

**Republic of Lebanon**  
**Ministry of Finance**

**Fiscal Performance Report for March 2002**

Overall fiscal performance - budgetary and treasury operations

Total expenditures (budgetary and treasury) for the period January - March 2002 amounted to LL 2,166 billion, compared to LL 1,773 billion during the same period last year, indicating an increase of LL 393 billion. Total revenues (budgetary and treasury), on the other hand, amounted to LL 1,224 billion during January – March 2002, compared to LL 1,136 billion during the same period last year. Hence, the total deficit since the beginning of the year amounted to LL 942 billion, equivalent to 43.50% of total expenditures compared to LL 637 billion or 35.95% during the same period in 2001. The total primary surplus, hence amounted to LL 22 billion during January – March 2002 compared to LL 288 billion during the same period last year.

Budget operations

On the budget execution front, budget expenditures during the January - March 2002 amounted to LL 1,636 billion and budget revenues amounted to LL 1,123 billion, compared to budget expenditures of LL 1,522 billion and budget revenues of LL 1,064 billion during the same period last year. The Value Added Tax collected during February and March 2002 (during the first two months since its implementation) amounted to LL 111 billion. It is to note that at the early stages of implementation, VAT declarations shall be submitted every quarter instead of one month. The first declaration date is at the end of April 2002 and hence the results shall appear in the April report.

The budget deficit for January – March 2002 amounted to LL 512 billion, equivalent to 31.34% of budget expenditures compared to LL 458 billion or 30.12% in January - March 2001. In addition, a budget primary surplus of LL 452 billion was achieved during the first three months of 2002 compared to LL 467 billion during the same period in 2001.

Treasury operations

As for treasury operations during the period January - March 2002, they resulted in a deficit of LL 430 billion, equivalent to 81.02% of treasury expenditures compared to LL179 billion, or 71% during the same period in 2001.

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 March 2002**

*Republic of Lebanon - Ministry of Finance*

(In million of L.L.)	Mar-01	Mar-02	Jan-Mar 2001	Jan-Mar 2002	Change	% Change
<b>1. Budget Transactions</b>						
<b>1.1 Revenues</b>	<b>314,027</b>	<b>389,150</b>	<b>1,063,843</b>	<b>1,123,196</b>	<b>59,353</b>	<b>5.58%</b>
1.1.1 Tax Revenues	193,350	277,826	623,848	793,394	169,546	27.18%
<i>of which customs revenues*</i>	118,545	131,012	361,733	391,911	30,178	8.34%
<i>of which VAT revenues**</i>	0	64,294	0	110,732	110,732	
1.1.2 Non-Tax Revenues	120,677	111,324	439,995	329,802	-110,193	-25.04%
<b>1.2 Expenditures</b>	<b>639,433</b>	<b>564,237</b>	<b>1,522,278</b>	<b>1,635,804</b>	<b>113,526</b>	<b>7.46%</b>
1.2.1 Expenditures excluding debt service	365,734	347,347	597,273	671,605	74,332	12.45%
1.2.2 Debt Service	273,699	216,890	925,005	964,199	39,194	4.24%
1.2.1.1 Domestic Debt	240,400	189,100	785,697	770,400	-15,297	-1.95%
1.2.1.2 Foreign Debt	33,299	27,790	139,308	193,799	54,491	39.12%
<b>Budget Total Deficit/Surplus</b>	<b>-325,406</b>	<b>-175,087</b>	<b>-458,435</b>	<b>-512,608</b>	<b>-54,173</b>	
<b>In % of total budget expenditures</b>	<b>-50.89%</b>	<b>-31.03%</b>	<b>-30.12%</b>	<b>-31.34%</b>		
<b>Budget Primary Deficit/Surplus</b>	<b>-51,707</b>	<b>41,803</b>	<b>466,570</b>	<b>451,591</b>	<b>-14,979</b>	
<b>In % of total budget expenditures</b>	<b>-8.09%</b>	<b>7.41%</b>	<b>30.65%</b>	<b>27.61%</b>		
<b>2. Treasury Transactions</b>						
<b>2.1 Receipts</b>	<b>23,822</b>	<b>25,234</b>	<b>71,727</b>	<b>100,658</b>	<b>28,931</b>	
2.1.1 Trust accounts / guarantees	4,545	7,966	18,002	18,851	849	
2.1.2 Municipalities	9,738	9,228	28,868	30,506	1,638	
2.1.3 Deposits	4,159	5,283	14,312	16,166	1,854	
2.1.4 Other	5,380	2,757	10,545	35,135	24,590	
<b>2.2 Payments</b>	<b>73,124</b>	<b>181,033</b>	<b>250,634</b>	<b>530,300</b>	<b>279,666</b>	
2.2.1 Trust accounts/Guarantees	24,354	3,225	101,090	21,281	-79,809	
2.2.2 Municipalities	876	529	7,810	9,093	1,283	
2.2.3 Deposits	8,205	9,456	22,255	22,412	157	
2.2.4 Expenditures from previous years appropriations	1,242	57,636	50,313	338,298	287,985	
2.2.5 Expenditures from previous years/Guarantees	9,570	8,127	35,290	12,254	-23,036	
2.2.6 Other	28,877	102,060	33,876	126,962	93,086	
<b>Total Treasury Deficit/Surplus</b>	<b>-49,302</b>	<b>-155,799</b>	<b>-178,907</b>	<b>-429,642</b>		
<b>In % of total treasury expenditure</b>	<b>-67.42%</b>	<b>-86.06%</b>	<b>-71.38%</b>	<b>-81.02%</b>		
<b>3. Total Budget and Treasury Receipts</b>	<b>337,849</b>	<b>414,384</b>	<b>1,135,570</b>	<b>1,223,854</b>	<b>88,284</b>	<b>7.77%</b>
<b>4. Total Cash Budget and Treasury Payments</b>	<b>712,557</b>	<b>745,270</b>	<b>1,772,912</b>	<b>2,166,104</b>	<b>393,192</b>	<b>22.18%</b>
<b>5. Total Cash Deficit/Surplus</b>	<b>-374,708</b>	<b>-330,886</b>	<b>-637,342</b>	<b>-942,250</b>	<b>-304,908</b>	
<b>In % of Total Expenditures</b>	<b>-52.59%</b>	<b>-44.40%</b>	<b>-35.95%</b>	<b>-43.50%</b>		
<b>6. Primary Deficit/Surplus</b>	<b>-101,009</b>	<b>-113,996</b>	<b>287,663</b>	<b>21,949</b>	<b>-265,714</b>	
<b>In % of total expenditures</b>	<b>-14.18%</b>	<b>-15.30%</b>	<b>16.23%</b>	<b>1.01%</b>		

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

\*\* VAT revenues represents the amount collected at customs.