

Monthly official figures released by the Ministry of Finance, Customs Directorate, show a trade deficit of US\$ 13,234 million during the period of January-October 2016, 9 percent higher than the deficit of US\$ 12,194 million registered during the same period of 2015. The US\$ 1,040 million deterioration in the trade deficit is rooted in higher imports by US\$ 1,030 million along with a minor drop of US\$ 9 million in exports.

Total **imports** amounted to US\$ 15,719 million during the aforementioned period, registering an increase of 7 percent in value and a considerable increase of 18 percent in volume, when compared to the same period of 2015.

- Imports of "**Mineral fuel and oil**" hiked remarkably by 35 percent (US\$ 851 million), while in terms of volume they increased by 49 percent. This is due to the registration of US\$ 1,348 million worth of fuel imports to EDL during the first ten months of 2016 compared to nil during the similar period of 2015, despite the year-on-year contraction in the value of non-EDL fuel imports by 21 percent (US\$ 496 million)<sup>1</sup>.
- In terms of value, imports of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**" fared well and registered a year-on-year increase of 54 percent (US\$ 363 million), while the increase was less pronounced in terms of volume with 10 percent. This discrepancy is partly attributed to a price variation, since average gold prices increased from an average of US\$ 1,176 per ounce during January-October 2015 to an average of US\$ 1,260 per ounce during the same period of 2016, along with a considerable increase registered in the high value component "Gold (including gold plated with platinum) unwrought" which witnessed a 88 percent rise in its volume with a 103 percent (US\$ 418 million) rise in its value.
- Excluding "**Mineral fuel and oil**" and "**Unwrought gold, un-mounted diamond & precious stones**", imports decreased by 2 percent (US\$ 184 million) during January-October 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 7 percent (US\$ 73 million)<sup>2</sup> and 10 percent (US\$ 67 million)<sup>3</sup>, partly counterbalanced by the increase in imports of "**Vehicles other than railway**", "**Pharmaceutical products**" and "**Iron and steel**" by 7 percent (US\$ 96 million)<sup>4</sup>, 9 percent (US\$ 81 million)<sup>5</sup> and 4 percent (US\$ 19 million)<sup>6</sup> respectively.

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<sup>1</sup> With an increase in terms of volume by 2 percent that came despite this drop in value of non-EDL fuel imports, reflecting the large decrease in international fuel prices with the Brent price dropping to an average of US\$ 42.62 per barrel during the period of January-October of 2016 from US\$ 54.60 per barrel during the same period of 2015.

<sup>2</sup> The drop in imports of "Aircraft engines" is mostly attributed to lower imports from the United Kingdom and the United States by 61 percent (US\$ 60 million) and 27 percent (US\$ 25 million) respectively.

<sup>3</sup> Mainly due to a decrease in imports from Germany by 68 percent (US\$ 65 million) and the United States by 32 percent (US\$ 13 million) that was partly counterbalanced by an increase in imports from France by 83 percent (US\$ 18 million).

<sup>4</sup> Mainly due to an increase in imports from the United States, China and Russian Federation by 18 percent (US\$ 39 million), 49 percent (US\$ 22 million) and 1363 percent (US\$ 15 million) respectively, partly counterbalanced by a decrease in imports from Korea by 17 percent (US\$ 17 million).

<sup>5</sup> This increase is partly due to a hike of imports from Ireland, Germany and Denmark by 60 percent (US\$ 25 million), 13 percent (US\$ 19 million) and 29 percent (US\$ 8 million) respectively.

<sup>6</sup> This increase is mainly attributed to higher imports from Russia and Korea by 129 percent (US\$ 21 million) and 132 percent (US\$ 11 million) respectively, partly counterbalanced by lower imports from Italy and Egypt by 57 percent (US\$ 7 million) and 57 percent (US\$ 6 million) respectively.

- China remained Lebanon's top import trading partner during the period of January-October of 2016 with a share of 11 percent (US\$ 1,773 million) of total imports, noting that almost 15 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 each.

Total **exports** reached US\$ 2,485 million during January-October of 2016, with a small year-on-year drop of 0.4 percent in value, while the decline was significant in terms of volume with 20 percent.

- Exports of "**Unwrought gold, un-mounted diamond & precious stones**" increased by 91 percent (US\$ 346 million) in terms of value<sup>7</sup>, in contrast with a drop of 21 percent registered in terms of volume<sup>8</sup>.
- Excluding the above mentioned increase in exports of "Unwrought gold, un-mounted diamond & precious stones", exports decreased year-on-year by 17 percent (US\$ 355 million), mainly due to a decline in "**Electrical machinery and equipment**", "**Processed Copper**" and "**Aircraft engines, Boilers, machinery and mechanical appliances**" and by 23 percent (US\$ 41 million)<sup>9</sup>, 36 percent (US\$ 31 million)<sup>10</sup> and 18 percent (US\$ 30 million)<sup>11</sup> respectively. This was partly counterbalanced by the increase in exports of "**Miscellaneous edible preparations**" by 20 percent (US\$ 12 million)<sup>12</sup>.
- **From a regional perspective**, exports to Arab countries witnessed a drop by 26 percent (US\$ 372 million) during January-October 2016 compared to the same period of 2015, due to decreases in exports to most Arab countries, mainly Saudi Arabia, the United Arab Emirates, Iraq and Syria by 25 percent (US\$ 75 million), 24 percent (US\$ 62 million), 27 percent (US\$ 51 million) and 18 percent (US\$ 31 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-October of 2016 with a share of 23 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.

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<sup>7</sup> Driven by a remarkable increase in the high value component related to "gold (including gold plated with platinum unwrought) exports by 195 percent (US\$ 407 million) compared to the same period last year which was reflected by a 161 percent increase in their volume (their share in total exports of "Unwrought gold, un-mounted diamond & precious stones" being 85 percent in value against 41 percent in volume during Jan-Oct 2016).

<sup>8</sup> 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 27,116 Kgs during Jan-Oct 2015 to 7,129 Kgs during the same period of 2016, with a less pronounced drop in their modest value (from US\$ 3,576 thousand in Jan-Oct 2015 to US\$ 623 thousand in Jan-Oct 2016).

<sup>9</sup> Partly due to lower exports to Saudi Arabia by 66 percent (US\$ 19 million).

<sup>10</sup> This is attributed to lower exports to Korea by 50 percent (US\$ 22 million) and the United Arab Emirates by 98 percent (US\$ 18 million) despite the increase in exports to Japan by US\$ 7 million.

<sup>11</sup> Partly due to a drop in exports to Netherlands from US\$ 11 million in Jan- Oct 2015 to almost nil during the same period of 2016.

<sup>12</sup> Mostly due to higher exports to Syria by US\$ 13 million.

**Table 1: Trade activity by value**

(US\$ millions)	2015	2016	% Change	2012	2013	2014	2015	2016	% Change
	October	October	October 2016/2015	Jan – Oct	Jan – Oct	Jan – Oct	Jan – Oct	Jan – Oct	Jan - Oct 2016/2015
<b>Imports</b>	<b>1,468</b>	<b>1,479</b>	<b>1%</b>	<b>17,805</b>	<b>17,661</b>	<b>17,452</b>	<b>14,689</b>	<b>15,719</b>	<b>7%</b>
<i>of which mineral fuel &amp; oil</i>	237	220	-7%	4,963	4,023	4,187	2,412	3,264	35%
-EDL registered fuel imports	0	0	NA	1,444	616	834	0	1,348	NA
-Non EDL fuel imports	237	220	-7%	3,519	3,407	3,354	2,412	1,916	-21%
<i>of which Unwrought &amp; semi-manufactured gold, diamonds, precious stones &amp; metals</i>	52	121	133%	1,401	967	825	674	1,037	54%
<b>Exports</b>	<b>261</b>	<b>257</b>	<b>-2%</b>	<b>3,739</b>	<b>3,431</b>	<b>2,792</b>	<b>2,494</b>	<b>2,485</b>	<b>-0.4%</b>
<i>of which Unwrought gold, un-mounted diamond, &amp; precious metals</i>	47	73	56%	1,504	714	482	379	725	91%
<b>Trade Balance</b>	<b>-1,207</b>	<b>-1,223</b>	<b>1%</b>	<b>-14,066</b>	<b>-14,230</b>	<b>-14,660</b>	<b>-12,194</b>	<b>-13,234</b>	<b>9%</b>

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
	October	October	October 2016/2015	Jan – Oct	Jan – Oct	Jan – Oct	Jan – Oct	Jan – Oct	Jan - Oct 2016/2015
<b>Imports</b>	<b>1,223</b>	<b>1,244</b>	<b>2%</b>	<b>12,977</b>	<b>13,192</b>	<b>13,074</b>	<b>12,652</b>	<b>14,899</b>	<b>18%</b>
<i>of which mineral fuel &amp; oil</i>	506	459	-9%	5,528	4,435	4,856	4,547	6,788	49%
-EDL registered fuel imports	0	0	NA	1,663	621	880	0	2,131	NA
-Non EDL fuel imports	506	459	-9%	3,865	3,814	3,976	4,547	4,657	2%
<i>of which Unwrought &amp; semi-manufactured gold, diamonds, precious stones &amp; metals (Kgs)</i>	94,908	137,169	45%	958,389	1,012,830	1,095,697	866,501	954,571	10%
<b>Exports</b>	<b>189</b>	<b>170</b>	<b>-10%</b>	<b>2,135</b>	<b>2,411</b>	<b>1,870</b>	<b>1,670</b>	<b>1,339</b>	<b>-20%</b>
<i>of which Unwrought gold, un-mounted diamond, &amp; precious metals (Kgs)</i>	11,827	7,031	-41%	104,982	52,203	70,732	51,733	40,872	-21%
<b>Trade Balance</b>	<b>-1,034</b>	<b>-1,075</b>	<b>4%</b>	<b>-10,842</b>	<b>-10,781</b>	<b>-11,204</b>	<b>-10,982</b>	<b>-13,559</b>	<b>23%</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-Oct 2015	% Share	Jan- Oct 2016	% Share	Value Change	% Change
1	Mineral fuels and oils	2,412	16%	3,264	21%	851	35%
2	Vehicles and accessories, cranes & lorries	1,321	9%	1,417	9%	96	7%
3	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	674	5%	1,037	7%	363	54%
4	Pharmaceutical products	937	6%	1,018	6%	81	9%
5	Aircraft engines, Boilers, machinery and mechanical appliances	989	7%	916	6%	-73	-7%
6	Electrical machinery and equipment	692	5%	624	4%	-67	-10%
7	Plastics and articles thereof	520	4%	502	3%	-18	-3%
8	Iron and Steel	479	3%	498	3%	19	4%
9	Articles of apparel and clothing	458	3%	443	3%	-14	-3%
10	Live animals	287	2%	267	2%	-20	-7%
	Others	5,921	40%	5,733	36%	-188	-3%
	<b>Total</b>	<b>14,689</b>	<b>100%</b>	<b>15,719</b>	<b>100%</b>	<b>1,030</b>	<b>7%</b>

Source: MOF, DGC

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

Rank	Product	Jan- Oct 2015	% Share	Jan- Oct 2016	% Share	Value Change	% Change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	379	15%	725	29%	346	91%
2	Aircraft engines, Boilers, machinery and mechanical appliances	167	7%	137	6%	-30	-18%
3	Electrical machinery and equipment	176	7%	135	5%	-41	-23%
4	Plastic and articles thereof	106	4%	109	4%	3	3%
5	Essential oils and resino	105	4%	106	4%	1	1%
6	Preparations of vegetables	106	4%	91	4%	-15	-14%
7	Miscellaneous edible preparations	62	2%	74	3%	12	20%
8	Printed books, newspapers	69	3%	61	2%	-8	-12%
9	Furniture, bedding, mattresses	69	3%	59	2%	-10	-15%
10	Processed and Refined Copper	87	3%	56	2%	-31	-36%
	Others	1,169	47%	934	38%	-236	-20%
	<b>Total</b>	<b>2,494</b>	<b>100%</b>	<b>2,485</b>	<b>100%</b>	<b>-9</b>	<b>-0.4%</b>

Source: MOF, DGC



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