

Figures released by the Ministry of Finance, Customs Directorate, indicate a trade deficit of US\$ 4,221 million for January-March 2017, 6 percent higher than the deficit of US\$ 3,988 million registered during the same period of 2016. The US\$ 233 million increase in the trade deficit is rooted in significantly higher imports by US\$ 329 million slightly offset by a US\$ 96 million improvement in exports during the period under consideration.

Total **imports** reached US\$ 4,951 million during the first quarter of 2017, registering an increase of 7 percent in value and 12 percent in volume compared to the same period of 2016.

- This hike in imports was induced by a significantly higher bill of **“Unwrought & semi-manufactured gold, diamonds, precious stones & metals”** that witnessed a 54 percent (US\$ 114 million) year-on-year increase in terms of value, while in volume terms it widened by 5 percent¹.
- Imports of **“Mineral fuel and oil”** dropped by 2 percent (US\$ 20 million), while they increased by 10 percent in terms of volume. In details, EDL fuel imports contracted by 42 percent (US\$ 278 million) in January – March 2017 when compared to the same period of 2016. Non-EDL fuel imports hiked up remarkably by 49 percent² (US\$ 258 million) in January-March 2017 amounting to US\$ 786 million.
- Excluding **“Mineral fuel and oil”** and **“Unwrought gold, un-mounted diamond & precious stones”**, imports improved by 7 percent (US\$ 235 million) during January-March 2017 compared to the same period of 2016. In fact, the main year-on-year increases were witnessed in **“Vehicles other than railway”**, **“Pharmaceutical products”**, **“Aircraft engines, Boilers, machinery and mechanical appliances”** and **“Iron and Steel”** with 17 percent (US\$ 59 million)³, 8 percent (US\$ 24 million)⁴, 9 percent (US\$ 23 million)⁵ and 13 percent (US\$ 19 million)⁶ respectively. These increases were partly counterbalanced by the decrease in imports of **“Articles of apparel and clothing”** by 11 percent (US\$ 16 million)⁷.
- As for the breakdown of imports by country of origin, China and Greece ranked as Lebanon’s top import trading partners in January-March 2017 with a share of 9 percent of total imports each, noting that almost 16 percent of imports from China were **“Aircraft engines, Boilers, machinery and mechanical appliances”** while 95 percent of Greece imports were **“Mineral fuel and oils”**. Italy followed with a share of 7 percent.

¹ This is partially explained by the increase in international gold prices from an average of US\$ 1,180 per ounce during January-March 2016 to US\$ 1,219 per ounce during the same period of 2017.

² This surge in value is translated in a less prominent increase of 11 percent in terms of volume. The discrepancy between these variations is attributed to higher international fuel prices with the Brent price increasing from an average of US\$ 33.70 per barrel in January-March 2016 to US\$ 52.59 per barrel in January-March 2017.

³ Mainly due to an increase in imports from Germany, United States and Canada by 30 percent (US\$ 25 million), 23 percent (US\$ 13 million) and 101 percent (US\$ 6 million) respectively.

⁴ This hike is mainly attributed to higher imports from France and Germany by 36 percent (US\$ 10 million) and 16 percent (US\$ 8 million) respectively partly counterbalanced by a decrease of 30 percent (US\$ 5 million) in imports from Denmark.

⁵ This increase is driven by higher imports from United Kingdom, United States and Germany by 133 percent (US\$ 10 million), 70 percent (US\$ 10 million) and 21 percent (US\$ 6 million) respectively partly counterbalanced by a drop of 30 percent (US\$ 4 million) in imports from Turkey.

⁶ This increase is attributed to higher imports from Ukraine and Turkey by 262 percent (US\$ 48 million) and 173 percent (US\$ 15 million) respectively. These increases were offset by lower imports from China by 64 percent (US\$ 58 million).

⁷ This decrease can be explained by lower imports from China, Italy and Turkey with respective drops of 12 percent (US\$ 4 million), 17 percent (US\$ 3 million) and 18 percent (US\$ 3 million).

Exports amounted to US\$ 730 million during January-March 2017, reflecting a 15 percent increase compared to the same period of 2016. This improvement in value is translated by a higher increase of 39 percent in terms of volume.

- Exports of "**Unwrought gold, un-mounted diamond & precious stones**" increased by 63 percent (US\$ 69 million) in terms of value, while in terms of volume it increased by only 20 percent.
- Excluding "Unwrought gold, un-mounted diamond & precious stones", few categories registered year-on-year increases, mainly exports of "**Iron and steel**" and "**Sugars and sugar confectionery**" which rose by 127 percent (US\$ 15 million)⁸ and 103 percent (US\$ 14 million)⁹ respectively. On the other hand, exports of "**Aircraft engines, Boilers, machinery and mechanical appliances**" decreased by 26 percent (US\$ 13 million)¹⁰.
- **From a regional perspective**, exports to Arab countries witnessed an increase of 9 percent (US\$ 27 million) during January-March 2017 compared to the same period of 2016. It is worth mentioning that this increase is attributed to higher exports to Syria and Kuwait by US\$ 35 million and US\$ 8 million respectively, partly counterbalanced by respective decreases of US\$ 15 million and US\$ 4 million in exports to Saudi Arabia and Jordan
- Lastly, the **breakdown of Lebanese exports by major destination** shows that South Africa was at the top of the list during the first quarter of 2017 with a share of 14 percent, followed by some regional countries mainly Syria and the United Arab Emirates with respective shares of 11 percent and 9 percent.

⁸ This is mainly due to higher exports to Turkey by US\$ 14 million.

⁹ Driven by higher exports to Syria by 118 percent (US\$ 12 million).

¹⁰ Mostly due to lower exports to Germany by 89 percent (US\$ 11 million) slightly counterbalanced by the increase in exports to UAE by 144 percent (US\$ 2 million).

Table 1: Trade activity by value

(US\$ millions)	2016	2017	% Change	2013	2014	2015	2016	2017	% Change
	March	March	March 17/16	Jan – March	Jan – March	Jan – March	Jan – March	Jan – March	Jan – March 17/16
Imports	1,750	1,699	-3%	5,514	5,396	4,170	4,622	4,951	7%
<i>of which mineral fuel & oil</i>	502	280	-44%	1,491	1,422	714	1,186	1,166	-2%
<i>-EDL registered fuel imports</i>	304	0	NA	348	529	0	658	380*	-42%
<i>-Non EDL fuel imports</i>	198	280	42%	1,143	893	714	528	786	49%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals</i>	69	103	49%	371	252	198	213	327	54%
Exports	220	275	25%	1,192	772	744	634	730	15%
<i>of which Unwrought gold, un-mounted diamond, & precious metals</i>	39	69	75%	316	143	120	109	179	63%
Trade Balance	-1,530	-1,425	-7%	-4,322	-4,624	-3,426	-3,988	-4,221	6%

Source: Directorate General of Customs, Ministry of Finance

* EDL fuel figures released in February 2017 were subject to modification in terms of values and imported quantities. Total value of EDL imported fuel was changed from a US\$ 214 million to US\$ 298 million, while the relative quantity was raised from Kgs 523 million to Kgs 717 million.

Table 2: Trade activity by volume

(Millions of kgs)	2016	2017	% Change	2013	2014	2015	2016	2017	% Change
	March	March	March 17/16	Jan – March	Jan – March	Jan – March	Jan – March	Jan – March	Jan – March 17/16
Imports	1,675	1,496	-11%	3,807	4,100	3,474	4,562	5,113	12%
<i>of which mineral fuel & oil</i>	873	557	-36%	1,562	1,638	1,335	2,273	2,490	10%
<i>-EDL registered fuel imports</i>	359	0	NA	346	560	0	851	912	7%
<i>-Non EDL fuel imports</i>	513	557	9%	1,216	1,078	1,335	1,422	1,578	11%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals (Kgs)</i>	66,111	38,423	-42%	204,941	213,941	212,330	215,773	226,157	5%
Exports	123	167	36%	769	413	446	351	488	39%
<i>of which Unwrought gold, un-mounted diamond, & precious metals (Kgs)</i>	3,603	4,245	18%	17,114	10,611	14,539	10,081	12,057	20%
Trade Balance	-1,552	-1,329	-14%	-3,038	-3,687	-3028	-4,211	-4,626	10%

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-March 2016	% Share	Jan-March 2017	% Share	Value Change	% Change
1	Mineral fuels and oils	1,186	26%	1,166	24%	-20	-2%
2	Vehicles and accessories, cranes & lorries	348	8%	407	8%	59	17%
3	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	213	5%	327	7%	114	54%
4	Pharmaceutical products	299	6%	324	7%	24	8%
5	Aircraft engines, Boilers, machinery and mechanical appliances	251	5%	275	6%	23	9%
6	Electrical machinery and equipment	165	4%	176	4%	11	7%
7	Iron and steel	138	3%	157	3%	19	13%
8	Plastics and articles thereof	138	3%	149	3%	11	8%
9	Articles of apparel and clothing	141	3%	125	3%	-16	-11%
10	Edible vegetables and cereals	80	2%	79	2%	-1	-1%
	Other	1,662	36%	1,766	36%	105	6%
	Total	4,622	100%	4,951	100%	329	7%

Source: MOF, DGC

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

Rank	Product	Jan-March 2016	% Share	Jan-March 2017	% Share	Value Change	% Change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	109	17%	179	24%	69	63%
2	Electrical machinery and equipment	42	7%	45	6%	3	8%
3	Aircraft engines, Boilers, machinery and mechanical appliances	50	8%	37	5%	-13	-26%
4	Plastics and articles	31	5%	32	4%	2	5%
5	Essential oils and resino	31	5%	31	4%	0	0%
6	Sugars and sugar confectionery	13	2%	27	4%	14	103%
7	Preparations of vegetable	32	5%	27	4%	-5	-15%
8	Iron and steel	12	2%	26	4%	15	127%
9	Edible fruit and nuts	19	3%	23	3%	4	24%
10	Miscellaneous edible preparations	19	3%	21	3%	2	9%
	Other	277	44%	282	39%	5	2%
	Total	634	100%	730	100%	96	15%

Source: MOF, DGC



For further information please contact:
Ministry of Finance
Macro fiscal Department – Budget Directorate
Tel: 961 1 956000- ext: 1716-1729
Website: www.finance.gov.lb