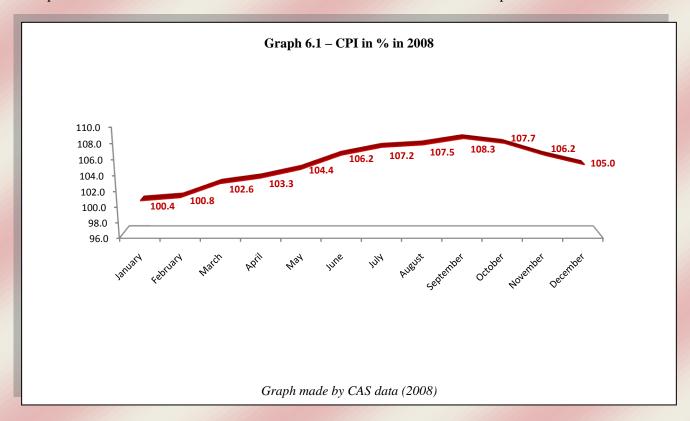
## 6. TRADE

Trade deals with Consumer Price Index and with foreign trade.

## **Consumer Price Index (CPI)**

CAS publishes a monthly CPI covering the totality of the Lebanese Territory since January 2008 with the reference month December 2007 and weights extracted of the Household Budget Survey 2004-2005. The CPI benefited of a technical assistance from Middle East Technical Assistance Center (METAC)-IMF during the period 2006-2008 to ensure the use of the international standard and the best practices in this field.



## Foreign trade

Foreign trade covers special and general imports and exports in value, in gross and net quantities. It also deals with re-exports and transit in value and in gross and net quantities. It also displays data for customs revenues and VAT revenues by office.

Quantities and values are obtained from traders' manifestos after controlling their reliability by the customs services. The imports value is Cost Insurance Fret, meaning the merchandise value at the expedition place plus the transport, insurance, and all other fees to arrive to the office where all customs fees are paid. Exports value is Free on Board meaning the value of the merchandise including all the fees paid in order to arrive to the exit office.

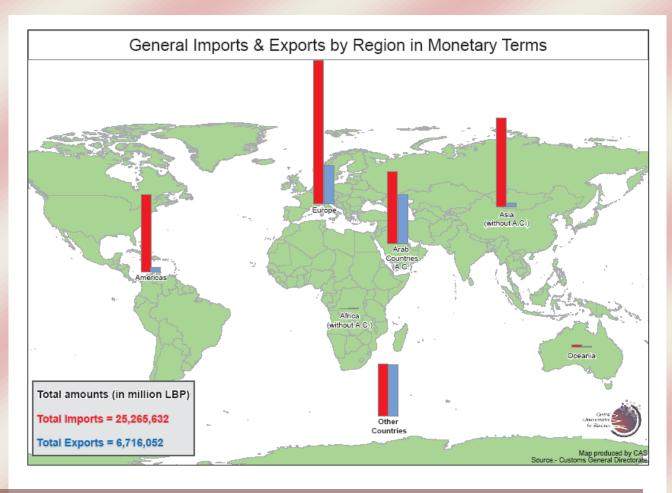
As for the origin and destination countries for imports, merchandise is on the origin country account, otherwise, the country of production account; as for exports, the merchandise is on the declared destination country account. Finally, foreign currencies are converted to LBP (Customs General Directorate, 1997).

The following table displays the holistic picture of Lebanon foreign trade in 2008.

Table 6.1 – Lebanon foreign trade in billion LBP in 2008

Type of foreign trade	Billion LBP	Peak month value	Peak month percentage
Special imports by section	24,334	November (2,509)	November (10.3)
Special exports by section	5,245	November (497)	November (9.5)
Special trade deficit	19,089	July (2,013)	July (10.5)
General imports by section	25,266	July (2,656)	July (10.5)
General exports by section	6,716	June (623)	November (9.3)
General trade deficit	18,550	July (2,061)	July (11.1)
Re-exportation by section	279	August (38)	August (13.6)
Transit by section	512	July (61)	July (11.9)
Customs revenues	1,677	December (214)	December (12.8)
VAT revenues	1,910	November (178)	November (9.3)

Table made by CAS based on Customs General Directorate data (2008)



#### Some trade ratios

Trade coverage ratio = (exports / imports) \* 100 = 25.3%

Total trade for Lebanon = exports + imports = 31,308,335 million LBP

Trade per capita = (exports + imports) / population = 8,328,596 LBP

Formulas computed by CAS based on UN ESCWA (2009), External Trade Bulletin of the ESCWA Region, 18<sup>th</sup> Issue, New York, pp. 7-8

Special imports This trade consists of consumable merchandise, their arrival to foreign countries after exiting the free trade zone or the warehouse, or after placing them under temporary importation regime. This trade consists also of merchandise placed under the temporary normal admission regime and of re-imported merchandise after a temporary exploitation for a transformation purpose. The statistics of imports special trade display imports by section and by country (Customs General Directorate, 1997).

Special exports This trade consists of exported national merchandise and of foreign merchandise exported after being consumed. It also consists of temporary exported merchandise in a transformation purpose. It also consists of merchandises reexported abroad after being put in Lebanon under temporary normal admission regime (Customs General Directorate, *1997*).

General imports

This trade consists of all merchandise of imports special trade minus all the consumable merchandise leaving the warehouse. It is also made of merchandise put in warehouse when they arrive from abroad (Customs General Directorate, 1997).

General exports

This trade consists of all the merchandise of exports special trade, of the re-exported merchandise incoming from shops and customs

warehouses (Customs General Directorate, 1997).

### Re-exportation

This trade consists of foreign merchandises which remained under customs control and which are reexported abroad without going through the Lebanese territory, which means the foreign merchandises directly exported abroad from the ports and the customs offices (Customs General Directorate, 1997).

#### Transit

The transit consists of the merchandises that cross the Lebanese territory without being consumed or without being exposed to the warehouse regime or admission or temporary importation (Customs General Directorate, 1997).

## Foreign trade by section

#### The 21 foreign trade sections

Live animals & animal products, Vegetable products, Fats and edible fats & oils, Prepared foodstuffs, Mineral products, Products of the chemical industry, Plastics & articles thereof, Raw hides and skins, leathers & fur skins, Wood and wooden articles, Paper & paperboard & article thereof, Textiles & textiles articles, Footwear, headgear & prepared feathers, Articles of stone, plaster and cement, Pearls, precious or semi-precious stones, Base metals & articles of base metal, Machinery & mechanical appliances, Transport equipment, Precision and optical instruments, Arms & ammunition, Miscellaneous manufactured articles, and Art works.

Table 6.2 – Foreign trade by section in million LBP – Top 3 sections in 2008

Type of foreign trade	Million LBP	%	Peak month in million LBP	Peak month %
Special imports by section	24,334,085	100.0	November (2,508,608)	November (10.3)
Mineral products	6,448,841	26.5	July (869,770)	July (13.5)
Transport equipment	2,586,940	10.6	November (302,030)	November (11.7)
Machinery and mechanical appliances	2,545,468	10.5	November (248,940)	November (9.8)
General imports by section	25,265,632	100.0	July (2,655,741)	July (10.5)
Mineral products	6,618,264	26.2	July (996,034)	July (15.0)
Transport equipment	2,878,074	11.4	December (353,426)	December (12.3)
Machinery and mechanical appliances	2,865,736		November (274,134)	November (9.6)
Special exports by section	5,245,297	100.0	November (497,120)	November (9.5)
Pearls, precious or semi precious stones	866,069	16.5	January (122,504)	January (14.1)
Machinery and mechanical appliances	808,243	15.4	December (96,049)	December (11.9)
Base metals and articles of base metal	798,510	15.2	May (98,207)	May (12.3)
General exports by section	6,716,052	100.0	June (622,776)	June (9.3)
Machinery and mechanical appliances	1,400,263	20.8	December (136,333)	December (9.7)
Pearls, precious or semi precious stones	869,681	12.9	January (122,591)	January (14.1)
Base metals and articles of base metal	809,789	15.2	May (98,652)	May (12.2)
Re-exports by section	279,261	100.0	August (37,807)	<b>August (13.5)</b>
Machinery and mechanical appliances	93,700	33.6	September (11,064)	September (11.8)
Transport equipment	68,320	24.5	August (14,146)	August (20.7)
Products of the chemical industry	39,259	14.1	January (11,138)	January (28.4)
Transit by section	511,700	100.0	June (60,794)	June (11.9)
Machinery and mechanical appliances	171,401	33.5	April (24,869)	April (14.5)
Base metals and articles of base metal	85,414	16.7	July (19,027)	July (22.3)
Prepared foodstuffs	82,504	16.1	December (12,684)	December (15.4)

Table made by CAS based on Customs General Directorate data (2008)

Table 6.3 – Customs revenues and VAT revenues by office in million LBP in 2008

Revenues	Million LBP	Peak office (%)	Peak month (%)
Yearly customs revenues by office	1,677,190	December (12.7)	Port of Beirut (87.2)
Yearly VAT revenues by office	1,910,247	November (9.3)	Port of Beirut (77.9)
Yearly customs and VAT revenues by office	3,587,437	November (10.6)	Port of Beirut (82.3)

Table made by CAS based on Customs General Directorate data (2008)

Table 6.4 – Foreign trade by section in gross quantities – Top 3 sections in 2008

Type of foreign trade	1,000 tons	%	Peak month in 1,000 tons	Peak month %
Special imports by section	12,767,324	100.0	November (1,293,824)	November (10.1)
Mineral products	6,770,442	53.0	November (768,300)	November (11.3)
Vegetable products	1,220,370	9.6	March (136,839)	March (11.2)
Base metals and articles of base metal	1,105,916	8.7	Ay (111,773)	May (10.1)
General imports by section	12,697,783	100.0	July (1,344,915)	July (10.6)
Mineral products	6,938,714	54.6	July (840,551)	July (12.1)
Vegetable products	1,224,906	9.6	March (137,859)	March (11.3)
Base metals and articles of base metal	1,114,550	8.8	August (111,320)	August (10.0)
Special exports by section	3,610,984	100.0	July (342,411)	July (9.5)
Mineral products	1,328,231	36.8	October (153,615)	October (11.5)
Vegetable products	639,399	17.7	September (83,517)	September (13.1)
Base metals and articles of base metal	524,546	14.5	February (74,481)	February (14.2)
General exports by section	4,053,032	100.0	October (380,972)	October (9.4)
Mineral products	1,624,090	40.1	October (184,265)	October (11.3)
Vegetable products	645,937	15.9	September (85,302)	September (13.2)
Base metals and articles of base metal	534,802	13.2	February (75,023)	February (14.0)
Re-exports by section	68,449	100.0	January (20,004)	<b>January</b> (29.2)
Products of the chemical industry	36,456	53.3	January (18,054)	January (49.5)
Base metals and articles of base metal	7,446	10.9	December (4,126)	December (55.4)
Vegetable products	6,478	9.5	July (1,873)	July (28.9)
Transit by section	168,542	100.0	December (24,350)	December (14.4)
Base metals and articles of base metal	66,202	39.3	December (18,773)	December (28.4)
Wood and wooden articles	28,596	17.0	March (8,116)	March (28.4)
Paper and paperboard and article thereof	16,595	9.8	January (2,799)	January (16.9)

Table 6.5 – Foreign trade by section in net quantities – Top 3 sections in 2008

Type of foreign trade	1,000 tons	%	Peak month in 1,000 tons	Peak month %
Special imports by section	12,505,619	100.0	July (1,268,238)	July (10.1)
Mineral products	6,766,068	54.1	November (767,647)	November (11.3)
Vegetable products	1,208,040	9.7	March (135,227)	March (11.2)
Base metals and articles of base metal	1,097,579	8.8	May (111,122)	May (10.1)
General imports by section	12,522,253	100.0	July (1,329,540)	July (10.6)
Mineral products	6,934,346	55.4	July (840,072)	July (12.1)
Vegetable products	1,212,558	9.7	March (136,242)	March (11.2)
Base metals and articles of base metal	1,104,823	8.8	August (110,370)	August (10.0)
Special exports by section	3,522,600	100.0	July (334,463)	July (9.5)
Mineral products	1,325,315	37.6	October (153,600)	October (11.6)
Vegetable products	613,272	17.4	September (80,956)	September (13.2)
Base metals and articles of base metal	523,583	14.9	February (74,393)	February (14.2)
General exports by section	3,959,099	100.0	October (374,268)	October (9.5)
Mineral products	1,619,797	40.9	October (184,249)	October (11.4)
Vegetable products	619,773	15.7	September (82,736)	September (13.3)
Base metals and articles of base metal	533,808	13.5	February (74,934)	February (14.0)
Re-exports by section	67,763	100.0	January (19,921	January (29.4)
Products of the chemical industry	36,249	53.3	January (18,007)	January (49.7)
Base metals and articles of base metal	7,440	11.0	December (4,125)	December (55.4)
Vegetable products	6,468	9.5	July (1,873)	July (29.0)
Transit by section	167,643	100.0	December (24,271)	December (14.5)
Base metals and articles of base metal	66,196	39.5	December (18,773)	December (28.4)
Wood and wooden articles	28,283	16.9	March (8,116)	March (28.7)
Paper and paperboard and article thereof	16,567	9.9	January (2,781)	January (16.8)

# Foreign trade by chapter

# The 21 foreign trade sections are divided into 98 chapters.

Table 6.6 – Foreign trade by chapter in million LBP – Top 3 chapters in 2008

Type of foreign trade  Type of foreign trade	Million LBP	Percentage
Special imports by chapter	24,334,086	100.0
27 - Mineral fuels, mineral oils and products of their distillation; bituminous	6 149 229	25.2
substances; mineral waxes	6,148,328	25.3
87 - Vehicles other than railway or tramway rolling-stock, and parts and	2 5/12 201	10.5
accessories thereof	2,543,381	10.5
84 - Nuclear reactors, boilers, machinery and mechanical appliances; parts	1,421,152	5.8
thereof	1,421,132	5.6
General imports by chapter	25,265,632	100.0
27 - Mineral fuels, mineral oils and products of their distillation; bituminous	6 217 405	25.0
substances; mineral waxes	6,317,405	25.0
87 - Vehicles other than railway or tramway rolling-stock, and parts and	2 952 500	11.2
accessories thereof	2,853,509	11.2
84 - Nuclear reactors, boilers, machinery and mechanical appliances; parts	1,659,071	6.6
thereof	1,039,071	0.0
Special exports by chapter	5,245,297	100.0
71 - Natural or cultured pearls, precious or semi-precious stones, precious		
metals, metals clad with precious metal and articles thereof; imitation jewels;	866,069	16.5
coin		
85 - Electrical machinery and equipment and parts thereof; sound recorders and		
reproducers, television image and sound recorders and reproducers, and parts	435,621	8.3
and accessories of such articles		
84 - Nuclear reactors, boilers, machinery and mechanical appliances; parts	372,621	7.1
thereof	372,021	7.1
General exports by chapter	6,716,052	100.0
85 - Electrical machinery and equipment and parts thereof; sound recorders and		14.6
reproducers, television image and sound recorders and reproducers, and parts	981,695	
and accessories of such articles		
71 - Natural or cultured pearls, precious or semi-precious stones, precious		
metals, metals clad with precious metal and articles thereof; imitation jewels;	869,681	12.9
coin		
27 - Mineral fuels, mineral oils and products of their distillation; bituminous	505,454	7.5
substances; mineral waxes	303,434	1.5

Table made by CAS based on Customs General Directorate data (2008)

Table 6.7 – Foreign trade by chapter in gross quantities – Top 3 chapters in 2008

Type of foreign trade	1,000 tons	Percentage
Special imports by chapter	12,767,323	100.0
27 - Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	5,236,766	41.0
25 - Salt; sulfur earths and stone; plastering materials, lime and cement	1,525,548	11.9
72 - Iron and steel	950,109	7.4
General imports by chapter	12,697,892	100.0
27 - Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	5,405,015	42.6
25 - Salt; sulfur earths and stone; plastering materials, lime and cement	1,525,572	12.0
72 - Iron and steel	953,347	7.5
Special exports by chapter	3,610,984	100.0
25 - Salt; sulfur earths and stone; plastering materials, lime and cement	1,316,174	36.4
72 - Iron and steel	417,820	11.6
8 - Edible fruits and nuts; peel of citrus fruit or melons	352,629	9.8
General exports by chapter	4,053,032	100.0
25 - Salt; sulfur earths and stone; plastering materials, lime and cement	1,316,188	32.5
72 - Iron and steel	426,665	10.5
8 - Edible fruits and nuts; peel of citrus fruit or melons	352,725	8.7

Table made by CAS based on Customs General Directorate data (2008)

Table 6.8 – Foreign trade by chapter in net quantities – Top 3 chapters in 2008

Type of foreign trade	1,000 tons	Percentage
Special imports by chapter	12,505,619	100.0
27 - Mineral fuels, mineral oils and products of their distillation; bituminous	5,233,518	41.8
substances; mineral waxes		
25 - Salt; sulfur earths and stone; plastering materials, lime and cement	1,524,428	12.2
72 - Iron and steel	948,309	7.6
General imports by chapter	12,522,252	100.0
27 - Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	5,401,777	43.1
25 - Salt; sulfur earths and stone; plastering materials, lime and cement	1,542,447	12.2
72 - Iron and steel	951,230	7.6
Special exports by chapter	3,552,600	100.0
25 - Salt; sulfur earths and stone; plastering materials, lime and cement	1,313,346	37.3
72 - Iron and steel	417,765	11.9
8 - Edible fruits and nuts; peel of citrus fruit or melons	332,325	9.4
General exports by chapter	3,959,099	100.0
25 - Salt; sulfur earths and stone; plastering materials, lime and cement	1,313,356	33.2
72 - Iron and steel	426,589	10.8
8 - Edible fruits and nuts; peel of citrus fruit or melons	332,417	8.4

# Foreign trade by continent

Lebanon imports and exports goods from and to all destinations of the world.

Table 6.9 – Foreign trade by continents in million LBP in 2008

Type of foreign trade	Million LBP	%	Country in million LBP	Country in %
Special imports by continent	24,334,085	100.0		
Europe	11,520,550	47.3	France (2,012,677)	France (17.5)
Asia without Arab countries	3,733,849	15.3	China (2,098,226)	China (56.2)
America	3,556,491	13.8	USA (2,789,4160)	USA (83.1)
Arab countries	3,108,931	12.8	Kuwait (737,000)	Kuwait (23.7)
Other countries	2,533,040	10.4		
Oceania	71,051	0.3	Australia (48,885)	Australia (68.4)
Africa without Arab countries	7,723	0.1	Ivory Coast (7,723)	Ivory Coast (100.0)
General imports by continent	25,265,632	100.0		
Europe	12,032,523	47.6	France (2,012,739)	France (16.7)
Asia without Arab countries	4,049,090	16.0	China (2,144,207)	China (53.0)
America	3,480,518	13.8	USA (2,910,941)	USA (83.6)
Arab countries	3,239,364	12.8	Kuwait (737,057)	Kuwait (22.8)
Other countries	2,384,020	9.4		
Oceania	72,393	0.3	Australia (49,778)	Australia (68.8)
Africa without Arab countries	7,723	0.1	Ivory Coast (7,723)	Ivory Coast (100.0)
Special exports by continent	5,245,297	100.0		
Arab countries	1,796,097	34.2	United Arab Emirates (522,152)	United Arab Emirates (29.1)
Europe	1,602,100	30.5	United Kingdom (496,112)	United Kingdom (31.0)
Other countries	1,464,220	27.9		
America	188,295	3.6	Brazil (93,209)	Brazil (49.5)
Asia without Arab countries	143,365	2.7	China (83,815)	China (58.5)
Africa without Arab countries	33,450	0.7	Ivory Coast (33,450)	Ivory Coast (100.0)
Oceania	17,770	0.4	Australia (17,100)	Australia (96.2)
General exports by continent	6,716,052	100.0		
Other countries	2,328,814	34.7		
Arab countries	2,244,507	33.4	United Arab Emirates (615,738)	United Arab Emirates (27.4)
Europe	1,747,594	26.0	Switzerland (501,139)	Switzerland (28.7)
America	195,076	2.9	Brazil (92,214)	Brazil (49.8)
Asia without Arab countries	145,841	2.2	China (85,102)	China (58.4)
Africa without Arab countries	36,398	0.5	Ivory Coast (36,398)	Ivory Coast (100.0)
Oceania	17,823	0.3	Australia (17,153)	Australia (96.2)

Table made by CAS based on Customs General Directorate data (2008)

Just for information - Top countries in special and general trade in million LBP in 2008

 $Special\ imports:\ United\ States\ of\ America:\ 2,789,416\ million\ LBP\ (11.5\%)$ 

General imports: United States of America: 2,910,941 million LBP (11.5%)

Special exports: United Arab Emirates: 522,152 million LBP (10.0%)

General exports: United Arab Emirates: 615,738 million LBP (9.2%)

Table 6.10 – Foreign trade by continent in gross quantities in 2008

Type of foreign trade	1,000 tons	%	Country in 1,000 tons	Country in %
<b>Special imports by continent</b>	12,767,324	100.0		
Europe	4,712,328	36.9	France (904,096)	France (19.2)
Arab countries	2,791,315	21.9	Syria (1,069,888)	Syria (38.3)
Other countries	2,318,907	18.2		
America	2,057,482	16.1	USA (1,854,874)	USA (90.2)
Asia without Arab countries	869,595	6.8	China (618,358)	China (71.1)
Oceania	13,944	0.1	Australia (11,435)	Australia (82.0)
Africa without Arab countries	3,753	0.0	Ivory Coast (3,753)	Ivory Coast (100.0)
General imports by continent	12,697,893	100.0		
Europe	5,533,260	43.6	France (882,711)	France (16.0)
Arab countries	2,871,557	22.6	Syria (1,070,591)	Syria (37.3)
America	2,078,557	16.4	USA (1,875,036)	USA (90.2)
Other countries	1,268,414	10.0		
Asia without Arab countries	928,358	7.3	China (632,235)	China (68.1)
Oceania	13,993	0.1	Australia (11,484)	Australia (82.1)
Africa without Arab countries	3,753	0.0	Ivory Coast (3,753)	Ivory Coast (100.0)
Special exports by continent	3,610,984	100.0		
Arab countries	1,760,608	48.8	Syria (870,894)	Syria (49.5)
Other countries	909,040	25.2		
Europe	779,949	21.6	Turkey (306,383)	Turkey (39.3)
America	106,560	2.9	Brazil (84,530)	Brazil (79.3)
Asia without Arab countries	40,496	1.1	China (25,146)	China (62.1)
Africa without Arab countries	7,834	0.2	Ivory Coast (7,834)	Ivory Coast (100.0)
Oceania	6,498	0.2	Australia (6,378)	Australia (98.2)
General exports by continent	4,053,032	100.0		
Arab countries	1,821,024	44.9	Syria (897,933)	Syria (49.3)
Other countries	1,274,640	31.5		
Europe	794,526	19.6	Turkey (311,259)	Turkey (39.2)
America	106,759	2.6	Brazil (85,133)	Brazil (79.7)
Asia without Arab countries	41,770	1.0	China (25,887)	China (62.0)
Africa without Arab countries	8,080	0.2	Ivory Coast (8,080)	Ivory Coast (100.0)
Oceania	6,504	0.2	Australia (6,384)	Australia (98.2)

Table made by CAS based on Customs General Directorate data (2008)

Table 6.11 – Foreign trade by continent in net quantities in 2008

Type of foreign trade	1,000 tons	%	t in net quantities in 2 Country in 1,000 tons	Country in %
Special imports by continent	12,505,619	100.0		
Europe	5,333,150	42.6	France (896,598)	France (16.8)
Arab countries	2,741,312	21.9	Syria (1,056,379)	Syria (38.5)
America	2,048,152	16.4	USA (1,849,446)	USA (90.3)
Other countries	1,536,331	12.3		
Asia without Arab countries	829,594	6.6	China (585,016)	China (70.5)
Oceania	13,339	0.1	Australia (11,026)	Australia (82.3)
Africa without Arab countries	3,741	0.1	Ivory Coast (3,741)	Ivory Coast (100.0)
General imports by continent	12,522,253	100.0		
Europe	5,477,695	43.7	France (874,714)	France (16.0)
Arab countries	2,820,033	22.5	Syria (1,057,046)	Syria (37.5)
America	2,068,764	16.5	USA (1,869,189)	USA (90.4)
Other countries	1,250,825	10.0		
Asia without Arab countries	887,805	7.1	China (598,471)	China (67.4)
Oceania	13,389	0.1	Australia (11,706)	Australia (82.7)
Africa without Arab countries	3,741	0.1	Ivory Coast (3,741)	Ivory Coast (100.0)
Special exports by continent	3,522,600	100.0		
Arab countries	1,704,860	48.4	Syria (852,278)	Syria (50.0)
Other countries	886,432	25.2		
Europe	775,275	22.0	Turkey (306,179)	Turkey (39.5)
America	102,621	2.9	Brazil (84,455)	Brazil (82.3)
Asia without Arab countries	40,387	1.1	China (25,106)	China (62.2)
Africa without Arab countries	7,357	0.2	Ivory Coast (7,357)	Ivory Coast (100.0)
Oceania	5,667	0.2	Australia (5,564)	Australia (98.1)
General exports by continent	3,959,099	100.0		
Arab countries	1,771,348	44.7	Syria (878,601)	Syria (49.6)
Other countries	1,242,627	31.4		
Europe	786,972	19.9	Turkey (310,616)	Turkey (39.5)
America	103,240	2.6	Brazil (85,018)	Brazil (82.3)
Asia without Arab countries	41,644	1.1	China (25,839)	China (62.0)
Africa without Arab countries	7,596	0.2	Ivory Coast (7,596)	Ivory Coast (100.0)
Oceania	5,672	0.1	Australia (5,568)	Australia (98.2)