutional story. It shows what happens when households, businesses, and institutions are forced to replace a missing public function through private coordination, private investment, and private risk-taking.

The same dynamic became visible in finance. Lebanon's banking collapse is often discussed in terms of savings, currency, and macroeconomic loss. At company level, it also became an operational disruption. When conventional banking channels became unreliable, businesses could no longer treat billing, payment logic, procurement timing, and supplier coordination as back-office routines.

In our corporate security firm, maintaining uninterrupted service required us to rethink those systems quickly. The issue was not simply whether money moved. It was whether service continuity could be preserved while the financial infrastructure itself was failing. In that sense, banking disruption did not only create financial pain. It forced firms to redesign commercial processes in real time.

DATA AND INSTITUTIONAL MEMORY

Another function that becomes more important as public institutions weaken is documentation, specifically the capacity of private sector SMEs to maintain reliable internal records when government systems and public documentation cannot be relied upon. In unstable environments where the state cannot be counted on to maintain records or provide documented proof, it becomes continuity infrastructure. When teams are under strain, sites are harder to access, staff availability shifts, and compliance still has to be maintained, records become part of the operating backbone.

This is one reason I do not see resilience as improvisation alone. Improvisation helps in the moment, but it does not create reliability. Reliability comes from maintaining traceable records, stored reports, accessible histories, clearer handovers, and systems that do not rely entirely on memory or one individual's availability.

From my experience, firms that function more reliably under instability tend to rebuild the same six capabilities at company level. They learn to sense faster by tracking market, infrastructure, financial, supplier, and client signals in real time; to decide faster by shortening decision-making chains before problems intensify; and to adapt processes within limits by giving staff enough flexibility to respond without losing accountability. They also learn to protect continuity points, especially billing, procurement, compliance, workforce coordination, and client service; to preserve trust visibly through clearer communication and steadier client support; and, over time, to turn constraints into operating advantages by using crisis-driven adaptations to build leaner and more responsive systems.

Another function that becomes more important as public institutions weaken is documentation, specifically the capacity of private sector SMEs to maintain reliable internal records when government systems and public documentation cannot be relied upon.

WHAT POLICYMAKERS SHOULD NOTE

The lesson for policymakers and lenders is straightforward. If Lebanese SMEs are privately rebuilding continuity in energy, payments, logistics, and compliance, then they are carrying costs that are often invisible in conventional business analysis. Support for SMEs cannot be reduced to finance alone. It has to account for the institutional burden businesses are already absorbing through backup systems, duplicated workflows, added coordination, and self-funded continuity measures.

That is why institutional resilience in Lebanon should not be romanticized. It is expensive, inefficient, and often exhausting to privately reproduce functions that should be publicly reliable. But it is also one of the clearest explanations for why some firms remain dependable while others become fragile. The most resilient Lebanese SMEs are those that can ensure institutional continuity from the inside out.

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Your daily update on all corporate news and announcements from all the region's countries and sectors

Executive

Lebanon's real estate sector

BY WALID MOUSSA



DECLINING TRANSACTIONS DESPITE RESILIENT DEMAND

Two of the key property market indicators in 2026, the volume and value of property transactions, reflect new conflict pressures faced by the sector this year. First-quarter figures show a 29.3 percent year-on-year decline in the number of transactions and and a 18.2 percent decline in their total value. This reflects, alongside a significant decline in foreign investment activity, the year's ongoing political, security, and economic uncertainty.

These first-quarter transaction developments paint quite the opposite picture of market recovery and even a certain exuberance that was presented just a few months earlier. Every self-respecting real-estate professional in Lebanon will concede that the country's property market has long been accompanied by a strong dose of sell-side exuberance.

This optimistic self-evaluation of the property market and prominent real estate actors would actually become more pronounced when markets shifted from a seller's bonanza to a buyer's Eldorado. Overall, however, the property development sector, or rather the multiple real estate markets that co-exist here, has witnessed numerous episodes of cross-border conflict or economic downturn where new developments were disrupted by unexpected crises.

DISRUPTED OPTIMISM

The re-ignition of armed conflict over Lebanon on March 2, 2026 was certainly a violent shock and disruption of national economic life. Noting that the first 59 days of the first quarter in 2026 were not yet marked by overt armed conflict, the annual drop in transactions also betrays the presence of long-standing structural issues that weigh on the property market.

Therein lies a crisis far deeper than a simple slowdown in transactions. This crisis is rooted in the fact that the property market is not operating under one unified system but rather through several parallel mar-

kets, each functioning according to its own logic, pricing structure, demand patterns, and purchasing capacity.

The Lebanese real estate sector no longer follows traditional economic fundamentals. Instead, it has become a direct reflection of the political, security, financial, and economic crises that have affected the country for years, creating a market characterized by uncertainty, lack of visibility, and declining confidence.

Any real estate market in the world requires one essential element in order to grow: stability. This element has been absent from Lebanon for many years. Wars, security tensions, political divisions, and recurring economic crises have pushed foreign investors away from the country and weakened the confidence of local investors as well.

Today, foreign investment has almost completely disappeared from Lebanon's real estate sector, while local investors remain in a permanent state of caution due to the absence of a clear economic or financial vision for the country.

THE SHAKY FOUNDATION OF THE BANKING SECTOR

However, the most critical issue remains the collapse of the banking sector that occurred half a decade ago. Historically, Lebanon's real estate market was closely linked to its banking system, which provided housing loans, financed developers, and supplied the liquidity necessary to sustain market activity. This entire structure has collapsed by 2020 and the breakdown is not being remedied: no mortgage loans, no developer financing, no facilities for buyers, and no trust in banks.

At the same time, depositors' funds remain trapped in Lebanese banks, freezing the purchasing power of a large segment of society, particularly the middle class that historically represented the backbone of the residential market.

Over the past years, cash payments have played a role in sustaining part of Lebanon's real estate activity, particularly in projects under construction. Some developers preferred to receive part of their payments in cash, allowing them to cover certain operational expenses such as labor costs and the purchase of some materials and services that were partially handled outside traditional banking channels.

This model still exists in certain cases, but the use of cash in real estate transactions has recently become more limited compared to previous years. This change came to be in the wake of regulatory and supervisory measures adopted by the Lebanese government in coordination with Banque du Liban (BDL), the central bank, after the transition to new governor in 2025. BDL imposed additional controls on the movement of funds and payment mechanisms in large transactions, directly affecting the nature of some deals and the overall volume of market activity.

Today, foreign investment has almost completely disappeared from Lebanon's real estate sector, while local investors remain in a permanent state of caution due to the absence of a clear economic or financial vision for the country.

A segment of large real estate transactions continues to be completed through regular bank transfers. However, an important share of this liquidity is linked to wealth generated by Lebanese business activities abroad, particularly in the African continent, where many Lebanese expatriates continue to represent a key supporting component of part of the Lebanese real estate market. Their importance can be observed especially in high-value transactions.

Meanwhile, property prices and construction costs have increased significantly due to rising material and operational costs, as well as significant inflation of energy-related expenses. Yet, average salaries and household incomes of potential home buyers remain extremely low compared to market prices. This imbalance has created a massive gap between real income and property values, to the extent that the share of Lebanese citizens who are no longer realistically capable of purchasing a home has increased to an estimated 90 percent.

Demand is no longer primarily concentrated in the niche of high-value properties as it was in previous years. A growing segment of buyers is searching for more affordable and realistic options due to declining purchasing power and increasing financial caution among households.

FRAGMENTED DEMAND

Despite this reality, prices remain high in many areas in the absence of any clear pricing standards. In many cases, property prices are determined by personal expectations, fear of inflation, immediate liquidity needs, or emotional considerations rather than by real market fundamentals, creating a market often marked by pricing inconsistency and uncertainty.

Among the multiple niche markets of Lebanese property, one still finds a luxury market targeting wealthy residents, expatriates, and buyers with fresh dollar liquidity. Another important market, however, which in the past was serving the middle class, has become almost frozen due to the absence of financing and declining purchasing power. At the same time, another segment has emerged based on distressed sales, opportunistic investments, and selective transactions where transparency and clear pricing indicators are largely absent.

This fragmentation is also reflected in the geographical distribution



of transactions across the country. While some regions seem, relative to their share in the national population, underrepresented in their real estate market presence because of price but also conflict factors, other regions account for the majority of real estate activity. In terms of first-quarter 2026 figures, the Baabda governorate ranks first with 20.9 percent of all recorded property transactions, followed by Metn (14 percent), Kesrouan (13.5 percent), the Bekaa (11.7 percent), and Tripoli (11 percent). These figures demonstrate that demand remains concentrated in specific regions where buyers perceive greater safety, stability, accessibility, and long-term value.

Despite the visible slowdown in the market, some construction indicators continue to show partial resilience, particularly in areas that still attract long-term investment interest, reflecting the continued belief among many Lebanese that real estate remains a strategic long-term asset. Paradoxically, supply remains limited in many areas despite weak purchasing power, as many owners still prefer holding real estate rather than selling it, considering property safer than cash or bank deposits.

> While some regions seem underrepresented in the real estate market relative to their share in the national population because of price and conflict factors, other regions account for the majority of real estate activity.

For all these reasons, there can be no genuine recovery of the real estate sector without a real solution to the banking crisis. On the other hand, Lebanon still lacks any serious housing policy or affordable housing strategy. There are no national housing plans, no sustainable financing programs, no effective public-private partnerships, and no real incentives encouraging affordable residential developments.

THE DEEP-ROOTED VALUE OF PROPERTY

This double disruption – the recent one of the banking sector and the much older one of property sector governance – reinforces the insight that a healthy and sustainable real estate sector cannot exist without a healthy banking system, political and security stability, clear housing policies, and financing mechanisms capable of bringing the middle class back into the market.

Yet despite all these crises, one defining characteristic remains deeply rooted in Lebanese society: the Lebanese people continue to believe in real estate. Property ownership is not viewed merely as an investment, but as a symbol of stability, security, family achievement, and social success. This explains why demand never completely disappears in Lebanon, even during the most difficult periods, because the relationship between Lebanese society and real estate goes far beyond traditional economic logic.

Despite the current challenges, this sector remains one of the most capable of regaining its role once the right conditions are restored, given the Lebanese people's historical attachment to real estate and the importance of this sector in wealth creation and economic activity. With the hope that political security, and economic stability will return after the dust of recent armed conflicts has settled, Lebanon's real estate sector remains a strong candidate to be one of the first sectors to regain its momentum and flourish in the new Lebanon that we all hope to see.

Walis Moussa is the president of the Real Estate Syndicate of Lebanon

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The rebound is real

BY MICHAEL ZOGHZOGHI



HOUSING FINANCE STILL FALLS SHORT IN BEIRUT

Lebanon's property market spent the first months of 2026 absorbing the shock of renewed conflict. Credit Libanais' economic research unit, reporting at the end of June 2026, put the number of real estate transactions down 32.25 percent year-on-year over the first five months of the year, at 19,097 against 28,189 a year earlier, with total transaction value down 17.79 percent over the same stretch. The bank tied the slowdown directly to the fighting that reignited in early March.

The recovery, when it came, was fast. Credit Libanais recorded the first sign of a turn in May, when transactions ticked up 4.64 percent month-on-month following the mid-April ceasefire announcement. June then accelerated sharply, with 4,999 transactions, per BLOMINVEST Bank's reading of Land Registry data, before July added another 6.18 percent to reach 5,308 deals — the highest monthly level recorded so far in 2026, according to Credit Libanais' August 18th reading of Land Registry data.

The rebound should not be confused with a full recovery. Credit Libanais' cumulative figures, reported mi-August 2026, show 29,404 real estate transactions recorded through July, still 25.54 percent below the 39,490 registered over the same period in 2025. Transaction value, however, was down by a much narrower 5.36 percent, at roughly $3.25 billion. For those of us active in the market, the shift was visible before the latest numbers confirmed it: inquiries that had gone quiet during the spring disruption began converting again as conditions stabilized.

DISPARATE FINANCING

Financing tells a slower story. Banque de l'Habitat, the state-backed lender that relaunched its subsidized housing loan program in 2024 after more than five years of suspension, has gradually expanded its activity. As of July 2, it had granted 1,059 loans worth $74 million, including 980 loans for apartment purchases worth $68.9 million, according to figures reported by the bank to L'Orient Today in July.

The bank also cut the annual interest rate on loans financed through the Arab Fund for Economic and Social Development from 6 percent to 5.75 percent from July 1, after Banque du Liban waived a 0.25 percent management fee, L'Orient Today reported. The Arab Fund credit line, worth roughly $165 million, had already enabled Banque de l'Habitat to raise the maximum subsidized housing loan from $50,000 to $100,000 in 2025.

It is real progress, particularly for the low- and middle-income households the program is intended to support. But the scale remains modest beside the size of Lebanon's property market. For many buyers, particularly those looking in the country's most expensive districts, the availability and size of financing remain a significant constraint.

That constraint interacts with geography in a way that deserves more attention. DoorEast, an AI-powered real estate marketplace that I co-founded, releases Market Trends & Insights data which tracks advertised asking prices across hundreds of locations. This data shows just how wide Lebanon's price spread has become. Downtown Beirut averages around $6,402 per square meter; Ras Beirut sits closer to $4,415. In Achrafieh, the Carré d'Or pocket runs at about $3,700, against roughly $3,091 for the district overall. Move further out and the numbers fall quickly: Jounieh averages around $1,744 per square

meter, Dekwaneh about $1,378, Jbeil closer to $972, and Dawhet Aramoun roughly $842.

These are asking prices, not closed-sale figures. In Lebanon's negotiation-heavy market, the difference can be substantial, and individual properties can sit well above or below an area's average depending on age, condition, floor, view, finish and exact location.

But the spread still tells us something important about where financing has meaningful purchasing power. At DoorEast, the pattern we see across listings and buyer inquiries suggests that part of the premium in central Beirut reflects the concentration of dollarized and cash-backed demand in prime locations, including demand from Lebanese buyers abroad. Further from the capital's most expensive districts, asking prices are considerably closer to the budgets of buyers who depend more heavily on local income and financing.

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LOCATION	AVG. / M²	$100K EQUIVALENT*	$500K BUYS
Downtown Beirut	$6,402	16 m²	78 m²
Ras Beirut	$4,415	23 m²	113 m²
Carré d'Or, Achrafieh	~$3,700	27 m²	135 m²
Achrafieh (district avg.)	$3,091	32 m²	162 m²
Jounieh	$1,744	57 m²	287 m²
Dekwaneh	$1,378	73 m²	363 m²
Jbeil	$972	103 m²	514 m²
Dawhet Aramoun	$842	119 m²	594 m²

**Approximate floor-area equivalent of Banque de l'Habitat's $100,000 maximum housing loan and of a $500,000 budget, calculated using DoorEast's advertised asking-price averages. The $100,000 figure represents the purchasing-power equivalent of the loan amount, not the maximum property size a borrower can purchase. Figures are illustrative and do not represent specific listings or closed transaction prices.*

HOW FAR CAN A LOAN GO?

This is where the financing story and the price-geography story meet. Banque de l'Habitat currently offers purchase and construction loans of up to $100,000. Measured against DoorEast's asking-price averages, that amount is equivalent to roughly 16 square meters at Downtown Beirut prices or 23 square meters in Ras Beirut. The same $100,000 is equivalent to around 57 square meters in Jounieh, 73 in Dekwaneh, 103 in Jbeil and 119 in Dawhet Aramoun.

The comparison does not mean that a borrower with a $100,000 loan can only purchase a property of that size. Buyers can, of course, contribute their own equity or other funds, and Banque de l'Habitat's financing can form only part of the purchase price. Rather, it illustrates how dramatically the purchasing power of the same financing facility changes depending on location.

In practice, that makes the current subsidized lending program considerably more powerful in Mount Lebanon and outer-suburban markets than in central Beirut. The loan can materially close the affordability gap in lower-priced areas; in prime Beirut, it is much more likely to function as one component of a purchase requiring substantial additional equity.

That difference matters beyond individual buyers. If meaningful housing finance has greater purchasing power outside the capital's most expensive districts, it can gradually reinforce demand in those areas. That could have implications for where residential development, infrastructure needs and services grow over time. Central Beirut, meanwhile, is likely to remain more dependent on buyers with significant cash or equity unless financing products become large enough to bridge a greater share of its price levels.

The geography of Lebanon's property market makes the limits of a uniform financing ceiling clear. A $100,000 loan represents a meaningful share of the purchase price in some areas and only a fraction of it in others. That does not make the program ineffective, but it does mean its impact on affordability varies considerably depending on location.

The geography of Lebanon's property markets makes the limits of a uniform financing ceiling clear. A $100,000 loan represents a meaningful share of the purchase price in some areas and only a fraction of it in others.

At the same time, recent transaction figures suggest that activity can recover relatively quickly as market conditions stabilize. The harder question is whether that rebound can extend beyond buyers who already have access to substantial cash or equity.

That is the distinction worth watching. A recovery in transaction volumes is one measure of a healthier property market; broader access to financing is another. In Lebanon today, the two are not yet moving at the same pace.

Michael Zoghzoghi is the Founder and General Manager of DoorEast

BUSINESS ESSENTIALS

THE BULLETIN

IBH received the "Excellence in Cross-Border Insurance and Risk Advisory for the Year 2026" award from the **World Union of Arab Bankers** in Istanbul on September 11. Accepted by General Manager **Elie Geahchan**, the award recognized **IBH**'s specialized insurance solutions and risk advisory services across multiple markets and jurisdictions.

Souhoola, a subsidiary of **Banque Misr**, opened a new branch at City Stars on May 15, 2026, expanding its consumer finance and Buy Now, Pay Later services in Egypt. The branch combines digital solutions with direct customer service as part of the company's strategy to increase financial inclusion and reach both banked and unbanked consumers. Established in 2019 with a capital base of EGP 400 million, **Souhoola** now serves more than 370,000 active customers, with its customer base having grown more than fourfold since launch.

Tawfeer introduced **Tawfeer MAX**, a value-retail concept in Lebanon combining retail convenience with wholesale-style bulk pricing. Its three-tier pricing system lowers unit prices as purchase quantities increase, without requiring memberships, targeting both households and small businesses. The first branch opened at Cascada Mall in late 2025, with a second planned in Jbeil. **Tawfeer** currently operates 40 stores, serves more than 30,000 shoppers daily and aims to reach 500 locations by 2030.

The **European Bank for Reconstruction and Development (EBRD)** and **European Union (EU)** are supporting **Spinneys Levant Limited** with a USD 22 million financing package to expand and modernize its food retail operations in Lebanon. The package includes a USD 20.5 million EBRD loan and USD 1.5 million co-investment grant, supporting new stores, production capacity and energy-efficiency measures. The project is expected to reduce CO2 emissions by 5,474.74 tonnes annually, save 150,844.66 GJ of energy and cut plastic bag use by 25%. Since beginning operations in Lebanon, **EBRD** has invested more than EUR 864 million in the country.

Bridgestone expanded its VT-TRACTOR agricultural tyre range with six extra-large sizes for high-horsepower tractors, covering rim diameters from 38 to 46 inches. Introduced progressively from April 2026, the new tyres are designed to improve traction, durability and fuel efficiency while reducing soil compaction, with up to 12% more lug volume than selected competing products. The XXL range will be manufactured at **Bridgestone**'s Puente San Miguel plant in Spain and includes the company's first 44- and 46-inch agricultural tyre sizes.

The **UAE Ministry of Culture** participated in **Art Dubai**, held from May 15–17, 2026 at Madinat Jumeirah, with a special exhibition highlighting three Emirati female artists. "When the Familiar Becomes Unfamiliar" featured works by **Karima Al Shomely**, **Rawdha Al Ketbi** and **Sara Ahli**, all supported through the Ministry's cultural grant programs. Featuring sculpture, installation art, photography, printmaking and mixed media, the exhibition formed part of the Ministry's broader efforts to support Emirati artists and strengthen the UAE's cultural and creative sector.

Ragheb Alama partnered with **MusicNation** on May 11, 2026, giving the UAE-based collective management organization responsibility for globally managing the public performance, mechanical and related rights to his music catalog. The agreement covers licensing, royalty collection and distribution for **Alama**'s musical works, recordings and performances, spanning a career of more than four decades. Through partnerships with **Broadcast Music Inc. (BMI)** and **SoundExchange**, **MusicNation** will track the international use of his catalog and manage royalty payments, supporting its broader effort to strengthen rights protection and compensation for artists from the region.

Dubai Humanitarian held its annual Members' Global Meeting on May 13, 2026, bringing together more than 80 members alongside government, private-sector, international and academic representatives to discuss humanitarian resilience and future priorities. Participants included representatives from **Dubai Customs**, **Emirates**, **ACS** and **UNHCR**, with discussions focusing on stronger humanitarian supply chains, collaboration and faster aid delivery. The meeting also recognized four member projects for their impact in healthcare, food security, recycling and education, and highlighted **Dubai Humanitarian**'s collaboration with the **American University in Dubai** to support future humanitarian leaders.

Arlend Gjoni, Co-Founder of **Prepaire Labs**, argues that resilience

is becoming an increasingly important investment priority as healthcare, technology and global risks become more interconnected. Growing attention is being directed toward biosecurity, Emergency Response Systems, predictive technologies and infrastructure capable of maintaining operations during crises. **Gjoni** argues that organizations and governments need to invest in preparedness before disruptions occur, positioning resilience as long-term infrastructure rather than simply a crisis-response cost.

Dr. Alina Mugnani Deza of **Barraquer Eye Hospital** highlights the relationship between prolonged online schooling, children's mental well-being and eye health. Extended screen exposure, reduced outdoor activity, stress and disrupted sleep can contribute to eye strain and potentially accelerate myopia, while vision problems can in turn affect concentration and increase anxiety. **Barraquer Eye Hospital** recommends one to two hours of outdoor activity daily, regular screen breaks using the 20-20-20 rule, appropriate study environments and routine eye examinations to protect children's long-term visual health.

New research from **Checkout.com** shows that digital commerce in MENA is increasingly shaped by demand for seamless payments combined with strong security. According to its 2026 report, 97% of consumers value "invisible" payments, while 62% consider a safe and secure payment process the most important factor in online shopping. AI is also gaining ground, with 50% of consumers willing to let AI agents shop on their behalf, although 55% cite privacy as a key barrier. Meanwhile, 45% now shop online at least weekly, and **Checkout.com** recorded a 62% year-on-year increase in MENA processing volume, highlighting the region's continued shift toward digital-first commerce.

Victory Saudi celebrated its tenth anniversary in Saudi Arabia on June 8, 2026, marking a decade since entering the market in 2016. The company has grown to become one of the top five best-selling light commercial vehicle brands in the Kingdom. During the anniversary, **Victory Motors** highlighted the launch of its 2 Ton Diesel Truck, developed specifically for Saudi road, climate and customer requirements, with additional market-specific models planned.

MusicNation became the first Middle Eastern signatory to the **Human Artistry Campaign** on June 25, 2026, joining a global alliance of more than 200 organizations advocating responsible use of AI in creative industries. The campaign promotes consent, transparency and licensing while protecting creators against unauthorized use of their work, voices, images and likenesses, including through deepfakes and voice cloning. **MusicNation** joins existing campaign members **BMI** and **SoundExchange** as debate intensifies over AI, copyright and creator rights.

Dubai Humanitarian, working with the **World Health Organization (WHO)**, airlifted 20 metric tonnes of medical supplies on June 8, 2026 to support the response to an Ebola outbreak in eastern Democratic Republic of the Congo. The shipment, transported via Uganda, includes protective equipment, disinfectants, tents, thermometers and other essential supplies and is expected to support hundreds of patients over four weeks and approximately 280 healthcare facilities. The operation was supported by **Dubai Humanitarian**'s Global Humanitarian Impact Fund and **Dubai Royal Air Wing.**

Business, HR and learning leaders at **L&D Hub 2026** in Cairo on June 14 discussed how continuous learning and human capital development are becoming strategic investments rather than standalone training activities. Speakers from **Madinet Masr**, **ESLSCA University**, **SAP**, **Aspire Consulting International** and **Savola Foods Egypt** highlighted the need to connect employee development with business performance, while AI and digital transformation are accelerating demand for reskilling. The discussion also emphasized closer cooperation between universities and businesses to equip employees and graduates with skills aligned with changing labour-market needs.

Puri Pharmacy partnered with **Aide Health** on June 30, 2026 to introduce AI-powered support for patients using medicated weight-loss services. Patients will receive personalized digital guidance, educational information, monitoring tools and medication reminders between appointments, alongside existing face-to-face clinical care. The initiative is intended to improve treatment engagement and long-term outcomes and is planned to expand beyond weight management into chronic conditions including COPD, obesity and hypertension.

The **LAU Mobile Clinic** joined Lebanon's **Ministry of Public Health** and **World Health Organization (WHO)** for World No Tobacco Day on June 1, 2026, providing preventive screenings and raising awareness of tobacco-related health risks. Working with **LAU Medical Center–Rizk Hospital** and **Saint John's Hospital**, the team provided services including glucose and blood testing, ECGs and, for the first time, pulmonary function testing. A total of 38 patients were seen and 25 pulmonary function tests were conducted during what marked the mobile clinic's 245th mission.

Suyool is expanding its role in Lebanon from a digital wallet into a

broader financial platform as consumers and businesses seek alternatives following the country's banking crisis. Its services now include payments, international transfers, payroll, employee benefits, loyalty rewards and alternative cash-access options, including pickup and home delivery introduced during periods when ATMs were difficult to access. The company sees trust, reliable access to funds and regulatory clarity as central to fintech adoption and is considering regional expansion into markets with large underbanked populations and growing demand for digital financial services.

Research presented by **Archers Valuation & Advisory** on June 22, 2026 found that investors and lenders in the UAE are placing greater emphasis on asset quality, refinancing exposure and execution risk as geopolitical, economic and financing conditions evolve. Two briefing papers presented at the Annual Financial Restructuring Conference highlighted growing demand for independent valuation and technical due diligence in refinancing, restructuring, acquisitions and complex real-estate transactions. Investors are also increasingly assessing operational resilience, future capital expenditure, regulatory risks, ESG considerations and long-term asset performance.

A **Visa** study released on June 9, 2026 found that 91% of consumers surveyed in Egypt have used AI to assist with shopping and 97% believe AI-powered technologies make online shopping faster and easier. However, only 38% currently trust AI agents to complete checkout. Social commerce is also widespread, with 85% having purchased directly through social media, while 36% experienced a financial scam in the previous 12 months. Among scam victims, 46% encountered the fraud on social media, highlighting the continuing importance of trust and fraud protection as digital commerce expands.

Dubai Airports received two honours at the Ideas Arabia International Award 2025–2026 on June 16, recognizing its use of digital technology and AI in health and safety and its work on accessible travel. Its safety initiative uses a fully digitized risk-management system alongside AI-enabled refresher training and virtual reality learning. The accessibility award recognized the DXB for All pledge, developed with the People of Determination community, as **Dubai Airports** works toward making Dubai International the world's most accessible airport by 2035.

Kia Corporation's Vision Meta Turismo won a 2026 **Red Dot Award: Design Concept** in the Cars and Motorcycles category. The futuristic electric sports sedan, which debuted at Milan Design Week, combines performance, digital interaction and lounge-style comfort, including three configurable driving modes: Speedster, Dreamer and Gamer. The award continues **Kia**'s recent Red Dot success, following five concept awards in 2025 and previous "Best of the Best" wins for the EV6, EV9, EV3 and EV4 between 2022 and 2026.

The **Baalbeck International Festival** and **UNESCO** launched the **Empowering Women in Baalbeck Festival project** in 2025, providing women and girls in Lebanon with arts education, practical training, mentorship and professional development. Implemented from May to September 2025, the initiative involved women in festival production, management, costume design, visual arts and exhibitions. Lessons from the project contributed to a new Gender-Responsive Strategic Framework for Culture Management, designed to increase women's participation and leadership across Lebanon's cultural sector.

Life for Relief and Development (LIFE) called for greater investment in youth skills on World Youth Skills Day, highlighting that more than 100 million people aged 15–24 live across the Arab world, representing over 32% of the region's population, while youth unemployment stands at approximately 30.6%. **LIFE**, which has worked in humanitarian development for 33 years and operates 14 international offices, says training and volunteering can strengthen young people's leadership, communication, digital and emergency-response skills. In Lebanon, the organization plans to expand training, youth-led initiatives and partnerships with universities and local institutions.

The **Talal and Madiha Zein AUB Innovation Park (Zein AUB iPark)** and **Impersonas** co-hosted Scale Beirut '26 during New York Tech Week, connecting Lebanese entrepreneurs with international investors and business leaders. The New York event attracted 178 registered attendees from 10 countries, including more than 16 investors and capital allocators and over 50 founders and CEOs. Discussions

focused on Lebanon's diaspora, entrepreneurial adaptability, talent and institutional support as advantages for Lebanese startups seeking international capital and growth.

Novo Nordisk appointed **Venkat Kalyan** as General Manager of **Novo Nordisk Gulf** on July 21, 2026, overseeing operations in the UAE, Qatar, Kuwait, Bahrain, Oman and Yemen. **Kalyan** brings nearly 30 years of pharmaceutical and healthcare experience, including 18 years at **Novo Nordisk**, and will focus on healthcare partnerships, innovation and outcomes for patients with chronic diseases.

The **Global Health Institute at the American University of Beirut (AUB)** launched its Global Health Diplomacy and Security Program on July 9, 2026, focusing on research, dialogue and capacity building at the intersection of health, diplomacy and security. The launch brought together government officials, diplomats, policymakers, academics and health leaders, including Lebanon's Health Minister **Rakan Nassereddine**, **AUB** President **Fadlo Khuri**, **GHI** founding director **Shadi Saleh** and **WHO** Regional Director **Hanan Balkhy**. The program aims to strengthen evidence-based policymaking and regional cooperation on challenges including health inequalities, AI and future epidemics.

Visa, in collaboration with **Commercial International Bank (CIB)** and **Shark Tank Egypt**, announced the winners of the fourth She's Next program in Egypt on July 28, 2026, supporting women entrepreneurs with funding, mentorship and business development opportunities. More than 2,500 women-led businesses participated, with nine finalists selected. **PraxiLabs**, an immersive science education platform, took first place, followed by **Up-Fuse**, which transforms plastic waste into sustainable products, and **Kennah**, a home-furnishing platform. The three winners received a combined USD 45,000 in funding. Since 2020, **Visa** has invested more than USD 3.8 million globally in initiatives supporting women entrepreneurs and SMEs.

CFI Financial Group reported its strongest first half on record, with trading volume reaching USD 5.34 trillion in H1 2026. Q2 volume reached USD 3.03 trillion, up 31% from Q1 and 101% year-on-year, while active clients increased 8.4% and more than 42.47 million trades were executed, up 74% year-on-year. **CFI** also secured regulatory authorization in Brazil and expanded its offerings in the UAE and Bahrain.

KamelPay partnered with **Paymentology** on July 21, 2026 to support the launch of AbsoluteCard, a corporate payments platform for UAE businesses. Powered by **Paymentology**'s cloud-based infrastructure, AbsoluteCard offers physical and virtual corporate cards, real-time spending controls and expense management through three tailored offerings. **KamelPay**has also received In-Principle Approval from the **Central Bank of the UAE** for Stored Value Facilities and Retail Payment Services.

Malaysia retained its position as the world's No. 1 Muslim-friendly destination in the **Mastercard-CrescentRating Global Muslim Travel Index 2025**. **Tourism Malaysia** is promoting the country to GCC travellers through its halal-friendly infrastructure and a series of 2026 cultural events, including the Pesta Nukenan in Sarawak from July 24–26 and George Town Festival in Penang from August 2–10. During Citrawarna 2026, held July 24–26, more than 40 hotels and accommodation providers are also offering special promotions, with bookings available from mid-July to mid-August 2026.

Nissan reported a return to profitability in the first quarter of fiscal 2026, with operating profit reaching ¥77.9 billion, an improvement of ¥157 billion year-on-year, while net income rose to ¥3.8 billion. Revenue increased to ¥2.964 trillion on global sales of 701,000 vehicles, supported by cost reductions that generated around ¥60 billion in savings. **Nissan**maintained its full-year operating profit outlook but lowered its sales forecast from 3.3 million to 3.15 million vehicles, mainly due to challenging conditions in China.

Beirut will host "Angham Wa Aflam" at **MusicHall Beirut** on September 24, 2026, celebrating the golden age of Arab cinema and tarab through live music and visual storytelling. Led by Maestro **Harout Fazlian**, the production brings together 24 musicians from the **Lebanese National Orchestra for Oriental-Arabic Music** and singers **Cindy Latty**, **Alia Nada**, **Peter Joseph** and **Mohammad Ali**. The programme reinterprets works associated with artists including **Abdel Halim Hafez**, **Farid Al Atrache**, **Sabah** and **Shadia** through new orchestral arrangements.

Dubai Humanitarian marked World Humanitarian Day on August 19, 2026 with **UN OCHA**, the **UN Resident Coordinator Office in the UAE** and humanitarian partners. The gathering focused on the risks, resilience and collaboration involved in delivering aid during increasingly complex crises, while also remembering humanitarian workers who have lost their lives. A panel brought together representatives from the **International Committee of the Red Cross**, **Mohammed Bin Rashid Al Maktoum Global Initiatives** and **UN World Food Programme**, among

others, to discuss the people behind humanitarian response and the role of storytelling in raising awareness.

Genetec highlighted the growing cybersecurity and governance risks associated with access-control systems as Middle Eastern organizations expand across multiple locations and increasingly connect physical security with corporate networks and identity platforms. The company argues that access control can no longer be treated solely as door management, as credentials, controllers and management software can create both physical and digital vulnerabilities. Standardized policies, stronger oversight of permissions and closer cooperation between IT, security, compliance and risk teams are becoming increasingly important as smart cities and critical infrastructure expand across the region.

Digital health and AI will be central themes at the **Global Health Exhibition 2026**, taking place in Riyadh from October 26–29 as Saudi Arabia accelerates healthcare digitalization under Vision 2030. More than 2,200 exhibiting brands from 46 countries will participate, while over 120 international experts will discuss AI, connected care, digital infrastructure, interoperability and data governance. Saudi Arabia's digital health market is projected to reach USD 11.07 billion by 2033, with the exhibition also introducing live demonstrations and startup pitches focused on practical healthcare technologies.

Longevium is building a Longevity AI Research Laboratory at **Dubai Science Park**, scheduled to open in Q4 2026 following a USD 7 million investment round. The research facility will combine clinical data, AI and biomedical research to develop technologies for biological-age assessment, digital twins, early disease detection, regenerative medicine and personalized healthspan extension. Planned research also includes robotic diagnostics, smart wearables and AI models that combine biomarkers, imaging, body composition and wearable-device data to assess biological aging.

Bawabat Al Sharq Mall will hold its 2026 back-to-school programme from August 21–30 in Abu Dhabi under the theme "Big Dreams Take Flight." The family-focused event features a giant hot-air-balloon installation, interactive games and an arts and crafts area designed around creativity, exploration and play. The programme runs daily from 4 PM to 10 PM alongside back-to-school shopping across more than 350 local and international brands.

Exits MENA, together with the existing local management of **Avanz Capital Egypt (ACE)**, signed a multi-seven-figure agreement on August 18, 2026 to fully acquire the Egyptian private equity and asset management firm, subject to regulatory approvals. **ACE** is expected to transition into **Exits Manara**, adding private equity and asset management capabilities to the group while retaining its existing management team, led by **Haytham Wagih**. The transaction has received initial approval from Egypt's **Financial Regulatory Authority** and is intended to create a broader investment platform serving investors, startups and SMEs.

Qi used its participation at **Money20/20 Europe 2026** in Amsterdam to showcase Iraq's expanding digital financial infrastructure and explore international partnerships in AI, digital identity, embedded finance, cross-border trade and merchant services. The platform now serves more than 22 million users, has issued over 25 million payment cards and connects more than 160,000 merchants across Iraq. Discussions at the event also focused on using AI to strengthen fraud detection, compliance and automated financial services as Iraq becomes increasingly integrated into the global digital economy.

Boursa Kuwait reported net profit of KD 13.74 million for the first half of 2026, alongside operating revenue of KD 23.39 million and operating profit of KD 17.11 million. The year-on-year decline in net profit narrowed from 24.59% in Q1 to 9.09% for the first half as performance recovered during the second quarter despite regional geopolitical tensions. Total trading value reached KD 9.82 billion, with institutional investors accounting for 70.08% of activity and international investors for 18.79%, while the All-Share Total Return Index gained 0.2%.

AUB Press participated in the 35th Abu Dhabi International Book Fair and the fifth Congress of Arabic and Creative Industries in September 2026, strengthening its collaboration with the **Abu Dhabi Arabic Language Centre**. The book fair brought together 1,200 exhibitors from 95 countries and hosted around 1,500 events, while the congress explored Arabic as a foundation for knowledge, technology,

creative industries and economic growth. **AUB** representatives also joined a record-setting book club session on September 21 involving readers from 69 nationalities, with further joint publications and events planned in Beirut and Abu Dhabi.

A new **UNICEF** assessment found that four in five households in Lebanon are struggling to afford basic necessities as conflict and economic pressures deepen hardship for children. Some 22% of households reported children going to bed hungry, 31% said children had gone without needed healthcare and 14% reported at least one child working. Since March 2, 2026, at least 261 children have been killed and 1,056 injured, while 436 schools have been damaged or destroyed and an estimated 770,000 children have experienced psychological distress over the past six months.

Space42 subsidiary **Mira Aerospace** and **Telespazio Ibérica** began a wildfire-monitoring mission in Spain using the solar-powered ApusNeo18 High Altitude Platform System. Its first flight remained airborne for 29 hours, reached approximately 16,000 feet and transmitted live high-resolution video and imagery, setting two European HAPS flight records. Further flights are planned during October as Spain faces a severe 2026 wildfire season, with more than 265,635 hectares of forest affected and 42 large fires recorded by August 17.

IRCAD Liban at **Hôpital Français du Levant** hosted more than 200 physicians, surgeons, students and healthcare professionals for an event demonstrating advances in robotic surgery. The programme featured what organizers described as a first in Lebanon, and potentially the Near East: robotic thoracic surgery and robot-guided interventional bronchoscopy, including a live procedure performed by **Professor Jalal Assouad**. **Dr. Antoine Maalouf** also announced plans to expand robotic surgery in Lebanon into cardiac, ENT and gynecologic oncology procedures.

Surgeon and healthcare technology specialist **Professor Shafi Ahmed** launched **Surgeon.AI** on September 7, 2026, an AI-powered education and career-development platform designed to support surgeons throughout their professional lives. Its AI companion ELLA provides personalized learning, while the Surgical Acumen Index tracks development across six areas including clinical reasoning, decision-making and operative understanding. Initially focused on surgical trainees and examination preparation, the platform plans to expand across specialties, training systems and countries to make personalized surgical education more widely accessible.

Kettaneh Mobility officially introduced the **212** off-road brand to Lebanon in September 2026 with a driving event in Laklouk featuring the 212 T01. The SUV combines a 2.0-litre turbocharged engine producing 248 HP and 410 Nm of torque with four-wheel drive, an eight-speed automatic transmission and eight driving modes. Three versions will be offered in Lebanon, starting at USD 36,900 excluding VAT and registration, with a five-year or 150,000-km warranty and a dedicated showroom opening in Dbayeh.

Lebanon Agrifood Innovation Cluster and **Spinneys** hosted the three-day Roots of Innovation event in Antelias from September 17–19, connecting Lebanese agrifood entrepreneurs and producers directly with consumers, retailers and potential partners. Participants presented market-ready products, received feedback from consumers and held B2B meetings with **Spinneys** category managers to explore retail opportunities. The initiative focused on helping Lebanese food innovations move from product development into commercial markets while strengthening cooperation between entrepreneurs, retailers, policymakers and investors.

Tawfeer International converted its Abbassieh branch into a **Tawfeer MAX** store on September 7, 2026, expanding its hyperdiscounter model as Lebanese households and businesses face continued pressure from inflation and rising prices. The format uses three pricing levels under a "Buy More, Pay Less" model, lowering the unit price as customers purchase larger quantities and targeting households as well as small businesses and restaurants. Two additional store conversions are in the pipeline, with broader expansion planned for 2027.

mylo partnered with **AXA Egypt** on September 23, 2026 to provide eligible customers with credit life insurance at no additional cost. The coverage will settle outstanding financing balances in the event of death or permanent total disability, helping prevent remaining obligations from being transferred to customers' families. The insurance applies to eligible existing and new customers without increasing installments and, within agreed limits, does not require a medical examination or health declaration.

Credit Libanais and Lebanon's **Ministry of Finance** introduced card and QR-code payments for government fees and taxes at seven Ministry centers on September 21, 2026, reducing the need for cash transactions. POS terminals are now available in Adlieh, Baabda, Jbeil, Jdeideh, Jounieh, Tripoli and Baalbek, allowing payments in Lebanese pounds or U.S. dollars. The initiative forms part of Lebanon's wider push toward digital government payments and more efficient collection of public revenues.

Breaking point

BY FIRASS ABIAD

LEBANON'S RECOVERY MUST INCLUDE MENTAL HEALTH

During the 2024 war, as I toured shelters for people displaced from their homes, I asked them about their needs. Many families had fled so quickly that they had left their regular medications behind. We expected requests for medicines for diabetes, hypertension and other chronic illnesses. Yet magnesium supplements were repeatedly among their main requests. People sought them to calm their anxiety and sleep better. In those difficult circumstances, many were thinking more about their mental health than their physical health.

On September 10, Lebanon marked the designation of a National Day for Suicide Prevention and Mental Health Awareness at the Grand Serail. Organized by the Ministry of Public Health's National Mental Health Programme, with Embrace and ABAAD, under the Prime Minister's patronage, the event brought an issue so often surrounded by silence into the seat of government. The message was clear: mental health is a public responsibility. Yet it remains to be seen whether that responsibility will be reflected in services people can reach and afford, and funding that allows their care to continue.

War, with its casualties and displacement, has compounded the effects of economic collapse, the pandemic and the blast. For many families, insecurity and uncertainty have become daily conditions, shaping their livelihoods, relationships and hopes for the future.

A nationwide survey of 1,000 Lebanese adults conducted in 2022 found that almost half of the participants screened positive for probable depression. More recently, the National Lifeline, which offers emotional support, assesses suicide risk and connects callers with appropriate services, reported a 60 percent increase in calls during the first five months of 2026 compared with the same period in 2025. This growing demand means more calls to answer and more people to support.

The toll on healthcare workers deserves particular attention. During the pandemic, they cared for patients while risking infection and fearing for their families. During the war, hospitals, ambulances and healthcare personnel came under attack. They treated the injured while facing danger, bereavement and exhaustion themselves. Financial hardship and insecurity also drove many professionals abroad, increasing the burden on those remaining. Dedicated helplines and psychological support offered assistance, but their needs extend to safety, adequate rest, fair remuneration and confidential care. When healers themselves need help, how can we expect them to keep caring for others without supporting them too?

Lebanon has, however, built foundations on which we can act. At Rafik Hariri University Hospital, our partnership with the National Mental Health Programme and local and international organizations helped integrate mental health services within a public hospital. Linking primary care, community services and hospital treatment offered a model for other public hospitals. Nationally, the programme has worked persistently with partners to integrate mental health into primary healthcare, train providers and expand access, in line with the National Health Strategy, Vision 2030, and the National Mental Health Strategy 2024–2030. Step-by-Step, a free, guided digital intervention for depression developed with WHO, earned the Ministry a 2023 UN Interagency Task Force award, recognized at the strategy's launch in 2024.

Yet the financing needed to sustain this progress remains uncertain. Much of this work has depended on external support. As humanitarian and development funding contracts internationally, reliance on successive grants leaves programmes exposed. People need confidence that care will continue after emergency appeals end or international attention moves elsewhere. Predictable domestic financing is therefore essential alongside continued international solidarity. Lebanon should progressively fund the programme's core functions and include essential mental health services in publicly financed care packages. Partners should support this transition through coordinated, multi-year commitments, helping ensure that services remain available as national responsibility grows.

We often celebrate the resilience of the Lebanese people. I have witnessed it in patients, families and healthcare workers under extraordinary pressure. But endurance has a cost, and it should never become an excuse to postpone support. The people asking for magnesium in those shelters were expressing a need we could not afford to overlook. The commitment made at the Serail must reach them and the many others carrying the psychological burden of these years. Rebuilding Lebanon must include helping its people recover.

Dr. Firas Abiad served as Lebanon's Minister of Public Health from 2021-2025



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