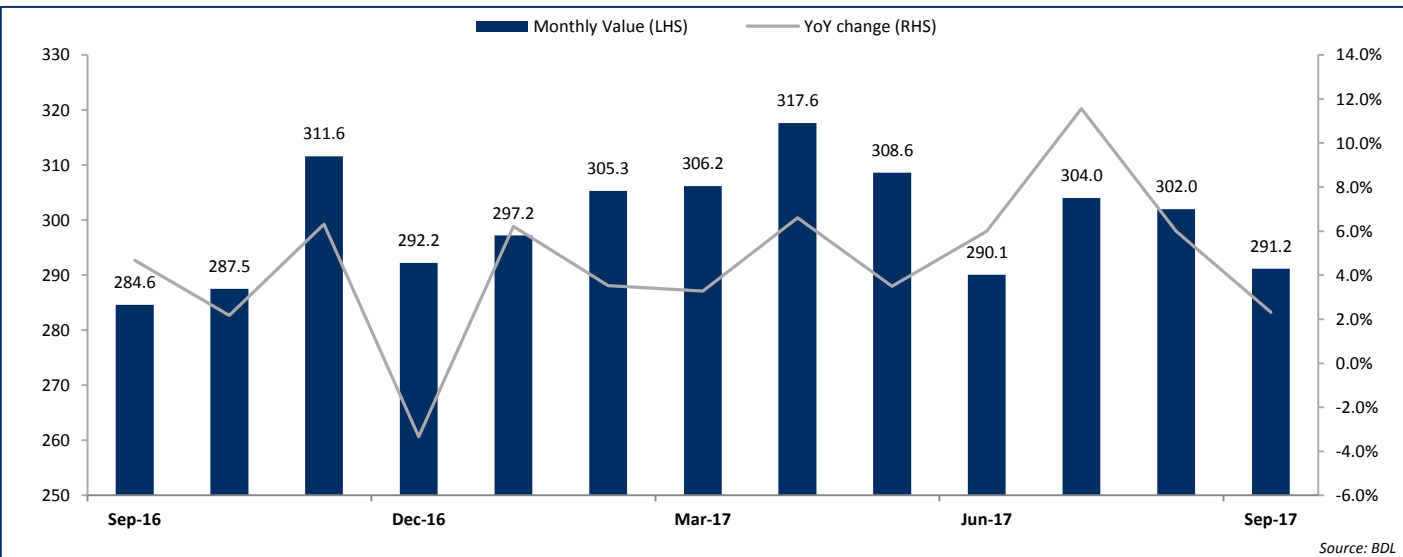


## Lebanon Economic Highlights – September 2017

### BDL Coincident Indicator up +2.3% YoY in September 2017:

BDL Coincident Indicator increased +2.3% YoY in September 2017 to 291.2 from 284.6 in September 2016. BDL Coincident Indicator decreased -3.6% MoM from 302.0 in August 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 +14.6% YoY yet decreased -10.4% MoM to 1,331 millions of Kwh.
- ❖ **Cement Deliveries:** Cement deliveries, an indicator of construction activity, decreased -9.6% YoY and -13.2% MoM to 433,331 tons. Construction permits in surface area, an indicator of future supply in the real estate sector decreased -25.5% YoY and -42.7% MoM to 710,886 sqm.
- ❖ **Cleared Checks:** The total value of cleared checks in both LBP and FC decreased -22.4% YoY and -24.9% MoM to USD 4,491.5 million. The cleared checks in LBP were down -14.4% YoY and -21.1% MoM to LBP 2,224 billion. Those in FC decreased -25.7% YoY and -26.7% MoM to USD 3,016 million.
- ❖ **Money Supply M3:** M3 increased +7.6% YoY and remained flat MoM at LBP 209,352 (USD 138.9 billion) in September 2017. 60.0% of money supply M3 is denominated in foreign currencies. Net foreign assets were up +1.9% YoY (+0.8% MoM), net claims on public sector were down +1.4% YoY (-0.7% MoM) and claims on private sector were up +6.5% YoY (+0.5% MoM).
- ❖ **Passenger Flows:** Passenger flows increased +5.1% YoY yet declined -19.3% MoM to 861,828 passengers. The number of passengers arriving to Lebanon increased +2.1% YoY yet decreased -22.9% MoM to 379,965 passengers. The number of passengers departing from Lebanon increased +7.6% YoY yet were down -16.0% MoM to 481,669 passengers. The number of transit passengers decreased -31.7% YoY and -85.7% MoM to 194 passengers.
- ❖ **Imports of Petroleum Derivatives:** Imports of petroleum derivatives were up +0.6% YoY yet decreased -7.8% MoM to 734,276 metric tons of petroleum derivatives.
- ❖ **Imports:** Imports decreased -10.4% YoY and -18.6% MoM to LBP 1,956 billion. Italy was the main source of imports, followed by China and Greece. The main imported goods were petroleum oils, motor cars and other motor vehicles and pharmaceutical products.
- ❖ **Exports:** Exports decreased -17.6% YoY and -16.4% MoM to LBP 316 billion. South Africa was the main export destination followed by United Arab Emirates and Switzerland. The main exported goods were gold, mineral and chemical fertilizers and ferrous waste and scrap.

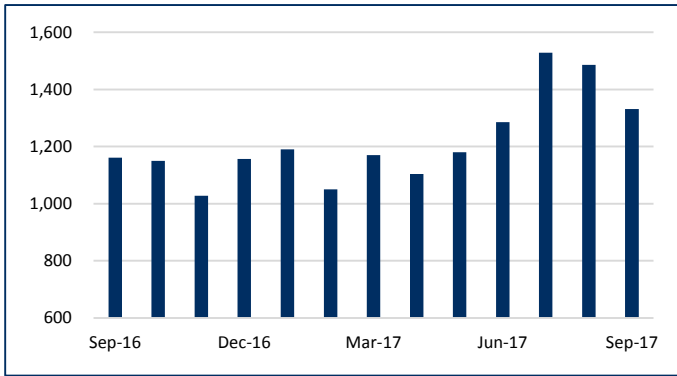
### IMF forecasts real GDP growth for Lebanon at +1.0% for 2016 and +2.0% for 2017:

According to the IMF, the Lebanese economy grew at +2.0% in 2014, +0.8% in 2015, +1.0% in 2016 and forecasted to grow at +1.5% in 2017 and +2.0% in 2018.

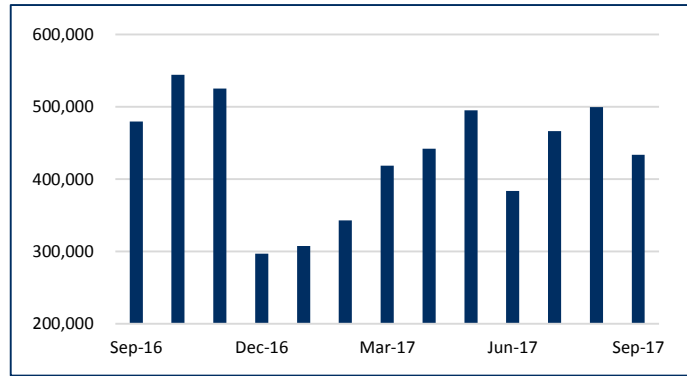
### BLOM Lebanon PMI at 46.0 in September 2017 up from 45.1 in September 2016:

BLOM Lebanon PMI was at 46.0 in September 2017 slightly down from 46.1 in June 2017 yet higher than 45.1 in September 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 September shows that the private sector continued to contract with further decrease in demand for goods and services which according to the survey's respondents resulted from political uncertainty, weakening economic conditions and cash flow problems.

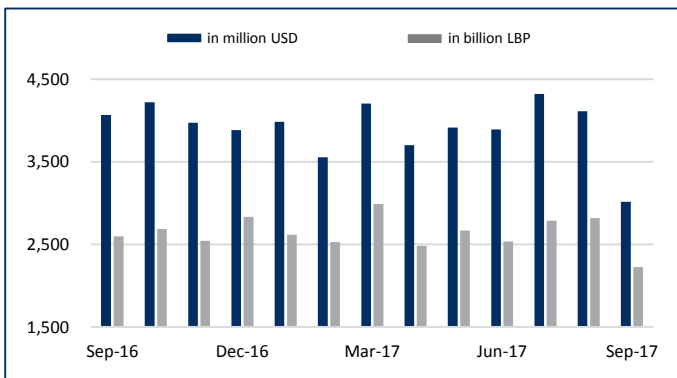
Electricity Production (in million Kwh)



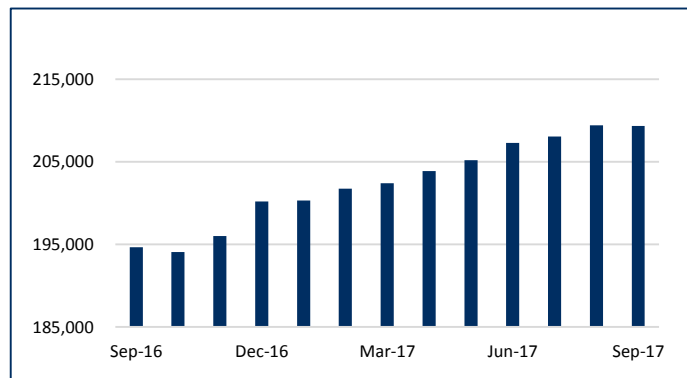
Cement Deliveries (in tons)



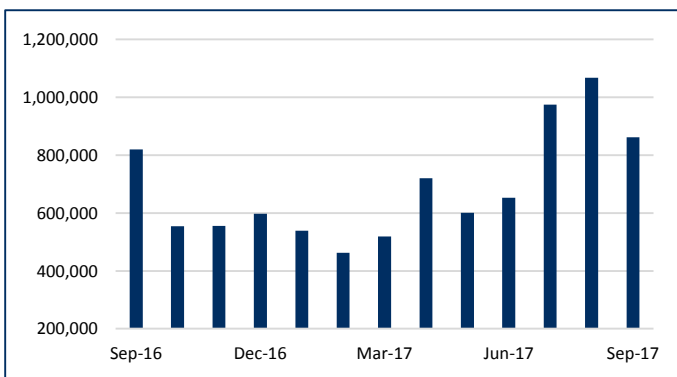
Cleared Checks (in value)



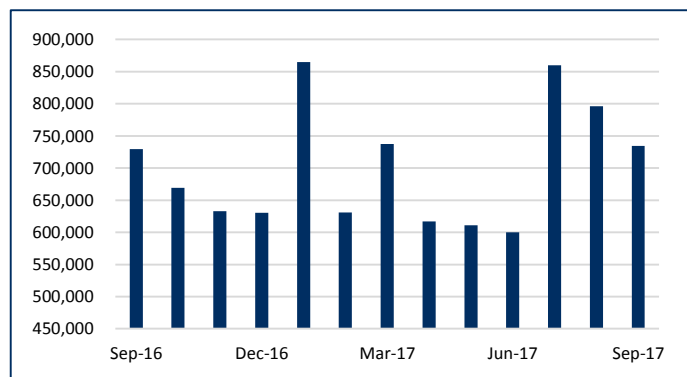
Money Supply M3 (in billion LBP)



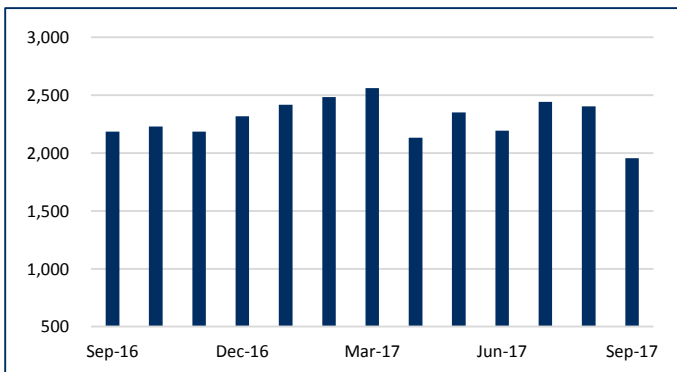
Passenger Flows (arrivals, departures and transit)



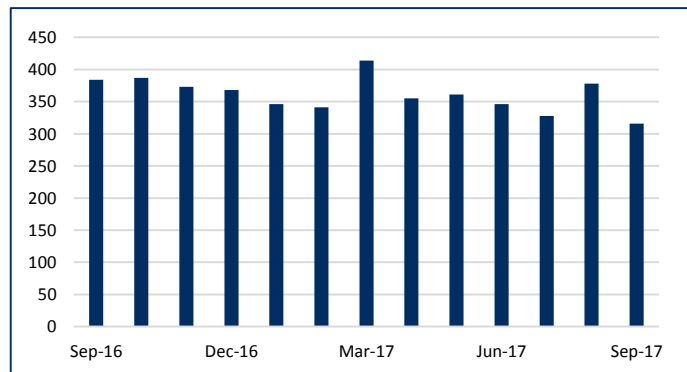
Imports of Petroleum Derivatives (in metric tons)



Imports (in billion LBP)



Exports (in billion LBP)





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