



REPUBLIC OF LEBANON  
MINISTRY OF FINANCE

## Trade Brief The International Trade Monthly Bulletin February 2014

Figures released by the Ministry of Finance, Customs Directorate, indicate a trade deficit of US\$ 3,108 million for the period of January-February 2014, 17 percent higher than the deficit of US\$ 2,652 million registered during the same period of 2013. The US\$ 456 million deterioration in the trade deficit is rooted in significantly higher imports - by US\$ 168 million - coupled with a US\$ 288 million decrease in exports for the period under consideration.

Total **imports** reached US\$ 3,605 million during the period of January-February 2014, registering an increase of 5 percent in value terms and 12 percent in volume, when compared to the same period of 2013.

- Imports of "**Mineral fuel and oil**" registered a year-on-year increase of 1 percent (US\$ 9 million), reflecting a 3 percent increase in terms of volume. This increase reflects the augmentation in EDL fuel imports, registering US\$ 473 million in January-February 2014 compared to a US\$ 238 million during the same period of 2013. On the other hand, non EDL fuel imports continued to decrease during January-February 2014 registering a 28 percent drop when compared to 2013<sup>1</sup>.
- Imports of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**" decreased significantly during January-February 2014 by 32 percent (US\$ 81 million) while in terms of volume it increased by 32 percent<sup>2</sup>.
- Excluding "**Mineral fuel and oil**" and "**Unwrought gold, un-mounted diamond & precious stones**", imports increased by 11 percent (US\$ 239 million) during the first two months of 2014 compared to the same period of 2013. In fact, the main increases were witnessed in "**Iron and steel**", "**Electric machinery and equipment**" and "**Pharmaceutical products**" with 93 percent (US\$ 96 million)<sup>3</sup>, 32 percent (US\$ 41 million)<sup>4</sup> and 22 percent (US\$ 34 million)<sup>5</sup> respectively compared to the previous year, against respective rises of 109 percent, 1 percent and 13 percent in terms of volume.
- These increases offset the decrease in imports of "**Vehicles and accessories, cranes & lorries**" and "**Aircraft engines, Boilers, machinery and mechanical appliances**" which dropped respectively by 10 percent (US\$ 21 million)<sup>6</sup> and 9 percent (US\$ 16 million)<sup>7</sup>. This variation in value is interpreted in respective drops of 11 percent and 12 percent in terms of volume.
- For the first two months of 2014, China ranked as Lebanon's top import trading partner with a share of 13 percent of total imports, noting that 29 percent of imports from this country are "**Iron and steel**". United States and Italy followed with respective shares of 10 percent and 8 percent.

<sup>1</sup> Noting that non-EDL fuel imports registered an exceptional year-on-year increase of 44 percent in Jan-Feb 2013 compared to the same period of 2012. Therefore, when comparing the first two months of both 2014 and 2012, we notice a rise of 4 percent.

<sup>2</sup> Partly due to a lower price of gold during January-February 2014 with an average of US\$ 1,270 per ounce compared to an average of US\$ 1,650 during the same period of 2013.

<sup>3</sup> Mainly due to an increase in imports from china by US\$ 116 million.

<sup>4</sup> This surge in imports of Electric machinery is rooted in higher imports from china by 92 percent (US\$ 34 million).

<sup>5</sup> This increase is attributed to higher imports from Germany and France which increased by 58 percent (US\$ 13 million) and 31 percent (US\$ 5 million) respectively.

<sup>6</sup> Mostly due to the decrease of imports from Korea by 30 percent (US\$ 11 million).

<sup>7</sup> Driven by the 30 percent (US\$ 6 million) decrease in imports from the United States.

**Exports** amounted to US\$ 497 million during the first two months of 2014, reflecting a significant decrease of 37 percent compared to the same period of 2013. This drop was reflected in a 42 percent decrease in terms of volume.

- Exports of **"Unwrought gold, un-mounted diamond & precious stones"** decreased significantly by 61 percent (US\$ 141 million)<sup>8</sup> in terms of value, compared to a decrease of 13 percent in terms of volume.
- Excluding "Unwrought gold, un-mounted diamond & precious stones", the most notable decreases were registered in exports of **"Processed and refined copper"** and **"Electrical machinery and equipment"** which declined by US\$ 22 million (54 percent)<sup>9</sup> and US\$ 19 million (42 percent)<sup>10</sup> respectively, noting that exports of **"Mineral fuel and oil"** registered a drop of 96 percent (US\$ 106 million) during the period under consideration mainly due to a year-on-year drop in exports to Syria by 98 percent (US\$ 105 million).
- These decreases were partly counterbalanced by slightly higher exports of **"Printed books and newspapers"** and **"Essential Oil and resins"** by 63 percent (US\$ 6 million)<sup>11</sup> and 43 percent (US\$ 5 million)<sup>12</sup> respectively.
- **From a regional perspective**, exports to Arab countries witnessed a year-on-year decrease of 33 percent (US\$ 126 million) during the first two months of 2014. This decrease is mostly attributed to lower exports to Syria by 74 percent (US\$ 108 million), of which US\$ 105 million of mineral fuel and oil exports. Also exports to the United Arab Emirates declined by 14 percent (US\$ 8 million).
- Lastly, the **breakdown of Lebanese exports by major destination** shows that South Africa was at the top of the list during January-February 2014 with a share of 11 percent of total exports - noting that almost all exports to this country are "unwrought gold, un-mounted diamond & precious stones"- followed by other regional countries mainly Saudi Arabia and the United Arab Emirates with a share of 10 percent of total exports each.

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<sup>8</sup> This can be partly explained by a lower price of gold during the period of Jan-Feb 2014 with an average of US\$ 1,270 per ounce compared to an average of US\$ 1,650 during the same period of 2013.

<sup>9</sup> Driven by respective decreases of 59 percent (US\$ 8 million) and 86 percent (US\$ 5 million) in exports to Korea and China.

<sup>10</sup> Due to a drop in exports to Saudi Arabia and Iraq by 80 percent (US\$ 9 million) and 54 percent (US\$ 6 million) respectively.

<sup>11</sup> Mainly to Saudi Arabia with an increase of US\$ 3 million.

<sup>12</sup> Due to an increase in exports to the United Arab Emirates by US\$ 2 million.

**Table 1: Trade activity by value**

(US\$ millions)	2013	2014	% Change	2010	2011	2012	2013	2014	% Change
	February	February	Feb 14/13	Jan - Feb	Jan - Feb	Jan - Feb	Jan - Feb	Jan - Feb	Jan - Feb 14/13
<b>Imports</b>	<b>1,791</b>	<b>1,732</b>	<b>-3%</b>	<b>2,451</b>	<b>2,947</b>	<b>4,253</b>	<b>3,437</b>	<b>3,605</b>	<b>5%</b>
<i>of which mineral fuel &amp; oil</i>	646	521	-19%	396	758	1,863	1,058	1,067	1%
-EDL registered fuel imports	238	233	-2%	0	324	1,292	238	473	99%
-Non EDL fuel imports	408	288	-29%	396	434	571	820	594	-28%
<i>of which Unwrought &amp; semi-manufactured gold, diamonds, precious stones &amp; metals</i>	117	72	-38%	191	210	319	254	173	-32%
<b>Exports</b>	<b>381</b>	<b>253</b>	<b>-34%</b>	<b>655</b>	<b>601</b>	<b>777</b>	<b>785</b>	<b>497</b>	<b>-37%</b>
<i>of which Unwrought gold, un-mounted diamond, &amp; precious metals</i>	85	45	-47%	202	167	401	232	91	-61%
<i>of which mineral fuel &amp; oil</i>	72	2	-98%	1	1	1	111	5	-96%
<b>Trade Balance</b>	<b>-1,410</b>	<b>-1,479</b>	<b>5%</b>	<b>-1,796</b>	<b>-2,346</b>	<b>-3,476</b>	<b>-2,652</b>	<b>-3,108</b>	<b>17%</b>

Source: Directorate General of Customs, Ministry of Finance

**Table 2: Trade activity by volume**

(Millions of kgs)	2013	2014	% Change	2010	2011	2012	2013	2014	% Change
	February	February	Feb 14/13	Jan - Feb	Jan - Feb	Jan - Feb	Jan - Feb	Jan - Feb	Jan - Feb 14/13
<b>Imports</b>	<b>1,387</b>	<b>1,348</b>	<b>-3%</b>	<b>1,925</b>	<b>2,506</b>	<b>3,435</b>	<b>2,514</b>	<b>2,807</b>	<b>12%</b>
<i>of which mineral fuel &amp; oil</i>	646	596	-8%	623	1,117	2,166	1,125	1,162	3%
-EDL registered fuel imports	232	247	6%	0	545	1,505	232	499	115%
-Non EDL fuel imports	414	349	-16%	623	572	661	893	663	-26%
<i>of which Unwrought &amp; semi-manufactured gold, diamonds, precious stones &amp; metals (Kgs)</i>	61,881	108,649	76%	102,035	164,568	142,061	137,204	181,692	32%
<b>Exports</b>	<b>252</b>	<b>126</b>	<b>-50%</b>	<b>505</b>	<b>527</b>	<b>314</b>	<b>479</b>	<b>276</b>	<b>-42%</b>
<i>of which Unwrought gold, un-mounted diamond, &amp; precious metals (Kgs)</i>	2,834	3,482	23%	15,446	19,843	18,428	8,466	7,407	-13%
<i>of which mineral fuel &amp; oil</i>	69	1	-98%	1	1	0	107	4	-96%
<b>Trade Balance</b>	<b>-1,134</b>	<b>-1,221</b>	<b>8%</b>	<b>-1,420</b>	<b>-1,979</b>	<b>-3,122</b>	<b>-2,035</b>	<b>-2,530</b>	<b>24%</b>

Source: Directorate General of Customs, Ministry of Finance

✦ The distribution of the top traded products is as follows:

**Table 3: IMPORT Distribution by Product (in US\$ million)**

Rank	Product	Jan-Feb 2013	% Share	Jan-Feb 2014	% Share	Value Change	% Change
1	Mineral fuels and oils	1,058	31%	1,067	30%	9	1%
2	Iron and Steel	104	3%	200	6%	96	93%
3	Vehicles and accessories, cranes & lorries	215	6%	194	5%	-21	-10%
4	Pharmaceutical products	159	5%	193	5%	34	22%
5	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	254	7%	173	5%	-81	-32%
6	Electrical machinery and equipment	127	4%	168	5%	41	32%
7	Aircraft engines, Boilers, machinery and mechanical appliances	183	5%	168	5%	-16	-9%
8	Plastics and articles thereof	99	3%	111	3%	11	11%
9	Articles of apparel and clothing	71	2%	74	2%	3	5%
10	Dairy products	52	2%	63	2%	10	20%
	Other	1,116	32%	1,196	33%	80	7%
	<b>Total</b>	<b>3,437</b>	<b>100%</b>	<b>3,605</b>	<b>100%</b>	<b>168</b>	<b>5%</b>

Source: MOF, DGC

**Table 4: EXPORT Distribution by Product (in US\$ million)**

Rank	Product	Jan-Feb 2013	% Share	Jan-Feb 2014	% Share	Value Change	% Change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	232	30%	91	18%	-141	-61%
2	Aircraft engines, Boilers, machinery and mechanical appliances	36	5%	36	7%	0	-1%
3	Electrical machinery and equipment	46	6%	27	5%	-19	-42%
4	Preparations of vegetables	18	2%	20	4%	3	14%
5	Plastic and articles thereof	19	2%	20	4%	1	5%
6	Processed and Refined Copper	41	5%	19	4%	-22	-54%
7	Essential oils and resino	12	2%	18	4%	5	43%
8	Printed book, newspapers	9	1%	15	3%	6	63%
9	Miscellaneous edible preparations	8	1%	14	3%	6	70%
10	Paper and paperboard	13	2%	14	3%	1	9%
	Other	351	45%	223	45%	-128	-36%
	<b>Total</b>	<b>785</b>	<b>100%</b>	<b>497</b>	<b>100%</b>	<b>-288</b>	<b>-37%</b>

Source: MOF, DGC



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