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Economic Accounts of Lebanon
2009

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Foreword

In 2002, H.E. Prime Minister Rafik Hariri and H.E. Minister of Economy and Trade Basil Fuleihan, with the technical support of the French Institute of Statistics and Economic Studies (INSEE), launched a project to develop Lebanon's Economic Accounts. This initiative has allowed for the comprehensive calculation of the economic accounts for year 1997 and the series of economic accounts for the period 1997-2005. In addition, since year 2007, the initiative has allowed for the regular publication of previous year accounts, in compliance with international standards for the timing of national account publications.

Today, and in what has become a national tradition, I am pleased to celebrate with you and especially with every Lebanese citizen who contributed to this work, the publication of Lebanon's Economic Accounts for year 2009.

Despite an extremely serious global crisis, the regional climate of economic expansion and the appropriate monetary and financial policies and incentives adopted by the government, helped Lebanon overcome the adverse effects of the 2005 to 2007 events. These aforesaid policies and incentives have helped to revive the momentum of foreign demand and capital inflows, and have continued the cycle of private investment which has accelerated economic activity and increased household consumption. Similarly, other indicators also suggest improved control over public spending.

The significant growth recorded in 2007 (7.5%) was followed by an even stronger performance in 2008 and 2009 (9.3% and 8.5% respectively). The success of these preceding three years has led to a strong recovery in the Lebanese economic indicators. This, among other things, has also resulted in a dramatic decline in the weight of public debt to GDP – to a ratio far below most had even hoped for. As for year 2010, early indicators for the first semester also forecast robust economic growth.

With the regular publication of the Lebanon's national accounts, the economic data made available has become an important instrument of knowledge, a predominant parameter for all economic actors and a powerful tool to help shape our policies. This data has formed the basis of many economic analyses and forecasts on Lebanon, which in turn contribute to the better understating of our nation's economy and in recognizing our strengths and weaknesses.

On this occasion, I would like to extend my sincere gratitude to the dedicated efforts of Mr. Robert Kasparian, to his collaborators and to all the Lebanese and international organizations that contributed to the development of these national accounts, in particular the Central Administration of Statistics and the United Nations Development Programme. I also like to thank the French authorities for their continued support.

The President of the Council of Ministers

Saad Hariri

Acknowledging the contribution of the team that worked on this publication.

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List of previous publications

National Economic Accounts 1997 -Ministry of Economy and Trade - Republic of Lebanon - May 2003

National Economic Accounts 1997-2002 -Ministry of Economy and Trade - Republic of Lebanon - July 2005

National Economic Accounts 2003 -Presidency of the Council of Ministers - Republic of Lebanon - May 2006

National Economic Accounts 2004 -Presidency of the Council of Ministers - Republic of Lebanon - February 2007

National Economic Accounts 2005 -Presidency of the Council of Ministers - Republic of Lebanon – October 2007

National Economic Accounts 2006-2007 -Presidency of the Council of Ministers - Republic of Lebanon – December 2008

National Economic Accounts 2008 -Presidency of the Council of Ministers - Republic of Lebanon – October 2009

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Introduction

The Economic Accounts of Lebanon for 2009 presented herein are established in compliance with the same accounting conventions and methodologies adopted in the compilation of the accounts for every year between 1997 and 2008. Bear in mind that given the gaps in data in the national economy, a simplified model drawn on the national accounts structure was adopted according to the recommendations of the United Nations and the European Union. As such, a methodological framework has been developed to estimate various sectors of these accounts from the available data.[1]

Given the availability of new data in some sectors of the national economy, however previous estimates have been progressively revised. In this context, deeper insight into the industry and services sectors was gained in 2003, following the results of a Saint-Joseph University (USJ) survey on the 900 leading companies. USJ's Socio-economic Reality Observatory performed the survey, which was financed by the Association for the Development of Exchanges in Economic and Financial Technology (ADETEF), a French body in charge of providing technical cooperation. Moreover, the compilation and analysis of industrial and trade establishment tax returns from 2003 to 2007, and statistics drawn from VAT records from 2003 to 2009 have made it possible to highlight economic trends in particular economic sectors. Additionally, public administration accounts were estimated with greater precision after appraising the accounts of principal municipalities for the years 2004 and 2005.

After stagnating in 2006, economic growth recovered in 2007 and continued into 2008 and 2009 with increasing momentum.

Imports registered a significant growth in volume, following a surge in demand, which was driven by significant transfers from abroad. Thus, despite the widening trade balance deficit, the surplus in the balance of payments has remained noteworthy.

In terms of inflation, prices in 2008 soared under the dual impact of rising import and domestic prices, but inflation was relatively moderate in 2009 given that rising domestic prices were offset by a significant decline in import prices.

An analysis of the above is detailed in these accounts, which are presented in two parts:

Part one reviews the goods and services accounts and illustrates the evolution of the various aspects of the real economy. It comprises of five chapters devoted to the variables, which constitute the basic balance of these accounts, namely:

production + imports = consumption + gross fixed capital formation and changes in inventories + exports.

[1] For more information concerning the account model and estimation methods used, kindly refer to the two previous Ministry of Economy and Trade publications, namely: "Economic Accounts of Lebanon, 1997" (May 2003); and "Economic Accounts of Lebanon, 1997-2002" (July 2005).

Part two comprises of two chapters, presenting the general balance of accounts by integrating the whole set of flows, which constitute broad-spectrum economic activity. The first chapter is devoted to the integrated accounts of the national economy, incorporating production accounts and linking these with the distribution and financial transaction accounts, while the second chapter provides the rest of the world accounts and the balance of payments.

The principal accounts are published in the Annex:

1) Within the framework of the goods and services account :

- Uses-resources accounts tables for goods and services grouped into 15 economic categories;
- Input - output accounts tables for goods and services categorized into the seven main sectors of the economy.

2) Within the framework of institutional accounts :

- Commercial banks accounts;
- Central Administration accounts;
- Whole of government accounts (estimated).

Information concerning other institutions is still lacking.

Upon the availability of new data, a revised version of the national economic accounts from 1997 to 2007 was published in a separate volume alongside the accounts for years 2006-2007. Thus, it becomes possible to evaluate the performance of the Lebanese economy during the various economic phases over the past 13 years.

PART ONE
The goods and services account

Synthetic methods have been used to describe the real economy in the aggregate account of goods and services. Table n°1 below presents the 2009 results of this account against those of 2008. An estimate of these accounts at constant prices reveals the result of price changes in the total variation; thus, showing real growth.

Table n° 1
Aggregate account of goods and services 2008-2009

	Value (LBP billion)			*Changes in % / year*	
	2008	2009	2009 at prices of 2008	Price	Volume
Uses					
Private consumption	38 018	41 659	41 173	1.2	8.3
Public consumption	6 686	7 384	7 263	1.7	8.6
Private GFCF, varying inventories	12 813	16 968	17 689	-4.1	38.1
Public GFCF	997	1 095	1 080	1.4	8.4
Total: national expenditure	**58 514**	**67 106**	**67 205**	**-0.1**	**14.9**
Exports	11 077	10 728	11 260	-4.7	1.7
Uses = resources	**69 591**	**77 834**	**78 465**	**-0.8**	**12.8**
Resources					
GDP	45 346	52 650	49 204	7.0	8.5
Imports	24 244	25 183	29 261	-13.9	20.7

The growth of domestic economic activity measured by Gross Domestic Product at prices of the previous year was 8.5% in 2009 against 9.3% in 2008; 7.5% in 2007; 0.8% on average in 2005 and 2006; 7.5% in 2004; and 2.5% on average during the period 1997-2003.

National expenditure caused the growth witnessed in 2009. The 12.8% growth in total demand volume is due to 4.6 points in private consumption, 7.0 points in private investment, and 0.9 points in public spending under consumption and investment, totaling 12.5 points in demand growth as a result of national expenditure. External demand accounted for only 0.3 points. In 2008, the contribution of external demand was much higher: approximately 11.8% growth in demand with external demand contributing 2.1 points and domestic demand contributing 9.7 points.

As can be inferred, domestic production failed to keep pace with rising domestic and external demand, and as a result, imports radically exceeded demand (+20.7% in real terms). The same phenomenon, albeit in reverse, was observed during the years when declining import rates were significantly greater than demand.

Measured by price changes at the private consumption level, inflation in 2009 was at its lowest since 2004: 1.2% against 10.3% in 2008; 5% in 2007; averaging 2.6% in 2005 and 2006; 2.9% in 2004; and averaging 0.8% during the period 1997-2003. Unlike previous years when inflation was almost entirely imported, the inflation recorded in 2009 was caused by a price increase in the domestic factors of production, estimated at 7.0%. This inflation, however, was tempered by a significant decline in import prices (-13.9%).

Changes in the aggregate account of goods and services during year 2009 are detailed and set forth in the following five chapters:

1. Domestic Output
2. Imports
3. Consumption
4. Gross Formation of Fixed Capital and Changes in Inventories
5. Exports

Chapter 1
Production

Gross Domestic Product (GDP) measures the production activity level of the various economic agents on the national territory. It is defined as the sum of value added of all enterprises (companies, individual enterprises and public companies) producing goods and services valued at market prices and the government production of non-market services valued at factor cost. This equals total consumer, investment and public administration output of non-market services evaluated at factor cost, plus the value of exports, minus the value of imports.

Table n°2 demonstrates GDP distribution in various sectors by economic activity and its evolution in year 2009 against year 2008.

Table n° 2
Value added by sector 2008-2009

	Value (LBP billion)			*Changes in % / year*	
Sector	2008	2009	2009 at prices of 2008	Price	Volume
Agriculture and livestock	2 646	2 574	2 463	4.5	-6.9
Energy and water	-1 341	-756	-1 344	…	…
Industry	3 545	3 947	3 395	16.3	-4.2
Construction	6 090	7 012	6 698	4.7	10.0
Transportation and communications	3 376	4 026	3 818	5.5	13.1
Market services	14 981	16 549	15 760	5.0	5.2
Trade	11 778	14 531	13 829	5.1	17.4
Government	4 270	4 766	4 585	3.9	7.4
Total GDP	**45 346**	**52 650**	**49 204**	**7.0**	**8.5**

Primarily, economic growth activity was witnessed in three sectors: trade, transportation and communications, and construction. Conversely, two sectors of production, namely agriculture and industry, witnessed a decline in value added at constant prices.

Growth or decline in the value added of a given sector is not only determined by the parameters of aggregate real activity, but also by output and input price variations. Remarkably, the low growth recorded in the energy sector despite a substantial decline in its value added turned negative following a sharp increase in the price of oil products utilized to produce electricity. This price increase was not accompanied by an equivalent increase in the selling price of electrical energy.

Details on the value added by various sectors of the economy are set forth in the following sections.

Section I. Agriculture and livestock

The value added of the agriculture and livestock output sector is calculated by subtracting the estimated value of intermediate consumption from gross output valued at farm gate prices as the table below demonstrates (Table n° 3).

Table n° 3
Agricultural output 2008-2009

	Value (LBP billion)			*Changes in % / year*	
Output sector	2008	2009	2009 at prices of 2008	Price	Volume
Cereals	144	95	110	-13.7	-24.1
Fruits	1 511	1 333	1 397	-4.6	-7.5
Industrial crops	105	101	103	-2.3	-2.0
Vegetables and other field crops	754	742	675	10.0	-10.5
Agricultural products	**2 514**	**2 270**	**2 284**	**-0.6**	**-9.1**
Livestock	401	414	406	2.2	1.2
Livestock products	383	458	425	7.8	11.0
Fisheries products	111	119	111	7.0	0.6
Livestock, Fisheries products	**894**	**992**	**942**	**5.3**	**5.3**
Grand Total	**3 408**	**3 262**	**3 226**	**1.1**	**-5.4**
- intermediate consumption	762	687	762	-9.8	0.0
= Gross value added	**2 646**	**2 574**	**2 463**	**4.5**	**-6.9**

Overall, the value added in agriculture fell by 2.7% in 2009 compared to 2008. This fall was due to lower output volumes (-5.4%) and tempered by a slight increase at farm gate prices (+1.1%). On the contrary, the volume of consumed intermediate products did not decline; however, the value added at constant prices demonstrated a significant decline (-6.9%).

Evolution of output[2]

Crop output significantly declined across all the segments of this sector during 2009 in terms of volume and value.

The 7.5% decrease in fruit crop yield is largely due to a sharp decline in the output of olives in 2009, a decline that followed an output increase in 2008, resulting from the annual crop rotation nature of harvesting olives. According to estimates provided by the Ministry of Agriculture, olive output dropped from 167 300 tons in 2004 to 76 500 tons in 2005 and increased to 177 300 tons in 2006 before dropping to 76 200 tons in 2007. In the lack of agricultural statistics publication, agricultural output in 2008 is estimated at 2.4 times more than year 2007, or 182 800

[2]The Ministry of Agriculture has thus far yet to determine the output statistics for years 2008 and 2009. Changes in output for major crops between 2007 and 2009 were estimated on data provided by the Lebanese Center for Research & Agricultural Studies.

tons and 78 600 tons in 2009. Output volumes of all other fruits increased by 2.6% according to data retrieved from the Lebanese Center for Research &Agricultural Studies.

With respect to variation in prices of fruits at farm gate, it was estimated at 10.4% for olives and -6.2% for other fruits.

Vegetable output ranks as the second largest in the agricultural sector and recorded lower numbers than in year 2008 (-10.5%) but benefited from an increase in price value that is almost equivalent to current prices. The higher farm gate prices recorded in this sector is due to a sharp rise in the price of potatoes (66.5%), following a sharp decline in 2008 (-52%). This increase was accompanied by a lower decline in output volume (-32.2%).

Industrial crops, which mainly consist of tobacco, witnessed a negligible decline in output.

As in year 2008, cereal output continued to decline. This decrease was also accompanied by a decrease in prices following the international fall in prices of these crops.

On the other hand, the *livestock and fisheries sector* also benefited from higher prices, and output increased in volume.

Intermediate consumption in agriculture and livestock

In contrast to output, which is subject to regular statistical reviews by the Ministry of Agriculture, the data used to calculate the intermediate consumption of this sector is not derived from direct cost of production surveys at the farms. These values, thus, have been indirectly estimated by analyzing the output and import of products intended for use in agriculture and livestock, including, among others, seeds and seedlings, amount of irrigation water applied, fertilizers, pesticides, and cattle feed. Generally, most of these products are imported, which also makes it possible to estimate quantities used and calculate approximate changes in selling prices to farmers.

The variation in the volume of intermediate products used in agriculture in 2009 compared to 2008 was zero while that of output was negative (0% against -5.4%). The stagnation in the volume of agricultural inflows was accompanied by a significant fall in prices (-9.8%) due to lower prices of phosphate fertilizers.

Section II. Energy and water sector

In addition to public companies, which control the production and distribution of electricity and water, many small private enterprises produce and sell electricity at the local level given the frequent power cuts on the public distribution network whereas other private companies distribute water to households by means of water tankers. Approximates for 2009 are based on previous estimates using available indicators.

The evolution of the production account for this sector between 2008 and 2009 is as follows (table n° 4):

Table n° 4
Energy and water output 2008-2009

	Value (LBP billion)			*Changes in % / year*	
Output sector	2008	2009	2009 at prices of 2008	Price	Volume
Solid fuels	12	13	13	0.0	5.0
Electricity	1 033	1 031	1 029	0.2	-0.4
Water	195	199	199	0.0	2.1
Total	**1 240**	**1 242**	**1 241**	**0.1**	**0.1**
- intermediate consumption	2 581	1 998	2 584	-22.7	0.1
= Gross value added	**-1 341**	**-756**	**-1 344**	**…**	**…**

Evolution of output

Changes in the output volume of electrical energy were estimated from the statistics of the distribution of electrical current on the network, which is, in fact, an indicator of consumption and not output. From year 2007, the estimate takes into account the purchase of electrical energy from Syria, and more recently from Egypt. The volume of electrical current distributed in 2009 increased by 6.7%, from 11 274 MkWh in 2008 to 11 920 MkWh in 2009, whereas the purchase of electrical energy from Syria and Egypt increased from 563 MkWh to 1 116 MkWh. These figures lead us to infer a 0.4% volume decrease in local output.

In the absence of data reviews regarding the distribution of water, the consumption of this natural resource is assumed to increase in direct proportion to intrinsic housing growth rates.

Given that tariffs were not modified between 2007 and 2008, these tariffs are theoretically assumed to have remained constant. Given that electrical energy tariffs are progressive in practice, however, the average distribution price per KWh largely depends on the distribution of consumption across households. According to statistics retrieved from Electricité du Liban (EDL), the average unit price for a KWh for year 2009 was slightly lower than year 2008 (+0.2%).

Evolution of value added and intermediate consumption in the energy sector

Intermediate consumption in value fell sharply in this sector. This fall was entirely due to lower input prices, including a fall in price of fuel utilized to run power plants. Inflow volumes recorded negligible increases given that the volume of imported oil increased between 2008 and 2009 from 1 214 tons to 1 422 tons, but diesel fuels for EDL use, by contrast, fell by 10.1% from 1 260 tons to 1 133 tons.

The value added in this sector, which represents a negligible share of the output value, consequently, increased by LBP 585 billion from LBP -1 341 billion in 2008 to LBP -756 billion in 2009. Note: the value added in this sector has been negative since 2005.

Section III. Industry

Table n° 5 demonstrates the output evolution and intermediate consumption by type of goods and services used in the production process of various industry sectors.

Table n° 5
Industrial output 2008-2009

	Value (LBP billion)			*Changes in % / year*	
Output sector	2008	2009	2009 at prices of 2008	Price	Volume
Output					
Agro-food	3 979	4 018	3 952	1.7	-0.7
Textiles	913	879	947	-7.1	3.8
Non-metallic ores	1 635	1 748	1 840	-5.0	12.5
Metals, machinery and equipment	2 286	2 003	2 156	-7.1	-5.7
Timber, rubber and chemicals	1 629	1 299	1 472	-11.7	-9.7
Furniture	716	894	848	5.4	18.4
Other sectors	1 333	1 498	1 455	3.0	9.1
Total	**12 491**	**12 341**	**12 670**	**-2.6**	**1.4**
Intermediate consumption					
Agricultural products	1 346	1 063	1 284	-17.2	-4.6
Livestock products	671	697	689	1.2	2.7
Energy and water	998	795	1 039	-23.5	4.0
Agro-food products	346	364	366	-0.3	5.6
Textiles	375	373	413	-9.8	10.1
Non-metallic ores	1 065	1 166	1 173	-0.5	10.1
Metals, machinery and equipment	1 872	1 776	1 865	-4.8	-0.4
Timber, rubber and chemicals	1 618	1 465	1 753	-16.4	8.3
Other manufactured goods	100	110	111	-0.3	10.4
Services	553	584	584	0.0	5.6
Total	**8 946**	**8 394**	**9 275**	**-9.5**	**3.7**
Gross value added	**3 545**	**3 947**	**3 395**	**16.3**	**-4.2**

Overall, the volume increase in industrial production (output) slowed considerably in 2009: +1.4% against +5.4% in 2008, and 6.8% in 2007. The industrial inflow volume (input) was proportionally greater than production (+3.7%), which resulted in a negative change in the value added at constant prices (-4.2 %).

In addition, manufacturers reduced production prices in a slightly lower proportion than prices of consumed intermediate products (-2.6% instead of -9.5% for inputs); thereby, reflecting an

increase in the costs of the factors of production (+16.4%). Note that the State imposed a general wage increase in May 2008, which was reflected partially in the wages of the year 2009.

Evolution of industrial output

Not all sectors benefited equally from the growth in demand:

- The output decline in *agro-food industries* is due to a significant decline in olive oil output, which is a direct consequence of a fall in the production of olives (refer to Section I, evolution of agricultural output). The output volume of fats and oils has, thus, fallen by 22% while the output of other sectors of the foods industry increased by 2.6%.
- The growth that began in the *textile and leather industries* in the previous year continued, albeit at a more modest rate.
- The increased output volume of *non-metallic ore products* is directly tied to the demand of the construction and public works sector.
- *Metals, machinery, equipment* and *timber, rubber, chemicals* failed to benefit from the increased demand for these products; the latter being covered by imports.
- The evolution of output in other industries (*furniture and other industrial sectors*) was, by contrast, more in line with demand fluctuations.

Evolution of intermediate consumption in industry

Input compositions in industry depend on the evolution of the various sectors of production. The substantial decline in commodity prices has also created a distortion in the input structure.

Section IV. Construction

Using the same principle to discern industrial output, the real growth of the construction sector is derived from statistics on raw materials used in this sector, namely: domestic deliveries of cement by local cement factories and imported products used in construction and public works. Table n°6 demonstrates the construction output variation in terms of value and volume, and intermediate products consumed in the construction process.

Given that changes in construction prices were not directly observed, the variation is estimated as a function of the weighted average affecting changes in the wages of manual workers and prices of raw materials. Within this context, the price of labor increased by approximately 7.1%, and rising construction prices at 1.4% only as a result of a 4.1% drop in the value of raw materials for construction.

Table n° 6
Construction and public works output 2008-2009

	Value (LBP billion)			*Changes in % / year*	
	2008	2009	2009 at prices of 2008	Price	Volume
Output	**9 609**	**10 849**	**10 700**	**1.4**	**11.4**
Intermediate consumption					
Non-metallic ores	1 211	1 343	1 350	-0.5	11.5
Metals, machinery and equipment	1 388	1 471	1 546	-4.8	11.4
Timber, rubber and chemicals	393	358	428	-16.4	8.9
Other products	65	65	82	-21.2	26.8
Services	461	601	597	0.7	29.4
Total	**3 518**	**3 837**	**4 002**	**-4.1**	**13.7**
Gross value added	**6 090**	**7 012**	**6 698**	**4.7**	**10.0**

The change in volume of intermediate consumption was slightly higher than that of output, which affected the growth rate of the value added at constant prices by reducing its value below that of output (10% against 11.4%).

The prices of all the factors of production forming the value added (depreciation, salaries, and mixed income) demonstrated a 4.7% increase.

Section V. Transportation and communication

The transportation and communications sector continued to grow during year 2009 (+13.5% in volume against 10.8% in 2008). This growth is primarily attributed to the development of telecommunications, and to a lesser extent, road transportation; the output of the air transportation sector remained stationary, according to IATA statistics.

Table n° 7 demonstrates the significance of the telecommunications industry, which recorded a 17.6% increase in volume with a significant reduction in prices (-7.2%).

Table n° 7
Transportation and communication services output 2008-2009

	Value (LBP billion)			*Changes in % / year*	
Output sector	2008	2009	2009 at prices of 2008	Price	Volume
Road transportation	1 038	1 185	1 104	7.4	6.3
Air transportation and others	751	759	753	0.7	0.4
Postal and telecommunications services	4 273	4 666	5 026	-7.2	17.6
Total	**6 062**	**6 609**	**6 883**	**-4.0**	**13.5**
- intermediate consumption	2 686	2 583	3 065	-15.7	14.1
= Gross value-added	**3 376**	**4 026**	**3 818**	**5.5**	**13.1**

It is important to note, however, that road transportation output in absolute value is underestimated given that it lacks data for the road haulage of goods, and as such, does not consider this gap. This lapse in data reduces the share of agriculture in GDP to the benefit of other sectors, including trade.

The rising prices of value added (+5.5%) is due to lower input prices, including oil prices, which fell more than those of output prices (-15.7% against -4 %), and the rising prices of road and air transportation were offset by lower telecommunications prices.

Section VI. Market services

Table n°8 below reproduces the output account of the market services sector, excluding transportation, communications, and trade. It also demonstrates how this sector has grown in almost equal proportion to that of year 2008: in real terms, the value added grew by 5.2% against 5.4% in 2008.

Evolution of market services output

The market services sector is highly heterogeneous and regroups various activities, many of which experienced disparate developments.

a) Business services

Business services include services such as technical, legal, accounting, data processing, equipment rental, brokering, etc. The output of these services is not estimated from direct surveys of enterprises; rather, output value is equal to the sum of intermediate consumption of the various sectors using these services, particularly the public administration and exports. Possible errors in estimating intermediate consumption do not affect the estimate of GDP; however, these errors affect the distribution between the market services sector and other sectors. Nevertheless, an error in estimating the export of services does affect GDP.[3] According to a survey that was conducted in 2004, exports of such services represent the principal factor in their development.

The prices of these services were not subject to evaluation and were maintained constant in accounts of previous years; however, a growth of 10% was retained for 2008 and 1.2% for 2009 given the rate of inflation.

[3] Following the survey of large companies, the accounts for this sector were revised in 2003 to reflect the new data. It appeared that export of services in the 1997-2002 accounts were underestimated and subsequently discarded.

Table n° 8
Market services output 2008-2009

	Value (LBP billion)			*Changes in % / year*	
Output sector	2008	2009	2009 at prices of 2008	Price	Volume
Business services	1 836	2 028	2 004	1.2	9.2
Maintenance and repairs	356	408	399	2.3	12.0
Housing	2 541	2 648	2 607	1.6	2.6
Hotels and restaurants	1 602	1 993	1 827	9.1	14.0
Various personal services	1 112	1 123	1 123	0.1	1.0
Health services	2 614	2 983	2 903	2.8	11.0
Educational services	3 837	4 105	3 976	3.3	3.6
Financial services	4 166	4 322	4 271	1.2	2.5
Total	**18 065**	**19 610**	**19 109**	**2.6**	**5.8**
- Intermediate consumption	3 084	3 061	3 349	-8.6	8.6
= Gross value added	**14 981**	**16 549**	**15 760**	**5.0**	**5.2**

b) Maintenance and repair services

These services include only maintenance and repair services used by households and public administrations, which represent the only such services that are captured statistically. Maintenance services used by businesses were not estimated and have been purposely omitted, and as a result, the distribution of GDP between the services sector and other sectors is biased.

Household consumption in maintenance and repair services, which represent the principal components of this sector's output, is well documented owing to the Household Budget Survey of 1997. Estimates for other years were calculated by using indicators, including imports of spare parts for motor vehicle repairs and household appliances, and the growing number of households or dwellings requiring maintenance. According to these indicators, consumption, and by extension, output of such services would have grown in volume by 12% in 2009. The price increase of these services is estimated to have risen by 2.3%, according to the price survey records of the Chamber of Commerce, Industry and Agriculture of Beirut (CCIAB).

c) Housing services

The output of housing services takes into consideration rental fees paid by public administrations and rental values of properties occupied by households. Rental fees paid by companies, however are unidentified and therefore belong to the value added of the various market sectors.

In the absence of verifiable statistics on housing growth, the number of occupied dwellings is assumed to equal the annual number of registered marriages net re-entries into existing dwellings. In 2009, this number represented 2.2% of the occupied dwellings in the previous year. The average rental value of an apartment has, on the other hand, increased by 1.6% according to a price survey conducted by CAS.

d) Hotel and restaurant services

By convention and for the expediency of statistical processing, the output of hotels and restaurants is equal to sales turnover minus the purchase value of food and beverages served to customers. Based on 1997 estimates, the output of this sector for subsequent years was estimated by using simple growth rate averages of tourist arrivals and the resident population. In terms of increased tourist traffic, the growth rate of this sector was, thus, estimated at 14%: the arrival of foreign visitors grew by 27.1% in 2009 compared to 2008 (1.844 million arrivals in 2009 against 1.451 million in 2008).

Price changes in hotel and restaurant services (+9.1%) are based on CAS surveys.

e) Various personal services

The personal services include leisure, personal care, and domestic care services. They are known by means of the Household Budget Survey of 1997. Estimates for subsequent years were arbitrarily extrapolated using data from 1997 to yield a real growth rate, ranging between 0% and 1.4% per annum between 1997 and 2008, and 1% for 2009. The price change rate is calculated using price estimates of the CCIAB.

f) Health services

Health services were subject to a number of studies and surveys between 1997 and 1999: including the Survey of Living Conditions of Households by the Central Administration of Statistics (CAS 1997); the Lebanon National Health Accounts by the World Health Organization (WHO 1998); and the National Household Health Expenditure and Utilization Survey (CAS, WHO, 1999). These surveys yielded estimates for 1997, which were projected over subsequent years by using pharmaceutical imports as an indicator of the health services output.

Based on these estimates, the health sector (market sector, excluding public health services) in 2009 witnessed an upward trend after a slowdown in 2008 (11% against 1.3% in 2008, 15. 1% in 2007, and 3.2% on average between 1997 and 2006).

Price changes (2.8% in 2009) were based on prices obtained from the CAS.

g) Educational services

Under this heading, output of educational services includes only tuition fees and the value of ancillary income services received by schools and universities in the sector of private education. Services pertaining to public schools and the Lebanese University are accounted for in the non-market services of the public administration (see Chapter 3, section 2). Estimates based on data from 1997 were projected over subsequent years in compliance with changing trends in the number of pupils and students enrolled in private schools as well as changes in tuition fees whose rates were identified by the CAS.

The result of these estimates demonstrated real growth in this sector, namely 3.6% in 2009 against 4.3% in 2008, and an average of 2.5% per annum during the period 1997-2007. CAS price surveys reveal a tuition fee increase of 3.3% in 2009.

h) Financial services

Financial services include banking and insurances services.

The output value of banking services is defined as being equal to interests and commissions received by banks minus the interest paid to depositors. The "profit and loss" account statements communicated to the Central Bank of Lebanon (BDL) provide the data for calculating the output of these services.

The output value of the banking sector (commercial banks, investment banks, and financial institutions) was LBP 3 621 billion in 2008 and LBP 3 845 billion in 2009, an increase of 6.2%, whereas it increased 21.1% in 2008 and 7.3% in 2007, making it clear that much of the growth witnessed in 2008 was due to inflation. Given that the output "price" of banking services, therefore, is difficult to determine, a growth rate value of 10%, which is equal to the rate of inflation, has been arbitrarily adopted to estimate the real growth in banking income in 2008. In previous year accounts, this undetermined value was assumed to have remained constant due to the absence of a viable method to determine it. For 2009, the inflation rate is estimated at 1.2%.

Similarly, the output of insurance services is defined as being equal to the difference between premiums received and claims paid. Again, it is impossible to define a price for such type of services.

Given a set of recent statistics provided by the Ministry of Economy and Trade in 2005, the output value of insurance services has been revised accordingly. This sector experienced strong growth over the course of the last 10 years. During the five-year period from 1997 to 2002, insurance proceeds increased from LBP 182 billion to LBP 299 billion, or an average growth rate of 10% per annum. Growth was even more significant between 2003 and 2005: +16% in 2003, +21% in 2004, and +20% in 2005. Since 2006, growth continued, albeit at a slower pace, rising from LBP 365 billion in 2005 to LBP 520 billion in 2008. In 2009, according to preliminary data provided by the Directorate of the Control of insurance companies at the Ministry of Economy and Trade, insurance proceeds would have declined to reach LBP 477 billion.

Section VII. Trade

Evolution of trade output

The output value of trade services is measured by broad-spectrum trade margins (difference between purchase price and selling price) and commissions received by intermediaries between end-users and producers of goods. These margins *stricto sensus* include consumption taxes paid by retailers through the trade sector and merchants' trade margins. Table n° 9 below recapitulates the basic variables concerning the calculations of the trade sector output.

Only import duties collected at the instance of goods entering the national territory have been identified, including customs duties, consumption tax, and since 2002, VAT levied on imported goods.

The margins of domestic trade are equal to the difference between the value, uses, and imports of goods and services, and local output minus taxes paid by importers. Thus calculated, the trade margins are domestic taxes such as internal VAT and do not affect the current statistics of different groups of products.

The calculation of trade margin prices at previous year returns translates into calculating trade margins for a given year by applying the trade margin coefficient of the previous year to the volume of goods exchanged for that year. This calculation is performed separately for taxes and domestic trade margins. Considering that definite estimates for prices of trade services do not exist, values were assumed to have increased at the current rate of inflation: 10% in 2008 and 1.2% in 2009.

Table n° 9
Trade sector account 2008-2009

	Value (LBP billion)			*Changes in % / year*	
Trade output components	2008	2009	2009 at prices of 2008	Price	Volume
Import duties	3 710	4 730	4 600	2.8	24.0
Internal trade margins	9 015	10 823	10 445	3.6	15.9
Foreign trade services	1 061	1 152	1 139	1.2	7.3
Total= output	**13 786**	**16 705**	**16 183**	**3.2**	**17.4**
- Intermediate consumption	2 007	2 173	2 355	-7.7	17.3
= Gross value added	**11 778**	**14 532**	**13 829**	**5.1**	**17.4**

Table n° 9 underscores the following information:

- Import duties totaled LBP 4 730 billion, or a 27.5% increase over 2008. Compared to the growth rate of imports in value at current prices (+0.7% according to customs data), this indicates a significant increase in the ratio of import duties, which increased from 15.2% in 2008 to 19.3% in 2009. Had the ratio of import prices and duties / import value remained constant, the value of import duties would have reached LBP 4 600 billion, a 24.0% increase over 2008, which varies from the real rate of change in imports (+16.5%, according to customs data before modification). This discrepancy results from the variation between the growth of imports of taxed, tax-free, and negligibly taxed products.
- Domestic trade margins also increased sharply from LBP 9 015 billion in 2008 to LBP 10 823 billion in 2009, meaning +20.1%. Calculated at constant prices and rates, trade margins are estimated to have reached LBP 10 445 billion, or up to 15.9%; therefore, the "price" of trade services is estimated to have increased by 3.6%.
- Foreign trade services are estimated from the movement of cargo in transit and re-export trade. The value of foreign trade services increased by 8.6% in 2009 against 2008. Assuming an inflation rate at 1.2%, these services attracted higher prices, and the output of foreign trade services would have increased in real terms by 7.3%.

Intermediate consumption and value added in the trade sector

Estimated in 1997, intermediate consumption was projected over subsequent years in conformity with the methodology used for other sectors of the economy. Freight of goods was not included in trade inputs; thereby, resulting in a minor overvaluation of the value added in this sector, offsetting the undervaluation of the value added in the transportation sector.

Overall, the prices of products consumed by the trade sector fell by 7.7% in 2009.

Given the "price" evolution of this sector's output, the value added at constant prices in 2009 increased by 17.4% against an increase of 20.1% in 2008.

Section VIII. Non-market services

The pubic administration, which includes the central administration, autonomous administrations, and municipalities, provides non-market services. As indicated by the term, these services are not sold on a market; therefore, these non-market services do not have a price in the ordinary sense of the term. Consequently, their value is estimated at costs comprising of the following three elements: value of consumed goods and market services, value of depreciation of public fixed capital, and salaries of civil servants.

Only the accounts of the central administration and the Council of Development and Reconstruction (CDR) are published regularly. All other administrations are subject to estimates from 1997 figures, which are projected over subsequent years using Treasury account indicators.

Table n° 10 details the variables in calculating the public administration output in 2009 compared to 2008.

The value of consumed market goods and services comprise the intermediate consumption in the production process. Consequently, the value added of the public administration is equal to civil servant salaries, and the fixed capital depreciation in collective use.

Table n° 10
Computation of non-market services output 2008-2009

	Value (LBP billion)			*Changes in % / year*	
Cost components	2008	2009	2009 at prices of 2008	Price	Volume
Intermediate consumption					
Energy and water	168	185	242	-23.5	43.9
Manufactured goods	221	243	271	-10.2	22.6
Transportation and communications	30	33	36	-7.1	18.5
Financial services	1 278	1 365	1 349	1.2	5.5
Other market services	718	791	779	1.5	8.5
Total : intermediate consumption	**2 415**	**2 617**	**2 677**	**-2.2**	**10.8**
Components of value added					
Depreciation	1 005	1 021	1 021	0.0	1.6
Compensation	3 265	3 745	3 564	5.1	9.2
Total : Gross value added	**4 270**	**4 766**	**4 585**	**3.9**	**7.4**
Gross value of output	**6 685**	**7 383**	**7 262**	**1.7**	**8.6**

a) Intermediate consumption of market goods and services

More than half of market goods and services consumed by the public administration comprise of the value of banking services integrated in the debt service. In fact, part of the interests paid by the State to banks that have subscribed to treasury bills constitute the payment of banking services; this value is measured by the difference between received interests and interests paid to depositors. The estimated value of financial services spent by the public administration increased from LBP 633 billion in 1997 to LBP 736 billion in 2002, and fell to LBP 487 billion in 2004. From 2005, the value of these services rebounded, reaching LBP 1 278 billion in 2008 and LBP 1 365 billion in 2009. The 6.8% increase between these two years is partly due to subscriptions to larger treasury bills by the banking sector. In fact, interests received by banks on their subscriptions to treasury bills rose by 11.8%, from LBP 3 173 billion in 2008 to LBP 3 547 billion in 2009, accompanied by a decrease in the ratio of receipts to interest on bank margins, falling from 32.8% in 2008 to 30.9% in 2009.

b) Value added of the public administration

The value added of the public administration is calculated at factor cost, namely: the depreciation value of fixed assets and compensation of the labor force.

The depreciation value of public assets is, by convention, equal to one-thirtieth of actualized value. This value was calculated by totaling the national expenditure of gross fixed capital formation over the past 30 years in which the value of a preceding year is converted to current value through an appropriate price index. In the absence of such an index prior to 1997, however,

the minimum wage indicator was used instead (see annex for computation details). Using this methodology, the value of depreciation in 2009 increased in value and volume by 1.6%.[4]

The *compensation of employees,* increased by 14.7% of which 5.1% was the consequence of an increase in the wage decreed by the State, which came into effect in May 2008.

c) Volume change of non-market services

Strictly speaking, given that non-market services do not carry a price, the calculation of the volume of such services at base year prices is performed by adding the components of cost valued at selected reference prices.

The changes in costs of non-market services for 2009, valued at 2008 prices, were 1.7% for a change in value of 10.4%.

[4] The computation for depreciation and non-market services values for previous years have been revised.

Chapter 2
Imports

Imports include the import of goods entering the national economic territory and consumer expenditures made by residents outside the national economic territory. Imports of services have been excluded from these accounts given that these are deducted from exports of services. As of year 2007, the purchase of electrical energy from Syria has been entered in imports.

Due to comprehensive customs statistics, the import of goods into Lebanon is well compiled. The calculation of total value includes the rates of Cost, Insurance, and Freight (CIF) to customs stations. These statistics, however, have undergone two vital modifications: first, the import of gold ingots intended for national reserves or speculative purposes are not entered into the account, and second, only gold used in the manufacture of jewelry is entered in imports. In addition, the value and volume of imported oil products have been corrected, according to statistics provided by the General Directorate of Oil[5].

Table n°11 provides a comparative analysis for the year 2009 with respect to 2008 in terms of value and volume of imports according to the classification adopted for the compilation and development of these accounts.

The favorable growth rate of imports entering the national territory that was recorded in 2008 was maintained and surpassed in 2009: 20% in real terms against 18% in 2008. Unlike 2008, however, when growth was accompanied by a significant increase in prices, import prices fell sharply in 2009 (-14%); thus, the value of imports grew by only 3% compared to 2008.

Lower import prices were mainly due to lower petroleum product prices (-37%). There was also a drop in grain prices (-37%). The slight depreciation of the Euro (-5.3%) also contributed to lower prices for many imports.

[5] Table establishing the corrections made to customs statistics.

	Value (LBP billion)			*Changes in % / year*	
	2008	2009	2009 at prices of 2008	Price	Volume
Customs values	**24 334**	**24 492**	**28 337**	**-13.6**	**16.5**
Oil Correction:	-119	76	205		
- customs values	*-5 639*	*-4 446*	*-7 073*	*-37.1*	*25.4*
+Directorate of Oil values	*5 519*	*4 522*	*7 278*	*-37.9*	*31.9*
Excluded values	-624	-168	-151		
Money and collection material	*-25*	*-25*	*-24*	*6.6*	*-3.9*
gold ingots	*-760*	*-297*	*-260*	*14.1*	*-65.8*
+ gold for use in jewelry	*161*	*154*	*135*	*14.1*	*-15.8*
Total Corrections	-735	-95	53		
Total Corrected	**23 590**	**24 401**	**28 393**	**-14.1**	**20.4**

Table n° 11
Import of goods by type of product 2008-2009

Type of product	*Value (LBP billion)* 2008	2009	2009 at prices of 2008	*Changes in % / year* Price	Volume
Agriculture	1 042	920	1 176	-21.8	12.9
Livestock	348	504	525	-4.0	51.0
Oil and its derivatives	6 001	4 925	7 596	-35.2	26.6
Food and beverages	2 053	2 300	2 444	-5.9	19.0
Tobacco and alcohol	*191*	*326*	*339*	*-3.8*	*77.4*
Food products	*1 863*	*1 974*	*2 106*	*-6.3*	*13.1*
Textiles	1 205	1 321	1 372	-3.7	13.9
Non-metallic ores	1 125	1 028	1 041	-1.3	-7.5
Metals, machinery & equipment	7 370	8 763	9 175	-4.5	24.5
Timber, rubber & chemicals	3 576	3 619	4 025	-10.1	12.5
Furniture	157	215	204	5.8	29.7
Others	714	805	834	-3.5	16.9
Total	**23 590**	**24 401**	**28 393**	**-14.1**	**20.4**
Import of electrical energy	144	216	286	-24.5	98.2
Expenditures made abroad	510	567	583	-2.6	14.2
Total	**24 244**	**25 183**	**29 261**	**-13.9**	**20.7**

In terms of import volume, tobacco and alcoholic beverages recorded the most significant increases in 2009 (+77.4%). Other products recording noteworthy import volume increases include livestock (51%), furniture (29.7%), and metals, machinery, and equipment (24.5%).

Imports of capital goods met the needs of companies. In fact, as (Table n° 12) below exemplifies, the volume of goods imported for gross fixed capital formation increased by 65%. It is worth highlighting the significant increase in the import of equipment for the transportation sector (+188.4%, +177.5% in value) and construction sector and public works (+56.3%, +44.4% in value). The growth in volume of these goods is difficult to determine, and as such, rely on approximated figures, because the changes in unit values do not reflect the actual change in their prices.

The exceptional increase in the value of equipment for the transportation sector is due to the purchase and importation of nine aircrafts worth a total value of LBP 888 billion. With the exception of year 2001 in which custom statistics entered the import of aircrafts worth LBP 72 billion, the import of aircrafts did not appear in customs statistics of previous years. The value of imported capital goods for transportation and communications, other than aircrafts, rose from LBP 517 billion in 2008 to LBP 747 billion in 2009, an increase of 44.5%.

Table n° 12
Territorial imports of goods classified according to use 2008-2009

	Value (LBP billion)			*Changes in % / year*	
Type of use	2008	2009	2009 at prices of 2008	Price	Volume
Intermediate use in:					
Agriculture and livestock	*590*	*495*	*604*	*-18.0*	*2.3*
Energy and industry	*6 432*	*6 027*	*7 160*	*-15.8*	*11.1*
Construction	*915*	*903*	*1 004*	*-10.0*	*9.7*
Transportation and services	*1 810*	*1 617*	*2 165*	*-25.3*	*19.6*
Other sectors	*1 244*	*1 068*	*1 667*	*-35.9*	*34.0*
Total for intermediate uses	10 991	10 110	12 599	-19.8	14.6
Final Consumption					
Durable goods	*3 563*	*3 938*	*4 070*	*-3.2*	*14.2*
Non-durable goods	*6 917*	*7 075*	*8 228*	*-14.0*	*19.0*
Total for intermediate uses	10 481	11 013	12 298	-10.4	17.3
Uses of GFCF in:					
Agriculture and livestock	*150*	*149*	*166*	*-10.3*	*10.3*
Industry	*723*	*788*	*872*	*-9.6*	*20.5*
Construction and Public Works	*127*	*183*	*198*	*-7.7*	*56.3*
Transport and communications	*517*	*1 435*	*1 492*	*-3.8*	*188.4*
Trade and services	*567*	*683*	*728*	*-6.2*	*28.4*
Other sectors	*34*	*39*	*40*	*-2.5*	*17.8*
Total GFCF uses	2 119	3 277	3 496	-6.3	65.0
Total	**23 590**	**24 401**	**28 393**	**-14.1**	**20.4**

Subsequent to the importation of gross capital formation goods for companies, consumer goods also met the needs of households, recording a substantial increase: 17.3% in volume. This increase was accompanied by a significant drop in prices (-10.4%), reducing the increase in value to 5.1% against 2008. Unlike 2008, however, when the importation of durable goods recorded a growth of 56%, the importation of consumer goods rose sharply, exceeding the importation of durable goods. The evolution of demand in terms of its various consumption components and its impact on imports is described in the subsequent chapter.

The economic growth recorded in 2009 resulted in an importation increase of intermediate goods for a third time against a significant drop in prices. Tables n° 13a to 13e provide details of imports and the sector's intermediate products evolution used by various economic sectors during year 2009 against 2008.

As observed in the *agriculture and livestock sector,* the import volume of seeds and seedlings, and animal feed increased (+11.1% and +17.9%, respectively). The sharp decline in fertilizer imports and other products is primarily due to a lower volume of phosphate imports; the prices of

these phosphates have fluctuated widely between 2007 and 2009: +266% in 2008 and -25% in 2009. Non-phosphate fertilizer imports increased by 18.2% in volume and 6.2% in value, rising from LBP 52.3 to LBP 55.6 billion with prices falling by 10.1% (See table 13a).

Intermediate products imported for the *energy and industry sector* include petroleum products intended for use in the production of electrical energy. This is primarily fuel oil, which witnessed an increase in price from LBP 824 million/ton in 2008 to LBP 602 million/ton in 2009. Other imported petroleum products for industrial use could not be identified by destination; therefore, these were classified under products not distributed by sector (See table 13b).

Table n° 13a
Imports of intermediate products for agriculture and livestock 2008-2009

	Value (LBP billion)			*Changes in % / year*	
Nature of used product	2008	2009	2009 at prices of 2008	Price	Volume
Seeds and seedlings	84	85	93	-9.1	11.1
Fertilizers and other products	203	129	157	-18.3	-22.4
phosphates	*126*	*67*	*90*	*-25.0*	*-28.5*
fertilizers	*52*	*56*	*62*	*-10.1*	*18.2*
other products	*28*	*10*	*11*	*-5.8*	*-63.0*
Pesticides	43	41	46	-10.7	5.8
Cattle Feed	257	236	302	-21.9	17.9
Total	**590**	**495**	**604**	**-18.0**	**2.3**

Table n° 13b
Imports of intermediate products for energy and industry 2008-2009

	Value (LBP billion)			*Changes in % / year*	
Nature of used product	2008	2009	2009 at prices of 2008	Price	Volume
Agriculture	388	295	439	-32.9	13.1
Livestock	261	382	396	-3.7	52.1
Oil and its derivatives	1 772	1 466	2 215	-33.8	25.0
Food and beverages	148	184	188	-1.9	27.1
Textiles and leather	200	200	222	-9.6	10.9
Non-metallic ores	579	504	467	7.8	-19.3
Metals	1 872	1 874	1 867	0.4	-0.3
Timber, rubber, chemicals	1 168	1 068	1 310	-18.5	12.2
Other products	46	54	56	-3.8	22.1
Total	**6 432**	**6 027**	**7 160**	**-15.8**	**11.3**
Excluding oil	***4 661***	***4 561***	***4 945***	***-7.8***	***6.1***

The unit values of all non-oil products used in industry fell by 7.8% in 2009 and recorded a 6.1% increase in import volume. There was a notable rise in the import of livestock products (+52.1%) at lower prices (-3.7%), particularly live animals intended for the production of meat (table 13b). Cattle primarily imported for slaughter has, thus, risen from 62 147 tons in 2008 to 90 144 tons in 2009. Similarly, the importation of sheep increased from 6 315 tons in 2008 to 15 488 tons in 2009. Notably, the import volumes of agricultural and food products primarily intended for use in the food industry significantly increased in volume. This is mainly due to the overall increase in imports of raw materials intended for use in the manufacture of edible fats and oils such as sesame seeds, which witnessed an increase from 16 030 tons in 2008 to 21 731 tons in 2009. Non-metallic ore products imported for use in industry, which witnessed a significant increase in the import entries of 2008 declined in 2009. These non-metallic ore products largely comprise of gemstones and semi-precious stones used in the manufacture of jewelry. CIF values increased from LBP 375.4 billion in 2008 to LBP 390 billion in 2009, an increase of 3.9%. The rising prices of these items were estimated at 12.5%; hence, the imported volume would have fallen by 7.7%.

Overall, the value of imported intermediate goods for *construction* fell slightly (-1.3%), but given the fall in prices (-10% on average), the import volumes of these products rose by 9.7 %. Table n° 13c provides data regarding the import trends of various types of goods entering into the construction sector and public works.

Table n° 13c
Imports of intermediate products for construction 2008-2009

	Value (LBP billion)			*Changes in % / year*	
Nature of used product	2008	2009	2009 at prices of 2008	Price	Volume
Non-metallic ores	307	355	382	-7.0	24.6
Metals, equipment	533	466	530	-12.0	-0.5
Timber, chemicals	75	81	92	-11.3	21.6
Total	**915**	**903**	**1 004**	**-10.0**	**9.7**

Regarding the imports of intermediate products intended for use in the *transportation and services sector*, the value of fuel imports for use in the transportation sector dropped sharply. This was largely due to declining oil prices (-32.6%) against an increase in requested volumes (+17.6%) (See table 13d).

Finally, it should be noted that some products may be used interchangeably in more than one sector; thereby, hindering the establishment of a distribution key. This is particularly true of liquid fuels such as gas oil and several chemicals (See table 13e).

Table n° 13d
Imports of intermediate products for transportation and services 2008-2009

	Value (LBP billion)			*Changes in % / year*	
Nature of used product	2008	2009	2009 at prices of 2008	Price	Volume
Oil and its derivatives	1 323	1 048	1 556	-32.6	17.6
Non-oil products	487	569	609	-6.6	25.1
Metals	*243*	*308*	*340*	*-9.5*	*40.3*
Timber, rubber, chemicals	*148*	*145*	*153*	*-5.0*	*3.3*
Other products	*97*	*116*	*116*	*-0.3*	*20.3*
Total	**1 810**	**1 617**	**2 165**	**-25.3**	**19.6**

Table n° 13e
Imports of intermediate products not categorized by sector 2008-2009

	Value (LBP billion)			*Changes in % / year*	
Nature of used product	2008	2009	2009 at prices of 2008	Price	Volume
Oil and its derivatives	909	760	1 304	-41.7	43.4
Non-oil products	335	308	363	-15.3	8.5
Timber, rubber, chemicals	*253*	*228*	*276*	*-17.3*	*9.0*
Other products	*82*	*80*	*87*	*-9.1*	*6.9*
Total	**1 244**	**1 068**	**1 667**	**-35.9**	**34.0**

Purchase of electrical energy from Syria and Egypt, as appearing in the accounts of EDL, has almost doubled from 563 million KWh in 2008 to 1 116 million KWh in 2009 with a price decrease of 24.5% (from LBP 256/ KWh to LBP 193.4/ KWh).

Within the context of ***consumer expenditures made abroad by residents,*** estimates are based upon the Household Budget Survey of 1997. In the absence of direct statistics for the period after 1997, this expenditure has been assumed to increase in volume, according to the activities of Lebanese citizens traveling abroad: +14.2% in 2009.

An indicator was used in calculating expenditure changes in terms of value, which considered the average exchange rates of the euro and the U.S. dollar against the Lebanese pound. The U.S. dollar's rate of exchange is pegged by the Central Bank of Lebanon and as such remains constant; however, the euro fell against the Lebanese pound by 5.2% in 2009.

Chapter 3
Consumption

Final consumption refers to the final use of goods and services to provide utility and represent the most significant share of these statistics, accounting for 70 to 75% of available resources over the years. It comprises of both household consumption (private consumption) and public administration consumption (public consumption) - each of which is reviewed in the two sections set forth in this chapter.

Section I. Household consumption

Household consumption data is obtained by estimating private consumption on the national territory (domestic consumption) and by subtracting the consumption of tourists and totaling consumer expenditure of Lebanese citizens traveling abroad. The value of this consumption was estimated during the preparation of the Household Budget Survey in 1997, with extrapolated estimates for subsequent years using appropriate indicators.

Table n° 14 demonstrates the evolution of household consumption by type of product and according to its various components. A specially compiled consumer price index has been formulated to demonstrate the real evolution of consumption. The sources of all applied data are published in the Annex.

Table n° 14
Household consumption by type of product 2008-2009

	Value (LBP billion)			*Changes in % / year*	
Type of product	2008	2009	2009 at prices of 2008	Price	Volume
Foods	9 246	10 076	9 807	2.7	6.1
Tobacco and alcohol	961	1 148	1 111	3.3	15.6
Textiles, leather and clothing	2 563	2 819	2 938	-4.1	14.6
Energy and water	2 319	2 781	2 845	-2.2	22.7
Durable goods	5 908	6 362	6 296	1.0	6.6
Other manufactured goods	2 629	2 929	2 943	-0.5	11.9
Transportation and communications	3 517	3 893	3 960	-1.7	12.6
Housing services	2 435	2 528	2 489	1.6	2.2
Education and health	6 145	6 790	6 589	3.1	7.2
Other services	3 786	4 339	4 154	4.5	9.7
Domestic consumption	**39 508**	**43 665**	**43 133**	**1.2**	**9.2**
- Net expenditure of travelers	-1 490	-2 006	-1 960	2.4	31.5
Total	**38 018**	**41 659**	**41 173**	**1.2**	**8.3**

Domestic private consumption (the total sum of households and tourists on the national territory) and its components witnessed growth in 2009 in an economic environment of declining prices for key commodities: consumer prices increased by only 1.2%, and overall, consumption volume increased by 9.2%; however, the various components of consumption witnessed heterogeneous growth rates.

a) Consumption of foods

In 2009, food consumption increased by 6.1% in volume and was accompanied by a moderate increase in prices (+2.7%). The Ministry of Agriculture, however, has yet to estimate agricultural output (see Chapter 1, Section 1), indicating that the data on food consumption used for these accounts are hypothetical. Below (table n°15) demonstrates the evolution of expenditure patterns on different type of food categories, which have emerged from customs statistics, provisional estimates of agricultural output, and certain branches of the foods industry.

Table n° 15
Household consumption of food by type of product 2008-2009

	Value (LBP billion)			*Changes in % / year*	
Type of product	2008	2009	2009 at prices of 2008	Price	Volume
Agriculture:	2 382	2 490	2 343	6.3	-1.7
Cereals	*129*	*168*	*147*	*14.6*	*13.8*
Fruits	*1 074*	*1 145*	*1 110*	*3.1*	*3.3*
Vegetables	*1 122*	*1 113*	*1 026*	*8.4*	*-8.5*
Others	*57*	*64*	*60*	*7.8*	*4.4*
Livestock and fisheries	862	998	988	1.0	14.7
Foods industry:	6 002	6 588	6 476	1.7	7.9
Fresh meat	*1 435*	*1 569*	*1 581*	*-0.8*	*10.1*
Grains and cereals	*1 261*	*1 393*	*1 327*	*4.9*	*5.2*
Dairy products	*1 019*	*1 142*	*1 155*	*-1.2*	*13.3*
Fats and oils	*669*	*694*	*712*	*-2.6*	*6.4*
Sugar, chocolate and sweets	*253*	*277*	*271*	*2.4*	*6.9*
Processed foods and others	*866*	*980*	*920*	*13.0*	*12.5*
Non-alcoholic beverages	*498*	*533*	*510*	*4.6*	*2.5*
Total	**9 246**	**10 076**	**9 807**	**2.7**	**6.1**

The price increase of vegetables was followed by decrease in consumption, and instead, demand shifted, causing an increase in the consumption of animal products, which witnessed either a fall in prices or stationary prices.

b) Consumption of tobacco and alcoholic beverages

According to statistics provided by the State-owned tobacco monopoly, Régie des Tabacs, the volume of tobacco purchased by residents and non-residents on the national territory continued to rise in 2009 (+20.4%) with a moderate increase in price (+ 4.5%). Régie des Tabacs sales have indeed increased from LBP 690.3 billion in 2008 to LBP 793.4 billion in 2009. These sales are mainly from imported tobacco, the volumes of which reached 11 407 tons in 2009 against 10 107 tons in 2008. Local tobacco production, however, has continued to decline from 2005 to 2008, but rose slightly in 2009.

Sales of alcoholic beverages on the national territory also increased from LBP 191 billion to LBP 221 billion between 2008 and 2009. Prices of alcoholic beverages fell by 1.2% and the volume on the national territory increased by 17.1%.

c) Private expenditure on textiles and clothing

Consumer expenditure on textiles and clothing were estimated at LBP 2 819 billion in 2009, up 10% against 2008. Prices for these products fell by 4.1%, and their total consumption increased by 14.6%. These accounts now provide some more details on the consumption trends and each of the different components that comprise this group of products, which includes clothing, leather articles, household linen, and carpets.

d) Private consumption of energy

Table n° 16 provides energy and water consumption details, which includes expenditure on electricity, water, and oil products.

Table n° 16
Household consumption of energy and water 2008-2009

	Value (LBP billion)			*Changes in % / year*	
Type of product	2008	2009	2009 at prices of 2008	Price	Volume
Electricity	674	729	728	0.2	8.0
Water	180	184	184	0.0	2.2
Oil and its derivatives	1 412	1 815	1 884	-3.6	33.4
Solid fuels	53	53	49	…	…
Total	**2 319**	**2 781**	**2 845**	**-2.2**	**22.7**

Note that electricity consumption grew by 8% with a modest change in price. (It is important to note that even at a constant tariff the average price can change to reflect the consumption configuration).

In the absence of recent statistics, water consumption for these accounts is based on estimations, and this is achieved by assuming increased per capita demand in measure with the number of dwellings; however, prices have remained unchanged.

With an average price fall of 3.6%, the consumption volume of oil and its derivatives increased by 33.4% in 2009. Households maintain two primary uses for oil and its derivatives: transportation (as fuel for private motor vehicles) and domestic purposes such as central heating and cooking (gas oil and butane gas).

a) The volume of gasoline consumed increased by 15.5% and consumer prices increased by 4.8%. The average price of twenty liters of gasoline increased from LBP 27 049 in 2008 to LBP 28 341 in 2009. This increase occurred due to a 28.4% fall in import prices, following a substantial increase in taxes: the actual consumer share of taxes on gasoline at consumer prices was 13.4% in 2008 and increased to 42.2%. Consumer demand for gasoline was boosted by the significant increase in the importation of motor vehicles over the course of the past two years.

b) The volume of gas oil consumed by households and businesses, excluding EDL consumption and transportation companies, have almost tripled from 387.8 thousand tons in 2008 to 1 133.2 tons in 2009, following a significant fall in prices (-42.8%). It is estimated that demand for diesel fuel stems mostly from businesses that have increased their inventories in anticipation of higher prices in the future. Households have not significantly increased their consumption of this fuel type for domestic heating purposes.

c) The consumption volume of domestic gas increased by 22% in 2009 with an 11.8% fall in price: the average price of a 10-kilogram bottle fell from LBP 16 501 in 2008 to LBP 14 546 in 2009.

e) Purchase of capital goods by households

After two years of growth, household expenditure on the purchase of capital goods declined in 2009: +7.7% in value against 21% in 2007 and 70.3% in 2008.

Table n° 17
Purchase of capital goods by households 2008-2009

	Value (LBP billion)			*Changes in % / year*	
Type of product	2008	2009	2009 at prices of 2008	Price	Volume
Motor vehicles	4 185	4 351	4 349	0.0	3.9
Machinery and equipment	631	711	736	-3.4	16.7
Furniture	388	483	451	6.9	16.3
Various appliances	367	409	405	1.1	10.3
Jewelry	337	407	355	14.9	5.4
Total	**5 908**	**6 362**	**6 296**	**1.0**	**6.6**

The purchase of motor vehicles constituted the largest item of expenditure on capital goods (approximately 71% in 2008 and 68% in 2009). In terms of volume, the number of imported motor vehicles, after climbing from 51 937 units in 2007 to 100 207 units in 2008, peaked at 108 539 units in 2009. Taking into account the evolution of various categories, the increased purchase volume of private motor vehicles by households was 3.9%; thus, household expenditure on motor vehicle purchases is deemed to have risen in direct proportion given that prices remained relatively unchanged.

Household expenditure on the purchase of machinery and appliances, and other goods witnessed a sharper rise.

f) Consumption of other manufactured goods

Under the heading, "other manufactured goods", various products are grouped into the following categories: chemical and pharmaceutical industries; products for personal and domestic care; printing works, and a variety of glass, pottery, or metal products. Table n° 18 provides the consumption evolution of these products.

Table n° 18
Consumption of manufactured goods by type 2008-2009

	Value (LBP billion)			*Changes in % / year*	
Type of product	2008	2009	2009 at prices of 2008	Price	Volume
Chemicals and pharmaceuticals	1 973	2 164	2 181	-0.7	10.5
Printing works	457	539	530	1.7	15.8
Glass, metalwork	170	195	131	48.4	-22.7
Other products	29	32	33	-4.4	15.7
Total	**2 629**	**2 930**	**2 875**	**1.9**	**9.4**

- Chemicals and pharmaceuticals are the most important in this category, and represent more than 5% of total domestic private consumption. This sector's expenditure increased in value and volume by approximately 10%. It is important to take note of the evolution in volume of imported drugs intended for retail trade. The value of these imports increased from LBP 943.8 billion to LBP 1 018.4 billion between 2008 and 2009, while imports volume also increased from 5 658 tons to 6 282 tons respectively.
- Printing works products are the second most significant in this category and primarily consist of newspapers, magazines and books, including textbooks. Prices in this sector have remained relatively stable (+1.7%), and household expenditure in this area increased by 17.8% in 2009.

g) Private expenditure on transportation and communications

In 2009, expenditure growth on the use of *air transportation* services slowed considerably to reach almost zero (1%). It should be noted that domestic consumption of *air transportation* services is equal to the value of passenger tickets sold by travel agencies in the national territory. These sales figures are taken from the statistics provided by IATA.

On the other hand, expenditure on *road transportation* services grew more significantly, rising by 14.3% in 2009 against 2008. This rise is due in part to higher prices (+7.4%).

Table n° 19
Domestic consumption of transportation and communications services 2008-2009

	Value (LBP billion)			*Changes in % / year*	
Type of product	2008	2009	2009 at prices of 2008	Price	Volume
Road transportation	1 021	1 167	1 087	7.4	6.4
Air transportation and travel	746	753	748	0.7	0.3
Postal & telecommunications (PTT)	1 750	1 873	2 018	-7.2	15.3
Total	**3 517**	**3 793**	**3 852**	**-1.5**	**9.6**

In the *postal services and telecommunications (PTT)* sector, the growth of household expenditure was modest in 2009 due to falling prices (-7.2%); growth in volume increased by 15.3%. These figures, however, are subject to revision given that PTT authorities have yet to publish their final accounts.

h) Rental value of housing

In the absence of verifiable statistics on the evolution of housing, the growth in the number of occupied dwellings was assumed to be equal to the annual number of registered marriages net of repossessions in existing dwellings. This number represents 2.2% of dwellings occupied in the previous year. The average rental value of apartments has also increased by 1.6%. Relying on data from the Survey of Living Conditions of Households, the rental value of housing units, which was estimated at LBP 2 059 billion in 1997, has reached LBP 2 528 billion in 2009.

i) Consumption of education and health services

The social services sector represents more than 16% of total private consumption. These include private expenditure on education and health that have progressed at different rates as table n° 20 demonstrates.

Table n° 20
Consumption of social services by type 2008-2009

	Value (LBP billion)			*Changes in % / year*	
Type of service	2008	2009	2009 at prices of 2008	Price	Volume
Education	3 837	4 105	3 976	3.3	3.6
Health	2 308	2 685	2 614	2.8	13.2
Total	**6 145**	**6 790**	**6 589**	**3.1**	**7.2**

Tuition fees for primary and secondary education, and private universities totaled LBP 3 837 billion in 2008 and LBP 3 976 billion LL in 2009, i.e. a growth rate of 7%. Considering the 3.3% increase, the real growth rate per annum is 3.6%. This growth can be largely attributed to the proliferation of private universities. In fact, the number of students enrolled in private universities increased from 92 969 in 2008 to 100 163 in 2009; representing an average growth

rate of 7.7%, while the number of students enrolled in private schools increased from 529 378 in 2008 to 560 945 in 2009 (+ 6%). Overall, the budgetary expenditure coefficient on education increased less rapidly than total expenditure of the household budget on such expense ratios, decreasing from 10.1% in 2008 to 9.9% in 2009.

The evolution of *health services* is less well documented. Assuming that a direct correlation is drawn from the volume of imported drugs, the volume of healthcare provided by private health services after a minor decline in 2008 resumed its growth in 2009 (+13.2%). Surveys of healthcare prices have also demonstrated a 2.2% increase in 2009 against 2008. Health services expenditure, thus, increased by 16.3% in 2009 and its burden on household consumption changed from 6.1% in 2008 to 6.4% in 2009. Note that the public administration guarantees healthcare assistance by paying part of the hospital expenses and the public expenditures for this assistance is included under the public administration consumption heading (refer to next section).

j) Consumption of individual services

Typically, individual services represent between 9% and 10% of total household and tourist expenditure on the national territory. These services take into account and include hotels and restaurants, maintenance and repair services, and miscellaneous services such as leisure, personal care, and domestic help.

Table n° 21 illustrates the breakdown of these services and their evolution between 2008 and 2009.

Table n° 21
Consumption of individual services by type 2008-2009

	Value (LBP billion)			*Changes in % / year*	
Type of service	2008	2009	2009 at prices of 2008	Price	Volume
Hotels and restaurants	1 602	1 993	1 827	9.1	14.0
Maintenance and repairs	344	393	384	2.3	11.7
Insurances and banks	728	830	821	1.2	12.6
Other services	1 112	1 123	1 123	0.1	1.0
Total	**3 786**	**4 339**	**4 154**	**4.5**	**9.7**

The *hotel and restaurant sector* is partly dependent on the number of tourists and improvements in the living standards of the resident population. In 2009, the numbers of foreign arrivals increased by approximately 27% compared to 2008 (refer to Chapter 1, Section VI, Paragraph d).

In the *maintenance and repair services* sector, consumption is deduced from the estimated output of such services (refer to Chapter 1, section VI, Paragraph b).

Consumption of *financial services* comprises of banking and insurance services. Consumption of banking services by households is part of the net value of banking product imputed to

households in proportion of their bank debts. This share increased from LBP 345 billion to LBP 492 billion between 2008 and 2009. As for insurance services, whose value is equal to the sum of premiums paid by households less claims consumed by households, this has declined from LBP 383 billion to LBP 338 billion. In total, financial services expenditure attributed to household consumption increased by 14% part of which (1.2%) is attributed to inflation (refer to Chapter 1, section VI, Paragraph h for the output of financial services calculation method).

k) Net expenditure of travelers

Expenditures incurred in the previous paragraphs apply to private spending on the national territory. These include expenditures by tourists and other travelers from abroad but exclude everyday expenditures incurred outside of resident households in Lebanon. In calculating the total resident household final consumption expenditure, the total expenditure within the economic territory is adjusted by adding expenditures of residents abroad and subtracting expenditures by non-residents within the economy territory.

Unfortunately, the nature of these expenditures is unknown, and as such, these are considered in a global context. The estimate of tourist expenditure is provided in (table n° 25) on exports below, and resident expenditure outside the economic territory is provided at the bottom of (table n° 11).

Section II. Public consumption

By definition, public consumption is equal to the output of non-market services by the Government. The estimated value of such services was accounted for in the chapter associated with production (refer to Chapter 1, Section VIII).

Public consumption also incorporates the value of collective services, production costs of individual services that are either free-of-charge or entail nominal fees, including education and healthcare services dispensed through State-owned establishments. Normally, these services are subject to separate estimates. The current system of public accounts, however, makes it unfeasible to establish a separate account for such social services provided by the public administration. The value of such services, however, is inferred by drawing on the main variables entered in the relevant calculations. Table n° 22 demonstrates the expenditure on education as these appear in the State's closure accounts vis-à-vis primary and secondary education, and in the accounts of the Lebanese University for higher education. The table also highlights the amounts disbursed by the Ministry of Health for the hospitalization of patients treated at the State's expense.

Table n° 22
Cost estimates of public education and healthcare services 2005-2009

LBP billion

Type of service	2005	2006	2007	2008	2009
Primary and secondary education					
Wages and Salaries	*495*	*485*	*504*	*489*	*585*
Consumption of goods and services	*24*	*20*	*23*	*22*	*30*
Total	*519*	*505*	*527*	*511*	*615*
*Lebanese University**					
Wages and Salaries	*116*	…	…	…	…
Consumption of goods and services	*18*	…	…	…	…
Total	134	157	146	174	252
Total Education	653	662	673	685	867
Hospital expenditure	222	180	210	306	297
Total social services	**875**	**842**	**883**	**991**	**1 164**

* In the absence of closure of accounts from 2006 for the Lebanese University, the figures presented herein represent the transfers received by the Lebanese University from the State budget.

In order to complete the cost estimates of such services, it is necessary to include an evaluation of the depreciation of school and university buildings that belong to the State, and to deduct part of the bank debt burden born by the State to cover its deficit**.**

The growth in volume evaluated as the annual change in the number of students enrolled in public education, varies significantly from the growth in value.

- In *primary and secondary education,* the total number of students enrolled in both public and private schools, which include tuition-free primary and secondary education in the public sector and tuition-paying students in the private sector, fell from 450 784 during the 2006-2007 academic year to 427 761 in 2007-2008, recording a decline of 5.1%. The rising cost of tuition fees (+8.5%) is attributed to the increase in minimum wage decreed by the State in May 2008.

-At the *Lebanese University*, the number of students enrolled for the 2008-2009 academic year remained relatively unchanged from the previous year (74 134 against 74 176). On the other hand, the cost of education increased by 45% according to the funds transferred from the State budget to the Lebanese University budget (LBP 252 billion in 2009 against LBP 174 billion in 2008).

Chapter 4
Investments

The investment materials consist of Gross fixed capital formation (GFCF) and variation of stocks.

Section I. Gross fixed capital formation

Overall, GFCF is calculated by totaling the general value of capital goods purchased by businesses and the public administration to the general output value of the construction sector. Foreign trade statistics provide the necessary indicators for estimating these values given that the majority of such goods are imported. Table n° 23 demonstrates the formation and distribution of GFCF between 2008 and 2009.

Table n° 23
Gross fixed capital formation by type of assets 2008-2009

	Value (LBP billion)			*Changes in % / year*	
Type of fixed capital	2008	2009	2009 at prices of 2008	Price	Volume
Construction and public works	9 609	10 849	10 700	1.4	11.4
Machinery and equipment	1 440	1 834	1 987	-7.7	37.9
Transportation equipment	1 206	3 351	3 683	-9.0	205.3
Furniture	448	640	610	5.0	36.1
Other products	660	725	767	-5.5	16.3
Total	**13 363**	**17 398**	**17 746**	**-2.0**	**32.8**

After two years of strong growth, construction activity continued its upward trend in 2009 although to a lesser degree: 12.9% in value and 11.4% in volume against 33% in value +16.8% in volume in 2008.

Investments in capital goods also recorded strong growth in 2009, including transportation equipment, which witnessed a value increase of 178% following the importation of eight aircrafts (refer to Chapter 2). Investments in machinery and equipment, and furniture have also risen noticeably: 27.3% and 42.8% in value, respectively. Price changes used for calculating variations in the volume of capital investments are inferred from capital goods, which are estimated as the import unit values of these goods plus taxes. Within this context, price variations could be partly attributed to changes in quality or type.

Breakdown of GFCF in both the private and public sectors

The gross fixed capital formation of enterprises is not directly known. Rather, it is measured by calculating the difference between the total value and the value represented by public investments. The statistical aggregate of GFCF is a measure of new net investments by enterprises in the private sector, rather than of all enterprises. Indeed, public investments include—in addition to the public administration's GFCF—infrastructural expenditures toward electrical energy, water distribution, and telecommunications, which constitute a share of GFCF for public companies.

Table n° 24
Breakdown of GFCF in the private/ public sector 2005-2009

LBP billion

End-user sector	2005	2006	2007	2008	2009
Private sector	6 441	6 867	9 222	12 366	16 303
Public sector	872	901	905	997	1 095
Total	**7 313**	**7 768**	**10 127**	**13 363**	**17 398**

Public investments are estimated from State accounts and autonomous administrations, including the CDR.[6]

The fiscal restraint policy adopted by the State to alleviate the public debt burden has resulted in weak public investment growth. Almost stationary from 2004 to 2007, public spending on infrastructure and equipment increased by 10.1% in 2008 and 9.9% in 2009. Given the rising cost of public construction in 2008, however, public investment would have actually declined slightly in 2009. Growth in 2009, on the contrary, appears more real.

Section II. Changes in inventories

Statistics are unavailable concerning inventories of enterprises. Changes in inventories appearing in these accounts are aimed at regularizing the use of resources in goods and services across successive years. In 2007, the sharp increase in imports was partly due to the need to replenish stocks, which began in 2006 following the port embargo and the restriction of provisions, entering the national territory during the six-week war period. In 2008, importers anticipating increased demand led to significant stock replenishments. The balancing of accounts resulted in a variation of inventories estimated at LBP 446 billion in that year. In 2009, and despite a reduction (de-stocking) in the level of inventories of certain products, there was an increase in the imports of live animals and particularly oil products, which exceeded demand following a sharp fall in prices. Again, balancing the accounts led to changes in inventories estimates at LBP 665 billion at current prices and LBP 1 023 billion at prices of the preceding year.

[6] Public investments have been revised following a detailed examination of municipalities' accounts and projects implemented by the CDR.

Chapter 5
Exports

Exports, following standard concepts, take into account the exports of goods and services outside the territory, and tourist expenditure on the national territory.

The 2009 global financial crisis affected Lebanese exports: after an increase of 20.9% and 27.5% in 2007 and 2008, respectively, the value of these exports declined by 3.1% in 2009. The exports of goods and services outside the national territory were affected (-10.2% in value), while tourist expenditure in this sector recorded strong growth as in previous years. The paragraphs set forth below review the export trends of the various sectors, which are detailed in table n° 25.

Table n° 25
Exports of goods and services by type 2008-2009

	Value (LBP billion)			*Changes in % / year*	
Type of product	2008	2009	2009 at prices of 2008	Price	Volume
Agricultural exports	471	458	480	-4.6	1.9
Agriculture products	*426*	*416*	*436*	*-4.7*	*2.5*
Livestock products	*45*	*42*	*44*	*-4.2*	*-3.1*
Exports of manufactured goods	6 165	5 473	6 019	-9.1	-2.4
Agro-food products	*577*	*599*	*599*	*0.0*	*3.9*
Textiles and leather	*656*	*584*	*651*	*-10.2*	*-0.8*
Non-metallic ores	*478*	*428*	*472*	*-9.4*	*-1.3*
Metals, machines, equipment	*2 296*	*2 064*	*2 196*	*-6.0*	*-4.3*
Timber, rubber, chemicals	*1 139*	*786*	*1 030*	*-23.7*	*-9.6*
Furniture	*133*	*112*	*111*	*1.3*	*-16.6*
Other products	*887*	*901*	*961*	*-6.2*	*8.4*
Total exports of goods	6 636	5 931	6 499	-8.7	-2.1
Exports of services	2 441	2 223	2 218	0.2	-9.1
Telecommunications	*225*	*245*	*264*	*-7.2*	*17.6*
Business services	*516*	*542*	*535*	*1.2*	*3.8*
Financial services	*640*	*284*	*280*	*1.2*	*-56.1*
Trade	*1 061*	*1 152*	*1 139*	*1.2*	*7.3*
Exports outside the territory	**9 077**	**8 154**	**8 718**	**-6.5**	**-3.9**
Tourist expenditure	2 001	2 574	2 543	1.2	27.1
Grand Total	**11 077**	**10 728**	**11 260**	**-4.7**	**1.7**

The values used to evaluate the changes in volume for exported goods are derived from customs statistics transaction values that are calculated by dividing value by quantities. The prices of business services and trade were assumed to vary in parallel to the general price index. As for the price index of tourist expenditure on the national territory, it is assumed to be equal to the consumer prices index.

a) Agricultural exports

Agricultural exports witnessed a strong recovery in 2007, experienced moderate growth in 2008, and declined in 2009: -2.8% in value. This decline is partly due to lower export prices (-4.6%); instead, volume increased by 1.9%. It is important to note that the value of agricultural exports retained in these accounts is significantly greater than those appearing in customs statistics. The correction coefficients that were applied varied from 1.5% to 3%, depending on the need to balance the uses/resources accounts of agricultural products.

In 2009, fruit exports, which constitute more than half of all agricultural exports, have generally increased (+6.5% in value, +17.1% in volume). Raw tobacco exports and vegetables both served to bring total agricultural exports spiraling downward: this is particularly due to a sharp drop in the volume of raw tobacco exports, which fell from 10 509 tons in 2008 to 6 236 tons in 2009.

b) Industrial exports

As to agricultural exports, customs statistics regarding the exports of manufactured goods, were corrected upward for several goods, albeit to significantly lesser degrees.

After a two-year growth (+31.8% in 2007 and +26.5% in 2008), industrial exports fell in 2009 following a 9.1% fall in prices to record 11.2% in value and 2.4% in volume.

It is important to note that exports and imports of gold ingots were excluded from these accounts, given that the inclusion of these would have distorted the real trends of industrial exports. Indeed, as illustrated in the table below, gold exports fluctuated erratically between 2006 and 2009: -29.4% in 2007, increasing by +1.4% in 2008, and 144.6% in 2009.

Table n° 26
Exports of gold ingots 2006-2009

					Changes in % / year		
	2006	2007	2008	2009	2007	2008	2009
Value in billion LBP	671.4	474.2	481.0	1 176.8	-29.4	1.4	144.6
Quantity in kgs	26 994	16 254	12 254	29 210	-39.8	-24.6	138.4
Price (LBP million/kg)	24.9	29.2	39.3	40.3	17.3	34.6	2.6

- Unlike other industries in the manufactured goods sector, the agro-food industries witnessed the value of its exports growth in 2009, albeit moderately when compared to 2008; +3.9% in 2009 against 23% in 2008. Prices remained stable; this increase is entirely due to augmented export volumes.

  Among the products exported, the most significant in the industry include:
  processed foods, representing 30.7% of exports in this category, witnessed exports increase by 4.5% in value and 4.7% in volume**;**
  confectionery and chocolate: comprising 20.5% of foods industry exports, 2% growth in value but down 3.2% in volume**;**
  grains and cereals: representing 10.1% of exports in this category; 12.3% growth in value and 20.2% in volume**;**

fats and oils exports, representing 7.6% of revenue of foods industry exports, fell by 2.8% in value; however, prices fell by 8.7% and the volume increased by 6.4%**.**

- The export values of textiles, clothing and leather fell sharply (10.9%) due to lower prices (-10.2%), exports have remained virtually unchanged (- 0.8%).
- Non-metallic ore exports and derivatives containing these minerals have also declined: -1.3% in volume and - 10.6% in value. In 2009, more than three-quarters of these products comprised of uncut diamonds and cement. Diamond exports (or rather re-exportation) increased from 508 kg in 2008, valued at LBP 184.7 billion, to 228 kg in 2009, valued at LBP 227.9 billion. In the case of cement, the exported volume of this product increased from 1 257 thousand tons in 2008 to 887 000 tons in 2009 (-29.4%), in addition to prices falling by 15%, the export value of cement fell by 37.3%, from LBP 172 billion in 2008 to LBP 108 billion in 2009.
- The metal, machines and equipment category occupies a significant position in industrial exports (accounting for 37.7% of the total value of exported manufactured goods in 2009). It is classified under the following subcategories: metals, excluding gold (7.6%); metal works (7%); machinery and equipment (19.5%); transportation equipment (3.6%).
    - Metal exports fell sharply in 2009 compared to 2008: -33.7% in value, -27% in volume. More than a quarter of these exports come from scrap iron (waste), which changed in value from LBP 272 billion in 2008 to LBP 122 billion in 2009.
    - The export value of metal works fell slightly (-6.7%). This decline was largely due to falling prices (-5.4%). Metal structures for use in construction projects are among the main products exported in this subcategory, and these export values fell from LBP 51.3 billion in 2008 to LBP 40.6 billion in 2009.
    - The exports of machinery and equipment witnessed a 5% fall in value in 2009 against 2008.
    - The export value for transportation equipment increased between 2008 and 2009 from LBP 136 billion to LBP 199 billion. We have noticed that the exit of aircraft engines was recorded as export at a value of LBP 43.7 billion in 2009 against LBP 30.6 billion in 2008.
- The basic chemical products which constituted more than half of the exports of the subcategory "timber, rubber, chemicals" in 2008, didn't constitute more than 35% in 2009 due to the sharp fall in prices following an equivalent huge increase in prices in 2008. The export prices of the two most important products in this subcategory, namely phosphoric acid and superphosphate, decreased by 70% and 60% after being multiplied by 3.6 and 2.9 between 2007 and 2008. The export value of these products decreased from LBP 470.9 billion in 2008 to LBP 365.2 billion in 2009, while exported quantities fell from 365.2 thousand tons to 340.2 thousand tons. The other categories under this subcategory experienced less dramatic export declines between 2008 and 2009: the value of other chemical products exported decreased from LBP 177 billion to LBP 159.3 billion, following a 4.5% drop in prices. The exported value of woodwork (excluding furniture) fell from LBP 51.2 billion to LBP 42.4, with prices down 3.5%; pulp and paper exports increased from LBP 205.5 billion to LBP 208 billion with a price increase of 1.2%; exports of plastics fell from LBP 102.3 billion LBP to 83.2 billion with a 7% fall in prices.
- Although negligible, furniture exports have fallen in value: -15.5%.

- Other products in this category essentially include print works and jewelry. Exports of printed products increased by 32.5% in value, from LBP 309 billion in 2008 to LBP 409.2 billion in 2009, despite a decline in unit values (-14.4%). In this category, the export of jewelry fell by 20.2% from LBP 463 billion to LBP 369.4 billion.

c) *Export of services*

Foreign exchanges of services are not yet well inventoried. At present, and due to regular reviews, only the net receipts of public services for telecommunication are known. The net exports of transportation services have been omitted. The net exports of business services, however, have been estimated based on parameters set by a survey of large enterprises, which was performed in 2004. The export of financial services includes the part of the net banking product imputed to the interest received from abroad and the net export of reinsurance services which is negative. It is important to note the triangular trade receipts retained in these accounts are extremely rough estimates given that these are based on due customs statistics on general trade, import-export, and transit.

The net receipts of the General Directorate of Telecommunications, resulting from overseas communications are still vague. The growth rate of these figures is assumed to be similar to those of PTT Treasury receipts at 9.2% in 2009 compared to 2008.

According to the declarations in 2002 made available by large companies in the above-mentioned survey of enterprises, the overseas turnover by Lebanese companies in *business services*, net of services payments to non-residents, increased from LBP 205 billion in 2002 to LBP 245 billion in 2003, representing a rise of 19.3%.[7] A growth rate figure of 25% was retained for the years 2004 and 2005 according to the turn-over declared by the offshore companies to the Ministry of Finance. In the absence of recent statistics, an average growth rate of 6% per annum was adopted for the 2006 and 2007 estimates, 20% for 2008, and 5% for 2009. Given the impossibility to define and monitor the prices of such services, prices were assumed to increase at the same rate of inflation, which was 1.2% in 2009.

After recording strong growth in 2008, *financial services* fell slightly in 2009. These services include charges levied to dividends received by banks from their investments abroad minus imports of insurance services. Dividends received by banks from overseas, according to Central Bank of Lebanon, fell from 1 744 billion in 2008 to LBP 889 billion in 2009. The banking services/earned interests ratio was 31% in 2009 (against 32.8% in 2008); the interest dividends declared as exports amounted to LBP 572 billion in 2008 and LBP 275 billion in 2009. Bank charges on the net external transactions must be added to the interest differential, translating into LBP 136 billion in 2008 and LBP 68 billion in 2009. In addition, services of foreign reinsurances represented net imports of LBP 62 billion and LBP 59 billion respectively in 2008 and 2009. These figures were subtracted from exports of services. Financial services from foreign transactions fell by 55.5%.

[7] A subsequent investigation revealed the survey results of the large enterprises study concerning exports of services in the 1997-2002 accounts were grossly underestimated.

The growth rate for the triangular trade estimate adopted is equivalent to the movement of transit activities and re-export. Following a year of strong growth in 2004 (+32.4%), net revenues from foreign trade activity was in constant decline: -3.5% in 2005, -17.8% in 2006 and -3.9% in 2007, but growth resumed in 2008 (+17.2%) at lower figures in 2009 (8.6%). As for financial services, a conventional rate of inflation of 1.2% was retained to measure the rising prices of this service.

d) Tourist expenditure

By convention, the growth rate in volume of tourist expenditure and other foreign travelers on the national territory is equal to the total growth rate of the annual number of foreign visitors (excluding Syrian nationals) entering annually to Lebanon: +18.1% in 2008 and 27.1% in 2009. The consumer price index was selected to estimate the expenditure of this value.

PART TWO
Integrated economic accounts

The international System of National Accounts (SNA93) is aimed at establishing a standard set of accounts for each of the five economic agent categories in a national economy, indicated by S.1, and for the rest of the world, indicated by S.2.

The five economic agent categories of the national economy are:

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

At the current stage of its development, the national statistics of Lebanon prohibit the establishment of a separate and accurate integrated economic accounts record for each of the five agents. It is practically impossible, therefore, to provide a distribution of output operations between non-financial corporations and households. In contrast, the main elements of the integrated economic accounts of domestic economic agents as a whole and those concerning the rest of the world can be loosely approximated.

Tables n° 27 and n° 28 present both the integrated economic accounts of the national economy (S.1) and rest of the world (S.2). These account modules make it possible to measure the main flows that represented economic activity between 2008 and 2009.

Chapter 1 presents the integrated economic accounts of the national economy, which measure the main aggregates: production account, generation of income and primary distribution of income account, secondary distribution of income account, use of income account, capital account, and financial account.

Chapter 2 presents the estimates of the main balance of payments elements, which are divided into four accounts: exchange of goods and services account, account of primary incomes and current transfers, capital transfers account, and finally, the financial account.

The economic agent accounts were established to compare to the accounts of the central administration and commercial banks. These accounts are reproduced in the annex.

Table n° 27
Integrated accounts of the national economy (S.1) 2008-2009

LBP billion

Accounts	Uses 2008	Uses 2009	Resources 2008	Resources 2009
I. Production account				
P11. Market output			57 452	61 676
P12. Non-market output			6 686	7 384
D2-D3. Taxes(-)subsidies/products			7 209	8 976
P2. Intermediate consumption	26 001	25 386		
B1. Gross value added (GDP)	*45 346*	*52 650*		
Total	71 348	78 036	71 348	78 036
II.1. Generation and allocation of primary income account				
B1. GDP			45 346	52 650
D2-D3. Taxes(-)subsidies/products	7 209	8 976	7 209	8 976
D41. Interests	6 524	8 308	6 393	7 826
private sector	*2 740*	*3 837*		
public sector	*3 784*	*4 471*		
D1+D4. Compensations, other income	30 717	34 720	31 590	36 489
B5. Balance of primary income (GNI)	*46 089*	*53 937*		
Total	90 538	105 941	90 538	105 941
II.2. Secondary distribution of income account				
B5. GNI			46 089	53 937
D5. Direct taxes	2 735	3 089	2 735	3 089
D61. Social security contributions	1 084	1 145	1 084	1 145
D62. Social security benefits	1 901	2 334	1 926	2 360
D79. Other current transfers	528	548	12 296	14 985
B6. Balance of secondary income (GNDI)	*57 882*	*68 400*		
Total	64 130	75 517	64 130	75 517
II.4. Use of income account				
P2. Consumption	44 704	49 043		
B8. Gross saving	*13 177*	*19 357*		
Total = GNDI	57 882	68 400	57 882	68 400
III. 1 Capital account				
B8. Gross saving			13 177	19 357
P51. Gross fixed capital formation	13 809	18 063		
D9. Capital transfers	8	38	3 936	9 674
B9. Bal.: net lending/borrowing (-) financing	*3 296*	*10 930*		
Total	17 113	29 031	17 113	29 031
III. 2 Financial Account				
B9. Net lending/borrowing (-) financing			3 296	10 930
F2. Currency and deposits	18 608	32 231	13 390	20 323
F3. Securities other than loans	6 922	8 061	7 369	6 429
F4. Loans	4 582	5 385	3 890	3 461
F5. Shares/other equities	-1 314	2 494	853	7 028
Total	28 798	48 171	28 798	48 171

Table n° 28
Rest of the world accounts (S.2) 2008-2009

LBP billion

	Uses		Resources	
Accounts	2008	2009	2008	2009
I. Transactions of goods and services				
Imports			24 244	25 183
Exports	11 077	10 728		
B11. Trade balance	*13 167*	*14 456*		
Total	24 244	25 183	24 244	25 183
II. Primary income and current transfers account				
B11. Trade balance			13 167	14 456
D1. Compensation of employees	1 421	2 314	687	698
D41. Interests	1 863	1 037	1 993	1 519
D4... Other income	637	717	498	563
D62. Social benefits	25	26		
D79. Other current transfers (net)	11 767	14 437		
B12. Current balance	*632*	*-1 294*		
Total	16 345	17 236	16 345	17 236
III. 1 Capital account				
B12. Current balance			632	-1 294
D9. Capital transfers (net)	3 928	9 636		
B9. Bal.: Net lending/borrowing of financing	*-3 296*	*-10 930*		
Total	632	-1 294	632	-1 294
III. 2 Financial Account				
B9. Net lending/borrowing of financing			-3 296	-10 930
F2. Currency and deposits (net)			5 218	11 908
F3. Securities other than loans	447	-1 633		
F4. Loans	-692	-1 923		
F5. Shares / other equities	2 167	4 534		
Total	1 922	978	1 922	978

Chapter 1
Integrated accounts of the national economy

The various transactions carried out between economic agents, or flows, arising from economic activity, are divided into the following six categories or sub-categories of these accounts (the Roman numerals used are the international classification codes of these 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 make it possible to measure the main aggregates that represent economic activity. These aggregates are summarized in Table n° 29 below.

Table n° 29
Evolution of the main aggregates 2005-2009

LBP billion

Type of aggregate	2005	2006	2007	2008	2009
GDP	**32 945**	**33 917**	**37 926**	**45 346**	**52 650**
+ Net factor income	259	-209	-225	743	1 287
= GNI	**33 204**	**33 707**	**37 701**	**46 089**	**53 937**
+ Net current transfers	4 305	6 708	6 594	11 792	14 463
= GNDI	**37 509**	**40 415**	**44 295**	**57 882**	**68 400**
- Final consumption	-32 727	-33 252	-36 984	-44 704	-49 043
= Gross national saving	**4 782**	**7 163**	**7 312**	**13 177**	**19 357**
+ Net capital transfers	1 431	4 461	2 192	3 928	9 636
= Gross disposable saving	**6 213**	**11 625**	**9 504**	**17 105**	**28 993**
- GFCF	7 222	7 733	10 462	13 809	18 063
= Net lending (+) / borrowing (-) of financing	**-1 010**	**3 892**	**-958**	**3 296**	**10 930**
+ Foreign financing	2 136	321	4 029	1 922	978
= Balance of payments	**1 126**	**4 213**	**3 070**	**5 218**	**11 908**

Note : Figures from 2005 to 2008 have been revised

Thus:

- Gross domestic product (GDP) is the balancing item in the production account of all economic agents;
- Gross national income (GNI) is derived from the allocation of primary income account;
- Gross national income (GNDI) is the balancing item of the secondary distribution of income account;
- Gross national savings is the balancing item in the use of income account;
- Gross national savings and net lending/borrowing are deduced from the capital account;

- The balancing item in the balance of payments is reflected in the financial account under the heading, “Changes of cash and deposits.”

The details of these accounts are presented in the sections set forth below.

Section I. Production account

The production account records the production value in terms of resources received by various economic agents, and the value of intermediate consumption in terms of uses. The balance of this account is equal to gross domestic product or GDP.

The production value is sub-divided into: market output (P.11), non-market output (P.12), and taxes minus product subsidies (D.2 – D.3).

a) Market output (P.11)

Market output is equal to the sum of receipts, excluding taxes, of all production units resulting from the sale of goods and services. However, given the estimation methods adopted in the absence of adequate statistics, the market output value described herein also includes the production value of own final consumption.

The production value is equal to the sum of the output values of all market sectors calculated at market prices minus indirect taxes plus operational subsidies.

Details of the market output evaluated at consumer prices are provided in part one, chapter one of this report.

b) Non-market output (P.12)

Non-market output, as it appears in these accounts, represents only an estimate of public administration output. Thus, it excludes the self consumed output value of households and products of non-profit institutions.

The estimation method used for this output is described in part one, chapter one of this report.

c) Taxation less subsidies/products (D.2 – D.3)

In principle, only specific net taxes on products less subsidies should appear in this account. However, given the data lack in this area, all indirect taxes featuring in the generation of income account were retained. These include the following: customs duties, taxes on the consumption of specific products, including VAT, as of year 2002, and the profits of public corporations, municipal taxes, and other taxes.

Municipality taxes were revised after an analysis of all big municipalities' accounts and a sample of other municipalities' accounts for years 2004 and 2005. Taxes for other years were estimated

using indicators from the Treasury accounts, which collect specific taxes on behalf of the municipalities. These are part of a necessary adjustment to balance the public sector accounts. Other tax data were taken from the public administration's closure account. Table n° 30 demonstrates the evolution of various indirect taxes types from 2005 to 2009.

Table n° 30
Indirect taxes by type 2005-2009

LBP billion

Type of tax	2005	2006	2007	2008	2009
Customs duties	481	461	556	686	768
Consumption tax	2 440	2 349	2 580	3 600	4 917
Profits of public corporations	1 657	1 423	2 006	2 020	2 448
Stamps and other duties	261	259	292	350	396
Municipal taxes and adjustments	427	469	349	601	521
- subsidies	*-19*	*-26*	*-22*	*-48*	*-74*
Total	**5 247**	**4 936**	**5 761**	**7 209**	**8 976**

Note : The accounts for 2007 and 2008 have been revised.

Customs duties declined from 2001 to 2003, following a policy adopted by the public administration to replace these duties progressively with VAT. These custom duties rebounded again in 2004, albeit at a lower growth rate than imports. The real ratio of duties / customs value of imports dropped from 4.3% in 2003 to 3.1% in 2007 and 2.8% in 2008 and 3.1% in 2009.

As Table n° 31 demonstrates, *consumption taxes* mainly consist of VAT, which was introduced in year 2002.

Table n° 31
Consumption tax by type 2005-2009

LBP billion

Type of Tax	2005	2006	2007	2008	2009
- on value added	1 560.8	1 660.2	1 803.0	2 583.8	2 888.6
- on tobacco	190.8	162.0	211.2	246.1	277.2
- airport embarkation	83.8	64.4	84.1	106.9	123.0
- on fuels	362.2	230.3	184.7	112.3	999.2
- on motor vehicles	230.5	216.5	286.6	538.8	614.2
- Others	11.9	16.0	10.6	12.6	14.7
Total	**2 440.0**	**2 349.3**	**2 580.2**	**3 600.4**	**4 916.9**

Between 2004 and 2007, the growth rate of VAT averaged 5.9% per annum. In 2008, it averaged 43.2% and 11.8% in 2009. In fact, in the absence of the annual closing of accounts, the data for 2008 and 2009 are preliminary; the real growth rate of VAT in 2008, according to reports from the Ministry of Finance would be 29%. Regularly recorded since 2004 to 2008, lower tax on fuels is attributed to the public administration's policy to stabilize gasoline prices. The fall in import prices of gasoline in 2009 allowed the State to raise taxes on fuel; hence, their high value.

Profits of public corporations are entered as product taxes given that prices of goods and services produced by these corporations are set by the public administration. Among the profits of public corporations, public telecommunication operators, which are the most significant, displayed the most noteworthy growth in recent years: the value of this sector soared from LBP 141 billion in 1997 to LBP 1 310 billion in 2004 and reached LBP 1 456 billion in 2005. Estimations measure the value of these public telecommunication operators at LBP 1 298 billion in 2006, LBP 1 660 billion in 2007, LBP 1 734 billion in 2008 and LBP 2 054 billion in 2009.

Subsidies to public corporations, which appear in the accounts of the public administration, are presented below (Table n° 32):

Table n° 32
Subsidies to public corporations 2005-2009

LBP billion

Corporation	2005	2006	2007	2008	2009
Wheat and beet	-	5.0	-	30.7	45.0
Water boards	-	-	-	-	-
Transportation and communication	15.0	13.0	15.9	10.0	18.1
Television of Lebanon	4.0	4.0	4.0	4.0	7.0
Others	0.3	4.0	2.0	3.0	4.0
Total	**19.3**	**26.0**	**21.9**	**47.7**	**74.1**

Subsidies granted to Electricité du Liban (EDL) are not entered in the budgetary expenditure of the public administration. These are rather treated as financial transactions and entered in Treasury accounts as advances to State-owned institutions. EDL debts to the Treasury increased from LBP 81 billion in 2003 and LBP 511 billion in 2004 to LBP 734 billion in 2005. Detailed Treasury accounts for subsequent years are currently unavailable. Periodic Ministry of Finance reports, however, confirm that Treasury expenditure on behalf of EDL was LBP 1 371 billion, LBP 1 497, LBP 2 430 billion, and LBP 2 259 billion for the years 2006, 2007, 2008, and 2009 respectively. It is important to note that indirect subsidies granted to tobacco farmers and whose values are unknown are deduced from taxes on manufactured tobacco.

d) Intermediate uses

Intermediate uses are equal to purchases by the production units of consumable goods and services minus changes in inventories. These are valued at market prices, in other words, inclusive of applicable taxes.

Intermediate consumption of economic activity in various sectors is described in part one, chapter one of this report.

Section II. Generation and allocation of primary income account

Primary income is defined as revenue accruing from the factors of production and other components classified under the value of GDP. The generation and allocation of primary income account records all primary income received by domestic economic agents under resources in GDP. It records the total of primary incomes payable to domestic economic agents in uses. The balance of this account yields the second significant aggregate; namely, gross national income (GNI). Primarily aimed at focusing on institutional units, the generation and allocation of primary income account provides GDP distribution using the income approach.

a) Income approach of GDP

Table n° 33 below demonstrates the revenue distribution of GDP from factors of production and other components classified under this value such as wages and salaries; taxes, net of subsidies, on products; interests; other income, and depreciation.

Table n° 33
Breakdown of GDP by factors of production 2005-2009

LBP billion

GDP components	2005	2006	2007	2008	2009
Taxes – subsidies/products	5 247	4 936	5 761	7 209	8 976
Interests	3 180	2 925	3 631	2 740	3 837
Compensation and other income	21 497	22 856	25 152	30 717	34 720
Depreciation (balance)	3 020	3 199	3 382	4 681	5 117
Total = GDP	**32 945**	**33 917**	**37 926**	**45 346**	**52 650**

Wages and salaries represent all labor charges borne by the public and private sectors. Wages and salaries paid by the public administration are drawn from public sector accounts. The evolution of these accounts is reported in Table n°10 (refer to part one, chapter 1, section VIII). Surveys undertaken during the establishment of the 1997 accounts detailed wages, salaries, payroll taxes, and other labor charges paid by businesses. The share of wages and salaries in GDP was on average of 35.5%; namely, 83.2% in the public sector and 29.1% in the private sector. Unfortunately, due to a lack of adequate data for the period 1998-2008, the evolution of this GDP share remains imprecise. The survey of large corporations undertaken in 2004, which included 240 industrial plants, 270 service-oriented establishments (other than telecommunications, financial, and educational services) and 96 trade firms, provided the approximate wage cost/gross value added ratio of labor in 2002 and 2003 as follows:

Sector	2002	2003
Industry	24.6%	24.2%
Services	32.4%	32.9%
Trade	10.5%	10.9%

The *share of indirect taxes less subsidies* in GDP, in contrast, grew significantly between 1997 and 2004, increasing from 10.5% in 1997 to 16.7% in 2004. This evolution is due to the introduction of VAT in February 2002, which expanded its base over the two years that

followed. In 2005 and 2006, the decline in consumption resulted in less indirect taxes, resulting in a lower GDP share; thus, yielding a decline from 15.9% to 14.7%. With the recovery of consumption in 2007 and 2008, the share of indirect taxes in GDP rose back to 15.2% and 15.9% respectively. In 2009, owing to a significant increase in taxes on fuel, the GDP share of indirect taxes reached 17%.

Interests represent the returns of financial capital paid by corporations to owners of this capital, and exclude interests paid by the public administration. By convention, these interests are not entered in the estimate of non-market output and are consequently excluded from GDP.

To estimate interest charges borne by corporations, the accounts presented herein retained the income deposits of commercial and investment banks. Interests paid by banks were distributed among debtor agents and measured vis-à-vis their bank debts. It is important to note that part of the interests received by banks represent compensation for services rendered in the area of financial intermediation.

Table n° 34
Computation of bank interests paid by corporations and public administrations
2005-2009

LBP billion

Bank data	2005	2006	2007	2008	2009
Interests received					
on Treasury bonds	1 978	2 502	2 754	3 173	3 545
from non-residents	279	1 047	1 047	1 744	889
from other debtors	4 429	4 173	5 009	4 074	5 551
Total	**6 686**	**7 722**	**8 810**	**8 992**	**9 985**
Interests paid to depositors	4 801	5 413	6 386	6 046	6 902
Interests paid/received ratio	*0.718*	*0.701*	*0.725*	*0.672*	*0.691*
Interest charges paid to depositors at the expense of:					
administrations	1 420	1 754	1 996	2 134	2 451
non-residents	200	734	759	1 173	615
corporations	3 180	2 925	3 631	2 740	3 837
Total	**4 801**	**5 413**	**6 386**	**6 046**	**6 902**

Thus, interests paid by the private sector (mainly corporations) to owners of deposits through commercial banks were estimated at LBP 3 631 billion in 2007, LBP 2 740 billion in 2008, and LBP 3 837 billion in 2009 representing 9.6%, 6.0%, and 7.3% of GDP respectively. In 1997, this share only accounted for 5.3%.

Interests paid by the public sector are not classified under the value of GDP, but are still entered in the primary distribution account in accordance with relevant international conventions. These values are drawn from public administration accounts after deducting the value of banking services. These banking services are estimated by applying the ratio of banking services / interest in Table n° 34 to interests received by banks on Treasury bonds. The following table describes the evolution of the national debt burden, its interest, and banking services distribution.

Table n° 35
Evolution of the national debt burden and share in interest accrued 2005-2009

LBP billion

Distribution of charges	2005	2006	2007	2008	2009
Debt servicing	3 724	4 375	5 328	5 062	5 836
- value of banking services	693	903	935	1 278	1 365
= interest paid	**3 031**	**3 472**	**4 393**	**3 784**	**4 471**

Other income consists of dividends paid to owners of capital invested in the production of mixed income and sole proprietorships. These incomes were subject to a comprehensive estimate in 1997; however, shareholder remuneration figures are still unknown. As for wages and salaries, only year 1997 produced a verifiable estimate for these incomes, revealing a relative share in GDP of 42.3%.

Given a data lack, wages, salaries, and other income, excluding interests, have been grouped into one cluster since 1998.

Depreciation is the balancing item of corporations' operational accounts, plus the estimated depreciation value of the public administration's fixed assets. This last component is set forth in Table n° 10 and demonstrates the computation of non-market output value.

b) Calculation of gross national income (GNI)

GNI is equal to the balancing item of the generation and allocation of primary income account of all domestic economic agents. It is, thus, equal to GDP plus primary income balance (resources-uses), which in turn is equal to the net income factor received from the rest of the world. The latter are drawn from the accounts of the rest of the world, S.2 (refer to Table n° 28), which are presented in the following chapter.

The balance for the three types of primary incomes (compensation, interests, and other incomes) is detailed in Table n° 36.

Table n° 36
Composition of gross national income 2005-2009

LBP billion

Components of GNI	2005	2006	2007	2008	2009
GDP	32 945	33 917	37 926	45 346	52 650
Net foreign interests	143	277	76	-131	-483
Other net foreign income	116	-487	-301	873	1 769
Total = GNI	**33 204**	**33 707**	**37 701**	**46 089**	**53 936**

After four years of decline in net foreign income, resulting in a GNI growth rate lower than GDP, the years 2006 and 2007 witnessed a recovery of this income type. There was a modest decline in the employment of foreign labor and a significant increase in the income of Lebanese labor abroad, according to estimates provided by the Central Bank of Lebanon (BDL). With falling interest rates abroad, moreover, interests paid to non-residents, exceeded those received

by Lebanese nationals on their investments abroad. In 2009, the decline in investment income was largely offset by the higher income of Lebanese labor abroad. GNI increased slightly over GDP in nominal terms (17% for GNI against 16.1% for GDP).

Section III. Secondary distribution of income account

The secondary distribution of income account records GNI resources of domestic economic agents from various types of transfers, including: direct taxes, social security contributions, social security benefits, and current transfers. Payments of such transfers by domestic economic agents are carried over in uses. The balance of this account is, therefore, equal to GNI plus net current transfers from abroad. This yields the third aggregate, to analyze the progression of a national economy; namely, "gross national disposable income" (GNDI).

a) Direct taxes

Direct taxes are compulsory deductions made by the public administration on the resources of national agents. These are entered in private sector uses and public administration resources.

There are two types of direct taxes: income tax and property tax. Taxation on privately owned motor vehicles is similar to that of property tax and was included with direct taxes as opposed to administrative classification, which includes specific consumption taxes. Table n° 37 presents the various tax revenues collected by the central administration as appearing in the closing account of the State Budget.

Table n° 37
Breakdown of direct taxes by type 2005-2009

LBP billion

Type of tax	2005	2006	2007	2008	2009
Income tax	907	1 184	1 142	1 564	1 839
Property tax	409	579	526	786	808
Motor vehicle tax	237	265	276	385	441
Total	**1 554**	**2 029**	**1 944**	**2 735**	**3 089**

b) Social security contributions

Within the context of these accounts, social security contributions are associated with contributions received by the National Fund of Social Security (NFSS), and levies collected by the public administration from the wages and salaries of civil servants to contribute to the pension fund. Compulsory contributions to other funds, including the Cooperative of Civil Servants, were omitted owing to a lack of relevant statistics.

All contributions, including those paid by employers to the NFSS, are supposed to be paid by employees, given that such disbursements are calculated in compensation of labor. These are entered as public administration resources.

In these accounts, the payments of the public administration to the NFSS are classified as transfers and not as contributions due for an employer having contractual staff that is subject to code of labor. Typically, such payments are sporadic (LBP 60 billion in 2000, LBP 80 billion in 2004, LBP 340 billion in 2005, LBP 220 billion in 2006, and LBP 100 billion in 2008). These payments were excluded from both labor compensation and social security contributions.

Table n° 38
Social security contributions paid by national agents 2005-2009

LBP billion

Type of contribution	2005	2006	2007	2008	2009
Contribution to NFSS	946	865	1 049	999	1 050
Contribution of civil servants	85	85	79	85	95
Total	**1 031**	**951**	**1 128**	**1 084**	**1 145**

c) Social security benefits

Social security benefits, which appear in the account as resources II.2, are higher than those recorded in uses, given that households receive, in addition to local benefits, retirement pensions paid by non-residents. According to data from the Survey of Living Conditions of Households, these pensions were estimated at LBP 23 billion in 1997. This figure has been kept constant or a bit increased for subsequent years due to lack of information.

Table n° 39
Breakdown of social security benefits received by type 2005-2009

LBP billion

Social security benefit	2005	2006	2007	2008	2009
Social security benefits from NFSS	801	829	939	885	1 019
Health benefits	*439*	*451*	*536*	*492*	*548*
Family benefits	*221*	*231*	*٢٢٤*	*241*	*245*
End of service indemnity	*141*	*147*	*١٧٩*	*152*	*226*
Retirement pensions paid					
by the State	874	935	924	1 016	1 316
by the rest of the world	23	23	24	25	26
Total	**1 698**	**1 787**	**1 872**	**1 926**	**2 360**

Social security benefits provided by national agents (recorded in uses) are limited to benefits and allowances paid by NFSS, and to retirement pensions paid by the public administration. The former spending increased from LBP 407 billion in 1997 and LBP 812 billion in 2004 to LBP 885 billion in 2008 and LBP 1 019 in 2009 whereas the latter's spending increased from LBP 528 billion and LBP 821 billion to LBP 1 016 billion and LBP 1 316 billion during the same period.

As for contributions, benefits provided by other social security funds have been omitted in these accounts.

d) Current transfers and calculation of GNDI

The heading, "current transfers," groups three types of flows: non-tax receipts of the public administration, assistance provided by the public administration to individuals, associations, and other resident or non-resident private sector organizations, and finally, current transfers made or received by resident from non-resident.

The first two sections are drawn from the State's closure account with an adjustment regarding financial aid provided by other administrations.

Net foreign transfers, resulting from the methods adopted for estimating the various sections of the balance of payments, are described in the subsequent chapter.

Table n° 40
Breakdown of current transfers received by type 2005-2009

LBP billion

Type of transfer	2005	2006	2007	2008	2009
Non-tax receipts	283	296	327	336	337
Aid	124	175	170	192	211
Net foreign transfers	4 282	6 685	6 570	11 767	14 441
Total	**4 689**	**7 156**	**7 067**	**12 296**	**14 990**

The balance of the secondary distribution of income account is equal to GNI plus net foreign payments on secondary distribution, as demonstrated in Table n° 41 below.

Table n° 41
Computation of GNDI 2005-2009

LBP billion

	2005	2006	2007	2008	2009
GNI	33 204	33 707	37 701	46 089	53 936
Social benefits received from abroad	23	23	24	25	26
Net foreign transfers	4 293	6 692	6 577	11 785	14 459
less international aid	-11	-7	-7	-17	-17
Total = GNDI	**37 509**	**40 415**	**44 295**	**57 882**	**68 404**

From 1997 to 2002, net foreign transfers tended to decline. As a result, growth of GNDI during that period was lower than that of GDP. In 2003, the balance of payments results showed a significant inflow of transfers to Lebanon (refer to the next chapter) in which GNDI growth was higher than GDP in terms of current value (12.8% for GNDI against 5.5% for GDP). The level of net foreign transfers, which reached 18.3% of GDP in 1997, fell to 11.6% of GDP in 2005 to rise dramatically in four consecutive years 2006-2009 during which time the balance of payments recorded strong surpluses. These transfers represent 16.9% of GDP in 2007 and 25.2% in 2008 and 27.2% in 2009.

Section IV. Use of income account

The income account records domestic consumption in uses, and the available GNDI in resources. The balance of this account is equal to national savings.

After recording growth in 1998, national savings went into constant decline, especially from years 2000 to 2002. The national savings total, thus, estimated at 13.4% in 1997, fell to 7.7% in 2002. This downward progression could be attributed to the significant decline in foreign transfers over that period as indicated by the balance of payments. Similarly, with the recovery of such transfers in 2003, the national savings rate grew to 12.4%. In 2004, the national savings rate fell to 12%; and increased to 12.7% in 2005. Between years 2006 and 2009, growth in disposable income was higher than consumption, resulting in a savings' rate of 16.5% in 2007, 22.8% in 2008, and 28.3% in 2009.

Section V. Capital account

The capital account records GFCF in uses, changes in inventories, and capital transfers performed by national agents. GFCF records gross savings and capital transfers received in resources.

Capital transfers recorded in uses represent subsidies for reconstruction works by the public administration for those displaced by war and subsidies for rebuilding Southern Lebanon. Initially, these transfers were substantial (LBP 481 billion in 1997); however, the transfers gradually declined to become negligible from 2002 to 2003. There was a moderate resumption of these subsidies during the two-year period 2004-2005 when these reached LBP 129 billion and LBP 121 billion respectively. These subsidies were estimated at LBP 8 billion in 2008 and LBP 38 billion in 2009.

In addition to transfers recorded in uses, capital transfers recorded in resources include net foreign transfers received. The latter also gradually declined from LBP 1 932 billion in 1997 to LBP 720 billion in 2002; however, these recovered in subsequent years to reach LBP 4 461 billion in 2006, LBP 2 191 billion in 2007, LBP 3 928 billion in 2008, and LBP 9 636 billion in 2009. These figures, however, remain a rudimentary approximation, resulting from the estimates of the balance of payments. These estimates are discussed in the next chapter.

The balance of the capital account, depending on whether it is positive or negative, is equally referred to as net lending or borrowing. Overall, the Lebanese economy has always exhibited a need for foreign financing. In the last two years, however, as Table n° 42 below demonstrates, the national economy recorded a surplus given that the net lending of households far exceeded the financing needs of corporations and public administrations.

Table n° 42
Breakdown of net lending (+) or borrowing (-) by national agent
2005-2009

LBP billion

Economic agent	2005	2006	2007	2008	2009
Public administrations	-1 750	-2 279	-2 459	-848	-361
Corporations	-4 063	-4 413	-7 053	-9 136	-12 871
Households	4 804	10 583	8 554	13 281	24 169
Total	**-1 010**	**3 891**	**-958**	**3 296**	**10 937**

In effect, within the framework of the accounting system adopted, net lending to households is equal to their savings plus the undistributed income of corporations and net capital transfers received from abroad. These are supposed to be entirely paid to households.[8] Thus defined, the financing capacity of households is dependant on foreign transfers and capital flows. In 2008 and 2009, the significant transfers reached a record level increase in net lending (more than LBP 13 thousand billion and more than LBP 24 trillion in 2009), far exceeding the financing needs of corporations and public administrations in those two years.

The net borrowing of corporations is equal to GFCF of the market sector and changes in inventories minus the amounts deducted as capital depreciation. The changing needs of net borrowing of corporations lagged behind that of investments in the private sector, which were declining in 2005 and increased sharply in 2007, 2008, and 2009.

The net borrowing of the public administration is equal to the deficit of the public sector. While this deficit was much higher than the value of public investments, it fell significantly in the last two years. It represented 15.7% of GDP and 14.5% of GNDI in 2002. In 2007, these ratios fell to 7.7% and 6.5%. In 2009, the deficit represents only 0.7% of GDP and 0.5% of GNDI. Note, however, that this budget deficit does not take into account the Treasury budget deficit. The figure would have been greater had Treasury advances to EDL been recorded as subsidies instead of advances, which reached LBP 3 278 billion in 2008 and LBP 2 620 billion in 2009, or 7.2% and 5% of GDP respectively.

Section VI. Financial account

The financial account records changes in net acquisitions of financial assets in uses, and changes in the liabilities of national agents in resources. The balance of the financial account is equal to the capacity or need for borrowing. This parity results from the general balance of accounts principle. The estimation methods in compiling this account are largely based on this balancing principle. The net lending of households, thus, results in an equivalent increase in financial assets held; the need for financing corporations is covered by an increase in equities and loans obtained, and finally, the deficit of the public administration is translated by an equivalent increase in the national debt net of Treasury advances.

[8] Kindly note that individual corporations are grouped with other corporations and not with households.

Financial assets and liabilities included in the current account are classified in compliance with international nomenclature under four headings: currency and deposits (F2), securities other than shares (F3), loans (F4), shares and other equity (F5).

a) Changes in currency and deposits

The currency and deposits identified herein include only banknotes issued in Lebanese pounds (LBP) by the Central Bank of Lebanon (BDL), bank deposits held by residents, and net foreign assets of Lebanese banks. By this definition, the entries exclude banknotes in United States dollars or other currencies and deposits held by residents (excluding banks) in foreign banks. Currency and deposits held by the public sector are also excluded. The retained figures regarding money supply are derived from BDL data.

Changes in money supply are recorded as resources for the banking system and as uses for the non-banking private sector. These comprise of mainly deposits held by households; the changes in currencies and non-bank financial institutions can be considered negligible. Accordingly, changes in money supply, which increased from LBP 9 554 billion in 2007 to LBP 13 390 billion in 2008 and LBP 20 323 billion in 2009, is partly a reflection of changes in the net lending of households (see above).

Table n° 43

Variation in money supply and net foreign assets of the banking sector 2005-2009

LBP billion

Type of currency	2005	2006	2007	2008	2009
Currency (LBP)	-1 513	-987	1 353	12 494	14 165
Foreign currency deposits	5 573	6 077	8 200	895	6 158
Total = resources	**4 060**	**5 090**	**9 554**	**13 390**	**20 323**
Net foreign assets of banks	1 126	4 213	3 070	5 218	11 908
Total = uses	**5 186**	**9 303**	**12 624**	**18 608**	**32 231**

Note : Changes in currency deposits are calculated at constant rates of exchange

The significant fluctuations observed in the currency composition between the Lebanese pound and foreign currencies resulted in cyclical variations of confidence in the national currency and interest differentials. It is important to note that changes in foreign currency deposits were calculated at constant rates of exchange.

In terms of uses, the amount of currency deposits held by residents is added to the increase in net foreign currency assets held by resident banks. This is equal to deposits of Lebanese banks abroad minus the deposits of non-residents. It is calculated at constant rates of exchange. By definition, this variation represents the balancing item in the balance of payments.

Changes in securities other than shares (F3)

Only Lebanese Treasury bonds were retained in these accounts; private and foreign sector securities were omitted. Table n° 44 below provides the distribution of Treasury bonds by subscriber [9].

The variation of Treasury bonds held by banks and other residents is registered in uses. Bonds held by autonomous administrations are excluded by consolidation. In addition to bonds subscribed by residents, public administrations also have as resources, bonds subscribed by non-residents. It should be noted, however, the distribution of Treasury bonds between residents and non-residents are not precisely known. Treasury bonds in Lebanese pounds are supposed to be held by residents, whereas those circulating in foreign currencies outside banks are supposed to be held by non-residents.

Table n° 44
Breakdown of Treasury bonds by subscriber 2005-2009

LBP billion

Subscriber	2005	2006	2007	2008	2009
		Treasury bills in LBP			
Public administrations	250	860	1 475	253	1 036
Banks *	2 791	344	2 626	6 715	4 383
Others and adjustments	-871	396	-582	941	1 764
Total	2 170	1 600	3 519	7 909	7 183
		Treasury bills in foreign currencies			
Banks *	695	3 296	209	-952	2 334
Financial institutions	-33	9	69	218	-419
Others	533	-1 864	250	447	-1 633
Total	1 196	1 442	528	-288	282
		All treasury bills excluding public administration			
Banks *	3 486	3 640	2 836	5 763	6 717
Private sector residents	-904	299	-513	1 159	1 345
Non-residents	533	-1 864	250	447	-1 633
Consolidated Total	**3 115**	**2 075**	**2 573**	**7 369**	**6 429**

* Central Bank of Lebanon (BDL) and commercial banks

From 2004 to 2006, the issuances of Treasury bonds in foreign currencies were inclined to replace those issued in Lebanese pounds. In fact, banks subscribed to a significant portion of these bills. In 2007, assets in the balance sheet of BDL recorded a decrease in the Treasury bonds portfolio (-2 500 billion LBP), compensated by a liabilities decrease in the entry, "exchange rates difference" in accordance with article 115 of the Money and Credit Code. This accounting entry

[9] Treasury bonds subscribed to by banks are drawn from their balance sheets as published by the Central Bank of Lebanon (BDL). Treasury bonds subscribed to by the public and public administration are estimated on statistics provided by BDL. Changes in foreign currency bills are calculated at constant rates of exchange. Between the accounts of the Treasury and BDL statistics, both significant and negligible differences appear. The figures adopted in these accounts are the result of arbitration.

was not taken into consideration in the calculation of net issuance of returns. In 2008 and 2009, there was a significant increase in bonds issued in local currency, and the net issuance of repayments twice exceeded those of 2007.

b) Changes in loans

These amounts, which are recorded in uses, represent changes in bank loans as reported in the current monetary situation statistics and estimated Treasury advances to public corporations. In the absence of a consolidated balance sheet for the financial institutions sector, the loans given by the financial institutions outside the monetary system were not recorded in the accounting system adopted. In resources, these loans also include net foreign loans received by the public administration.

Table n° 45
Variation in loans by type 2005-2009

LBP billion

Type of loan	2005	2006	2007	2008	2009
Bank loans					
to the private sector	678	1 163	914	5 778	4 976
to the public sector (net)	-1 223	1 137	-118	-3 807	-2 079
Loans	*8*	*-9*	*-35*	*-8*	*-58*
- deposits of public sector	*-1 231*	*1 146*	*-83*	*-3 799*	*-2 021*
Total bank loans	-545	2 300	796	1 971	2 897
Treasury advances	734	1 370	1 403	2 610	2 487
Total in uses	**188**	**3 670**	**2 199**	**4 582**	**5 385**
Foreign loans	140	112	632	-692	-1 923
Total : resources	**329**	**3 783**	**2 831**	**3 890**	**3 461**

Bank loans to the private sector recovered in 2004 after experiencing a sharp slowdown during the period 1997-2003. This recovery slowed down between 2005 and 2007, but resumed more vigorously in the two subsequent years. The amount of loans net of receivables in 2008 and 2009 far exceeded the level attained in 2004: LBP 5 778 billion and LBP 4 976 billion respectively against LBP 1 464 billion in 2004. This dramatic growth in bank loans was due to a liquidity surplus. Table n° 46 below demonstrates in uses the evolution of funds in the financial sector, as published by BDL.

These loans differ from those reported in the monetary situation given that these include loans granted by credit institutions outside the monetary system. It, however, remains possible to analyze the evolution and changes in the distribution of funds by sector. For example, it can be observed that while loans granted to the construction sector, which demonstrated the highest growth in 2008, the loans granted to individuals primarily intending to finance the purchase of a home increased in 2009.

Table n° 46
Variation in loans to the private sector by economic sector 2005-2009

LBP billion

Sector	2005	2006	2007	2008	2009
Agriculture	52	-16	34	64	-5
Industry	191	31	592	753	226
Construction	-414	111	440	1 745	793
Trade	-410	67	891	1 014	477
Services	80	782	1 675	1 301	434
Financial institutions	197	254	485	1 235	773
Other bodies	189	15	190	306	-77
Individuals	398	885	1 157	937	2 870
Total	**283**	**2 130**	**5 462**	**7 355**	**5 492**

The Banking system's liability to the public sector is net of deposits. Strictly speaking, the change reflects more deposits than loans; however, these are negligible given banks finance the public sector through subscriptions to Treasury bonds. In 2008 and 2009, it appeared that significant subscriptions of Treasury bonds by BDL and commercial banks (LBP +5 763 billion in 2008 and LBP +6 717 billion in 2009) will largely translate into an increase in Treasury deposits with BDL (LBP +3 799 billion and LBP +2 021 billion in 2008 and 2009).

Treasury advances to public corporations such as Electricité du Liban (EDL) are not accurately known. The current system of public accounts does not disclose the breakdown of advances by the recipient. The figures entered are approximations and allow for the balancing of public administration accounts. Note that, however, the amounts disbursed by the Treasury on behalf of EDL, according to reports from the Ministry of Finance, reached LBP 2 430 billion in 2008 and LBP 2 259 billion in 2009.

CDR and other public bodies as listed by BDL evaluate the *external public debt* recorded. The public administration's recourse to external funding is largely accomplished through the issuance of euro bonds.

c) Changes in shares and other equity

Currently, there exists a lack of data regarding corporate balance sheets. The figures indicated in uses represent changes in the property rights of households on corporate ownership whether these are limited companies or sole proprietorships. These figures also include amounts paid by households to purchase new homes and were estimated at LBP 1 328 billion in 1997 according to the Survey of Living Conditions of Households. In the absence of other relevant data over subsequent years, the participation of households in the gross capital formation of corporations can only be residually estimated.

In resources, resident holdings and non-resident direct investments are estimated within the framework of the balance of payments (refer to following chapter).

Chapter 2
Rest of the world accounts and the balance of payments

Transactions with the rest of the world consist of all non-resident institutional units that enter into transactions with resident units, or have other economic links with resident units. These are recorded in four accounts, which capture the main balancing items of the balance of payments:

- I. The external account of goods and services balance equals the trade balance;
- II. The external account of primary incomes and current transfers balance equals the current account balance;
- III.1 The account of capital transfers balance equals net lending/borrowing for external funding;
- III.2 The financial account balance equals the balance of payments deficit or surplus.

These various balances are shown in Table n° 47.

Table n° 47
Evolution of the various balancing items in the balance of payments 2005-2009

LBP billion

Balancing item	2005	2006	2007	2008	2009
Trade balance	**7 004**	**7 069**	**9 520**	**13 167**	**14 456**
+ incomes and net transfers	-4 564	-6 499	-6 369	-12 535	-15 750
= current balance	**2 441**	**570**	**3 151**	**632**	**-1 294**
+ Net capital transfers	-1 431	-4 461	-2 192	-3 928	-9 636
= Net lending/borrowing	**1 010**	**-3 891**	**958**	**-3 296**	**-10 930**
+ Net financing	-2 136	-321	-4 029	-1 922	-978
Loans	*-533*	*1 864*	*-250*	*-447*	*1 633*
Treasury bonds	*-67*	*23*	*-1 234*	*692*	*1 923*
Net direct investments	*-1 536*	*-2 208*	*-2 544*	*-2 167*	*-4 534*
= Balance of payments	**-1 126**	**-4 213**	**-3 070**	**-5 218**	**-11 908**

Note: A positive balance in the external account represents a deficit for the country, while a negative balance represents a surplus. The balance of payments was, thus, in surplus from 2005 to 2009.

Section I. External accounts of goods and services

The external account of goods and services with the rest of the world transactions record imports in resources and exports in uses. These aggregates were reviewed in Part I, chapter 2 and chapter 5. The balance of this account, referred to as trade balance, has a broader meaning than its standard definition given that these exchanges are not limited to goods but also include net exports of services.

In Lebanon, the trade balance has constantly been in deficit. Between 1997 and 2002, the trade deficit in external goods and services fell from LBP 8 009 billion to LBP 5 440 billion due to a stagnation in imports and a significant growth in exports. In 2003 and 2004, following an import growth that was greater than exports, the deficit increased from LBP 6 242 billion to LBP 7 135 billion. In 2005 and 2006, this deficit remained almost unchanged. From 2007, it began increasing following a significant growth in imports: LBP 9 509 billion in 2007, LBP 13 167 billion in 2008, and LBP 14 456 billion in 2009. In 1997, this deficit accounted for 33% of GDP and 24.8% of national expenditure; in 2002, it represented only 18.8% of GDP and 15.9% of national expenditure. These ratios were respectively 25.2% and 20.1% in 2007, and in 2008, were closer to the 1997 level of 29 % and 22.5%, declining slightly in 2009 to 27.5% and 21.5%.

Kindly note that these trade balance estimates have been revised downward, following the upward revision of net exports of services.

Section II. External primary incomes and current transfers account

This account records in uses the primary incomes paid to Lebanese residents by the rest of the world as well as net current transfers received from abroad. It incorporates the balance of goods and services transactions in resources and records primary income payments made by the domestic economy to non-residents.

The balance of this account is equal to the current balance of payments. Similar to the trade balance, this balance has been positive for the rest of the world, indicating a deficit for Lebanon. Its changes are dependant on current transfer transactions. Following significant current transfers transactions recorded in the past two years, the current balance sank to its lowest level in 2008 and turned negative in 2009, recording a surplus for the first time in Lebanon.

The evolution of the components recorded in this account is set forth below.

a) Primary income

This heading is also referred to as income distribution; primary income includes wages, salaries, interests, and other income from capital or labor.

Compensation of employees and other incomes of labor received from abroad by Lebanese residents were estimated for 1997 in the Survey of Living Conditions of Households. These figures were projected over subsequent years, taking as an indicator the frequency of Lebanese residents traveling abroad. Within the context of compensation paid to non-residents, these were proportionately projected to the value added in agriculture and construction. Following recent analyses by BDL on the balance of payments, however, new indicators on the evolution of these incomes were adopted. These, however, have not produced more reliable data (refer to table n° 28).

Interests received by Lebanese residents on foreign investments and interests paid to non-residents are estimated by BDL within the framework of its reviews on the balance of payments.

These estimates demonstrate a marked decline in interest received, which fell from LBP 1 297 billion in 1997 to LBP 549 billion in 2003, while interests paid to non-resident investors increased considerably from LBP 951 billion in 1997 to LBP 1 652 billion in 2003, after peaking at LBP 1 747 billion in 2002. In 2004, while there was an increase in interests for both recipients, the balance remained in favor of non-residents (1 813-LBP 946 billion). By contrast, in 2005, interests received by Lebanese residents exceeded those paid to non-residents; thereby, yielding a positive surplus of LBP 143 billion in 2005, LBP 277 billion in 2006, and LBP 76 billion in 2007. In 2008, the trend once again reversed with residents receiving less on foreign investments than what was paid to non-residents: LBP -130 billion in 2008 and LBP -483 billion in 2009.

Until 2007, interest constituted the largest share of external primary income exchanged. In 2008 and 2009, wages and other capital labor incomes of Lebanese expatriates significantly increased, offsetting the decline in income from investments in foreign banks. The net income distribution from the rest of the world, thus, increased from LBP -225 billion in 2007 to LBP +743 billion in 2008 and to LBP +1 286 billion in 2009 (refer to table n° 29).

d) Net current transfers

Historically, Lebanon has constantly benefited from a flow of external transfers. There are no reliable statistics, however, on the types and amounts of such transfers. The methodology adopted herein for estimating current transfers records all surpluses in balance of payments as transfers, i.e. under the heading "error and omission", these are spread between current transfers and capital transfers, using key distributions dependent on general economic conditions, particularly investment. The key distribution, resulting from current transfers and capital transfers have been adjusted to the following: 0.7/0.3 in 1997, 1998, and 2004; 0.8/0.2 in 1999; 0.85/0.15 in 2000 and 2002; 0.9/0.1 in 2001; two-thirds/one-third in 2003; three-quarters/one-quarter in 2005, 2007 and 2008, and finally, 0.6/0.4 in 2006 and 2009.

The general trend of net external transfers declined between 1997 and 2002. Given the downward trend of investment in Lebanon, it is natural to assume that this decline affected capital transfers to a greater degree than current transfers. In 2003, the strong surplus in the balance of payments was a precursor to a substantial inflow of transfers to Lebanon due to increasing oil revenues. Investment in the private sector began to rise, increasing capital transfers, which was considered more important than current transfers. This trend continued in 2004 and 2005, albeit at a lower level. From 2006, record levels of current and capital transfers were achieved: more than LBP 10 trillion in 2006, more than LBP 8 trillion in 2007, more than LBP 15 trillion in 2008, and more than 24 trillion in 2009.

Net current transfers should include payments relating to retirement pensions and other social contributions and benefits received from abroad. These payments, which were valued at LBP 23 billion in 1997 following the Survey of Living Conditions of Households, were maintained constant until 2006 and then increased to LBP 24 billion, LBP 25 billion, and LBP 26 billion in 2007, 2008, and 2009 respectively.

Section III. Capital transfers account

This account records the current balance retained in resources and net capital transfers retained in uses.

Net capital transfers were estimated by the same methods adopted for estimating current transfers: see preceding section. This estimation method resulted in recording a decline in net external capital transfers between 1997 and 2002: LBP 1 895 billion in 1997 to LBP 494 billion in 2002. From 2003, these transfers became larger and more significant, varying between LBP 2 trillion and LBP 4 trillion between 2006 and 2008 and became LBP 9.6 trillion in 2009.

Given the general balance of accounts, the balance of this account is strictly equal in absolute value to net lending/borrowing of the national economy. With the exception of 2003, 2006, 2008, and 2009, this balance was positive (in terms of the external; hence, negative for the domestic economy) during the period 1997-2009.

Section IV. Financial account

The financial account records transactions that involve changes in financial assets in uses and in resources, financial liabilities for the rest of the world vis-à-vis the national economy. The capital account is strictly equal to the capacity or need for borrowing. Financial assets and debts are entered as net values in each category.

Uses recorded the following:

a) Securities other than shares

These record the changes in the portfolio of Lebanese Treasury bonds held by non-residents. These amounts are estimated by BDL (see preceding chapter, section VI, paragraph b).

b) Loans

These exclusively record foreign loans taken by CDR and other public bodies.

c) Shares and other equity

The property rights of non-residents in domestic corporations are largely in real estate. From an initial estimate established within the framework of year 1997 accounts, these changes in property rights were projected over subsequent years in proportion to direct investments held by BDL in estimating the components of the balance of payments.

Resources recorded, in addition to lending, net change in foreign assets of the Lebanese banking sector under the heading "currency and deposits." By definition, this change represents the final balancing item of the balance of payments.

As portrayed in this analysis, the balance of payments was significantly in deficit in 2001 and surplus in 2002 because of contributions made by foreign bodies in financing the Lebanese Treasury, pursuant to pledges made during the Paris II Conference. In 2003, the balance of

payments recorded surpluses that were even more significant under the dual effect of continued purchases of Treasury bonds and capital and current transfer transactions. In 2004, despite substantial transfer volumes, the balance of payments surplus was moderate given a sharp rise in imports and modest subscriptions to euro bonds. From 2005, the balance of payments surplus resulted from the resumption of direct investments, particularly in the real estate sector, and in 2008 and 2009, a significant increase in transfers was witnessed, increasing the net lending capacity of the national economy.

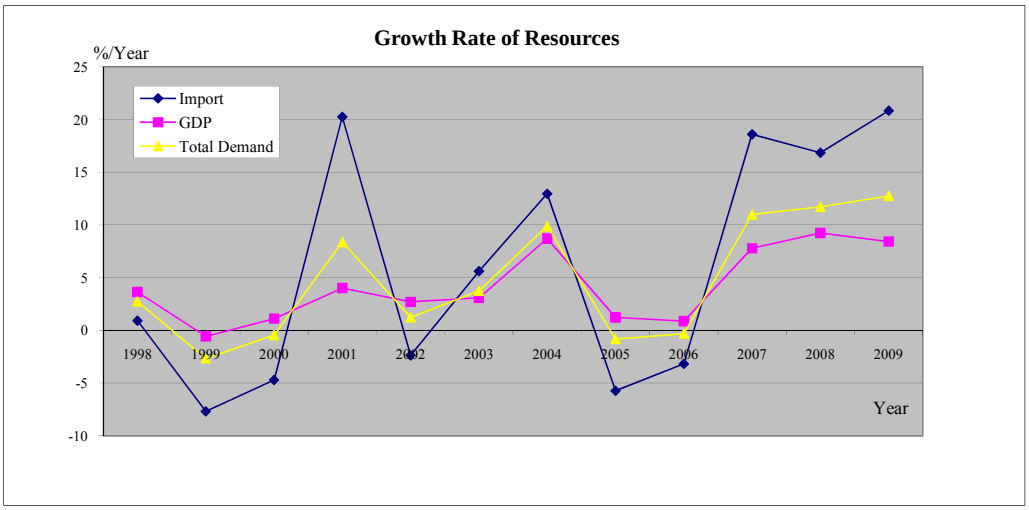
Conclusion

The projection of economic accounts for years 2003 to 2009 were computed in compliance with the methods developed during the compilation of the 1997-2002 accounts. These methods served not only to assess the macro-economic developments, but also to identify changes in the characteristics of the Lebanese economy and finance, and measure the impact of major political events that have shaped economic activity in recent years. The following summarizes some of the most salient observations that have emerged:

a) *Lebanon's productivity trend is characterized by a particular rigidity in meeting changes in demand that greatly influence imports*

The cycle of economic growth that began in 2004, which was interrupted in 2005 and 2006, recovered in 2007 and robustly continued in 2008 and 2009. Growth in Gross Domestic Product (GDP), however, has been consistently lower than demand: 7.5% in 2007, 9.3% in 2008, and 8.5% in 2009 against an increase in demand at constant prices: 10.4%, 11.8%, and 12.8% respectively. Conversely, a decline in demand does not necessarily signify a corresponding decline in domestic activity. In 2005 and 2006, while overall demand shrank in real terms by 1% and 0.5%, the rate of economic growth remained positive (+1% in 2005 and + 0.6% in 2006).

On the contrary, any change in demand leads to greater import variations in the same direction: thus, the real growth rate of imports was 17.2% in 2007, 16.9% in 2008, and 20.7% in 2009. During years 2005 and 2006, when overall demand was in decline, the volume of imported goods fell by 5.7% and 3.2% respectively.



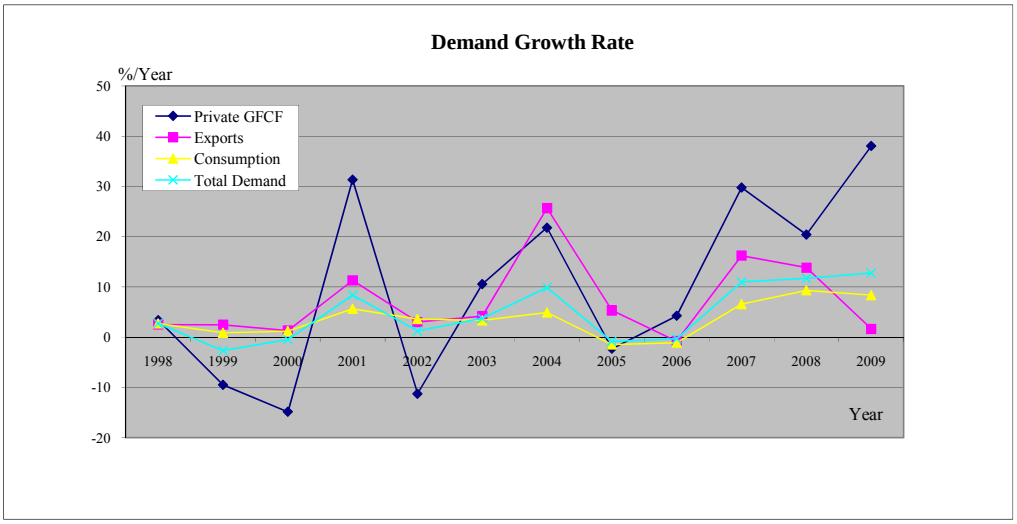
b) Depending on economic circumstances, the role of private consumption in demand variations either decrease or increase given investment flows and external demand

Table n° 48
Contribution of various demand components to GDP growth %/year

Demand components	2005	2006	2007	2008	2009
Private consumption	-1.1	-1.2	3.8	5.4	4.6
Public consumption	0.0	0.3	0.5	0.8	0.8
GFCF and change in inventories	-0.6	0.5	4.0	3.5	7.1
Exports	0.7	-0.1	2.1	2.1	0.3
Total demand	**-1.0**	**-0.5**	**10.4**	**11.8**	**12.8**

Note : The demand components contribution to economic growth is calculated by multiplying the growth of the component by its value ratio on the total value.

In 2004, household demand, investment, and external demand contributed almost equally to the increase in aggregate demand. In 2007, the second year of strong growth, the contribution of exports was less significant; it was investment, equaling or slightly exceeding consumption, which drove growth upward. In 2008, household demand assumed the leading role in demand growth while in 2009 investment served as the main contributor to growth in demand. Export growth in 2009, however, was significantly lower due to the global financial crisis (refer to Table n° 48).



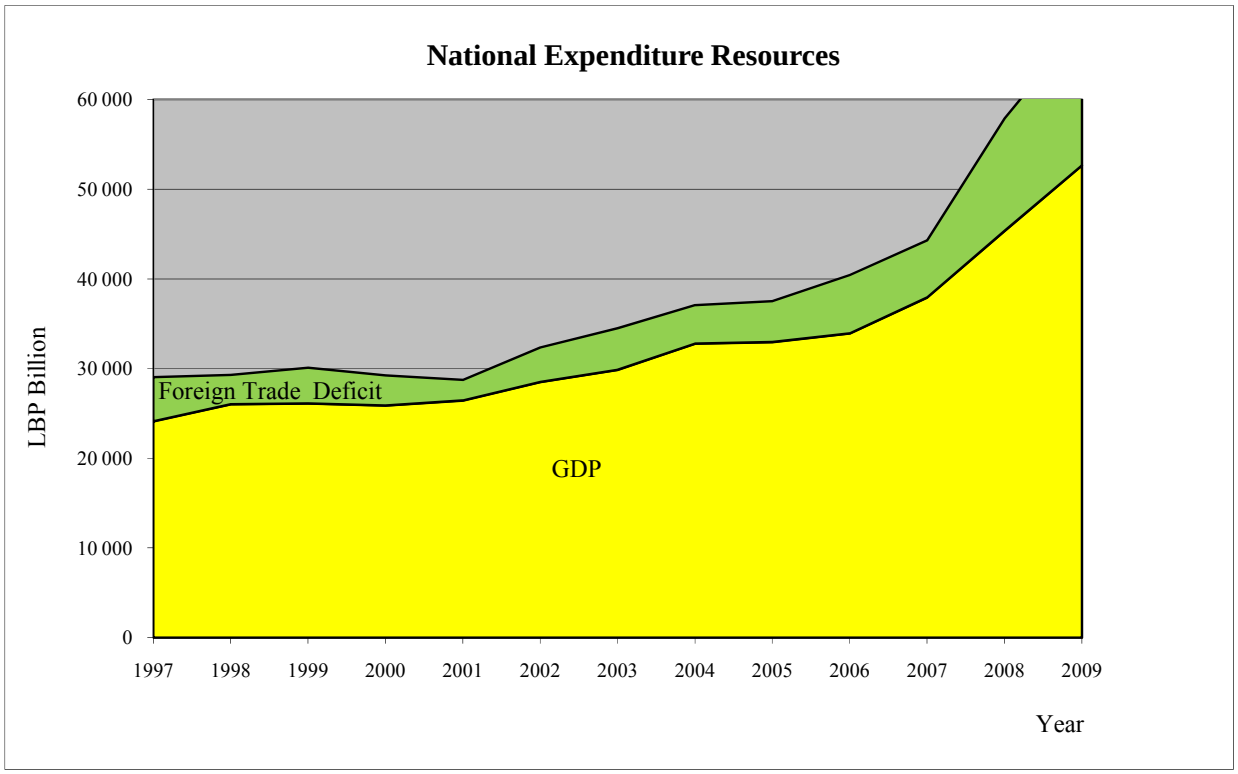
c) Continuance of private investment

After a period of decline, investment significantly recovered in 2003 (11.9% in value) and continued to grow in 2004 (+23.4%) but stagnated in 2005 (+0.1%). This stagnation was due to a decline in public investment and diminished inventories, whereas gross fixed capital formation of private corporations continued to grow (+9.5% in value, 5.6% in volume) due to external

capital inflows seeking investment opportunities. In 2006, despite the hostilities, both private and public investment increased in real terms by 3.5%, and in 2007, these demonstrated a record growth rate of 25% (21% if increases in inventories are excluded). The growth in private investment in real terms remained significant in 2008 (+20.4%) and set a new record in 2009: +38.1% (34.1% if changes in inventories are excluded).

d) Moderate increase in the structural gap between national expenditure and domestic output in recent years

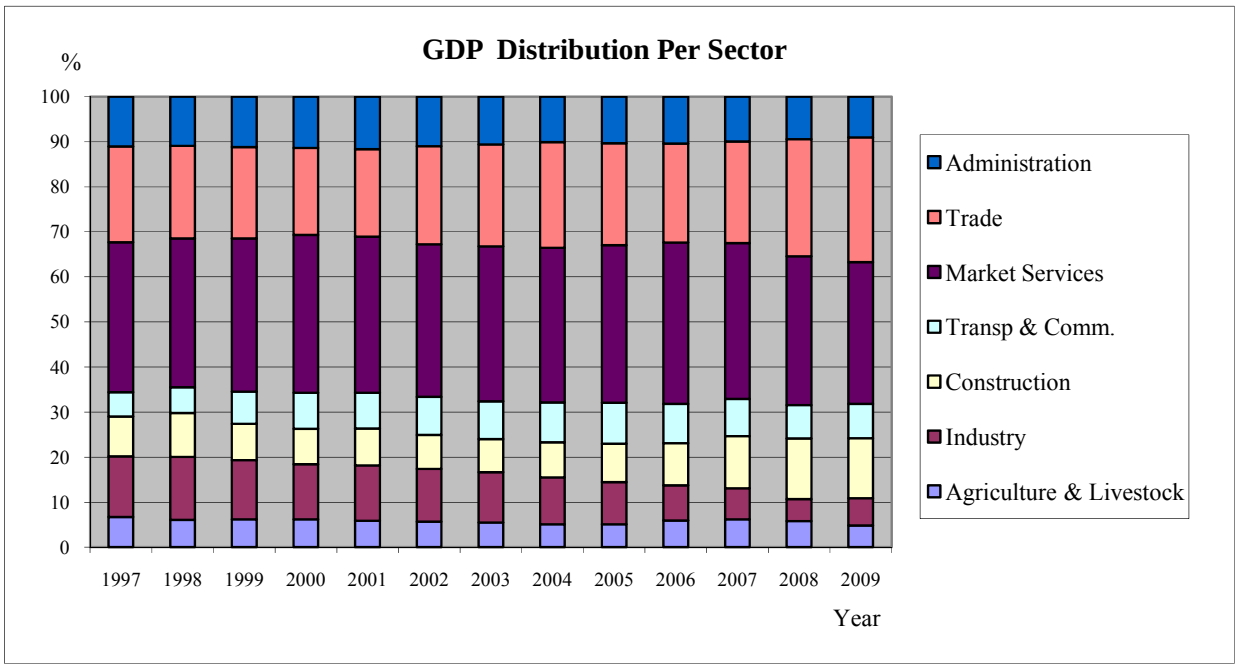
After an evolution of growth across the period 1997-2002, which led to a closing of the gap in relative value between national expenditure and GDP, this gap fell from 33.0% of GDP in 1997 to 18.5% in 2002. Subsequently, it recovered to fluctuate between 21% and 22% from 2003 to 2006, and reached 25% in 2007, 29% in 2008, and 27.5% in 2009. This trend is the result of the disparity in the evolution of different economic sectors, and between import and production prices.



Meanwhile, the trade deficit in goods and services, which initially comprised of 24.8% of national expenditure in 1997, declined to 15.6% of this expenditure in 2002. This ratio fluctuated between 17% and 18% between 2003 and 2006 before rising to 20.1% in 2007, 22.5% in 2008, and 21.5% in 2009.

e) Continued weaknesses in goods-producing sectors

The share of agriculture in GDP was in constant decline from 1997 to 2005, dropping from 6.7% to 5.2%, increasing slightly above 6% in 2006 and 2007, and then declining again to 5.7% in 2008 and 4.8% in 2009. Conversely, the share of industry and energy continued to decline until 2008, falling from 13.7% in 1997 to 7.2% in 2007 and 4.9% in 2008, rising to 6% in 2009. The significant drain of the value added in the energy sector is largely responsible for this regression. The share of industry in GDP alone fell less dramatically: from 12.5% in 1997 and 8.3% in 2007 to 7.8% in 2008, and 7.5% in 2009. Note that the growth of industry would have been greater had the prices of its factors of production, instead of falling or stagnating, followed the same trend as prices of the total value added.

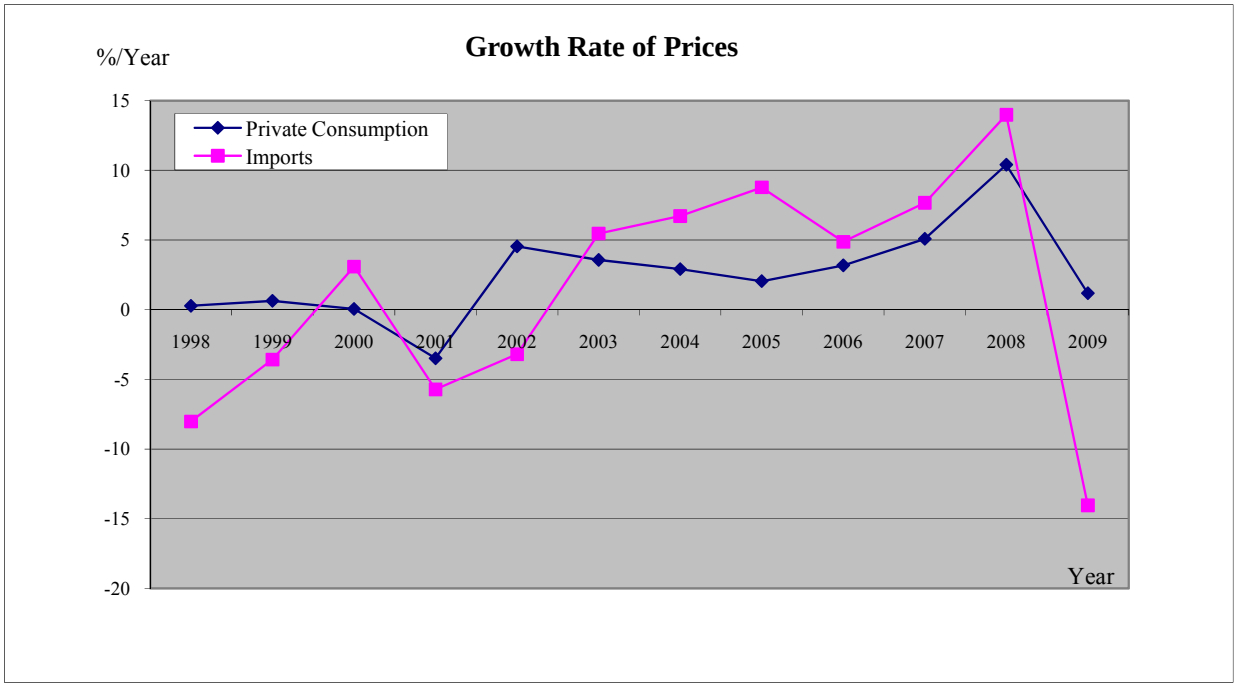


Furthermore, years 2008 and 2009 were characterized by strong growth in the trade sector due to increased demand for mainly imported durable goods by households.

f) A change in import prices not fully reflected in consumer prices

In 2009, inflation measured by consumer prices was valued at +1.2% despite the significant fall in import prices (-14.1%). Increased taxes on wages and profits increased the domestic prices of the factors of production by 7.0%. The year 2008, by contrast, was marked by high inflation (+10.3%) due to the dual effect of higher prices for both imports and factors of production; both the latter and former increased by 9.2% and 14% respectively. During the period 1997-2002, inflation was negligible (+0.7% per year) while import unit prices fell on average by 4.1% per year, which was largely due to the appreciation of the Lebanese pound against other major foreign currencies and lower commodity prices. In 2003, the Lebanese pound, pegged to the United States dollar, began to depreciate, while commodity prices recovered and began an upward trend. Consequently, import prices increased on average by 5.6%. Internal prices didn't

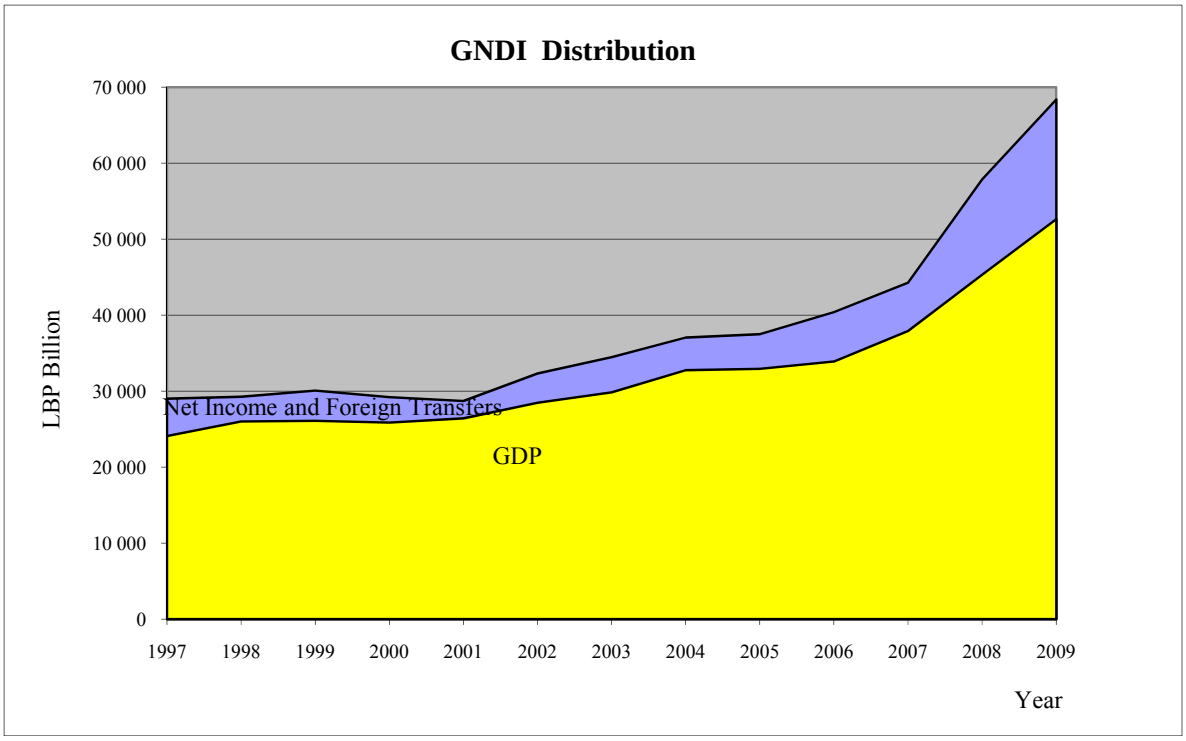
follow the same paths; therefore, consumer prices rose by only 3.6%. The same trend was observed in subsequent years: from 2004 to 2007, the unit value of imported goods increased on average by 7% per annum whereas consumer prices increased by only 3.3% per annum.



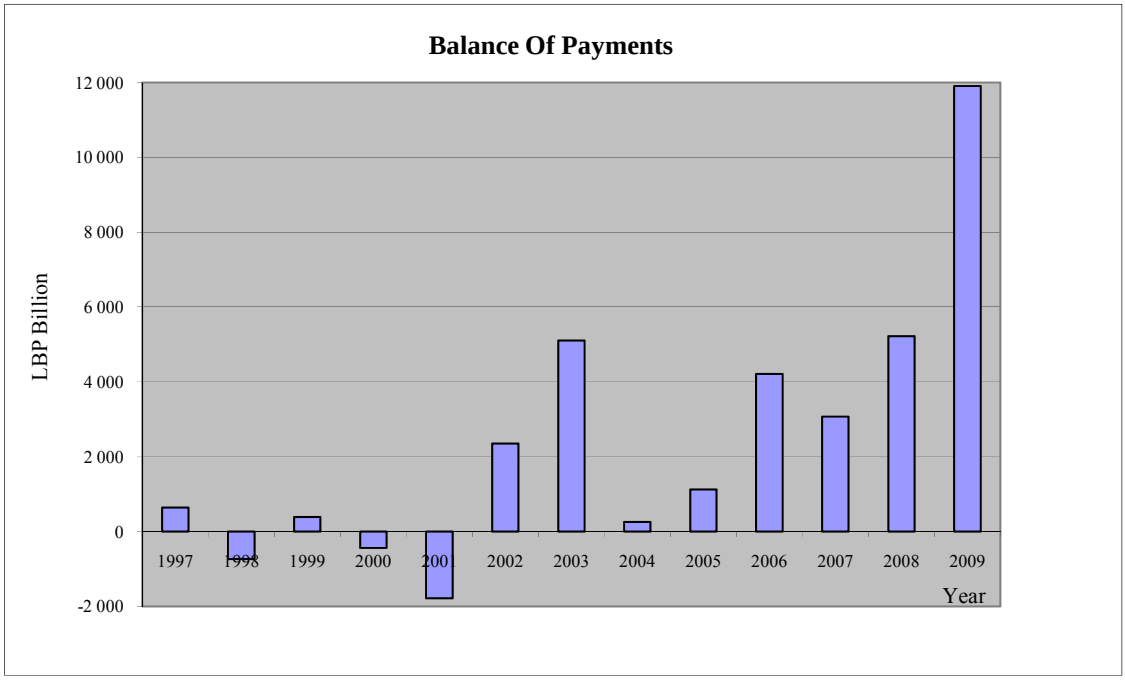
g) An increased and significant dependency on foreign transfers

The trade deficit in the foreign exchange of goods and services has constantly been covered by incomes and external transfers from abroad, which have either directly or indirectly contributed toward financing the national economy by contributing to the configuration of household savings.

Estimated transfers, excluding direct investment, significantly rebounded from year 2003 after a previous period of decline. The net income and foreign current transfers in GNDI fell from 16.9% in 1997 to 8% in 2001 and rose to 11.9% in 2002, 14.4% in 2007 to 21.7% in 2008 and 23% in 2009.



h) A constantly positive balance of payments



The significance of current or capital transfers, often accompanied by direct investment or subscription to Treasury bonds, have largely offset the trade balance deficit, resulting in a balance of payments surplus. In 2005 and 2006, the decline in imports, resulting from a decline in demand, further increased the surplus - a surplus that was more significant in 2006 due to increased transfers. In 2007, 2008, and 2009, transfers created a surplus despite the significant increase in imports and trade balance deficit.

i) An increase in national savings

Gross national savings declined sharply between 1999 and 2002 after peaking at LBP 4 476 billion in 1998. With the recovery of economic activity, but mainly due to a balance of payments surplus, gross national savings grew significantly in 2003, and moderately declined in 2004 due to increased consumer spending. The political events of 2005 and 2006 encouraged households to save rather than spend. In 2007, 2008, and 2009, disposable income growth was higher than consumption and savings attained record levels of LBP 7 312 billion, LBP 13 177 billion, and LBP 19 357 billion, representing 16.5%, 22.8%, and 28.3 % respectively of GNDI.

j) The participation of banks in financing private sector investment grows in importance

The participation of the banking sector in financing private sector investment began declining in 1997 to become negative in 2003. Bank surpluses were invested in Treasury bonds, banked abroad, or blocked at the Central Bank of Lebanon. In 2004, bank loans to the private sector recovered to indicate positive figures, estimated at 23% of investments in this sector. Since 2005, however, these loans again went into decline, compared to private sector investment (GFCF + changes in inventories): in 2007, these loans contributed to more than 10% approximately of investment. In 2008 and 2009, the savings surplus, which supplies bank deposits, and the relative decline in interest rates, led commercial banks to finance the private sector as much as the public sector. Thus, in the last two years, the change in private sector loans accounts for respectively 45% and 29% of private business investment.

k) The public administration budget deficit continues to decline steadily

Reducing the public deficit began in 2003 and continued in 2005. The deficit to GDP ratio, which fluctuated between 15% and 20% during the 1997-2002 period, fell to 12.1% in 2003 and 6% in 2005. In 2006 and 2007, it rose to approximately 7%. In 2008 and 2009, the deficit fell significantly, following the strong growth in consumption taxes and represented only 1.9% and 0.7% of GDP.

The budget deficit, however, does not include subsidies from the Treasury to EDL. Had these subsidies appeared in the budget for subsidies to public corporations, the deficit would have exceeded 10% of GDP in 2007, 7% in 2008, and 5% in 2009.

l) The public debt burden remains significantly high despite a noteworthy reduction in 2009

Despite a significant decline, the significance of pure interest (bank margins excluded) contributed to the public debt in the secondary distribution sector and remains predominant: these accounted for 141% of compulsory income levies in direct taxes and social security contributions in 1997. This ratio increased to 175% in 2002 and 174% in 2003, and fell to 137% in 2004 and 106% in 2005 and 2006. It increased back to 129% in 2007 and fell to 91% in 2008, and rose to 98% in 2009. Regarding public debt net of deposits at BDL and the treasury bills subscribed by the public administration, the ratio of this public debt relative to GDP began to decline since 2007: from 167% at year ending 2006 to 143% in 2007 and 127% in 2008, and 115 % in 2009.

A P P E N D I CE S

Appendix I
Tables of Basic Accounts

N.B:
- The accounts from 2005 till 2008 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 — *billion LBP*

Nature of flow	2005	2006	2007	2008	2009
Intermediate uses	17 766	18 119	20 478	26 001	25 352
Final consumption	33 849	34 418	38 080	46 195	51 050
GFCF	7 313	7 768	10 127	13 363	17 398
Exports	5 510	5 730	7 149	9 077	8 154
Changes in inventories/Adjustment	-91	-35	335	446	665
Total uses= resources	64 347	66 000	76 170	95 082	102 618
Output except Trade	42 644	43 871	49 066	58 622	62 449
Imports	13 637	13 964	17 765	23 735	24 616
Taxes/imports	2 643	2 450	2 872	3 710	4 730
Trade output*	5 424	5 715	6 467	9 015	10 823

b) Volume at previous year prices — *billion LBP*

Nature of flow	2005	2006	2007	2008	2009
Intermediate uses	16 769	17 294	19 263	22 830	28 071
Final consumption	33 239	33 497	36 501	41 753	50 396
GFCF	7 120	7 516	9 350	11 987	17 746
Exports	5 412	5 569	6 893	8 074	8 718
Changes in inventories/Adjustment	-92	-42	317	396	1 023
Total uses= resources	62 449	63 834	72 325	85 040	105 954
Output except Trade	42 052	42 720	46 639	53 102	62 230
Imports	12 505	13 307	16 506	20 780	28 679
Taxes/imports	2 836	2 559	2 918	3 552	4 600
Trade output*	5 057	5 249	6 261	7 607	10 445

*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. Agricultural products

a) Current value *billion LBP*

Nature of flow	2005	2006	2007	2008	2009
Intermediate uses	908	1 125	1 186	1 642	1 310
Final consumption	1 645	1 801	1 988	2 382	2 490
GFCF	-	-	-	-	-
Exports	319	306	401	426	416
Changes in inventories/Adjustment	-40	0	32	45	0
Total uses= resources	2 832	3 232	3 608	4 495	4 216
Output	1 625	2 003	2 155	2 514	2 270
Imports	562	537	822	1 042	920
Taxes/imports	97	105	86	92	38
Trade Margin	547	588	545	848	988

b) Volume at previous year prices *billion LBP*

Nature of flow	2005	2006	2007	2008	2009
Intermediate uses	926	957	983	1 425	1 582
Final consumption	1 559	1 563	1 833	2 069	2 343
GFCF	-	-	-	-	-
Exports	304	311	375	437	436
Changes in inventories/Adjustment	-45	0	22	34	0
Total uses = resources	2 744	2 832	3 213	3 965	4 361
Output	1 604	1 663	1 858	2 436	2 284
Imports	565	513	675	833	1 176
Taxes/imports	80	99	135	84	97
Trade Margin	495	557	545	613	804

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

1.2. Livestock products

a) Current value *billion LBP*

Nature of flow	2005	2006	2007	2008	2009
Intermediate uses	526	525	592	672	698
Final consumption	552	506	722	862	998
GFCF	20	18	20	22	24
Exports	21	27	40	45	42
Changes in inventories/Adjustment	0	0	0	0	130
Total uses= resources	1 119	1 076	1 374	1 601	1 892
Output	581	547	745	894	992
Imports	288	303	313	348	504
Taxes/imports	4	4	6	6	5
Trade Margin	245	222	310	353	391

b) Volume at previous year prices *billion LBP*

Nature of flow	2005	2006	2007	2008	2009
Intermediate uses	515	511	523	516	690
Final consumption	568	468	567	807	988
GFCF	19	16	16	22	24
Exports	21	26	43	48	44
Changes in inventories/Adjustment	0	0	0	0	134
Total uses = resources	1 123	1 021	1 149	1 392	1 880
Output	591	498	612	760	942
Imports	264	306	280	274	525
Taxes/imports	4	5	5	6	8
Trade Margin	265	213	251	352	406

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

1.3. Energy and water

a) Current value *billion LBP*

Nature of flow	2005	2006	2007	2008	2009
Intermediate uses	3 936	4 038	4 344	6 203	5 104
Final consumption	1 791	1 730	1 830	2 319	2 781
GFCF	-	-	-	-	-
Exports	10	10	9	18	17
Changes in inventories/Adjustment	0	0	0	0	650
Total uses= resources	5 737	5 778	6 183	8 540	8 553
Output	1 345	1 313	1 118	1 240	1 242
Imports	3 209	3 457	4 161	6 145	5 141
Taxes/imports	729	609	599	739	1 593
Trade Margin	453	399	305	415	576

b) Volume at previous year prices *billion LBP*

Nature of flow	2005	2006	2007	2008	2009
Intermediate uses	3 247	3 663	4 006	4 861	6 669
Final consumption	1 777	1 701	1 784	2 082	2 845
GFCF	-	-	-	-	-
Exports	9	9	9	10	18
Changes in inventories/Adjustment	0	0	0	0	1 008
Total uses= resources	5 032	5 373	5 799	6 953	10 540
Output	1 364	1 310	1 114	1 247	1 241
Imports	2 351	2 969	3 715	4 642	7 881
Taxes/imports	982	675	619	688	938
Trade Margin	335	420	351	376	480

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

1.4. Food industry products

a) Current value *billion LBP*

Nature of flow	2005	2006	2007	2008	2009
Intermediate uses	421	431	494	546	581
Final consumption	5 135	5 153	5 930	6 963	7 736
GFCF	-	-	-	-	-
Exports	352	366	468	577	599
Changes in inventories/Adjustment	-70	70	30	71	-55
Total uses= resources	5 838	6 019	6 922	8 157	8 860
Output	3 130	3 192	3 400	3 979	4 018
Imports	1 291	1 324	1 776	2 053	2 300
Taxes/imports	434	397	495	519	556
Trade Margin	982	1 107	1 251	1 606	1 986

b) Volume at previous year prices *billion LBP*

Nature of flow	2005	2006	2007	2008	2009
Intermediate uses	384	403	458	498	583
Final consumption	4 945	4 910	5 434	5 874	7 587
GFCF	-	-	-	-	-
Exports	358	347	444	515	599
Changes in inventories/Adjustment	-68	65	35	56	-59
Total uses= resources	5 619	5 726	6 372	6 944	8 710
Output	3 024	3 074	3 128	3 304	3 952
Imports	1 236	1 291	1 620	1 823	2 444
Taxes/imports	397	403	501	575	586
Trade Margin	962	958	1 123	1 241	1 727

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

1.5. Textiles, leather and clothes

a) Current value *billion LBP*

Nature of flow	2005	2006	2007	2008	2009
Intermediate uses	298	279	317	393	390
Final consumption	1 952	2 013	1 931	2 563	2 819
GFCF	3	4	5	5	6
Exports	485	498	579	656	584
Changes in inventories/Adjustment	-20	-50	50	60	-
Total uses= resources	2 719	2 745	2 883	3 678	3 799
Output	749	697	754	913	879
Imports	890	863	963	1 205	1 321
Taxes/imports	178	180	182	225	247
Trade Margin	902	1 005	984	1 335	1 351

b) Volume at previous year prices *billion LBP*

Nature of flow	2005	2006	2007	2008	2009
Intermediate uses	313	277	317	388	433
Final consumption	1 837	1 904	2 016	2 380	2 938
GFCF	3	4	6	5	6
Exports	467	515	586	634	651
Changes in inventories/Adjustment	-19	-53	48	60	0
Total uses= resources	2 601	2 647	2 973	3 467	4 028
Output	713	689	775	864	947
Imports	851	907	915	1 200	1 372
Taxes/imports	181	182	191	227	256
Trade Margin	855	870	1 092	1 175	1 452

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

1.6. Non-metal ores

a) Current value *billion LBP*

Nature of flow	2005	2006	2007	2008	2009
Intermediate uses	1 609	1 596	1 994	2 651	2 885
Final consumption	76	63	69	96	109
GFCF	25	24	29	33	37
Exports	286	225	323	478	428
Changes in inventories/Adjustment	22	-35	25	60	-60
Total uses= resources	2 018	1 873	2 441	3 318	3 400
Output	1 143	1 083	1 318	1 635	1 748
Imports	515	468	695	1 125	1 028
Taxes/imports	65	63	91	98	89
Trade Margin	294	259	337	460	535

b) Volume at previous year prices *billion LBP*

Nature of flow	2005	2006	2007	2008	2009
Intermediate uses	1 543	1 581	1 873	2 225	2 901
Final consumption	78	65	69	83	113
GFCF	26	23	31	32	38
Exports	253	215	314	401	472
Changes in inventories/Adjustment	22	-35	23	49	-61
Total uses= resources	1 923	1 849	2 310	2 790	3 463
Output	1 118	1 054	1 258	1 372	1 840
Imports	517	466	656	929	1 041
Taxes/imports	66	59	88	121	91
Trade Margin	222	270	308	367	492

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

1.7. Metals, machines and equipment

a) Current value *billion LBP*

Nature of flow	2005	2006	2007	2008	2009
Intermediate uses	2 304	2 351	2 937	3 783	3 778
Final consumption	2 314	2 256	2 772	4 890	5 147
GFCF	1 545	1 510	2 014	2 647	5 185
Exports	1 361	1 416	1 957	2 296	2 064
Changes in inventories/Adjustment	57	-20	98	210	0
Total uses= resources	7 581	7 513	9 778	13 825	16 174
Output	1 648	1 495	1 855	2 286	2 003
Imports	3 966	4 025	5 284	7 370	8 763
Taxes/imports	807	765	1 004	1 566	1 710
Trade Margin	1 161	1 228	1 634	2 604	3 698

b) Volume at previous year prices *billion LBP*

Nature of flow	2005	2006	2007	2008	2009
Intermediate uses	2 214	2 227	2 707	3 426	3 969
Final consumption	2 279	2 208	2 650	4 490	5 172
GFCF	1 554	1 548	2 096	2 563	5 670
Exports	1 324	1 348	1 863	2 128	2 196
Changes in inventories/Adjustment	56	-20	95	198	0
Total uses= resources	7 427	7 311	9 413	12 806	17 007
Output	1 600	1 465	1 744	2 073	2 156
Imports	3 914	3 898	5 096	7 018	9 175
Taxes/imports	809	800	993	1 402	2 089
Trade Margin	1 104	1 147	1 579	2 312	3 587

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

1.8. Wood, rubber and chemicals

a) Current value *billion LBP*

Nature of flow	2005	2006	2007	2008	2009
Intermediate uses	2 093	2 037	2 439	2 933	2 644
Final consumption	1 427	1 516	1 770	1 973	2 164
GFCF	203	210	279	333	328
Exports	515	539	738	1 139	786
Changes in inventories/Adjustment	-40	-	100	-	-
Total uses= resources	4 197	4 302	5 325	6 378	5 922
Output	1 161	1 157	1 271	1 629	1 299
Imports	2 282	2 355	3 055	3 576	3 619
Taxes/imports	237	239	311	345	341
Trade Margin	517	552	689	828	663

b) Volume at previous year prices *billion LBP*

Nature of flow	2005	2006	2007	2008	2009
Intermediate uses	1 933	1 984	2 249	2 663	3 163
Final consumption	1 380	1 492	1 680	1 751	2 181
GFCF	189	198	263	301	361
Exports	486	518	669	773	1 030
Changes in inventories/Adjustment	-38	-	94	-	-
Total uses= resources	3 950	4 192	4 954	5 487	6 735
Output	1 109	1 125	1 172	1 248	1 472
Imports	2 157	2 313	2 871	3 209	4 025
Taxes/imports	226	241	291	327	388
Trade Margin	458	513	619	703	850

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

1.9. Furniture

a) Current value *billion LBP*

Nature of flow	2005	2006	2007	2008	2009
Intermediate uses	31	31	35	41	48
Final consumption	264	263	293	388	483
GFCF	330	324	360	448	640
Exports	64	84	101	133	112
Changes in inventories/Adjustment	-	-	-	-	-
Total uses= resources	689	702	790	1 010	1 282
Output	500	501	572	716	894
Imports	101	99	109	157	215
Taxes/imports	38	38	41	53	73
Trade Margin	50	64	67	84	100

b) Volume at previous year prices *billion LBP*

Nature of flow	2005	2006	2007	2008	2009
Intermediate uses	33	33	35	37	44
Final consumption	268	269	294	331	451
GFCF	325	321	357	432	610
Exports	57	89	102	124	111
Changes in inventories/Adjustment	-	-	-	-	-
Total uses= resources	683	713	788	924	1 216
Output	480	513	566	650	848
Imports	102	109	107	148	204
Taxes/imports	37	41	41	55	68
Trade Margin	64	50	73	71	96

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

1.10. Other industrial products

a) Current value *billion LBP*

Nature of flow	2005	2006	2007	2008	2009
Intermediate uses	190	201	230	273	315
Final consumption	905	792	927	1 190	1 387
GFCF	157	206	197	266	330
Exports	535	574	699	869	884
Changes in inventories/Adjustment	-	-	-	-	-
Total uses= resources	1 787	1 773	2 053	2 598	2 915
Output	931	896	1 065	1 333	1 498
Imports	531	534	588	714	805
Taxes/imports	53	50	56	68	76
Trade Margin	272	293	344	483	536

b) Volume at previous year prices *billion LBP*

Nature of flow	2005	2006	2007	2008	2009
Intermediate uses	209	191	211	288	317
Final consumption	905	723	860	1 142	1 323
GFCF	170	223	194	192	337
Exports	572	511	655	758	943
Changes in inventories/Adjustment	-	-	-	-	-
Total uses= resources	1 857	1 648	1 920	2 380	2 920
Output	959	808	978	1 214	1 455
Imports	547	534	570	704	834
Taxes/imports	55	54	55	67	79
Trade Margin	296	252	318	395	551

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

1.11. Construction

a) Current value *billion LBP*

Nature of flow	2005	2006	2007	2008	2009
Intermediate uses					
Final consumption					
GFCF	5 030	5 472	7 222	9 609	10 849
Exports					
Total uses= resources	5 030	5 472	7 222	9 609	10 849
Output	5 030	5 472	7 222	9 609	10 849

b) Volume at previous year prices *billion LBP*

Nature of flow	2005	2006	2007	2008	2009
Intermediate uses					
Final consumption					
GFCF	4 833	5 183	6 388	8 439	10 700
Exports					
Total uses= resources	4 833	5 183	6 388	8 439	10 700
Output	4 833	5 183	6 388	8 439	10 700

1.12. Transport and communication

a) Current value *billion LBP*

Nature of flow	2005	2006	2007	2008	2009
Intermediate uses	1 940	1 955	2 041	2 299	2 447
Final consumption	1 720	1 607	1 651	1 750	1 973
GFCF					
Exports	203	198	205	225	245
Total uses= resources	3 863	3 760	3 897	4 273	4 666
Output	3 863	3 760	3 897	4 273	4 666

b) Volume at previous year prices *billion LBP*

Nature of flow	2005	2006	2007	2008	2009
Intermediate uses	1 940	1 915	2 041	2 348	2 636
Final consumption	1 720	1 574	1 651	1 787	2 126
GFCF					
Exports	203	194	205	229	264
Total uses= resources	3 863	3 682	3 897	4 365	5 026
Output	3 863	3 682	3 897	4 365	5 026

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

1.13. Market services

a) Current value *billion LBP*

Nature of flow	2005	2006	2007	2008	2009
Intermediate uses	2 112	2 271	2 457	2 798	3 208
Final consumption	537	583	677	728	830
GFCF					
Exports	59	328	294	640	284
Total uses= resources	2 708	3 182	3 429	4 166	4 322
Output	2 708	3 182	3 429	4 166	4 322

b) Volume at previous year prices *billion LBP*

Nature of flow	2005	2006	2007	2008	2009
Intermediate uses	2 112	2 271	2 457	2 543	3 170
Final consumption	537	583	677	662	821
GFCF					
Exports	59	328	294	582	280
Total uses= resources	2 708	3 182	3 429	3 787	4 271
Output	2 708	3 182	3 429	3 787	4 271

1.15. Non- market services

a) Current value *billion LBP*

Nature of flow	2005	2006	2007	2008	2009
Intermediate uses					
Final consumption	5 029	5 270	5 624	6 686	7 384
GFCF					
Exports					
Total uses= resources	5 029	5 270	5 624	6 686	7 384
Output	5 029	5 270	5 624	6 686	7 384

b) Volume at previous year prices *billion LBP*

Nature of flow	2005	2006	2007	2008	2009
Intermediate uses					
Final consumption	5 006	5 253	5 597	5 997	7 263
GFCF					
Exports					
Total uses= resources	5 006	5 253	5 597	5 997	7 263
Output	5 006	5 253	5 597	5 997	7 263

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.

2.1. a) Year 2005 current value *billion LBP*

	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	167	0	1 262	2	0	3	0	0	1 434	2 197	20	340	-40	3 951
2. Energy & water	23	1 441	612	25	1 145	429	172	88	3 936	1 791	0	10	0	5 737
3. Manufacturing	279	127	3 532	1 810	22	721	307	148	6 944	12 073	2 263	3 599	-51	24 828
4. Construction	0	0	0	0	0	0	0	0	0	0	5 030	0	0	5 030
5. Transp. & commun.	5	9	84	26	697	758	358	23	1 959	2 907	0	203	0	5 069
6. Other services	58	31	413	371	199	355	697	1 371	3 493	9 851	0	441	0	13 786
7. Trade	0	0	0	0	0	0	0	0	0	0	0	917	0	917
8 Administration	0	0	0	0	0	0	0	0	0	5 029	0	0	0	5 029
Total uses	531	1 607	5 903	2 234	2 062	2 265	1 533	1 630	17 766	33 849	7 313	5 510	-91	64 347
Value added	1 675	-263	3 359	2 797	3 007	11 521	7 450	3 399	32 945					
Output	2 206	1 345	9 262	5 030	5 069	13 786	8 983	5 029	50 711					
Imports	851	3 209	9 577	0	0	0	0	0	13 637					
Taxes on imports	101	729	1 812	0	0	0	-2 643	0	0					
Trade margins	793	453	4 178	0	0	0	-5 424	0	0					
Total resources	3 951	5 737	24 828	5 030	5 069	13 786	917	5 029	64 347					

Table of territorial corrections

	Territorial concept	Expenses of tourists in Lebanon	Expenses of Lebanese abroad	National concept
Imports	13 637		459	14 096
Exports	5 510	1 532		7 042
Consumption	33 849	-1 532	459	32 777

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

2.2. a) Year 2006 current value *billion LBP*

	Intermediate uses									Final uses				Total
	1. Agric. Livest.	2. Energy 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	182	0	1 462	2	0	4	0	0	1 650	2 308	18	333	0	4 308
2. Energy & water	26	1 547	625	29	1 088	441	158	124	4 038	1 730	0	10	0	5 778
3. Manufacturing	252	125	3 412	1 894	22	777	304	140	6 926	12 056	2 278	3 702	-35	24 927
4. Construction	0	0	0	0	0	0	0	0	0	0	5 472	0	0	5 472
5. Transp. & commun.	5	9	81	28	681	793	348	30	1 974	2 789	0	198	0	4 961
6. Other services	62	31	395	354	210	366	661	1 452	3 531	10 266	0	733	0	14 530
7. Trade	0	0	0	0	0	0	0	0	0	0	0	753	0	753
8 Administration	0	0	0	0	0	0	0	0	0	5 270	0	0	0	5 270
Total uses	527	1 712	5 975	2 307	2 001	2 382	1 470	1 746	18 119	34 418	7 768	5 730	-35	66 000
Value added	2 023	-398	3 046	3 166	2 960	12 149	7 448	3 524	33 916					
Output	2 550	1 313	9 021	5 472	4 961	14 530	8 918	5 270	52 036					
Imports	840	3 457	9 668	0	0	0	0	0	13 964					
Taxes on imports	109	609	1 732	0	0	0	-2 450	0	0					
Trade margins	810	399	4 506	0	0	0	-5 715	0	0					
Total resources	4 308	5 778	24 927	5 472	4 961	14 530	753	5 270	66 000					

Table of territorial corrections

	Territorial concept	Expenses of tourists in Lebanon	Expenses of Lebanese abroad	National concept
Imports	13 964		460	14 425
Exports	5 730	1 533		7 262
Consumption	34 418	-1 533	460	33 346

2.2. b) Year 2006 at 2005 prices *billion LBP*

	Intermediate uses									Final uses				Total
Activity	1. Agric. Livest.	2. Energy 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	155	0	1 308	2	0	3	0	0	1 468	2 032	16	337	0	3 853
2. Energy & water	23	1 404	567	26	987	400	144	112	3 663	1 701	0	9	0	5 373
3. Manufacturing	243	122	3 262	1 859	21	762	294	135	6 697	11 572	2 318	3 543	-42	24 087
4. Construction	0	0	0	0	0	0	0	0	0	0	5 183	0	0	5 183
5. Transp. & commun.	5	8	79	27	667	777	341	29	1 933	2 728	0	194	0	4 855
6. Other services	62	31	395	354	210	366	661	1 453	3 532	10 213	0	733	0	14 478
7. Trade	0	0	0	0	0	0	0	0	0	0	0	753	0	753
8 Administration	0	0	0	0	0	0	0	0	0	5 253	0	0	0	5 253
Total uses	488	1 564	5 612	2 268	1 885	2 309	1 439	1 729	17 294	33 497	7 516	5 569	-42	63 834
Value added	1 673	-255	3 116	2 915	2 970	12 169	7 122	3 524	33 234					
Output	2 161	1 310	8 728	5 183	4 855	14 478	8 561	5 253	50 528					
Imports	818	2 969	9 520	0	0	0	0	0	13 307					
Taxes on imports	104	675	1 780	0	0	0	-2 559	0	0					
Trade margins	770	420	4 060	0	0	0	-5 249	0	0					
Total resources	3 853	5 373	24 087	5 183	4 855	14 478	753	5 253	63 834					

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

2.3. a) Year 2007 current value *billion LBP*

	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	208	0	1 561	3	0	5	0	0	1 778	2 710	20	441	32	4 981
2. Energy & water	26	1 483	741	36	1 235	506	194	123	4 344	1 830	0	9	0	6 183
3. Manufacturing	247	127	4 260	2 367	25	862	369	189	8 446	13 692	2 885	4 865	303	30 191
4. Construction	0	0	0	0	0	0	0	0	0	0	7 222	0	0	7 222
5. Transp. & commun.	5	7	86	32	698	822	381	31	2 062	3 084	0	205	0	5 351
6. Other services	69	31	442	384	266	413	736	1 509	3 849	11 140	0	724	0	15 712
7. Trade	0	0	0	0	0	0	0	0	0	0	0	905	0	905
8 Administration	0	0	0	0	0	0	0	0	0	5 624	0	0	0	5 624
Total uses	555	1 648	7 090	2 822	2 224	2 608	1 680	1 851	20 478	38 080	10 127	7 149	335	76 170
Value added	2 345	-531	3 144	4 400	3 127	13 105	8 564	3 773	37 926					
Output	2 900	1 118	10 234	7 222	5 351	15 712	10 243	5 624	58 405					
Imports	1 135	4 161	12 470	0	0	0	0	0	17 765					
Taxes on imports	91	599	2 181	0	0	0	-2 872	0	0					
Trade margins	855	305	5 306	0	0	0	-6 467	0	0					
Total resources	4 981	6 183	30 191	7 222	5 351	15 712	905	5 624	76 170					

Table of territorial corrections

	Territorial concept	Expenses of tourists in Lebanon	Expenses of Lebanese abroad	National concept
Imports	17 765		461	18 227
Exports	7 149	1 534		8 683
Consumption	38 080	-1 534	461	37 007

2.3. b) Year 2007 at 2006 prices *billion LBP*

	Intermediate uses									Final uses				Total
Activity	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	173	0	1 327	2	0	4	0	0	1 506	2 400	16	418	22	4 362
2. Energy & water	24	1 367	684	34	1 139	466	179	113	4 006	1 784	0	9	0	5 799
3. Manufacturing	229	117	3 943	2 199	23	824	340	175	7 851	13 005	2 946	4 633	295	28 730
4. Construction	0	0	0	0	0	0	0	0	0	0	6 388	0	0	6 388
5. Transp. & commun.	5	7	86	32	697	821	381	30	2 060	2 930	0	205	0	5 195
6. Other services	68	31	441	383	265	413	734	1 506	3 840	10 784	0	724	0	15 349
7. Trade	0	0	0	0	0	0	0	0	0	0	0	905	0	905
8 Administration	0	0	0	0	0	0	0	0	0	5 597	0	0	0	5 597
Total uses	499	1 523	6 480	2 651	2 125	2 528	1 634	1 824	19 263	36 501	9 350	6 893	317	72 325
Value added	1 971	-409	3 141	3 737	3 070	12 821	8 451	3 773	36 555					
Output	2 470	1 114	9 621	6 388	5 195	15 349	10 084	5 597	55 819					
Imports	956	3 715	11 835	0	0	0	0	0	16 506					
Taxes on imports	139	619	2 159	0	0	0	-2 918	0	0					
Trade margins	797	351	5 114	0	0	0	-6 261	0	0					
Total resources	4 362	5 799	28 730	6 388	5 195	15 349	905	5 597	72 325					

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

2.4. a) Year 2008 current value *billion LBP*

	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	286	0	2 017	4	0	6	0	1	2 314	3 244	22	471	45	6 096
2. Energy & water	38	2 398	998	54	1 571	682	293	168	6 203	2 319	0	18	0	8 540
3. Manufacturing	358	145	5 377	2 999	30	1 008	481	221	10 620	18 062	3 733	6 147	401	38 963
4. Construction	0	0	0	0	0	0	0	0	0	0	9 609	0	0	9 609
5. Transp. & commun.	5	8	87	37	791	888	475	30	2 321	3 517	0	225	0	6 062
6. Other services	75	29	466	424	294	500	758	1 996	4 543	12 366	0	1 156	0	18 065
7. Trade	0	0	0	0	0	0	0	0	0	0	0	1 061	0	1 061
8 Administration	0	0	0	0	0	0	0	0	0	6 686	0	0	0	6 686
Total uses	762	2 581	8 946	3 518	2 686	3 084	2 007	2 417	26 001	46 195	13 363	9 077	446	95 082
Value added	2 646	-1 341	3 545	6 090	3 376	14 981	11 778	4 270	45 346					
Output	3 408	1 240	12 491	9 609	6 062	18 065	13 786	6 686	71 348					
Imports	1 390	6 145	16 200	0	0	0	0	0	23 735					
Taxes on imports	98	739	2 873	0	0	0	-3 710	0	0					
Trade margins	1 201	415	7 399	0	0	0	-9 015	0	0					
Total resources	6 096	8 540	38 963	9 609	6 062	18 065	1 061	6 686	95 082					

Table of territorial corrections

	Territorial concept	Expenses of tourists in Lebanon	Expenses of Lebanese abroad	National concept
Imports	23 735		462	24 197
Exports	9 077	1 535		10 611
Consumption	46 195	-1 535	462	45 122

2.4. b) Year 2008 at 2007 prices *billion LBP*

	Intermediate uses									Final uses				Total
Activity	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	248	0	1 684	3	0	5	0	1	1 941	2 875	22	485	34	5 358
2. Energy & water	29	1 722	782	43	1 388	534	230	132	4 861	2 082	0	10	0	6 953
3. Manufacturing	264	132	4 802	2 734	28	916	446	203	9 524	16 051	3 526	5 334	363	34 797
4. Construction	0	0	0	0	0	0	0	0	0	0	8 439	0	0	8 439
5. Transp. & commun.	5	8	88	38	807	906	484	31	2 368	3 331	0	229	0	5 928
6. Other services	69	27	425	386	268	455	690	1 817	4 136	11 418	0	1 051	0	16 606
7. Trade	0	0	0	0	0	0	0	0	0	0	0	964	0	964
8 Administration	0	0	0	0	0	0	0	0	0	5 997	0	0	0	5 997
Total uses	615	1 889	7 781	3 204	2 490	2 816	1 851	2 184	22 830	41 753	11 987	8 074	396	85 040
Value added	2 582	-642	2 945	5 235	3 438	13 790	10 272	3 813	41 431					
Output	3 196	1 247	10 726	8 439	5 928	16 606	12 123	5 997	64 260					
Imports	1 107	4 642	15 032	0	0	0	0	0	20 780					
Taxes on imports	90	688	2 774	0	0	0	-3 552	0	0					
Trade margins	965	376	6 265	0	0	0	-7 607	0	0					
Total resources	5 358	6 953	34 797	8 439	5 928	16 606	964	5 997	85 040					

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

2.5. a) Year 2009 current value *billion LBP*

	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	238	0	1 761	4	0	5	0	1	2 008	3 488	24	458	130	6 108
2. Energy & water	27	1 837	795	53	1 369	565	273	185	5 104	2 781	0	17	650	8 553
3. Manufacturing	343	123	5 254	3 179	33	999	467	243	10 641	19 845	6 526	5 456	-115	42 352
4. Construction	0	0	0	0	0	0	0	0	0	0	10 849	0	0	10 849
5. Transp. & commun.	5	7	83	38	856	900	548	33	2 471	3 893	0	245	0	6 609
6. Other services	75	31	501	563	325	592	884	2 156	5 127	13 658	0	825	0	19 610
7. Trade	0	0	0	0	0	0	0	0	0	0	0	1 152	0	1 152
8 Administration	0	0	0	0	0	0	0	0	0	7 384	0	0	0	7 384
Total uses	687	1 998	8 394	3 837	2 583	3 061	2 173	2 619	25 352	51 050	17 398	8 154	665	102 618
Value added	2 574	-756	3 947	7 012	4 026	16 549	14 532	4 766	52 650					
Output	3 262	1 242	12 341	10 849	6 609	19 610	16 705	7 384	78 002					
Imports	1 425	5 141	18 051	0	0	0	0	0	24 616					
Taxes on imports	44	1 593	3 093	0	0	0	-4 730	0	0					
Trade margins	1 378	576	8 868	0	0	0	-10 823	0	0					
Total resources	6 108	8 553	42 352	10 849	6 609	19 610	1 152	7 384	102 618					

Table of territorial corrections

	Territorial concept	Expenses of tourists in Lebanon	Expenses of Lebanese abroad	National concept
Imports	24 616		462	24 616
Exports	8 154	1 535		8 154
Consumption	51 050	-1 535	462	51 050

2.5. b) Year 2009 at 2008 prices *billion LBP*

	Intermediate uses									Final uses				Total
Activity	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	287	0	1 973	4	0	6	0	1	2 272	3 331	24	480	134	6 241
2. Energy & water	35	2 400	1 039	69	1 789	738	357	242	6 669	2 845	0	18	1 008	10 540
3. Manufacturing	361	146	5 680	3 331	34	1 053	535	271	11 411	19 764	7 022	6 001	-120	44 079
4. Construction	0	0	0	0	0	0	0	0	0	0	10 700	0	0	10 700
5. Transp. & commun.	5	8	89	41	921	969	589	36	2 659	3 960	0	264	0	6 883
6. Other services	74	30	495	556	320	584	873	2 128	5 061	13 233	0	815	0	19 109
7. Trade	0	0	0	0	0	0	0	0	0	0	0	1 139	0	1 139
8 Administration	0	0	0	0	0	0	0	0	0	7 263	0	0	0	7 263
Total uses	762	2 584	9 275	4 002	3 065	3 349	2 355	2 678	28 071	50 396	17 746	8 718	1 023	105 954
Value added	2 463	-1 344	3 395	6 698	3 818	15 760	13 829	4 585	49 204					
Output	3 226	1 241	12 670	10 700	6 883	19 109	16 183	7 263	77 275					
Imports	1 702	7 881	19 096	0	0	0	0	0	28 679					
Taxes on imports	104	938	3 558	0	0	0	-4 600	0	0					
Trade margins	1 210	480	8 755	0	0	0	-10 445	0	0					
Total resources	6 241	10 540	44 079	10 700	6 883	19 109	1 139	7 263	105 954					

3.Financial institutions accounts

Commercial banks accounts *billion LBP*

Account	2005	2006	2007	2008	2009
I. Production account					
Uses					
P2. Intermediate consumption	561	604	675	772	729
B1. Gross value added	*1 636*	*1 996*	*2 131*	*2 631*	2 595
Total uses = resources	2 198	2 600	2 806	3 403	3 323
Resources = Net banking product (P1.):					
Interest income	6 286	7 272	8 385	8 524	9 401
-Interest payments	-4 488	-5 089	-6 086	-5 715	-6 725
Commissions	399	416	507	594	647
II.1. Allocation of primary income account					
Uses					
D1. Compensation of employees	731	819	886	1 061	1 140
D41. Interests on loans	28	24	19	38	40
D42. Distributed Profit	…	…	…	…	…
B5.Bal. of primary income acc.	*1 164*	*1 454*	*1 631*	*2 078*	*1 925*
Total uses = resources	1 923	2 297	2 536	3 177	3 105
Resources					
B1. Gross value added	1 636	1 996	2 131	2 631	2 595
D4. Net income off work	286	301	405	546	510
II.2. Secondary distribution of income account					
Uses					
D5. Income tax	137	192	210	263	295
B6. Balance: disposable income	*1 027*	*1 262*	*1 421*	*1 815*	*1 630*
Total uses = resources	1 164	1 454	1 631	2 078	1 925
Resources					
B5.Bal.of primary income acc.	1 164	1 454	1 631	2 078	1 925
III.1. Capital account					
P51.Gross fixed capital format.	525	-29	82	373	88
B9. Balance= net lending	*502*	*1 291*	*1 340*	*1 442*	1 542
Total uses = resources	1 027	1 262	1 421	1 815	1 630
Resources					
B6. Disposable income	1 027	1 262	1 421	1 815	1 630
III.2. Financial account					
Uses					
F2. Cash and deposits in BDL	1 039	-1 579	514	9 262	14 461
F2. External assets	-439	4 754	6 474	-2 386	6 864
F3. Securities (Treasury bills)	2 532	4 496	1 226	5 855	5 491
F4. Credits	-2 212	1 293	3 676	5 024	4 826
F9. Other debtors	-112	-103	65	-38	-80
Total uses = resources	807	8 860	11 954	17 718	31 562
B9. Net lending	502	1 291	1 340	1 442	1 542
F2. Deposits of residents	3 589	5 608	9 199	13 095	19 734
F2. Deposits of non-residents	-698	826	2 198	3 272	8 085
F5. Shares	-290	1 241	-547	-390	-411
F9. Other creditors	-2 297	-106	-236	299	2 613

4. Public administration accounts

4.1. Central administration accounts

Uses *billion LBP*

Account, operations	2005	2006	2007	2008	2009
I. Production account					
P2. Intermediate Consumption	1 300	1 441	1 555	2 060	2 240
B1. Gross value added	*2 879*	*3 029*	*3 299*	*3 681*	*4 128*
Total	4 179	4 470	4 854	5 741	6 367
II.1. Allocation of primary income account					
D1. Compensation of employees	2 146	2 249	2 421	2 676	3 107
K.1. Depreciation	733	780	878	1 005	1 021
B5. Primary income balance	*4 826*	*4 472*	*5 418*	*6 616*	*8 463*
Total	7 705	7 502	8 717	10 297	12 590
II.2. Secondary distribution of income account					
D41. Interests*	2 966	3 382	4 288	3 679	4 365
D62. Social benefits	874	935	924	1 016	1 315
Current transfers to administrations	680	520	414	411	431
International co-operation	11	7	7	17	17
D79. Other current transfers	113	168	163	175	194
B6. Balance: disposable income	*2 086*	*1 851*	*1 957*	*4 450*	*5 641*
Total uses = resources	6 730	6 862	7 754	9 747	11 962
II.4. Use of income account					
P2. Consumption	4 179	4 470	4 854	5 741	6 367
B8n. Balance: Net saving	-2 093	-2 619	-2 897	-1 291	-726
Total uses = resources	2 086	1 851	1 957	4 450	5 641
III. 1 Capital account					
P51. Gross fixed capital formation	176	197	221	238	315
D92. Help to investment					
D93. Capital transfers to administ.	403	275	246	233	200
Total uses = resources	578	472	468	471	515
III.2 Financial account					
B9. Net borrowing	1 939	2 311	2 486	758	221
F21. Cash	-20	-15	31	…	…
F22. Deposits in the BDL	955	-2 097	428	…	…
F41. Advances of Treasury	897	462	285	…	…
F79. Other debtors	0	0	0	…	…
Total uses = resources	320	1 508	2 131	…	…

* 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.

4. Public administration accounts

4.1. Central administration accounts

Resources *billion LBP*

Account, operations	2005	2006	2007	2008	2009
I. Production account					
P12. Non-market output	4 179	4 470	4 854	5 741	6 367
Total	4 179	4 470	4 854	5 741	6 367
II.1. Allocation of primary income account					
B1. Gross domestic product	2 879	3 029	3 299	3 681	4 128
D2. Taxes on products	4 839	4 493	5 434	6 656	8 529
D3.- subsidies on products	-19	-26	-22	-48	-74
D41. Interests	5	5	6	8	8
Total	7 705	7 502	8 717	10 297	12 590
II.2. Secondary distribution of income account					
B5. Primary income	4 826	4 472	5 418	6 616	8 463
D51. Income taxes	907	1 184	1 142	1 564	1 839
D59. Other direct taxes	646	844	803	1 171	1 250
D61. Social contributions	85	85	79	85	95
D79. Non-tax receipts	266	276	312	311	315
Total uses= resources	6 730	6 862	7 754	9 747	11 962
II.4. Use of income account					
B6. Disposable income	2 086	1 851	1 957	4 450	5 641
Total uses= resources	2 086	1 851	1 957	4 450	5 641
III. 1 Capital account					
K1. Depreciation	733	780	878	1 005	1 021
B8n. Net saving	-2 093	-2 619	-2 897	-1 291	-726
B9. Net borrowing	1 939	2 311	2 486	758	221
Total uses= resources	908	578	472	468	371
III.2. Financial account					
F29. Deposits	200	-1 222	170	…	…
F3. Treasury bills	3 113	2 130	2 300	…	…
F4. Loans	756	0	2 531	…	…
F79. Other creditors	24	1 515	426	…	…
F00. Transactions not classified	-1	-253	-65	…	…
Total uses= resources	4 091	2 169	5 361	…	…

4. Public administration accounts

4.2. Public administration consolidated accounts (estimates) *billion LBP*

Accounts	2005	2006	2007	2008	2009
I. Production account			*Uses*		
P2. Intermediate Consumption	1 630	1 746	1 851	2 417	2 619
B1. Gross value added	*3 399*	*3 524*	*3 773*	*4 270*	*4 766*
Total =P12. Production	5 029	5 270	5 624	6 686	7 384
II.1. Allocation of primary income account*:*			*Uses*		
D1. Compensation of employees	2 665	2 744	2 895	3 265	3 745
K.1. Depreciation	733	780	878	1 005	1 021
B5n. Balance: Net primary income	*5 477*	*5 290*	*6 097*	*7 529*	*9 520*
Total uses = resources	8 875	8 814	9 870	11 799	14 286
			Resources		
B1. Gross value added	3 399	3 524	3 773	4 270	4 766
D2-D3. Indirect taxes - subsidies	5 477	5 290	6 097	7 529	9 520
II.2. Secondary distribution of income account:			*Uses*		
D41. Interests*	3 031	3 472	4 393	3 784	4 471
D62. Social benefits	1 675	1 764	1 862	1 901	2 334
D79. Current transfers	124	175	170	192	211
B6. Balance: Disposable income	*3 514*	*3 155*	*3 072*	*5 808*	*7 076*
Total uses = resources	8 344	8 565	9 497	11 684	14 092
			Resources		
B5n. Net primary income	5 477	5 290	6 097	7 529	9 520
D5. Direct taxes	1 554	2 029	1 944	2 735	3 089
D61. Social contributions	1 031	951	1 128	1 084	1 145
D79. Non-tax receipts	283	296	327	336	337
II.4.Use of income account:			*Uses*		
P2. Consumption	5 029	5 270	5 624	6 686	7 384
B8n. Balance: Net saving	-1 515	-2 115	-2 553	-879	-308
Total = Disposable income	3 514	3 155	3 072	5 808	7 076
III.1. Capital account			*Uses*		
P51. Gross fixed capital formation	872	901	905	997	1 095
D92. Investment grants	121	56	6	8	38
Total uses = resources	993	957	911	1 004	1 133
			Resources		
B8n. Net saving	-1 515	-2 115	-2 553	-879	-308
K.1. Depreciation	733	780	878	1 005	1 021
D92. Investment grants	25	14	127	30	60
B9. Balance: Net Borrowing	*1 750*	*2 279*	*2 459*	*848*	*361*
III.2. Financial account			*Uses*		
B9. Borrowing	1 750	2 279	2 459	848	361
F2. Cash and deposits	1 231	-1 146	83	3 799	2 021
F41. Treasury Advances	670	1 361	1 714	2 610	2 487
Total uses = resources	3 651	2 494	4 256	7 258	4 869
			Resources		
F3. Treasury bills	3 115	2 075	2 573	7 369	6 429
F4. Loans	67	-23	1 234	-692	-1 923
F9. Other creditors	469	441	449	580	363

*view remark at the bottom of table 4.1

Appendix II
Statistical sources

I. Population

Table I.1. Vital statistics (number of registered events)

Demographic events	2004	2005	2006	2007	2008	2009
Marriages	30 014	29 705	29 078	35 796	37 593	40 565
Divorces	4 372	4 746	4 388	6 342	5 389	5 957
Births	73 900	73 770	72 790	80 896	84 823	90 388
Deaths	17 774	18 012	18 787	21 092	21 048	22 260

Source: CAS monthly bulletins

II. Agriculture and livestock

Table II.1. Crop output

a) Planted surface area - thousand hectares

Nature of crop product	2004	2005	2006	2007	2008	2009
Cereals	60.0	65.2	70.0	69.6	…	…
Leguminous vegetables	7.5	7.1	7.2	7.0	…	…
Vegetables	42.3	42.1	42.3	41.7	…	…
Plants for manufacturing	11.1	10.8	9.9	9.6	…	…
Fruits	83.5	82.5	83.9	84.3	…	…
Olives	58.5	58.8	59.1	58.6	…	…
Other Plants	5.4	6.5	6.6	6.3	…	…
Total	**268.3**	**273.0**	**279.1**	**277.2**	…	…

b) Output - thousand of tons

Nature of crop product	2004	2005	2006	2007	2008	2009
Cereals	396.3	394.3	429.6	391.5	…	…
Leguminous vegetables	40.2	35.5	30.1	37.5	…	…
Vegetables	1 295.9	1 284.3	1 160.6	1 300.6	…	…
Plants for manufacturing	97.1	90.0	45.5	42.1	…	…
Fruits	987.0	960.4	942.4	985.5	…	…
Olives	167.3	76.5	177.3	76.2	…	…
Other Plants	…	…	…	…	…	…
Total	**2 983.8**	**2 841.0**	**2 785.5**	**2 833.4**	**…**	**…**

Source: Ministry of Agriculture

II. Agriculture and livestock (continued)

Table II.1. Crop output (continued)

c) Output value in billion LBP

Nature of crop product	2004	2005	2006	2007	2008	2009
Cereals	89.9	93.0	116.5	104.0	…	…
Leguminous vegetables	27.0	22.4	27.4	38.3	…	…
Vegetables	402.5	422.0	591.9	770.7	…	…
Plants for manufacturing	116.9	103.3	102.7	112.6	…	…
Fruits	644.1	630.7	759.4	918.7	…	…
Olives	212.3	113.2	283.7	144.7	…	…
Other	51.5	56.5	61.3	65.9	…	…
Total	**1 544.1**	**1 441.1**	**1 942.9**	**2 155.0**	…	…

Source: Ministry of Agriculture

Table II.2. Animal output

a) Livestock: number of heads - thousands

Nature of livestock	2004	2005	2006	2007	2008	2009
Intended for slaughter-house						
Cow	43.5	44.4	40.6	40.1	…	…
Sheep	138.0	128.6	81.4	153.5	…	…
Goat	174.5	181.8	144.4	227.7	…	…
Pig	12.5	11.0	10.0	9.0	…	…
Intended to milk production						
Cow	43.9	43.8	43.9	45.3	…	…
Sheep	179.4	182.7	202.4	218.6	…	…
Goat	234.5	246.7	206.6	234.7		

b) Output - thousand of tons (or units)

Nature of product	2004	2005	2006	2007	2008	2009
Beef	16.2	16.5	15.1	14.9	…	…
Sheep	5.8	5.4	3.5	6.6	…	…
Goat	5.9	6.6	5.2	8.2	…	…
Pork	1.2	1.1	1.0	0.9	…	…
Chicken	137.3	130.6	140.2	143.7	…	…
Eggs (million units)	755.0	758.0	670.0	762.0	…	…
Cow's milk	186.3	189.8	166.8	183.6	…	…
Sheep's milk	21.6	22.8	19.7	24.7	…	…
Goat's milk	36.1	39.3	26.0	34.0	…	…
Honey	1.1	1.1	0.8	1.0	…	…

Source: Ministry of Agriculture

II. Agriculture and livestock (continued)

Table II.2. Animal output (continued)

c) Output value

billion LBP

Nature of product	2004	2005	2006	2007	2008	2009
Beef	44.3	48.3	49.4	52.5	…	…
Sheep	20.7	18.6	13.0	28.9	…	…
Goat	17.4	18.3	19.1	32.8	…	…
Pork	2.6	2.4	2.5	2.6	…	…
Chicken	204.9	185.5	230.7	271.8	…	…
Eggs	61.9	56.9	77.1	125.7	…	…
Cow's milk	96.9	99.1	118.4	145.0	…	…
Sheep's milk	11.9	13.9	13.4	20.0	…	…
Goat's milk	21.5	25.6	19.3	27.7	…	…
Honey	21.9	25.0	18.0	22.0	…	…
Total	**504.0**	**493.6**	**560.9**	**729.0**	…	…

Source: Ministry of Agriculture

III. Energy

Table III.1. Main imported oil products

thousands of tons

Product	2004	2005	2006	2007	2008	2009
Gasoline	1 263.2	1 273.1	1 224.6	1 306.8	1 401.2	1 617.7
Gas oil	1 746.8	1 587.7	1 596.3	1 363.2	1 802.7	2 595.4
Fuel oil	1 382.6	1 360.2	1 039.7	1 258.7	1 213.5	1 422.5
Kerosene	126.7	146.6	103.4	139.7	166.7	1 741.6
Gas butane	220.2	166.1	161.1	160.7	163.2	199.1

Source: General Directorate of oil

Table III.2. Electricity consumption

KWH million

	2004	2005	2006	2007	2008	2009
(network EOL)	10 308	10 581	10 215	10 590	11 142	11 324

Source: Central Administration of Statistics, Monthly bulletins

IV. Industry

Table IV.1. Manufactured Tobacco

	2004	2005	2006	2007	2008	2009
Production (tons)	1 803	655	744	577	703	…
Local Tobacco sales (tons)	1 671	795	675	698	739	…
Value of sales (million LBP)	49 446	16 355	14 942	15 409	12 478	…

Source: Lebanese Régie for Tabacs and Tombacs

Table IV.2. Imports of intermediary products intended for industry

User branch	2004	2005	2006	2007	2008	2009
	values LBP billion					
Not specified	581	708	725	788	1 244	1 068
Agro-food industries	722	612	598	760	883	929
Textiles, leather & clothing	183	176	164	186	220	225
Non-metal ores & products	58	61	58	86	103	93
Metals, machines & equipment	742	805	862	1 239	1 737	1 353
Wood, rubber & chemicals	494	٤٨٥	484	678	869	720
Furniture	79	٨٣	83	111	139	142
Other industries	352	٣٣٠	314	492	666	1 019
Total	**3 262**	**3 260**	**3 288**	**4 340**	**5 861**	**5 548**
	Index of unit values compared to the previous year					
Not specified	1.211	1.278	1.100	1.090	1.292	0.647
Agro-food industries	1.102	1.041	1.051	1.165	1.284	0.858
Textiles, leather & clothing	0.975	0.949	1.015	1.018	1.008	0.922
Non-metal ores & products	1.064	1.095	1.058	1.116	1.102	0.840
Metals, machines & equipment	1.111	1.040	1.056	1.147	1.185	0.724
Wood, rubber & chemicals	1.106	1.099	1.040	1.125	1.134	0.815
Furniture	1.040	1.056	1.017	1.073	1.041	0.860
Other industries	1.094	1.024	1.010	1.050	1.125	1.084
Total	**1.111**	**1.087**	**1.054**	**1.116**	**1.167**	**0.799**
	Index of volumes compared to the previous year					
Not specified	1.054	0.954	0.930	0.997	1.222	1.326
Agro-food industries	0.983	0.814	0.930	1.099	0.905	1.225
Textiles, leather & clothing	1.284	1.013	0.919	1.111	1.176	1.110
Non-metal ores & products	1.007	0.953	0.895	1.338	1.083	1.074
Metals, machines & equipment	1.210	1.042	1.014	1.254	1.183	1.076
Wood, rubber & chemicals	1.251	0.893	0.959	1.245	1.131	1.017
Furniture	1.161	0.993	0.985	1.251	1.203	1.184
Other industries	1.106	0.914	0.944	1.491	1.203	1.412
Total	**1.117**	**0.933**	**0.957**	**1.185**	**1.114**	**1.185**

V. Construction

Table V.1. Building permits registered at engineers' order

Indicator	2004	2005	2006	2007	2008	2009
Surface area - thousands m2	9 014	8 826	8 997	9 044	16 068	14 369

Source: Central Administration of Statistics, Monthly bulletins

Table V.2. Local cement sales

Indicator	2004	2005	2006	2007	2008	2009
Quantity in thousands tons	2 729	3 040	3 423	3 945	4 219	4 897

Source: Central Bank of Lebanon, Monthly bulletins

Table V.3. Raw material imports for construction

Indicator	2004	2005	2006	2007	2008	2009
Value in billion LBP	522.8	525.0	527.4	705.3	914.7	902.9
Unit value index n/n-1	1.027	1.045	1.075	1.087	1.057	0.890
Volume index n/n-1	1.183	0.961	0.934	1.231	1.227	1.109

VI. Transport and communication

Table VI.1. Movement of goods via Beirut port

Indicator	2004	2005	2006	2007	2008	2009
Thousands tons	5 061	4 473	4 227	5 318	5 746	…

Source: Central Administration of Statistics, Monthly bulletins

Table VI.2. Number of passengers departing from Beirut airport

Indicator	2004	2005	2006	2007	2008	2009
Thousands	1 601	1 601	1 366	1 649	2 014	2 461

Source: Central Administration of Statistics, Monthly bulletins

Table VI.3. Income of telephone and telecommunications General Directorate

billion LBP

Nature of income	2004	2005	2006	2007	2008	2009
Invoices issued	446.0	446.0	…	…	…	…
Receipts from new install.	8.1	7.2	…	…	…	…
Share internat. communications	210.7	203.1	…	…	…	…
Share in mobiles communicat.	883.6	1 017.5	…	…	…	…
Total	**1 548.4**	**1 673.8**	…	…	…	…

Source: Ministry of Finance, Closing accounts, Budgets appendices

VII. Services

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

Cycle	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Public and subsidised Education						
Pre-school	61 040	57 403	54 378	٥٧ ٦١١	54 307	……..
Primary	250 534	245 946	240 218	245 896	236 267	……..
Compl.& secondary	151 505	148 467	145 309	147 277	137 187	……..
Technical	32 655	33 692	35 090	37 446	40 253	42 444
Lebanese University	66 809	70 065	70 627	72 961	74 176	74 134
Total	***562 543***	***555 573***	***545 622***	***561 191***	***542 190***	******…….***
Private Education						
Pre-school	93 174	93 207	93 970	93 261	95 973	…….
Primary	203 044	206 661	207 375	204 670	208 973	…….
Compl.& secondary	159 314	165 262	170 064	169 162	175 494	…….
Technical	67 223	63 190	63 705	62 285	67 165	72 973
Universities	65 836	71 414	76 334	87 403	92 989	100 163
Total	***588 591***	***599 734***	***611 448***	***616 781***	***640 594***	******…….***
Grand total	**1 151 134**	**1 155 307**	**1 157 070**	**1 177 972**	**1 182 784**	**…….**

Source: R&D Educational Center

Table VII.2. Health: public health expenditures

billion LBP

Administration	2004	2005	2006	2007	2008	2009
1. Health Ministry	227.4	222.4	179.7	201.3	308.8	297.1
2. NSSF: Health benefits	443.9	435.1	450.9	535.5	492.0	548.4
Total	**671.3**	**657.5**	**630.6**	**740.8**	**800.8**	**845.5**

Source: Ministry for Health and NSSF, Closing accounts

Table VII.3. Insurance services

billion LBP

Operation	2004	2005	2006	2007	2008	2009
Premiums paid	681.2	735.6	784.1	958.4	1 109.8	1 276.9
Claims paid	259.3	282.8	276.5	373.9	476.2	568.9

Source: Ministry of Economy and Trade

Table VII.4. Passenger arrivals

number in thousands

Nationality	2004	2005	2006	2007	2008	2009
Foreign non Arab	732	687	704	617	783	1 056
Arab except Syrians	631	636	522	503	668	786
Total	**1 363**	**1 323**	**1 226**	**1 120**	**1 451**	**1 842**

Source: Central Administration of Statistics, Monthly bulletins

III. Administration

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

Budget headings	ClassificationSNA93	2005	2006	2007	2008	2009p
Expenses						
11. Goods	P.2 Intermediate use	250	220	265	327	368
12. Services	P.2 Intermediate use	93	98	102	106	135
13. Wages	D.1 Wages	2 146	2 249	2 421	2 676	3 107
14. Transfers		1 697	1 656	1 529	1 665	2 126
	D.3 Subsidies	*19*	*26*	*22*	*48*	*23*
	D.62 Pensions	*874*	*935*	*909*	*1 016*	*1 298*
	D.73 Transf. to adm.	*680*	*520*	*399*	*411*	*601*
	D.74 Coop. internat.	*11*	*7*	*7*	*17*	*19*
	D.79 Various transf.	*113*	*168*	*192*	*175*	*185*
16. Other outlays	P.2 Intermediate use	265	219	253	349	371
17. Debt Services		3 659	4 285	5 223	4 957	5 472
	P.2 Intermediate use	*523*	*904*	*935*	*1 278*	*1 433*
	D.41 Interests	*3 136*	*3 381*	*4 288*	*3 679*	*4 039*
Total 1st part		***8 109***	***8 727***	***9 793***	***10 080***	***11 580***
2d part		***578***	***472***	***468***	***471***	***515***
	P.51 G.F.C.F.	176	197	221	238	315
	D.93 Transf. to adm.	403	275	246	233	200
Grand total		**8 688**	**9 199**	**10 261**	**10 551**	**12 095**
Income						
11. Income tax	D.51 Income tax	907	1 184	1 142	1 564	1 839
12. Taxes/property	D.59 Direct taxes	409	579	526	786	809
13. Taxes/consumpt.		2 548	2 458	2 711	3 797	4 387
VAT	*D.2 Indirect taxes*	*1 561*	*1 660*	*1 803*	*2 584*	*2 889*
Tax/cars	*D.59 Direct taxes*	*108*	*109*	*130*	*1 017*	*1 260*
Other	*D.2 Indirect taxes*	*879*	*689*	*777*	*197*	*238*
14. Customs duties	D.2 Indirect taxes	481	461	556	686	768
15. Other taxes	D.2 Indirect taxes	261	259	292	350	396
26. Operat.income		1 663	1 428	2 011	2 028	2 456
Public entrp. surplus	*D.2 Indirect taxes*	*1 657*	*1 423*	*2 006*	*2 020*	*2 448*
26901. Interests	*D.41 Interests*	*5*	*5*	*6*	*8*	*8*
27. Admin. receipts		385	426	424	484	505
27104. Traffic taxes	*D.59 Direct taxes*	*130*	*156*	*146*	*189*	*203*
Other	*D.79 Various transf.*	*255*	*270*	*277*	*295*	*303*
28. Fines	D.79 Various transf.	9	4	16	7	7
29. Other non-tax		86	87	98	94	100
	D.61 Contributions	*85*	*85*	*79*	*85*	*95*
	D.79 Various transf.	*2*	*2*	*19*	*9*	*5*
Grand total		**6 749**	**6 888**	**7 776**	**9 795**	**11 268**
Deficit	**B.9**	**1 939**	**2 311**	**2 485**	**756**	**827**

Source: Ministry of Finance, Closing accounts
p: provisional figures

VIII. Administration (continued)

Table VIII.2. Treasury Accounts

billion LBP

Operation	2004	2005	2006	2007	2008	2009
Change in assets						
Budgetary deficit	2 250	1 938	2 575	2 542	…	…
Advances to municipalities	0	0	0	0	…	…
Advances to public agencies	683	509	208	237	…	…
Other advances	175	388	254	49	…	…
Payments made in advance	-62	320	1 508	2 131	…	…
Central Bank of Lebanon	890	955	-2 097	428	…	…
Cash &checks to be collected	-11	-20	-15	31	…	…
Adjustment accounts	75	2	-11	9	…	…
Total	**3 999**	**4 093**	**2 423**	**5 426**	**…**	**…**
Change in liabilities						
Deposits	144	123	84	151	…	…
Accrued expenses	215	162	265	341	…	…
Receipts to be settled	-7	8	76	177	…	…
Accounts of municipalities	-274	-89	-145	-82	…	…
Accounts of public agencies	23	3	12	7	…	…
Other creditors	17	17	1	1	…	…
Treasury bills-LBP; issues	23 407	23 064	18 292	21 974	…	…
-repayments	-21 856	-19 742	-16 771	-17 820	…	…
Treasury bills-foreign; issues	4 553	0	1 771	5 725	…	…
-repayments	-2 223	-210	-1 163	-5 199	…	…
Foreign loans	0	756	0	151	…	…
Total	**3 999**	**4 093**	**2 423**	**5 426**	**…**	**…**

Source: Ministry of Finance, treasury account

Table VIII.3. Public debt

end of the year, billion LBP

Debt items	2004	2005	2006	2007	2008	2009
Treasury bills in LBP						
Central Bank of Lebanon	10 197	11 233	9 143	8 647	8 419	10 043
Commercial banks	12 171	14 072	16 429	16 784	24 222	27 181
Outside the banking system	3 500	3 325	4 129	5 474	5 906	7 353
Banking system loans	503	512	503	468	460	396
Total gross domestic debt	26 371	29 141	30 204	31 373	39 007	44 973
- Public sector deposits	- 4 359	- 5 590	- 4 444	- 4 527	8 326	10 522
Net domestic debt (LBP)	22 012	23 551	25 760	26 846	30 681	34 451
Debt in foreign currency	27 701	28 844	30 647	31 977	31 881	32 048
Total	**49 713**	**52 395**	**56 407**	**58 823**	**62 562**	**66 499**

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 *billion LBP*

Administrative body	2004	2005	2006	2007	2008	2009
CDR	44.7	24.2	21.9	32.1	27.9	36.6
National Archives	0.0	0.8	1.0	1.5	0.7	1.3
Civil Defence	16.2	14.8	13.6	18.9	21.0	25.3
Lebanese University	149.0	158.6	156.9	146.2	173.6	252.0
R&D Educational Center	9.5	11.0	11.0	10.0	13.0	13.5
National Council for Scientific Res.	5.8	4.5	4.3	5.8	5.7	6.0
National Music Conservatory	8.2	6.0	8.2	8.2	9.1	11.5
Council for the South	16.5	6.0	5.0	7.0	6.2	10.7
Council for the Displaced	6.5	6.0	5.5	6.5	6.0	6.0
Relief Committee	0.1	43.9	12.8	0.0	2.4	1.6
Employment Office	2.8	1.6	2.4	1.7	0.5	3.0
Council for Housing	0.0	0.0	0.0	0.0	0.0	0.0
"Green Plan" Council	7.5	4.6	5.9	6.0	7.5	9.5
Agronomic Research	5.1	3.4	4.0	3.6	4.4	7.1
IDAL	3.0	7.3	2.2	4.0	3.8	3.0
NSSF	80.0	340.0	220.0	100.0	100.0	-
Other administrative bodies	38.8	47.0	45.3	62.7	29.4	44.1
Total	**393.7**	**679.7**	**520.0**	**414.2**	**411.2**	**431.2**

Source: Ministry of Finance, Closing accounts

b) Second part of the budget *billion LBP*

Administrative body	2004	2005	2006	2007	2008	2009
CDR	363.9	206.8	185.8	216.5	181.5	172.8
Lebanese University	0.1	-	-	-	-	-
Council for the Displaced	137.0	85.0	41.2	-	-	30.0
Council for the South	96.4	60.0	35.0	-	-	51.3
IDAL	31.2	47.0	10.0	30.0	40.0	32.5
Other administrative bodies	4.5	3.8	2.6	0.0	11.7	5.0
Total	**633.1**	**402.6**	**274.6**	**246.5**	**233.2**	**291.6**

Source: Ministry of Finance, Closing accounts

VIII. Administration (continued)

Table VIII.5. CDR Accounts 2004-2009

billion LBP

Operation	2004	2005	2006	2007	2008	2009
Income						
Transfers from State	785.9	664.2	811.4	833.2	…	…
Donations	25.1	24.6	13.5	126.7	…	…
Receipts from tenders	1.8	1.4	1.2	0.9	…	…
Interests	0.4	1.2	4.0	6.6	…	…
Return of provisions	9.7	8.9	-	-	…	…
Exchange rate loss or profit	1.0	-	7.0	13.6	…	…
Total	**823.9**	**700.2**	**837.0**	**981.0**	**…**	**…**
Expenses						
Costs of projects	696.3	688.2	699.5	745.5	…	…
Administrative expenses	32.2	30.7	22.0	18.5	…	…
Interests	78.0	65.3	90.3	104.8	…	…
Provision for bad debt	-	-	-	-	…	…
Total	**806.5**	**785.2**	**1 019.6**	**958.1**	**…**	**…**
Deficit (+), Surplus(-)	**17.5**	**-85.0**	**-182.6**	**22.9**	**…**	**…**
Change in assets						
Cash and banks	12.5	-15.4	129.0	115.4	…	…
Lebanese Treasury bills	-	-	-	-	…	…
Loans transferred to publ.sect.	-124.2	-187.2	-193.7	-61.8	…	…
Loans transferred to priv.sect.	0.3	-2.2	0.1	0.3	…	…
Other loans	0.0	0.0	0.0	0.0	…	…
Other assets	-0.4	12.4	13.4	-0.7	…	…
Lebanese State	36.2	-94.0	65.4	114.1	…	…
Fixed assets	0.0	0.0	0.0	0.0	…	…
Total	**-75.5**	**-286.4**	**14.2**	**167.1**	**…**	**…**
Change in liabilities						
Accounts payable	-86.2	-22.7	25.6	-16.4	…	…
Outstanding interests	-3.3	6.2	5.2	0.3	…	…
Treasury advances	0.0	0.0	90.7	46.6	…	…
Current loans	34.2	41.5	-52.4	18.2	…	…
Other loans	-36.9	-222.5	124.9	92.5	…	…
Prov.for end-of-serv. indemn.	-0.8	-0.9	-0.7	-0.8	…	…
Surplus (+), deficit(-)	17.4	-85.0	-182.6	22.9	…	…
Adjustment	0.1	-3.0	3.5	3.8	…	…
Total	**-75.5**	**-286.4**	**14.2**	**167.1**	**…**	**…**

VIII. Administration (continued)

Table VIII.6. National Social Security Fund accounts

billion LBP

Operation	2004	2005	2006	2007	2008	2009
Contributions						
Health & Maternity	482.8	368.9	340.3	401.9	392.3	481.8
Family Allowances	170.8	223.9	198.8	230.4	218.7	273.6
End of service indemnity	276.0	353.7	362.3	417.2	431.1	551.1
Total contributions	**758.8**	**946.4**	**901.3**	**1 049.1**	**1 025.1**	**1 306.5**
Other receipts	411.0	362.7	420.0	490.9	360.1	684.3
Expenses						
Allocation:						
Health & maternity allow.	443.9	439.0	450.9	535.5	492.0	548.4
Family allowances	217.4	220.9	230.5	224.2	241.3	244.9
End of service indemnity	150.4	140.8	147.3	178.9	151.9	226.2
Total allowances paid	**811.7**	**800.7**	**828.8**	**938.6**	**885.3**	**1 019.5**
Administrative costs	92.2	94.5	97.4	103.2	104.7	108.2

Source: NSSF

VIII.7. Administration (continued)

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

Year	Price index n/n-1	GFCF LBP billion	Investments in the last 30 years Current value- billion LBP					
			2004	2005	2006	2007	2008	2009
2009	1.000							
2008	1.115	1 045.9						1 166.1
2007	1.083	905.4					1 093.3	1 093.3
2006	1.033	901.4				1 008.4	1 124.4	1 124.4
2005	1.027	871.9			925.0	1 001.8	1 117.0	1 117.0
2004	1.030	949.8		1 004.7	1 037.9	1 124.0	1 253.3	1 253.3
2003	1.017	739.1	774.2	795.1	821.4	889.5	991.8	991.8
2002	0.995	901.5	939.6	964.9	996.8	1 079.5	1 203.7	1 203.7
2001	0.958	1 060.0	1 058.4	1 087.0	1 122.8	1 216.0	1 355.9	1 355.9
2000	0.975	1 153.4	1 122.9	1 153.2	1 191.2	1 290.1	1 438.5	1 438.5
1999	0.979	884.4	842.9	865.6	894.2	968.4	1 079.8	1 079.8
1998	1.019	1 610.1	1 563.7	1 605.9	1 658.9	1 796.6	2 003.2	2 003.2
1997	1.000	1 531.4	1 487.3	1 527.5	1 577.9	1 708.9	1 905.4	1 905.4
1996	1.000	1 161.3	1 127.9	1 158.3	1 196.5	1 295.8	1 444.9	1 444.9
1995	1.200	1041.6	1 213.9	1 246.7	1 287.8	1 394.7	1 555.1	1 555.1
1994	1.250	652.1	949.9	975.6	1 007.7	1 091.4	1 216.9	1 216.9
1993	1.695	609.0	1 503.7	1 544.3	1 595.3	1 727.7	1 926.4	1 926.4
1992	1.000	329.7	814.1	836.1	863.6	935.3	1 042.9	1 042.9
1991	1.573	169.1	656.7	674.5	696.7	754.5	841.3	841.3
1990	1.667	34.8	225.0	231.1	238.7	258.5	288.3	288.3
1989	3.000	34.3	666.9	684.9	707.5	766.3	854.4	854.4
1988	1.000	21.0	407.9	418.9	432.7	468.7	522.6	522.6
1987	2.344	10.5	478.0	490.9	507.1	549.2	612.4	612.4
1986	2.370	1.3	142.3	146.1	151.0	163.5	182.3	182.3
1985	1.831	2.0	396.3	407.0	420.5	455.4	507.7	507.7
1984	1.180	2.5	579.3	594.9	614.5	665.5	742.1	742.1
1983	1.136	2.2	571.2	586.6	606.0	656.3	731.7	731.7
1982	1.189	1.2	379.1	389.4	402.2	435.6	485.7	485.7
1981	1.156	1.6	574.3	589.9	609.3	659.9	735.8	735.8
1980	1.185	1.2	504.0	517.6	534.7	579.0	645.6	645.6
1979	1.205	0.9	479.9	492.9	509.2	551.4	614.8	614.8
1978	1.349	0.7	486.2	499.3	515.8	558.6	622.9	
1977	1.203	0.3	253.4	260.2	268.8	291.1		
1976	1.113	0.0	21.6	22.2	22.9			
1975	1.000	0.2	219.9	225.9				
1974	1.127	0.4	412.1					
Capital actualised value			20 852.8	21 997.2	23 414.8	26 341.8	30 139.9	29 517.0
Depreciation (1/30)			**695.1**	**733.2**	**780.5**	**878.1**	**1 004.7**	**983.9**

IX. Finances

Table IX.1. Evolution of the monetary situation

end of year, billion LBP

Components& counterparts	2004	2005	2006	2007	2008	2009
Money LBP	25 978	24 465	23 477	24 831	37 325	51 489
Deposits in forgn. currency	45 182	49 893	56 678	65 279	66 099	72 229
Securities	150	88	89	87	82	13
Total: Money supply	**71 310**	**74 446**	**80 244**	**90 197**	**103 506**	**123 732**
Net foreign assets	22 381	24 311	30 371	36 394	42 169	57 121
Gold	*6 039*	*7 140*	*8 755*	*11 517*	*12 108*	*15 169*
Currency	*16 342*	*17 171*	*21 616*	*24 877*	*30 061*	*41 953*
Net claims on pub. sector	33 483	35 666	40 584	40 917	42 845	47 492
In Lebanese Pounds	*20 229*	*21 636*	*24 493*	*24 222*	*27 237*	*30 057*
In Currency	*13 254*	*14 030*	*16 091*	*16 695*	*15 608*	*17 435*
Net claims on priv. sector	24 921	25 246	23 841	27 736	33 482	38 447
In Lebanese Pounds	*4 859*	*4 850*	*3 980*	*4 474*	*5 356*	*7 163*
In Currency	*20 061*	*20 396*	*19 861*	*23 262*	*28 127*	*31 284*
Exchge. rate loss or profit	-372	-1 392	-3 125	-3 041	-3 602	6 761
Other net components	-9 101	-9 385	- 11 426	-11 810	-11 389	12 568
Total	**71 310**	**74 446**	**80 244**	**90 197**	**103 506**	**123 732**

Source: Central Bank of Lebanon

Table IX.2. Supply of banking credits by sector

end of year, billion LBP

Sector	2004	2005	2006	2007	2008	2009
Agriculture	292	344	328	362	426	421
Industry	3 836	4 027	4 058	4 650	5 403	5 629
Construction	4 620	4 206	4 317	4 757	6 502	7 295
Trade	8 404	7 994	8 061	8 952	9 966	10 443
Services	3 463	3 543	4 325	6 000	7 301	7 735
Financial institutions	934	1 131	1 385	1 870	3 105	3 878
Other organizations	983	1 172	1 187	1 377	1 683	1 606
Individuals	4 330	4 728	5 613	6 770	7 707	10 577
Total	**26 862**	**27 145**	**29 275**	**34 737**	**42 092**	**47 584**

Source: Central Bank of Lebanon

X. Rest of the world

Table X.1. Evolution of imports by production branch

billion LBP

Activity	2004	2005	2006	2007	2008	2009
1. Agriculture and fishing	**1 006**	**854**	**842**	**1 135**	**1 390**	**1 425**
11. Products of agriculture	***657***	***565***	***539***	***823***	***1 042***	***920***
111. Cereals	250	201	192	337	475	365
112. Fruits	110	89	86	105	128	151
113. Industrial crops	158	133	105	158	193	185
114. Vegetables and others	135	139	152	218	241	214
115. Products of forest	4	3	4	5	5	5
12. Livestock products	***349***	***289***	***303***	***312***	***348***	***504***
121. Live animals	281	223	236	232	255	389
122. Livestock production	6	5	6	9	10	11
123. Fishery products	61	61	61	71	82	104
2. Energy and water	**2 976**	**3 232**	**3 531**	**3 920**	**6 120**	**4 849**
21. Fuels	***2 976***	***3 232***	***3 531***	***3 920***	***6 120***	***4 849***
211. Solid fuels	16	20	16	53	102	68
212. Oil products	2 960	3 212	3 515	3 867	6 018	4 781
3. Manufactured goods	**10 184**	**9 991**	**9 791**	**12 755**	**16 813**	**18 201**
31. Manufactured tobacco	***185***	***183***	***159***	***199***	***239***	***275***
32. Food industry	***1 064***	***1 108***	***1 164***	***1 577***	***1 813***	***2 025***
321. Fresh meats	73	92	111	128	204	264
322. Food preserves	144	144	148	192	210	204
323. Dairy products	259	259	251	303	325	365
324. Fats and oils	129	149	167	225	277	270
325. Pasta products	120	123	133	162	210	250
326. Sugar, chocolate & sweets	140	151	157	208	214	259
327. Alcoholic beverages	59	55	49	65	86	101
328. Non alcoholic beverages	9	9	19	140	101	108
329. Other food products	131	126	129	153	186	203
33. Textile and leather prod.	***942***	***891***	***863***	***962***	***1 205***	***1 321***
331. Threads and fabrics	221	203	172	197	240	243
332. Clothing	461	439	441	469	592	663
333. Knitted or croch. fabrics	32	29	29	42	46	41
334. Footwear	110	88	96	110	138	165
335. Jute, hemp.& rope prod.	3	3	3	4	4	4
336. Leather and fur skin	9	10	12	11	13	14
337. Leather articles	35	36	36	44	59	67
338. Carpet	27	33	25	29	43	48
339. Other textiles	44	50	49	57	70	77

X. Rest of the world (continued)

Table X.1. Evolution of imports by production branch (continued)

billion LBP

Activity	2004	2005	2006	2007	2008	2009
34. Non metallic mineral prod.	***560***	***515***	***468***	***695***	***1 126***	***1 028***
341. Stones and sand	89	79	68	82	107	118
342. Non metallic ores	260	233	220	355	673	531
343. Cement and lime	0	0	0	0	0	0
344. Cement products	7	7	7	12	16	19
345. Ceramic products	114	108	98	122	187	218
346. Glasses and glassware	90	88	75	123	143	142
35. Metal. machines & equip.	***4 418***	***4 369***	***4 148***	***5 569***	***7 966***	***8 905***
351. Metal ores	7	4	9	2	0	5
352. Metals	1 111	1 202	949	1 470	2 286	1 805
353. Metal products	272	266	262	324	425	450
354. Aluminium products	61	62	75	122	127	87
355. Machines & equipment	840	790	840	959	1 201	1 331
356. Electrical appliances	790	752	702	921	1 176	1 348
357. Means of transport	1 337	1 293	1 310	1 771	2 751	3 879
36. Wood. rubber & chemicals	***2 305***	***2 282***	***2 355***	***3 055***	***3 577***	***3 619***
362.Wood prod. exc. furniture	204	199	186	259	326	323
363. Paper and paper products	343	324	304	428	466	430
364. Basic chemical products	496	491	480	643	777	700
365. Various chemical products	1 047	1 051	1 161	1 432	1 668	1 784
366. Rubber	92	89	96	132	144	175
367. Plastics	122	127	128	161	196	207
37. Furniture	***100***	***101***	***99***	***110***	***157***	***215***
371. Metal pieces of furniture	34	34	33	35	52	73
372. Non metallic furniture	66	67	66	75	105	143
38. Other industrial products	***610***	***542***	***535***	***588***	***730***	***813***
381. Publishing products	71	78	66	73	99	109
382. Instruments of precision	288	263	298	311	370	412
383. Jewellery	115	85	68	76	111	128
384. Toys. music instruments	83	65	56	72	89	96
385. Other products	53	51	47	56	61	67
0. Non classified	**5**	**8**	**6**	**6**	**8**	**18**
Grand total	**14 171**	**14 085**	**14 172**	**17 817**	**24 334**	**24 492**

X. Rest of the world (continued)

Table X.2. Imports by country of origin

billion LBP

Country	2004	2005	2006	2007	2008	2009
United States of America	834	826	1 532	1 718	2 789	2 660
France	1 102	1 189	1 148	1 332	2 013	2 368
China	1 082	1 108	1 133	1 535	2 098	2 171
Italy	1 403	1 471	1 070	1 597	1 672	1 847
Germany	2 000	991	995	1 131	1 549	1 866
United Kingdom	581	487	613	678	688	736
Egypt	445	458	572	790	691	634
Kingdom of Saudi Arabia	624	496	447	426	437	467
Japan	527	463	430	595	935	1 011
Russian Federation	818	768	393	531	759	627
Turkey	389	301	389	611	1 053	985
Brazil	145	241	342	434	480	546
Switzerland	597	637	320	525	929	613
Kuwait	29	157	280	407	737	438
Syria	362	296	268	311	408	352
Romania	156	264	243	194	405	284
Belgium	256	264	232	275	398	389
Netherlands	259	229	226	228	253	369
Spain	286	253	225	323	418	387
Korea	155	170	200	217	361	500
United Arab Emirates	228	206	199	329	492	394
India	172	210	178	266	334	479
Sweden	78	73	66	75	94	137
Greece	103	147	172	216	161	154
Croatia	3	62	141	61	4	27
Thailand	139	126	138	193	244	276
Ukraine	220	200	115	181	389	332
Bulgaria	103	96	115	115	183	69
Malta	19	51	106	49	371	86
Jordan	84	97	101	124	164	286
Taiwan	114	105	99	128	157	128
Other countries	936	1 717	1 750	2 223	2 668	2 874
Grand total	**14 171**	**14 085**	**14 172**	**17 818**	**24 334**	**24 492**

Source: General Directorate of Customs

X. Rest of the world (continued)

Table X.3. Exports *billion LBP*

Nature of exported product	2004	2005	2006	2007	2008	2009
Animal and agricult. products	138	129	138	177	221	203
Other products	2 497	2 706	3 304	3 070	5 025	5 051
Total	**2 635**	**2 835**	**3 442**	**3 247**	**5 246**	**5 254**

Source: General Directorate of Customs

Table X.4. Changes in re-exports and transit *billion LBP*

	2004	2005	2006	2007	2008	2009
Re-exports	311	211	162	283	279	217
Transit	536	300	212	251	512	647
Total	**847**	**511**	**374**	**534**	**791**	**864**

Source: General Directorate of Customs

XI. Prices

Table XI.1. Consumer price index (official)

Type of expense	*Base December 1998=100*			*Base December 2007=100*		
	Weight (%)	Dec. 2006	Dec. 2007	Weight (%)	Dec. 2008	Dec. 2009
Food and tobacco	34.6	109.5	125.6			
Food & non-alcoholic beverages				19.9	118.2	117.2
Alcoholic beverages, tobacco				2.1	100.1	107.8
Clothing and footwear	6.3	126.5	127.6	6.2	104.9	94.2
Rents (housing)	1.6	…	…	16.2	104.8	111.2
Water, electricity & gas	7.2	121.6	147.0	9.5	91.4	98.5
Equipment& maintenance housing	7.9	95.2	105.7	3.9	107.0	107.3
Health	8.8	103.9	106.6	6.8	104.4	106.6
Transport and communication	11.3	148.7	153.8			
Transport				12.3	101.1	86.4
Communication				4.8	99.5	103.6
Education	13.4	97.8	100.6	7.7	104.1	114.1
Leisure	5.4	105.0	110.0			
Recreation, amusement &culture				7.7	100.8	103.6
Restaurants & hotels				2.7	125.3	129.8
Personal care and other	3.5	139.5	157.4	4.2	105.0	104.9
Total	**100.0**	**113.5**	**124.1**	**100.0**	**105.5**	**109.1**

Source: Central Administration of Statistics

XI. Prices (continued)

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

base Dec.1997=100

Type of good & service acc. to production branch	Weight (%)	Dec. 2005	Dec. 2006	Dec. 2007	Dec. 2008	Dec. 2009
1. Agriculture and fishing	***9.3***	***95.5***	***103.3***	***112.0***	***132.4***	***126.9***
11. Products of agriculture	8.0	97.2	103.1	112.1	133.5	126.8
12. Prod. livestock and fishing	1.2	84.3	104.4	111.8	125.3	127.9
2. Energy and water	***7.5***	***177.2***	***177.3***	***186.4***	***172.0***	***212.2***
21. Fuels	4.2	194.7	194.4	210.7	184.9	257.1
22. Electricity and water	3.3	155.2	155.8	155.8	155.8	155.8
3. Manufactured goods	***46.9***	***111.4***	***114.4***	***121.3***	***135.5***	***134.7***
31. Manufactured tobacco	1.8	142.9	142.9	144.7	143.3	144.1
32. Foods	21.0	106.6	114.3	124.6	142.9	142.8
33. Textile. leather and clothing	7.2	105.7	100.9	99.2	109.5	107.0
35. Metals, machines and equip.	7.3	119.2	118.5	124.7	135.1	133.3
36. Wood, rubber and chemicals	5.6	123.6	127.7	136.7	150.7	150.2
37. Furniture	1.5	87.8	86.5	99.4	117.5	112.1
38. Other products	2.5	108.6	107.8	109.2	121.2	123.6
5. Transport & communication	***6.1***	***109.3***	***117.2***	***108.1***	***124.8***	***119.7***
6. Market services	***30.3***	***112.8***	***114.5***	***119.7***	***127.2***	***135.1***
62. Maintenance and repair	4.7	92.8	94.9	100.5	110.9	117.7
63. Rents	2.6	100.2	100.2	100.2	106.0	106.4
64. Individual services	7.6	105.1	104.6	100.1	119.8	121.6
65. Social services	15.5	124.7	127.6	138.4	139.3	151.9
Total	**100.0**	**115.1**	**118.3**	**124.0**	**134.8**	**139.0**

Note: The numbers of the previous years have been revised

XI. Prices (continued)

Table XI.3. Index of unit values of imported goods by production branch

Index of the year compared to previous year

Branch	2005/04	2006/05	2007/06	2008/07	2009/08
11. Products of agriculture	***0.996***	***1.046***	***1.213***	***1.251***	***0.787***
111. Cereals	0.908	1.140	1.459	1.331	0.682
112. Fruits	1.136	0.907	1.040	1.121	0.934
113. Industrial crops	1.034	1.046	1.094	1.297	0.847
114. Vegetables and others	1.023	1.034	1.112	1.158	0.864
115. Products of forest	0.969	0.845	0.831	0.995	0.860
12. Livestock products	***1.092***	***0.990***	***1.115***	***1.270***	***0.961***
121. Live animals	1.099	0.989	1.133	1.407	0.969
122. Livestock production	0.961	0.878	0.993	1.030	1.025
123. Fishery products	1.076	1.010	1.078	0.998	0.927
21. Fuels	***1.396***	***1.164***	***1.127***	***1.325***	***0.623***
211. Solid fuels	1.194	0.953	1.255	1.508	1.094
212. Oil products	1.398	1.166	1.125	1.322	0.619
31. Manufactured tobacco	***1.031***	***1.006***	***0.996***	***0.935***	***1.022***
32. Food industry prod.	***1.047***	***1.028***	***1.110***	***1.158***	***0.934***
321. Fresh meats	1.055	1.058	1.091	1.375	0.900
322. Food preserves	0.999	1.023	1.095	1.114	0.966
323. Dairy products	1.083	0.976	1.196	1.226	0.887
324. Fats and oils	0.991	0.997	1.149	1.375	0.805
325. Pasta products	1.040	1.029	1.106	1.105	1.005
326.Sugar,chocolate & sweets	1.095	1.156	1.042	1.083	1.094
327. Alcoholic beverages	1.012	1.003	1.071	1.046	1.004
328. Non alcoholic beverages	1.200	0.921	1.158	0.843	0.905
329. Other food products	1.052	1.045	1.020	1.075	0.968
33. Textile and leather prod.	***1.045***	***0.951***	***1.052***	***1.004***	***0.967***
331. Threads and fabrics	0.965	1.019	1.016	1.033	0.904
332. Clothing	1.090	0.927	1.124	0.987	0.991
333. Knitted or croch. fabrics	0.919	0.914	0.958	1.040	0.977
334. Footwear	1.110	0.879	0.964	1.022	1.000
335. Jute, hemp. & rope prod.	1.146	0.995	1.046	1.034	0.845
336. Leather and fur skin	0.959	0.935	0.889	0.892	1.103
337. Leather articles	1.035	1.006	1.045	1.062	0.978
338. Carpet	1.002	1.042	0.960	1.056	0.995
339. Other textiles	1.045	1.054	0.992	0.946	0.880

XI. Prices (continued)

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

Index of the year compared to previous year

Branch	2005/04	2006/05	2007/06	2008/07	2009/08
34. Non metallic mineral prod.	***0.997***	***1.004***	***1.060***	***1.211***	***0.994***
341. Stones and sand	1.006	1.005	1.073	1.033	0.922
342. Non metallic ores	1.000	1.011	1.072	1.354	1.033
343. Cement and lime	0.683	1.191	1.077	0.962	1.069
344. Cement products	1.001	1.057	1.056	1.108	0.863
345. Ceramic products	0.986	0.992	1.061	1.040	0.984
346. Glasses and glassware	0.995	0.997	1.016	1.063	0.952
35. Metals, machines & equip.	***1.020***	***1.040***	***1.041***	***1.062***	***0.915***
351. Metal ores	1.208	1.005	1.147	1.006	0.861
352. Metals	1.084	1.166	1.164	1.208	0.818
353. Metal products	1.024	0.984	1.044	1.072	0.931
354. Aluminium products	1.064	1.144	1.069	1.009	0.777
355. Machines & equipment	0.977	0.991	0.981	1.025	0.907
356. Electrical appliances	0.989	1.029	1.039	1.005	0.950
357. Means of transport	1.007	1.005	0.986	1.002	0.961
36. Wood, rubber & chemicals	***1.058***	***1.018***	***1.064***	***1.114***	***0.899***
362. Wood prod. exc. furniture	1.091	1.039	1.122	1.084	0.873
363. Paper and paper products	1.060	1.011	1.081	1.122	0.839
364. Basic chemical products	1.113	1.032	1.087	1.111	0.799
365. Various chemical products	1.027	1.008	1.048	1.114	0.961
366. Rubber	1.072	1.084	1.032	1.114	1.011
367. Plastics	1.052	1.000	1.009	1.169	0.871
37. Furniture	***0.984***	***0.912***	***1.020***	***1.062***	***1.058***
371. Metal pieces of furniture	1.027	0.873	1.049	0.986	1.069
372. Non metallic furniture	0.964	0.932	1.007	1.104	1.053
38. Other industrial products	***0.976***	***1.002***	***1.033***	***1.012***	***0.965***
381. Publishing products	1.068	0.958	0.988	0.986	1.024
382. Instruments of precision	0.942	0.962	1.008	1.006	0.952
383. Jewellery	0.997	1.209	1.173	1.058	0.986
384. Toys, music instruments	0.983	1.044	1.036	1.053	0.970
385. Other products	0.984	1.033	1.071	0.961	0.912
Grand total	**1.095**	**1.052**	**1.078**	**1.143**	**0.841**

XI. Prices (continued)

Table XI.4. Index of exchange rates

Index of the year compared to the previous year

Country	2005/04	2006/05	2007/06	2008/07	2009/08
United States of America	1.000	1.000	1.000	1.000	1.000
France	0.999	1.012	1.090	1.075	0.947
China	1.014	1.027	1.050	1.087	1.016
Italy	0.999	1.012	1.090	1.075	0.947
Germany	0.999	1.012	1.090	1.075	0.947
United Kingdom	1.007	0.999	1.086	0.927	0.844
Egypt	1.072	1.008	1.017	1.037	0.978
Kingdom of Saudi Arabia	1.000	1.000	1.000	0.998	1.000
Japan	0.981	0.948	0.988	1.139	1.103
Russian Federation	1.019	1.040	1.065	1.025	0.783
Turkey	1.046	0.940	1.102	1.000	0.831
Brazil	1.201	1.113	1.123	1.072	0.910
Switzerland	0.996	0.996	1.043	1.111	0.996
Kuwait	1.005	1.006	1.021	1.057	0.933
Syria	0.998	1.000	1.000	1.029	1.008
Romania	1.139	1.036	1.155	0.968	1.002
Belgium	0.999	1.012	1.090	1.075	0.947
Netherlands	0.999	1.012	1.090	1.075	0.947
Spain	0.999	1.012	1.090	1.075	0.947
Korea	1.114	1.072	1.029	0.852	1.000
United Arab Emirates	1.000	1.000	1.000	0.999	1.000
India	1.033	0.973	1.098	0.946	0.995
Sweden	0.979	1.010	1.093	1.029	1.000
Greece	0.999	1.012	1.090	1.075	0.947
Croatia	1.009	1.018	1.091	1.083	0.999
Thailand	0.997	1.061	1.178	0.974	1.003
Ukraine	1.060	1.014	1.002	0.960	1.013
Bulgaria	0.998	1.008	1.093	1.065	1.001
Malta	1.011	1.009	1.093	1.075	1.005
Jordan	0.997	0.100	1.000	0.999	0.999
Taiwan	1.043	0.987	0.992	1.036	1.003
Total	**1.011**	**1.003**	**1.058**	**1.043**	**0.966**

XI. Prices (continued)

Table XI. 4. Index of exchange rates (continued)

	Weighting coefficients(%)				
Country	2005/04	2006/05	2007/06	2008/07	2009/08
United States of America	5.9	10.8	9.6	9.6	10.9
France	7.8	8.1	7.5	7.4	9.7
China	7.6	8.0	8.6	8.6	8.9
Italy	9.9	7.6	9.0	9.0	7.5
Germany	14.1	7.0	6.3	6.3	7.6
United Kingdom	4.1	4.3	3.8	3.8	3.0
Egypt	3.1	4.0	4.4	4.0	2.6
Kingdom of Saudi Arabia	4.4	3.2	2.4	2.3	1.9
Japan	3.7	3.0	3.3	3.3	4.1
Russian Federation	5.8	2.8	3.0	3.0	2.6
Turkey	2.7	2.7	3.4	3.4	4.0
Brazil	1.0	2.4	2.4	2.4	2.2
Switzerland	4.2	2.3	2.9	2.9	2.5
Kuwait	-	2.0	2.3	2.2	1.8
Syria	2.6	1.9	1.7	1.7	1.4
Romania	1.1	1.7	1.1	1.0	1.2
Belgium	1.8	1.6	1.5	1.5	1.6
Netherlands	1.8	1.6	1.3	1.2	1.5
Spain	2.0	1.6	1.8	1.8	1.6
Korea	-	1.4	1.2	1.4	2.0
United Arab Emirates	1.6	1.4	1.8	1.8	1.6
India	1.2	1.3	1.5	1.4	2.0
Sweden	0.6	0.5	0.4	0.4	0.6
Greece	0.7	1.2	1.2	1.2	0.6
Croatia	-	1.0	0.3	0.3	0.1
Thailand	-	1.0	1.1	1.0	1.1
Ukraine	1.6	0.8	1.0	1.0	1.4
Bulgaria	-	0.8	0.6	0.6	0.3
Malta	-	0.7	0.3	0.2	0.4
Jordan	-	0.7	0.7	0.6	1.2
Taiwan	0.8	0.7	0.7	0.7	0.5
Total	**90.1**	**88.1**	**87.1**	**86.0**	**88.3**