

Monthly figures released by the Ministry of Finance, Customs Directorate, show a trade deficit of US\$ 10,987 million during the period of January-September of 2015, 17 percent lower than the deficit of US\$ 13,227 million recorded during the same period of 2014. The US\$ 2,240 million improvement in the trade deficit is rooted in significantly lower imports by US\$ 2,507 million although exports decreased by US\$ 268 million.

Total **imports** reached US\$ 13,221 million during the first nine months of 2015, registering a remarkable decrease of 16 percent in value and a minor drop of 3 percent in volume, when compared to the same period of 2014.

- Imports of "**Mineral fuel and oil**" decreased significantly by 43 percent (US\$ 1,646 million), while in terms of volume they declined by 8 percent. In details, EDL fuel imports dropped from US\$ 834 million in January-September 2014 to nil during the same period this year. Also Non-EDL fuel imports decreased by 27 percent (US\$ 812 million) when compared to the same period of 2014¹.
- Imports of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**" continued to drop with a year-on-year decrease of 14 percent (US\$ 104 million)² in terms of value and 21 percent³ in terms of volume.
- Excluding "**Mineral fuel and oil**" and "**Unwrought gold, un-mounted diamond & precious stones**", imports decreased by 7 percent (US\$ 757 million) during January-September 2015 compared to the same period of 2014. The main decreases were witnessed in "**Iron and steel**", "**Electrical machinery and equipment**" and "**plastic and articles thereof**" with respective drops of 33 percent (US\$ 216 million)⁴, 11 percent (US\$ 78 million)⁵ and 13 percent (US\$ 67 million)⁶, partly counterbalanced by the increase in imports of "**Vehicles other than railway**" by 11 percent (US\$ 117 million)⁷.
- China remained Lebanon's top import trading partner during the period of January-September of 2015 with a share of 12 percent (US\$ 1,582 million) of total imports, noting that almost 16 percent of imports from this country are "**Iron and steel**". Italy and Germany with shares of 8 percent and 7 percent respectively.

Total **exports** reached US\$ 2,234 million during January-September of 2015, with a decrease of 11 percent in value compared to the same period of 2014, while in terms of volume it declined by 9 percent.

¹ With an increase in terms of volume by 16 percent that came despite this drop in value of non-EDL fuel imports, reflecting the large decrease in international fuel prices with the Brent price dropping to an average of US\$ 55.28 per barrel during the period of January-September of 2015 from US\$ 106.56 per barrel during the same period of 2014.

² This can be partly attributed to a lower price of gold during the period of Jan-Sep 2015 with an average of US\$ 1,178.5 per ounce compared to an average of US\$ 1,288.2 during the same period of 2014.

³ This can be explained by the drop of 10 percent during Jan-Sep 2015 in imports of Imitation jewelry reaching 738,262 Kg from 821,213 Kg in the period of Jan-Sep 2014.

⁴ Mainly due to a decline in imports from China and Turkey by 41 percent (US\$ 176 million) and 46 percent (US\$ 24 million) respectively.

⁵ This contraction is mainly attributed to lower imports from China, Italy and Korea by 27 percent (US\$ 68 million), 26 percent (US\$ 13 million) and 32 percent (US\$ 12 million) respectively, despite the increase in imports from Germany by 81 percent (US\$ 42 million).

⁶ The drop in "Plastics" is partly attributed to lower imports from Saudi Arabia by 20 percent (US\$ 25 million).

⁷ This increase is a result of a hike of imports from Germany, Japan and USA by 15 percent (US\$ 42 million), 18 percent (US\$ 31 million) and 20 percent (US\$ 31 million) respectively.

- Exports of "**Unwrought gold, un-mounted diamond & precious stones**" dropped by 23 percent (US\$ 99 million) in terms of value, while in terms of volume it decreased significantly by 38 percent⁸.
- Excluding "Unwrought gold, un-mounted diamond & precious stones", exports decreased year-on-year by 8 percent (US\$ 168 million), mainly due to a decrease in "**Aircraft engines, Boilers, machinery and mechanical appliances**" and "**Beverage spirits and vinegar**" by 12 percent (US\$ 21 million)⁹ and 14 percent (US\$ 11 million) respectively.
- On the other hand, few categories recorded a year-on-year increase, mainly exports of "**Fertilizers**" and "**Essential oils**" which rose by US\$ 29 percent (17 million) and by US\$ 13 percent (11 million) respectively.
- **From a regional perspective**, exports to Arab countries witnessed a drop by 6 percent (US\$ 78 million) during January-September of 2015 compared to the same period of 2014, mainly due to decreases in exports to Syria, Iraq and Jordan by 13 percent (US\$ 23 million), 10 percent (US\$ 18 million) and 14 percent (US\$ 14 million) respectively, which offset the increase in exports to Egypt by 21 percent (US\$ 11 million).
- Lastly, the **breakdown of Lebanese exports by major destination** shows that Saudi Arabia and the United Arab Emirates were at the top of the list during the period of January-September of 2015 with respective shares of 12 percent and 10 percent, followed by Iraq with a share of 8 percent.

⁸ This is mainly due to the export of a relatively large volume of "Imitation jewelry" with 26,023 Kgs during January-September 2014. In comparison, these exports registered a volume of 8,284 Kgs in January-September 2015 decreasing by 68 percent.

⁹ Mainly due to lower exports to Iraq by 48 percent (US\$ 17 million) which more than offset the increase in exports to Netherlands by 100 percent (US\$ 10 million).

Table 1: Trade activity by value

(US\$ millions)	2014	2015	% Change	2011	2012	2013	2014	2015	% Change
	September	September	Sep 15/14	Jan – Sep	Jan – Sep	Jan – Sep	Jan – Sep	Jan – Sep	Jan – Sep 15/14
Imports	1,671	1,434	-14%	14,419	16,031	15,904	15,729	13,221	-16%
<i>of which mineral fuel & oil</i>	362	252	-30%	2,642	4,491	3,604	3,822	2,176	-43%
-EDL registered fuel imports	0	0	NA	324	1,292	504	834	0	-100%
-Non EDL fuel imports	362	252	-30%	2,318	3,199	3,100	2,988	2,176	-27%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals</i>	80	61	-24%	1,575	1,232	871	726	622	-14%
Exports	282	243	-14%	3,230	3,299	3,163	2,501	2,234	-11%
<i>of which Unwrought gold, un-mounted diamond, & precious metals</i>	33	35	8%	1,131	1,313	672	432	332	-23%
Trade Balance	-1,390	-1,190	-14%	-11,189	-12,732	-12,740	-13,227	-10,987	-17%

Source: Directorate General of Customs, Ministry of Finance

Table 2: Trade activity by volume

(Millions of kgs)	2014	2015	% Change	2011	2012	2013	2014	2015	% Change
	September	September	Sep 15/14	Jan – Sep	Jan – Sep	Jan – Sep	Jan – Sep	Jan – Sep	Jan – Sep 15/14
Imports	1,349	1,444	7%	10,357	11,780	11,991	11,827	11,429	-3%
<i>of which mineral fuel & oil</i>	422	511	21%	3,309	5,036	4,002	4,375	4,041	-8%
-EDL registered fuel imports	0	0	NA	545	1,505	507	880	0	-100%
-Non EDL fuel imports	422	511	21%	2,764	3,531	3,495	3,495	4,041	16%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals (Kgs)</i>	236,808	81,330	-66%	787,692	893,452	912,034	978,636	771,593	-21%
Exports	243	195	-20%	2,119	1,844	2,208	1,621	1,481	-9%
<i>of which Unwrought gold, un-mounted diamond, & precious metals (Kgs)</i>	15,325	4,809	-69%	107,716	92,590	49,215	64,848	39,906	-38%
Trade Balance	-1,106	-1,250	13%	-8,238	-9,936	-9,783	-10,206	-9,948	-3%

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-September 2014	% Share	Jan-September 2015	% Share	Value Change	% Change
1	Mineral fuels and oils	3,822	24%	2,176	16%	-1,646	-43%
2	Vehicles and accessories, cranes & lorries	1,079	7%	1,196	9%	117	11%
3	Aircraft engines, Boilers, machinery and mechanical appliances	959	6%	900	7%	-59	-6%
4	Pharmaceutical products	863	5%	834	6%	-29	-3%
5	Electrical machinery and equipment	703	4%	625	5%	-78	-11%
6	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	726	5%	622	5%	-104	-14%
7	Plastics and articles thereof	526	3%	459	3%	-67	-13%
8	Iron and Steel	659	4%	443	3%	-216	-33%
9	Articles of apparel and clothing	377	2%	400	3%	23	6%
10	Live animals	288	2%	256	2%	-32	-11%
	Others	5,727	36%	5,311	40%	-416	-7%
	Total	15,729	100%	13,221	100%	-2,507	-16%

Source: MOF, DGC

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

Rank	Product	Jan-September 2014	% Share	Jan-September 2015	% Share	Value Change	% Change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	432	17%	332	15%	-99	-23%
2	Electrical machinery and equipment	163	7%	160	7%	-4	-2%
3	Aircraft engines, Boilers, machinery and mechanical appliances	173	7%	153	7%	-21	-12%
4	Essential oil and resino	85	3%	96	4%	11	13%
5	Preparations of vegetables	96	4%	93	4%	-3	-3%
6	Plastic and articles thereof	98	4%	93	4%	-5	-5%
7	Fertilizers	60	2%	78	3%	17	29%
8	Processed and Refined Copper	74	3%	75	3%	1	2%
9	Beverages, spirits and vinegar	77	3%	65	3%	-11	-14%
10	Furniture, bedding, mattresses	62	2%	62	3%	1	1%
	Others	1,182	47%	1,026	46%	-155	-13%
	Total	2,501	100%	2,234	100%	-268	-11%

Source: MOF, DGC



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