

Figures released by the Ministry of Finance, Customs Directorate, show a trade deficit of US\$ 6,718 million during January-May 2017, 1 percent lower than the deficit of US\$ 6,754 million registered during the same period of 2016. The US\$ 35 million improvement in the trade deficit is rooted in significantly higher exports by US\$ 97 million, which were offset by the increase of US\$ 61 million in imports during the period under consideration.

Total **imports** reached US\$ 7,923 million during January-May 2017, registering a slight increase of 1 percent in value terms, and a similar increase in volume terms, when compared to the same period of 2016.

- This hike in imports was induced by a significantly higher bill of **“Unwrought & semi-manufactured gold, diamonds, precious stones & metals”** with a 24 percent (US\$ 92 million) year-on-year increase in terms of value, while in volume terms it increased by 27 percent¹.
- Imports of **“Mineral fuel and oil”** witnessed a significant drop of 17 percent (US\$ 325 million), along a less prominent decrease of 9 percent in volume terms. In details, EDL fuel imports contracted by 64 percent (US\$ 664 million) in January – May 2017 when compared to the same period of 2016, partly counterbalanced by a hike of 40 percent (US\$ 339 million) in non-EDL fuel imports amounting to US\$ 1,193 million.
- Excluding **“Mineral fuel and oil”** and **“Unwrought gold, un-mounted diamond & precious stones”**, imports increased by 5 percent (US\$ 295 million) during January-May 2017 compared to the same period of 2016. In details, the main year-on-year increases were witnessed in **“Vehicles other than railway”**, **“Iron and Steel”** and **“Aircraft engines, Boilers, machinery and mechanical appliances”** with 10 percent (US\$ 65 million)², 20 percent (US\$ 46 million)³ and 4 percent (US\$ 18 million)⁴ respectively. These increases were partly counterbalanced by the decrease in imports of **“Articles of apparel and clothing”** by 5 percent (US\$ 11 million)⁵.
- As for the main import partners, China ranked first during January-May 2017 with a share of 10 percent of total imports, noting that almost 17 percent of imports from this country are **“Aircraft engines, Boilers, machinery and mechanical appliances”**. Italy and Greece followed with a share of 8 percent each.

¹ This can be explained by the increase in international gold prices from an average of US\$ 1,208 per ounce during January-May 2016 to US\$ 1,234 per ounce during the same period of 2017.

² Mainly due to an increase in imports from Germany, United States, Canada and China by 16 percent (US\$ 27 million), 15 percent (US\$ 18 million), 72 percent (US\$ 10 million) and 22 percent (US\$ 6 million) respectively. It is to note that imports from Japan during this period dropped by 7 percent (US\$ 8 million).

³ This increase is attributed to higher imports from Ukraine, Turkey, Russia and Italy by US\$ 48 million, US\$ 26 million, US\$ 21 million and US\$ 12 million respectively. These increases were partly offset by lower imports from China by US\$ 64 million.

⁴ The increase was mainly driven by higher imports from United Kingdom, Germany and United States by 111 percent (US\$ 17 million), 18 percent (US\$ 8 million) and 12 percent (US\$ 4 million) respectively, partly counterbalanced by a drop of 30 percent (US\$ 6 million) and 7 percent (US\$ 4 million) in imports from Turkey and Italy respectively.

⁵ This decrease can be partly explained by lower imports from Italy, China and Turkey with respective drops of 10 percent (US\$ 3 million), 3 percent (US\$ 2 million) and 6 percent (US\$ 2 million).

Exports amounted to US\$ 1,205 million during January-May 2017, reflecting a major increase of 9 percent compared to the same period of 2016. The rise in value was in-turn reflected in an increase of 30 percent in terms of volume.

- Exports of "**Unwrought gold, un-mounted diamond & precious stones**" increased remarkably by 34 percent (US\$ 71 million) in terms of value, while in terms of volume they increased by 32 percent.
- Excluding "Unwrought gold, un-mounted diamond & precious stones", exports increased by 3 percent (US\$ 26 million). This is mainly due to an increase in exports of "**Sugars and sugar confectionery**" and "**Iron and steel**" which rose by 90 percent (US\$ 19 million)⁶ and 60 percent (US\$ 15 million)⁷ respectively. On the other hand, exports of "**Aircraft engines, Boilers, machinery and mechanical appliances**" decreased by 24 percent (US\$ 19 million)⁸.
- **From a regional perspective**, exports to Arab countries witnessed a year-on-year increase of 5 percent (US\$ 27 million) during January-May 2017. It is worth mentioning that this increase is attributed to higher exports to Syria and Kuwait by 60 percent (US\$ 43 million) and 40 percent (US\$ 11 million) respectively.
- Lastly, the **breakdown of Lebanese exports by major destination** shows that South Africa was at the top of the list during January-May 2017 with a share of 13 percent from total exports noting that almost all of the exports to this country consisted of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**". Syria, United Arab Emirates and Saudi Arabia followed South Africa with a share of 9 percent each.

⁶ Driven by higher exports to Syria by 120 percent (US\$ 17 million).

⁷ This is mainly due to higher exports to Turkey by 68 percent (US\$ 15 million).

⁸ Mostly due to lower exports to Germany by 88 percent (US\$ 13 million) and Iraq by 24 percent (US\$ 2 million) slightly counterbalanced by the increase in exports to UAE by 26 percent (US\$ 1 million).

Table 1: Trade activity by value

(US\$ millions)	2016	2017	% Change	2013	2014	2015	2016	2017	% Change
	May	May	May 17/16	Jan – May	Jan – May	Jan – May	Jan – May	Jan – May	Jan - May 17/16
Imports	1,630	1,559	-4%	9,160	8,713	7,099	7,862	7,923	1%
<i>of which mineral fuel & oil</i>	346	214	-38%	2,279	2,038	1,145	1,899	1,573	-17%
-EDL registered fuel imports	177	0	NA	454	529	0	1,044	380	-64%
-Non EDL fuel imports	169	214	27%	1,825	1,508	1,145	855	1,193	40%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals</i>	87	72	-17%	601	435	333	380	472	24%
Exports	237	240	1%	1,967	1,387	1,272	1,108	1,205	9%
<i>of which Unwrought gold, un-mounted diamond, & precious metals</i>	59	55	-8%	482	260	203	209	280	34%
Trade Balance	-1,393	-1,319	-5%	-7,193	-7,326	-5,828	-6,754	-6,718	-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
	May	May	May 17/16	Jan – May	Jan – May	Jan – May	Jan – May	Jan – May	Jan - May 17/16
Imports	1,516	1,346	-11%	6,221	6,389	6,057	7,577	7,632	1%
<i>of which mineral fuel & oil</i>	736	456	-38%	2,435	2,340	2,098	3,695	3,363	-9%
-EDL registered fuel imports	360	0	NA	455	560	0	1,498	912	-39%
-Non EDL fuel imports	376	456	21%	1,980	1,781	2,098	2,198	2,451	12%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals (Kgs)</i>	166,037	225,231	36%	544,688	420,714	420,054	429,233	546,490	27%
Exports	125	131	4%	1,287	762	775	607	790	30%
<i>of which Unwrought gold, un-mounted diamond, & precious metals (Kgs)</i>	3,082	4,256	38%	34,110	18,958	23,114	14,757	19,429	32%
Trade Balance	-1,391	-1,215	-13%	-4,934	-5,627	-5,281	-6,970	-6,841	-2%

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-May 2016	% Share	Jan-May 2017	% Share	Value Change	% Change
1	Mineral fuels and oils	1,899	24%	1,573	20%	-325	-17%
2	Vehicles and accessories, cranes & lorries	674	9%	738	9%	65	10%
3	Pharmaceutical products	516	7%	516	7%	-1	0%
4	Aircraft engines, Boilers, machinery and mechanical appliances	458	6%	476	6%	18	4%
5	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	380	5%	472	6%	92	24%
6	Electrical machinery and equipment	296	4%	309	4%	13	4%
7	Iron and steel	226	3%	272	3%	46	20%
8	Plastics and articles thereof	250	3%	249	3%	-1	0%
9	Articles of apparel and clothing	221	3%	211	3%	-11	-5%
10	Optical, photographic, cinematographic, medical or surgical instruments	117	1%	128	2%	11	10%
	Others	2,825	36%	2,979	38%	154	5%
	Total	7,862	100%	7,923	100%	61	1%

Source: MOF, DGC

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

Rank	Product	Jan-May 2016	% Share	Jan-May 2017	% Share	Value Change	% Change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	209	19%	280	23%	71	34%
2	Electrical machinery and equipment	71	6%	73	6%	1	2%
3	Aircraft engines, Boilers, machinery and mechanical appliances	80	7%	60	5%	-19	-24%
4	Plastic and Articles and thereof	52	5%	54	4%	2	3%
5	Essential oils and resinoids; perfumery, cosmetics	58	5%	51	4%	-7	-13%
6	Preparations of vegetables	52	5%	46	4%	-6	-12%
7	Iron and Steel	25	2%	40	3%	15	60%
8	Sugars and sugar confectionery.	21	2%	39	3%	19	90%
9	Miscellaneous edible preparations	41	4%	38	3%	-3	-6%
10	Processed Copper	30	3%	33	3%	3	10%
	Others	470	42%	492	41%	22	5%
	Total	1,108	100%	1,205	100%	97	9%

Source: MOF, DGC



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