STRICTLY CONFIDENTIAL

7 APRIL 2020

LEBANESE REPUBLIC

THE LEBANESE GOVERNMENT'S REFORM PROGRAM

الجمهورية اللبنانية
وزارة المالية

Preliminary Comments

- This document is the result of a joint effort by the Prime Minister Office, The Ministry of Finance and the Republic's financial advisers' team over the last month to devise a credible and comprehensive strategy to tackle Lebanon's deep-seated macro-economic and financial crisis

- It is aimed at restoring confidence, boosting economic growth, promoting a healthy financial system and achieving public finances sustainability in Lebanon

- It is still *<u>subject to the Government's key strategic policy decisions</u>, in particular regarding the potential intervention of the IMF for financial support*

1. Overview of the Macroeconomic Framework

Lebanon is going through an unprecedented economic crisis

1

A long history of excessive reliance on FX inflows to cover persisting current account deficits and failed attempts to execute credible economic policies have led to accumulation of very larges imbalances

- ✓ Large **external imbalances** exacerbated by recent sudden stop of FX inflows
- ✓ A critically low and rapidly declining level of **FX reserves**
- ✓ A widening gap between the official and the **parallel FX rates**
- ✓ A deep-seated economic crisis with **large GDP contraction** and rapidly deteriorating **social indicators**
- ✓ Unsustainable **public finances**
- ✓ An oversized and critically impaired **banking sector,** including the **Central Bank**
- ✓ **Social discontent** that has led to the popular uprising erupted on October 17

Lebanon needs external support to overcome the crisis and to better navigate the negotiations with bondholders

1

A recovery scenario without involving the IMF is hardly conceivable in the current circumstances

ALTERNATIVE SCENARIO A : HOMEGROWN PROGRAM WITH EXTERNAL ASSISTANCE FROM A BILATERAL FRIEND WITHOUT CONDITIONALITIES	ALTERNATIVE SCENARIO B : PROGRAM WITHOUT EXTERNAL ASSISTANCE
• No return of confidence • Capital controls remain in place for a prolounged period of time • Development of a distorting parallel FX market • CEDRE funds are not disbursed: no investment • No cleaning of the banking sector: embeded losses are left for future generations • Protracted default situation and long-term exclusion from international markets • Monetary financing, leading to high inflation	• Large import contraction leading to severe and spiraling economic recession • Rise of unemployment, poverty and inevitable shortages of basic goods • Explosion of the parallel rate, loss of confidence in the Lebanese pound • High level of monetary financing, risk of hyperinflation • Collapse of the banking sector • Protracted default and exclusion from international markets
➡ *Same situation few years from now will lead to IMF intervention (cf. Egypt), perhaps too late…*	➡ *Risk of a complete collapse of the economy (cf. Venezuela)*

The Government entertains a “soft approach” to IMF conditionalities by putting forward its own plan

1

This Plan is a good starting point for discussions with IFIs

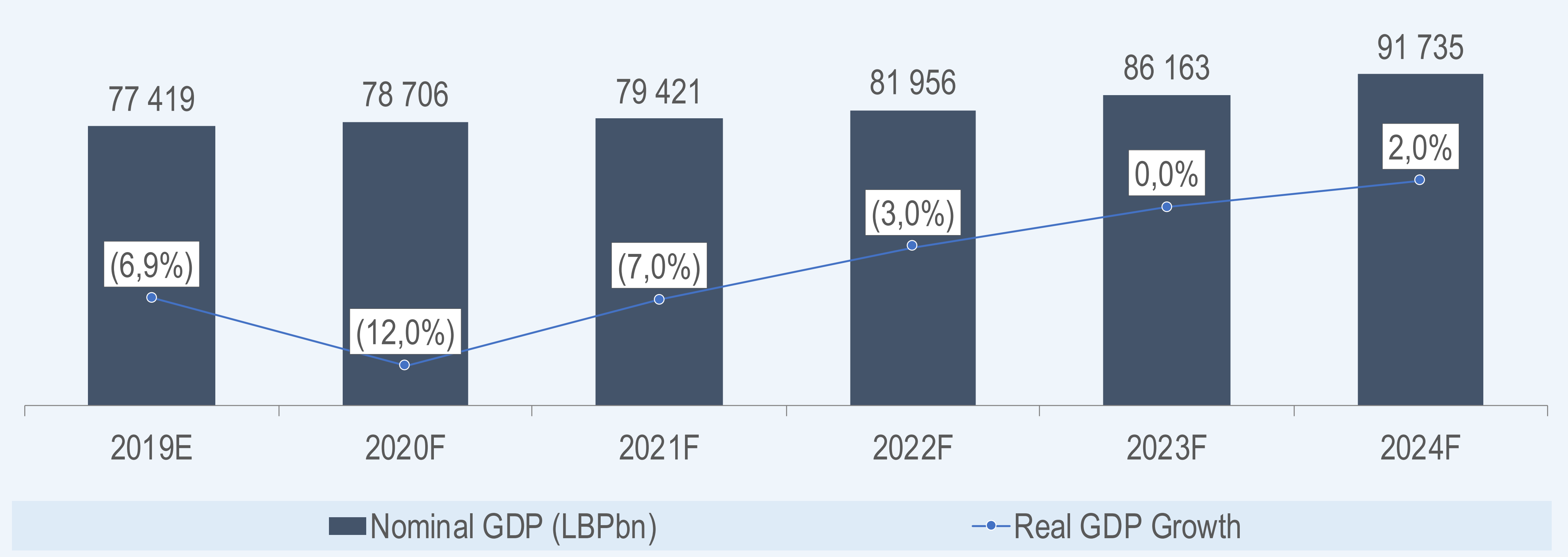
	IMF *a priori* scenario	Government scenario
Fiscal	Primary surplus target of 4-5% excl. CEDRE and 2% incl. CEDRE	Primary surplus target of 3.4% excl. CEDRE and 1.6% incl. CEDRE
Debt restructuring	Objective of 60%-80% debt-to-GDP in 2025	Objective of 90% debt-to-GDP in 2027
BdL balance sheet	Negative equity: US$0 billion Untangling banks deposits	US$5 billion (i.e. 15% of GDP) US$60 billion bank deposits carried over
FX devaluation	Upfront devaluation of at least 25% followed by a floating regime	First devaluation within 1 year, i.e. after starting the implementation of reforms and the restructuring of the banking sector to avoid overshooting effect, followed by a managed float regime leading to an estimated 50% depreciation by 2024
Structural Reforms	Full package of reforms	Targeted on CEDRE commitments

Overview of the Macro Framework Underpinning the Government's Reform Plan *(cont'd)*

The Government's plan revolves around a baseline projected macro-framework over a 5-year horizon

1

PROJECTED GDP GROWTH TRAJECTORY[(1)]



Sources: Lebanese Authorities

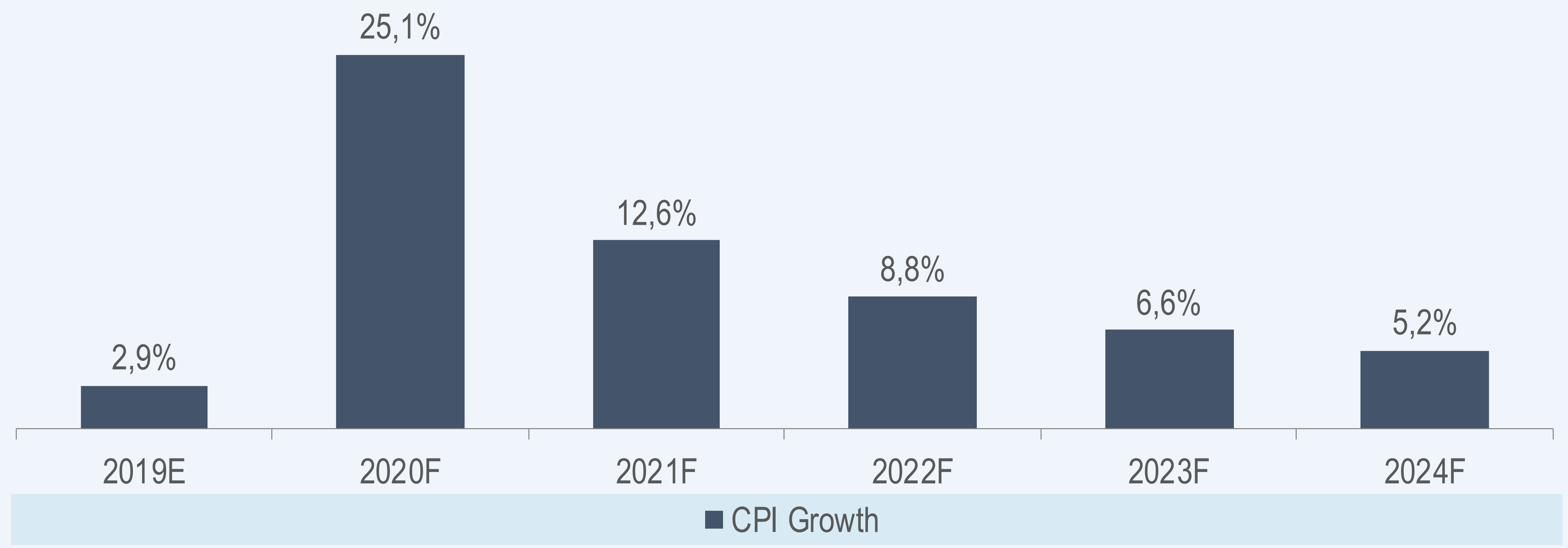
(1) COVID-19 outbreak in Lebanon is not taken into account in the projected GDP trajectory but its impact is expected to be minimal at best given the current state of the Lebanese economy

Overview of the Macro Framework Underpinning the Government's Reform Plan *(cont'd)*

The Government's plan revolves around a baseline projected macro-framework over a 5-year horizon

2

PROJECTED INFLATION PATH



Sources: Lebanese Authorities

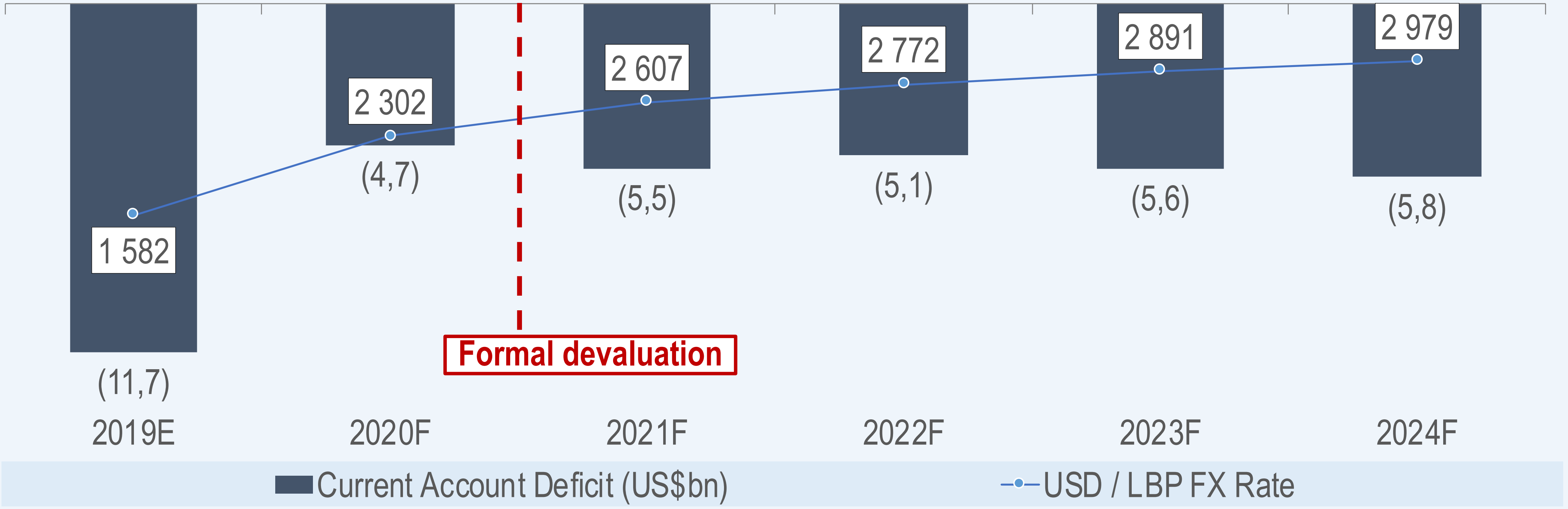
Overview of the Macro Framework Underpinning the Government's Reform Plan *(cont'd)*

The Government's plan revolves around a baseline projected macro-framework over a 5-year horizon

3

PROJECTED CURRENT ACCOUNT DEFICIT AND FX RATE

Implies a c. 40% formal devaluation in 2021 (12% extra depreciation vs 2020 "effective" rate) followed by a deflator differential-based depreciation going forward (managed float regime) to reach an estimated 50% depreciation by 2024



Sources: Lebanese Authorities

2. Building Blocks of the Government's Plan

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Building Blocks of the Government's Reform Plan

The Lebanese Government's Reform Program will revolve around six main building blocks:

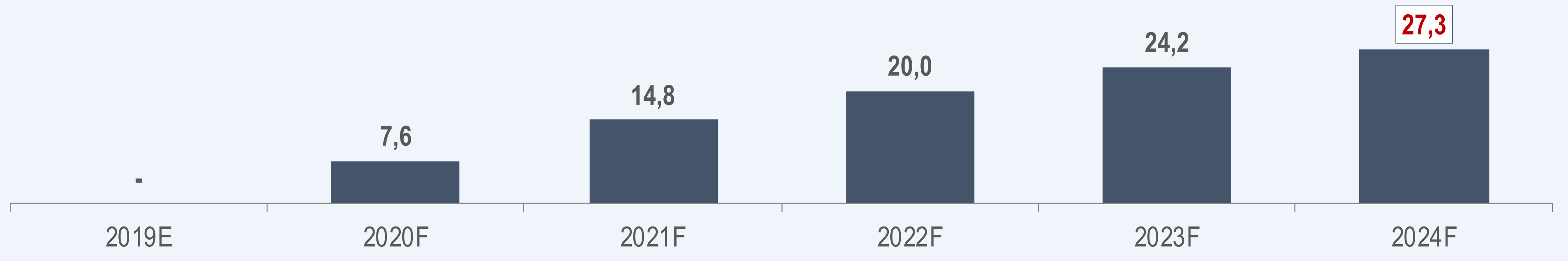
1. External Support
2. Fiscal Consolidation
3. Public Debt Restructuring
4. Overhaul of the Financial Sector
5. Structural Reform Agenda
6. Foreign Exchange Regime Adjustment

1 **External Support** – ***Backstopping the Recession and Smoothening the Transition***

2

External support, in the form of financial commitments but also in support of the Government reform program, is urgently needed to limit the size of the economic contraction and restore confidence in Lebanon

CUMULATIVE EXTERNAL FINANCING NEEDS (US$BN)



TO BE FUNDED BY:

- **Bondholder relief in the context of the Eurobond restructuring** ***– c. US$15-18 billion***
- **External support (CEDRE, IMF normal/exceptional access, other multi/bilateral institutions)** ***– US$10-15 billion***
- **Gradual re-access to international capital markets from 2022-2023 onwards**

Sources: Lebanese Authorities

1 External Support – *Backstopping the Recession and Smoothening the Transition* (cont'd)

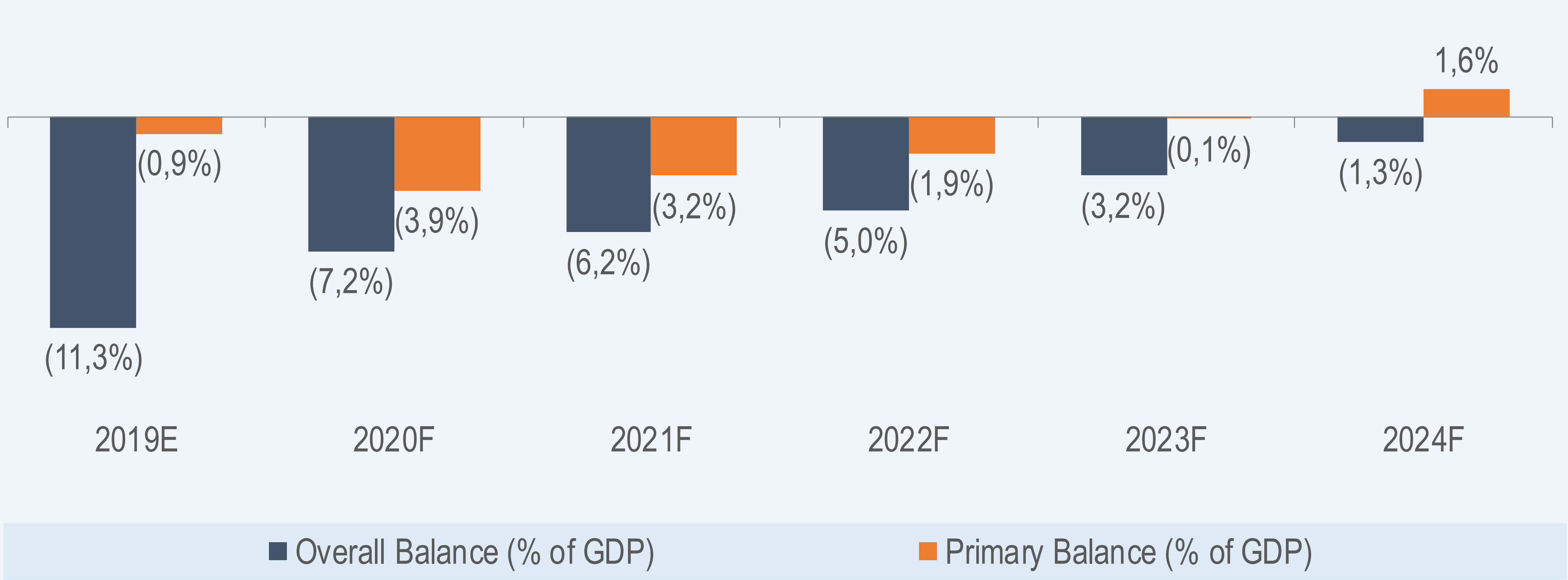
KEY CONSIDERATIONS

- External support in the form of a program supported by international multilateral institutions is expected in such situation and constitutes a realistic and efficient way of restoring confidence
- The donor and lender community is unanimously telling us that a multilateral assistance to Lebanon would catalyze additional external financial support, in the framework of CEDRE and beyond, and would also help achieve a successful public debt restructuring
- A Lebanese recovery plan outside of an IFIs-backed program that would not tackle all the imbalances inherited from the past would fall short of the main objective of giving a fresh start to the Lebanese economy while putting it on a viable long-term trajectory

2

Fiscal Consolidation Plan – *Putting the Public Finances Back on Track*

PROJECTED BUDGET BALANCE



Note: above projection assumes a US$0.3 billion disbursement of CEDRE funds in 2021 and US$0.6 billion per year from 2022 to 2024

Sources: Lebanese Authorities

2

Fiscal Consolidation Plan – *Putting the Public Finances Back on Track* (cont'd)

IMPACT OF THE FISCAL CONSOLIDATION MEASURES (SUMMARY)

as a % of GDP, unless otherwise stated	Estimate	Projections				
	2019	**2020**	**2021**	**2022**	**2023**	**2024**
Total Revenues (without measures)	21.5%	16.9%	16.3%	16.5%	16.3%	16.3%
Impact of Revenues Measures (p.p.)	-	0.7	2.3	3.3	3.9	4.1
Total Revenues (with measures)	21.5%	17.7%	18.7%	19.9%	20.3%	20.5%
Total Primary Expenditures (without measures, excl. CEDRE)	22.4%	21.5%	21.6%	21.5%	21.1%	20.4%
Impact of Expenditures Measures (p.p.)	-	0.5	2.2	3.2	3.9	4.5
Impact of SSN package	-	(0.7)	(1.3)	(1.3)	(1.2)	(1.2)
Total Primary Expenditures (with measures, excl. CEDRE)	22.4%	21.6%	20.8%	19.8%	18.5%	17.1%
Primary Balance (without measures, excl. CEDRE)	(0.9%)	(4.5%)	(5.3%)	(5.1%)	(4.8%)	(4.1%)
Primary Balance (with measures, excl. CEDRE)	(0.9%)	(3.9%)	(2.1%)	0.1%	1.8%	3.4%
Implied Fiscal Consolidation Impact	-	0.6	3.2	5.1	6.6	7.5

Note: cf. Appendix for measure-by-measure expected impact

Sources: Lebanese Authorities

2 Fiscal Consolidation Plan – *Expenditure Side*

- **Electricity sector reform**
- **Measures targeted at the wage bill reduction**
  - Freeze of headcount of military personnel, promotions conditioned to empty positions
  - Reduction of the number of contractuals (5% p.a. over 5 years)
  - Nominal freeze of salaries
  - Freezing on the new hiring of public employees
  - Revision of the package of benefits for high-ranking military
- **Pension reform**
  - Revision and proper implementation of measure "number 3" related to military retirement
  - Abolishment of the early retirement scheme
  - Revision of the reversionary pension rules to widows and children
  - Revision of the rules for transfer of familial allowances after death
- **Reduction of transfers to other SOEs and Public bodies**
  - Rationalization and reform of Lebanon's public entities
  - Re-negotiation with NSSF of the arrears clearance schedule and interest charge
- **Reduction in domestically financed capital spending**
- **Other expenditure reduction measures**
  - Reduction of school allowances
  - Unification of allowances for all public sector employees
  - Rationalizing of other current expenditures to limit waste
- **Introduction of safety nets (LL1,055 billion p.a.)**

Note: cf. Appendix for measure-by-measure expected impact

Sources: Lebanese Authorities

2 Fiscal Consolidation Plan – *Revenues Side*

- **Broadening the tax base**
  - Improving customs collection
  - Improvement in the collection of VAT
  - Removal of profits and capital gains tax exemptions for holdings and offshore companies
  - Removal of certain VAT exemptions
  - Strengthening tax revenue administration
- **Increasing tax**
  - Increase in corporate tax rate from 17% to 20%
  - Increase from 10% to 20% of the tax on interest income on deposits above US$1 million
  - Increase of income tax for high salaries (from 25% to 30%)
  - Increase of income tax on capital gains from 10% to 15%
  - Increase of VAT on luxury goods from 11% to 15%
  - 25,000 LL price cap on gasoline
  - Introduction of 1000 LL excise on gas oil
- **Other revenue increasing measures**
  - Introduction (or enforcement) of licensing fees on quarries and crushers
  - Transfer of traffic penalties to the treasury
  - Vehicle inspection fees
  - Port Of Beirut
  - Enforcing fines on illegally built maritime and wild and river properties
  - Recovery of stolen assets

Note: cf. Appendix for measure-by-measure expected impact

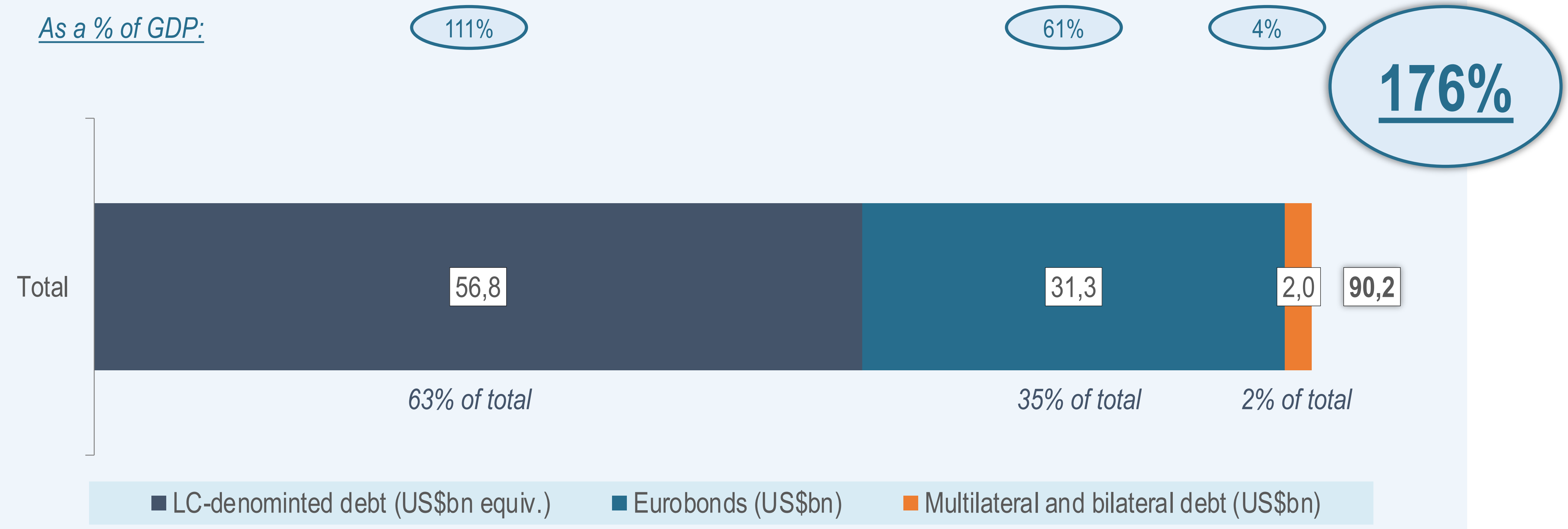
Sources: Lebanese Authorities

3

Public Debt Restructuring – *Tackling Lebanon's Unsustainable Level of Indebtedness*

2

OUTSTANDING GOVERNMENT DEBT STOCK *(AS OF 31 DECEMBER 2019)*

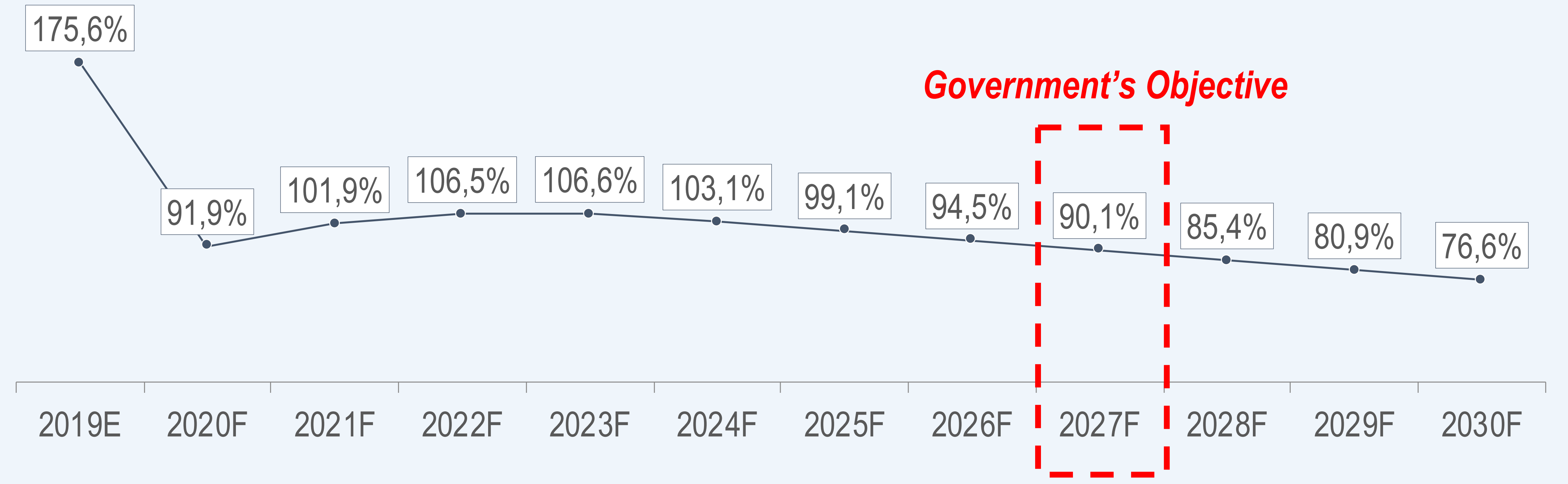


Note: US$113 billion of financial sector deposits held at BdL will need to be taken into account when dealing with the issue of tackling public sector liabilities

Sources: Lebanese Authorities, Bloomberg

Public Debt Restructuring – *Tackling Lebanon's Unsustainable Level of Indebtedness* (cont'd)

PROJECTED PUBLIC DEBT-TO-GDP TRAJECTORY *(POST RESTRUCTURING)*



Illustrative parameters: include nominal reductions on LC and FC debt; no nominal reduction for multilateral and bilateral debt

Sources: Lebanese Authorities

Notes: (i) Debt figures may be understated as it does not take into account BdL's debt nor the portion of external support package that is meant for pure BoP support instead of budgetary support. The methodology will be further discussed and negotiated with international partners; (ii) Restructuring does not exclude as of yet the LC denominated debt held by protected entitles such as the social security fund and insurance companies

3 Public Debt Restructuring – *A three-pronged Approach*

1. Suspending principal and interest payments on Eurobonds to prevent further depletion of the official FX reserves and engage good faith discussions with Eurobonds holders

2. The rollover of domestic debt principal maturities and the ongoing payment of interest due (except for BdL), albeit at a reduced rate, until a negotiated solution is achieved

3. Remaining current on debt service payments to multilateral partners and bilateral partners

4 Overhaul of the Banking Sector – *Supporting the Rebound of the Lebanese Economy*

- Establish a framework for loss absorption, including through bail in mechanisms above certain thresholds
- Develop a more granular framework on a bank-by-bank basis
- Perform an AQR of the Lebanese banking sector at large
- Adjust the equity of banks and BdL after recognizing asset impairment and assessing quantum of remaining losses
- Recapitalize selected banks through a bail-out and/or a deposit bail-in
- Other banks to be liquidated, resolved or merged

4 Overhaul of the Banking Sector – *Focus on BdL losses*

2

Immediate recognition of BdL past accumulated losses

BdL assets impaired

Government debt restructuring

Government securities portfolio held by BDL impaired

Total losses of US$64 billion

Current capital base of US$4 billion

Impairment of liabilities by US$55 billion

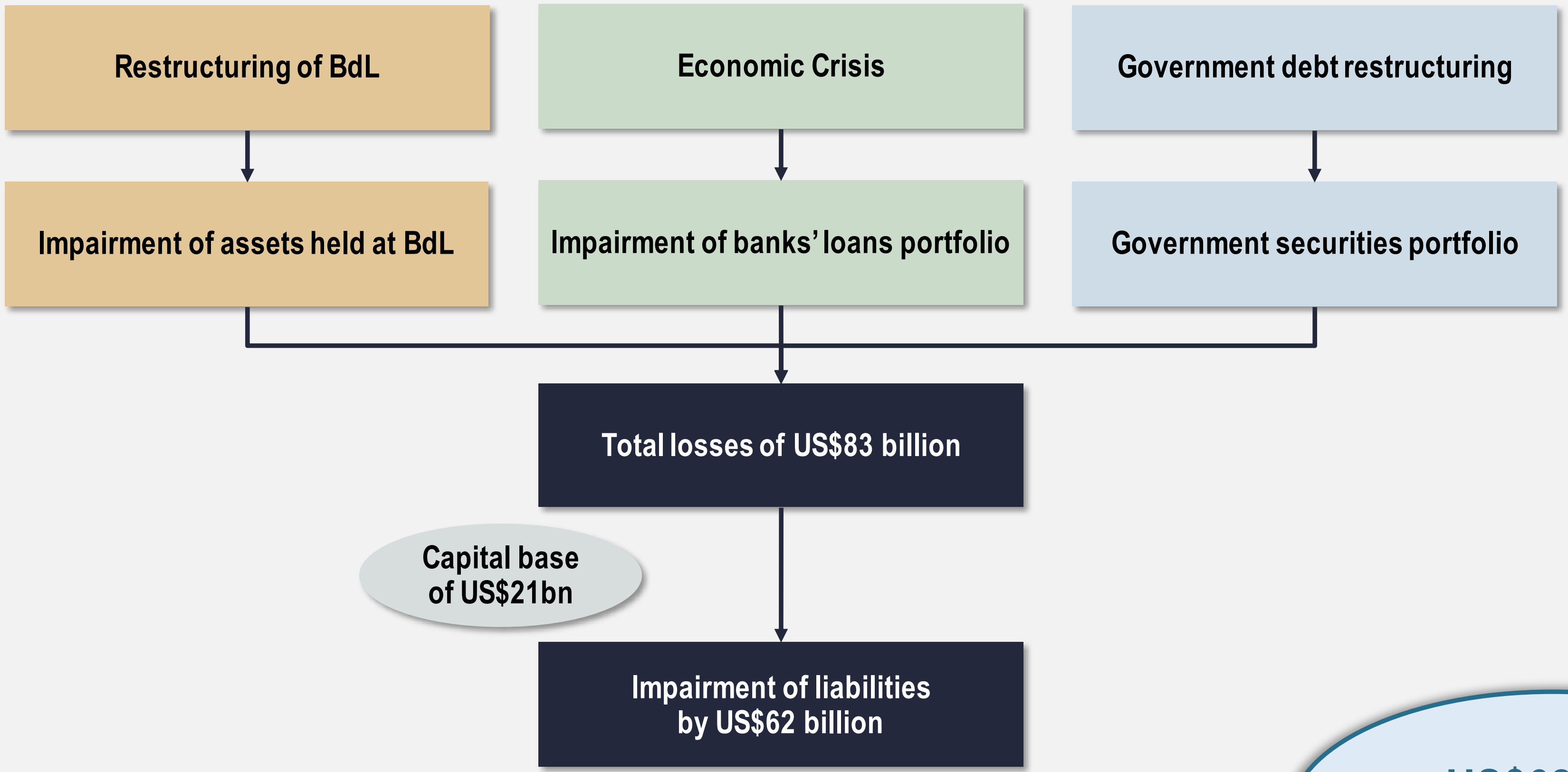
Target equity position of minus US$5 billion

Note: Excludes losses from devaluation or required recapitalization of the banks

Note: Figures as of 31 March 2020

Sources: Lebanese Authorities

4 Overhaul of the Banking Sector – *Assessing Total Losses*



Note: Excludes losses from devaluation or required recapitalization of the banks

c. US$62 billion losses(1)

Note: Figures as of 28 February 2020
Sources: Lebanese Authorities
(1) Preliminary figure based on optimistic assumptions

4 Overhaul of the Banking Sector – *Protecting Depositors*

- **The sizeable restructuring needed to restore the soundness of the financial sector implies significant losses**
- **Injection of fresh capital into the banking sector will be limited by the expected future profitability of the commercial banks going forward**
- **Any remainder will have to be borne at least partially by depositors, through a bail-in or otherwise**
- **Instead of outright impairments of deposits, selected private sector deposits could be transferred from the banks into a dedicated deposit recovery fund.** The authorities would establish a framework to transfer deposits : small deposits would remain in banks and only a portion of large deposits could be transferred to the recovery fund
- **This will automatically size down commercial banks' balance sheets**
- **The depositors would be offered an interest in the recovery fund, making them entitled to receive a stream of revenue over time, up to a limit to be determined.** The authorities would allocate previously identified revenues to funds, e.g. stolen funds retrieved by way of anti-corruption strategy, potential privatization proceeds, a portion of future gas revenues…

4 <u>Overhaul of the Banking Sector</u> – *Designing the Banking Sector of Tomorrow*

- Downsize and limit the number of institutions in the market
- Downsize the balance sheet of BdL and refocus its essential activities
- Reduce the banks’ exposure to the sovereign and break the negative feedback loop between banks, BdL and the government
- Refocus the banks’ role on the financing of the Lebanese real economy
- Revamp the governance of regulatory institutions and require banks to adhere to international reporting standards

5 Growth-Enhancing Structural Reforms – *Creating a Conducive Environment for Growth*

- **The reform measures the Government will be implementing aim at creating a competitive business environment**, attracting investment and increasing productivity to provide fertile ground for private sector activity
- **With regard to combating corruption, the government will take credible and visible immediate measures to fight corrupt practices, recoup stolen assets and strengthen the anti-corruption legal infrastructure**
    - *Parliament is expected to adopt a legislation for the establishment of a National Anti-Corruption Commission*
- **The Government will accelerate overdue sectoral reforms** with a focus on electricity, water, waste management, education and health
- **The Ministry of Finance has already prepared the modernization of the land administration system and laid out a comprehensive strategy for customs reforms**
- **The judiciary system's governance will be approved**, in particular through amending the law to ensure that judges are elected by judges to key positions, and that a firewall is installed between judges and political and administrative positions
- **The Government will promote inter-ministerial work to secure efficiency and cost control**

Sources: Lebanese Authorities

5

Growth-Enhancing Structural Reforms – *Backlog of Laws*

- Public procurement law
- Competition law
- Abolishment of exclusive agencies
- Labor law
- Implementing decrees for the e-transaction
- Laws related to
  - *facilitation of secured lending,*
  - *institutionalization of judiciary mediation,*
  - *revision of the insolvency law,*
  - *establishment of a legal framework for insolvency practitioners*

- Implementation decrees for the law on judicial intermediation
- Customs strategy and law
- PPP regulations
- Law for independence of Judiciary Body
- Waste framework
- Appointment of the Electricity Regulatory Authority
- Conduct a credible 2021 budget exercise within the legal deadlines
- Water code law
- Air quality law
- Code of commerce

Sources: Lebanese Authorities

6 Foreign Exchange Regime Adjustment – *Rebalancing the Economy with a Devaluation*

The existing dual exchange rate is not suited for the long-term recovery of the Lebanese economy, because of its distortionary nature and the limited availability of FX resources in the parallel market

KEY CONSIDERATIONS

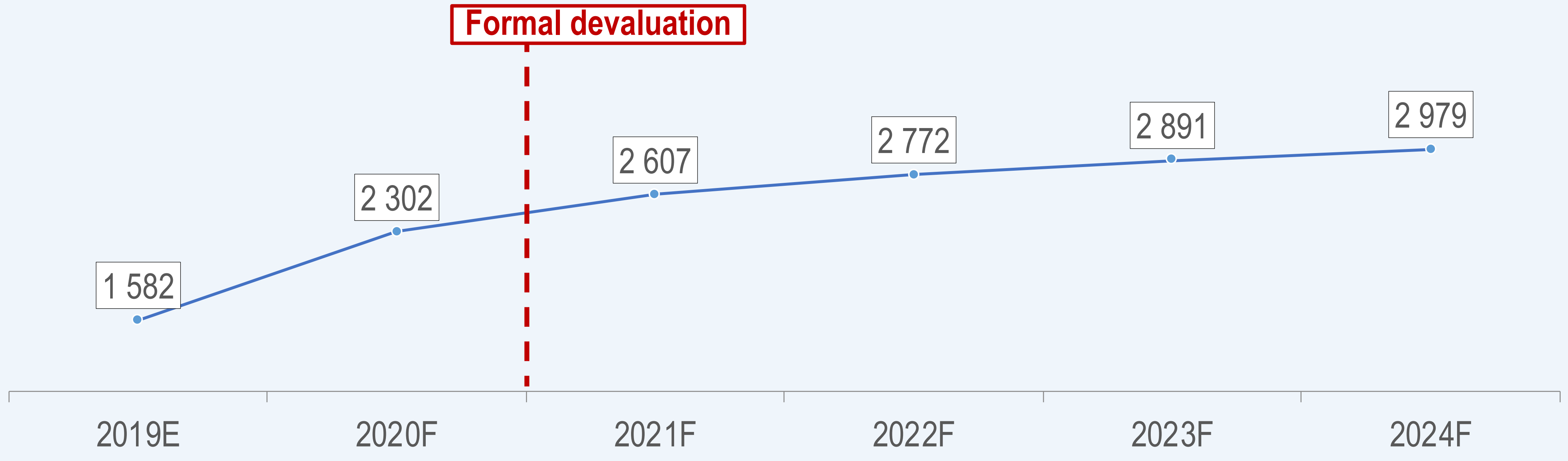
- The current sudden-stop in inflows that used to finance large current account deficits in the past now exerts heavy pressure on BdL FX reserves and triggered a continuous depreciation of the pound in the parallel FX market
- The widening gap between the official and parallel rates – currently around 40% – is a source of social inequalities and could lead to the emergence of economic rents for accessing the dollar at the official rate, thus prolonging an already inefficient system
- The unification of the two rates and the formal devaluation of the official rate require the prior stabilization of the economy and the restructuring of the banking sector
- Devaluation of the official FX rate will enhance transparency and improve liquidity in the forex market. It will send a strong signal that the rebalancing of the economy has been achieved. The size of the official devaluation will be determined to close the real exchange rate gap
- Transitioning to a fully floating exchange rate is not desirable as long as the economy has not fully transited to a new stable equilibrium. However, FX exchange rate will be set in a way to prevent renewed real appreciation and preserve competitiveness

Foreign Exchange Regime Adjustment – *Rebalancing the Economy with a Devaluation* (cont'd)

The Lebanese Pound is overvalued and a devaluation followed by a managed float regime is expected to help rebalance the economy and put it back on a sustainable path

LBP / USD EXCHANGE RATE

Implies a c. 40% formal devaluation in 2021 (12% extra depreciation vs 2020 "effective" rate) followed by a deflator differential-based depreciation going forward (managed float regime) to reach an estimated 50% depreciation by 2024



Sources: Lebanese Authorities

To Wrap Up – *Overview of the 6 Building Blocks of the Government's Reform Program*

The Lebanese Government's Reform Program revolve around 6 interconnected building blocks which should *all* be tackled in order to put Lebanese economy back on track

1 EXTERNAL SUPPORT

- External funding needs over the next 5 years: US$27 billion
- Bondholder relief via restructuring: US$15-18 billion
- External financial support needed: US$10-15 billion

2 FISCAL CONSOLIDATION

- Expenditure consolidation effort: 4.5% of GDP by 2024 (excl. CEDRE)
- Revenue consolidation effort: 4.1% of GDP by 2024
- Target: primary surplus (incl. CEDRE) in 2024

3 DEBT RESTRUCTURING

- FC debt: nominal reduction
- LC debt: nominal reduction
- Multi/bilat debt: remain current
- Target: 90% debt-to-GDP ratio in 2027

4 BANKS & BDL

- BdL net losses: c. US$55 billion
  - *Audit and governance overhaul*
- Banking sector net losses: c. US$62 billion
  - *Full bail-in of shareholders, recapitalization, partial bail-in of depositors (protect small / medium depositors), sector consolidation*

5 STRUCTURAL REFORMS

- Comprehensive anti-corruption plan
- Reform of the judicial system
- Growth-enabling measures
- Sectoral reforms
- Approve CEDRE laws backlog

6 MACRO ADJUSTMENTS

- Formal devaluation in 2021 and unification of exchange rates
- Followed by managed float regime to reach an estimated 50% depreciation by 2024

Sources: Lebanese Authorities

APPENDIX

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Appendix 1 – *Detailed Impact of Fiscal Consolidation Measures*

EXPENDITURE REDUCTION MEASURES						
as a % of GDP, unless otherwise stated	Estimate	Projections				
	2019	**2020**	**2021**	**2022**	**2023**	**2024**
Total primary expenditure (without measures, excl. CEDRE)	22.4%	21.5%	21.6%	21.5%	21.1%	20.4%
Electricity sector reform	-	0.0%	1.0%	1.5%	2.1%	2.5%
Measures targeted at the wage bill reduction	0.0%	0.1%	0.2%	0.4%	0.6%	0.7%
Freeze of headcount of military personnel, promotions limited to empty positions	-	0.0%	0.0%	0.0%	0.1%	0.1%
Reduction of the number of contractuals (5% p.a. over 5 years)	-	0.0%	0.0%	0.0%	0.1%	0.1%
Freezing on the new hiring of public employees	-	0.0%	0.0%	0.1%	0.3%	0.4%
Salaries, wages and other benefits	-	0.0%	0.0%	0.0%	0.1%	0.1%
Revision of the package of benefits for high-ranking military	-	0.1%	0.1%	0.1%	0.1%	0.1%
Pension reform	0.0%	0.2%	0.4%	0.5%	0.5%	0.5%
Revision of measure “number 3” related to military retirement	-	0.2%	0.4%	0.4%	0.4%	0.4%
Abolishment of the early retirement scheme	-	0.0%	0.0%	0.1%	0.1%	0.1%
Revision of the reversionary pension rules to widows and children	-	0.0%	0.0%	0.0%	0.0%	0.0%
Revision of the rules for transfer of familial allowances after death	-	0.0%	0.0%	0.0%	0.0%	0.0%

Sources: Lebanese Authorities

Appendix 1 – *Detailed Impact of Fiscal Consolidation Measures* *(cont'd)*

EXPENDITURE REDUCTION MEASURES						
as a % of GDP, unless otherwise stated	Estimate	Projections				
	2019	**2020**	**2021**	**2022**	**2023**	**2024**
Reduction of transfers to other SOEs and Public bodies	0.0%	0.0%	0.3%	0.3%	0.3%	0.4%
Rationalization and reform of Lebanon's public entities	-	0.0%	0.1%	0.2%	0.2%	0.3%
Re-negotiation with NSSF of the arrears clearance schedule and interest charge	-	0.0%	0.1%	0.1%	0.1%	0.1%
Reduction in domestically financed capital spending	-	0.2%	0.2%	0.2%	0.2%	0.2%
Other expenditure reduction measures	0.0%	0.0%	0.2%	0.2%	0.2%	0.2%
Reduction of school allowances	-	0.0%	0.0%	0.0%	0.0%	0.0%
Unification of allowances for all public sector employees	-	0.0%	0.1%	0.1%	0.1%	0.1%
Rationalizing of other current expenditures to limit waste	-	0.0%	0.0%	0.0%	0.0%	0.0%
Introduction of safety nets	-	(0.7%)	(1.3%)	(1.3%)	(1.2%)	(1.2%)
Total primary expenditure (with measures, excl. CEDRE)	22.4%	21.6%	20.8%	19.8%	18.5%	17.1%

Sources: Lebanese Authorities

Appendix 1 – *Detailed Impact of Fiscal Consolidation Measures* *(cont'd)*

REVENUE ENHANCING MEASURES						
as a % of GDP, unless otherwise stated	Estimate	Projections				
	2019	**2020**	**2021**	**2022**	**2023**	**2024**
Total revenue (without measures)	21.5%	16.9%	16.3%	16.5%	16.3%	16.3%
Broadening the tax base	0.0%	0.3%	0.9%	1.1%	1.3%	1.4%
Improving customs collection	-	0.1%	0.3%	0.3%	0.3%	0.4%
Improvement in the collection of VAT	-	0.0%	0.1%	0.1%	0.1%	0.1%
Removal of profits and capital gains tax exemptions for holdings and offshore companies	-	0.0%	0.3%	0.3%	0.3%	0.3%
Removal of certain VAT exemptions	-	0.1%	0.1%	0.1%	0.1%	0.1%
Strengthening tax revenue administration	-	0.1%	0.3%	0.4%	0.5%	0.5%
Increasing tax	0.0%	0.2%	0.9%	1.7%	2.1%	2.2%
Increase in corporate tax rate	-	0.0%	0.0%	0.0%	0.1%	0.1%
Increase from 10% to 20% of the tax on interest income on deposits above US$1 million	-	0.0%	0.4%	0.8%	0.8%	0.8%
Increase of income tax for high salaries (from 25% to 30%)	-	0.0%	0.0%	0.0%	0.0%	0.0%
Increase of income tax on capital gains from 10% to 15%	-	0.0%	0.0%	0.3%	0.7%	0.7%
Increase of VAT on luxury goods from 11% to 15%	-	0.1%	0.2%	0.2%	0.2%	0.2%
Set a 25,000 LL floor price on gasoline	-	0.1%	0.2%	0.2%	0.2%	0.2%
Introduction of 1000 LL excise on gas oil	-	0.1%	0.2%	0.2%	0.2%	0.2%

Sources: Lebanese Authorities

Appendix 1 – *Detailed Impact of Fiscal Consolidation Measures* *(cont'd)*

REVENUE ENHANCING MEASURES						
as a % of GDP, unless otherwise stated	Estimate	Projections				
	2019	2020	2021	2022	2023	2024
Other revenue increasing measures	0.0%	0.2%	0.4%	0.5%	0.5%	0.5%
Introduction (or enforcement) of licensing fees on quarries and crushers	-	0.1%	0.2%	0.2%	0.2%	0.2%
Transfer of traffic penalties to the treasury	-	0.0%	0.0%	0.0%	0.0%	0.0%
Vehicle inspection fees	-	0.0%	0.0%	0.0%	0.0%	0.0%
Port Of Beirut	-	0.0%	0.1%	0.1%	0.1%	0.1%
Enforcing fines on illegally built maritime and wild and river properties	-	0.0%	0.1%	0.2%	0.2%	0.2%
Total revenue (with measures)	21.5%	17.7%	18.7%	19.9%	20.3%	20.5%

Sources: Lebanese Authorities