

Republic of Lebanon
Ministry of Finance

Fiscal Performance Report for February 2002

Overall fiscal performance - budgetary and treasury operations

Total expenditures (budgetary and treasury) for the period January - February 2002 amounted to LL 1,421 billion, compared to LL 1,060 billion during the same period last year, indicating an increase of LL 262 billion. Total revenues (budgetary and treasury), on the other hand, amounted to LL 809 billion during January – February 2002, compared to LL 798 billion during the same period last year. Hence, total deficit since the beginning of the year amounted to LL 611 billion, equivalent to 43.03% of total expenditures compared to LL 263 billion or 24.77 % during the same period in 2001. The total primary surplus, hence amounted to LL 136 billion during January – February 2002 compared to LL 389 billion during the same period last year.

Budget operations

On the budget execution front, budget expenditures during the January - February 2002 amounted to LL 1,072 billion and budget revenues amounted to LL 734 billion, compared to budget expenditures of LL 883 billion and budget revenues of LL 750 billion during the same period last year. The Value Added Tax collected during February 2002 (one month since its implementation) amounted to LL 47 billion. It is to note that at the early stages of implementation, VAT declarations shall be submitted every quarter instead of one month. The first declaration date is at the end of April 2002 and hence the results shall appear in the April report.

The budget deficit for January – February 2002 amounted to LL 338 billion, equivalent to 31.50% of budget expenditures compared to LL 133 billion or 15.07% in January - February 2001. In addition, a budget primary surplus of LL 410 billion was achieved during the first two months of 2002 compared to LL 518 billion.

Treasury operations

As for treasury operations during the period January - February 2002, they resulted in a deficit of LL 274 billion, equivalent to 84.63% of treasury expenditures compared to LL 130 billion, or 73 % during the same period in 2001.

Note:

Budget revenues and expenditures are not equally distributed among the months of the year. Therefore, upon the execution of the budget, revenue and expenditure figures from both the budget and treasury accounts will differ among the months of the year and with it the deficit ratio and amount.

Summary of Fiscal Performance February 2001-2002

Republic of Lebanon - Ministry of Finance

(In million of L.L.)	Feb-01	Feb-02	Jan-Feb 2001	Jan-Feb 2002	Change	% Change
1. Budget Transactions						
1.1 Revenues	314,708	291,067	749,816	734,046	-15,770	-2.10%
1.1.1 Tax Revenues	168,459	184,682	430,498	515,568	85,070	19.76%
<i>of which customs revenues*</i>	110,962	74,627	243,188	260,899	17,711	7.28%
<i>of which VAT revenues**</i>	0	46,438	0	46,438	46,438	
1.1.2 Non-Tax Revenues	146,249	106,385	319,318	218,478	-100,840	-31.58%
1.2 Expenditures	466,297	490,179	882,845	1,071,567	188,722	21.38%
1.2.1 Expenditures excluding debt service	128,556	183,612	231,539	324,258	92,719	40.04%
1.2.2 Debt Service	337,741	306,567	651,306	747,309	96,003	14.74%
1.2.1.1 Domestic Debt	241,300	163,700	545,297	581,300	36,003	6.60%
1.2.1.2 Foreign Debt	96,441	142,867	106,009	166,009	60,000	56.60%
Budget Total Deficit/Surplus	-151,589	-199,112	-133,029	-337,521	-204,492	
In % of total budget expenditures	-32.51%	-40.62%	-15.07%	-31.50%		
Budget Primary Deficit/Surplus	186,152	107,455	518,277	409,788	-108,489	
In % of total budget expenditures	39.92%	21.92%	58.71%	38.24%		
2. Treasury Transactions						
2.1 Receipts	22,747	43,903	47,905	75,424	27,519	57.44%
2.1.1 Trust accounts / guarantees	6,388	7,182	13,457	10,885	-2,572	
2.1.2 Municipalities	9,079	6,943	19,130	21,278	2,148	
2.1.3 Deposits	4,835	4,452	10,153	10,883	730	
2.1.4 Other	2,445	25,326	5,165	32,378	27,213	
2.2 Payments	69,459	144,252	177,510	349,267	171,757	96.76%
2.2.1 Trust accounts/Guarantees	44,294	2,980	76,736	18,056	-58,680	
2.2.2 Municipalities	4,679	603	6,934	8,564	1,630	
2.2.3 Deposits	4,746	5,557	14,050	12,956	-1,094	
2.2.4 Expenditures from previous years appropriations	3,782	122,322	49,071	280,662	231,591	
2.2.5 Expenditures from previous years/Guarantees	10,629	1,641	25,720	4,127	-21,593	
2.2.6 Other	1,329	11,149	4,999	24,902	19,903	
Total Treasury Deficit/Surplus	-46,712	-100,349	-129,605	-273,843		
In % of total treasury expenditure	-67.25%	-69.57%	-73.01%	-78.41%		
3. Total Budget and Treasury Receipts	337,455	334,970	797,721	809,470	11,749	1.47%
4. Total Cash Budget and Treasury Payments	535,756	634,431	1,060,355	1,420,834	360,479	34.00%
5. Total Cash Deficit/Surplus	-198,301	-299,461	-262,634	-611,364	-348,730	
In % of Total Expenditures	-37.01%	-47.20%	-24.77%	-43.03%		
6. Primary Deficit/Surplus	139,440	7,106	388,672	135,945	-252,727	
In % of total expenditures	26.03%	1.12%	36.65%	9.57%		

* Receipts from excise taxes are included within customs revenues for comparative reasons

** VAT revenues represents the amount collected at customs.