

Figures released by the Ministry of Finance, Customs Directorate, indicate a trade deficit of US\$ 1,090 million for January 2015, 33 percent lower than the deficit of US\$ 1,629 million registered a year earlier. The US\$ 539 million improvement in the trade deficit is rooted in significantly lower imports by US\$ 532 million along with a slight increase of US\$ 6 million in exports for the period under consideration.

Total **imports** reached US\$ 1,341 million during the first month of 2015, registering a decrease of 28 percent in value terms and 23 percent in volume, when compared to the same period of 2014.

- This drop in imports was induced by a significantly lower bill of "**Mineral fuel and oil**" of 61 percent (US\$ 335 million)¹, reflecting a 26 percent decline in terms of volume that was due to a drop of US\$ 240 million in EDL fuel imports. As for non EDL fuel imports, they witnessed a significant decrease of 31 percent when compared to 2014.
- Imports of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**" witnessed a 50 percent (US\$ 51 million) year-on-year decrease in terms of value, while in volume terms it increased by 6 percent².
- Excluding "**Mineral fuel and oil**" and "**Unwrought gold, un-mounted diamond & precious stones**", imports decreased by 12 percent (US\$ 147 million) in January 2015 compared to January 2014. In fact, the main decreases were witnessed in "**Iron and steel**", "**Electric machinery and equipment**" and "**plastic and articles thereof**" with 34 percent (US\$ 29 million)³, 29 percent (US\$ 23 million)⁴ and 26 percent (US\$ 15 million)⁵ respectively compared to the previous year, against respective drops of 25 percent, 13 percent and 27 percent in terms of volume.
- China ranked as Lebanon's top import trading partner in January 2015 with a share of 13 percent of total imports, noting that almost 22 percent of imports from this country are "Iron and steel". Italy and France followed with shares of 6 percent each.

¹ The large drop in value is mainly attributed to lower international fuel prices with the Brent price dropping to an average of US\$ 47.76 per barrel in January 2015 from US\$ 108.12 per barrel in January 2014.

² This contradictory evolution in value and in volume of "Unwrought & semi-manufactured gold, diamonds, precious stones & metals" imports is driven by a 56 percent drop in the high priced "Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form" imports with a parallel 55 percent (1132 kgs) drop in their volume, in addition to a 9 percent increase in the volume of "Imitation jewelry" imports whose value dropped by 20 percent. The imports of these items registered an amount of USD 35 million for 935 kgs for the first category, against USD 1 million for 75,250 kgs for the second category in January 2015.

³ Mainly due to a decline in imports from China and Ukraine by US\$ 11 million and US\$ 9 million respectively.

⁴ This contraction is attributed mainly to lower imports from China by 36 percent (US\$ 12 million).

⁵ This drop is attributed to lower imports from Saudi Arabia by 39 percent (US\$ 5 million).

Exports amounted to US\$ 250 million in January 2015, reflecting a minor increase of 3 percent compared to January 2014. This rise was reflected in a 19 percent increase in terms of volume.

- Exports of "**Unwrought gold, un-mounted diamond & precious stones**" increased slightly by 6 percent (US\$ 3 million) in terms of value, coupled with a higher increase of 65 percent in terms of volume⁶.
- Excluding "Unwrought gold, un-mounted diamond & precious stones", few categories registered a year-on-year increase, mainly exports of "**Fertilizers**"⁷ and "**Essential oil and resino**"⁸ which rose by US\$ 7 million (410 percent), and by US\$ 3 million (32 percent) respectively.
- These increases were partly counterbalanced by slightly lower exports of "**Plastic and articles**" and "**Electric machinery**" by 22 percent (US\$ 3 million) and 13 percent (US\$ 2 million) respectively.
- **From a regional perspective**, exports to Arab countries witnessed an increase of 12 percent (US\$ 14 million) in January 2015 compared to January 2014. It is worth mentioning that this increase is attributed to higher exports to Saudi Arabia and the United Arab Emirates by respective amounts of (US\$ 8 million)⁹ and (US\$ 6 million)¹⁰.
- Lastly, the **breakdown of Lebanese exports by major destination** shows that the United Arab Emirates and Saudi Arabia were at the top of the list in January 2015 with a share of 13 percent for the first and 11 percent for the latter, they were followed by other regional countries mainly Syria and Iraq with shares of 8 percent of total exports for each.

⁶ This is mainly due to the export of a relatively large volume of "articles of goldsmiths or silversmiths wares and parts thereof, of precious metal or/of metal clad with precious metal" with 3,240 Kgs (50.2 percent of total exports of "Unwrought gold, un-mounted diamond & precious stones") having a value of US\$ 80 thousand (0.2 percent of total exports in this category). In comparison, these exports registered a volume of 1,169 Kgs in January 2014 with a value of US\$ 19 thousand.

⁷ This is mainly due to higher exports to the United Kingdom by US\$ 6 million.

⁸ This increase can be explained by higher exports to Iraq which increased by US\$ 3 million.

⁹ Mainly due to a y-o-y rise in exports of furniture and pharmaceutical products by US\$ 2 million each.

¹⁰ Due to a US\$ 10 million (90 percent) y-o-y increase in exports of "Unwrought gold, un-mounted diamond & precious stones" to the United Arab Emirates, as a result accounting for 61 percent of total exports to this country in January 2015.

Table 1: Trade activity by value

(US\$ millions)	2011	2012	2013	2014	2015	% Change
	January	January	January	January	January	15/14
Imports	1729	1454	1646	1873	1341	-28%
<i>of which mineral fuel & oil</i>	538	256	412	546	211	-61%
<i>-EDL registered fuel imports</i>	324	0	0	240	0	NA
<i>-Non EDL fuel imports</i>	214	256	412	306	211	-31%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals</i>	110	134	137	101	50	-50%
Exports	297	348	405	244	250	3%
<i>of which Unwrought gold, un-mounted diamond, & precious metals</i>	83	167	146	46	49	6%
<i>of which mineral fuel & oil</i>	0	0	39	3	5	81%
Trade Balance	-1432	-1106	-1241	-1629	-1090	-33%

Source: Directorate General of Customs, Ministry of Finance

Table 2: Trade activity by volume

(Millions of Kgs)	2011	2012	2013	2014	2015	% Change
	January	January	January	January	January	15/14
Imports	1,567	962	1,127	1,459	1,119	-23%
<i>of which mineral fuel & oil</i>	828	310	479	566	416	-26%
<i>-EDL registered fuel imports</i>	545	0	0	252	0	NA
<i>-Non EDL fuel imports</i>	283	310	479	314	416	33%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals (Kgs)</i>	85,866	68,150	75,722	73,043	77,435	6%
Exports	255	161	226	150	178	19%
<i>of which Unwrought gold, un-mounted diamond, & precious metals (kgs)</i>	9,955	8,547	5,631	3,925	6,459	65%
<i>of which mineral fuel & oil</i>	0	0	38	3	9	195%
Trade Balance	-1312	-801	-901	-1309	-941	-28%

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-2014	% Share	Jan-2015	% Share	Value Change	% Change
1	Mineral fuels and oils	546	29%	211	16%	-335	-61%
2	Vehicles and accessories, cranes & lorries	109	6%	107	8%	-3	-3%
3	Aircraft engines, Boilers, machinery and mechanical appliances	92	5%	93	7%	1	1%
4	Pharmaceutical products	105	6%	92	7%	-13	-13%
5	Iron and Steel	88	5%	58	4%	-29	-34%
6	Electrical machinery and equipment	80	4%	57	4%	-23	-29%
7	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	101	5%	50	4%	-51	-50%
8	Plastics and articles thereof	58	3%	43	3%	-15	-26%
9	Articles of apparel and clothing	32	2%	33	2%	1	3%
10	Dairy products	28	1%	31	2%	3	10%
	Other	633	34%	565	42%	-68	-11%
	Total	1,873	100%	1,341	100%	-533	-28%

Source: MOF, DGC

Table 4: EXPORT Distribution by Product (in US\$ million)							
Rank	Product	Jan-2014	% Share	Jan-2015	% Share	Value Change	% Change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	46	19%	49	20%	3	6%
2	Aircraft engines, Boilers, machinery and mechanical appliances	16	7%	16	6%	0	1%
3	Electrical machinery and equipment	14	6%	12	5%	-2	-13%
4	Essential oils and resino	9	4%	12	5%	3	32%
5	Preparations of vegetables	9	4%	9	4%	0	-5%
6	Iron and steel	7	3%	9	3%	2	24%
7	Fertilisers	2	1%	8	3%	7	410%
8	Plastic and articles thereof	10	4%	8	3%	-2	-22%
9	Paper and paperboard	8	3%	7	3%	-1	-7%
10	Furniture, bedding, mattresses	5	2%	7	3%	2	30%
	Other	118	48%	114	45%	-4	-4%
	Total	244	100%	250	100%	6	3%

Source: MOF, DGC



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