



Figures released by the Ministry of Finance, Customs Directorate, show a trade deficit of US\$ 15,705 million during January-November 2018, 2.3 percent higher than the deficit of US\$ 15,354 million registered a year earlier<sup>1</sup>. The US\$ 351 million deterioration in the trade deficit is rooted in higher imports by US\$ 462 million partly offset by an increase of US\$ 111 million in exports during the period under consideration.

Total **imports** reached US\$ 18,411 million during January-November 2018, registering a 3 percent increase in value terms, against a drop of 18 percent in volume terms when compared to the same period of 2017.

- Imports of "**Mineral fuel and oil**" decreased by 6 percent (US\$ 220 million) in value along with a larger drop of 32 percent in volume terms<sup>2</sup>. This drop was due to a 37 percent (US\$ 456 million) reduction in the registered EDL fuel imports reaching US\$ 785 million by the end of November 2018, which was mostly offset by an increase of 9 percent (US\$ 235 million) in non-EDL fuel imports.
- Imports of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**" increased by 36 percent (US\$ 312 million) during January-November 2018 mainly due to the rise in imports from the United Arab Emirates, Switzerland and Ghana by US\$ 215 million<sup>3</sup>, US\$ 90 million and US\$ 68 million respectively, despite the drop in imports from other countries mainly Togo and Benin by US\$ 49 million and US\$ 29 million respectively. In terms of volume, these imports witnessed a drop of 21 percent<sup>4</sup>.
- Excluding "**Mineral fuel and oil**" and "**Unwrought gold, un-mounted diamond & precious stones**", imports increased by 3 percent (US\$ 371 million) during January-November 2018 compared to the same period of 2017. In details, the main year-on-year changes were witnessed in the following categories:
  1. Imports of "**Electrical machinery and equipment**" which rose up by 41 percent (US\$ 294 million) due to an increase in imports from Turkey and China by US\$ 217 million and US\$ 113 million respectively, maintaining their ranking as top partners<sup>5</sup>.
  2. Imports of "**Live animals**" which rose by 31 percent (US\$ 91 million) partly due to an increase in imports from Spain by 78 percent (US\$ 37 million) enlarging its share from total imports in this category to 22 percent, followed by an increase in imports from Romania and Colombia by 231 percent (US\$ 19 million) and by 94 percent (US\$ 13 million) respectively. Despite that, Brazil and Croatia ranked the second and third import partners in this category with respective shares of 16 percent and 13 percent.

<sup>1</sup> Trade figures for the years 2014-2017 differ from those previously published due to the reallocation of the fuel oil consignments received by EDL between 20/11/2011 and 31/10/2017 over the respective months of the covered period, and that were initially recorded as a bulk in December 2017 due to the delay in registering the related Customs declarations.

<sup>2</sup> The discrepancy between the value and the volume y-o-y change is rooted in higher international fuel prices with the Brent reaching an average of US\$ 72.34 per barrel during Jan-Nov 2018 compared to US\$ 53.30 per barrel during the same period of 2017.

<sup>3</sup> This increase placed UAE on top of the import partners when it comes to "Unwrought & semi-manufactured gold, diamonds, precious stones & metals" followed by Switzerland with respective shares of 21 percent and 19 percent.

<sup>4</sup> Due to the increase in imports of the high value sub-components, mainly "Diamonds" and "Gold (including gold plated with platinum) unwrought" by US\$ 207 million and US\$ 92 million respectively.

<sup>5</sup> China being at the first place and Turkey at the second with respective shares of 36 percent and 23 percent from total imports of this category.

3. Imports of **“Aircraft engines, Boilers, machinery and mechanical appliances”** which rose up by 8 percent (US\$ 90 million) due to an increase in imports from China and Italy by 28 percent (US\$ 81 million) and 26 percent (US\$ 32 million) respectively, maintaining their positions as the main import partners in this category with respective shares of 32 percent and 13 percent, this was partly offset by the decrease in imports from France by 57 percent (US\$ 30 million).
  4. Imports of **“Pharmaceutical products”** which increased by 4 percent (US\$ 44 million) partly due to higher imports from Switzerland by 34 percent (US\$ 27 million) and Germany by 9 percent (US\$ 17 million). Germany remained the top import partner in this category with a share of 17 percent followed by the United States with a share of 11 percent.
  5. On the other hand, imports of **“Vehicles other than railway”** decreased by 11 percent (US\$ 184 million) due to a drop in imports from Germany, Korea and Japan by 21 percent (US\$ 89 million), 47 percent (US\$ 47 million) and 12 percent (US\$ 28 million) respectively.
- As for the main import partners, China ranked first during January-November 2018 with a share of 10 percent from total imports, noting that the main imports from this country were **“Aircraft engines, Boilers, machinery and mechanical appliances”** with a share of 20 percent. Greece and Italy followed with respective shares of 9 percent and 8 percent.

**Exports** amounted to US\$ 2,706 million during January-November 2018, reflecting a 4 percent increase compared to the same period of 2017, yet in volume terms, figures reveal a drop of 5 percent.

- Exports of **“Unwrought gold, un-mounted diamond & precious stones”** were the main reason behind this increase in total exports, jumping up by 11 percent (US\$ 59 million) in terms of value, with **“Diamond”** being the prominent export component of this category rising up by 329 percent (US\$ 202 million), explaining the discrepancy with the 36 percent drop in terms of volume.
- Excluding **“Unwrought gold, un-mounted diamond & precious stones”**, exports increased by 3 percent (US\$ 52 million). This is mainly due to higher exports of **“Plastics and articles thereof”**, **“Iron and steel”** and **“Fertilizers”** by 20 percent (US\$ 27 million)<sup>6</sup>, 28 percent (US\$ 26 million)<sup>7</sup> and 31 percent (US\$ 15 million)<sup>8</sup> respectively.
- **From a regional perspective**, exports to Arab countries witnessed a year-on-year increase of 9 percent (US\$ 115 million) during January-November 2018. It is worth mentioning that this rise is mainly attributed to higher exports to the United Arab Emirates and Qatar by 83 percent (US\$ 190 million)<sup>9</sup> and 40 percent (US\$ 35 million) respectively. On the other hand, exports to Syria, Saudi Arabia and Iraq dropped by 20 percent (US\$ 46 million), 12 percent (US\$ 27 million) and 16 percent (US\$ 25 million) respectively.
- Lastly, **the breakdown of Lebanese exports by major destinations** shows that the United Arab Emirates was at the top of the list during January-November 2018 with a share of 15 percent from total exports, noting that almost 64 percent of exports to this country consisted of **“Unwrought & semi-manufactured gold, diamonds, precious stones & metals”**. Saudi Arabia and Syria followed with a share of 7 percent each.

<sup>6</sup> This is mainly due to higher exports to Syria by 51 percent (US\$ 21 million).

<sup>7</sup> With higher exports to Greece and Turkey by US\$ 9 million and US\$ 8 million respectively.

<sup>8</sup> Due to higher exports to France by US\$ 11 million and Brazil by US\$ 9 million.

<sup>9</sup> Driven by a significant rise in exports of **“Unwrought gold, un-mounted diamond & precious stones”** by 295 percent (US\$ 202 million).

**Table 1: Trade activity by value**

(US\$ millions)	2017	2018	%	2014	2015	2016	2017	2018	% Change
	Nov	Nov	Nov 2018/2017	Jan-Nov	Jan-Nov	Jan-Nov	Jan-Nov	Jan-Nov	Jan-Nov 2018/2017
<b>Imports</b>	<b>1,726</b>	<b>1,536</b>	<b>-11%</b>	<b>19,676</b>	<b>16,685</b>	<b>17,537</b>	<b>17,949</b>	<b>18,411</b>	<b>3%</b>
<i>of which mineral fuel &amp; oil</i>	425	249	-41%	5,269	3,190	3,801	3,940	3,720	-6%
<i>-EDL registered fuel imports</i>	199	0	-100%	1,665	609	1,715	1,241	785	-37%
<i>-Non EDL fuel imports</i>	225	249	10%	3,604	2,580	2,086	2,699	2,935	9%
<i>of which Unwrought &amp; semi-manufactured gold, diamonds, precious stones &amp; metals</i>	73	76	5%	900	738	1,137	873	1,185	36%
<b>Exports</b>	<b>229</b>	<b>242</b>	<b>6%</b>	<b>3,045</b>	<b>2,716</b>	<b>2,732</b>	<b>2,595</b>	<b>2,706</b>	<b>4%</b>
<i>of which Unwrought gold, un-mounted diamond, &amp; precious metals</i>	45	41	-9%	511	407	781	535	593	11%
<b>Trade Balance</b>	<b>-1,497</b>	<b>-1,295</b>	<b>-14%</b>	<b>-16,631</b>	<b>-13,969</b>	<b>-14,804</b>	<b>-15,354</b>	<b>-15,705</b>	<b>2%</b>

Source: Directorate General of Customs, Ministry of Finance

**Table 2: Trade activity by volume**

(Millions of Kgs)	2017	2018	%	2014	2015	2016	2017	2018	% Change
	Nov	Nov	Nov 2018/2017	Jan-Nov	Jan-Nov	Jan-Nov	Jan-Nov	Jan-Nov	Jan-Nov 2018/2017
<b>Imports</b>	<b>1,664</b>	<b>1,147</b>	<b>-31%</b>	<b>15,390</b>	<b>15,295</b>	<b>17,548</b>	<b>17,618</b>	<b>14,381</b>	<b>-18%</b>
<i>of which mineral fuel &amp; oil</i>	817	383	-53%	6,476	6,401	8,604	8,603	5,843	-32%
<i>-EDL registered fuel imports</i>	420	0	-100%	2,156	1,494	3,555	3,184	1,175	-63%
<i>-Non EDL fuel imports</i>	397	383	-4%	4,321	4,906	5,048	5,419	4,668	-14%
<i>of which Unwrought &amp; semi-manufactured gold, diamonds, precious stones &amp; metals (Kgs)</i>	146,371	62,451	-57%	1,184,551	934,286	1,049,959	1,323,394	995,741	-25%
<b>Exports</b>	<b>118</b>	<b>154</b>	<b>31%</b>	<b>2,058</b>	<b>1,796</b>	<b>1,499</b>	<b>1,787</b>	<b>1,700</b>	<b>-5%</b>
<i>of which Unwrought gold, un-mounted diamond, &amp; precious metals (Kgs)</i>	2,946	5,316	80%	80,974	65,060	55,982	68,230	43,812	-36%
<b>Trade Balance</b>	<b>-1,546</b>	<b>-992</b>	<b>-36%</b>	<b>-13,332</b>	<b>-13,499</b>	<b>-16,050</b>	<b>-15,831</b>	<b>-12,681</b>	<b>-20%</b>

Source: Directorate General of Customs, Ministry of Finance

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

Rank	Product	Jan-Nov 2017	% share	Jan-Nov 2018	% share	Value change	% change
1	Mineral fuels, mineral oils and products of their distillation	3,940	22%	3,720	20%	-220	-6%
2	Vehicles other than railway	1,671	9%	1,487	8%	-184	-11%
3	Pharmaceutical products	1,168	7%	1,212	7%	44	4%
4	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	873	5%	1,185	6%	312	36%
5	Aircraft engines, Boilers, machinery and mechanical appliances	1,062	6%	1,152	6%	90	8%
6	Electrical machinery and equipment	709	4%	1,003	5%	294	41%
7	Iron and steel	584	3%	600	3%	16	3%
8	Plastic and articles thereof	587	3%	586	3%	-1	0%
9	Articles of apparel and clothing accessories	487	3%	474	3%	-13	-3%
10	Live animals	296	2%	387	2%	91	31%
	Others	6,572	37%	6,604	36%	32	0%
	<b>Total</b>	<b>17,949</b>	<b>100%</b>	<b>18,411</b>	<b>100%</b>	<b>462</b>	<b>3%</b>

Source: MOF, DGC

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

Rank	Product	Jan-Nov 2017	% share	Jan-Nov 2018	% share	Value change	% change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	535	21%	593	22%	59	11%
2	Plastic and articles thereof	133	5%	160	6%	27	20%
3	Electrical machinery and equipment	161	6%	157	6%	-3	-2%
4	Aircraft engines, Boilers, machinery and mechanical appliances	130	5%	139	5%	8	6%
5	Iron and steel	93	4%	119	4%	26	28%
6	Essential oils and resinoids	112	4%	109	4%	-4	-3%
7	Preparations of vegetable	98	4%	95	4%	-3	-3%
8	Copper and articles thereof	76	3%	88	3%	12	16%
9	Edible fruits and nuts	59	2%	68	3%	9	15%
10	Fertilizers	50	2%	66	2%	15	31%
	Others	1,147	44%	1,111	41%	-36	-3%
	<b>Total</b>	<b>2,595</b>	<b>100%</b>	<b>2,706</b>	<b>100%</b>	<b>111</b>	<b>4%</b>

Source: MOF, DGC



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