

# Public Finance Monitor

The Monthly Statistical Bulletin of the Ministry of Finance

## November 2006

### Section 1: Fiscal Overview

#### Highlights:

The total fiscal deficit deteriorated to LL 3,893 billion for January - November 2006 increasing by 63 percent compared to LL 2,390 billion in the same period of 2005. The increase in the deficit resulted from the 15 percent rise in total payments and the 1.4 percent decline in total receipts. Since the July Israeli War, the primary surplus has been declining to reach LL 186 billion at the end of November 2006, a decrease of 75 percent when compared to the same period of last year.

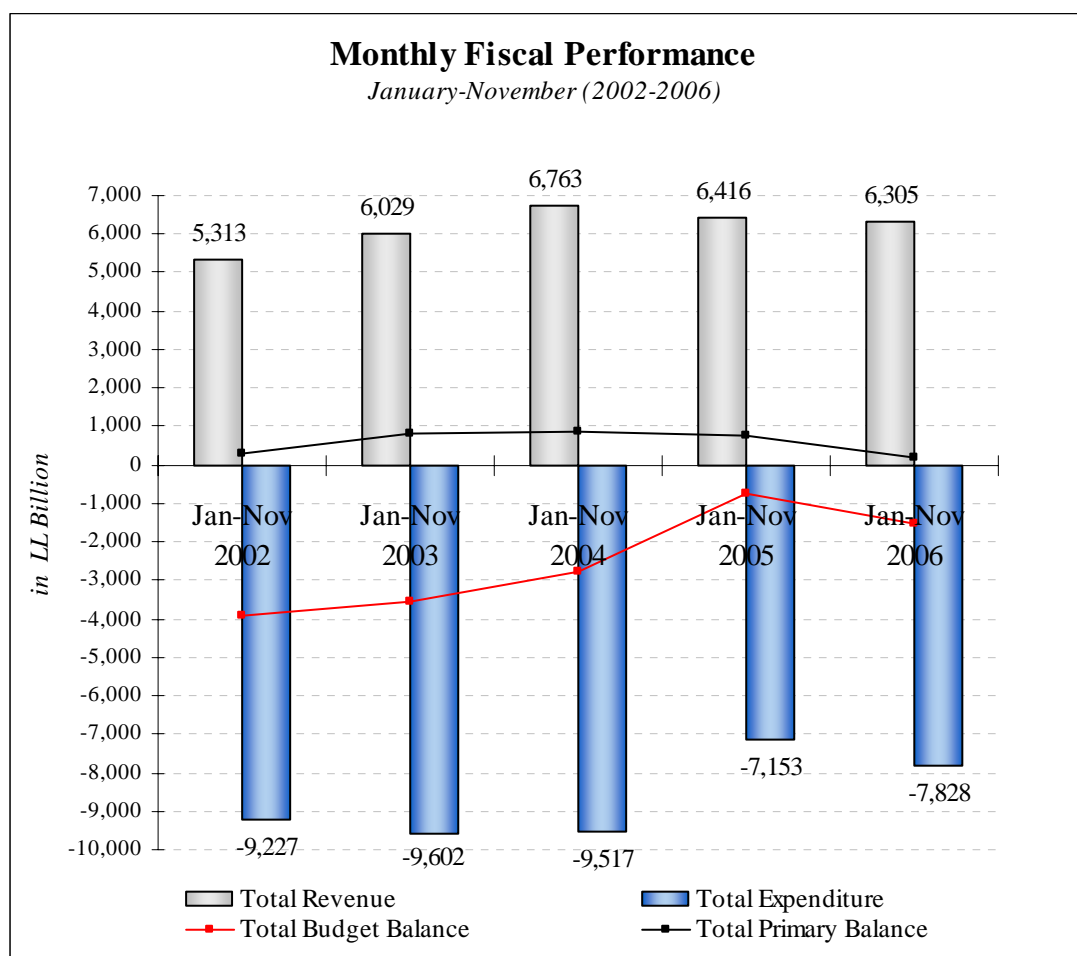
On a positive note, there were some signs of recovery during the month of November. For the first time since the July Israeli War, total revenues increased when compared to the same month in 2005. Indeed, during November 2006, revenues registered LL 620 billion, increasing by 7.4 percent against the same month of the previous year. Despite an increase of 11.5 percent in total expenditures compared to November 2005, the primary balance registered a surplus of LL 50 billion in November 2006 compared to a surplus of LL 1 billion in November 2005.

**Table 1. Summary of Fiscal Performance**

(LL billion)	2005 Nov	2006 Nov	2005 Jan-Nov	2006 Jan-Nov	Change 2005-2006	% Change
Budget Revenue	553	595	6,416	6,305	-111	-1.7%
Budget Expenditures	721	840	7,153	7,828	675	9.4%
<i>o/w Debt Service</i>	334	443	3,139	4,079	940	29.9%
<b>Budget Deficit/Surplus</b>	<b>-168</b>	<b>-245</b>	<b>-737</b>	<b>-1,523</b>	<b>-786</b>	<b>106.7%</b>
in % of Budget Expenditures	-23.3%	-29.1%	-10.3%	-19.5%		
<b>Budget Primary Deficit/Surplus</b>	<b>167</b>	<b>198</b>	<b>2,403</b>	<b>2,556</b>	<b>154</b>	<b>6.4%</b>
in % of Budget Expenditures	23.1%	23.6%	33.6%	32.7%		
Treasury Receipts	21	24	384	398	14	3.5%
Treasury Payments	187	173	2,038	2,767	730	35.8%
Total Budget and Treasury Receipts	575	620	6,800	6,703	-98	-1.4%
Total Budget and Treasury Payments	908	1,013	9,191	10,595	1,405	15.3%
<b>Total Cash Deficit/Surplus</b>	<b>-334</b>	<b>-393</b>	<b>-2,390</b>	<b>-3,893</b>	<b>-1,502</b>	<b>62.9%</b>
in % of Total Expenditures	-36.7%	-38.8%	-26.0%	-36.7%		
<b>Primary Deficit/Surplus</b>	<b>1</b>	<b>50</b>	<b>749</b>	<b>186</b>	<b>-563</b>	<b>-75.1%</b>
in % of Total Expenditures	0.1%	5.0%	8.2%	1.8%		

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

**Chart 1.**



## Section 2: Revenue Outcome

Total revenues over the January - November period yielded LL 6,703 billion registering a drop of 1 percent when compared to LL 6,800 billion collected during the same period in 2005.

Although tax revenues and treasury receipts increased by 1 percent and 3.5 percent respectively, this enhancement did not offset the 8.4 percent decrease in non-tax revenues. Detailing the budget revenues shows:

- Tax revenues** totaled LL 4,539 billion and increased by 1 percent in comparison with the same period last year. The rise in tax revenues results from higher collection of taxes on income, profits, and capital gains (11 percent), taxes on property (52 percent), and other tax revenues mainly stamp fees (10 percent). This improvement in the above mentioned tax revenues did not compensate the 17 percent decline in taxes on international trade, which was mainly due to the 24 percent decrease in excises (mainly fuel)<sup>1</sup> and to the 4 percent decrease in

<sup>1</sup> The 42 percent overall decrease in revenues from fuel excises resulted from the cap on domestic gasoline prices and the increase in international oil prices. Over the three months period June-August the Treasury did not collect any excises.

domestic taxes on goods and services (mainly from VAT and passenger departure tax).

- **Non-tax revenues** totaled LL 1,766 billion during January – November 2006 and decreased by 8 percent compared to same period last year. The decline in non-tax revenues was mainly due to a 15 percent drop in income from public institutions and government properties (particularly the LL 168 billion loss in the transfers from the Telecom Budget Surplus; and zero transfer from the port of Beirut against LL 58 billion in 2005). However, this fall in the non-tax revenues is, to a small extent only, tempered by 21 percent increase in the administrative fees and charges especially Passport fees (by LL 25 billion), and Vehicle control fees (by LL 28 billion).
- **Treasury receipts** increased by 4 percent during January – November 2006 period, partly due to the grants received for humanitarian aid and relief purposes during the war (LL 78 billion during July and August).

From a monthly perspective, **tax revenues** increased by 25 percent in November 2006 compared to the collection level of November 2005 and totaled LL 404 billion. The higher tax revenue is a significant improvement as the year on year monthly comparison trend has been on a downward path since the breakout of the war. This recovery was mainly due to the increases in all tax revenue aggregate components as stated below.

- Taxes on income, profits, and capital gains totaled LL 53 billion, a 7 percent increase compared to November 2005. This resulted from the 15, 62 and 17 percent increases in taxes on wages and salaries, income tax on capital gains & dividends and tax on interest income respectively, despite the decrease in income tax on profits by 28 percent and penalties by 80 percent. The decrease in penalties is due to the amnesty provided till end of year (*Decision number 827/1 dated 14 September 2006*)<sup>2</sup>.
- Tax on property increased by 3 percent compared to November 2005 and totaled LL 32 billion mainly due to a 6 percent higher collection from real estate registration fees. The higher collection from real estate registration fees is a significant improvement as it is the first month post war that shows a year on year pickup in revenues after months of deterioration in collection. The increase has offset the 25 percent decrease in the recurrent component stemming from lower penalties collected as per the decision stated above.
- Revenues from taxes on international trade (custom duties and excises) increased by 25 percent and totaled LL 138 billion owing to (i) 75 percent higher excises from fuel (equivalent to an additional LL 19 billion in revenues) partly stemming from the 9 percent higher imports of car gasoline compared to the volume of imports in November 2005<sup>3</sup> and lower international gas prices, and to (ii) 15 percent increase in customs duties mirroring a significant pick-up in imports (26 percent higher imports in November 2006 as compared to imports in November 2005).

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<sup>2</sup> Decision number 827/1 dated 14 September 2006 exempted the taxpayers from 90 percent of the penalties.

<sup>3</sup> Please note that in November 2006 prices of car gasoline at imports were slightly lower than in the equivalent month last year.

- Revenues from domestic taxes on goods and services increased by 40 percent compared to the same month last year and totaled LL 161 billion, owing to 43 percent higher VAT revenues (equivalent to LL 43 billion) coming from LL 23 billion higher collection of import VAT and LL 19 billion higher VAT from internal economic activity coming from the installment payments of QII of 2006<sup>4</sup>.

**Table 2. Total Revenue**

(LL billion)	2005 Nov	2006 Nov	2005 Jan-Nov	2006 Jan-Nov	% Change
<b>Budget Revenues, of which:</b>	<b>553</b>	<b>595</b>	<b>6,416</b>	<b>6,305</b>	<b>-1.7%</b>
<i>Tax Revenues</i>	322	404	4,489	4,539	1.1%
<i>Non-Tax Revenues</i>	231	192	1,928	1,766	-8.4%
<b>Treasury Receipts</b>	<b>21</b>	<b>24</b>	<b>384</b>	<b>398</b>	<b>3.5%</b>
<b>Total Revenues</b>	<b>575</b>	<b>620</b>	<b>6,800</b>	<b>6,703</b>	<b>-1.4%</b>

Source: MOF, DGF

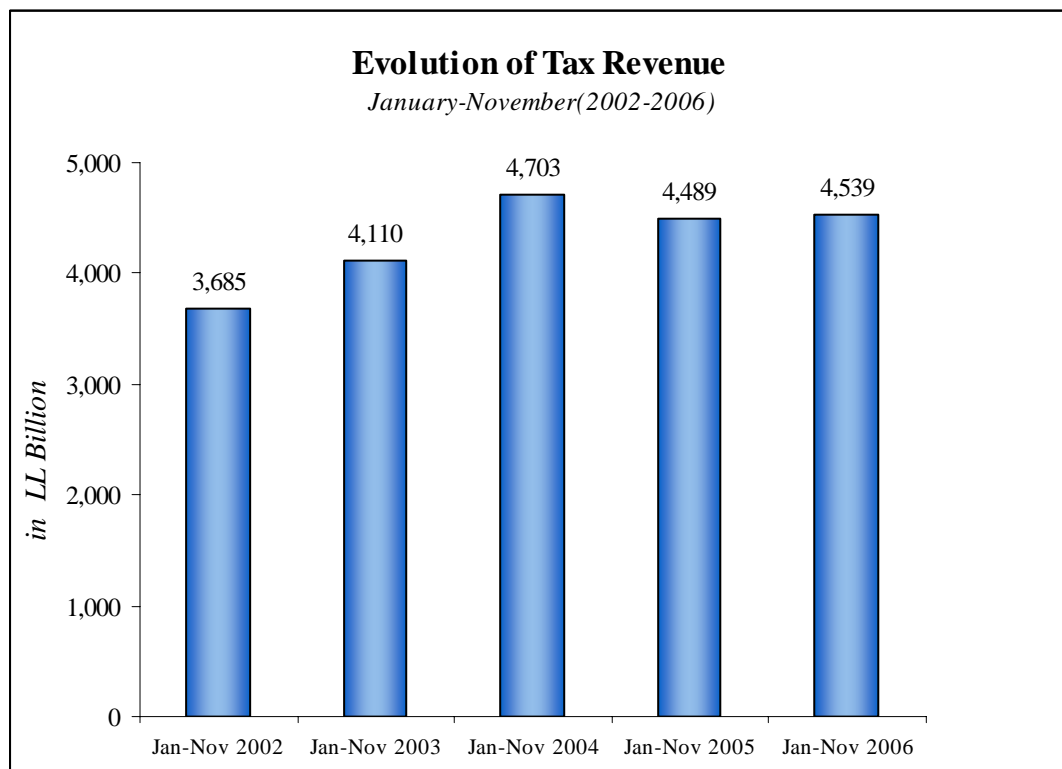
**Table 3. Tax Revenue**

(LL billion)	2005 Nov	2006 Nov	2005 Jan-Nov	2006 Jan-Nov	% Change
<b>Tax Revenues:</b>	<b>322</b>	<b>404</b>	<b>4,489</b>	<b>4,539</b>	<b>1.1%</b>
<b>Taxes on Income, Profits, &amp; Capital Gains, of which:</b>	<b>50</b>	<b>53</b>	<b>1,002</b>	<b>1,110</b>	<b>10.7%</b>
<i>Income Tax on Profits</i>	8	6	396	424	7.2%
<i>Income Tax on Wages and Salaries</i>	2	2	182	192	5.7%
<i>Income Tax on Capital Gains &amp; Dividends</i>	1	2	91	93	1.5%
<i>Tax on Interest Income (5%)</i>	36	42	315	387	22.9%
<i>Penalties on Income Tax</i>	2	0	15	11	-24.8%
<b>Taxes on Property, of which:</b>	<b>32</b>	<b>32</b>	<b>343</b>	<b>522</b>	<b>51.9%</b>
<i>Built Property Tax</i>	6	5	81	79	-2.8%
<i>Real Estate Registration Fees</i>	23	24	231	245	6.3%
<b>Domestic Taxes on Goods &amp; Services, of which:</b>	<b>114</b>	<b>161</b>	<b>1,762</b>	<b>1,701</b>	<b>-3.5%</b>
<i>Value Added Tax</i>	103	146	1,579	1,531	-3.0%
<i>Other Taxes on Goods and Services, of which:</i>	12	15	172	159	-7.8%
<i>Private Car Registration Fees</i>	9	10	97	102	5.0%
<i>Passenger Departure Tax</i>	3	5	74	56	-24.8%
<b>Taxes on International Trade, of which:</b>	<b>110</b>	<b>138</b>	<b>1,161</b>	<b>965</b>	<b>-16.9%</b>
<i>Customs</i>	43	49	439	419	-4.7%
<i>Excises, of which:</i>	67	89	722	546	-24.3%
<i>Petroleum Tax</i>	25	44	340	195	-42.5%
<i>Tobacco Tax</i>	19	23	173	146	-8.4%
<i>Tax on Cars</i>	23	21	205	201	-1.9%
<b>Other Tax Revenues (namely fiscal stamp fees)</b>	<b>16</b>	<b>19</b>	<b>220</b>	<b>242</b>	<b>10.3%</b>

Source: MOF, DGF

<sup>4</sup> Please note that, due to the July Israeli war, Decision number 826 dated September 14, 2006 postponed the payment of the second quarter of the VAT till 20/11/2006, and permitted the payment of the tax along a 4 installment schedule.

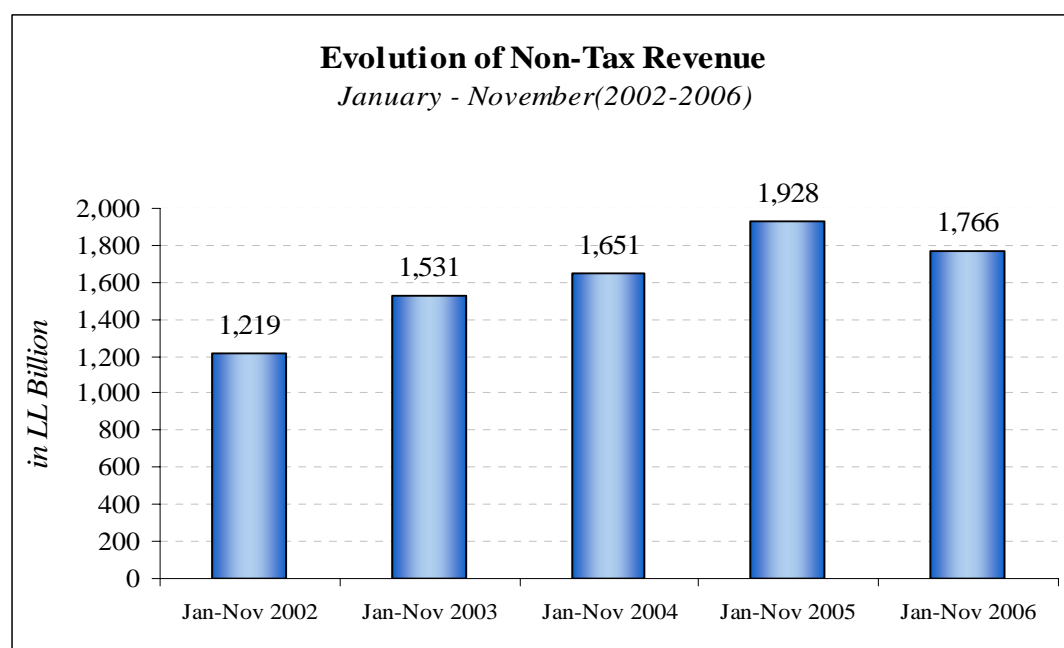
**Chart 2.**



**Table 4. Non-Tax Revenue**

(LL billion)	2005 Nov	2006 Nov	2005 Jan-Nov	2006 Jan-Nov	% Change
<b>Non-Tax Revenues</b>	<b>231</b>	<b>192</b>	<b>1,928</b>	<b>1,766</b>	<b>-8.4%</b>
<b>Income from Public Institutions and Government Properties, of which:</b>	<b>189</b>	<b>148</b>	<b>1,528</b>	<b>1,295</b>	<b>-15.3%</b>
Income from Non-Financial Public Enterprises, of which:	186	146	1,483	1,263	-14.9%
<i>Revenues from Casino Du Liban</i>	3	4	47	36	-21.9%
<i>Revenues from Port of Beirut</i>	0	0	58	0	-100.0%
<i>Budget Surplus of National Lottery</i>	5	2	37	53	43.2%
<i>Transfer from the Telecom Surplus</i>	178	140	1,340	1,172	-12.5%
Property Income (namely rent of Rafic Hariri International Airport)	3	2	35	24	-31.0%
Other Income from Public Institutions (interests)	0	0	5	5	-6.0%
<b>Administrative Fees &amp; Charges, of which:</b>	<b>35</b>	<b>36</b>	<b>319</b>	<b>387</b>	<b>21.4%</b>
Administrative Fees, of which:	26	29	254	312	23.0%
<i>Notary Fees</i>	1	2	16	16	0.9%
<i>Passport Fees/ Public Security</i>	6	6	80	105	31.5%
<i>Vehicle Control Fees</i>	14	16	110	138	25.8%
<i>Judicial Fees</i>	1	2	18	17	-3.7%
<i>Driving License Fees</i>	1	2	14	21	48.1%
Administrative Charges	5	4	21	14	-31.7%
Sales (Official Gazette and License Number)	0	0	2	3	6.6%
Permit Fees (mostly work permit fees)	3	3	35	47	34.0%
Other Administrative Fees & Charges	1	1	7	11	67.6%
<b>Penalties &amp; Confiscations</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>4</b>	<b>11.2%</b>
<b>Other Non-Tax Revenues (mostly retirement deductibles)</b>	<b>7</b>	<b>7</b>	<b>78</b>	<b>81</b>	<b>3.9%</b>

Source: MOF, DGF

**Chart 3.**

### Section 3: Expenditure Outcome

For the period January – November 2006, total expenditures registered a total of LL 10,595 billion, increasing by 15 percent from LL 9,191 billion in the same period of 2005. This increase is mainly due higher non-interest and interest payments which rose by LL 465 billion and LL 940 billion respectively. The increase is consistent with the trend of rising non-interest payments that started in August following the July Israeli War. However, for the month of November 2006, the level of expenditures was slightly adjusted downward to report a total of LL 569 billion compared to LL 574 billion in November 2005.

The increase in total spending on interest and non-interest payments for January-November 2006 is as follows:

1. Debt service registered LL 4,079 billion in January - November 2006 compared to LL 3,139 billion for the same period of 2005, increasing by approximately 30 percent. This rise resulted from the 56 percent higher local currency debt service and 11 percent rise in foreign currency debt service. The main reason<sup>5</sup> behind this increase in the debt service for 2006 stems from the matured stock of:

- ⇒ Domestic currency zero-rated special Treasury bills and
- ⇒ Foreign currency zero-rated special bonds

These Bonds were issued to the Commercial banks in the context of the Paris II Conference and matured during the period January - July 2005.

2. Non-interest expenditures registered LL 6,516 billion in January - November 2006, against LL 6,051 billion for January - November 2005, increasing by approximately 8 percent. This rise was attributed to higher 'other treasury expenditures' offsetting the lower current primary budget expenditures.

a. 'Other treasury expenditures' were the major drivers of increase in non-interest expenditures as they rose by LL 580 billion during the period January - November 2006. The increase was mainly due to three major factors:

- ⇒ Higher direct transfers to EDL by LL 440 billion. A total of LL 217 billion (please refer to table 7) was disbursed during the period August - November 2006 to settle arrears for oil suppliers, in addition to LL 142 billion higher transfers for fuel oil purchases and higher EDL debt payments by LL 60 billion.
- ⇒ Increased spending on municipalities by LL 30 billion in January - November 2006 compared to the same period last year.
- ⇒ Transfers to Higher Relief Council of LL 98 billion. During the war, a total amount of LL 19 billion was transferred in the form of treasury advances to the Higher Relief Council in order to allow the relief operations to take place. In addition, a special donation account was created in order to support the Lebanese Government in relief operations. The total donated amount of LL 79 billion was transferred in September 2006 to Higher Relief Council.

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<sup>5</sup>Please refer to previous "Public Finance Monitor" monthly publications, all published on MOF website, [www.finance.gov.lb](http://www.finance.gov.lb).

b. Meanwhile, current primary budget expenditures decreased by LL 107 billion, mainly due to major and exceptional expenses paid during 2005 such as the LL 93 billion in payments of accrued electricity bills of public administrations due to EDL (materials and supplies). In addition, payments to the NSSF were higher in January - November 2005 (LL 290 billion) compared to 2006 payments which amounted to LL 150 billion (Various transfers). New army and security forces recruitment started to be reflected on the wages and salaries (Budget Article 13) as they increased by LL 46 billion during the period January - November 2006.

Capital expenditures reported LL 474 billion in January - November 2006, almost the same level reported during the same period of 2005.

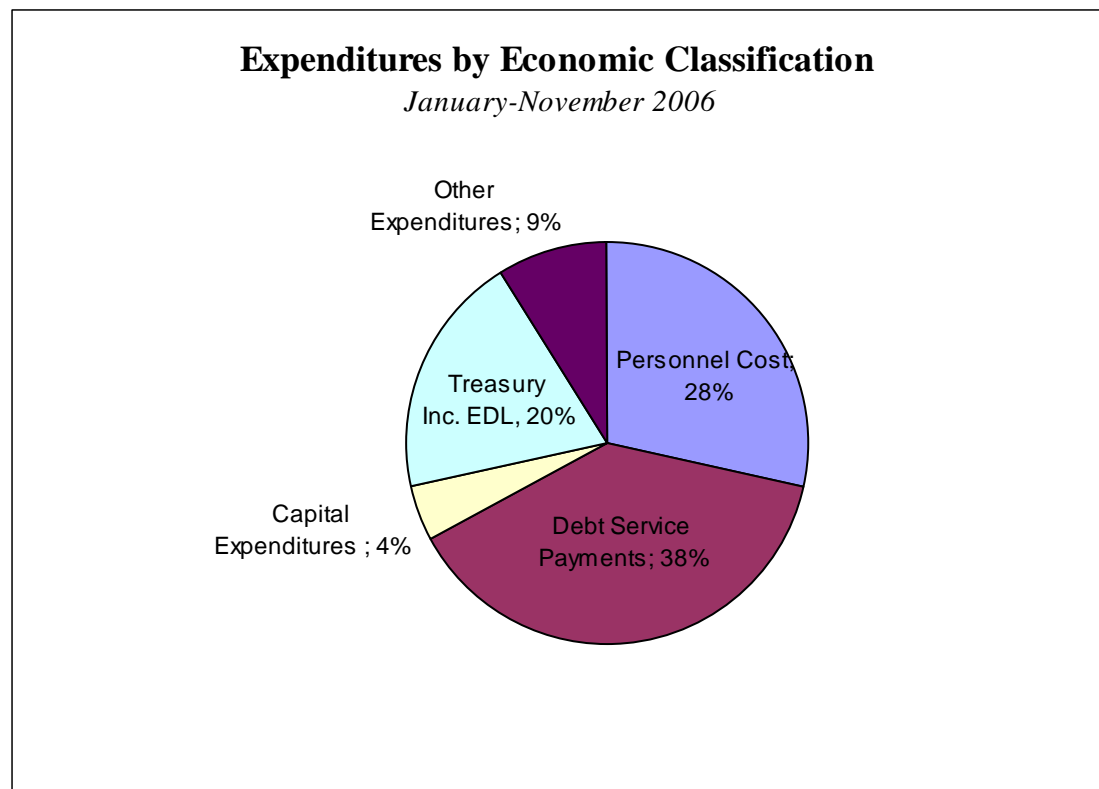


**Table 5. Expenditures by Transaction Classification**

(LL billion)	2005	2006	2005	2006	%
	Nov	Nov	Jan-Nov	Jan-Nov	Change
<b>Total Expenditures</b>	<b>908</b>	<b>1,013</b>	<b>9,191</b>	<b>10,595</b>	<b>15.3%</b>
<b>Budget Expenditures</b>	<b>721</b>	<b>840</b>	<b>7,153</b>	<b>7,828</b>	<b>9.4%</b>
Expenditures Excluding Debt Service	387	397	4,014	3,749	-6.6%
Debt Service, of which:	<b>334</b>	<b>443</b>	<b>3,139</b>	<b>4,079</b>	<b>29.9%</b>
<i>Local Currency Debt</i>	145	250	1343	2,092	55.8%
<i>Foreign Currency Debt, of which:</i>	190	194	1796	1,987	10.6%
<i>Eurobond Coupon Interest*</i>	163	172	1556	1,693	8.8%
<i>Specialbond Coupon Interest*</i>				13	
<i>Concessional Loans Principal</i>	19	15	140	179	28.2%
<i>Payments</i>					
<i>Concessional Loans Interest</i>	8	7	100	102	1.9%
<i>Payments</i>					
<b>Treasury Expenditures , of which:</b>	<b>187</b>	<b>173</b>	<b>2,038</b>	<b>2,767</b>	<b>35.8%</b>
<i>Municipalities</i>	55	4	335	365	8.9%
<i>Previous Years' Appropriations</i>	0	0	471	469	-0.5%
<b>Non-Interest Expenditures (Total Expenditures minus Debt Service)</b>	<b>574</b>	<b>569</b>	<b>6,051</b>	<b>6,516</b>	<b>7.7%</b>

Source: MOF, DGF

\* Includes general expenses related to the transaction

**Chart 4.**

**Table 6. Expenditures by Economic Classification**

(LL billion)	2005 Jan-Nov	2006 Jan-Nov	% Change
<b>1. Current expenditures</b>	<b>7,168</b>	<b>8,001</b>	<b>11.6%</b>
1.a Personnel cost, of which	2,913	3,017	3.6%
Article 13: Salaries and wages	1,935	1,981	2.4%
Retirement and end of service compensations	796	857	7.6%
1.b Debt Service payments	3,139	4,079	29.9%
1.c Materials and supplies	202	129	-35.9%
1.d External services	74	78	5.7%
1.e Various transfers	539	401	-25.6%
o/w NSSF	290	150	-48.3%
1.f Other current	227	218	-3.9%
Hospitals	164	188	14.5%
Others	63	30	-53.4%
1.g Reserves (3)	74	79	6.0%
Interest subsidy	74	79	6.0%
<b>2. Capital expenditures</b>	<b>473</b>	<b>474</b>	<b>0.1%</b>
2.a Acquisitions of land, buildings, for the construction of roads, ports, airports, and water networks	12	11	-6.3%
2.b Equipment	22	22	1.1%
2.c Construction in Progress	363	364	0.3%
2.d Maintenance	41	45	7.4%
2.e Other Expenditures Related to Fixed Capital Assets	34	31	-8.7%
<b>3. Other treasury expenditures, of which</b>	<b>1,510</b>	<b>2,090</b>	<b>38.4%</b>
Municipalities	335	365	8.9%
EDL	750	1,190	58.6%
Transfers to Higher Council of Relief		98	
Treasury advances for water authorities	48	0	-100.0%
Treasury advances for diesel oil subsidy	14	52	269.0%
Treasury advances for Telecom companies	15	0	
<b>4. Unclassified expenditures</b>	<b>4</b>	<b>1</b>	<b>-72.9%</b>
<b>5. Customs cashiers</b>	<b>36</b>	<b>29</b>	<b>-17.9%</b>
<b>6. Total expenditures (excluding CDR foreign financed)</b>	<b>9,191</b>	<b>10,595</b>	<b>15.3%</b>

Source : statement of account 36, cashier spendings, Public Debt Department figures , Fiscal performance gross adjustment figures

**Table 7. Transfers to EDL**

(LBP billion)	2005 Jan-Nov	2006 Jan-Nov	% Change
<b>EDL of which:</b>	<b>891</b>	<b>1,190</b>	<b>33.60%</b>
<b>Debt Service of which:</b>	<b>162</b>	<b>227</b>	<b>40.03%</b>
C-Loans and Eurobonds, of which:	<b>162</b>	<b>222</b>	<b>37.22%</b>
Principal Repayment	113	177	56.88%
Interest Payment	49	45	-8.13%
Loans for Fuel Oil Payment	0	17	100.00%
BDL Guaranteed Loan Payment	0	5	100.00%
<b>Treasury Advance for Fuel Purchase*</b>	<b>130</b>	<b>0</b>	<b>-100.00%</b>
<b>Treasury Advance for EDL' s Losses**</b>	<b>220</b>	<b>0</b>	<b>-100.00%</b>
<b>Treasury Advance for EDL' s Losses***</b>	<b>155</b>	<b>0</b>	<b>-100.00%</b>
<b>Treasury Advance for EDL' s (Norm. Inv. Exp. Paym)****</b>	<b>83</b>	<b>0</b>	<b>-100.00%</b>
<b>Material and Supplies (Electricity bills)</b>	<b>93</b>	<b>0</b>	<b>-100.00%</b>
<b>Treasury advance to Water Authorities</b>	<b>48</b>	<b>0</b>	<b>100.00%</b>
<b>Kuwait &amp; Alg. Petrole</b>	<b>0</b>	<b>730</b>	<b>100.00%</b>
<b>Repayment of oil suppliers arrears *****</b>	<b>0</b>	<b>217</b>	<b>100.00%</b>
<b>Expropriations</b>	<b>0</b>	<b>0</b>	<b>-</b>

Source: MOF, DGF

\* Paid for Fuel /From Decree Nbr. 14310 date 2/4/2005

\*\*Paid from decree Nbr.14561 (220 billion LL)

\*\*\*Paid from decree Nbr.14917 (155 billion LL)

\*\*\*\*Paid from decree Nbr.15542 Oct 2005(150 billion LL)

\*\*\*\*\*Paid from decree Nbr.16084 Dec 2005(152 billion LL) & disburse an amount of 32 billion LL from the TA no. 14308 dated 02/04/05 LL 90 billion

## **Section 4: Public Debt**

### **Highlights:**

1. By the end of November 2006, gross public debt reached LL 60,945 billion (equivalent to US\$ 40 billion), registering an increase of LL 2,927 billion (or 5.04 percent) over the end-December 2005 debt level.
2. Local currency debt amounted to LL 30,484 billion (equivalent to US\$ 20 billion), increasing by LL 1,343 billion or 5 percent over the end-December 2005 level.
3. As of end-November 2006, local currency debt held by BDL decreased by LL 2,176 billion as compared to end of December 2005. Up till June 2006 (compared to end of December 2005), local currency debt held by BDL decreased by LL 3,834 billion. As of end-July 2006 - as compared to June 2006 - BDL portfolio of Treasury bills increased by 17 percent, as market appetite for Lebanese Pound denominated T-bills was weak during the war period. However, if compared to end-December 2005, local currency debt held by BDL was still LL 2,476 billion lower in July 2006.
4. Meanwhile, local currency debt held by commercial banks increased by LL 2,819 billion as of end-November 2006. While the first half of the year witnessed an improvement in commercial banks' appetite to purchase Treasury bills, the war of July 2006 put a halt to this amelioration and reversed this progress. Indeed, commercial banks' holding of Treasury bills decreased by LL 1,512 billion during

July and by LL 1,994 billion during August 2006. The trend resumed its positive path in September and October 2006 when it increased by LL 876 billion and LL 1,200 billion respectively. In November commercial banks' holding of Treasury bills remained stable at LL 16,897 billion.

5. By end-November 2006 foreign currency debt amounted to LL 30,461 billion (equivalent to US\$ 20 billion), increasing by LL 1,584 billion (or 5.49 percent) over the end-December 2005 level. The last Eurobond principal maturing in 2006 was settled during the month of October amounting to USD 145 million. During the period January-November 2006 the total Eurobond issuance was equal to USD 3.41 billion and the total principal payment was equal to USD 2.515 billion, including the exchange transaction in April 2006.
6. Public sector deposits amounted to LL 5,119 billion, decreasing by approximately LL 471 billion from their December 2005 level.

**Table 8. Public Debt Outstanding by Holder as of End-November 2006**

Assumes full LBP Replacement	Dec-01	Dec-03	Dec-04	Dec-05	Nov-06	Change Dec 05 - Nov 06	% change Dec 05 - Nov 06
<b>Gross Public debt</b>	<b>42,644</b>	<b>50,285</b>	<b>54,048</b>	<b>58,018</b>	<b>60,945</b>	2,927	5.04%
<b>Local currency debt</b>	<b>28,214</b>	<b>26,843</b>	<b>26,371</b>	<b>29,141</b>	<b>30,484</b>	1,343	4.61%
a. Central Bank (including REPOs and Loans to EDL to finance fuel purchases)*	6,251	8,938	10,652	11,686	9,510	-2,176	-18.62%
b. Commercial Banks	15,830	12,303	12,220	14,130	16,949	2,819	19.95%
c. Other Local Currency Debt (T-bills)	6,133	5,603	3,500	3,325	4,025	700	21.05%
<i>o/w Public entities</i>	3,055	2,564	2,187	2,446	3,192	746	30.50%
<b>Foreign currency debt</b>	<b>14,430</b>	<b>23,442</b>	<b>27,677</b>	<b>28,877</b>	<b>30,461</b>	1,584	5.49%
a. Bilateral, Multilateral and Foreign Private sector loans	2,104	2,934	2,970	2,822	2,884	62	2.20%
b. Paris II related debt (Eurobonds and Loans)**	0	3,731	3,814	3,682	3,724	42	1.14%
c. BDL Eurobond (Paris II)	0	2,819	2,819	2,819	2,819	0	0.00%
d. Market Eurobonds	11,477	13,631	17,686	18,729	20,184	1,455	7.77%
e. Accrued Interest on foreign currency debt	849	327	388	406	431	25	6.18%
f. Special Tbls in Foreign currency (expropriation bonds)				419	419	0	0.00%
<b>Public sector deposits</b>	<b>1,913</b>	<b>3,019</b>	<b>4,360</b>	<b>5,590</b>	<b>5,119</b>	-471	-8.43%
<b>Net debt</b>	<b>40,731</b>	<b>47,266</b>	<b>49,688</b>	<b>52,428</b>	<b>55,826</b>	3,398	6.48%
<b>Gross Market debt***</b>	<b>31,234</b>	<b>29,638</b>	<b>31,861</b>	<b>34,759</b>	<b>38,937</b>	4,178	12.02%
<b>% of total debt</b>	<b>73%</b>	<b>59%</b>	<b>59%</b>	<b>60%</b>	<b>64%</b>	0	6.64%

Source: Ministry of Finance, Banque du Liban

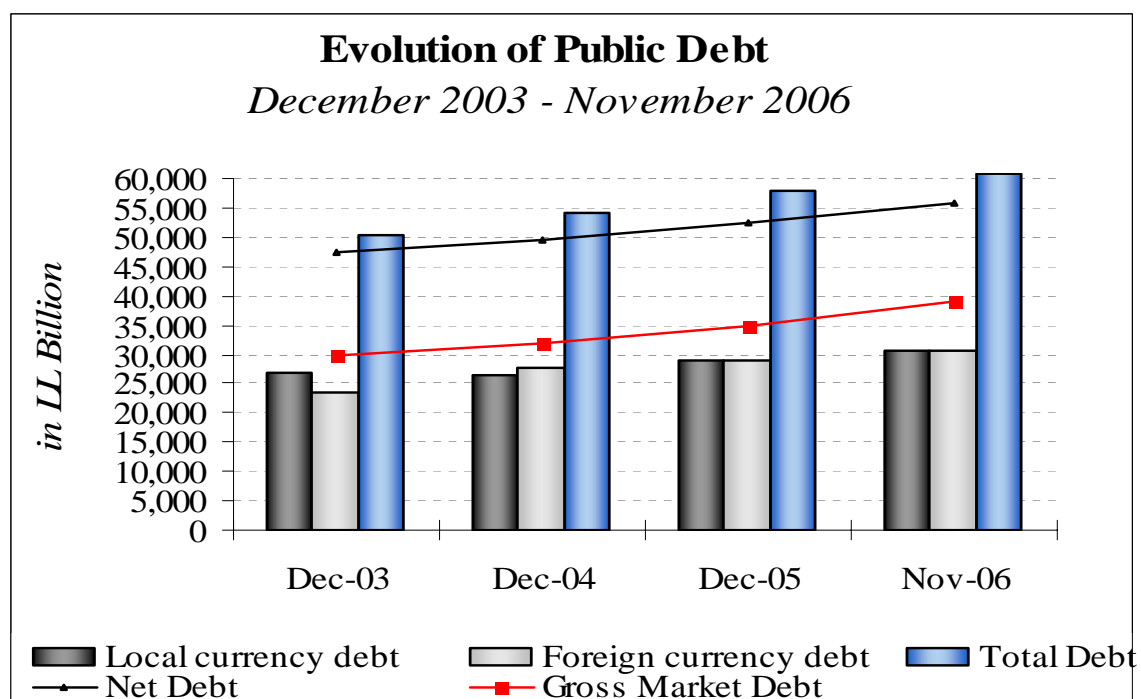
Notes:

\* The BDL has extended loans to EDL for the equivalent amount of US\$ 300 million to purchase fuel oil. These loans are listed as Public debt as they are government guaranteed.

\*\* Figures of Dec03- Dec04 - Jan06 may have changed from previously published information due to the exchange rate of Euro

\*\*\* Gross market debt equals gross debt less the portfolios of the BDL, NSSF, bilateral and multilateral loans, and Paris II related debt.

Chart 5.





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