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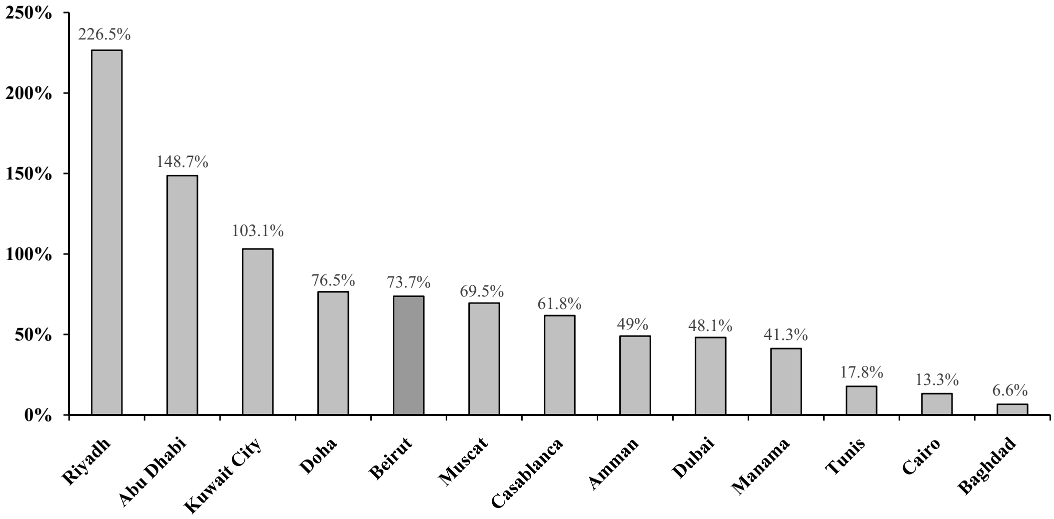
# LEBANON THIS WEEK

## In This Issue

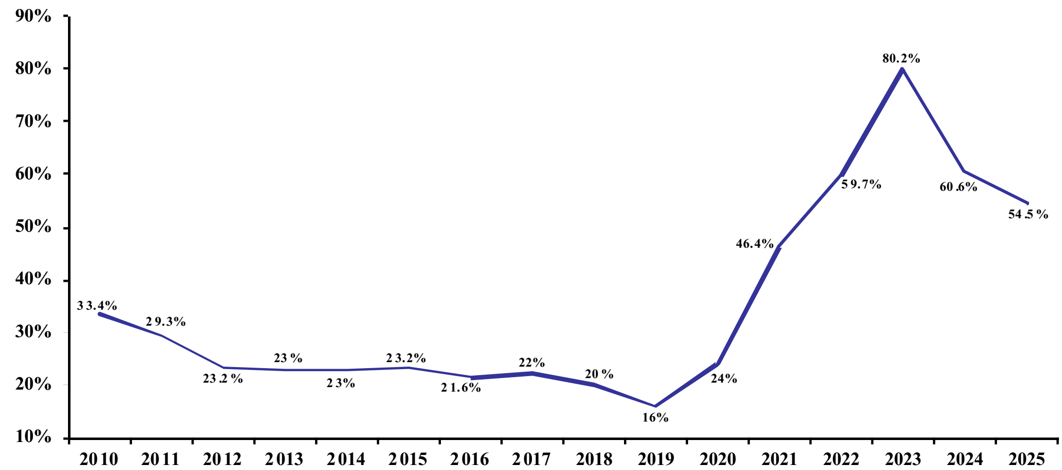


## Charts of the Week

**Stock Market Capitalization of Select Arab Markets at end-May 2025 (in % of 2025 GDP)**




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




**at the end of May of each year*
*Source: Arab Federation of Capital Markets, Institute of International Finance, International Monetary Fund, Byblos Bank*

## Quote to Note

"Economically, aside from a potentially adverse impact on oil imports, we do not see any direct exposure that should warrant concern."

*Global investment bank Goldman Sachs, on the impact on Lebanon of the conflict between Israel and Iran*

## Number of the Week

**73%:** Percentage of resident Lebanese who increased their purchases of Lebanese products in the past five years, according to an opinion poll by research firm Ipsos

## Lebanon in the News

| $m (unless otherwise mentioned) | 2023* | 2024* | 2025* | % Change** | Mar-24 | Feb-25 | Mar-25 |
|---|---|---|---|---|---|---|---|
| Exports | 732 | 731 | 935 | 27.9% | 288 | 300 | 309 |
| Imports | 4,239 | 3,972 | 4,378 | 10.2% | 1,249 | 1,405 | 1,544 |
| Trade Balance | (3,506) | (3,241) | (3,443) | 6.2% | (961) | (1,105) | (1,235) |
| Balance of Payments | 1,175 | 1,608 | 5,368 | 233.8% | 1,629.9 | 919.1 | 2,240.9 |
| Checks Cleared in LBP*** | 5,064 | 200 | 172 | -14.3% | 68 | 45 | 65 |
| Checks Cleared in FC*** | 1,555 | 516 | 255 | -50.6% | 78 | 93 | 84 |
| Total Checks Cleared | 6,619 | 716 | 427 | -40.4% | 146 | 138 | 149 |
| Fiscal Deficit/Surplus | - | - | - | - | - | - | - |
| Primary Balance | - | - | - | - | - | - | - |
| Airport Passengers | 1,363,669 | 1,271,456 | 1,254,673 | -1.3% | 407,455 | 420,427 | 403,128 |
| Consumer Price Index | 193.0 | 114.5 | 15.3 | -86.6% | 70.4 | 15.6 | 14.2 |
| **$bn (unless otherwise mentioned)** | **Mar-24** | **Nov-24** | **Dec-24** | **Jan-25** | **Feb-25** | **Mar-25** | **% Change**** |
| BdL FX Reserves | 9.59 | 10.10 | 10.09 | 10.34 | 10.48 | 10.68 | 11.4% |
| *In months of Imports* | - | - | - | - | - | - | - |
| Public Debt | - | - | - | - | - | - | - |
| Bank Assets | 103.80 | 103.02 | 103.15 | 103.03 | 102.88 | 102.66 | -1.1% |
| Bank Deposits (Private Sector) | 90.70 | 88.93 | 88.65 | 88.59 | 88.77 | 88.72 | -2.2% |
| Bank Loans to Private Sector | 7.05 | 5.99 | 5.95 | 5.89 | 5.72 | 5.65 | -19.9% |
| Money Supply M2 | 1.16 | 1.22 | 1.46 | 1.75 | 1.75 | 1.76 | 51.6% |
| Money Supply M3 | 71.04 | 69.39 | 69.26 | 69.43 | 69.54 | 69.41 | -2.3% |
| LBP Lending Rate (%) | 2.98 | 6.78 | 5.61 | 5.63 | 7.59 | 6.41 | 115.1% |
| LBP Deposit Rate (%) | 1.00 | 1.17 | 3.58 | 3.29 | 2.86 | 2.00 | 100.0% |
| USD Lending Rate (%) | 1.85 | 4.41 | 3.70 | 2.09 | 4.29 | 4.11 | 122.2% |
| USD Deposit Rate (%) | 0.02 | 0.03 | 0.03 | 0.04 | 0.08 | 0.10 | 400.0% |

**in the first quarter of each year*
***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 |
|---|---|---|---|---|
| Audi Listed | 2.75 | 0.0 | 21,818 | 7.8% |
| Audi GDR | 2.60 | 15.6 | 13,000 | 1.5% |
| Solidere "A" | 84.75 | 1.3 | 8,386 | 41.0% |
| Solidere "B" | 80.45 | (0.9) | 7,473 | 25.3% |
| BLOM GDR | 6.00 | (0.3) | 7,040 | 2.1% |
| Byblos Common | 1.05 | 15.4 | 500 | 2.9% |
| HOLCIM | 76.00 | (4.4) | 144 | 7.2% |
| Byblos Pref. 09 | 29.99 | 0.0 | - | 0.3% |
| BLOM Listed | 5.17 | 0.0 | - | 5.4% |
| Byblos Pref. 08 | 25.00 | 0.0 | - | 0.2% |

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

| Sovereign Eurobonds | Coupon % | Mid Price $ | Mid Yield % |
|---|---|---|---|
| Nov 2026 | 6.60 | 17.8 | 166.83 |
| Mar 2027 | 6.85 | 17.8 | 128.01 |
| Nov 2028 | 6.65 | 17.8 | 58.71 |
| Feb 2030 | 6.65 | 17.8 | 40.65 |
| Apr 2031 | 7.00 | 17.8 | 31.98 |
| May 2033 | 8.20 | 17.8 | 23.13 |
| May 2034 | 8.25 | 17.8 | 20.41 |
| July 2035 | 12.00 | 17.8 | 17.89 |
| Nov 2035 | 7.05 | 17.8 | 17.41 |
| Mar 2037 | 7.25 | 17.8 | 15.27 |

*Source: Refinitiv*

| | June 16 -20 | June 9 -13 | % Change | May 2025 | May 2024 | % Change |
|---|---|---|---|---|---|---|
| **Total shares traded** | 58,561 | 32,214 | 81.8% | 2,398,966 | 495,504 | 384.1 |
| **Total value traded** | $1,444,778 | $1,881,022 | (23.2) | $48,065,990 | $25,233,203 | 90.5 |
| **Market capitalization** | $20.67bn | $20.53bn | (0.9*) | $20.64bn | $17.12bn | 20.5 |

*Source: Beirut Stock Exchange (BSE)*

## Greenfield foreign direct investments down 78% to $3.4m in 2024

Figures compiled by fDi Markets and released by the United Nations Conference on Trade and Development (UNCTAD) show that greenfield foreign direct investments (FDI) in Lebanon totaled $3.4m in 2024, constituting a drop of 77.8% from $15.3m in 2023. Also, Lebanon had one greenfield FDI project in 2024 relative to seven projects in 2023. In comparison, Lebanon attracted $11.5m in greenfield FDI in 2022 (five projects), $0.2m in 2021 (one project), $30m in 2020 (four projects), $286.8m in 2019 (12 projects), $121.2m in 2018 (seven projects), $69.7m in 2017 (11 projects), $39.4m in 2016 (10 projects), $34.6m in 2015 (seven projects), $1.13bn in 2014 (10 projects), and $69m in 2013 (16 projects).

The FDI figures cover cross-border greenfield projects that lead to the direct creation of jobs and capital investments. They include joint ventures when these transactions lead to a new physical greenfield operation. The figures exclude mergers and acquisitions and other equity investments. fDi Markets is a database that tracks cross-border greenfield investments across the world, and is owned by the Financial Times Group.

Lebanon was the second smallest recipient of greenfield FDI in nominal terms among 142 economies with a GDP of $10bn or more, and the smallest recipient among 14 Arab countries. Also, Lebanon was among 88 countries globally that registered a decrease in the amount of inward greenfield FDI in 2024, while it posted the fourth steepest decline in Greenfield FDI among Arab countries last year. In comparison, the amount of inward greenfield FDI to Arab economies declined by 36.4% to $120.1bn in 2024, while greenfield FDI to West Asian economies dropped by 45% to $56.1bn last year.

**Greenfield FDI in Arab Countries (US$m)**

| | 2024 | 2023 | Change (%) |
|---|---|---|---|
| Egypt | 54,545.50 | 41,933.60 | 30.1% |
| Saudi Arabia | 22,611.82 | 30,621.25 | -26.2% |
| UAE | 13,963.61 | 18,415.00 | -24.2% |
| Tunisia | 13,441.57 | 391.00 | 3,337.7% |
| Morocco | 7,290.85 | 22,594.00 | -67.7% |
| Qatar | 2,635.20 | 364.50 | 623.0% |
| Jordan | 2,367.80 | 17,127.00 | -86.2% |
| Bahrain | 1,290.52 | 496.70 | 159.8% |
| Oman | 1,053.36 | 2,070.10 | -49.1% |
| Algeria | 451.94 | 691.20 | -34.6% |
| Kuwait | 177.30 | 200.10 | -11.4% |
| Libya | 154.10 | 2,083.20 | -92.6% |
| Iraq | 90.10 | 16,103.80 | -99.4% |
| **Lebanon** | **3.40** | **15.30** | **-77.8%** |
| Djibouti | - | 1,621.30 | - |
| Mauritania | - | 34,000.00 | - |
| Palestine | - | 66.80 | - |
| **Total** | **120,077.02** | **188,794.66** | **-36.4%** |

*Source: fDi Markets,UNCTAD, Byblos Research*

In parallel, Lebanon attracted the lowest number of greenfield FDI projects globally in 2024, similar to Afghanistan, Bolivia, Chad, Congo, Libya, Mali, Niger, and Venezuela. Also, Lebanon was among 47 countries worldwide that registered a decrease in the number of greenfield FDI projects in 2024. In comparison, the number of greenfield FDI projects to Arab economies increased by 4.8% to 2,351 projects last year and greenfield projects to West Asian economies grew by 6% year-on-year to 2,380 projects in 2024.

Further, the amount of greenfield FDI in Lebanon accounted for 0.003% of total greenfield FDI in Arab countries last year relative to 0.008% in 2023. It also represented 0.006% of total flows to West Asian countries compared to 0.015% in 2023. Also, greenfield FDI in Lebanon were equivalent to 0.012% of GDP in 2024, the lowest such ratio among Arab countries. In comparison, they were equivalent to 0.07% of GDP in 2023, 0.05% of GDP in 2022, 0.001% of GDP in 2021, 0.12% of GDP in 2020, and 0.54% of GDP in 2019.

## Surveyed economists project Lebanon's real GDP growth rate at 2% in 2025

Bloomberg's quarterly survey of economists and analysts about the outlook on the Lebanese economy projected economic activity to grow by 2% in 2025 relative to an earlier forecast of a real GDP growth of 3.4% in the March 2025 survey. The individual forecasts for 2025 ranged from a contraction of 1.1% to a growth rate of 6% for the current year, with a median real GDP growth rate of 1.5% for 2025. Also, the poll indicates that the consensus forecast among 71.4% of participants is that real GDP will improve by more than 1.2% this year. Bloomberg conducted the poll in June 2025, and the survey's results are based on the opinions of seven economists and analysts based in Lebanon and abroad.

Further, participants forecast the average inflation rate in Lebanon at 16.8% in 2025 compared to a projection of 20.7% in the March 2025 survey. The opinions of surveyed analysts differed on the magnitude of the increase in consumer prices in 2025, with expectations ranging from 9% to 25% and a median inflation rate of 16.8% for 2025. Also, 28.6% of participants predicted that the inflation rate would range between 20% and 25% this year.

In addition, surveyed analysts projected Lebanon's fiscal deficit at 1.6% of GDP in 2025 compared to a previous forecast of 1.5% of GDP in the March 2025 survey. The projections of polled economists for the fiscal balance ranged from a deficit of 2.7% of GDP to a deficit of 0.8% of GDP in 2025, with a median deficit of 1% of GDP.

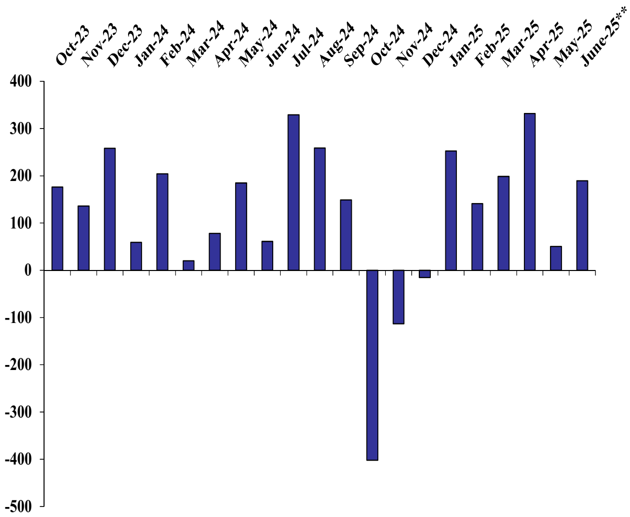
Further, the survey's participants forecast the current account deficit at 22% of GDP in 2025 compared to a previous forecast of a deficit of 18.1% of GDP in March 2025 survey. The polled analysts expected the current account deficit to range from 8% of GDP to 55.7% of GDP in 2025, with a median deficit of 15% of GDP for the year.

## Banque du Liban's liquid foreign reserves at $11.3bn, gold reserves at $31.6bn at mid-June 2025

Banque du Liban's (BdL) interim balance sheet shows that its total assets reached LBP8,409.2 trillion (tn) on June 15, 2025, relative to LBP8,390tn on May 31, 2025, to LBP8,408tn on May 15, 2025, to LBP8,318.7tn at the end of 2024, and to LBP8,404.6tn at mid-June 2024. BdL indicated that it revised its balance sheet figures starting on October 15, 2024 in accordance with international standards. It said that it changed the classification of "Foreign Assets" to "Foreign Reserve Assets" in order to present non-resident and liquid foreign assets only, while it reclassified the "other resident and/or illiquid items" to its "Securities Portfolio" or to the "Loans to the Local Financial Sector" entries.

BdL's Foreign Reserve Assets stood at $11.3bn on June 15, 2025, compared $11.11bn on May 31, 2025, to $11.17bn at mid-May 2025 and to $9.93bn at mid-June 2024. Also, they increased by $252.8m in January, by $141.1m in February, by $198.7m in March 2025, by $331.7m in April 2025, by $50.4m in May 2025, and by $189.4m in the first half of June 2025. As such, BdL's Foreign Reserve Assets increased by $2.73bn between the end of July 2023 and mid-June 2025, despite a decline of $530.3m in the fourth quarter of 2024. 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.

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




**month-on-month change*
***as at mid-June 2025, change from end-May 2025*
*Source: Banque du Liban, Byblos Research*

Further, the value of BdL's gold reserves reached an all-time high of $31.6bn on June 15, 2025 compared to a previous peak of $30.4bn at end-May 2025. Also, BdL's securities portfolio totaled LBP554,347bn at mid-June 2025 relative to LBP554,311.6bn at end-May 2025. BdL noted that the securities portfolio includes Lebanese Eurobonds that had a market value of $860.8m on July 15, 2025 relative to $914.4m at end-May 2025 and to $913.7m at mid-May 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 LBP40,565bn at mid-June 2025 compared to at LBP40,789bn at end-May 2025.

Moreover, Deferred Open-Market Operations totaled LBP162,034bn on June 15, 2025 relative to LBP160,071bn on May 31, 2025. BdL said that, based on the Central Council's decision 23/36/45 of December 20, 2023, it has started to present all deferred interest costs originating from open-market operations under this new line item. As a result, it transferred all deferred interest costs included in the "Other Assets" and "Assets from Exchange Operations" entries to the new item. Therefore, the item "Other Assets" stood at LBP26,699bn ($298.3m) at mid-June 2025 relative to LBP26,178.6bn ($292.5m) two weeks earlier.

Also, the Revaluation Adjustments item on the asset side reached LBP2,300.9tn at mid-June 2025 relative to LBP2,407.2tn at end-May 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 LBP165.3tn at mid-June 2025 relative to LBP165.16tn at end-May 2025. It also consists of a special account in the name of the Treasury that stood at LBP2,135.6tn at mid-June 2025 compared to LBP2,242tn at end-May 2025. Further, the balance sheet shows that BdL's loans to the public sector totaled LBP1,486,757bn at mid-June 2025 relative to LBP1,486,745bn two weeks earlier, which include an overdraft of $16.52bn at mid-June 2025, unchanged from end-May 2025.

On the liabilities side, BdL's balance sheet shows that currency in circulation outside BdL stood at LBP78,385.7bn on June 15, 2025 compared to LBP78,139bn at end-May 2025, and represented an increase of 30.2% from LBP60,182.8bn at mid-June 2024. Further, the deposits of the financial sector reached LBP7,581.4tn, or the equivalent of $84.7bn, at mid-June 2025, relative to $84.68bn at end-May 2025 and $87bn at mid-June 2024; while public sector deposits at BdL totaled LBP645,133bn at mid-June 2025 compared to LBP629,875bn at end-May 2025 and to LBP628,990.4bn at mid-May 2025.

# Lebanon in the News

## Escalation of regional conflict to affect economic activity and prospects

In its baseline scenario about the impact of the Israel-Iran war on the Lebanese economy, the Institute of International Finance (IIF) projected Lebanon's real GDP growth rate to decelerate from 2.4% in 2025 prior to the start of the war to 1.5% this year. Under this scenario, it assumed that the war will remain limited to Iran and Israel, will last weeks or months, and that oil will continue to flow through the Strait of Hormuz. In comparison, it forecast the real GDP growths rates of the Middle East and North Africa (MENA) region at 1.7%, of the Gulf Cooperation Council (GCC) countries at 3.1%, and of Egypt at 3.2% under its baseline scenario.

Further, it considered that Lebanon may benefit indirectly from Iran's weakening position, as domestic actors appear reluctant to escalate the conflict, which opens a window for political reconciliation and economic reforms. It considered that the agreement on the disarmament of non-state armed factions and parties in the next few months could unlock a reforms package with the International Monetary Fund (IMF) by the end of 2025 as well as international support.

However, under its worst-case scenario, which assumes that the war will escalate, the U.S. will get involved directly, and the flow of oil and global supply will be disrupted in the short- to medium term, it forecast Lebanon's real GDP growth rate to slow down to 1.2% in 2025 due to weaker tourism and construction activity, but it anticipated a stronger rebound in economic growth beyond 2025. In comparison, it forecast the real GDP of the MENA region to contract by 0.5%, economic activity in the GCC economies to grow by 0.6%, and the real GDP of Egypt to expand by 2.6% under its worst-case scenario. The IIF assigned a high probability for its baseline scenario and a low possibility for its worst-case scenario.

In February 2025, the IIF estimated that, in a "Deep Reforms" scenario, that consists of political stability, sustained strong growth, a sounder fiscal position, a substantial increase in foreign currency reserves, and a more hopeful future, financial assistance from multilateral institutions and official donors would reach $12.5bn that includes $4.5bn from GCC countries, $3bn from the IMF, $3bn from the World Bank for specific projects, and $2bn from major European countries. It indicated that Lebanon could attract an additional $10bn in foreign direct investments from the GCC during the 2025-29 period. As such, it projected Lebanon's real GDP growth rate to average 6.2% annually in the 2025-29 period, driven by FDI, public investments, and the exports of goods and services, particularly tourism. Further, it noted that the lack of bank credit to the private sector will not be an obstacle to the economic recovery, as cases in other crisis-affected economies have demonstrated. It added that private consumption in Lebanon does not depend significantly on credit and will be supported by the continued sizeable inflows of remittances and the pick-up in tourism activity, while the recovery in construction will be driven by FDI and foreign concessional loans destined for specific projects. It estimated that, under this scenario, the size of the Lebanese economy will expand to its pre-crisis peak of $53bn by 2029.

Under its "Limited Reforms" scenario, the IIF estimated that the executive branch may face challenges in implementing the ceasefire and UN Security Council Resolution 1701, and noted that political vested interests represented in Parliament may still oppose crucial economic reforms. It considered that, without major political changes in the next parliamentary elections, it is unlikely that the new Cabinet will be able to pass deep reforms and laws in Parliament. It noted that, in this case, Lebanon will not reach a final agreement on an IMF-supported economic program, and that financial support from the international community would be mostly in the form of humanitarian assistance and will not be enough to cover even half of the financing needed for reconstruction. As such, it projected Lebanon's real GDP growth rate to average 3% in the 2025-29 period, for the market exchange rate to resume its depreciation, and for inflation to accelerate again.

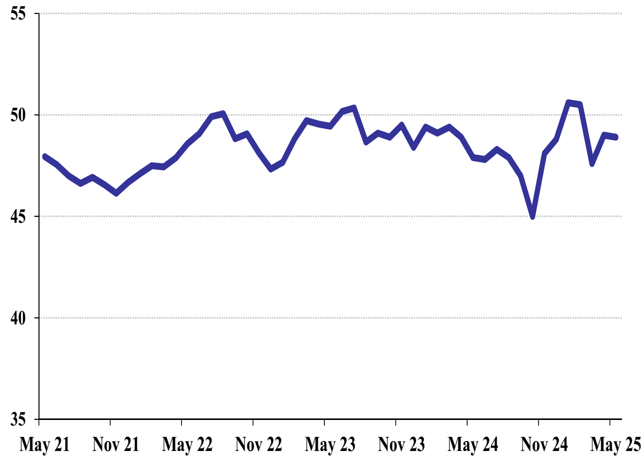
## Purchasing Managers' Index nearly unchanged in May 2025

The BLOM Lebanon Purchasing Managers' Index (PMI), an indicator of operating conditions in Lebanon's private sector, stood at 48.9 in May 2025 relative to 49 in April 2025 and to 47.9 in May 2024, and came higher than the PMI's trend average of 46.8 since the index's inception in May 2013. Also, the May result was the fourth highest outcome of the index since October 2024 when it stood at 50.6 in January, at 50.5 in February, and at 49 in April 2025.

The PMI's score signals a deterioration in private sector activity between March and May 2025, and remained below the 50 mark for the third consecutive month. Further, the PMI averaged 49.3 in the first five months of 2025 compared to 48.9 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 48.4 in April 2025 to 48.2 in May 2025, reflecting a slight deterioration in new businesses that private sector firms in Lebanon received. Also, businesses considered that a stagnant market conditions, regional instability, security concerns and purchasing power weakness are weighing on new orders.

**BLOM Lebanon Purchasing Managers' Index**




*Source: BLOM Bank, S&P Global Market Intelligence*

In addition, the New Export Orders Index stood at 47.4 in May 2025 relative to 48.5 in the previous month, signaling a month-on-month decrease in demand from foreign clients. Further, businesses said that unstable conditions across the Middle East region and increased shipping costs weighed on the ability of Lebanese companies' to secure sales with non-domestic customers.

Also, the survey indicated that the Output Index slightly decreased from 48.1 in April 2025 to 48 in May 2025, and remained below the 50 mark for the third consecutive month. The results reflect a stagnation in private sector business activity across Lebanon, primarily driven by weak demand.

Further, the Employment Index slightly improved from 49.8 in April 2025 to 49.9 in May 2025, signaling a broadly stable workforce numbers across Lebanon's private sector.

In addition, the results show that the Backlogs of Work Index increased from 49.7 in April 2025 to 50.6 in May 2025, indicating that private sector companies in Lebanon recorded a rise in their levels of outstanding business.

In parallel, the survey indicated that the Suppliers' Delivery Times Index regressed from 49.8 in April 2025 to 49.5 in May 2025, due to shipping delays and slow customs clearances.

Also, the Stocks of Purchases Index increased from 49.1 in April 2025 to 49.5 in May 2025, although private sector firms in Lebanon aimed to cut costs and improve cashflow by reducing inventory levels.

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.

**Components of BLOM Lebanon Purchasing Managers' Index**

| | Output | New Orders | New Export Orders | Future Output | Employment |
|---|---|---|---|---|---|
| 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 |
| March 2025 | 46.1 | 46.1 | 46.2 | 55.5 | 49.4 |
| April 2025 | 48.1 | 48.4 | 48.5 | 49.6 | 49.8 |
| May 2025 | 48.0 | 48.2 | 47.4 | 55.3 | 49.9 |

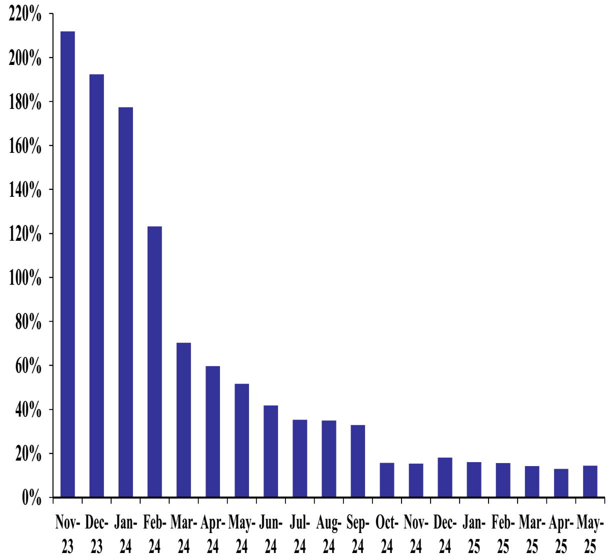
*Source: BLOM Bank, S&P Global Market Intelligence*

## Consumer Price Index up 14.4% year-on-year in May 2025

The Central Administration of Statistics' Consumer Price Index increased by 14.7% in the first five months of 2025 from the same period of 2024. In comparison, it grew by 85.8% and by 224% in the first five months of 2024 and 2023, respectively, from the corresponding periods of the previous years.

The CPI rose by 14.4% in May 2025 from the same month of 2024 and registered its 15th double-digit increase since the last triple-digit rise in February 2024 when it stood at 123.2%. The slowdown of the inflation rate from triple-digit rates in previous years is due in part to the widespread dollarization of consumer goods and services in the economy, and to the stabilization of the exchange rate of the Lebanese pound against the US dollar since July 2023. However, the cumulative surge in the inflation rate is due in part to the repeated increase in customs tariffs, to the rise of the cost of education, healthcare, rent and food prices, to the surge of fees in the public administration, and to the inability of the authorities to monitor and contain retail prices.

**Annual Change in Consumer Price Index* (%)**




*from the same month of the previous year
*Source: Central Administration of Statistics, Byblos Research*

The costs of education surged by 30.7% in May 2025 from the same month in 2024, followed by imputed rent (+28%), the prices of miscellaneous goods & services (+22.7%), healthcare costs (+21.6%), the prices of food & non-alcoholic beverages (+21.4%), and the cost of actual rent (+19.2%). Also, rates at restaurants and hotels rose by 13.5% year-on-year in May 2025, followed by the prices of alcoholic beverages & tobacco (+12.6%), the cost of clothing & footwear (+10.3%), the prices of water, electricity, gas & other fuels (+6.4%), the cost of recreation & entertainment (+6.1%), and the prices of furnishings & household equipment (+3.2%). In contrast, the cost of communication decreased by 3.2% in May 2025 from the same month of the previous year, followed by transportation costs (-1%). Also, the distribution of actual rent shows that new rent surged by 27% and old rent increased by 9% in May 2025 from the same month of 2024.

In parallel, the CPI increased by 1.31% in May 2025 from the previous month, relative to a rise of 0.67% in April, a growth of 0.44% in March, an uptick of 0.66% in February, an expansion of 1.1% in January 2025, a rise of 2.4% in December 2024, an increase of 2.3% in November, a growth of 2% in October, a downturn of 0.2% in September, and to upticks of 0.64% in August, of 2% in July, of 0.3% in June, and of 0.02% in May 2024.

The prices of water, electricity, gas & other fuels increased by 6% in May 2025 from April of the same year, followed by imputed rent (+3.2%), actual rent (+2.4%), the prices of furnishings & household equipment (+1.8%), the prices of alcoholic beverages and tobacco (+1.2%), the cost of miscellaneous goods & services (+0.8%), rates at restaurants and hotels (+0.7%), transportation costs (+0.6%), and the cost of healthcare (+0.2%). In contrast, the cost of recreation & entertainment decreased by 1.3% month-on-month in May 2025, followed by the prices of food & non-alcoholic beverages (-1%), the prices of clothing & footwear (-0.8%), and communication costs (-0.5%). Also, the cost of education was unchanged in May 2025 from the previous month. In addition, the distribution of actual rent shows that new rent increased by 2.7%, while old rent grew by 2.1% month-on-month in May 2025.

Further, the CPI increased by 2.33% in Mount Lebanon, by 0.82% in the Bekaa, by 0.6% in the North, by 0.12% in the Nabatieh area, and by 0.04% in the South, while it regressed by 0.17% in Beirut. In parallel, the Fuel Price Index decreased by 1.8%, while the Education Price Index was unchanged in May 2025 from April 2025.

## Banque du Liban increases monthly deposit withdrawals in foreign currency

Banque du Liban (BdL) issued Intermediate Circular 736/13725 dated June 18, 2025 addressed to banks, which modified Basic Circular 158/13335 of June 8, 2021 about exceptional measures related to the gradual disbursement of deposits in foreign currency from accounts that clients opened prior to October 31, 2019.

First, it said that eligible depositors can withdraw from their "Special Sub-Account" $800 in banknotes per month, up from $500 per month, and/or they can transfer the sum abroad or deposit it in a "fresh dollar" account, and/or use the amount through payment cards in Lebanon and abroad, without incurring any commission or direct or indirect fees of any kind. It added that the client can withdraw a maximum of $9,600 per year.

Second, it indicated that banks can source the foreign currency liquidity needed to cover the withdrawals from the 3% in liquidity of the aggregate amount of the bank's deposits in foreign currency that it holds at an account at foreign correspondent banks, as stipulated in Basic Circular 154/13262 dated August 27, 2020. It mandated banks to reconstitute the 3% foreign currency liquidity ratio by December 31, 2026 at the latest.

Further, BdL issued Intermediate Circular 737/13726 dated June 18, 2025 addressed to banks that modified Basic Circular 166/13611 of February 2, 2024 about exceptional measures related to the gradual disbursement of deposits in foreign currency from accounts that clients opened prior to June 30, 2023.

First, it said that eligible depositors can benefit from the terms of this circular for an amount that does not exceed $8,500 in total based on the available funds in the client's account at the relevant bank. It added that the bank has to transfer to the client's "Special Sub-Account" up to $8,500 in any foreign currency from the account that the customer identifies. It added that the client can transfer any of the eligible funds to the "Special Sub-Account" even if it exceeds the amount he/she can withdraw during the one-year cycle.

Second, it indicated that, if the account holder has multiple accounts at a specific bank, he/she must specify the account from where the funds will be transferred to the "Special Sub-Account". It added that if the client has a joint or collective account, he/she can use a maximum of $8,500 annually from the account. It stated that, in case the co-owners of a joint or collective account decide to benefit from the circular, they have to agree among themselves how to share the cash withdrawals. It added that, in case a co-owner of a joint or collective account decides not to benefit from the circular, the other co-owners can benefit in full from the cash withdrawals. It stated that in case a client who has a joint account decides to benefit from the circular from his/her personal account, his/her partner can benefit from the joint account.

Third, it said that eligible depositors can withdraw from their "Special Sub-Account" $400 in banknotes monthly, up from $250 previously, and/or they can transfer the sum abroad or deposit it in a "fresh dollar" account, without incurring any commission or direct or indirect fees of any kind. It added that the client can withdraw a maximum of $4,800 per year.

BdL stated that the two circulars will go into effect on July 1, 2025. It said that the terms of the circulars are applicable for one year, and can be modified or extended. It added that the circulars remain valid until depositors free up all the funds they can transfer to the "Special Sub-Account".

In parallel, BdL attributed its decisions to several factors: First, it said that the terms of Basic Circular 158/1335 and its amendments are applicable until June 30, 2025. Second, it indicated that the authorities have yet to develop a comprehensive plan to restore financial stability, and to enact the needed legislations to restructure the public debt on one hand and to address BdL's obligations towards commercial banks and, therefore, to depositors on the other hand. Third, it noted that that BdL lacks currently the legal and legislative frameworks that allows it to adopt a comprehensive financial policy that is fair and equitable to all right holders. Fourth, it stated that the vast majority of the commercial banks' placements at BdL in foreign currency belongs to depositors. Fifth, it cited the urgent humanitarian needs of hundreds of thousands of depositors whose funds have been blocked in the financial and banking system for several years. Sixth, it noted the need to contribute to social stability and economic growth.

BdL announced on February 19, 2025 that its Central Council decided to increase on a permanent basis the monthly withdrawal ceiling for depositors who benefit from Basic Circular 158/13335 to $500, up from $300 or $400 per month, and to raise the withdrawal ceiling for beneficiaries of Basic Circular 166/13611 to $250 per month from $150 previously starting on March 1, 2025. BdL attributed the decision at the time to its policy of increasing the withdrawal ceilings for the beneficiaries of the two circulars, in consultation with the President of the Republic, the Speaker of Parliament, the Prime Minister, and the Minister of Finance. Also, it reaffirmed the need to enact laws that address the recovery of deposits, and that it is working with the related stakeholders for this purpose. Last December, BdL indicated that commercial banks disbursed a total of $3.24bn to 431,448 beneficiaries from the start of the implementation of the two circulars until November 30, 2024.

## FATF maintains Lebanon on AML/CFT grey list

The Financial Action Task Force (FATF), the global standard-setting body for anti-money laundering and combating the financing of terrorism (AML/CFT), announced on June 13, 2025 that it has maintained Lebanon on its list of "jurisdictions under increased monitoring", or on its "grey list". The organization placed Lebanon on the list in October 2024 and said at the time that jurisdictions under increased monitoring work actively with the FATF to address strategic deficiencies in their regimes to counter money laundering (ML), terrorist financing (TF), and proliferation financing. It added that when the FATF places a jurisdiction under increased monitoring, it means the country has committed to resolve swiftly the identified strategic deficiencies within agreed timeframes.

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

It added that Lebanon will continue to work with the FATF to implement its action plan by first, conducting assessments of specific TF and ML risks identified in the MER, and ensuring that there are policies and measures in place to mitigate these risks. Second, improving mechanisms to ensure the timely and effective execution of requests for mutual legal assistance, extradition, and asset recovery. Third, enhancing the understanding of risks by Designated Non-Financial Businesses and Professions (DNFBPs) and applying effective, proportionate and dissuasive sanctions for breaches of AML/CFT obligations. Fourth, making sure that information on beneficial ownership is up-to-date and that there are adequate sanctions and risk-mitigation in place for legal persons. Fifth, enhancing the use by the relevant authorities of the products of the financial intelligence unit (FIU) and of financial intelligence. Sixth, demonstrating a sustained increase in investigations, prosecutions and court rulings for the types of ML in line with the risk. Seventh, improving its approach to asset recovery, and identifying and seizing illicit cross-border movements of currency and precious metals and stones. Eighth, pursuing TF investigations and sharing information with foreign partners related to investigations of TF as called for in the MER. Ninth, enhancing the implementation of targeted financial sanctions without delay, particularly at DNFBPs and certain non-banking financial institutions. Tenth, implementing targeted and risk-based monitoring of high-risk non-profit organizations (NPOs), without disrupting or discouraging the activity of legitimate NPOs.

In parallel, the European Commission announced on June 10, 2025 that it has added Lebanon, along with Algeria, Angola, Côte d'Ivoire, Kenya, Laos, Monaco, Namibia, Nepal and Venezuela, to its list of "high-risk third-party country jurisdictions" regarding AML/CFT concerns. It attributed its decision to the need to strengthen the international fight against financial crime. The European Commission indicated that Lebanon has not yet fully addressed the concerns that led to its addition to the FATF's list of "jurisdictions under increased monitoring". As such, it declared that Lebanon should be considered a "high-risk third country", but it noted that it welcomes the commitment and progress made by Lebanon so far despite the current challenging circumstances.

## Banque du Liban extends terms of several circulars until end-2025

Banque du Liban (BdL) issued Intermediate Circular 738/13727 dated June 18, 2025 addressed to banks, financial institutions and auditors that modifies Basic Circular 14/5258 of September 17, 1993 about the opening of deposit accounts in foreign currency at BdL, Basic Circular 36/6856 dated December 19, 1997 about bonds that banks and financial institutions can issue, Basic Circular 61/7224 of February 11, 1999 about the issuance of Certificates of Deposits and of banking certificates, and Basic Circular 67/7534 dated March 2, 2000 about BdL's issuance of Certificates of Deposits in US dollars. The new circular extended specific articles and sections in the above circulars until December 31, 2025.

First, the circular stipulates that BdL will reduce by 75% the interest rates that it pays on the commercial banks' term deposits in foreign currency placed at BdL, and that the latter will pay the interest rates in US dollars, other than in cash, in each bank's current account at BdL. Second, it said that it will reduce by 75% the interest rates that it pays on the Certificates of Deposits in US dollars that it has issued and that are held by commercial banks; and that it will pay the interest rates in US dollars, other than in cash, in each bank's current account at BdL. BdL first issued this decision on December 4, 2019 through Intermediate Circular 536/13157 that stipulates that BdL will, exceptionally and for a period of six months, apply new rules on the interest income it pays on term deposits that banks placed in US dollars at BdL and on the Certificates of Deposits that it issued in US dollars. It then extended the terms of the circular repeatedly for six to 24-month periods until the end of June 2025.

Further, the circular states that banks and financial institutions operating in Lebanon have to pay the principal and coupons of the bonds that they issued, and that are held by a custodian in Lebanon, in accounts at banks operating in the country. It said that the same rules will apply to the payments of the principal and interest on Certificates of Deposits and interbank certificates issued by banks and financial institutions that are held by a local custodian. It added that the measures that the clearing house MidClear introduced on foreign transfers will apply to the payments of principal and coupons of the aforementioned bonds and certificates.

The decisions, which BdL issued under Intermediate Circular 541/13187 dated January 30, 2020, were valid for a period of six months starting on January 30, 2020, but BdL has extended them repeatedly for six-month periods, with Intermediate Circular 672/13561 extending the measures until the end of 2023, Intermediate Circular 684/13597 extending the measures until the enactment of the government's budget for 2024 and its publication in the Official Gazette, and Intermediate Circular 719/13682 until end-June 2025. BdL said that the terms of the new circular go into effect upon its publication.

## Market accessibility of Beirut Stock Exchange needs improvement in several areas

In its annual assessment of the market accessibility of 86 developed, emerging and frontier equity markets, global portfolio analytics and indices provider MSCI, Inc. indicated that Lebanon falls in the "Standalone Markets" category, following its reclassification from "Frontier Market" status in February 2021. It evaluated the country's stock market based on five accessibility criteria that are openness to foreign ownership, ease of capital inflows and outflows, efficiency of the operational framework, the availability of investment instruments, and the stability of the institutional framework. It said that the five criteria reflect the views of international institutional investors, which generally put a strong emphasis on the equal treatment of investors, the free flow of capital, the cost of investment, unrestrictive use of stock market data, and country-specific risks.

In terms of openness to foreign ownership, MSCI said that there are no constraints on foreign ownership of stocks listed on the Beirut Stock Exchange, except for Israeli nationals who are prohibited from investing in Lebanese companies. It noted that Lebanon could improve equal rights to foreign investors, as company-related information is not always readily available in English. As such, it said that Lebanon is the only standalone market with a "no major issues" rating in terms of investor qualification requirements, as the remaining countries have a "no issues" rating. It added that it is one of eight standalone markets with a "no major issues" rating in terms of equal economic and voting rights to foreign investors. Further, it noted that Lebanon is one of 11 standalone markets with a "no issues" rating in terms of foreign room level, which mainly reflects the limit to foreign ownership in locally-listed companies. It is also one of 10 markets with a "no issues" rating in terms of foreign ownership limit.

Regarding capital inflows and outflows, the review said that, since October 2019, Lebanese authorities have put in place restrictions on the repatriation of funds outside Lebanon, and added that these measures have impacted the ability of foreign investors to transfer funds from investments on the local equity market. As a result, MSCI indicated that Lebanon's ease of capital flows metric has an "improvements needed" rating. It also noted that there is no offshore currency market and that there are constraints on the onshore currency market, as foreign investors are not allowed to hold accounts denominated in Lebanese pounds and transactions in foreign currency must be linked to security transactions. As such, it placed Lebanon among seven markets with an "improvements needed" rating in this area.

Regarding the efficiency of the operational framework, the assessment considered that the market entry process needs to improve, as the registration of foreign investors is mandatory and may take up to five days. Further, it said that not all market regulations are available in English, and that the flow of information can be enhanced, as detailed stock market information is not always disclosed in English. Lebanon is among seven standalone markets that received a "no major issues" rating in terms of market regulations, and one of five markets to get the same rating in terms of information flows.

In addition, the survey noted that almost all market infrastructure indicators need improvement, except for trading, where Lebanon has a "no issues" rating. In terms of clearing and settlement procedures, the review said that there is no functioning nominee status as well as no omnibus structures, while overdraft facilities are prohibited. In terms of custody, it indicated that segregated custody and trading accounts are required in order to mitigate for the risk that derives from local brokers having unlimited access to trading accounts. It added that foreign investors do not have access to global custodians in the Lebanese market. In terms of registry and depository, it stated that not all listed shares are dematerialized, and that there is no central registry, with some securities registered at the issuer level. In terms of transferability, it said that in-kind transfers and off-exchange transactions are prohibited. Also, it noted that Lebanon is among 10 standalone markets that received a "no issues" rating on the availability of investment instruments category.

Finally, the review has an "improvements needed" rating on the stability of Lebanon's institutional framework, which reflects the political situation in the country. Lebanon's rating on this category is similar to the ratings of Argentina, Nigeria, Palestine, Ukraine, and Zimbabwe. Lebanon, along with Argentina, Bosnia & Herzegovina, Jamaica, Malta, Nigeria, Palestine, Panama, Trinidad & Tobago, Ukraine, and Zimbabwe, are the only countries worldwide that fall under MSCI's definition of Standalone Markets.

In November 2007, MSCI included Lebanon in its MSCI Frontier Markets Index, a fully investable index for frontier equity markets. The index contains stocks from 25 developing markets in Asia Pacific, Emerging Europe, the Middle East & Africa, and the Americas.

## Government increases ceiling of Banque de l'Habitat housing loans

The Council of Ministers approved on June 16, 2025 the increase of the ceiling on housing loans extended through Banque de l'Habitat sal from $50,000 to $100,000. It said that it granted the approval following the request of the Council for Development and Reconstruction to raise the ceiling of housing loans for a single beneficiary, as part of Phase II of the Housing Project that the Kuwait-based Arab Fund for Economic and Social Development (AFESD) is funding.

Banque de l'Habitat announced that the new long-term credit facility in "fresh" US dollars allows borrowers to purchase, build or renovate a housing unit, as well as to install a solar system and a waste water treatment station as part of the same loan.

Further, the bank said it will extend housing loans up to $100,000, depending on the income of the household or the individual buyer, with a loan ceiling equivalent to maximum 80% of the bank's guarantee. It indicated that the terms of the credit facility stipulate that the loan will carry an interest rate of 6% per year that can be subject to change, will have a grace period of three months, and will have a maturity of seven to 20 years.

In addition, it noted that the construction loans will amount to up to $100,000, depending on the income of the household or the individual borrower, with a loan ceiling equivalent to 80% of the bank's guarantee. It said that the loan will have a maturity of 7 to 18 years, a grace period of up to 24 months, and will carry an annual interest rate of 6% that can be amended.

Also, it pointed out that renovation loans will be up to $100,000, depending on the income of the household or the individual borrower. It indicated that the loan will have a maturity of 7 to 10 years, a grace period of up 12 months, and will carry an annual interest rate of 6% that can be modified.

Further, it stated that the monthly loan repayments for any of the loans should not exceed 45% of the monthly net income of the household or the individual buyer and that the monthly loan installments cannot exceed 33% of the borrower or borrowers' monthly net income. It said that applicants should be in the labor market for at least two years prior to the date of submitting the application, should have regular income based on an official employment certificate, and regular bank statements in "fresh" US dollars or any other proof of income. It pointed out that all the bank will take into consideration the applicant's financial obligations and liabilities in order to determine his/her monthly net income when calculating the loan amount. It added that the average cost of basic living expenses, transportation, fuel or diesel costs, school and/or university tuitions and the housing rental charges if the applicant is a non-resident, will be taken into consideration.

It said that it will disburse the loan amount in cash in US dollars directly to the borrower when the latter provides the bank with the original property title deed and the first-degree mortgage certificate, which covers the principal balance of the loan and the accrued interest payments. It added that borrowers must repay the loan instalments in "fresh" US dollars.

In addition, the bank stipulated that the surface area of the purchased housing unit must not exceed 150 square meters, that it should be exclusively used for family housing, that the borrower must not own more than 1,800 shares in a built property across the Lebanese territory, that the borrower cannot use the loan to repay a previous debt or arrears, and that the borrower must have a clean credit history in the past 10 years and a clean judiciary record. Also, it said that, in case the borrower owns an apartment, he/she can benefit from a housing loan on condition that the distance between the old and the new apartment subject of the loan is not less than 25 km. It stated that the borrower can be granted a new housing loan if he/she previously benefited from a housing loan that was fully settled and at least two years have passed since its closure.

Banque de l'Habitat is a Lebanese joint-stock company that provides loans in Lebanese pounds to individuals, especially those with low incomes, in order to buy, build, renovate or enlarge a residence. The private sector owns 80% of Banque de l'Habitat, and the Lebanese State owns the remaining 20%. The AFESD extended a soft loan of KWD50m, or the equivalent of $165m, to Bank de L'Habitat to finance affordable mortgages, construction and renovation loans in Lebanon. The AFESD's total contribution to development projects in Lebanon reaches KWD595m, or about $2bn when including the loan.

## BLOM Bank registers profits of LBP44 trillion in 2024

BLOM Bank sal, one of Lebanon's listed banks on the Beirut Stock Exchange, declared audited net profits of LBP43,967.4bn in 2024 compared to earnings of LBP3,231.2bn in 2023. The bank's net interest income reached LBP26,813.5bn in 2024 relative to LBP8,176bn in the previous year, while its net fees & commission income stood at LBP9,677bn compared to LBP1,963.3bn in 2023. Also, the bank's net operating income totaled LBP66,815.4bn in 2024 relative to LBP10,293.8bn in 2023. In parallel, the bank's operating expenditures reached LBP17,852bn in 2024 compared to LBP5,474.7bn in the preceding year, with personnel cost accounting for 63.4% of the total in 2024.

Also, the bank's aggregate assets amounted to LBP1,614.1 trillion (tn) at the end of 2024 relative to LBP278.5tn a year earlier. Further, net loans & advances to customers totaled LBP85,460.2bn at end-2024 compared to LBP15,030.8bn at end-2023, while net loans & advances to related parties stood at LBP298.5bn at end-2024 relative to LBP42.2bn at end-2023. In addition, customer deposits reached LBP1,432.5tn at the end of 2024 compared to LBP250.1tn a year earlier, with deposits from related parties standing at LBP2,238.5bn at end-2024 relative to LBP580.5bn at end-2023. In parallel, the bank's shareholders' equity was LBP114.6tn at the end of 2024 relative to LBP16,341bn at end-2023.

In parallel, the firm's external auditors indicated that "the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the group as at December 31, 2024, and its financial performance and its cash flows for the year that ended in accordance with International Financial Reporting Standards", since the financial statements do not take into account the impact of hyperinflation on the revenues stream. It said that "the group used the official published exchange rates for the translation of its monetary assets and liabilities denominated in foreign currencies and the liabilities of its foreign operations and all transactions in foreign currencies during 2021, 2022, 2023, instead of using the rates at which the future cash flows could have been settled as required by International Accounting Standard 21 about the effects of changes in foreign exchange rates". Also, it indicated that "from January 2024, the official published exchange rate was set at LBP89,500 to the US dollar, which converged with the rates of the legal exchange mechanism for the exchange rate of foreign currencies not subject to de-facto capital controls throughout the period and up to date".

## 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, Insitute 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: Insitute 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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