

Monthly official figures released by the Ministry of Finance, Customs Directorate, show a trade deficit of US\$ 10,818 million during the period of January-August 2016, 10 percent higher than the deficit of US\$ 9,804 million registered during the same period of 2015. The US\$ 1,013 million deterioration in the trade deficit is rooted in higher imports by US\$ 997 million and a minor drop of US\$ 16 million in exports.

Total **imports** amounted to US\$ 12,792 million during the aforementioned period, registering an increase of 8 percent in value and a considerable increase of 23 percent in volume, when compared to the same period of 2015.

- Imports of "**Mineral fuel and oil**" hiked remarkably by 46 percent (US\$ 892 million), while in terms of volume they increased by 65 percent. This is due to the registration of US\$ 1,348 million worth of fuel imports to EDL during the first eight months of 2016 compared to nil during the similar period of 2015, despite the year-on-year contraction in the value of non-EDL fuel imports by 24 percent (US\$ 455 million)¹.
- In terms of value, imports of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**" fared well and registered a year-on-year increase of 42 percent (US\$ 236 million), while the increase was less pronounced in terms of volume with 4 percent. This discrepancy is partly attributed to a price variation, since average gold prices increased from an average of US\$ 1,184.70 per ounce during January-August 2015 to an average of US\$ 1,250.49 per ounce during the same period of 2016, especially that the main increase was registered in the high value component "Gold (including gold plated with platinum) unwrought" witnessing a 68 percent rise in its volume with a 81 percent (US\$ 282 million) rise in its value.
- Excluding "**Mineral fuel and oil**" and "**Unwrought gold, un-mounted diamond & precious stones**", imports decreased by 1 percent (US\$ 131 million) during January-August 2016 compared to the same period of 2015. The main decreases were witnessed in "**Electrical machinery and equipment**" and "**Aircraft engines and boilers**" with respective drops of 14 percent (US\$ 80 million)² and 5 percent (US\$ 41 million)³, partly counterbalanced by the increase in imports of "**Pharmaceutical products**", "**Vehicles other than railway**" and "**Iron and Steel**" by 8 percent (US\$ 57 million)⁴, 5 percent (US\$ 50 million)⁵ and 4 percent (US\$ 17 million)⁶ respectively.
- China remained Lebanon's top import trading partner during the period of January-August of 2016 with a share of 11 percent (US\$ 1,417 million) of total imports, noting that almost 16 percent of imports from this country are "**Iron and steel**". Italy and the United States followed with a share of 7 percent each.

¹ With an increase in terms of volume by 4 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\$ 41.25 per barrel during the period of January-August of 2016 from US\$ 56.32 per barrel during the same period of 2015.

² Mainly due to a decrease in imports from Germany by 73 percent (US\$ 66 million).

³ The drop in "Aircraft engines" is mostly attributed to lower imports from the United Kingdom and the United States of America by 51 percent (US\$ 36 million) and 21 percent (US\$ 16 million) respectively.

⁴ This increase is a result of a hike of imports from Ireland, Jordan and Germany by 62 percent (US\$ 20 million), 35 percent (US\$ 10 million) and 9 percent (US\$ 10 million) respectively.

⁵ Mainly due to an increase in imports from the United States, China and Slovakia by 14 percent (US\$ 24 million), 45 percent (US\$ 16 million) and 89 percent (US\$ 10 million) respectively.

⁶ Mainly due to an increase in imports from Russia by 129 percent (US\$ 18 million) and Korea by 358 percent (US\$ 11 million) that were partly counterbalanced by a decrease in imports of this category from Ukraine by 15 percent (US\$ 12 million).

Total **exports** reached US\$ 1,974 million during January-August of 2016, with a decrease of 1 percent in value compared to the same period of 2015, while the decline was more pronounced in terms of volume with 20 percent.

- Despite the above mentioned drop, exports of **"Unwrought gold, un-mounted diamond & precious stones"** increased by 89 percent (US\$ 263 million) in terms of value⁷, in contrast with a drop of 23 percent registered in terms of volume⁸.
- Excluding "Unwrought gold, un-mounted diamond & precious stones", exports decreased year-on-year by 17 percent (US\$ 279 million), mainly due to a decline in **"Electrical machinery and equipment"**, **"Aircraft engines, Boilers, machinery and mechanical appliances"** and **"Processed Copper"** by 26 percent (US\$ 37 million)⁹, 18 percent (US\$ 25 million)¹⁰ and 27 percent (US\$ 17 million)¹¹ respectively.
- **From a regional perspective**, exports to Arab countries witnessed a drop by 20 percent (US\$ 218 million) during January-August 2016 compared to the same period of 2015, due to decreases in exports to most Arab countries, mainly Saudi Arabia, Iraq, the United Arab Emirates and Syria by 26 percent (US\$ 64 million), 28 percent (US\$ 43 million), 20 percent (US\$ 41 million) and 16 percent (US\$ 23 million) respectively.
- Lastly, the **breakdown of Lebanese exports by major destination** shows South Africa at the top of the list during the period of January-August of 2016 with a share of 22 percent noting that almost all of its exports are "Unwrought gold, un-mounted diamond & precious stones", followed by other countries mainly Saudi Arabia with a share of 9 percent.

⁷ Driven by a remarkable increase in the high value component related to "gold (including gold plated with platinum unwrought) by 183 percent (US\$ 306 million) compared to the same period last year which was reflected by a 151 percent increase in their volume (their share in total exports of "Unwrought gold, un-mounted diamond & precious stones" being 84 percent in value against 48 percent in volume during Jan-Aug 2016).

⁸ This is mainly due to a large drop in volume of exports of "articles of goldsmiths or silversmiths wares and parts thereof, of precious metal or/of metal clad with precious metal" from 13,717 Kgs during Jan-Aug 2015 to 4,900 Kgs during the same period of 2016, with a less pronounced drop in their modest value (from US\$ 571 thousand in Jan-Aug 2015 to US\$ 392 thousand in Jan-Aug 2016).

⁹ Partly due to lower exports to Saudi Arabia by 67 percent (US\$ 18 million).

¹⁰ Partly due to a drop in exports to Netherlands from US\$ 10 million in 2015 to almost nil in 2016.

¹¹ This is attributed to lower exports to Korea by US\$ 14 million despite the increase in exports to Japan by US\$ 6 million.

Table 1: Trade activity by value

(US\$ millions)	2015	2016	% Change	2012	2013	2014	2015	2016	% Change
	August	August	August 2016/2015	Jan – Aug	Jan – Aug	Jan – Aug	Jan – Aug	Jan – Aug	Jan - Aug 2016/2015
Imports	1,479	1,951	32%	14,402	14,339	14,057	11,795	12,792	8%
<i>of which mineral fuel & oil</i>	266	538	102%	4,119	3,290	3,460	1,923	2,815	46%
-EDL registered fuel imports	0	304	NA	1,292	504	834	0	1,348	NA
-Non EDL fuel imports	266	234	-12%	2,827	2,785	2,626	1,923	1,468	-24%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals</i>	77	174	127%	1,062	812	646	561	797	42%
Exports	219	340	55%	2,828	2,875	2,219	1,990	1,974	-1%
<i>of which Unwrought gold, un-mounted diamond, & precious metals</i>	26	151	484%	1,100	627	399	297	560	89%
Trade Balance	-1,259	-1,610	28%	-11,574	-11,464	-11,838	-9,804	-10,818	10%

Source: Directorate General of Customs, Ministry of Finance

Table 2: Trade activity by volume

(Millions of kgs)	2015	2016	% Change	2012	2013	2014	2015	2016	% Change
	August	August	August 2016/2015	Jan – Aug	Jan – Aug	Jan – Aug	Jan – Aug	Jan – Aug	Jan - Aug 2016/2015
Imports	1,316	2,111	60%	10,680	9,849	10,478	9,985	12,325	23%
<i>of which mineral fuel & oil</i>	544	1,189	119%	4,615	3,599	3,954	3,530	5,816	65%
-EDL registered fuel imports	0	633	NA	1,505	507	880	0	2,131	NA
-Non EDL fuel imports	544	555	2%	3,110	3,091	3,073	3,530	3,686	4%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals (Kgs)</i>	74,682	110,013	47%	816,087	849,379	741,829	690,263	716,128	4%
Exports	183	173	-5%	1,539	1,971	1,378	1,282	1,031	-20%
<i>of which Unwrought gold, un-mounted diamond, & precious metals (Kgs)</i>	2,879	5,211	81%	84,844	45,755	49,523	35,097	27,155	-23%
Trade Balance	-1,134	-1,938	71%	-9,141	-7,878	-9,099	-8,703	-11,294	30%

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- Aug 2015	% Share	Jan- Aug 2016	% Share	Value Change	% Change
1	Mineral fuels and oils	1,923	16%	2,815	22%	892	46%
2	Vehicles and accessories, cranes & lorries	1,081	9%	1,132	9%	50	5%
3	Pharmaceutical products	757	6%	814	6%	57	8%
4	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	561	5%	797	6%	236	42%
5	Aircraft engines, Boilers, machinery and mechanical appliances	800	7%	759	6%	-41	-5%
6	Electrical machinery and equipment	569	5%	489	4%	-80	-14%
7	Plastics and articles thereof	411	3%	408	3%	-4	-1%
8	Iron and Steel	391	3%	407	3%	17	4%
9	Articles of apparel and clothing	346	3%	337	3%	-10	-3%
10	Live animals	216	2%	216	2%	1	0%
	Others	4,739	40%	4,619	36%	-120	-3%
	Total	11,795	100%	12,792	100%	997	8.5%

Source: MOF, DGC

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

Rank	Product	Jan- Aug 2015	% Share	Jan- Aug 2016	% Share	Value Change	% Change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	297	15%	560	28%	263	89%
2	Aircraft engines, Boilers, machinery and mechanical appliances	139	7%	115	6%	-25	-18%
3	Electrical machinery and equipment	146	7%	108	5%	-37	-26%
4	Essential oils and resino	85	4%	87	4%	2	2%
5	Plastic and articles thereof	83	4%	85	4%	3	3%
6	Preparations of vegetables	85	4%	73	4%	-11	-13%
7	Miscellaneous edible preparations	52	3%	61	3%	9	17%
8	Printed books, newspapers	49	2%	48	2%	-1	-2%
9	Furniture, bedding, mattresses	57	3%	47	2%	-10	-18%
10	Processed and Refined Copper	62	3%	45	2%	-17	-27%
	Others	936	47%	744	38%	-192	-20%
	Total	1,990	100%	1,974	100%	-16	-1%

Source: MOF, DGC



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