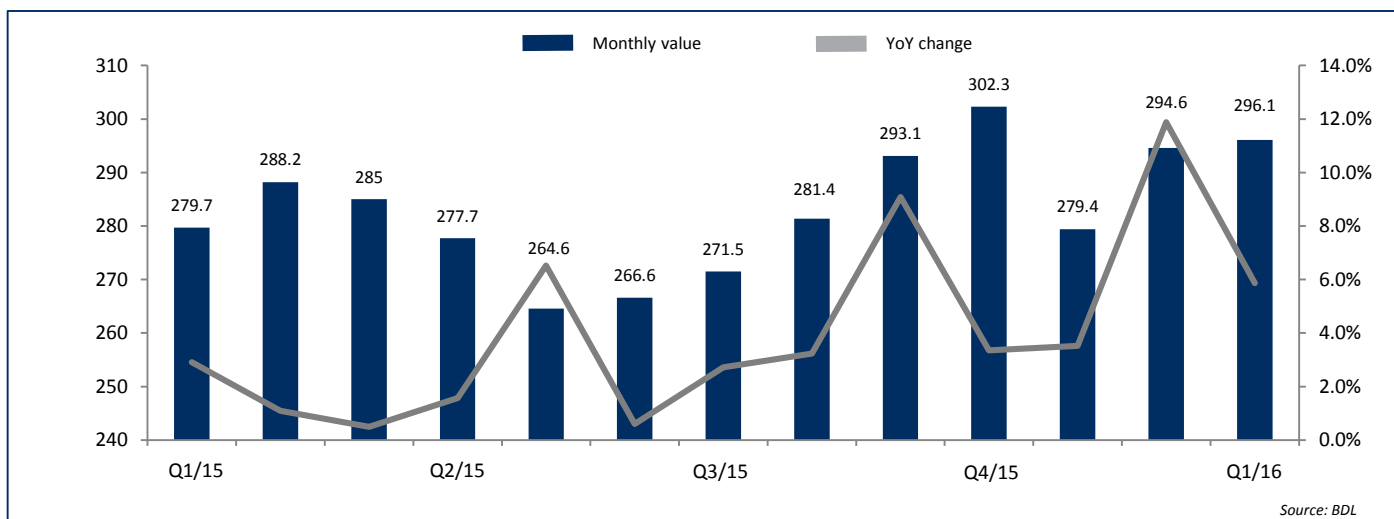


Lebanon Economic Highlights – Q1 2016

BDL Coincident Indicator up +5.9 YoY in March 2016:

BDL Coincident Indicator witnessed an increase of +5.9% YoY to 296.1 in March 2016 from 279.7 in March 2015. BDL Coincident Indicator increased +0.5% MoM from 294.6 in February 2016. BDL Coincident Indicator was created in 1994 by the BDL as a monthly estimate of the Gross Domestic Product (GDP). It includes eight economic indicators that seek to reflect the current state of the economy in Lebanon. The economic variables that compose the BDL Coincident Indicator are: electricity production, cement deliveries, cleared checks, money supply M3, passenger flows, imports of petroleum derivatives, imports and exports.

BDL Coincident Indicator



- ❖ **Electricity Production:** Electricity production decreased -4.3% YoY yet increased +15.7% MoM to 1,076 millions of Kwh.
- ❖ **Cement Deliveries:** Cement deliveries, an indicator of construction activity, increased +7.0% YoY and +10.4% MoM to 434,038 tons. Construction permits in surface area, an indicator of future supply in the real estate sector, increased +21.6% YoY yet decreased -10.2% MoM to 1,116,164 sqm.
- ❖ **Cleared Checks:** The total value of cleared checks in both LBP and FC decreased -5.2% YoY yet increased +1.2% MoM to USD 5,592 million. The cleared checks in LBP increased +1.9% YoY and +4.6% MoM to LBP 2,428 billion. Those in FC decreased -7.5% YoY yet increased +0.1% MoM to USD 3,998 million.
- ❖ **Money Supply M3:** M3 increased +5.5% YoY and +0.8% MoM to LBP 187,703 billion (USD 124.5 million) in March 2016. 57.8% of money supply M3 is denominated in foreign currencies. Net foreign assets were down -7.3% YoY (-0.5% MoM), net claims on public sector were up +12.7% YoY (+1.6% MoM) and the claims on private sector were up +6.6% YoY (+0.8% MoM).
- ❖ **Passenger Flows:** Passenger flows increased +17.7% YoY and +27.1% MoM to 561,940 passengers. The number of passengers arriving to Lebanon increased +13.6% YoY and +27.1% MoM to 275,788. The number of passengers departing from Lebanon increased +22.6% YoY and +27.0% MoM to 285,898. The number of transit passengers decreased -81.5% YoY yet increased +70.5% MoM to 254.
- ❖ **Imports of Petroleum Derivatives:** Imports of petroleum derivatives increased +13.7% YoY and 20.2% MoM to 782,118 metric tons of petroleum derivatives.
- ❖ **Imports:** Imports increased +16.0% YoY and +27.1% MoM to LBP 2,639 billion. United States was the main source of imports, followed by China and Netherlands. The main imported goods were petroleum oils, medicaments and motor cars and other motor vehicles.
- ❖ **Exports:** Exports decreased -14.4% YoY and -3.5% MoM to LBP 332 billion. Saudi Arabia was the main export destination followed by South Africa and UAE. The main exported goods were gold, electrical sets and rotary converters and food preparations.

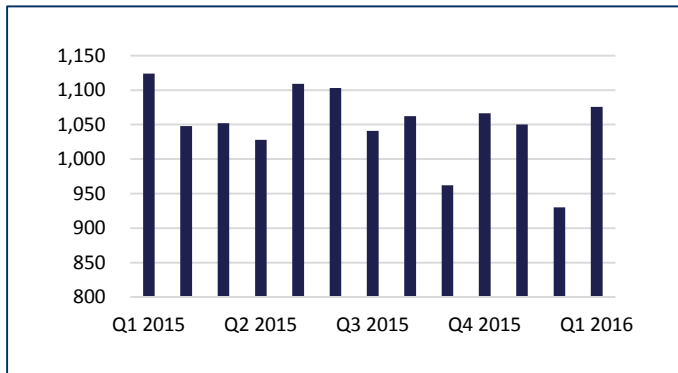
IMF forecasts real GDP growth for Lebanon at 1.0% for 2015 and 2016:

According to the IMF, the Lebanese economy is expected to have grown by +2.8% in 2012, +2.5% in 2013 and forecasted at +2.0% in 2014, +1.0% for both 2015 and 2016 and +2.0% for 2017.

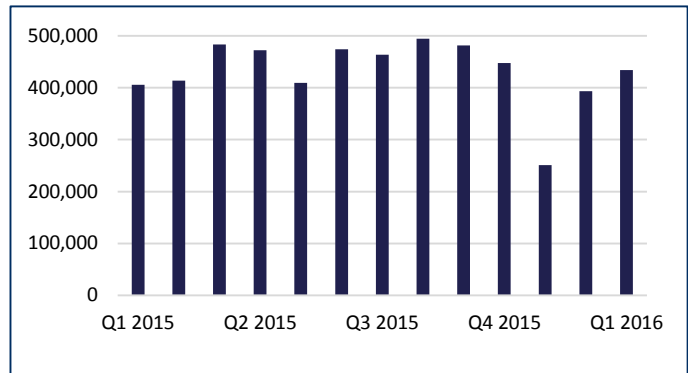
BLOM Lebanon PMI at 45.0 in March 2016 down from 48.9 in March 2015:

BLOM Lebanon PMI which provides an early indication of operating conditions in Lebanon was at 45.0 in March 2016 down from 48.9 in March 2015 and 47.9 in December 2015. The BLOM Lebanon PMI is a composite index calculated as a weighted average of five sub-components: new orders, output, employment, suppliers' delivery times and stocks of purchases. An index above 50.0 signals an improvement in business conditions on the previous month, while an index below 50.0 shows a deterioration. The decline witnessed in March 2016 reveals the strongest deterioration in private sector conditions for over two years with the decreasing level of output as well as a decline in employment reflecting weak demand on the back of an uncertain domestic outlook.

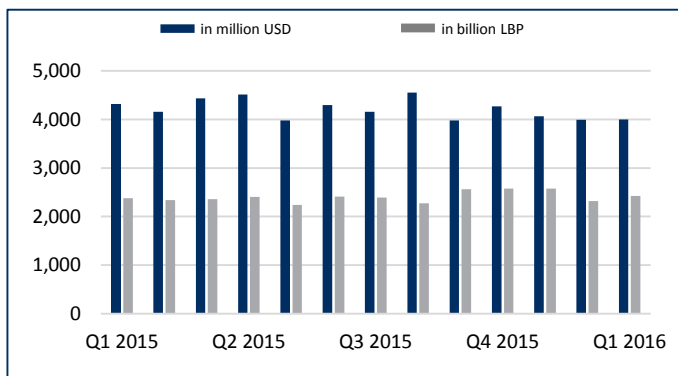
Electricity Production (in million Kwh)



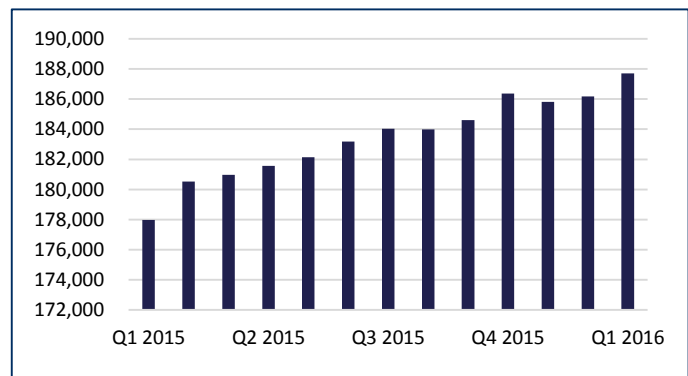
Cement Deliveries (in tons)



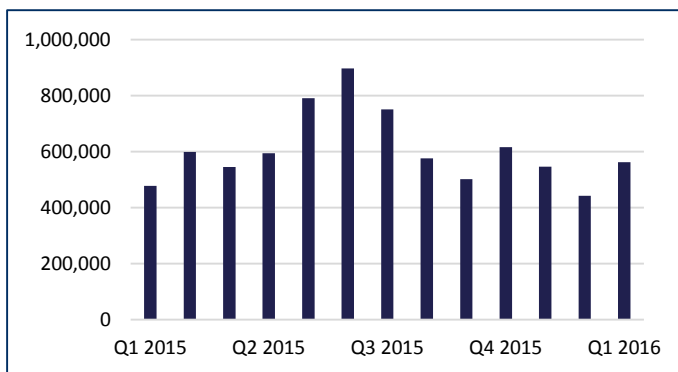
Cleared Checks (in value)



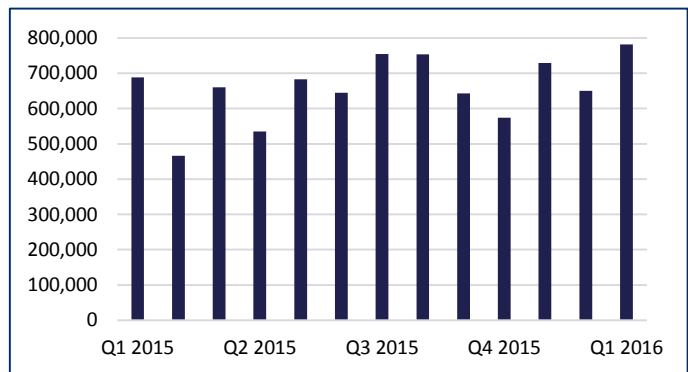
Money Supply M3 (in billion LBP)



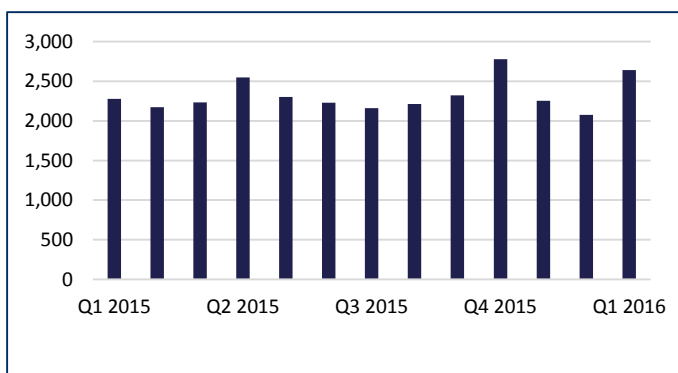
Passenger Flows (arrivals, departures and transit)



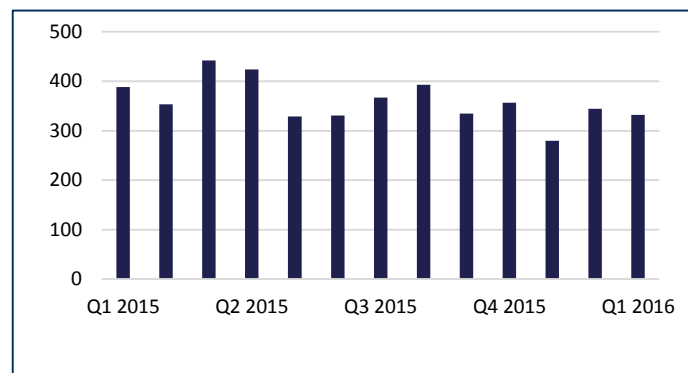
Imports of Petroleum Derivatives (in metric tons)



Imports (in billion LBP)



Exports (in billion LBP)





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