

Republic of Lebanon
Ministry of Finance

Fiscal Performance Report for August 2001

Overall fiscal performance - budgetary and treasury operations

Total expenditures (budgetary and treasury) for the period January- August 2001 amounted to LL 5,528 billion compared to LL 6,399 billion for the same period last year, indicating a decrease of LL 871 billion. Total revenues for the same period of 2001 amounted to LL 3,003 billion, indicating an decrease of LL 183 billion over the corresponding period of 2000, which had amounted to LL 3,186 billion. The total deficit for the period January- August 2001 amounted to LL 2,526 billion, equivalent to 45.68% of total expenditures, compared to a deficit of LL 3,213 billion or 50.21% of total expenditures for the same period last year representing an decrease of LL 688 billion. The total primary surplus for the period January – August amounted to LL 328 billion compared to a total primary deficit of LL 596 billion in the corresponding period in 2000.

Budget operations

The budget deficit for the period January – August 2001 amounted to LL 2,123 billion, equivalent to 43.30% of budget expenditures compared to a budget deficit of LL 2,224 billion, equivalent to 43.66% of budget expenditures in the same period last year indicating a decrease of LL101 billion. A primary surplus of LL 731 billion was attained during the period January – August 2001 compared to LL 394 billion in the same period last year.

Out of total budget revenues for this period, customs revenues amounted to LL 1,013 billion compared to LL 1,185 billion for the same period last year (a decrease of LL 172 billion), despite the decreases in the custom tariffs, thus indicating growth in external trade activity during the first eight months of 2001 compared to the same period in 2000. Moreover, the improvement in the amount of various tax revenues by LL 92 billion offset part of the decrease in customs revenues by LL 172 billion during the first eight months of 2001 over the corresponding period in the year 2000.

Treasury operations

The deficit resulting from treasury operations for the period January- August 2001 amounted to LL 403 billion, equivalent to 64.39% of treasury expenditures, compared to a deficit of LL 989 billion or 75.79 % 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 August 2000-2001

(In million of L.L.)

	August-00	August-01	Jan-August 00	Jan-August 01	Change	% Change
1. Budget Transactions						
1.1 Revenues	503,643	359,550	2,869,964	2,779,863	-90,101	-3.14%
1.1.1 Tax Revenues	396,513	235,426	2,078,392	1,927,932	-150,460	-7.24%
<i>of which customs revenues*</i>	167,715	145,157	1,184,616	1,013,217	-171,399	-14.47%
1.1.2 Non-Tax Revenues	107,130	124,124	791,572	851,931	60,359	7.63%
1.2 Expenditures	654,125	700,841	5,093,740	4,902,385	-191,355	-3.76%
1.2.1 Expenditures excluding debt service	364,176	352,677	2,476,225	2,049,181	-427,044	-17.25%
1.2.2 Debt Service	289,949	348,164	2,617,515	2,853,204	235,689	9.00%
1.2.1.1 Domestic Debt	283,481	284,900	2,287,627	2,285,095	-2,532	-0.11%
1.2.1.2 Foreign Debt	6,468	63,264	329,888	568,109	238,221	72.21%
Budget Total Deficit/Surplus	-150,482	-341,291	-2,223,776	-2,122,522	101,254	
In % of total budget expenditures	-23.01%	48.70%	-43.66%	-43.30%		
Budget Primary Deficit/Surplus	139,467	6,873	393,739	730,682	336,943	
In % of total budget expenditures	21.32%	0.98%	7.73%	14.90%		
2. Treasury Transactions						
2.1 Receipts	78,639	26,948	316,058	222,908	-93,150	
2.1.1 Trust accounts / guarantees	17,440	5,714	73,166	43,646	-29,520	
2.1.2 Municipalities	14,673	11,705	117,580	97,895	-19,685	
2.1.3 Deposits	3,454	4,249	33,805	45,903	12,098	
2.1.4 Other	43,072	5,280	91,507	35,464	-56,043	
2.2 Payments	258,152	71,577	1,305,519	625,996	-679,523	
2.2.1 Trust accounts/Guarantees	215,210	6,572	330,084	266,261	-63,823	
2.2.2 Municipalities	9,382	1,057	189,489	14,332	-175,157	
2.2.3 Deposits	4,952	6,082	65,621	74,946	9,325	
2.2.4 Expenditures from previous years appropriations	980	352	210,092	51,751	-158,341	
2.2.5 Expenditures from previous years/Guarantees	13,271	33,868	317,238	114,198	-203,040	
2.2.6 Other	14,357	23,646	192,995	104,508	-88,487	
Total Treasury Deficit/Surplus	-179,513	-44,629	-989,461	-403,088	586,373	
In % of total treasury expenditure	-69.54%	-62.35%	-75.79%	-64.39%		
3. Total Budget and Treasury Receipts	582,282	386,498	3,186,022	3,002,771	-183,251	-5.75%
4. Total Cash Budget and Treasury Payments	912,277	772,418	6,399,259	5,528,381	-870,878	-13.61%
5. Total Cash Deficit/Surplus	-329,995	-385,920	-3,213,237	-2,525,610	687,627	
In % of Total Expenditures	-36.17%	-49.96%	-50.21%	-45.68%		

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