

Republic of Lebanon
Ministry of Finance

Fiscal Performance Report for May 2001

Overall fiscal performance - budgetary and treasury operations

Total expenditures (budgetary and treasury) for the period January- May 2001 amounted to LL 3,303 billion compared to LL 3,847 billion for the same period last year, indicating a decrease of LL 544 billion. The total deficit for the period January- May 2001 amounted to LL 1,406 billion, equivalent to 42.56% of total expenditures, compared to a deficit of LL 1,955 billion or 50.82% of total expenditures for the same period last year representing an decrease of LL 549 billion.

Budget operations

The budget deficit for the period January – May 2001 amounted to LL 1,132 billion, equivalent to 39.17 % of budget expenditures compared to a budget deficit of LL 1,365 billion, equivalent to 44.27 % of budget expenditures in the same period last year. A primary surplus of LL 656 billion was attained during the period January – May 2001 compared to LL 339 billion in the same period last year.

The considerable improvement in the deficit and its ratios is to be noted for the first five months of 2001, part of which is attributed to the improvement in budget revenues which amounted to LL 1,758 billion compared to LL 1,718 billion for the same period last year, representing an increase of LL 40 billion. It is also worth mentioning that out of total budget revenues for this period, customs revenues amounted to LL 617 billion compared to LL 730 billion for the same period last year (a decrease of LL 112 billion), despite the decreases in the custom tariffs, thus indicating growth in external trade activity during the first five months of 2001 compared to the same period in 2000.

Treasury operations

The deficit resulting from treasury operations for the period January- May 2001 amounted to LL 274 billion, equivalent to 66.27% of treasury expenditures, compared to a deficit of LL 590 billion or 77.23 % 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 May 2000-2001

(In million of L.L.)

	May-00	May-01	Jan-May 00	Jan-May 01	Change	% Change
1. Budget Transactions						
1.1 Revenues	430,806	446,351	1,717,667	1,757,893	40,226	2.34%
1.1.1 Tax Revenues	303,834	373,310	1,204,282	1,183,446	-20,836	-1.73%
<i>of which customs revenues*</i>	172,007	128,339	730,082	617,442	-112,640	-15.43%
1.1.2 Non-Tax Revenues	126,972	73,041	513,385	574,447	61,062	11.89%
1.2 Expenditures	748,275	820,244	3,082,391	2,889,700	-192,691	-6.25%
1.2.1 Expenditures excluding debt service	412,980	437,732	1,379,144	1,102,059	-277,085	-20.09%
1.2.2 Debt Service	335,295	382,512	1,703,247	1,787,641	84,394	4.95%
1.2.1.1 Domestic Debt	316,244	364,300	1,438,251	1,444,797	6,546	0.46%
1.2.1.2 Foreign Debt	19,051	18,212	264,996	342,844	77,848	29.38%
Budget Total Deficit/Surplus	-317,469	-373,893	-1,364,724	-1,131,807	232,917	
In % of total budget expenditures	-42.43%	-45.58%	-44.27%	-39.17%		
Budget Primary Deficit/Surplus	17,826	8,619	338,523	655,834	317,311	
In % of total budget expenditures	2.38%	1.05%	10.98%	22.70%		
2. Treasury Transactions						
2.1 Receipts	61,998	59,526	174,019	139,519	-34,500	
2.1.1 Trust accounts / guarantees	8,301	5,070	41,275	27,119	-14,156	
2.1.2 Municipalities	15,323	26,285	68,164	65,144	-3,020	
2.1.3 Deposits	18,256	20,395	22,390	25,013	2,623	
2.1.4 Other	20,118	7,776	42,190	22,243	-19,947	
2.2 Payments	115,685	137,285	764,158	413,579	-350,579	
2.2.1 Trust accounts/Guarantees	7,383	106,621	28,096	225,489	197,393	
2.2.2 Municipalities	34,485	1,238	87,008	10,087	-76,921	
2.2.3 Deposits	13,739	7,619	36,547	35,378	-1,169	
2.2.4 Expenditures from previous years appropriations	1,000	140	206,975	50,770	-156,205	
2.2.5 Expenditures from previous years/Guarantees	19,773	18,773	256,998	54,300	-202,698	
2.2.6 Other	39,305	2,894	148,534	37,555	-110,979	
Total Treasury Deficit/Surplus	-53,687	-77,759	-590,139	-274,060	316,079	
In % of total treasury expenditure	-46.41%	-56.64%	-77.23%	-66.27%		
3. Total Budget and Treasury Receipts	492,804	505,877	1,891,686	1,897,412	5,726	0.30%
4. Total Cash Budget and Treasury Payments	863,960	957,529	3,846,549	3,303,279	-543,270	-14.12%
5. Total Cash Deficit/Surplus	-371,156	-451,652	-1,954,863	-1,405,867	548,996	
In % of Total Expenditures	-42.96%	-47.17%	-50.82%	-42.56%		

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