

Republic of Lebanon
Ministry of Finance

Fiscal Performance Report for October 2001

Overall fiscal performance - budgetary and treasury operations

Total expenditures (budgetary and treasury) for the period January- October 2001 amounted to LL 7,285 billion compared to LL 8,210 billion for the same period last year, indicating a decrease of LL 924 billion. Total revenues for the same period of 2001 amounted to LL 3,790 billion, indicating a decrease of LL 283 billion over the corresponding period of 2000, which had amounted to LL 4,072 billion. The total deficit for the period January- October 2001 amounted to LL 3,495 billion, equivalent to 47.97% of total expenditures, compared to a deficit of LL 4,137 billion or 50.39% of total expenditures for the same period last year representing an decrease of LL 642 billion. The total primary surplus for the period January – October 2001 amounted to LL 70 billion compared to a total primary deficit of LL 676 billion in the corresponding period in 2000.

Budget operations

The budget deficit for the period January – October 2001 amounted to LL 2,953 billion, equivalent to 45.77% of budget expenditures compared to a budget deficit of LL 2,974 billion, equivalent to 45.10% of budget expenditures in the same period last year indicating a decrease of LL 21 billion. A primary surplus of LL 611 billion was attained during the period January – October 2001 compared to LL 487 billion in the same period last year.

Out of total budget revenues for this period, customs revenues amounted to LL 1,310 billion compared to LL 1,514 billion for the same period last year (a decrease of LL 204 billion), despite the decreases in the custom tariffs, thus indicating growth in external trade activity during the first ten months of 2001 compared to the same period in 2000.

Treasury operations

The deficit resulting from treasury operations for the period January- October 2001 amounted to LL 542 billion, equivalent to 64.96% of treasury expenditures, compared to a deficit of LL 1,163 billion or 71.99 % 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 October 2000-2001

(In million of L.L.)

| | Oct-00 | Oct-01 | Jan-Oct 00 | Jan-Oct 01 | Change | % Change |
|---|-----------------|------------------|-------------------|-------------------|-----------------|----------------|
| 1. Budget Transactions | | | | | | |
| 1.1 Revenues | 365,255 | 390,187 | 3,620,337 | 3,498,089 | -122,248 | -3.38% |
| 1.1.1 Tax Revenues | 253,961 | 263,228 | 2,570,993 | 2,416,272 | -154,721 | -6.02% |
| <i>of which customs revenues*</i> | 180,369 | 160,731 | 1,513,508 | 1,309,660 | -203,848 | -13.47% |
| 1.1.2 Non-Tax Revenues | 111,294 | 126,959 | 1,049,344 | 1,081,817 | 32,473 | 3.09% |
| 1.2 Expenditures | 802,748 | 941,819 | 6,594,429 | 6,450,996 | -143,433 | -2.18% |
| 1.2.1 Expenditures excluding debt service | 322,536 | 448,169 | 3,133,832 | 2,886,619 | -247,213 | -7.89% |
| 1.2.2 Debt Service | 480,212 | 493,650 | 3,460,597 | 3,564,377 | 103,780 | 3.00% |
| 1.2.1.1 Domestic Debt | 326,645 | 338,305 | 2,912,011 | 2,825,800 | -86,211 | -2.96% |
| 1.2.1.2 Foreign Debt | 153,567 | 155,345 | 548,586 | 738,577 | 189,991 | 34.63% |
| Budget Total Deficit/Surplus | -437,493 | -551,632 | -2,974,092 | -2,952,907 | 21,185 | |
| In % of total budget expenditures | -54.50% | -58.57% | -45.10% | -45.77% | | |
| Budget Primary Deficit/Surplus | 42,719 | -57,982 | 486,505 | 611,470 | 124,965 | |
| In % of total budget expenditures | 5.32% | -6.16% | 7.38% | 9.48% | | |
| 2. Treasury Transactions | | | | | | |
| 2.1 Receipts | 74,237 | 28,741 | 452,483 | 292,195 | -160,288 | |
| 2.1.1 Trust accounts / guarantees | 9,740 | 5,824 | 90,966 | 55,384 | -35,582 | |
| 2.1.2 Municipalities | 31,468 | 13,095 | 177,774 | 137,395 | -40,379 | |
| 2.1.3 Deposits | 4,403 | 5,192 | 44,235 | 55,143 | 10,908 | |
| 2.1.4 Other | 28,626 | 4,630 | 139,508 | 44,273 | -95,235 | |
| 2.2 Payments | 155,897 | 64,911 | 1,615,156 | 833,921 | -781,235 | |
| 2.2.1 Trust accounts/Guarantees | 95,506 | 5,052 | 513,246 | 295,784 | -217,462 | |
| 2.2.2 Municipalities | 34,187 | 23,457 | 272,157 | 98,302 | -173,855 | |
| 2.2.3 Deposits | 6,505 | 7,599 | 78,673 | 90,376 | 11,703 | |
| 2.2.4 Expenditures from previous years appropriations | 143 | 403 | 210,761 | 52,297 | -158,464 | |
| 2.2.5 Expenditures from previous years/Guarantees | 12,872 | 6,119 | 337,430 | 139,572 | -197,858 | |
| 2.2.6 Other | 6,684 | 22,281 | 202,889 | 157,590 | | |
| Total Treasury Deficit/Surplus | -81,660 | -36,170 | -1,162,673 | -541,726 | 620,947 | |
| In % of total treasury expenditure | -52.38% | -55.72% | -71.99% | -64.96% | | |
| 3. Total Budget and Treasury Receipts | 439,492 | 418,928 | 4,072,820 | 3,790,284 | -282,536 | -6.94% |
| 4. Total Cash Budget and Treasury Payments | 958,645 | 1,006,730 | 8,209,585 | 7,284,917 | -924,668 | -11.26% |
| 5. Total Cash Deficit/Surplus | -519,153 | -587,802 | -4,136,765 | -3,494,633 | 642,132 | |
| In % of Total Expenditures | -54.15% | -58.39% | -50.39% | -47.97% | | |
| 6. Total Primary Deficit/Surplus | -38,941 | -94,152 | -676,168 | 69,744 | 745,912 | |
| In % of total expenditures | -4.06% | -9.35% | -8.24% | 0.96% | | |

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