

## Gross Domestic Product Second quarter of 2019

CAS has recently switched from an annual system to a new quarterly system of national accounts. The sources and methods used to compile quarterly estimates of GDP are very similar to those used in the former annual system. The difference is that annual data sources may not be available for some months after the end of the year. Until then, some temporary quarterly indicators or projections are used. When the annual data becomes available, the quarterly estimates are revised to align with the annual ones so that, when the four quarters are added up, they result in the same annual numbers.

### The estimates

For the year ending in June 2019, the Gross Domestic Product (GDP) of Lebanon is provisionally estimated at 82.4 trillion Lebanese Pounds. In terms of value, this is 0.2 per cent lower than in the year ending June 2018. In volume terms the GDP declined by 3.7 per cent, after inflation of 3.6 per cent was taken out.

In Table 1, quarterly series of GDP estimates are presented. This shows that in Quarter 2 (April to June) 2019, the volume of GDP was about 5% lower than in the same quarter of 2018. In the first quarter, it was 4% lower.

Table 2 shows the estimated gross value added of each activity during the 12-month period ending June 2019 and how this changed compared with the previous 12 months. The volume of construction taking place during these 12 months showed the largest fall, down by 16%. Wholesale and retail trade (down by 8%) and business services (down by 10%) were also affected more than other activities.

Table 1  
**Gross domestic product**  
 By activity  
 Not seasonally adjusted

Year	Quarter	GDP at current prices LBP trillion	Volume index (2015=100) chain-linked	% change (compared with the same period in the previous year)		
				value	price	volume
2014		72.6	99.8			
2015		75.3	100.0	3.7%	3.5%	0.2%
2016		77.2	101.5	2.5%	1.0%	1.5%
2017		80.1	102.4	3.8%	2.9%	0.9%
2018		82.9	100.4	3.5%	5.5%	-1.9%
2016	Q1	18.1	94			
	Q2	19.4	103			
	Q3	19.6	104			
	Q4	20.1	105			
2017	Q1	18.6	97	3%	0%	3%
	Q2	19.6	102	1%	2%	-1%
	Q3	20.6	106	5%	3%	1%
	Q4	21.4	105	6%	6%	0%
2018	Q1	19.8	96	6%	7%	-1%
	Q2	20.9	101	7%	7%	-1%
	Q3	21.2	102	3%	6%	-3%
	Q4	21.0	102	-2%	2%	-3%
2019	Q1	19.7	93	0%	4%	-4%
	Q2	20.4	96	-2%	3%	-5%

Source: Central Administration for Statistics

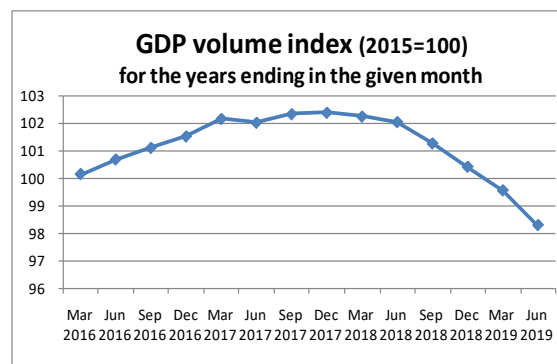
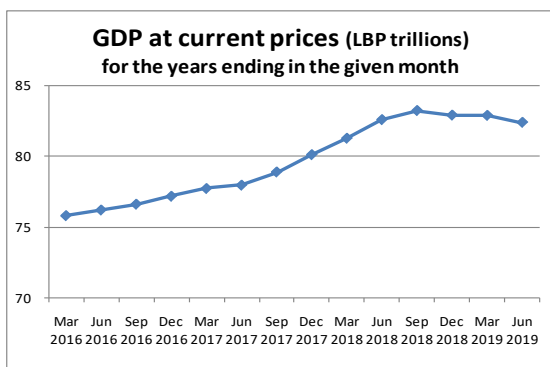


Table 2

**Gross domestic product**                      **GDP**

By activity

Billions of Lebanese Pounds

Description	ISIC code	Year ending	Year ending	annual % change		
		Jun 2018 at current prices	Jun 2019 at current prices	value	price	volume
<b>Gross domestic product at market prices</b>		<b>82,567</b>	<b>82,377</b>	<b>-0.2%</b>	<b>3.6%</b>	<b>-3.7%</b>
Taxes less subsidies on products		5,376	4,516	-16%	-10%	-7%
<b>Gross value added at basic prices</b>		<b>77,191</b>	<b>77,862</b>	<b>0.9%</b>	<b>4.5%</b>	<b>-3.5%</b>
Agriculture, livestock, forestry & fishing	A	2,408	2,661	11%	14%	-3%
Mining, manufacturing & utilities	B,C,D,E	8,765	8,557	-2%	3%	-5%
Construction	F	3,240	2,807	-13%	3%	-16%
Commercial trade & transport	G,H	13,515	12,816	-5%	3%	-8%
Hotels & restaurants	I	2,503	2,606	4%	4%	0%
Information & communications	J	1,742	1,696	-3%	1%	-3%
Financial services	K	6,892	6,796	-1%	4%	-5%
Real estate	L	12,228	12,994	6%	3%	3%
Business services	M,N	5,495	5,359	-2%	9%	-10%
Personal services, private education & health	P,Q,R,S,T	9,727	10,296	6%	5%	1%
Public administration, education & health	O,P,Q	10,677	11,274	6%	6%	0%

Source: Central Administration for Statistics

**Notes**

GDP is calculated according to the production approach. For many activities, indicators of output are derived by deflating aggregated sales data (from the quarterly returns made by VAT traders) using appropriate elements of the consumer price index. For some others, for example construction and electricity, volume indicators are used. The estimates are less reliable for a few activities, such as agriculture (which include a projection for the first half of 2019) and financial services (based on partial information). The same underlying assumptions and calculations are used in every period. The publication [http://www.cas.gov.lb/images/PDFs/National%20Accounts/Quarterly\\_GDP\\_sources\\_and\\_methods.pdf](http://www.cas.gov.lb/images/PDFs/National%20Accounts/Quarterly_GDP_sources_and_methods.pdf) provides more details concerning the methodology. The results provide a good indication of activity overall but they are not accurate in every detail.

Activity in a small economy such as that of Lebanon tends to be more variable than that in large ones. Growth can be more rapid and contraction more acute. The quarterly statistics can be volatile and should be used with caution. For this reason the numbers presented in this release focus more on the latest 12-month period than on the latest quarter.

For more detailed quarterly time series please contact CAS at 05/462880.