

Comments on Lebanon's economy in The National, 24 Sep 2024

Dr. Nasser Saidi's comments on the Lebanese economy given the escalating conflict appeared in an article in The National titled "[Lebanon's economy may shrink by up to 25% in 2024 as war intensifies](#)" published on 24th September 2024.

The comments are posted below.

Nasser Saidi, a former economy minister and vice governor of Lebanon's central bank, told The National a widening of conflict to include a ground attack would be devastating, including through further loss of GDP, exports, remittance, inflow of foreign direct investment, and emigration.

"A further escalation into a wider war, with strikes and destroyed infrastructure, could see the economy contract by up to 25 per cent in 2024," he said.

"War could also result in an interruption of remittances, increasingly in cash, which has been a major source of income for the impoverished population – remittances represent about 30 per cent of GDP – and of the foreign exchange required to pay for imports."

Foreign trade, and travel and tourism will be directly affected, as will power, transport and a retail sector already hit by low purchasing power, he added.

"Destruction of farmland will have a near permanent impact on the agricultural sector, much of which is based in the south and the Bekaa, and its exports, the main source of income for the inhabitants of the south," Mr Saidi said.

Additionally, severe damage to medical facilities and buildings, water and waste infrastructure, and closure of

schools will have “longer-term implications” for health, sanitation and education in what is already one of the poorer regions of Lebanon, he added.

“Apart from the south and the Bekaa, the immediate impact will be felt on everyday activity – lower consumption – and tourism and its direct receipts: this will have a major impact on an economy that is already reeling from a severe economic and political crisis,” he said.