

Lebanomics

3rd Quarter of
2013

Lebanon's
Dashboard
of Economic
Indicators

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► General Macroeconomic Indicators

	2008	2009	2010	2011	2012
• Population (Millions)	3.808	3.857	3.908	3.958	4.010
• GDP¹					
- Nominal GDP (Billions LBP)	44,748	52,235	55,965	58,812	62,325
- Nominal GDP (Millions USD)	29,684	34,650	37,124	39,013	41,343
- GDP Deflator ²	122	130	130	135	141
- GDP per capita, PPP (USD)	12,910	13,998	14,965	15,289	15,587
- Real Growth Rate	8.6%	9.0%	7.0%	1.5%	1.5%
- Inflation ³	6.4%	3.4%	5.1%	3.1%	10.1%
• Reserves (Millions USD)					
- Gross Foreign Currency Reserves	17,062	25,660	28,598	30,815	29,972
- Gold ⁴	8,032	10,062	13,010	14,401	15,312
- Gold (Thousands Troy Ounces)	9,222	9,222	9,222	9,222	9,222
• Public Finance (Billions LBP)					
- Government Revenues	10,553	12,705	12,684	14,070	14,164
- Government Expenditures	14,957	17,167	17,047	17,600	20,081
- Government Surplus (Deficit)	(4,404)	(4,462)	(4,363)	(3,530)	(5,917)
- Primary Surplus (Deficit) ⁵	900	1,625	1,855	2,505	(166)
- Government Surplus (Deficit) as a % of GDP	(9.7%)	(8.5%)	(7.5%)	(6.0%)	(9.4%)
- Primary Surplus (Deficit) as a % of GDP	2.0%	3.1%	3.2%	4.2%	(0.3%)
• Foreign Trade					
- Current Account Surplus (Deficit) as a % of GDP	(9.2%)	(9.8%)	(9.6%)	(13.9%)	(16.2%)
- Trade Surplus (Deficit) as % of GDP	(27.9%)	(36.5%)	(35.6%)	(40.7%)	(40.2%)
- Public Debt (Billions LBP)					
- Gross Public Debt	70,941	77,112	79,298	80,887	86,959
- Local Currency Debt	39,007	44,973	48,255	49,340	50,198
- Foreign Currency Debt	31,934	32,139	31,046	31,547	36,761
- Gross Debt as % of GDP	156%	146%	137%	137%	138%
• Industry					
- Total Exports (Billions LBP)	5,246	5,254	5,912	6,434	6,762
- Electricity Production (Millions Kwh)	11,189	11,920	12,458	12,397	10,966
- Cement Deliveries (Thousands Tons)	4,219	4,897	5,227	5,549	5,308
• Construction					
- Construction Permits Issued (Thousands sqm)	16,024	14,340	17,608	16,464	14,604
• Commerce					
- Port of Beirut Ship Activity (Number of ships)	2,055	2,395	2,285	2,167	2,125
- Port of Beirut Activity (Thousands incoming, outgoing, transit tons)	5,917	6,494	6,472	6,677	7,366
- Beirut Airport Activity (Thousands arrivals, departures, transfers)	4,085	4,985	5,553	5,654	5,950
• Remittances (Millions USD)					
- Inflows	7,181	7,558	7,385	7,322	7,322
- Outflows	4,366	5,749	4,710	4,743	NA
• FDI Flows (Millions USD)					
- Inward	4,333	4,804	4,280	3,485	3,787
- Outward	987	1,126	487	754	611

1. All figures from IMF and World Bank are estimates and may be subject to change.

2. GDP Deflator is defined as (Nominal GDP / Real GDP) * 100, which has been restated for previous periods.

3. Inflation reflects end of period consumer prices as estimated by the IMF.

4. Gold reserves based on end of period prices and may not reflect current market prices.

5. Surplus or deficit, excluding debt related payments.

Note: Exchange rate of 1,507.5 LBP = 1 USD used to convert between currencies.

► Central Bank Balance Sheet

Billions LBP	Q4 12	Q1 13	Q2 13	Q3 13	YoY	YTD
• Assets						
- Gold	23,083	22,249	16,728	18,575	-24.98%	-19.53%
- Foreign Currencies	45,184	45,766	47,812	48,285	6.82%	6.86%
- Claims on Private Sector	380	379	393	402	6.40%	5.85%
- Loans to Banks and Financial Corporations	2,438	2,431	2,654	3,149	29.05%	29.17%
- Claims on Public Sector	55	44	5	0	-100.00%	-100.00%
- Securities Portfolio	24,990	25,748	25,857	23,677	-5.17%	-5.25%
- Fixed Assets	387	371	375	409	5.82%	5.89%
- Unclassified Assets ¹	19,096	20,606	22,099	23,998	30.26%	25.67%
Total Assets	115,613	117,593	115,923	118,495	1.59%	2.49%
• Liabilities						
- Currency in Circulation outside BDL	3,639	3,558	3,753	3,891	19.50%	6.94%
- Deposits of Banks and Financial Corporations ²	77,111	81,246	82,841	81,016	6.01%	5.06%
- Liabilities to the Private Sector	49	66	55	48	7.87%	-2.21%
- Public Sector Accounts	8,908	7,779	9,530	11,129	24.59%	24.93%
- Valuation Adjustment	14,708	13,731	8,295	10,301	-37.11%	-29.96%
- Securities Other than Shares ³	3,015	2,714	2,605	2,605	-13.59%	-13.59%
- Foreign Liabilities	326	326	325	325	-0.65%	-0.32%
- Special Long-term Liabilities	2,202	2,051	2,051	1,900	-13.71%	-13.70%
- Capital Accounts	5,080	5,080	5,019	5,019	11.65%	-1.21%
- Unclassified Liabilities ⁴	576	1,043	1,450	2,262	44.29%	292.34%
Total Liabilities	115,613	117,593	115,923	118,495	1.59%	2.49%

Note: Totals may be slightly off due to rounding

1. Unclassified assets include the following items: other debtor accounts, counterparty securities, accounts receivable, a regularization account, inventory and fixed assets.
2. Includes investment banks and financial institutions.
3. Certificates of Deposit issued by BDL.
4. Unclassified liabilities include the following items: notes payable, other creditor accounts and regularization accounts.

YoY figures represent the percent difference between the most recent quarter as compared to the same quarter of the previous year.

Source: BDL

► Public Revenues

Billions LBP	Q4 12	Q1 13	Q2 13	Q3 13	YoY	TTM
• Total Revenues (a+b)	3,330	3,354	3,964	3,274	2.60%	-3.48%
a. Treasury Receipts	196	198	208	229	23.78%	23.85%
b. Budget Revenues (i+ii)	3,133	3,157	3,755	3,046	1.26%	-4.82%
i. Tax Revenues	2,282	2,390	3,036	2,361	4.52%	-2.27%
- Taxes on Income, Profits & Capital Gains (including Income Tax on Profits, Wages and Salaries, Capital Gains and Dividends; Tax on Interest Income (5%); Penalties on Income Tax)	362	550	1,181	387	7.50%	-2.13%
- Taxes on Property (including Built Property Tax, Real Estate Registration Fees)	317	270	281	306	13.33%	-3.37%
- Domestic Taxes on Goods & Services (including Value Added Tax and Taxes on Goods and Services, especially Private Car Registration Fees and Passenger Departure Tax)	907	930	918	1,001	7.63%	-2.52%
- Taxes on International Trade (including Customs; Excises on Gasoline, Tobacco and Cars)	574	533	532	554	-5.14%	-1.44%
- Other Tax Revenue (namely fiscal stamp fees)	122	107	123	114	-0.87%	-2.10%
ii. Non-tax Revenues	851	767	719	685	-8.42%	-12.43%
- Income from Public Institutions and Gov't Prop. (including non-financial public enterprises such as Casino du Liban, Port of Beirut, National Lottery and Telecoms; transfers from BDL; Property Income, namely rent from RHIA; other interests)	1,381	588	526	519	-14.36%	15.17%
- Administrative Fees & Charges (including fees for notaries, passports, public security, vehicle control, driving licenses and judicial fees; work permit fees; and more)	168	142	148	133	14.66%	-2.80%
- Penalties and Confiscations	2	2	3	2	0.00%	-18.18%
- Other Non-tax Revenues (mostly retirement deductibles)	59	34	44	31	29.17%	-21.50%

Note: Totals may be slightly off due to rounding

YoY figures represent the percent difference between the most recent quarter as compared to the same quarter of the previous year.
TTM figures represent the percent difference in the cumulative amount from the most recent four quarters as compared to the same four quarters a year earlier.

Source: MOF, Directorate General of Finance

↓ In non-tax revenues include:
 ↓ revenues from Casino du Liban
 ↓ rent from Rafic Hariri International Airport
 ↓ vehicle control fees
 ↓ budget surplus from the National Lottery

► Public Expenditures

Billions LBP	Q4 12	Q1 13	Q2 13	Q3 13	YoY	TTM
Total Expenditures	6,143	4,534	5,646	5,371	17.07%	14.46%
a. Current Expenditures	5,400	4,158	4,569	4,585	8.14%	11.16%
i. Interest Payments (including local and foreign currency debt)	1,589	1,123	1,648	1,154	2.03%	3.41%
ii. Transfers to Electricite du Liban	787	862	558	1,121	-1.84%	-6.09%
ii. Other Current Expenditures (including personnel costs; foreign debt principal repayment; materials and supplies; and more)	3,024	2,173	2,363	2,310	17.44%	24.04%
b. Capital Expenditures (including equipment and maintenance for ongoing infrastructure construction; and more)	320	187	420	215	77.69%	72.25%
c. Budget Advances	76	9	65	128	412.00%	77.07%
d. Customs Administration	12	11	12	10	25.00%	21.62%
e. Treasury Expenditures	329	168	579	430	121.65%	19.15%
f. Unclassified Expenditures	0	0	1	4	NA	NA

Note: Totals may be slightly off due to rounding
YoY figures represent the percent difference between the most recent quarter as compared to the same quarter of the previous year.
TTM figures represent the percent difference in the cumulative amount from the most recent four quarters as compared to the same four quarters a year earlier.
Notice that "transfers to EDL" has been reclassified from "other treasury expenditures" to "various transfers".
Source: MoF; Directorate General of Finance

↑ In capital expenditures include:
 ↑ in payments to CDR
 ↑ spending by the Ministry of Public Works and Transportation
 ↑ payments for relief assistance
 ↑ payments for equipment

► Government Budget

Cumulative through Q3 13 - Billions LBP	Jan-Sep 12	Jan-Sep 13	% Change
Revenues	10,834	10,592	-2.23%
Expenditures	13,938	15,551	11.57%
Government Surplus (Deficit)	-3,104	-4,959	59.76%
Primary Surplus (Deficit)	979	-824	-184.17%

Source: MoF

Impact of Syrian refugees in Lebanon adding to a widening fiscal deficit from
 ↑ health, social, education and infrastructure needs as per WB

► Public Debt

Billions LBP	2010	2011	2012	Sep 2013	YTD
• Gross Public Debt (a+b)	79,301	80,869	86,959	94,061	8.17%
a. Local Currency Debt	48,255	49,340	50,198	54,250	8.07%
i. Central Bank (including REPOs and Loans to EDL to finance fuel purchases) ¹	13,130	16,374	15,049	16,786	11.54%
ii. Commercial Banks	27,214	25,177	27,267	28,362	4.02%
iii. Other Local Currency Debt (T-Bills)	7,911	7,789	7,882	9,102	15.48%
- o/w Public Entities	6,268	6,538	6,479	7,053	8.86%
- Accrued Interest Included in Debt	867	788	789	827	4.82%
b. Foreign Currency Debt²	31,046	31,529	36,761	39,811	8.30%
i. Bilateral, Multilateral and Foreign Private Sector Loans	2,627	2,566	2,584	2,515	-2.67%
ii. Paris II related Debt (Eurobonds and Loans) ³	4,137	3,512	2,925	2,539	-13.20%
iii. Paris III related Debt (Eurobonds and Loans) ⁴	1,855	1,723	1,313	1,216	-7.39%
iv. Market-issued Eurobonds	21,870	23,259	29,427	32,681	11.06%
v. Accrued interest on Eurobonds	483	407	400	724	81.00%
vi. Special T-Bills in Foreign Currency⁵	74	80	112	136	21.43%
• Public Sector Deposits	11,419	10,984	12,916	15,442	19.56%
• Net Total Debt	67,882	69,903	74,043	78,619	6.18%
• Gross Market Debt⁶	51,308	50,192	58,623	63,963	9.11%
• Gross Market Debt as % of Total Debt	65%	62%	67%	68%	0.90%

Note:

1. The BDL has extended loans to EDL for the equivalent amount of US \$300 million to purchase fuel oil. These loans are listed as public debts as they are government guaranteed.
2. Figures may differ from previously published data due to updated information regarding bilateral and multilateral loans in the DMFAS system.
3. Paris II related debt (Eurobonds and Loans) including Eurobonds originally issued at US \$1,870 billion to BDL in the context of Paris II conference.
4. Issued to Malaysia as part of its Paris III contribution, IBRD loan, UAE loan, first tranche of the French loan received in February 2008, IMF loans, first tranche EC/EU loan, and AMF loan disbursed in June 2009.
5. Special T-Bills in Foreign currency (expropriation bonds).
6. Gross market debt equals gross debt less the portfolios of the BDL, NSSF, bilateral and multilateral loans, Paris II and Paris III related debt.

Source: MOF, BDL

FC debt ↑ 8% YTD at around
42% of gross public debt to help
finance the fiscal deficit.
IMF forecasts debt/GDP at
~143% in 2013

► Domestic Debt by Maturity

Billions LBP	Q4 12	Q1 13	Q2 13	Q3 13	YOY	YTD
• 3 Month T-Bills	314	292	159	159	57.43%	-49.36%
• 6 Month T-Bills	1,312	805	581	763	-37.25%	-41.84%
• 12 Month T-Bills	965	932	892	926	6.19%	-4.04%
• Long Term Bonds*	47,448	48,846	49,287	52,266	9.56%	10.15%
• Loans	159	141	148	136	-32.00%	-14.47%
• Total	50,198	51,016	51,067	54,250	8.29%	8.07%

* includes 24 month bonds and longer maturities

YoY figures represent the percent difference between the most recent quarter as compared to the same quarter of the previous year.

Source: MOF, BDL

► Domestic Debt by Type

Billions LBP	Q4 12	Q1 13	Q2 13	Q3 13	YOY	YTD
• Foreign Currency Debt (Millions USD)	24,385	23,905	26,140	26,409	15.48%	8.30%
• Local Currency Debt	50,198	51,016	51,067	54,250	8.29%	8.07%
• Net Local Currency Debt	37,282	39,473	37,328	38,808	2.91%	4.09%
• Net Total Debt	74,043	75,510	76,734	78,619	8.91%	6.18%

YoY figures represent the percent difference between the most recent quarter as compared to the same quarter of the previous year.

Note: Exchange rate of 1,507.5 LBP = 1 USD used to convert between currencies

Source: BDL

► Monetary Indicators

Billions LBP	Q4 12	Q1 13	Q2 13	Q3 13	YOY	YTD
• Currency in Circulation	3,083	2,970	3,130	3,289	17.57%	6.68%
• M1 (Currency in circulation + sight deposits in LBP)	6,875	6,871	7,259	7,542	19.25%	9.71%
• M2 (M1 + other deposits in LBP)	64,398	65,655	66,478	66,878	6.79%	3.85%
• M3 (M2 + deposits in foreign currencies, other financial liabilities)	155,437	158,132	160,931	162,859	6.93%	4.77%
• M4 (M3 + Treasury bills held by non-banking system)	163,484	166,604	169,861	171,054	6.60%	4.63%

Note: Quarterly figures are averages of monthly levels, averaged over the 3-month period.

YoY figures represent the percent difference between the most recent quarter as compared to the same quarter of the previous year.

Source: BDL

► Commercial Banks' Balance Sheet

Billions LBP	Q4 12	Q1 13	Q2 13	Q3 13	YoY	YTD
• Assets						
a. Reserves	79,604	83,532	84,715	81,679	3.43%	2.61%
i. Vault Cash	425	488	598	592	20.91%	39.24%
ii. Deposits with Central Bank	79,179	83,044	84,117	81,087	3.32%	2.41%
b. Claims on Private Sector	57,052	58,607	59,373	61,139	9.78%	7.16%
i. Claims on Private Sector in LBP	14,653	15,012	15,485	16,112	12.19%	9.96%
ii. Claims on Private sector in Foreign Currencies	42,399	43,595	43,888	45,026	8.94%	6.20%
c. Claims on Public Sector	46,930	48,068	49,421	54,515	20.50%	16.16%
d. Foreign Assets	39,447	38,010	38,406	36,318	-2.43%	-7.93%
e. Fixed Assets (land, buildings, vehicles, etc)	5,566	5,601	5,711	5,815	12.01%	4.47%
f. Unclassified Assets	363	507	476	613	-54.12%	68.59%
Total Assets	228,964	234,325	238,102	240,079	7.34%	4.85%

• Liabilities

a. Total Private Sector Deposits	152,124	154,951	156,869	158,732	6.61%	4.34%
i. Demand Deposits in LBP of Private Sector	3,808	3,894	4,122	4,333	23.56%	13.78%
ii. Time and Saving Deposits in LBP of Private Sector	57,491	58,346	58,634	58,778	4.51%	2.24%
iii. Private Sector Deposits in Foreign Currencies	90,825	92,712	94,113	95,621	7.26%	5.28%
b. Public Sector Deposits	4,008	3,786	4,209	4,313	24.99%	7.61%
c. Non Resident Private Sector Deposits	36,311	38,168	41,014	39,292	13.41%	8.21%
d. Non Resident Financial Sector Deposits	8,897	8,968	7,485	7,357	-19.99%	-17.31%
e. Other Financial Liabilities	396	405	424	429	-34.12%	8.31%
f. Capital Accounts (net result of international investment inflow)	19,058	19,052	20,397	21,217	18.35%	11.33%
g. Unclassified Liabilities	8,169	8,994	7,704	8,739	-1.67%	6.98%

Total Liabilities	228,964	234,325	238,102	240,079	7.34%	4.85%
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YoY figures represent the percent difference between the most recent quarter as compared to the same quarter of the previous year.

Source: BDL

► Other Economic Indicators

	Q4 12	Q1 13	Q2 13	Q3 13	YoY	TTM
• Consumer Price Index (indexed from 01/01/2008)	129.5	NA	NA	128.9	0.55%	NA
• Coincident Indicator	262.5	273.9	265.5	247.2	1.52%	1.38%
• Real Estate Indicators						
- Construction Permits Issued	3,859,574	2,821,604	3,462,877	3,328,617	3.69%	-8.52%
- Cement Deliveries	1,385,420	1,127,446	1,528,760	1,559,171	16.67%	5.50%
• Beirut Airport Indicators (passengers)						
- Arrivals	666,594	631,505	794,652	876,789	6.70%	1.99%
- Departures	708,982	735,081	803,043	967,091	-0.95%	8.30%
- Transfers	5,525	4,277	3,772	3,811	-68.89%	-68.39%
• Port of Beirut Indicators						
- Freight Incoming	1,653,683	1,711,742	1,854,232	1,802,016	9.76%	13.75%
- Freight Outgoing	230,878	54,116	0	0	-100.00%	-65.23%
- Transit and Freezone Freight	29,976	1,576	3,594	372	-98.98%	-75.04%
• Energy Indicators						
- Electricity Production (millions of kWh)	2,711	2,659	2,857	3,351	25.74%	4.19%
- Imports of Petroleum Derivatives ('000 metric tons)	1,580,518	1,553,428	1,719,913	1,332,836	-24.62%	1.07%
• Check Indicators						
- Checks Cleared in Foreign Currencies	2,412,699	2,262,773	2,369,355	2,356,893	-2.36%	-0.71%
- Value of Checks Cleared in Foreign Currencies (millions USD)	14,078	13,457	13,899	13,943	-3.09%	-2.30%
- Checks Cleared in Lebanese Pounds	956,408	900,241	981,728	1,016,097	13.39%	6.82%
- Value of Checks Cleared in Lebanese Pounds (millions LBP)	5,991,966	5,733,997	6,593,710	6,541,085	14.88%	12.67%

YoY figures represent the percent difference between the most recent quarter as compared to the same quarter of the previous year. TTM figures represent the percent difference in the cumulative amount from the most recent four quarters as compared to the same four quarters a year earlier.

Source: CAS, BDL, MoF, MoC

► Lebanon's Sovereign Credit Ratings

Credit Rating Agency	Rating
• Fitch	B - Neg.
• Moody's	B1 - Neg.
• S&P	B - Neg.

Source: Fitch, Moody's, S&P

Negative outlooks on account of:
 ↑ political tensions
 ↓ fiscal and debt ratios
 ↓ economic growth prospects

BDL coincident indicator averaged 262 over the past nine months of 2013, rising by 2.6% YoY, as IMF forecasts 1.5% GDP growth for 2013

► Trade Indicators

Billions LBP	Q4 12	Q1 13	Q2 13	Q3 13	YoY
• Exports	1,787	1,797	1,694	1,278	-24.72%
• Imports	7,915	8,314	7,963	7,706	-0.77%
• Trade Balance	-6,128	-6,517	-6,268	-6,428	5.93%
• Balance of Payments	595	-94	-482	-444	-67.68%
• Customs Revenue	598	558	559	580	-4.76%

YoY figures represent the percent difference between the most recent quarter as compared to the same quarter of the previous year.
TTM figures represent the percent difference in the cumulative amount from the most recent four quarters as compared to the same four quarters a year earlier.

Note: Exchange rate of 1,507.5 LBP = 1 USD used to convert between currencies.

Source: BDL

Despite higher financial inflows, BOP remained negative throughout 2013 due to significant trade balance deficits

► Imports by Origin

Special Imports in Billions of LBP	Q4 12	Q1 13	Q2 13	Q3 13	YoY
• China	726	696	741	1,050	56.11%
• Italy	846	654	604	737	8.60%
• France	559	542	602	609	-7.24%
• United States	448	869	470	412	-49.65%
• Germany	450	463	510	454	-6.95%
• Turkey	343	625	274	495	34.30%
• Russia	182	567	419	137	-20.10%
• Egypt	316	298	256	208	-45.56%
• Switzerland	449	223	270	215	126.30%
• United Kingdom	191	202	270	224	-1.05%
• Rest of the World	3,173	3,104	3,523	3,161	-5.49%

YoY figures represent the percent difference between the most recent quarter as compared to the same quarter of the previous year.

Source: Lebanese Customs

► Exports by Destination

Special Exports in Billions of LBP	Q4 12	Q1 13	Q2 13	Q3 13	YoY
• South Africa	302	286	167	301	17.77%
• Syria	151	345	245	150	53.56%
• Saudi Arabia	130	126	175	130	14.56%
• Switzerland	240	108	81	239	32.08%
• Iraq	96	84	99	96	93.30%
• Turkey	58	75	81	57	-22.82%
• Jordan	57	49	51	56	4.82%
• UAE	125	128	127	125	-0.35%
• Belgium	17	77	38	17	-58.64%
• Egypt	42	30	36	41	50.29%
• Rest of the World	811	519	575	810	56.65%

YoY figures represent the percent difference between the most recent quarter as compared to the same quarter of the previous year.

Source: Lebanese Customs



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