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BYBLOS BANK SAL
Economic Research & Analysis Department

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NEWS HEADLINES

WORLD

Contribution of travel and tourism sector at $10.9tn or 10% of global GDP in 2024

Figures released by the World Travel & Tourism Council (WTTC) show that the contribution of the Travel and Tourism (T&T) sector to the global gross domestic product (GDP) reached $10.9 trillion (tn), or 10% of GDP in 2024, constituting an increase of 6% from $10.3tn (10.5% of GDP) in 2019. The contribution of the T&T sector in North America stood at $2.96tn and accounted for 8.9% of the contribution of the T&T industry to global GDP in 2024, followed by Europe with $2.73tn (9.6% of GDP), North East Asia with $2.15tn (8.4% of GDP), South Asia with $374bn (9.4% of GDP), Central & South America with $359bn (7.5%), the Middle East with $342bn (10% of GDP), South East Asia with $304bn (6.3% of GDP), Oceania with $231bn (11% of GDP), Africa with $211bn (7.8% of GDP), and the Caribbean with $81.4bn (17.6% of GDP). In parallel, it stated that leisure spending by visitors accounted for 80% of T&T expenditures, while business spending represented 20%. It said that the T&T industry employed 356.6 million persons globally in 2024, up by 5.6% from 337.7 million in 2019. As such, the industry accounted for 10.6% of total employment in 2024 compared to a share of 10.7% in 2019. In parallel, it projected the contribution of the T&T sector to global GDP at $11.7tn in 2025 and at $16.5tn in 2035, and to be equivalent to 10.3% of this year's GDP and 11.5% of GDP in 2035. It forecast that employment in the T&T sector at 371 million jobs in 2025, or 11% of total employment worldwide this year, and at 461.6 million jobs or 12.5% of the global employment in 2035.

Source: World Travel & Tourism Council

Nearly 52% of partners in private equity funds expect asset class to provide highest returns in 2025

In its annual survey on the outlook for private equity (PE) and venture capital (VC) around the world, S&P Global Market Intelligence indicated that 71.4% of surveyed General Partners (GPs) expected PE deal activity to improve in 2025, while 21.4% of participants considered that PE deal activity would remain the same, and 7.1% anticipated a deterioration in PE deal conditions. Also, it revealed that 66.7% of GP respondents projected VC deal activity to increase in 2025, while 26.7% estimated that VC transactions would be about the same, and 6.7% considered that VC deal conditions will worsen this year. Further, it showed that 42% of the survey's respondents said that buyouts are their primary PE investment strategy in 2025, while 32% indicated that growth capital is the core element of their firm's VC investment strategy this year. Also, it pointed out that 49% of PE GPs and 29.4% of VC GPs noted that their firms are not exploring new investment strategies in 2025. It stated that 44% of PE GPs and 73.3% of VC GPs considered that fundraising conditions will improve in 2025, while 46.3% of PE GPs and 26.7% of VC GPs believe that fundraising conditions will remain the same this year. In parallel, it showed that 59.6% of surveyed GPs plan to increase their PE allocations, 50% of participants intend to boost their investments in infrastructure and private debt, 36.5% aim to increase their VC asset allocations, 28.8% are set to raise their real estate allocations, and 19.2% plan to expand their investments in natural resources.

Source: S&P Global Market Intelligence

MENA

Arab stock markets capitalization at $4.3 trillion at end-March 2025

The aggregate market capitalization of Arab stock markets reached $4.32 trillion (tn) at the end of March 2025, constituting a decrease of 1.5% from $4.26tn at end-March 2024. The market capitalization of the Saudi Exchange stood at $2,645bn at the end of March 2025 and accounted for 61.2% of the total, followed by the Abu Dhabi Securities Exchange with $798.27bn (18.5%), the Dubai Financial Market with $244.13bn (5.7%), the Qatar Stock Exchange with $165bn (3.8%), Boursa Kuwait with $155.1bn (3.6%), the Casablanca Stock Exchange with $96.2bn (2.2%), the Muscat Stock Exchange with $71.8bn (1.7%), the Egyptian Exchange with $44.5bn (1%), the Amman Stock Exchange with $27.2bn (0.6%), the Beirut Stock Exchange with $23.5bn (0.54%), the Bahrain Bourse with $20bn (0.46%), the Iraq Stock Exchange with $16.7bn (0.4%), and the Tunis Stock Exchange with $9.1bn (0.2%). In parallel, the market capitalization of the Saudi Exchange was equivalent to 244% of the country's projected GDP for 2025, followed by the Abu Dhabi Securities Exchange (145.5% of GDP), Boursa Kuwait (101.3% of GDP), the Qatar Stock Exchange (74% of GDP), the Muscat Stock Exchange (68.8% of GDP), the Beirut Stock Exchange (62% of GDP), the Casablanca Stock Exchange (58% of GDP), the Amman Stock Exchange (48.6% of GDP), the Dubai Financial Market (44.5% of GDP), the Bahrain Bourse (42% of GDP), the Tunis Stock Exchange (16.2% of GDP), the Egyptian Exchange (12.8% of GDP), and the Iraq Stock Exchange (6.5% of GDP).

Source: Arab Federation of Capital Markets, International Monetary Fund, Institute of International Finance, Byblos Research

GCC

Corporate earnings down 1.4% to $241bn in 2024

The net income of listed companies in Gulf Cooperation Council (GCC) countries reached $241.1bn in 2024, constituting a decrease of 1.4% from $244.4bn in 2023. The firms' net earnings totaled $56.6bn in the first quarter, $61.1bn in the second quarter, $60.2bn in the third quarter, and $57.3bn in the fourth quarter of 2024. Listed companies in Saudi Arabia generated $150.9bn in profits or 62.6% of total corporate earnings in the GCC in 2024, followed by listed firms in Abu Dhabi with $36.2bn (15%), in Dubai with $25.4bn (10.5%), in Qatar with $14.1bn (5.8%), in Kuwait with $9.1bn (3.8%), in Oman with $3.4bn (1.4%), and in Bahrain with $2bn (0.8%). Further, the earnings of listed companies in Dubai grew by 16% in 2024, followed by the profits of listed firms in Qatar (+8.5%), and companies in Kuwait (+7.1%). In contrast, the earnings of listed firms in Bahrain regressed by 13% in 2024, followed by the profits of listed firms in Oman (-12.8%), companies in Abu Dhabi (-7%), and firms in Saudi Arabia (-3.2%). In addition, the profits of listed energy firms in the GCC reached $113.6bn and accounted for 47% of total corporate earnings in 2024, followed by the profits of listed banks with $60.1bn (25%), telecommunication firms with $13.7bn (5.7%), real estate companies with $9.6bn (4%), and food, beverages & tobacco firms with $8.4bn (3.5%); while other sectors registered profits of $36bn or 15% of the total.

Source: KAMCO

OUTLOOK

WORLD

Economic activity to decelerate on rising uncertainties

The International Monetary Fund (IMF) projected the global economy's real GDP growth rate at 2.8% in 2025 and 3% in 2026, relative to 3.3% in each of 2025 and 2026 in its January 2025 forecast. It estimated the real GDP growth rate of advanced economies at 1.4% in 2025 and at 1.5% in 2026, compared to 1.9% in 2025 and to 1.8% 2026 in its January forecast. It indicated that the effect of the U.S. tariffs and the related uncertainties will offset the expected strengthening of private consumption in developed countries in the near term. Also, it projected the real GDP growth rate of emerging markets and developing economies (EMDEs) at 3.7% in 2025 and at 3.9% in 2026, relative to 4.2% in 2025 and to 4.3% in 2026 in its January forecast. It said that the revision reflects the impact of the recent tariffs and trade policy uncertainties on EMDEs.

Further, it projected the real GDP of Emerging & Developing Asia to grow by 4.5% in 2025 and by 4.6% in 2026. Also, it expected economic activity in Sub-Saharan Africa to rise by 3.8% in of this year and by 4.2% next year, while it anticipated the real GDP growth rate of Emerging & Developing Europe at 2.1% in each of 2025 and 2026. Further, it forecast economic activity in Latin America & the Caribbean to expand by 2% this year and by 2.4% next year, and for the real GDP growth rate of the Middle East & North Africa region to reach 3% in 2025 and 3.5% in 2026, up from 2.4% in 2024, as the effects of disruptions to oil production and shipping activity ease, while the impact of ongoing conflicts diminishes.

In parallel, the IMF considered that risks to the global economic outlook are tilted to the downside in the short- and medium terms and include escalating trade measures and prolonged trade policy uncertainties, the acceleration of protectionist policies that would exacerbate trade tensions, global financial market volatility, and potential monetary policy tightening.
Source: International Monetary Fund

Tariffs to lead to contraction in global trade volumes in 2025

The World Trade Organization projected the volume of world merchandise trade to contract by 0.2% in 2025, reflecting weaker global demand, and to grow by 2.5% in 2026, relative to an increase of 2.9% in 2024. In comparison, it forecast merchandise trade to grow by 2.7% in 2025 and 2.9% in 2026 in it its baseline scenario of "no changes in tariffs". It considered that risks to the trade outlook include the U.S. implementation of the currently suspended reciprocal tariffs, as well as a broader spillover of trade policy uncertainties beyond U.S.-linked trade relationships. It said that reciprocal tariffs would reduce the growth of world merchandise trade by an additional 0.6 percentage points (pps) this year, while an escalation of trade policy uncertainties would lower merchandise trade by a further 0.8 pps, which, together, would lead to a 1.5% decline in global merchandise trade volume in 2025. It noted that a slowdown in trade in North America will reduce global trade growth by 1.7 pps in 2025, which will more than offset the positive contributions to worldwide trade of 0.6 pps from Asia, of 0.5 pps from Europe, and of 0.4 pps from Africa, the Commonwealth of Independent States (CIS), the Middle East, and of South and Central America and the Caribbean.

Further, it forecast the volume of merchandise exports from the Middle East to rise by 5.3% in 2025, followed by exports from the CIS (+4.4%), Asia (+1.6%), Europe (+1%), Africa and South America (+0.6% each), while it expected the volume of merchandise exports from North America to decline by 12.6% in 2025. In comparison, in it its baseline scenario of "no changes in tariffs", it projected the volume of merchandise exports from the Middle East to increase by 5.2% in 2025, followed by exports from the CIS (+4%), Asia (+3.3%), North America (+2.2%), Europe and South America (+1.4% each), and Africa (+0.5%). In parallel, it projected the volume of merchandise imports to Africa to increase by 6.5% in 2025, followed by imports to the Middle East (+6.3%), South America (+5%), Europe (+1.9%), Asia (+1.6%), and the CIS (+0.5%), while it anticipated the volume of merchandise imports to North America to decrease by 9.6% in 2025 compared to +2.8% in its baseline scenario.
Source: World Trade Organization

Gross public debt level projected to reach 99.6% of GDP at end-2030

The International Monetary Fund projected the global gross debt level to increase from 95.1% of GDP at end-2025 to 97.5% of GDP at end-2027 and to 99.6% of GDP at end-2030. It said that major economies, such as Brazil, China, France, South Africa, the United Kingdom, and the U.S., are key contributors to the increase in global public debt. It added that risks of higher debt levels have increased due to tighter and more volatile financial conditions and heightened economic uncertainties, and anticipated gross financing needs to remain elevated across many countries. Also, it forecast the public debt level of advanced economies (AEs) to rise from 110.1% of GDP at end-2025 to 111.5% of GDP at end-2027 and 113.3% of GDP at end-2030. It said that the difference between 10-year and two-year bond yields in AEs have been on a rising trend since mid-2024, driven primarily by concerns about trade uncertainties, future inflation and growth, fiscal and monetary policies, and debt management.

Further, it projected the public debt level of emerging markets and developing economies (EMDEs) to increase from 73.6% of GDP at end-2025 to 78.4% of GDP at end-2027 and to 82% of GDP at end-2030. It said that higher debt levels, and the difference between the interest rates on the global debt and the growth rate of the global economy require larger primary balances to stabilize the public debt. In addition, it forecast the fiscal deficit of AEs to narrow from 4.3% of GDP in 2025 to 3.8% of GDP in 2027 and 4% of GDP in 2030, and projected the fiscal deficit of EMDEs to narrow from 6.1% of GDP in 2025 to 5.5% of GDP in 2027 and 5.3% of GDP in 2030. It considered that a gradual fiscal adjustment within a credible medium-term framework is crucial for most countries around the world to reduce their public debt level, build fiscal buffers against uncertainties, accommodate priority spending, and improve long-term growth prospects. It noted that fiscal adjustment is crucial to reduce not just the public debt level but also debt risks. It said that U.S. tariffs, countermeasures by other countries, escalating uncertainties, and tighter global financial conditions could significantly amplify debt risks.
Source: International Monetary Fund

ECONOMY & TRADE

EGYPT

Sovereign ratings affirmed on improved external metrics

Fitch Ratings affirmed Egypt's short- and long-term local and foreign currency issuer default ratings at 'B', which is five notches below investment grade, with a 'stable' outlook on the long-term ratings. It indicated that the ratings are supported by the country's large economy and robust growth rates, as well as by strong support from bilateral and multilateral partners. But it noted that the ratings are constrained by weak public finances, a high interest payments-to-revenues ratio, sizeable external financing needs, volatile commercial financing flows, elevated inflation rates, and geopolitical risks. Further, it forecast the current account deficit at 5.6% of GDP in FY2024/25 and at 4% in FY2025/26, supported by the partial resumption of investments by international energy companies, the sourcing of lower-cost gas imports, and a rise in foreign direct investments to $15bn, or 3.8% of GDP, in FY2025/26. Also, it said that foreign currency reserves increased from $12.4bn in early 2024 to $45.5bn at end-March 2025, and expected reserves to reach 4.2 months of current external payments at the end of FY2025/26. Further, it noted that risks of sizeable contingent liabilities persist due to the country's still-large and opaque broader public sector. In parallel, the agency indicated that it could downgrade the ratings if external finances deteriorate and/or if geopolitical tensions escalate. It added that it could upgrade the ratings if external vulnerability risks recede, and/or if confidence in the durability of the policy adjustment to support the exchange rate's flexibility increases.

Source: Fitch Ratings

JORDAN

Economic growth dependent on pace of structural reforms

The International Monetary Fund considered that the Jordanian authorities continue to demonstrate their strong commitment to sound macroeconomic policies and structural reforms. Also, it projected Jordan's real GDP growth rate at 2.7% in 2025, driven by a recovery in domestic activity, higher tourism receipts, and an increase in investment flows despite elevated global uncertainties, higher trade tensions, and continued conflicts in the region. Also, it expected growth to pick up in the coming years to an annual average of 3% due to several large investment projects. Further, it forecast the inflation rate at 2% in 2025, driven by the Central Bank of Jordan's continued efforts to maintain monetary stability and the peg of the Jordanian dinar to the US dollar. In parallel, it urged the authorities to step up the pace of structural reforms to support higher growth rates and generate additional jobs. Also, it considered that the reforms need to focus on improving the business environment to attract more investments, as well as on streamlining the digitalization of government services and their regulations, including the tax and customs administration. In addition, it expected fiscal consolidation to continue in the 2025-28 period, with the aim to reduce the public debt level to 80% of GDP by 2028. In parallel, it forecast the current account deficit to narrow from 5.9% of GDP in 2024 to 5.5% of GDP in the near term in case of higher tourism receipts, which will offset the elevated imports bill and the possible adverse effects on exports from higher trade barriers.

Source: International Monetary Fund

BANGLADESH

Economic outlook contingent on structural reforms

The International Monetary Fund indicated that Bangladesh's real GDP growth rate decelerated from 5.1% in the first half of the fiscal year that ended in June 2024 to 3.3% in the same period of FY2024/25, reflecting economic disruptions, a tighter policy mix, and heightened uncertainties that weighed on investments. Further, it said that the economy continues to face multiple challenges and considered that sustaining the pace of structural reforms will be crucial to address these challenges. It added that increasing the flexibility of the exchange rate will support price competitiveness, rebuild foreign currency reserve buffers, and strengthen the economy's resilience to external shocks. Also, it said that a near-term monetary policy tightening remains essential to address the external financing gap and to ensure a continued decline in inflation. Further, it urged the government to prioritize the swift implementation of tax policy reforms in order to remove tax preferential treatments, simplify the tax system, and increase public revenues. Also, it noted that improving governance and increasing transparency in the country are essential to create a more favorable investment climate and boost foreign direct investments. In parallel, it called for reforming the financial sector through well-sequenced measures. It said that legal reforms should be aligned with international standards, and that the new framework should facilitate an orderly restructuring of banks. It considered that institutional reforms to improve Bank Bangladesh's independence and governance are essential to maintain economic and financial stability in the long term.

Source: International Monetary Fund

ARMENIA

Real GDP growth projected at 4.5% in 2025, outlook subject to downside risks

The International Monetary Fund projected Armenia's real GDP growth rate to decelerate from 5.9% in 2024 to 4.5% in 2025, as external growth drivers gradually diminish amid elevated global uncertainties. But it noted that economic activity remains strong, driven by robust consumption and investments. It noted that the current monetary policy stance is appropriate, amid subdued inflationary pressures and anchored inflation expectations, and expected the inflation rate to remain around the Central Bank of Armenia's target of 3% by end-2025. Further, it said that the fiscal deficit was 3.7% of GDP in 2024, keeping the public debt level at 48.3%of GDP. It pointed out that the 2025 budget deficit target of 5.5% of GDP allows for essential spending on national security, refugee integration, and infrastructure development. Also, it indicated that the current account deficit reached 3.9% of GDP in 2024, as inflows from trade, tourism, and remittances continue to decelerate. In parallel, it pointed out that downside risks to the outlook include geopolitical risks, potential global trade tensions, capital outflows, and surges in global food and energy prices. Further, it welcomed the authorities' commitment to maintain a healthy level of international reserve buffers, and added that the flexible exchange rate should remain a key shock absorber. It considered that reforms to strengthen medium-term fiscal planning and enhance public financial management are critical to support fiscal sustainability, and urged the authorities to continue the implementation of structural reforms.

Source: International Monetary Fund

BANKING

WORLD

Assets of top 100 banks at $118 trillion at end-2024

S&P Global Market Intelligence indicated that the aggregate assets of the top 100 banks in the world reached $118.14 trillion (tn) at the end of 2024. It noted that the top 100 banks include 21 banks from China, 13 banks from the U.S., eight banks from Japan, six banks from each of Canada, France, and the United Kingdom, five banks from South Korea, four banks from each of Australia and Germany, three banks from each of Brazil, the Netherlands, Singapore and Spain, two banks from each of India, Italy, Russia and Switzerland, and one bank from each of Austria, Belgium, Denmark, Finland, Qatar, Sweden and the UAE. It pointed out that the total assets of banks in China stood at $39,768.8bn and accounted for 33.7% of the aggregate assets of the top 100 banks at end-2024, followed by the assets of banks in the U.S. with $17,903.3bn (15.2%), France with $10,770.7bn (9.1%), Japan with $9,892.8bn (8.4%), the United Kingdom with $8,260.4bn (5.4%), Canada with $6,066.4bn (5.1%), Spain with $3,354.9bn (2.8%), Australia with $3,158.1bn (2.7%), Germany with $3,062.3bn (2.6%), South Korea with $2,258.3bn (1.9%), the Netherlands with $2,119.7bn (1.8%), Switzerland with $1,900.6bn (1.6%), Italy with $1,777.9bn (1.5%), Singapore with $1,458.1bn (1.2%), India with $1,340.7bn (1.1%), Brazil with $1,218.4bn (1%), Russia with $887.9bn (0.8%), Finland with $645.4bn (0.5%), and Denmark with $515.9bn (0.4%), while the remaining banks accounted for $1,779bn or 1.6% of the total. As such, the aggregate assets of the two Arab banks on the list accounted for 0.6% of the total asset of the top 100 banks. It indicated that Qatar National Bank ranked 94th as its total assets amounted to $356.5bn at end-2024, followed by First Abu Dhabi Bank with $330.3bn that came in 100th place.

Source: S&P Global Market Intelligence

More than 60% of financial institutions using AI to meet customer demand

A survey conducted by Finastra, a global financial software company, showed that 61% of financial institutions (FIs) in 11 countries have deployed or improved their artificial intelligence (AI) capabilities to meet increasing customer expectations for personalized financial services in 2024, up from 37% in 2023. It said that 42% of FIs offered real-time payments using AI that allow customers to make instant payments suited to their personal or business needs. Further, it revealed that 34% of FIs noted that they adopted Generative AI (Gen AI) to automate manual or repetitive tasks in 2024, while 33% of FIs said that they used Gen AI to enhance information technology operations; to collect, process and analyze data for Know Your Customer (KYC) or anti-money laundering purposes; as well as to improve risk management and decision making. It added that 32% of FIs adopted Gen AI to enhance the customer service experience in 2024, while 30% of FIs utilized Gen AI to generate synthetic data for use across KYC or credit decisions. It indicated that 49% of FIs are preparing for technological change through continuous learning and development, 47% are modernizing all aspects of their operations, 45% of FIs are investing in the latest technologies, and 41% are utilizing customer feedback and data to drive innovation and adapt to market needs.

Source: Finastra

SAUDI ARABIA

Trade wars to potentially affect banks through low oil prices

Regional investment bank EFG Hermes considered that the direct impact of the recent shift in U.S. trade policy on Saudi banks to be limited; but, it said that the new tariffs policy and the escalation in trade tensions have weighed on oil prices, which may impact the banks' profits this year. It indicated that low oil prices will lead to a slowdown in demand for corporate loans, a decrease in banking fees, tighter liquidity and higher provisioning, which will negatively affect the banking sector's earnings and its returns on equity in the 2025-26 period. In addition, it expected lending to increase by 13% in 2025, down from 17% in 2024, despite the implementation of various projects that will increase demand for loans. Also, it indicated that the non-performing loans coverage ratio is currently at 170% and expected the banks' cost of risk to decrease by 35 basis points (bps) in 2025 and by 40 bps in 2026. Further, it said that low oil prices could tighten liquidity in the banking sector, which is already dealing with a relatively high loans-to-deposits ratio and slow deposit growth, which would lead to narrower net interest margins, especially at mid-sized and small banks. It added that government deposits accounted for 29% of the sector's total deposits at end-2024, which signals that liquidity at Saudi banks would be impacted by lower oil prices, as the government's oil receipts represented 60% of total revenues in 2024. Further, it considered that non-resident funding could be affected by market sentiment, as declining oil prices could impact investor appetite for Saudi private and public sector debt.

Source: EFG Hermes

IRAQ

Agencies take rating actions on banks

Fitch Ratings affirmed the long-term Issuer Default Rating (IDR) of Mansour Bank at 'B-' and maintained the 'stable' outlook on the rating. It also affirmed the long-term IDRs of the Iraqi Islamic Bank (IIB), Iraq's Region Trade Bank (RTB), and the Trade Bank of Iraq (TBI) at 'CCC+'. Further, it affirmed the Viability Ratings (VRs) of the four banks at 'ccc+', and said that the VRs of the four banks are constrained by their elevated exposure to the sovereign, but that they are supported by the banks' high liquidity levels. It stated that the VR of TBI captures its adequate capitalization, while the VRs of the other banks take into account their elevated capital metrics. It noted that the VRs of IIB and RTB reflect the two banks' elevated Stage 3 loans, while the VR of Mansour Bank takes into account its lower Stage 3 loans. Further, it said that the VRs of IIB, Mansour Bank, and TBI are underpinned by their stable profitability, while RTB's profitability is sensitive to its capacity to generate sufficient revenues in other foreign currencies to offset the loss of U.S. dollar-based business. In parallel, Capital Intelligence Ratings affirmed the long-term foreign currency ratings of the Iraqi Islamic Bank for Investment and Development and Al-Taif Islamic Bank at 'B-', and the rating of the Commercial Islamic Bank of Iraq at 'B'. Also, it affirmed the Bank Standalone Ratings (BSRs) of the three banks at 'b-' and maintained the 'stable' outlook on their long-term ratings and on their BSRs. It said that the ratings of the three banks are supported by their good liquidity profile and sound capital base, while the challenging operating environment in Iraq is weighing on their ratings.

Source: Fitch Ratings, Capital Intelligence Ratings

Oil prices to average $64 p/b in 2025

The prices of ICE Brent crude oil front-month future contracts reached $67.4 per barrel (p/b) on April 22, 2025, constituting an increase of 4.3% from $64.7 p/b a week earlier. According to news agencies, the rise in oil prices was mainly driven by the imposition of U.S. sanctions on Iranian liquefied petroleum gas magnate Seyed Asadoollah Emamjomeh and his corporate network. Further, oil prices decreased by 2% to $66.1 p/b on April 23, 2025, as the OPEC+ coalition is considering whether to accelerate its oil output increases in June 2025. In parallel, the Institute of International Finance considered that members of the OPEC+ coalition hold substantial leverage to increase their output further if they want to, as it estimated their spare production capacity at between 4 million barrels per day (b/d) and 6 million b/d. It expected Libya's crude oil production, which is exempt from the OPEC+ quota, to rebound in 2025 and 2026 after years of political instability, while it anticipated Venezuela's oil output to decrease sharply following the U.S. revocation of Chevron's license to operate in the country, along with the U.S. imposition of punitive tariffs on Venezuelan oil imports. Also, it projected U.S. oil production to increase by 0.7 million b/d in the 2025-26 period. Further, it considered that potential peace developments between Russia and Ukraine could lead to higher Russian oil exports; while it noted that the U.S.-Iran negotiations pose another critical uncertainty to the global oil market in the near term, given that a bilateral agreement could add nearly 1 million b/d of additional Iranian crude oil to global markets. In addition, it anticipated that potentially lower oil demand, driven by the ongoing trade war and a well-supplied market, to put downward pressure on oil prices. As such, it projected oil prices to average $64 p/b in 2025.

Source: Institute of International Finance, Refinitiv, Byblos Research

ME&A's oil demand to grow by 2% in 2025

The Organization of Petroleum Exporting Countries projected the consumption of crude oil in the Middle East & Africa to average 13.61 million barrels per day (b/d) in 2025, which would constitute an increase of 2% from 13.34 million b/d in 2024. The region's demand for oil would represent 23% of consumption in non-OECD countries and 13% of global consumption in 2025.

Source: OPEC

Output of natural gas to increase by 2.2% in 2025

The International Energy Agency projected the global production of natural gas to reach 4,275 billion cubic meters (bcm) in 2025, which would constitute an increase of 2.2% from 4,185 bcm in 2024. It forecast the supply of natural gas in North America at 1,320 bcm and to represent 31% of the world's aggregate output in 2025, followed by Eurasia with 870 bcm (20.4%), the Middle East with 762 bcm (17.8%), the Asia Pacific region with 710 bcm (16.6%), Africa with 248 bcm (5.8%), Europe with 215 bcm (5%), and Central and South America with 151 bcm (3.5%).

Source: International Energy Agency, Byblos Research

Kuwait's crude oil production nearly unchanged in January 2025

Crude oil production in Kuwait totaled 2.4 million barrels per day (b/d) in January 2025, nearly unchanged from the preceding month. Also, crude oil exports from Kuwait stood at 2.42 million b/d in January 2025, nearly unchanged from December 2024 and constituting an increase of 7.2% from 2.26 million b/d in January 2024.

Source: Joint Organizations Data Initiative, Byblos Research

Base Metals: Copper prices to average $8,558.2 per ton in second quarter of 2025

LME copper cash prices averaged $9,291.4 per ton in the year-to-April 23, 2025 period, constituting an increase of 7.6% from an average of $8,631.4 a ton in the same period of 2024. The increase in prices was due to improving copper demand from China's copper-intensive construction industry, fears of supply disruptions of the metal, as well as to elevated demand from the manufacturers of power lines, appliances, wind turbines, and electric vehicles. Further, the metal's price dropped from a peak of $10,800.8 a ton on May 20, 2024 to $9,363.4 per ton on April 23, 2025 due to a slowdown in China's industrial activity that reduced demand for industrial metals, including for copper, and to global economic uncertainties. In parallel, the latest available figures from the International Copper Study Group (ICSG) show that global demand for refined copper was 4.44 million tons in the first two months of 2025, constituting a rise of 1.1% from 4.39 million tons in the same period of 2024 due to an increase of 3% in Chinese demand for the metal. Also, it noted that the global production of refined copper reached 4.6 million tons in the first two months of 2025, up by 1% from 4.55 million tons in the same period of 2024, as higher output from China and the Democratic Republic of the Congo was partially offset by lower production in Chile, Indonesia, Mexico, and the U.S. Further, S&P Global Market Intelligence forecast copper prices at $8,558.2 per ton in the second quarter of 2025, with a low of $8,160 a ton and a high of $8,980 per ton per ounce in the covered quarter.

Source: ICSG, S&P Global Market Intelligence, Refinitiv, Byblos Research

Precious Metals: Silver prices to average $32.7 per ounce in second quarter of 2025

Silver prices averaged $31.9 per troy ounce in the year-to-April 23, 2025 period, constituting an increase of 31.4% from an average of $24.3 an ounce in the same period of 2024. The increase in the metal’s prices was mainly due to geopolitical instability that reinforced the appeal of the metal as a safe haven for investors, and to higher global industrial demand. Further, silver prices reached $34.3 per ounce on March 27, 2025, their second highest level after registering $34.6 an ounce on October 22, 2024, due to the imposition of new U.S. tariffs of up to 25% on imported auto parts. In parallel, the Silver Institute expected the global supply of silver at 1.03 billion ounces in 2025 relative to 1.015 billion ounces in 2024, due to higher mine output. Further, it projected global demand for the metal at 1.15 billion ounces in 2025 compared to 1.16 billion ounces in 2024, as demand for jewelry and silverware weakens. However, it noted that a modest recovery in demand for bars and coins in some Western markets should mitigate lower demand growth. It added that the impact of U.S. tariffs will be a key risk to silver demand this year. Also, it expected that an extended period of elevated tariffs or an escalation of trade wars could lead to significant supply chain disruptions, which will weigh on industrial, jewelry and silverware demand. It projected the silver market to remain in a deficit of 117.6 million ounce in 2025 for the fourth consecutive year. Further, S&P Global Market Intelligence forecast silver prices to average to $32.7 per ounce in the second quarter of 2025, with a low of $30 an ounce and a high of $35 per ounce in the covered quarter.

Source: Silver Institute, S&P Global Market Intelligence, Refinitiv, Byblos Research

COUNTRY RISK METRICS

Countries	LT Foreign currency rating S&P	LT Foreign currency rating Moody's	LT Foreign currency rating Fitch	LT Foreign currency rating CI	General gvt. balance/ GDP (%)	Gross Public debt (% of GDP)	Usable Reserves / CAPs* (months)	Short-Term External Debt by Rem. Mat./ CARs	Gvt. Interest Exp./ Rev. (%)	Gross Ext. Fin. needs / (CAR + Use. Res.) (%)	Current Account Balance / GDP (%)	Net FDI / GDP (%)
Africa												
Algeria	- -	- -	- -	- -	-3.7	56.9	-	-	-	-	-3.2	0.4
Angola	B- Stable	B3 Stable	B- Stable	- -	-1.0	62.06	4.7	52.2	25.9	105.8	2.7	-2.7
Egypt	B- Stable	Caa1 Positive	B Stable	B Stable	-4.6	73.3	2.7	97.3	14.6	179.1	-18.5	16.4
Ethiopia	SD -	Caa3 Stable	CCC- -	-	-2.5	22.0	0.5	32.1	5.9	158.7	-3.1	1.8
Ghana	SD -	Ca positive	RD -	- -	-3.2	66.1	0.7	54.3	22.7	139.7	3.0	2.0
Côte d'Ivoire	BB Stable	Ba2 Stable	BB- Stable	- -	-4.2	57.0	3.6	45.0	14.6	119.9	-4.6	2.3
Libya	- -	- -	- -	- -	-	-	-	-	-	-	-	-
Dem Rep Congo	B- Stable	B3 Stable	- -	- -	-0.5	14.5	1.2	5.9	2.2	103.8	-5.4	4.2
Morocco	BB+ Positive	Ba1 Stable	BB+ Stable	- -	-4.1	65.8	4.9	30.4	7.3	94.0	-1.4	0.5
Nigeria	B- Stable	Caa1 Positive	B- Positive	- -	-5.6	41.2	4.1	71.2	28.9	126.8	0.6	0.1
Sudan	- -	- -	- -	- -	-5.0	91.0	-	-	-	-	-5.0	0.2
Tunisia	- -	Caa1 Stable	CCC+ -	- -	-5.6	88.7	-	-	26.1	-	-2.7	-1.1
Burkina Faso	CCC+ Stable	- -	- -	- -	-5.8	58.0	1.2	59.0	11.4	156.8	-5.4	0.5
Rwanda	B+ Stable	B2 Stable	B+ Stable	- -	-4.6	69.5	3.5	19.8	9.5	111.5	-11.7	3.7
Middle East												
Bahrain	B+ Stable	B2 Stable	B+ Stable	B+ Stable	-4.9	133.7	-3.5	138.2	29.7	331.1	2.1	1.0
Iran	- -	- -	- -	- -	-4.2	26.1	-	-	-	-	3.5	-
Iraq	B- Stable	Caa1 Stable	B- Stable	- -	-4.5	45.6	15.3	3.2	3.1	42.6	5.6	-1.4
Jordan	BB- Stable	Ba3 Stable	BB- Stable	BB- Stable	-1.8	92.6	1.9	68.5	12	150.3	-4.4	1.6
Kuwait	A+ Stable	A1 Stable	AA- Stable	AA- Stable	-3.9	5.2	2.2	45.3	0.4	107.9	15.4	-4.8
Lebanon	SD -	C -	RD** -	- -	0.0	213.0	8.8	181.1	9.0	160.6	-20.1	2.8
Oman	BBB- Stable	Ba1 Positive	BB+ Stable	BBB- Positive	-7.3	51.7	4.4	26.0	6.5	101.2	-8.3	2.1
Qatar	AA Stable	Aa2 Stable	AA Stable	AA Stable	4.0	47.7	2.2	115.4	5.0	168.0	16.7	-0.2
Saudi Arabia	A+ Stable	A1 Positive	A+ Stable	AA- Stable	-2.8	24.6	10.3	25.3	3.5	67.7	-0.2	0.5
Syria	- -	- -	- -	- -	-	49.0	-	-	-	-	-15.5	-
UAE	- -	Aa2 Stable	AA- Stable	AA- Stable	5.5	29.9	-	-	4.3	-	6.8	-2.0
Yemen	- -	- -	- -	- -	-2.7	50.7	-	-	-	-	-19.2	-2.3

COUNTRY RISK METRICS

Countries	LT Foreign currency rating S&P	Moody's	Fitch	CI	General gvt. balance/ GDP (%)	Gross Public debt (% of GDP)	Usable Reserves / CAPs* (months)	Short-Term External Debt by Rem. Mat./ CARs	Gvt. Interest Exp./ Rev. (%)	Gross Ext. Fin. needs / (CAR + Use. Res.) (%)	Current Account Balance / GDP (%)	Net FDI / GDP (%)
Asia												
Armenia	BB- Stable	Ba3 Stable	BB- Stable	B+ Positive	-4.6	49.8	2.0	29.6	11.5	114.7	-3.1	2.2
China	A+ Stable	A1 Negative	A+ Stable	- -	-3.0	65.2	10.9	20.6	5.8	60.9	2.3	0.7
India	BBB- Stable	Baa3 Stable	BBB- Stable	- -	-7.8	84.0	7.3	29.8	25.2	82.2	-1.3	1.0
Kazakhstan	BBB- Stable	Baa2 Positive	BBB Stable	- -	-3.1	26.4	4.1	29.4	8.1	100.4	-2.8	2.2
Pakistan	CCC+ Stable	Caa2 Positive	B- Stable	- -	-7.5	71.3	0.7	34.9	55.9	133.4	-1.3	0.4
Bangladesh	B+ Stable	B2 Negative	B+ Stable	- -	-4.8	32.1	3.8	29.0	29.0	102.8	-1.5	0.4
Central & Eastern Europe												
Bulgaria	BBB Positive	Baa1 Stable	BBB Positive	- -	-2.5	24.5	2.0	19.5	1.5	102.8	-0.5	2.0
Romania	BBB- Stable	Baa3 Stable	BBB- Stable	- -	-7.3	51.7	4.4	25.9	6.5	101.2	-8.3	2.1
Russia	- -	- -	- -	- -	-	18.2	18.0	23.6	4.4	45.0	12.1	-0.7
Türkiye	BB- Stable	B1 Positive	BB- Stable	BB- Stable	-5.1	27.0	1.4	63.6	10.8	149.0	-1.2	0.4
Ukraine	CC Negative	Ca Stable	CC -	- -	-17.0	91.6	4.6	40.7	10.1	108.	-6.6	1.4

**Current account payments*

***Fitch withdrew the ratings of Lebanon on July 23, 2024*

Source: S&P Global Ratings, Fitch Ratings, Moody's Ratings, CI Ratings, Byblos Research - The above figures are projections for 2025

SELECTED POLICY RATES

	Benchmark rate	Current (%)	Last meeting Date	Last meeting Action	Next meeting
USA	Fed Funds Target Rate	4.50	19-Mar-25	No change	07-May-25
Eurozone	Refi Rate	2.40	17-Apr-25	Cut 25bps	05-Jun-25
UK	Bank Rate	4.50	20-Mar-25	No change	N/A
Japan	O/N Call Rate	0.50	19-Mar-25	No change	01-May-25
Australia	Cash Rate	4.10	01-Apr-25	No change	20-May-25
New Zealand	Cash Rate	3.75	19-Feb-25	Cut 50bps	28-May-25
Switzerland	SNB Policy Rate	0.25	20-Mar-25	Cut 25bps	19-Jun-25
Canada	Overnight rate	2.75	16-Apr-25	No change	04-Jun-25
Emerging Markets					
China	One-year Loan Prime Rate	3.10	21-Apr-25	No change	20-May-25
Hong Kong	Base Rate	4.75	19-Dec-24	Cut 25bps	N/A
Taiwan	Discount Rate	2.00	20-Mar-24	No change	19-Jun-25
South Korea	Base Rate	2.75	17-Apr-25	No change	29-May-25
Malaysia	O/N Policy Rate	3.00	06-Mar-25	No change	08-May-25
Thailand	1D Repo	2.00	26-Feb-25	Cut 25bps	30-Apr-25
India	Repo Rate	6.00	09-Apr-25	Cut 25pbs	N/A
UAE	Base Rate	4.40	18-Dec-24	Cut 25bps	N/A
Saudi Arabia	Repo Rate	5.00	18-Dec-24	Cut 25bps	N/A
Egypt	Overnight Deposit	25.50	17-Apr-25	Cut 175bps	22-May-25
Jordan	CBJ Main Rate	6.50	22-Dec-24	Cut 25bps	N/A
Türkiye	Repo Rate	46.00	17-Apr-25	Raied 350bps	N/A
South Africa	Repo Rate	7.50	30-Jan-25	No change	29-May-25
Kenya	Central Bank Rate	10.75	05-Feb-24	Cut 50bps	N/A
Nigeria	Monetary Policy Rate	27.50	20-Feb-25	No change	20-May-25
Ghana	Prime Rate	28.00	28-Mar-25	Raised 100bps	26-May-25
Angola	Base Rate	19.50	18-Mar-25	No change	21-May-25
Mexico	Target Rate	9.00	27-Mar-25	Cut 50bps	15-May-25
Brazil	Selic Rate	13.25	29-Jan-25	Raised 100bps	N/A
Armenia	Refi Rate	6.75	18-Mar-25	No change	06-May-25
Romania	Policy Rate	6.50	07-Apr-25	No change	16-May-25
Bulgaria	Base Interest	2.59	01-Apr-25	No change	01-May-25
Kazakhstan	Repo Rate	15.25	17-Jan-25	No change	N/A
Ukraine	Discount Rate	15.50	17-Apr-25	No change	05-May-25
Russia	Refi Rate	21.00	21-Mar-25	No change	25-Apr-25

Economic Research & Analysis Department
Byblos Bank Group
P.O. Box 11-5605
Beirut - Lebanon
Tel: (+961) 1 338 100
Fax: (+961) 1 217 774
E-mail: research@byblosbank.com.lb
www.byblosbank.com

BYBLOS BANK GROUP

LEBANON

Byblos Bank S.A.L
Achrafieh - Beirut
Elias Sarkis Avenue - Byblos Bank Tower
P.O.Box: 11-5605 Riad El Solh - Beirut 1107 2811- Lebanon
Phone: (+ 961) 1 335200
Fax: (+ 961) 1 339436

IRAQ

Erbil Branch, Kurdistan, Iraq
Street 60, Near Sports Stadium
P.O.Box: 34 - 0383 Erbil - Iraq
Phone: (+ 964) 66 2233457/8/9 - 2560017/9
E-mail: erbilbranch@byblosbank.com.lb

Sulaymaniyah Branch, Kurdistan, Iraq
Salem street, Kurdistan Mall - Sulaymaniyah
Phone: (+ 964) 773 042 1010 / (+ 964) 773 041 1010

Baghdad Branch, Iraq
Al Karrada - Salman Faeq Street
Al Wahda District, No. 904/14, Facing Al Shuruk Building
P.O.Box: 3085 Badalat Al Olwiya – Iraq
Phone: (+ 964) 770 6527807 / (+ 964) 780 9133031/2
E-mail: baghdadbranch@byblosbank.com.lb

Basra Branch, Iraq
Intersection of July 14th, Manawi Basha Street, Al Basra – Iraq
Phone: (+ 964) 770 4931900 / (+ 964) 770 4931919
E-mail: basrabranch@byblosbank.com.lb

ARMENIA

Byblos Bank Armenia CJSC
18/3 Amiryan Street - Area 0002
Yerevan - Republic of Armenia
Phone: (+ 374) 10 530362 Fax: (+ 374) 10 535296
E-mail: infoarm@byblosbank.com

BELGIUM

Byblos Bank Europe S.A.
Brussels Head Office
Boulevard Bischoffsheim 1-8
1000 Brussels
Phone: (+ 32) 2 551 00 20
Fax: (+ 32) 2 513 05 26
E-mail: byblos.europe@byblosbankeur.com

UNITED KINGDOM

Byblos Bank Europe S.A., London Branch
Berkeley Square House
Berkeley Square
GB - London W1J 6BS - United Kingdom
Phone: (+ 44) 20 7518 8100
Fax: (+ 44) 20 7518 8129
E-mail: byblos.london@byblosbankeur.com

FRANCE

Byblos Bank Europe S.A., Paris Branch
15 Rue Lord Byron
F- 75008 Paris - France
Phone: (+33) 1 45 63 10 01
Fax: (+33) 1 45 61 15 77
E-mail: byblos.europe@byblosbankeur.com

NIGERIA

Byblos Bank Nigeria Representative Office
161C Rafu Taylor Close - Off Idejo Street
Victoria Island, Lagos - Nigeria
Phone: (+ 234) 706 112 5800
(+ 234) 808 839 9122
E-mail: nigeriarepresentativeoffice@byblosbank.com.lb

ADIR INSURANCE

Dora Highway - Aya Commercial Center
P.O.Box: 90-1446
Jdeidet El Metn - 1202 2119 Lebanon
Phone: (+ 961) 1 256290
Fax: (+ 961) 1 256293