SGBL EcoNews

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BDL MEASURES TEMPER INFLATION, FINANCIAL PRESSURE

- **BdL mandates disbursement of electronic cash transfers in currency of origin**
- **ABL lowers benchmark rates by 104 basis points, promises further cuts**
- **Parliamentary committee approves smaller budget for 2020**

Lebanon's economy kicked off the new year with elevated domestic and regional uncertainty, but measures introduced by the central bank in recent weeks promise to soften the blow to consumer prices and financial stability. Banque du Liban (BdL) offered foreign exchange at the official rate to meet the country's basic needs, imposed caps on deposit rates, and mandated the disbursement of electronic cash transfers in the currencies of origin.

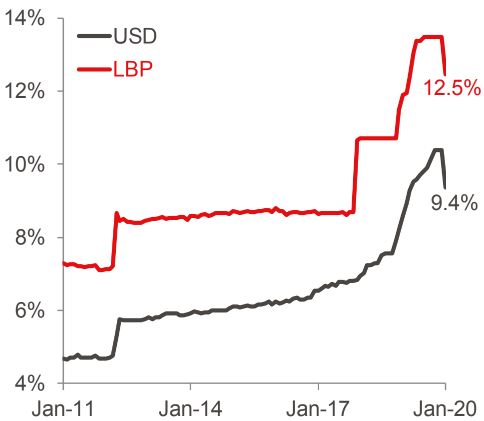
BdL announced in October 2019 that it would supply foreign currency at the official rate covering 85% of import bills for petroleum products, wheat, and medicine, 75% for raw materials used in the production of medicine, and 50% for medical supplies.

Despite the drain on foreign reserves, BdL measures are helping keep inflation in check. Consumer prices climbed by 3.2% yoy through November 2019, data by the Central Administration of Statistics (CAS) showed, driven by disruption in financial markets and to trade activity following the outbreak of protests and the resignation of PM Hariri in October.

However, prices of the largest portions of households' budgets slowed or grew at a subdued pace. Prices of utilities and fuels, which contribute to 11.8% of household spending, decreased by 3.2% yoy by November 2019 owing to central bank support and to a drop in oil prices in international markets during the period. The consumer price index for food and non-alcoholic beverages, a category representing 20% of consumers' spending basket, rose by 3.7% yoy compared with 14.4% yoy for clothing and footwear.

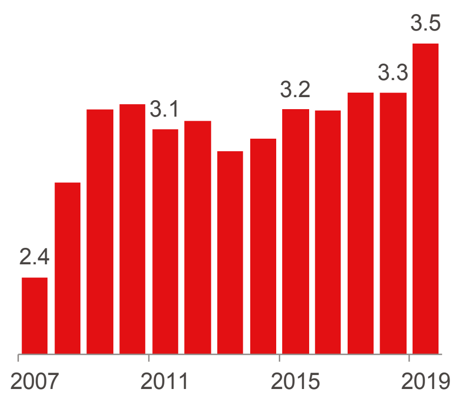
The central bank also moved in early 2020 to ease pressure on dollar supply in the market place. BdL issued a circular requiring non-banking institutions to disburse electronic cash transfers in the currency of origin, reversing a decision in January 2019 that had mandated payments exclusively in local currency.

Beirut Reference Rates



Source: ABL, Economena, SGBL Research

Workers' remittances (credit, Jan-Jun, $bn)



Source: BdL, Economena, SGBL Research

The decision by BdL is likely to revive international money transfers to the country from expatriates and foreign employers. In addition, capital inflows into Lebanon are unlikely to decline substantially in the medium term, argued Goldman Sachs (GS), a US-based investment bank, citing sticky remittance inflows to the country.

Workers' remittances, the lifeblood of the Lebanese economy, had increased by 7.4% yoy to a two-decade high of $3.5bn in the first half of 2019 on the back of a growing number of expatriates and improving economic conditions in their host countries. Compensation of employees by non-resident entities also ticked up by 5.9% yoy to $303.1m over the same period, according to BdL.

Average local currency deposit rates had surged to a 17-year high of 9.4% by November 2019.

BdL also imposed ceilings of 8.5% and 5% starting December 2019 on new and rolled over local currency and foreign currency deposits respectively in a bid to reduce funding costs for banks and non-financial institutions. Average local currency deposit rates had surged to a 17-year high of 9.4% by November 2019, while rates on US dollar deposits reached 6.31%, according to BdL.

Caps on deposit rates contributed to a reduction in reference borrowing rates. The Association of Banks in Lebanon (ABL) cut Beirut Reference Rates (BRRs) on Lebanese Pound and US dollar by 104 basis points to 12.45% and 9.35% respectively starting January 2020 citing lower funding costs. The BRRs are expected to gradually decline further in coming months as more deposits get rolled over at the new, lower rates, according to ABL.

FURTHER SPENDING RESTRAINT IN 2020

Lower borrowing rates are expected to coincide with further restraint in public spending in 2020. Parliament's Finance and Budget Committee slashed $663.3m from planned spending in the draft 2020 budget referred to it by the outgoing Cabinet. The latter had approved in October a draft budget that aims to shrink the fiscal deficit to a two-decade low of $375.7m through a one-off tax on banking activities and financial arrangements with the central bank.

The government adopted stringent austerity measures in the first 10 months of 2019, but economic uncertainty since October poses a challenge to revenue targets during the final months of the year and in 2020. Total spending had fallen by 8.6% yoy to $13.4bn through October alongside a drop of 5.5% yoy to $9.4bn in revenues over the same period, data by the Ministry of Finance showed.

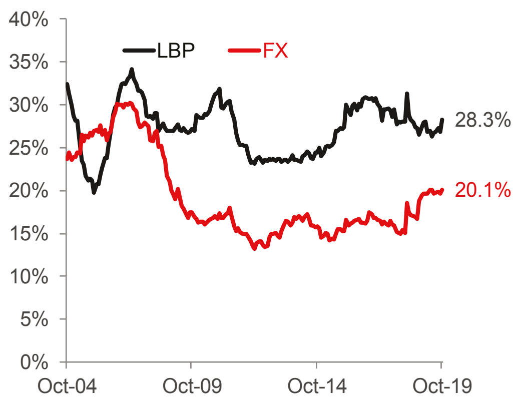
In particular, rising unemployment will likely pose a challenge to economic activity and public revenues in 2020. Lebanon's unemployment rate surged to 11.4% in 2018 led by youth and residents of northern districts, according to a survey of 39,116 households by the Central Administration of Statistics (CAS) and the International Labor Organization (ILO) conducted between April 2018 and March 2019. The jobless rate reached 12.1% among Lebanese compared with 8.7% among non-Lebanese residents, with the latter constituting an estimated 21.3% of the total labor force, according to CAS.

Risks to revenue collection would not necessarily jeopardize external debt servicing capacity.

Still, risks to revenue collection do not necessarily jeopardize the government's external debt servicing capacity. Despite a spike in market yields and the lowering of Lebanon's foreign currency debt ratings, default on Lebanon's Eurobonds is not inevitable, stated GS. Instead, a combination of fiscal reforms and a restructuring of the domestic debt could be enough to put public finances on a sustainable footing without having to resort to an external default, according to the bank.

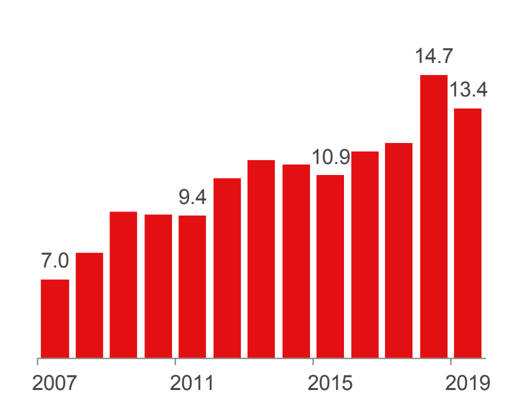
Goldman Sacks expects the current account deficit to narrow to around $8bn in 2020 and stabilize at that level over the medium term. The bank estimates that this implies a gross external financing requirement of around $8.5bn a year over the coming three years, including principal repayments, leaving sufficient external buffers for the central bank to weather balance of payments pressures for some time.

Debt service (12-month sum, % of revenues)



Source: MoF, Economena, SGBL Research

Fiscal spending (Jan-Oct, $bn)



Source: MoF, Economena, SGBL Research

LOWER FUEL PRICES SOFTEN BLOW TO INFLATION

- **BdL measures to soften the blow to inflation in the near term**
- **Food inflation remained subdued at 3.7% yoy by November 2019**
- **Inflation in North Lebanon led the country with 4.3% yoy**

Consumer prices in Lebanon climbed by 3.2% yoy through November 2019, data by the Central Administration of Statistics (CAS) showed, driven by disruption in financial markets and to trade activity following the outbreak of protests and the resignation of PM Hariri in October 2019. The country's inflation rate had accelerated to 6.1% in 2018 on the back of spiking global oil prices, but had been projected by the International Monetary Fund to slow to 3.1% in 2019 and to 2.6% by 2020.

Instead, retail prices surged in October and November after traders began to price many of their goods off exchange rates at money dealers often at a 30% spread over the central bank's official rate. Trading volumes at money dealers represent a small portion of currency exchange transactions, but they have grown in importance in the aftermath of temporary limits on currency conversions by the banking sector.

Retail prices spiked in October and November after traders began to price many of their products off exchange rates at money dealers.

Nevertheless, measures announced by the central bank are likely to help soften the blow to consumer prices in the near term. Banque du Liban (BdL) stated in late 2019 that it would supply foreign currency at the official rate covering 85% of import bills for petroleum products, wheat, and medicine, 75% for raw materials used in the production of medicine, and 50% for medical supplies. Commodities benefiting from BdL measures represented more than 42% of the country's aggregate import bill in the first nine months of 2019, Customs data showed.

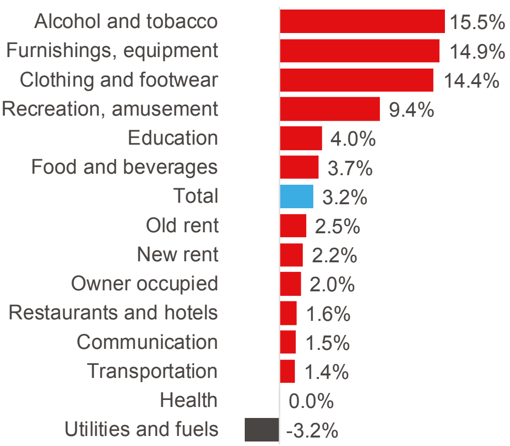
Alcoholic beverages and tobacco, which contribute to just 1.4% of household spending, bore the brunt of the crisis with their prices marked up by 15.5% yoy by November 2019. Clothing and footwear, whose share of spending reached 5.2% according to the latest update by CAS in 2017, increased by 14.4% yoy.

By contrast, prices of the largest portions of households' budgets slowed or grew at a subdued pace. The consumer price index for food and non-alcoholic beverages, representing 20% of consumers' spending basket, rose by 3.7% yoy through November. Utilities and fuel prices, which contribute to 11.8% of household spending, even decreased by 3.2% yoy over the period owing to a drop in oil prices in international markets.

Prices of the largest portions of households' budgets slowed or grew at a subdued pace.

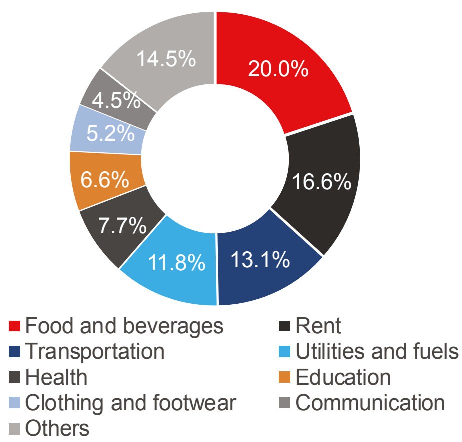
Regionally, inflation in North Lebanon topped the list with 4.3% yoy amid acceleration in prices of food and non-alcoholic beverages, according to CAS. Similarly, in the capital Beirut, higher food prices fueled an increase in general consumer prices by 3.7% yoy by November 2019, despite stable or falling prices of other products particularly utilities and fuels.

Consumer Price Index (% yoy, Nov-2019)



Source: CAS, Economena, SGBL Research

CPI weights (2019)



Source: CAS, Economena, SGBL Research

DEFAULT ON LEBANON'S EUROBONDS NOT INEVITABLE – GOLDMAN SACHS

- **Balance of payments could be sustainable without external default**
- **Popular pressure to extend burden-sharing to foreign investors expected to rise**
- **Electricity and tax reforms needed to complement any restructuring**

Despite a spike in market yields and the further lowering of Lebanon's foreign currency debt ratings, default on Lebanon's Eurobonds is not inevitable, argued Goldman Sachs (GS), a US-based investment bank, in a December note to clients. The bank stated that a combination of fiscal reforms and a restructuring of the domestic debt could be enough to put public finances on a sustainable footing without having to resort to an external default.

Limiting restructuring to local currency debt would be sufficient to achieve the government's fiscal objectives and the sustainability of foreign currency debt servicing from a balance of payments perspective, according to GS. The bank estimated that just $1.5bn of the $6.5bn of principal maturities over the coming three years would actually result in an outflow of capital in the balance of payments. In addition, the present value of external debt servicing is also unlikely to be in excess of $4.6bn over the next decade, GS estimates showed.

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The bank further argued that restructuring local debt would be sufficient to place public finances on a sustainable footing in the long term, and would likely be seen by the government as more preferable to a default on external debt. Local currency debt is entirely held by residents and represents around two-thirds of gross debt and 60% of interest payments, whereas a quarter of traded external debt is held by non-residents, according to GS.

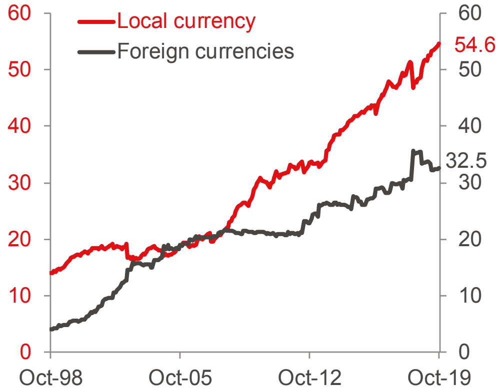
Still, avoiding external default requires sufficient political will to implement and sustain necessary economic reforms in the long run, cautioned GS, despite the risks to social stability that these reforms may entail. The uncertain political outlook could thus cast doubt over the government's willingness to repay in the long run, fueled by a potential intensification of popular pressure to extend burden-sharing to foreign investors.

A series of fiscal consolidation measures would be needed to complement the restructuring of local currency debt, according to GS. On the revenue side, the investment bank estimated that raising the Value Added Tax to the regional average of 17% from 11% currently could increase public revenues by up to 2.5% of GDP, but noted social and economic challenges to implementing such an increase in the near term. Instead, GS suggested improvement in tax administration, clamping down on tax evasion and other illicit activities could provide significant upsides to the budget without the political costs.

A series of fiscal consolidation measures would be needed to complement any restructuring of local currency debt.

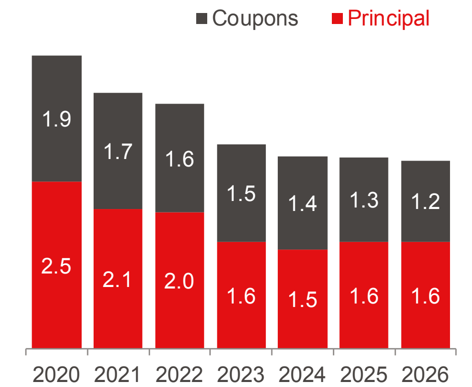
Proposals for spending-side reforms target mainly the energy sector and public sector wages. Implementation of the energy reforms agreed by the cabinet in April could generate savings of around 3% of GDP annually, while measures to address public sector wages could lift a serious burden off the budget in the long term, according to GS.

Gross public debt ($bn)



Source: MoF, BdL, Economena, SGBL Research

Eurobond maturities ($bn, as of Oct-2019)



Source: MoF, Economena, SGBL Research

PREVIOUS EPISODES SUGGEST STICKY TOURISM RECEIPTS

- **Visitor traffic tumbled by 26.6% yoy in October and November 2019**
- **Travel and transportation had recovered to $2.5bn in the last quarter of 2018**
- **Tourism receipts are historically sticky downwards thanks to a large diaspora**

Lebanon's tourism activity took a beating after mass protests erupted on October 17, prompting the resignation of PM Hariri's Cabinet later that month. Visitor arrivals tumbled by 26.6% yoy to 217,032 visitors in October and November 2019 compared with 295,666 visitors over the same period in 2018, data by the Ministry of Tourism (MoT) showed.

Visitor traffic from 127 countries decreased during the two-month period, and increased from just 39 countries, according to MoT, highlighting the breadth of the hit to one of the country's traditional economic drivers.

Arrivals from 127 countries decreased during the October-November period.

In particular, arrivals from the six Gulf Cooperation Council (GCC) countries fell by 77.3% yoy to 2,466 visitors in November 2019, their lowest level since April 1996. Their share of total arrivals fell to just 8.6% in the first 11 months of 2019 from a post-civil war peak share of 28.6% posted in 2004. Instead, Gulf visitors were outnumbered by nationals of Iraq who topped the list of arrivals to Lebanon in the first 11 months of 2019 with a share of 10.3%, followed by the United States and France with 9.9% and 9.2% of total visitors respectively.

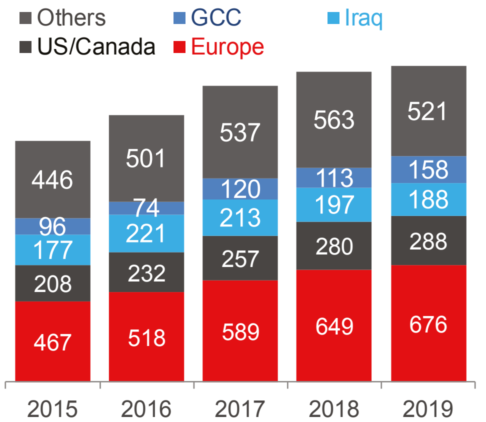
The slump in tourism activity in late 2019 bodes ill for the country's economy and foreign reserves in the near term. Lebanon's travel and tourism industry contributed to 19.1% of the country's economy in 2018, an estimated contribution of $10.4bn, according to the World Travel and Tourism Council (WTTC), a London-based forum. The industry supported 394,300 jobs in 2018, equivalent to 18.4% of total employment, and its impact is projected by the WTTC to grow to 501,000 jobs by 2029.

Meanwhile, the sharp downturn in arrivals, particularly among non-Lebanese expatriates, has likely precipitated a similar drop in tourism receipts in the final months of 2019, reversing much of the gains since the implementation of the national security plan in 2014. Travel and transportation services had been on the rise in each of the prior four years, bringing in $2.5bn in the last three months of 2018, according to current account data by Banque du Liban.

Travel and transportation receipts had been on the rise in each of the past four years.

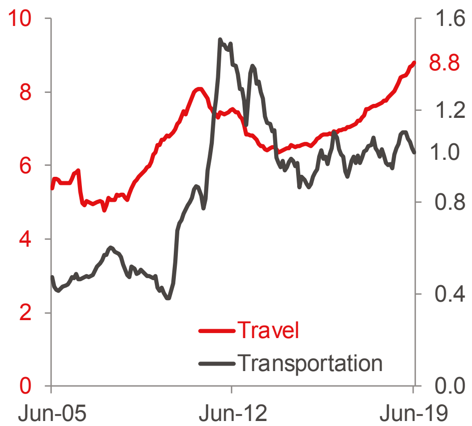
However, prospects for a rebound in tourism activity in 2020 remain high owing to Lebanon's large and loyal diaspora. In fact, previous episodes of social instability since 2005 suggest that travel and transportation services receipts tend to be sticky on annual basis, even when coupled with security incidents. Foreign receipts generated by the two service industries peaked at $9.8bn in the 12-month period through June 2019, the latest period for which data are available from the central bank. They had bottomed out at $5.4bn during the year following the July 2006 war with Israel.

Visitor arrivals ('000, Jan-Nov)



Source: CAS, MoT, Economena, SGBL Research

Travel/transport receipts (12-month sum, $bn)



Source: BdL, Economena, SGBL Research

CAS-ILO SURVEY PUTS UNEMPLOYMENT AT 11.4% IN 2018

- **Jobless rates higher among youth and residents of northern districts**
- **Resident population estimated at 4.8m, 20% of whom non-Lebanese**
- **Unemployment among Lebanese residents at 12.1%, 8.7% among non-Lebanese**

Lebanon's unemployment rate surged to 11.4% in 2018 led by youth and residents of northern districts, according to a survey of 39,116 households by the Central Administration of Statistics (CAS) and the International Labor Organization (ILO) conducted between April 2018 and March 2019. After including time-related underemployment and the potential labor force, survey results further showed a labor underutilization rate of 16.2%, reported CAS.

The unemployment rate had bottomed out at 6.4% in 2009 after hitting 9.2% in 2007 and 8% in 2004, earlier CAS surveys had shown. Economic activity in Lebanon experienced a sharp slowdown in recent years amid elevated political instability and regional upheaval. Real GDP growth slumped to a range of 0.3% and 2.7% between 2011 and 2018 from a range 8% to 10.1% between 2007 and 2010, despite some recovery in the hospitality sector, according to CAS.

The fastest increase in unemployment took place among men whose unemployment rate doubled to 10% in 2018 from 5% in 2009. Joblessness among females, meanwhile, rose at a slower pace to 14.3% from 10.4%, according to CAS data.

At the same time, youth and residents of northern districts reported the highest levels of unemployment. Jobless rates in Minieh-Danniyeh, Bcharre, and Koura reached 17.8%, 16.5%, and 14.5% respectively, well above the national average. By contrast, unemployment rates in Matn, Jezzine, and Nabatieh of 7.1%, 8.3%, and 8.5% respectively were below average.

Resident population and unemployment rate (2018)

	Residents	Unemployment rate
Baabda	553,800	11.6%
Matn	511,000	7.1%
Beirut	341,700	11.6%
Akkar	324,000	9.3%
Aley	300,800	13.0%
Saida	296,600	14.3%
Chouf	277,000	12.4%
Keserwan	260,500	10.1%
Tyr	255,700	10.0%
Tripoli	243,800	11.6%
Baalbek	214,600	11.1%
Nabatieh	180,200	8.5%
Zahleh	177,400	14.4%
Minieh-Danniyeh	140,800	17.8%
Jbeil	129,500	11.6%
Bint Jbeil	96,200	10.6%
Zgharta	87,700	14.1%
Others	451,200	-
National	**4,842,500**	**11.4%**

Note: Excludes refugees camps, army barracks, and other non-residential units.

Source: CAS, Economena, SGBL Research

Similarly, men and women between the ages of 15 and 24 years old had jobless rates of 24.5% and 21.4% respectively, a combined youth unemployment rate of 23.3% that is more than twice the national average. Nearly half of unemployed young people spent more than 12 months looking for work, according to CAS. Even at higher ages, the drop in jobless rates are driven largely by decline in labor force participation rates as job seekers become discouraged and cease to look for work.

PUBLIC SECTOR EMPLOYMENT AT 14%

The share of the public sector in employment came in lower than in prior years, but remained considerably large. Employment in the public sector, including ministries, public administration, and government-owned institutions, decreased to 14% of total in 2018 from an estimated 15.7% in 2007, CAS data showed.

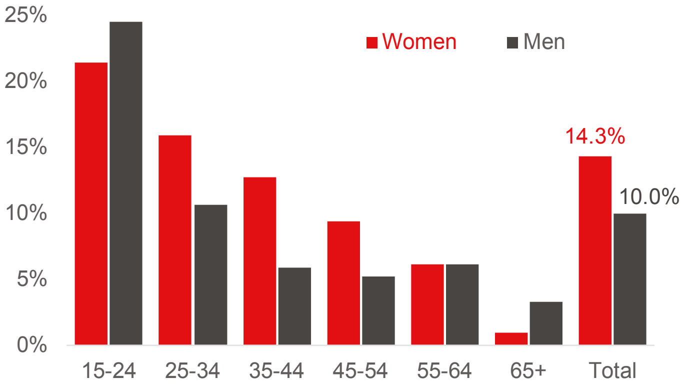
Services sectors dominated employment in Lebanon with a share of 76%, while employment in agriculture shrank to a 4% share compared with 6% in 2007 and the industrial sector took in the remaining 20% of employment in 2018.

UNEMPLOYMENT LOWER AMONG NON-LEBANESE

Lebanese residents showed higher unemployment rates than their non-Lebanese peers. The jobless rate reached 12.1% among Lebanese compared with 8.7% among non-Lebanese residents. The latter constituted an estimated 20% of the country's estimated resident population of 4.8 million, and around 21.3% of the total labor force, according to CAS. The resident population excludes those living in refugee camps, army barracks, and persons residing outside non-residential units.

The resident population was concentrated around the capital despite smaller household sizes. Baabda, Metn, and Beirut attracted the largest number of residents, with 11.4%, 10.6%, and 7.1% of the total population respectively. The three districts had average household sizes of 3.7, 3.5, and 3.4 individuals respectively compared with a national average of 3.8 and with highs of 4.8 in Akkar and 4.7 in Minieh-Danniyeh.

Unemployment rates by age and gender (2018)



Source: CAS, Economena, SGBL Research

LATEST DATA

Key indicators	Unit	2018	Sep-19	Oct-19	Nov-19	%Y/Y	YTD	PYTD
Cleared cheques	$bn	66.57	5.00	3.10	5.18	-3.3	50.68	61.09
Real estate transactions	$bn	8.13	0.80	0.50	0.50	-29.5	5.74	7.31
Construction permits	Sqm, m	9.02	0.48	0.33	n.a.	-58.1	5.39	7.76
Cement deliveries	Tons, m	4.70	0.34	0.29	n.a.	-36.7	2.88	4.09
Tourist arrivals	m	1.96	0.17	0.14	0.07	-42.6	1.83	1.80
Airport traffic	m	8.84	0.82	0.66	0.44	-30.2	8.14	8.16
Balance of payments	$bn	-4.82	-0.06	-0.20	1.14	-	-3.51	-4.08
Money supply: M3	$bn	141.29	138.83	138.37	136.44	-2.8	-4.85	1.70
BSE volumes	m	90.01	1.99	5.20	0.32	-97.8	198.06	84.61
Passenger car sales		33,012	1,700	960	460	-79.0	21,285	30,785
Hotel occupancy (average)	%	65.05	71.7	54.7	n.a.	-14.9	69.92	64.24

Indices	Unit	2018	Sep-19	Oct-19	Nov-19	%Y/Y	%YTD
CMA Market Value Weighted Index		82.99	55.16	51.74	51.72	-25.8	-27.0
Consumer Price Index		106.65	108.85	110.34	112.49	3.2	4.1
Purchasing Managers' Index		46.28	46.40	48.30	37.00	-20.8	-19.9
BdL Coincident Indicator		307.72	284.50	280.91	n.a.	-9.1	-6.6

Trade	Unit	2018	Aug-19	Sep-19	Oct-19	%Y/Y	YTD	PYTD
Imports	$bn	19.98	1.50	1.47	1.31	-23.9	16.61	16.87
Exports	$bn	2.95	0.37	0.34	0.29	10.4	3.10	2.46
Trade balance	$bn	-17.03	-1.13	-1.12	-1.02	-30.1	-13.51	-14.41
Port of Beirut volumes	TEUs, m	1.31	0.12	0.11	0.10	-11.7	1.07	1.09

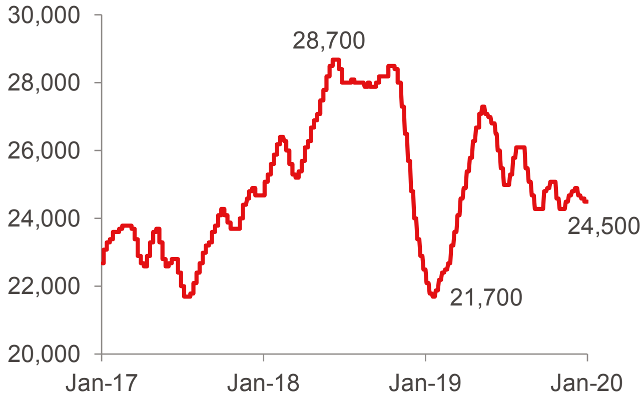
Financial and monetary	Unit	2018	Sep-19	Oct-19	Nov-19	%Y/Y	YTD	%YTD
Commercial bank assets	$bn	249.48	262.20	262.80	259.69	5.3	10.21	4.1
Claims on the resident private sector	$bn	51.80	47.44	47.21	46.23	-11.0	-5.57	-10.8
Claims on the non-resident private sector	$bn	7.12	6.67	6.59	5.94	-13.0	-1.18	-16.5
Claims on the public sector including securities	$bn	33.60	31.65	31.49	30.40	-6.6	-3.20	-9.5
Resident private sector deposits	$bn	136.56	133.68	132.83	129.43	-4.7	-7.13	-5.2
Dollarization rate (average)	%	63.83	68.27	69.06	70.81	6.0	5.15	5.2
Non-resident private sector deposits	$bn	37.72	36.62	35.53	33.17	-11.3	-4.55	-12.1
Dollarization rate (average)	%	87.63	89.76	89.79	89.81	1.6	1.24	1.2
Private sector deposits with commercial banks	$bn	174.28	170.30	168.36	162.60	-6.1	-11.68	-6.7
Private loans / deposits	%	38.48	35.49	35.54	35.72	-2.5	-2.21	-2.2
Public sector deposits	$bn	9.30	8.61	8.28	8.87	4.0	-0.44	-4.7
BdL foreign assets	$bn	44.28	43.02	44.88	43.58	-2.8	-0.70	-1.6
BSE market capitalization	$bn	9.68	7.86	7.55	7.54	-22.4	-2.14	-22.1
Gross public debt	$bn	85.14	86.78	87.08	n.a.	3.6	1.95	2.3

Public finance	Unit	2018	Aug-19	Sep-19	Oct-19	%Y/Y	YTD	PYTD
Revenues	$bn	11.55	0.73	0.79	0.88	45.9	9.38	9.92
Value Added Tax	$bn	2.55	0.12	0.11	0.14	4.7	1.85	2.29
Telecommunications	$bn	1.07	0.00	0.17	0.17	-	0.80	0.80
Income taxes	$bn	2.99	0.20	0.19	0.29	102.1	3.16	2.71
Customs taxes	$bn	1.34	0.11	0.10	0.08	-31.9	1.03	1.14
Expenditures	$bn	17.79	1.27	1.43	1.32	-24.0	13.40	14.66
Transfers to EdL	$bn	1.76	0.16	0.13	0.17	17.8	1.31	1.38
Debt service	$bn	5.41	0.33	0.46	0.44	-2.5	4.10	4.19
Primary balance	$bn	-0.64	-0.21	-0.17	0.02	-	0.22	-0.40
Fiscal balance	$bn	-6.25	-0.54	-0.64	-0.43	-61.6	-4.02	-4.73

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

Gasoline prices: lead-free, 95 octane (LL/20 liters)

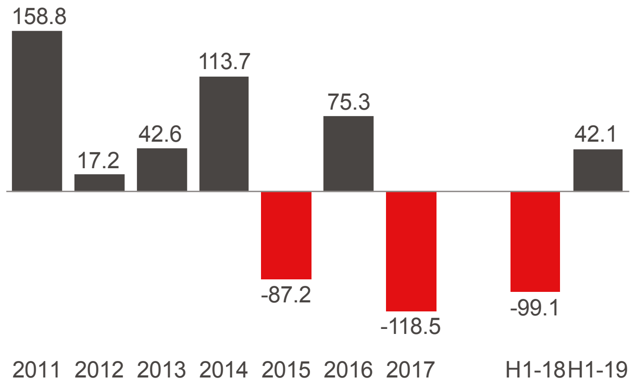
Retail gasoline prices in Lebanon fell by 7.7% to an average of LBP24,775 ($16.4) per 20 liters for the 95 octane in 2019, mirroring a slump in global crude oil prices during the period. Consumer demand, however, showed only a muted response as a result of an economic downturn; imports of petroleum derivatives inched up by just 2% yoy to 7.1m metric tons through October 2019, central bank data showed.



Source: MoEW, Economena, SGBL Research

Solidere: net profit ($m)

The A shares of Solidere, the developer of downtown Beirut, surged to a year's high of $7.3 a piece at the end of 2019, rising from a 15-year low of $4.73 a share in May 2019. The company swung to a net profit of $44.1m in the first half of 2019 from a loss of $99.1m over the same period in 2018 after softer pricing sparked a surge in land sales.



Source: Company filings, Economena, SGBL Research

Government revenues in the first 10 months of 2019

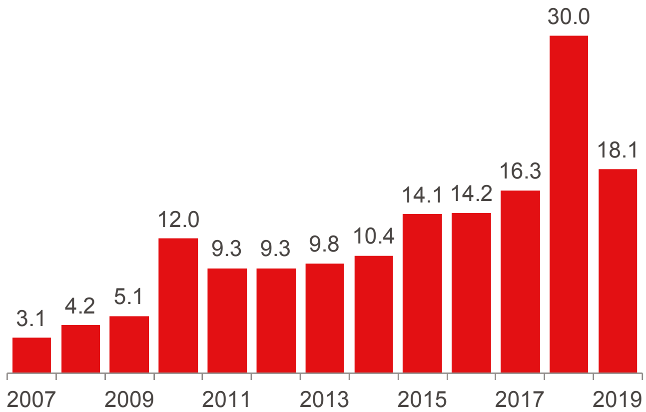
Public revenues slid by 5.5% yoy to $9.4bn in the first 10 months of 2019, data by the Ministry of Finance showed. Income from the VAT fell by nearly a fifth through October, while receipts from the interest tax, which are withheld at the source, remained buoyant at $1.5bn during the 10-month period, up by 50.7% yoy.

	Value ($m)	% change
Value Added Tax	1,847.4	-19.3%
Interest income tax	1,463.0	50.7%
Customs tax	1,034.7	-9.0%
Taxes on profits	886.8	1.1%
Telecom transfers	797.5	-0.4%
Tax on wages and salaries	559.6	-1.1%
Excise tax on fuel	396.6	5.1%
Real estate registration fees	268.4	-32.5%
Capital gains tax	233.5	-11.6%
Excise tax on cars	175.4	-31.3%
Casino du Liban	67.5	-8.7%
Beirut airport	61.5	40.3%
Notary fees	36.3	-11.1%
Total revenues	**9,378.1**	**-5.5%**

Source: MoF, Economena, SGBL Research

Lebanese arrivals to Turkey ('000, November)

Social instability and an economic crisis are starting to weigh on foreign trips by Lebanese nationals. Visitor arrivals to Turkey slumped by 39.6% yoy to 18,131 visitors in November 2019, according to border statistics by the Turkish Statistical Institute. Lebanese arrivals to Turkey had peaked at 338,837 visitors in 2018, a massive annual increase of 42.7%.



Source: Turkstat, Economena, SGBL Research