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BYBLOS BANK SAL

Economic Research & Analysis Department

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NEWS HEADLINES

WORLD

Global debt equivalent to 326% of GDP at end-March 2025

The Institute of International Finance indicated that global debt, which includes the debt of governments, corporates and households, reached $324.3 trillion (tn) at the end of March 2025, constituting an increase of $11.2tn, or of 3.6%, from $313tn at end-March 2024. The debt of advanced economies accounted for 67.2% of the total, while the debt of emerging markets (EM) represented the balance of 32.8%. It noted that the debt reached 325.5% of the weighted average global GDP at end-March 2025 compared to 327.7% of global GDP at end-March 2024. It added that the debt of advanced economies amounted to $217.7tn or 373.6% of GDP, while the debt level of EMs totaled $106.5tn or 245% of GDP at end-March 2025. It pointed out that the aggregate government debt totaled $97.1tn, or 97.9% of global GDP, at end-March 2025, followed by corporates excluding financial institutions debt with $94tn (91.3% of GDP), financial sector indebtedness with $73tn (77% of GDP), and household debt with $60.4tn (59.2% of GDP). In parallel, it said that EM corporate debt excluding financial institutions totaled $40.8tn or 92.5% of GDP at end-March 2025, followed by EM government borrowing at $31.7tn (72.7% of GDP), EM household debt at $19.8tn (46.1% of GDP), and the financial sector's indebtedness at $14.1tn (33.5% of GDP). Also, it noted that the borrowing of governments in advanced economies amounted to $65.3tn or 113% of GDP, followed by the financial sector's indebtedness at $58.8tn (103% of GDP), corporate debt ex-financial institutions at $53tn (90.6% of GDP), and household debt at $40.6tn (67% of GDP).

Source: Institute of International Finance

Greenfield FDI down 4% to $1.3 trillion in 2024

Figures released by fDi Markets show that global greenfield foreign direct investments (FDI) reached $1.29 trillion (tn) in 2024, constituting a decrease of 3.6% from $1.34tn in 2023. There were 17,036 greenfield FDI projects in 2024 worldwide compared to 16,427 projects in 2023. The Asia-Pacific region attracted $393.8bn in greenfield FDI and accounted for 30.5% of the total in 2024, followed by Europe with $311.2bn (24%), North America with $268.2bn (20.8%), Latin America & the Caribbean (LAC) with $160.1bn (12.4%), and the Middle East & Africa (ME&A) with $158.3bn (12.3%). In addition, Europe was the recipient of 5,976 greenfield FDI projects in 2024 and accounted for 35% of the total, followed by the Asia-Pacific region with 4,338 projects (25.5%), North America with 2,800 projects (16.4%), the ME&A region with 2,687 projects (15.8%), and LAC with 1,235 projects (7.2%). Further, the renewable energy sector attracted $270.1bn in greenfield FDI, or 27% of the total in 2024, followed by the communications sector with $165.7bn (16.6%), the semiconductors industry with $120.3bn (12%), the real estate industry with $92.2bn (6.1%), and the coal, oil & gas industry with $89.1bn (9%). In parallel, greenfield FDI projects created 2.44 million jobs in 2024, down by 13.5% from 2.82 million jobs in 2023. The United States invested $217.2bn in greenfield projects across the globe, or 16.8% of the total, followed by the United Kingdom with $56.5bn (4.4%), and Japan with $49.6bn (3.8%).

Source: fDi Markets, Byblos Research

MENA

Level of digital government services varies across region

The United Nations Economic and Social Commission for Western Asia (ESCWA) ranked Saudi Arabia in first place among 17 Arab countries on its Government Electronic and Mobile Services Maturity Index for 2024. The UAE followed in second place, then Qatar (3rd), Oman (4th), and Bahrain (5th), as the five Arab countries with the most mature digital government services. In contrast, Syria (13rd), Libya (14th), Mauritania (15th), Yemen (16th), and Somalia (17th) are the five Arab countries in the survey with the least developed e-government services available to citizens. The index assesses the availability and the level of maturity of digital services that Arab governments provide through online platforms and mobile applications. It aims to measure the progress and sustainability of the digital transformation at the national level in each Arab country, and highlights the issues in e-government services that need to be fixed. The index consists of 35 key performance indicators that are grouped in the Service Availability and Sophistication Pillar, the Service Usage and User Satisfaction Pillar, and the Public Outreach Pillar. The level of maturity of e-government services improved in 10 Arab countries, declined in seven Arab economies, and was unchanged in one country year-on-year. Further, Saudi Arabia ranked in first place in the Service Usage and User Satisfaction Pillar and on the Public Outreach Pillar, the UAE came first on the Service Availability and Sophistication Pillar, while Somalia ranked in last place on the three pillars.

Source: ESCWA, Byblos Research

KUWAIT

Profits of listed companies up 10% to $8.6bn in 2024

The cumulative net profits of 141 companies listed on Boursa Kuwait reached KD2.8bn, or $8.6bn, in 2024, constituting an increase of 9.7% from KD2.56bn ($7.8bn) in 2023. Earnings stood at KD755.31m ($2.4bn) in the first quarter, KD699.3m ($2.2bn) in the second quarter, KD711.13 ($2.3bn) in the third quarter, and KD699.22 ($2.2bn) in the fourth quarter of 2024. Listed banks generated net profits of $5.1bn in 2024 and accounted for 59.2% of total earnings, followed by financial services providers with $975.6m (11.3%), telecommunications firms with $875m (10.2%), real estate firms with $488.2m (5.7%), industrial companies with $486m (5.6%), insurers with $256m (3%), companies in the discretionary consumers goods segment with $251.5m (3%), oil and gas companies with $67.4m (0.8%), basic materials firms with $47.5m (0.6%), consumer staples companies with $31m (0.4%), utilities firms with $28.3m (0.3%), and healthcare providers with $2.5m (0.02%). Further, the net earnings of firms in the discretionary consumers goods segment surged by 75% in 2024, followed by the net earnings of oil and gas companies (+56%), real estate firms (+44%), financial services providers (+36.4%), insurers (+10.8%), basic materials companies (+9.3%), and banks (+8%). In contrast, the income of healthcare providers decreased by 86% in 2024, followed by the net earnings of utilities firms (-27%), consumer staples companies (-14.4%), industrial companies (-11.3%), and telecommunications firms (-10.8%).

Source: KAMCO, Byblos Research

ALGERIA

Economic outlook dependent on diversification efforts and hydrocarbon prices

The World Bank projected Algeria's real GDP growth rate to decelerate from 3.3% in 2024 to 3.2% in 2025 and 3.1% in 2026, driven by a moderation in non-hydrocarbon sector activity, despite a recovery in hydrocarbon production and exports. It considered that Algeria's economy remains dependent on the oil and gas sector, despite diversification efforts.

In parallel, it forecast the fiscal deficit to widen from 13.5% of GDP in 2024 to 14.3% of GDP in 2025 and to narrow to 13.4% of GDP in 2026. It attributed the wide fiscal deficit to declining hydrocarbon receipts that would limit the increase in public revenues, as well as to modest tax receipts despite fiscal consolidation efforts. As such, it forecast the public debt level to increase from 49.1% of GDP in 2024 to 60.9% of GDP in 2025 and 67.8% of GDP in 2026, given that hydrocarbon savings would only partially finance the fiscal deficit. Further, it expected the current account deficit to widen from 1.4% of GDP in 2024 to 7.1% of GDP in 2025 and 6.3% of GDP in 2026 due to declining hydrocarbon exports and an increase in private investment-driven imports.

In addition, it considered that Algeria's economic outlook is contingent on its ability to foster rapid, private-sector-led growth and job creation. It said that the global shift towards a low-carbon economy could reduce demand for hydrocarbons, while supply may become constrained by growing domestic consumption. It added that climate shocks could impact the country's agricultural output, imports, and prices. As such, it considered the diversification away from carbon-intensive growth, exports, and fiscal revenues, along with a gradual fiscal rebalancing, to be crucial to the economic outlook.

Source: World Bank

ANGOLA

Lower oil prices to impact fiscal and external balances

Standard Chartered Bank (SCB) projected Angola's real GDP growth rate to decelerate from nearly 4.2% in 2024 to 4% in 2025, as it expected lower oil prices to increase economic risks. It anticipated activity in the oil sector to decelerate from about 3.8% in 2024 to 0.8% in 2025, and for real non-oil GDP to accelerate from nearly 4.4% in 2024 to 4.6% in 2025. Also, it expected lower oil prices to reduce foreign currency liquidity in the absence of a flexible monetary policy. Further, it projected the high inflation rate and tight monetary policy to persist amid lower availability of foreign currency.

In parallel, it indicated that oil production and prices remain key for the performance of the external and fiscal balances, and expected oil and non-oil revenues to decline in the near term. Also, it projected the primary fiscal surplus to decrease from about 5% of GDP in 2024 to 3% of GDP in 2025, and for the non-oil primary fiscal deficit to widen from about 5.5% of GDP in 2024 to 7% of GDP in 2025. Also, it forecast the public debt level to decrease from 49% of GDP in 2024 to 45% of GDP in 2025, driven mainly by the repayment of loans to China, but it noted that 83% of the government's debt is exposed to exchange rate risks.

Further, it projected the current account surplus to decline from about $6.5bn in 2024 to $2.5bn in 2025 due to lower oil exports receipts. It noted that outflows from the financial account, driven by the repatriation of investments, have prevented a higher current account surplus in the 2017-24 period, and expected this trend to continue in 2025. Also, it said that market sentiment is weak, given uncertainties following the U.S. administration's tariff announcements and the expected increase in oil output by the OPEC+ coalition. It expected political risks to be elevated as Angola approaches the August 2027 presidential elections, which may reduce appetite for unpopular reforms.

Source: Standard Chartered Bank

IRAQ

Economic outlook contingent on structural reforms and oil prices

The International Monetary Fund (IMF) projected the real growth rate of Iraq's non-oil sector to decelerate from 2.5% in 2024 to 1% in 2025, driven by lower oil prices and financing constraints that are weighing on government spending and consumer sentiment, despite the recovery of the agriculture, manufacturing, and construction sectors as a result of the post-drought recovery, expanded oil refining capacity, and the rapid expansion in household credit. Further, it estimated that the implementation of reforms covering the labor market, business regulations, the financial sector and governance could double the potential growth of the non-oil sector in the medium term. Also, it expected the current account deficit to widen considerably in 2025 due to declining oil export revenues, and anticipated the deterioration in the external position to weigh on the Central Bank of Iraq's (CBI) foreign currency reserves.

In parallel, the IMF called on the authorities to implement urgent measures to preserve the stability of the fiscal and external balances, as it considered that a highly uncertain global environment, falling oil prices, and acute financing pressures are putting pressure on economic activity and are exacerbating the country's existing vulnerabilities. Further, it stressed the need for a significant fiscal adjustment through containing the public wage bill, mobilizing non-oil tax revenues, completing the restructuring of state-owned banks, and limiting fiscal risks, as well as for promoting private sector growth by reforming the labor market, improving the business environment, enhancing governance and fighting corruption. Also, it urged the government to review current and capital spending plans for 2025 and to limit or postpone all non-essential expenditures in the very short term.

Further, it said that expanding investments in the non-oil sector, especially in trade and transportation infrastructure, should help diversify the economy. In addition, it called for strengthening the accountability frameworks for the operations of state-owned enterprises in the oil, electricity and construction sectors. Also, it urged the authorities to explore options to diversify the sources of financing away from traditional lenders to support economic growth and fiscal stability, as well as to avoid the monetary financing of the deficit, as it could increase inflation, drain foreign currency reserves, and weaken the CBI's balance sheet. It considered that Iraq's outlook is subject to downside risks that include a highly uncertain global environment, falling oil prices, acute financing pressures, and a deteriorating external position.

Source: International Monetary Fund

GCC

Compulsory insurance and economic growth to support insurers in 2025

Moody's Ratings expected the underwriting profitability of the insurance sector in the economies of the Gulf Cooperation Council (GCC) to increase in 2025, driven by the implementation of compulsory insurance in Kuwait, Oman, Qatar, Saudi Arabia and the UAE, as well as by the governments' investments in non-oil industries that will support economic growth. It said that the insurance penetration rate in the GCC posted an average of 2% of GDP in 2023, with the penetration rate of the life insurance segment at 0.2% of the GDP and the penetration rate of the non-life insurance segment at 1.8% of GDP. It indicated that higher activity in the construction, tourism, and manufacturing sectors will drive demand for a broader range of insurance products, including property, liability, health, and specialty insurance. It said that rising demand for health and life insurance will support the revenue growth of insurers this year. However, it considered that larger insurers will outperform smaller ones, as the latter will struggle to increase their profitably due to intense price competition, rising claims, and high regulatory, reinsurance and technology costs, which will put pressure on the solvency of weaker insurers and lead to continued consolidation in the sector. Further, it noted that GCC insurers' investment portfolios are skewed towards relatively high-risk assets, including domestic equities and real estate, which increases investment risks and magnifies their exposure to Middle East geopolitical tensions and to current macroeconomic uncertainties. It noted that the insurers' reliance on investment income rose in 2024, which increased their sensitivity to market risk.

Source: Moody's Ratings

EGYPT

External funding needs at $76.7bn in 2025-27 period

Goldman Sachs projected Egypt's external financing requirements at $28bn in the fiscal year that ends in June 2025, and at $24.93bn in FY2025/26 and $23.8bn in FY2026/27, compared to $30.1bn in FY2023/24. It also noted that Egypt needs to cover medium- and long-term external debt payments of $9.8bn in FY2024/25, $9.6bn in FY2025/26, and $7.9bn in FY2026/27. Further, it projected the funding gap at $2.1bn in FY2024/25 and $2.6bn in FY2025/26, and to revert to a surplus of $909m in FY2026/27. It expected that the authorities will source their external funding needs in the FY2024/25-FY2026/27 period from $50.3bn in foreign direct investments, $21bn in portfolio inflows, and $11bn in medium and long-term borrowing. It estimated that the country will cover its funding gap during the covered period with $11.3bn from the International Monetary Fund and third parties, as well as from $6bn in proceeds from the sale of state assets. Also, it forecast the residual funding gap at $13.5bn in the covered period. As such, it projected the current account deficit at 4.9% of GDP in FY2024/25, at 3.8% of GDP in FY2025/26, and at 3.7% of GDP in FY2026/27. Further, it forecast foreign currency reserves at $48.5bn at end-June 2025, $52.6bn at end-June 2026 and $58.4bn at end-June 2027. In parallel, it considered that downside risks consist of lower Suez Canal receipts, a sharper pick-up in imports, and lower capital inflows.

Source: Goldman Sachs

JORDAN

Sovereign ratings affirmed, outlook 'stable'

Fitch Ratings affirmed Jordan's short- and long-term foreign and local currency issuer default ratings (IDRs) at 'B' and 'BB-', respectively, and maintained the 'stable' outlook on the long-term IDRs. It indicated that the ratings are supported by the country's record of macroeconomic stability, by the authorities' progress on fiscal and economic reforms, as well as by financing from the liquid banking sector, the public pension fund, and international support. But it noted that the ratings are constrained by the elevated public debt level, weak economic growth, a wide current account deficit and a net external debt level that is higher than the debt of similarly-rated peers, as well as by risks stemming from domestic and regional politics. It indicated that the country has maintained economic and political stability despite significant shocks, but noted that these challenges have led to lower growth rates and a high level of government debt. Further, it said that exports to the U.S. accounted for 26% of Jordan's total exports in 2024, and expected the U.S. tariffs and the related uncertainties to reduce demand for Jordanian exports. Also, it expected the current account deficit to narrow from 5.9% of GDP in 2024 to 4% of GDP in 2025 in case of higher tourism receipts and lower energy imports. In parallel, it said that it could downgrade the ratings if the public debt level increases in the medium term, if support from external partners declines, if the external debt level increases significantly, and/or if geopolitical tensions increase the risk to domestic political stability and/or affect the economy or public finances.

Source: Fitch Ratings

GHANA

Ratings upgraded on debt restructuring progress

S&P Global Ratings upgraded Ghana's short- and long-term foreign currency sovereign credit ratings from Selective Default (SD/SD) to 'C/CCC+', which are 11 and seven notches below investment grade, respectively. Also, it affirmed the Country's Transfer & Convertibility assessment at 'CCC+'. It also maintained the 'stable' outlook on the long-term ratings. It attributed the upgrade to the authorities' recent steps to restructure the remaining portion of the commercial debt, following the successful Eurobond exchange in October 2024. Further, it said that the ratings are supported by improving external metrics, including the significant increase in gold export receipts and the accumulation of foreign currency reserves. It said that the 'stable' outlook balances supportive economic activity, ongoing fiscal reforms, and the country's improved external position, with high debt servicing costs and a weak track record of public financial management during elections cycles. It expected fiscal reforms, supported by an ongoing International Monetary Fund-funded program, to take time to effectively narrow the fiscal deficit and reduce debt servicing costs. Further, it anticipated the country's gross external financing needs at 107.3% of current account receipts and usable reserves in 2025, as well as at 105.9% and 107.1% of such receipts and reserves in 2026 and in 2027, respectively. In parallel, it said that it could upgrade the ratings in the next 12 months if Ghana makes progress in stabilizing public finances and reducing its debt service burden, and if the accumulation of foreign currency reserves exceeds the agency's expectations, which would reduce its external financing needs.

Source: S&P Global Ratings

IRAQ

Central Bank imposes reserve requirements on banks

The Central Bank of Iraq (CBI) imposed new mandatory reserve requirements for banks operating in Iraq. It set the mandatory reserve ratio at 18% for all private sector deposits in Iraqi dinar and other currencies, at 20% for all private sector deposits in US dollars, and at 20% for all government deposits. It stated that banks must adopt a new mechanism for calculating the mandatory reserves on a weekly basis, instead of the currently applied monthly basis. Further, it issued new fines in case of the lack of compliance with the mandatory reserves. First, it said that banks must submit to the CBI their weekly mandatory reserve reports by the end of the second working day of the covered week to complete the process and avoid delays. Second, it indicated that it will impose a penalty of IQD5m if the weekly report is not submitted by the deadline or is incomplete. Third, it noted that the Accounting Department at the CBI will issue a warning to the bank that submits a report with inaccurate calculation of the reserves, and will impose a fine of IQD2.5m if the bank repeats the inaccuracy during the same calendar year. Fourth, it said that the Accounting Department will issue a first warning through email and a second warning in case of repetition, if the weekly report includes inaccurate data that does not significantly affect the calculation of the mandatory reserves, but will impose a fine of IQD2.5m in case a third inaccuracy occurs in the same calendar year. Fifth, it requested banks to inform the Accounting Department of any issues while preparing the weekly reserve report. Sixth, it indicated that it will impose a fine of IQD5m if a bank does not provide the requested data within the specified deadline without valid justification. Seventh, it said that the implementation of the new ratios should be based on deposit balances as of June 12, 2025.

Source: Central Bank of Iraq

MOROCCO

Banks to benefit from operating environment and adequate metrics

Fitch Ratings indicated that Moroccan banks are well-positioned to benefit from substantial growth opportunities in the 2025-26 period amid favorable operating conditions, supported by their improved profitability and capitalization, adequate funding structures, and healthy liquidity. It said that the banks' aggregate net income increased by 22% in 2024, despite higher loan impairment charges, due to strong trading revenues on fixed income securities, higher net interest income, and cost containment. Also, it noted that Moroccan banks have maintained a stable average net interest margin and anticipated lower interest rates to have a minimal impact on their margins. But it indicated that the banks have historically operated with limited capital buffers, which at times has constrained their growth. However, it said that the banks' stronger profitability and the issuance of subordinated debt in recent years have bolstered their capitalization, which provided them with greater financial flexibility. In addition, it pointed out that large upcoming infrastructure projects in the country could require more than $100bn in financing in the 2025-26 period, which will support lending growth. Further, it said that banks are mostly funded by low-cost customer deposits, and were supported by tax amnesty measures in 2024 that facilitated the return of previously undeclared funds to the financial sector.

Source: Fitch Ratings

NIGERIA

Large banks maintain robust profitability despite challenging environment

Moody's Ratings indicated that the aggregate net profits of Access Bank, Zenith Bank, United Bank for Africa, First Bank of Nigeria, and Guaranty Trust Bank totaled NGN4.19 trillion (tn), or $2.72bn, in 2024, constituting a surge of 51% from NGN2.78tn ($3.17bn) in 2023. It stated that the profit growth was driven by the repricing of the banks' loan books, high interest rates on government securities, and the relatively high nominal lending growth as a result of the weakening exchange rate and inflationary pressures. It said that the impact of rising policy rates on interest income, along with robust fee, commission, and trading revenues supported the banks' income. It pointed out that the banks' return on asset was 4.1% in 2024 relative to 4.2% in 2023, and expected it to decrease slightly during 2025, as it projected the banks' asset growth to outpace the increase in their net interest income. Further, it noted that the loan-loss provisioning charges increased at a moderate pace, as strong profitability during 2024 enabled prudent provisioning, which mitigated the risks from the relatively high amount of non-performing loans. In parallel, it said that the capital adequacy ratios of banks remained strong in 2024 due to the Central Bank of Nigeria's recapitalization efforts, but they were partially offset by the growth in risk-weighted assets following the devaluation of the naira. It added that the top five banks' reported capital adequacy ratios between 16.5% and 39.3% at end-2024, well above the minimum capital requirement of 15% for international banks.

Source: Moody's Ratings

TÜRKIYE

Depreciation of exchange rate poses risks for banks

Moody's Ratings indicated that the Central Bank of the Republic of Türkiye (CBRT) spent at least $46bn, or nearly 60% of its net foreign currency reserves, to stabilize the Turkish lira, following anti-government protests last March that led to a widespread sell-off of Turkish assets and a depreciation of the exchange rate. As such, the CBRT increased its policy rate by 350 basis points (bps) to 46% on April 17 and introduced new macroprudential measures to support deposits in lira and limit the dollarization of deposits. Further, it considered that the the risk aversion of investors towards Turkish assets and the ongoing depreciation of the currency will erode foreign currency reserves, increase the dollarization rate of the sector, and put pressure on the banks' solvency and liquidity buffers. But it anticipated the CBRT to stay committed to its orthodox monetary policy framework that is focused on disinflation, which should contribute to more stable and predictable operating conditions for the sector. Also, it noted that the CBRT raised the upperbound of the interest rate corridor from 46% to 49%, which will put additional pressure on the repayment capacity of borrowers. As a result, it projected the non-performing loans ratio of rated banks to rise from 2.1% at end-2024 to between 2.2% and 3% by the end of 2025. Further, it estimated that a depreciation of 10% of the lira's exchange rate would reduce the banks' Core Tier One capital ratio by up to 25 bps. But it said that current regulatory forbearance measures, which allow banks to use favorable exchange rates when calculating their risk-weighted assets, continue to support their capital metrics.

Source: Moody's Ratings

ENERGY / COMMODITIES

Oil prices to average $66 p/b in 2025

The prices of ICE Brent crude oil front-month future contracts stood at $64.9 per barrel (p/b) on May 21, 2025, constituting a decrease of 1.8% from $66.1 p/b a week earlier, driven by a rise in U.S. crude oil stocks and after the Minister of Foreign Affairs of Oman said that the U.S. and Iran will hold a fresh round of nuclear talks on May 23, 2025 in Rome. In parallel, Goldman Sachs revised upward its projection for oil prices from $57 p/b to $60 p/b for the rest of 2025 and to $56 p/b for 2026 amid the recent de-escalation of trade tensions and reduced recession risks in the U.S. In addition, the U.S. Energy Information Administration (EIA) expected oil production outside the OPEC+ coalition to rise by 1.2 million barrels per day (b/d) in 2025, while it anticipated OPEC+ members to produce below their current target path. As such, it forecast crude oil production from the OPEC+ coalition to grow by 0.1 million b/d in 2025 compared to a decrease of 1.4 million b/d in 2024. Further, it anticipated global oil inventories to increase by 0.5 million b/d in the second quarter of 2025 and by 0.7 million b/d in the fourth quarter of 2025, which will lead to a decrease in oil prices from an average of $76 p/b in the first quarter of 2025 to $61 p/b in the fourth quarter of the year. It considered that the effects of new or additional tariffs on global economic activity and associated oil demand are highly uncertain and could weigh heavily on oil prices in the near term. Further, the EIA projected oil prices to average $65.9 p/b in 2025.
Source: Goldman Sachs, EIA, Refinitiv, Byblos Research

MENA's natural gas output to grow by 1.8% in 2025

The International Monetary Fund forecast natural gas production in the Middle East & North Africa region to average 16.9 million barrels of oil equivalent per day (boe/d) in 2025, which would constitute an increase of 1.8% from 16.6 million (boe/d) in 2024. It projected the GCC countries' natural gas output to account for 58% of the region's gas production this year. It estimated Iran's natural gas output at 4.9 million (boe/d) in 2025, or 29% of the region's gas production, followed by Qatar with 4.8 million boe/d (28.4%), and Saudi Arabia with 2.3 million boe/d (13.6%).
Source: International Monetary Fund, Byblos Research

Middle East demand for gold down 2% in first quarter of 2025

Consumer demand for gold in the Middle East, which includes demand for jewelry and for bars and coins, totaled 69.1 tons in the first quarter of 2025 and decreased by 1.7% from 70.3 tons in the first quarter of 2024. Gold demand in the region accounted for 10.5% of the global consumption of the precious metal in the first quarter of 2025. Also, consumer demand for gold in Iran reached 19.9 tons and represented 28.7% of the region's aggregate demand in the covered period, followed by Saudi Arabia with 15.9 tons (23%), Egypt with 11.1 tons (16%), the UAE with 11 tons (16%), and Kuwait with 3.8 tons (5.5%).
Source: World Gold Council, Byblos Research

MENA's crude oil exports unchanged in 2025

The International Monetary Fund anticipated crude oil exports from the Middle East & North Africa region to reach 17.7 million barrels per day (b/d) in 2025, unchanged from 2024. The GCC countries' oil exports would account for 66% of the region's oil exports this year. On a country basis, it projected Saudi Arabia's crude oil exports at 6.1 million b/d in 2024, or 34.5% of the region's oil exports, followed by Iraq at 3.4 million b/d (19.2%), and the UAE at 2.5 million b/d (14.1%).
Source: International Monetary Fund, Byblos Research

Base Metals: Zinc prices to average $2,641 per ton in second quarter of 2025

The LME cash prices of zinc averaged $2,757.5 per ton in the year-to-May 21, 2025 period, constituting an increase of 7% from an average of $2,579.1 a ton in the same period of 2024, due to tightening global supply chains and disruptions in key mining regions. Also, zinc prices reached $3,202.3 per ton on October 23, 2024, their highest level since February 3, 2023 when they stood at $3,269.5 a ton, due to increasing supply concerns in global markets and growing industrial demand worldwide. In parallel, the latest available figures released by the International Lead and Zinc Study Group (ILZSG) projected global demand for refined zinc to increase by 1% from 13.5 million tons in 2024 to 13.64 million tons in 2025, driven by higher demand from China, Brazil, India, and Türkiye. Also, it forecast global zinc output to rise by 4.3% from 11.91 million tons in 2024 to 12.43 million tons in 2025, driven by anticipated increases in supply in Australia, China, Mexico and the Democratic Republic of Congo. It expected output from Europe to recover by 18.3% due to higher production in Bosnia and Herzegovina, Portugal and Ireland. In addition, it anticipated the global balance for refined zinc to post a surplus of 93,000 tons in 2025. Further, S&P Global Market Intelligence projected zinc prices to average $2,641 per ton in the second quarter of 2025, and $2,685 a ton in full year 2025.
Source: ILZSG, S&P Global Market Intelligence, Refinitiv, Byblos Research

Precious Metals: Gold prices to average $3,200 per ounce in second quarter 2025

Gold prices averaged $2,999.1 per ounce in the year-to-May 21, 2025 period, constituting an increase of 38.2% from an average of $2,169.7 an ounce in the same period of 2024, due to concerns about global economic uncertainties and trade tensions, mainly between China and the U.S., which reinforced the appeal of the metal as a safe haven for investors, as well as to continuing strong demand for the metal from central banks around the world. Also, gold prices reached an all-time high of $3,426 per ounce on April 22, 2025, driven by the new U.S. tariffs and increased demand for the metal. In parallel, Citi Research projected the global supply of gold at 5,235 tons in 2025, which would constitute an increase of 5.3% from 4,988 tons in 2024. Also, it forecast the global demand for gold at 4,891 tons in 2025, which would represent an increase of 6.2% from 4,606 tons in 2024. It forecast flows to gold-backed exchange-traded funds (ETFs) to shift from outflows of seven tons in 2024 to inflows of 726 tons in 2025, demand for bars and coins to increase by 3.1%, and demand from the industrial sector to grow by 1.5%. But it added that this will be partly offset by a decline of 22.8% in jewelry consumption and a decrease of 3% in net purchases by central banks. Also, it projected gold prices to reach an all-time high of $3,500 per ounce in the next three months, due to the diversification of official foreign currency reserves by emerging markets' central banks away from the US dollar towards gold. In addition, it expected gold prices to average $3,200 per ounce in the second quarter of 2025.
Source: Citi Research, Refinitiv, Byblos Research

COUNTRY RISK METRICS

Countries	LT Foreign currency rating S&P	Moody's	Fitch	CI	General gvt. balance/ GDP (%)	Gross Public debt (% of GDP)	Usable Reserves / CAPs* (months)	Short-Term External Debt by Rem. Mat./ CARs	Gvt. Interest Exp./ Rev. (%)	Gross Ext. Fin. needs / (CAR + Use. Res.) (%)	Current Account Balance / GDP (%)	Net FDI / GDP (%)
Africa												
Algeria	-	-	-	-								
	-	-	-	-	-3.7	56.9	-	-	-	-	-3.2	0.4
Angola	B-	B3	B-	-								
	Stable	Stable	Stable	-	-1.0	62.06	4.7	52.2	25.9	105.8	2.7	-2.7
Egypt	B-	Caa1	B	B								
	Stable	Positive	Stable	Stable	-4.6	73.3	2.7	97.3	14.6	179.1	-18.5	16.4
Ethiopia	SD	Caa3	CCC-									
	-	Stable	-	-	-2.5	22.0	0.5	32.1	5.9	158.7	-3.1	1.8
Ghana	CCC+	Ca	RD	-								
	Stable	Positive	-	-	-3.2	66.1	0.7	54.3	22.7	139.7	3.0	2.0
Côte d'Ivoire	BB	Ba2	BB-	-								
	Stable	Stable	Stable	-	-4.2	57.0	3.6	45.0	14.6	119.9	-4.6	2.3
Libya	-	-	-	-								
	-	-	-	-	-	-	-	-	-	-	-	-
Dem Rep	B-	B3	-	-								
Congo	Stable	Stable	-	-	-0.5	14.5	1.2	5.9	2.2	103.8	-5.4	4.2
Morocco	BB+	Ba1	BB+	-								
	Positive	Stable	Stable	-	-4.1	65.8	4.9	30.4	7.3	94.0	-1.4	0.5
Nigeria	B-	Caa1	B-	-								
	Stable	Positive	Positive	-	-5.6	41.2	4.1	71.2	28.9	126.8	0.6	0.1
Sudan	-	-	-	-								
	-	-	-	-	-5.0	91.0	-	-	-	-	-5.0	0.2
Tunisia	-	Caa1	CCC+	-								
	-	Stable	-	-	-5.6	88.7	-	-	26.1	-	-2.7	-1.1
Burkina Faso	CCC+	-	-	-								
	Stable	-	-	-	-5.8	58.0	1.2	59.0	11.4	156.8	-5.4	0.5
Rwanda	B+	B2	B+	-								
	Stable	Stable	Stable	-	-4.6	69.5	3.5	19.8	9.5	111.5	-11.7	3.7
Middle East												
Bahrain	B+	B2	B+	B+								
	Negative	Stable	Stable	Negative	-4.9	133.7	-3.5	138.2	29.7	331.1	2.1	1.0
Iran	-	-	-	-								
	-	-	-	-	-4.2	26.1	-	-	-	-	3.5	-
Iraq	B-	Caa1	B-	-								
	Stable	Stable	Stable	-	-4.5	45.6	15.3	3.2	3.1	42.6	5.6	-1.4
Jordan	BB-	Ba3	BB-	BB-								
	Stable	Stable	Stable	Stable	-1.8	92.6	1.9	68.5	12	150.3	-4.4	1.6
Kuwait	A+	A1	AA-	AA-								
	Stable	Stable	Stable	Stable	-3.9	5.2	2.2	45.3	0.4	107.9	15.4	-4.8
Lebanon	SD	C	RD**	-								
	-	-	-	-	0.0	213.0	8.8	181.1	9.0	160.6	-20.1	2.8
Oman	BBB-	Ba1	BB+	BBB-								
	Stable	Positive	Stable	Positive	-7.3	51.7	4.4	26.0	6.5	101.2	-8.3	2.1
Qatar	AA	Aa2	AA	AA								
	Stable	Stable	Stable	Stable	4.0	47.7	2.2	115.4	5.0	168.0	16.7	-0.2
Saudi Arabia	A+	A1	A+	AA-								
	Stable	Positive	Stable	Stable	-2.8	24.6	10.3	25.3	3.5	67.7	-0.2	0.5
Syria	-	-	-	-								
	-	-	-	-	-	49.0	-	-	-	-	-15.5	-
UAE	-	Aa2	AA-	AA-								
	-	Stable	Stable	Stable	5.5	29.9	-	-	4.3	-	6.8	-2.0
Yemen	-	-	-	-								
	-	-	-	-	-2.7	50.7	-	-	-	-	-19.2	-2.3

COUNTRY RISK METRICS

Countries	S&P	Moody's	Fitch	CI	General gvt. balance/ GDP (%)	Gross Public debt (% of GDP)	Usable Reserves / CAPs* (months)	Short-Term External Debt by Rem. Mat./ CARs	Gvt. Interest Exp./ Rev. (%)	Gross Ext. Fin. needs / (CAR + Use. Res.) (%)	Current Account Balance / GDP (%)	Net FDI / GDP (%)
	LT Foreign currency rating											
Asia												
Armenia	BB- Stable	Ba3 Stable	BB- Stable	B+ Positive	-4.6	49.8	2.0	29.6	11.5	114.7	-3.1	2.2
China	A+ Stable	A1 Negative	A+ Stable	- -	-3.0	65.2	10.9	20.6	5.8	60.9	2.3	0.7
India	BBB- Stable	Baa3 Stable	BBB- Stable	- -	-7.8	84.0	7.3	29.8	25.2	82.2	-1.3	1.0
Kazakhstan	BBB- Stable	Baa2 Positive	BBB Stable	- -	-3.1	26.4	4.1	29.4	8.1	100.4	-2.8	2.2
Pakistan	CCC+ Stable	Caa2 Positive	B- Stable	- -	-7.5	71.3	0.7	34.9	55.9	133.4	-1.3	0.4
Bangladesh	B+ Stable	B2 Negative	B+ Stable	- -	-4.8	32.1	3.8	29.0	29.0	102.8	-1.5	0.4
Central & Eastern Europe												
Bulgaria	BBB Positive	Baa1 Stable	BBB Positive	- -	-2.5	24.5	2.0	19.5	1.5	102.8	-0.5	2.0
Romania	BBB- Stable	Baa3 Stable	BBB- Stable	- -	-7.3	51.7	4.4	25.9	6.5	101.2	-8.3	2.1
Russia	- -	- -	- -	- -	-	18.2	18.0	23.6	4.4	45.0	12.1	-0.7
Türkiye	BB- Stable	B1 Positive	BB- Stable	BB- Stable	-5.1	27.0	1.4	63.6	10.8	149.0	-1.2	0.4
Ukraine	CC Negative	Ca Stable	CC -	- -	-17.0	91.6	4.6	40.7	10.1	108.	-6.6	1.4

**Current account payments*

***Fitch withdrew the ratings of Lebanon on July 23, 2024*

Source: S&P Global Ratings, Fitch Ratings, Moody's Ratings, CI Ratings, Byblos Research - The above figures are projections for 2025

SELECTED POLICY RATES

	Benchmark rate	Current (%)	Last meeting Date	Last meeting Action	Next meeting
USA	Fed Funds Target Rate	4.50	07-May-25	No change	18-Jun-25
Eurozone	Refi Rate	2.40	17-Apr-25	Cut 25bps	05-Jun-25
UK	Bank Rate	4.50	20-Mar-25	No change	19-Jun-25
Japan	O/N Call Rate	0.50	01-May-25	No change	17-Jun-25
Australia	Cash Rate	3.85	20-May-25	Cut 25bps	08-Jul-25
New Zealand	Cash Rate	3.75	19-Feb-25	Cut 50bps	28-May-25
Switzerland	SNB Policy Rate	0.25	20-Mar-25	Cut 25bps	19-Jun-25
Canada	Overnight rate	2.75	16-Apr-25	No change	04-Jun-25
Emerging Markets					
China	One-year Loan Prime Rate	3.00	20-May-25	Cut 10bps	20-Jun-25
Hong Kong	Base Rate	4.75	19-Dec-24	Cut 25bps	N/A
Taiwan	Discount Rate	2.00	20-Mar-25	No change	19-Jun-25
South Korea	Base Rate	2.75	17-Apr-25	No change	29-May-25
Malaysia	O/N Policy Rate	3.00	08-May-25	No change	09-Jul-25
Thailand	1D Repo	1.75	30-Apr-25	Cut 25bps	25-May-25
India	Repo Rate	6.00	09-Apr-25	Cut 25pbs	N/A
UAE	Base Rate	4.40	18-Dec-24	Cut 25bps	N/A
Saudi Arabia	Repo Rate	5.00	18-Dec-24	Cut 25bps	N/A
Egypt	Overnight Deposit	25.50	17-Apr-25	Cut 175bps	22-May-25
Jordan	CBJ Main Rate	6.50	22-Dec-24	Cut 25bps	N/A
Türkiye	Repo Rate	46.00	17-Apr-25	Raied 350bps	19-Jun-25
South Africa	Repo Rate	7.50	30-Jan-25	No change	29-May-25
Kenya	Central Bank Rate	10.00	08-Apr-25	Cut 75bps	10-Jun-25
Nigeria	Monetary Policy Rate	27.50	20-May-25	No change	22-Jul-25
Ghana	Prime Rate	28.00	28-Mar-25	Raised 100bps	26-May-25
Angola	Base Rate	19.50	21-May-25	No change	18-Jul-25
Mexico	Target Rate	8.50	15-May-25	Cut 50bps	26-Jun-25
Brazil	Selic Rate	14.75	07-May-25	Raised 50bps	N/A
Armenia	Refi Rate	6.75	06-May-25	No change	17-Jun-25
Romania	Policy Rate	6.50	16-May-25	No change	08-Jul-25
Bulgaria	Base Interest	2.24	30-Apr-25	Cut 15bps	02-Jun-25
Kazakhstan	Repo Rate	16.50	11-Apr-25	No change	N/A
Ukraine	Discount Rate	15.50	17-Apr-25	No change	05-Jun-25
Russia	Refi Rate	21.00	25-Apr-25	No change	06-Jun-25

Economic Research & Analysis Department
Byblos Bank Group
P.O. Box 11-5605
Beirut - Lebanon
Tel: (+961) 1 338 100
Fax: (+961) 1 217 774
E-mail: research@byblosbank.com.lb
www.byblosbank.com

BYBLOS BANK GROUP

LEBANON

Byblos Bank S.A.L
Achrafieh - Beirut
Elias Sarkis Avenue - Byblos Bank Tower
P.O.Box: 11-5605 Riad El Solh - Beirut 1107 2811- Lebanon
Phone: (+ 961) 1 335200
Fax: (+ 961) 1 339436

IRAQ

Erbil Branch, Kurdistan, Iraq
Street 60, Near Sports Stadium
P.O.Box: 34 - 0383 Erbil - Iraq
Phone: (+ 964) 66 2233457/8/9 - 2560017/9
E-mail: erbilbranch@byblosbank.com.lb

Sulaymaniyah Branch, Kurdistan, Iraq
Salem street, Kurdistan Mall - Sulaymaniyah
Phone: (+ 964) 773 042 1010 / (+ 964) 773 041 1010

Baghdad Branch, Iraq
Al Karrada - Salman Faeq Street
Al Wahda District, No. 904/14, Facing Al Shuruk Building
P.O.Box: 3085 Badalat Al Olwiya – Iraq
Phone: (+ 964) 770 6527807 / (+ 964) 780 9133031/2
E-mail: baghdadbranch@byblosbank.com.lb

Basra Branch, Iraq
Intersection of July 14th, Manawi Basha Street, Al Basra – Iraq
Phone: (+ 964) 770 4931900 / (+ 964) 770 4931919
E-mail: basrabranch@byblosbank.com.lb

ARMENIA

Byblos Bank Armenia CJSC
18/3 Amiryan Street - Area 0002
Yerevan - Republic of Armenia
Phone: (+ 374) 10 530362 Fax: (+ 374) 10 535296
E-mail: infoarm@byblosbank.com

BELGIUM

Byblos Bank Europe S.A.
Brussels Head Office
Boulevard Bischoffsheim 1-8
1000 Brussels
Phone: (+ 32) 2 551 00 20
Fax: (+ 32) 2 513 05 26
E-mail: byblos.europe@byblosbankeur.com

UNITED KINGDOM

Byblos Bank Europe S.A., London Branch
Berkeley Square House
Berkeley Square
GB - London W1J 6BS - United Kingdom
Phone: (+ 44) 20 7518 8100
Fax: (+ 44) 20 7518 8129
E-mail: byblos.london@byblosbankeur.com

FRANCE

Byblos Bank Europe S.A., Paris Branch
15 Rue Lord Byron
F- 75008 Paris - France
Phone: (+33) 1 45 63 10 01
Fax: (+33) 1 45 61 15 77
E-mail: byblos.europe@byblosbankeur.com

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

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