

Figures released by the Ministry of Finance, Customs Directorate, show a trade deficit of US\$ 10,689 million during January-August 2017, 1 percent lower than the deficit of US\$ 10,818 million registered during the same period of 2016. The US\$ 129 million improvement in the trade deficit is rooted in lower imports by US\$ 200 million despite a drop of US\$ 71 million in exports during the same period under consideration.

Total **imports** reached US\$ 12,592 million during January-August 2017, registering a decrease of 2 percent in value and 5 percent in volume terms when compared to the same period of 2016.

- Imports of "**Mineral fuel and oil**" witnessed a drop of 16 percent (US\$ 463 million) in value terms, along with a decrease of 14 percent in volume terms. Year-on-year retraction could be justified by lower EDL fuel imports which retreated to US\$ 462 million during January-August 2017 compared to US\$ 1,348 million during the same period of last year, despite of the rise of 29 percent (US\$ 423 million) rise in Non-EDL fuel imports compared to January-August 2016.
- Imports of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**" decreased by 16 percent (US\$ 126 million) year-on-year in terms of value, while in volume terms it increased by 25 percent¹.
- Excluding "**Mineral fuel and oil**" and "**Unwrought gold, un-mounted diamond & precious stones**", imports increased by 4 percent (US\$ 389 million) during January-August 2017 compared to that of 2016. In details, the main year-on-year increases were witnessed in:
 1. Imports of "**Vehicles other than railway**" which rose by 8 percent (US\$ 96 million) in the first eight months of 2017 mainly due to higher imports from Germany, the United States and Canada by 13 percent (US\$ 36 million), 15 percent (US\$ 29 million) and 77 percent (US\$ 19 million) respectively, partly counterbalanced by a decrease in imports from Japan by 8 percent (US\$ 14 million).
 2. Imports of "**Pharmaceutical products**" which rose by 5 percent (US\$ 41 million) mainly due to the increase in imports from Ireland, France, and Germany by 27 percent (US\$ 14 million), 15 percent (US\$ 13 million) and 1 percent (US\$ 12 million) respectively.
 3. Imports of "**Cereals**" which rose by 19 percent (US\$ 35 million) in January-August 2017 mainly due to the increase in imports from Ukraine by 45 percent (US\$ 23 million) despite the decrease in imports from the Russian Federation by 12 percent (US\$ 8 million). It is worth noting that imports of this category from Serbia increased by US\$ 6 million from around nil during the period of January-August 2016.
- As for the main import partners, China ranked first during January-August 2017 with a share of 10 percent from total imports, with almost 18 percent of imports from this country being "**Aircraft engines, Boilers, machinery and mechanical appliances**". Italy and Greece followed with shares of 9 and 7 percent² respectively.

¹ This can be explained by the increase in the volume of imports of "Imitation jewelry" by around 109 tons during the period between January and August 2017 as to that of the same period of last year, which came along with a drop in the value of imports of "Gold (including gold plated with platinum) unwrought" by 26.7 percent (US\$ 168 million) during the same period under consideration.

Exports amounted to US\$ 1,903 million during January-August 2017, reflecting a decrease of 4 percent compared to the same period of 2016. The drop in value was contrasted by an increase of 29 percent in volume terms.

- Exports of "**Unwrought gold, un-mounted diamond & precious stones**" decreased by 28 percent (US\$ 159 million)³ in terms of value, against an increase of 98 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 515 Kgs in 2016 to 26,209 Kgs in January-August 2017.
- Excluding "**Unwrought gold, un-mounted diamond & precious stones**", exports increased by 6 percent (US\$ 88 million). This is partly due to an increase in exports of "**Iron and steel**" and "**Sugars and sugar confectionery**" which rose by 126 percent (US\$ 40 million)⁴ and 57 percent (US\$ 20 million)⁵ respectively. On the other hand, exports of "**Aircraft engines, Boilers, machinery and mechanical appliances**" and "**Essential oils and resinoids**" decreased by 13 percent (US\$ 15 million)⁶ and 7 percent (US\$ 6 million)⁷ respectively.
- **From a regional perspective**, exports to Arab countries witnessed a year-on-year increase of 7 percent (US\$ 61 million) during January-August 2017. It is worth mentioning that this increase is attributed to higher exports to Syria, Kuwait and Iraq by 50 percent (US\$ 58 million), 35 percent (US\$ 16 million) and 10 percent (US\$ 11 million) respectively, despite the decline in exports to Saudi Arabia by 13 percent (US\$ 25 million)⁸.
- Lastly, the **breakdown of Lebanese exports by major destination** shows that South Africa maintained its position at the top of the list during January-August 2017 despite the drop of its share from 22 percent last year to 12 percent from total exports, noting that almost all exports to this country consisted of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**". Syria followed with a share of 9 percent while Saudi Arabia and the United Arab Emirates registered shares of 8 percent each.

² Imports from Greece witnessed a considerable y-o-y increase of US\$ 284 million (45 percent) during the first eight months of 2017, mostly due to a significant rise of US\$ 262 million (45 percent) in imports of "Mineral fuel and oil" during the period under consideration, leading Greece to the third place in terms of imports partners.

³ Mostly driven by a decrease of 34 percent (US\$ 161 million) in exports of "Gold (including gold plated with platinum) unwrought" after a major y-o-y drop of 77 percent in August 2017.

⁴ Driven by higher exports to Turkey by 143 percent (US\$ 38 million).

⁵ This is mainly due to higher exports to Syria by 74 percent (US\$ 19 million).

⁶ Mostly due to lower exports to Germany by 80 percent (US\$ 13 million).

⁷ Mostly due to lower exports to Saudi Arabia by 32 percent (US\$ 4 million).

⁸ Several categories of exports to Saudi Arabia witnessed a y-o-y drop during January-August 2017, mainly "Electrical machinery and equipment appliances" (US\$ 5 million), "Furniture; bedding, mattresses, mattress supports" (US\$ 5 million) and "Essential oils and resinoids" (US\$ 4 million).

Table 1: Trade activity by value

(US\$ millions)	2016	2017	% Change	2013	2014	2015	2016	2017	% Change
	August	August	August 17/16	Jan – Aug	Jan – Aug	Jan – Aug	Jan – Aug	Jan – Aug	Jan - Aug 17/16
Imports	1,951	1,594	-18%	14,339	14,057	11,795	12,792	12,592	-2%
<i>of which mineral fuel & oil</i>	538	252	-53%	3,290	3,460	1,923	2,815	2,352	-16%
-EDL registered fuel imports	304	0	NA	504	834	0	1,348	462	-66%
-Non EDL fuel imports	234	252	8%	2,785	2,626	1,923	1,468	1,890	29%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals</i>	174	64	-63%	812	646	561	797	671	-16%
Exports	340	251	-26%	2,875	2,219	1,990	1,974	1,903	-4%
<i>of which Unwrought gold, un-mounted diamond, & precious metals</i>	151	40	-74%	627	399	297	560	401	-28%
Trade Balance	-1,610	-1,343	-17%	-11,464	-11,838	-9,804	-10,818	-10,689	-1%

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
	August	August	August 17/16	Jan – August	Jan – Aug	Jan – Aug	Jan – Aug	Jan – Aug	Jan – Aug 17/16
Imports	2,111	1,383	-34%	9,849	10,478	9,985	12,325	11,727	-5%
<i>of which mineral fuel & oil</i>	1,189	494	-58%	3,599	3,954	3,530	5,816	5,004	-14%
-EDL registered fuel imports	633	0	NA	507	880	0	2,131	1,092	-49%
-Non EDL fuel imports	555	494	-11%	3,091	3,073	3,530	3,686	3,913	6%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals (Kgs)</i>	110,013	147,353	34%	849,379	741,829	690,263	716,128	891,854	25%
Exports	173	218	26%	1,971	1,378	1,282	1,031	1,332	29%
<i>of which Unwrought gold, un-mounted diamond, & precious metals (Kgs)</i>	5,211	2,503	-52%	45,755	49,523	35,097	27,155	53,820	98%
Trade Balance	-1,938	-1,166	-40%	-7,878	-9,099	-8,703	-11,294	-10,396	-8%

Source: Directorate General of Customs, Ministry of Finance

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

Rank	Product	Jan-Aug 2016	% Share	Jan-Aug 2017	% Share	Value Change	% Change
1	Mineral fuels and oils	2,815	22%	2,352	19%	-463	-16%
2	Vehicles and accessories, cranes & lorries	1,132	9%	1,227	10%	96	8%
3	Pharmaceutical products	814	6%	855	7%	41	5%
4	Aircraft engines, Boilers, machinery and mechanical appliances	759	6%	787	6%	28	4%
5	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	797	6%	671	5%	-126	-16%
6	Electrical machinery and equipment	489	4%	509	4%	20	4%
7	Iron and steel	407	3%	423	3%	16	4%
8	Plastics and articles thereof	408	3%	418	3%	10	2%
9	Articles of apparel and clothing	337	3%	332	3%	-5	-1%
10	Cereals	182	1%	218	2%	35	19%
	Others	4,653	36%	4,801	38%	148	3%
	Total	12,792	100%	12,592	100%	-201	-2%

Source: MOF, DGC

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

Rank	Product	Jan-Aug 2016	% Share	Jan-Aug 2017	% Share	Value Change	% Change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	560	28%	401	21%	-159	-28%
2	Electrical machinery and equipment	108	5%	118	6%	9	9%
3	Aircraft engines, Boilers, machinery and mechanical appliances	115	6%	99	5%	-15	-13%
4	Plastic and Articles and thereof	85	4%	94	5%	8	10%
5	Essential oils and resinoids; perfumery, cosmetics	87	4%	81	4%	-6	-7%
6	Preparations of vegetables	73	4%	69	4%	-5	-6%
7	Iron and Steel	32	2%	71	4%	40	126%
8	Miscellaneous edible preparations	61	3%	62	3%	2	3%
9	Sugars and sugar confectionery.	35	2%	56	3%	20	57%
10	Printed books newspapers	48	2%	58	3%	9	20%
	Others	769	39%	795	42%	26	3%
	Total	1,974	100%	1,903	100%	-71	-4%

Source: MOF, DGC



For further information please contact:
Ministry of Finance
Macro fiscal Department – Budget Directorate
Tel: 961 1 956000- ext: 1718- 1729-1731
Website: www.finance.gov.lb