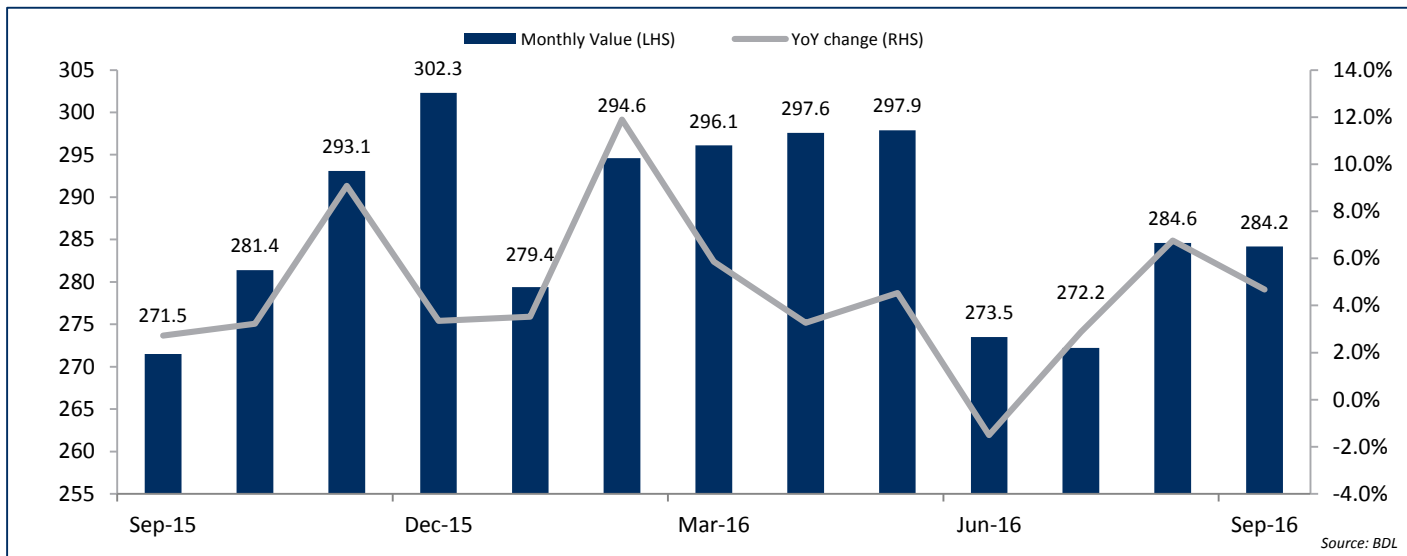


Lebanon Economic Highlights – September 2016

BDL Coincident Indicator up +4.7% YoY in September 2016:

BDL Coincident Indicator increased +4.7% YoY in September 2016 to 284.2 from 271.5 in September 2015. BDL Coincident Indicator decreased -0.1% MoM from 284.6 in August 2016. 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 +11.5% YoY yet decreased -2.4% MoM to 1,161 millions of Kwh.
- ❖ **Cement Deliveries:** Cement deliveries, an indicator of construction activity, increased +3.4% YoY yet decreased -7.3% MoM to 479,369 tons. Construction permits in surface area, an indicator of future supply in the real estate sector, decreased -14.7% YoY and -5.3% MoM to 959,502 sqm.
- ❖ **Cleared Checks:** The total value of cleared checks in both LBP and FC increased +0.7% YoY yet decreased -0.8% MoM to USD 5,776 million. The cleared checks in LBP increased +8.5% YoY and +6.6% MoM to LBP 2,599 billion. Those in FC decreased -2.3% YoY and -3.7% MoM to USD 4,061 million.
- ❖ **Money Supply M3:** M3 increased +5.8% YoY and +0.8% MoM to LBP 194,642 billion (USD 129.1 million) in September 2016. 58.0% of money supply M3 is denominated in foreign currencies. Net foreign assets were up +2.7% YoY (+0.9% MoM), net claims on public sector were up +10.0% YoY (down -0.2% MoM) and claims on private sector were up +7.4% YoY (+0.5% MoM).
- ❖ **Passenger Flows:** Passenger flows increased +9.3% YoY yet decreased -10.6% MoM to 819,886 passengers. The number of passengers arriving to Lebanon increased +12.3% YoY yet decreased -8.2% MoM to 372,040 passengers. The number of passengers departing from Lebanon increased +8.8% YoY yet decreased -12.5% MoM to 447,562 passengers. The number of transit passengers decreased -96.3% YoY and -21.8% MoM to 284 passengers.
- ❖ **Imports of Petroleum Derivatives:** Imports of petroleum derivatives decreased -3.8% YoY and -13.4% MoM to 725,980 metric tons of petroleum derivatives.
- ❖ **Imports:** Imports increased +1.0% YoY yet decreased -25.8% MoM to LBP 2,184 billion. China was the main source of imports, followed by Greece and Germany. The main imported goods were petroleum oils, motor cars and other motor vehicles and gold.
- ❖ **Exports:** Exports increased +4.5% YoY yet decreased -25.3% MoM to LBP 384 billion. South Africa was the main export destination followed by Saudi Arabia and UAE. The main exported goods were gold, electronic generating sets and rotary converters and printed books, brochures and leaflets.

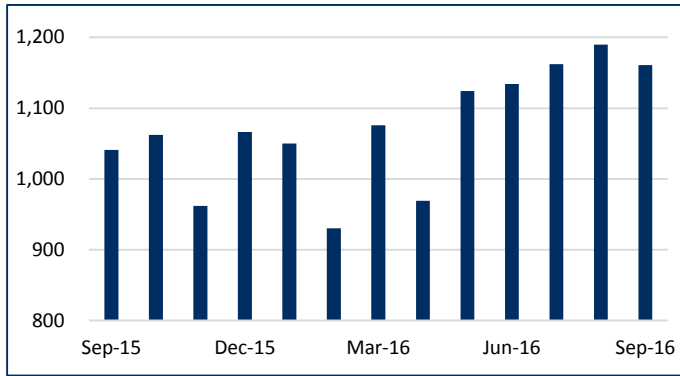
IMF forecasts real GDP growth for Lebanon at 1.0% for 2015 and 2016:

According to the IMF, the Lebanese economy is expected to have grown by +2.8% in 2012, +2.5% in 2013 and forecasted at +2.0% in 2014, +1.0% for both 2015 and 2016 and +2.0% for 2017.

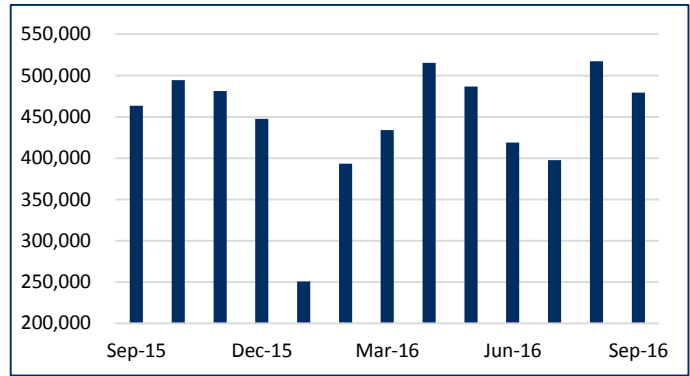
BLOM Lebanon PMI at 45.1 in September 2016 down from 48.1 in September 2015:

BLOM Lebanon PMI was at 45.1 in September 2016 down from 48.1 in September 2015 yet higher than 44.4 in June 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 index shows that the private sector activity continued to contract in September as the level of output fell steeply and the level of employment decreased for the seventh consecutive month.

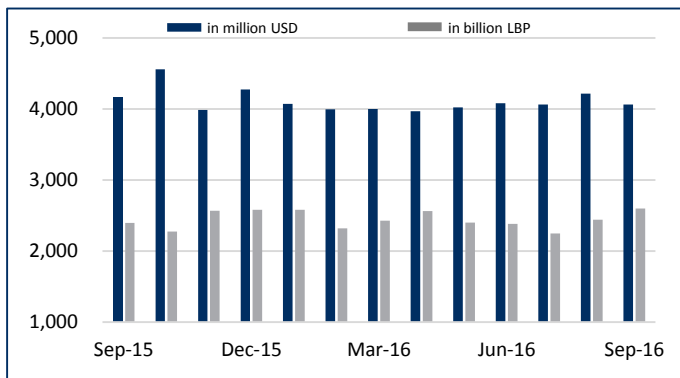
Electricity Production (in million Kwh)



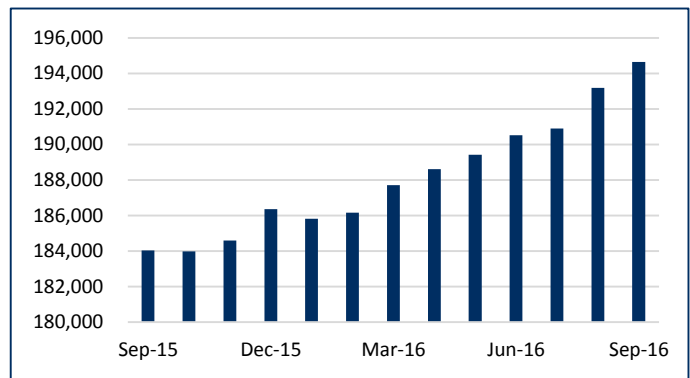
Cement Deliveries (in tons)



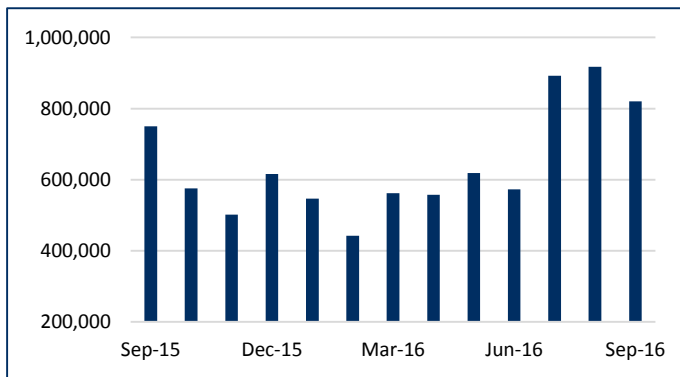
Cleared Checks (in value)



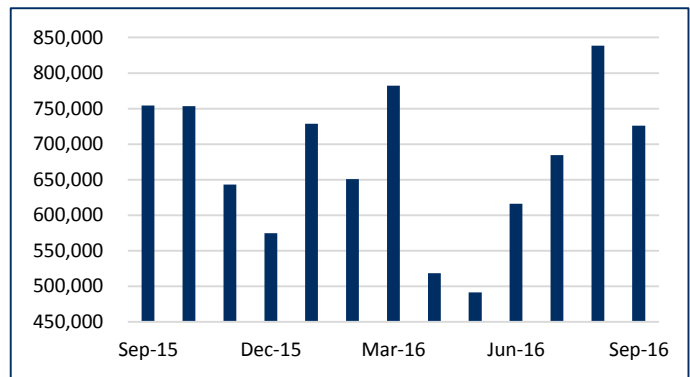
Money Supply M3 (in billion LBP)



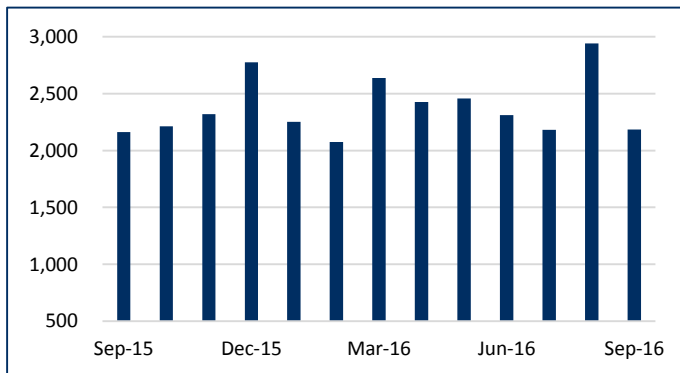
Passenger Flows (arrivals, departures and transit)



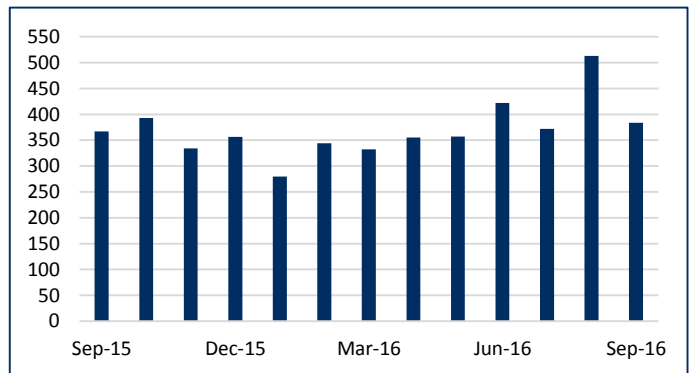
Imports of Petroleum Derivatives (in metric tons)



Imports (in billion LBP)



Exports (in billion LBP)





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