

CAS changes the Weights for CPI Basket of Goods

The CPI index was first introduced by the Central Administration of Statistics in 1997. The index aims to measure changes in the price level of the Lebanese market basket of consumer goods and services purchased by households. This basket since 1997 has included goods and services ranging from household spending on food and housing to spending on transport, health and communication. The items included in the basket of goods and their respective weights for each given period are shown in table 1 below.

Expenditure Division	1997 weights	2007 weights	2014 weights
Foods and Non-Alcoholic Beverages	32.3	19.9	20.6
Alcoholic Beverages, Tobacco and Narcotics	2.3	2.1	1.6
Clothing and Footwear	6.3	6.2	5.4
Housing, Water, Electricity, Gas and other Fuels ((including rents	8.8	25.7	28.5
Housing	-	16.2	16.6
<i>Actual Rent</i>	-	-	3.4
<i>Old rent</i>	-	-	1.1
<i>New rent</i>	-	-	2.2
<i>Owner Occupied</i>	-	-	13.2
Water, Electricity, Gas and other Fuels	-	9.5	11.9
Furnishing, Household Equipment & Routine Household Maintenance	7.9	3.9	3.7
Health	8.8	6.8	7.8
Transport	9.8	12.3	13.1
Communication	1.5	4.8	4.6
Recreation and Culture	2	3.7	2.3
Education	13.4	7.7	5.9
Restaurants and Hotels	3.4	2.7	2.6
Miscellaneous Goods & Services	3.5	4.2	4.0
CPI Total	100	100	100

As table 1 shows, a number of changes in the weights of the items in the Basket of Goods have occurred since 1997:

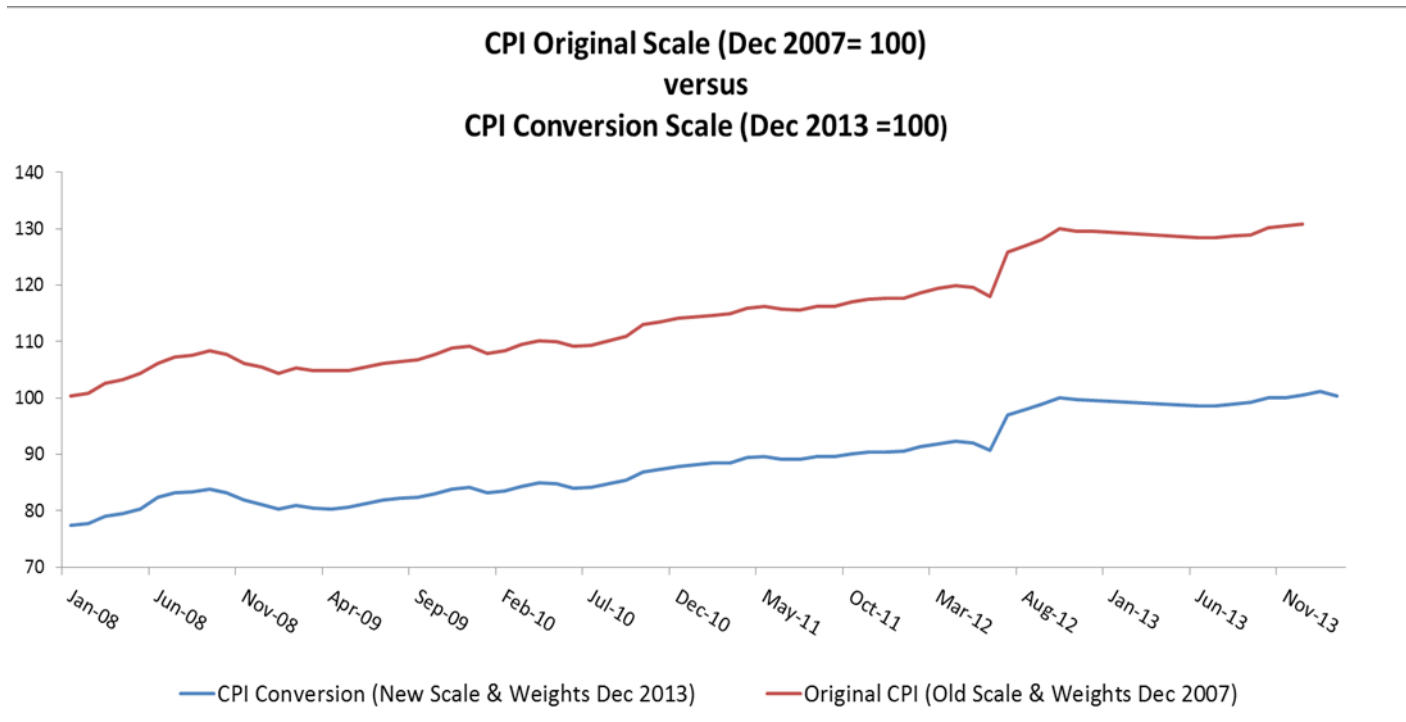
- The weights of each division of the basket of goods has changed twice since the CPI inception: the first time in 2007 and the second time in 2014
- New additions were made to the detail provided for the housing and utilities index: the first time in 2007, where Housing and Utilities were split, and the second time in 2014, where a breakdown of the housing index was provided.

Despite the fact that the most recent changes in the figures for the weights are minor, they nevertheless prevent us from making accurate inflation comparisons for the periods where the weights are different. For example, the period between December 2007 and December 2013 cannot be accurately compared with the new index for the 2014 period. As such, the Economic Research Unit at MoET has converted the scale and weight of the CPI data prior to Dec 2013 so that they are compatible with new changes.

In the new weighting system, the following conversions are ensured:

1. Scale Conversion, whereby December 2013 is chosen as the base year for all the CPI data instead of December 2007
2. Weight conversion, whereby the weights for Dec 2013 are used as the base weight rather than those of Dec 2007

As such, all the CPI figures in the years prior to Dec 2013 have to be adjusted according to the new scale and new weight. Once the calculations are made, the following chart is obtained:



The chart shows the old and new CPI index according to the new scale and weight conversion for the years prior to December 2013. In addition to the observed change in CPI index figures, it is also important to note the following:

- Inflation is the derivative of the CPI Index and therefore, an upward or downward slope in the line chart is indicative of a respective inflationary or deflationary period. Since the chart shows an overall upward trend in the CPI index since December 2007, this indicates that the price of goods has been rising over this period. The annual Inflation rate is as follows:

	2008	2009	2010	2011	2012	2013
CAS, Old CPI Index	105.5	109.1	114.1	117.6	129.5	130.9
MoET, New CPI Index	81.10	84.06	87.83	90.46	99.51	100.5
(%) Annual Inflation Rate according to New CPI Index	4.8%	3.6%	4.5%	3.0%	10.0%	0.95%
IMF, Annual Inflation Rate (%) end of period	6.4%	3.4%	6.7%	5.4%	6.3%	1.3%
(%) World Bank, Annual Inflation Rate	-	1.2%	4.0%	-	-	-

- Two periods are particularly interesting:
 - In Q3 2008, when the chart shows a downward sloping curve, indicating a fall in prices.
 - In Q3 2012, when the chart shows a steep upward slope in the curve. This steep rise comes as a result of the update in the housing price index made by CAS, which is reviewed every 3 years.

MoET will also begin using these new CPI index conversions when presenting its inflation results in the Key Economic Indicators sheet.

MONTHLY ECONOMIC TRENDS:

• GDP Growth and Economic Forecasts:

– The Coincident Indicator — a compound index of a number of economic indicators published by BDL that acts as an estimate of economic performance— showed a slowdown in its figures in 2014, by recording a lower YTD increase of 1.7% in the first two months of 2014 relative to the 3.1% rise attained in the first two months of 2013.

– In addition, IMF and World Bank growth expectations are in concordance with this development, having also downgraded their growth estimations for 2013 and growth forecasts for 2014.

→ IMF projected growth rates of the Lebanese economy were downgraded to 1% for both the years 2013 and 2014 from previous forecasts of 1.5% in both the former and the latter. The IMF highlighted that this downgrade was due to the escalation of the Syrian conflict was putting negative pressures on investor confidence, trade, tourism, Fiscal balance and overall economic activity.

→ For similar reasons, World Bank estimations were also downgraded to 1.5% for 2014 from a previous forecast of 2%.

• Real Estate:

– Real Estate figures continue to show a turnaround in 2014. The Value of Real Estate Sales rose by 51.1% in February 2014 relative to the February 2013 while the Number of Sale Transactions by foreigners and locals rose by 20.6% and 0.7% respectively.

• Tourism:

– For the fourth year running, Number of Tourists witnessed a fall in their figures from the peak attained in 2010. The number of tourists continuously fell from a high of 234,801 in the first two months of 2010 down to 145,891 in the same period in 2014.

– Similarly, Number of Airport Passengers fell by March 2014. This 8.3% fall relative to the first three months of 2013 comes despite over five years of continuous increase in their number.

• Trade

– With regards to Imports:

- In terms of value, imports witnessed a 4.9% rise by February 2014 relative to February 2013, to reach USD 3,605 Million. The rise in imports is the result of a Year on Year increase in value of oil imports (2.1%), medicaments (16.7%) and alloy steel products (136.3%). Value of Motor vehicles and Gold however saw a drop of 11.6% and 34.9% respectively. Removing the effects of value of petroleum imports however leads to an even steeper rise in the value of imports, reaching by 6%.

- In terms of volume, imports witnessed an 11.7% increase in the

first two months of 2014 relative to the previous year. This rise is the result of a Year on Year increase in volume of Petroleum imports (9.2%), Alloy Steel Products (156%), Natural Calcium Phosphate (28.7%) and Corn (66%). Volume of Glazed Ceramic Products and Wheat fell by 3% and 28.8% respectively. Removing the effects of Oil imports however, also leads to an even steeper rise in the volume of imports, of 13.2%.

– With regards to Exports:

- In terms of value, exports witnessed a 36.7% decline in the first two months of 2014, reaching USD 497 Million relative to the USD 786 Million attained a year earlier. This fall in exports is the result of a Year on Year decrease in value of Gold (-66.2%), Copper Waste and Scrap (-53.8%), Diamond Products (-40.8%) and Electric Generating Set and Rotary Converters (-26.4%). The value of Printed Books and Brochures however saw a 68.5% rise.

- In terms of volume, exports fell by 42.3%. This is mainly attributed to the Year on Year decrease in value of Petroleum products (-97.6%), Portland Cement (-85.7%), Ferrous Waste and Scrap (-60.6%), Citrus fruits and Bananas (23.1%) and Phosphoric Chemicals (-10.2%). Volume of Mineral and chemical fertilizers rose by 35.3%.

– As such, the Year to Date Value of the Trade Deficit by February 2014 showed a rise of 17.2% compared to the first two months in 2013, when oil products are included in the equation. Removing oil products leads to an even further year on year increase in the deficit of 28.1%.

– The Balance of Payments saw a net deterioration in the first two months of 2014, as it witnessed a surplus of USD 162 Million in 2014 relative to the USD 291 Million surplus attained in the same period in 2013. This worsening came about following the above mentioned rise in the trade deficit despite the 11.2% increase in Capital Inflows over the said period.

• Banking and Financial

– Private Sector Deposits fell slightly in the first two months of 2014 relative to the same period in 2013, to reach USD 135.7 Billion. This 0.3% fall was due to a 4.3% reduction in non-resident private sector deposits since the start of 2014.

– Foreign Assets however saw a slight turnaround in 2014 despite

the continued fall in the value of Gold Reserves. Foreign Assets in the first two months of 2014 rose by 6.6% relative to the 0.6% fall witnessed in the same period in 2013. This is due to the value of Foreign Currency reserves and Gold reserves rising by 5.3% and 10.3% respectively relative to the 1.2% rise and 4.2% fall attained in the first two months of 2013.

— The value and number of Kafalat Loan Guarantees rose in the first two months of 2014 to reach USD 18.47 Million and 136 respectively, that is, a 17% and 18.3% respective rise relative to the same period in 2013. Furthermore, the number of loans was mainly distributed among the following sectors: Agriculture (52.2%), industry (35.3 %) and tourism (8.1 %), of which the former two saw a 69% and 9.1% rise relative to the same period a year earlier.

• Fiscal Performance

— Fiscal Performance by the end of 2013 witnessed a considerable deterioration compared to the previous year. The continued combination of a surge in expenditures and to a lesser extent, in revenues, led to a widening in the Fiscal Balance. The Fiscal Deficit reached USD 4,220 Million in 2013, compared to USD 3,925 Million in 2012 and USD 2,341 Million in 2011, which constitutes a respective increase of 7.5% and 67.6%.

— Total Revenues rose a meager 0.3% to reach USD 9,396 Million in 2013 and was mainly driven by the slight increase in treasury revenues, amounting to 18.1% from USD 458 Million in 2012 to USD 541 Million in 2013. Budget revenues, on the other hand, witnessed a 0.6% drop.

— Total Expenditures reached USD 13,640 Million in 2013 relative to the USD 13,321 Million attained in 2012 and the USD 11,675 Million

in 2011, which constitutes a respective increase of 2.4% and 14.1%. This surge was mainly the result of a 2.4% rise in budget expenditures following the increase in debt service payments. EdL payments however continued their downward trend as they fell by 10.3% relative to the same period in the previous year.

Disclaimer:

The most recent month for March 2014 Issue is highlighted for each of the following indicators:

- Coincidence Indicator Statistics: February 2014
- Real Estate Statistics: February 2014
- Tourism Statistics: February 2014
- Trade Statistics: February 2014
- Banking and Financial Statistics: February 2014
- Fiscal Statistics: December 2013

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

Tel: +961 1 982 294

Caroline Bitar (ext: 1609): cbitar@economy.gov.lb

Rayane Dandache (ext: 1615): rdandache@economy.gov.lb

KEY ECONOMIC INDICATORS

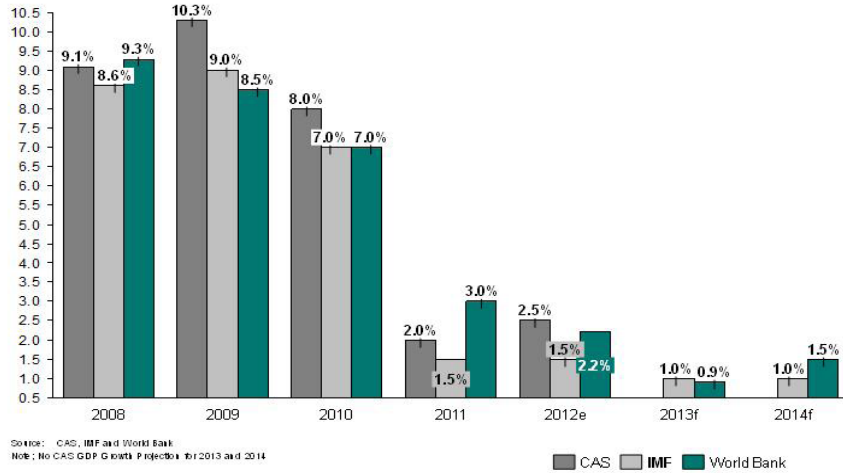
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GENERAL INDICES	Footnote	Period	2014	2013	2014/2013 %Δ	2012	2013/2012 %Δ	2011	2012/2011 %Δ	2010
Nominal GDP (Billions USD)										
CAS	1		-	-		42.9		40.1	7.0%	38.0
IMF	2	Jan-Dec	45.5	44.3	2.6%	42.5	4.2%	40.1	6.1%	38.0
World Bank	3		-	-		42.9		40.1	7.0%	37.1
Real Economic Growth Rate (%)										
CAS	1		-	-		2.5%		2.0%		8.0%
IMF	2	Jan-Dec	1.0%	1.0%		1.5%		1.5%		7.0%
World Bank	3		1.5%	0.9%		2.2%		3.0%		7.0%
Coincidence Indicator (1993=100)										
	4	Jan-Feb	272.5	270.6	0.7%	263.9	2.5%	243.2	8.5%	245.8
Growth in Coincidence Indicator (%)	4	YTD Feb	6.2%	4.2%		0.5%		-0.3%		8.4%
Inflation Rate (%)										
	1	Jan-Feb	100.2	-		91.3		88.4	3.3%	83.5
Electricity Production (Millions Kwh)										
	4	Jan-Feb	2,133	1,698	25.6%	1,920	-11.6%	1,983	-3.2%	2,082
Number of New Cars registrations										
	5	Jan-Feb	5,306	4,723	12.3%	4,467	5.7%	3,796	17.7%	3,542
Number of New Industrial Licenses										
	6	Jan-Dec	-	415		349	18.9%	375	-6.9%	-
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-Feb	793,114	692,378	14.5%	583,661	18.6%	635,829	-8.2%	644,508
Construction Permits area (000s of Sq m)										
	8	Jan-Feb	2,204	1,853	18.9%	2,204	-15.9%	2,107	4.6%	1,781
Total Number of New Permits										
	8	Jan-Feb	2,684	2,493	7.7%	2,660	-6.3%	2,817	-5.6%	2,085
Total Value of Real Estate Sales (Millions of USD)										
	9	Jan-Feb	1,384	916	51.1%	1,162	-21.1%	1,197	-3.0%	1,211
Total Number of Property Sales, of which:										
Sales to Locals	9	Jan-Feb	10,278	8,547	20.3%	10,543	-18.9%	10,630	-0.8%	13,068
Sales to Foreigners	9	Jan-Feb	10,128	8,398	20.6%	10,336	-18.8%	10,455	-1.1%	12,838
	9	Jan-Feb	150	149	0.7%	207	-28.0%	175	18.3%	230

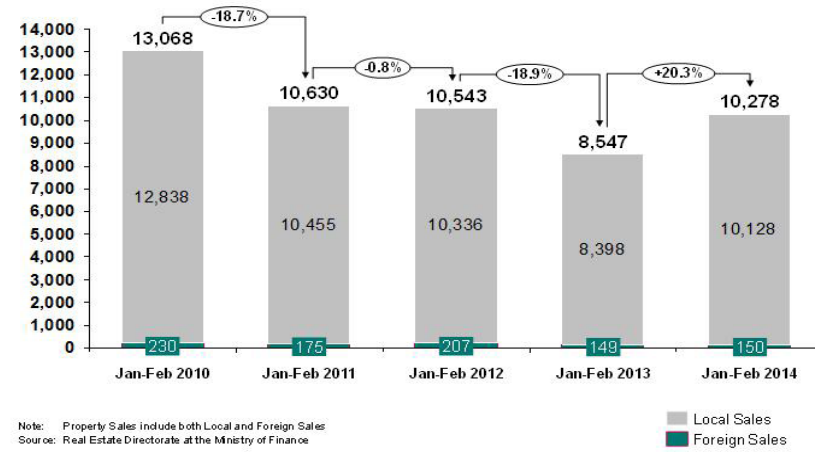
[1] Lebanese Central Administration of Statistics (CAS) [2] Regional Economic Outlook Report, November 2013, [3] World Bank World Development Indicators, [4] Banque du Liban, [5] Association of Car Importers in Lebanon, [6] Ministry of Industry, [7] Ministry of Labor [8] Order of Architects in Beirut and Tripoli, [9] Real Estate Directorate



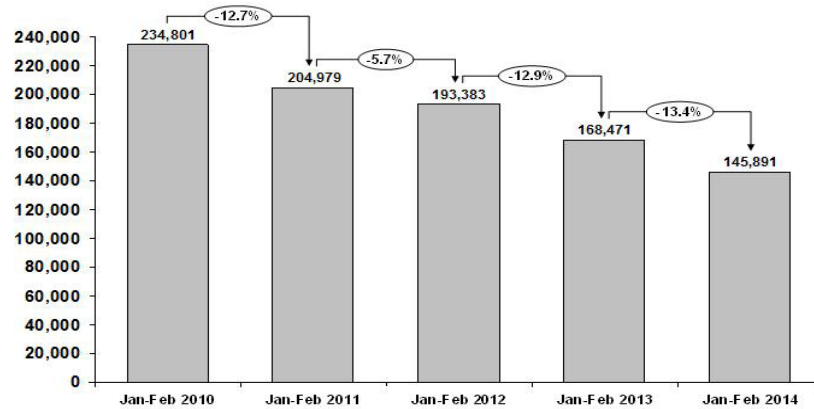
GDP Growth (in Percentage; 2008-2014f)



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

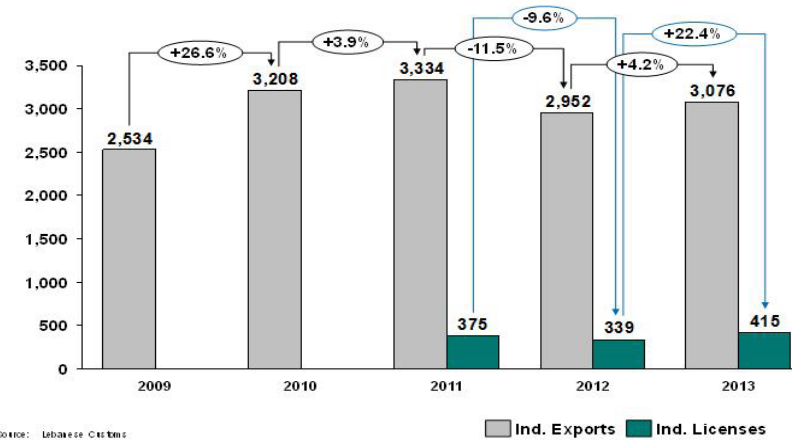


Evolution in the Number of Tourists (2010-2014)



Source: Ministry of Tourism

Evolution of Industrial Exports & Licenses (in Millions of USD; 2009 to 2013)



Source: Lebanese Customs



KEY ECONOMIC INDICATORS

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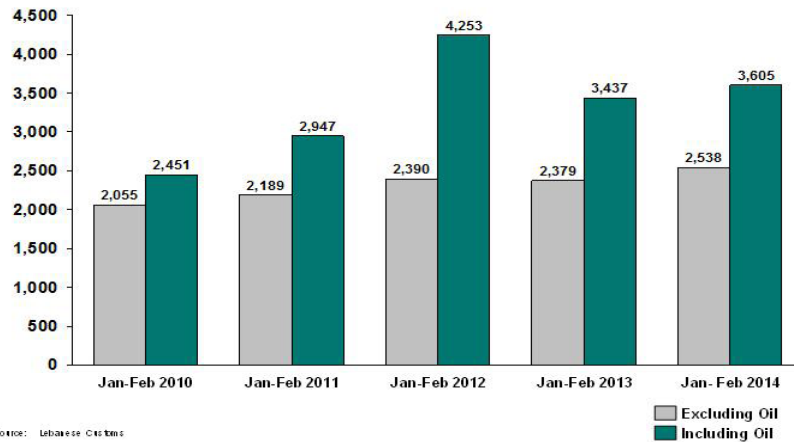
TRADE	Footnote	Period	2014	2013	2014/2013 %Δ	2012	2013/2012 %Δ	2011	2012/2011 %Δ	2010
Exports Value (Millions of USD), of which:	10	Jan-Feb	497	786	-36.8%	777	1.2%	601	29.3%	655
Exports Volume (Millions of Tons)	10	Jan-Feb	0.28	0.48	-42.3%	0.31	52.6%	0.53	-40.5%	0.51
Imports Value (Millions of USD), of which:	10	Jan-Feb	(3,605)	(3,437)	4.9%	(4,253)	-19.2%	(2,947)	44.3%	(2,451)
<i>Mineral Fuels and Oils</i>	10	<i>Jan-Feb</i>	<i>(1,067)</i>	<i>(1,058)</i>	<i>0.9%</i>	<i>(1,863)</i>	<i>-43.2%</i>	<i>(758)</i>	<i>145.8%</i>	<i>(396)</i>
<i>Imports Value, excl Oil Products</i>	10	<i>Jan-Feb</i>	<i>(2,538)</i>	<i>(2,379)</i>	<i>6.7%</i>	<i>(2,390)</i>	<i>-0.5%</i>	<i>(2,189)</i>	<i>9.2%</i>	<i>(2,055)</i>
Imports Volume (Millions of Tons), of which:	10	Jan-Feb	2.81	2.51	11.7%	3.44	-26.8%	2.51	37.1%	1.92
<i>Mineral Fuels and Oils</i>	10	<i>Jan-Feb</i>	<i>1.16</i>	<i>1.13</i>	<i>3.3%</i>	<i>2.17</i>	<i>-48.0%</i>	<i>1.12</i>	<i>93.8%</i>	<i>0.62</i>
<i>Imports Volume, excl Oil Products</i>	10	<i>Jan-Feb</i>	<i>1.64</i>	<i>1.39</i>	<i>18.4%</i>	<i>1.27</i>	<i>9.4%</i>	<i>1.39</i>	<i>-8.6%</i>	<i>1.30</i>
Trade Deficit (Millions of USD)	10	Jan-Feb	(3,108)	(2,651)	17.2%	(3,476)	-23.7%	(2,346)	48.2%	(1,796)
Trade Deficit, excl Oil Products	10	Jan-Feb	(2,041)	(1,593)	28.1%	(1,613)	-1.3%	(1,588)	1.6%	(1,400)
Industrial Exports (excluding Gold Ingots)	6	Jan-Dec	-	3,076		2,952	4.2%	3,334	-11.5%	3,208
Industrial Machinery	6	Jan-Dec	-	300		288	4.2%	213	35.2%	227
Capital Inflows (Millions of USD), of which:		Jan-Feb	3,270	2,942	11.2%	3,052	-3.6%	1,678	81.9%	2,511
Balance of Payments (Millions of USD)	4	Jan-Feb	162.4	291	-44.2%	(424)	-168.6%	(668)	-36.6%	715
Value of Transit Goods (Millions of USD)	10	Jan-Feb	73.0	79.9	-8.7%	61.2	30.6%	50.8	20.5%	48.2
Port Activity (000s Tons of Goods)	11	Jan-Feb	1,394	1,206	15.6%	1,060	13.8%	986	7.5%	968
Port Revenues (Millions of USD)	11	Jan-Feb	34.7	32.6	6.4%	25.6	27.3%	23.9	7.1%	25.7
Total TEU (Twenty Foot Equivalent Unit) of which:		Jan-Feb	189,647	173,288	9.4%	150,537	15.1%	158,578	-5.1%	135,053
<i>TEU to Local Market</i>	11	<i>Jan-Feb</i>	<i>121,968</i>	<i>107,685</i>	<i>13.3%</i>	<i>89,496</i>	<i>20.3%</i>	<i>82,139</i>	<i>9.0%</i>	<i>86,373</i>
<i>Transshipment</i>	11	<i>Jan-Feb</i>	<i>67,679</i>	<i>65,603</i>	<i>3.2%</i>	<i>61,041</i>	<i>7.5%</i>	<i>76,439</i>	<i>-20.1%</i>	<i>48,680</i>
TOURISM	Footnote	Period	2014	2013	2014/2013 %Δ	2012	2013/2012 %Δ	2011	2012/2011 %Δ	2010
Number of Tourists	12	Jan-Feb	145,891	168,471	-13.4%	193,383	-12.9%	204,979	-5.7%	234,801
Hotel Occupancy Rates	13	Jan-Feb	39%	54%	-27.8%	62%	-12.9%	43%	44.2%	70%
Evolution in Tourism Spending	14	Jan-Mar			-15%		-11%		36%	
Number of Airport Passengers	15	Jan-Mar	1,257,561	1,370,863	-8.3%	1,242,379	10.3%	1,024,744	21.2%	1,073,157

[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 February 2014, [14] Global Blue [15] Rafic Hariri Airport

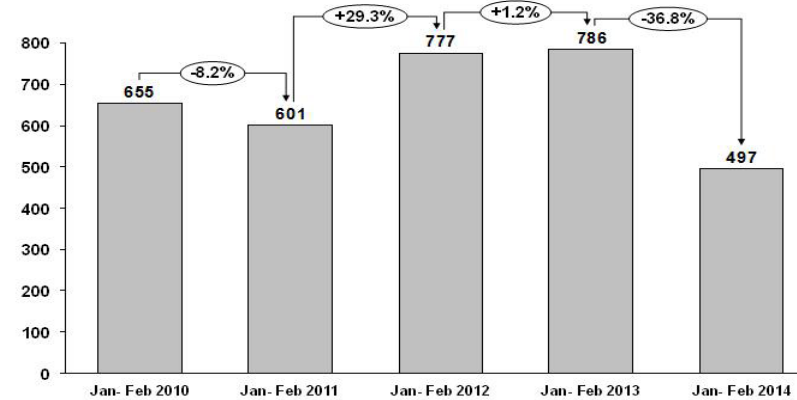


Evolution of Imports
(in Millions of USD; 2010 to 2014)



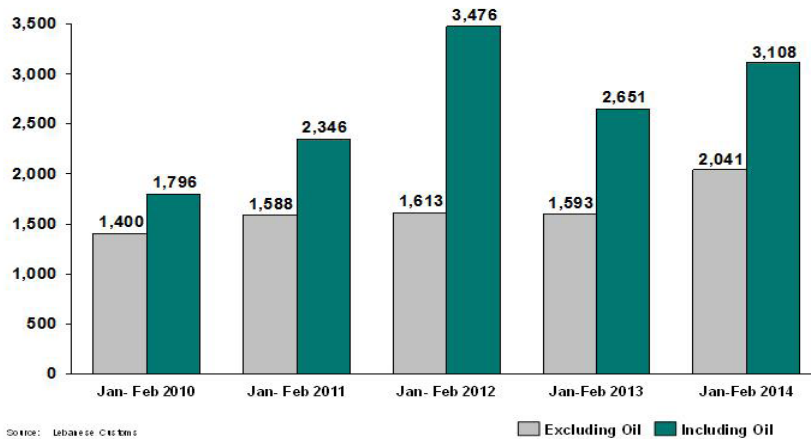
Source: Lebanese Customs

Evolution of Exports
(in Millions of USD; 2010 to 2014)



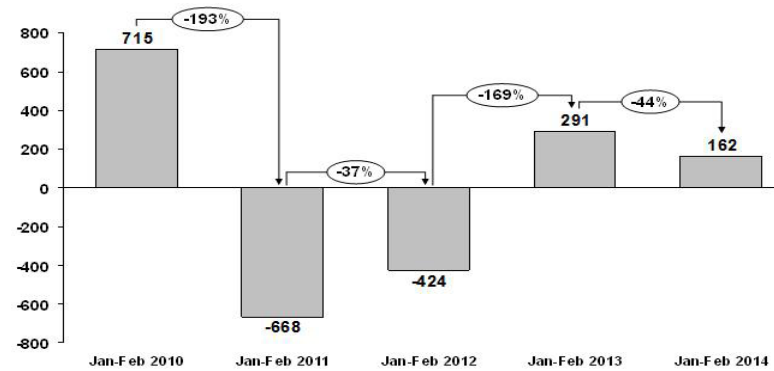
Source: Lebanese Customs

Evolution in Trade Deficit
(in Millions of USD; 2010 to 2014)



Source: Lebanese Customs

Evolution in Balance of Payments
(in Millions of USD; 2010 to 2014)



Source: Lebanese Customs



KEY ECONOMIC INDICATORS

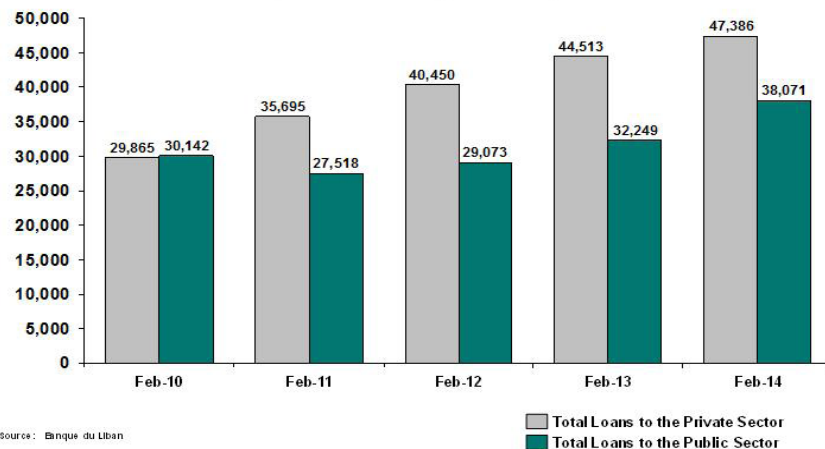
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BANKING	Footnote	Period	2014	2013	2014/2013 %Δ	2012	2013/2012 %Δ	2011	2012/2011 %Δ	2010
Commercial Banks Indicators:										
Commercial Banking Assets (Millions USD)	4	Feb	166,009	153,969	7.8%	144,111	6.8%	130,059	10.8%	118,266
<i>Growth in Commercial Banking Assets (%)</i>	4	<i>YTD Feb</i>	<i>0.7%</i>	<i>1.4%</i>		<i>2.5%</i>		<i>0.9%</i>		<i>2.6%</i>
Private Sector Deposits (Millions USD)	4	Feb	135,709	126,301	7.4%	117,416	7.6%	106,801	9.9%	97,065
<i>Growth in Private Sector Deposits (%)</i>	4	<i>YTD Feb</i>	<i>-0.3%</i>	<i>1.0%</i>		<i>1.5%</i>		<i>-0.4%</i>		<i>1.4%</i>
Loans to the Private Sector (Millions of USD)	4	Feb	47,386	44,513		40,450	10.0%	35,695	13.3%	29,865
<i>Growth in Loans to the P.S (%)</i>	4	<i>YTD Feb</i>	<i>0.6%</i>	<i>2.4%</i>		<i>1.2%</i>		<i>2.2%</i>		<i>5.3%</i>
BdL Indicators:										
Foreign Assets (Millions of USD), of which:	4	Feb	45,653	45,017	1.4%	47,226	-4.7%	41,434	14.0%	36,980
<i>Growth in Foreign Assets (%)</i>	4	<i>YTD Feb</i>	<i>6.6%</i>	<i>-0.6%</i>		<i>4.4%</i>		<i>-0.4%</i>		<i>3.5%</i>
Foreign Currency Reserves	4	Feb	33,404	30,344	10.1%	30,764	-1.4%	28,424	8.2%	26,881
<i>Growth in Foreign Currency Reserves (%)</i>	4	<i>YTD Feb</i>	<i>5.3%</i>	<i>1.2%</i>		<i>-0.2%</i>		<i>-0.6%</i>		<i>4.8%</i>
Gold Reserves	4	Feb	12,249	14,673	-16.5%	16,462	-10.9%	13,010	26.5%	10,099
<i>Growth in Gold Reserves(%)</i>	4	<i>YTD Feb</i>	<i>10.3%</i>	<i>-4.2%</i>		<i>14.3%</i>		<i>0.0%</i>		<i>0.4%</i>
Lebanese Pound Deposit Rate (%)	4	Feb	5.51	5.46	0.9%	5.47	-0.2%	5.63	-2.8%	6.42
Lebanese Pound Lending Rate (%)	4	Feb	7.14	7.47	-4.4%	7.07	5.7%	7.71	-8.3%	8.83
USD Deposit Rate (%)	4	Feb	2.96	2.94	0.7%	2.87	2.4%	2.90	-1.0%	2.99
USD Lending Rate (%)	4	Feb	6.96	7.05	-1.3%	7.13	-1.1%	7.01	1.7%	7.26
3-Month TB Yield (%)	4	Feb	4.44	4.44	0.0%	3.93	13.0%	3.93	0.0%	4.44
6 Month TB Yield (%)	4	Feb	4.99	4.99	0.0%	4.50	10.9%	4.50	0.0%	5.50
12 Month TB Yield (%)	4	Feb	5.35	5.35	0.0%	4.81	11.2%	4.79	0.4%	5.58
36-Month TB Coupon (%)	4	Feb	6.61	6.61	0.0%	6.03	9.6%	6.03	0.0%	6.98

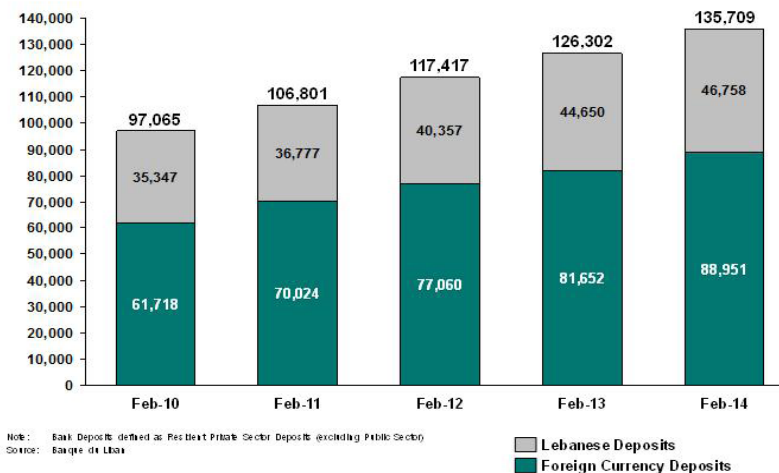
[4] Banque du Liban



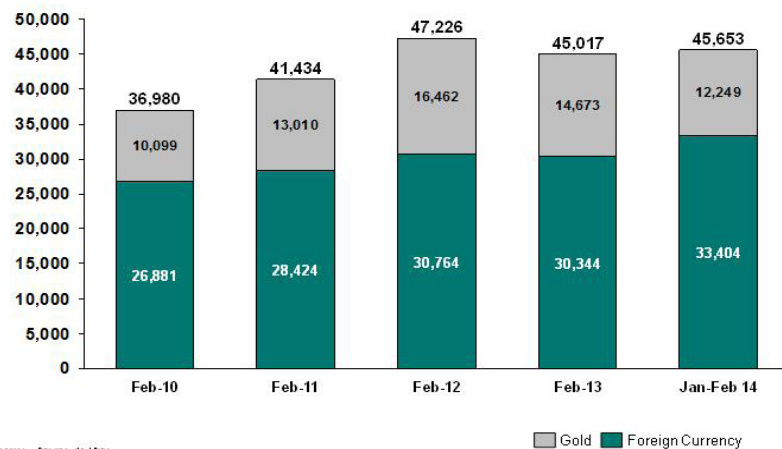
Total Loans to the Private (Resident and Non Resident) and Public Sector
(Millions of USD; 2010-2014)



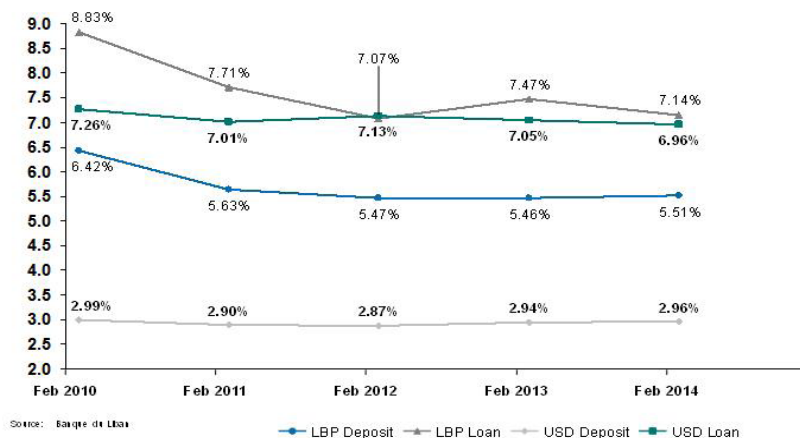
Value of Bank Deposits (Lebanese and Foreign Currency)
(in Millions USD; 2010-2014)



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

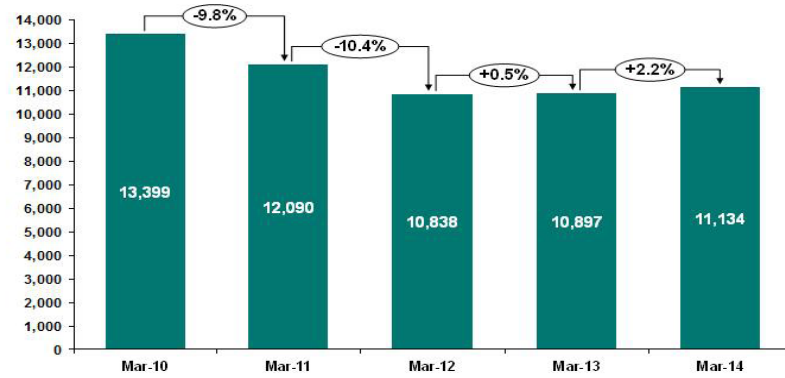
MARCH 2014 ISSUE

FINANCE	Footnote	Period	2014	2013	2014/2013 %Δ	2012	2013/2012 %Δ	2011	2012/2011 %Δ	2010
M3 Money Supply (Million USD)	4	Jan-Feb	111,668	104,711	6.6%	98,125	6.7%	92,010	6.6%	83,752
<i>Growth in M3 Money (%)</i>	4	<i>YTD Feb</i>	<i>0.5%</i>	<i>0.7%</i>		<i>0.9%</i>		<i>-0.1%</i>		<i>2.0%</i>
Value of Cleared Checks (in Millions of USD)	4	Jan-Feb	11,840	11,508	2.9%	11,332	1.6%	11,491	-1.4%	10,417
Number of Cleared Checks (in Millions)	4	Jan-Feb	2.10	2.09	0.5%	2.06	1.5%	1.98	4.0%	1.93
Value of Kafalat Loans (Millions USD)	17	Jan-Feb	18.5	15.8	17.0%	21.0	-24.9%	26.8	-21.7%	28.7
Number of Kafalat Loans	17	Jan-Feb	136	115	18.3%	148	-22.3%	186	-20.4%	271
Market Capitalization (Millions USD)	16	Jan-Mar	11,134	10,897	2.2%	10,838	0.5%	12,090	-10.4%	13,399
Value of Traded Shares (Millions of USD)	16	Jan-Mar	119.4	60.1	98.7%	90.7	-33.8%	149.8	-39.5%	1,179.6
Volume of Trade Shares (Millions of Shares)	16	Jan-Mar	17.4	9.5	84.2%	13.4	-29.4%	25.2	-46.8%	171.6
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	Mar Close	1,507.5	1,502	0.4%	1,502	0.0%	1,507.5	-0.4%	1,508
YoY EURO-USD Exchange Rate	19	Mar Close	1.3752	1.2816	7.3%	1.3302	-3.7%	1.4113	1.4%	1.3483
YoY GBP-USD Exchange Rate	19	Mar Close	1.6662	1.5193	9.7%	1.5958	-4.8%	1.6011	-5.1%	1.5184
YoY USD-JPY Exchange Rate	19	Mar Close	103.23	94.15	9.6%	82.46	14.2%	82.48	14.1%	93.47

[4] Banque du Liban, [16] Beirut Stock Exchange, [17] Kafalat, [18] BLOM Bank "Lebanon Brief" Reports, [19] Bloomberg.com-Interactive Currency Charts

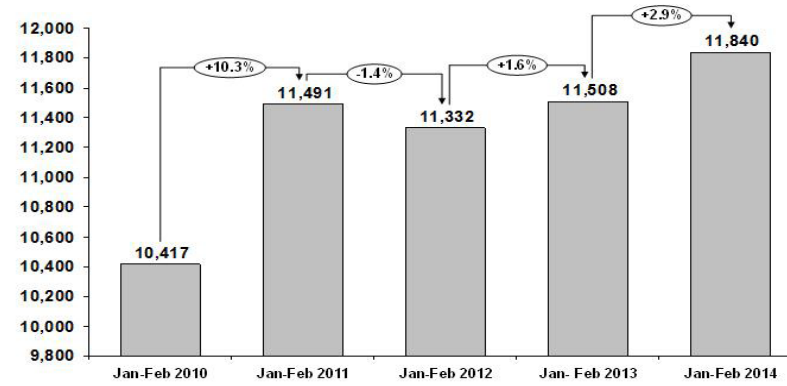


Value of Market Capitalization (in Millions USD; 2010-2014)



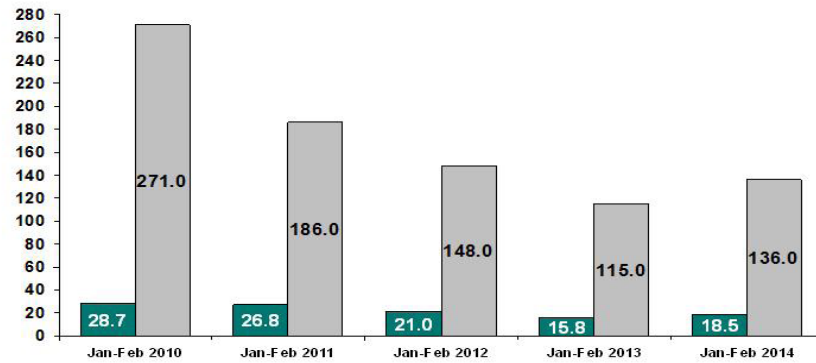
Source: Beirut Stock Exchange

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



Source: Banque de Liban

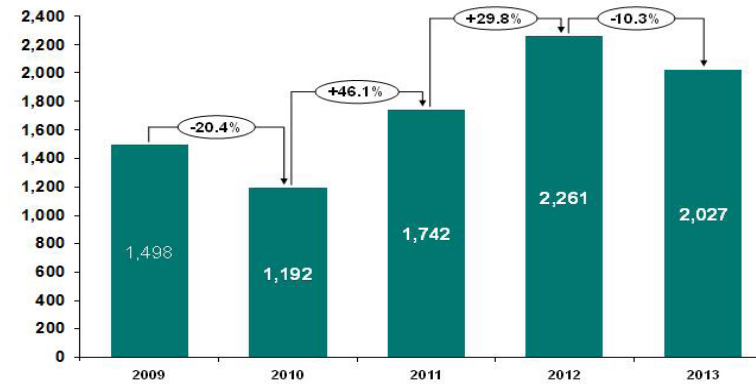
Evolution in Value and Number of Kafalat Loans (in Millions USD / Number of Loans; 2010-2014)



Source: Kafalat S.A.L

■ Value of Kafalat Loans
■ Number of Kafalat Loans

Evolution of EDL Transfers (in Millions of USD; 2009-2013)



Source: Banque de Liban



KEY ECONOMIC INDICATORS

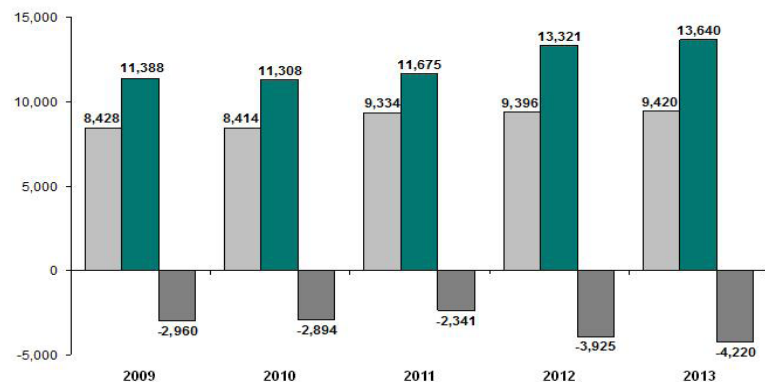
MARCH 2014 ISSUE

PUBLIC FINANCE [24]	Footnote	Period	2014	2013	2014/2013 %Δ	2012	2013/2012 %Δ	2011	2012/2011 %Δ	2010
Total Revenues (Million USD)	20	Jan-Dec		9,420		9,396	0.3%	9,334	0.7%	8,414
Total Expenditures (Million USD)	20	Jan-Dec		13,640		13,321	2.4%	11,675	14.1%	11,308
Fiscal Balance (Million USD)	20	Jan-Dec		(4,220)		(3,925)	7.5%	(2,341)	67.6%	(2,894)
Total Primary Balance (Million USD)	20	Jan-Dec		(240)		(110)	118.2%	1,661	-106.6%	1,231
Public Debt (Billions USD)	21	Jan-Feb	65.0	58.1	11.9%	54.0	7.7%	52.1	3.6%	52.0
Budget Revenues (Millions USD), of which:	20	Jan-Dec		8,879		8,937	-0.6%	8,858	0.9%	7,972
Tax Revenues, of which:	20	Jan-Dec		6,711		6,758	-0.7%	6,557	3.1%	6,617
Misc Tax Rev	20	Jan-Dec		3,093		3,091	0.1%	2,923	5.8%	2,641
Customs Rev	20	Jan-Dec		1,431		1,493	-4.2%	1,445	3.3%	1,859
VAT Rev	20	Jan-Dec		2,187		2,173	0.6%	2,189	-0.7%	2,118
Non Tax Rev	20	Jan-Dec		2,168		2,180	-0.5%	2,301	-5.3%	1,355
Budget Expenditures (Millions of USD), of which:	20	Jan-Dec		10,652		10,153	4.9%	10,628	-4.5%	10,074
General Expenditures, of which:	20	Jan-Dec		6,671		6,338	5.3%	6,626	-4.3%	5,950
EdL	20	Jan-Dec		2,027		2,261	-10.3%	1,742	29.8%	1,192
Interest Payments, of which:	20	Jan-Dec		3,790		3,620	4.7%	3,751	-3.5%	3,909
Lebanese Lira Interest Payments	20	Jan-Dec		2,216		2,211	0.2%	2,356	-6.2%	2,496
Foreign Currency Interest Payments	20	Jan-Dec		1,574		1,409	11.7%	1,395	1.0%	1,413
Principal Repayments	20	Jan-Dec		190		196	-3.1%	252	-22.1%	215
Treasury Revenues (Millions of USD)	20	Jan-Dec		541		458	18.1%	476	-3.8%	442
Treasury Expenditures (Millions of USD)	20	Jan-Dec		2,989		3,168	-5.7%	1,047	202.6%	1,234
Budget Expenditures (Millions of USD), of which:	22	Jan-Dec		12,573		12,281	2.4%	10,957	12.1%	10,236
Personnel Cost, of which:	22	Jan-Dec		4,294		4,460	-3.7%	3,670	21.5%	3,361
Salaries and Wages	22	Jan-Dec		2,837		2,925	-3.0%	2,533	15.5%	2,225
Retirement + End of Service	22	Jan-Dec		1,215		1,272	-4.5%	942	35.0%	923
Transfers to EdL	22	Jan-Dec		2,027		2,261	-10.3%	1,742	29.8%	1,192
Debt Service, of which:	22	Jan-Dec		3,981		3,816	4.3%	4,003	-4.7%	4,125
Lebanese Lira Interest Payments	22	Jan-Dec		2,216		2,211	0.2%	2,356	-6.2%	2,496
Foreign Currency Interest Payments	22	Jan-Dec		1,574		1,409	11.7%	1,395	1.0%	1,414
Capital Expenditures	22	Jan-Dec		655		504	30.0%	448	12.5%	466
Treasury Expenditures (Millions of USD)	22	Jan-Dec								

[20] Ministry of Finance- Fiscal Performance Sheet [21] Byblos Report Issue 350, [22] Public Finance Monitor



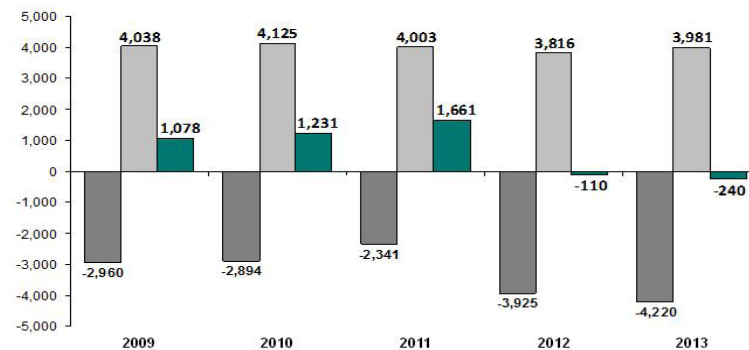
Evolution of Total Revenues, Expenditures and Fiscal Balance
(in Millions USD; 2009-2013)



Source: Ministry of Finance

Revenues Expenditures Fiscal Balance

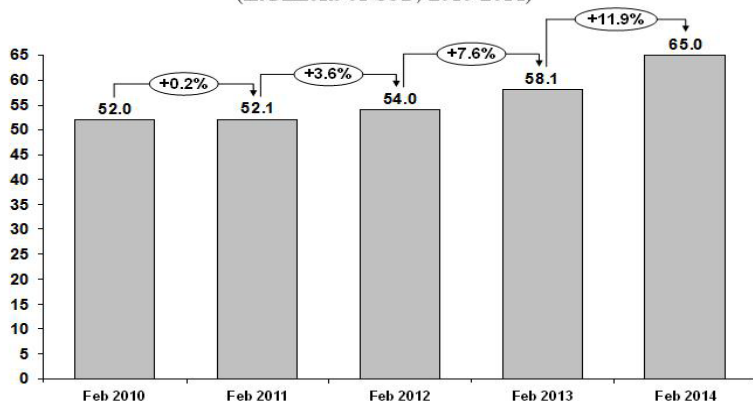
Evolution of the Fiscal Balance, Debt Servicing and Primary Balance
(in Millions USD; 2009-2013)



Source: Ministry of Finance

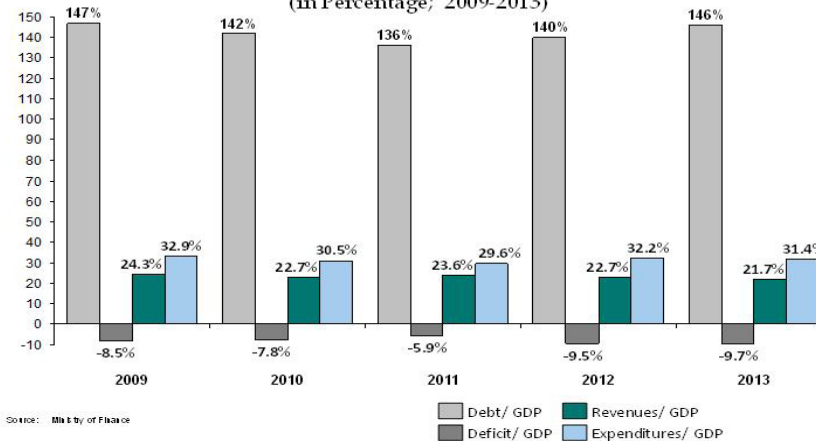
Fiscal Balance Debt Servicing Primary Balance

Evolution of Gross Public Debt
(in Billions of USD; 2010-2014)



Source: Banque de 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

