

Figures released by the Ministry of Finance, Customs Directorate, show a trade deficit of US\$ 11,774 million during January-September 2017, 2 percent lower than the deficit of US\$ 12,012 million registered during the same period of 2016. The US\$ 237 million improvement in the trade deficit is rooted in lower imports by US\$ 351 million that were partly offset by a decrease of US\$ 114 million in exports.

Total **imports** reached US\$ 13,889 million by the end of the third quarter of 2017, registering a decrease of 2 percent in value and 6 percent in volume terms when compared to the same period of 2016.

- Imports of "**Mineral fuel and oil**" witnessed a significant drop of 15 percent (US\$ 450 million) in value terms, along with a decrease of 13 percent in volume terms. Year-on-year retraction could be justified by lower EDL fuel imports which retreated to US\$ 462 million during January-September 2017 compared to US\$ 1,348 million a year earlier, despite the remarkable year-on-year rise of 26 percent (US\$ 436 million) in Non-EDL fuel imports.
- Imports of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**" witnessed a **year-on-year** decrease of 19 percent (US\$ 178 million in terms of value¹, while it increased by 20 percent in volume terms².
- Excluding "**Mineral fuel and oil**" and "**Unwrought gold, un-mounted diamond & precious stones**", imports increased by 3 percent (US\$ 277 million) during January-September 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 5 percent (US\$ 65 million) in the first nine months of 2017, mainly due to higher imports from the United States, Germany and Canada by 11 percent (US\$ 25 million), 6 percent (US\$ 20 million) and 67 percent (US\$ 19 million) respectively, partly counterbalanced by a decrease in imports from Japan by 10 percent (US\$ 21 million).
 2. Imports of "**Aircraft engines, Boilers, machinery and mechanical appliances**" which increased by 3 percent (US\$ 27 million) with higher imports from China, the United Kingdom and Germany by 4 percent (US\$ 9 million), 23 percent (US\$ 8 million) and 10 percent (US\$ 8 million) respectively.
 3. Imports of "**Iron and Steel**" which rose by 5 percent (US\$ 24 million) mainly due to the increase in imports from Ukraine and Turkey by 129 percent (US\$ 91 million) and 236 percent (US\$ 60 million) respectively, despite the considerable drop in imports from China by 68 percent (US\$ 167 million). We should note that imports from Greece increased to US\$ 20 million from almost nil during the same period of 2016.
- As for the main import partners, China ranked first by the end of the third quarter of 2017 with a share of 10 percent from total imports, with almost 18 percent of imports from this country being "**Aircraft engines**,

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 31 percent (US\$ 224 million) in value and by 30 percent (6 tons) in volume.

² The increase is mainly driven by a higher volume of imports in terms of "Coins" and "Imitation Jewelry" by 90 tons and 54 tons y-o-y respectively.

Boilers, machinery and mechanical appliances". Italy and Greece followed with respective shares of 9 and 7 percent.

Exports amounted to US\$ 2,114 million during January-September 2017, reflecting a 5 percent decrease compared to the same period of 2016. The drop in value was contrasted by an increase of 27 percent in volume terms.

- Exports of "**Unwrought gold, un-mounted diamond & precious stones**" registered a significant decrease of 29 percent (US\$ 192 million)³ in terms of value, against an increase of 72 percent in terms of volume. The latter 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 572 Kgs in 2016 to 26,302 Kgs by the end of Q3 2017⁴.
- Excluding "**Unwrought gold, un-mounted diamond & precious stones**", exports increased by 5 percent (US\$ 78 million). This is partly due to an increase in exports of "**Iron and steel**" and "**Copper and Articles**" which rose by 135 percent (US\$ 46 million)⁵ and 20 percent (US\$ 10 million)⁶ respectively. On the other hand, exports of "**Aircraft engines, Boilers, machinery and mechanical appliances**" and "**Essential oils and resinoids**" decreased by 16 percent (US\$ 20 million)⁷ and 10 percent (US\$ 10 million) respectively.
- **From a regional perspective**, exports to Arab countries witnessed a year-on-year increase of 6 percent (US\$ 56 million) during January-September 2017. It is worth mentioning that this increase is attributed to higher exports to Syria, Kuwait and Qatar by 47 percent (US\$ 60 million), 38 percent (US\$ 19 million) and 20 percent (US\$ 11 million) respectively, despite the decline in exports to Saudi Arabia by 15 percent (US\$ 30 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-September 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 and the United Arab Emirates followed with a share of 9 percent each while Saudi Arabia registered a share of 8 percent from total exports.

³ Due to a decrease of 36 percent (US\$ 201 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 151 percent (US\$ 43 million).

⁶ This is mainly due to higher exports to Korea and China by US\$ 6 million and US\$ 5 million respectively.

⁷ Mostly due to lower exports to Germany by 80 percent (US\$ 13 million).

⁸ Several categories of exports to Saudi Arabia witnessed a y-o-y drop during January-September 2017, mainly "Furniture; bedding, mattresses, mattress supports" (US\$ 6 million), "Electrical machinery and equipment appliances" (US\$ 5 million) and "Essential oils and resinoids" (US\$ 3 million).

Table 1: Trade activity by value

(US\$ millions)	2016	2017	% Change	2013	2014	2015	2016	2017	% Change
	September	September	September 17/16	Jan – Sep	Jan – Sep	Jan – Sep	Jan – Sep	Jan – Sep	Jan – Sep 17/16
Imports	1,448	1,297	-10%	15,904	15,729	13,221	14,240	13,889	-2%
<i>of which mineral fuel & oil</i>	229	242	6%	3,604	3,822	2,176	3,044	2,594	-15%
-EDL registered fuel imports	0	0	NA	504	834	0	1,348	462	-66%
-Non EDL fuel imports	229	242	6%	3,100	2,988	2,176	1,696	2,132	26%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals</i>	119	67	-44%	871	726	622	916	737	-19%
Exports	254	210	-18%	3,163	2,501	2,234	2,228	2,114	-5%
<i>of which Unwrought gold, un-mounted diamond, & precious metals</i>	92	60	-35%	672	432	332	653	461	-29%
Trade Balance	-1,194	-1,087	-9%	-12,740	-13,227	10,987	-12,012	-11,774	-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
	September	September	September 17/16	Jan – Sep	Jan – Sep	Jan – Sep	Jan – Sep	Jan – Sep	Jan – Sep 17/16
Imports	1,330	1,123	-16%	11,991	11,827	11,429	13,654	12,851	-6%
<i>of which mineral fuel & oil</i>	513	471	-8%	4,002	4,375	4,041	6,329	5,475	-13%
-EDL registered fuel imports	0	0	NA	507	880	0	2,131	1,092	-49%
-Non EDL fuel imports	513	471	-8%	3,495	3,495	4,041	4,198	4,384	4%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals (Kgs)</i>	101,138	90,939	-10%	912,034	978,636	771,593	817,266	982,793	20%
Exports	139	154	11%	2,208	1,621	1,481	1,170	1,486	27%
<i>of which Unwrought gold, un-mounted diamond, & precious metals (Kgs)</i>	6,686	4,369	-35%	49,215	64,848	39,906	33,841	58,189	72%
Trade Balance	-1,191	-969	-19%	-9,783	-10,206	-9,948	-12,485	-11,365	-9%

Source: Directorate General of Customs, Ministry of Finance

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

Rank	Product	Jan-Sep 2016	% Share	Jan-Sep 2017	% Share	Value Change	% Change
1	Mineral fuels, mineral oils and products of their distillation	3,044	21%	2,594	19%	-450	-15%
2	Vehicles other than railway	1,285	9%	1,350	10%	65	5%
3	Pharmaceutical products	916	6%	941	7%	24	3%
4	Aircraft engines, Boilers, machinery and mechanical appliances	841	6%	869	6%	27	3%
5	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	916	6%	737	5%	-178	-19%
6	Electrical machinery and equipment	550	4%	565	4%	15	3%
7	Iron and steel	446	3%	470	3%	24	5%
8	Plastics and articles thereof	456	3%	463	3%	7	1%
9	Articles of apparel and clothing accessories	390	3%	377	3%	-13	-3%
10	Live animals	231	2%	242	2%	11	5%
	Others	5,163	36%	5,280	38%	117	2%
	Total	14,240	100%	13,889	100%	-351	-2%

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	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	653	29%	461	22%	-192	-29%
2	Electrical machinery and equipment	121	5%	128	6%	8	6%
3	Aircraft engines, Boilers, machinery and mechanical appliances	127	6%	107	5%	-20	-16%
4	Plastics and articles thereof	97	4%	105	5%	8	8%
5	Essential oils and resinoids	97	4%	87	4%	-10	-10%
6	Iron and steel	34	2%	80	4%	46	135%
7	Preparations of vegetables	81	4%	77	4%	-4	-5%
8	Miscellaneous edible preparations	67	3%	68	3%	1	1%
9	Printed books, newspapers	55	2%	62	3%	7	13%
10	Copper and articles there	50	2%	60	3%	10	20%
	Others	848	38%	881	42%	33	4%
	Total	2,228	100%	2,114	100%	-114	-5%

Source: MOF, DGC



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