

LEBANON THIS WEEK

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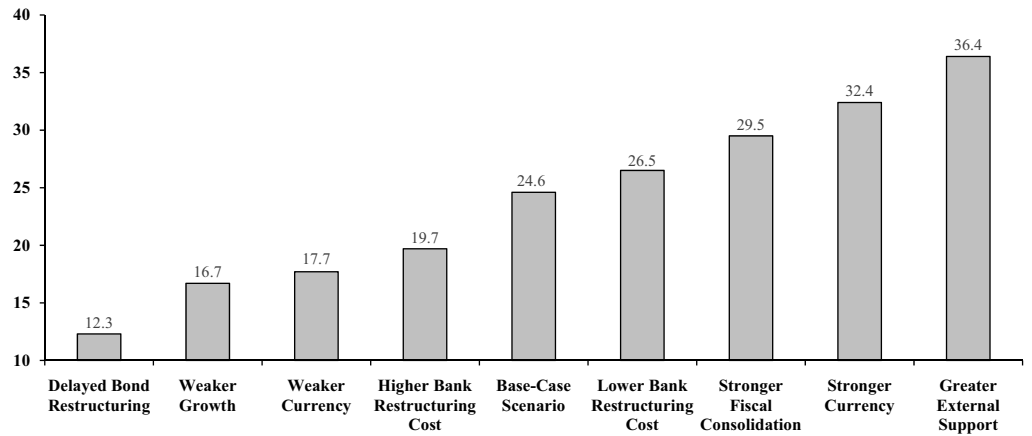
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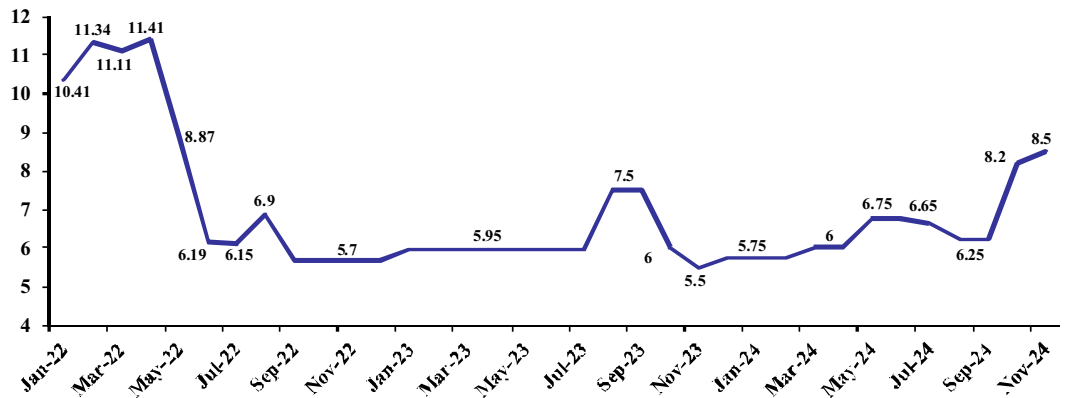
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Charts of the Week

Recovery Values of Defaulted Lebanese Eurobonds under Alternative Scenarios (in US cents per dollar)



End of Month Mid-Prices of Lebanese Eurobonds in Secondary Market (in US cents per dollar)



Source: Goldman Sachs, Bloomberg, Byblos Bank

Quote to Note

"The election of a new president by Parliament and the establishment of a new government are pre-conditions to access international financial support for Lebanon's reconstruction effort."

Moody's Ratings, on the steps that Lebanon needs to carry out in order to expect international financial support

Number of the Week

31: Number of months that the Council of Ministers has been operating in a caretaker capacity

Lebanon in the News

\$m (unless otherwise mentioned)	2021	2022	2023	% Change*	Dec-22	Nov-23	Dec-23
Exports	3,887	3,492	2,995	-14.2%	272	290	240
Imports	13,641	19,053	17,524	-8.0%	1,251	1,253	1,303
Trade Balance	(9,754)	(15,562)	(14,529)	-6.6%	(979)	(963)	(1,063)
Balance of Payments	(1,960)	(3,197)	2,237	-170.0%	17	186	591
Checks Cleared in LBP**	18,639	27,146	4,396	-83.8%	3,686	359	404
Checks Cleared in FC**	17,779	10,288	3,109	-69.8%	577	106	183
Total Checks Cleared**	36,418	37,434	7,505	-80.0%	4,263	465	587
Fiscal Deficit/Surplus	2,197	-	-	-	-	-	-
Primary Balance	5,009	-	-	-	-	-	-
Airport Passengers	4,334,231	6,360,564	7,103,349	11.7%	551,632	323,523	481,470
Consumer Price Index	154.8	171.2	221.3	5,014bps	122.0	211.9	192.3

\$bn (unless otherwise mentioned)	Dec-22	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	% Change*
BdL FX Reserves	10.40	8.82	8.91	9.14	9.37	9.64	-7.3%
In months of Imports	-	-	-	-	-	-	-
Public Debt	101.81	-	-	-	-	-	-
Bank Assets	169.06	113.72	112.69	112.25	112.58	115.25	-31.8%
Bank Deposits (Private Sector)	125.72	95.59	95.17	94.64	94.97	94.75	-24.6%
Bank Loans to Private Sector	20.05	8.92	8.69	8.58	8.53	8.32	-58.5%
Money Supply M2	77.34	6.64	6.77	6.48	6.78	6.72	-91.3%
Money Supply M3	152.29	78.38	78.10	77.42	77.74	77.75	-48.9%
LBP Lending Rate (%)	4.56	3.77	4.36	3.34	3.29	3.97	20
LBP Deposit Rate (%)	0.60	0.41	0.49	1.02	1.41	0.55	14
USD Lending Rate (%)	4.16	2.40	3.15	3.70	3.08	1.95	(45)
USD Deposit Rate (%)	0.06	0.03	0.03	0.05	0.05	0.03	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 %
Solidere "A"	90.00	(3.6)	254,819	41.0%	Feb 2025	6.20	11.00	3,832.54
Audi Listed	2.39	21.3	130,587	6.4%	Jun 2025	6.25	11.00	1,574.61
Byblos Common	1.06	8.2	50,400	2.7%	Nov 2026	6.60	11.00	150.82
Solidere "B"	90.00	(4.4)	7,610	26.7%	Mar 2027	6.85	11.00	124.11
HOLCIM	70.10	3.9	539	6.2%	Nov 2028	6.65	11.00	65.47
Audi GDR	2.06	0.0	-	1.1%	Feb 2030	6.65	11.00	47.18
BLOM GDR	4.01	0.0	-	1.4%	Apr 2031	7.00	11.00	37.86
BLOM Listed	7.00	11.1	-	6.9%	May 2033	8.20	11.00	27.95
Byblos Pref. 09	29.99	0.0	-	0.3%	Nov 2035	7.05	11.00	21.32
Byblos Pref. 08	25.00	0.0	-	0.2%	Mar 2037	7.25	11.00	18.80

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

Source: Refinitiv

	Dec 2-6	Nov 25-29	% Change	November 2024	November 2023	% Change
Total shares traded	445,558	1,717,278	(74.1)	914,295	1,495,844	96.1
Total value traded	\$24,552,542	\$45,983,388	(46.6)	\$24,463,583	\$89,583,309	121.1
Market capitalization	\$21.95bn	\$22.02bn	(0.3)	\$22.04bn	\$16.31bn	31.8

Source: Beirut Stock Exchange (BSE)



Lebanon's population at 5.8 million at end-June 2023, life expectancy is 77.8 years

In its World Population Prospects, the United Nations (UN) estimated that Lebanon's population reached 5.77 million at the end of June 2023, compared to 5.744 million at end-June 2022 and to 5.743 million at the end of June 2013. Also, it said that the population density was 564.4 persons per square kilometer, and that the median age of the Lebanese population was 28.3 years at end-June 2023 compared to 27.9 years in 2013. It added that females accounted for 51.4% of the total population and males represented the balance of 48.6%, which would result in a population sex ratio of 94.6 males per 100 females in Lebanon at the end of June 2023.

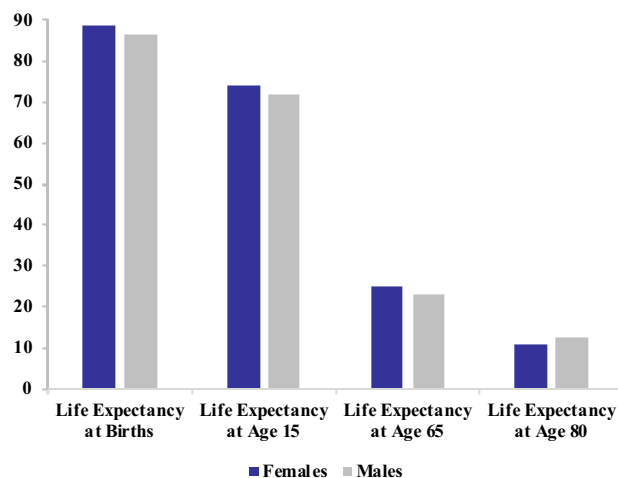
It stated that there were 93,205 births in 2023, with women between 15 and 19 years old giving birth to 5,170 babies or 5.5% of the total. Also, it estimated that the fertility rate in Lebanon stood at 2.24 live births per female, while the mean child-bearing age of females was 29.2 years in 2023, unchanged from 2013. It added that the net reproduction rate stood at 1.06 surviving daughter per woman giving birth, and that the sex ratio at birth was 105.3 males per 100 females in 2023.

Further, the UN indicated that there were 34,419 deaths in Lebanon in 2023 that consisted of 17,429 male and 16,989 female deaths. Also, it said that the "crude death rate" was 6 deaths per 1,000 individuals last year compared to 4 deaths per 1,000 persons in 2013. In addition, it said that life expectancy at birth in Lebanon for both sexes was 77.8 years in 2023, while life expectancy at the age of 15 was 64.4 years last year. It added that life expectancy at the age of 65 and at the age of 80 was 17.6 years and 7.8 years, respectively, in 2023.

In parallel, it noted that the infant mortality rate in Lebanon in 2023 was 15.7 deaths per 1,000 live births, that 91,869 live births stayed alive beyond the age of one year, and that there were 18.5 deaths of children that are less than five years-old per 1,000 live births last year. Further, it said that the mortality rate in Lebanon before the age of 40, or the number of deaths under the age of 40 per 1,000 live births, was 33.5 deaths in 2023 compared to 27.9 deaths in 2013, while the mortality rate before the age of 60 reached 89.5 deaths last year relative to 86.3 deaths in 2013. It added that the mortality rates for the 15 to 50 year-old bracket and for the 15 to 60-year old segment was 28.6 deaths and 70.5 deaths per 1,000 live births, respectively, in 2023.

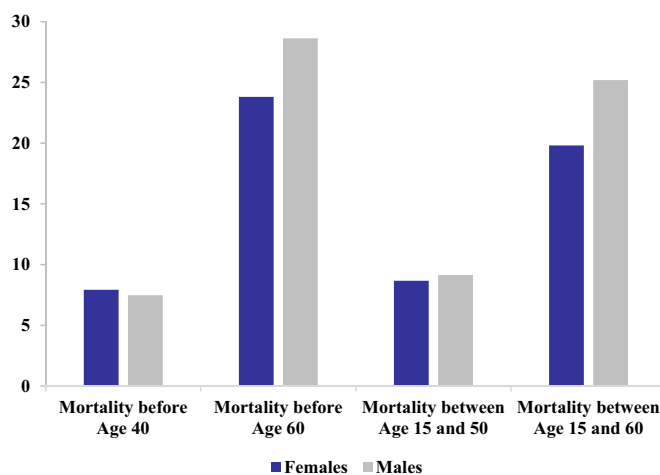
Finally, the UN indicated that the net number of migrants to Lebanon, which is measured by the number of immigrants to the country minus the number of emigrants from the country, stood at -34,193 persons, and that the net migration rate reached -5.9 per 1,000 individuals in 2023.

Life Expectancy in Lebanon by Gender
(number of years)



Source: United Nations, Byblos Research

Mortality Rate in Lebanon
(deaths per 1,000 live births)



Source: United Nations, Byblos Research

Surveyed economists forecast Lebanon's real GDP to contract by 4.2% in 2024 and to grow by 0.2% in 2025

Bloomberg's quarterly survey of economists and analysts about the outlook on the Lebanese economy estimated that economic activity contracted by 4.2% in 2024 compared to an earlier forecast of a contraction of 0.3% in the September 2024 survey. Respondents also projected Lebanon's real GDP to grow by 0.2% in 2025 with a median real GDP growth rate of 1.5% for 2025. The individual forecasts for 2024 ranged from a contraction of 10.5% to a growth rate of 2% for the current year, with a median real GDP contraction rate of 5.5% for 2024; while the consensus estimate among 85.7% of participants is that the changes in real GDP ranged between a contraction of 10.5% and no growth in 2024.

In addition, the individual forecasts of growth rates for 2025 ranged from a contraction of 12% to a growth rate of 5%, while the consensus forecast among 85.7% of participants is that the real GDP growth rate would range between 0.3% and 5% in 2025. The results displayed a median real GDP contraction figure of 5.5% for 2024 compared to a median real GDP contraction of 0.3% in the September survey, as well as a median real GDP growth figure of 1.5% for 2025. Bloomberg conducted the poll in December 2024, and the survey's results are based on the opinions of eight economists and analysts based in Lebanon and abroad.

Further, participants forecast the average inflation rate in Lebanon at 48.2% in 2024 compared to a projection of 57.6% in the September 2024 survey; while 50% of participants considered that the inflation rate stood at between 50% and 79.3% in 2024. The opinions of surveyed analysts differed on the magnitude of the increase in consumer prices in 2024, with expectations ranging from 22% to 79.3% and a median inflation rate of 47.3% for 2024. They forecast the inflation rate to average 19.8% in 2025. The opinions of surveyed analysts differed on the direction of consumer prices in 2025 with expectations ranging from 10.4% to 33%, while 43% of participants predicted that the inflation rate would be between 25% and 33% this year. The poll's results revealed a median inflation rate of 47.3% for 2024 compared to 46.6% in the September survey, as well as a median of 15.3% for 2025.

In parallel, surveyed analysts estimated Lebanon's fiscal deficit at 1.9% of GDP in 2024, compared to a previous forecast of a deficit of 2.3% of GDP in the September survey, and projected the deficit at 2.5% of GDP in 2025. The estimates of polled economists for the fiscal deficit ranged from a deficit of 5.6% of GDP to a balanced fiscal position in 2024, with a median deficit of 0.5% of GDP. They also expected the fiscal deficit at between 0.5% of GDP and 4.7% of GDP in 2025, with a median deficit of 2.4% of GDP.

Further, surveyed analysts estimated the current account deficit at 15.3% of GDP in 2024 compared to a previous forecast of a deficit of 13.3% of GDP in the September survey, and projected the deficit at 18.3% of GDP in 2025. The survey's participants expected the current account deficit to range between 8% of GDP and 35.2% of GDP in 2025, with a median deficit of 19.4% of GDP for 2025 compared to a median deficit of 15.6% of GDP for 2024.

Council of Ministers approves draft law for reconstruction of damaged buildings

The Council of Ministers approved on December 7, 2024 a draft law about the reconstruction of the buildings that were damaged or destroyed as a result of Israel's aggression against Lebanon, as well as a draft decree to forward the draft law to Parliament.

Article 1 stipulates that the reconstruction of buildings that were destroyed in full or in part as a result of the Israeli aggressions will be subject to the following exceptional measures: first the owner of the property that is partially or fully destroyed can rebuild his/her building as it used to be, with the exception of the parts that trespass on public or private properties and of the parts that are affected by the already approved urban planning. Second, the owner can modify the property during its reconstruction on the condition to abide by the restrictions imposed in public properties and the already approved planning. It added that the owner can benefit only from the surface areas that are not part of the public or the roof investment parts, according to Construction Law 646/2004. Third, the reconstruction will be exempt from all the due fees, penalties and fiscal stamps, including the fees of the syndicates of engineers and for building permits, as long as the exemptions do not cover more surface areas than Construction Law 646/2004 allows.

Article 2 authorizes the owner of a property with violations to rebuild it, as long as the reconstruction is subject to the provisions of Law 139/2019 dated July 9, 2019, and to adopt the year 2018 of the violation as long as the latter took place before January 1, 2019. It added that, in this case, the valuation will be assessed on the date of the violation, on the condition of paying the fees and penalties before getting the final housing license. It noted that this article does not apply to building erected on the property of others.

Article 4 indicates that the provisions of the law apply to fully or partially destroyed buildings from Israel's aggressions that will be rebuilt or that have been rebuilt prior to the enactment of this law.

Article 5 stipulates that the person who wants to reconstruct a building or property has to submit the file to the related administration, while the urban planning divisions in the governorates and local administrative districts open special files and issue permits based on a statement on the state of the destroyed buildings according to due process that the Higher Relief Council or the Council of the South issues. Article 7 indicates that the law goes into effect upon its publication in the Official Gazette.

The Council of Ministers attributed the reasons for the draft law to the repeated Israeli aggressions against Lebanon, as well as to the need to support the affected citizens in order to find the proper legal framework, given the need to have a law related to the reconstruction after the Israeli aggressions. The draft law is largely in line with Law 263 dated April 15, 2014 that the Parliament enacted for the reconstruction of the buildings that were destroyed by the Israeli war of 2006.

Banque du Liban's liquid foreign reserves at \$10.15bn, gold reserves at \$24.6bn at end-November 2024

Banque du Liban's (BdL) interim balance sheet shows that its total assets reached LBP8,398 trillion (tn) on November 30, 2024, relative to LBP8,409.4tn at mid-November 2024 and to LBP8,418.6tn at end-October 2024. 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 noted that its decision is in accordance with the Central Council's Decision 13588 dated October 25, 2023, in order to ensure the alignment of the balance sheet entries with international standards and with the implementation of international best practices.

As such, BdL's Foreign Reserve Assets stood at \$10.15bn at end-November 2024, compared to \$10.2bn at mid-November 2024, \$10.26bn at end-October 2024 and to \$9.35bn at end-November 2023. Also, they declined by \$113m in November 2024 and by \$402.1m in October 2024; while they increased by \$1.58bn between the end of July 2023 and end-November 2024. The dollar figures are based on the exchange rate of the Lebanese pound of LBP89,500 per US dollar starting on February 15, 2024, according to the BdL Central Council's Decision No. 48/4/24 dated February 15, 2024.

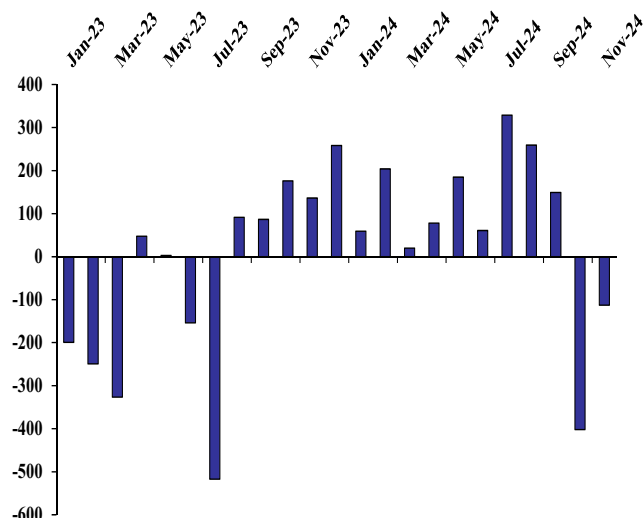
Further, the value of BdL's gold reserves stood at \$24.6bn at the end of November 2024, relative to \$23.7bn at mid-November 2024 and to \$18.8bn at end-November 2023. The value of gold reserves reached a peak of \$25.6bn at end-October 2024. Also, BdL's securities portfolio totaled LBP558,021bn at end-November 2024 relative to LBP559,017bn at mid-November 2024. It noted that the securities portfolio includes Lebanese Eurobonds that have a market value of \$498.8m as at end-November 2024 relative to \$439.2m in mid-November 2024 and to \$449.5m at end-October 2024. 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 LBP38,974.2bn at end-November 2024 compared to LBP38,46bn at mid-November 2024.

Moreover, Deferred Open-Market Operations totaled LBP175,118bn at end-November 2024 relative to LBP172,783bn at mid-November 2024 and to LBP118,971.3bn at end-2023. 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 LBP23,621.4bn at end-November 2024 relative to LBP22,599.6bn two weeks earlier.

Also, the Revaluation Adjustments item on the asset side reached LBP3,006,244.5bn at end-November 2024 relative to LBP3,098,923.1bn at mid-November 2024. 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 LBP163.01tn at end-November 2024 relative to LBP162.96tn at mid-November 2024. It also consists of a special account in the name of the Treasury that stood at LBP2,843.2tn at end-November 2024 compared to LBP2,936tn at mid-November 2024. The account includes the differences between the countervalue at the official exchange rate of BdL's gold and currency holdings and the value of these holdings at the market exchange rate, as well as the profits or losses on BdL's gold and currency holdings from the modification of the official exchange rate of the Lebanese pound or of a foreign currency exchange rate. Further, the balance sheet shows that BdL's loans to the public sector totaled LBP1,486,914bn at end-November 2024 relative to LBP1,486,900bn two weeks earlier.

On the liabilities side, BdL's balance sheet shows that currency in circulation outside BdL stood at LBP49,816.4bn at end-November 2024 compared to LBP49,935.2bn at mid-November 2024, and represented a decrease of 12% from LBP56,696.2bn at end-November 2023. Further, the deposits of the financial sector reached LBP7,675.3tn or the equivalent of \$85.8bn at end-November 2024, relative to LBP7,685.4tn, or \$85.9bn, at mid-November 2024 and to LBP1,335.1tn or \$89bn at end-November 2023; while public sector deposits at BdL totaled LBP535,709.8bn at end-November 2024 compared to LBP538,434.6bn at mid-November 2024 and to LBP176,805.6bn at end-November 2023.

Change in Gross Foreign Currency Reserves* (US\$m)



*month-on-month change

Source: Banque du Liban, Byblos Research

Number of airport passengers down 21% in first 11 months of 2024

Figures released by the Beirut-Rafic Hariri International Airport (HIA) show that 5.24 million passengers utilized the airport (arrivals, departures and transit) in the first 11 months of 2024, constituting declines of 20.8% from 6.62 million passengers in the same period of 2023 and of 9.7% from 5.8 million passengers in the first 11 months of 2022. Also, 151,073 passengers utilized the airport in November 2024, representing decreases of 20% from 189,068 in October 2024 and of 53.3% from 323,523 passengers in November 2023.

The number of arriving passengers reached 2.52 million passengers in the first 11 months of 2024, as they contracted by 21.4% from 3.21 million passengers in the same period of 2023 and by 10.2% from 2.8 million passengers in the first 11 months of 2022. The number of arriving passengers stood at 72,197 in November, representing a surge of 74.8% from 41,312 passengers in October 2024 and a decrease of 52.2% from 151,846 in November 2023.

Also, the number of departing passengers totaled 2.71 million in the first 11 months of 2024, constituting decreases of 20% from 3.4 million passengers in the same period last year and an of 8.5% from 2.96 million passengers in the first 11 months of 2022. Further, the number of departing passengers reached 78,863 in November, as they dropped by 46.6% from 147,746 in October 2024 and by 54% from 171,561 departing passengers in November 2023. The slide in the number of airport passengers in the covered period is due to the escalation of Israeli air strikes on Lebanon starting in September.

In parallel, the airport's aircraft activity reached 43,569 take-offs and landings in the first 11 months of 2024, representing a decrease of 18.4% from 53,404 takeoffs and landings in the same period last year. In comparison, aircraft activity rose by 11.5% in the first 11 months of 2023 from the same period of the preceding year and by 34% in the first 11 months of 2022 from the covered period in 2021. Also, the airport's aircraft activity stood at 1,449 take-offs and landings in November 2024, constituting decreases of 39% from 2,372 take-offs and landings in October 2024 and of 51.8% from 3,008 takeoffs and landings in November 2023.

In addition, the HIA processed 57,809 metric tons of freight in the first 11 months of 2024 that consisted of 38,115 tons of import freight and 18,695 tons of export freight. National flag carrier Middle East Airlines had 19,657 flights in the covered period and accounted for 45.1% of the HIA's total aircraft activity.

Finance and Justice ministries set mechanism for auditing importers of subsidized goods

The Council of Ministers issued Decision 11/2024 dated December 4, 2024 about the joint mechanism that the Ministry of Finance and the Ministry of Justice suggested to implement Law 240 of July 16, 2021 about submitting the beneficiaries of the government's subsidies in US dollars, or their equivalent in other foreign currencies, to an external forensic audit. The Ministry of Finance indicated that the framework is as follows:

First, preparing the terms of reference to select and retain forensic and financial auditors. Second, Banque du Liban (BdL) prepares detailed lists of the traders and importers who benefited from the government's subsidies of imported goods in US dollars, in addition to the amounts of the subsidies, in order to submit them to the forensic and financial auditors.

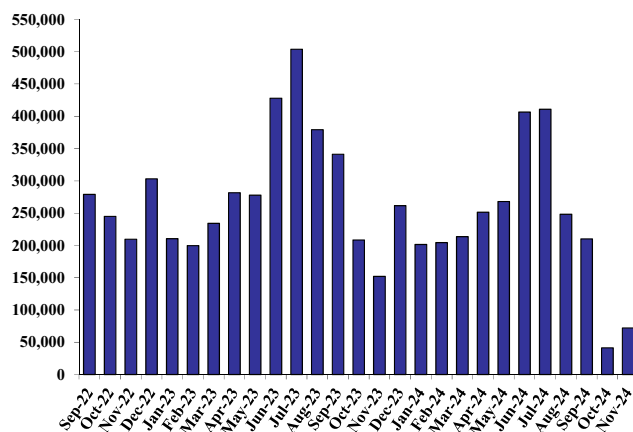
Third, once the Finance Ministry receives the names of the beneficiaries, it will prepare a list of the income tax that they have to pay or that they have paid, and a list of all the documents of the customs formalities related to the subsidized products that the traders imported, in order to submit them to the forensic and financial auditors.

Fourth, setting the mechanism to receive the information from Banque du Liban. Fifth, reviewing the income tax and value-added tax information of the list of persons that BdL submits.

Sixth, submitting to the proper judicial authorities the results of the files that have been studied, in case there are doubts that the concerned traders deliberately did not comply with the tax requirements. Seventh, presenting to the forensic and financial auditors all the documents about the customs formalities related to the subsidized goods that were imported by the individuals who are subject the forensic and financial audits.

Eighth, after the external forensic and financial auditors submit their reports to the judicial authorities, the tax administration can review the information to assess the taxes due to the Treasury and can, after the expiration of the legal deadline, impose a tax on the profits or revenues that have been corroborated by a court ruling. It noted that the tax administration can implement this procedure until the end of the calendar year that follows the year during which it is informed of the court ruling. Also, The Council of Ministers indicated that it has approved the mechanism, pending the input and observations of the Consultative Council.

Number of Arriving Passengers



Source: Beirut-Rafic Hariri International Airport

Purchasing Managers' Index improves in November 2024

The BLOM Lebanon Purchasing Managers' Index (PMI), an indicator of operating conditions in Lebanon's private sector, stood at 48.1 in November 2024 relative to 45 in October 2024 and to 49.5 in November 2023, and came higher than the PMI's trend average of 46.7 since the index's inception in May 2013. But the November result was the lowest outcome of the index since July 2024 when it stood at 48.3. The PMI's score reflects the slowest deterioration in private sector conditions since July. Further, the PMI averaged 48.1 in the first 11 months of 2024 compared to 49.3 in the same period last year, and has remained below the 50 mark since August 2023. 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 rose from 40.7 in October 2024 to 46.4 in November 2024, reflecting a significant increase in the amount of new business received by private sector firms in Lebanon. But the survey's respondents indicated that the volume of new orders placed with private sector companies in Lebanon remained below the 50 mark due to the escalation of Israeli raids on Lebanon, and weak purchasing power.

In addition, the New Export Orders Index stood at 44.2 in November relative to 31.2 in the previous month, as it recovered in November from its lowest level in the previous month. The November result signals a slower decline in sales to non-domestic customers than in the preceding month.

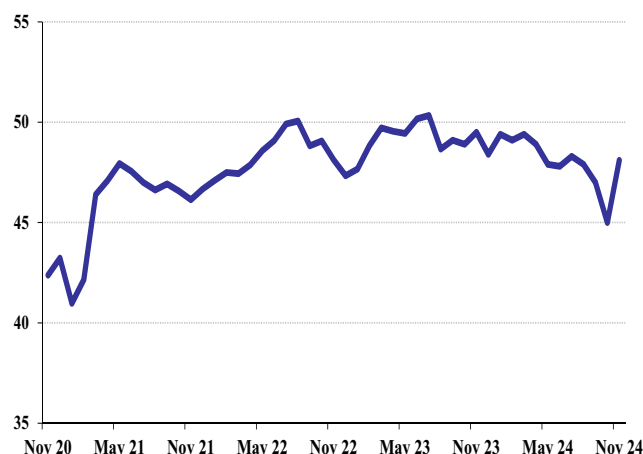
Further, the survey indicated that the Output Index increased from 41.5 in October to 46 in November 2024, reflecting an improvement in production. However, businesses noted that the escalation of the conflict between Israel and Hezbollah kept the output index score below the 50 mark. But the survey noted that the rate of contraction slowed markedly from October and was the slowest three months.

Also, the Employment Index was 49.6 in November, unchanged from the previous month, signaling stable conditions in staffing numbers across Lebanon's private sector due to weak demand and challenging working conditions. Further, the results show that the Backlogs of Work Index stood at 47.6 in November 2024 compared to 47.2 in October 2024, indicating a small increase in the level of completion of outstanding projects in the country's private sector.

In parallel, the survey indicated that the Suppliers' Delivery Times Index reached 48.2 in November 2024 relative to 48.5 in October 2024, and came lower than the 50 mark for the second time since May 2024. The survey's respondents pointed out that security concerns and Israel's war on Lebanon delayed the movement of goods across the country. Also, the Stocks of Purchases Index stood at 49.7 in the covered month compared to 47.4 in October 2024, as businesses noted that their stocks came close to stabilizing in November after a sharp decrease in their inventories in October.

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
June 2024	46.2	45.9	46.4	19.4	49.9
July 2024	47.2	46.9	47.2	21.6	49.5
August 2024	46.5	46.1	47.5	19.5	49.8
September 2024	44.5	44.5	44.3	23.0	49.9
October 2024	41.5	40.7	31.2	8.2	49.6
November 2024	46.0	46.4	44.2	15.3	49.6

Source: BLOM Bank, S&P Global Market Intelligence



Lebanon has 3.2 million active users of top social media platforms

Figures released by online platform DataReportal about the usage of digital platforms, services and devices in Lebanon, show that there were 3.92 million active users in the country of the top social media platforms in January 2024 who are 18 years old or older, which was equivalent to 111% of the total population in this age bracket. It added that 95% of Lebanon's Internet user base used at least one social media platform in January of this year.

Also, it noted that there were 4.63 million mobile phone connections in Lebanon in January 2024, which represented 87.6% of the total population at the time, constituting an increase of 35,000 connections, or of 0.8%, in the 12 months ending January 2024. It said that the median mobile internet connection speed through cellular networks was 31.06 megabits per second (Mbps) in January 2024, constituting an increase of 2.67 Mbps or of 9.4% from 28.39 Mbps a year earlier. It added that the fixed line internet connection speed stood at 9.39 Mbps in January 2024, representing an increase of 2.14 Mbps or of 29.5% from 7.25 Mbps a year earlier.

In parallel, it said that Facebook's advertising reach in Lebanon was equivalent to 59.6% of the total population and 66.2% of the local internet user base at the start of 2024, and that 44.4% of Facebook's ad audience in Lebanon were females and 55.6% were males in January 2024. It noted that Facebook's potential advertising reach in the country increased by 200,000 users (+6.8%) between January 2023 and January 2024, while the number of users that marketers could reach with ads on Facebook in Lebanon decreased by 200,000 users (-6%) between October 2023 and January 2024.

Also, it said that YouTube's advertising reach stood at 85.6% of Lebanon's population and at 95% of the country's total internet user base in early 2024. It added that 49% of YouTube's ad audience in Lebanon were females and 51% were males in January 2024. However, it stated that YouTube's potential advertising reach in Lebanon decreased by 390,000 users (-7.9%) between the start of 2023 and January 2024, while the number of users that marketers could reach through ads on YouTube in Lebanon remained unchanged between October 2023 and January 2024.

Further, it pointed out that Instagram's advertising reach in Lebanon was equivalent to 47.3% of the total population and 52.6% of the local internet user base in January 2024, and that 52.2% of the platform's ad audience in Lebanon were females while 47.8% were males in January 2024. It noted that Instagram's potential advertising reach in Lebanon increased by 550,000 users (+28.2%) between January 2023 and January 2024, while the platform's ad audience in Lebanon remained unchanged between October 2023 and January 2024.

In addition, it said that advertisements on TikTok reached 111% of all adults aged 18 or older and 82.5% of the local internet user base in Lebanon at the start of 2024. It added that 46.6% of TikTok's ad audience in Lebanon were females and 53.4% were males in January 2024. Also, it stated that TikTok's potential advertising reach in Lebanon increased by 1.1 million users (+41.3%) between the start of 2023 and early 2024, while the potential reach of ads on TikTok in Lebanon increased by 221,000 users (+6%) between October 2023 and January 2024.

Moreover, it indicated that Facebook Messenger's advertising reach in Lebanon stood at 35% of the total population and at 39% of the local internet user base in early 2024, and that 42.8% of the platform's ad audience in Lebanon were females and 57.2% were males in January 2024. It noted that Facebook Messenger's potential ad reach in Lebanon increased by 100,000 users (+5.7%) between January 2023 and January 2024, while the size of Facebook Messenger's ad audience regressed by 100,000 users (-5.1%) between October 2023 and January 2024.

In addition, it said that LinkedIn's advertising audience in Lebanon was equivalent to 22.7% of the total population and 25.2% of the local internet user base at the start of 2024. It added that 42.6% of the platform's ad audience were females and 57.4% were males in January 2024. It pointed out that LinkedIn's potential advertising reach in the country increased by 200,000 members (+20%) between the start of 2023 and the beginning of 2024, while the size of LinkedIn's ad audience increased by 100,000 members (+9.1%) between October 2023 and January 2024.

Moreover, it stated that Snapchat's advertising reach in Lebanon stood at 26.3% of the total population and at 29.2% of the local internet user base at the start of 2024. It added that 58% of Snapchat's ad audience were females and 39.2% were males in January 2024. It said that Snapchat's potential advertising reach in Lebanon increased by 238,000 users (+20.7%) between the start of 2023 and early 2024, while the number of users that marketers could reach with ads on Snapchat increased by 75,000 users (+5.7%) between October 2023 and January 2024.

Finally, it noted that X's advertising reach in Lebanon was equivalent to 9.5% of the total population and 10.5% of the local internet user base in early 2024, and that 34.6% of X's ad audience were females while 65.4% were males in January 2024. It pointed out that X's potential advertising reach in Lebanon decreased by 32,000 users (-6%) between the start of 2023 and early 2024, while the number of users that marketers could reach with ads on X decreased by 424,000 users (-46%) between October 2023 and January 2024.



Manufacturing sector in need of qualified labor at multiple levels

A survey commissioned by the Association of Lebanese Industrialists (ALI) and the International Labor Organization (ILO) about the skills needed in the manufacturing sector in Lebanon revealed that agro-food enterprises employed on average 151 workers per company, followed by metals, machinery and electronics firms with 82 employees on average; paper and printing enterprises with 72 personnel per firm; chemicals producers with an average of 60 workers; furniture firms with 59 employees per company; textile companies with an average of 53 personnel; and plastics enterprises with 47 workers per firm. Also, the results show that 75% of respondents expressed the need for technicians, 40% pointed to their need for low-skilled labor, 23% identified the need for administrative employees, and 12% expressed the need for hiring managers.

Further, the survey's results indicate that 75% of participating firms said that they are looking for management skills in potential employees at the managerial level, 63% of respondents are seeking IT and soft skills, 56% are searching for foreign language skills, and 44% are looking for employees with special/technical skills. Also, it said that 82% of participants noted that they are looking for special and technical skills when recruiting new technicians, 66% of respondents are seeking machinery maintenance skills, 65% are searching for operating machinery skills, 37% are seeking foreign language skills, and 35% are looking for employees with IT skills. Further, it revealed that 58% of respondents said that they are looking for soft skills in potential employees at the administrative level compared to 52% of respondents who are seeking marketing & e-commerce and foreign language skills, 48% who are searching for IT skills, and 39% who are looking for management skills. It added that 56% of participants are seeking operating machinery skills in new low-skilled occupations relative to 56% who are searching for basic literacy skills.

In addition, the survey noted that 27% of participating firms indicated that they plan to hire new staff to address the lack of skills among low-skilled employees, 21% of respondents said that they will recruit new workers to fill skill gaps among technicians, 20% stated that they will employ new staff to remedy skill deficiencies among administrative occupations, and 12% pointed out that they will hire new employees to enhance any required skills among managers. Also, the survey showed that 24% of responding firms intend to retain external contractors to address the lack of skills among low-skilled employees and among technicians, relative to 12% of companies that will do the same for managers, 9% that will retain external contractors to remedy skill deficiencies among low-skilled workers, and 6% that will do the same among administrative staff. Further, it said that 16% of surveyed companies revealed that they would change work practices by altering how the way work is done within the organization to enhance any skill deficiencies among technicians and low-skilled workers, 15% will do the same to address the lack of skills among managers, and 11% would change work practices among administrative staff to address any lack of skills. It added that 14% of surveyed firms would invest in technology to address the lack of skills among technicians, 13% will do the same to fill any skill gaps among low-skilled personnel, 11% would invest in technology to remedy skill deficiencies among managers, and 8% will do the same to enhance any required skills among administrative employees.

In parallel, the survey revealed that 70% of surveyed Lebanese industrial enterprises provide training to their employees. It said that 82% of food and beverage firms, 80% of chemical companies, 78% of metals, machinery and electronics enterprises, 63% of furniture firms, 57% of paper and printing companies, 56% of textiles enterprises, and 39% of plastics firms provide training to their staff. Also, it stated that 65% of Lebanese manufacturing firms provide job-specific training to their employees, 55% of firms offer basic induction training to their new recruits, 45% of enterprises deliver health & safety/first aid training, 22% of companies provide training in new technology and more extensive induction training for new personnel, 20% of industrial firms offer management training, and 15% of enterprises deliver supervisory training.

In contrast, it pointed out that 55% of surveyed Lebanese industrial firms admitted that they do not have sufficient funds to train their employees, 40% of enterprises noted that there is no available training in relevant subject area, 33% of firms indicated that training is not a priority amid the elevated workload, 19% said that external courses are too expensive, 14% of companies cited difficulties to get information about the courses available locally and noted that the quality of local providers is not satisfactory, while 10% stated that trainings is not available locally.

In addition, it stated that respondents' most common recruitment channel was word-of-mouth (47%), followed by social media platforms (42%), online job portals and newspapers (30%), placement offices in education centers/schools/universities and the industrial companies own websites (20%), private recruitment agencies (16%), and national employment office (6%).

Moreover, the survey revealed that 59% of surveyed participants indicated that they recruit staff in order to expand their productions and sales, 45% of respondents cited that they hired new employees to replace retired ones, 24% said that they recruited new personnel due to the lack of skills among their existing staffs, 15% of participants pointed out that they hired new employees in order to develop new products, and 14% noted that they recruit personnel as a result of new export opportunities, as well as to the expected increase in sales in the domestic market, and to new production skills.

The survey was conducted between January 29 and April 29, 2024 and was funded by the Norwegian Agency for Development Cooperation. The results are based on the response of 140 company members of the ALI, with 71% of the responding firms located in the Beirut and Mount Lebanon governorates, 12% in the North, 8% in the South, 7% in the Bekaa, 2% in Akkar, and 0.5% in each of Baalbeck-Hermel and the Nabatieh governorates.

Number of internally displaced persons decreases to 201,820

Figures compiled by the International Organization for Migration (IOM) show that 201,820 individuals are still internally displaced (IDPs) as at December 4, 2024 due to the hostilities that erupted along Lebanon's border with Israel on October 8, 2023, that escalated last September, and that largely stopped on November 27 of this year. The number of IDPs constituted decreases of 694,495 persons, or of 77.5% from November 20, 2024, of 673,360 individuals, or of 77% from November 6, 2024, of 577,793 persons (-74%) from October 23, 2024, of 607,223 persons (-75%) from October 20, 2024, of 631,571 individuals (-75.8%) from October 16, 2024, and of 9,499 persons (-4.5%) from September 25, 2024. It noted that 51% of IDPs are females and 49% of them are males. The number of IDPs reached a peak of 896,315 on November 20, 2024, but the agreement for the cessation of hostilities that went into effect on November 27 encouraged the majority of IDPs to return to their towns and villages.

In parallel, it stated that 109,290 of the remaining IDPs originated from the Nabatieh governorate and accounted for 54.2% of the total as at December 4, 2024, followed by the governorates of the South with 58,115 IDPs (28.8%), Mount Lebanon with 26,963 IDPs (13.4%), Baalbek-Hermel with 4,783 IDPs (2.4%), Beirut with 2,221 (1.1%), and the Bekaa with 449 IDPs (0.2%). It added that 90% of IDPs are from the Tyre, Bint Jbeil, Nabatieh, Baabda and Marjaayoun districts as at December 4, 2024.

Further, it said that 51,065 IDPs, or 25.3% of the total, came from the Bint Jbeil district, followed by 49,801 IDPs from the Tyre district (24.7%); 33,185 IDPs from the Nabatieh district (16.4%); 26,712 IDPs from the Baabda district (13.2%); 19,970 IDPs from the Marjaayoun district (10%); 8,277 IDPs from the Saida district (4%); 5,070 IDPs from the Hasbaya district (2.5%); 4,239 IDPs from Baalbeck (2%); 2,221 IDPs from Beirut (1%); 544 IDPs from the Hermel district (0.27%); 368 IDPs from the West Bekaa district (0.18%); 251 IDPs from the Aley district (0.12%); 69 IDPs from the Rashaya (0.03%); 37 IDPs from the Jezzine district (0.02%); and 12 IDPs from Zahlé (0.01%).

Also, it indicated that the Mount Lebanon governorate is hosting 93,567 IDPs of 46.4% of the total as at December 4, 2024, followed by the South with 45,805 IDPs (22.7%), as well as the governorates of Beirut with 32,433 IDPs (16%), Nabatieh with 14,039 IDPs (7%), the North with 7,166 IDPs (3.6%), Akkar with 4,837 IDPs (2.4%), the Bekaa with 3,822 IDPs (2%), and Baalbeck-Hermel with 151 IDPs (0.1%).

It added that 142,663 IDPs, or 70.7% of the total, are mainly located in the Aley, Saida, Beirut, Chouf, and El Maten districts. It said that the Aley district is the host of 24% of IDPs, followed by Saida and Beirut with 16% each, the Chouf with 8%; and El Maten with 7%, while other districts host the remaining 29% of IDPs.

Further, it pointed out that 345,461 IDPs, or 44% of the number of the displaced population, has returned to the Nabatieh governorate as at December 4, 2024, followed by 268,640 IDPs who came back to the South (34.2%); 151,665 IDPs who returned to the Baalbek-Hermel (19.3%); 11,272 IDPs who came back to Mount Lebanon (1.4%); and 9,405 IDPs who returned to the Bekaa (1.2%).

In addition, it indicated that 100,910 IDPs, or 50% of the total, are currently living with host families; 86,783 IDPs (43%) are renting houses; 8,073 IDPs (4%) reside in 151 collective shelters; 4,036 IDPs (2%) have relocated to secondary residences; while 2,018 IDPs (1%) are living in unfinished buildings, tents, parks, in self-settled sites, or on the streets.

Also, it pointed out that 54% of IDPs are between 19 and 57 years old, 15% of IDPs are in the 6 to 12 years bracket, 12% of IDPs are between 13 and 18 years of age, 12% of them are more than 58 years old, 5% of IDPs are between three and five years old, and 2% of IDPs are less than two years old.

The IOM collected the data nationwide through a combination of face-to-face and remote data collection methods, an utilized a network of over 50 enumerators and 1,500 key informants. The latter consist of government officials, mayors, community representatives, and neighborhood focal points.

Balance sheet of financial institutions at LBP44 trillion at end-September 2024

Figures released by Banque du Liban show that the consolidated balance sheet of financial institutions in Lebanon totaled LBP44 trillion (tn) at the end of September 2024, or the equivalent of \$492m, constituting an increase of 10% from LBP40tn (\$446.7m) at the end of June 2024. The figures reflect Banque du Liban'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.

On the assets side, claims on resident customers amounted to LBP22.1tn (\$247.3m) at the end of September 2024 and regressed by 4.8% from LBP23.2tn (\$259.6m) at end-June 2024. Claims on resident customers in Lebanese pounds totaled LBP474.8bn at end-September 2024, constituting increases of 2.4% from LBP464bn at end-June 2024 and of 32.8% from LBP357.4bn at end-September 2023; while claims on resident customers in foreign currency amounted to \$242m at end-September 2024, down by 5% from \$254.5m at end-June 2024 and by 9% from \$266m at end-September 2023. Also, claims on non-resident customers stood at \$29.7m at end-September 2024 and surged by 174.6% from \$10.8m three months earlier. In addition, claims on the resident financial sector reached LBP11.6tn (\$130m) at end-September 2024, up by 12.8% from LBP10.3tn (\$115.1m) at end-June 2024. Also, claims on the resident financial sector in Lebanese pounds amounted to LBP217.1bn at end-September 2024, constituting a decrease of 4.2% from LBP226.6bn three months earlier; while claims on the resident financial sector in foreign currency totaled \$127.5m at end-September 2024, up by 13.2% from \$112.6m at the end of June 2024.

Further, claims on the non-resident financial sector reached \$17.1m at the end of September 2024, as they increased by 35% from \$12.6m at end-June 2024. Also, claims on the public sector stood at LBP99.7bn at end-September 2024, and jumped by 383.4% from LBP20.6bn at end-June 2024; while the securities portfolio, which includes Lebanese Treasury bills and Eurobonds, amounted to LBP917bn at end-September 2024 and decreased by 11.6% from LBP1.03bn at end-June 2024. In parallel, currency and deposits with local and foreign central banks reached LBP4.1tn (\$45.5m) relative to LBP2.4tn (\$27m) at the end of June 2024.

On the liabilities side, deposits of resident customers stood at LBP20.1tn (\$224.4m) at the end of September 2024, constituting an increase of 85% from LBP10.8tn (\$121.2) at the end of June 2024. Deposits of resident customers in Lebanese pounds amounted to LBP98bn at end-September 2024, representing a decrease of 14% from LBP113.7bn three months earlier; while deposits of resident customers in foreign currency totaled \$223.3m at end-September 2024 and rose by 86% from \$120m at end-June 2024. Also, deposits of non-resident customers reached \$4.62m at the end of September 2024, and regressed by 7.3% from \$4.98m at end-June 2024. Further, liabilities to the resident financial sector amounted to LBP4.05tn (\$45.2m) at end-September 2024, constituting a drop of 58.6% from LBP9.8tn (\$109.26m) at end-June 2024. Liabilities to the resident financial sector in Lebanese pounds totaled LBP324.1bn at end-September 2024 and increased by 6% from LBP306.2bn at end-June 2024, while liabilities to the resident financial sector in foreign currency reached \$41.6m and declined by 60.7% from \$105.8m at end-June 2024.

In addition, liabilities to the non-resident financial sector amounted to \$30.7m at end-September 2024 and regressed by 5.2% from \$32.3m at end-June 2024. Also, public sector deposits totaled LBP477bn at end-September 2024 relative to LBP450bn at end-June 2024, while issued debt securities stood at LBP998.3bn, relative to LBP86.7bn three months earlier. Further, the aggregate capital account of financial institutions was LBP6.3tn (\$71m) at end-September 2024 relative to LBP6.9tn (\$77.1m) at the end of June 2024.

BLOM Bank registers profits of LBP53 trillion in first nine months of 2024

BLOM Bank sal, one of Lebanon's listed banks on the Beirut Stock Exchange, declared unaudited net profits of LBP53,062.4bn in the first nine months of 2024 compared to earnings of LBP62.1bn in the same period of 2023. The bank's net interest income reached LBP20,771.5bn in the first nine months of 2024 relative to LBP6,155.3bn in the same period last year, while its net fees & commission income stood at LBP7,877.1bn compared to losses of LBP939.6bn in the first nine months of 2023. Also, the bank's net operating income totaled LBP71,478.4bn in the first nine months of 2024 relative to LBP4,926.1bn in the same period of 2023. In parallel, the bank's operating expenditures reached LBP15,014.8bn in the first nine months of 2024 compared to LBP4,264bn in the same period last year, with personnel cost accounting for 66% of the total in the covered period.

Also, the bank's aggregate assets amounted to LBP1,620.5 trillion (tn) at the end of September 2024 relative to LBP278.5tn at the end of 2023. Further, net loans & advances to customers totaled LBP83,662.1bn at end-September 2024 compared to LBP15,030.8bn at end-2023, while net loans & advances to related parties stood at LBP257bn at end-September 2024 relative to LBP42.2bn at end-2022. In addition, customer deposits reached LBP1,442.2tn at the end of September 2024 compared to LBP250.1tn at end-2023, with deposits from related parties standing at LBP2,364.3bn at end-September 2024 relative to LBP580.5bn at end-2023. In parallel, the bank's shareholders' equity was LBP118.5tn at end-September 2024 relative to LBP16,341bn at end-2023.

The bank said that "the net income for the year is mainly the unrealized income obtained from the foreign currency translation of Foreign Currency Monetary Assets and Liabilities to Lebanese pounds, for the accounts of the bank and its affiliated subsidiaries in Lebanon, at the exchange rate set at the date of preparing the financial statements in accordance with the Circular No. 300 that the Banking Control Commission issued on November 27, 2023. "



Libano-Suisse Insurance assets at LBP12,335bn at end-2023

Libano-Suisse Insurance sal's audited balance sheet shows that the firm had total assets of LBP12,335.2bn at the end of 2023 compared to LBP4,448.1bn at the end of 2022. On the assets side, general company investments reached LBP5,327.6bn at the end of 2023 relative to LBP1,827.6bn a year earlier. They included LBP1,777.3bn in cash & cash equivalent, LBP1,456.7bn in fixed income instruments, LBP17.6bn in investments funds, and LBP4.4bn in land and real estate assets. Further, the firm blocked LBP1,958.6bn as bank deposits with maturities of more than three months and LBP32.8bn in favor of the Ministry of Economy & Trade as guarantees. Also, the reinsurance's share in technical reserves for the non-life category totaled LBP1,382.2bn at end-2023 and increased by 57% from LBL881.1bn a year earlier, while reserves for the life segment totaled LBP35.9bn and jumped by 428.8% from LBP6.8bn the end of 2022.

On the liabilities side, technical reserves for the non-life segment stood at LBP5,229bn at end-2023 compared to LBP2,437.7bn at end-2022, while technical reserves for the life category reached LBP317.5bn at end-2023 relative to LBP97.6bn a year earlier. Non-life technical reserves included outstanding claims reserves of LBP2,789.7bn that surged by 82.5%, unearned premium reserves of LBP2,215.2bn that jumped by 155.7%, and LBP143.1bn in "reserves incurred but not reported" that grew by 692% year-on-year. Also, provisions for risks and charges reached LBP181.1bn at end-2023 and rose by 145.3% from LBP73.8bn at end-2022. The firm's shareholders' equity totaled LBP3,460.7bn at end-2023 compared to LBP1,220.3bn at end-2022.

Al-Bayan magazine's annual survey of the insurance sector in Lebanon ranked Libano-Suisse Insurance in seventh and fourth place in 2023 in terms of non-life and life premiums, respectively. The firm's non-life premiums totaled \$51.9m in 2023 and grew by 13% from the previous year, while life premiums decreased by 10.4% to \$5.95m in 2023. The company had a 5.8% share of the local non-life market and a 6.3% share of the life market in 2023. Overall, Libano-Suisse Insurance had a 5.8% market share of the Lebanese insurance market in 2023.

Solidere invites shareholders to Ordinary General Assembly

Solidere, the Lebanese Company for the Development and Reconstruction of Beirut Central District sal, invited the holders of Solidere 'A' and Solidere 'B' shares to attend an Ordinary General Assembly that will be held on December 18, 2024. The agenda of the meeting consists of hearing and approving the Board of Directors' reports and the auditors' reports for fiscal year 2023, discussing the accounts and the results of fiscal year 2023, electing members of the Board of Directors, and appointing the firm's auditors and determining their compensation, among other items.

Solidere announced audited losses of \$36.8m on a standalone basis in 2023 compared to net losses of \$11.1m in 2022. The firm posted revenues of \$5m from land sales in 2023 on a standalone basis, constituting a drop of 83% from receipts of \$29.6m in 2022. Also, its standalone revenues from rented properties reached \$26.7m in 2023 and regressed by 15% from \$31.4m in 2022, while receipts from services rendered totaled \$2.45m and decreased by 36% from \$3.84m in the preceding year. It attributed the increase in losses to the near absence of real estate sales and to the decline in rental income amid the closure of the majority of companies operating in the Beirut Central District as a result of the continued deterioration of the general and economic conditions in Lebanon, in addition to the prevailing multiple exchange rates and their impact on the calculation of financial results.

In parallel, the firm's cost of revenues stood at \$33.2m in 2023 relative to \$60m in 2022, while its net operating income reached \$1.3m compared to \$5.9m in 2022. Also, the company's general and administrative expenses reached \$19.5m in 2023 and declined by 52% from \$40.7m in 2022. The provisions for impairments totaled \$14.85m in 2023, while the firm did not take net provisions for impairments in 2022.

Further, Solidere stated that its assets reached \$1.79bn on a standalone basis at the end of 2023 and contracted by 1.4% from \$1.82bn at the end of 2022, while its inventory of land and projects in progress regressed by 0.5% to \$855.6m and accounted for 47.7% of its total assets. Also, the company's cash and bank balances reached \$26.8m at the end of 2023, down by 33.7% from \$40.5m a year earlier, while its accounts and notes receivables stood at \$6.4m relative to \$1m at the end of 2022. Also, the firm's liabilities, including accounts and dividends payable, as well as deferred revenues, totaled \$261.8m at the end of 2023 and surged by 36.5% from \$191.8m at the end of 2022. Further, the company's shareholders' equity was \$1.53bn at the end of 2023, down by 6% from \$1.63bn at end-2022.

Solidere was Lebanon's largest listed firm on the Beirut Stock Exchange in terms of market capitalization at the end of 2023. The price of Solidere 'A' shares closed at \$89.1 per share, while the price of Solidere 'B' shares closed at \$89.95 per share at the end of 2023, constituting increases of 46.3% and 49%, respectively, from \$60.9 per share and \$60.35 per share at end-2022.

Ratio Highlights

(in % unless specified)	2021	2022	2023	Change*
Nominal GDP (\$bn)	19.8	24.5	24.0	(0.5)
Public Debt in Foreign Currency / GDP	-	-	-	-
Public Debt in Local Currency / GDP	-	-	-	-
Gross Public Debt / GDP	357.7	255.2	195.2	(60.0)
Trade Balance / GDP	(51.9)	(63.5)	(60.5)	3.0
Exports / Imports	24.8	18.3	17.1	(1.2)
Fiscal Revenues / GDP	8.3	5.7	12.9	7.2
Fiscal Expenditures / GDP	10.9	12.2	13.3	1.0
Fiscal Balance / GDP	(2.7)	(6.6)	(0.4)	6.2
Primary Balance / GDP	(1.6)	(6.0)	0.4	-
Gross Foreign Currency Reserves / M2	26.0	13.4	143.5	130.1
M3 / GDP	81.9	35.0	55.8	20.7
Commercial Banks Assets / GDP	107.3	38.9	82.7	43.8
Private Sector Deposits / GDP	79.5	28.9	68.0	39.1
Private Sector Loans / GDP	17.0	4.6	6.0	1.4
Private Sector Deposits Dollarization Rate	79.4	76.1	96.3	20.2
Private Sector Lending Dollarization Rate	56.3	50.7	90.9	40.2

*change in percentage points 23/22;

Source: Banque du Liban, Ministry of Finance, Central Administration of Statistics, International Monetary Fund, Byblos Research Estimates & Calculations

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

National Accounts, Prices and Exchange Rates

	2021	2022e	2023f
Nominal GDP (LBP trillion)	245.6	655.2	2,090.7
Nominal GDP (US\$ bn)	19.8	24.5	24.0
Real GDP growth, % change	2.0	1.0	-0.7
Private consumption	123.5	-	1.5
Public consumption	-92.2	-	-9.8
Gross fixed capital	63.8	-	21.8
Exports of goods and services	3.4	3.5	3.0
Imports of goods and services	13.6	19.1	17.5
Consumer prices, %, average	154.8	171.2	221.3
Official exchange rate, average, LBP/US\$	1,507.5	1,507.5	15,000
Parallel exchange rate, average, LBP/US\$	16,821	30,313	86,362
Weighted average exchange rate LBP/US\$	12,006	25,604	76,363

Source: International Monetary Fund, Lebanese customs

Ratings & Outlook

Sovereign Ratings	Foreign Currency			Local Currency		
	LT	ST	Outlook	LT	ST	Outlook
Moody's Ratings	C	NP	-	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

	Outlook
Moody's Ratings	Negative

Source: Moody's Ratings



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