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## General Overview

The ongoing economic and financial crisis that Lebanon is enduring, have weighted heavily on the public finances during the period of Jan-Nov 2020, affecting both revenues and expenditures. Government revenues witnessed a remarkable year-on-year drop of LL 1,814 billion (11.8 percent) during Jan-Nov 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 collections from the taxes on international trade.

On the expenditure front, the Government decision to withhold payments due on Eurobonds starting March 2020 has largely contributed to the decrease of LL 5,185 billion (22.8 percent) in total spending as interest payments plunged down by LL 5,000 billion (66.8 percent).

The **total fiscal balance** registered a deficit of LL 4,038 billion during the first eleven months of 2020 compared to a deficit of LL 7,410 billion during the same period of 2019. In contrast, the **primary balance** witnessed a significant deterioration from a surplus of LL 354 billion in Jan-Nov 2019 to LL a deficit of 1,375 billion in Jan-Nov 2020.

**Table 1: Summary of Fiscal Performance**

| (LL billion)   | Jan-Nov<br>2019 | Jan-Nov<br>2020 | % Change<br>2020/2019 |
|--|-----------------|-----------------|-----------------------|
| <b>Total Budget and Treasury Receipts</b>            | <b>15,329</b>   | <b>13,516</b>   | <b>-11.8%</b>         |
| <b>Total Budget and Treasury Payments, of which</b>  | <b>22,739</b>   | <b>17,554</b>   | <b>-22.8%</b>         |
| Interest Payments                                    | 7,488           | 2,488           | -66.8%                |
| Concessional loans principal payments <sup>(1)</sup> | 277             | 176             | -36.5%                |
| Primary Expenditures <sup>(2)</sup>                  | 14,975          | 14,890          | -0.6%                 |
| <b>Total (Deficit)/Surplus</b>                       | <b>-7,410</b>   | <b>-4,038</b>   | <b>-45.5%</b>         |
| <b>Primary (Deficit)/Surplus</b>                     | <b>354</b>      | <b>-1,375</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 1,814 billion (11.8 percent) year-on-year to reach LL 13,516 billion during Jan-Nov 2020.

**Tax revenues** reached a total of LL 9,369 billion in the first eleven months of the year, reflecting a LL 2,339 billion (20.0 percent)<sup>1</sup> decrease from a total of LL 11,708 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 1,626 billion (43.6 percent) year-on-year in Jan-Nov 2020, driven by a LL 1,511 billion (48.2 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 51.1 percent and 44.4 percent, respectively. Also, **passenger departure tax** and **private**

<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.

**car registration fees** decreased by LL 136 billion (69.9 percent) and LL 53 billion (31.6 percent) respectively during Jan-Nov 2020. These drops were partly counterbalanced by an increase in transfers from the **Régie profits** which registered LL 268 billion during Jan-Nov 2020 compared to LL 200 billion during the same period of 2019.

**Taxes on income, profits and capital gains** significantly dropped by LL 576 billion (11.4 percent) year-on-year in Jan-Nov 2020, driven by a drastic year-on-year drop in **income tax on profits** and **income tax on capital gains & dividends** by LL 687 billion (51.0 percent) and LL 224 billion (62.9 percent) respectively. **Income tax on wages and salaries** also decreased by LL 171 billion (20.0 percent). In contrast, **taxes on interest income** increased significantly by LL 511 billion (20.7 percent) to reach LL 2,980 billion during the mentioned period.

In addition, **taxes on international trade** dropped by LL 521 billion (30.9 percent) as collections from **customs** and **excises** dropped by LL 310 billion (52.0 percent) and LL 212 billion (19.4 percent) respectively. In fact, **cars excise** were down by LL 156 billion (55.7 percent), owing to a 65.0 percent decrease in the value of imported vehicles. Also, **tobacco excise** decreased by LL 102 billion (68.2 percent), driven by a 53.7 percent year-on-year decline in the value of tobacco imports. In contrast, **gasoline excise** increased by LL 51 billion (7.9 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 13.6 percent.

**Other tax revenues (namely fiscal stamp fees)** decreased by LL 80 billion (16.2 percent) to reach LL 412 billion in Jan-Nov 2020.

In contrast, **taxes on property** registered a LL 463 billion (62.6 percent) increase in Jan-Nov 2020, mainly as **real estate registration fees** witnessed a significant year-on-year rise of LL 487 billion (111.6 percent)<sup>4</sup>, of which an increase of LL 50 billion registered between November 2019 and November 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** dropped by LL 33 billion (15.7 percent).

**Non-tax revenues** declined by LL 229 billion (7.9 percent) to reach LL 2,670 billion during the first eleven months of 2020.

**Income from Public Institutions and Government properties** witnessed a year-on-year drop of LL 134 billion (8.1 percent) over the covered period, as **transfers from the Telecom Surplus** and **revenues from Casino du Liban** declined by LL 94 billion (7.3 percent) and LL 24 billion (22.1 percent), respectively. In contrast, **property income (namely rent of Rafic Hariri International Airport)** increased by LL 55 billion (55.1 percent).

Moreover, **administrative fees and charges** dropped by LL 139 billion (18.5 percent) reaching LL 608 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 44 billion (21.2 percent). In details, **passport fees, permit fees (mostly work permit fees)** and **administrative**

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<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 55.8 percent during Jan-Nov 2020 while their average price increased by 37.2 percent compared to the same period last year.

**charges** fell by LL 93 billion (38.7 percent), LL 20 billion (23.7 percent) and LL 19 billion (52.8 percent), respectively.

On the other hand, **other non-tax revenues (mostly retirement deductibles)** increased by LL 5 billion (1.7 percent), as deductibles related to military salaries and retirement<sup>5</sup> generated LL 47 billion during Jan-Nov 2020. In addition, exceptional revenues from the settlement of violations related to maritime properties reached LL 32 billion during Jan-Nov 2020.

**Treasury receipts** witnessed a significant increase of LL 754 billion to reach LL 1,477 billion in Jan-Nov 2020 compared to LL 722 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 was used gradually to cover other interest payments due during 2020<sup>7</sup>.

### Expenditures

**Total expenditures** regressed by LL 5,185 billion (22.8 percent) to reach LL 17,554 billion in Jan-Nov 2020 compared to LL 22,739 billion in Jan-Nov 2019.

**Current primary expenditures**<sup>8</sup> registered a slight increase of LL 23 billion (0.2 percent) reaching a total of LL 12,371 billion during the first eleven months of 2020. 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, retirement, medicaments and hospitals** by LL 325 billion<sup>9</sup>, LL 157 billion, LL 155 billion and LL 53 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 852 billion (41.1 percent) and **end of service compensations** by LL 232 billion (36.9 percent).

**Interest payments** dropped by LL 5,000 billion (66.8 percent) in Jan-Nov 2020 as interest payments due on foreign currency debt and on local currency debt decreased significantly by LL 2,912 billion (92.7 percent) and LL 2,087 billion (48.0 percent) respectively. **Foreign debt principal repayment** also dropped by LL 101 billion (36.5 percent) to register a total of LL 176 billion during Jan-Nov 2020.

**Capital expenditures** decreased significantly by LL 518 billion (56.4 percent) to reach LL 401 billion in Jan-Nov 2020, mainly as expenses related to **maintenance** and transfers to **CDR** dropped by LL 146 billion (54.4 percent) and LL 124 billion (61.2 percent) respectively.

**Treasury expenditures** witnessed an increase of LL 323 billion (22.3 percent) to reach LL 1,769 billion in Jan-Nov 2020. This came despite the drop in payments to **municipalities, VAT refund** and **deposits** which shrank by LL 160 billion (21.2 percent), LL 131 billion (47.4 percent) and LL 115 billion (44.9 percent) respectively during the period under consideration.

<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: i) LL 225 billion from 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 and ii) LL 100 billion of budget transfers to pay those affected by the port of Beirut explosion.

## Public Debt

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**Gross public debt** stood at LL 143,976 billion by the end of November 2020, increasing by LL 5,826 billion (3.1 percent) from end-2019. On the other hand, **net debt** rose more rapidly by 5.2 percent to reach LL 128,784 billion as **public sector deposits** dropped by LL 485 billion (3.1 percent) over the period under consideration.

**Local currency debt** increased by LL 2,675 billion (3.1 percent) to register LL 89,954 billion as of end-November 2020, compared to LL 87,279 billion as at end-2019. In details, **local currency debt held by the Central Bank** increased by LL 4,075 billion (8.0 percent) to reach LL 54,792 billion by the end of November 2020, followed by a smaller rise in other local currency debt holdings with **TBs held by public entities** increasing by LL 470 billion (4.7 percent) to reach LL 11,438 billion. In contrast, **TBs held by commercial banks** dropped by LL 1,747 billion (6.9 percent) to reach LL 23,569 billion by the end of November 2020.

The stock of **foreign currency debt** grew by LL 3,151 billion (6.2 percent) to reach LL 54,022 billion at end-Nov 2020. In details, this increase was mainly driven by a LL 2,962 billion of arrears in coupons due to the Government decision to default on Eurobonds, adding to a LL 228 billion of accrued interest in arrears. Also, **bilateral, multilateral and foreign private sector loans** increased by LL 130 billion, whereas **Paris III related debt** decreased by LL 93 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-November 2020.

## SECTION 1: REVENUE OUTCOME

**Table 2: Total Revenues**

| (LL billion)                      | 2019          | 2020          | % Change      |
|-----------------------------------|---------------|---------------|---------------|
|                                   | Jan-Nov       | Jan-Nov       | 2020/2019     |
| <b>Budget Revenues, of which:</b> | <b>14,607</b> | <b>12,039</b> | <b>-17.6%</b> |
| Tax Revenues                      | 11,708        | 9,369         | -20.0%        |
| Non-Tax Revenues                  | 2,899         | 2,670         | -7.9%         |
| <b>Treasury Receipts</b>          | <b>722</b>    | <b>1477</b>   | <b>104.5%</b> |
| <b>Total Revenues</b>             | <b>15,329</b> | <b>13,516</b> | <b>-11.8%</b> |

Source: MOF, DGF

**Table 3: Tax Revenues**

| (LL billion)  | 2019          | 2020         | % Change      |
|---|---------------|--------------|---------------|
|   | Jan-Nov       | Jan-Nov      | 2020/2019     |
| <b>Tax Revenues:</b>  | <b>11,708</b> | <b>9,369</b> | <b>-20.0%</b> |
| <b>Taxes on Income, Profits, &amp; Capital Gains, of which:</b> | <b>5,058</b>  | <b>4,483</b> | <b>-11.4%</b> |
| Income Tax on Profits   | 1,347         | 660          | -51.0%        |
| Income Tax on Wages and Salaries                                | 857           | 686          | -20.0%        |
| Income Tax on Capital Gains & Dividends                         | 356           | 132          | -62.9%        |
| Tax on Interest Income  | 2,469         | 2,980        | 20.7%         |
| Penalties on Income Tax   | 28            | 23           | -14.9%        |
| <b>Taxes on Property, of which:</b>                             | <b>740</b>    | <b>1,203</b> | <b>62.6%</b>  |
| Built Property Tax  | 210           | 177          | -15.7%        |
| Real Estate Registration Fees                                   | 436           | 923          | 111.6%        |
| <b>Domestic Taxes on Goods &amp; Services, of which:</b>        | <b>3,732</b>  | <b>2,107</b> | <b>-43.6%</b> |
| Value Added Tax   | 3,135         | 1,625        | -48.2%        |
| Other Taxes on Goods and Services, of which:                    | 366           | 175          | -52.2%        |
| Private Car Registration Fees                                   | 169           | 116          | -31.6%        |
| Passenger Departure Tax   | 195           | 59           | -69.9%        |
| <b>Taxes on International Trade, of which:</b>                  | <b>1,685</b>  | <b>1,164</b> | <b>-30.9%</b> |
| Customs   | 596           | 286          | -52.0%        |
| Excises, of which:  | 1,090         | 878          | -19.4%        |
| Gasoline Excise   | 647           | 698          | 7.9%          |
| Tobacco Excise  | 150           | 48           | -68.2%        |
| Cars Excise   | 281           | 124          | -55.7%        |
| <b>Other Tax Revenues (namely fiscal stamp fees)</b>            | <b>492</b>    | <b>412</b>   | <b>-16.2%</b> |

Source: MOF, DGF

**Table 4: Non-Tax Revenue**

| (LL billion)  | 2019         | 2020         | % Change      |
|---|--------------|--------------|---------------|
|   | Jan-Nov      | Jan-Nov      | 2020/2019     |
| <b>Non-Tax Revenues</b>   | <b>2,899</b> | <b>2,670</b> | <b>-7.9%</b>  |
| <b>Income from Public Institutions and Government Properties, of which:</b> | <b>1,829</b> | <b>1,745</b> | <b>-4.6%</b>  |
| Income from Non-Financial Public Enterprises, of which:                     | 1,657        | 1,524        | -8.1%         |
| <i>Revenues from Casino Du Liban</i>  | 110          | 86           | -22.1%        |
| <i>Revenues from Port of Beirut</i>   | 220          | 217          | -1.3%         |
| <i>Budget Surplus of National Lottery</i>                                   | 46           | 37           | -20.8%        |
| <i>Transfer from the Telecom Surplus</i>                                    | 1,278        | 1,184        | -7.3%         |
| Transfer from Public Financial Institution (BDL)                            | 60           | 60           | -0.5%         |
| Property Income (namely rent of Rafic Hariri International Airport)         | 102          | 157          | 54.1%         |
| Other Income from Public Institutions (interests)                           | 10           | 5            | -49.1%        |
| <b>Administrative Fees &amp; Charges, of which:</b>                         | <b>747</b>   | <b>608</b>   | <b>-18.5%</b> |
| Administrative Fees, of which:  | 591          | 498          | -15.8%        |
| <i>Notary Fees</i>  | 59           | 44           | -25.7%        |
| <i>Passport Fees/ General Security</i>                                      | 241          | 148          | -38.7%        |
| <i>Vehicle Control Fees</i>   | 206          | 249          | 21.2%         |
| <i>Judicial Fees</i>  | 29           | 26           | -10.2%        |
| <i>Driving License Fees</i>   | 18           | 14           | -25.0%        |
| Administrative Charges  | 37           | 17           | -52.8%        |
| Sales (Official Gazette and License Number)                                 | 3            | 2            | -37.0%        |
| Permit Fees (mostly work permit fees)                                       | 86           | 65           | -23.7%        |
| Other Administrative Fees & Charges   | 31           | 27           | -13.7%        |
| <b>Penalties &amp; Confiscations</b>  | <b>32</b>    | <b>21</b>    | <b>-35.0%</b> |
| <b>Other Non-Tax Revenues (mostly retirement deductibles)</b>               | <b>291</b>   | <b>296</b>   | <b>1.7%</b>   |

Source: MOF, DGF

## SECTION 2: EXPENDITURE OUTCOME

**Table 5: Expenditure by Economic Classification**

| (LL billion)  | 2019<br>Jan-Nov | 2020<br>Jan-Nov | % Change<br>2020/2019 |
|---|-----------------|-----------------|-----------------------|
| <b>1. Current Expenditures</b>  | <b>20,112</b>   | <b>15,035</b>   | <b>-25.2%</b>         |
| 1.a Personnel Cost, of which  | 8,871           | 8,947           | 0.9%                  |
| <i>Salaries, Wages and social benefits</i>  | 5,388           | 5,510           | 2.3%                  |
| <i>Retirement and End of Service Compensations, of which:</i>   | 3,084           | 3,009           | -2.4%                 |
| <i>Retirement</i>   | 2,455           | 2,612           | 6.4%                  |
| <i>End of Service</i>   | 629             | 397             | -36.9%                |
| <i>Transfers to Public Institutions to Cover Salaries</i>   | 398             | 427             | 7.3%                  |
| 1.b Interest Payments, of which: <sup>(1)</sup>   | 7,488           | 2,488           | -66.8%                |
| <i>Domestic Interest Payments</i>   | 4,346           | 2,258           | -48.0%                |
| <i>Foreign Interest Payments</i>  | 3,142           | 230             | -92.7%                |
| 1.d Foreign Debt Principal Repayment  | 277             | 176             | -36.5%                |
| 1.e Materials and Supplies, of which:   | 293             | 365             | 24.5%                 |
| <i>Nutrition</i>  | 73              | 37              | -48.9%                |
| <i>Fuel Oil</i>   | 37              | 7               | -81.3%                |
| <i>Medicaments</i>  | 103             | 258             | 150.1%                |
| 1.f External Services   | 123             | 138             | 12.1%                 |
| 1.g Various Transfers, of which:  | 2,451           | 2,288           | -6.6%                 |
| EDL <sup>(2)</sup>  | 2,074           | 1,222           | -41.1%                |
| NSSF  | 0               | 50              | -                     |
| Higher Council of Relief  | 0               | 325             | -                     |
| Contributions to non-public sectors   | 192             | 232             | 21.1%                 |
| <i>Transfers to Directorate General of Cereals and Beetroot</i> <sup>(3)</sup>                          | 12              | 0               | -100.0%               |
| 1.h Other Current, of which:  | 508             | 554             | 9.1%                  |
| <i>Hospitals</i>  | 407             | 460             | 13.0%                 |
| <i>Others (judgments &amp; reconciliations, mission costs, other)</i>                                   | 97              | 86              | -11.0%                |
| 1.i Other Financial expenses  | 1               | 0               | -100.0%               |
| 1.j Interest subsidy  | 101             | 79              | -22.1%                |
| <b>2. Capital Expenditures</b>  | <b>919</b>      | <b>401</b>      | <b>-56.4%</b>         |
| 2.a Acquisitions of Land, Buildings, for the Construction of Roads, Ports, Airports, and Water Networks | 0               | 0               | -99.1%                |
| 2.b Equipment   | 108             | 55              | -48.6%                |
| 2.c Construction in Progress, of which:   | 506             | 204             | -59.8%                |
| Displaced Fund  | 0               | 0               | -                     |
| Council of the South  | 49              | 30              | -38.2%                |
| CDR   | 203             | 79              | -61.2%                |
| Ministry of Public Work and Transport   | 79              | 33              | -58.1%                |
| Other of which:   | 173             | 59              | -66.2%                |
| Higher Council of Relief  | 35              | 5               | -85.7%                |
| 2.d Maintenance   | 269             | 123             | -54.4%                |
| 2.e Other Expenditures Related to Fixed Capital Assets  | 36              | 19              | -46.8%                |
| <b>3. Budget Advances</b> <sup>(4)</sup>  | <b>167</b>      | <b>260</b>      | <b>55.2%</b>          |
| <b>4. Customs Administration (exc. Salaries and Wages)</b> <sup>(5)</sup>                               | <b>95</b>       | <b>90</b>       | <b>-5.4%</b>          |
| <b>5. Treasury Expenditures</b> <sup>(6)</sup>  | <b>1,446</b>    | <b>1,769</b>    | <b>22.3%</b>          |
| Municipalities  | 752             | 592             | -21.2%                |
| Guarantees  | 84              | 79              | -6.8%                 |
| Deposits <sup>(7)</sup>   | 256             | 141             | -44.9%                |
| Other, of which:  | 354             | 957             | 170.4%                |
| VAT Refund  | 276             | 145             | -47.4%                |
| <b>6. Total Expenditures (Excluding CDR Foreign Financed)</b>   | <b>22,739</b>   | <b>17,554</b>   | <b>-22.8%</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-Nov | 2020<br>Jan-Nov | % Change<br>2020/2019 |
|---|-----------------|-----------------|-----------------------|
| <b>Interest Payments</b>                | <b>7,488</b>    | <b>2,488</b>    | <b>-66.8%</b>         |
| Local Currency Debt                     | 4,346           | 2,258           | -48.0%                |
| Foreign Currency Debt, of which:        | 3,142           | 230             | -92.7%                |
| Eurobond Coupon Interest*               | 3,048           | 157             | -94.8%                |
| Special bond Coupon Interest*           | 0.2             | 0.1             | -69.7%                |
| Concessional Loans Interest Payments    | 94              | 72              | -23.0%                |
| <b>Foreign Debt Principal Repayment</b> | <b>277</b>      | <b>176</b>      | <b>-36.5%</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-Nov | 2020<br>Jan-Nov | % Change<br>2020/2019 |
|---|-----------------|-----------------|-----------------------|
| <b>EDL of which:</b>                                      | <b>2,074</b>    | <b>1,222</b>    | <b>-41.1%</b>         |
| Debt Service  | 4               | 3               | -28.5%                |
| Reimbursement for purchase of Natural Gas, Fuel & Gas Oil | 2,070           | 1,219           | -41.1%                |

Source: MOF, DGF



## SECTION 3: PUBLIC DEBT

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

| (LL billion)   | Dec-18         | Dec-19         | Nov-20         | %<br>Change<br>Nov 20 /<br>Dec 19 |
|--|----------------|----------------|----------------|-----------------------------------|
| <b>Gross Public Debt</b>                                       | <b>128,347</b> | <b>138,150</b> | <b>143,976</b> | <b>4.2%</b>                       |
| <b>Local Currency Debt</b>                                     | <b>77,852</b>  | <b>87,279</b>  | <b>89,954</b>  | <b>3.1%</b>                       |
| * <i>Accrued Interest Included in Debt</i>                     | 1,123          | 1,294          | 1,478          | 14.2%                             |
| a. Central Bank  | 39,006         | 50,717         | 54,792         | 8.0%                              |
| b. Commercial Banks (Including REPOs)                          | 27,402         | 25,316         | 23,569         | -6.9%                             |
| c. Other Local Currency Debt (T-bills), of which:              | 11,444         | 11,246         | 11,593         | 3.1%                              |
| <i>Public Entities</i>   | 9,956          | 9,968          | 10,438         | 4.7%                              |
| <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>54,022</b>  | <b>6.2%</b>                       |
| a. Bilateral, Multilateral and Foreign Private Sector Loans    | 2,920          | 2,850          | 2,980          | 4.6%                              |
| b. Paris III Related Debt (Eurobonds and Loans) <sup>(3)</sup> | 344            | 242            | 149            | -38.4%                            |
| 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            | 497            | -12.8%                            |
| e. Arrears in Coupons  | 0              | 0              | 2,962          | -                                 |
| f. Accrued interest in Arrears                                 | 0              | 0              | 228            | -                                 |
| 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>15,192</b>  | <b>-3.1%</b>                      |
| <b>Net Debt</b>  | <b>114,161</b> | <b>122,473</b> | <b>128,784</b> | <b>5.2%</b>                       |
| <b>Gross Market Debt<sup>(5)</sup></b>                         | <b>76,204</b>  | <b>74,441</b>  | <b>75,677</b>  | <b>1.7%</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.

