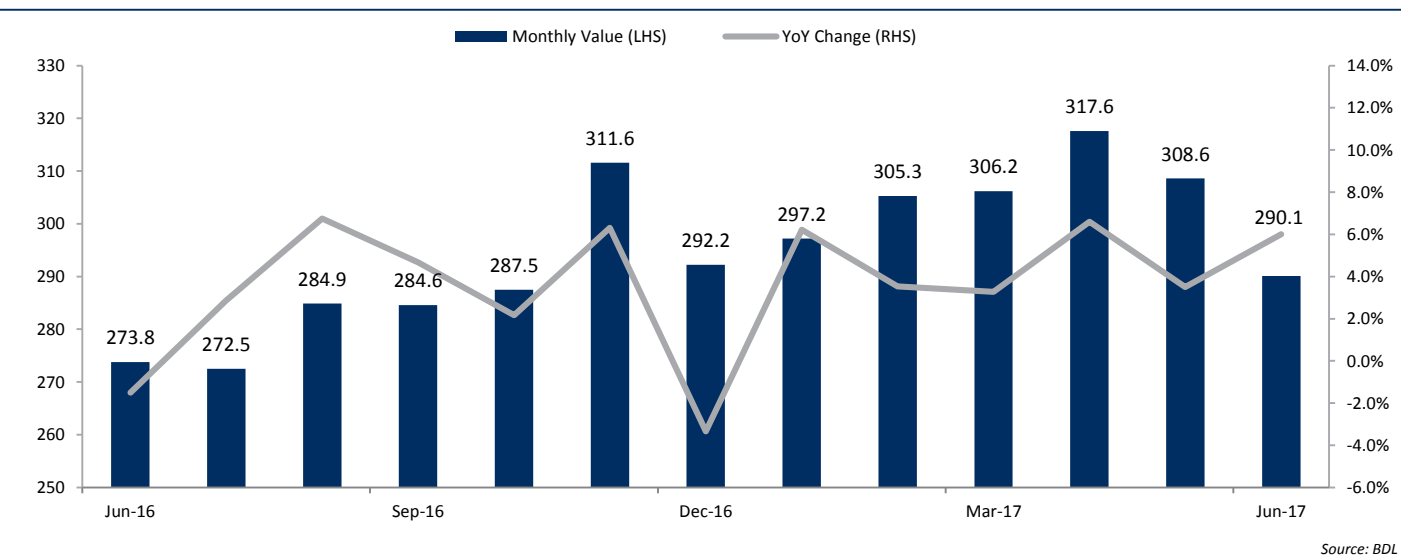


## Lebanon Economic Highlights – June 2017

### BDL Coincident Indicator up +6.0% YoY in June 2017:

BDL Coincident Indicator increased +6.0% YoY in June 2017 to 290.1 from 273.8 in June 2016. BDL Coincident Indicator decreased -6.0% MoM from 308.6 in May 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



Source: BDL

- ❖ **Electricity Production:** Electricity production increased +13.3% YoY and +8.9% MoM to 1,285 millions of Kwh.
- ❖ **Cement Deliveries:** Cement deliveries, an indicator of construction activity, decreased -8.5% YoY and -22.5% MoM to 383,295 tons. Construction permits in surface area, an indicator of future supply in the real estate sector decreased -14.6% YoY and -28.2% MoM to 931,012 sqm.
- ❖ **Cleared Checks:** The total value of cleared checks in both LBP and FC decreased -1.5% YoY and -2.0% MoM to USD 5,573 million. The cleared checks in LBP increased +6.5% YoY yet decreased -5.0% MoM to LBP 2,535 billion. Those in FC decreased -4.6% YoY and -0.6% MoM to USD 3,891 million.
- ❖ **Money Supply M3:** M3 increased +8.8% YoY and +1.0% MoM to LBP 207,291 billion (USD 137.5 billion) in June 2017. 59.9% of money supply M3 is denominated in foreign currencies. Net foreign assets were up +5.7% YoY (-2.4% MoM), net claims on public sector were down -0.1% YoY (+0.2% MoM) and claims on private sector were up +7.2% YoY (+2.1% MoM).
- ❖ **Passenger Flows:** Passenger flows increased +14.0% YoY and +8.6% MoM to 652,852 passengers. The number of passengers arriving to Lebanon increased +18.9% YoY and +27.5% MoM to 393,568 passengers. The number of passengers departing from Lebanon increased +7.3% YoY yet was down -11.2% MoM to 259,049 passengers. The number of transit passengers increased +231.0% YoY yet decreased -65.9% MoM to 235 passengers.
- ❖ **Imports of Petroleum Derivatives:** Imports of petroleum derivatives decreased -8.3% YoY and -1.8% MoM to 599,823 metric tons of petroleum derivatives.
- ❖ **Imports:** Imports decreased -5.2% YoY and -6.7% MoM to LBP 2,193 billion. China was the main source of imports, followed by Italy and Germany. The main imported goods were petroleum oils, motor cars and other motor vehicles and pharmaceutical products.
- ❖ **Exports:** Exports decreased -18.0% YoY and -4.1% MoM to LBP 346 billion. South Africa was the main export destination followed by United Arab Emirates and Syria. The main exported goods were gold, diamonds and copper waste and scrap.

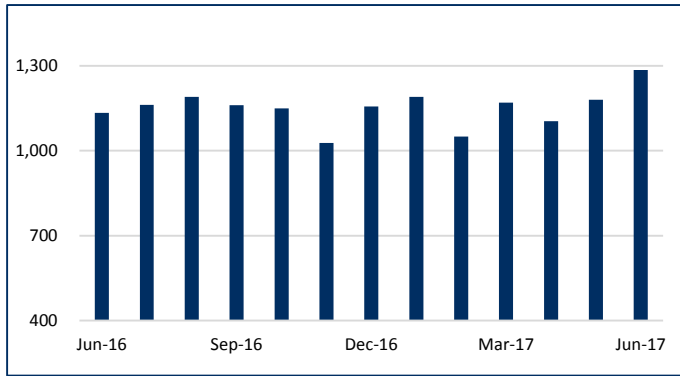
### IMF forecasts real GDP growth for Lebanon at +1.0% for 2016 and +2.0% for 2017:

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.

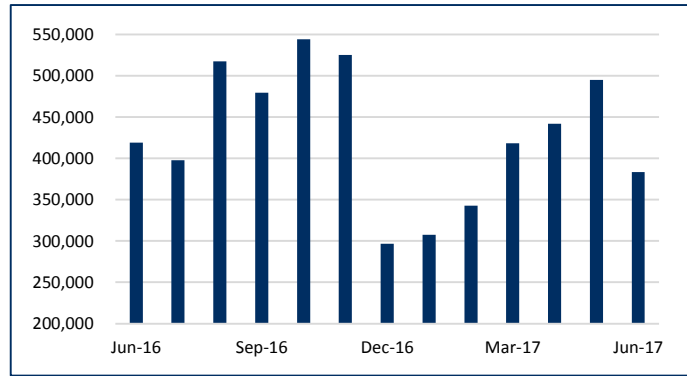
### BLOM Lebanon PMI at 46.1 in June 2017 up from 44.9 in June 2016:

BLOM Lebanon PMI was at 46.1 in June 2017 up from 44.9 in June 2016 yet lower than 46.9 in March 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 Blom PMI for June indicates that the private sector contracted at the fastest pace since October 2016 with significant decrease in new orders and output.

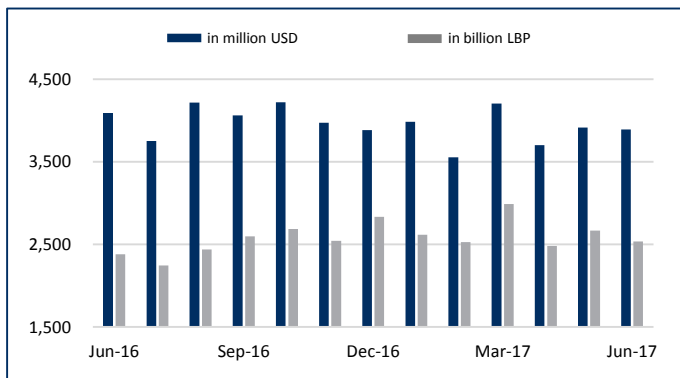
Electricity Production (in million Kwh)



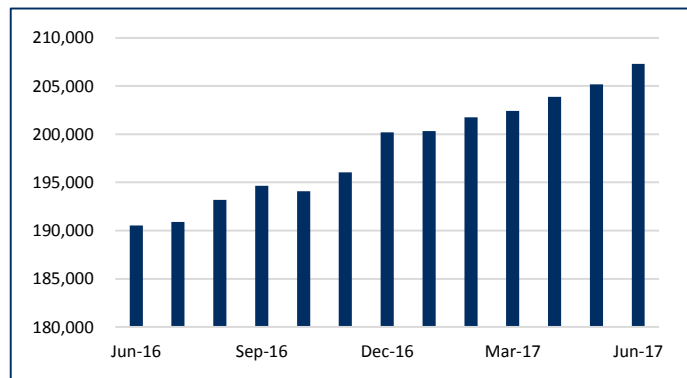
Cement Deliveries (in tons)



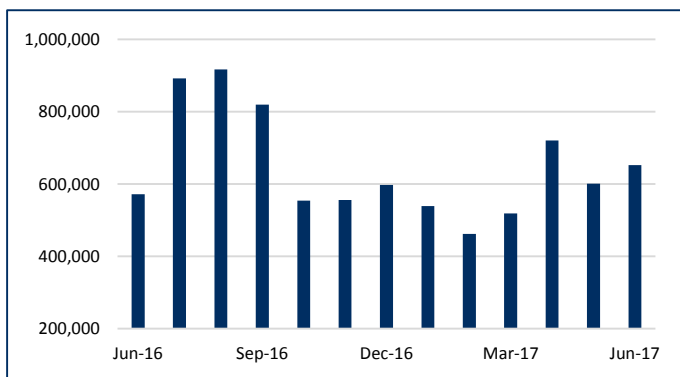
Cleared Checks (in value)



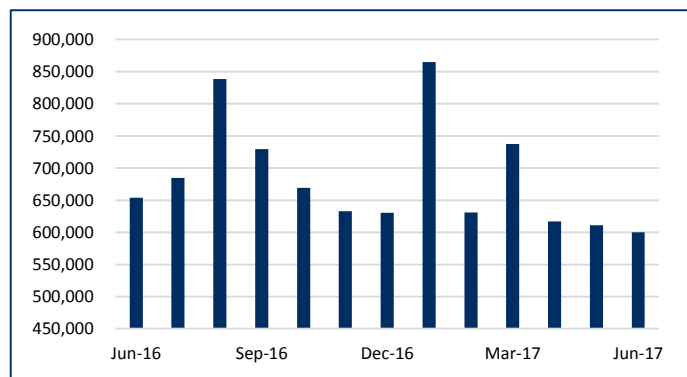
Money Supply M3 (in billion LBP)



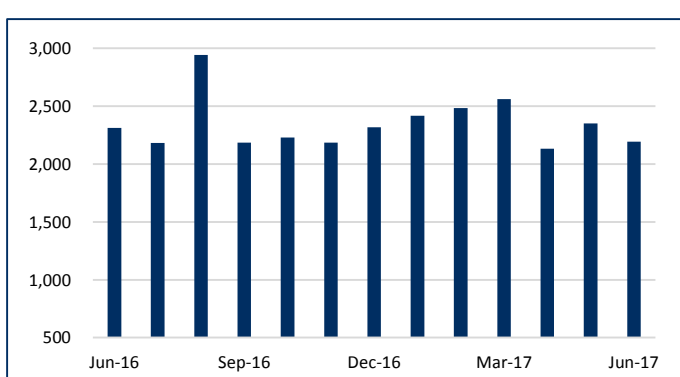
Passenger Flows (arrivals, departures and transit)



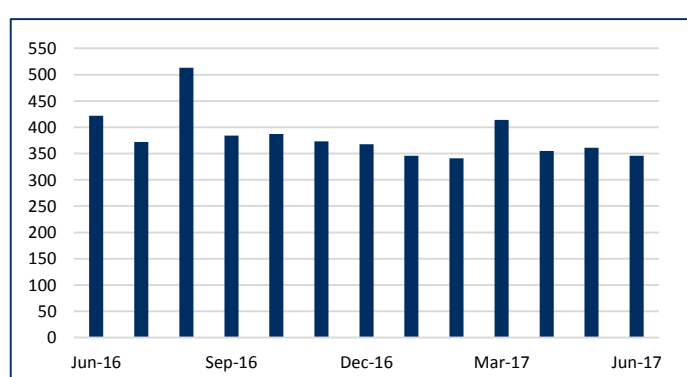
Imports of Petroleum Derivatives (in metric tons)



Imports (in billion LBP)



Exports (in billion LBP)





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