Responding to the Coronavirus Crisis
Update on Lebanon (13/04/20)

Key short-term priorities
Boost financial sector diversification; provide labour market opportunities for excluded groups; National Poverty Targeting Programme

EBRD Policy Comparator

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Economic channels of disruption
Tourism, trade, investment, reforms
- Lebanon’s underlying economic situation is already challenging, with negative growth, and high public debt, twin deficits, and funding needs. The spread of COVID-19 will deepen the economic recession.
- The global implications of the pandemic on tourism, trade and investment are undermining the timely implementation of crucial fiscal, energy and structural reforms.

Selected crisis impact indicators

**EBRD GDP growth outlook (April 2020)**
- 2020: deep recession
- [new forecasts out on May 13](#)
- 2021: strong recovery

**Purchasing Managers Index**
- 35 (March 2020) (down 10.4 points m/m)

**Banque du Liban Coincident Indicator**
- 259 (2020) (down 2.6 per cent m/m)

**Lebanon stock market (BLOM)**
- 591 (April 08 2020) (down 24% YTD)

Crisis response measures to date
Support for healthcare, workers and businesses
- A national solidarity fund that would accept in-kind and monetary donations.
- Extend all deadlines related to payment of taxes and fees.
- Solidarity basket of food and sanitizers for families most affected by the crisis.
- BdL allows banks and financial institutions to extend exceptional 5-year 0% interest rate loans in LBP or USD to customers that already have credit facilities but are unable to meet their obligations, operating expenses, or pay the salaries to their employees during March, April and May 2020.
- BdL will in turn provide banks and financial institutions 5-year 0% interest rate credit lines in dollars equivalent to the value of exceptional loans granted.
- Suspend dollar withdrawals until the airport reopens.
- Provide financial assistance of LBP400 thousand to the families most in need.
- Agriculture Ministry reduces prices of vegetables and fruits.

Selected crisis response indicators

**Payment holidays for loans (months)**
- Exceptional 5-year 0% interest rate loans to customers that already have credit facilities but are unable to meet their obligations

**Committed external assistance**
- WB: re-allocate $40mn from the Health Resilience Project ($120mn) to strengthen the Health Ministry