

Official figures released by the Ministry of Finance, Customs Directorate, show a trade deficit of US\$ 8,545 million during the period of January-July of 2015, 15 percent lower than the deficit of US\$ 10,003 million registered during the same period of 2014. The US\$ 1,485 million improvement in the trade deficit is rooted in significantly lower imports by US\$ 1,622 million despite the slight decrease of US\$ 164 million in exports.

Total **imports** amounted US\$ 10,316 million during the period of January-July of 2015, recording a major decline of 14 percent in value and a minor drop of 2 percent in volume, when compared to the same period of 2014.

- Imports of "**Mineral fuel and oil**" dropped sharply by 39 percent (US\$ 1,079 million)<sup>1</sup>, while in terms of volume they declined by 5 percent. In details, EDL fuel imports dropped from US\$ 529 million in January-July 2014 to nil during the same period this year. Also Non-EDL fuel imports decreased by 25 percent (US\$ 549 million) when compared to the first half of 2014<sup>2</sup>.
- Imports of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**" continued to drop in terms of value with a year-on-year drop of 15 percent (US\$ 85 million), while in terms of volume there was a decrease by 7 percent.
- Excluding "**Mineral fuel and oil**" and "**Unwrought gold, un-mounted diamond & precious stones**", imports decreased by 5 percent (US\$ 458 million) during January-July 2015 compared to the same period of 2014. The main decreases were witnessed in "**Iron and steel**", "**Aircraft engines and boilers**", "**Electrical machinery and equipment**" and "**plastic and articles thereof**" with respective drops of 34 percent (US\$ 163 million)<sup>3</sup>, 6 percent (US\$ 45 million)<sup>4</sup>, 8 percent (US\$ 43 million)<sup>5</sup> and 10 percent (US\$ 38 million)<sup>6</sup>, these decreases were counterbalanced by the increase in imports of "**Vehicles other than railway**" and "**Articles of apparel and clothing**" by 15 percent (US\$ 121 million)<sup>7</sup> and 14 percent (US\$ 37 million)<sup>8</sup> respectively.
- As for the **breakdown of Lebanese imports by country of origin** during the period of January-July of 2015, China remained Lebanon's top import trading partner with a share of 12 percent (US\$ 1,210 million) of total imports, noting that almost 15 percent of imports from this country are "Aircraft engines, Boilers, machinery

<sup>1</sup> The large decrease in value is mainly attributed to lower international fuel prices with the Brent price dropping to an average of US\$ 57.63 per barrel during the period of January-July of 2015 from US\$ 108.89 per barrel during the same period of 2014.

<sup>2</sup> This drop in value of non-EDL fuel imports came despite the 16 percent increase in terms of volume, reflecting the large decrease in international fuel prices.

<sup>3</sup> Mainly due to a decline in imports from China, Turkey and Ukraine by 43 percent (US\$ 129 million), 41 percent (US\$ 17 million) and 10 percent (US\$ 8 million) respectively.

<sup>4</sup> The drop in "Aircraft engines" is mostly attributed to lower imports from China, USA and Germany by 11 percent (US\$ 21 million), 23 percent (US\$ 20 million) and 22 percent (US\$ 20 million) respectively that offset the increase in imports from United Kingdom by 63 percent (US\$ 25 million).

This contraction is mainly attributed to lower imports from China, Italy and Korea by 31 percent (US\$ 55 million), 32 percent (US\$ 11 million) and 30 percent (US\$ 8 million) respectively that offset the respective increases in imports from Germany by 95 percent (US\$ 43 million) and United Kingdom by 31 percent (US\$9 million).

<sup>5</sup> This contraction is mainly attributed to lower imports from China, Italy and Korea by 26 percent (US\$ 50 million), 27 percent (US\$ 11 million) and 29 percent (US\$ 9 million) respectively.

<sup>6</sup> The drop in "Plastics" is partly attributed to lower imports from Saudi Arabia by 17 percent (US\$ 16 million).

<sup>7</sup> This increase is a result of a hike of imports from Germany, USA and Japan by 16 percent (US\$ 35 million), 26 percent (US\$ 32 million) and 20 percent (US\$ 27 million) respectively.

<sup>8</sup> Mainly due to an increase in imports from Turkey and China by 71 percent (US\$ 18 million) and 12 percent (US\$ 9 million) respectively.

and mechanical appliances". Italy, Germany and France followed with shares of 8 percent, 7 percent and 6 percent respectively.

Total **exports** reached US\$ 1,771 million during January-July of 2015, reflecting a decrease of 8 percent compared to the same period of 2014, while in terms of volume it declined by 5 percent.

- Exports of "**Unwrought gold, un-mounted diamond & precious stones**" dropped by 23 percent<sup>9</sup> (US\$ 80 million) in terms of value, while in terms of volume it decreased by 30 percent<sup>10</sup>.
- Excluding "Unwrought gold, un-mounted diamond & precious stones", exports decreased year-on-year by 5 percent (US\$ 84 million), mainly due to a decline in "**Aircraft engines, Boilers, machinery and mechanical appliances**" and "**Plastic and articles**" by 8 percent (US\$ 11 million)<sup>11</sup> and 9 percent (US\$ 7 million)<sup>12</sup> respectively.
- On the other hand, few categories registered a year-on-year increase, mainly exports of "**fertilizers**" and "**Essential oils**" which rose by US\$ 9 million (21 percent)<sup>13</sup> and by US\$ 8 million (11 percent)<sup>14</sup> respectively.
- **From a regional perspective**, exports to Arab countries witnessed a decline by 4 percent (US\$ 39 million) during January-July of 2015 compared to the same period of 2014. This drop is mainly due to decreases in exports to Syria, Jordan and Iraq by 12 percent (US\$ 16 million), 16 percent (US\$ 12 million) and 9 percent (US\$ 12 million) respectively, which offset the increase in exports to Saudi Arabia by 6 percent (US\$ 12 million)<sup>15</sup> and Egypt by 31 percent (US\$ 12 million).
- 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 period of January-July of 2015 with respective shares of 13 percent and 10 percent, followed by other countries mainly Iraq, South Africa and Syrian Arab Republic with a share of 7 percent each.

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<sup>9</sup> This can be partly attributed to a lower price of gold during the period of Jan-July 2015 with an average of US\$ 1,194.8 per ounce compared to an average of US\$ 1,296.5 during the same period of 2014.

<sup>10</sup> It is worth mentioning that during Jan-July 2014 exports of imitation jewelry amounted 22,937 Kg compared to 7338 Kg during the same period of 2015 which in turn contributed to the mentioned decline in volume of 30 percent.

<sup>11</sup> Mainly due to lower exports to Iraq by 56 percent (US\$ 16 million) which more than offset the increase in exports to Germany by 153 percent (US\$ 10 million) and Netherlands by 100 percent (US\$ 10 million).

<sup>12</sup> This decrease is mainly related to lower exports to USA by 69 percent (US\$ 6 million).

<sup>13</sup> This increase can be explained by higher exports to Brazil by US\$ 12 million.

<sup>14</sup> This increase is attributed to higher exports to Iraq by US\$ 3 million

<sup>15</sup> Mainly due to a y-o-y rise in exports of Electrical products by US\$ 24 million during January-July of 2015.

**Table 2: Trade activity by value**

(US\$ millions)	2014	2015	% Change	2011	2012	2013	2014	2015	% Change
	July	July	July 15/14	Jan – July	Jan – July	Jan – July	Jan – July	Jan – July	Jan – July 15/14
<b>Imports</b>	<b>1,657</b>	<b>1,527</b>	<b>-8%</b>	<b>10,907</b>	<b>12,620</b>	<b>12,511</b>	<b>11,938</b>	<b>10,316</b>	<b>-14%</b>
<i>of which mineral fuel &amp; oil</i>	410	235	-43%	2,003	3,627	2,976	2,736	1,657	-39%
-EDL registered fuel imports	0	0	NA	324	1,292	504	529	0	-100%
-Non EDL fuel imports	410	235	-43%	1,679	2,335	2,472	2,206	1,657	-100%
<i>of which Unwrought &amp; semi-manufactured gold, diamonds, precious stones &amp; metals</i>	65	76	18%	1,069	954	751	569	484	-15%
<b>Exports</b>	<b>276</b>	<b>218</b>	<b>-21%</b>	<b>2,533</b>	<b>2,489</b>	<b>2,595</b>	<b>1,935</b>	<b>1,771</b>	<b>-8%</b>
<i>of which Unwrought gold, unmounted diamond, &amp; precious metals</i>	48	34	-30%	863	961	579	351	271	-23%
<b>Trade Balance</b>	<b>-1,381</b>	<b>-1,309</b>	<b>-5%</b>	<b>-8,374</b>	<b>-10,131</b>	<b>-9,916</b>	<b>-10,003</b>	<b>-8,545</b>	<b>-15%</b>

Source: Directorate General of Customs, Ministry of Finance

**Table 3: Trade activity by volume**

(Millions of kgs)	2014	2015	% Change	2011	2012	2013	2014	2015	% Change
	July	July	July 15/14	Jan – July	Jan – July	Jan – July	Jan – July	Jan – July	Jan – July 15/14
<b>Imports</b>	<b>1,306</b>	<b>1,216</b>	<b>-7%</b>	<b>7,770</b>	<b>9,416</b>	<b>8,619</b>	<b>8,840</b>	<b>8,669</b>	<b>-2%</b>
<i>of which mineral fuel &amp; oil</i>	516	387	-25%	2,557	4,067	3,246	3,145	2,986	-5%
-EDL registered fuel imports	0	0	-	545	1,505	507	560	0	-100%
-Non EDL fuel imports	516	387	-25%	2,012	2,562	2,739	2,586	2,986	16%
<i>of which Unwrought &amp; semi-manufactured gold, diamonds, precious stones &amp; metals (Kgs)</i>	123,245	79,994	-35%	608,411	602,846	788,405	660,155	615,581	-7%
<b>Exports</b>	<b>199</b>	<b>131</b>	<b>-34%</b>	<b>1,712</b>	<b>1,341</b>	<b>1,765</b>	<b>1,154</b>	<b>1,099</b>	<b>-5%</b>
<i>of which Unwrought gold, unmounted diamond, &amp; precious metals (Kgs)</i>	20,052	3,190	-84%	91,364	79,249	42,742	45,802	32,218	-30%
<b>Trade Balance</b>	<b>-1,107</b>	<b>-1,085</b>	<b>-2%</b>	<b>-6,058</b>	<b>-8,075</b>	<b>-6,854</b>	<b>-7,686</b>	<b>-7,570</b>	<b>-2%</b>

Source: Directorate General of Customs, Ministry of Finance

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

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

Rank	Product	Jan-July 2014	% Share	Jan- July 2015	% Share	Value Change	% Change
1	Mineral fuels and oils	2,736	23%	1,657	16%	-1,079	-39%
2	Vehicles and accessories, cranes & lorries	823	7%	944	9%	121	15%
3	Aircraft engines, Boilers, machinery and mechanical appliances	756	6%	710	7%	-45	-6%
4	Pharmaceutical products	693	6%	666	6%	-27	-4%
5	Electrical machinery and equipment	552	5%	510	5%	-43	-8%
6	Electrical machinery and equipment Unwrought & semi-manufactured gold, diamonds, precious stones & metals	569	5%	484	5%	-85	-15%
7	Plastics and articles thereof	402	3%	363	4%	-38	-10%
8	Iron and Steel	488	4%	325	3%	-163	-34%
9	Articles of apparel and clothing	263	2%	300	3%	37	14%
10	Cereals	211	2%	181	2%	-30	-14%
	Others	4,445	37%	4,175	40%	-269	-6%
	<b>Total</b>	<b>11,938</b>	<b>100%</b>	<b>10,316</b>	<b>100%</b>	<b>-1,622</b>	<b>-14%</b>

Source: MOF, DGC

**Table 5: EXPORT Distribution by Product (in US\$ million)**

Rank	Product	Jan- July 2014	% Share	Jan- July 2015	% Share	Value Change	% Change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	351	18%	271	15%	-80	-23%
2	Electrical machinery and equipment	125	6%	131	7%	6	5%
3	Aircraft engines, Boilers, machinery and mechanical appliances	137	7%	126	7%	-11	-8%
4	Preparations of vegetables	75	4%	76	4%	1	1%
5	Essential oils and resino	66	3%	74	4%	8	11%
6	Plastic and articles thereof	78	4%	71	4%	-7	-9%
7	Processed and Refined Copper	58	3%	55	3%	-2	-4%
8	Beverages, spirts and vinegar	59	3%	54	3%	-5	-9%
9	Fertilizers	42	2%	51	3%	9	21%
10	Furniture, bedding, mattresses	49	3%	50	3%	1	3%
	Others	895	46%	812	46%	-83	-9%
	<b>Total</b>	<b>1,935</b>	<b>100%</b>	<b>1,771</b>	<b>100%</b>	<b>-164</b>	<b>-8%</b>

Source: MOF, DGC



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