

LEBANON THIS WEEK

In This Issue

Economic Indicators.....1
Capital Markets.....1
Lebanon in the News.....2

Lebanon among top 100 countries globally in terms of ecosystem for startups

Banque du Liban's liquid foreign reserves at \$11.5bn, gold reserves at \$42bn at mid-May 2026

Primary surplus equivalent to 4.9% of GDP in 2025

Registered real estate transactions down 18% to \$1.2bn in first quarter of 2026

Agricultural production up 33% to \$2.9bn in 2025

Consumer Price Index up 20% year-on-year in April 2026

Amount of cleared checks in "fresh" foreign currency up 130% in first four months of 2026

Trade deficit widens by 38% to \$4.7bn in first quarter of 2026

Remittance inflows down 7.6% to \$6.4bn in 2025

Sovereign rating upgrade contingent on debt restructuring and reforms

Ministry of Finance details tax exemptions for war damage-related donations

Corporate Highlights.....13

Stock market capitalization down 13.2% to \$18bn at end-May 2026

Ministry of Public Works announces tender results to operate René Mouawad Airport

EBRD and EU provide financial and technical support to food retail chain

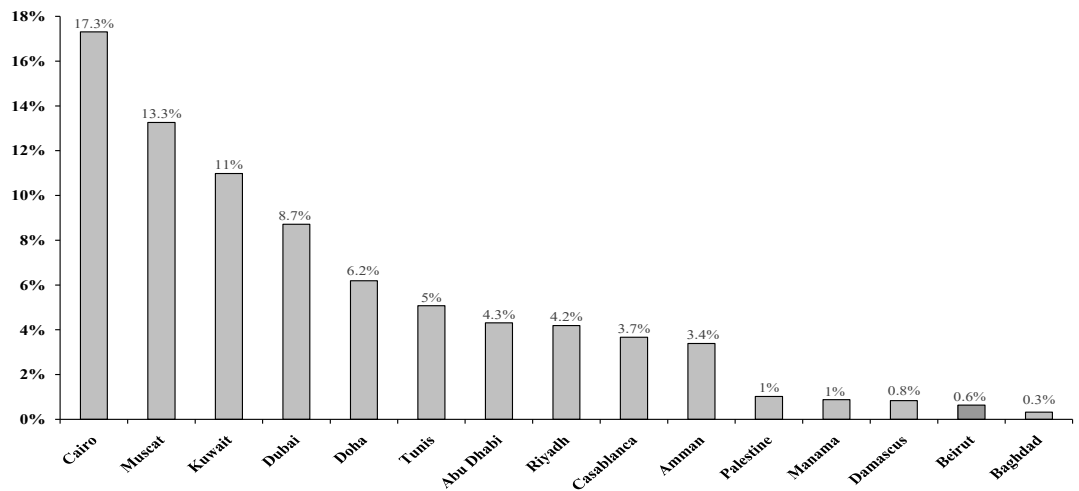
Ratio Highlights.....15

National Accounts, Prices and Exchange Rates15

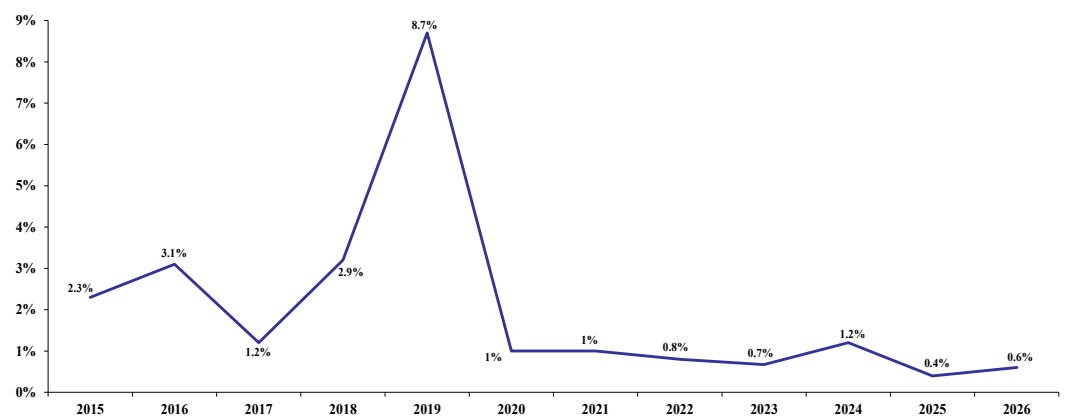
Ratings & Outlook.....15

Chart of the Week

Turnover Ratios of Select Arab Stock Markets in First Four Months of 2026 (%)



Turnover Ratio on the Beirut Stock Exchange*



*The aggregate value of shares traded in the first four months of the year relative to the market capitalization at the end of April of each year

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

Quote to Note

"The modest recovery observed in 2025 is expected to weaken significantly in 2026."

Banque du Liban, on the expected impact of the prevailing war on economic activity in the country

Number of the Week

52%: Compound annual growth rate of solar energy capacity in Lebanon during the 2016-2025 period, according to the International Renewable Energy Agency

Lebanon in the News

\$m (unless otherwise mentioned)	2023	2024	2025	% Change*	Dec-24	Nov-25	Dec-25
Exports	2,995	2,707	3,639	34.4	212	226	430
Imports	17,524	16,902	21,076	24.7	1,185	1,734	1,698
Trade Balance	(14,529)	(14,195)	(17,436)	22.8	(973)	(1,508)	(1,268)
Balance of Payments	1,143	6,440	19,561	203.7	(790)	1,500	2,231.8
Checks Cleared in LBP**	754	877	702	(20.0)	69	48	67
Checks Cleared in FC**	3,292	1,299	706	(45.7)	81	44	91
Total Checks Cleared**	4,046	2,176	1,408	(35.3)	150	92	158
Fiscal Deficit/Surplus	-	36.1	-	-	(288)	-	-
Primary Balance	-	428.2	-	-	(250)	-	-
Airport Passengers	7,103,349	5,624,402	7,010,580	24.6	379,910	467,099	594,705
Consumer Price Index	221.3	45.2	14.6	(67.7)	18.1	14.7	12.2

\$m (unless otherwise mentioned)	Dec-24	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	%Change*
BdL FX Reserves	10.09	10.96	9.74	9.86	9.34	7.74	-23.3%
<i>In months of Imports</i>	-	-	-	-	-	-	-
Public Debt	-	-	-	-	-	-	-
Bank Assets	103.15	102.36	102.70	102.06	101.82	102.30	-0.8%
Bank Deposits (Private Sector)	88.65	88.35	88.26	87.76	87.67	87.19	-1.6%
Bank Loans to Private Sector	5.95	5.41	5.38	5.46	5.42	5.20	-12.5%
Money Supply M2	1.46	1.63	1.65	1.60	1.64	1.68	14.5%
Money Supply M3	69.26	68.48	68.25	67.81	67.72	67.29	-2.8%
LBP Lending Rate (%)	5.61	9.39	10.07	9.24	11.42	10.90	529
LBP Deposit Rate (%)	3.58	3.21	3.16	2.91	3.25	3.68	10
USD Lending Rate (%)	3.70	5.19	5.97	4.23	5.32	3.68	-2
USD Deposit Rate (%)	0.03	0.05	0.07	0.06	0.12	0.09	6

*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 %
Byblos Common	0.84	0.0	33,500	2.7%	Nov 2026	6.60	26.25	577.96
Solidere "A"	70.65	(0.5)	1,670	39.4%	Mar 2027	6.85	26.25	257.44
Ciments Libanais	62.00	0.0	100	6.8%	Nov 2028	6.65	26.25	63.68
Audi GDR	2.18	0.0	-	1.5%	Feb 2030	6.65	26.25	39.24
BLOM GDR	6.30	0.0	-	2.6%	Apr 2031	7.00	26.25	29.32
Audi Listed	1.73	0.0	-	5.7%	May 2033	8.20	26.25	20.18
BLOM Listed	6.60	0.0	-	7.9%	May 2034	8.25	26.25	17.53
Solidere "B"	71.00	(2.1)	-	25.8%	Jul 2035	12.00	26.25	15.16
Byblos Pref. 09	29.99	0.0	-	0.3%	Nov 2035	7.05	26.25	14.72
Byblos Pref. 08	25.00	0.0	-	0.3%	Mar 2037	7.25	26.25	12.77

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

Source: LSEG Workspace

	May 26	May 18-22	% Change	May 2026	May 2025	% Change
Total shares traded	35,270	36,565	(3.5)	228,555	2,398,966	(90.5)
Total value traded	\$152,298	\$780,834	(80.5)	5,450,121	48,065,990	(88.7)
Market capitalization	17.92	18.05	(0.7)	17.92	20.64	(13.2)

Source: Beirut Stock Exchange (BSE)



Lebanon among top 100 countries globally in terms of ecosystem for startups

StartupBlink’s Global Startup Ecosystem Index for 2026 ranked Lebanon in 83rd place globally and in seventh place among 11 Arab countries. In comparison, Lebanon came in 77th place globally and in seventh place in the Arab world on the 2025 index. In comparison, Lebanon ranked in 77th place worldwide and in sixth place in the Arab region on the 2022 index. As such, Lebanon's global rank deteriorated by seven spots, while its Arab rank was unchanged this year from the 2025 survey. Globally, Lebanon preceded Tunisia, Mauritius, and Mongolia, while it trailed El Salvador, Azerbaijan, and Moldova on the 2026 index. Lebanon came ahead of Tunisia, Kuwait, Morocco and Oman, and trailed Saudi Arabia, the UAE, Bahrain, Egypt, Jordan and Qatar.

The index is composed of three sub-indices that are essential for the ecosystems of startups. First, the Quantity Sub-Index incorporates the number of startups, investors, accelerators, and co-working spaces, and other supporting organizations that facilitate and contribute to the growth of an ecosystem. Second, the Quality Sub-Index takes into account the traction of the top startups of an ecosystem, as well as the most successful entities that impact it, such as unicorns, exits, and "pantheons", which are organizations that have had a massive impact on a startup ecosystem and a narrative that draws more entrepreneurs and attracts investors to the location. Third, the Business Sub-Index consists of a number of business and economic indicators at the national level, such as the ease of doing business in a country or city, Internet speed, and expenditures on research and development, among others.

Lebanon received a score of 1.103 points in 2026, constituting an increase of 15.4% from 0.956 on the 2025 index. Lebanon's score was lower than the global average score of 14.21 points and the Arab average score of 3.38 points. Further, StartupBlink estimated the value of Lebanon’s ecosystem, which is the financial worth of the ecosystem based on startup valuations and exits since 2006, at \$486.8m, which accounted for 0.34% of the Arab world’s aggregate ecosystem value. It noted that Lebanon’s startup ecosystem continues to show resilience despite weak underlying business conditions. Also, it ranked Lebanon in fourth place in the Middle East region in the Ecosystem Returns Functional Category, which reflects strong financial outcomes from exits and listed technology firms. It added that Lebanon has a developed environment for ecosystem enablers as reflected by its fifth place rank in the Arab world on the Startup Support Functional Category.

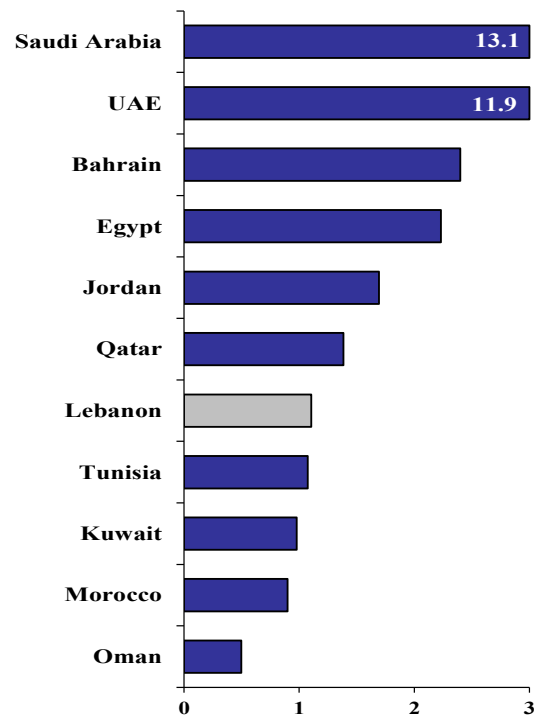
In addition, Beirut ranked in 341st place among 1,000 cities globally and in 10th place among 29 Arab cities included in the 2026 index. In comparison, Beirut came in 377th place globally and in 11th place among 22 Arab cities in the 2025 survey. As such, Beirut's rank rose by 36 spots globally and improved by one spot regionally from the 2025 survey. Beirut came ahead of Doha, Manama, Kuwait City, Algiers, Muscat, Sharjah, Mecca, Alexandria, Rabat, Baghdad, Medina, Marrakesh, Al Qassim Province in Saudi Arabia, Ras Al Khaimah, Erbil, Aseer Province in Saudi Arabia, Ajman, Al Jubail in Saudi Arabia, and Ramallah among Arab cities. Further, the survey pointed out that Beirut joins the Middle East and Africa’s top 20 startup ecosystems, as it advanced by five spots to 20th place in the region. It ranked Beirut in fourth place in the Startup Support Functional Category in the region, ahead of its overall regional standing, which reflects a developed environment for ecosystem enablers.

Also, the survey stated that startups in Lebanon received \$22.8m in funding during the 2019-25 period, with \$20.6m in 2022, \$0.7m in each of 2020 and 2024, \$0.5m in each of 2021 and 2025, and \$0.1m in 2023. Further, the funding of Lebanese startups accounted for 0.34% of the aggregate funding of startups in the Arab world in 2025 relative to 0.02% of the funding Arab startups in 2024, as Lebanon came in last place among Arab counties in terms of startups funding on the 2025 and 2026 indices.

The survey indicated that Banque du Liban (BdL) launched Intermediate Circular 331/11512 dated August 22, 2013 about financial facilities from BdL to banks and financial institutions to support the knowledge economy sector and intellectual capital in Lebanon, which unlocked about \$400m in bank-backed startup guarantees. It pointed out to Berytech, the Beirut Digital District, Flat6Labs Beirut, and the Lebanese International Finance Executives (LIFE) organization, as notable builders of the startup ecosystem.

StartupBlink, a global startup mapping and research center that tracks trends affecting the global startup ecosystem, developed the index in 2012 and updates it annually in cooperation with the United Nations Development Program.

Global Startup Ecosystem Index for 2026 Arab Countries' Scores & Rankings



Source: StartupBlink, UNDP, Byblos Research

Banque du Liban's liquid foreign reserves at \$11.5bn, gold reserves at \$42bn at mid-May 2026

Banque du Liban's (BdL) interim balance sheet shows that its total assets reached LBP8,323.2 trillion (tn) as at May 15, 2026, relative to LBP8,325.7tn at end-April 2026, LBP8,348.9tn at mid-April 2026, to LBP8,406.5tn at the end of 2025, and to LBP8,408tn at mid-May 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 \$11.46bn on May 15, 2026 compared to \$11.43bn at end-April, to \$11.68bn at mid-April, to \$11.89bn at end-2025, and to \$11.17bn on May 15, 2025 . Also, they increased by \$51.9m in January of this year, while they decreased by \$69.2m in February, by \$343.2m in March and by \$103.1m in April 2026, and grew by \$31.8m in the first half of May 2026. As such, they decreased by \$414.6m since the end of February and by \$431.8m in the first 19 weeks of 2026, but they increased by \$2.89bn between the end of July 2023 and mid-May 2026 despite a decline of \$530.3m in the fourth quarter of 2024. BdL said that Foreign Reserve Assets represent non-resident and liquid foreign assets. 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.

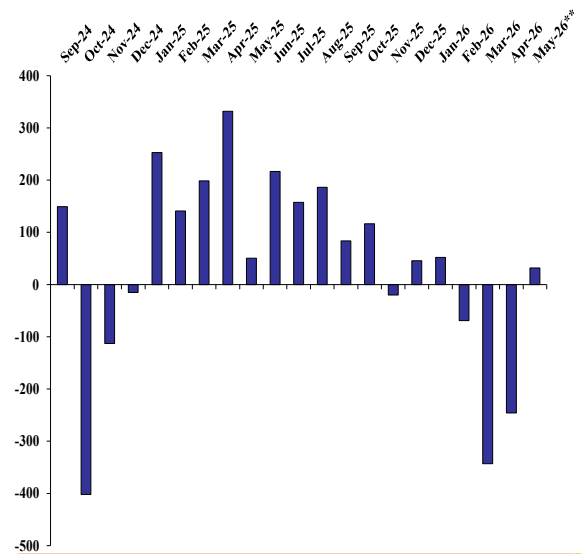
Further, the value of BdL's gold reserves reached \$42bn on May 15, 2026, compared to \$42.7bn at end-April 2026, to \$44.4bn at mid-April 2026, and to \$29.3bn at mid-May 2025. Gold reserves reached a peak of \$47.7bn at the end of February 2026. Also, BdL's securities portfolio totaled LBP584,545.8bn at mid-May 2026 relative to LBP584,444bn two weeks earlier and to LBP554,311.7bn on May 15, 2025. BdL noted that the securities portfolio includes Lebanese Eurobonds that had a market value of \$1.36bn at mid-May 2026, nearly unchanged from end-April 2026 and compared to \$1.22bn at the end of 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 LBP39,233.4bn at mid-May 2026 compared to LBP39,414.2bn at end-April 2026.

Moreover, Deferred Open-Market Operations totaled LBP179,182.2bn at mid-May 2026 relative to LBP178,641.1bn at end-April 2026. 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 LBP16,880.6bn (\$188.6m) at mid-May 2026 relative to LBP16,219bn (\$181.2m) two weeks earlier.

Also, the Revaluation Adjustments item on the asset side reached LBP1,230.6tn at mid-May 2026 relative to LBP1,174tn at end-April 2026. 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 LBP168.3tn at mid-May 2026 relative to BP168.2tn at end-April 2026. It also consists of a special account in the name of the Treasury that stood at LBP1,062.3tn at mid-May 2026 compared to LBP1,005.8tn at end-April 2026. Further, the balance sheet shows that BdL's loans to the public sector totaled LBP1,486,730.2bn at mid-May 2026 relative to LBP1,486,716.3bn two weeks earlier, and includes an overdraft of \$16.52bn as at mid-May 2026, unchanged from end-April 2026.

On the liabilities side, BdL's balance sheet shows that currency in circulation outside BdL stood at LBP58,624bn at mid-May 2026 compared to LBP62,300.6bn at end-April 2026, and represented a decrease of 24.6% from LBP77,778bn at mid-May 2025. Further, the deposits of the financial sector reached LBP7,252.4tn, or the equivalent of \$81bn at mid-May 2026, relative to LBP7,284.1tn (\$81.4bn) at end-April 2026; while public sector deposits at BdL totaled LBP862,916.1bn at mid-May 2026 compared to LBP834,550.1bn at end-April 2026, LBP772,183.1bn at end-2025, and to LBP628,990.4bn at mid-May 2025.

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



*month-on-month change

**as at mid-May 2026, change from end-April 2026

Source: Banque du Liban, Byblos Research



Primary surplus equivalent to 4.9% of GDP in 2025

Figures released by the Ministry of Finance show that public expenditures, which includes budget and Treasury outlays, reached LBP424,109bn, or the equivalent of \$4.7bn, and increased by 30% from LBP326,909bn in 2024; while revenues stood at LBP554,351bn or \$6.2bn on a cash basis last year and rose by 59% from LBP348,767bn in 2024. As such, the fiscal balance posted a surplus of LBP130,242bn, or of \$1.46bn, and was equivalent to 30.7% of total budget and Treasury expenditures on a cash basis in 2025, compared to a surplus of LBP21,858bn or \$244.2m, or 6.7% of spending in 2024. Also, the overall primary balance registered a surplus of LBP157,428bn (\$1.8bn) or 37% of public spending, compared to a surplus of LBP38,803bn (\$433.6m), or 11.9% of public spending in 2024.

On the expenditures side, current spending stood at LBP320,517bn and represented 75.6% of total spending, followed by budget advances with LBP33,848bn (8%), Treasury expenditures with LBP33,837bn (8%), and outlays to the Customs Administration excluding salaries and wages with LBP5,425bn (1.3%), while capital expenditures, including foreign finances expenditures by the Council of Development and Reconstruction, reached LBP30,481bn or 7.2% of the total. Further, the distribution of current expenditures shows that personnel costs reached LBP231,066bn, and accounted for 72.1% of the total in 2025, followed by various transfers with LBP36,898bn (11.5%), debt servicing with LBP27,186 (8.5%), materials and supplies with LBP7,825bn (2.4%), and external services with LBP1,695bn (0.5%), while other current expenditures stood at LBP15,847bn or 5% of the total and consisted mainly of transfers to hospitals. Also, the breakdown of debt servicing indicates that interest payments on Lebanese pound-denominated debt totaled LBP14,701bn and interest payments on foreign debt stood at LBP12,485bn or 4.6% and 3.9% of current spending, respectively. In addition, various transfers included LBP11,666bn in foreign loans and grants, outlays of LBP7,028bn to the National Social Security Fund, LBP1,591bn in payments to the Council of the South, and LBP867bn in contributions to non-public sectors.

On the revenues side, budget revenues totaled LBP494,662bn (\$5.5bn) and accounted for 89.2% of public receipts in 2025, while Treasury receipts stood at LBP59,689bn (\$666.9m) and represented the balance of 10.8%. In comparison, budget revenues stood at LBP306,568bn (\$3.4bn) and Treasury receipts at LBP42,199bn (\$471.5m) in 2024. Also, tax receipts totaled LBP416,857bn (\$4.7bn), and non-tax revenues reached LBP77,805bn (\$869.3m), or 84.3% and 15.7%, respectively, of budgetary receipts. In comparison, tax receipts reached LBP254,206bn and non-tax revenues LBP52,362bn in 2024, or 82.9% and 17.1% of the total, respectively. Further, the distribution of tax revenues shows that receipts from the value added tax (VAT) reached LBP179,249bn, or 43% of total tax receipts in 2025, followed by the taxes on income, profits, & capital gains with LBP71,273bn (17%), excise taxes with LBP33,618bn (8.1%), customs revenues with LBP32,966bn (7.9%), and property taxes with LBP31,423bn (7.5%), while other tax revenues that include fiscal stamp fees with reached LBP20,340bn or 4.9% of the total. Also, the breakdown of income tax receipts shows that the tax on profits accounted for 55% of income tax revenues in 2025, followed by the tax on wages & salaries with 35.3%, the capital gains tax with 5.6%, the tax on interest income with 3.2%, and penalties on income tax with 0.8%. In addition, real estate registration fees and the built property tax represented 6% and 0.6% of total tax receipts, respectively.

Further, non-tax revenues consisted of income from public institutions and government properties with LBP58,122bn, or 74.7% of total non-tax receipts in 2025, followed by administrative fees & charges with LBP17,115bn (22%), other non-tax revenues that include retirement deductibles with LBP2,226bn (2.9%), and penalties & confiscations with LBP342bn (0.4%). In addition, receipts from telecommunication services reached LBP33,514bn (\$374.5m) in 2025 and accounted for 43% of non-tax budgetary revenues in 2025.

Comparative Fiscal Results (% of GDP)		
	2024	2025
Budget Revenues	11.2%	15.3%
Tax Revenues	9.3%	12.9%
Non-Tax Revenues	1.9%	2.4%
Current Expenditures	9.0%	9.9%
Primary Balance	1.4%	4.9%
Treasury Receipts	1.5%	1.8%
Treasury Expenditures	1.3%	1.0%
Total Revenues	12.8%	17.1%
Total Expenditures	12.0%	13.1%
Total Fiscal Balance	0.8%	4.0%

Source: Ministry of Finance, Byblos Research
 *the ratios are based on the National Accounts' nominal GDP of LBP2,728 trillion for 2024 and Institute of International Finance's nominal GDP of LBP3,241tn for 2025

Registered real estate transactions down 18% to \$1.2bn in first quarter of 2026

Figures released by the General Directorate of Land Registry and Cadastre (GDLRC) at the Ministry of Finance show that the ministry registered 14,976 real estate transactions in the first four months of 2026, constituting a drop of 31% from 21,720 transactions in the same period of 2025, and compared to 9,361 real estate transactions in the first four months of 2024. In addition, the GDLRC registered 4,633 transactions in January, 3,755 real estate deals in February, 3,095 transactions in March, and 3,493 real estate deals in April 2026.

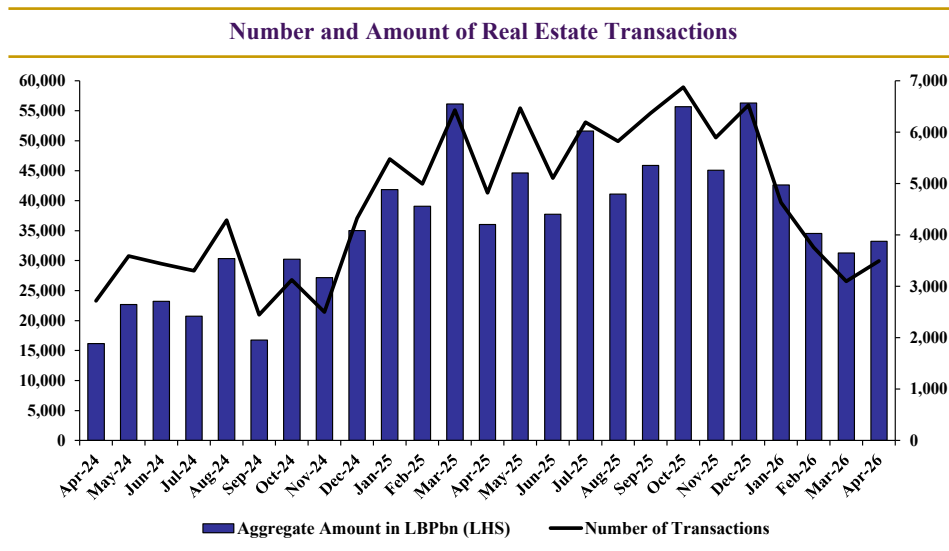
The distribution of transactions shows that the ministry registered 3,230 real estate deals in the Baabda/Aley/Chouf area in the covered period, representing 21.6% of the total, followed the North with 3,198 transactions (21.4%), the Northern Metn district with 2,203 deals (14.7%), the Keserwan/Jbeil region with 2,075 transactions (14%), the Bekaa/Baalbeck-Hermel region with 1,845 deals (12.3%), Beirut with 1,132 deals (7.6%), the South governorate with 685 transactions (4.6%) and the Nabatieh governorate with 340 deals (2.3%).

In parallel, the aggregate amount of registered real estate transactions stood at LBP141,660.3bn in the first four months of 2026, constituting a decrease of 18.2% from LBP173,123.4bn in the same period of 2025. In US dollar terms, the total amount of registered real estate deals reached \$1.58bn in the first four months of 2026 relative to \$1.93bn in the same period last year. Also, the amount of real estate transactions was LBP42,639.2bn in January, LBP34,542.5bn in February, LBP31,275.2bn in March, and LBP33,203.5bn in April 2026.

Further, the value of registered real estate transactions in Beirut was LBP36,474.2bn and accounted for 25.7% of the total in the first four months of 2026. The Northern Metn district followed with LBP30,089.2bn (21.2% of the total), then the Baabda/Aley/Chouf area with LBP23,163.6bn (16.4%), the Keserwan/Jbeil region with LBP20,462.4bn (14.4%), the North region with LBP15,380.8bn (12.3%), the Bekaa/Baalbeck-Hermel region with LBP6,841.6bn (4.8%), the South governorate with LBP5,403.1bn (3.8%), and the Nabatieh governorate with LBP1,136.9bn (0.8%).

In parallel, the average amount per registered real estate transaction was LBP9.5bn in the first four months of 2026 and increased by 18.7% from an average of LBP8bn in the same period of 2025. Also, there were 230 real estate transactions executed by foreigners in the first four months of 2026 compared to 613 deals in the same period of 2025 and to 198 transactions in the first four months of 2024. The number of real estate deals by foreigners accounted for 1.5% of the registered real estate transactions in the covered period, compared to 2.8% in the first four months of 2025 and relative to 2.1% in the same period of 2024.

Further, the Northern Metn district accounted for 20.4% of real estate transactions executed by foreigners in the first four months of 2026, followed by the Baabda/Aley/Chouf area (18.7%), the Keserwan/Jbeil area (15.2%), the North governorate (14%), Beirut (12.2%), the Bekaa/Baalbeck-Hermel region (11%), and the South governorate (8.7%).



Source: Ministry of Finance, Byblos Research

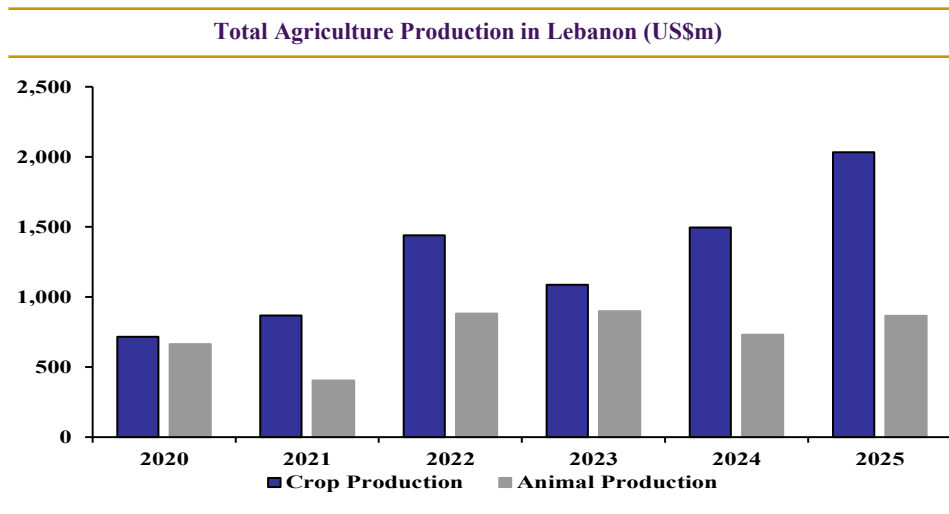


Agricultural production up 33% to \$2.9bn in 2025

Figures released by the Centre de Recherches et d'Études Agricoles Libanais (CREAL) on the gross national agricultural production in Lebanon show that agricultural output in the country totaled \$2.9bn in 2025, with crop production reaching \$2.03bn and accounting for 70% of the total and animal production standing at \$865.3m and representing the balance of 30%. In comparison, agricultural production stood at \$2.2bn in 2024, \$1.9bn in 2023, \$2.3bn in 2022, \$1.25bn in 2021, and \$1.4bn in 2020. This constituted increases of 33% in 2025 and of 13% in 2024, a decline of 15% in 2023, a surge of 60% in 2022, and a decrease of 10% in 2021. Also, agricultural output grew by a compound annual growth rate (CAGR) of 16% in the 2020-2025 period.

Also, crop production totaled \$1.5bn in 2024, \$1.09bn in 2023, \$1.4bn in 2022, \$867.9bn in 2021, and \$716.5bn in 2020. The figures constituted increases of 36% in 2025 and of 38% in 2024, a drop of 24% in 2023, and surges of 65% in 2022 and 21% in 2021. As such, crop output grew by a CAGR of 23.2% during the 2020-2025 period. Further, the distribution of crop production shows that prohibited crops, mainly marijuana, reached \$846m and accounted for 41.6% of the total last year, followed by fruit trees with \$650.5m (32%), vegetables and flowers with \$272.7m (13.4%), industrial crops with \$130.5m (6.42%), field crops with \$129.6m (6.37%), and forest products with \$3.5m (0.2%). Further, prohibited crops surged by a CAGR of 95.4% in the 2020-2025 period, followed by fruit trees with a CAGR of 16%, vegetables and flowers with an increase of 8.8%, industrial crops with a growth rate of 6%, field crops with a CAGR of 5.8%, and forest products with an uptick of 0.7%.

In addition, animal production totaled \$730.8m in 2024, \$898.1m in 2023, \$881.5m in 2022, \$403.4m in 2021, and \$664.1m in 2020. The figures constituted a rise of 18% in 2025, a decrease of 19% in 2024, an uptick of 2% in 2023, a surge of 118% in 2022, and a drop of 40% in 2021. As such, animal production grew by a CAGR of 5.4% in the 2020-2025 period. Further, the distribution of animal production indicates that the output of poultry reached \$433.6m and accounted for 50% of the total in 2025, followed by fisheries with \$251.4m (29%), dairy products with \$111.6m (13%), meat products with \$47.63m (5.5%), and apiculture with \$21.1m (2.4%). Moreover, apiculture increased by a CAGR of 36.2% in the covered period, followed by fisheries with a growth rate of 28.3%, and dairy products with a CAGR of 5.7%. In contrast, meat products decreased by a CAGR of 3.3% in the 2020-25 period, followed by poultry production that regressed by 0.6%. In parallel, the CREAL noted that gross national agricultural output at constant value reached LBP505m in 2025 compared to LBP378m in 2024, LBP339.4m in 2023, LBP406m in 2022, LBP222m in 2021, and LBP254.2m in 2020.



Source: Centre de Recherches et d'Études Agricoles Libanais , Byblos Research



Consumer Price Index up 20% year-on-year in April 2026

The Central Administration of Statistics' Consumer Price Index increased by 15% in the first four months of 2026 from the same period of 2025. In comparison, it grew by 14.7% and by 97% in the first four months of 2025 and 2024, respectively, from the corresponding periods of the previous years.

The CPI rose by 20% in April 2026 from the same month of 2025 compared to increases 17.3% in March, to 12.3% in February and 11% in January 2026, and to 12.2% in December 2025. It registered its 26th double-digit increase since the last triple-digit rise in February 2024 when it stood at 123.2%. The reversal of the monthly deceleration trend is due to the impact of the conflict in the Middle East and the war in Lebanon on energy, transportation and insurance costs. Further, 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, energy, transportation, 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.

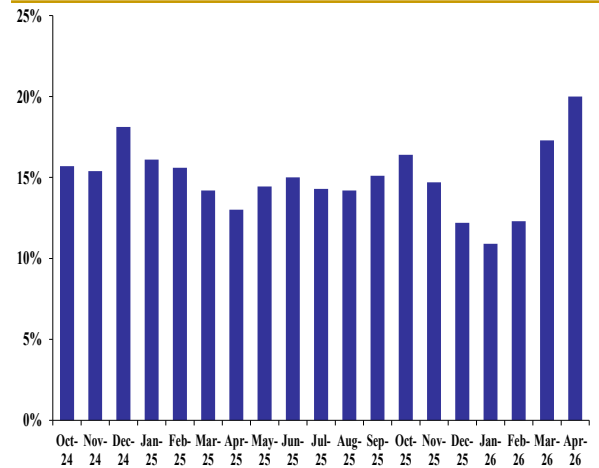
The cost of recreation & entertainment surged by 42.2% in April 2026 from the same month in 2025, followed by the prices of water, electricity, gas & other fuels (+41.4%), the cost of education (+35.7%), transportation costs (+33.3%), the prices of food & non-alcoholic beverages (+18%), actual rent (+17.7%), imputed rent (+16.2%), rates at restaurants and hotels (+16%), the cost of miscellaneous goods & services (+15.1%), the prices of alcoholic beverages & tobacco (10.6%), the prices of furnishings & household equipment (+6.1%), the prices of clothing & footwear (+5%), and healthcare costs (+2.2%). In contrast, the cost of communication regressed by 1.4% in April 2026 from the same month last year. Also, the distribution of actual rent shows that new rent surged by 16% and old rent increased by 20.2% in April 2026 from the same month of 2025.

In parallel, the CPI increased by 3% in April 2026 from the previous month relative to a rise of 4.9% in March 2026, an increase of 1.9% in February 2026, a downturn of 0.08% in January 2026, an uptick of 0.14% in December 2025, an increase of 0.82% in November 2025, as well as a growth of 0.44% in March 2025. The significant month-on-month increase in the CPI is due mainly to the rise in the cost of energy, transportation, and food as a result of the jump in global oil prices because of the Middle East conflict and the blockade of the Strait of Hormuz.

The cost of water, electricity, gas & other fuels increased by 14.1% in April 2026 from the preceding month, followed by the prices of clothing & footwear (+8.7%), the cost of transportation (+6%), rates at restaurants and hotels (+5.3%), the prices of furnishings & household equipment (+1.5%), the cost of alcoholic beverages and tobacco (+1.3%), the prices of miscellaneous goods & services (+1%), imputed rent (+0.4%), the cost of recreation & entertainment (+0.27%), actual rent (+0.22%), the cost of communication (+0.2%), and healthcare costs (+0.01%). Also, the cost of education was unchanged in April 2026 from March. In contrast, the prices of food & non-alcoholic beverages regressed by 0.47% in April 2026 from the preceding month. In addition, the distribution of actual rent shows that new rent grew by 0.32% and old rent increased by 0.08% in April 2026 from March.

Also, the CPI rose by 5.74% in the Bekaa area, by 4% in the Nabatieh, by 3.72% in the South, by 2.7% in Mount Lebanon, by 2.54% in the North and by 2.02% in Beirut in April 2026 from the preceding month. In parallel, the Fuel Price Index increased by 10.93% and the Education Price Index was unchanged month-on-month in April 2026.

Annual Change in Consumer Price Index* (%)



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



Amount of cleared checks in "fresh" foreign currency up 130% in first four months of 2026

The amount of cleared checks in Lebanese pounds reached LBP21,807bn in the first four months of 2026, constituting an increase of 11.3% from LBP19,592bn in the same period of 2025, while the amount of cleared checks in foreign currency was \$120m in the first four months of 2026 and dropped by 59.6% from \$297m in the same period of the preceding year. Also, there were 24,098 cleared checks in the first four months of 2026, down by 36.2% from 37,764 checks in the same period of 2025. In addition, the amount of cleared checks in Lebanese pounds stood at LBP5,208bn in April 2026, constituting a decrease of 5% from LBP5,489bn in March 2026 and an increase of 23.2% from LBP4,228bn in April 2025. Further, the amount of cleared checks in foreign currency was \$42m in April 2026, as it rose by 82.6% from \$23m in the previous month and was unchanged from April 2025. Also, there were 6,418 cleared checks in April 2026 relative to 4,819 cleared checks in March and to 9,324 cleared checks in April 2025.

In addition, the amount of cleared checks in "fresh" Lebanese pounds stood at LBP22,452bn in the first four months of 2026 and rose by 136% from LBP9,508bn in the first four months of 2025, while the amount of cleared checks in "fresh" foreign currency was \$490.1m in the first four months of 2026 and surged by 130% from \$213.1m in the same period last year. Also, there were 14,527 cleared checks in "fresh" Lebanese pounds in the first four months of 2026, up by 193.5% from 4,949 in the same period of 2025, while there were 38,634 cleared checks in "fresh" foreign currency stood at 38,634 in the covered period and increased by 150% from 15,449 checks in the same period of 2025.

In parallel, the amount of returned checks in Lebanese pounds totaled LBP28bn in the covered period, constituting a contraction of 74% from LBP108bn in the first four months of 2025, while the amount of returned checks in foreign currency was \$1.24m in the first four months of 2026 and dropped by 98% from \$67m in the same period last year.

Also, the amount of returned checks in Lebanese pounds stood at LBP11bn in April 2026, compared to LBP7bn in March 2026 and to LBP21bn in April 2025. Moreover, the amount of returned checks in foreign currency was \$465,000 in April 2026, relative to \$354,000 in March 2026, and constituted a decrease of 76.8% from \$2m in April 2025.

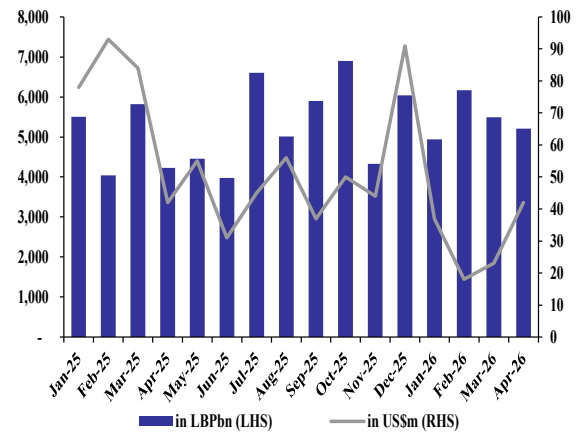
In addition, the amount of returned checks in "fresh" foreign currency stood at \$1.42m, while the amount of returned checks in "fresh" Lebanese pounds was LBP65bn in the first four months of the year. In comparison, the amount of returned checks in "fresh" foreign currency totaled \$0.94m, while the amount of returned checks in "fresh" Lebanese pounds was LBP23bn in the same period last year. Further, the amount of returned checks in "fresh" foreign currency stood at \$284,786 in April 2026, compared to \$447,842 in March 2026 and to \$229,510 in April 2025; while the amount of returned checks in "fresh" Lebanese pounds was LBP5bn in April 2026, relative to LBP27bn in March 2026 and LBP0.9bn in April 2025.

Further, there were 116 returned checks in the first four months of 2026, constituting a decrease of 48.4% from 225 checks in the same period of 2025. Also, there were 41 returned checks in foreign currency in the covered period, down by 55.4% from 92 checks in the same period last year; while there were 75 returned checks in Lebanese pounds, representing a decrease of 43.6% from 133 checks in the same period of 2025.

In addition, there were 19 returned checks in April 2026, relative to 36 returned checks in the preceding month and to 36 checks in April 2025. There were 16 returned checks in Lebanese pounds in April 2026 compared to 17 checks in the previous month and to 22 in April 2025, while there were three returned checks in foreign currency in April 2026 relative to 19 checks in the preceding month and to 14 returned checks in April 2025.

Also, there were 156 returned checks in "fresh" foreign currency in the covered period compared to 60 checks in the same period of 2025, while there were 26 returned checks in "fresh" Lebanese pounds in the first four months of 2026 relative to 24 checks in the same period of 2025.

Cleared Checks in Fresh Currencies



Source: Association of Banks in Lebanon



Trade deficit widens by 38% to \$4.7bn in first quarter of 2026

Figures issued by the Lebanese Customs Administration show that total imports reached \$5.38bn in the first quarter of 2026, constituting an increase of 23% from \$4.38bn in the same period of 2025; while aggregate exports totaled \$630.7m and dropped by 32.5% from \$934.8m in the first quarter of 2026. As such, the trade deficit widened by 38% to \$4.7bn in the covered period due to a rise of \$1bn in imports and a decrease of \$304m in exports. The coverage ratio, or the exports-to-imports ratio, was 11.7% in the first quarter of the year relative to 21.4% in the same period of 2025.

Non-hydrocarbon imports rose by \$968.5m, or by 31%, to \$4.1bn in the first quarter of 2026; while the imports of oil & mineral fuels increased by \$33.5m, or by 2.7%, to \$1.3bn in the covered period. Oil & mineral fuels accounted for 24% of the imports bill in the first quarter of 2026 compared to 28.7% in the same period last year, as Lebanon imported nearly 1.87 million tons of oil & mineral fuel in the first quarter of the year relative to 2.1 million tons in the same period of 2025.

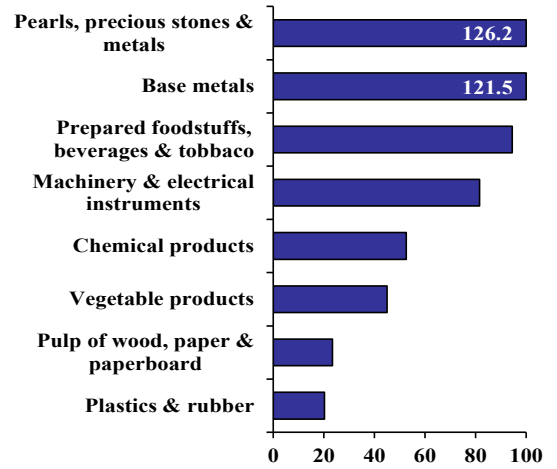
The exports of machinery & electrical instruments surged by \$18.6m, or by 29.5% to \$81.6m in the first quarter of 2026; followed by a rise of \$6.47m (+16.8%) to \$45m in the exports of vegetables products, and an increase of \$5.8m (+32.8%) to \$23.5m in exported pulp of wood, paper and paperboard. In contrast, the exports of pearls, precious stones and metals dropped by \$287.5m, or by 69.5%, to \$126.2m in the covered period, followed by a decline of \$20m (-14%) to \$121.5m in exported base metals, and a decrease of \$13.1m (-20%) to \$52.6m in the exports of chemical products.

Exports to Germany surged by 169% in the in the first quarter of 2026, those to Türkiye jumped by 108%, exports to Jordan rose by 33%, those to Syria increased by 28.4%, and exports to the Ivory Coast grew by 8.3%. In contrast, exported goods to Switzerland dropped by 87%, those to the U.S. fell by 55.3%, exports to the UAE decreased by 44.2%, those to Egypt declined by 15.2%, and exports to Iraq regressed by 10.5%. Also, re-exports totaled \$115.8m in the first quarter of 2026 compared to \$97.9m in the same period of 2025. The Port of Beirut was the exit point for 50% of Lebanon's exports in the first quarter of 2026, followed by the Beirut-Rafic Hariri International Airport (28.7%), the Masnaa crossing point (13.8%), the Port of Tripoli (3.8%), and the Port of Saida (3.7%).

Further, Lebanon's main non-hydrocarbon imports consisted of pearls, precious stones & metals that reached \$1bn and that accounted for 18.8% of total imports to Lebanon in the first quarter of the year, followed by machinery & electrical instruments with \$460.6m (8.56%), chemical products with \$460.1m (8.5%), vehicles, aircraft & vessels with \$350.6m (6.5%), and prepared foodstuffs, beverages and tobacco with \$303.1m (5.6%). Also, the imports of vehicles, aircraft & vessels increased by 109.4% year-on-year; followed by imported pearls, precious stones and metals (+92.5%); the imports of optical, photographic, medical, and musical instruments (+46.4%); the imports of machinery and electrical instruments (+32.8%); and imported miscellaneous manufactured articles (+31.2%).

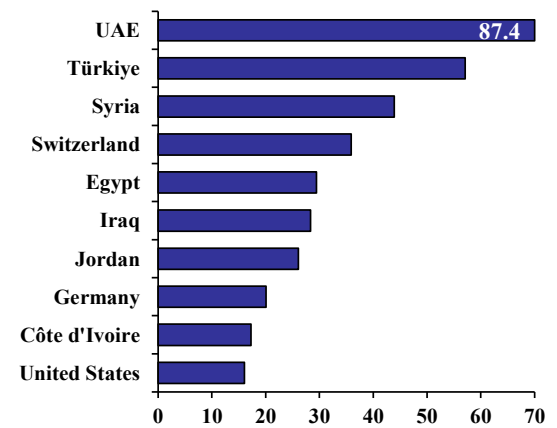
The Port of Beirut was the entry point for 59% of Lebanon's merchandise imports in the first quarter of 2026, followed by the Beirut-Rafic Hariri International Airport (30.6%), the Port of Tripoli (5.9%), and the Masnaa crossing point (3.7%); while the Port of Saida was the entry points for 0.7% of imports. China was the main source of imports to Lebanon with \$641.2m and accounted for 12% of the total in the first quarter of 2026, followed by Switzerland with \$523.2m (9.7%), the UAE with \$415.7m (7.73%), Saudi Arabia with \$415.5m (7.7%), Egypt with \$389.1m (7.2%), Greece with \$366.9m (6.8%), Italy with \$299m (5.6%), the U.S. with \$298.7m (5.6%), Germany with \$187.8m (3.5%), and Türkiye with \$187m (3.48%). Further, imported goods from Saudi Arabia surged by 318.5% in the first quarter of 2026 from the same period last year, followed by imports from Switzerland (+202%), the U.S. (+112.5%), the UAE (+62.6%), Germany (+44.3%), China (+31.7%), Italy (+22.3%), and Egypt (+4.1%). In contrast, imported goods from Türkiye dropped by 55.5% in the covered period, followed by imports from Greece (-17.7%).

Main Lebanese Exports in First Quarter of 2026(US\$m)



Source: Lebanese Customs Administration, Byblos Research

Main Destinations of Lebanese Exports in First Quarter of 2026 (US\$m)



Source: Lebanese Customs Administration, Byblos Research

Remittance inflows down 7.6% to \$6.4bn in 2025

Figures released by Banque du Liban (BdL) show that the inflows of expatriates' remittances to Lebanon totaled \$6.36bn in 2025, constituting a decrease of 7.6% from \$6.9bn in 2024. Remittance inflows to Lebanon reached \$1.49bn in the first quarter, \$1.57bn in the second quarter, \$1.82bn in the third quarter, and \$1.48bn in the fourth quarter of 2025. The figures represent decreases of 13.7% in the first quarter and of 8.3% in the second quarter, an increase of 6.7% in the third quarter, and a decline of 14.9% in the fourth quarter of 2025 from the same quarters of 2024. Also, remittance inflows were equivalent to 17.6% of GDP in 2025 compared to 22.6% of GDP in 2024.

The figures include workers' remittances and the compensation of employees, according to the World Bank's definition of remittances, with workers' remittances accounting for 98% of the total. BdL's figures are the only official data on remittance flows to and from Lebanon. According to BdL, the latest available figures show that the distribution of remittance channels shows that cash inflows accounted for 65.2% of the total in 2024, followed by money transfer operators with 27.5%, and bank transfers with 7.3%.

In addition, remittance inflows in 2025 reached their lowest level since 2021 when they reached \$6.35bn. They averaged \$6.43bn during the 2002-2025 period, with an average of \$4.8bn during the 2002-07 timeframe and an average of \$6.98bn in the 2008-25 period.

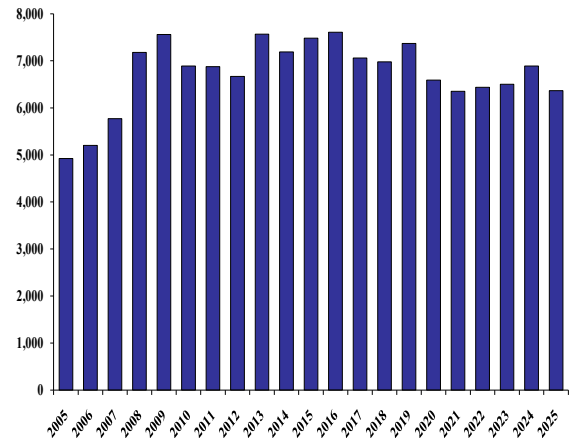
In parallel, remittance outflows from Lebanon stood at \$1.87bn in 2025, constituting an increase of 3.8% from \$1.8bn in 2024. Remittance outflows from Lebanon stood at \$454.6m in the first quarter, \$465.2m in the second quarter, \$472.7m in the third quarter, and \$474.8m in the fourth quarter of 2025. The figures represent increases of 2.1% in the first quarter, 3.7% in the second quarter, 5% in the third quarter, and 4.4% in the fourth quarter of 2025 from the corresponding quarters of 2024. Further, remittance outflows were equivalent to 5.2% of GDP in 2025 relative to 5.9% of GDP in 2024. According to BdL, the latest available figures show that the main channels of remittance outflows in 2024 consisted of cash that accounted 77.8% of the total, followed by money transfer operators with 22.2%.

Also, remittance outflows in 2025 reached their highest level since 2021 when they stood at \$1.93bn. They averaged \$3.64bn in the 2002-2025 period, with an average of \$3.54bn during the 2002-07 period and an average of \$3.68bn in the 2008-25 period.

As such, net remittance inflows to Lebanon totaled \$4.5bn in 2025, constituting a decrease of 11.7% from \$5.1bn in 2024. Net remittance inflows totaled \$1.04bn in the first quarter, \$1.1bn in the second quarter, \$1.34bn in the third quarter, and \$1bn in the fourth quarter of 2025. The figures represent decreases of 19.2% in the first quarter and of 12.6% in the second quarter, as well as an increase of 7.3% in the third quarter, and a decline of 21.7% in the fourth quarter of 2025 from the corresponding quarters of 2024.

Net remittance inflows in 2025 reached their lowest level since 2021 when they totaled \$4.42bn. They averaged \$2.79bn in the 2002-25 period, relative to an average of \$1.25bn during the 2002-07 period and to an average of \$3.3bn in the 2008-25 period. Net remittance inflows were equivalent to 12.5% of GDP in 2025 compared to 16.7% of GDP in 2024.

Remittance Inflows to Lebanon (US\$m)



Source: Banque du Liban, Byblos Research

Sovereign rating upgrade contingent on debt restructuring and reforms

In its periodic review of Lebanon's sovereign rating, Moody's Ratings indicated that Lebanon's 'C' issuer rating is constrained by a score of 'caa1' on the country's economic strength indicator, as well as a score of 'ca' on the institutional framework category, as well as on each of the fiscal strength and the susceptibility to event risk categories. It considered that the 'caa1' score on the economic strength indicator is driven by the country's deep economic contraction, the decline of foreign currency inflows, and persistent social vulnerabilities.

Further, the agency stated that its score of 'ca' on the strength of institutions and governance underscores the very low effectiveness of fiscal policy and the very weak quality of institutions. It considered that Lebanon's score of 'ca' on the fiscal strength category reflects its extremely impaired sovereign balance sheet, marked by a high debt burden and debt sustainability that hinges on the comprehensive restructuring of obligations. Also, it pointed out that the 'ca' score on the susceptibility to event risk, which captures the country's vulnerability to sudden events that would materially impact the government's creditworthiness, is driven by the government's liquidity risks, the banking sector's risks, and external vulnerability risks.

In addition, it noted that the sovereign rating of 'C' reflects its assessment that bondholders will likely incur losses in excess of 65% as a result of the government's decision to default on its Eurobond obligations in March 2020, and added that the resolution of the default is contingent on a comprehensive restructuring of the sovereign debt, the restructuring of Banque du Liban's liabilities, and the commercial banking system. It said that the renewed regional hostilities on the Lebanese territory since March of this year have compounded macroeconomic, fiscal and social pressures, which have underscored Lebanon's very weak economic resilience and increased its susceptibility to event risk.

Further, it pointed out that the conflict between Hezbollah and Israel has triggered a deep and broad-based economic shock. As such, it projected Lebanon's real GDP to contract by 14% in 2026, driven by internal population displacement, a decline in tourism receipts, disruptions to agriculture and manufacturing activity, and extensive destruction to infrastructure. It expected that the resulting decline in government revenues, along with rising social and reconstruction needs, will worsen the fiscal balance and heighten dependence on BdL's foreign currency reserves, as well as on conditional external support. It considered that the risk of continued regional tensions risk exacerbating the country's already weak balance of payments position.

However, it noted that a temporary extension of the ceasefire between Israel and Hezbollah, as well as discussions with the International Monetary Fund (IMF) about potential rapid financing, could provide some near-term relief by supporting liquidity and fiscal space, which would help mitigate the immediate effects of the conflict. But it said that these developments would not address Lebanon's deep structural weaknesses, which include the unresolved default on the sovereign debt, the absence of a comprehensive debt restructuring, and longstanding institutional and governance challenges.

Also, it noted that it could upgrade the sovereign rating in case the government restructures its debt, if fiscal and institutional reforms accelerate, if the government's revenue generation capacity improves, and if the authorities step up the economy's adjustment to a new growth model. In addition, it indicated that it would substantially upgrade the rating in case the key drivers of the country's debt dynamics, including economic growth, interest rates, privatization revenues, and the ability to generate and sustain large primary fiscal surpluses, evolve in a way that would ensure the public debt's sustainability in the future.

Moody's said Lebanon's 'C' sovereign rating is the lowest on its rating scale and is 11 notches below investment grade. The agency downgraded the country's sovereign ratings from 'Ca' to 'C' in July 2020. It attributed its decision at the time to the recurring delays in the implementation of fiscal and economic policy reforms, which stalled discussions with the IMF and with other international official donors. Further, the agency revised in December 2023 the outlook on the sovereign rating from 'no outlook' to 'stable' due to its expectations that it is unlikely to upgrade the rating before the restructuring of the public debt, given the extent of the macroeconomic, financial and social challenges.



Ministry of Finance details tax exemptions for war damage-related donations

The Ministry of Finance issued a decision related to the implementation details of Article of Law 22/2025 about granting individuals and entities affected by the Israeli aggression on Lebanon certain exemptions from taxes and fees, suspending deadlines related to tax rights and obligations, and addressing the status of demolished real estate units or sections.

Article 1 indicates that, first, the public administration, public institutions, municipalities and the federations of municipalities, and all public law persons, can accept from domestic or external sources grants, in-kind, or monetary support that aim to cover the damages that the Israeli war caused. It stipulates that donors must verify all donations and assistance, whether in-kind or cash, that they sent between July 17, 2025 and July 17, 2026. It added that this requirement covers domestic donations to local associations, bodies, organizations, religious communities, private law entities, and affected individuals, as well as external donations to local or international associations, embassies, religious communities, private law entities, and affected individuals. It states that the Lebanese Armed Forces must issue verification letters upon request from the donor, their representative, or the beneficiary, which it will forward to the High Relief Committee, which will confirm that the donations, assistance, and compensations qualify for the exemptions. It added that each letter must include a detailed statement specifying the nature and value of the donations.

Further, it stipulates that every entity applying for the exemption, whether a customs administration or a taxpayer subject to the value-added tax (VAT), must detail the exempted operations and their value, verify and account for previously exempted amounts, and stamp the statement accordingly. In addition, it states that every entity must first, submit a quarterly report to the Tax Administration within 20 days after the end of each calendar quarter that details the exempted operations, their values, and the names of the beneficiaries. Second, it must stamp in-kind donation items and goods with clear sentences that indicate their status, such as “In-kind donation, provisions for the affected individuals, etc.”. Third, beneficiary associations, local or international organizations, embassies, religious communities, private law entities, and affected individuals must forward their exemption statements to the Ministry of Finance within one month from the date of the most recent utilized exemption.

Article 2 states that the donors, their representative, or the beneficiary must submit the requests of Article 1 by including the donor party and the nature of its work; the details on the identity of the sender or supplier; details on the identity of the recipient; a description of goods (quantity, type, number, weight, value) or a description and value of the services provided; the destination of the goods, distribution method, and the target groups benefiting from the goods or services; the full address of the storage location; and the entity or person responsible for distributing the goods, executing the services, or supervising them.

Article 3 stipulates that public administrations, public institutions, municipalities, municipal unions, and other public law entities benefit from exemptions between September 1, 2024, and July 17, 2027 inclusive, while local and international associations, bodies, organizations, embassies, religious communities, private law entities, and affected individuals benefit from exemptions between September 1, 2024 and July 17, 2028 inclusive. It noted that affected entities are exempt from all fees, especially fixed and proportional fiscal stamp duties, customs duties (including the minimum customs duty), port fees, domestic consumption duties, and the fee imposed under Article 59 of Law No. 144 or the Budget Law for 2019, which was extended by 2022 Budget Law and the 2024 Budget Law. It added that the affected entities are exempt from the VAT on import operations related to in-kind donations and assistance, as well as on funds and services funded by cash donations and assistance, including all transactions aimed at executing these donations. It added that affected entities that are exempt from the VAT have the right to deduct money transfers for goods and provisions of services that are naturally subject to VAT. It states that this exemption applies when registered individuals or legal entities provide these goods or services to public administrations, public institutions, municipalities, municipal unions, other public law entities, associations, local/international organizations, embassies, religious communities, private law entities, and affected individuals in fulfillment of donations. It stipulates that the Council of Ministers will specify the types of exempted goods by decree.

Article 4 states that entities subject to the VAT and that supply goods or provide services to execute these donations must include the name and tax registration number of the public administration, public institution, municipality, union of municipalities, public law entity, association, local/international organization, embassy, religious community, private law entity, or the names of the affected individual beneficiaries; the name of the funding party providing the donations and assistance; the number and date of the letter issued by the High Relief Council confirming acceptance of the donation and entitlement to exemptions; and the signature and/or stamp of the representative of the beneficiary administration, institution, municipality, association, organization, embassy, community, private law entity, or the affected individuals on the copy of the invoice or equivalent document.

Article 5 stipulates that the entity responsible for delivering funds and services to the affected individuals must maintain records and registers that clearly show the free distribution of donations and assistance. Article 6 tasks the Customs Higher Council to issue the decision to exempt the processing of donations and aid from additional work and service fees. It said that the donations and in-kind assistance must be declared according to standard customs procedures in order to benefit from the exemption. Article 7 states that this decision goes into effect upon its publication in the Official Gazette and on the website of the Ministry of Finance.

Stock market capitalization down 13.2% to \$18bn at end-May 2026

Figures released by the Beirut Stock Exchange (BSE) indicate that the trading volume reached 3.5 million shares in the first five months of 2026, constituting a drop of 54.8% from 7.75 million shares traded in the same period last year; while aggregate turnover amounted to \$123.7m, representing a decrease of 4.6% from a turnover of \$129.6m in the first five months of 2025. Also, the trading volume reached 228,555 shares in May 2026, as it contracted by 30% from 326,058 shares traded in April 2026 and by 90.5% from 2.4 million shares in May 2025; while aggregate turnover stood at \$5.5m in May 2026, constituting decreases of 68.8% from a turnover of \$17.5m in the preceding month and of 88.7% from \$48.1m in May 2025. The market liquidity ratio was 0.7% at the end of May 2026 compared to 0.6% a year earlier. Further, the market capitalization of the BSE stood at \$17.9bn at the end of May 2026, representing a decline of 13.2% from \$20.6bn end-May 2025 and compared to \$20.15bn at the end of 2025. Real estate equities accounted for 65.2% of the market's capitalization at end-May 2026, followed by banking stocks with 26.2%, and industrial shares with 8.6%.

In addition, banking stocks accounted for 52.8% of the trading volume in the first five months of 2026, followed by real estate equities with 38% and industrial shares with 9.3%. Further, real estate equities represented 77.4% of the aggregate value of shares traded, followed by industrial shares with 19.5%, and banking stocks with 3.1%. The average daily traded volume for the first five months of 2026 was 38,476 shares for an average daily amount of \$1.36m. The figures represent a decrease of 51.3% for the average daily traded volume and an increase of 2.8% for the average daily value in the covered period.

In parallel, the prices of Solidere 'A' and Solidere 'B' shares declined by 16% and 14%, respectively, in the first five months of 2026 from the end of 2025, while the price of Ciments Libanais shares contracted by 14% in the covered period. Further, the price of Solidere 'A' shares declined by 16.5% in January 2026, increased by 8.1% in February, and regressed by 1.7% in March, by 1.3% in April and by 4% in May 2026; while the price of Solidere 'B' shares decreased by 16.3% in January, improved by 8.3% in February, contracted by 6% in March and by 0.5% in April, and grew by 1.2% in May 2026. Also, the price of Ciments Libanais shares regressed by 1.4% in January 2026, was unchanged in February, dropped by 12.6% in March, was unchanged in April and regressed by 0.1% in May 2026.

Ministry of Public Works announces tender results to operate René Mouawad Airport

The Ministry of Public Works and Transport announced that Sky Lounge Services, which is part of Lebanon's Monla Group, won the public tender to rehabilitate, operate, and invest in the René Mouawad Airport that is located in the Qlayaat area in the North of the country. It said that the contract follows a Build-Operate-Transfer (BOT) framework, and involves building a temporary passenger terminal to launch immediate civil operations before scaling up to permanent, full-scale commercial facilities, including ground handling services, retail, and lounges.

The ministry indicated that the project aims for a gradual three-year rollout of full-scale commercial operations, with limited flight phases, while the operator will develop broader infrastructure and expanded passenger hubs in stages. It said that Sky Lounge Services will finance, modernize, and operate the facility before transferring ownership back to the Lebanese state. It noted that this model will provide financial relief to the Treasury by avoiding direct public funding obligations, which will enable private equity to absorb infrastructure costs amid tight budgetary constraints. The ministry considered that this approach will generate significant economic incentives, particularly by stimulating growth in the underserved Akkar and North Lebanon regions.

Also, it pointed out that the four-year contract with Sky Lounge Services will generate to the Treasury revenues equivalent to 8% of the airport's net profits, with a minimum \$200,000 guaranteed per year. It said that Sky Lounge Services will benefit from full exemption from airport usage and operational fees for up to two years given that it will construct a building at its own expense and deliver it to the Directorate General of Civil Aviation within a 90-day deadline. It indicated that the contract stipulates the obligations of the operator to include the construction and equipping of the building, its operation and maintenance, including the installation of scanners, arrival and departure gates, security and customs counters, and electricity. Further, it said that the terminal area must be between 1,500 square meters (sqm) and 2,000 sqm and should be capable of handling the terminal's maximum capacity of 150 passengers per hour.

In addition, it noted that the contract covers the first phase of a two-step plan, as the second phase includes a public-private partnership (PPP) that consists of combining both the Beirut-Rafic Hariri International Airport and the René Mouawad Airport under one company and expanding the facilities and services of the two airports. It said that the newly awarded contract may be terminated ahead of its four-year term if the PPP phase is finalized and ready to take effect before the contract expires. It stated that revenues to the contract winners include aircraft and passenger operating fees, and various commercial and service activities within the airport, such as operating restaurants and cafés, advertising, parking, passenger lounges, baggage handling, ground handling, aircraft refueling, in-flight catering, air cargo and freight services, and other services related to airport operations.

Built in the late 1930s, the René Mouawad Airport served as a military air base and briefly operated domestic civilian flights between 1988 and 1990 before commercial activity was suspended.

EBRD and EU provide financial and technical support to food retail chain

The European Bank for Reconstruction and Development (EBRD) announced that it provided a financing package of \$22m to Spinneys Levant Limited. It said that the package consists of a \$20.5m senior loan from the EBRD and a \$1.5m co-investment grant to support Spinneys Levant’s capital expenditures program in Lebanon and finance investments in energy efficiency. It noted that the investment benefits from the blended concessional finance that the European Union (EU) provides under the European Fund for Sustainable Development Plus (EFSD+) “Municipal, Infrastructure and Industrial Resilience (MIIR) Guarantee Program”. Spinneys is a leading retailer in Lebanon that operates through its subsidiary Gray Mackenzie Retail Lebanon sal. It manages retail operations that include Spinneys supermarkets, Happy, Grab’n Go, NokNok, and Monoprix outlets.

It said that it will allocate the funds to expand Spinneys’ retail store network and to increase the production capacity for snack foods, including the establishment of a fresh snack production line. Also, it pointed out that the financing will enable Spinneys to implement energy efficiency measures across its retail network, with the aim to reduce energy consumption and lower emissions. It added that the company will help achieve a 25% reduction in the usage of plastic bags through the introduction of fully recyclable bags, which will increase the circularity of plastic packaging in the retail sector.

Further, it stated that the EBRD will complement the financing package with a comprehensive technical cooperation (TC) package, which will support the introduction of new training programs to strengthen market-relevant retail and digital skills, enhance employability, and build staff resilience. As such, it said that Spinneys will design and roll out training programs on priority skills and competencies, including Retail Space Management, Brand Management, Digital Marketing, and the Automation of Retail Processes, with a focus on digital and Artificial Intelligence-enabled operations. It added that the training will cover environmental sustainability, particularly by encouraging the reduction of single-use plastics and promoting effective waste minimization practices.

Established under the NDICI–Global Europe framework in 2021, the EFSD+ provides support to EU partner countries for strategic investments through grants and/or financial guarantees. EFSD+ has a total global guarantee capacity of €40bn between 2021 and 2027, of which €22.5bn is being used in the EU’s enlargement and neighborhood regions.

The EBRD has €886m in cumulative pledges in Lebanon that include €747m in disbursements for nine projects as at end-March 2026. The EBRD annual investments in Lebanon reached €20m in 2025, €8m in 2024, €8m in 2023, €5m in 2022, €6m in 2021, €28m in 2020, and €164m in 2019. The EBRD’s investments in the country focus on enhancing private-sector competitiveness, promoting trade finance, sustainable energy and improving the quality and efficiency of public-services.

Established in 1991, the EBRD aims to support economies and promote the private sector in 40 economies in the southern and eastern Mediterranean (SEMED) region, Central and Eastern Europe, and Central Asia. The bank’s member countries in the SEMED region are Egypt, Iraq, Jordan, Lebanon, Morocco, Tunisia, and the West Bank and Gaza. It added that it has invested more than €26.5bn in 489 projects in countries of the SEMED region since 2012. The bank has currently 76 shareholders that include 75 countries as well as the European Union and the European Investment Bank, and has invested in excess of €220bn in more than 7,800 projects.



Ratio Highlights

(in % unless specified)	2023	2024	2025	Change*
Nominal GDP (\$bn)	25.9	30.5	36.1	5.6
Gross Public Debt / GDP	246.2	215.0	191.9	(23.1)
Trade Balance / GDP	-56.01	-46.55	-48.30	(1.8)
Exports / Imports	17.1	16.0	17.3	1.3
Fiscal Revenues / GDP	12.0	12.8	17.9	5.1
Fiscal Expenditures / GDP	13.6	12.6	14.8	2.2
Fiscal Balance / GDP	(1.6)	0.1	3.1	3.0
Primary Balance / GDP	(1.0)	1.4	3.7	2.3
Gross Foreign Currency Reserves / M2	143.5	689.4	461.7	(227.7)
M3 / GDP	51.7	227.2	185.8	(41.4)
Commercial Banks Assets / GDP	76.6	338.4	282.5	(55.8)
Private Sector Deposits / GDP	62.9	290.8	240.8	(50.0)
Private Sector Loans / GDP	5.5	19.5	14.4	(5.1)
Private Sector Deposits Dollarization	96.3	99.1	98.9	(0.2)
Private Sector Lending Dollarization	90.9	97.8	97.8	0.0

*change in percentage points 25/24;

Source: National Accounts, Banque du Liban, Ministry of Finance, Institute of International Finance, International Monetary Fund, 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

	2023	2024	2025e
Nominal GDP (LBP trillion)	2,257.8	2,728.4	3,241.0
Nominal GDP (US\$ bn)	25.9	30.5	36.1
Real GDP growth, % change	-0.5	-5.2	3.7
Private consumption	3.50	0.30	2.4
Public consumption	-1.00	4.10	11.4
Private fixed capital	-18.60	-10.20	-4.0
Public fixed capital	81.0	35.4	23.1
Exports of goods and services	-4.2	-14.5	-3.6
Imports of goods and services	3.1	0.0	6.4
Consumer prices, %, average	221.3	45.2	14.6
Official exchange rate, average, LBP/US\$	15,000	89,500	89,500
Parallel exchange rate, average, LBP/US\$	86,362	89,700	89,700
Weighted average exchange rate LBP/US\$	87,043	89,474	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

Banking Sector Ratings	Outlook
Moody's Ratings	Negative

Source: Moody's Ratings

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

Lebanon This Week is a research document that is owned and published by Byblos Bank sal. The contents of this publication, including all intellectual property, trademarks, logos, design and text, are the exclusive property of Byblos Bank sal, and are protected pursuant to copyright and trademark laws. No material from Lebanon This Week may be modified, copied, reproduced, repackaged, republished, circulated, transmitted, redistributed or resold directly or indirectly, in whole or in any part, without the prior written authorization of Byblos Bank sal.

The information and opinions contained in this document have been compiled from or arrived at in good faith from sources deemed reliable. Neither Byblos Bank sal, nor any of its subsidiaries or affiliates or parent company will make any representation or warranty to the accuracy or completeness of the information contained herein.

Neither the information nor any opinion expressed in this publication constitutes an offer or a recommendation to buy or sell any assets or securities, or to provide investment advice. This research report is prepared for general circulation and is circulated for general information only. Byblos Bank sal accepts no liability of any kind for any loss resulting from the use of this publication or any materials contained herein.

The consequences of any action taken on the basis of information contained herein are solely the responsibility of the person or organization that may receive this report. Investors should seek financial advice regarding the appropriateness of investing in any securities or investment strategies that may be discussed in this report and should understand that statements regarding future prospects may not be realized.



BYBLOS BANK GROUP

LEBANON

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

IRAQ

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

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

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

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

ARMENIA

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

NIGERIA

Byblos Bank Nigeria Representative Office
161C Rafu Taylor Close - Off Idejo Street
Victoria Island, Lagos - Nigeria
Phone: (+ 234) 706 112 5800
(+ 234) 808 839 9122
E-mail: nigeriarepresentativeoffice@byblosbank.com.lb

BELGIUM

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

UNITED KINGDOM

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

FRANCE

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

ADIR INSURANCE

Dora Highway - Aya Commercial Center
P.O.Box: 90-1446
Jdeidet El Metn - 1202 2119 Lebanon
Phone: (+ 961) 1 256290
Fax: (+ 961) 1 256293

