



Summary:

In 2017, economic activity improved moderately over the previous year as pointed the available and mixed real sector indicators, signaling another year of slow economic growth. The trade deficit widened with diminishing exports and rising imports and the overall balance of payments reported a mild deficit, which could have been significantly thanks to measures undertaken by the Central bank and depository institutions. Assets of banks expanded favorably though at a slower pace than before and interest rates and dollarization moved upwards following the temporary political unrest in the fourth quarter of the year. The growth in the public debt was almost equivalent to that recorded in 2016.

In this issue:

<i>Real sector</i>	<i>p2</i>
<i>External sector</i>	<i>p5</i>
<i>Financial sector</i>	<i>p6</i>
<i>Monetary developments</i>	<i>p8</i>
<i>Public finances</i>	<i>p9</i>
<i>Statistical appendix</i>	<i>p11</i>

Tables:

<i>General indicators of economic activities</i>	<i>p11</i>
<i>Total imports & exports by product</i>	<i>p12</i>
<i>Imports by origin</i>	<i>p12</i>
<i>Exports by destination</i>	<i>p12</i>
<i>Consolidated balance sheet of banks</i>	<i>p13</i>
<i>Money supply and Counterparts</i>	<i>p14</i>
<i>Outstanding public debt</i>	<i>p15</i>
<i>Treasury bills portfolio</i>	<i>p15</i>
<i>Interest rates</i>	<i>p16</i>
<i>Exchange rates</i>	<i>p16</i>

Charts:

<i>Indicative charts</i>	<i>p17</i>
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I- REAL SECTOR**1-Construction and Real Estate**

In December 2017,

Construction permits increased to 901,259 square meters (1,252 permits) compared to 715,497 square meters (1,182 permits) in the previous month but were behind the 903,923 square meters (1,401 permits) in December 2016. In 2017, construction permits diminished to 11,730,386 square meters (15,758 permits) or by 4.1 percent in respect of the preceding year.

Cement deliveries decreased to 427 thousand tons from 447 thousand tons a month earlier (297 thousand tons in December 2016). Cement deliveries dropped to 5,149 thousand tons in 2017 i.e. by 1.9 percent when compared to 2016.

Imports of bars and rods of iron retreated to 36,775 tons (USD 18.8 million) from 79,656 tons (USD 40.4 million) a month ago and 69,719 tons (USD 26.5 million) in December 2016. They attained, however, 585,909 tons (USD 285 million) in 2017, implying 119.6 percent more than the tonnage reported for the past year.

Collected real estate fees (property taxes) augmented to LBP 101.2 billion against LBP 95.6 billion in the preceding month (LBP 107.4 billion in December 2016). Collected fees soared in 2017 to LBP 1,019 billion i.e. by 18.1 percent with regard to the year 2016.

The number of property (real estate) sales operations rose to 7,083 from 6,182 operations a month earlier and 6,474 in December 2016. The total number of operations jumped in 2017 to 73,541 or by 14.5 percent with reference to the previous year.

The total value of property (real estate) sales increased to LBP 1,417.9 billion from LBP 1,294.9 billion one month earlier (LBP 1,496.8 billion in December 2016). The value of property sales climbed in 2017 to LBP 15,020 billion that is by 17.5 percent in respect of the year 2016.

The number of property (real estate) transactions advanced to 18,329 against 16,190 in the preceding month and 16,816 in December 2016. Thus, the number of transactions multiplied in 2017 to 199,155 transactions, i.e. by 15.3 percent when compared to the past year.

In the first eleven months of 2017,

Bank loans to the contracting and construction sector retreated by around LBP 20 billion (0.1 percent) to read LBP 17,394 billion at the end of the period following an increase of LBP 1,009 billion in the first eleven months of 2016.

2-Tourism

In December 2017,

The number of passengers arriving to Beirut International Airport increased to 333,273 (from 286,028) while those departing from BIA decreased to 293,270 (from 306,536) to total 626,543 persons (592,564 persons one month back). Arrivals and departures advanced in 2017 to 4,103,338 and 4,127,554 persons that is by 8.6 and 8.0 percent respectively when compared to those recorded in the year 2016.

The number of arriving tourists rose to 141,983 persons against 122,511 in the previous month and 141,537 in December 2016. The number of tourists progressed in 2017 to 1,856,795 individuals, which is equivalent to an increase of 10.0 percent in relation to the preceding year.

The total number of inbound and outbound aircrafts at the Beirut airport increased to 5,607 flights from 5,452 one month back and 5,538 in December 2016. The total number of landings and takeoffs went up to 71,171 in the year 2017 that is by 0.6 percent with reference to the year of 2016.

The number of VAT refund transactions by tourists decreased by 9.57 percent when compared to the same month of the previous year. **The spending by tourists in Lebanon** rose, however, by 1.90 percent when compared to December 2016.



In the first eleven months of 2017,

Bank loans to hotels, furnished apartments and restaurants increased by around LBP 96 billion (4.0 percent) to read LBP 2,486 billion at the end of the period compared to an increase of LBP 39 billion in the first eleven months of 2016.

3-Trade and ServicesIn December 2017,

The total value of checks cleared in the domestic and foreign currencies increased to USD 6,258 million (1,092 thousand checks) from USD 5,567 million (1,002 thousand checks) in the previous month and USD 5,759 million (1,026 thousand checks) in December 2016. Cleared checks, o/w 68.2 percent denominated in FC, rose in 2017 to USD 68,255 million that is by 0.3 percent when compared to the year 2016.

The total value of returned checks in the domestic and foreign currencies increased to USD 144 million (23,504 checks) from USD 118 million (20,315 checks) one month back and USD 117 million (19,660 checks) in December 2016. Yet, returned checks diminished in 2017 to USD 1,429 million i.e. by 2.1 percent with reference to the past year.

The number of ships that entered the Port of Beirut augmented to 166 ships from 163 a month earlier and 149 ships in December 2016. Yet, the total number of ships dropped in 2017 to 1,909 that is by 5.2 percent in respect of the year 2016.

The total weight of unloaded and shipped goods at the Port of Beirut recoiled to 706,116 tons (615,894 unloaded; 90,222 shipped) against 815,948 tons (718,161 unloaded; 97,787 shipped) a month earlier but exceeded the 670,549 tons (584,423 unloaded; 86,126 shipped) in December 2016. Unloaded and shipped goods declined in 2017 to 8,629,303 tons or by 1.2 percent with reference to the previous year.

The number of discharged containers at the Port of Beirut diminished to 24,012 containers against 25,183 in the previous month (23,400 containers in December 2016). Discharged containers increased, however, in

2017 to 288,536 containers or by 2.4 percent in relation to the preceding year.

The revenues of the Port of Beirut rose to USD 21.9 million from USD 20.5 million a month ago and 20.4 million in December 2016. Port Revenues slightly increased in 2017 to USD 240 million i.e. by 0.4 percent when compared to the previous year.

The tonnage of merchandise at the Beirut International Airport retreated to 8,565 tons (5,486 tons imports and 3,079 tons exports) against 8,918 tons (5,127 tons imports and 3,791 tons exports) in the preceding month and 7,406 tons (5,040 tons imports and 2,366 tons exports) in December 2016. Yet, merchandise activity at the Beirut airport improved considerably to 96,929 tons in 2017, which is equivalent to 14.3 percent improvement in respect of the past year.

In the first eleven months of 2017,

Bank loans to wholesale and retail trade grew by around LBP 1,932 billion (9.9 percent) to read LBP 21,468 billion at the end of the period compared to an expansion of LBP 1,270 billion in the first eleven months of 2016.

4-Industry and AgricultureIn December 2017,

Electricity production rose to 1,303 million of KWH against 1,121 million a month earlier and 1,156 million of KWH in December 2016. Electricity production multiplied in 2017 to 15,030 million of KWH, which is 14.5 percent improvement in respect of the previous year.

Imports of Gas oil recoiled to 415,614 tons (USD 229 million) from 563,443 tons (USD 281.6 million) a month earlier but still surpassed the 211,989 tons (USD 102.7 million) in December 2016. Imports of gas oil contracted in the year 2017 to 4,315,180 tons (USD 2,080 million) that is by 6.3 percent in relation to the past year.

Agricultural imports improved to USD 183.8 million against USD 171.2 million a month earlier and USD 167.1 million in December 2016. Agricultural imports advanced in 2017 to USD 1,864 i.e. by 9.2 percent with reference to the year 2016.



Agricultural exports rose to USD 18.1 million from USD 16.2 million one month back (USD 22.7 million in December 2016). Yet, agricultural exports declined in 2017 to USD 197 million that is by 2.9 percent in comparison with the previous year.

In November 2017,

Industrial exports declined to USD 205 million from USD 227 million a month earlier (USD 194 million in November 2016). They decreased in the first eleven months of 2017 to USD 2,255 million that is by 2.5 percent with reference to the identical 2016 period.

In the first eleven months of 2017,

Bank loans to the agricultural sector expanded by around LBP 5 billion (0.4 percent) to read LBP 1,151 billion at the end of the period compared to an increase of LBP 89 billion in the first eleven months of 2016.

Bank loans to the Industrial sector increased by LBP 541 billion (5.7 percent) to read LBP 10,058 billion at the end of the period compared to a growth of LBP 171 billion in the first eleven months of 2016.

Key Real Sector Indicators

	Dec-16	Nov-17	Dec-17
Checks cleared (total)			
Number (000)	1,026	1,002	1,092
Value (USD million)	5,759	5,567	6,258
Checks cleared in LBP			
Number (000)	377	396	421
Value (LBP billion)	2,833	2,834	3,213
Checks cleared in FX			
Number (000)	649	606	671
Value (USD million)	3,880	3,687	4,127
Returned checks			
Number (000)	19.7	20.3	23.5
Value (USD million)	117	118	144
Construction permits (000 square meters)			
	904	715	901
Cement deliveries (000 tons)			
	297	447	n.a.
Collected property taxes (LBP billion)			
	107.4	95.6	101.2
Passengers arrivals (000)			
	316	286	333
Passengers departures (000)			
	281	307	293
Agricultural exports (USD million)			
	23	16	18
Industrial exports (USD million)			
	216	n.a.	n.a.
Imports of industrial machinery (USD million)			
	17.9	n.a.	n.a.

Source: BDL, OEA, BIA, CLR, ministry of Industry, Lebanese Customs

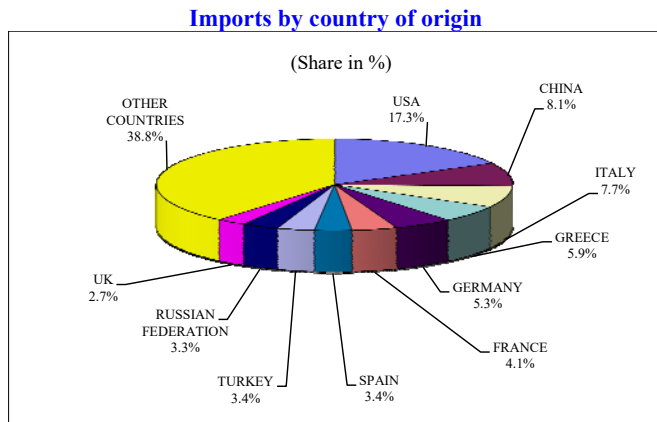


II- EXTERNAL SECTOR

In December 2017.

Imports of goods jumped to USD 5,826 million from USD 1,726 million in the previous month and USD 1,536 million in December 2016. It is important to note however that imports figure for the month of December 2017 includes a significant amount exceeding USD 4 billion related to the delay in registering customs declarations concerning special permits of fuel consignments (where almost 70% of American origin) received by EDL for the period extending from 20/11/2011 to 31/10/2017. As such, imports increased in 2017 by 23.7 percent with reference to previous year reflecting an inflated and inaccurate growth which should be when corrected around 1.3 percent.

In 2017, mineral products lead imported goods with a 33.9 percent share of total imports. They were followed by products of the chemical and machinery and mechanical appliances which accounted for 9.2 percent and 8.4 percent respectively. USA topped the list of imports by country of origin with a 17.3 percent share of total. China came next with a share of 8.1 percent followed by Italy (7.7 percent) and Greece (5.9 percent).



Source: Lebanese Customs

In November 2017,

Documentary letters of credits opened for imports decreased to LBP 522.2 billion (LBP 560.8 billion were actually used in that month) against LBP 670.9 billion a month earlier (LBP 510.6 billion used) and LBP 753.5 billion in November 2016 (LBP 741.7

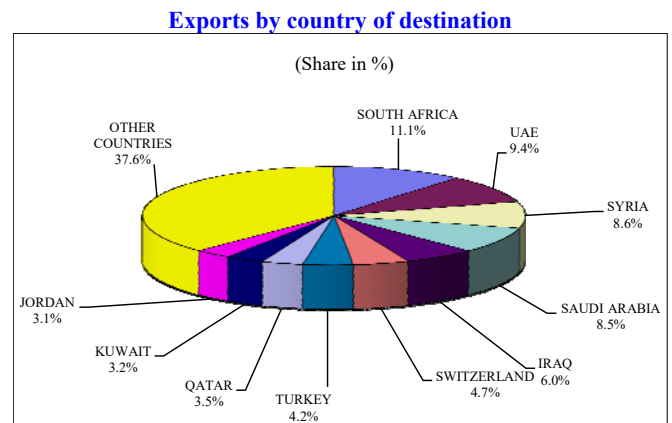
billion used). As such Documentary LCs opened and used accumulated to LBP 7,838 billion and LBP 8,053.4 billion respectively in the first eleven months of 2017, up by 5.8 percent and 12.5 percent consecutively from the amounts accrued during the same period of the previous year.

Inward bills for collection (imports) declined to LBP 129.4 billion from LBP 146.3 billion in the preceding month and LBP 168.3 billion in November 2016. Inward bills summed LBP 1,862.4 billion in the first eleven months of 2017 which is 12.9 percent more the amount reported for the first eleven months of 2016.

In December 2017,

Exports of goods increased to USD 251 million compared to USD 229 million one month back and USD 244 million in December 2016. Yet, exports diminished in 2017 by 4.5 percent in respect of the preceding year.

In 2017, pearls, precious and semi - precious stones were on top of the list with a share of 20.6 percent of total exports, followed by prepared foodstuffs (16.1 percent), and base metals (12.0 percent). South Africa outperformed all others in terms of exports by country of destination with 11.1 percent share of the total, trailed by UAE with a share of 9.4 percent followed by Syria (8.6 percent for each) and Saudi Arabia (8.5 percent).



Source: Lebanese Customs

In November 2017,

Documentary letters of credits opened for exports decreased to LBP 273.5 billion (LBP 320.7 billion



were actually used in that month) against LBP 391.8 billion a month earlier (LBP 378.7 billion used) but exceeded the LBP 209.1 billion in November 2016 (LBP 220.9 billion used). As such Documentary LCs opened and used accumulated to LBP 4,465.7 billion and LBP 3,741.9 billion respectively in the first eleven months of 2017, up by 98.5 percent and 55.4 percent consecutively from the amounts accrued during the same period of the previous year.

Outward bills for collection (exports) increased to LBP 152.5 billion from LBP 137.4 billion in the preceding month (LBP 270.8 billion in November 2016). Outward bills summed LBP 1,802.1 billion in the first eleven months of 2017 which is 15.8 percent less the amount reported for the first eleven months of 2016.

The trade deficit broadened according to released figures to USD 5,575 million from USD 1,497 million a month earlier and USD 1,292 million in December 2016. It widened in 2017 by 29.0 percent vis-à-vis the year of 2016 according to uncorrected data and by around 2.4 percent when corrected.

External Sector Indicators

USD million	Dec-16	Nov-17	Dec-17
Imports	1,536	1,726	5,826
Exports	244	229	249
Trade deficit	-1,292	-1,497	-5,577
Balance of payments	910	68	854
Gross foreign currency reserves	34,028	35,688	35,806

Source: *Lebanese Customs, BDL.*

The overall balance of payments reported a large surplus of USD 854 million following a surplus of USD 68 million in November 2017 (USD 910 million surplus in December 2016). Yet, a cumulative USD 156 million negative balance was recorded in the year 2017 and represented a decrease in net foreign assets of banks and financial institutions (USD -1,765 million) largely offset by an increase in net foreign assets of the central bank (USD +1,609 million).

Gross foreign currency reserves of the Central bank increased to USD 35,806 million compared to USD 35,688 million at the end of the previous month and USD 34,028 million end December 2016. The U.S. dollar average rate remained stable at LBP 1,507.5 with the Central bank maintaining its foreign exchange intervention rates at LBP 1,501 per one USD for bid and LBP 1,514 per one USD for ask.

III-FINANCIAL SECTOR

1. Commercial Banks

Total consolidated assets of commercial banks operating in Lebanon amounted to LBP 331,433 billion (USD 219.9 billion) at the end of December 2017, thus increasing by 7.6 percent from end December 2016 (9.9 percent increase in the year 2016).

Total deposits at commercial banks, including resident and non-resident private sector deposits and public sector deposits grew by 3.9 percent in 2017 and constituted 78.7 percent of total assets with an equivalent value of LBP 260,745 billion (around USD 173.0 billion) at the end of the period.

Commercial Banks Balance Sheet -Main items

End of period-LBP billion	Dec-16	Nov-17	Dec-17
Total Assets	307,999	325,934	331,433
Total deposits	250,918	257,788	260,745
Resident private sector	193,765	199,657	201,263
Non-resident private sector	51,196	51,808	52,998
Public sector deposits	5,956	6,323	6,484
Capital accounts	27,497	28,133	28,831
Total claims on the private sector	86,198	89,769	90,931
Resident private sector	76,943	80,551	81,667
Non-resident private sector	9,256	9,218	9,263
Total claims on public sector	52,344	49,539	48,163
Bills & Bonds in LBP	28,936	27,759	26,556
Bonds in FC	23,191	21,563	21,373
Claims on non resident banks	16,945	16,228	17,835
Other foreign assets	8,623	8,161	8,481
Deposits at the central bank	134,612	152,362	155,893

Source: *BDL.*

The breakdown of total deposits shows that private sector deposits denominated in LBP decreased by 5.0 percent from end December 2016, while those denominated in foreign currencies rose by 8.4 percent, thus deposit dollarization rate increased to 68.7 percent at end December 2017 (65.8 percent end December 2016). The itemization of total deposits reveals also a growth in public sector deposits (+8.9 percent), in resident private sector deposits (+3.9 percent) and in non-resident private sector deposits (+3.5 percent) in 2017.



Subsequently, resident private sector deposits accounted for 77.2 percent of total deposits at end December 2017 (20.3 percent for non-resident private sector and 2.5 percent for public sector deposits).

Total capital accounts amounted to LBP 28,831 billion (USD 19,125 million) at the end of December 2017 and represented around 8.7 percent of total assets. Capital accounts increased by 4.9 percent from end December 2016 (9.4 percent increase in the year 2016).

Total claims on the resident and non-resident private sector expanded by 5.5 percent in 2017, reaching LBP 90,931 billion at the end of December 2017. The dollarization rate of these loans was 70.9 percent at the end of the stated month, and the ratio of total loans to total deposits attained 35.8 percent.

Total claims on the public sector were equivalent to LBP 48,163 billion at the end of December 2017, thus decreasing by 8.0 percent from end December 2016. Commercial banks held at the end of the stated month LBP 26,556 billion of Lebanese treasury bills (36.5 percent of the total portfolio in circulation) and USD 14,178 million of Eurobonds (nearly 50.5 percent of the total outstanding portfolio).

Deposits at the Central Bank increased in 2017 by 15.8 percent to total LBP 155,893 billion at the end of December 2017, meanwhile claims on non-resident banks increased by 5.3 percent to LBP 17,835 billion (USD 11.8 billion) to represent 10.2 percent of private sector deposits in foreign currencies.

2. Investment Banks

Total consolidated assets of investment banks operating in Lebanon (including medium and long term credit banks) amounted to LBP 7,807 billion (around USD 5.2 billion) at the end of December 2017, thus increasing by 10.0 percent from end December 2016 (3.3 percent increase in 2016).

In the year 2017, capital accounts rose by 14.6 percent and private sector deposits (resident & non-resident) by 0.7 percent. Cash and banks increased by 1.3 percent, claims on private sector by 17.4 percent and claims on the public sector by 17.7 percent.

3. Financial Markets

The total number of shares traded on the Beirut Stock Exchange jumped to 11,929 thousand shares with a traded value of USD 116.2 million in December 2017 compared to 3,451 thousand shares with a traded value of USD 43.6 million in the previous month (17,812 thousand shares with a value of USD 121.4 million in December 2016).

During December 2017, the traded value by economic sectors was as such: 62.1 percent for Banking, 32.5 percent for Development and Reconstruction and 5.4 percent for Industrial.

Capital Markets

	Dec-16	Nov-17	Dec-17
BSE			
Traded shares (ooo)	17,812	3,451	11,929
Traded value (USD million)	121.4	43.6	116.2
Market capitalization (USD million)	11,903	10,872	11,473
Outstanding treasury bills (LBP billion)	69,347	72,383	72,812
Outstanding sovereign Eurobonds (USD million)	25,726	27,894	27,767
Outstanding private sector (banks) securities (USD million)	850	850	350

Source: BDL, BSE

The market capitalization of listed shares increased to USD 11,473 million at the end of December 2017, compared to USD 10,872 million at the end of the previous month (USD 11,903 million at the end of December 2016). Banking had a 85.6 percent weight, whereas Development and Construction 11.5 percent.

The face value of the outstanding treasury bills portfolio denominated in the domestic currency and **the value of the outstanding sovereign bonds portfolio** denominated in foreign currencies (**Eurobonds**) amounted to LBP 72,812 billion and USD 27,767 million respectively at the end of December 2017.

The outstanding value of bank-issued certificates of deposits, Euro-CDs, and subordinated debt amounted to USD 350 million at the end of December 2017. **The outstanding value of the certificates of deposits issued by BDL** in the domestic currency increased to LBP 35,865 billion and those issued in foreign currencies increased a little to USD 23.2 billion.



IV- MONETARY DEVELOPMENTS

The stock of money and quasi money (M3) attained LBP 208,613 billion at the end of December 2017, of which 62.1 percent denominated in foreign currencies, thus increasing by 4.2 percent from end December 2016 (7.4 percent increase in the year 2016).

Money Supply & Counterparts

LBP billion	Dec-16	Nov-17	Dec-17
M3	200,192	206,519	208,613
Net foreign assets	49,712	47,967	49,166
Net claims on public sector	76,778	77,471	78,246
Valuation Adjustment	-7,707	-9,672	-9,726
Claims on private sector	80,188	83,973	85,189
Other items-net	1,222	6,781	5,737
CAS CPI (Dec 2013=100)	98.93	103.03	103.89

Source: BDL, CAS.

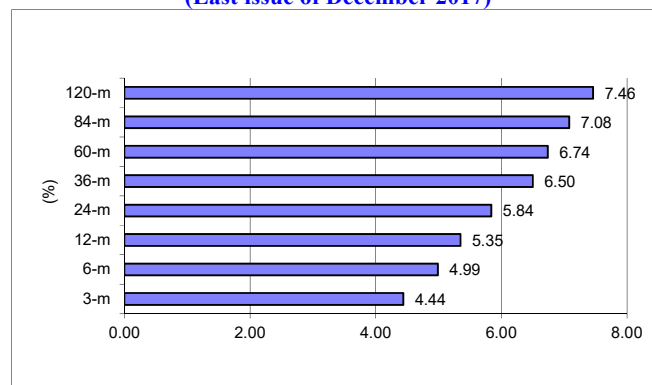
The LBP 8,420 billion increase in M3 in 2017 resulted from an increase in each of claims on the private sector (+LBP 5,001 billion), net other items (+LBP 4,515 billion), and net claims on public sector (+LBP 1,469 billion) against a drop in valuation adjustment (-LBP 2,018 billion) and in net foreign assets (-LBP 546 billion).

The Consumer Price Index (CPI) for Beirut and Suburbs, published by the Consultation and Research Institute, stood almost unchanged (+0.05 percent) in the month of December 2017 compared to the previous month but increased by 2.36 percent from December 2016.

The Consumer Price Index (CPI) for Lebanon, published by the Central Administration of Statistics, increased by 0.8 percent in December 2017 and by 5.0 percent from December 2016.

The interest rates on LBP monetary instruments were stable at the end of December 2017 on 45 and 60-day certificates of deposits issued by BDL reading 3.57 percent and 3.85 percent respectively. The yields on the issued Lebanese Treasury bills in LBP also remained steady and read at the end of the stated month: 4.44 percent for three-month bills, 4.99 percent for six-month bills, 5.35 percent for one-year bills, 5.84 percent for two-year bills, 6.50 percent for three-year bills, 6.74 percent for five-year bills, 7.08 percent for seven-year bills and 7.46 percent for ten-year bills.

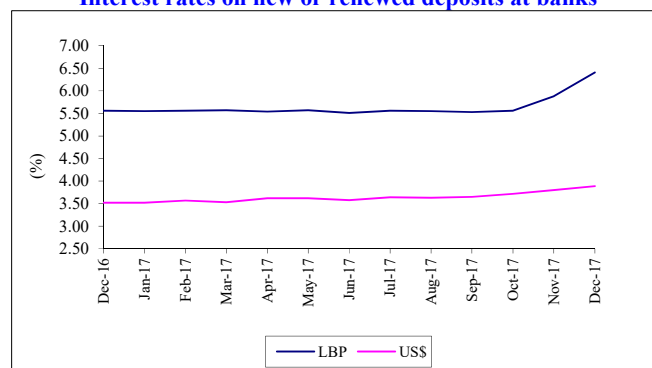
Yield on Lebanese treasury bills denominated in LBP
(Last issue of December 2017)



Source: BDL

In December 2017, the average interest rate on new or renewed LBP and USD deposits at commercial banks increased to 6.41 percent (5.88 percent a month ago) and 3.89 percent (3.80 percent in November 2017) respectively. The average 3-month USD LIBOR was 1.60 percent.

Interest rates on new or renewed deposits at banks



In December 2017, the average interest rate on new or renewed loans at commercial banks denominated in LBP and USD increased to 8.09 percent (7.98 percent a month ago) and 7.67 percent (7.32 percent in November 2017) respectively.



V- PUBLIC FINANCES

Government revenues, including budget revenues and treasury receipts attained LBP 1,830 billion in October 2017 to sum LBP 14,501 billion in the first ten months of 2017 (LBP 12,750 billion in the first ten months of 2016). The LBP 14,501 billion revenues comprised LBP 13,496 billion budget revenues and LBP 1,005 billion treasury receipts.

Government expenditures, consisting of budget and treasury spending, amounted to LBP 2,572 billion in October 2017 to total LBP 18,263 billion in the first ten months of 2017 (LBP 17,765 billion in the first ten months of 2016). The LBP 18,263 billion expenditures included LBP 6,139 billion debt service and LBP 12,124 billion other general expenditures o/w LBP 1,627 billion to EDL and LBP 1,176 billion related to budget expenditures for previous years.

Fiscal Situation

LBP billion	Oct-16	Sep-17	Oct-17
Government revenues	1,406	822	1,830
Tax revenues	1,107	547	1,273
Non-tax revenues	252	150	416
Treasury receipts	47	125	141
Government expenditures	1,673	1,750	2,572
Debt service	672	762	663
Others	1,001	988	1,909
Overall balance	-267	-928	-742
Primary balance	405	-166	-79

Source: Ministry of Finance.

Total Deficit decreased as such to LBP 3,762 billion in the first ten months of 2017 from LBP 5,015 billion in the first ten months of 2016, and the primary balance reported an LBP 2,376 billion surplus compared to an LBP 861 billion surplus respectively.

Gross public debt amounted to LBP 119,876 billion (the equivalent of USD 79.5 billion) at the end of December 2017, thus increasing by 6.2 percent when compared to end December 2016 (6.5 percent growth in 2016).

Net public debt, which subtracts public sector deposits at commercial banks and the central bank from gross public debt, amounted to LBP 104,500 billion at the end of December 2017, increasing by 5.9 percent from end of December 2016 (6.3 percent growth in 2016).

Public Debt

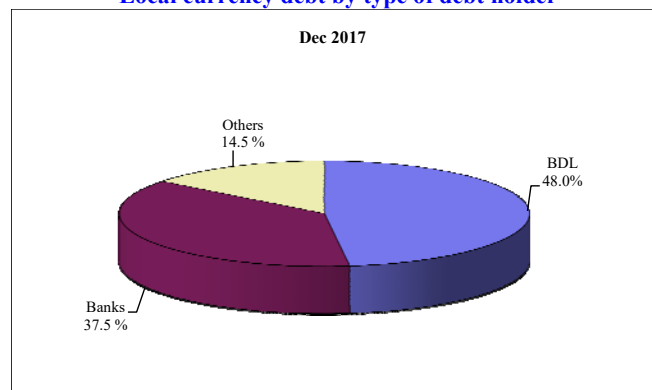
LBP billion	Dec-16	Nov-17	Dec-17
Public Debt (Gross)	112,910	119,656	119,876
Debt in LBP	70,528	73,764	74,077
Debt in FC	42,382	45,892	45,799
Public Debt (Net)	98,642	105,200	104,500
Public sector deposits	14,268	14,456	15,376
Commercial Banks	5,956	6,323	6,484
BDL	8,312	8,133	8,892

Source: BDL.

The shares of the local currency debt and foreign currency debt of the total gross were around 61.8 percent and 38.2 percent respectively at the end of December 2017. The distribution of local currency debt by type of holder was as follows: 37.5 percent for banks (38.8 percent end of November 2017), 48.0 percent for the Central bank (46.2 percent in the previous month) and 14.5 percent for the non-banking sector (15.0 percent one month earlier). The breakdown of the foreign currency debt was as such: Eurobonds (92.4 percent), Multilateral (4.4 percent), Bilateral (2.9 percent) and others (0.3 percent).

The average maturity of the Government debt securities denominated in the domestic currency is estimated at 1,420 days (3.90 years) as at end December 2017 with a weighted interest of 6.65 percent, while the average maturity of the Government debt instruments denominated in foreign currencies is around 7.07 years with a weighted interest of 6.49 percent.

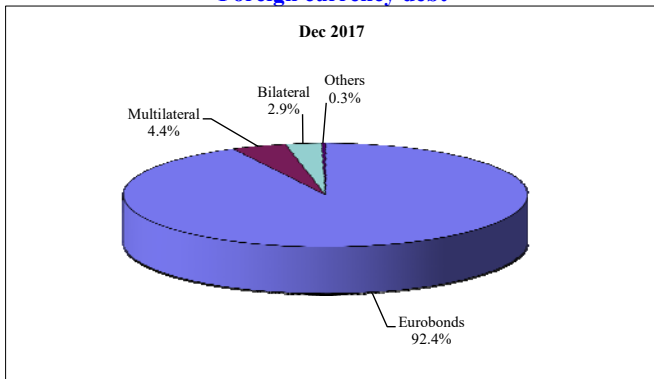
Local currency debt by type of debt holder



Source: BDL.

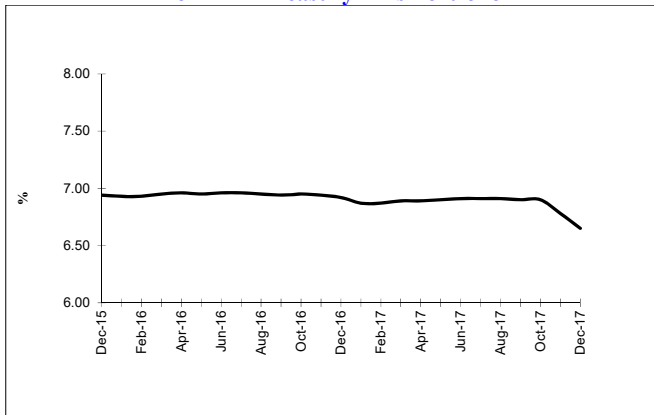


Foreign currency debt

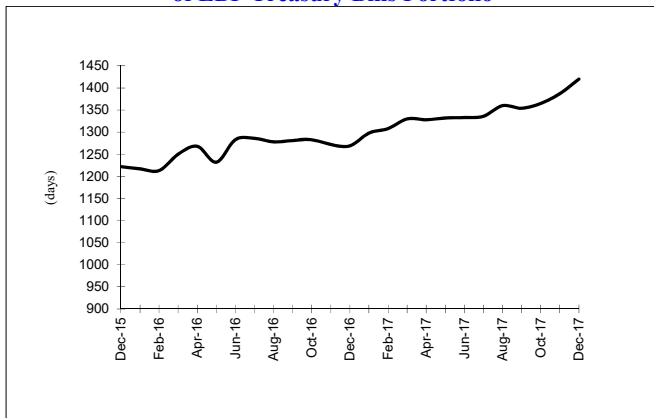


Source: BDL.

Weighted Average Interest Rate on LBP Treasury Bills Portfolio



Weighted Average Life of LBP Treasury Bills Portfolio



GENERAL INDICATORS OF ECONOMIC ACTIVITIES

	Jan - Dec 2016	Jan - Dec 2017	Dec-16	Nov-17	Dec-17
Imports of Industrial Equipment (000's US\$)	235,513	n.a.	17,888	17,646	n.a
Building Permits (000's m2)	12,234	11,730	904	715	901
Cement Delivery (000s' tons)	5,247	n.a.	297	447	n.a.
Checks Cleared in LBP (billion LBP)	29,986	32,678	2,833	2,834	3,213
Checks Cleared in FC (million US\$)	48,160	46,578	3,880	3,687	4,127
Shipped Goods (tons)-Beirut Port	1,035,992	1,080,146	86,126	97,787	90,222
Unloaded Goods (tons)-Beirut Port	7,700,609	7,549,157	584,423	718,161	615,894
Passengers Arrivals (000's)-BIA	3,780	4,103	316	286	333
Passengers Departures (000's)-BIA	3,822	4,128	281	307	293
Total exports of goods (million USD)	2,977	2,844	244	229	251
Total imports of goods (million USD)*	18,705	23,130	1,536	1,726	5,826
Balance of Trade (million USD)*	-15,728	-20,286	-1,292	-1,497	-5,575
Changes of Net Foreign Assets in the banking system (million USD)	1,238	-156	910	68	854
Gross Foreign Currency Reserves (End of period-million USD)	-	-	34,028	35,688	35,806
Consumer Price Index (End of period)	-	-	98.93	103.03	103.89

Sources: BDL, Lebanese Customs, Consultation & Research Institute, Order of engineers, Beirut International Airport, Port of Beirut, Ministry of Industry.

* Import figures for the month of **December 2017** show a significant increase exceeding LBP 6,000 billion due to the delay in registering Customs Declarations rectifying special permits of fuel consignments (2710.19.30) where almost 70% of American origin received by EDL for the period extending from 20/11/2011 to 31/10/2017.



TOTAL IMPORTS & EXPORTS BY PRODUCT
(Million US Dollars)

Goods	Imports			Exports		
	Jan - Dec	Jan - Dec	Jan - Dec	Jan - Dec	Jan - Dec	Jan - Dec
	2015	2016	2017*	2015	2016	2017
1- Live animals, animal products	908	837	885	32	14	19
2- Vegetable products	910	869	980	184	189	179
3- Fats & edible fats & oils	164	158	164	34	39	36
4- Prepared foodstuffs	1,359	1,408	1,375	483	446	458
5- Mineral products	3,439	3,745	7,849	31	19	48
6- Products of the chemical	1,945	2,030	2,135	411	304	320
7- Plastics & articles thereof	758	730	773	129	133	150
8- Raw hides & skins, leather, furskins	81	74	72	16	12	11
9- Wood & articles of wood	238	229	222	13	13	11
10- Paper & paperboard & articles thereof	319	317	300	158	133	142
11- Textiles & textile articles	819	791	787	106	85	67
12- Footwear, headgear, prepared feathers	160	153	146	17	12	10
13- Articles of stone, plaster, cement	427	467	486	27	22	21
14- Pearls, precious or semi-precious stones	822	1,255	996	434	828	586
15- Base metals & articles of base metal	1,159	1,174	1,277	314	253	340
16- Machinery & mechanical appliances	1,993	1,879	1,934	414	334	317
17-Transport equipment	1,758	1,773	1,883	23	18	22
18- Optical instruments & apparatus	331	331	352	17	19	18
19- Arms & ammunition	24	16	16	0	1	1
20- Miscellaneous manufactured articles	430	450	478	104	93	80
21- Works of art	28	19	21	7	8	8
Total	18,069	18,705	23,130	2,952	2,977	2,844

Source: Lebanese Customs.

IMPORTS BY ORIGIN
(Million US Dollars)

	Jan - Dec	Share	Jan - Dec	Share
	2016	%	2017*	%
USA	1,184	6.3	4,004	17.3
CHINA	2,094	11.2	1,879	8.1
ITALY	1,409	7.5	1,770	7.7
GREECE	1,074	5.7	1,373	5.9
GERMANY	1,161	6.2	1,229	5.3
FRANCE	716	3.8	946	4.1
SPAIN	480	2.6	783	3.4
TURKEY	665	3.6	777	3.4
RUSSIAN FEDERATION	719	3.8	771	3.3
UK	441	2.4	614	2.7
OTHER COUNTRIES	8,762	46.8	8,984	38.8
TOTAL IMPORTS	18,705	100.0	23,130	100.0

Source: Lebanese Customs.

* Import figures for the month of **December 2017** show a significant increase exceeding LBP 6,000 billion due to the delay in registering Customs Declarations rectifying special permits of fuel consignments (2710.19.30) where almost 70% of American origin received by EDL for the period extending from 20/11/2011 to 31/10/2017.

EXPORTS BY DESTINATION
(Million US Dollars)

	Jan - Dec	Share	Jan - Dec	Share
	2016	%	2017	%
SOUTH AFRICA	628	21.1	315	11.1
UAE	239	8.0	266	9.4
SYRIA	199	6.7	246	8.6
SAUDI ARABIA	267	9.0	243	8.5
IRAQ	162	5.4	172	6.0
SWITZERLAND	94	3.2	134	4.7
TURKEY	72	2.4	120	4.2
QATAR	76	2.6	99	3.5
KUWAIT	76	2.6	92	3.2
JORDAN	100	3.4	89	3.1
OTHER COUNTRIES	1,064	35.7	1,068	37.6
TOTAL EXPORTS	2,977	100.0	2,844	100.0

Source: Lebanese Customs.



THE CONSOLIDATED BALANCE SHEET OF COMMERCIAL BANKS OPERATING IN LEBANON
(End of Period - Billion LBP)

	2015	2016		2017	
	Dec	Dec	Oct	Nov	Dec
ASSETS					
Reserves	107,021	135,305	152,625	153,224	156,667
-Cash	693	693	844	862	774
-Deposits at the Central Bank	106,329	134,612	151,781	152,362	155,893
Claims on the Private Sector	72,427	76,943	80,209	80,551	81,667
-Claims denominated in Lebanese Pound	20,573	23,607	26,650	26,721	26,415
-Claims denominated in Foreign Currencies	51,854	53,335	53,559	53,830	55,252
Claims on the Public Sector	56,984	52,344	50,280	49,539	48,163
o/w -Treasury Bills in Lebanese Pound	30,243	28,936	27,947	27,759	26,556
-Treasury Bills in Foreign Currencies	26,600	23,191	22,117	21,563	21,373
Foreign Assets	35,870	34,824	33,314	33,607	35,579
-Claims on Non-Resident Private Sector	9,316	9,256	8,923	9,218	9,263
-Claims on Non-Resident Banks	17,422	16,945	16,191	16,228	17,835
-Other Foreign Assets	9,132	8,623	8,200	8,161	8,481
Fixed Assets	7,361	7,857	8,047	8,178	8,643
Unclassified Assets	716	726	829	834	713
TOTAL ASSETS	280,379	307,999	325,303	325,934	331,433
LIABILITIES					
Liabilities to the Private Sector	180,489	193,765	201,858	199,657	201,263
-Demand Deposits in Lebanese Pound	4,907	5,437	5,550	5,580	5,629
-Other Deposits in Lebanese Pound	68,678	71,467	71,617	67,220	67,471
-Deposits in Foreign Currencies	106,904	116,861	124,691	126,857	128,164
Liabilities to the Public Sector	5,074	5,956	6,201	6,323	6,484
Deposits of Non-Residents	48,026	51,196	53,514	51,808	52,998
-Denominated in Lebanese Pound	6,680	6,827	6,419	6,376	6,440
-Denominated in Foreign Currencies	41,346	44,369	47,095	45,432	46,558
Liabilities to Non-Resident Banks	9,864	9,467	11,236	11,560	11,278
Bonds	412	408	416	427	416
Capital Base	25,131	27,497	28,117	28,133	28,831
-Core Capital	23,300	25,660	26,292	26,307	26,955
-Supplementary Capital	1,831	1,838	1,825	1,826	1,876
Unclassified Liabilities	11,383	19,708	23,961	28,027	30,163
TOTAL LIABILITIES	280,379	307,999	325,303	325,934	331,433

Source: BDL.



MONEY SUPPLY AND COUNTERPARTS
(End of Period - Billion LBP)

	2015	2016	2017		
	Dec	Dec	Oct	Nov	Dec
Money Supply					
Currency in circulation	4,014	4,592	4,569	4,485	4,889
+ Demand Deposits in LBP	5,029	5,567	5,681	5,726	5,766
= M1	9,042	10,159	10,250	10,211	10,655
+ Other Deposits in LBP	69,578	72,269	72,774	68,126	68,458
= M2	78,620	82,428	83,024	78,337	79,113
+ Deposits in Foreign Currencies	107,475	117,499	125,755	127,896	129,223
+ Bonds	265	266	280	287	276
= M3	186,360	200,192	209,058	206,519	208,613
+ Treasury Bills Held by the Public	11,009	10,797	11,047	11,100	10,741
= M4	197,369	210,989	220,105	217,619	219,354
Counterparts of the Money Supply					
Net Foreign Assets	46,608	49,712	50,489	47,967	49,166
o/w Gold	14,846	16,138	17,706	18,000	18,033
Net Claims on the Public Sector	70,688	76,778	76,695	77,471	78,246
Valuation Adjustment	-6,401	-7,707	-9,364	-9,672	-9,726
Claims on the Private Sector	75,695	80,188	84,389	83,973	85,189
Claims in LBP	21,733	24,918	28,349	28,515	28,277
Claims in FC	53,961	55,270	56,040	55,458	56,913
Other Items (Net)	-229	1,222	6,850	6,781	5,737
TOTAL	186,360	200,192	209,058	206,519	208,613

Source: BDL.



OUTSTANDING PUBLIC DEBT BY TYPE OF HOLDER
(End of Period - Billion LBP)
(Actual Value*)

Year And Month	Total Debt	Local Currency Debt				Foreign Currency Debt					
		Central				Total	IDI**	FG+	Paris II		Total
		Bank	Banks	Others ⁽¹⁾	loans				Others ⁽²⁾		
2015	Dec	106,031	23,907	30,279	11,009	65,195	1,515	1,585	83	37,653	40,836
2016	Dec	112,910	30,150	29,581	10,797	70,528	1,577	1,395	48	39,362	42,382
2017	Jan	114,846	30,038	31,704	10,590	72,332	1,571	1,412	49	39,482	42,514
	Feb	114,801	28,915	32,202	10,919	72,036	1,752	1,408	32	39,573	42,765
	Mar	116,359	27,936	32,399	10,964	71,299	1,777	1,412	32	41,839	45,060
	Apr	115,980	27,984	32,183	10,756	70,923	1,823	1,396	33	41,805	45,057
	May	115,663	27,767	32,420	10,732	70,919	1,874	1,353	33	41,484	44,744
	Jun	115,278	29,366	30,264	10,925	70,555	1,934	1,363	34	41,392	44,723
	Jul	115,923	32,582	27,495	11,027	71,104	1,931	1,377	35	41,476	44,819
	Aug	116,518	34,132	26,489	10,933	71,554	1,958	1,398	18	41,590	44,964
	Sep	117,820	34,432	27,132	11,292	72,856	1,999	1,390	18	41,557	44,964
	Oct	118,306	34,945	28,602	11,047	74,594	2,004	1,356	17	40,335	43,712
	Nov	119,656	34,077	28,587	11,100	73,764	2,010	1,316	18	42,548	45,892
	Dec	119,876	35,580	27,756	10,741	74,077	2,007	1,318	18	42,456	45,799

Source :BDL.

* The figures are equal to the principal paid plus the interests due.

** IDI : International Development Institutions.

+ FG : Foreign Governments.

(1) Include: public TB's, public entities TB's and financial institutions TB's.

(2) Include: Eurobonds holders (banks, non banks, residents and non residents), foreign private sector loans and special TB's in FC (expropriation bonds).

TREASURY BILLS PORTFOLIO IN LBP
(Face value, Billion LBP)

Year And Month	In Circulation End of period	Issue	Reimbursement	Weighted	Weighted	
				Average Life (days)	Average Interest (%)	
2015	Dec	64,112	905	958	1,222	6.94
2016	Dec	69,347	1,900	1,051	1,269	6.92
2017	Jan	71,034	3,109	1,422	1,298	6.87
	Feb	70,716	1,670	1,988	1,308	6.87
	Mar	70,067	1,964	2,613	1,330	6.89
	Apr	69,605	916	1,378	1,328	6.89
	May	69,498	1,318	1,425	1,332	6.90
	Jun	69,398	1,426	1,526	1,333	6.91
	Jul	69,937	1,894	1,355	1,336	6.91
	Aug	70,354	2,803	2,386	1,360	6.91
	Sep	71,619	2,360	1,095	1,354	6.90
	Oct	73,223	3,025	1,421	1,365	6.90
	Nov	72,383	3,599	4,438	1,387	6.78
	Dec	72,812	3,247	2,818	1,420	6.65

Source:BDL.



AVERAGE INTEREST RATES

Year And Month	Average Lending **		Average Deposit		Inter Bank Rate *	3m Libor S	Interest rates on TBs (last issue)									
	Rate on Funds in		Rate on Funds in				3-m	6-m	12-m	24-m	36-m	60-m	84-m	96-m	120-m	144-m
	LBP	US\$	LBP	US\$												
2015	Dec	7.45	7.06	5.56	3.17	3.03	0.54	4.39	4.87	5.08	5.76	6.40	6.63			7.33
2016	Dec	8.23	7.35	5.56	3.52	3.00	0.98	4.39	4.87	5.08	5.76	6.40	4.94	6.96		7.33
2017	Jan	8.47	7.26	5.55	3.52	3.03	1.03	4.39	4.87	5.08	5.76	6.40	4.94	6.96		7.33
	Feb	8.37	7.14	5.56	3.57	3.00	1.05	4.39	4.87	5.08	5.76	6.40	6.63	6.96		7.33
	Mar	8.43	7.32	5.57	3.53	3.00	1.14	4.39	4.87	5.08	5.76	6.40	6.63	6.96		7.33
	Apr	8.33	7.22	5.54	3.62	3.13	1.16	4.39	4.87	5.08	5.76	6.40	6.63	6.96		7.33
	May	8.48	7.36	5.57	3.62	3.00	1.19	4.39	4.87	5.08	5.76	6.40	6.63	6.96		7.33
	Jun	8.39	7.27	5.51	3.58	4.26	1.26	4.39	4.87	5.08	5.76	6.40	6.63	6.96		7.33
	Jul	8.33	7.25	5.56	3.64	3.94	1.31	4.39	4.87	5.08	5.76	6.40	6.63	6.96		7.33
	Aug	8.10	7.29	5.55	3.63	4.24	1.31	4.39	4.87	5.08	5.76	6.40	6.63	6.96		7.33
	Sep	8.31	7.53	5.53	3.65	4.00	1.32	4.39	4.87	5.08	5.76	6.40	6.63	6.96		7.33
	Oct	8.24	7.39	5.56	3.72	4.29	1.36	4.39	4.87	5.08	5.76	6.40	6.63	6.96		7.33
	Nov	7.98	7.32	5.88	3.80	69.06	1.43	4.39	4.87	5.08	5.76	6.40	6.63	6.96		7.33
	Dec	8.09	7.67	6.41	3.89	35.93	1.60	4.39	4.87	5.08	5.76	6.40	6.63	6.96		7.33

Sources: BDL, Société Financière du Liban s.a.l.

* On Funds in LBP, weighted by daily volume.

** Starting January 2016, lending rates are calculated according to intermediary circular No 389.

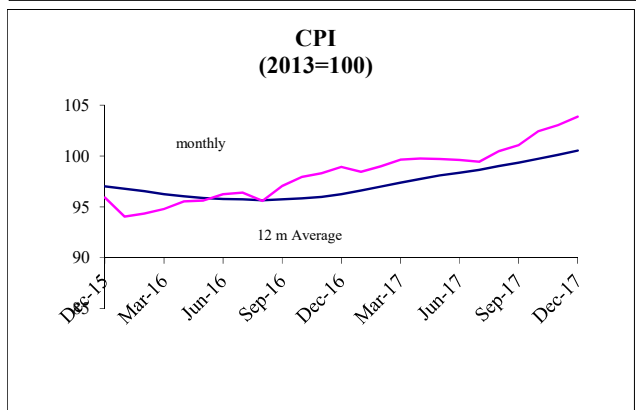
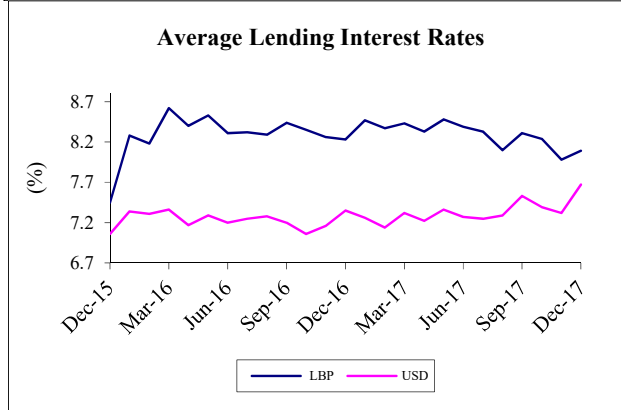
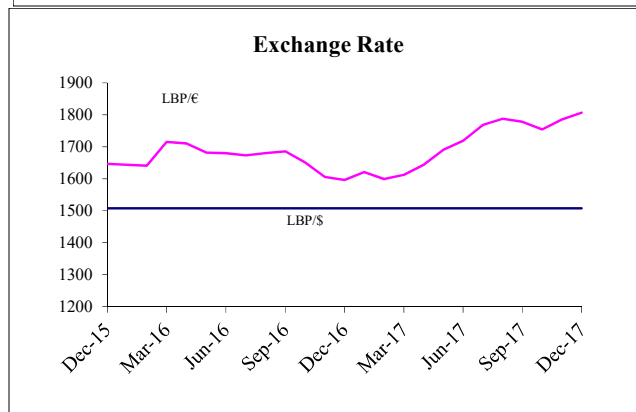
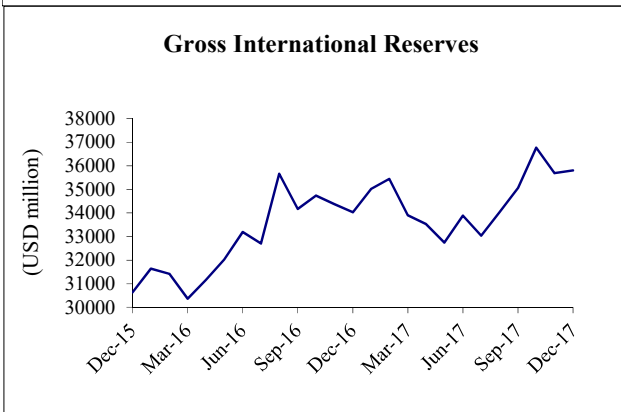
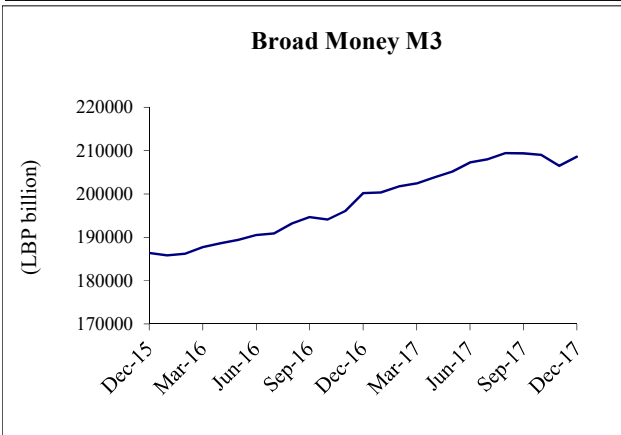
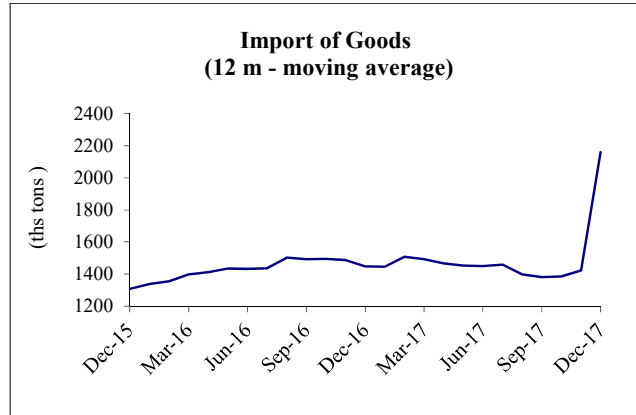
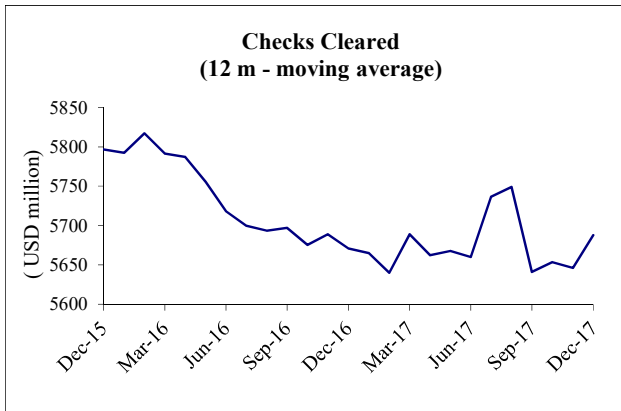
END OF PERIOD EXCHANGE RATES
(LBP per other currencies)

Year and Month	US Dollar	Swiss Franc	British Pound	Japanese Yen	Euro	
2015	Dec	1,507.50	1,520.88	2,232.46	12.51	1,646.64
2016	Dec	1,507.50	1,485.81	1,856.03	12.90	1,596.29
2017	Jan	1,507.50	1,518.43	1,878.80	13.28	1,620.41
	Feb	1,507.50	1,500.75	1,875.33	13.43	1,598.55
	Mar	1,507.50	1,507.20	1,878.50	13.48	1,612.12
	Apr	1,507.50	1,518.13	1,949.80	13.55	1,643.78
	May	1,507.50	1,552.36	1,935.33	13.60	1,690.51
	Jun	1,507.50	1,572.77	1,957.19	13.47	1,719.00
	Jul	1,507.50	1,553.16	1,978.44	13.63	1,768.75
	Aug	1,507.50	1,562.01	1,941.51	13.63	1,787.90
	Sep	1,507.50	1,552.52	2,015.98	13.40	1,777.49
	Oct	1,507.50	1,510.22	1,992.92	13.30	1,754.58
	Nov	1,507.50	1,531.39	2,020.80	13.51	1,785.48
	Dec	1,507.50	1,545.04	2,035.58	13.39	1,806.59

Source: BDL.



Indicative Charts



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