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MARKETS RECOUP LOSSES, OUTLOOK HINGES ON POLITICAL DEVELOPMENTS

- **Real GDP growth may slow to 1.8% in 2018 - IIF**
- **BdL's Coincident Indicator grew by 5.4% yoy through September**
- **Oil and gas sector offers glimmer of hope in the medium-term**

The fallout from Prime Minister Hariri's resignation announcement in early November appears to be contained, but the impact will likely continue to be felt throughout the Lebanese economy in coming months. The Institute of International Finance lowered in November its projections for real GDP growth in Lebanon to 1.8% in 2018, down from an earlier forecast of 2.9%, citing political developments at the time. The IIF, however, noted that the current geopolitical environment, after the defeat of ISIS in Syria and Iraq, may be more favorable to the Lebanese economy.

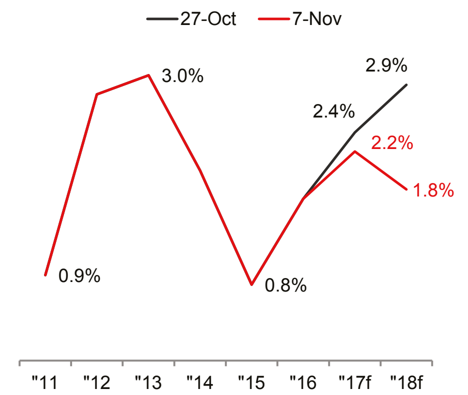
Indeed, real economic activity had been gathering momentum before the political crisis in November. The Central Bank's Coincident Indicator, a composite index of main economic indicators, grew by 5.4% yoy in the first nine months of 2017, its fastest pace since 2010.

In particular, the tourism sector made considerable gains in the first 10 months of the year, buoyed by stable security and revitalized government institutions. Hotel occupancy rates at Beirut's 4 and 5-star hotels increased by 6.8% yoy to an average of 64.4% through October 2017, and revenues per available room grew by 20.7% yoy to $96.7 over the same period.

A stronger showing by the hotel industry reflected in part sustained growth in tourist arrivals to the country. Arrivals increased by 11.3% yoy to 1.5 million visitors through September, the second highest on record, lifting tourist spending by an estimated 7% over the same period, tax refund data by Global Blue showed.

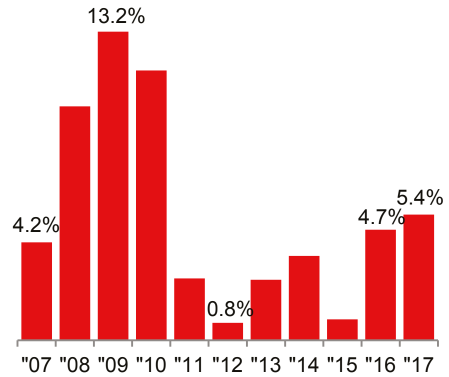
Private consumption was also making further headway towards recovery, especially following the implementation of a new public sector salary scale which is expected to increase the government's payroll by an estimated $910m per year. New car registrations posted a major rebound in October, swinging the tally in the first 10 months of the year back to positive territory with an increase of 0.8% yoy to 33,596 vehicles.

Real GDP growth (IIF)



Source: IIF, Economena, SGBL Research

Coincident Indicator (Jan-Oct, %yoy)



Source: BdL, Economena, SGBL Research

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FINANCIAL MARKETS NORMALIZING

Profits at Lebanon's Alpha Group banks, the 14 lenders with over $2bn in deposits, had surged by 21.4% yoy to a record $2bn in the first nine months of 2017, as a result of improvement in operational efficiency and one-off gains.

Administrative and operating expenses declined by 10.6% yoy to $789.5m even as Alpha banks increased their headcount, and discontinued operations swung from a loss of $191.2m in the first nine months of 2016 to a profit of $95.2m in 2017, providing considerable support to aggregate profits during the period. At the same time, Alpha banks reduced their provisions for credit losses by 29.1% yoy to $278.8m through September, and didn't take any impairment of goodwill during the period, further boosting their aggregate bottom line.

Ten-year bond yields, which are inversely related to prices, decreased for three weeks in a row to reach 7.55% by November 29.

The outlook for financial markets will increasingly hinge on political developments in the next several weeks, although conditions for now appear to have improved. Ten-year bond yields, which are inversely related to prices, decreased for three weeks in a row to reach 7.55% by November 29, 67 basis points below their monthly peak levels on November 8. The five-year Credit Default Swap spread, the cost to insure against a possible sovereign default, recovered to around 520 basis points by the end of November after surging to 750 basis points during the crisis earlier in the month.

The Central Bank had succeeded at reducing pressure on the exchange rate to the US dollar by drawing down its foreign assets by $1.6bn in November, equivalent to just 3.6% of its reserves. Going forward, higher interest rates on Lebanese Pound deposits are likely to help widen the spread with US dollar deposit rates from an all-time low, tempering demand for foreign currency.

REAL ESTATE FACES HEADWINDS

Heightened uncertainty is likely to cloud the outlook for real estate and construction activity in 2018. Both industries had been showing signs of stability before the government introduced a series of new taxes in October and prior to the country's political crisis in November. Real estate sales registrations through October surged by 21.2% yoy to a record $8.2bn covering 60,276 properties, including 1,087 sales registrations to foreigners during the period, according to data by DLR.

Resilience in real estate and construction activity is likely to be tested further in 2018 following the introduction of new taxes, including a tax of $4 per ton imposed on cement production. Meanwhile, rising interest rates may weigh on property demand and prices in the medium-term, but the impact will still be partially offset by Central Bank initiatives aimed at supporting access to housing finance. Central Bank estimates already indicate a decline in prices in the range of 10% in 2017.

OIL AND GAS SECTOR OFFERS GLIMMER OF HOPE

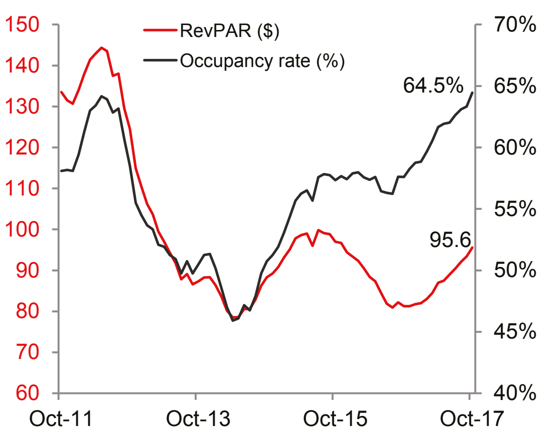
Lebanon received bids for blocks 4 and 9 from a consortium that includes France's Total, Italy's Eni, and Russia's Novatek

Meanwhile, the nascent oil and gas sector offers a glimmer of hope for the medium-term prospects of the Lebanese economy. The country is moving closer to granting its first offshore oil and gas exploration license, 7 years after approving the Offshore Petroleum Resources Law. In October, the Lebanese Petroleum Administration closed its first oil and gas licensing round with bids for blocks 4 and 9 from a consortium that includes France's Total, Italy's Eni, and Russia's Novatek.

The Ministry of Energy and Water announced in late November the completion of negotiations with the companies, paving the way for the Cabinet to review the contracts. The bid process allows the government until April 15, 2018 to evaluate and award any licenses.

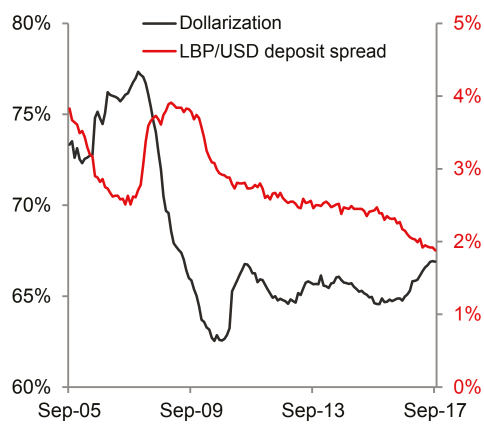
Lebanon's offshore exclusive economic zone is estimated to hold 12-25 trillion cubic feet of technically recoverable natural gas reserves and 440-675 million barrels of oil, which, combined, may be worth several hundred billion dollars. Without an actual discovery, however, the country's petroleum reserves remain subject to high levels of uncertainty.

Tourism indicators (12-month moving average)



Source: EY, Economena, SGBL Research

Deposit spread and dollarization rate



Source: BdL, ABL, Economena, SGBL Research

FINANCIAL MARKETS RECOVERING, INVESTOR UNEASE REMAINS

- **Bond yields, CDS spreads recouped most of their losses in November**
- **Local interest rates to follow US rates higher in 2018**
- **BdL's foreign assets declined by 3.6% in November to $41.9bn**

Financial markets recovered much of their losses by the end of November as the political fallout from Prime Minister Hariri's resignation announcement earlier in the month appeared to be contained. However, some investor unease persisted, reflecting uncertainty over domestic and regional political developments.

Ten-year bond yields, which are inversely related to prices, decreased for three weeks in a row to reach 7.55% by November 29, 67 basis points below their monthly peak levels on November 8. Five-year Credit Default Swap spreads, the cost to insure against a possible sovereign default, also recovered to around 520 basis points by the end of November after surging to 750 basis points during the crisis earlier in the month.

Local currency interbank rates, used for overnight borrowings between banks to meet daily liquidity needs, had surged to 120% in the days following PM Hariri's announcement, but have since come down to the single digits. Falling interbank rates reduced some of the pressure on deposit rates, but the latter are still projected to increase in 2018 in line with expectations of multiple interest rate hikes by the Federal Reserve Board in the next 12 months.

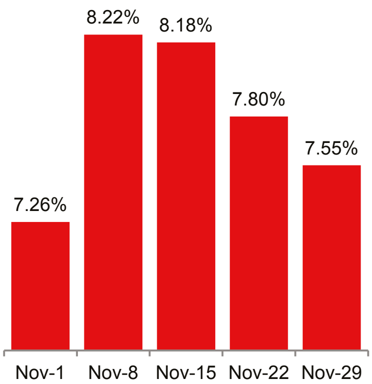
The Central Bank's intervention throughout November helped reduce pressure on the local currency's exchange rate to the US dollar, leading to a decrease of 3.6% in BdL's foreign assets, equivalent to $1.6bn. Confidence in the Lebanese pound will remain strong and the peg to the dollar will be maintained supported by ample international reserves, a strong banking system, and loyal depositors from Lebanese diaspora, stated the Institute of International Finance (IIF).

The IIF noted that the Lebanese pound remained stable since 1999 and growth in deposits stayed positive during previous political episodes and security disturbances, including the assassination of Prime Minister Rafiq Hariri in 2005, the war with Israel in July 2006, and the political vacuum, with no president, from May 2014 to October 2016.

Lebanon's Central Bank has managed to increase its foreign assets by 36.9% or $11.3bn since the start of the Arab Spring in late 2010, and maintained 9.22 million ounces of gold reserves valued at an estimated $11.9bn at the end November.

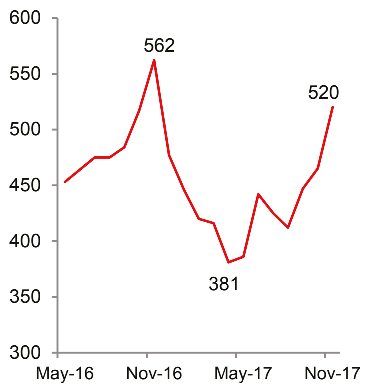
The effects of the crisis were partially mitigated by acceleration in deposit growth at commercial banks earlier in the year. Private sector deposits rose by 6.9% yoy to a record $169.1bn through September, equivalent to an increase of $6.6bn in the first nine months of 2017, a seven-year high for the period.

10-yr bond yields



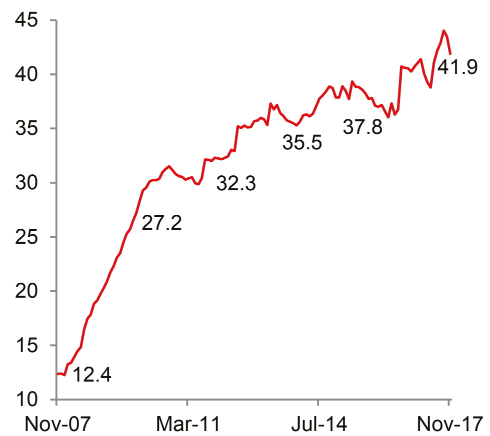
Source: Bloomberg, Economena, SGBL Research

5-yr CDS spreads (basis points)



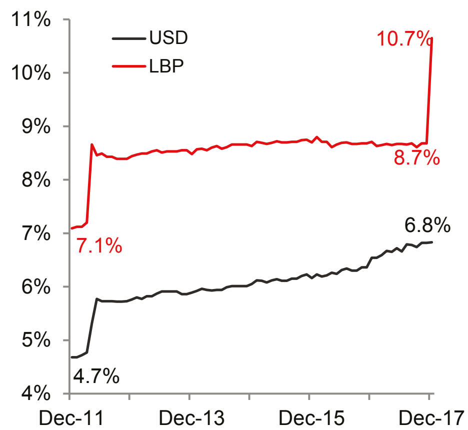
Source: S&P, Economena, SGBL Research

BdL foreign assets ($bn)



Source: BdL, Economena, SGBL Research

Beirut Reference Rate



Source: ABL, Economena, SGBL Research

UNCERTAINTY CLOUDS OUTLOOK FOR REAL ESTATE AND CONSTRUCTION

- **New taxes and rising interest rates may weigh on property demand, prices**
- **Housing loans grew by 8.7% yoy to $12.5bn by June 2017**
- **PCH to roll out financing for second homes, expatriates**

Heightened uncertainty is likely to cloud the outlook for real estate and construction activity in 2018. Both industries had been showing signs of stability before the government introduced a series of new taxes in October and prior to the country's political crisis in November.

Real estate sales registrations through October surged by 21.2% yoy to a record $8.2bn covering 60,276 properties, including 1,087 sales registrations to foreigners during the period, according to data by the General Directorate of Land Registry and Cadastre.

Cement deliveries, a proxy for ongoing construction activity, were also broadly stable through September, off by just 2.8% yoy to 3.8 million tons. Imports of iron and steel increased by 5.3% yoy to $469.8m in the first nine months of 2017, pointing to stable demand for construction materials in the country.

A political resolution in Lebanon and the abating conflict in Syria had also brightened the medium-term outlook for construction. Construction permits area, a leading indicator of building activity, rose by 2.2% yoy to 10.4m square meters, with North Lebanon attracting increasing attention from developers. Execution orders, which are issued immediately prior to breaking ground, reached a decade high of 1.2m square meters in North Lebanon in the first 10 months of the year, data by the Order of Engineers and Architects in Tripoli.

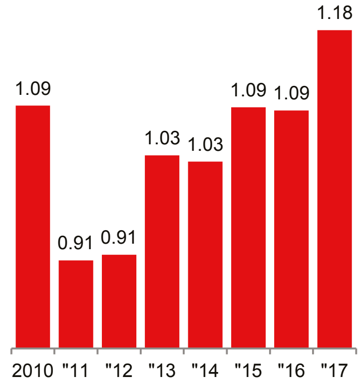
Demand for housing was also going strong in the first half of the year. Credit utilized for housing loans grew by 8.7% yoy to $12.5bn by June 2017, equivalent to net production of $547.4m in the first six months of 2017, reflecting sustained incentives offered to banks by the Central Bank to stimulate mortgage lending.

By contrast, banks reduced their exposure to the construction sector, shrinking their aggregate credit to contractors by 0.8% in the first half of the year to $11.5bn by the end of June following decline in the number of the new development projects.

Resilience in real estate and construction activity is likely to be tested further in 2018 following the introduction of new taxes, including a tax of $4 per ton imposed on cement production. The state also raised import duties, which could adversely affect construction materials prices.

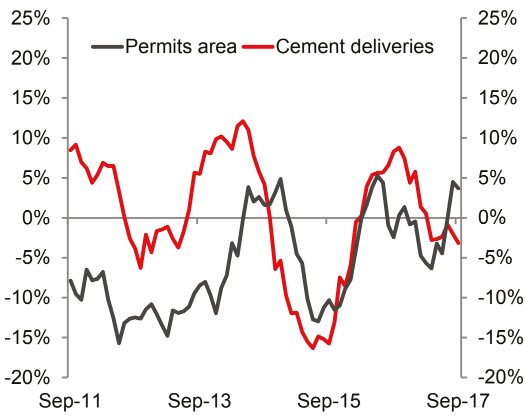
Rising interest rates may also weigh on property demand and prices in the medium-term, but the impact is partially offset by initiatives aimed at supporting access to housing finance. To that end, the Public Corporation for Housing announced plans to roll out subsidized housing loans for second homes, and to begin offering its loan products to expatriates.

Execution orders issued by OET, North Lebanon (Jan-Oct, msqm)



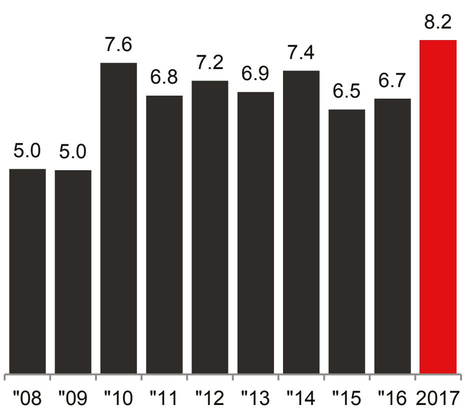
Source: OEAT, Economena, SGBL Research

Construction indicators (12-month sum, %yoy)



Source: BdL, Economena, SGBL Research

Real estate sales registrations (Jan-Oct, $bn)



Source: DLR, Economena, SGBL Research

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LEBANON CLOSES IN ON ITS FIRST OIL AND GAS EXPLORATION LICENSE

- **Total, Eni, and Novatek submitted bids for two offshore blocks**
- **The Cabinet has until April 2018 to award any licenses**
- **Petroleum imports projected to increase by 7% to $4.2bn in 2018 - IIF**

Lebanon is moving closer to granting its first offshore oil and gas exploration license, seven years after approving the Offshore Petroleum Resources Law. In October, the Lebanese Petroleum Administration closed its first oil and gas licensing round with bids for blocks 4 and 9 from a consortium that includes France's Total, Italy's Eni, and Russia's Novatek.

The Ministry of Energy and Water announced in late November the completion of negotiations with the companies, paving the way for the Cabinet to review the contracts. The bid process allows the government until April 15, 2018 to evaluate and award any licenses.

Lebanon's offshore exclusive economic zone is estimated to hold 12-25 trillion cubic feet of technically recoverable natural gas reserves and 440-675 million barrels of oil, which, combined, may be worth several hundred billion dollars. Without an actual discovery, however, the country's petroleum reserves remain subject to high levels of uncertainty.

If confirmed, Lebanon's recoverable reserves could potentially generate an estimated $5bn per year in revenues for the government over a period of two decades, and transform Lebanon into a net energy exporter.

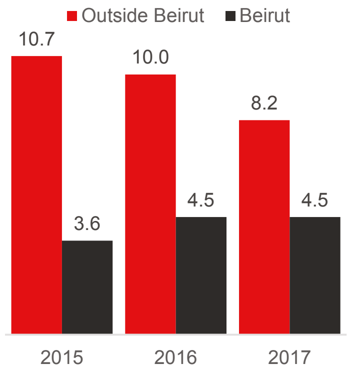
A decision by the Cabinet to award one or more licenses is also likely to improve the medium-term prospects for the Lebanese economy. Exploration works would reflect positively on investment demand and improve investor sentiment at a time of sluggish economic growth.

In the meantime, higher oil prices are expected to raise the country's petroleum bill by 7% to $4.2bn in 2018, and increase the government's transfers to Electricité du Liban by $78.3m to $1.2bn, according to the Institute of International Finance.

Brent crude oil prices hit a two-year high of $63.6 a barrel at the end of November 2017, more than doubling since their 2016 low of $29 a barrel, data by Bloomberg showed. Oil prices are projected to average $55.6 a barrel in 2018, up from an estimated annual average of $53 per barrel in 2017, according to the US Energy Information Administration.

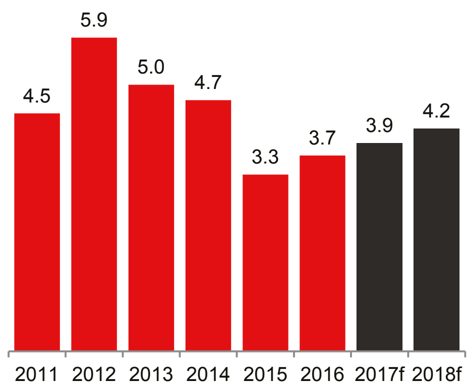
At the same time, Lebanon's economy continues to suffer economics losses from extended power rationing, despite recent gains in electricity supply. Electricity production increased by 15.6% yoy to a record 11.3bn KwH in the first 10 months of the year, leading to a reduction of 17.6% yoy in power outages outside Beirut to an average of 8.2 hours per day, while maintaining 4.5 hours of daily power outage within the capital.

Power outage (Jan-Oct, daily hrs)



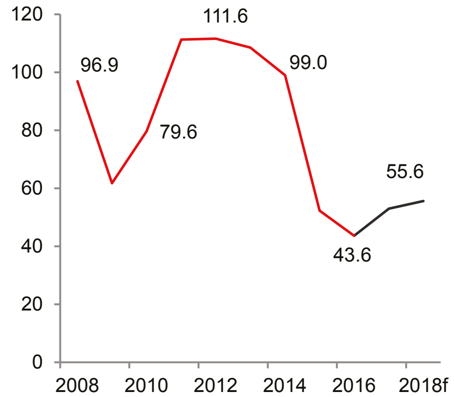
Source: MoWE, Economena, SGBL Research

Petroleum imports ($bn)



Source: IIF, Economena, SGBL Research

Brent crude oil prices ($ per barrel)



Source: EIA, FRED, Economena, SGBL Research

COST SAVINGS LIFT PROFITS AT LEBANON'S 14 ALPHA GROUP BANKS

- **Profit growth driven by lower operating costs, provisions, and impairment**
- **Considerable growth in banking concentration in the first nine months of 2017**
- **Alpha banks rotate out of sovereign debt and CDs to BdL deposits**

Profits at Lebanon's Alpha Group banks, the 14 lenders with over $2bn in deposits, surged by 21.4% yoy to a record $2bn in the first nine months of 2017, despite drag from weakness in core activities and in foreign operations, according to data compiled by Bankdata Financial Services.

Domestic net profits rose sharply by 36.1% yoy to $1.7bn during the period, offsetting a plunge in profitability at branches and subsidiaries abroad. Alpha banks' profits abroad fell by $96.1m to $305.8m, equivalent to just 15.4% of aggregate net profit at the 14 largest banks in Lebanon, following de-consolidation of a number of regional subsidiaries.

Net interest income, a core banking metric, inched up by just 3.3% to $2.9bn and net fee and commission income plunged by 49.5% yoy to $646.1m during the period, reflecting sluggish loan growth in 2017 and a high base in non-interest income in 2016 generated by BdL's financial engineering operations.

As a result, growth in profits resulted entirely from improvement in operational efficiency and one-off gains. Administrative and operating expenses declined by 10.6% yoy to $789.5m even as Alpha banks increased headcount, including an additional 743 domestic staff in the first nine months to reach 22,275 staff by September 2017.

Discontinued operations swung from a loss of $191.2m in the first nine months of 2016 to a profit of $95.2m in 2017, providing considerable support to aggregate profits during the period. At the same time, Alpha banks reduced their provisions for credit losses by 29.1% yoy to $278.8m through September, and didn't take any impairment of goodwill during the period, further boosting their aggregate bottom line.

Alpha Group, Jan-Sep 2017

	Net profit ($m)	Assets ($bn)
Bank Audi	436.68	44.68
BLOM Bank	356.93	31.80
BankMed	282.10	17.04
SGBL	171.34	20.79
Bank of Beirut	151.98	17.48
Fransabank	129.66	21.58
Byblos Bank	114.53	22.40
BLF	92.86	13.17
IBL Bank	76.29	7.01
Credit Libanais	57.72	11.18
BBAC	42.45	6.87
Lebanon and Gulf Bank	31.00	4.47
First National Bank	22.99	4.76
Creditbank	16.55	3.76
Alpha Group	**1,983.09**	**226.98**

Source: Bankdata Financial Services, Economena, SGBL Research

BANKING CONCENTRATION ON THE RISE

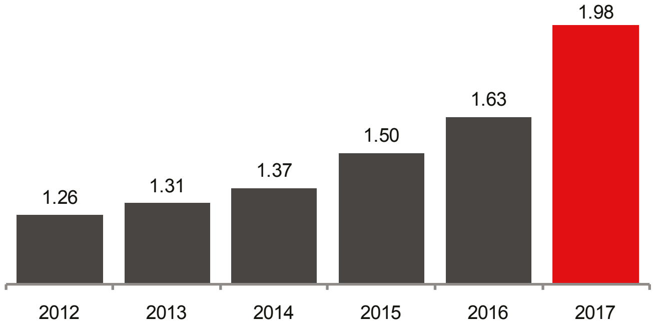
The majority of Alpha banks appear much more cautious, even in their home market, contributing to growing concentration in new deposit-taking and lending activities. Domestic loan portfolios expanded by just 3.7% yoy to $47.5bn in the first nine months of 2017, compared with growth of 8.2% over the same period in 2016. Two banks accounted for 46.2% of net loan production through September, while four others shrank their loan portfolios during the period.

The Prime Minister's shock resignation announcement in early November and the resulting rise in local currency deposit rates are likely to further weigh on loan growth in the remainder of the year and into 2018. The Association of Banks in Lebanon recommended to its members an increase of 197 basis points in the Beirut Reference Rate to 10.65% effective December 2017. Lebanese banks were already projected before the crisis to raise the average lending rate from 8.4% in 2016 to 8.7% in 2017 and 9.1% in 2018, according to the Institute of International Finance.

Meanwhile, domestic customers' deposits grew by 7.7% yoy to $154.7bn, with two banks alone accounting for 47.7% of the increase in deposits in the first nine months of 2017. Deposit growth has bucked the trend of sluggish economic activity as a result of special operations designed by the BdL to attract foreign currency and cement confidence in the peg. Depositors' commitment to Lebanon would remain strong, motivated by a deep trust in the financial system and the perceived stability of the fixed exchange rate regime, stated the IIF in November.

With their liquidity running high, Alpha banks increased their cash and balances with Central Banks by $12.9bn in the first nine months of the year to $72.2bn by September, while at the same time reducing their holdings of Lebanese Treasury bills and Eurobonds by 9.3% to $15.5bn and by 1.2% to $14bn respectively. Holdings of the Central Bank's Certificates of Deposits in both currencies also declined by an aggregate 8.4% to $26.7bn by the end of September.

Net profits at Alpha Group banks (Jan-Sep, $bn)



Source: Bankdata Financial Services, Economena, SGBL Research

LATEST DATA

Key indicators	Unit	2016	Jul-17	Aug-17	Sep-17	%Y/Y	YTD	PYTD
Cleared cheques	$bn	68.14	6.15	5.97	4.49	-22.46	50.29	50.71
Real estate transactions	$bn	8.48	0.88	1.09	0.54	-25.76	7.02	6.12
Construction permits	Sqm, m	12.23	0.97	1.24	0.71	-25.24	9.35	9.08
Cement deliveries	Tons, m	5.27	0.47	0.50	0.43	-9.60	3.79	3.89
Tourist arrivals	m	1.69	0.25	0.21	0.16	-1.50	1.45	1.30
Airport traffic	m	7.61	0.98	1.07	0.86	5.12	6.40	5.90
Balance of payments	$bn	1.24	0.10	0.37	0.46	142.29	-0.19	0.55
Money supply: M3	$bn	132.80	138.01	138.92	138.87	7.56	6.08	5.49
BSE volumes	m	120.47	5.92	8.06	7.53	-56.97	59.56	73.31
Passenger car sales		36,326	3,690	3,475	2,571	-14.78	27,934	28,579
Hotel occupancy (average)	%	58.98	64	69	74	4.10	64.01	58.30

Indices	Unit	2016	Aug-17	Sep-17	Oct-17	%Y/Y	%YTD
Consumer Confidence Index - ARA		113.83	101.00	114.00	117.00	-25.00	-28.66
Consumer Price Index		96.24	100.48	101.08	102.46	4.62	3.57
Purchasing Managers' Index		45.68	46.30	46.00	45.80	4.57	-2.55
BdL Coincident Indicator		289.54	302.00	291.20	n.a.	2.32	-0.34

Trade	Unit	2016	Jul-17	Aug-17	Sep-17	%Y/Y	YTD	PYTD
Imports	$bn	18.71	1.62	1.59	1.30	-10.45	13.89	14.24
Exports	$bn	2.98	0.22	0.25	0.21	-17.59	2.11	2.23
Trade balance	$bn	-15.73	-1.40	-1.34	-1.09	-8.93	-11.77	-12.01
Port of Beirut volumes	TEUs, m	1.15	0.10	0.11	0.11	15.76	0.95	0.86

Financial and monetary	Unit	2016	Jul-17	Aug-17	Sep-17	%Y/Y	YTD	%YTD
Commercial bank assets	$bn	204.31	208.48	209.39	213.42	7.75	9.11	4.46
Claims on the resident private sector	$bn	51.04	52.90	52.87	53.05	5.69	2.01	3.93
Claims on the non-resident private sector	$bn	6.14	5.72	5.79	n.a.	-9.74	-0.35	-5.63
Claims on the public sector	$bn	34.72	34.57	33.51	33.12	-6.25	-1.61	-4.63
Resident private sector deposits	$bn	128.53	133.63	134.16	134.19	7.24	5.65	4.40
Dollarization rate (average)	%	59.36	61.56	61.57	61.53	2.10	61.06	1.04
Non-resident private sector deposits	$bn	33.96	34.75	35.00	34.91	5.70	0.95	2.78
Dollarization rate (average)	%	86.12	87.36	87.45	87.54	1.55	87.15	1.01
Private sector deposits with commercial banks	$bn	162.49	168.39	169.15	169.09	6.92	6.60	4.06
Private loans / deposits	%	40.23	39.58	39.41	39.53	-0.58	39.47	0.98
Public sector deposits	$bn	9.46	10.31	10.12	10.16	-2.86	0.69	7.31
BdL foreign assets	$bn	44.73	44.66	46.08	46.93	1.14	2.20	4.92
BSE market capitalization	$bn	11.90	11.39	11.47	11.36	2.17	-0.55	-4.60
Gross public debt	$bn	74.89	76.90	77.29	78.15	4.58	3.26	4.36

Public finance	Unit	2016	Apr-17	May-17	Jun-17	%Y/Y	YTD	PYTD
Revenues	$bn	9.92	1.01	1.83	0.55	-31.20	6.06	5.34
Value Added Tax	$bn	2.15	0.31	0.13	0.12	1.09	1.13	1.05
Telecommunications	$bn	1.27	0.00	0.07	0.00	-100.00	0.43	0.62
Income taxes	$bn	2.00	0.21	1.24	0.11	18.93	2.04	1.37
Customs taxes	$bn	1.40	0.12	0.13	0.11	-7.85	0.69	0.67
Expenditures	$bn	14.87	1.14	1.26	1.18	11.79	6.97	7.27
Transfers to EdL	$bn	0.93	0.08	0.10	0.10	103.40	0.56	0.33
Debt service	$bn	4.77	0.43	0.60	0.41	19.09	2.44	2.33
Primary balance	$bn	0.02	0.31	1.21	-0.21	-	1.63	0.50
Fiscal balance	$bn	-4.94	-0.13	0.57	-0.64	141.31	-0.91	-1.94

YTD: year-to-date, PYTD: previous year-to-date. Source: MoF, BdL, BSE, ARA, Customs, Markit, EY, RHIA, CAS, Economena, SGBL Research

Change in domestic deposits and loans (Jan-Sep 17, $m)

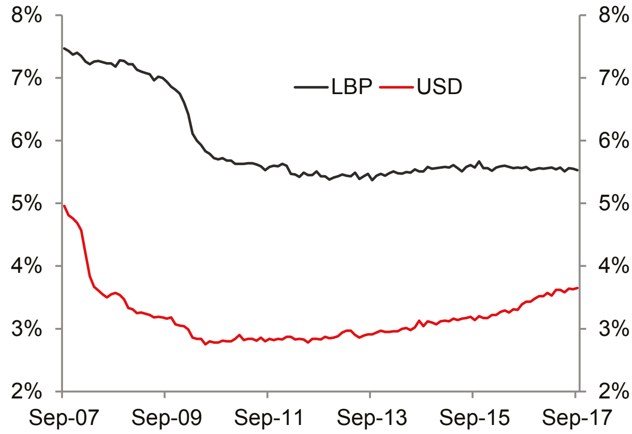
Lebanon's Alpha Group, the 14 banks with more than $2bn in deposits, increased their domestic deposits by $6.8bn in the first nine months of 2017 with two banks attracting close to half of new deposits, data by Bankdata Financial Services showed.

Bank	Deposits	Loans
BLOM Bank	1,870.8	348.9
SGBL	1,346.9	328.0
Byblos Bank	820.6	106.8
Bankmed	658.5	-2.9
Fransabank	399.5	170.3
FNB	284.1	90.4
BBAC	267.7	71.8
Bank of Beirut	204.0	112.5
Creditbank	198.6	-8.4
LGB	191.0	-44.7
IBL Bank	161.5	-79.9
Credit Libanais	157.2	171.7
BLF	149.3	57.8
Bank Audi	42.9	485.9
Alpha Group	**6,752.6**	**1,808.3**

Source: Bankdata Financial Services, Economena, SGBL Research

Average interest rate on deposits

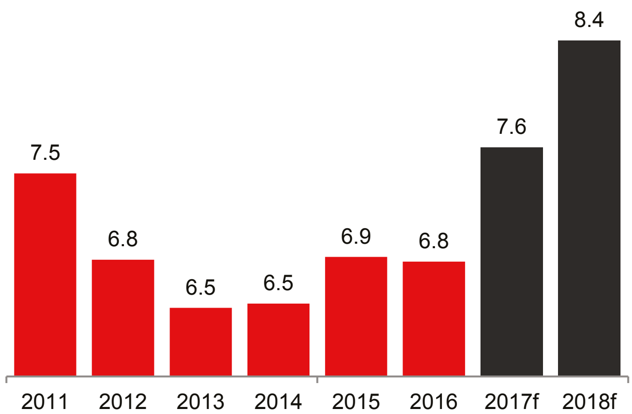
Spreads between interest rates on deposits in local currency and those in US dollar tightened to a record low of 1.88% by September 2017. The Central Bank asked commercial banks in November to raise local currency deposit rates to deter conversions to US dollar and strengthen demand for LBP.



Source: BdL, ABL, Economena, SGBL Research

Travel receipts ($bn)

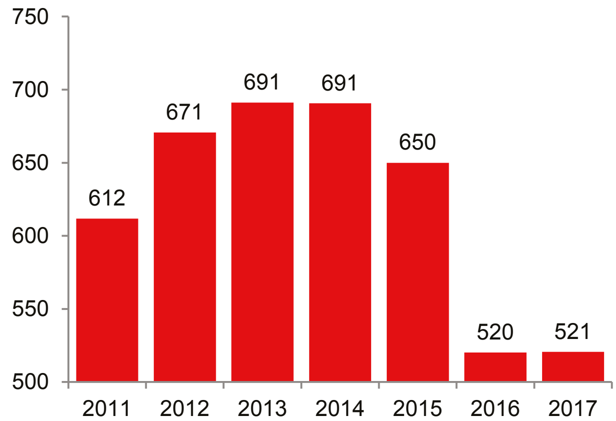
Stable security is helping drive the recovery in travel and tourism and bringing in more foreign currency to Lebanon. Travel receipts are projected to increase by 12% to reach $7.6bn in 2017, and to grow by another 10% to $8.4bn in 2018, stated the IIF in late October.



Source: IIF, Economena, SGBL Research

Exports to the GCC (Jan-Sep, $m)

Lebanon's trade flows with the six Gulf Cooperation Countries have been depressed since the closure of the Nasib land border crossing between Syria and Jordan in 2015. Total exports to the GCC fell by 20% yoy to $520.2m in the first nine months of 2016, and remained virtually unchanged through September 2017.



Source: Customs, Economena, SGBL Research

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