

LEBANON THIS WEEK

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Term deposits account for 54.2% of customer deposits at end-October 2024

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Import activity of top five shipping firms and freight forwarders up 3% in first nine months of 2024

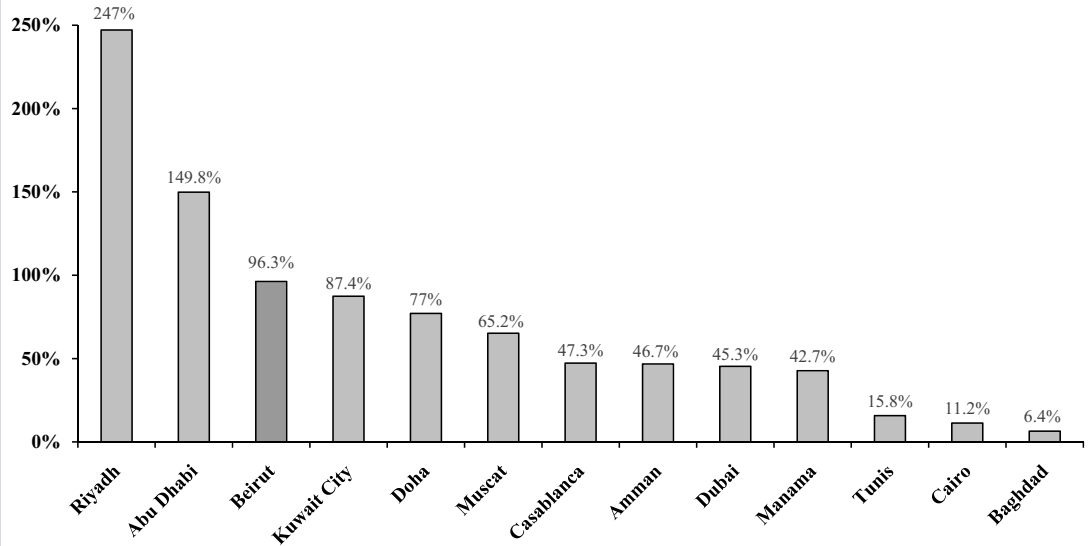
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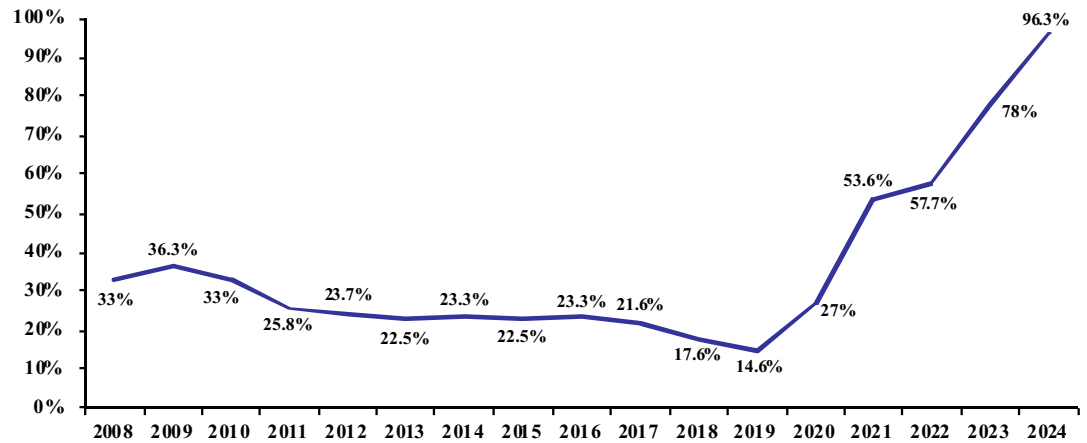
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Charts of the Week

Stock Market Capitalization of Select Arab Markets at end-2024 (% of GDP)



Stock Market Capitalization of the Beirut Stock Exchange (% of GDP)



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

Quote to Note

"These developments could restore economic confidence and financial stability, and spur progress in debt restructuring."

Moody's Ratings, on the prospects of political and institutional reforms following the ceasefire agreement between Israel and Hezbollah, Parliament's recent election of a new president, and the designation of a Prime Minister

Number of the Week

\$6.1bn: Aggregate deposits of the public sector in Lebanese pounds and US dollars at Banque du Liban as at January 15, 2025

Lebanon in the News

\$m (unless otherwise mentioned)	2021	2022	2023	% Change*	Dec-22	Nov-23	Dec-23
Exports	3,887	3,492	2,995	-14.2%	272	290	240
Imports	13,641	19,053	17,524	-8.0%	1,251	1,253	1,303
Trade Balance	(9,754)	(15,562)	(14,529)	-6.6%	(979)	(963)	(1,063)
Balance of Payments	(1,960)	(3,197)	2,237	-170.0%	17	186	591
Checks Cleared in LBP**	18,639	27,146	4,396	-83.8%	3,686	359	404
Checks Cleared in FC**	17,779	10,288	3,109	-69.8%	577	106	183
Total Checks Cleared**	36,418	37,434	7,505	-80.0%	4,263	465	587
Fiscal Deficit/Surplus	2,197	-	-	-	-	-	-
Primary Balance	5,009	-	-	-	-	-	-
Airport Passengers	4,334,231	6,360,564	7,103,349	11.7%	551,632	323,523	481,470
Consumer Price Index	154.8	171.2	221.3	5,014bps	122.0	211.9	192.3

\$bn (unless otherwise mentioned)	Dec-22	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	% Change*
BdL FX Reserves	10.40	8.82	8.91	9.14	9.37	9.64	-7.3%
In months of Imports	-	-	-	-	-	-	-
Public Debt	101.81	-	-	-	-	-	-
Bank Assets	169.06	113.72	112.69	112.25	112.58	115.25	-31.8%
Bank Deposits (Private Sector)	125.72	95.59	95.17	94.64	94.97	94.75	-24.6%
Bank Loans to Private Sector	20.05	8.92	8.69	8.58	8.53	8.32	-58.5%
Money Supply M2	77.34	6.64	6.77	6.48	6.78	6.72	-91.3%
Money Supply M3	152.29	78.38	78.10	77.42	77.74	77.75	-48.9%
LBP Lending Rate (%)	4.56	3.77	4.36	3.34	3.29	3.97	20
LBP Deposit Rate (%)	0.60	0.41	0.49	1.02	1.41	0.55	14
USD Lending Rate (%)	4.16	2.40	3.15	3.70	3.08	1.95	(45)
USD Deposit Rate (%)	0.06	0.03	0.03	0.05	0.05	0.03	0

*year-on-year

**checks figures do not include compensated checks in fresh currencies

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 %
Audi Listed	3.00	7.1	56,165	6.7%	Feb 2025	6.20	16.63	6,447.91
Audi GDR	2.55	2.0	41,650	1.2%	Jun 2025	6.25	16.63	1,347.32
Solidere "A"	114.50	2.1	41,213	43.6%	Nov 2026	6.60	16.63	126.49
Byblos Common	1.28	9.4	19,500	2.8%	Mar 2027	6.85	16.63	103.40
BLOM GDR	5.40	0.0	5,500	1.5%	Nov 2028	6.65	16.63	66.03
Solidere "B"	115.00	(3.3)	3,047	28.5%	Feb 2030	6.65	16.63	38.65
HOLCIM	70.10	0.0	-	5.2%	Apr 2031	7.00	16.63	30.96
BLOM Listed	5.00	0.0	-	4.1%	May 2033	8.20	16.63	22.82
Byblos Pref. 09	29.99	0.0	-	0.2%	Nov 2035	7.05	16.63	17.39
Byblos Pref. 08	25.00	0.0	-	0.2%	Mar 2037	7.25	16.63	15.32

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

Source: Refinitiv

	Jan 20-24	Jan 13-17	% Change	December 2024	December 2023	% Change
Total shares traded	167,715	392,163	(57.2)	1,636,678	1,944,115	(15.8)
Total value traded	\$5,375,500	\$10,893,819	(50.7)	\$71,132,605	\$141,539,181	(49.7)
Market capitalization	\$26.23bn	\$26.06bn	0.7	\$26.95bn	\$20.48bn	31.6

Source: Beirut Stock Exchange (BSE)



Lebanon ranks 82nd globally, ninth among Arab countries in terms of readiness for Artificial Intelligence

Oxford Insights' Government AI Readiness Index for 2024 ranked Lebanon in 82nd place among 188 countries globally and in ninth place among 20 Arab countries. Lebanon also came in eighth place among 52 lower middle-income countries (LMICs) included in the survey. Oxford Insights is a consulting firm that works on the integration of AI in public services and in the exploration of new technologies to increase the impact and efficiency of public service delivery.

The index measures the readiness of governments to implement Artificial Intelligence in the delivery of public services to their citizens. The index consists of 40 indicators across 10 dimensions that are aggregated in three pillars that are the Government, Technology Sector, and Data & Infrastructure pillars. The rankings on the index are based on scores that range from zero to 100, with higher scores reflecting better readiness to implement Artificial Intelligence in the public sector. The overall score of a country is the equally-weighted average of the three scores on each pillar. The results of the 2024 index are not comparable with the findings of the previous versions due to changes in the methodology to produce the index, as the new survey removed one indicator and added two new indicators to the Digital Capacity dimension that is part of the Government Pillar.

Globally, the survey shows that the Lebanese government is more ready to implement Artificial Intelligence than its counterparts in Senegal, Albania and Sri Lanka, while it is less ready than the governments of Georgia, Bangladesh and Rwanda among economies with a GDP of \$10bn or more. It also preceded Tunisia, Morocco, and Mauritania among Arab countries, and trailed Bangladesh, Uzbekistan, and Egypt among LMICs.

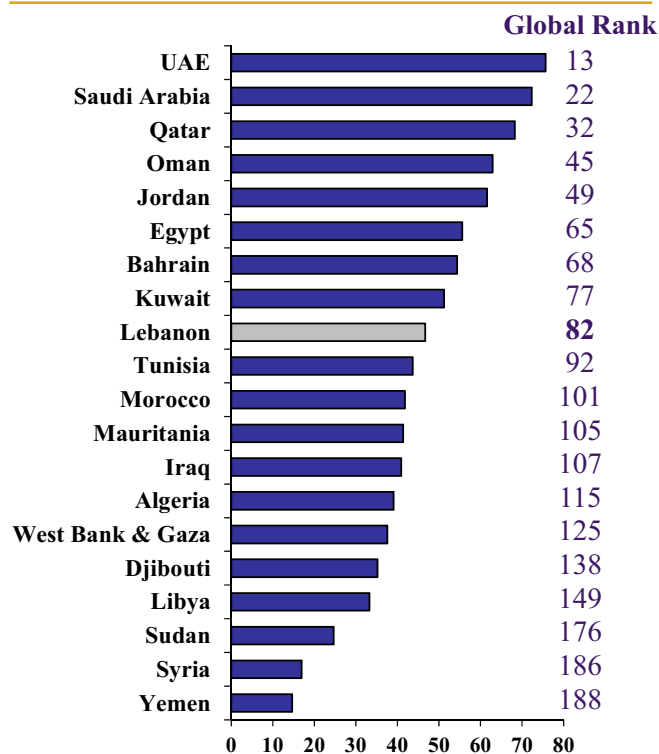
Lebanon received a score of 46.7 points on the index, lower than the global average scores of 47.6 points, and higher than the LMICs score of 38.5 points and the Arab average of 45.9 points. Further, Lebanon's score came lower than the Gulf Cooperation Council (GCC) countries' average score of 64.1 points and higher than the average score of non-GCC Arab countries of 38.1 points.

In parallel, Lebanon ranked ahead of Greece, Mauritania and Albania, while it came behind Cuba, Ethiopia and Tajikistan worldwide on the Government Pillar. This category assesses the strategic vision of a government about how it develops and governs Artificial Intelligence, along with the appropriate regulations and attention to ethical risks. It also evaluates the government's strong internal digital capacity that support its adaptability in the face of new technologies. Lebanon came ahead of Mauritania and Pakistan, and trailed Sri Lanka and Tajikistan among LMICs, while it preceded Mauritania and Kuwait, and came behind Oman and Egypt in the Arab region on this category.

Further, Lebanon came ahead of Romania, Malta and Croatia, while it ranked behind Oman, Tunisia, and Andorra globally on the Technology Sector Pillar. This component examines the supply level of Artificial Intelligence tools from a country's technology sector, and measures the sector's innovation capacity and level of human capital. Lebanon preceded the Philippines and Pakistan, and trailed Egypt and Tunisia among LMICs, while it ranked ahead of Bahrain and Kuwait, and came behind Oman and Tunisia regionally on this pillar.

Further, Lebanon preceded Papua New Guinea, Mali and Turkmenistan, and trailed Cuba, Libya and Sri Lanka worldwide on the Data & Infrastructure Pillar. This category measures the availability of the necessary infrastructure in a country to power Artificial Intelligence tools and to deliver them to its citizens. It also assesses the availability of data in a country. Lebanon ranked ahead of Djibouti and Sri Lanka, and came behind Papua New Guinea and Tanzania among LMICs, while it preceded Djibouti and Libya, and trailed Mauritania and Sudan among Arab economies on this category.

Government AI Readiness Index for 2024
Arab Countries' Scores & Rankings



Source: Oxford Insights, Byblos Research

Components of the Government AI Readiness Index for 2024

Pillars	Global Rank	Arab Rank	LMIC Rank	Lebanon Score	Global Avg Score	Arab Avg Score	LMIC Avg Score
Government	81	7	16	51.0	47.8	44.1	38.6
Technology Sector	58	8	6	40.5	35.4	37.0	28.6
Data & Infrastructure	131	16	22	48.5	59.6	56.5	48.2

Source: Oxford Insights, Byblos Research



Opened letters of credit at LBP6,466bn for imports and LBP1,140bn for exports in first half of 2024

Figures released by Banque du Liban show that the amount of letters of credit (LCs) opened to finance imports to Lebanon totaled LBP6,466bn in the first half of 2024, or the equivalent of \$72.2m, compared to LBP1,190.4bn (\$98.7m) in the same period of 2023. Opened LCs for imports stood at LBP5,868bn (\$65.6m) in the first quarter and at LBP598bn (\$6.7m) in the second quarter of 2024. The dollar figures are based on the official exchange rate of the Lebanese pound to the US dollar of LBP1,507.5 per dollar until the end of January 2023, of LBP15,000 per dollar starting in February 2023 until the end of 2023, and of LBP89,500 per dollar starting in January 2024.

Further, utilized credits for imports reached LBP5,714bn (\$63.8m) in the covered period, compared to LBP1,207bn (\$93.1m) in the first half of 2023. They were equivalent to 88.4% of opened LCs for imports in the first half of 2024. Also, outstanding import credits stood at LBP4,555bn (\$51m) at the end of June 2024 compared to LBP5,962bn (\$66.6m) at end-March 2024 and to LBP961bn (\$64.1m) at end-June 2023. In addition, the aggregate amount of inward bills for collection reached LBP10,525.8bn (\$117.6m) in the first half of 2024 relative to LBP1,233.4bn (\$101m) in the first half of 2023. They totaled LBP4,854bn (\$54.2m) in the first quarter and LBP5,672bn (\$63.4m) in the second quarter of 2024. The outstanding amount of inward bills for collection was LBP1,493bn (\$16.7m) at the end of June 2024, while it was LBP1,685.6bn (\$18.8m) at end-March 2024 and LBP251.7bn (\$16.8m) at end-June 2023.

In parallel, the amount of documentary LCs opened to finance exports from Lebanon totaled LBP1,139.5bn (\$12.7m) in the first half of 2024 compared to LBP251.6bn (\$17.4m) in the same half of 2023. Opened LCs for exports stood at LBP652.7bn (\$7.3m) in the first quarter and at LBP486.7bn (\$5.4m) in the second quarter of 2024.

Further, utilized credits for exports reached LBP1,209.3bn (\$13.5m) in the covered period relative to LBP234.3bn (\$23.7m) in utilized credits in the first half of 2023. They were equivalent to 106% of opened LCs for exports in the covered period. Also, outstanding export credits stood at LBP6,476.5bn (\$72.4m) at the end of June 2024 compared to LBP6,684.7bn (\$74.7m) end-March 2024 and LBP1,453.6bn (\$97m) a year earlier. In addition, the aggregate amount of outward bills for collection amounted to LBP3,264.7bn (\$36.5m) in the first half of 2024 relative to LBP823.6bn (\$61m) in the same period of the previous year. They totaled LBP1,567bn (\$17.5m) in the first quarter and LBP1,697.7bn (\$19m) in the second quarter of 2024. The outstanding amount of outward bills for collection reached LBP11,336.3bn (\$126.7m) at the end of June, while it was LBP11,883.6bn (\$132.8m) at end-March 2024 and LBP1,995bn (\$133m) at end-June 2024.

Donors contribute \$80.4m to humanitarian fund in 2024

The United Nations' Office for the Coordination of Humanitarian Affairs (OCHA) indicated that 17 donors contributed \$80.4m to the Lebanon Humanitarian Fund (LHF) in 2024. The UN established the LHF in 2014 to support the most vulnerable segments of the population in the country. It pointed out that the LHF allocated \$66m across 89 projects in 12 sectors to support humanitarian needs across Lebanon, as well as to address the impact of military confrontation between Israel and Hezbollah on the affected populations in Southern Lebanon and other parts of the country. It noted that the fund launched its first Standard Allocation program in May 2024 and earmarked \$24m across 38 projects to complement the \$9m from the UN Central Emergency Response Fund (CERF) to support underfunded humanitarian emergencies in Lebanon as part of the 2024 Lebanon Response Plan (LRP), including the response to the impact of the Israeli war in South Lebanon. It indicated that the LHF launched in October 2024 a \$12m, 48-hour emergency allocation across 18 projects to provide timely and flexible aid to the displaced population, including the large number of displaced persons residing in collective shelters across Lebanon, which was complemented by a \$10m CERF rapid response allocation. It added that the fund earmarked \$30m across 33 projects to support individuals who are still displaced as a result of the war, those trying to return to their homes but are unable to do so, those returning home, and those who never left the conflict-affected areas.

The OCHA stated that financial disbursements for food security reached \$8.6m in 2024, or 24.4% of the total, followed by support to the healthcare sector with \$7.2m (20.4%), funds to the water, sanitation and hygiene (WASH) sector with \$6.1m (17.3%), social protection with \$4.1m (11.6%), shelter with \$3.3m (9.3%), basic assistance with \$2.8m (7.9%), child protection and Coordination on Protection from Sexual Exploitation and Abuse with \$0.9m each (2.5% each), the nutrition sector with \$0.8m (2.3%), the education sector with \$0.5m (1.4%), and livelihoods with \$0.1m (0.3%).

In parallel, it indicated that non-governmental organizations (NGOs) allocated \$7.1m to humanitarian aid in Mount Lebanon in 2024, followed by the South with \$6.2m in aid through NGOs, the Akkar governorate with \$4.6m, the Bekaa with \$4m, the North and the Baalbeck-Hermel governorates with \$3.6m each, Beirut with \$3.5m, and the Nabatieh governorate with \$3.4m.

The distribution of the LHF contributions shows that Germany provided \$32.8m, or 40.8% of the total, in 2024, followed by Denmark with \$7.9m (9.8%), Italy with \$6.4m (8%), Ireland and Switzerland with \$5.9m each (7.3% each), the United Kingdom with \$5.8m (7.2%), Belgium with \$4.3m (5.4%), Sweden with \$3.8m (4.7%), South Korea with \$3m (3.7%), France with \$1.1m (1.4%), Iceland and Norway with \$0.9m each (1.1% each), Canada with \$0.7m (0.9%), the Catalan Agency for Development Cooperation with \$0.5m (0.6%), Luxembourg with \$0.4m (0.5%), Monaco with \$4,000 (0.005%), and the United Nations Foundation (UNF) with \$1,000 (0.001%). Also, it said that donors contributed \$28.3m in the first eight months 2024 and \$52.1m in the last four months of the year, in addition to \$14.4m that were carried over from funding received in 2023.



Lebanon's population at 6.1 million at end-June 2030, life expectancy at 78.8 years

The United Nations (UN) Population Division of the Department of Economic and Social Affairs projected Lebanon's population to reach 6.1 million at the end of June 2030 and 6.62 million at end-June 2040, compared to 5.7 million at the end of June 2020. Also, it estimated that the population density would be 596.7 persons per square kilometer (km²) at end-June 2030 and 647.1 individuals per km² at the end of June 2040 compared to 557.4 persons per km² at end-June 2020. It expected females to account for 51.2% of the total population and for males to represent the balance of 48.8%, which would result in a population sex ratio of 95.2 males per 100 females in Lebanon at the end of June 2030. Also, it anticipated females to account for 51% of the total population and for males to represent the balance of 49%, which would result in a population sex ratio of 96.1 males per 100 females in Lebanon at the end of June 2040. Further, it estimated that the median age of the country's resident population would reach 30.1 years at end-June 2030 and 33 years at the end of June 2040 compared to 27.8 years in 2020, relative to a median age of 27.3 years at the end of June 2030 and of 30 years at end-2040 among low-and middle-income countries (LMICs).

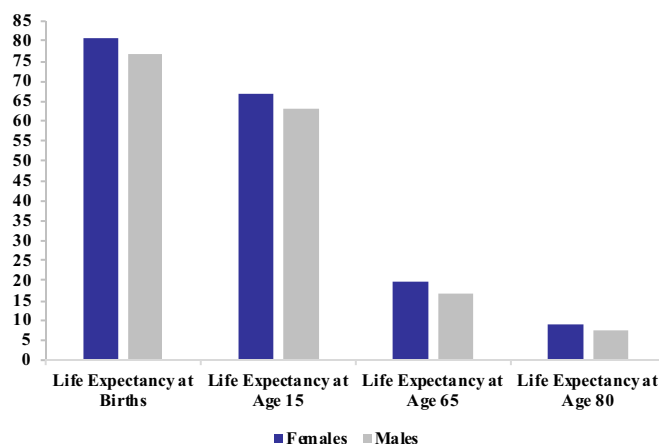
Also, it forecast that there will be 94,877 births in Lebanon in 2030 and 98,330 births 2040, compared to 96,441 births in 2020, with females between 15 and 19 years old giving birth to 5,555 babies or 6% of total births in 2030 and to 4,067 infants or 4.1% of the total in 2040. Also, it estimated that the fertility rate in Lebanon would reach 2.12 and 1.99 live births per female in 2030 and 2040, respectively, relative to a fertility rate of 2.41 in 2030 and of 2.26 in 2040 among LMICs. It forecast the mean child-bearing age of women would stand at about 29.2 years in each of 2030 and 2040, unchanged from 2020. It anticipated that the net reproduction rate would be 1.01 and 0.95 surviving daughter per female giving birth in 2030 and 2040, respectively, and that the sex ratio at birth would stand at 105 males per 100 females in 2030 and 2040, unchanged from 2020.

Further, the UN projected the number of deaths in the country at 39,536 in 2023 and 48,334 in 2040. It also forecast that there will be 19,429 female deaths and 20,107 male deaths in 2030, while it anticipated that there will be 24,193 female deaths and 24,142 male deaths in 2040. Also, it estimated the "crude death rate" at 6.5 deaths per 1,000 individuals in 2030 and at 7.3 death per 1,000 persons in 2040, compared to 6.4 deaths per 1,000 individuals in 2020. In addition, it forecast life expectancy at birth in Lebanon for both sexes at 78.8 years in 2030 and at 80.2 years in 2040, relative to 70.9 years in 2030 and 72.6 years in 2040 among LMICs, while it projected life expectancy at the age of 15 to be 65.1 years in 2030 and 66.3 years in 2040. Further, it anticipated that life expectancy at the age of 65 would reach 18.2 years and 19 years in 2030 and 2040, respectively, while it forecast that life expectancy at the age of 80 would stand at 8 years in 2030 and 8.5 years in 2040.

In parallel, it expected that the infant mortality rate in Lebanon will be 13.1 deaths per 1,000 live births in 2030, that 93,730 live births will stay alive longer than one year, and that there will be 15.5 deaths per 1,000 live births of children who are younger than five years old. It also anticipated that the infant mortality rate in Lebanon would be 10.1 deaths per 1,000 live births, that 97,406 live births would stay alive longer than one year, and that there will be 12 deaths per 1,000 live births of children who are less than five years old per. Further, it estimated that the mortality rate in Lebanon before the age of 40, or the number of deaths per 1,000 live births of persons under the age of 40, would reach 29.1 deaths per 1,000 in 2030 and 24.6 deaths per 1,000 in 2040 compared to 38.5 deaths per 1,000 in 2020, while the mortality rate before the age of 60 would stand at 80.7 per 1,000 live births in 2030 and 69.1 deaths per 1,000 live births in 2040, relative to 109.5 per 1,000 live births deaths in 2020. It also anticipated that the mortality rates for the 15 to 50 year-old bracket would be 26.2 deaths per 1,000 live births in 2030 and 22.7 deaths per 1,000 live births in 2040, while the rate for the 15 to 60-year old segment would reach 64.6 deaths and 56.5 deaths per 1,000 live births in 2030 and 2040, respectively.

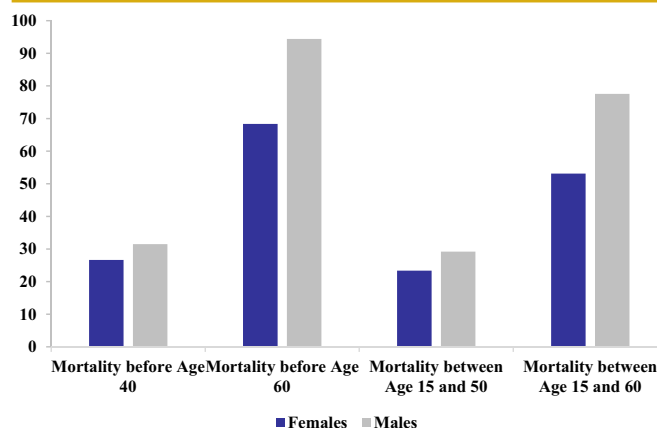
Finally, the UN forecast the net number of migrants to Lebanon, which is measured by the number of immigrants to the country minus the number of emigrants from the country, to reach -1,658 persons in 2030, and that the net migration rate would be equivalent to -0.3 per 1,000 individuals by the end of the decade. It also projected the net number of migrants to Lebanon to reach -0,488 persons, and that the net migration rate would be equivalent to -0.074 per 1,000 individuals in 2040. In comparison, the net migration rate was -8.4 per 1,000 persons at the end of 2020.

Life Expectancy in Lebanon by Gender in 2030 (number of years)



Source: United Nations, Byblos Research

Mortality Rate in Lebanon in 2030 (deaths per 1,000 live births)



Source: United Nations, Byblos Research

Consumer Price Index up 18% year-on-year in December 2024

The Central Administration of Statistics' Consumer Price Index increased by 45.2% in 2024 compared to a rise of 221.3% in 2023 and of 171.2% in 2022.

The CPI rose by 18.1% in December 2024 from the same month of 2023 and registered its 10th double-digit increase since July 2020, following a surge of 70.4% year-on-year in March 2024, a jump of 59.7% in April 2024 from the same month of 2023, an annual rise of 51.6% in May, an increase of 41.8% year-on-year in June, a surge of 35.4% in July, an uptick of 35% in August 2024 from August 2023, an upturn of 33% rise annually in September, a hike of 15.7% in October, and an increase of 15.4% in November 2024 .

The slowdown of the inflation rate from triple-digit increases is due in part to the widespread dollarization of consumer goods and services in the economy, and to the stabilization of the exchange rate of the Lebanese pound against the US dollar since July 2023. However, the cumulative surge in the inflation rate is due in part to the repeated increase in customs tariffs, to the rise of the cost of education, to the surge of fees in the public administration, and to the inability of the authorities to monitor and contain retail prices. It is also due to the impact of rising transportation costs and insurance rates on imported goods in the wake of the war in the Gaza Strip and the escalation of the Israeli war in Lebanon up until the end of November 2024.

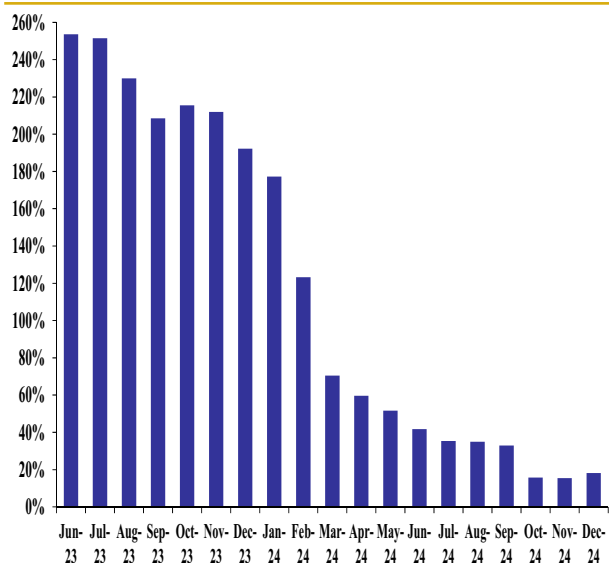
The cost miscellaneous goods & services rose by 1.4 times in December 2024 from the same month of 2023, followed by the price of imputed rent and the cost of education (+1.3 times). In addition, actual rent surged by 23.8% in December 2024 from December 2023, followed by the cost of healthcare services (+23%), the prices of food and non-alcoholic beverages (+22.2%), and the cost of alcoholic beverages & tobacco (+20.8%). Also, prices at restaurants & hotels surged by 17.5% in the covered period, followed by the prices of clothing & footwear (+16.8%), the cost of recreation & entertainment (+9.7%), the price of water, electricity, gas & other fuels (+9.4%), and transportation costs (+9%). In contrast, the cost of communication regressed by 3% in December 2024 from the same month of the previous year, followed by the prices of furnishings & household equipment (-2%). Also, the distribution of actual rent shows that new rent surged by 35.8% and old rent increased by 8.8% in December 2024 from the same month of 2023.

In parallel, the CPI increased by 2.4% in December 2024 from the previous month, relative to a surge of 2.3% in November, a rise of 2% in October, a downturn of 0.2% in September, and to upticks of 0.64% in August, of 2% in July, of 0.3% in June, and of 0.02% in May 2024.

The cost of education surged by 30% in December 2024 from November 2024, followed by the prices of miscellaneous goods & services (+8.5%), the cost of recreation & entertainment (+6.8%), the prices of food & non-alcoholic beverages (+2.6%), and the prices of clothing & footwear (+2%). Also, the prices at restaurants & hotels increased by 1.8% in December 2024 from November 2024, followed by the prices of alcoholic beverages & tobacco (+1.5%), transportation tariffs (+1.45%), imputed rent (+1%), actual rent (+0.83%), and the prices of furnishings & household equipment (+0.45%). In contrast, prices of water, electricity, gas and other fuels decreased by 6% in December 2024 from the preceding month, followed by the cost of healthcare services (-0.03%); while the cost of communication was unchanged month-on-month in December 2024. Further, the distribution of actual rent shows that new rent increased by 1.24% and old rent grew by 0.25% in December 2024 from November 2024.

Further, the CPI rose by 3.8% in the North in December 2024 from November 2024, followed by hikes of 2.3% in each of Beirut and the Nabatieh, of 3% in the South, of 2.1% in the Bekaa region, and of 1.5% in Mount Lebanon. In parallel, the Education Price Index increased by 28.3%, while the Fuel Price Index decreased by 1% in the covered month.

Annual Change in Consumer Price Index* (%)



*from the same month of the previous year

Source: Central Administration of Statistics, Byblos Research

War in South drags down industrial activity in first quarter of 2024

Banque du Liban's quarterly survey about the opinions of business managers shows that the balance of opinions about industrial production was -15 in the first quarter of 2024, down from -4 in the previous quarter and compared to -25 in the first quarter of 2023. The balance of opinions for the level of industrial production in the first quarter of 2024 reached its fifth highest quarterly level since the fourth quarter of 2017, behind +7 in the third quarter of 2023, zero in the second quarter of 2023, -1 in the third quarter of 2022, and -4 in the fourth quarter of 2023.

The business survey covers the opinions of managers of industrial enterprises about their businesses, 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 a particular indicator and the proportion of those who reported a decline in the same indicator. The balance of opinions about industrial production was -2 in the North, -3 in the Bekaa, -9 in Beirut & Mount Lebanon, and -84 in the South.

The balance of opinions about demand for industrial goods stood at -16 in the first quarter of 2024 compared to -6 in the preceding quarter and to -27 in the first quarter of 2023. It was -2 in the North, -8 in the Bekaa, -10 in Beirut & Mount Lebanon, and -84 in the South.

In parallel, the balance of opinions about the volume of investments in the industrial sector stood at -14 in the first quarter of 2024, compared to -13 in the fourth quarter of 2023 and to -19 in the first quarter of 2023. It was +7 in the Bekaa, zero in the North, -19 in Beirut & Mount Lebanon, and -75 in the South.

In addition, the balance of opinions about the level of registered orders was -33 in the first quarter of 2024 relative to -36 in the previous quarter and to -46 in the first quarter of 2023. It was -19 in the Bekaa, -26 in Beirut and Mount Lebanon, -35 in the North, and -85 in the South.

Further, the balance of opinions about foreign demand for industrial goods was -17 during the first quarter of 2024 compared to -10 in the preceding quarter and to -19 in the first quarter of 2023. It stood at zero in the North, at -6 in Beirut & Mount Lebanon, at -21 in the Bekaa, and at -80 in the South.

Also, the balance of opinions about the number of employees in the sector was -12 in the first quarter of 2024 relative to -15 in the preceding quarter and to -20 in the first quarter of 2023. It was +1 in the Bekaa, -3 in Beirut & Mount Lebanon, -21 in the North, and -54 in the South.

In parallel, the balance of opinions for the level of inventory of finished goods was -19 in the first quarter of 2024 compared to -18 in the previous quarter and to -27 in the first quarter of 2023. It stood at zero in the North, -11 in the Bekaa, -23 in Beirut and Mount Lebanon, and -66 in the South.

Also, the balance of opinions for the level of inventories of raw materials was -27 in the first quarter of 2024 relative to -25 in the preceding quarter and to -38 in the first quarter of 2023. It was -12 in the Bekaa, -22 in Beirut and Mount Lebanon, -31 in the North, and -66 in the South.

Industrial Activity: Evolution of Opinions				
Aggregate results	Q1-21	Q1-22	Q1-23	Q1-24
Production	-57	-44	-25	-15
Total demand	-63	-51	-27	-16
Foreign demand	-26	-20	-19	-17
Volume of investments	-42	-32	-19	-14
Inventories of finished goods	-54	-33	-27	-19
Inventories of raw material	-61	-43	-38	-27
Registered orders	-73	-59	-46	-33

Source: Banque du Liban Business Survey for First Quarter of 2024

Payment cards at 1.96 million at end-March 2024, ATMs total 1,427

Figures released by Banque du Liban show that the number of payment cards issued in Lebanon reached 1,955,828 cards at the end of March 2024, constituting declines of 243,607 cards (-11%) from 2.2 million cards at end-March 2023, of 629,601 cards (-24.4%) from 2.58 million at end-March 2022, of 798,186 cards (-40.8%) from 2.75 million at end-March 2021, and of 1.04 million cards (-53%) from 3 million at end-March 2020.

Payment cards held by residents accounted for 97.4% of total cards issued in Lebanon at the end of March 2024. The distribution of payment cards by type shows that debit cards with residents reached 1.26 million and accounted for 64.4% of the total, followed by prepaid cards with residents at 513,652 (26.3%), credit cards with residents at 74,246 (3.8%), charge cards with residents at 57,463 (3%), debit cards held by non-residents at 44,082 (2.3%), credit cards with non-residents at 3,181 and charge cards held by non-residents at 3,142 (0.2% each); and prepaid cards with non-residents at 699 (0.04%).

The number of prepaid cards with residents increased by 7,924 cards (+1.6%) from end-March 2024; while the number of debit cards with residents dropped by 190,913 cards (-13.2%), the number of credit cards with residents declined by 44,119 cards (-37.3%), the number of charge cards with residents decreased by 7,465 cards (-11.5%), the number of debit cards with non-residents regressed by 4,809 cards (-9.8%), the number of prepaid cards held by non-residents contracted by 2,096 cards (-75%), the number of credit cards with non-residents retreated by 1,811 cards (-36.3%), and charge cards with non-residents dipped by 318 cards (-9.2%).

Further, the aggregate number of registered points-of-sales (PoS) that accept payment cards reached 34,834 at the end of March 2024, constituting decreases of 5,986 (-14.7%) from 40,820 PoS at end-March 2023, of 8,640 (-20%) from 43,474 PoS at end-March 2022, of 10,213 (-22.7%) from 45,047 PoS at end-March 2021, and of 13,218 (-27.5%) from 48,052 PoS at end-March 2020. There were 3.3 registered PoS per square kilometer (km²) in Lebanon at the end of March 2024 compared to 3.9 PoS per km² at the end of March 2023, to 4.2 PoS per km² at the end-March 2022, and to 4.3 PoS per km² at the end-March 2021, and to 4.6 PoS per km² at the end-March 2020.

In parallel, there were 1,427 automated teller machines (ATMs) across Lebanon at the end of March 2024, constituting an increase of 15 ATMs at end-March 2023, and decreases of 252 ATMs at end-March 2022, of 408 ATMs at end-March 2021, and of 533 ATMs at end-March 2020. The Mount Lebanon area had 521 ATMs at the end of March 2024, equivalent to 36.5% of the total, followed by the Greater Beirut area with 485 ATMs (34%), the North with 150 ATMs (10.5%), the Bekaa with 122 ATMs and the South region with 121 ATMs (8.5% each), and the Nabatieh area with 28 ATMs (2%). As such, there were 137 ATMs per 1,000 km² in Lebanon at the end of March 2024 compared to 135 ATMs per 1,000 km² at the end of March 2023, to 161 ATMs per 1,000 km² at end-March 2022, to 176 ATMs per 1,000 km² at end-March 2021, and to 188 ATMs per 1,000 km² at end-March 2020.

Port of Beirut processes 4.1 million tons of freight in first nine months of 2024

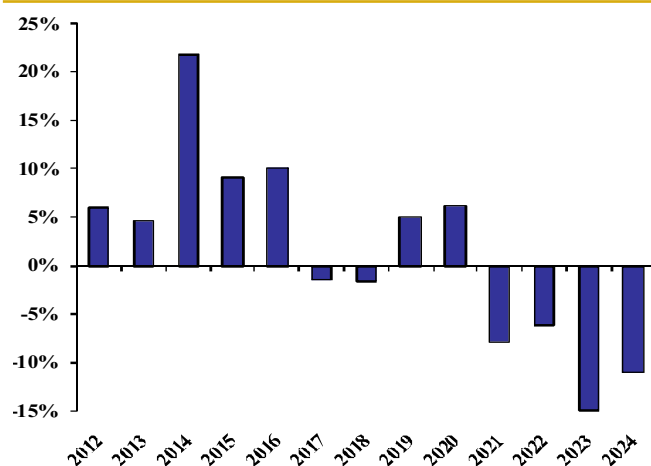
Figures released by the Port of Beirut show that the port processed 4.1 million tons of freight in the first nine months of 2024, constituting an increase of 4% from 3.95 million tons of freight in the same period of 2023. Incoming freight totaled 3.45 million tons in the covered period, up by 5% from 3.3 million tons in the first nine months of 2023, and accounted for 84.1% of total processed freight.

In addition, the volume of outgoing cargo reached 652,000 tons in the first nine months of 2024, representing a decrease of 1.4% from 661,000 tons in the same period of 2023, and accounted for 16% of aggregate freight in the covered period. A total of 1,141 vessels docked at the port in the first nine months of 2024, constituting a rise of 12.3% from 1,016 ships in the same period of the preceding year. The port handled 447,000 tons of freight in September 2024, down by 2.6% from 459,000 tons in August 2024. In addition, 113 vessels docked at the port in September 2024 compared to 128 ships in the preceding month.

In parallel, the Port of Tripoli processed 2.4 million tons of freight in the first nine months of 2024, representing a decline of 317,000 tons, or of 11.6%, from 2.7 million tons in the same period of 2023. Imported freight stood at 1.275 million tons in the covered period and increased by 5,000 tons (+0.4%) from 1.27 million tons in the first nine months of 2023. Imports accounted for 52.7% of freight activity in the covered period.

Further, the volume of cargo that was exported through the port reached 1.14 million tons in the first nine months of 2024, constituting a drop of 322,000 tons, or of 22%, from 1.47 million tons in the same period of 2023, and represented 47.3% of aggregate freight in the covered period. A total of 643 vessels docked at the port in the first nine months of 2024, constituting an uptick of 3.7% from 620 ships in the same period of 2023. The port handled 341,000 tons of freight in September 2024, up by 32.2% from 258,000 tons in August 2024. Also, 84 vessels docked at the port in September 2024 compared to 73 ships in August 2024.

Change in Number of Payment Cards (%)*



*change at end-March of each year

Source: Banque du Liban, Byblos Research

Utilized credits by private sector at LBP959,031bn at end-March 2024, advances against real estate at 32% of total

Figures issued by Banque du Liban show that utilized credits by the private sector totaled LBP959,031bn at the end of March 2024 relative to LBP176,409.2bn at end-2023. In dollar terms, utilized credits by the private sector stood at \$10.7bn at end-March 2024 compared to \$11.8bn at end-2023. The dollar figures are calculated at the exchange rate of the Lebanese pound to the US dollar of LBP15,000 per dollar that went into effect at the start of February 2023 until end-2023 and the exchange rate of LBP89,500 per dollar that went into effect in January 2024.

The trend of the decrease in the portfolio of loans to the private sector in foreign currency is mostly due to limited demand for new loans amid political and economic uncertainties, as well as to the lack of liquidity and to the risk aversion of lenders amid the challenging conditions in the country at the time.

Utilized credits for trade & services reached LBP354,843bn and accounted for 37% of the total at the end of March 2024, followed by credits for construction at LBP244,162.3bn (25.5%), industry at LBP131,893bn (13.8%), personal credits at LBP131,386bn (13.7%), financial intermediaries at LBP59,874bn (6.2%), and agriculture at LBP14,206bn (1.5%), while other sectors represented the remaining LBP22,666.7bn (2.4%). In addition, utilized credits for personal loans included mortgages that stood at LBP29,232.4bn at end-March 2024.

The distribution of utilized credits by type of collateral shows that advances against real estate totaled LBP305,157.8bn and accounted for 31.8% of the collateral for utilized credits at the end of March 2024. Advances against personal guarantees followed with LBP140,816.2bn (14.7%), then advances against financial values with LBP53,744.3bn (5.5%), advances against cash collateral or bank guarantees with LBP45,357.2bn (4.7%), and advances against other real guarantees with LBP18,556bn (2%), while overdrafts stood at LBP395,399.1bn or 41.2% of the total.

Also, the distribution of utilized credits in trade & services shows that wholesale trade accounted for 33.2% of loans to trade & services at the end of March 2024, followed by retail loans with 23.8%, real estate rent & employment services with 16%, transport & storage with 15.5%, hotels & restaurants with 8.8%, and educational services with 2.8%.

Further, personal loans beneficiaries represented 73.4% of total loan beneficiaries at the end of March 2024, followed by trade & services with 16.8% of beneficiaries, industry with 5.2%, construction with 2.1%, agriculture with 1.4%, and financial intermediaries with 1.3%, while other sectors accounted for the remaining 7.2% of loan beneficiaries.

In addition, there were 143,759 loan beneficiaries at the end of March 2024, constituting a decline of 19,958 beneficiaries, or of 12.2%, from the end of 2023, and compared to 218,792 beneficiaries at end-March 2023. Also, 43.6% of beneficiaries had loans of less than LBP5m at the end of March 2024, followed by those with loans that range from LBP100m to LBP500m (20.3%), beneficiaries with credits in the LBP25m to LBP100m segment (10.7%), those with loans in the LBP5m-LBP25m bracket (8.3%), beneficiaries with loans ranging from LBP1bn to LBP5bn (6.5%), those with credits between LBP500m and LBP1bn (5.9%), beneficiaries with loans that exceed LBP10bn (3.1%), and those with credits in the LBP5bn to LBP10bn segment (1.4%).

Beirut and its suburbs accounted for 85.6% of bank credits and for 57.5% of beneficiaries as at end-March 2024. Mount Lebanon followed with 7.2% of credits and 14.4% of beneficiaries, then South Lebanon with 2.9% of credits and 8.6% of beneficiaries, North Lebanon with 2.6% of credits and 12.5% of beneficiaries, and the Bekaa region with 1.8% of credits and 7.1% of beneficiaries.

In parallel, the off-balance sheet liabilities of the financial sector stood at LBP2,658.6 trillion (tn) (\$29.7bn) at the end of March 2024 compared to LBP529,383bn (\$35.3bn) at end-2023. They included endorsement & guarantees of LBP2,521.7tn, or 94.8% of the total, followed by letters of undertaking with LBP71,149.6bn (2.7%), commitments on notes with LBP44,560bn (1.7%), financing commitments with LBP16,480bn (0.6%), and forward operations LBP4,537.6bn (0.2%), while other commitments amounted to LBP195.1bn (0.01%).

Five Lebanese universities included in 2025 global university rankings

The Times Higher Education University Rankings for 2025 included five Lebanese universities among more than 2,000 ranked universities from 115 countries around the world. The Lebanese American University (LAU) ranked in the 251-300 range globally, with an overall score of between 53.7 points and 55.7 points out of a maximum of 100 points. The American University of Beirut (AUB) followed in the 501-600 range (43.3-45.9 points), then the Beirut Arab University (BAU) in the 601-800 (38.2-43.2 points), the Lebanese University in the 1201-1500 range (25.2-30.6 points), and Université Saint-Joseph de Beyrouth (USJ) in the 1201-1500 range (25.2-30.6 points).

The rankings are based on a weighted average of five factors that are Research Quality with a 30% weight, followed by Teaching (29.5%), the Research Environment (29%), International Outlook (7.5%), and Industry (4%). The Times Higher Education is a British publication specializing in higher education. The rankings of LAU improved year-on-year from the 501-600 range, the classification of BAU and the Lebanese University deteriorated from the 501-600 range and 801-1000 range, respectively, while the rankings of AUB and USJ were unchanged from the preceding year.

The survey ranked BAU in first place among Lebanese universities on the Teaching factor with a score of 48.8 points, followed by the Lebanese University (38.3 points), LAU (37.2 points), AUB (33.2 points), and USJ (31.8 points). This factor examines the learning environment in a university. It evaluates perceptions of the university's quality of teaching, measures the ratios of students-to-staff, and takes into account the number of doctorates relative to the number of bachelor degrees that the university awards. In addition, it ranked BAU in first place among Lebanese universities on the International Outlook factor with a score of 88.9 points, followed by LAU (85.2 points), the Lebanese University (79.2 points), AUB (70.7 points), and USJ (70.4 points). This category assesses the ability of a university to attract undergraduate and postgraduate students, as well as faculty members, from around the world.

Further, it ranked LAU in first place among Lebanese universities on the Research Quality factor with a score of 91.4 points, followed by AUB (66.6 points), BAU (43.3 points), USJ (25.6 points), and the Lebanese University (22.6 points). This factor examines the influence of research by capturing a university's role in spreading new knowledge and ideas. Also, it ranked LAU in first place among Lebanese universities on the Research Environment with a score of 30.6 points, followed by AUB (23.1 points), BAU (23 points), the Lebanese University (19.2 points), and USJ (11.7 points). This category looks at a university's reputation for research excellence among its peers, based on the responses to the Times Higher Education's annual Academic Reputation Survey. It also measures the productivity of research by counting the number of research papers published in academic journals, and scales research grants against the number of academic staff and adjusts research contributions for purchasing power parity.

In addition, it ranked AUB in first place among Lebanese universities on the Industry factor with a score of 85.2 points, followed by USJ (30.7 points), LAU (29 points), the Lebanese University (21 points), and BAU (19.5 points). This factor measures an institution's ability to attract funding to provide support to researchers. It also identifies the extent of the universities' support for their national economies through technology transfer.



Term deposits account for 54.2% of customer deposits at end-October 2024

Figures issued by Banque du Liban (BdL) about the distribution of bank deposits at commercial banks in Lebanon show that aggregate deposits, which include demand deposits and term deposits, stood at LBP8,269.6 trillion (tn) at the end of October 2024, or the equivalent of \$92.4bn, compared to LBP8,437.8tn (\$94.3bn) at end-June 2024. Total deposits include private sector deposits that reached LBP7,984.4tn, deposits of non-resident financial institutions that amounted to LBP226tn, and public sector deposits that stood at LBP59.3tn at the end of October 2024. The figures reflect BdL's Basic Circular 167/13612 dated February 2, 2024 that asked banks and financial institutions to convert their assets and liabilities in foreign currencies to Lebanese pounds at the exchange rate of LBP89,500 per US dollar when preparing their financial positions starting on January 31, 2024.

Term deposits in all currencies reached LBP4,483.6tn and accounted for 54.2% of total deposits in Lebanese pounds and in foreign currency at the end of October 2024, relative to 54.7% at the end of June 2024. Further, the term deposits in Lebanese pounds of the public sector dropped by 75% from the end of June 2024, followed by a decline of 37% of the foreign currency-denominated term deposits of the public sector, a decrease of 6% in the term deposits of the non-resident financial sector, a contraction of 3% in foreign currency-denominated term deposits of the resident private sector, and a downturn of 1.5% in the term deposits of non-residents. This was offset by an increase of 5.3% in the term deposits in Lebanese pounds of the resident private sector from the end of June 2024. Aggregate term deposits declined by \$116.4bn since the end of September 2019, based on the new exchange rate, due to the migration of funds from term to demand deposits and to cash withdrawals, amid the confidence crisis that started in September 2019.

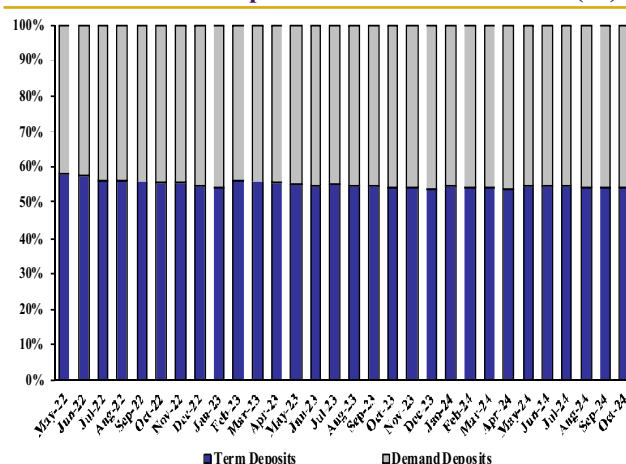
In addition, the foreign currency-denominated term deposits of the resident private sector reached \$35.7bn and accounted for 38.6% of aggregate deposits at the end of October 2024, relative to 39% at end-June 2024. Term deposits of non-residents followed with \$12.4bn or 13.4% of the total, then the term deposits of the non-resident financial sector with \$1.56bn (1.7%), term deposits in Lebanese pounds of the resident private sector with LBP21.5tn (0.3%), term deposits of the public sector in foreign currency with \$152m (0.2%), and term deposits of the public sector in Lebanese pounds with LBP3tn (0.04%).

In parallel, demand deposits in all currencies at commercial banks stood at LBP3,786.1tn at the end of October 2024 compared to LBP3,825tn at end-June 2024. They accounted for 45.8% of aggregate deposits at end-October 2024 compared to 46% at end-2023. Foreign currency-denominated demand deposits of the resident private sector decreased by \$486m from end-June 2024, followed by a contraction of \$49.97m in demand deposits of the non-resident financial sector, and a decrease of LBP2,058bn in demand deposits in Lebanese pounds of the resident private sector. This was partly offset by a rise of LBP1,533.6bn in demand deposits in Lebanese pounds of the public sector, a surge of \$81.7m in demand deposits of non-residents, and by a growth of \$5.4m in demand deposits in foreign currency of the public sector.

Also, demand deposits in foreign currency of the resident private sector totaled \$31.9bn and represented 34.5% of deposits at end-October 2024 relative to 34.3% at end-June 2024. Demand deposits of non-residents followed with \$8.6bn (9.3%), then demand deposits of the non-resident financial sector with \$966m (1%), demand deposits in Lebanese pounds of the resident private sector with LBP37.4tn and demand deposits in foreign currency of the public sector with \$383m (0.4% each), and demand deposits in Lebanese pounds of the public sector with LBP8.5tn (0.1%).

Based on the latest available figures, Beirut and its suburbs accounted for 66.1% of private-sector deposits and for 50.6% of the number of depositors at the end of June 2024. Mount Lebanon followed with 14.7% of deposits and 17.7% of beneficiaries, then South Lebanon with 7.4% of deposits and 11% of depositors, North Lebanon with 6.6% of deposits and 12.3% of beneficiaries, and the Bekaa with 5.2% of deposits and 8.4% of depositors.

Breakdown of Deposits at Commercial Banks (%)



Source: Banque du Liban, Byblom Research

Balance sheet of investment banks at LBP88 trillion at end-September 2024

Figures released by Banque du Liban (BdL) show that the consolidated balance sheet of investment banks in Lebanon reached LBP87.9 trillion (tn) at the end of September 2024, or the equivalent of \$981.8m, constituting increases of 13.5% from LBP77.4tn (\$865m) at end-August 2024 and of 15.5% from LBP76.1tn (\$849.8m) at end-June 2024. The figures reflect Banque du Liban's Basic Circular 167/13612 dated February 2, 2024 that asked banks and financial institutions to convert their assets and liabilities in foreign currencies to Lebanese pounds at the exchange rate of LBP89,500 per US dollar when preparing their financial positions starting on January 31, 2024.

On the assets side, claims on resident customers stood at LBP7.7tn (\$86.5m) at the end of September 2024 and regressed by 2% from LBP7.9tn (\$88.4m) at end-June 2024. Further, claims on resident customers in Lebanese pounds totaled LBP635bn at end-September 2024, constituting a decrease of 18% in the third quarter of the year, while claims on resident customers in foreign currency amounted to LBP7.1tn (\$79.4m) at end-September 2024 and dropped by 0.4% from end-June 2024 and by 14.2% from a year earlier. Also, claims on non-resident customers stood at LBP1,247.8bn (\$13.9m) at the end of September 2024, representing an uptick of 1.1% from end-June and a contraction of 19% in the first nine months of the year. Further, claims on the resident financial sector reached LBP7.9tn (\$89m) at end-September 2024 and increased by 43.3% from LBP5.6tn (\$62.2m) at the end of June 2024. Claims on the resident financial sector in Lebanese pounds amounted to LBP3.9tn at the end of September 2024 and surged by 172% in the third quarter of the year, while claims on the resident financial sector in foreign currency totaled LBP4.1tn (\$46m) at end-September 2024 and decreased by 1% from end-June 2024.

In addition, claims on the non-resident financial sector reached LBP6.8tn (\$75.5m) at the end of September 2024, constituting increases of 62.4% from end-June 2024 and of 22% in the first nine months of the year. Also, claims on the public sector stood at LBP778.7m at end-September 2024 and grew by 15% in the third quarter of the year; while the securities portfolio, which includes Lebanese Treasury bills and Eurobonds, amounted to LBP10.5tn at the end of September 2024 and increased by 10% from LBP9.5tn at end-June 2024. In parallel, currency and deposits with local and foreign central banks reached LBP38.4tn (\$429.3m) at the end of September 2024 and rose by 22.3% from LBP32tn (\$357.4m) at end-June 2024.

On the liabilities side, deposits of resident customers stood at LBP32.2tn (\$359.3m) at the end of September 2024, constituting an increase of 14.2% from LBP28.2tn (\$314.7m) at end-June 2024. Deposits of resident customers in Lebanese pounds amounted to LBP3,922.9bn at end-September 2024 and surged by 175.5% from end-June 2024, while deposits of resident customers in foreign currency reached LBP28.2tn (\$315.5m) at the end of September 2024 and improved by 5.6% from end-June 2024. Also, deposits of non-resident customers totaled LBP8.96tn (\$100.1m) at the end of September 2024, and rose by 5% from LBP8.53tn (\$95.4m) at end-June 2024 and by 9% in the first nine months of the year. Further, liabilities to the resident financial sector amounted to LBP12.7tn (\$142.2m) at end-September 2024 and increased by 75% from LBP7.3tn (\$81.3m) at the end of June 2024. Liabilities to the resident financial sector in Lebanese pounds totaled LBP2,216.6bn at end-September 2024 and grew by 1.5% in the third quarter of the year, while liabilities to the resident financial sector in foreign currency reached LBP10.5tn (\$117.4m) at end-September 2024 and increased by 106.4% from LBP5.1tn (\$56.9m) at end-June 2024. In addition, liabilities to the non-resident financial sector amounted to LBP7.05tn (\$78.8m) at end-September 2024, nearly unchanged from three months earlier. Also, public sector deposits totaled LBP798.8bn at the end of September 2024 relative to LBP367.6bn at end-June 2024. Further, the aggregate capital account of financial institutions stood at LBP13.8tn (\$154.4m) at the end of September 2024 relative to LBP10.8tn (\$120.8m) at end-August 2024, to LBP11.7tn (\$130.7m) at end-June 2024, and to LBP3.4tn (\$228.4m) at end-2023.

Import activity of top five shipping firms and freight forwarders up 3% in first nine months of 2024

Figures released by the Port of Beirut show that the aggregate volume of imports by the top five shipping companies and freight forwarders through the port totaled 160,512 20-foot equivalent units (TEUs) in the first nine months of 2024, constituting an increase of 2.7% from 156,280 TEUs in the same period of 2023. The five shipping and freight forwarding firms accounted for 82.5% of imports to the Lebanese market in the covered period. Merit Shipping handled 55,712 TEUs in the first nine months of 2024, equivalent to 20.2% of the total import freight market to Lebanon. Mediterranean Shipping Company (MSC) followed with 46,450 TEUs (17%), then Sealine Group with 21,259 TEUs (7.7%), MAERSK with 19,558 TEUs (7.1%), and Gezairi Transport with 17,533 TEUs (6.4%). Sealine Group registered a rise of 54% in its imports in the first nine months of 2024 from the same period of the preceding year, the highest growth rate among the top five companies, while Maersk posted a drop of 30%, the steepest decline among the five firms in the covered period. Also, the import shipping operations of the top five firms through the port regressed by 2.4% in September 2024 from the preceding month and increased by 23.6% from September 2023.

In parallel, the aggregate volume of exports by the top five shipping and freight forwarding firms through the Port of Beirut reached 53,413 TEUs in the first nine months of 2024, representing a decrease of 10% from 59,390 TEUs in the same period of the previous year. The five companies accounted for 91.2% of exported Lebanese cargo in the covered period. Merit Shipping handled 29,735 TEUs of freight in the first nine months of 2024, equivalent to 50.8% of the Lebanese cargo export market. Sealine Group followed with 8,516 TEUs (14.5%), then MAERSK with 6,151 TEUs (10.5%), MSC with 5,208 TEUs (9%), and Gezairi Transport with 3,803 TEUs (6.5%). Sealine Group posted a surge of 64.5% in exports in the first nine months of 2024 from the same period of 2023, the highest growth rate among the top five companies, while Maersk registered a decrease of 57.4%, the steepest decline among the five firms in the covered period. The export-shipping operations of the top five companies regressed by 1.3% in September 2024 from the previous month and by 1.3% from September 2023.

Ratio Highlights

(in % unless specified)	2021	2022	2023	Change*
Nominal GDP (\$bn)	19.8	24.5	24.0	(0.5)
Public Debt in Foreign Currency / GDP	-	-	-	-
Public Debt in Local Currency / GDP	-	-	-	-
Gross Public Debt / GDP	357.7	255.2	195.2	(60.0)
Trade Balance / GDP	(51.9)	(63.5)	(60.5)	3.0
Exports / Imports	24.8	18.3	17.1	(1.2)
Fiscal Revenues / GDP	8.3	5.7	12.9	7.2
Fiscal Expenditures / GDP	10.9	12.2	13.3	1.0
Fiscal Balance / GDP	(2.7)	(6.6)	(0.4)	6.2
Primary Balance / GDP	(1.6)	(6.0)	0.4	-
Gross Foreign Currency Reserves / M2	26.0	13.4	143.5	130.1
M3 / GDP	81.9	35.0	55.8	20.7
Commercial Banks Assets / GDP	107.3	38.9	82.7	43.8
Private Sector Deposits / GDP	79.5	28.9	68.0	39.1
Private Sector Loans / GDP	17.0	4.6	6.0	1.4
Private Sector Deposits Dollarization Rate	79.4	76.1	96.3	20.2
Private Sector Lending Dollarization Rate	56.3	50.7	90.9	40.2

*change in percentage points 23/22;

Source: Banque du Liban, Ministry of Finance, Central Administration of Statistics, International Monetary Fund, 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

	2021	2022e	2023f
Nominal GDP (LBP trillion)	245.6	655.2	2,090.7
Nominal GDP (US\$ bn)	19.8	24.5	24.0
Real GDP growth, % change	2.0	1.0	-0.7
Private consumption	123.5	-	1.5
Public consumption	-92.2	-	-9.8
Gross fixed capital	63.8	-	21.8
Exports of goods and services	3.4	3.5	3.0
Imports of goods and services	13.6	19.1	17.5
Consumer prices, %, average	154.8	171.2	221.3
Official exchange rate, average, LBP/US\$	1,507.5	1,507.5	15,000
Parallel exchange rate, average, LBP/US\$	16,821	30,313	86,362
Weighted average exchange rate LBP/US\$	12,006	25,604	76,363

Source: International Monetary Fund, Lebanese customs

Ratings & Outlook

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

*Fitch withdrew the ratings on July 23, 2024

Source: Rating agencies

Banking Sector Ratings

	Outlook
Moody's Ratings	Negative

Source: Moody's Ratings



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

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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

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

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

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