

I. Objective of the Bulletin

The Ministry of Finance published the first issue of this bulletin the Ministry of Finance in February 2011. It aims at monitoring on a monthly basis the evolution of the salaries, wages and related benefits paid by the Treasury¹ to all public sector employees working for the Central Government².

II. Salaries, Wages and Related Benefits in 2011

Salaries, wages and related benefits represent the largest component of primary spending, reaching 36 percent in January-March 2011.

Table 1. Breakdown of Article 13 - Salaries, Wages and Related Items

(LL billion)	Basic Salaries		Indemnities 5/		Allowances 6/		Other 7/		Total	
	2010 Jan-Mar	2011 Jan-Mar	2010 Jan-Mar	2011 Jan-Mar	2010 Jan-Mar	2011 Jan-Mar	2010 Jan-Mar	2011 Jan-Mar	2010 Jan-Mar	2011 Jan-Mar
Military Personnel	371	534	18	18	163	228	1	1	554	781
• Army	248	360	12	12	97	156	0	0	357	528
• Internal Security Forces 1/	98	138	5	5	54	58	0	0	158	201
• General Security Forces	20	28	1	1	9	11	1	1	30	40
• State Security Forces 2/	5	8	0	0	3	4	0	0	9	13
Education Personnel	131	148	14	15	0	0	0	0	146	163
Civil Personnel 3/, of which:	84	71	14	18	1	2	49	18	148	109
• Employees Cooperative							40	10	40	10
Customs Salaries 4/									9	9
Total	583	753	47	51	164	229	50	19	857	1,062

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

1/ Includes allowances payments made to Internal Security Forces from Guarantees account,

2/ Includes allowances payments made to State Security Forces from Guarantees account,

3/Includes salaries payments made to Ministry of Public Health from Guarantees account.

4/Includes salaries and wages and indemnities payment from guarantees account but excludes payments for allowances which are made from Customs Cashiers and can only be reclassified once Customs has sent the supporting document to the Directorate General of Finance. Battlefield indemnity in March 2011 paid to Customs officers were included as well.

5/Includes payments for family, transportation, overtime as well as various indemnities.

6/Includes payments for maternity and sickness, marriage, birth, death, hospital, education, medical and various social allowances.

7/ Other includes payments for bonuses, contributions to various public sector mutual funds and contribution of the State as an employer for the National Social Security Fund.

¹ The payments are made from the budgetary allocations classified under Article 13 of the budget economic classification.

² The composition of what is included in the Article 13-Salaries, Wages and Related Benefits figures and what is excluded is explained in our February 2011 issue which can be found on our website www.finance.gov.lb.

III. Salaries, Wages and Related Benefits in 2011 in comparison with 2010

Payments in QI 2011 for salaries, wages and related benefits reached LL 1,062 billion, increasing by LL 205 billion compared to QI 2010 at LL 857 billion, as a result of the following factors:

- ▶ *a LL 170 billion increase in basic salaries* from LL 583 billion in QI 2010 to LL 753 billion in QI 2011, mainly driven by higher payments to the military and security forces (+LL 163 billion) and the education personnel (+LL 17 billion), which was partially offset by a decrease in payments to civil personnel (-LL 13 billion),
- ▶ *a LL 4 billion increase in indemnities* from LL 47 billion in QI 2010 to LL 51 billion in QI 2011 as a result of higher payments to civil (+LL 4 billion) and education (+LL 1 billion) personnel and,
- ▶ *a LL 65 billion increase in allowances* from LL 164 billion in QI 2010 to LL 229 billion in QI 2011, mainly as a result of higher payments to the Army (+LL 59 billion) and the Internal Security Forces (+LL4 billion).

The overall increase registered in January-March 2011 was partially offset by a LL 31 billion decrease in “other³”, as only a LL 10 billion transfer was made to Civil Servants Cooperative in January-March 2011 compared to LL 40 billion during the same period of 2010.

³ Other includes (i) payments for bonuses, (ii) State contributions to the Civil Servants Cooperatives, (iii) State contributions to the Mutual Funds covering Member of Parliaments, employees of the Lebanese Parliament, judges, judges’ aides and Islamic tribunal judges and (iv) State contributions (as an employer) to the National Social Security Fund public sector employees that are not covered by the Civil Servant Cooperative and the Mutual Funds.