

# LEBANON THIS WEEK

## In This Issue

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

Banque du Liban's new governor outlines vision and action plan

Trade deficit narrows by 3.2% to \$2.2bn in first two months of 2025

Council of Ministers approves amendments to banking secrecy law

Banque du Liban's liquid foreign reserves at \$10.7bn, gold reserves at \$28.3bn at end-March 2025

Purchasing Managers' Index deteriorates in March 2025

Number of airport passengers down 1.3% in first quarter of 2025

Banque du Liban streamlines certain transactions in foreign currency

Money supply up 37.2% in 12 months ending March 20, 2025

Port of Beirut processes 5.4 million tons of freight in 2024

Food Price Index up 6.8% year-on-year in January 2025

Lebanon represented in Forbes magazine's list of world billionaires

U.S. imposes reciprocal tariffs of 10% on Lebanese exports

Number of new construction permits down 11% in 2024

Banque du Liban reduces reserve requirements for banks

## Corporate Highlights

Term deposits account for 53.7% of customer deposits at end-January 2025

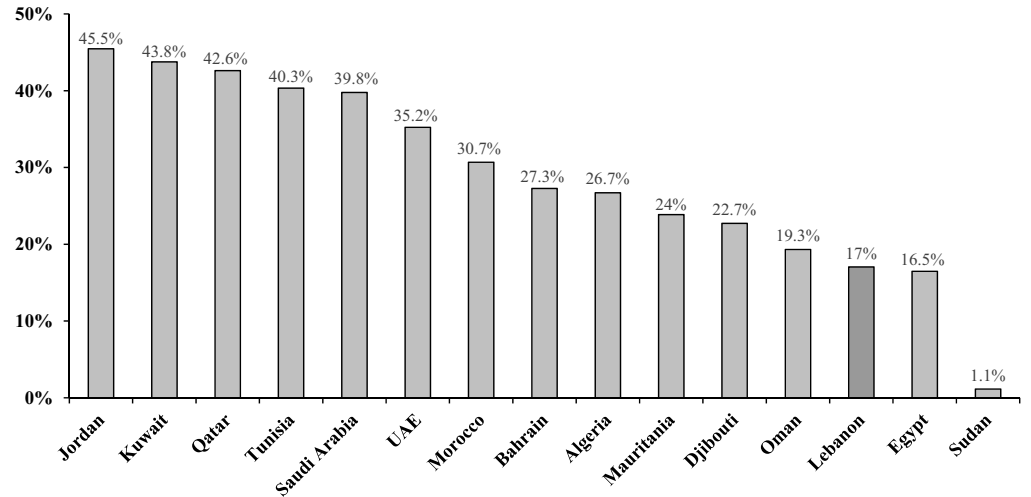
Stock market capitalization up 32% to \$23.5bn at end-March 2025

Import activity of top five shipping firms and freight forwarders up 2% in 2024

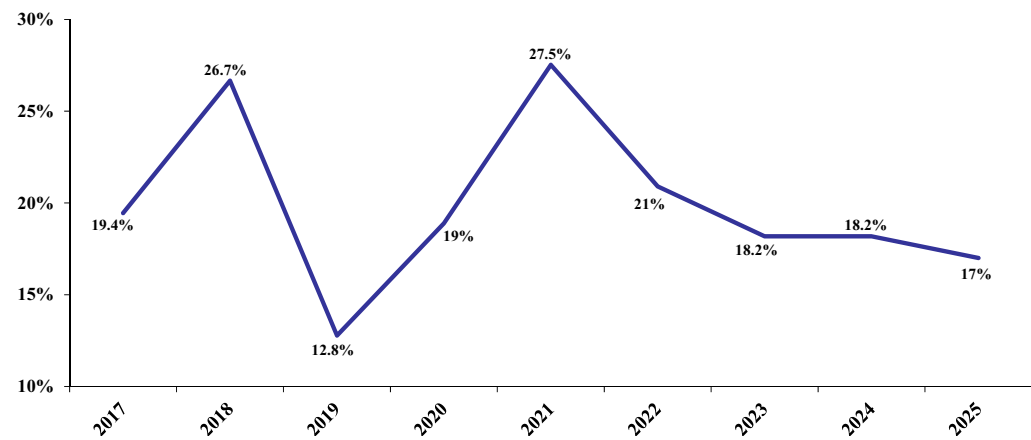
**Ratio Highlights**.....14  
**National Accounts, Prices and Exchange Rates** .....14  
**Ratings & Outlook**.....14

## Charts of the Week

Percentile Rankings of Arab Countries in terms of Judicial Effectiveness for 2025\*



Percentile Rankings of Lebanon in terms of Judicial Effectiveness



\*The Heritage Foundation defines Judicial Effectiveness as efficient and fair judicial systems that ensure that laws are fully respected, and that the authorities take appropriate legal actions against violations

Source: Heritage Foundation, Index of Economic Freedom for 2025, Byblos Bank

## Quote to Note

"We are working with the authorities to help them develop their comprehensive economic reforms program."

*The International Monetary Fund, on the ongoing engagement and discussions with the Lebanese authorities*

## Number of the Week

**81%:** The value of Banque du Liban's gold reserves at end-March relative to Lebanon's projected nominal GDP for 2025

## Lebanon in the News

\$m (unless otherwise mentioned)	2022	2023	2024	% Change*	Dec-23	Nov-24	Dec-24
Exports	3,492	2,995	2,707	-9.6%	240,037	177,565	212,165
Imports	19,053	17,524	16,902	-3.5%	1,302,640	1,306,294	1,185,226
Trade Balance	(15,562)	(14,529)	(14,195)	-2.3%	(1,062,603)	(1,128,729)	(973,061)
Balance of Payments	(3,197)	2,237	6,437	187.7%	591.3	(984.4)	(792.4)
Checks Cleared in LBP**	27,146	4,396	877	-80.0%	404	43	69
Checks Cleared in FC**	10,288	3,292	1,299	-60.5%	183	93	81
Total Checks Cleared**	37,434	7,688	2,176	-71.7%	587	136	150
Fiscal Deficit/Surplus	-	380.5	297.4	-21.8%	-	-	-
Primary Balance	-	-	-	-	-	-	-
Airport Passengers	6,360,564	7,103,349	5,624,402	-20.8%	481,470	151,073	379,910
Consumer Price Index	171.2	221.3	45.2	-79.6%	192.3	15.4	18.1

\$bn (unless otherwise mentioned)	Dec-23	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	% Change*
BdL FX Reserves	9.64	10.51	10.65	10.22	10.10	10.09	4.6%
In months of Imports	-	-	-	-	-	-	-
Public Debt	-	-	-	-	-	-	-
Bank Assets	115.25	104.56	103.88	103.40	103.02	102.76	-10.8%
Bank Deposits (Private Sector)	94.75	90.41	89.54	89.21	88.93	88.65	-6.4%
Bank Loans to Private Sector	8.32	6.59	6.04	6.07	5.99	5.65	-32.1%
Money Supply M2	6.72	1.25	1.23	1.22	1.22	1.46	-78.3%
Money Supply M3	77.75	70.69	69.88	69.64	69.39	69.26	-10.9%
LBP Lending Rate (%)	3.97	5.11	3.99	6.78	6.78	5.61	41.3%
LBP Deposit Rate (%)	0.55	0.86	0.93	2.34	1.17	3.58	550.9%
USD Lending Rate (%)	1.95	2.59	1.48	1.97	4.41	3.70	89.7%
USD Deposit Rate (%)	0.03	0.04	0.02	0.03	0.03	0.03	0.0%

\*year-on-year

\*\*checks figures do not include compensated checks in fresh currencies

Source: Association of Banks in Lebanon, Banque du Liban, Ministry of Finance, Central Administration of Statistics, Byblos Research

## Capital Markets

Most Traded Stocks on BSE*	Last Price (\$)	% Change*	Total Volume	Weight in Market Capitalization	Sovereign Eurobonds	Coupon %	Mid Price \$	Mid Yield %
Audi Listed	2.61	(5.1)	1,406,261	7.1%	Jun 2025	6.25	15.0	3,187.50
Audi GDR	2.53	7.7	14,100	1.4%	Nov 2026	6.60	15.0	157.12
BLOM GDR	5.89	(2.3)	13,781	2.0%	Mar 2027	6.85	15.0	124.63
Solidere "A"	89.50	(6.6)	11,089	41.3%	Nov 2028	6.65	15.0	60.88
Solidere "B"	83.05	(16.6)	4,328	24.9%	Feb 2030	6.65	15.0	42.88
HOLCIM	74.10	(6.2)	100	6.7%	Apr 2031	7.00	15.0	34.02
BLOM Listed	7.00	0.0	-	7.0%	May 2033	8.20	15.0	24.82
Byblos Common	1.01	0.0	-	2.6%	July 2035	12.00	15.0	19.29
Byblos Pref. 09	29.99	0.0	-	0.3%	Nov 2035	7.05	15.0	18.78
Byblos Pref. 08	25.00	0.0	-	0.2%	Mar 2037	7.25	15.0	16.51

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

Source: Refinitiv

	April 2-4	Mar 24-28	% Change	March 2025	March 2024	% Change
Total shares traded	1,449,809	755,921	91.8	1,626,857	797,200	104.1
Total value traded	\$5,274,659	\$5,091,706	3.6	\$16,678,927	\$14,485,247	15.1
Market capitalization	\$21.65bn	\$23.53bn	(8.0)	\$23.53bn	\$17.82bn	32.1

Source: Beirut Stock Exchange (BSE)



### **Banque du Liban's new governor outlines vision and action plan**

Banque du Liban's (BdL) incoming Governor Karim Souaid pledged to abide by the clauses of the Lebanese Constitution and by the prevailing laws, especially the Code of Money and Credit and the regulations that govern BdL. First, he pledged to guarantee and maintain BdL's independence from political pressures and from the influence of the banking sector and of the economic associations, in order to avoid any conflict of interests and to retain BdL's regulatory role over the banking sector. He noted that BdL's independence does not mean working without coordinating with other parties, but it means close cooperation with the government, as well as with the executive, legislative and judicial branches, and especially with the Ministry of Finance and other ministries, in line with the Lebanese State's higher interest. He stressed that BdL should not have any conflict of interest or the perception of a conflict of interests with any bank, banker, investor in a bank, or any beneficiary from the sector.

Second, he emphasized the need to recapitalize commercial banks and for the latter to participate in the reimbursement of deposits and to comply with a new set of governance, compliance, and conduct rules. He added that, in parallel, BdL must regulate the banking sector and to strictly reorganize its regulations more than any time before. It must also work to prevent any form of the improper use of funds and abuse of institutional power, and any unprofessional or illegal conduct.

Third, he declared that BdL is the public sector's bank but is definitely not the sector's main bank. As such, he stressed that BdL should not be the permanent financier of the public sector outside the strict limits that articles 88 to 91 of the Code of Money and Credit impose.

Fourth, he stated that all private property, including bank deposits, are protected by the general principles of Lebanese laws and by specific clauses of the Lebanese Constitution. As such, he emphasized the need to gradually reimburse all deposits by having banks, BdL and the State assume their responsibilities on this issue. He added that the priority has to be to reimburse small depositors at first, followed by medium-sized depositors, and large depositors.

Fifth, he announced that BdL pledges to abide by the principles of full transparency and the disclosure of any statements or information it is asked to provide, and that it will help or facilitate to uncover any misconduct or illegal behavior, or the embezzlement of funds or abuse of power, or corruption. He added that BdL will allow the completion of any forensic audit that has already started, in order to uncover details of any abuse or embezzlement of public funds or reserves, and will impose penalties on those responsible. He also cited the need to cooperate with other countries and international authorities to implement international agreements, especially those related to combating money laundering and the financing of terrorism, and to uncover and disclose politically-exposed persons, their relatives, and their related parties.

In parallel, Governor Souaid listed the practical steps to implement his pledges. First, he indicated that BdL will review, evaluate, and analyze all the recovery plans that the previous and current governments have prepared or suggested, including the rescheduling of the public debt, the restructuring of the banking sector, and the reimbursement of deposits. He noted that it is key to focus on one main objective, which is the gradual recovery of the Lebanese economy by reintegrating Lebanon in the global financial, banking and trading system, improving the sovereign ratings of Lebanon, rebuilding a strong and stable banking sector, and working to reimburse deposits in a gradual, fair and balanced way.

Second, he pledged to work to restore confidence in the banking sector, and to provide the incentives and guarantees to encourage deposits and savings, and the interaction of clients with banks, as well as for the financing of the economy through the formal banking and financial sector.

Third, he stated that BdL will focus on the conventional priorities of monetary policy, starting with inflation-targeting, managing the monetary mass, and maintaining financial and monetary stability, in order to strengthen confidence. He added that BdL will steer clear from any measures that do not fall within the scope and responsibilities of the Central Bank.

Fourth, he stated that all banks must raise their capital by gradually injecting new funds according to international capital adequacy standards, and that the authorities should provide a climate that encourages and incentivizes the current shareholders of banks and potential investors to participate in the recapitalization process. He noted that the banks that do not want or that cannot increase their capital should merge with other banks. He added that if these banks fail to merge with other banks, BdL will liquidate them in an orderly manner and withdraw their licenses, while preserving depositors' rights. Further, he indicated that all banks must contribute to reimbursing deposits from additional funds that are different from those that they will use for their recapitalization. In addition, he indicated that all bankers will be subject to radical changes in terms of governance, risk management, and compliance to avoid past mistakes and the concentration of risks. He added that any bankers who are found to have engaged in any illegal behavior will be banned from the banking sector and will be pursued with the full force of the law.

Fifth, Governor Souaid pledged to eradicate the parallel economy. He said that BdL will combat all types of money laundering and the financing of terrorism, as well as the smuggling of drugs, the counterfeiting of money, smuggling across the border, and the illegal presence of cash in the economy. He added that BdL will comply with the corresponding international norms and standards, and will work with the other authorities to remove Lebanon from the "grey list" of the Financial Action Task Force against money laundering and terrorism financing. He added that BdL will consider illegal any activity that is in conflict with the Code of Money and Credit, whether it consists of accepting cash deposits or in any other form, or through extending loans, or both. He stressed that the authorities will pursue the operators of these activities and shut down their operations.

## Trade deficit narrows by 3.2% to \$2.2bn in first two months of 2025

Figures issued by the Lebanese Customs Administration show that total imports reached \$2.83bn in the first two months of 2025, constituting an increase of 4.1% from \$2.72bn in the first two months of 2024; while aggregate exports totaled \$625.75m and increased by 41.2% from \$443.3m in the same period of 2024. As such, the trade deficit narrowed by 3.2% to \$2.2bn in the first two months of 2025, due to an uptick of \$110.3m in imports that was offset in part by an increase of \$182.4m in exports. The coverage ratio, or the exports-to-imports ratio, was 22% in the first two months of 2025 relative to 16.3% in the same period of 2024.

Non-hydrocarbon imports increased by \$12.2m, or by 0.6%, to \$1.95bn in the first two months of 2025; while the imports of oil & mineral fuels rose by \$98.1m, or by 12.5%, to \$882m in the covered period. Oil & mineral fuels accounted for 31% of the imports bill in the first two months of 2025 compared to 28.8% in the same period of 2024, while Lebanon imported 1.47 million tons of oil & mineral fuel in the first two months of 2025 relative to 1.07 million tons in the same period of 2024.

The increase in exports was due to a jump of \$172.7m, or of 180%, in the exports of pearls, precious stones & metals in the first two months of 2025; a surge of \$20.1m (+24.7%) in exported base metal products; an increase of \$10.8m (+29.6%) in the exports of chemical products; a rise of \$791m (+6.6%), in the exports of pulp of wood, paper and paperboard, a growth of \$189m (+3.1%) in exported textiles and textile articles, a rise of \$141m (+3.7%) in exports of vehicles, aircraft, vessels, transport equipment, and an increase of \$43m (+4.8%) in exported footwear, umbrellas and artificial flowers.

Exports to Switzerland surged by 9,183% in the first two months of 2025 from the same period of 2024, those to Greece jumped by 286.5%, exports to Syria rose by 44.4%, exported goods to the U.S increased by 40.3%, and those to Jordan improved by 9.4%. In contrast, exported goods to Egypt dropped by 32.6%, exports to Türkiye fell by 29.8%, those to Iraq slumped by 16.8%, exports to South Korea contracted by 12%, and those to the UAE declined by 5.7% in the covered period. Also, re-exports totaled \$72.9m in the first two months of 2025 compared to \$79.2m in the same period of 2024.

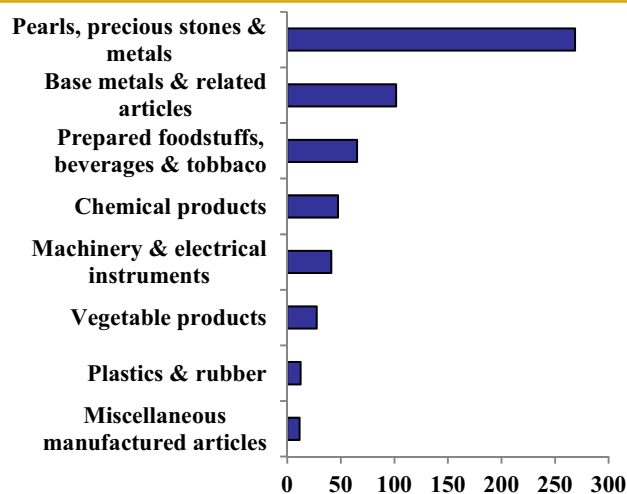
The Beirut-Rafic Hariri International Airport was the exit point for 47.3% of Lebanon's exports in the first two months of 2025, followed by the Port of Beirut (38.8%), the Port of Tripoli (6%), the Masnaa crossing point (5.7%), and the Port of Saida and the Port of Tyre (2.2%).

Further, Lebanon's main non-hydrocarbon imports consisted of pearls, precious stones & metals that reached \$284.3m, followed by chemical products with \$245.4m, machinery & electrical instruments with \$222.3m; vegetables products with \$202.5m; prepared foodstuffs with \$180m; base metals with \$157.1m; animal products with \$132.1m; and vehicles, aircraft & vessels with \$104.6m. Also, the imports of base metals increased by 51.5% in the first two months of 2025, followed by the imports of chemical products (+17%); machinery & electrical instruments (+16.3%); vehicles, aircraft & vessels (+15.8%); prepared foodstuffs (+4.8%); animal products (+2.7%); and vegetables products (+2.3%). In contrast, the imports of pearls, precious stones & metals dropped by 36% in the covered period.

The Port of Beirut was the entry point for 67% of Lebanon's merchandise imports in the first two months of 2025, followed by the Beirut-Rafic Hariri International Airport (20.7%), the Port of Tripoli (9%), the Masnaa crossing point (2.5%), the Port of Saida (0.8%), as well as the Abboudieh crossing point, the Port of Tyre and the Arida crossing point (0.23%).

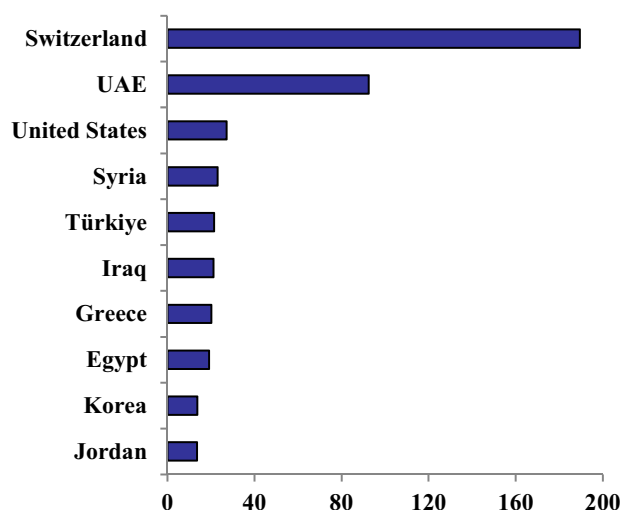
China was the main source of imports to Lebanon with \$306.3m that accounted for 10.8% of the total in the first two months of 2025, followed by Egypt with \$293.2m (10.3%), Greece with \$265.5m (9.4%), Türkiye with \$260.4m (9.2%), Italy with \$187.7m (6.6%), the UAE with \$131.9m (4.7%), the U.S. with \$95.3m (3.4%), Germany with \$89.3m (3.2%), Switzerland with \$80.7m (2.8%), and France with \$71.7m (2.5%). Further, imported goods from Egypt surged by 142.4% in the first two months of 2025, followed by imports from the UAE (+97.3%), Germany (+31.8%), Türkiye (+23.4%), France (+18.3%), China (+7.8%), Greece (+4.6%) and the U.S. (+0.8%). In contrast, imported goods from Switzerland dropped by 73.3% and imports from Italy decreased by 28.5% in the covered period.

## Main Lebanese Exports in first two months of 2025 (US\$m)



Source: Lebanese Customs Administration, Byblos Research

## Main Destinations of Lebanese Exports in first two months of 2025 (US\$m)



Source: Lebanese Customs Administration, Byblos Research



### **Council of Ministers approves amendments to banking secrecy law**

The Council of Ministers issued Decision No. 6 dated March 27, 2025 that approved a draft law that aims to amend two clauses in Article 7 of the Banking Secrecy Law No. 91/3 dated September 3, 1956 and Article 150 of the Code of Money and Credit dated August 1, 1963, and that was amended by Law No. 306 dated October 28, 2022. It added that the Council of Ministers approved the amendments based on the proposal of the Ministry of Finance after consultations with the negotiating team from the International Monetary Fund (IMF).

First, the amendment allows, for the purpose of restructuring the banking sector and carrying out supervisory tasks, Banque du Liban (BdL), the Banking Control Commission of Lebanon (BCCL), and the National Deposit Guarantee Corporation (NDGC) to request information protected by banking secrecy without specifying a particular account or client, including issuing a general request for information on all accounts and clients. However, it indicated that the concerned natural and legal persons may appeal these requests in front of the judge of urgent matters, and that the appeal, in turn, must be subject to the established procedures for orders on petitions.

Second, the amendment stipulates that banking secrecy must be lifted in full and without restrictions on behalf of BdL, the BCCL, and any party that BdL or the BCCL assigns with auditing or supervisory tasks, within the framework of exercising their supervision and auditing responsibilities or as part of conducting any other task as specified in any of the existing laws or in laws that may be enacted in the future. It added that the lifting of banking secrecy can cover credit and debit accounts, on- and off-balance sheet items, and any records, documents, and information pertaining to a legal or natural person dealing with any bank or institution subject to supervision, including the institutions that are protected by banking secrecy with respect to other parties. It indicated that the lifting of banking secrecy can be applied retroactively for 10 years from the date that the law is issued regarding measures related to the restructuring of the banking sector, as well as about ordinary supervisory tasks or tasks specified in writing by BdL and the BCCL. It said that the two entities may exchange information for this purpose. It noted that the details of the implementation of this law must be specified, when necessary, by decisions issued by the Minister of Finance.

The Council of Ministers considered that the current banking secrecy law has created ambiguity in the interpretation of the text, which may imply that the intent of the text is to limit the authority of BdL and the BCCL to request information that is governed by banking secrecy. It noted that banks view their relationship with clients differently from the perspective of the monetary or supervisory authority. It said that the IMF wishes to see the supervisory and monetary authorities have a free hand in monitoring and auditing all bank accounts without restrictions or conditions and in a way appropriate to the tasks of BdL and the BCCL. It indicated that it remains committed to legislative stability and to the need for clarification regarding the retroactive effect of any amendment to the Banking Secrecy Law. Therefore, it suggested amending Article 150 of the Code of Money and Credit with retroactive effect and proposed amending the Banking Secrecy Law after reviewing the proposal of the chairperson of the BCCL.

In parallel, the Lebanese Parliament enacted on October 18, 2022 Law 306 that modified the law on banking secrecy dated September 3, 1956. The amendments covered articles 1, 2, 7 and 8 of the law. The government stipulated that the amendments aim to strengthen anti-money laundering and countering the financing of terrorism (AML/CFT) and anti-corruption measures, as well as to improve tax compliance and fight tax evasion. It added that the amendments are in line with international best practices. The law entered into force upon its publication in the Official Gazette on November 3, 2022.

The modifications stipulated that banks established in Lebanon and the local banks that are branches or affiliates of foreign institutions are subject to professional secrecy. Second, the law lifted banking secrecy on public sector employees, including any person who has to submit a financial disclosure statement as per Law 189/2020, who is in a public function or provides a public service, whether he/she is elected or appointed, and if he/she is paid or unpaid.

Other changes stipulated that banks cannot cite banking or professional secrecy to withhold information, and have to submit information requests from judicial authorities in case of legal proceedings about corruption and financial crimes, and in case of crimes stipulated in laws related to AML/CFT, illicit enrichment, and the code of criminal procedures. They also have to submit information requests from the Special Investigation Commission against money laundering and terrorism financing, the National Anti-Corruption Commission, the Lebanese Tax Administration, BdL, the BCCL, and the NDGC. It added that, for the purpose of restructuring the banking sector and its supervision, the listed entities can request information protected by banking secrecy without specifying a particular account number or a client, and are allowed to issue a general request to disclose information about all accounts and clients without mentioning their names.



### Banque du Liban's liquid foreign reserves at \$10.7bn, gold reserves at \$28.3bn at end-March 2025

Banque du Liban's (BdL) interim balance sheet shows that its total assets reached LBP8,378 trillion (tn) on March 31, 2025, relative to LBP8,377tn at mid-March 2025 and to LBP8,351.6tn at the end of February 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 \$10.73bn at the end of March 2025, compared \$10.75bn at mid-March 2025, to \$10.53bn at end-February 2025 and to \$9.6bn at end-March 2024. Also, they contracted by \$402.1m in October, by \$113m in November, by \$15.2m in December 2024, and increased by \$252.8m in January and , by \$141.1m in February, and by \$198.7m in March 2025. As such, BdL's Foreign Reserve Assets increased by \$592.5m in the first three months of 2025 and by \$2.15bn between the end of July 2023 and end-March 2025. The dollar figures are based on the exchange rate of the Lebanese pound of LBP89,500 per US dollar starting on February 15, 2024, according to the BdL Central Council's Decision No. 48/4/24 dated February 15, 2024.

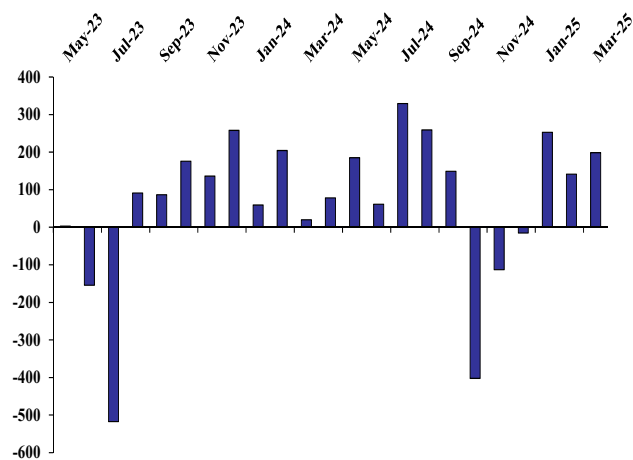
Further, the value of BdL's gold reserves reached a new peak of \$28.34bn on March 31, 2025 compared to the previous peak of \$27.6bn at mid-March 2025. Also, BdL's securities portfolio totaled LBP554,699.4bn at end-March 2025 relative to LBP554,625bn at mid-March 2025. BdL noted that the securities portfolio includes Lebanese Eurobonds that had a market value of \$828.3m on March 31, 2025 relative to \$974.4m on March 15, 2025 and to \$985.4m at end-February 2025. Prior to the modifications, BdL included the nominal value of its Lebanese Eurobonds portfolio in the foreign assets item. In addition, loans to the local financial sector stood at LBP42,421.1bn at end-March 2025 compared to LBP41,329.6bn at mid-March 2025.

Moreover, Deferred Open-Market Operations totaled LBP149,621.8bn on March 31, 2025 relative to LBP148,219bn on March 15, 2025. BdL said that, based on the Central Council's decision 23/36/45 of December 20, 2023, it has started to present all deferred interest costs originating from open-market operations under this new line item. As a result, it transferred all deferred interest costs included in the "Other Assets" and "Assets from Exchange Operations" entries to the new item. Therefore, the item "Other Assets" stood at LBP23,101.4bn at end-March 2025 relative to LBP22,615.7bn two weeks earlier.

Also, the Revaluation Adjustments item on the asset side reached LBP2,623,809bn at end-March 2025 relative to LBP2,689,552bn at mid-March 2025. It consists of a special account called the "Exchange Rate Stabilization Fund", in which BdL recorded all the transactions related to foreign exchange interventions to stabilize the exchange rate starting in 2020 and that had a balance of LBP164.32tn at end-March 2025 relative to LBP164.18tn at mid-March 2025. It also consists of a special account in the name of the Treasury that stood at LBP2,459.5tn at end-March 2025 compared to LBP2,525.4tn at mid-March 2025. Further, the balance sheet shows that BdL's loans to the public sector totaled LBP1,487,026bn at the end of March 2025 relative to LBP1,487,011bn two weeks earlier, which include an overdraft of \$16.52bn at end-March 2025 unchanged from mid-March 2025.

On the liabilities side, BdL's balance sheet shows that currency in circulation outside BdL stood at LBP86,777bn on March 31, 2025 compared to LBP86,135bn at mid-March 2025, and represented an increase of 44.8% from LBP59,947bn at end-March 2024. Further, the deposits of the financial sector reached LBP7,612.6tn, or the equivalent of \$85.06bn, at end-March 2025 relative to LBP7,615tn or \$85.1bn at mid-March 2025, and to LBP7,792tn or \$87.1bn at end-March 2024; while public sector deposits at BdL totaled LBP581,952.3bn at end-March 2025 compared to LBP580,731.6bn at mid-March 2025 and to LBP397,914bn at end-March 2024.

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



\*month-on-month change

Source: Banque du Liban, Byblos Research

### Purchasing Managers' Index deteriorates in March 2025

The BLOM Lebanon Purchasing Managers' Index (PMI), an indicator of operating conditions in Lebanon's private sector, stood at 47.6 in March 2025 relative to 50.5 in February 2025 and to 49.4 in March 2024, and came higher than the PMI's trend average of 46.8 since the index's inception in May 2013. Also, the March result was the lowest outcome of the index since October 2024 when it stood at 45. The PMI's score signals a slowdown in private sector activity at the end of the first quarter, following two successive months of improved economic activity and sales. Further, the PMI averaged 49.6 in the first quarter of 2025 compared to 49.3 in the same quarter last year. A score that exceeds 50 signals positive business activity, while a score that is lower than 50 shows a deterioration in activity.

The survey's results show that the New Orders Index decreased from 50.8 in February 2025 to 46.1 in March 2025, reflecting a decline in the amount of new business that private sector firms in Lebanon received, marking the first decrease in three months. Businesses said that lower client purchasing power, reduced demand for non-essential goods and services, and instability across the Middle East region negatively affected sales.

In addition, the New Export Orders Index stood at 46.2 in March 2025 relative to 50.4 in the previous month, signaling a reduction in demand from foreign clients, as regional instability, high export costs and challenging shipping conditions impacted international trade.

Further, the survey indicated that the Output Index reached 46.1 in March 2025 compared to 50.9 in February 2025, as businesses said that private sector business activity in Lebanon decelerated at the end of the first quarter, given that fragile domestic economic conditions weighed on output, as companies noted low tourism activity and weak consumer demand.

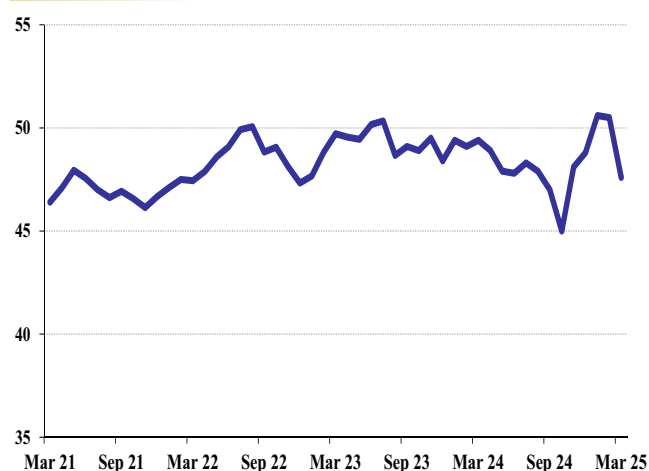
Also, the Employment Index regressed from 50.1 in February 2025 to 49.4 in March 2025, signaling a marginal decrease in employment across Lebanon's private sector amid subdued demand that led some companies to slightly reduce their workforce.

Further, the results show that the Backlogs of Work Index stood at 49.7 in March 2025 compared to 53.5 in February 2025, indicating a reduction in the level of completion of outstanding projects in the country's private sector, as a lack of incoming new work afforded companies the capacity to clear backlogs.

In parallel, the survey indicated that the Suppliers' Delivery Times Index reached 50.7 in March 2025 relative to 50.6 in February 2025. The survey respondents said that private sector firms in Lebanon reported an improvement in the efficiency of their suppliers or vendors. Also, the Stocks of Purchases Index stood at 50.2 in the covered month compared to 51.4 in February 2025, as businesses noted a decrease in their inventory levels in March 2025.

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

**BLOM Lebanon Purchasing Managers' Index**



Source: BLOM Bank, S&P Global Market Intelligence

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

	Output	New Orders	New Export Orders	Future Output	Employment
October 2024	41.5	40.7	31.2	8.2	49.6
November 2024	46.0	46.4	44.2	15.3	49.6
December 2024	47.7	47.9	48.6	61.8	49.8
January 2025	51.2	51.3	49.8	75.1	49.9
February 2025	50.9	50.8	50.4	67.3	50.1
March 2025	46.1	46.1	46.2	55.5	49.4

Source: BLOM Bank, S&P Global Market Intelligence



### Number of airport passengers down 1.3% in first quarter of 2025

Figures released by the Beirut-Rafic Hariri International Airport (HIA) show that 1,254,673 passengers utilized the airport (arrivals, departures and transit) in the first quarter of 2025, constituting decreases of 1.3% from 1,271,456 passengers in the same period of 2024 and of 8% from 1,363,669 passengers in the first quarter of 2023.

Also, 403,128 passengers utilized the airport in March 2025, representing declines of 4% from 420,427 in February 2025 and of 1% from 407,455 passengers in March 2024. The number of arriving passengers reached 678,263 passengers in the first quarter of 2025, as they increased by 9.5% from 619,539 passengers in the same period of 2024 and grew by 5.3% from 644,095 passengers in the first quarter of 2023. The number of arriving passengers stood at 234,639 in March, representing increases of 4.8% from 223,939 passengers in February 2025 and of 9.8% from 213,709 in March 2024.

Also, the number of departing passengers totaled 576,277 in the first quarter of 2025, constituting decreases of 11.5% from 651,169 passengers in the same period of last year and of 19.6% from 716,756 passengers in the first quarter of 2023. Further, the number of departing passengers reached 168,445 in March, and declined by 14.3% from 196,463 in February 2025 and by 13% from 193,430 departing passengers in March 2024.

In parallel, the airport's aircraft activity totaled 10,406 take-offs and landings in the first quarter of 2025, representing decreases of 4.4% from 10,887 takeoffs and landings in the same period last year. In comparison, aircraft activity declined by 11.5% in the first quarter of 2024 and rose by 20% in the same period of 2023. Also, the airport's aircraft activity stood at 3,748 take-offs and landings in March 2025, constituting increases of 15.7% from 3,239 take-offs and landings in February 2025 and of 2.4% from 3,660 takeoffs and landings in March 2024. In addition, the HIA processed 14,627 metric tons of freight in the first quarter of 2025 that consisted of 10,473 tons of import freight and 4,154 tons of export freight. Middle East Airlines had 1,901 flights in the covered period and accounted for 50.7% of the HIA's total aircraft activity.

### Banque du Liban streamlines certain transactions in foreign currency

Banque du Liban (BdL) issued Intermediate Circular 733/13716 dated March 27, 2025 addressed to banks and auditors that modifies Basic Circular 159/13353 of August 17, 2021 about exceptional restrictions on some operations of commercial banks.

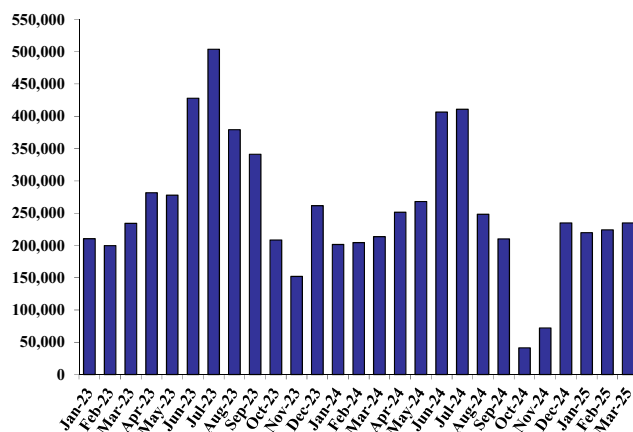
First, the circular prohibits commercial banks operating in Lebanon from buying foreign currencies from the parallel market. But it said that banks may purchase foreign currencies only in accordance with the provisions of Basic Circular 157/13324 dated May 10, 2021 or from the financial institutions and money dealers licensed by BdL, according to market supply and demand. It said that the difference between the selling price and the purchasing price, as well as any type of commissions, must remain within standard practices and, in all cases, the commission must not exceed 1% of the purchasing price.

Second, it forbids banks operating in Lebanon from selling foreign currencies, other than banknotes, directly or indirectly, to any party other than to BdL. Also, it restricted banks from purchasing or selling any assets denominated in foreign currencies, such as shares listed on the Beirut Stock Exchange, Lebanese Treasury bonds issued in foreign currencies, and other assets, except in foreign currency banknotes or their equivalent in Lebanese pounds based on the exchange rate announced on BdL's electronic exchange platform. Further, it prohibited banks from selling Eurobonds abroad without BdL's approval. BdL said that the circular will go into effect upon its publication.

BdL issued Basic Circular 159/13353 that forbids banks from buying foreign currency from the parallel market. But it allowed banks to purchase foreign currency at the market rate for clients who transfer money from abroad for medium and long-term investments, or to improve liquidity ratios, or to settle external obligations, on the condition that banks register the operation on BdL's Syarafa electronic platform. It also prohibited banks from buying or selling directly or indirectly checks in foreign currency for their own account.

Also, BdL issued Intermediate Circular 662/13532 dated February 6, 2023 addressed to banks and auditors that modifies Basic Circular 159/13353. First, the circular prohibited banks operating in Lebanon from buying or selling checks and bank accounts in foreign currencies and in Lebanese pounds for their own account, whether directly or indirectly. Second, it prohibited banks from issuing bankers' checks in foreign currency or in Lebanese pounds in the name of another bank, unless the check includes the name of the beneficiary who will deposit the check in his/her account. Third, it stated that banks have to verify, at their own responsibility, that when they issue bankers' checks or certified checks in Lebanese pounds that the checks will be used for legitimate purposes, such as paying taxes or fees, etc., and that they will not be used for speculations on the national currency.

### Number of Arriving Passengers



Source: Beirut-Rafic Hariri International Airport



### Money supply up 37.2% in 12 months ending March 20, 2025

Figures released by Banque du Liban (BdL) show that money supply M1, which includes currency in circulation and demand deposits in Lebanese pounds, reached LBP119,547bn on March 20, 2025, constituting increases of 0.27% from LBP119,219bn on March 13, 2025, of 20.6% from LBP99,151bn on December 26, 2024, and of 37.2% from LBP87,106bn on March 20, 2024. M1 grew by LBP327.1bn during the week ending March 20, 2025 due to a rise LBP1,236.4bn in demand deposits and a decrease of LBP909.3bn in currency in circulation.

In addition, money supply M2, which includes M1 and term deposits in Lebanese pounds, totaled LBP154,967bn on March 20, 2025, representing increases of 0.5% from LBP154,253.1bn on March 13, 2025, of 24.3% from LBP124,689bn on December 26, 2024, and of 51.8% from LBP102,113bn a year earlier. Money supply M2 grew by LBP713.8bn in the week ending March 20, 2025, while it rose by LBP52,854bn year-on-year.

Further, broad money supply M3, which includes M2, deposits in foreign currency and debt securities issued by the banking sector, reached LBP6,174.9 trillion (tn) on March 20, 2025, and increased by LBP1,256bn, or by 0.02%, during the week ending March 13, 2025, compared to LBP6,153.05tn on December 26, 2024 and to LBP6,363.8tn on March 20, 2024. Also, BdL indicated that deposits denominated in foreign currency grew by \$6.06m in the week ending March 20, 2025. The surge in M3 is due to the impact of the new exchange rate of the Lebanese pound against the US dollar of LBP89,500 per dollar that BdL started to use on February 8, 2024 for money supply figures.

Also, money supply M4, which includes M3 and Treasury bills held by the non-banking system, including accrued interest, totaled LBP6,183.06tn on March 20, 2025, constituting an increase of LBP953.9bn (+0.02%) from LBP6,182.1tn a week earlier and relative to LBP6,386.8tn on March 20, 2024. BdL stated that the Treasury bills portfolio held by the non-banking sector is decreased by LBP302bn during the week ending March 20, 2025.

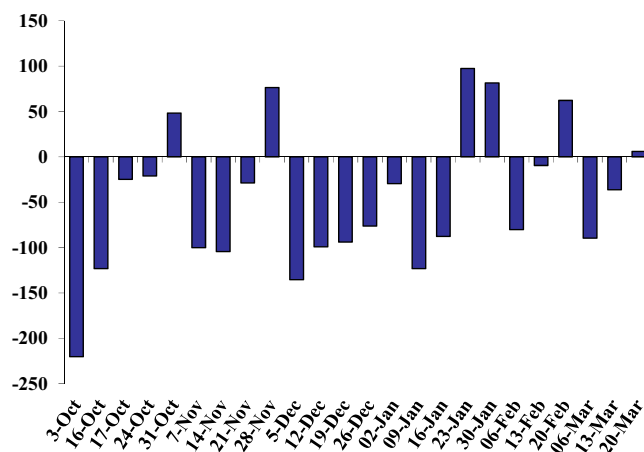
BdL issued Basic Circular 167/13612 dated February 2, 2024 that asked banks and financial institutions to convert their assets and liabilities in foreign currencies to Lebanese pounds at the exchange rate of LBP89,500 per US dollar when preparing their financial positions. BdL requested banks and financial institutions, 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.

### Port of Beirut processes 5.4 million tons of freight in 2024

Figures released by the Port of Beirut show that the port processed 5.41 million tons of freight in 2024, nearly unchanged from 5.4 million tons of freight in 2023. Incoming freight totaled 4.52 million tons in the covered period, up by 2.3% from 4.4 million tons 2023, and accounted for 83.5% of total processed freight. In addition, the volume of outgoing cargo reached 891,000 tons in 2024, constituting a decrease of 9.3% from 982,000 tons in 2023, and accounted for 16.5% of aggregate freight in the covered period. A total of 1,460 vessels docked at the port in 2024, up by 6.5% from 1,371 ships in the preceding year.

In parallel, the Port of Tripoli processed 2.97 million tons of freight in 2024, representing a decline of 643,000 tons, or of 17.8%, from 3.6 million tons in 2023. Imported freight stood at 1.769 million tons in the covered period and increased by 60,000 tons (+3.5%) from 1.709 million tons in 2023. Imports accounted for 59.5% of freight activity in the covered period. Further, the volume of cargo that was exported through the port reached 1.2 million tons in the 2024, constituting a drop of 703,000 tons, or of 37%, from 1.9 million tons in 2023, and represented 40.5% of aggregate freight in the covered period. A total of 815 vessels docked at the port in 2024, down 2.6% from 837 ships in 2023.

### Weekly Change in Foreign Currency Deposits (USm)



Source: Banque du Liban, Byblos Research

### Food Price Index up 6.8% year-on-year in January 2025

The Ministry of Economy & Trade's Market Food Price Index (MFPI) reached 134 in January 2025, constituting a decrease of 0.4% from 134.5 in December 2024 and an increase of 6.8% from 125.5 in January 2024. The prices of beverages surged by 14.1% in January 2025 from the same month of 2024, followed by a rise in the prices of fruits (+13.2%), of pulses (+9.8%), fats & oils (+8.5%), canned fish (+7.6%), cereals (+7.5%), fresh poultry (+7.4%), vegetables & tubers (+7.3%), condiments (+4.4%), and dairy products (+0.5%). In contrast, the price of eggs dropped by 12.6% annually in January 2025, followed by a decline of 2.8% in the price of sugar.

Also, the prices of fruits rose by 4.2% in January 2025 from December 2024, followed by increases in the cost of pulses (+0.7%), canned fish (+0.6%), and cereals (+0.2%). In contrast, the prices of eggs declined by 5.7% month-on-month, followed by decreases in the prices of fresh poultry (-2.8%), sugar (-1.8%), vegetables & tubers and dairy products (-0.8% each), fats & oils (-0.3%), and condiments (-0.2%), while the prices of beverages were unchanged month-on-month.

In addition, the index increased by 12% in the South governorate in January 2025 from January 2024, by 11% in the Baalbeck-Hermel governorate, by 9% in each of the Akkar and North governorates, by 7% in the Mount Lebanon governorate, by 5% in each of the Bekaa and Beirut governorates, while the index was unchanged in the Nabatieh governorate year-on-year.

Also, food prices increased by 1% in each of the Baalbeck-Hermel, Nabatieh and the South governorates in January 2025 from the previous month, while they regressed by 1% in each of the Bekaa and Beirut governorates. In addition, food prices were unchanged in each of the Akkar, Mount Lebanon and North governorates month-on-month.

The ministry considered that the impact of the Israeli war is still negatively affecting prices in conflict-related areas despite the cessation of hostilities arrangement. It added that the effects of the conflict, mass displacement, and economic deterioration over the past year had a comparatively more severe impact on prices in the South and Baalbeck-Hermel governorates than in other governorates.

The ministry and the World Food Program launched the MFPI in July 2024 to monitor the prices of food items across the country. The index is a measure of the average change over time in prices in US dollars for 65 essential food items from a sample of about 1,000 stores located across Lebanon's eight governorates, and is calculated as the weighted average of price changes for each item. The base month for the index is January 2023. The food basket consists of beverages, canned fish, cereals, condiments, dairy, eggs, fats & oils, fresh poultry, fruits, pulses, sugar, and vegetables & tubers.

### Lebanon represented in *Forbes* magazine's list of world billionaires

*Forbes* magazine's annual survey of the world's billionaires for 2025 included six persons from Lebanon, unchanged from the 2024 survey. The list included three family members of the late Prime Minister Rafiq Hariri, two members of the Mikati family, and one member from the Mouawad family. The survey ranked Prime Minister Najib Mikati and Mr. Taha Mikati in 1172nd place each, up from 1187th place in the 2024 survey, with an estimated net worth of \$3.1bn for each one of them compared to a net worth of \$2.8bn each last year. Further, Mr. Bahaa Hariri ranked in 1763rd place, down from 1545th place in 2024, with a net wealth of \$2bn relative to \$2.1bn in the previous survey. Also, Mr. Robert Mouawad ranked in 2233rd place, down from 2046th place in the 2023 survey, with an estimated net worth of \$1.5bn, unchanged from last year's survey. Further, Mr. Ayman Hariri came in 2356th place, down from 2152nd place in the 2024 survey, with an estimated net worth of \$1.4bn, similar to his net worth in 2024; while Mr. Fahd Hariri ranked in 2623rd place, down from 2410th place in 2024, with a net worth of \$1.2bn, unchanged from the previous year. The survey ranks individuals according to their assets, including stakes in public and private companies, real estate, art and cash. It pointed out that the aggregate net worth of the Lebanese billionaires on the list reached \$12.3bn in 2025, constituting an increase of 4.2% from \$11.8bn in 2024.

The survey indicated that the Mikati brothers made their fortune mainly in the telecommunications sector. It said that Mr. Bahaa Hariri accumulated his wealth mostly from real estate and investments, while Mr. Robert Mouawad generated his fortune mainly in the jewelry sector. Also, it noted that Mr. Ayman Hariri and Mr. Fahd Hariri made their money in the construction sector and from investments. The 2025 list included a record high 3,028 billionaires compared to 2,781 persons in the 2024 survey, 2,640 individuals in the 2023 survey, 2,668 billionaires in the 2022 survey, and relative to the previous record of 2,755 persons in the 2021 survey. It indicated that their aggregate net worth reached \$16.1 trillion in 2025, up from \$14.2 trillion in 2024, \$12.2 trillion in 2023 and \$12.7 trillion in 2022. The average net worth per billionaire stood at \$5.32bn in this year's survey relative to \$5.11bn in 2024.

#### Select Billionaires of Lebanese Descent on *Forbes*' 2025 list of the World's Richest People

	Rank	Worth (\$bn)	Trend*	Source	Country
Carlos Slim Helu & family	19	82.5	Down	Telecom	Mexico
Rodolphe Saadé	401	7.8	Down	Shipping	France
George Joseph	1850	1.9	Up	Insurance	United States
Alfredo Harp Helu & family	2933	1.0	Down	Banking	Mexico

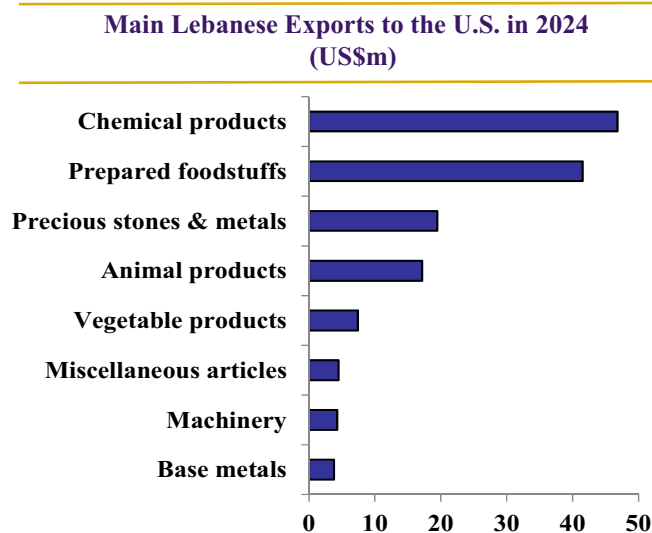
\*in net worth

Source: *Forbes* magazine, Byblos Research

### U.S. imposes reciprocal tariffs of 10% on Lebanese exports

The U.S. Administration announced on April 2, 2025 the imposition of tariffs of 10% on Lebanese exports to the U.S. as part of its broader implementation of reciprocal tariffs on more than 180 countries. The tariffs went into effect on April 5, 2025.

According to Lebanese Customs Administration, Lebanese exports to the U.S. totaled \$153.15m in 2024, constituting an increase of 26% from \$121.6m in 2023 and compared to \$102m in 2022. Exports consisted mainly of chemical products that stood at \$46.8m, and accounted for 30.6% of Lebanese exports to the U.S. in 2024, followed by prepared foodstuffs, beverages and tobacco with \$41.5m (27%), pearls, precious stones and metals with \$19.5m (12.7%), animal products with \$17.2m (11.2%), and vegetable products with \$7.4m (4.8%); while other exports amounted to \$20.8m and represented 13.6% of total Lebanese exports to the U.S. Exports of chemical products to the U.S. surged by 69.2% in 2024, those of animal products increased by 67%, exports of vegetable products grew by 38.8%, and those of prepared foodstuffs, beverages and tobacco rose by 9% in 2024, while exports of pearls, precious stones and metals decreased by 20% last year.



Source: BLOM Bank, S&P Global Market Intelligence

In comparison, imports from the U.S. to Lebanon reached \$569.3m in 2024, representing a decrease of 19.3% from \$705.3m in 2023 and relative to \$967.9m in 2022. Imports from the U.S. consisted mainly of vehicles and transport equipment that totaled \$133.1m last year, or 23.4% of the total, followed by chemical products with \$111.4m (19.6%), machinery and electrical instruments with \$77m (13.5%), vegetable products with \$60.1m (10.6%), and prepared foodstuffs, beverages and tobacco with \$45.6m (8%); while other imports amounted to \$142.1m and represented 25% of total U.S. imports to Lebanon.

In addition, Lebanese exports to the U.S. stood at \$27.2m in the first two months of 2025, constituting a rise of 40.3% from \$19.4m in 2023. Exports consisted mainly of chemical products that stood at \$13.85m and accounted for 51% of Lebanese exports to the U.S. in the covered period, followed by prepared foodstuffs, beverages and tobacco with \$7.2m (26.6%), animal products with \$2.4m (8.8%), vegetable products with \$1.55m (5.7%), and miscellaneous manufactured articles with \$475,000 (1.7%); while other exports amounted to \$1.7m and represented 6.2% of Lebanese exports to the U.S. In comparison, imports from the U.S. totaled \$95.3m in the covered period, and grew by 0.8% from \$94.5m in the first two months of 2024.

As such, Lebanon registered trade deficits with the U.S. of \$867m in 2022, \$583.7m in 2023, \$416.2m in 2024, and of \$68.1m in the first two months of 2025. Also, Lebanese exports to the U.S. accounted for 2.9% of total exports in 2022, for 4.1% of Lebanese exports in 2023, for 5.7% of exports in 2024, and for 4.3% of aggregate exports in the first two months of 2025.

### Number of new construction permits down 11% in 2024

Figures issued by the Orders of Engineers & Architects of Beirut and of Tripoli show that the two orders issued 11,256 new construction permits in 2024, constituting a decrease of 10.6% from 12,593 permits in the same period last year. Also, the orders of engineers issued 849 permits in December 2024, representing an increase of 32.4% from 641 permits in November 2024 and a decline of 17.3% from 1,026 in December 2023. Mount Lebanon accounted for 33.7% of the number of newly-issued construction permits in 2024, followed by the North with 20%, the South with 18%, the Bekaa region with 11%, the Nabatieh area with 10.7%, and Beirut with 3.6%. The remaining 2.8% were permits issued by the Order of Engineers & Architects of Tripoli for regions located outside northern Lebanon. Also, the number of new construction permits issued in the North rose by 31.8% in 2024, followed by permits issued for regions located outside northern Lebanon (+27%), permits in Beirut (+24.5%), and in the Bekaa region (+19.4%). In contrast, the number of new construction permits issued in the Nabatieh area dropped by 47.3% last year, followed by permits in the South (-34%), and in Mount Lebanon (-0.3%).

Further, the surface area of granted construction permits reached 6.21 million square meters (sqm) in 2024, constituting an increase of 13.8% from 5.46 million sqm in 2023. Also, the surface area of granted construction permits reached 500,674 sqm in December 2024, up by 43% from 350,159 sqm in November 2024 and by 6% from 472,594 sqm in December 2023. Mount Lebanon accounted for 1.95 million sqm, or for 31.4% of the total surface area of granted construction permits in 2024. The North followed with 1.38 million sqm (22.3%), then the South with 1.08 million sqm (17.4%), the Bekaa area with 822,676 sqm (13.2%), the Nabatieh with 468,856 sqm (7.5%), and Beirut with 201,865 sqm (3.2%). The remaining 305,280 sqm, or 4.9% of the total, represent the surface area of permits that the Order of Engineers & Architects of Tripoli issued for regions located outside northern Lebanon.

Also, the surface area of new construction permits issued in regions located outside northern Lebanon surged by 103.3% in 2024, followed by surface areas in the Bekaa (+50.8%), in the North (+46.4%), in Beirut (+38%), and in Mount Lebanon (+30.5%). In contrast, the surface area of new construction permits in the Nabatieh area dropped by 42.4% last year, followed by surface areas in the South (-20.7%). In parallel, the latest available figures show that cement deliveries totaled 1.93 million tons in the first 10 months of 2024, constituting a decrease of 1.5% from 1.96 million tons in the same period of 2023.

### **Banque du Liban reduces reserve requirements for banks**

Banque du Liban (BdL) issued Intermediate Circular 731/13712 dated March 27, 2025 addressed to banks that amended Basic Circular 86/7926 of September 20, 2001 about the banks' mandatory placements at BdL. The circular stipulates that all banks operating in Lebanon must deposit at BdL a ratio of 11% instead of 14% of the following instruments denominated in foreign currencies: all types of deposits that they receive; bonds, certificates of deposits, and bank certificates that they issued and that have a remaining maturity of less than one year; as well as loans that they obtained from the financial sector and that have a maturity of less than one year. It added that it will pay the banks interest on their in foreign currency-denominated term deposits at BdL in exchange for the placements.

Also, BdL issued Intermediate Circular 732/13713 dated March 27, 2025 addressed to banks that amended Basic Circular 113/9763 of November 9, 2007 about cash reserve requirements and the minimum reserves and mandatory placements of Islamic banks at BdL. The circular stipulates that Islamic banks operating in Lebanon must deposit at BdL a ratio of 11% instead of 14% of the foreign currency-denominated accounts of non-resident issuing institutions; non-resident banks, resident and non-resident financial institutions; parent institution, resident and non-resident sister companies and subsidiaries; and the public sector.

It indicated that BdL will use the difference resulting from the reduction in the reserve requirement ratio to secure the liquidity required for the provisions of Basic Circular 158/13335 dated June 8, 2021 and Basic Circular 166/13611 dated February 2, 2024. BdL said that the two circulars will go into effect upon its publication. BdL issued on June 8, 2021 Circular 586/13336 addressed to banks that amended Basic Circular 86/7926 of September 20, 2001 about the banks' mandatory placements at BdL. The circular modified the compulsory reserve requirements of commercial banks at BdL from 15% to 14% of their foreign currency deposits.

In parallel, BdL issued on June 8, 2021 Circular 158 for banks operating in Lebanon about exceptional measures related to the gradual disbursement of deposits in foreign currency from accounts that clients opened prior to October 31, 2019. The circular stipulated that qualified clients can withdraw up to \$400 in foreign currency banknotes per month and up to the equivalent of \$400 converted to Lebanese pounds at the rate of LBP12,000 per US dollar, with half of the amount disbursed in cash and the other half to be used through a payment card. Further, BdL issued Intermediate Circular 729/13702 dated February 20, 2025 that modified Basic Circular 158/13335. It said that eligible depositors can withdraw from their "Special Sub-Account" \$500 in banknotes per month, up from \$300 or \$400 per month depending on the date they started to benefit from the terms of the original circular, and/or they can transfer the sum abroad or deposit it in a "fresh dollar" account, and/or use the amount through payment cards in Lebanon and abroad. It added that the client can withdraw a maximum of \$6,000 per year. The circular amended the annual withdrawal limit from all banks during the current cycle that ends in June 30, 2025 to \$7,200 for clients who benefitted from the circular before July 1, 2023 and to \$5,900 for those who started to benefit from the circular after July 1, 2023.

Also, BdL issued Basic Circular 166/13611 dated February 2, 2024 addressed to banks about exceptional measures related to the gradual disbursement of deposits in foreign currency from accounts that clients opened after October 31, 2019. The circular stated that eligible depositors can withdraw from their "Special Sub-Account" \$150 in banknotes monthly and/or they can transfer the sum abroad or deposit it in a "fresh dollar" account, and added that the client can withdraw a maximum of \$1,800 per year. Further, BdL issued Intermediate Circular 728/13701 dated February 20, 2025 that modified Basic Circular 166/13611. It indicated first that eligible depositors can withdraw from their "Special Sub-Account" \$250 in banknotes monthly, up from \$150 previously, and/or they can transfer the sum abroad or deposit it in a "fresh dollar" account. It added that the client can withdraw a maximum of \$3,000 per year. The circular amended the annual withdrawal limit from all banks during the current cycle that ends in June 30, 2025 to \$2,950.

In parallel, BdL indicated that commercial banks disbursed a total of \$3.24bn to 431,448 beneficiaries from the start of the implementation of the two circulars until November 30, 2024.





## Term deposits account for 53.7% of customer deposits at end-January 2025

Figures issued by Banque du Liban (BdL) about the distribution of bank deposits at commercial banks in Lebanon show that aggregate deposits, which include demand deposits and term deposits, stood at LBP8,211.7 trillion (tn) at the end of January 2025, or the equivalent of \$91.75bn, compared to LBP8,209.7tn (\$91.7bn) at end-2024, to LBP8,305.7tn (\$92.8bn) at the end of September 2024 and to LBP8,476.4tn (\$94.7bn) at end-January 2024. Total deposits include private sector deposits that reached LBP7,928.5tn, deposits of non-resident financial institutions that amounted to LBP226.5tn, and public sector deposits that stood at LBP58.03tn at the end of January 2025. The figures reflect BdL's Basic Circular 167/13612 dated February 2, 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 starting on January 31, 2024. It also indicated that it revised the figures for December 2024.

Term deposits in all currencies reached LBP4,413.78tn and accounted for 53.7% of total deposits in Lebanese pounds and in foreign currency at the end of January 2024, relative to 54% at end-2024 and to 54.3% at the end of September 2024. Further, the term deposits of the non-resident financial sector regressed by 1% from the end of 2024, followed by decreases of 0.5% in each of the foreign currency-denominated term deposits of the public sector and of foreign currency-denominated term deposits of the resident private sector. This was offset by a rise of 23% in the term deposits in Lebanese pounds of the resident private sector, an increase of 21.3% in the term deposits in Lebanese pounds of the public sector and a downturn of 0.1 % in the term deposits of non-residents. Aggregate term deposits declined by \$117.2bn since the end of September 2019, based on the new exchange rate, due to the migration of funds from term to demand deposits and to cash withdrawals, amid the confidence crisis that started in September 2019.

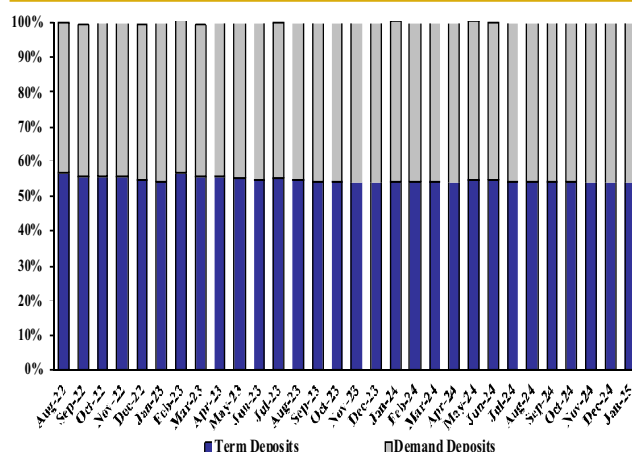
In addition, the foreign currency-denominated term deposits of the resident private sector reached \$35.1bn and accounted for 38.3% of aggregate deposits at the end of January 2025, relative to 38.5% at end-2024 and to 39% at end-September 2024. Term deposits of non-residents followed with \$12.3bn or 13.4% of the total, then the term deposits of the non-resident financial sector with \$1.38bn (1.5%), term deposits in Lebanese pounds of the resident private sector with LBP32.08tn (0.4%), term deposits of the public sector in foreign currency with \$149.1m (0.2%), and term deposits of the public sector in Lebanese pounds with LBP1.72tn (0.02%).

In parallel, demand deposits in all currencies at commercial banks stood at LBP3,798tn at the end of January 2025 compared to LBP3,788tn at end-2024 and to LBP3,795.1tn at end-September 2024. They accounted for 46.3% of aggregate deposits at end-January 2025 compared to 46% at end-2024 and to 45.7% at end-September 2024. Foreign currency-denominated demand deposits of the resident private sector increased by \$43.2m from end-2024, followed by a surge of \$36.9m in demand deposits of the non-resident financial sector, a growth of \$24.35m in demand deposits in foreign currency of the public sector, an increase of LBP2,640.7bn in demand deposits in Lebanese pounds of the public sector, and a rise of LBP1,752.2bn in demand deposits in Lebanese pounds of the resident private sector. This was partly offset by a decrease of \$42.5m in demand deposits of non-residents.

Also, demand deposits in foreign currency of the resident private sector totaled \$31.8bn and represented 34.6% of deposits at end-January 2025 relative to 34.4% at end-September 2024. Demand deposits of non-residents followed with \$8.6bn (9.4%), then demand deposits of the non-resident financial sector with \$1.15bn (1.3%), demand deposits in Lebanese pounds of the resident private sector with LBP40.9tn (0.5%), demand deposits in foreign currency of the public sector with \$354m (0.4%), and demand deposits in Lebanese pounds of the public sector with LBP9.86tn (0.1%).

Based on the latest available figures, Beirut and its suburbs accounted for 66% of private-sector deposits and for 50.6% of the number of depositors at the end of June 2024. Mount Lebanon followed with 14.7% of deposits and 17.7% of beneficiaries, then South Lebanon with 7.4% of deposits and 11% of depositors, North Lebanon with 6.6% of deposits and 12.3% of beneficiaries, and the Bekaa with 5.2% of deposits and 8.4% of depositors.

**Breakdown of Deposits at Commercial Banks (%)**



Source: Banque du Liban, Byblos Research

### **Stock market capitalization up 32% to \$23.5bn at end-March 2025**

Figures released by the Beirut Stock Exchange (BSE) indicate that the trading volume reached 3.46 million shares in the first quarter of 2025, constituting a decrease of 12% from 3.93 million shares traded in the same period of 2024; while aggregate turnover amounted to \$69.7m and dropped by 61.8% from a turnover of \$182.2m in the first quarter of 2024.

Further, the market capitalization of the BSE stood at \$23.5bn at the end of March 2025, representing an increase of 32.1% from \$17.8bn a year earlier, and compared to \$24.45bn at the end of February 2025 and to \$26.9bn at end-2024. Real estate equities accounted for 68.2% of the market's capitalization at the end of March 2025, followed by banking stocks (23.7%), and industrial shares (8.1%). Also, the trading volume reached 1.63 million shares in March 2025, as it surged by 103% from 801,588 shares traded in February 2025 and by 104% from 797,200 shares in March 2024. Also, aggregate turnover stood at \$16.7m in March 2025, constituting a decline of 25.7% from a turnover of \$22.4m in the preceding month and a rise of 15.1% from \$14.5m in March 2024. The market liquidity ratio was 0.3% at the end of March 2025 compared to 1% a year earlier.

In addition, banking stocks accounted for 83% of the trading volume in the first quarter of 2025, followed by real estate equities (15%) and industrial shares (2%). Further, real estate equities accounted for 81.5% of the aggregate value of shares traded, followed by industrial shares (12.1%), and banking stocks (6.4%). The average daily traded volume for the first quarter of 2025 was 59,693 shares for an average daily amount of \$1.2m. The figures represent a decrease of 10.4% for the average daily traded volume and a drop of 61% for the average daily value in the covered period.

In parallel, the price of Solidere 'A' shares decreased by 20.2% and the price of Solidere 'B' shares contracted by 16.7% in the first quarter of 2025, while the price of Holcim shares increased by 12.7% in the covered quarter. Further, the price of Solidere 'A' shares decreased by 5.6% in January, by 9% in February, and by 7.3% in March 2025; while the price of Solidere 'B' shares contracted by 7.4% in January, by 6% in February, and by 4.4% in March 2025. Further, the share price of Holcim increased by 1.6% January, by 10.8% in February, and by 0.1% in March 2025.

### **Import activity of top five shipping firms and freight forwarders up 2% in 2024**

Figures released by the Port of Beirut show that the aggregate volume of imports by the top five shipping companies and freight forwarders through the port totaled 215,751 20-foot equivalent units (TEUs) in 2024, constituting an increase of 1.8% from 211,966 TEUs in 2023. The five shipping and freight forwarding firms accounted for 83.7% of imports to the Lebanese market in the covered period. Merit Shipping handled 76,121 TEUs in 2024, equivalent to 21% of the total import freight market to Lebanon. Mediterranean Shipping Company (MSC) followed with 61,530 TEUs (17%), then Sealine Group with 32,401 TEUs (9%), Gezairi Transport with 23,457 TEUs (6.5%), and MAERSK with 22,242 TEUs (6.1%). Sealine Group registered a rise of 82.5% in its imports in 2024 from the preceding year, the highest growth rate among the top five companies, while Maersk posted a drop of 44.4%, the steepest decline among the five firms in the covered period.

In parallel, the aggregate volume of exports by the top five shipping and freight forwarding firms through the Port of Beirut reached 75,694 TEUs in 2024, representing a decrease of 10.5% from 84,553 TEUs in previous year. The five companies accounted for 92% of exported Lebanese cargo in the covered period. Merit Shipping handled 43,633 TEUs of freight in 2024, equivalent to 53% of the Lebanese cargo export market. Sealine Group followed with 12,830 TEUs (15.6%), then MSC with 7,697 TEUs (9.4%), MAERSK with 6,609 TEUs (8%), and Gezairi Transport with 4,925 TEUs (6%). Sealine Group posted a surge of 1173% in exports in 2024, the highest growth rate among the top five companies, while Maersk registered a decrease of 69%, the steepest decline among the five firms in the covered period.

## Ratio Highlights

(in % unless specified)	2022e	2023e	2024e	Change*
Nominal GDP (\$bn)	24.9	24.3	32.8	8.5
Public Debt in Foreign Currency / GDP	246.6	177.3	134.5	(42.8)
Public Debt in Local Currency / GDP	13.5	4.3	2.3	(2.0)
Gross Public Debt / GDP	260.1	181.6	136.8	(44.8)
Trade Balance / GDP	(13.6)	(12.7)	(9.5)	3.2
Exports / Imports	24.9	24.3	28	(3.7)
Fiscal Revenues / GDP	5.5	12.9	12.5	(0.4)
Fiscal Expenditures / GDP	11.9	13.3	13.1	(0.2)
Fiscal Balance / GDP	(6.4)	(0.4)	(0.6)	(0.2)
Primary Balance / GDP	(5.4)	0.7	0.4	(0.3)
Gross Foreign Currency Reserves / M2	13.4	138.7	692.5	553.8
M3 / GDP	34.0	56.0	210.6	154.6
Commercial Banks Assets / GDP	37.8	83.0	312.7	229.7
Private Sector Deposits / GDP	28.1	68.3	269.6	201.3
Private Sector Loans / GDP	4.5	6.0	17.2	11.2
Private Sector Deposits Dollarization Rate	76.1	96.3	99.1	2.8
Private Sector Lending Dollarization Rate	50.7	90.9	97.7	6.8

\*change in percentage points 24/23;

Source: Banque du Liban, Institute of International Finance, Byblos Research Estimates & Calculations

Note: M2 includes money in circulation and deposits in LBP, M3 includes M2 plus Deposits in FC and bonds

## National Accounts, Prices and Exchange Rates

	2022e	2023e	2024e
Nominal GDP (LBP trillion)	675.0	2,082.0	2,943.0
Nominal GDP (US\$ bn)	24.9	24.3	32.8
Real GDP growth, % change	1.3	-1.1	-7.0
Private consumption	2.5	-3.2	-14.9
Public consumption	2.5	2.0	14.6
Private fixed capital	-16.7	6.1	-30.6
Public fixed capital	93.0	27.7	105.1
Exports of goods and services	11.0	3.7	3.8
Imports of goods and services	22.3	20.8	22.0
Consumer prices, %, average	171.2	221.3	45.2
Official exchange rate, average, LBP/US\$	1,507.5	15,000	89,500
Parallel exchange rate, average, LBP/US\$	30,313	86,362	89,500
Weighted average exchange rate LBP/US\$	27,087	85,805	89,700

Source: Institute of International Finance

## Ratings & Outlook

Sovereign Ratings	Foreign Currency			Local Currency		
	LT	ST	Outlook	LT	ST	Outlook
Moody's Ratings	C	NP	Stable	C		Stable
Fitch Ratings*	RD	C	-	RD	RD	-
S&P Global Ratings	SD	SD	-	CC	C	Negative

\*Fitch withdrew the ratings on July 23, 2024

Source: Rating agencies

### Banking Sector Ratings

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](mailto:research@byblosbank.com.lb)**  
**[www.byblosbank.com](http://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](mailto: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](mailto: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](mailto: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](mailto: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](mailto: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](mailto: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](mailto: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](mailto: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