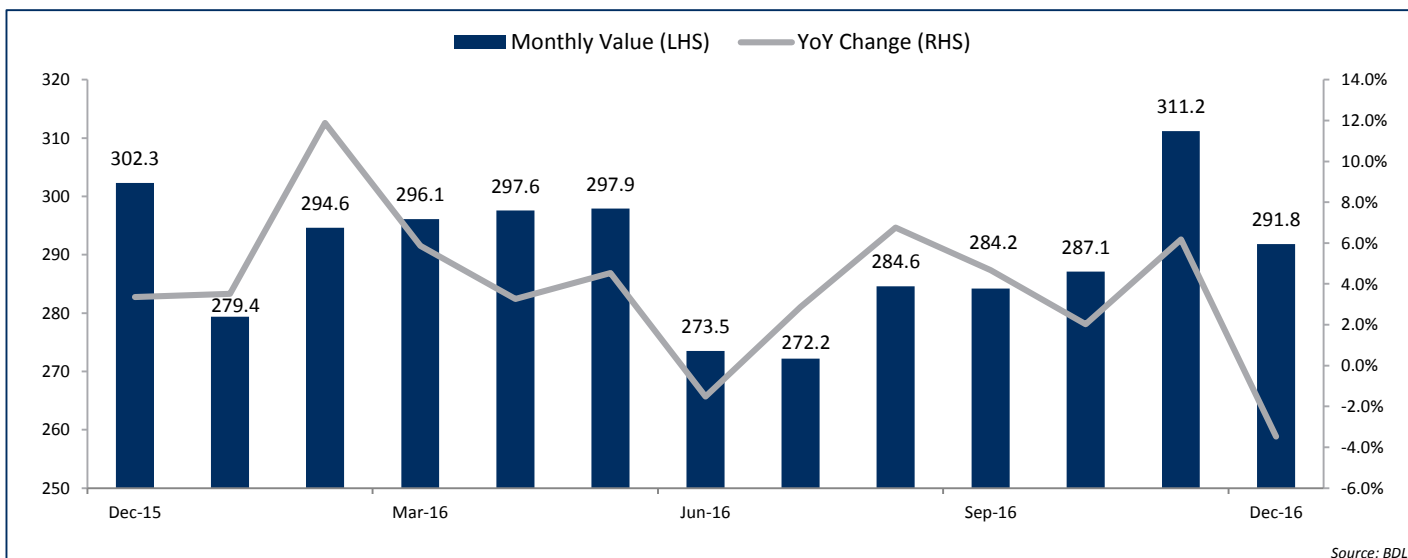


Lebanon Economic Highlights – December 2016

BDL Coincident Indicator down -3.5% YoY in December 2016:

BDL Coincident Indicator decreased -3.5% YoY in December 2016 to 291.8 from 302.3 in December 2015. BDL Coincident Indicator decreased -6.2% MoM from 311.2 in November 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 +8.4% YoY and +12.5% MoM to 1,156 millions of Kwh.
- ❖ **Cement Deliveries:** Cement deliveries, an indicator of construction activity, decreased -33.8% YoY and -43.7% MoM to 296,521 tons. Construction permits in surface area, an indicator of future supply in the real estate sector, decreased -16.2% YoY and -23.7% MoM to 903,923 sqm.
- ❖ **Cleared Checks:** The total value of cleared checks in both LBP and FC decreased -3.6% YoY yet increased +1.9% MoM to USD 5,764 million. The cleared checks in LBP increased +9.9% YoY and +11.5% MoM to LBP 2,834 billion. Those in FC decreased -9.1% YoY and -2.2% MoM to USD 3,884 million.
- ❖ **Money Supply M3:** M3 increased +7.4% YoY and +2.1% MoM to LBP 200,192 billion (USD 132.8 billion) in December 2016. 58.8% of money supply M3 is denominated in foreign currencies. Net foreign assets were up +6.7% YoY (+2.0% MoM), net claims on public sector were down -2.3% YoY (-9.1% MoM) and claims on private sector were up +5.9% YoY (+0.7% MoM).
- ❖ **Passenger Flows:** Passenger flows decreased -3.0% YoY yet rose +7.6% MoM to 598,009 passengers. The number of passengers arriving to Lebanon increased +0.9% YoY and +16.8% MoM to 316,212 passengers. The number of passengers departing from Lebanon decreased -5.4% YoY and -1.2% MoM to 281,297 passengers. The number of transit passengers decreased -90.8% YoY yet increased +34.0% MoM to 500 passengers.
- ❖ **Imports of Petroleum Derivatives:** Imports of petroleum derivatives increased +9.7% YoY yet were down -0.4% to 630,398 metric tons of petroleum derivatives.
- ❖ **Imports:** Imports decreased -16.6% YoY yet increased +6.0% MoM to LBP 2,317 billion. China was the main source of imports, followed by Italy and Greece. The main imported goods were petroleum oils, motor cars and other motor vehicles and gold.
- ❖ **Exports:** Exports increased +3.3% YoY yet decreased -1.3% MoM to LBP 368 billion. Syria was the main export destination followed by Saudi Arabia and Switzerland. The main exported goods were gold, cane or beet sugar and chemically pure sucrose and copper waste and scrap.

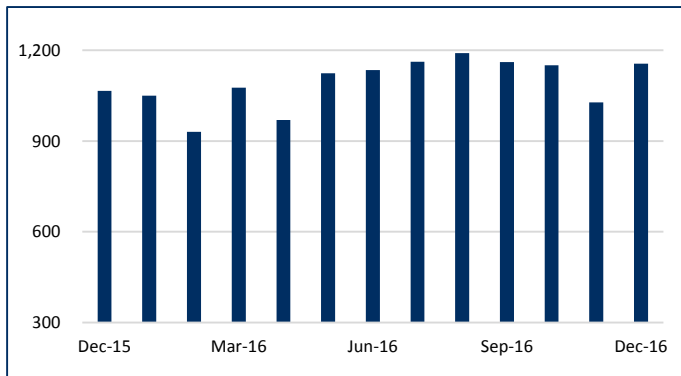
IMF forecasts real GDP growth for Lebanon at +1.0% for 2016 and +2.0% for 2017:

According to the IMF, the Lebanese economy 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.

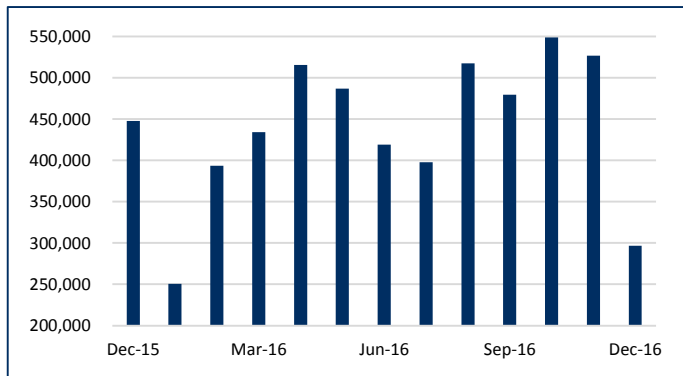
BLOM Lebanon PMI at 47.0 in December 2016 down from 47.9 in December 2015:

BLOM Lebanon PMI was at 47.0 in December 2016 down from 47.9 in December 2015 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 index rebounded in November, reflecting an improvement in sentiment following the election of a president. BLOM PMI ended the year at a 10-month high signaling a slower deterioration of Lebanon's private sector with new orders and output decreasing at their slowest pace since February 2016.

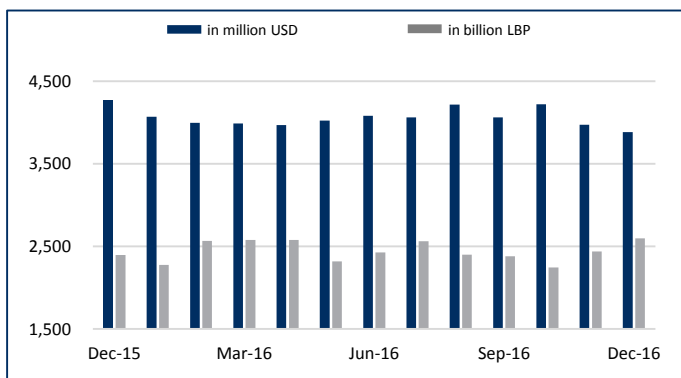
Electricity Production (in million Kwh)



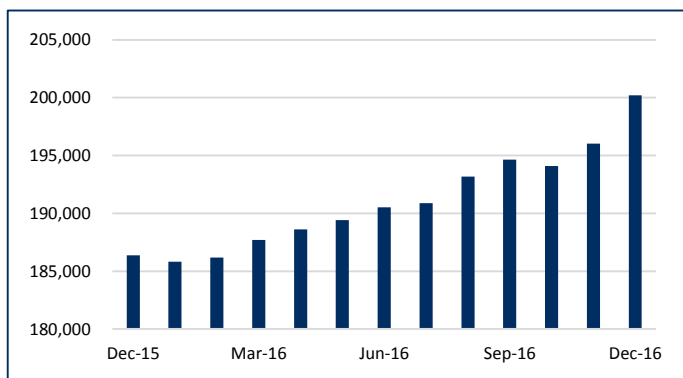
Cement Deliveries (in tons)



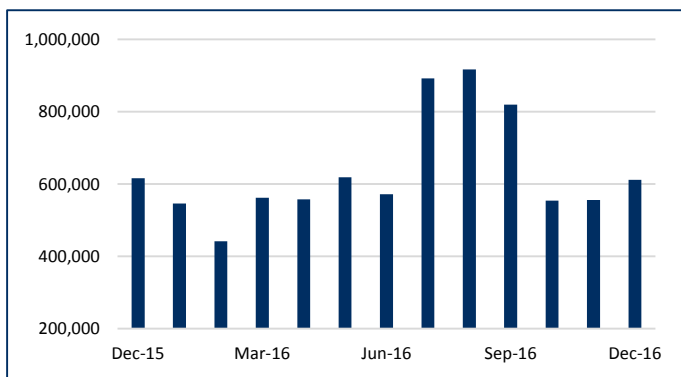
Cleared Checks (in value)



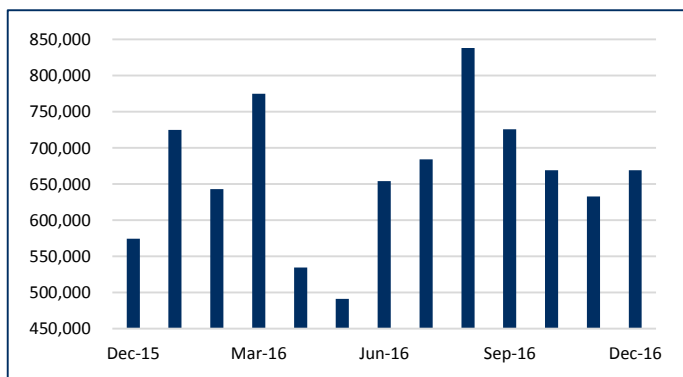
Money Supply M3 (in billion LBP)



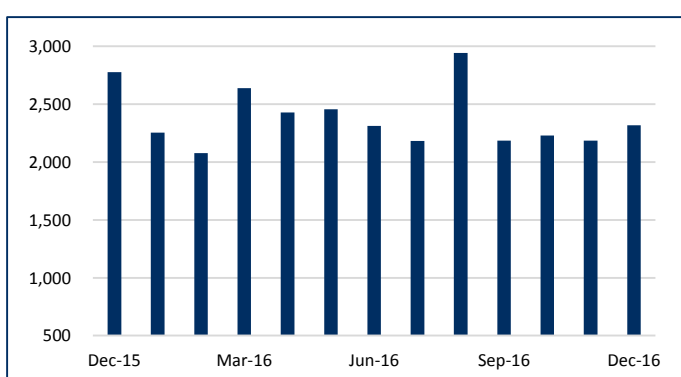
Passenger Flows (arrivals, departures and transit)



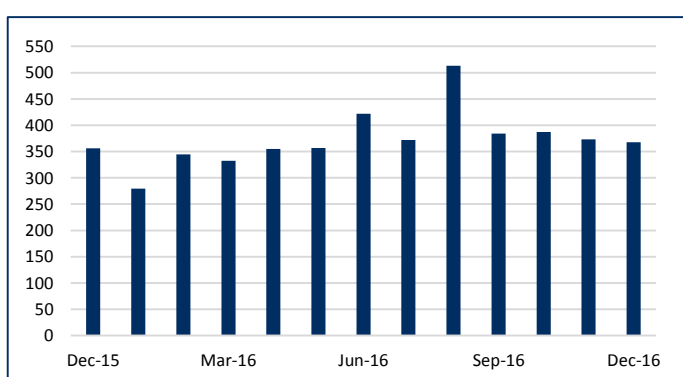
Imports of Petroleum Derivatives (in metric tons)



Imports (in billion LBP)



Exports (in billion LBP)





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