

Monthly official figures released by the Ministry of Finance, Customs Directorate, show a trade deficit of US\$ 12,012 million during the period of January-September 2016, 9 percent higher than the deficit of US\$ 10,987 million registered during the same period of 2015. The US\$ 1,024 million deterioration in the trade deficit is rooted in higher imports by US\$ 1,019 million along with a minor drop of US\$ 5 million in exports.

Total **imports** amounted to US\$ 14,240 million during the aforementioned period, registering an increase of 8 percent in value and a considerable increase of 19 percent in volume, when compared to the same period of 2015.

- Imports of "**Mineral fuel and oil**" hiked remarkably by 40 percent (US\$ 868 million), while in terms of volume they increased by 57 percent. This is due to the registration of US\$ 1,348 million worth of fuel imports to EDL during the first nine 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 22 percent (US\$ 479 million)¹.
- In terms of value, imports of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**" fared well and registered a year-on-year increase of 47 percent (US\$ 294 million), while the increase was less pronounced in terms of volume with 6 percent. This discrepancy is partly attributed to a price variation, since average gold prices increased from an average of US\$ 1,178 per ounce during January-September 2015 to an average of US\$ 1,259 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 93 percent rise in its volume with a 91 percent (US\$ 348 million) rise in its value.
- Excluding "**Mineral fuel and oil**" and "**Unwrought gold, un-mounted diamond & precious stones**", imports decreased by 1 percent (US\$ 143 million) during January-September 2016 compared to the same period of 2015. The main decreases were witnessed in "**Electrical machinery and equipment**" and "**Aircraft engines and boilers**" with respective drops of 12 percent (US\$ 75 million)² and 7 percent (US\$ 59 million)³, partly counterbalanced by the increase in imports of "**Vehicles other than railway**" and "**Pharmaceutical products**" by 7 percent (US\$ 89 million)⁴ and 10 percent (US\$ 82 million)⁵ respectively.
- China remained Lebanon's top import trading partner during the period of January-September of 2016 with a share of 11 percent (US\$ 1,595 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 each.

¹ With an increase in terms of volume by 4 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\$ 42.38 per barrel during the period of January-September of 2016 from US\$ 55.31 per barrel during the same period of 2015.

² Mainly due to a decrease in imports from Germany by 71 percent (US\$ 66 million) and the United States by 33 percent (US\$ 12 million) that was partly counterbalanced by an increase in imports from France by 75 percent (US\$ 15 million).

³ 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\$ 57 million) and 26 percent (US\$ 22 million) respectively.

⁴ Mainly due to an increase in imports from the United States, China and Slovakia by 19 percent (US\$ 36 million), 52 percent (US\$ 21 million) and 84 percent (US\$ 10 million) respectively.

⁵ This increase is partly due to a hike of imports from Ireland, Germany and Jordan by 69 percent (US\$ 25 million), 17 percent (US\$ 22 million) and 27 percent (US\$ 9 million) respectively.

Total **exports** reached US\$ 2,228 million during January-September of 2016, with a small year-on-year drop of 0.2 percent in value, while the decline was significant in terms of volume with 21 percent.

- Exports of "**Unwrought gold, un-mounted diamond & precious stones**" increased by 96 percent (US\$ 320 million) in terms of value⁶, in contrast with a drop of 15 percent registered in terms of volume⁷.
- Excluding the above mentioned increase in exports of "Unwrought gold, un-mounted diamond & precious stones", exports decreased year-on-year by 17 percent (US\$ 325 million), mainly due to a decline in "**Electrical machinery and equipment**", "**Aircraft engines, Boilers, machinery and mechanical appliances**" and "**Processed Copper**" by 24 percent (US\$ 39 million)⁸, 17 percent (US\$ 26 million)⁹ and 34 percent (US\$ 25 million)¹⁰ respectively. This was partly counterbalanced by the increase in exports of "**Miscellaneous edible preparations**" by 19 percent (US\$ 11 million)¹¹.
- **From a regional perspective**, exports to Arab countries witnessed a drop by 21 percent (US\$ 251 million) during January-September 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\$ 69 million), 21 percent (US\$ 48 million), 27 percent (US\$ 46 million) and 19 percent (US\$ 30 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-September 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.

⁶ Driven by a remarkable increase in the high value component related to "gold (including gold plated with platinum unwrought) exports by 214 percent (US\$ 391 million) compared to the same period last year which was reflected by a 170 percent increase in their volume (their share in total exports of "Unwrought gold, un-mounted diamond & precious stones" being 85 percent in value against 45 percent in volume during Jan-Sep 2016).

⁷ 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 17,158 Kgs during Jan-Sept 2015 to 6,573 Kgs during the same period of 2016, with a less pronounced drop in their modest value (from US\$ 2,326 thousand in Jan-Sept 2015 to US\$ 495 thousand in Jan-Sept 2016).

⁸ Partly due to lower exports to Saudi Arabia by 67 percent (US\$ 18 million).

⁹ Partly due to a drop in exports to Netherlands from US\$ 10 million in Jan- Sept 2015 to almost nil during the same period of 2016.

¹⁰ This is attributed to lower exports to Korea by 50 percent (US\$ 19 million) and the United Arab Emirates by 98 percent (US\$ 13 million) despite the increase in exports to Japan by US\$ 6 million.

¹¹ Mostly due to higher exports to Syria by 164 percent (US\$ 11 million).

Table 1: Trade activity by value

(US\$ millions)	2015	2016	% Change	2012	2013	2014	2015	2016	% Change
	September	September	September 2016/2015	Jan – Sep	Jan – Sep	Jan – Sep	Jan – Sep	Jan – Sep	Jan - Sep 2016/2015
Imports	1,434	1,448	1%	16,031	15,904	15,729	13,221	14,240	8%
<i>of which mineral fuel & oil</i>	252	229	-9%	4,491	3,604	3,822	2,176	3,044	40%
-EDL registered fuel imports	0	0	NA	1,292	504	834	0	1,348	NA
-Non EDL fuel imports	252	229	-9%	3,199	3,100	2,988	2,176	1,696	-22%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals</i>	61	119	95%	1,232	871	726	622	916	47%
Exports	243	254	4%	3,299	3,163	2,501	2,234	2,228	0.2%
<i>of which Unwrought gold, un-mounted diamond, & precious metals</i>	35	92	161%	1,313	672	432	332	653	96%
Trade Balance	-1,190	-1,194	0.3%	-12,732	-12,740	-13,227	-10,987	-12,012	9%

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
	September	September	September 2016/2015	Jan – Sep	Jan – Sep	Jan – Sep	Jan – Sep	Jan – Sep	Jan - Sep 2016/2015
Imports	1,444	1,330	-8%	11,780	11,991	11,827	11,429	13,654	19%
<i>of which mineral fuel & oil</i>	511	513	0.3%	5,036	4,002	4,375	4,041	6,329	57%
-EDL registered fuel imports	0	0	NA	1,505	507	880	0	2,131	NA
-Non EDL fuel imports	511	513	0.3%	3,531	3,495	3,495	4,041	4,198	4%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals (Kgs)</i>	81,330	101,138	24%	893,452	912,034	978,636	771,593	817,266	6%
Exports	195	139	-29%	1,844	2,208	1,621	1,481	1,170	-21%
<i>of which Unwrought gold, un-mounted diamond, & precious metals (Kgs)</i>	4,809	6,686	39%	92,590	49,215	64,848	39,906	33,841	-15%
Trade Balance	-1,250	-1,191	-5%	-9,936	-9,783	-10,206	-9,948	-12,485	26%

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-Sep 2015	% Share	Jan-Sep 2016	% Share	Value Change	% Change
1	Mineral fuels and oils	2,176	16%	3,044	21%	868	40%
2	Vehicles and accessories, cranes & lorries	1,196	9%	1,285	9%	89	7%
3	Pharmaceutical products	834	6%	916	6%	82	10%
4	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	622	5%	916	6%	294	47%
5	Aircraft engines, Boilers, machinery and mechanical appliances	900	7%	841	6%	-59	-7%
6	Electrical machinery and equipment	625	5%	550	4%	-75	-12%
7	Plastics and articles thereof	459	3%	456	3%	-2	0%
8	Iron and Steel	443	3%	446	3%	4	1%
9	Articles of apparel and clothing	400	3%	390	3%	-10	-3%
10	Live animals	256	2%	231	2%	-25	-10%
	Others	5,311	40%	5,163	36%	-148	-3%
	Total	13,221	100%	14,240	100%	1,019	8%

Source: MOF, DGC

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

Rank	Product	Jan-Sep 2015	% Share	Jan-Sep 2016	% Share	Value Change	% Change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	332	15%	653	29%	320	96%
2	Aircraft engines, Boilers, machinery and mechanical appliances	153	7%	127	6%	-26	-17%
3	Electrical machinery and equipment	160	7%	121	5%	-39	-24%
4	Essential oils and resino	96	4%	97	4%	1	2%
5	Plastic and articles thereof	93	4%	97	4%	4	4%
6	Preparations of vegetables	93	4%	81	4%	-12	-13%
7	Miscellaneous edible preparations	57	3%	67	3%	11	19%
8	Printed books, newspapers	59	3%	55	2%	-4	-7%
9	Furniture, bedding, mattresses	62	3%	53	2%	-10	-15%
10	Processed and Refined Copper	75	3%	50	2%	-25	-34%
	Others	1,054	47%	829	37%	-225	-21%
	Total	2,234	100%	2,228	100%	-5	-0.2%

Source: MOF, DGC



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