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Public Finance Highlights

Government finances in Lebanon showed ongoing fiscal adjustment efforts despite persistent economic and financial challenges. This progress was driven by stronger revenue collection, enhanced tax compliance, and stricter expenditure control, supported by measures to rationalize public spending¹.

The overall **fiscal balance** recorded a surplus of LL 3,233 billion in Jan-Dec 2024, marking a significant improvement in public finances. In addition, the **primary balance** -which excludes interest payments- registered a substantial surplus of LL 38,327 billion, equivalent to 1.51 percent of GDP, underscoring the authorities' sustained efforts to contain non-essential expenditures and strengthen revenue administration efficiency.

Total budget and treasury receipts reached LL 348,233 billion, while **total payments** amounted to LL 345,000 billion. Within total payments, **interest payments** accounted for LL 16,945 billion, and **primary expenditures** reached LL 309,906 billion.

On the revenue side, **tax revenues** totaled LL 253,636 billion, representing about 72.8 percent of total revenues, while **non-tax revenues** reached LL 52,398 billion and **treasury receipts** amounted to LL 42,199 billion.

On the expenditure side, total outlays reached LL 345,000 billion, of which **Current expenditures** dominated with LL 257,088 accounting about 74.5 percent of total expenditures, mainly driven by **personnel costs** (LL 175,233 billion) that represented 68.2 percent of **current spending**, while **interest payments** reached LL 16,945 billion. In parallel, **Capital expenditures** remained modest at LL 3,560 billion.

Nonetheless, the expenditure structure remains heavily skewed toward current spending, highlighting the importance of sustained reforms to improve spending efficiency, enhance capital investment, and safeguard fiscal sustainability in the years ahead.

Table 1: Summary of Fiscal Performance

(LL billion)	Dec 2024	Jan-Dec 2024
Total Budget and Treasury Receipts	23,504	348,233
Total Budget and Treasury Payments, of which	49,239	345,000
Interest Payments	1,649	16,945
Concessional loans principal payments ⁽¹⁾	1,743	18,149
Primary Expenditures ⁽²⁾	45,847	309,906
Total (Deficit)/Surplus	-25,735	3,233
Primary (Deficit)/Surplus	-22,343	38,327

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

⁽¹⁾ Includes only Principal repayments of concessional loans earmarked for project financing

⁽²⁾ Primary expenditures exclude debt related payments (Interest payments and Concessional loans principal repayment)

¹ This report presents the performance of public finances for the year 2024. Due to the absence of finalized data for the 2023 Public Finance Management (PFM) and Fiscal Policy (FP) numbers, no comparisons with the previous year can be provided at this time. However, this document serves as a foundational overview of the current fiscal year's performance. Comparative data will be included in subsequent reports as figures become available.

Box #1: New Tax amendments Introduced in 2024.

The Lebanese Parliament ratified the budget law on February 12, 2024 and was published in the Official Gazette # 7 dated February 15, 2024. The law amended some tax articles and introduced numerous new revenue-enhancing measures in order to align with the new exchange rate, inflation, and emerging economic conditions. Some of new tax articles and new revenue-enhancing measures are detailed below:

- The departure fee for travelers departing by air or sea has been revised to range from \$35 to 100 \$, (35\$ per economy class ticket, 50\$ per business class ticket, 65\$ per first class ticket and 100\$ per private jet or yacht passenger), alongside an amendment to the land entry fee imposed on non-Lebanese nationals entering the country by land to reach one million LBP per traveler (Art. 67).
- Taxes on foreign revenues to be paid in the same currency in which the revenues were earned (Art. 41).
- Revision of Tax Basis and Withholding for Non-Residents, taxable income to be calculated at the new rate of 20% for goods and 50% for services, tax will be withheld and collected at a rate of 17% (Art. 54).
- A new tax of LBP 11,500 per pack was imposed on imported cigarettes and electronic cigarettes, a tax of LBP 115,000 per kilogram on imported tobacco and tumbac products, and a 20% tax on each cigar retail price (Art. 80).
- Amendment to the fee on cement production to reach 276 thousands LBP for each ton (Art. 60).

In addition to these measures, the adjustment in the Customs dollar exchange rate to be based on the Sayrafa platform rate as of May 15, 2023, resulted in a notable increase in customs revenues, particularly in customs duties and Value Added Tax (VAT).

Revenues

Total revenues reached LL 348,233 billion during January–December 2024, equivalent to 13.8 percent of GDP.

Tax revenues amounted to LL 253,636 billion, representing 72.8 percent of total revenues and a 10.0 percent of GDP². **Domestic taxes on goods and services** which accounted for 55.2 percent³ of total tax revenues and 5.5 percent of GDP, while **taxes on**

² The 2024 Nominal GDP is estimated at LL 2,532,499 billion (International Monetary Fund, World Economic Outlook Database, April 2025).

³ Which alone contributed nearly half of total revenues.

income, profits, and capital gains represented 13.9 percent of total revenues and 1.4 percent of GDP.

Within the latter category, **income tax on profits** reached LL 18,829 billion, while **income tax on wages and salaries** stood at LL 10,283 billion, representing 7.4 percent and 4.1 percent of total tax revenues, respectively. **Taxes on interest income** amounted to LL 2,263 billion, or 0.9 percent of total tax revenues, reflecting the decline in private deposits and the persistently low interest-rate environment.

Taxes on property reached LL 17,818 billion, equivalent to 7.0 percent of total tax revenues and 0.7 percent of GDP. Of this amount, **real estate registration fees** reached LL 9,991 billion, while **built-property tax** stood at LL 2,133 billion, both reflecting the continued rise in property-related transactions during 2024⁴.

Domestic taxes on goods and services reached LL 140,097 billion, representing 5.5 percent from GDP and 55.2 percent of total tax revenues. The **Value-Added Tax (VAT)** remained the largest component at LL 120,187 billion, or 47.4 percent of total tax revenues, driven by higher consumption prices⁵ and the adjustment of the VAT base to the prevailing market exchange rate⁶. In details, during Jan-Dec 2024, both the **VAT collected internally** and the **VAT collected at customs** stood at LL 31,923 billion and LL 88,264 billion respectively. In addition, Collections from the **passenger departure** reached LL 8,966 billion in 2024.

In addition, **taxes on international trade** reached 45,897 billion in 2024 amounting about 18.1 percent of total tax revenues and 1.8 percent of GDP. Within this category, **customs revenues** reached LL 28,919 billion (11.4 percent of total tax revenues), while **excise revenues** totaled LL 16,978 billion, including LL 8,166 billion from **cars excise**, LL 5,859 billion from **tobacco excise** and LL 2,490 billion from **gasoline excise**. These figures reflect the application of higher customs exchange rates and the expansion in nominal trade activity.

Other tax revenues (namely fiscal stamp fees⁷) stood at LL 14,562 billion representing 5.7 percent of total tax revenues and 0.6 percent of GDP.

Non-tax revenues reached LL 52,398 billion in 2024, equivalent to 15.0 percent of total revenues and 2.1 percent of GDP. In details, **Income from public institutions and government properties** reached LL 37,611 billion (71.8 percent of total Non-tax revenues), mainly driven by **Transfer from the Telecom Surplus** (LL 19,843 billion), **revenues from Casino du Liban** (LL 5,617 billion), and **Port of Beirut** (LL 4,092 billion), in addition to **property income** from the **Rafic Hariri International Airport** (LL 8,070 billion).

Also, **administrative fees and charges** amounted to LL 13,192 billion representing 25.2 percent of total Non-tax revenues, led by **passport fees⁸** collected by General Security (LL 4,825 billion) and **vehicle control fees** (LL 1,916 billion).

⁴ Total transactions and contracts reached 101,025 in 2024 reflecting a year on year increase of 87.4%.

⁵ 2024 average inflation rate is 45.24%.

⁶ According to Decree No. 11230 dated April 18, 2023, the Value Added Tax (VAT) due in foreign currencies is to be calculated based on the Sayrafa exchange rate.

⁷ The tariffs listed in the tables attached to Legislative Decree No. 67, dated August 5, 1967 (the Financial Stamp Duty Law), have been amended to reflect updated rates and align with current fiscal policies (Art. 66 of 2024 Budget Law).

⁸ Pursuant to Decree No. 11767 dated August 1, 2023, which amends the fees collected by the General Directorate of Public Security, the fees for issuing Lebanese passports, and transit permits have been revised as follows:

- Five-year passport: 6 million LBP instead of 1 million LBP.

In parallel, **other non-tax revenues (mostly retirement deductibles)** stood at LL 1,428 billion during Jan-Dec 2024.

Treasury receipts recorded LL 42,199 billion in 2024, mainly driven by higher settlements, deposits, and transfers among public entities.

Expenditures

Total expenditures (Budget and Treasury) reached LL 345,000 billion during Jan-Dec 2024, representing 13.6 percent of GDP. This outcome reflects continued fiscal discipline and prudent spending allocation across current, capital, and treasury components.

Total current expenditures reached LL 257,088 billion in 2024 registered 10.2 percent of GDP, primarily driven by the **personnel costs**, which represent the largest spending component. Personnel costs totaled at LL 175,233 billion, accounting for 50.8 percent of total **expenditures**, of which **salaries, wages, and social benefits** accounted for LL 125,242 billion (36.3 percent of the total). Although no adjustment was made to the salary scale after 2017, temporary additional payments are made to public employees under the label of social assistance and are not included in the basic salary, aiming to cover the sharp rise in living costs and help them adapt to current economic conditions. These additional payments differ from sector to another as shown in box 2 below:

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- Ten-year passport: 10 million LBP instead of 2 million LBP.
 - Transit permit: 1.2 million LBP instead of 60 thousand LBP.

Box #2: Additional Allowances for Public Sector in 2024.

Military Personnel in Service	Military Retirees	Public Administration Employees	Civilian Retirees
Additional 2 basic salaries starting 1/1/2020	Additional 2 basic salaries starting 1/1/2020	Additional 2 basic salaries starting 1/1/2020	Additional 2 basic salaries starting 1/1/2020
Additional 3 basic salaries starting 1/5/2023	Additional 3 basic salaries starting 1/5/2023	Additional 4 basic salaries starting 1/5/2023	Additional 3 basic salaries starting 1/5/2023
Additional 3 basic salaries starting 7/3/2024	Additional 3 basic salaries starting 7/3/2024	Additional 2 basic salaries starting 7/3/2024, In addition to a number of gasoline tanks (fixed at 1,500,000 LBP), ranging from 8 to 16 tanks, depending on the job position.	Additional 3 basic salaries starting 7/3/2024
		compensation (تعويض متابرة) ranging between 15 million LBP and 25 million LBP depending on job positions starting 21/3/2024	
Additional 4 basic salaries starting 1/12/2024	Additional 4 basic salaries starting 1/12/2024	Additional 4 basic salaries starting 1/12/2024	Additional 4 basic salaries starting 1/12/2024

Note: These increases are not included in the basic salary and therefore are not subject to retirement deductions.

In 2024, Incentives for Educational Personnel were paid in Treasury Advances.

Mutual funds for Judges, Educational Staff at the Lebanese University and for Religious Courts were credited with Treasury Advances.

In addition, **retirement and end-of-service compensations** amounted to LL 39,600 billion, including LL 38,893 billion in **retirement payments** and LL 708 billion in **end-of-service indemnities**. It is worth noting that **transfers to Public Institutions to Cover Salaries** registered LL 10,391 billion during 2024.

Current primary expenditures⁹ reached LL 221,994 billion during Jan-Dec 2024. Spending on **materials and supplies** was estimated at LL 11,900 billion, while **medicament purchases** and **fuel oil** amounted to LL 6,352 billion and LL 3,314 billion, respectively.

Various transfers amounted to LL 30,132 billion, including **NSSF**, **Contributions to non-public sectors**, and **Transfers to Directorate General of Cereals and Beetroot**, which registered LL 1,233 billion, LL 901 billion and LL 288 billion, respectively, whereas **transfers to the Higher Council of Relief** totaled LL 203 billion. Meanwhile, **other current expenditures** reached LL 4,193 billion, of which **hospitals** and **others (judgments & reconciliations, mission costs, other)**, recorded LL 3,783 billion and LL 411 billion, respectively. In addition, transfers to Aman project amounted to LL 16,759 billion, or 4.9 percent of total expenditures, reflecting the government's sustained support for vulnerable households through targeted cash transfers and social protection programs despite limited fiscal space.

Interest payments reached LL 16,945 billion during the period of January–December 2024, reflecting continued debt servicing obligations. Of this total, LL 11,842 billion corresponded to **foreign interest payments**, while LL 5,103 billion were **domestic interest payments**.

Foreign debt principal repayments amounted to LL 18,149 billion, equivalent to 5.3 percent from total expenditures.

Capital expenditures totaled LL 3,560 billion in 2024. This figure includes LL 1,742 billion for **construction in progress** (covering projects under the **Council for Development and Reconstruction (CDR)** by LL 1,056 billion, **Higher Council of Relief** by LL 680 billion, and **Council of the South** by LL 291 billion). In addition, LL 948 billion were allocated for **maintenance**, and LL 583 billion for **equipment purchases**.

Treasury expenditures totaled LL 42,438 billion accounting about 12.3 percent of total expenditures. These were driven mainly **transfers to municipalities** LL 16,151 billion. **Other treasury expenditures** payments as **VAT refund** reached LL 5,117 billion. Meanwhile, **exchange differences**¹⁰ amounting to LL 10,648 billion continued to weigh on total treasury spending.

⁹ Current primary expenditures represent current expenditures excluding interest payment and debt service.

¹⁰ Some expenses were allocated in the budget at an exchange rate of 1,500 or 15,000 LBP but when the actual payments were made, the exchange rate had risen sharply to 89,500 (since February 2023). That means the actual amount paid (in local currency) was much higher than what was originally budgeted. The difference between the budgeted value and the actual payment (caused purely by the change in exchange rate) was then recorded under "exchange differences".

SECTION 1: REVENUE OUTCOME

Table 2: Total Revenues

(LL billion)	Dec 2024	Jan-Dec 2024
Budget Revenues, of which:	20,074	306,034
Tax Revenues	15,428	253,636
Non-Tax Revenues	4,646	52,398
Treasury Receipts	3,430	42,199
Total Revenues	23,504	348,233

Source: MOF, DGF

Table 3: Tax Revenues

(LL billion)	Dec 2024	Jan-Dec 2024
Tax Revenues:	15,428	253,636
Taxes on Income, Profits, & Capital Gains, of which:	1,290	35,262
Income Tax on Profits	464	18,829
Income Tax on Wages and Salaries	474	10,283
Income Tax on Capital Gains & Dividends	200	3,434
Tax on Interest Income	122	2,263
Penalties on Income Tax	30	453
Taxes on Property, of which:	2,049	17,818
Built Property Tax	85	2,133
Real Estate Registration Fees	1,669	9,991
Domestic Taxes on Goods & Services, of which:	7,828	140,097
Value Added Tax	6,981	120,187
Other Taxes on Goods and Services, of which:	274	9,009
Private Car Registration Fees	0	31
Passenger Departure Tax	273	8,966
Taxes on International Trade, of which:	3,210	45,897
Customs	1,889	28,919
Excises, of which:	1,321	16,978
Gasoline Excise	212	2,490
Tobacco Excise	381	5,859
Cars Excise	682	8,166
Other Tax Revenues (namely fiscal stamp fees)	1,051	14,562

Source: MOF, DGF

Table 4: Non-Tax Revenue

(LL billion)	Dec 2024	Jan-Dec 2024
Non-Tax Revenues	4,646	52,398
Income from Public Institutions and Government Properties, of which:	3,138	37,611
Income from Non-Financial Public Enterprises, of which:	3,003	29,525
<i>Revenues from Casino Du Liban</i>	429	5,617
<i>Revenues from Port of Beirut</i>	985	4,029
<i>Budget Surplus of National Lottery</i>	0	0
<i>Transfer from the Telecom Surplus</i>	1,589	19,843
Transfer from Public Financial Institution (BDL)	0	0
Property Income (namely rent of Rafic Hariri International Airport)	135	8,070
Other Income from Public Institutions (interests)	0	16
Administrative Fees & Charges, of which:	1,399	13,192
Administrative Fees, of which:	1,216	7,533
<i>Notary Fees</i>	9	117
<i>Passport Fees/ General Security</i>	334	4,825
<i>Vehicle Control Fees</i>	815	1,916
<i>Judicial Fees</i>	50	591
<i>Driving License Fees</i>	0	0
Administrative Charges	57	962
Sales (Official Gazette and License Number)	6	49
Permit Fees (mostly work permit fees)	80	1,051
Other Administrative Fees & Charges	40	3,597
Penalties & Confiscations	14	167
Other Non-Tax Revenues (mostly retirement deductibles)	95	1,428

Source: MOF, DGF

SECTION 2: EXPENDITURE OUTCOME

Table 5: Expenditure by Economic Classification

(LL billion)	Jan-Dec 2024
1. Current Expenditures	257,088
1.a Personnel Cost, of which	175,233
<i>Salaries, Wages and social benefits</i>	125,242
<i>Retirement and End of Service Compensations, of which:</i>	39,600
<i>Retirement</i>	38,893
<i>End of Service</i>	708
<i>Transfers to Public Institutions to Cover Salaries</i>	10,391
1.b Interest Payments, of which: ⁽¹⁾	16,945
<i>Domestic Interest Payments</i>	5,103
<i>Foreign Interest Payments</i>	11,842
1.d Foreign Debt Principal Repayment	18,149
1.e Materials and Supplies, of which:	11,900
<i>Nutrition</i>	103
<i>Fuel Oil</i>	3,314
<i>Medicaments</i>	6,352
1.f External Services	534
1.g Various Transfers, of which:	30,132
<i>EDL</i>	0
<i>NSSF</i>	1,233
<i>Higher Council of Relief</i>	203
<i>Contributions to non-public sectors</i>	901
<i>Transfers to Directorate General of Cereals and Beetroot</i>	288
<i>Aman Project¹¹</i>	16,759
1.h Other Current, of which:	4,193
<i>Hospitals</i>	3,783
<i>Others(judgments & reconciliations, mission costs, other)</i>	411
1.i Other Financial expenses	0
1.j Interest subsidy	1
2. Capital Expenditures	3,560
2.a Acquisitions of Land, Buildings, for the Construction of Roads, Ports, Airports, and Water Networks	1
2.b Equipment	583
2.c Construction in Progress, of which:	2,027
<i>Displaced Fund</i>	0
<i>Council of the South</i>	291
<i>CDR</i>	1,056
<i>Ministry of Public Work and Transport</i>	1
<i>Other of which:</i>	680
<i>Higher Council of Relief</i>	680
2.d Maintenance	948
2.e Other Expenditures Related to Fixed Capital Assets	1
3. Budget Advances ⁽²⁾	38,127
4. Customs Administration (exc. Salaries and Wages) ⁽³⁾	3,787
5. Treasury Expenditures ⁽⁴⁾	42,438

¹¹ The Aman project recorded LL 16,759 billion representing 4.9 percent of total expenditures in 2024, reflecting the government's sustained support for vulnerable households through targeted cash transfers and social protection programs despite limited fiscal space.

Municipalities	16,151
Guarantees	900
Deposits ⁽⁵⁾	2,415
Other, of which:	19,640
VAT Refund	5,117
Exchange differences	10,648
6. Total Expenditures (Excluding CDR Foreign Financed)	345,000

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

⁽¹⁾ For a detailed breakdown of interest payments, kindly refer to table 7.

⁽²⁾ 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.

⁽³⁾ 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.

⁽⁴⁾ 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.

⁽⁵⁾ Deposit payments are payments made by the treasury to public administrations, institutions, municipalities, and funds, from revenues it has collected on their behalf.



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