

Lebanon War 2024

Socioeconomic impact analysis



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Key messages



The 2024 war came after **six years of economic and social crises**, compounded by decades of structural political, security and governance challenges.



The war inflicted **massive destruction on Lebanon**, with the number of Israeli airstrikes from October to November 2024 ranking among the **highest number of attacks globally in the 21st century**.



Private sector employment fell by 25 per cent, and around **29 per cent** of war-affected **businesses no longer have any employees**.



Around **15 per cent** of surveyed businesses shut down permanently, while **21 per cent suspended operations temporarily**. In the areas most impacted by the war, **24 per cent remain closed** after the ceasefire.



Around **500,000** students faced severe educational interruptions; during the war, **69 per cent** of children were out of school until the ceasefire.



Child nutrition reached critical levels, particularly in the Baalbek-Hermel and Bekaa governorates, where over **51 per cent** and **45 per cent** of under-2-year-olds, respectively, experienced **severe food poverty**.



The **Human Development Index** rank of Lebanon regressed to 2010 levels, marking a 14-year setback due to the overlapping crises.



The 2030 **gross domestic product** of Lebanon is projected at **\$46.9 billion** should the necessary reforms be implemented, but even then, it will be **8.4 per cent** below its pre-crisis 2017 peak (\$51.2 billion).



Sustainable recovery requires prioritizing key enablers, fostering healthy economic growth, strengthening social protection, and reforming the financial sector. Trust in institutions must be restored through better governance, service delivery and infrastructure access.



Context

The outbreak of the war on Gaza on 7 October 2023 immediately triggered conflict around the southern border of Lebanon which had significant impact on the country, particularly on the southern areas. In September 2024, Israeli military operations escalated, expanding across Lebanon. This came amid a multifaceted crisis that Lebanon has struggled with for the preceding six years.

1. Conflict synopsis: attacks and unexploded ordnance contamination

The Lebanon war, which began on 8 October 2023 can be divided into three phases. The first phase was a controlled war between 8 October 2023 and 22 September 2024. Hostilities were limited to daily skirmishes and the exchange of fire, mostly along the southern Lebanese border. The second phase between 23 September 2024 and 27 November 2024 was an escalation of the war. Israel launched a full-scale military operation, which expanded geographically to target broader areas across Lebanon. This phase also included a ground invasion that began on 1 October 2024. The third phase, post 27 November 2024 was the ceasefire, which remains in place despite numerous violations.

The frequency of attacks in October and November 2024 was the highest across the three phases. During those two months alone, the number of Israeli airstrikes were among the highest number of attacks recorded globally in the 21st century. On average, more than three children were killed every day during October and November, and more than 1.2 million people displaced, including over 400,000 children.

2. Human losses and displacement

As of 9 January 2025, the Lebanese Ministry of Public Health reported a total death count of 4,285 persons. A significant number of children and women were among the fatalities. A total of 292 children and 861 women lost their lives, representing 27 per cent of the death toll since October 2023. The attacks also caused a high number of injuries, cumulatively reaching around 17,200 as of 9 January 2025. Of those injured, 1,479 were children and 2,890 women. Direct attacks on hospitals, health centres and ambulances caused 241 deaths and 295 injuries among medical and paramedical staff. The war caused a massive wave of displacement. Immediately after the ceasefire was announced on 27 November 2024, internally displaced persons (IDPs) began returning to their hometowns. As of 20 February 2025, at least 98,994 IDPs were not able to go back to their communities due to the continued occupation, complete destruction and damage to infrastructure and housing, and ongoing security concerns.



3. Damage assessment

According to remote assessments, 63,962 buildings, constituting 229,125 housing and non-housing units, were destroyed or sustained different levels of damage (severe, moderate and possible) in the South Lebanon, Nabatiyeh, Baalbek-Hermel, Bekaa, Beirut and Mount Lebanon governorates. An estimated 12,008,535 cubic metres of debris was generated from this destruction, weighing between 27,216,257 and 20,442,433 metric tons (these numbers exclude road-related damage).

In December 2024, a rapid assessment evaluating the conflict's impact on municipalities identified damage across 90,076 structures, with 66,587 partially damaged and 23,489 completely destroyed. This included 59,577 housing units, of which 29 per cent were completely destroyed; 14,748 business units/establishments, with 26 per cent completely destroyed; and 14,762 agricultural assets, with 19 per cent completely destroyed. Infrastructure and essential services, encompassing 989 assets such as health and educational facilities, roads, and water treatment plants, also suffered significant damage.

The highest concentration of destroyed or damaged buildings was reported in Nabatieh with 31,451 buildings, followed by the South Lebanon governorate, with 17,842 buildings destroyed or damaged. Other severely impacted areas included Baalbek-Hermel, Bekaa, Beirut, and Mount Lebanon governorates. Nabatieh recorded the highest percentage of complete agricultural destruction, at 58 per cent, followed by Tyre at 52 per cent, and Bent Jbeil at 33 per cent. These losses are particularly concerning, as they raise critical issues related to water



contamination, ecosystem damage, and the livelihoods of farmers.

Between 8 October 2023 and the ceasefire, at least 34 water infrastructure facilities were damaged by attacks, affecting water supply to more than 400,000 people.

4. Human and social impact

Approximately 1.6 million people are expected to be facing high levels of acute food insecurity, 928,000 of whom are Lebanese citizens.

Between 2012 and 2022, the proportion of Lebanese citizens living below the poverty line more than tripled,¹ rising from 11 per cent to 33 per cent. The impact of the 2024 war, particularly on Baalbek-

1. Excluding Baalbek-Hermel, El-Nabatieh, and South Lebanon governorates due to lack of data.

Hermel, El-Nabatieh, and South Lebanon governorates, has certainly contributed to the rise in monetary poverty.

The war deepened labour market difficulties in Lebanon significantly. During the war, employment declined by 25 per cent among private sector workers. In areas most heavily impacted by the bombardments, 36 per cent of workers lost their jobs, compared to 17 per cent in non-affected regions. After the ceasefire, 14 per cent of workers remained out of employment. Recovery has been much slower in conflict-affected areas, where 24 per cent of workers are still out of work post-war, compared to 7 per cent in less-affected regions. Women workers in the private sector were disproportionately affected, with 18 per cent out of employment compared to 12 per cent of men. Widespread income losses were experienced by those who remained employed: 35 per cent saw their earnings decline, with overall average earnings declining by 15 per cent.

By 1 October 2024, displacement caused by military attacks had led to 769 educational facilities being repurposed into shelters, including 523 public schools, 84 vocational training centres and several branches of the Lebanese University. Nearly 400 schools closed completely due to sustained bombardment. Displacement

severely affected educational continuity; around 500,000 students were displaced, as well as 18,792 public school teachers and 16,798 private school teachers. With learning spaces repurposed as shelters, school attendance plummeted. A January 2025 rapid assessment on the impact of the war on children and the situation after the ceasefire found that 69 per cent of children did not attend school during active fighting, and 31 per cent never returning after the ceasefire. Most parents (85 per cent) express serious concerns about their children's educational future. These disruptions to education significantly increase risks of child exploitation, including the risk of hazardous child labour.



5. Economic impact

Key sectors of the economy have been severely affected, including tourism, agriculture, manufacturing, trade, financial flows and other services. The tourism sector's contribution to the economy in 2024 is expected to have declined to 5.5 per cent.

Agriculture is a strategic sector of the Lebanese economy, contributing around 8 per cent of gross domestic product (GDP) in 2021. Given the high importance of agriculture in the heavily targeted regions of Lebanon, the agricultural and food sector has been subject to severe disruption as a result of the war, mainly as a result of fires, shelling, and missed harvesting and planting seasons. Major crops have been affected by the fires caused by shelling. A total of 2,193 hectares of agricultural land and pastures (1,917 hectares of forest and 275 hectares of agricultural land) was affected, primarily damaged by the use of white phosphorus, shelling and other chemicals. Agricultural land damage included the total loss of 134 hectares of olives, 48 hectares of citrus trees, 44 hectares of banana trees and 15 hectares of other fruit trees. In addition to fires and burned land, more than 12,000 hectares of agricultural land in the Nabatieh and South Lebanon governorates were abandoned as a result of the continuous attacks. Missed harvests caused significant losses in income generation for farmers. Specific crops were highly affected, including olive, avocado and non-wood forest products. Losses caused by missed harvests were particularly high in the districts of Marjayoun, Bent Jbeil, Hasbaya and Nabatieh, which reported a reduction in harvests of 84 per cent, 75 per cent, 70 per cent and 62 per cent, respectively. Significant losses of livestock were also reported in the targeted regions. It is estimated that around 10 per cent of livestock assets in the South Lebanon and

Nabatieh governorates were lost and about 30 per cent of livestock was sold at a loss.

Micro-, small- and medium-sized enterprises (MSMEs) represent around 90 per cent of the Lebanese economy, heavily concentrated in the Beirut and Mount Lebanon governorates. The war forced many MSMEs to halt operations as a result of direct shelling, economic uncertainty, displacement of owners and workers, damage to infrastructure and supply chain disruptions. In addition, the daily operation of MSMEs was affected by damage to essential infrastructure, such as water supply, roads, electricity and communications. This directly affected their production and capacity. More than half (55 per cent) of surveyed businesses across Lebanon sustained damage to their premises. Around 9 per cent of businesses reported that their premises had been destroyed, and 7 per cent were reportedly severely damaged.

Among businesses in the manufacturing sector, 50 per cent reported damage to their premises. According to an assessment conducted by the United Nations Development Programme (UNDP), the governorate with the highest proportion of severely damaged and fully destroyed business premises was Nabatieh, with 31 per cent of surveyed businesses, followed by the South Lebanon governorate, at 23 per cent.

The war significantly affected the business continuity and operations of MSMEs across the country. Around 15 per cent of businesses and livelihood activities have permanently ceased their operations. Additionally, around 21 per cent of businesses across the entire country have temporarily closed, around 40 per cent of businesses are operating at lower capacity, and 24 per cent of businesses are operating normally.

The manufacturing sector faced severe disruptions: around 13 per cent of businesses have permanently closed, 20 per cent temporarily ceased operations, around 45 per cent continue to function partially, and just 22 per cent are operating normally. Key productive and service sectors saw significant declines in their real output, including mining, manufacturing and utilities, with the output reported to have fallen by 43 per cent. Disruptions to the manufacturing sector could further impact economic recovery, given that manufacturing plays a critical role in recovery.

In the areas most affected by the war, 70 per cent of enterprises were forced to close entirely, while 18 per cent managed to operate on a limited basis – for a few days per week or a few hours per day. Only 12 per cent of businesses in these areas managed to maintain full operations during the war.

Even after the ceasefire, businesses in war-affected areas were still impacted. After the ceasefire, 24 per cent of businesses remain closed, 20 per cent are only partially operational, while 56 per cent have resumed full functionality. Foreign direct investment has remained very low since the beginning of the economic and financial crisis in 2019, dropping from a pre-crisis level of \$2.7 billion in 2018 to merely \$0.6 billion in 2023. The war is expected to have disrupted the already minimal levels of capital inflow into Lebanon.

6. Economic outlook

The political transition in Lebanon, including the election of a new president, prime minister and cabinet, could catalyse critical reforms. While both the Presidency and Council of Ministers have expressed

commitment to change, meaningful progress will require concrete actions. Key priorities include combating corruption and strengthening core government functions, particularly in planning and decision-making, revenue generation, public financial management, security and the rule of law, social protection and oversight mechanisms. These reforms are essential not only for postwar recovery but for addressing the pre-existing crises in Lebanon.

Economic projections suggest potential GDP growth of 8.2 per cent in 2026 and 7.1 per cent in 2027 if reforms succeed. However, even with this growth, the 2030 GDP of Lebanon would reach only \$46.9 billion, 8.4 per cent below its 2017 peak of \$51.2 billion. Achieving this level of domestic output demands the implementation of a rigorous reform agenda focused on stimulating growth and rebuilding State institutions. This will require strong political commitment and coordinated efforts to ensure the appropriate scale and sequencing of reforms.



7. The way forward: a sustainable recovery plan

The recovery plan is structured along four priority areas, aligned with government priorities as spelled out in the ministerial statement of the newly formed Government, and where it is expected that the Government will play a lead role in its implementation:

(a) Priority area 1

Restore and strengthen the functions and capabilities of the State at all administrative levels to re-establish and support local and central governance and enhance social stability. The objective is to enable government institutions, including municipalities, to resume their core functions in governance and service provision, rebuild public trust, and regain the confidence of the international community, assuming a leading role in implementing the recovery plan. Support will focus on advancing critical reforms in public administration, public financial management and local governance. Notably, the support will entail strengthening national capacities to implement elections. It will also enable the implementation of comprehensive reforms in the justice sector to re-establish trust in the justice system.

(b) Priority area 2

Advance economic recovery through targeted economic reforms and food system recovery and stimulus to generate decent jobs, restore business confidence and foster entrepreneurship. The aim is to revive economic activity by supporting a comprehensive package of reforms and incentives that stimulate private sector growth, encourage investment and create decent and productive employment opportunities. Interventions will focus on restoring macroeconomic stability, improving the business environment, and enabling MSMEs to invest, expand, and create jobs and play a central role in the recovery process.

(c) Priority area 3

Ensure more efficient and sustainable basic services while strengthening national social protection systems. The objective is to restore access to essential services such as health and education, improve access to food, provide social safety nets to people living in extreme poverty, and bridge the poverty gap for the growing number of extremely poor populations. The recovery plan will focus efforts on reconstructing and rehabilitating damaged facilities and infrastructure essential for the provision of basic services and life essentials such as food, health, education, water and sanitation, and other social services. These include hospitals, primary healthcare centres, schools and social development centres. Systems, policies and delivery mechanisms are also key areas to be strengthened as part of the recovery plan, notably in the areas of social protection, including social assistance, and access to quality educational and health services.

(d) Priority area 4

Recover environment ecosystems in Lebanon. The aim is to address the environmental degradation caused by the war, including safe management of debris, restoration of damaged disposable sites, removal and treatment of contaminated waste, strengthening institutional capacity, clearing unexploded ordnance, and overall ecosystem restoration. This will include strengthening institutional capacities to assess and protect against environmental risks. As part of the building back better approach, focus will also be on restoring critical energy supplies and promoting the use of renewable energy.