

LEBANON THIS WEEK

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Stock market capitalization up 22.7% to \$21.2bn at end-April 2025

Import activity of top five shipping firms and freight forwarders up 30% in January 2025

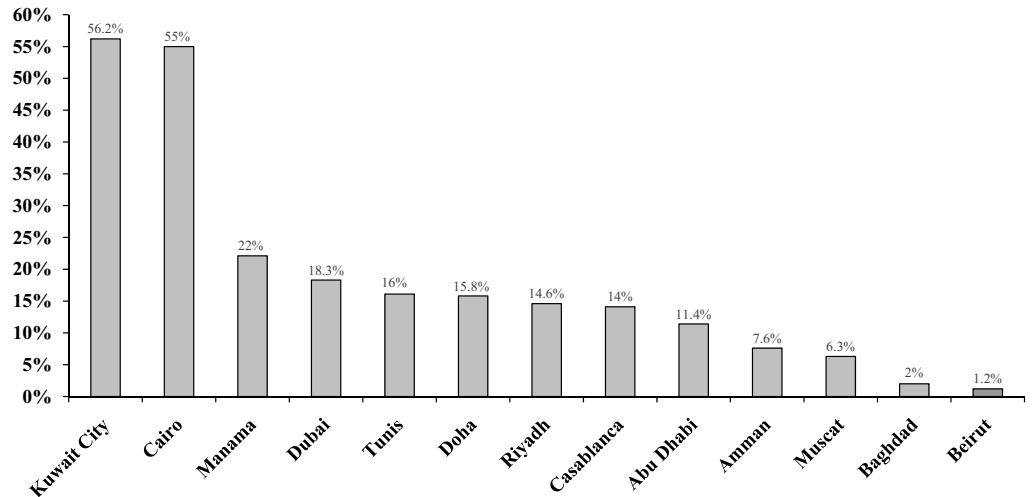
Insurance premiums of top 20 firms up 14.5% to \$1.1bn in 2024

Ratio Highlights

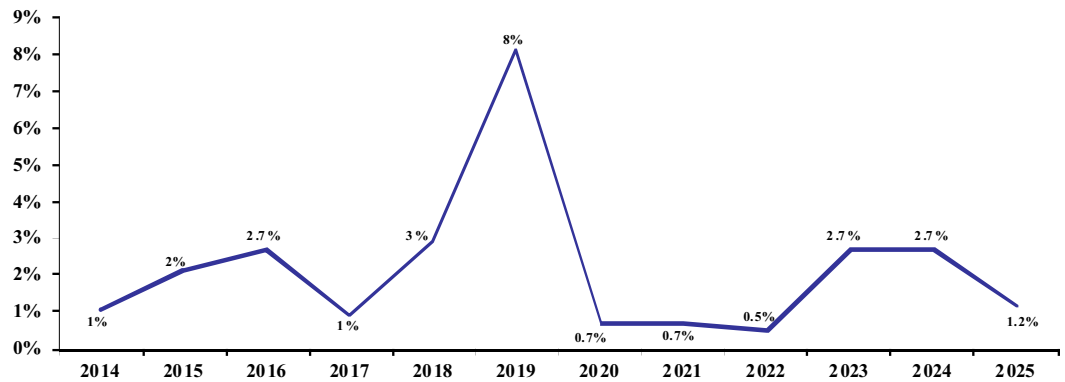
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Charts of the Week

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



Turnover Ratios on the Beirut Stock Exchange*



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

Source: Arab Federation of Capital Markets, Byblos Bank

Quote to Note

"The large reduction in inflation in 2024 was mainly due to the continuation of tight monetary policy, a stable exchange rate, a high degree of *de facto* dollarization, and lower food prices, although those gains were somewhat offset by conflict-related supply constraints later in the year."

The International Monetary Fund, on the deceleration of the consumer price index in Lebanon last year

Number of the Week

2.2%: Projected real growth rate of private consumption in Lebanon in 2025, according to the World Bank

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	2.60	0.0	185,936	7.3%	Jun 2025	6.25	16.8	4,970.15
Solidere "A"	85.35	(4.6)	24,604	40.6%	Nov 2026	6.60	16.8	154.82
BLOM Listed	5.08	15.2	23,500	5.2%	Mar 2027	6.85	16.8	121.62
Byblos Common	1.09	7.9	5,000	2.9%	Nov 2028	6.65	16.8	58.31
BLOM GDR	5.20	(1.3)	4,500	1.8%	Feb 2030	6.65	16.8	40.86
Solidere "B"	87.00	2.7	4,417	26.9%	Apr 2031	7.00	16.8	32.34
Audi GDR	2.40	0.0	-	1.4%	May 2033	8.20	16.8	23.53
HOLCIM	74.10	0.0	-	6.9%	July 2035	12.00	16.8	18.26
Byblos Pref. 09	29.99	0.0	-	0.3%	Nov 2035	7.05	16.8	17.78
Byblos Pref. 08	25.00	0.0	-	0.2%	Mar 2037	7.25	16.8	15.62

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

Source: Refinitiv

	Apr 28 - May 2	Apr 22-25	% Change	April 2025	April 2024	% Change
Total shares traded	256,007	40,715	528.8	1,888,985	736,801	156.4
Total value traded	\$3,204,691	\$922,014	247.6	\$11,875,516	\$18,271,664	(35.0)
Market capitalization	\$21.01bn	\$21.16bn	(0.7)	\$21.15bn	\$17.24bn	22.7

Source: Beirut Stock Exchange (BSE)



Renewable energy capacity reaches 1,297 MW at end-2024, grows by 18% during 2015-24 period

The International Renewable Energy Agency (IRENA) indicated that the aggregate capacity of renewable energy in Lebanon reached 1,297 megawatts (MW) in 2024, unchanged from 2023 and relative to a capacity of 298 MW in 2015, which constitutes a compound annual growth rate (CAGR) of 17.8% during the 2015-24 period. In comparison, the capacity for renewable energy grew by a CAGR of 18.4% in the Arab world and by 10.2% globally during the covered period. It said that renewable energy accounted for 31.8% of total electricity capacity in Lebanon in 2024, unchanged from 2023, and compared to 8.1% in 2015. It added that renewable energy represented 46.4% of total power capacity worldwide in 2024 relative to 43.1% in 2023 and 29.5% in 2015, while renewable energy accounted for 10.8% total power capacity in the Middle East in 2024 compared to 10.1% in 2023 and 5.4% in 2015.

The IRENA defines renewable energy capacity as the maximum net generating capacity of power plants and other installations that use renewable energy sources to produce electricity.

The survey ranked Lebanon in seventh place among 12 Arab countries in terms of total renewable energy capacity in 2024. In comparison, Lebanon came in sixth place regionally in 2022, while it ranked in third place in the Arab world in 2015. It noted that Lebanon's total installed renewable energy power capacity trailed only the UAE with 6,144 MW, Saudi Arabia with 4,743 MW, Jordan with 2,725 MW, Qatar with 1,699 MW, Iraq with 1,599 MW, and Syria with 1,557 MW among 12 Arab countries. Also, Lebanon's share of renewable energy accounted for 6.1% of total renewable power capacity among Arab economies and for 0.03% of global renewable power capacity in 2024.

Further, the distribution of renewable energy capacity in the country shows that the installed solar power capacity in Lebanon consisted of 1,005 MW or 77.5% of the total renewable energy capacity in Lebanon in 2024, followed by 282 MW from hydropower sources (21.7%), 7 MW from biogas (0.5%), and 3 MW from wind energy (0.2%). In comparison, it noted that the installed capacity in the country consisted of 1,005 MW from solar power, 282 MW from hydropower sources, 7 MW from biogas, and 3 MW from wind energy in 2023; relative to 282 MW from hydropower sources, 11 MW from solar power, 3 MW from wind energy, and 2 MW from biogas in 2015. Also, the renewable energy capacity from solar energy in Lebanon increased by a CAGR of 65% and the capacity from biogas grew by a CAGR of 15% in the 2015-24 period.

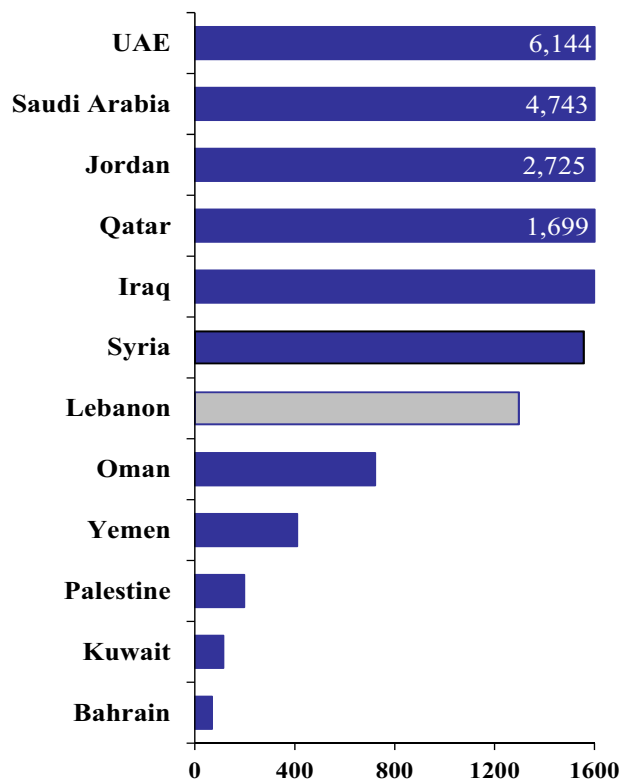
In parallel, Lebanon ranked in fifth place in the Arab world in terms of renewable energy capacity from solar energy in 2024. The survey shows that the installed capacity from solar energy in Lebanon trailed the UAE (6,011 MW), Saudi Arabia (4,340 MW), Jordan (2,077 MW), and Qatar (1,680 MW) among 12 Arab countries with available data. As such, Lebanon accounted for 6% of the total power production capacity from solar energy in Arab countries and for 0.05% of worldwide capacity in 2024.

Also, Lebanon came in third place among Arab economies in terms of installed capacity from hydropower sources in 2024. The output capacity from hydropower sources in the country came ahead of Jordan (4 MW), and trailed Iraq (1,797 MW) and Syria (1,490 MW) among four Arab countries with available data. Lebanon accounted for 7.9% of total hydropower production capacity in the Arab world and for 0.02% of global capacity last year.

In addition, Lebanon ranked in third place among Arab economies in terms of installed capacity from biogas in 2024. The installed capacity from biogas in Lebanon was similar to that of Syria, preceded Qatar (4 MW) and trailed Jordan (13 MW) and the UAE (11 MW) among five Arab countries with available data. Lebanon accounted for 16.7% of total power production capacity from biogas among Arab countries and for 0.03% of global capacity in 2024.

Finally, Lebanon came in sixth place in the Arab world in terms of installed capacity from wind energy sources in 2024. The agency noted that the installed capacity from wind energy in the country was similar to that of Bahrain, preceded Syria (1 MW), while it trailed Jordan (631 MW), Saudi Arabia (403 MW), the UAE (99 MW), Oman (50 MW), and Kuwait (12 MW) among eight Arab countries with available data. Lebanon accounted for 0.2% of installed wind energy production among Arab economies and for 0.0003% of the world's capacity last year.

Capacity of Renewable Energy in Arab Countries in 2024 (MW)



Source: IRENA, Byblos Research

Banque du Liban preparing draft plan for banking sector restructuring

Banque du Liban (BdL) announced that it will submit to the relevant stakeholders the first draft of the banking sector's restructuring plan and that the plan will be subject to discussions and reviews by the International Monetary Fund, the presidency of the Council of Ministers, the relevant ministries, selected advisors to the President of the Republic, and several international financial consultants with experience in managing systemic banking crises worldwide.

BdL added that the process will be carried out in a methodical and meticulous way, in order to ensure that the multifaceted issues facing Lebanon's economy, public finances, and banking sector are properly addressed. Further, it emphasized that, through a cautious and measured approach, BdL will not impose one plan for implementation and that it calls for a unified, coherent, and flexible approach that should ultimately receive the support and approval of all relevant parties, including the State, BdL, and commercial banks, with the priority of reimbursing small depositors and gradually recapitalizing banks. It noted that this will allow banks to regain their function of extending credit and to play an active role in supporting the growth of the national economy.

In addition, BdL stressed the critical role of the Lebanese Parliament, especially the Budget and Finance Committee and the Administration and Justice Committee, in reviewing, debating, drafting, and approving a set of emergency laws that are necessary to adopt and implement the final restructuring plan. It considered that the success of the plan will require economic concessions and sacrifices from all parties without exception.

Further, BdL reiterated the need to have "one shared goal, not one imposed plan" among all stakeholders, with the objective to achieve a gradual and sustainable recovery of the national economy, supported by a stronger banking sector, an independent Central Bank, and a fair and realistic mechanism to repay deposits over time within the bounds of reasonable capabilities.

In parallel, Banque du Liban's Governor Karim Souaid declared during the semi-annual meetings of the IMF and the World Bank that the crisis that Lebanon is facing is not just a financial crisis, but it is the result of a deep institutional failure that has shaken the foundations of both the public and private sectors. However, he added that the crisis has created opportunities to correct structures, to undertake fundamental reforms, and to rebuild trust.

He said that Lebanon fully recognizes that the path to recovery lies in addressing the root causes of dysfunction, which consist of an oversized public sector, an unsustainable debt trajectory, a paralyzed banking system, and a regulatory environment that needs to be modernized in line with international standards.

First, he affirmed that BdL's top priority is to safeguard the assets of the Lebanese State, and to work hand in hand with the government and the banking sector to restore the financial system's solvency and credibility. He added that BdL is enforcing strict controls, prioritizing transparency, and aligning BdL's practices with the highest international standards of central banking. Second, he indicated that BdL is investing in human capital and institutional capacity, and noted the International Monetary Fund's ongoing support in technical assistance and capacity building, which has been critical during these challenging years.

Third, he said that BdL is addressing the difficult but necessary challenge of rehabilitating the Lebanese banking sector. He said that this reform is essential for restoring trust, reviving financial intermediation, and reactivating productive investments. He added that there is a need to protect depositors to the maximum extent possible within a realistic and fair strategy.

Further, he indicated that BdL's ultimate goal is to anchor this national effort within a credible and comprehensive agreement with the IMF. He noted that a program with the IMF constitutes a platform for recovery, a framework for fiscal and monetary discipline, a catalyst for restoring investor and depositor confidence, and is the backbone of BdL's strategy to stabilize the economy, secure concessional financing, and lay the foundations for sustainable growth.

Ministry of Finance extends deadlines for tax declarations

The Ministry of Finance issued Decision 384/1 dated April 16, 2024 that extended until May 15, 2025 inclusive the deadline for companies to submit the declarations for the first quarter of 2025 for the tax on wages and salaries and the payment of the due tax. Also, it issued Decision 385/1 dated April 16, 2024 that extended until May 20, 2025 inclusive the deadline for companies to submit the periodic declaration for the value-added tax (VAT) for the first quarter of 2025 and the payment of the due tax, as well as to submit the refund request for the VAT within the deadline to submit the tax declaration for the covered quarter.

Previously, the ministry issued decisions that extended until January 15, 2025 and then until January 31, 2025 inclusive the deadline for companies to submit the declarations for the first, second, third and fourth quarters of 2024 for the tax on wages and salaries and the payment of the due tax, as well as to submit the declarations for the second, third and fourth quarters of 2024 for the taxable amounts subject to the non-resident tax as stipulated in articles 41 and 42 of the Income Tax Law 144. Further, it extended until January 31, 2025 inclusive the deadline to submit the fiscal stamp declarations for institutions subject to periodic payments that consist of public institutions, municipalities and the federations of municipalities, public utility water projects, insurance firms, and franchise companies for the fourth quarter of 2024. Also, it extended until January 20, 2025 inclusive the deadline for companies to submit the periodic declaration for the VAT for the third quarter of 2024 and the payment of the due tax, as well as to submit the refund request for the VAT within the deadline to submit the tax declaration for the covered quarter.

Trade deficit widens by 5.6% to \$3.4bn in first quarter of 2025

Figures issued by the Lebanese Customs Administration show that total imports reached \$4.38bn in the first quarter of 2025, constituting an increase of 10.2% from \$3.97bn in the same quarter of 2024; while aggregate exports totaled \$956.5m and rose by 30.8% from \$731.1m in the first quarter of 2024. As such, the trade deficit widened by 5.6% to \$3.4bn in the first quarter of 2025, due to an increase of \$405.5m in imports that was offset in part by a rise of \$225.4m in exports. The coverage ratio, or the exports-to-imports ratio, was 21.8% in the first quarter of 2025 relative to 18.4% in the same quarter of 2024.

Non-hydrocarbon imports increased by \$242.7m, or by 8.4%, to \$3.1bn in the first quarter of 2025; while the imports of oil & mineral fuels rose by \$162.9m, or by 15%, to \$1.26bn in the covered period. Oil & mineral fuels accounted for 28.7% of the imports bill in the first quarter of 2025 compared to 27.5% in the same quarter of 2024, while Lebanon imported 2.1 million tons of oil & mineral fuel in the first quarter of 2025 relative to 1.5 million tons in the same quarter of 2024.

The increase in exports was due to a jump of \$226.2m, or of 120.6%, in the exports of pearls, precious stones & metals in the first quarter of 2025 from the same period of 2024; a surge of \$21.5m (+1,559.7%) in exported footwear, umbrellas, and artificial flowers; a rise of \$20.4m (+16.8%) in the exports of base metal products; an increase of \$3.3m (+5.3%) in the exports of chemical products, a growth of \$1.3m (+21.1%) in exported vehicles, aircraft, vessels, transport equipment, and an uptick of \$379,000 (+7.7%) in exports of live animals and animal products.

Exports to Switzerland jumped by 759% in the first quarter of 2025 from the same period of 2024, those to Greece surged by 250.8%, exports to Syria increased by 53.8%, those to Qatar increased by 49%, exports to the U.S. expanded by 21.5%, and those to the UAE grew by 1.3%. In contrast, exported goods to Türkiye dropped by 50%, those to Egypt fell by 24.6%, exports to Iraq slumped by 17.5%, and those to Jordan declined by 16.7% in the covered period. Also, re-exports totaled \$97.9m in the first quarter of 2025 compared to \$136.4m in the same quarter of 2024.

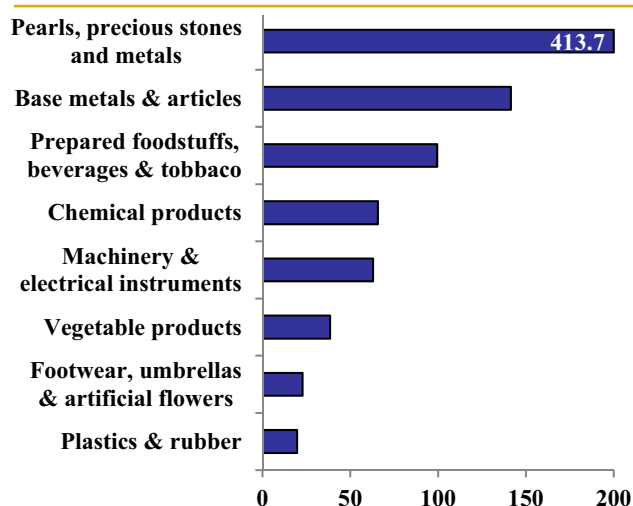
The Beirut-Rafic Hariri International Airport was the exit point for 50.4% of Lebanon's exports in the first quarter of 2025, followed by the Port of Beirut (36.4%), the Masnaa crossing point (5.5%), the Port of Tripoli (5.4%), the Port of Saida (2.2%), and the Port of Tyre (0.002%).

Further, Lebanon's main non-hydrocarbon imports consisted of pearls, precious stones & metals that reached \$525.5m that accounted for 12% of total imports to Lebanon in the first quarter of 2025, followed by chemical products with \$375.8m (8.6%); machinery & electrical instruments with \$346.8m (7.9%); vegetables products with \$311.3m (7.1%); prepared foodstuffs with \$267m (6.1%); base metals with \$240.4m (5.5%); live animals and animal products with \$212.5m (4.9%); and vehicles, aircraft & vessels with \$167.4m (3.8%). Also, the imports of base metals increased by 63.1% in the first quarter of 2025 from the same period of 2024, followed by the imports of vehicles, aircraft & vessels (+37.4%); machinery & electrical instruments (+26.8%); chemical products (+21%); vegetables products (+7.8%); live animals and animal products (+5.4%); and prepared foodstuffs (+0.7%). In contrast, the imports of pearls, precious stones & metals dropped by 21.8% in the covered period.

The Port of Beirut was the entry point for 64.8% of Lebanon's merchandise imports in the first quarter of 2025, followed by the Beirut-Rafic Hariri International Airport (22.7%), the Port of Tripoli (9.2%), the Masnaa crossing point (2.5%), the Port of Saida (0.7%), the Abboudieh crossing point (0.1%), the Port of Tyre (0.02%), and the Arida crossing point (0.002%).

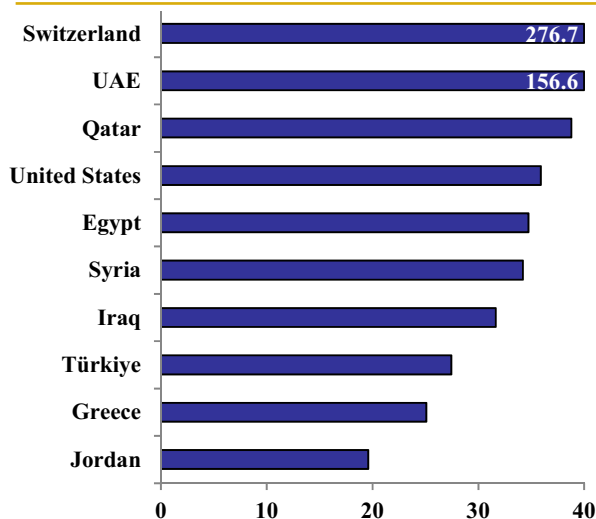
China was the main source of imports to Lebanon with \$486.7m and accounted for 11% of the total in the first quarter of 2025, followed by Greece with \$446m (10.2%), Türkiye with \$420m (9.6%), Egypt with \$373.9m (8.5%), the UAE with \$255.6m (5.8%), Italy with \$244.3m (5.6%), Switzerland with \$173.3m (4%), the U.S. with \$140.5m (3.2%), Germany with \$130.1m (3%), and France with \$107.4m (2.5%). Further, imported goods from Egypt surged by 113.2% annually in the first quarter of 2025, followed by imports from the UAE (+67.2%), Türkiye (+42.4%), Germany (+30.8%), Greece (+24.3%), France (+22.5%), China (+19.2%), and the U.S. (+12.7%). In contrast, imported goods from Switzerland dropped by 50.7% and imports from Italy decreased by 23.4% in the covered period.

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



Source: Lebanese Customs Administration, Byblos Research

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



Source: Lebanese Customs Administration, Byblos Research

Ministry of Finance increases taxes on imported used vehicles and spare parts

The Ministry of Finance issued Decision No. 19/2025 about adjusting the basis for imposing the value-added tax on the imports of used vehicles and used spare parts, based on Article 53 of the enacted budget for 2025. It said that the Customs Higher Council decided in its meeting held on March 27, 2025 to apply a 5% increase to the tax base when calculating the value-added tax on imported used vehicles and spare parts. It added that this tax base includes the total value of imported used vehicles and spare parts that the customs approve for release.

Further, the Customs Higher Council clarified that importers must declare items that do not qualify as used vehicles or used spare parts, in order to prevent the imposition of the 5% tax increase. It said that the decision goes into effect on March 13, 2025.

Figures compiled by the Ministry of Finance show that public revenues on a cash basis totaled LBP366,150bn in 2024, constituting an increase of 54.8% from LBP236,537bn in 2023; while public expenditures on a cash basis reached LBP339,531bn in 2024 and represented a surge of 66.4% from LBP204,000bn in 2023. As such, the overall cash balance registered a surplus of LBP26,619bn in 2024 compared to a surplus of LBP32,537bn in the previous year. Also, the figures show that customs revenues totaled LBP150,122bn in 2024, constituting an increase of 30% from LBP115,451bn in 2023. It added that customs receipts accounted for 41% of aggregate public revenues last year and for 48.8% of such receipts in 2023.

Also, the latest market figures about car imports in Lebanon show that dealers sold 1,583 new passenger cars in the first two months of 2025 compared to 887 vehicles in the same period last year, with 849 vehicles sold in January and 734 ones in February of this year. Further, the figures indicate that Japanese cars accounted for 46% of total car sales in February, followed by Korean automobiles with 18%, European vehicles with 17%, Chinese cars with 12%, and American vehicles with 6%. In addition, dealers sold 8,226 new passenger cars in 2024, constituting an increase of 25% from 6,578 vehicles.

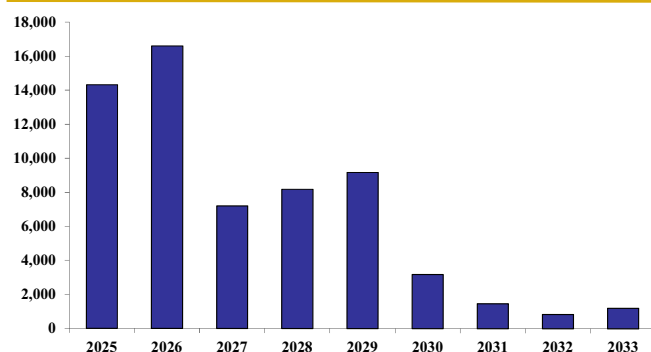
More than 90% of Treasury securities in Lebanese pounds have five-year maturities or longer at end-March 2025

Figures released by the Association of Banks in Lebanon show that the face value of outstanding Treasury securities denominated in Lebanese pounds stood at LBP62,161bn at the end of March 2025, compared to LBP63,865bn at end-February 2025 and to LBP86,133bn at end-March 2024. The securities were equivalent to \$694.5m at the end of March 2025 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 6.53% in January 2025 compared to 6.34% in March 2024.

Also, the distribution of outstanding Treasury securities shows that 10-year Treasury bonds totaled LBP29,612bn and accounted for 47.6% of aggregate securities denominated in Lebanese pounds at the end of March 2025, followed by seven-year Treasury securities with LBP13,778bn (22.2%), five-year Treasury bonds with LBP8,094bn (13%), three-year Treasury securities with LBP4,006bn (6.4%), 12-year Treasury securities with LBP3,076bn (5%), two-year Treasury bonds with LBP2,178bn (3.5%), and 15-year Treasury bonds with LBP1,417bn (2.3%). As such, 77% of outstanding Treasury securities have seven-year maturities or longer and 90.1% have five-year maturities or more.

In parallel, LBP1,704bn in outstanding Treasury securities denominated in Lebanese pounds matured in March 2025. The distribution of maturing securities shows that 30% consisted of 10-year Treasury bonds, 23.5% were two-year Treasury securities, 20.5% consisted of seven-year Treasury bonds, 17.6% were three-year Treasury bonds, and 8.3% were five-year Treasury bills. According to ABL, LBP14,314bn in outstanding Treasury securities in Lebanese pounds mature in the remainder of 2025.

Projected Maturities of Treasury Securities in LBP* (LBP billions)



*as at end-March 2025

Source: Association of Banks in Lebanon, Byblos Research

Money supply up 31% in 12 months ending April 17, 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 LBP117,341bn on April 17, 2025, constituting a decrease of 0.81% from LBP118,296bn on April 10, 2025, and an increase of 30.8% from LBP89,683bn on April 17, 2024. M1 contracted by LBP955bn during the week ending April 17, 2025 due to decreases of LBP949.7bn in demand deposits and of LBP5.22bn in currency in circulation.

In addition, money supply M2, which includes M1 and term deposits in Lebanese pounds, totaled LBP153,518bn on April 17, 2025, representing a decrease of 0.8% from LBP154,748bn on April 10, 2025 and an increase of 46% from LBP105,047bn a year earlier. Money supply M2 declined by LBP1,230.5bn in the week ending April 17, 2025, while it rose by LBP48,471bn year-on-year.

Further, broad money supply M3, which includes M2, deposits in foreign currency and debt securities issued by the banking sector, reached LBP6,170.4 trillion (tn) on April 17, 2025, and decreased by LBP3,580.7bn, or by 0.06%, during the week ending April 10, 2025, compared to LBP6,354.7tn on April 17, 2024. Also, BdL indicated that deposits denominated in foreign currency dropped by \$26.26m in the week ending April 17, 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 LBP6,178.3tn on April 17, 2025, constituting a decrease of LBP3,793.96bn (-0.06%) from LBP6,182.2tn a week earlier and relative to LBP6,377tn on April 17, 2024. BdL stated that the Treasury bills portfolio held by the non-banking sector decreased by LBP213.26bn during the week ending April 17, 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.

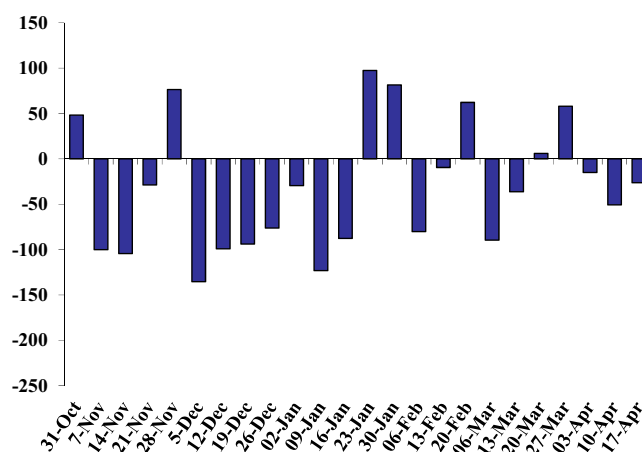
Ministry of Finance reduces penalties exceeding LBP5bn on tax infringements

The Ministry of Finance issued decision 628/S1 dated March 26, 2025, indicating that taxpayers that are members of the economic associations can pay their due taxes and penalties while benefiting from the penalty reductions specified in accordance with the provisions of Article 88 of Law No. 324/2024, or the Budget Law for 2024, dated February 12, 2024. It stated that the payments must be completed by June 30, 2025 for self-assessments, and by September 30, 2025 for additional assessments, and that these provisions apply to violations that occurred prior to February 16, 2024.

It added that it addressed a letter to the General Secretariat of the Council of Ministers regarding the reduction in penalties that exceed LBP5bn related to violations committed before February 16, 2024, in order to be submitted to the Council of Ministers for appropriate action in accordance with Law No. 662/2005 and its amendments, given that the amount of LBP5bn, which is currently equivalent to \$55,850 based on the prevailing market exchange rate of the Lebanese pound to the US dollar, does not reflect its previous value of \$3.3m due to the depreciation of the exchange rate of the Lebanese pound against the dollar.

Article 88 indicated that taxpayers can receive, exceptionally and for the last time, an 85% discount on penalties resulting from a tax adjustment or an infringement that took place prior to November 15, 2022, a 90% discount on penalties from a tax adjustment or a violation that took place after November 15, 2022, and an 85% discount on penalties due to public institutions, if they settle the penalties within six months of the publication date of Law 324. It added that the settlement should be done within three months for the breaches after November 15, 2022 that are not subject to the tax modification. It indicated that discounted penalties should be at least LBP200,000, or at least \$5 for taxes paid in US dollars.

Weekly Change in Foreign Currency Deposits (USm)



Source: Banque du Liban, Byblos Research

Social media penetration rate at 69% of population

Figures released by online platform DataReportal about the usage of digital platforms, services and devices in Lebanon, show that the number of internet users reached 5.34 million individuals in Lebanon in January 2025, which represented an internet penetration rate of 91.6% at the time. It added that about 491,000 individuals in Lebanon did not use the internet as of last January, indicating that 8.4% of the population remained offline at the beginning of the year. In comparison, it estimated that there were 4.76 million internet users in the country at the start of 2024, resulting in an internet penetration rate of 90.1% at that time. It indicated that the rise in the penetration rate reflects an increase in internet adoption in the country from previous years. But it noted that the data for internet usage under-represents the actual figures, as the current adoption and growth may be higher than the collected figures suggest, given the time needed to collect the data.

Also, it said that the median mobile internet download speed through cellular phone networks was 30.2 megabits per second (Mbps) in January 2025, constituting a decrease of 0.86 Mbps, or of 2.8%, from 31.06 Mbps a year earlier. It added that the speed of fixed line internet download stood at 12.78 Mbps in January 2025, representing an increase of 3.39 Mbps or of 36.1% from 9.39 Mbps a year earlier.

Further, it said that Lebanon had 4.02 million active social media user identities, which represented a penetration rate of 68.9% of the total population in January 2025, compared to 4.52 million social media users and a penetration rate of 85.6% a year earlier. It indicated that 60.3% of Lebanon's social media users were males and 39.7% were females in January 2025, compared to 52.2% male users and 47.8% female users a year earlier. Also, it pointed out that 75.3% of Lebanon's internet users used at least one social media platform at the time of the survey.

Also, it pointed out that there was 4.02 million TikTok users aged 18 years or older in Lebanon in early 2025, followed by 3.19 million YouTube users, 3.15 million Facebook users, 2.5 million Instagram users, 1.6 million Facebook Messenger users, 1.24 million Snapchat users, 1.3 million LinkedIn users, and about 552,000 users of the X platform formerly known as Twitter. In comparison, it stated that there were 4.52 million YouTube users in Lebanon in early 2024, followed by 3.92 million TikTok users aged 18 years or older, 3.15 million Facebook users, 2.5 million Instagram users, 1.85 million Facebook Messenger users, 1.39 million Snapchat users, 1.2 million LinkedIn users, and 499,300 users of the X platform.

Further, it said that Meta Platforms, Inc., the company that owns and operates Facebook, Instagram, Threads and WhatsApp, among other products and services, allows individuals aged 13 years or older to use its platforms. It noted that 69% of the eligible audience in Lebanon used Facebook in early 2025 compared to 77.4% in January 2024, while 54.8% of the eligible audience utilized Instagram at the beginning of 2025 relative to 61.5% in early 2024. It added that 35.1% of the eligible audience in Lebanon used Facebook Messenger in early 2025 compared to 45.5% in January 2024.

In addition, it stated that 27.1% of the eligible audience aged 13 years or older in Lebanon used Snapchat at the beginning of 2025 relative to 34.1% in a year earlier, while 12.1% of the eligible audience aged 13 years or older in Lebanon used the X platform in early 2025 compared to 12.3% in January 2024.

In parallel, it indicated that there were 4.68 million mobile connections in Lebanon in January 2025, which represented 80.4% of the total population at the time, relative to 4.63 million mobile connections in early 2024, or 87.6% of the total population at the time.

Port of Beirut processes 469,000 tons of freight in January 2025

Figures released by the Port of Beirut show that the port processed 469,000 tons of freight in January 2025, constituting increases of 5.4% from 445,000 tons of freight in December 2024 and of 23.4% from 380,000 tons of freight in January 2024. Imported freight totaled 403,000 tons in January 2025, up by 10.7% from 364,000 tons in December 2024 and by 27.5% from 316,000 tons in the same month of the previous year. It accounted for 86% of the total processed freight in January 2025.

In addition, the volume of exported cargo reached 66,000 tons in January 2025, representing a decreases of 18.5% from 81,000 tons in December 2024 and an increase of 3.1% from 64,000 tons in January 2024, and accounted for 14% of aggregate freight in the covered month. A total of 120 vessels docked at the port in January 2025, up by 10% from 109 ships in December 2025 and by 0.8% from 119 vessels in the same month of the preceding year.

In parallel, the Port of Tripoli processed 219,000 tons of freight in January 2025, constituting increases of 56.4% from 140,000 tons in December 2024 and of 22.3% or 40,000 tons from 179,000 tons in January 2024. Imported freight totaled 184,000 tons in January 2025, surging by 52% from 121,000 tons in December 2024 and by 37.3% from 134,000 tons in the same month of the previous year. It accounted for 84% of freight activity in the covered month.

In parallel, the volume of exported cargo reached 35,000 tons in January 2025, representing an increase of 84.2% from 19,000 tons in December 2024 and a decrease of 22.2% of 45,000 tons in January 2024. A total of 65 vessels docked at the port in January 2025, constituting an increase of 16% from 56 ships in December 2024 and a decline of 14.5% from 76 ships in January 2024.



Stock market capitalization up 22.7% to \$21.2bn at end-April 2025

Figures released by the Beirut Stock Exchange (BSE) indicate that the trading volume reached 5.35 million shares in the first four months of 2025, constituting an increase of 14.7% from 4.67 million shares traded in the same period of 2024; while aggregate turnover amounted to \$81.5m, representing a drop of 59.3% from a turnover of \$200.5m in the first four months of 2024.

Further, the market capitalization of the BSE stood at \$21.15bn at the end of April 2025, constituting an increase of 22.7% from \$17.8bn a year earlier, and compared to \$23.5bn at the end of March 2025 and to \$26.9bn at end-2024. Real estate equities accounted for 68% of the market's capitalization at the end of April 2025, followed by banking stocks with 23.7%, and industrial shares with 8.3%. Also, the trading volume reached 1.9 million shares in April 2025, as it increased by 16% from 1.6 million shares traded in March 2025 and by 156.4% from 736,801 shares in April 2024. Also, aggregate turnover stood at \$11.9m in April 2025, constituting declines of 28.8% from a turnover of \$16.7m in the preceding month and of 35% from \$18.3m in April 2024. The market liquidity ratio was 0.4% at the end of April 2025 compared to 1.2% a year earlier.

In addition, banking stocks accounted for 87.6% of the trading volume in the first four months of 2025, followed by real estate equities with 11.1% and industrial shares with 1.3%. Further, real estate equities represented 77.8% of the aggregate value of shares traded, followed by banking stocks with 16.5%, and industrial shares with 5.7%. The average daily traded volume for the first four months of 2025 was 69,496 shares for an average daily amount of \$1.06m. The figures represent a rise of 14.7% for the average daily traded volume and a drop of 59.3% for the average daily value in the covered period.

In parallel, the price of Solidere 'A' shares decreased by 27.3% and the price of Solidere 'B' shares contracted by 27.1% in the first four months of 2025, while the price of Holcim shares increased by 5.7% in the covered period. Further, the price of Solidere 'A' shares decreased by 5.6% in January, by 9% in February, by 7.3% in March, and by 9% in April 2025; while the price of Solidere 'B' shares contracted by 7.4% in January, by 6% in February, by 4.4% in March, and by 12.5% in April 2025. Further, the share price of Holcim increased by 1.6% January, by 10.8% in February, and by 0.1% in March 2025, while it decreased by 6.2% in April 2025.

Import activity of top five shipping firms and freight forwarders up 30% in January 2025

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 19,348 20-foot equivalent units (TEUs) in January 2025, constituting an increase of 30.4% from 14,836 TEUs in January 2024. The five shipping and freight forwarding firms accounted for 86% of imports to the Lebanese market in January 2025.

Merit Shipping handled 7,408 TEUs in January 2025, equivalent to 23.8% of the total import freight market to Lebanon. Mediterranean Shipping Company (MSC) followed with 5,210 TEUs (16.7%), then Sealine Group with 3,907 TEUs (12.5%), Gezairi Transport with 1,605 TEUs (5.2%), and Seanautics shipping with 1,218 TEUs (4%). Sealine Group registered a rise of 633% in imports in January 2025, the highest growth rate among the covered companies, while Gezairi Transport posted a decline of 0.2%, the only decrease among the five firms in January 2025 from the same month of 2024.

In parallel, the aggregate volume of exports by the top five shipping and freight forwarding firms through the Port of Beirut reached 5,414 TEUs in January 2025, constituting a decrease of 4% from 5,633 TEUs in January 2024. The five companies accounted for 94% of exported Lebanese cargo in the covered month.

Merit Shipping handled 3,157 TEUs of freight in January 2025, equivalent to 54.8% of the Lebanese cargo export market. Sealine Group followed with 1,140 TEUs (20%), then MSC with 510 TEUs (8.8%), Gezairi Transport with 358 TEUs (6.2%), and El Gharib shipping with 245 TEUs (4.3%). Sealine Group posted a surge of 969.2% in exports in January 2025, the highest growth rate among the covered companies, while Gezairi Transport registered a decrease of 20.3%, the steepest decline among the five firms year-on-year in January 2025.

Insurance premiums of top 20 firms up 14.5% to \$1.1bn in 2024

The annual survey by *Al-Bayan* magazine of the insurance sector in Lebanon indicates that total premiums generated by the top 20 providers of life and non-life insurance in the Lebanese market reached \$1.08bn in 2024, constituting an increase of 14.5% from \$942.1m in 2023.

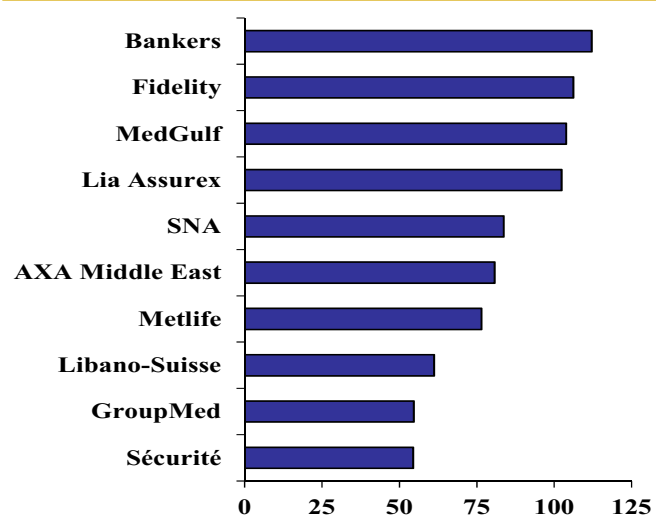
Bankers Assurance maintained its market lead with \$112.2m in life and non-life premiums, equivalent to a 10.4% market share in 2024. Fidelity Assurance & Reinsurance followed with \$106.2m for a market share of 9.8%, then MedGulf with \$103.8m (9.6%), LIA Assurex with \$102.4m (9.5%), and SNA with \$83.7m (7.8%) as the top five providers of life and non-life insurance in Lebanon. Adonis Insurance and Reinsurance Co. (ADIR), Byblos Bank's affiliate, came in 17th place with life and non-life premiums of \$18.8m in 2024. Also, all insurance providers posted increases in their premiums last year. GroupMed Insurance and Reinsurance registered a rise of 79.7% in its aggregate premiums in 2024, the highest growth rate among the top 20 insurance companies, while Bankers Assurance posted an uptick of 1.2%, the smallest increase among the top 20 insurers last year.

Further, the composition and rankings of the top 10 insurers show that the rankings of Bankers Assurance, SNA, AXA Middle East, Metlife, and Libano-Suisse Insurance remained unchanged in first, fifth, sixth, seventh, and eighth place, respectively, last year. Further, the rank of Fidelity Assurance & Reinsurance advanced by two notches to second place in 2024. In addition, GroupMed Insurance and Reinsurance joined the top 10 in 2024, as its rank improved by three spots to ninth place in 2024. In contrast, the rankings of MedGulf, LIA Assurex, and Sécurité Assurance deteriorated by one notch each, to third, fourth, and 10th place, respectively, last year.

The survey shows that the top 10 providers of life and non-life insurance in Lebanon accounted for 77.5% of the total insurance market in 2024, compared to 78% of total premiums in 2023. Further, the top five insurers in Lebanon accounted for 47.1% of the market in 2024 relative to 48.6% in 2023.

In parallel, the insurance density in Lebanon, or premiums per capita, reached \$186 in 2024 compared to \$162.4 in 2023, while the insurance penetration rate in the country, or premiums relative to the size of the economy, stood at 3.8% of GDP in 2024 compared to 4% of GDP in 2023. The breakdown of the density and penetration rates by segment shows that the density of the life insurance segment stood at \$17 in 2024 relative to \$16.5 in 2023; while the penetration rate of the life segment was 0.3% of GDP in 2024 compared to 0.4% of GDP in 2023. Also, the density of the non-life segment reached \$184.7 in 2024 relative to \$160.5 in 2023, while the penetration rate of the non-life segment was 3.8% of GDP in 2024 compared to 3.9% of GDP in 2023. The indicators are based on non-life premiums of \$1.07bn generated by 36 insurers and life premiums of \$98.5m generated by 26 companies in 2024, compared to non-life premiums of \$930.7m and life premiums of \$95.7m in 2023.

Total Premiums of the Top 10 Insurers in 2024 (US\$m)



Source: *Al-Bayan*, *Byblos Research*

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



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