



In memory of Alain Wana

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Economic Research & Analysis Department

LEBANON THIS WEEK

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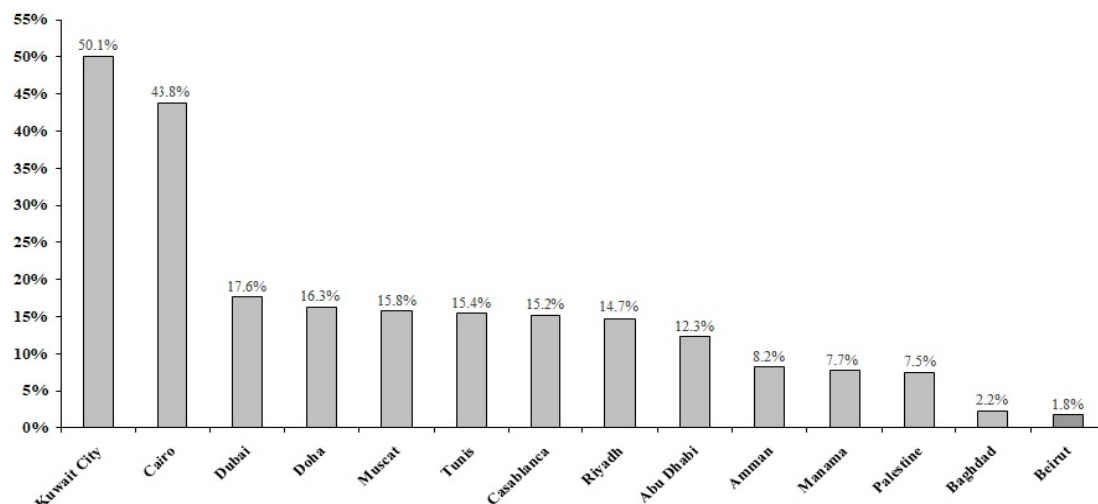
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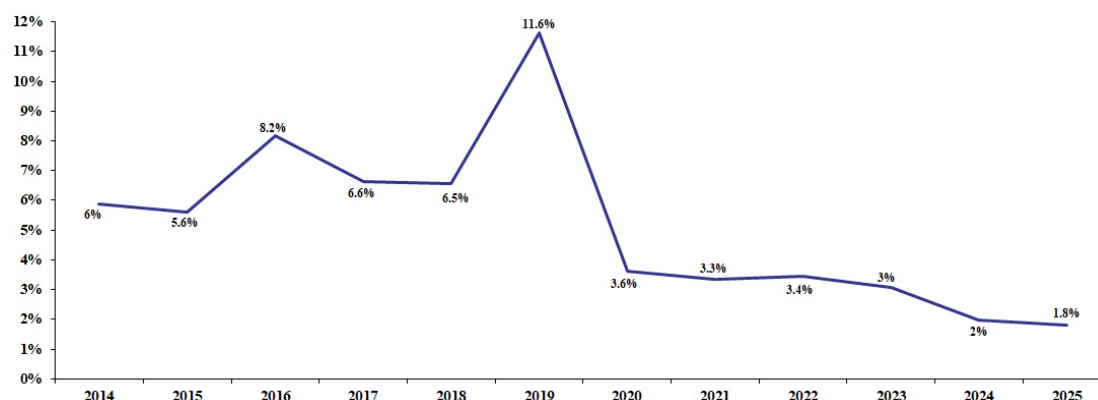
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Chart of the Week

Turnover Ratios of Select Arab Stock Markets in 2025 (%)



Turnover Ratio on the Beirut Stock Exchange*



*The aggregate value of traded shares during the year relative to the market capitalization at the end of the year

Source: Arab Federation of Capital Markets, Beirut Stock Exchange, Byblos Bank

Quote to Note

"As the ultimate user of Banque du Liban's funds over many years, the State's contribution must be expressly defined, quantifiable, legally binding, and anchored within a clear and credible timetable."

Banque du Liban Governor Karim Souaid, on the need to clarify the Lebanese State's contribution to the restitution of bank deposits as part of the Financial Stabilization and Deposits Repayment Act

Number of the Week

90.6%: Percentage of countries and territories around the world who have more effective governments than Lebanon, according to the World Bank's most recent governance indicators

Lebanon in the News

\$m (unless otherwise mentioned)	2023*	2024*	2025*	%	Aug-24	July-25	Aug-25
Exports	1,894	1,910	2,366	23.9%	232	370	252
Imports	11,776	11,543	12,937	12.1%	1,554	1,845	1,482
Trade Balance	(9,882)	(9,633)	(10,570)	9.7%	(1,323)	(1,475)	(1,230)
Balance of Payments	1,071	5,107	10,070	97.2%	1,271.1	424.8	1,149.5
Checks Cleared in LBP***	6,820	1,008	509	-49.5%	80	74	56
Checks Cleared in USD***	2,590	950	484	-49.1%	82	45	56
Total Checks Cleared	9,410	1,958	993	-49.3%	162	119	112
Fiscal Deficit/Surplus	-	36.1	-	-	66.6	-	-
Primary Balance	-	428.2	-	-	114.3	-	-
Airport Passengers	5,005,141	4,418,652	4,722,830	6.9%	669,423	793,367	930,037
Consumer Price Index	233.0	63.6	14.6	-77.0%	35.0	14.3	14.2

\$m (unless otherwise mentioned)	Aug-24	Apr-25	May-25	Jun-25	Jul-25	Aug-25	%Change
BdL FX Reserves	10.51	11.01	10.96	11.18	10.84	10.96	4.3%
<i>In months of Imports</i>	-	-	-	-	-	-	-
Public Debt	-	-	-	-	-	-	-
Bank Assets	104.56	102.67	102.17	103.51	102.66	102.36	-2.1%
Bank Deposits (Private Sector)	90.41	88.99	88.62	88.79	88.47	88.35	-2.3%
Bank Loans to Private Sector	6.59	5.53	5.50	5.47	5.43	5.41	-17.9%
Money Supply M2	1.25	1.73	1.63	1.65	1.66	1.63	30.7%
Money Supply M3	70.69	69.42	69.00	68.99	68.70	68.48	-3.1%
LBP Lending Rate (%)	5.11	7.35	9.26	9.11	9.23	9.39	83.8%
LBP Deposit Rate (%)	0.86	1.93	2.08	1.58	3.95	3.21	273.3%
USD Lending Rate (%)	2.59	3.69	5.53	4.83	3.68	5.19	100.4%
USD Deposit Rate (%)	0.04	0.04	0.10	0.04	0.06	0.05	25.0%

*in first eight months of each; **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 in US\$	Mid Yield %
Audi Listed	1.19	(20.7)	94,801	3.9%	Nov 2026	6.60	28.9	215.31
Byblos Common	0.49	0.0	67,103	1.6%	Mar 2027	6.85	28.9	139.73
Solidere "A"	71.00	(4.6)	28,160	40.0%	Nov 2028	6.65	28.9	50.00
Solidere "B"	70.00	(3.3)	17,699	25.6%	Feb 2030	6.65	28.9	32.74
HOLCIM	72.00	0.0	10,000	7.9%	Apr 2031	7.00	28.9	25.10
BLOM Listed	6.87	2.4	6,000	8.3%	May 2033	8.20	28.9	17.70
Byblos Pref. 09	29.99	0.0	1,035	0.3%	May 2034	8.25	28.9	15.50
Audi GDR	2.90	0.0	-	2.0%	Jul 2035	12.00	28.9	13.49
BLOM GDR	6.60	0.0	-	2.7%	Nov 2035	7.05	28.9	13.11
Byblos Pref. 08	25.00	0.0	-	0.3%	Mar 2037	7.25	28.9	11.43

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

Source: LSEG Workspace

	Jan 12-16	Jan 12-16	% Change	December 2025	December 2024	% Change
Total shares traded	224,798	547,225	(58.9)	18,721,012	1,636,678	1,043.8
Total value traded	\$4,191,664	\$28,025,387	(85.0)	74,844,101	71,132,606	5.2
Market capitalization	\$17.74bn	\$18.39bn	(3.5)	\$20.15bn	\$26.95bn	(25.2)

Source: Beirut Stock Exchange (BSE)



Economy to grow by 4% in 2026 in case of reforms and reconstruction efforts

The World Bank projected Lebanon's real GDP growth rate to accelerate from 3.5% in 2025 to 4% in 2026, driven by sustained reform progress, modest reconstruction funding, and continued political stability. It said that private consumption, supported by remittance inflows and tourism receipts, remains the primary factors of growth in 2025 and 2026. It indicated that, despite the ceasefire that took effect on November 27, 2024, frequent Israeli airstrikes have continued across parts of Lebanon, which heightened uncertainties and weighed on tourism activity, investment, and overall economic activity in 2025. Also, it noted that a rebound in tourism activity in July and August 2025 has largely offset the earlier disruptions to the start of the high tourism season, which moderated the negative impact on economic growth. In addition, it anticipated that reconstruction inflows, if realized, could significantly boost economic activity by creating jobs, increasing consumption, and strengthening supply chains.

Further, it projected the inflation rate to decrease from 15.2% in 2025 to 8.7% in 2026, the first single digit inflation rate since 2019 amid the ongoing stability of the exchange rate. It noted that the stability of the exchange rate, the dissipation of exchange rate pass-through effects, and the increasingly dollarized Consumer Price Index basket, placed the inflation rate on a downward trend during the first eight months of 2025. But it pointed out that the increase in the cost of domestic service, particularly of rent and education, was the main driver of inflation.

Also, it forecast public revenues and expenditures at 17.9% of GDP each in 2026 and forecast a primary surplus of 0.1% of GDP in 2026, similar to 2025, due to an improved fiscal stance and better tax compliance. It added that fiscal policy has benefited from prudent fiscal management and spending restraint, which has allowed the government to build fiscal buffers to withstand shocks, despite competing needs for spending to rebuild institutional capacity, and to increase current spending and capital expenditures. Further, it stated that the improved fiscal stance and the sterilization of domestic liquidity have, in turn, enabled Banque du Liban to manage currency in circulation, accumulate foreign currency reserves, and maintain exchange rate stability.

In addition, it projected tax receipts at 13.9% of GDP in 2026, with indirect taxes accounting for 11.5% of GDP and equivalent to 68% of revenues. Also, it forecast public receipts to increase due to enhanced compliance and a broader tax base. It noted that public spending focuses heavily on, on current expenditures, especially on salaries and social benefits, with limited capital outlays. Further, it projected the public debt level to regress from 176.5% of GDP at end-2024 to 157.4% of GDP at end-2025 and 148.7% at end-2026, due to the increase in the size of nominal GDP.

Further, it projected the current account deficit to widen from 15.8% of GDP in 2025 to 16.1% of GDP in 2026, driven by higher imports of raw materials and construction goods, in case post-war reconstruction starts on a large scale. It expected pressure on the balance of payments to continue, and for terms-of-trade shocks such as a rise in global energy prices, volatility in food import costs, or disruptions to shipping routes to further widen the financing gap of the external sector. Also, it considered that sustained and sizable remittance inflows constitute an essential factor to narrow Lebanon's current account deficit and to reduce its external financing needs. But it noted that official statistics likely understate remittances and other inflows, as they exclude inflows through informal channels. It considered that the current account deficit is financed through a highly dollarized cash economy that enables revenue collection in foreign currency, and subsequently channeled to financial intermediaries outside Lebanon. In addition, it stated that persistent weaknesses in balance of payments statistics, along with the prevalence of a dollarized cash economy, distort official estimates of the current account deficit and explain the accumulation of foreign currency reserves despite the wide deficit.

In parallel, it considered that Lebanon has started the year 2026 with signs of economic stabilization, but the outlook remains volatile and far from a sustainable recovery. It said that the outlook continues to hinge on long-delayed macro-financial reforms, particularly the restructuring of the banking sector and of the public debt, and on the adoption of a medium-term fiscal framework. It added that the political polarization and the fragile security environment further heighten the risks around this stabilization phase. Also, it considered that, without comprehensive reforms and an International Monetary Fund program to anchor expectations and unlock meaningful external financing, the current stabilization will remain fragile and short-lived rather than becoming a foundation for a durable recovery.

Macroeconomic Indicators for the Lebanese Economy					
	2022e	2023e	2024e	2025f	2026f
Real GDP growth (%)	-0.6	-0.8	-7.1	+3.5	+4.0
Inflation Rate (Average, %)	171.2	221.3	45.2	15.2	8.7
Fiscal Balance (% of GDP)	-2.9	0.5	0.5	0.0	0.0
Primary Balance (% of GDP)	-2.5	1.4	0.9	0.1	0.1
Public Debt (% of GDP)	211.1	219.0	176.5	157.4	148.7
Current Account Balance (% of GDP)	-34.6	-28.1	-22.2	-15.8	-16.1

Source: World Bank, January 2026

Lebanon ranks 156th globally, seventh among Arab countries in terms of technological advancement

CEOWORLD magazine, a global business and finance publication, ranked Lebanon in 156th place among 197 countries and in seventh place among 20 Arab countries on its survey of the Most Technologically Advanced Countries in the World Index for 2025. It also ranked Lebanon in 31st place among 49 lower-middle income countries (LMICs) and in 11th place among Western Asian economies included in the survey. Lebanon ranked in the 21st percentile worldwide in 2025, which means that 79% of economies have an advanced technology than Lebanon, while it ranked in the 65th percentile among Arab economies, which indicates that 35% of Arab countries have a higher advanced technology than Lebanon.

The survey reflects the extent to which nations integrate cutting-edge technologies into everyday life, industry, and governance. It said that the index evaluates countries based on their investments in digital infrastructure, commitment to research and development, their adoption of advanced tools such as artificial intelligence and biotechnology, and their ability to translate innovation into tangible societal impact. It added that the results highlight mainstream national capabilities rather than isolated breakthroughs, and focus on how technology reshapes public services, education, industry, and urban planning.

Globally, survey indicated that the level of technology in Lebanon is more advanced than in Brunei Darussalam and Guinea, and is less advanced than in Burkina Faso and Chad among economies with a GDP of \$10bn or more. Lebanon received a score of 58.72 points, which is lower than the global average score of 73 points, the Western Asian countries average score of 67 points, and the LMICs average of 64.58 points, but it came higher than the Arab average of 58.11 points. Also, Lebanon's score was lower than the Gulf Cooperation Council's (GCC) average score of 68.28 points, but came higher than the non-GCC Arab countries' average of 53.37 points.

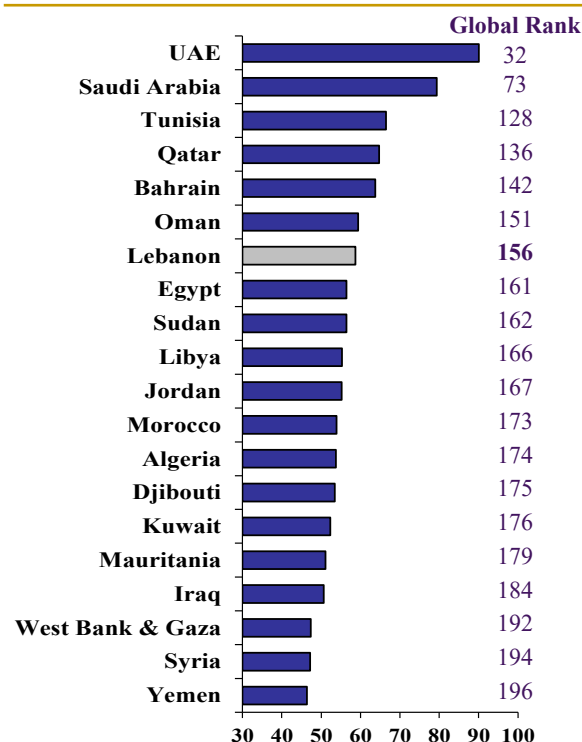
The U.S. is the most technologically advanced economy in the world with a score of 97.69 points, while Pakistan is the least technologically advanced economy with score of 45.85 points in 2025. Also, Lebanon ranked ahead of Guinea and Bangladesh, and trailed Benin and Côte d'Ivoire among LMICs; while it preceded Egypt, Sudan, Libya, Jordan, Morocco, Algeria, Djibouti, Kuwait, Mauritania, Iraq, Palestine, Syria, and Yemen in the Arab world. Moreover, Lebanon came ahead of Jordan, Azerbaijan, Kuwait, Iraq, Palestine, Syria, and Yemen among Western Asian economies.

Ministry of Finance sets conditions for tax collecting firms

The Ministry of Finance (MoF) issued Decree No. 2178 on December 22, 2025 that defines the conditions that companies and institutions must meet in order to contract with the ministry for the collection of taxes and fees administered by the MoF's relevant units. Article 1 specifies that the decree sets the conditions for companies and institutions, excluding commercial banks and LibanPost, in accordance with Article 58 of Law No. 44 dated November 11, 2008, that wish to contract with the ministry to provide tax and fee collection services across all MoF units. Article 3 stipulates that the firm wishing to provide tax and fee collection services must be registered in the Commercial Register in accordance with the provisions of the Code of Commerce; should have a minimum of LBP50bn in fully paid-up capital; must hold a license from Banque du Liban (BdL) to conduct financial transfer activities; and has to provide a financial guarantee of LBP25bn in favor of the MoF.

In addition, it states that the company must fulfill at least one of the following conditions nine months prior to submitting its application: the firm must have at least 50 employees who are registered with the National Social Security Fund (NSSF); or the firm must have at least five branches and at least 40 registered agents; or the average monthly financial operations or transfers performed by the company's customers must exceed \$2m or its equivalent in Lebanese pounds according to the actual exchange rate that BdL determines; or the firm must have at least 5,000 registered customers who have active e-wallets, specifically those who have performed two or more transfer operations since registering with the company; or the company must have at least 8,000 registered, active, and mobile customers who have performed two or more transfer operations since registering with the company. Article 4 stipulates that the details for implementing the decree should be determined, where necessary, by decisions that the MoF issues. Article 6 stipulates that the decree goes into effect upon its publication in the Official Gazette.

Technological Advancement for 2025
Scores & Rankings of Arab Countries



Source: CEOWORLD magazine, Byblos Research

Trade deficit widens by 22% to \$16.2bn in first 11 months of 2025

Figures issued by the Lebanese Customs Administration show that total imports reached \$19.38bn in the first 11 months of 2025, constituting an increase of 23.3% from \$15.72bn in the same period of 2024; while aggregate exports totaled \$3.21bn and rose by 28.7% from \$2.49bn in the first 11 months of 2024. As such, the trade deficit widened by 22.3% to \$16.2bn in the covered period due to a rise of \$3.66bn in imports, which was offset in part by an increase of \$716m in exports. The coverage ratio, or the exports-to-imports ratio, was 16.6% in the first 11 months of 2025 relative to 15.9% in the same period of 2024.

Non-hydrocarbon imports rose by \$3.27bn, or by 28%, to \$14.92bn in the first 11 months of 2025; while the imports of oil & mineral fuels increased by \$393.8m, or by 9.7%, to \$4.46bn in the covered period. Oil & mineral fuels accounted for 23% of the imports bill in the first 11 months of 2025 compared to 26% in the same period last year, while Lebanon imported 8.3 million tons of oil & mineral fuel in the first 11 months of 2025 relative to 6.5 million tons in the same period of 2024.

The increase in exports was due to a jump of \$523.4m, or of 97%, to \$1.06bn in the exports of pearls, precious stones & metals in the first 11 months of 2025 from the same period of 2024; a surge of \$113.7m (+30.8%) to \$482.4m in the exports of base metal products; an increase of \$24.8m (+6.6%) to \$398.7m in the exports of prepared foodstuffs; a growth of \$27.5m (+9.1%) to \$329.8m in exported chemical products; and an uptick of \$10.3m (+3.6%) to \$295.9m in exported machinery and electrical instruments.

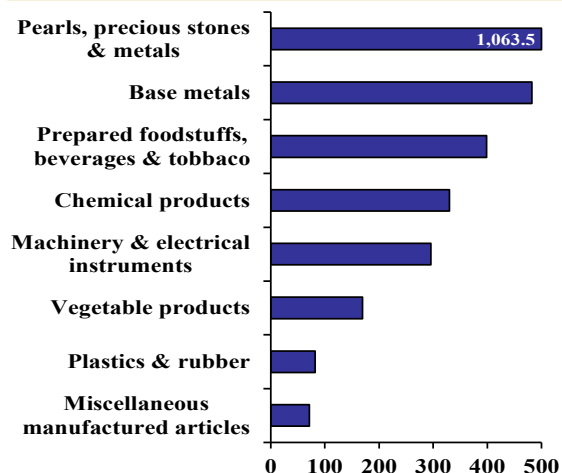
Exports to Switzerland jumped by 433.6% in the first 11 months of 2025 from the same period of 2024, those to Greece increased by 157.8%, exports to Syria rose by 136.3%, those to Egypt surged by 21%, and exports to the UAE improved by 11.7%. In contrast, exported goods to Türkiye dropped by 21%, those to Qatar fell by 19%, exports to the U.S. decreased by 8.4%, those to Jordan declined by 6.4%, and export to Iraq regressed by 5.5%. Also, re-exports totaled \$368.1m in the first 11 months of 2025 compared to \$467m in the same period of 2024.

The Port of Beirut was the exit point for 41.8% of Lebanon's exports in the first 11 months of 2025, followed by the Beirut-Rafic Hariri International Airport (39.8%), the Port of Tripoli (7.9%), the Masnaa crossing point (7.8%), and the Port of Saida (2.7%).

Further, Lebanon's main non-hydrocarbon imports consisted of pearls, precious stones & metals that reached \$3.77bn and that accounted for 19.5% of total imports to Lebanon in the first 11 months of 2025, followed by chemical products with \$1.56bn (8%), machinery & electrical instruments with \$1.5bn (7.6%), vehicles, aircraft & vessels with \$1.22bn (6.3%), and prepared foodstuffs with \$1.18bn (6.1%). Also, the imports of works of art, collectors' pieces and antiques increased by 70% in the first 11 months of 2025 from the same period last year, followed by the imports of vehicles, aircraft & vessels (+65.6%); pearls, precious stones & metals (+51.8%); articles of stone, plaster, cement and glass (+45.2%); and base metal products (+37.4%).

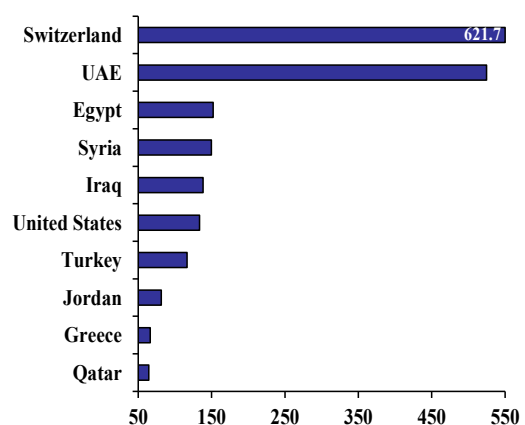
The Port of Beirut was the entry point for 59.4% of Lebanon's merchandise imports in the first 11 months of 2025, followed by the Beirut-Rafic Hariri International Airport (29.5%), the Port of Tripoli (7.8%), and the Masnaa crossing point (2.7%); while the Port of Saida, the Abboudieh crossing point, the Port of Tyre, and the Arida crossing point were the entry points for 0.6% of imports. China was the main source of imports to Lebanon with \$2.22bn and accounted for 11.5% of the total in the first 11 months of 2025, followed by Switzerland with \$1.86bn (9.6%), the UAE with \$1.63bn (8.4%), Greece with \$1.38bn (7.1%), Egypt with \$1.22bn (6.3%), Türkiye with \$1.1bn (5.7%), Italy with \$1.08m (5.6%), Saudi Arabia with \$1.04bn (5.3%), the U.S. with \$736m (3.8%), and Germany with \$623.6m (3.2%). Further, imported goods from the UAE surged by 74.7% in the first 11 months of 2025 from the same period of the previous year, followed by imports from Switzerland (+74.4%), Egypt (+39.7%), the U.S. (+36.6%), Italy (+30.8%), Germany (+30.4%), Saudi Arabia (+24%), China (+22.8%), Türkiye (+22%), and Greece (+0.7%).

Main Lebanese Exports in First 11 Months of 2025 (US\$m)



Source: Lebanese Customs Administration, Byblos Research

Main Destinations of Lebanese Exports in First 11 Months of 2025 (US\$m)



Source: Lebanese Customs Administration, Byblos Research

Banque du Liban's liquid foreign reserves at \$12bn, gold reserves at \$42.6bn at mid-January 2026

Banque du Liban's (BdL) interim balance sheet shows that its total assets reached LBP8,416.9 trillion (tn) as at January 15, 2026, relative to LBP8,406.5tn at end-2025, and to LBP8,458.4tn at mid-December 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's Foreign Reserve Assets stood at \$12.04bn on January 15, 2026, compared \$11.89bn at end-2025, and to \$11.99bn at mid-December 2025. As such, they increased by \$146.8m in the first half of January 2026 compared to a decrease of \$92.1m in the second half of December 2025. As a result, BdL's Foreign Reserve Assets rose by \$3.47bn between the end of July 2023 and mid-January 2026, 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.

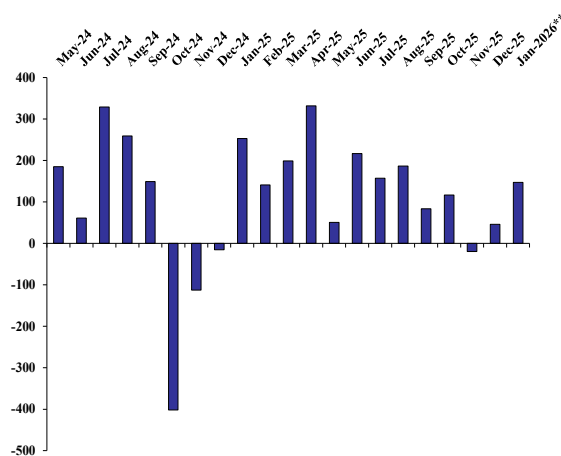
Further, the value of BdL's gold reserves reached an all-time high of \$42.6bn on January 15, 2026 compared to \$40.4bn at end-2025, and to \$40bn at mid-December 2025. Also, BdL's securities portfolio totaled LBP587,367.6bn at mid-January 2026 relative to LBP587,294.7bn at end-2025. BdL noted that the securities portfolio includes Lebanese Eurobonds that had a market value of \$1.51bn at mid-January 2026 compared to \$1.22bn at end-2025. Prior to the modifications, BdL included the nominal value of its Lebanese Eurobonds portfolio, which is about \$5bn, in the foreign assets item. In addition, loans to the local financial sector stood at LBP39,416bn at mid-January 2026 compared to LBP39,708.4bn at end-2025.

Moreover, Deferred Open-Market Operations totaled LBP172,243.2bn at mid-January 2026 relative to LBP170,557.7bn at end-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 LBP7,629bn (\$85.2m) at mid-January 2026 relative to LBP7,224.5bn (\$80.7m) two weeks earlier.

Also, the Revaluation Adjustments item on the asset side reached LBP1,233tn at mid-January 2026 relative to LBP1,436tn at end-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 LBP167.7tn at mid-January 2026 relative to LBP167.5tn at end-2025. It also consists of a special account in the name of the Treasury that stood at LBP1,065.2tn at mid-January 2026 compared to LBP1,268.5tn at end-2025. Further, the balance sheet shows that BdL's loans to the public sector totaled LBP1,486,956.6bn at mid-January 2026 relative to LBP1,486,942.7bn two weeks earlier, and includes an overdraft of \$16.52bn as at mid-January 2026, unchanged from end-2025.

On the liabilities side, BdL's balance sheet shows that currency in circulation outside BdL stood at LBP70,685bn at mid-January 2026 compared to LBP71,524.7bn at end-2025, and represented a decrease of 16% from LBP84,027.7bn at mid-January 2025. Further, the deposits of the financial sector reached LBP7,424tn, or the equivalent of \$83bn at mid-January 2026, relative to LBP7,434.2tn (\$83.1bn) at end-2025; while public sector deposits at BdL totaled LBP793,337.2bn at mid-January 2026 compared to LBP772,183.1bn at end-2025 and to LBP777,102.8bn at mid-December 2025.

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



*month-on-month change

**as at mid-January 2026, change from end-2025

Source: Banque du Liban, Byblos Research

Amount of cleared checks in "fresh" foreign currency up 229% to \$993m in 2025

The amount of cleared checks in Lebanese pounds reached LBP62,801bn in 2025, constituting a decrease of 20% from LBP78,511bn in 2024, while the amount of cleared checks in foreign currency was \$706m in 2025 and dropped by 45.7% from \$1.3bn in the preceding year. Also, there were 108,397 cleared checks in 2025, down by 41.7% from 185,893 checks in 2024, and consisted of 103,277 cleared checks in Lebanese pounds and 5,120 cleared checks in foreign currency. As such, the number of cleared checks in Lebanese pounds decreased by 39.4%, while their counterparts in foreign currency dropped by 67% from 2024.

In addition, the amount of cleared checks in Lebanese pounds stood at LBP6,040bn in December 2025, constituting an increase of 39.7% from LBP4,325bn in November 2025 and a decrease of 2.3% from LBP6,182bn in December 2024. Further, the amount of cleared checks in foreign currency was \$91m in December 2025, as it rose by 106.8% from \$44m in the previous month and by 12.3% from \$81m in December 2024. Also, there were 8,693 cleared checks in December 2025 relative to 7,311 cleared checks in November 2025 and to 12,143 cleared checks in December 2024.

Also, the amount of cleared checks in "fresh" Lebanese pounds stood at LBP45,079bn, while the amount of cleared checks in "fresh" foreign currency was \$993.1m in 2025, relative to cleared checks of LBP18,112bn in "fresh" Lebanese pounds and of \$302m in "fresh" foreign currency in 2024. Further, there were 26,739 cleared checks in "fresh" Lebanese pounds and 75,155 cleared checks in "fresh" foreign currency in 2025, compared to 9,768 cleared checks in "fresh" Lebanese pounds and 22,846 cleared checks in "fresh" foreign currency in the previous year.

In parallel, the amount of returned checks in Lebanese pounds totaled LBP668bn in 2025, down by 6.4% from LBP714bn in 2024, while the amount of returned checks in foreign currency was \$96.5m and surged by 20.6% from \$80m in 2024. Also, the amount of returned checks in Lebanese pounds stood at LBP170bn in December 2025, as it increased by 2,328.6% from LBP7bn in November 2025 and by 49% from LBP114bn in December 2024. Moreover, the amount of returned checks in foreign currency was \$1m in December 2025, representing a decrease of 0.5% from \$2m in the previous month and a drop of 91.7% from \$12m in December 2024.

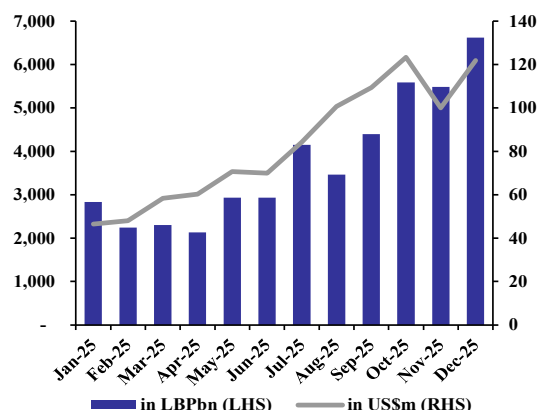
In addition, the amount of returned checks in "fresh" foreign currency stood at \$3.7m, while the amount of returned checks in "fresh" Lebanese pounds was LBP385.6bn in 2025. In comparison, the amount of returned checks in "fresh" foreign currency totaled \$1.66m, while the amount of returned checks in "fresh" Lebanese pounds was LBP40.7bn in 2024.

Further, there were 582 returned checks in 2025, representing a drop of 46.5% from 1,088 returned checks in 2024. Also, the number of returned checks in foreign currency reached 204 in 2025 and declined by 48% from 393 checks in 2024, while the number of returned checks in Lebanese pounds totaled 378 and decreased by 45.6% from 695 checks in 2024.

In addition, there were 66 returned checks in December 2025 relative to 37 returned checks in the preceding month and to 109 checks in December 2024. There were 49 returned checks in Lebanese pounds in December 2025 compared to 24 checks in the previous month and to 63 in December 2024, while there were 17 returned checks in foreign currency in December 2025 relative to 13 checks in the preceding month and 46 returned checks in December 2024.

Also, there were 319 returned checks in "fresh" foreign currency and 91 returned checks in "fresh" Lebanese pounds in 2025. In comparison, there were 158 returned checks in "fresh" foreign currency and 40 returned checks in "fresh" Lebanese pounds in 2024.

Cleared Checks in Fresh Currencies



Source: Association of Banks in Lebanon

Ministry of Finance extends declaration and settlement of tax on Sayrafa profits

The Ministry of Finance (MoF) issued Decision No. 26/1 dated January 15, 2026, that extended from January 15, 2026 to March 31, 2026 the deadline for the declaration and settlement of taxes on profits arising from the operations that all natural and legal persons conducted on Banque du Liban's (BdL) Sayrafa electronic exchange platform.

The MoF issued Memo No. 8/S1 on January 2, 2026 that clarified the application of Decision No. 647/1 dated June 4, 2024 which explains the mechanism for declaring operations that were executed on BdL's Sayrafa electronic exchange platform and settling the due tax on them. The MoF indicated that, pursuant to Article 93 of the General Budget Law for 2024 and in accordance with Decision No. 647/1 and Memo No. 4957/S1 of December 30, 2025, all natural and legal persons are required to declare and settle the tax on profits that they realized from their operations on the Sayrafa platform if the total value of their transactions during the years 2021, 2022, and 2023 exceeded \$15,000, irrespective of the actual profits generated.

Further, it said that the profits resulting from operations on the platform are subject to an "additional" exceptional tax rate of 17%. It clarified that the word "additional" means that taxpayers subject to the income tax on the basis of real profits are required to settle this tax even if they have already been reported in their annual declarations. It added that taxpayers subject to declaring and paying taxes based on lump-sum profits are also obliged to settle this tax even if they already included the revenues from Sayrafa operations in their annual declarations. In addition, it stated that natural or legal persons must submit their tax declaration forms at LibanPost, the manager of the country's postal services, and that taxpayers could pay their taxes through commercial banks, LibanPost, or at one of the money transfer operators approved by the MoF to pay the taxes.

Also, it said that it has set the penalty rate for the verification of taxes at 10% of the amount of the due tax for each month of delay, starting from June 1, 2025, and that it has set the penalty rate for delays in settling the tax at 2% for each month, and the penalty is calculated on the total tax and the tax verification. But it noted that taxpayers could benefit from penalty reductions according to Decision 1065/1 dated December 31, 2025. Further, it pointed out that the persons who do not have a tax identification number must obtain that number from the relevant financial unit of the MoF responsible for the jurisdiction in which their place of residence is located.

The MoF issued Decision No. 647/1 dated June 4, 2024, in application of Article 93 of Budget Law 324 for 2024. First, it said that commercial banks have to aggregate the amount of all the transactions and operations that natural or legal persons carried out on BdL's Sayrafa electronic exchange platform during 2021, 2022 and 2023 and that are based on BdL Circular 161/13384 of December 16, 2021. It said that every person whose total purchases of US dollars at the exchange rate of the Sayrafa platform exceeded \$15,000 during the covered period is subject to the tax rate of 17% on the profits made from these transactions, as stipulated in Article 93 of Budget Law 324. Second, it mandated all commercial banks and money dealers operating in Lebanon to provide the tax administration electronically, within one month of the publication date of the decision, detailed information about Sayrafa transactions that natural or legal persons carried out through banks and money dealers. It added that the information must include the full name of the natural person, his/her tax identification number if it exists, his/her address of residence, and the amount and date of each transaction.

Third, it stipulated that the profits that are subject to the additional exceptional tax as specified in Article 93 constitute the difference between the amount in Lebanese pounds that the person used to buy the dollars through the Sayrafa platform and the actual value of the dollars in Lebanese pounds on the date of the transaction.

Fourth, it stated that if a natural or legal person is subject to the income tax on a real profits basis, or if a natural or legal person is subject to the income tax on the basis of lump sum profits, and if these persons have or have not shown the profits resulting from their transactions on the Sayrafa platform in their accounting entries and in their annual declaration, they must submit an independent declaration that the MoF prepared specifically for this purpose within a period of two months from the date of publication of this decision. It said that natural or legal persons must show the profits that they generated from their transactions on the platform and subject them to the additional exceptional tax rate of 17%. It added that the tax paid on these profits cannot be deducted from the person's revenues for the year 2024 or for any other year. Further, it indicated that it will impose penalties on natural or legal persons that do not comply with this procedure, according to the amended Article 109 of tax procedures, and another penalty based on the amended Article 55 of tax procedures.

Fifth, it pointed out that the tax administration will audit the activities of taxpayers who did or did not show the revenues from their transactions on the Sayrafa platform in their declarations and records for the years 2021, 2022, and 2023, and will apply the taxes and fines due. Sixth, the ministry exempted from the exceptional tax of 17% the salaries and wages differentials that resulted from dollar purchases through the Sayrafa electronic platform, as well as the differentials that natural and legal persons who are not subject to the tax on profits generated, except for holdings firms and offshore companies.

Number of new construction permits down 16.3%, surface area up 28% in 2025

Figures issued by the Orders of Engineers & Architects of Beirut and of Tripoli show that the two orders issued 9,426 new construction permits in 2025, constituting a decline of 16.3% from 11,256 permits in 2024. Also, the orders of engineers issued 769 permits in December 2025, representing decreases of 6.7% from 824 permits in November 2025 and of 9.4% from 849 in December 2024. The North accounted for 27.4% of the number of newly-issued construction permits in 2025, followed by Mount Lebanon with 27.2%, the South with 20.4%, the Nabatieh area with 11.7%, the Bekaa region with 7.4%, and Beirut with 1%. The remaining 4.8% were permits issued by the Order of Engineers & Architects of Tripoli for regions located outside northern Lebanon.

Also, the number of new construction permits issued in Beirut dropped by 76.8% in 2025, followed by permits in the Bekaa region (-43.6%), in Mount Lebanon (-32.3%), in the Nabatieh area (-8%), and in the South (-5.4%). In contrast, the number of new construction permits issued for regions located outside northern Lebanon and in the North increased by 44.6% and 13.8%, respectively, in 2025.

Further, the surface area of granted construction permits reached 7.97 million square meters (sqm) in 2025, constituting an increase of 28.3% from 6.2 million sqm in 2024. Also, the surface area of granted construction permits stood at 650,334 sqm in December 2025, down by 4.5% from 681,195 sqm in November 2025 and up by 30% from 500,674 sqm in December 2024.

Mount Lebanon accounted for 2.8 million sqm, or for 35.2%, of the total surface area of granted construction permits in 2025, followed by the North with 1.6 million sqm (20%), the South with 1.46 sqm (18.3%), the Bekaa area with 704,202 sqm (8.8%), the Nabatieh region with 665,234 sqm (8.3%), and Beirut with 303,336 sqm (3.8%). The remaining 445,122 sqm, or 5.6% of the total, represent the surface area of permits that the Order of Engineers & Architects of Tripoli issued for regions located outside northern Lebanon.

Also, the surface area of new construction permits issued in Beirut surged by 50.3% in 2025, followed by surface areas in Mount Lebanon (+43.7%), in the Nabatieh area (+42%), in the South (+35.4%), and in the North (+15%), while the surface area of new construction permits issued in regions located outside northern Lebanon surged by 45.8%. In contrast, the surface area of new construction permits in the Bekaa dropped by 14.4% in 2025. In parallel, the latest available figures show that cement deliveries totaled 1.94 million tons in first eight months of 2025, constituting an increase of 25.8% from 1.54 million tons in the same period of 2024.

Port of Beirut processes 5.3 million tons of freight in first 10 months of 2025

Figures released by the Port of Beirut show that the port processed 5.33 million tons of freight in the first 10 months of 2025, constituting an increase of 16% from 4.6 million tons of freight in the same period of 2024.

Imported freight totaled 4.6 million tons in the first 10 months of 2025, up by 19.3% from 3.9 million tons in the same period last year, and accounted for 86.3% of the total processed freight in the covered period. In addition, the volume of exported cargo reached 729,000 tons in the first 10 months of the year, representing a decrease of 2% from 743,000 tons in the same period of 2024, and accounted for 13.7% of aggregate freight in the covered period.

A total of 1,178 vessels docked at the port in the first 10 months of 2025, down by 5.8% from 1,251 ships in the same period last year. The port handled 557,000 tons of freight in October 2025, down by 0.7% from 561,000 tons in September 2025. In addition, 128 vessels docked at the port in October 2025 compared to 118 vessels in September 2025.

In parallel, the Port of Tripoli processed two million tons of freight in the first 10 months of 2025, constituting a decrease of 551,000 tons, or of 21%, from 2.61 million tons in the same period last year. Imported freight stood at 1.54 million tons in the covered period and increased by 102,000 tons, or by 7%, from 1.44 million tons in the first 10 months of 2024, with imports accounting for 75% of freight activity in the covered period.

Further, the volume of cargo that was exported through the port reached 513,000 tons in the first 10 months of 2025, representing a drop of 653,000 tons, or of 56%, from 1.17 million tons in the same period of 2024, and accounted for 25% of aggregate freight in the covered period. A total of 631 vessels docked at the port in the first 10 months of 2025, constituting a decrease of 10.4% from 704 ships in the same period last year. The port handled 243,000 tons of freight in October 2025, up by 6% from 229,000 tons in September 2025. Also, 56 vessels docked at the port in October 2025 compared to 53 ships in September 2025.

Consumer Price Index up 12.2% year-on-year in December 2025

The Central Administration of Statistics' Consumer Price Index increased by 14.6% in 2025, compared to increases of 45.2% in 2024 and of 221.3% in 2023.

The CPI grew by 12.2% in December 2025 from the same month of 2024 and registered its 22nd 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 increase in the inflation rate is due in part to the rise of the cost of education, rent, recreation and entertainment, and food prices, to the surge of fees in the public administration, to the weakening of the exchange rate of the US dollar against major currencies, and to the inability of the authorities to monitor and contain retail prices.

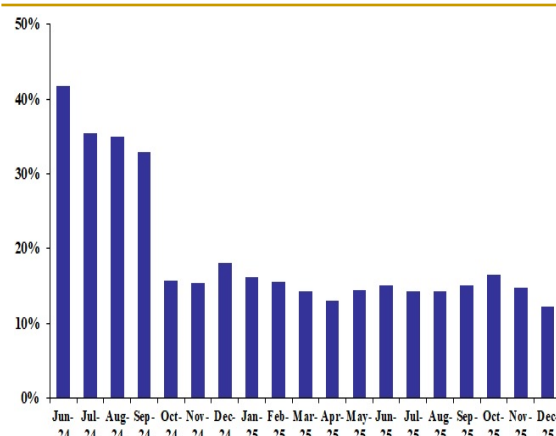
The cost of education surged by 36% in December 2025 from the same month in 2024, followed the prices of recreation & entertainment (+31.6%), imputed rent (+26.2%), actual rent (+24.6%), the cost of miscellaneous goods & services (+21.6%), the prices of food & non-alcoholic beverages (+14.6%), and the prices of alcoholic beverages & tobacco (+8.1%). Also, the rates at restaurants and hotels grew by 7.6% year-on-year in December 2025, followed by the prices of water, electricity, gas & other fuels (+6%), transportation costs (+3.2%), healthcare costs (+2.2%), and the prices of clothing & footwear (+2%). In contrast, the prices of furnishings & household equipment regressed by 1.6% in December 2025 from the same month last year, followed by the cost of communication (-0.7%). Also, the distribution of actual rent shows that new rent surged by 25.4% and old rent increased by 23.6% in December 2025 from the same month of 2024.

In parallel, the CPI rose by 0.14% in December 2025 from the previous month relative to an increase of 0.82% in November 2025, a surge of 3.23% in October, a growth of 0.6% in September, an increase of 0.56% in August, a rise of 1.32% in July, an uptick of 0.76% in June, a jump of 1.31% in May, a rise of 0.67% in April, a growth of 0.44% in March, an uptick of 0.66% in February, and an expansion of 1.1% in January 2025.

Actual rent increased by 5.77% in December 2025 from the preceding month, followed by the prices of miscellaneous goods & services (+4.1%), the cost of alcoholic beverages and tobacco (+1.15%), the cost of recreation & entertainment (+0.57%), the prices of food & non-alcoholic beverages (+0.53%), imputed rent (+0.5%), and the cost of healthcare (+0.01%). In contrast, the prices of clothing & footwear decreased by 3% in December 2025 from November, followed by the prices of water, electricity, gas & other fuels (-1.1%), transportation costs (-0.7%), rates at restaurants and hotels (-0.24%), the cost of communication (-0.2%), and the prices of furnishings & household equipment (-0.05%); while the cost of education was unchanged in December 2025 from November. In addition, the distribution of actual rent shows that new rent increased by 0.5% and old rent increased by 13.6% in December 2025 from the preceding month.

Also, the CPI increased by 0.41% in Mount Lebanon, as well as by 0.4% in Beirut, by 0.06% in the North in December 2025 from the previous month. In contrast, the CPI decreased by 1.62% in the South, as well as by 1.19% in the Nabatieh area and by 0.29% in the Bekaa. In parallel, the Fuel Price Index decreased by 2.15% and the Education Price Index was unchanged month-on-month in December 2025.

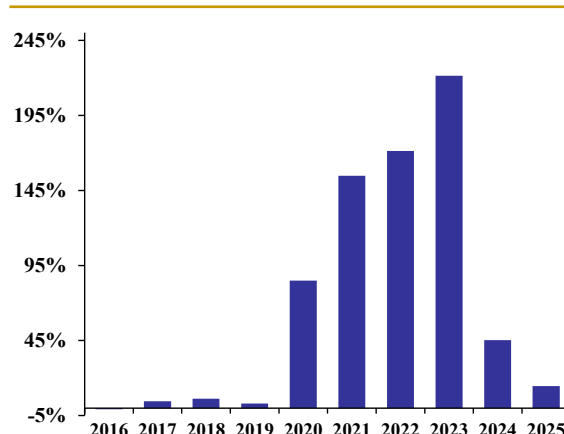
Annual Change in Consumer Price Index* (%)



*from the same month of the previous year

Source: Central Administration of Statistics, Byblos Research

Annual Change in Consumer Price Index* (%)



Source: Central Administration of Statistics, Byblos Research

EU grant of €110.5m to support security forces, conflict-affected areas, and reforms

The European Union (EU) announced that it has extended €110.5m in grants to Lebanon, in order to strengthen the country's security sector, advance recovery in conflict-affected areas, and support key reform initiatives. It said that the grants are funded under the €1bn support package that the European Commission announced in May 2024 and that it extended until 2027. It added that the €110.5m allocation is part of the €132m package that the Ministry of Finance announced last December, which includes support for micro- and small enterprises, as well as initiatives to protect the environment and preserve Lebanon's ecosystems. It said that the initiative will be implemented by the agencies of EU member states and United Nations partners.

First, it indicated that it will earmark €30m to strengthen the capacities of the Internal Security Forces to combat organized crime and cybercrime, and to support all security agencies in countering terrorism activity, including terrorism financing and smuggling. It said that it will provide an additional €25m to reinforce border management at land crossing points and airports, and to enhance maritime safety, and that it will allocate €8m to support sustainable and reliable energy solutions for Lebanon's security agencies.

Second, the EU pointed out that it will grant €25m to assist communities in conflict-affected areas that continue to face significant challenges, particularly in the South and the Bekaa region. It added the funding aims to help deliver essential services, support small-scale agricultural and environmental projects, create jobs through skills development, assist local businesses, and strengthen social cohesion.

Third, the EU noted that it will allocate €13.5m to support the implementation of the National Anti-Corruption Strategy and to help selected public institutions strengthen their procedures and internal controls, including through digitalization, in order to improve the delivery of public services to citizens.

Also, it said that it will earmark €9m to help Lebanese ministries and public institutions improve the quality, efficiency, and transparency of public services, while supporting the ongoing reforms of the public administration.

In parallel, the EU said that its overall support to Lebanon totaled €1.1bn in the 2021-25 period and has exceeded €3.5bn since 2011. It said the funding includes €752.5m in response to the Syrian crisis, and €293m to support governance and reforms, economic resilience, and a sustainable recovery.



Banque du Liban sets procedures for electronic payment service providers

Banque du Liban (BdL) issued Basic Circular 1/13790 dated January 9, 2026 addressed to the providers of electronic payment services. Article 2 stipulates that any institution seeking to offer services under this circular must obtain BdL's prior approval in order to be licensed as an Electronic Payment Services Provider, as well as to be authorized to deliver one or more services that consist of Electronic Money (Category A), Local Money Transfer (Category B), Cross-border Money Transfer (Category C), Money Collection and Payment (Category D), and Payment Facilitation (Category E). The circular states that a company may expand its services if it obtains BdL's prior approval for each additional service. It added that the firm must increase its minimum capital requirement in accordance with Article 4 of this circular, demonstrate the feasibility of offering the additional service, and prove its ability to manage the associated risks.

Article 3 stipulates that the licensed institution must be a Lebanese joint-stock company with nominal shares, and that its shareholding structure must be simplified and clear. Article 4 mandates the firm to have a minimum capital of LBP50bn, or of \$558,660, when providing services under Categories A, B, C and D; and a minimum capital of LBP25bn, or of \$279,330, for Category E services. It noted that the company should release 85% of the capital once it duly registers the legal documents with the relevant authorities and after it submits a copy to BdL; and that it should block the remaining 15% at BdL with an amount of at least \$83,800 for Categories A, B, C, and D, and \$41,900 for Category E. It urged the institution to verify, on a monthly basis, that the funds that it has deposited in Lebanese pounds at BdL are equivalent to the amount in US dollars for the relevant category. It also mandates the institution to cover any shortfall in Lebanese pounds in its deposits at BdL, and added that it will not return the 15% amount to the firm except upon its liquidation. Article 16 states that it will revoke a firm's license if it suspends its operations for six consecutive months.

Article 35 sets the conditions for E-Money services. It mandates the institution to enable customers to deposit funds into, and withdraw funds from electronic wallets in cash at any of its branches, agents or contracted banks, or through ATMs; through the use of bank cards; through bank accounts; and/or through another E-Wallet, after obtaining BdL's approval if the wallet belongs to the customer of another institution. It said that the total balance of the wallet in Lebanese pounds and foreign currencies must not exceed at any time \$3,000 or their equivalent in Lebanese pounds for natural persons, \$30,000 or their equivalent in Lebanese pounds for commercial companies or institutions that are registered in the Commercial Register, and \$30,000 or their equivalent in Lebanese pound for self-employed professionals who are affiliated with a specific syndicate. It noted that the total amount of funds transferred in Lebanese pounds and foreign currencies to an E-Wallet must not exceed \$10,000 per month or their equivalent in Lebanese pounds for natural persons, \$50,000 or their equivalent in Lebanese pounds for commercial companies or institutions that are registered in the Commercial Register, and \$50,000 or their equivalent in Lebanese pounds for self-employed professionals who are affiliated with a specific syndicate. It added that the total amount that a client transfers to the E-Wallet should be non-revolving within a single month. Also, it mandates the firm to install an appropriate information technology system with system controls to ensure that the clients comply with the ceilings and prevent any overriding, under the penalty of having its license revoked. Further, it said that BdL may exceptionally increase the ceiling for commercial companies registered in the Commercial Register and for self-employed professionals affiliated who are with a specific syndicate, based on a request that the firm submits to BdL explaining, at least, the activity of the companies/self-employed professionals, and the actual volume of their operations that would justify their need for higher ceilings. Also, it set a ceiling for commissions of 0.5% of the value of each operation conducted through the E-Wallet for person-to-person operations.

Article 36 determines conditions for local money transfer services. It said that the institution must not allow any customer to carry out local transfers that exceed \$10,000 or their equivalent in Lebanese pounds per month for natural persons, and \$100,000 or their equivalent in Lebanese pounds per month for commercial companies that are registered in the Commercial Register. Article 37 sets conditions for cross-border money transfer services. It mandates the institution to be connected to a foreign money transfer network approved by BdL. It urged the company to keep records of cross-border electronic funds transfers that the intended recipient did not receive within 90 days of the transfer date. Article 38 determines the conditions for money collection and payment services. It prohibits the firm from providing money collection services to a commercial company that is not registered in the Commercial Register, or to individuals or associations that are not duly licensed. Article 39 sets conditions for payment facilitators services. It said that a non-banking institution may provide payment facilitators services such as a Payment Gateway, Third Party Payment Processor, and Switch Companies, provided that it obtains a prior license from BdL and that it complies with the provisions of this circular. Article 40 stipulates that BdL's Central Council may determine and impose a maximum fine of LBP1.5bn for each violation of the provisions of this circular, and of the relevant statements required under this circular.

Article 41 states that, if an institution violates its bylaws, the provisions of this circular, and/or the required measures, or submits incomplete or inaccurate information or data, BdL may refer the issue to the Higher Banking Commission (HBC). It added that the HBC may then issue a warning, or prohibit it from carrying out certain operations, or impose other restrictions on the firm's activities or services, or prohibit the Chairman of the Board, board members, and/or the General Managers from conducting the operations covered by this circular either permanently or for a limited period; or revoking the institution's license. Article 46 stipulates that the circular goes into effect upon its issuance.

Banque du Liban sets framework for electronic financial services

Banque Banque du Liban (BdL) issued Intermediate Circular 750/13791 dated January 9, 2026 addressed to banks and financial institutions (FIs), which amends Basic Circular 69/7548 of March 3, 2000. Article 2 stipulates that banks and financial institutions that are registered with BdL may conduct electronic banking and financial operations, on the condition that they obtain BdL's prior approval to provide the electronic Know Your Customer (E-KYC) service to banks and FIs and the electronic wallets (E-Money) service for FIs. It added that banks and FIs must notify BdL in writing of their intention to provide any of the services mentioned in this circular, except for E-KYC and E-Money services, at least 90 days before starting or marketing such services, or before making any subsequent change to an operation that has already been declared. It said that the notification letter must include a description of the services that the FI and the banks intends to provide, along with the associated risks and the technical procedures in place. Also, it states that BdL and the Banking Control Commission of Lebanon (BCCL) reserve the right to request additional information or to impose specific conditions on these operations.

Article 3 stipulates that FIs, excluding banks, that are registered with BdL, may provide the E-money service, provided they obtain a license from BdL and comply with the requirements of Category A services as included in Basic Circular 1/13790 of January 9, 2026 on Electronic Payment Services Providers.

Article 4 states that banks and FIs may onboard new customers who are natural persons by adopting the E-KYC form to open payment accounts whose value does not exceed \$10,000, and/or to conduct banking and financial operations, provided that they obtain BdL's prior approval. It said that for this purpose, they must submit to BdL the documents related to the methods, mechanisms, and software to be used, and include evidence that they comply with the applicable laws and regulations, particularly those related to compliance and anti-money laundering and countering the financing of terrorism (AML/CFT), especially in terms of identifying and verifying the customer's identity through the implementation of enhanced due diligence measures and the adoption of Digital ID systems that meet the requirements for identity proofing and enrolment, as well as identity authentication and lifecycle management, in line with the Financial Action Task Force (FATF) Guidance on Digital ID; ensure ongoing monitoring of electronic transactions as per adopted standards; and adopt a mechanism for customers' classification based on their risk level, including risk categories that may arise from transaction limits. Also, it noted that BdL may exceptionally approve a ceiling for banks that is higher than the \$10,000, based on a justifiable request that the bank submits to BdL. It added that the E-KYC form may be adopted by FIs to renew and/or to amend the KYC form.

Article 5 stipulates that banks and FIs may use electronic signatures, provided that several conditions are concurrently met, including obtaining the customer's consent regarding the likely risks associated with e-signatures; the implementation of adequate measures to ensure the highest level of security under the full responsibility of the concerned parties; the assurance that the e-signature is uniquely linked to the signatory and is organized and stored in a manner that guarantees its authenticity and the integrity of the customer's personal data; and the one-time password (OTP) that should serve as the customer's e-signature.

Article 7 states that banks and FIs that conduct electronic banking and financial operations must store in Lebanon all data and information pertaining to their clients and to the operations that they conduct. Article 8 stipulates that banks and FIs that carry out electronic banking and financial operations must apply measures to protect their clients' personal data, such as the data's processing and storage methods and its lawful use; limiting access to personal data to the authorized personnel whose duties require such access; and refraining from sharing personal data with any third party or entity, except with BdL, the BCCL, the Special Investigation Commission, and judicial and legal authorities.

Article 9 states that banks and FIs that conduct electronic banking and financial operations must prepare a detailed policy on customer protection procedures that includes measures adopted to protect information privacy; the types of fees and commissions to be applied to the services provided; and procedures for resolving customer disputes and identifying the party responsible for handling claims.

Article 10 prohibits banks and FIs from issuing, and/or dealing, and/or facilitating dealings in virtual assets in any way, except where BdL's regulations allow such transactions. Article 11 states that FIs that already have BdL's approval to provide electronic payment services must adjust their status and take the necessary measures to comply with the provisions of Basic Circular 1/13790 within six months from the latter's issuance. It also granted banks and FIs a six-month time limit to comply with the provisions of Article 7 of this circular.

Article 13 stipulates that any bank or FI that violates the provisions of this circular will be subjected to the administrative sanctions included in Article 208 of the Code of Money and Credit. It added that violating the provisions of this circular constitutes a crime under Article 770 of the Penal Code, and that BdL is entitled to pursue any infringing institution in front of the competent judicial authority. Article 14 states that the circular goes into effect upon its issuance.

Régie's revenues projected at LBP88,693bn in 2026

The Ministry of Finance issued Decision No. 996/1 dated December 8, 2025 about the budget of the Régie of Tobacco and Tombac (RTT) for 2026, which is a public company that manages the cultivation, manufacturing, distribution and sale of tobacco and tombac in Lebanon.

Article 1 sets the figures for the expenditures and revenues of the RTT at LBP88,693bn each for 2026, or the equivalent of \$991m, with excess revenues of LBP23,699.4bn for the fiscal year that ends on December 31, 2026 in accordance with the detailed tables of the draft budget of 2026.

It indicated that the RTT collected revenues of LBP26,778bn in 2024 compared to earlier estimates of LBP30,125.7bn for the year; while it collected receipts of LBP64,587.4bn in the first 10 months of 2025 relative to amended and estimated earnings of LBP81,690.5bn for full year 2025. Also, the RTT expected to pay LBP4,070.2bn in value added taxes (VAT) this year compared to VAT obligations of LBP3,705.1bn in the first 10 months of 2025 and of LBP4,130.4bn in 2024. Further, it pointed out that actual expenditures totaled LBP23,539.1bn in the first 10 months of 2025 compared to LBP12,293.5bn in 2024.

The distribution of revenues shows that the sales of locally-manufactured products reached LBP30,780.3bn and accounted for 47.7% of total earnings in the first 10 months of 2025, followed by foreign goods manufactured locally with LBP21,985.9bn (34%), the sale of imported manufactured products with LBP7,663.2bn (12%), the sales of leaf tobacco prepared for export with LBP2,961.3bn (4.6%), exceptional profits with LBP1,080.8bn (1.7%), financial revenues and bank interests with LBP96,709bn (0.1%), the sales of waste and production scarps with LBP9,125bn (0.014%), the sales of confiscated tobacco and fines with LBP6,774bn (0.01%), and National Social Security Fund refunds and employee contributions with LBP3,312bn (0.005%).

In addition, it projected the RTT's revenues from foreign products that are manufactured locally at LBP49,520.7bn and to represent 55.8% of total receipts in 2026, followed by revenues from the sales of locally manufactured products with LBP25,266.8bn (28.5%), the sales of imported manufactures with LBP10,758.7bn (12.1%), foreign exchange gains with LBP1,500bn (1.7%), the sales of leaf tobacco prepared for export with LBP1,163.5bn (1.3%), the sales of confiscated tobacco and fines with LBP220bn (0.25%), financial revenues and bank interests with LBP200bn (0.23%), National Social Security Fund refunds and employee contributions with LBP47.2bn (0.05%), the sales of waste and production scarps with LBP11,100bn (0.13%), and exceptional profits with LBP5bn (0.006%).

The RTT is a public organization that is supervised by the Ministry of Finance. It manages the plantation, manufacturing, trade and transport of tobacco in Lebanon, and has agreements with British American Tobacco, Japan Tobacco International, Philip Morris International, and Imperial Tobacco to manufacture many of their cigarette brands.



Ratio Highlights

(in % unless specified)	2022	2023	2024e	Change*
Nominal GDP (\$bn)	21.4	31.6	37.9	6.3
Gross Public Debt / GDP	259.8	172.5	137.9	(34.6)
Trade Balance / GDP	(72.8)	(46.0)	(37.5)	8.6
Exports / Imports	18.3	17.1	16.0	(1.1)
Fiscal Revenues / GDP	5.5	12.4	10.2	(2.2)
Fiscal Expenditures / GDP	11.9	12.5	10.1	(2.4)
Fiscal Balance / GDP	(6.9)	(0.1)	0.1	0.2
Primary Balance / GDP	(2.5)	1.4	1.1	(0.3)
Gross Foreign Currency Reserves / M2	13.4	143.5	689.4	545.9
M3 / GDP	35.3	42.2	182.1	139.9
Commercial Banks Assets / GDP	39.1	62.6	271.3	208.7
Private Sector Deposits / GDP	29.1	51.5	233.1	181.6
Private Sector Loans / GDP	4.6	4.5	15.6	11.1
Private Sector Deposits Dollarization	76.1	96.3	99.1	2.8
Private Sector Lending Dollarization	50.7	90.9	97.8	6.9

*change in percentage points 24/23;

Source: National Accounts, Banque du Liban, Ministry of Finance, 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

	2022	2023	2024e
Nominal GDP (LBP trillion)	651.2	2,760.6	3,403.0
Nominal GDP (US\$ bn)	21.4	31.6	37.9
Real GDP growth, % change	1.8	0.5	-7.6
Private consumption	-0.9	4.4	-7.8
Public consumption	-6.9	-3.5	6.6
Private fixed capital	48.7	-14.8	-15.9
Public fixed capital	66.9	-2.3	-12.0
Exports of goods and services	6.0	-4.2	-14.1
Imports of goods and services	17.5	3.5	-10.2
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	89,700
Weighted average exchange rate LBP/US\$	27,087	87,472	89,700

Source: National Accounts, 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	-	CCC	C	Stable

*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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