Panelist at the IMF Regional Economic Outlook Middle East & Central Asia Report Launch in Dubai, 21 Oct 2025

Dr. Nasser Saidi participated in the panel discussion during the launch of the IMF Regional Economic Outlook (REO) report held in Dubai on Oct 21st, 2025.

Despite rising global policy uncertainty, economies in the Middle East and North Africa have demonstrated resilience this year, driven by increased oil production, lower energy prices, strong remittances and tourism inflows, and supportive global financial conditions. Can this resilience be maintained? What risks remain and how can MENA policymakers best navigate them? What new opportunities might emerge for the region in a rapidly shifting global economy?

The insightful discussion titled “Resilience Amid Uncertainty: Will it Last” delves into these critical issues highlighted in the IMF’s Regional Economic Outlook: Middle East and Central Asia issued in Oct 2025.

Watch the discussion below:

Interview with BBC's World Business Report on World Bank's $250mn funding to Lebanon, 26 Jun 2025

In an interview with BBC's World Business Report, Dr. Nasser Saidi discussed Lebanon's immense reconstruction and redevelopment needs following the war between Israel and Hizbollah and the devastation of infrastructure, housing, agriculture, businesses and mass population displacement, adding to more than a decade of an absence of investments in infrastructure and public utilities and services.

Key points from the discussion below:

The World Bank recently approved a USD 250mn loan to launch a broader USD 1bn recovery and reconstruction initiative called the Lebanon Emergency Assistance Project – while a positive step, the amount is a drop in the ocean compared to what is required for reconstruction & redevelopment in Lebanon. The World Bank satellite-based estimates of reconstruction requirements of about $11bn have to be complemented by in-depth field estimates. Israel's use of bunker buster bombs can have an impact destructive radius of up to 200m in urban areas.

Well-aware of the problems needed to be sorted out domestically, from economic policy and structural reforms to combating endemic corruption & the need for accountability and transparency. Reconstructing and redevelopment investments need to go in tandem with the other reforms. But it is a bit like the chicken & egg problem. If we don't have reconstruction, then poverty will grow & displacement and migration will continue, eventually leading to greater socioeconomic and political instability.

I am an advocate of creating an international reconstruction fund (funding that comes mostly as grants rather than debt which cannot be sustained and serviced) to support LB with the strong backing and engagement of the GCC countries. A comprehensive package is required that includes a build up military, security assets and capability and political assistance to provide security and stability. This will be a massive support for the country that has seen a new boost in confidence with the new President Aoun, PM Salam & government – promising a strong willingness to reform, a break from the ineffective governments since the onset of crises in 2019.

Listen to the interview (Dr. Saidi joins from the 7:00 minute mark in the link below)

https://www.bbc.co.uk/sounds/play/w3ct75vh

Comments on “Can Lebanon’s new central bank governor break the cycle of economic crisis?” in Arab News, 31 Mar 2025

Dr. Nasser Saidi’s comments appeared in an Arab News article titled “Can Lebanon’s new central bank governor break the cycle of economic crisis?” published on 31st March 2025.

The comments are posted below.

Echoing the prime minister's apprehensions is Nasser Saidi, a former Lebanese economy minister and central bank vice governor, who raised concerns about the selection process for the new central bank chief, warning that powerful interest groups may have too much influence.

He told the Financial Times that the decision carried serious consequences for Lebanon's economic future, saying that one of Souaid's biggest challenges will be convincing the world to trust the nation's banking system enough to risk investing in its recovery.

"The stakes are too high: You cannot have the same people responsible for the biggest crisis Lebanon has ever been through also trying to restructure the banking sector," said Saidi, who served as first vice governor of the Banque du Liban for two consecutive terms.

"How are we going to convince the rest of the world that it can trust Lebanon's banking system, and provide the country with the funding it needs to rebuild (after the war)?"

Lebanese economist Saidi said that the IMF "quite correctly and wisely" demanded comprehensive economic reforms.

In a March 14 interview with BBC's "World Business Report," he said that the government must address fiscal and debt sustainability, restructure public debt, and overhaul the banking and financial sector.

But hurdles remain. Saidi added that while Lebanon "has a government today that I think is willing to undertake reforms, that does not mean that parliament will go along."

Lebanon also needs political and judicial reform, including an "independent judiciary," he added.

Nevertheless, Saidi told the BBC that Lebanon, for the first time, has "a team that inspires confidence" and has formed a cabinet that secured parliament's backing. Despite this positive step, Lebanon must still address structural failures in its public institutions, rooted in decades of opacity, fragmented authority and weak accountability.

Saidi highlighted the broader challenges Lebanon faces, cautioning that without financing for reconstruction, achieving socioeconomic and political stability will remain elusive.

"If you don't have financing for reconstruction, you're not going to have socioeconomic stability, let alone political stability," he said.

"There has to be a willingness by all parties to go along with the reforms," he added, highlighting that this is where external support is crucial, particularly from Saudi Arabia, the UAE, France, Europe and the US. Saidi said that support must go beyond helping bring the new government to power – it must include assistance, especially in terms of security.

Interview with Al Arabiya (Arabic) on optimism in

Lebanon's following election of new leaders, 15 Jan 2025

In this TV interview with Al Arabiya aired on 15th January 2025, Dr. Nasser Saidi highlights the historic opportunity for Lebanon following the selection of Joseph Aoun as President & Nawaf Salam as Prime Minister.

Watch the TV interview via this [link]()

هل يعود المستثمرون إلى لبنان بعد تولي الرئيس عون؟

قال رئيس شركة ناصر السعيدي وشركاؤه، الدكتور ناصر السعيدي، إن لبنان أمام فرصة تاريخية بعد انتخاب الرئيس جوزيف عون وتسمية نواف سلام رئيسا للحكومة، وهو ما يمثل انطلاقة جديدة للبنان، مشيراً إلى أهمية اتفاق الطائف التي أوقف سنوات من الحروب في لبنان.

وأضاف السعيدي، أن الظروف الإقليمية تغيرت وتسمح لتغير وتحول كبير في لبنان، مع العمل على إعادة بناء المؤسسات والدولة وإعادة القانون، ما سيمثل انطلاقة كبيرة تعطي ثقة للمجتمع الدولي مع تدخل ودعم من دول الخليج لا سيما من السعودية وهو ما يعطي تفاؤلا لعودة المستثمرين إلى لبنان.

“A roadmap for a new Syria”, Op-ed in Arabian Gulf Business Insight (AGBI), 7 Jan 2025

The opinion piece titled “A roadmap for a new Syria” was published in Arabian Gulf Business Insight (AGBI) on 7th January 2025.

A version of this article, titled “Whither the new Syria?“, was published in Afkar (managed by the Middle East Council on Global Affairs).

A roadmap for a new Syria

The challenges are daunting and the stakes are high

History was made in Syria last month, and seismic shocks are reverberating across the region.

First, we are witnessing the final convulsion after almost 110 years of the Sykes-Picot treaty, the secret agreement between Great Britain and France in 1916 that divided the post-First World War Ottoman Empire into “spheres of influence”, the “peace to end all peace”, as the historian David Fromkin called it.

It is ironic that the modern representatives of those bygone treaty powers, Great Britain and France, have just attended a meeting with Turkey (itself the heir of the dismembered Ottoman Empire) along with the US, Germany and Arab countries to decide on the future of Syria and a new regional map.

Second, the “Axis of Resistance”, encompassing Iranian ambitions and attempted extension of power, which has resulted in an economic and financial disaster for all the countries involved, is waning.

Third, the collapse of the Bashar Al-Assad regime ends the last vestige of socialist, controlled-economy models in the Arab world. These have failed to generate economic growth and development and have created fragile, vulnerable countries.

Fourth, the Assads’ despotic regime violently suppressed political reform at the onset of the Arab Spring. Instead, a cycle of violence and destruction was unleashed, institutions were destroyed, corruption and extremism became pervasive, and another failed state on the Mediterranean was created.

Can a new Syria emerge from the ashes of collapse? The challenges are daunting.

Over the period 2010 to 2023, Syria’s real GDP contracted by an impoverishing 84 percent across all sectors, the World Bank’s Syria Economic Monitor shows.

This was caused by the destruction of infrastructure, drought, population displacement, macroeconomic instability, collapse of investment and trade – exports fell to $1 billion in 2023 from $8.8 billion in 2010 – and growing international isolation.

By 2023 the Syrian pound had collapsed 300-fold in 12 years, plunging from SYP47 to the dollar in 2011 to more than SYP14,000 per greenback.

The sharp contraction of GDP during the civil war accelerated after the imposition of the Caesar Act, through which the US imposed sanctions on the Assad regime in 2019. International sanctions and currency depreciation followed, causing inflation to surge to 115 percent in 2023.

With growing isolation and an absence of political and economic reform, Syria became increasingly dependent on Iran.

An expanding informal economy, driven by smuggling and the drug trade, primarily fenethylline, the amphetamine-like illegal stimulant better known as Captagon, generated an estimated $10 billion annually, mostly controlled by the security services and Assad allies.

How to build a new Syria

Where are the building blocks for a new Syria? An integrated transition is required.

First, a cessation of violence and restoration of security must ensure Syria's territorial integrity and guarantee political pluralism including all ethnic and religious groups. These are critical elements in a transition to democratic governance, grounded in structural political, economic and social reform.

This requires a new constitution, elections and a new government to sweep away Baath Party institutions and heal the wounds of the nation through a "truth and reconciliation" body.

Second, humanitarian aid is a priority, along with the set-up of a fund to enable the return and resettlement of the 7.2 million internally-displaced people and the more than 6 million refugees.

Third, estimates of the cost of Syria's reconstruction and redevelopment range from $400 billion to $600 billion. This is needed to rebuild infrastructure, given the destruction of much of Syria’s health, education, water, transport and energy systems.

Syria’s cities, including Aleppo, Homs, Hama, Daraya, and Deir El Zor, have been subject to systematic urbicide. An international reconstruction and redevelopment package of aid and grants will be required.

Debt accumulated by the Assad regime should be written off and international sanctions removed. Syria’s substantial natural resources in oil and gas, and phosphates, and the pipeline infrastructure linking Syria to the GCC can be harnessed to attract reconstruction finance.

Private sector

Fourth, building a modern Syria means dismantling the control economy along with corrupt, politically controlled, state-owned enterprises and government-related entities, allowing a resurgence of the private sector.

This will require a restructuring of institutions, with reform of economic and social policies to attract domestic and foreign – including expatriate – capital.

Fifth, reconstruction and redevelopment will require the reintegration of Syria into the GCC, the Arab world and the international economy.

A new Syria will have to be rebuilt from its foundations to undo 61 years of destruction, de-development, despotic rule, endemic corruption, and misgovernment.

Failure to ensure an integrated transition encompassing the political, security, social and economic dimensions of a new Syria has the potential to destabilise the whole region. The stakes go beyond Syria.

Interview with CGTN Europe on the ceasefire in Lebanon, 27 Nov 2024

In this TV interview with CGTN Europe’s The World Today program, aired on 27th Nov 2024, Dr. Nasser Saidi spoke about the ceasefire in Lebanon. While there is a lot of euphoria at the announcement, more importantly, the 60 day ceasefire period is fraught with security and political risks and uncertainties. Focus has to turn to attracting aid commitments & start reconstruction. For that, need to urgently elect a new president & form a credible national emergency government able to garner regional and international support and confidence and undertake long-delayed structural reforms.

“Trump must focus on rebuilding a war-torn Middle East”, Op-ed in Arabian Gulf Business Insight (AGBI), 20 Nov 2024

The opinion piece titled “Trump must focus on rebuilding a war-torn Middle East” was published in Arabian Gulf Business Insight (AGBI) on 20th Nov 2024.

Trump must focus on rebuilding a war-torn Middle East

It is imperative that the US addresses reconstruction in the region

US President-elect Donald Trump has become the first Republican candidate in 20 years to win the popular vote.

His historic win hands him control of the Senate, Congress and the Republican party, along with a strongly conservative-leaning Supreme Court. How will this power be deployed?

If we take Trump's election rhetoric literally, his "Maganomics" agenda will be top priority. Domestic policy will centre around protectionism, deregulation, deportation of irregular immigrants, tax cuts, a roll back of climate-related commitments, and a move to oil and gas enabled "energy dominance".

Trump has said he will impose tariffs of 20 percent across the board and 60 percent on China, along with trade restrictions. Should these tariffs be realised, GCC oil and gas, aluminium and steel exports would suffer.

Maganomics policies are also likely to stoke inflation, suppressing the Fed's ability to lower interest rates aggressively in 2025. Higher rates will negatively constrain new borrowing and financing plans for both households and businesses.

In a context of absent social safety nets or tax credits, higher inflation will disproportionately impact low-income households, further raising inequality.

Investors should also be concerned about fiscal costs. US public debt already exceeds 120 percent of GDP, and the Penn Wharton Budget Model estimates that Trump’s plans will raise US deficits by $5.8 trillion over the next decade – equivalent to wartime deficits in a full employment scenario. Beware, the US is overheating!

Trump has a unique opportunity to work towards ending the Israel-Gaza and Lebanon conflicts

The bottom line is that Trump’s America First policies set the stage for global supply-chain disruptions and trade tensions with China, Mexico, Canada, and the EU.

These policies will also put pressure on Nato members to boost defence spending. Without a shift away from these stances, the global economy is vulnerable to further geo-economic fragmentation.

A Trump Ukraine plan?

Three major geo-economic-strategic issues face the Trump administration post-election: the Russia-Ukraine and Israel-Palestine-Lebanon wars, as well as growing tensions with China.

Trump’s geostrategic “peace through strength” stance and unwillingness to engage the US in wars, implies striking a deal with Russia and a rapid end to the costly military confrontation through a neutral, non-Nato, Ukraine.

The next step is reconstruction. Post-war restoration will require massive funding, likely to be well in excess of $600 billion. How can this be financed?

In one scenario, a “Trump Ukraine plan” could be jointly EU-US financed, focused on rebuilding infrastructure and renewed integration of Ukraine’s export-oriented manufacturing and agriculture sectors into Europe. Such a strategy, supported by foreign aid, would act as a driver of economic growth.

New institutions for stability

With increased influence, Trump has a unique opportunity to work towards ending the Israel-Gaza and Lebanon conflicts as part of a broader Middle East peace agreement. This approach could champion the potential economic benefits that peace and stability would bring to the MENA region and the global economy.

The starting point would be the reconstruction and re-development of Gaza. The UN estimated in early-2024 that it would take Gaza 15 years just to remove war rubble and 70 years to restore the country to 2022 GDP levels.

The UN estimates the region will also require the largest post-war reconstruction effort since 1945, with rebuilding cost estimates ranging up to $80 billion.

In Lebanon, escalating destruction and displacement are pushing the country toward a Gaza-like crisis, worsening severe economic, banking and financial instability.

The 2006 war dealt Lebanon a heavy blow, with reconstruction costs surpassing $10 billion. This time, however, costs could exceed $25 billion, with GDP potentially shrinking by 20 to 25 percent.

Funding for reconstruction and redevelopment in Gaza and Lebanon will need to come from multilateral aid and grants.

Once a sustainable peace settlement is achieved, GCC countries can play a major role in redevelopment, not only in terms of state reconstruction funding but in the mobilisation of its private sectors to help rebuild war-torn nations.

It’s essential to learn from past reconstruction failures, like those of Iraq and Afghanistan, and apply lessons from previous post-war efforts. Transparency, accountability, anticorruption measures, and the understanding that nation-building is a long-term commitment are all critical for success.

If Trump is to bring stability to the region, it is imperative that he address the rebuilding of nations that have been ravaged by war. The road ahead will not be easy.

Post the Lebanese civil war, it took 20 years for real GDP to recover to pre-war levels. It took Kuwait seven long years to recover following the Gulf War.

We need new institutions to address nation building. A Trump administration, in partnership with the GCC and multilateral banks, would do well to set up a Middle East development bank.

Such an institution can focus on financing post-conflict reconstruction, regional infrastructure projects, and promote the development and integration of economic and financial sectors across the region.

Dr. Nasser Saidi’s interview with Kulluna Irada on Lebanon’s “Economy in times of war”, Nov 2024

In a series of videos, Dr. Saidi speaks to Kulluna Irada about Lebanon’s “Economy in times of war”.
The 3-part series covers:
1. What is the economic impact of this #war compared to 2006?
Dr. Nasser Saidi estimates overall reconstruction costs at $25

billion, in a much less favourable domestic and international context than in 2006.

pic.twitter.com/Fq393DIkVP

— Kulluna Irada (@KullunaIrada) November 7, 2024

2. What are the immediate priorities for Lebanon?

Economist and former Minister Nasser Saidi calls for urgent action: securing humanitarian aid, ensuring it reaches the most vulnerable, and specifically children, maintaining Lebanon’s global connections, and the need for a new political authority.

pic.twitter.com/t1OP3QIwDY

— Kulluna Irada (@KullunaIrada) November 13, 2024

Panelist at the IMF Regional Economic Outlook Middle East & Central Asia Report Launch in Dubai, 31 Oct 2024

Dr. Nasser Saidi participated in the panel discussion during the launch of the IMF Regional Economic Outlook (REO) report held in Dubai on Oct 31st, 2024.

Amid high uncertainty and the threat of intensifying conflicts, how can the countries of the Middle East and North Africa safeguard macroeconomic stability? What risks and vulnerabilities lie ahead? Which policies can help countries navigate this uncertain economic landscape while strengthening medium-term growth prospects?

The insightful discussion titled "Growth Challenges and Opportunities in the MENA Region Amid Uncertainty" delves into these critical issues highlighted in the IMF's Regional Economic Outlook: Middle East and Central Asia issued in Oct 2024.

Watch the discussion – the video titled Press Briefing: Middle East & Central Asia, October 2024 (Dubai) – via: https://www.imf.org/en/Videos/view?vid=6364122084112

Comments from the discussion appeared in an article on AGBI titled "Middle East, not the West, should lead rebuilding, say experts": Dr. Saidi's comments are highlighted below.

Economist Nasser Saidi, founder of Nasser Saidi and Associates and AGBI columnist, said the cost to rebuild countries in the region impacted by conflict in recent years – including Iraq, Syria, Lebanon, Jordan, Egypt, Sudan, Libya and others – could be as much as $2.5 trillion.

"The private sector will not invest until they see stability and a political strategy," he said.

He suggested forming an organisation called the Arab Bank for Reconstruction and Development to unite the countries in the region in helping rebuilding efforts.

Interview with Al Arabiya (Arabic) on the economic impact of the conflict in Lebanon, 15 Oct 2024

In this TV interview with Al Arabiya aired on 15th Oct 2024, Dr. Nasser Saidi discusses the ongoing conflict in Lebanon and the financing for the reconstruction of Lebanon & Gaza.

Watch the TV interview via this link

ناصر السعيدي" للعربية: 25" مليار دولار خسائر لبنان من الحرب حتى الآن

قال رئيس شركة ناصر السعيدي وشركاه د.ناصر السعيدي، إنه إلى الآن لم يتم بحث مصادر تمويل إعادة إعمار لبنان و غزة.

وأضاف السعيدي في مقابلة مع "العربية Business"، أن الأضرار في لبنان حتى الآن قدرت بـ 25 مليار دولار وهو ما يمثل 100% من الناتج

القومي.

Comments on the war in Gaza in Arab News, Nov 19 2023

Dr. Nasser Saidi's comments appeared in an Arab News article titled "Gaza war a threat to fragile world economy, analysts warn" published on 19th November 2023.

The comments are posted below.

"At the moment, the situation is fluid," Dr. Nasser Saidi, former Lebanese economy and trade minister and founder of Nasser Saidi & Associates, an economic and business advisory consultancy, told Arab News, adding: "The impact of the Israel-Hamas war will depend on the length and depth of the conflict as well as if it spills over into the wider region, thus drawing in other parties, resulting in international ramifications that would then have an effect on global supply chains."

In his presentation "The Middle East in a Fragmented, Multi-Polar World" at the 19th Korea Middle East Cooperation Forum in Doha from Nov. 5-8 this year, Saidi stated how "global growth momentum has already slowed significantly this year; the war has the potential to further slow growth rates, raise already record-high public debt levels into crisis."

“We are meeting at a very dangerous time for our part of the world,” said Saidi during his presentation in Doha. “The timing of this conference is very opportune at a personal level, and I think it reflects many of us. I have known nothing but war during my own lifetime as a professional, as a minister, as a public official, as an academic. My message is it must end and maybe what is happening today in Gaza and Palestine more generally may be a moment of change. We don’t know yet. We’re still living the fog war.”

As Saidi underlined, the Middle East is home to 60 percent of the world’s refugees – the highest number in the world.

Palestinian refugees won’t just stay in neighboring countries, they will be pushed to move to other regions, including Europe, he added.

“The impact of the war on oil and gas prices could be huge,” said Saidi, further noting that if oil prices jump to a record $150 per barrel as the World Bank warns, “it will affect world economic growth, which has already been slowing during 2023. The more inflation affects commodity prices, the lower economic growth and the increase in debt crises for many countries because you are also having a period of high interest rates.”

“Destruction and violence beget violence,” added Saidi in his presentation. “There are no military solutions in Gaza.”

The countries most vulnerable in the Middle East include Lebanon, Egypt, Jordan and Iran. These countries are already facing a decline in growth, have current account and fiscal deficits and a fall in international reserves. According to Saidi, the sectors that will be most impacted in these countries are tourism, hospitality, construction and real estate, as well as capital outflows and lower foreign direct investment inflows.

“The world is becoming increasingly fragmented,” said Saidi.

It has also experienced great economic shifts in recent years – shifts that see the global economy looking eastward rather than westward.

In 1993, the G7 countries produced close to 50 percent of the world's gross domestic product. Today, that group accounts for 30 percent, while Asia, in particular China, produces close to 20 percent.

"The implications for this part of the world are very clear," said Saidi. "Our economic relations, politics, defense and other ties have always been with the West, but economic geography dictates that we need to shift those relations towards Asia."

Saidi argued in his presentation that one way to solve some of the dire economic prospects facing the Middle East, especially with the war in Gaza, is the creation of a regional development bank. The focus now needs to be on "post-war stabilization, reconstruction, recovery and a return to pre-war economic legacy."

"The GCC (Gulf Cooperation Council) have got to be the main engine for economic stability across the Middle East because they're capable of doing that," said Saidi. "In order to do so, we must reinvigorate the GCC common market and the GCC customs union. We need trade agreements as a block for the GCC countries. Secondly, we need to establish an Arab bank for reconstruction and development."

"We are the only region in the world without a development bank," said Saidi.

When asked why the Middle East needs a development bank, Saidi said: "Because many of our countries have been destroyed."

"We need to help rebuild them. The cost is easily $1.4 to $1.6 trillion, and the list of countries is increasing. We now have Gaza and Palestine added to them."

This, he said, could be one area for cooperation between the Middle East and Asia.

"The big tectonic shift is moving towards Asia," added Saidi. "All our trade agreements are with Europe and the United States. That must change. We must shift."

"Arab world needs a regional development bank as it continues to tally the cost of war", Op-ed in The National, 26 Oct 2023

The article titled "Arab world needs a regional development bank as it continues to tally the cost of war" appeared in the print edition of The National on 26th October 2023 and is posted below.

Arab world needs a regional development bank as it continues to tally the cost of war

Focus needed on post-war stabilisation, recovery and reconstruction and the pre-war economic legacy

Nasser Saidi

We are in the third week of the Israel-Gaza war with a growing risk of it becoming yet another drawn-out battle that will leave severe economic scars.

This and previous wars mean horrendous loss of life and human capital, forced migration and displacement, destruction of infrastructure, housing, businesses and productive capacity, of cuts to public utilities, water, power, fuel – all threatening the survival of the remaining population. Overpopulated Gaza is already “de-developed” and deconstructed.

The International Monetary Fund’s September report on Gaza highlighted the calamitous situation in the enclave before the current war. Gaza’s real gross domestic product growth averaged just 0.4 per cent during 2007-22, with real GDP per capita declining at an annual average rate of 2.5 per cent.

By 2022, per capita income in the West Bank was four times higher than in Gaza, reflecting the blockade and recurrent wars resulting in little trade and investment. Unemployment was as high at 45 per cent in 2022 and 53 per cent of the population lived below the poverty line.

By contrast, Israel’s per capita income was eight times higher than in the West Bank and Gaza.
Reconstruction was one of the only “growth” sectors: in 2022, between $345 million and $485 million was required for immediate and short-term recovery and reconstruction needs in Gaza.

Israel’s policy of economic warfare against Gaza has been very costly.

Will the current war engulf Lebanon, Syria, Iran, Iraq and the Gulf? We don’t know yet.

Past wars have disfigured the Middle East. Beyond the human cost and war-related destruction of physical assets, war-affected countries witnessed a sharp contraction in economic activity, as well as fiscal, current account and balance of payments deficits, currency crises and high inflation.

They also faced sector-specific collapses – tourism, trade, manufacturing, weaker financial systems – along with a diversion of resources to the military and build-up of military assets at the expense of economic and social development.

Wars result in large-scale displacement of populations and forced migration, with the Mena region already hosting (end-2022) about 2.4 million refugees, in addition to about 12.6 million internally displaced persons, according to the UN refugee agency.

More displacement will put severe strain on the hosting nations' budgets and finances as well as their socioeconomic-political stability.

A collapse in investor confidence in the conflict and neighbouring nations results in lower domestic and foreign direct investment flows. An estimate of the opportunity costs in financial, economic, social, political, military, environmental and diplomatic terms for the entire region for the period 1991-2015 is a staggering $15 trillion.

With the global economy tentatively recovering from the aftermath of the Covid-19 pandemic, the Russia-Ukraine war, high inflation and slow growth, the continuing war generates greater global geo-eco-political risk and uncertainty.

Global markets have already reacted. Safe-haven assets, including the dollar and gold, gained, while credit default swaps on Middle Eastern nations' debt (including Saudi Arabia and Qatar) have spiked.

The current surge in oil prices could accelerate with a further escalation or broadening of the war, with the Middle East accounting for more than one third of the world's seaborne oil trade and the Suez Canal about 15 per cent of world trade.

An oil and commodity shock resulting from the likely disruption in transport and logistics would cut growth and raise inflation rates. A scenario emerges of continued monetary policy tightening by central banks, slower credit growth (affecting both households and businesses alike), increased refinancing risks and, potentially, debt crises or defaults and a global recession.

The future is clouded by the fog of war. A priority is to address humanitarian concerns: amid the massive human toll, Gaza’s citizens run the risk of starvation and the spreading of diseases without access to water, food, health care and electricity.

We need to go beyond, to postwar stabilisation, recovery and reconstruction from the destruction wrought by the war and prewar economic legacy. It took 20 years after the Lebanese civil war for real GDP to recover to its prewar level, seven years in Kuwait after the Gulf War.

In the case of Gaza, there is still no consensus what a postwar Gaza would look like. With its economy intrinsically tied to Israel, and the lack of its own (or stand-alone) fiscal, financial or infrastructure resources begs the question of how postwar recovery would be undertaken.

This is a time to develop a new vision for the Mena region. In a multipolar world, the Arab world needs to take the initiative to set up an Arab Bank for Reconstruction and Development (ABRD), backed by the GCC.

Unlike other regions, Mena lacks a regional development bank. This is the historic moment to set up the ABRD given the need for reconstructing places already devastated by war and violence, such as Palestine, Iraq, Syria, Lebanon, Libya, Sudan and Yemen.

The ABRD would be set up by the region’s sovereign wealth funds and existing development funds.

Prior to the latest Israel-Gaza war, a rough estimate of the cost of development and reconstruction of the region's countries destroyed by war and violence was upwards of $1.5 trillion, to which must be added the massive costs of reconstructing Gaza.

"Eight steps to pull the Lebanese economy back from the brink", Op-ed in The National, 28 Oct 2020

The article titled "Eight steps to pull the Lebanese economy back from the brink" appeared in The National on 28th Oct 2020 and is reposted below.

Eight steps to pull the Lebanese economy back from the brink

Without the immediate implementation of these comprehensive reforms, Lebanon is heading for a lost decade

Lebanon is engulfed in a long list of overlapping and connected problems –fiscal, debt, banking, currency and balance of payments crises – that together have created an economic depression and a humanitarian crisis. People are going hungry: food poverty has affected some 25 per cent of Lebanon's own population. But the fiscal and monetary instability has caused more than just a shortage of bread. Confidence in the banking system has collapsed. The Lebanese

pound has depreciated by 80 per cent over the past year.
Inflation is at 120 per cent and hyperinflation – a runaway increase in prices – is on the horizon.

Unemployment has risen to 50 per cent, leading to mass emigration and depleting Lebanon of its main asset: its human capital.

The explosion at the Port of Beirut, combined with the Covid-19 lockdown, created an apocalyptic landscape.

It aggravated the country's economic crises. The cost of rebuilding alone exceeds $10 billion – more than 35 per cent of the this year's GDP – which Lebanon is incapable of financing.

Prospects for an economic recovery in Lebanon are dismal. The new government must recognise the economy's large fiscal and monetary gaps and implement a comprehensive, credible and consistent reform programme.

The immediate priorities are economic stabilisation and rebuilding trust in the banking and financial system.

Lebanon desperately needs a recovery programme – akin to the Marshall Plan that helped rebuild Europe after the Second World War – of about $30-35bn, in addition to the funds to rebuild Beirut's port and city centre.

To achieve this, the new government will have to implement rapidly an agreement with the International Monetary Fund, based on a national consensus. The confidence-building policy reform measures over the next six months must include:

A credible capital controls act to protect deposits, restore confidence and encourage the return of remittances and capital back into the country. Credit, liquidity and access to foreign exchange are critical for private sector activity, which is the main engine of growth and employment.

The restructuring of public, domestic and foreign debt to reach a sustainable ratio of debt to GDP. Given the exposure of the banking system to the debt of the government and central bank (known by its French acronym, BDL), public debt restructuring would involve a restructuring of the banking sector, too.

A bank recapitalisation process that includes a process of merging smaller banks into larger banks. Bank recapitalisation requires a bail-in of the banks and their shareholders (through a cash injection and the sale of foreign subsidiaries and assets) of some $25bn, to minimise a haircut on deposits. This will require passage of a modern insolvency law.

Monetary policy reform is needed to unify the country's multiple exchange rates, move to inflation targeting – that is, price stability – and shift to greater exchange rate flexibility. Multiple rates create market distortions and incentivise more corruption. The BDL will have to stop all quasi-fiscal operations and government lending. Credible reform requires a strong and politically independent banking regulator and monetary policymaker.

Reform the Electricite du Liban (EDL), the country's largest utility, and appoint a new board to improve governance and efficiency.

Reform the inefficient subsidies regime that covers electricity, fuel, wheat and medication. These generalised subsidies do not fulfil their purpose – only 20 per cent goes to the poor.

All that the subsidies do is benefit rich traders and middlemen and they are the basis of large-scale smuggling into sanctions-ridden Syria. Subsidies reform should be part of a social safety net to provide support for the elderly and vulnerable.

Pass a modern government procurement act. This would help prevent corruption, nepotism and cronyism.

Restructure and downsize the public sector. Start by removing the 20 per cent of public sector "ghost workers" – people on payrolls who don't actually work for the government – and establish a National Wealth Fund, a professional holding company that would independently manage public assets. These include basic public utilities like water, electricity, public ports and airports, Lebanon's carrier Middle East Airlines, the telecom company Ogero, the Casino du Liban, the state-run tobacco monopoly and others, in addition to public commercial

lands.
These assets are non-performing, over-staffed by political cronies and suffer from nepotism. In most cases, they are a drain on the treasury.
A comprehensive IMF programme that includes structural reforms is necessary. It is the way to restore trust in the economy and win back the trust of the private sector, the Lebanese diaspora, foreign investors and aid providers. This would then attract funding from international financial institutions and Cedre Conference participants, including the EU and the GCC.
Such measures, if properly executed, would translate into financing for reconstruction and access to liquidity. They would also stabilise and revive private sector economic activity. Without the immediate implementation of these comprehensive reforms, Lebanon is heading for a lost decade.
Nasser Saidi is a former Lebanese economy minister and first vice-governor of the Central Bank of Lebanon

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"Stability Redefined: Who Authors the Future?", Beirut Institute Summit e-Policy Circle 7, 17 Jun 2020

Dr. Nasser Saidi participated in a webinar on 17th June 2020 titled "Stability Redefined: Who Authors the Future?" organised by the the Beirut Institute Summit.
Beirut Institute Summit e-Policy Circle 7 hosted by Raghida Dergham under the theme of 'Stability Redefined: Who Authors the Future?' with HE Elliott Abrams, United States Special

Representative for Venezuela; HE Brian Hook, United States Special Representative for Iran; HE Nasser Saidi, Lebanese Former Minister of Economy, Trade and Industry; and Ms. Nora Mueller, Executive Director for Körber-Stiftung.

Dr. Saidi discussed many themes including Middle East's deep recession and a potential "lost decade", the economic, social & political effects of sanctions, higher military spending, nation-rebuilding & reconstruction of war-torn nations and more. Watch the webinar below.

Middle East Leaders who guided a region through 50 turbulent years: Euromoney, March 2019

Dr. Nasser Saidi was included by Euromoney in its 50th Anniversary Special list of Middle East Leaders who guided a region through 50 turbulent years. Excerpts from the article are posted below.

The euromoney article can be accessed at: https://www.euromoney.com/article/b1dd3n1mn7mf8r/middle-east-leaders-who-guided-a-region-through-50-turbulent-years

Over 50 years, leaders of Middle East financial institutions have steered their businesses through very good and very bad times, including oil price crashes, rampant property and stock speculation, and war. Some key figures highlight the events they remember most and spell out lessons for the next generation. These figures, who have held positions of power for nearly two generations, are uniquely placed to assess how *successful the region has been in steering its way through the challenges and opportunities since the first oil boom of the mid 1970s.*

Nasser Saidi served as deputy governor of the Lebanese central bank and a government minister in the 1990s, before becoming chief economist at the Dubai International Financial Centre in the 2000s.

He says the first key moment came when civil war ended the era in which Beirut had been the region's financial centre. "The big story from Lebanon's point of view is that the centre of economic geography moved from the Mediterranean to the Gulf," he says. "Lebanon used to be the petrodollar hub, with Beirut playing the leading part. Now the Gulf can manage its own money through its domestic and free-zone financial centres, and to an extent they have come of age."

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Saidi puts some of the blame for the failure to develop debt markets on to the big family businesses that have "never convinced themselves that they should use the markets. They have never seen the power of debt and equity markets.

"Once you get on to the markets, automatically you will get international investors, and they will not only provide greater scrutiny and corporate governance but are also a source of technology and new ideas. Commercial banks don't do this – they are just lenders. Markets behave differently. They force you to focus on international standards and ideas and adopt them."

A further consequence of this lack of local debt markets has been that too much regional money is placed globally rather than invested locally. Government sovereign wealth funds, which should have been invested in developing the Middle East, have instead placed the bulk of their money overseas.

"We should have been able to attract the wealth of the Arab world, but we lost it," says Saidi. "We have not invested enough in ourselves."

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One of the key questions for the next generation of leaders is

whether or not the focus of Middle East governments will shift from the West to Asia.
Saidi is in no doubt.
He sees: "A tectonic shift from the US to China, which is much more prepared to act as a development partner. "When I look at what China does," he continues, "I see a country that invests in infrastructure and into supply chains. In the decades ahead, this will lead to a transformation. Look at the prospective rebuilding of Syria, Iraq, Yemen, Lebanon and Sudan, and you will see that funding will come from the GCC and China who will be involved in construction sector. "Chinese and GCC developers will successfully develop partnerships and joint ventures for reconstruction and development."

A New Approach to MENA's Refugee Crisis, Project Syndicate Article, Jul 2018

The article titled "A New Approach to MENA's Refugee Crisis", was first published on Project Syndicate on 10 July 2018, and can be directly accessed here. The Arabic and French versions of the article have also been published.

There are now more people displaced by conflict than at any time since World War II, and violent conflict in the Middle East and North Africa accounts for the majority of today's refugees. With no evidence that the fighting will end anytime *soon, host countries and major donors must adjust their aid accordingly.*

The human toll from violence in the Middle East and North Africa (MENA) has reached historic proportions. Since 2000, an estimated 60% of the world's conflict-related deaths have been in the MENA region, while violence in Iraq, Libya, Syria, and Yemen continues to displace millions of people annually.

For countries hosting refugees from these conflicts, the challenges have been acute. According to a 2016 report by the International Monetary Fund, MENA states bordering high-intensity conflict zones have suffered an average annual GDP decline of 1.9 percentage points in recent years, while inflation has increased by an average of 2.8 percentage points.

Large influxes of refugees put downward pressure on a host country's wages, exacerbating poverty and increasing social, economic, and political tensions. And yet most current aid strategies focus on short-term assistance rather than long-term integration. Given the scale and duration of MENA's refugee crisis, it is clear that a new approach is needed, one that shifts the focus from temporary to semi-permanent solutions.

To accomplish this, three areas of refugee-related support need urgent attention. First, donor countries must do more to strengthen the economies of host states. For example, by buying more exports from host countries or helping to finance health-care and education sectors, donors could improve economic conditions for conflict-neighboring states and, in the process, create job opportunities for refugees.

For this to pay off, however, host countries will first need to remove restrictions on refugees' ability to work legally. Allowing displaced people to participate in formal labor markets would enable them to earn an income, pay taxes, and eventually become less dependent on handouts as they develop skills that eventually can be used to rebuild their war-ravaged countries.

Employment might seem obvious, but most MENA host countries currently bar refugees from holding jobs in the formal sector (Jordan is one exception, having issued some 87,000 work permits to Syrian refugees since 2016). As a result, many refugees are forced to find work in the informal economy, where they can become vulnerable to exploitation and abuse.

But evidence from outside the region demonstrates that when integrated properly, refugees are more of a benefit than a drain on host countries' labor markets. For example, a recent analysis by the Refugee Studies Centre at the University of Oxford found that in Uganda, refugee-run companies actually increase employment opportunities for citizens by significant margins.

A second issue that must be addressed is protecting refugees' "identity," both in terms of actual identification documents and cultural rights. For these reasons, efforts must be made to improve refugees' digital connectivity, to ensure that they have access to their data and to their communities.

One way to do this would be by using blockchain technology to secure the United Nations' refugee registration system. This would strengthen the delivery of food aid, enhance refugee mobility, and improve access to online-payment services, making it easier for refugees to earn and save money.

Improved access to communication networks would also help refugees stay connected with family and friends. By bringing the Internet to refugees, donor states would be supporting programs like "digital classrooms" and online health-care clinics, services that can be difficult to deliver in refugee communities. Displaced women, who are often the most isolated in resettlement situations, would be among the main beneficiaries.

Finally, when the conflicts end – and they eventually will – the international community must be ready to assist with reconstruction. After years of fighting, investment opportunities will emerge in places like Iraq, Syria, and Sudan, and for the displaced people of these countries, rebuilding will boost growth and create jobs. Regional construction strategies could reduce overall costs, increase efficiencies, and improve economies of scale.

In fact, the building blocks for the MENA region's postwar period must be put in place now. For example, the establishment of a new Arab Bank for Reconstruction and Development would ensure that financing is available when the need arises. This financial institution – an idea I have discussed elsewhere – could easily be funded and led by the Gulf Cooperation Council with participation from the European Union, China, Japan, the United States, the Asian Infrastructure Investment Bank, and other international development actors.

With this three-pronged approach, it is possible to manage the worst refugee crisis the world has experienced in decades. By ensuring access to work, strengthening communication and digital access, and laying the groundwork for post-war reconstruction, the people of a shattered region can begin planning for a more prosperous future. The alternative – short-term aid that trickles in with no meaningful strategy – will produce only further disappointment.