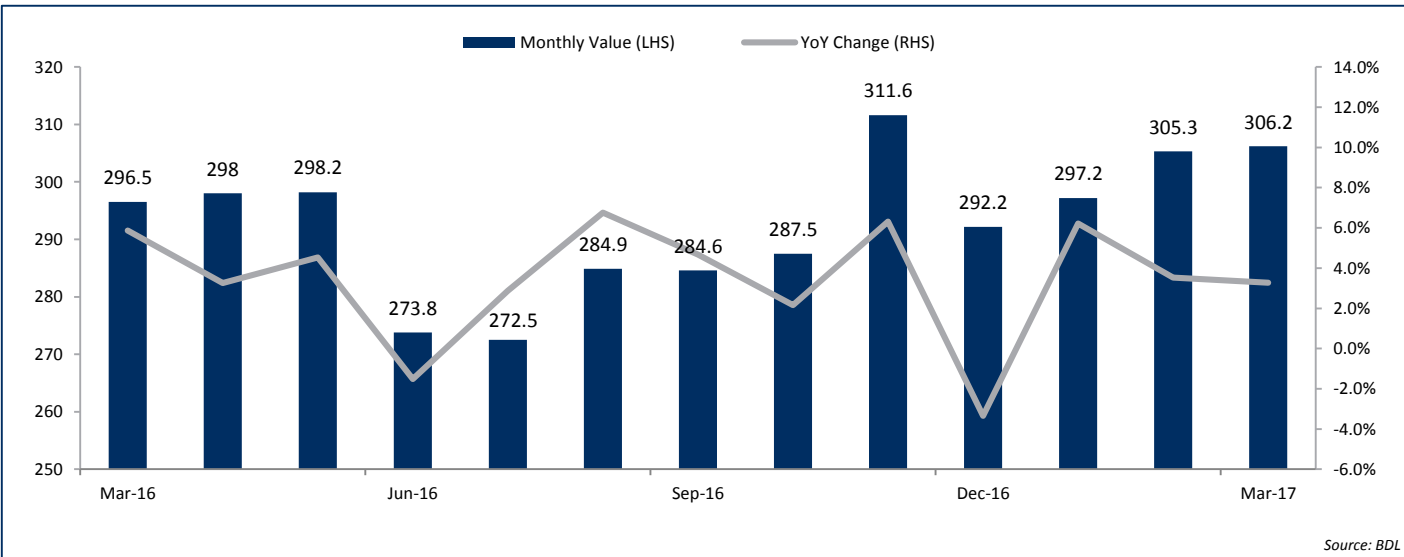


Lebanon Economic Highlights – March 2017

BDL Coincident Indicator up +3.3% YoY in March 2017:

BDL Coincident Indicator increased +3.3% YoY in March 2017 to 306.2 from 296.5 in March 2016. BDL Coincident Indicator increased +0.3% MoM from 305.3 in February 2017. 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 increased +8.8% YoY and +11.4% MoM to 1,170 millions of Kwh.
- ❖ **Cement Deliveries:** Cement deliveries, an indicator of construction activity, decreased -3.7% YoY yet increased +21.7% MoM to 418,193 tons. Construction permits in surface area, an indicator of future supply in the real estate sector, increased +9.0% YoY and +20.7% MoM to 1,266,266 sqm.
- ❖ **Cleared Checks:** The total value of cleared checks in both LBP and FC increased +10.5% YoY and +18.3% MoM to USD 6,189 million. The cleared checks in LBP increased +23.1% YoY and +18.2% MoM to LBP 2,989 billion. Those in FC increased +5.5% YoY and +18.3% MoM to USD 4,206 million.
- ❖ **Money Supply M3:** M3 increased +7.8% YoY and +0.3% MoM to LBP 202,418 billion (USD 134.3 billion) in March 2017. 59.2% of money supply M3 is denominated in foreign currencies. Net foreign assets were up +8.4% YoY (+0.3% MoM), net claims on public sector were up +3.4% YoY (-0.5% MoM) and claims on private sector were up +5.2% YoY (+0.3% MoM).
- ❖ **Passenger Flows:** Passenger flows decreased -3.1% YoY yet rose +12.1% MoM to 518,532 passengers. The number of passengers arriving to Lebanon decreased -2.3% YoY yet was up +21.9% MoM to 269,406 passengers. The number of passengers departing from Lebanon decreased -3.9% YoY yet increased +3.2% MoM to 248,867 passengers. The number of transit passengers increased +2.0% YoY and +127.2% MoM to 259 passengers.
- ❖ **Imports of Petroleum Derivatives:** Imports of petroleum derivatives decreased -6.4% YoY yet were up +15.0% MoM to 725,225 metric tons of petroleum derivatives.
- ❖ **Imports:** Imports decreased -2.9% YoY yet increased +3.1% MoM to LBP 2,562 billion. China was the main source of imports, followed by Greece and Italy. The main imported goods were petroleum oils, motor cars and other motor vehicles and pharmaceutical products.
- ❖ **Exports:** Exports increased +24.7% YoY and +21.6% MoM to LBP 414 billion. South Africa was the main export destination followed by United Arab Emirates and Syria. The main exported goods were gold, ferrous waste and scrap and petroleum oils.

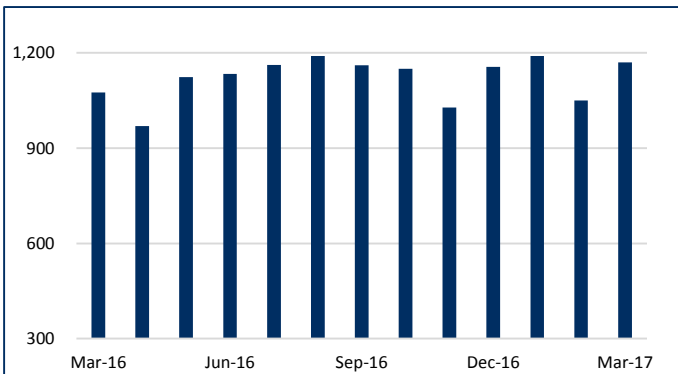
IMF forecasts real GDP growth for Lebanon at +1.0% for 2016 and +2.0% for 2017:

According to the IMF, the Lebanese economy is expected to have grown at +2.5% in 2013 and forecasted at +2.0% in 2014, +1.0% for both 2015 and 2016 and +2.0% for 2017 and +2.5% for 2018.

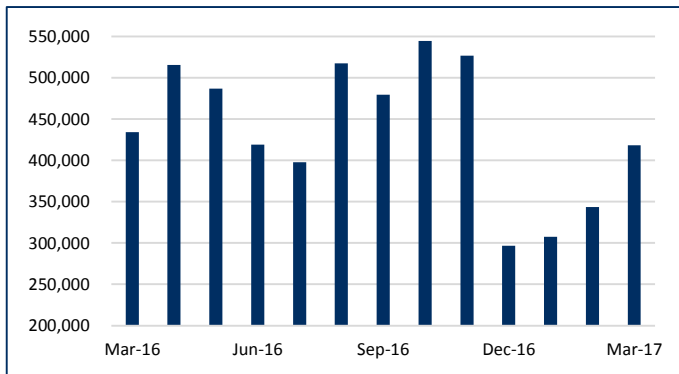
BLOM Lebanon PMI at 46.9 in March 2017 up from 45.0 in March 2016:

BLOM Lebanon PMI was at 46.9 in March 2017 up from 45.0 in March 2016 yet slightly lower than 47.0 in December 2016. 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 index dropped to a four-month low following a rebound in November 2016, weighed by lower output and new orders which decreased at the steepest pace for the last three months.

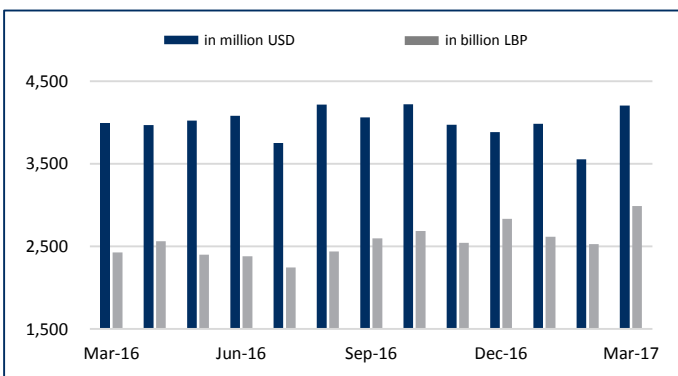
Electricity Production (in million Kwh)



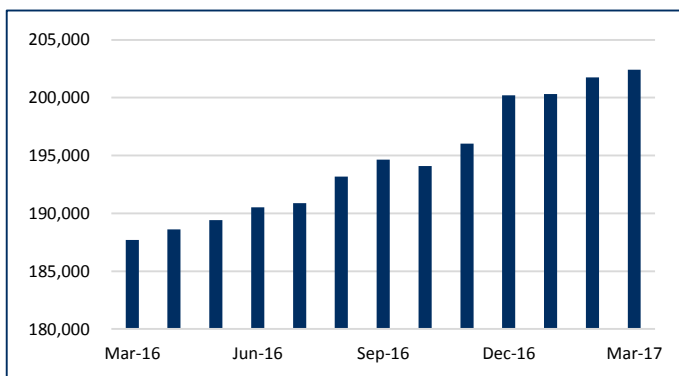
Cement Deliveries (in tons)



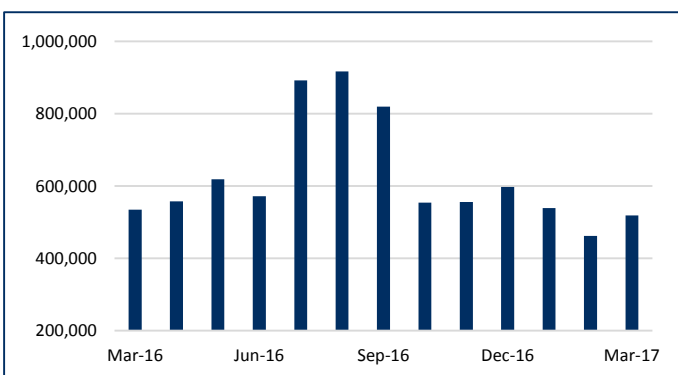
Cleared Checks (in value)



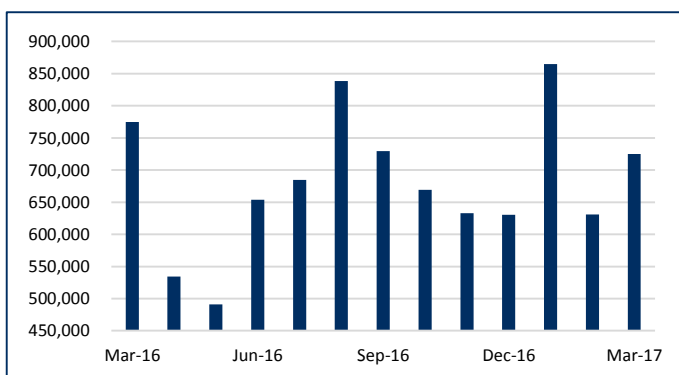
Money Supply M3 (in billion LBP)



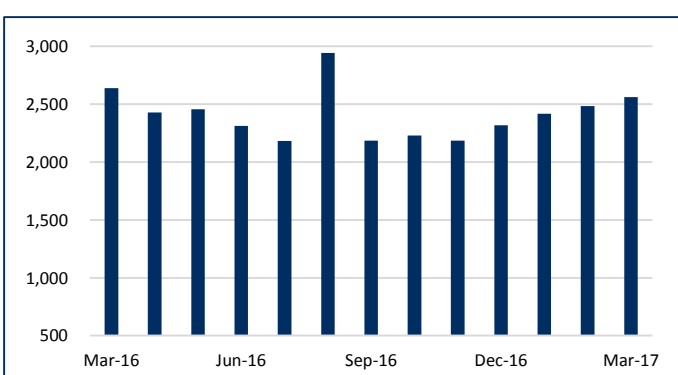
Passenger Flows (arrivals, departures and transit)



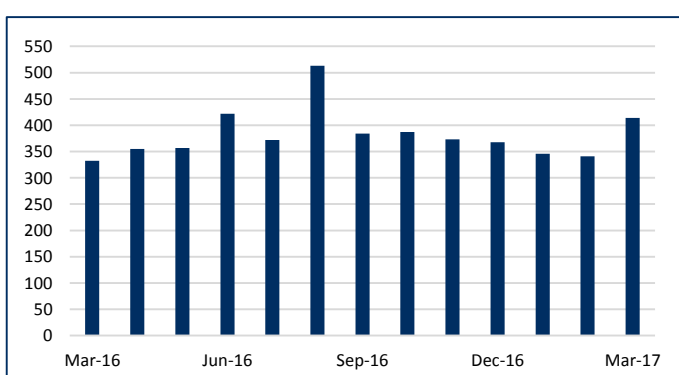
Imports of Petroleum Derivatives (in metric tons)



Imports (in billion LBP)



Exports (in billion LBP)





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