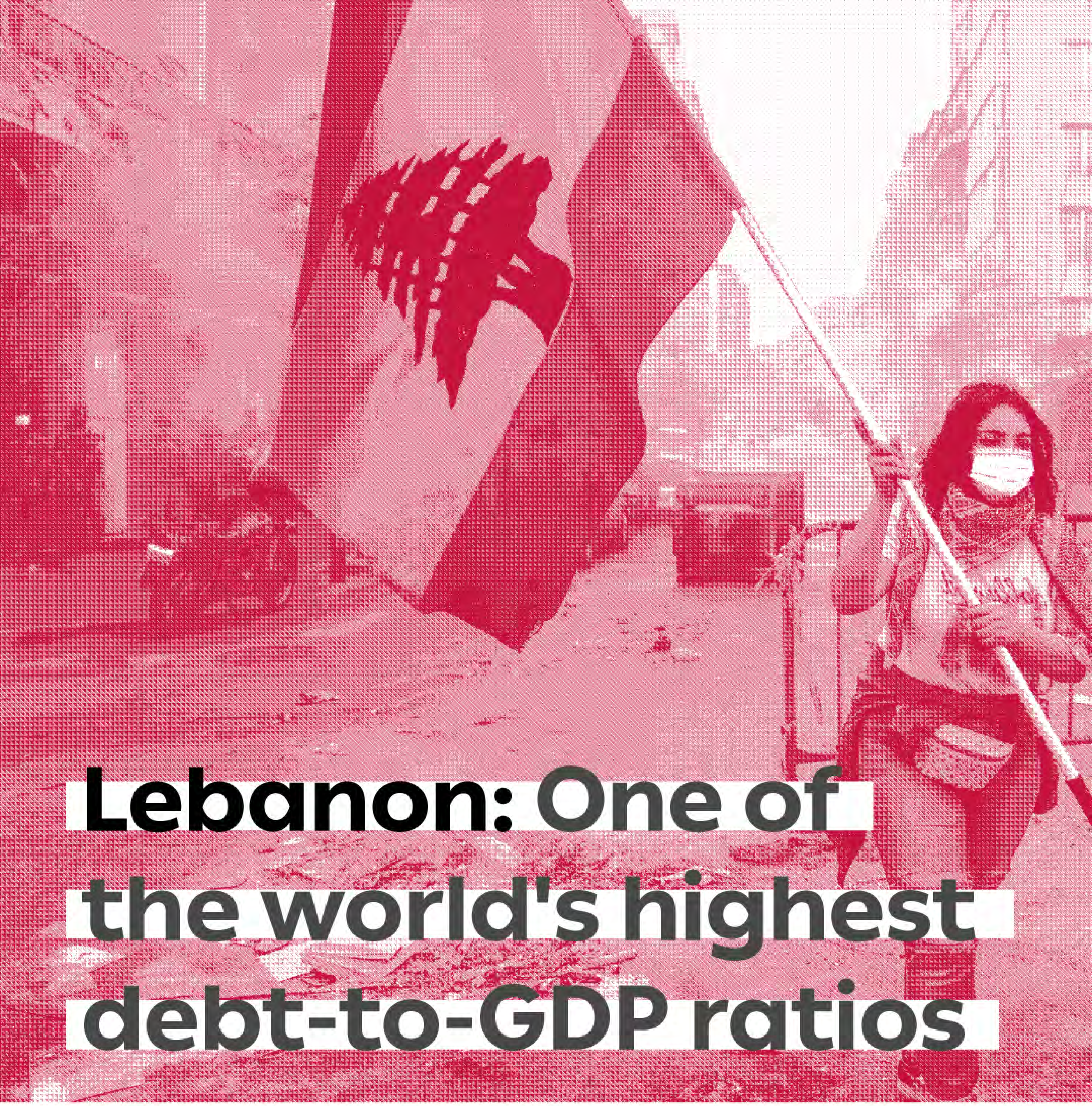
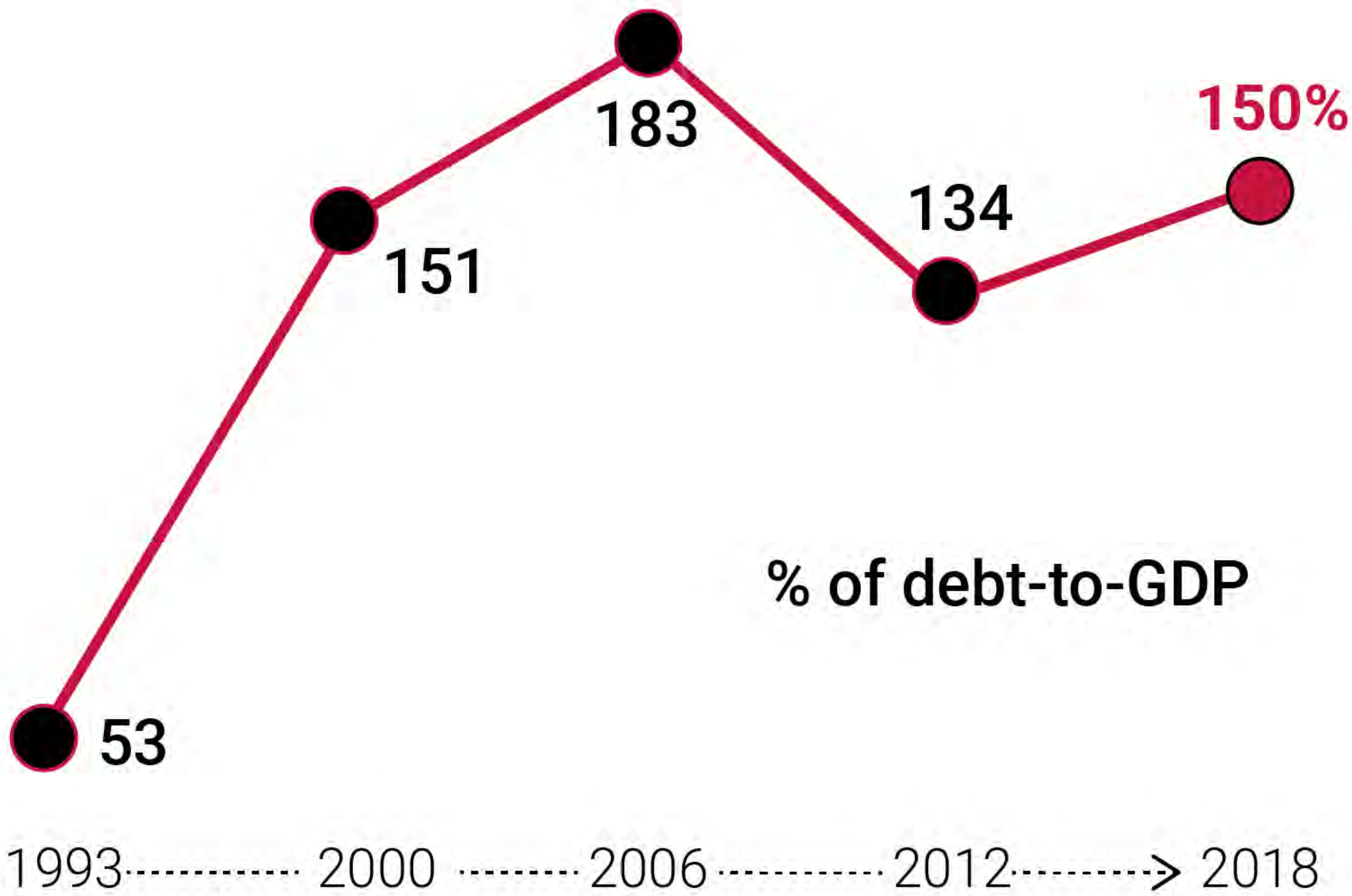


Lebanon: One of the world's highest debt-to-GDP ratios

25 years
annd
Arab NGO Network for Development
شبكة المنظمات العربية
غير الحكومية للتنمية

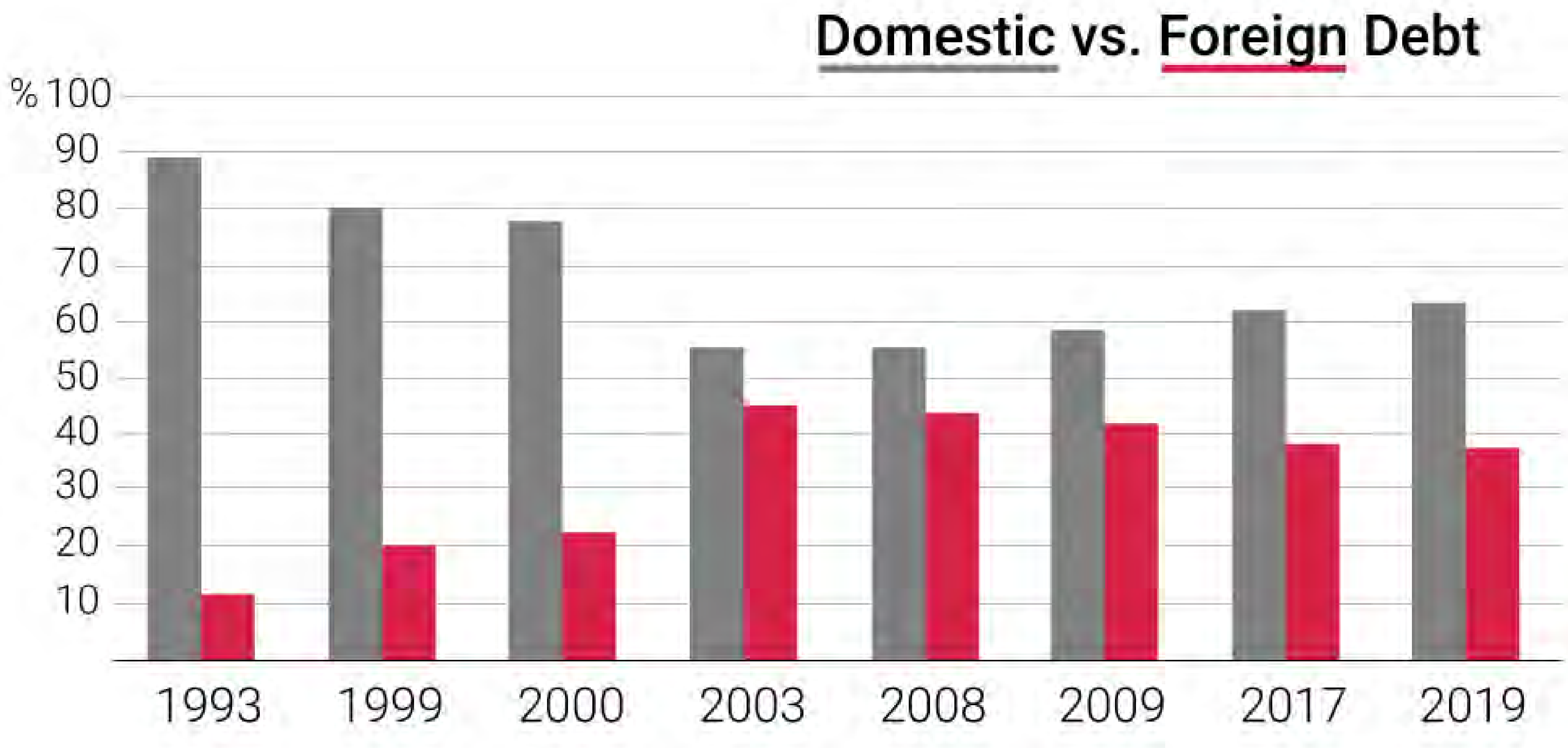
Lebanon’s public debt skyrocketed from $2.9B in 1992 to $85B in 2018, with debt-to-GDP exceeding 150%—among the world’s highest.



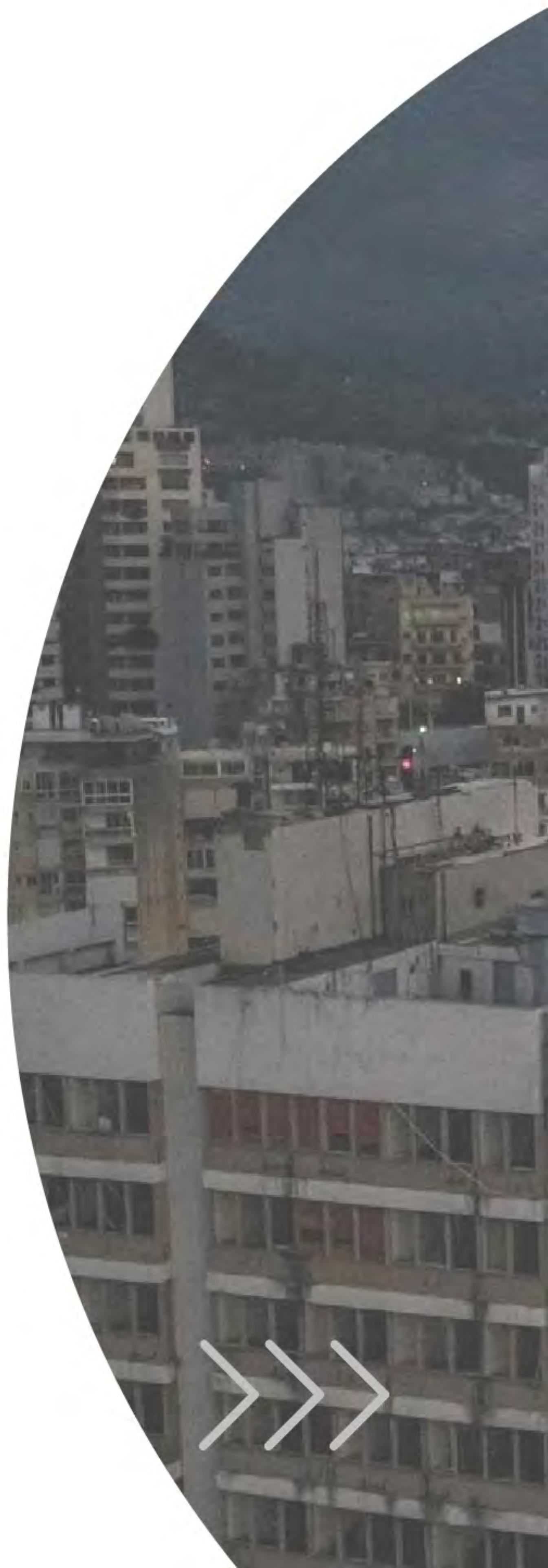
The fixed peg (1,507 LBP/USD) created false stability. After 2019, the currency lost over 90% of its value, destroying purchasing power.

The banking sector's collapse wiped out savings. By 2022, over 50% of the population fell below the poverty line.

Local banks and the central bank held 37% of Eurobonds. This blurred debt lines, complicating negotiations and recovery.



Chronic fiscal deficits, regressive taxes, and elite capture of state institutions blocked reforms and eroded public trust for decades.



The state subsidized bankrupt sectors like electricity, costing 3-4% of GDP annually—more than spending on health and education combined.

Recovery requires comprehensive debt restructuring, banking sector reform, and radical governance changes. Without political will, the crisis will deepen.