

Lebanon's 2026 Preliminary Budget Maintains Zero Deficit Path



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Lebanese Finance Minister Yassine Jaber submitted the draft law for Lebanon's 2026 state budget to the Presidency of the Council of Ministers last Friday. **The preliminary budget targets a zero deficit**, with revenues matching expenditures, **similarly to the balance expected to be achieved in 2025 and achieved in 2024**. The full details of the 2026 budget haven't been released yet, but we've gathered key information from official statements and early announcements to outline the main features.

Both revenues and expenditures are expected to grow by **14% year-on-year (YoY)** in 2026 to **505,720 billion LBP**, or **\$5.65 billion** at the 89,500 LBP/USD rate.

Budget Summary

Category	2026		YOY	2025	
	(Billion LBP)	(Billion USD)		(Billion LBP)	(Billion USD)
Total Expenditures	505,720	5.65	14%	445,214	4.97
Revenues	505,720	5.65	14%	445,214	4.97
Projected Deficit	0%	0%	0%	0%	0%

Revenue Breakdown

The 14% annual increase in revenue reflects improved tax and customs collection, alongside reduced corruption and smuggling—trends already observed in 2025 (see: [*Lebanese Customs Revenue: Some Welcome but Surprising Results!*](#)). With no new taxes introduced, this positive trajectory is expected to continue, and potentially strengthen, in 2026, supported by enhanced monitoring measures, including using high-capacity scanners and new customs information system. In details, revenues from maritime properties are projected to contribute a steady \$20 million annually in both 2025 and 2026, reinforcing the broader fiscal improvement.

Expenditure Breakdown

Public sector salaries and related benefits consumes over half the budget—more than 252,860 billion LBP (\$2.83 billion)—forcing the Ministry of Finance, Banque du Liban, and the market, to supply \$250 million in cash every month (*Annahar, Sept 1, 2025*).

Allocations also include funding for approximately 3,000 new hires in Lebanon's military and security forces, alongside obligations to contractors, social security, and debt servicing.

Despite fiscal constraints, the government announced several strategic investments across key sectors:

Investment Sector	LBP (Billion)	USD (Million)
WB loan – Agriculture	17,900	200
WB loan – Electricity	22,375	250
WB loan – Infrastructure	22,375	250
Reconstruction Costs	Up to 3,580	Up to 40
Industrial Zones (North, South, Bekaa)	200	2.2

Notes:

- An estimated \$40 million is allocated for rebuilding and renovating 500 structures in Dahye, with government involvement confirmed but its share unclear.
- The budget allocates funds for industrial zones on state-owned land in the North, South, and Bekaa, leveraging tax incentives provided under the IDAL law.
- The WB infrastructure loan is for reconstructing areas affected by Israel's war on Lebanon. France will contribute €75 million, with additional pledges expected from Gulf countries—bringing the total fund to \$1 billion.

While the government maintains a cautious stance by limiting expenditures to available revenues and avoiding external aid, the World Bank loans—denominated in foreign currency—may introduce early strain, particularly amid ongoing macroeconomic uncertainties. These loans are concessional, with low interest rates and extended maturities, meaning their fiscal impact is not fully reflected in the 2026 budget—helping to ease short-term pressure. Nonetheless, given their scale and timing, the current level of reliance may be somewhat weighty at this stage and could pose debt servicing issues in the future.

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