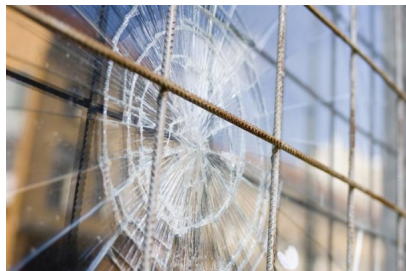


LEBANON: SYRIAN CONFLICT HITS TOURISM HARD



dollar economy.

Lebanon, famously known as the Arab region's business center and favorite destination for Gulf leisure and business travelers, can be best described as a country that has seen a lot of turbulent times with assassinations, clashes and bombings punctuating a history with a bloody civil war. Despite this, this country's tourism industry still accounts for a sizable portion of the country's multi-billion

When the two-year revolution aimed at ousting the Syrian President got dragged on longer than anticipated, the effects of the strife eventually spilled over eastwards into Lebanon and other neighboring countries. **Lucrative industries such as the tourism sector and others that had directly depended on foreign traffic into Lebanon all experienced severe blows.**

The average income for the Lebanese tourism industry went down by about 60%. The current deadlock in the Syrian conflict seems to indicate that things will not get better any time soon. According to Lebanon's Syndicate of Hotel Owners president, Pierre Achkar, overall income for hoteliers has already declined by about 30% so far this year. These figures also declined by about 25% compared to the previous year.

Tourists from the Gulf make up about 60% of the total tourism spending in the region despite a recent 13% decline in 2013. The Lebanese tourism industry made up about 22% of the country's economy in 2010, but later significantly dropped to about 19% in 2012 due to the spillover effect of the Syrian uprising. The Lebanese tourism industry, which accounts for about 20% of the 40 billion dollar economy, faces its biggest threat in more than 20 years.

According to Achkar, 2013 is the worst year for the tourism industry in Lebanon since the 1975 civil war. Things are getting more difficult for the country's travel trade since it depends more on leisure travelers than business travelers. Leisure travelers mostly pick their destination based on the region's general security and political situation.

The decline in tourism means that GDP will not be able to grow by more than 2% in 2013. This stagnation will not allow the country's debt to GDP ratio to change.

According to a former finance minister, Jihad Azour, now serving as the vice president and senior executive adviser for the consultancy firm; Booz & Co. in Beirut, the Syrian security situation decline that directly triggers the decrease of a number of services that are directly dependent on it, creates a vicious cycle that will make it extremely difficult for the industry to recover soon enough to compete with the rest of the region, even long after the resolution of the crisis.

Just about 25 kilometers from Beirut, vehicular traffic is sparse, while cafes and shops that had recently overflowed with tourists from the Gulf are now empty. A number of big hotels in the country are now opting to stay closed this summer in order to keep any unnecessary expenses in check.

There is however, hope that things in the industry will get better during the peak summer months if the political mayhem in Beirut is brought to an end.

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