

LEBANON THIS WEEK

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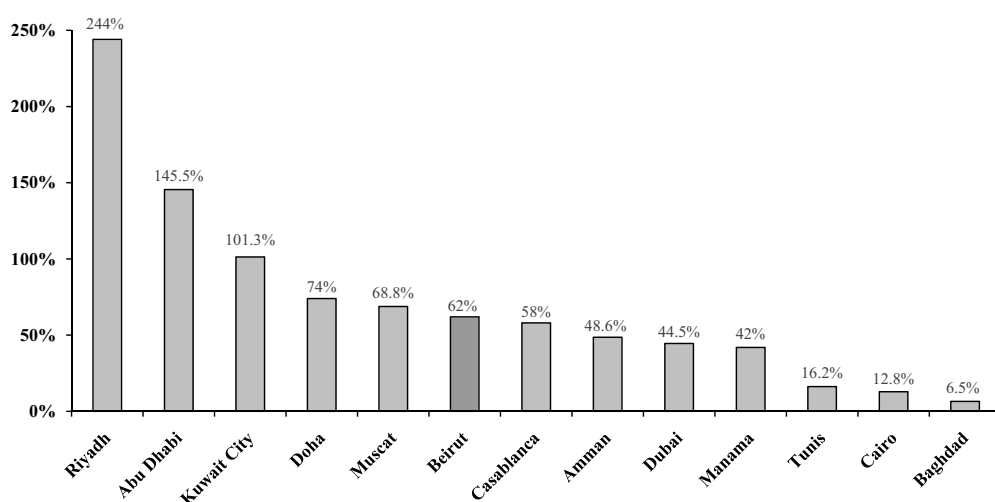
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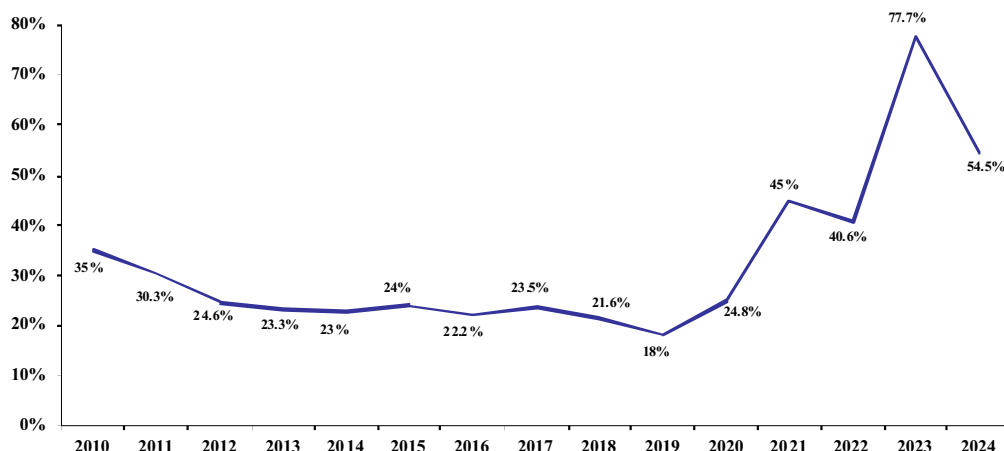
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Charts of the Week

Stock Market Capitalization of Select Arab Markets at end-March 2025 (% of 2025 GDP)



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



*at the end of March of each year

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

Quote to Note

"The impact of the new U.S. tariffs on Lebanon will be limited as its exports to the United States are small and mainly include food products and precious stones."

The Institute of International Finance, on the potential effects of the new U.S. trade policy on Lebanon's exports

Number of the Week

572: Number of suspected cases of money laundering and other crimes that the Special Investigation Commission investigated in 2024, out a total of 620 cases that it received from domestic and foreign sources last year

Lebanon in the News

\$m (unless otherwise mentioned)	2022	2023	2024	% Change*	Dec-23	Nov-24	Dec-24
Exports	3,492	2,995	2,707	-9.6%	240,037	177,565	212,165
Imports	19,053	17,524	16,902	-3.5%	1,302,640	1,306,294	1,185,226
Trade Balance	(15,562)	(14,529)	(14,195)	-2.3%	(1,062,603)	(1,128,729)	(973,061)
Balance of Payments	(3,197)	2,237	6,437	187.7%	591.3	(984.4)	(792.4)
Checks Cleared in LBP**	27,146	4,396	877	-80.0%	404	43	69
Checks Cleared in FC**	10,288	3,292	1,299	-60.5%	183	93	81
Total Checks Cleared**	37,434	7,688	2,176	-71.7%	587	136	150
Fiscal Deficit/Surplus	-	380.5	297.4	-21.8%	-	-	-
Primary Balance	-	-	-	-	-	-	-
Airport Passengers	6,360,564	7,103,349	5,624,402	-20.8%	481,470	151,073	379,910
Consumer Price Index	171.2	221.3	45.2	-79.6%	192.3	15.4	18.1
\$bn (unless otherwise mentioned)	Dec-23	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	% Change*
BdL FX Reserves	9.64	10.51	10.65	10.22	10.10	10.09	4.6%
In months of Imports	-	-	-	-	-	-	
Public Debt	-	-	-	-	-	-	
Bank Assets	115.25	104.56	103.88	103.40	103.02	102.76	-10.8%
Bank Deposits (Private Sector)	94.75	90.41	89.54	89.21	88.93	88.65	-6.4%
Bank Loans to Private Sector	8.32	6.59	6.04	6.07	5.99	5.65	-32.1%
Money Supply M2	6.72	1.25	1.23	1.22	1.22	1.46	-78.3%
Money Supply M3	77.75	70.69	69.88	69.64	69.39	69.26	-10.9%
LBP Lending Rate (%)	3.97	5.11	3.99	6.78	6.78	5.61	41.3%
LBP Deposit Rate (%)	0.55	0.86	0.93	2.34	1.17	3.58	550.9%
USD Lending Rate (%)	1.95	2.59	1.48	1.97	4.41	3.70	89.7%
USD Deposit Rate (%)	0.03	0.04	0.02	0.03	0.03	0.03	0.0%

*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 %
BLOM GDR	5.27	(0.6)	17,010	1.8%	Jun 2025	6.25	17.3	4,016.18
Audi Listed	2.60	(0.8)	12,300	7.2%	Nov 2026	6.60	17.3	149.05
Solidere "A"	89.50	(0.6)	4,498	42.3%	Mar 2027	6.85	17.3	117.60
Solidere "B"	84.75	(0.3)	4,357	26.0%	Nov 2028	6.65	17.3	56.87
Byblos Common	1.01	0.0	-	2.7%	Feb 2030	6.65	17.3	39.95
BLOM Listed	4.41	0.0	-	4.5%	Apr 2031	7.00	17.3	31.65
Audi GDR	2.40	0.0	-	1.4%	May 2033	8.20	17.3	23.07
HOLCIM	74.10	(6.2)	-	6.8%	July 2035	12.00	17.3	17.91
Byblos Pref. 09	29.99	0.0	-	0.3%	Nov 2035	7.05	17.3	17.44
Byblos Pref. 08	25.00	0.0	-	0.2%	Mar 2037	7.25	17.3	15.33

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

Source: Refinitiv

	April 22-25	April 14-17	% Change	March 2025	March 2024	% Change
Total shares traded	40,715	106,768	(61.9)	1,626,857	797,200	104.1
Total value traded	\$922,014	\$1,126,150	(18.1)	\$16,678,927	\$14,485,247	15.1
Market capitalization	\$21.16bn	\$21.65bn	(2.3)	\$23.53bn	\$17.82bn	32.1

Source: Beirut Stock Exchange (BSE)



Parliament enacts amendments to banking secrecy law

The Lebanese Parliament enacted on April 24, 2025 Law No. 1 that amended Article 7 of the Banking Secrecy Law No. 91/3 dated September 3, 1956 that was amended by Law No. 306 dated October 28, 2022, and Article 150 of the Code of Money and Credit dated August 1, 1963. The vote followed the Council of Ministers' Decision No. 6 dated March 27, 2025 that approved a draft law that aims to amend the two articles. The Council of Ministers said it approved the amendments based on the proposal of the Ministry of Finance after consultations with the negotiating team from the International Monetary Fund (IMF). It attributed the amendments to the necessity of enhancing the current law by addressing the roles of Banque du Liban (BdL) and the Banking Control Commission of Lebanon (BCCL) in terms of banking secrecy, and to improve compliance with international standards for accountability and supervision without restrictions.

First, the amendments in the enacted law allow, for the purpose of restructuring the banking sector and carrying out supervisory tasks, BdL, the BCCL, and the National Deposit Guarantee Institution (NDGI) to request information protected by banking secrecy without specifying a particular account or client, including issuing a general request for information on all accounts and clients. However, it indicated that the concerned natural and legal persons may appeal these requests in front of the judge of urgent matters, and that the appeal, in turn, must be subject to the established procedures for orders on petitions.

Second, the amendments stipulate that banking secrecy must be lifted in full and without restrictions on behalf of BdL, the BCCL, and any party that BdL or the BCCL assigns with auditing or supervisory tasks, within the framework of exercising their supervision and auditing responsibilities or as part of conducting any other task as specified in any of the existing laws or in laws that may be enacted in the future. It added that the lifting of banking secrecy can cover credit and debit accounts, on- and off-balance sheet items, and any records, documents, and information pertaining to a legal or natural person dealing with any bank or institution subject to supervision, including the institutions that are protected by banking secrecy with respect to other parties. It indicated that the lifting of banking secrecy can be applied retroactively for 10 years from the date that the law is issued regarding measures related to the restructuring of the banking sector, as well as about ordinary supervisory tasks or tasks specified in writing by BdL and the BCCL. It said that the two entities may exchange information for this purpose. It noted that the details of the implementation of this law must be specified, when necessary, by decisions issued by the Council of Ministers based on the recommendation of the Minister of Finance after consulting with BdL.

The Council of Ministers considered Decision in No. 6 that the current banking secrecy law has created ambiguity in the interpretation of the text, which may imply that the intent of the text is to limit the authority of BdL and the BCCL to request information that is governed by banking secrecy. It noted that banks view their relationship with clients differently from the perspective of the monetary or supervisory authority. It said that the IMF wishes to see the supervisory and monetary authorities have a free hand in monitoring and auditing all bank accounts without restrictions or conditions and in a way appropriate to the tasks of BdL and the BCCL. It indicated that it remains committed to legislative stability and to the need for clarification regarding the retroactive effect of any amendment to the Banking Secrecy Law. Therefore, it suggested amending Article 150 of the Code of Money and Credit with retroactive effect and proposed amending the Banking Secrecy Law after reviewing the proposal of the chairperson of the BCCL.

In parallel, the Lebanese Parliament enacted on October 18, 2022 Law 306 that modified the law on banking secrecy dated September 3, 1956. The amendments covered articles 1, 2, 7 and 8 of the law. The government stipulated that the amendments aim to strengthen anti-money laundering and countering the financing of terrorism (AML/CFT) and anti-corruption measures, as well as to improve tax compliance and fight tax evasion. It added that the amendments are in line with international best practices. The law entered into force upon its publication in the Official Gazette on November 3, 2022.

The modifications stipulated that banks established in Lebanon and the local banks that are branches or affiliates of foreign institutions are subject to professional secrecy. Second, the law lifted banking secrecy on public sector employees, including any person who has to submit a financial disclosure statement as per Law 189/2020, who is in a public function or provides a public service, whether he/she is elected or appointed, and if he/she is paid or unpaid.

Other changes stipulated that banks cannot cite banking or professional secrecy to withhold information, and have to submit information requests from judicial authorities in case of legal proceedings about corruption and financial crimes, and in case of crimes stipulated in laws related to AML/CFT, illicit enrichment, and the code of criminal procedures. They also have to submit information requests from the Special Investigation Commission against money laundering and terrorism financing, the National Anti-Corruption Commission, the Lebanese Tax Administration, BdL, the BCCL, and the NDGI. It added that, for the purpose of restructuring the banking sector and its supervision, the listed entities can request information protected by banking secrecy without specifying a particular account number or a client, and are allowed to issue a general request to disclose information about all accounts and clients without mentioning their names.

IMF estimates size of economy at \$28.3bn, fiscal surplus at 1.1% of GDP in 2024

The International Monetary Fund (IMF) estimated that Lebanon's real GDP shrank by 7.5% in 2024 relative to a contraction of 0.7% in 2023, and compared to growth rates of 1% in 2022 and of 2% in 2021, to a contraction of 24.7% in 2020, and to an average growth rate of 1.2% in the 2010-19 period. In comparison, it estimated the real GDP growth rate of the Middle East & North Africa (MENA) region at 1.8% in 2024, of emerging market and developing economies (EMDEs) at 4.3%, and of the global economy at 3.3% last year. Lebanon, along with four Arab countries, posted negative growth rates last year, which consisted of Libya (-0.6%), Yemen (-1.5%), Kuwait (-2.8%), and Sudan (-23.4%). Also, the IMF noted that it did not provide any projections for Lebanon's economic indicators for 2025 and beyond due to an unusually high degree of uncertainty in the country.

Further, the IMF estimated Lebanon's nominal GDP at \$28.3bn in 2024 compared to \$23.6bn in 2023, \$24.75bn in 2022, \$19.8bn in 2021, and to \$25bn in 2020. As such, it said that Lebanon's GDP per capita stood at \$5,282.2 in 2024 relative to \$4,409.4 in 2023, \$4,508.1 in 2022, \$3,537.1 in 2021, and to \$4,410.4 in 2020. In parallel, it said that the average inflation rate in the country was 45.2% in 2024, compared to average inflation rates of 14.6% in the MENA region and of 7.7% in EMDEs last year.

Further, according to the IMF, Lebanon's fiscal surplus increased from 0.5% of GDP in 2023 to 1.1% of GDP in 2024, relative to deficits of 6% of GDP in 2022, of 0.9% of GDP in 2021, and of 4.1% of GDP in 2020. In comparison, it said the fiscal deficit of EMDEs widened from 5.2% of GDP in 2023 to 5.5% of GDP in 2024. Also, it estimated public revenues at 16.4% of GDP in 2024 compared to 13.2% of GDP in 2023, and public spending at 16.1% of GDP in 2024 relative to 13.3% of GDP in 2023. Further, it indicated that the public debt level regressed from 361% of GDP at the end of 2021 to 246.5% of GDP at the end of 2022, 192% of GDP at end-2023, and 164% of GDP at end-2024.

In addition, it estimated that the exports of goods and services from Lebanon declined by 5% in 2024 and the imports of goods and services to Lebanon regressed by 4.4% last year, compared to decreases of 4.1% for exports and 2.4% for imports in 2023. Also, it said that the current account deficit narrowed from 23.9% of GDP in 2023 to 18.2% of GDP in 2024, relative to surpluses of 2.8% of GDP for the MENA region and of 0.9% of GDP for EMDEs.

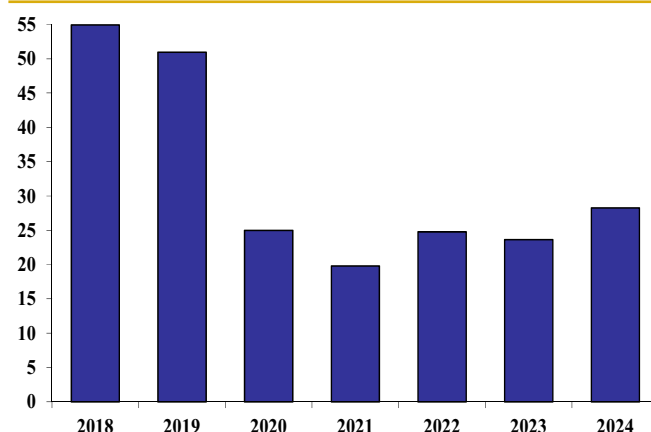
Launch of AGRILAB project to support farmers in Lebanon

The Lebanese Agricultural Research Institute (LARI) launched the AGRILAB project, in partnership with the German Agency for International Cooperation, and with the support of the German Federal Ministry of Economic Cooperation and Development. The Ministry of Agriculture indicated that the project aims to support farmers by providing specialized laboratory analysis services and raising awareness about the importance of sustainable agricultural practices, including improving the quality of agricultural production and the protection of bees. It added that the project aims to empower local agricultural communities and achieve sustainable development in the country. It said that the project serves as an example of the integration between scientific research and the agricultural sector, in order to ensure a healthier and more efficient agricultural environment.

The ministry stated that the project reflects its objective of developing a contemporary and resilient agricultural sector. It pointed out that the project aligns with the ministry's priorities for the 2025-26 period, which are built on four main pillars. It said the pillars consist of, first, rehabilitating the agricultural sector that has been affected by crises and disasters; second, opening new export markets and facilitating the marketing of Lebanese agricultural products; third, strengthening agricultural services as a tool to enhance the quality of production and achieve food security; and fourth, adopting sustainable agricultural practices that conserve water and adapt to climate change.

In addition, it announced that it will launch a smart digital platform in mid-May 2025, which will provide farmers with information and advisory services using artificial intelligence technologies.

Lebanon's nominal GDP (USbn)



Source: IMF, Byblos Research

Banque du Liban's liquid foreign reserves at \$11.1bn, gold reserves at \$29.7bn at mid-April 2025

Banque du Liban's (BdL) interim balance sheet shows that its total assets reached LBP8,416 trillion (tn) on April 15, 2025, relative to LBP8,378tn at end-March 2025, to LBP8,377tn at mid-March 2025 and to LBP8,318.7tn at end-2024. BdL indicated that it revised its balance sheet figures starting on October 15, 2024 in accordance with international standards. It said that it changed the classification of "Foreign Assets" to "Foreign Reserve Assets" in order to present non-resident and liquid foreign assets only, while it reclassified the "other resident and/or illiquid items" to its "Securities Portfolio" or to the "Loans to the Local Financial Sector" entries.

BdL's Foreign Reserve Assets stood at \$11.07bn at mid-April 2025, compared \$10.73bn at end-March 2025, to \$10.75bn at mid-March 2025 and to \$9.64bn at mid-April 2024. Also, they contracted by \$402.1m in October, by \$113m in November, by \$15.2m in December 2024, and increased by \$252.8m in January, by \$141.1m in February, by \$198.7m in March 2025, and by \$343.8m in the first half of April 2025. As such, BdL's Foreign Reserve Assets increased by \$936.4m in the first 14 weeks of 2025 and by \$2.5bn between the end of July 2023 and mid-April 2025. The dollar figures are based on the exchange rate of the Lebanese pound of LBP89,500 per US dollar starting on February 15, 2024, according to the BdL Central Council's Decision No. 48/4/24 dated February 15, 2024.

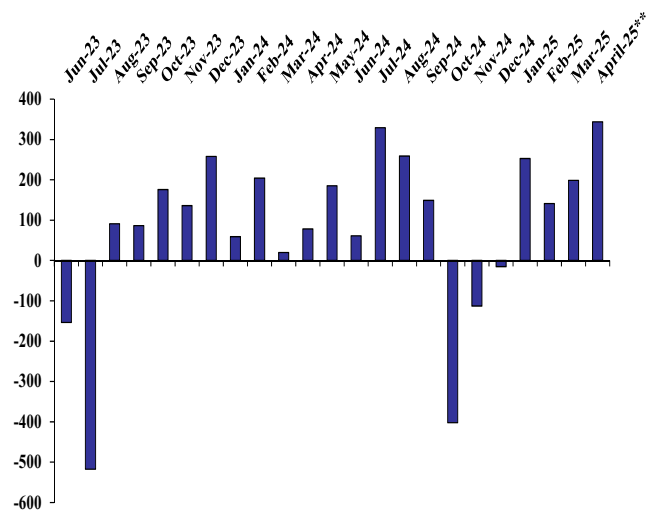
Further, the value of BdL's gold reserves reached a new peak of \$29.73bn on April 15, 2025 compared to the previous peak of \$28.34bn at end-March 2025. Also, BdL's securities portfolio totaled LBP554,681.7bn at mid-April 2025 relative to LBP554,699.4bn at end-March 2025. BdL noted that the securities portfolio includes Lebanese Eurobonds that had a market value of \$846.3m on April 15, 2025 relative to \$828.3m on March 31, 2025 and to \$974.4m at mid-March 2025. Prior to the modifications, BdL included the nominal value of its Lebanese Eurobonds portfolio in the foreign assets item. In addition, loans to the local financial sector stood at LBP42,126.2bn at mid-April 2025 compared to LBP42,421.1bn at end-March 2025.

Moreover, Deferred Open-Market Operations totaled LBP153,095bn on April 15, 2025 relative to LBP149,621.8bn on March 31, 2025. BdL said that, based on the Central Council's decision 23/36/45 of December 20, 2023, it has started to present all deferred interest costs originating from open-market operations under this new line item. As a result, it transferred all deferred interest costs included in the "Other Assets" and "Assets from Exchange Operations" entries to the new item. Therefore, the item "Other Assets" stood at LBP24,463.2bn at mid-April 2025 relative to LBP23,101.4bn two weeks earlier.

Also, the Revaluation Adjustments item on the asset side reached LBP2,502,580bn at mid-April 2025 relative to LBP2,623,809bn at mid-March 2025. It consists of a special account called the "Exchange Rate Stabilization Fund", in which BdL recorded all the transactions related to foreign exchange interventions to stabilize the exchange rate starting in 2020 and that had a balance of LBP164.47tn at mid-April 2025 relative to LBP164.32tn at end-March 2025. It also consists of a special account in the name of the Treasury that stood at LBP2,338.1tn at mid-April 2025 compared to LBP2,459.5tn at end-March 2025. Further, the balance sheet shows that BdL's loans to the public sector totaled LBP1,486,702bn at mid-April 2025 relative to LBP1,487,026bn two weeks earlier, which include an overdraft of \$16.52bn at mid-April 2025, unchanged from end-March 2025.

On the liabilities side, BdL's balance sheet shows that currency in circulation outside BdL stood at LBP82,620.6bn on April 15, 2025 compared to LBP86,777bn at end-March 2025, and represented an increase of 33% from LBP62,178bn at mid-April 2024. Further, the deposits of the financial sector reached LBP7,633.2tn, or the equivalent of \$85.29bn, at mid-April 2025 relative to LBP7,612.6tn or \$85.06bn at end-March 2025, and to LBP7,615tn or \$85.1bn at mid-March 2025; while public sector deposits at BdL totaled LBP602,390.2bn at mid-April 2025 compared to LBP581,952.3bn at end-March 2025 and to LBP402,503bn at mid-April 2024.

Change in Foreign Reserve Assets* (US\$m)



*month-on-month change

**as at mid-April 2025, change from end-March 2025

Source: Banque du Liban, Byblos Research

Cost of sending remittances from several sources decreases in fourth quarter of 2024

Figures issued by the World Bank show that the cost of sending \$500 in remittances from the United States to Lebanon was 5.93% in the fourth quarter of 2024, constituting a decrease from 6.25% in the third quarter of 2024 and an increase from 5.86% in the fourth quarter of 2023. The cost includes the transaction fee and exchange rate margin, and represents the average cost of transferring money through commercial banks and money transfer operators. In nominal terms, the cost of sending \$500 from the U.S. to Lebanon was \$31.23 in each of the fourth quarter of 2024 and the preceding quarter and compared to \$29.28 in the fourth quarter of 2023. Lebanon was the sixth most expensive destination for sending \$500 from the U.S. among 42 countries with available data.

Further, the cost of sending remittances from Canada to Lebanon stood at 7.77% in the fourth quarter of 2024 for a transfer of CAD500, representing increases from 6.54% in the third quarter of 2024 and from 5.47% in the fourth quarter of 2023. In nominal terms, the cost of sending CAD500 from Canada to Lebanon was CAD38.87 in the fourth quarter of 2024 relative to CAD32.68 in the previous quarter and to CAD31.56 in the fourth quarter of 2023. Lebanon was the second most expensive destination for sending CAD500 from Canada among 15 countries with available data.

Also, the cost of sending remittances from Australia to Lebanon reached 6.11% in the fourth quarter of 2024 for a transfer of AUD500, constituting decreases from 6.64% in the third quarter of 2024 and from 6.12% in the fourth quarter of 2023. The cost of sending AUD500 from Australia to Lebanon was AUD30.55 in the fourth quarter of 2024 compared to AUD33.2 in the preceding quarter and to AUD30.61 in the fourth quarter of 2023. Lebanon was the second costliest destination for sending AUD500 from Australia among 16 countries with available data.

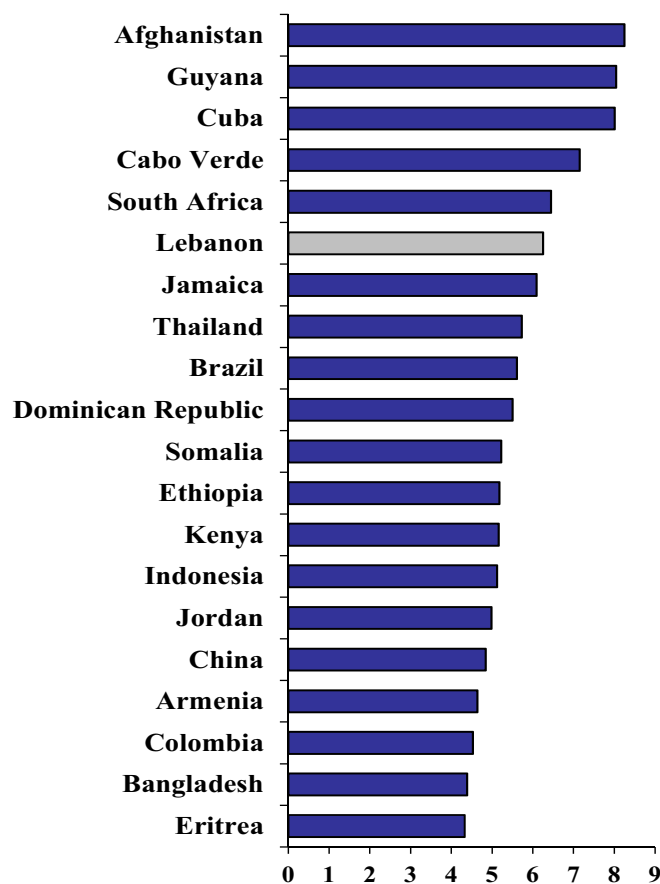
In addition, the cost of sending remittances from France to Lebanon was 5.85% in the fourth quarter of 2024 for a transfer of €345, representing decreases from 6.31% in the third quarter of 2024 and from 7.98% in the fourth quarter of 2023. In nominal terms, the cost of sending €345 from France to Lebanon was €20.17 in the fourth quarter of 2024 relative to €21.78 in the previous quarter and to €27.53 in the fourth quarter of 2023. Lebanon was the third most expensive destination for sending €345 from France among 16 countries with available data.

Further, the cost of sending remittances from the United Kingdom to Lebanon stood at 4.51% in the fourth quarter of 2024 for a transfer of £300, constituting decreases from 6.9% in the third quarter of 2024 and from 5.43% in the fourth quarter of 2023. In nominal terms, the cost of sending £300 from the UK to Lebanon was £13.53 in the fourth quarter of 2024 relative to £20.7 in the preceding quarter and to £16.29 in the fourth quarter of 2023. Lebanon was the sixth most expensive destination for sending £300 from the UK among 33 countries with available data.

Also, the cost of sending remittances from Germany to Lebanon was 6.66% in the fourth quarter of 2024 for a transfer of €345, representing increases from 6.65% in each of the third quarter of 2024 and from 6.65% in the fourth quarter of 2023. In nominal terms, the cost of sending €345 from Germany to Lebanon was €22.98 in the fourth quarter of 2024 compared to €22.94 in the previous quarter and to €22.93 in the fourth quarter of 2023. Lebanon was the fourth most expensive destination for sending €345 from Germany among 24 countries with available data.

Finally, the cost of sending remittances from Saudi Arabia to Lebanon reached 3.41% in the fourth quarter of 2024 for a transfer of SAR1,870, equivalent to \$500, decreasing from 3.45% in the third quarter of 2024 and increasing from 3.34% in the fourth quarter of 2023. In nominal terms, the cost of sending SAR1,870 from Saudi Arabia to Lebanon was SAR63.8 in the fourth quarter of 2024, relative to SAR64.5 in the third quarter of 2024 and to SAR62.4 in the fourth quarter of 2023. Lebanon was the eighth most expensive destination for sending SAR1,870 from Saudi Arabia among 17 countries with available data.

Costliest Destinations for Sending Remittances from the United States* (%)



*cost of sending \$500 from the U.S.

Source: World Bank, Byblos Research

Consumer Price Index up 14% year-on-year in March 2025

The Central Administration of Statistics' Consumer Price Index increased by 15.3% in the first three months of 2025 from the same period of 2024. In comparison, it grew by 114.5% and by 193% in the first three months of 2024 and 2023, respectively, from the corresponding periods of the previous years.

The CPI rose by 14.2% in March 2025 from the same month of 2024 and registered its 13th double-digit increase since the last triple-digit in February 2024 when it stood at 123.2%. The slowdown of the inflation rate from triple-digit expansion in previous years 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, healthcare, rent and food prices, to the surge of fees in the public administration, and to the inability of the authorities to monitor and contain retail prices.

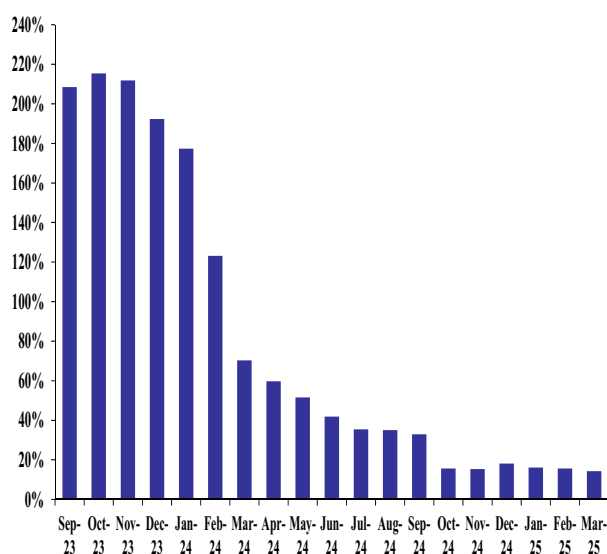
The costs of education, miscellaneous goods & services and imputed rent surged by 1.3 times each in March 2025 from the same month in 2024. Also, rates at restaurants & hotels, healthcare costs, prices of imputed rent, the prices of food & non-alcoholic beverages and actual rent increased by 1.2 times each in March 2025 from March 2024. Further, the prices of alcoholic beverages & tobacco rose by 14.1% year-on-year in March 2025, followed by the costs of clothing & footwear (+11%), the prices of water, electricity, gas & other fuels (+8.5%), the price of recreation & entertainment (+4.5%), and transportation costs (+2.5%). In contrast, the prices of furnishings & household equipment decreased by 8.4% in March 2025 from the same month of the previous year, followed by the cost of communication (-2.7%). Also, the distribution of actual rent shows that new rent surged by 24.2% and old rent increased by 5.1% in March 2025 from the same month of 2024.

In parallel, the CPI increased by 0.44% in March 2025 from the previous month, relative to an uptick of 0.66% in February, an expansion of 1.1% in January 2025, a rise of 2.4% in December 2024, an increase of 2.3% in November, a growth 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 food & non-alcoholic beverages surged by 3.2% in March 2025 from February 2025, followed by imputed rent (+2.56%), the prices of clothing & footwear (-2%), and actual rent (+1.34%). Also, rates at restaurants and hotels grew by 0.76% in March 2025 from the previous month, followed by the cost of miscellaneous goods & services and alcoholic beverages and tobacco (+0.63% each), the prices of furnishings & household equipment (+0.4%), the cost of education (+0.04%), and communication costs (+0.02%). In contrast, transportation costs decreased by 4.5% in March 2025 from February 2025, followed by the prices of water, electricity, gas & other fuels (-1.05%), the cost of recreation & entertainment (-0.3%), and healthcare costs (-0.07%).

Also, the distribution of actual rent shows that new rent increased by 2.3%, while old rent was unchanged month-on-month in March 2025. Further, the CPI increased by 1.44% in the North, by 0.81% in the Nabatieh area, by 0.77% in the Bekaa region, by 0.33% in Beirut, by 0.26% in the South, and by 0.11% in Mount Lebanon. In parallel, the Fuel Price Index decreased by 3.82%; while the Education Price Index increased by 0.03% in March 2025.

Annual Change in Consumer Price Index* (%)



*from the same month of the previous year

Source: Central Administration of Statistics, Byblos Research

Economy to grow by 4.7% in 2025 on reforms, tourism and consumption

In its Macro Poverty Outlook dated April 10, 2025 and its Middle East & North Africa (MENA) Economic Update issued this month, the World Bank projected Lebanon's real GDP to shift from a contraction of 7.1% in 2024 to a growth rate of 4.7% in 2025, compared to a real GDP growth rate of 2.6% in the MENA region and of 3.4% for the region's oil-importing economies. It expected Lebanon to post the first positive growth rate this year since 2017, driven by the anticipated implementation of reforms, a rebound in tourism activity, improved consumption, limited reconstruction, and base effects from the sharp contraction of 21.4% in 2020. In addition, it expected the average inflation rate to regress from 45.2% in 2024 to 15.2% in 2025, due in part to the stabilization of the exchange rate of the Lebanese pound to the US dollar and to the dollarization of several components of the Consumer Price Index basket.

In addition, it estimated that the conflict between Israel and Hezbollah resulted in \$6.8bn in physical asset damages, \$7.2bn in economic losses, and anticipated the recovery and reconstruction costs at about \$11bn. Also, it expected the impact of the conflict to deepen the poverty and vulnerability levels of the displaced population. It said that the agriculture, commerce, and tourism sectors accounted for 77% of economic losses, which heavily affected low-wage and informal workers. Also, it indicated that agricultural losses affected communities in the South in particular, while it expected disruptions in healthcare, education, and housing to aggravate the risks of poverty in the long term. It added that the mounting economic losses are exacerbating Lebanon's enduring socioeconomic challenges.

Further, it noted that Lebanon's political paralysis has ended after more than two years with the election of the Commander in Chief of the Lebanese Armed Forces Joseph Aoun as President of the Republic in January 2025 and the formation of a new government under Prime Minister Nawaf Salam on February 8, 2025. It indicated that the formation of a reform-committed government represents a crucial opportunity to address Lebanon's prolonged crisis through a comprehensive recovery plan. It considered that the implementation of reforms is urgent, as the country is grappling with a five-year financial crisis and vast reconstruction challenges following the Israeli war.

Also, it estimated that the fiscal balance posted surpluses of 0.5% of GDP in each of 2023 and 2024, relative to a deficit of 2.9% of GDP in 2022, driven by stronger-than-expected revenue collection and spending restraints. It said that public revenues were equivalent to 15.3% of GDP in 2024 and surpassed the government's projections in the ratified budget due to better-than-expected tax collection in the first nine months of 2024, and added that tax receipts accounted for 77% of total revenues. It noted that expenditures were equivalent to 14.7% of GDP in 2024 compared to 13.2% of GDP in 2023, given that Banque du Liban (BdL) imposed restrictions on the use of the public sector's deposits at BdL, and noted that these deposits increased by 45% in 2024. Also, it stated that the previous government approved a draft budget for 2025 before the conflict escalated in September 2024, with revenues and expenditures at 15.9% of GDP each, and that the new government to approved the budget by decree as constitutionally allowed.

In parallel, it said that Lebanon recorded a current account deficit of 22.2% of GDP in 2024 compared to a deficit of 28% of GDP in 2023, primarily driven by a deficit in trade-in-goods and the impact of the Israeli war on the Lebanese economy. It noted that the trade-in-goods deficits have been historically offset in part by trade-in-services surpluses. But it stated that the decline in tourism receipts led to a trade-in-services deficit of 3.3% of GDP in 2024.

It considered that several risks could weigh on the Lebanese economic outlook and include a deterioration in security conditions that may affect sentiment, tourism activity, financial flows, and consumption, as well as the indirect effects of rising global trade uncertainties that remain unclear. It considered that the indirect effects of a potential global trade war will depend on how recent policy shifts worldwide affect the global economy and impact Lebanese exports. But it noted that the direct effects may be limited, given that exports to some large markets account for 4% of Lebanon's total goods exports.

Macroeconomic Indicators for the Lebanese Economy

	2021e	2022e	2023e	2024e	2025f
Real GDP growth (%)	-7.0	-0.6	-0.8	-1.0	+4.7
Inflation Rate (Average, %)	150.0	171.2	221.3	45.2	15.2
Fiscal Balance (% of GDP)	0.9	-2.9	0.5	0.5	0.0
Primary Balance (% of GDP)	1.8	-2.5	1.4	0.9	0.1
Public Debt (% of GDP)	172.5	179.7	179.7	176.5	151.7
Current Account Balance (% of GDP)	-14.7	-34.6	-28.1	-22.2	-15.3
FDI, net inflows (% of GDP)	8.5	2.2	2.9	1.1	1.9

Source: World Bank, April 2025

Lebanon ranks 46th globally, first among Arab countries on economic diversification index

The Dubai-based Mohammed Bin Rashid School of Government's Global Economic Diversification Index for 2025 ranked Lebanon in 46th place among 114 countries worldwide and in first place among 12 Arab countries in terms of economic diversification. Lebanon also came in third place among 26 lower middle-income countries (LMICs) included in the survey. In comparison, Lebanon came in 41st place globally, in first place regionally, and in third place among 24 lower middle-income countries (LMICs) on the 2024 index. Based on the same set of countries in the 2024 and 2025 surveys, Lebanon's global rank deteriorated by five notches, while its Arab rank was unchanged from the 2024 survey.

The survey uses quantitative data to assess the level of economic diversification in each country and ranks the countries based on their status and progress on diversification. The index is composed of 25 variables that are grouped in three sub-indices that are the Output Diversification Sub-Index, the Trade Diversification Sub-Index, and the Government Revenues Diversification Sub-Index. The rankings are based on the simple average of the scores of the three sub-indices for each country. The 2025 edition of the index uses data that covers the 2021-23 period and includes indicators that aim to capture parts of the growing global influence of the digital economy on economic diversification.

Globally, Lebanon had a more diversified economy than Jordan, New Zealand, and Tunisia during the 2021-23 period, and a less diversified economy than South Africa, Latvia, and Russia among economies with a GDP of \$10bn or more. Lebanon received a score of 101.3 points on the 2025 index compared to a score of 102.1 in the 2024 survey.

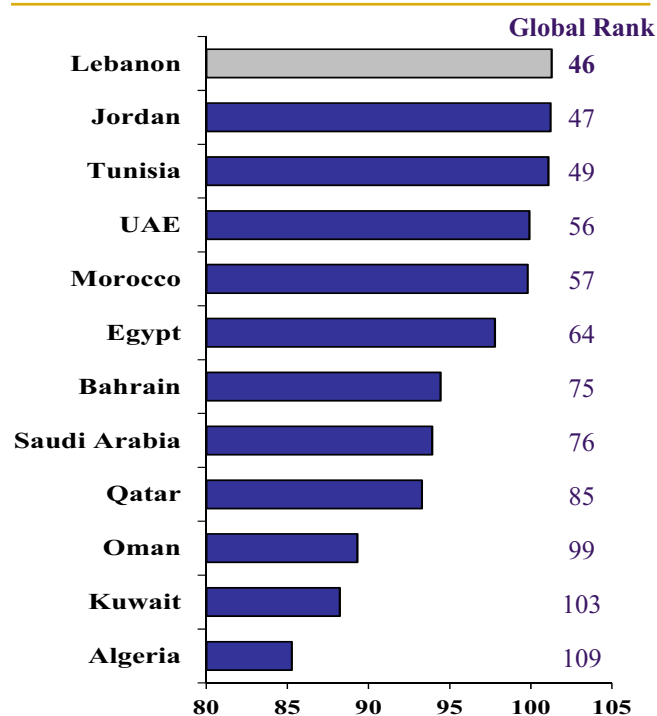
Lebanon's score came lower than the global average score of 101.73 points but higher than the LMICs score of 94 points and the Arab region's average score of 95.7 points. Further, it was higher than the Gulf Cooperation Council's (GCC) average score of 93.2 points and the non-GCC Arab countries' average score of 97.8 points.

Further, Lebanon preceded Rwanda, Costa Rica and the Philippines, while it trailed the Republic of Korea, Zambia, and Mozambique worldwide on the Output Diversification Sub-Index. This category takes into account the level of economic growth in a country and the size of manufacturing and services sectors as a percentage of the country's GDP, among others. Lebanon came ahead of the Philippines and Senegal, and trailed Jordan and Zambia among LMICs, while it trailed only Morocco, Tunisia, and Jordan on this sub-index.

In addition, Lebanon ranked ahead of Romania, Malaysia and Uruguay, while it came behind Australia, Estonia and Lithuania on the Trade Diversification Sub-Index. This category measures the aggregate value of exports and imports in a country, as well as the growth in existing and new export products to new markets. Lebanon ranked ahead of all LMICs and of all Arab countries on this category.

Also, Lebanon preceded Saudi Arabia, Ukraine and Cambodia, and trailed Norway, Greece and Belarus on the Government Revenues Diversification Sub-Index. This category measures tax revenues and trade receipts as a percentage of a country's GDP. Lebanon came ahead of Cambodia and Pakistan, and trailed Tunisia and Jordan among LMICs, while it preceded Saudi Arabia, Qatar, Oman, Bahrain, Kuwait and Algeria among Arab countries on this sub-index.

**Index of Global Economic Diversification for 2025
Arab Countries' Scores & Rankings**



Source: Mohammed Bin Rashid School of Government, Byblos Research

Components of the 2025 Global Economic Diversification Index for Lebanon

	Global Rank	Arab Rank	Lebanon Score	Global Average Score	Arab Average Score
Government Revenues Sub-Index	56	7	97.8	103.9	96.0
Output Sub-Index	73	4	99.2	100.0	98.6
Trade Sub-Index	40	1	106.9	101.3	92.4

Source: Mohammed Bin Rashid School of Government, Byblos Research

Trade deficit narrows by 44.6% to \$7.8bn in 2024

Figures issued by the International Monetary Fund Direction of Trade Statistics show that total imports to Lebanon reached \$12.1bn in 2024, constituting a decline of 33.2% from \$18.12bn in 2023; while aggregate exports stood at \$4.35bn and increased by 5.1% from \$4.14bn in 2023. As such, the trade deficit narrowed by 44.6% to \$7.75bn in 2024 due to a decline of \$6bn in imports and an increase of \$212m in exports. The coverage ratio, or the exports-to-imports ratio, was 36% in 2024 relative to 22.8% in 2023.

Further, imports stood at \$3.7bn in the first quarter, \$2.88bn in the second quarter, \$2.62bn in the third quarter and \$2.91bn in the fourth quarter of 2024, while exports stood at \$1.1bn in the first quarter, at \$883m in the second quarter, at \$1.38bn in the third quarter and at \$1.02bn in the fourth quarter of 2024. Imports dropped by 16% in the first quarter, by 36.2% in the second quarter, by 45.6% in the third quarter, and by 34% in the fourth quarter of 2024 from the corresponding quarters of previous year; while exports increased by 7.5% in the first quarter, decreased by 4.4% in the second quarter, rose by 27.3% in the third quarter, and regressed by 10.4% in the fourth quarter of 2024 from the corresponding quarters of 2023. Also, imports totaled \$1.2bn in December 2024, constituting an increase of 58.5% from \$753m in the preceding month and a decrease of 8.7% from \$1.3bn in the same month of 2023; while exports stood at \$381.3m in December 2024, representing increases of 1.4% from \$376.1m in November 2024 and of 25.8% from \$303.2m in December 2023.

Lebanese imports from the Eurozone stood at \$4.2bn in 2024 and accounted for 35% of the total, followed by imports from the Emerging & Developing Europe region with \$1.68bn (14%), from the Middle East and North Africa region with \$1.38bn (11.4%), and from Sub-Saharan Africa with \$171m (1.4%). In addition, Lebanese imports from the Emerging & Developing Europe region dropped by 36% in 2024, followed by those from the MENA region (-34.5%), and imports from the Eurozone (-22.3%), while imports from the Sub-Saharan Africa region increased by 6.3% last year.

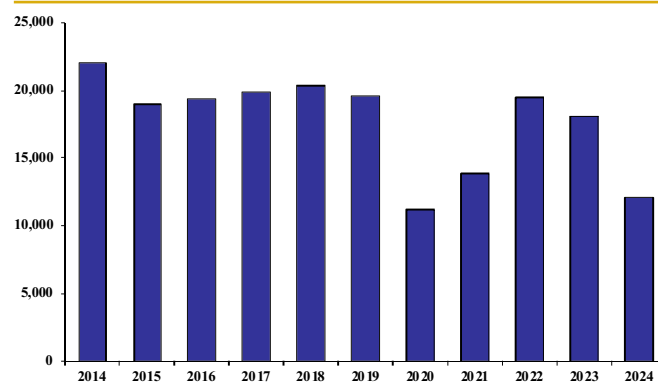
On a country basis, China was the main source of imports to Lebanon with \$1.54bn in 2024 and accounted for 12.7% of the total, followed by Egypt with \$638m (5.3%), the UAE with \$262m (2.2%), Saudi Arabia with \$171m (1.4%), South Korea with \$52m (0.4%), and Kuwait with \$5m (0.04%). Also, imports from Kuwait dropped by 57% last year, followed by imports from South Korea (-56.3%), Saudi Arabia (-55.7%), the UAE (-51.2%), China (-26.3%), and Egypt (-9.3%).

In parallel, Lebanese exports to the MENA region amounted to \$1.48bn in 2024 and represented 34% of the total, followed by exports to the Eurozone with \$652m (15%), and to Sub-Saharan Africa with \$484m (11%). Lebanese exports to the Eurozone increased by 25.7% from \$519m in 2023, followed by exports to Sub-Saharan Africa countries that grew by 15% from \$421m, while exports to the MENA region dropped by 17.4% from \$1.8bn in 2023.

On a country basis, Lebanese exports to the UAE reached \$609m, or 14% of the total, in 2024, followed by exports to Switzerland with \$568m (13%), to the U.S. with \$199m (4.6%), to Kuwait with \$76m (1.7%), and to Saudi Arabia with \$2m (0.04%). Also, Lebanese exports to Switzerland surged by 286% last year, followed by exports to the U.S. (+19%), to Kuwait (+9%), and to Saudi Arabia (+0.5%), while exports to the UAE dropped by 25.2% year-on-year.

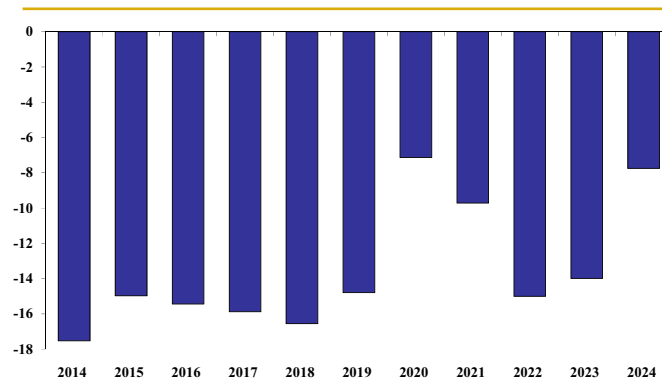
In comparison, figures released by the Lebanese Customs Administration show that imports totaled \$16.9bn in 2024, constituting a decrease of 3.6% from \$17.5bn in 2023; while aggregate exports reached \$2.7bn and declined by 9.6% from \$3bn in 2023. As such, the trade deficit narrowed by 2.3% to \$14.2bn in 2024 due to a decline of \$662.4m in imports that was offset in part by a downturn of \$288m in exports.

Lebanese Imports (US\$m)



Source: IMF Direction of Trade Statistics, Byblos Research

Trade Deficit (US\$b)



Source: IMF Direction of Trade Statistics, Byblos Research

Lebanon and World Bank sign \$250m loan to support implementation of renewable energy projects

The Ministry of Finance and the World Bank signed a \$250m loan to support the execution of renewable energy projects in Lebanon through the restoration of electricity grid services and the continued implementation of reforms in the electricity sector. The World Bank considered that the sector is at the center of the country's economic and fiscal challenges and that the consecutive crises of the past years have significantly affected its operational and financial viability. It noted that the authorities have recently implemented a set of critical measures to improve the quality of services and the financial viability of the electricity sector. The World Bank's Board of Executive Directors approved the loan last October.

Further, the World Bank indicated last July that it is considering an initiative to assist Lebanon's electricity sector to overcome many of the challenges it faces under the Lebanon Renewable Energy and System Reinforcement Project. It said that it would provide financing to help scale up renewable energy in the electricity supply mix, strengthen the electricity transmission network and its management, improve the operating efficiency of the state-owned Electricité du Liban (EdL), and rehabilitate critical assets at hydropower plants. Further, it noted that it would finance the construction of a number of solar photovoltaic (PV) power plants.

It identified with EdL and with the assistance of the National Council for Scientific Research in Lebanon several potentially favorable sites for the development of industrial scale solar power plants in the Hermel, Qaa, Ras Baalbek, Harbata-Toufiquiyeh, Maqneh and Taraiya areas in the Baalbek-Hermel governorate. It estimated that the overall potential solar generation capacity will be in the range of 1,200 megawatt (MW) to 1,300 MW. But it said that the development of solar power plants will begin with a small-scale capacity plant of between 25 MW and 35 MW at one of the pre-selected locations. It added that the capacity will increase further in the future as new private investors join the project. Also, the Ministry of Energy & Water launched a tender for the construction of an 8 MW solar power plant using photovoltaic cells that will be connected to EdL's national grid.

Amount of cleared checks in Lebanese pounds down 14% in first quarter of 2025

The amount of cleared checks in Lebanese pounds reached LBP15,364bn in the first quarter of 2025, constituting a decrease of 14.3% from LBP17,921bn in the same quarter last year, while the amount of cleared checks in foreign currency was \$255m and dropped by 50.6% from \$516m in the first quarter of 2024. Also, there were 28,440 cleared checks in the first quarter of 2025, down by 52% from 59,100 checks in the same period of 2024.

In addition, the amount of cleared checks in Lebanese pounds stood at LBP5,821bn in March 2025, constituting an increase of 44% from LBP4,041bn in February 2025 and a decrease of 4% from LBP6,061bn in March 2024. Further, the amount of cleared checks in foreign currency was \$84m in March 2025, as it regressed by 9.7% from \$93m in the previous month and grew by 7.7% from \$78m in March 2024. Also, there were 9,295 cleared checks in March 2025 relative to 8,910 checks in February and to 17,580 cleared checks in March 2024.

Further, the amount of cleared checks in "fresh" Lebanese pounds stood at LBP7,377bn, while the amount of cleared checks in "fresh" foreign currency was \$152.8m in the first quarter of 2025. Also, there were 3,677 cleared checks in "fresh" Lebanese pounds and 11,073 cleared checks in "fresh" foreign currency in the covered quarter.

In parallel, the amount of returned checks in Lebanese pounds totaled LBP87bn in the first quarter of 2025, down by 46.3% from LBP162bn in the same quarter last year, while the amount of returned checks in foreign currency was \$65m and surged by 234% from \$19.5m in the first quarter of 2024. Also, the amount of returned checks in Lebanese pounds stood at LBP26bn in March 2025, as it fell by 35% from LBP40bn in February 2025 and rose by 189% from LBP9bn in March 2024. Moreover, the amount of returned checks in foreign currency was \$5m in March 2025, constituting a drop of 91% from \$56m in the previous month and a rise of 966% from \$0.5m in March 2024. In addition, the amount of returned checks in "fresh" foreign currency stood at \$709,081, while the amount of returned checks in "fresh" Lebanese pounds was LBP21.7bn in the first quarter of the year.

Further, there were 189 returned checks in the first quarter of 2025, representing a decrease of 42.6% from 329 returned checks in the same quarter last year. Also, the number of returned checks in foreign currency reached 78 in the covered quarter and declined by 35% from 120 checks in the first quarter of 2024, while the number of returned checks in Lebanese pounds totaled 111 and dropped by 47% from 209 checks from the same quarter last year. In addition, there were 88 returned checks in March 2025, relative to 49 returned checks in the preceding month and to 85 checks in March 2024. Further, there were 48 returned checks in Lebanese pounds in March 2025 compared to 31 in the previous month and to 68 in March 2024, while there were 40 returned checks in foreign currency in March relative to 18 checks in the preceding month and 17 returned checks in March 2024. Also, there were 20 returned checks in "fresh" foreign currency and 41 returned checks in "fresh" Lebanese pounds in the first quarter of 2025.



Minister of Industry outlines strategy for industrial sector

The Minister of Industry Joe Issa el Khoury indicated that the industrial sector is the largest employer in Lebanon, as it includes about 210,000 workers and employees. He added that industrial exports stand at about \$2.5bn annually, and that the sector produces more than 1,500 products and contributes \$10bn to the country's GDP.

He pointed out that there is about 7,000 factories that are registered at the ministry, while unofficial statistics and studies suggest there are about 15,000 factories in the country. He revealed that the ministry is conducting a new mapping of manufacturing establishments in the country in order to locate and identify unregistered establishments, and to help their owners organize and legalize their operations, given that most of them are small-sized and are located in residential areas.

Further, he noted that the ministry's budget totaled \$83m during the 2000-2019 period and called for increasing the budget to strengthen and protect the industrial sector. Also, he stressed the importance of narrowing the trade deficit by reducing the volume of imports and increasing the volume of exports. He stated that the industrial sector has the capacity to export \$5 billion in goods annually and that the ministry aims to achieve this target within three to four years.

In addition, he said that the ministry is developing a National Industrial Strategy in collaboration with a global consultancy firm and in coordination with the Association of Lebanese Industrialists (ALI), and expected it to be completed within three months. He added that the ministry is working on improving its organizational structure, as the latter has not been upgraded since 1959.

He also stressed the importance of digitalizing the ministry to minimize direct interactions between the ministry's employees and stakeholders, which will include automating the workflow within the ministry and integrating it into servers. He said that the digitalization will allow citizens or factory owners to complete their transactions electronically, ensure faster and more efficient services, and minimizing the possibility of corruption. He noted that the ministry is collaborating with the United Nations Development Program (UNDP) to digitalize its operations.

Further, the minister said that he is working on activating the role of the Lebanese Accreditation Council (COLIBAC), which grants accreditation certificates to laboratories and makes their certifications internationally recognized in order to improve their quality and production standards. He indicated that it is coordinating with the Ministry of Justice to draft the implementation decrees related to electronic signatures, paving the way for their future application. He added that efforts are underway to establish the required mechanism for COLIBAC, with the assistance of the Office of the Ministry of State for Administrative Reforms (OMSAR), which will enable the ministry to appoint COLIBAC's board members and its director, and select supervising engineers for the council.

Also, the minister announced the formation of an Exports Promotion Board, which consists of advisors conducting studies on the needs of key market destinations of Lebanese exports. He stated that the aim of this board is to increase industrial exports and identify if other Lebanese products can be exported. Also, he declared that the ministry aims to establish mini industrial clusters, in coordination with the related municipalities, which will host small industrial operations, and will help reduce their energy, maintenance and security costs, as well as contain environmental risks. He noted that the ministry is negotiating with two companies to develop this project, which will take eight months to be implemented.

Finally, the minister revealed that he is in the process of establishing joint bodies with the ministries of Health and Agriculture, in coordination with the ALI, in order to help find solutions to the challenges that industrialists are facing.

Food insecurity affecting 30% of population

In its first comprehensive analysis of the level of food insecurity in Lebanon, the United Nations' Food and Agriculture Organization (FAO) considered that the escalation of the conflict between Israel and Hezbollah between September 2024 and November 2024 had a significant impact on food security condition in the country, as it compounded the already fragile access to food and reduced the capacity of traders to supply markets compared to the pre-September 2024 period, mainly in the areas that have been the most affected by the conflict. It based its findings on the classification of Lebanese, Syrian and Palestinian households in five categories that are Minimal/None, Stressed, Crisis, Emergency, and Catastrophe/Famine that reflect a household's ability to meet its basic food needs without external assistance, based on the Integrated Food Security Phase Classification (IPC). It noted that the analysis aims to inform emergency response as well as medium and long-term food security policy and programming.

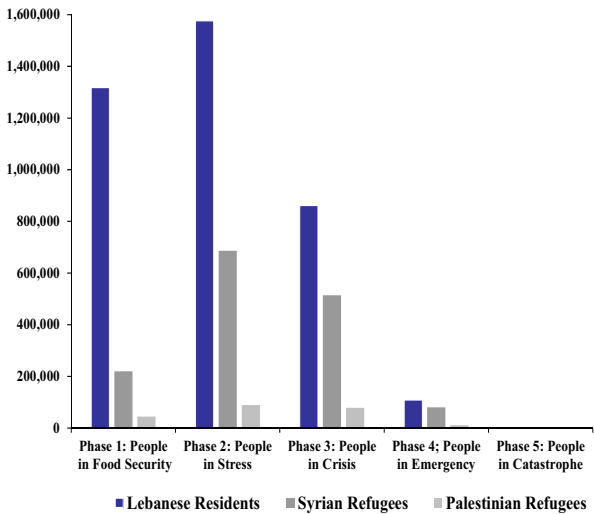
The FAO estimated that about 1.65 million Lebanese residents as well as Syrian and Palestinian refugees, or the equivalent of 30% of the analyzed population in Lebanon, were in the "Crisis" and "Emergency" phases between December 2024 and March 2025. It estimated that a total of 1.45 million individuals were in the "Crisis" phase, while 200,542 persons were in the "Emergency" stage between December 2024 and March 2025. Also, it estimated that 970,424 Lebanese residents, or 25% of the Lebanese resident population, 594,358 displaced Syrians (40% of the total number of Syrian refugees in Lebanon), and 89,210 Palestinian refugees (40% of the total number of Palestinian refugees in Lebanon), were in the "Crisis" and "Emergency" phases in the covered period. It also estimated that 108,870 Lebanese residents, or 3% of the resident population, 80,521 Syrian refugees, or 5% of total Syrian refugees in Lebanon, and 11,151 Palestinian refugees, or 5% of total Palestinian refugees in Lebanon, were in the "Emergency" stage between December 2024 and March 2025.

In comparison, it estimated that about 1.59 million Lebanese residents as well as Syrian and Palestinian refugees, or the equivalent of 29% of the analyzed population in Lebanon were in the "Crisis" and "Emergency" phases during October and November 2024. It estimated that a total of 1.39 million individuals were in the "Crisis" phase, while 204,838 persons were in the "Emergency" stage in the covered period. Also, it estimated that 827,916 Lebanese residents, or 21% of the Lebanese resident population, 484,754 displaced Syrians (32% of the total number of Syrian refugees in Lebanon), and 73,577 Palestinian refugees (35% of the total number of Palestinian refugees in Lebanon), were in the "Crisis" and "Emergency" phases. It also estimated that 100,197 Lebanese residents, or 3% of the resident population, 94,130 Syrian refugees, or 6% of total Syrian refugees in Lebanon, and 10,511 Palestinian refugees, or 5% of total Palestinian refugees in Lebanon, were in the "Emergency" stage in October and November 2024.

Also, it said that 13.5% of the population in the Bint Jbeil, Marjaayoun, El Nabatieh, and Tyre districts were in the "Crisis" and "Emergency" phases between December 2024 and March 2025, representing the highest incidence of food insecurity, followed by the Akkar district with 204,080 individuals (12.3%), the Baalbeck area with 188,020 persons (11.4%), the Baabda district with 156,464 people (9.5%), Zahlé with 143,309 individuals (8.7%), Tripoli with 110,812 persons (6.7%), Saida with 92,609 people (5.6%), El Minnieh-Dennié region with 84,245 individuals (5.1%), Beirut with 65,404 persons (4%), the Metn district with 53,550 people (3.2%), the West Bekaa area with 51,894 individuals and the Chouf district with 50,969 persons (3.1% each), Aley with 49,960 people (3%), Zgharta with 18,347 individuals (1.1%), El Hermel with 15,957 persons (1%), Keserwan with 15,143 people (0.9%), El Koura with 10,528 individuals and Rachaya with 10,290 persons (0.6% each), Jbeil with 8,136 people (0.5%), the Hasbaya district with 5,542 individuals and Batroun with 5,432 persons (0.3% each), and the Jezzine area with 2,001 people and Bcharré district with 1,336 individuals (0.1% each).

In addition, it estimated that the Bint Jbeil, Marjaayoun, El Nabatieh, and Tyre districts had the highest number of Lebanese residents with "high food insecurity" between December 2024 and March 2025, with 179,614 people in the "Crisis" category or worse. It said that the Akkar region followed with 135,392 persons, then the Baabda district with 98,862 individuals. In addition, it pointed out that there were 101,021 Syrian refugees in the Zahlé district who were in the "Crisis" and "Emergency" phases, followed by Baalbek with 99,514 persons and Akkar with 68,688 individuals in the covered period.

Population Breakdown according to Food Insecurity Levels between January and April 2023



Source: FAO, Byblos Research

Term deposits account for 53.5% of customer deposits at end-February 2025

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 LBP8,228.6 trillion (tn) at the end of February 2025, or the equivalent of \$91.94bn, compared to LBP8,209.7tn (\$91.7bn) at end-2024, and to LBP8,446.4tn (\$94.4bn) at end-February 2024. Total deposits include private sector deposits that reached LBP7,945.3tn, deposits of non-resident financial institutions that amounted to LBP227.15tn, and public sector deposits that stood at LBP56.15tn at the end of February 2025. 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 LBP4,405.3tn and accounted for 53.5% of total deposits in Lebanese pounds and in foreign currency at the end of February 2025, relative to 53.9% at end-2024 and to 54.4% at the end of February 2024. Further, the term deposits in Lebanese pounds of the public sector declined by 18% from the end of 2024, followed by a decrease of 0.8% in the foreign currency-denominated term deposits of the resident private sector, and a downturn of 0.4% in the foreign currency-denominated term deposits of the public sector. This was offset by a rise of 32.3% in the term deposits in Lebanese pounds of the resident private sector and an uptick of 0.2% in the term deposits of the non-resident financial sector, while the term deposits of non-residents remained nearly unchanged from end-2024. Aggregate term deposits declined by \$117.27bn 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.

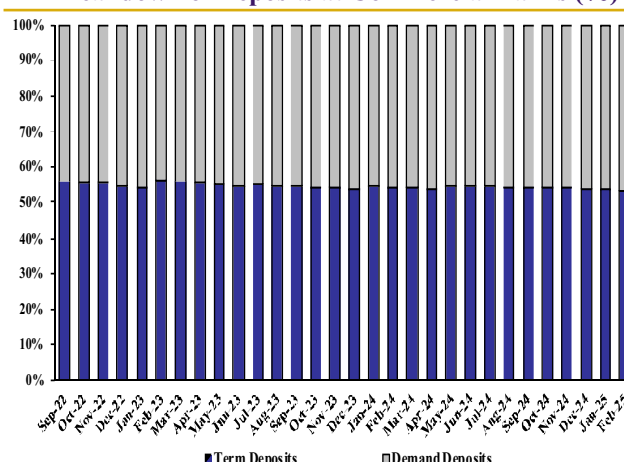
In addition, the foreign currency-denominated term deposits of the resident private sector reached \$35bn and accounted for 38% of aggregate deposits at the end of February 2025 relative to 38.5% at end-2024 and to 38.6% at end-February 2024. Term deposits of non-residents followed with \$12.3bn or 13.4% of the total, then the term deposits of the non-resident financial sector with \$1.39bn (1.5%), term deposits in Lebanese pounds of the resident private sector with LBP34.5tn (0.4%), term deposits of the public sector in foreign currency with \$149.1m (0.2%), and term deposits of the public sector in Lebanese pounds with LBP1.16tn (0.01%).

In parallel, demand deposits in all currencies at commercial banks stood at LBP3,823.4tn at the end of February 2025 compared to LBP3,788tn at end-2024 and to LBP3,855.2tn at end-February 2024. They accounted for 46.5% of aggregate deposits at end-February 2025 compared to 46.1% at end-2024 and to 45.6% at end-February 2024. Foreign currency-denominated demand deposits of the resident private sector increased by \$280.7m in the first two months of 2025, followed by an increase of \$29.1m in demand deposits of the non-resident financial sector, a rise of \$23.8m in demand deposits of non-residents, a growth of \$19.05m in demand deposits in foreign currency of the public sector, an jump of LBP3,178.3bn in demand deposits in Lebanese pounds of the public sector, and an increase of LBP653.1bn in demand deposits in Lebanese pounds of the resident private sector.

Also, demand deposits in foreign currency of the resident private sector totaled \$32bn and represented 34.8% of deposits at end-February 2025 relative to 34.6% at end-2024 and 34.9% at end-February 2024. Demand deposits of non-residents followed with \$8.66bn (9.4%), then demand deposits of the non-resident financial sector with \$1.15bn (1.2%), demand deposits in Lebanese pounds of the resident private sector with LBP39.8tn (0.5%), demand deposits in foreign currency of the public sector with \$349m (0.4%), and demand deposits in Lebanese pounds of the public sector with LBP10.4tn (0.1%).

Based on the latest available figures, Beirut and its suburbs accounted for 66% 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, Byblos Research

Life premiums up 3% to \$98.5m in 2024

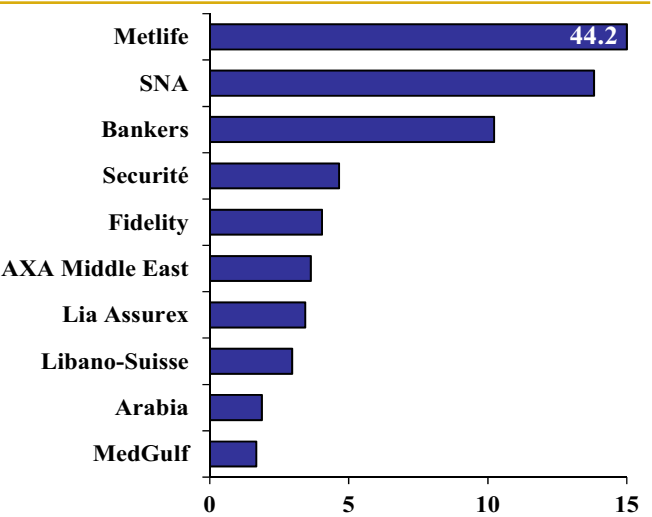
The annual survey by *Al-Bayan* magazine of the insurance sector in Lebanon indicates that total life premiums generated by 26 providers of life insurance in the Lebanese market reached \$98.45m in 2023, constituting an increase of 2.8% from \$95.75m in 2023.

MetLife maintained its market lead with \$44.15m in life premiums, equivalent to a 44.8% market share in 2024. SNA followed with \$13.8m for a market share of 14%, then Bankers Assurance with \$10.2m (10.4%), Sécurité Assurance with \$4.65m (4.7%), and Fidelity Assurance & Reinsurance with \$4.04m (4.1%) as the top five providers of life insurance in Lebanon. Adonis Insurance and Reinsurance Co. (ADIR), Byblos Bank's affiliate, came in 13th place with life premiums of \$1.1m in 2024. Also, 11 insurance providers posted increases in their life premiums last year, 12 firms saw a decline in their life premiums in 2024, while the life premiums of the remaining three insurers were unchanged year-on-year.

Further, the composition and rankings of the top 10 insurers show that the rankings of MetLife, SNA, and Bankers remained unchanged in first, second, and third place, respectively, last year. Further, the ranks of Sécurité Assurance, AXA Middle East, and Arabia Insurance improved by one spot each to fourth, sixth, and ninth place, respectively, in 2024. Also, the ranking of Fidelity Assurance & Reinsurance advanced by three notches to fifth place, while the rank of LIA Assurex increased by two spots to seventh place in 2024. In addition, MedGulf joined the top 10 in 2024, as its rank advanced by three spots to 10th place last year. In contrast, the ranking of Libano-Suisse deteriorated by four spots from fourth place in 2023 to eighth place in 2024.

The survey shows that the top 10 providers of life insurance in Lebanon accounted for 91.9% of the life insurance market, while the top 20 firms generated 99.4% of life premiums in 2024. Further, the top five life insurers in Lebanon accounted for 78.1% of the market in 2024, up from 72.5% in 2023. Their premiums totaled \$76.9m in 2024, \$69.4m in 2023, \$175.5m in 2022, \$269.3m in 2021, \$268m in 2020, \$314.8m in 2019, \$346.3m in 2018, and \$337.1m in 2017.

Life Premiums of the Top 10 Insurers in 2024 (US\$m)



Source: *Al-Bayan*, *Byblos Research*

Ratio Highlights

(in % unless specified)	2022e	2023e	2024e	Change*
Nominal GDP (\$bn)	24.9	24.3	32.8	8.5
Public Debt in Foreign Currency / GDP	246.6	177.3	134.5	(42.8)
Public Debt in Local Currency / GDP	13.5	4.3	2.3	(2.0)
Gross Public Debt / GDP	260.1	181.6	136.8	(44.8)
Trade Balance / GDP	(13.6)	(12.7)	(9.5)	3.2
Exports / Imports	24.9	24.3	28	(3.7)
Fiscal Revenues / GDP	5.5	12.9	12.5	(0.4)
Fiscal Expenditures / GDP	11.9	13.3	13.1	(0.2)
Fiscal Balance / GDP	(6.4)	(0.4)	(0.6)	(0.2)
Primary Balance / GDP	(5.4)	0.7	0.4	(0.3)
Gross Foreign Currency Reserves / M2	13.4	138.7	692.5	553.8
M3 / GDP	34.0	56.0	210.6	154.6
Commercial Banks Assets / GDP	37.8	83.0	312.7	229.7
Private Sector Deposits / GDP	28.1	68.3	269.6	201.3
Private Sector Loans / GDP	4.5	6.0	17.2	11.2
Private Sector Deposits Dollarization Rate	76.1	96.3	99.1	2.8
Private Sector Lending Dollarization Rate	50.7	90.9	97.7	6.8

*change in percentage points 24/23;

Source: Banque du Liban, 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

	2022e	2023e	2024e
Nominal GDP (LBP trillion)	675.0	2,082.0	2,943.0
Nominal GDP (US\$ bn)	24.9	24.3	32.8
Real GDP growth, % change	1.3	-1.1	-7.0
Private consumption	2.5	-3.2	-14.9
Public consumption	2.5	2.0	14.6
Private fixed capital	-16.7	6.1	-30.6
Public fixed capital	93.0	27.7	105.1
Exports of goods and services	11.0	3.7	3.8
Imports of goods and services	22.3	20.8	22.0
Consumer prices, %, average	171.2	221.3	45.2
Official exchange rate, average, LBP/US\$	1,507.5	15,000	89,500
Parallel exchange rate, average, LBP/US\$	30,313	86,362	89,500
Weighted average exchange rate LBP/US\$	27,087	85,805	89,700

Source: Institute of International Finance

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



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