



Figures released by the Ministry of Finance, Customs Directorate, indicate a trade deficit of US\$ 1,692 million for January 2014, 31 percent higher than the deficit of US\$ 1,241 million registered a year earlier. The US\$ 388 million deterioration in the trade deficit is rooted in significantly higher imports - by US\$ 227 million – coupled with a US\$ 161 million decrease in exports for the period under consideration.

Total **imports** reached US\$ 1,873 million at the beginning of 2014, registering an increase of 14 percent in value terms and 29 percent in volume, when compared to the same period of 2013.

- This rise in imports was induced by a significantly higher bill of **"Mineral fuel and oil"** of 33 percent (US\$ 134 million), reflecting an 18 percent increase in terms of volume. This increase reflects the augmentation in EDL fuel imports, registering US\$ 252 million in January 2014 compared to nil a year earlier. On the other hand, non EDL fuel imports witnessed a significant decrease of 26 percent when compared to 2013.
- Imports of **"Unwrought & semi-manufactured gold, diamonds, precious stones & metals"** decreased at the beginning of 2014 by 26 percent (US\$ 36 million) reflecting a 4 percent deterioration in terms of volume.
- Excluding **"Mineral fuel and oil"** and **"Unwrought gold, un-mounted diamond & precious stones"**, imports increased by 12 percent (US\$ 128 million) in January 2014 compared to January 2013. In fact, the main increases were witnessed in **"Iron and steel"**¹ and **"Pharmaceutical products"**² with 135 percent (US\$ 50 million) and 24 percent (US\$ 21 million) respectively compared to the previous year, against respective rises of 163 percent and 41 percent in terms of volume.
- The impact of these increases has more than offset the decrease in imports of **"Vehicles other than railway"**³ which dropped by 16 percent (US\$ 20 million). This variation in value corresponds to a decline of 20 percent in terms of volume.
- United States ranked as Lebanon's top import trading partner in January 2014 with a share of 16 percent of total imports, noting that almost 75 percent of imports from this country are "mineral fuel and oil". China and Italy followed with shares of 11 percent and 8 percent respectively.

Exports amounted to US\$ 244 million in January 2014, reflecting a significant decrease of 40 percent compared to January 2013⁴. This drop was reflected in a 34 percent decrease in terms of volume.

- Exports of **"Unwrought gold, un-mounted diamond & precious stones"** decreased by 68 percent (US\$ 100 million)⁵ in terms of value, coupled with a decrease of 30 percent in terms of volume.
- Excluding "Unwrought gold, un-mounted diamond & precious stones", the most notable decreases were registered in exports of **"Processed copper"**, **"Iron and steel"** and **"Electrical machinery and equipment"**

1 Mainly due to a rise in imports from china by US\$ 47 million.

2 This increase is attributed to higher imports from Germany and France which increased by 75 percent (US\$ 8 million) and 117 percent (US\$ 7 million) respectively.

3 The main decreases were in imports from Germany, Japan and the United States by 21 percent (US\$ 8 million), 31 percent (US\$ 7 million) and 25 percent (US\$ 5 million) respectively.

4 Partly due to the 29 percent decline in exports to Arab countries.

5 This can be partly explained by a lower price of gold during the period of January 2014 with an average of US\$ 1,243 per ounce compared to an average of US\$ 1,670 during January 2013.

which declined by US\$ 13 million (57 percent), US\$ 8 million (53 percent) and US\$ 7 million (32 percent) respectively. The drop in the first item is mainly due to weaker exports to Korea republic by 66 percent (US\$ 6 million), while the decline in the second category is stemming from a 50 percent (US\$ 6 million) decrease in its exports to Turkey, as for the last category the decrease is attributed to lower exports to Saudi Arabia which dropped by 76 percent (US\$ 5 million).

- These decreases were partly counterbalanced by slightly higher exports of “Essential Oil and resino”, “Preparations of vegetables” and “Paper and paper board” by 65 percent (US\$ 3 million), 35 percent (US\$ 2 million) and 25 percent (US\$ 2 million) respectively.
- From a regional perspective, exports to Arab countries witnessed a decrease of 29 percent (US\$ 51 million) in January 2014 compared to January 2013. It is worth mentioning that this decrease is the first since January 2012 and it can be partly attributed to lower exports to Syria by 65 percent (US\$ 38 million).
- Lastly, the **breakdown of Lebanese exports by major destination** shows that United Arab Emirates and South Africa were at the top of the list in January 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 other regional countries mainly Syria and Saudi Arabia with shares of 8 percent of total exports for each.

Table 1: Trade activity by value

(US\$ millions)	2010	2011	2012	2013	2014	% Change
	January	January	January	January	January	14/13
Imports	1245	1729	1454	1646	1873	14%
of which mineral fuel & oil	224	538	256	412	546	33%
-EDL registered fuel imports	0	324	0	0	240	NA
-Non EDL fuel imports	224	214	256	412	306	-26%
of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals	87	110	134	137	101	-26%
Exports	313	297	348	405	244	-40%
of which Unwrought gold, un-mounted diamond, & precious metals	111	83	167	146	46	-68%
of which mineral fuel & oil	0	0	0	39	3	-92%
Trade Balance	-932	-1432	-1106	-1241	-1629	31%

Source: Directorate General of Customs, Ministry of Finance

Table 2: Trade activity by volume

(Millions of Kgs)	2010	2011	2012	2013	2014	% Change
	January	January	January	January	January	14/13
Imports	1094	1567	962	1127	1459	29%
of which mineral fuel & oil	367	828	310	479	566	18%
-EDL registered fuel imports	0	545	0	0	252	NA
-Non EDL fuel imports	367	283	310	479	314	-34%
of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals (Kg)	38906	85866	68150	75722	73043	-4%
Exports	273	255	161	226	150	-34%
of which Unwrought gold, un-mounted diamond, & precious metals (kg)	8093	9955	8547	5631	3925	-30%
of which mineral fuel & oil	0	0	0	38	3	-93%
Trade Balance	-821	-1312	-801	-901	-1309	45%

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-2013	% Share	Jan-2014	% Share	Value Change	% Change
1	Mineral fuels and oils	412	25%	546	29%	134	33%
2	Vehicles and accessories, cranes & lorries	130	8%	109	6%	-20	-16%
3	Pharmaceutical products	84	5%	105	6%	21	24%
4	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	137	8%	101	5%	-36	-26%
5	Aircraft engines, Boilers, machinery and mechanical appliances	95	6%	92	5%	-3	-3%
6	Iron and Steel	37	2%	88	5%	50	135%
7	Electrical machinery and equipment	66	4%	80	4%	14	22%
8	Plastics and articles thereof	53	3%	58	3%	5	10%
9	Articles of apparel and clothing	28	2%	32	2%	4	13%
10	Edible vegetables and cereals	22	1%	32	2%	10	44%
	Other	582	35%	629	34%	48	8%
	Total	1,646	100%	1,873	100%	227	14%

Source: MOF, DGC

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

Rank	Product	Jan-2013	% Share	Jan-2014	% Share	Value Change	% Change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	146	36%	46	19%	-100	-68%
2	Aircraft engines, Boilers, machinery and mechanical appliances	19	5%	16	7%	-3	-16%
3	Electrical machinery and equipment	20	5%	14	6%	-7	-32%
4	Plastic and articles thereof	10	2%	10	4%	0	3%
5	Processed and Refined Copper	23	6%	10	4%	-13	-57%
6	Preparations of vegetables	7	2%	9	4%	2	35%
7	Essential oils and resino	5	1%	9	4%	3	65%
8	Paper and paperboard	6	2%	8	3%	2	25%
9	Iron and steel	15	4%	7	3%	-8	-53%
10	Miscellaneous edible preparations	4	1%	7	3%	3	65%
	Other	149	37%	109	45%	-40	-27%
	Total	405	100%	244	100%	-161	-40%

Source: MOF, DGC



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