

LEBANON THIS WEEK

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Utilized credits by private sector at LBP949,056bn at end-June 2024

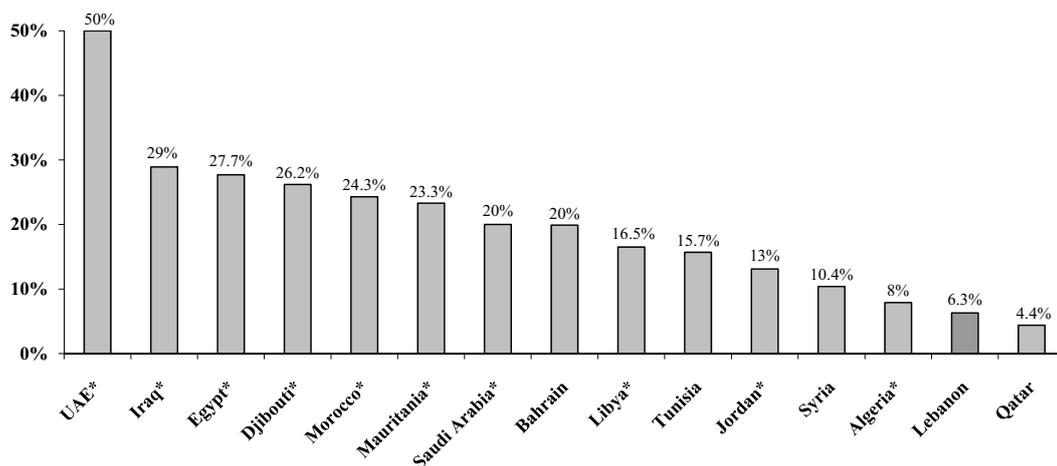
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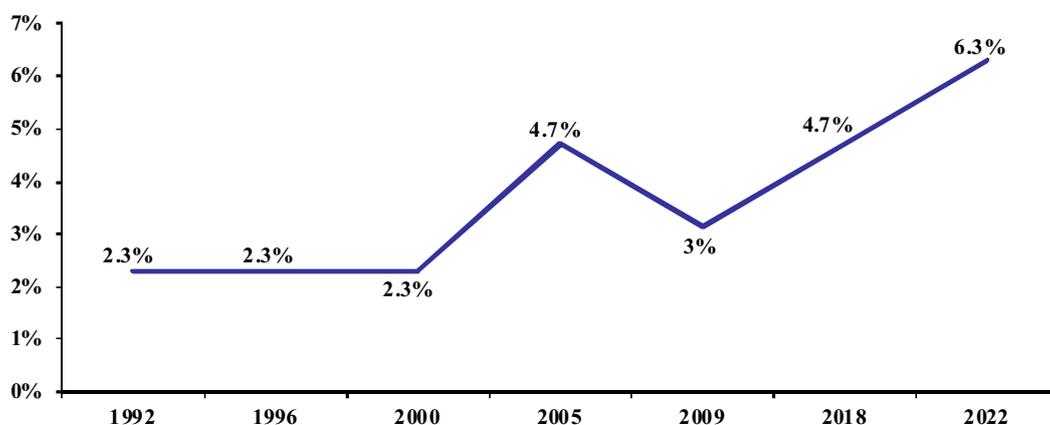
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Charts of the Week

Percentage of Females in National Parliaments in Select Arab Countries



Percentage of Females in the Lebanese Parliament



*Countries that have a quota for females in their legislative body
 Source: Inter-Parliamentary Union Databases 2024, Byblos Bank

Quote to Note

"If a reform program is enacted and starts to be implemented, post-war reconstruction could mainly be financed by Saudi Arabia, the UAE, Qatar, Kuwait, and the European Union."

The Institute of International Finance, on one of the main triggers of foreign financial support to Lebanon

Number of the Week

11.6: Banque du Liban's projected usable foreign currency reserves in months of current account payments in 2025, according to S&P Global Ratings

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 %
Audi Listed	2.75	8.7	392,371	6.4%	Jun 2025	6.25	18.5	1,742.80
Audi GDR	2.35	(4.1)	102,227	1.1%	Nov 2026	6.60	18.5	127.47
Byblos Common	1.01	(8.2)	35,667	2.3%	Mar 2027	6.85	18.5	102.85
Solidere "A"	105.70	2.3	27,177	42.1%	Nov 2028	6.65	18.5	52.10
Solidere "B"	106.30	2.1	6,471	27.5%	Feb 2030	6.65	18.5	37.10
BLOM GDR	6.31	(1.4)	4,020	1.9%	Apr 2031	7.00	18.5	29.59
BLOM Listed	7.00	6.1	2,000	6.0%	May 2033	8.20	18.5	21.72
HOLCIM	86.00	9.0	50	6.7%	Jul-35	12.00	18.5	16.94
Byblos Pref. 09	29.99	0.0	-	0.2%	Nov 2035	7.05	18.5	16.50
Byblos Pref. 08	25.00	0.0	-	0.2%	Mar 2037	7.25	18.5	14.53

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

Source: Refinitiv

	Mar 3-7	Feb 24-28	% Change	February 2025	February 2024	% Change
Total shares traded	570,083	294,915	93.3	801,588	1,129,048	(29.0)
Total value traded	\$4,935,670	\$4,625,494	6.7	\$22,449,444	\$65,758,842	(65.9)
Market capitalization	\$25.12bn	\$24.45bn	2.7	\$24.45bn	\$17.99bn	35.9

Source: Beirut Stock Exchange (BSE)



Lebanon ranks 165th globally, 14th among Arab countries in economic freedom, economy remains "repressed"

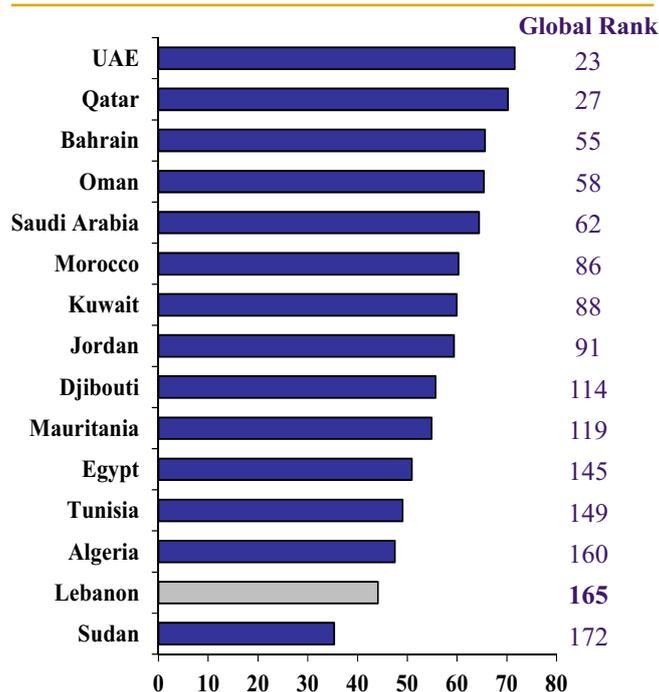
The Heritage Foundation's Index of Economic Freedom for 2025, a broad indicator of economic freedom in 176 countries, ranked Lebanon in 165th place worldwide, in 48th place among 49 lower middle-income countries (LMICs) included in the survey, and in 14th place among 15 Arab countries that have a full dataset. In comparison, Lebanon ranked in 154th place globally, in 45th place among LMICs and in 13th place regionally in the 2024 survey, while it came in 94th place among 178 countries globally and in ninth place in the Arab world on the 2015 index. Based on the same set of countries in the 2024 and 2025 surveys, Lebanon's global rank deteriorated by 11 spots, while its LMICs rank decreased by three notches and its Arab rank regressed by one spot year-on-year. Also, based on the same set of countries in the 2015 and 2025 surveys, Lebanon's global rank dropped by 71 spots, while its Arab rank decreased by five notches from 2015. Further, Lebanon ranked in the sixth percentile worldwide in the seventh percentile among Arab economies in 2025.

The index evaluates individual economies based on 12 equally-weighted broad factors of economic freedom distributed into four pillars that are the Rule of Law, the Size of the Government, Regulatory Efficiency, and Market Openness. A country's score ranges between zero and 100, with 100 reflecting the country with the highest possible level of economic freedom. The index also places each country in one of five categories of economic freedom that consist of a "free", "mostly free", "moderately free", "mostly unfree", and "repressed".

Globally, Lebanon has a higher level of economic freedom than Myanmar, Iran, and Zimbabwe, and a lower level than Turkmenistan, Haiti, and Bolivia among economies with a GDP of \$10bn or more. Lebanon's level of economic freedom stood at 44.1% in the 2025 index relative to 48.3% on the 2024 index, and compared to 59.3% in the 2015 survey. Lebanon's score in 2025 came below the global level of economic freedom of 69.7%, the LMICs average level of 54.6%, and the Arab level of 57%. Also, its score was lower than the Gulf Cooperation Council (GCC) countries' average level of 66.2% and the average level of non-GCC Arab countries of 50.8%. The survey maintained Lebanon's economic freedom status in the "repressed" category for the fourth consecutive year, after it kept it in the "mostly unfree" category for nine consecutive years during the 2013-21 period and in the "moderately free" category in 2011 and 2012.

The deterioration in Lebanon's score in the 2025 survey is mainly due to lower scores on the Monetary Freedom, Investment Freedom, Financial Freedom, Property Rights, Trade Freedom, Fiscal Health, Judicial Effectiveness, Business Freedom, Labor Freedom and Tax Burden factors. The Heritage Foundation considered that political instability and regulatory inefficiencies in Lebanon discourage the dynamic growth of private investments. It noted that commercial regulations are burdensome and that corruption is widespread. It indicated that the protection of property rights is weak in the absence of a properly functioning legal framework, and that the labor market has been undermined by political instability and uncertainty.

**Index of Economic Freedom for 2024
Arab Countries' Scores & Rankings**



Source: Heritage Foundation, Byblos Research

Economic Freedom in Lebanon by Factor

	Arab Rank	Global Rank	Lebanon Score	Change in Score*	Long-Term Trend**	Arab Ave	Global Ave
Property Rights	14	160	22.3	↓	-7.7%	47.4	54.7
Judicial Effectiveness	13	146	22.6	↓	N/A	31.0	49.8
Government Integrity	13	144	24.5	↑	-5.5%	38.2	44.9
Tax Burden	7	27	90.3	↓	-1.3%	88.4	78.3
Government Spending	2	4	95.6	↑	32.8%	74.7	66.2
Fiscal Health	8	104	63.6	↓	N/A	60.6	63.2
Business Freedom	13	144	47.8	↓	-8.8%	59.2	63.4
Labor Freedom	3	92	57.1	↓	0.1%	52.0	56.8
Monetary Freedom	15	173	0.0	↓	-71.4%	66.2	67.6
Trade Freedom	9	123	65.4	↓	-15.1%	66.8	70.2
Investment Freedom	13	161	20.0	↓	-35.0%	50.3	53.6
Financial Freedom	13	155	20.0	↓	-40.0%	48.3	47.7

*year-on-year; ** Change in score from 2010

Source: Heritage Foundation, Byblos Research



Banque du Liban's liquid foreign reserves at \$10.53bn, gold reserves at \$26.4bn at end-February 2025

Banque du Liban's (BdL) interim balance sheet shows that its total assets reached LBP8,351.6 trillion (tn) on February 28, 2025, relative to LBP8,370.7tn at mid-February 2025 and to LBP8,353.1tn at end-January 2025. BdL indicated that it revised its balance sheet figures starting on October 15, 2024 in accordance with international standards. It said that it changed the classification of "Foreign Assets" to "Foreign Reserve Assets" in order to present non-resident and liquid foreign assets only, while it reclassified the "other resident and/or illiquid items" to its "Securities Portfolio" or to the "Loans to the Local Financial Sector" entries.

BdL 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.

BdL's Foreign Reserve Assets stood at \$10.529bn at end-February 2025, compared to \$10.526bn at mid-February 2025 and to \$10.39bn at end-January 2025. Also, they contracted by \$402.1m in October, by \$113m in November, by \$15.2m in December 2024, and increased by \$252.8m in January and by \$141.1m in February 2025. As such, they increased by \$393.9m in the first two months of 2025 and by \$1.96bn between the end of July 2023 and end-February 2025. The dollar figures are based on the exchange rate of the Lebanese pound of LBP89,500 per US dollar starting on February 15, 2024, according to the BdL Central Council's Decision No. 48/4/24 dated February 15, 2024.

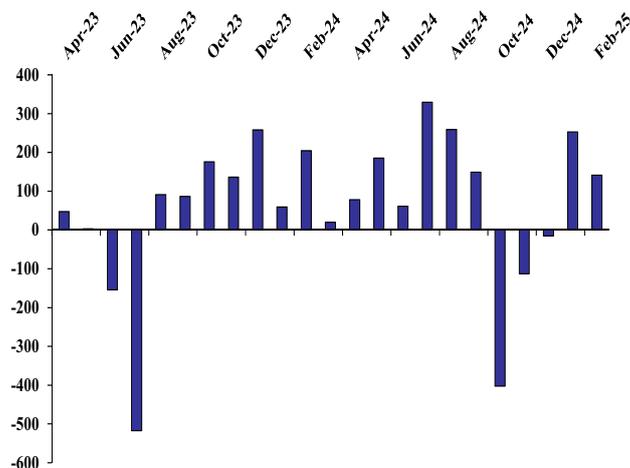
Further, the value of BdL's gold reserves reached \$26.4bn at the end of February 2025 compared to a peak of \$26.9bn at mid-February 2025 and to \$18.8bn at end-February 2024. Also, BdL's securities portfolio totaled LBP555,088.6bn at end-February 2025 relative to LBP555,071.8bn at mid-February 2025. BdL noted that the securities portfolio includes Lebanese Eurobonds that had a market value of \$985.4m as at end-February 2025 relative \$962.1m as at mid-February 2025 and to \$841.7m as at end-January 2025. Prior to the modifications, BdL included the nominal value of its Lebanese Eurobonds portfolio in the foreign assets item. In addition, loans to the local financial sector stood at LBP41,470.8bn at end-February 2025 compared to LBP42,378bn at mid-February 2025.

Moreover, Deferred Open-Market Operations totaled LBP145,989bn at end-February 2025 relative to LBP143,621bn at mid-February 2025. BdL said that, based on the Central Council's decision 23/36/45 of December 20, 2023, it has started to present all deferred interest costs originating from open-market operations under this new line item. As a result, it transferred all deferred interest costs included in the "Other Assets" and "Assets from Exchange Operations" entries to the new item. Therefore, the item "Other Assets" stood at LBP21,937.7bn at end-February 2025 relative to LBP21,633bn two weeks earlier.

Also, the Revaluation Adjustments item on the asset side reached LBP2,795,288bn at end-February 2025 relative to BP2,870,511bn at mid-February 2025. It consists of a special account called the "Exchange Rate Stabilization Fund", in which BdL recorded all the transactions related to foreign exchange interventions to stabilize the exchange rate starting in 2020 and that had a balance of LBP164.04tn at end-February 2025 relative to LBP163.95tn at mid-February 2025. It also consists of a special account in the name of the Treasury that stood at LBP2,631.2tn at end-February 2025 compared to LBP2,606.6tn at mid-February 2025. The account includes the differences between the countervalue at the official exchange rate of BdL's gold and currency holdings and the value of these holdings at the market exchange rate, as well as the profits or losses on BdL's gold and currency holdings from the modification of the official exchange rate of the Lebanese pound or of a foreign currency exchange rate. Further, the balance sheet shows that BdL's loans to the public sector totaled LBP1,486,997bn at end-February 2025 relative to LBP1,486,983bn two weeks earlier.

On the liabilities side, BdL's balance sheet shows that currency in circulation outside BdL stood at LBP85,051bn at end-February 2025 compared to LBP85,120bn at mid-February 2025, and represented an increase of 49.7% from LBP56,821bn at end-February 2024. Further, the deposits of the financial sector reached LBP7,602.1tn, or the equivalent of \$84.94bn, at end-February 2025 relative to LBP7,624.8tn, or \$85.19bn at mid-February 2025; while public sector deposits at BdL totaled LBP570,155.5bn at end-February 2025 compared to LBP572,601.4bn at mid-February 2025.

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



*month-on-month change

Source: Banque du Liban, Byblos Research

Council of Ministers enacts 2025 budget by decree

The Council of Ministers enacted through a decree the draft budget for 2025, citing the expiration of the constitutional deadline for Parliament to vote on the budget and the time it will take to review it and revise the figures to reflect the new developments in the country since the Cabinet approved the budget in September 2024. The draft budget shows expenditures and revenues at LBP445,214bn each in 2025, leading to a primary surplus of LBP31,485bn and a balanced budget for the year. It also included Treasury receipts of LBP19,585bn, resulting in aggregate public revenues of LBP429,714bn for the year. The ministry based its budget figures on projections of a real GDP growth rate of about 1.2%, an inflation rate of 4.5%, and a nominal GDP of LBP2,487,725bn, or of \$27.8bn, for 2025. It also expected the exchange rate of the Lebanese pound to the US dollar to remain stable at LBP89,500 per dollar during the year. The date of the projections is October 31, 2024.

On the expenditures side, the draft budget estimates current expenditures at LBP393,858bn and capital spending at LBP51,356bn, or 88.5% and 11.5%, respectively, of aggregate public expenditures. The distribution of current expenditures shows that wages, salaries, social benefits and allocations total LBP214,343bn and account for 54.4% of current spending, followed by spending on goods & services at LBP55,914bn (14.2%), transfers at LBP46,268bn (11.8%), emergency expenditures at LBP19,587bn (5%) and debt servicing at LBP31,535bn (8%), while other spending amounts to LBP26,212bn or 6.7% of current expenditures.

On the revenues side, the draft budget projects tax revenues at LBP361,378bn and non-tax receipts at LBP83,836bn, or 81.2% and 18.2%, respectively, of total public revenues. The ministry estimates that revenues from the excise tax on goods & services would generate LBP203,553bn or 56.3% of total tax receipts; followed by receipts from custom duties with LBP73,387bn (20.3%); the tax on income, profits & capital gains with LBP43,110bn (12%); income from property taxes with LBP29,495bn (8.2%); while other taxes would generate the remaining LBP11,833bn, or 3.3% of aggregate tax receipts. Further, the distribution of projected non-tax revenues shows receipts from government properties and public institutions at LBP54,794bn or 65.4% of the total; followed by administrative fees with LBP25,645bn (30.6%); while penalties, expropriations and other non-tax receipts would generate the balance of LBP3,397bn, or 4.1% of total non-tax revenues.

The distribution of revenues from the excise tax on goods & services indicates that receipts from the value-added tax (VAT) would account for 72% of the total, followed by the excise tax on goods (11.8%), revenues from the Tobacco Régie (7%), departure fees from the Lebanese territory (6.4%), and fees on cars (2.8%). Further, the distribution of revenues from the tax on income, profits & capital gains shows that receipts from the tax on profits would account for 67.4% of the total, followed by the tax on wages & salaries (19.7%), the capital gains tax (9%), and the tax on interest income (3.3%). In addition, the distribution of receipts from the property tax shows that revenues from property registration fees would account for 68.4% of the total, followed by the inheritance tax (22.3%) and the built property tax (9.3%).

In parallel, the Ministry of Finance indicated that public expenditures increased by LBP13,6779bn, or by 44.4%, in the 2025 draft budget from the 2024 draft budget in order to address the rise in the inflation rate, to incorporating the lump sum transportation cost for the members of the military and security agencies, to the increase in public sector wages and salaries, to the surge in allocations to the Ministry of Social Affairs, to the reimbursement of Treasury advances, to the cost of new recruits in the public sector, and to the contributions to the NSSF. Also, the budget modifies taxes and fees, and imposes new fees.

Comparative Enacted Budget Figures (in % of GDP)*		
	2024	2025
Budget Expenditures	19.8%	17.9%
Current Spending	17.7%	15.8%
Wages, Salaries & benefits	9.3%	8.6%
Goods & Services	3.6%	2.2%
Transfers	1.5%	1.9%
Debt Servicing	0.9%	1.3%
Emergency expenditures	0.8%	0.8%
Capital Expenditures	2.0%	2.1%
Public Revenues	20.1%	17.9%
Budget Revenues	19.8%	17.3%
Tax Revenues	15.6%	14.5%
Excise Tax	9.1%	8.2%
Property Tax	2.3%	1.2%
Customs	2.1%	2.9%
Income, profits & capital gains	1.4%	1.7%
Treasury Revenues	0.3%	0.8%
Non-tax Revenues	4.2%	3.4%
Government properties	3.2%	2.2%
Administrative fees	0.8%	1.0%

*ratios are based on nominal GDP of LBP1,559,451bn for budget 2024 and LBP2,487,725bn for budget 2025.

Source: Official Gazette, Council of Ministers, Byblos Research

Economic losses from war at \$7.2bn, recovery needs at \$11bn

In its assessment of the damages and losses in Lebanon from the military confrontation between Israel and Hezbollah since its eruption on October 8, 2023, the World Bank estimated the total damage to physical assets at \$6.8bn and the aggregate economic losses at \$7.2bn. It indicated that damages to housing units reached \$4.6bn and accounted for 67% of total physical destruction, followed by damages to the commerce, industry and tourism sectors at \$612m (9%), environmental harm at \$512m (8%), the water, wastewater & irrigation facilities at \$356m (5%), damages to the healthcare sector at \$208m and to the transportation industry at \$198m (3% each), to the education sector at \$151m (2%), to the energy industry at \$98m and to the agriculture and food security sector at \$79m (1% each), and to municipalities and public services at \$41m (0.6%). It noted that it based its assessment of the physical damages and needs on data covering the period from October 8, 2023 to December 20, 2024.

Further, it pointed out that the geographical distribution of the physical damage shows that the Nabatieh governorate suffered \$3.2bn, or 47% of the total destruction, followed by the South governorate at \$1.6bn (24%), Mount Lebanon including the Southern Suburbs of Beirut at \$1.1bn (16%), the Bekaa governorate at \$456m (7%), the Baalbeck-Hermel governorate at \$403m (6%), the Keserwan-Jbeil area at \$26m and the Akkar governorate at \$25m (0.4% each), and the North governorate at \$13m and Beirut at \$11m (0.2% each).

In addition, it estimated that the commerce, industry & tourism sectors incurred economic losses of \$3.4bn and accounted for 48% of the aggregate output losses, followed by the environment & debris management industry with \$790m (11%), the agriculture & food security sector with \$742m and the healthcare sector with \$700m (10% each), the education sector with \$414m (6%), the housing industry with \$363m (5%), the energy sector with \$209m and municipalities and public services with \$192m (3% each), and the transportation sector with \$173m and the water, wastewater & irrigation facilities with \$171m (2% each).

Also, it estimated that the Nabatieh governorate incurred economic losses of \$2bn and represented 28% of aggregate output losses, followed by the South governorate with \$1.6bn (23%), the Bekaa governorate with \$1.2bn (16%), Mount Lebanon including the Southern Suburbs of Beirut with \$681m (9%), the Baalbeck-Hermel governorate with \$574m (8%), Beirut with \$481m (7%), the North governorate with \$384m (5%), and the Akkar governorate with \$151m and the Keserwan-Jbeil area with \$131m (2% each).

In parallel, it estimated the recovery and reconstruction needs at \$11bn, including the cost of rebuilding assets, and of restoring services and business activity to pre-conflict levels. It estimated the immediate needs for the first year of recovery in 2025 at \$3.9bn (35.5% of total), the short-term needs for the 2026-27 period at \$4.5bn (40.9%), and the medium term needs for the 2028-30 period at \$2.6bn (23.6%). Further, it assessed the infrastructure reconstruction and rehabilitation of assets at \$8.8bn and the restoration of service delivery and access to necessary goods at \$2.1bn.

At the sectoral level, it estimated the recovery and reconstruction needs for the housing sector at \$6.3bn or 57% of total needs, followed by the commerce, industry & tourism sectors at \$1.85bn (17%), the education sector at \$554m (5%), the water, wastewater & irrigation facilities at \$508m, the environment & debris management sector at \$444m, the agriculture and food security industry at \$412m and the healthcare sector at \$409m (4% each), the transportation industry at \$302m (3%), the energy sector at \$147m (1%), and municipalities and public services at \$76m (0.7%).

It indicated that the needs in the Nabatieh governorate stand at \$4.7bn and account for 43% of the total, followed by the South governorate with \$2.5bn (22%), Mount Lebanon including the Southern Suburbs of Beirut with \$1.8bn (16%), the Baalbeck-Hermel governorate with \$727m (7%), the Bekaa governorate with \$619m (6%), the North governorate with \$209m and Beirut with \$201m (2% each), and the Akkar governorate with \$126m and the Keserwan-Jbeil area at \$94m (1% each).

Further, it noted that the conflict reduced the real GDP growth rate of Lebanon for 2024 by 8 percentage points in 2024, up from an earlier projection of 6.6 percentage points in November 2024. As such, it estimated that the country's real GDP of Lebanon contracted by 7.1% in 2024 compared to a pre-conflict growth estimate of 0.9%. It considered that the conflict has compounded an ongoing prolonged downturn that was exacerbated by the sovereign default in March 2020, the depreciation of the local currency, a systemic banking crisis, limited capital investments, and deteriorating public services. It considered that the destruction of capital stock and the migration of skilled labor further erodes Lebanon's economic potential, which poses significant risks to the economy's long-term growth prospects.

Purchasing Managers' Index regresses slightly in February 2025

The BLOM Lebanon Purchasing Managers' Index (PMI), an indicator of operating conditions in Lebanon's private sector, stood at 50.5 in February 2025 relative to 50.6 in January 2024 and to 49.1 in February 2024, and came higher than the PMI's trend average of 46.8 since the index's inception in May 2013. Also, the February result was the third highest outcome of the index since its inception, as it stood at 52.5 in May 2013 and at 50.6 in January 2025. The PMI's score signals an improvement in sales performance amid increased demand from foreign clients, a pickup in job creation, and a rebound in economic activity. Further, the PMI averaged 50.6 in the first two months of 2025 compared to 49.3 in the same period last year. A score that exceeds 50 signals positive business activity, while a score that is lower than 50 shows a deterioration in activity.

The survey's results show that the New Orders Index decreased from 51.3 in January 2025 to 50.8 in February 2025, reflecting a slowdown in the amount of new business that private sector firms in Lebanon received.

In addition, the New Export Orders Index stood at 50.4 in February 2025 relative to 49.8 in the previous month, as it recorded its highest level in 15 months and signaled a surge in demand from foreign clients.

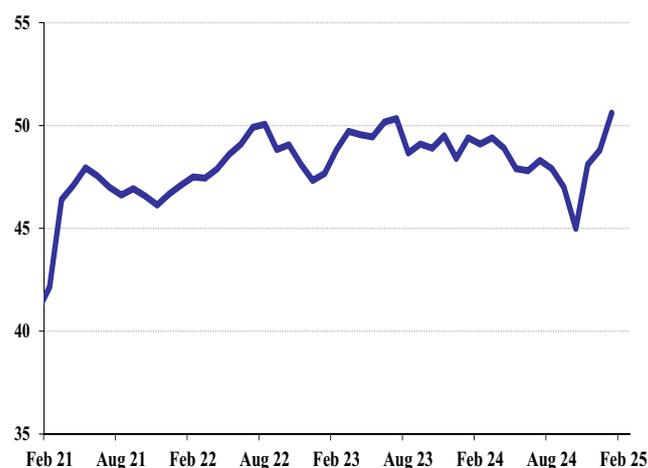
Further, the survey indicated that the Output Index reached 50.9 in February 2025 compared to 51.2 in January 2025, as businesses said that strong demand continued in February despite the month-on-month deceleration of the index.

Also, the Employment Index increased from 49.9 in January 2025 to 50.1 in February 2025, signaling a rise in employment levels across Lebanon's private sector following 14 months of generally stable staffing levels. Further, the results show that the Backlogs of Work Index stood at 53.5 in February 2025 compared to 51.9 in January 2025, indicating an increase in the level of completion of outstanding projects in the country's private sector amid higher demand, and signaling a faster rate of backlog accumulation across the private sector.

In parallel, the survey indicated that the Suppliers' Delivery Times Index reached 50.6 in February 2025 relative to 50.8 in January 2025. The survey respondents said that private sector firms in Lebanon reported an improvement in the efficiency of their suppliers or vendors, despite the slight month-on-month decrease. Also, the Stocks of Purchases Index stood at 51.4 in the covered month compared to 50.7 in January 2025, as businesses noted an increase in their inventory levels in January 2025.

The PMI is a weighted average of five individual sub-components that are New Orders with a weight of 30%, Output (25%), Employment (20%), Suppliers' Delivery Times (15%), and Stocks of Purchases (10%). The calculation of the PMI is based on data compiled from responses to questionnaires sent to purchasing executives at about 400 private sector companies in Lebanon across the manufacturing, services, construction and retail sectors. The sample selection is based on each sector's contribution to GDP. The survey is compiled monthly by S&P Global Market Intelligence.

BLOM Lebanon Purchasing Managers' Index



Source: BLOM Bank, S&P Global Market Intelligence

Components of BLOM Lebanon Purchasing Managers' Index

	Output	New Orders	New Export Orders	Future Output	Employment
September 2024	44.5	44.5	44.3	23.0	49.9
October 2024	41.5	40.7	31.2	8.2	49.6
November 2024	46.0	46.4	44.2	15.3	49.6
December 2024	47.7	47.9	48.6	61.8	49.8
January 2025	51.2	51.3	49.8	75.1	49.9
February 2025	50.9	50.8	50.4	67.3	50.1

Source: BLOM Bank, S&P Global Market Intelligence

Number of airport passengers down 1.4% in first two months of 2025

Figures released by the Beirut-Rafic Hariri International Airport (HIA) show that 851,545 passengers utilized the airport (arrivals, departures and transit) in the first two months of 2025, constituting decreases of 1.4% from 864,001 passengers in the same period of 2024 and of 5.2% from 898,643 passengers in the first two months of 2023.

Also, 420,427 passengers utilized the airport in February 2025, representing a decline of 2.5% from 431,118 in January 2025 and an increase of 1.7% from 413,351 passengers in February 2024. The number of arriving passengers reached 443,624 passengers in the first two months of 2025, as they rose by 9.3% from 405,830 passengers in the same period of 2024 and grew by 8.2% from 409,845 passengers in the first two months of 2023. The number of arriving passengers stood at 223,939 in February, representing increases of 2% from 219,685 passengers in January 2025 and of 9.6% from 204,329 in February 2024.

Also, the number of departing passengers totaled 407,832 in the first two months of 2025, constituting decreases of 11% from 457,739 passengers in the same period of last year and of 16.3% from 487,010 passengers in the first two months of 2023. Further, the number of departing passengers reached 196,463 in February, and declined by 7.1% from 211,369 in January 2025 and by 6% from 208,803 departing passengers in February 2024.

In parallel, the airport's aircraft activity totaled 6,658 take-offs and landings in the first two months of 2025, representing decreases of 8% from 7,227 takeoffs and landings in the same period last year. In comparison, aircraft activity declined by 12% in the first two months of 2024 and rose by 21.7% in the same period of 2023. Also, the airport's aircraft activity stood at 3,239 take-offs and landings in February 2025, constituting declines of 5.3% from 3,419 take-offs and landings in January 2025 and of 4.1% from 3,378 takeoffs and landings in February 2024. In addition, the HIA processed 8,869 metric tons of freight in the first two months of 2025 that consisted of 6,185 tons of import freight and 2,684 tons of export freight. Middle East Airlines had 1,670 flights in the covered period and accounted for 51.6% of the HIA's total aircraft activity.

Government mandates audits of public institutions and utilities

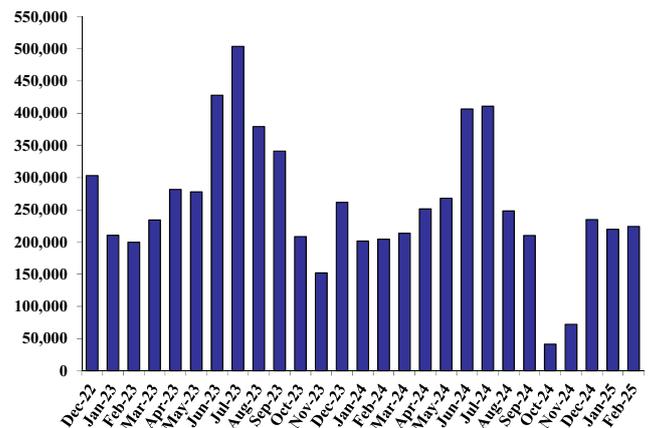
The Council of Ministers issued Circular No. 5/2025 dated February 20, 2025 to all public institutions, state-owned enterprises, and public utilities about subjecting their accounts to an internal audit and to an independent audit by accredited auditing and accounting firms.

It stated that, in accordance with the provisions of Article 73 of Law 326 dated September 28, 2001 about the general budget and its annexes for 2001, which stipulates that, in addition to the oversight of the Ministry of Finance and the Court of Audit as provided for in the applicable laws and regulations, the accounts of public institutions, state-owned enterprises, and public utilities that have financial and administrative independence are subject to an internal audit and to an independent audit by an accredited auditing and accounting firm.

It asked all public institutions, state-owned enterprises, and public utilities to adhere to the implementation of the provisions of Article 73 of Law 326, or they will be held accountable and subject to liabilities.

It said that the Ministry of Finance noticed that many public institutions, state-owned enterprises, and public utilities are not complying with the provisions of Article 73, which adversely affects the ministry's ability to monitor the financial health of these institutions and utilities, and consequently, prevents it from carrying out its duties in a way consistent with the applicable laws, to promote transparency, combat corruption and prosecute its perpetrators, maintain the proper conduct of work, and prevent the waste of public funds.

Number of Arriving Passengers



Source: Beirut-Rafic Hariri International Airport

Ministry of Social Affairs extends assistance under "AMAN" program

The Ministry of Social Affairs announced that it will extend the Emergency Social Safety Net Project (ESSN), known as "AMAN", for an additional five months starting from the end of March 2025. The ministry attributed its decision to the difficult economic conditions that continue to impact thousands of Lebanese families. It considered that it was necessary to extend the program to ensure the continuity of support for the poorest households, and added that it aims to expand the number of beneficiaries in the next phase.

Further, it pointed out that there are 166,000 Lebanese families, or 798,187 individuals, benefiting from the AMAN program that account for 45% of households in Lebanon who are below the poverty line, and that the monthly cash transfers for the program reach approximately \$20m. It added that 12,500 individuals with disabilities are currently benefiting from the cash grants under the National Disability Allowance program.

In addition, it expected the 2025 budget to earmark LBP1,200bn to the ministry to fund its cash support programs, and indicated that it is working with partners and donor countries to secure additional funding and to expand the circle of beneficiaries.

Also, it noted that the emergency cash assistance from the World Food Program, which will continue until the end of April 2025, is supporting 44,000 Lebanese families affected by the war between Israel and Hezbollah, which increased the need for social protection more than ever before.

In parallel, the ministry announced that it disbursed \$23.3m in financial assistance in January 2025. The distribution of the monetary support consisted of \$18.14m paid to 160,388 vulnerable Lebanese households through the AMAN program, and the "National Program to Support the Poorest Families"; \$4.4m in emergency assistance disbursed to 44,115 displaced Lebanese families; and \$781,170 transferred to 18,888 individuals with disabilities who benefit from cash grants under the National Disability Allowance program.

The ministry previously announced that the transfer of funds related to the AMAN program resumed on September 15, 2024, after it suspended payments at the start of July. It added that the ministry conducted visits to Lebanese households that registered for the program in 2024 in order to determine their eligibility. It announced that 583,000 Lebanese households registered for the AMAN program since September 2021 in order to receive a monthly financial assistance for a period of one year. It indicated that it transferred a total of \$158.9m to the eligible households as at the end of June 2023, after it extended the project several times to target more vulnerable families, and said that many families benefited from monthly payments for 18 months instead of 12 months. It added that it took exceptional measures by paying money for a period of one year to 10,000 households that have a member of the family who requires special needs or that have a widower.

Council of Ministers requests implementation decrees for enacted laws

The Council of Ministers issued Circular No. 7/2025 dated February 26, 2025 addressed to all ministries and public administrations about the preparation of implementation texts and regulatory decrees, in order to put enacted laws into effect, to determine the mechanisms for the laws' implementation, and to appoint the members of the authorities and council that these laws mandate.

First, it requested from all ministries and public administrations to prepare, as soon as possible, the necessary implementation texts for the enacted laws that have been published in the Official Gazette within the deadlines specified in their texts. It added that ministries and public administrations must take the necessary measures to issue the texts, in case the corresponding laws do not include related deadlines or if the deadlines have been exceeded. Also, it urged the ministries and public administrations to submit by mid-April 2025 the required drafts of the implementation of decrees to the General Directorate of the Presidency of the Council of Ministers (GD-PCM), in order to issue them in accordance with the procedures specified in the relevant laws. It indicated that the relevant authorities must work to approve the texts that are not decrees within the deadline. It said that copies of these texts must be submitted to the GD-PCM.

Second, it asked all ministries and public administrations to designate a Focal Point at each ministry and administration that will be the coordinating reference with other relevant departments for the work related to the implementation of laws. It said that the Focal Point will be the contact reference with the General Secretariat of the Council of Ministers (GS-CofM) to follow up on the implementation of the laws and to monitor any gaps hindering their application, in order to address the gaps through the preparation of amended legal texts containing the reasons for the modifications.

Third, it asked the GS-CofM to submit to the General Secretariat of Parliament a detailed table of the results of the implementation of the decisions by the end of April of this year.

U.S. financial assistance to Lebanon at 2% of GDP in 2023

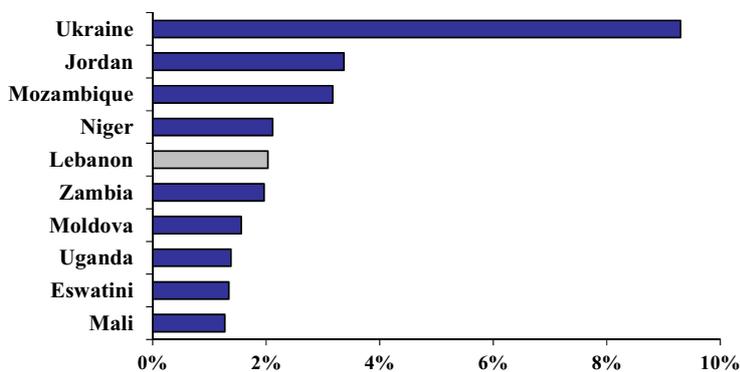
Moody's Ratings indicated that Lebanon is the fifth largest recipient of U.S. financial assistance among 25 economies that received U.S. development assistance disbursements in 2023, as U.S. financial aid to Lebanon was equivalent to 2.03% of the country's GDP in 2023, behind Ukraine with 9.3% of GDP, Jordan with 3.37% of GDP, Mozambique with 3.17% of GDP, and Niger with 2.11% of GDP. The U.S. Administration ordered on January 20, 2025 an immediate 90-day pause on all U.S. foreign development assistance, which is primarily delivered through the U.S. Department of State and the U.S. Agency for International Development (USAID).

According to the U.S. Department of State and the USAID, Lebanon is the fifth largest recipient of U.S. assistance in nominal terms among 18 countries in the Middle East and North Africa who received in total \$12bn in assistance in 2024, while it was the fourth biggest recipient of U.S. financial support in 2023. They indicated that the total amount of disbursements to Lebanon from all U.S. agencies stood at \$253.1m in 2024, constituting a drop of 60.6% from \$643.1m in 2023. In comparison, the U.S. Department of State and the USAID provided \$500.8m in 2019, \$507.3m in 2020, \$364.1m in 2021, and \$526m in 2022 in financial support to Lebanon. They added that the financial assistance from the USAID to Lebanon amounted to \$225m in 2024 relative to \$277.2m in 2023. In comparison, the USAID disbursed \$156.7m in 2019, \$185.9m in 2020, \$203.8m in 2021, and \$226.1m in 2022 in financial support to Lebanon.

The distribution of USAID assistance shows that it disbursed \$47m in emergency food assistance to Lebanon in 2024, which accounted for 27.1% of its aggregate support last year, followed by \$46.3m in humanitarian assistance (26.7%), \$17.1m for quality instruction towards access and basic education improvement (9.9%), \$12.5m for agriculture and rural empowerment activity (7.2%), \$12.1m for water, sanitation and conservation projects (7%), \$10m for higher education scholarships to the Lebanese American University (5.7%), \$9.4m for trade and investment facilitation (5.4%), \$8.6m for higher education scholarships to the American University of Beirut (5%), and \$5.5m for community support programs (3.2%). Further, the USAID provided \$5m in assistance, including salaries and benefits, to its employees who work on projects in Lebanon, or 2.9% of its total support to Lebanon. In addition, the U.S. Department of State allocated \$9.7m for livelihood support to the Lebanese Armed Forces in 2024 compared to \$25m in 2023.

Also, they said that all U.S. agencies disbursed \$107.7m for emergency response in Lebanon in 2024, which represented 42.5% of total U.S. financial aid last year, followed by \$35.8m for post-secondary education (14.1%), \$20.4m for basic education (8.1%), \$17.7m for government and civil society (7%), \$17.4m for water supply and sanitation (6.9%), \$12.33m for business & other services (4.9%), \$12.27 for agriculture (4.8%), \$10.7m for conflict, peace, & security and \$10.5m for operating expenditures (4.2% each), and \$7.4m for other multi-sectors (2.9%). In comparison, the distribution of USAID assistance shows that it allocated \$102.2m for emergency response in Lebanon, which accounted for 40.4% of total U.S. financial aid last year, followed by \$27m for post-secondary education (10.7%), \$20.4m for basic education (8.1%), \$17.4m for water supply and sanitation (6.9%), \$17.1m for government and civil society (6.8%), \$12.33m for business & other services (4.9%), \$12.27m for agriculture (4.8%), \$8.3m for operating expenditures (3.3%), \$7.3m for other multi-sectors (2.9%), and \$394,700 for basic health (0.2%).

Top 10 Recipients of U.S. foreign assistance in 2023 (% of GDP)



Source: Moody's Ratings, Byblos Research

Banking sector has 719 branches at end-June 2024

Figures issued by Banque du Liban (BdL) show that the Lebanese banking sector had 719 local and foreign branches at the end of June 2024, constituting declines of 42 branches (-5.5%) from 761 branches at end-2023 and of 95 branches (-11.7%) from 814 branches at end-June 2023, as well as decreases, of 298 branches (-29.3%) from 1,017 branches at end-June 2021, and of 458 branches (-39%) from 1,177 branches at end-June 2019.

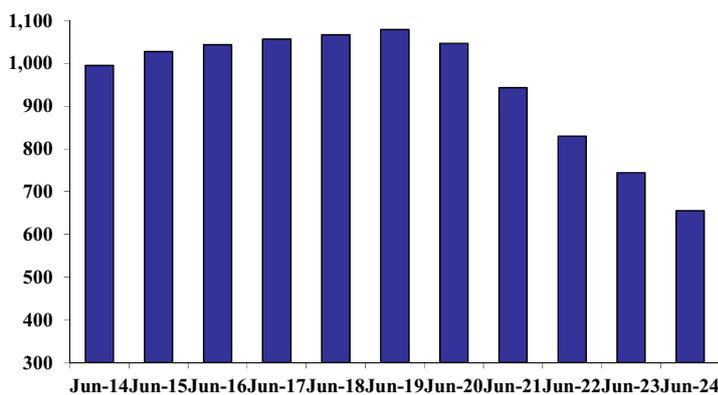
Commercial banks had 700 local and foreign branches at the end of June 2024 compared to 741 branches at end-2023, 793 branches at end-June 2023, 881 branches at end-June 2022, 996 branches from the end of June 2021, and 1,156 branches at end-June 2019. Further, medium- and long-term banks had 19 branches in Lebanon at the end of June 2024, compared to 21 branches a year earlier. In parallel, commercial banks operating in Lebanon had 45 branches outside the country at the end of June 2024, compared to 46 branches at the end of 2023, and relative to 49 branches at end-June 2023, to 53 branches at end-June 2021, and to 77 branches at end-June 2019.

The breakdown of commercial banks' branches shows that banks had 655 local branches at the end of June 2024, down by 40 branches (-5.8%) from 695 branches at the end of 2023, by 89 branches (-12%) from 744 branches at end-June 2023, by 288 branches (-30.5%) from 943 branches at the end-June 2021, and by 424 branches (-39.3%) from 1,079 at end-June 2019.

There were 341 branches of commercial banks in Beirut & its suburbs that accounted for 52% of total branches in the country at the end of June 2024, followed by 130 branches in Mount Lebanon (19.8%), 72 branches in South Lebanon (11%), 69 branches in North Lebanon (10.5%), and 43 branches in the Bekaa region (6.6%).

Also, nine foreign commercial banks operating in the country had 18 branches and four Islamic banks had 12 branches at end-June 2024. In addition, there were seven e-branches that offer banking services through interactive and automated machines at end-June 2024. Further, there were 46 commercial banks in the country at the end of June 2024, unchanged from a year earlier, as well as 13 medium- and long-term banks operating in Lebanon at end-June 2024 relative to 14 banks at end-2023 and 15 banks at end-June 2023. In parallel, 37 financial institutions had 66 branches in Lebanon at end-June 2024, relative to 40 financial institutions with 69 branches at end-June 2023.

Number of Branches of Commercial Banks in Lebanon



Source: Banque du Liban, Byblos Research

Utilized credits by private sector at LBP949,056bn at end-June 2024

Figures issued by Banque du Liban show that utilized credits by the private sector totaled LBP949,056bn at the end of June 2024 relative to LBP176,409.2bn at end-2023. In dollar terms, utilized credits by the private sector stood at \$10.6bn at end-June 2024 compared to \$11.8bn at end-2023. The dollar figures are calculated at the exchange rate of the Lebanese pound to the US dollar of LBP15,000 per dollar that went into effect at the start of February 2023 until end-2023 and the exchange rate of LBP89,500 per dollar that went into effect in January 2024.

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

Utilized credits for trade & services reached LBP349,685bn and accounted for 36.8% of the total at the end of June 2024, followed by credits for construction at LBP240,498.2bn (25.3%), personal credits at LBP131,424bn (13.8%), loans to the industrial sector at LBP127,803bn (13.5%), to financial intermediaries at LBP61,606bn (6.5%), and to the agricultural sector at LBP14,298bn (1.5%), while other sectors represented the remaining LBP23,740.6bn (2.5%). In addition, utilized credits for personal loans included mortgages that stood at LBP27,196.2bn at end-June 2024.

The distribution of utilized credits by type of collateral shows that advances against real estate totaled LBP298,125.3bn and accounted for 31.4% of the collateral for utilized credits at the end of June 2024. Advances against personal guarantees followed with LBP138,805.4bn (14.6%), then advances against financial values with LBP55,041.6bn (5.8%), advances against cash collateral or bank guarantees with LBP47,223.3bn (5%), and advances against other real guarantees with LBP19,968.6bn (2%), while overdrafts stood at LBP389,891.3bn or 41% of the total.

Also, the distribution of utilized credits in trade & services shows that wholesale trade accounted for 33% of loans to trade & services at the end of June 2024, followed by retail loans with 24.7%, transport & storage with 16%, real estate rent & employment services with 15.4%, hotels & restaurants with 8.5%, and educational services with 2.6%.

Further, personal loans beneficiaries represented 75.3% of total loan beneficiaries at the end of June 2024, followed by trade & services with 16% of beneficiaries, the industrial sector with 5.13%, construction with 1.9%, agriculture with 1.1%, and financial intermediaries with 1.5%, while other sectors accounted for the remaining 6.9% of loan beneficiaries.

In addition, there were 128,488 loan beneficiaries at the end of June 2024, constituting a decline of 35,229 beneficiaries, or of 21.5%, from the end of 2023, and compared to 195,594 beneficiaries at end-June 2023. Also, 40.3% of beneficiaries had loans of less than LBP5m at the end of June 2024, followed by those with loans that range from LBP100m to LBP500m (21.6%), beneficiaries with credits in the LBP25m to LBP100m segment (11.2%), those with loans in the LBP5m-LBP25m bracket (8.3%), beneficiaries with loans ranging from LBP1bn to LBP5bn (7.2%), those with credits between LBP500m and LBP1bn (6.6%), beneficiaries with loans that exceed LBP10bn (3.4%), and those with credits in the LBP5bn to LBP10bn segment (1.5%).

Beirut and its suburbs accounted for 82.6% of bank credits and for 56.6% of beneficiaries as at end- June 2024. Mount Lebanon followed with 9.12% of credits and 15.5% of beneficiaries, then South Lebanon with 3% of credits and 8.75% of beneficiaries, North Lebanon with 2.8% of credits and 12.2% of beneficiaries, and the Bekaa region with 2.5% of credits and 6.9% of beneficiaries.

In parallel, the off-balance sheet liabilities of the financial sector stood at LBP2,666.5 trillion (tn) (\$29.8bn) at the end of June 2024 compared to LBP529,383bn (\$35.3bn) at end-2023. They included endorsement & guarantees of LBP2,513.7tn, or 94.3% of the total, followed by letters of undertaking with LBP69,843.7bn (2.6%), commitments on notes with LBP44,301.3bn (1.7%), forward operations LBP25,224.6bn (0.9%), financing commitments with LBP13,219bn (0.5%), and while other commitments amounted to LBP181.8bn (0.01%).

CMA CGM posts net profits of \$5.7bn in 2024

The Lebanese-owned and France-based container-shipping firm CMA CGM declared consolidated net income of \$5.7bn in 2024, constituting a rise of 18% from net profits of \$3.6bn in 2023, while its revenues totaled \$55.5bn last year and increased by 18% from \$47bn in 2023. It attributed the surge in profits to the robust performance of the firm's container shipping activities. Further, the company's earnings before interest, taxes, depreciation and amortization (EBITDA) stood at \$13.5bn in 2024, constituting a rise of 49.3% from \$9bn in the preceding year.

The distribution of the company's revenues show that, first, its consolidated revenues from maritime shipping operations stood at \$36.5bn in 2024 and increased by 16.2% from \$31.4bn in 2023, while the EBITDA of shipping activity reached \$11.2bn last year and jumped by 52% from \$7.4bn in 2023. The firm indicated that it transported 23.6 million twenty-foot equivalent units (TEUs) in 2024, constituting an increase of 7.8% from 21.85 million TEUs in 2023, which led to average receipts of \$1,549 per TEU last year. It said that demand for maritime container shipping increased in 2024, despite the negative shock from geopolitical tensions. It noted that major tensions in the Red Sea and the Gulf of Aden forced vessels to avoid the area and take an alternative route via the Cape of Good Hope. It added that the expected increase in U.S. tariffs impeded the fluidity of world trade in 2024.

Second, it pointed out that revenues from logistics operations stood at \$18.4bn in 2024, representing an increase of 21% from \$15.2bn in the preceding year; while the corresponding EBITDA reached \$1.77bn in 2024 and grew by 28.3% from \$1.38bn in 2023. According to the firm, the results reflect the contribution of Bolloré Logistics since its consolidation with the company's logistics operations last February. It added that it has signed a definitive agreement last September to acquire an initial stake of 47.6% in Santos Brasil Participações S.A. for \$1.1bn, a leading multi-terminal operator based in Brazil and the owner of South America's largest container terminal. Also, it said that it has reached an agreement to form a joint venture between CEVA Logistics and Almajdouie Logistics in Saudi Arabia to provide integrated end-to-end logistics services to Saudi companies.

Third, it indicated that revenues from other activities, which include port terminals, CMA CGM Air Cargo and the media, reached \$2.9bn in 2024, constituting a rise of 43.3% from \$2bn in the preceding year. It noted that the EBITDA of other activities stood at \$441m and surged by 87.2% from \$236m in 2023. It pointed out that CMA CGM Air Cargo, which is operating independently, continued its expansion by taking delivery of its third Boeing 777-200F that it deployed on a new transpacific route connecting Asia to North America. Also, it stated that the firm completed the acquisition of RMC-BFM, a French media company, in July 2024.

Further, the firm stated that it has invested \$20bn to order 153 vessels capable of running on low-carbon energy, and that they will become operational by 2029.

CMA CGM is one of the largest container shipping companies in the world and operates a fleet with more than 650 vessels, with a capacity of 5 million TEUs that serves over 420 commercial ports and utilizes more than 250 shipping lines.

In parallel, Moody's Investors Service affirmed in June 2024 the corporate family rating of CMA CGM at 'Ba1', as well as its probability of default rating at 'Ba1-PD'. Also, it maintained the 'stable' outlook on the ratings. In addition, it revised the company's business profile sub-score from 'Ba' to 'Baa' due to its diversification strategy. It attributed the ratings' affirmation to the firm's improved business profile as a result of the acquisition of Bolloré Logistics, which will lead to third-party-logistics generating almost 30% of the group's EBITDA. It indicated that CMA CGM has transitioned from a pure container shipping company to a diversified transport and logistics provider, and that the firm's asset base has more than doubled since the beginning of 2020, while its debt decreased given that it financed almost every one of its transactions through equity. In addition, it said that the company's ratings are supported by its high asset ratios and strong liquidity position. However, it pointed out that the firm's orderbook of 97 vessels for a remaining capital commitment of almost \$10bn in the 2024-26 period will weigh on the company's free cash flow generation. In parallel, it indicated that the 'stable' outlook reflects the firm's strong liquidity and robust balance sheet.

Further, S&P Global Ratings affirmed in June 2024 the long- and short-term issuer credit ratings of CMA CGM at 'BB+', and maintained the 'stable' outlook on the ratings. It also assigned a 'BB+' rating to the company's proposed senior unsecured notes. It attributed its decision to the company's satisfactory financial results of the first quarter of 2024, which benefitted from robust container volume growth despite ongoing disruptions in the Red Sea. It said that the company's credit metrics for the 2024-25 period will remain well within the agency's 'BB+' rating threshold, but with clearly diminished financial headroom for unforeseen operational setbacks or external growth. It noted that the 'stable' outlook reflects the likelihood that the firm will maintain its adjusted EBITDA above the strong 2020 level of about \$6.2bn and pursue a more balanced financial policy in the near term. In addition, S&P Global indicated that CMA CGM's acquisition of Santos Brasil will reinforce its position as a leading global terminal operator with a footprint in about 60 terminals worldwide. It added that the firm has sufficient headroom at the current rating to absorb the acquisition.

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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