

THE LEBANESE TOURISM SECTOR IS IN CRISIS



Once considered one of the country's leading economic pillars, the Lebanese tourism sector faces a deep crisis threatening its existence. Hotels and restaurants, essential components of this sector, are experiencing various financial difficulties, including declining occupancy rates and unsustainable operating costs.

For several years, tourist attendance has drastically decreased due to political instability, security tensions, and the ongoing economic crisis, which has limited the ability of locals to visit these establishments. **Many hotels, once popular with visitors from the Gulf and the Lebanese diaspora, struggle to fill their rooms and witness a dangerous revenue decline.**

Restaurant owners in Lebanon are facing double pressure. Rising raw materials and energy costs make running their establishments increasingly expensive. Simultaneously, the decrease in the purchasing power of Lebanese consumers forces them to lower their prices, directly impacting their profitability. Several restaurants have already closed in this challenging environment, while others operate at reduced capacity.

Lebanon is experiencing a significant decline in tourist numbers. Once a destination that welcomed several million tourists annually, the country is seeing its visitor figures diminish year after year. The combination of a political crisis and a severe economic situation has made foreign travelers hesitant to choose Lebanon as a destination. Additionally, local tourists, impacted by the crisis, have drastically reduced their spending in the Lebanese tourism sector.

The number of tourists in Lebanon

Year	Number of Tourists (mln)	Annual Change
2018	2,1	+4%
2019	1,9	-10%
2020	1,0	-47%
2021	1,3	+30%
2022	1,5	+15%
2023	1,2	-20%

Despite a modest recovery in 2021 and 2022, the figures still fall significantly short of expectations. The peak seasons, particularly during the summer and certain religious holidays, are insufficient to offset the many months of low activity.

However, there are signs of optimism. Some hoteliers and tourism professionals are projecting a gradual improvement, with a recovery anticipated from mid-April 2025, as bookings have already increased. Certain establishments expect occupancy rates of 90% to 95% during Ramadan and the summer season, mainly due to the return of Lebanese expatriates and Arab tourists revisiting the country.

Rising Operating Costs

The challenges faced by hotels and restaurants go beyond a decline in attendance. Soaring operating costs are placing these establishments in a highly vulnerable position. Prices for electricity and fuel—essential for their proper operation—have skyrocketed due to the country's ongoing energy crisis.

Additionally, the prices of food raw materials, which are primarily imported, have dramatically

increased, directly affecting the cost of restaurateurs' menus. As a result, these establishments are faced with a difficult choice: they can either raise their prices, risking a loss of customers, or absorb the increased costs, which would reduce their profit margins.

The Lebanese hotel and restaurant operating costs (annual change)

Year	Energy	Food	Staff salaries	2019	+10%	+8%	+5%	2020	+35%	+20%	+10%	2021	+60%	+40%
				+20%	2022	+75%	+55%	+25%	2023	+90%	+70%	+30%		

Many hospitality businesses in Lebanon have had to take drastic measures to avoid bankruptcy. Some have reduced their opening hours, while others have cut jobs. Some hotels have also implemented aggressive promotional offers to attract local and foreign customers.

A Dynamic of Reopening Despite the Difficulties

Despite the ongoing crisis, some hotels and restaurants focus on resilience and strive to relaunch their operations. The gradual stabilization of the security and political situation encourages some investors to reopen their establishments or renovate their infrastructure in preparation for a slow revival of the Lebanese tourism sector.

Modernization and investment initiatives have been implemented in key tourism areas. In Beirut, several hotels have undergone renovations to attract a more discerning international clientele. In regions such as Byblos, the Bekaa, and the Chouf, restaurateurs have resumed operations, offering local products and gastronomic experiences tailored to the new economic landscape.

The gradual return of Arab visitors, particularly from the Gulf region, brings hope. The Lebanese diaspora is also vital in this recovery, returning to the country more frequently and driving demand in the hotel and restaurant sectors.

Prospects for the Future of the Lebanese Tourism Sector

Faced with the current challenges, several strategies are being considered to ensure the survival of the Lebanese tourism sector. Implementing a structured tourism recovery plan could accelerate the recovery process by highlighting Lebanon's rich cultural, natural, and historical assets.

Industry professionals emphasize the importance of financial support to alleviate the difficulties hotels and restaurants face. **Tax breaks, energy subsidies, and easier access to credit could significantly help these businesses during this challenging period.**

Adopting modern sustainable energy solutions, such as solar panels, is also suggested to reduce dependence on fuel oil and stabilize operating costs.

Lastly, ensuring political and security stability in Lebanon remains crucial. If tensions persist, attracting foreign tourists in large numbers will be challenging. Conversely, if an atmosphere of confidence is established, Lebanon could gradually restore its reputation as a popular destination in the Middle East.

Date: 2025-03-03

Article link: <https://www.tourism-review.com/lebanese-tourism-sector-faces-crisis-news14821>