

Figures released by the Ministry of Finance, Customs Directorate, indicate a trade deficit of US\$ 1,309 million for January 2016, 20 percent higher than the deficit of US\$ 1,090 million registered a year earlier. The US\$ 219 million increase in the trade deficit is rooted in significantly higher imports by US\$ 154 million along with a decrease of US\$ 65 million in exports for the period under consideration.

Total **imports** reached US\$ 1,494 million during January of 2016, registering an increase of 11 percent in value terms and 32 percent in volume, when compared to January 2015.

- This increase in imports was induced by a significantly higher bill of "**Mineral fuel and oil**" of 74 percent (US\$ 157 million), reflecting a 77 percent hike in terms of volume. This surge reflects the increase in EDL fuel imports, registering US\$ 196 million in January 2016 compared to nil a year earlier. On the other hand, non EDL fuel imports witnessed a 19 percent drop in value when compared to 2015 despite the 7 percent rise in volume<sup>1</sup>.
- Imports of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**" witnessed a 34 percent (US\$ 17 million)<sup>2</sup> year-on-year increase in terms of value, while in volume terms it increased only by 1 percent.
- Excluding "**Mineral fuel and oil**" and "**Unwrought gold, un-mounted diamond & precious stones**", imports dropped by 2 percent (US\$ 20 million) in January 2016 compared to January 2015. In fact, the main decreases were witnessed in "**Aircraft engines and boilers**" and "**Iron and steel**" with 7 percent (US\$ 6 million)<sup>3</sup> and 5 percent (US\$ 3 million)<sup>4</sup> respectively compared to the previous year. These decreases were counterbalanced by the increase in imports of "**Vehicles and accessories, cranes and lorries**" with a year-on-year surge of 19 percent (US\$ 21 million)<sup>5</sup>.
- China ranked as Lebanon's top import trading partner in January 2016 with a share of 13 percent of total imports, noting that almost 23 percent of imports from this country are "**Iron and steel**". United States and Italy followed with respective shares of 7 and 6 percent.

**Exports** amounted to US\$ 186 million in January 2016, reflecting a decrease of 26 percent compared to January 2015. This contraction was mirrored in a 41 percent drop in terms of volume.

- Exports of "**Unwrought gold, un-mounted diamond & precious stones**" decreased by 44 percent (US\$ 21 million) in terms of value, compared to a higher decrease of 65 percent in terms of volume<sup>6</sup>.

<sup>1</sup> Due to the drop in international fuel prices with Europe Brent Spot price FOB reaching an average of US\$ 30.7 per barrel in January 2016 compared to US\$ 47.76 in January 2015.

<sup>2</sup> This hike in value terms compared to the minor rise in volume terms is explained by the fact that imports of Gold (HS 71.08) imported in January 2016 worth 52 US\$ million compared to 35 US\$ million in January 2015 and they represent relatively a minor share of 2 percent and 1.2 percent respectively of total imports in volume terms.

<sup>3</sup> Mainly due to a decline in imports from Thailand by US\$ 2 million, China and Italy by US\$ 1 million each.

<sup>4</sup> This contraction is attributed mainly to lower imports from Ukraine by 81 percent (US\$ 8 million), despite the increase in imports from China by 14 percent (US\$ 5 million).

<sup>5</sup> It is worth mentioning that imports from United States and Japan were the main source of this increase soaring up by 45 percent (US\$ 7 million) and 19 percent (US\$ 4 million).

<sup>6</sup> 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" in January 2015 with 3,240 Kgs (50.2 percent of the volume of total exports of "Unwrought gold, un-mounted diamond & precious stones") having a value of US\$ 80 thousand (0.2 percent of the value of total exports in this category) compared to nil in January 2016.

- Excluding "Unwrought gold, un-mounted diamond & precious stones", exports decreased by 22 percent (US\$ 43 million) in terms of value. This was mainly due to a drop in exports of "Aircraft engines, Boilers, machinery and mechanical appliances" by 39 percent (US\$ 6 million). On the other hand, few categories registered a year-on-year increase, mainly exports of "Electrical machinery" and "Articles of iron and steel" which rose by 16 percent (US\$ 2 million) and 70 percent (US\$ 2 million) respectively.
- From a regional perspective, exports to Arab countries witnessed a decrease of 26 percent (US\$ 36 million) in January 2016 compared to January 2015. It is worth mentioning that this decrease is mainly attributed to lower exports to the United Arab Emirates by 38 percent (US\$ 13 million) followed by Iraq and Syria with respective drops of 39 percent (US\$ 7 million) and 35 percent (US\$ 7 million).
- Lastly, the breakdown of Lebanese exports by major destination shows that the Saudi Arabia was at the top of the list in January 2016 with a share of 12 percent of total exports, followed by the United Arab Emirates with a share of 11 percent, while South Africa and Syria ranked third and fourth with respective shares of 9 percent and 7 percent.

**Table 1: Trade activity by value**

(US\$ millions)	2012	2013	2014	2015	2016	% Change
	January	January	January	January	January	16/15
<b>Imports</b>	<b>1,454</b>	<b>1,646</b>	<b>1,873</b>	<b>1,341</b>	<b>1,494</b>	<b>11%</b>
of which mineral fuel & oil	256	412	546	211	368	74%
-EDL registered fuel imports	0	0	240	0	196	NA
-Non EDL fuel imports	256	412	306	211	172	-19%
of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals	134	137	101	50	67	34%
<b>Exports</b>	<b>348</b>	<b>405</b>	<b>244</b>	<b>250</b>	<b>186</b>	<b>-26%</b>
of which Unwrought gold, un-mounted diamond, & precious metals	167	146	46	49	28	-44%
<b>Trade Balance</b>	<b>-1,106</b>	<b>-1,241</b>	<b>-1,629</b>	<b>-1,090</b>	<b>-1,309</b>	<b>20%</b>

Source: Directorate General of Customs, Ministry of Finance

**Table 2: Trade activity by volume**

(Millions of Kgs)	2012	2013	2014	2015	2016	% Change
	January	January	January	January	January	16/15
<b>Imports</b>	<b>962</b>	<b>1,127</b>	<b>1,459</b>	<b>1,119</b>	<b>1,482</b>	<b>32%</b>
of which mineral fuel & oil	310	479	566	416	737	77%
-EDL registered fuel imports	0	0	252	0	292	NA
-Non EDL fuel imports	310	479	314	416	445	7%
of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals (Kgs)	68,150	75,722	73,043	77,435	78,350	1%
<b>Exports</b>	<b>161</b>	<b>226</b>	<b>150</b>	<b>178</b>	<b>105</b>	<b>-41%</b>
of which Unwrought gold, un-mounted diamond, & precious metals (kgs)	8,547	5,631	3,925	6,459	2,280	-65%
<b>Trade Balance</b>	<b>-801</b>	<b>-901</b>	<b>-1,309</b>	<b>-941</b>	<b>-1,377</b>	<b>46%</b>

Source: Directorate General of Customs, Ministry of Finance

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

<b>Table 3: IMPORT Distribution by Product (in US\$ million)</b>							
Rank	Product	Jan-2015	% Share	Jan-2016	% Share	Value Change	% Change
1	Mineral fuels and oils	211	16%	368	25%	157	74%
2	Vehicles and accessories, cranes & lorries	107	8%	127	9%	21	19%
3	Pharmaceutical products	92	7%	92	6%	0	0%
4	Aircraft engines, Boilers, machinery and mechanical appliances	93	7%	87	6%	-6	-7%
5	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	50	4%	67	5%	17	34%
6	Electrical machinery and equipment	57	4%	57	4%	0	0%
7	Iron and steel	58	4%	55	4%	-3	-5%
8	Plastics and articles thereof	43	3%	45	3%	2	5%
9	Articles of apparel and clothing	33	2%	35	2%	2	7%
10	live animals	28	2%	25	2%	-3	-11%
	Other	568	42%	535	36%	-33	-6%
	<b>Total</b>	<b>1,341</b>	<b>100%</b>	<b>1,494</b>	<b>100%</b>	<b>154</b>	<b>11%</b>

Source: MOF, DGC

<b>Table 4: EXPORT Distribution by Product (in US\$ million)</b>							
Rank	Product	Jan-2015	% Share	Jan-2016	% Share	Value Change	% Change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	49	20%	28	15%	-21	-44%
2	Electrical machinery and equipment	12	5%	14	8%	2	16%
3	Preparations of vegetables	9	4%	10	6%	1	15%
4	Aircraft engines, Boilers, machinery and mechanical appliances	16	6%	10	5%	-6	-39%
5	Essential oils and resino	12	5%	10	5%	-2	-16%
6	Plastic and articles thereof	8	3%	9	5%	1	13%
7	Printed books, newspapers	6	3%	7	4%	0	3%
8	Furniture, bedding, mattresses	7	3%	6	3%	-1	-15%
9	Edible fruit and nuts	6	2%	6	3%	0	-3%
10	Articles of iron or steel	3	1%	5	3%	2	70%
	Other	122	49%	82	44%	-41	-33%
	<b>Total</b>	<b>250</b>	<b>100%</b>	<b>186</b>	<b>100%</b>	<b>-65</b>	<b>-26%</b>

Source: MOF, DGC



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