



October 29, 2024

Contact Information

Mira Said

mira.said@blominvestbank.com

Introduction

Once again, the Israeli-Hezbollah war has thrown Lebanon into a deep crisis. This conflict is not the first conflict between these two groups; they previously fought in 2006. In fact, tensions between Israel and Lebanon have been ongoing since 1948. However, the level of military involvement, the geopolitical context, the impact on people's lives, and the economic consequences in 2024 are likely to be much worse than in 2006, according to the [United Nations Development Programme \(UNDP\)](#). The country was already dealing with significant problems, including a financial collapse in 2019, a political deadlock and the devastating Beirut port explosion, before the outbreak of this war. These challenges have left many people vulnerable, with around half of the Lebanese population living below the poverty line, according to the World Bank. To make matters worse, Lebanon is now facing one of its worst wars ever, leading to unprecedented mass displacement. The effects of this conflict are being felt throughout the country, worsening an already critical situation and threatening the stability of Lebanon. In what follows we will analyze the ramifications of the war from a humanitarian, economic, and social viewpoints, relying in the process on the most recent available sources.

International Law Violations

Since the conflict began in October 2023, the humanitarian impact has been catastrophic. As of October 26, 2024, the [Ministry of Public Health \(MoPH\)](#) reports that 2,672 people have been killed and 12,468 injured. Tragically, as of October 21, 2024, at least 95 health workers have been killed and 77 injured while providing care, according to the [United Nations Office for the Coordination of Humanitarian Affairs \(OCHA\)](#). Israel's war crimes extend beyond targeting health workers; they have also included assaults on UN peacekeepers (UNIFIL) patrolling the border, the use of white phosphorus on agricultural lands, and the deliberate killing of 11 journalists. These actions have faced strong criticism from international leaders and organizations, emphasizing that [these attacks should not go unpunished](#).

Infrastructure Collapse

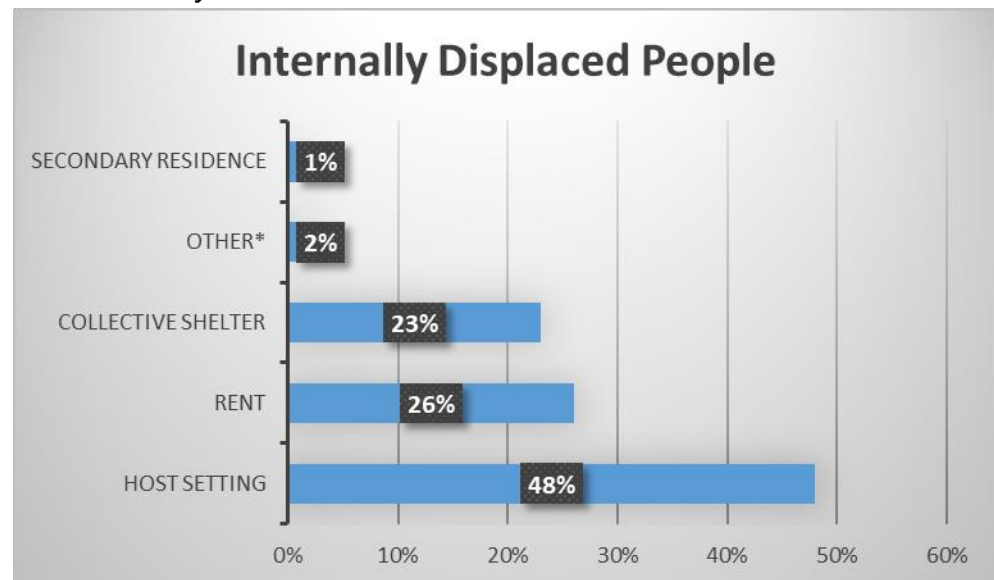
Israeli airstrikes have targeted critical infrastructure, including 28 water facilities, affecting nearly 364,000 residents according to OCHA. Electricity was also affected as [Marjayoun power plant went out of service](#) after being targeted with enemy shells. Additionally, health facilities experienced 55 Israeli attacks, rendering 8 hospitals completely out of service, while 7 are only partially operating, according to [MoPH](#), exacerbating the healthcare crisis. This situation is expected to deteriorate further with the spread of diseases like [cholera](#), as mass displacement forces people to live in unsanitary conditions.

From October 8, 2023, to September 18, 2024, approximately 50,210 residential units were damaged or demolished due to these airstrikes, with the majority of destruction occurring in southern districts like Marjaayoun, Bent Jbeil, and Tyre, according to a report by the [United Nations Economic and Social Commission for Western Asia \(ESCWA\)](#), which draws on information from the Council for South Lebanon. Satellite-based radar measurements provided to the [Financial Times](#) indicated that between September 20 and October 2 alone, around 3,100 buildings were damaged or destroyed. As the conflict continues, the damage is increasing, with the situation worsening daily.

Mass Displacement

The crisis has resulted in Israeli evacuation orders affecting a quarter of Lebanon, as reported by the [UN' s refugee agency UNHCR](#). Over 2.4 million people are now internally displaced, as estimated by the [Caretaker Minister of Agriculture Abbas Hajj Hassan](#). Even if this figure is probably on the high side, this represents a severe forced movement of the population in a country with only about 6 million residents, as noted by the [Institute of International Finance \(IIF\)](#), which occupies a land area of just 10,452 square kilometers.

According to the [International Organization for Migration \(IOM\)](#), approximately 48% of internally displaced persons (IDPs) are currently residing in host settings, while around 26% have rented new houses. Another 23% reside in collective shelters and about 1% have relocated to secondary residences. The remaining 2% fall under the "other" category, which includes individuals living in unfinished buildings, tents, parks, on the streets, or in self-settled sites. These figures highlight a severe humanitarian emergency that is being exacerbated by ongoing violence and instability.



Source: International Organization for Migration - MOBILITY SNAPSHOT – Round 56 - Report Production Date: 24 October 2024

Environmental Damages

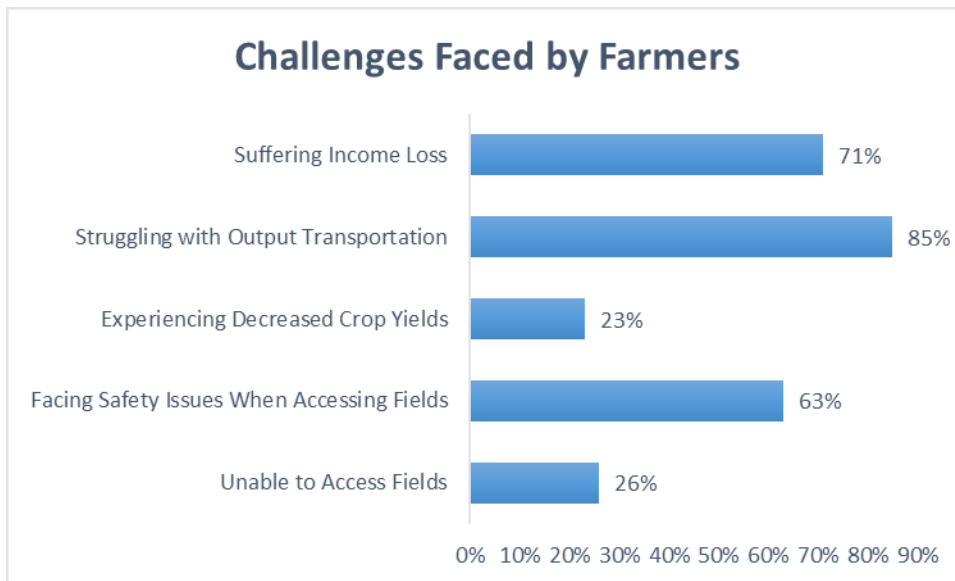
The war also left a significant mark on the environment. Israel's use of hazardous materials like white phosphorus, has resulted in serious air, water and soil pollution. Additionally, debris and unexploded ordnance, such as mines and grenades, contribute to solid waste issues. These factors threaten biodiversity and pose significant risks to public health and safety, both now and in the future.

Agriculture Breakdown

The agriculture sector was one of the hardest hit by the war. According to [UNDP](#), agriculture and livestock are expected to decline by 6.25% in 2024, with South Lebanon and the Bekaa Valley being the most affected areas. Agriculture in South Lebanon contributes up to 80% of the region's GDP. According to [ESCWA](#)'s analysis of various reports, from October 7, 2023, to September 12, 2024, about 1,879 hectares of prime farmland were damaged. This damage has caused 1,200 hectares of agricultural land to be abandoned, the loss of over 1,700 livestock and 390,000 poultry. More than 47,000 olive trees have also been destroyed. In addition, 93 greenhouses and about 600 square meters of feed storage have been ruined. Tobacco and olive production were among the most impacted by the war.

Furthermore, according to the [American University of Beirut](#), the use of white phosphorus decreases the lands' productivity and cause extensive fires until the material is fully depleted.

Moreover, a survey conducted by the Food and Agriculture Organization (FAO) earlier this year showed that 26% of farmers cannot access their fields at all, 63% faced difficulties doing so safely, 23% of them witnessed a decline in crop yields, 85% struggled to transport their output, 71% experienced a loss in income. This has forced many farmers to abandon their lands, due to unsafe conditions and as the use of phosphorus bombs further worsened their critical situation.



Source: Food and Agriculture Organization

Trade Hit

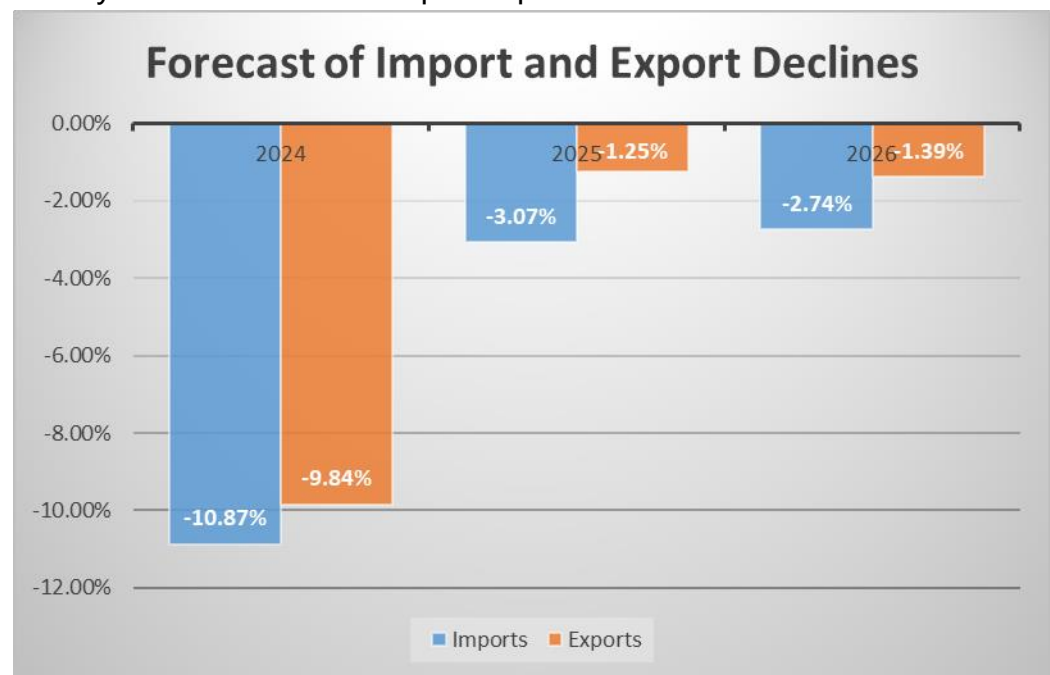
Trade was also severely affected by the ongoing war, but the current effects are minor compared to the potential ones. Lebanese caretaker Prime Minister Najib Mikati announced in [an interview with Al Jazeera](#) that Lebanon had received U.S. guarantees to de-escalate Israeli attacks on Beirut and its southern suburbs. Mikati emphasized efforts to remove any pretexts for Israel to target Beirut's Airport, seaports, and land crossings, which are essential for trade.

However, recent bombings, particularly of the Masnaa passageway, have raised serious concerns about the safety of important trade routes. The Port of Beirut, Rafic Hariri Airport, and Tripoli Port handle 90% of Lebanon's exports and 96% of its imports, as per the [Lebanese Customs' data](#), making their security crucial for the country's economy.

The Masnaa passageway alone accounts for at least 6% of exports and 2% of imports, primarily affecting the shipment of vegetables and fruits to neighboring countries like Syria and Jordan. Rerouting these exports through alternative routes could increase costs by at least 10% and delay delivery times by approximately two days, according to [Ibrahim Al Tarshishi](#), the Head of the Bekaa Farmers Association. This disruption not only raises prices for consumers but also risks losing markets and damaging the confidence of international clients, which could have long-term effects on Lebanon's agricultural sector.

However, the real concern lies in the potential bombing of Rafic Hariri Airport or a blockade of the Port of Beirut. Such actions could completely disrupt imports and exports, making Lebanon's economy even worse. Additionally, Lebanon heavily relies on imports for essential goods, so any disruption in trade could lead to shortages and higher prices for consumers.

According to [UNDP](#), exports are anticipated to decline in 2024 by 9.84%, largely as a result of damage to physical infrastructure and imposed trade restrictions. In addition, imports are expected to decrease by 10.87% in 2024, reflecting weakened domestic demand and obstacles in reaching global markets. As a result, trade is expected to fall by around 21%, as logistical challenges and border closures occur. Looking ahead, exports are forecasted to drop by 1.25% in 2025 and 1.39% in 2026. Imports are also anticipated to fall by 3.07% in 2025 and 2.74% in 2026, as economic activity slows and trade disruptions persist.



Source: UNDP

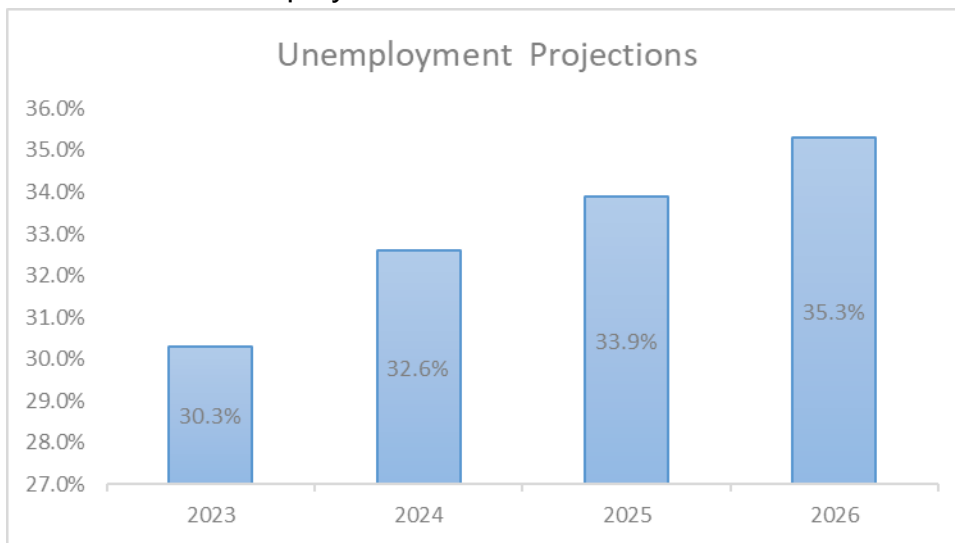
Food Security

Caretaker Minister of Economy, Amin Salam, [warned](#) against targeting air and sea facilities, and imposing a siege on the Lebanese state, adding that it may deprive citizens of water and food as Lebanon has a food stock sufficient to last for only 3 months.

In contrast, Head of the Syndicate of Food Importers Hani Bohsali [assured MTV](#) that supply currently exceeds demand and that stock levels are stable. This situation reflects a complex dynamic. While officials acknowledge potential threats to food security, the existing supply chain remains robust for now. Nevertheless, ongoing regional tensions could still impact public confidence and lead to panic buying, which may disrupt distribution and create shortages despite current assurances.

Labor Market Struggle

Salam stated in an interview with [Asharq Al-Awsat](#) that he estimates unemployment was around 50% before the war but is now undoubtedly above 70%, a figure that some experts consider to be an overestimate. On the other hand, UNDP estimates unemployment to rise to 33.9% in 2025, and 35.3% in 2026, but many believe this figure underestimates the true extent of unemployment



Source: UNDP

Regardless, the ongoing conflict is worsening the situation.

Firstly, the war forced numerous businesses to shut down, either temporarily or permanently. The extensive damage and displacement of residents in Lebanon, particularly in the South and Bekaa regions, are expected to negatively impact economic activity and lead to a significant decline in household income, as these areas comprise a third of the population and workforce, according to Fitch Solutions' [BMI](#).

Some sectors that typically experience a decline in business during wars, such as tourism, have also faced significant losses.

In addition, many farmers and rural laborers lost their jobs as the war led to the destruction of agricultural lands and infrastructure, in addition to forcing numerous farmers in affected areas to relocate.

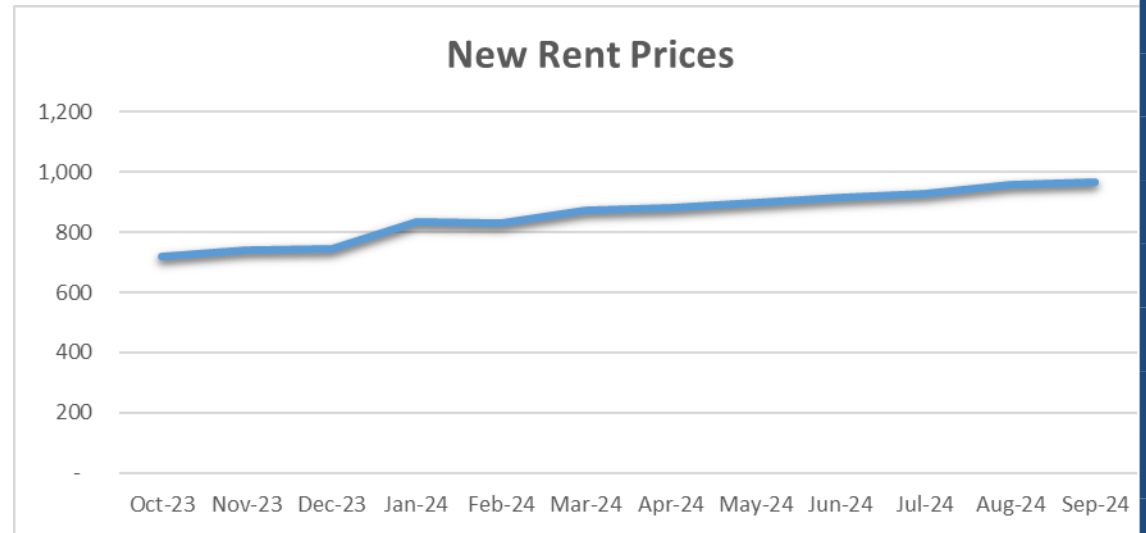
Furthermore, the Israeli attacks' impact on the communication infrastructure in Lebanon will also affect remote work, which has become a significant part of the economy since the 2019 crisis.

Although the IIF projects a decrease in Lebanon's population by 700,000 in the Baseline Scenario and 1.2 million in the Pessimistic Scenario from 2024 to 2025—due to both Lebanese nationals and Syrian refugees leaving the country—which may ease the rise in unemployment levels, however, it does not make it any easier for individuals to secure stable jobs amid ongoing instability. The baseline scenario suggests a limited Israeli military focus on Hezbollah in Lebanon lasting until mid-2025. In contrast, the pessimistic scenario envisions a spiraling conflict that could escalate into a larger, prolonged war involving Iran and possibly the United States.

Rental Crisis

Based on the [Central Administration of Statistics' data \(CAS\)](#), the new rent inflation rate in September 2024 surged by 37% annually. This increase occurred before mass displacement worsened the housing crisis. Since then, many property owners have implemented additional precautions when renting out their apartments. Some people have resorted to renting based on referrals only, while others relied on local municipalities' management of the crisis. However, a significant number of landlords remain hesitant to rent to IDPs due to safety concerns and potential military targeting, further limiting available housing options. Consequently, rental prices have skyrocketed, particularly in safer regions of Lebanon, nearly doubling their previous levels, according to anecdotal evidence. Landlords are taking advantage of the situation by demanding higher rents and requiring several months' rent upfront.

Amid rising rent prices and deepening poverty, IDPs and local residents alike are struggling to secure affordable housing. Many displaced families struggle to find suitable accommodation and often lack established community ties, which exacerbates their situation, leading to overcrowded living conditions or forcing them into less desirable accommodations. As stated by [IOM](#), 66% of individuals in host settings are living in overcrowded conditions.



Source: Central Administration of Statistics

Rising Prices and Panic Buying

CAS' data also shows that Lebanon's annual inflation rate recorded 33% as of September 2024. BMI provided a similar estimate, reporting an inflation rate of 37.3% in the third quarter of 2024 and projecting it to rise to 47% in the fourth quarter. Similarly, UNDP anticipated an increase in inflation by 6% in 2024. This surge is driven by consumer panic, as people rush to stock up on essential products amid fears of shortages. This behavior leads to bulk buying, which further decreases supply already impacted by reduced shipping activity.

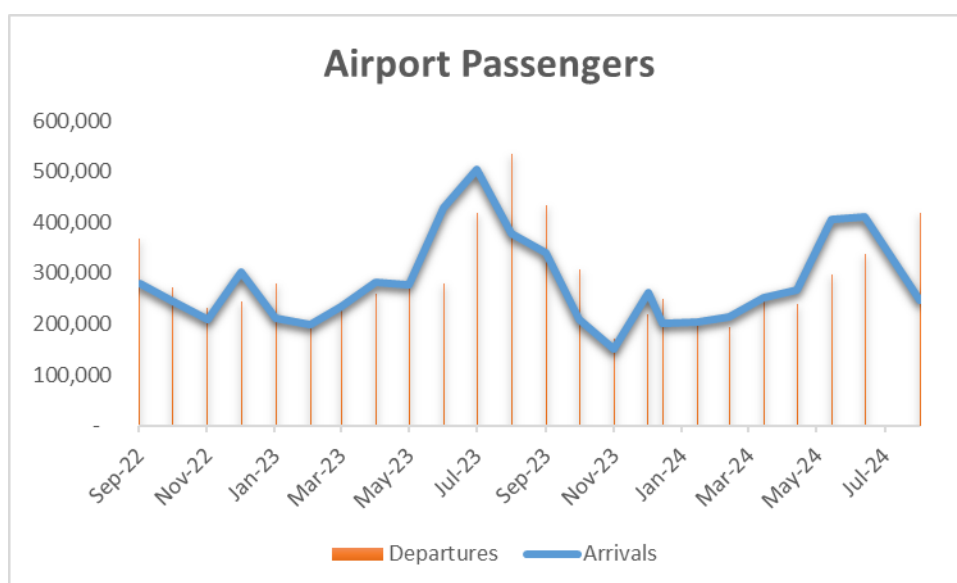
Amid rising inflation, reduced incomes, and economic uncertainty, UNDP projects private consumption to decline by 14.8% in 2024, 3.6% in 2025 and 2.8% in 2026.

Tourism Decline

Tourism, a vital sector of Lebanon's economy, was among the most affected by the war. In 2023, Lebanon generated approximately \$5.4 billion in direct tourism receipts, accounting for about 30% of GDP, according to Banque du Liban. However, the situation has drastically changed since then. The summer season, which typically attracts a surge of visitors—especially from the Lebanese diaspora—was expected to bring in between \$5 billion and \$7 billion in income, according to the [Caretaker Minister of Economy and Trade Amin Salam](#).

Unfortunately, the intensification of the conflict in Lebanon, coupled with international travel warnings and flight cancellations, has led to significant safety concerns and rising ticket prices, resulting in a sharp decline in tourist arrivals. By August 2024, passenger traffic at Rafic Hariri International Airport had dropped for eight consecutive months, with an annual decrease of 11.83%, [according to Beirut International Airport and BLOMINVEST's calculations](#).

Companies that depend on tourism are facing challenges because of higher expenses and lower revenues. Numerous hotel bookings were canceled and many tourism-related businesses faced closure. The head of the Federation of Tourism Establishments Unions in Lebanon and head of the Syndicate of Hoteliers, Pierre Achkar, estimated the losses of the tourism sector in Lebanon at about \$ 3.5 billion, in addition to the loss of about 50 percent of tourism income in Lebanon during the past year, estimated at about \$ 7 billion. Achkar explained that the ongoing situation will cause many businesses and hotels to shut down in the future.



Source: Beirut International Airport; BLOMINVEST

Private and Total Investments' Freefall

The decline in confidence in Lebanon's economy might lead to a 2.77% drop in private investment in 2024, 6.6% in 2025 and 6.7% in 2027.

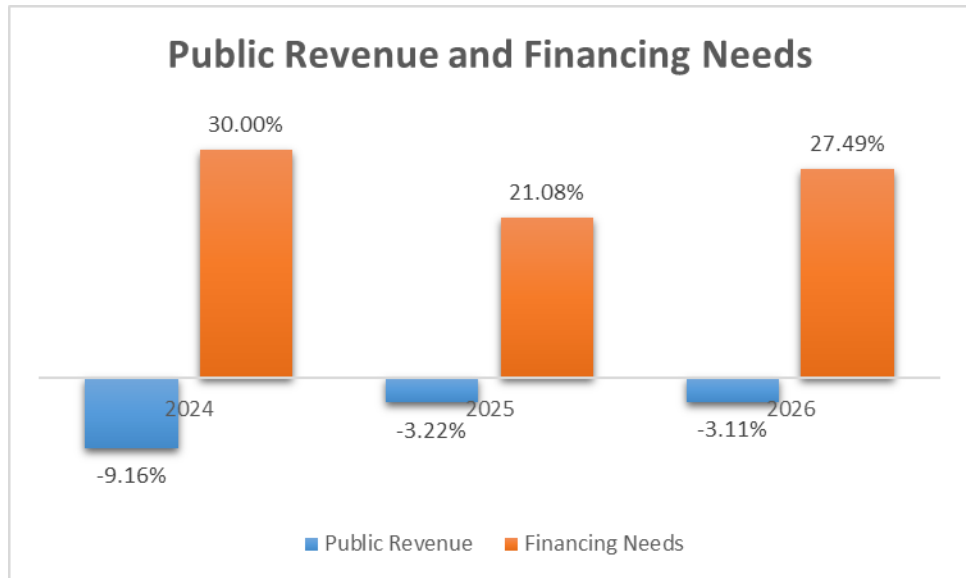
Total investment too is expected to decline by 6.3% in both 2025 and 2026, as per UNDP, due to the destruction of infrastructure and public services, with reconstruction expected to take years.

This decline reflects ongoing economic instability, as uncertainty discourages local and foreign investors. Reduced investment will likely slow economic recovery and limit job creation further.

Public revenue

Total government revenue is expected to drop by 9.16% in 2024, leading to a 30% rise in financing needs, according to UNDP. This decline is projected to continue, with public revenue likely falling by 3.22% in 2025 and 3.11% in 2026. This decrease is largely attributed to the war's impact on key revenue-generating sectors. As public revenue decreases, the government's ability to provide basic services will diminish, pushing more people into poverty.

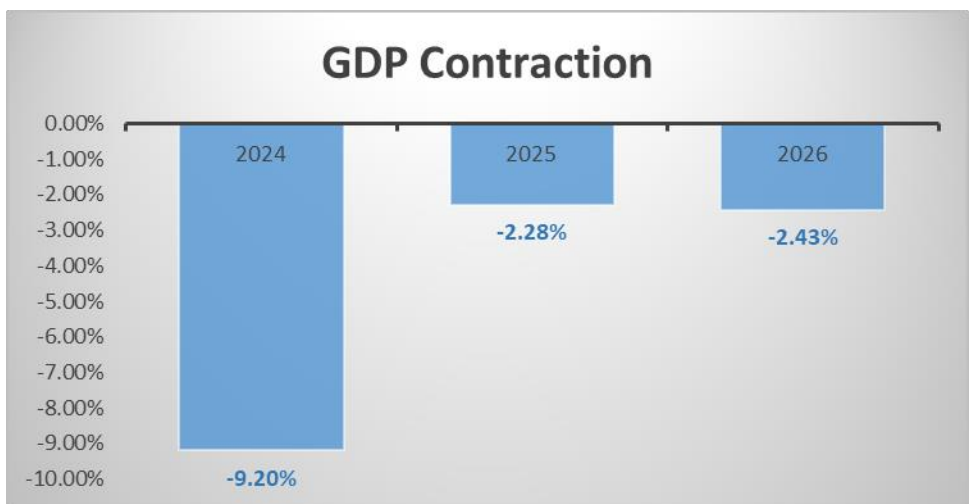
Without urgent fiscal reforms and responsible policymaking, the situation could worsen, making the recovery from the ongoing crisis difficult. Financing needs are expected to remain high at 21.08% of GDP in 2025 and rising to 27.49% in 2026. This reliance on excessive debt has created a cycle of financial instability, where borrowing is used to cover deficits instead of investing in the economy or improving services.



Source: UNDP

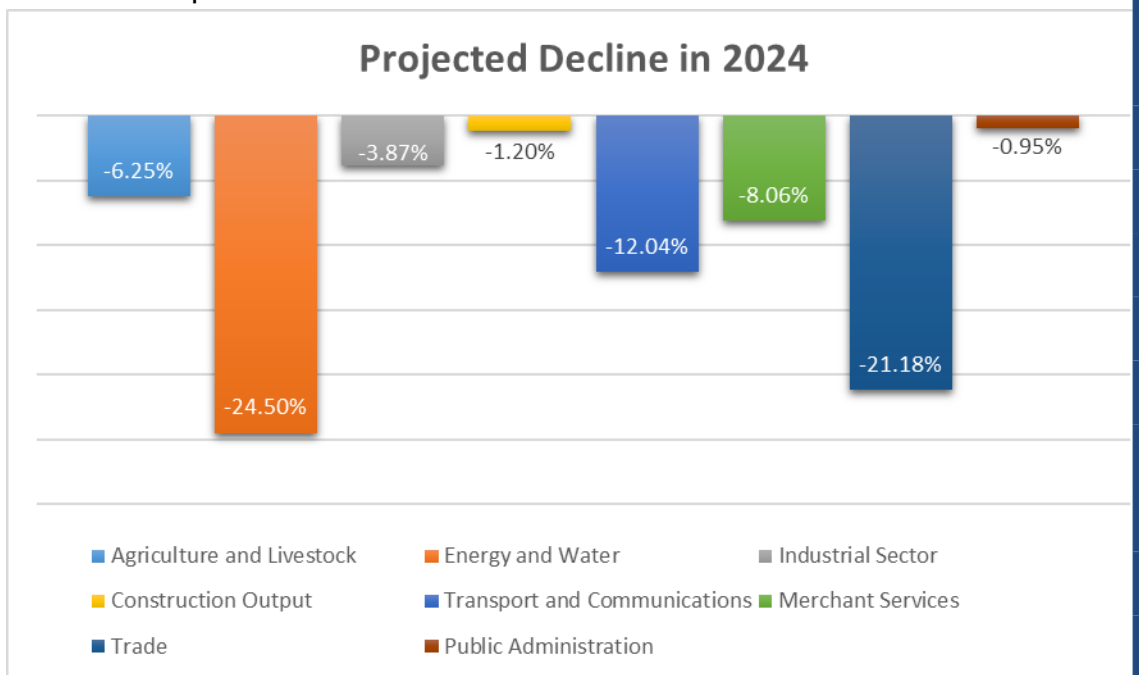
Economic Contraction

The impact of the war on the economy has been catastrophic, a predictable consequence for any country facing such turmoil, impacting every key sector. As per the UNDP, GDP is projected to contract by 9.2% in 2024, compared to a no-war scenario, resulting in a loss of about 2 billion dollars in economic activity. This decline is similar to the damage seen during the 2006 war, which caused losses estimated between 2.5 billion and 3.6 billion dollars, or 8% to 10% of Lebanon's GDP at that time. Looking ahead, GDP is projected to decline further by 2.28% in 2025 and 2.43% in 2026, compared to a no-war scenario.



Source: UNDP

All of the Lebanon' s key sectors are affected by the war. UNDP projects the energy and water sector to face the largest hit at 24.5%, followed by trade' s sharp decline of 21.18%.



Source: UNDP

Tensions on the Rise

As landlords avoid renting to Shia tenants, fearing links to Hezbollah, political and religious tensions could be on the rise. Many individuals, especially those opposed to Hezbollah, blame the group for the ongoing conflict, feeling trapped in a war that isn' t theirs, with old civil war wounds worsening the situation.

Safety concerns are growing as new displaced groups move in, especially after thefts in Ghobeiry. Some have even occupied vacant buildings without permission, pushing property owners to install barbed wire. With limited police presence, residents are taking matters into their own hands. Anti-refugee sentiments are also on the rise, as Lebanese IDPs compete with displaced Syrians for housing.

So far, local groups and authorities have managed to keep incidents under control, but the situation remains uncertain. Hate speech and community conflicts are increasing, which could lead to more violence, especially in an environment where resources are scarce and trust is fragile.

Education Crisis

The education sector also had a serious hit by the ongoing conflict. According to ESCWA' s analysis of many reports, by August 2024, 72 schools, both public and private, were either partially or fully closed, impacting approximately 23,000 students and 2,500 teachers. Commuting difficulties have also arisen for students who have relocated, complicating their access to learning.

In addition, many IDPs are now living in schools, further straining resources and disrupting education.

A recent study revealed that half of adolescent girls and young women in shelters reported that their education has suffered due to the crisis. Additionally, the mental health challenges faced by students living in conflict affected countries—such as trauma and anxiety—can severely negatively affect learning and concentration, making it even more difficult for students to succeed academically during such turbulent times.

Conclusion

In conclusion, the ongoing war in Lebanon has affected the country in many ways. The humanitarian impact includes significant loss of life and mass displacement. Economic disruptions threaten people's livelihoods and overall stability. Damage to critical infrastructure makes it hard to access essential services, while social tensions have increased within communities. Environmental damage poses long-term risks to public health, and the conflict has taken a toll on mental health, especially among children. The uncertainty about the future raises serious concerns about recovery efforts and the risk of worsening living conditions. To address these challenges, coordinated efforts are needed to restore services, support affected communities, and rebuild the economy sustainably. The resilience of Lebanon's people is vital for navigating this crisis and finding a way forward. Most importantly, this war must end soon, as Lebanon is on the brink of collapse. This conflict has brought only negative effects and cannot lead to any kind of "win" for Lebanon. This raises the question: how much worse can things get, and more importantly, when will the war end?

For your Queries:

BLOMINVEST BANK s.a.l.

Research Department

Zaituna Bay

POBOX 11-1540 Riad El Soloh

Beirut 1107 2080 Lebanon

Mira Said

mira.said@blominvestbank.com

Research Department

Tel: +961 1 991 784

research@blominvestbank.com

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