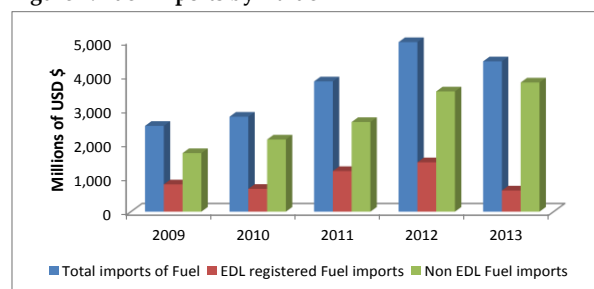


Figures released by the Ministry of Finance, Customs Directorate, indicate a **trade deficit** of US\$ 14,230 million during the period of January-October 2013, with a slight increase of around 1 percent from the deficit of US\$ 14,066 million registered a year earlier. The US\$ 164 million deterioration in the trade deficit is rooted in lower exports by US\$ 308 million, partly counterbalanced by a decrease of US\$ 144 million in imports for the period under consideration.

Total **imports** amounted US\$ 17,661 million during the period of January-October 2013, registering a slight decrease of 0.8 percent when compared to the same period of 2012. This year-on-year change is a result of opposite evolutions in several import categories.

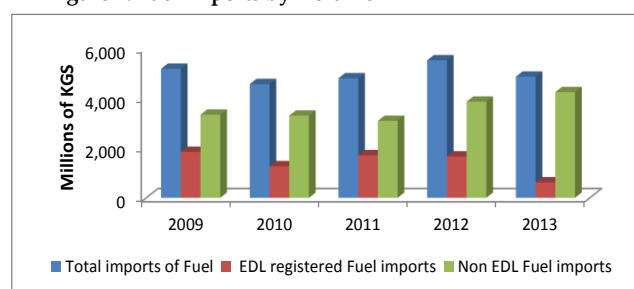
- Imports of "**Mineral fuel and oil**" declined significantly by 19 percent (US\$ 940 million) (Figure 1), reflecting a 20 percent decrease in terms of volume (Figure 2). This drop is induced by lower EDL fuel imports, mainly due to their delayed registration<sup>1</sup>. Non-EDL fuel imports registered a 3 percent year-on-year decrease reaching US\$ 3,404 million by the end of October 2013, compared to US\$ 3,519 million during the same period of 2012, noting that this is the first year-on-year decrease in Non-EDL fuel imports since January 2011<sup>2</sup>.

Figure 1: Fuel imports by Value



Source: Directorate General of Customs, Ministry of Finance

Figure 2: Fuel imports by Volume



Source: Directorate General of Customs, Ministry of Finance

- Imports of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**" continued to witness a decrease since February 2013, dropping by 31 percent (US\$ 434 million) in terms of value during the period of January-October 2013, whereas in terms of volume it increased by 6 percent<sup>3</sup>. Almost all of its subcategories slid down (as shown in Table 1), mainly imports of diamonds and gold. In contrast, imports of imitation jewelry witnessed a minor increase of US\$ 1 million (10 percent).

<sup>1</sup> In the similar period of 2012, US\$ 1,444 million worth of oil imports by EDL were registered, while this year, only US\$ 619 million were registered reflecting a drop of 57 percent in value terms and of 63 percent in volume.

<sup>2</sup> Although non-EDL fuel imports witnessed a slight decrease during Jan-Oct 2013 compared to the same period of 2012, we notice that it registered an increase of 30 percent compared to Jan-Oct 2011. Noting that 2012 witnessed an exceptional increase of fuel imports partly driven by the rise in imports of generators used for electricity production.

<sup>3</sup> This can be explained by a lower price of gold during the period of January-October 2013 with an average of US\$ 1442 per ounce compared to an average of US\$ 1660 during the same period of 2012.

Table 1: Imports of Natural and precious stones (Millions US\$)

Description	Jan-Oct 2012	Jan-Oct 2013	Value Change	% Change
Diamonds, whether or not worked, but not mounted or set.	249	167	-82	-33%
Precious stones (other than diamonds) and semi-precious stones.	17	12	-5	-29%
Gold (including gold plated with platinum).	1,049	731	-318	-30%
Articles of jewelry and parts.	60	38	-22	-37%
Imitation jewelry.	10	11	1	10%

Source: Directorate General of Customs, Ministry of Finance



Source: [http://ycharts.com/indicators/gold\\_price](http://ycharts.com/indicators/gold_price)

- Excluding "Mineral fuel and oil" and "Unwrought gold, un-mounted diamond & precious stones", imports increased by 11 percent (US\$ 1,230 million) during January-October of 2013 compared to the same period of 2012. In fact, the main increases were witnessed in "Electrical machinery and equipment", "Aircraft engines, boilers, machinery and mechanical appliances" and "Pharmaceutical products" registering year-on-year rises of 43 percent (US\$ 318 million)<sup>4</sup>, 16 percent (US\$ 155 million)<sup>5</sup> and 14 percent (US\$ 112 million)<sup>6</sup> respectively during the period under consideration<sup>7</sup>. In contrast, imports of "Iron and steel" decreased slightly by 1 percent (US\$ 6 million)<sup>8</sup> in value terms while in terms of volume it increased by 9 percent.

<sup>4</sup> The surge in imports of "Electrical machinery and equipment" was mainly driven by higher imports from Turkey which increased remarkably by US\$ 219 million (mostly due to the importation of equipment related to the Turkish electricity production barges), followed by china with an increase of US\$ 94 million.

<sup>5</sup> This increase is attributed to higher imports from China (mainly aircraft accessories) followed by the United Kingdom (mainly aircraft engines and parts of engines) by 30 percent (US\$ 73 million) and 109 percent (US\$ 45 million) respectively.

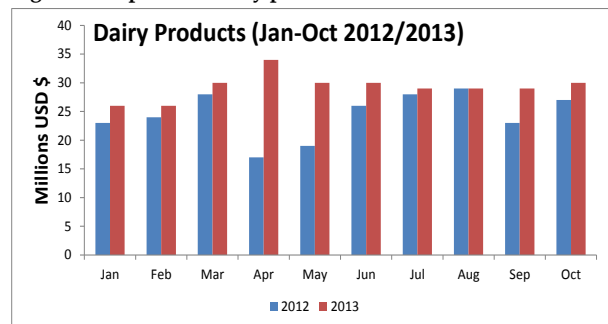
<sup>6</sup> The jump up in imports of Pharmaceutical product is mainly resulted from higher imports from Germany which increased by US\$ 27 million (25 percent).

<sup>7</sup> In terms of volume, these imports increased by 1 percent for each of the first two categories and by 9 percent for the latter.

<sup>8</sup> This decrease is attributed to weaker imports from Turkey, Ukraine, and Belarus by 45 percent (US\$ 114 million), 13 percent (US\$ 24 million), and 51 percent (US\$ 21 million) despite the increase in imports from China which rose significantly by 1111 percent (US\$ 190 million).

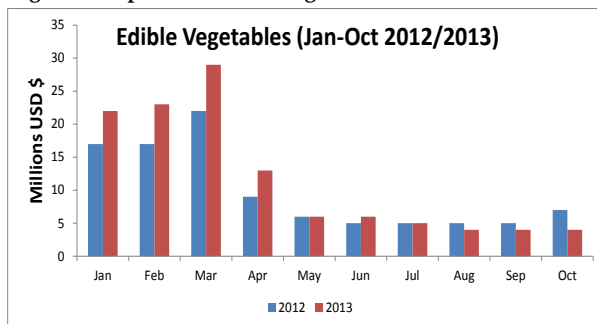
- On the other side, **imports of food** and related derivatives witnessed a significant rise in some of its sub-categories during January-October 2013 compared to the same period of 2012, mainly in “dairy products, bird’s eggs and natural honey” (21 percent)<sup>9</sup>, “edible vegetables and certain roots and tubers” (19 percent)<sup>10</sup> and “preparation of cereals, flour, starch or milk; pastry cooks’ products” (16 percent)<sup>11</sup>.

Figure 3: Imports of Dairy products



Source: Directorate General of Customs, Ministry of Finance

Figure 4: Imports of Edible Vegetables



Source: Directorate General of Customs, Ministry of Finance

- As for the **breakdown of Lebanese imports by country of origin**, China remains at the top of the list during the period under consideration with a share of 11 percent of the total imports, noting that almost 17 percent of imports from this country are “Aircraft engines, Boilers, machinery and mechanical appliances”. Italy, United States and France followed with respective shares of 8 percent for each of the first two countries, and 7 percent for the latter.

Total **Exports** amounted to US\$ 3,431 million during January-October 2013, decreasing by 8 percent when compared to the same period of 2012<sup>12</sup>.

- Exports of “**Unwrought gold, un-mounted diamond & precious stones**” continued to drop registering a sharp fall of 53 percent (US\$ 790 million) in terms of value compared to the same period of 2012<sup>13</sup> (as shown in the Table 2 below), coupled with a decrease of 50 percent in terms of volume, which overshadowed the increase in exports of “**Mineral fuel and oil**” and “**Processed and refined copper**” that rose by 100 percent (US\$ 281 million)<sup>14</sup> and 45 percent (US\$ 54 million)<sup>15</sup> respectively.

<sup>9</sup> The monthly breakdown of imports of dairy products for both 2012 and 2013 can be shown in the figure 3 above.

<sup>10</sup> The monthly breakdown of the mentioned imports for both 2012 and 2013 is illustrated in the figure 4 above, showing a relative stabilization during the last three months after a high rise during the first quarter compared to the same period of the previous year.

<sup>11</sup> With respective shares of 1.7 percent, 0.7 percent and 1.1 percent from total imports.

<sup>12</sup> It should be noted that a significant amount of exports, mainly fuel, is effectively re-exports to neighboring countries which would reduce total registered exports by an equivalent amount.

<sup>13</sup> This fall in gold exports is rooted in lower exports mainly to South Africa, Switzerland, Belgium and United Arab Emirates by US\$ 421 million (53 percent), US\$ 268 million (64 percent), US\$ 54 million (65 percent) and US\$ 50 million (31 percent) respectively.

<sup>14</sup> With a year-on-year increase in exports to Syria by US\$ 284 million during Jan-Oct 2013 compared to the same period last year.

<sup>15</sup> Mainly due to higher exports to Korea which increased by 133 percent (US\$ 41 million).

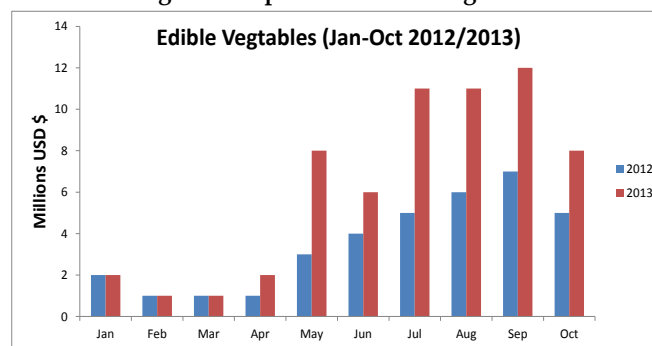
Table 2: Exports of Natural and precious stones( Millions US \$)

Description	Jan-Oct 2012	Jan-Oct 2013	Value Change	% Change
Diamonds, whether or not worked, but not mounted or set.	176	97	-79	-45%
Precious stones (other than diamonds) and semi-precious stones.	14	10	-4	-29%
Gold (including gold plated with platinum).	1,212	530	-682	-56%
Articles of jewelry and parts.	93	69	-24	-26%

Source: Directorate General of Customs, Ministry of Finance

- Excluding "Mineral fuel and oil" and "Unwrought gold, un-mounted diamond & precious stones", exports increased by 9 percent (US\$ 201 million) year-on-year in the first ten months of 2013. Among these increases are exports of "Edible vegetables" which surged up significantly by 71 percent (US\$ 25 million).

Figure 5: Exports of Edible Vegetables



Source: Directorate General of Customs, Ministry of Finance

- From a regional perspective**, exports to Arab countries continued to increase during January-October 2013 compared to the same period of 2012, registering a rise of 31 percent (US\$ 446 million) mainly attributed to higher exports to Syria, Iraq and Qatar by US\$ 241 million, US\$ 182 million and US\$ 16 million respectively.
- Lastly, the **breakdown of Lebanese exports by major destination** shows that Syria was at the top of the list during January-October 2013 with a share of 13 percent of the total. South Africa ranked second with a share of 11 percent of total exports, noting that almost all exports to this country are "unwrought gold, un-mounted diamond & precious stones". Iraq and Saudi Arabia followed with respective shares of 10 percent and 8 percent of total exports.

**Table 3: Trade activity by value**

(US\$ millions)	2012	2013	% Change	2009	2010	2011	2012	2013	% Change
	October	October	October 13/12	Jan – Oct	Jan – Oct	Jan – Oct	Jan – Oct	Jan – Oct	Jan – Oct 13/12
<b>Imports</b>	1,774	1,757	-1%	13,281	14,676	16,915	17,805	17,661	-0.8%
<i>of which mineral fuel &amp; oil</i>	472	419	-11%	2,511	2,779	3,813	4,963	4,023	-19%
-EDL registered fuel imports	152	112	-26%	798	667	1,189	1,444	619	-57%
-Non EDL fuel imports	320	307	-4%	1,713	2,112	2,624	3,519	3,404	-3%
<i>of which Unwrought &amp; semi-manufactured gold, diamonds, precious stones &amp; metals</i>	169	95	-44%	579	985	1,754	1,401	967	-31%
<b>Exports</b>	441	272	-38%	2,781	3,452	3,581	3,739	3,431	-8%
<i>of which Unwrought gold, un-mounted diamond, &amp; precious metals</i>	191	42	-78%	816	934	1,248	1,504	714	-53%
<i>of which mineral and fuel oil</i>	12	5	-62%	11	5	4	45	326	626%
<b>Trade Balance</b>	-1,333	-1,485	11%	-10,500	-11,224	-13,333	-14,066	-14,230	1.2%

Source: Directorate General of Customs, Ministry of Finance

**Table 4: Trade activity by volume**

(Millions of Kgs)	2012	2013	% Change	2009	2010	2011	2012	2013	% Change
	October	October	October 13/12	Jan – Oct	Jan – Oct	Jan – Oct	Jan – Oct	Jan – Oct	Jan – Oct 13/12
<b>Imports</b>	1,197	1,201	0%	11,851	12,195	12,899	12,977	13,192	1.7%
<i>of which mineral fuel &amp; oil</i>	492	433	-12%	5,187	4,573	4,806	5,528	4,435	-20%
-EDL registered fuel imports	158	114	-28%	1,674	1,163	1,713	1,663	621	-63%
-Non EDL fuel imports	334	319	-5%	3,513	3,410	3,093	3,865	3,814	-1%
<i>of which Unwrought &amp; semi-manufactured gold, diamonds, precious stones &amp; metals (in Kgs)</i>	64,938	100,796	55%	942,129	856,480	877,723	958,389	1,012,830	6%
<b>Exports</b>	290	203	1%	2,431	2,542	2,349	2,135	2,411	13%
<i>of which Unwrought gold, un-mounted diamond, &amp; precious metals (kg)</i>	12,393	2,987	-76%	163,491	100,263	113,340	104,982	52,203	-50%
<i>of which mineral and fuel oil</i>	12	4	-64%	19	6	3	42	322	675%
<b>Trade Balance</b>	-906	-998	10%	-9,420	-9,653	-10,550	-10,842	-10,781	-0.6%

Source: Directorate General of Customs, Ministry of Finance

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

Rank	Product	Jan-October 2012	% Share	Jan-October 2013	% Share	Value Change	% Change
1	Mineral fuels and oils	4,963	28%	4,023	23%	-940	-19%
2	Vehicles and accessories, cranes & lorries	1,221	7%	1,287	7%	65	5%
3	Aircraft engines, Boilers, machinery and mechanical appliances	980	6%	1,135	6%	155	16%
4	Electrical machinery and equipment	748	4%	1,066	6%	318	43%
5	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	1,401	8%	967	5%	-434	-31%
6	Pharmaceutical products	809	5%	921	5%	112	14%
7	Iron and Steel	707	4%	701	4%	-6	-1%
8	Plastics and articles thereof	505	3%	584	3%	79	16%
9	Articles of apparel and clothing	397	2%	417	2%	20	5%
10	Cereals	278	2%	297	2%	19	7%
	Other	5,795	33%	6,263	35%	468	8%
	<b>Total</b>	<b>1,7805</b>	<b>100%</b>	<b>17,661</b>	<b>100%</b>	<b>-144</b>	<b>-1%</b>

Source: MOF, DGC

Rank	Product	Jan-October 2012	% Share	Jan-October 2013	% Share	Value Change	% Change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	1,504	40%	714	20%	-790	-53%
2	Mineral fuel and oil	45	1%	326	9%	281	626%
3	Electrical machinery and equipment	218	6%	225	6%	8	3%
4	Aircraft engines, Boilers, machinery and mechanical appliances	183	5%	212	6%	29	16%
5	Processed and Refined Copper	121	3%	176	5%	54	45%
6	Iron and steel	126	3%	138	4%	12	10%
7	Plastic and articles thereof	113	3%	113	3%	0	0%
8	Preparation of vegetable	90	2%	93	3%	3	3%
9	Essential oils and resino	69	2%	86	3%	18	26%
10	Beverages, spirits and vinegar	64	2%	81	2%	17	27%
	Other	1,208	32%	1,267	37%	59	5%
	<b>Total</b>	<b>3,739</b>	<b>100%</b>	<b>3,431</b>	<b>100%</b>	<b>-308</b>	<b>-8%</b>

Source: MOF, DGC



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