

For Immediate Release



AUB and Byblos Bank launch first Consumer Confidence Index in Lebanon

Beirut, Lebanon- 17/11/2011 - The Olayan School of Business at the American University of Beirut teamed up with Byblos Bank Group to develop the first consumer confidence index for Lebanon.

The Byblos Bank/OSB Consumer Confidence Index for Lebanon is the first such index produced by a banking and financial institution in the Middle East and North Africa.

The project is also the first cooperation of its kind between the private sector and an academic institution in Lebanon.

The launch took place at the Byblos Bank Headquarters in Achrafieh on November 16 in the presence of François Bassil, chairman and general manager of Byblos Bank; OSB Dean George Najjar; Philippe Zgheib, OSB assistant professor of management and entrepreneurship; members of the International Monetary Fund delegation visiting Lebanon; as well as by representatives of the World Bank, the International Finance Corporation, the French Development Agency, the Association of Banks in Lebanon, the economic associations, and commercial attachés at several embassies.

Semaan Bassil, vice chairman and general manager of Byblos Bank, noted that "the World Economic Forum ranks Lebanon at 111 out of 142 countries in terms of collaboration in research and development between the private sector and universities. This means that Lebanon trails behind 78 percent of countries around the world in this respect. So this groundbreaking cooperation will hopefully encourage other similar initiatives, and will contribute to building a sustainable and solid economy for Lebanon's future generations."

"The Olayan School of Business at AUB is proud to be part of this ambitious undertaking pursued jointly with one of the country's leading banks," said OSB Dean Najjar. "In teaming together to publish Lebanon's first comprehensive consumer confidence index, Byblos Bank and OSB hope to be providing a major tool for economic and business researchers, policy makers, local and international analysts, as well as filling a part of the statistical gap in the country."

The Byblos Bank/OSB Consumer Confidence Index is a measure of the sentiment and expectations of Lebanese consumers towards the economy and their own financial situation, in line with leading consumer confidence indices worldwide.

Statistics Lebanon, one of the leading opinion polling firms in the country, will collect data for the index every month through face-to-face interviews of a nationwide random sample of 1200 men and women.

The Index calculation and analysis are conducted by the Economic Research & Analysis Team at Byblos Bank as well as Professor Zgheib.

The Olayan School of Business joined the project in mid-2009 and its role consists of complementing the analysis of Byblos Bank, monitoring the data for any discrepancies, suggesting new approaches, and reviewing the statistical analysis.

The Index calculation started in July 2007 and is produced every month.

Currently the Byblos Bank/OSB Consumer Confidence Index reflects 51 months of data up to September 2011. In addition, the data segregates the index based on age, gender, income, profession, region, and religious affiliation.

Household consumption is the driver of the Lebanese economy and accounts for about 79 percent of the country's Gross Domestic Product.

Nassib Ghobril, head of economic research and analysis at Byblos Bank, said that measuring consumer sentiment in Lebanon would play a vital role in assessing and evaluating the current and future spending of consumers and in measuring economic conditions. He added that consumers with high confidence in future economic conditions are likely to spend more, thus generating economic activity; meanwhile, low confidence tends to reduce consumers' propensity to spend, therefore slowing economic activity.

The Byblos Bank/OSB Consumer Confidence Index will fill a major market gap by measuring a key driver of economic activity, by increasing the transparency of the Lebanese economy, and by providing a new analytical tool for local, regional and international stakeholders, Ghobril explained.

On a calendar basis, consumer confidence was highest in 2009 when the index averaged 96.7, followed by 2008 with an average reading of 81.6, then 2010 when the index's average reached 72.8; the second half of 2007 with an average of 63.9 came in next, while the first nine months of 2011 with an index reading was 55.3 trailed behind.

The Byblos Bank/OSB Consumer Confidence Index reached its highest level in May 2008 at 133.6 and its second highest level in October 2008 at 111.5, while it reached its lowest level in August 2011 at 46.4 and its second lowest reading in March 2011 at 47.5.

"The results of our index show that consumer confidence in Lebanon is significantly affected by political events, whether they are negative or positive," said Ghobril.

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Note to Editors

About AUB

Founded in 1866, the American University of Beirut bases its educational philosophy,

standards, and practices on the American liberal arts model of higher education. A teaching-centered research university, AUB has more than 600 full-time faculty members and a student body of about 8,000 students. AUB currently offers more than 100 programs leading to the bachelor's, master's, MD, and PhD degrees. It provides medical education and training to students from throughout the region at its Medical Center that includes a full service 420-bed hospital.

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