

Mission impossible

**Estimating GDP
\$40+ billion
in 2024**

EXCLUSIVE to members of **LEADERSCLUB**

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InfoPro has estimated that the GDP for 2024 exceeds \$40 billion.

The figure does not take into account the municipalities' expenditures that rely on direct levies, changes in the consumption of jewelry, precious stones, and precious metals (including gold), as well as at least a ten percent cash economy activity, because there are not reliable data to estimate them. They may very well amount to an additional \$5 billion.

Our estimate is much higher than estimates by international organizations which range from \$26 billion (World Bank) and \$28 billion (IMF) to \$32.8 billion (Institute of International Finance, IIF). (see *Appendix A*). These figures have been challenged by leaders in the Lebanese private sector and independent analysts, who argue that the published estimates significantly underestimate the true scale of the economy.

InfoPro has examined various sources of data and conducted field research. The results of its efforts led to a higher GDP valuation. The aim is not to replace a more rigorous and much-needed official calculation, typically conducted by the State, but rather to demonstrate that current GDP estimates by international organizations need another look – based on a more rigorous methodology.

Nominal GDP is typically calculated using three approaches (see *Appendix B*): Expenditure, Value-Added, and Income. In Lebanon, the Central Administration of Statistics (CAS) uses the Expenditure and Value-Added approaches. For this analysis, the 'Expenditure Approach' is used, as its data components are the only ones that are readily available or currently possible to estimate.

Prepared for

The GDP for 2018, as calculated by QES, is the National Accounts, is set as baseline. The value for 2022 was calculated through determining variation of its components from 2018 using existing data or estimating it using proxies. The variations used are based on actual figures or proxy figures from reliable published data or estimated by conducting interviews with key figures in each sector.

GDP Analytics

	2018	2022
	5439	4013
1.1 Total final consumption expenditure:	5322	4003
1.1.1 by households	4688	3923
1.1.2 by government	634	481
2.2 Gross capital formation	1123	99
2.2.1 Gross fixed capital formation	112	885
2.2.1.1 private	111	881
2.2.1.2 public	11	85
2.2.2 Change in inventories	00	00
2.2.3 Acquisition less disposal of intangible assets	004	004
3.3 Net export:	-147	-12
3.3.1 Export of goods and services:	1124	657
3.3.1.1 Export of goods (Gob)	337	288
3.3.1.2 Export of Services	777	399
3.3.2 Import of goods and services:	2671	1857
3.3.2.1 Import of goods (Gob)	1928	1551
3.3.2.2 Import of Services	663	386