

### Lebanon's Access to Foreign Markets

#### Part VI: Trade with India

Lebanon is working on strengthening its economic and commercial relations with India. With a population of 1.26 billion, a combined GDP of USD 1,859 Billion and a trade deficit of USD 129.4 Billion in 2013, as well as an economy that is known for its natural resources, coal, fish, oil, natural gas, and many more, therefore expanding trade potentials with India could be beneficial to the Lebanese economy.

With a trade aggregate of USD 802.6 Billion in 2013, India's economy is a major importer and exporter of goods at the global level, ranking in 12th place in the former and 16th place for the latter. With regards to its international trade profile, it is one of the world leading countries in the gross value of agricultural output, including produce such as wheat, rice, pulses, oil seeds and sugarcane. It is also a world leader in gross value of industrial output in items such as metals, vehicles, machinery, nuclear reactors, boilers, electrical/electronic equipment, iron & steel.

At the global level, top Indian exports in 2013 included mineral fuels, oils & distillation products (21%), Pearls, precious stones, metals & coins (13%), etc. Furthermore, the top 5 countries that India exported to in 2013 include the United States of America (12%), United Arab Emirates (10%), China (5%), Singapore (4%) & Hong Kong, China (4%).

With regards to imports at the global level in the same year, India mainly imported mineral fuels, oils, & distillation products (40%), pearls, precious stones, metals & coins (14%), Machinery, nuclear reactors, boilers, etc. (7%). Furthermore, the top 5 countries that India imported from include China (11%), Saudi Arabia (8%), United Arab Emirates (7%), Switzerland (5%) & the United States of America (5%).

In terms of India's trade with Lebanon, the balance of trade is in India's favor, with imports from India reaching USD 407 Million in 2013, of which the major items are diamonds, motor cars, auto-parts, pharmaceuticals and rice. On the other hand, Lebanon is exporting USD 25.5 Million worth of goods to India, of which aluminum and copper waste & scrap, tanned or crust hides & skins.

2013 Imports		
Country	(000s of USD)	% Share of Total
India	407,815	1.9%
Total Lebanese Imports	21,228,486	100%

Source: Lebanese Customs

2013 Exports		
Country	(000s of USD)	% Share of Total
India	25,478	0.6%
Total Lebanese Exports	3,935,957	100%

Source: Lebanese Customs

As the imports table shows, imports from India represent nearly 2% of total imports to Lebanon. On the other hand, the percentage of exports to India is negligible. The aim of economic diplomacy is to therefore improve this large disparity in the balance of trade.

This can be achieved by examining the main products being traded between Lebanon and India, and determining the need to developing existing markets and identifying prospective opportunities.

As such, the table below shows the Top Imported Products from India to Lebanon in 2013:

Top Imports from India to Lebanon in 2013			
Country	Product	(000s of USD)	% Share of Total
India	<b>Natural or cultured pearls; precious metals</b>	<b>85,995</b>	<b>21%</b>
	<i>Diamonds, whether or not worked</i>	81,177	94%
	<i>Precious stones (other than diamonds)</i>	2,550	3%
	<b>Vehicles other than railway or tramway</b>	<b>55,176</b>	<b>14%</b>
	<i>Motor cars and other motor vehicles</i>	53,041	96%
	<i>Parts and accessories of the motor vehicles</i>	1,746	3%
	<b>Machinery, Nuclear reactors, boilers etc.</b>	<b>28,571</b>	<b>7%</b>
	<i>Compression-ignition internal combustion piston</i>	20,539	72%
	<i>Refrigerators, freezers etc.</i>	1,926	7%
<b>Total Imports from India</b>		<b>407,815</b>	<b>100%</b>

Source: Lebanese Customs

In term of imports, the following points can be made:

- The main imported product from India is Natural or cultured pearls; precious metals, which makes up to 21% of total imports. In turn, diamonds and precious stones are the main types of stones imported with 94% and 3% respectively.
- Lebanon also imports a) Vehicles and b) Machinery, comprising a respective 14% and 7% of total imports.

Furthermore, the table below shows the Top Exported Products from Lebanon to India in 2013:

Top Exports from Lebanon to India in 2013			
Country	Product	(000s of USD)	% Share of Total
India	<b>Aluminum and articles thereof.</b>	<b>10,240</b>	<b>40%</b>
	<i>Aluminum waste and scrap</i>	10,240	100%
	<b>Copper and articles thereof.</b>	<b>5,443</b>	<b>21%</b>
	<i>Copper waste and scrap</i>	5,443	100%
	<b>Raw hides and skins (other than foreskins), leather</b>	<b>2,957</b>	<b>12%</b>
	<i>Tanned or crust hides and skins of bovine</i>	2,594	88%
	<i>Raw hides and skins of bovine (including buffalo)</i>	314	11%
	<b>Lead and articles thereof.</b>	<b>1,887</b>	<b>7%</b>
	<i>Lead plates, sheets, strip and foil; lead powders</i>	1,787	95%
<b>Total Exports to India</b>		<b>25,478</b>	<b>100%</b>

Source: Lebanese Customs

In term of exports, the following points can be made:

- In terms of top products, Aluminum waste and scrap makes up over 40% of Lebanese exports to India.
- Other types of exports include a) Copper waste and scrap, b) Raw hides and skins and c) Lead and articles.

As the table above shows, most exports to India is Aluminum waste and scrap. In line with the Ministry of Economy and Trade's vision of expanding exports of agro-foods, Lebanon would therefore also look into export products in which Lebanon has a special interest with most economies, including:

- Traditional Lebanese Products (Labneh & Cheese)
- Preparations of Vegetables, Fruits and Nuts
- Animal or Vegetable Fats and Oil (Olive Oil)
- Wine

In 2013, exports of aluminum, copper waste, tanned or crust hides, etc. stood at USD 25.5 Million. Although these exports were negligible, if appropriately marketed, they could prove successful once tapped into one of the world's largest consumer markets. Moreover, Lebanon's main exported commodities are jewelry, base metals, chemicals, miscellaneous consumer goods, fruit and vegetables, tobacco, construction minerals, electric power machinery and switchgear, textile fibers and paper. Perhaps Lebanon could strengthen their exports trade with India.

In this context, the Ministry of Economy and Trade, in coordination with the official authorities in India and the relevant ministries will be participating in the global annual crafts exhibition which will be held in Sirajguend-mile area in India in February 2015. More than 20 craftsmen from Lebanon will be participating and the National Day for Lebanon will focus on marketing the Lebanese cuisine, olive oil and wine.

India and Lebanon enjoy cordial and friendly relations based on many complementarities such as political system based on parliamentary democracy, non-alignment, human rights, commitment to a just world order, regional and global peace, liberal market economy and a vibrant entrepreneurial spirit. In the light of such commonalities, there is good potential for strengthening ongoing bilateral ties, which include:

- Commercial Relations
- Cultural Relations (Music, Dance, Lecture)
- Technical Assistance
- United Nations Interim Force in Lebanon (UNIFIL)
- Parliamentary Friendship Committee
- India's Support for Nahr al-Bared Palestinian Refugee Camp

Considering India's interest in deepening its assistance in sectors such as infrastructure, power and alternative energy, information technology, education and agriculture, new bilateral ties in these fields can also be materialized in the future. Until now, drafts MOUs for cooperation in Agriculture & Allied sectors, Bilateral Investment Promotion and Protection (BIPPA), Cooperation in the Tourism sector, Transfer of Sentenced Persons, Extradition, Mutual & Legal Assistance and Judicial Cooperation have also been put under consideration.

With that being said, the significant trade potentials with India are an encouragement for the Ministry of Economy and Trade to continue progress in negotiating Economic and Trade agreements and to put such development at the forefront the Ministry's priorities.

For more information or assistance, please do not hesitate to contact the Economic Research Unit at the Ministry of Economy and Trade:

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### MONTHLY ECONOMIC TRENDS:

#### • GDP Growth and Economic Forecasts:

— Although growth in the **Coincident Indicator** — a compound index of a number of economic indicators published by BDL that acts as an estimate of economic performance— registered a positive growth in its figure in the first ten months of 2014, it also showed a slight slowdown compared to the same period a year earlier. In the first ten months of 2014, the index reached 272.6, that is, a YTD increase of 1.8% relative to the 3.0% increase attained in the same period in 2013.

#### • Real Estate:

— Figures show that the Real Estate sector has generally seen improved activity in 2014. The **Value of Real Estate Sales** rose by 7.5% YTD by end of October 2014 relative to the same period in 2013, while the total **Number of Sale Transactions** rose 4.0%.

#### • Tourism:

— For the first time in four years, the **Number of Tourists** witnessed an increase in figures from the low attained in October 2013. The number of tourists continuously fell from a high of 1,851,922 in the first ten months of 2010 down to 1,080,374 in the same period in 2013, before shooting up to 1,132,607 by end of October 2014.

Furthermore, Tourism in the month of October reached 114,066, the figure being the highest number of tourists attained in the month of October since 2012. In fact, the month of October in 2014 registered a 10.8% increase compared to the month of October in 2013. This turnaround continues to confirm that the lifting of the unofficial ban on travels to Lebanon by the governments of Saudi Arabia and other Gulf states has had a positive effect on tourism.

— Furthermore, **Number of Airport Passengers** saw a rise in the first ten months of 2014, rising by 4.2% relative to the first ten months of 2013.

#### • Trade

Trade continued to witness more negative results by the end of October / November 2014. Port of Beirut saw mixed results by the end of November 2014. Although the trade deficit continued to increase, the rise in capital inflows was able to offset the trade deficit and keep the Balance of Payments in a better position than in the previous year.

— With regards to **Maritime Statistics**, Beirut Port Statistics showed mixed results as some port indicators saw a year on year improvement in figures whilst others showed a reversal of fortune. **TEU Container**

**Activity at the local level** and **Port Activity**, for instance, saw a slight improvement in their figures, as they increased by 0.9% and 0.3% respectively compared to the same period in the previous year. On the other hand, **Port of Beirut Revenues** registered a fall in the first eleven months of 2014- reaching USD 195.7 Million- demonstrating a 2.7% slowdown in activity at the Port of Beirut.

— With regards to Trade Statistics, Customs figures show that:

— With regards to **Imports**:

- **In terms of value**, total imports fell by 1.2% by end of October 2014 relative to October 2013, to reach USD 17,452 Million. The fall in the value of imports is mainly the result of a YoY decrease in value of Gold (-22.2%) and Motor cars and other motor vehicles (-5.1%). However, Imports of Petroleum Oil, Medicaments and Alloy Products rose by 3.8%, 5.0% and 16.0% respectively. Removing the effects of value of petroleum imports, which represent just over a fifth of the total value of imports leads to an even larger fall in the value of imports, reaching of 2.5%.

- **In terms of volume**, imports witnessed a 0.9% decrease in the first ten months of 2014 relative to the previous year, reaching 13.07 Million Tons. The fall in the volume of imports is mainly the result of a YoY decrease in the volume of Glazed ceramics (-69.6%). Petroleum oils, Alloy products, Calcium Phosphates, Petroleum Coke and Wheat Products all rose by 7.9%, 25.0%, 54.9%, 29.9% and 13.3% respectively. Removing the effects of oil imports, which represents almost a third of the total volume of imports however, leads to a larger fall in the volume of imports, amounting to 4.5%.

— With regards to **Exports**:

- **In terms of value**, exports witnessed a 18.6% decline in the first ten months of 2014, reaching USD 2,792 Million relative to the USD 3,430 Million attained a year earlier. This fall in value of exports is the result of a YoY decrease in value of Gold (-36.7%), Ferrous waste and scrap (-35.7%), Copper waste and scrap (-53.0%) and Electric Generating Set and Converters (-23.4%). Value of printed books and brochures however saw a 51.1% rise.

- **In terms of volume**, total exports fell by 22.4%. Fall in volume of exports is mainly the result of a YoY decrease in volume of Ferrous waste and scrap (-35.0%), Mineral or chemical

fertilizers (-1.0%) and Cement (-63.7%). Volume of Diphosphorus chemicals or phosphatic acid, Citrus fruits and Potatoes however, saw an increase in volume of 137.8%, 12.0% and 8.6% respectively.

– As such, the Year to Date **Value of the Trade Deficit** in the ten months of 2014 showed a rise of 4.0% compared to the same period in 2013, when oil products are included in the equation. Similarly, removing oil products leads to the same figures in the deficit, amounting to 4.0%.

– The **Balance of Payments** continued to see a net improvement in the first ten months of 2014, as it registered a deficit of USD 868 Million in 2014 relative to the USD 1,470 Million deficit attained in the same period in 2013. This improvement came about despite the above mentioned rise in the trade deficit, as a result of the 8.1% increase in **Capital Inflows** over the said period.

### • Banking and Financial

On the whole, Commercial Banking figures grew during the first ten months of the 2014, but for some indicators, at a slower pace than in 2013.

- **Loans to the private sector** continued to witness a rise in the first ten months of the year, growing by 6.3% since the start of 2014. This represents a slight slowdown relative to the same period in 2013, where the growth in loans to the private sector reached 7.0% in the first ten months of the year. Furthermore, growth in the **Number and Value of Kafalat loans** fell by 0.6% and 4.4% respectively in the first eleven months of 2014, this indicates that the average size of each loan being distributed was smaller.
- **Private Sector Deposits** also saw a YTD fall up to October 2014 relative to the same period in 2013, to reach USD 142 Billion. This 4.4% YTD growth was due to a 6.5% increase in resident private sector deposits and 11.7% rise in non-resident private sector deposits since the beginning of 2014.
- Although absolute figures point to a deterioration in the Stock of **Foreign Assets** in 2014 relative to 2013, YTD figures continued to show a growth in reserves in 2014 despite the continued fall in the value of Gold Reserves. Foreign Assets in the first ten months of 2014 rose by 2.5% relative to the 2.6% fall attained in the same period in 2013. This is due to the **Value of Foreign Currency Reserves** and **Gold Reserves** showing an improvement in figures by registering 4.3% increase and 2.6% decrease respectively relative to the 6.3% rise and 19.9% fall attained in the first ten months of 2013.

- The total **Value of Checks Cleared** in the banking system, an indicator of overall spending patterns in the economy, rose by 3.6% to reach USD 62,186 Million (LBP and FC combined) by the end of October 2014, from the USD 60,031 Million observed by the end of October 2013. The **Number of Cleared Checks** however, witnessed a slight decline in figures, reaching 10.99 Million compared to the 11.03 Million attained in the same period a year earlier. This has consequently led to a 4.0% rise in the average value of cleared checks between October 2013 and October 2014.

### • Fiscal Performance

Fiscal Performance by the end of August of 2014 witnessed a significant improvement compared to the previous year. Although the fiscal balance remained in deficit, reaching USD 1,658 Million, it fell 36.7% relative to the USD 2,621 Million deficit attained in first eight months of 2013.

– This improvement in the fiscal performance came about following a surge in revenues relative to expenditures in the first eight months of 2014 relative to the same period of the previous year, whereby **total revenues** increased by 12.6% to reach USD 7,242 Million while **total expenditures** fell by 1.7% to reach USD 8,899 Million.

– In addition, the **primary balance**, which is the exclusion of the debt service figures from the fiscal balance, saw a significant improvement in figures, as it registered a surplus of USD 951 Million up to August 2014 relative to the USD 284 Million deficit attained in the same period a year earlier. This signifies that the government is able to balance its accounts, before debt service is accounted for.

– With regards to **total revenues**, the 12.6% increase was the result of a combined increase in Tax and Non-Tax Revenues, in addition to a rise in Treasury Revenues. Tax Revenues and Non Tax Revenues witnessed an increase of 3.2% and 12.3% respectively, while treasury revenues went up by 128.6%.

– On the **spending side**, the fall in Treasury Expenditures, amounting to 28.1%, was able to offset the 21.5% rise in Budget Expenditures, leading to the observed slight fall in Total Expenditures.

# KEY ECONOMIC INDICATORS

## November 2014 ISSUE

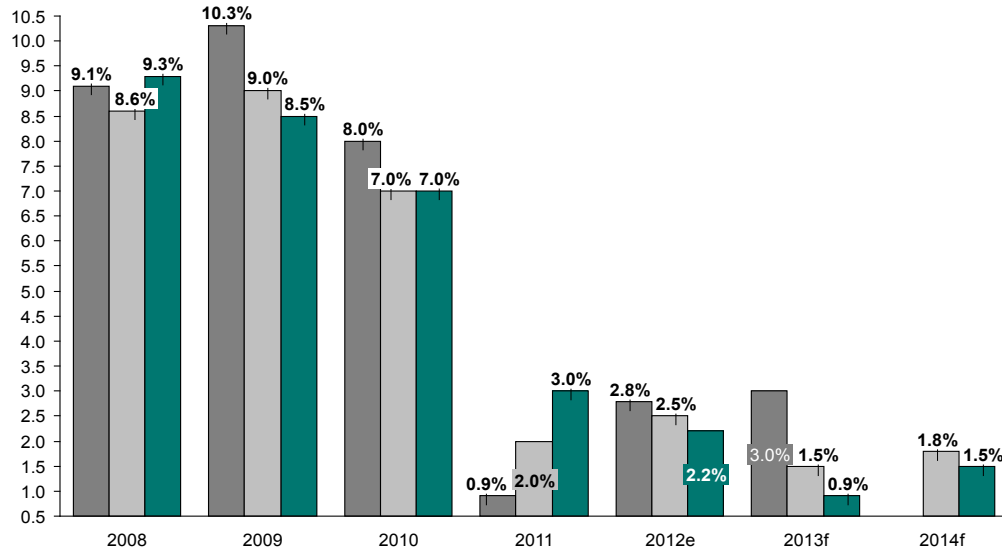
GENERAL INDICES	Footnote	Period	2014	2013	2014/2013 %Δ	2012	2013/2012 %Δ	2011	2012/2011 %Δ	2010
Nominal GDP (Billions USD)										
CAS	1		-	47.2		44.1		40.1	10.0%	38.0
IMF	2	Jan-Dec	47.5	45.0	5.6%	42.5	5.8%	40.1	6.1%	38.0
World Bank	3		-	44.4		42.9		40.1	7.0%	37.1
Real Economic Growth Rate (%)										
CAS	1		-	3.0%		2.8%		0.9%		8.0%
IMF	2	Jan-Dec	1.8%f	1.5%f		2.5%		2.0%		7.0%
World Bank	3		1.5%f	0.9%f		2.2%		3.0%		7.0%
Coincidence Indicator (1993=100)	4	Oct	272.6	270.5	0.8%	255.6	5.8%	259.5	-1.5%	249.9
Growth in Coincidence Indicator (%)	4	YTD Oct	1.8%	3.0%		-3.7%		1.6%		3.9%
Inflation Rate (%)	1	Jan-Nov	100.3	100.1	0.2%	99.7	0.4%	90.5	10.2%	87.4
Electricity Production (Millions Kwh)	4	Jan-June	5,226	5,516	-5.3%	5,590	-1.3%	6,112	-8.5%	6,011
Number of New Cars registrations	5	Jan-Nov	34,522	32,695	5.6%	32,049	2.0%	29,712	7.9%	30,957
Number of New Industrial Licenses	6	Jan-June	258	251	2.8%	170	47.6%	206	-17.5%	-
LABOR	Footnote	Period	2014	2013	2014/2013 %Δ	2012	2013/2012 %Δ	2011	2012/2011 %Δ	2010
Number of Renewed Work Permits given to Foreign Workers	7	Jan-Dec	-	117,235	-	135,950	-13.8%	123,975	9.7%	114,810
Number of 1st Time Work Permits given to Foreign Workers	7	Jan-Dec	-	40,981	-	53,429	-23.3%	60,981	-12.4%	45,005
CONSTRUCTION AND REAL ESTATE	Footnote	Period	2014	2013	2014/2013 %Δ	2012	2013/2012 %Δ	2011	2012/2011 %Δ	2010
Cement Delivers (000s Tons)	4	Jan-Oct	4,692,270	4,931,325	-4.8%	4,474,292	10.2%	4,782,681	-6.4%	4,416,812
Construction Permits area (000s of Sq m)	8	Jan-Oct	11,630	10,825	7.4%	11,972	-9.6%	13,725	-12.8%	14,503
Total Number of New Permits	8	Jan-Oct	14,227	14,218	0.1%	15,264	-6.9%	15,646	-2.4%	14,445
Total Value of Real Estate Sales (Millions of USD)	9	Jan-Oct	7,408	6,893	7.5%	7,165	-3.8%	6,843	4.7%	7,670
Total Number of Property Sales, of which:	9	Jan-Oct	58,009	55,794	4.0%	59,081	-5.6%	66,143	-10.7%	77,360
Sales to Locals	9	Jan-Oct	57,113	54,785	4.2%	58,004	-5.5%	65,010	-10.8%	75,818
Sales to Foreigners	9	Jan-Oct	896	1,009	-11.2%	1,077	-6.3%	1,133	-4.9%	1,542

[1] Lebanese Central Administration of Statistics (CAS) [2] IMF World Economic Outlook, Oct 2014 [3] World Bank World Development Indicators, [4] Banque du Liban, [5] Association of Car Importers in Lebanon, [6] Ministry of Industry, [7] Ministry of Labor [8] Order of Architects in Beirut and Tripoli, [9] Real Estate Directorate





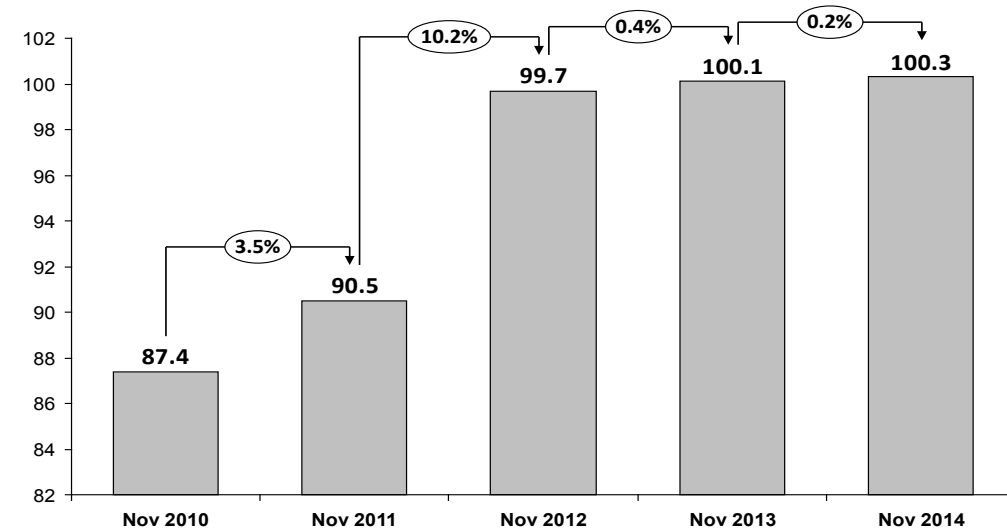
## GDP Growth (in Percentage; 2008-2014f)



Source: CAS, IMF and World Bank  
Note: No CAS GDP Growth Projection for 2014

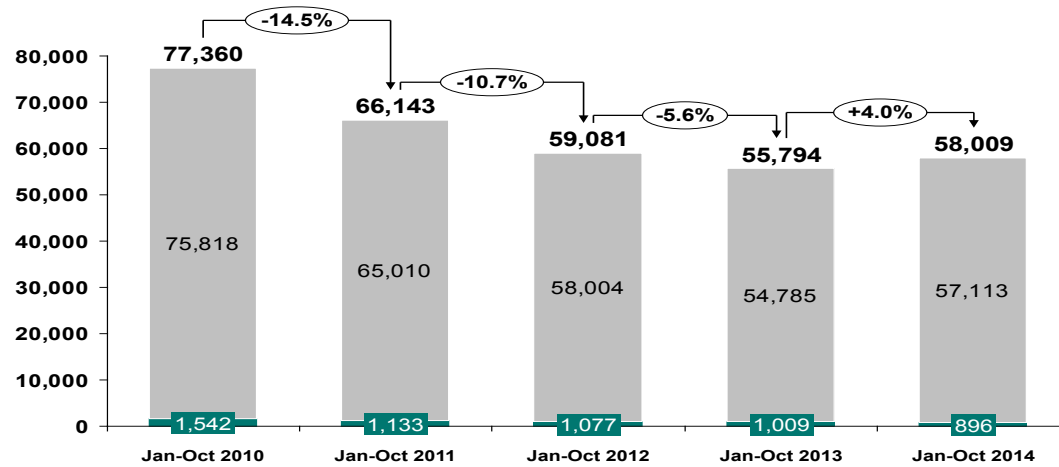
■ CAS ■ IMF ■ World Bank

## Evolution in Consumer Price Index (Dec 2013=100)



Source: Central Administration of Statistics

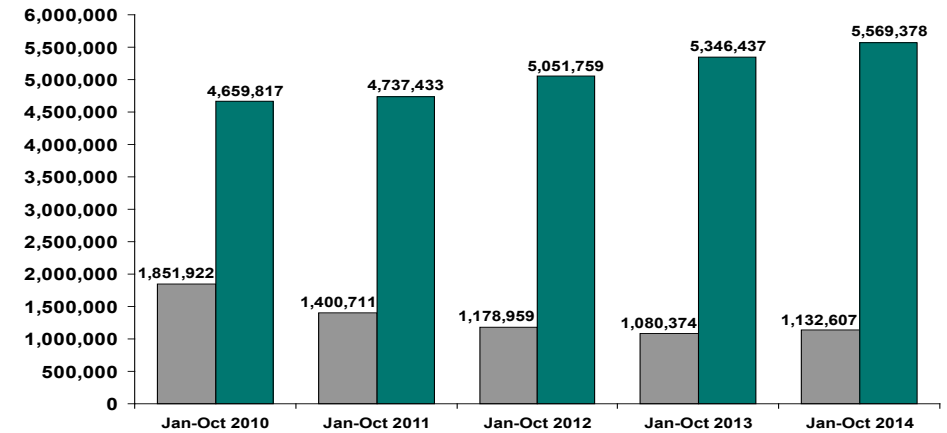
## Evolution of the Number of Property Sales (in Number of Sales; 2010-2014)



Note: Property Sales include both Local and Foreign Sales  
Source: Real Estate Directorate at the Ministry of Finance

■ Local Sales ■ Foreign Sales

## Evolution in the Number of Tourists and Airport Passengers (2010-2014)



Source: Ministry of Tourism

■ Tourism ■ Airport Passengers



# KEY ECONOMIC INDICATORS

## November 2014 ISSUE

TRADE	Footnote	Period	2014	2013	2014/2013 %Δ	2012	2013/2012 %Δ	2011	2012/2011 %Δ	2010
Exports Value (Millions of USD), of which:	10	Jan-Oct	2,792	3,430	-18.6%	3,739	-8.3%	3,581	4.4%	3,448
Exports Volume (Millions of Tons)	10	Jan-Oct	1.87	2.41	-22.4%	2.13	13.1%	2.35	-9.4%	2.53
Imports Value (Millions of USD), of which:	10	Jan-Oct	(17,452)	(17,661)	-1.2%	(17,805)	-0.8%	(16,914)	5.3%	(14,673)
<i>Mineral Fuels and Oils</i>	10	Jan-Oct	(3,906)	(3,761)	3.9%	(4,650)	-19.1%	(3,560)	30.6%	(2,547)
<i>Imports Value, excl Oil Products</i>	10	Jan-Oct	(13,546)	(13,900)	-2.5%	(13,155)	5.7%	(13,354)	-1.5%	(12,126)
Imports Volume (Millions of Tons), of which:	10	Jan-Oct	13.07	13.19	-0.9%	12.98	1.6%	12.90	0.6%	12.15
<i>Mineral Fuels and Oils</i>	10	Jan-Oct	4.10	3.80	7.9%	4.76	-20.2%	4.08	16.7%	3.78
<i>Imports Volume, excl Oil Products</i>	10	Jan-Oct	8.97	9.39	-4.5%	8.22	14.2%	8.82	-6.8%	8.37
Trade Deficit (Millions of USD)	10	Jan-Oct	(14,660)	(14,231)	4.0%	(14,066)	0.3%	(13,333)	5.5%	(11,225)
Trade Deficit, excl Oil Products	10	Jan-Oct	(10,765)	(10,346)	4.0%	(9,416)	9.9%	(9,773)	-3.7%	(8,678)
Industrial Exports (excluding Gold Ingots)	6	Jan-July	1,843	2,073	-11.1%	2,137	-3.0%	-	-	-
Industrial Machinery	6	Jan-July	170	194	-12.1%	-	-	-	-	-
Capital Inflows (Millions of USD), of which:		Jan-Oct	13,792	12,761	6.8%	12,037	7.4%	11,204	7.4%	13,981
Balance of Payments (Millions of USD)	4	Jan-Oct	(868)	(1,470)	-41.0%	(2,029)	-27.6%	(2,129)	-4.7%	2,756
Value of Transit Goods (Millions of USD)	10	Jan-Oct	370.9	379.2	-2.2%	280.0	35.4%	341.8	-18.1%	327.9
Port Activity (000s Tons of Goods)	11	Jan-Nov	7,523	7,502	0.3%	6,687	12.2%	6,092	9.8%	5,947
Port Revenues (Millions of USD)	11	Jan-Nov	195.7	201.2	-2.7%	158.5	27.0%	145.7	8.8%	152.3
Total TEU (Twenty Foot Equivalent Unit) of which:	11	Jan-Nov	1,113,289	1,025,263	8.6%	956,440	7.2%	945,139	1.2%	872,804
<i>TEU to Local Market</i>	11	Jan-Nov	701,574	695,431	0.9%	580,624	19.8%	533,315	8.9%	551,765
<i>Transshipment</i>	11	Jan-Nov	411,715	329,832	24.8%	375,816	-12.2%	411,824	-8.7%	321,039
TOURISM	Footnote	Period	2014	2013	2014/2013 %Δ	2012	2013/2012 %Δ	2011	2012/2011 %Δ	2010
Number of Tourists	12	Jan-Oct	1,132,607	1,080,374	4.8%	1,178,959	-8.4%	1,400,711	-15.8%	1,851,922
Number of Tourists	12	Oct	114,066	102,994	10.8%	92,640	11.2%	124,601	-25.7%	157,260
Hotel Occupancy Rates	13	Jan-Oct	51%	51%	0.0%	56%	-8.9%	56%	0.2%	68%
Hotel Occupancy Rates	13	Oct	59%	48%	22.9%	39%	23.1%	65%	-40.0%	71%
Evolution in Tourism Spending	14	Jan-Sept			-1%		-11%		1%	
Number of Airport Passengers	15	Jan-Oct	5,569,378	5,346,437	4.2%	5,051,759	5.8%	4,737,433	6.6%	4,659,817

[10] Lebanese Customs at Ministry of Finance, [6] Ministry of Industry, [4] Banque du Liban, [11] Port of Beirut [12] Ministry of Tourism, [13] Ernst and Young Hotel Benchmark Survey Report October 2014, [14] Global Blue [15] Rafic Hariri

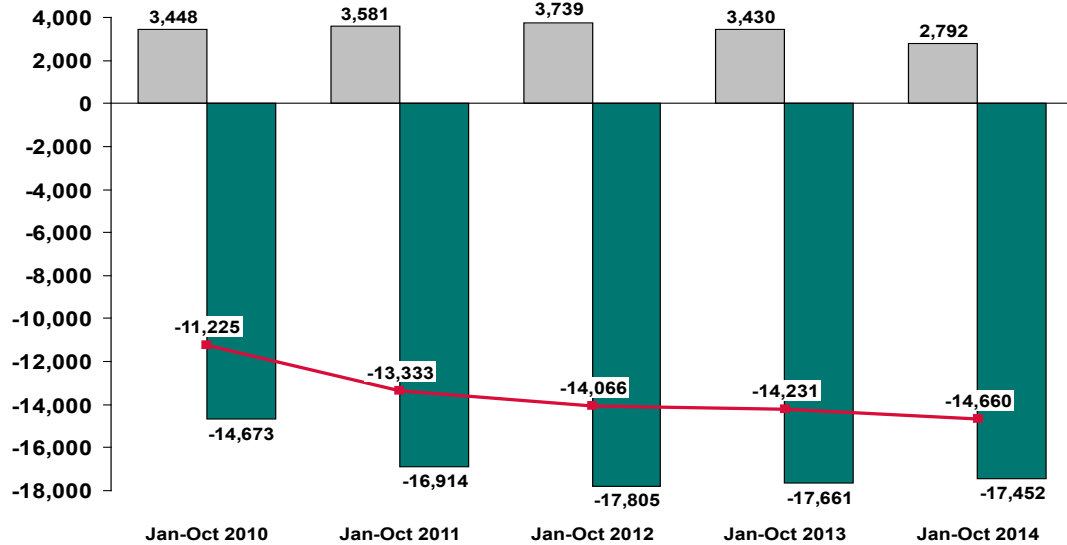
Airport





## Evolution of Imports, Exports and Trade Deficit

(in Millions of USD; 2010 to 2014)

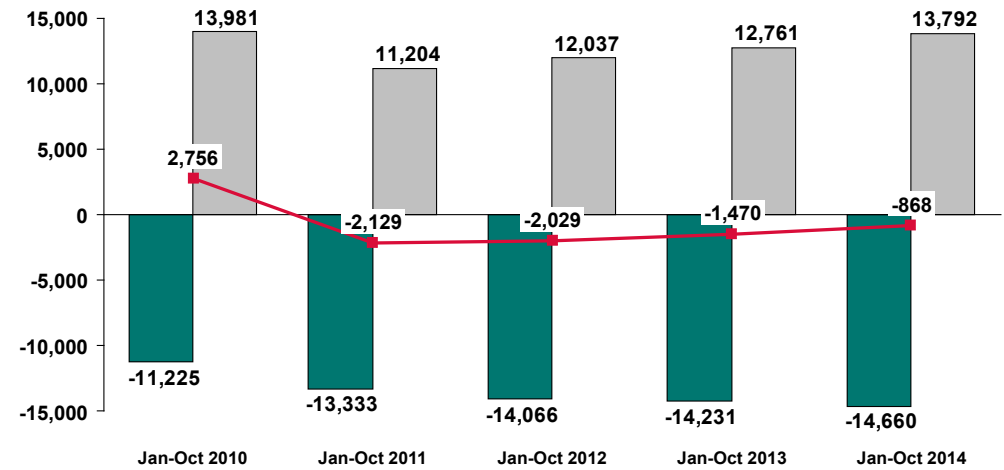


Source: Lebanese Customs

Exports Imports (including Oil) Trade Deficit

## Evolution in Trade Deficit, Capital Inflows and Balance of Payments

(in Millions of USD; 2010 to 2014)

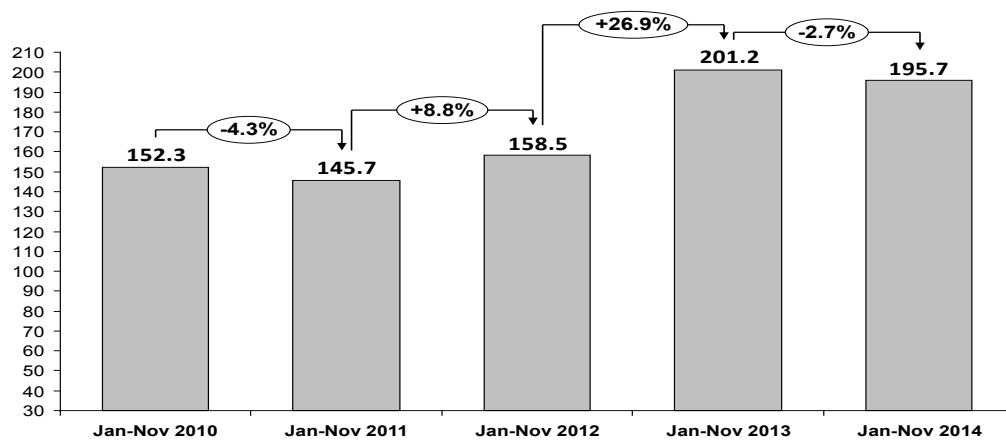


Source: Lebanese Customs & Bdl

Trade Deficit Capital Inflows BoP

## Evolution in Revenues at Port of Beirut

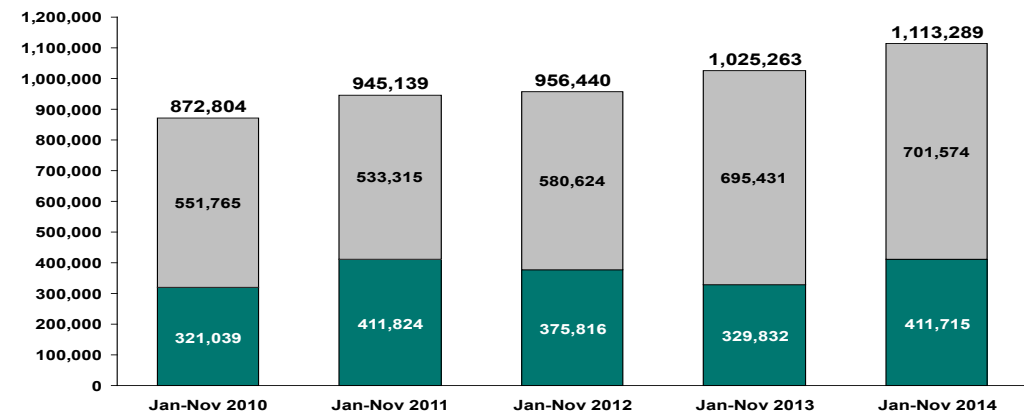
(in Millions of USD; 2010-2014)



Source: Port of Beirut

## Evolution in Total TEU Container Activity

(in Millions USD; 2010-2014)



Source: Port of Beirut

Total TEU = TEU to Local Market + Transshipments

TEU to Local Market Transshipments



# KEY ECONOMIC INDICATORS

## November 2014 ISSUE

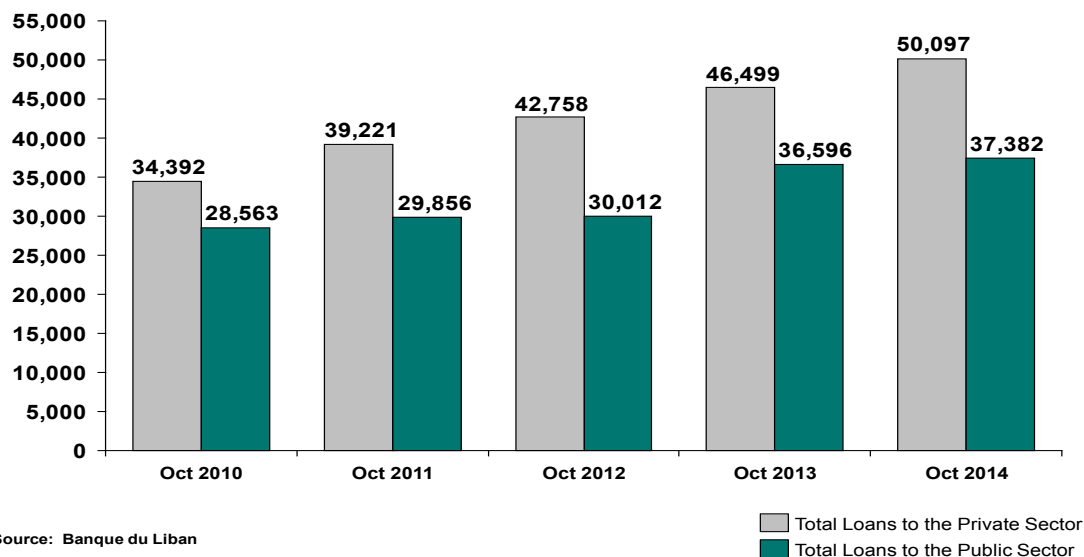
BANKING	Footnote	Period	2014	2013	2014/2013 %Δ	2012	2013/2012 %Δ	2011	2012/2011 %Δ	2010
Commercial Banks Indicators:										
Commercial Banking Assets (Millions USD)	4	Oct	171,267	160,600	6.6%	149,375	7.5%	139,542	7.0%	126,648
<i>Growth in Commercial Banking Assets (%)</i>	4	YTD Oct	3.9%	5.7%		6.3%		8.2%		9.9%
Private Sector Deposits (Millions USD)	4	Oct	142,036	132,098	7.5%	122,597	7.8%	114,191	7.4%	104,185
<i>Growth in Private Sector Deposits (%)</i>	4	YTD Oct	4.4%	5.7%		5.9%		6.5%		8.8%
Loans to the Private Sector (Millions of USD)	4	Oct	50,097	46,499	7.7%	42,758	8.7%	39,221	9.0%	34,392
<i>Growth in Loans to the Pr.S (%)</i>	4	YTD Oct	6.3%	7.0%		6.9%		12.3%		21.2%
Loans to the Public Sector (Millions of USD)	4	Oct	37,382	36,596	2.1%	30,012	21.9%	29,856	0.5%	28,563
<i>Growth in Loans to the P.S (%)</i>	4	YTD Oct	-0.8%	17.6%		2.7%		1.8%		-1.7%
BdL Indicators:										
Foreign Assets (Millions of USD), of which:	4	Oct	43,897	44,119	-0.5%	45,320	-2.6%	46,417	-2.4%	40,545
<i>Growth in Foreign Assets (%)</i>	4	YTD Oct	2.5%	-2.6%		0.2%		11.6%		13.5%
Foreign Currency Reserves	4	Oct	33,087	31,855	3.9%	29,459	8.1%	30,513	-3.5%	28,201
<i>Growth in Foreign Currency Reserves (%)</i>	4	YTD Oct	4.3%	6.3%		-4.4%		6.7%		9.9%
Gold Reserves	4	Oct	10,810	12,264	-11.9%	15,861	-22.7%	15,905	-0.3%	12,345
<i>Growth in Gold Reserves(%)</i>	4	YTD Oct	-2.6%	-19.9%		10.1%		22.2%		22.7%
Lebanese Pound Deposit Rate (%)	4	Oct	5.58	5.44	2.6%	5.43	0.2%	5.60	-3.0%	5.72
Lebanese Pound Lending Rate (%)	4	Oct	7.29	7.59	-4.0%	7.31	3.8%	7.27	0.6%	8.15
USD Deposit Rate (%)	4	Oct	3.12	2.94	6.1%	2.87	2.4%	2.82	1.8%	2.81
USD Lending Rate (%)	4	Oct	6.95	6.85	1.5%	7.15	-4.2%	7.10	0.7%	7.08
3-Month TB Yield (%)	4	Oct	4.44	4.44	0.0%	4.44	0.0%	3.93	13.0%	3.93
6 Month TB Yield (%)	4	Oct	4.99	4.99	0.0%	4.99	0.0%	4.50	10.9%	4.52
12 Month TB Yield (%)	4	Oct	5.35	5.35	0.0%	5.35	0.0%	4.81	11.2%	4.81
36-Month TB Coupon (%)	4	Oct	6.61	6.61	0.0%	6.61	0.0%	6.03	9.6%	6.03

[4] Banque du Liban



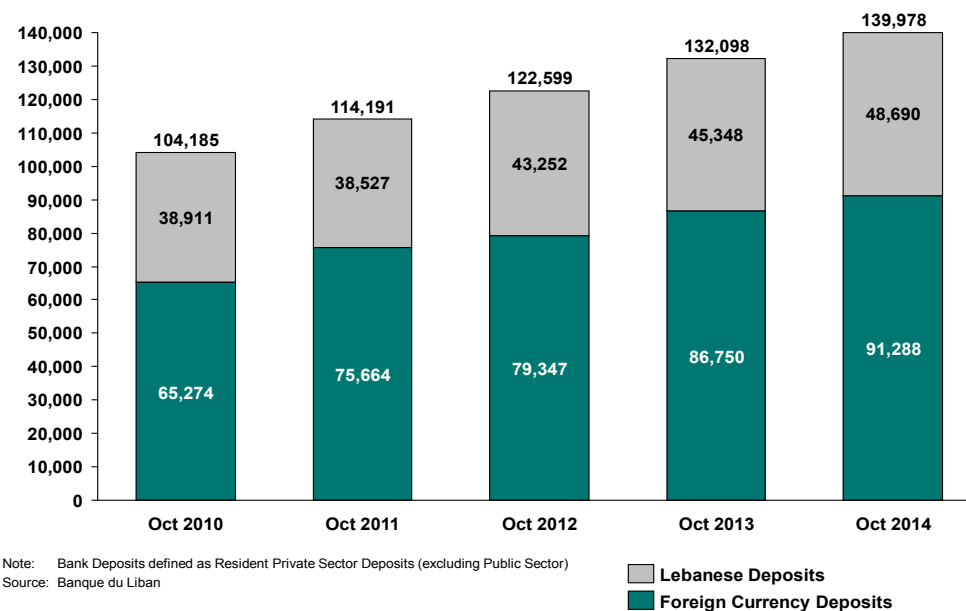
## Total Loans to the Private (Resident and Non Resident) and Public Sector

(Millions of USD; 2010-2014)



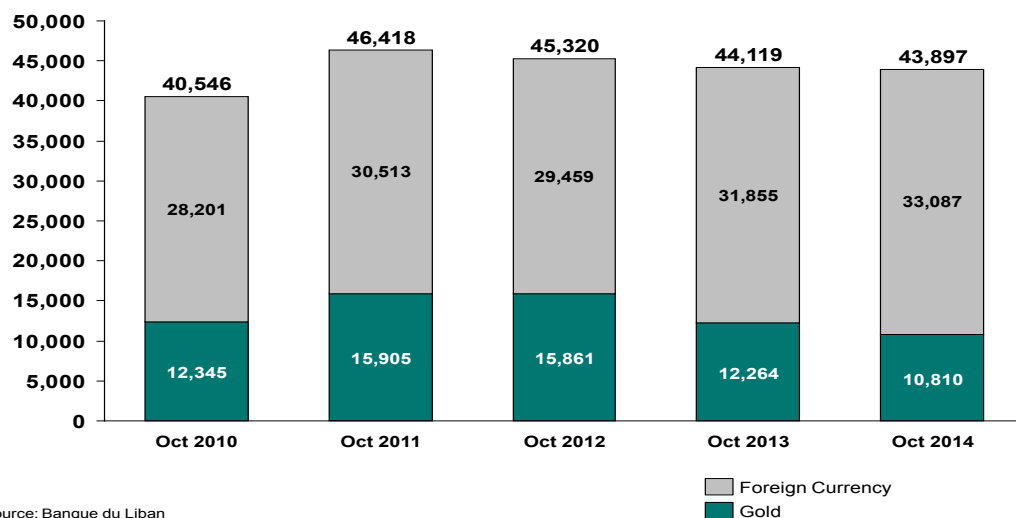
## Value of Bank Deposits (Lebanese and Foreign Currency)

(in Millions USD; 2010-2014)



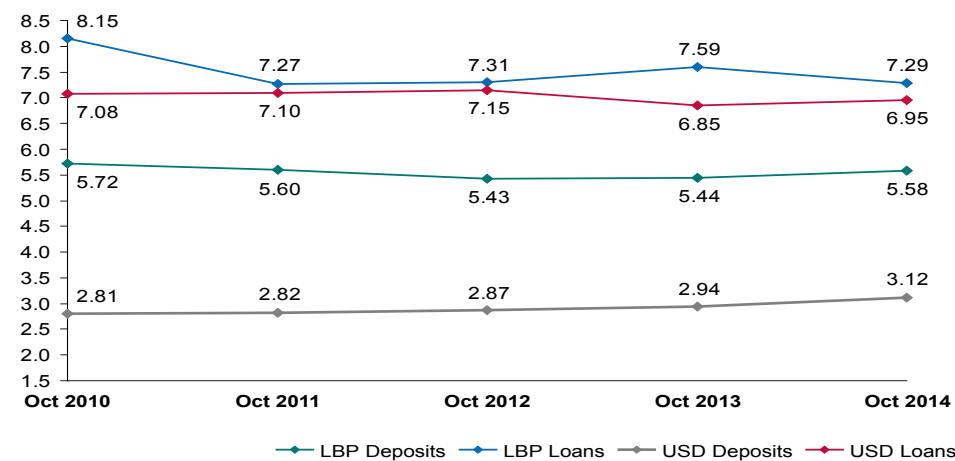
## Value of Foreign Assets held by BdL

(in Millions USD; 2010-2014)



## LBP and USD Deposit and Loan Rates

(in Percentage; 2010-2014)



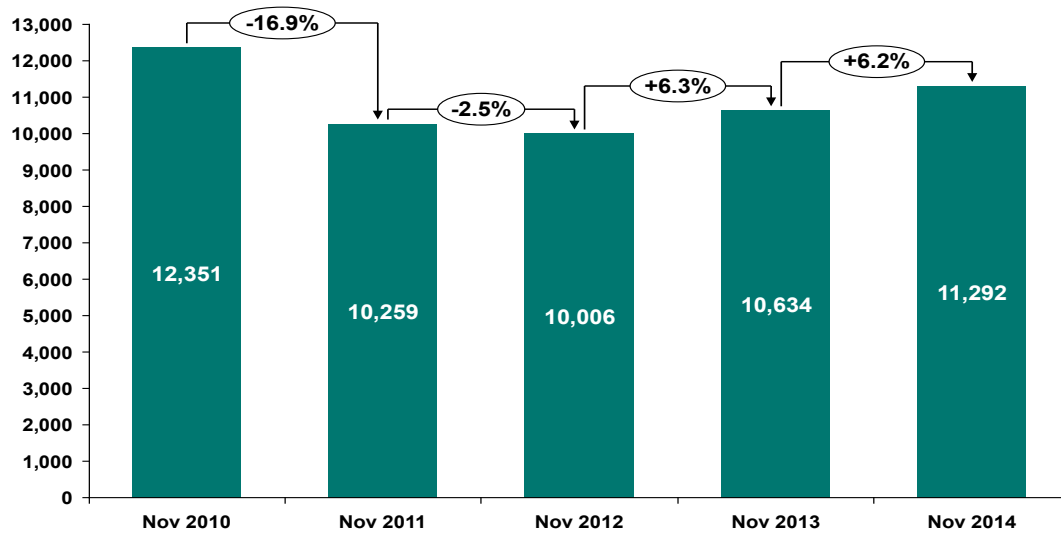
# KEY ECONOMIC INDICATORS

November 2014 ISSUE

FINANCE	Footnote	Period	2014	2013	2014/2013 %Δ	2012	2013/2012 %Δ	2011	2012/2011 %Δ	2010
M3 Money Supply (Million USD)	4	Oct	116,023	109,020	6.4%	102,422	6.4%	96,258	6.4%	90,569
<i>Growth in M3 Money (%)</i>	4	YTD Oct	4.4%	4.8%		5.3%		4.5%		10.3%
Value of Kafalat Loans (Millions USD)	17	Jan-Nov	103.3	108.1	-4.4%	128.5	-15.8%	151.9	-15.5%	155.7
Number of Kafalat Loans	17	Jan-Nov	796	801	-0.6%	953	-15.9%	1,182	-19.4%	1,293
Value of Cleared Checks (Millions of USD)	4	Jan-Oct	62,186	60,031	3.6%	59,036	1.7%	59,704	-1.1%	57,291
Number of Cleared Checks (in Millions)	4	Jan-Oct	10.99	11.03	-0.4%	10.84	1.7%	10.84	0.0%	11.20
Market Capitalization (Millions USD)	16	Jan-Nov	11,292	10,634	6.2%	10,006	6.3%	10,259	-2.5%	12,351
Value of Traded Shares (Millions of USD)	16	Jan-Nov	591.9	345.1	71.5%	376.1	-8.2%	481.0	-21.8%	1,837.5
Volume of Trade Shares (Millions of Shares)	16	Jan-Nov	85.9	48.2	78.2%	48.6	-0.8%	67.8	-28.3%	267.7
EXCHANGE RATE MARKETS	Footnote	Period	2014	2013	2014/2013 %Δ	2012	2013/2012 %Δ	2011	2012/2011 %Δ	2010
YoY USD-LBP Exchange Rate	18	Nov Close	1,513	1,507	0.4%	1,505	0.1%	1,506	-0.1%	1,501
YoY EURO-USD Exchange Rate	19	Nov Close	1.2452	1.3591	-8.4%	1.2953	4.9%	1.3317	-2.7%	1.2983
YoY GBP-USD Exchange Rate	19	Nov Close	1.5645	1.6368	-4.4%	1.6014	2.2%	1.5597	2.7%	1.5562
YoY USD-JPY Exchange Rate	19	Nov Close	118.63	102.44	15.8%	82.08	79.8%	77.93	5.3%	83.69

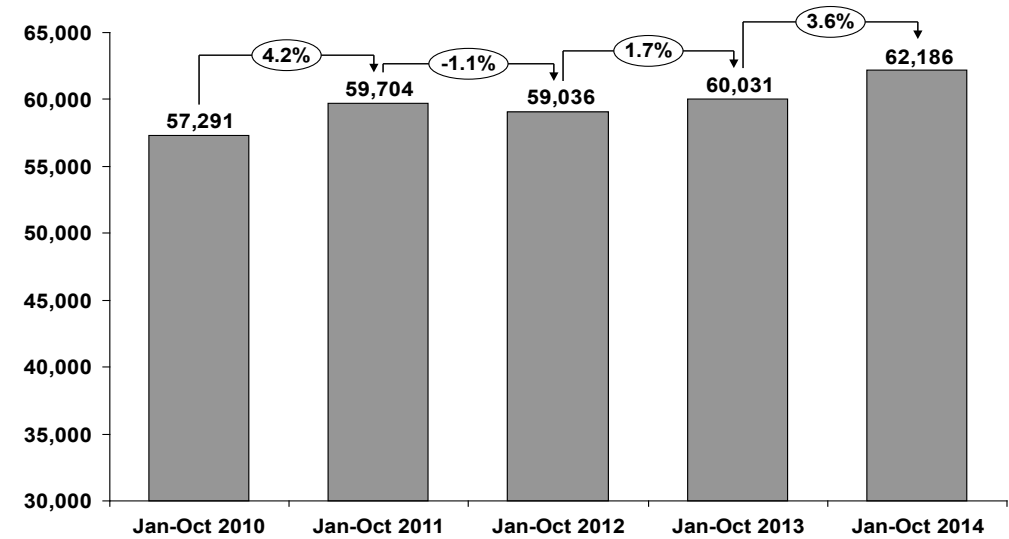


## Value of Market Capitalization (in Millions USD; 2010-2014)



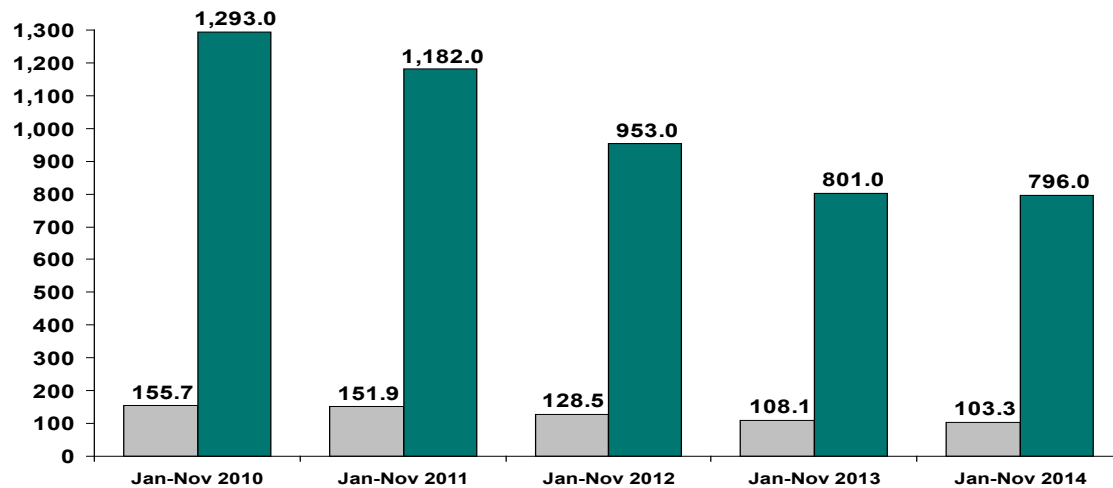
Source: Beirut Stock Exchange

## Evolution of the Value of Cleared Checks (in Millions USD; 2010-2014)



Source: Banque du Liban

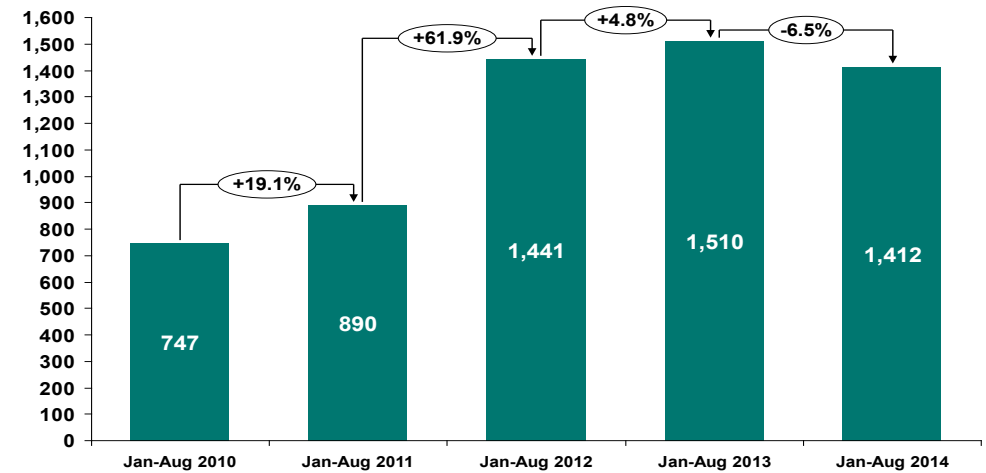
## Evolution in Value and Number of Kafalat Loans (in Millions USD/ Number of Loans; 2010-2014)



Source: Kafalat S.A.L

Value of Kafalat Loans    Number of Kafalat Loans

## Evolution of EDL Transfers (in Millions of USD; 2010-2014)



Source: Ministry of Finance



# KEY ECONOMIC INDICATORS

## November 2014 ISSUE

PUBLIC FINANCE	Footnote	Period	2014	2013	2014/2013 %Δ	2012	2013/2012 %Δ	2011	2012/2011 %Δ	2010
Total Revenues (Million USD)	20	Jan-Aug	7,242	6,431	12.6%	6,570	-2.1%	6,250	5.1%	5,671
Total Expenditures (Million USD)	20	Jan-Aug	8,899	9,053	-1.7%	8,059	12.3%	7,226	11.5%	7,216
Fiscal Balance (Million USD)	20	Jan-Aug	(1,658)	(2,621)	-36.7%	(1,489)	76.0%	(976)	52.6%	(1,545)
Total Primary Balance (Million USD)	20	Jan-Aug	951	(284)	-435%	787	-136.1%	1,505	-47.7%	1,120
Public Debt (Billions USD)	21	Jan-Oct	66.2	62.4	6.1%	56.7	10.1%	54.2	4.6%	51.1
Budget Revenues (Millions USD), of which:	20	Jan-Aug	6,355	6,044	5.1%	6,271	-3.6%	5,933	5.7%	5,356
Tax Revenues, of which:	20	Jan-Aug	4,916	4,763	3.2%	4,821	-1.2%	4,483	7.5%	4,652
Misc Tax Rev	20	Jan-Aug	-	2,278	-	2,307	-1.3%	2,088	10.5%	1,959
Customs Rev	20	Jan-Aug	880	961	-8.4%	988	-2.7%	946	4.4%	1,249
VAT Rev	20	Jan-Aug	1,524	1,524	0.0%	1,525	-0.1%	1,449	5.2%	1,444
Non Tax Rev	20	Jan-Aug	1,439	1,281	12.3%	1,450	-11.7%	1,450	0.0%	703
Budget Expenditures (Millions of USD), of which:	20	Jan-Aug	7,615	6,267	21.5%	6,607	-5.1%	6,767	-2.4%	6,586
General Expenditures, of which:	20	Jan-Aug	5,006	4,929	1.6%	4,331	13.8%	4,286	1.0%	3,920
EdL	20	Jan-Aug	1,412	1,510	-6.5%	1,441	4.8%	890	61.9%	747
Interest Payments, of which:	20	Jan-Aug	2,488	2,228	11.7%	2,161	3.1%	2,350	-8.0%	2,534
Lebanese Lira Interest Payments	20	Jan-Aug	1,567	1,360	15.2%	1,404	-3.1%	1,519	-7.5%	1,690
Foreign Currency Interest Payments	20	Jan-Aug	920	867	6.1%	757	14.6%	831	-8.9%	845
Principal Repayments	20	Jan-Aug	121	110	10.4%	115	-4.8%	131	-12.1%	131
Treasury Revenues (Millions of USD)	20	Jan-Aug	887	388	128.6%	299	29.8%	317	-5.7%	316
Treasury Expenditures (Millions of USD)	20	Jan-Aug	1,284	1,786	-28.1%	1,452	23.0%	459	216.3%	630
Budget Expenditures (Millions of USD), of which:	22	Jan-Aug	9,336	9,334	0.0%	8,431	10.7%	7,969	5.8%	7,328
Personnel Cost, of which:	22	Jan-June	3,027	3,130	-3.3%	2,964	5.6%	2,743	8.1%	2,402
Salaries and Wages	22	Jan-June	2,103	2,098	0.2%	1,915	9.6%	1,829	4.7%	1,629
Retirement + End of Service	22	Jan-June	800	879	-9.0%	885	-0.7%	748	18.3%	633
Transfers to EdL	22	Jan-June	1,565	1,420	10.2%	1,479	-4.0%	1,031	43.5%	849
Debt Service, of which:	22	Jan-June	3,251	2,887	12.6%	2,872	0.5%	3,011	-4.6%	3,022
Lebanese Lira Interest Payments	22	Jan-June	1,910	1,648	15.9%	1,716	-4.0%	1,791	-4.2%	1,788
Foreign Currency Interest Payments	22	Jan-June	1,219	1,123	8.5%	1,021	10.0%	1,076	-5.1%	1,094
Capital Expenditures	22	Jan-June	516	607	-15.0%	319	90.3%	314	1.6%	308
Treasury Expenditures (Millions of USD)	22	Jan-June	800	747	7.1%	781	-4.4%	370	111.1%	452

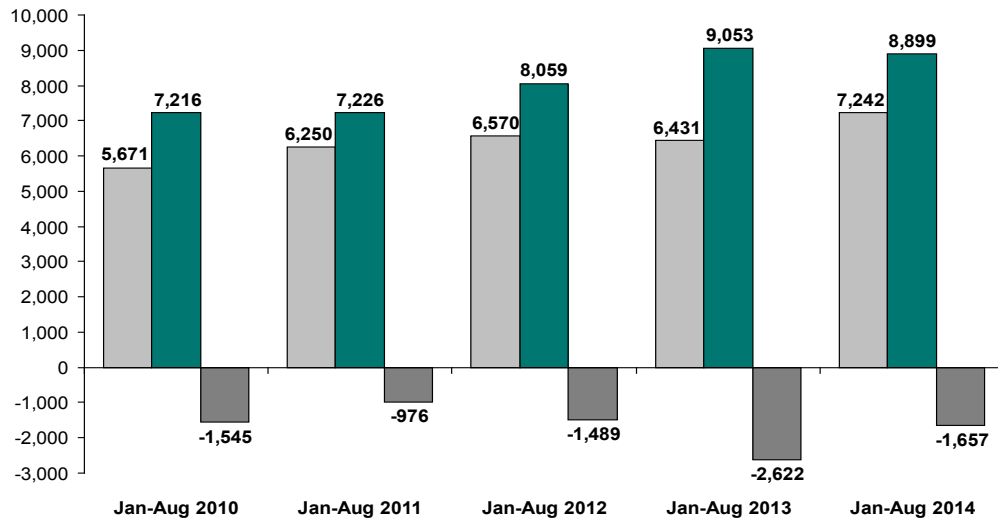
[20] Ministry of Finance- Fiscal Performance Sheet [21] Byblos Weekly Report LTW 381, [22] Public Finance Monitor





## Evolution of Total Revenues, Expenditures and Fiscal Balance

(in Millions USD; 2010-2014)

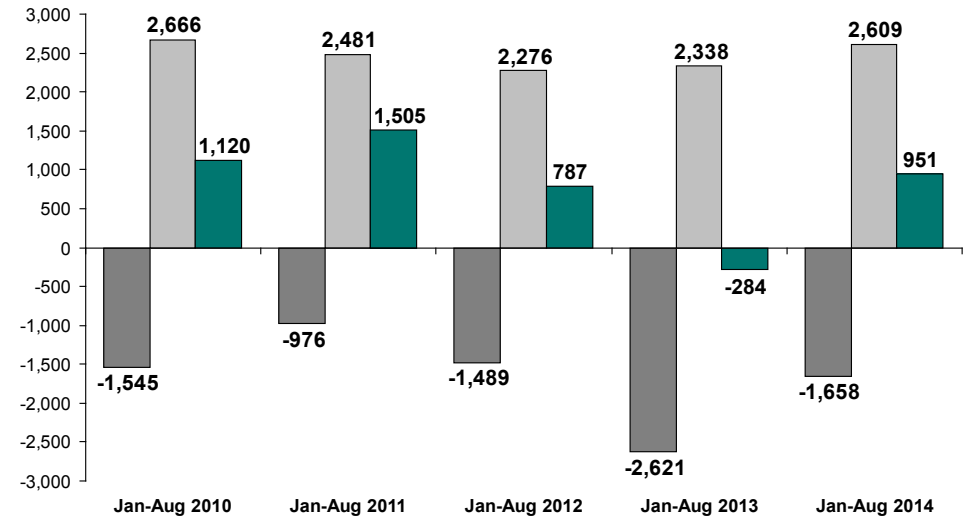


Source: Ministry of Finance

■ Revenues ■ Expenditures ■ Fiscal Balance

## Evolution of the Fiscal Balance, Debt Servicing and Primary Balance

(in Millions USD; 2010-2014)

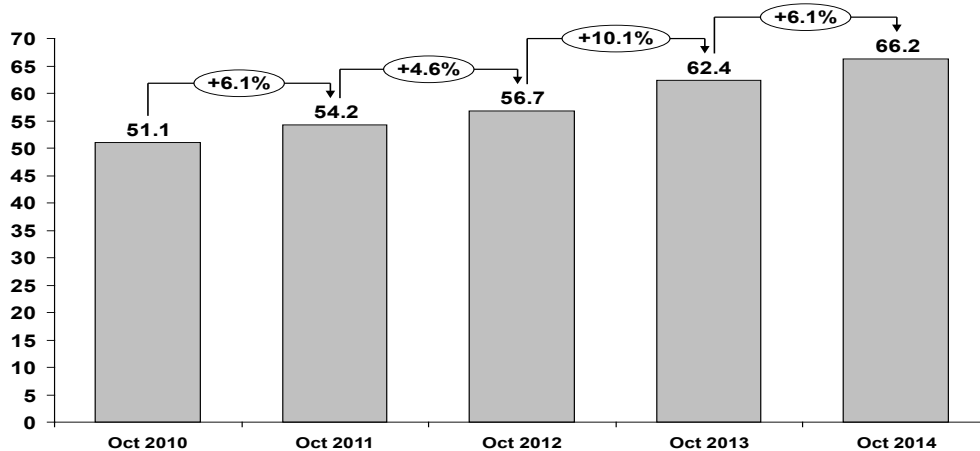


Source: Ministry of Finance

■ Fiscal Balance ■ Debt Servicing ■ Primary Balance

## Evolution of Gross Public Debt

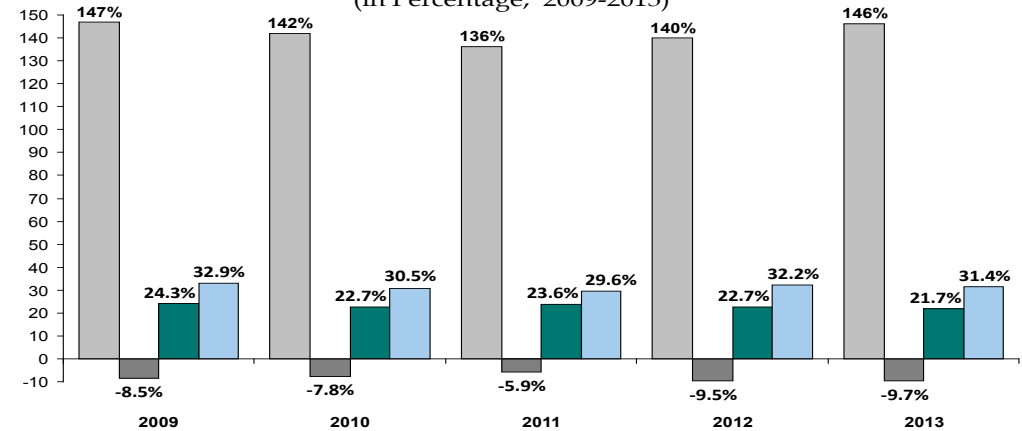
(in Billions of USD; 2010-2014)



Source: Banque du Liban

## Evolution of Debt/GDP, Deficit/GDP, Revenues/GDP and Expenditures/GDP

(in Percentage; 2009-2013)



Source: Ministry of Finance

■ Debt/ GDP ■ Revenues/ GDP  
■ Deficit/ GDP ■ Expenditures/ GDP

