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## LEBANON IN 2020 AN OVERVIEW

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2021 DRAFT BUDGET  
DELAYED

BDL TO EXTEND  
ITS 'SUBSIDY PROGRAM'?

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The publication date of this issue has been delayed from the first of April 2021 until today due to the outbreak of Corona pandemic and subsequent disruption of businesses.

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# The True Story of Ain Al-Roummaneh Bus

By Jawad N. Adra

***This article was written and published 10 years ago in The Monthly – May 2011 issue, and we are republishing it today.***

There are those who believe that the Lebanese have “ignorantly” decided not to discuss the causes of the civil war, which started in 1975 and supposedly ended in 1989. And they are bewildered how a society can move so swiftly from a Hanoi to a Hong Kong. Crimes were committed with impunity and no reconciliation process took place. Yet, we read about national unity everyday and about Lebanon being a unique multi-confessional model of peaceful co-existence. Discussions about how Britain, Germany or Japan re-built their societies after World War II and about conservation of cultural heritage and national memory and how austerity measures were adopted, are not welcomed. This happens for a reason. And the reason is: the war has not really ended. It has just taken a different form and a lower level of intensity. We have simply chosen to jump from the game of blood tinted with money during times of “war” to the game of money tinted with blood in times of “peace”. Considering that we are still in a state of war, denial is convenient and so is the continuous worthless talk about a fictional “national debate”. It would therefore be a good idea to write a new convenient “history” of the civil war that we can teach to new generations, which will also be a novelty to historians. And here is the introduction to the book:

“**Youth of Lebanon**, you have been told that there was a civil war from 1975 until 1989, and that the sparkle was in April 1975 because of the Ain Al-Roumaneh bus when allegedly tens of Palestinians were killed by the armed militia of the Phalanges. This story is simply not true. The truth is that Lebanon is situated on an earthquake fault line extended from Nahr Al-Kabeer to Naqoura and from the Mediterranean to Eastern Mountains and on that day we had an earthquake rated 9/9 on the Richter scale, which caused the bus accident. Later on, Lebanon witnessed many after shocks and in 1982, coinciding with Israel’s occupation of South Lebanon and Beirut, another earthquake reaching 8 on the Richter scale took place. The intensity of the earthquake caused a perpetual split between Eastern and Western Beirut.

**Youth of Lebanon**, do not believe that the Lebanese have killed each other. Nor have they committed any atrocities. As for our Zua’ama, they were working hard as rescuers and volunteers in the Red Crescent, Red Cross and Civil Defense. Druze and Maronites did not fight. Muslims and Christians did not fight. Sunni and Shia’a never had a problem. Nor did a Sunni have a problem with a Sunni, a Shia’a with a Shia’a, a Druze with a Druze, a Maronite with a Maronite. We were all one, working to rescue the victims of the earthquake.

**Youth of Lebanon**, do not believe that anyone capitalized during the earthquake era, stole, killed or embezzled. Afterwards, when things became quiet in 1989, Lebanon’s Zua’ama embarked on a campaign of reconstruction, using their own money and connections to support these efforts. Public land and public money were protected. Most of all, remember that the banking sector worked for the unity of Lebanon and its reconstruction tirelessly after the earthquake with exemplary altruism. Please do not believe those who tell us to learn from Japan. Japan has nothing to teach us. They have been subjected to two nuclear bombs, many earthquakes and tsunamis and damaged nuclear reactors and look how they behaved.

## Example 1

Japan: “They” survived with a handful of rice for a family of 4 for 24 hours quietly standing in a queue and bowing.

Lebanon: “We” accept handouts without needing them, no queueing no bowing but we pay back by our votes in elections.

## Example 2

Japan: “They” accept calamities in silence. Perhaps you have heard about this Japanese lady who was dug out of the rubble apologizing to the rescuers for not being able to help them.

Lebanon: “We” don’t ... we don’t ... and we don’t ... \*

## Example 3

Japan: “They” do not raise photographs of their prime minister and do not extend their appreciation for his help.

Lebanon: “We” raise the photographs of our Zua’ama proudly and always thank them while cursing them in our hearts.

## Example 4

Japan: “They”, the Buddhists, don’t know God and His Prophets

Lebanon: “We”, the Lebanese, are the cradle of civilization and the example of co-existence and do not pray for idols unless they are Zu’ama.

The Japanese stood for one minute in silence for their victims and carried on working. We are in constant mourning for our earthquake victims while at the same time rejoicing being Lebanese at White and Sky Bar and on Facebook, Twitter and satellites.

Youth of Lebanon, we have never forgotten the victims of the 1975 earthquake including the children of Qana. Japan has a lot to learn from us.”

\* Please fill in the blanks

# Leader





# LEBANON IN 2020 AN OVERVIEW

Lebanon's financial and economic indicators have dramatically declined at the end of 2020 compared to previous years.

# LEBANON IN 2020 AN OVERVIEW

## GDP: Down 66%

According to the Banque du Liban, the Gross Domestic Product (GDP) growth has improved significantly in the past years before stagnating and declining again in 2020. As shown in Table No. 1 below, it reached 7.5% in 2010, decreased by 0.25% in 2018, and recorded a considerable decline of 66% in 2020.

**Table No.1: GDP growth and its annual rate (2010-2020).**

Year	GDP (USD billion)	Rate of increase/decrease (%)
2010	39.2	7.5
2011	41.5	1.5
2012	44.2	2.7
2013	46.8	2.6
2014	48.3	1.88
2015	49.9	0.42
2016	51.2	1.6
2017	53.4	0.55
2018	56.4	0.25
2019	53	- 16
2020	18	- 66

Source: *Information International* based on BDL's reports.

## Public Finances: Deficit of 35%

The public finance deficit has increased year after year, reaching USD 5.8 billion (34.5%) in 2019. Table No. 2 below shows that during the period from 2010 to August 2020, the state revenues amounted to USD 107.320 trillion while state expenditures totaled USD 151.071 trillion, i.e. a deficit of USD 43.751 trillion or 28.9%.

**Table No. 2: Evolution of public deficit (2010-August 2020).**

Year	Revenues (USD million)	Expenditures (USD million)	Deficit (USD million)
2010	8,414	11,336	-2,922
2011	9,333	11,675	-2,342
2012	9,396	13,321	-3,925
2013	9,420	13,640	-4,220

Year	Revenues (USD million)	Expenditures (USD million)	Deficit (USD million)
2014	10,879	13,952	-3,073
2015	9,576	13,528	-3,952
2016	9,923	14,867	-4,944
2017	11,625	15,381	-3,756
2018	11,546	17,792	-6,246
2019	11,064	16,901	-5,837
2020 (end of August)	6,144	8,678	-2,534
<b>Total</b>	<b>107,320</b>	<b>15,071</b>	<b>-41,217</b>

Source: *Information International* based on the Ministry of Finance's data.

## Trade Balance: A Chronic Deficit that Decreased in 2020

Lebanon is suffering from a chronic deficit in the trade balance due to the increase in imports and decrease in exports. The highest deficit was recorded in 2014 with USD 18.1 billion, decreasing to USD 7.8 billion in 2020.

Imports have decreased from USD 22 billion in 2012 to USD 11 billion in 2020 and exports from about USD 4.5 billion to about USD 3.2 billion. Table No. 3 below shows the evolution of trade deficit during 2010-2020.

**Table No. 3: Evolution of trade deficit (2010-2020).**

Year	Imports (USD billion)	Exports (USD billion)	Deficit (USD billion)
2010	17,964	4,253	-13,711
2011	20,276	4,265	-16,011
2012	22,037	4,482	-17,555
2013	22,020	3,936	-18,084
2014	21,437	3,313	-18,124
2015	18,595	2,952	-15,643
2016	19,119	2,977	-16,142
2017	19,582	2,843	-16,739
2018	19,980	2,952	-17,028
2019	19,239	3,731	-15,508
2020	11	3.2	-7.8

Source: *Information International* based on the Lebanese Customs published data.

## Balance of Payments

### A surplus that turned into a major deficit (USD 10.5 billion)

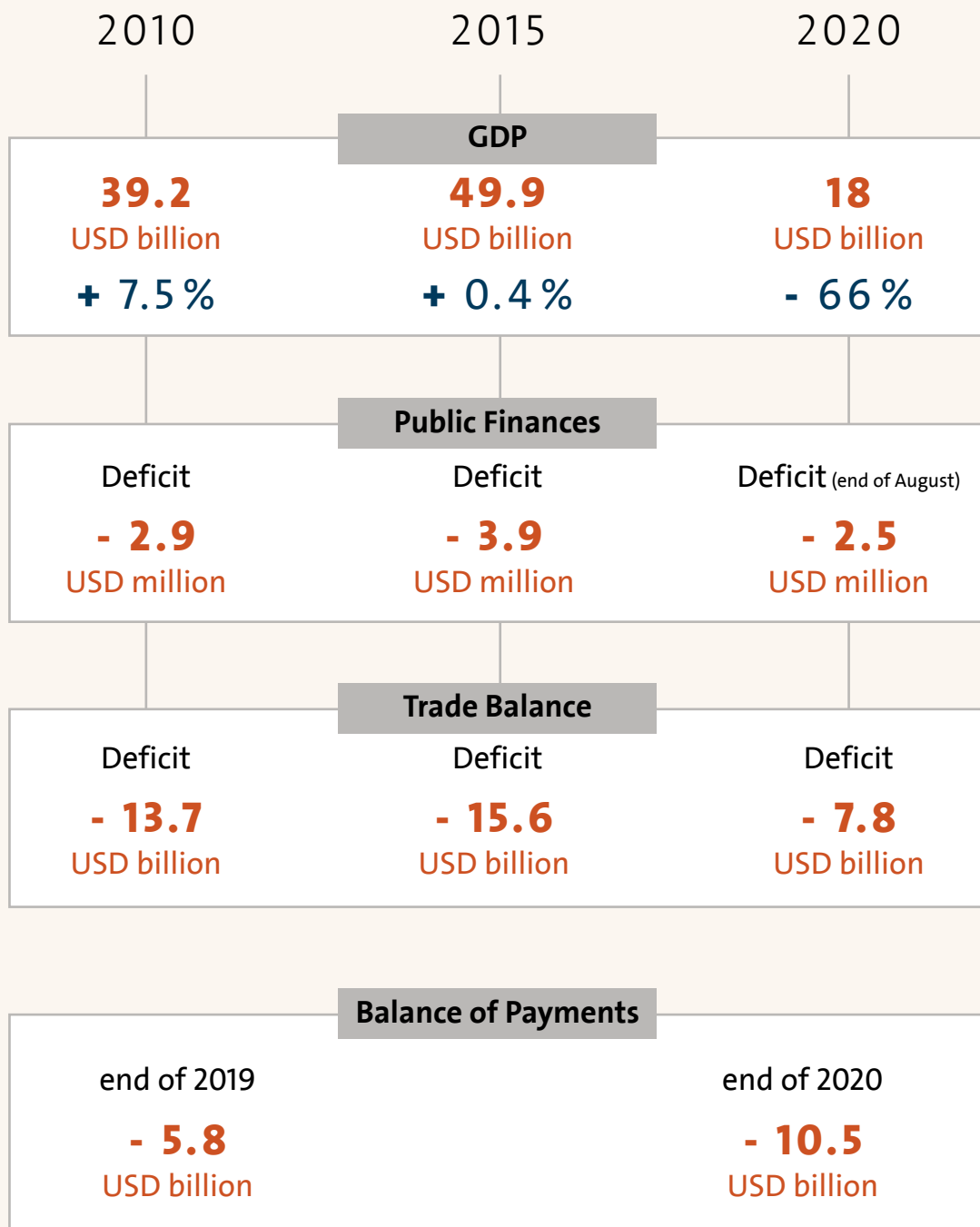
Table No. 4 below shows that the deficit in the balance of payments (BoP) has increased from USD 5.5 billion in 2019 to USD 10.5 billion in 2020, the highest deficit in the history of Lebanon. Should it continue to widen, this deficit, which has wiped out a 10-year surplus and recorded USD 5.3 billion, may lead to further depreciation of national currency and to foreign currency shortage.

Table No. 4: Lebanon's balance of payments (1999-2020).

Year	Balance of payment deficit or surplus (USD million)
1999	+261
2000	-289
2001	-1,169
2002	+1,564
2003	+3,386
2004	+168
2005	+747
2006	+2,795
2007	+2,036
2008	+3,461
2009	+7,899
2010	+3,334
2011	-1,996
2012	-1,537
2013	-1,128
2014	-1,407
2015	-3,354
2016	+1,238
2017	-156
2018	-4,823
2019	5,851 -
2020	-10,551
<b>Outcome until end of 2019</b>	<b>A surplus of 5,179</b>
<b>Outcome until end of 2020</b>	<b>A deficit of 5,372</b>

Source: *Information International* based on BDL's report.





## Public Debt: 96% in Interest

Lebanon has suffered since 1992 from a massive public debt and high interest rates, which threatened the fragile financial and social stability and caused the current financial collapse. Table No. 5 below shows that public debt has reached LBP 144,100 billion (USD 95,590 billion) at the end 2020, an amount that is slightly higher than the annual interest on public debt (LBP 138,938 billion or USD 92.1 billion), which represents 96.4% of the total debt. This leads us to conclude that a lowered interest rate would have gradually decreased the public debt until being fully repaid. In other words, the public debt would not have existed if no interest was chargeable.

At the end of 2020, the public debt were distributed among creditors as follows:

- Banque du Liban (BDL): USD 42.2 billion or 44.1% of total debt (61.4% of debt in Lebanese pound).
- Banks: USD 43.8 billion or 45.8% of total debt.
- Others (municipalities, the National Social Security Fund (NSSF), international institutions, the public): USD 9.6 billion or 10.1% of the total public debt.

By currency, the public debt is currently distributed as follows:

- 62.2% in Lebanese pound.
- 37.8% in foreign currencies.

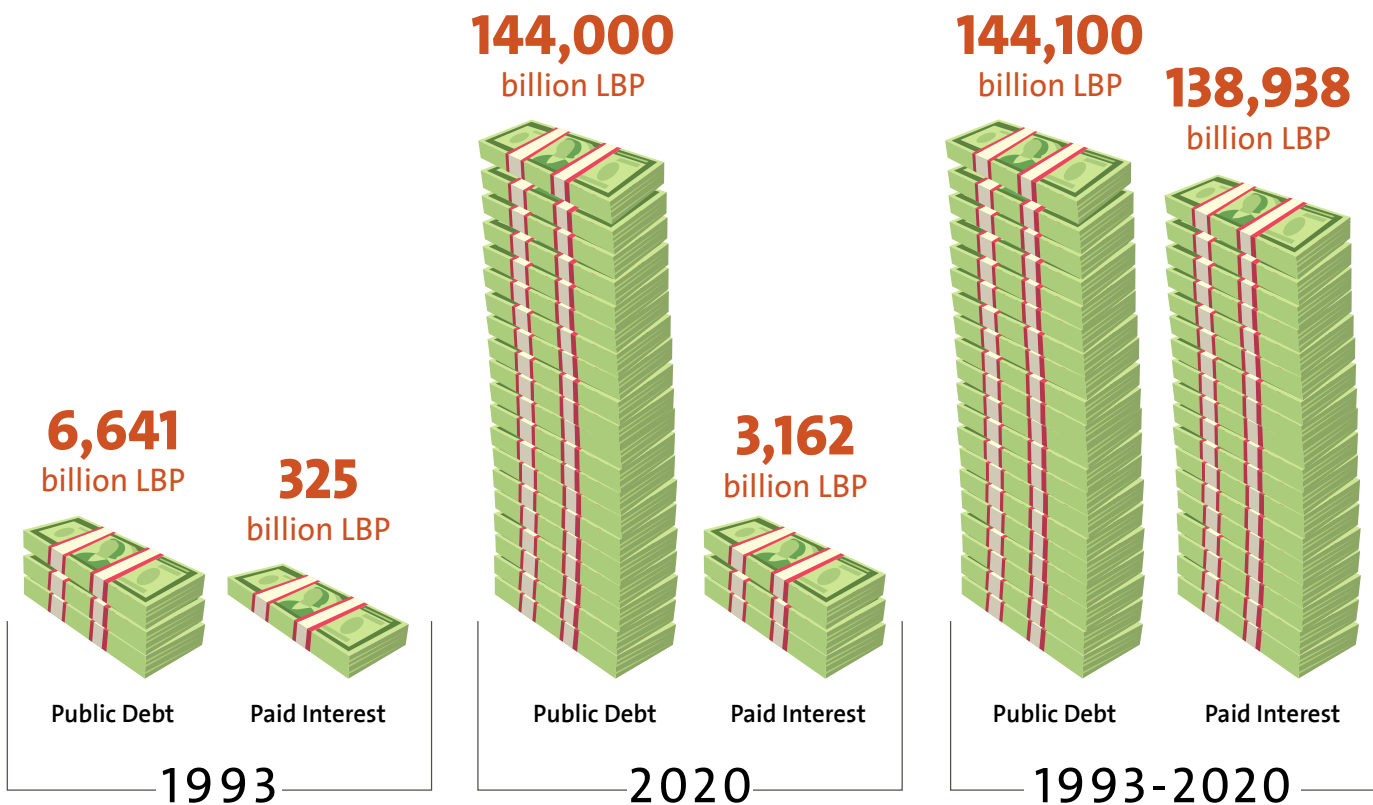
**Table No. 5: Evolution of public debt (1993-2020).**

Year	Total public debt (LBP billion)	Paid interest (LBP billion)
1993	6,641	325
1994	10,566	1,595
1995	15,055	2,155
1996	20,190	4,228
1997	23,498	4,120
1998	27,970	3,041
1999	33,733	3,905
2000	37,990	4,175
2001	42,615	4,500
2002	47,220	4,622
2003	50,285	4,874
2004	54,082	4,021
2005	57,985	3,550
2006	60,857	4,557
2007	63,364	4,940

Year	Total public debt (LBP billion)	Paid interest (LBP billion)
2008	70,941	5,304
2009	77,112	6,087
2010	79,301	6,218
2011	80,887	6,034
2012	86,959	5,752
2013	95,696	6,000
2014	100,363	6,602
2015	106,031	7,050
2016	112,910	7,484
2017	119,905	7,814
2018	128,347	8,457
2019	138,147	-8,366
2020	144,000	3,162
<b>Total</b>	<b>144,100</b>	<b>138,938</b>

Source: BDL and ABL's annual reports for the said years.

## Public Debt and Paid Interest (1993-2020)



## USD 10.7 Billion of Debt Maturity in 2021

The growing public debt and interests (which have declined in the past year) is one of the most serious challenges that Lebanon faces now and in the future, especially in terms of its continued ability to pay interest and secure borrowing.

The outstanding debt will reach USD 8.7 billion in 2021, distributed as follows:

- LBP 10,047 billion.
- USD 2,092 billion due in April 2021. The government had refrained from paying the Eurobonds that matured in 2020, amounting to USD 2.5 billion.

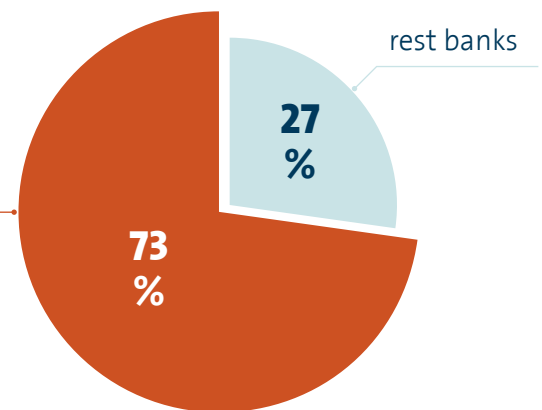
## Banking Sector

### USD 22 billion of profits turned into losses

Table No. 6 below shows that the banks operating in Lebanon (65 banks) have earned a net profit of USD 22.1 billion in 26 years (1993-2018). Totalling USD 63 million in 1993, the profits have increased to USD 2.4 billion in 2018, with six major banks accounting for 73% and 59 accounting for 27%. They have decreased to USD 580 million in 2019 and turned into a loss of USD 210 million in 2020.

In terms of profits, the six major banks are the following:

- BLOM Bank: USD 510 million.
- Bank Audi: USD 500 million.
- Bank of Beirut: USD 210 million.
- SGBL: USD 200 million.
- Fransabank: USD 175 million.
- Byblos Bank: USD 163 million.



### Bank Profits (1993-2020)

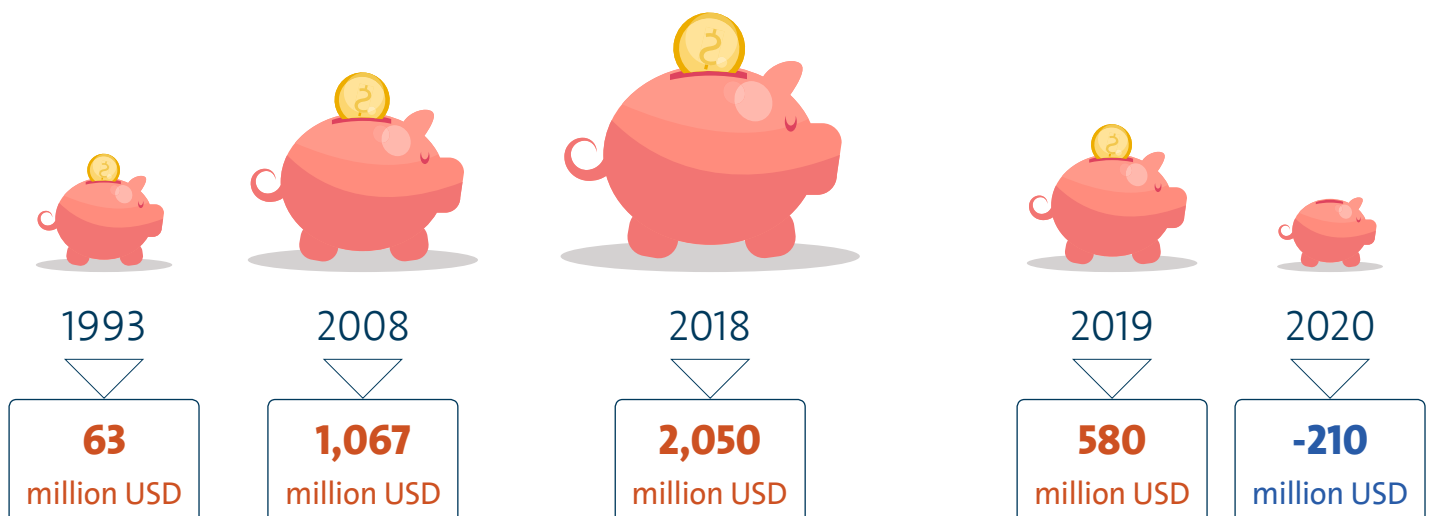


Table No. 6: Net profits of Lebanese banks (1993-2018).

Year	Net profits of Lebanese banks (USD million)
1993	63
1994	101
1995	177
1996	262
1997	380
1998	437
1999	340
2000	216
2001	343
2002	312
2003	396
2004	461
2005	519
2006	668
2007	850
2008	1,067
2009	1,196
2010	1,642
2011	1,563
2012	1,563
2013	1,632
2014	1,717
2015	1,865
2016	1,900
2017	1,983
2018	2,050
2019 (not final)	580
2020 (not final)	-210 (loss)
<b>Total</b>	<b>USD 22.5 billion</b>

Source: ABL annual reports.



## BDL Foreign Currency Assets

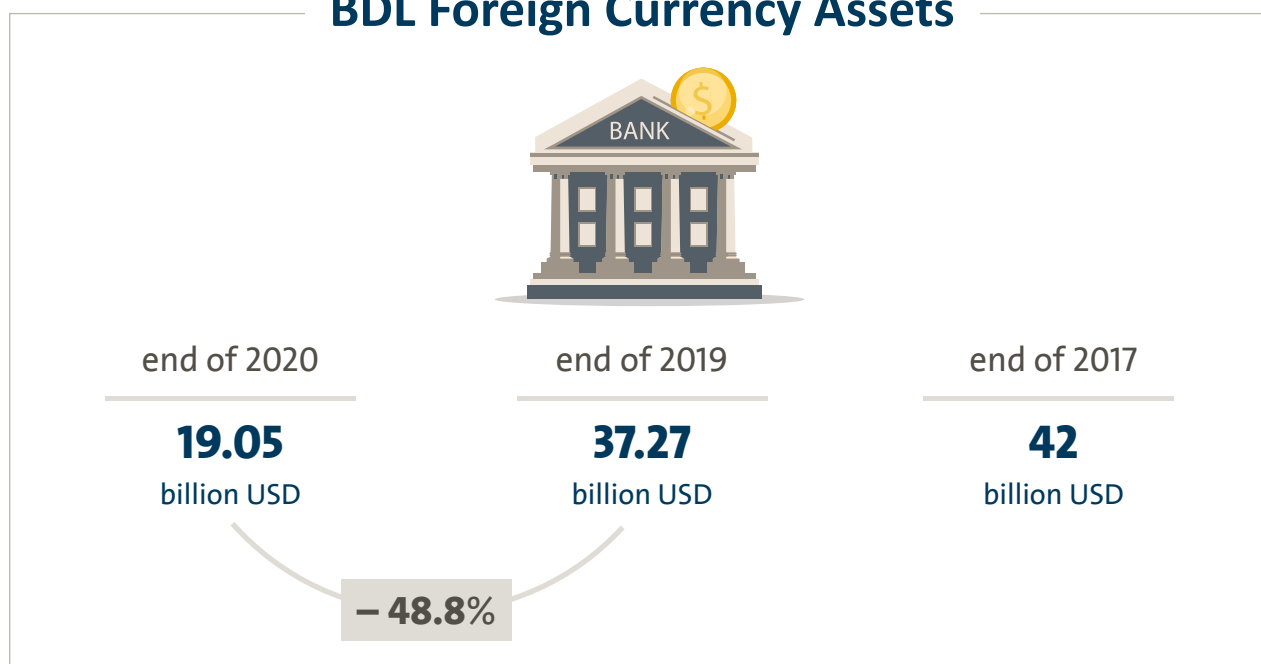
As shown in Table No. 7 below, BDL foreign currency reserves stood at USD 19.05 billion at the end of 2020 (in addition to the USD 5 billion Eurobonds held by BDL) compared to USD 37.27 billion at the end of 2019, i.e. a decline of 48.8% or USD 18.2 billion. From 2010 to 2020, the highest reserves were recorded in 2017, reaching USD 42 billion. Therefore, the BDL has lost in three years (2018-2020) about USD 23 billion or 55% of its foreign currency assets.

Table No. 7: Evolution of BDL foreign currency assets (2010-2020).

Year	BDL foreign currency assets (USD billion)	Rate of increase or decrease (%)
2010	30.6	-
2011	32.2	5.2
2012	35.7	10.8
2013	35.3	-1.1
2014	37.9	7.3
2015	37.1	-2.1
2016	40.7	9.7
2017	42	3.2
2018	39.7	-5.4
2019	37	-6.8
2020	19.06	-48.6

Source: Banque du Liban (BDL).

### BDL Foreign Currency Assets



## Bank Deposits and Loans

As shown in Table No. 8 below, bank deposits have declined by 19% or USD 33.9 billion during 2019-2020 after registering an increase of USD 70 billion or 64.4% between 2010 and 2018. As for loans, they have increased during the same period by USD 14.5 billion or 41.4% before declining in the past years and turning negative in 2018, 2019 and 2020.

**Table No. 8: Bank deposits and loans and their growth rate during 2010-2020.**

Year	Bank deposits (USD billion)	Growth rate (%)	Bank loans to the private sector (USD billion)	Growth rate (%)
2010	108.6	-	35	-
2011	117.7	+ 8.3	39.4	+12.5
2012	127.6	+ 8.4	43.4	+10.1
2013	139.2	+ 9	47.4	+9.2
2014	147.6	+ 6	50.9	+7.4
2015	154.9	+ 4.9	54.2	+6.5
2016	166.5	+ 7.5	57.2	+5.5
2017	172.9	+ 3.8	60.3	+5.4
2018	178.5	+3.2	59.4	-1.5
2019	163.7	-8.3	49.8	- 19.3
2020	144.6	-11.7	36.2	-27.3

Source: *Information International* based on ABL reports.

## Lebanese Banking Sector: Employment on the Decline

The past years have seen a rise in the number of bank employees, which slightly decreased in 2018 to 25,908 compared to 26,005 in 2017, i.e. a decline of 0.37% or 97 employees. This decrease has continued in subsequent years, reaching 24,886 employees in 2019 and 22,309 employees in 2020, with a further decline in 2021.

## Number of Tourists: From 2 Million to 321,000

Tourism is a major source of national income. The number of tourists peaked at 2.1 million in 2010 before starting to decline due to the security situation in Lebanon and the region, namely the Syrian war and the closure of borders between Syria and the Arab countries. As shown in the following Table No. 9 page 16, the number of tourists dropped to 1.2 million tourists in 2013 then gradually increased to 1.9 million in 2018 and 2019 before falling substantially to 321,000 in 2020 as a result of COVID-19 and airport closure, a decline of 83.4% compared to 2019. These numbers include the Lebanese with foreign passports who are considered tourists but in fact they are not.

Table No. 9: Number of tourists who entered Lebanon during 2010-2020.

Year	Number of tourists
2010	2,167,989
2011	1,655,051
2012	1,365,845
2013	1,274,362
2014	1,354,647
2015	1,517,927
2016	1,688,357
2017	1,856,795
2018	1,963,917
2019	1,936,320
2020	321,511

Source: Ministry of Tourism.

## Insurance Premiums

Table No. 10 below shows that insurance premiums have risen by 35.7% during 2010-2020, i.e. an annual average of 32%. They have peaked at USD 1.677 billion in 2018 before decreasing to USD 1.563 billion in 2020, the worst year on record. That year, the insurance industry experienced losses of USD 58.8 million after recording profits in previous years. Life insurance premiums constitute 25%-30% of total insurance premiums.

Table No. 10: Insurance premiums during the years 2010-2020.

Year	No. of insurance contracts	Value of insurance premiums (USD million)	Payments to cover insured events (USD million)	Profits (USD million)
2010	-	1,152	503	88.7
2011	3,493,454	1,250	614.6	112.3
2012	-	1,319	663	126.1
2013	-	1,416	734	112
2014	-	1,475	752.5	137.6
2015	-	1,525	829.4	128.7
2016	-	1,570	893.5	139.6

Year	No. of insurance contracts	Value of insurance premiums (USD million)	Payments to cover insured events (USD million)	Profits (USD million)
2017	-	1,626	961.2	152
2018	-	1,677	946.3	155
2019	-	1,611	1,048	197
2020	-	1,563	1,070	58.9 (losses)

Source: *Information International* based on insurance companies' reports.

## Economic Situation

### Cleared and returned cheques see a decline

The movement of cheques reflects a partial picture of the deteriorating economic situation in Lebanon. Table No. 11 below shows that between 2014 and 2020, cleared cheques have declined in number by 54.9% and in value by 27.6% and returned cheques have increased in number by 67% and decreased in value by 4.17%. Their number has dropped by 41% between 2019-2020, and their value by 5.6%.

**Table No. 11: Movement of cleared and returned cheques (2014-2020).**

Year	No. of cleared cheques (in thousands)	Value of cleared cheques (USD billion)	No. of returned cheques (in thousands)	Value of returned cheques (USD billion)
2014	12,968	74.3	257	1.6
2015	12,511	69.6	235	1.5
2016	12,322	68	228	1.46
2017	12,225	68.2	234	1.42
2018	11,882	66.5	280	1.62
2019	9,930	57	331	1.63
2020	5,851	53.8	109	USD 950 million

Source: *Information International* based on BDL reports.

## Salaries, End-of-Service Indemnities and Pensions

### From USD 4.8 billion to USD 7 billion

The cost of salaries, wages, end-of-service indemnities and pensions has reached USD 7.026 billion in 2020, up from USD 6.730 billion in 2019. It has stood at USD 6.4 billion in 2018, USD 5.4 billion in 2017 and USD 4.8 billion in 2016. This means that the salary scale that was approved in 2017 has actually cost the state a minimum of USD 2.2 billion and not USD 800 million as per government estimates. Table No. 12 page 18 shows the evolution of public sector salaries, wages, pensions and end-of-service indemnities during 2016-2020.

Table No. 12: Evolution of salaries, wages and pensions during 2016-2020 (amount in USD million).

Year	Total cost of salaries and wages	Including end-of-service indemnities	Including pensions	Including the salaries of public officials
2016	4,867	216	1,200	296
2017	5,451	226	1,331	295
2018	6,447	568	1,558	328
2019	6,730	645	1,785	300
2020	7,026	677	1,825	345

Source: *Information International* based on the Ministry of Finance data.

## Licensed Built-up Areas

### Licensed built-up areas have sharply declined in 2020

As shown in the following Table No. 13, the licensed built-up areas have peaked at 17.5 million m<sup>2</sup> in 2010 before gradually decreasing to 5.3 million m<sup>2</sup> in 2020, a decline of 12% compared to 2019 and of 69.3% compared to 2010.

Table No. 13: Licensed built-up areas (2010-2020).

Year	Area (1,000 m <sup>2</sup> )	Rate of increase or decrease (%)
2010	17,580	-
2011	16,386	- 6.8
2012	14,678	-10.4
2013	12,924	- 11.9
2014	13,546	+ 4.8
2015	12,339	- 8.9
2016	12,234	- 0.8
2017	11,730	- 9.1
2018	9,020	- 23
2019	6,122	- 32
2020	5,387	- 12

Source: Order of Engineers in Beirut and North Lebanon.



## Beirut Airport Traffic: Down 71.2%

Beirut airport traffic has fallen sharply in 2020, registering a decline of 71.2% compared to 2019. The following Table No. 14 shows that it has recorded a 24% growth during the years 2014-2019.

**Table No. 14: Beirut airport traffic (2014-2020).**

Year	Total passengers	Arriving passengers	Departing passengers	Transit passengers	No. of flights
2020	2,501,975	1,172,049	1,268,200	61,726	27,062
2019	8,683,719	4,280,141	4,351,380	52,198	72,279
2018	8,842,442	4,436,574	4,401,439	4,429	73,626
2017	8,235,867	4,103,499	4,127,491	4,877	71,169
2016	7,519,377	3,735,980	3,774,848	8,549	69,944
2015	7,240,388	3,516,695	3,687,086	36,607	68,872
2014	6,569,469	3,222,742	3,332,327	14,400	64,579

Source: Directorate General of Civil Aviation.

## New Car Sales in Lebanon

The sale of new cars has fallen dramatically in 2020 when compared to previous years. As shown in the following table No. 15, 6,152 cars were sold in 2020 compared to 21,991 in 2019, i.e. a decline of 15,839 cars or 72%.

**Table No. 15: Number of new cars sold during 2010-2020.**

Year	No. of sold cars	Rate of decline/increase (%)
2010	33,412	-
2011	32,455	-2.8
2012	35,477	+ 9.3
2013	38,366	+18.1
2014	37,816	- 1.4
2015	39,361	+ 4
2016	36,326	- 7.7
2017	37,222	+2.4
2018	33,012	- 11.3
2019	21,991	- 33.4
2020	6,152	- 72

Source: *Information International*.

## Lebanon's Electricity: A Drain of USD 39 Billion

Electricity has been one of the largest government expenditures over the past years, reaching USD 39 billion or about 40% of public debt, with the tariff subsidies accounting for USD 13 billion of the total spending (USD 39 billion).

Such financial drain continues to persist since solving the electricity issue requires an effective decision.

### The electricity deficit is mainly caused by the following:

- Electricity subsidies: the kilowatt-hour cost ranges between 10-15 cents depending on the production sources, while the fixed tariff since 1994 averages about 5 cents (it has now decreased to less than half a cent with the great collapse of Lebanese pound against US dollar).
- Electricity theft in many Lebanese regions.
- Non-collection of about 15% of bills.
- 10-15% technical waste of produced electricity due to aging networks.
- The quasi-monopoly in importing fuel and diesel for the power stations, which leads to an increase in prices and a waste of public funds. It is estimated at about 100-150 million dollars on average annually since early 1990s.

The foregoing reasons indicate that addressing electricity deficit requires a decision that puts an end to electricity theft, imposes bill collection and increases electricity tariff. Yet, none of those who have held office since 1990 is willing to make this decision.

The following table No. 16 shows the treasury transfers to EDL over the past years. They have declined in recent years due to the fallback in world prices.

**Table No. 16: Treasury transfers to EDL during 2014-2020.**

Year	Treasury transfers to EDL (USD million)
2014	2,037
2015	1,151
2016	930
2017	1,328
2018	1,756
2019	1,505
2020 (not final)	860

Source: The Lebanese Ministry of Finance.

### Electricity tariffs as of August 1, 1994

On July 19, 1994, the EDL Board of Directors issued the Decision No. 343/94, setting out the electricity tariffs (same as of today's tariffs) as below.

Such tariffs were based on the USD 15 price of oil barrel while it exceeded the USD 100 at certain times.

Low voltage: lighting, home and commercial use

- Up to 100 kilowatt-hours per month: LBP 35 per kilowatt-hour
- More than 100 and up to 300: LBP 55.
- More than 300 and up to 400: LBP 80.
- More than 400 and up to 500: LBP 120.
- More than 500: LBP 200.
- Public lighting, hospitals, schools, mosques, churches and cinemas: LBP 140.
- Craftsmanship, agriculture and drinking water pumps: LBP 115.
- Medium voltage: between LBP 50 and LBP 130.
- High voltage: LBP 115.

### Evolution of electricity production

As shown in Table No. 2 below, about 13.2 billion kilowatt-hours were produced in 2020 compared to 14.7 billion kilowatt-hours in 2019.

If we take 2019 as an example, the amount produced during this year has cost around USD 2.2 billion while revenues have not exceeded USD 700 million when bills were fully collected. Therefore, the subsidies and the non-collection of bills in 2019 have led to a squandering of USD 1.5 billion.

**Table No. 2: Evolution of electricity production during 2009-2020.**

Year	Million kilowatt-hour
2020	13,250
2019	14,792
2018	15,243
2017	15,031
2016	13,129
2015	12,520
2014	12,523
2013	12,097
2012	10,966
2011	12,396
2010	12,459
2009	11,918

Source: EDL, based on the monthly bulletin of BDL Department of Statistics and Economic Research.

# 2021 DRAFT BUDGET DELAYED

After a delay of about four months, caretaker Finance Minister Ghazi Wazni submitted to the Presidency of Council of Ministers the 2021 draft budget on January 26, 2021.

## Deadline for Budget Submittal and Rectification

Article 83 of the Lebanese Constitution stipulates: “Each year, at the beginning of the October session, the government shall submit to Parliament the general budget estimates of state expenditures and revenues for the following year. The draft budget shall be voted upon article by article”. In other words, the Ministry of Finance is supposed to elaborate the draft budget and refer it, by beginning of October, to the Council of Ministers for review, discussion, approval, and transmission to Parliament before the first Tuesday that follows October 15, the date when the Parliament starts convening. This means that the 2021 budget has not been brought within the legal deadline.

According to Article 86, if Parliament has not given a final decision on the budget estimates before end of 2020, the President of the Republic, in coordination with the Prime Minister shall, immediately convene it for an extraordinary session, which shall last until end of January in order to continue the discussion of the budget. Here, too, we are outside the constitutional deadline, and thus revenues and expenditures shall be based on the ‘provisional twelfth’ rule until budget approval.

## Budget Approval May be Delayed

The delay in referring the draft budget to the Council of Ministers and subsequently to Parliament creates a constitutional problem, which is that the current caretaker government has resigned in August 2020 and cannot convene to approve the budget. Article 64 of the Constitution is clear: “... The government shall not exercise its powers before it gains confidence nor after it has resigned or is considered resigned, except in the narrow sense of a care-taker government”. Thus, based on these provisions, the government shall not convene to approve the budget, and Lebanon will thus remain without a budget until the formation of a new government that may adopt the same draft budget or submit a new one to Parliament.

It should be noted that in the years 1986-1988, and in compensation for the government’s inability to convene, many “ambulatory decrees” had been issued and approved by the ministers, the Prime Minister and the President of the Republic. None of these decrees included a draft budget and the government’s spending during the years 1986-1989 was based on the “provisional twelfth” rule. From 2006 through 2016, many draft budgets were elaborated but were not approved by Parliament, and spending was also on the basis of the “provisional twelfth” rule.

## Budget Expenditures: LBP 18,259 billion

### Three ministries get lion’s share

The 2021 draft budget forecasts total expenditures at LBP 18,259 billion and revenues at LBP 13,572 billion, meaning that Lebanon will register a fiscal deficit of about LBP 4,687 billion (25.6%). Expenditures are expected to rise by LBP 27.6 billion from LBP 18,231 billion in 2020, an increase that is literally triggered by the domestic currency depreciation. Therefore, actual spending would be much higher than the budget estimates.

The 2021 budget appropriations to ministries were not quite different than that of 2020. The largest expenditures dedicated to the Ministry of National Defense (LBP 2,886 billion or 15.8% of total budget expenditures), the Ministry of Education and Higher Education (LBP 1,879 billion or 10.3%) and the Ministry of Interior and Municipalities (LBP 1,607 billion or 8.8%), as well as the combined expenditures of end-of-service indemnities, pensions and interest on Lebanese pound and foreign currency bonds, which amounted to LBP 6,526 billion, have equally accounted for 35% of the total budget.

By comparing the 2021 draft budget to the 2020 budget, we conclude the following:

- The Prime Minister’s budget has increased by LBP 281 billion after granting the Higher Relief Council (HRC) an appropriation of LBP 225 billion to repay two treasury loans and increasing the appropriations of the Council for Reconstruction and Development (CDR) by LBP 75 billion.



- The budget of the Ministry of Interior and Municipalities has declined by LBP 38.2 billion.
- The budget of the Ministry of Public Works and Transport has fallen by LBP 62.6 billion following the cancellation of some projects.
- The budget of the Ministry of Education and Higher Education has decreased by LBP 73.9 billion after reducing the appropriation of the Lebanese University by LBP 11 billion and that of the Center for Educational Research and Development by LBP 9 billion.
- The budget of the Ministry of Public Health has increased by LBP 28.2 billion.
- The budget of the Ministry of Economy and Trade has increased by LBP 44 billion after granting the General Directorate of Cereals and Sugar Beets an allocation of LBP 55 billion.
- The budget of the Ministry of Telecommunications has increased by LBP 321 billion after granting OGERO LBP 48 billion for network maintenance and an appropriation of LBP 210 billion.
- The budget of the Ministry of Labor has increased by LBP 98.8 billion after increasing the state's contribution to the NSSF sickness and maternity fund from LBP 300 billion to LBP 403 billion.
- The budget of the Ministry of Energy and Water has decreased by LBP 47.3 billion.
- The budget of the Ministry of Social Affairs has increased by LBP 31.3 billion.
- The combined expenditures have decreased by LBP 1,156 billion, from LBP 3,633 billion to LBP 2,477 billion, as the state failed to pay the foreign currency interest on treasury bonds. The interest on Lebanese pound bonds has increased from LBP 1,061 to LBP 2,986 billion, and pensions and end-of-service indemnities from LBP 2,983 to LBP 3,420.

#### A table comparing the 2021 draft budget and the 2020 budget law's estimates.

Section	2021 draft budget estimates (LBP billion)	2020 budget law estimates (LBP billion)	Amount of increase or decrease (LBP billion)
Presidency of the Republic	10.6	12.7	- 2.1
Parliament	79.6	78.6	+ 1
Presidency of the Council of Ministers	1,025	743.4	+ 281.6
Constitutional Council	1.7	1.4	+ 0.3
Ministry of Justice	104.1	112.8	- 8.7
Ministry of Foreign Affairs and Emigrants	174.1	175.8	- 1.7
Ministry of Interior and Municipalities	1607.3	1645.5	- 38.2
Ministry of Finance	438	440.6	- 2.6
Ministry of Public Works and Transport	142.6	205.2	- 62.6
Ministry of National Defense	2886.1	2896.5	- 10.4
Ministry of Education and Higher Education	1879.2	1953.1	- 73.9
Ministry of Public Health	720.4	692.2	+ 28.2
Ministry of Economy and Trade	65.8	21.8	+ 44

Section	2021 draft budget estimates (LBP billion)	2020 budget law estimates (LBP billion)	Amount of increase or decrease (LBP billion)
Ministry of Agriculture	68.4	72.2	- 3.8
Ministry of Telecommunications	327.1	5.4	+ 321.7
Ministry of Labor	474.3	375.5	+ 98.8
Ministry of Information	43.5	43.4	+ 0.1
Ministry of Energy and Water	31.2	78.5	- 47.3
Ministry of Tourism	14.9	15.1	- 0.2
Ministry of Culture	41.8	44.4	- 2.6
Ministry of Environment	6.1	8.9	- 2.8
Ministry of the Displaced	5.6	6.2	- 0.6
Ministry of Youth and Sports	12.6	12.6	-
Ministry of Social Affairs	370	338.7	+ 31.3
Ministry of Industry	7.4	8.1	- 0.7
Combined expenditures	6.526	7.678	- 1.156
Budget reserve	1196	565	+ 631
<b>Total</b>	<b>18.259</b>	<b>18.231</b>	<b>+ 28</b>

Source: *Information International* based on the 2020 budget and the 2021 draft budget.

## National Solidarity Tax

### A tax on seized or 'evaporated' deposits?

Nearly four months after the legal deadline, caretaker Finance Minister Ghazi Wazni submitted the 2021 draft budget to the Council of Ministers at the end of January 2021.

The draft law includes many figures and articles that, if legally approved, may impact the financial, economic and social conditions, namely those related to introducing or increasing taxes and fees and downsizing the private sector and its cost. Such articles and figures would thus be a subject of discussion that requires further consideration and scrutiny.

For instance, Article 37 imposes, as of October 31, 2020, a one-time national solidarity tax on the deposits of Lebanese banks, under the following provisions:

- 1% for accounts between USD 1 million and USD 20 million and their equivalent in foreign currencies, and between 1.5 billion and 30 billion in Lebanese pound.
- 1.5% for accounts between 20 and 50 million in U.S. dollar and between 30 and 75 billion in Lebanese pound.

- 2% for accounts above 50 million in U.S. dollar and above 75 billion in Lebanese pound.

Banks shall pay this tax in the account currency within two months from the budget approval date.

The draft law defines the rationale for this tax as follows: “In light of the current economic conditions that Lebanon is going through, for the state needs some revenues and in order for large depositors to share the burden that the state is entitled to give to those with limited income”.

The proposed budget forecasts the revenues of this tax at LBP 1,121 billion, representing 8.2% of the state revenues in 2021, a large amount that is doubtful to be collected.

Large depositors wonder how would the Ministry of Finance collect the required tax while their deposits are seized by banks, can only be withdrawn in small amounts, and have an unknown fate. They want to know if their foreign currency funds have evaporated or are still banked, and the time when they can get them back.

## Projects

Alike the previous budgets, the 2021 draft budget reduces the appropriations established for state projects, yet it postpones their payment to subsequent years. The deferred appropriations amount to LBP 1,122 billion, distributed over projects as shown in the following table.

**A table showing the state projects and the deferred appropriations.**

Project	2020 budget appropriations (LBP billion)	2021 budget appropriations	Difference (LBP billion)
Constructing public administration buildings	165	0	165
Organizing the southwestern suburbs of Beirut	45	0	45
Demarcating the Lebanese borders	5	0	5
Customs building at Beirut Port	9	0	9
Buildings of Ministry of Finance	1.6	0	1.6
Land acquisition compensation	61	0	61
A program for land annexation and subdivision	7	0	7
Establishing the Institute of Marine Sciences and Technology in Batroun	8.6	0	8.6
Establishing a tourist port in Jounieh	2.4	0	2.4
Al-Tawfikiya-Ras Baalbeck-Al-Qaa road	10	0	10
Completing part of North Lebanon (northern borders) highway	10	0	10

Project	2020 budget appropriations (LBP billion)	2021 budget appropriations	Difference (LBP billion)
A program for equipping Lebanese Army	439	0	439
A program for clearing cluster bombs	20	0	20
Rehabilitating the Lebanese University buildings	22	0	22
Establishing an information communication system between public schools and the Ministry of Education's central administration	4	0	4
Establishing and equipping school buildings for the Ministry of Education and Higher Education	6.4	0	6.4
Electrical works in various regions	27	0	27
Appropriations for some ministries	154	0	154
Developing and expanding the fixed-line network	125	0	125
<b>Total</b>	<b>LBP 1,122 billion</b>	<b>0</b>	<b>LBP 1,122 billion</b>

Source: 2020 budget and 2021 draft budget.

## Interesting Figures

The 2021 draft budget contains many articles that trigger criticism and resentment among employees, induce investment and grant tax exemptions, including the following:

- **Article 8:** The President of the Republic shall open an exceptional appropriation for urgent expenditures amounting to LBP 300 billion. It has been set at LBP 100 billion in the 2020 budget.
- **Article 23:** The tax on industrial export profits shall be reduced by 50% when the export-related funds are transferred to the Lebanese banks for investment or when it is proven that they are fully used for the purposes of Lebanese industries, then by 75% for a period of five years from the year following the publication of this law. This aims at revitalizing and promoting the industrial sector and supporting the banking sector.
- **Article 25:** Startup companies shall be exempt from paying taxes for a 3-year period following the publication of this law, provided that at least 80% of their employees are Lebanese.
- **Article 26:** The fixed assets and properties whose prices have risen due to inflation shall be reevaluated. This will increase revenue collection.
- **Article 31:** The establishments offering dollar salaries shall pay taxes based on the BDL's platform rate (LBP 3,900 per dollar) and not on the official rate (LBP 1,515).
- **Article 35:** The officers and employees who became permanently disabled after Beirut Port explosion shall be exempt from paying the payroll tax. This will enable employers to help the physically impaired employees.
- **Article 59:** The dollar and euro funds collected by the consulates abroad shall be transferred to BDL's treasury account. This will increase BDL's foreign currency reserves. Yet, amid the money transfer crisis, it would be better for the embassies and consulates to hold these funds and deliver them to the diplomats.

- **Article 60:** The port fees and the fees imposed on sand and gravel extraction from the private properties that are adjacent to maritime public properties shall be increased.
- **Article 61:** The Mukhtar stamp fee shall be increased from LBP 1,000 to LBP 2,000.
- **Article 66:** The property-related fees shall be increased. For instance, the 2020 budget imposed an advance payment of LBP 67,500 to be deposited with the treasury fund by those who want to carry topographical works. The 2021 draft budget has increased this amount to LBP 300,000 if the property area is less than 10,000 m<sup>2</sup> and LBP 1,000,000 if it exceeds 100,000 m<sup>2</sup>.
- **Article 74:** The interests of newly deposited foreign currencies shall be exempt from taxes for three years to encourage people to deposit, in cash or through a bank transfer, foreign currencies in the Lebanese banks.
- **Article 77:** The state-leased buildings and offices shall be exempt from all municipal fees. This exemption will reduce the burden placed on the state, which has not yet paid about LBP 300 billion of accumulated municipal fees, but, on the other hand, will deprive the municipalities of their revenues.
- **Article 79:** Rental cars shall be exempt from 2021-2022 fees.
- **Article 81:** Taxes, dues and state service fees shall be collected in Lebanese pound. Yet, if need be, the dollar amount shall be converted to Lebanese pound at BDL's rate (the fees for the services provided abroad shall be paid in foreign currencies).
- **Article 87:** Deposit guarantee shall be increased from LBP 75,000 to LBP 300,000 (whether in Lebanese pound or any other currency). This will provide insurance to depositors, ensuring that in the event of bankruptcy or failure, their savings in banks will remain safe.
- **Article 97:** Military salaries are fully paid since 1965 without being audited by the Ministry of Finance. By virtue of this article, all security service salaries shall be paid based on the schedules of ranks, salaries and compensation.
- **Article 92:** Electricity tariff shall be gradually increased, provided that the decree increasing the tariff imposes a reduced tariff on low-power consumers and for industrial purposes.
- **Article 93:** Public education grants shall be standardized in accordance with the Cooperative of State Employees' principles and ceilings.
- **Article 95:** Every Arab or foreigner purchasing a housing unit in Lebanon shall be granted a residency permit for the duration of his ownership, provided that the value of the housing unit is at least USD 350,000 in Beirut and USD 200,000 in other regions, with the exception of Syrian and Palestinian refugees.
- **Article 98:** Granting the state employees who entered into service on or before July 31, 2019 the right to resign and to obtain a retirement pension after 20 years of service (after 25 years of service in the earlier version). As for those who entered on duty as of August 01, 2019, they shall serve 25 years to be entitled to pension.
- **Article 99:** The 2019 budget law granted the state employees the right for a three-year break. Yet, since the government intended to downsize the public sector, such article has been amended to permit resignations. This means that no matter the years of service, the resigned employees will not benefit from a retirement pension but only from end-of-service indemnities and pension contributions, which constitutes a serious injustice to them.
- **Article 100:** Public education shall be reorganized and schools with small number of students and large number of teachers shall be closed.
- **Article 102:** The government shall, within one year from the date of entry into force of this law, put in place a clear mechanism to standardize the grants given to various corps.
- **Article 103:** The family members of the deceased or retired employee shall not receive any family allowances when benefitting from their share of pension. Only the employee's children that do not have an income of their own are entitled to these allowances.
- **Article 105:** The level of hospitalization of Grade 3 employees, secondary teachers and military personnel in the rank of Captain or below shall be downgraded from first class to second class.



- **Article 106:** The employees who enter into service after the enforcement of this law shall not be entitled to a pension upon end of services, as is the case today. They shall only be entitled to end-of-service indemnities in accordance with NSSF regulations. This matter will raise the employees' resentment and discriminate among them.
- **Article 107:** The pension system shall be amended. The employee's heirs shall benefit from a pension only if they do not have a continuous income. As for the widowed and divorced women and the single adult girls who are over 25 years of age, they shall receive 40% (equaling at least the minimum wage) of the pension. This will also cause rejection among employees.
- **Article 109:** Currently, there are over than 450 brigadier generals in Lebanon. Their number shall be reduced to less than 120 and no promotion to this rank shall be made except for vacant posts.

**Note: Although the 2021 budget has been prepared and submitted to the Council of Ministers end of January 2021, the schedule of revenues lists only the revenues collected until end of August 2020. Hence, the state's total revenues cannot be estimated at this point.**

## Expenditures

The 2021 budget, which is supposed to be an austere budget, includes many expenditures that were budgeted in the previous years. It also adds new unnecessary expenditures, among them the following:

- Hajj Affairs Committee: LBP 700 million.
- The Syrian-Lebanese Supreme Council: LBP 717 million.
- Secret expenditures for security services: LBP 40 billion.
- State subscriptions and contributions to the parliamentary mutual fund: LBP 13.950 billion.
- The Lebanese-Palestinian Dialogue Committee: LBP 195 million.
- The National Commission for Lebanese Women: LBP 658 million.
- State subscriptions and contributions to the mutual fund of religious judges: LBP 5.634 billion.
- Contribution to municipalities in to operate and maintain solid waste treatment plants (within the budget of the Ministry of State for Administrative Development): LBP 24 billion.
- Rental and maintenance of primary and secondary public schools: LBP 31 billion.
- Contribution to private-free schools: LBP 90 billion.
- Contribution to the Lebanese University: LBP 311 billion.
- Contribution to the Lebanese University's mutual fund: LBP 31.5 billion.
- Hospitalization in public and private hospitals: LBP 475 billion.
- Contribution to the Lebanese Red Cross: LBP 8.5 billion.
- Contribution to Caritas Lebanon: LBP 350 million.
- Contribution to the Thalassemia Center: LBP 300 million.

**«Contribution to the salaries of Railways and Public Transport Authority's employees: LBP 13 billion»**

- Contribution to the Lebanese Welfare Association for the Handicapped: LBP 350 million.
- Contribution to the Druze Health Institution: LBP 200 million.
- Contribution to the Islamic Orphanage House (Dar Al Aytam Al Islamiya): LBP 132 million.
- Contribution to the Mouvement Social: LBP 81 million.
- Contribution to Medrar Foundation: LBP 300 million.
- Contribution to Al-Shaheed Foundation: LBP 60 million.
- Contribution to Foyer de L'Amitié (Dar Al Sadaka) - Zahle: LBP 20 million.
- Contribution to Imam Sadr Foundation: LBP 405 million.
- Contribution to the families of resistance martyrs (within the budget of the Council for the South): LBP 4.5 billion.
- Contribution to the National Traffic Safety Council: LBP 860 million.
- Contribution to the Public Authority for Consumer Markets: LBP 854 million.
- Contribution to the National Commission for Human Rights, which includes the Committee for the Prevention of Torture (a new body): LBP 7.7 billion.

**«Pensions:  
LBP 2,970 billion»**

**«End-of-service indemnities:  
LBP 450 billion»**

- Grants for Christian Courts: LBP 1.5 billion.
- Expenses of the Court of Cassation's Public Prosecutor: LBP 59.5 million.
- Rental of ESCWA building: LBP 10.6 billion.
- Tendering the system issuing driving permits, car licenses and registration plates: LBP 30.5 billion.
- Interest subsidies to the investment (agricultural, industrial, tourist, technological, environmental, and informatics) loans: LBP 90 billion.
- Assistance fund to support the eviction of old tenants in accordance with the rental law: LBP 50 billion.
- Contribution to the salaries of Railways and Public Transport Authority's employees: LBP 13 billion.
- Contribution to the salaries and wages of Rachid Karami International Fair's employees: LBP 300 million.
- Contribution to Ogero's salaries and wages: LBP 187 billion.
- Contribution to the General Labor Union: LBP 750 million.
- Expenditures of Radio Lebanon: LBP 6.8 billion.
- Expenditures of Télé Liban: LBP 18.2 billion.
- Contribution to the National Audiovisual Media Council: LBP 2.5 billion.
- Contribution to Tripoli and Zahrani oil installations to rebuild the reservoirs: LBP 8.1 billion.
- Contribution to the Lebanese Petroleum Administration: LBP 7.5 billion.
- Ministry of Tourism's advertising expenditures: LBP 3 billion.
- Expenditures of the Lebanese National Commission for UNESCO: LBP 450 million.
- Contribution to the International Center for Human Sciences in Jbeil: LBP 400 million.

- Expenditures of the Lebanese National Higher Conservatory of Music: LBP 22.4 billion.
- Contribution to the Lebanese National Library - Sanayeh: LBP 956 million.
- Contribution to scouting and sports associations: LBP 4.250 billion.
- Contribution to joint projects with the municipalities in order to establish sports, youth and scout complexes: LBP 3.150 million.
- Contribution to the House of Professionals (Beit Al-Muhtarif): LBP 690 million.
- Allocations to the national program targeting the poorest families: LBP 6.480 million.
- Contribution to the Higher Council for Childhood: LBP 859 million.
- Social and health projects in partnership with NGOs: LBP 16.1 billion.
- Pensions: LBP 2,970 billion.
- End-of-service indemnities: LBP 450 billion.

**«Contribution to Ogero's salaries and wages: LBP 187 billion»**

**«Contribution to the salaries and wages of Rachid Karami International Fair's employees: LBP 300 million»**

- Contribution to the Council for the South to cover the cost of works and compensation: LBP 18.2 billion.
- Maintenance and operation of the Lebanese University-Hadath: LBP 11.250 billion.
- Maintenance and operation of the UNESCO Palace: LBP 1.2 billion.
- Maintenance of transportation: LBP 24.8 billion.
- Servicing and cleaning expenses: LBP 11.7 billion.
- Feeding expenditures: LBP 92.2 billion.
- Clothes: LBP 10.8 billion.

# BDL TO EXTEND ITS SUBSIDY PROGRAM?

After being pegged at LBP 1,500 to the dollar since end of 1998, the Lebanese pound began to lose its value against the U.S. dollar and other foreign currencies in the last quarter of 2019. It has dropped to between LBP 1,800 and LBP 2,000 and continued to decline in 2020 despite the formation of a new government, reaching about LBP 13,000 today. This rise in the exchange rate has led to an increase in the prices of local and imported commodities, foodstuffs and consumables.



Faced with this situation and the difficulties in increasing salaries, the government has adopted in April 2020 a plan to subsidize imports using BDL's foreign currencies, which were first deposited with banks before being deposited with BDL as mandatory reserves (15% the value of foreign deposits) or certificates of deposits. Bank funds with BDL are estimated at about USD 70 billion, of which USD 30 billion were available in March 2020, decreasing to USD 17 billion in March 2021.

One year after adopting this policy, everyone admits that it has failed to achieve the desired goal; it has not benefited the poor and needy people but rather the merchants and smugglers, which means that the subsidies have gone to waste.

The government has proposed to ration subsidies by scaling down a list of subsidized foods from 360 to less than 100 (and this is what happened) or to distribute to needy families a monthly prepaid card of LBP 800,000 or a ration card worth LBP 800,000 to buy goods and foodstuffs.

But all of this is temporary and will not last long. The solution remains in restabilizing US dollar exchange rate and lowering it to acceptable levels compatible with salaries and wages.

## Cost of Subsidies

According to the Ministry of Economy and Trade (MoET), food subsidies have cost the state USD 6.237 billion in one year, i.e. from April 2020 to April 2021. They are distributed over the following commodities, with the petroleum products holding the greatest share (USD 3.037 billion or 48.7%).

- Wheat: USD 135 million
- Drugs: USD 1.105 billion
- Foodstuffs: USD 960 million
- Gasoline: USD 963 million
- Diesel: USD 1.075 million
- Fuel for Électricité du Liban (EDL): USD 900 million
- Gas: USD 99 million
- State expenditures: USD 1 billion

Note: The so called 'subsidy' is not really a subsidy since it is funded by bank depositors' money.

## Subsidized Commodities

93 commodities are currently subsidized compared to 360 in April 2020, the month during which the subsidy program has been launched. The following table page 34 shows the subsidized commodities.



A table showing the subsidized commodities.

Commodities of the Ministry of Economy and Trade
<b>Meat, fish and derivatives thereof</b>
Canned ham
Canned ham
Canned ham
Imported chilled beef-at a maximum price of LBP 30,000/kg subject to change by decision of the Minister of Economy and Trade
Imported chilled beef-at a maximum price of LBP 30,000/kg subject to change by decision of the Minister of Economy and Trade
Imported chilled beef-at a maximum price of LBP 40,000/kg subject to change by decision of the Minister of Economy and Trade
Imported frozen beef (fillet and entrecôte)-at a maximum price of LBP 40,000/kg subject to change by decision of the Minister of Economy and Trade
Imported frozen beef (industrial and minced)- at a maximum price of LBP 28,000/kg subject to change by decision of the Minister of Economy and Trade
Pork meat, fresh, chilled or frozen-at a maximum price of LBP 27,000/kg subject to change by decision of the Minister of Economy and Trade
Fresh or chilled fish-at a maximum price of LBP 30,000/kg subject to change by decision of the Minister of Economy and Trade
Frozen fish-at a maximum price of LBP 20,000/kg subject to change by decision of the Minister of Economy and Trade
Frozen fish-at a maximum price of LBP 20,000/kg subject to change by decision of the Minister of Economy and Trade
Tuna in sealed packages, white or light solid or chunks-at a maximum price of LBP 40,000/kg subject to change by decision of the Minister of Economy and Trade
<b>Fatty and oily products</b>
Family size butter, family packs
Pasteurized cheeses (at a maximum price of LBP 35,000/kg subject to change by decision of the Ministry of Economy and Trade)-triangles
Pasteurized cheeses (at a maximum price of LBP 40,000/kg subject to change by decision of the Ministry of Economy and Trade)-squares
Pasteurized cheeses (at a maximum price of LBP 25,000/kg subject to change by decision of the Ministry of Economy and Trade)-blocks
<b>Vegetables-fresh, canned and frozen</b>
Canned corn
<b>Miscellaneous</b>
Powdered milk for individual consumption
Powdered skimmed milk for individual consumption
(infant formula) Preparations for feeding infants and toddlers
Maté for individual consumption
Black tea (at a maximum price of LBP 40,000/kg subject to change by decision of the Minister of Economy and Trade) for individual consumption
Unroasted caffeinated coffee beans
Unroasted decaffeinated coffee beans
Bakery yeast
Instant coffee, packets of 45 g

### Commodities of the Ministry of Economy and Trade

Macaroni and vermicelli (at a maximum price of LBP 9,000/kg subject to change by decision of the Minister of Economy and Trade)

Instant soup sachets/stock cubes

Beans (packed in bags weighing more than 20 kg)

Rice (packed in bags weighing more than 20 kg), short-grain or its equivalent in price

Refined sugar (packed in bags weighing more than 20 kg), for bakery consumption

Lentils (packed in bags weighing an 20 kg), for individual consumption

Fava beans (packed in bags weighing an 20 kg), for individual consumption

Chickpeas (packed in bags weighing more than 20 kg), for individual consumption

### Personal consumption items

Toothpaste at a maximum price of LBP 8,000 per 125 ml subject to change by decision of the Minister of Economy and Trade

Sanitary pads and condoms

### Commodities of the Ministry of Agriculture

Poultry and animals

Laying hens

Laying hens

Live livestock-cows

Live livestock-sheep and goats

### Agricultural inputs

Fertilizers (packed in bags weighing more than 20 kg)-fertilizers of animal or vegetable origin

Fertilizers (packed in bags weighing more than 20 kg)- Nitrogenous fertilizers

Fertilizers (packed in bags weighing more than 20 kg)- Phosphate fertilizers

Fertilizers (packed in bags weighing more than 20 kg)- Potash fertilizers

Fertilizers of another type

Potassium phosphate

Potassium nitrate

Seeds and seedlings-vegetable seeds and fruit tree seeds

Legume seeds

Seeds and seedlings-fruit tree seedlings

Animal production-fodder

Barley

Corn

Beet-pulp

Soybean cake

Cottonseed cake

Fish feed

Casein

Veterinary vaccines (except for companion animals)-for livestock and poultry

**Commodities of the Ministry of Economy and Trade**

Veterinary medicines (except for companion animals)-for livestock and poultry

Propylene glycol used in the manufacture of veterinary vaccines and medicines

Glycerol formal used in the manufacture of veterinary vaccines and medicines

Benzyl alcohol and derivatives thereof used in the manufacture of veterinary vaccines and medicines

Ether alcohols and derivatives thereof used in the manufacture of veterinary vaccines and medicines

Ether alcohols used in the manufacture of veterinary vaccines and medicines

Ethanolamine used in the manufacture of veterinary vaccines and medicines

Triethanolamine used in the manufacture of veterinary vaccines and medicines

Phenol acohols used in the manufacture of veterinary vaccines and medicines

Gluconic acid and salts and esters thereof used in the manufacture of veterinary vaccines and medicines

Amino naphtholate (abamectin) used in the manufacture of veterinary vaccines and medicines

DL-Acetyl-Methionine used in the manufacture of veterinary vaccines and medicines

Heterocyclic compounds with mitrogen atoms used in the manufacture of veterinary vaccines and medicines

Compounds with an imidazole ring used in the manufacture of veterinary vaccines and medicines

Compounds with a pyridine-phenylbutazone ring used in the manufacture of veterinary vaccines and medicines

Heterocyclic compounds (Trimethoprim-Toltrazuril-Diaveridine-Amprolium) used in the manufacture of veterinary vaccines and medicines

Other lactams (n-methyl pyrrolidone) used in the manufacture of veterinary vaccines and medicines

Heterocyclic compounds (enrofloxacin) used in the manufacture of veterinary vaccines and medicines

Other heterocyclic compounds (levamisol) used in the manufacture of veterinary vaccines and medicines

Sulfaquinoxaline used in the manufacture of veterinary vaccines and medicines

Liquid vitamin E10 and its derivatives used in the manufacture of veterinary vaccines and medicines

Other vitamins (liquid vitamin ADE) used in the manufacture of veterinary vaccines and medicines

Prednisolone used in the manufacture of veterinary vaccines and medicines

Steroid hormones, derivatives thereof, used in the manufacture of veterinary vaccines and medicines

Penicillin derivatives (ampicillin-amoxycillin) used in the manufacture of veterinary vaccines and medicines

Streptomycin derivatives (dihydrostreptomycin sulfate) used in the manufacture of veterinary vaccines and medicines

Tetracycline derivatives (doxycycline) used in the manufacture of veterinary vaccines and medicines

Erythromycin spiramycin - thiocyanate used in the manufacture of veterinary vaccines and medicines

Antibiotics (gentamicin sulfate - colistin Sulfate - florfenicol) used in the manufacture of veterinary vaccines and medicines

Other organic compounds used in the manufacture of veterinary vaccines and medicines

**Commodities of the Ministry of Industry**

Soybeans

Uncrushed and unpowdered cardamom

Crude sunflower oil

Crude soybean oil



## Public Sector

# DIPLOMATIC EXPENDITURES LBP 1.183 TRILLION

When countries face an economic-financial crisis, they tend to take actions to curb or eliminate some non-essential and useless expenditures. These include: closing some diplomatic missions, reducing the number of diplomats or cutting their salaries and indemnities.

Lebanon, however, is an exception to this economic, financial and administrative rule. Despite being hit hard by the worst economic-financial crisis in its history, no effective measure has been taken by officials to cut back on spending, namely the high diplomatic expenditures that are disbursed in dollar and other foreign currencies and have increased by 767% following the great collapse of Lebanese pound.

## Number of Diplomats

The number of Lebanese diplomats has been restricted to 262, distributed as follows:

- 1st category (Ambassador-Minister Counselor): 69
- 2nd category (Counselor-Consul General): 69
- 3rd category (Secretary-Deputy Consul-Attaché): 124

## Salaries of Diplomats

The Salary Scale Law No. 46 of August 21, 2017 sets the diplomatic salaries as follows:

### 1st Category

- 1st Grade: USD 4,000
- 7th Grade: USD 5,080
- 11th Grade: USD 5,870
- 18th Grade: USD 7,400
- 22nd Grade: USD 8,380

### 2nd Category

- 1st Grade: USD 3,500
- 7th Grade: USD 4,420
- 11th Grade: USD 5,090
- 18th Grade: USD 6,405
- 22nd Grade: USD 7,240

### 3rd Category

- 1st Grade: USD 2,900
- 7th Grade: USD 3,720
- 11th Grade: USD 4,340
- 18th Grade: USD 5,550
- 22nd Grade: USD 6,325

In addition to the above salaries, the diplomats receive a non-resident allowance that ranges between 175% and 310% of their salaries depending on the mission country and its standard living. In general, the ambassador's salary ranges between USD 15,000 and USD 20,000.



## Diplomatic Expenditures

After totaling LBP 136.1 billion in 2019, diplomatic expenditures have been raised to LBP 138.1 billion in the 2020 budget, then decreased to LBP 137 billion in the 2021 draft budget. The following table shows that salaries, wages and supplements account for 72% of the total expenditures while office rentals account for 16%.

A table showing the distribution of diplomatic expenditures by items (2019-2021 budgets).

	2019 budget law (LBP billion)	2020 budget law (LBP billion)	2021 draft budget (LBP billion)
Allowances, salaries, wages and their supplements	95.840	99.566	99.557
Office rentals	22	22.782	20.753
Holidays and representation	3.5	3.283	3.283
Consumables- stationery- office supplies	2.9	2.788	2.658
Consumables-water, electricity and telecommunication expenditures	3.1	2.870	3
Travel and transportation expenditures	1.987	1.789	1.789
Family allowances	1.262	1.621	1.470
Maintenance of administrative and residential buildings	4.5	3.112	4.413
Office furniture and furnishings	1	350 (LBP million)	-
<b>Total</b>	<b>136.089</b>	<b>138.160</b>	<b>136.923</b>

Source: 2019-2020 budget laws and 2021 draft budget.

## High Expenditures in Lebanese Pound

Such budget expenditures, which are disbursed in dollar and other foreign currencies, are valued at LBP 1,507.5 per dollar. They amount to about USD 91 million annually (on average for the past three years) or LBP 1,183 billion according to the current exchange rate (LBP 13,000), and account for 7.5% of total budget expenditures, 41% of the Ministry of National Defense's budget, 63% of the Ministry of Education and Higher Education's budget and 73% of the Ministry of Interior and Municipalities' budget.

This necessitates either trimming the salaries as happened during the economic crisis in Cyprus and Greece or closing the embassies and reducing the number of diplomats, noting that many diplomatic missions abroad are of low or zero productivity.

# LEBANESE VOTERS AN ANNUAL INCREASE OF 59,000

Just like every year, and in accordance with the electoral law, the Directorate General of Civil Status published beginning of February 2021 the preliminary voter lists to allow voters to have access to them, make any correction in terms of name or date of birth, add any omitted name or remove the names of deaths.



The lists would become final in March 10, the deadline for correction, and would be only adopted in the event that by-elections or early elections take place during this period, i.e. from March 30, 2021 until March 30, 2022.

The following table shows that the number of voters has increased during the period 1960-2021 from 1,056,589 to 3,920,185, i.e. an increase of 2,863,596 or 271%. During this period, the annual increase averaged 47,723 voters.

The average annual increase was 54, 122 voters during the last 10 years (2012-2021), before rising to 59,060 in the past five years.

#### A table showing the evolution of registered voters (1960-2021).

Year	No. of voters	Annual increase	Rate of increase (%)
1960	1,056,589	-	-
1972	1,364,593	25,667	2.42
1992	2,402,522	51,896	3.8
1996	2,577,257	43,683	1.81
2000	2,755,801	44,636	1.73
2005	3,029,138	54,667	1.98
2009	3,258,573	57,358	1.89
2010	3,310,959	52,386	1.6
2011	3,334,676	23,717	0.7
2012	3,378,966	44,290	1.32
2013	3,458,884	79,918	2.36
2014	3,514,588	55,704	1.61
2015	3,567,503	52,915	1.50
2016	3,624,886	57,383	1.60
2017	3,682,158	57,272	1.58
2018	3,746,490	64,332	1.74
2019	3,803,558	57,068	1.52
2020	3,860,939	57,381	1.50
2021	3,920,185	59,246	1.53

Source: Information International based on the number of voters during the 1960-2019 elections and the Directorate General of Civil Status for the period between 2010 and 2021.



## **PROPORTIONAL REPRESENTATION IN MATN BY-ELECTIONS:**

# **ELECTIONS TO BE REPEATED IF NO BALLOT ACHIEVES THE BENCHMARK**

More than six months have passed since the resignation of eight MPs in the aftermath of August 4, 2020 Beirut port explosion and a month following the deaths of two other MPs (Michel Murr and Jean Obeid), the Lebanese government has yet to hold by-elections to fill the vacant seats, despite being constitutionally obliged to do so within two months of a vacancy arising. Howbeit, there are talks about the possibility of holding these elections within the next four months.

The by-elections shall be conducted in accordance with Article 43 of the Lebanese Electoral Law No. 44/2017, i.e. by adopting the plurality system if the vacant seats are less than or equal to two in the smallest electoral district and the proportional representation if they are above two.

The number of vacant seats in Matn has risen to three after the death of MP Michel Murr. This means that the elections will be held based on the proportional representation system.

Two problematics have been identified here. The first is how to calculate the electoral quotient: shall the number of voters be divided by the number of seats in the electoral district, i.e. eight seats or by the number of vacant seats, i.e. three seats? The second is what happens if none of the competing lists achieves the electoral quotient, which may be high?

The answer to the first problematic is clarified in the electoral law, Article 48, Paragraph (A): "If the period for declaring candidacy ends with only one candidate running for a particular seat in a small electoral district, such candidate shall be declared uncontested winner and the candidate lists, in this case, shall include the remaining seats in the district". This means that the elections will be held based on the vacant seats (3) and not based on the total seats (8). The electoral quotient will be thus calculated through dividing the number of voters by the three seats.

As for the second problematic, and in the event that no list reaches the quotient (for example, if the number of voters is 70,000 and we divide it by 3, the electoral quotient will be 23,000 compared to 11,000 in the last elections). The answer is specified in Article 69, Paragraph (3): "Lists that do not achieve the electoral quotient are excluded from the seat allocation..." and if no list achieves the electoral quotient, they will be all excluded and elections will be repeated-possibly more than just once.

## Elections in Matn District

Matn district has a total of 179,919 registered voters. They are distributed as follows:

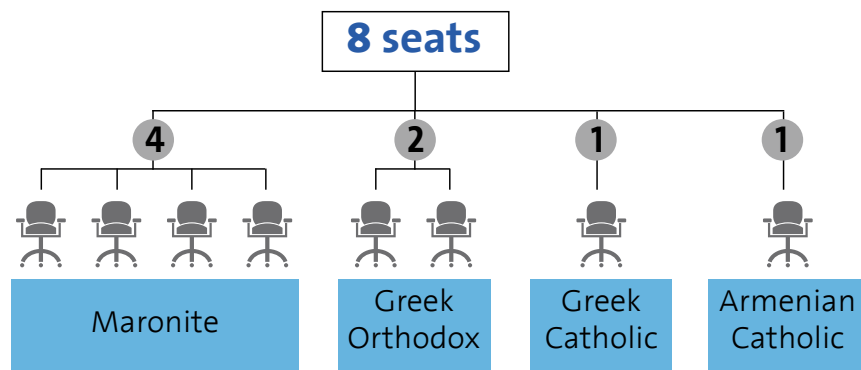
- Maronite: 80,681
- Greek Orthodox: 26,196
- Armenian Orthodox: 25,589
- Greek Catholic: 17,734
- Armenian Catholic: 6,900
- Shia'a: 5,283
- Sunni: 3,540
- Druze: 2,497
- Christian minorities and other sects: 11,499

In the 2018 parliamentary elections, 92,446 voters cast their ballots in this district, i.e. 51.3% of the total voters. The electoral quotient was 11,300 votes and five lists competed in these elections:

- **Al-Metn Al-Qawi (Strong Metn) list:** The Free Patriotic Movement, the Tashnag, the Syrian Social Nationalist Party. It received 38,897 votes and won four seats.
- **Nabad Al-Metn (Metn Pulse) list:** the Kataeb Party. It received 19,003 votes and won two seats.
- **Al-Wafa' Al-Metniya (Metn's Loyalty) list:** Michel Murr. It received 13,779 votes and won one seat.
- **Metn Qalbou Loubnan (Metn is Lebanon's Heart) list:** the Lebanese Forces and Michel Mecattaf. It received 13,138 votes and won one seat.
- **Koullouna Watani (We Are All National) list:** Charbel Nahas and non-partisans. It received 5,027 votes, did not reach the electoral quotient and lost the elections.

### Mount Lebanon Second District (Matn)

2018 Elections



- 179,919** registered voters
- vote ratio: **51.3 %**
- 92,446** voters
- number of competing lists: **5** lists
- first electoral quotient: **11,300** votes

Al-Metn Al-Qawi (Strong Metn)

38,897 votes

Nabad Al-Metn (Metn Pulse)

19,003 votes

Al-Wafa' Al-Metniya (Metn's Loyalty)

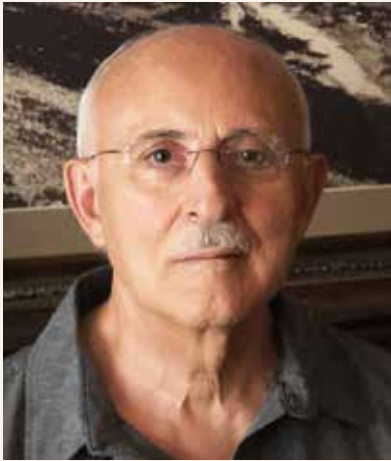
13,779 votes

Metn Qalbou Loubnan (Metn is Lebanon's Heart)

13,138 votes

<b>Elias Bou Saab</b>	<b>Hagop Pakradounian</b>	<b>Ibrahim Kanaan</b>	<b>Edgar Maalouf</b>	<b>Samy Gemayel</b>	<b>Elias Hankach</b>	<b>Michel Murr</b>	<b>Majed Abi Lameh</b>
Greek Catholic	Armenian Catholic	Maronite	Greek Catholic	Maronite	Maronite	Greek Orthodox	Maronite
<b>7,299</b> votes	<b>7,182</b> votes	<b>7,179</b> votes	<b>5,961</b> votes	<b>13,968</b> votes	<b>2,583</b> votes	<b>11,945</b> votes	<b>8,922</b> votes
				Resigned	Resigned	Deceased	





## **THE MAID** (ALPHABET VIRTUES)

By Dr. Hanna Saadah

“Instead of a slave trade, we now have a maid trade,” I protested.

“Don’t be an American fool. Tryba took good care of your mother.”

“But my mother has died and Tryba needs to return home to her people.”

“She has been your mother’s maid for forty years. She has become one of us and we have become her people. Remember Ruth?”

“Who’s Ruth?”

“*‘Entreat me not to leave thee... for whither thou goest, I will go...thy people shall be my people...’* quoth Ruth to Naomi.”

“That’s a 3500-year-old, out-of-context quote. Ruth of Moab, after her husband died, wanted to leave her homeland behind and return with her mother-in-law to Judah. Tryba has never married, has no mother-in-law, and *does* need to return to her own homeland.”

“Tryba does not want to return to her homeland. She can stay with us and take care of your Lebanese house while you take care of your American patients. You can afford \$350 per month.”

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This conversation with my 88-year-old aunt took place in 2016 in my Lebanese hometown, Amioun, just a week after we had buried my centenarian mother. After my mother’s death, my aunt became the matriarch of our family, the oldest living member of my parents’ generation, and the only one who still clung indelibly to the ethos and pathos of that era.

However, having lived 45 years in America, my own pathos and ethos had migrated from East to West, from emotional to practical, and from communal to individual.

“I need to have a conversation with Tryba,” I countered.

“Go ahead; tell her that after forty years of service to your mother, you are going to evict her, deport her, repatriate her to a land she left at the age twenty-five, a land that only lives in her memory.”

“But she’s still in contact with her family and friends and they would love to have her back. She will return with all her saved money and would forge a new life among her people. Here she will age alone whereas if she ages among her people, they will take good care of her.”

“Take good care of her? I hate to disappoint you, doctor. She no longer has family because they have all died. Her aging, schoolteacher friends are the only ones she occasionally calls. How can you be sure she would be able to find people to take good care of her?”

“Because she would be able to *pay* for good care. In Ruracolit, she would be a woman of means with forty years of savings, all in dollars.”

“Why don’t *you* come back then and forge a new life among us? Your forty-five-years-of-savings are also in dollars and you too would be able to pay for good care here.”

\*\*\*

Tryba came to us from an aboriginal community in Ruracolit, a country in the Central Drylands that has little food or work to offer. Young aboriginal women were contracted to work as live-in maids in Lebanese homes. Some were well treated and became members of the families they served. Others were abused in every imaginable way, their passports were confiscated, and under the yoke of their housemistresses, endured Sisyphean labors.

Had Tryba remained in Ruracolit, her monthly teacher's salary would have been about \$50 whereas my mother paid her \$350 per month and also took care of all her expenses. That was a contract Tryba could not afford to forfeit.

Returning home that evening with dissonant opinions vying for my favor, Tryba met me at the door with melancholy smile, for she still was grieving the death of her mistress and companion, my mother.

"I have dinner ready, Sir," she intoned, pointing to the dining room.

"Good; I'm hungry. How about you?"

"I've been waiting for you."

"It must feel different to have dinner with me instead of my mother."

"In Ruracolit, we celebrate the dead by sharing life with their progeny. Dining with you, Sir, would assuage my grief."

When Tryba pronounced the word *grief*, her countenance glowed with joy. This emotional counterpoint summoned a bemused expression to my face. While still gazing at her gleaming visage, I recalled my mother's words, "Tryba never loses her joy no matter what happens."

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At dinner, I asked Tryba if she misses Ruracolit.

"No, Sir, I don't," she affirmed with a resigned sigh. "I no longer belong to Ruracolit. Forty years of absence have changed me. I have no children, my parents have died, my relatives would not recognize me, my students are all grown and gone, and the schoolteachers who taught with me have died or retired. No one is waiting for me in Ruracolit."

"How would you occupy yourself here, now that my mother is gone?"

"I would take care of yours and your aunt's houses and help your aging aunt with her chores. I can be her companion just like I was your mother's."

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I slept with thorns that night and when I awakened, Tryba had breakfast ready.

"Oh, you must have forgotten," I teased.

"Forgotten what, Sir?"

"Forgotten that I don't eat breakfast."

"Oh, no. I do remember how you used to sip on coffee while your mother ate."

"So why did you prepare breakfast then?"

"Because it's easier to talk while we eat."

"Talk about what?"

"Talk about my situation. I know you prefer that I return to Ruracolit. Your aunt and I have talked..."

"I have changed my mind, Tryba."

"You mean you'd like me to stay?"

"Yes. This house would never be the same without you."

"That makes me very happy, Sir. But, now that your mother is gone, would you still visit us once a year?"

"Of course, dear. Parts of my heart still live here."

"Which parts?"

"Those deep, invisible parts, which sustain me."

"What parts do you mean, Sir?"

"My seventy-year-old roots."

Tryba's eyes beamed like distant lights in a soft night and her lips quivered with unsaid words as she attempted to respond but couldn't. I took a bite of my *manoushi* (thyme pizza) and waited until her face cleared its blush.

"Then I shall wait for you, Sir, just like your mother used to wait for you. All year she would count the months, then the weeks, then the days, then the hours, and then the minutes. Your yearly visits kept her alive. She

lit a candle for you every morning and, on her knees, prayed for your return. She loved seeing you live in the house she built for you. What for you was a vacation, to her was a pilgrimage.”

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The week before I returned to the US, Tryba and I had several dinners.

“Tryba,” I quipped. “What is your opinion of the Lebanese?”

“In Ruracolit, we are taught from childhood not to form strong opinions about other people.”

“But why? Forming opinions is a natural thing.”

“That’s exactly why. Forming strong opinions is also the most dangerous thing that we can do. It leads us to judge with hubris, and hubris, Sir, deludes us to think that we are the better ones when we are not. Strong opinions separate us into feuding groups, spark conflicts, incite violence, stifle goodwill, and take away our peace of mind. They make us look down on, dislike, or even hate those who look or think differently.”

“Did you learn all that in school?” I asked, unable to hide my astonishment.

“Ruracolit’s children are taught to beware of their minds because minds often mislead with strong opinions.”

“Since opinions are but the expressions of beliefs, were you also taught to beware of beliefs?”

“We were taught that beliefs are very grave matters, and we were cautioned not to believe anything without careful consideration, which included collecting evidence against our beliefs. Then we are supposed to discuss the pros and cons with our families, friends, teachers, and elders, and be ready to change our mindsets when evidence changes.”

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Tryba stunned me with her primal insights. I knew that she had taught school, but I still wanted to make sure that her advanced ideas were also her people’s ideas.

“Tryba,” I asked. “Have you ever heard of the nineteenth century romantic poet, John Keats?”

“We have poets in Ruracolit, but I am not familiar with Keats.”

“As a very young man, John Keats said, *‘The only means of strengthening one’s intelligence is to make up one’s mind about nothing—to let the mind be a thoroughfare for all thoughts.’*”

“Had John Keats ever visited Ruracolit?”

“I know he hadn’t.”

“How come he thinks like he’s one of us?”

“Because romantic poets judge life with love.”

“That’s the first commandment they teach us in Ruracolit. *‘Let love of others be the judge of your opinions about others.’*”

Then, venturing into the philosophy of enlightenment, I asked Tryba if she had heard of the philosopher, Emmanuel Kant.

“Emmanuel? That’s in the Bible, no?”

“He’s a German philosopher.”

“We did not study philosophy in school.”

“Your culture, which is more than three thousand years older than Emmanuel Kant, predates what this great philosopher said.”

“What did this great Emmanuel say?”

“He said, *‘Dare to know. Have the courage to use your own understanding. That’s the enlightenment’s motto.’*”

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My conversations with Tryba grew and I began looking forward to our dinners together. Her native wisdom was refreshing in a world where hate grows like wildfires.

“What else were you taught in school?” I asked the next day.

“We were taught that when our minds generate negative thoughts, we were not to believe our thoughts because most negative thoughts have negative consequences.”

“And how about positive thoughts?”

“We were taught to only believe the positive thoughts that come to us from Love’s Seven Commandments, not the positive thoughts that come to us from desperate desires because desires can lead us astray.”

“And what are Love’s Seven Commandments?”

*“Let love of others be the judge of your opinions about others. Always espouse an attitude of gratitude. Insist on joy. Find beauty in life. Care for earth as you would your own home. Protect earth’s creatures as you would your own children. Enjoy nature’s escort from birth till death.”*

“Did you teach these commandments in school?”

“Oh, no. These commandments were only taught at home. In school, we taught the Alphabet Virtues.”

I did not try to hide the confused expression that overtook my face when I heard Tryba, with a sparkling smile, pronounce the words *Alphabet Virtues*. Unwittingly, I suspended my loaded fork in midair, then, putting it back on my plate, I asked, “What on earth are Alphabet Virtues?”

Tryba grinned, took in a deep breath, and with the fluency of a child, proudly recited the Alphabet Virtues:

*‘Be — artistic, beautiful, cheerful, diligent, empathetic, forgiving, generous, healthy, industrious, just, kind, loving, moderate, natural, orderly, peaceful, quiet, respectful, simple, thankful, understanding, valiant, worthy, xenophilic, youthful, and zealous.’ ”*

Intrigued, I asked, “How could you remember all that?”

“I follow the alphabetical order. All virtues are adjectives, and all adjectives must begin with a letter. This ancient tradition of Ruracolit, memorized by all school children, is perpetually modernized as new virtues are added onto the already used letters.”

“Please tell me more.”

“For example—C also represents: Clean, Contented, Creative, Compassionate, Courteous, Courageous, Calm, Competent, and Circumspect. E: Ethical, Enlightened. F: Friendly, Free. G: Gentle, Good. H: Humble, Honest. I: Inquisitive, Imaginative. J: Joyful. K: Knowledgeable. L: Loyal. M: Merciful, Meek. O: Open-minded. P: Powerful, Patient. R: Reflective, Realistic, Responsible. S: Studious, Skeptical, Sensitive. T: Tolerant, Thoughtful, Tactful. W: Wise. And on and on, the list grows and grows.

“Year after year, until they graduate, our students delve deeper and deeper, into this growing proces-

sion of Alphabet Virtues. They compete in analyzing the virtues and in discovering new ones. In the last class, which I taught forty years ago, one of my graduating students discovered a new virtue, which he called Borderless. He explained that virtues know no Borders because they are universal. True virtues unite people rather than separate them and being Borderless should be the measure of all true virtues.”

“The year before, one of my junior students came up with a new virtue, which he called Brainy. He elaborated that being Brainy implies not blaming those who behave badly because they are obeying their badly developed brains. In fact, witnessing bad behavior should remind us to be grateful for having been spared badly behaving brains and should help us feel more empathy for those who have been saddled with badly behaving brains and are thus destined to endure the consequences a life marred by bad behavior.”

“One of our older teachers, noting that our students were vigorously competing at becoming exceptional, conceived a new virtue, which he hoped would temper their unhealthy competition. Be ordinary, he taught. Ordinary folks are the blood and breath of society, its measure of joy, its future, and its destiny.”

That night, I reflected on our Bible’s Ten Commandments. Only the third and fourth commandments are positive: *“Thou shalt keep the Sabbath Day holy. Thou shalt honor father and mother.”* The other eight are thou-shalt-not admonitions and none of them teach us how to live. On the other hand, Tryba’s alphabet teaches virtues to school children, providing them with profound insights on how to live peaceful, meaningful lives.

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The more I got to know Tryba, the more intrigued I became at her all-encompassing compassion and countless cultural virtues. I had never asked her about her religion because she seemed to observe our Christian Orthodox rites, accompanied my mother to church on Sundays, and celebrated our religious Holy days as if they were her own.

At our last dinner, she was most eager to serve me my favorite meal, *Mujaddara* (a lentil and rice dish) and *Hindbi* (cooked dandelion greens). I was hesitant

about broaching the religion topic until she introduced my favorite meal with this remark.

“With blood-stained hands we eat meat, but with unstained hands we eat plants.”

“Are you vegetarian?” I ventured.

“It’s part of our religion. We sanctify sentient life.”

“Tell me more about your religion.”

“We are Earthans. We believe that God created the vast universe and granted us this very minute Earth to live on. As temporary tenants, we must live with gratitude on God’s little Earth, keep it tidy, clean, unpolluted, and never desecrate it by killing.”

“How do you worship?”

“We celebrate God’s gift by singing, dancing, exercising, loving each other, finding beauty in nature, promoting the arts, working hard, and staying joyful regardless of circumstances because our virtues leave us no room for sad or bad feelings.”

“How can you choose to stay with us when you have such a rich, righteous culture back home.”

“Because, unlike you, my culture lives in my heart and goes with me wherever I go.”

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On my way back to Oklahoma, I had enough flying time to reflect on Tryba’s cultural wisdom, inveterate joy, and poignant teachings. One after one, modern sayings, which upheld Ruracolit’s ancient worldview, scrolled across my mental screen.

*“It’s a very ancient saying; But a true and honest thought; That if you become a teacher; By your pupils you’ll be taught,”* said Anna in Roger & Hammerstein’s *The King and I*.

Teaching universal human virtues to impressionable school children is one good way to integrate all human societies into one, globally responsible network. Teaching universal virtues encourages international cooperation and peace because, as Tryba instructed, human virtues are borderless and wield a uniting rather than a dividing influence.

*“A teacher affects eternity; he can never tell where his influence stops,”* said Henry Adams.

Global pollution occurs at five fronts—air, water, land, cyber space, and mental space. Having the freedom to transmit divisive ideas electronically pollutes the collective mental space, whereas teaching universal virtues unites and enlightens humanity.

*“A great many people think they are thinking when they are merely rearranging their prejudices,”* said William James.

We can only think with what we think we know. And what we think we know is what feeds our biases and formats our opinions. If we could, instead, think with our universal virtues, we could nurture universal values, which would transform us from self-centered, border-bound societies to open-minded, borderless societies that share collective responsibility for planetary health and peace.

*“No man is an island entire of itself; every man is a piece of the continent, a part of the main... Any man’s death diminishes me, because I am involved in mankind. And therefore, never send to know for whom the bell tolls; it tolls for thee,”* said John Donne.

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Progress and pollution mate

Let them not decide our fate

Let our joy come quench our thirst

Let our Planet Earth come first

Let’s not let our bubble burst.





## “KLILEH”: A VILLAGE WITH UNPAVED ROAD

Klileh is a small village in the Qada'a of Chouf. What sets it apart from other Lebanese villages and towns is the unpaved road that links it to the nearby villages, thus making it inaccessible, especially in winter.

### Etymology

There are several theories behind the name “Klileh”.

- It may mean ‘a group of people’.
- It may have originated from the Syriac word “Kaleela”, meaning the wedding wreath.
- But most likely, it is derived from the Arabic word “Iklil Al-Jabal” (rosemary), a wild herb that was abundant in the village.

### Location

Klileh is located in the Qada'a of Chouf. It is 40 Km from Beirut, at an altitude of 950 m above sea level. The village may be reached through the following route: Beirut-Khalde-Naameh-Damour-Kfar Matta-Klileh.

### Population and Houses

Klileh has 31 houses, of which only 10 are inhabited. Its registered population is estimated at about 200 people belonging to the Maronite sect, but only 20 are residents as the village was destroyed during the 1976 war.

### Voters

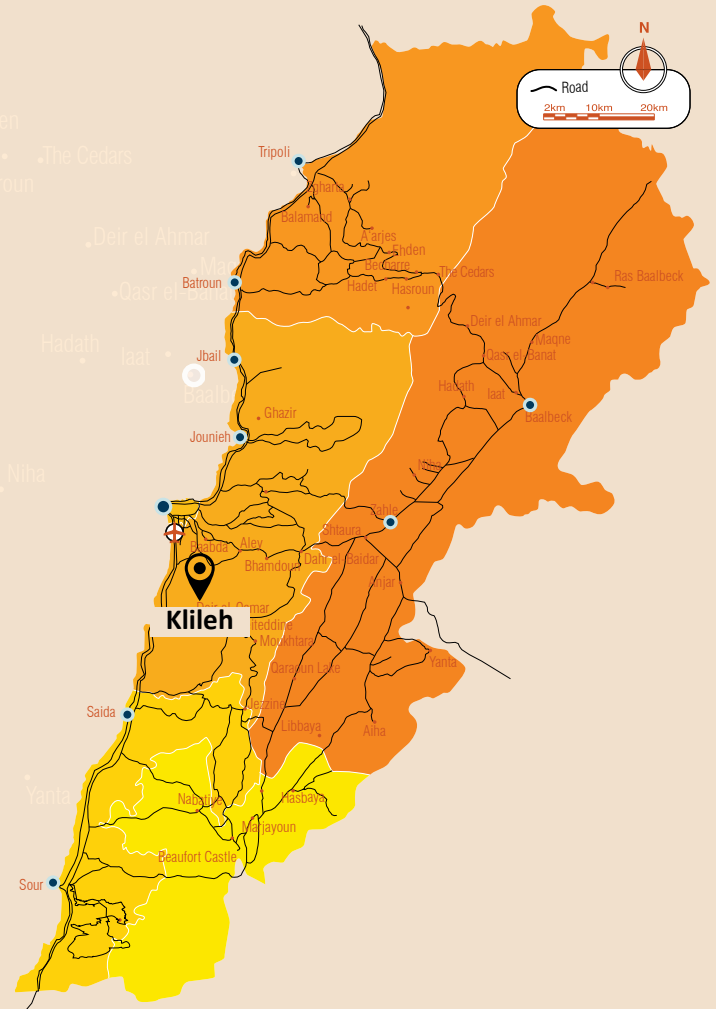
Registered voters totaled about 120 in 2000. Their number rose to 128 in 2009 and 136 in 2018, with 43 casting their ballots.

Voters are distributed over the following families:

- Nahed: 80
- Bou Nader and Abou Nader: 31
- Mouawad: 13
- Assmar: 7
- Aoun: 5

### Local Authorities

Klileh has no educational, economic or health institutions. The local authority is vested in a mukhtar and a two-member ikhtiyariyah body.



## RAIHAN FAMILIES

### “Shia'a” majority in Kfarsir

#### Etymology

Al-Raihan (basil), which is a fragrant herb that is used in cooking, garnishing and treating various diseases, is also the name of some Lebanese families. We do not know the origin behind this name, but it is likely that the family members had worked in the cultivation of basil.

Although Raihan families are dispersed in various Lebanese regions, the majority (80%) are Shiite and about half of them are from Kfarsir, Nabatieh.

#### Family members

Raihan family members total about 817. They are distributed by region and sect as follows:

##### Shia'a: 661 members

- Kfarsir (Nabatieh): 330
- Babliyah (Zahrani): 85
- Bachoura (Beirut): 91
- Nabatieh- Hay El-Bayad: 49
- Zoqaq El-Blat: 11
- Mayfadoun (Nabatieh): 46
- Yohmor (Nabatieh): 49

**Sunni: 10 members** in Bab El-Tabbaneh

##### Maronite: 120 members

- Rmeil (Beirut): 22
- Mazra'a (Beirut): 29
- Deir El-Qamar (Chouf): 69

**Greek Orthodox: 15 members** in Sour

# AN INTRODUCTION TO THE HISTORY OF RELIGION

KUTUB Ltd. has recently published a book entitled “*Madkhal Ila Tarikh al-Diyanat*” (An Introduction to the History of Religion), by the Lebanese Historian Dr. Hassan Salameh Sarkis. This book, consisting of seven chapters, seeks to highlight the religious concepts and commonalities. It also raises questions in respect to religions and outlines the beliefs and practices that remain deeply entrenched in societies despite cultural developments and religious changes.



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