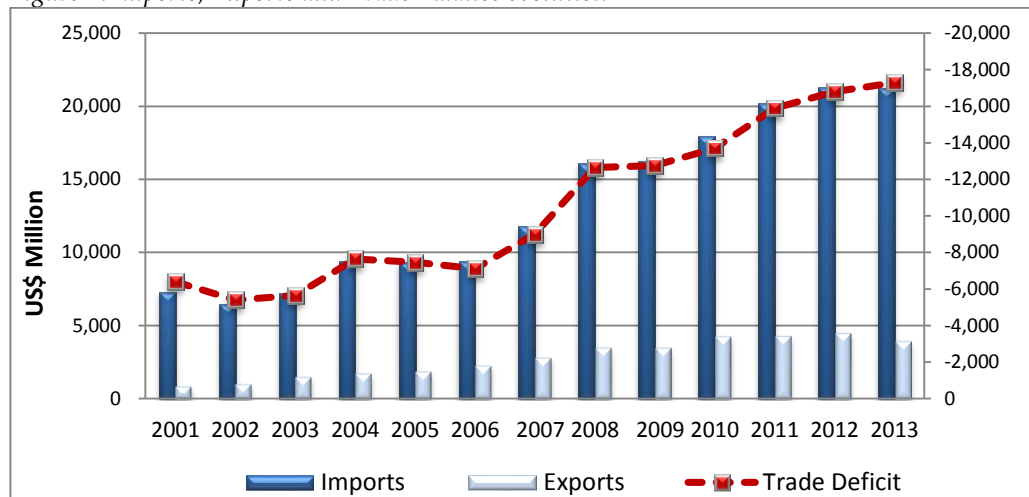


Year 2013 registered a **trade deficit** of US\$ 17,293 million, 3 percent higher than the deficit of US\$ 16,797 million registered a year earlier, according to the figures released by the Ministry of Finance, Customs Directorate. The US\$ 496 million deterioration in the trade deficit is rooted in a drop of US\$ 547 million in exports that was partly offset by a US\$ 51 million decrease in imports during the period under consideration.

Figure 1. Imports, Exports and Trade Balance evolution



Source: Directorate General of Customs, Ministry of Finance

IMPORTS

Total **imports** amounted US\$ 21,228 million in 2013, registering a slight decrease of 0.2 percent when compared to the previous year. This year-on-year change is a result of opposite evolutions in several import categories.

- Imports of "**Mineral fuel and oil**" declined significantly by 15.2 percent (US\$ 892 million) (Figure 2), reflecting a 15.7 percent decrease in terms of volume (Figure 3). This drop is induced by lower EDL fuel imports, mainly due to their delayed registration¹ (Table 1). Non-EDL fuel imports registered a 5.7 percent year-on-year decrease reaching US\$ 4,056 million by the end of 2013, compared to US\$ 4,299 million during the year 2012²(Table 1).

¹ During 2012, US\$ 1,594 million worth of oil imports by EDL were registered, while this year, only US\$ 944 million were registered reflecting a drop of 41 percent in value terms and of 47 percent in volume.

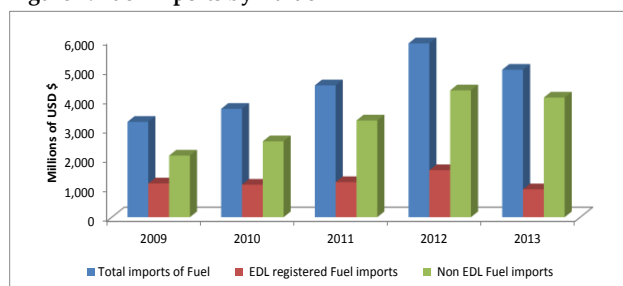
² Although non-EDL fuel imports witnessed a slight decrease during 2013 compared to 2012, we notice that it registered an increase of 24 percent compared to 2011. Noting that 2012 witnessed an exceptional increase of fuel imports of 31 percent partly driven by the rise in imports of generators used for electricity production.

Table 1: Mineral Fuel monthly Import Distribution (US\$ Million)

Description	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Non EDL Fuel Imports 2012	256	314	410	313	269	358	414	492	371	320	402	378
Non EDL Fuel Imports 2013	412	408	323	318	361	327	319	313	314	307	269	383
EDL Fuel Imports 2012	-	1,292	-	-	-	-	-	-	-	152	-	150
EDL Fuel Imports 2013	-	238	110	57	52	50	-	-	-	112	269	56

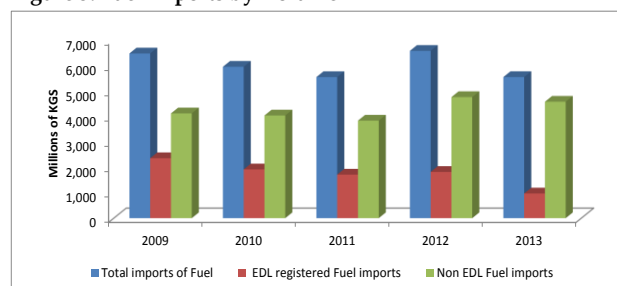
Source: Directorate General of Customs, Ministry of Finance

Figure 2: Fuel imports by Value



Source: Directorate General of Customs, Ministry of Finance

Figure 3: Fuel imports by Volume



Source: Directorate General of Customs, Ministry of Finance

- Imports of **“Unwrought & semi-manufactured gold, diamonds, precious stones & metals”** continued to witness a decrease since February 2013, while it increased slightly in April and November (Table 2), dropping by 28.4 percent (US\$ 449 million) in terms of value during the period of January-December 2013, whereas in terms of volume it increased by 6.4 percent³. Almost all of its subcategories slid down (as shown in Table 3), mainly imports of diamonds and gold. In contrast, imports of imitation jewelry witnessed a minor increase of US\$ 1 million (8 percent).

³ This can be explained by a lower price of gold during the period of January-December 2013 with an average of US\$ 1,411 per ounce compared to an average of US\$ 1,668 during the year 2012.

Table 2: Monthly import distribution of Natural and precious stones (US\$ Million)

Description	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Imports of 2012	134	185	137	115	135	127	120	108	170	169	81	104
Imports of 2013	137	117	117	130	100	64	86	61	59	95	88	81
MoM change 2013/2012	2%	-37%	-15%	13%	-26%	-50%	-28%	-44%	-65%	-44%	9%	-22%

Source: Directorate General of Customs, Ministry of Finance

Figure 4. Gold price monthly average for 2012-2013



http://ycharts.com/indicators/gold_price

Table 3: Imports break down of Natural and precious stones (US\$ Million)

Description	Jan-Dec 2012	Jan-Dec 2013	Value Change	% Change
Diamonds, whether or not worked, but not mounted or set	279	200	-79	-28%
Precious stones (other than diamonds) and semi-precious stones	18	15	-3	-17%
Gold (including gold plated with platinum)	1186	851	-335	-28%
Articles of jewelry and parts	72	47	-25	-35%
Imitation jewelry	12	13	1	8%

Source: Directorate General of Customs, Ministry of Finance

- Excluding "Mineral fuel and oil" and "Unwrought gold, un-mounted diamond & precious stones", imports increased by 9 percent (US\$ 1,291 million) during 2013 compared to 2012. This increase results from a rise in many sub-categories of imports mainly:

1. **Electrical machinery and equipment** which registered a year-on-year rise of 40 percent (US\$ 363 million) with china being the first import partner (Table 4). As for the remarkable rise of electrical machinery and equipment imports from Turkey, it can be explained by the importation of equipment related to the Turkish electricity production barges. On the other hand, this import category decreased by 1 percent in terms of volume.

Table 4: Imports of Electrical machinery and equipment by country of origin (Millions US\$)

Description	Jan-Dec 2012	Jan-Dec 2013	Value Change	% Change
China	257	396	138	54%
Turkey	15	233	219	1508%

Source: Directorate General of Customs, Ministry of Finance

2. **Aircraft engines, boilers, machinery and mechanical appliances** rose up by 13 percent (US\$ 154 million), while it decreased by 1 percent in terms of volume. In details, this rise is chiefly due to an increase of imports from China by 25 percent (mainly aircraft accessories), followed by United Kingdom with a sharp rise of 122 percent (mainly aircraft engines and parts of engines) as shown in Table 5 below.

Table 5: Imports of Aircraft engines by country of origin (US\$ Million)

Description	Jan-Dec 2012	Jan-Dec 2013	Value Change	% Change	Share in total imports of Aircraft engines
China	285	356	71	25%	27%
Italy	140	156	15	11%	12%
Germany	154	137	-17	-11%	10%
United States of America	113	116	3	2%	9%
United kingdom	50	111	61	122%	8%

Source: Directorate General of Customs, Ministry of Finance

3. **Pharmaceutical products** inched up by 12 percent (US\$ 121 million) in terms of value, while in terms of volume it increased by 10 percent, noting that 50 percent of these products are mainly imported from the Eurozone as shown in Table 6 below. Germany and France remained as top import partners with respective shares of 15 percent and 13 percent from total pharmaceutical imports.

Table 6: Imports of Pharmaceutical products from the Eurozone (US\$ Million)

Description	Jan-Dec 2012	Jan-Dec 2013	Value Change	% Change
Germany	125	161	35	28%
France	138	142	5	3%
Italy	75	80	4	6%
Spain	32	38	6	18%
Belgium	25	35	10	42%
Ireland	30	34	4	13%
Austria	18	23	5	29%
Netherlands	17	15	-2	-10%
Greece	3	6	3	86%
Portugal	5	6	1	21%
Cyprus	3	4	1	31%
Slovenia	1	2	1	199%
Finland	2	2	0	-7%
Malta	0	1	0	845%
Slovakia	-	0	-	-
Estonia	-	-	-	-
Luxembourg	-	-	-	-
Total	475	549	74	16%
Percent of Total Import	49%	50%		

Source: Directorate General of Customs, Ministry of Finance

4. **Vehicles and accessories, cranes & Lorries** soared by 7 percent (US\$ 106 million) during the period under consideration, against an increase of 5 percent in volume terms. Although imports from Germany decreased by 3 percent, it remained as the top import partner in this category followed by Japan and the United States with respective shares of 28 percent, 16 percent and 15 percent of total imports of vehicles. The year-on-year change in these imports from the top partners is detailed in the Table 7 below.

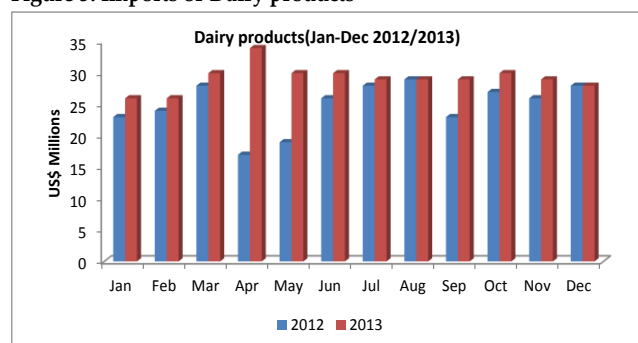
Table 7: Imports of Vehicles and accessories by country of origin (US\$ Million)

Description	Jan-Dec 2012	Jan-Dec 2013	Value Change	% Change
Germany	444	431	-13	-3%
Japan	236	251	15	6%
United States	204	234	30	15%
South Korea	164	182	17	11%
United Kingdom	118	143	25	21%

Source: Directorate General of Customs, Ministry of Finance

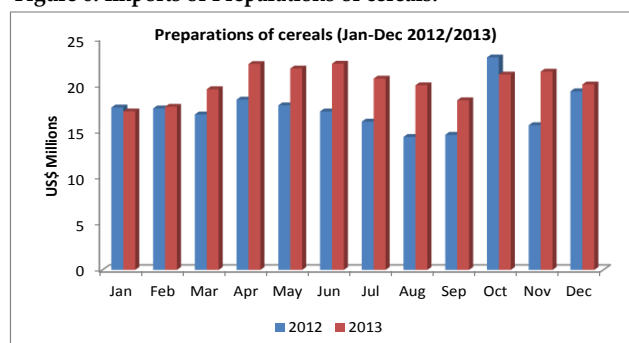
- On the other hand, it should be noted that imports of **“Iron and steel”** decreased by 3 percent (US\$ 25 million)⁴ in value terms while in terms of volume it increased by 6 percent.
- Although they do not constitute relatively a great share of total imports, **imports of food** and related derivatives witnessed a significant rise in some of its sub-categories during 2013 compared to the same period of 2012, mainly in “dairy products, bird’s eggs and natural honey” (17 percent)⁵ and “preparation of cereals, flour, starch or milk; pastry cooks’ products” (16 percent)⁶.

Figure 5: Imports of Dairy products



Source: Directorate General of Customs, Ministry of Finance

Figure 6: Imports of Preparations of cereals.



Source: Directorate General of Customs, Ministry of Finance

- As for the **breakdown of Lebanese imports by country of origin**, China remains at the top of the list during 2013 with a share of 11 percent of the total imports, noting that almost 17 percent of imports from this country are “Electrical machinery and equipment”. Italy, France and United States followed with respective shares of 8 percent for the first country, and 7 percent for each of the last two countries (Table 8).

Table 8: Top import partners (US\$ Million)

Description	Imports 2013	% Share
China	2,283	11%
Italy	1,789	8%
France	1,535	7%
United States	1,500	7%
Germany	1,242	6%

Source: Directorate General of Customs, Ministry of Finance

⁴ This decrease is attributed to weaker imports from Turkey, Italy, and Belarus by 50 percent (US\$ 151 million), 59 percent (US\$ 30 million) and 52 percent (US\$ 22 million) despite the increase in imports from China which registered 268 percent (US\$ 206 million).

⁵ The monthly breakdown of the mentioned imports for both 2012 and 2013 can be shown in the figure 5.

⁶ The monthly breakdown of the mentioned imports for both 2012 and 2013 is illustrated in the figure 6, showing a monthly increase during 2013 except for January and October compared to the previous year.

Exports

Total **Exports** amounted to US\$ 3,936 million during 2013, with a year-on year decrease of 12 percent⁷.

- Exports of "**Unwrought gold, un-mounted diamond & precious stones**" continued to drop registering a sharp fall of 55 percent (US\$ 955 million) in terms of value compared to 2012⁸ (as shown in Table 11), coupled with a decrease of 50 percent in terms of volume. In details, almost all of its subcategories slid down (Table 9), mainly imports of gold and diamonds.

Table 9: Exports of Natural and precious stones (US\$ Million)

Description	Jan-Dec 2012	Jan-Dec 2013	Value Change	% Change
Diamonds, whether or not worked, but not mounted or set.	198	110	-88	-44%
Precious stones (other than diamonds) and semi-precious stones.	15	10	-5	-33%
Gold (including gold plated with platinum).	1395	559	-836	-60%
Articles of jewelry and parts.	105	81	-24	-23%

Source: Directorate General of Customs, Ministry of Finance

- In contrast, exports of "**Mineral fuel and oil**", "**Aircraft engines, Boilers, machinery and mechanical appliances**" and "**Processed and Refined Copper**" registered an improvement of 276 percent (US\$ 247 million)⁹, 14 percent (US\$ 31 million)¹⁰ and 19 percent (US\$ 30 million)¹¹ respectively.
- Excluding "Mineral fuel and oil" and "Unwrought gold, un-mounted diamond & precious stones", exports increased by 6 percent (US\$ 160 million) in 2013 compared to 2012. In fact, exports of Edible vegetables (Figure 7) and Edible fruits (Figure 8) both surged up by 67 percent (US\$ 27 million) and 4 percent (US\$ 3 million) respectively.

⁷ It should be noted that a significant amount of exports, mainly fuel, is effectively re-exports to neighboring countries which would reduce total registered exports by an equivalent amount.

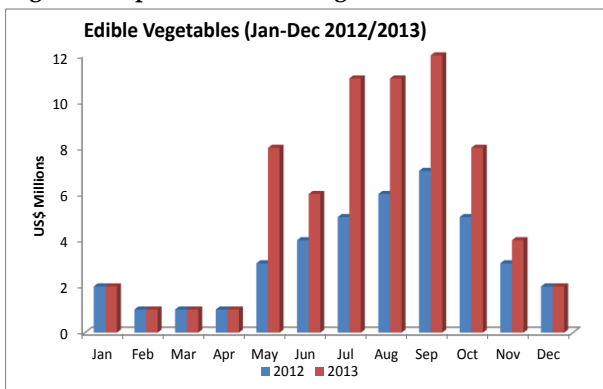
⁸ This fall in gold exports is rooted in lower exports mainly to South Africa and Switzerland by US\$ 466 million (54 percent) and US\$ 375 million (69 percent) respectively.

⁹ With a year-on-year increase in exports to Syria by US\$ 257 million (419 percent) in 2013 compared to 2012.

¹⁰ This increase is mainly in exports to Nigeria by 298 percent (US\$ 23 million).

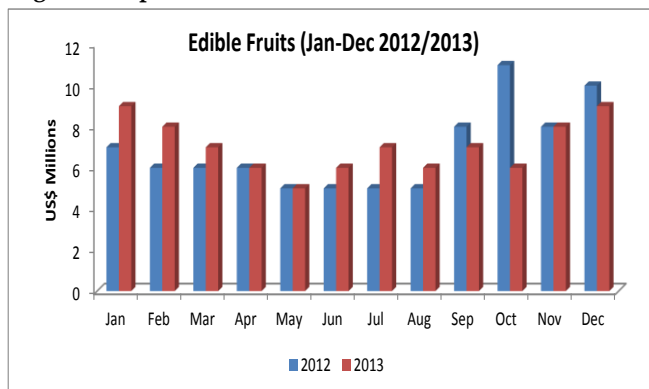
¹¹ Due to an increase in exports to Korea by 55 percent (US\$ 27 million).

Figure 7: Exports of Edible Vegetables



Source: Directorate General of Customs, Ministry of Finance

Figure 8: Exports of Edible Fruits



Source: Directorate General of Customs, Ministry of Finance

- **From a regional perspective**, exports to Arab countries continued to increase during year 2013 compared to 2012, registering a rise of 16 percent (US\$ 280 million) mainly attributed to higher exports to Syria and Iraq by US\$ 229 million (78 percent) and US\$ 61 million (29 percent) respectively.
- Lastly, **the breakdown of Lebanese exports by major destination** shows that Syria was at the top of the list during year 2013 with a share of 13 percent of total exports. South Africa ranked second with a share of 10 percent, noting that almost all exports to this country are “unwrought gold, un-mounted diamond & precious stones”. Saudi Arabia, United Arab Emirates and Iraq followed with respective shares of 9 percent, 8 percent and 7 percent of total exports (Table 10).

Table 10: Top Export partners (US\$ Million)

Description	Exports 2013	% Share of total exports
Syria	524	13%
South Africa	398	10%
Saudi Arabia	347	9%
United Arab Emirates	332	8%
Iraq	272	7%

Source: Directorate General of Customs, Ministry of Finance

Table 11: Trade activity by value

(US\$ million)	2012	2013	% Change	2009	2010	2011	2012	2013	% Change
	Dec	Dec	Dec 2013/2012	Jan- Dec	Jan- Dec	Jan- Dec	Jan- Dec	Jan- Dec	Jan- Dec 2013/2012
Imports	1,871	1,797	-4%	16,242	17,964	20,158	21,280	21,228	-0.2%
<i>of which mineral fuel & oil</i>	528	439	-17%	3,232	3,673	4,469	5,892	5,000	-15.2%
-EDL registered fuel imports	150	56	-63%	1,144	1,101	1,189	1,594	944	-41%
-Non EDL fuel imports	378	383	1%	2,088	2,572	3,280	4,299	4,056	-6%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals</i>	104	81	-22%	801	1,159	2,141	1,585	1,136	-28%
Exports	381	243	-36%	3,484	4,253	4,265	4,483	3,936	-12%
<i>of which Unwrought gold, un-mounted diamond, & precious metals</i>	104	24	-77%	1,099	1,109	1,492	1,724	770	-55%
<i>of which mineral fuel & oil</i>	31	6	-81%	12	6	4	90	337	276%
Trade Balance	-1,490	-1,554	4%	-12,757	-13,711	-15,893	-16,797	-17,293	3.0%

Source: Directorate General of Customs, Ministry of Finance

Table 12: Trade activity by volume

(Millions of Kgs)	2012	2013	% Change	2009	2010	2011	2012	2013	% Change
	Dec	Dec	Dec 2013/2012	Jan- Dec	Jan- Dec	Jan- Dec	Jan- Dec	Jan- Dec	Jan- Dec 2013/2012
Imports	1,415	1,347	-5%	14,632	15,003	15,050	15,623	15,868	1.6%
<i>of which mineral fuel & oil</i>	595	487	-18%	6,481	5,957	5,551	6,583	5,552	-15.7%
-EDL registered fuel imports	157	59	-62%	2,360	1,918	1,713	1,820	971	-47%
-Non EDL fuel imports	438	428	-2%	4,122	4,040	3,838	4,764	4,581	-4%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals</i>	101,196	118,943	18%	1,089,548	1,054,564	1,101,183	1,126,899	1,198,971	6%
Exports	216	171	1%	6,481	3,109	2,717	2,602	2,776	7%
<i>of which Unwrought gold, un-mounted diamond, & precious metals (kg)</i>	4,387	3,196	-27%	184,188	132,918	130,259	120,770	60,485	-50%
<i>of which mineral fuel & oil</i>	30	6	-82%	20	7	3	86	332	288%
Trade Balance	-1,200	-1,176	-2%	-8,150	-11,894	-12,332	-13,021	-13,091	0.5%

Source: Directorate General of Customs, Ministry of Finance

✚ The distribution of the top traded products is as follows:

Table 13: IMPORT Distribution by Product (in US\$ million)

Rank	Product	Jan-Dec 2012	% Share	Jan-Dec 2013	% Share	Value Change	% Change
1	Mineral fuels and oils	5,892	28%	5,000	24%	-893	-15%
2	Vehicles and accessories, cranes & lorries	1,459	7%	1,565	7%	106	7%
3	Aircraft engines, Boilers, machinery and mechanical appliances	1,175	6%	1,329	6%	154	13%
4	Electrical machinery and equipment	898	4%	1,261	6%	363	40%
5	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	1,585	7%	1,136	5%	-449	-28%
6	Pharmaceutical products	970	5%	1,091	5%	121	12%
7	Iron and Steel	886	4%	861	4%	-25	-3%
8	Plastics and articles thereof	604	3%	684	3%	79	13%
9	Articles of apparel and clothing	473	2%	479	2%	6	1%
10	Cereals	351	2%	362	2%	12	3%
	Other	6,986	33%	7,460	35%	474	7%
	Total	21,280	100%	21,228	100%	-51	-0.2%

Source: MOF, DGC

Table 14: EXPORT Distribution by Product (in US\$ million)

Rank	Product	Jan-Dec 2012	% Share	Jan-Dec 2013	% Share	Value Change	% Change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	1,724	38%	770	20%	-955	-55%
2	Mineral fuel and oil	90	2%	337	9%	247	276%
3	Electrical machinery and equipment	261	6%	259	7%	-2	-1%
4	Aircraft engines, Boilers, machinery and mechanical appliances	217	5%	248	6%	31	14%
5	Processed and Refined Copper	161	4%	191	5%	30	19%
6	Iron and steel	149	3%	162	4%	13	9%
7	Plastic and articles thereof	136	3%	137	3%	1	0%
8	Preparation of vegetable	108	2%	116	3%	8	7%
9	Essential oils and resino	85	2%	102	3%	18	21%
10	Beverages, spirits and vinegar	80	2%	100	3%	20	25%
	Other	1,471	33%	1,514	38%	43	3%
	Total	4,483	100%	3,936	100%	-547	-12. %

Source: MOF, DGC



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