

LEBANON THIS WEEK

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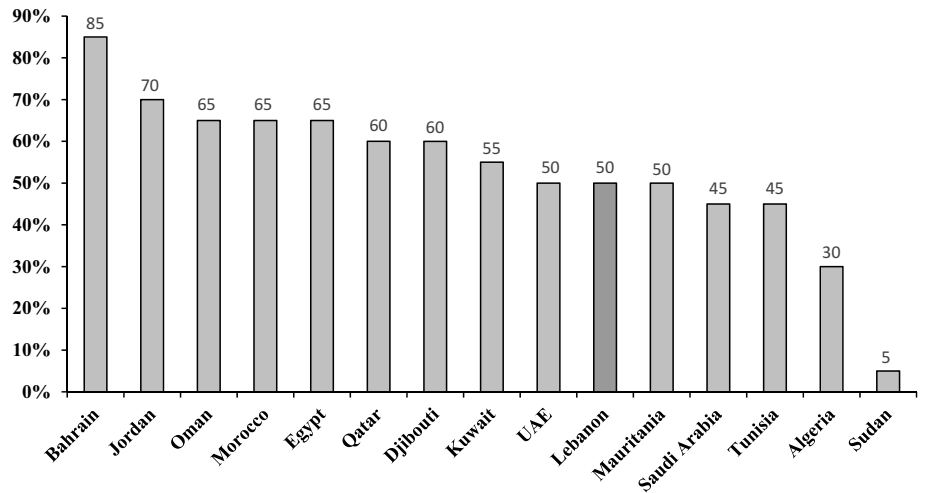
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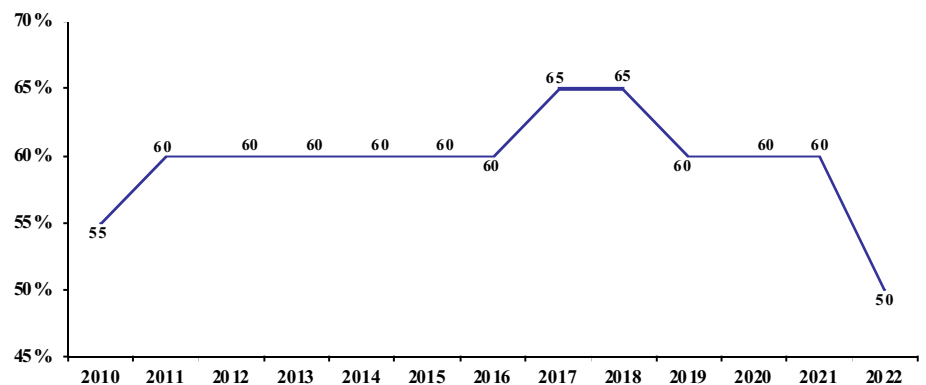
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Charts of the Week

Performance of Arab Countries in terms of Investment Freedom for 2022*



Performance of Lebanon in terms of Investment Freedom



*The Heritage Foundation defines investment freedom as a free and open investment environment that provides maximum entrepreneurial opportunities and incentives for expanded economic activity, greater productivity, and job creation

Source: Heritage Foundation, Investment Freedom Sub-Indicator, Index of Economic Freedom for 2022, Byblos Bank

Quote to Note

"We are trying to work with the Lebanese authorities to formulate a reform program that can address the severe economic financial challenges Lebanon is facing."

Dr. Gerry Rice, Director of the Communications Department at the International Monetary Fund, on the IMF's engagement with Lebanon to produce reforms and recovery plan

Number of the Week

1,043: Number of candidates for the May 15 parliamentary elections in Lebanon, according to the Ministry of Interior & Municipalities

Lebanon in the News

\$m (unless otherwise mentioned)	2019	2020	2021	% Change*	Dec-20	Nov-21	Dec-21
Exports**	3,731	3,544	699	-	295	-	-
Imports**	19,239	11,310	3,329	-	1,232	-	-
Trade Balance**	(15,508)	(7,765)	(2,631)	-	(937)	-	-
Balance of Payments	(5,851)	(10,551)	(1,976)	-81.3%	(348)	160	(400)
Checks Cleared in LBP	22,145	19,937	18,639	-6.5%	1,942	1,825	1,738
Checks Cleared in FC	34,826	33,881	17,779	-47.5%	2,802	949	1,079
Total Checks Cleared	56,982	53,828	36,425	-32.3%	4,744	2,773	2,818
Fiscal Deficit/Surplus***	(5,837)	(2,709)	374	-	(30)	-	-
Primary Balance***	(287)	(648)	1,519	-	264	-	-
Airport Passengers	8,684,937	2,501,944	4,334,231	73.2%	282,130	344,737	455,087
Consumer Price Index	2.9	84.9	154.8	6,989bps	145.8	201.1	224.4

\$bn (unless otherwise mentioned)	Dec-20	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	% Change*
BdL FX Reserves	18.60	14.20	14.62	14.49	14.05	13.65	(3.9)
In months of Imports	15.10	-	-	-	-	-	-
Public Debt	95.59	98.74	99.22	99.80	100.39	-	-
Bank Assets	188.04	180.28	179.68	178.90	175.60	174.94	(3.0)
Bank Deposits (Private Sector)	139.14	133.04	132.49	131.65	129.53	129.47	(2.7)
Bank Loans to Private Sector	36.17	30.86	30.00	29.18	28.04	27.71	(10.2)
Money Supply M2	44.78	49.85	49.95	50.03	50.10	52.41	5.1
Money Supply M3	132.70	133.21	132.90	132.42	131.62	133.39	0.1
LBP Lending Rate (%)	7.77	7.52	7.65	7.46	7.20	7.14	(38)
LBP Deposit Rate (%)	2.64	1.62	1.53	1.34	1.23	1.09	(53)
USD Lending Rate (%)	6.73	5.87	6.34	6.86	6.75	6.01	14
USD Deposit Rate (%)	0.94	0.30	0.26	0.23	0.20	0.19	(11)

*year-on-year; **figures for 2021 reflect the first quarter of the year ***figures for 2021 reflect the first seven months of the year
Source: Association of Banks in Lebanon, Banque du Liban, Ministry of Finance, Central Administration of Statistics, Byblos Research

Capital Markets

Most Traded Stocks on BSE*	Last Price (\$)	% Change*	Total Volume	Weight in Market Capitalization	Sovereign Eurobonds	Coupon %	Mid Price \$	Mid Yield %
Solidere "A"	31.12	(1.2)	174,769	31.5%	Oct 2022	6.10	11.00	1,383.89
BLOM GDR	3.31	0.0	100,000	2.5%	Jan 2023	6.00	11.00	535.81
Solidere "B"	31.00	0.3	39,710	20.4%	Apr 2024	6.65	11.00	139.70
Audi GDR	1.87	(1.6)	22,750	2.3%	Jun 2025	6.25	11.00	81.70
Audi Listed	1.77	(6.3)	10,544	10.5%	Nov 2026	6.60	11.00	53.18
Byblos Common	0.82	0.0	10,000	4.7%	Feb 2030	6.65	11.00	29.87
BLOM Listed	3.30	(0.3)	500	7.2%	Apr 2031	7.00	11.00	25.84
HOLCIM	19.05	0.0	-	3.8%	May 2033	8.20	11.00	20.80
Byblos Pref. 08	34.99	0.0	-	0.7%	Nov 2035	7.05	11.00	16.89
Byblos Pref. 09	37.99	0.0	-	0.8%	Mar 2037	7.25	11.00	15.27

Source: Beirut Stock Exchange (BSE); *week-on-week

Source: Refinitiv

	Mar 14-18	Mar 7-11	% Change	February 2022	February 2021	% Change
Total shares traded	366,073	340,029	7.7	1,217,016	8,583,833	(85.8)
Total value traded	\$7,152,199	\$3,165,929	125.9	\$15,255,094	\$24,114,080	(36.7)
Market capitalization	\$9.89bn	\$10.00bn	(1.11)	\$9.81bn	\$7.09bn	38.2

Source: Beirut Stock Exchange (BSE)



Fiscal surplus equivalent to 3.4% of expenditures in first nine months of 2021

Figures released by the Ministry of Finance show that the fiscal balance posted a surplus of LBP455.4bn, or \$302.1m, in the first nine months of 2021 compared to a deficit of LBP3,943.6bn (\$2.6bn) in the same period of 2020. The dollar figures are based on the official exchange rate of the Lebanese pound to the US dollar. The surplus was equivalent to 3.4% of total budget and Treasury expenditures in the first nine months of 2021 relative to a deficit equivalent to 27.2% of government spending in the same period of 2020. Public expenditures reached LBP13,445.7bn (\$8.9bn) in the first nine months of 2021 and declined by 7.3% from the same period of 2020, while revenues stood at LBP13,901.1bn (\$9.2bn) and grew by 31.6% year-on-year. The surplus of the fiscal balance was caused by a contraction of LBP1,062bn (\$704.5m) in spending from lower debt servicing cost and Treasury transfers to Electricité du Liban (EdL), as well as by an increase of LBP3,337bn (\$2.2bn) in revenues.

On the revenues side, tax receipts rose by 35.8% year-on-year to LBP10,428.6bn (\$6.9bn) in the first nine months of 2021, of which 27.5%, or LBP2,871.2bn (\$1.9bn), were in VAT receipts that surged by 115.4% annually due in large part to accelerating inflation. Tax receipts accounted for 81% of budgetary revenues and for 75% of Treasury and budgetary income in the covered period. The distribution of other tax receipts shows that revenues from taxes on income, profits & capital gains increased by 20% to LBP4,377.8bn (\$2.9bn) in the covered period; receipts from customs grew by 21.5% to LBP1,156.7bn (\$767.3m); revenues from property taxes rose by 30.4% to LBP1,258.6bn (\$965.2m); proceeds from stamp fees increased by 10.8% to LBP373.9bn (\$248m); while receipts from taxes on goods & services dropped decreased by 12.4% to LBP390.3bn (\$259m). The distribution of income tax receipts shows that the tax on interest income accounted for 41.5% of income tax revenues in the first nine months of 2021, followed by the tax on profits with 38.3%, the tax on wages & salaries with 15%, and the capital gains tax with 4.6%. Receipts from the tax on profits jumped by 357%, revenues from the tax on capital gains surged by 83%, and proceeds from the tax on wages & salaries increased by 18%, while revenues from the tax on interest income dropped by 30% in the covered period. Also, revenues from the inheritance tax jumped by 184.2% to LBP229.1bn (\$152m), proceeds from the built property tax surged by 33% to LBP196.1bn (\$130.1m), and receipts from real estate registration fees expanded by 13% to LBP833.5bn (\$553m) in the first nine months of 2021. Further, non-tax budgetary receipts grew by 49% year-on-year to LBP2,439.2bn (\$1.6bn) in the covered period. They mainly included LBP1,634.6bn (\$1.1bn) in revenues generated from government properties that jumped by 88.7%, as well as LBP511.9bn (\$339.6m) in receipts from administrative fees and charges that declined by 0.5% annually. Receipts from telecommunication services increased by 115.2% to LBP1,334.6bn (\$885.3m) in the first nine months of 2021, and accounted for 81.6% of income from government properties and for 54.7% of non-tax budgetary revenues. In parallel, Treasury receipts decreased by 17.2% to LBP1,033.4bn (\$685.5m) in the covered period.

On the expenditures side, total budgetary spending, which includes general expenditures and debt servicing, declined by 6.6% to LBP11,925.1bn (\$7.9bn) in the first nine months of 2021. General spending regressed by 7% to LBP9,809.2bn (\$6.5bn) in the covered period, and included LBP698bn (\$463m) in transfers to EdL that decreased by 31.5% year-on-year, and LBP1,026bn (\$680.5m) in outlays from previous years that shrank by 46.3% annually, among other general spending items. Further, debt servicing totaled LBP2,116bn (\$1.4bn) in the covered period and contracted by 5% from the first nine months of 2020. Interest payments on Lebanese pound-denominated debt grew by 2.8% to LBP1,917.4bn (\$1.3bn), while debt servicing on foreign currency debt dropped by 78.6% in the first nine months of 2021. In addition, Treasury expenditures, excluding transfers to EdL, decreased by 12.8% year-on-year to LBP1,520.6bn (\$1bn) in the covered period. Also, the primary budget balance posted a surplus of LBP3,058.6bn (\$2bn) in the first nine months of 2021, equivalent to 25.6% of budgetary expenditures, while the overall primary balance registered a surplus of LBP2,571.3bn (\$1.7bn), or 19% of spending.

Fiscal Results in First Nine Months of Each Year

	2020 (US\$m)	2021 (US\$m)	Change (%)
Budget Revenues	6,180	8,536	38.1%
Tax Revenues	5,094	6,918	35.8%
Non-Tax Revenues	1,087	1,618	49%
of which Telecom revenues	411	885	115.2%
Budget Expenditures	8,467	7,911	-6.6%
Budget Surplus/Deficit	(2,287)	625	
In % of budget expenditures	-27.0%	7.9%	
Budget Primary Surplus/Deficit	(807)	2,029	
In % of budget expenditures	-9.5%	25.6%	
Treasury Receipts	828	685	-17.2%
Treasury Expenditures	1,157	1,009	-12.8%
Total Revenues	7,008	9,221	31.6%
Total Expenditures	9,624	8,919	-7.3%
Total Surplus/Deficit	(2,616)	302	
In % of total expenditures	-27.2%	3.4%	
Total Primary Surplus/Deficit	(1,136.5)	1,705.7	
In % of total expenditures	-11.8%	19.1%	

Source: Ministry of Finance, Byblos Research

Banque du Liban's foreign assets at \$16.6bn, gold reserves at \$17.8bn at mid-March 2022

Banque du Liban's (BdL) interim balance sheet reached \$161.93bn as at March 15, 2022, constituting a decrease of 0.8% from \$163.2bn at end-2021 and an increase of 6.8% from \$151.6bn a year earlier. Assets in foreign currency totaled \$16.6bn at mid-March 2022, representing a decrease of \$1.24bn or of 7%, from the end of 2021 and a drop of \$5.96bn (-26.4%) from \$22.54bn at mid-March 2021. Assets in foreign currency include \$5.03bn in Lebanese Eurobonds, unchanged from a year earlier. The dollar figures are based on the official exchange rate of the Lebanese pound to the US dollar.

BdL's assets in foreign currency, excluding Lebanese Eurobonds, stood at \$11.55bn at mid-March 2022 and regressed by \$350.3m (-3%) from \$11.9bn at the end of February 2022 and by \$643m (-5.3%) from \$12.2bn at mid-February 2022. They dropped by \$1.24bn (-9.7%) from \$12.8bn at the end of 2021 and by \$5.96bn (-34%) from \$17.5bn at mid-March 2021. The cumulative decline in BdL's assets in foreign currency, excluding Lebanese Eurobonds, is largely due to the financing of the imports of hydrocarbons, wheat, medicine, medical equipment, a large number of food and non-food items, and raw materials for agriculture and industry, as well as to the implementation of BdL decrees that allowed depositors to withdraw US dollar banknotes from their accounts or to buy dollar banknotes from BdL through commercial banks. It is also due to the steep drop in capital flows to Lebanon since September 2019, and to the near halt of inflows after the government decided to default on its Eurobonds obligations in March 2020. However, the decline in BdL's assets foreign currency was offset in part by the allocation of about \$1.13bn in Special Drawing Rights that the IMF transferred to BdL's account on September 16, 2021.

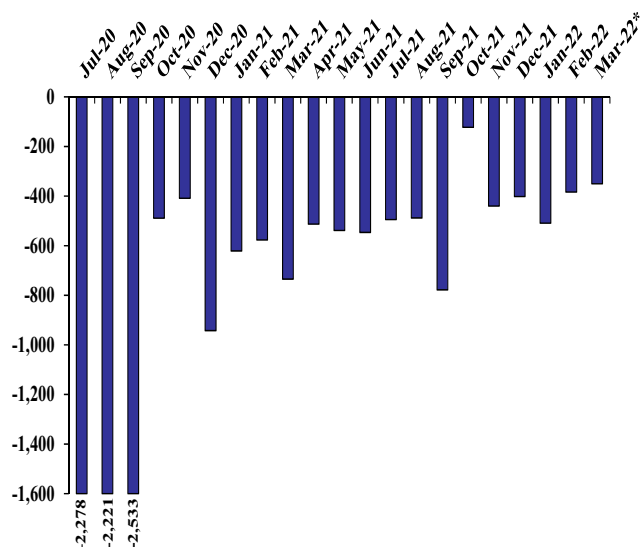
In parallel, the value of BdL's gold reserves amounted to \$17.8bn at mid-March 2022, constituting increases of \$1.2bn (+7.2%) from the end of 2021 and of \$1.85bn (+11.6%) from \$15.9bn at mid-March 2021. The value of gold reserves reached a peak of \$18.13bn at mid-September 2020. Also, the securities portfolio of BdL totaled \$41.7bn at mid-March 2022, increasing by \$387m (+1%) from the end of 2021 and by \$971.3m (+2.4%) from \$40.7bn a year earlier. In addition, loans to the local financial sector totaled \$13.5bn, regressing by 1.5% from the end of 2021 and by 4.5% from mid-March 2021. Further, the deposits of the financial sector stood at \$109.5bn at mid-March 2022 and grew by \$1.8bn from a year earlier. In addition, public sector deposits at BdL reached LBP13,506.9bn (\$9bn) at mid-March 2022, increasing by \$1.2bn from the end of 2021 and surging by \$4.1bn from a year earlier.

Occupancy rate at Beirut hotels at 35%, room yields up 12% in January 2022

EY's benchmark survey of the hotel sector in the Middle East indicates that the average occupancy rate at four- and five-star hotels in Beirut was 34.7% in January 2022 relative to 29.5% in January 2021, compared to an average rate of 51.2% in 14 Arab markets included in the survey. The occupancy rate at Beirut hotels was the 11th highest in the region in the first month of the year, while it was the fourth lowest in January 2021. The occupancy rate at hotels in Beirut increased by 5.2 percentage points in January 2022 from the same month of 2021. In comparison, the average occupancy rate in Arab markets expanded by 11.2 percentage points in January 2022 from January 2021.

Also, the average rate per room at Beirut hotels was \$69 in January 2022, decreasing by 4.6% from \$73 in January 2021 and constituting the lowest rate in the region. EY indicated that it based its average rate per room at Beirut hotels on the exchange rate of the Lebanese pound to the US dollar that the hotels used at the time of the client's booking. The average rate per room in Beirut was lower than the regional average of \$153.9 that increased by \$21.9, or by 16.6%, from \$132 in January 2021. Further, revenues per available room (RevPAR) were \$24 at Beirut hotels in January 2022 compared to \$21 in January 2021, and were the lowest in the region. EY indicated that it used the same methodology to calculate the RevPAR as it did for the average rate per room. Beirut's RevPAR grew by 12.3% in January 2022, constituting the 11th highest increase in the region. Abu Dhabi had the highest hotel occupancy rate in the region at 84.6% in January 2022, while Dubai registered the highest average rate per room at \$406 and the highest RevPAR at \$287 in the covered month.

Change in Gross Foreign Currency Reserves (US\$m)



*at mid-March 2022

Source: Banque du Liban, Byblos Research

Hotel Sector Performance in January 2022

	Occupancy Rate (%)	RevPAR (US\$)	RevPAR % change
Abu Dhabi	85	70	82.4
Doha	58	57	(4.6)
Dubai	71	287	60
Ras Al Khaimah	58	109	39.6
Riyadh	73	124	55.6
Cairo	64	73	216
Jeddah	43	73	(38)
Beirut	35	24	12.3
Madina	64	67	34
Kuwait City	30	70	(8.5)
Manama	31	47	117
Muscat	38	50	210.3
Amman	28	39	164.3
Makkah	41	40	109.9

Source: EY, Byblos Research

Number of registered real estate transactions up 770% in first two months of 2022

Figures released by the Ministry of Finance show that the ministry registered 17,997 real estate transactions in first two months of 2022, constituting a jump of 769% from 2,071 in the same period of 2021. In comparison, the ministry registered 10,834 real estate transactions in the first two months of 2020 and 7,859 real estate deals in the same period of 2019. The increase in the number of registered transactions in the covered period is due mainly to the anticipated sharp increase in real estate registration fees, as stipulated in the government's draft budget for 2022 that the Lebanese Parliament is expected to enact in the coming weeks.

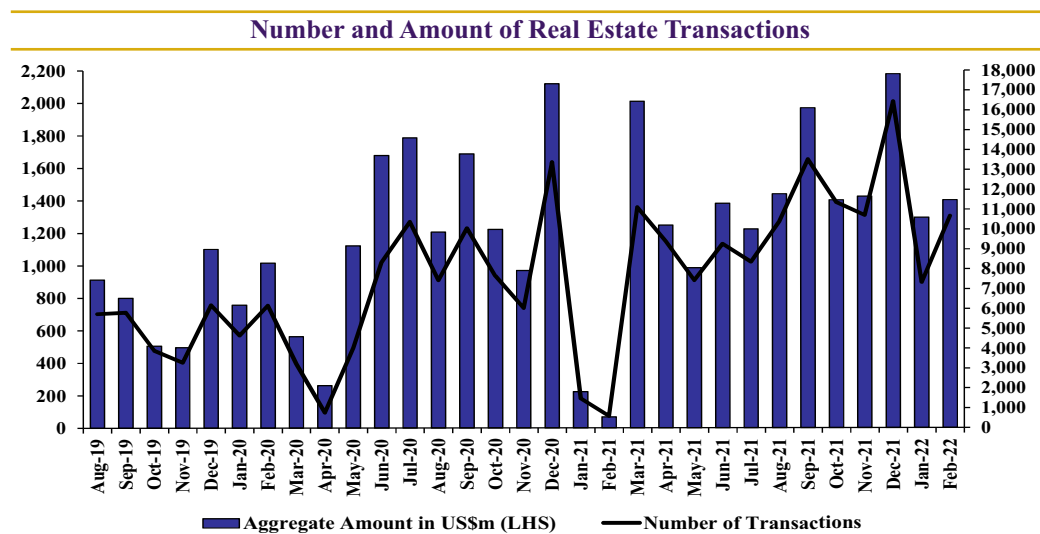
Further, the ministry registered 2,809 real estate transactions in the South governorate in the first two months of 2022, representing 15.6% of the total. The Baabda/Aley/Chouf area followed with 2,764 deals (15.4%), then the Keserwan/Jbeil region with 2,487 transactions (13.8%), the Nabatieh governorate with 2,349 deals (13.1%), the North region with 2,337 transactions (13%), Beirut with 1,769 deals (9.8%), the Northern Metn district with 1,472 transactions (8.2%), and the Bekaa/Baalbeck-Hermel region with 1,419 deals (7.9%).

The aggregate amount of registered real estate transactions reached LBP4,066.4bn or \$2.7bn in the first two months of 2022, based on the official exchange rate of the US dollar, and increased by 8.3% from LBP437.6bn (\$290.3m) in the same period of 2021. In comparison, the amount of real estate deals declined by 83.6% in the first two months of 2021 from the same period in the previous year and grew by 68% in the same period of 2020 from the first two months of 2019. Further, the value of registered real estate transactions in Beirut amounted to \$742.3m and accounted for 27.5% of the total in the first two months of 2022. The South governorate followed with \$428.8m (15.9%), then the Keserwan/Jbeil area with \$415.6m (15.4%), the Northern Metn district with \$313.6m (11.6%), the North region with \$233.7m (8.7%), the Baabda/Aley/Chouf area with \$202m (7.5%), the Nabatieh governorate with \$141m (5.2%), and the Bekaa/Baalbeck-Hermel region with \$86.7m (3.2%).

The amount of registered real estate transactions in the Northern Metn district jumped by 7,013% in the first two months of 2022 from the same period of 2021, followed by deals in the Nabatieh governorate (+2,057%), then the North area (+1,198.5%), the Bekaa/Baalbeck-Hermel area (+867%), Beirut (+864%), the Baabda/Aley/Chouf area (+574%), the South governorate (+510%), and the Keserwan/Jbeil region (+479%). In addition, the aggregate amount of real estate transactions reached \$1.4bn in February 2022, constituting an increase of 8.4% from \$1.3bn in January 2022 and compared to \$67.5m in February 2021.

In parallel, the average amount per registered real estate transaction was LBP226m (\$149,885) in the first two months of 2022, and grew by 7% from an average of LBP211.3m (\$140,158.3) in the same period of 2021. Further, there were 161 real estate transactions executed by foreigners in the first two months of 2022, compared to 27 deals in the same period of 2021 and to 166 transactions in the first two months of 2020. The number of real estate deals by foreigners accounted for 0.9% of the registered real estate transactions in the covered period, down from 1.3% in the first two months of 2021 and from 1.5% in the same period of 2020.

Further, 33% of real estate transactions executed by foreigners in the first two months of 2022 were in the South governorate, followed by Beirut (20.5%), then the North region (15.5%), the Keserwan/Jbeil region (10%), the Northern Metn district (7.5%), the Baabda/Aley/Chouf area and the Bekaa/Baalbeck-Hermel region (5.6% each), and the Nabatieh governorate (2.5%). Also, Kuwaiti citizens accounted for 16% of the amount of real estate transactions executed by foreigners in February 2022, followed by Syrian nationals (15.2%), Saudi citizens (10.5%), nationals from Sweden (2.4%), and British citizens (2%).



Source: Ministry of Finance, Byblos Research

Payments to poor households start under "Aman" project

The Government announced on March 14, 2022 the beginning of payments of cash transfers to 150,000 extremely poor Lebanese households under the Emergency Social Safety Net Project (ESSN), known as "Aman", that the World Bank is financing. The announcement follows the completion of the registration process of Lebanese households on the DAEM Social Safety Net that is managed by the Impact platform, the first e-government platform in Lebanon, under the supervision of the government's Central Inspection Department. The program will provide nearly 680,000 individuals a monthly cash transfer of \$20 per household member with a maximum of \$120 per family, in addition to a fixed amount of \$25 per household. It will also cover the direct cost of schooling for 87,000 children between the ages of 13 and 18 years among extremely vulnerable households, in order to prevent students from dropping out of school.

The Ministry of Social Affairs indicated that 200,000 households out of 583,000 ones that registered on the platform met the preliminary screening criteria for "Aman". It said that the World Food Program (WFP) started on February 17, 2022 the verification process in order to validate the eligibility of potential beneficiaries, and that it will continue the process until mid-June of this year. It added that the verification, the determination of eligibility, and payments are currently taking place simultaneously to ensure the prompt delivery of assistance. It noted that the WFP will disburse the funds to eligible households through local money transfer operators, and that the money will be paid retroactively starting January 2022 for 12 consecutive months.

In addition, the World Bank indicated that the ESSN launched the process of building the underlying system for a robust national social safety net in Lebanon. It said that the DAEM platform has initiated the development of an integrated National Social Registry (NSR) that will enable Lebanon to address future shocks rapidly, transparently, and equitably. It considered that the NSR will create synergies across all social protection programs, reduce duplication, as well as help standardize the implementation processes, decrease the cost-of-service delivery and increase the program's performance. Further, the World Bank called on Lebanese authorities to urgently and quickly adopt an economic and financial recovery plan, and to enact critical and long-awaited reforms, in order to avoid a complete destruction of country's social and economic networks and to halt the alarming loss of human capital.

In parallel, the Ministry of Social Affairs launched on December 1, 2021 the registration platform for the electronic cash card assistance that aims to help 700,000 vulnerable families cope with the increase in the cost of living in the country. The ministry indicated that Lebanese authorities have secured a \$246m loan from the World Bank to fully fund "Aman" and said that all payments for the program will be denominated in US dollars.

Deterioration in commercial activity slows down in third quarter of 2021

Banque du Liban's quarterly business survey about the opinions of business managers shows that the balance of opinions for the volume of commercial sales reached -61 in the third quarter of 2021, relative to -65 in the second quarter of 2021 and to -68 in the third quarter of 2020. The balance of opinions for the third quarter of 2021 reflects the disruptions to economic activity following the worsening of economic and financial conditions in the country, as well as the impact of the explosion at the Port of Beirut on August 4, 2020, in addition to the gradual relaxation of lockdown measures in Lebanon. The balance of opinions for the volume of commercial sales in the third quarter of 2021 reached its seventh lowest quarterly level since 2004, after posting -74 in the second quarter of 2020, -73 in the third quarter of 2006 due to the Israeli war on Lebanon, -71 in the first quarter of 2021, -70 in the first quarter of 2005 following the assassination of Prime Minister Rafic Hariri, -68 in the third quarter of 2020, and -65 in the second quarter of 2021.

The survey covers the opinions of enterprise managers about their business activity in order to depict the evolution of a number of key economic variables. The balance of opinions is the difference between the proportion of surveyed managers who consider that there was an improvement in an indicator and the proportion of those who reported a decline in the same indicator. The balance of opinions was the lowest in Beirut and Mount Lebanon at -82, followed by the South (-63), the Bekaa (-53), and the North (-26). The survey shows that the balance of opinions about the sales of food items was -50 in the third quarter of 2021, relative to -52 in the second quarter of 2021 and to -44 in the third quarter of 2020. Also, the balance of opinions about the sales of non-food products was -69 in the covered quarter, relative to -72 in the previous quarter and to -86 in the third quarter of 2020; while it was -57 for inter-industrial goods, compared to -66 in the second quarter of 2021 and relative to -65 in the third quarter of 2020. Further, the balance of opinions for inventory levels of finished goods in all commercial sub-sectors was -44 in the third quarter of 2021, compared to -53 in the previous quarter and to -42 in the third quarter of 2020. Opinions about the level of inventories were the lowest in the North region as they reached -69, followed by the South (-65), the Bekaa area (-31) and Beirut and Mount Lebanon (-28). Also, the balance of opinions about the number of employees in the sector was -37 in the third quarter of 2021 compared to -36 in the preceding quarter and to -44 in the third quarter of 2020. It was the lowest in Beirut & Mount Lebanon at -45, followed by the North (-36), the Bekaa (-34), and the North (-26).

Commercial Activity: Year-on-Year Evolution of Opinions				
Aggregate results	Q3-18	Q3-19	Q3-20	Q3-21
Sales volume	-31	-34	-68	-61
Number of employees	-7	-16	-44	-37
Inventories of finished goods	0	-12	-42	-44
Q3-21 Regional results	Beirut / Mount Lebanon	North	South	Bekaa
Sales volume	-82	-26	-63	-53
Inventories of finished goods	-28	-69	-65	-31

Source: Banque du Liban business survey for third quarter of 2021

Consumer Price Index up 215% year-on-year in February 2022

The Central Administration of Statistics' Consumer Price Index increased by 227% in the first two months of 2022 from the same period of 2021. In comparison, it grew by 151.5% and by 10.7% in the first two months of 2021 and 2020, respectively.

The CPI rose by 214.6% in February 2022 from the same month of 2021, while it registered its 20th consecutive triple-digit increase since July 2020. The cumulative surge in inflation is due in part to the inability of authorities to monitor and contain retail prices, as well as to the deterioration of the Lebanese pound's exchange rate on the parallel market and the gradual lifting of subsidies on hydrocarbons, which have encouraged opportunistic wholesalers and retailers to raise the prices of consumer goods disproportionately. In addition, the smuggling of subsidized imported goods has resulted in shortages of these products locally, which contributed to the rise in prices. Further, the emergence of an active black market for gasoline during the summer has put upward pressure on prices and on inflation.

Transportation costs surged by 6.1 times in February 2022 from the same month of 2021, followed by the rates at restaurants & hotels (+5.5 times), healthcare costs (+5.1 times), the prices of food & non-alcoholic beverages (+5 times), the prices of water, electricity, gas & other fuels (+4.7 times), the prices of miscellaneous goods & services (+3.9 times), the cost of alcoholic beverages & tobacco (+3.5 times), and the prices of furnishings & household equipment (+3.1 times). In addition, the prices of clothing & footwear jumped by 184% year-on-year in February 2021, followed by the cost of recreation & entertainment (+160.3%), the cost of education (+36.2%), communication costs (+22.1%), actual rent (+4%), and imputed rent (+3.9%). Also, the distribution of actual rent shows that new rent grew by 5% and old rent increased by 2.7% in February 2022 from the same month of 2021.

In parallel, the CPI decreased by 3.1% in February 2022 from the previous month, compared to a month-on-month rise of 7.7% in January 2022 and of 16.5% in December 2021. The decline was due in part to the appreciation of the exchange rate of the Lebanese pound to the US dollar on the parallel market as a result of Banque du Liban's measures to inject dollar banknotes in the economy and to sterilize part of the Lebanese pound currency in circulation. The cost of recreation & entertainment increased by 5.1% month-on-month in February 2022, followed by rates at restaurants & hotels (+3.1%), the cost of education (+1%), and transportation costs (+0.3%). In contrast, the prices of alcoholic beverages & tobacco declined by 15.2%, followed by clothing & footwear prices (-10.2%), prices of furnishings & household equipment (-9.1%), prices of food & non-alcoholic beverages (-7.1%), healthcare costs (-5.5%), prices of water, electricity, gas and other fuels (-2.4%), the cost of miscellaneous goods & services (-1.8%), and communication costs (-1%). Also, actual rent and imputed rent were unchanged in February 2022 from the preceding month.

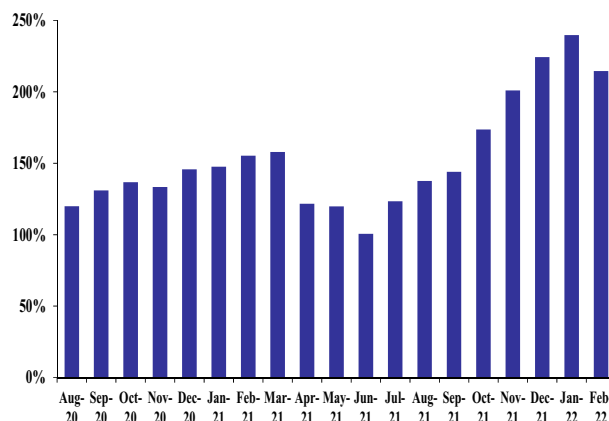
Further, the CPI decreased by 4% in the North, by 3.6% in the Nabatieh, by 3.4% in the South, by 3.2% in Mount Lebanon, by 2.2% in the Bekaa, and by 1.8% in Beirut, during February 2022 from the previous month. In parallel, the Education Price Index increased by 1.6%, while the Fuel Price Index decreased by 3.7% month-on-month in February 2022.

Ministry of Industry exempts some food products from export ban

The Ministry of Industry announced on March 17, 2022 that it has exempted certain products from its earlier decision to ban the export of food products that are manufactured in Lebanon, unless the manufacturer obtains an export license from the ministry. The exempted goods consist of mineral water; non-alcoholic beverages; cacao and chocolate that is not wrapped with biscuit; distilled alcoholic beverages of more than 10,000 liters per container; and wine of more than 10,000 liters per container, and coffee, tea and roasted coffee.

The Council of Ministers approved on March 10, 2022 the request of the Ministry of Industry to suspend the exports of food products that are manufactured in Lebanon, unless the manufacturer obtains an export license from the ministry. The ministry attributed its decision to the need to ensure the minimum level of food security for the Lebanese population, given that the authorities have to address the prevailing global food crisis through preventive measures. The updated list of banned products consists of fresh and preserved meat and poultry, all types of meat products, preserved fish products, processed potatoes, fruit and vegetable juices, oils and animal fat, dairy products, ice cream, grain products, carbohydrates products, processed animal feed, pet food, bread and fresh-made sweets; biscuits and preserved sweets, industrial sugar, candy; spices and seasoning, beer, and pasta, noodles and other pastries. The ban will affect about 1,346 manufacturers in the country.

Annual Change in CPI (%)



Source: Central Administration of Statistics, Byblos Research

Utilized credits by private sector at \$37bn at end-September 2021, advances against real estate at 46% of total

Figures issued by Banque du Liban show that utilized credits by the private sector totaled \$36.94bn at the end of September 2021, constituting a decline of \$5.8bn, or 13.5%, from \$42.7bn at end-2020 and a decrease of \$8.35bn (-18.4%) from \$45.3bn at end-September 2020. The drop in lending is mostly due to clients' decision to settle their loans prior to their maturity, to limited demand for new loans amid political and economic uncertainties, and to the risk aversion of lenders amid the challenging conditions in the country. The dollar figures are converted at the official exchange rate of the Lebanese pound to the US dollar.

Utilized credits for trade & services reached \$12.22bn and accounted for 33% of the total at the end of September 2021, followed by personal credits with \$11.8bn (32%), credits for construction with \$5.95bn (16%), industry with \$3.84bn (10.4%), financial intermediaries with \$1.56bn (4.2%), and agriculture with \$517.45m (1.4%), while other sectors represented the remaining \$1.06bn (3%).

The distribution of utilized credits by type of collateral shows that advances against real estate totaled \$17bn and accounted for 46% of the collateral for utilized credits at the end of September 2021. Advances against personal guarantees followed with \$4.9bn (13.3%), then advances against cash collateral or bank guarantees with \$1.82bn (5%), advances against financial values with \$912.7m (2.5%) and advances against other real guarantees with \$596m (1.6%); while overdrafts totaled \$11.68bn or 31.6% of the total.

Also, the distribution of utilized credits in trade & services shows that wholesale trade accounted for 48% of loans to trade & services, followed by retail with 17%; real estate, rent & employment services with 13%; transport & storage with 9.3%; hotels & restaurants with 7.7%; and educational services with 5%.

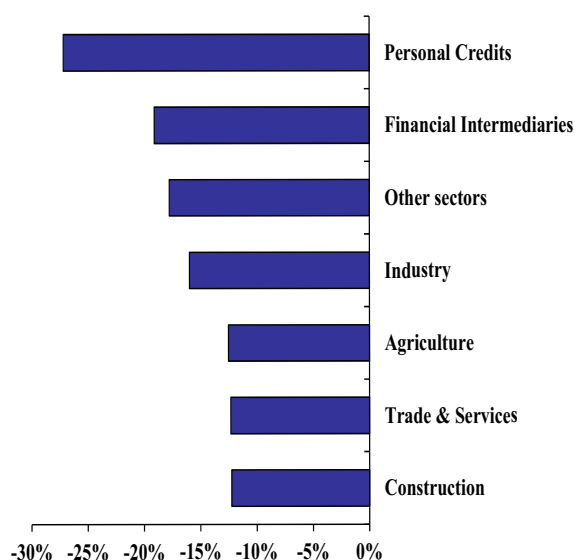
In addition, utilized credits for personal loans declined by 22.2%, and included mortgages that decreased by 16.5% in the first nine months of 2021. Also, utilized credits for financial intermediaries regressed by 12.8% in the covered period, followed by utilized credits for industry (-11.4%), trade & services (-8.8%), agriculture (-7%), and construction (-5.3%), while utilized credits for other sectors contracted by 11.8% from the end of 2020.

Also, personal loan beneficiaries represented 83.8% of total loan beneficiaries, followed by trade & services with 11.4% of beneficiaries, industry with 3.2%, construction with 1.5%, agriculture with 1.1% and financial intermediaries with 0.6%, while other sectors accounted for the remaining 4.2% of loan beneficiaries.

Further, the aggregate number of loan beneficiaries reached 352,487 at the end of September 2021 and declined by 83,975 (-19.2%) in the first nine months of 2021. Also, 43.5% of beneficiaries had loans that range from LBP5m to LBP25m at the end of September, followed by beneficiaries with loans of less than LBP5m (21.3%), those with credits in the LBP25m to LBP100m range (17.2%), beneficiaries with loans ranging from LBP100m to LBP500m (15.8%), those with credits between LBP500m and LBP1bn (1%), beneficiaries with loans ranging from LBP1bn to LBP5bn (0.7%), as well as beneficiaries with credits in the LBP5bn to LBP10bn bracket and those with loans that exceed LBP10bn (0.2% each). Beirut and its suburbs accounted for 75.2% of bank credits and for 55% of beneficiaries. Mount Lebanon followed with 12.8% of credits and 17.8% of beneficiaries, then North Lebanon with 4.6% of credits and 11.2% of beneficiaries, South Lebanon with 4% of credits and 8.8% of beneficiaries, and the Bekaa region with 3.4% of credits and 7.3% of beneficiaries.

In parallel, the off-balance sheet liabilities of banks and financial institutions totaled \$70.3bn at the end of September 2021, constituting declines of 15.8% in the first nine months of 2021 and of 21.5% from a year earlier. They included endorsement & guarantees of \$67.2bn, or 95.6% of the total, followed by letters of undertaking with \$1.5bn (2.1%), commitments on notes with \$1.3bn (1.8%), and forward operations \$165m (0.2%) and financing commitments with \$104.6m (0.1%), while other commitments accounted for \$74.7m (0.1%).

Change in Utilized Credits at End-September 2021* (%)



*from end-September 2020

Source: Banque du Liban

Lebanon ranks 130th globally, second in Arab world in political freedoms

In its annual survey on political freedoms in 195 countries, non-profit organization Freedom House ranked Lebanon in 130th place worldwide and in second place among 19 Arab countries in the 2022 survey. In comparison, Lebanon came in 129th place globally and in second place regionally in 2021. The survey rates each country on political rights and civil liberties on a scale of zero to 100 points, with 100 points representing the highest degree of freedom and a score of zero points reflecting the lowest level. The combined average of the ratings determines a country's status as politically "Free", "Partly Free", or "Not Free".

Globally, Lebanon has the same level of political freedoms as the Comoros and Togo, while it has a higher level than the Maldives, Bangladesh, and Pakistan, and a lower level of political freedoms than Mozambique, Nigeria, and Guinea-Bissau. Also, the survey classified Lebanon in the "Partly Free" category, unchanged since 2005 when it was upgraded from the "Not Free" category. Further, Lebanon's political freedoms score stood at 42 points, below the global average of 58.05 points and the average of 54.4 points of the "Partly Free" category, but significantly higher than the Arab countries' average rating of 24.5 points.

Lebanon tied with Morocco, preceded Tanzania and Ethiopia, and trailed Kuwait and Mauritania on the Political Rights sub-index, which reflects the citizens' ability to participate freely in the political process. Lebanon, along with Morocco, came in fifth place in the Arab region on this category, and ranked behind Tunisia, Iraq, Kuwait, and Mauritania. Also, Lebanon received a rating of 13 points out of a maximum of 40 points on this indicator, compared to the global average of 23 points and to the Arab average of 7.8 points.

In addition, Lebanon tied with Kenya and Mozambique, came ahead of Niger and Singapore, and ranked behind Côte d'Ivoire and Malaysia on the Civil Liberties sub-index. This category reflects the freedoms of expression and belief, associational and organizational rights, the rule of law, and personal autonomy. Lebanon came in second place in the Arab region on this category behind Tunisia. Further, Lebanon received a rating of 29 points out of a maximum of 60 points on this sub-index, relative to the global and Arab averages of 35.1 points and 16.7 points, respectively.

In parallel, the survey classified 83 countries in the "Free" category, 56 countries in the "Partly Free" category and 56 countries in the "Not Free" category. It also concluded that 20% of the global population lives under political systems that are "Free", whereas 42% are in systems that are "Partly Free", and 38% live under political systems that are "Not Free".

Port of Beirut processes 4.65 million tons of freight in 2021

Figures released by the Port of Beirut show that the port processed 4.65 million tons of freight in 2021, constituting an increase of 88,000 tons, or 1.9%, from 4.56 million tons in 2020. Imported freight amounted to 3.8 million tons, as it grew by 28,000 tons (+0.7%) from 3.75 million tons in 2020 and accounted for 81.4% of the total freight volume processed through the port. In addition, the volume of exported cargo reached 864,000 tons in 2021 and rose by 60,000 tons (+7.5%) from 804,000 tons in 2020. It represented 18.6% of aggregate freight in 2021. A total of 1,168 vessels docked at the port in 2021, representing a decrease of 15.2% from 1,377 ships in 2020. The port handled 426,000 tons of freight in December 2021, constituting an increase of 13% from 377,000 tons in November. In addition, 92 vessels docked at the port in December, compared to 95 vessels in November 2021.

In parallel, the Port of Tripoli processed 2.34 million tons of freight in 2021, up by 21,000 tons (+1%) from 2.32 million tons in 2020. Imported freight amounted to 1.7 million tons in 2021 and declined by 58,000 tons (-3.3%) from 1.75 million tons in 2020. It accounted for 72.3% of the freight processed through the port last year. In parallel, the volume of cargo that was exported through the port reached 649,000 tons, or 27.7% of total freight, and rose by 79,000 tons (+14%) from 570,000 tons in 2020. Also, a total of 733 vessels docked at the port in 2021, representing an increase of 17% from 626 ships in 2020. Further, revenues generated through the Port of Tripoli amounted to \$7.12m in December 2021, climbed by 130% from \$3.1m in the preceding month. The port handled 140,587 tons of freight in December, regressing by 33% from 209,727 tons in November 2021. Also, 56 vessels docked at the port in December, relative to 78 ships in the previous month.

Freedom in the World Index 2022 Arab Countries' Scores & Rankings

Country	Freedom Rating	Arab Rank	Global Rank	Category
Tunisia	64	1	95	Partly Free
Lebanon	42	2	130	Partly Free
Kuwait	37	3	135	Partly Free
Morocco	37	3	135	Partly Free
Mauritania	35	5	138	Partly Free
Jordan	33	6	142	Not Free
Algeria	32	7	144	Not Free
Iraq	29	8	148	Not Free
Qatar	25	9	153	Not Free
Oman	24	10	154	Not Free
Djibouti	24	10	154	Not Free
Egypt	18	12	165	Not Free
UAE	17	13	166	Not Free
Bahrain	12	14	175	Not Free
Sudan	10	15	178	Not Free
Yemen	9	16	180	Not Free
Libya	9	16	180	Not Free
Saudi Arabia	7	18	187	Not Free
Syria	1	19	194	Not Free

Source: Freedom House, Byblos Research

Government endorses electricity reform plan

The Council of Ministers endorsed the Ministry of Energy & Water's plan to reform the electricity sector that aims to increase the supply of electricity in order to meet national demand in a cost-effective, fiscally balanced and sustainable way. The ministry noted that the plan is based on four pillars that consist of increasing the supply and generation of electricity, upgrading the transmission & distribution network, enhancing the financial performance of Electricité du Liban (EdL), and updating the sector's institutional, legislative and regulatory framework. It considered that the four components need to be addressed immediately and simultaneously over the short, medium, and long terms.

First, the plan aims to address the power supply and generation by raising EdL's output to 1,150 megawatts (MW) and supplying eight to 10 hours of electricity per day, up from three hours per day currently, at an average generation cost of 10 cents per kilowatt hour (KWH) in the short term, or in less than one year. It intends to raise power provisioning through the regional electricity and gas trade agreements with Egypt, Iraq and Jordan, and with the support of loans from the World Bank and, possibly, from other international financial institutions. It added that, in the medium term, EdL will supply 16 to 18 hours of electricity within 24 months through existing and temporary infrastructures, such as gas access at the Zahrani plant, gas-fired generation units at the Deir Amar plant, and solar and wind farms. It claimed that, in the long term, EdL will provide 20 to 24 hours of electricity per day starting in 2025 through permanent generation capacity, such as newly constructed gas-fired combined cycle power plants and renewable energies, in order for renewables to account for 30% of power output by 2030 as per the official target. It added that the energy mix by 2026 will see gas accounting for 70% of the sources of electricity, followed by hydroelectric and renewable sources with 14%, fuel oil with 9%, and the import of electricity from Jordan with 7% for a total production of 2,704 MW.

Second, the plan intends to upgrade the sector's transmission and distribution operations. It aims during the 2022-23 period to start reducing the network's technical and non-technical losses, which stood at 40% in 2021, through campaigns to remove illegal connections, by investing in the distribution networks, improving billing and collection cycles, and by enhancing existing digital signal processors (DSPs) contracts until 2023. It also intends to re-establish EdL's National Control Center, to initiate investments in the transmission infrastructures as per Electricité de France's approved transmission master plan, to award distribution contracts based on advanced public-private partnership agreements such as concessions or others, and to install advanced metering infrastructure in conjunction with the rollout of 10% of the smart meters. Its base case scenario envisages reducing non-technical losses from 27% in 2021 to 19.2% in 2022 and 12.8% in 2023, and cutting technical losses from 18.2% in each of 2021 and 2022 to 17.8% in 2023. After 2023, it plans to intensify the removal of illegal connections and complete the rollout of smart meters. It also aims to reduce non-technical losses to 9.4% in 2024, 6.5% in 2025 and 5.6% in 2026, and to cut technical losses to 17.2% in 2024, 16.2% in 2025 and 15.1% in 2026.

Third, the plan aims to improve the sector's financial performance. It intends to address EdL's financial losses during the 2022-23 period by adjusting the tariffs of residential and non-residential customers through indexing tariffs to the exchange rate of the Lebanese pound to the US dollar and to international fuel oil prices. Also, it plans to establish a cash mechanism to prioritize and manage EdL's payments to suppliers, to enhance bill collections, to manage EdL's cash flow including arrears and overdue payments, to improve EdL's financial reporting as per industry standards, and to enforce financial discipline at EdL and at institutional stakeholders. After 2023, the plan aims to implement a tariff methodology as per the business plan laid out by or for the Electricity Regulatory Authority, to provide financial guarantees to encourage the private sector's participation, and to ensure that the public sector pays its electricity bills in arrears to reduce collection losses from 12% to 4% in the medium to long terms.

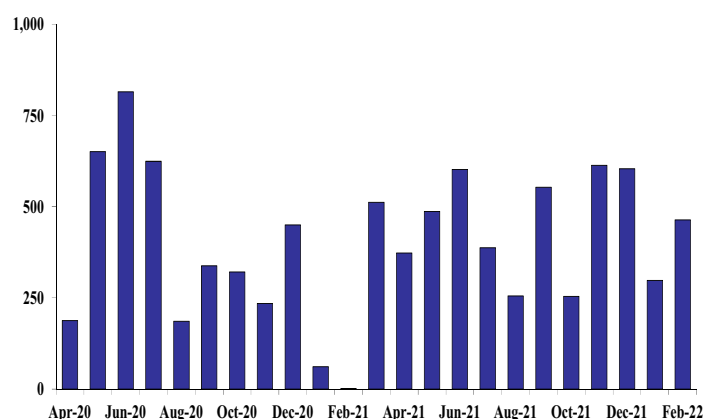
The ministry claimed that these measures will allow EdL to provide electricity to 75% of residential customers at 10 cents per KWH, which is 3.2 times cheaper than what private generators currently charge. It added that households that consume 600 KWH and 900 KWH per month will save 20% and 12%, respectively, on their electricity bills. It said that tariffs for non-residential customers aim to achieve cost recovery in 2023. It noted that the ambitious loss-reduction plan will improve the financials of EdL, with a breakeven tariff of 18.3 cents per KWH, and that EdL will be on a sustainable path to profitability once the financing gaps are closed starting in 2024.

New car sales down 84% in first two months of 2022

Figures released by the Association of Automobile Importers (AIA) in Lebanon show that dealers sold 762 new passenger cars in the first two months of 2022, constituting a drop of 84% from 4,744 automobiles sold in the same period of 2018, the most recent year of normal economic activity in the country. In comparison, dealers sold 3,744 vehicles in the first two months of 2019, and a total of 1,938 automobiles in the first two months of 2020 and 2021 combined.

Individuals and institutional clients purchased 298 new cars in January and 464 new vehicles in February 2022, compared to 2,489 new automobiles sold in January and 2,255 new cars in February 2018. Further, the association stopped releasing its monthly data on car sales by brand, distributor and source country since January 2020.

Number of New Passenger Cars Sold



Source: Association of Automobile Importers

The market for new passenger cars in Lebanon has been facing increasing challenges in the past few years, including the contraction in economic activity, job insecurity and, more recently, the shortage of foreign currency liquidity in the local market, the emergence of a parallel exchange rate market, the reduced purchasing power of consumers, and a very low level of household confidence. In addition, the government's decision to modify the exchange rate at customs for certain imported goods in the 2022 budget draft, including new vehicles, will lead to a sharp increase in car registration fees, which will add to the challenges facing the sector. The AIA considered that a large number of car dealerships could shut down and lay off their employees.

Solidere posts losses of \$22m in first half of 2021

Solidere, the Lebanese Company for the Development and Reconstruction of Beirut Central District sal, announced consolidated unaudited losses of \$22.2m in the first half of 2021 compared to audited net profit of \$38.1m in the first half of 2020. The consolidated results include Solidere's standalone financials and those of its subsidiaries (the Group), which mainly include Solidere International Limited, and other subsidiaries such as Solidere Management Services sal, BCD Cinemas sal, Beirut Waterfront Development sal, and Beirut Hospitality Company Holding sal.

The Group posted consolidated revenues of \$39.2m from land sales in the first half of 2021 relative to receipts of \$228.7m in the same period of 2020. Also, its consolidated revenues from rented properties regressed by 18% to \$10.3m in the first half of 2021, while receipts from services rendered increased by 8.1% year-on-year to \$4.1m.

In parallel, the Group's cost of revenues stood at \$37.3m in the first half of 2021 relative to \$157m in the first half of 2020, while its net operating income reached \$17.5m compared to \$92.5m in the first half of 2020. Also, the general and administrative expenses of the Solidere Group rose by 22.7% to \$16.7m in the first half of 2021, while it did not allocate provisions for impairment of financial assets.

Further, Solidere stated that its consolidated assets reached \$1.98bn at the end of June 2021 and decreased by 2.8% from \$2.04bn at the end of 2020, with the its inventory of land and projects in progress regressing by 1.7% to \$872.2m and accounting for 44% of total assets. Also, the company's cash and bank balances reached \$101.8m at the end of June 2021, down by 12% from \$115.6m a year earlier, while its accounts and notes receivables stood at \$23.2m and declined by 58% from \$55.3m at the end of 2020. Also, the firm's consolidated liabilities, including bank overdrafts, term bank loans and accounts payable, totaled \$241.5m at the end of June 2021 and regressed by 0.7% from the end of 2020. The Group's consolidated shareholders' equity was \$1.74bn at the end of June 2021, down by 3% from \$1.8bn at end-2020.

The firm also published the report of its external auditors dated March 16, 2022 that provided an adverse opinion about the presentation of Solidere's financial statements. The opinion stated that "the interim consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34. According to the International Financial Reporting Standards, "the objective of this standard is to prescribe the minimum content of an interim financial report and the principles for recognition and measurement in financial statements presented for an interim period."

Solidere is Lebanon's largest listed firm on the Beirut Stock Exchange in terms of market capitalization as at March 18, 2022. The price of Solidere 'A' shares closed at \$31.12 per share on March 18, 2022, down by 4.7% from \$32.65 per share at the end of 2021, while the price of Solidere 'B' shares closed at \$31 and decreased by 7% from \$33.32 per share at end-2021.

Ratio Highlights

(in % unless specified)	2019	2020	2021	Change*
Nominal GDP (\$bn)	51.0	26.5	22.3	(4.1)
Public Debt in Foreign Currency / GDP	63.0	52.1	-	-
Public Debt in Local Currency / GDP	108.1	86.0	-	-
Gross Public Debt / GDP	171.1	138.1	242.6	104.5
Trade Balance / GDP	(29.0)	(11.2)	(23.1)	(11.9)
Exports / Imports	19.4	31.3	47.7	16.4
Fiscal Revenues / GDP	20.7	14.7	8.1	(6.6)
Fiscal Expenditures / GDP	31.6	18.6	11.9	(6.7)
Fiscal Balance / GDP	(10.9)	(3.9)	(3.8)	0.1
Primary Balance / GDP	(0.5)	(0.9)	(1.8)	(0.9)
Gross Foreign Currency Reserves / M2	70.2	41.5	26.0	(15.5)
M3 / GDP	251.2	191.7	89.4	(102.3)
Commercial Banks Assets / GDP	404.8	271.7	117.2	(154.4)
Private Sector Deposits / GDP	296.6	201.0	86.8	(114.3)
Private Sector Loans / GDP	92.9	52.3	18.6	(33.7)
Private Sector Deposits Dollarization Rate	76.0	80.4	79.4	(1.0)
Private Sector Lending Dollarization Rate	68.7	59.6	56.3	(3.3)

*change in percentage points 21/20;

Source: Banque du Liban, Ministry of Finance, Central Administration of Statistics, Institute of International Finance, Byblos Research Estimates & Calculations

Note: M2 includes money in circulation and deposits in LBP, M3 includes M2 plus Deposits in FC and bonds

National Accounts, Prices and Exchange Rates

	2019	2020e	2021f
Nominal GDP (LBP trillion)	80.8	93.6	182.3
Nominal GDP (US\$ bn)	51.6	22.6	23.2
Real GDP growth, % change	-6.7	-26.2	-8.3
Private consumption	-7.3	-20.2	-10.0
Public consumption	2.5	-67.0	-60.0
Gross fixed capital	-11.1	-31.3	-21.5
Exports of goods and services	-4.0	-35.8	1.1
Imports of goods and services	-4.9	-38.0	-21.0
Consumer prices, %, average	2.9	84.9	140.2
Official exchange rate, average, LBP/US\$	1,507.5	1,507.5	1,507.5
Parallel exchange rate, average, LBP/US\$	1,625	5,549	13,569
Weighted average exchange rate LBP/US\$	1,566	4,142	7,865

Source: Institute of International Finance- September 2021

Ratings & Outlook

Sovereign Ratings	Foreign Currency			Local Currency		
	LT	ST	Outlook	LT	ST	Outlook
Moody's Investors Service	C	NP	-	C		-
Fitch Ratings	RD	C	-	CC	C	-
S&P Global Ratings	SD	SD	-	CC	C	Negative

Source: Rating agencies

Banking Sector Ratings	Outlook
Moody's Investors Service	Negative

Source: Moody's Investors Service



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