



REPUBLIC OF LEBANON  
MINISTRY OF FINANCE

## JANUARY- NOVEMBER 2002

### STATISTICAL REPORT

#### Section 1 : Fiscal overview

**Table 1. Summary of Fiscal Performance**

(LL billion)	2001	2002	2001	2002	change	
	November <sup>1</sup>	November	Jan-Nov	Jan-Nov	2001-2002	% change
Budget revenue	305	361	3,788	4,904	1,116	29.5%
Budget expenditures	704	743	7,152	7,814	662	9.3%
<i>o/w Debt service</i>	385	351	3,950	4,267	317	8.0%
Budget deficit/surplus	-399	-382	-3,364	-2,910	454	
in % of budget expenditures	-56.7%	-51.4%	47.0%	37.2%		
Budget primary deficit/surplus	-14	-31	586	1,357	771	
in % of budget expenditures	-2.0%	-4.2%	8.2%	17.4%		
Treasury receipts	30	23	333	408	75	22.5%
Treasury payments	43	84	877	1,414	537	61.2%
Total budget and treasury receipts	335	384	4,121	5,312	1,191	28.9%
Total budget and treasury payments	747	827	8,029	9,228	1,199	14.9%
Total cash deficit/surplus	-412	-443	-3,908	-3,916	8	
in % of total expenditures	-55.2%	-53.6%	48.7%	42.4%		
Primary deficit/surplus	-27	-92	42	351	309	
in % of total expenditures	-3.6%	-11.1%	0.5%	3.8%		

*Total cash deficit for first 11 months remained relatively stable for the January to November 2002 period, compared to the same period last year...*

*...offsetting a 30 percent boost in total budget revenues is a 9 percent increase in budget expenditures and a 61 percent climb in treasury payments.*

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

*Note:* (1) The figures for Nov 2001 have been modified from previously published data. Modifications have been introduced to both the revenue and expenditure items, whereby, tax deductions are now included as revenue and added to expenditures as disbursements. Hence, revenue and expenditure are now recorded on a gross basis.

(2) The Value Added Tax represents the VAT collected at customs (for the first three quarters of 2002) and VAT collected from internal operations (for QI & QII).

## Section2: Revenue outcome

*New Value Added Tax translated into substantially higher revenues for the January-November 2002 timeframe, while income tax increased by 28 percent and taxes on trade remained stable.*

*For the first 11 months of 2002, the telecom sector increased its contribution by almost 12 percent, totaling LL 675 billion in January-November 2002.*

**Table 2. Tax Revenue**

(LL billion)	2001	2002	% change
	Jan-Nov	Jan-Nov	
<b>Tax revenue</b>	<b>2,626</b>	<b>3,686</b>	<b>40.4%</b>
Tax on income, profits, & capital gains	545	696	27.7%
Tax on property	225	266	18.2%
Domestic taxes on goods & services, of which	220	1,077	389.5%
Value Added Tax	-	918	
Taxes on international trade, of which	1,462	1,472	0.7%
Customs	777	557	-28.3%
Excises	685	915	33.6%
Other tax revenue	174	175	0.6%

Source: MOF, DGF

Note: (1) Tax revenue is included within budget revenue.  
(2) Revenue from excise taxes is included within the customs revenue figure.  
(3) Due to the reclassification of the customs rates, some of these rates are included in excises. This would partially explain the decrease of the customs amount

**Table 3. Non-tax Revenue**

(LL billion)	2001	2002	% change
	Jan-Nov	Jan-Nov	
<b>Non-tax revenue</b>	<b>1,162</b>	<b>1,219</b>	<b>4.9%</b>
Income from public institutions & government property, o/w	723	782	8.2%
Telecom	605	675	11.6%
Administrative fees & charges	348	344	-1.1%
Penalties & confiscations	17	20	17.6%
Other non-tax revenue	74	73	-1.4%

Source: MOF, DGF

Note: Non-tax revenue is included within budget revenue

### Section 3: Expenditures outcome

*Total debt service increased by 8 percent for the January to November 2002 period. Within this item, domestic debt service declined by 5 percent, while foreign debt service increased by 64 percent from January to November 2002.*

*Personnel cost remained relatively stable compared to January-November 2001...*

*...while transfers to EDL declined by LL 10 billion.*

**Table 4. Expenditures**

(LL billion)	2001	2002	% change
	Jan-Nov	Jan-Nov	
<b>Total expenditures</b>	<b>8,029</b>	<b>9,228</b>	<b>14.9%</b>
Budget expenditures	7,152	7,814	9.3%
Expenditures excluding debt service	3,202	3,547	10.8%
Debt service	3,950	4,267	8.0%
Domestic debt	3,205	3,044	-5.0%
Foreign debt	745	1,224	64.3%
Treasury expenditures, of which	877	1,414	61.2%
Municipalities	98	335	
Previous years' appropriations	52	368	

Source: MOF, DGF

**Table 5. Personnel cost \***

(LL billion)	2001	2002	% change
	Jan-Nov	Jan-Nov	
<b>Personnel cost, of which:</b>	<b>2,839</b>	<b>2,851</b>	<b>0.4%</b>
Wages, salaries, and related benefits**	2,017	2,022	0.2%
Retirement and end-of service	822	829	0.9%

Source: MOF, DGF

\*Contrary to previous months, Personnel Cost figures are extracted from the gross amount based on the liquidated payment orders of the budget execution.

\*\*Include wages and salaries for the Council of the South, Lebanese University, Displaced Council, Council for Reconstruction and Development, and the Educational Center for Research and Development.

**Table 6. Transfers to EDL**

(LL billion)	2001	2002	change
	Jan-Nov	Jan-Nov	
<b>EDL</b>	<b>282</b>	<b>272</b>	<b>-10</b>
Debt service	257	272	15
Expropriations	25	-	-25

Source: MOF, DGF

## Section 4 : Evolution of public debt

*Foreign debt marked a 34 percent increase by November 2002, when compared to December 2001.*

**Table 7. Public Debt**

(LL billion)	2001	2002		
	Dec	Nov	change	% change
Total debt	42,624	48,269	5,645	13.2%
Domestic debt	28,214	28,993	779	2.8%
Foreign debt	14,410	19,276	4,866	33.8%
a. Bilateral & multilateral	2,027	2,128	101	5.0%
b. Other foreign debt	12,383	17,148	4,765	38.5%
<i>of which Eurobonds</i>	11,788	16,582	4,794	40.7%
Net domestic debt	26,301	26,345	44	0.2%
Net total debt	40,711	45,621	4,910	12.1%

Source: MOF, DGF

Note: (1) Net public (and domestic) debt represents gross total (and domestic) debt less public sector deposits with the Central Bank and commercial banks.

(2) Eurobond figures exclude accrued interest.

(3) Certain foreign debt figures differ from previously published data due to the updating of the DMFAS system (debt management system).

## Section5: Evolution of external trade

*Trade balance improved by 16 percent...*

**Table 8. External Trade**

(USD million)	2001	2002	
	Jan-Nov	Jan-Nov	% change
Exports	798	953	19.4%
Imports	6,699	5,907	-11.8%
Trade balance	-5,901	-4,954	-16.0%

Source: MOF, Directorate General of Customs (DGC)

*...with the regional distribution on imports remaining consistent.*

**Table 9. Regional Distribution of Imports**

Imports				
(USD million)	2001		2002	
	Jan-Nov	% share	Jan-Nov	% share
<b>Total</b>	<b>6,699</b>	<b>100%</b>	<b>5,907</b>	<b>100%</b>
Arab Countries	868	13%	635	11%
European Union	2,793	42%	2,566	43%
United States	469	7%	426	7%
Switzerland	313	5%	255	4%
Others	2,256	34%	2,027	34%

Source: MOF, DGC

*Consistent with previous year's outcomes, the bulk of exports headed to other Arab countries.*

*Almost US\$ 900 million worth of mineral products and US\$ 800 million worth of machinery and mechanical appliances were imported for the January-November 2002 period...*

*...while export distribution continued to be dominated by pearls, precious, and semi-precious stones, totaling almost US\$ 200 million by end November 2002.*

**Table10. Regional Distribution of Exports**

Exports				
(USD million)	2001		2002	
	Jan-Nov	% share	Jan-Nov	% share
<b>Total</b>	<b>798</b>	<b>100%</b>	<b>953</b>	<b>100%</b>
Arab Countries	357	45%	470	49%
European Union	154	19%	141	15%
Switzerland	59	7%	111	12%
United States	55	7%	47	5%
Other	173	22%	184	19%

Source: MOF, DGC

**Table 11. Imports Distribution by Product**

(USD million)	2001		2002	
	Jan-Nov	% share	Jan-Nov	% share
Mineral products	1,273	19%	876	15%
Machinery and mechanical appliances	904	14%	799	14%
Products of the chemical	546	8%	581	10%
Transport equipment	632	9%	516	9%
Prepared foodstuffs	467	7%	436	7%
Other goods	2,877	43%	2,699	45%
<b>Total</b>	<b>6,699</b>	<b>100%</b>	<b>5,907</b>	<b>100%</b>

Source: MOF, DGC

**Table 12. Exports Distribution by Product**

(USD million)	2001		2002	
	Jan-Nov	% share	Jan-Nov	% share
Pearls, precious or semi-precious stones	133	17%	187	20%
Machinery and mechanical appliances	105	13%	111	12%
Products of the chemical	80	10%	101	11%
Wood , Paper and Printed books	55	7%	92	9%
Prepared foodstuffs	91	11%	91	9%
Other exports	334	42%	371	39%
<b>Total</b>	<b>798</b>	<b>100%</b>	<b>953</b>	<b>100%</b>

Source: MOF, DGC

## Section 6 : Developments on the VAT front

**Table 12.** VAT Revenue Collected At Customs ( Five Largest Contributing Items )\*

	billions LL	2002	
		Feb-Nov	Share
<i>VAT revenue collected at customs totaled LL 682 billion from February to November 2002.</i>	<b>VAT customs collection , of which</b>	<b>682</b>	<b>100%</b>
	Mineral products	171	25%
	Machinery and mechanical appliances	105	15%
	Transports equipment	78	11%
	Prepared foodstuffs	70	10%
	Textiles	58	9%
	Others	201	30%

Source: Directorate General of customs (DGC)

\* VAT numbers quotes in this table are based on customs declarations, whereas VAT numbers