

Figures released by the Ministry of Finance, Customs Directorate, show a trade deficit of US\$ 13,514 million during January-October 2019, 6.2 percent lower than the deficit of US\$ 14,410 million registered a year earlier. The US\$ 896 million improvement in the trade deficit is driven by significantly higher exports by US\$ 635 million coupled with a US\$ 261 million decrease in imports.

Total **imports** reached US\$ 16,612 million during January - October 2019, dropping down by 2 percent in value terms, while by volume terms it increased by 25 percent compared to the same period of 2018.

- Imports of "**Mineral fuel and oil**" increased significantly by 58 percent (US\$ 2,016 million), while in terms of volume it increased by 82 percent¹. This rise is mainly rooted in significantly higher EDL registered fuel imports by US\$ 2,149 million reaching US\$ 2,934 million² during January-October 2019 compared to US\$ 785 million during the same period of 2018. On the other hand, non EDL fuel imports decreased by 5 percent (US\$ 134 million) in value terms against a 1 percent increase in volume terms.
- Imports of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**" witnessed a major year-on-year retraction of 26 percent (US\$ 285 million)³ in terms of value, along with a sharper decline of 37 percent in volume terms⁴.
- Excluding "**Mineral fuel and oil**" and "**Unwrought gold, un-mounted diamond & precious stones**", imports decreased by 16 percent (US\$ 1,992 million) in January-October 2019 compared to the similar period of 2018. In details, most major import categories witnessed a year-on-year drop, mainly "**Vehicles other than railway**", "**Electrical machinery and equipment**", "**Aircraft engines, Boilers, machinery and mechanical appliances**" and "**Iron and Steel**" with 26 percent (US\$ 361 million)⁵, 28 percent (US\$ 253 million)⁶, 24 percent (US\$ 252 million)⁷ and 36 percent (US\$ 200 million)⁸ respectively.
- China and the United States both ranked as Lebanon's top import trading partners during January-October 2019 with a share of 9 percent from total imports each, noting that almost 22 percent of imports from China were "Electrical machinery and equipment" and 48 percent of imports from the United States were "Mineral fuel and oil"⁹. Russia and Greece followed with a share of 7 percent each.

¹ This can be partly explained by lower average price of Brent oil reaching US\$ 64.09 per barrel in Jan-Oct 2019 compared to US\$ 73.12 per barrel in the same period of 2018.

² Consisting of US\$ 1,446 million of gas oil and US\$ 1,488 million of fuel oil registered during Jan-Oct of 2019.

³ Out of which US\$ 223 million drop registered in "Gold (including gold plated with platinum) unwrought" sub-category, representing a y-o-y decline of 35 percent in value and reflecting a higher drop in volume terms by 58 percent.

⁴ With international gold prices rising from a year-to-date average of US\$ 1,276 per ounce in Jan-Oct 2018 to an average of US\$ 1,376 in Jan-Oct 2019.

⁵ With lower imports from top trading partners, mainly from Germany, the United States, Japan and the United Kingdom by US\$ 112 million, US\$ 78 million, US\$ 52 million and US\$ 23 million respectively.

⁶ This decrease is mainly attributed to lower imports from Turkey by 95 percent (US\$ 218 million).

⁷ With imports from China, Italy and Germany dropping by US\$ 144 million, US\$ 55 million and US\$ 39 million respectively.

⁸ Mainly due to lower imports from Saudi Arabia and Ukraine by US\$ 81 million and US\$ 74 million respectively.

⁹ Imports of "Mineral fuel and oil" from the United States witnessed a significant y-o-y increase, reaching US\$ 680 million in Jan-Oct 2019 compared to US\$ 381 million during the same period of 2018.

Exports amounted to US\$ 3,098 million in January-October 2019, reflecting a 26 percent rise in value despite the drop of 8 percent in volume terms, compared to the same period of 2018.

- Exports of "**Unwrought gold, un-mounted diamond & precious stones**" were the main trigger behind the mentioned hike in total exports, with a significant year-on-year increase of 119 percent (US\$ 659 million) in terms of value¹⁰. As a result, its share from total exports increased to 39 percent in Jan-Oct 2019 compared to 22 percent during the same period of 2018. Meanwhile, the rise in volume terms was less prominent with an increase of 24 percent when compared to 2018.
- Excluding "**Unwrought gold, un-mounted diamond & precious stones**", exports decreased by 1 percent (US\$ 24 million) in terms of value. This was mainly due to a drop in exports of "**Iron and steel**" and "**Copper and articles thereof**" by 41 percent (US\$ 43 million)¹¹ and 29 percent (US\$ 23 million)¹² respectively. This was partly offset by a rise in exports of "**Aircraft engines, Boilers, machinery and mechanical appliances**" with an increase of 42 percent (US\$ 53 million)¹³.
- **From a regional perspective**, exports to Arab countries witnessed an increase of 2 percent (US\$ 29 million) in Jan-Oct 2019 compared to the similar period of 2018. It is worth mentioning that this increase is mainly attributed to higher exports to Saudi Arabia, Egypt and Oman by 18 percent (US\$ 31 million), 18 percent (US\$ 10 million) and 35 percent (US\$ 7 million) respectively. These increases were partly counterbalanced by a drop in exports to the United Arab Emirates and Kuwait by 4 percent (US\$ 17 million) and 18 percent (US\$ 12 million) respectively.
- Lastly, the **breakdown of Lebanese exports by major destination** shows that Switzerland and the United Arab Emirates were at the top of the list during the first ten months of 2019 with respective shares of 28 percent¹⁴ and 12 percent from total exports, followed by Saudi Arabia and Syria with respective shares of 6 percent and 5 percent.

¹⁰ With higher exports of "gold (including gold plated with platinum) unwrought" by US\$ 683 million over the period under consideration.

¹¹ Mainly due to lower exports to Turkey by US\$ 86 million, despite the respective y-o-y increases of US\$ 26 million and US\$ 21 million in exports to Greece and Egypt.

¹² With exports to China and South Korea dropping by US\$ 8 million and US\$ 6 million respectively.

¹³ Mainly due to an increase in exports to Hong Kong and Georgia by US\$ 19 million and US\$ 12 million respectively.

¹⁴ With "Unwrought gold, un-mounted diamond & precious stones" being the majority of exports to Switzerland with a share of 99.6 percent.

Table 1: Trade activity by value

(US\$ millions)	2018	2019	% Change	2015	2016	2017	2018	2019	% Change
	Oct	Oct	Oct 2019/2018	Jan- Oct	Jan- Oct	Jan- Oct	Jan- Oct	Jan- Oct	Jan- Oct 2019/2018
Imports	1,718	1,308	-24%	15,103	16,044	16,223	16,874	16,612	-2%
<i>of which mineral fuel & oil</i>	340	338	-1%	2,827	3,589	3,516	3,471	5,487	58%
-EDL registered fuel imports	18	108	512%	423	1,673	1,042	785	2,934	274%
-Non EDL fuel imports	322	229	-29%	2,404	1,916	2,474	2,686	2,552	-5%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals</i>	99	83	-16%	674	1,037	801	1,109	824	-26%
Exports	265	292	10%	2,493	2,485	2,366	2,464	3,098	26%
<i>of which Unwrought gold, unmounted diamond, & precious metals</i>	47	117	150%	379	725	489	552	1,211	119%
Trade Balance	-1,454	-1,016	-30%	-12,610	-13,559	-13,857	-14,410	-13,514	-6.2%

Source: Directorate General of Customs, Ministry of Finance

Table 2: Trade activity by volume

(Millions of kgs)	2018	2019	% Change	2015	2016	2017	2018	2019	% Change
	Oct	Oct	Oct 2019/2018	Jan- Oct	Jan- Oct	Jan- Oct	Jan- Oct	Jan- Oct	Jan- Oct 2019/2018
Imports	1,371	1,187	-13%	13,809	16,189	15,953	13,235	16,532	25%
<i>of which mineral fuel & oil</i>	524	616	18%	5,705	8,079	7,786	5,460	9,945	82%
-EDL registered fuel imports	59	225	279%	1,190	3,422	2,764	1,175	5,618	378%
-Non EDL fuel imports	464	392	-16%	4,516	4,657	5,022	4,285	4,327	1%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals (Kgs)</i>	63,054	50,096	-21%	866,096	954,569	1,177,022	933,291	590,282	-37%
Exports	185	127	-32%	1,669	1,339	1,669	1,546	1,424	-8%
<i>of which Unwrought gold, unmounted diamond, & precious metals (Kgs)</i>	562	3,181	466%	51,823	40,872	65,283	38,496	47,877	24%
Trade Balance	-1,186	-1,060	-11%	-12,140	-14,850	-14,284	-11,689	-15,108	29%

Source: Directorate General of Customs, Ministry of Finance

Table 3: IMPORT Distribution by Product (in US\$ million)

Rank	Product	Jan- Oct		Jan- Oct		Value change	% change
		2018	% share	2019	% share		
1	Mineral fuels, mineral oils and products of their distillation	3,471	21%	5,487	33%	2016	58%
2	Pharmaceutical products	1,103	7%	1,050	6%	-53	-5%
3	Vehicles other than railway	1,367	8%	1,006	6%	-361	-26%
4	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	1,109	7%	824	5%	-285	-26%
5	Aircraft engines, Boilers, machinery and mechanical appliances	1,050	6%	797	5%	-252	-24%
6	Electrical machinery and equipment	916	5%	663	4%	-253	-28%
7	Plastic and articles thereof	529	3%	476	3%	-54	-10%
8	Articles of apparel and clothing accessories	434	3%	385	2%	-49	-11%
9	Iron and steel	557	3%	357	2%	-200	-36%
10	Live Animals	343	2%	275	2%	-68	-20%
	Others	5,995	36%	5,294	32%	-701	-12%
	Total	16,874	100%	16,612	100%	-262	-2%

Source: MOF, DGC

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

Rank	Product	Jan- Oct		Jan- Oct		Value change	% change
		2018	% share	2019	% share		
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	552	22%	1,211	39%	659	119%
2	Aircraft engines, Boilers, machinery and mechanical appliances	126	5%	179	6%	53	42%
3	Electrical and machinery	143	6%	139	4%	-4	-3%
4	Plastic and articles thereof	144	6%	129	4%	-15	-10%
5	Essential oils and resinoids	100	4%	106	3%	6	6%
6	Preparations of vegetable	86	4%	96	3%	10	11%
7	Printed books, newspapers	60	2%	66	2%	6	10%
8	Iron and steel	106	4%	63	2%	-43	-41%
9	Copper and articles thereof	79	3%	56	2%	-23	-29%
10	Fertilizers	65	3%	55	2%	-10	-16%
	Others	1,002	41%	998	32%	-3	0%
	Total	2,464	100%	3,098	100%	635	26%

Source: MOF, DGC



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