

Official figures issued by the Ministry of Finance, Customs Directorate, show a trade deficit of US\$ 5,828 million during January-May of 2015, 20 percent lower than the deficit of US\$ 7,326 million recorded during the same period of 2014. The US\$ 1,499 million amelioration in the trade deficit is rooted in significantly lower imports by US\$ 1,614 million despite the slight decrease of US\$ 115 million in exports.

Total **imports** reached US\$ 7,099 million during January-May of 2015, registering a decline of 19 percent in value and 5 percent in volume, when compared to the same period of 2014.

- Imports of "**Mineral fuel and oil**" dropped significantly by 44 percent (US\$ 893 million)¹, while in terms of volume they decreased by 10 percent. In details, EDL fuel imports dropped from US\$ 529 million in January-May 2014 to nil during the same period this year. Also Non-EDL fuel imports diminished by 24 percent (US\$ 363 million) when compared to the same period of 2014².
- Imports of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**" continued to decline in terms of value with a year-on-year drop of 23 percent (US\$ 102 million), while in terms of volume there was no change³.
- When excluding "**Mineral fuel and oil**" and "**Unwrought gold, un-mounted diamond & precious stones**", imports decreased by 10 percent (US\$ 619 million) during January-May 2015 compared to the same period of 2014. The main decreases were witnessed in "**Iron and steel**", "**Electrical machinery and equipment**", "**Aircraft engines and boilers**" and "**plastic and articles thereof**" with 48 percent (US\$ 194 million)⁴, 24 percent (US\$ 107 million)⁵, 7 percent (US\$ 37 million)⁶ and 12 percent (US\$ 35 million)⁷ respectively. The impact of these decreases has more than offset the increases in imports of "**Vehicles other than railway**" and "**Articles of apparel and clothing**" by 8 percent (US\$ 44 million)⁸ and 13 percent (US\$ 25 million)⁹ respectively.
- As for the **breakdown of Lebanese imports by country of origin** during the period of January-May of 2015, China remained Lebanon's top import trading partner with a share of 12 percent (US\$ 826 million) of total imports, noting that almost 15 percent of imports from this country are "Aircraft engines, Boilers, machinery and mechanical appliances". Italy and Germany followed with shares of 7 percent each.

¹ The large drop in value is mainly attributed to lower international fuel prices with the Brent price dropping to an average of US\$ 57.07 per barrel during Jan-May 2015 from US\$ 108.36 per barrel during the same period of 2014.

² This drop in value of non-EDL fuel imports came despite the 18 percent increase in terms of volume, reflecting the large drop in international fuel prices.

³ It is worth mentioning that during May 2015 imports of Imitation jewelry increased by 36 percent in terms of value compared to the previous month of 2015 which in turns led to an increase in terms of volume by 216.4 percent (102,001 Kgs) to reach the level of Jan-May 2014 since the sub categories of Imitation jewelry weight more in volume than in value.

⁴ Mainly due to a decline in imports from China and Turkey by 61 percent (US\$ 160 million) and 49 percent (US\$ 16 million) respectively.

⁵ This contraction is mainly attributed to lower imports from China, Italy and Korea by 38 percent (US\$ 59 million), 32 percent (US\$ 9 million) and 34 percent (US\$ 8 million) respectively.

⁶ The drop in "Aircraft engines" is mostly attributed to lower imports from China, Germany and USA by 16 percent (US\$ 25 million), 30 percent (US\$ 21 million) and 27 percent (US\$ 19 million) respectively that offset the increase in imports from United Kingdom by 251 percent (US\$ 41 million).

⁷ The drop in "Plastics" is attributed to lower imports from Saudi Arabia by 20 percent (US\$ 14 million).

⁸ This increase is a result of a hike of imports from Japan and Germany by 16 percent (US\$ 15 million) and 8 percent (US\$ 12 million) respectively.

⁹ Mainly due to an increase in imports from Turkey and China by 63 percent (US\$ 12 million) and 15 percent (US\$ 9 million) respectively.

Exports recorded US\$ 1,272 million during January-May of 2015, reflecting a reduction of 8 percent compared to the same period of 2014, while in terms of volume it increased by 2 percent.

- Exports of "**Unwrought gold, un-mounted diamond & precious stones**" dropped by 22 percent (US\$ 56 million) in terms of value, while in terms of volume it increased by 22 percent¹⁰.
- Excluding "Unwrought gold, un-mounted diamond & precious stones", exports decreased year-on-year by 5 percent (US\$ 59 million), mainly due to a decline in "**Aircraft engines, Boilers, machinery and mechanical appliances**" and "**Plastic and articles**" by 22 percent (US\$ 22 million)¹¹ and 17 percent (US\$ 10 million)¹² respectively.
- On the other hand, few categories registered a year-on-year increase, mainly exports of "**Electrical machinery and equipment**" which rose by US\$ 9 million (10 percent)¹³.
- **From a regional perspective**, exports to Arab countries witnessed a decline by 2 percent (US\$ 14 million) during January-May 2015 compared to the same period of 2014. This drop is mainly due to decreases in exports to Syria, Jordan and Iraq by 19 percent (US\$ 19 million), 19 percent (US\$ 10 million) and 8 percent (US\$ 9 million) respectively, which offset the increase in exports to Saudi Arabia by 10 percent (US\$ 15 million)¹⁴ and United Arab Emirates by 9 percent (US\$ 11 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 first five months of 2015 with respective shares of 13 percent and 11 percent, followed by other regional countries mainly Iraq with a share of 8 percent.

¹⁰ This is mainly due to the export of a relatively large volume of "articles of goldsmiths or silversmiths wares and parts thereof, of precious metal or/of metal clad with precious metal" with 10,202 Kgs (44 percent of total exports of "Unwrought gold, un-mounted diamond & precious stones") having a value of US\$ 450 thousand (0.22 percent of total exports in this category). In comparison, these exports registered a volume of 2,032 Kgs in January-May 2014 with a value of US\$ 100 thousand.

¹¹ Mainly due to lower exports to Iraq by 57 percent (US\$ 12 million).

¹² This decrease is mainly related to lower exports to USA by 72 percent (US\$ 5 million).

¹³ This increase can be explained by higher exports to Saudi Arabia by 68 percent (US\$ 8 million).

¹⁴ Mainly due to a y-o-y rise in exports of Electrical products by US\$ 20 million during January-May of 2015.

Table 1: Trade activity by value

(US\$ millions)	2014	2015	% Change	2011	2012	2013	2014	2015	% Change
	May	May	May 15/14	Jan – May	Jan – May	Jan – May	Jan – May	Jan – May	Jan – May 15/14
Imports	1,676	1,486	-11%	7,657	9,169	9,160	8,713	7,099	-19%
<i>of which mineral fuel & oil</i>	312	244	-22%	1,471	2,854	2,279	2,038	1,145	-44%
-EDL registered fuel imports	0	0	NA	324	1,292	454	529	0	-100%
-Non EDL fuel imports	312	244	-22%	1,147	1,562	1,825	1,508	1,145	-24%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals</i>	84	64	-24%	664	707	601	435	333	-23%
Exports	315	293	-7%	1,706	1,827	1,967	1,387	1,272	-8%
<i>of which Unwrought gold, un-mounted diamond, & precious metals</i>	59	50	-15%	559	755	482	260	203	-22%
Trade Balance	-1,362	-1,192	-12%	-5,951	-7,342	-7,193	-7,326	-5,828	-20%

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
	May	May	May 15/14	Jan – May	Jan – May	Jan – May	Jan – May	Jan – May	Jan – May 15/14
Imports	1,185	1,244	5%	5,597	6,850	6,221	6,389	6,057	-5%
<i>of which mineral fuel & oil</i>	367	439	20%	1,976	3,199	2,435	2,340	2,098	-10%
-EDL registered fuel imports	0	0	NA	545	1,505	455	560	0	-100%
-Non EDL fuel imports	367	439	20%	1,431	1,694	1,980	1,781	2,098	18%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals (Kgs)</i>	116,178	157,992	36%	425,915	391,438	544,688	420,714	420,054	0%
Exports	180	207	15%	1,248	929	1,287	762	775	2%
<i>of which Unwrought gold, un-mounted diamond, & precious metals (Kgs)</i>	5,455	5,077	-7%	61,910	58,623	34,110	18,958	23,114	22%
Trade Balance	-1,005	-1,037	3%	-4,349	-5,921	-4,934	-5,627	-5,281	-6%

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-May 2014	% Share	Jan-May 2015	% Share	Value Change	% Change
1	Mineral fuels and oils	2038	23%	1145	16%	-893	-44%
2	Vehicles and accessories, cranes & lorries	575	7%	618	9%	44	8%
3	Aircraft engines, Boilers, machinery and mechanical appliances	545	6%	508	7%	-37	-7%
4	Pharmaceutical products	484	6%	470	7%	-15	-3%
5	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	435	5%	333	5%	-102	-23%
6	Electrical machinery and equipment	436	5%	329	5%	-107	-24%
7	Plastics and articles thereof	283	3%	248	3%	-35	-12%
8	Articles of apparel and clothing	199	2%	224	3%	25	13%
9	Iron and Steel	404	5%	211	3%	-194	-48%
10	Cereals	144	2%	133	2%	-11	-8%
	Others	3,170	36%	2,880	41%	-290	-9%
	Total	8,713	100%	7,099	100%	-1,614	-19%

Source: MOF, DGC

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

Rank	Product	Jan-May 2014	% Share	Jan- May 2015	% Share	Value Change	% Change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	260	19%	203	16%	-56	-22%
2	Electrical machinery and equipment	87	6%	96	8%	9	10%
3	Aircraft engines, Boilers, machinery and mechanical appliances	101	7%	79	6%	-22	-22%
4	Preparations of vegetables	58	4%	57	4%	-1	-2%
5	Essential oils and resino	51	4%	55	4%	4	7%
6	Plastic and articles thereof	57	4%	47	4%	-10	-17%
7	Processed and Refined Copper	43	3%	41	3%	-2	-5%
8	Beverages, spirts and vinegar	41	3%	39	3%	-2	-6%
9	Furniture, bedding, mattresses	35	3%	37	3%	2	7%
10	Miscellaneous edible preparations.	40	3%	35	3%	-5	-12%
	Others	612	44%	580	46%	-32	-5%
	Total	1,387	100%	1,272	100%	-115	-8%

Source: MOF, DGC



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