

Lebanomics

4th Quarter of
2012

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)	45,346	52,650	58,000	58,850	62,963
- Nominal GDP (Millions USD)	30,080	34,926	38,474	39,039	41,766
- GDP Deflator ²	122	130	130	135	141
- GDP per capita, PPP (USD)	13,116	14,171	15,168	15,522	15,884
- Real Growth Rate	9.2%	8.5%	7.0%	1.5%	2.0%
- 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 (Millions 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	3,000
- Port of Beirut Activity (Thousands incoming, outgoing, transit tons)	5,917	6,494	6,472	6,677	7,365
- 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	7,619	7,612	7,472
- Outflows	4,366	5,749	4,560	4,759	NA
• FDI Flows (Millions USD)					
- Inward	4,333	4,804	4,280	3,200	NA
- Outward	987	1,126	487	900	NA

Housing adjusted in July 2012 and not revised for the prior 3 years overstates inflation

1. All figures for 2010 and 2011 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	Q1 12	Q2 12	Q3 12	Q4 12	YoY	YTD
• Assets						
- Gold	23,117	21,839	24,759	23,083	6.33%	6.33%
- Foreign Currencies	46,719	44,109	45,203	45,184	-2.73%	-2.73%
- Claims on Private Sector	356	361	378	380	0.01%	0.01%
- Loans to Banks and Financial Corporations	2,141	2,306	2,440	2,438	16.16%	16.16%
- Claims on Public Sector	128	98	86	55	-60.40%	-60.40%
- Securities Portfolio	21,566	25,956	24,968	24,990	25.91%	25.91%
- Fixed Assets	359	386	387	387	8.10%	8.10%
- Unclassified Assets ¹	15,627	17,044	18,422	19,096	27.42%	27.42%
Total Assets	110,014	112,100	116,643	115,613	9.10%	9.10%
• Liabilities						
- Currency in Circulation outside BDL	3,096	3,185	3,256	3,639	10.82%	10.82%
- Deposits of Banks and Financial Corporations ²	73,225	75,085	76,424	77,111	10.55%	10.55%
- Liabilities to the Private Sector	52	42	45	49	15.90%	15.90%
- Public Sector Accounts	7,705	9,234	8,932	8,908	11.56%	11.56%
- Valuation Adjustment	14,751	13,372	16,381	14,708	10.71%	10.71%
- Securities Other than Shares ³	3,015	3,015	3,015	3,015	0.00%	0.00%
- Foreign Liabilities	327	327	327	326	-1.00%	-1.00%
- Special Long-term Liabilities	2,353	2,353	2,202	2,202	-12.06%	-12.06%
- Capital Accounts	4,556	4,495	4,495	5,080	11.51%	11.51%
- Unclassified Liabilities ⁴	934	991	1,567	576	-52.85%	-52.85%
Total Liabilities	110,014	112,100	116,643	115,613	9.10%	9.10%

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

Gold reserves
subject to
change in
gold price

► Public Revenues

Billions LBP	Q1 12	Q2 12	Q3 12	Q4 12	YoY	TTM
• Total Revenues (a+b)	3,522	4,121	3,191	3,330	-7.24%	0.67%
a. Treasury Receipts	170	140	185	196	11.36%	-3.76%
b. Budget Revenues (i+ii)	3,352	3,980	3,008	3,133	-8.23%	0.90%
i. Tax Revenues	2,533	3,113	2,259	2,282	-4.84%	3.06%
- 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)	580	1,214	360	362	-4.74%	3.84%
- Taxes on Property (including Built Property Tax, Real Estate Registration Fees)	324	282	270	317	-6.49%	4.28%
- Domestic Taxes on Goods & Services (including Value Added Tax and Taxes on Goods and Services, especially Private Car Registration Fees and Passenger Departure Tax)	977	935	930	907	-10.29%	1.74%
- Taxes on International Trade (including Customs; Excises on Gasoline, Tobacco and Cars)	529	564	584	574	4.74%	3.30%
- Other Tax Revenue (namely fiscal stamp fees)	123	118	115	122	1.67%	5.29%
ii. Non-tax Revenues	820	867	748	851	-16.24%	-5.25%
- 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)	619	683	606	1,381	94.78%	22.77%
- Administrative Fees & Charges (including fees for notaries, passports, public security, vehicle control, driving licenses and judicial fees; work permit fees; and more)	158	145	116	168	-11.11%	2.98%
- Penalties and Confiscations	3	3	2	2	-33.33%	0.00%
- Other Non-tax Revenues (mostly retirement deductibles)	39	37	24	59	-48.25%	-23.56%

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

↑Receipts from passenger departure tax despite ↓ tourism likely due to ↑ usage of Beirut Airport following events in Syria

Diminished non-tax revenues driven by lower transfers from the Telecom surplus, Casino du Liban and Port of Beirut

► Public Expenditures

Billions LBP	Q1 12	Q2 12	Q3 12	Q4 12	YoY	TTM
Total Expenditures	4,530	4,820	4,588	6,143	22.47%	14.10%
a. Current Expenditures	3,903	4,210	4,240	5,400	20.54%	12.07%
i. Interest Payments (including local and foreign currency debt)	1,209	1,528	1,131	1,589	8.54%	-3.50%
ii. Transfers to Electricite du Liban	816	663	1,142	787	-14.73%	29.78%
ii. Other Current Expenditures (including personnel costs; foreign debt principal repayment; materials and supplies; and more)	1,878	2,019	1,967	3,024	44.48%	17.57%
b. Capital Expenditures (including equipment and maintenance for ongoing infrastructure construction; and more)	236	83	121	320	43.50%	12.43%
c. Budget Advances	49	66	25	76	347.06%	20.67%
d. Customs Administration	12	10	8	12	71.43%	16.67%
e. Treasury Expenditures	380	401	194	329	13.84%	50.40%
f. Unclassified Expenditures	0	0	0	0	-100.00%	-100.00%

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

↓ Interest payments despite ↑ debt levels due to:
 Lower interest rates and debt replacement of treasury bills for Euro bonds between BDL and MOF

► Government Budget

Cumulative through Q4 12 - Billions LBP	Jan-Dec 11	Jan-Dec 12	% Change
Revenues	14,070	14,164	0.67%
Expenditures	17,600	20,081	14.10%
Government Surplus (Deficit)	-3,530	-5,917	67.62%
Primary Surplus (Deficit)	2,505	-166	-106.63%

Source: MoF

First time the primary deficit turns negative since 2006

► Public Debt

Billions LBP	2009	2010	2011	Dec 2012	YTD
• Gross Public Debt (a+b)	77,111	79,301	80,869	86,959	7.53%
a. Local Currency Debt	44,973	48,255	49,340	50,198	1.74%
i. Central Bank (including REPOs and Loans to EDL to finance fuel purchases) ¹	10,334	13,130	16,374	15,049	-8.09%
ii. Commercial Banks	27,286	27,214	25,177	27,267	8.30%
iii. Other Local Currency Debt (T-Bills)	7,353	7,911	7,789	7,882	1.19%
iv. o/w Public Entities	6,078	6,268	6,538	6,479	-0.90%
v. Accrued Interest Included in Debt	999	867	788	789	0.13%
b. Foreign Currency Debt²	32,138	31,046	31,529	36,761	16.59%
i. Bilateral, Multilateral and Foreign Private Sector Loans	2,713	2,627	2,566	2,584	0.70%
ii. Paris II related Debt (Eurobonds and Loans) ³	4,819	4,137	3,512	2,925	-16.71%
iii. Paris III related Debt (Eurobonds and Loans) ⁴	1,963	1,855	1,723	1,313	-23.80%
iv. Market-issued Eurobonds	21,736	21,870	23,259	29,427	26.52%
v. Accrued interest on Eurobonds	460	483	407	400	-1.72%
vi. Special T-Bills in Foreign Currency⁵	447	74	80	112	40.00%
• Public Sector Deposits	10,522	11,419	10,984	12,916	17.59%
• Net Total Debt	66,590	67,882	69,903	74,043	5.92%
• Gross Market Debt⁶	51,231	51,308	50,192	58,623	16.80%
• Gross Market Debt as % of Gross Public	67%	65%	62%	67%	8.06%

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 for Dec 05—Dec 10 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

► Domestic Debt by Maturity

Billions LBP	Q1 12	Q2 12	Q3 12	Q4 12	YOY	YTD
• 3 Month T-Bills	335	206	101	314	147.24%	147.24%
• 6 Month T-Bills	1,016	957	1,216	1,312	-16.38%	-16.38%
• 12 Month T-Bills	1,148	1,276	872	965	8.79%	8.79%
• Long Term Bonds*	47,765	45,863	47,706	47,448	2.01%	2.01%
• Loans	227	206	200	159	-35.10%	-35.10%
• Total	50,491	48,508	50,095	50,198	1.74%	1.74%

* 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	Q1 12	Q2 12	Q3 12	Q4 12	YOY	YTD
• Foreign Currency Debt (Millions USD)	20,586	23,088	22,869	24,385	16.61%	16.61%
• Local Currency Debt	50,491	48,508	50,095	50,198	1.74%	1.74%
• Net Local Currency Debt	39,684	36,234	37,712	37,282	-2.80%	-2.80%
• Net Total Debt	70,717	71,039	72,187	74,043	5.96%	5.96%

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	Q1 12	Q2 12	Q3 12	Q4 12	YOY	YTD
• Currency in Circulation	2,643	2,724	2,797	3,083	13.90%	13.90%
• M1 (Currency in circulation + sight deposits in LBP)	5,885	6,170	6,324	6,875	16.41%	16.41%
• M2 (M1 + other deposits in LBP)	59,592	61,409	62,625	64,398	11.23%	11.23%
• M3 (M2 + deposits in foreign currencies, other financial liabilities)	148,017	150,794	152,297	155,437	6.73%	6.73%
• M4 (M3 + Treasury bills held by non-banking system)	155,854	158,829	160,457	163,484	6.57%	6.57%

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	Q1 12	Q2 12	Q3 12	Q4 12	YoY	YTD
• Assets						
a. Reserves	75,544	77,180	78,967	79,604	11.28%	11.28%
i. Vault Cash	426	433	490	425	8.42%	8.42%
ii. Deposits with Central Bank	75,118	76,747	78,478	79,179	11.30%	11.30%
b. Claims on Private Sector	52,944	54,529	55,692	57,052	10.58%	10.58%
i. Claims on Private Sector in LBP	13,329	13,795	14,362	14,653	14.29%	14.29%
ii. Claims on Private sector in Foreign Currencies	39,614	40,734	41,331	42,399	9.35%	9.35%
c. Claims on Public Sector	43,442	44,266	45,242	46,930	6.53%	6.53%
d. Foreign Assets	39,635	37,170	37,223	39,447	2.63%	2.63%
e. Fixed Assets (land, buildings, vehicles, etc)	5,154	5,176	5,192	5,566	8.49%	8.49%
f. Unclassified Assets	1,458	1,619	1,335	363	-68.85%	-68.85%
Total Assets	218,176	219,940	223,652	228,964	8.04%	8.04%

↑ Balance sheet despite difficult operating conditions

• Liabilities						
a. Total Private Sector Deposits	145,193	147,140	148,894	152,124	6.84%	6.84%
i. Demand Deposits in LBP of Private Sector	3,292	3,470	3,507	3,808	18.98%	18.98%
ii. Time and Saving Deposits in LBP of Private Sector	53,923	55,108	56,239	57,491	10.16%	10.16%
iii. Private Sector Deposits in Foreign Currencies	87,978	88,561	89,148	90,825	4.40%	4.40%
b. Public Sector Deposits	3,102	3,040	3,451	4,008	33.64%	33.64%
c. Non Resident Private Sector Deposits	33,028	33,584	34,646	36,311	13.28%	13.28%
d. Non Resident Financial Sector Deposits	9,766	9,312	9,196	8,897	1.52%	1.52%
e. Other Financial Liabilities	675	646	651	396	-40.14%	-40.14%
f. Capital Accounts (net result of international investment inflow)	16,550	17,850	17,927	19,058	17.92%	17.92%
g. Unclassified Liabilities	9,863	8,367	8,888	8,169	-8.14%	-8.14%

Total Liabilities	218,176	219,940	223,652	228,964	8.04%	8.04%
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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

	Q1 12	Q2 12	Q3 12	Q4 12	YoY	TTM
• Consumer Price Index (indexed from 01/01/2008)	119.4	118.0	128.2	129.5	10.12%	6.59%
• Coincident Indicator	264.8	261.0	243.5	262.5	-1.13%	0.34%
• Real Estate Indicators						
- Construction Permits Issued	3,568,599	3,965,880	3,210,051	3,859,574	-3.11%	-9.44%
- Cement Deliveries	992,091	1,594,685	1,336,354	1,385,420	-0.02%	-4.35%
• Beirut Airport Indicators (passengers)						
- Arrivals	594,869	802,018	821,737	666,594	-3.80%	2.49%
- Departures	632,048	700,654	976,323	708,982	7.63%	8.53%
- Transfers	15,462	13,652	12,250	5,525	-59.49%	-19.31%
• Port of Beirut Indicators						
- Freight Incoming	1,443,452	1,636,494	1,641,823	1,653,683	13.97%	8.45%
- Freight Outgoing	190,828	215,082	212,809	230,878	14.83%	6.45%
- Transit and Freezone Freight	40,542	33,621	36,417	29,976	-5.45%	-6.72%
• Energy Indicators						
- Electricity Production (millions of kWh)	2,962	2,628	2,665	2,711	-5.11%	-11.54%
- Imports of Petroleum Derivatives ('000 metric tons)	1,535,770	1,217,520	1,768,056	1,580,518	-1.19%	7.85%
• Check Indicators						
- Checks Cleared in Foreign Currencies	2,282,040	2,356,696	2,413,840	2,412,699	-0.13%	6.68%
- Value of Checks Cleared in Foreign Currencies (millions USD)	13,777	13,794	14,388	14,078	-4.37%	-3.13%
- Checks Cleared in Lebanese Pounds	892,968	882,332	896,090	956,408	2.05%	-13.48%
- Value of Checks Cleared in Lebanese Pounds (millions LBP)	5,411,504	5,466,365	5,693,599	5,991,966	9.05%	5.04%

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 - Stable
• Moody's	B1 - Stable
• S&P	B - Neg.

Source: Fitch, Moody's, S&P

Solid increase although no transfers made from Port of Beirut to MOF

► Trade Indicators

Billions LBP	Q1 12	Q2 12	Q3 12	Q4 12	YoY
• Exports	1,739	1,536	1,698	1,787	14.45%
• Imports	9,008	7,396	7,763	7,913	-8.75%
• Trade Balance	-7,269	-5,860	-6,066	-6,126	-13.85%
• Balance of Payments	-563	-977	-1,373	595	-186.33%
• Customs Revenue	558	591	609	598	4.18%

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

► Imports by Origin

Special Imports in Billions of LBP	Q1 12	Q2 12	Q3 12	Q4 12	YoY
• United States	1,844	513	777	448	-65.67%
• Italy	659	618	636	846	20.24%
• China	578	700	669	726	19.25%
• France	614	571	579	559	97.81%
• Germany	397	488	478	450	100.17%
• Turkey	401	346	367	343	3.29%
• Greece	175	300	466	402	128.19%
• Egypt	354	221	378	316	-4.34%
• Kuwait	463	14	11	462	31.56%
• United Kingdom	161	231	199	191	-5.98%
• Rest of the World	3,364	3,395	3,208	3,173	-6.75%

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	Q1 12	Q2 12	Q3 12	Q4 12	YoY
• South Africa	365	247	390	302	17.77%
• Switzerland	291	92	203	240	32.08%
• Saudi Arabia	129	156	126	130	14.56%
• UAE	136	154	116	125	-0.35%
• Syria	83	108	103	151	53.56%
• Iraq	52	75	96	96	93.30%
• Turkey	71	54	54	58	-22.82%
• Jordan	50	55	52	57	4.82%
• Belgium	77	38	35	17	-58.64%
• Egypt	28	32	32	42	50.29%
• Rest of the World	458	796	493	811	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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