

Lebanese Customs Revenue: Some Welcome but Surprising Results!



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	2023	2024	4/2025
Customs Revenue (Trillion LBP)	37.8	49.1	40.9
Customs Revenue (Billion USD)	--	0.548	0.457
Imports (Billion USD)	17.5	16.9	6.3
Average Customs Rate (%)	--	3.3	7.3

To start with, the World Bank (Lebanese Monitor, *Turning the Tide*, Spring 2025) estimates that government revenues reached \$4 billion in 2024, \$3 billion of which were tax revenues. Along with that, BDL reports that customs revenue reached \$0.548 billion in 2024, or 18% of tax revenues. For a country that imported \$16.9 billion of goods in 2024, the implied average customs rate (0.548/16.9) was only 3.3%. That was, of course, ridiculously low!

Before we look at what happened in 2025, a note on the 2023 figures is in order. To wit, the Ministry of Finance (MOF) adjusted the exchange rate of the LBP to the USD for customs purposes from 15,000 to 45,000 in the first quarter of 2023 then increased it further to the Sayrafa rate of 86,000 in May 2023¹. Lastly, BDL modified in December 2023 the exchange rate on the Sayrafa platform to 89,500, at which rate all customs valuation have applied since. The upshot of this is that, though the customs figures for 2023 reached 37.8 Trillion LBP, they were subject however to three exchange rate valuations, which makes comparisons with 2024 and 2025 -- where the single rate of 89,500 was and is applied -- rather difficult.

Moving to 2025, the figures turn to become quite impressive. Although we only have data for up to April 2025, *customs revenue increased over those four months to \$0.457 billion, or to about \$1.4 billion on an annual basis for an expected level of imports of \$18.9 billion*. Compared to 2024, this is an increase of about \$900 million or close to 165%, whereas imports are expected to have increased by \$2 billion or 12% only!. Note also that the average customs rate would increase from 3.3% to 7.3%. How and why can all this come about?

Discounting significantly higher imports as an explanation, we are left with three probable explanations: 1) tariffs rates have become higher; 2) the data are misreported; 3) better customs collection and less corruption and smuggling. But as tariff rates have not increased in 2025, then the first explanation doesn't fit; in addition, as customs data are known, if anything, to be notoriously under-reported, then that eliminates the second explanation. So that leaves us with the third explanation as the most likely answer, which in itself is a highly welcome and benevolent surprise as it indicates that ports of goods entry in Lebanon are better governed and regulated than before, and should perhaps give credit to measures taken by the new presidency/government formed since early 2025 in this respect. And we hope customs revenue gets even better with the upcoming promised use of sophisticated technologies (electronic scanners) at the ports. Better still, we hope that this is a harbinger for improved governance overall. But, given that we are talking about Lebanon, perhaps we shouldn't push our luck!

¹ In fact, it increased to 60,000 in the first half of May 2023 and then to 86,000 afterwards.

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