

# LEBANON THIS WEEK

## In This Issue

Economic Indicators.....	1
Capital Markets.....	1
Lebanon in the News.....	2

Beirut ranks 579<sup>th</sup> globally, 26<sup>th</sup> among Arab cities on city performance index

Number of airport passengers up 5.2% in first five months of 2025

Net foreign assets of financial sector up \$7.8bn in first four months of 2025

Nearly 70% of respondents have positive perception about Lebanese products

Customs Higher Council amends duty rates of hydrocarbons

Number of new construction permits down 25% in first five months of 2025

Food Price Index up 11% year-on-year in March 2025

Currency in circulation up 44% in 12 months ending April 2025

Ministry of Finance extends deadlines for tax declarations

European Commission adds Lebanon to list of "high-risk" countries on AML/CFT concerns

## Corporate Highlights.....8

Private sector deposits at \$89bn at end-April 2025

Banque du Liban asks financial institutions to provide details on client fees

Beirut sees pick up in hotels activity

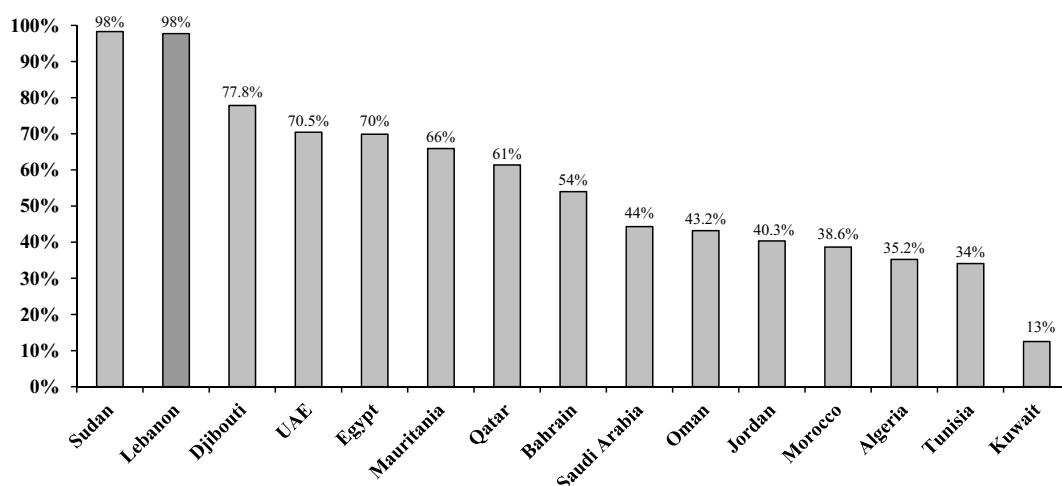
## Ratio Highlights.....10

## National Accounts, Prices and Exchange Rates .....10

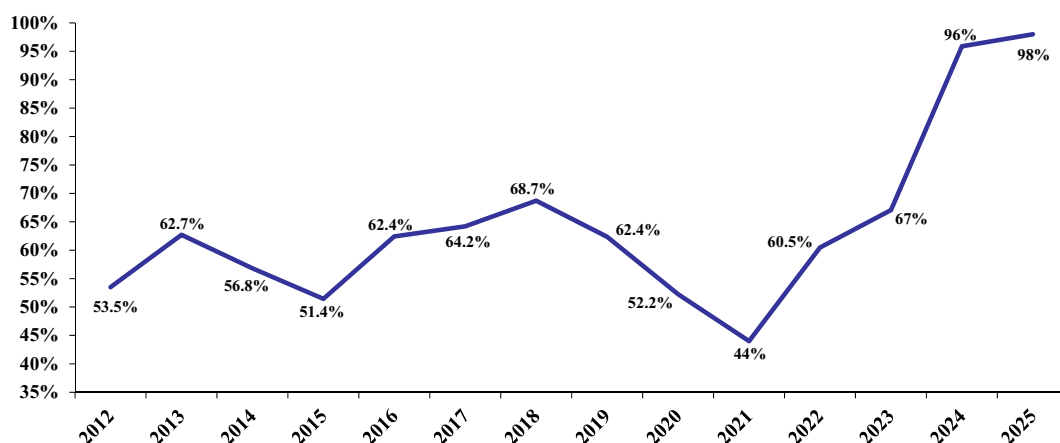
## Ratings & Outlook.....10

## Charts of the Week

Percentile Rankings of Arab Countries in terms of Government Spending in 2025\*



Percentile Rankings of Lebanon in terms of Government Spending\*



\*The Heritage Foundation defines government spending as the burden imposed by government expenditures, which includes consumption by the state and all transfer payments related to various entitlement programs. A higher percentile reflects a lower level of public expenditures than other countries included in the index

Source: Heritage Foundation, Index of Economic Freedom for 2025, Byblos Bank

## Quote to Note

"Given the limited fiscal space, it is critical that any additional public expenditures be fully offset by corresponding revenue efforts, including by strengthening enforcement and compliance in tax and customs administration."

*The International Monetary Fund, on the need for Lebanese authorities to fight tax and customs evasion*

## Number of the Week

**118.6%:** Banque du Liban's foreign currency and gold reserves at the end of May, relative to Lebanon's projected nominal GDP for 2025

## 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 %
Solidere "A"	83.70	(3.2)	14,775	40.8%	Nov 2026	6.60	16.3	175.14
Solidere "B"	81.15	(0.8)	6,070	25.7%	Mar 2027	6.85	16.3	134.48
BLOM GDR	6.02	(0.5)	3,460	2.2%	Nov 2028	6.65	16.3	61.72
Byblos Common	0.91	0.0	2,500	2.5%	Feb 2030	6.65	16.3	42.73
Byblos Pref. 09	29.99	0.0	339	0.3%	Apr 2031	7.00	16.3	33.62
HOLCIM	79.50	0.4	300	7.6%	May 2033	8.20	16.3	24.32
Audi Listed	2.75	0.0	-	7.9%	May 2034	8.25	16.3	21.45
Audi GDR	2.25	0.0	-	1.3%	July 2035	12.00	16.3	18.80
BLOM Listed	5.17	0.0	-	5.4%	Nov 2035	7.05	16.3	18.30
Byblos Pref. 08	25.00	0.0	-	0.2%	Mar 2037	7.25	16.3	16.05

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

Source: Refinitiv

	June 9 -12	June 2 -5	% Change	May 2025	May 2024	% Change
Total shares traded	32,214	37,754	(14.7%)	2,398,966	495,504	384.1
Total value traded	\$1,881,022	\$1,400,221	34.3	\$48,065,990	\$25,233,203	90.5
Market capitalization	\$20.53bn	\$20.85bn	(1.5)	\$20.64bn	\$17.12bn	20.5

Source: Beirut Stock Exchange (BSE)



## Beirut ranks 579<sup>th</sup> globally, 26<sup>th</sup> among Arab cities on city performance index

The global economic advisory firm Oxford Economics ranked Beirut in 579<sup>th</sup> place among 1,000 cities globally and in 26<sup>th</sup> place among 49 Arab cities on its Global Cities Index for 2025. Also, Beirut ranked in 49<sup>th</sup> place among 216 cities in lower middle-income countries (LMICs) included in the survey. In comparison, Beirut ranked in 773<sup>rd</sup> place globally, 39<sup>th</sup> regionally, and 97<sup>th</sup> among LMICs on the 2024 index. Based on the same set of countries in the 2025 and 2024 indices, Beirut's global, LMICs, and Arab ranks advanced by 194 spots, 48 notches, and 13 spots, respectively, from the 2024 index.

The survey measures the economic performance on cities, the level of education and the wellbeing of their residents, the volatility of their climate, and the political risks facing the cities, in order to identify the relative strengths and weaknesses of each city. The index is composed of 27 variables that are grouped in five categories that are Economics, Human Capital, Quality of Life, Environment, and Governance. The survey provides a numerical score from zero to 100 points, with 100 being the highest performance across the five categories. The score reflects a city's ability to attract investments, talent, and innovation, as well as its standard of living and effective governance. A city's score is the weighted average of its scores on the five categories, with the Economics category carrying a weight of 30%, the Human Capital and the Quality of Life categories having a weight of 25% each, and the Environment and the Governance categories carrying a weight of 10% each on the index.

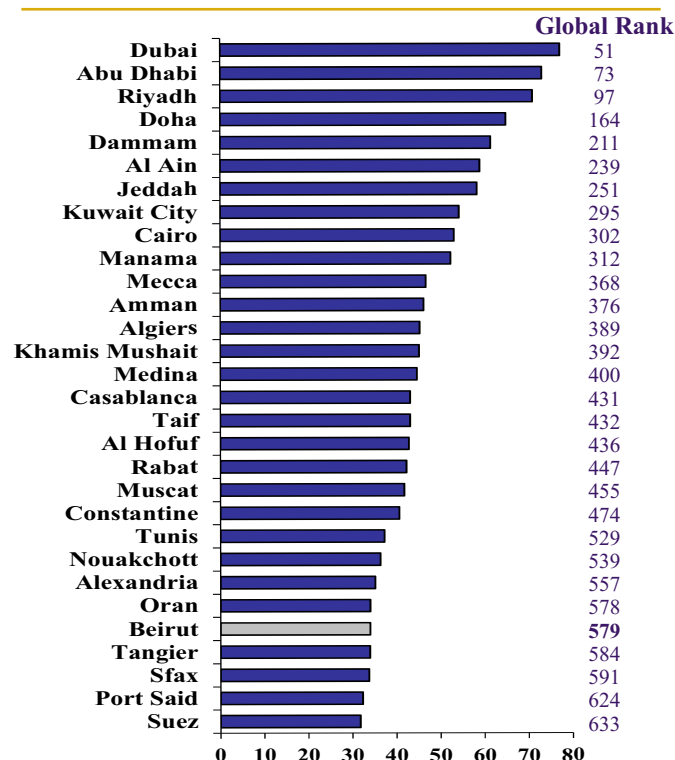
Beirut received a score of 34 points in 2025, up from 28.25 points on the 2024 index. Beirut's score came lower than the global average score of 42.1 points and the Arab average score of 38.4 points, but is higher than the LMICs average score of 27.7 points, as such, Beirut's higher than the LMICs average score of 27.7 points, as such, Beirut's global performance is better than Coimbatore in India, Dagupan in the Philippines, and Mysore in India, while it is lower performance than the performance of Cartagena in Columbia, Cagayan de Oro in the Philippines, and Oran in Algeria. Also, Beirut preceded Coimbatore and Dagupan, and came behind Douala in Cameroon and Cagayan de Oro among LMICs.

Beirut preceded Al Hofuf in Saudi Arabia and Bikaner in India, and trailed Gaborone in Botswana and Djibouti City on the Economics category. This factor measures the economic size, structure, and growth of a city, and examines its historical performance and potential. Beirut ranked ahead of Al Hofuf, Medina, Baghdad, Constantine in Algeria, Alexandria, Tangier, Fes, Tunis, Muscat, El-Mansoura, Meknes, Marrakech, Erbil, Agadir, Khartoum, Mahalla el-Kubra, Tanta, Sfax, Taif, Luxor, Basra, Asyut, Zagazig, Suez, Sohag, Sousse, Port Said, Tripoli, Oran, and Faiyum among Arab cities.

Further, Beirut preceded Turin in Italy and Culiacán in Mexico, and came behind Salta in Argentina and Tegucigalpa in Honduras on the Human Capital category. This component assesses the educational and business environments of a city, along with its demographic dynamics. Regionally, Beirut preceded Rabat, Faiyum, Asyut, Sousse, Khartoum, Mahalla el-Kubra, Sfax, Fes, Nouakchott, Agadir, Meknes, Tangier, Sohag, Marrakech, and Djibouti City.

In addition, Beirut ranked ahead of Lanzhou and Yinchuan in China, and trailed Wuhu and Daqing in China on the Quality of Living category. This factor evaluates the benefits of living in a city and the residents' wellbeing, and covers financial and health outcomes, as well as access to amenities. Also, Beirut preceded Rabat, Casablanca, Marrakesh, Tunis, Muscat, Erbil, Nouakchott, Suez, Tangier, Sousse, Alexandria, Port Said, Tripoli, Agadir, Amman, Fes, Meknes, Baghdad, El-Mansoura, Tanta, Basra, Faiyum, Luxor, Zagazig, Mahalla el-Kubra, Asyut, Sohag, Khartoum, and Djibouti City among Arab cities.

**Global Cities Index for 2025**  
**Scores & Rankings of Arab Countries**



Source: Oxford Economics, Byblos Research

**Components of the 2025 Global Cities Index for Beirut**

	Global Rank	LMICs Rank	Arab Rank
Economics	553	78	19
Human Capital	447	62	34
Quality of Life	552	17	20
Environment	725	129	27
Governance	917	205	43

Source: Oxford Economics, Byblos Research

## Number of airport passengers up 5.2% in first five months of 2025

Figures released by the Beirut-Rafic Hariri International Airport (HIA) show that 2.41 million passengers utilized the airport (arrivals, departures and transit) in the first five months of 2025, constituting an increase of 5.2% from 2.3 million passengers in the same period of 2024 and a decrease of 2% from 2.46 million passengers in the first five months of 2023.

Also, 560,099 passengers utilized the airport in May 2025, representing a decrease of 5.8% from 594,846 in April 2025 and an increase of 10.4% from 507,181 passengers in May 2024. The number of arriving passengers reached 1.26 million passengers in the first five months of 2025, as they increased by 10.7% from 1.13 million passengers in the same period of 2024 and grew by 4.8% from 1.2 million passengers in the first five months of 2023. The number of arriving passengers stood at 299,700 in May, representing increases of 6% from 283,034 passengers in April 2025 and of 12% from 267,841 in May 2024.

Also, the number of departing passengers totaled 1.14 million in the first five months of 2025, constituting decreases of 0.2% from 1.15 million passengers in the same period of last year and of 8.2% from 1.25 million passengers in the first five months of 2023. Further, the number of departing passengers reached 260,322 in May and decreased by 16.5% from 311,735 in April 2025 and increased by 9% from 238,972 departing passengers in May 2024.

In parallel, the airport's aircraft activity totaled 19,552 take-offs and landings in the first five months of 2025, representing an increase of 1.3% from 19,306 takeoffs and landings in the same period last year. In comparison, aircraft activity declined by 9.3% in the first five months of 2024 and rose by 18.5% in the same period of 2023. Also, the airport's aircraft activity stood at 4,607 take-offs and landings in May 2025, constituting increases of 1.5% from 4,539 take-offs and landings in April 2025 and of 7.2% from 4,298 takeoffs and landings in May 2024. In addition, the HIA processed 26,386 metric tons of freight in the first five months of 2025 that consisted of 19,038 tons of import freight and 7,348 tons of export freight. Middle East Airlines had 2,133 flights in the covered period and accounted for 46.3% of the HIA's total aircraft activity.

## Net foreign assets of financial sector up \$7.8bn in first four months of 2025

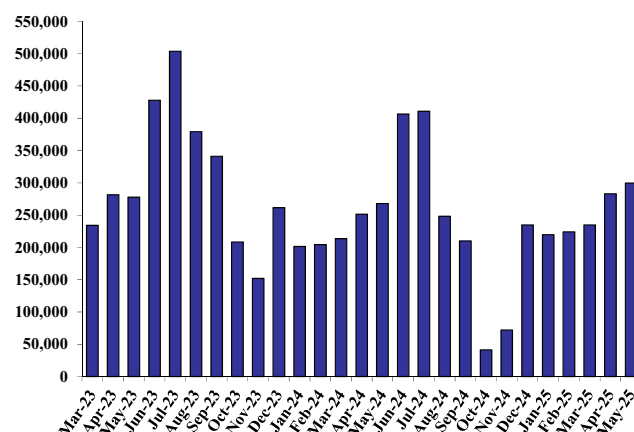
Figures issued by Banque du Liban (BdL) show that the net foreign assets of the financial sector, which are a proxy for Lebanon's balance of payments, increased by \$7.84bn in the first four months of 2025, compared to increases of \$2.77bn in the same period of 2024 and of \$1.24bn in the first four months of 2023.

The cumulative surplus in the first four months of 2025 was caused by increases of \$7.04bn in the net foreign assets of BdL and of \$806.6m in those of banks and financial institutions. Further, the net foreign assets of the financial sector rose by \$2.47bn in April 2025 compared to increases of \$2.24bn in March and \$919.1m in February 2025. The April increase was caused by a surge of \$2.21bn in the net foreign assets of BdL and by an increase of \$266.3m in those of banks and financial institutions.

The cumulative rise in BdL's net foreign assets reserves in first four months of 2025 is due mainly to increases of \$6.12bn in BdL's gold reserves and of \$923.5m in its foreign currency reserves. Also, the increase in the banks' net foreign assets in the covered period is mostly due to increases of \$484.3m in the banks' claims on the non-resident financial sector and of \$10.8m in claims on non-resident customers, which more than offset increases of \$277.2m in non-resident customer deposits and of \$74.5m in non-resident financial sector liabilities.

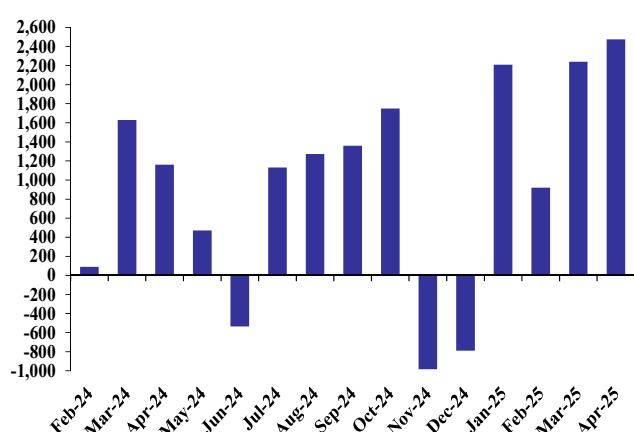
BdL said that it started in January 2024 to include monetary gold, the non-resident foreign securities held by BdL, and the foreign currencies & deposits with correspondent banks and international organizations as part of its foreign assets; while it excluded the Lebanese government's sovereign bonds and its loans in foreign currency to resident banks and financial institutions from the entry. It attributed the modifications to its adoption of the IMF's methodology as stipulated in the latter's Sixth Edition of the Balance of Payments and International Investment Position Manual and in the Monetary & Financial Statistics Manual & Compilation Guide. It added that the changes are in line with the BdL Central Council's Decision Number 37/20/24 on September 13, 2024.

Number of Arriving Passengers



Source: Beirut-Rafic Hariri International Airport

Change in Net Foreign Assets of Financial Sector (US\$m)



Source: Banque du Liban, Byblos Research



### **Nearly 70% of respondents have positive perception about Lebanese products**

A survey conducted by research firm Ipsos about public opinion towards Lebanese products shows that 69% of Lebanese respondents are aware if a product is locally made in Lebanon or is imported. It said that 77% of baby boomers, 72% of Generation X members, 69% of Millennials and 66% of the Generation Z group are aware of this differentiation. Also, it indicated that 79% of upper-income individuals are aware about the local or foreign origin of products available in the country compared to 78% of middle-income persons and 66% of lower-income individuals.

Further, it pointed out that 68% of surveyed participants expressed a positive perception about Lebanese products. Also, it noted that 61% of respondents believe that Lebanese products match international quality standards.

In parallel, it said that 97% of participants are proud to support Lebanese-made products, with minor variations across age, gender, or income levels. It indicated that 54% of respondents often recommend local products, 38% of participants sometimes promote homegrown brands, 5% rarely support domestic product lines, and 3% never endorse locally made items.

In addition, it stated that 73% of Lebanese respondents said that they increased their use of local products in the past five years, largely in response to the economic crisis. Also, it pointed out that 43% of participants choose local products to support local businesses, 38% are opting for locally-made goods due to their affordability, 22% are prioritizing locally-sourced products to help the local economy, 20% are selecting local products due to their quality and craftsmanship, and 12% are favoring local offerings to express their pride in Lebanese products.

It added that 79% of respondents indicated that they increased their purchase of locally-produced food items in the past five years, 40% revealed that they increased their usage on locally-produced beverages, 39% reported an uptick in their purchase of locally produced hair care items, 37% noted that they increased their usage of local body care products, 24% indicated that they shored up their consumption of locally-made skincare items, and 12% said that they of locally produced makeup products.

Further, it pointed out that 47% of respondents are motivated to increase their purchase of local products in the future if the products' quality is high, 45% of participants said they will be encouraged to buy more local products in the future if the price is competitive or the product has a high value for money, 39% of respondents said they will be motivated to purchase more local products to support the local community, 20% of participants aim to prioritize local products in their future shopping decisions if the products are more available and accessible, 7% plan to increase their spending on local products if they trust the products, 6% are motivated to increase their purchase of local products in the future if there are more advertising campaigns, 5% will buy more local products in the future if the product information and labeling are clear, and 4% said will be motivated to purchase more local products if the brand uses sustainable practices. Also, it stated that 45% of participants are actively seeking out products from small Lebanese businesses and 36% are sometimes searching for items that small local businesses produce, while 19% do not actively seek out products from small Lebanese businesses.

In parallel, it indicated that 74% of respondents use offline sources to obtain information about products before buying them, compared to 72% who use online sources.

Also, it stated that 77% of participants said that they discovered new Lebanese brands via social media. In addition, it noted that 78% of respondents are more likely to support a local brand that actively engages with followers online.

Ipsos said that the study covered 1,000 Lebanese individuals residing in the country who are 13 years of age or older, with a representative distribution across gender and age groups with nationwide coverage. It added that it conducted the survey via computer aided telephone interviews (CADI), but it did not specify the timeframe of the survey.

### **Customs Higher Council amends duty rates of hydrocarbons**

The Ministry of Finance issued Decision 49/2025 dated June 2, 2025 about amending customs tariff in accordance with the Harmonized System, which imposes an additional flat tax on domestic gasoline and fuel oil consumption.

It said that the Customs Higher Council amended the domestic consumption tax rate for unleaded gasoline of 98 Octane or higher to LBP1m and set its additional flat domestic consumption tax at LBP4.25m. It added that the Council adjusted the domestic consumption rate for unleaded gasoline between 95 Octane and 98 Octane to LBP1.022m and changed its additional flat domestic consumption tax to LBP4.25m. Also, it indicated that the Council amended the additional flat domestic consumption tax on gas oil or fuel oil to LBP8.45m. Further, it said that the decision goes into effect on May 29, 2025.

Figures issued by the Lebanese Customs Administration show that the imports of oil & mineral fuels reached \$4.4bn in 2024, constituting a decrease of \$257.3m, or of 5.5%, from \$4.64m in 2023. It said that Lebanon imported 7.12 million tons of oil & mineral fuel in 2024 relative to 6 million tons in 2023.



### Number of new construction permits down 25% in first five months of 2025

Figures issued by the Orders of Engineers & Architects of Beirut and of Tripoli show that the two orders issued 3,598 new construction permits in the first five months of 2025, constituting a decrease of 24.8% from 4,783 permits in the same period of 2024. Also, the orders of engineers issued 905 permits in May 2025, representing an increase of 14.3% from 792 permits in April 2025 and a drop of 25.8% from 1,220 in May 2024.

Mount Lebanon accounted for 28.7% of the number of newly-issued construction permits in the first five months of 2025, followed by the North with 24.5%, the South with 20.6%, the Nabatieh area with 12.8%, the Bekaa region with 7.1%, and Beirut with 1.1%. The remaining 5.3% were permits issued by the Order of Engineers & Architects of Tripoli for regions located outside northern Lebanon. Also, the number of new construction permits issued for regions located outside northern Lebanon surged by 75% in the first five months of 2025 from the same period of 2024, followed by permits issued in the North (+4%). In contrast, the number of new construction permits issued in Beirut dropped by 80% in the covered period, followed by permits in the Bekaa region (-56%), in the Nabatieh area (-28.3%), in the South (-26.7%), and in Mount Lebanon (-26.5%).

Further, the surface area of granted construction permits reached 3.14 million square meters (sqm) in the first five months of 2025, constituting an increase of 17% from 2.68 million sqm in the same period of 2024. Also, the surface area of granted construction permits reached 776,302 sqm in May 2025, up by 25.4% from 619,231 sqm in April 2025 and by 18.3% from 656,325 sqm in May 2024.

Mount Lebanon accounted for 1.1 million sqm, or for 35%, of the total surface area of granted construction permits in the first five months of 2025. The North followed with 636,717 sqm (20.3%), then the South with 597,212 sqm (19%), the Nabatieh region with 266,134 sqm (8.5%), the Bekaa area with 246,006 sqm (7.8%), and Beirut with 113,096 sqm (3.6%). The remaining 180,584 sqm, or 5.7% of the total, represent the surface area of permits that the Order of Engineers & Architects of Tripoli issued for regions located outside northern Lebanon.

Also, the surface area of new construction permits issued in Mount Lebanon surged by 58% in the first five months of 2025 from the same period last year, followed by surface areas in regions located outside northern Lebanon (+43.5%), in the North (+21.3%), in Beirut (+11%), in the South (+7%), and the Nabatieh (+6%). In contrast, the surface area of new construction permits in the Bekaa dropped by 42% in the covered period. In parallel, the latest available figures show that cement deliveries totaled 612,693 tons in first quarter of 2025, constituting an increase of 57% from 389,913 tons in the same quarter of 2024.

### Food Price Index up 11% year-on-year in March 2025

The Ministry of Economy & Trade's Market Food Price Index (MFPI) reached 143.8 in March 2025, constituting increases of 4.7% from 137.3 in February 2025 and of 10.6% from 130 in March 2024. The prices of fruits surged by 24% in March 2025 from the same month of 2024, followed by a rise in the prices of beverages (+16%), of vegetables & tubers (+13.5%), fresh poultry (+12.2%), fats & oils (+11.3%), dairy products (+10.8%), canned fish (+7.4%), cereals and pulses (+6.5% each), and condiments (+2.3%). In contrast, the price of sugar declined by 3.5% annually in March 2025, followed by a decline of 0.7% in the price of eggs.

Also, the prices of vegetables & tubers rose by 17.4% in March 2025 from the previous month, followed by increases in the prices of fruits (+12.4%), fresh poultry (+8.8%), beverages (+0.3%), canned fish and fats & oils (+0.2% each), and dairy products (+0.1%). In contrast, the prices of eggs regressed by 3.3% month-on-month, followed by decreases in the prices sugar (-1.1%), cereals (-0.9%), condiments and pulses (-0.1% each).

In addition, the index increased by 16% in the North governorate in March 2025 from March 2024, by 15% in the Baalbeck-Hermel, by 14% in the Akkar governorate, by 13% in the Mount Lebanon governorate, by 11% in the South governorate, by 10% in each of the Nabatieh and the Bekaa governorates, and by 9% in the Beirut governorate.

Also, food prices increased by 8% in the Baalbeck-Hermel governorate in March 2025 from the preceding month, by 6% in the Akkar governorate, by 5% in each of Beirut, the Bekaa and the North governorates, by 4% in the South governorate, by 3% in the Mount Lebanon governorate, and 2% in the Nabatieh governorate.

The ministry considered that the impact of the conflict in the Middle East, the lack of rainfall, and rising demand during the month of Ramadan contributed to price surges in locally produced fresh food items. It added that the effects of the conflict, mass displacement, and the economic deterioration during the past year had a comparatively more severe impact on prices in the North and the Baalbeck Hermel governorates than in other governorates.

The ministry and the World Food Program launched the MFPI in July 2024 to monitor the prices of food items across the country. The index is a measure of the average change over time in prices in US dollars for 65 essential food items from a sample of about 1,000 stores located across Lebanon's eight governorates, and is calculated as the weighted average of price changes for each item. The base month for the index is January 2023. The food basket consists of beverages, canned fish, cereals, condiments, dairy, eggs, fats & oils, fresh poultry, fruits, pulses, sugar, and vegetables & tubers.

## Currency in circulation up 44% in 12 months ending April 2025

Figures released by Banque du Liban (BdL) show that money supply M1, which includes currency in circulation and demand deposits in Lebanese pounds, reached LBP116,868.4bn at the end of April 2025, constituting an increase of 13.8% from LBP102,718.3bn at the end of 2024 and of 29.7% from LBP90,080bn at end-April 2024. Currency in circulation stood at LBP72,467.8bn at the end of April 2025, as it rose by 24.8% from LBP58,077.3bn at end-2024 and by 43.6% from LBP50,462.5bn at end-April 2024. Also, demand deposits in Lebanese pounds stood at LBP44,400.6bn at the end of April 2025, as they decreased by 0.5% in the first four months of 2025 and rose by 12.1% from end-April 2024.

In addition, money supply M2, which includes M1 and term deposits in Lebanese pounds, reached LBP155,107.2bn at the end of April 2025, constituting increases of 18.4% from LBP130,986bn at end-2024 and of 46.7% from LBP105,728.7bn a year earlier. Term deposits in Lebanese pounds stood at LBP38,239bn at the end of April 2025 and surged by 35.3% from LBP28,267.6bn at end-2024 and by 144.4% from LBP15,648.7bn at end-April 2024.

Further, broad money supply M3, which includes M2, deposits in foreign currency and debt securities issued by the banking sector, stood at LBP6,213 trillion (tn) at the end of April 2025, with deposits in foreign currency totaling LBP6,027.2tn and debt securities of the banking sector amounting to LBP30,598bn at end-April 2025. In parallel, M3 increased by LBP14,408.8bn in the first four months of 2025 due to a jump of LBP701,621.8bn in the net foreign assets of deposit-taking institutions and an increase of LBP7,643bn in other items, which were offset by a decline of LBP657,816.6bn in claims on the public sector and a contraction of LBP37,039.6bn in claims on the private sector.

BdL indicated that its net foreign assets include monetary gold, the non-resident foreign securities held by BdL, and the foreign currencies and deposits with correspondent banks and international organizations; while they exclude the Lebanese government's sovereign bonds and BdL's loans in foreign currency to resident banks and financial institutions.

In parallel, BdL issued Basic Circular 167/13612 dated February 15, 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.

Also, BdL requested banks and financial institutions, in line with the provisions of International Accounting Standard 21, to convert their foreign currency monetary assets and liabilities and non-monetary assets classified by fair value or by equity method at the exchange rate published on BdL's electronic platform at the date of the preparation of the financial statements. It added that the decision is applicable as of January 31, 2024. BdL had modified on February 1, 2023 the official exchange rate of the Lebanese pound against the US dollar from LBP1,507.5 per dollar to LBP15,000 per dollar, as part of the measures to unify the multiple exchange rates of the dollar that prevail in the Lebanese economy.

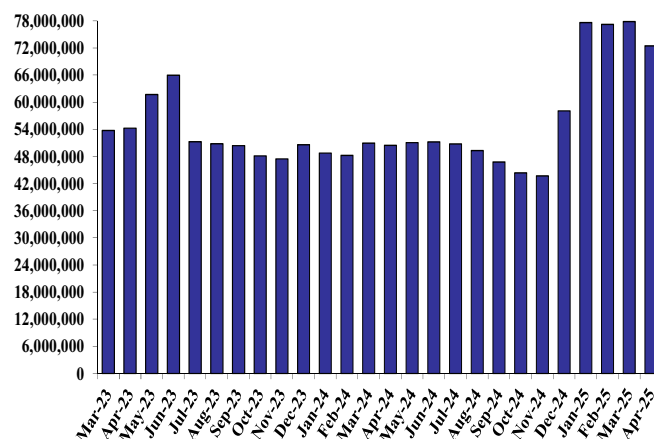
## Ministry of Finance extends deadlines for tax declarations

The Ministry of Finance issued Decision 545/1 dated June 5, 2025 that extends until June 30, 2025 the deadline for taxpayers residing in Lebanon to submit their electronic tax filing on revenues from foreign shares and stocks, as well as from debt securities, portfolio capital and other foreign movable assets for fiscal year 2024. The ministry said that taxpayers who reside in Lebanon and who receive returns from financial securities that are held abroad must file electronic tax returns in accordance with the provisions of Article 82 of Income Tax Law 144/1959.

Further, it issued Decision 546/1 dated June 5, 2025 that extends until August 29, 2025 the deadline for taxpayers to submit electronically the tax declaration and pay the tax for 2024 for taxpayers on the real profits basis for natural persons, for partnerships, and for organizations that are exempt from the income tax, other than the companies that rely on the accrual accounting system, as well as the taxable amounts under articles 41 and 42 of the Income Tax Law.

Also, it issued Decision 547/1 dated June 5, 2025 that extends the deadline for submitting and paying the annual declaration for the income tax on wages and salaries (R5), individual annual statements (R6), and the annual statement (R7) for 2024. It stated that it will communicate the decisions when necessary and that they will be published in the Official Gazette and on the Ministry of Finance website.

Currency in Circulation (LBP millions)



Source: Banque du Liban, Byblos Research

### European Commission adds Lebanon to list of “high-risk” countries on AML/CFT concerns

The European Commission announced on June 10, 2025 that it has added Lebanon, along with Algeria, Angola, Côte d'Ivoire, Kenya, Laos, Monaco, Namibia, Nepal and Venezuela, to its list of "high-risk third-party country jurisdictions" regarding anti-money laundering and the countering of the financing of terrorism (AML/CFT) concerns. It attributed its decision to the need to strengthen the international fight against financial crime, and that these jurisdictions should be added to the list in Delegated Regulation (EU) 2016/1675 of high-risk countries. It considered that the newly listed countries have strategic deficiencies in their national AML/CFT regimes, and added that the European Union entities covered by the anti-money laundering framework are required to apply enhanced vigilance in transactions involving these countries. Further, it noted that the updated list takes into account the work of the Financial Action Task Force (FATF) against money laundering and terrorism financing and, in particular, its lists of "jurisdictions under increased monitoring" in February, June and October 2024, as well as in February 2025.

The European Commission indicated that it carefully considered the concerns regarding its proposal of the list of high-risk third-country jurisdictions and conducted a thorough technical assessment, based on specific criteria and a well-defined methodology, which include information collected through the FATF, bilateral dialogues and on-site visits to the jurisdictions in question, and improved consultation with the member states of the European Union and the European Parliament. The EC said that the list will enter into force within one month from the decision if the European Parliament and the Council of the European Union do not express objections.

In October 2024, the FATF placed Lebanon on its list of "jurisdictions under increased monitoring", and said in its February update that Lebanon made a high-level political commitment to work with the FATF and the MENAFATF to strengthen the effectiveness of its AML/CFT regime, despite the challenging social, economic and security conditions prevailing in the country. It noted that, since the adoption of its Mutual Evaluation Report (MER) in May 2023, Lebanon has made progress on several of the MER's recommended actions and has applied measures to its financial sector, such as Banque du Liban issuing a circular for banks and financial institutions to establish a department dedicated to combating bribery and corruption-related crimes, and for guidance on politically exposed persons, in addition to taking measures against unlicensed financial activity.

It indicated that Lebanon will continue to work with the FATF to implement its action plan by first, conducting assessments of specific TF and ML risks identified in the MER, and ensuring that there are policies and measures in place to mitigate these risks. Second, improving mechanisms to ensure the timely and effective execution of requests for mutual legal assistance, extradition, and asset recovery.

Third, enhancing the understanding of risks by Designated Non-Financial Businesses and Professions (DNFBPs) and applying effective, proportionate and dissuasive sanctions for breaches of AML/CFT obligations. Fourth, making sure that information on beneficial ownership is up-to-date and that there are adequate sanctions and risk-mitigation in place for legal persons. Fifth, enhancing the use by the relevant authorities of the products of the financial intelligence unit (FIU) and of financial intelligence.

Sixth, demonstrating a sustained increase in investigations, prosecutions and court rulings for the types of ML in line with the risk. Seventh, improving its approach to asset recovery, and identifying and seizing illicit cross-border movements of currency and precious metals and stones. Eighth, pursuing TF investigations and sharing information with foreign partners related to investigations of TF as called for in the MER.

Ninth, enhancing the implementation of targeted financial sanctions without delay, particularly at DNFBPs and certain non-banking financial institutions. Tenth, implementing targeted and risk-based monitoring of high-risk non-profit organizations (NPOs), without disrupting or discouraging the activity of legitimate NPOs.

In parallel, the European Commission indicated that Lebanon has not yet fully addressed the concerns that led to its addition to the FATF's list of "jurisdictions under increased monitoring". As such, it declared that Lebanon should be considered a "high-risk third country". But it said that it welcomes the commitment and progress made by Lebanon so far despite the current challenging circumstances.



## Private sector deposits at \$89bn at end-April 2025

The consolidated balance sheet of commercial banks operating in Lebanon shows that total assets stood at LBP9,188.7 trillion (tn), or the equivalent of \$102.7bn, at the end of April 2025, compared to LBP9,231.6tn (\$103.1bn) at end-2024 and to LBP9,281.5tn (\$103.7bn) at end-April 2024. Loans extended to the private sector totaled LBP495.4tn at the end of April 2025, with loans to the resident private sector reaching LBP416.4tn and credit to the non-resident private sector amounting to LBP78.95tn at the end of the month. Loans extended to the private sector in Lebanese pounds reached LBP11.87tn, as they increased by 2.5% from LBP11.58tn at the end of 2024; while loans in foreign currency totaled \$5.4bn at end-April 2025 and decreased by 7.1% from \$5.82bn at the end of 2024. The figures reflect Banque du Liban's (BdL) 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.

In nominal terms, credit to the private sector in Lebanese pounds increased by LBP289bn in the first four months of 2025 and by LBP1,512.85bn from a year earlier, while lending to the private sector in foreign currency decreased by \$413.7m in the covered period and dropped by \$1.4bn from end-April 2024. Further, loans extended to the private sector in Lebanese pounds contracted by LBP15.7tn (-57%) and loans denominated in foreign currency dropped by \$35.7bn (-87%) since the start of 2019. The dollarization rate of private sector loans regressed from 98.3% at the end of April 2024 to 97.6% at end-April 2025. The average lending rate in Lebanese pounds was 7.35% in April 2025 compared to 2.78% a year earlier, while the same rate in US dollars was 3.69% relative to 1.78% in April 2024.

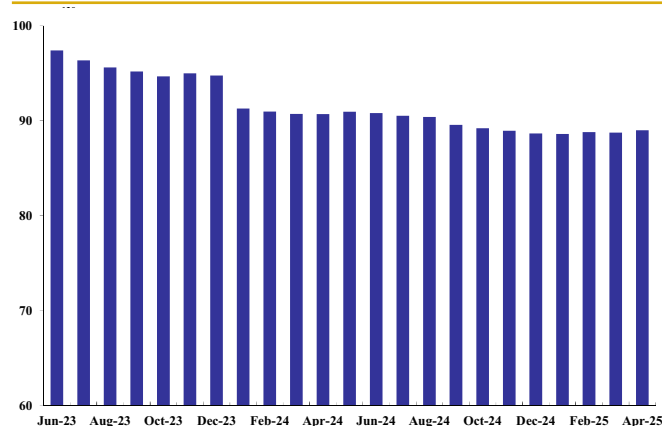
In addition, claims on non-resident financial institutions stood at \$5.18bn at the end of April 2025, constituting increases of \$484.3m (+10.3%) from the end of 2024 and of \$802.1m (+18.3%) from end-April 2024. Also, claims on non-resident financial institutions dropped by \$3.96bn (-43.3%) from the end of August 2019 and by \$6.8bn (-56.8%) since the start of 2019. Further, deposits at foreign central banks totaled \$720.5m, constituting a rise of \$94m (+15%) in the first four months of 2025 and a decrease of \$64.4m (-8.2%) from a year earlier. Also, cash in vault in LBP stood at LBP7,168.1bn compared to LBP7,179.8bn at end-2024 and to LBP9,327bn at end-April 2024. In addition, the banks' claims on the public sector amounted to LBP215.7tn at end-April 2025, representing increases of 3.5% from LBP208.4tn end-2024 and of 2.2% from LBP211tn end-April 2024. Also, the banks' holdings of Lebanese Treasury bills stood at LBP8.45tn, while their holdings of Lebanese Eurobonds reached \$2.3bn net of provisions at end-April 2025 relative to \$2.21bn a year earlier. Further, the deposits of commercial banks at BdL stood at LBP7,106.2tn at the end of April 2025, or \$79.4bn, compared to LBP7,122.4tn (\$79.58bn) at the end of 2024.

In parallel, private sector deposits totaled LBP7,940.8tn, or \$89bn, at the end of April 2025. Deposits in Lebanese pounds reached LBP80.7tn at end-April 2025, as they increased by 19% from end-2024 and by 43.6% from a year earlier; while deposits in foreign currency stood at \$88.1bn, nearly unchanged from the end of 2024, and decreased by 2.2% from end-April 2024. Resident deposits accounted for 76.2% and non-resident deposits represented 23.8% of total deposits at end-April 2025. Private sector deposits include about \$3bn in "fresh" funds.

In addition, private sector deposits in Lebanese pounds surged by LBP12,836.3bn and foreign currency deposits increased by \$200.5m in the first four months of 2025, while private sector deposits in Lebanese pounds expanded grew by LBP24,517.8bn and foreign currency deposits dropped by \$1.96bn from a year earlier. Also, aggregate private sector deposits in Lebanese pounds increased by LBP7.93tn (+11%) and foreign currency deposits declined by \$36.2bn (-29.1%) from the end of August 2019, while total private sector deposits in Lebanese pounds grew LBP3.53tn (+4.6%) and foreign currency deposits dropped by \$35bn (-28.4%) since the start of 2019. The dollarization rate of private sector deposits regressed from 99.3% at the end of April 2024 to 99% at the end of April 2025.

Further, the liabilities of non-resident financial institutions reached \$2.58bn at the end of April 2025, increasing by 3% from \$2.51bn at end-2024 and decreasing by 3% from \$2.66bn at end-April 2024. Also, the average deposit rate in Lebanese pounds was 1.93% in April 2025 compared to 1.14% a year earlier, while the same rate in US dollars was 0.04% in April 2025 relative to 0.05% in April 2024. In addition, the banks' aggregate capital base stood at LBP383.2tn (\$4.3bn) at the end of April 2025 compared to LBP428.5tn (\$4.8bn) at the end of 2024.

Private Sector Deposits (US\$bn)



Source: Banque du Liban, Byblos Research

### **Banque du Liban asks financial institutions to provide details on client fees**

Banque du Liban (BdL) issued announcement No. 964 dated June 12, 2025 addressed to banks, financial institutions, and individuals subject to the provisions of Articles 183 and 184 of the Code of Money and Credit, or lending bureaus (*Comptoirs*).

First, it asked banks, financial institutions, and lending bureaus to prepare a list that includes accurate and documented information about the actual cost of interest, commissions, fees, expenses, charges, amounts, and other payments, whatever their form or name, that their clients incur for all operations, accounts, credits, investments, and services that they conduct or receive, as well as the method of their calculation, the mechanism of their collection, and the frequency of their maturity such as daily, monthly, quarterly, annually, or in case it is an one-time fee.

Second, it required banks, financial institutions, and lending bureaus to send the list to BdL by June 30, 2025 at the latest. Third, it said that the institutions that do not comply with this announcement will be subject to the administrative penalties stipulated in the applicable laws and regulations, particularly in Article 208 of the Code of Money and Credit. Fourth, it noted that the announcement goes into effect immediately upon its publication.

In parallel, BdL issued Intermediate Circular 679/13587 dated October 3, 2023 addressed to banks about modifying Basic Circular 147/13100 of September 3, 2019 related to the opening of bank accounts, and after requesting the opinion of the Association of Banks in Lebanon

First, the circular asked banks to refrain from imposing new fees on deposit accounts that they did not levy prior to October 31, 2019. Second, it asked banks to prepare a list of detailed and documented information on the effective cost of the accounts on clients, as well as on the calculation and collection of the fees, in order to avoid including undeclared fees. Third, it required banks to post the list in a clear location at their headquarters, at all branches, and on the banks' website no later than October 16, 2023. Fourth, it stated that the Banking Control Commission of Lebanon will monitor the proper implementation of the clauses of the circular, and that any breach of the provisions of the circular will expose the bank to administrative penalties as per Article 208 of the Code of Money and Credit.

### **Beirut sees pick up in hotels activity**

The five-star Voco Beirut Central District officially opened its doors on June 4, 2025, following its soft opening in November 2024. The hotel has 127 rooms and suites, in addition to a health and fitness facility, a Spa, a swimming pool, as well as a ballroom and conference and business amenities. The Voco brand is part of the InterContinental Hotels Group. In addition, the View - Saint Georges Hotel Beirut, a four-star hotel, opened its doors on May 25, 2025. The hotel, a new annex to the Saint Georges Hotel, features 22 rooms, as well as chalets on the adjacent beachfront.

In parallel, Kingdom Beirut sal announced that the Four Seasons Hotel Beirut will officially reopen its doors in the Beirut Central District in the first quarter of 2026 after undergoing a comprehensive rehabilitation. The hotel, located adjacent to Beirut's Zeituna Bay Marina, will be upgraded to the highest international standards. The five-star Four Seasons Beirut was severely damaged in the explosion at the Port of Beirut on August 4, 2020 and closed its doors since then. The five-star hotel was developed by the Saudi-based Kingdom Hotel Investment Group, a subsidiary of the Riyadh-based Kingdom Holding Company, at a cost of about \$146m and opened its doors on January 10, 2010. In early 2018, Kingdom Hotel Investment Group sold its share in the hotel to a group of investors for between \$100m and \$115m. The hotel has 170 rooms and 60 suites, and offers a range of amenities that include a spa, a rooftop pool, a fitness center, dining options, and event spaces.

Further, Le Gray Hotel in Beirut, a five-star hotel that closed its doors during the October 2019 protests and suffered significant damages following the explosion at the Port of Beirut, is undergoing reconstruction, but it has not set yet its reopening date. The hotel has 103 rooms and suites, and offers a variety of dining, entertainment, leisure, and event facilities.

## 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



---

**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](mailto:research@byblosbank.com.lb)**  
**[www.byblosbank.com](http://www.byblosbank.com)**

---

Lebanon This Week is a research document that is owned and published by Byblos Bank sal. The contents of this publication, including all intellectual property, trademarks, logos, design and text, are the exclusive property of Byblos Bank sal, and are protected pursuant to copyright and trademark laws. No material from Lebanon This Week may be modified, copied, reproduced, repackaged, republished, circulated, transmitted, redistributed or resold directly or indirectly, in whole or in any part, without the prior written authorization of Byblos Bank sal.

The information and opinions contained in this document have been compiled from or arrived at in good faith from sources deemed reliable. Neither Byblos Bank sal, nor any of its subsidiaries or affiliates or parent company will make any representation or warranty to the accuracy or completeness of the information contained herein.

Neither the information nor any opinion expressed in this publication constitutes an offer or a recommendation to buy or sell any assets or securities, or to provide investment advice. This research report is prepared for general circulation and is circulated for general information only. Byblos Bank sal accepts no liability of any kind for any loss resulting from the use of this publication or any materials contained herein.

The consequences of any action taken on the basis of information contained herein are solely the responsibility of the person or organization that may receive this report. Investors should seek financial advice regarding the appropriateness of investing in any securities or investment strategies that may be discussed in this report and should understand that statements regarding future prospects may not be realized.

---



# 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](mailto: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](mailto: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](mailto: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](mailto: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](mailto: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](mailto: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](mailto: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](mailto: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

