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Entertainment

IT WAS A BLAST

Who can forget the summer of 2004, when life in Lebanon was one long party? Who cares? The bad times are back and that's an even better reason to let rip.

By Nathalie Bontems Beirut

A Beirut summer night. Search beams streak the sky as loud explosions thunder down the streets. At the Sky Bar, Lebanon's trendiest club, a roaring crowd dances to techno pumping out of loudspeakers installed on the rooftop. Making a surreal counterpoint to the hedonism of the 3,200-odd partygoers, army helicopters wing their way directly overhead, carrying wounded sol-

diers from where they have been fighting in a refugee camp north of the city.

Despite, or perhaps because of, the bombings and the siege at the Nahr el-Bared settlement, the Lebanese are determined to have fun, and this summer, open-air clubs are the place to do it. Every night, dozens of partygoers line up at the entrances of the new rooftop venues, hoping to be allowed in.

It's not 2004 anymore, when Lebanon had at long last overcome its troubles, the economy was ticking over nicely and tourists and citizens alike were enjoying the unspoiled summer. The party isn't over, however; it's just changed venue. The war with Israel, the bombings, the political uncertainty, but particularly the bombings, have turned many revelers away from former

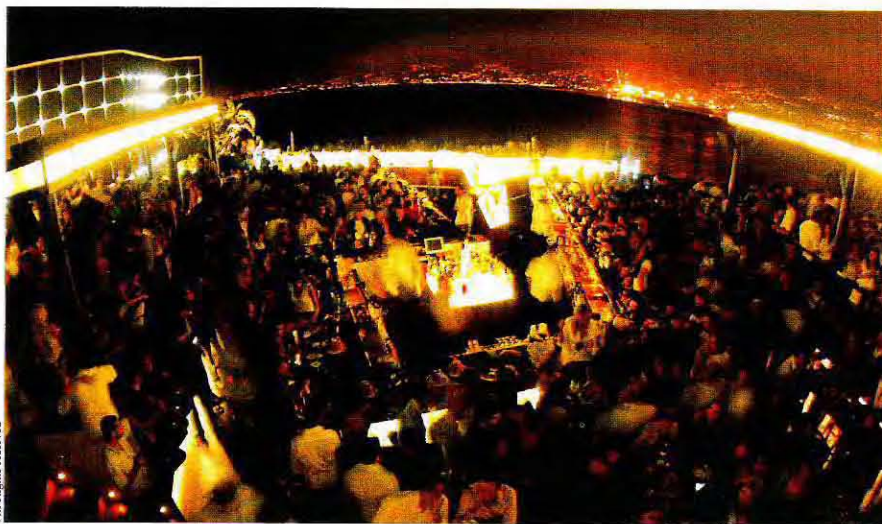
nightlife strips such as Monot Street or the Jemmayzeh district. It's not just that people are afraid – two years ago the crowd in Monot Street simply ignored a bomb that went off a couple of blocks away – it's more that after the army moved in and blocked off the streets, the mood shifted. In June a bomb went off near the upmarket ABC Mall, and the public grew fearful that similar spots would be targeted. As for Downtown Beirut, the commercial heart of the Lebanese capital, the ten-month-long sit-in organized by opposition groups has long ago driven away any visitors. All of which has left the Lebanese with a simple choice: either stay at home, which many have, or find new, and safer, places to have fun. The Sky Bar, Bubbles, the White and the Basement have provided them with just that.

Customer care. The success of the rooftop clubs has merely underscored the difficulties Monot Street and Jemmayzeh are having. In a bid to keep their customers from deserting them, 29 restaurant and bar developers and owners in Jemmayzeh ran a campaign called "29 good reasons to go to Jemmayzeh." The irony lies in the fact that these popular nightspots have historically enjoyed strong customer loyalty, built up over the years by the small, intimate venues concentrating on providing quality service. That has proved to be insufficient in the face of their proximity to Downtown Beirut.

"In an area like Monot, close to the sit-in, the psychological impact of the near-by opposition tents is strong," says Bechara. "Loyal customers still come, but only where they have their habits, like in Crystal or Pacifico." And even in jet-set Crystal, an undoubted success story, the frequentation rate has dropped by half since 2004. "We used to attract Gulf nationals that were living in Lebanon and wealthy Syrian customers," says Mazen ez-Zeid, the chairman of CMG Holding, which manages Crystal among other hospitality ventures. "Up to a third of our weekend customers were Syrians. Now they remain in Damascus, where the number of classy clubs – such as Zeebar – is increasing."

Still, business may be about to get back on track. One promising sign is the return of Lebanese expatriates with a taste for the high life and for staying out till late. That means renewed interest in districts known for their small

Playing both sides of the market is a business model that's bound to work. The smart approach would be to have a financial interest in "before" venues such as Pacifico in Monot Street, and "after" venues such as B018, an underground



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'The Sky Bar benefited from the Nahr el-Bared effect when it set off fireworks during the siege'

bistros and cozy nightspots, such as Jemmayzeh. Major developers such as the White Group and CMG Holding have picked up the scent and have rented or are about to rent a bar or bistro in the district.

"We are not targeting mass customers but those who have deserted Monot Street," says ez-Zeid. "It's a complementary approach with Crystal, which provides clubbing in the upper part of Monot Street. We hope to get inside Jemmayzeh without competing with the locations we already have."

club at the north end of the city. "In Jemmayzeh, where you find mostly restaurants and bars, the average check is low, around \$7," explains Morkos. "In Monot, there are nightclubs, so it's more expensive, with an average \$30 ticket."

Nahr el-Bared effect. The trend in rooftop clubbing started in 2003, when the Sky Bar opened in the Palm Beach Hotel. Soon after, the White opened in the building that houses Lebanon's biggest selling Arabic-language daily, An-Nahar, and the Fly found a home in the Virgin Megastore terrace. This last

THE WHITE

Fashionable rooftop club, which, like Sky Bar, is split into parts that cater to different crowds

B 0 1 8

An architectural marvel, this underground club wouldn't be out of place in New York or Ibiza

CRYSTAL

A posh club in Monot Street that sets the bar for Beirut night life



'It's the Lebanese way. Entrance passes can't be, and never are, limited to the number of reservations'

summer, open air venues did phenomenally well, but the Sky Bar – managed by 30-year-old Chafic el-Khazen – exceeded expectations. El-Khazen's \$200,000 investment reached its breakeven point in less than a season with an \$800,000 turnover in 2003. The next year, it generated \$1.5 million. Things went wrong in 2006 when the war started the day following the opening of the new and larger Sky Bar (a 1,000-square meter venue). But the new Sky Bar made up for it this summer. According to Nagi Morkos, of hospitality consultancy Hodema, the Sky Bar generated \$2 million in just three months.

"The Sky Bar benefited from the Nahr el-Bared effect," he says. "It focused the animosity of the press when it set off fireworks during the siege, but this insolence was also [good] publicity. It showed that the club remained open when others were closed. And it drew customers from other areas."

Says Raymond Bechara, an investor in night hospitality ventures and a Sky Bar shareholder: "The Sky Bar attracted basic customers coming for an early drink. It gathered people from various ages, various social backgrounds and with various socializing habits. This is something new in Lebanon."

Another key to Sky Bar's success is its shareholders' network. Bechara, who describes himself as "someone doing nothing anywhere and everything everywhere," has a spread of interests, including in restaurants and hotels. In Beirut terms, this is not unusual. "The way business is done in Lebanon is through pools of shareholders," he says. "No one has a majority of shares in order to attract partners, and through these partners, their networks of relationships. Doing business through circles of shareholders is the Lebanese way – if each initial shareholder brings three groups of potential customers, that's a very good start."

Having the knack. But their novelty and their relative safety do not suffice to explain the success of venues like the Sky Bar. Perhaps it's because the Lebanese just have a knack for making things fun. First, entrance to Lebanese clubs is always free, a practice of long standing. On the other hand, custom decrees that one must have reserved a table to be allowed in, or to at least have been invited to one, which, in a city where everyone knows everyone else, amounts to a free pass. "It's the Lebanese way. Entrance passes can't be, and never are, limited to the number of reservations at a table," says Morkos. Too make sure valuable regulars aren't elbowed aside by newcomers, Sky Bar has introduced a code system. "This code, which changes every night, is given to shareholders and to major clients who come regularly," says Bechara.

Flexibility, another Lebanese trait, also helps explain why venues like the Sky Bar do so well. To attract nighttime customers, restaurants must be willing to do a midnight conversion and turn their restaurant into a dance floor.



'One must always surprise the customer, be on top of innovation, even if business is already good'

Fashionistas. One key to success is a lot subtler than serving great cocktails or fashionable decor: it's providing a venue that gives the Lebanese a chance to show off. A good example is the way customers' cars are handled. The traffic jams on a Friday night in Monot Street and Jemmayzeh aren't traffic jams: they're status rituals, and an authentic "parking valet cult" has, according to Morkos, grown up around them: "The way one arrives is very important; it's part of the Arabic show-off ceremonial.

The more the valet is paid, the more his car is likely to get parked close to the club and then be visible to other customers." Which may explain why the Sky Bar hired 100 valets. This apparently secondary aspect of the business shouldn't be overlooked; it contributed to the success of the Crystal back in 2003, in front of which no car under \$100,000 was ever parked.

But success in Beirut is an elusive thing, because the Lebanese are fickle. Today they'll be hammering down the

door; tomorrow, they'll have deserted you. Tricks of the trade like valet service are all fine and well, but enduring success depends on cultivating customer loyalty as a counterweight to the habitual barhopping and slavish devotion to fashion that is typical in Beirut. "In this business, the basic rule is not to simply serve drinks and put on some music," says Bechara. "One must always surprise the customer, be on top of innovation, even if business is already good and even if large investments are needed. Like celebrating Christmas in the middle of the summer, for instance."

Guessing which novelty will take off isn't too difficult. Harder to guess is the longer-range trend of which parts of the city will draw nightlife a few years from now. Ez-Zeid surmises that things are set to change: "Depending on political developments, the port zone and the Beirut marina will focus most of the nightlife locations by 2009 or 2010. Besides, all seaside cities eventually suffer from competition from villages, where there's simply more space to develop projects. It is already happening in Lebanon." ■

PACIFICO

Practically an institution in its own right, this established bar in Monot Street has many regulars

MONOT STREET

Still the epicenter of Beirut night life, with a dazzling array of restaurants and bars

JEMMAYZEH

A working class, now trendy, neighborhood of narrow streets lined with bars and cafés