

Lebanomics

1st Quarter of
2012

Lebanon's
Dashboard
of Economic
Indicators

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► General Macroeconomic Indicators

	2007	2008	2009	2010	2011
• Population (Millions)	3.759	3.808	3.857	3.908	3.958
• GDP¹					
- Nominal GDP (Billions LBP)	37,926	45,346	52,650	58,000	62,498
- Nominal GDP (Millions USD)	25,158	30,080	34,926	38,474	41,458
- GDP Deflator ²	111	122	131	137	142
- GDP per capita, PPP (USD)	11,893	13,116	14,197	15,239	15,597
- Real Growth Rate	7.8%	9.2%	8.5%	7.0%	1.5%
- Inflation ³	5.9%	6.4%	3.4%	5.1%	5.7%
• Reserves (Millions USD)					
- Gross Foreign Currency Reserves	9,778	17,062	25,660	28,598	29,425
- Gold ⁴	7,640	8,032	10,062	13,010	14,471
- Gold (Thousands Troy Ounces)	9,222	9,222	9,222	9,222	9,222
• Public Finance (Billions LBP)					
- Government Revenues	8,749	10,553	12,705	12,684	14,070
- Government Expenditures	12,587	14,957	17,167	17,047	17,600
- Government Surplus (Deficit)	(3,838)	(4,404)	(4,462)	(4,363)	(3,530)
- Primary Surplus (Deficit) ⁵	1,102	900	1,625	1,855	2,505
- Government Surplus (Deficit) as a % of GDP	(10.1%)	(9.7%)	(8.5%)	(7.5%)	(5.9%)
- Primary Surplus (Deficit) as a % of GDP	2.9%	2.0%	3.1%	3.2%	4.0%
• Foreign Trade					
- Current Account Surplus (Deficit) as a % of GDP	(23.7%)	(27.9%)	(36.5%)	(35.6%)	(38.3%)
- Trade Surplus (Deficit) as % of GDP	(6.8%)	(9.2%)	(9.5%)	(11.1%)	(14.7%)
- Public Debt (Billions LBP)					
- Gross Public Debt	63,364	70,941	77,112	79,301	80,869
- Local Currency Debt	31,373	39,007	44,973	48,255	49,340
- Foreign Currency Debt	31,991	31,934	32,139	31,046	31,529
- Gross Debt as % of GDP	167%	156%	146%	137%	129%
• Industry					
- Total Exports (Millions LBP)	4,247	5,246	5,254	5,912	6,434
- Electricity Production (Millions Kwh)	10,548	11,189	11,920	12,458	12,397
- Cement Deliveries (Thousands Tons)	3,945	4,219	4,897	5,227	5,549
• Construction					
- Construction Permits Issued (Thousands sqm)	9,038	16,024	14,340	17,608	16,144
• Commerce					
- Port of Beirut Ship Activity (Number of ships)	2,187	2,055	2,395	2,285	2,167
- Port of Beirut Activity (Thousands incoming, outgoing, transit tons)	5,351	5,917	6,494	6,472	6,677
- Beirut Airport Activity (Thousands arrivals, departures, transfers)	3,409	4,085	4,985	5,553	5,654
• Remittances (Millions USD)					
- Inflows	5,769	7,181	7,558	8,400	8,000
- Outflows	2,967	4,366	5,749	N/A	N/A
• FDI Flows (Millions USD)					
- Inward	3,376	4,333	4,804	4,980	3,960
- Outward	848	987	1,126	574	N/A

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	Q2 11	Q3 11	Q4 11	Q1 12	YoY	YTD
• Assets						
- Gold	20,998	22,719	21,709	23,117	16.02%	6.48%
- Foreign Currencies	42,714	46,155	46,453	46,719	8.59%	0.57%
- Claims on Private Sector	351	371	380	356	0.72%	-6.44%
- Loans to Banks and Financial Corporations	1,900	2,081	2,099	2,141	21.35%	2.03%
- Claims on Public Sector	179	167	140	128	-37.94%	-8.39%
- Securities Portfolio	19,262	19,595	19,847	21,566	17.35%	8.66%
- Fixed Assets	354	348	358	359	-4.19%	0.48%
- Unclassified Assets ¹	13,914	15,243	14,986	15,627	19.80%	4.28%
Total Assets	99,672	106,680	105,972	110,014	13.33%	3.81%
• Liabilities						
- Currency in Circulation outside BDL	3,133	3,104	3,283	3,096	2.51%	-5.71%
- Deposits of Banks and Financial Corporations ²	64,052	66,468	69,752	73,225	17.24%	4.98%
- Liabilities to the Private Sector	41	42	42	52	114.41%	21.85%
- Public Sector Accounts	7,964	10,302	7,985	7,705	-5.64%	-3.50%
- Valuation Adjustment	12,699	14,337	13,285	14,751	27.22%	11.04%
- Securities Other than Shares ³	3,015	3,015	3,015	3,015	0.00%	0.00%
- Foreign Liabilities	337	337	329	327	-7.12%	-0.41%
- Special Long-term Liabilities	2,503	2,503	2,503	2,353	-6.01%	-6.02%
- Capital Accounts	4,211	4,211	4,556	4,556	6.46%	0.00%
- Unclassified Liabilities ⁴	1,718	2,361	1,223	934	-43.81%	-23.60%
Total Liabilities	99,672	106,680	105,972	110,014	13.33%	3.81%

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

Reflects a greater participation in Republic of Lebanon securities

► Public Revenues

Billions LBP	Q2 11	Q3 11	Q4 11	Q1 12	YoY	TTM
• Total Revenues (a+b)	4,458	3,294	3,590	3,522	29.11%	20.57%
a. Treasury Receipts	173	191	176	170	-4.49%	5.34%
b. Budget Revenues (i+ii)	4,285	3,104	3,414	3,352	31.45%	21.46%
i. Tax Revenues	2,924	2,319	2,398	2,533	12.88%	3.05%
- 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)	1,185	398	380	580	26.09%	22.32%
- Taxes on Property (including Built Property Tax, Real Estate Registration Fees)	248	268	339	324	12.11%	6.99%
- Domestic Taxes on Goods & Services (including Value Added Tax and Taxes on Goods and Services, especially Private Car Registration Fees and Passenger Departure Tax)	852	975	1,011	977	15.35%	7.07%
- Taxes on International Trade (including Customs; Excises on Gasoline, Tobacco and Cars)	532	563	548	529	-1.31%	-18.80%
- Other Tax Revenue (namely fiscal stamp fees)	108	114	120	123	9.82%	2.42%
ii. Non-tax Revenues	1,363	784	1,016	820	168.85%	123.64%
- 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)	1,191	634	709	619	326.90%	181.77%
- Administrative Fees & Charges (including fees for notaries, passports, public security, vehicle control, driving licenses and judicial fees; work permit fees; and more)	130	120	189	158	20.61%	11.80%
- Penalties and Confiscations	3	2	3	3	50.00%	37.50%
- Other Non-tax Revenues (mostly retirement deductibles)	39	28	114	39	44.44%	83.33%

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

Largely from the expected inclusion of LBP 520 billion transfers from the telecom surplus

► Public Expenditures

Billions LBP	Q2 11	Q3 11	Q4 11	Q1 12	YoY	TTM
Total Expenditures	4,107	4,094	5,016	4,530	3.35%	1.49%
a. Current Expenditures	3,692	3,707	4,480	3,903	-1.49%	14.05%
i. Interest Payments (including local and foreign currency debt)	1,492	1,324	1,464	1,209	-12.07%	-6.52%
ii. Transfers to Electricite du Liban	527	672	923	816	61.90%	63.59%
ii. Other Current Expenditures (including personnel costs; foreign debt principal repayment; materials and supplies; and more)	1,673	1,711	2,093	1,878	-9.84%	-1.43%
b. Capital Expenditures (including equipment and maintenance for ongoing infrastructure construction; and more)	90	139	223	236	5.36%	-7.28%
c. Other Treasury Expenditures	182	370	127	380	102.13%	-32.42%
d. Unclassified Expenditures	0	1	0	0	0.00%	-66.67%
e. Customs Administration	11	8	7	12	20.00%	-15.56%

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.

Notice that "transfers to EDL" has been reclassified from "other treasury expenditures" to "various transfers".

Source: MoF; Directorate General of Finance

Explained by LBP 312 billion increase in transfers to EDL

► Government Budget

Cumulative through Q1 12 - Billions LBP	Jan-Mar 11	Jan-Mar 12	% Change
Revenues	2,728	3,522	29.11%
Expenditures	4,382	4,530	3.38%
Government Surplus (Deficit)	(1,655)	(1,009)	-39.06%
Primary Surplus (Deficit)	(218)	267	-222.30%

Source: MoF

► Public Debt

Billions LBP	2009	2010	2011	Mar 2012	YTD
• Gross Public Debt (a+b)	77,111	79,301	80,869	81,564	0.86%
a. Local Currency Debt	44,973	48,255	49,340	50,491	2.33%
i. Central Bank (including REPOs and Loans to EDL to finance fuel purchases) ¹	10,334	13,130	16,374	18,006	9.97%
ii. Commercial Banks	27,286	27,214	25,177	24,618	-2.22%
iii. Other Local Currency Debt (T-Bills)	7,353	7,911	7,789	7,867	1.00%
iv. o/w Public Entities	6,078	6,268	6,538	6,638	1.53%
v. Accrued Interest Included in Debt	999	867	788	756	-4.06%
b. Foreign Currency Debt²	32,138	31,046	31,529	31,073	-1.45%
i. Bilateral, Multilateral and Foreign Private Sector Loans	2,713	2,627	2,548	2,635	3.41%
ii. Paris II related Debt (Eurobonds and Loans) ³	4,819	4,137	3,512	3,430	-2.33%
iii. Paris III related Debt (Eurobonds and Loans) ⁴	1,963	1,855	1,723	1,547	-10.21%
iv. Market-issued Eurobonds	21,736	21,870	23,259	22,852	-1.75%
v. Accrued interest on Eurobonds	460	483	407	503	23.59%
vi. Special T-Bills in Foreign Currency⁵	447	74	80	106	32.50%
• Public Sector Deposits	10,522	11,419	10,984	10,807	-1.61%
• Net Total Debt	66,590	67,882	69,885	70,757	1.25%
• Gross Market Debt⁶	51,231	51,308	50,192	49,326	-1.73%
• Gross Market Debt as % of Gross Public	67%	65%	62%	60%	-3.23%

Note:

- 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.
- 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.
- 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.
- 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.
- Special T-Bills in Foreign currency (expropriation bonds).
- 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

Due to LBP 407 billion decline in market-issued Eurobonds, along with LBP 82 billion and LBP 176 billion decreases in Paris II Paris III -issued Eurobonds respectively

► Domestic Debt by Maturity

Billions LBP	Q2 11	Q3 11	Q4 11	Q1 12	YOY	YTD
• 3 Month T-Bills	159	313	127	335	228.43%	163.78%
• 6 Month T-Bills	729	1,613	1,569	1,016	-41.10%	-35.25%
• 12 Month T-Bills	1,582	1,832	887	1,148	-32.51%	29.43%
• Long Term Bonds*	45,224	46,287	46,512	47,765	8.58%	2.69%
• Loans	261	255	245	227	-21.72%	-7.35%
• Total	47,955	50,300	49,340	50,491	5.61%	2.33%

* 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	Q2 11	Q3 11	Q4 11	Q1 12	YOY	YTD
• Foreign Currency Debt (Millions USD)	20,704	20,999	20,911	20,586	-1.29%	-1.55%
• Local Currency Debt	47,955	50,300	49,340	50,491	5.55%	2.33%
• Net Local Currency Debt	37,507	37,423	38,356	39,684	6.37%	3.46%
• Net Total Debt	68,718	69,079	69,879	70,717	2.87%	1.20%

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	Q2 11	Q3 11	Q4 11	Q1 12	YOY	YTD
• Currency in Circulation	2,705	2,743	2,706	2,643	3.29%	-2.35%
• M1 (Currency in circulation + sight deposits in LBP)	5,813	5,849	5,906	5,885	4.14%	-0.36%
• M2 (M1 + other deposits in LBP)	55,933	56,218	57,898	59,592	6.56%	2.93%
• M3 (M2 + deposits in foreign currencies, other financial liabilities)	141,975	143,457	145,630	148,017	6.59%	1.64%
• M4 (M3 + Treasury bills held by non-banking system)	149,814	151,323	153,412	155,854	6.24%	1.59%

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	Q2 11	Q3 11	Q4 11	Q1 12	YoY	YTD
• Assets						
a. Reserves	65,562	67,908	71,535	75,544	19.24%	5.60%
i. Vault Cash	436	450	392	426	-0.63%	8.47%
ii. Deposits with Central Bank	65,125	67,458	71,143	75,118	19.38%	5.59%
b. Claims on Private Sector	48,766	49,952	51,594	52,944	13.47%	2.62%
i. Claims on Private Sector in LBP	11,645	12,248	12,821	13,329	22.91%	3.97%
ii. Claims on Private sector in Foreign Currencies	37,122	37,703	38,774	39,614	10.61%	2.17%
c. Claims on Public Sector	41,676	45,026	44,055	43,442	2.06%	-1.39%
d. Foreign Assets	42,747	39,568	38,436	39,635	-4.06%	3.12%
e. Fixed Assets (land, buildings, vehicles, etc)	5,014	5,058	5,131	5,154	-5.70%	0.45%
f. Unclassified Assets	395	1,160	1,166	1,458	291.47%	25.01%
Total Assets	204,160	208,672	211,918	218,176	9.24%	2.95%

"Deposits in Lebanese banks are set to grow by no less than 8%", according to Lebanese Banks Association

• Liabilities						
a. Total Private Sector Deposits	138,054	140,161	142,385	145,193	7.25%	1.97%
i. Demand Deposits in LBP of Private Sector	3,082	3,104	3,201	3,292	7.02%	2.87%
ii. Time and Saving Deposits in LBP of Private Sector	49,115	50,731	52,188	53,923	9.85%	3.32%
iii. Private Sector Deposits in Foreign Currencies	85,858	86,326	86,997	87,978	5.72%	1.13%
b. Public Sector Deposits	2,483	2,575	2,999	3,102	31.22%	3.42%
c. Non Resident Private Sector Deposits	30,006	30,778	32,054	33,028	19.46%	3.04%
d. Non Resident Financial Sector Deposits	8,593	9,869	8,764	9,766	-0.09%	11.43%
e. Other Financial Liabilities	639	737	661	675	155.83%	2.08%
f. Capital Accounts (net result of international investment inflow)	15,609	15,643	16,162	16,550	15.39%	2.40%
g. Unclassified Liabilities	8,777	8,910	8,893	9,863	-0.89%	10.90%

Total Liabilities	204,160	208,672	211,918	218,176	9.24%	2.95%
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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

	Q2 11	Q3 11	Q4 11	Q1 12	YoY	TTM
• Consumer Price Index (indexed from 01/01/2008)	115.7	116.3	117.6	119.4	3.92%	4.43%
• Coincident Indicator	261.8	248.1	265.5	264.8	3.91%	2.94%
• Real Estate Indicators						
- Construction Permits Issued ('000 sqm)	4,870,667	3,595,031	3,983,511	3,568,599	-2.96%	-8.29%
- Cement Deliveries ('000 tons)	557,615	3,595,031	573,256	558,078	-0.30%	-16.18%
• Beirut Airport Indicators (passengers)						
- Arrivals	758,472	874,103	692,945	594,869	21.47%	6.70%
- Departures	632,482	969,365	658,749	632,048	21.50%	6.28%
- Transfers	13,406	16,241	13,640	15,462	4.29%	28.40%
• Port of Beirut Indicators						
- Freight Incoming	1,462,207	1,597,291	1,450,934	1,443,452	5.47%	7.79%
- Freight Outgoing	232,187	182,580	201,052	190,828	4.70%	2.26%
- Transit and Freezone Freight	45,901	23,145	31,703	40,542	14.80%	-12.83%
• Energy Indicators						
- Electricity Production (millions of kWh)	3,094	3,428	1,085	2,962	-1.86%	-0.12%
- Imports of Petroleum Derivatives ('000 metric tons)	1,248,107	1,472,213	435,448	1,535,770	14.80%	7.22%
• Check Indicators						
- Checks Cleared in Foreign Currencies	2,317,622	1,937,782	817,610	2,282,040	3.66%	-4.40%
- Value of Checks Cleared in Foreign Currencies (millions USD)	13,695	16,131	5,178	13,777	3.56%	8.94%
- Checks Cleared in Lebanese Pounds	942,789	1,421,461	326,399	892,968	0.15%	17.65%
- Value of Checks Cleared in Lebanese Pounds (billions LBP)	5,218,242	5,224,182	1,729,078	5,411,504	-2.40%	1.50%

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.

Number of tourists fall by 8% to 313,854 from Q1 2011

Source: Fitch, Moody's, S&P

► Trade Indicators

Billions LBP	Q2 11	Q3 11	Q4 11	Q1 12	YoY
• Exports	1,752	1,678	1,561	1,739	20.82%
• Imports	7,010	7,806	8,672	9,008	30.52%
• Trade Balance	-5,258	-6,128	-7,111	-7,269	33.08%
• Balance of Payments	-121	-1,597	-689	-563	-6.51%
• Customs Revenue	558	589	574	558	-0.36%

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

Declining BOP deficit as March turns positive after 2 negative months

► Imports by Origin

General Imports in Billions of LBP	Q2 11	Q3 11	Q4 11	Q1 12	YoY
• United States	460	427	1,306	1,856	124.56%
• Italy	628	764	703	657	-8.22%
• China	663	650	609	618	29.64%
• France	596	628	572	584	7.90%
• Germany	464	411	448	463	551.13%
• Switzerland	428	486	369	440	21.55%
• Egypt	306	573	330	409	0.99%
• Turkey	252	362	332	364	94.27%
• UAE	214	231	251	241	72.44%
• Saudi Arabia	159	138	352	231	49.34%
• Rest of the World	2,936	3,084	3,402	3,483	16.19%

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

General Exports in Billions of LBP	Q2 11	Q3 11	Q4 11	Q1 12	YoY
• South Africa	330	270	256	365	129.48%
• Switzerland	210	267	181	291	105.86%
• UAE	149	152	126	177	3.75%
• Saudi Arabia	160	140	114	150	15.65%
• Turkey	120	119	75	111	30.32%
• Syria	82	105	98	90	-26.79%
• Iraq	128	88	50	88	-19.82%
• Belgium	45	55	42	77	39.77%
• Jordan	57	55	54	58	160.73%
• Bangladesh	23	0	47	58	24.06%
• Rest of the World	853	830	517	701	-6.74%

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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