2025- 2026

GEP DEEP DIVES

ECONOMIC RECOVERY & LIVELIHOOD

AMERICAN UNIVERSITY OF BEIRUT

GEP GOVERNMENT ENGAGEMENT PLATFORM

I. MINISTERIAL STATEMENT PROMISES

The following commitments were made by the Lebanese government in its ministerial statement, forming the baseline against which actual progress is assessed in **Economic Recovery and Livelihood.**

Boost Growth and Investor Confidence

Restoring trust to stabilize the economy and accelerate overall growth rates.

Stimulate Private Sector Activity

Promoting a business=friendly environment to drive internal economic momentum.

Expand Export Potential

Increasing the reach of national products in global markets to drive revenue.

Target Youth Employment

Creating sustainable job opportunities specifically designed for the younger workforce.

Industrial & Agricultural Support

Developing productive sectors through balanced and investment friendly policies.

Balanced & Inclusive Development

Ensuring growth benefits multiple sectors and demographic groups simultaneously.

II. AREAS WHERE PROGRESS HAS BEEN MADE

1. Macroeconomic stabilization signals:

- GDP **grew by 3.5% in 2025**, marking the first positive growth since the 2019 financial crisis.
- The **Central Bank's foreign currency reserves increased to USD 11.3–11.5 billion by mid-2025**, rising by approximately **USD 150 million per month,** contributing to relative monetary stability.
- **High-frequency indicators (H1-2025)** show a strengthening in economic activity, partly due to base effects after the 2024 contraction.
- The **Ministry of Economy and Trade has been working on activating inter-ministerial coordination** and preparing a medium-term economic vision for the first time in years
- The return to **political functionality** has contributed to improving economic stability and confidence.

II. AREAS WHERE PROGRESS HAS BEEN MADE (CONT'D)

2. International Partnerships & Investment:

- The **UK-Lebanon Chamber of Commerce was launched**, deepening bilateral economic ties.
- A **Lebanese Cypriot agreement** was signed at Baabda Palace to demarcate the exclusive economic zone between the two countries.
- Lebanon signed **five agreements with the International Finance Corporation (IFC) totaling over USD 150 million**, including investments in microfinance, manufacturing, and the chemicals sector, as well as support for PPP projects.
- The Arab Fund for Economic and Social Development, with a portfolio nearing USD 2 billion in Lebanon, resumed high-level engagement and announced a more direct role in financing and feasibility studies.
- The **Beirut I Conference** re-engaged international and regional investors, including participation from Arab and Gulf countries.

3. Reforms & Institutions:

- An **amendment to the Public-Private Partnership (PPP) Law** was submitted to Parliament and approved, opening the door for new public-private investments.
- Implementation decrees for the **Competition Law (enacted in 2022)** are being finalized, including building the administrative structure to hire economists and market investigators.
- The **Consumer Protection Law** was advanced alongside the Competition Law to combat monopolies, ensure food safety, and protect consumers from market fraud.
- A new **Economic, Social and Environmental Council** was appointed for the first time since 2017.
- The **Rachid Karami International Fair in Tripoli** is being revitalized, positioning it as a future economic and cultural hub for Northern Lebanon.

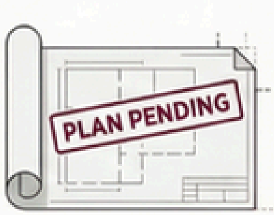
II. AREAS WHERE PROGRESS HAS BEEN MADE (CONT'D)

4.Diaspora and Tourism Recovery:

- Diaspora engagement intensified, with expatriates positioned as key investors and partners in reconstruction.
- Tourism-related activity showed signs of recovery, with guesthouse bookings exceeding previous seasons and imports approaching pre-crisis levels**, estimated at USD 19 billion for 2025, compared to USD 20 billion in 2018–2019.**

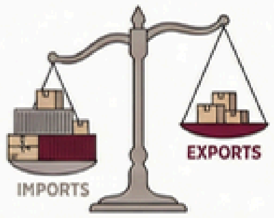
III. AREAS WHERE EFFORTS CONTINUE TO EVOLVE - AGENDA IN PROGRESS

Structural & Productive Stagnation



Finalized Recovery Plan Still Pending

The medium-term economic plan has not been fully cleared or implemented.



Unbalanced Trade Productivity

The imports-to-exports ratio remains high, hindering domestic production growth.

Limited SME & Industrial Support

Implementation of industrial zones and SME support has yet to advance.

External & Human Capital Hurdles

Strained Regional Engagement

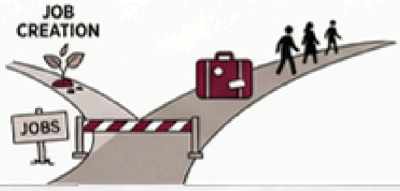
Formal agreements with Gulf countries remain unsigned, restricting travel and export routes.

Stalled Foreign Investment

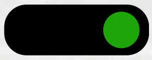
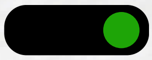
Foreign investment flows have not yet materialized at a scale to revitalize growth.

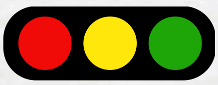
Labor Market & Migration Crisis

Recovery is slow, characterized by limited job creation and high outward migration.



IV. OVERALL ASSESSMENT SUMMARY

Commitment	Progress	Note
Raise economic growth rates equitably		GDP grew 3.5% in 2025, first positive growth since 2019 crisis
Restore investor confidence		Beirut I Conference and IFC agreements are positive signals; full-scale FDI yet to materialize
Involve the private sector in investment & production		PPP Law amended and approved; implementation still unfolding
Support productive sectors		Imports-to-exports ratio remains high; productive sectors still lagging
Create sustainable jobs for youth		Labor market recovery is slow; outward migration continues
Improve local industries & expand export markets		Anti-smuggling measures reiterated; industrial zones and SME support not yet advanced
Strengthening the Economic, Social & Environmental Council		New Council appointed for the first time since 2017
Open markets & benefit from trade agreements		Gulf engagement remains limited with no formal agreements signed



Note: RED - early progress ;
YELLOW – moderate progress;
GREEN – advanced progress

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