

Figures released by the Ministry of Finance, Customs Directorate, indicate a trade deficit of US\$ 2,174 million for January-February 2015, 30 percent lower than the deficit of US\$ 3,108 million registered during the same period of 2014. The US\$ 934 million improvement in the trade deficit is rooted in significantly lower imports by US\$ 944 million despite the slight decrease of US\$ 11 million in exports during the period under consideration.

Total **imports** reached US\$ 2,661 million during the first two months of 2015, registering a decrease of 26 percent in value and 17 percent in volume, when compared to the same period of 2014.

- This drop in imports was induced by a significantly lower bill of "**Mineral fuel and oil**" of 55 percent (US\$ 582 million)¹, reflecting a 20 percent decline in terms of volume. In details, EDL fuel imports dropped from US\$ 473 million in January-February 2014 to nil during the similar period of the current year. Also Non-EDL fuel imports contracted by 18 percent (US\$ 109 million) when compared to the same period of 2014.
- Imports of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**" witnessed a 32 percent (US\$ 56 million) year-on-year decrease in terms of value, while in volume terms it decreased by 14 percent².
- Excluding "**Mineral fuel and oil**" and "**Unwrought gold, un-mounted diamond & precious stones**", imports decreased by 13 percent (US\$ 306 million) during January-February 2015 compared to January-February 2014. In fact, the main decreases were witnessed in "**Iron and steel**", "**Electrical machinery and equipment**" and "**plastic and articles thereof**" with 46 percent (US\$ 91 million)³, 35 percent (US\$ 59 million)⁴ and 25 percent (US\$ 28 million)⁵ respectively compared to the previous year, against respective drops of 38 percent, 14 percent and 24 percent in terms of volume. In contrast, imports of live animals increased by US\$ 10 million (22 percent) specifically from Spain and Hungary by US\$ 10 million and US\$ 5 million respectively.
- China ranked as Lebanon's top import trading partner in January-February 2015 with a share of 13 percent of total imports, noting that almost 19 percent of imports from this country are "**Iron and steel**". Russia and Italy followed with shares of 7 percent⁶ and 6 percent respectively.

Exports amounted to US\$ 486 million in January-February 2015, reflecting a minor decrease of 2 percent compared to January 2014. This drop in value is translated by an increase of 18 percent in terms of volume.

- Exports of "**Unwrought gold, un-mounted diamond & precious stones**" decreased by 10 percent (US\$ 9 million) in terms of value, while in terms of volume it increased by 46 percent⁷.

¹ The large drop in value is mainly attributed to lower international fuel prices with the Brent price dropping to an average of US\$ 52.93 per barrel during Jan-Feb 2015 from US\$ 108.48 per barrel during the same period of 2014.

² The drop in value is more prominent than the volume due to lower gold prices during the first two months of 2015 with an average of US\$ 1,239 per ounce, against US\$ 1,270 per ounce during the same period of 2014.

³ Mainly due to a decline in imports from China and Turkey by US\$ 68 million and US\$ 11 million respectively.

⁴ This contraction is mainly attributed to lower imports from China and Denmark by 44 percent (US\$ 31 million) and 97 percent (US\$ 12 million).

⁵ This drop is attributed to lower imports from Saudi Arabia by 44 percent (US\$ 12 million).

⁶ Imports from Russia registered a considerable year-on-year increase of 89 percent (US\$ 84 million) due to the hike in "**Mineral Fuel and Oil**" imports by 135 percent (US\$ 89 million), moving Russia from the twelfth position last year to the second among Lebanon's top import partners.

- Excluding "Unwrought gold, un-mounted diamond & precious stones", few categories registered a year-on-year increase, mainly exports of "**Fertilizers**" and "**Electrical machinery and equipment**" which rose by US\$ 10 million (119 percent)⁸, and by US\$ 5 million (19 percent)⁹ respectively.
- These increases were counterbalanced by slightly lower exports of "**Aircraft engines, Boilers, machinery and mechanical appliances**" and "**Plastic and articles**" by 22 percent (US\$ 8 million)¹⁰ and 22 percent (US\$ 4 million) respectively.
- **From a regional perspective**, exports to Arab countries witnessed an increase of 4 percent (US\$ 9 million) during January-February 2015 compared to the same period of 2014. It is worth mentioning that this increase is attributed to higher exports to Saudi Arabia, Egypt and the United Arab Emirates by respective amounts of US\$ 9 million¹¹, US\$ 7 million¹² and US\$ 6 million¹³.
- Lastly, the **breakdown of Lebanese exports by major destination** shows that Saudi Arabia and the United Arab Emirates were at the top of the list during the first two months of 2015 with respective shares of 12 percent and 11 percent, they were followed by other regional countries mainly Syria and Iraq with shares of 8 percent and 7 percent respectively.

⁷ This is mainly due to the export of a relatively large volume of "articles of goldsmiths or silversmiths wares and parts thereof, of precious metal or/of metal clad with precious metal" with 5,401 Kgs (50 percent of total exports of "Unwrought gold, un-mounted diamond & precious stones") having a value of US\$ 208 thousand (0.3 percent of total exports in this category). In comparison, these exports registered a volume of 1,815 Kgs in January-February 2014 with a value of US\$ 76 thousand.

⁸ This is mainly due to higher exports to Brazil and United Kingdom by US\$ 9 million and US\$ 6 million respectively.

⁹ This increase can be explained by higher exports to Saudi Arabia by US\$ 7 million.

¹⁰ Due to lower exports to Iraq by 68 percent (US\$ 5 million).

¹¹ Mainly due to a y-o-y rise in exports of Electrical products by US\$ 7 million.

¹² Mainly due to a y-o-y rise in exports of Tobacco and manufactured tobacco substitutes by US\$ 3 million.

¹³ Due to a US\$ 11 million (73 percent) y-o-y increase in exports of "Unwrought gold, un-mounted diamond & precious stones" to the United Arab Emirates - accounting for 49 percent of total exports to this country during Jan-Feb 2015 - partly offset by small decreases in several other items such as "Essential oils and resinoids, perfumery, cosmetics" which regressed by US\$ 2 million (30 percent).

Table 1: Trade activity by value

(US\$ millions)	2014	2015	% Change	2011	2012	2013	2014	2015	% Change
	February	February	Feb 15/14	Jan – Feb	Jan – Feb	Jan – Feb	Jan – Feb	Jan – Feb	Jan – Feb 15/14
Imports	1,732	1,320	-24%	2,947	4,253	3,437	3,605	2,661	-26%
<i>of which mineral fuel & oil</i>	521	274	-47%	758	1,863	1,058	1,067	485	-55%
<i>-EDL registered fuel imports</i>	233	0	-100%	324	1,292	238	473	0	-100%
<i>-Non EDL fuel imports</i>	288	274	-5%	434	571	820	594	485	-18%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals</i>	72	67	-7%	210	319	254	173	117	-32%
Exports	253	236	-7%	601	777	785	497	486	-2%
<i>of which Unwrought gold, un-mounted diamond, & precious metals</i>	45	34	-25%	167	401	232	91	82	-10%
Trade Balance	-1,479	-1,084	-27%	-2,346	-3,476	-2,652	-3,108	-2,174	-30%

Source: Directorate General of Customs, Ministry of Finance

Table 2: Trade activity by volume

(Millions of kgs)	2014	2015	% Change	2011	2012	2013	2014	2015	% Change
	February	February	Feb 15/14	Jan – Feb	Jan – Feb	Jan – Feb	Jan – Feb	Jan – Feb	Jan – Feb 15/14
Imports	1,348	1,216	-10%	2,506	3,435	2,514	2,807	2,335	-17%
<i>of which mineral fuel & oil</i>	596	516	-13%	1,117	2,166	1,125	1,162	932	-20%
<i>-EDL registered fuel imports</i>	247	0	-100%	545	1,505	232	499	0	-100%
<i>-Non EDL fuel imports</i>	349	516	48%	572	661	893	663	932	41%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals (Kgs)</i>	108,649	78,947	-27%	164,568	142,061	137,204	181,692	156,382	-14%
Exports	126	147	17%	527	314	479	276	325	18%
<i>of which Unwrought gold, un-mounted diamond, & precious metals (Kgs)</i>	3,482	4,377	26%	19,843	18,428	8,466	7,407	10,836	46%
Trade Balance	-1,221	-1,069	-12%	-1,979	-3,122	-2,035	-2,530	-2,010	-21%

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 2014	% Share	Jan-Feb 2015	% Share	Value Change	% Change
1	Mineral fuels and oils	1,067	30%	485	18%	-582	-55%
2	Vehicles and accessories, cranes & lorries	194	5%	196	7%	2	1%
3	Pharmaceutical products	193	5%	187	7%	-6	-3%
4	Aircraft engines, Boilers, machinery and mechanical appliances	168	5%	170	6%	3	2%
5	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	173	5%	117	4%	-56	-32%
6	Electrical machinery and equipment	168	5%	109	4%	-59	-35%
7	Iron and Steel	200	6%	109	4%	-91	-46%
8	Plastics and articles thereof	111	3%	83	3%	-28	-25%
9	Dairy products	63	2%	56	2%	-6	-10%
10	Live animals	45	1%	54	2%	10	22%
	Other	1,226	34%	1,094	41%	-131	-11%
	Total	3,605	100%	2,661	100%	-944	-26.2%

Source: MOF, DGC

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

Rank	Product	Jan-Feb 2014	% Share	Jan-Feb 2015	% Share	Value Change	% Change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	91	18%	82	17%	-9	-10%
2	Electrical machinery and equipment	27	5%	32	7%	5	19%
3	Aircraft engines, Boilers, machinery and mechanical appliances	36	7%	28	6%	-8	-22%
4	Essential oils and resino	18	4%	22	4%	4	23%
5	Preparations of vegetables	20	4%	21	4%	1	4%
6	Fertilisers	8	2%	18	4%	10	119%
7	Plastic and articles thereof	20	4%	16	3%	-4	-22%
8	Furniture, bedding, mattresses	13	3%	15	3%	2	14%
9	Paper and paperboard	14	3%	15	3%	1	6%
10	Beverages, spirts and vinegar	13	3%	13	3%	0	3%
	Other	237	48%	224	46%	-12	-5%
	Total	497	100%	486	100%	-11	-2.1%

Source: MOF, DGC



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