

Figures released by the Ministry of Finance, Customs Directorate, indicate a trade deficit of US\$ 11,838 million during the period of January-August of 2014, 3 percent higher than the deficit of US\$ 11,464 million registered during the same period of 2013. The US\$ 374 million deterioration in the trade deficit is rooted in significantly lower exports - by US\$ 655 million – which were partly counterbalanced by lower imports of US\$ 282 million.

Total **imports** reached US\$ 14,057 million during the period of January-August 2014, registering a decrease of 2 percent in value terms, while in terms of volume they increased by 6 percent when compared to the same period of 2013.

- Imports of "**Mineral fuel and oil**" registered a year-on-year increase of 5 percent (US\$ 170 million), while in terms of volume they increased by 10 percent. This rise is driven by the 65 percent increase in EDL registered fuel imports from US\$ 504 million in January- August 2013 to US\$ 834 million in the same period of 2014, which were partly counterbalanced by a decrease of 6 percent of Non- EDL fuel imports¹.
- Imports of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**" continued to decrease since February 2013, dropping during January-August 2014 by 21 percent (US\$ 167 million)² as compared to the same period of 2013, along with a decline of 13 percent in terms of volume.

Table 1: Imports of Natural and precious stones – main components (US\$ Million)

Description	Jan-August 2013	Jan-August 2014	Value Change	% Change
Diamonds, whether or not worked, but not mounted or set	136	130	-6	-4%
Precious stones (other than diamonds) and semi-precious stones	9	18	9	101%
Gold (including gold plated with platinum)	620	458	-162	-26%
Articles of jewelry and parts	32	23	-9	-28%
Imitation Jewelry	10	10	0	2%

Source: Directorate General of Customs, Ministry of Finance

- Excluding "**Mineral fuel and oil**" and "**Unwrought gold, un-mounted diamond & precious stones**", imports decreased nearly by 3 percent (US\$ 285 million) during January-August 2014 compared to the same period of 2013. In fact, the main decreases were witnessed in "**Electrical machinery and equipment**", "**Vehicles and accessories, cranes & lorries**" and "**Aircraft engines, Boilers, machinery and mechanical appliances**"

¹ The decrease in imports of Non EDL fuel is mainly due to lower exports of fuel to Syria by 97 percent (US\$ 295 million). In fact, a considerable part of fuel imports was exported to Syria during the past year. Nevertheless, the huge jump in EDL registered fuel imports 65 percent covering the period of January – August 2014 compared to that of the same period in 2013 is due to the registration of LL 304 million of fuel imports to EDL during August 2014 compared to nil during August 2013.

² This significant drop is mainly attributed to lower imports from Switzerland and Egypt by 35 percent (US\$ 87 million) and 89 percent (US\$ 66 million) respectively. In contrast, imports from Togo and South Africa increased by 25 percent (US\$ 43 million) and 241 percent (US\$ 22 million) respectively.

registering drops of 29 percent (US\$ 253 million)³, 7 percent (US\$ 73 million)⁴ and 2 percent (US\$ 22 million)⁵ respectively compared to the previous year, against respective declines of 14 percent for the first category, and 8 percent for the latter two in terms of volume.

- The impact of these decreases has more than offset the increases in imports of **“Dairy produce; birds' egg”** and **“Pharmaceutical products”** by 19 percent (US\$ 44 million) and 4 percent (US\$ 31 million) respectively. This variation in value is interpreted in respective rises of 8 percent and 9 percent respectively in terms of volume.
- As for the **breakdown of Lebanese imports by country of origin** during the period of January-August of 2014, China remained Lebanon’s top import trading partner with a share of 12 percent of total imports, noting that 20 percent of imports from this country are **“Iron and steel”**. Italy and France followed with respective shares of 9 and 7 percent.

Total **exports** reached US\$ 2,219 million during the period of January-August of 2014, reflecting a significant decrease of 23 percent when compared to the same period of 2013, along with a decline of 30 percent in terms of volume.

- Exports of **“Unwrought gold, un-mounted diamond & precious stones”** kept decreasing since the beginning of 2013, registering a year-on-year drop of 36 percent (US\$ 228 million)⁶ in terms of value during the first eight months of the current year, compared to an increase of 8 percent in terms of volume⁷.

Table 2: Exports of Natural and precious stones – main components (US\$ Million)

Description	Jan-August 2013	Jan-August 2014	Value Change	% Change
Diamonds, whether or not worked, but not mounted or set.	81	130	50	62%
Precious stones (other than diamonds) and semi-precious stones.	8	18	10	120%
Gold (including gold plated with platinum).	475	458	-17	-4%
Imitation jewelry.	2	10	8	471%
Articles of jewelry and parts.	56	23	-33	-59%

Source: Directorate General of Customs, Ministry of Finance

³ This decline in imports of Electrical machinery is rooted in lower imports mainly from Turkey by 96 percent (US\$ 218 million) mostly due to the importation of equipment related to the Turkish electricity production barges during 2013. This drop was partly counterbalanced by higher imports from Germany by 81 percent (US\$ 22 million) respectively.

⁴ This decrease is mainly attributed to lower imports from Korea, Germany and the United Kingdom by 27 percent (US\$ 34 million), 12 percent (US\$ 34 million) and 15 percent (US\$ 14 million) respectively.

⁵ Mainly due to lower imports from the United Kingdom and Thailand by 28 percent (US\$ 17 million) and 25 percent (US\$ 10 million) respectively.

⁶ This decrease is mainly attributed to lower exports to South Africa, Switzerland and the United Arab Emirates by 30 percent (US\$ 102 million), 61 percent (US\$ 85 million) and 34 percent (US\$ 29 million) respectively along with a 12 percent decrease in average gold prices during Jan-Aug 2014 (US\$ 1294) in comparison with the same period a year earlier (US\$ 1471).

⁷ This discrepancy between the y-o-y change in terms of value and volume is mainly due to gold exports related to the month of July, where the y-o-y increase during this month registered 16 percent in terms of value compared to 378 percent in terms of volume, in addition to the price drop as mentioned in footnote 6.

- Exports of "**Mineral fuel and oil**" continued to register a significant decrease since the beginning of 2014, dropping by 93 percent both in terms of value and volume⁸ during the aforementioned period compared to the same period of 2013.
- Excluding "**Unwrought gold, un-mounted diamond & precious stones**" and "**Mineral fuel and oil**", exports decreased by 7 percent (US\$ 133 million). The most notable decreases were registered in exports of "**Copper and Articles**", "**Electrical machinery and equipment**" and "**Iron and Steel**" which declined by 54 percent (US\$ 79 million)⁹, 25 percent (US\$ 47 million)¹⁰ and 33 percent (US\$ 39 million)¹¹ respectively.
- These decreases were partly counterbalanced by higher exports of "**Printed books and newspapers**" and "**Preparations of vegetables**" by 48 percent (US\$ 27 million)¹² and 14 percent (US\$ 11 million)¹³ respectively.
- **From a regional perspective**, exports to Arab countries are witnessing a year-on-year decrease since the beginning of 2014 with a decline of 23 percent (US\$ 327 million) registered in the eight months of 2014. This drop is mostly attributed to lower exports to Syria by 64 percent (US\$ 272 million), and by lesser extent to a decrease in exports to the United Arab Emirates by 6 percent (US\$ 13 million) and Iraq by 6 percent (US\$ 6 million).
- Lastly, the **breakdown of Lebanese exports by major destination** shows that Saudi Arabia and South Africa were at the top of the list during January-August 2014 with a share of 11 percent of total exports for each - noting that almost all exports to South Africa are "unwrought gold, un-mounted diamond & precious stones" - followed by the United Arab Emirates and Iraq which registered respective shares of 9 percent and 7 percent from total exports.

⁸ This y-o-y drop in exports of fuel is mostly due to the decrease in exports to Syria by 97 percent (US\$ 295 million) as mentioned in footnote 1.

⁹ Driven by respective decreases of 66 percent (US\$ 41 million) and 77 percent (US\$ 13 million) in exports to Korea and China respectively.

¹⁰ Driven by a drop in exports to Iraq and Saudi Arabia by 54 percent (US\$ 23 million) and 48 percent (US\$ 19 million) respectively.

¹¹ Mainly due to a drop in exports to Turkey by 35 percent (US\$ 36 million).

¹² Mainly due to a rise in exports to Saudi Arabia and Jordan by 308 percent (US\$ 15 million) and 551 percent (US\$ 8 million) respectively.

¹³ Mainly due to an increase in exports to Syria and Saudi Arabia by US\$ 4 million and US\$ 3 million respectively.

Table 3: Trade activity by value

	2013	2014	%	2010	2011	2012	2013	2014	%
	August	August	Change Aug 2014/2013	Jan- Aug	Jan- Aug	Jan- Aug	Jan- Aug	Jan- Aug	Change Jan-Aug 2014/2013
(US\$ millions)									
Imports	1,828	2,120	16%	11,879	12,627	14,402	14,339	14,057	-2%
<i>of which mineral and fuel oil</i>	313	724	131%	2,300	2,368	4,119	3,290	3,460	5%
<i>-EDL registered fuel imports</i>	0	304	NA	667	324	1,292	504	834	65%
<i>-Non EDL fuel imports</i>	313	420	34%	1,633	2,044	2,827	2,785	2,626	-6%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals</i>	61	76	25%	782	1,317	1,062	812	646	-21%
Exports	279	285	2%	2,728	2,906	2,828	2,875	2,219	-23%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals</i>	48	48	1%	753	998	1,100	627	399	-36%
<i>of which mineral and fuel oil</i>	6	3	-54%	4	3	17	316	21	-93%
Trade Balance	-1,548	-1,835	19%	-9,151	-9,721	-11,574	-11,464	-11,838	3%

Source: Directorate General of Customs, Ministry of Finance

Table 4: Trade activity by volume

	2013	2014	%	2010	2011	2012	2013	2014	%
	August	August	Change Aug 2014/2013	Jan- Aug	Jan- Aug	Jan- Aug	Jan- Aug	Jan- Aug	Change Jan-Aug 2014/2013
(million of Kgs)									
Imports	1,230	1,638	33%	9,880	9,006	10,680	9,849	10,478	6%
<i>of which mineral and fuel oil</i>	352	808	129%	3,772	2,938	4,615	3,599	3,954	10%
<i>-EDL registered fuel imports</i>	0	321	NA	1,163	545	1,505	507	880	74%
<i>-Non EDL fuel imports</i>	352	488	38%	2,609	2,393	3,110	3,091	3,073	-1%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals (Kgs)</i>	60,974	81,674	34%	684,996	731,119	816,087	849,379	741,829	-13%
Exports	207	225	1%	2,012	1,932	1,539	1,971	1,378	-30%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals</i>	3,012	3,721	24%	88,850	97,154	84,844	45,755	49,523	8%
<i>of which mineral and fuel oil</i>	6	3	-57%	4	2	15	312	20	-93%
Trade Balance	-1,024	-1,413	38%	-7,868	-7,074	-9,141	-7,878	-9,099	16%

Source: Directorate General of Customs, Ministry of Finance

Table 5: Import distribution by Product (in \$US million)

Rank	Product	Jan-August 2013	% Share	Jan-August 2014	% Share	Value Change	% Change
1	Mineral fuels and oils	3,290	23%	3,460	25%	170	5%
2	Vehicles and accessories, cranes & lorries	1,041	7%	968	7%	-73	-7%
3	Aircraft engines, Boilers, machinery and mechanical appliances	886	6%	864	6%	-22	-2%
4	Pharmaceutical products	753	5%	783	6%	31	4%
5	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	812	6%	646	5%	-167	-21%
6	Electrical machinery and equipment	884	6%	630	4%	-253	-29%
7	Iron and Steel	559	4%	550	4%	-9	-2%
8	Plastics and articles thereof	475	3%	470	3%	-5	-1%
9	Articles of apparel and clothing	315	2%	313	2%	-2	-1%
10	Dairy products	235	2%	279	2%	44	19%
	Other	5,090	35%	5,094	36%	5	0%
	Total	14,339	100%	14,057	100%	-282	-2%

Source: MOF, DGC

Table 6: Export distribution by Product (in \$US million)

Rank	Product	Jan-August 2013	% Share	Jan-August 2014	% Share	Value Change	% Change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	627	22%	399	18%	-228	-36%
2	Aircraft engines, Boilers, machinery and mechanical appliances	176	6%	155	7%	-21	-12%
3	Electrical machinery and equipment	189	7%	142	6%	-47	-25%
4	Plastic and articles thereof	91	3%	88	4%	-4	-4%
5	Preparations of vegetables	75	3%	86	4%	11	14%
6	Printed book, newspapers	58	2%	85	4%	27	48%
7	Iron and Steel	118	4%	78	4%	-39	-33%
8	Essential oils and resino	68	2%	76	3%	8	12%
9	Beverages, spirits and vinegar	62	2%	68	3%	6	10%
10	Processed and Refined Copper	146	5%	67	3%	-79	-54%
	Other	1,266	44%	975	44%	-291	-23%
	Total	2,875	100%	2,219	100%	-655	-22.8%

Source: MOF, DGC



For further information please contact:
Ministry of Finance
Macro fiscal Department – Budget Directorate
Tel: 961 1 956000- Ext: 1716-1747- 1731
Website: www.finance.gov.lb