

Republic of Lebanon
Ministry of Finance

Fiscal Performance Report for June 2001

Overall fiscal performance - budgetary and treasury operations

Total expenditures (budgetary and treasury) for the period January- June 2001 amounted to LL 4,013 billion compared to LL 4,616 billion for the same period last year, indicating a decrease of LL 603 billion. The total deficit for the period January- June 2001 amounted to LL 1,759 billion, equivalent to 43.84% of total expenditures, compared to a deficit of LL 2,403 billion or 52.07% of total expenditures for the same period last year representing an decrease of LL 644 billion.

Budget operations

The budget deficit for the period January – June 2001 amounted to LL 1,450 billion, equivalent to 40.96 % of budget expenditures compared to a budget deficit of LL 1,672 billion, equivalent to 45.44 % of budget expenditures in the same period last year. A primary surplus of LL 676 billion was attained during the period January – June 2001 compared to LL 342 billion in the same period last year.

The considerable improvement in the deficit and its ratios is to be noted for the first six months of 2001, part of which is attributed to the improvement in budget revenues which amounted to LL 2,091 billion compared to LL 2,007 billion for the same period last year, representing an increase of LL 84 billion. It is also worth mentioning that out of total budget revenues for this period, customs revenues amounted to LL 738 billion compared to LL 873 billion for the same period last year (a decrease of LL 135 billion), despite the decreases in the custom tariffs, thus indicating growth in external trade activity during the first six months of 2001 compared to the same period in 2000.

Treasury operations

The deficit resulting from treasury operations for the period January- June 2001 amounted to LL 309 billion, equivalent to 65.42% of treasury expenditures, compared to a deficit of LL 732 billion or 78.08 % 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 June 2000-2001

(In million of L.L.)

	June-00	June-01	Jan-June 00	Jan-June 01	Change	% Change
1. Budget Transactions						
1.1 Revenues	280,845	332,842	2,006,980	2,090,735	83,755	4.17%
1.1.1 Tax Revenues	211,874	246,687	1,418,029	1,430,133	12,104	0.85%
<i>of which customs revenues*</i>	142,601	120,348	872,683	737,790	-134,893	-15.46%
1.1.2 Non-Tax Revenues	68,971	86,155	588,951	660,602	71,651	12.17%
1.2 Expenditures	596,290	651,482	3,678,681	3,541,182	-137,499	-3.74%
1.2.1 Expenditures excluding debt service	286,050	312,775	1,665,194	1,414,834	-250,360	-15.03%
1.2.2 Debt Service	310,240	338,707	2,013,487	2,126,348	112,861	5.61%
1.2.1.1 Domestic Debt	290,070	237,698	1,728,321	1,682,495	-45,826	-2.65%
1.2.1.2 Foreign Debt	20,170	101,009	285,166	443,853	158,687	55.65%
Budget Total Deficit/Surplus	-315,445	-318,640	-1,671,701	-1,450,447	221,254	
In % of total budget expenditures	-52.90%	-48.91%	-45.44%	-40.96%		
Budget Primary Deficit/Surplus	-5,205	20,067	341,786	675,901	334,115	
In % of total budget expenditures	-0.87%	3.08%	9.29%	19.09%		
2. Treasury Transactions						
2.1 Receipts	27,895	23,609	205,472	163,128	-42,344	
2.1.1 Trust accounts / guarantees	6,051	6,560	47,326	33,679	-13,647	
2.1.2 Municipalities	19,593	10,015	87,757	75,159	-12,598	
2.1.3 Deposits	833	3,857	26,397	28,870	2,473	
2.1.4 Other	1,418	3,177	43,992	25,420	-18,572	
2.2 Payments	173,259	58,208	937,417	471,779	-465,638	
2.2.1 Trust accounts/Guarantees	41,198	21,665	69,294	247,154	177,860	
2.2.2 Municipalities	71,691	1,639	158,699	11,726	-146,973	
2.2.3 Deposits	9,833	21,986	46,380	57,364	10,984	
2.2.4 Expenditures from previous years appropriations	1,544	329	208,519	51,099	-157,420	
2.2.5 Expenditures from previous years/Guarantees	28,215	118	285,213	54,418	-230,795	
2.2.6 Other	20,778	12,471	169,312	50,018	-119,294	
Total Treasury Deficit/Surplus	-145,364	-34,599	-731,945	-308,651	423,294	
In % of total treasury expenditure	-83.90%	-59.44%	-78.08%	-65.42%		
3. Total Budget and Treasury Receipts	308,740	356,451	2,212,452	2,253,863	41,411	1.87%
4. Total Cash Budget and Treasury Payments	769,549	709,690	4,616,098	4,012,961	-603,137	-13.07%
5. Total Cash Deficit/Surplus	-460,809	-353,239	-2,403,646	-1,759,098	644,548	
In % of Total Expenditures	-59.88%	-49.77%	-52.07%	-43.84%		

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