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PRESIDENCY OF THE COUNCIL OF MINISTERS
NATIONAL ACCOUNTS MISSION**

**Economic Accounts of Lebanon
2003**

Compiled and published under the direction of Robert Kasparian

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Foreword

In September 2005, I had the honour to chair the press conference announcing the publication of the Economic Accounts of Lebanon for the years 1997-2002. This publication represented the achievement of the project launched in 2002 by H.E. Prime Minister Rafic Hariri and H.E. Minister of Economy and Trade Basil Fuleihan and aimed at compiling the statistics necessary for tracking economic developments in Lebanon. This essential information had been unavailable since the publication of the National Accounts of Lebanon in 1994-1995 by the Central Administration of Statistics.

Given the importance of such a tool, my government chose to extend the duration of this project, and at our request, the French Institute of Statistics and Economic Studies (INSEE) agreed to continue providing us with the technical assistance required. We also stressed the need to develop a comprehensive and regular statistical database, which would be made readily available to the public.

Without a doubt, the national economic accounts serve the purpose of providing a macro-economic overview and mapping of the domestic economy, but also manage to explain the inter-links between the various sectors. In addition, the economic accounts act as a reliable platform enabling a more accurate analysis of current economic issues in a scientific manner, which will, in turn, help us better evaluate our future choices regarding economic policies.

It is with great pleasure that we launch the publication of the Economic Accounts of Lebanon for the year 2003. Following the years 2001-2002, during which our economy began to recover, 2003 was marked by strong economic growth thanks to the increase of private investments and exports as well as the introduction of fiscal reforms. These developments point to the resilience of the Lebanese economy and its capacity to seize the opportunities offered by the favourable economic developments in the region. With this in mind, it becomes imperative to do all we can to ensure the full utilization and improvement of this capacity.

These efforts will help provide all those who are interested in the Lebanese economy with better information to assess the economic developments and prospects of our country.

I cannot but praise the high professional standards of the team involved in completing this project under the direction of Mr. Robert Kasparian. I wish to extend my sincere appreciation to all the Lebanese institutions and international organizations that collaborated on this project. I would also like to thank the French government for its continued support, and particularly INSEE, which has, since the beginning of the project in 2002, offered us its valuable assistance and indispensable expertise.

The President of the Council of Ministers

Fouad Siniora

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Introduction

Economic accounts serve as a fundamental tool for governments to evaluate economic and financial policies. With regard to a country's economic situation, these reports underline the structure of the national economy and the mechanisms of its progression. The publication of Lebanon's economic accounts for the years 1997-2002 highlighted the key features of the Lebanese economy and its progress after the country's reconstruction period – launched in 1992 and completed in 1997.

Recognizing the significance of economic accounts as a framework for establishing economic policies, the Lebanese government made a resolute decision to continue with this vital analysis by authorizing this report, which is based on estimated economic accounts for the period 2003-2005. These estimated values have been released ahead of the publication of Lebanon's official statistics — currently being compiled by the Central Administration of Statistics (CAS or ACS) — that will accurately illustrate the current economic and social position of the country.

The accounts for 2003, which are presented here, were established in accordance with identical conventions and methods previously adopted for the computation of accounts for preceding years. Please note that due to Lebanon's gaps in information regarding its economy, a simplified model was drawn from the national accounts system —as recommended by the United Nations and the European Union— to close this gap. Utilizing this adaptation and the available data, estimation methods for the various headings of the accounts have been established.¹

However, thanks to a 2003 French-funded survey, conducted by the French Technical Cooperation Body (ADETEF), our understanding of industrial and services enterprises has improved. The survey sampled nine hundred of the largest companies in Lebanon; these companies are listed in the "Observatory of Socio-economic Facts" publication of the Saint-Joseph University. The conclusions of the ADETEF survey led to modifications of some previous estimates. In particular, the net exports of service were revised upward; however, this new information did not considerably affect the main aggregates characterizing the economy and its development.

The 2003 fiscal year was marked by a recovery of growth and a moderate increase of prices. This growth was essentially stimulated by a combination of both external demand and the resumption of private investments. Conversely, the continuing fall of public investments limited Lebanon's overall economic development. The reason for this marked decline in public investments is due to the State's relentless handicaps: the burden of its debt and its incessant efforts to reduce the public deficit.

Nevertheless, 2003 marked an outstanding achievement: a record surplus in the balance of payments. This was accomplished through the combined effects of subscriptions to Treasury Bonds in currency —following the Paris II decisions— and the recovery of net transfers toward Lebanon. The latter, however, persistently remains difficult to determine, because the sharing

¹ The reader may refer to the Model of Accounts and detailed estimation methods in the two preceding publications edited by the Ministry of Economy and Trade: "The Economic Accounts of Lebanon 1997" (May 2003), and "The Economic Accounts of Lebanon 1997-2002" (July 2005).

between direct investments, transfer of capital and current transfers are always determined by approximated and arbitrary methods.

All the above-mentioned facts are detailed in the accounts, which are herewith presented in two parts:

Part One reviews the accounts of goods and services, which describe the various aspects of the real economy and their development, and includes five chapters devoted to the elements constituting the basic balance of these accounts:

$\text{production} + \text{imports} = \text{consumption} + \text{gross fixed capital formation and changes in inventories (stock)} + \text{exports}.$

Part Two presents the general balance of accounts by integrating the whole set of flows constituting the general economic activity, in two chapters. The first chapter is devoted to the integrated economic accounts of the national economy. This chapter begins by comparing the accounts of production and binding them with the distribution operations and financial transactions accounts. The second chapter presents the rest of the world's accounts and the balance of payments.

Part One: The goods and services account

By definition, the real economy is described by the goods and services account. Table n° 1 (below) illustrates the results of this account for 2003 and compares them with those of 2002. To determine the real growth, the accounts are estimated at constant prices, allowing for isolating the effects of price changes in the total variation.

Table n° 1
Goods and services account 2002-2003

	<i>Value (Billion LBP)</i>		<i>% Change / Year</i>		
	2002	2003	2003 at 2002 prices	Price change	Volume change
<i>Uses</i>					
Private consumption	23 742	25 407	24 529	3.6	3.3
Public consumption	4 815	4 988	4 971	0.3	3.3
Private GFCF	4 120	4 843	4 775	1.4	15.9
Public GFCF	1 002	889	871	2.0	-13.1
Total: national expenditure	33 679	36 127	35 147	2.8	4.4
Exports	4 586	4 987	4 904	1.7	6.9
Uses = Resources	38 265	41 114	40 050	2.7	4.7
<i>Resources</i>					
GDP	28 209	29 846	29 380	1.6	4.1
Imports	10 056	11 268	10 671	5.6	6.1

Thus, the growth of domestic economic activity, measured by Gross Domestic Product (GDP), was 4.1% in 2003 against 2% on average over the period 1997-2002.

National expenditure growth was slightly stronger: 4.4% against 1.1% on average for the preceding 5-year period. Essentially, this growth is due to the strong renewal of private investments after a period of regression. However, in comparison, progress in consumption is more modest: + 3.3%.

In addition to national expenditure, 2003 figures in real terms reveal that exports raised total demand to levels exceeding 4.7% in comparison to 2002.

As seen, the domestic output did not follow the growth rate of demand. In fact, imports progressed much more quickly: 6.1% in actual value. The same trend was observed, but moving in the opposite direction, during the 1997 to 2002 period of stagnation or recession in which the GDP growth rate was slightly higher than imports.

Inflation, measured by the variation of consumer prices level, was 3.6% during 2003 against 4.7%

in 2002 — this rise was due to the introduction of VAT— and during the previous period, showed signs of stagnation or reduction. This slight inflation was due to the level of import prices, measured by the index of import unit values, which increased by 5.6%, whereas prices of domestic production increased by only 1.6%.

The development of these aggregates for 2003 is described in detail in the next five chapters:

1. Domestic output
2. Imports
3. Consumption
4. Gross fixed capital formation and changes in inventories
5. Exports

Chapter One

Domestic output

Gross Domestic Product (GDP) measures the level of activity of production of the various economic agents. It is equal to the sum of the values added of enterprises (companies, sole proprietorships and public companies) producing goods and market services evaluated at market prices and the value of the public administration output of non-market services evaluated at factor cost.

The distribution of GDP according to the various economic branches of industry and its evolution in 2003 compared to 2002 is shown in Table n° 2.

Table n° 2
Value added by sector 2002-2003

Sector	<i>Value (Billion LBP)</i>		<i>% Change / Year</i>		
	2002	2003	2003 at prices of 2002	Price change	Volume change
Agriculture and livestock	1 627	1 640	1 623	1	-0.2
Energy and water supply	267	187	277	-32.7	3.7
Industry	3 254	3 510	3 526	-0.4	8.3
Construction	2 136	2 201	2 219	-0.8	3.9
Transport and communication	1 973	2 096	2 162	-3	9.6
Services	9 408	9 979	9 744	2.4	3.6
Trade	6 092	6 699	6 295	6.4	3.3
Public administration	3 452	3 535	3 535	0	2.4
Total GDP	28 209	29 846	29 380	1.6	4.1

Similar to the preceding period, the agricultural sector continued to stagnate. However, industry and construction recovered due to the recommencement of investment and increase in foreign demand. The table clearly indicates a sharp rise in the transport and communication sector, which is due to the impressive development of telecommunications in the country.

Thus, the GDP share of the agriculture sector continued to weaken to 5.5% in 2003 from 5.8% in 2002, whereas in general, the share of services almost reached three quarters.

The growth or regression of value added in a sector does not only depend on the development of real activity within it, but also depends on the change of producer prices and input prices. It is worthy to note that in spite of real growth of the energy sector, the value added in this sector decreased following the significant global increase in the price of oil products, which are used for the production of electricity. This price increase was not accompanied by an equivalent increase in electrical energy selling prices.

The following sections provide formation details of value added in the various sectors.

Section I. Agriculture and livestock

The value added in agriculture and livestock production is calculated by subtracting the estimated value of intermediate consumption from output at farm gate prices as Table n° 3 shows (below).

Table n° 3
Agricultural output 2002-2003

Output sector	Value (Billion LBP)		2003 at prices of 2002	% Change / Year	
	2002	2003		Price change	Volume change
Cereals	66	62	69	-10.9	4.1
Fruits	824	781	796	-1.9	-3.4
Plants used for manufacturing	95	101	99	1.9	4.1
Vegetables and other plants	517	570	509	11.9	-1.6
Agriculture products	1 503	1 513	1 473	2.7	-2.0
Live animals	272	266	279	-4.8	2.6
Animal products	189	214	199	7.5	5.1
Fishing products	56	58	56	4.6	0.0
Animal and fishing products	517	538	534	0.7	3.2
Total	2 020	2 050	2 007	2.2	-0.6
- Intermediate consumption	393	410	384	7.0	-2.4
= Gross value added	1 627	1 640	1 623	1.0	-0.2

This table illustrates the changes in value and price of the output, which were different from the intermediate consumption. The output's fall in volume was absorbed by a more significant consumed intermediate goods volume fall. This drop resulted in a value added decrease in real terms less than in output. In addition, the increase in prices at farm gate did not lead to an equivalent rise in prices of factors of production (+2.2% against +1%) because of a higher increase in prices of consumed intermediate products (+7.2%).

Evolution of agricultural output

Vegetable production is essentially made up of fruit and vegetables, which underwent a production fall during 2003 in terms of volume.

The 3.4% decrease in quantities of fruits produced is simply due to the very strong fall in olive production. In fact, according to the Ministry of Agriculture estimates, olive production would have reached only 83,200 tons in 2003 against 184,400 tons in 2002. On the other hand, the total of other fruits would have increased by 15% in volume and 14% in value while the selling prices at the various farms would have dropped by 0.9%

Apart from potatoes, which witnessed a production increase from 397,100 tons (2002) to 416,400 tons (2003) with a 5% fall in prices, the production of vegetables experienced a drop accompanied by a rise in prices.

Livestock production continued to progress in 2003, but when compared to previously recorded figures for past years, it is, however, at a slower pace: 3.2% against 5.4% on average per annum during the 1997-2002 period.

The fall of producer prices for live animals (-4.8%) is the result of the strong fall in prices of poultry (-9.6%), which occurred during 2003. This fall was moderated by the rise in prices of red meats, which was 5%. However, the increase in quantities produced comes from the output of bovine meat, which rises, according to estimates of the Ministry of Agriculture, from 33,600 tons in 2002 to 41,700 tons in 2003. Nevertheless, the production of red meats represents less than 30% of the value of the production of live animals, the remainder being made up of poultry meat.

Two thirds of the output of animal origin consists of fresh milk, which was estimated at 245,000 tons in 2002 and 254,490 tons in 2003, i.e., an increase of 3.8%, and accompanied by a 7.8% rise in prices at farm gate. It can be noted that there is a strong progression in the production of honey, but a marked stagnation in the production of eggs.

Intermediate consumption in agriculture and livestock

The Ministry of Agriculture subjects output to regular statistical research by direct farmer surveys, however, intermediate consumption data in this sector is not retrieved by the same method. Instead, findings were estimated in an indirect way: production data and imported products intended for agriculture and livestock production were scrutinized. These include seeds and seedlings, water for irrigation, fertilizers, pesticides, food for cattle, etc. Since most of these products are imported, it makes it easier to reach an approximation for the necessary computations that dictate their selling price to farmers. These prices showed an increase of 7.2% in 2003 compared to 2002. The price rise led to a fall in the use of intermediate products for agriculture and livestock production, which is more than proportional to the fall in volume of production (-2.4% against -0.6% for production). The fall in imports volume of intermediate products intended for this sector was even more significant (-8.9%).

Section II. Energy and water

In addition to public companies, which control production and distribution of electricity and water, many small private enterprises are producing and selling electricity on district scales, because of the frequent power cuts on the part of the public network, while others distribute water to households via water tankers.

The 2003 estimates are based on previous estimates and utilize the available indicators.

Table n° 4 shows the evolution of production account of this sector between 2002 and 2003.

Table n° 4
Energy and water output 2002-2003

Output sector	Value (Billion LBP)		2003 at prices of 2002	% Change / Year	
	2002	2003		Price change	Volume change
Electricity	1 064	1 100	1 101	-0.1	3.5
Water	167	169	169	0	1.2
Total	1 231	1 269	1 270	-0.1	3.2
- Intermediate consumption	964	1 083	993	9	3
= Gross Value added	267	187	277	-32.7	3.7

Evolution of electricity and water output

The evolution in electricity volume output is proportional to the distribution of electrical current on the network. This rose from 10,192 in 2002 to 10,548 million kilowatt-hours in 2003.

In the absence of data regarding the distribution of water, the consumption of this natural resource was supposed to increase proportionally with population growth rate, which is approximately 1.2% per annum.

In theory, prices have remained constant since there have been no changes in tariffs between 2002 and 2003. However, bearing in mind that electricity tariff are progressive, the average price of kilowatt-hour distribution largely depends on the breakdown of consumption between households. According to the data provided by Office de L'Electricité du Liban or Electricity of Lebanon (EDL), the average prices of kilowatt-hours invoiced in 2003 were very slightly lower than those of 2002 (-0.1%)

Evolution of the intermediate consumption in the energy sector

Similar to production trends, intermediate consumption in this sector progressed in volume. This sector mainly comprises of oil products, which showed a significant price increase in 2003. Consequently, the value added in this sector, which represents a low share of the output value, fell by more than 30%, from LBP 267 billion in 2002 to 187 billion in 2003.

Section III. Industry

Table n° 5 illustrates the output evolution of the different industry branches, and takes into consideration the intermediate consumption according to the nature of goods and services used in the production process.

As a whole, prices of industry inputs showed an increase over producer prices. This, however, was compensated by growth in consumed quantities albeit less significant than produced quantities, which maintained the prices of production factors and dropped by only 0.5%. Thus, the value added at constant prices grew by 8.3% to reach a growth in production of 6.1% in volume.

Table n° 5
Industry output 2002-2003

Output sector	Value (Billion LBP)		2003 at 2002 prices	% Change / Year	
	2002	2003		Price change	Volume change
<i>Production</i>					
Food and beverages	2 903	2 960	2 959	0	1.9
Textiles	583	596	560	6.5	-3.9
Non metallic ores	814	876	825	6.2	1.4
Metals, machinery, equipment	1 022	1 289	1 211	6.4	18.5
Wood, rubber and chemicals	902	976	911	7.2	0.9
Furniture	337	394	386	2.1	14.6
Other	700	873	854	2.3	21.9
Total	7 260	7 965	7 705	3.4	6.1
<i>Intermediate consumption</i>					
Agriculture products	691	664	634	4.8	-8.3
Animal products	517	558	503	10.9	-2.7
Energy and water	326	371	341	9	4.6
Food industry products	234	262	233	12.2	-0.1
Textiles	231	232	243	-4.5	5.3
Non metallic ores	412	458	427	7.3	3.5
Metals, machinery, equipment	646	788	755	4.5	16.8
Wood, rubber and chemicals	757	896	817	9.7	7.8
Other manufactured products	47	72	73	-1.9	54.1
Services	144	154	154	0.2	6.8
Total	4 006	4 455	4 179	6.6	4.3
Gross value added	3 254	3 510	3 526	-0.4	8.3

Evolution of industrial output

The growth of industrial production was spurred mainly by foreign demand in the form of exports and purchases made by tourists. The sectors, which showed a remarkable progression in 2003, are the following: the machines and devices industry (+37.7% in volume) and metal products (+26.9%), the furniture industry (+14.9%) and, in other sectors, printing works (+17.2%) and jewellery (+27.6%).

Only the textiles, leather and clothing sectors experienced a drop in production (-3.9% in volume). This regression is due to the influx of imported products competing with locally manufactured goods. The relatively low prices of ready-to-wear Asian-made clothing, as well as the reduction of customs duties were the determining causes of this result.

Evolution of intermediate consumption in industry

The composition of industry inputs varies according to the evolution of production in the various sectors. Thus, the fall in volume in the consumption of agriculture and animal breeding products stems from the fall in vegetable oils and fresh meats production. The rise in consumption of metal products is caused by the rise of production in the metals, machine and devices sectors, and the jewellery sector, which uses gold and other high-priced metals. Please note: the consumption rise in relative value of various products is not very significant when considering the low substance in inputs.

Section IV. Construction

In terms of industrial output, the real growth of construction is deduced from statistics on raw materials used in this sector: local cement delivery by local cement factories and imported products used in construction and public works. Table n° 6 better illustrates these changes; it shows variations in output of construction, in value and volume, as well as the main products consumed in the construction industry.

Table n° 6
Construction output 2002-2003

Output sector	<i>Value (Billion LBP)</i>		<i>% Change / Year</i>		
	2002	2003	2003 at 2002 prices	Price change	Volume change
Output	3 739	3 957	3 877	2	3.7
Intermediate consumption					
Non metallic ores	647	716	667	7.3	3
Metals, machinery, equipment	668	724	693	4.5	3.7
Wood, rubber and chemicals	158	180	164	9.7	3.7
Other products	27	30	28	7.2	3.7
Services	103	107	107	0.2	3.7
Total	1 603	1 756	1 658	5.9	3.5
= Gross value added	2 136	2 201	2 219	-0.8	3.9

As they were not observed directly, the variation of building costs was estimated by the weighted average of workman wages and raw materials prices changes. With the price of labour remaining constant, the growth of building costs would have been 2% against a rise of 6% in the value of raw materials intended for construction.

Changes in the volume of consumed intermediate products were slightly lower than in production following a slight change in the number of inputs.

The total price factors of production, making up the value added, which include depreciation, wages and mixed income, would have shown a slight fall in this sector (-0.9%).

Section V. Transport and communication

The communication and transport sector recorded a strong growth during 2003 (+10.9% in volume), thus, continuing the progression carried out during the period 1999-2002. This growth is mainly due to the impressive development of telecommunications, and to a lesser extent, the growth of air transportation.

Table n° 7 shows the importance of the telecommunications sector; this sector's production showed a rise of 11% with stable prices.

It should be noted, however, that the road transport sector is underestimated, because it does not take into account—for lack of information—the transport of goods. This factor results in decreasing the sector's share in GDP to the benefit of the other sectors, particularly trade. The development of road transport arises mainly from the increase in urban population, particularly pupils commuting to their respective schools and especially tourist movement.

Table n° 7
Transport and communication services output 2002-2003

	<i>Value (Billion LBP)</i>		<i>% Change / Year</i>		
	2002	2003	2003 at 2002 prices	Price change	Volume change
Output sector					
Road transport	698	745	735	1.3	5.3
Air transport and other	300	323	323	0	7.7
Post and telecommunications	2 558	2 844	2 844	0	11.2
Total	3 556	3 912	3 902	0.2	9.7
- Intermediate consumption	1 583	1 816	1 740	4.3	10
= Gross Value added	1 973	2 096	2 162	-3	9.6

The deterioration of value added prices is due to the rise in prices of inputs, in particular, prices of fuels, however, producer prices remained practically unchanged.

Section VI. Market services

From the production account of the market services sector, excluding transport, communication and trade, reproduced in Table n° 8 (below), the figures clearly indicate that this sector recorded a considerable progression in 2003. The value added grew in real terms by 3.6%, a rate slightly higher than the growth of production because of the low growth in inputs.

Table n° 8
Market services output 2002-2003

Output sector	Value (Billion LBP)		% Change / Year		
	2002	2003	2003 at 2002 prices	Price change	Volume change
Business services	797	816	811	0.7	1.7
Maintenance and repair	210	214	207	3.6	-1.8
Housing	2 201	2 252	2 248	0.2	2.2
Hotels and restaurants	1 001	1 093	1 038	5.3	3.7
Various personal services	754	772	763	1.2	1.2
Health services	1 636	1 752	1 689	3.7	3.2
Education services	2 550	2 788	2 638	5.7	3.5
Financial Services	2 307	2 448	2 448	0	6.1
Total	11 455	12 134	11 841	2.5	3.4
- Intermediate consumption	2 047	2 155	2 097	2.8	2.4
= Gross value added	9 408	9 979	9 744	2.4	3.6

Evolution of output of market services

The market services sector is very heterogeneous and regroups activities, which experienced different developments.

a) Business services

They include services such as engineering, law business, accountancy, data processing, hiring of materials, broking, etc. The output of these services was not estimated from direct business surveys. It is equal to the sum of intermediate consumptions of the various sectors users of these services, in particular public administration and of exports. Possible errors in intermediate consumption estimation do not affect the GDP estimate, but rather the breakdown between the sector of services and other sectors. On the other hand, an error on the estimate of exports of services affects the GDP². According to a recent survey, exports of such services would have been the main factor of their development.

The prices of these services were not evaluated and maintained constant.

b) Services of maintenance and repair

In this approximation, maintenance and repair services used by households and public administration were the only ones to be examined. Services of maintenance used by enterprises were not subject to estimates and as a result, the breakdown of the GDP between the services sector and other sectors is inexact.

Thanks to the household budget survey of 1997, the household consumption in services of

² The accounts of this sector have been revised in light of a large-scale survey conducted with large enterprises and its subsequent results. It appears that service exports adopted in the 1997-2002 accounts were undervalued.

maintenance and repair, principal counterpart of this sectors production is known. Estimates for the other years were carried out using some indicators: imports of spare parts for repair of cars and electric household appliances, as well as the growth in the number of housings (of households) for building maintenance. According to these indicators, the consumption of production for such services would have regressed by approximately 2% in 2003 when compared to 2002, with a rise of 3.6% in prices, according to prices collected by the Chamber of Commerce, Industry and Agriculture of Beirut (CCIAB).

c) Services of hotels and restaurants

By convention and statistical expediency, the output of hotels and restaurants is equal to their sales turnover, decreased by the value of purchases of foods and drinks used for the customers. Based on estimates in 1997, the output of this sector for the following years was estimated, by using as an indicator of real growth, the simple average of the growth rates of the arrivals of tourists and the resident population. Thus, according to this estimation method, the growth rate of this sector was approximated at 3.7% along with the increase in the arrival of foreign travellers, which was 6.2% in 2003 compared to 2002.

Price changes of restaurants services are deduced from the prices collected by CCIAB. Changes of prices in hotel services were considered as being similar to changes in restaurants prices.

d) Various personal services

They are services of leisure, personal and domestic care. Thanks to the household budget survey of 1997, these figures are now known. The estimate for the following years was made arbitrarily by reference to the 1997 data; a real growth rate of 1.4% per year during the period 1997-2002 and 1.2% for the year 2003 was adopted. The rate of variation of price was calculated due to price surveys by the CCIAB.

e) Health services

Health services were subject of many studies between 1997 and 1999: household living conditions survey (ACS 1997), health accounts survey (WHO 1998), and the use of health services survey (ACS, WHO 1999). Estimates, which were retained for 1997 based on these studies, were projected over the following years by using imports of drugs as an indicator of health services output.

According to these estimates, the health sector (market sector without the public health services) grew slightly in 2003 when compared to the preceding 5-year period: 3.2% against 2.4% per annum on average over the period 1997-2002³.

Variations of prices were calculated according to prices provided by the largest hospitals; they are rather similar to those, which one can deduce from observations of the CCIAB. They were +3.7% in 2003, thus, continuing their previous trend.

³ This development is confirmed by the progression of turnover of hospitals belonging to the sample of the survey with large enterprises.

f) Services of education

The production of education services includes only the schooling fees and other services value provided by private schools and private universities. Services of public schools and the Lebanese University are taken into account in non-market services of the public administration sector (for further information, see Chapter Four, Section 2). Estimates of 1997 were projected over the following years according to the trends of pupil and student numbers registered in private educational establishments and of the schooling fees as provided by the CCIAB.

The result of these estimates shows a real growth rate of this sector of 3.5% in 2003 against an annual average of 1.3% per annum during the period 1997-2002. Prices collected by CCIAB show a 5.7% rise of schooling prices in 2003.

g) Financial services

Financial services include banking services and insurances services.

The value of banking services output is defined as being equal to the difference between interests and commissions, which are received by the banks, and interests, which are paid to depositors. The data that have been used for the output calculation of these services are provided by the "profit and loss" accounts communicated to the Central Bank of Lebanon and used for this services output estimate.

It is difficult to define a price for banking services; awaiting a study allowing the development of a method of determination of such a price, prices of banking services were supposed to have been constant over the studied period.

The value of the banking output (trade banks only) increased from LBP 1,551 billion in 1997 to LBP 1,924 billion in 2002, and LBP 1,995 billion in 2003, which is a growth rate of 4.5% per annum on average during the period 1997-2002 and 5% in 2003.

Similarly, the output of insurance services was defined as being equal to the difference between received premiums and paid allowances; it was not envisaged to define a price for the service.

The value of the output of insurance services was revised in the light of new statistics provided by the Ministry for Economy and Trade. This sector recorded a very strong growth during the last six-year period. During the 5-year period, 1997-2002, the product of insurances increased from LBP 182 to LBP 299 billion, i.e., an average growth rate of 10% per annum. In 2003, the progression was even stronger: +16% compared to 2002.

Section VII. Trade

Evolution of output of market sector

The output of trade services is measured in value by the trade margins in the broad sense (the difference between selling prices and purchase prices) and the commissions received by intermediaries between users and producers of goods. These margins include the so-called trade margins and the consumption taxes paid through the trade sector. Table n°9 (below) recapitulates the elements included in the calculation of the trade sector output.

Only the taxes paid at the time of the goods entry into Lebanese territory could be detailed. They included the customs duties, tax on consumption and, since 2002, VAT.

Margins of domestic trade are equal to the difference between the value of uses of goods and services and that of imports and the local output, net of the taxes amount paid by the importers. Thus calculated, the margins include internal taxes, such as internal VAT of which the present statistics do not allow a breakdown by economic activities.

The computation of trade margins at previous year prices means the compilation of margins for a given year, by applying the trade margin ratio of the previous year to the volume of exchanged goods of that year. This calculation was made separately for taxes and margins of domestic trade. With regard to prices of foreign trade services, no estimate of their changes was possible and they were maintained on the same level.

The data derived from Table n° 9 tells us the following:

- Taxes on imports reached LBP 2,726 billion, i.e., a relative rise compared to 7.2% of 2002. The increase in taxes at constant price and rate would have been 6.1%, which is the real growth rate of the imports. The remainder of the growth rate of taxes (+1%) is, therefore, due to changes in prices and tax rates. In fact, the ratio taxes / imports at current prices dropped from 26.2% in 2002 to 25.1% in 2003. This fall in the noticeable rate of taxation was more than compensated by the rise of import prices estimated at approximately 5.7%.
- Margins of domestic trade, on the other hand, strongly increased – rising from LBP 3,691 billion in 2002 to LBP 4,284 billion in 2003, i.e., +16.6%. This rise is due to the increase in volume of resources in goods imported and locally produced (+5.4%), to the rise of origin prices of these goods (+4.1%), and to the rise of the margin ratio from 18.3% in 2002 to 19.4% in 2003. Thus, the rise of 10.6% of the "prices" of trade service is attributable for 4.1% to the rise in origin prices of goods and to 6.2% to the rise of margins.

Table n° 9
Trade services output 2002-2003

Output sector	Value (Billion LBP)		% Change / Year		
	2002	2003	2003 at 2002 prices	Price change	Volume change
Taxes on importations	2 544	2 726	2 700	1	6.1
Local trade margins	3 691	4 284	3 889	10.2	5.4
Foreign trade services	852	718	718	0	-15.8
Total= output	7 087	7 728	7 306	5.8	3.1
- Intermediate consumption	995	1 029	1 011	1.8	1.6
= Gross value added	6 092	6 699	6 295	6.4	3.3

Intermediate consumption and value added in the trade sector

Intermediate consumption was estimated for year 1997 and then projected over the next years according to the same methods utilized for other sectors of the economy. Services of goods transport are not included in trade inputs, which involved a slight overvaluation of the value added in this sector, counterbalancing the undervaluation of the value added of the transport sector.

Prices of the products consumed by the market sector have risen in total by 1.8% against 2.0% in 2002.

Taking into account the trend of the "production prices" of this sector, the value added at constant prices increased in 2003 by 3.3% against 0.6% per annum during the period 1998-2002.

Section VIII. Non-market services

The public administration provides non-market services, which include central government, autonomous administrations and municipalities. As their denomination indicates, these services are not sold on the market and thus do not have a price with the current meaning of this word. Their value is then estimated at their cost, made up of the three following elements: value of goods and market services consumed, value of depreciation of public fixed assets and salaries of civil servants.

Only the accounts of the central government are published regularly; the other administrations were estimated for 1997. These estimates were projected over the other years with indicators from the Treasury accounts.

Table n°10 shows the components detail entering into the calculation of the public administration output in 2003 compared with those of 2002.

Table n° 10
Computation of non-market services output 2002-2003

Cost component	Value (Billion LBP)		% Change / Year		
	2002	2003	2003 at 2002 prices	Price change	Volume change
<i>Intermediate consumption</i>					
Energy and water	43	68	62	9	42.6
Manufactured products	151	134	126	6.3	-16.6
Transport and communication	23	24	24	0	3.7
Financial services	736	730	730	0	-0.8
Other market services	409	497	495	0.6	20.9
Total: Intermediate consumption	1 363	1 453	1 437	1.1	5.4
<i>Value added components</i>					
Capital depreciation	671	698	698	0	4
Compensation of employees	2 781	2 837	2 837	0	2
Total: Gross value added	3 452	3 535	3 535	0	2.4
Output value	4 815	4 988	4 971	0.3	3.3

The value of market goods and services consumed constitutes the intermediate consumption in the production process; the value added of the public administration is thus equal to the salaries of civil servants and the depreciation of fixed assets of collective use.

a) Intermediate consumption of market goods and services

More than half of the market goods and services consumed by public administrations are represented by the value of banking services included in the debt servicing. Indeed, part of the interests paid by the State to the banks having subscribed to Treasury Bills constitutes the payment of banking service whose value is measured by the difference between received interests and interests paid to depositors. The estimated value of financial services paid by the public administration increased from LBP 633 billion in 1997 to LBP 736 billion in 2002, then regressed to LBP 730 billion in 2003, i.e., a fall of 0.8%, whereas the whole paid interests increased by 3.5% in 2003, from LBP 4,716 billion in 2002 to LBP 4,879 billion in 2003. This gap is entirely due to increased and more significant subscriptions to Treasury Bills apart from the banking structure; in fact, the average rate of banking margin rose from 25.8% in 2002 to 26.5% in 2003.

b) The value added of public administrations

The value added of administrations is calculated at factor cost, in other words: value of the depreciation of fixed assets and labour force compensation.

The value of depreciation of public goods is, by convention, equal to a thirtieth of their actualized value. This value was calculated through cumulating the national expenditure for gross fixed capital formation for the last thirty years, the value of a past year expenditure being actualized by an adequate index price. In the absence of the existence of such an index, we adopted the index of

minimum wage (see the detail of calculations in appendix). Thus calculated, the value of depreciation rose from LBP 498 to LBP 671 billion between 1997 and 2002, then to LBP 698 billion in 2003, i.e., an increase of 4% against an average growth rate of 6% per annum during the previous period. These changes are mainly due to a decrease in the public investments pace over the past years.

The public administration *compensation of employees* includes basic wages, various premiums and allowances as well as employer's contributions to social security bodies. The labour cost increased in 2003 compared to 2002 by 2% against 4.9% per annum on average during the preceding 5-year period.

c) Variation in volume of non-market services

As non-market services do not have —strictly speaking— a price, the calculation of the volume of such services, at a reference year price is done by adding the elements of cost evaluated at the chosen reference prices. Only prices of consumed products have varied (+3% in 2003) when the factors of production prices (wages and index of valorisation of fixed assets) did not change over the period.

Thus, the change in volume of non-market services would have been 2.7% in volume for a change of 2.4% in value.

Chapter Two Imports

Imports include imports of goods on the national territory and consumer expenditure out of the territory by residents in Lebanon. Imports of services do not appear because they are deducted from exports of services.

Imports of goods on the territory are known thanks to customs statistics. Their value includes the costs of freight and insurance to customs posts (CIF price). However, some modifications are made to these statistics. Firstly, imports of gold ingots for the constitution of reserves or with a speculative aim are not taken into account. Only the part of gold used in the jewellery is included in imports. Secondly, the value and quantities of imported oil products were modified according to the statistics provided by the General Directorate of Oil.

Table n° 11 recapitulates the total figures of imports according to the classification adopted for the compilation of the accounts and their evolution in 2003 compared to 2002 in value and volume.

Table n° 11
Distribution of imports by group of products 2002-2003

Nature of product	<i>Value (Billion LBP)</i>		<i>% Change / Year</i>		
	2002	2003	2003 at 2002 prices	Price change	Volume change
Agriculture products	509	575	533	7.8	4.8
Livestock products	304	345	295	17.1	-3
Oil products	1 587	1 916	1 613	18.7	1.6
Food products	1 054	1 087	1 054	3.1	0
Textiles	793	806	836	-3.5	5.4
Non metallic ores	365	432	421	2.6	15.4
Metals, machinery, equipment	2 847	3 209	3 186	0.7	11.9
Wood, rubber and chemicals	1 670	1 898	1 763	7.7	5.5
Furniture	93	85	91	-7	-1.9
Other	476	498	498	0.1	4.6
Total territorial imports	9 698	10 851	10 290	5.5	6.1
Resident expenses abroad	357	417	381	9.4	6.8
Total national imports	10 056	11 268	10 671	5.6	6.1

After a period of relative stagnation, the imports, in the territorial meaning of the term, started a significant recovery in 2003: 11.9% in value and 6.1% in volume compared to 2002, the rise of the index of unit values having been estimated at 5.5%.

The import prices were strongly influenced by the rise in prices of oil products (+18.7%). One can also note a considerable rise in the unit values of agricultural products, in particular of those of breeding of animals (price of live animals).

The rise of import prices should have been more significant considering the devaluation of the Lebanese currency in relation to the euro because of its peg to the American currency: indeed the rate of exchange of the euro compared to the US dollar, thus compared to LBP, increased by 19.6% in 2003 compared to the average price of 2002. In Lebanon, as more than a third of imports come from countries of the euro zone, the appreciation of the euro would have had as a consequence, with all things being equal, a rise of import prices of 6.1%. In fact, two factors absorbed the effects of such a rise. On the one hand, European countries had to lower their price at export and, on the other hand, Lebanon substituted its imports from the euro zone by other sources. Thus, with a constant rate of exchange, the value of imports coming from the euro zone dropped by 9.9%.

Table n° 12
Computation of euro effect on import prices*

Imports by geographic zone**	Value (Billion LBP)		% Change / Year			
	2002	2003	2003 at 2002 exchange rate	Value	Exchange rate	At constant exchange rate
Euro zone	3 505	3 775	3 157	7.7	19.6	-9.9
Of which Italy	453	460	385	1.5	19.6	-15.2
Other countries***	6 214	7 034	7 034	13.2	-	13.2
Total	9 719	10 810	10 191	11.2	6.1	4.9

* based on the euro's rate of exchange

** depending on customs statistics

*** assuming that the exchange rate value for currencies of other countries stayed constant

In fact, imported quantities from the euro zone did not drop by as much as prices expressed in euro fell and compensated to a certain extent the rise of the exchange rate of euro. Taking for example the imports coming from Italy, which is the first supplier of Lebanon, imports value with a constant rate of exchange dropped by 15.2% but the unit values of imported goods from this country raised by 9.6% only, i.e., a fall in prices expressed in euro of 8.4%. Thus, imports coming from Italy dropped in volume of 7.4%.

The goods whose imports strongly increased in volume are the products of non-metal ores (+15.1%) as well as the metal works (+11.9%).

These imports meet the remarkable recovery of investments in 2003. In fact, as one can note in the following table, imports of capital equipment goods intended for the gross fixed capital formation strongly increased in 2003 compared to 2002: +19.8% in value and +17.9% in volume. It should be noted, however, that the unit values of the capital equipment goods whose index rose by 1.7% do not reflect their prices accurately.

The household demand of consumption was the second stimulant to imports: the goods intended for households, which constitute almost half of the total imports, increased by 8.2% in value and 5.6% in volume.

Table n° 13
Territorial imports of goods according to their uses 2002-2003

Nature of use	Value (Billion LBP)		% Change / Year		
	2002	2003	2003 at 2002 prices	Price change	Volume change
Intermediate uses in					
<i>Agriculture and livestock</i>	255	249	233	7.2	-8.9
<i>Energy and industry</i>	2 390	2 778	2 496	11.3	4.4
<i>Construction</i>	411	430	423	1.6	3.1
<i>Other sectors</i>	957	1 128	1 015	11.2	6
Total of intermediate uses	4 013	4 586	4 167	10	3.8
Consumption	4 707	5 093	4 969	2.5	5.6
GFCF	978	1 172	1 153	1.7	17.9
Total	9 698	10 851	10 290	5.5	6.1

Beside oil prices, those of many raw materials showed significant rises during 2003. Thus, unit values of products intended for intermediate consumption rose on average by 10% while the volume of imports of such products progressed in a moderate way (+3.8%).

As for Lebanese consumers' expenditure abroad, it was based on estimation for the year 1997 according to the data of household budget survey. Given the absence of direct observations during the period following 1997, this expenditure was supposed to evolve in volume according to the Lebanese movement of travellers abroad: +6.8% in 2003 compared to 2002.

The evolution of the expenditure in value was calculated by using the average price of the euro compared to Lebanese pound as a price indicator. The average rate of exchange of the euro was 19.6% in 2003, higher than 2002, and the exchange rate of the dollar remained stable. From this, the estimate of the price effect on the value of the expenditure abroad was put at 9.4%.

Chapter Three Consumption

The final consumption constitutes the most significant part of the uses of goods and services, and represents, according to years, between 70 and 75% of the resources available. It is made up of consumption by households (or private consumption) and administrations (or public consumption). The two sections, which follow, present the details of each of the two types of consumptions.

Section I. Household consumption

Household consumption is obtained from estimates of private consumption on own territory (domestic consumption), by cutting off consumption of tourists and by adding consumer expenditure abroad of Lebanese travellers. This consumption was estimated during the compilation of accounts of 1997 based on the results of a household budget survey. Estimates for the other years were made in an indirect way by using adequate indicators.

Table n° 14 shows the evolution of household consumption according to its various components. A consumer price index was especially compiled to appreciate the real evolution of consumption. Sources of data are published in the methodological appendix.

Table n° 14
Household consumption by product 2002-2003

Nature of product	Value (Billion LBP)		% Change / Year		
	2002	2003	2003 at 2002 prices	Price change	Volume change
Food	6 209	6 400	6 275	2	1.1
Tobacco	651	628	617	1.8	-5.2
Textiles and clothing	1 573	1 739	1 619	7.4	2.9
Energy and water	1 791	1 905	1 855	2.7	3.6
Durables	1 792	2 032	1 907	6.5	6.5
Other manufactured products	2 004	2 264	2 108	7.4	5.2
Transport and communication	1 772	1 938	1 928	0.5	8.8
Housing rent	2 201	2 252	2 248	0.2	2.2
Education and Health	4 185	4 540	4 327	4.9	3.4
Other services	2 301	2 491	2 420	2.9	5.2
Local consumption	24 479	26 189	25 306	3.5	3.4
- Net tourists expenses	-737	-782	-777	0.6	5.5
Total	23 742	25 407	24 529	3.6	3.3

The growth rate of domestic private consumption (of households and tourists on the territory) was 3.4% in volume and 3.5% in price, whereas the preceding 5-year period 1997-2002 was characterized by a relative price steadiness and an average growth of 2% per annum.

The evolution of private consumption was not similar for all types of expenditure. The expenditure on communication and the purchase of durable goods recorded a growth in real terms, higher than the average, while the expenditure on tobacco showed a clear regression. The paragraphs, which follow, give the detail of estimates of consumption in value and volume of each category quoted in these tables.

a) Food consumption

The share of food consumption in domestic private consumption fell from 27.9% in 1997 to 25.7% in 2002 and to 25.1% in 2003. This decrease is due essentially to the fall in prices of foodstuffs, which regressed, on average of 2.2% yearly during the period 1997-2002. In 2003, the rise of retail prices of foodstuffs was more moderate than the whole consumer prices (+2%). Similarly, the increase in volume in food consumption did not exceed the normal growth rate of the population.

The value of food consumption is detailed in Table n° 15 (below). It shows the variation of prices of the various kinds of foodstuffs and the evaluation of the volume growth of each category of consumption.

Table n° 15
Food household consumption by product 2002-2003

Nature of product	Value (Billion LBP)		% Change / Year		
	2002	2003	2003 at 2002 prices	Price change	Volume change
Agriculture products	1 559	1 576	1 560	1.0	0.1
<i>Fruits</i>	740	732	747	-2.0	0.9
<i>Vegetables</i>	732	760	728	4.3	-0.5
<i>Cereals and other</i>	87	85	86	-0.6	-1.4
Animal products	473	515	494	4.1	4.5
Food industry products	4 177	4 309	4 221	2.1	1.0
<i>Meats</i>	1 048	1 057	1 070	-1.1	2.1
<i>Grain mill products</i>	860	869	865	0.4	0.6
<i>Dairy products</i>	668	693	676	2.4	1.3
<i>Oils</i>	369	357	357	0.2	-3.3
<i>Sugar, chocolate and candies</i>	171	189	174	8.6	1.4
<i>Conserves and other</i>	625	654	644	1.6	3.0
<i>Beverages</i>	437	490	435	12.5	-0.5
Total	6 209	6 400	6 275	2.0	1.1

- The quantity of agricultural products consumed was stationary with a slight fall of vegetable consumption compensated by a rise of fruit consumption.
- The consumption of animal products, mainly made up of milk and fresh eggs, increased on average by 4.3% in volume, thus continuing the progression noted in the previous years.

- As for the consumption of products of food industries, it is clear that there was a significant fall in consumption of fats and oils and a slight decrease in the consumption of beverages; this occurred after a significant rise in prices.

b) Consumption of tobacco

The purchases of manufactured tobacco by residents and non-residents on the territory, according to statistics of the Tobacco State Control Agency, fell appreciably in 2003 compared to 2002: Sales of the Tobacco State Control Firm, after a moderate progression during the previous years, went down from 9,944 tons in 2002 to 9,414 tons in 2003. In the same way, quantities of imported cigarettes decreased between these two years from 7,636 tons to 7,193 tons. In addition, the prices collected by the Chamber of Commerce and Industry of Beirut indicate a slight rise of retail prices.

c) Private expenditure in textiles and clothing

The consumer expenditure in textiles and clothing represents approximately 6.4% of the overall consumption in market goods and services. This proportion, which did not change in a significant way since 1997, reached 6.8% in 2003 as the prices of this category of goods have progressed more than prices of the whole consumption (+7.4% against +3.5% for the global index of domestic consumption).

This rise in price would be due, at least partly, to a relative rise of excise duties on consumption perceived on imports of textile products: the ratio of taxes perceived on the value of imports, which was 20.5% in 2002 and reached 21.8% in 2003.

d) Private consumption of energy

The private consumption of energy includes the expenditure on electricity, water and oil products. In 1997, it represented 6.5% of the household budget; in 2002, it accounts for 7.4% and 7.2% in 2003. This evolution is due primarily to the fluctuation in prices: increase in prices between 1997 and 2002 higher than the average and opposite evolution in 2003 compared to 2002.

The consumption of electricity increased by 3.8% in 2003 with a stability of average price of the kilowatt-hour (as a reminder: at constant tariff, the average price can change according to the type and structure of consumption because of the tariff progressiveness).

In the absence of recent statistics, the water consumption was estimated by supposing an increase at the same pace as the population, that is to say 1.3% per annum. Prices have remained unchanged.

Table n° 16
Households' consumption of energy and water 2002-2003

Nature of product	Value (Billion LBP)		% Change / Year		
	2002	2003	2003 at 2002 prices	Price change	Volume change
Electricity	633	656	657	-0.1	3.8
Water	151	153	153	0.0	1.3
Oil products	1 003	1 092	1 041	4.9	3.8
Solid combustibles	4	4	4	...	...
Total	1 791	1 905	1 855	2.7	3.6

The quantity of oil products consumed progressed almost at the same pace as global consumption with a moderate rise of prices (+4.9%) in comparison with the rise of import prices of these products (+18.9%). This is due to the relative fall of the taxes perceived by the State: the ratio tax to value of imports dropped from 64.2% in 2002 to 56.5% in 2003.

Oil products have two uses by households: a use for transport (gasoline for private cars) and a domestic use for heating and kitchen (gas oil and gas butane).

The consumed quantities of gasoline increased by 6.8% in 2003 compared to 2002 with a rise in price of 1.8% only (average price of twenty litres rose from LBP 20,592 in 2002 to LBP 20,964 in 2003).

The quantities of gas oil consumed by households are not known with precision. However, the price of gas oil showed a strong rise to reach 22.6% and could have affected the households' consumption in terms of volume.

As for domestic gas, its consumption in volume increased approximately by 2%, its average price was raised from LBP 9,670 in 2002 to LBP 10,686 the 10-kilogram bottle in 2003, i.e., a rise of 10.5%.

e) Purchase of capital goods by households

Household expenses for the purchase of capital goods, after a period of fall, substantially increased in 2003: 13.4% in value and 6.5% in volume. Their weight in the budget, which had fallen from 9.3% in 1997 to 7.4% in 2002, went up to 8% in 2003. This progression is due essentially to the recovery in car purchases by households.

The purchase of cars constitutes the principal expenditure heading on capital goods (65% in 2003). In quantity, the import of cars dropped by 38,083 units in 1997 to 27,286 units in 2002 then went up to 31,068 units in 2003.

By taking into account the evolution of the various categories of cars, the increase in volume of purchase of private cars would have been 11.2% and considering the increase in prices, the household expenses on the purchase of cars increased by 21.8% in 2003.

Table n° 17
Purchase of capital goods by households 2002-2003

Nature of equipment	Value (Billion LBP)			% Change / Year	
	2002	Price change	Volume change	Price change	Volume change
Cars	1 101	1 341	1 224	9.6	11.2
Machines and equipment	476	453	452	0.2	-4.9
Furniture	215	239	232	3.1	7.5
Total	1 792	2 032	1 907	6.5	6.5

There was also a notable growth of furnishings: +10.7% in value and +7.5% in volume.

Alternatively, the expenditure on the purchase of machines and household appliances dropped appreciably. For example, the import of refrigerators dropped from LBP 28 billion in 2002 to LBP 25 billion in 2003, and television sets dropped from LBP 82 to LBP 69 billion for the same period.

f) Consumption of other manufactured goods

The following categories are grouped under the heading "other manufactured goods": products of chemical and pharmaceutical industries for personal and domestic care, products of publishing, toys and musical instruments, jewels, instruments of optics and of precision, as well as various objects made of glass, pottery or metal. The development of the consumption of these products is given in Table n° 18.

Table n° 18
Household consumption of manufactured goods according to category 2002-2003

Nature of consumed goods	Value (Billion LBP)			% Change / Year	
	2002	2003	2003 at 2002 prices	Price change	Volume change
Chemical and pharmaceutical products	1 122	1 286	1 128	13.9	0.5
Publishing products	319	387	365	5.9	14.4
Toys and other instruments	205	216	227	-5.0	10.8
Jewels	160	166	181	-8.5	13.2
Glass, metal products	114	110	107	2.5	-5.6
Other products	85	101	100	0.8	18.1
Total	2 004	2 264	2 108	7.4	5.2

- Chemicals and medicinal products are most significant in this group. They almost represent 5% of the whole of domestic private consumption. The growth in volume of consumption of these products was on average 3.2%, while prices dropped on average by 1.2% per annum. In 2003, it is noticeable that there is a substantial rise in the prices of these products (+13.9%) and a stagnation of consumption in volume.

- Publishing products include mainly newspapers, reviews and books, as well as schoolbooks. After a period of stagnation, (volumes growth rate of only +0.8% on average per annum from 1997 to 2002), the consumption of these products strongly picked up in 2003: +14.4% in volume with a rise of prices of +5.9%.
- The consumption of other products, such as toys, musical instruments, instruments of precision and of optics, jewels, glass, ceramics, metal work, etc., stagnated during the studied period; their evolution in volume is difficult to estimate, at least in value, due to the lack of reliable observations of their prices. The estimate was taken from import unit values and by taking into account tax changes. The tendency of import unit values of these products was primarily downward, which partly represented a fall in quality of imported products, or at least a change in their composition.

g) Private expenditure on transport and communication

Tourist and household expenses on transport and communication continued their upward trend recorded during the previous years: +6.4% on average annually from 1997 to 2002 and +8.8% in 2003. This was due to an increase in the use of public transport and the rapid expansion of mobile telephone use. Prices of these services increased moderately.

Table n° 19
Domestic consumption of services of transport and communication 2002-2003

Nature of consumed products	Value (Billion LBP)		% Change / Year		
	2002	2003	2003 at 2002 prices	Price change	Volume change
Road transport	686	728	719	1.3	4.8
Air transport and travel	296	319	319	0.0	7.7
P&T	790	891	891	0.0	12.7
Total	1 772	1 938	1 928	0.5	8.8

In 2003, the expenditure on the use of services of *road transport* by households and travellers increased by 4.8% in volume and 6.2% in value after a period of moderate growth — approximately 2% per annum in value and volume— for the duration of the preceding 5-year period. Prices, which had remained stable, started to show a slight growth in 2003 (+1.3%). Thus, the value of consumption of services of road transport rose from LBP 612 billion in 1997 to LBP 686 billion in 2002 and LBP 719 billion in 2003.

Domestic consumption of services of air transport is equal to the value of the air transport tickets sold by travel agencies on the national territory. These values of these sales are known thanks to IATA statistics. Taking from these figures, sales increased from LBP 188 billion in 1997 to LBP 296 billion in 2002 and rose to LBP 319 billion in 2003, i.e., an average nominal growth rate of 9.5% per year from 1997 to 2002 and 7.7% in 2003. In real terms, the growth rate of the number of passengers in kilometres was 6.4% from 1997 to 2002; hence, a deduction can be made from this progression of prices: the average is 2.9% per year. In 2003, prices of air transport could not be observed; however, they were assumed to have remained stable for compiling these accounts.

Household expenses in post and telecommunications almost doubled in five years rising from LBP 357 to LBP 706 billion between 1997 and 2002. To be exact, an average increase of 14.6% per annum. In 2003, they showed an increase of 12.7%. Prices remained stable during this period except for a notable increase, which occurred in 2002 following the introduction of VAT.

h) Rental value of housing

In the absence of statistics on housing evolution, the increase in the number of occupied residences was supposed to be correlated with the number of yearly registered marriages, net of re-entries of old dwellings. Therefore, in 2003, this number represents 2.2% of the dwellings occupied in 2002. The average rental value of a flat was recorded as stable in 2003 after a fall noted in 1988. Thus, the rental value of dwellings, which had been estimated by the Household Living Conditions Survey, at LBP 2,059 billion in 1997, reached 2,201 billion in 2002 and LBP 2,252 billion in 2003.

i) Consumption of services of education and health

The market social services in 2003 represented 17.9% of the total private consumption and they accounted for 17.3% in 2002 and 14.6% in 1997. The evolution in 2003 is marked by an increase in the consumption of these services as well in volume (+3.4%) and in price (+4.9%), whereas during the preceding 5-year period, the weight of this expenditure in the household budget increased mainly because of the rise in prices (+4.0% per year on average with a yearly growth in volume of 1.7% on average).

Education services growth was slightly stronger than health services growth in both volume and value, as Table n° 20 below clearly shows.

Table n° 20
Consumption of social services according to their nature 2002-2003

Nature of service	Value (Billion LBP)		% Change / Year		
	2002	2003	2003 at 2002 prices	Price change	Volume change
Education	2 550	2 788	2 638	5.7	3.5
Health	1 636	1 752	1 689	3.7	3.2
Total	4 185	4 540	4 327	4.9	3.4

School fees for primary and secondary education, as well as for university, reached LBP 2, 788 billion in 2003, i.e., 9.4% higher than 2002. This results mainly under the effect of price increases (+5.7%) and from the quantities of services of education used (+3.5%). Additionally, the average school fees for pupils continued in their upward tendency (+5.4%/year). In 2003, the number of registered pupils in private establishments showed a more significant increase (3.5% against 1.3% on average between 1997 and 2002). This growth is largely due to the proliferation of private universities. Indeed, the number of students registered in private universities jumped from 38,202 in 1997 to 54,019 in 2002 and to 57,841 in 2003, i.e., an average growth rate of 7.2% between

1997 and 2002, and 7.1% in 2003. During the same period, the number of pupils registered in private schools regressed from 510,740 to 492,402 (-0.8% on average per annum) then went up to 502,629 (+2.3%). Overall, the budgetary coefficient of the education expenditure rose from 8.5% in 1997 to 10.5% in 2002 and 10.9% in 2003.

The evolution of *health services* is less well known. By supposing that this evolution is correlated with quantities of imported drugs, one estimates that the care services provided by the private sector of health increased on average by 2.4% per annum between 1997 and 2002 and by 3.2% in 2003. In addition, survey on medical care prices showed an average growth over these periods of respectively 2.1% and 3.7% per annum. Thus, the household expenditure of health would have increased by 4.5% per year between 1997 and 2002 and by 7.1% in 2003⁴. Following this evolution, the weight of health expenditure in household consumption reached 6.9% whereas it was 6.8% in 2002 and 6.1% in 1997.

j) Consumption of individual services

Individual services form between 8 and 9% of the total of tourist and household expenses on the national territory. They include services of hotels and restaurants, services of maintenance and repair and various other services such as leisure services, personal care and domestic services. The progression of these services was 4.0% on average in real terms during the period 1997-2002 and 3.0% in current price, due to the downward trend in prices (-1.0 % per year on average, in spite of the rise recorded in 2002 following the VAT introduction). In 2003, the progression was stronger: 5.2% in volume and 8.4% in value.

Table n° 21 (below) shows the breakdown of these services and their evolution between 2002 and 2003.

Table n° 21
Consumption of individual services according to their nature 2002-2003

Nature of service	Value (Billion LBP)			% Change / Year	
	2002	2003	2003 at 2002 prices	Price change	Volume change
Hotels and restaurants	1 001	1 093	1 038	5.3	3.7
Maintenance and repair	194	198	191	3.8	-2.0
Insurance and banks	352	429	429	0.0	22.1
Other services	754	772	763	1.2	1.2
Total	2 301	2 491	2 420	2.9	5.2

The hotels and restaurants sector is partly dependent on the movement of tourists and partly on the increase in the standard of living of the resident population. In 2003 the growth rate of the arrival of foreign travellers was less significant than previous years (+6.2% against +12.5% in 2002 and +14.3% in 2001). The local population was supposed to frequent hotels and restaurants at an increased rate of 1.3% per annum.

⁴ The survey conducted with large enterprises, including 34 hospitals, showed the turnover of these hospitals has progressed in 2003 in comparison to 2002 by 7.5%.

Section II. Public consumption

By definition, public consumption is equal to non-market services output performed by the public administration. The estimation of such services value was covered in the chapter relating to output (Chapter One, Section 8).

Public consumption includes in fact, in addition to the value of collective services, the production costs of free individual services (or almost) such as services of education and services of medical care provided by publicly owned establishments. Normally, these services must be the subject of a separate estimate. The system of public accounts currently does not make it possible to establish a separate account for social services ensured by the public administration; however, one can draw from them the main elements entering in the calculation of the value of such services. Table n° 22 shows expenses of education, such as they appear in the closure accounts of the State for primary education and secondary education and in the accounts of the Lebanese University for higher education; it also shows the sums spent by the Ministry for Health for the hospitalization of patients under care at State expense.

Table n° 22
Cost estimates of public services for education and health *LBP (billion)*

Nature of service	1999	2000	2001	2002	2003
Primary and secondary					
Compensation of employees	380	391	447	460	499
Goods and services used	19	20	23	22	23
Total	399	411	470	482	522
Lebanese University					
Compensation of employees	108	113	118	128	133 ^e
Goods and services used	16	15	21	16	17 ^e
Total	124	128	139	144	150 ^e
Total Education	523	540	580	599	672 ^e
Hospital costs	132	190	182	217	274
Total social services	665	730	762	816	946^e

^e Provisional estimations

In order to complete the estimate of the costs of such services, it would be necessary to assess the depreciation of the school and university buildings belonging to the state and to deduct part of the banking fees borne by the state to cover its deficit.

If it is measured by the evolution of the number of pupils and registered students each year, the growth in volume of public education service appears more significant than the growth in value. In primary and secondary education, the number of pupils registered in public and private schools rose from 434 thousands in 1998-1999 to 490.7 thousands in 2001-2002 and dropped to 462.6 thousands in 2002-2003, i.e., an average growth rate of 4.2% per annum, whereas the growth rate of costs between 1999 and 2002 was 6.5% per year to reach the sum of LBP 482 billion. In 2003, this cost rose to LBP 522 billion, upward by 8.3%, whereas the number of registered pupils fell by 5.7%. At the Lebanese University, the cost of education increased between 1999 and 2002 at the same pace of student numbers: during this period the number of students swelled from 59,727

registered students to 70,711, upward by 5.8% per annum whereas the average annual growth rate of costs was 5.1%. In 2003, the tendency is reversed: the number of registered students fell to 65,530 (-7.3%), but the costs were not affected downward in comparison to the declining trend in student numbers.

Chapter Four Investments

Section I. Gross Fixed Capital Formation

Gross Fixed Capital Formation (GFCF) is calculated overall by adding the value of capital goods bought by enterprises and the public administration to the sector of construction output. As most such goods are imported, foreign trade statistics provide the necessary indicators for estimating their value. Table n° 23 shows the breakdown of the GFCF and its evolution in 2003 compared to 2002.

Table n° 23
Gross fixed capital formation by nature 2002-2003

	<i>Value (Billion LBP)</i>		<i>% Change / Year</i>		
	2002	2003	2003 at 2002 prices	Price change	Volume change
Nature of fixed capital					
Construction works	3 739	3 957	3 877	2.0	3.7
Machinery and equipment	1 172	1 286	1 273	1.0	8.6
Furniture	240	256	275	-6.7	14.6
Other products	328	363	348	4.1	6.2
Total	5 479	5 862	5 774	1.5	5.4

After a period marked by a very clear downward tendency in investments, things have picked up again in 2003. As previously noted in Chapter One, Section 4, the rise of construction activity: +5.8% in value and +3.7% in volume in 2003 compared to 2002, against -3% on average per annum during the period 1997-2002. The same tendency is observed in capital goods investments: +9.5% in value and +9% in volume against -1.3% on average per annum during the preceding 5-year period. Overall, material investments would have increased by 7% in value and 5.4% in volume in 2003 compared to 2002.

Price changes used for the calculation of variations in volume of investment goods include building and public works industries and changes of building costs (see Chapter One, Section 4). The prices of capital goods adopted, through lack of direct observation, are the import unit values of these goods increased by taxes. In this case, the prices variation could be due partly to a quality variation.

The breakdown of gross fixed capital formation between private sector and public sector

GFCF of enterprises is not known directly. It is deduced from the difference between the total value and that of public investments; thus, the investments of all enterprises are not obtained, but rather those of the private sector. Indeed, public investments, in addition to GFCF of the public administration, include the expenditure of infrastructure of electricity and water distribution,

which constitutes part of the public enterprises GFCF.

Table n° 24
Breakdown of gross fixed capital formation by public/private sector 2002-2003

Sector	Value (Billion LBP)		% Change / Year		
	2002	2003	2003 at 2002 prices	Price change	Volume change
Private sector	4 477	4 972	4 902	1.4	9.5
Public sector	1 002	889	871	2.0	-13.1
Total	5 479	5 862	5 774	1.5	5.4

Public investments are estimated from the state accounts and autonomous administrations, including the CDR.

Contrary to private investments, public investments continued their downward trend: -11.1% in value in 2003 after a fall of 8.5% per annum on average during the period 1997-2002.

Section II. Changes in inventories

No statistics are available on enterprises inventories. The changes in inventories appearing in the accounts were introduced to regularize the use of resources in goods and services from one year to another. Important inventories, which were made up in 2001 in preparation for the introduction of the VAT (LBP +608 billion), would have been taken out of stock partly in 2002 (LBP -357 billion) and partly in 2003 (LBP -129 billion)

The prices used for the calculation of inventories changes in volume are the unit values at import of stocked goods. Thus, changes in inventories in volume in 2003 were estimated at LBP - 127 billion.

Chapter Five Exports

Exports, according to standard concepts, include exports in the territorial sense and expenditure of tourists on the national ground.

Exports continued their growth that started in 2001: 14.0%, 13.5% and 9% in 2001, 2002 and 2003 respectively.

The paragraphs that follow review the export trends of the various sectors. The details are given in Table n° 25.

The prices selected to evaluate the changes in volume for exported goods are those that are deduced from customs statistics by dividing values by quantities. The prices of services are supposed to have remained constant. As for the price index of tourist expenditures in Lebanon, it is supposed to be equal to the consumer price index.

Table n° 25
Exports of goods and services by nature 2002-2003

Nature of product	Value (Billion LBP)		2003 at 2002 prices	% Change / Year	
	2002	2003		Price change	Volume change
Agriculture products	226	274	262	4.8	16.0
<i>Agriculture products</i>	203	241	226	6.7	11.2
<i>Livestock products</i>	23	33	36	-7.5	58.4
Manufactured products	2 022	2 380	2 349	1.3	16.2
<i>Agro-food industries</i>	166	240	247	-2.8	49.0
<i>Textiles</i>	291	339	321	5.6	10.5
<i>Non metallic ores</i>	108	171	185	-7.8	72.0
<i>Metals, machinery, equipment</i>	672	826	781	5.7	16.3
<i>Wood, rubber and chemicals</i>	303	334	326	2.4	7.5
<i>Furniture</i>	31	36	32	12.9	2.9
<i>Other</i>	452	434	456	-4.9	0.9
Total exports of goods	2 248	2 654	2 611	1.6	16.1
Net exports services	1 244	1 134	1 134	0.0	-8.8
<i>Telecommunications</i>	187	172	172	0.0	-7.9
<i>Business services</i>	205	245	245	0.0	19.3
<i>Trade</i>	852	718	718	0.0	-15.8
Exports abroad	3 492	3 788	3 745	1.1	7.2
Tourists expenses	1 094	1 199	1 158	3.5	5.9
Total	4 586	4 987	4 904	1.7	6.9

a) Agricultural exports

The value of agricultural exports retained in the accounts was definitely higher than what appeared in the customs statistics. Coefficients of correction, which were applied, varied from 1.5 to 3 following the needs for balancing the supply-use accounts of agricultural products. Thus corrected, agricultural exports appear to have risen over the period. Agricultural exports recorded in 2003 showed a significant growth in both volume (+16%) and value (+21%), which occurred after a period of regression. The value of exported agricultural products dropped by LBP 331 billion in 1997 to LBP 226 billion in 2002 (i.e., a fall of 7.6% on average per annum) to rise again to LBP 274 billion in 2003. The drop during the 1997-2002 period was largely due to the fall in prices (-4.6%) while export quantities dropped by 3% on average per annum.

b) Industrial exports

As for agricultural exports, customs statistics relating to exports of manufactured goods were increased for some goods, but in smaller proportions.

In 2003, industrial exports continued on their upward trend, which started in 2000: +18.2% in value. Contrary to the former period when they were falling, the prices at export have risen by 2.1%, which brings us back to the real growth rate of 15.8%.

In fact, these figures are distorted by the inclusion of gold ingots in the metal products, machines and devices industries. Once they are excluded, the progression of industrial exports in 2003 appears to be more modest: +1.5% in value and + 2.7% in volume. In fact, as the table below indicates, gold exports have more than quadrupled between 2001 and 2003 with a rise of prices of 21% in 2002 and 15% in 2003.

Table n° 26
Exports of gold ingots 2000-2003

	2000	2001	2002	2003	% Change / Year		
					2001	2002	2003
LBP billion value	72.6	89.2	194.8	535.2	22.8	118.6	174.7
Quantity (Kg)	6 704	8 126	14 656	35 001	21.2	80.4	138.8
Price LBP billion/Kg	10.8	11.0	13.3	15.3	1.3	21.2	15.0

Thus, gold being excluded from the equation, exports of metal products, machines and devices industries, dropped from LBP 477 billion in 2002 to LBP 291 billion in 2003, i.e., a fall of 39% in value. Part of this fall is due to the fall in prices (-8%) but export volumes would have dropped by 33.7%.

The two sectors, which witnessed their exports strongly increasing, are non-metal mineral industries (+58.3% in value) and agro-food industries (+51.4%). The rise of exports of non-metal ore industries (LBP +63 billion) is due essentially to the rise of cement exports whose value increased from LBP 21 billion in 2002 to LBP 58 billion in 2003 (+37 billion). As for agro-food industries, the sectors that developed their exports the most, are: paste products (from LBP 10.5 billion in 2002 to LBP 26 billion in 2003), mineral water and other soft drinks (from LBP 9.4 to

LBP 23.8 billion), confectionery (from LBP 32 to LBP 51 billion), food preserves (from LBP 52.3 to LBP 66.7 billion) and finally alcoholic beverages (from LBP 15.1 to LBP 19.3 billion).

c) Exports of services

Foreign exchanges of services are not yet well covered, as only net receipts of public services of telecommunications are known; net exports of services of transport were neglected. Net exports of services to businesses and receipts of triangular trade retained in the accounts are all very rough 2004 estimates.

Net income of the General Directorate of Telecommunications resulting from communications with foreign countries continued on its downward trend, which appeared in 2000 after a period of strong growth – from 1997 to 1999.

According to declarations of big companies surveyed, the sales turnover made abroad by Lebanese business services companies, net payments of services to non-residents, amounted to LBP 205 billion in 2002 and LBP 245 billion in 2003, i.e., a rise of 19.3%⁵.

The growth rate retained for estimates of the net income of triangular trade is that of the movement of transit and re-exportation. After one marked period of fall from 1997 to 2000 at an average rate of -4.3% per year, the activity of this sector recovered with strength in 2001 (+9.1%), 2002 (+18.7%), and fell in 2003 (- 15.8%).

d) The expenditure of tourists

The growth rate in volume of tourists and other foreign travellers expenditure on the Lebanese territory is, by convention, equal to the number of foreign travellers (Syrian excluded) arriving annually in Lebanon: +5.9% in 2003, against an average of +11.8% per annum during the period 1997-2002. The consumer price index was the selected price index to estimate this expenditure in value.

⁵ Further to this survey, it became clear that figures retained for exports of services in the accounts for 1997-2002 were clearly underestimated.

Part two. Integrated economic accounts

The international system of economic accounts (SCN93) considers the establishment of a set of accounts for each of the five categories of agents of the national economy, noted by S.1 and for the rest of the world noted by S.2.

The five categories of agents of the national economy are:

- S.11: non-financial enterprises
- S.12: financial institutions
- S.13: public administrations
- S.14: households
- S.15: non-profit associations

The level of development of Lebanese national statistics does not allow a correct establishment of the economic accounts of each of the five agents separately. It is in particular impossible to break down the operations of production and distribution between non-financial corporations and households. It is however possible to estimate the main elements of the integrated accounts of domestic agents as a whole and those of the rest of the world in an approximate way.

Tables n° 27 and 28 present the integrated accounts of the whole national economy (S.1) and the rest of the world (S.2). These accounts show the main aggregates characterizing the economic activity during the period 2002-2003.

Chapter One presents the accounts of agents of the national economy which include the principal aggregates: account of production, generation of income account, secondary distribution of income account, use of income account, capital account and finally the financial account.

Chapter Two presents the estimates of the main elements of the balance of payments spread out in four accounts: account of exchanges of goods and services, account of income and current transfers, account of transfers of capital and ultimately the financial account.

The accounts of agents, which could be established, are the public administration accounts and the commercial banks accounts. These accounts are reproduced in the appendix.

Table n° 27
Integrated accounts of the national economy (S.1)

Accounts	Uses		Resources	
	2002	2003	2002	2003
I. Production account				
P11. Market output			32 001	33 983
P12. Non-market output			4 814	4 988
D2-D3. Taxes - subsidies /products			4 348	5 032
P2. Intermediate consumption	12 954	14 157		
<i>B1. Gross value added (GDP)</i>	<i>28 209</i>	<i>29 846</i>		
Total	41 163	44 003	41 163	44 003
II.1. Generation and allocation of primary income account				
B1. <i>GDP</i>			28 209	29 846
D2-D3. Taxes - subsidies /products	4 348	5 032	4 348	5 032
D41. Interests	6 260	6 724	5 457	5 708
<i>Private sector</i>	<i>2 166</i>	<i>2 471</i>	...	...
<i>Public sector</i>	<i>4 094</i>	<i>4 253</i>	...	...
D1+D4. Compensation and other incomes	19 720	20 100	20 222	20 769
<i>B5. Balance of primary income (GNI)</i>	<i>27 907</i>	<i>29 499</i>		
Total	58 236	61 355	58 236	61 355
II.2. Secondary distribution of income account				
B5. GNI			27 907	29 499
D5. Direct taxes	1 213	1 318	1 213	1 318
D61. Social contributions	706	722	706	722
D62. Social benefits	1 738	1 655	1 761	1 678
D79. Other current transfers	453	470	3 405	5 511
<i>B6. Balance of secondary income (GNDI)</i>	<i>30 882</i>	<i>34 562</i>		
Total	34 992	38 728	34 992	38 728
II.4. Use of income account				
P2. Final consumption	28 556	30 394		
<i>B8. Gross saving</i>	<i>2 326</i>	<i>4 168</i>		
Total = GNDI	30 882	34 562	30 882	34 562
III. 1 Capital account				
B8. Gross saving			2 326	4 168
P51. Gross fixed capital formation	5 122	5 733		
D9. Capital transfers	7	6	338	2 540
<i>B9. Balance: net lending/borrowing</i>	<i>-2 466</i>	<i>970</i>		
Total	2 663	6 709	2 663	6 709
III. 2 Financial account				
B9. Net lending/borrowing			-2 466	970
F2. Currency and deposits (net)	6 144	12 920	3 789	7 515
F3. Securities other than loans	2 089	1 323	6 348	3 738
F4. Loans	-675	-250	-618	-173
F5. Shares / other equity	98	1 735	603	3 677
Total	7 656	15 728	7 656	15 727

Table n° 28
Accounts of the rest of the world (S.2)

Accounts	Uses		Resources	
	2002	2003	2002	2003
I. Goods and services operations				
Imports			10 056	11 268
Exports	4 586	4 987		
<i>B11. Trade balance</i>	<i>5 469</i>	<i>6 281</i>		
Total	10 056	11 268	10 056	11 268
II. Primary income and current transfers account				
B11. Trade balance			5 469	6 281
D1. Compensation of employees	686	788	694	706
D41. Interests	944	626	1 747	1 642
D4... Other incomes (net)	511	588		
D62. Social benefits	23	23		
D79. Other current transfers (net)	2 951	5 041		
<i>B12. Current account Balance</i>	<i>2 797</i>	<i>1 563</i>		
Total	7 911	8 629	7 911	8 629
III. 1 Capital account				
B12. Current account balance			2 797	1 564
D9. Capital transfers (net)	331	2 534		
<i>B9. Balance: net lending/borrowing</i>	<i>2 466</i>	<i>-970</i>		
Total	2 797	1 564	2 797	1 564
III. 2 Financial account				
B9. Net lending/borrowing			2 466	-971
F2. Currency and deposits (net)			2 355	5 405
F3. Securities other than loans	4 259	2 415		
F4. Loans	57	77		
F5. Shares / other equity	505	1 942		
Total	4 821	4 434	4 821	4 434

Chapter One

Integrated economic accounts of the national economy

The various operations carried out between the economic agents or flows arising from the economic activity are broken down into the six following categories or subcategories of accounts: (the numbers are the codes of the international classification of the accounts).

- I. Production account
- II.1. Generation and allocation of primary income account
- II.2. Secondary distribution of income account
- II.4. Use of income account
- III.1. Capital account
- III.2. Financial account

These accounts show the main aggregates characterizing the economic activity; these aggregates are summarized in Table n° 29 (below).

Table n° 29
Evolution of the main economic aggregates 2000-2003

Nature of the aggregate	<i>LBP (billion)</i>			
	2000	2001	2002	2003
GDP	25 325	25 947	28 209	29 846
+ Net factors' income	834	303	-302	-346
= GNI	26 160	26 250	27 908	29 499
+ Net current transfers	2 463	2 544	2 974	5 064
=GNDI	28 623	28 795	30 882	34 564
- Final consumption	26 029	26 591	28 556	30 394
= Gross national saving	2 594	2 203	2 325	4 169
+ Net capital transfers	274	450	331	2 534
= Gross disposable saving	2 868	2 653	2 656	6 703
-GFCF	5 108	5 923	5 122	5 733
=Net lending(+)/borrowing(-)	-2 240	-3 269	-2 466	971
+Foreign financing	1 803	1 502	4 821	4 434
=Balance of payments	-437	-1 767	2 355	5 405

Note: There were some modifications made to the figures between 2000 and 2002

As follows:

- Gross domestic product (GDP) is the balancing item of the production account of all economic agents
- Gross national income (GNI) is drawn from the allocation of primary income account
- Gross national disposable income (GNDI) is the balancing item of the secondary distribution of income account
- Gross national saving is the balancing item of the use of disposable income account
- Gross disposable saving and net lending/borrowing are deduced from the capital account
- The balancing item of the balance of payments appears in the financial account under the

heading, “Changes of cash and deposits”

The details of these accounts are presented in the following sections.

Section I. Production account

The production account records, in resources, the value of the output received by various economic agents and, in uses, the value of the intermediate consumption. The balance of this account is equal to the Gross Domestic Product or GDP.

The value of the output is subdivided into: market output (P.11), non-market output (P.12) and taxes minus subsidies on the products (D.2 - D.3)

a) Market output (P.11)

The market output is equal to the income net from taxes of all manufacturing units resulting from sales of goods and services. However, considering the methods of estimation adopted in the absence of adequate statistics, the value of market output described here also includes the value of the self-consumed output.

The value of this output is equal to the sum of output of all market sectors calculated at market prices, decreased by indirect taxes and increased by operating subsidies.

The detail of the market output evaluated at prices paid by users is given in Chapter One, Part One.

b) Non-market output (P.12)

The non-market production, such as it appears in these accounts, represents only the estimate of general government output. Thus it does not include the value of self-consumed household output nor that of non-profit associations.

The method of estimation of this output is given in Chapter One, Part One.

c) Taxes minus subsidies/products (D.2 - D.3)

In theory, only the specific taxes on products less subsidies should appear in this account. However, by lack of sufficient information, all the indirect taxes included in the generation of income account of enterprises, were retained. Those include the following elements: customs duties, taxes on consumption of certain products (including since 2002 VAT), profit of public enterprises and finally municipal taxes and other taxes.

The municipal taxes posted here were not drawn from the municipality's accounts, as these accounts were not yet compiled by the proper authorities. They were estimated from indications drawn from accounts of the Treasury, which collects some taxes on behalf of municipalities. They included a share of adjustment necessary to the balance of public sector accounts; other taxes are

drawn from the state closing accounts.

As for other taxes, they are drawn from the closure account of the State accounts.

Table n° 30 gives the evolution of the various types of indirect taxes and taxes on consumption from 2000 to 2003.

Table n° 30
Indirect taxes by nature 2000-2003

Nature of tax	<i>LBP (billion)</i>			
	2000	2001	2002	2003
Customs duties	1 067	858	596	470
Taxes on consumption	822	921	2 097	2 575
Profits of public enterprises	803	805	921	1 259
Stamps	187	184	182	210
Other taxes	11	13	16	15
Municipalities taxes and adjustment	426	504	506	518
-subsidies	-122	-22	-20	-20
Total	3 194	3 263	4 348	5 032

Customs duties continued their decline, which started in 2001, following the government policy adopted to gradually replace these rights by VAT.

Taxes on consumption strongly increased in 2002 following the introduction of VAT. The fall of certain excise duties in 2002 is due to the review of these taxes following the introduction of VAT in February 2002. In 2003, the strong influx of receipts from VAT revenues (+34%) is not entirely due to the growth of transactions; it has more to do with the widening of the taxation base and the time lag between receiving receipts and the time it takes for the refunding process to take place (see Table n° 31).

Table n° 31
Taxation on consumption by type 2000-2003

Tax on	<i>LBP (billion)</i>			
	2000	2001	2002	2003
- tobacco	79.9	111.2	167.7	184.6
- departures via the airport	55.2	62.0	64.2	72.3
- cement	35.8	36.2	2.0	-
- oil fuels	424.6	472.3	703.3	816.3
- cars	180.1	190.2	149.8	164.2
- beverages	11.3	14.5	7.1	5.3
- hotels and restaurants	23.0	21.3	7.0	2.5
- leisure activity services	8.3	8.9	5.4	3.7
- others	3.6	4.6	4.3	3.9
- value added			986.4	1 322.4
Total	821.9	921.1	2 097.2	2 575.2

The *Profits of public enterprises* are recorded as taxes on products because the prices of goods and services produced by these enterprises are fixed by the State. The profit of public enterprises, such as telecommunications, was the most significant and showed a very strong growth during the past six last years: they jumped from LBP 141 billion in 1997 to LBP 785 billion in 2002 and LBP 1,086 billion in 2003.

Subsidies to public companies, which appear in the accounts of the State, are presented as follows: (Table n° 32)

Table n° 32
Subsidies to public enterprises 2000-2003

	<i>LBP (billion)</i>			
Enterprise	2000	2001	2002	2003
Wheat and beet Office	١٤,٥	-	-	-
Tobacco corporation	55.0	-	-	-
Water offices	3.0	3.1	4.5	0.4
Public transport	13.0	11.5	11.5	15.0
Lebanon television	13.1	5.5	2.5	2.5
Others	23.8	2.1	2.6	2.4
Total	122.4	22.2	20.1	20.3

The subsidies granted to Electricity of Lebanon are not posted in the budgetary expenditure of the State. They are recorded in the accounts of the Treasury in the form of advances to publicly owned establishments and treated as financial transactions.

d) Intermediate consumption

Intermediate use is equal to the purchases by manufacturing units of consumable goods and services decreased by changes in inventories. They are evaluated at market prices, i.e., including taxes.

Intermediate consumption of the various branches of industry is described in Chapter One, Part One.

Section II. Generation and allocation of primary income account

Primary income is understood as the compensation of production factors and other elements entering in the value of GDP. The generation and allocation of primary income account records GDP and all primary income received by national agents in resources. It records the primary income paid by national agents in uses. The balance of this account reads the second significant aggregate, namely the gross national income or GNI. Compiled only for producing units, the generation and allocation of primary income account allows the breakdown of GDP, according to the income approach.

a) *Income approach of GDP*

Table n° 33 shows the breakdown of GDP according to the compensation of production factors and other elements included in its value; compensation of employees, taxes net from subsidies on products, interests, other income and depreciation.

Table n° 33
Breakdown of GDP according to production factors 2000-2003

	<i>LBP (billion)</i>			
GDP components	2000	2001	2002	2003
Taxes – subsidies /products	3 194	3 263	4 348	5 032
Interests	2 209	2 552	2 166	2 471
Compensation of employees	17 914	18 221	19 720	20 100
Depreciation (balance item)	2 008	1 911	1 975	2 243
Total =GDP	25 325	25 947	28 209	29 846

Compensation of employees represents all labour charges borne by enterprises and public administrations. The wages and salaries paid by public administrations are drawn from the accounts of the public sector; their evolution is carried over in Table n° 27 (see Part One, Chapter One, Section VIII). The wages and other labour charges paid by enterprises were estimated during the establishment of the 1997 accounts thanks from surveys data. The compensation of employees share in GDP was 35.5%: 83.2% in the administrative sector and 29.1% in the market sector.

Unfortunately, there is no information available for the period 1998-2003, which would allow insight into the evolution of this share. The survey on big enterprises carried out in 2004, which sampled 240 industrial plants, 270 services establishments (other than telecommunication, finances and education services) and 96 trade operations, provided the following ratios for labour charges/gross value added in 2002 and 2003:

<u>Sector</u>	<u>2002</u>	<u>2003</u>
Industry	24.6%	24.2%
Services	32.4%	32.9%
Trade	10.5%	10.9%

The *share of indirect taxes less subsidies* in GDP evolved to a significant degree rising from 10.5% in 1997 to 15.4% in 2002, then to 16.9% in 2003. This last evolution was due to the introduction of the VAT.

The *interests* represent the return to financial capital paid by enterprises to owners of this capital. They do not include the interests paid by the public administration. Indeed, by convention, these interests are not part of the estimate of non-market output and consequently are not part of GDP.

To estimate the charges of interests borne by enterprises, the accounts presented here retained only the income of bank deposits. The interests paid by banks were allocated between debtor agents in proportion to their debt to banks. It should be noted that part of interests received by banks represents the remuneration of their service of financial intermediation.

Table n° 34
Banking interests charges paid by enterprises and public administrations

	<i>LBP (billion)</i>			
Data from banks	2000	2001	2002	2003
Interests received				
on Treasury bills	2 881	2 816	2 852	2 756
from non-residents	£ 99	50.7	372	214
from other debtors	2 913	3 301	2 919	3 361
Total	6 293	6 623	6 143	6 331
Interests paid to depositors	4 772	5 121	4 559	4 655
<i>Ratio interests paid/received</i>	<i>0,758</i>	<i>0,773</i>	<i>0,742</i>	<i>0,735</i>
<i>Ratio banking services / interests</i>	<i>0,242</i>	<i>0,227</i>	<i>0,258</i>	<i>0,260</i>
Charging interests paid to depositors (per debtor):				
Public administration	2 185	2 177	2 117	2 027
Non-residents	378	392	276	107
Enterprises	2 209	2 552	2 166	2 471
Total	4 772	5 121	4 559	4 655

Thus, interests paid by the private sector to deposit owners through commercial banks were evaluated from LBP 2,166 billion in 2002 and to LBP 2,471 billion in 2003, i.e., 7.7% and 8.3% respectively of GDP. In 1997, this share amounted only to 5.3%.

As for the interests paid by the public sector, which are not part of the GDP value but are registered nevertheless in the primary distribution account according to International Conventions, they are drawn from accounts of public administrations after deduction of the banking services value. These banking services are estimated by applying the ratio “banking services on interests” from Table n° 34 on interests received by banks from their portfolio in Treasury bills.

Other incomes are made up of the dividends paid to the owners of the capital engaged in production and the mixed incomes of sole proprietors. These incomes were subject to an overall estimate in 1997, the remuneration of shareholders remained unknown. The estimate of compensation of employees is given, but only for the year 1997, revealing a relative share of these incomes of 42.3% in GDP.

Due to the insufficiency of information, the wages and incomes other than interests were gathered in the same aggregate since 1998.

Depreciation is actually the residue of the generation of income account of enterprises increased by the estimated value of depreciation of fixed assets of public administrations. This last element is given in Table n° 10 which shows the calculation of the value of non-market production.

b) Calculation of Gross National Income (GNI)

GNI is equal to the balance of the generation and allocation of primary income account of all national economic agents. It is, thus, equal to GDP plus the primary income balance (resources-uses), which is equal to the net income of the factors coming from the rest of the world. The latter

are drawn from the rest of the world accounts S.2 (Table n° 28), which are uncovered in the following chapter.

The balances of the three types of primary incomes (wages, interests and other incomes) are detailed in Table n° 35.

Table n° 35
Composition of gross national income 2000-2003

	<i>LBP (billion)</i>			
Components of GNI	2000	2001	2002	2003
GDP	25 325	25 947	28 209	29 846
Net foreign compensation	-85	-59	-9	-82
Net foreign interests	486	-96	-803	-1016
Other net foreign income	٤٣٤	٤٥٨	٥١١	٧٥١
Total = GNI	26 160	26 250	27 908	29 499

The growth of gross national income was weaker than that of GDP because of the reduction of the net factors income coming from the rest of the world. This income was affected by the decrease in interest rates paid on the investments abroad whereas the investments of non-residents in Lebanese securities, in particular Treasury bills made out in currency, increased and benefited from a return definitely more remunerative.

Section III. Secondary income distribution account

Secondary distribution of income account records in resources, gross national income and resources of national agents come from various types of transfers namely: direct taxes, social security contributions, social benefits and current transfers. The payments of such transfers carried out by the national agents are posted in uses. The balance of this account is thus equal to GNI increased by current net foreign transfers. One thus obtains the third aggregate useful for the study of the national economy working, namely the GNDI.

a) Direct taxes

Direct taxes are compulsory levies carried out by the public administration on resources of national agents. They are registered in uses of households and resources of the public administration.

Two types of direct taxes can be distinguished: income tax and property tax. The tax on private cars is similar to that on property and was taken into account with direct taxes contrary to the administrative classification, which includes it among taxes on consumption. Table 36 below posts the amounts cashed by the central government on account of these taxes such as they appear in the state closing accounts. These amounts should be completed by the receipts of municipalities, which have the character of a direct tax. These receipts, however, are not known; the posted amounts are very approximate and integrate an adjustment heading necessary to the balancing of public sector accounts.

Table n° 36
Breakdown of direct taxes by nature 2000-2003

	<i>LBP (billion)</i>			
Nature of tax	2000	2001	2002	2003
Income tax	٤٢٧	٥٨٥	٦٤٢	٧٠٨
Taxes on property	٢٧٢	٢٧٣	٣٠١	٣١٠
Taxes on private cars	١٩١	٢٢٦	٢١٠	٢٣٨
Municipal taxes and adjustment	٥٣	٥٤	٦٠	٦٢
Total	٩٤٣	1 138	1 213	1 318

b) Social security contributions

The social security contributions, which could be listed in these accounts, relate to contributions received by the National Fund of Social Security (NFSS) and levies carried out by the state on wages of civil servants for the pension fund. Compulsory contributions to other funds, such as the co-operative of civil servants, were neglected for lack of statistics.

All the contributions, including those paid by the employers to the NFSS, are supposed to be paid by the employees (uses of households) since they are charged in the remuneration of labour (resources of households). They are registered in the resources of the public administration.

Payments of the state to the NFSS are classified in the budget as transfers and not as due contributions from any employer having contract employees; those are not covered by the civil servant status and thus are subjected to the labour standards legislation. These payments are sporadic (LBP 187 billion in 1997, LBP 60 billion in 1999 and 2000 and no payments in 1998, 2001 and 2002). These payments were excluded from both the remuneration of workers and the social security contributions.

Table n° 37
Social contributions paid by national agents 2000-2003

	<i>LBP (billion)</i>			
Social contribution	2000	2001	2002	2003
Contribution to NFSS				
Employers	681	588	576	596
Employees	49	50	51	52
Total	730	638	626	648
Contribution of civil servants	81	79	80	74
Total	811	717	706	722

c) Social security benefits

The social benefits appearing in resources of account II.2 are higher than those registered in uses owing to the fact, that resident households receive retirement pensions paid by non-resident bodies in addition to local allowances. The amount of these pensions was estimated in 1997, by the household living condition survey, at LBP 23 billion. It was maintained constant throughout the following period for lack of information.

Table n° 38
Breakdown of social benefits received by nature 2000-2003

	<i>LBP (billion)</i>			
Social benefit	2000	2001	2002	2003
Social benefits from NFSS				
<i>Disease/maternity</i>	231	325	377	397
<i>Family allowances</i>	124	188	207	215
<i>Severance payments</i>	177	256	303	194
Total	532	769	888	806
Pensions paid				
by the State	844	834	850	849
by the Rest of the World	23	23	23	23
Total	1 399	1 626	1 761	1 678

As for the services provided by the national agents (registered in use), they are limited to the allowances and expenses paid by the NFSS and to the retirement pensions paid by the State. The former rose from LBP 407 billion in 1997 to LBP 888 billion in 2002 and LBP 806 billion in 2003 and the latter from LBP 528 billion to LBP 857 billion then to LBP 850 billion during the same period: after a period of growth at an average annual rate of 16.9% and 10.2% respectively; these allowances regressed in 2003 by 9.3% and 0.8%.

As for the contributions, the services provided by other funds were neglected in present accounting.

d) Current transfers and calculation of the GNDI

The heading "current transfers" regroupes three types of flows: non-tax receipts of the State, assistance brought by the State to the individuals, associations and other, resident or not, organizations of the private sector and finally current transfers carried out by the non-resident to resident households.

The first two headings are drawn from the closure account of the State and added up with an adjustment concerning the assistance carried out by the intermediary of other administrations.

The net foreign transfers result from the methods adopted for the estimate of the various headings of the balance of payments, methods, which are exposed in the following chapter.

Table n° 39
Breakdown of current transfers received according to their nature 2000-2003

	<i>LBP (billion)</i>			
Transfer	2000	2001	2002	2003
Non tax income	330	297	301	310
Assistance	101	113	102	106
Net foreign transfers	2 440	2 521	2 951	5 040
Total	2 921	2 932	3 405	5 511

The balance of the account of secondary distribution of income is equal to the gross national income increased by net foreign payments on account of secondary distribution, as Table n° 40 shows (below).

Table n° 40
GNDI calculation 2000-2003

	<i>LBP (billion)</i>			
	2000	2001	2002	2003
GNI	26 160	26 250	27 908	29 499
Pensions	23	٢٣	٢٣	٢٣
Net foreign transfers	2 440	2 521	2 951	5 040
Total = GNDI	28 623	28 795	30 882	34 562

From 1997 to 2002, net transfers tended to drop. Consequently the growth of GNDI during this period was weaker than that of the GDP. In 2003, the results of the balance of payments revealed a strong movement of transfers towards Lebanon (see following chapter); hence, a growth of GNDI stronger than GDP in current value (+11.9% against +5.8% for GDP).

Section IV. Use of income account

The use of income account records in use national consumption and in resources gross national disposable income. The balance of this account is equal to the national saving.

After a growth in 1998, the national saving appears in constant fall, especially as from the year 2000 until 2002. Thus, the rate of total saving, which was 12.5% in 1997, falls to 7.5% in 2002. This evolution seems related to that of the foreign transfers, which strongly fell during the last period, as it arises from the study of the balance of payments. So, with the recovery of such transfers in 2003, the rate of saving reaches 12.1% and almost gets back its previous 1997 level.

The current state of the economic accounts allows to bring out in a very approximate way the behaviour of economic agents, in particular of households, as regards consumption and saving. Table n° 41 breaks down the national saving as well as the gross national disposable income according to the three types of agents: households, enterprises regrouping all market manufacturing units and public administrations.

The breakdown of disposable income inside the private sector between households and enterprises is unknown. The method of accounting supposes in fact, that all value added of the market sector, once deducted the indirect taxes and the capital depreciation, is paid to households. The amount indicated for the share of the gross disposable income posted to enterprises is only a rough estimate of the fixed assets depreciation. Under this reservation, the apparent rate of saving of households falls from 20.5% in 1997 to 16.1% in 2002 and goes up to 18% in 2003.

Table n° 41
Breakdown of GNDI and gross national saving by agent 2000-2003

				<i>LBP (billion)</i>
Economic agent	2000	2001	2002	2003
<i>Gross disposable income</i>				
Households	26 484	27 061	28 268	30 995
Enterprises	1 390	1 263	1 360	1 546
Public administration	749	471	1 254	2 022
Total	28 623	28 795	30 882	34 564
<i>Gross saving</i>				
Households	4 883	5 040	4 526	5 588
Enterprises	1 390	1 263	1 360	1 546
Public administration	-3 679	-4 100	-3 561	-2 965
Total	2 594	2 203	2 325	4 169

Such an evolution is the result of a weak growth of the disposable income of households during the period 1997-2002 followed by a recovery in 2003 combined with a more regular evolution of consumption: whereas the disposable income of households increased on average by 1.1% per annum between 1997-2002, their consumption increased by 2.2% per annum. In 2003, the disposable income of households increased by 9.6% but consumption increased by only 7%.

Section V. Capital account

Capital account records gross fixed capital formation, changes in inventories and transfers of capital paid by national agents in uses. It records gross saving and transfers of capital received in resources.

Transfers of capital, which are registered in uses, represent the help to rebuilding funded by the state for the return of citizens displaced by the war. Though significant to begin with (LBP 533 billion in 1997 and 180 billion in 2000), these transfers decreased gradually and became negligible in 2001.

The transfers registered in resources include, in addition to those registered in use, the net transfers in capital coming from abroad. The latter also decreased gradually from LBP 1,718 billion in 1997 to LBP 348 billion in 2002 but picked up in 2003 to reach LBP 2,534 billion. However, this is only a very rough estimate resulting from the estimates of the balance of payments. These estimations are exposed in the following chapter.

The balance of capital account is known as capacity or need of financing, according to whether it is positive or negative. As a whole, the Lebanese economy presented, during the period 1997-2002, a need for foreign financing. In 2003, on the other hand, following the massive transfers of capital from abroad, the national economy presented a capacity of financing. As shown in Table n° 42, prior to 2003, the capacity of financing of households was not sufficient to meet the needs of the financing of enterprises and administrations. In 2003, the capacity of financing of households strongly increased thanks to foreign current transfers and capital transfers.

Table n° 42
Breakdown of net lending (+) or borrowing (-) per agent 2000-2003

	<i>LBP (billion)</i>			
Economic agent	2000	2001	2002	2003
Households	5 337	5 493	4 920	8 089
Enterprises	-2 486	-3 484	-2 815	-3 297
Public administrations	-5 091	-5 278	-4 570	-3 822
Total	-2 240	-3 269	-2 466	970

Indeed, households net lending is equal to their saving increased of net transfers in capital coming from abroad. The latter are in fact supposed to be entirely paid to households in the accounting system adopted here. The fall of this capacity from LBP 7,712 billion in 1997 to LBP 4,878 billion in 2002 is the result of the fall of current foreign transfers as well as capital transfers.

The net borrowing of enterprises is equal to the gross fixed capital formation of the market sector and changes in inventories decreased by the amounts retained as depreciation. The evolution of the need for financing of enterprises thus followed the evolution of investments in the private sector, which were in regression during the period 1997-2002 and upward in 2003.

The net borrowing of the public administration is equal to the deficit of the public sector. This deficit is very largely higher than the value of public investments. It accounted for 21.4% of GDP and 17.9% of GNDI in 1997. These ratios fell respectively to 16.2% and 14.8% in 2002, and 12.8% and 11.1% in 2003. The evolution of these last two years is the consequence of a change in the tax policy: lower customs duties in 2001 and introduction of VAT in 2002.

Section VI. Financial account

Financial accounts record the change in credits and claims in uses, as well as the change in national agent's debt in resources. The balance of the financial account is equal to the capacity or need for financing. This equality results from the principle of the general balance of accounts. The methods of estimation adopted in the development of the account rests mainly on this principle of balance. Thus, the capacity of financing of households results in an equivalent increase in the credits and claims held. The need for financing enterprises is met by drawing participations and obtaining credits. Ultimately, the deficit of the public administration will lead to an equal increase in the national debt.

Claims and liabilities retained in the present accounts are classified, according to the international classification, under the four following headings: currency and deposits (F2), titles other than shares (F3), credits (F4), shares or other equity (F5).

a) Change in currency and deposits (F2)

The currency and deposits listed here concern only banknotes in LBP issued by the Central Bank, deposits held by the residents with the banking system and net foreign assets of Lebanese banks. They do not include banknotes in dollars or other currencies, nor deposits held with foreign banks

by the residents, apart from the banking structure. The adopted figures come from data on the money supply established by the Central Bank of Lebanon.

Table n° 43
Changes in money supply and net foreign assets of the banking system 2000-2003

	<i>LBP (billion)</i>			
Nature of money	2000	2001	2002	2003
Money in LBP	-748	-2 209	3 121	5 672
Deposits in currencies	5 483	6 116	668	1 843
Total = resources	4 735	3 907	3 789	7 515
Net foreign assets of banks	-437	-1 767	2 355	5 405
Total = uses	4 298	2 140	6 144	12 920

The change of the money supply constitutes a resource for the banking system and a use for the non-banking private sector. They are mainly deposits held by households, while the change in cash account of non-financial enterprises can be regarded as negligible. Thus, the decrease in the change of the money supply from LBP 5,920 billion to LBP 3,789 billion between 1997 and 2002, and its rise in 2003 to LBP 7,515 billion is the reflection of the evolution of households' capacity of financing, which has increased because of the foreign transfers (see above).

The strong fluctuations recorded in the money distribution between currencies and Lebanese pounds depended on the cyclical variations of confidence in the national currency and spreads of interest. It should be noted that the changes in deposits in currencies were calculated at a constant rate of exchange.

The change in net foreign assets of the banking system is equal to that of Lebanese banks deposits abroad reduced by the change in non-residents deposits. It is calculated at a constant rate of exchange. By definition, this change is equal to the balancing item in the balance of payments.

b) Change in securities other than shares

Only Lebanese Treasury bills were taken into account; securities from the private or foreign sector were neglected.

The change in Treasury bills held by banks and other residents is recorded in uses; those held by autonomous administrations are however excluded. In addition to the bills subscribed by residents, the public administration also has bills subscribed by non-residents as resources. It is necessary to note, however, that the breakdown of Treasury bills between resident and non-resident subscribers is not precisely known and the adopted figures were drawn from the estimates of balance items made by the Central Bank of Lebanon. The breakdown of Treasury Bills by subscribers⁶ is illustrated in Table n° 44 (below).

⁶ The Treasury bills subscribed by banks are drawn from their balance sheets as published by BDL. Those subscribed by the public and the administrations are posted at their face value. The variations of the bonds in currencies are calculated at constant rate of exchange.

Table n° 44
Changes in Treasury bills broken down by subscriber 2000-2003

	<i>LBP (billion)</i>			
Subscriber	2000	2001	2002	2003
Treasury bills in LBP				
Public administration	518	333	149	-615
Banks	1 087	1 212	-2 799	2 586
Others	-243	-1 108	1 401	-1 161
Total	1 362	437	-1 249	810
Treasury bills in currency				
Banks	1 948	3 415	3 855	-102
Non banks	92	193	3 891	2 415
Total	2 039	3 608	7 746	2 313
Total Treasury bills				
Of which: Banks	3 035	4 627	1 056	2 484
Residents except banks	324	83	1 182	-1 776
Non-residents	1 042	335	4 259	2 415
Total	3 401	4 045	6 497	3 123
Minus Public administration	-518	-333	-149	615
= Total net	3 883	4 711	6 348	3 738

In 2002, the portfolio of banks in Treasury bills in LBP decreased by LBP 2,799 billion following an accounting entry carried out by the BDL, which consisted in cancelling its credits in Treasury bills for an amount of LBP 2,700 billion coupled with an equivalent reduction in the cumulated exchange rates loss or profit registered to the credit of the State pursuant to article 115 of the code of currency and credit. This operation, which is equivalent to the cashing of an exchange rate profit, does not appear in the Treasury accounts as a receipt, but as a financial resource under the heading "other loans in LBP", which balances the reduction of Treasury bills mentioned above. In addition, statistics of the Central Bank of Lebanon indicate an increase in Treasury bills in currencies of LBP 7,748 billion. Most of these bonds were subscribed by foreign bodies following the Paris II Conference. In 2003, Treasury bills subscription by non-residents continued and their amount, net of refunding, is estimated at LBP 2,415 billion at a constant rate of exchange.

c) Changes in loans

The amounts posted in uses represent the change in bank credits; such as they are published in the statistical monetary situation, as well as an estimate of the advances of the Treasury to public enterprises. In resources, the credits also include net foreign loans received by the public administration.

Table n° 45
Changes in loans according to their nature 2000-2003

	<i>LBP (billion)</i>			
Nature of loans	2000	2001	2002	2003
Bank credits to				
private sector	1 511	141	734	-502
public sector (net)	1 751	709	-1 622	130
<i>Credits</i>	<i>376</i>	<i>-9</i>	<i>-571</i>	<i>184</i>
<i>- deposits of public sector</i>	<i>1 375</i>	<i>718</i>	<i>-1 051</i>	<i>-54</i>
Total banking credits	3262	850	-888	-373
Advances from Treasury	596	110	213	123
Foreign loans	53	-32	57	77
Total: resources	3 911	928	-618	-173

The bank credits to private sector underwent a clear deceleration during the period 1997-2003. Their change fell from LBP 3,192 billion in 1997 to LBP 141 billion in 2001 and then increased to LBP 734 billion in 2002 then fell again to LBP -502 billion in 2003. The following table shows the evolution of the break down of credits in the financial sector by user sector, as published by the Central Bank of Lebanon (Table n° 46). These credits are different from the credits reported in the monetary situation, but make it possible to see the variations in the breakdown of credits by sector and their evolution; it can be observed that in fact the credits to the sector of construction fell the most during the period. On the other hand, one notes an increase in credits to industry in 2003.

Table n° 46
Changes in credits to the private sector according to economic sectors 2000-2003

	<i>LBP (billion)</i>			
Sector of economic activity	2000	2001	2002	2003
Agriculture	45	-47	20	1
Industry	172	232	-41	339
Construction	318	-130	-279	-440
Trade	238	489	114	61
Services	103	209	235	95
Financial institutions	38	97	8	67
Other bodies	2	79	88	-350
Individuals	311	282	279	448
Total	1 227	1 211	424	221
Adjustment	284	-1 070	310	-723
Total = Banking credits	1 511	141	734	-502

The bank credits to public sector are net of deposits. Strictly speaking, the variation of the credits reflects more that of deposits than those of credits. The latter are negligible as the banking system finances the public sector by means of subscriptions to Treasury bills. In 2002, for example, the net bank credits to the public sector decreased by LBP 1,622 billion following a negative variation of credits (LBP -571 billion) and especially an increase in deposits (of LBP 1,051 billion). Net

credits of the banking system to the sector decreased by LBP 466 billion, however, the variation of Treasury bills held by banks has been LBP +1056 billion.

The *advances of the Treasury to the public enterprises*, such as the Electricity of Lebanon are not precisely known. The current system of public accounts does not make it possible to know the breakdown of the Treasury advances by recipient. The figures indicated are approximate and make it possible to balance the accounts of the public administration.

The posted *external public loans* are those carried out by the CDR. The recourse of the state to foreign financing is done mainly by issuing euro bonds.

d) Changes in shares and other equity

At the present time, data on the balance sheets of corporate enterprises is lacking. The figures indicated in uses represent in principle the changes in property rights of households on enterprises; be they corporate enterprises or individual enterprises. They also include amounts spent by households for the purchase of new dwellings; these amounts were estimated at LBP 1,328 billion in 1997 by the household living conditions survey. For lack of other data over the following years, the participation of households in the gross capital formation of enterprises was estimated by residue.

In resources, direct investments of non-residents add up to contributions of residents; the latter is estimated within the framework of the balance of payments (see following chapter).

Chapter Two

Rest of the world accounts and balance of payments

The operations carried out with the rest of the world are recorded in four accounts, which release the main aggregates of the balance of payments:

- I. Goods and services transactions account, the balance being equal to the trade balance.
- II. Primary income and current transfers account, the balance being equal to the current balance.
- III.1 Capital transfers account, the balance being equal to foreign capacity or need for financing.
- III.2 Financial account, the balance being equal to the balance of payments deficit or surplus.

These various balances are included in Table n° 47 (below).

Table n° 47
Evolution of the various balancing items of the balance of payments 2000-2003

	<i>LBP (billion)</i>			
Nature of balance	2000	2001	2002	2003
Trade balance	5 812	6 567	5 469	6 281
+ Net income and transfers	-3 298	-2 847	-2 673	-4 717
= Current balance	2 514	3 719	2 797	1 564
+ Net capital transfers	-274	-450	-331	-2 534
= Net lending/borrowing	2 240	3 269	2 466	-970
+ Net financing	-1 803	-1 502	-4 821	-4 434
= Balance of payments	437	1 767	-2 355	-5 405

Note: A positive balance in the foreign account represents a deficit for the country, while a negative balance represents a surplus. Thus, the balance of payments was in deficit in 2000 and 2001, and in surplus in 2002 and 2003.

Section I. External accounts of goods and services

The account of goods and services transactions with the rest of the world records in uses exports and in resources imports. These aggregates were reviewed in Part One, Chapter Two and Chapter Five. The balance of this account —called trade balance— has a broader meaning than the current meaning of the term since these exchanges are not limited only to the goods but also include net exports of services.

The trade balance has always been in deficit in Lebanon. Between 1997 and 2002, the deficit of foreign exchanges of goods and services regressed from LBP 8,203 billion to LBP 5,469 billion following the stagnation of imports and a significant growth of exports. In 2003, further to a growth of imports more significant than exports, the deficit went up to LBP 6,281 billion. In 1997,

this deficit accounted for 34.2% of GDP and 25.5% of national expenditure; in 2002, it only accounted for 19.4% of GDP and 16.2% of national expenditure; in 2003, these ratios went back respectively to 21.0% and 17.4%.

Let us note that the estimate of the trade balance was revised downward since 2002 following the upward revision of the export net services.

Section II. Primary income and current transfers account

This account records in uses the primary income paid to Lebanese residents by the rest of the world as well as received net transfers. In resources, it carries forward the balance of goods and services transactions, and records the payments of primary income carried out by the national economy to non-residents.

The balance of this account is equal to the current balance of payments. As the trade balance, this last balance is positive for the rest of the world, which indicates a deficit for Lebanon. In 2002, the current balance regressed further to the improvement of the trade balance to the profit of Lebanon, and in 2003, it fell in a significant way further to the upturn of transfers.

Below is an outline on the evolution of the elements entering into this account.

a) Primary income

The primary income, also known as income of the factors, includes wages, interests and other labour or capital income.

The *compensation and other labour income* received from abroad by Lebanese residents had been estimated for the year 1997 by the household living conditions survey. These figures were projected over the following years, by taking as an indicator, the frequency of Lebanese travellers abroad. Wages paid to non-residents were projected proportionally with the value added in the sectors of agriculture and construction.

The *interests* received by Lebanese residents on their investments abroad and the interests paid to non-residents are estimated by the Central Bank of Lebanon from the works on the balance of payments. These estimates show a clear regression of received interests which fell from LBP 1,441 billion in 1997 to LBP 944 billion in 2002 and to LBP 626 billion in 2003, while interests paid to non-resident investors increased considerably, rising from LBP 951 billion in 1997 to 1,642 billion in 2003 after LBP 1,747 billion in 2002.

As interests constitute the most significant share of the primary income exchanged with foreign countries, the net income of the factors coming from the rest of the world was degraded considerably since 2001: this occurred after a progression between 1997 and 2000 when the foreign contribution to national income rose from LBP 691 to LBP 834 billion, this net income fell to LBP 303 billion in 2001 and becomes negative in 2002 (LBP -302 billion) and in 2003 (LBP -346 billion). See Table n° 30.

b) Net current transfers

For centuries, Lebanon has always profited from a flow of transfers coming from abroad; however, there are no serious statistics available on this and the amount of such transfers. Since 2003, the Central Bank of Lebanon has initiated a survey on trade banks, to compile and classify by nature all transfers of funds between Lebanon and foreign countries when the amount exceeds USD 10,000. While awaiting the results of this survey, the method adopted here for the estimation of current transfers, was to consider all the residue of the balance of payments. In other words, the heading "error and omission", as transfers and to distribute it between current transfers and transfers of capital following a distribution key depending on the general economic situation in particular that of investments. The distribution key resulting between current transfers and capital transfers were, except for an adjustment, the following: 0.7/0.3 in 1997 and 1998, 0.8/0.2 in 1999, 0.85/0.15 in 2001, 0.9/0.1 in 2000 and 2002 and two thirds/one third in 2003.

The general tendency of net foreign transfers was downward between 1997 and 2002. Considering the downward trend of investments in Lebanon, it was normal to consider that this fall concerned the capital transfers more than the current transfers. In 2003, the strong balance of payments surplus witnessed a massive movement of transfers towards Lebanon due to the rise of oil incomes. As investments in the private sector started to grow, the increase in transfers of capital was regarded as being more significant than current transfers.

For the net current transfers, it is advisable to add the payments of retirement pensions and other social security benefits received from abroad. These payments had been estimated at LBP 23 billion in 1997 thanks to the household living conditions survey and maintained constant throughout the period.

Section III. Capital transfers account

This account carries forward the current balance in resources and net transfers of capital in uses.

The net transfers of capital were estimated by the same method as the current transfers (refer to preceding section). This method of estimation led to present net foreign capital transfers strongly declining between 1997 and 2002 and significantly rising in 2003: from LBP 1,718 billion in 1997 to LBP 331 billion in 2002 and to LBP 2,534 billion in 2003.

Regarding the general balance of accounts, the balancing item of this account is rigorously equal in absolute value to the net lending or borrowing of the national economy. Positive until 2002, it becomes negative in 2003 (LBP -971 billion against LBP 2,466 in 2002 and LBP 1,770 in 1997).

Section IV. Financial account

Financial account records the change in credits in uses, the change in debts of the rest of the world in relation to the national economy in resources. The balance of financial account is strictly equal to the capacity or the need for financing. Credits and liabilities are posted net in each category.

In uses, one finds:

a) Securities other than shares

It concerns the variation of the portfolio of Lebanese Treasury bills held by non-residents. The Central Bank of Lebanon estimates these amounts. (See preceding chapter, Section VI, Paragraph b)

b) Credits

They are only foreign loans carried out by the CDR

c) Shares and participations

The rights of non-residents on resident enterprises include mainly the real estate. From an estimate made within the framework of the 1997 accounts, the variation of these rights was projected over the following years proportionally with the direct investments retained by the Central Bank of Lebanon in estimating elements of the balance of payments.

In resources, in addition to the capacity of financing, the net change of foreign assets of the Lebanese banking system is recorded under the heading "currency and deposits". By definition, this change represents the final balance of the balance of payments.

As can be noted, the balance of payments was in strong deficit in 2001 in consequence of the increase in imports; in 2002 it was in strong surplus as a consequence of the contribution of foreign bodies to the financing of the Lebanese Treasury pursuant of the decisions of Paris II. In 2003, the balance of payments recorded surpluses that are even more significant under the double effect of the continuation of purchase of Treasury bills and the contribution of capital or current transfers.

Conclusion

The projection of the Economic Accounts 2003 was made possible by adhering to the methods developed for the compilation of the accounts between 1997-2002, which were formulated not only to evaluate the macro-economic evolutions, but also to pinpoint the changes that have occurred in the main sectors of the Lebanese economy and finances. Here, in brief, are the principal facts that emerged.

a) The structural gap between national expenditure and domestic production increased slightly

After the evolution of years 1997-2002 —leading to a reduction of the variation in relative value between the national expenditure and GDP— the variation, which was 34.2% of GDP in 1997, increased from 19.4% in 2002 to 21% in 2003. This evolution is the consequence of the disparity of price increases in the various sectors of the economy as well as imports and production prices.

b) Persistent sector weakness of goods production

The share of agriculture in GDP continued to regress – from 5.8% in 2002 to 5.5% in 2003. However, the regression tendency of the manufacturing sector was reversed, and this sector's share in GDP slightly increased from 11.5% in 2002 to 11.8% in 2003. Overall, the contribution of these two sectors of production of goods was maintained to 17.3%. It is important to note that the progression of industry would have been more significant if, instead of falling, prices of its factors of production had followed the same tendency as prices of the total of added values.

c) A rise in import prices partially reflected on consumer prices

Import unit prices had dropped by 4.1% on average during the period 1997-2002, a drop that was mainly due to the appreciation of Lebanese pound against major foreign currencies as well as the downward trend of raw materials. In 2003, the Lebanese pound, pegged to the American dollar, began to depreciate while the prices of raw materials rose again. That, therefore, resulted in a 5.6% rise of import prices. Domestic prices did not follow the same tendency; hence, consumer prices grew by only 3.6%.

d) Recovery of private investments

Whereas public investments continued to drop, private investments picked up strongly in 2003 (+17.5%), fed by the contribution of foreign capital in search of investment. Their share in the national expenditure, which was 12.2% in 2002, amounts to 13.4% in 2003.

e) A growth supported by investments and exports

The growth of consumption has been rather moderate; nevertheless, the growth of production was fed by the progression of exports and investments.

f) Trade deficit rose again

The trade deficit in goods and services, which initially covered 25.5% of national expenditure in 1997, had moved back to 16.2% of this expenditure in 2002. In 2003, this ratio rose to 17.4%.

g) A more significant dependence on external transfers

The deficit in the goods and services exchanges with foreign countries has always been covered by foreign transfers, which contributed to the financing of the national economy, either directly or indirectly, while contributing to the formation of household saving. Estimated transfers, other than direct investments after a period of decrease, picked up very strongly in 2003, reinforcing the financing capacity of the private sector, which translated into a notable increase in deposits of residents in commercial banks.

h) A strong soar in national saving

The national saving had strongly declined from 1999 to 2002 after the peak reached in 1998: LBP 4,476 billion. Thanks to the recovery of activity, it showed some progress, but overall, because of the excess of the balance of payments, the gross national saving was set back in 2003 to a level in close proximity to that of 1988: LBP 4,169 billion.

i) Persistent weakness of the banking sector's participation in the financing of private investment

The participation of the banking system in the financing of private investment has been decreasing since 1997 to become negative in 2003. The excess of banks' liquid assets was invested in Treasury bills or was invested abroad or was frozen at the Central Bank of Lebanon.

j) A public deficit in regression

The public deficit clearly decreased in 2003, and varied between 15% and 20% of GDP during the period 1997-2002, but does not represent more than 12.8% of GDP. Its coverage required the use of a substantial part of the capacity of internal and external financing.

k) Importance of the burden of the national debt

The importance of the pure interests (excluding banking margins) paid on the national debt in the secondary distribution system was prevalent: they represented 149.3% of compulsory levies on incomes, i.e. direct taxes and social security contributions in 1997. This ratio rose to 184% in 2002 and 181% in 2003.

APPENDICES

Appendix I

Tables of basic accounts

N.B:

- The accounts from 2000 till 2002 have been modified.
- The difference in total found, is due to the rounding of figures from decimals.

1. Goods and services supply-use tables

1.0. All products

a) Current value

LBP billion

Nature of flow	2000	2001	2002	2003
Intermediate uses	12 347	12 186	12 954	14 157
Final consumption	26 ٦٠٢	27 203	29 293	31 176
GFCF	5 268	5 314	5 479	5 862
Exports	2 675	3 110	3 492	3 788
Changes in inventories/Adjustment	-160	608	-357	-129
Total uses= resources	46 ٧٢٢	48 421	50 862	54 854
Output except Trade	31 8٦٢	32 081	34 077	36 275
Imports	9 027	10 289	9 698	10 851
Taxes/imports	1 939	1 819	2 544	2 726
Trade output*	3 905	4 233	4 543	5 002

b) Volume at previous year prices

LBP billion

Nature of flow	2000	2001	2002	2003
Intermediate uses	12 040	12 839	12 568	13 499
Final consumption	26 ٧٠٩	27 930	28 188	30 277
GFCF	5 609	5 665	5 432	5 774
Exports	2 728	3 240	3 566	3 745
Changes in inventories/Adjustment	-167	629	-367	-127
Total uses= resources	46 ٩١٩	50 304	49 388	53 169
Output except Trade	32 ٢٢٥	32 764	33 157	35 573
Imports	8 792	10 968	10 042	10 290
Taxes/imports	2 038	2 335	1 731	2 700
Trade output*	3 864	4 236	4 457	4 606

*=Trade margins + trade services exports

Note:

Supply-Use tables are established according to the territorial concept. Consequently imports and consumption do not include household expenses abroad. In the same way, tourists expenses on the territory are not included in exports but in consumption.

1. Goods and services supply-use tables (continued)

1.1. Agriculture products

<i>a) Current value</i>		<i>LBP billion</i>			
Nature of flow	2000	2001	2002	2003	
Intermediate uses	865	843	893	874	
Final consumption	1 496	1 467	1 559	1 576	
GFCF	0	0	0	0	
Exports	199	217	203	241	
Changes in inventories/Adjustment	0	20	-20	0	
Total uses= resources	2 561	2 547	2 635	2 692	
Output	1 498	1 407	1 503	1 513	
Imports	491	544	509	575	
Taxes/imports	76	78	75	71	
Trade output	496	519	548	533	

<i>b) Volume at previous year prices</i>		<i>LBP billion</i>			
Nature of flow	2000	2001	2002	2003	
Intermediate uses	864	851	866	835	
Final consumption	1 554	1 495	1 497	1 560	
GFCF	0	0	0	0	
Exports	212	226	218	226	
Changes in inventories/Adjustment	0	21	-22	0	
Total uses= resources	2 630	2 594	2 559	2 621	
Output	1 481	1 422	1 416	1 473	
Imports	516	597	540	533	
Taxes/imports	55	97	74	76	
Trade output	577	478	529	539	

1. Goods and services supply-use tables (continued)

1.2. Livestock products

a) Current value

LBP billion

Nature of flow	2000	2001	2002	2003
Intermediate uses	457	476	518	559
Final consumption	490	510	473	515
GFCF	19	19	19	19
Exports	15	18	23	33
Changes in inventories/Adjustment	0	30	0	0
Total uses= resources	980	1 053	1 032	1 125
Output	537	529	517	538
Imports	240	298	304	345
Taxes/imports	10	4	4	4
Trade output	192	222	207	239

b) Volume at previous year prices

LBP billion

Nature of flow	2000	2001	2002	2003
Intermediate uses	492	495	522	504
Final consumption	503	521	524	494
GFCF	18	22	19	14
Exports	21	20	27	36
Changes in inventories/Adjustment	0	30	0	0
Total uses= resources	1 034	1 088	1 092	1 047
Output	593	544	564	534
Imports	235	308	306	295
Taxes/imports	9	14	3	5
Trade output	196	222	219	214

1. Goods and services supply-use tables (continued)

1.3. Energy and water

a) Current value

LBP billion

Nature of flow	2000	2001	2002	2003
Intermediate uses	2 117	2 047	2 354	2 703
Final consumption	1 498	1 551	1 791	1 905
GFCF	0	0	0	0
Exports	2	2	7	5
Changes in inventories/Adjustment	0	0	0	0
Total uses= resources	3 617	3 600	4 152	4 613
Output	1 101	1 132	1 231	1 269
Imports	1 708	1 579	1 587	1 916
Taxes/imports	543	689	1 016	1 077
Trade output	265	200	318	351

b) Volume at previous year prices

LBP billion

Nature of flow	2000	2001	2002	2003
Intermediate uses	1 654	2 142	2 102	2 480
Final consumption	1 330	1 516	1 581	1 855
GFCF	0	0	0	0
Exports	2	2	8	4
Changes in inventories/Adjustment	0	0	0	0
Total uses= resources	2 986	3 660	3 691	4 339
Output	1 089	1 124	1 168	1 270
Imports	1 134	1 825	1 608	1 613
Taxes/imports	600	510	690	1 064
Trade output	163	201	225	392

1. Goods and services supply-use tables (continued)

1.4. Food industry products

<i>a) Current value</i>		<i>LBP billion</i>			
Nature of flow	2000	2001	2002	2003	
Intermediate uses	339	347	339	369	
Final consumption	4 372	4 563	4 828	4 937	
GFCF	0	0	0	0	
Exports	130	145	166	240	
Changes in inventories/Adjustment	-23	15	-6	-39	
Total uses= resources	4 819	5 070	5 326	5 507	
Output	2 641	2 687	2 903	2 960	
Imports	974	1 072	1 054	1 087	
Taxes/imports	370	413	396	379	
Trade output	834	898	973	1 081	

<i>b) Volume at previous year prices</i>		<i>LBP billion</i>			
Nature of flow	2000	2001	2002	2003	
Intermediate uses	365	358	340	329	
Final consumption	4 398	4 718	4 831	4 838	
GFCF	0	0	0	0	
Exports	136	153	168	247	
Changes in inventories/Adjustment	-22	16	-7	-36	
Total uses= resources	4 878	5 245	5 332	5 377	
Output	2 731	2 740	2 887	2 959	
Imports	1 027	1 105	1 092	1 054	
Taxes/imports	331	501	379	382	
Trade output	789	899	974	983	

1. Goods and services supply-use tables (continued)

1.5. Textiles and leather

a) Current value

LBP billion

Nature of flow	2000	2001	2002	2003
Intermediate uses	302	268	265	258
Final consumption	1 443	1 461	1 573	1 739
GFCF	2	3	3	2
Exports	171	315	291	339
Changes in inventories/Adjustment	-80	70	50	0
Total uses= resources	1 838	2 116	2 182	2 338
Output	565	553	583	596
Imports	645	843	793	806
Taxes/imports	169	101	163	176
Trade output	459	619	644	760

b) Volume at previous year prices

LBP billion

Nature of flow	2000	2001	2002	2003
Intermediate uses	336	334	270	271
Final consumption	1 438	1 614	1 484	1 619
GFCF	3	4	3	2
Exports	176	336	298	321
Changes in inventories/Adjustment	-82	80	53	0
Total uses= resources	1 871	2 367	2 107	2 213
Output	582	600	543	560
Imports	663	959	847	836
Taxes/imports	172	252	102	171
Trade output	454	557	616	646

1. Goods and services supply-use tables (continued)

1.6. Non-metal ores

a) Current value

LBP billion

Nature of flow	2000	2001	2002	2003
Intermediate uses	1 255	1 168	1 194	1 322
Final consumption	54	55	56	56
GFCF	24	27	27	22
Exports	79	91	108	171
Changes in inventories/Adjustment	0	46	-18	-40
Total uses= resources	1 412	1 387	1 366	1 530
Output	859	825	814	876
Imports	341	382	365	432
Taxes/imports	92	71	99	105
Trade output	121	109	89	117

b) Volume at previous year prices

LBP billion

Nature of flow	2000	2001	2002	2003
Intermediate uses	1 249	1 323	1 181	1 232
Final consumption	58	64	57	47
GFCF	25	31	22	21
Exports	85	98	108	185
Changes in inventories/Adjustment	0	50	-18	-40
Total uses= resources	1 417	1 566	1 350	1 445
Output	853	919	804	825
Imports	349	411	371	421
Taxes/imports	103	110	69	115
Trade output	112	125	106	84

1. Goods and services supply-use tables (continued)

1.7. Metals, machines and equipment

a) Current value

LBP billion

Nature of flow	2000	2001	2002	2003
Intermediate uses	1 679	1 625	1 640	1 848
Final consumption	1 442	1 468	1 634	1 848
GFCF	1 115	1 074	1 172	1 286
Exports	422	653	672	826
Changes in inventories/Adjustment	-57	333	-277	-40
Total uses= resources	4 600	5 151	4 841	5 767
Output	1 021	1 032	1 022	1 289
Imports	2 697	3 322	2 847	3 209
Taxes/imports	462	340	547	632
Trade output	420	457	424	638

b) Volume at previous year prices

LBP billion

Nature of flow	2000	2001	2002	2003
Intermediate uses	1 723	1 771	1 644	1 769
Final consumption	1 548	1 593	1 484	1 736
GFCF	1 240	1 214	1 165	1 273
Exports	433	693	686	781
Changes in inventories/Adjustment	-63	338	-280	-41
Total uses= resources	4 880	5 609	4 699	5 518
Output	1 053	1 079	1 027	1 211
Imports	2 886	3 434	2 966	3 186
Taxes/imports	519	587	287	630
Trade output	422	509	420	491

1. Goods and services supply-use tables (continued)

1.8. Wood, rubber and chemicals

a) Current value

LBP billion

Nature of flow	2000	2001	2002	2003
Intermediate uses	1 432	1 390	1 422	1 604
Final consumption	1 006	1 041	1 122	1 286
GFCF	117	138	143	151
Exports	204	234	303	334
Changes in inventories/Adjustment	0	60	-50	-10
Total uses= resources	2 759	2 864	2 940	3 364
Output	937	910	902	976
Imports	1 468	1 656	1 670	1 898
Taxes/imports	141	76	166	196
Trade output	214	221	201	294

b) Volume at previous year prices

LBP billion

Nature of flow	2000	2001	2002	2003
Intermediate uses	1 413	1 533	1 424	1 462
Final consumption	1 053	1 098	1 064	1 128
GFCF	126	148	136	148
Exports	214	250	297	326
Changes in inventories/Adjustment	0	62	-51	-9
Total uses= resources	2 805	3 093	2 870	3 055
Output	959	974	885	911
Imports	1 453	1 721	1 688	1 763
Taxes/imports	157	165	77	175
Trade output	237	232	221	206

1. Goods and services supply-use tables (continued)

1.9. Furniture

<i>a) Current value</i>		<i>LBP billion</i>			
Nature of flow	2000	2001	2002	2003	
Intermediate uses	24	22	23	25	
Final consumption	207	211	215	239	
GFCF	233	236	240	256	
Exports	22	30	31	36	
Changes in inventories/Adjustment	0	0	0	0	
Total uses= resources	486	500	509	556	
Output	334	337	337	394	
Imports	81	95	93	85	
Taxes/imports	27	25	34	35	
Trade output	44	44	45	42	

<i>b) Volume at previous year prices</i>		<i>LBP billion</i>			
Nature of flow	2000	2001	2002	2003	
Intermediate uses	27	28	23	27	
Final consumption	218	227	214	232	
GFCF	253	252	265	275	
Exports	23	32	35	32	
Changes in inventories/Adjustment	0	0	0	0	
Total uses= resources	520	538	536	565	
Output	351	358	359	386	
Imports	90	101	103	91	
Taxes/imports	32	34	27	33	
Trade output	46	45	46	54	

1. Goods and services supply-use tables (continued)

1.10. Other industrial products

<i>a) Current value</i>		<i>LBP billion</i>			
Nature of flow	2000	2001	2002	2003	
Intermediate uses	143	156	148	187	
Final consumption	592	712	768	869	
GFCF	108	142	137	169	
Exports	337	338	445	428	
Changes in inventories/Adjustment	0	35	-35	0	
Total uses= resources	1 180	1 383	1 463	1 653	
Output	544	638	700	873	
Imports	383	496	476	498	
Taxes/imports	49	22	45	50	
Trade output	204	227	242	231	

<i>b) Volume at previous year prices</i>		<i>LBP billion</i>			
Nature of flow	2000	2001	2002	2003	
Intermediate uses	183	159	175	189	
Final consumption	633	745	780	873	
GFCF	123	149	139	164	
Exports	332	364	477	452	
Changes in inventories/Adjustment	0	32	-43	0	
Total uses= resources	1 272	1 449	1 528	1 678	
Output	564	629	733	854	
Imports	437	507	522	498	
Taxes/imports	59	65	23	48	
Trade output	211	249	250	279	

1. Goods and services supply-use tables (continued)

1.11. Construction

a) Current value

LBP billion

Nature of flow	2000	2001	2002	2003
Intermediate uses	0	0	0	0
Final consumption	0	0	0	0
GFCF	3 651	3 676	3 739	3 957
Exports	0	0	0	0
Changes in inventories/Adjustment	0	0	0	0
Total uses= resources	3 651	3 676	3 739	3 957
Output	3 651	3 676	3 739	3 957

b) Volume at previous year prices

LBP billion

Nature of flow	2000	2001	2002	2003
Intermediate uses	0	0	0	0
Final consumption	0	0	0	0
GFCF	3 822	3 845	3 684	3 877
Exports	0	0	0	0
Changes in inventories/Adjustment	0	0	0	0
Total uses= resources	3 822	3 845	3 684	3 877
Output	3 822	3 845	3 684	3 877

1. Goods and services supply-use tables (continued)

1.12. Transport and communication

a) Current value

LBP billion

Nature of flow	2000	2001	2002	2003
Intermediate uses	1 244	1 293	1 597	1 802
Final consumption	1 499	1 565	1 772	1 938
GFCF	0	0	0	0
Exports	267	162	187	172
Changes in inventories/Adjustment	0	0	0	0
Total uses= resources	3 011	3 019	3 556	3 912
Output	3 011	3 019	3 556	3 912

b) Volume at previous year prices

LBP billion

Nature of flow	2000	2001	2002	2003
Intermediate uses	1 244	1 293	1 507	1 802
Final consumption	1 524	1 570	1 705	1 928
GFCF	0	0	0	0
Exports	267	162	186	172
Changes in inventories/Adjustment	0	0	0	0
Total uses= resources	3 036	3 025	3 398	3 902
Output	3 036	3 025	3 398	3 902

1. Goods and services supply-use tables (continued)

1.13. Market services

<i>a) Current value</i>		<i>LBP billion</i>			
Nature of flow	2000	2001	2002	2003	
Intermediate uses	2 490	2 551	2 563	2 606	
Final consumption	8 041	8 029	8 687	9 283	
GFCF	0	0	0	0	
Exports	170	187	205	245	
Changes in inventories/Adjustment	0	0	0	0	
Total uses= resources	10 701	10 766	11 455	12 134	
Output	10 701	10 766	11 455	12 134	

<i>b) Volume at previous year prices</i>		<i>LBP billion</i>			
Nature of flow	2000	2001	2002	2003	
Intermediate uses	2 491	2 552	2 515	2 600	
Final consumption	7 989	8 183	8 177	8 996	
GFCF	0	0	0	0	
Exports	170	187	205	245	
Changes in inventories/Adjustment	0	0	0	0	
Total uses= resources	10 650	10 922	10 898	11 841	
Output	10 650	10 922	10 898	11 841	

1.15. Non- market services

<i>a) Current value</i>		<i>LBP billion</i>			
Nature of flow	2000	2001	2002	2003	
Intermediate uses					
Final consumption	4 462	4 570	4 814	4 987	
GFCF					
Exports					
Changes in inventories/Adjustment					
Total uses= resources	4 462	4 570	4 814	4 987	
Output	4 462	4 570	4 814	4 987	

<i>b) Volume at previous year prices</i>		<i>LBP billion</i>			
Nature of flow	2000	2001	2002	2003	
Intermediate uses					
Final consumption	4 462	4 570	4 814	4 987	
GFCF					
Exports					
Changes in inventories/Adjustment					
Total uses= resources	4 462	4 570	4 814	4 987	
Output	4 462	4 570	4 814	4 987	

2. Goods and services input-output tables

In current prices and volumes at the prices of the previous year

Note:

- Input-output tables are established according to the territorial concept. Consequently imports and consumption do not include household expenses abroad. In the same way, tourists expenses on the territory are not included in exports but in consumption. The changeover to data according to the national concept is given at the bottom of tables.
- Activities in these tables are homogeneous in the sense that each activity produces a definite group of products and each group of products is produced only by this activity.

2.0. a) Year 1999 current value

LBP billion

	Intermediate uses									Final uses				Total
	1. Agric. Livest.	2. Energ. water	3. Manuf. industr	4. Constr-uction	5. Transp. comm.	6. Other serv.	7. Trade	8. Admi-nistrat.	Total interm. use	Final Con-sumpt.	GFCF	Exports	Change in invent.	
1. Agric. & livestock	199	0	1 130	3	0	10	0	0	1 343	1 981	19	258	0	3 600
2. Energy & water	11	598	259	15	493	250	7	33	1 666	1 495	0	0	0	3 162
3. Manufacturing	179	93	2 446	1 646	11	666	245	129	5 416	9 500	1 930	1 304	-21	18 129
4. Construction	0	0	0	0	0	0	0	0	0	0	4 003	0	0	4 003
5. Transp. & commun.	0	0	0	0	222	518	148	14	902	1 286	0	317	0	2 505
6. Other services	25	4	105	100	230	467	489	1 044	2 444	7 685	0	67	0	10 196
7. Trade	0	0	0	0	0	0	0	0	0	0	0	695	0	695
8 Administration	0	0	0	0	0	0	0	0	0	4 337	0	0	0	4 337
Total uses	414	695	3 940	1 764	954	1 890	891	1 224	11 771	26 284	5 951	2 640	-21	46 625
Value added	1 584	372	3 249	2 239	1 551	8 306	5 233	3 113	25 647					
Output	1 999	1 067	7 189	4 003	2 505	10 196	6 123	4 337	37 418					
Imports	789	1 240	7 178						9 207					
Taxes on imports	68	655	1 458				-2 181		0					
Trade margins	744	200	2 304				-3 248		0					
Total resources	3 600	3 162	18 129	4 003	2 505	10 196	695	4 337	46 625					

Table of territorial corrections

	Territorial concept	Expenses of tourists in Lebanon	Expenses of Lebanese abroad	National concept
Imports	9 207		410	9 617
Exports	2 640	773		3 413
Consumption	26 284	-773	410	25 921

2. Goods and services input-output tables (continued)

2.1. a) Year 2000 current value

LBP billion

	Intermediate uses									Final uses				Total
	1. Agric. Livest.	2. Energ. water	3. Manuf. industr	4. Cons- truction	5. Transp. comm.	6. Other serv.	7. Trade	8. Admi- nistrat.	Total interm. use	Final Con- sumpt.	GFCF	Exports	Change in invent.	
1. Agric. & livestock	199	0	1 109	3	0	10	0	0	1 322	1 986	19	214	0	3 541
2. Energy & water	14	781	287	18	699	276	9	33	2 117	1 498	0	2	0	3 617
3. Manufacturing	181	96	2 375	1 534	13	632	211	132	5 175	9 116	1 598	1 364	-160	17 094
4. Construction	0	0	0	0	0	0	0	0	0	0	3 651	0	0	3 651
5. Transp. & commun.	0	0	0	0	377	651	205	11	1 244	1 499	0	267	0	3 011
6. Other services	26	4	103	96	279	458	415	1 109	2 490	8 041	0	170	0	10 701
7. Trade	0	0	0	0	0	0	0	0	0	0	0	658	0	658
8 Administration	0	0	0	0	0	0	0	0	0	4 462	0	0	0	4 462
Total uses	421	881	3 874	1 651	1 368	2 028	840	1 284	12 347	26 603	5 268	2 675	-160	46 733
Value added	1 614	221	3 027	2 000	1 643	8 674	5 003	3 177	25 359					
Output	2 035	1 101	6 901	3 651	3 011	10 701	5 844	4 462	37 706					
Imports	731	1 708	6 588						9 027					
Taxes on imports	86	543	1 310				-1 939		0					
Trade margins	688	265	2 294				-3 247		0					
Total resources	3 541	3 617	17 094	3 651	3 011	10 701	658	4 462	46 733					

Table of territorial corrections

	Territorial concept	Expenses of tourists in Lebanon	Expenses of Lebanese abroad	National concept
Imports	9 027		296	9 323
Exports	2 675	836		3 511
Consumption	26 603	-836	296	26 063

2.1. b) Year 2000 volume at 1999 prices

LBP billion

	Intermediate uses									Final uses				Total
	1. Agric. Livest.	2. Energ. water	3. Manuf. industr	4. Cons- truction	5. Transp. comm.	6. Other serv.	7. Trade	8. Admi- nistrat.	Total interm. use	Final Con- sumpt.	GFCF	Exports	Change in invent.	
1. Agric. & livestock	199	0	1 143	3	0	10	0	0	1 356	2 057	18	233	0	3 664
2. Energy & water	11	610	224	14	546	216	7	25	1 654	1 330	0	2	0	2 986
3. Manufacturing	186	95	2 438	1 548	13	658	218	139	5 295	9 346	1 769	1 399	-167	17 642
4. Construction	0	0	0	0	0	0	0	0	0	0	3 822	0	0	3 822
5. Transp. & commun.	0	0	0	0	377	652	205	11	1 244	1 524	0	267	0	3 036
6. Other services	26	4	103	96	279	459	415	1 109	2 491	7 989	0	170	0	10 650
7. Trade	0	0	0	0	0	0	0	0	0	0	0	658	0	658
8 Administration	0	0	0	0	0	0	0	0	0	4 461	0	0	0	4 461
Total uses	422	709	3 909	1 661	1 215	1 994	846	1 284	12 040	26 709	5 609	2 728	-167	46 919
Value added	1 653	380	3 183	2 162	1 821	8 656	5 056	3 177	26 087					
Output	2 075	1 089	7 092	3 822	3 036	10 650	5 902	4 461	38 127					
Imports	751	1 134	6 906						8 792					
Taxes on imports	64	600	1 373				-2 038		0					
Trade margins	773	163	2 270				-3 206		0					
Total resources	3 664	2 986	17 642	3 822	3 036	10 650	658	4 461	46 919					

2. Goods and services input-output tables (continued)

2.2. a) Year 2001 current value

LBP billion

	Intermediate uses									Final uses				Total
	1. Agric. Livest.	2. Energ. water	3. Manuf. industr.	4. Cons- truction	5. Transp. comm.	6. Other serv.	7. Trade	8. Admi- nistrat.	Total interm. use	Final Con- sumpt.	GFCF	Exports	Change in invent.	
1. Agric. & livestock	187	0	1 119	3	0	10	0	0	1 319	1 977	19	235	50	3 600
2. Energy & water	13	757	284	18	646	272	10	49	2 047	1 551	0	2	0	3 600
3. Manufacturing	165	89	2 311	1 454	12	595	218	133	4 975	9 511	1 620	1 807	558	18 471
4. Construction	0	0	0	0	0	0	0	0	0	0	3 676	0	0	3 676
5. Transp. & commun.	0	0	0	0	375	663	231	25	1 293	1 565	0	162	0	3 019
6. Other services	26	4	109	101	280	476	506	1 049	2 551	8 029	0	187	0	10 766
7. Trade	0	0	0	0	0	0	0	0	0	0	0	718	0	717
8 Administration	0	0	0	0	0	0	0	0	0	4 571	0	0	0	4 571
Total uses	391	850	3 823	1 576	1 312	2 015	964	1 255	12 186	27 203	5 314	3 110	608	48 421
Value added	1 545	282	3 157	2 100	1 707	8 752	5 088	3 316	25 947					
Output	1 936	1 132	6 981	3 676	3 019	10 766	6 052	4 571	38 133					
Imports	842	1 579	7 868						10 289					
Taxes on imports	82	689	1 048				-1 819		0					
Trade margins	740	200	2 575				-3 516		0					
Total resources	3 600	3 600	18 471	3 676	3 019	10 766	717	4 571	48 421					

Table of territorial corrections

	Territorial concept	Expenses of tourists in Lebanon	Expenses of Lebanese abroad	National concept
Importations	10 289		303	10 592
Exportations	3 110	914		4 025
Consommation	27 203	-914	303	26 591

2.2. b) Year 2001 at 2000 prices

LBP billion

	Emplois intermédiaires									Emplois finals				Total
	1. Agric. Livest.	2. Energ. water	3. Manuf. industr.	4. Cons- truction	5. Transp. comm.	6. Other serv.	7. Trade	8. Admi- nistrat.	Total interm. use	Final Con- sumpt.	GFCF	Exports	Change in invent.	
1. Agric. & livestock	189	0	1 145	3	0	10	0	0	1 347	2 016	22	246	52	3 683
2. Energy & water	14	792	297	19	675	284	10	51	2 142	1 516	0	2	0	3 660
3. Manufacturing	177	98	2 567	1 614	13	655	238	144	5 506	10 059	1 798	1 926	578	19 867
4. Construction	0	0	0	0	0	0	0	0	0	0	3 845	0	0	3 845
5. Transp. & commun.	0	0	0	0	375	663	231	25	1 293	1 570	0	162	0	3 025
6. Other services	26	4	109	101	281	476	507	1 049	2 552	8 183	0	187	0	10 922
7. Trade	0	0	0	0	0	0	0	0	0	0	0	718	0	717
8 Administration	0	0	0	0	0	0	0	0	0	4 585	0	0	0	4 585
Total uses	405	894	4 119	1 736	1 343	2 088	985	1 270	12 839	27 930	5 665	3 240	630	50 304
Value added	1 562	230	3 179	2 109	1 682	8 834	5 586	3 316	26 496					
Output	1 966	1 124	7 297	3 845	3 025	10 922	6 571	4 585	39 335					
Imports	905	1 825	8 239						10 968					
Taxes on imports	111	510	1 714				-2 335		0					
Trade margins	700	201	2 616				-3 518		0					
Total resources	3 683	3 660	19 867	3 845	3 025	10 922	717	4 585	50 304					

2. Goods and services input-output tables (continued)

2.3. a) Year 2002 current value

LBP billion

	Intermediate uses									Final uses				Total
	1. Agric. Livest.	2. Energ. water	3. Manuf. industr	4. Cons- truction	5. Transp. comm.	6. Other serv.	7. Trade	8. Admi- nistrat.	Total interm. uses	Final Con- sumpt.	GFCF	Exports	Change in invent.	
1. Agric. & livestock	189	0	1 209	4	0	10	0	0	1 411	2 032	19	226	-20	3 667
2. Energy & water	15	868	326	20	764	306	11	43	2 354	1 791	0	7	0	4 152
3. Manufacturing	162	92	2 327	1 477	13	590	217	151	5 029	10 197	1 721	2 015	-337	18 626
4. Construction	0	0	0	0	0	0	0	0	0	0	3 739	0	0	3 739
5. Transp. & commun.	0	0	30	0	535	718	290	23	1 597	1 772	0	187	0	3 556
6. Other services	27	4	114	103	270	424	477	1 145	2 563	8 687	0	205	0	11 455
7. Trade	0	0	0	0	0	0	0	0	0	0	0	852	0	852
8 Administration	0	0	0	0	0	0	0	0	0	4 815	0	0	0	4 814
Total uses	393	964	4 006	1 603	1 583	2 047	995	1 363	12 954	29 293	5 479	3 492	-357	50 862
Value added	1 627	267	3 254	2 136	1 973	9 408	6 092	3 451	28 209					
Output	2 020	1 231	7 260	3 739	3 556	11 455	7 087	4 814	41 163					
Imports	813	1 587	7 298						9 698					
Taxes on imports	79	1 016	1 449				-2 544		0					
Trade margins	755	318	2 618				-3 691		0					
Total resources	3 667	4 152	18 626	3 739	3 556	11 455	852	4 814	50 862					

Table of territorial corrections

	Territorial concept	Expenses of tourists in Lebanon	Expenses of Lebanese abroad	National concept
Imports	9 698		357	10 055
Exports	3 492	+1 094		4 586
Consumption	29 293	- 1 094	357	28 556

2.3. b) Year 2002 at 2001 prices

LBP billion

Activity	Intermediate uses									Final uses				Total
	1. Agric. Elev.	2. Energ. eaux	3. Indus- tries	4. Bâtim. T.P.	5. Trans. comm.	6. Autres serv.	7. Com- merce	8. Admi- nistrat.	Total empl. interm.	Con- somm.	FBCF	Ex- port.	Var. des stocks	
1. Agric. & livestock	183	0	1 192	3	0	9	0	0	1 388	2 020	19	246	-22	3 651
2. Energy & water	13	775	291	18	683	274	10	39	2 102	1 581	0	8	0	3 691
3. Manufacturing	163	92	2 339	1 472	13	599	223	155	5 056	9 913	1 729	2 069	-345	18 422
4. Construction	0	0	0	0	0	0	0	0	0	0	3 684	0	0	3 684
5. Transp. & commun.	0	0	29	0	505	677	274	22	1 507	1 705	0	186	0	3 398
6. Other services	26	4	112	101	265	416	468	1 123	2 515	8 177	0	205	0	10 898
7. Trade	0	0	0	0	0	0	0	0	0	0	0	852	0	852
8 Administration	0	0	0	0	0	0	0	0	0	4 791	0	0	0	4 791
Total uses	385	871	3 962	1 595	1 466	1 975	974	1 339	12 568	28 188	5 432	3 566	-367	49 388
Value added	1 595	297	3 275	2 089	1 932	8 923	5 214	3 452	26 778					
Output	1 980	1 168	7 237	3 684	3 398	10 898	6 189	4 791	39 345					
Imports	845	1 608	7 589						10 042					
Taxes on imports	77	690	964				-1 731		0					
Trade margins	748	225	2 632				-3 605		0					
Total resources	3 651	3 691	18 422	3 684	3 398	10 898	852	4 791	49 388					

2. Goods and services input-output tables (continued))

2.4. a) Year 2003 current value

LBP billion

	Intermediate uses									Final uses				Total
	1. Agric. Livest.	2. Energ. water	3. Manuf. industr	4. Cons- truction	5. Transp. comm.	6. Other serv.	7. Trade	8. Admi- nistrat.	Total interm. uses	Final Con- sumpt.	GFCF	Exports	Change in invent.	
1. Agric. & livestock	195	0	1 222	4	0	12	0	0	1 433	2 091	19	274	0	3 817
2. Energy & water	16	975	371	23	894	345	12	68	2 703	1 905	0	5	0	4 613
3. Manufacturing	173	103	2 707	1 623	15	626	232	134	5 613	10 972	1 886	2 374	-129	20 716
4. Construction	0	0	0	0	0	0	0	0	0	0	3 957	0	0	3 957
5. Transp. & commun.	0	0	32	0	632	774	340	24	1 802	1 938	0	172	0	3 912
6. Other services	27	4	122	107	275	399	445	1 227	2 606	9 283	0	245	0	12 134
7. Trade	0	0	0	0	0	0	0	0	0	0	0	718	0	718
8 Administration	0	0	0	0	0	0	0	0	0	4 988	0	0	0	4 988
Total uses	410	1 083	4 455	1 756	1 816	2 155	1 029	1 453	14 157	31 176	5 862	3 788	-129	54 854
Value added	1 640	187	3 510	2 201	2 096	9 979	6 699	3 535	29 846					
Output	2 050	1 269	7 965	3 957	3 912	12 134	7 728	4 988	44 003					
Imports	920	1 916	8 015						10 851					
Taxes on imports	75	1 077	1 573				-2 726		0					
Trade margins	771	351	3 162				-4 284		0					
Total resources	3 817	4 613	20 716	3 957	3 912	12 134	718	4 988	54 854					

Table of territorial corrections

	Territorial concept	Expenses of tourists in Lebanon	Expenses of Lebanese abroad	National concept
Imports	10 851		+417	11 268
Exports	3 788	1 198		4 987
Consumption	31 176	-1 119	+417	30 394

2.4. b) Year 2003 at 2002 prices

LBP billion

Activity	Intermediate uses									Final uses				Total
	1. Agric. Livest.	2. Energ. water	3. Manuf. industr	4. Cons- truction	5. Transp. comm.	6. Other serv.	7. Trade	8. Admi- nistrat.	Total interm. uses	Final Con- sumpt.	GFCF	Exports	Change in invent.	
1. Agric. & livestock	186	0	1 137	4	0	11	0	0	1 338	2 055	14	262	0	3 668
2. Energy & water	14	894	341	21	820	317	11	62	2 480	1 855	0	4	0	4 339
3. Manufacturing	156	95	2 547	1 528	14	598	216	126	5 280	10 473	1 883	2 344	-127	19 852
4. Construction	0	0	0	0	0	0	0	0	0	0	3 877	0	0	3 877
5. Transp. & commun.	0	0	32	0	632	774	340	24	1 802	1 928	0	172	0	3 902
6. Other services	27	4	122	107	274	398	444	1 224	2 600	8 996	0	245	0	11 841
7. Trade	0	0	0	0	0	0	0	0	0	0	0	718	0	718
8 Administration	0	0	0	0	0	0	0	0	0	4 971	0	0	0	4 971
Total uses	384	993	4 179	1 658	1 741	2 097	1 011	1 437	13 499	30 277	5 774	3 745	-127	53 169
Value added	1 623	277	3 526	2 219	2 162	9 744	6 295	3 535	29 380					
Output	2 007	1 270	7 705	3 877	3 902	11 841	7 306	4 971	42 879					
Imports	828	1 613	7 848						10 290					
Taxes on imports	81	1 064	1 555				-2 700		0					
Trade margins	753	392	2 744				-3 889		0					
Total resources	3 668	4 339	19 852	3 877	3 902	11 841	718	4 971	53 169					

3. Public administration accounts

3.1. Central administration accounts

Uses		LBP billion			
Accounts		2000	2001	2002	2003
I. Production account					
P2. Intermediate Consumption		1 170	1 164	1 241	1 297
<i>B1. Gross value added</i>		2 498	2 681	2 730	2 740
Total		3 668	3 845	3 971	4 037
II.1. Allocation of primary income account					
D1. Compensation of employees		1 880	2 033	2 059	2 043
K.1. Depreciation		618	648	671	698
<i>B5. Primary income balance</i>		2 768	2 760	3 791	4 514
Total		5 266	5 441	6 521	7 255
II.2. Secondary distribution of income account					
D41. Interests*		3 473	3 542	3 980	4 149
D62. Social benefits		844	834	850	849
Current transfers to administrations		530	195	265	292
International co-operation		6	6	4	5
D79. Other current transfers		144	107	145	146
<i>B6. Balance: disposable income</i>		-931	-463	80	717
Total		4 068	4 220	5 324	6 159
II.4. Use of income account					
P2. Consumption		3 668	3 845	3 971	4 037
<i>B8n. Net saving</i>		-4 598	-4 308	-3 891	-3 320
Total		-931	-463	80	717
III. 1 Capital account					
P51. Gross fixed capital formation		437	269	253	264
D92. Help to investment					
D93. Capital transfers to administrations		275	42	357	369
Total		713	311	610	633
III.2 Financial account					
B9. Net borrowing		4 693	3 970	3 830	3 255
F21. Cash		-47	38	11	-6
F22. Deposits in the BDL		-1 709	-135	658	-292
F41. Advances of Treasury		785	156	496	340
F79. Other debtors		91	570	158	408
Total		3 814	4 599	5 153	3 705

* Though considered as primary income, interests were classified in the State accounts on the secondary distribution account, owing to the fact that they do not form part of gross domestic product.

3. Public administration accounts

3.1. Central administration accounts

Resources

LBP billion

Accounts	2000	2001	2002	2003
I. Production account				
P12. Non-market output	3 668	3 845	3 971	4 037
Total	3 668	3 845	3 971	4 037
II.1. Allocation of primary income account				
B1. Gross domestic product	2 498	2 681	2 730	2 740
D2. Taxes on products	2 867	2 775	3 803	4 519
- D3. subsidies on products	-122	-22	-20	-20
D41. Interests	23	7	9	15
Total	5 266	5 441	6 521	7 255
II.2. Secondary distribution of income account				
B5. Primary income	2 768	2 760	3 791	4 514
D51. Income taxes	427	585	642	708
D59. Other direct taxes	463	499	511	548
D61. Social contributions	81	79	80	74
D79. Non-tax receipts	330	297	301	315
Total	4 068	4 220	5 324	6 159
II.4. Use of income account				
B6. Disposable income	-931	-463	80	717
Total	-931	-463	80	717
III. 1 Capital account				
K1. Depreciation	618	648	671	698
B8n. Net saving	-4 598	-4 308	-3 891	-3 320
B9. Net borrowing	4 693	3 970	3 830	3 255
Total	713	311	610	633
III. 2 Financial account				
F29. Deposits	422	-274	-56	-244
F3. Treasury bills	3 261	4 787	2 371	3 908
F4. Loans	23	-23	2 700	0
F79. Other creditors	174	124	147	-23
F00. Transactions not classified	-67	-14	-10	63
Total	3 814	4 599	5 153	3 705

3.2. Public administration consolidated accounts (estimates)

LBP billion

Accounts	2000	2001	2002	2003
I. Production account:	<i>Uses</i>			
P2. Intermediate Consumption	1 284	1 255	1 363	1 453
<i>B1. Gross value added</i>	<i>3 177</i>	<i>3 315</i>	<i>3 451</i>	<i>3 534</i>
Total = P12. Output = resources	4 462	4 570	4 814	4 987
II.1. Allocation of primary income account:	<i>Uses</i>			
D1. Compensation of employees	2 560	2 667	2 781	2 837
K.1. Depreciation	617	648	671	698
<i>B5n. Net primary income</i>	<i>3 229</i>	<i>3 269</i>	<i>4 348</i>	<i>5 032</i>
Total uses = resources	6 406	6 584	7 799	8 566
	<i>Resources</i>			
<i>B1. Gross value added</i>	<i>3 177</i>	<i>3 315</i>	<i>3 451</i>	<i>3 534</i>
D2-D3. Indirect taxes - subsidies	3 229	3 269	4 348	5 032
II.2. Secondary distribution of income account:	<i>Uses</i>			
D41. Interests*	3 621	3 727	4 094	4 253
D62. Social benefits	1 376	1 603	1 738	1 655
D79. Current transfers	167	66	152	156
<i>B6. Balance = disposable income</i>	<i>149</i>	<i>-29</i>	<i>583</i>	<i>1 323</i>
Total uses = resources	5 313	5 366	6 568	7 387
	<i>Resources</i>			
B5n. Net primary income	3 229	3 269	4 348	5 032
D5. Direct taxes	943	1 084	1 213	1 318
D61. Social contributions	811	717	706	722
D79. Non-tax receipts	330	297	301	315
II.4. Use of disposable income account:	<i>Uses</i>			
P2. Consumption	4 462	4 570	4 814	4 987
<i>B8n. Net Saving</i>	<i>-4 313</i>	<i>-4 599</i>	<i>-4 231</i>	<i>-3 664</i>
Total = disposable income	149	-29	583	1 323
III. 1 Capital account:	<i>Uses</i>			
P51. Gross fixed capital formation	1 232	1 176	1 002	889
D92. Investment grants	163	4	7	6
Total uses = resources	1 395	1 179	1 009	895
	<i>Resources</i>			
B8n. Net saving + grant received	-4 313	-4 599	-4 231	-3 624
K.1. Depreciation	617	648	671	698
<i>B9. Net borrowing</i>	<i>5 091</i>	<i>5 131</i>	<i>4 570</i>	<i>3 821</i>
III. 2 Capital account:	<i>Uses</i>			
B9. Net borrowing	5 091	5 131	4 570	3 821
F2. Cash and deposits	-1 375	-718	1 051	54
F41 Treasury advances	596	256	213	123
Total uses = resources	4 312	4 669	5 834	3 999
	<i>Resources</i>			
F3. Treasury bills	3 883	4 711	6 348	3 738
F4. Loans	53	-32	57	77
F4. Bank credits	376	-9	-571	184

4. Financial institutions accounts

4.1. Commercial banks accounts

LBP billion

Account	2000	2001	2002	2003
I. Production account				
<i>Uses</i>				
P2. Intermediate consumption	474	453	455	630
<i>B1. Gross value added</i>	<i>1 360</i>	<i>1 389</i>	<i>1 469</i>	<i>1 395</i>
Total uses = resources	1 834	1 842	1 924	2 025
<i>Resources = Net banking product (P1)</i>				
Interest income	6 293	6 623	6 143	6 331
- Interest payments	-4 761	-5 110	-4 532	-4 623
Commissions	303	329	312	317
II.1. Allocation of primary income account				
<i>Uses</i>				
D1. Compensation of employees	614	665	668	675
D41. Interests on loans	11	10	27	32
D42. Distributed profit	176	416	356	...
<i>B5. Balance of primary income account</i>	<i>703</i>	<i>439</i>	<i>589</i>	<i>1 191</i>
Total uses = resources	1 504	1 530	1 640	1 898
<i>Resources</i>				
B1. Gross value added	1 360	1 389	1 469	1 395
D4. Net income off work	144	141	171	503
II.2. Secondary distribution of income account				
<i>Uses</i>				
D5. Income tax	114	114	116	112
<i>B6. Balance = disposable income</i>	<i>589</i>	<i>325</i>	<i>473</i>	<i>1 080</i>
Total = Balance of primary income	703	439	589	1 191
III.1. Capital account				
<i>Uses</i>				
P51. Gross fixed capital formation	427	-48	158	1 032
<i>B9. Balance = net lending</i>	<i>589</i>	<i>325</i>	<i>473</i>	<i>1 080</i>
Total = Disposable income	114	114	116	112
III.2. Financial account				
<i>Uses</i>				
F2. Cash and deposits in BDL	504	3 325	1 304	16 363
F2. External assets	3 390	688	1 338	618
F3. Securities (Treasury bills)	1 004	-353	4 372	-5 562
F4. Credits	1 676	97	-295	-261
F9. Other debtors	183	-164	177	20
Total uses = resources	6 756	3 593	6 896	11 178
B9. Net lending	427	-48	158	1 032
F2. Deposits of residents	4 298	3 457	3 899	7 132
F2. Deposits of non-residents	1 203	237	-11	2 956
F5. Shares	249	35	709	376
F9. Other creditors	580	-87	2 140	-318

Appendix II

Statistical sources

I. Population

I.1 Vital statistics (number of registered events)

Demographic events	1999	2000	2001	2002	2003
Marriages	32 673	32 564	32 225	31 653	30 636
Divorces	...	...	4 480	4 060	4 328
Births	85 955	87 795	83 693	76 405	71 465
Deaths	19 813	19 435	17 568	17 294	17 187

Source: CAS monthly bulletins

II. Agriculture and livestock

Table II.1. Crop output

a) Planted surface area - thousand hectares

Nature of crop product	1998	1999	2000	2001	2002	2003
Cereals	51.9	52.2	50.3	52.1	56.0	60.7
Leguminous vegetables	9.7	8.5	7.7	6.7	9.8	8.1
Vegetables	39.0	42.1	37.2	34.6	41.1	42.4
Plants for manufacturing	21.6	21.2	17.1	10.9	10.4	9.7
Fruits	83.3	84.8	85.4	85.1	82.6	84.3
Olives	50.5	51.1	55.6	56.8	57.6	57.6
Other	3.5	3.7	6.4	5.7	3.5	4.9
Total	259.5	263.6	258.9	251.8	261.0	267.7

b) Output - thousand of tons

Nature of crop product	1998	1999	2000	2001	2002	2003
Cereals	105.5	93.7	150.1	172.0	264.9	326.8
Leguminous vegetables	60.4	54.8	65.0	61.3	53.5	50.0
Vegetables	1235.1	1240.0	1107.7	1074.9	1206.2	1163.1
Plants for manufacturing	455.0	382.5	355.3	30.9	11.1	12.0
Fruits	984.7	1022.0	899.5	861.2	841.5	983.2
Olives	30.3	66.4	189.5	85.8	184.4	83.2
Other	...	...	19.5	16.6	39.8	...
Total	2 871.0	2 859.4	2 786.6	2 302.7	2 561.6	2 618.3

Source: Ministry of Agriculture

c) Output value - LBP billion

Nature of crop product	1998	1999	2000	2001	2002	2003
Cereals	40.2	36.6	56.9	68.4	66.3	65.1
Leguminous vegetables	43.5	38.5	47.9	43.5	35.0	28.9
Vegetables	425.2	388.2	362.7	376.3	339.7	372.7
Plants for manufacturing	153.8	148.3	142.9	124.8	96.7	100.8
Fruits	610.7	585.9	446.7	469.4	569.6	646.5
Olives	46.7	101.0	265.7	118.8	265.2	110.3
Other	47.2	49.0	44.6	46.3	35.4	41.9
Total	1 367.3	1 347.5	1 367.4	1 247.5	1407.9	1366.2

Source: Ministry of Agriculture

Table II.2. Livestock production**a) Livestock: number of heads - thousands**

Nature of livestock	1998	1999	2000	2001	2002	2003
<i>Intended for slaughter-house</i>						
Cow	12.0	34.0	36.0	37.0	39.5	40.0
Sheep	140.0	145.0	133.0	120.0	155.0	140.0
Goat	186.0	169.0	140.0	110.0	135.0	146.0
Pig	34.0	28.0	26.0	23.0	21.0	14.0
<i>Intended to milk production</i>						
Cow	36.3	38.4	38.9	39.6	43.8	47.0
Sheep	189.3	218.6	198.0	179.7	166.4	170.6
Goat	233.7	228.7	205.0	190.0	199.7	240.4

b) Output - thousand of tons (or units)

Nature of product	1998	1999	2000	2001	2002	2003
Beef	12.4	13.1	13.4	13.8	14.3	16.4
Sheep	6.6	6.5	5.8	5.2	6.5	5.9
Goat	7.0	6.2	5.1	4.0	4.9	5.3
Pork	3.0	2.5	2.4	2.2	1.9	1.3
Chicken	87.5	90.1	113.2	117.6	124.6	127.3
Eggs (million units)	690.0	720.0	720.0	740.0	770.0	775.0
Cow's milk	143.6	149.6	158.4	167.1	193.5	194.6
Sheep's milk	21.2	23.3	23.0	22.2	22.1	23.3
Goat's milk	29.0	26.5	27.0	27.3	29.4	36.5
Honey	1.8	1.7	1.0	0.8	0.7	0.9

Source: Ministry of Agriculture

b) Output value - LBP billion

Nature of product	1998	1999	2000	2001	2002	2003
Beef	26.2	31.0	29.3	29.7	33.6	41.7
Sheep	22.8	20.2	15.1	14.1	18.3	18.2
Goat	16.1	14.5	10.8	9.2	12.0	14.8
Pork	6.3	5.0	5.0	5.3	4.2	2.7
Chicken	196.3	201.9	211.3	219.0	204.2	188.5
Eggs (million units)	48.3	49.0	52.0	53.3	49.3	55.8
Cow's milk	90.1	97.4	94.0	91.1	94.0	101.8
Sheep's milk	13.5	15.4	14.0	13.2	13.1	12.9
Goat's milk	25.5	23.1	21.0	20.0	16.1	23.0
Honey	31.2	30.3	23.8	19.1	16.4	20.0
Total	476.3	487.8	476.3	473.9	461.3	556.8

Source: Ministry of Agriculture

III. Energy

Table III.1. Main imported oil products

thousands of tons

Product	1998	1999	2000	2001	2002	2003
Gasoline	1 411.8	1 344.1	1 263.8	1 178.8	1 180.4	1 260.4
Gas oil	1 424.6	1 748.1	1 315.6	1 533.3	1 664.8	1 829.2
Fuel oil	1 588.4	1 525.1	1 507.9	1 738.8	1 583.4	1 284.9
Kerosene	106.9	126.2	124.5	128.2	126.8	124.5
Gas butane	138.0	135.3	165.1	157.7	154.8	205.1

Source: General Directorate of oil

Table III.2. Electricity consumption

kWh million

	1998	1999	2000	2001	2002	2003
(network EDL)	9 010	9 030	9 233	9 436	10 192	10 538

Source: Central Administration of Statistics, monthly bulletins

IV. Industry

Table IV.1. Imports of intermediary products intended for industry

User branch	1998	1999	2000	2001	2002	2003
	<i>values LBP billion</i>					
Not specified	266	310	359	385	380	460
Food	567	521	501	572	569	683
Textiles, leather, clothing	198	153	142	205	149	147
Non-metal ores & products	72	56	51	54	50	54
Metals, machines, equipment	606	455	418	523	430	552
Wood, rubber, chemicals	392	354	356	383	334	354
Furniture	80	59	50	65	56	65
Other industries	138	138	139	211	233	291
Total	2 319	2 044	2 016	2 399	2 202	2 606
	<i>Index of unit values compared to the previous year</i>					
Not specified	0.820	1.032	1.283	0.884	0.964	1.156
Food	0.966	0.842	0.964	0.950	0.952	1.166
Textiles, leather, clothing	0.920	0.884	0.902	0.915	0.948	0.947
Non-metal ores & products	0.908	0.996	1.007	0.904	0.972	1.048
Metals, machines, equipment	0.876	0.854	1.047	0.946	0.961	1.086
Wood, rubber, chemicals	0.911	0.922	1.020	0.913	0.981	1.080
Furniture	0.914	0.932	0.954	0.953	1.004	0.978
Other industries	0.919	0.938	1.097	0.941	0.979	1.035
Total	0.904	0.899	1.042	0.927	0.965	1.098
	<i>Index of volumes compared to the previous year</i>					
Not specified	1.003	1.129	0.903	1.214	1.019	1.049
Food	0.934	1.091	0.999	1.201	1.048	1.028
Textiles, leather, clothing	1.001	0.870	1.035	1.574	0.769	1.035
Non-metal ores & products	0.915	0.779	0.908	1.169	0.956	1.028
Metals, machines, equipment	1.076	0.880	0.878	1.324	0.856	1.181
Wood, rubber, chemicals	1.069	0.978	0.986	1.180	0.943	0.981
Furniture	1.157	0.789	0.896	1.372	0.849	1.197
Other industries	0.980	1.062	0.918	1.621	1.125	1.210
Total	1.015	0.980	0.947	1.284	0.960	1.078

V. Construction

V. 1. Building permits recorded at engineers' order

Indicator	1998	1999	2000	2001	2002	2003
Surface area - thousands m2	9 817	9 103	6 724	6 860	7 892	8 589

Source: Central Administration of Statistics, monthly bulletins

V.2. Local cement sales

Indicator	1998	1999	2000	2001	2002	2003
Thousands tons	3 515	2 971	2 623	2 715	2 601	2 704

Source: Central Bank of Lebanon, monthly bulletins

V.3. Raw material imports for construction

Indicator	1998	1999	2000	2001	2002	2003
LBP billion	648.1	475.5	430.0	433.2	410.6	430.3
Unit value index n/n-1	0.907	0.959	0.965	0.908	0.945	1.016
Volume index n/n-1	1.091	0.765	0.937	1.109	1.003	1.031

VI. Transport and communication

VI.1. Movement of goods via Beirut port

Indicator	1998	1999	2000	2001	2002	2003
Thousands tons	5 567	5 543	4 967	5 464	4 736	4 805

Source: Central Administration of Statistics, monthly bulletins

VI. 2. Number of passengers departing from Beirut airport

Indicator	1998	1999	2000	2001	2002	2003
Thousands	994	1 061	1 125	1 187	1 258	1 368

Source: Central Administration of Statistics, monthly bulletins

VI. 3. Income of telephone and telecommunications General Directorate

LBP billion

Nature of income	1998	1999	2000	2001	2002	2003
Invoices issued	249.8	331.2	361.7	313.6	408.6	394.0
Receipts from new installations	27.3	20.6	16.7	14.8	12.6	8.4
Share internat. communicat.	219.2	316.9	267.4	161.9	186.8	172.0
Share in mobiles communicat.	136.0	196.9	294.6	318.4	390.0	711.1
Total	632.3	865.6	940.4	808.6	998.0	1 285.5

Source: Ministry of Finance, closing accounts, budgets appendices

VII. Services

Table VII.1. Education: number of registered pupils and students

Cycle	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
Public and subsidised Education						
Pre-school	56 726	54 353	60 441	65 091	62 729	61 241
Primary	210 995	208 279	208 423	251 136	254 209	٢٥٠ ٤٣٧
Complem.. secondary	141 675	153 805	164 975	142 471	147 897	150 952
Technical	16 284	17 567	18 448	21 743	25 918	31 083
Lebanese University	51 661	59 728	62 602	71 050	70 711	65 530
Total	477 341	493 732	514 889	551 491	561 464	٥٥٩ ٢٤٣
Private Education						
Pre-school	102 417	88 638	88 565	90 266	90 025	90 953
Primary	186 345	186 226	176 116	202 850	197 841	198 874
Complem.. secondary	179 572	180 280	178 600	139 706	146 807	152 988
Technical	50 056	55 955	56 099	56 706	56 729	59 814
Universities	35 669	41 712	47 770	48 437	54 019	57 841
Total	554 059	552 811	547 150	537 965	545 421	560 470
						1 ١١٩
Grand total	1 031 400	1 046 543	1 062 039	1 089 456	1 106 885	٧١٣

Source: R&D Educational Center

Table VII.2. Health: public health expenditures

LBP billion

Administration	1998	1999	2000	2001	2002	2003
1. Health Ministry	148.8	132.4	190.1	182.3	216.9	273.8
2. CNSS: Health benefits	197.3	228.1	231.4	325.8	377.0	393.7
Total	345.1	360.5	421.5	508.1	593.9	667.5

Source: Ministry for Health and CNSS, closing accounts

Table VII.3. Insurance services

LBP billion

Operation	1998	1999	2000	2001	2002	2003
Premiums paid	372.1	393.8	400.4	446.5	492.0	571.2
Claims paid	181.9	172.3	111.7	184.2	193.2	223.4

Source: Ministry of Economy and Trade

Table VII.4. Passenger arrivals

thousands

Nationality	1998	1999	2000	2001	2002	2003
Foreign non Arab	347	408	438	489	535	576
Arab except Syrians	276	327	361	412	493	515
Total	623	735	799	901	1 028	1 091

Source: Central Administration of Statistics, monthly bulletins

VIII. Administration

Table VIII.1. Budgetary income, State expenditure and their classification

LBP billion

Budget headings	Classification SNA93	1999	2000	2001	2002	2003
Expenses						
11. Goods	P.2 Intermediate use	112	123	153	148	143
12. Services	P.2 Intermediate use	81	90	90	89	90
13. Compensation	D.1 Compensation	1 872	1 880	2 033	2 059	2 043
14. Transfers		1 527	1 648	1 163	1 284	1 312
	D.3 Subsidies	35	122	22	20	20
	D.62 Pensions	748	844	834	850	849
	D.73 Transfers to admin.	619	530	195	265	292
	D.74 Coop. internat.	5	6	6	4	5
	D.79 Various transfers	121	144	107	145	146
16. Other outlays	P.2 Intermediate use	170	240	221	268	334
17. Debt Services		3 916	4 190	4 242	4 716	4 879
	P.2 Intermediate use	716	716	700	736	730
	D.41 Interests	3 200	3 473	3 542	3 980	4 149
Total 1st part		7 678	8 171	7 901	8 565	8 801
2d part		824	713	311	610	633
	P.51 G.F.C.F.	217	437	269	253	264
	D.93 Transfers to admin.	608	275	42	357	369
Grand total		8 503	8 884	8 212	9 175	9 434
Income						
11. Income tax	D.51 Income tax	481	427	585	642	708
12. Taxes/property	D.59 Direct taxes	433	272	273	301	310
13. Taxes/consumpt.		966	896	1 006	2 178	2 667
Tax/cars	D.59 Direct taxes	88	74	85	81	92
VAT	D.2 Indirect taxes				986	1 322
Other	D.2 Indirect taxes	878	822	921	1 111	1 253
14. Customs duties	D.2 Indirect taxes	1 230	1 067	858	596	475
15. Other taxes	D.2 Indirect taxes	213	198	197	198	224
26. Operat.income		708	803	805	921	1 260
Public enterp. surplus	D.2 Indirect taxes	704	780	798	912	1 245
26901. Interests	D.41 Interests	4	23	7	9	15
27. Admin. receipts		402	367	410	413	334
27104. Traffic taxes	D.59 Direct taxes	133	117	141	129	146
Other	D.79 Various transfers	269	250	269	284	288
28. Fines	D.79 Various transfers	17	18	15	9	8
29. Other non-tax		96	143	93	88	93
	D.61 Contributions	79	81	79	80	74
	D.79 Various transfers	16	62	14	9	19
Grand total		4 547	4 190	4 242	5 345	6 179
Deficit	B.9	3 956	4 693	3 970	3 830	3 255

Source: Ministry of Finance, closing accounts

VIII. Administration (continued)

Table VIII.2. Treasury Accounts

LBP billion

Operation	1998	1999	2000	2001	2002	2003
<i>Change in assets</i>						
Budgetary deficit	3 245	3 955	4 692	3 952	3 890	3 255
Advances to municipalities	4	5	0	48	0	-1
Advances to public agencies	93	150	692	147	517	63
Other advances	-63	9	93	-39	-21	278
Payments made in advance	225	138	91	570	158	408
Central Bank of Lebanon	1 433	1 307	-1 709	-135	658	-292
Accrued income	-6	18	-47	38	11	-6
Adjustment accounts	-182	61	69	32	-50	-63
Total	4 749	5 643	3 881	4 614	5 163	3 641
<i>Change in liabilities</i>						
Deposits	190	140	319	-267	5	-290
Accrued expenses	0	131	242	195	296	81
Receipts to be settled	248	30	2	-15	0	0
Accounts of municipalities	-30	176	-11	-59	-231	-47
Accounts of public agencies	10	2	9	-7	21	17
Other creditors	2	-43	35	3	1	-27
Treasury bills-LBP: issues	27 952	21 364	27 342	27 739	31 479	16 742
- repayments	-25 796	-18 023	-26 109	-26 854	-31 025	-15 220
Treasury bills-foreign: issues	2 173	1 865	2 475	3 926	6 934	3 653
- repayments	0	0	-446	-25	-2 317	-1 268
Foreign loans	0	0	23	-23	0	0
Total	4 749	5 643	3 881	4 614	5 163	3 641

Source: Ministry of Finance, treasury account

Table VII.3. Public debt

end of the year, LBP billion

Debt items	1998	1999	2000	2001	2002	2003
Treasury bills in LBP						
Central Bank of Lebanon	14	3	1 598	6 111	601	8 630
Commercial banks	16 151	18 808	18 668	15 798	17 164	12 258
Outside the banking system	5 272	6 302	6 699	6 133	7 368	5 603
Banking system loans	250	269	197	172	169	353
Total gross domestic debt	21 686	25 383	27 161	28 214	25 302	26 843
- Public sector deposits	-2 142	-4 006	-2 631	-1 913	-2 964	-3 019
Net domestic debt (LBP)	19 544	21 377	24 530	26 301	22 338	23 824
Debt in foreign currency	6 280	8 379	10 541	14 481	22 007	23 353
Total	25 824	29 755	35 071	40 782	44 345	47 177

Source: Central Bank of Lebanon, monthly bulletins

VIII. Administration (continued)

Table VIII.4. Transfers from State budget to autonomous agencies

a) First

part of the budget

LBP billion

Administrative body	1998	1999	2000	2001	2002	2003
CDR	151.6	137.2	48.5	22.1	8.4	31.7
National Archives	2.2	0.9	0.9	0.0	0.5	0.0
Civil Defence	19.2	19.2	19.2	0.0	10.0	27.1
Lebanese University	123.8	120.5	152.9	138.0	161.3	139.3
R&D Educational Center	25.0	10.0	25.0	0.0	0.0	0.0
National Council for Scientific Res.	4.5	4.7	5.5	3.8	4.8	6.0
National Music Conservatory	4.9	4.5	6.0	6.5	6.5	6.2
Council for the South	137.1	63.2	61.0	0.0	7.0	5.5
Council for the Displaced	140.0	112.0	106.0	4.0	7.7	6.5
Relief Committee	1.4	2.6	10.3	0.0	3.1	19.8
Employment Office	1.9	0.5	2.4	0.8	1.4	2.3
Council for Housing	50.0	0.0	0.0	0.0	0.0	0.0
“Green Plan” Council	24.6	0.0	3.9	0.0	0.0	1.5
Agronomic Research	10.9	0.0	1.5	2.1	6.5	5.2
IDAL	1.5	1.5	4.0	9.0	30.2	22.7
NSSF	0.0	60.0	60.0	0.0	0.0	0.0
Other administrative bodies	25.8	80.9	23.3	8.3	17.4	18.5
Total	724.4	618.8	530.4	194.6	264.8	292.3

Source: Ministry of Finance, closing accounts

b) Second part of the budget

LBP billion

Administrative body	1998	1999	2000	2001	2002	2003
CDR	168.2	360.0	118.5	28.5	232.1	226.9
Lebanese University	20.0	0.0	0.0	0.0	0.2	0.4
Council for the Displaced	0.0	225.0	75.0	0.0	0.0	21.3
Council for Public Works	75.9	4.5	14.9	0.0	0.0	0.0
Council for the South	0.0	15.0	64.0	13.0	119.6	110.0
IDAL	0.0	0.0	0.0	0.0	4.0	10.8
Other administrative bodies	6.1	3.0	3.0	0.4	0.8	0.0
Total	270.1	607.5	275.4	41.9	356.7	369.4

Source: Ministry of Finance, closing accounts

VIII. Administration (continued)

Table VIII.5 CDR Accounts 1998-2003

LBP billion

Operation	1998	1999	2000	2001	2002	2003
Income						
Transfers from State	921.8	715.7	692.8	1 214.0	681.1	492.5
Donations	13.8	13.9	16.0	0.3	7.9	31.9
Receipts from tenders	1.4	0.5	1.5	1.7	1.3	2.2
Interests	1.7	0.9	5.6	3.4	0.8	0.4
Total	938.7	731.0	715.9	1 219.3	691.1	527.0
Expenses						
Costs of projects	1 099.1	673.6	644.8	662.4	585.0	488.5
Administrative expenses	16.7	18.2	18.9	21.9	23.2	24.4
Interests	33.6	41.5	59.0	57.7	64.0	73.7
Provision for bad debt	-	-	-	-	69.0	-7.9
Exchange rate loss or profit	-	0.1	-1.1	-0.2	-0.5	-3.1
Total	1 149.4	733.3	721.6	741.8	740.7	575.6
Deficit (+), Surplus(-)	-210.7	-2.3	-5.7	477.5	-49.6	-48.6
Change in assets						
Cash and banks	15.1	91.7	16.3	80.7	-42.0	-51.4
Lebanese Treasury bills	-204.4					
Loans transferred to publ.sect.	161.1	14.8	100.6	105.9	125.9	-115.3
Loans transferred to priv sect.	1.5	-1.7	-0.7	-0.2	1.9	1.4
Other loans	3.5	0.0	0.0	0.0	0.0	0.0
Other credits	-71.8	21.6	31.0	24.5	15.4	-23.9
Lebanese State	263.7	128.5	-108.3	317.8	-310.7	168.3
Equipment	-0.1	-0.4	-0.4	-0.3	-0.2	0.2
Total	168.5	254.6	38.4	528.4	-209.7	-20.8
Change in liabilities						
Reserve and suppliers	61.2	74.0	56.8	41.5	-167.8	-159.2
Outstanding interests	16.9	15.2	-10.6	-1.7	-2.6	-5.0
Treasury advances		0.0	30.5	-45.2	-25.5	0.0
Current loans	67.7	49.8	-42.0	8.0	-3.5	77.0
Other loans	233.9	83.9	9.4	42.5	48.8	63.3
Prov.for end-of-serv.indemn.	-0.4	0.0	0.0	6.1	-0.4	-1.6
Surplus (+), deficit(-)	-210.7	-2.3	-5.7	477.5	-49.6	-48.6
Adjustment	-0.1	34.1	0.0	-0.3	-9.2	53.4
Total	168.5	254.6	38.4	528.4	-209.7	-20.8

VIII. Administration (continued)

Table VII.6. National Social Security Fund accounts

LBP billion

Operation	1998	1999	2000	2001	2002	2003
<i>Incomings</i>						
Employees soc.contributions	44.7	46.8	48.8	49.8	50.6	51.8
Employers&others soc.contr.	808.4	658.9	680.9	587.8	575.7	596.5
Total contributions	853.1	705.7	729.7	737.6	626.3	648.3
Other receipts	206.6	234.7	322.9	451.8	470.5	469.6
<i>Expenses</i>						
Health&maternity allowances	197.3	228.1	231.4	325.8	377.0	396.8
Family allowances	145.7	143.4	123.6	187.6	207.3	214.6
End of service indemnity	134.7	166.1	176.7	256.0	303.6	194.2
Total allowances paid	477.7	537.6	531.7	769.4	887.9	805.6
Administrative costs	71.0	75.1	76.5	81.6	89.4	95.4

Source: NSSF

Table VIII.7. Computation of the general administration fixed capital depreciation

Year	Minim. wage LBP	GFCF LBP billion	Investments in the last 30 years Current value- billion LBP					
			1998	1999	2000	2001	2002	2003
2002		1079.0						1079.0
2001	300 000	976.0					976.0	976.0
2000	300 000	1 232.0				1 232.0	1 232.0	1 232.0
1999	300 000	1 048.0			1 048.0	1 048.0	1 048.0	1 048.0
1998	300 000	1 714.0		1 714.0	1 714.0	1 714.0	1 714.0	1 705.0
1997	300 000	1 682.0	1 682.0	1 682.0	1 682.0	1 682.0	1 682.0	1 682.0
1996	300 000	1 106.0	1 106.0	1 106.0	1 106.0	1 106.0	1 106.0	1 106.0
1995	250 000	992.0	1 190.4	1 190.4	1 190.4	1 190.4	1 190.4	1 190.4
1994	200 000	621.0	931.5	931.5	931.5	931.5	931.5	931.5
1993	118 000	580.0	1 474.6	1 474.6	1 474.6	1 474.6	1 474.6	1 474.6
1992	118 000	314.0	798.3	798.3	798.3	798.3	798.3	798.3
1991	75 000	161.0	644.0	644.0	644.0	644.0	644.0	644.0
1990	45 000	33.1	220.7	220.7	220.7	220.7	220.7	220.7
1989	15 000	32.7	654.0	654.0	654.0	654.0	654.0	654.0
1988	15 000	20.0	400.0	400.0	400.0	400.0	400.0	400.0
1987	6 400	10.0	468.8	468.8	468.8	468.8	468.8	468.8
1986	2 700	1.2	138.8	138.8	138.8	138.8	138.8	138.8
1985	1 475	1.9	386.6	386.6	386.6	386.6	386.6	386.6
1984	1 250	2.4	565.1	565.1	565.1	565.1	565.1	565.1
1983	1 100	2.0	557.2	557.2	557.2	557.2	557.2	557.2
1982	925	1.1	369.8	369.8	369.8	369.8	369.8	369.8
1981	800	1.5	560.3	560.3	560.3	560.3	560.3	560.3
1980	675	1.1	491.6	491.6	491.6	491.6	491.6	491.6
1979	560	0.9	468.2	468.2	468.2	468.2	468.2	468.2
1978	415	0.7	474.3	474.3	474.3	474.3	474.3	474.3
1977	345	0.3	260.9	260.9	260.9	260.9	260.9	260.9
1976	310	0.0	22.3	22.3	22.3	22.3	22.3	22.3
1975	310	0.2	226.5	226.5	226.5	226.5	226.5	226.5
1974	275	0.4	424.4	424.4	424.4	424.4	424.4	424.4
1973	218	0.3	371.0	371.0	371.0	371.0	371.0	371.0
1972	198	0.2	275.3	275.3	275.3	275.3	275.3	
1971	179	0.2	293.8	293.8	293.8	293.8		
1970	166	0.2	310.8	310.8	310.8			
1969	166	0.2	312.7	312.7				
1968	160	0.1	273.8					
Capital actualised value			16 353.3	17 793.5	18 528.9	19 450.0	20 132.2	20 926.9

Depreciation (1/30)	545.1	593.1	617.6	648.3	671.1	697.6
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IX. Finances

Table IX.1. Changes in the monetary situation

end of year, LBP billion

Components and counterparts	1998	1999	2000	2001	2002	2003
Money LBP	16 553	20 240	19 492	17 283	20 404	26 076
Deposits in foreign currency	23 585	24 585	29 742	35 627	36 391	38 234
Securities	371	168	60	8	157	58
Total: Money supply	40 509	44 993	49 294	52 918	56 952	64 368
Net foreign assets	14 623	14 723	13 944	12 178	15 549	21 884
<i>Gold</i>	<i>3 998</i>	<i>4 037</i>	<i>3 806</i>	<i>3 861</i>	<i>4 849</i>	<i>5 779</i>
<i>Currency</i>	<i>10 626</i>	<i>10 686</i>	<i>10 138</i>	<i>8 317</i>	<i>10 701</i>	<i>16 105</i>
Net claims on public sector	15 954	18 022	22 739	28 012	27 482	30 095
<i>In Lebanese Pounds</i>	<i>12 946</i>	<i>13 817</i>	<i>17 064</i>	<i>19 766</i>	<i>17 173</i>	<i>20 500</i>
<i>In currency</i>	<i>3 008</i>	<i>4 205</i>	<i>5 675</i>	<i>8 246</i>	<i>10 309</i>	<i>9 595</i>
Net claims on private sector	19 322	21 573	22 872	22 888	23 672	23 480
<i>In Lebanese Pounds</i>	<i>2 714</i>	<i>3 052</i>	<i>3 518</i>	<i>3 581</i>	<i>4 618</i>	<i>4 289</i>
<i>In currency</i>	<i>16 608</i>	<i>18 521</i>	<i>19 354</i>	<i>19 307</i>	<i>19 054</i>	<i>19 191</i>
Exchange rate loss or profit	-3 046	-2 918	-2 522	-2 742	-103	-646
Other net components	-6 344	-6 407	-7 739	-7 418	-9 649	-10 445
Total	40 509	44 993	49 294	52 918	56 952	64 368

Source: Central Bank of Lebanon

Table IX.2. Changes in the exchange rate of US dollar

LBP for a dollar

	1998	1999	2000	2001	2002	2003
Rate at the end of period	1 508.0	1 507.5	1 507.5	1 507.5	1 507.5	1 507.5
Average rate	1 515.9	1 507.8	1 507.5	1 507.5	1 507.5	1 507.5

Source: Central Bank of Lebanon

Table IX.3. Supply of banking credits by sector

end of year, LBP billion

Sector	1998	1999	2000	2001	2002	2003
Agriculture	286	328	373	326	346	346
Industry	2 437	2 749	2 921	3 153	3 113	3 451
Construction	4 229	4 859	5 176	5 047	4 768	4 327
Trade	6 395	7 097	7 336	7 825	7 939	8 000
Services	2 276	2 682	2 784	2 993	3 228	3 324
Financial institutions	581	639	677	774	781	848
Other organizations	806	1 110	1 112	1 191	1 279	929
Individuals	2 347	2 428	2 738	3 021	3 300	3 748
Total	19 357	21 891	23 117	24 328	24 752	24 973

Source: Central Bank of Lebanon

X. Rest of the world

Table X.1. Changes in imports by production branch

LBP billion

Activity	1998	1999	2000	2001	2002	2003
1. Agriculture and fishing	892	789	730	842	813	920
<i>11. Products of agriculture</i>	<i>619</i>	<i>538</i>	<i>490</i>	<i>544</i>	<i>509</i>	<i>575</i>
111. Cereals	182	178	170	163	166	207
112. Fruits	99	92	92	114	102	103
113. Industrial crops	129	121	103	120	109	141
114. Vegetables and others	198	141	122	142	127	119
115. Products of forest	10	5	2	5	5	4
<i>12. Livestock products</i>	<i>272</i>	<i>252</i>	<i>240</i>	<i>298</i>	<i>304</i>	<i>345</i>
121. Live animals	216	195	189	232	251	291
122. Livestock production	13	8	6	10	5	6
123. Fishery products	43	49	45	56	48	48
2. Energy and water	709	820	1 531	1 934	1 387	1 781
<i>21. Fuels</i>	<i>709</i>	<i>820</i>	<i>1 531</i>	<i>1 934</i>	<i>1 387</i>	<i>1 781</i>
211. Solid fuels	15	15	14	18	8	10
212. Oil products	694	804	1 517	1 917	1 380	1 771
3. Manufactured goods	9 110	7 748	7 112	8 217	7 517	8 206
<i>31. Manufactured tobacco</i>	<i>374</i>	<i>201</i>	<i>162</i>	<i>227</i>	<i>182</i>	<i>172</i>
<i>32. Food industry</i>	<i>901</i>	<i>867</i>	<i>812</i>	<i>845</i>	<i>872</i>	<i>915</i>
321. Fresh meats	50	44	46	31	44	58
322. Food preserves	146	139	117	123	120	126
323. Dairy products	234	235	218	213	226	224
324. Fats and oils	113	108	102	96	98	93
325. Pasta products	95	95	99	105	101	106
326. Sugar, chocolate, sweets	107	93	87	108	119	127
327. Alcoholic beverages	36	36	29	45	48	52
328. Non alcoholic beverages	6	6	5	6	9	11
329. Other food products	113	113	108	118	108	118
<i>33. Textile and leather prod.</i>	<i>878</i>	<i>699</i>	<i>645</i>	<i>843</i>	<i>793</i>	<i>806</i>
331. Threads and fabrics	225	171	171	249	184	176
332. Clothing	407	327	287	369	384	412
333. Knitted or croch. fabrics	35	29	27	33	24	28
334. Footwear	97	79	73	90	97	94
335. Jute, hemp, rope prod.	4	2	2	3	2	2
336. Leather and furskin	8	6	5	7	1	7
337. Leather articles	25	21	23	27	34	29
338. Carpet	39	29	31	35	27	25
339. Other textiles	38	35	26	30	39	34

X. Rest of the world (continued)

Table X.1. Changes in imports by production branch (continued)

LBP billion

Activity	1998	1999	2000	2001	2002	2003
34. Non metallic mineral prod.	401	345	344	386	365	432
341. Stones and sand	91	78	64	66	59	75
342. Non metallic ores	75	78	106	141	147	181
343. Cement and lime	36	11	18	0	0	7
344. Cement products	3	3	4	4	5	5
345. Ceramic products	105	97	80	89	87	93
346. Glasses and glassware	91	78	72	85	67	70
35. Metal, machines, equip.	4 282	3 559	3 224	3 668	3 061	3 399
351. Metal ores	5	2	1	1	1	3
352. Metals	1 117	941	879	769	594	727
353. Metal products	310	253	214	235	230	228
354. Aluminium products	83	58	80	67	58	57
355. Machines & equipment	826	684	598	706	663	681
356. Electrical appliances	885	677	591	771	605	594
357. Means of transport	1 057	945	861	1 119	911	1 109
36. Wood, rubber, chemicals	1644	1552	1472	1656	1670	1 898
362. Wood prod.exc.furniture	176	139	132	151	145	158
363. Paper and paper products	243	217	228	240	231	291
364. Basic chemical products	348	325	310	346	322	362
365. Various chemical products	677	695	634	731	804	908
366. Rubber	97	70	67	83	68	78
367. Plastics	104	106	92	106	100	101
37. Furniture	96	87	81	95	93	85
371. Metal pieces of furniture	33	31	30	33	35	29
372. Non metallic furniture	63	56	51	62	58	56
38. Other industrial products	534	438	385	496	481	498
381. Publishing products	64	59	58	61	60	65
382. Instruments of precision	223	201	185	236	220	259
383. Jewellery	138	74	44	80	95	72
384. Toys, music instruments	63	57	57	69	59	58
385. Other products	46	46	41	50	47	45
0. Non classified	4	3	19	1	2	3
Grand total	10 719	9 360	9 392	10 995	9 719	10 810

X. Rest of the world (continued)

Table X.2. Changes in imports by group of use

LBP billion

Use	1998	1999	2000	2001	2002	2003
Intermediate products for:	3 390	2 844	3 020	3 878	...	...
Agriculture	466	423	409	457	...	...
Manufacturing and energy	1 938	1 663	1 886	2 678	...	...
Construction	602	447	412	413	...	...
Services	310	255	249	258	...	...
Other sectors	74	55	64	73	...	...
Equipment for production (GFCF)	1 238	999	847	1 120	...	...
Goods for Households	4 590	3 972	3 626	4 293	...	...
Foods	1 373	1 116	1 030	1 140	...	...
Other consumption goods	1 459	1 344	1 221	1 439	...	...
Durable goods	1 758	1 513	1 374	1 714	...	...
Multi-use products	883	939	1 326	1 317	...	...
Foods	105	87	73	83	...	...
Oil products	594	699	1 107	1 051	...	...
Other consumption goods	73	58	61	88	...	...
Durable goods	111	96	86	96	...	...
Not classified	619	606	574	386	...	...
Grand total	10 719	9 360	9 392	10 995	9 719	10 810

Source: Central Administration of Statistics, statistical bulletins

Table X.3. Exports

LBP billion

Nature of exported product	1998	1999	2000	2001	2002	2003
Animal and agricult.products	98	85	78	84	99	115
Other products	988	935	999	1 257	1 478	2 183
Total	1 086	1 021	1 077	1 341	1 577	2 298

Source: Central Administration of Statistics, statistical bulletins

Table X.4. Changes in re-exports and transit

LBP billion

	1998	1999	2000	2001	2002	2003
Re-exports	101	108	88	90	95	158
Transit	91	81	91	104	136	278
Total	192	189	178	194	231	436

Source: Central Administration of Statistics, statistical bulletins

X. Rest of the world (continued)

X.5. Imports by country of origin

LBP billion

Country	1998	1999	2000	2001	2002	2003
Italy	1 233	1 024	1 025	1 068	1 045	1 017
Germany	931	833	784	940	878	873
France	1 043	897	794	927	780	879
United States of America	1 001	755	690	777	701	٦٥١
China	402	394	433	620	656	800
Switzerland	678	668	651	503	403	326
Turkey	272	247	209	358	390	353
United Kingdom	484	410	367	429	381	476
Russian Federation	187	149	325	617	371	484
Japan	448	391	318	355	328	406
Syria	393	337	427	494	313	٣٩١
Spain	247	223	205	278	263	299
Netherlands	192	172	188	195	222	346
Kingdom of Saudi Arabia	186	155	249	391	209	٣٣١
Belgium	198	175	163	204	207	236
Ukraine	205	164	133	190	154	251
Greece	159	168	237	214	109	125
Taiwan	159	124	105	117	95	82
Sweden	150	107	77	79	51	64
Other countries	2 151	1 965	2 012	2 238	2 163	2 420
Grand total	10 719	9 360	9 392	10 995	9719	10 810

Source: General Directorate of Customs

XI. Prices

XI. 1. Consumer price index (official)

base December 1998=100

Type of expense	Weight (%)	Dec. 1999	Dec. 2000	Dec. 2001	Dec. 2002	Dec. 2003
Food and tobacco	34.6	96.4	93.7	94.5	93.9	95.9
Clothing and footwear	6.3	104.8	104.7	108.4	117.1	121.5
Rents	1.6	...	...	...	...	...
Water, electricity, gas	7.2	105.7	105.5	104.9	107.6	110.7
Equipment, maintenance housing	7.9	100.3	96.9	97.9	102.5	100.0
Health	8.8	98.4	96.3	94.1	97.2	101.5
Transport and communication	11.3	107.8	109.9	111.6	133.0	143.0
Education	13.4	101.5	103.8	110.3	111.0	113.8
Leisure	5.4	102.1	102.1	103.3	108.1	107.4
Personal care and other	3.5	103.0	102.6	98.2	106.9	114.9
Total	100.0	100.7	99.8	101.1	105.4	108.6

Source: Central Administration of Statistics

XI. 2. Consumer price index compiled from CCIAB price surveys

base Dec.1997=100

Type of good& service acc.to production branch	Weight (%)	Dec. 1999	Dec. 2000	Dec. 2001	Dec. 2002	Dec. 2003
1. Agriculture and fishing	9.3	0.895	0.866	0.857	0.862	0.869
11. Products of agriculture	8.1	0.880	0.834	0.859	0.863	0.862
12. Prod. livestock and fishing	1.2	0.992	1.082	0.849	0.855	0.919
2. Energy and water	7.5	1.131	1.195	1.258	1.469	1.597
21. Fuels	4.2	1.193	1.307	1.421	1.636	1.862
22. Electricity and water	3.3	1.054	1.054	1.054	1.259	1.265
3. Manufactured goods	46.8	0.975	0.934	0.903	0.980	1.058
31. Manufactured tobacco	1.8	1.389	1.380	1.372	1.381	1.422
32. Foods	20.9	0.930	0.905	0.894	0.951	0.990
33. Textile, leather and clothing	7.3	0.981	0.945	0.844	0.925	0.987
35. Metals, machines, and equip.	7.3	0.942	0.857	0.821	0.959	1.166
36. Wood, rubber, and chemicals	5.5	1.058	0.981	0.955	1.069	1.201
37. Furniture	1.5	0.927	0.878	0.820	0.856	0.879
38. Other products	2.5	0.974	0.977	0.993	1.035	1.059
5. Transport & communication	6.1	1.002	0.993	0.993	1.020	1.078
6. Market services	30.3	1.048	1.013	1.006	1.109	1.146
62. Maintenance and repair	4.7	0.987	0.932	0.903	0.902	0.918
63. Rents	2.6	0.999	0.999	0.999	0.999	1.002
64. Individual services	7.5	1.015	0.961	0.927	0.977	1.002
65. Social services	15.5	1.091	1.065	1.075	1.253	1.309
Total	100.0	1.004	0.979	0.968	1.044	1.109

XI. Prices (continued)

XI. 2. Consumer price index compiled from CCIAB price surveys (continued)

base June 1997=100

Type of good& service acc.to production branch	Weight (%)	June 1999	June 2000	June 2001	June 2002	June 2003
1. Agriculture and fishing	9.3	0.741	0.741	0.775	0.726	0.796
11. Products of agriculture	8.1	0.705	0.717	0.761	0.702	0.769
12. Prod. livestock and fishing	1.2	0.977	0.902	0.865	0.890	0.977
2. Energy and water	7.5	1.268	1.432	1.428	1.690	1.767
21. Fuels	4.2	1.086	1.380	1.374	1.596	1.735
22. Electricity and water	3.3	1.497	1.497	1.497	1.809	1.809
3. Manufactured goods	46.8	1.000	0.968	0.923	1.003	1.055
31. Manufactured tobacco	1.8	1.434	1.443	1.436	1.444	1.466
32. Foods	20.9	0.951	0.920	0.904	0.959	0.969
33. Textile, leather and clothing	7.3	0.996	1.006	0.875	1.007	1.072
35. Metals, machines, and equip.	7.3	0.994	0.914	0.867	1.022	1.143
36. Wood, rubber, and chemicals	5.5	1.077	1.011	0.955	1.003	1.135
37. Furniture	1.5	0.942	0.897	0.824	0.867	0.860
38. Other products	2.5	0.993	1.028	1.001	1.070	1.109
5. Transport & communication	6.1	1.006	1.006	0.997	1.017	1.020
6. Market services	30.3	1.017	1.039	1.008	1.120	1.126
62. Maintenance and repair	4.7	0.978	0.951	0.900	0.896	0.904
63. Rents	2.6	0.999	0.999	0.999	0.999	1.002
64. Individual services	7.5	1.018	0.972	0.937	0.972	0.983
65. Social services	15.5	1.031	1.105	1.076	1.279	1.283
Total	100.0	1.006	1.010	0.983	1.062	1.103

XI. Prices (continued)

Table XI.3. Index of unit values of imported goods

compared to previous year

Product	1999/98	2000/99	2001/00	2002/01	2003/02
11. Products of agriculture	0.935	0.951	0.912	0.944	1.078
111. Cereals	0.912	0.952	0.999	0.982	1.134
112. Fruits	0.977	0.981	0.934	1.004	1.005
113. Industrial crops	0.822	0.936	0.789	0.858	1.185
114. Vegetables and others	1.065	0.939	0.931	0.923	0.952
115. Products of forest	0.892	0.999	0.768	1.235	1.134
12. Livestock products	0.829	1.023	0.965	0.994	1.171
121. Live animals	0.802	1.020	0.994	1.014	1.224
122. Livestock production	0.963	1.045	1.254	1.035	1.034
123. Fishery products	0.930	1.030	0.833	0.896	0.942
21. Fuels	1.207	1.505	0.844	0.987	1.187
211. Solid fuels	0.896	0.995	1.079	0.975	0.944
212. Oil products	1.212	1.512	0.842	0.987	1.189
31. Manufactured tobacco	0.938	1.036	0.940	0.922	1.010
32. Food industry prod.	0.922	0.932	0.978	0.976	1.036
321. Fresh meats	0.943	0.956	0.913	0.948	0.911
322. Food preserves	0.930	0.902	0.987	0.970	1.026
323. Dairy products	0.919	0.951	1.030	0.950	1.013
324. Fats and oils	0.853	0.950	0.980	1.046	1.202
325. Pasta products	0.959	0.972	0.938	0.974	1.022
326. Sugar, chocolate, sweets	0.949	0.900	0.930	0.915	1.037
327. Alcoholic beverages	0.965	0.899	1.035	1.009	1.044
328. Non alcoholic beverages	0.985	0.926	0.871	1.057	1.251
329. Other food products	1.004	0.913	0.869	0.981	1.038
33. Textile and leather prod.	0.871	0.932	0.974	0.957	0.965
331. Threads and fabrics	0.863	0.924	0.907	0.946	0.944
332. Clothing	0.874	0.975	1.026	0.955	0.970
333. Knitted or croch. fabrics	0.928	0.844	0.902	0.955	0.984
334. Footwear	0.805	0.871	1.024	0.965	0.946
335. Jute, hemp, rope prod.	0.891	0.947	0.884	1.017	0.961
336. Leather and furskin	0.991	0.816	0.954	1.162	0.931
337. Leather articles	0.848	0.956	0.910	0.961	1.004
338. Carpet	0.954	0.828	1.044	0.972	0.988
339. Other textiles	0.935	0.932	0.936	0.957	1.012

XI. Prices (continued)

Table XI.3. Index of unit values of imported goods (continued)

compared to previous year

Product	1999/98	2000/99	2001/00	2002/01	2003/02
34. Non metallic mineral prod.	0.956	0.987	0.939	0.986	1.026
341. Stones and sand	0.961	1.065	0.975	0.916	0.956
342. Non metallic ores	1.014	1.070	0.933	1.073	1.068
343. Cement and lime	0.928	0.953	0.946	1.055	1.095
344. Cement products	0.910	0.849	0.948	0.911	1.018
345. Ceramic products	0.963	0.908	0.900	0.920	1.021
346. Glasses and glassware	0.897	0.928	0.963	0.973	1.005
35. Metals, machines, equip.	0.940	0.948	0.970	0.972	1.014
351. Metal ores	0.955	0.977	0.980	1.036	1.070
352. Metals	0.885	1.044	0.976	1.032	1.185
353. Metal products	0.921	0.870	0.935	0.953	1.003
354. Aluminium products	0.934	1.041	1.013	0.949	0.983
355. Machines & equipment	0.943	0.914	0.917	0.920	0.938
356. Electrical appliances	0.955	0.886	0.941	0.911	0.999
357. Means of transport	0.996	0.943	1.029	1.028	0.980
36. Wood, rubber, chemicals	0.940	1.010	0.962	0.989	1.077
362. Wood prod.exc.furniture	0.894	0.978	0.969	0.992	1.007
363. Paper and paper products	0.921	1.082	0.875	0.936	1.075
364. Basic chemical products	0.931	1.018	0.913	0.955	1.086
365. Various chemical products	0.979	0.995	1.011	1.033	1.101
366. Rubber	0.938	0.965	0.970	0.950	1.046
367. Plastics	0.840	1.002	1.021	0.930	0.982
37. Furniture	0.928	0.898	0.939	0.903	0.930
371. Metal pieces of furniture	0.926	0.931	0.965	0.942	0.954
372. Non metallic furniture	0.929	0.880	0.926	0.882	0.917
38. Other industrial products	0.953	0.877	0.979	0.912	1.001
381. Publishing products	1.069	0.914	0.934	0.999	1.178
382. Instruments of precision	0.975	0.870	0.979	0.925	0.995
383. Jewellery	0.893	0.803	1.089	0.822	0.901
384. Toys, music instruments	0.903	0.948	0.943	0.957	0.990
385. Other products	0.902	0.852	0.934	0.897	1.014
Grand total	0.957	1.024	0.944	0.971	1.056

XI. Prices (continued)

XI. 4. Index of exchange rates

compared to the previous year

Country	1999/98	2000/99	2001/00	2002/01	2003/02
Italy	0.947	0.867	0.970	1.056	1.196
France	0.950	0.867	0.970	1.056	1.196
United States of America	0.995	1.000	1.000	1.000	1.000
Germany	0.950	0.867	0.970	1.056	1.196
Switzerland	0.956	0.890	1.001	1.087	1.153
United Kingdom	0.971	0.936	0.951	1.044	1.087
Japan	1.144	1.052	0.887	0.972	1.079
China	0.993	0.996	0.999	1.000	1.000
Spain	0.948	0.866	0.970	1.056	1.196
Turkey	0.624	0.668	0.399	1.031	1.008
Belgium	0.950	0.866	0.970	1.056	1.196
Netherlands	0.950	0.867	0.970	1.056	1.196
Kingdom of Saudi Arabia	0.995	1.000	1.000	1.000	1.000
Sweden	0.957	0.902	0.887	1.061	1.159
Total	0.961	0.907	0.958	1.036	1.118

XI. 4. Index of exchange rates (continued)

weighting coefficients(%)

Country	1999/98	2000/99	2001/00	2002/01	2003/02
Italy	11.5	10.9	10.9	9.7	9.4
France	9.7	9.6	8.5	8.4	8.1
United States of America	9.3	8.1	7.3	7.1	6.0
Germany	8.7	8.9	8.3	8.5	8.1
Switzerland	6.3	7.1	6.9	4.6	3.0
United Kingdom	4.5	4.4	3.9	3.9	4.4
Japan	4.2	4.2	3.4	3.2	3.8
China	3.7	4.2	4.6	5.6	7.4
Spain	2.3	2.4	2.2	2.5	2.8
Turkey	2.5	2.6	2.2	3.3	3.3
Belgium	1.8	1.9	1.7	1.9	2.2
Netherlands	1.8	1.8	2.0	1.8	3.2
Kingdom of Saudi Arabia	1.7	1.7	2.6	3.6	3.1
Sweden	1.4	1.1	0.8	0.7	0.6
Total	67.9	67.3	62.9	61.2	65.3

Appendix III

Main results of survey on big enterprises' activity in 2002-2003

Table 1. Number of responding enterprises, turn-over and exports by main activity sector

billion LBP

Main activity	Number	Turn-over		Sales to non-residents			
		Total 2002	Total 2003	2002 value	2003 value	% 2002	% 2003
Industry	238	2 400	2 733	433	574	18.0	21.0
Mining and quarrying	3	9	8	0	1	0.0	12.5
Food and beverages	60	554	637	49	64	8.8	10.0
Textile, wearing & leather	18	39	33	7	9	17.9	27.3
Wood, paper, paper prod.	14	165	179	32	41	19.4	22.9
Printing & publishing	39	170	170	55	58	32.4	34.1
Chemicals	22	217	240	99	110	45.6	45.8
Plastic & rubber products	17	111	125	34	51	30.6	40.8
Non metallic mineral prod.	16	297	316	51	79	17.2	25.0
Metal, machine& equipment	23	345	422	91	136	26.4	32.2
Furniture	16	417	539	8	22	1.9	4.1
Electricity and water	7	60	58	7	3	11.7	5.2
Construction	3	16	6	0	0	0.0	0.0
Services	270	1 999	2 086	573	659	28.7	31.6
Hotels & restaurants	52	341	358	150	157	44.0	43.9
Transport& communication*	42	167	163	67	57	40.1	35.0
Travel agencies	35	231	208	20	23	8.7	11.1
Business services	96	667	705	267	318	40.0	45.1
Health services	34	352	379	5	2	1.4	0.5
Other services	11	241	273	64	102	26.6	37.4
Trade	99	1 127	1 269	125	120	11.1	9.5
Total	607	5 526	6 088	1131	1353	20.5	22.2

* excluding mobile telephone enterprises

Source: Survey on big industry and services enterprises carried out in July 2004 by the « Observatoire des réalités socio-économiques » of Saint-Joseph University to the request of the Ministry of Economy and Trade and financed by the “ Agence française pour le développement (ADETEF)”.

Note: The sectors of financing and education as well as the enterprises of the public sector (electricity and water, transports and communications, health services) have been excluded from this survey

Main results of survey on big enterprises activity in 2002-2003 (continued)

Table 2. Number of non salaried, permanent salaried and seasonal workers by sector

Main activity	2002				2003			
	Non sala- ried	Per-ma- nent	Sea- sonal	Total	Non sala- ried	Per-ma- nent	Sea- sonal	Total
<i>Industry</i>	428	13 158	1 638	15 224	432	13 235	1 778	15 445
Mining and quarrying	3	61	14	78	3	66	16	85
Food and beverages	96	3 130	565	3 791	102	3 384	578	4 064
Textile, wearing & leather	22	650	86	758	20	607	71	698
Wood, paper, paper prod.	13	1 881	51	1 945	13	1 780	71	1 864
Printing & publishing	52	1 931	172	2 155	54	1 970	174	2 198
Chemicals	37	980	60	1 077	39	993	53	1 085
Plastic & rubber products	16	946	94	1056	16	991	100	1 107
Non metallic mineral prod.	6	1 110	210	1326	5	1 109	179	1 293
Metal, machine& equipment	156	1 338	319	1 813	153	1 341	373	1 867
Furniture	15	553	36	604	15	522	47	584
Electricity and water	10	426	18	454	10	372	106	488
Construction	2	152	13	167	2	100	10	112
<i>Services</i>	283	21 899	4 064	26 246	296	22 030	4 842	27 168
Hotels & restaurants	74	6 735	1 038	7 847	77	6 317	1149	7 543
Transport& communication*	30	1 980	120	2 130	30	1 906	117	2 053
Travel agencies	45	484	57	586	44	504	61	609
Business services	58	4 807	2 311	7 176	67	4 902	2668	7 637
Health services	71	5 986	71	6128	72	6 218	87	6 377
Other services	5	1 907	467	2 379	6	2 183	760	2 949
<i>Trade</i>	120	2 002	158	2 280	124	2 099	197	2 420
Total	831	37 059	5 860	43 750	852	37 364	6 817	45 033

Note: the number of seasonal workers represents an estimate of average number of man / year

Main results of survey on big enterprises activity in 2002-2003 (continued)

Table 3. Number of enterprises¹, value added and compensation of employees by main activity sector

billion LBP

Main activity	Number	Value added (1)		Compensation (2)		% (2)/(1)	
		2002	2003	2002	2003	2002	2003
Industry	221	755	795	186	193	24.6	24.2
Mining and quarrying	3	5	6	1	1	11.3	11.3
Food and beverages	55	164	211	40	41	24.2	19.4
Textile, wearing & leather	16	14	11	6	5	40.8	52.0
Wood, paper, paper prod.	14	52	59	20	21	37.4	35.7
Printing & publishing	36	73	69	25	26	33.8	37.3
Chemicals	21	65	69	18	18	28.0	25.5
Plastic & rubber products	15	33	39	9	10	28.8	26.2
Non metallic mineral prod.	16	148	124	28	28	19.2	22.7
Metal, machine& equipment	22	126	147	26	30	20.8	20.4
Furniture	13	34	32	7	7	20.7	21.5
Electricity and water	7	26	27	5	6	20.8	20.5
Construction	3	14	3	1	1	6.7	20.6
Services	249	1 063	1 111	345	365	32.4	32.9
Hotels & restaurants	48	178	183	74	80	41.6	43.9
Transport& communication*	41	121	140	27	30	22.1	21.7
Travel agencies	33	53	49	8	8	14.2	15.9
Business services	86	338	343	89	99	26.4	28.8
Health services	31	173	191	85	87	49.1	45.5
Other services	10	198	205	62	61	31.1	29.7
Trade	87	372	365	39	40	10.5	10.9
Total	557	2 190	2 272	570	597	26.0	26.3

1. Enterprises for which it was possible to compile positive value added for the 2 consecutive years.

The total compensation paid by the 607 enterprises answering the survey is as following: (*billion LBP*)

Main activity	Compensation permanent staff		Wages of seasonal staff		Total compensation	
	2002	2003	2002	2003	2002	2003
Manufacturing	189.5	195.8	13.6	12.5	203.0	208.3
Services	354.5	376.2	24.3	31.9	378.8	408.1
Trade	39.3	39.9	1.2	1.3	40.5	41.2
Total	583.3	611.9	39.1	45.7	622.3	657.6

