

Figures released by the Ministry of Finance, Customs Directorate, indicate a trade deficit of US\$ 1,373 million for January 2017, 5 percent higher than the deficit of US\$ 1,309 million registered a year earlier. The US\$ 64 million increase in the trade deficit is rooted in significantly higher imports of US\$ 110 million counterbalanced by higher exports of US\$ 46 million.

Total **imports** reached US\$ 1,604 million during January 2017, increasing by 7 percent in value terms while contracting by 1 percent in volume, when compared to January 2016.

- Despite the above rise, imports of "**Mineral fuel and oil**" decreased by 3 percent (US\$ 11 million) while they increased by 2 percent in terms of volume. This contraction in terms of value reflects the decline in EDL fuel imports, registering US\$ 82 million in January 2017 compared to US\$ 196 million in January 2016. On the other hand, non EDL fuel imports witnessed a 60 percent increase in value and a 26 percent rise in volume¹when compared to 2016.
- Imports of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**" witnessed a huge year-on-year improvement of 121 percent (US\$ 81 million)² in terms of value, while in volume terms they increased by 35 percent.
- Excluding "**Mineral fuel and oil**" and "**Unwrought gold, un-mounted diamond & precious stones**", imports jumped up by 4 percent (US\$ 39 million) in January 2017 compared to January 2016. In fact, the main increases were witnessed in "**Pharmaceutical product**", "**Aircraft engines and boilers**" and "**Vehicles and accessories, cranes and lorries**" with 17 percent (US\$ 15 million)³, 11 percent (US\$ 10 million)⁴ and 6 percent (US\$ 7 million)⁵ respectively. These increases were slightly counterbalanced by the drop of 46 percent (US\$ 25 million)⁶ in imports of "**Iron and Steel**".
- Greece ranked as Lebanon's top import trading partner in January 2017 with a share of 10 percent of total imports, noting that almost 96 percent of imports from this country are "**Mineral fuel and oil**". China and United States followed with respective shares of 9 and 7 percent.

Exports amounted to US\$ 232 million in January 2017, reflecting a remarkable increase of 25 percent compared to January 2016. This improvement in export by value was mirrored in a 26 percent increase in terms of volume.

¹ This fluctuation in value and volume is explained by the fact that international fuel prices increased by 78 percent in Jan-2017 with Europe Brent Spot price FOB reaching an average of US\$ 54.58 per barrel in January 2017 compared to US\$ 30.7 in January 2016.

² This hike in value terms compared to the rise in volume terms is explained by the fact that imports of Gold (HS 71.08) in January 2017 registered 131 US\$ million compared to 52 US\$ million in January 2016 yet representing relatively a minor share of 3.5 percent and 2 percent respectively of total imports in volume terms.

³ Mainly due to a rise in imports from United States, France and Germany by respective amounts of US\$ 5 million, US\$ 4 million and US\$ 3 million.

⁴ This increase is attributed mainly to higher imports from United States by 191 percent (US\$ 9 million).

⁵ The surge is mainly due to the rise in imports from Germany and India by 26 percent (US\$ 7 million) and 164 percent (US\$ 3 million) respectively partly counterbalanced by a drop of 51 percent (US\$ 6 million) in imports from Korea.

⁶ It is worth mentioning that imports from China were the main source of this decline soaring down by 93 percent (US\$ 41 million) despite the increase in imports from Ukraine by 742 percent (US\$ 15 million) which softened this contraction.

- Exports of "**Unwrought gold, un-mounted diamond & precious stones**" increased by 160 percent (US\$ 44 million) in terms of value, compared to a lower increase of 22 percent in terms of volume⁷.
- Excluding "**Unwrought gold, un-mounted diamond & precious stones**", exports barely improved by 1 percent (US\$ 2 million) in terms of value. This was mainly due to a rise in exports of "**Sugars and sugar confectionery**" by 134 percent (US\$ 6 million)⁸, "**Edible fruit and nuts**" by 89 percent (US\$ 5 million) ⁹and "**Iron and steel**" by 118 percent (US\$ 4 million)¹⁰.
- **From a regional perspective**, exports to Arab countries witnessed a decrease of 2 percent (US\$ 2 million) in January 2017 compared to January 2016. It is worth mentioning that this decrease is mainly attributed to lower exports to the Saudi Arabia by 33 percent (US\$ 7 million) followed by United Arab Emirates with a drop of 17 percent (US\$ 3 million) partly counterbalanced by an increase in exports to Syria by 73 percent (US\$ 10 million).
- Lastly, the **breakdown of Lebanese exports by major destination** shows that South Africa was at the top of the list in January 2017 with a share of 18 percent of total exports, followed by Switzerland and Syria with a share of 10 percent each.

⁷ This is mainly due to the export of a relatively large volume of "Gold (including gold plated with platinum)" in January 2017 with 1,856 Kgs (66.6 percent of the volume of total exports of "Unwrought gold, un-mounted diamond & precious stones") having a value of US\$ 64 million (89.9 percent of the value of total exports in this category) compared to US\$ 18 million in January 2016 with a volume of 24 percent of total exports in the given period.

⁸ Mainly due to a rise of US\$ 5 million (147 percent) in exports to Syria.

⁹ Most notably due to a hike of US\$ 4 million (196 percent) in exports to Syria.

¹⁰ This hike is driven by the rise of US\$ 3 million (110 percent).in exports to Turkey.

Table 1: Trade activity by value

(US\$ millions)	2013	2014	2015	2016	2017	% Change
	January	January	January	January	January	17/16
Imports	1,646	1,873	1,341	1,494	1,604	7%
<i>of which mineral fuel & oil</i>	412	546	211	368	358	-3%
-EDL registered fuel imports	82	240	0	196	82	-58%
-Non EDL fuel imports	412	306	211	172	276	60%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals</i>	137	101	50	67	149	121%
Exports	405	244	250	186	232	25%
<i>of which Unwrought gold, un-mounted diamond, & precious metals</i>	146	46	49	28	72	160%
Trade Balance	-1,241	-1,629	-1,090	-1,309	-1,373	5%

Source: Directorate General of Customs, Ministry of Finance

Table 2: Trade activity by volume

(Millions of Kgs)	2013	2014	2015	2016	2017	% Change
	January	January	January	January	January	17/16
Imports	1,127	1,459	1,119	1,482	1,462	-1%
<i>of which mineral fuel & oil</i>	479	566	416	737	755	2%
-EDL registered fuel imports	196	252	0	292	195	-33%
-Non EDL fuel imports	479	314	416	445	560	26%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals (Kgs)</i>	75,722	73,043	77,435	78,350	105,638	35%
Exports	226	150	178	105	132	26%
<i>of which Unwrought gold, un-mounted diamond, & precious metals (kgs)</i>	5,631	3,925	6,459	2,280	2,785	22%
Trade Balance	-901	-1,309	-941	-1,377	-1331	-3%

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-2016	% Share	Jan-2017	% Share	Value Change	% Change
1	Mineral fuels and oils	368	25%	358	22%	-11	-3%
2	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	67	5%	149	9%	81	121%
3	Vehicles and accessories, cranes & lorries	127	9%	135	8%	7	6%
4	Pharmaceutical products	92	6%	107	7%	15	17%
5	Aircraft engines, Boilers, machinery and mechanical appliances	87	6%	97	6%	10	11%
6	Electrical machinery and equipment	57	4%	59	4%	2	4%
7	Plastics and articles thereof	45	3%	49	3%	4	10%
8	Articles of apparel and clothing	35	2%	32	2%	-4	-10%
9	Iron and steel	55	4%	30	2%	-25	-46%
10	live animals	25	2%	29	2%	4	17%
	Other	535	36%	560	35%	25	5%
	Total	1,494	100%	1,604	100%	110	7%

Source: MOF, DGC

Table 4: EXPORT Distribution by Product (in US\$ million)							
Rank	Product	Jan-2016	% Share	Jan-2017	% Share	Value Change	% Change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	28	15%	72	31%	44	160%
2	Electrical machinery and equipment	14	8%	13	6%	-1	-5%
3	Edible fruit and nuts	6	3%	11	5%	5	89%
4	Aircraft engines, Boilers, machinery and mechanical appliances	10	5%	10	4%	0	3%
5	Sugars and sugar confectionery	4	2%	10	4%	6	134%
6	Essential oils and resino	10	5%	9	4%	-1	-10%
7	Plastic and articles thereof	9	5%	8	4%	0	-5%
8	Processed and refined copper	5	3%	7	3%	2	50%
9	Preparations of vegetables	10	6%	7	3%	-3	-32%
10	Iron and steel	3	2%	7	3%	4	118%
	Other	87	47%	77	33%	-10	-11%
	Total	186	100%	232	100%	46	25%

Source: MOF, DGC



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