

Figures released by the Ministry of Finance, Customs Directorate, show a trade deficit of US\$ 13,213 million during January-October 2017, 0.2 percent lower than the deficit of US\$ 13,234 million registered during the same period of 2016. The US\$ 21 million improvement in the trade deficit is rooted in lower imports by US\$ 140 million that were mostly offset by a considerable drop of US\$ 119 million in exports.

Total **imports** reached US\$ 15,579 million during the aforementioned period, registering a decrease of 1 percent in value and a 5 percent in volume terms when compared to the same period of 2016.

- Imports of "**Mineral fuel and oil**" witnessed a significant drop of 12 percent (US\$ 392 million) in value terms, along with a similar decrease in volume terms. Year-on-year decline could be justified by lower EDL fuel imports which retreated to US\$ 462 million during January-October 2017 compared to US\$ 1,348 million a year earlier, despite the remarkable year-on-year rise of 26 percent (US\$ 493 million) in non-EDL fuel imports.
- Imports of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**" decreased by 23 percent (US\$ 236 million) year-on-year in value¹, against an increase in their volume by 24 percent².
- Excluding "**Mineral fuel and oil**" and "**Unwrought gold, un-mounted diamond & precious stones**", imports increased by 4 percent (US\$ 488 million) during January-October 2017 compared to the same period of 2016. In details, the main year-on-year increases were witnessed in:
 1. Imports of "**Vehicles other than railway**" which rose by 7 percent (US\$ 102 million) in the first ten months of 2017, mainly due to higher imports from the United States, Germany and Canada by 14 percent (US\$ 35 million), 7 percent (US\$ 26 million) and 71 percent (US\$ 23 million) respectively.
 2. Imports of "**Aircraft engines, Boilers, machinery and mechanical appliances**" which increased by 5 percent (US\$ 45 million) with higher imports from China and the United Kingdom by 6 percent (US\$ 16 million) and 27 percent (US\$ 10 million) respectively.
 3. Imports of "**Plastics and articles thereof**" which rose by 6 percent (US\$ 31 million) mainly due to the increase in imports from Saudi Arabia and the United Arab Emirates by 15 percent (US\$ 17 million) and 16 percent (US\$ 5 million) respectively.
- As for the main import partners, China ranked first during January-October of 2017 with a share of 10 percent from total imports, with almost 17 percent of imports from this country being "**Aircraft engines, Boilers, machinery and mechanical appliances**". Italy and Greece followed with shares of 9 and 7 percent respectively.

Exports amounted to US\$ 2,366 million during January-October 2017, reflecting a 5 percent decrease compared to the same period of 2016. The drop in value was contrasted by an increase of 24 percent in volume terms.

¹ Due to a drop in imports of the high priced "Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form" by 35 percent (US\$ 291 million) in value.

² The increase is mainly driven by a higher volume of imported "Coins" by 205 tons compared to the same period last year.

- Exports of "**Unwrought gold, un-mounted diamond & precious stones**" decreased significantly by 33 percent (US\$ 236 million)³ in terms of value, against an increase of 60 percent in terms of volume. The increase in volume is mostly attributed to higher exports of "Articles of jewelry and parts thereof, of precious metal or of metal clad with precious metal" increasing from 641 Kgs in 2016 to 26,446 Kgs by the end of October 2017⁴.
- Excluding "**Unwrought gold, un-mounted diamond & precious stones**", exports increased by 7 percent (US\$ 117 million). This is partly due to an increase in exports of "**Iron and steel**" and "**Copper and Articles**" which rose by 126 percent (US\$ 49 million)⁵ and 23 percent (US\$ 13 million)⁶ respectively. On the other hand, exports of "**Aircraft engines, Boilers, machinery and mechanical appliances**" decreased by 13 percent (US\$ 18 million)⁷.
- **From a regional perspective**, exports to Arab countries witnessed a year-on-year increase of 7 percent (US\$ 71 million) during January-October 2017. This increase is driven by higher exports to Syria, Kuwait and Qatar by 43 percent (US\$ 63 million), 32 percent (US\$ 20 million) and 21 percent (US\$ 13 million) respectively, despite the decline in exports to Saudi Arabia by 13 percent (US\$ 30 million).
- Lastly, the **breakdown of Lebanese exports by major destination** shows that South Africa maintained its position at the top of the list during January-October 2017 despite the drop of its share from total exports from 23 percent last year to 12 percent this year, noting that almost all exports to this country consisted of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**". Syria came second with a share of 9 percent from total exports, followed by the United Arab Emirates and Saudi Arabia with a share of 8 percent each.

³ Due to a decrease of 39 percent (US\$ 241 million) in exports of "Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form" after major drops starting June 2017 compared to the same months last year.

⁴ This hike is due to an exceptional volume of imports in this sub-category during July 2017 with 25,637 Kgs against 60 Kgs in July 2016.

⁵ Driven by higher exports to Turkey by 139 percent (US\$ 46 million).

⁶ With higher exports to Korea and China by US\$ 7 million and US\$ 6 million respectively.

⁷ Mostly due to lower exports to Germany by 79 percent (US\$ 13 million).

Table 1: Trade activity by value

(US\$ millions)	2016	2017	% Change	2013	2014	2015	2016	2017	% Change
	October	October	October 17/16	Jan – Oct	Jan – Oct	Jan – Oct	Jan – Oct	Jan – Oct	Jan – Oct 17/16
Imports	1,479	1,690	14%	17,661	17,452	14,689	15,719	15,579	-1%
<i>of which mineral fuel & oil</i>	220	277	26%	4,023	4,187	2,412	3,264	2,871	-12%
-EDL registered fuel imports	0	0	NA	616	834	0	1,348	462	-66%
-Non EDL fuel imports	220	277	26%	3,407	3,354	2,412	1,916	2,409	26%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals</i>	121	63	-48%	967	825	674	1,037	801	-23%
Exports	257	252	-2%	3,431	2,792	2,494	2,485	2,366	-5%
<i>of which Unwrought gold, un-mounted diamond, & precious metals</i>	73	29	-61%	714	482	379	725	489	-33%
Trade Balance	-1,223	-1,439	18%	-14,230	-14,660	12,194	-13,234	-13,213	-0.2%

Source: Directorate General of Customs, Ministry of Finance

Table 2: Trade activity by volume

(millions of Kgs)	2016	2017	% Change	2013	2014	2015	2016	2017	% Change
	October	October	October 17/16	Jan – Oct	Jan – Oct	Jan – Oct	Jan – Oct	Jan – Oct	Jan – Oct 17/16
Imports	1,244	1,302	5%	13,192	13,074	12,652	14,899	14,153	-5%
<i>of which mineral fuel & oil</i>	459	510	11%	4,435	4,856	4,547	6,788	5,985	-12%
-EDL registered fuel imports	0	0	NA	621	880	0	2,131	1,092	-49%
-Non EDL fuel imports	459	510	11%	3,814	3,976	4,547	4,657	4,894	5%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals (Kgs)</i>	137,169	200,532	46%	1,012,830	1,095,697	866,501	954,571	1,183,325	24%
Exports	170	176	4%	2,411	1,870	1,670	1,339	1,661	24%
<i>of which Unwrought gold, un-mounted diamond, & precious metals (Kgs)</i>	7,031	7,095	1%	52,203	70,732	51,733	40,872	65,283	60%
Trade Balance	-1,075	-1,126	5%	-10,781	-11,204	-10,982	-13,559	-12,492	-8%

Source: Directorate General of Customs, Ministry of Finance

Table 3: IMPORT Distribution by Product (in US\$ million)

Rank	Product	Jan-Oct 2016	% Share	Jan-Oct 2017	% Share	Value Change	% Change
1	Mineral fuels, mineral oils and products of their distillation	3,264	21%	2,871	18%	-392	-12%
2	Vehicles other than railway	1,417	9%	1,519	10%	102	7%
3	Pharmaceutical products	1,018	6%	1,048	7%	30	3%
4	Aircraft engines, Boilers, machinery and mechanical appliances	916	6%	961	6%	45	5%
5	Natural or cultured pearls	1,037	7%	801	5%	-236	-23%
6	Electrical machinery and equipment	624	4%	648	4%	23	4%
7	Plastics and articles thereof	502	3%	533	3%	31	6%
8	Iron and steel.	498	3%	518	3%	20	4%
9	Articles of apparel and clothing accessories	443	3%	440	3%	-4	-1%
10	Live animals	267	2%	268	2%	1	0%
	Others	5,733	36%	5,971	38%	238	4%
	Total	15,719	100%	15,579	100%	-140	-1%

Source: MOF, DGC

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

Rank	Product	Jan-Sep 2016	% Share	Jan-Sep 2017	% Share	Value Change	% Change
1	Natural or cultured pearls	725	29%	489	21%	-236	-33%
2	Electrical machinery and equipment	135	5%	146	6%	11	8%
3	Plastics and articles the	109	4%	121	5%	12	11%
4	Aircraft engines, Boilers, machinery and mechanical appliances	137	6%	119	5%	-18	-13%
5	Essential oils and resinoids	106	4%	102	4%	-4	-4%
6	Iron and steel	39	2%	88	4%	49	126%
7	Preparations of vegetables	91	4%	87	4%	-3	-4%
8	Miscellaneous edible preparations	74	3%	75	3%	1	2%
9	Copper and articles thereof	56	2%	68	3%	13	23%
10	Printed books, newspapers	61	2%	67	3%	6	10%
	Others	953	38%	1,003	42%	50	5%
	Total	2,485	100%	2,366	100%	-119	-5%

Source: MOF, DGC



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