

Figures released by the Ministry of Finance, Customs Directorate, indicate a trade deficit of US\$ 10,003 million during the period of January-July of 2014, 1 percent higher than the deficit of US\$ 9,916 million registered during the same period of 2013. The US\$ 87 million deterioration in the trade deficit is rooted in significantly lower exports - by US\$ 660 million - which were partly counterbalanced by lower imports of US\$ 573 million.

Total **imports** reached US\$ 11,938 million during the period of January-July 2014, registering a decrease of 5 percent in value terms, while in terms of volume they increased by 3 percent when compared to the same period of 2013.

- Imports of "**Mineral fuel and oil**" registered a year-on-year decrease of 8 percent (US\$ 240 million), while in terms of volume they decreased by 3 percent. This drop is driven by the 11 percent¹ drop in non EDL fuel imports that was partly offset by an increase of 5 percent in EDL fuel imports from US\$ 504 million in January-July 2013 to US\$ 529 million in the same period of 2014.
- Imports of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**" continued to decrease since February 2013, dropping during January-July 2014 by 24 percent (US\$ 182 million)² as compared to the same period of 2013, along with a decline of 16 percent in terms of volume.

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

Description	Jan-July 2013	Jan-July 2014	Value Change	% Change
Diamonds, whether or not worked, but not mounted or set	121	118	-3	-3%
Precious stones (other than diamonds) and semi-precious stones	8	17	10	127%
Gold (including gold plated with platinum)	582	400	-182	-31%
Articles of jewelry and parts	27	20	-7	-25%
Imitation Jewelry	9	9	0	0%

Source: Directorate General of Customs, Ministry of Finance

- Excluding "**Mineral fuel and oil**" and "**Unwrought gold, un-mounted diamond & precious stones**", imports slightly decreased by 2 percent (US\$ 151 million) during January-July 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 This decrease in imports of Non EDL fuel is mainly due to lower exports of fuel to Syria by 98 percent (US\$ 292 million). In fact, a considerable part of fuel imports was exported to Syria during the past year.

² This significant drop is mainly attributed to lower imports from Switzerland and Egypt by 36 percent (US\$ 85 million) and 89 percent (US\$ 66 million) respectively. In contrast, imports from Togo increased by 19 percent (US\$ 29 million).

registering drops of 28 percent (US\$ 210 million)³, 10 percent (US\$ 91 million)⁴ and 4 percent (US\$ 29 million)⁵ respectively compared to the previous year, against respective declines of 17 percent for the first category, and 11 percent for the latter two in terms of volume.

- The impact of these decreases has more than offset the increases in imports of **“Iron and Steel”**, **“Dairy produce; birds' egg”** and **“Pharmaceutical products”** by 9 percent (US\$ 39 million)⁶, 18 percent (US\$ 37 million) and 2 percent (US\$ 17 million) respectively. This variation in value is interpreted in respective rises of 17 percent, 8 percent and 6 percent respectively in terms of volume.
- As for the **breakdown of Lebanese imports by country of origin** during the period of January-July of 2014, China remained Lebanon’s top import trading partner with a share of 12 percent of total imports, noting that 21 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\$ 1,935 million during the period of January-July of 2014, reflecting a significant decrease of 25 percent when compared to the same period of 2013, along with a decline of 35 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 39 percent (US\$ 228 million)⁷ in terms of value during the first seven months of the current year, compared to an increase of 7 percent in terms of volume.

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

Description	Jan-July 2013	Jan-July 2014	Value Change	% Change
Diamonds, whether or not worked, but not mounted or set.	73	118	45	61%
Precious stones (other than diamonds) and semi-precious stones.	7	17	10	146%
Gold (including gold plated with platinum).	444	400	-44	-10%
Imitation jewelry.	2	9	7	412%
Articles of jewelry and parts.	48	20	-28	-58%

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\$ 219 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 China and Germany by 14 percent (US\$ 24 million) and 108 percent (US\$ 23 million) respectively.

⁴ This decrease is mainly attributed to lower imports from Korea, Germany and the United Kingdom by 39 percent (US\$ 44 million), 13 percent (US\$ 33 million) and 19 percent (US\$ 15 million) respectively.

⁵ Mainly due to lower imports from United Kingdom and Thailand by 29 percent (US\$ 17 million) and 29 percent (US\$ 10 million) respectively.

⁶ This increase is attributed to higher imports from China by 304 percent (US\$ 225 million) despite the retraction of imports from Ukraine by 46 percent (US\$ 66 million) and Turkey by 58 percent (US\$ 57 million).

⁷ This decrease is mainly attributed to lower exports to South Africa, Switzerland and United Arab Emirates by 34 percent (US\$ 107 million), 64 percent (US\$ 85 million) and 34 percent (US\$ 25 million) respectively.

- Exports of "**Mineral fuel and oil**" continued to register a significant decrease since the beginning of 2014, dropping by 94 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 8 percent (US\$ 141 million). The most notable decreases were registered in exports of "**Copper and Articles**", "**Electrical machinery and equipment**" and "**Iron and Steel**" which declined by 57 percent (US\$ 75 million)⁹, 27 percent (US\$ 46 million)¹⁰ and 38 percent (US\$ 40 million)¹¹ respectively.
- These decreases were partly counterbalanced by higher exports of "**Printed books and newspapers**" and "**Preparations of vegetables**" by 49 percent (US\$ 24 million)¹² and 13 percent (US\$ 9 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 25 percent (US\$ 331 million) registered in the first seven months of 2014. This decrease is mostly attributed to lower exports to Syria by 67 percent (US\$ 274 million)¹⁴.
- 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-July 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" while the major exports to Saudi Arabia are "Printed book and newspapers" - followed by the United Arab Emirates and Iraq which registered respective shares of 10 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 98 percent (US\$ 292 million) as mentioned in footnote 1.

⁹ Driven by respective decreases of 68 percent (US\$ 40 million) and 66 percent (US\$ 11 million) in exports to Korea and Greece.

¹⁰ Driven by a drop in exports to Iraq and Saudi Arabia by 55 percent (US\$ 21 million) and 54 percent (US\$ 21 million) respectively.

¹¹ Mainly due to a drop in exports to Turkey by 39 percent (US\$ 37 million).

¹² Mainly due to a rise in exports to Saudi Arabia by US\$ 14 million.

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

¹⁴ Mainly due to lower exports of fuel as stated in footnote 8 above.

Table 3: Trade activity by value

(US\$ millions)	2013	2014	% Change	2010	2011	2012	2013	2014	% Change
	July	July	July 2014/2013	Jan-July	Jan-July	Jan-July	Jan-July	Jan-July	Jan-July 2014/2013
Imports	1,718	1,657	-4%	10,430	10,907	12,620	12,511	11,938	-5%
<i>of which mineral fuel & oil</i>	319	410	28%	2,075	2,003	3,627	2,976	2,736	-8%
<i>-EDL registered fuel imports</i>	0	0	NA	667	324	1,292	504	529	5%
<i>-Non EDL fuel imports</i>	319	410	28%	1,408	1,679	2,335	2,472	2,206	-11%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals</i>	86	65	-25%	703	1,069	954	751	569	-24%
Exports	280	276	-1%	2,416	2,533	2,489	2,595	1,935	-25%
<i>of which Unwrought gold, un-mounted diamond, & precious metals</i>	41	48	16%	679	863	961	579	351	-39%
<i>of which mineral fuel & oil</i>	7	3	-58%	3	2	11	310	18	-94%
Trade Balance	-1,438	-1,381	-4%	-8,014	-8,374	-10,131	-9,916	-10,003	1%

Source: Directorate General of Customs, Ministry of Finance

Table 4: Trade activity by volume

(millions of Kgs)	2013	2014	% Change	2010	2011	2012	2013	2014	% Change
	July	July	July 2014/2013	Jan-July	Jan-July	Jan-July	Jan-July	Jan-July	Jan-July 2014/2013
Imports	1,718	1,306	-24%	8,698	7,770	9,416	8,619	8,840	3%
<i>of which mineral and fuel oil</i>	369	516	40%	3,433	2,557	4,067	3,246	3,145	-3%
<i>-EDL registered fuel imports</i>	0	0	NA	1,163	545	1,505	507	560	10%
<i>-Non EDL fuel imports</i>	369	516	40%	2,270	2,012	2,562	2,739	2,586	-6%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals (Kgs)</i>	135,124	123,245	-9%	596,249	608,411	602,846	788,405	660,155	-16%
Exports	199	199	0%	1,709	1,712	1,341	1,765	1,154	-35%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals (Kgs)</i>	4,198	20,052	378%	83,472	91,364	79,249	42,742	45,802	7%
<i>of which mineral and fuel oil</i>	7	3	-62%	4	2	10	306	18	-94%
Trade Balance	-1,518	-1,107	-27%	-6,989	-6,058	-8,075	-6,854	-7,686	12%

Source: Directorate General of Customs, Ministry of Finance

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

Rank	Product	Jan- July 2013	% Share	Jan- July 2014	% Share	Value Change	% Change
1	Mineral fuels and oils	2,976	24%	2,736	23%	-240	-8%
2	Vehicles and accessories, cranes & lorries	914	7%	823	7%	-91	-10%
3	Aircraft engines, Boilers, machinery and mechanical appliances	785	6%	756	6%	-29	-4%
4	Pharmaceutical products	677	5%	693	6%	17	2%
5	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	751	6%	569	5%	-182	-24%
6	Electrical machinery and equipment	763	6%	552	5%	-210	-28%
7	Iron and Steel	449	4%	488	4%	39	9%
8	Plastics and articles thereof	410	3%	402	3%	-8	-2%
9	Articles of apparel and clothing	269	2%	263	2%	-6	-2%
10	Dairy products	206	2%	243	2%	37	18%
	Other	4,312	34%	4,413	37%	101	2%
	Total	12,511	100%	11,938	100%	-574	-5%

Source: MOF, DGC

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

Rank	Product	Jan- July 2013	% Share	Jan- July 2014	% Share	Value Change	% Change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	579	22%	351	18%	-228	-39%
2	Aircraft engines, Boilers, machinery and mechanical appliances	140	5%	137	7%	-3	-2%
3	Electrical machinery and equipment	171	7%	125	6%	-46	-27%
4	Plastic and articles thereof	80	3%	78	4%	-3	-4%
5	Preparations of vegetables	67	3%	75	4%	9	13%
6	Printed book, newspapers	49	2%	74	4%	24	49%
7	Iron and Steel	107	4%	67	3%	-40	-38%
8	Essential oils and resino	58	2%	66	3%	8	14%
9	Beverages, spirits and vinegar	54	2%	59	3%	5	9%
10	Processed and Refined Copper	132	5%	58	3%	-75	-57%
	Other	1,158	45%	846	44%	-312	-27%
	Total	2,595	100%	1,935	100%	-661	-25%

Source: MOF, DGC



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