

ANALYSIS ◆ FOOD & DRINK

Lebanon's diners defy both slowdown and spectre of war

By Edmund Bower May 7, 2024



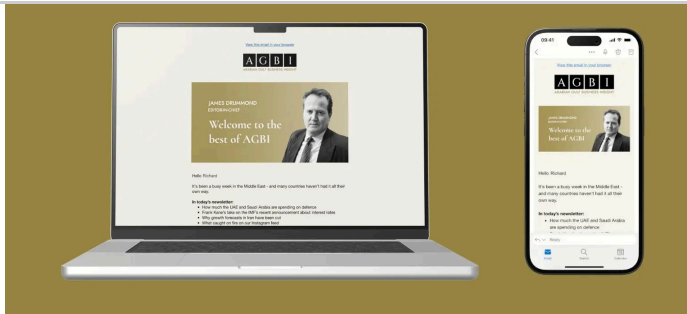
Ghia Holding

Ghia Holding's Abd el Wahab restaurant in Beirut has defied the sceptics and is thriving

It is a cliché in Lebanon that people will always find the money for restaurants, even with war and conflict once again threatening its southern borders.

"No matter what, Lebanese people want to go out," says Christian Ghosn, CEO of Ghia Holding, which operates 25 restaurants in Lebanon, the Middle East, and Europe.

When Ghosn's father opened Ghia's flagship restaurant, Abd El Wahab, in 1999 on the old frontline of the civil war, "People said, 'You're crazy'."



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Defying the doubters, Abd El Wahab became a landmark restaurant in Beirut, and the company continues to grow. Despite fighting on the country's border and the continuing economic crisis, Ghosn says that Ghia is making money and is opening two new outlets in Lebanon this year.

Between 2019 and 2022 the number of restaurants throughout Lebanon dropped from 8,500 to 4,500. Analysts say they have since rebounded, however, and outlets in the capital are opening at a faster rate than before the crisis.

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Ghosn acknowledged that 2020 and 2021 were the most difficult in the company's history. The impact of Covid-19 was followed by an economic crisis that wiped out people's savings and more than half of Lebanon's GDP. One of Ghia's restaurants, El Denye Hek in Mar Mihael, was destroyed in the port explosion on August 4, 2020.

In the past 12 months, Ghosn says things have improved a lot. "Last year was a very good summer for us," he says.

As inbound tourism began to pick up at the beginning of 2023, restaurants were granted legal permission to price their menus in dollars, pushing the cost of dining out of reach for some, but making it easier on businesses to recoup some of their losses. Since then, restaurants have been re-opening at a rapid pace.

2021	889,953
2022	1,470,000
2023	1,670,000

Source: Hodema • Created with [Datawrapper](#)

Mar Mikhael in particular, a trendy residential district just next to the port, has undergone “a complete facelift” since 2019, in the words of Nagi Morkos, a managing partner at Hodema consulting services.

A Hodema market insight report found that the turnover of new restaurants in Mar Mikhael since 2019 is 44 percent.

Some businesses devastated by the blast that wrecked the port of Beirut in 2000 and the difficulties over the past four years have managed to rebuild, but many of those that did not have been replaced by brand new outlets.

“Imagine an area in London or Paris where 50 percent of the restaurants have changed,” Morkos says.

Across Beirut, Hodema recorded 722 food and beverage outlets in April 2023, down from 977 in 2019. The results for 2024 are not out yet, but Morkos hints that the total number of outlets is closing in on pre-crisis levels.

Despite the four-year recession, and predictions that the economy will contract slightly again this year, he says, “restaurants are increasing everywhere”.



The price of an average cover in Beirut has risen from \$30 to \$35, enough for businesses to turn a profit

“From the customer perspective, they are going out, because they have no debt any more,” he says.

“You don’t have a loan from the bank, you don’t have a car loan, you don’t have a house loan, no personal loans. If you’re making a thousand dollars, you’re going to spend them. So you’re going to spend them in the restaurant.”

The dollarisation of the food and beverage market has also helped to absorb the shocks of inflation. Pierre Akiki, a hospitality consultant, says the price of an average cover in Beirut has increased from \$30 to \$35, enough for businesses to turn a profit.

The city “is bouncing back”, Akiki says. “If you pass by Thursday, Friday, Saturday, the restaurants are full.”

“ If you pass by Thursday, Friday, Saturday, the restaurants are full ”

Pierre Akiki, hospitality consultant



their money into hospitality.

"The restaurant is an easy cash-money transaction," Akiki says. "You lend \$100,000, let's say, and in three or four months you start to get cash in return.

"If you get a great restaurant with a great location, you can get a return within a year."

Restaurateurs still face challenges. Global inflation continues to push up the cost of food and raw materials. Akiki says that restaurants buy a lot of their supplies and equipment from Europe, which has been hit badly.

Continued fighting between Hezbollah and Israeli forces also threatens tourism, which is currently almost entirely dependent on the Lebanese diaspora.

Ghosn says he is concerned, but that he has faith in the market. "Even in the seventies," he says, "people used to go out, eat, drink, and come back home in the morning. And that was a proper war!"

Despite the security situation, Ghia is going ahead with its new openings. "After last summer, we all believe in Lebanon again," he says.

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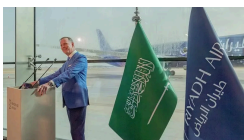
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