

Figures released by the Ministry of Finance, Customs Directorate, indicate a trade deficit of US\$ 4,093 million for Jan-Mar 2019, 2 percent higher than the deficit of US\$ 3,996 million registered a year earlier. The US\$ 98 million deterioration in the trade deficit is rooted in higher imports by US\$ 139 million partly counterbalanced by the increase of US\$ 42 million in exports.

Total **imports** reached US\$ 4,949 million during Jan-Mar 2019, increasing by 3 percent in value terms and by 21 percent in volume terms compared to the same period of 2018.

- Imports of "**Mineral fuel and oil**" increased significantly by 90 percent (US\$ 752 million) while in terms of volume it increased by 81 percent. This rise is mainly rooted in significantly higher EDL fuel imports by 608 percent (US\$ 702 million) reaching US\$ 817 million¹ during the first quarter of 2019 compared to US\$ 115 million during the first quarter of 2018. On the other hand, non EDL fuel imports increased at a slower pace with 7 percent (US\$ 51 million) against 14 percent in volume terms.
- Imports of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**" witnessed a major year-on-year drop of 34 percent (US\$ 120 million) in terms of value, along with a sharper decline of 71 percent in volume terms, with average gold price decreasing to US\$ 1,303 per ounce during Jan-Mar 2019 compared to US\$ 1,329 per ounce during the same period of 2018.
- Excluding "**Mineral fuel and oil**" and "**Unwrought gold, un-mounted diamond & precious stones**", imports decreased by 14 percent (US\$ 493 million) in Jan-Mar 2019 compared to the similar period of 2018. In details, the main decreases were witnessed in "**Aircraft engines, Boilers, machinery and mechanical appliances**", "**Vehicles other than railway**" and "**Iron and Steel**" with 32 percent (US\$ 116 million)², 24 percent (US\$ 88 million)³ and 39 percent (US\$ 78 million)⁴ respectively. These decreases were slightly counterbalanced by an increase of 16 percent (US\$ 30 million)⁵ in imports of "**Electrical machinery and equipment**".
- Russia ranked as Lebanon's top import trading partner in Jan-Mar 2019 with a share of 12 percent of total imports, with almost 92 percent of imports from this country being "**Mineral fuel and oil**"⁶. China and Greece followed with shares of 9 percent and 7 percent respectively.

Exports amounted to US\$ 856 million in Jan-Mar 2019, reflecting a 5 percent rise in value despite the significant drop of 14 percent in volume terms, compared to the same period of 2018.

¹ This surge in EDL fuel imports can be partly explained by the fact that these imports entered the market under a special permission and were registered as a bulk in March 2019, whereas they should have been recognized in their respective periods.

² This decrease is mainly attributed to lower imports from China by 62 percent (US\$ 101 million) and Italy by 43 percent (US\$ 20 million) that were slightly counterbalanced by higher imports from the United Kingdom by 146 percent (US\$ 14 million).

³ With lower imports from Germany by US\$ 25 million, as well as the United States and Japan by US\$ 21 million each.

⁴ Imports from Saudi Arabia, Ukraine and Russia were the main sources for this drop with respective decreases of US\$ 33 million, US\$ 23 million and US\$ 12 million.

⁵ With higher imports from China by US\$ 30 million.

⁶ Imports of "Mineral fuel and oil" from Russia witnessed a significant y-o-y increase, reaching US\$ 542 million in Jan-Mar 2019 compared to US\$ 123 million in Jan-Mar 2018.

- Exports of "**Unwrought gold, un-mounted diamond & precious stones**" increased by 16 percent (US\$ 38 million) in terms of value during the first quarter of 2019, which was reflected in turn by a 10 percent increase in terms of volume.
- Excluding "**Unwrought gold, un-mounted diamond & precious stones**", exports increased by a mere 1 percent (US\$ 4 million) in terms of value. The main export categories witnessing year-on-year changes were "**Aircraft engines, Boilers, machinery and mechanical appliances**" and "**Mineral fuels and oils**" with respective increases of 82 percent (US\$ 26 million)⁷ and 288 percent (US\$ 17 million)⁸, against a drop in exports of "**Iron and steel**" by 55 percent (US\$ 24 million)⁹.
- **From a regional perspective**, exports to Arab countries witnessed an increase of 17 percent (US\$ 59 million) in Jan-Mar 2019 compared to the similar period of 2018. It is worth mentioning that this increase is mainly attributed to higher exports to the United Arab Emirates and Syria by 32 percent (US\$ 28 million) and 45 percent (US\$ 19 million) respectively. These increases were partly counterbalanced by a drop in exports to Kuwait by 27 percent (US\$ 6 million) and Iraq by 14 percent (US\$ 5 million).
- Lastly, the **breakdown of Lebanese exports by major destination** shows that Switzerland was at the top of the list during the first quarter of 2019 with a share of 15 percent of total exports, followed by the United Arab Emirates and Syria with respective shares of 14 percent and 7 percent.

⁷ Mainly due to an increase in exports to Hong Kong and Georgia by US\$ 10 million and US\$ 9 million respectively.

⁸ Mostly going to Syria with exports reaching US\$ 19 million in Jan-Mar 2019 against less than US\$ 1 million in the same period of 2018.

⁹ Mainly due to lower exports to Turkey by US\$ 39 million, despite the US\$ 10 million increase in exports to Greece.

Table 1: Trade activity by value

(US\$ millions)	2018	2019	% Change	2015	2016	2017	2018	2019	% Change
	March	March	Mar 2019/2018	Jan- Mar	Jan- Mar	Jan- Mar	Jan- Mar	Jan- Mar	Jan-Mar 2019/2018
Imports	1,669	2,181	31%	4,269	4,688	5,147	4,810	4,949	3%
<i>of which mineral fuel & oil</i>	322	1,088	237%	813	1,252	1,362	834	1,587	90%
-EDL registered fuel imports	94	817	772%	99	724	548	115	817	608%
-Non EDL fuel imports	229	271	18%	714	528	815	719	770	7%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals</i>	113	71	-37%	198	213	327	355	234	-34%
Exports	283	320	13%	744	634	730	814	856	5%
<i>of which Unwrought gold, un-mounted diamond, & precious metals</i>	62	77	24%	120	109	179	237	275	16%
Trade Balance	-1,386	-1,861	34%	-3,525	-4,053	-4,417	-3,996	-4,093	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
	March	March	Mar 2019/2018	Jan- Mar	Jan- Mar	Jan- Mar	Jan- Mar	Jan- Mar	Jan-Mar 2019/2018
Imports	1,411	2,380	68.7%	3,759	4,922	5,636	3,816	4,610	21%
<i>of which mineral fuel & oil</i>	571	1,727	203%	1,622	2,632	3,012	1,463	2,648	81%
-EDL registered fuel imports	188	1,240	559%	287	1,211	1,378	223	1,240	456%
-Non EDL fuel imports	382	487	27%	1,335	1,422	1,634	1,240	1,408	14%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals (Kgs)</i>	148,228	36,730	-75%	212,330	215,773	226,157	485,080	141,910	-71%
Exports	163	201	23%	446	351	488	486	420	-14%
<i>of which Unwrought gold, un-mounted diamond, & precious metals (Kgs)</i>	8,038	4,614	-43%	14,539	10,081	12,057	14,469	15,870	10%
Trade Balance	-1,248	-2,179	75%	-3,313	-4,571	-5,148	-3,330	-4,190	26%

Source: Directorate General of Customs, Ministry of Finance

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

Rank	Product	Jan-Mar 2018	% Share	Jan-Mar 2019	% Share	Value Change	% Change
1	Mineral fuels and oils	834	17%	1,587	32%	752	90%
2	Pharmaceutical products	344	7%	324	7%	-20	-6%
3	Vehicles and accessories, cranes & lorries	368	8%	280	6%	-88	-24%
4	Aircraft engines, Boilers, machinery and mechanical appliances	360	7%	245	5%	-116	-32%
5	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	355	7%	234	5%	-120	-34%
6	Electrical machinery and equipment	186	4%	216	4%	30	16%
7	Plastics and articles thereof	144	3%	137	3%	-7	-5%
8	Iron and steel	200	4%	122	2%	-78	-39%
9	Articles of apparel and clothing	142	3%	118	2%	-24	-17%
10	Cereals	74	2%	83	2%	8	11%
	Other	1,801	37%	1,602	32%	-198	-11%
	Total	4,810	100%	4,949	100%	139	3%

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

Rank	Product	Jan-Mar 2018	% Share	Jan-Mar 2019	% Share	Value Change	% Change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	237	29%	275	32%	38	16%
2	Aircraft engines, Boilers, machinery and mechanical appliances	32	4%	59	7%	26	82%
3	Electrical machinery and equipment	40	5%	40	5%	0	0%
4	Plastics and articles thereof	38	5%	40	5%	2	5%
5	Preparations of vegetable	31	4%	32	4%	1	4%
6	Essential oils and resinoids	28	3%	31	4%	3	11%
7	Mineral fuels and oils	6	1%	23	3%	17	288%
8	Copper and articles thereof	25	3%	20	2%	-5	-21%
9	Iron and steel	44	5%	20	2%	-24	-55%
10	Edible fruits and nuts	22	3%	19	2%	-3	-15%
	Other	311	38%	297	35%	-13	-4%
	Total	814	100%	856	100%	42	5%



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