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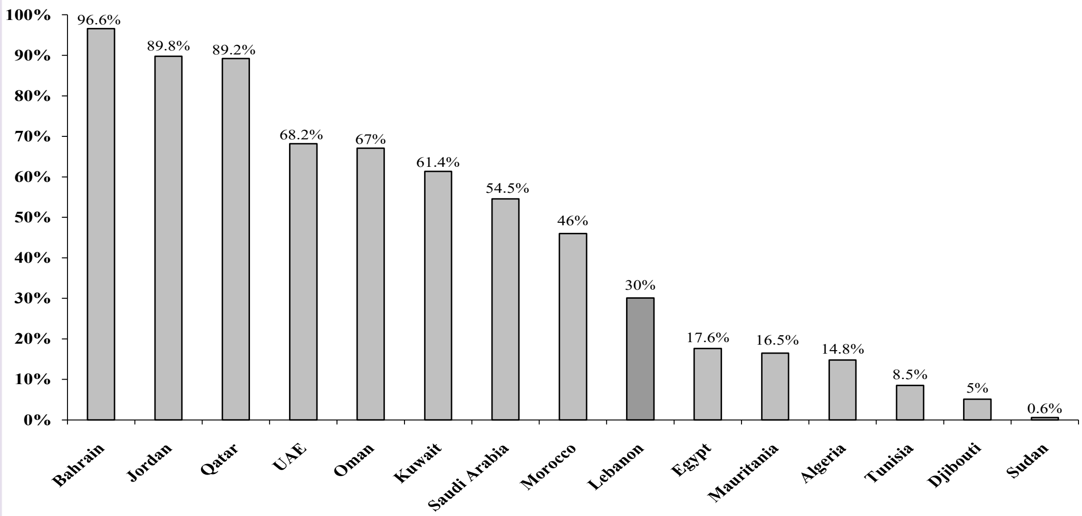
BYBLOS BANK
Economic Research & Analysis Department

LEBANON THIS WEEK

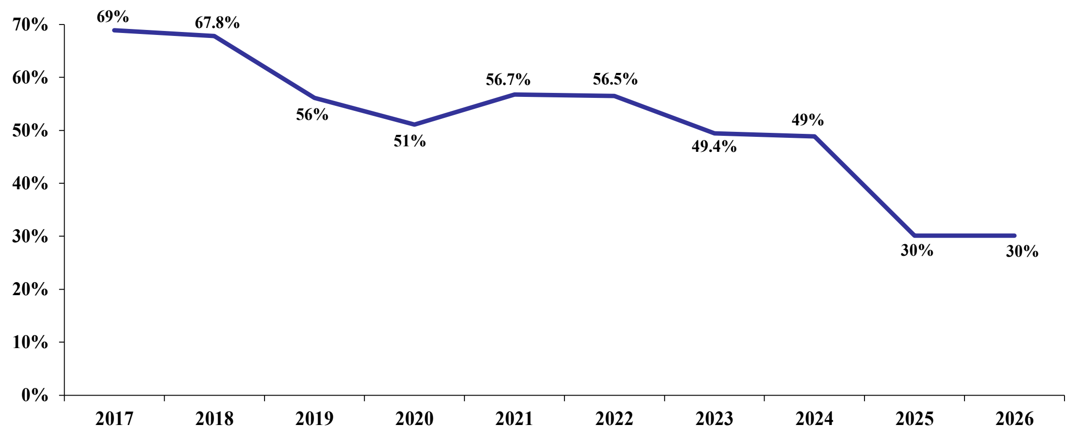
In This Issue

Chart of the Week

Percentile Rankings of Arab Countries in terms of Trade Freedom for 2026*



Percentile Rankings of Lebanon in terms of Trade Freedom



**The Heritage Foundation defines trade freedom as the absence of tariff and non-tariff barriers that affect imports and exports of goods and services*

Source: Heritage Foundation, Index of Economic Freedom for 2026, Byblos Bank

Quote to Note

"Customs receipts continue to underperform significantly relative to the import bill, reflecting persistent evasion and administrative weaknesses."

The Institute of International Finance, on the need to combat customs evasion

Number of the Week

$10.7bn: Decline in the value of Banque du Liban's gold reserves between the end of February and end-June 2026

Lebanon in the News

$m (*unless otherwise mentioned*)	2024*	2025*	2026*	%Change**	Mar-25	Feb-26	Mar-26
Exports	731	935	631	(32.5)	309	220	205
Imports	3,972	4,378	5,380	22.9	1,544	1,861	1,623
Trade Balance	(3,241)	(3,443)	(4,749)	37.9	(1,235)	(1,641)	(1,418)
Balance of Payments	1,608	5,368	1,666	(69.0)	2,241	1,961	(6,039)
Checks Cleared in LBP***	200	172	185	8.0	65	69	61
Checks Cleared in FC***	516	255	78	(69.4)	84	18	23
Total Checks Cleared***	716	427	263	(38.3)	149	87	84
Fiscal Deficit/Surplus	448	313	470	50.0	98	-	(47)
Primary Balance	545	352	497	41.2	111	-	(32)
Airport Passengers	1,271,456	1,254,673	1,095,390	(12.7)	403,128	410,019	139,194
Consumer Price Index	114.5	15.3	13.5	(11.8)	14.2	12.3	17.3
$m (*unless otherwise mentioned*)	**Mar-25**	**Nov-25**	**Dec-25**	**Jan-26**	**Feb-26**	**Mar-26**	**%Change****
BdL FX Reserves	10.68	9.34	7.74	8.13	6.80	6.10	(42.9)
In months of Imports	-	-	-	-	-	-	-
Public Debt	-	-	-	-	-	-	-
Bank Assets	102.66	101.82	102.30	102.01	101.90	100.68	(1.9)
Bank Deposits (Private Sector)	88.72	87.67	87.19	86.94	86.68	86.23	(2.8)
Bank Loans to Private Sector	5.65	5.42	5.20	5.21	5.24	5.24	(7.4)
Money Supply M2	1.76	1.64	1.68	1.68	1.63	1.62	(8.3)
Money Supply M3	69.41	67.72	67.29	67.03	66.80	66.39	(4.4)
LBP Lending Rate (%)	6.41	11.42	10.90	11.76	9.74	9.80	339
LBP Deposit Rate (%)	2.00	3.25	3.68	3.66	5.13	3.66	166
USD Lending Rate (%)	4.11	5.32	3.68	4.20	3.84	4.78	67
USD Deposit Rate (%)	0.10	0.12	0.09	0.17	0.08	0.10	0

**in the first quarter of each year; **year-on-year*
****checks figures do not include compensated checks in fresh currencies*
Source: Association of Banks in Lebanon, Banque du Liban, Ministry of Finance, Central Administration of Statistics, Byblos Research

Capital Markets

Most Traded Stocks on BSE*	Last Price ($)	% Change*	Total Volume	Weight in Market Capitalization
Solidere "A"	74.00	1.4	26,542	40.2%
BLOM Listed	6.75	(0.7)	20,000	7.9%
Solidere "B"	72.50	(0.6)	10,501	25.6%
BLOM GDR	7.15	10.0	1,600	2.9%
Audi Listed	1.47	0.0	1,201	4.7%
Byblos Common	0.70	0.0	-	2.1%
Ciments Libanais	72.60	0.0	-	7.7%
Audi GDR	2.18	0.0	-	1.4%
Byblos Pref. 09	29.99	0.0	-	0.3%
Byblos Pref. 08	25.00	0.0	-	0.3%

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

Sovereign Eurobonds	Coupon %	Mid Price in US$	Mid Yield %
Nov 2026	6.60	24.63	828.52
Mar 2027	6.85	24.50	352.84
Nov 2028	6.65	24.88	70.54
Feb 2030	6.65	24.88	42.42
Apr 2031	7.00	25.13	31.14
May 2033	8.20	26.13	20.61
May 2034	8.25	26.25	17.80
Jul 2035	12.00	25.88	15.53
Nov 2035	7.05	25.75	15.13
Mar 2037	7.25	25.75	13.10

Source: LSEG Workspace

	July 6-10	June 29 - July 3	% Change	June 2026	June 2025	% Change
Total shares traded	59,844	156,823	(61.8)	348,367	496,525	(29.8)
Total value traded	$2,853,116	$7,271,986	(60.8)	18,274,616	10,857,127	68.3
Market capitalization	18.42	18.31	0.6	18.47	23.52	(21.4)

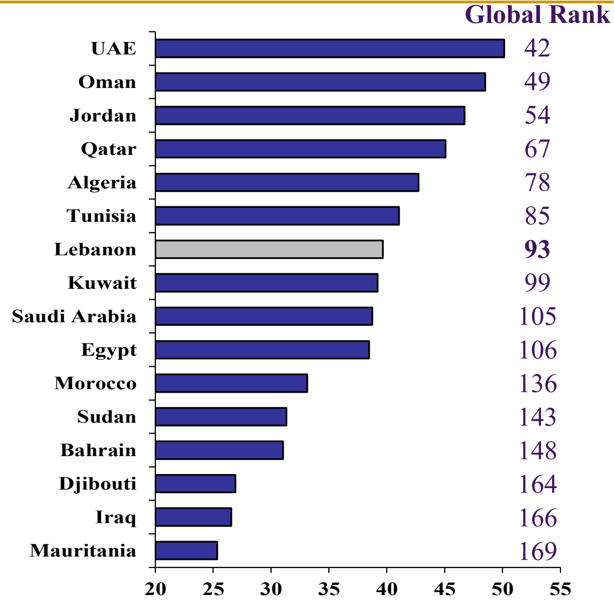
Source: Beirut Stock Exchange (BSE)

Lebanon ranks 93rd globally, seventh in Arab region in environmental performance

The Environmental Performance Index (EPI) for 2026 ranked Lebanon in 93rd place among 177 countries globally, in ninth place among 45 lower-middle income countries (LMICs), and in seventh place among 16 Arab countries. Lebanon ranked in the 53rd percentile worldwide on the 2026 Index, which means that Lebanon's level of environmental performance and sustainability was higher than 47% of the countries covered by the survey. The producers of the EPI changed the methodology to calculate the index, which precludes comparisons with previous surveys. Columbia and Yale universities issue the EPI in collaboration with the McCall MacBain Foundation.

The EPI assesses a country's performance on high-priority environmental issues, which are the mitigation of climate change, the safeguarding of ecosystem vitality, and the promotion of environmental health. As such, it ranks countries on 12 components that include 47 indicators that are divided into three core categories that are Environmental Health, Climate Change, and Ecosystem Vitality. The EPI categories measure how close a country comes to meeting internationally-established targets on environmental protection and combatting climate change, and, in the absence of agreed targets, how nations compare to each other. The index's scores per country range from zero to 100, with a score of 100 points reflecting the best possible performance in addressing environmental issues.

Environmental Performance Index for 2026
Scores & Rankings of Arab Countries



Source: Columbia and Yale universities, McCall MacBain Foundation

Globally, Lebanon has a better environmental performance than Sri Lanka, Malaysia and Angola, and a weaker performance than Equatorial Guinea, Benin, and Azerbaijan among economies with a GDP of $10bn or more. Also, Lebanon has a better environmental performance than Angola, Bolivia and the Republic of Congo, and a weaker performance than Nicaragua, Tunisia, and Benin among LMICs. Lebanon received a score of 39.7 points on the 2026 index, lower than the global average score of 42.9 points but higher than the LMICs' average score of 34.4 points and the Arab average score of 37.8 points. Also, Lebanon's score was lower than the Gulf Cooperation Council (GCC) countries' average score of 42.1 points but came higher than the average score of non-GCC Arab countries that stood at 35.2 points.

Components of the Environmental Performance Index for 2026

	Global Rank	LMICs Rank	ARAB Rank	Lebanon Score	Global Avge Score	LMICs Avge Score	Arab Avge Score
Climate Change	**55**	**4**	**2**	**45.6**	**38.6**	**31.3**	**31.4**
Climate Change Mitigation	55	4	2	45.6	38.6	31.3	31.4
Environmental Health	**74**	**3**	**9**	**47.8**	**46.8**	**28.3**	**43.5**
Air Quality	80	3	8	39.9	42.4	24.1	37.4
Sanitation & Drinking Water	82	3	9	55.9	53.4	31.9	55.2
Heavy Metals	46	5	5	65.1	51.4	38.4	43.6
Waste Management	97	11	11	57.0	59.2	35.1	69.0
Ecosystem Vitality	**153**	**36**	**13**	**31.2**	**43.5**	**39.9**	**38.9**
Biodiversity & Habitat	165	41	14	13.2	41.8	38.5	28.5
Forests	134	33	7	6.2	21.6	22.1	31.7
Fisheries	4	2	1	88.2	56.9	59.9	63.9
Agriculture	111	30	8	46.7	50.9	54.4	42.5
Air Pollution	68	9	4	61.4	53.9	40.2	49.1
Water Resources	74	8	12	42.8	42.6	22.5	63.2
Grasslands	23	8	3	83.3	56.3	59.3	64.0

Source: Columbia and Yale universities, McCall MacBain Foundation

IMF issues recommendations to strengthen contract enforcement and protection of property rights

As part of its Diagnostic of Governance and Corruption in Lebanon, the International Monetary Fund (IMF) indicated that Lebanon's legal framework protects economic rights, but it considered that concerns about judicial independence and the ongoing financial crisis undermine the delivery of justice. It noted that the limited transparency and accessibility of judicial decisions, the reliance on manual case processing without a court management system, insufficient statistics about the courts' performance, and the under-utilization of alternative dispute resolution mechanisms hinder the effective resolution of disputes. It pointed out that the comprehensive reform of the judicial system must be central to Lebanon's reform agenda. It considered that ensuring an independent and accountable judiciary requires limiting external influence, advancing digitalization, and increasing wages and resources available to judges, court staff, and judicial infrastructure. It stated that an independent and efficient judiciary with adequate financial and human support will strengthen economic rights and reduce corruption across state institutions.

In terms of contract enforcement, the IMF indicated that Lebanon has an appropriate legal and judicial framework that is rooted in the French civil law system, as the judiciary functions through three levels of jurisdictions that are the Courts of First Instance, the Courts of Appeals, and the Court of Cassation. Also, it noted that, while Lebanon's framework appears appropriate, contract enforcement suffers from inefficiency and unpredictability. It said that lower-level civil courts lack specialized expertise in commercial law, which weakens dispute resolution. It pointed out that the courts rely on manual processes, do not maintain enforcement statistics, and face significant backlogs and delays, while electronic filing and service of process, which is the digital delivery of legal documents to notify parties of court actions, are unavailable, which increases corruption risks during in-person interactions. As such, it considered that concerns about judicial independence and weak governance further undermine the resolution of contractual disputes and the delivery of justice. Further, it noted that courts in Lebanon struggle to function due to severe shortages of human and financial resources, which has resulted in backlogs and delays. It stressed that raising awareness and strengthening education on alternative dispute resolution (ADR) among judges and lawyers is essential to improving efficiency and reducing reliance on overstretched courts.

In terms of the protection of property rights, the IMF stated that Lebanon has a well-developed legal framework for property rights, but added that weaknesses in land registration and management persist. It considered that the system requires stronger institutional and technical infrastructure and a mass valuation mechanism to ensure accurate mapping data and to raise the transparency of the property market. Further, it indicated that Lebanon's land title registration process is complex and slow, which is heightening corruption risks and undermining property security. It said that public notaries, who are authorized to authenticate real estate transactions, are increasingly used as a more efficient alternative to direct dealings with the General Directorate of Land Registry and Cadastre (GDLRC) offices, even though ownership transfer becomes valid only after registration at the real estate registry. Also, it pointed out that the authorities drafted a law to modernize real estate transactions that allows public notaries to complete real estate registration directly at the real estate registry. It added that the law aims to reduce in-person interactions with registration officers and mitigate corruption vulnerabilities. It considered that enhancing data quality and geographic coverage in the land management system would improve transparency, reinforce the security of property rights, and reduce corruption vulnerabilities.

In parallel, the IMF issued a set of recommendations that aim to strengthen contract enforcement and the protection of property rights in the country. First, it urged the Ministry of Justice (MoJ) to reinforce the capacity, transparency, and efficiency of the Courts of First Instance by implementing electronic filing of initial complaints and electronic service of process, which will limit risks of undue influence and corruption. Second, it called on the MoJ to institutionalize specialized and continuing training programs for judges and judicial personnel in civil and commercial law through the Institute of Judicial Studies, with the objective of enhancing the quality, uniformity, and predictability of judicial decision-making. Third, it urged the MoJ and the Ministry of Finance (MoF) to automate and modernize the land registration process by implementing a decree that recognizes e-signatures as a valid method for authenticating real estate transactions at the GDLRC. Fourth, it called on the MoF to finalize the outstanding mapping of the Lebanese territory and to provide complete, accurate and publicly accessible spatial and cadastral data on the GDLRC website. Also, it stressed the need for the full digitization and simultaneous verification of land registry records.

Fifth, it urged the MoJ and the MoF to eliminate discretionary evaluations and to establish a standardized fee system. Also, it recommended the establishment of a fixed property fee schedule through a dedicated committee, which would be tasked with setting and unifying prices across municipalities and relevant departments at the MoF. Sixth, it called on the MoF to establish a secure connection between public notaries, land registrars, and the Directorate General of Personal Status at the Ministry of Interior and Municipalities to allow for the timely verification of contracting parties' identities and to prevent forgery in ownership documents. Seventh, it urged the MoF to reorganize the structure of GDLRC offices to ensure effective territorial coverage and to allocate the necessary and competent human resources. Eighth, it called on the MoF to activate the role of the central financial and administrative inspection, in order to constantly monitor the work of employees and verify that they perform their duties in compliance with the applicable rules and laws.

Greenfield foreign direct investments at $10.7m in 2025

Figures compiled by fDi Markets and released by the United Nations Conference on Trade and Development (UNCTAD) show that greenfield foreign direct investments (FDI) in Lebanon totaled $10.7m in 2025 compared to $3.4m in 2024. Also, Lebanon had four greenfield FDI projects in 2025 relative to one project in 2024.

In comparison, Lebanon attracted $15.1m in greenfield FDI in 2023 (seven projects), $11.2m in greenfield FDI in 2022 (five projects), $0.2m in 2021 (one project), $30m in 2020 (four projects), and $286.8m in 2019 (12 projects).

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

Lebanon was the third smallest recipient of greenfield FDI in nominal terms among 148 economies with a GDP of $10bn or more, and the smallest recipient among 19 Arab countries.

Greenfield FDI in Arab Countries (US$m)

	2025	**2024**	**change**
UAE	34,034.90	18,807.50	81.0%
Saudi Arabia	19,161.15	22,365.32	-14.3%
Oman	15,925.37	1,342.86	1,085.9%
Egypt	13,023.17	53,967.09	-75.9%
Morocco	6,586.30	7,417.65	-11.2%
Syria	5,116.10	-	-
Iraq	4,394.40	90.10	4777.2%
Kuwait	4,153.30	177.20	2243.8%
Mauritania	3,168.40	-	-
Qatar	3,059.40	2,783.57	9.9%
Tunisia	1,261.22	13,503.37	-90.7%
Bahrain	1,193.41	1,280.42	-6.8%
Algeria	1,085.80	452.84	139.8%
Yemen	724.20	-	-
Djibouti	128.50	-	-
Sudan	127.60	-	-
Libya	105.80	163.60	-35.3%
Jordan	102.50	2,367.70	-95.7%
Lebanon	10.70	**3.40**	**214.7%**
Total	**113,362.22**	**124,722.61**	**-9.1%**

Source: fDi Markets,UNCTAD, Byblos Research

Also, Lebanon was among 70 countries globally that registered an increase in the amount of inward greenfield FDI in 2025, while it posted the fourth highest increase in Greenfield FDI among Arab countries last year. In comparison, the amount of inward greenfield FDI to Arab economies declined by 9.1% to $113.4bn in 2025, while greenfield FDI to West Asian economies surged by 66% to $103.2bn last year.

In parallel, Lebanon attracted the fourth lowest number of greenfield FDI projects globally in 2025, similar to Armenia, Gabon, Guinea, Macao, Malawi, Mauritius, Mongolia, and Syria. Also, Lebanon was among 48 countries worldwide that registered an increase in the number of greenfield FDI projects in 2025. In comparison, the number of greenfield FDI projects to Arab economies increased by 12.3% to 2,670 projects last year and greenfield projects to West Asian economies grew by 9.5% year-on-year to 2,639 projects in 2025.

Further, the amount of greenfield FDI in Lebanon accounted for 0.009% of total greenfield FDI in Arab countries last year relative to 0.003% in 2024. It also represented 0.01% of total flows to West Asian countries in 2025 compared to 0.005% in 2024.

Also, greenfield FDI in Lebanon were equivalent to 0.03% of GDP in 2025, the lowest such ratio among Arab countries. In comparison, they were equivalent to 0.01% of GDP in 2024, 0.06% of GDP in 2023, 0.05% of GDP in 2022, 0.001% of GDP in 2021, 0.13% of GDP in 2020, and 0.54% of GDP in 2019.

Lebanon in the News

Italy contributes €5m for emergency livelihood and food security

The Italian Ministry of Foreign Affairs and International Cooperation announced on July 7, 2026 that Italy approved a financial contribution of €5m to the United Nations' Food and Agriculture Organization (FAO) for the implementation of the "Emergency and Livelihood Support in the Agrifood Sector to Conflict-Affected Areas in Lebanon" program. It indicated that this initiative will reinforce FAO's efforts to address the growing food security and livelihood challenges resulting from the impact of the military conflict in Lebanon and its aftermath, which have severely undermined agricultural production, disrupted rural livelihoods, and heightened the vulnerability of farming households and displaced populations. It noted that recent assessments show that the conflict has damaged farmland, displaced people, and limited access to land and markets, which weakened rural livelihoods, especially in southern Lebanon and other affected areas. It added that this, in turn, resulted in the deterioration of food security and has put additional pressure on vulnerable households and local economies.

Further, it pointed out that the program will be implemented in close coordination with the Lebanese Ministry of Agriculture (MoA). It said that the project will provide emergency agricultural and livelihood assistance to at least 9,850 agricultural households across the governorates of South Lebanon, Nabatieh, Bekaa and Baalbek-Hermel, while engaging approximately 2,200 internally displaced persons in cash-for-work activities to support agricultural production and resilience in host communities, and to strengthen the capacities of 40 farmers' cooperatives and 60 staff members at the MoA.

Also, it stated that the emergency agriculture intervention will combine cash assistance, vouchers and agricultural inputs tailored to the needs of crop producers and livestock keepers, which will help vulnerable families maintain or restore productive activities, protect their livelihoods and improve food security.

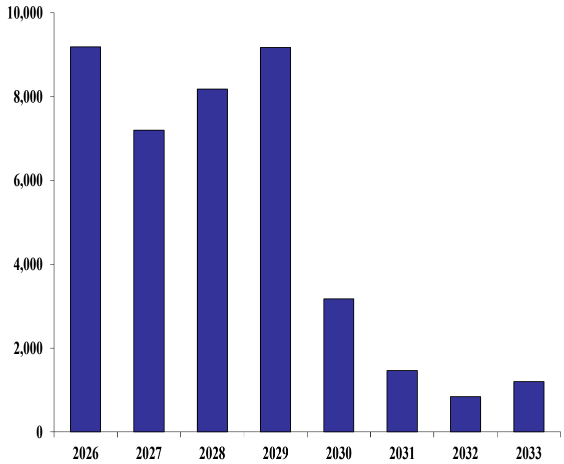
In addition, it indicated that the projects aims to strengthen the operational capacity of the MoA to better support emergency response, beneficiary targeting, information management, and service delivery in conflict-affected areas. It added that this initiative builds on the Memorandum of Understanding signed on April 23, 2026, about the cooperation in the agricultural sector between Italy and Lebanon, which provides a framework for enhanced collaboration between the two countries in support of agricultural development, food security, and institutional capacity-building.

Nearly 85% of Treasury securities have seven-year maturities or longer at end-June 2026

Figures released by the Association of Banks in Lebanon show that the face value of outstanding Treasury securities denominated in Lebanese pounds stood at LBP40,424bn at the end of June 2026, compared to LBP47,847bn at end-2025 and to LBP59,001bn at end-June 2025. The securities were equivalent to $451.7m at the end of June 2026 based on the exchange rate of LBP89,500 per US dollar, according to the BdL Central Council's Decision No. 48/4/24 dated February 15, 2024. The weighted interest rate on Lebanese Treasury securities was 6.61% in June 2026 compared to 6.55% in June 2025.

Also, the distribution of outstanding Treasury securities shows that 10-year Treasury bonds totaled LBP25,142bn and accounted for 62.2% of aggregate securities denominated in Lebanese pounds at the end of June 2026, followed by seven-year Treasury securities with LBP8,758bn (21.7%), three-year Treasury securities with LBP3,100bn (7.7%), five-year Treasury bonds with LBP2,007bn (5%), and 15-year Treasury bonds with LBP1,417bn (3.5%). As such, 87.4% of outstanding Treasury securities have seven-year maturities or longer and 92.3% have five-year maturities or more.

Projected Maturities of Treasury Securities*
(in LBP billions)



**as at end-June 2026*
Source: Association of Banks in Lebanon, Byblos Research

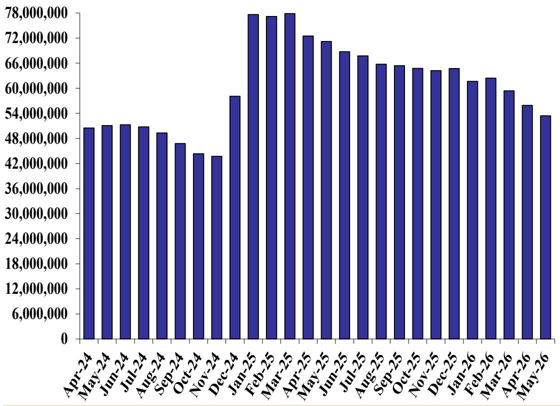
In parallel, LBP1,768bn in outstanding Treasury securities denominated in Lebanese pounds matured in June 2026. The distribution of maturing securities shows that 83.7% consisted of five-year Treasury securities, 11% were 10-year Treasury bonds, 5% consisted of seven-year Treasury bonds and 0.001% were three-year Treasury bonds. According to the ABL, LBP9,186bn in outstanding Treasury securities in Lebanese pounds will mature in the remainder of 2026.

Currency in circulation down 25% in 12 months ending May 2026

Figures released by Banque du Liban (BdL) show that money supply M1, which includes currency in circulation and demand deposits in Lebanese pounds, reached LBP97,174.7bn at the end of May 2026, constituting decreases of 2% from LBP99,130.2bn at end-April 2026, of 12.8% from LBP111,444.4bn at the end of 2025 and of 12.795% from LBP111,432.7bn at end-May 2025.

Currency in circulation stood at LBP53,419.7bn at the end of May 2026, as it declined by 4.4% from LBP55,905.6bn at end-April 2026, by 17.4% from LBP64,711.1bn at end-2025 and by 25% from LBP71,170.8bn at end-May 2025. Also, demand deposits in Lebanese pounds amounted to LBP43,755bn at the end of May 2026, as they grew by 1.2% from end-April 2026 and regressed by 6.4% from end-2025 and rose by 8.7% from a year earlier.

Currency in Circulation (LBP millions)



Source: Banque du Liban, Byblos Research

In addition, money supply M2, which includes M1 and term deposits in Lebanese pounds, reached LBP135,424.8bn at the end of May 2026, constituting decreases of 3% from LBP139,585bn at end-April 2026, of 9.7% from LBP150,029.8bn at end-2025, and of 7.1% from LBP145,809.7bn at end-May 2025. Term deposits in Lebanese pounds totaled LBP38,250.1bn at the end of May, declining by 5.4% from LBP40,454.8bn a month earlier and increasing by 11.3% from LBP34,377bn at end-May 2025.

Further, broad money supply M3, which includes M2, deposits in foreign currency and debt securities issued by the banking sector, stood at LBP5,905.2 trillion (tn) at the end of May 2026, with deposits in foreign currency totaling LBP5,743.9tn and debt securities of the banking sector amounting to LBP25,832.8bn at the end of May 2026.

In parallel, M3 decreased by LBP117,470.4bn in the first five months of 2026 due to a rise of LBP135,135.3bn in the net foreign assets of deposit-taking institutions, an increase of LBP20,836bn in other items, and an uptick of LBP5,307.2bn in claims on the private sector, which were offset by a decline of LBP278,748.8bn in claims on the public sector.

BdL indicated that its net foreign assets include monetary gold, the non-resident foreign securities held by BdL, and the foreign currencies and deposits with correspondent banks and international organizations; while they exclude the Lebanese government's sovereign bonds and BdL's loans in foreign currency to resident banks and financial institutions. In parallel, BdL issued Basic Circular 167/13612 dated February 15, 2024 that asked banks and financial institutions to convert their assets and liabilities in foreign currencies to Lebanese pounds at the exchange rate of LBP89,500 per US dollar when preparing their financial positions.

Also, BdL requested banks and financial institutions in January 2024, in line with the provisions of International Accounting Standard 21, to convert their foreign currency monetary assets and liabilities and non-monetary assets classified by fair value or by equity method at the exchange rate published on BdL's electronic platform at the date of the preparation of the financial statements. It added that the decision is applicable as of January 31, 2024. BdL had modified on February 1, 2023 the official exchange rate of the Lebanese pound against the US dollar from LBP1,507.5 per dollar to LBP15,000 per dollar, as part of the measures to unify the multiple exchange rates of the dollar that prevail in the Lebanese economy.

Ministry of Social Affairs updates AMAN program

The Ministry of Social Affairs announced that it has launched the second phase of the Emergency Social Safety Net Project (ESSN), known as "AMAN 2" that aims to improve the targeting of the poorest households, ensure fairness, and link cash transfers to social, healthcare, educational, and economic inclusion services.

It indicated that the number of households benefiting from the program reached 163,000 prior to the re-evaluation of beneficiaries, including 93,000 households under the Social Safety Net and 70,000 households under the National Program to Support the Poorest Families. It stated that, after the re-evaluation, the updated list includes 128,474 households, while 31,427 households will exit the program as they no longer fall within the most vulnerable categories. The ministry indicated that it is gradually incorporating 40,000 to 50,000 new families to the program in their place through the end of 2026, and is specifically targeting households in underrepresented, high-poverty regions such as Tripoli, Akkar, Beirut, and Mount Lebanon. As such, it considered that this recalibration will expand the program's reach from its previous 163,000 households to a projected total of 180,000 to 190,000 beneficiary families. It noted that this adjustment responds to complaints about ineligible families receiving support, and ensures that assistance reaches the households that are most in need.

Further, it noted that 14,619 households in Tripoli were benefiting from the program prior to the re-evaluation, and only 708 households exited after the process, representing 4% of the total. It considered that this outcome demonstrates that the objective is not to reduce support, but to refine targeting based on actual needs. The ministry added that the enrolment of new households across all regions is currently suspended due to the war and security conditions, but stressed that it will continue to work with governors, municipalities, and local partners to identify the poorest families. It added that it aims to reach 150,000 households in the next stage, and to make sure that the families benefiting from emergency support programs, which total 250,000 households, do not receive duplicate assistance.

Further, it estimated the total cost of its target of 180,000 families at $300m. It indicated that the Lebanese government allocated $50m from the 2026 budget to fund cash transfers under the AMAN program, with the first tranche disbursed in June 2026. It added that the World Bank loan of $200m approved in January 2026 and the EU grant of €45m signed in April 2026 are in advanced stages of processing. It said that the EU and World Bank funds are currently awaiting final parliamentary approval before they can be officially integrated into the government's budget and utilized. The ministry requested additional allocations in the 2027 budget in order to reach its target.

In addition, the ministry noted that it is expanding AMAN beyond basic cash assistance by launching an economic integration strategy. It said that this initiative partners with the private sector and microfinance institutions to provide vocational training and job placements for beneficiaries and individuals with disabilities. It added that it is collaborating with the Ministry of Public Health to secure comprehensive healthcare coverage for all AMAN recipients, in order to solidify its strategic transition toward a development-focused model.

The ministry launched in December 2021 the registration platform for the electronic cash card assistance that aimed to help 700,000 vulnerable families cope with the increase in the cost of living in the country. It said that the cash card assistance consisted of the "AMAN" and a ration card programs. The ministry indicated that Lebanese authorities have secured a $246m loan in March 2021 from the World Bank to fully fund "AMAN", which plans to give 150,000 families about $150 a month each and cover $200 in school costs for 87,000 secondary students at first stage. It added that the payments consisted of $20 per family member plus a fixed amount of $25 per family, with the tuition fees paid directly to the schools.

Economic activity to contract by 8% in 2026

Standard Chartered Bank revised its projections for Lebanon's real GDP from a growth rate of 5% to a contraction of 8% in 2026, driven by the impact of population displacement, extensive infrastructure damage, as well as severe disruptions to agriculture, construction, manufacturing and tourism activity as a result of the conflict between Hezbollah and Israel. Further, it expected the inflation rate to decrease from 16% in 2026 to 13% in 2027 and 10% in 2028.

It noted that more than one million individuals, or about 20% of the population, have been displaced, while the postponement of the parliamentary elections and delays enacting the Financial Stabilization and Deposits Recovery (FSDR) Act have further extended the reforms timeline. Also, it revised its forecast for the country's real GDP growth rate from 7% to 4% in 2027, as it expected the rebound in economic activity nest year to be cyclical rather than structural, and to be supported by remittance inflows, the dollarization of household consumption, and reconstruction activity, but to be constrained by weak credit intermediation and uncertainties about the timeline to reach a funded agreement with the International Monetary Fund (IMF).

It considered that the pending FSDR Act is critical to unlocking an IMF staff-level agreement, establishing a framework for depositor losses, and paving the way for an eventual Eurobond restructuring. It said that the authorities have reportedly discussed with the IMF securing rapid financing of up to $1bn, which would provide limited liquidity relief. However, it considered that, without a broader program with the IMF, this measure would not resolve the structural problem of the unresolved financial-sector losses. But it anticipated economic activity to accelerate to 5.5% in 2028.

In addition, it revised its forecast for the government's fiscal balance from surpluses of 0.5% of GDP in each of 2026 and 2027 to deficits of 1% of GDP in each of 2026 and 2027. It noted that Lebanon's fiscal accounts are effectively cash-constrained, as the government has limited market access, is not servicing its Eurobonds, and has little ability to run a large conventional deficit. It considered that the key fiscal challenge does not consist of the fiscal deficit, but in the unresolved restructuring of public-sector liabilities and the broader allocation of losses across the sovereign, Banque du Liban, and the banking system.

In parallel, it revised its projection for the current account deficit from 20% of GDP to 22% of GDP in 2026, and from 20% of GDP to 19% of GDP in 2027. It said that Lebanon remains structurally dependent on imports, given that tourism and travel receipts are vulnerable to security conditions, and remittance inflows are not sufficient to fully offset the trade deficit. It added that usable foreign-currency reserves stood at about $6bn at end-April 2026, which leaves limited room to absorb a prolonged external shock without additional support. Also, it expected the current account deficit to narrow to 17% of GDP in 2028.

BLOM Bank registers losses of LBP18.4 trillion in 2025

BLOM Bank sal, one of Lebanon's listed banks on the Beirut Stock Exchange, declared audited net losses of LBP18,414.8bn in 2025 compared to net profits of LBP43,834.1bn in 2024. The bank's net interest income reached LBP24,653.8bn in 2025 relative to LBP26,813.5bn in the previous year, while its net fees & commission income stood at LBP12,076.9bn compared to LBP9,677.1bn in 2024. Also, the bank's net operating income totaled LBP3,775bn in 2025 relative to LBP66,815.4bn in 2024. In parallel, the bank's operating expenditures reached LBP19,728.8bn in 2025 compared to LBP17,985.2bn in the preceding year, with personnel cost accounting for 57.7% of the total in 2025.

Also, the bank's aggregate assets amounted to LBP1,616.6 trillion (tn) at the end of 2025 relative to LBP1,639.7tn a year earlier. The bank's cash and balances with central banks stood at LBP1,144.4tn at end-2025 relative to LBP1,230.4tn a year earlier; while its due from banks and financial institutions amounted to LBP150,914.3bn compared to LBP122,988.8bn at end-2024. In addition, the bank's financial assets held at fair value through profits or losses totaled LBP55,492.7bn at end-2025 relative to LBP46,537bn at end-2024, and its assets taken in settlement of debt reached LBP6,550.7bn at end-2025 compared to LBP6,394.6bn a year earlier. Further, net loans & advances to customers totaled LBP97,154.8bn at end-2025 compared to LBP85,460.2bn at end-2024, while net loans & advances to related parties stood at LBP555.8bn at end-2025 relative to LBP298.5bn at end-2024.

In addition, customer deposits reached LBP1,439.6tn at the end of 2025 compared to LBP1,432.5tn a year earlier, with deposits from related parties standing at LBP1,837.7bn at end-2025 relative to LBP2,238.5bn at end-2024. As a result, aggregate deposits totaled LBP1,441.4tn at end-2025 relative to LBP1,434.7tn at end-2024. Also, the bank's dues to central banks reached LBP5,465.3bn at end-2025 compared to LBP5,336.1bn at end-2024, while its due to banks and financial institutions stood at LBP8,845.2bn relative to LBP10,002.1bn at end-2024. Further, provisions for risks and charges amounted to LBP6,934.1bn in 2025 compared to LBP16,413.4bn in 2024, while other liabilities totaled LBP27,132.6bn relative to LBP32,351.8bn a year earlier. In parallel, the bank's shareholders' equity was LBP126.1tn at the end of 2025 relative to LBP140.3tn at end-2024.

In parallel, the firm's external auditors indicated that "the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the group as at December 31, 2025, and its financial performance and its cash flows for the year that ended in accordance with International Financial Reporting Standards", since the financial statements do not take into account the impact of hyperinflation on the revenues stream. Also, it indicated that "from January 2024 the official published exchange rate was set at LBP89,500 to the US dollar, and the Group recorded the effect of that change in the consolidated income statement for the year ended 31 December 2024 under "Net (loss) gain from financial assets at fair value through profit or loss" and in the consolidated statement of comprehensive income under "Exchange differences on translation of foreign operations".

Also, the bank's aggregate capital reached LBP95,855.6bn at end-2025 compared to LBP112,389.6bn at end-2024, which consist of LBP93,794bn in Tier 1 capital and LBP2,061.6bn in Tier 2 capital. In addition, the bank’s risk weighted assets totaled LBP1,616.6tn at end-2025 relative to LBP1,657.7tn a year earlier. As such, the bank's capital adequacy ratio stood at 5.93% at the end of 2025 compared to 6.78% at end-2024; while its Common Tier One capital ratio reached 5.8% at end-2025 relative to 6.69% a year earlier and its Tier One capital ratio was 5.8% at end-2025 compared to 6.69% at end-2024.

Banque de L'Habitat lowers interest rate on housing loans

Banque de L'Habitat sal announced that it has reduced the interest rate on its housing loans from 6% to 5.75%, following Banque du Liban’s (BdL) exemption of a 0.25% fee on the credit line of the Arab Fund for Economic and Social Development (AFESD). It pointed out that the reduction of the interest rates applies specifically to housing loans tied to the Arab Fund loan. It added that the rate will also apply to loans that it has previously extended from the financing that the Arab Fund provided, as of the due date of the final installment of the current contractual year.

Further, it stated that it has granted a total of 1,085 loans worth $76 million as of July 10, 2026 that consist of 1,004 mortgages for a total $70.8m, 50 construction loans for $4.1m, and 31 renovation loans that total $1.11m.

Banque de l'Habitat is a Lebanese joint-stock company that provides loans in Lebanese pounds to individuals, especially those with low incomes, in order to buy, build, renovate or enlarge a residence. The private sector owns 80% of Banque de l’Habitat, and the Lebanese State owns the remaining 20%. The AFESD extended a soft loan in May 2020 of KWD50m, or the equivalent of $165m, to Bank de L'Habitat to finance affordable mortgages, construction and renovation loans in Lebanon. The AFESD's total contribution to development projects in Lebanon reaches KWD595m, or about $2bn when including the loan.

CMA CGM's expansion into logistics services and terminal operations is positive

S&P Global Ratings indicated that the Lebanese-owned and France-based container-shipping firm CMA CGM's financial results for the first quarter of 2026 reflect sustained pressure on the company's profitability, mainly due to lower shipping freight rates. Also, it expected that the impact of the diversion of vessels from the Red Sea, which constituted a short-term capacity constraint, will potentially unwind towards the end of 2026 onwards.

Further, under its base-case scenario, it assumes that global freight rates will decline by 1% to 3% in 2026 and to drop further by 10% to 15% in 2027. It said that its base-case scenario remains sensitive to geopolitical shifts, energy market volatility, and evolving trade policies move next to rate forecasts. It indicated that significant uncertainties persists about how resilient freight rates will be regarding how container liners manage their capacity, mainly when disruptions in the Red Sea potentially ease and substantial capacity is reintegrated into the global network.

Also, it expected the firm's adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) to decrease from $10.5bn in 2025 to $10bn or $9bn in 2026, as well as to between $8bn and $9bn in 2027, in case structural oversupply accelerates. It said that the group's adjusted debt will likely peak at between $21bn and $22bn by end-2026, up from $20.7bn in 2025 and $13.3bn in 2024, due to an increase in capital expenditures from $5.3bn in 2025 to between $6bn and $6.5bn this year amid continued merger and acquisition (M&A) by the firm and sizable annual lease amortization. It considered that the company will use its capital expenditures mainly on new ships and containers. It noted that the firm's acquisitions have contributed to a material increase in debt in recent years, as it reported about $8.2bn in M&A deals in the 2024-25 period.

Also, it considered that the company's expansion into logistics services and infrastructure-like terminal operations to be positive, as it estimated that this would reduce the firm's exposure to the extremely volatile shipping segment. It expected an annual contribution to operating cash flow of between $3bn and $3.5bn from logistics and terminal operations, which will support the firm's EBITDA in 2026.

In addition, it expected that the financial buffers that the firm accumulated during the 2021-24 period will continue to erode, which will leave limited space to absorb unexpected operational setbacks.

In parallel, it noted that the 'stable' outlook on its BB+ long-term issuer credit rating of CMA CGM reflects its expectation that the company will maintain a ratio of adjusted funds from operations-to-debt of at least 35%, underpinned by the ongoing Red Sea rerouting, moderate growth in global trade volumes, and port congestions, which together cushion the effect from new tonnage deliveries. It added that the 'stable' outlook takes into account the firm's pursuit of a more balanced financial policy following sizable discretionary spending in the past few years.

Further, it pointed out that it could upgrade the ratings if the firm maintains a ratio of adjusted funds from operations-to-debt that exceeds 50% once freight rates normalize, and if the group adopts a financial policy that ensures that this level remains sustainable in the medium term. It added that an upgrade of the ratings is unlikely in the short term, given the challenging market environment. In contrast, it said that it could downgrade the firm's ratings if its ratio of adjusted funds from operations-to-debt declines below 35%, or if a large cash- or debt-funded acquisition results in credit measures that would lead to a decline in its financial metrics short of guidelines.

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

Berytech concludes Lebanon Innovate Program

The technological pole Berytech announced the conclusion of the Lebanon Innovate program that the European Union (EU) funded with about €3m. Lebanon Innovate is a 42-month initiative to revitalize the Lebanese entrepreneurial ecosystem and to support productive sectors. The program's objective, which is based on an innovation roadmap, is to foster innovation through supporting intellectual property and knowledge transfer, with the objective of transforming the country into a knowledge-driven digital nation.

It aimed to support the transition of innovation and technological research from universities to market-ready products and commercial ventures in Lebanon's major sectors, particularly the agriculture and food sector, the information and communications technology and the digital economy sector, as well as the healthcare sector. It said that the program's objective was to improve the competitiveness of each sector, promote innovation and knowledge transfer, and establish linkages and exchanges with European countries and Diaspora networks in order to access international markets.

Berytech indicated that the program's first phase focused on mapping Lebanon's innovation ecosystem, as it identified 13 universities, six research centers, five business support organizations, and 77 industrial institutions. It added that this step provided an understanding of the country's assets, capabilities, and opportunities for building a more integrated and effective innovation ecosystem. Also, it said that the program turned this assessment into action by strengthening collaboration between academia, research institutions, and the private sector, and by supporting the transition from research to market opportunities.

Further, it pointed out that the initiative fostered collaboration among universities, research centers, industry, the public sector, and business support organizations. It noted that, throughout its implementation, the program created new opportunities for cooperation and knowledge exchange, which helped the transformation of research and scientific expertise into practical solutions and scalable opportunities that respond to market needs and contribute to a knowledge-based economy.

Also, it said that five strategic organizations that implemented the program consisted of the ANIMA Investment Network, the European Business and Innovation Centre Network (EBN), the Industrial Research Achievement Association - Lebanon (IRALEB), the Industrial Research Institute (IRI), and the LEITAT Technological Center.

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

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