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**General Overview**

The challenging economic conditions have weighed heavily on the public finances during the period of Jan-Aug 2020, affecting both revenues and expenditures. Government revenues witnessed a remarkable year-on-year drop of LL 2,351 billion (20.2 percent) during the first eight months of 2020. The decrease in revenues was mainly driven by lower collections from the value added tax, the income tax on profits, as well as lower transfers from the telecom sector.

On the expenditure front, the Government decision to withhold payments due on Eurobonds starting March 2020 has led to a decrease in total spending by LL 2,979 billion (18.5 percent) as interest payments plunged down by LL 2,844 billion (59.0 percent).

The **total fiscal balance** registered a deficit of LL 3,821 billion during Jan-Aug 2020 compared to a deficit of LL 4,449 billion during the same period of 2019. In contrast, the **primary balance** witnessed a significant deterioration from a surplus of LL 556 billion in Jan-Aug 2019 to LL a deficit of 1,713 billion in Jan-Aug 2020.

**Table 1: Summary of Fiscal Performance**

| (LL billion)   | Jan-Aug<br>2019 | Jan-Aug<br>2020 | % Change<br>2020/2019 |
|--|-----------------|-----------------|-----------------------|
| <b>Total Budget and Treasury Receipts</b>            | <b>11,613</b>   | <b>9,262</b>    | <b>-20.2%</b>         |
| <b>Total Budget and Treasury Payments, of which</b>  | <b>16,062</b>   | <b>13,083</b>   | <b>-18.5%</b>         |
| Interest Payments                                    | 4,817           | 1,973           | -59.0%                |
| Concessional loans principal payments <sup>(1)</sup> | 188             | 135             | -28.2%                |
| Primary Expenditures <sup>(2)</sup>                  | 11,057          | 10,975          | -0.7%                 |
| <b>Total (Deficit)/Surplus</b>                       | <b>-4,449</b>   | <b>-3,821</b>   | <b>-14.1%</b>         |
| <b>Primary (Deficit)/Surplus</b>                     | <b>556</b>      | <b>-1,713</b>   | <b>-</b>              |

Source: Ministry of Finance (MOF), Directorate General of Finance (DGF)

<sup>(1)</sup> Includes only Principal repayments of concessional loans earmarked for project financing

<sup>(2)</sup> Primary expenditures exclude debt related payments (Interest payments and Concessional loans principal repayment)

**Revenues**

**Total revenues** decreased by LL 2,351 billion (20.2 percent) year-on-year to reach LL 9,262 billion during Jan-Aug 2020.

**Tax revenues** reached a total of LL 6,920 billion in the first eight months of the year, reflecting a LL 2,281 billion (24.8 percent)<sup>1</sup> decrease from a total of LL 9,201 billion recorded during the same period of last year. This deterioration was driven by a drop in the majority of tax items with some exceptions witnessed at the level of the **tax on interest income**, the **real estate registration fees** and the **gasoline excise**.

The main decrease was witnessed in **domestic taxes on goods and services** which dropped by LL 1,273 billion (44.0 percent) year-on-year in Jan-Aug 2020, driven by a LL 1,199 billion (49.7 percent) decline in the **value added tax**<sup>2</sup>. In details, both VAT collected at customs and VAT collected internally decreased year-on-year over the covered period by 55.6 percent and 42.0 percent, respectively. Also, **passenger departure tax** and **private car registration fees** decreased by LL 79 billion (63.9 percent) and LL 59 billion

<sup>1</sup> This year-on-year decrease is partly driven by the general mobilization and lockdown imposed by the Government to counteract the Covid-19 pandemic and the subsequent extension of all deadlines for tax declarations and payments.

<sup>2</sup> Mirroring the contraction in private consumption, which is the main driver of the economic growth in Lebanon.

(43.1 percent) respectively during Jan-Aug 2020. These drops were partly counterbalanced by an increase in transfers from the **Régie profits** which registered LL 268 billion during Jan-Aug 2020 compared to LL 200 billion during the same period of 2019.

**Taxes on income, profits and capital gains** significantly dropped by LL 669 billion (16.5 percent) year-on-year in Jan-Aug 2020, driven by a drastic year-on-year drop in **income tax on profits** and **income tax on capital gains & dividends** by LL 975 billion (74.1 percent) and LL 242 billion (72.1 percent) respectively. **Income tax on wages and salaries** also decreased by LL 121 billion (18.1 percent). In contrast, **taxes on interest income** increased significantly by LL 679 billion (39.7 percent) to reach LL 2,390 billion during the mentioned period.

In addition, **taxes on international trade** dropped by LL 444 billion (34.5 percent) as collections from **customs** and **excises** dropped by LL 251 billion (55.8 percent) and LL 193 billion (23.0 percent) respectively. In fact, **cars excise** were down by LL 142 billion (63.2 percent), owing to a 70.8 percent decrease in the value of imported vehicles. Also, **tobacco excise** decreased by LL 79 billion (68.4 percent), driven by a 57.3 percent year-on-year decline in the value of tobacco imports. In contrast, **gasoline excise** increased by LL 32 billion (6.5 percent) as a result of the floor price for gasoline set by the Council of Ministers on March 12, 2020<sup>3</sup> which more than offset the volume effect of gasoline imports witnessing a year-on-year drop of 21.3 percent.

**Other tax revenues (namely fiscal stamp fees)** decreased by LL 94 billion (24.5 percent) to reach LL 289 billion in Jan-Aug 2020.

In contrast, **taxes on property** registered a LL 199 billion (34.2 percent) increase in Jan-Aug 2020, mainly as **real estate registration fees** witnessed a significant year-on-year rise of LL 275 billion (85.6 percent)<sup>4</sup>, of which an increase of LL 43 billion registered between August 2019 and August 2020. This rise came as a result of the increasing appetite for real estate as a safer alternative for bank depositors starting late-2019. This trend regained momentum after the adoption of a 5-step opening plan by the Council of Ministers on 24 April 2020. On the other hand, **built property tax** and **inheritance fees** dropped by LL 59 billion (31.5 percent) and by LL 16 billion (23.9 percent), respectively.

**Non-tax revenues** declined by LL 694 billion (36.6 percent) to reach LL 1,204 billion during the first eight months of 2020.

**Income from Public Institutions and Government properties** witnessed a year-on-year drop of LL 630 billion (54.1 percent) over the covered period, as **transfers from the Telecom Surplus, revenues from Port of Beirut and property income (namely rent of Rafic Hariri International Airport)** declined by LL 390 billion (56.5 percent), LL 150 billion (68.1 percent) and LL 45 billion (55.0 percent), respectively.

Moreover, **administrative fees and charges** dropped by LL 107 billion (19.5 percent) reaching LL 442 billion over the period under review, due to a decrease in all its sub-categories, except for the **vehicle control fees** which rose by LL 35 billion (24.2 percent). In details, **passport fees, administrative charges and notary fees** fell by LL 74 billion (41.6 percent), LL 16 billion (53.0 percent) and LL 14 billion (31.1 percent), respectively.

<sup>3</sup> COM decision #16 dated 12/03/2020 has set a floor price of LL 24,000 for gasoline-98 octanes and LL 23,500 for gasoline-95 octanes, stipulating also that the surplus generated due to the fall in international fuel prices will be considered as an additional revenue under "gasoline excise".

<sup>4</sup> As per the data from the General Directorate of Land Registry and Cadastre, the number of sold properties increased by 44.7 percent during Jan-Aug 2020 while their average price increased by 47.2 percent compared to the same period last year.

On the other hand, **other non-tax revenues (mostly retirement deductibles)** increased by LL 56 billion (35.4 percent), as deductibles related to military salaries and retirement<sup>5</sup> generated LL 34 billion during Jan-Aug 2020. In addition, exceptional revenues from the settlement of violations related to maritime properties reached LL 24 billion during Jan-Aug 2020 compared to nil a year earlier.

**Treasury receipts** witnessed a significant increase of LL 623 billion to reach LL 1,139 billion in Jan-Aug 2020 compared to LL 515 billion during the same period of the 2019<sup>6</sup>. The reason behind this substantial rise was a refund transaction of LL 644 billion executed during the month of April as the deal between the Central Bank and the Ministry of Finance to reverse the coupon payments related to Jan-Mar 2020 materialized. This refund was registered under treasury receipts, and will be used gradually to cover other interest payments due during 2020<sup>7</sup>.

### Expenditures

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**Total expenditures** regressed by LL 2,979 billion (18.5 percent) to reach LL 13,083 billion in Jan-Aug 2020 compared to LL 16,062 billion in Jan-Aug 2019.

**Current primary expenditures**<sup>8</sup> showed no change when compared to the same period of last year, registering a total of LL 9,150 billion. In details, some items witnessed a year-on-year increase during the period under consideration, mainly those covering **transfers to the Higher Council of Relief, hospitals, retirement and medicaments** by LL 225 billion<sup>9</sup>, LL 150 billion, LL 141 billion and LL 85 billion, respectively. These increases were offset by a year-on-year drop in other expenditure items, mainly **transfers to Electricité du Liban (EDL)** by LL 561 billion (37.1 percent) and **end of service compensations** by LL 329 billion (55.2 percent).

**Interest payments** dropped by LL 2,844 billion (59.0 percent) in Jan-Aug 2020 as interest payments due on foreign currency debt decreased significantly by LL 1,602 billion (88.3 percent) after the Government opted to default on its maturing Eurobonds in March 2020. Moreover, interest payments on local currency debt decreased by LL 1,242 billion (41.3 percent) over the covered period. **Foreign debt principal repayment** also dropped by LL 53 billion (28.2 percent) to register a total of LL 135 billion during Jan-Aug 2020.

**Capital expenditures** decreased significantly by LL 333 billion (46.9 percent) to reach LL 377 billion in Jan-Aug 2020, mainly as expenses related to **maintenance**, transfers to **CDR**, and transfers to the **Higher Council of Relief** dropped by LL 123 billion (51.9 percent), LL 97 billion (55.1 percent) and LL 20 billion (100.0 percent), respectively.

**Treasury expenditures** witnessed an increase of LL 187 billion (18.7 percent) to reach LL 1,185 billion in Jan-Aug 2020. This came despite the drop in payments to **municipalities, deposits and VAT refund** which shrank by LL 163 billion (36.1 percent), LL 113 billion (49.9 percent) and LL 83 billion (41.5 percent) respectively during the period under consideration.

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<sup>5</sup> New deductibles introduced as per 2019 Budget law #144 dated 31 July 2019.

<sup>6</sup> It is worth mentioning that treasury receipts are transitory in nature and as such, variations in these collections are usually not reflective of the economic activity.

<sup>7</sup> These payments are classified under other treasury expenditures, resulting in the hike shown in table 5.

<sup>8</sup> Current primary expenditures represent current expenditures excluding interest payment and debt service.

<sup>9</sup> This consists of treasury advances granted to the Higher Council of Relief dated 2 April 2020 and 8 June 2020 as part of the social safety net targeting the most vulnerable households. It covers a disbursement of an amount of LL 400,000 per household.

## Public Debt

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**Gross public debt** stood at LL 142,119 billion by the end of August 2020, increasing by LL 3,969 billion (2.9 percent) from end-2019. On the other hand, **net debt** rose more rapidly by 4.5 percent to reach LL 127,939 billion as **public sector deposits** dropped by LL 1,497 billion (9.5 percent) over the period under consideration.

**Local currency debt** increased by LL 1,728 billion (2.0 percent) to register LL 89,007 billion as of end-August 2020, compared to LL 87,279 billion as at end-2019. In details, **local currency debt held by the Central Bank** increased by LL 2,279 billion (4.5 percent) to reach LL 52,996 billion by the end of August 2020, followed by a smaller rise in other local currency debt holdings with **TBs held by public entities** increasing by LL 213 billion (2.1 percent) to reach LL 10,181 billion. In contrast, **TBs held by commercial banks** dropped by LL 722 billion (2.9 percent) to reach LL 24,594 billion by the end of August 2020.

The stock of **foreign currency debt** grew by LL 2,241 billion (4.4 percent) to reach LL 53,112 billion at end-Aug 2020. In details, this increase was mainly driven by a LL 1,809 billion of arrears in coupons due to the Government decision to default on Eurobonds, adding to a LL 127 billion of accrued interest in arrears. Also, **bilateral, multilateral and foreign private sector loans** increased by LL 85 billion, whereas **Paris III related debt** decreased by LL 43 billion compared to the end of 2019. As for the stock of **market-issued Eurobonds**, it remained unchanged at a level of LL 47,206 billion, including an amount of LL 3,769 billion as arrears in principal as of end-August 2020.

## SECTION 1: REVENUE OUTCOME

**Table 2: Total Revenues**

| (LL billion)                      | 2019          | 2020         | % Change      |
|-----------------------------------|---------------|--------------|---------------|
|                                   | Jan-Aug       | Jan-Aug      | 2020/2019     |
| <b>Budget Revenues, of which:</b> | <b>11,098</b> | <b>8,123</b> | <b>-26.8%</b> |
| Tax Revenues                      | 9,201         | 6,920        | -24.8%        |
| Non-Tax Revenues                  | 1,897         | 1,204        | -36.6%        |
| <b>Treasury Receipts</b>          | <b>515</b>    | <b>1,139</b> | <b>120.9%</b> |
| <b>Total Revenues</b>             | <b>11,613</b> | <b>9,262</b> | <b>-20.2%</b> |

Source: MOF, DGF

**Table 3: Tax Revenues**

| (LL billion)  | 2019         | 2020         | % Change      |
|---|--------------|--------------|---------------|
|   | Jan-Aug      | Jan-Aug      | 2020/2019     |
| <b>Tax Revenues:</b>  | <b>9,201</b> | <b>6,920</b> | <b>-24.8%</b> |
| <b>Taxes on Income, Profits, &amp; Capital Gains, of which:</b> | <b>4,053</b> | <b>3,384</b> | <b>-16.5%</b> |
| Income Tax on Profits   | 1,316        | 341          | -74.1%        |
| Income Tax on Wages and Salaries                                | 666          | 545          | -18.1%        |
| Income Tax on Capital Gains & Dividends                         | 336          | 94           | -72.1%        |
| Tax on Interest Income  | 1,711        | 2,390        | 39.7%         |
| Penalties on Income Tax   | 24           | 14           | -39.8%        |
| <b>Taxes on Property, of which:</b>                             | <b>581</b>   | <b>780</b>   | <b>34.2%</b>  |
| Built Property Tax  | 187          | 128          | -31.5%        |
| Real Estate Registration Fees                                   | 322          | 597          | 85.6%         |
| <b>Domestic Taxes on Goods &amp; Services, of which:</b>        | <b>2,896</b> | <b>1,623</b> | <b>-44.0%</b> |
| Value Added Tax   | 2,413        | 1,214        | -49.7%        |
| Other Taxes on Goods and Services, of which:                    | 262          | 123          | -53.0%        |
| Private Car Registration Fees                                   | 137          | 78           | -43.1%        |
| Passenger Departure Tax   | 124          | 45           | -63.9%        |
| <b>Taxes on International Trade, of which:</b>                  | <b>1,288</b> | <b>844</b>   | <b>-34.5%</b> |
| Customs   | 451          | 199          | -55.8%        |
| Excises, of which:  | 838          | 645          | -23.0%        |
| Gasoline Excise   | 488          | 519          | 6.5%          |
| Tobacco Excise  | 116          | 37           | -68.4%        |
| Cars Excise   | 226          | 83           | -63.2%        |
| <b>Other Tax Revenues (namely fiscal stamp fees)</b>            | <b>383</b>   | <b>289</b>   | <b>-24.5%</b> |

Source: MOF, DGF

**Table 4: Non-Tax Revenue**

| (LL billion)  | 2019         | 2020         | % Change      |
|---|--------------|--------------|---------------|
|   | Jan-Aug      | Jan-Aug      | 2020/2019     |
| <b>Non-Tax Revenues</b>   | <b>1,897</b> | <b>1,204</b> | <b>-36.6%</b> |
| <b>Income from Public Institutions and Government Properties, of which:</b> | <b>1,165</b> | <b>535</b>   | <b>-54.1%</b> |
| Income from Non-Financial Public Enterprises, of which:                     | 1,018        | 434          | -57.4%        |
| Revenues from Casino Du Liban   | 80           | 47           | -40.8%        |
| Revenues from Port of Beirut  | 220          | 70           | -68.1%        |
| Budget Surplus of National Lottery  | 26           | 17           | -36.5%        |
| Transfer from the Telecom Surplus   | 690          | 300          | -56.5%        |
| Transfer from Public Financial Institution (BDL)                            | 60           | 60           | -0.5%         |
| Property Income (namely rent of Rafic Hariri International Airport)         | 83           | 37           | -55.0%        |
| Other Income from Public Institutions (interests)                           | 4            | 4            | -18.8%        |
| <b>Administrative Fees &amp; Charges, of which:</b>                         | <b>549</b>   | <b>442</b>   | <b>-19.5%</b> |
| Administrative Fees, of which:  | 434          | 354          | -18.3%        |
| Notary Fees   | 44           | 30           | -31.1%        |
| Passport Fees/ General Security   | 177          | 103          | -41.6%        |
| Vehicle Control Fees  | 146          | 181          | 24.2%         |
| Judicial Fees   | 21           | 19           | -10.4%        |
| Driving License Fees  | 14           | 8            | -42.8%        |
| Administrative Charges  | 31           | 14           | -53.0%        |
| Sales (Official Gazette and License Number)                                 | 2            | 1            | -44.1%        |
| Permit Fees (mostly work permit fees)                                       | 57           | 49           | -14.8%        |
| Other Administrative Fees & Charges   | 26           | 24           | -8.0%         |
| <b>Penalties &amp; Confiscations</b>  | <b>25</b>    | <b>12</b>    | <b>-49.7%</b> |
| <b>Other Non-Tax Revenues (mostly retirement deductibles)</b>               | <b>158</b>   | <b>214</b>   | <b>35.4%</b>  |

Source: MOF, DGF



## SECTION 2: EXPENDITURE OUTCOME

**Table 5: Expenditure by Economic Classification**

| (LL billion)  | 2019<br>Jan-Aug | 2020<br>Jan-Aug | % Change<br>2020/2019 |
|---|-----------------|-----------------|-----------------------|
| <b>1. Current Expenditures</b>  | <b>14,155</b>   | <b>11,258</b>   | <b>-20.5%</b>         |
| 1.a Personnel Cost, of which  | 6,691           | 6,540           | -2.3%                 |
| Salaries, Wages and social benefits   | 4,054           | 4,083           | 0.7%                  |
| Retirement and End of Service Compensations, of which:  | 2,349           | 2,161           | -8.0%                 |
| Retirement  | 1,754           | 1,894           | 8.0%                  |
| End of Service  | 595             | 267             | -55.2%                |
| Transfers to Public Institutions to Cover Salaries  | 287             | 296             | 3.0%                  |
| 1.b Interest Payments, of which: <sup>(1)</sup>   | 4,817           | 1,973           | -59.0%                |
| Domestic Interest Payments  | 3,003           | 1,762           | -41.3%                |
| Foreign Interest Payments   | 1,813           | 212             | -88.3%                |
| 1.d Foreign Debt Principal Repayment  | 188             | 135             | -28.2%                |
| 1.e Materials and Supplies, of which:   | 197             | 245             | 24.8%                 |
| Nutrition   | 35              | 35              | 0.9%                  |
| Fuel Oil  | 24              | 4               | -82.4%                |
| Medicaments   | 79              | 164             | 107.4%                |
| 1.f External Services   | 95              | 106             | 11.7%                 |
| 1.g Various Transfers, of which:  | 1,779           | 1,725           | -3.1%                 |
| EDL <sup>(2)</sup>  | 1,513           | 952             | -37.1%                |
| NSSF  | 0               | 0               | -                     |
| Higher Council of Relief  | 0               | 225             | -                     |
| Contributions to non-public sectors   | 159             | 147             | -7.9%                 |
| Transfers to Directorate General of Cereals and Beetroot <sup>(3)</sup>                                 | 12              | 0               | -100.0%               |
| 1.h Other Current, of which:  | 314             | 468             | 49.0%                 |
| Hospitals   | 243             | 393             | 61.5%                 |
| Others(judgments & reconciliations, mission costs, other)   | 69              | 71              | 2.7%                  |
| 1.i Other Financial expenses  | 1               | 0               | -100.0%               |
| 1.j Interest subsidy  | 73              | 65              | -11.2%                |
| <b>2. Capital Expenditures</b>  | <b>710</b>      | <b>377</b>      | <b>-46.9%</b>         |
| 2.a Acquisitions of Land, Buildings, for the Construction of Roads, Ports, Airports, and Water Networks | 0               | 0               | -98.7%                |
| 2.b Equipment   | 49              | 52              | 5.0%                  |
| 2.c Construction in Progress, of which:   | 391             | 198             | -49.4%                |
| Displaced Fund  | 0               | 0               | -                     |
| Council of the South  | 49              | 30              | -38.2%                |
| CDR   | 176             | 79              | -55.1%                |
| Ministry of Public Work and Transport   | 50              | 33              | -33.6%                |
| Other of which:   | 116             | 53              | -54.4%                |
| Higher Council of Relief  | 20              | 0               | -100.0%               |
| 2.d Maintenance   | 237             | 114             | -51.9%                |
| 2.e Other Expenditures Related to Fixed Capital Assets  | 32              | 14              | -56.9%                |
| <b>3. Budget Advances <sup>(4)</sup></b>  | <b>114</b>      | <b>187</b>      | <b>64.4%</b>          |
| <b>4. Customs Administration (exc. Salaries and Wages) <sup>(5)</sup></b>                               | <b>86</b>       | <b>76</b>       | <b>-10.8%</b>         |
| <b>5. Treasury Expenditures <sup>(6)</sup></b>  | <b>998</b>      | <b>1,185</b>    | <b>18.7%</b>          |
| Municipalities  | 453             | 289             | -36.1%                |
| Guarantees  | 64              | 57              | -11.0%                |
| Deposits <sup>(7)</sup>   | 226             | 113             | -49.9%                |
| Other, of which:  | 256             | 726             | 183.9%                |
| VAT Refund  | 199             | 117             | -41.5%                |
| <b>6. Total Expenditures (Excluding CDR Foreign Financed)</b>   | <b>16,062</b>   | <b>13,083</b>   | <b>-18.5%</b>         |

Source: Statement of Account 36, Cashier Spending, Public Debt Department Figures, Fiscal Performance Gross Adjustment Figures

<sup>(1)</sup> For a detailed breakdown of interest payments, kindly refer to table 6.

<sup>(2)</sup> For a detailed breakdown of transfers to EDL, kindly refer to table 7. EDL has been reclassified to various transfers from "other treasury expenditures", following the reclassification of the 2009 Budget Proposal and in line with the Fiscal Performance.

<sup>(3)</sup> Transfers to Directorate General of Cereals and Beetroot include both administrative expenses and payments for wheat subsidy.

<sup>(4)</sup> Budget Advances were previously classified under "other". Given their growth, and in line with the Ministry of Finance's efforts to ensure transparency, they will be published in a separate line. They will be regularized at a later stage, and it is only after their regularization that they can be classified according to their economic nature in the budget system.

<sup>(5)</sup> Customs administrations include payments - excluding salaries and wages - made to customs and paid from customs cashiers. They can only be classified after Customs submit the supporting documents to the Directorate General of Finance.

<sup>(6)</sup> Starting December 2011, the Treasury expenditures section in the monthly, quarterly and yearly reports and its corresponding figures differ from the eponym section appearing in the Fiscal performance reports published by the Ministry of Finance because of the reclassification affecting certain payments from guarantees and treasury advances accounts which are manually reclassified in their budgetary economic classification articles.

<sup>(7)</sup> Deposit payments are payments made by the treasury to public administrations, institutions, municipalities, and funds, from revenues it has collected on their behalf.

**Table 6: Details of Debt Service Transactions<sup>(1)</sup>**

| (LL billion)                            | 2019<br>Jan-Aug | 2020<br>Jan-Aug | % Change<br>2020/2019 |
|---|-----------------|-----------------|-----------------------|
| <b>Interest Payments</b>                | <b>4,817</b>    | <b>1,973</b>    | <b>-59.0%</b>         |
| Local Currency Debt                     | 3,003           | 1,762           | -41.3%                |
| Foreign Currency Debt, of which:        | 1,813           | 212             | -88.3%                |
| Eurobond Coupon Interest*               | 1,746           | 157             | -91.0%                |
| Special bond Coupon Interest*           | 0               | 0               | -56.5%                |
| Concessional Loans Interest Payments    | 67              | 54              | -19.6%                |
| <b>Foreign Debt Principal Repayment</b> | <b>188</b>      | <b>135</b>      | <b>-28.2%</b>         |

Source: MOF, DGF

<sup>(1)</sup> Please note that the classification of debt service expenditures is now broken into two separate categories as follows: Interest Payments (as per GFS classification) and repayment of principal on concessional loans earmarked for project financing.

\* Includes general expenses related to the transaction

**Table 7: Transfers to EDL**

| (LL billion)  | 2019<br>Jan-Aug | 2020<br>Jan-Aug | % Change<br>2020/2019 |
|---|-----------------|-----------------|-----------------------|
| <b>EDL of which:</b>                                      | <b>1,513</b>    | <b>952</b>      | <b>-37.1%</b>         |
| Debt Service  | 4               | 2               | -31.0%                |
| Reimbursement for purchase of Natural Gas, Fuel & Gas Oil | 1,509           | 949             | -37.1%                |

Source: MOF, DGF



## SECTION 3: PUBLIC DEBT

**Table 8: Public Debt Outstanding by Holder as of End-Aug 2020**

| (LL billion)   | Dec-18         | Dec-19         | Aug-20         | %<br>Change<br>Aug 20 /<br>Dec 19 |
|--|----------------|----------------|----------------|-----------------------------------|
| <b>Gross Public Debt</b>                                       | <b>128,347</b> | <b>138,150</b> | <b>142,119</b> | <b>2.9%</b>                       |
| <b>Local Currency Debt</b>                                     | <b>77,852</b>  | <b>87,279</b>  | <b>89,007</b>  | <b>2.0%</b>                       |
| * <i>Accrued Interest Included in Debt</i>                     | 1,123          | 1,294          | 1,416          | 9.4%                              |
| a. Central Bank  | 39,006         | 50,717         | 52,996         | 4.5%                              |
| b. Commercial Banks (Including REPOs)                          | 27,402         | 25,316         | 24,594         | -2.9%                             |
| c. Other Local Currency Debt (T-bills), of which:              | 11,444         | 11,246         | 11,417         | 1.5%                              |
| <i>Public Entities</i>   | 9,956          | 9,968          | 10,181         | 2.1%                              |
| <i>Contractor bonds<sup>(1)</sup></i>                          | 166            | 120            | 120            | 0.0%                              |
| <b>Foreign Currency Debt <sup>(2)</sup></b>                    | <b>50,495</b>  | <b>50,871</b>  | <b>53,112</b>  | <b>4.4%</b>                       |
| a. Bilateral, Multilateral and Foreign Private Sector Loans    | 2,920          | 2,850          | 2,935          | 3.0%                              |
| b. Paris III Related Debt (Eurobonds and Loans) <sup>(3)</sup> | 344            | 242            | 199            | -17.8%                            |
| c. Market-Issued Eurobonds, of which:                          | 46,678         | 47,206         | 47,206         | 0.0%                              |
| <i>Arrears in Principal</i>                                    | 0              | 0              | 3,769          | -                                 |
| d. Accrued Interest on Eurobonds                               | 547            | 570            | 836            | 46.7%                             |
| e. Arrears in Coupons  | 0              | 0              | 1,809          | -                                 |
| f. Accrued interest in Arrears                                 | 0              | 0              | 127            | -                                 |
| g. Special T-bills in Foreign Currency <sup>(4)</sup>          | 6              | 3              | 0              | -100.0%                           |
| <b>Public Sector Deposits</b>                                  | <b>14,186</b>  | <b>15,677</b>  | <b>14,180</b>  | <b>-9.5%</b>                      |
| <b>Net Debt</b>  | <b>114,161</b> | <b>122,473</b> | <b>127,939</b> | <b>4.5%</b>                       |
| <b>Gross Market Debt<sup>(5)</sup></b>                         | <b>76,204</b>  | <b>74,441</b>  | <b>75,868</b>  | <b>1.9%</b>                       |
| <b>% of Total Debt</b>   | <b>59%</b>     | <b>54%</b>     | <b>53%</b>     | <b>-</b>                          |

Source: MOF, DGF

<sup>(1)</sup> Contractor bonds issued in LBP. Contractor bonds issued in USD are listed under "Special T-bills in foreign currency".

<sup>(2)</sup> Figures for Dec 18- Dec 19 may differ from previously published data due to updated information regarding bilateral and multilateral loans in the DMFAS system.

<sup>(3)</sup> Eurobonds Issued to Malaysia as part of its Paris III contribution, IBRD loan, UAE loan, the first tranche of the French loan received in February 2008 and the second tranche received in October 2012.

<sup>(4)</sup> Special Tbs in foreign currency (expropriation and contractor bonds).

<sup>(5)</sup> Gross market debt equals gross debt less the portfolios of the BDL, NSSF, bilateral and multilateral loans and Paris III related debt.

