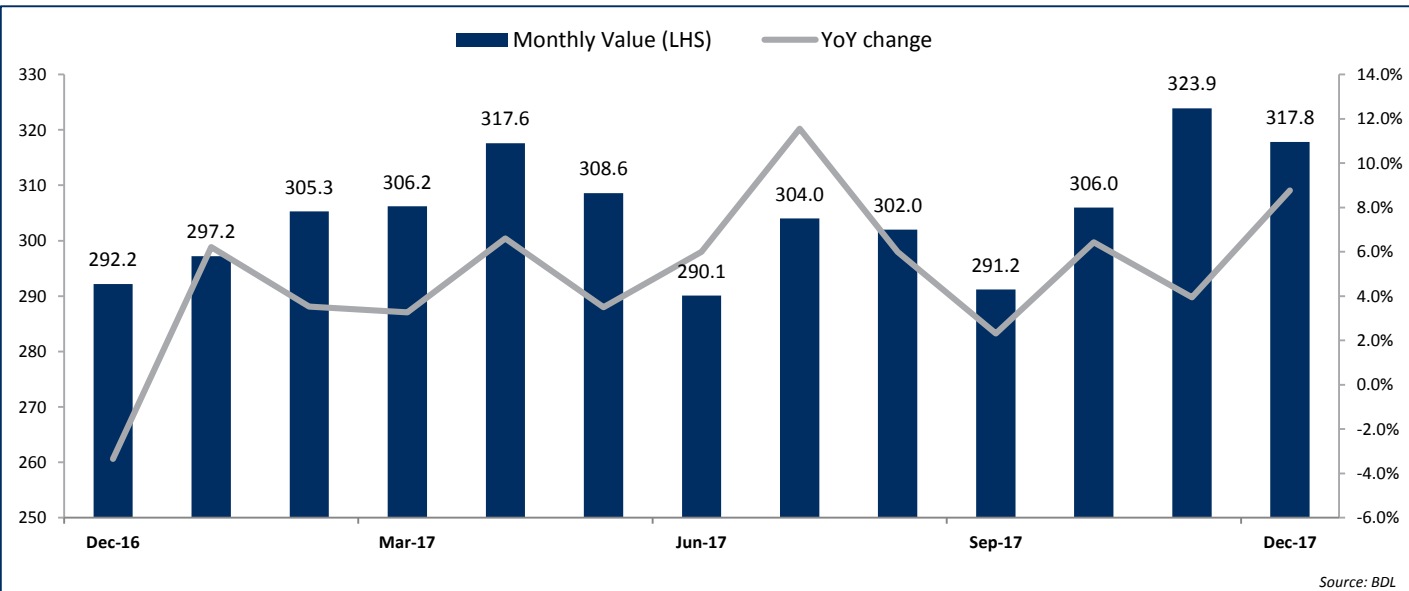


Lebanon Economic Highlights – December 2017

BDL Coincident Indicator up +8.8% YoY in December 2017:

BDL Coincident Indicator increased +8.8% YoY in December 2017 to 317.8 from 292.2 in December 2016. BDL Coincident Indicator decreased -1.9% MoM from 323.9 in November 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 +12.7% YoY and +16.2% MoM to 1,303 millions of Kwh.
- ❖ **Cement Deliveries:** Cement deliveries, an indicator of construction activity, increased +43.8% YoY yet decreased -4.5% MoM to 426,543 tons. Construction permits in surface area, an indicator of future supply in the real estate sector slightly decreased -0.3% YoY yet was up +26.0% MoM to 901,259 sqm.
- ❖ **Cleared Checks:** The total value of cleared checks in both LBP and FC increased +8.8% YoY and +12.4% MoM to USD 6,268.3 million. The cleared checks in LBP were up +13.5% YoY and +13.4% MoM to LBP 3,216 billion. Those in FC increased +6.5% YoY and +11.9% MoM to USD 4,135 million.
- ❖ **Money Supply M3:** M3 increased +4.2% YoY and +1.0% MoM at LBP 208,613 billion (USD 138.4 billion) in December 2017. 62.1% of money supply M3 is denominated in foreign currencies. Net foreign assets were down -1.1% YoY (+2.5% MoM), net claims on public sector were up +1.9% YoY (+1.0% MoM) and claims on private sector were up +6.2% YoY (+1.4% MoM).
- ❖ **Passenger Flows:** Passenger flows increased +4.8% YoY and +5.7% MoM to 626,866 passengers. The number of passengers arriving to Lebanon increased +5.4% YoY and +16.5% MoM to 333,273 passengers. The number of passengers departing from Lebanon increased +4.3% YoY yet were down -4.3% MoM to 293,270 passengers. The number of transit passengers decreased -35.4% YoY and -0.9% MoM to 323 passengers.
- ❖ **Imports of Petroleum Derivatives:** Imports of petroleum derivatives were down -6.9% YoY and -20.4% MoM to 586,586 metric tons of petroleum derivatives.
- ❖ **Imports:** Imports increased +279.2% YoY and +237.6% MoM to LBP 8,785 billion (See note below on significant increase in import figures). The United States was the main source of imports followed by Spain and France. The main imported goods were petroleum oils and oils obtained from bituminous, motor cars and other motor vehicles and pharmaceutical products
- ❖ **Exports:** Exports increased +2.7% YoY and +9.5% MoM to LBP 378 billion. The United Arab Emirates was the main source of exports, followed by Saudi Arabia and South Africa. The main exported goods were gold, diamonds and ferrous waste and scrap.

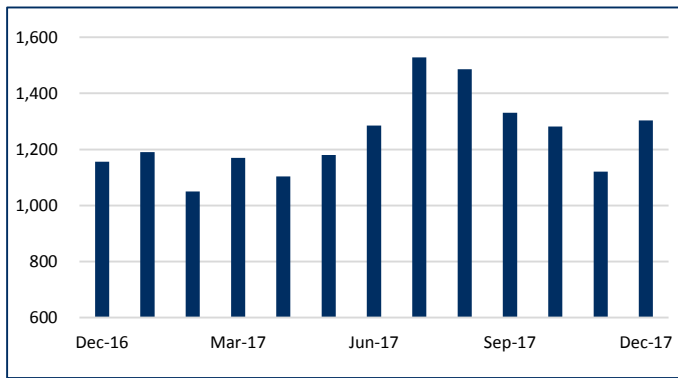
IMF forecasts real GDP growth for Lebanon at +1.0% for 2016 and +2.0% for 2017:

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.

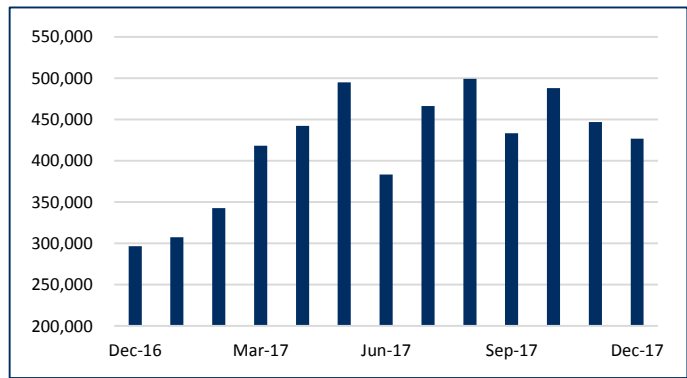
BLOM Lebanon PMI at 46.1 in December 2017 down from 47.0 in December 2016:

BLOM Lebanon PMI was at 46.1 in December 2017 slightly up from 46.0 in September 2017 yet below 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 Blom PMI for December indicates that the private sector ended the year with further deterioration with the survey's respondents highlighting again the negative impact of political uncertainty on the operating environment.

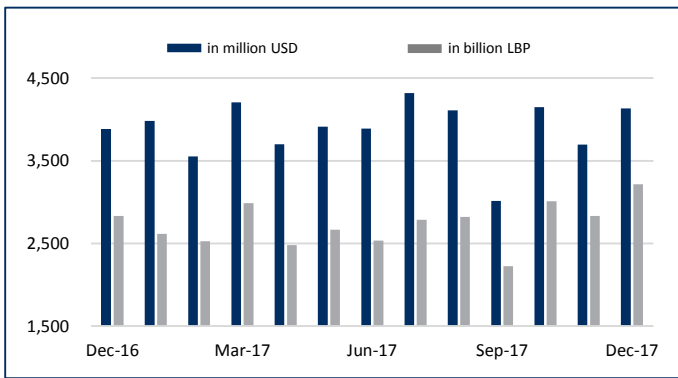
Electricity Production (in million Kwh)



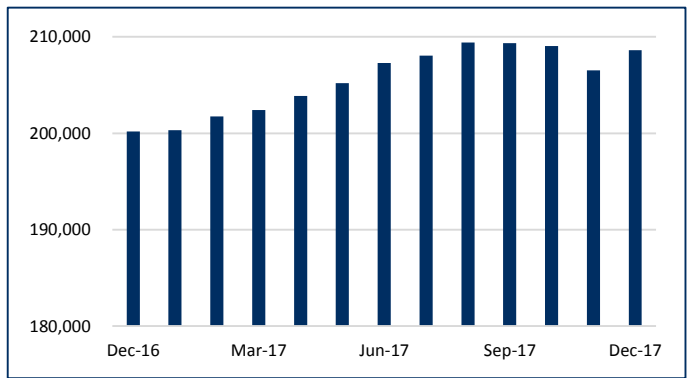
Cement Deliveries (in tons)



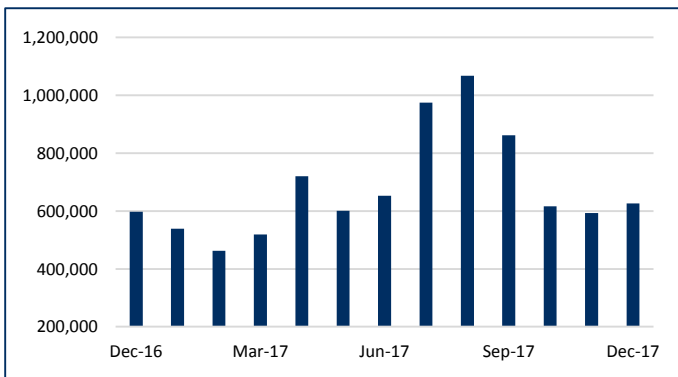
Cleared Checks (in value)



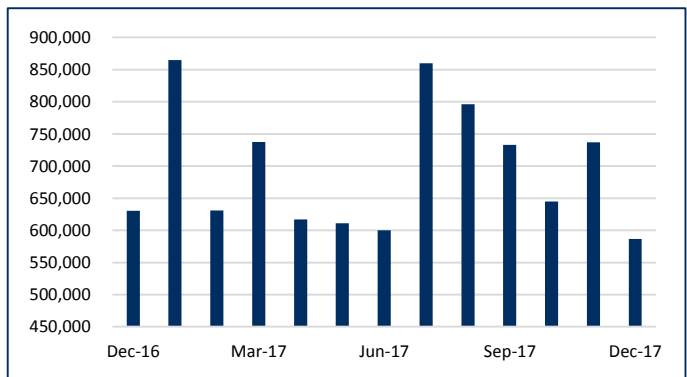
Money Supply M3 (in billion LBP)



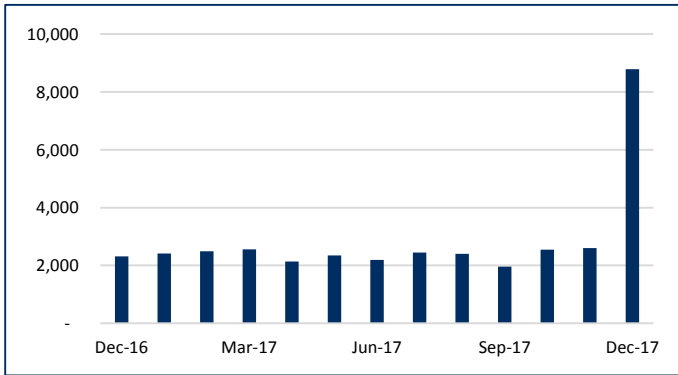
Passenger Flows (arrivals, departures and transit)



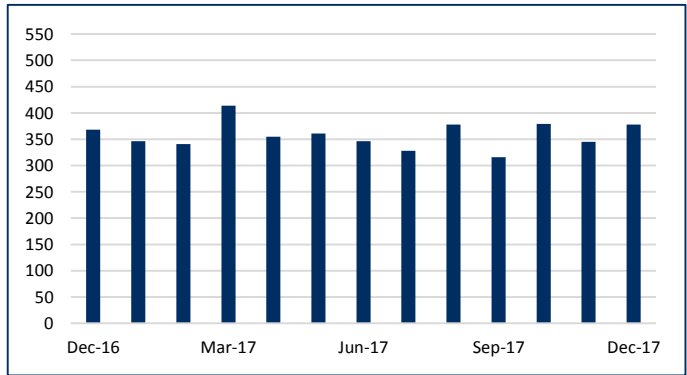
Imports of Petroleum Derivatives (in metric tons)



Imports (in billion LBP)*



Exports (in billion LBP)



*Note: Import figures for the month of December 2017 show a significant increase due to the delay in registering Customs Declarations rectifying special permits of fuel consignments (2710.19.30) where almost 70% of American origin received by EDL for the period extending from 20/11/2011 to 31/10/2017



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