

Monthly official figures released by the Ministry of Finance, Customs Directorate, show a trade deficit of US\$ 14,437 million during the period of January-November 2016, 7 percent higher than the deficit of US\$ 13,511 million registered during the same period of 2015. The US\$ 926 million deterioration in the trade deficit is rooted in higher imports by US\$ 942 million partly counterbalanced by a small increase of US\$ 16 million in exports.

Total **imports** amounted to US\$ 17,169 million during the above mentioned period, registering an increase of 6 percent in value when compared to the same period of 2015 while in terms of volume, they increased by 15 percent.

- Imports of "**Mineral fuel and oil**" increased significantly by 26 percent (US\$ 700 million), while in terms of volume they registered a remarkable increase of 41 percent. This is due to the registration of US\$ 1,348 million worth of fuel imports to EDL during the first eleven months of 2016 compared to an amount of US\$ 152 million registered during the same period of 2015, despite the year-on-year contraction in the value of non-EDL fuel imports by 19 percent (US\$ 495 million)¹.
- In terms of value, imports of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**" witnessed a remarkable year-on-year increase of 54 percent (US\$ 399 million), while the increase was less pronounced in terms of volume with 12 percent. This is partly attributed to a price variation, since average gold prices increased from US\$ 1,168 per ounce during January-November 2015 to US\$ 1,258 per ounce during the same period of 2016, and boosted by a considerable increase registered in the high value component "Gold (including gold plated with platinum) unwrought" which witnessed a 87 percent rise in its volume with a 102 percent (US\$ 454 million) rise in its value.
- Excluding "**Mineral fuel and oil**" and "**Unwrought gold, un-mounted diamond & precious stones**", imports decreased by 1 percent (US\$ 157 million) during January-November 2016 compared to the same period of 2015. The main decreases were witnessed in "**Aircraft engines and boilers**" and "**Electrical machinery and equipment**" with respective drops of 8 percent (US\$ 85 million)² and 6 percent (US\$ 48 million)³, partly counterbalanced by the increase in imports of "**Vehicles other than railway**", "**Pharmaceutical products**" and "**Iron and steel**" by 6 percent (US\$ 94 million)⁴, 9 percent (US\$ 88 million)⁵ and 6 percent (US\$ 31 million)⁶ respectively.

¹ With an increase in terms of volume by 3 percent reflecting the large decrease in international fuel prices with the Brent price dropping to an average of US\$ 42.82 per barrel during the period of January-November of 2016 from US\$ 53.67 per barrel during the same period of 2015.

² The drop in imports of "Aircraft engines" is mostly attributed to lower imports from the United Kingdom and the United States by 59 percent (US\$ 60 million) and 29 percent (US\$ 31 million) respectively.

³ Mainly due to a decrease in imports from Germany by 66 percent (US\$ 65 million) and the United States by 33 percent (US\$ 14 million) that was partly counterbalanced by an increase in imports from France, China, and Viet Nam by 120 percent (US\$ 29 million), 7 percent (US\$ 16 million) and 126 percent (US\$ 10 million) respectively.

⁴ Mainly due to an increase in imports from the United States, China and Russian Federation by 18 percent (US\$ 43 million), 52 percent (US\$ 26 million) and 830 percent (US\$ 15 million) respectively, partly counterbalanced by a decrease in imports from Korea by 18 percent (US\$ 19 million).

⁵ This increase is partly due to a hike of imports from Ireland, Germany and the United States by 60 percent (US\$ 29 million), 11 percent (US\$ 17 million) and 8 percent (US\$ 10 million) respectively.

⁶ This increase is mainly attributed to higher imports from Russia and Korea by 200 percent (US\$ 33 million) and 134 percent (US\$ 11 million) respectively, partly counterbalanced by lower imports from China, Egypt and Italy by 4 percent (US\$ 11 million), 55 percent (US\$ 7 million) and 49 percent (US\$ 6 million) respectively.

- China remained Lebanon's top import trading partner during the period of January-November of 2016 with a share of 11 percent (US\$ 1,919 million) of total imports, noting that almost 14 percent of imports from this country are **"Iron and steel"**. Italy and the United States followed with a share of 7 percent and 6 percent respectively.

Total **exports** reached US\$ 2,732 million during January-November of 2016, with a small year-on-year increase of 1 percent in value, while the decline was significant in terms of volume with 17 percent.

- Exports of **"Unwrought gold, un-mounted diamond & precious stones"** increased significantly by 92 percent (US\$ 374 million) in terms of value⁷, but they registered a drop of 14 percent in terms of volume⁸.
- Excluding the above mentioned increase in exports of "Unwrought gold, un-mounted diamond & precious stones", exports decreased year-on-year by 15 percent (US\$ 357 million), mainly due to a decline in **"Electrical machinery and equipment"**, **"Processed Copper"** and **"Aircraft engines, Boilers, machinery and mechanical appliances"** by 23 percent (US\$ 44 million)⁹, 35 percent (US\$ 34 million)¹⁰ and 15 percent (US\$ 28 million)¹¹ respectively. This was partly counterbalanced by an increase in exports of **"Miscellaneous edible preparations"** by 24 percent (US\$ 16 million)¹².
- **From a regional perspective**, exports to Arab countries witnessed a drop by 19 percent (US\$ 284 million) during January-November 2016 compared to the same period of 2015, due to decreases in exports to most Arab countries except for Kuwait to which exports increased by 14 percent (US\$ 9 million). The main decreases were registered in exports to Saudi Arabia, the United Arab Emirates, Iraq and Egypt by 25 percent (US\$ 80 million), 24 percent (US\$ 69 million), 26 percent (US\$ 52 million) and 36 percent (US\$ 29 million) respectively.
- Lastly, the **breakdown of Lebanese exports by major destination** shows South Africa at the top of the list during the period of January-November of 2016 with a share of 22 percent noting that almost all of its exports are **"Unwrought gold, un-mounted diamond & precious stones"**, followed by other Arab countries mainly Saudi Arabia with a share of 9 percent.

⁷ Driven by a remarkable increase in the high value component related to "gold (including gold plated with platinum unwrought) exports by 194 percent (US\$ 439 million) compared to the same period last year which was reflected in an increase of 161 percent in their volume (their share in total exports of "Unwrought gold, un-mounted diamond & precious stones" being 85 percent in value against 32 percent in volume during Jan-Nov 2016).

⁸ This is mainly due to a large drop in volume of exports of "articles of goldsmiths or silversmiths wares and parts thereof, of precious metal or/of metal clad with precious metal" from 39,038 Kgs during Jan-Nov 2015 to 20,195 Kgs during the same period of 2016, along with a drop in their value (from US\$ 4,900 thousand in Jan-Nov 2015 to US\$ 1,755 thousand in Jan-Nov 2016).

⁹ This is partly due to lower exports to Saudi Arabia by 66 percent (US\$ 20 million) and Iraq by 27 percent (US\$ 6 million) that were counterbalanced by higher exports to Kuwait by 561 percent (US\$ 8 million) .

¹⁰ This is attributed to lower exports to Korea by 49 percent (US\$ 23 million) and the United Arab Emirates by 98 percent (US\$ 21 million) despite the increase in exports to Japan by US\$ 8 million.

¹¹ Partly due to a drop in exports to Netherlands and United Kingdom by 95 percent (US\$ 10 million) and 94 percent (US\$ 10 million) respectively despite the increase in exports to Germany by 52 percent (US\$ 9 million).

¹² Mostly due to higher exports to Syria by US\$ 16 million.

Table 1: Trade activity by value

(US\$ millions)	2015	2016	% Change	2012	2013	2014	2015	2016	% Change
	November	November	November 2016/2015	Jan – Nov	Jan – Nov	Jan – Nov	Jan – Nov	Jan – Nov	Jan - Nov 2016/2015
Imports	1,539	1,450	-6%	19,408	19,432	18,845	16,227	17,169	6%
<i>of which mineral fuel & oil</i>	320	170	-47%	5,364	4,561	4,438	2,733	3,433	26%
-EDL registered fuel imports	152	0	NA	1,444	888	834	152	1,348	787%
-Non EDL fuel imports	168	170	1%	3,921	3,673	3,604	2,581	2,086	-19%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals</i>	64	100	56%	1,481	1,054	900	738	1,137	54%
Exports	222	247	11%	4,102	3,696	3,040	2,716	2,732	1%
<i>of which Unwrought gold, unmounted diamond, & precious metals</i>	28	55	97%	1,620	746	511	407	781	92%
Trade Balance	-1,318	-1,203	-9%	-15,306	-15,736	-15,805	-13,511	-14,437	7%

Source: Directorate General of Customs, Ministry of Finance

Table 2: Trade activity by volume

(Millions of kgs)	2015	2016	% Change	2012	2013	2014	2015	2016	% Change
	November	November	November 2016/2015	Jan – Nov	Jan – Nov	Jan – Nov	Jan – Nov	Jan – Nov	Jan - Nov 2016/2015
Imports	1,326	1,225	-8%	14,208	14,521	14,114	13,977	16,124	15%
<i>of which mineral fuel & oil</i>	535	391	-27%	5,988	5,065	5,201	5,083	7,179	41%
-EDL registered fuel imports	176	0	NA	1,663	912	880	176	2,131	1111%
-Non EDL fuel imports	359	391	9%	4,326	4,153	4,321	4,907	5,048	3%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals (Kgs)</i>	68,190	95,390	40%	1,026,592	1,080,028	1,184,551	934,286	1,049,961	12%
Exports	127	160	26%	2,387	2,606	2,057	1,796	1,499	-17%
<i>of which Unwrought gold, unmounted diamond, & precious metals (Kgs)</i>	13,237	15,110	14%	116,383	57,289	80,974	65,060	55,981	-14%
Trade Balance	-1,198	-1,066	-11%	-11,821	-11,915	-12,057	-12,181	-14,625	20%

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-Nov 2015	% Share	Jan- Nov 2016	% Share	Value Change	% Change
1	Mineral fuels and oils	2,733	17%	3,433	20%	701	26%
2	Vehicles and accessories, cranes & lorries	1,481	9%	1,575	9%	94	6%
3	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	738	5%	1,137	7%	399	54%
4	Pharmaceutical products	1,031	6%	1,119	7%	88	9%
5	Aircraft engines, Boilers, machinery and mechanical appliances	1,089	7%	1,004	6%	-85	-8%
6	Electrical machinery and equipment	760	5%	711	4%	-48	-6%
7	Plastics and articles thereof	568	4%	548	3%	-20	-4%
8	Iron and Steel	504	3%	534	3%	31	6%
9	Articles of apparel and clothing	496	3%	481	3%	-15	-3%
10	Live animals	311	2%	289	2%	-22	-7%
	Others	6,518	40%	6,339	37%	-178	-3%
	Total	16,227	100%	17,169	100%	942	5.8%

Source: MOF, DGC

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

Rank	Product	Jan- Nov 2015	% Share	Jan- Nov 2016	% Share	Value Change	% Change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	407	15%	781	29%	373	92%
2	Aircraft engines, Boilers, machinery and mechanical appliances	188	7%	159	6%	-28	-15%
3	Electrical machinery and equipment	191	7%	148	5%	-44	-23%
4	Plastic and articles thereof	116	4%	120	4%	5	4%
5	Essential oils and resino	116	4%	115	4%	0	0%
6	Preparations of vegetables	116	4%	99	4%	-16	-14%
7	Miscellaneous edible preparations	67	2%	83	3%	16	24%
8	Printed books, newspapers	73	3%	66	2%	-7	-9%
9	Furniture, bedding, mattresses	75	3%	64	2%	-11	-14%
10	Processed and Refined Copper	97	4%	63	2%	-34	-35%
	Others	1,271	47%	1,034	38%	-238	-19%
	Total	2,716	100%	2,732	100%	16	0.6%

Source: MOF, DGC



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