



# Public Finance Monitor

The Monthly Statistical Bulletin of the Ministry of Finance

## December 2006

### Section 1: Fiscal Overview

#### Highlights:

At the end of 2006, the total fiscal balance registered a deficit of LL 4,582 billion, deteriorating by 64 percent from LL 2,798 billion in 2005. The higher deficit resulted from an increase of 16 percent in total payments and a decrease of 2 percent in total receipts. The first half of the 2006 was characterized by a strong performance in the primary surplus which reached LL 994 billion. In fact, the primary surplus in the first six months of 2006 exceeded the full year 2005 and almost equaled that of total 2004. However, as a direct impact of the July Israeli War, the primary balance registered a deficit – amounting to LL 25 billion - for the year, the first time since 2000.

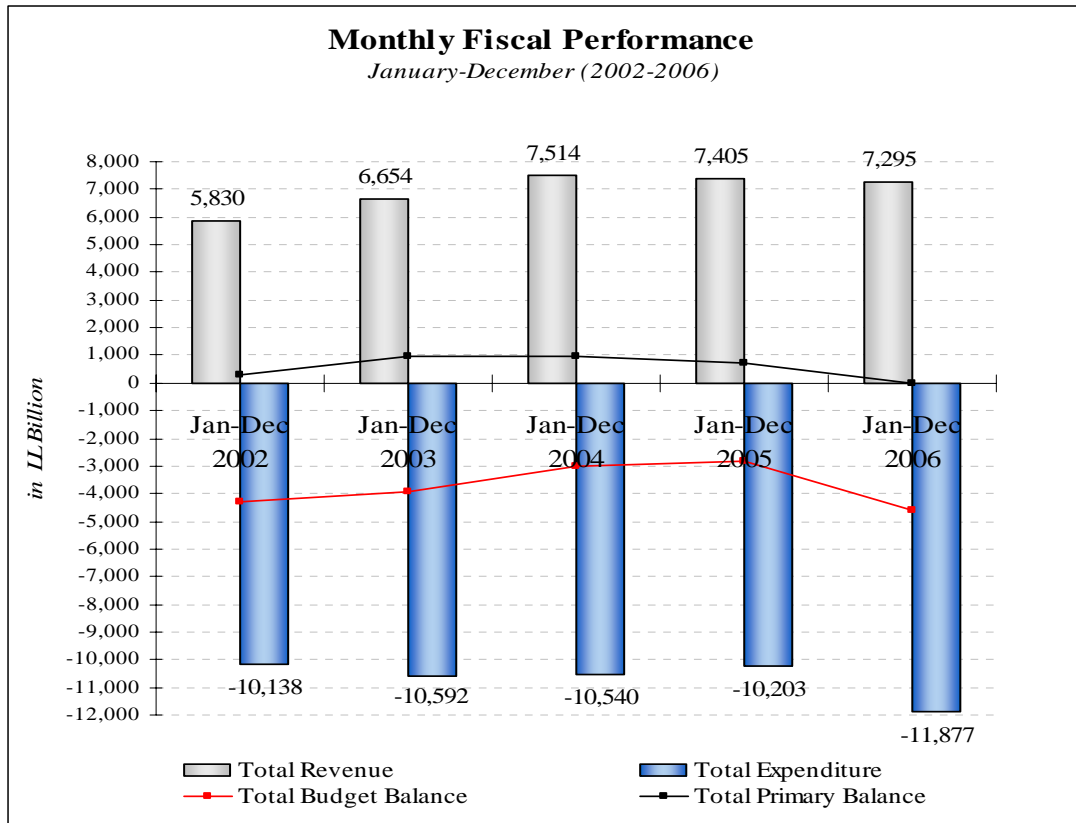
During the month of December 2006, total revenues decreased by 2 percent compared to the same month in 2005 totaling LL 592 billion. Total expenditures reached LL 1,281 billion, an increase of approximately 27 percent compared to December 2005. As a result, the primary balance registered a deficit of LL 211 billion compared to a primary deficit of LL 13 billion in December 2005.

**Table 1. Summary of Fiscal Performance**

(LL billion)	2005 Dec	2006 Dec	2005 Jan-Dec	2006 Jan-Dec	Change 2005-2006	% Change
Budget Revenue	568	562	6,984	6,867	-117	-1.7%
Budget Expenditures	649	813	7,802	8,641	839	10.7%
<i>o/w Debt Service</i>	395	478	3,534	4,557	1,023	28.9%
<b>Budget Deficit/Surplus</b>	<b>-81</b>	<b>-251</b>	<b>-818</b>	<b>-1773</b>	<b>-955</b>	<b>116.8%</b>
in % of Budget Expenditures	-12.5%	-30.8%	-10.5%	-20.5%		
<b>Budget Primary Deficit/Surplus</b>	<b>314</b>	<b>227</b>	<b>2,716</b>	<b>2,783</b>	<b>67</b>	<b>2.5%</b>
in % of Budget Expenditures	48.3%	27.9%	34.8%	32.2%		
Treasury Receipts	37	30	421	427	6	1.5%
Treasury Payments	363	468	2,401	3,236	835	34.8%
Total Budget and Treasury Receipts	605	592	7,405	7,295	-111	-1.5%
Total Budget and Treasury Payments	1,013	1,281	10,203	11,877	1,673	16.4%
<b>Total Cash Deficit/Surplus</b>	<b>-408</b>	<b>-689</b>	<b>-2,798</b>	<b>-4,582</b>	<b>-1,784</b>	<b>63.8%</b>
in % of Total Expenditures	-40.2%	-53.8%	-27.4%	-38.6%		
<b>Primary Deficit/Surplus</b>	<b>-13</b>	<b>-211</b>	<b>737</b>	<b>-25</b>	<b>-761</b>	<b>-103.4%</b>
in % of Total Expenditures	-1.2%	-16.5%	7.2%	-0.2%		

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

**Chart 1.**



## Section 2: Revenue Outcome

Total revenues for 2006 yielded LL 7,295 billion, a 2 percent drop (equivalent to LL 111 billion less revenues) when compared to the revenues registered in 2005. This slowdown is attributed to the War of July and its impact on the Lebanese economy during the subsequent months as well as the difficult political environment which prevailed during the last quarter of the year. The decline in revenues can be explained by the 8 percent decrease (equivalent to LL 172 billion) in non-tax revenues despite the 1 percent and 2 percent increases in tax revenues and treasury receipts (equivalent to an additional LL 55 billion and LL 6 billion) respectively.

1. **Tax revenues** in 2006 totaled LL 4,922 billion compared to LL 4,867 billion in 2005. The main reasons behind this enhancement in tax revenue collection are:
  - a) 11 percent increase in the taxes on income, profits and capital gains which is due to the improvement across all income tax components despite the sad events of 2006. This includes revenues from Income taxes on profits, on wages and salaries, on capital gains & dividends and on interest income, which increased by 8, 5, 4 and 23 percent respectively compared to last year;
  - b) 40 percent rise in taxes on built properties directly owing to a one time exceptional increase in inheritance tax, despite the 3 percent decline in real estate registration fees; and
  - c) 8 percent increase in fiscal stamp fees.

These tax revenue increases have more than offset the shortfall in the collection of the following taxes:

- a) 3 percent deterioration in domestic taxes on goods and services caused by a drop in collection of the Value Added Tax (by 2 percent) and a fall in the passenger departure tax (by 23 percent); and
  - b) 15 percent decline in revenues from taxes on international trade stemming from 4 percent less custom duties received and 22 percent less excises collected.
2. **Non-Tax revenues** in 2006 totaled LL 1,945 billion decreasing by 8 percent compared to amount collected last year. Within non-tax revenues, Administrative Fees and Charges increased by 17 percent (passport fees, vehicle control fees, driving license fees increased by 26, 20 and 42 percent respectively). However, the increase in Administrative Fees and Charges did not offset the 14 percent decrease in Income from Public Institutions and Government properties caused to a large extent by a) the 11 percent decline in the transfer from the telecom budget surplus due to payment of the settlement with France Telecom and Libancell and the damages to the mobile and fixed networks incurred during the war; b) the absence of collection of revenues from Port of Beirut, and c) the 34 percent drop in property income (namely rent from Rafic Hariri International airport), all as compared to last year.
  3. **Treasury receipts** totaled LL 427 billion increasing by 2 percent compared to last year's collection level. This amount includes LL 78 billion grants received for humanitarian aid and relief purposes during the war<sup>1</sup>. It is worth noting that Municipalities revenues declined by LL 50 billion in 2006 compared to their 2005 level.

**Table 2. Total Revenue**

(LL billion)	2005 Dec	2006 Dec	2005 Jan-Dec	2006 Jan-Dec	% Change
<b>Budget Revenues, of which:</b>	<b>568</b>	<b>562</b>	<b>6,984</b>	<b>6,867</b>	<b>-1.7%</b>
<i>Tax Revenues</i>	378	383	4,867	4,922	1.1%
<i>Non-Tax Revenues</i>	190	179	2,117	1,945	-8.1%
<b>Treasury Receipts</b>	<b>37</b>	<b>30</b>	<b>421</b>	<b>427</b>	<b>1.5%</b>
<b>Total Revenues</b>	<b>605</b>	<b>592</b>	<b>7,405</b>	<b>7,295</b>	<b>-1.5%</b>

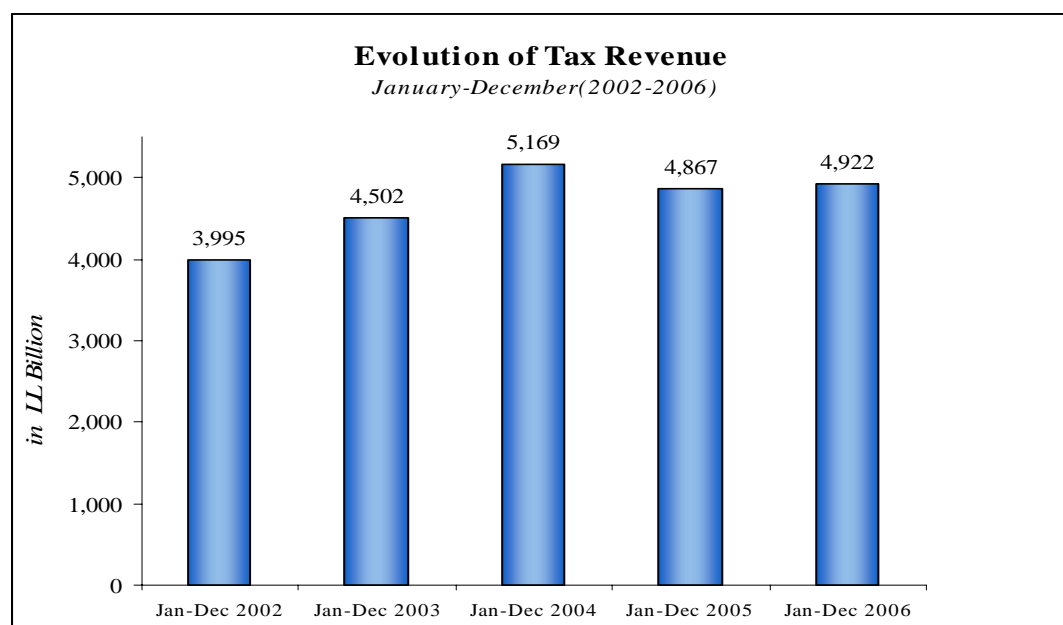
Source: MOF, DGF

<sup>1</sup> Please note that only grants received by the Ministry of Finance under account 36 and its sub-accounts are included in fiscal revenues

**Table 3. Tax Revenue**

(LL billion)	2005 Dec	2006 Dec	2005 Jan-Dec	2006 Jan-Dec	% Change
<b>Tax Revenues:</b>	<b>378</b>	<b>383</b>	<b>4,867</b>	<b>4,922</b>	<b>1.1%</b>
<b>Taxes on Income, Profits, &amp; Capital Gains, of which:</b>	<b>45</b>	<b>57</b>	<b>1,047</b>	<b>1,166</b>	<b>11.4%</b>
Income Tax on Profits	13	17	409	442	8.0%
Income Tax on Wages and Salaries	4	3	186	196	5.3%
Income Tax on Capital Gains & Dividends	3	5	95	98	3.5%
Tax on Interest Income (5%)	22	29	337	415	23.3%
Penalties on Income Tax	2	2	17	13	-25.3%
<b>Taxes on Property, of which:</b>	<b>71</b>	<b>57</b>	<b>414</b>	<b>579</b>	<b>39.6%</b>
Built Property Tax	9	15	90	94	4.7%
Real Estate Registration Fees	60	36	291	281	-3.3%
<b>Domestic Taxes on Goods &amp; Services, of which:</b>	<b>134</b>	<b>144</b>	<b>1,896</b>	<b>1,844</b>	<b>-2.8%</b>
Value Added Tax	114	127	1,693	1,659	-2.0%
Other Taxes on Goods and Services, of which:	20	16	192	175	-9.0%
Private Car Registration Fees	11	7	108	109	1.4%
Passenger Departure Tax	9	9	83	64	-22.7%
<b>Taxes on International Trade, of which:</b>	<b>107</b>	<b>109</b>	<b>1,268</b>	<b>1,074</b>	<b>-15.3%</b>
Customs	42	43	481	461	-4.1%
Excises, of which:	65	67	787	613	-22.1%
Petroleum Tax	22	35	362	230	-36.4%
Tobacco Tax	17	16	189	162	-14.4%
Tax on Cars	26	15	231	217	-6.3%
<b>Other Tax Revenues (namely fiscal stamp fees)</b>	<b>21</b>	<b>17</b>	<b>241</b>	<b>259</b>	<b>7.6%</b>

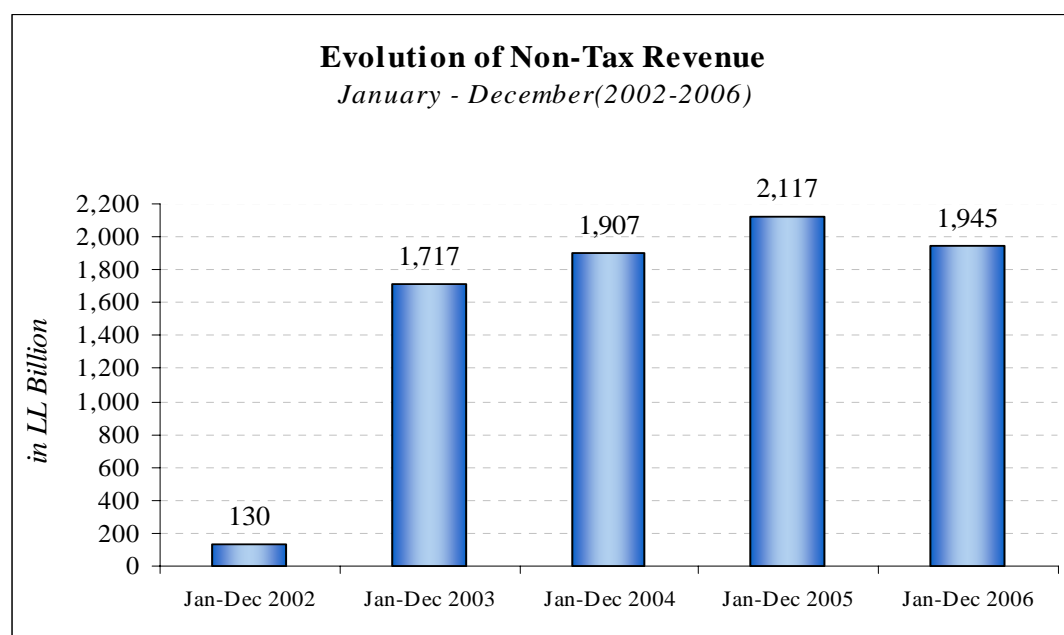
Source: MOF, DGF

**Chart 2.**

**Table 4. Non-Tax Revenue**

(LL billion)	2005 Dec	2006 Dec	2005 Jan-Dec	2006 Jan-Dec	% Change
<b>Non-Tax Revenues</b>	<b>190</b>	<b>179</b>	<b>2,117</b>	<b>1,945</b>	<b>-8.1%</b>
<b>Income from Public Institutions and Government Properties, of which:</b>	<b>135</b>	<b>133</b>	<b>1,663</b>	<b>1,428</b>	<b>-14.1%</b>
Income from Non-Financial Public Enterprises, of which:	131	131	1,614	1,394	-13.6%
<i>Revenues from Casino Du Liban</i>	5	6	51	42	-17.9%
<i>Revenues from Port of Beirut</i>	0	0	58	0	-100.0%
<i>Budget Surplus of National Lottery</i>	10	0	47	53	12.8%
<i>Transfer from the Telecom Surplus</i>	116	125	1,456	1,298	-10.9%
Property Income (namely rent of Rafic Hariri International Airport)	4	2	44	29	-34.2%
Other Income from Public Institutions (interests)	1	1	6	5	-3.9%
<b>Administrative Fees &amp; Charges, of which:</b>	<b>46</b>	<b>39</b>	<b>365</b>	<b>426</b>	<b>16.6%</b>
Administrative Fees, of which:	36	30	290	342	17.8%
<i>Notary Fees</i>	2	1	17	17	-0.8%
<i>Passport Fees/ Public Security</i>	8	6	88	111	26.2%
<i>Vehicle Control Fees</i>	19	17	129	156	20.2%
<i>Judicial Fees</i>	2	2	20	19	-3.5%
<i>Driving License Fees</i>	2	2	16	23	42.3%
Administrative Charges	5	5	25	19	-24.9%
Sales (Official Gazette and License Number)	1	1	3	3	9.5%
Permit Fees (mostly work permit fees)	4	3	39	50	27.8%
Other Administrative Fees & Charges	1	1	8	12	56.0%
<b>Penalties &amp; Confiscations</b>	<b>1</b>	<b>0</b>	<b>4</b>	<b>4</b>	<b>4.9%</b>
<b>Other Non-Tax Revenues (mostly retirement deductibles)</b>	<b>7</b>	<b>6</b>	<b>85</b>	<b>87</b>	<b>2.4%</b>

Source: MOF, DGF

**Chart 3.**

### Section 3: Expenditure Outcome

Total expenditures registered an amount of LL 11,877 billion in 2006, increasing by 16 percent, compared to LL 10,203 billion for 2005. This increase is mainly due to a rise in both interest payments and non-interest expenditures which increased by approximately 29 percent and 10 percent respectively. The details of expenditure changes are explained as follows:

1. Debt service registered LL 4,557 billion in 2006, compared to LL 3,534 billion in 2005, an increase of 29 percent. This increase resulted from the 55 percent higher local currency debt service and 9 percent rise in foreign currency debt service. The main reasons<sup>2</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 by the commercial banks in the context of their contribution to the Paris II Conference and matured during the period January-July 2005.

2. Non-interest expenditures registered LL 7,320 billion in 2006, against LL 6,669 billion in 2005, increasing by approximately 10 percent. This rise was attributed to higher "other treasury expenditures" offsetting the lower current primary budget expenditures.

a. Current primary expenditures decreased by LL 21 billion in 2006 compared to 2005. The higher primary spending last year was 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) and the LL 34 billion paid to settle the arbitration decisions related to Ministry of Public Works and Ministry of Education (other current expenditures). However other items in current primary expenditures increased in 2006 such as:

- The increase of LL 114 billion in total personnel cost which resulted from an increase in the retirement and end-of-service compensations by LL 63 billion, and from an increase in salaries and wages by LL 59 billion, mainly due to the additional recruitment in the army and the security forces after the July Israeli War and in response to the implementation of resolution 1701.
- The increase of LL 31 billion to hospitals, mainly due to higher transfers to hospitals which received a large number of casualties during the war
- The increase of LL 5 billion in external services
- The increase of LL 5 billion in interest subsidy

b. Capital expenditures increased by LL 18 billion in 2006 when compared to 2005, due to the increase in construction in progress by LL 22 billion. The highest increases were reported in the transfers to the Displaced Fund, whose expenses rose by LL 50 billion on an annual basis. Meanwhile, transfers to the Council of the South declined by approximately LL 30 billion. CDR local

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<sup>2</sup>Please refer to previous "Public Finance Monitor" monthly publications, all published on MOF website, [www.finance.gov.lb](http://www.finance.gov.lb).

financing in 2006 was approximately LL 239 billion, equivalent to last year's level.

- c. 'Other treasury expenditures' were the main drivers of the increase in non-interest expenditures as they rose by LL 664 billion during 2006. The increase was mainly due to three major factors:

- ⇒ The increase in direct transfers to EDL by LL 537 billion. A total amount of LL 217 billion was disbursed during the period of August - December 2006 to settle arrears for oil suppliers. The rise in EDL costs is also attributed to higher payments to fuel oil and gazoil suppliers. In 2006, LL 920 billion were directly allocated to fuel purchases compared to LL 637 billion in 2005. However, if we consider the additional transfers in 2005 of LL 141 billion for the settlement of unpaid public sector's electricity bills, the increase in transfers to EDL reaches LL 396 billion in 2006. (please refer to table 7)
- ⇒ The rise in spending on municipalities by LL 21 billion in 2006 compared to last year.
- ⇒ Transfers to the High 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 High Relief Council in order to allow the relief operations to take place. In addition, a special donations 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 the High Relief Council.<sup>3</sup>

**Table 5. Expenditures by Transaction Classification**

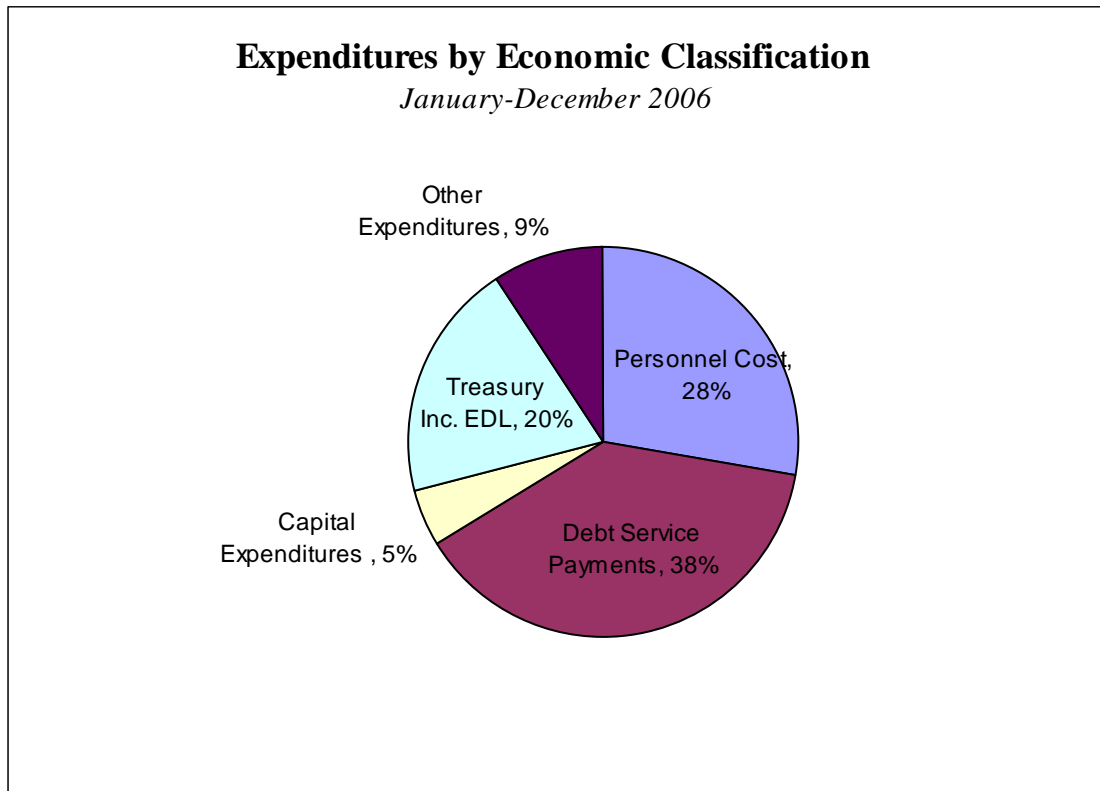
(LL billion)	2005	2006	2005	2006	%
	Dec	Dec	Jan-Dec	Jan-Dec	Change
<b>Total Expenditures</b>	<b>1,013</b>	<b>1,281</b>	<b>10,203</b>	<b>11,877</b>	<b>16.4%</b>
<b>Budget Expenditures</b>	<b>649</b>	<b>813</b>	<b>7,802</b>	<b>8,641</b>	<b>10.7%</b>
Expenditures Excluding Debt Service	254	335	4,268	4,084	-4.3%
Debt Service, of which:	<b>395</b>	<b>478</b>	<b>3,534</b>	<b>4,557</b>	<b>28.9%</b>
<i>Local Currency Debt</i>	190	279	1533	2,368	54.5%
<i>Foreign Currency Debt, of which:</i>	205	201	2002	2,189	9.3%
<i>Eurobond Coupon Interest*</i>	153	145	1709	1,838	7.5%
<i>Specialbond Coupon Interest*</i>				13	
<i>Concessional Loans Principal</i>					
<i>Payments</i>	39	43	179	223	24.6%
<i>Concessional Loans Interest Payments</i>	13	13	114	116	1.5%
<b>Treasury Expenditures , of which:</b>	<b>393</b>	<b>468</b>	<b>2,401</b>	<b>3,236</b>	<b>34.8%</b>
<i>Municipalities</i>	49	39	384	405	5.4%
<i>Previous Years' Appropriations</i>	177	187	648	656	1.3%
<b>Non-Interest Expenditures (Total Expenditures minus Debt Service)</b>	<b>618</b>	<b>803</b>	<b>6,669</b>	<b>7,320</b>	<b>9.8%</b>

Source: MOF, DGF

\* Includes general expenses related to the transaction

<sup>3</sup> These expenditures do not constitute the total spending by the Lebanese government on relief and reconstruction after the July Israeli War, but the amount spent from The Ministry of Finance account 36 and its sub-accounts.

**Chart 4.**



**Table 6. Expenditures by Economic Classification**

(LL billion)	2005	2006	% Change
	Jan-Dec	Jan-Dec	
<b>1. Current expenditures</b>	<b>7,925</b>	<b>8,927</b>	<b>12.6%</b>
1.a Personnel cost, of which	3,193	3,307	3.6%
Article 13: Salaries and wages	2,129	2,188	2.8%
Retirement and end of service compensations	864	927	7.2%
1.b Debt Service payments	3,534	4,557	28.9%
1.c Materials and supplies	213	140	-34.3%
1.d External services	82	87	6.0%
1.e Various transfers	569	498	-12.5%
o/w NSSF	290	200	-31.0%
1.f Other current	258	258	0.0%
Hospitals	192	223	16.0%
Others	66	33	-50.1%
1.g Reserves	75	80	7.0%
Interest subsidy	75	80	7.0%
<b>2. Capital expenditures</b>	<b>534</b>	<b>551</b>	<b>3.3%</b>
2.a Acquisitions of land, buildings, for the construction of roads, ports, airports, and water networks	15	12	-23.5%
2.b Equipment	25	25	-2.4%
2.c Construction in Progress	413	435	5.4%
2.d Maintenance	46	48	5.7%
2.e Other Expenditures Related to Fixed Capital Assets	35	32	-8.7%
<b>3. Other treasury expenditures, of which</b>	<b>1,701</b>	<b>2,365</b>	<b>39.0%</b>
Municipalities	384	405	5.5%
EDL *	833	1,370	64.4%
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>5</b>	<b>1</b>	<b>-75.6%</b>
<b>5. Customs cashiers</b>	<b>39</b>	<b>32</b>	<b>-16.3%</b>
<b>6. Total expenditures (excluding CDR foreign financed)</b>	<b>10,203</b>	<b>11,877</b>	<b>16.4%</b>

Source : statement of account 36, cashier spending, Public Debt Department figures , Fiscal performance gross adjustment figures  
 \* EDL figure for 2005 excludes Treasury advances to water authorities for their accrued electricity bills (LL 48 billion) and Budget transfers (LL100 billion) under the line item "Materials and Supplies" for the settlement of public administrations' accrued electricity bills. Table 7 below includes these transfers.

**Table 7. Transfers to EDL**

(LL billion)	2005 Jan-Dec	2006 Jan-Dec	% Change
<b>EDL of which:</b>	<b>974</b>	<b>1,370</b>	<b>40.7%</b>
<b>Debt Service of which:</b>	<b>245</b>	<b>249</b>	<b>1.8%</b>
C-Loans and Eurobonds, of which:	196	228	16.2%
Principal Repayment	143	181	26.6%
Interest Payment	53	47	-12.1%
Loans for Fuel Oil Payment	49	17	-65.7%
BDL Guaranteed Loan Payment	0	5	100.0%
<b>Treasury Advance for Fuel Purchase*</b>	<b>130</b>	<b>0</b>	<b>-100.0%</b>
<b>Treasury Advance for EDL' s Losses**</b>	<b>220</b>	<b>0</b>	<b>-100.0%</b>
<b>Treasury Advance for EDL' s Losses***</b>	<b>155</b>	<b>0</b>	<b>-100.0%</b>
<b>Treasury Advance for EDL****</b>	<b>83</b>		
<b>Material and Supplies (Electricity bills)</b>	<b>93</b>	<b>0</b>	<b>-100.0%</b>
<b>Treasury advance to Water Authorities</b>	<b>48</b>	<b>0</b>	<b>-100.0%</b>
<b>Reimbursement of Kuwait &amp; Algeria fuel oil and gazoil agreement</b>	<b>0</b>	<b>903</b>	<b>100.0%</b>
<b>Repayment of oil suppliers arrears *****</b>	<b>0</b>	<b>217</b>	<b>100.0%</b>
<b>Expropriations</b>	<b>0</b>	<b>0</b>	<b>-100.0%</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 64 billion LL from the TA no. 14308 dated 02/04/05 LL 90 billion,

## Section 4: Public Debt

### Highlights:

1. By the end of December 2006, gross public debt reached LL 60,880 billion (equivalent to US\$ 40.4 billion), registering an increase of LL 2,895 billion (or 4.99 percent) over the end-December 2005 debt level.
2. Local currency debt amounted to LL 30,204 billion (equivalent to US\$ 20 billion), increasing by LL 1,063 billion or 3.65 percent over the end-December 2005 level.
3. As of end-December 2006, local currency debt held by BDL decreased by LL 2,098 billion compared to end of December 2005. The market appetite for Lebanese Pound denominated T-bills was strong in the first half of the year. Up till June 2006 (compared to end of December 2005), local currency debt held by BDL decreased by LL 3,834 billion. However, the market appetite for Lebanese Pound denominated T-bills decreased during the war period and as a result, BDL portfolio of Treasury bills increased by 22 percent by end-August as compared to June 2006. Following the month of August 2006, BDL's stock of treasury bills stabilized increasing by 1 percent (LL 95 billion) by end of December 06 compared to August 06.
4. Meanwhile, local currency debt held by commercial banks increased by LL 2,357 billion as of end-December 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 trend. Indeed, commercial banks' holdings of Treasury bills decreased by LL 1,517 billion during July and by LL 476 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. Since November 2006, commercial banks' holdings of domestic debt decreased by approximately 3 percent reaching a level of LL 16,487 billion as of December 2006.

5. By end-December 2006 foreign currency debt amounted to LL 30,676 billion (equivalent to US\$ 20 billion), increasing by LL 1,832 billion (or 6.35 percent) over the end-December 2005 level. On December 27<sup>th</sup>, the Ministry of Finance issued a Eurobond amounting to USD 145 million, as a final Eurobond transaction for the year 2006. On the other hand, the last Eurobond principal maturing in 2006 was settled during the month of October amounting to USD 145 million. During the period January-December 2006 the total Eurobond issuance was equal to USD 3.56 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 4,324 billion, decreasing by LL 1,266 billion from their December 2005 level.

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

Assumes full LL Replacement	Dec-03	Dec-04	Dec-05	Dec-06	Change Dec 05 - Dec 06	% change Dec 05 - Dec 06
<b>Gross Public debt</b>	<b>50,285</b>	<b>54,048</b>	<b>57,985</b>	<b>60,880</b>	2,895	4.99%
<b>Local currency debt</b>	<b>26,843</b>	<b>26,371</b>	<b>29,141</b>	<b>30,204</b>	1,063	3.65%
a. Central Bank (including REPOs and Loans to EDL to finance fuel purchases)*	8,938	10,652	11,686	9,588	-2,098	-17.95%
b. Commercial Banks (Tbills and other loans)	12,303	12,220	14,130	16,487	2,357	16.68%
c. Other Local Currency Debt (T-bills) <i>o/w Public entities</i>	5,603 2,564	3,500 2,187	3,325 2,446	4,129 3,313	804 867	24.18% 35.45%
<b>Foreign currency debt</b>	<b>23,442</b>	<b>27,677</b>	<b>28,844</b>	<b>30,676</b>	1,832	6.35%
a. Bilateral, Multilateral and Foreign Private sector loans	2,934	2,970	2,789	2,884	95	3.41%
b. Paris II related debt (Eurobonds and Loans)*****	3,731	3,814	3,682	3,721	39	1.06%
c. BDL Eurobond (Paris II)	2,819	2,819	2,819	2,819	0	0.00%
d. Market Eurobonds	13,631	17,686	18,729	20,399	1,670	8.92%
e. Accrued Interest on foreign currency debt	327	388	406	434	28	6.92%
f. Special Tbls in Foreign currency**			419	419	0	0.00%
<b>Public sector deposits</b>	<b>3,019</b>	<b>4,360</b>	<b>5,590</b>	<b>4,324</b>	-1,266	-22.65%
<b>Net debt</b>	<b>47,266</b>	<b>49,688</b>	<b>52,395</b>	<b>56,556</b>	4,161	7.94%
<b>Gross Market debt***</b>	<b>29,638</b>	<b>31,861</b>	<b>34,726</b>	<b>38,676</b>	3,950	11.37%
<b>% of total debt</b>	<b>59%</b>	<b>59%</b>	<b>60%</b>	<b>64%</b>		6.08%

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.

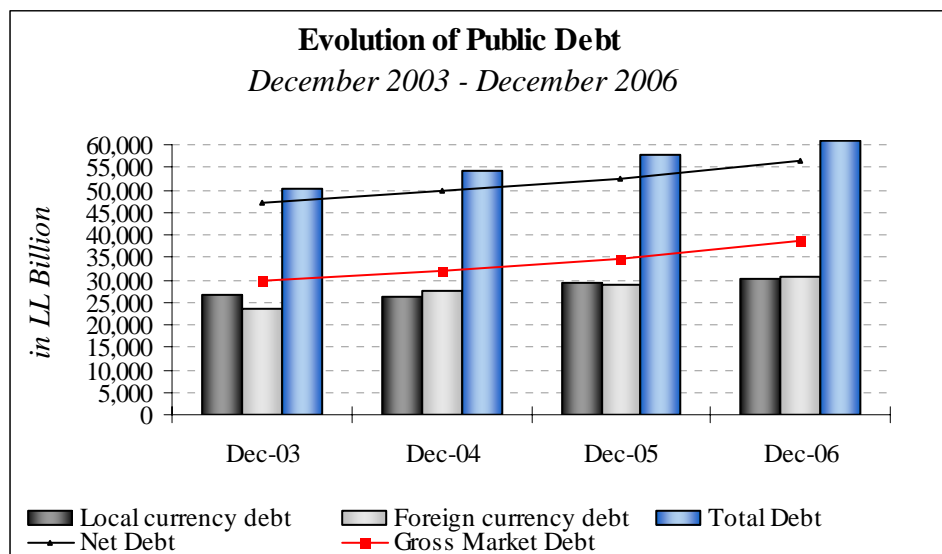
\*\* Special Tbls in Foreign currency (expropriation bonds).

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

\*\*\*\* Figures of Dec 03- Dec 04 -Jan 06 change because of exchange rate of Euro

\*\*\*\*\* Paris II related debt (Eurobonds and Loans) decline on August because payment of first principal 30M EURO

Chart 5.





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