

# Lebanon Crisis Update

June 2024



Source: AP

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The Monthly Lebanon Crisis Update provides an overview of economic and political developments to alert the international aid response to new and emerging challenges that could impact the humanitarian situation in Lebanon. In the context of the multiple crises affecting Lebanon, the update tracks the impact of political developments on the economy, relevant international developments, updates on service delivery and governance issues, and analysis of the drivers of humanitarian need as they develop. The report also aims to provide nuanced forecasting on contextual shifts relevant to shifting needs and the implementation of humanitarian programming. The report draws upon a desk review of currently available literature, analysis of relevant quantitative data, and key informant interviews with a range of experts and individuals with knowledge of Lebanon's economy.

The Lebanon Crisis Analytics Team (LCAT) provides reactive and in-depth context analysis to inform the aid community in Lebanon. The information and analysis contained in this report is therefore strictly to inform humanitarian and development actors and associated policymaking on Lebanon.

*This study/report is made possible by the support of the American People through the United States Agency for International Development (USAID) and European Union Humanitarian Aid. The contents of this report are the sole responsibility of the LCAT and do not necessarily reflect the views of USAID, the United States Government, or the European Union.*



## Key Takeaways:

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- Israel stepped up both the rate and depth of its shelling of Lebanese territory in June, when Israeli shelling killed 7 civilians, raising the total non-combatant death toll since October 8, 2023 to 97. Concern is growing over the use of phosphorus munitions, which pose serious risks to civilians and the environment. The number of internally displaced persons has now reached 96,829, a slight increase over May.
- The General Directorate of General Security demanded full access to United Nations High Commissioner for Refugees (UNHCR) data on Syrian refugees. This coincides with rising anti-Syrian sentiment across Lebanon and the implementation of stricter state measures against Syrian nationals.
- According to the BTA-Fransabank Retail Index, business activity declined in the first quarter of 2024, likely due to regional conflict, declining household purchasing power, and a lack of investor confidence in the government and financial sector. Consumers, forced to prioritize essentials, are spending less, further dampening the economy.
- The Teachers Union announced that private schools must inform their teaching staff about the value of their salaries for the upcoming academic year. The Union also said that at least 60% of private school teacher salaries should be paid in US dollars (USD).
- The Central Bank extended Circular 158 and Circular 166 through June 2025, making minor amendments to the eligibility criteria for both. Account holders can only benefit from one of the two circulars at a time, limiting maximum monthly withdrawals to USD 400.



# 2024

## JUNE

The European Union and the European Bank for Reconstruction and Development launch a 12.5 million US dollar program to support small- and medium-sized businesses in Lebanon.



7

Two wildfires erupt in Akkar that burn for three days.

Banque de l'Habitat announces that it will offer special housing loans to low- and middle-income Lebanese residents.



19

The General Directorate of General Security demands complete access to United Nations High Commissioner for Refugees data on displaced Syrian nationals in Lebanon.

The Teachers Union calls on private schools to pay at least 60% of educators' salaries in US dollars.



23

Electricité du Liban announces that it will increase power generation output by 60% over the course of the summer.

Lebanon's Central Bank extends the validity of Circular 158 and Circular 166 through June 2025.





Source: AP/Hussein Malla

## Cross-Border Conflict:

Throughout June, Israel again increased the tempo and depth of its shelling in southern Lebanon, damaging and destroying farmland, homes, and commercial properties.<sup>1</sup> Israeli shelling also targeted public infrastructure, including Channel 800 irrigation project pipes and water tanks in Markaba,<sup>2</sup> an Alfa telecom tower fuel tank in Adeisseh,<sup>3</sup> an Ogero telecom tower in Taybeh,<sup>4</sup> and healthcare centers in Kfar Hamam<sup>5</sup> and Khiam.<sup>6</sup> Israeli attacks also disrupted electricity provision near the border, including artillery fire in Rab al-Thalathine on June 17,<sup>7</sup> artillery fire targeting villages around Kfar Kila on June 23,<sup>8</sup> and a June 26 airstrike that damaged a recently repaired power line in Taybeh.<sup>9</sup> On June 11, in an apparent continuation of a months-long trend of targeting electrical and telecom repair crews, an airstrike in Naqoura killed an employee of the South Lebanon Water Establishment.<sup>10</sup> For the second consecutive month, Israel increased its use of phosphorus munitions.<sup>11</sup> Human Rights Watch stated on June 5 that Israel was using airbursts of phosphorus over populated areas, putting civilians at grave risk.<sup>12</sup>

<sup>1</sup> LCAT logs all Israeli shelling incidents reported by Lebanon's state-run National News Agency, Hezbollah's Al-Manar, and Al-Mayadeen television, along with other outlets when applicable.

The location of these strikes are logged and the geographic distribution of Israel's strikes are analyzed daily.

Throughout June, Israel conducted 22.3 attacks a day in Lebanon, up from 19.8 in May, 18.8 in April and 21 in March. In February, Israel conducted an average of 27.6 attacks a day, down from 40.2 in January and 43.2 in December and 39.3 in November. In October, Israel conducted an average of 13.125 attacks a day.

<sup>2</sup> NNA, [مدفعية العدو قصفت منشآت مشروع اللباني ومكاتبه في مركا](#) June 4, 2024

<sup>3</sup> L'Orient Today, [Hezbollah claims to have repelled an Israeli fighter jet with ground-to-air missiles for the first time: Day 244 of the Gaza war](#) June 6, 2024

<sup>4</sup> NNA, [درون اسرائيلية ثانية تلقي قنبلة](#) June 25, 2024

<sup>5</sup> NNA, [قصف لبلدة كفرحمام في منطقة العرقوب](#) June 17, 2024

<sup>6</sup> NNA, [ننا تعرض مركز الغيام للرعاية الصحية](#) June 19, 2024

<sup>7</sup> NNA, [قصف مدفعية ثقيل لرب ثلاثين](#) June 17, 2024

<sup>8</sup> NNA, [قصف معاد يستهدف كفر كلا ومحيطها](#) June 23, 2024

<sup>9</sup> NNA, [مسترة اسرائيلية تستهدف خط الكهرباء](#) June 26, 2024

<sup>10</sup> NNA, [مؤسسة مياه لبنان الجنوبي نعت شهيدها](#) June 11, 2024

<sup>11</sup> LCAT logs all reported strikes in Lebanon, classifying them by their type, such as a fighter jet attack, attack helicopter strike, UAV strike, artillery, Merkava tank, etc. LCAT logged 57 reported incidents of white phosphorus attacks in June, the highest monthly number registered since the start of the conflict on October 8. There were 42 such incidents in May, 9 each in April and March, and 7 in February. January and December were the previous peak months for white phosphorus use, with 46 and 41 reports respectively; 28 and 27 reports were logged for November and October, respectively.

<sup>12</sup> Human Rights Watch, [Lebanon: Israel's White Phosphorous Use Risks Civilian Harm](#) June 5, 2024

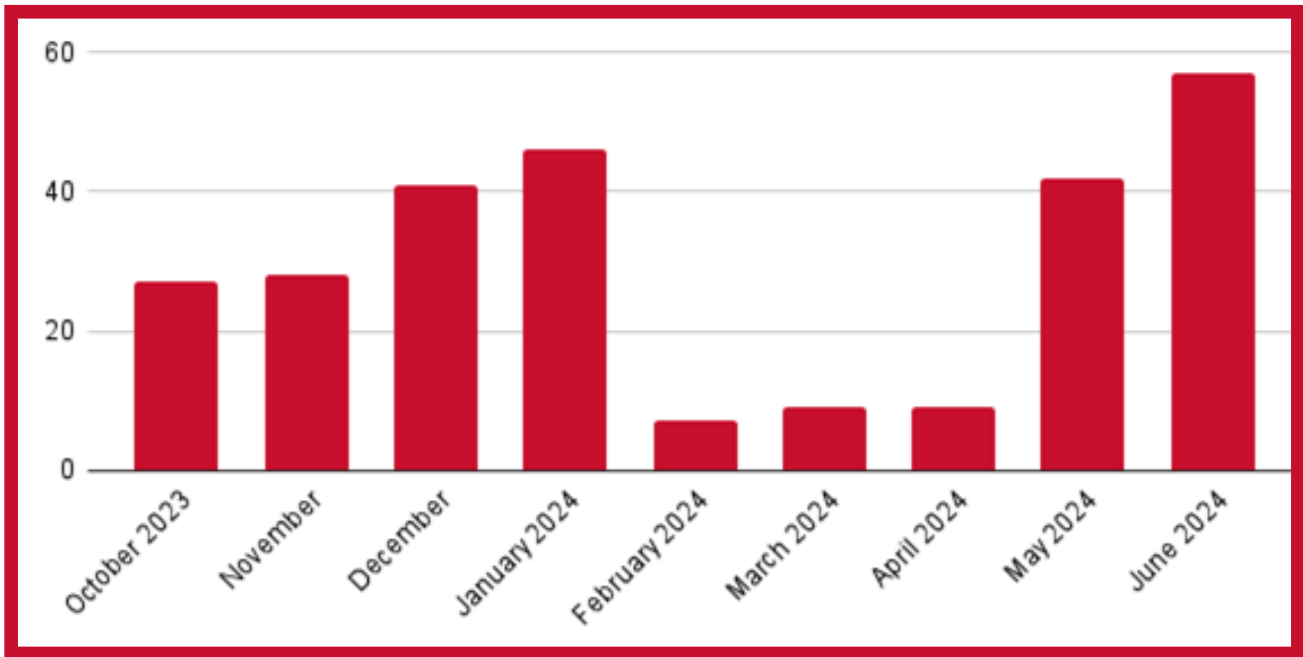


Figure 1: Reported incidents of Israeli use of white phosphorus.

In June, Israeli shelling killed 7 civilians, raising the non-combatant death toll since October 2023 to 97.<sup>13</sup> Meanwhile, injuries from artillery fire and airstrikes on southern Lebanon registered by the Ministry of Public Health increased from 1,159 to 1,366.<sup>14</sup> Israeli air raids and artillery strikes struck residential buildings at least 63 times, a lower rate than in the previous two months.<sup>15</sup> According to satellite imagery research cited by the Financial Times, approximately 1,500 buildings within five kilometers of the border have been badly damaged by Israeli shelling.<sup>16</sup> The number of internally displaced persons increased slightly from 94,126 as of May 28 to 96,829 as of June 25.<sup>17</sup>

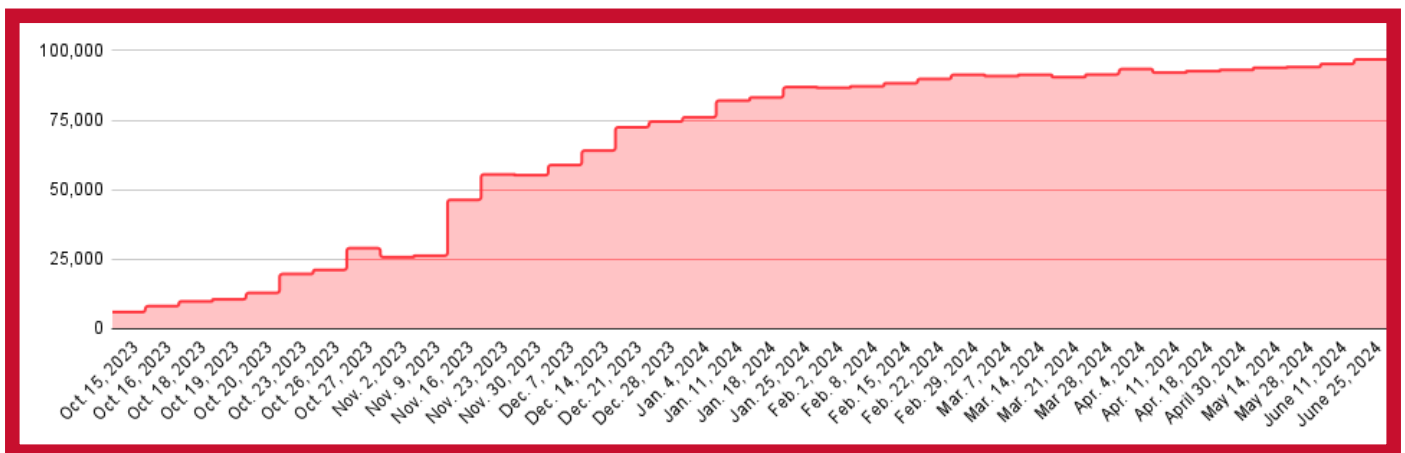


Figure 2: Number of internally displaced persons from the conflict in southern Lebanon.<sup>18</sup>

<sup>13</sup> LCAT logs the death of all non-combatants, noting their identities and circumstances of their deaths.

<sup>14</sup> Ministry of Public Health via X (formerly Twitter), [التقرير التراكمي للطوارئ الصحية](#) May 30, 2024;

Ministry of Public Health via X (formerly Twitter), [التقرير التراكمي للطوارئ الصحية](#) June 26, 2024

<sup>15</sup> LCAT logs all strikes that cause property damage, noting ones that are direct strikes or indirect strikes, based on media reports of the incidents. As with the shelling tracking, LCAT consults Lebanon's state-run National News Agency, Hezbollah's Al-Manar, and Al-Mayadeen television, along with other outlets when applicable.

LCAT logged 88 such attacks in May, 115 in April, 114 in March, 73 attacks each in February and January, 71 in December, 40 in November and 11 in October.

<sup>16</sup> Financial Times, [Israel's push to create a 'dead zone' in Lebanon](#) June 27, 2024

<sup>17</sup> IOM, [Mobility Snapshot - Round 36 - 30-05-2024 | Displacement Tracking Matrix](#) May 30, 2024

IOM, [Mobility Snapshot - Round 38 - 27-06-2024 | Displacement Tracking Matrix](#) June 27, 2024

<sup>18</sup> IOM, [Mobility Snapshot - Round 38 - 27-06-2024 | Displacement Tracking Matrix](#) June 27, 2024



Tit-for-tat operations by the Israeli military and Hezbollah escalated throughout June, amid a flurry of reports that Tel Aviv might launch a wide-scale campaign in Lebanon. On June 11, an Israeli airstrike killed Hezbollah commander Taleb Abdallah, reportedly the highest-ranking Hezbollah official killed since the beginning of the conflict.<sup>19</sup> The following day, Hezbollah conducted its largest single-day barrage of rocket fire (250 rockets) coupled with a series of attacks by unmanned aerial vehicles.<sup>20</sup> In June, Hezbollah launched 32 operations targeting areas in Israel deeper than five kilometers from the border – the distance that separates most evacuated and non-evacuated population centers in northern Israel – the highest number of such attacks it has staged in a month.<sup>21</sup>

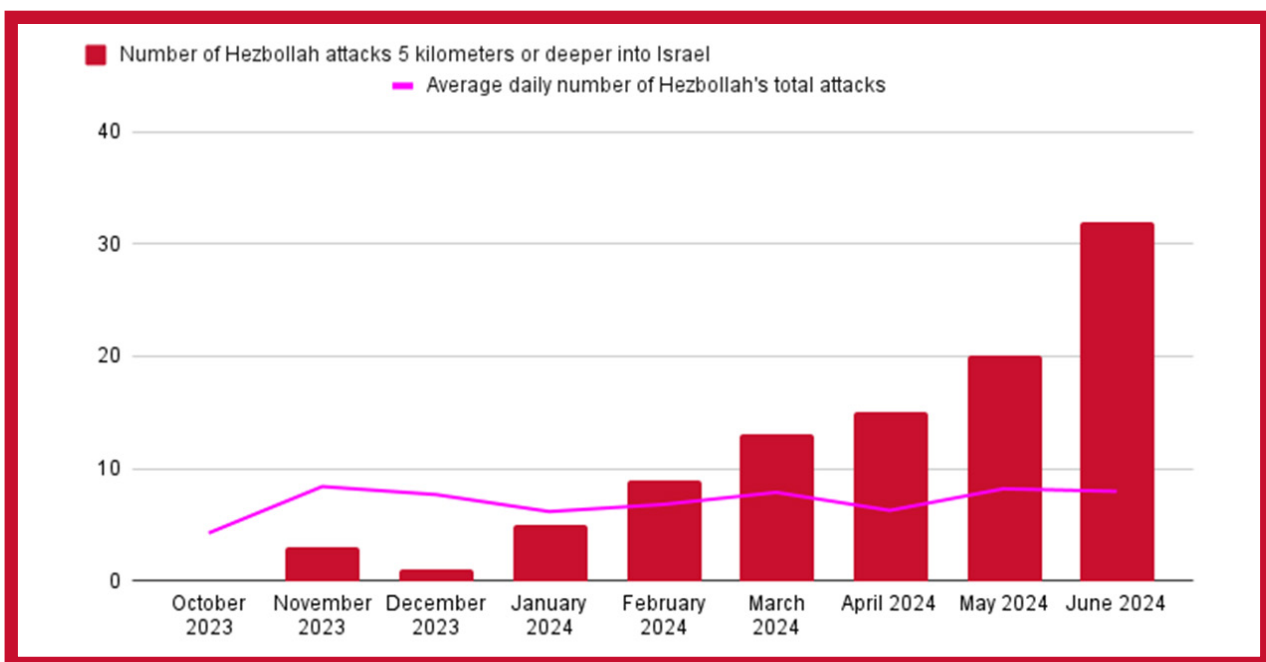


Figure 3: Number and depth of Hezbollah operations targeting areas over five kilometers into Israel.

Israel increased its ratio of deep fire into Lebanon, with 24.4% of its shelling attacks extending further than five kilometers from the border, while the overall volume of strikes were higher than levels registered between March through May. Notably, Israel launched five rounds of airstrikes in eastern Lebanon’s Bekaa region and used an unmanned aerial vehicle in the first strike in Saida since the start of the conflict.<sup>22</sup> While these escalatory strikes are notable, the vast majority of Israeli and Hezbollah military operations were carried out within the five-kilometer zone.

<sup>19</sup> AFP, [Israeli Strike Kills Senior Hezbollah Commander In Lebanon](#) June 11, 2024

<sup>20</sup> Reuters, [Hezbollah fires most rockets yet in war after Israel kills a top commander](#) June 12, 2024;

L’Orient Today, [On the map: Hezbollah’s response to Israel’s assassination of Taleb Abdallah](#) June 13, 2024

<sup>21</sup> LCAT logs all Hezbollah statements claiming responsibility for attacks, noting the type of weaponry the organization said it uses, the location of the target, its distance from the border and whether the operation was in retaliation to an Israeli strike.

In May, Hezbollah conducted 20 attacks at a distance greater than 5 kilometers, while in April it conducted 15 such attacks, 13 in March, and less than 10 in all preceding months.

<sup>22</sup> NNA, [غارة من مسيرة على بستان في صيدا](#) June 22, 2024

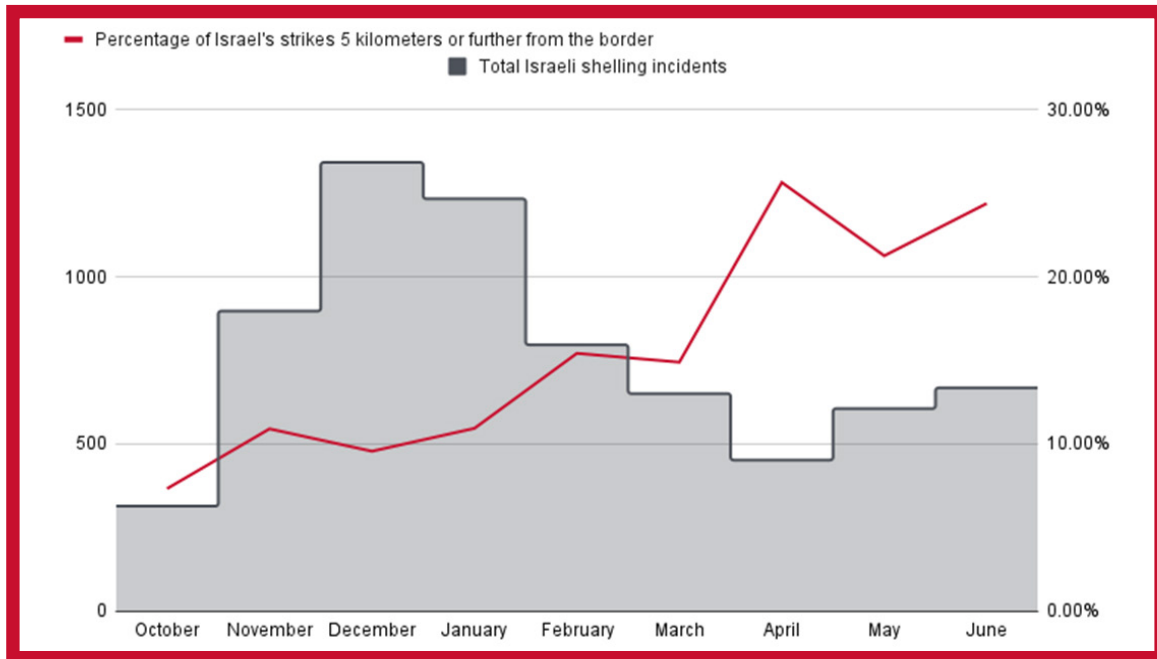


Figure 4: Percentage of Israel's strikes 5 kilometers or further from the border and total Israeli shelling incidents.

International mediation efforts continued throughout June amid increasingly bellicose rhetoric from Israeli officials warning that Tel Aviv could pursue military action to push Hezbollah away from the border. US envoy Amos Hochstein visited Beirut on June 18, reportedly bearing a message that Hezbollah should negotiate indirectly with Israel and that Washington would not constrain Israel's military actions if the situation escalates.<sup>23</sup> There have been no indications that Hezbollah is willing to compromise on its publicly stated position that the organization will only stop firing on Israel when a ceasefire is reached in Gaza. Efforts to broker such a resolution between Israel and Hamas have stalled.<sup>24</sup>

<sup>23</sup> Axios, [U.S. warned Hezbollah it can't hold Israel back if escalation continues](#) June 24, 2024

<sup>24</sup> Washington Post, [As tensions soar, U.S. pushes for deal to avert Israel-Lebanon war](#) June 28, 2024





Source: Reuters

## Economic Updates:

For the first time since February 2022, the Consumer Price Index (CPI) for Food and Non-Alcoholic Beverages decreased by 1.27% in May. However, the overall (CPI) increased slightly in May (0.02%), largely due to increased housing expenses (1.57%), particularly rent (1.47%) and water and energy prices (2.77%).<sup>25</sup>

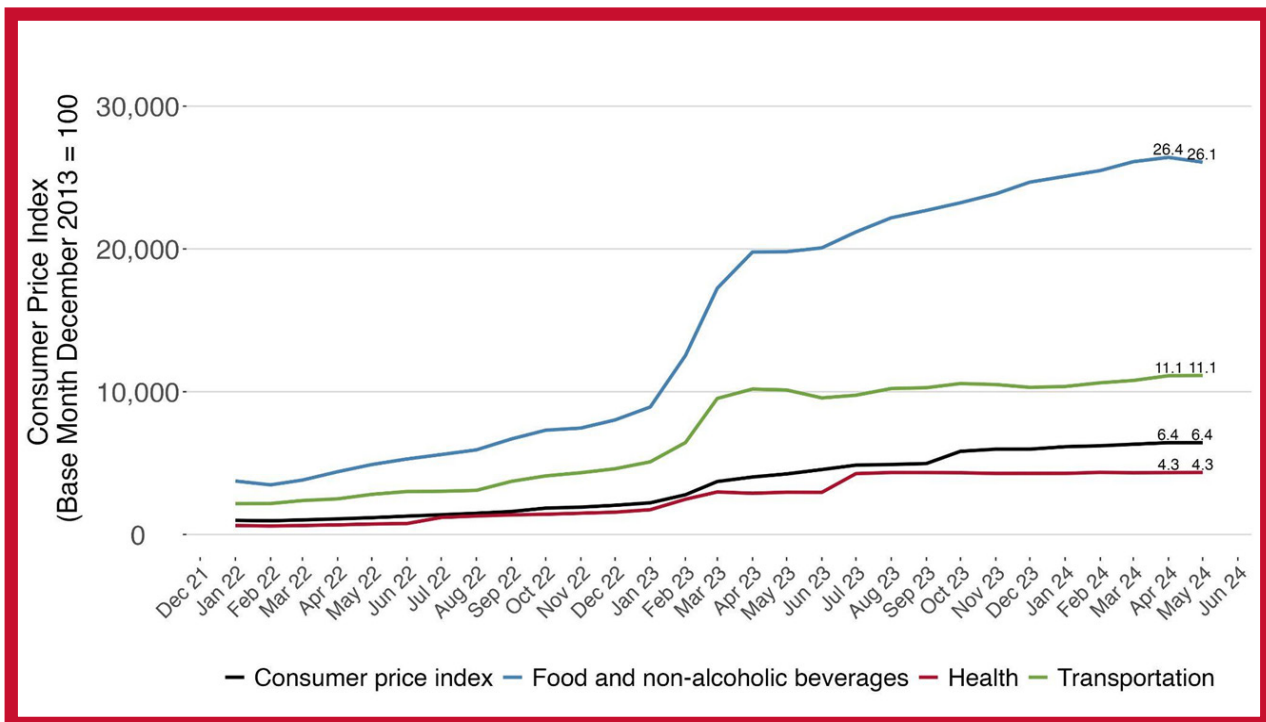


Figure 5: The evolution of the Consumer Price Index (CPI) and some of its components.

<sup>25</sup> CPI data from the [Central Administration of Statistics](#)

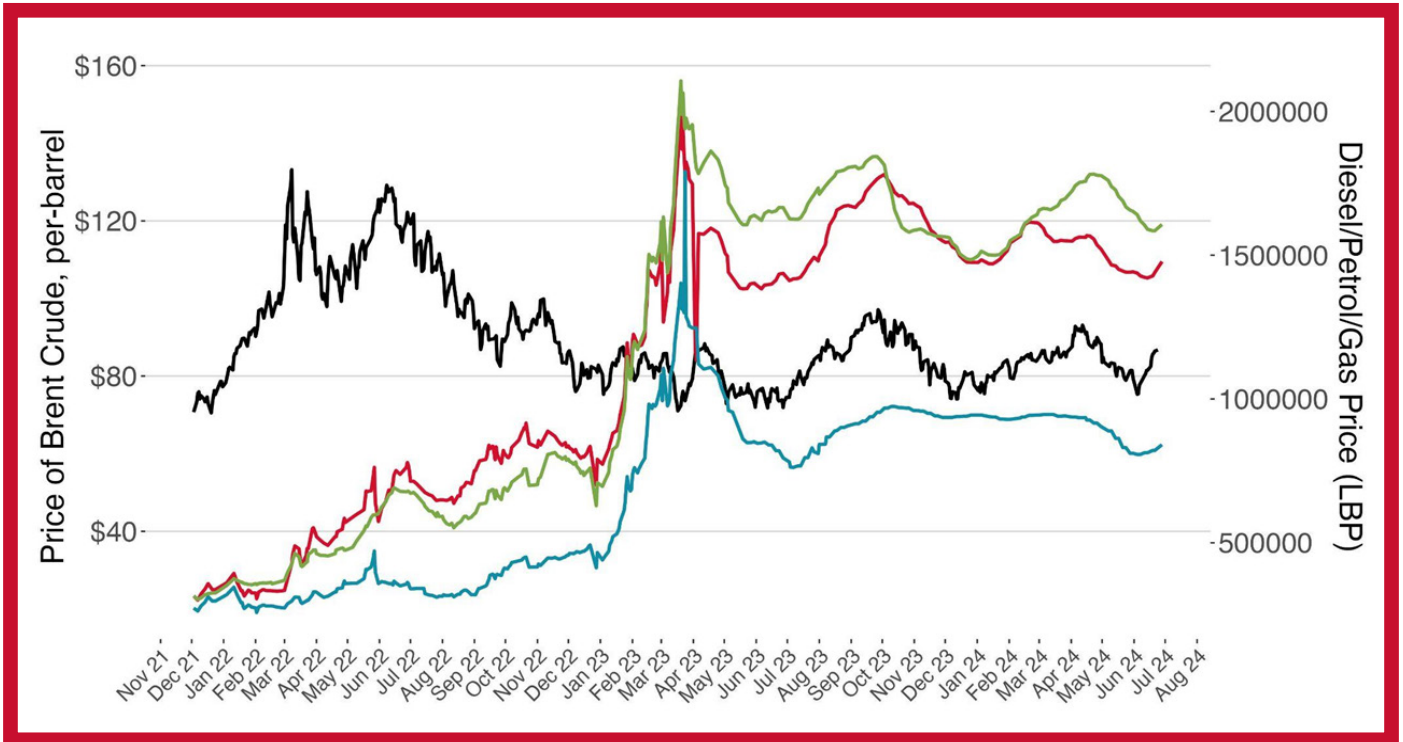


Figure 6: The evolution of local fuel prices compared to Brent Crude.

Gasoline prices decreased slightly in June and closed the month at 1,607,000 Lebanese pounds (LBP) for Octane-95 and LBP 1,647,000 for Octane-98. Diesel and cooking gas prices increased slightly to LBP 1,478,000 and LBP 841,000, respectively.<sup>26</sup>

**On June 5, the European Bank for Reconstruction and Development and the European Union announced that they will provide USD 12.5 million to support Lebanese small and medium-sized enterprises (SMEs).** Financial assistance will be distributed as part of a nine-year programme to support SMEs in the food and beverage sector through capacity building, tailored advisory services, and grants to promote “climate-smart” production and business practices.<sup>27</sup>

**Business activity in Lebanon slowed over the first quarter of 2024, according to the latest BTA-Fransabank Retail Index report.** The report attributed the decline in economic activity to the ongoing regional conflict, decreased household purchasing power, higher income and corporate taxes, and an overall falloff in investor confidence. These lower figures also signal that consumers are primarily purchasing only basic necessities, which is reflected in slower domestic consumption patterns.<sup>28</sup>

<sup>26</sup> Fuel prices were obtained from [IPT Group](#)

<sup>27</sup> European Bank for Reconstruction and Development, [EBRD and EU launch new programme to support Lebanese enterprises](#) June 5, 2024

<sup>28</sup> Fransabank, [Beirut Traders Association Fransabank Retail Index For the First Quarter of 2024 \(Q1-2024\)](#) June 7, 2024



**On June 22, the Teachers Union called on private schools to inform their teaching staffs about the value of their salaries for the upcoming academic year.** The union issued a July 5 deadline for doing so and said that teachers in private schools should receive at least 60% of their salaries in USD during the academic year, which is scheduled to begin in September.<sup>29</sup>

**On June 27, the Central Bank extended the validity of Circulars 158 and 166 for one year.**<sup>30</sup> The Central Bank adjusted both circulars' eligibility criteria, which enable depositors to withdraw cash on a monthly basis from their trapped USD-denominated commercial bank accounts. Depositors can only benefit from one of the two circulars and only one holder of a shared account can benefit from a single circular. These measures limit the maximum amount that can be withdrawn from a non-fresh dollar account to USD 400.<sup>31</sup>

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<sup>29</sup> National News Agency, [نقابة المعلمين دعت إدارات المدارس إلى إبلاغ المعلمين بالنسبة المعطاة لهم بالدولار قبل 5 تموز](#) June 22, 2024

<sup>30</sup> Central Bank (Amendment to Circular 158), [Decision 697](#);

Central Bank (Amendment to Circular 166), [Decision 698](#)

<sup>31</sup> Circular 158 allows depositors who opened a USD-denominated account before October 2019 to withdraw USD 400 per month if they subscribed to this circular before August 2023, and USD 300 per month if they subscribed to the circular later. See [Circular 158](#) from the Banque du Liban. Circular 166 allows account holders of non-fresh USD – which are originally LBP balances converted to USD through the respective commercial bank – created after October 2019 to withdraw USD 150 per month. See [Circular 166](#) from the Central Bank.



Source: EPA

## **Economic Analysis and Impact:**

In previous LCAT reports, we examined the causes of continued inflation across all Lebanese governorates. The regional conflict and increased consumption and import taxes, implemented in line with the 2024 Budget Law, are assumed to be key drivers of the steady increases in the CPI. However, data used to calculate the CPI overlooks the role that consumer exploitation plays in inflation. Wholesalers and retailers tend to exploit consumers during crises, particularly when they can take advantage of poor price monitoring and consumer protection measures. Therefore, the ongoing inflation could, at least partially, stem from so-called “greedflation”.

One method to measure the prevalence of vendor-induced inflation is observing how price levels react to increased scrutiny of point-of-sale pricing. Based on the assumption that vendors are more likely to forego pricing methods that unduly inflate their profit margin if they face penalties for doing so, LCAT sought to determine whether there is a relationship between price level enforcement and point-of-sale prices using data about the Ministry of Economy’s Consumer Protection Office. The Office has carried out a series of “patrols” in southern governorates and the North and Akkar since March, according to National News Agency reports.<sup>32</sup> These patrols record prices displayed at local supermarkets and shops and issue warnings/fines/closure notices for violating price limits and food safety measures.

<sup>32</sup> [National News Agency reports on Consumer Protection Activity between January and June 2024](#)



To measure the monthly activity of the Consumer Protection Office, LCAT tallied the number of days per month that the National News Agency reported that the Office carried out patrols, issued fines and warnings, and closed shops. LCAT then compared the rate of publicly announced Consumer Protection Office activity in the governorates of South Lebanon and Nabatieh to the change in CPI in those areas over the same period. Figure 7 shows a significant decrease in price levels from April to May. In Nabatieh, the CPI inflation rate dropped from 1.55% in April to -3.04% in May. In South-Lebanon, CPI continued to rise, but the rate slowed from 2.47% to 0.27%.<sup>33</sup>

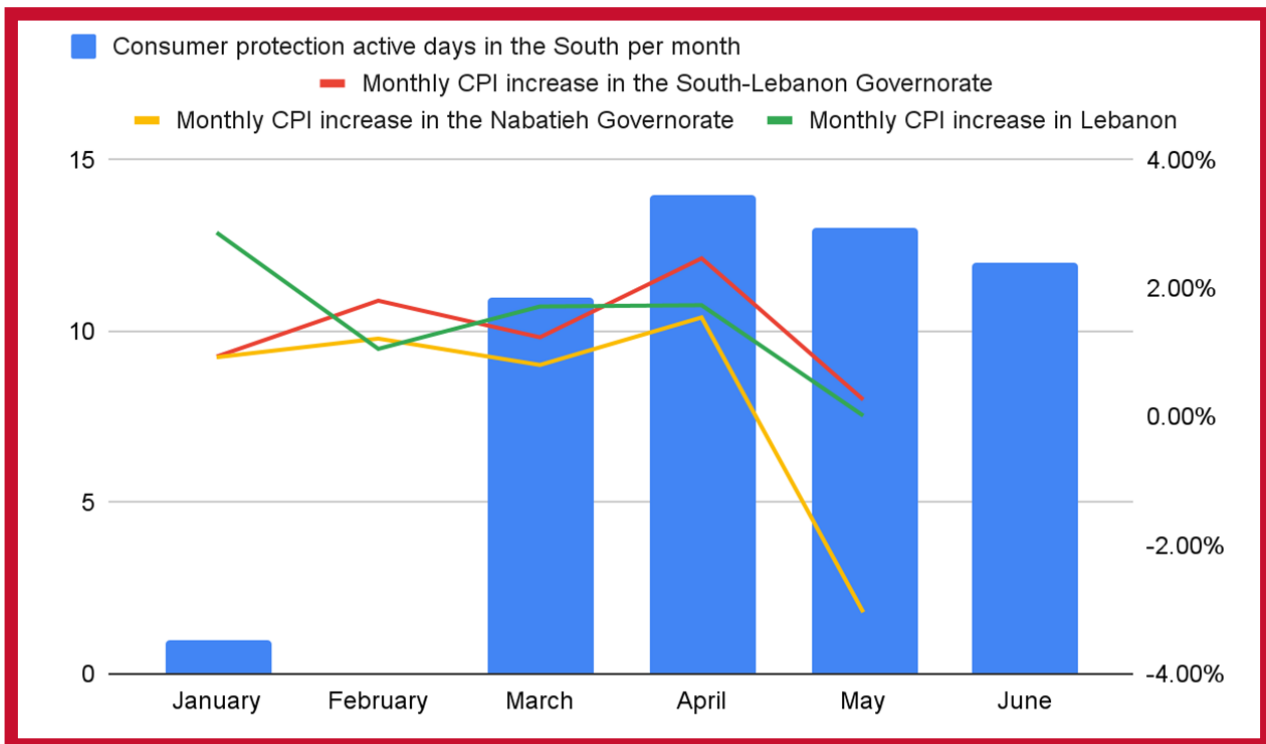


Figure 7: The effect of consumer protection interventions on inflation rates (South Lebanon and Nabatieh governorates).

The results suggest that patrols had a direct effect on pricing in both target areas, which also suggests that consumer exploitation is driving inflation in areas patrolled by the Consumer Protection Authority, and that “greedflation” could be a nationwide phenomenon.

Vulnerable households in southern Lebanon, specifically those affected by Israeli shelling, are the most affected by these practices, since prices for the most basic necessities such as food and housing have risen the most there (see Figure 5 in Economic Updates section). These households are also most likely to suffer from a decrease or loss in income since the Israeli airstrikes have slowed or completely halted economic activity, including widespread damage to agriculture projects on which many southern residents, Lebanese or refugees alike, rely.

<sup>33</sup> CPI numbers were obtained from the [Central Administration of Statistics \(CAS\) CPI data](#).



Source: L'Orient-Le Jour/Mohammad Yassine

## Political Updates:

**On June 19, the Lebanese General Directorate of General Security demanded access to UNHCR's data on displaced Syrian nationals.**<sup>34</sup> General Security Brigadier Elias Baisari announced on June 19 that the General Security would collect its own data on Syrian nationals if UNHCR fails to comply with the request for a complete dataset. The General Security's plan would focus on data verification using UNHCR-issued refugee documents. Under its provisions, Syrian nationals registered with UNHCR would be required to visit General Security centers and submit UNHCR documentation issued before 2015. Eligible Syrian nationals would then be issued new General Security documentation. In remote areas, Baisari suggested that teams could be deployed to carry out data collection.<sup>35</sup> UNHCR and the General Security had previously struck a data-sharing agreement on August 7, 2023 and the Lebanese government received basic personal data from UNHCR on January 6, 2024. Upon review, the government claimed there were gaps in the dataset, namely the year of entry for displaced Syrians. These developments coincide with a rise in anti-Syrian rhetoric throughout the first half of 2024 and the implementation of stricter residency, employment, and movement measures applying to Syrian nationals in Lebanon.<sup>36</sup>

<sup>34</sup> NNA, [مقاتبي التقى سفيري قطر والندرج ولجنة الاقتصاد وعلامة وترأس اجتماعا لمعالجة ملف النازحين السوريين البيسري: طلبنا مجدداً من المفوضية تزويدنا بالبيانات كاملة](#), June 19, 2024

<sup>35</sup> Lebanese General Security, [General Security Magazine Issue 130](#), page 8, July 3, 2024

<sup>36</sup> Mercy Corps Lebanon, [May Crisis Updates](#) June 7, 2024



Source: thebadil

## **Security and Access to Services:**

**On June 23, caretaker Minister of Energy and Water Walid Fayad announced that Electricité du Liban (EdL) would increase electricity production by 60% beginning in mid-June.**<sup>37</sup> The increase will primarily benefit customers in regions with the highest bill collection rates. In 2023 and 2024, EdL has improved its bill-collection rates and managed to collect some arrears from public institutions<sup>38</sup> and refugee camps.<sup>39</sup> While these measures have boosted EdL revenues, Lebanon's poorest neighborhoods – which generally have lower bill-collection rates – will continue to receive fewer hours of electricity, disproportionately affecting vulnerable households and businesses.

**On June 18, Banque de l'Habitat announced that it will offer a new round of housing loans.**<sup>40</sup> Backed by an Arab Fund for Economic and Social Development loan totaling USD 165 million, the new Banque de l'Habitat loans aim to support low- and middle-income individuals. Beneficiaries must prove they can make monthly mortgage payments ranging from USD 1,200 to 1,500 for low-income households and USD 1,500 to 2,000 for middle-income households. They are also required to put up 20% of the property's value. Applicants must be Lebanese citizens who have not previously benefited from subsidized loans and who do not currently own land in Lebanon. Some 6,000 individuals could be eligible.<sup>41</sup>

<sup>37</sup> L'Orient Today, [EDL plans to increase production by 60 percent this summer](#) June 23, 2024

<sup>38</sup> On June 6, the Ministry of Finance paid USD 1.5 million to EdL to cover part of the electricity bills owed by several public institutions including the Cabinet, the Parliament, and the Presidency of the Republic, for the period covering November 1, 2022 to April 30, 2023.

<sup>39</sup> L'Orient-Le Jour, [Des administrations publiques ont commencé à payer leurs arriérés, annonce EDL](#) June 12, 2024

<sup>40</sup> LBCI, [المبادرات الرئاسية ووضوح القروض المصرفية - نهاركم سعيد، برامج حوارية](#), June 18, 2024

<sup>41</sup> Ibid.



Banque de l'Habitat operates under a mixed ownership structure, combining private sector investment (banks, individual investors, and other private companies) and partial government ownership (20%).

**The Ministry of Environment and Lebanese Civil Defense issued wildfire warnings, as fires erupted in Akkar and Bekaa.**<sup>42 43</sup> On June 7,<sup>44</sup> two fires broke out in Akkar over the course of three days, severely damaging the Jourat al-Nabaa and al-Zawarib forests and Tallet al-Manshara. On the same day, fires burned 250,000 square meters of vegetation and olive groves in Aydamoun. On June 18, a fire in Ferzol burned 100,000 square meters of agricultural land,<sup>45</sup> jeopardizing agricultural yields and incomes. Since 2000, wildfires in Akkar have reduced tree cover in the area by 17%.<sup>46</sup> Dozens of residents suffered from respiratory problems on June 25 after a fire erupted at the Srar landfill, causing untreated waste to burn and pollute water and crops in the area.<sup>47</sup> To better prepare residents for wildfires, the Civil Defense published a pamphlet detailing the risks<sup>48</sup> and listing precautionary measures that residents can adopt.<sup>49</sup>

<sup>42</sup> L'Orient Today, [Significant increase in risk of fires over the next few days, Ministry of Environment warns](#) June 20, 2024

<sup>43</sup> NNA, [Lebanese civil defense raises preparedness amid rising wildfires risks](#) June 6, 2024

<sup>44</sup> L'Orient Today, [Akkar blaze brought under control overnight reignites](#) June 8, 2024

<sup>45</sup> L'Orient Today, [Fire in Ferzol, in the Bekaa, ravages 10 hectares of fruit trees](#) June 19, 2024

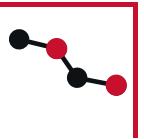
<sup>46</sup> Global Forest Watch, [Akkar, Lebanon deforestation rates and statistics](#)

<sup>47</sup> L'Orient Today [Residents hospitalized due to smoke from Srar landfill fire](#) June 25, 2024

<sup>48</sup> Lebanon Civil Defense via X (formerly Twitter), [احتمال حرائق الغابات](#) June 20, 2024

<sup>49</sup> NNA, [Lebanese Civil Defense raises preparedness amid rising wildfires risks](#) June 6, 2024





# Looking Forward:

- Israel is not poised to launch a major ground incursion into Lebanon in the immediate term, though it is likely to begin military deployments for such a campaign in the near future. Any Israeli military units likely to participate in such an operation are still engaged in fighting in the Rafah governorate of Gaza, as well as in the Shujaiya area of Gaza City, where hostilities are expected to last for weeks.<sup>50</sup> Following a rotation out of Gaza, units will need to be rested and refitted before any potential deployment to Lebanon. Israeli Prime Minister Benjamin Netanyahu is scheduled to address the US Congress on July 24, his first trip abroad since the start of the conflict, where he is expected to reiterate Tel Aviv's increasingly bellicose calls for Hezbollah to withdraw from the border with Israel. Following the PM's address, Israel is likely to begin rotating forces toward Lebanon as part of its efforts to compel Hezbollah into an agreement separate from the conflict in Gaza. Failure to reach a negotiated solution could spark extensive Israeli bombing of southern Lebanese towns up to the Litani River, or even a major ground invasion coupled with a countrywide bombing campaign.
- Hostilities between Israel and Hezbollah are likely to continue to escalate in the coming weeks. On July 3, Israel assassinated Mohammad Nasser, a high-ranking military official equivalent in status to Taleb Mohammad, whose assassination on June 11 sparked Hezbollah's heaviest yet wave of attacks. Hezbollah is likely to increase the volume of its attacks into areas of Israel further than five kilometers from the border that have not yet been evacuated. Israel is also likely to continue increasing the ratio of its fire on targets further than five kilometers from the border into Lebanon. Israel's continued shelling is expected to cause further infrastructure damage near the border, affecting electricity provision and telecom networks, in addition to damaging agriculture and destroying homes and commercial properties. Lighter damage should be expected beyond five kilometers from the border, with the likelihood of short-term school closures in areas that have been hit by airstrikes as well as limited damage to property, including warehouses and factories.

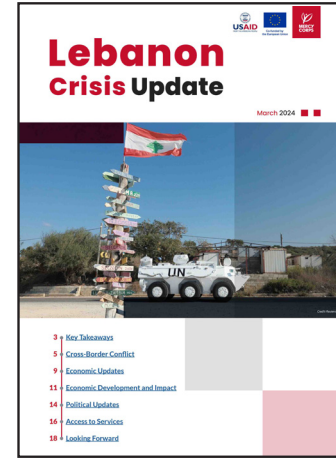
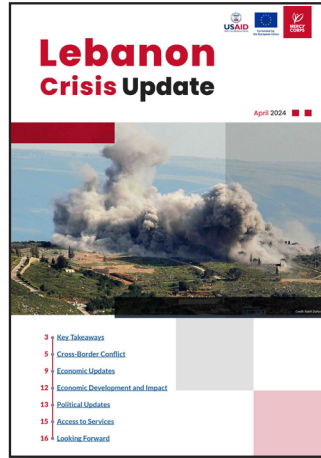
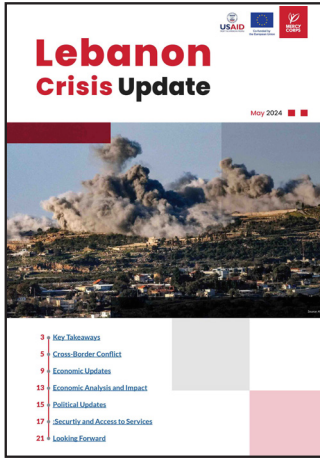
<sup>50</sup> The 162nd Armored Division, which took part in the 2006 War, is engaged in fighting in Rafah. The 98th Airborne Division, which also took part in the 2006 War, is engaged in fighting in Shujaiya. The 7th Brigade of the 36th Armored Division – the only regular duty division in Israel's Northern Command – is engaged in fighting alongside the 98th Airborne Division in Gaza. The 3rd Infantry Brigade and 8th Armored Brigade of the 91st Division – a Northern Command division that participated in the 2006 War – are engaged in fighting in Gaza; Jerusalem Post, [Shejaia reinvasion results in dozens of Hamas terrorists killed, centers tunnel demolitions](#) June 30, 2024



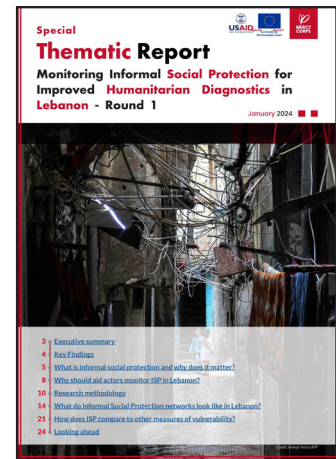
- The prevalence of vendor-driven inflation in South Lebanon and Nabatieh suggests that if the cross-border conflict expands, consumers will be burdened with higher prices for food and essential household items and that these practices would likely extend beyond the aforementioned governorates. Suppliers would likely hoard stocks to maximize profits, especially if Israeli airstrikes target critical distribution infrastructure such as Beirut's port and airport. Strict and consistent consumer protection practices, similar to what is conducted in South Lebanon and Nabatieh, are needed to control inflation and rein in CPI across the country.
- A rise in anti-Syrian rhetoric compounded with increased scrutiny of UNHCR presents several challenges, and might lead to additional restrictions on Syrian nationals and heightened intercommunity tensions. Concerns over running into checkpoints and fears of social stigmatization have made many Syrian nationals hesitant to interact with aid organizations, thus limiting their access to essential services. In terms of the humanitarian sector, this dynamic could also create operational challenges, with bureaucratic delays and increased scrutiny that hamper aid organizations' ability to provide assistance.



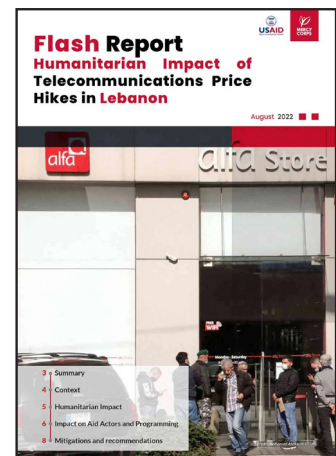
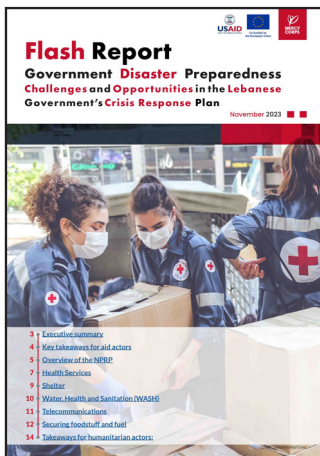
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# Contact

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## ABOUT MERCY CORPS

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