

Republic of Lebanon
Ministry of Finance

Fiscal Performance Report for July 2001

Overall fiscal performance - budgetary and treasury operations

Total expenditures (budgetary and treasury) for the period January- July 2001 amounted to LL 4,756 billion compared to LL 5,487 billion for the same period last year, indicating a decrease of LL 731 billion. Total revenues for the same period of 2001 amounted to LL 2,616 billion, indicating an increase of LL 12 billion over the corresponding period of 2000, which amounted to LL 2,604 billion. The total deficit for the period January- July 2001 amounted to LL 2,140 billion, equivalent to 44.99% of total expenditures, compared to a deficit of LL 2,883 billion or 52.55% of total expenditures for the same period last year representing an decrease of LL 744 billion. The total primary surplus for the period January – July amounted to LL 365 billion compared to a total primary deficit of LL 556 billion in the corresponding period in 2000.

Budget operations

The budget deficit for the period January – July 2001 amounted to LL 1,781 billion, equivalent to 42.39% of budget expenditures compared to a budget deficit of LL 2,073 billion, equivalent to 46.70% of budget expenditures in the same period last year. A primary surplus of LL 723 billion was attained during the period January – July 2001 compared to LL 254 billion in the same period last year.

The considerable improvement in the deficit and its ratios is to be noted for the first seven months of 2001, part of which is attributed to the improvement in budget revenues which amounted to LL 2,420 billion compared to LL 2,366 billion for the same period last year, representing an increase of LL 54 billion. It is also worth mentioning that out of total budget revenues for this period, customs revenues amounted to LL 868 billion compared to LL 1,017 billion for the same period last year (a decrease of LL 149 billion), despite the decreases in the custom tariffs, thus indicating growth in external trade activity during the first seven months of 2001 compared to the same period in 2000. Moreover, the improvement in the amount of various tax revenues by LL160 billion offset the decrease in customs revenues by LL149 billion during the first seven months of 2001 over the corresponding period in the year 2000.

Treasury operations

The deficit resulting from treasury operations for the period January- July 2001 amounted to LL 358 billion, equivalent to 64.65% of treasury expenditures, compared to a deficit of LL 810 billion or 77.33 % of treasury expenditures for the same period last year.

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 July 2000-2001

(In million of L.L.)

	July-00	July-01	Jan-July 00	Jan-July 01	Change	% Change
1. Budget Transactions						
1.1 Revenues	359,341	329,578	2,366,321	2,420,313	53,992	2.28%
1.1.1 Tax Revenues	263,850	262,373	1,681,879	1,692,506	10,627	0.63%
<i>of which customs revenues*</i>	144,218	130,270	1,016,901	868,060	-148,841	-14.64%
1.1.2 Non-Tax Revenues	95,491	67,205	684,442	727,807	43,365	6.34%
1.2 Expenditures	748,908	660,362	4,439,615	4,201,544	-238,071	-5.36%
1.2.1 Expenditures excluding debt service	434,829	281,670	2,112,049	1,696,504	-415,545	-19.67%
1.2.2 Debt Service	314,079	378,692	2,327,566	2,505,040	177,474	7.62%
1.2.1.1 Domestic Debt	275,825	317,700	2,004,146	2,000,195	-3,951	-0.20%
1.2.1.2 Foreign Debt	38,254	60,992	323,420	504,845	181,425	56.10%
Budget Total Deficit/Surplus	-389,567	-330,784	-2,073,294	-1,781,231	292,063	
In % of total budget expenditures	-52.02%	-50.09%	-46.70%	-42.39%		
Budget Primary Deficit/Surplus	-75,488	47,908	254,272	723,809	469,537	
In % of total budget expenditures	-10.08%	7.25%	5.73%	17.23%		
2. Treasury Transactions						
2.1 Receipts	31,947	32,832	237,419	195,960	-41,459	
2.1.1 Trust accounts / guarantees	8,400	4,253	55,726	37,932	-17,794	
2.1.2 Municipalities	15,150	11,031	102,907	86,190	-16,717	
2.1.3 Deposits	3,954	12,784	30,351	41,654	11,303	
2.1.4 Other	4,443	4,764	48,435	30,184	-18,251	
2.2 Payments	109,950	82,640	1,047,367	554,419	-492,948	
2.2.1 Trust accounts/Guarantees	45,580	12,535	114,874	259,689	144,815	
2.2.2 Municipalities	21,408	1,549	180,107	13,275	-166,832	
2.2.3 Deposits	14,289	11,500	60,669	68,864	8,195	
2.2.4 Expenditures from previous years appropriations	593	300	209,112	51,399	-157,713	
2.2.5 Expenditures from previous years/Guarantees	18,754	25,912	303,967	80,330	-223,637	
2.2.6 Other	9,326	30,844	178,638	80,862	-97,776	
Total Treasury Deficit/Surplus	-78,003	-49,808	-809,948	-358,459	451,489	
In % of total treasury expenditure	-70.94%	-60.27%	-77.33%	-64.65%		
3. Total Budget and Treasury Receipts	391,288	362,410	2,603,740	2,616,273	12,533	0.48%
4. Total Cash Budget and Treasury Payments	858,858	743,002	5,486,982	4,755,963	-731,019	-13.32%
5. Total Cash Deficit/Surplus	-467,570	-380,592	-2,883,242	-2,139,690	743,552	
In % of Total Expenditures	-54.44%	-51.22%	-52.55%	-44.99%		

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