



## Table of Contents

Introduction .....	2
Imports .....	2
1. Fuel Imports .....	3
2. Natural and precious stones Imports .....	3
3. Other Imports .....	4
Exports .....	7
1. Natural and precious stones Exports .....	7
2. Other Exports .....	8

## List of Tables

Table 1: Details of fuel oil imports for EDL registered in December 2017 .....	3
Table 2: Imports break down of natural and precious stones (US\$ Million) .....	4
Table 3: Main imports of Vehicles and accessories by country of origin (US\$ Million) .....	5
Table 4: Imports of Pharmaceutical products (US\$ Million) .....	5
Table 5 Main imports of Aircraft engines, boilers, machinery and mechanical appliances by country of origin (US\$ Million) .....	6
Table 6: Main imports of Iron and Steel by country of origin (US\$ Million) .....	6
Table 7: Exports of Natural and precious stones – main items (US\$ Million) .....	7
Table 8: Trade activity by value .....	9
Table 9: Trade activity by Volume .....	9
Table 10: IMPORT Distribution by Product (in US\$ million) .....	10
Table 11: EXPORT Distribution by Product (in US\$ million) .....	10

## List of Figures

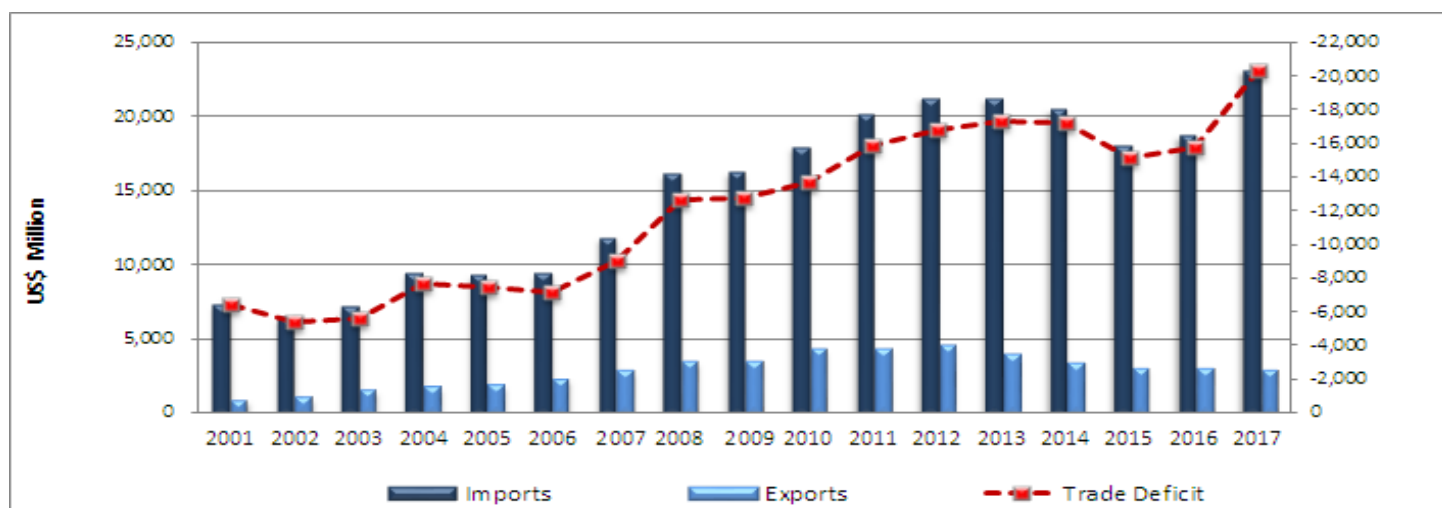
Figure 1: Imports, Exports and Trade Balance evolution .....	2
Figure 2: Monthly International Gold Prices per Ounce (2015-2017) .....	4
Figure 3: Top Import Partners 2017 .....	7
Figure 4: Top Export Partners 2017 .....	8

## Introduction

Figures released by the Ministry of Finance, Customs Directorate, show an exceptionally high trade deficit of US\$ 20,287 million by the end of 2017, 29 percent higher than the deficit of US\$ 15,729 million registered during 2016. The US\$ 4,558 million deterioration in the trade deficit is mainly rooted in significantly higher imports by US\$ 4,425 million in addition to a drop of US\$ 133 million in exports.

It is worth mentioning that the export - import coverage ratio<sup>1</sup> plunged down from 15.9 percent in 2016 to 12.3 percent in 2017.

Figure 1: Imports, Exports and Trade Balance evolution



Source: Directorate General of Customs, Ministry of Finance

## Imports

Total **imports** reached US\$ 23,130 million during 2017, registering an increase of 24 percent in value and a 49 percent increase in volume terms when compared to 2016. This inflated imports figure is due to an exceptional increase in December 2017 showing a huge amount of fuel imports pertaining to the period of 2011-2017 registered during this month<sup>2</sup>, therefore leading to the decline in the export-import coverage ratio mentioned above.

Excluding this exceptional fuel registration for EDL, imports grew year-on-year by 2 percent (US\$ 332 million) without a significant change in volume terms.

<sup>1</sup> The export import coverage ratio is total exports over total imports in a specific year.

<sup>2</sup> Import figures for the month of December 2017 show a significant increase exceeding LBP 6,000 billion due to the delay in registering Customs declarations rectifying special permits of fuel consignments received by EDL (almost 70 percent of American origin) for the period extending from 20/11/2011 to 31/10/2017.

## 1. Fuel Imports

Imports of "**Mineral fuel and oil**" witnessed a significant rise of 111 percent (US\$ 4,074 million) in value terms and 109 percent in volume terms, with EDL fuel imports reaching US\$ 4,853 million in 2017 compared to US\$ 1,348 million a year earlier. Excluding the delayed registrations of fuel oils, imports of "**Mineral fuel and oil**" slightly dropped by 0.5 percent compared to the previous year mainly due to the decrease of 44 percent in EDL fuel imports of 2017 which more than counterbalanced the remarkable year-on-year rise of 24 percent (US\$ 569 million) in terms of value in non-EDL fuel imports against a 4 percent rise only in volume, in turn driven by higher fuel prices with an average Brent price of US\$ 54.12 in 2017 against US\$ 43.67 in 2016.

Detailing the bulk of fuel oil imported for EDL use registered in December 2017, we find the below amounts distributed over the period of 2011-2017 as per the shipment date.

**Table 1: Details of fuel oil imports for EDL registered in December 2017**

Shipment date	Value in US\$	Volume in Kg
2011	117,097,368	167,321,740
2012	587,764,236	778,237,583
2013	816,190,412	1,225,844,365
2014	847,052,916	1,339,551,514
2015	429,230,224	1,322,157,273
2016	375,738,623	1,426,237,450
2017	524,532,985	1,512,907,399
Unspecified	394,911,286	774,738,115
<b>Total</b>	<b>4,092,518,050</b>	<b>8,546,995,439</b>

## 2. Natural and precious stones Imports

Imports of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**" witnessed a remarkable year-on-year decrease of 21 percent (US\$ 259 million) in terms of value during 2017, yet with a 21 percent rise in terms of volume<sup>3</sup>. The major decrease was in "Gold (including gold plated with platinum)" which dropped by 35 percent<sup>4</sup>. In contrast, imports of "Articles of jewelry and parts thereof" and "Diamonds, whether or not worked, but not mounted or set" witnessed an increase of 63 percent and 34 percent respectively (as shown in Table 2).

<sup>3</sup> Partly due to the considerable increase in the volume of imported "Coins" compared to the same period last year (276,977 Kg in 2017 compared to 6,654 Kg in 2016).

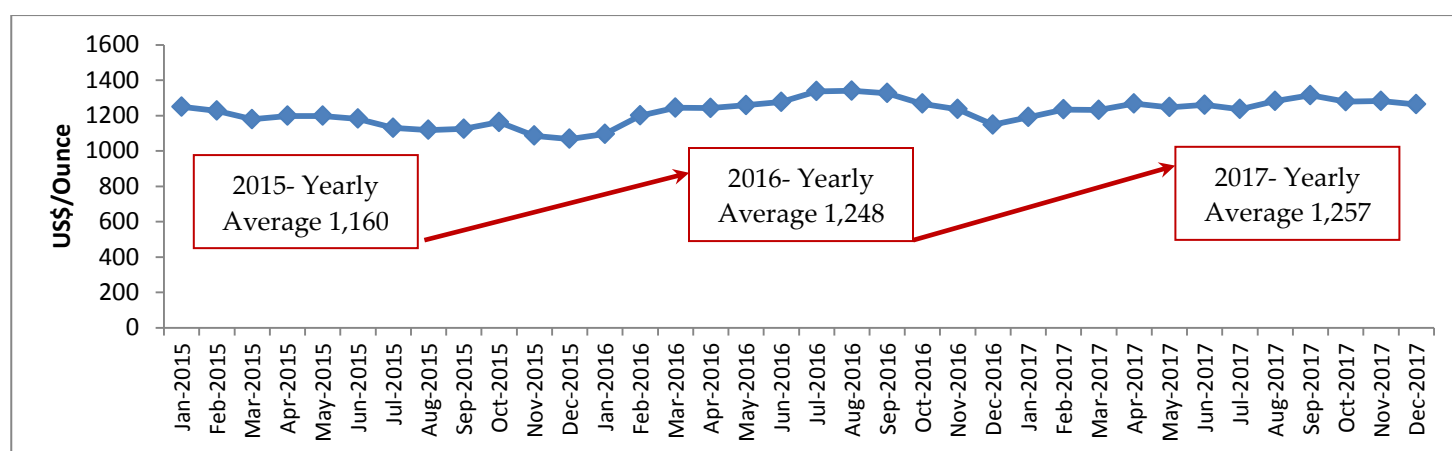
<sup>4</sup> This decrease in value is rooted in lower imports in volume terms (17,539 Kgs in 2017 compared to 26,959 Kgs in 2016).

**Table 2: Imports break down of natural and precious stones (US\$ Million)**

Description	Jan-Dec 2016	Jan-Dec 2017	Value Change	% Change
Diamonds, whether or not worked, but not mounted or set	148	199	51	34%
Precious stones (other than diamonds) and semi-precious stones	23	23	-	-
Gold (including gold plated with platinum)	995	646	-349	-35%
Articles of jewelry and parts thereof	67	109	42	63%
Imitation jewelry	15	13	-2	-13%

Source: Directorate General of Customs, Ministry of Finance

**Figure 2: Monthly International Gold Prices per Ounce (2015-2017)**



Source: [http://ycharts.com/indicators/gold\\_price](http://ycharts.com/indicators/gold_price)

### 3. Other Imports

Excluding "Mineral fuel and oil" and "Unwrought gold, un-mounted diamond & precious stones", imports increased by 4 percent (US\$ 610 million) during 2017 compared to 2016. This hike resulted from fluctuations in several sub-categories of imports (Table 10) mainly the following:

**3.1. Vehicles and accessories, cranes & lorries** which rose up by 6 percent (US\$ 104 million) during the period under consideration amounting to US\$ 1,837 million by the end of 2017. Imports from Germany increased by 5 percent compared to the previous year, remaining the top import partner in this category with a share of 25 percent of total imports of vehicles, followed by the United States whose imports increased remarkably by 11 percent (US\$ 34 million). In addition, imports from Canada and Mexico increased by US\$ 27 million and US\$ 20 million respectively while imports from Japan decreased by US\$ 18 million. The year-on-year change in these imports from the top partners is detailed in Table 3 below.

**Table 3: Main imports of Vehicles and accessories by country of origin (US\$ Million)**

Description	Jan-Dec 2016	Jan-Dec 2017	Value Change	% Change	Share in total imports of Vehicles - 2017
Germany	448	468	20	5%	25%
United States	318	352	34	11%	19%
Japan	283	266	-18	-6%	14%
United Kingdom	125	123	-2	-2%	7%
Republic of Korea	97	106	9	9%	6%
China	82	89	7	8%	5%
Canada	42	68	27	64%	4%
Mexico	20	34	14	140%	2%

Source: Directorate General of Customs, Ministry of Finance

**3.2. Imports of Pharmaceutical products** which increased in value terms by 6 percent (US\$ 74 million). In details, imports from the Eurozone were the main contributor to this increase with higher imports from France and Germany by 23 percent (US\$ 30 million) and 11 percent (US\$ 21 million) respectively, along with a hike from Turkey by 380 percent (US\$ 8 million). Meanwhile, a major drop was witnessed in imports from Jordan by 22 percent (US\$ 12 million). It is worth noting that both Germany and France were the top import partners in this category with respective shares of 16 percent and 12 percent from total imports of Pharmaceutical Products.

**Table 4: Main changes in imports of Pharmaceutical products by country of origin (US\$ Million)**

Description	Jan-Dec 2016	Jan-Dec 2017	Value Change	% Change	Share in total imports of Pharmaceuticals - 2017
Germany	190	211	21	11%	16%
France	130	160	30	23%	12%
United states	139	143	4	3%	11%
Jordan	56	44	-12	-22%	3%
Turkey	2	10	8	380%	1%

Source: Directorate General of Customs, Ministry of Finance

**3.3. Aircraft engines, boilers, machinery and mechanical appliances** which rose by 5 percent (US\$ 54 million). In details, this rise is mainly due to an increase in imports from France, China, Romania and the United Kingdom by US\$ 22 million, US\$ 14 million, US\$ 13 million and US\$ 11 million respectively. These increases were partly counterbalanced by a decrease in imports from Thailand and Turkey by US\$ 5 million each (Table 5). As for the top imports partners in this category, China remained the leading one in 2017 with a share of 27 percent followed by Italy and Germany with respective shares of 12 percent and 10 percent.

**Table 5 Main imports of Aircraft engines, boilers, machinery and mechanical appliances by country of origin (US\$ Million)**

Description	Jan-Dec 2016	Jan-Dec 2017	Value Change	% Change	Share in total imports of Aircraft engines - 2017
China	301	315	14	5%	27%
Italy	140	137	-3	-2%	12%
Germany	111	115	4	4%	10%
United States	86	86	-	-	7%
United Kingdom	44	55	11	24%	5%
France	31	54	22	72%	5%
Thailand	51	46	-5	-10%	4%
Turkey	41	36	-5	-11%	3%

Source: Directorate General of Customs, Ministry of Finance

3.4. Lastly, imports of **Iron and steel** improved by 9 percent (US\$ 54 million) in value, mainly due to higher imports from Ukraine and Turkey by 95 percent (US\$ 109 million) and 179 percent (US\$ 70 million) respectively. It is worth mentioning that imports from China decreased remarkably during 2017 by 70 percent (US\$ 205 million) (Table 6).

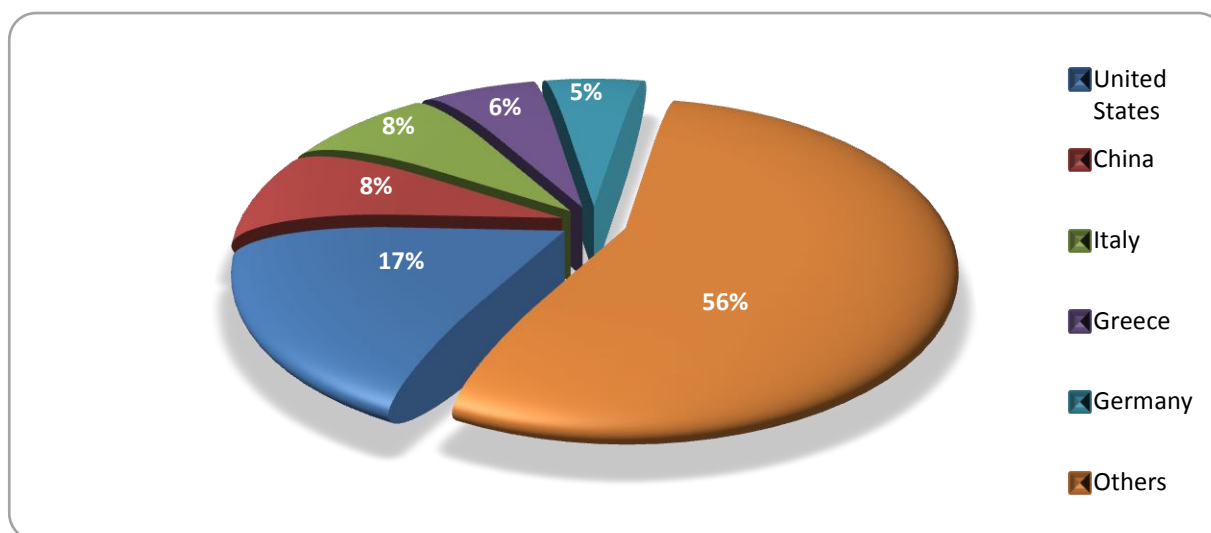
**Table 6: Main imports of Iron and Steel by country of origin (US\$ Million)**

Description	Jan-Dec 2016	Jan-Dec 2017	Value Change	% Change	Share in total imports of Iron & Steel/2017
Ukraine	293	223	109	95%	35%
Turkey	114	110	70	179%	17%
China	50	88	-205	-70%	14%
Russian Federation	39	63	13	26%	10%
Italy	20	28	20	265%	4%
Greece	0	24	24	21069%	4%

Source: Directorate General of Customs, Ministry of Finance

As for the **breakdown of Lebanese imports by country of origin**, the United States exceptionally ranked first in 2017 with a share of 17 percent of the total imports due to the above mentioned fuel oil delayed registration. China and Italy came second among our import partners with a share of 8 percent each (Figure 3).

Figure 3: Top Import Partners 2017



Source: Directorate General of Customs, Ministry of Finance

## Exports

Total **Exports** amounted to US\$ 2,844 million during 2017, with a slight year-on-year decrease of 4 percent (US\$ 133 million) in value compared to a 17 percent increase in volume.

### 1. Natural and precious stones Exports

Exports of "**Unwrought gold, un-mounted diamond & precious stones**" witnessed a drop of 29 percent (US\$ 242 million) in terms of value compared to 2016<sup>5</sup> (Table 8), while it increased by 28 percent in volume terms. In details, Gold (including gold plated with platinum) dropped by 39 percent (US\$ 272 million) as shown in Table 7 below.

Table 7: Exports of Natural and precious stones – main items (US\$ Million)

Description	Jan-Dec 2016	Jan-Dec 2017	Value Change	% Change
Diamonds, whether or not worked, but not mounted or set.	52	81	29	56%
Precious stones (other than diamonds) and semi-precious stones.	19	20	1	5%
Gold (including gold plated with platinum).	702	430	-272	-39%
Articles of jewelry and parts.	49	51	2	4%

<sup>5</sup> This drop in gold exports is mainly rooted in lower exports to South Africa by US\$ 314 million (50 percent), partly counterbalanced by the rise in exports to Switzerland and the United Arab Emirates by US\$ 44 million (53 percent) and US\$ 28 million (47 percent).

## 2. Other Exports

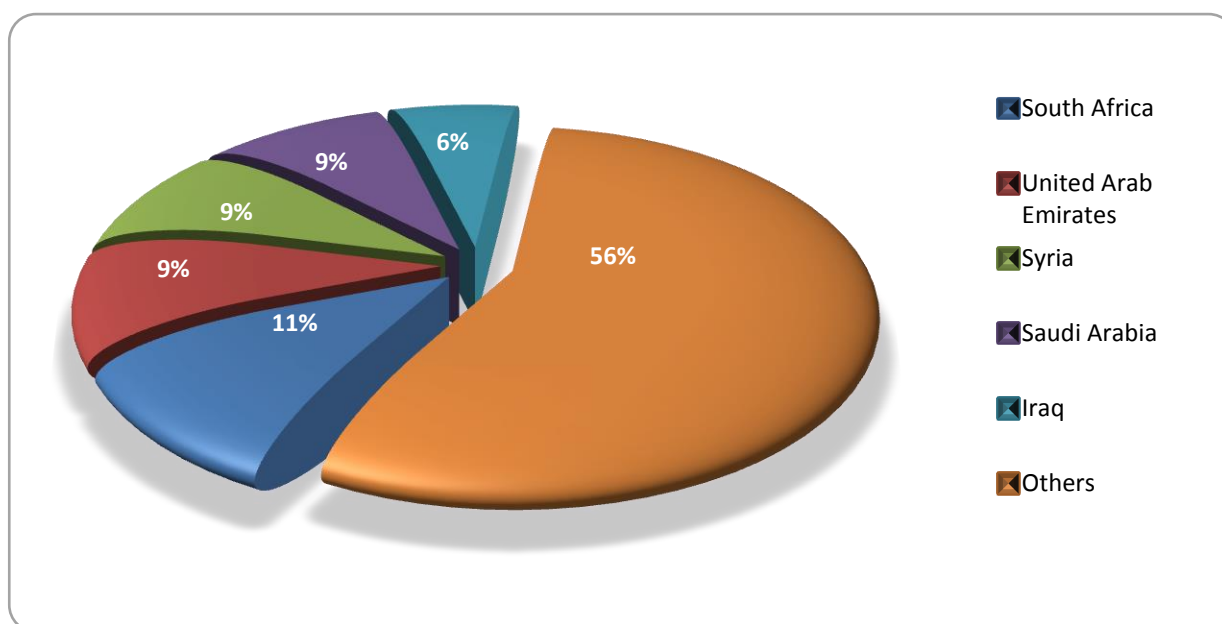
Excluding “natural and precious stones”, exports increased by 5 percent (US\$ 109 million) during 2017 compared to 2016. This resulted mainly from the following changes (Table 11):

- 2.1. The rise in “**Iron and steel**” exports by 96 percent (US\$ 51 million). The hike in this category is mainly rooted to higher exports to Turkey by 108 percent (US\$ 49 million).
- 2.2. The year-on-year increase in exports of “**Plastics and articles thereof**” by 13 percent (US\$ 17 million) partly due to the 34 percent (US\$ 12 million) rise in exports to Syria.
- 2.3. In contrast, exports of “**Aircraft engines, boilers, machinery and mechanical appliances**” dropped by 17 percent (US\$ 28 million) due to the 84 percent (US\$ 23 million) decrease in exports to Germany.

From a **regional perspective**, exports to Arab countries increased during 2017 compared to 2016, registering a rise of 8 percent (US\$ 99 million) mainly attributed to higher exports to Syria, the United Arab Emirates and Qatar by 24 percent (US\$ 47 million), 11 percent (US\$ 27 million) and 30 percent (US\$ 23 million) respectively.

Lastly, **the breakdown of Lebanese exports by major destination** shows that South Africa was at the top of the list during year 2017 with a share of 11 percent from total exports. While the United Arab Emirates, Syria and Saudi Arabia followed with a share of 9 percent each (Figure 4).

Figure 4: Top Export Partners 2017



Source: Directorate General of Customs, Ministry of Finance



**Table 8: Trade activity by value**

(US\$ millions)	2016	2017	%	2013	2014	2015	2016	2017	% Change
	Dec	Dec	Change Dec 2016/2015	Jan- Dec	Jan- Dec	Jan- Dec	Jan- Dec	Jan- Dec	Jan- Dec 2017/2016
<b>Imports</b>	<b>1,536</b>	<b>5,826</b>	<b>279%</b>	<b>21,228</b>	<b>20,494</b>	<b>18,069</b>	<b>18,705</b>	<b>23,130</b>	<b>24%</b>
<i>of which mineral fuel &amp; oil</i>	245	4,456	1720%	5,000	4,747	3,320	3,678	7,752	111%
<i>-EDL registered fuel imports</i>	0	4,192	NA	940	834	550	1,348	4,853	260%
<i>-Non EDL fuel imports</i>	245	264	8%	4,060	3,913	2,769	2,331	2,899	24%
<i>of which Unwrought &amp; semi-manufactured gold, diamonds, precious stones &amp; metals</i>	119	123	4%	1,136	976	822	1,255	996	-21%
<b>Exports</b>	<b>244</b>	<b>251</b>	<b>3%</b>	<b>3,936</b>	<b>3,313</b>	<b>2,952</b>	<b>2,977</b>	<b>2,844</b>	<b>-4%</b>
<i>of which Unwrought &amp; semi-manufactured gold, diamonds, precious stones &amp; metals</i>	48	51	8%	770	542	434	828	586	-29%
<b>Trade Balance</b>	<b>-1,292</b>	<b>-5,575</b>	<b>331%</b>	<b>-17,293</b>	<b>-17,181</b>	<b>-15,116</b>	<b>-15,729</b>	<b>-20,287</b>	<b>29%</b>

Source: Directorate General of Customs, Ministry of Finance

**Table 9: Trade activity by Volume**

(millions of Kgs)	2016	2017	%	2013	2014	2015	2016	2017	%
	Dec	Dec	Change Dec 2016/2015	Jan- Dec	Jan- Dec	Jan- Dec	Jan- Dec	Jan- Dec	Jan- Dec 2017/2016
<b>Imports</b>	<b>1,249</b>	<b>10,096</b>	<b>709%</b>	<b>15,868</b>	<b>15,452</b>	<b>15,699</b>	<b>17,372</b>	<b>25,913</b>	<b>49%</b>
<i>of which mineral and fuel oil</i>	499	9,213	1747%	5,552	5,670	5,994	7,678	16,015	109%
<i>-EDL registered fuel imports</i>	0	8,739	NA	971	880	616	2,131	10,250	381%
<i>-Non EDL fuel imports</i>	499	474	-5%	4,581	4,790	5,378	5,547	5,765	4%
<i>of which Unwrought &amp; semi-manufactured gold, diamonds, precious stones &amp; metals (Kgs)</i>	108,769	75,426	-31%	1,198,971	1,282,673	1,022,352	1,158,730	1,398,821	21%
<b>Exports</b>	<b>160</b>	<b>151</b>	<b>-6%</b>	<b>2,776</b>	<b>2,236</b>	<b>1,941</b>	<b>1,659</b>	<b>1,937</b>	<b>17%</b>
<i>of which Unwrought &amp; semi-manufactured gold, diamonds, precious stones &amp; metals (Kgs)</i>	4,576	9,468	107%	60,485	85,427	71,025	60,557	77,697	28%
<b>Trade Balance</b>	<b>-1,089</b>	<b>-9,945</b>	<b>813%</b>	<b>-13,091</b>	<b>-13,216</b>	<b>-13,759</b>	<b>-15,714</b>	<b>-23,975</b>	<b>53%</b>

Source: Directorate General of Customs, Ministry of Finance

**Table 10: IMPORT Distribution by Product (in US\$ million)**

Rank	Product	Jan-Dec 2016	% Share	Jan-Dec 2017	% Share	Value Change	% Change
1	Mineral fuel and oil	3,678	20%	7,752	34%	4,074	111%
2	Vehicles and accessories, cranes & lorries	1,732	9%	1,837	8%	104	6%
3	Pharmaceutical products	1,214	6%	1,288	6%	74	6%
4	Aircraft engines, boilers, machinery, and mechanical appliances	1,099	6%	1,152	5%	54	5%
5	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	1,255	7%	996	4%	-259	-21%
6	Electrical machinery and equipment	780	4%	782	3%	1	0%
7	Plastics and articles thereof	596	3%	641	3%	44	7%
8	Iron and steel.	583	3%	637	3%	54	9%
9	Articles of apparel and clothing	516	3%	521	2%	5	1%
10	Cereals	287	2%	325	1%	37	13%
	Other	6,964	37%	7,199	31%	235	3%
	<b>Total</b>	<b>18,705</b>	<b>100%</b>	<b>23,130</b>	<b>100%</b>	<b>4,425</b>	<b>24%</b>

Source: MOF, DGC

**Table 11: EXPORT Distribution by Product (in US\$ million)**

Rank	Product	Jan-Dec 2016	% Share	Jan-Dec 2017	% Share	Value Change	% Change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	828	28%	586	21%	-242	-29%
2	Electrical machinery and equipment	164	5%	175	6%	12	7%
3	Plastics and articles thereof	130	4%	147	5%	17	13%
4	Aircraft engines, boilers, machinery, and mechanical appliances	170	6%	142	5%	-28	-17%
5	Essential oils and resino	124	4%	125	4%	1	1%
6	Preparations of vegetables	109	4%	108	4%	0	0%
7	Iron and steel	53	2%	104	4%	51	96%
8	Miscellaneous edible preparations	89	3%	94	3%	6	7%
9	Copper and articles thereof	73	2%	83	3%	11	15%
10	Printed books, newspapers	73	2%	73	3%	0	1%
	Others	1,165	39%	1,205	42%	40	3%
	<b>Total</b>	<b>2,977</b>	<b>100%</b>	<b>2,844</b>	<b>100%</b>	<b>-133</b>	<b>-4%</b>

Source: MOF, DGC