

Monthly official figures released by the Ministry of Finance, Customs Directorate, show a trade deficit of US\$ 9,804 million during the period of January-August of 2015, 17 percent lower than the deficit of US\$ 11,838 million registered during the same period of 2014. The US\$ 2,033 million improvement in the trade deficit is rooted in significantly lower imports by US\$ 2,262 million despite the drop of US\$ 229 million in exports.

Total **imports** amounted US\$ 11,795 million during the period of January-August of 2015, registering a considerable decline of 16 percent in value and a minor drop of 5 percent in volume, when compared to the same period of 2014.

- Imports of "**Mineral fuel and oil**" dropped remarkably by 44 percent (US\$ 1,537 million), while in terms of volume they declined by 11 percent. In details, EDL fuel imports dropped from US\$ 834 million in January-August 2014 to nil during the same period this year. Also Non-EDL fuel imports decreased by 27 percent (US\$ 703 million) when compared to the same period of 2014<sup>1</sup>.
- In terms of value, imports of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**" continued to decline with a year-on-year drop of 13 percent (US\$ 85 million)<sup>2</sup>, while the decline was less pronounced in terms of volume with 7 percent.
- Excluding "**Mineral fuel and oil**" and "**Unwrought gold, un-mounted diamond & precious stones**", imports decreased by 6 percent (US\$ 641 million) during January-August 2015 compared to the same period of 2014. The main decreases were witnessed in "**Iron and steel**", "**Aircraft engines and boilers**", "**Electrical machinery and equipment**" and "**plastic and articles thereof**" with respective drops of 29 percent (US\$ 159 million)<sup>3</sup>, 7 percent (US\$ 64 million)<sup>4</sup>, 10 percent (US\$ 61 million)<sup>5</sup> and 12 percent (US\$ 59 million)<sup>6</sup>, partly counterbalanced by the increase in imports of "**Vehicles other than railway**" and "**Articles of apparel and clothing**" by 12 percent (US\$ 113 million)<sup>7</sup> and 11 percent (US\$ 34 million)<sup>8</sup> respectively.
- China remained Lebanon's top import trading partner during the period of January-August of 2015 with a share of 12 percent (US\$ 1,402 million) of total imports, noting that almost 16 percent of imports from this country are "**Iron and steel**". Italy, Germany and France followed with shares of 8 percent, 7 percent and 6 percent respectively.

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<sup>1</sup> With an increase in terms of volume by 15 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\$ 56.24 per barrel during the period of January-August of 2015 from US\$ 107.75 per barrel during the same period of 2014 .

<sup>2</sup> This can be partly attributed to a lower price of gold during the period of January-August 2015 with an average of US\$ 1,185.2 per ounce compared to an average of US\$ 1,294.4 during the same period of 2014.

<sup>3</sup> Mainly due to a decline in imports from China and Turkey by 35 percent (US\$ 116 million), and 46 percent (US\$ 22 million) respectively.

<sup>4</sup> The drop in "Aircraft engines" is mostly attributed to lower imports from China, Germany and USA by 13 percent (US\$ 29 million), 21 percent (US\$ 21 million) and 17 percent (US\$ 16 million) respectively that have more than offset the increase in imports from the United Kingdom by 60 percent (US\$ 26 million).

<sup>5</sup> This contraction is mainly attributed to lower imports from China, Italy and Korea by 26 percent (US\$ 59 million), 25 percent (US\$ 12 million) and 33 percent (US\$ 11 million) respectively, despite the increase in imports from Germany 88 percent (US\$ 42 million).

<sup>6</sup> The drop in "Plastics" is partly attributed to lower imports from Saudi Arabia by 20 percent (US\$ 22 million).

<sup>7</sup> This increase is a result of a hike of imports from Germany, Japan and USA by 13 percent (US\$ 35 million), 21 percent (US\$ 33 million) and 23 percent (US\$ 32 million) respectively.

<sup>8</sup> Mainly due to an increase in imports from Turkey and China by 62 percent (US\$ 18 million).

Total **exports** reached US\$ 1,990 million during January-August of 2015, with a decrease of 10 percent in value compared to the same period of 2014, while in terms of volume it declined by 7 percent.

- Exports of "**Unwrought gold, un-mounted diamond & precious stones**" dropped immensely by 26 percent (US\$ 102 million) in terms of value, while in terms of volume it decreased by 29 percent<sup>9</sup>.
- Excluding "Unwrought gold, un-mounted diamond & precious stones", exports decreased year-on-year by 7 percent (US\$ 127 million), mainly due to a decline in "**Aircraft engines, Boilers, machinery and mechanical appliances**", "**Beverage spirits and vinegar**" and "**Plastic and articles**" by 10 percent (US\$ 15 million)<sup>10</sup>, 13 percent (US\$ 9 million) and 5 percent (US\$ 5 million) respectively.
- On the other hand, few categories registered a year-on-year increase, mainly exports of "**Essential oils**" and "**Furniture**" which rose by US\$ 11 percent (9 million) and by US\$ 5 percent (3 million) respectively.
- **From a regional perspective**, exports to Arab countries witnessed a drop by 4 percent (US\$ 49 million) during January-August of 2015 compared to the same period of 2014, mainly due to decreases in exports to Syria, Iraq and UAE by 9 percent (US\$ 14 million), 8 percent (US\$ 13 million) and 3 percent (US\$ 6 million) respectively, which offset the increase in exports to Egypt by 31 percent (US\$ 14 million) and Saudi Arabia by 2 percent (US\$ 5 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 period of January-August of 2015 with respective shares of 13 percent and 10 percent, followed by other countries mainly Iraq with a share of 8 percent, while Syrian Arab Republic and South Africa had shares of 7 percent each.

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<sup>9</sup> This is mainly due to the export of a relatively large volume of "Imitation jewelry" with 25,243 Kgs during January-August 2014. In comparison, these exports registered a volume of 7,832 Kgs in January-August 2015 decreasing by 69 percent.

<sup>10</sup> Mainly due to lower exports to Iraq by 51 percent (US\$ 17 million) which more than offset the increase in exports to Germany by US\$ 9 million and Netherlands by US\$ 10 million.

**Table 1: Trade activity by value**

(US\$ millions)	2014	2015	% Change	2011	2012	2013	2014	2015	% Change
	August	August	August 15/14	Jan – August	Jan – August	Jan – August	Jan – August	Jan – August	Jan – August 15/14
<b>Imports</b>	2,120	1,479	-30%	12,627	14,402	14,339	14,057	11,795	-16%
<i>of which mineral fuel &amp; oil</i>	724	266	-63%	2,368	4,119	3,290	3,460	1,923	-44%
-EDL registered fuel imports	304	0	NA	324	1,292	504	834	0	-100%
-Non EDL fuel imports	420	266	-37%	2,044	2,827	2,785	2,626	1,923	-27%
<i>of which Unwrought &amp; semi-manufactured gold, diamonds, precious stones &amp; metals</i>	76	77	0.2%	1,317	1,062	812	646	561	-13%
<b>Exports</b>	48	219	-23%	2,906	2,828	2,875	2,219	1,990	-10%
<i>of which Unwrought gold, un-mounted diamond, &amp; precious metals</i>	6	26	-46%	998	1,100	627	399	297	-26%
<b>Trade Balance</b>	<b>-1,835</b>	<b>-1,259</b>	<b>-31%</b>	<b>-9,721</b>	<b>-11,574</b>	<b>-11,464</b>	<b>-11,838</b>	<b>-9,804</b>	<b>-17%</b>

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
	August	August	August 15/14	Jan – August	Jan – August	Jan – August	Jan – August	Jan – August	Jan – August 15/14
<b>Imports</b>	1,638	1,316	-20%	9,006	10,680	9,849	10,478	9,985	-5%
<i>of which mineral fuel &amp; oil</i>	808	544	-33%	2,938	4,615	3,599	3,954	3,530	-11%
-EDL registered fuel imports	321	0	NA	545	1,505	507	880	0	-100%
-Non EDL fuel imports	488	544	11%	2,393	3,110	3,091	3,073	3,530	15%
<i>of which Unwrought &amp; semi-manufactured gold, diamonds, precious stones &amp; metals (Kgs)</i>	81,674	74,682	-9%	731,119	816,087	849,379	741,829	690,263	-7%
<b>Exports</b>	225	183	-19%	1,932	1,539	1,971	1,378	1,282	-7%
<i>of which Unwrought gold, un-mounted diamond, &amp; precious metals (Kgs)</i>	3,721	2,879	-23%	97,154	84,844	45,755	49,523	35,097	-29%
<b>Trade Balance</b>	<b>-1,413</b>	<b>-1,134</b>	<b>-20%</b>	<b>-7,074</b>	<b>-9,141</b>	<b>-7,878</b>	<b>-9,099</b>	<b>-8,703</b>	<b>-4%</b>

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-August 2014	% Share	Jan-August 2015	% Share	Value Change	% Change
1	Mineral fuels and oils	3,460	25%	1,923	16%	-1537	-44%
2	Vehicles and accessories, cranes & lorries	968	7%	1,081	9%	113	12%
3	Aircraft engines, Boilers, machinery and mechanical appliances	864	6%	800	7%	-64	-7%
4	Pharmaceutical products	783	6%	757	6%	-27	-3%
5	Electrical machinery and equipment	630	4%	569	5%	-61	-10%
6	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	646	5%	561	5%	-85	-13%
7	Plastics and articles thereof	470	3%	411	3%	-59	-12%
8	Iron and Steel	550	4%	391	3%	-159	-29%
9	Articles of apparel and clothing	313	2%	346	3%	34	11%
10	Live animals	253	2%	216	2%	-38	-15%
	Others	5,120	36%	4,739	40%	-381	-7%
	<b>Total</b>	<b>14,057</b>	<b>100%</b>	<b>11,795</b>	<b>100%</b>	<b>-2262</b>	<b>-16.1%</b>

Source: MOF, DGC

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

Rank	Product	Jan-August 2014	% Share	Jan-August 2015	% Share	Value Change	% Change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	399	18%	297	15%	-102	-26%
2	Electrical machinery and equipment	142	6%	146	7%	3	2%
3	Aircraft engines, Boilers, machinery and mechanical appliances	155	7%	139	7%	-15	-10%
4	Preparations of vegetables	86	4%	85	4%	-1	-1%
5	Essential oils and resino	76	3%	85	4%	9	11%
6	Plastic and articles thereof	88	4%	83	4%	-5	-5%
7	Processed and Refined Copper	67	3%	62	3%	-5	-8%
8	Fertilizers	57	3%	60	3%	2	4%
9	Beverages, spirts and vinegar	68	3%	59	3%	-9	-13%
10	Furniture, bedding, mattresses	54	2%	57	3%	3	5%
	Others	1,027	46%	919	46%	-109	-11%
	<b>Total</b>	<b>2,219</b>	<b>100%</b>	<b>1,990</b>	<b>100%</b>	<b>-229</b>	<b>-10.3%</b>

Source: MOF, DGC



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