

LEBANON THIS WEEK

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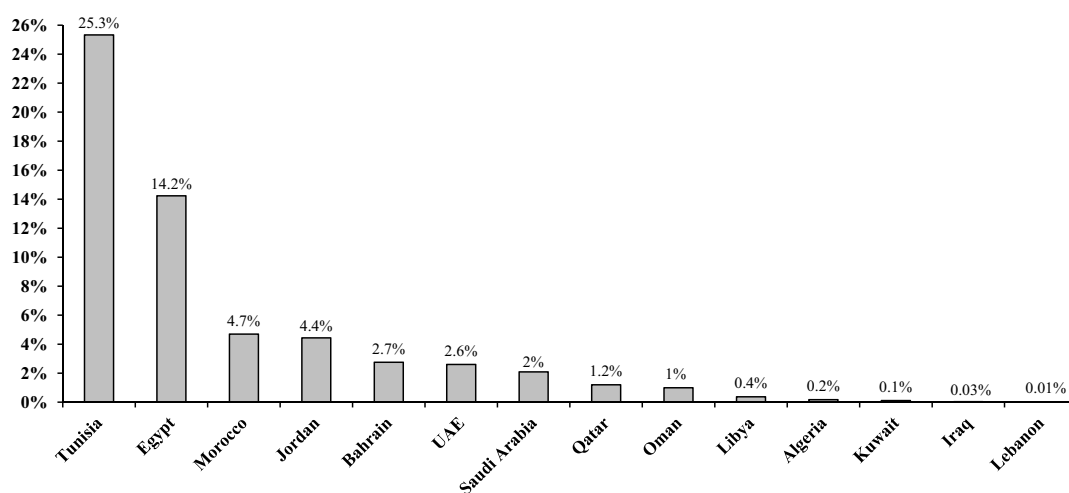
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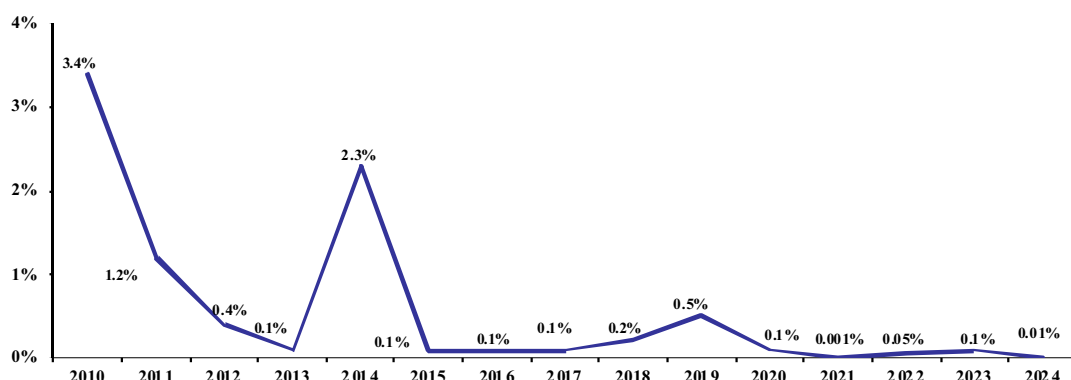
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Charts of the Week

Greenfield Foreign Direct Investments in Arab Countries in 2024 (% of GDP)



Greenfield Foreign Direct Investments in Lebanon (% of GDP)



Source: UNCTAD, International Monetary Fund, World Bank, Byblos Bank

Quote to Note

"The current window of opportunity to effect real change in Lebanon will not stay open indefinitely."

Ms. Jeanine Hennis-Plasschaert, the United Nation's Special Coordinator for Lebanon, on the need for the Lebanese authorities to urgently carry out political and security measures, as well as implement structural reforms

Number of the Week

21.7%: Percentage increase in the cost of healthcare in the 12 months ending June 2025, according to the Central Administration of Statistics' Consumer Price Index

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"	84.50	(0.3)	46,941	40.4%	Nov 2026	6.60	18.5	177.56
Solidere "B"	84.00	(6.4)	21,876	26.1%	Mar 2027	6.85	18.5	133.50
Audi Listed	3.00	9.1	11,940	8.4%	Nov 2028	6.65	18.5	59.05
Audi GDR	2.35	14.6	4,844	1.3%	Feb 2030	6.65	18.5	40.50
BLOM GDR	5.75	0.0	3,000	2.0%	Apr 2031	7.00	18.5	31.72
HOLCIM	78.00	2.2	815	7.3%	May 2033	8.20	18.5	22.85
Byblos Common	0.86	(9.5)	-	2.3%	May 2034	8.25	18.5	20.12
Byblos Pref. 09	29.99	0.0	-	0.3%	July 2035	12.00	18.5	17.62
BLOM Listed	5.17	0.0	-	5.3%	Nov 2035	7.05	18.5	17.14
Byblos Pref. 08	25.00	0.0	-	0.2%	Mar 2037	7.25	18.5	15.02

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

Source: Refinitiv

	July 21-25	July 14-18	% Change	June 2025	June 2024	% Change
Total shares traded	89,516	665,085	(86.5)	496,925	477,018	4.2
Total value traded	\$6,036,042	\$8,214,432	(26.5)	\$10,857,127	\$18,325,430	(40.8)
Market capitalization	\$20.90bn	\$21.14bn	(1.1)	\$23.52bn	\$16.54bn	42.1

Source: Beirut Stock Exchange (BSE)



Travel and tourism industry to contribute 24.4% of GDP in 2025

The World Travel & Tourism Council (WTTC) estimated that the broad travel and tourism (T&T) industry in Lebanon contributed 19.8% of the country's GDP in 2024, compared to contributions of 8.4% of GDP in 2023 and of 18.9% of GDP in 2019. It also estimated that the T&T industry generated LBP716.3 trillion (tn) in revenues in 2024 relative to LBP302.7tn in 2023 and LBP954.6tn in 2019. The estimates represent the direct, indirect and induced impact of the industry on economic activity. The WTTC said that all figures are in constant 2024 prices and exchange rates.

Also, it pointed out that there were 315,000 jobs in the T&T industry in Lebanon in 2024 compared to 298,578 in 2023 and 416,600 jobs in 2019. As such, the industry accounted for 19.6% of total employment in Lebanon in 2024 compared to a share of 18.6% in 2023 and of 23% in 2019.

Also, it estimated the aggregate spending by international visitors in Lebanon at LBP519.7tn in 2024 relative to LBP201.9tn in 2023 to LBP820.7tn in 2019. It added that domestic spending on T&T reached LBP53.5tn in 2024 compared to LBP40tn in 2023 and to LBP77.8tn in 2019. Further, it noted that leisure spending in Lebanon reached LBP542.2tn, while spending related to business activities totaled LBP30.9tn in 2024.

In parallel, it expected the T&T industry in Lebanon to contribute to 24.4% of GDP in 2025 and 25.6% of GDP in 2035. It forecast the T&T industry to generate LBP889.9tn in revenues in 2025 and LBP,237.8tn in 2035, and to post a compound annual growth rate (CAGR) of 3.1% during the 2025-35 period. In addition, it anticipated the employment in the T&T industry at 344,900 jobs in 2025 and 492,600 jobs in 2035, which would account for 21.3% of aggregate jobs in Lebanon in 2025 and for 25.2% of employment in 2035.

Also, it projected the aggregate spending by international visitors in Lebanon to stand at LBP618.7tn in 2025 and LBP789.8tn in 2035 and to post a CAGR of 2.2% during the 2025-35 period. Further, it forecast domestic spending on T&T at LBP66.7n in 2025 and at LBP113.6tn in 2035 for a CAGR of 5.2% in the 2025-35 period.

United Nations disburses \$4.5m for nutrition assistance in first quarter of 2025

The United Nations (UN) indicated that international contributions to the nutrition sector component of the Lebanon Response Plan (LRP) reached \$4.45m in the first quarter of 2025 compared to \$0.5m in the same period of 2024. They represented 14% of the \$31.24m that the LRP appealed for to assist affected Lebanese and non-Lebanese individuals in the country in 2025. It also noted that it carried over \$3.47m from funding it received in 2024, which was equivalent to 11% of the total appealed funds, and resulted in aggregate funding of \$7.92m in the first quarter of 2025. As such, it said that total funding in the first quarter of the year covered 25% of the funds it appealed for, resulting in a funding gap of \$23.3m, or 75%, in 2025.

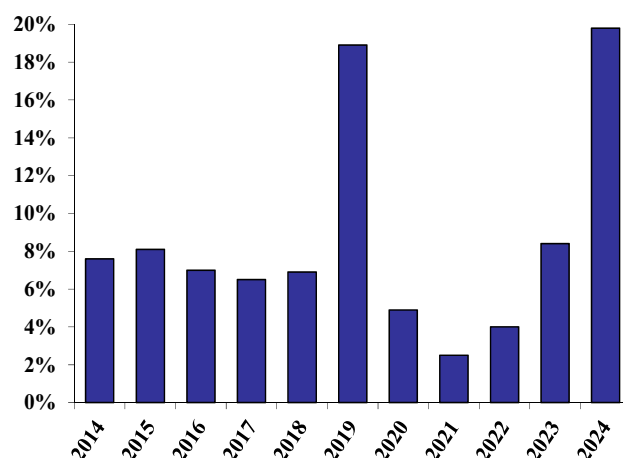
The LRP 2024-2025 is a joint initiative between the Lebanese government and international and national partners that aims to address the country's humanitarian needs. The LRP also aims to promote progress against development objectives in the longer term. The plan comes after the expiration of the LCRP for the 2015-2016, the 2017-2021, and the 2022-2023 periods.

Also, it pointed out that it distributed nutrition assistance to 190,477 individuals across Lebanon in the first quarter of 2025 who consisted of 101,187 vulnerable Lebanese citizens, or 53.1% of the total, followed by 84,921 displaced Syrians (44.6%), 3,484 migrants (1.8%), 842 Palestinian refugees in Lebanon (0.4%), and 43 Palestinian refugees from Syria (0.02%). It pointed that the LRP reached out to 85,446 infants and children under five years old, or 45% of the total, followed by 82,053 adolescents (43%), and 22,978 pregnant and breastfeeding women (12%) in the first quarter of 2025.

It also helped 85,446 infants and children under five years old, out of an initial target of 378,077 children, by supporting individuals who underwent screening and growth monitoring services at primary health care centers. It added that the LRP provided support to caregivers in terms of skilled infant and young child feeding to 4,022 caregivers of children under two years old out of an initial target of 111,704.

Further, it indicated that it provided awareness to 82,053 school-age children and adolescents out of a target of 104,109 in Lebanon. It added that the LRP reached out to 3,116 pregnant and breastfeeding women, out of an initial target of 105,050, through multiple micronutrient supplements and iron and folic acid.

Travel & Tourism Industry Contribution to GDP (%)



Source: WTTC, Byblos Research

Nearly 45% of citizens dissatisfied with government’s performance

A survey conducted by the Lebanese market research and opinion polling firm InfoPro sal shows that 50% of respondents consider that the current government’s performance does not constitute a change from its predecessors, while 38% believe that the Council of Ministers’ performance is different than previous ones, and 12% did not express an opinion.

In addition, it pointed out that 44% of Lebanese respondents expressed dissatisfaction with the government's performance in the July 2025 survey compared to 22% in the May 2025 survey, while 34% noted that they are satisfied with the government's work relative to 60% in the preceding poll. It added that 66% of respondents attributed their dissatisfaction to the absence of reforms or achievements, 15% pointed to a weak economy and poor public services, another 15% cited ineffective dealings with Israel, and 4% mentioned other reasons for their disappointment. However, 44% of satisfied respondents attributed their answer to the government’s changes and good work, 40% considered that it inspires hope, and 6% cited other reasons.

Also, it indicated that 61% of survey participants considered that the government did not produce tangible achievements; 16% believed that it has improved the security and political situation in the country; 10% noted progress in governance, transparency, and democratic practices; 8% saw progress in Lebanon’s foreign relations; and 5% cited positive changes in services, the public administration, and the economy.

In addition, the survey’s results indicate that 45% of participants are "fairly optimistic" about the near future, 24% are "pessimistic", 17% are "very optimistic", and 10% are "very pessimistic". In comparison, 55% of participants in the May 2025 survey were "fairly optimistic" about the near future, 24% were "pessimistic", 17% were "very optimistic", and 10% were "very pessimistic". Further, it said that 45% of respondents are "fairly optimistic", 22% are "pessimistic", 21% are "very optimistic", and 7% are "very pessimistic" for the long term.

Further, the poll’s results show that 30% of surveyed participants considered that the government will face many difficulties to perform well its duties in the medium- and long terms, 29% expected it to face some challenges, 21% said that the government will not be able to perform its duties effectively in the covered period, and 16% expressed confidence that the government will perform very well. In comparison, 17% of surveyed participants in the February 2025 survey considered that the government will face many difficulties to perform well its duties in the medium- and long terms, 32% expected it to face some challenges, 17% said that the government will face many difficulties in its tasks, and 37% expressed confidence that the government will perform its duties very well in the medium- and long terms.

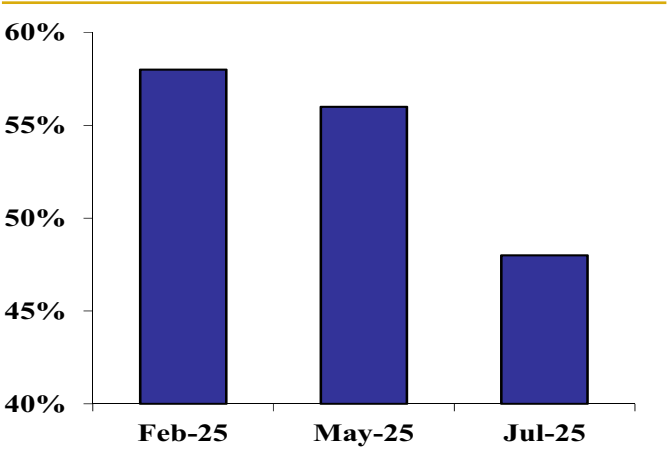
Moreover, the survey’s finding indicate that 79% of respondents believe that the government will improve Lebanon’s relations with the Arab world, 60% anticipate the government to upgrade basic services, 53% expect the authorities to restructure the banking sector, another 53% indicated that the government will be able to fight corruption, 48% said the government is likely to implement the reforms required by the International Monetary Fund, and 42% indicated that the government will enforce United Nations Security Council Resolution 1701. In comparison, 58% of respondents in the February 2025 survey believed that the government will improve Lebanon’s relations with the Arab world, 76% anticipate the government to upgrade basic services, 68% expected the authorities to restructure the banking sector, 58% believed that the government will be able to fight corruption, 58% said the government is likely to implement the reforms that the IMF requires, and 54% indicated that the government will enforce UN Security Council Resolution 1701.

In parallel, the survey’s results indicate that 27% of respondents consider the performance of Prime Minster Nawaf Salam to be "poor" or "very poor", 21% believe it is "average", while 47% said that the Prime Minister’s performance has been "good" or "excellent". In comparison, 13% of respondents in the May 2025 poll considered the performance of PM Salam as "poor" or "very poor", 27% believed it was "average", while 51% rated the Prime Minister’s performance as "good" or "excellent". Further, 60% of participants in the July 2025 survey rated President Joseph Aoun’s performance as "good", 19% had a "neutral" opinion, while 16% were dissatisfied with the president’s work.

InfoPro considered that the findings point to growing public frustration, eroding trust, and a more cautious outlook towards the future compared to previous surveys, as it noted that overall satisfaction with the government has dropped significantly, with the disapproval rating currently outweighing approval. It added that the data reflects the urgency of bold, confidence-restoring actions, particularly regarding the implementation of UN Resolution 1701, the economic recovery, public services, and anti-corruption efforts.

The firm conducted the survey in July 2025 based on the response of 1,500 Lebanese citizens who reflect the country's demographics in terms of gender, age, religious confession, and area of residence.

Percentage of Respondents Satisfied with Government Ability to Implement IMF-required Reforms



Source: InfoPro

Lebanon to accede to Madrid Protocol for trademark registration

The Lebanese Parliament enacted Law 20 on June 30, 2025 that authorizes the government to accede to the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, as amended in November 2007. The framework is governed by the Madrid Agreement Concerning the International Registration of Marks that was concluded in 1891 and by the Protocol relating to the Agreement that was reached in 1989, and is known as the Madrid Protocol or the Madrid System. It is a treaty that simplifies the process of registering trademarks in multiple countries by obtaining an international registration that has effect in each country or organization that is party to the Madrid System.

The Council of Ministers submitted to Parliament in May 2024 the related draft law for its approval. It said that Lebanon's accession to the Madrid Protocol is part of the country's international obligations, as Lebanon pledged to conclude a number of multilateral treaties related to intellectual property rights before March 1, 2008, including the Madrid Agreement, which requires enacting a law that authorizes the government to complete the accession process in accordance with the prevailing procedures.

It pointed out that the protocol allows for the protection of a trademark registered in a large number of countries through international registration, which is effective in each of the designated signatories, and allows for the transfer of international registration with respect to all contracting parties. It noted that the international registration of trademarks through the Madrid Protocol is considered appealing to investors due to the advantages it grants to trademark owners, especially to businesspersons and multinational companies, as it exempts them from filing separate national applications in each country where they do business, and helps trademark owners pay a single set of fees instead of paying various elevated fees.

Further, it noted that the international registration of trademarks according to the Madrid System does not clash with the prerogatives of the Intellectual Property Protection Office at the Ministry of Economy & Trade, given that the registration requires submitting applications to the international bureau for trademark registration through the department, and allows it to determine a fee for filing each international application or renewing international registration.

Also, it indicated that joining the Madrid System would increase revenues to the Treasury through fees collected by the relevant agency for each application it processes or through distributed receipts to member states according to each one's contribution. It pointed out that the Madrid Protocol will not impose financial burdens on the Lebanese Treasury, as the budget of the Madrid Union, which is the collective name for all countries and inter-governmental organizations that are members of the Madrid Protocol, is financed by international registration fees and other services provided under the Agreement.

In addition, it stated that the Madrid Protocol is accessible to all states that are signatories to the Paris Convention for the Protection of Industrial Property of 1883, as Lebanon was one of the first countries to join the convention, and there is no legal impediment preventing Lebanon from acceding to it.

The law went into effect upon its publication in the Official Gazette on July 17, 2025, following its signature by President Joseph Aoun on July 11, 2025.

The Property Rights Alliance ranked Lebanon in 110th place among 125 countries around the world and in 12th place among 14 Arab countries on its International Property Rights Index for 2024. Also, Lebanon came in 21st place among 29 lower middle-income countries included in the survey. Globally, Lebanon had a more adequate level of property rights than Nicaragua, Madagascar and Iran, while it had a weaker level of property rights than Pakistan, Bangladesh and Cameroon among economies with a GDP of \$10bn or more.

Port of Beirut processes 1.96 million tons of freight in first four months of 2025

Figures released by the Port of Beirut show that the port processed 1.96 million tons of freight the first four months of 2025, constituting an increase of 18.2% from 1.66 million tons of freight in the same period of 2024. Imported freight totaled 1.71 million tons in the first four months of 2025, up by 22.5% from 1.4 million tons in the same period last year. It accounted for 87.2% of the total processed freight in the first four months of 2025. In addition, the volume of exported cargo reached 251,000 tons in the first four months of 2025, representing a decrease of 4.6% from 263,000 tons in the same period of 2024, and accounted for 12.8% of aggregate freight in the covered period. A total of 465 vessels docked at the port in the first four months of 2025, down by 9.7% from 515 ships in the same period of the preceding year. The port handled 525,000 tons of freight in April 2025, up by 6% from 558,000 tons in March 2025. In addition, 111 vessels docked at the port in April 2025 compared to 129 ships in the preceding month.

In parallel, the Port of Tripoli processed 798,000 tons of freight in the first four months of 2025, constituting a decrease of 19,000 tons, or of 2.3%, from 817,000 tons in the same period last year. Imported freight stood at 627,000 tons in the covered period and rose by 132,000 tons, or by 26.7%, from 495,000 tons in the first four months of 2024. Imports accounted for 78.6% of freight activity in the covered period. Further, the volume of cargo that was exported through the port reached 171,000 tons in the first four months of 2025, representing a drop of 151,000 tons, or of 47% from 322,000 tons in the same period of 2024, and accounted for 21.4% of aggregate freight in the covered period. A total of 272 vessels docked at the port in the first four months of 2025, constituting an uptick of 8.8% from 250 ships in the same period of 2024. The port handled 191,000 tons of freight in April 2025, down by 22% from 245,000 tons in March 2025. Also, 74 vessels docked at the port in April 2025 compared to 71 ships in March 2025.



Parliament enacts \$200m loan to support agri-food sector

The Lebanese Parliament enacted Law 17 on June 30, 2025 about the government's request to accept a World Bank (WB) loan of \$200m to support the Green Agri-food Transformation for Economic Recovery Project (GATE). Lebanon signed the loan agreement with the WB on May 8, 2024 and the latter's Board of Executive Directors approved the loan on June 25, 2025.

The loan aims to support farmers and small- and medium-sized enterprises (SMEs) operating in the agri-food sector. It aims to rehabilitate agricultural infrastructure, restore farmers' productivity, and improve agricultural services, as well as to contribute to rebuild irrigation networks, rural roads, and storage facilities. It added that the GATE project aims to provide direct financial and technical support to farmers, and allocates cash programs and facilitates credit opportunities to revive agricultural communities. It noted that the project targets all regions in Lebanon, with a potential focus on agricultural areas that were damaged or destroyed by the Israeli war.

Further, the distribution of the funds shows that the WB will allocate \$100m to upgrade the agriculture-related infrastructure in rural communities, rehabilitate infrastructure and services managed by government institutions that support agriculture, and sustain the agri-food sector's resilience to climate change. Second, it will earmark \$71m to facilitate access to finance in order to improve the competitiveness and resilience of farmers and SMEs in the agri-food value chains, promote climate-smart practices, achieve additional value-added, strengthen linkages between farmers and the agri-business sector and markets, and unlock diversification opportunities. Third, it will assign \$21m to increase the capacity of farmers and SMEs to support the recovery and transformation of the agri-food sector, which includes the mechanization of agricultural information, strengthening food safety systems, and supporting export promotion and marketing. Fourth, it will earmark \$8m to support coordination among various stakeholders; report climate-related benefits to the Ministry of Environment to comply with the requirements of the Paris Agreement; uphold environmental and social standards for the project; coordinate funding distribution within the project; strengthen internal practices and audits; boost communication and media activities, and develop a citizens engagement mechanism.

Further, the terms of the loan consist of a front-end fee of 0.25% of the loan amount, while the WB calculates the interest rate on the loan as the Reference Rate plus the variable spread. Also, the payment dates of the principal are mid-April and mid-October of each year, with the reimbursement of 2.63% of the principal starting on October 15, 2028 until October 15, 2046, and a payment of 2.69% of the principal on April 15, 2047. Also, it indicated that the project will measure the improved resilience of farmers and SMEs through monitoring the rise in the volume of sales of agri-food products for participants in the program; tracking the increase in the number of farmers who adopt climate-smart agricultural practices; increasing areas that receive improved/new irrigation or drainage services; and overseeing the rise in the number of municipalities with improved services.

It noted that the government will establish a steering committee chaired by the Minister of Agriculture, the Minister of Energy & Water, and the Minister of Economy & Trade to oversee the implementation of the project, and that the committee will be responsible for approving the project's annual work plan and budget. It added that the Council for Development & Reconstruction will manage and coordinate the project.

National poultry strategy aims to increase contribution to economic output to \$1.53bn by 2035

The Lebanese Poultry Syndicate launched the Lebanese National Poultry Strategy that aims to achieve self-sufficiency in the production of poultry. It indicated that the objectives of the strategy consist of determining the potential of the domestic poultry sector, developing a self-sufficiency framework and evaluating its benefits, highlighting the role of government agencies in supporting the sector, and developing coordination and governance mechanisms to activate the national strategy. Also, it estimated that the sector is the most promising and economically viable source for the production of animal protein.

It considered that achieving self-sufficiency in poultry production is essential for Lebanon's food security, trade balance, ecosystem development, and price stability. First, it said that self-sufficiency in poultry production increases the level of the country's food security. Second, it pointed out that poultry self-sufficiency supports import substitution, which, in turn, helps to narrow the trade deficit. Third, it stated that local poultry production contributes to the growth of several sub-sectors, including pet food, fertilizers, and feed for fish and pork. Fourth, it indicated that a self-sufficient poultry sector helps with capacity planning and reduces monthly price fluctuations.

Further, it noted that the poultry self-sufficiency framework is based on three pillars that are production capacity, production efficiency & optimization, and value chain localization. Also, it expected the strategy to increase poultry production sufficiency from 85% of demand in 2024 to 115% of consumption in 2035. It anticipated the rise in poultry production to increase the sector's contribution to the country's GDP from \$620m in 2024 to \$1.53bn in 2035, and to expand employment in the sector from 36,000 jobs in 2024 to 89,400 job opportunities in 2035.

In parallel, it recommended a three-phased approach to poultry self-sufficiency. It indicated that the first phase, which covers the 2025-2030 period, consists of increasing the poultry capacity to 100% through faster licensing and developing compliance and monitoring mechanisms to predict future production, as well as to increase the export of non-consumed products. It added that the second phase, which encompasses the 2030-35 timeframe, is based on preparing for regional exports by increasing output capacity to 115% of demand, updating trade agreements, and the widespread implementation of farming compliance and monitoring mechanisms. Also, it noted that the third phase, which starts in 2035 onwards, consists of exporting excess capacity regionally to shield Lebanon from oversupply and, as a result, from market price fluctuations. In addition, it stressed the importance of strengthening coordination among 12 ministries and government entities for the successful implementation of the strategy.

Money supply up 20% in 12 months ending July 17, 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 LBP111,031bn on July 17, 2025, constituting a decrease of 1.5% from LBP112,672bn on July 10, 2025 and a rise of 20.3% from LBP92,330bn on July 17, 2024. M1 contracted by LBP1,641.7bn during the week ending July 17, 2025 due to decreases of LBP934.3bn in currency in circulation and of LBP707.4bn in demand deposits.

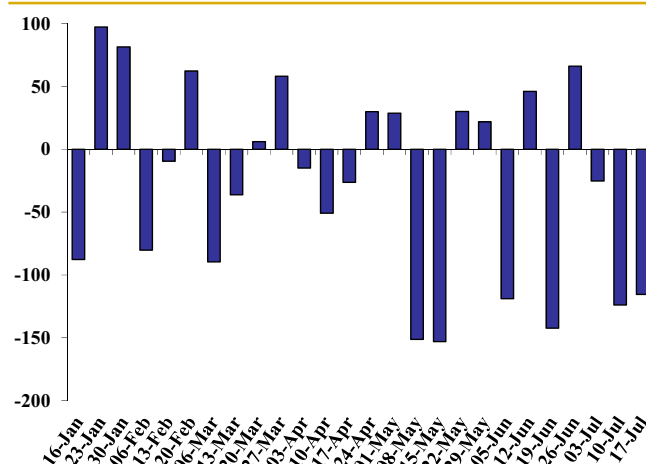
In addition, money supply M2, which includes M1 and term deposits in Lebanese pounds, totaled LBP145,870bn on July 17, 2025, representing an increase of LBP112.2m, or of 0.1%, from LBP147,758bn on July 10, 2025 and representing a surge of 26.6% from LBP115,231bn a year earlier. Money supply M2 increased by LBP112.15bn in the week ending July 17, 2025, while it rose by LBP30,638.9bn year-on-year.

Further, broad money supply M3, which includes M2, deposits in foreign currency and debt securities issued by the banking sector, reached LBP6,108.4 trillion (tn) on July 17, 2025, and regressed by LBP10,223.6bn, or by 0.2%, during the week ending July 10, 2025, and representing a decrease of 4% from LBP6,359.1tn on July 17, 2024. Also, BdL indicated that deposits denominated in foreign currency declined by \$115.48m in the week ending July 17, 2025. The surge in M3 is due to the impact of the prevailing exchange rate of the Lebanese pound against the US dollar of LBP89,500 per dollar that BdL started to use on February 8, 2024 for money supply figures.

Also, money supply M4, which includes M3 and Treasury bills held by the non-banking system, including accrued interest, totaled LBP6,114.7tn on July 17, 2025, constituting a decrease of LBP10,279.1bn (-0.2%) from LBP6,124.96tn a week earlier and relative to LBP6,378.7tn on July 17, 2024. BdL stated that the Treasury bills portfolio held by the non-banking sector dropped by LBP55.52bn during the week ending July 17, 2025.

BdL issued 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. 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.

Weekly Change in Foreign Currency Deposits (USm)



Source: Banque du Liban, Byblos Research

Increase in minimum wage to go into effect at start of August

The Ministry of Labor's Decree No. 699 about the increase in the minimum wage was published in the Official Gazette on July 24, 2025, following its signature by President Joseph Aoun on July 18, and will go into effect on August 1, 2025. The Council of Ministers issued Decision No. 5 dated June 27, 2025 that approved the increase of the minimum wage of all private sector employees and workers who are subject to the labor law from LBP18m to LBP28m per month, and raised the wage of daily workers from LBP820,000 per day to LBP1.8m.

The government attributed its decision to the request by the Ministry of Labor to approve a draft decree to adjust the official minimum wage for employees and workers subject to the labor law. It added that the ministry requested the opinion of the Council of the State regarding the draft decree, and that the latter approved the decree without reservations. It also indicated that it will review the cost of living average within six months from the date that the decree goes into effect. It stated that the increase in the minimum wage will be effective from the first day of the month following its publication in the Official Gazette.

Previously, the Council of Ministers issued Decision 7/69 dated April 4, 2024 that approved a draft decree that aims to increase the minimum wage of all private sector employees and workers who are subject to the labor law. The decree doubled the minimum wage from LBP9m to LBP18m per month and raised the wage of daily workers to LBP820,000 per day, starting on April 1, 2024. Second, it amended the ceiling of the contributions to the Sickness & Maternity category of the National Social Security Fund to LBP50m per month instead of five times the minimum wage. It indicated that representatives of the Economic Associations, the General Labor Confederation, and the Lebanese government met on March 19, 2024, and agreed on the need to support employees and workers who are subject to the labor law by adjusting the cost of living and increasing the minimum monthly wage, in light of the economic crisis that led to the depreciation of the exchange rate of the Lebanese pound against foreign currencies.

In April 2023, the Council of Ministers issued Decree no. 11224 that increased the cost of living by LBP4.5m per month to all private sector employees and workers who are subject to the labor law, which raised the minimum wage to LBP9m per month and lifted the wage of daily workers to LBP410,000 per day. Further, government Decree no.10598 that went into effect on October 20, 2022 stipulated the increase in the minimum monthly salary from LBP2m to LBP2.6m and raised the wage of daily workers by LBP28,000 per day. Previously, the government increased the minimum wage by LBP1.325m as per Decree No. 9129 of May 5, 2022, and raised it again by LBP600,000 according to Decree No. 10598 of October 19, 2022. It pointed out at the time that employees with a monthly salary that do not exceed LBP4,000,000 will benefit from a raise of LBP1,325,000 to their salaries, while those whose daily wage does not exceed LBP182,000 will receive an increase of LBP61,000 to their wages.

The government's last increases of the minimum wage for the private sector before the start of prevailing economic and financial crisis was in 2008 and then in early 2012. In January 2012, the Council of Ministers approved the agreement that the Economic Associations and the General Labor Confederation reached, which stipulated raising the minimum wage by 35% from LBP500,000 to LBP675,000, or the equivalent of \$447.80 at the time. The wage increase at the time represented the inflation rate between the end of 1995 and the end of 2011.

Banque du Liban's liquid foreign reserves at \$10.13bn, gold reserves at \$24.1bn at end-2024

Banque du Liban's (BdL) detailed balance sheet for 2024 showed that its total assets reached LBP8,328.4 trillion (tn) on December 31, 2024, relative to LBP1,620.4tn at end-2023. BdL said 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. It noted that its decision is in accordance with the Central Council's Decision 13588 dated October 25, 2023, in order to ensure the alignment of the balance sheet entries with international standards and with the implementation of international best practices.

On the assets side, BdL's Foreign Reserve Assets stood at \$10.13bn at end-2024 compared to \$9.35bn at end-2023. The distribution of reserves shows that cash in vault and accounts at banks stood at LBP893.9tn, or \$10bn, and accounts at international organizations totaled \$101.2m at end-2024. The dollar figures are based on the official exchange rate of the Lebanese pound to the US dollar of LBP15,000 per dollar starting in February 2023 until the end of 2023, and of LBP89,500 per dollar starting in January 2024.

Further, the value of BdL's gold reserves reached \$24.1bn at the end of 2024 relative to \$19.17bn at end-2023, with the revaluation adjustment of gold and foreign currencies at LBP2,852.5tn at end-2024 compared to LBP512.5tn at end-2023. Also, BdL's securities portfolio totaled LBP555,935bn at end-2024 relative to LBP138,427.3bn at end-2023, and consisted of LBP93.2tn in securities and LBP462.8tn in Lebanese Treasury bills. In addition, total loans reached LBP1,526.8tn at end-2024 compared to LBP270,782.1bn at end-2023. The distribution of loans shows that loans to the local financial sector stood at LBP39,639.6bn at end-2024 compared to LBP21,270.4bn at end-2023, loans to the public sector totaled LBP1,487tn at end-2024 relative to LBP249,203.3bn at end-2023, and loans to the private sector reached LBP263.8bn at end-2024 compared to LBP308.3bn at end-2023.

Also, it indicated that total receivables and transitional accounts stood at LBP21,598bn at end-2024 relative to LBP15,052.3bn at end-2023, which consist of various debtors for LBP10,866.6bn, receivables of LBP7,063bn, and settlement accounts for LBP3,668.4bn.

Moreover, Deferred Open-Market Operations totaled LBP141,696bn at the end of 2024 relative to LBP118,971.3bn at end-2023, while the Revaluation Adjustments item on the asset side reached LBP3,015,838.7bn at end-2024 relative to LBP647,301.8bn at end-2023.

On the liabilities side, BdL's balance sheet indicates that total deposits reached LBP8,181.1tn at end-2024 relative to LBP1,538.9tn at end-2023. The distribution of deposits at BdL shows that the deposits of the financial sector reached LBP7,636.2tn or the equivalent of \$85.3bn at end-2024 relative to LBP1,338.7tn or \$89.2bn at end-2023; public sector deposits totaled LBP540,183.4bn at end-2024 compared to LBP198,595.8bn a year earlier; private sector deposits reached LBP4,787.3bn at end-2024 relative to LBP1,527.2bn at end-2023; while deposits of international institutions totaled LBP39.1bn at end-2024 compared to LBP64.2bn at end-2023. Also, it indicated that total payables and transitional accounts stood at LBP4,501.7bn at end-2024 relative to LBP4,061.1bn at end-2023, which consist of payables of LBP2,894.5bn, various creditors for LBP1,485bn, and settlement accounts for LBP122.2bn. Also, foreign loans reached LBP9,595.2bn, or \$114.5m, at end-2024 compared to LBP1,717.1bn , or \$107.2m, at end-2023; while provisions for risks and charges stood at LBP9,743.1bn at the end of 2024.

In addition, currency in circulation outside BdL stood at LBP65,564bn at end-2024 compared to LBP58,096bn a year earlier.

Also, BdL's private funds totaled LBP57,866.4bn at the end of 2024 relative to LBP10,560bn at end 2023 and consisted of LBP55,191bn in revaluation adjustments on fixed financial assets, LBP2,524.7bn in reserves, LBP150.8bn in grants, and LBP15m in capital.

Import activity of top five shipping firms and freight forwarders up 43.5% in first four months of 2025

Figures released by the Port of Beirut show that the aggregate volume of imports by the top five shipping companies and freight forwarders through the port totaled 86,737 20-foot equivalent units (TEUs) in the first four months of 2025, constituting an increase of 43.5% from 60,449 TEUs in the same period last year. The five shipping and freight forwarding firms accounted for 91.3% of imports to the Lebanese market in the covered period.

Merit Shipping handled 34,592 TEUs in the first four months of 2025, equivalent to 28% of the total import freight market to Lebanon. Mediterranean Shipping Company (MSC) followed with 24,957 TEUs (20.3%), then Sealine Group with 18,882 TEUs (15.4%), Gezairi Transport with 5,398 TEUs (4.4%), and El Gharib shipping with 2,771 TEUs (2.3%). Sealine Group registered a rise of 582.6% in imports in the first four months of 2025, the highest growth rate among the covered companies, while A.P. Moller-Maersk posted a drop of 90.3%, the steepest decrease among the five firms in the first four months of 2025 from the same period of 2024. Also, the import shipping operations of the top five firms through the port increased by 4.6% in April 2025 from the preceding month and by 88% from April 2024.

In parallel, the aggregate volume of exports by the top five shipping and freight forwarding firms through the Port of Beirut reached 20,119 TEUs in the first four months of 2025, constituting a decrease of 9.7% from 22,269 TEUs in the covered period of 2024. The five companies accounted for 95.6% of exported Lebanese cargo in the covered month.

Merit Shipping handled 10,712 TEUs of freight in the first four months of 2025, equivalent to 51% of the Lebanese cargo export market. Sealine Group followed with 4,817 TEUs (23%), then MSC with 2,887 TEUs (13.7%), Gezairi Transport with 1,047 TEUs (5%), and El Fil Shipping with 656 TEUs (3%). Sealine Group posted a surge of 703% in exported cargo in the first four months of 2025, the highest growth rate among the covered companies, while A.P. Moller-Maersk registered a fall of 98.3%, the steepest decline among the five firms year-on-year in the first four months of 2025. The export-shipping operations of the top five companies regressed by 0.2% in April 2025 from the previous month and increased by 6.6% from April 2024.

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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