

Figures released by the Ministry of Finance, Customs Directorate, show a trade deficit of US\$ 9,346 million during January-July 2017, 1 percent higher than the deficit of US\$ 9,208 million registered during the same period of 2016. The US\$ 138 million increase in the trade deficit is rooted in higher imports by US\$ 156 despite the small rise of US\$ 18 million in exports during the period under consideration.

Total **imports** reached US\$ 10,998 million during January-July 2017, registering an increase of 1 percent both in value and volume terms when compared to the same period of 2016.

- Imports of "**Mineral fuel and oil**" witnessed a significant drop of 8 percent (US\$ 177 million) in value terms, along with a less prominent decrease of 3 percent in volume terms. This drop is due to a sharp fall of 56 percent (US\$ 582 million) in EDL registered fuel imports during the first seven months of 2017 in comparison with the same period last year. This year-on-year retraction could not be offset by higher non-EDL fuel imports which registered a significant increase of 33 percent (US\$ 405 million) compared to January-July 2016. A major part of the mentioned increase can be explained by the rise in average Brent prices from US\$ 40.5 per barrel in January-July 2016 to US\$ 51.1 per barrel in January-July 2017, while the volume of these imports increased only by 9 percent.
- Imports of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**" decreased by 3 percent (US\$ 17 million) year-on-year in terms of value, while in volume terms it increased by 23 percent¹.
- Excluding "**Mineral fuel and oil**" and "**Unwrought gold, un-mounted diamond & precious stones**", imports increased by 4 percent (US\$ 350 million) during January-July 2017 compared to the same period of 2016. In details, the main year-on-year increases were witnessed in:
 1. Imports of "**Vehicles other than railway**" which rose by 8 percent (US\$ 80 million) in the first seven months of 2017 mainly due to the increase in imports from Germany, the United States and Canada by 12 percent (US\$ 29 million), 16 percent (US\$ 27 million) and 79 percent (US\$ 16 million) respectively partly counterbalanced by a decrease in imports from Japan by 8 percent (US\$ 13 million).
 2. Imports of "**Cereals**" which rose by 19 percent (US\$ 30 million) in January-July 2017 mainly due to the increase in imports from Ukraine by 49 percent (US\$ 20 million) despite the decrease in imports from the Russian Federation by 18 percent (US\$ 11 million). It is worth noting that imports of this category from Serbia increased by US\$ 6 million from around nil during the period of January-July 2016.
 3. Imports of "**Electrical machinery and equipment appliances**" which rose by 7 percent (US\$ 29 million) partly due to an increase in imports from China by 6 percent (US\$ 9 million) which also remained as the top import partner in this category with a share of 34 percent from total, followed by Italy and France with respective shares of 7 percent and 6 percent. We should note that these imports witnessed a decrease of 34 percent (US\$ 12 million) from United Kingdom.

¹ This can be explained by the increase in the volume of "Imitation jewelry" imports by around 138 tons (against a decrease of US\$ 1 million in its value), added to a significant drop (US\$ 56 million/1.4 tons) in imports of "Gold (including gold plated with platinum) unwrought".

- As for the main import partners, China ranked first during January-July 2017 with a share of 10 percent from total imports, noting that almost 18 percent of imports from this country are “**Aircraft engines, Boilers, machinery and mechanical appliances**”. Italy and Greece followed with shares of 8 and 7 percent respectively.

Exports amounted to US\$ 1,652 million during January-July 2017, reflecting an increase of 1 percent compared to the same period of 2016. The rise in value was in-turn reflected in a much higher increase of 30 percent in terms of volume.

- Exports of “**Unwrought gold, un-mounted diamond & precious stones**” decreased remarkably by 12 percent (US\$ 48 million)² in terms of value, against an increase of 134 percent in terms of volume. The main part of this increase (87 percent or 25,688 Kgs) is due to the export of a relatively big volume of “Articles of jewelry and parts thereof, of precious metal or of metal clad with precious metal” (25,637 Kgs) during July 2017 with a corresponding value of US\$ 4.5 million. As a result, this sub-category reached a share of 51 percent from total gold exports in terms of volume against only 8 percent in terms of value during January-July 2017.
- Excluding “**Unwrought gold, un-mounted diamond & precious stones**”, exports increased by 5 percent (US\$ 66 million). This is partly due to an increase in exports of “**Iron and steel**” and “**Sugars and sugar confectionery**” which rose by 105 percent (US\$ 29 million)³ and 72 percent (US\$ 22 million)⁴ respectively. On the other hand, exports of “**Aircraft engines, Boilers, machinery and mechanical appliances**” decreased by 19 percent (US\$ 20 million)⁵.
- **From a regional perspective**, exports to Arab countries witnessed a year-on-year increase of 7 percent (US\$ 53 million) during January-July 2017. It is worth mentioning that this increase is attributed to higher exports to Syria, Kuwait and Iraq by 52 percent (US\$ 52 million), 38 percent (US\$ 15 million) and 14 percent (US\$ 13 million) respectively, despite the decline in exports to Saudi Arabia by 14 percent (US\$ 24 million)⁶.
- Lastly, the **breakdown of Lebanese exports by major destination** shows that South Africa maintained its position at the top of the list during January-July 2017 despite the drop of its share from 19 percent last year to 12 percent from total exports, noting that almost all exports to this country consisted of “**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**”. Syria, the United Arab Emirates and Saudi Arabia followed with a share of 9 percent each.

² Mostly driven by a decrease of 16.6 percent (US\$ 56 million) in exports of “Gold (including gold plated with platinum) unwrought” after a major y-o-y drop of 84 percent in July 2017.

³ Driven by higher exports to Turkey by 122 percent (US\$ 28 million).

⁴ This is mainly due to higher exports to Syria by 95 percent (US\$ 20 million).

⁵ Mostly due to lower exports to Germany by 86 percent (US\$ 13 million).

⁶ Several categories of exports to Saudi Arabia witnessed a y-o-y drop during January-July 2017, mainly “Electrical machinery and equipment appliances” (US\$ 5 million) and “Furniture; bedding, mattresses, mattress supports” (US\$ 4 million).

Table 1: Trade activity by value

(US\$ millions)	2016	2017	% Change	2013	2014	2015	2016	2017	% Change
	July	July	July 17/16	Jan – July	Jan – July	Jan – July	Jan – July	Jan – July	Jan - July 17/16
Imports	1,447	1,620	12%	12,511	11,938	10,316	10,842	10,998	1%
<i>of which mineral fuel & oil</i>	196	260	33%	2,976	2,736	1,657	2,277	2,100	-8%
-EDL registered fuel imports	0	0	NA	504	529	0	1,044	462	-56%
-Non EDL fuel imports	196	260	33%	2,472	2,206	1,657	1,233	1,638	33%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals</i>	120	73	-39%	751	569	484	623	606	-3%
Exports	247	217	-12%	2,595	1,935	1,771	1,634	1,652	1%
<i>of which Unwrought gold, un-mounted diamond, & precious metals</i>	105	23	-78%	579	351	271	409	361	-12%
Trade Balance	-1,201	-1,403	17%	-9,916	-10,003	-8,545	-9,208	-9,346	1%

Source: Directorate General of Customs, Ministry of Finance

Table 2: Trade activity by volume

(millions of Kgs)	2016	2017	% Change	2013	2014	2015	2016	2017	% Change
	July	July	July 17/16	Jan – July	Jan – July	Jan – July	Jan – July	Jan – July	Jan - July 17/16
Imports	1,265	1,383	9%	8,619	8,840	8,669	10,214	10,344	1%
<i>of which mineral fuel & oil</i>	469	561	19%	3,246	3,145	2,986	4,628	4,511	-3%
-EDL registered fuel imports	0	0	NA	507	560	0	1,498	1,092	-27%
-Non EDL fuel imports	469	561	19%	2,739	2,586	2,986	3,130	3,419	9%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals (Kgs)</i>	78,913	83,426	6%	788,405	660,155	615,581	606,115	744,600	23%
Exports	100	189	89%	1,765	1,154	1,099	858	1,114	30%
<i>of which Unwrought gold, un-mounted diamond, & precious metals (Kgs)</i>	3,688	27,670	650%	42,742	45,802	32,218	21,944	51,317	134%
Trade Balance	-1,165	-1,194	3%	-6,854	-7,686	-7,570	-9,357	-9,230	-1%

Source: Directorate General of Customs, Ministry of Finance

Table 3: IMPORT Distribution by Product (in US\$ million)

Rank	Product	Jan- July 2016	% Share	Jan- July 2017	% Share	Value Change	% Change
1	Mineral fuels and oils	2,277	21%	2,100	19%	-177	-8%
2	Vehicles and accessories, cranes & lorries	982	9%	1,062	10%	80	8%
3	Pharmaceutical products	714	7%	740	7%	26	4%
4	Aircraft engines, Boilers, machinery and mechanical appliances	665	6%	685	6%	20	3%
5	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	623	6%	606	6%	-17	-3%
6	Electrical machinery and equipment	422	4%	451	4%	29	7%
7	Iron and steel	353	3%	374	3%	20	6%
8	Plastics and articles thereof	356	3%	354	3%	-1	0%
9	Articles of apparel and clothing	282	3%	277	3%	-5	-2%
10	Cereals	156	1%	186	2%	30	19%
	Others	4,012	37%	4,163	38%	152	4%
	Total	10,842	100%	10,998	100%	156	1%

Source: MOF, DGC

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

Rank	Product	Jan- July 2016	% Share	Jan- July 2017	% Share	Value Change	% Change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	409	25%	361	22%	-48	-12%
2	Electrical machinery and equipment	95	6%	101	6%	6	7%
3	Aircraft engines, Boilers, machinery and mechanical appliances	104	6%	84	5%	-20	-19%
4	Plastic and Articles and thereof	73	4%	77	5%	4	6%
5	Essential oils and resinoids; perfumery, cosmetics	77	5%	72	4%	-5	-7%
6	Preparations of vegetables	67	4%	60	4%	-6	-9%
7	Iron and Steel	27	2%	56	3%	29	105%
8	Miscellaneous edible preparations	54	3%	53	3%	-1	-2%
9	Sugars and sugar confectionery.	31	2%	53	3%	22	72%
10	Printed books newspapers	39	2%	49	3%	10	26%
	Others	659	40%	686	42%	27	4%
	Total	1,634	100%	1,652	100%	18	1%

Source: MOF, DGC



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