Banque du Liban

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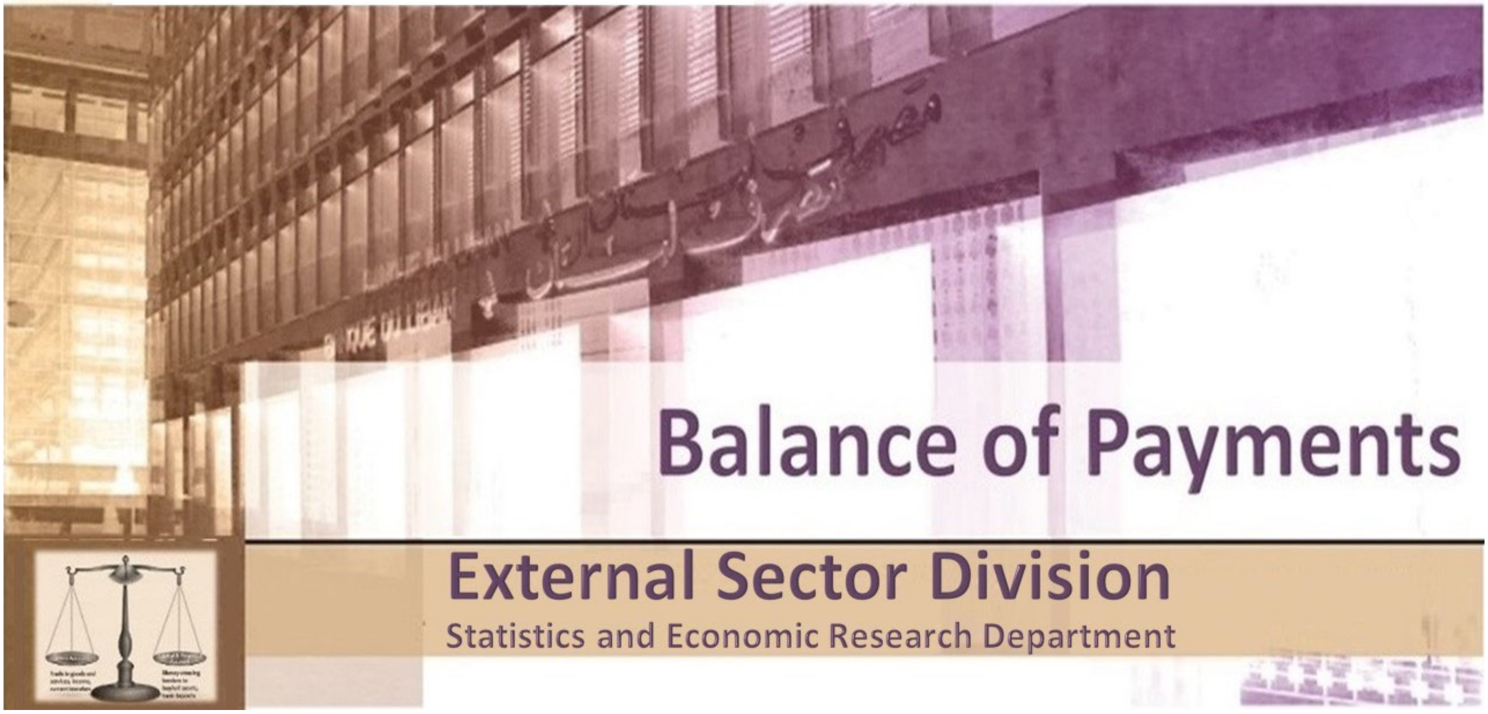

BALANCE OF PAYMENTS

AND

INTERNATIONAL INVESTMENT POSITION

REPORT - 2024

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INTRODUCTION

The **External Sector Division (ESD)** at the Statistics and Economic Research Department (SERD) of the Banque du Liban (BdL) is responsible for compiling Lebanon's Balance of Payments (BoP) and, more recently, the International Investment Position (IIP), in line with the IMF statistical frameworks.

The BoP is a statistical statement that records transactions (flows) between residents and non-residents during a specific period, typically a year. Currently, the ESD compiles and disseminates BoP statistics in accordance with the fifth edition of the IMF's Balance of Payments Manual (BPM5). These statistics are published monthly, in millions of US dollars, and released six months after the end of the reference period.

The IIP, on the other hand, is a stock measure that records the economy's external financial assets and liabilities at a specific period. It complements the BoP by providing insights into Lebanon's external vulnerability, sustainability, and international investment position, offering a broader perspective than the Net Foreign Assets (NFA) of the financial sector.

Both the BoP and IIP are key macroeconomic indicators. The BoP informs policy and investment decisions by highlighting trends in trade, income, transfers, and financial flows. The IIP helps assess Lebanon's external wealth and its resilience to economic shocks. Together, they provide a foundation for sound monetary policy, investment strategy, and risk management.

From a legal and regulatory perspective, BdL is the sole institution mandated to compile and disseminate BoP and IIP statistics. BdL has the authority to collect data from the public sector, banks, and financial institutions. The Central Administration of Statistics (CAS), meanwhile, supports this effort by conducting surveys in the non-financial private sector.

The ESD is preparing to transition to the seventh edition of the IMF Balance of Payments Manual (BPM7) and adopting the newly released methodology. The division, recently started compiling the International Investment Position (IIP), providing a comprehensive snapshot of Lebanon's external assets and liabilities. The IIP will be disseminated for the first time in this report.

We continue to prioritize accuracy, transparency, and quality, ensuring our external sector statistics are aligned with evolving international standards. Notably, this is the second consecutive year in which BoP statistics have been released in less than six months after the reference period, reflecting our ongoing commitment to timeliness even in the face of limited resources.

Structure of the Report:

This report is organized as follows. Following this introduction, Section 1 outlines the legal and institutional framework governing the compilation and reporting of external sector data in Lebanon. Section 2 highlights the major developments in 2024. Section 3 presents a detailed analysis of the BoP components for the year. Section 4 introduces, for the first time, Lebanon's annual **International Investment Position (IIP)** since 2018. Section 5 examines the impact of exchange rate on BoP components.

The annexes provide supporting data: Annex A covers the latest results from the Coordinated Portfolio Investment Survey (CPIS). Annex B presents, for the first time, the results of the **Coordinated Direct Investment Survey (CDIS)**. Annex C provides **revised annual BoP statistics till Dec 2024**, followed by Technical Notes in Annex D.

SECTION 1: LEGAL AND REGULATORY FRAMEWORK

The BdL has issued a number of circulars establishing the legal framework for the compilation and reporting of the BoP statistics:

- **The Residency Concept:** Basic Circular No. 24 (Decision No. 6170 issued on 17 May 1996, amended by Decision No. 7919 on 7 September 2001): Defines the classification of residents and non-residents.
- **International Transactions Reporting System (ITRS):** Basic Circular No. 90 (issued on 4 February 2002, amended by Intermediary Circular No. 315 on 28 January 2013): Regulates the reporting of international transactions.
- **Coordinated Portfolio Investment Survey (CPIS):** Basic Circular No. 91 (issued on 13 February 2002, amended by Circular No. 133 on 21 March 2007, and further amended by Circular No. 665 on 28 March 2023): Governs the reporting of portfolio investment positions by residents in securities issued by non-residents.
- **Coordinated Direct Investment Survey (CDIS):** Basic Circular No. 131 (Decision No. 11618, issued on 29 November 2013): Regulates inward and outward direct investment positions and transactions in the resident banking, financial, and insurance sectors.
- **Payment Cards:** Basic Circular No. 63 (issued on 3 October 1997, amended by Circular No. 296 dated 30 April 2012): Covers payments and withdrawals via credit and debit cards, including transactions made through automated teller machines (ATM), points of sale (POS), over-the-counter (OTC), internet, and other channels.
- **Electronic Banking and Financial Operations:** Basic Circular No. 69 (Decision No. 7548 issued on 30 March 2000, amended by Intermediary Decision No. 11937 dated 26 June 2015): Regulates electronic banking and financial operations.

SECTION 2: BALANCE OF PAYMENTS (BOP) AND INTERNATIONAL INVESTMENT POSITION (IIP): MAJOR HIGHLIGHTS 2024

- Lebanon's BoP for 2024 shows modest improvement in the current account deficit, a positive signal with 5.4% YoY.
- Net IIP stood at –$58.8 billion, Lebanon's first official IIP publication.
- Trade deficit remained elevated (–$12.3 billion), as exports fell by 9%, especially in key categories like precious stones.
- Nonmonetary gold imports surged, reflecting domestic demand for saving/hedging assets amid uncertainty.
- Services surplus halved to $0.7 billion, with sharp drops in travel and business services.
- Financial services show a significant improvement, with the surplus tripling to $619 million.
- Income deficit narrowed to $233 million, with improved returns on portfolio and reserve assets.
- Net current transfers rose 8%, supported by steady diaspora flows and NGO-linked support.
- Workers' remittances hit a historic high of $6.8 billion (+6% YoY), covering 55% of trade deficit.
- FDI inflows surged 73%, largely from real estate acquisitions by non-residents.
- Portfolio investment assets increased, with a shift in resident preferences toward long-term debt securities and reduced equity exposure.
- Other investments were supported by strong non-bank inflows, while banks' cross-border loans declined and both deposits abroad and from non-residents increased.
- Reserve assets fell by $4.3 billion, with a revised classification excluding sovereign Eurobonds and BdL's FX loans to banks and financial institutions.
- Unclassified transactions, captured under the Net Errors and Omissions item, accumulated to –$2.7 billion over the past three years, equivalent to 14% of the cumulative current account deficit for the same period. This reflects persistent data gaps, lack of surveys covering the non-financial sector, the informal economy, and timing mismatches in external sector reporting.

SECTION 3: THE BOP OUTLOOK FOR 2024

CURRENT ACCOUNT:

Lebanon's current account deficit continued to improve in 2024, reaching $5.6 billion, slightly lower by 5% than the $5.9 billion deficit recorded in 2023. This marks a 25% improvement compared to 2022.

This improvement was primarily driven by a 3% narrowing of the trade in goods deficit and a 9% reduction in the net primary income deficit. However, the net inflow of services experienced a significant decline (43%), partially offset by an 8% increase in net current transfers, underscoring Lebanon's ongoing reliance on remittances from the diaspora.

In detail, below are the current account components:

GOODS ACCOUNT:

Following a peak deficit in 2022, the goods balance continued its improvement in 2024, narrowing the deficit by 10% compared to 2022 and by 3% compared to 2023, reaching $12.3 billion. However, this improvement is not necessarily a positive indicator, as it mainly stems from a 4% decline in imports of goods rather than a healthy increase in exports. In fact, exports of goods have continued to decline at an accelerated pace (9% vs. 2023 and 16% vs. 2022).

- **Merchandise Trade by Group of Commodities**

Exports by group of commodities

Lebanon's total exports of goods (Goods-credit) declined by 9% in 2024, falling from $4.1 billion in 2023 to $3.8 billion. This contraction was primarily driven by a sharp 25% drop in exports of pearls and precious stones, Lebanon's top export category, which significantly impacted the overall performance. Additional declines were observed across several key commodities: machinery and electrical instruments fell by 21%, plastics and rubber by 13%, and vegetable products by 11%.

However, some export categories showed resilience or modest growth. Notably, exports of chemical products increased by 12%. Exports of prepared foodstuffs, beverages, and tobacco also grew by 10%, underscoring continued strength in Lebanon's agro-industrial sector. Chart 1 illustrates the composition of key export commodities as a percentage of total exports.

Imports by group of commodities

Lebanon's total imports of goods (Goods-debit) decreased by 4.4% in 2024, falling from $16.9 billion in 2023 to $16.1 billion. This decline was mainly driven by a 6% reduction in mineral products, the country's largest import category. While the imported volume of mineral products increased by 2%, the overall value dropped due to declining international prices. Other major contributors to the decline included vehicles, aircraft, vessels, and transport equipment, which fell sharply by 30%, machinery and electrical instruments by 20%, and base metals by 5%.

Conversely, several categories recorded growth. Pearls and precious stones imports increased slightly by 2%, maintaining their significant share in total imports. Chemical products rose by 10%, likely reflecting rising pharmaceutical and industrial demand. Meanwhile, prepared foodstuffs, beverages, and tobacco increased by 16%, suggesting a surge in domestic consumption and higher reliance on imported consumer goods. This import pattern highlights Lebanon's continued dependency on essential imports, while capital goods such as machinery and transport equipment dropped. Chart 2 illustrates the composition of key import commodities as a percentage of total imports.

Chart 1: Special exports by group of commodities (2024)
(in percent of total exports)

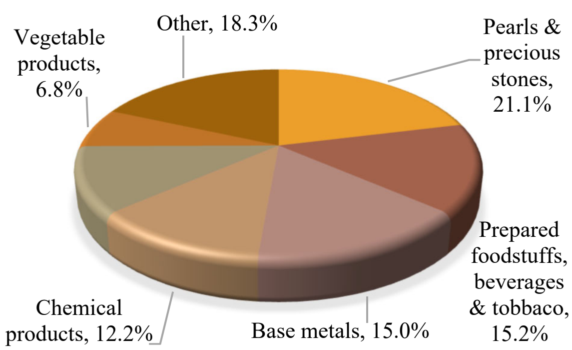
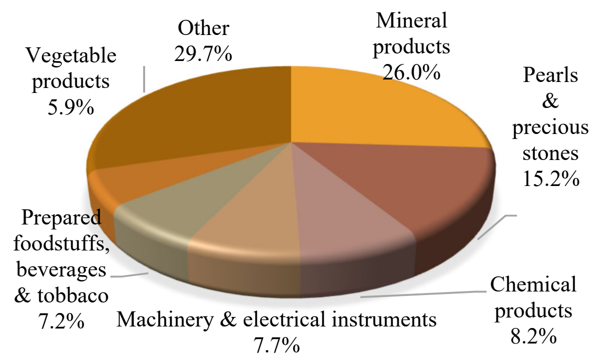


Chart 2: Special imports by group of commodities (2024)
(in percent of total imports)



***Source**: Lebanese Customs*

- **Merchandise Trade by Destinations and Partners**

Exports by Destination

In 2024, Lebanon's total special exports declined by 10%, falling from $2.9 billion in 2023 to $2.7 billion. This contraction reflected a significant reshuffling in the ranking of Lebanon's key export destinations. The United Arab Emirates remained the top export destination despite a 13% decline in export value, falling from $591 million to $516 million. Iraq moved up to second place with exports totaling $158 million, nearly unchanged from 2023. Turkey, previously ranked second, experienced a sharp 47% drop, declining from $292 million to $154 million. United States exports rose by 26%, from $122 million to $153 million. Egypt recorded a 17% decline, falling from $164 million to $135 million, while Switzerland also saw a 19% drop to $117.2 million. Chart 3 presents the breakdown of Lebanon's top export trading partners in 2024.

Imports by Source

In 2024, the slight decline in special imports (4%) reflected shifts in trade relationships and sourcing patterns. China maintained its position as Lebanon's largest import partner, although imports declined by 5% year-on-year, from $2.1 billion to $1.9 billion. Significant decreases were observed in imports from several traditional suppliers. Imports from Switzerland dropped sharply by 37%, likely due to reduced purchases of pharmaceuticals or precious metals, while Greece saw a 13% decline, possibly reflecting lower fuel imports. Turkey and Italy also recorded substantial decreases, falling by 25% and 22%, respectively.

In contrast, regional partners gained prominence in Lebanon's import structure. Imports from Egypt rose by 65%, reaching $963 million, and the United Arab Emirates also saw a considerable 78% increase, totaling $953 million. Notably, Saudi Arabia re-entered the top import sources with $886 million in imports. The United States and Germany experienced more modest declines of 19% and 6%, respectively. Chart 4 illustrates the breakdown of Lebanon's top import trading partners in 2024.

Chart 3: Special exports by destination (2024)
(in percent of total exports)

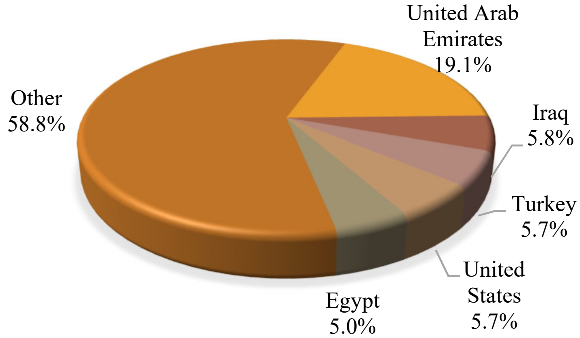
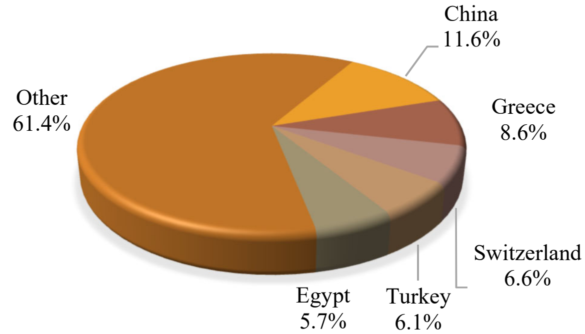


Chart 4: Special imports by source (2024)
(in percent of total imports)



***Source**: Lebanese Customs*

- ## Other Goods Items

In addition to general merchandise (exports and imports in trade statistics), the Goods account in the BoP, in accordance with BPM5, covers goods for processing ("manufacturing services" in BPM6), repairs on goods ("maintenance and repair services" in BPM6), goods procured in ports by carriers, and non-monetary gold.

Goods for processing recorded a net inflow of $117 million in 2024, significantly lower than in 2023, mainly due to a sharp decline in credit and debit flows, indicating reduced volumes of materials sent abroad or received for transformation. The processing abroad component remained marginal, while processing in Lebanon (the compiling economy) accounted for nearly the entire net inflow with the highest amount observed in the second half of 2024.

Repairs on goods totaled just $1.2 million in credit with negligible debits. Similarly, goods procured at ports by carriers amounted to $145 million, with no associated debit entries, as expected.

Nonmonetary gold remained the most volatile component, recording a net deficit of $1.96 billion in 2024, higher than in 2022 and 2023. This resulted from a significant increase in gold imports ($2.2 billion) and modest export flows ($281 million), reflecting ongoing domestic demand for nonmonetary gold, possibly for savings or hedging amid economic uncertainty.

SERVICES ACCOUNT:

In 2024, services that traditionally help offset trade deficits further declined, with the services surplus fell to $0.7 billion from $1.3 billion in 2023. This decline was mainly due to a 10% decrease in service exports, while service imports fell only 4%. Year 2024, experienced a sharp decline, reflecting contractions in major components like travel and business services.

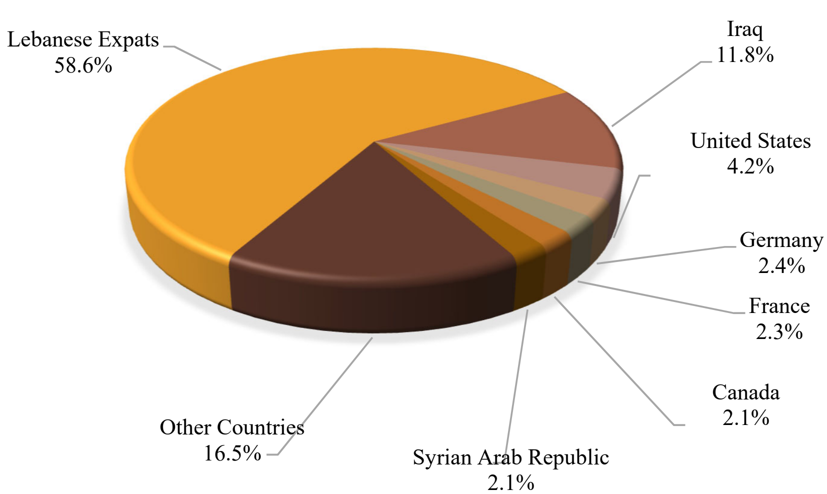
Travel services, which had historically been the largest contributor to the services surplus, faced a 38% year-on-year drop. This was primarily due to a 16% drop in travel receipts, nearly $0.7 billion in Q4 due to the war's impact on passenger flow. Travel debits declined slightly by 6%, suggesting that Lebanese residents left the country due to the conflict. It is worth mentioning that, Lebanese expatriates account for nearly 60% of travel receipts. Chart 5 presents the top travel inflows (credit) by country as a percentage of total travel inflows.

Conversely, financial services became a significant positive contributor, with their surplus more than tripling from $150 million to $619 million in 2024, thanks to strong growth in receipts from commissions and fees earned by deposit-taking institutions, coupled with a reduction in related payments. By contrast, transportation services recorded a modest decline of 3%, reaching a net deficit of -$1.2 billion. This was mainly due to a substantial 35% drop in credit inflows, which was not offset by the 5% decrease in debit outflows.

While insurance and construction services remained stable and positive, other business services deteriorated, shifting from a $123 million surplus in 2023 to a $107 million deficit in 2024, with negative results in Q2 and Q3. Additionally, royalties and license fees fell into a $4 million due to rising payments for foreign licenses and intellectual property.

In technology, computer and information services saw a significant surplus increase to $54 million, while communication services declined significantly. Minor categories like government, cultural, and personal services remained stable.

Chart 5: Travel Inflows by Nationality (2024)
(in percent of total)



***Source**: BdL estimates.*

INCOME ACCOUNT:

In 2024, Lebanon's income account deficit narrowed to $233 million, improving by 77% compared to 2022 and by a modest 9% compared to 2023. This overall improvement was driven by developments in investment income, which, despite remaining in deficit at $305 million, recorded a 6% decline in net outflows year-on-year. On the credit side, receipts fell by 16% to $854 million, indicating lower returns from resident-owned foreign assets. Simultaneously, debits dropped by 15%, due to decreased income payments to foreign investors, mainly lower interest and dividend payments.

Compensation of employees contributed positively, with net inflows rising by 4%. While credit receipts from compensation declined slightly by 7%, debits fell by 20%, leading to a modest improvement in the net income balance.

Within investment income: Direct investment income recorded a small net surplus of $4.5 million, reversing the $40 million deficit in 2023. This shift was driven by increased dividend distributions, particularly from equity held abroad.

Portfolio investment income improved, narrowing its deficit by 10% to $650 million. This was largely due to a significant increase in credit receipts, mostly from non-bank equity investments, and a 9% drop in debit outflows.

Other investment income registered a surplus of $341 million, though lower than 2023's exceptional $440 million. This reflects a 79% drop in the banking sector's surplus, due to declining interest earnings and continued reductions in interest payments to non-residents. Income from monetary authorities' foreign assets rose by 15%, signaling improved returns on reserves, while government-related income payments remained unchanged from 2023.

CURRENT TRANSFER ACCOUNT:

Current transfers play a vital role in the calculation of Lebanon's Gross National Disposable Income (GNDI) and in reducing the current account deficit. In 2024, net current transfers rose significantly, reaching $6.3 billion, marking an 8% increase compared to 2023. This improvement was driven by a 7% rise in credit inflows, while debit outflows registered a slight increase of by 2%.

The increase in net current transfers is largely attributable to workers' remittances, the most significant component of this account. In 2024, remittance inflows reached $6.8 billion, marking the highest level in the available time series and an 6% increase compared to 2023. This sustained upward trend, observed since 2021, highlights the continued support of the Lebanese diaspora as a vital source of foreign exchange and household income.

The growth in remittances was primarily driven by increasing reliance on cash and money transfer services, reflecting growing trust in informal channels amid persistent challenges in resident banks. Cash inflows rose by 5%, while inflows from money transfer companies increased by 11%. In contrast, bank transfers remained marginal, as many remitters continue to avoid fees and time delays associated with the formal banking channel (Chart 6). On the debit side, remittance outflows remained stable at $1.7 billion, with cash outflows comprising the majority, while outflows via banks nearly disappeared in 2024 (Chart 7).

Chart 6: Remittance Inflows by Channel
(in millions of USD)

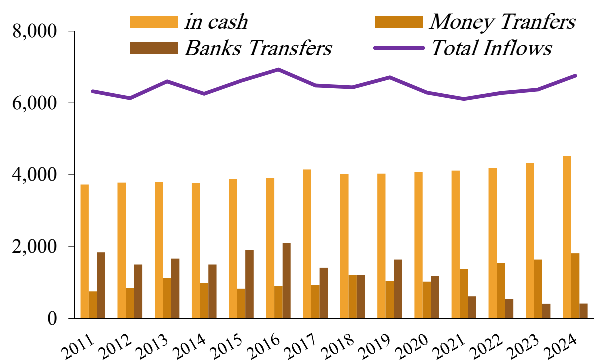
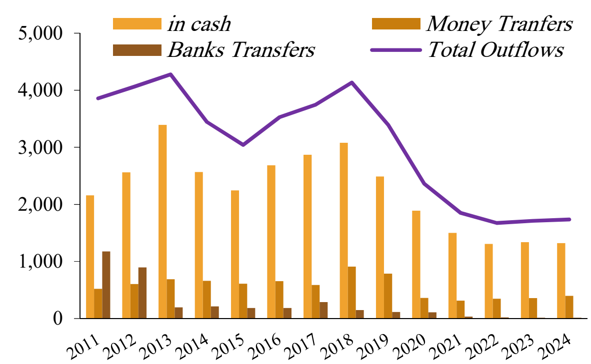


Chart 7: Remittance Outflows by Channel
(in millions of USD)

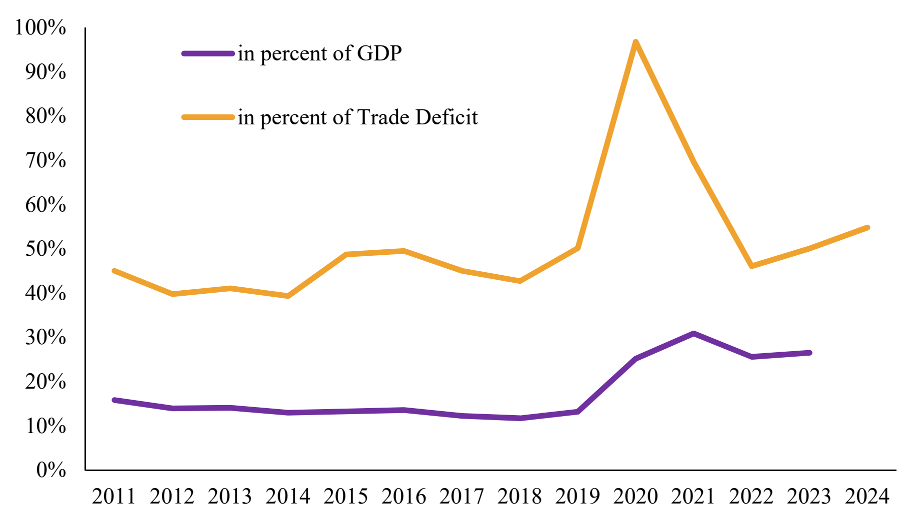


Source: *BdL estimates.*

The continued support of the Lebanese diaspora is clearly reflected in the growing importance of remittances. As a share of GDP, remittances rose sharply to over 20% in 2020, and peaked close to 30% in 2023. Between 2011 and 2019, they covered, on average, 45% of the trade deficit. Remarkably, in 2020, remittances were sufficient to fully offset the trade deficit, amid import contraction and subsidies. In 2024, remittances covered around 55% of the trade deficit, reinforcing their role in partially financing current account deficit (see Chart 8).

In addition to remittances, the net other current transfers to the non-government sector increased by 17% compared to 2023.

Chart 8: Remittance Inflows
as a percentage of GDP and Trade Deficit



Source of GDP: *CAS up to 2021; IMF from 2022 onward.*

Capital and Financial Account:

Capital Account:

In 2024, Lebanon's capital account surplus increased by 44%, primarily driven by a substantial rise in credit inflows (up 51%) and a sharp decline in debit outflows (down 83%). The capital account captures capital transfers to and from Lebanon, as well as transactions involving the acquisition or disposal of non-produced non-financial assets. The main contributor to this improvement was a 68% increase in capital transfers to the government, particularly the programs aimed at supporting Syrian refugees, as reported by UNHCR[1].

Migrants' transfers also rose, recording an annual increase of 62%. Conversely, the "Other" transfers category turned negative, as credit flows dropped by 25% while debit outflows surged by 67%. Additionally, the deficit in non-produced non-financial assets widened to -$33 million, mainly due to higher outflows recorded in Q3-2024.

Financial Account:

The financial account records changes in Lebanon's external financial assets and liabilities. Claims on non-residents are classified as assets and recorded as outflows (denoted by a negative sign), while obligations toward non-residents are treated as liabilities and recorded as inflows (denoted by a positive sign).

Direct Investment:

In 2024, direct investment abroad (assets/outflows) surged to $391 million, up significantly from $121 million in 2023. The sharp increase, particularly notable in Q2 2024, was mainly driven by a rise in equity capital outflows, which reached $272 million. These figures are primarily compiled from the Coordinated Direct Investment Survey (CDIS) conducted under BdL Circular No. 131, as detailed in Annex B.

Simultaneously, foreign direct investment (FDI) into Lebanon (liabilities/inflows) continued to strengthen, reaching $1.8 billion in 2024, up from $1.1 billion in 2023. This 73% increase was largely fueled by the rise in equity capital inflows from non-resident investors, mainly reflecting continued acquisitions in the Lebanese real estate sector.

Portfolio Investment:

In 2024, Lebanon's portfolio investment assets increased by $249 million, a notable rise compared to $68 million in 2023. This increase was driven by a significant surge in investments in foreign long-term debt securities, which grew from $79 million in 2023 to $357 million in 2024, particularly in Q2 and Q3, indicating renewed interest by residents in foreign bond markets. In contrast, equity securities assets declined, mainly due to a sharp drop of $101 million in holdings by the resident non-banking sector. The primary data source for portfolio investment assets is Circular No. 91, which governs the

[1] *United Nations High Commissioner for Refugees.*

Coordinated Portfolio Investment Survey (CPIS) addressed to resident banking, financial, and insurance sectors (refer to Annex A for details).

On the liabilities side, Lebanon's portfolio investment position declined by $1.1 billion in 2024, following a contraction of $2.5 billion in 2023. This continued downward trend is mainly attributed to maturing government bonds, which, due to the ongoing default, were not repaid and thus reclassified as arrears under "other liabilities to the government." Additionally, equity securities liabilities turned negative, mainly due to decline in non-resident investment of the banking sector's equity.

OTHER INVESTMENT:

In 2024, other investment assets declined by $4.9 billion, slightly less than the $5.1 billion drop in 2023. Loans to non-residents decreased by $6 million, much less than previous declines of $345 million in 2022 and $343 million in 2023. Currency and deposits assets registered an increase by $174 million, reversing two years of depletion, which was due to a $141 million increase in banks' deposits abroad, following sharp declines in 2022 and 2023. Deposits by other sectors also increased, albeit moderately, by $34 million, compared to $406 million in 2023.

The main item financing the current account deficit within the financial account continues to be "other assets item" held outside the monetary, banking, and financial sectors, which recorded an inflow of $5.1 billion in 2024, up from $4.4 billion in 2023 and $3.3 billion in 2022.

On the liabilities side, the recovery in 2024 was driven by an increase in currency and deposit inflows from other sectors, totaling $705 million, although this was lower than the $1.2 billion recorded in 2023. Loan liabilities recorded a sharp decline, dropping from $114 million in 2023 to –$371 million in 2024, driven by a continued reduction in bank loan obligations, which decreased by $4.2 million.

Notably, government obligations to non-residents (classified under "arrears in other liabilities") amounted to a net of $1.2 billion in 2024, comprising $564 million in unpaid Eurobond principal and $659 million in accrued but unpaid coupon interest.

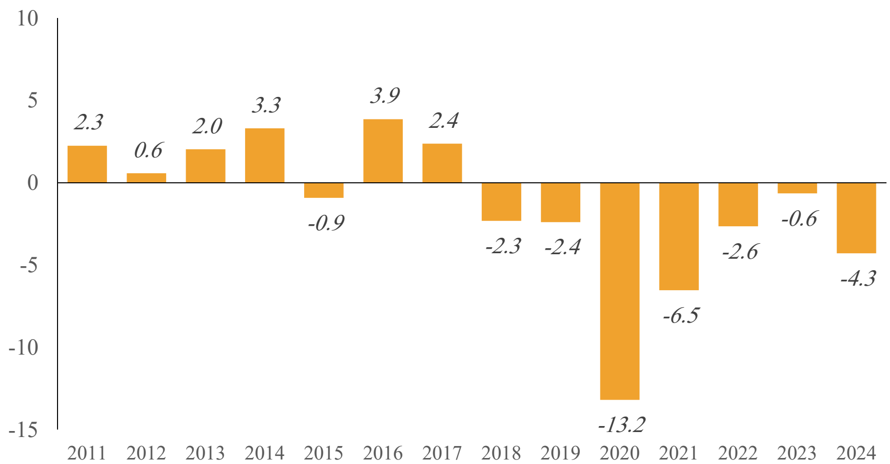
RESERVE ASSETS:

Reserve assets are external assets readily available to and controlled by the Banque du Liban (BdL) used to financing balance of payments imbalances and influencing exchange rate policy through intervention in the exchange market. These assets include:

- Monetary gold held as reserves by the central bank;
- Special Drawing Rights (SDRs) allocated by the IMF, which are exchangeable for major currencies (USD, EUR, JPY, GBP, CNY);
- Lebanon's reserve position in the IMF, based on its paid quota; and
- Foreign exchange assets, comprising foreign bonds and equity securities issued by non-resident entities, foreign currency, and deposits with correspondent banks and international institutions.

In 2024, BdL's reserve assets declined by $4.3 billion, following a smaller contraction of $643 million in 2023 (Chart 9). Pursuant to BdL Central Council Decision No. 37/20/2024, effective January 2024, the composition of BdL's foreign assets has been revised to include monetary gold, foreign securities held by BdL issued by non-residents, and foreign currencies & deposits with correspondent banks and international organizations; while excluding Lebanese Government Sovereign Bonds in foreign currency held by BdL, and BdL's loans in FX to resident banks and financial institutions. These changes are reflected in the BoP, except for flows of monetary gold, which under BPM5 are recorded only if there is a change in volume. However, the full impact is captured in the International Investment Position (IIP), discussed in Section 4.

Chart 9: Changes in BdL's Reserve Assets
(in billions of US$)



***Source**: BdL*

UNCLASSIFIED TRANSACTIONS (*Net Errors and Omissions in BPM5 & Statistical Discrepancy in BPM7*)

Unclassified transactions, recorded under the *Net Errors and Omissions (NEO)* item in BPM5, will be referred to as *Statistical Discrepancy* in BPM7. This is a balancing item in the BoP framework: when the sum of recorded transactions is a net credit (debit), NEO automatically records a corresponding debit (credit) to ensure double-entry accounting consistency.

Several factors contribute to the presence of NEO, including incomplete sectoral coverage (especially in informal and hard-to-measure sectors), delayed or missing reporting from data providers, estimation challenges due to lack of surveys in the non-financial sector, and timing mismatches between corresponding transactions, such as trade flows and related financial settlements.

Importantly, the size or volatility of NEO should not be interpreted as compilation errors. On contrary, it reflects transparency and statistical integrity, signaling that compilers acknowledge and disclose challenges in complex data collection systems.

Lebanon's historical NEO series shows substantial volatility, from a deficit of $10 billion in 2006 to a surplus of $11 billion in 2010, a surplus of $2.1 billion in 2023, then a deficit of $5.6 in 2024. These wide fluctuations highlight the importance of interpreting NEO trends over a multi-year horizon, rather than on a single-year basis. For instance, over a rolling three-year window, unclassified transactions accumulated to –$2.7 billion in the last 3 years, equivalent to 14% of the cumulative current account deficit during the same period.

SECTION 4: INTERNATIONAL INVESTMENT POSITION (IIP) OVERVIEW

This marks the first time that Lebanon's International Investment Position (IIP) has been compiled and officially published, in line with international statistical standards.

At the end of 2024, Lebanon's net International Investment Position (IIP) stood at –$58.8 billion, reflecting a marginal improvement of $2.3 billion compared to –$61.1 billion in 2023.

External Assets

Lebanon's external assets rose slightly in 2024 to $60.5 billion, up from $59.3 billion in 2023. This modest increase was primarily driven by:

- Direct investment abroad increased to $15.2 billion, remaining relatively stable, with equity capital and reinvested earnings continuing to be the main contributor.
- Portfolio investment assets rose to $1.6 billion, largely due to a notable rise in debt securities, which jumped from $806 million in 2023 to $1.2 billion in 2024. This reflects renewed interest by residents in international bond markets.
- Other investment assets held steady at $9.3 billion, with minimal changes in currency and deposits, while loans continued their gradual decline to $1.4 billion.
- Reserve assets increased to $34.4 billion, driven mainly by a 26% rise in monetary gold holdings, reaching $24.1 billion. It is worth noting that, as of January 2024, government sovereign Eurobonds held by BdL and foreign currency loans extended to resident banks are no longer classified under reserve assets[2].
- It is important to note that the coverage of investment assets abroad remains limited due to the lack of comprehensive alternative data sources. Current figures primarily reflect data reported by financial institutions and administrative records, and may underestimate the actual volume of foreign assets held by residents.

External Liabilities

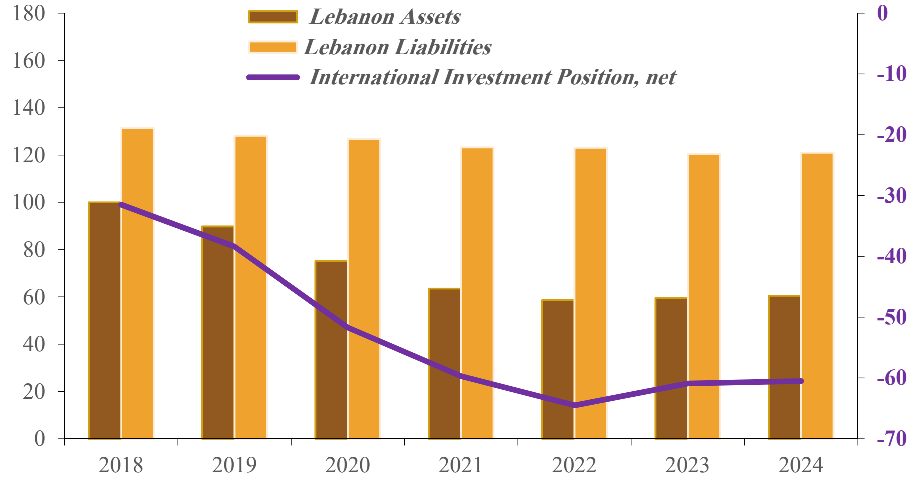
In 2024, Lebanon's total external liabilities slightly declined by 1% compared to 2023 recording $119 billion. The main components are as follows:

- Direct investment in Lebanon increased by 2.3%, reaching $73.7 billion, reflecting sustained non-resident interest in real estate, particularly from Lebanese diaspora and regional investors.
- Portfolio investment liabilities declined to $12.4 billion, mainly due to the maturity of government debt instruments, which, although not repaid, are now classified under arrears.
- Other investment liabilities declined slightly to $33.2 billion, down from $35.5 billion, primarily due to lower foreign loan obligations and deposits.

[2] *in accordance with BdL Central Council Decision No. 37/20/2024.*

Chart 10: Lebanon's International Investment position

(End of period, in billions of $)



Source: *BdL. Please note that clustered columns for assets and liabilities are plotted on the primary axis (left), while the Net IIP trend is on the secondary axis (right).*

Table 1: International Investment Position (IIP): External Assets and Liabilities

End of Period, in billions of USD

Item	2018	2019	2020	2021	2022	2023	2024
International Investment Position, net	**-35.1**	**-40.7**	**-53.8**	**-60.4**	**-65.2**	**-61.1**	**-58.8**
Assets	**96.3**	**87.6**	**73.0**	**62.8**	**58.0**	**59.3**	**60.5**
Direct investment abroad	**15.6**	**16.0**	**16.0**	**14.7**	**14.7**	**14.8**	**15.2**
Equity capital and reinvested earnings	*15.4*	*15.7*	*15.7*	*14.4*	*14.4*	*14.5*	*14.9*
Other capital	*0.3*	*0.3*	*0.3*	*0.3*	*0.3*	*0.3*	*0.3*
Portfolio investment	**3.4**	**2.1**	**1.3**	**1.6**	**1.3**	**1.4**	**1.6**
Equity securities	*1.6*	*1.2*	*0.8*	*0.9*	*0.6*	*0.6*	*0.5*
Debt securities	*1.8*	*0.9*	*0.4*	*0.7*	*0.7*	*0.8*	*1.2*
Other investment	**25.9**	**18.3**	**14.3**	**12.2**	**10.1**	**9.4**	**9.3**
Trade credits	*0.9*	*0.5*	*0.1*	*0.1*	*0.1*	*0.1*	*0.0*
Loans	*7.6*	*6.0*	*4.8*	*3.6*	*2.8*	*1.5*	*1.4*
Currency and deposits	*17.5*	*11.7*	*9.4*	*8.5*	*7.3*	*7.8*	*7.8*
Other assets	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Reserve assets	**51.4**	**51.2**	**41.4**	**34.4**	**31.8**	**33.7**	**34.4**
Monetary gold	*11.8*	*13.9*	*17.3*	*16.6*	*16.7*	*19.2*	*24.1*
Special drawing rights	*0.3*	*0.3*	*0.3*	*0.0*	*0.0*	*0.0*	*0.0*
Reserve position in the Fund	*0.2*	*0.2*	*0.2*	*0.2*	*0.2*	*0.2*	*0.2*
Currency and deposits	*32.1*	*29.1*	*18.1*	*13.5*	*10.2*	*9.5*	*9.9*
Securities	*7.2*	*7.7*	*5.5*	*4.2*	*4.8*	*4.9*	*0.2*
Liabilities	**131.4**	**128.2**	**126.8**	**123.2**	**123.2**	**120.4**	**119.3**
Direct investment in reporting economy	**65.7**	**67.8**	**69.7**	**70.3**	**71.1**	**72.0**	**73.7**
Equity capital and reinvested earnings	*65.7*	*67.8*	*69.7*	*70.3*	*71.1*	*72.0*	*73.7*
Other capital	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Portfolio investment	**17.1**	**14.5**	**16.7**	**18.6**	**14.7**	**12.9**	**12.4**
Equity securities	*0.3*	*0.6*	*0.3*	*0.4*	*0.4*	*0.4*	*0.4*
Debt securities	*16.8*	*13.9*	*16.4*	*18.2*	*14.3*	*12.5*	*12.0*
Other investment	**48.6**	**45.9**	**40.4**	**34.4**	**37.4**	**35.5**	**33.2**
Trade credits	*1.0*	*0.4*	*0.1*	*0.0*	*0.1*	*0.0*	*0.1*
Loans	*8.8*	*8.4*	*6.6*	*5.5*	*5.5*	*5.5*	*5.1*
Currency and deposits	*38.9*	*37.0*	*33.8*	*28.9*	*29.1*	*25.6*	*23.2*
Other liabilities	*0.0*	*0.0*	*0.0*	*0.0*	*2.6*	*4.3*	*4.8*
Memorandum Items *(BdL Official Figures)*							
Foreign Assets and Liabilities of Financial Sector (Net Stock)	**17.0**	**11.1**	**0.6**	**-1.4**	**-4.6**	**-2.3**	**18.2**
Foreign Assets	*65.3*	*55.2*	*38.4*	*30.2*	*25.6*	*24.2*	*44.1*
Foreign Liabilities	*48.3*	*44.1*	*37.8*	*31.6*	*30.2*	*26.5*	*26.0*
Net Foreign Assets of Financial Sector (NFA - Net Flows)	**-4.9**	**-5.9**	**-10.6**	**-2.0**	**-3.2**	**2.2**	**6.4**
△ Foreign Assets	*-0.7*	*-10.1*	*-16.8*	*-8.2*	*-4.6*	*-1.4*	*19.9*
△ Foreign Liabilities	*4.2*	*-4.2*	*-6.2*	*-6.3*	*-1.4*	*-3.6*	*-0.6*
LBP/USD Exchange Rate	***1,507.5***	***1,507.5***	***1,507.5***	***1,507.5***	***1,507.5***	***15,000***	***89,500***

Source*: BdL*

SECTION 5: NOMINAL EFFECTIVE EXCHANGE RATES

Impact of Exchange rate:

The change in the official exchange rate from LBP 1,507.5 to LBP 15,000 in February 2023, and subsequently to LBP 89,500 in January 2024 did not impact current account transactions, as those are cross-border transfers compiled and reported in USD by their original data sources.

With regard to portfolio investment asset positions, BdL updated the CPIS circular (refer to Intermediate Circular No. 665, issued on 28 March 2023), requesting respondents to report their portfolio investments in USD terms rather than in Lebanese pounds, effective from 2023.

For transactions originally reported in LBP, such as real estate acquisitions by non-residents recorded by the "Cadastre", the exchange rate has been adjusted to reflect prevailing market dynamics.

Nominal Effective Exchange Rate (NEER)

The Nominal Effective Exchange Rate (NEER) reflects the value of the domestic currency relative to a basket of trading partners' currencies. In 2023, the NEER averaged around 2.5 - 2.6, decreasing slightly in the first half of the year (from 3.2 in Q1 to 2.3 in Q2), then stabilizing toward the year-end. In 2024, despite the large nominal devaluation, the NEER remained relatively stable, hovering between 2.5 and 2.7.

Table 2: Exchange Rates and Liabilities

Indicator	LBP per SDR, *End of Period*	LBP per SDR, *Period Average*	LBP per USD, *End of Period*	LBP per USD *Period Average*	Nominal Effective Exchange Rate,
2023	**20,125.04**	**18,510.49**	**15,000.00**	**13,875.63**	**2.67**
2023Q1	20,178.46	14,070.64	15,000.00	10,502.50	3.23
2023Q2	19,951.11	20,119.17	15,000.00	15,000.00	2.34
2023Q3	19,724.64	19,984.37	15,000.00	15,000.00	2.54
2023Q4	20,125.04	19,843.28	15,000.00	15,000.00	2.56
2024	**...**	**...**	**...**	**...**	**2.60**
2024Q1	118,502.39	119,008.63	89,500.00	89,500.00	2.56
2024Q2	117,723.35	118,180.36	89,500.00	89,500.00	2.61
2024Q3	121,395.27	119,744.84	89,500.00	89,500.00	2.59
2024Q4	...	...	...	...	2.64

Source*: International Financial Statistics (IFS).*

ANNEX A

Results of the Coordinated Portfolio Investment Survey (CPIS)

The Coordinated Portfolio Investment Survey (CPIS) is conducted quarterly and captures the foreign portfolio investment assets held by Lebanese residents. The data is collected from the banking and financial sector in accordance with Basic Circular No. 91, issued on 13 February 2002, and subsequently amended by Circular No. 133 on 21 March 2007, and Circular No. 665 on 28 March 2023.

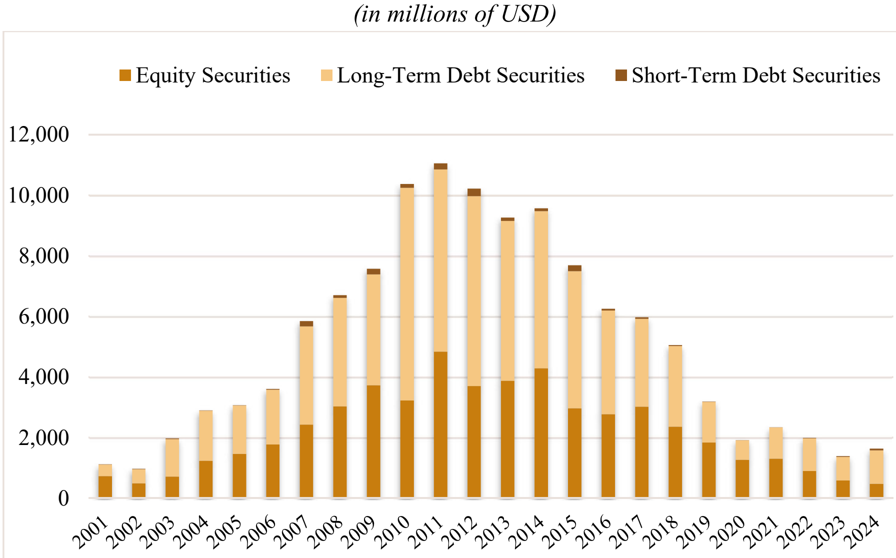
For the insurance sector, a similar regulatory framework is established through Circular No. 2, issued by the Ministry of Economy and Trade. These circulars govern the reporting of resident investment positions in securities issued by non-residents.

Respondents are required to report portfolio investment assets held both on their own account and on behalf of their custodians. CPIS data is essential for compiling the financial account of the BoP, as it reflects residents' cross-border holdings of equity and debt securities. The CPIS survey captures over 90% of total resident portfolio investment assets, with banks and financial institutions reporting on behalf of households and corporate clients.

A1. Portfolio Investment Trends

At the end of 2024, Lebanon's resident holdings of portfolio investment assets rose to $1.6 billion, up from $1.4 billion in 2023. This annual growth of 18% marks a partial recovery following a prolonged decline from pre-crisis levels ($3.2 billion in 2019).

Chart 11: Portfolio Investment Assets
(in millions of USD)



Source: *BdL Basic Circular No.91 and Ministry of Economy and Trade Basic Circular No.1 - Coordinated Portfolio Investment Survey (CPIS).*

The increase in 2024 was mainly driven by significant increase in long-term debt securities, which rose to $1.1 billion (41% annual growth). These instruments remain the preferred choice among resident investors, particularly banks. In contrast, equity securities continued to decline, falling to $476 million from $584 million in 2023. Since their peak in 2014, equity holdings have contracted by nearly 89%.

Short-term debt securities also registered an increase in 2024, albeit from a low base, rising from $24 million to $58 million. This indicates a cautious re-entry into short-term investments, which had nearly disappeared from bank portfolios after the 2019 financial crisis.

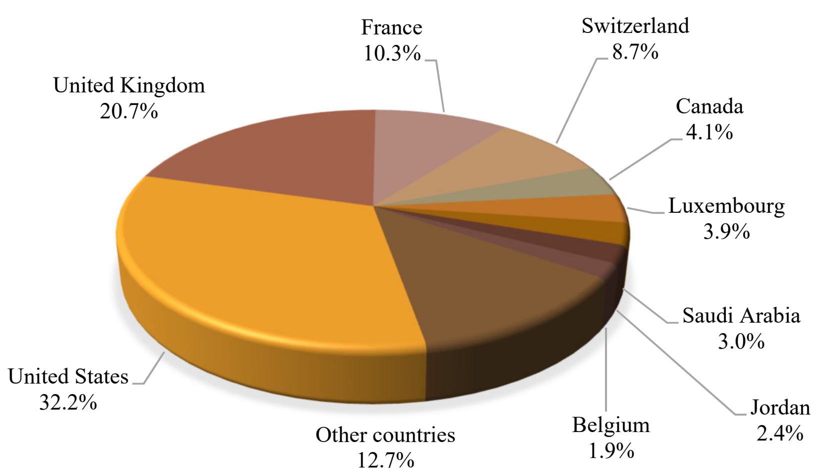
Overall, the 2024 data indicate a continued reallocation toward safer, longer-duration debt instruments and a reduced appetite for equity markets.

A2. Resident Portfolio Investment by Country of Non-Resident Issuer

Resident portfolio investments in 2024 remained concentrated in advanced economies, although the distribution was more balanced compared to previous years. The United States remained the dominant destination, accounting for 32% of total holdings, followed by the United Kingdom, France, and Switzerland, which also attracted substantial shares.

Among neighboring countries, securities issued in Saudi Arabia and Jordan attracted the Lebanese residents, representing 3% and 2% of total holdings, respectively. Investments were also diversified beyond the top destinations, with other countries collectively accounting for 13% of the portfolio.

Chart 12: Portfolio Investment Assets by Country of Non-resident Issuer
(in percentage of total holdings)



Source: *BdL Basic Circular No.91 and Ministry of Economy and Trade Basic Circular No.1 - Coordinated Portfolio Investment Survey (CPIS).*

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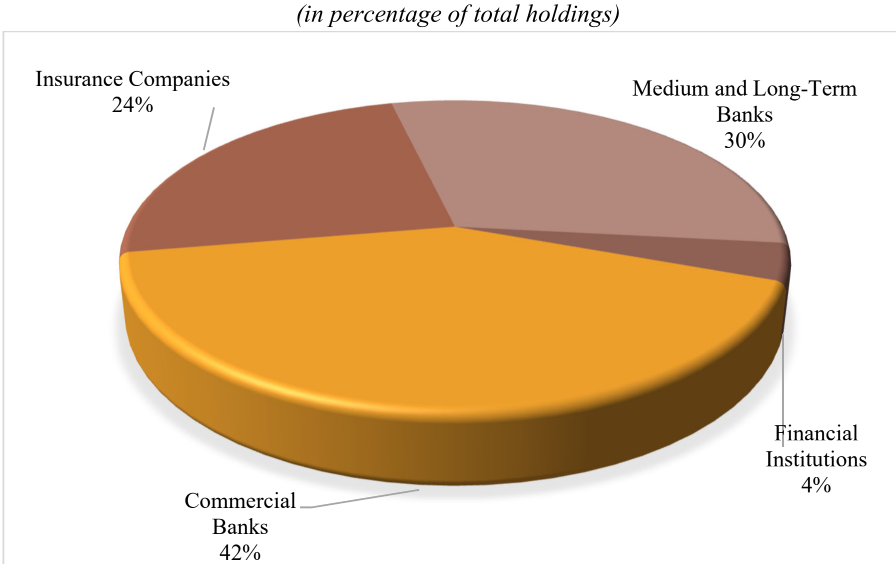
A3. Resident Portfolio Investment by Resident Sector

In 2024, commercial banks emerged as the largest holders of resident portfolio investment assets, accounting for 42% of the total. Their portfolios were heavily concentrated in long-term debt securities, which rose from $307 million in 2023 to $546 million in 2024. Their equity holdings slightly declined from $153 million to $138 million, while their exposure to short-term debt remained negligible. Medium and long-term investment banks ranked second, holding 30% of the total portfolio. Their foreign asset positions grew moderately in 2024, with equity securities reaching $178 million and long-term debt securities rising to $317 million, reflecting a cautious but steady investment approach.

Insurance companies represented 24% of total holdings. Their portfolios continued to be centered on long-term debt securities, which increased from $165 million to $230 million. They also boosted their short-term debt positions from $21 million to $54 million, while maintaining stable equity exposure at $108 million.

Financial institutions accounted for 4% of the total portfolio. They significantly reduced their equity investments from $152 million in 2023 to $52 million in 2024, and held a minimal amount of long-term debt securities ($10 million).

Chart 13: Portfolio Investment Assets by Resident Investor
(in percentage of total holdings)



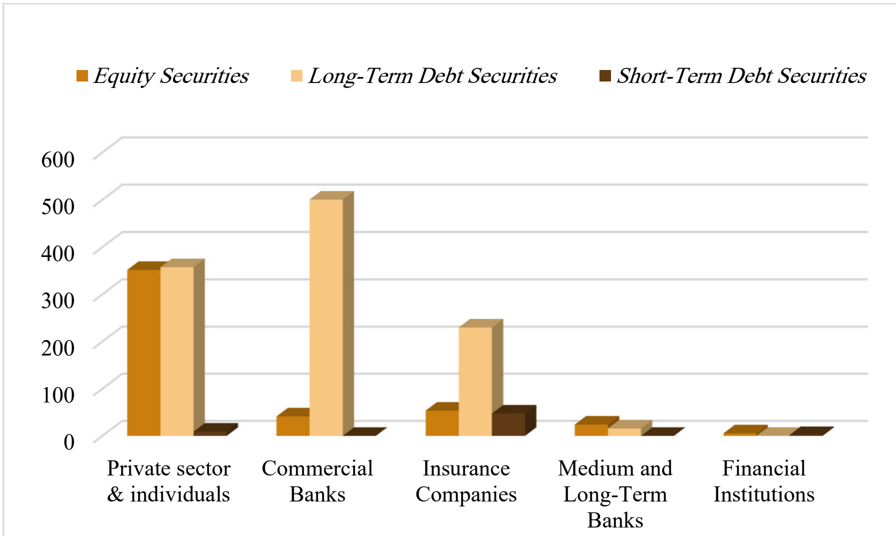
Source: *BdL Basic Circular No.91 and Ministry of Economy and Trade Basic Circular No.1 - Coordinated Portfolio Investment Survey (CPIS).*

A4. Resident Portfolio Investment: Distribution by Investor (End-Investor or Custodian)

Resident sectors report both their own portfolio investments and those held on behalf of their clients or custodians. The 2024 data confirms that the non-financial sector, including the private sector and individuals, represent a substantial share of total portfolio assets. Their portfolios were well-balanced, with equity securities and long-term debt securities held in nearly equal amounts, each approaching $0.4 billion. Their exposure to short-term debt securities remained minimal, consistent with the cautious post-crisis investment behavior observed across sectors.

Commercial banks' own investments (excluding their custodians) displayed a strong preference for long-term debt securities, holding over $500 million in this instrument, making them the largest institutional investors in this category. Their equity holdings were comparatively modest, while short-term debt remained negligible.

Chart 14: Portfolio Investment Assets by Type of Security
(in millions of USD)



Source: *BdL Basic Circular No.91 and Ministry of Economy and Trade Basic Circular No.1 - Coordinated Portfolio Investment Survey (CPIS).*

Table 3: Portfolio Investment Assets by Resident Investor
(in millions of USD)

Investor	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24
Equity Securities	**3,021**	**2,357**	**1,838**	**1,265**	**1,308**	**899**	**584**	**476**
Commercial Banks	*1,266*	*999*	*803*	*381*	*333*	*234*	*153*	*138*
Medium and Long-Term Banks	*1,105*	*775*	*535*	*458*	*377*	*302*	*168*	*178*
Insurance Companies	*171*	*183*	*189*	*194*	*246*	*135*	*111*	*108*
Financial Institutions	*474*	*401*	*311*	*232*	*351*	*228*	*152*	*52*
Financial Intermediaries	*6*	...	...	...	*1*	...	...	...
Leasing Companies	...	...	...	...	...	...	...	...
Long-Term Debt Securities	**2,903**	**2,667**	**1,342**	**648**	**1,028**	**1,080**	**780**	**1,103**
Commercial Banks	*2,008*	*1,787*	*869*	*248*	*407*	*443*	*307*	*546*
Medium and Long-Term Banks	*502*	*522*	*155*	*157*	*299*	*312*	*271*	*317*
Insurance Companies	*228*	*209*	*213*	*185*	*276*	*284*	*165*	*230*
Financial Institutions	*164*	*149*	*106*	*57*	*45*	*40*	*37*	*10*
Financial Intermediaries	...	...	...	...	...	...	...	...
Leasing Companies	...	...	...	...	...	...	...	...
Short-Term Debt Securities	**51**	**32**	**7**	**2**	**1**	**14**	**24**	**58**
Commercial Banks	*45*	*27*	*4*	...	...	...	*1*	*1*
Medium and Long-Term Banks	*2*	*1*	...	...	...	...	...	*2*
Insurance Companies	*4*	*4*	*3*	*2*	*1*	*8*	*21*	*54*
Financial Institutions	...	...	...	...	...	*6*	*2*	*2*
Financial Intermediaries	...	...	...	...	...	...	...	...
Leasing Companies	...	...	...	...	...	...	...	...
Total Assets	**5,974**	**5,056**	**3,187**	**1,914**	**2,336**	**1,993**	**1,389**	**1,638**

ANNEX B

Results of the Coordinated Direct Investment Survey (CDIS)

For the first time, the results of Lebanon's Coordinated Direct Investment Survey (CDIS) are being published by BdL, although they have long been available on the IMF portal. This Annex provides a comprehensive overview of direct investment positions and flows within Lebanon's financial sector.

The CDIS is compiled annually in accordance with BdL Basic Circular No. 131 and Ministry of Economy and Trade Basic Circular No. 2. It covers direct investment in equity and debt instruments reported by resident banks, financial institutions, financial intermediaries, and insurance companies. It captures the inward and outward direct positions, where the significant influence (≥10%) is maintained.

It is important to note that this survey represents only partial coverage of Lebanon's total direct investment, as it does not include the non-financial sector, which falls under the responsibility of the Central Administration of Statistics (CAS). This component has not yet been implemented.

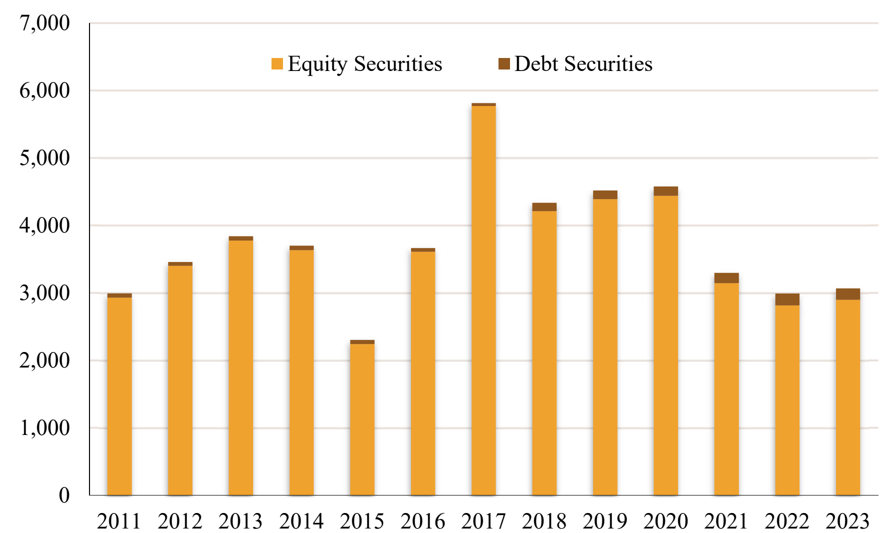
Finally, CDIS results become available in the second half of the following year, meaning the current release includes data up to end-2023.

B1. Direct Investment Abroad

Total Assets and Composition

At the end of 2023, Lebanon's total direct investment assets stood at $3.1 billion, representing a slight increase from $2.99 billion in 2022. This increase follows a decade of volatile trajectory, including a peak in 2017 ($5.8 billion) and a contraction in 2021, amid local economic challenges (Chart 15).

Chart 15: Evolution of Total Direct Investment Assets, 2011–2023
(in millions of USD)



Source: *BdL Basic Circular No.131 and Ministry of Economy and Trade Basic Circular No.2 – Coordinated Direct Investment Survey (CDIS).*

The 2023 portfolio was mostly composed of equity investments, totaling approximately $2.9 billion, or 95% of total direct investment assets. Debt instruments remained limited at $168 million, showing a preference among resident financial sector for equity securities.

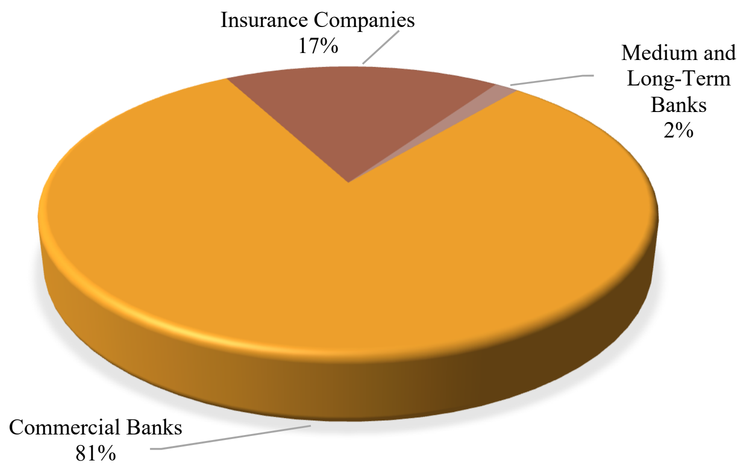
Distribution by Resident Sector

The sectoral breakdown of direct investment abroad in 2023 reveals that commercial banks were the dominant investors, holding $2.5 billion, approximately 81% of total assets. These investments were entirely in equity instruments, as commercial banks did not report any holdings in debt securities abroad.

Insurance companies ranked second, with total assets abroad amounting to $534 million, representing about 17% of the total. Of this, 13% was in equity investments. Their positions have grown steadily over the past decade, reflecting consistent sectoral engagement. Medium- and long-term credit banks also contributed, with $47 million in equity investments abroad. Although modest, their share has remained stable in recent years.

Notably, the entire stock of debt investments, $168 million, was held by insurance companies. Other institutions reported no exposure to foreign debt positions during the period.

Chart 16: Direct Investment Assets by Sector, 2023
(in percentage of total)

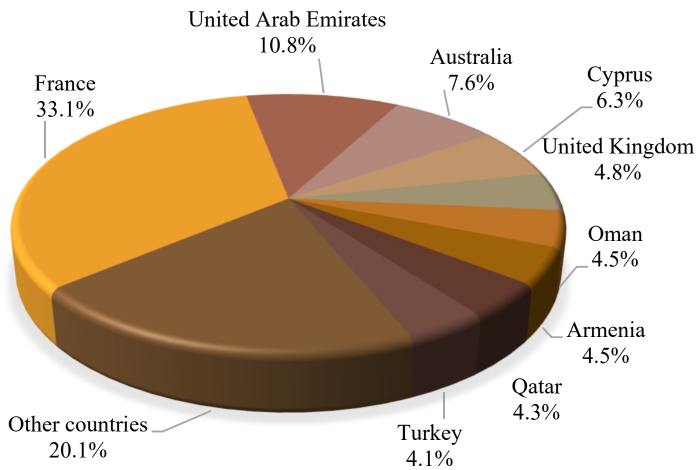


Source: *BdL Basic Circular No.131 and Ministry of Economy and Trade Basic Circular No.2 – Coordinated Direct Investment Survey (CDIS).*

Distribution by destination (country of investment)

In 2023, Lebanon's outward direct investment assets were highly concentrated in a few destinations, with France alone accounting for 33% of the total. This reflects a strong and sustained economic relationship with French markets, particularly in banking and services. The United Arab Emirates ranked second with 11%, underscoring Lebanon's regional investment focus within the Gulf. Other notable destinations included Australia (8%), Cyprus (6%), the United Kingdom (5%), and Oman (5%).

Chart 17: Direct Investment Assets by Country, 2023
(in percentage of total)



Source: *BdL Basic Circular No.131 and Ministry of Economy and Trade Basic Circular No.2 – Coordinated Direct Investment Survey (CDIS).*

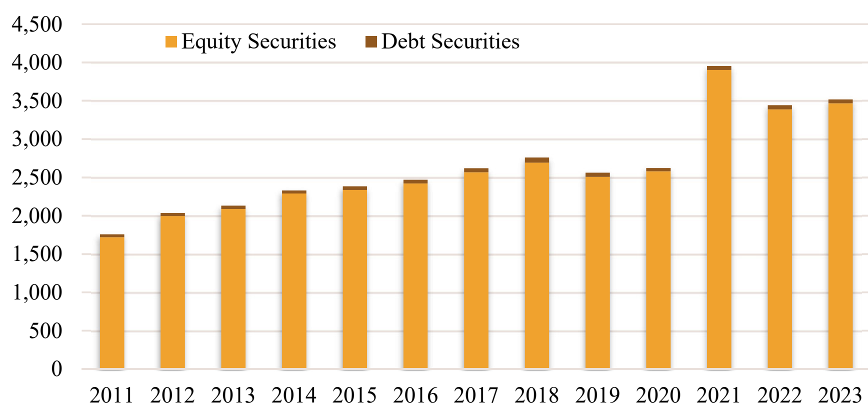
B2. Direct Investment Positions in Lebanon (FDI):

Total Assets and Composition

At the end of 2023, total direct investment liabilities in resident financial sector amounted to $3.5 billion, slightly up from $3.4 billion in 2022. The FDI stock remains dominated by equity capital, which made up $3.47 billion or nearly 99% of total liabilities in 2023. Debt liabilities remained relatively minor at $52 million, a level consistent with historical averages.

FDI liabilities peaked in 2021 at nearly $3.96 billion, but declined during the following two years amid Lebanon's economic challenges. The modest recovery in 2023 reflects continued, albeit cautious, investor confidence in key sectors of the economy.

Chart 18: Evolution of Total Direct Investment Liabilities, 2011–2023
(in millions of USD)



Source: *BdL Basic Circular No.131 and Ministry of Economy and Trade Basic Circular No.2 – Coordinated Direct Investment Survey (CDIS).*

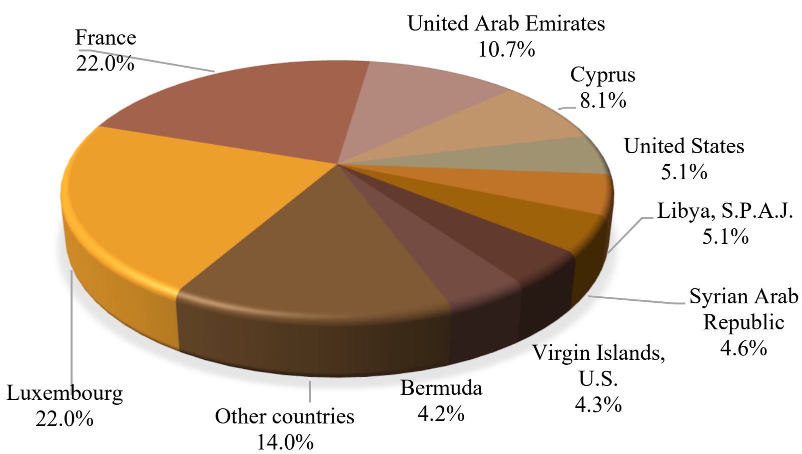
Liabilities by Country of Origin

FDI in Lebanon is highly concentrated geographically. As of 2023, France and Luxembourg were the top two source countries for direct investment, each accounting for 22% of total FDI in the financial sector. The United Arab Emirates followed with 11%, while Cyprus represented 8% of total liabilities.

Other significant contributors included the United States, Libya, Syria, and the Virgin Islands, each holding around 5%, and Bermuda with 4%. Other countries collectively accounted for 14%.

This country distribution highlights the importance of long-standing investment relationships with both European and regional partners.

Chart 19: Direct Investment Liabilities By Country, 2023
(in percentage of total)



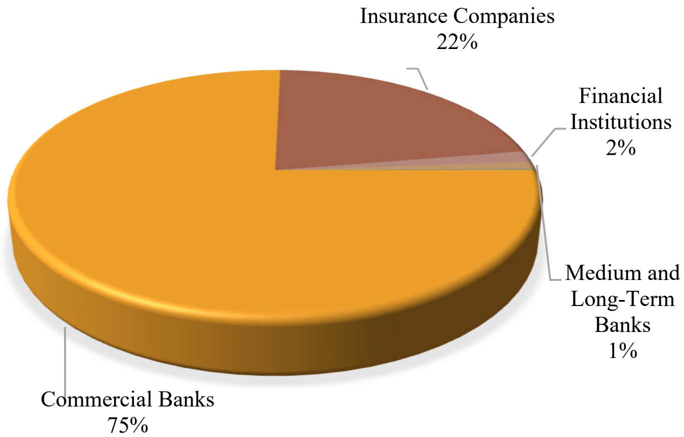
Source: *BdL Basic Circular No.131 and Ministry of Economy and Trade Basic Circular No.2 – Coordinated Direct Investment Survey (CDIS).*

Liabilities by Resident Sector

In 2023, the resident banking sector remained the primary recipient of foreign direct investment (FDI) in Lebanon. Commercial banks alone accounted for approximately 75% of total FDI liabilities, with non-resident equity holdings reaching \$2.6 billion. Insurance companies ranked second, attracting \$775 million in FDI (of which \$761 million was equity), representing 22% of the total. These positions have remained relatively stable and significant over the past decade.

In contrast, financial institutions and medium- and long-term banks played marginal roles, accounting for just 2% and 1% of total FDI liabilities, respectively. Their total liabilities stood at \$52 million (of which \$43 million in equity) and \$31 million (entirely equity) in 2023. Debt liabilities remained minimal across all sectors, with commercial banks consistently reporting only \$30 million in FDI debt annually over the past ten years.

Chart 20: Direct Investment Liabilities By Resident Financial Sector, 2023
(in percentage of total)



Source: *BdL Basic Circular No.131 and Ministry of Economy and Trade Basic Circular No.2 – Coordinated Direct Investment Survey (CDIS).*

Table 4: Direct Investment Position: Abroad and in Lebanon by Instrument and Financial Sector, 2011–2023
(in millions of USD)

Direct Investment	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Abroad *(assets)*	**2,992**	**3,459**	**3,841**	**3,701**	**2,303**	**3,664**	**5,812**	**4,336**	**4,518**	**4,576**	**3,296**	**2,989**	**3,066**
Equity Securities	**2,927**	**3,400**	**3,775**	**3,634**	**2,241**	**3,611**	**5,772**	**4,213**	**4,390**	**4,440**	**3,145**	**2,814**	**2,898**
Commercial Banks	*2,800*	*3,175*	*3,606*	*3,482*	*2,099*	*3,459*	*5,540*	*3,927*	*4,063*	*4,092*	*2,769*	*2,418*	*2,485*
Insurance Companies	*112*	*213*	*150*	*113*	*101*	*110*	*180*	*236*	*275*	*292*	*322*	*351*	*366*
Medium and Long-Term Banks	*15*	*13*	*19*	*39*	*41*	*42*	*49*	*48*	*49*	*53*	*54*	*45*	*47*
Financial Intermediaries	...	...	...	...	...	...	*2*	*2*	*3*	*3*	...	...	...
Financial Institutions	...	...	...	...	...	...	...	...	...	...	...	...	...
Debt Securities	**65**	**58**	**66**	**67**	**62**	**53**	**41**	**123**	**128**	**136**	**151**	**175**	**168**
Insurance Companies	*42*	*36*	*35*	*36*	*37*	*37*	*39*	*121*	*125*	*133*	*148*	*172*	*168*
Commercial Banks	*23*	*22*	*31*	*31*	*25*	*15*	...	...	...	...	...	...	...
Financial Institutions	...	...	...	...	...	*1*	*2*	*2*	*2*	*3*	*3*	*3*	...
Medium and Long-Term Banks	...	...	...	...	...	...	...	...	...	...	...	...	...
Financial Intermediaries	...	...	...	...	...	...	...	...	...	...	...	...	...
In Lebanon *(Liabilities)*	**1,758**	**2,037**	**2,132**	**2,330**	**2,384**	**2,470**	**2,620**	**2,760**	**2,562**	**2,621**	**3,955**	**3,441**	**3,520**
Equity Securities	**1,720**	**1,996**	**2,088**	**2,290**	**2,336**	**2,420**	**2,568**	**2,694**	**2,508**	**2,579**	**3,901**	**3,389**	**3,467**
Commercial Banks	*1,438*	*1,617*	*1,684*	*1,844*	*1,864*	*1,994*	*2,102*	*2,217*	*2,139*	*2,121*	*2,164*	*2,471*	*2,623*
Insurance Companies	*224*	*305*	*321*	*346*	*362*	*328*	*374*	*388*	*282*	*363*	*1,669*	*853*	*761*
Financial Institutions	*44*	*54*	*61*	*69*	*69*	*72*	*59*	*66*	*62*	*60*	*42*	*41*	*43*
Medium and Long-Term Banks	*9*	*16*	*16*	*26*	*36*	*22*	*25*	*14*	*12*	*25*	*21*	*21*	*31*
Financial Intermediaries	*5*	*5*	*6*	*5*	*5*	*5*	*8*	*9*	*12*	*10*	*4*	*3*	*9*
Debt Securities	**38**	**41**	**44**	**40**	**48**	**50**	**51**	**66**	**54**	**41**	**54**	**53**	**52**
Commercial Banks	*30*	*30*	*30*	*30*	*30*	*30*	*30*	*30*	*30*	*30*	*30*	*30*	*30*
Insurance Companies	*2*	*1*	*7*	*1*	*9*	*12*	*13*	*26*	*14*	*1*	*14*	*14*	*14*
Financial Institutions	*6*	*10*	*8*	*10*	*9*	*7*	*8*	*10*	*10*	*10*	*10*	*9*	*9*
Medium and Long-Term Banks	...	...	...	...	...	...	...	...	...	...	...	...	...
Financial Intermediaries	...	...	...	...	...	...	...	...	...	...	...	...	...

ANNEX C

The Balance of Payments - BPM5 Analytical Presentation

Balance of Payments [BPM5] *in millions of USD*	2019	2020	2021	2022	2023	*Q1-2024*	*Q2-2024*	*Q3-2024*	*Q4-2024*	2024
Current Account	**-11,078**	**-2,779**	**-4,556**	**-7,426**	**-5,881**	*-1,039*	*-1,515*	*-1,839*	*-1,172*	**-5,565**
Goods	**-13,378**	**-6,499**	**-8,770**	**-13,621**	**-12,716**	*-2,785*	*-3,221*	*-3,444*	*-2,876*	**-12,326**
Credit	4,839	4,097	4,142	4,518	4,140	*1,006*	*984*	*938*	*855*	3,782
Exports of goods in trade statistics	3,731	3,544	3,380	3,491	2,995	*731*	*688*	*685*	*603*	2,707
Pearls, precious stones and metals	*1,455*	*1,410*	*1,018*	*753*	*760*	*187*	*189*	*124*	*72*	*572*
Prepared foodstuffs; beverages, tobacco	*371*	*375*	*404*	*390*	*377*	*111*	*98*	*94*	*109*	*413*
Products of the chemical or allied industries	*369*	*323*	*343*	*369*	*296*	*62*	*83*	*97*	*87*	*330*
Plastics and articles thereof; rubber	*153*	*104*	*117*	*388*	*105*	*22*	*22*	*27*	*21*	*91*
Debit	-18,218	-10,596	-12,912	-18,139	-16,856	*-3,791*	*-4,205*	*-4,382*	*-3,731*	-16,109
Imports of goods in trade statistics	-19,239	-11,310	-13,641	-19,054	-17,524	*-3,972*	*-4,412*	*-4,560*	*-3,958*	-16,902
Mineral products	*-6,609*	*-3,244*	*-3,877*	*-5,581*	*-4,644*	*-1,094*	*-1,029*	*-1,309*	*-955*	*-4,387*
Products of the chemical or allied industries	*-1,991*	*-1,684*	*-1,460*	*-1,165*	*-1,266*	*-310*	*-371*	*-384*	*-326*	*-1,391*
Pearls, precious stones and metals	*-931*	*-894*	*-1,238*	*-1,682*	*-2,526*	*-672*	*-664*	*-547*	*-689*	*-2,572*
Vegetable products	*-932*	*-797*	*-836*	*-990*	*-945*	*-289*	*-238*	*-241*	*-237*	*-1,005*
Machinery and electrical instruments	*-1,665*	*-897*	*-1,181*	*-2,456*	*-1,633*	*-273*	*-374*	*-372*	*-284*	*-1,304*
Vehicles, aircraft, vessels, transport equipment	*-1,175*	*-472*	*-1,122*	*-1,999*	*-1,152*	*-122*	*-244*	*-256*	*-189*	*-811*
Goods for processing	85	85	122	176	254	*19*	*35*	*34*	*29*	117
Repairs on goods	-9	0	-6	14	0	*0*	*0*	*0*	*0*	1
Goods procured in ports by carriers	159	12	145	229	198	*39*	*44*	*43*	*19*	145
Nonmonetary gold	651	504	-214	-840	-1,696	*-456*	*-451*	*-412*	*-639*	-1,957
Credit	*1,135*	*1,091*	*452*	*196*	*393*	*114*	*110*	*44*	*13*	*281*
Debit	*-484*	*-587*	*-666*	*-1,035*	*-2,089*	*-569*	*-560*	*-456*	*-652*	*-2,238*
Services	**440**	**67**	**787**	**1,529**	**1,307**	*213*	*360*	*87*	*79*	**740**
Credit	*13,579*	*4,856*	*5,713*	*8,098*	*7,986*	*1,691*	*2,082*	*2,054*	*1,353*	*7,181*
Debit	*-13,139*	*-4,789*	*-4,927*	*-6,569*	*-6,679*	*-1,478*	*-1,722*	*-1,967*	*-1,274*	*-6,441*
Transportation	**-1,139**	**-806**	**-958**	**-1,304**	**-1,171**	*-292*	*-319*	*-323*	*-270*	**-1,205**
Credit	*727*	*120*	*141*	*241*	*280*	*41*	*37*	*75*	*28*	*181*
Debit	*-1,866*	*-927*	*-1,099*	*-1,545*	*-1,451*	*-334*	*-356*	*-398*	*-298*	*-1,386*
Travel	**2,255**	**682**	**1,317**	**2,127**	**1,833**	*290*	*454*	*309*	*81*	**1,134**
Credit	*8,593*	*2,353*	*3,135*	*5,319*	*5,559*	*1,097*	*1,435*	*1,453*	*670*	*4,655*
Debit	*-6,338*	*-1,670*	*-1,818*	*-3,192*	*-3,727*	*-807*	*-981*	*-1,144*	*-589*	*-3,521*
Communication services	**91**	**60**	**117**	**128**	**75**	*8*	*9*	*10*	*15*	**41**
Credit	*322*	*137*	*167*	*178*	*104*	*16*	*15*	*21*	*26*	*78*
Debit	*-231*	*-77*	*-50*	*-50*	*-29*	*-8*	*-6*	*-11*	*-12*	*-37*
Construction services	**83**	**25**	**28**	**40**	**69**	*12*	*19*	*24*	*16*	**71**
Credit	*185*	*62*	*49*	*49*	*74*	*14*	*21*	*25*	*16*	*76*
Debit	*-102*	*-37*	*-21*	*-9*	*-6*	*-2*	*-2*	*-1*	*0*	*-5*
Insurance services	**-329**	**-150**	**-61**	**119**	**187**	*33*	*56*	*22*	*49*	**160**
Credit	*330*	*283*	*353*	*505*	*546*	*118*	*145*	*116*	*137*	*516*
Debit	*-659*	*-432*	*-414*	*-386*	*-359*	*-85*	*-89*	*-94*	*-88*	*-356*
Financial services (other than insurance)	**-628**	**-278**	**-204**	**-88**	**150**	*131*	*180*	*158*	*150*	**619**
Credit	*746*	*96*	*95*	*98*	*235*	*145*	*189*	*179*	*210*	*723*
Debit	*-1,374*	*-373*	*-299*	*-186*	*-86*	*-14*	*-10*	*-21*	*-60*	*-104*
Computer and information services	**128**	**69**	**44**	**53**	**20**	*19*	*15*	*11*	*9*	**54**
Credit	*254*	*107*	*79*	*75*	*38*	*20*	*18*	*16*	*16*	*70*
Debit	*-126*	*-38*	*-36*	*-22*	*-18*	*-1*	*-3*	*-5*	*-7*	*-16*
Royalties and license fees	**3**	**14**	**6**	**12**	**15**	*5*	*2*	*-3*	*0*	**4**
Credit	*26*	*19*	*11*	*22*	*26*	*7*	*3*	*3*	*5*	*18*
Debit	*-23*	*-5*	*-5*	*-10*	*-11*	*-2*	*-1*	*-5*	*-5*	*-14*
Other business services	**101**	**482**	**530**	**456**	**123**	*25*	*-53*	*-103*	*23*	**-107**
Credit	*1,640*	*1,553*	*1,579*	*1,491*	*1,057*	*221*	*202*	*147*	*222*	*792*
Debit	*-1,539*	*-1,071*	*-1,049*	*-1,035*	*-933*	*-195*	*-255*	*-250*	*-198*	*-899*
Personal, cultural and recreational services	**-154**	**0**	**-8**	**3**	**-1**	*-19*	*-5*	*-25*	*-2*	**-52**
Credit	*700*	*104*	*76*	*86*	*38*	*9*	*13*	*10*	*13*	*45*
Debit	*-853*	*-104*	*-84*	*-83*	*-40*	*-28*	*-19*	*-36*	*-14*	*-97*
Government services, n.i.e.	**28**	**-32**	**-23**	**-16**	**9**	*1*	*3*	*8*	*7*	**20**
Credit	*56*	*22*	*29*	*36*	*29*	*3*	*5*	*10*	*9*	*26*
Debit	*-28*	*-54*	*-52*	*-52*	*-20*	*-1*	*-2*	*-1*	*-1*	*-6*
Income	**-1,247**	**-1,015**	**-1,893**	**-995**	**-255**	*40*	*-174*	*-22*	*-77*	**-233**
Credit	3,098	1,607	52	683	1,018	*236*	*173*	*210*	*234*	854
Debit	-4,345	-2,622	-1,945	-1,679	-1,273	*-197*	*-347*	*-232*	*-311*	-1,087
Compensation of employees	-96	-93	168	95	69	*35*	*17*	*19*	*0*	72
Credit	*660*	*304*	*245*	*158*	*132*	*50*	*27*	*31*	*14*	*123*
Debit	*-756*	*-398*	*-78*	*-63*	*-63*	*-14*	*-10*	*-12*	*-14*	*-51*
Investment income	-1,151	-921	-2,060	-1,091	-324	*5*	*-191*	*-41*	*-78*	-305
Credit	*2,438*	*1,303*	*-193*	*525*	*885*	*187*	*146*	*179*	*219*	*731*
Debit	*-3,589*	*-2,224*	*-1,867*	*-1,616*	*-1,209*	*-182*	*-337*	*-220*	*-297*	*-1,036*
Direct investment	278	646	-589	*113*	*-40*	*-1*	*-12*	*-1*	*18*	*5*
Credit	*479*	*516*	*-485*	*216*	*266*	*61*	*53*	*59*	*78*	*251*
Debit	*-201*	*130*	*-104*	*-103*	*-306*	*-62*	*-64*	*-60*	*-61*	*-247*

Balance of Payments [BPM5] *in millions of USD*	**2019**	**2020**	**2021**	**2022**	**2023**	*Q1-2024*	*Q2-2024*	*Q3-2024*	*Q4-2024*	**2024**
Portfolio investment	-586	-929	-965	-901	-724	-101	-232	-98	-219	-650
Credit	131	48	14	7	3	0	3	2	5	10
Debit	-716	-978	-979	-908	-727	-101	-235	-100	-224	-659
Other investment	-843	-638	-506	-302	440	106	53	58	124	341
Credit	1,828	739	278	302	617	125	90	118	136	470
Debit	-2,672	-1,377	-784	-604	-177	-19	-37	-60	-12	-129
Current transfers	**3,108**	**4,668**	**5,320**	**5,660**	**5,784**	1,493	1,519	1,540	1,702	**6,254**
Credit	8,312	7,711	7,720	7,609	7,715	2,047	1,990	2,011	2,172	8,221
Debit	-5,205	-3,043	-2,401	-1,949	-1,931	-554	-471	-471	-470	-1,967
General government	44	-16	-9	-11	175	-66	9	57	119	119
Credit	111	41	47	44	193	7	10	57	119	193
Debit	-67	-57	-56	-55	-18	-73	0	0	0	-74
Other sectors	3,064	4,685	5,329	5,672	5,610	1,559	1,510	1,483	1,583	6,135
Workers' remittances	3,316	3,929	4,257	4,603	4,658	1,251	1,250	1,230	1,290	5,021
Credit	6,711	6,289	6,108	6,277	6,370	1,682	1,687	1,666	1,722	6,757
Debit	-3,395	-2,360	-1,851	-1,674	-1,712	-431	-437	-436	-432	-1,736
Other transfers	-253	756	1,071	1,069	951	308	260	253	293	1,115
Credit	1,490	1,382	1,565	1,289	1,152	358	293	288	331	1,271
Debit	-1,742	-626	-493	-220	-201	-50	-33	-35	-38	-157
Capital and financial account	**7,221**	**11,430**	**7,187**	**6,569**	**3,771**	6,326	1,772	1,196	1,907	**11,201**
Capital account	**1,298**	**1,666**	**998**	**1,544**	**610**	184	266	184	243	**877**
Credit	2,014	1,815	1,104	1,718	737	253	323	257	276	1,109
Debit	-716	-149	-106	-174	-127	-69	-57	-73	-34	-232
Capital transfers	1,325	1,702	982	1,554	630	190	270	205	245	909
Credit	1,780	1,763	1,044	1,696	724	247	318	250	271	1,087
Debit	-455	-61	-62	-142	-94	-58	-48	-46	-26	-177
Acquisition/disposal of non-produced nonfinancial assets	-27	-36	16	-10	-20	-6	-4	-20	-2	-33
Credit	234	52	60	22	13	5	4	7	6	22
Debit	-261	-88	-44	-32	-32	-11	-9	-27	-8	-55
Financial account	**5,922**	**9,764**	**6,189**	**5,025**	**3,161**	6,142	1,506	1,011	1,664	**10,324**
Direct investment	**1,561**	**1,578**	**1,939**	**528**	**946**	419	197	476	360	**1,452**
Abroad	-345	-29	1,339	-34	-121	-57	-277	-24	-33	-391
In Lebanon	1,905	1,607	600	561	1,067	476	475	499	393	1,843
Portfolio investment	**-1,106**	**2,205**	**588**	**-4,556**	**-2,551**	-390	-444	-243	-239	**-1,315**
Assets	**1,239**	**844**	**-280**	**228**	**-68**	-109	-195	-43	99	**-249**
Equity securities	344	380	-29	271	11	-62	-110	119	162	108
Debt securities	895	464	-252	-43	-79	-47	-86	-162	-63	-357
Liabilities	**-2,346**	**1,361**	**868**	**-4,784**	**-2,482**	-281	-248	-199	-338	**-1,066**
Equity securities	351	-303	49	18	22	-2	-2	0	0	-4
Debt securities	-2,697	1,664	819	-4,801	-2,505	-278	-246	-199	-338	-1,062
Other investment	**3,078**	**-7,203**	**-2,864**	**6,406**	**4,123**	1,319	2,093	1,510	981	**5,903**
Assets	**7,800**	**399**	**2,474**	**5,965**	**5,049**	1,562	773	1,445	1,111	**4,892**
Trade credits	238	312	29	-1	-46	-46	2	16	4	-25
Loans	2,102	1,111	880	345	343	-27	1	-11	43	6
Currency and deposits	4,517	898	2,377	2,313	341	531	-298	-127	-280	-174
Other assets	943	-1,922	-811	3,308	4,411	1,104	1,068	1,568	1,345	5,084
Liabilities	**-4,722**	**-7,602**	**-5,339**	**442**	**-926**	-244	1,321	65	-131	**1,011**
Trade credits	-446	-264	-28	27	36	44	-12	2	-10	24
Loans	-72	-2,043	-983	17	114	-276	70	-121	-44	-371
Currency and deposits	-4,204	-6,232	-6,263	-1,426	-2,468	-113	761	84	-597	136
Other liabilities	0	937	1,935	1,823	1,393	101	502	99	521	1,223
Reserve Assets	**2,390**	**13,183**	**6,527**	**2,647**	**643**	4,795	-341	-731	562	**4,285**
Unclassified Transactions	**3,857**	**-8,652**	**-2,630**	**857**	**2,109**	-5,287	-257	643	-735	**-5,636**
Total exceptional financing	0	937	1,935	1,823	1,393	101	502	99	521	1,223

***Source**: BdL*

ANNEX D

Technical Notes

- **Methodology**: The External Sector Statistics Methodology is continuously reviewed and updated. The latest version is available on the BdL website: *(https://www.bdl.gov.lb/CB%20Com/Publications/Publications/Guide_13_En%C2%A7845_3.pdf)*

- **Data Revisions**: Figures for some items over the past four years may differ from previously published data due to ongoing revisions and methodological refinements.

- **Goods in trade statistics**: Exports and imports of goods in trade statistics correspond to special exports and imports reported by Lebanese Customs.

- **BdL's Reserve Assets:**
  - ***Treatment of BdL's Eurobonds***: Starting November 2017, the change in the BdL Net Foreign Assets includes the net flow of the internationally traded Lebanese Government's Sovereign Bonds in foreign currencies held by BdL.
  - ***Reclassification of BdL Foreign Assets*****:** As per BdL Central Council Decision No. 37/20/2024, dated 13 September 2024, effective January 2024, BdL's foreign assets now include, monetary gold[3], foreign securities issued by non-residents held by BdL, and foreign currency and deposits with correspondent banks and international organizations. BdL's foreign assets now exclude the Lebanese Government Eurobonds and BdL's FX loans to resident banks & financial institutions.

- **Arrears - Treatment of Default**: Starting March 2020, unpaid Eurobond principals and coupons are recorded as arrears under *Other Investment – Other Liabilities* in the financial account and highlighted under *Total Exceptional Financing*.

- **Sign conventions for Balance of Payments flows (BPM5 Presentation):**

  Current & Capital Accounts:
  - Credits (inflows) are recorded with a positive sign (+).
  - Debits (outflows) are recorded with a negative sign (–).

  Financial Account:

  Assets:
  - Negative sign (–): Increase in assets (capital outflow/debit)
  - Positive sign (+): Decrease in assets (capital inflow/credit)

  Liabilities:
  - Positive sign (+): Increase in liabilities (capital inflow/credit)
  - Negative sign (–): Decrease in liabilities (capital outflow/debit)

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[3] The Law No 42/86, dated September 24, 1986, prohibits the sale of BdL's gold assets except by legislation enacted by Parliament.