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It is widely known that data in Lebanon is lacking and difficult to access in cases where it does exist. By comparing Lebanon's economic database and its publishing frequency to that of the US, we attempt to offer an "ordre de grandeur" to our data gap. This is an important preliminary step to a desired level where Lebanon's economic database can be rich, sound, well-maintained and, most importantly, published in a timely manner. Absent reliable data, it is difficult to qualify any economic program as "policy making" or even an "educated guess".

The most popular economic indicator, Gross Domestic Product, is published with an important time-lag in Lebanon. In 2018, Lebanon's Central Administration of Statistics (CAS) published the country's 2016 national accounts; this is in striking contrast to the quarterly publishing of GDP data in the US by the Bureau of Economic Analysis. In the US, the first GDP estimate is published exactly one month after the end of each quarter and second and third estimates are published in the following months.

Timeliness in the release of economic data is crucial. Markets usually mark their calendars and base their forecasts according to the release schedule of US economic data. Meanwhile in Lebanon, with some exceptions, one has to run random website checks for updated information. Policy making and even research projects are therefore significantly impaired due to the irregular release of economic data.

The BLOM Lebanon PMI partially palliates the lack of quarterly GDP figures. By drawing a parallel between PMI levels and GDP growth, an implied growth can be deduced from the PMI readings that are published each month. The average PMI reading of 46.2 in the first nine months of the year pointed towards a real GDP growth of 1% over the period and also substantiates our estimate that growth for the entire year will not surpass 1%. The recent World Bank and IMF growth revisions also pointed to a real GDP growth of 1% in 2018.

Consumption is another central figure in economic analysis. Although a consumption figure is featured in Lebanon's national accounts, it does not offer a detailed breakdown of spending by product type. The Household Expenditure data does offer this type of breakdown, however, the last two releases date back to 2012 and 2004-2005. The US Bureau of Economic Analysis (BEA) publishes the change in Personal Consumption Expenditure on a monthly basis and, most importantly, breaks it down into consumption of durable, non-durable goods and services. This type of gauge is important not only for policy making decisions but also for businesses to decide on hiring, investing, marketing and understanding past and future trends in consumer behavior.

In an economy highly dependent on foreign inflows, reliable balance of payments data (BOP) is of high importance. Each component in the balance of payments offers insight into a different sector of the economy. The current account balance shows the inflows and outflows of foreign currencies through the country's imports and exports and factor income and transfers, while the capital account takes stock of foreign direct investment and portfolio flows. The Central Bank of Lebanon releases the detailed version of the BOP on a quarterly basis (but with a lag of three quarters), however, a substantial bulk lies in the account of "errors and omissions" or "unrecorded transactions" ; an arbitrary distribution of this bulk would yield different conclusions based on the account to which the amount was redirected.

On the other hand, Consumer Price Index (CPI) figures are being published every month along with revisions and enhancements. The CPI is also published by CAS which has recently introduced a regional breakdown of consumer prices and added an important distinction to the housing component by separating rent prices paid on units under the old rent law and those paid on units which do not fall under the old rent law. The Consultation and Research Institute also publishes a CPI but it is only limited to Beirut and its suburbs. Regional distinctions are important because every region has its own specificities especially in terms of housing prices.

On the investment side, data is scarce and is mostly based on estimates. Investment is an essential component of GDP but is also essential in order to deduce the potential output of the country. It is not only data on local investments that is lacking but also data on foreign investments. Lebanon mostly relies on the annual FDI estimates of UNCTAD especially because the report details FDI inflows and outflows and also lists countries from which the investments originate.

Lebanon does have the tools to track the performance of major economic sectors. It is true that Lebanon does not release a GDP by sector per se, however, it is endowed with a set of sectoral indicators that allow for the deduction of trends and performance. The balance sheet of commercial banks is released monthly by the Central Bank of Lebanon while listed banks are legally bound to release their quarterly financial statements and any corporate action that they undertake. The order of engineers and the Lebanese Cadastre (real estate registry) also release the number of construction permits and real estate transactions on a monthly basis.

Nonetheless, there are still some areas where improvement is needed on the sectoral level. Other than in the country's national accounts, there are no frequent indicators as to what the value added of each sector is and how much it contributes to overall GDP. Moreover, statisticians need to have a forward-looking view and be prepared not only to measure traditional sectors but also budding ones. Lebanon is witnessing the growth of the technology sector after the launch of Circular #331 back in 2013 which allows commercial banks to invest directly or indirectly in the equity of startups. 5 years on, it would be interesting for Lebanon to design a methodology to measure the value of this high-value added sector and model its impact on economic growth, especially as it could be the key to unlocking the additional growth and job opportunities the country is hungry for.

We must also not overlook the importance of transparency in the release of corporate profits. In the US, the BEA releases the corporate profits of all US corporations by industry on a quarterly basis (\$2.24 trillion in Q2 2018). In Lebanon, perhaps intuitively the first sector that comes to mind when speaking of corporate profits is the banking sector due to its large size but also due to the abundance and accessibility of its data. Nonetheless, we are still left with many other sectors whose profits are not disclosed, making the deduction of a reliable national income figure (and therefore GDP) an arduous and incomplete effort.

The lack of data on wages not only impedes the calculation of national income but also that of wealth distribution. The Ministry of Finance releases data on public sector wages, however there is no comprehensive database that includes data on private sector wages. Moreover, the absence of this data by brackets prevents us from having any information regarding how wealth is distributed and how social classes are evolving.

In the real estate sector, there is a lack for data on pricing. In the US, Standard and Poor' s devises the S&P CoreLogic Case-Shiller Home Price Indices which are based on three-month moving averages of residential real estate. The issue in Lebanon is the difficulty of accessing the actual sale price of a residential unit, leaving us with asking prices only. However, asking prices do not reflect the entire reality of the market. In the recent slowdown of the real estate sector, we have no indication as to how the asking price compares to the actual sale price or in which regions are discounts the highest.

Perhaps the biggest data gap Lebanon suffers from is labor statistics. The latest unemployment figures published by CAS date back 9 years, while in the US a multitude of labor statistics are published on a monthly basis. The US Bureau of Labor Statistics (BLS) publishes monthly figures for employment, working hours and earnings in addition to labor force characteristics such as participation rates. Moreover, regular data is gathered to measure change in labor costs through the Employment Cost Index (ECI) and Employer Costs for Employee Compensation (ECEC). Most importantly, the BLS publishes labor productivity by comparing output to the number of work hours. In the case of Lebanon, having such an index would have shed some light on the thorny issue of the productivity of public sector employees at the time when an increase in their wages was being discussed.

Detailed labor statistics are needed in order to determine the type of unemployment and its victims. Unemployment can be mostly youth unemployment or female unemployment and solutions differ in each case. Unemployment can be frictional (due to lack of aggregate demand) but it can also be cyclical, seasonal, and voluntary. The current black box of labor data is surely not enough to tackle the issue of the high unemployment rate in Lebanon which is believed to have reached 20%.

The ability to access data is as important as the availability of that data. It is in this light that Blominvest partnered with Economena and Moody's Analytics to launch [Brite](#) in November 2017, an open access economic data source offering access to over 5,000 economic and sector indicators for the Lebanese Economy, all downloadable and all in one place. In March 2017, the Access to Information (AIL) Law was passed by the Lebanese Parliament. The law states that administrations¹ should publish key updated figures online and allow those seeking information to appeal any denied request. More than a year on, we asked lawyer and ex - MP Mr. Ghassan Moukheiber about the status of this law. Mr. Moukheiber recognizes that the challenge of this law is the political will to enforce it, as very few administrations have felt concerned with the law. On the bright side, he noted that the Office of the Minister of State for Administrative Reform (OMSAR) and the Justice Ministry have appointed "Access to Information" officers; and that the Council for Development and Reconstruction (CDR) has also been very responsive to information requests and has allowed full disclosure on the subject of solid waste management. When asked what will make people seek legal recourse rather than "seeking an inside man" who will provide them with information, Mr. Moukheiber replied that the law is not designed to change habits but rather to tackle the problem of administrations being reluctant to share information.

Lebanon needs reliable, transparent and scientific data. Sentiment in Lebanon is the predominant economic indicator. Unfortunately, sentiment is subject to biases and manipulations and thus cannot serve as an anchor for policy making and true reform. According to Dr. Ghassan Dibah, professor of economics and the chair of the Department of Economics at the Lebanese American University, "the 'data gap' is not only an informational problem but it has become an economic policy problem. It is one of the reasons why economic policy making is deficient in Lebanon." We must also not lose sight of the importance of having a forward-looking view. In this respect, Dr. Dibah adds that "we also need to devise a comprehensive method for business cycle timing and forecasting, which entails the production of all necessary indicators (some already are produced) and their classification into lagging, coincident and leading indicators."

We used the term administrations because the law is not limited to public institutions but also ¹ includes private companies managing public assets

Technical assistance and a legal framework are necessary steps for change. Being aware of the data gap is an important, albeit insufficient realization on its own. In order for changes to be executed, ministries and statistic offices require training and technical assistance in how to collect, maintain, analyze and schedule the release of data. In addition, there needs to be a legal framework that binds private companies to release certain information that the statisticians might need to devise national account figures.

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