

Monthly figures released by the Ministry of Finance, Customs Directorate, show a trade deficit of US\$ 12,194 million during the period of January-October 2015, 17 percent lower than the deficit of US\$ 14,660 million recorded during the same period of 2014. The US\$ 2,466 million improvement in the trade deficit is rooted in significantly lower imports by US\$ 2,763 million despite the US\$ 298 million decrease in exports.

Total **imports** amounted to US\$ 14,689 million during the first ten months of 2015, registering a remarkable decrease of 16 percent in value and a minor drop of 3 percent in volume, when compared to the same period of 2014.

- Imports of "**Mineral fuel and oil**" declined significantly by 42 percent (US\$ 1,775 million) in value; while in terms of volume they decreased only by 6 percent. In details, EDL fuel imports dropped from US\$ 834 million in January-October 2014 to nil during the same period this year. Also Non-EDL fuel imports decreased by 28 percent (US\$ 942 million) when compared to the same period of 2014<sup>1</sup>.
- Imports of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**" continued to drop with a year-on-year decrease of 18 percent (US\$ 151 million) in terms of value and 21 percent<sup>2</sup> in terms of volume.
- Excluding "**Mineral fuel and oil**" and "**Unwrought gold, un-mounted diamond & precious stones**", imports decreased by 7 percent (US\$ 837 million) during January-October 2015 compared to the same period of 2014. The main decreases were witnessed in "**Iron and steel**", "**Electrical machinery and equipment**", "**Aircraft engines, Boilers, machinery and mechanical appliances**" and "**plastic and articles thereof**" with respective drops of 31 percent (US\$ 215 million)<sup>3</sup>, 12 percent (US\$ 92 million)<sup>4</sup>, 6 percent (US\$ 66 million)<sup>5</sup> and 11 percent (US\$ 64 million)<sup>6</sup> that was partly counterbalanced by the increase in imports of "**Vehicles other than railway**" by 8 percent (US\$ 97 million)<sup>7</sup>.
- China remained Lebanon's top import trading partner during the period of January-October of 2015 with a share of 12 percent (US\$ 1,769 million) of total imports, noting that almost 15 percent of imports from this country are "**Iron and steel**". Italy and Germany followed with shares of 7 percent each.

<sup>1</sup> This drop in value occurred despite the 14 percent increase in terms of volume, reflecting the large decrease in international fuel prices with the Brent price dropping to an average of US\$ 54.59 per barrel during the period of January-October of 2015 from US\$ 104.65 per barrel during the same period of 2014 .

<sup>2</sup> This can be explained by the drop in some sub-categories, mainly import of Coins which dropped drastically by 98 percent from 127,875 Kgs to 2,735 Kgs and imports of Imitation jewelry decreasing by 9 percent reaching 831,577 Kg during Jan-Oct 2015 from 917,259 Kg in Jan-Oct 2014.

<sup>3</sup> Mainly due to a decline in imports from China and Turkey by 39 percent (US\$ 171 million) and 50 percent (US\$ 29 million) respectively.

<sup>4</sup> This contraction is mainly attributed to lower imports from China, Italy and Korea by 25 percent (US\$ 71 million), 25 percent (US\$ 13 million) and 30 percent (US\$ 13 million) respectively, despite the increase in imports from Germany by 53 percent (US\$ 33 million).

<sup>5</sup> The drop in "Aircraft engines, Boilers, machinery and mechanical appliances" is partly attributed to lower imports from China, United States and Germany by 11 percent (US\$ 32 million), 22 percent (US\$ 26 million) and 19 percent (US\$ 22 million) respectively, despite the increase in imports from United Kingdom by 76 percent (US\$ 42 million)..

<sup>6</sup> The drop in imports of "Plastics" is partly attributed to lower imports from Saudi Arabia by 18 percent (US\$ 24 million).

<sup>7</sup> This increase is a result of a hike in imports from USA, Japan and Germany by 18 percent (US\$ 33 million), 14 percent (US\$ 28 million) and 8 percent (US\$ 25 million) respectively.

Total **exports** reached US\$ 2,494 million during January-October of 2015, with a decrease of 11 percent, in both value and volume terms, compared to the same period of 2014.

- Exports of "**Unwrought gold, un-mounted diamond & precious stones**" declined by 21 percent (US\$ 103 million) in terms of value, coupled with a 27 percent<sup>8</sup> drop in terms of volume.
- Excluding "Unwrought gold, un-mounted diamond & precious stones", exports decreased year-on-year by 8 percent (US\$ 195 million), partly due to a decrease in "**Aircraft engines, Boilers, machinery and mechanical appliances**" and "**Beverages**" by 12 percent (US\$ 23 million)<sup>9</sup> and 16 percent (US\$ 13 million)<sup>10</sup> respectively. On the other hand, exports of "**Essential oils**" increased by US\$ 10 percent (9 million).
- **From a regional perspective**, exports to Arab countries witnessed a drop by 7 percent (US\$ 94 million) during January-October of 2015 compared to the same period of 2014, mainly due to decreases in exports to Iraq, Syria, Saudi Arabia and Jordan by 11 percent (US\$ 24 million), 11 percent (US\$ 22 million) , 5 percent (US\$ 16 million) and 13 percent (US\$ 14 million) respectively, which offset the increase in exports to Egypt by 19 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-October of 2015 with respective shares of 12 percent and 11 percent, followed by Iraq with a share of 8 percent.

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<sup>8</sup> This is mainly due to the export of a relatively large volume of 29,091 Kgs of "Imitation jewelry" during January-October 2014 compared to a volume of 8,524 Kgs in January-October 2015, registering a decrease of 71 percent.

<sup>9</sup> Mainly due to lower exports to Iraq and UAE by 50 percent (US\$ 18 million) and 30 percent (\$US 4 million).

<sup>10</sup> Partly due to lower exports to Saudi Arabia, Kuwait and Syria by 30 percent (US\$ 3 million), 41 percent (US\$ 2 million) and 30 percent (\$US 2 million).

**Table 1: Trade activity by value**

(US\$ millions)	2014	2015	% Change	2011	2012	2013	2014	2015	% Change
	October	October	Oct 15/14	Jan – Oct	Jan – Oct	Jan – Oct	Jan – Oct	Jan – Oct	Jan - Oct 15/14
<b>Imports</b>	1,724	1,468	-15%	16,915	17,805	17,661	17,452	14,689	-16%
<i>of which mineral fuel &amp; oil</i>	366	237	-35%	3,813	4,963	4,023	4,187	2,412	-42%
-EDL registered fuel imports	0	0	NA	1,189	1,444	616	834	0	-100%
-Non EDL fuel imports	366	237	-35%	2,624	3,519	3,407	3,354	2,412	-28%
<i>of which Unwrought &amp; semi-manufactured gold, diamonds, precious stones &amp; metals</i>	100	52	-48%	1,754	1,401	967	825	674	-18%
<b>Exports</b>	279	261	-7%	3,581	3,739	3,431	2,792	2,494	-11%
<i>of which Unwrought gold, unmounted diamond, &amp; precious metals</i>	50	47	-7%	1,248	1,504	714	482	379	-21%
<b>Trade Balance</b>	<b>-1,445</b>	<b>-1,207</b>	<b>-16%</b>	<b>-13,334</b>	<b>-14,066</b>	<b>-14,230</b>	<b>-14,660</b>	<b>-12,194</b>	<b>-17%</b>

Source: Directorate General of Customs, Ministry of Finance

**Table 2: Trade activity by volume**

(Millions of kgs)	2014	2015	% Change	2011	2012	2013	2014	2015	% Change
	October	October	Oct 15/14	Jan – Oct	Jan – Oct	Jan – Oct	Jan – Oct	Jan – Oct	Jan - Oct 15/14
<b>Imports</b>	1,248	1,223	-2%	12,899	12,977	13,192	13,074	12,652	-3%
<i>of which mineral fuel &amp; oil</i>	481	506	5%	4,806	5,528	4,435	4,856	4,547	-6%
-EDL registered fuel imports	0	0	NA	1,713	1,663	621	880	0	-100%
-Non EDL fuel imports	481	506	5%	3,093	3,865	3,814	3,976	4,547	14%
<i>of which Unwrought &amp; semi-manufactured gold, diamonds, precious stones &amp; metals (Kgs)</i>	117,061	94,908	-19%	877,723	958,389	1,012,830	1,095,697	866,501	-21%
<b>Exports</b>	249	189	-24%	2,349	2,135	2,411	1,870	1,670	-11%
<i>of which Unwrought gold, unmounted diamond, &amp; precious metals (Kgs)</i>	5,884	11,827	101%	113,340	104,982	52,203	70,732	51,733	-27%
<b>Trade Balance</b>	<b>-999</b>	<b>-1,034</b>	<b>3%</b>	<b>-10,550</b>	<b>-10,842</b>	<b>-10,781</b>	<b>-11,204</b>	<b>-10,982</b>	<b>-2%</b>

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-October 2014	% Share	Jan-October 2015	% Share	Value Change	% Change
1	Mineral fuels and oils	4187	24%	2412	16%	-1775	-42%
2	Vehicles and accessories, cranes & lorries	1225	7%	1321	9%	97	8%
3	Aircraft engines, Boilers, machinery and mechanical appliances	1054	6%	989	7%	-66	-6%
4	Pharmaceutical products	962	6%	937	6%	-25	-3%
5	Electrical machinery and equipment	784	4%	692	5%	-92	-12%
6	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	825	5%	674	5%	-151	-18%
7	Plastics and articles thereof	584	3%	520	4%	-64	-11%
8	Iron and Steel	694	4%	479	3%	-215	-31%
9	Articles of apparel and clothing	433	2%	458	3%	24	6%
10	Live animals	328	2%	287	2%	-41	-13%
	Others	6375	37%	5921	40%	-455	-7%
	<b>Total</b>	<b>17452</b>	<b>100%</b>	<b>14689</b>	<b>100%</b>	<b>-2764</b>	<b>-16%</b>

Source: MOF, DGC

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

Rank	Product	Jan-October 2014	% Share	Jan-October 2015	% Share	Value Change	% Change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	482	17%	379	15%	-103	-21%
2	Electrical machinery and equipment	181	7%	176	7%	-5	-3%
3	Aircraft engines, Boilers, machinery and mechanical appliances	190	6%	167	7%	-23	-12%
4	Plastics and articles thereof	109	4%	106	4%	-3	-3%
5	Preparations of vegetables	106	4%	106	4%	-1	-1%
6	Essential oils and resinous	95	3%	105	4%	9	10%
7	Processed and Refined Copper	84	3%	87	3%	3	4%
8	fertilizers	69	3%	79	3%	10	14%
9	Beverages, spirits and vinegar	84	2%	71	3%	-13	-16%
10	Furniture, bedding, mattresses	69	2%	69	3%	0	0%
	Others	1,323	47%	1,150	46%	-173	-13%
	<b>Total</b>	<b>2,792</b>	<b>100%</b>	<b>2,494</b>	<b>100%</b>	<b>-298</b>	<b>-11%</b>

Source: MOF, DGC



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