

The total fiscal balance recorded a deficit of LL 2,275 billion in the first four months of 2013, increasing by LL 630 billion (38 percent) from the LL 1,645 billion deficit registered during the same period in 2012 (Table 1). In parallel, the primary balance turned to a deficit of LL 406 billion from a surplus of LL 289 billion over the same period. This deterioration in public finances mainly resulted from a 9 percent (LL 593 billion) increase in expenditures, along with a 1 percent (LL 36 billion) decrease in revenues.

Table 1. Summary of Fiscal Performance

(LL billion)	2011 Jan-Apr	2012 Jan-Apr	2013 Jan-Apr	% Change 2013/2012
Total Budget and Treasury Receipts¹	3,829	4,764	4,728	-1%
Total Budget and Treasury Payments, of which	5,938	6,409	7,003	9%
• Interest Payments	2,039	1,845	1,794	-3%
• Concessional loans principal payment ²	97	88	75	-16%
• Primary Expenditures ³	3,802	4,475	5,134	15%
Total Deficit/Surplus	-2,108	-1,645	-2,275	38%
Primary Deficit/Surplus	27	289	-406	-241%

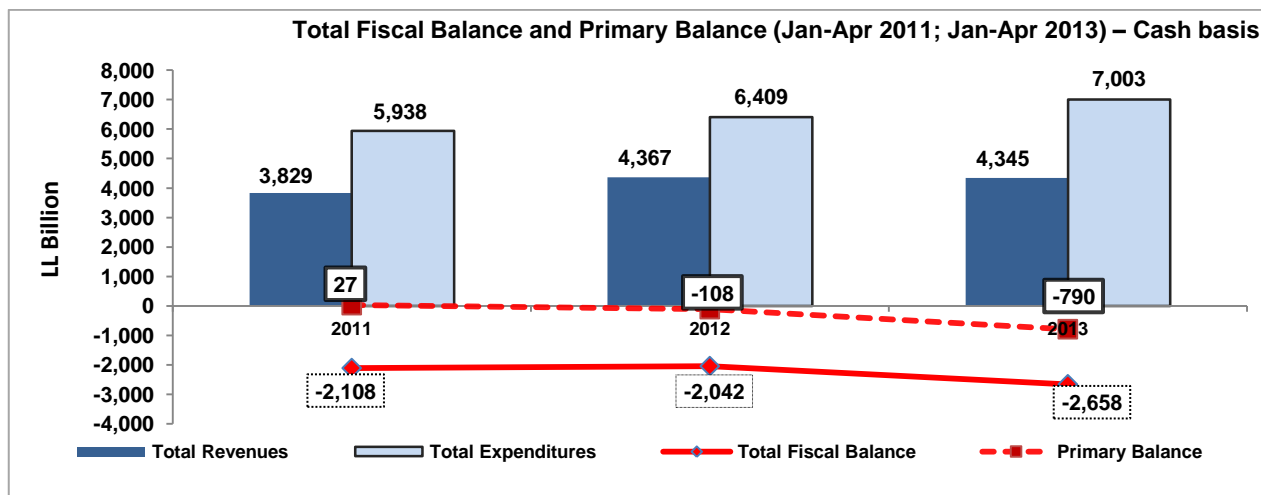
Source: Ministry of Finance (MOF), Directorate General of Finance (DGF)

¹ Includes the expected transfer from Telecom Surplus

² Includes only Principal repayments of concessional loans earmarked for project financing

³ Primary expenditures exclude debt related payments (Interest payments and Concessional loans principal repayment)

On a cash basis, or when the actually transferred amounts from the telecom surplus are accounted for in the first four months of 2012 and 2013¹, rather than the expected transfers, the fiscal deficit widens by 30 percent year-on-year to reach LL 2,658 billion in Jan-Apr 2013; and the primary balance records a deficit of LL 790 billion in Jan-Apr 2013, compared to a LL 108 billion deficit during the same period in 2012.



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

¹ Actual transfers from the Telecom surplus amounted to LL 302 billion and LL 226 billion in Jan-Apr 2012 and Jan-Apr 2013 respectively. Transfer expectations provided by the Telecom Ministry had been LL 699 billion in Jan-Apr 2012 and LL 609 billion in Jan-Apr 2013.

Total revenues amounted to LL 4,728 billion in Jan-Apr 2013, compared to LL 4,764 billion during the same period in 2012, representing about 1 percent annual decline. On a cash basis, total revenues dropped by about 0.5 percent to reach LL 4,345 billion, from LL 4,367 billion in Jan-Apr 2012.

Tax revenues collected in the first four months in 2013 reached LL 3,434 billion, decreasing by around 46 billion (1 percent) from the same period in 2012. Excluding a modest increase in taxes on international trade, supported by an improvement in car excises and customs, collections from all major tax categories decreased in 2013:

- Taxes on property diminished by LL 26 billion (6 percent) to reach LL 371 billion in Jan-Apr 2013, as “Real Estate Registration Fees” dropped by LL 35 billion, outweighing a small LL 4 billion increase in “Built Property Tax”. Lower real estate registration fees outline the annual drop in the value of transacted properties in Jan-Apr 2013, which in turn reflect the slide in the average declared value per property to LL 38 million from LL 43 million in Jan-Apr 2012, noting that the number of transacted properties actually increased by 1 percent annually in Jan-Apr 2013.
- Domestic taxes on goods and services regressed by LL 19 billion (1 percent), despite the LL 30 billion improvement in transfers from “Régie Des Tabacs” in Jan-Apr 2013, mostly as a result of a LL 57 billion (4 percent) drop in VAT collections. On one hand, the rise in Regie transfers reflected the company’s higher profits following MoF’s policy decision to increase the selling price of cigarettes by LL 250 per pack in October 2011. On the other hand, the drop in VAT to LL 1,235 billion resulted mainly from the Parliament’s policy decision to lift VAT on gasoil², where VAT at customs regressed by about 13 percent in Jan-Apr 2013, while internal VAT showed a 9-percent improvement.
- Taxes on income, profits and capital gains decreased by LL 7 billion (1 percent), mostly as a result of the LL 49 billion (46 percent) drop in income tax on capital gains and dividends, as the year 2012 witnessed an irregular rise of this specific component due to MoF collection efforts³. This decrease in capital gains and dividends tax was mostly offset by a LL 43 billion (17 percent) improvement in income tax on salaries and wages, following an increase in private sector wages and the cost of living adjustment granted to the public sector⁴.

Non-tax revenues slid by LL 71 billion (7 percent) year-on-year to LL 1,004 billion in Jan-Apr 2013. On a cash basis⁵, they registered a drop of LL 57 billion (8 percent), reaching LL 621 billion, due to a major decline in **telecom revenues** that retreated by LL 75 billion. Likewise, **Rent from Rafic Hariri International Airport** went down by LL 24 billion, and **vehicle control fees** registered LL 11 billion less collections.

Treasury receipts increased by LL 80 billion (38 percent) annually to reach LL 290 billion in Jan-Apr 2013.

Total expenditures registered an increase of LL 593 billion, amounting to LL 7,003 billion in Jan-Apr 2013 compared to LL 6,409 billion in Jan-Apr 2012.

Current primary expenditures⁶ climbed by LL 723 billion (21 percent) to reach LL 4,219 billion as “Various Transfers” surged by LL 505 billion (43 percent) and “Personnel Cost” scaled up by LL 107 billion (5 percent). Various Transfers mostly augmented as a result of a LL 250 billion payment to NSSF in Jan-Apr 2013, compared to nil in Jan-Apr 2012, chiefly due to a discrepancy in the timing of payment. Other items that affected the

² As per Law 207, dated March 5, 2012

³ In 2012, the Revenues Directorate at the Ministry of Finance undertook inspections to audit the declaration forms presented by financial corporations, thus boosting the 2012 “income tax on capital gains and dividends” to LL 106 billion in Jan-Apr 2012 from LL 41 billion in Jan-Apr 2011.

⁴ The Increase in private sector minimum wage and cost of living adjustment for the public sector were both adopted in February 2012, although the latter became effective in September 2012.

⁵ The cash basis excludes the expected telecom transfers (of LL 699 billion and LL 609 billion in Jan-Apr 2012 and 2013 respectively) and includes the actual ones (of LL 302 billion and LL 226 billion in Jan-Apr 2012 and 2013 respectively).

⁶ Current primary expenditures represent current expenditures excluding interest payment and debt service.

increase in various transfers were “contributions to non-public sectors”⁷, which increased by LL 90 billion annually to LL 117 billion in Jan-Apr 2013, mainly due to transfers to the Ministry of Education and the Ministry of Social Affairs corresponding to the 2008-2012 period. Transfers to Electricité du Liban (EDL)⁸ also increased by LL 16 billion (2 percent) to reach LL 1,092 billion, as reimbursements to mineral fuel suppliers climbed with larger imported volumes of higher-priced gasoil, outweighing the effect of lower fuel oil imports. The total value of reimbursements was mitigated by a 2 percent slide in the average price of crude oil.

Interest payments declined by LL 52 billion to reach LL 1,794 billion, mostly as a result of lower debt service payments in foreign currency. **Foreign debt principal repayments** amounted to LL 75 billion in Jan-Apr 2013, diminishing by LL 14 billion from the previous year.

Capital expenditures increased by LL 65 billion (24 percent) to LL 337 billion in Jan-Apr 2013, as payments to the “Council of Development and Reconstruction” rose by LL 83 billion to reach LL 109 billion. This significant rise in CDR transfers was mainly related to a LL 31 billion payment for the development of the road connecting Batroun and Bajdarfil areas. CDR transfers also increased on projects in water treatment (LL 10 billion), improvements of highways (LL 3 billion), and maintenance of the Lebanese University in Hadath (LL 3 billion).

Payments to “Maintenance” and “Acquisitions of Land, Buildings, for the Construction of Roads, Ports, Airports, and Water Networks” increased by LL 20 billion and LL 13 billion respectively in Jan-Apr 2013. The former rose due to payments for different development projects in various Lebanese regions⁹, while the latter increased after the government reimbursed Banque du Liban LL 14 billion for a real estate transaction between the two parties¹⁰. Such increases were partially offset by lower transfers to the “Displaced Fund” and “Ministry of Public Work and Transport” by LL 48 billion and LL 24 billion respectively.

Treasury expenditures¹¹ amounted to LL 522 billion in Jan-Apr 2013, down from LL 620 billion in Jan-Apr 2012. This substantial decline mainly resulted from decrease in payments to Municipalities to LL 272 billion in the first four months of 2013 from LL 467 billion in the same period of 2012, when the decree allocating 2010 revenues accrued to municipalities¹² was implemented.

Gross public debt stood at LL 89,125 billion by the end of April 2013, up from 86,959 at end-2012.

Local currency debt diminished by LL 416 billion (1 percent) in the first four months of 2013 to reach LL 49,782 billion. While BDL’s local currency debt portfolio was up by LL 556 billion from end-2012 at LL 15,605 billion, it registered a substantial decline in April after BDL redeemed TBs from its existing portfolio for the equivalent LL amount of US\$ 1.1 billion, though a Debt Replacement Agreement with the Ministry of Finance. Commercial banks’ local currency debt holdings continued to slide, falling by LL 2,066 billion from end-2012 to LL 25,201 billion, while TBs held by public entities increased by LL 786 billion to reach LL 7,265 billion by end-April.

Foreign currency debt grew by LL 2,582 billion (7 percent) from end-2012, amounting to LL 39,343 billion by the end of April 2013. This mainly resulted from the 9 percent rise in market issued Eurobonds to LL 32,007 billion as April saw two Eurobond transactions, each adding US\$ 1.1 billion to outstanding foreign currency debt¹³. The first transaction consisted of a dual-tranche Eurobond issuance, consisting of US\$ 600 million re-opening of the 6.00 percent coupon Eurobond due January 2023 at a yield of 6.15 percent, and a US\$ 500 million re-opening of the 6.75 percent coupon Eurobond due November 2027 at a yield of 6.70 percent. The second dual-tranche transaction was a Debt Replacement Agreement between the Ministry of Finance and

⁷ Contributions to non-public sectors include: Contributions to nonprofit organizations (Ministry of Education-Subsidized Schools, Ministry of Youth and Sports, Ministry of Public Health, and Ministry of Social Affairs), Contributions to Private parties (Ministry of Justice, Ministry of Public Health, and Ministry of Culture), and Students Grants.

⁸ More information will be available in the April 2013 issue of the publication “Transfers to EDL – A Monthly Snapshot”.

⁹ As per decree 9427, the total treasury advance amounts to LL 450 billion.

¹⁰ As per decision 47 dated December 27th, 2012.

¹¹ Starting December 2011, the Treasury expenditures section in the monthly, quarterly and yearly reports and its corresponding figures differ from the same 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.

¹² Decree 7374 dated January 13, 2012.

¹³ More information on debt transactions in April 2013 can be found under Debt Transactions in the Public Debt Section at the Ministry of Finance Website, under the titles “Dual-tranche: 4.50% USD Notes due 2016, and 5.50% Notes due 2019 in Debt Replacement Agreement with BDL, issued 23 April 2013” and Re-openings of 6.00 percent USD Notes due 2023 and of 6.75 percent USD Notes due 2027, issued 17 April 2013.

BDL, in which the latter redeemed to MoF the equivalent of US\$ 1.1 billion in 3 and 5 year Treasury bonds from its portfolio with a weighted average cost of 6.15 percent compared to the 4.95 percent average weighted cost of the issued Eurobonds. Paris II and Paris III-related debt (Eurobonds and loans) decreased by 3 percent and 5 percent respectively since end-2012, mainly as a result of amortized principle repayments. Bilateral, multilateral, and foreign private sector loans slid by LL 24 billion to reach LL 2,560 billion; Accrued interest on Eurobonds climbed by LL 161 billion over the same period, amounting to LL 561 billion by end-April 2013; Special T-bills in foreign currency added LL 24 billion to reach LL 136 billion.

Section 1: Revenue Outcome

Table 2. Total Revenues

(LL billion)	2012 Jan-Apr	2013 Jan-Apr	% Change 2013/2012
Budget Revenues, of which	4,555	4,438	-2.6%
<i>Tax Revenues</i>	<i>3,480</i>	<i>3,434</i>	<i>-1.3%</i>
<i>Non-Tax Revenues</i>	<i>1,075</i>	<i>1,004</i>	<i>-6.6%</i>
Treasury Receipts	210	290	38.3%
Total Revenues	4,764	4,728	-0.8%

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

Table 3. Tax Revenues

(LL billion)	2012 Jan-Apr	2013 Jan-Apr	% Change 2013/2012
Tax Revenues:	3,480	3,434	-1.3%
Taxes on Income, Profits, & Capital Gains, of which	795	788	-0.9%
<i>Income Tax on Profits</i>	<i>189</i>	<i>197</i>	<i>4.0%</i>
<i>Income Tax on Wages and Salaries</i>	<i>259</i>	<i>302</i>	<i>16.8%</i>
<i>Income Tax on Capital Gains & Dividends</i>	<i>106</i>	<i>57</i>	<i>-46.2%</i>
<i>Tax on Interest Income (5%)</i>	<i>218</i>	<i>218</i>	<i>-0.2%</i>
<i>Penalties on Income Tax</i>	<i>22</i>	<i>14</i>	<i>-35.3%</i>
Taxes on Property, of which:	397	371	-6.4%
<i>Built Property Tax</i>	<i>98</i>	<i>102</i>	<i>4.3%</i>
<i>Real Estate Registration Fees</i>	<i>261</i>	<i>225</i>	<i>-13.6%</i>
Domestic Taxes on Goods & Services, of which:	1,419	1,400	-1.4%
<i>Value Added Tax</i>	<i>1,291</i>	<i>1,235</i>	<i>-4.4%</i>
<i>Other Taxes on Goods and Services, of which:</i>	<i>103</i>	<i>111</i>	<i>7.3%</i>
<i>Private Car Registration Fees</i>	<i>62</i>	<i>67</i>	<i>8.7%</i>
<i>Passenger Departure Tax</i>	<i>40</i>	<i>43</i>	<i>5.6%</i>
Taxes on International Trade, of which:	696	706	1.5%
<i>Customs</i>	<i>256</i>	<i>266</i>	<i>3.8%</i>
<i>Excises, of which:</i>	<i>440</i>	<i>440</i>	<i>0.2%</i>
<i>Gasoline Excise</i>	<i>155</i>	<i>153</i>	<i>-1.3%</i>
<i>Tobacco Excise</i>	<i>142</i>	<i>138</i>	<i>-2.8%</i>
<i>Cars Excise</i>	<i>140</i>	<i>146</i>	<i>4.5%</i>
Other Tax Revenues (namely fiscal stamp fees)	173	169	-2.4%

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

Table 4. Non-Tax Revenue

(LL billion)	2012 Jan-Apr	2013 Jan-Apr	% Change 2013/2012
Non-Tax Revenues	1,075	1,004	-6.6%
Income from Public Institutions and Government Properties, of which	816	748	-8.4%
Income from Non-Financial Public Enterprises, of which:	777	672	-13.5%
<i>Revenues from Casino Du Liban</i>	52	42	-18.3%
<i>Revenues from Port of Beirut</i>	0	0	-
<i>Budget Surplus of National Lottery</i>	26	20	-23.1%
<i>Transfer from the Telecom Surplus ^{1/}</i>	699	609	-12.8%
Transfer from Public Financial Institution (BDL)	0	61	-
Property Income (namely rent of Rafic Hariri International Airport)	38	14	-62.9%
Other Income from Public Institutions (interests)	2	2	-18.0%
Administrative Fees & Charges, of which:	204	201	-1.1%
Administrative Fees, of which:	167	159	-4.7%
<i>Notary Fees</i>	9	10	2.3%
<i>Passport Fees/ Public Security</i>	37	42	12.8%
<i>Vehicle Control Fees</i>	89	78	-12.3%
<i>Judicial Fees</i>	11	9	-18.2%
<i>Driving License Fees</i>	6	6	3.0%
Administrative Charges	11	16	50.4%
Sales (Official Gazette and License Number)	1	1	-24.6%
Permit Fees (mostly work permit fees)	20	20	3.7%
Other Administrative Fees & Charges	5	4	-5.2%
Penalties & Confiscations	4	3	-20.8%
Other Non-Tax Revenues (mostly retirement deductibles)	51	51	0.7%

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

^{1/}Out of the expected LL 699 billion in Jan-Apr 2012, LL 302 billion was effectively transferred from the Telecom surplus.

Out of the expected LL 609 billion in Jan- Apr 2013, LL 226 billion was effectively transferred from the Telecom Surplus.

Section 2: Expenditure Outcome

Table 5. Expenditure by Economic Classification

(LL billion)	2012 Jan-Apr	2013 Jan-Apr	% Change 2013/2012
1. Current Expenditures	5,429	6,087	12.1%
1.a Personnel Cost, of which	2,039	2,146	5.3%
<i>Salaries, Wages and Related Items (Article 13)</i>	1,352	1,459	7.9%
<i>Retirement and End of Service Compensations, of which:</i>	575	566	-1.5%
<i>Retirement</i>	410	530	29.2%
<i>End of Service</i>	165	36	-78.0%
<i>Transfers to Public Institutions to Cover Salaries 1/</i>	111	121	8.8%
1.b Interest Payments, of which: 2/	1,845	1,794	-2.8%
<i>Domestic Interest Payments</i>	1,167	1,181	1.2%
<i>Foreign Interest Payments</i>	678	613	-9.7%
1.c Foreign Debt Principal Repayment	88	75	-15.5%
1.d Materials and Supplies, of which:	74	104	40.0%
<i>Nutrition</i>	22	20	-9.1%
<i>Fuel Oil</i>	19	2	-87.0%
<i>Medicaments</i>	9	54	476.8%
<i>Accounting Adjustments for Treasury advances 3/</i>	12	5	-56.7%
1.e External Services	35	47	37.3%
1.f Various Transfers, of which:4/	1,178	1,683	42.9%
<i>EDL 5/</i>	1,076	1,092	1.5%
<i>NSSF</i>	0	250	
<i>Higher Council of Relief</i>	4	18	400.8%
<i>Contributions to non-public sectors</i>	27	117	339.9%
<i>Treasury advances for diesel oil subsidy</i>	0	0	
<i>Transfers to Directorate General of Cereals and Beetroot</i>	0	28	
<i>Contributions to water authorities</i>	0	0	
<i>Special Tribunal for Lebanon</i>	0	0	
<i>Gasoline subsidy for taxi drivers</i>	3	1	-69.5%
<i>Accounting Adjustments for Treasury advances 3/</i>	0	0	-94.9%
1.g Other Current, of which:	121	178	47.1%
<i>Hospitals</i>	101	123	21.2%
<i>Others(judgments & reconciliations, mission costs, other)</i>	19	54	185.0%
<i>Accounting Adjustments for Treasury advances 3/</i>	0	0	-34.8%
1.h Reserves	49	61	22.7%
<i>Interest subsidy</i>	49	61	22.7%
2. Capital Expenditures	272	337	24.0%
2.a Acquisitions of Land, Buildings, for the Construction of Roads, Ports, Airports, and Water Networks	0	14	4978.8%
2.b Equipment	15	25	69.6%
2.c Construction in Progress, of which:	185	199	8.0%
<i>Displaced Fund</i>	48	0	-100.0%
<i>Council of the South</i>	30	9	-70.8%
<i>CDR</i>	26	109	317.0%
<i>Ministry of Public Work and Transport</i>	73	50	-32.3%
<i>Other of which:</i>	7	27	276.3%
<i>Higher Council of Relief</i>	0	12	
2.d Maintenance	69	89	29.0%
2.e Other Expenditures Related to Fixed Capital Assets	1	10	620.4%
2.f Parliamentary Equipment and Maintenance 6/	2	0	
2.g Accounting Adjustments for Treasury advances 3/	0	0	-6.3%
3. Budget Advances 7/	71	42	-41.5%
4. Customs Administration (exc. Salaries and Wages) 8/	16	14	-12.5%
5. Treasury Expenditures 9/	620	522	-15.9%
Municipalities	467	272	-41.8%

Guarantees	19	40	105.8%
Deposits 10/	28	61	116.2%
Other, of which:	106	150	41.5%
VAT Refund	69	99	43.1%
6. Unclassified Expenditures	0	1	647.4%
7. Total Expenditures (Excluding CDR Foreign Financed)	6,409	7,003	9.3%

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

1/ For a detailed breakdown of those transfers, kindly refer to table 6.

2/ For a detailed breakdown of interest payments, kindly refer to table 7.

3/ The expenditure figures as published by the ministry of finance include the regularization from the budget allocations of treasury advances previously paid from treasury accounts. These regularizations are included on both the revenue and expenditure side for accounting purposes and do not constitute an actual spending that affects the deficit.

4/ It should be noted that "Treasury advance for water authorities" (LL 23 billion in 2011) was removed from Treasury Expenditures and reclassified under Various Transfers as starting 2012 transfers to water authorities are included in the budget under article 14.

5/ For a detailed breakdown of transfers to EDL, kindly refer to table 8. 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.

6/ These are reclassifications of payments made from the guarantees under Law 123 dated 23 July 2010, that opened, in the 2010 Budget, a LL20 billion allocation for the equipment and maintenance of the House of Parliament. The law allowed the provision of an emergency advance issued by a Decision from the Speaker of Parliament specifying the amount and the duration of the advance. The advance is to be regularized based on invoices certified by the Secretariat of the Office of Parliament and submitted to the Ministry of Finance.

7/ 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.

8/ 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.

9/ 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.

10/ Deposit payments are payments made by the treasury to public administrations, institutions, municipalities, funds, from revenues it has collected on their behalf.

Table 6. Breakdown of Transfers to Public Institutions for the Coverage of Salaries

(LL billion)	2012 Jan-Apr	2013 Jan-Apr	% Change 2013/2012
Transfer to Council of the South	2	2	54.3%
Transfer to Council for Development and Reconstruction (CDR)	9	15	69.0%
Transfer to the Displaced Fund	2	2	8.0%
Transfer to the Lebanese University	95	98	3.1%
Transfer to the Educational Center for Research and Development	4	4	-5.9%

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

Table 7. Details of Debt Service Transactions

(LL billion)	2012 Jan-Apr	2013 Jan-Apr	% Change 2013/2012
Interest Payments	1,845	1,794	-3%
Local Currency Debt	1,167	1,181	1%
Foreign Currency Debt, of which:	678	613	-10%
Eurobond Coupon Interest*	639	573	-10%
Special bond Coupon Interest*	2	2	31%
Concessional Loans Interest Payments	38	37	-2%
Concessional Loans Principal Repayments	88	75	-15.5%

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

* Includes general expenses related to the transaction

Table 8. Transfers to EDL¹

(LL billion)	2012 Jan-Apr	2013 Jan-Apr	% Change 2013/2012
EDL of which:	1,076	1,092	2%
Debt Service of which:	43	39	-10%
- C-Loans, of which:	17	13	-25%
Principal Repayments	14	10	-27%
Interest Payments	3	3	-19%
- BDL Guaranteed Loan payments	26	26	1%
Reimbursement for purchase of Natural Gas, Fuel & Gas Oil:	1,033	1,053	2%
- KPC & SPC	1,033	1,053	2%
- EGAS	0	0	-
Treasury Advance to EDL	0	0	-
- For VAT on Fuel Imports	0	0	-
- Payment for EDL contract with KARPOWERSHIP	0	0	-

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

⁽¹⁾ Prior to 2005, transfers to EDL were recorded under the line item "treasury expenditures", because they were paid through treasury advances based on decrees issued by the Council of Ministers. Starting 2005, transfers to EDL were included in the yearly budget as an allocation classified as a loan. In 2009, the said budget item was reclassified to become a subsidy to the electricity company rather than a treasury. In the fiscal performance, transfers to cover EDL's gas and fuel oil remained classified under "treasury expenditures" until August 2010 when it was reclassified under "budget expenditures". This reclassification, however, was not reflected in the 2010 PFM issues to avoid a disruption in the series and in order to keep the figures published in the PFM throughout 2010 consistent and comparable. Since January 2011, EDL transfers are reclassified under "budget expenditures".

Section 3: Public Debt

Table 9. Public Debt Outstanding by Holder as of End-April 2013

(LL billion)	Dec-10	Dec-11	Dec-12	Apr-13	Change Dec 12 -Apr 13	% Change Dec 12-Apr 13
Gross Public Debt	79,298	80,887	86,959	89,125	2,166	2.5%
Local Currency Debt	48,255	49,340	50,198	49,782	-416	-0.8%
a. Central Bank (Including REPOs and Loans to EDL to Finance Fuel Purchases) ⁽¹⁾	13,130	16,374	15,049	15,605	556	3.7%
b. Commercial Banks	27,214	25,177	27,267	25,201	-2,066	-7.6%
c. Other Local Currency Debt (T-bills), of which:	7,911	7,789	7,882	8,976	1,094	13.9%
Public Entities	6,268	6,538	6,479	7,265	786	12.1%
Contractor bonds ⁽²⁾	-	41	134	134	0	0.0%
* Accrued Interest Included in Debt	867	788	789	722	-67	-8.5%
Foreign Currency Debt⁽³⁾	31,043	31,547	36,761	39,343	2,582	7.0%
a. Bilateral, Multilateral and Foreign Private Sector Loans	2,624	2,566	2,584	2,560	-24	-0.9%
b. Paris II Related Debt (Eurobonds and Loans) ⁽⁴⁾	4,137	3,512	2,925	2,830	-95	-3.2%
c. Paris III Related Debt (Eurobonds and Loans) ⁽⁵⁾	1,855	1,723	1,313	1,249	-64	-4.9%
d. Market-Issued Eurobonds	21,870	23,259	29,427	32,007	2,580	8.8%
e. Accrued Interest on Eurobonds	483	407	400	561	161	40.3%
f. Special T-bills in Foreign Currency ⁽⁶⁾	74	80	112	136	24	21.4%
Public Sector Deposits	11,419	10,984	12,916	12,719	-197	-1.5%
Net Debt	67,879	69,903	74,043	76,406	2,363	3.2%
Gross Market Debt⁽⁷⁾	51,308	50,192	58,623	59,628	1,005	1.7%
% of Total Debt	65%	62%	67%	67%	-1%	-0.8%

Source: Ministry of Finance, Banque du Liban

(1) In November 2003 and July 2004, BDL extended two loans to EDL, of amount LL 300 billion and LL 150 billion respectively, to finance the payment of electricity bought from Syria. The amortization schedule ends in June 30, 2013. These loans are listed as public debt as they are government guaranteed.

(2) Contractor bonds issued in LBP. Contractor bonds issued in USD are listed under "Special T-bills in foreign currency."

(3) Figures for Dec 06- Dec 11 may differ from previously published data due to updated information regarding bilateral and multilateral loans in the DMFAS system.

(4) Paris II related debt (Eurobonds and Loans) including a Eurobond originally issued at USD 1,870 billion to BDL in the context of the Paris II conference.

(5) Eurobonds issued to Malaysia as part of its Paris III contribution, IBRD loan, UAE loan, first tranche of the French loan received in February 2008 and part of second tranche received October 2012, IMF loans, first tranche EC/EU loan, and AMF loan disbursed in June 2009.

(6) Special T-bills in foreign currency (expropriation and contractor bonds).

(7) Gross market debt equals gross debt less the portfolios of the BDL, NSSF, bilateral and multilateral loans, Paris II and Paris III related debt.

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