

Figures released by the Ministry of Finance, Customs Directorate, indicate a trade deficit of US\$ 11,374 million during January-August 2019, 3 percent lower than the deficit of US\$ 11,733 million registered a year earlier. The US\$ 358 million improvement in the trade deficit is driven by higher exports of US\$ 479 million partly offset by a lower rise of US\$ 120 million in imports.

Total **imports** reached US\$ 13,839 million during January-August 2019, increasing by 1 percent in value terms and by 29 percent in volume terms compared to the same period of 2018.

- Imports of "**Mineral fuel and oil**" increased significantly by 64 percent (US\$ 1,821 million), while in terms of volume it increased by 87 percent¹. This rise is mainly rooted in significantly higher EDL fuel imports of US\$ 1,847 million reaching US\$ 2,614 million during January-August 2019 compared to US\$ 767 million during the same period of 2018. On the other hand, non EDL fuel imports decreased slightly by 1 percent (US\$ 26 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 decline of 30 percent (US\$ 268 million) in terms of value, along with a sharper decline of 40 percent in volume terms².
- Excluding "**Mineral fuel and oil**" and "**Unwrought gold, un-mounted diamond & precious stones**", imports decreased by 14 percent (US\$ 1,432 million) in January-August 2019 compared to the similar period of 2018. In details, most major imports witnessed a year-on-year drop, mainly "**Vehicles other than railway**", "**Electrical machinery and equipment**" and "**Aircraft engines, Boilers, machinery and mechanical appliances**" with 22 percent (US\$ 248 million)³, 27 percent (US\$ 204 million)⁴ and 23 percent (US\$ 202 million)⁵ respectively.
- The United States and China both ranked as Lebanon's top import trading partners during January-August 2019 with a share of 9 percent of total imports each, noting that almost 51 percent of imports from the United States were "**Mineral fuel and oil**"⁶ and 22 percent of imports from China were "**Electrical machinery and equipment**". Russia and Italy followed with respective shares of 8 percent and 7 percent.

Exports amounted to US\$ 2,464 million in January-August 2019, reflecting a 24 percent rise in value despite the drop of 1 percent in volume terms, compared to the same period of 2018.

¹ This can be partly explained by lower average price of Brent oil reaching US\$ 64.84 per barrel in Jan-Aug 2019 compared to US\$ 71.37 per barrel in the same period of 2018.

² With international gold prices rising from a year-to-date average of US\$ 1292 per ounce in Jan-Aug 2018 to an average of US\$ 1344 in Jan-Aug 2019.

³ With lower imports from top trading partners, mainly from Germany, the United States and Japan by US\$ 79 million, US\$ 52 million and US\$ 39 million respectively.

⁴ This decrease is mainly attributed to lower imports from Turkey by 96 percent (US\$ 218 million).

⁵ With imports from China, Italy and Germany dropping by US\$ 129 million, US\$ 48 million and US\$ 24 million respectively.

⁶ Imports of "**Mineral fuel and oil**" from United States witnessed a significant y-o-y increase, reaching US\$ 632 million in January – August 2019 compared to US\$ 361 million during the same period in 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 97 percent (US\$ 453 million) in terms of value⁷ along with a slighter rise of 9 percent during January-August 2019.
- Excluding "**Unwrought gold, un-mounted diamond & precious stones**", exports improved by 2 percent (US\$ 25 million) in terms of value. This was mainly due to a rise in exports of "**Aircraft engines, Boilers, machinery and mechanical appliances**" and "**Mineral fuels and oils**" with respective increases of 50 percent (US\$ 45 million)⁸ and 226 percent (US\$ 33 million)⁹, against a drop in exports of "**Iron and steel**" and "**Copper and articles thereof**" by 34 percent (US\$ 31 million)¹⁰ and 26 percent (US\$ 17 million)¹¹ respectively.
- **From a regional perspective**, exports to Arab countries witnessed an increase of 10 percent (US\$ 93 million) in Jan-Aug 2019 compared to the similar period of 2018. It is worth mentioning that this increase is mainly attributed to higher exports to Saudi Arabia, Syria and the United Arab Emirates by 17 percent (US\$ 23 million), 18 percent (US\$ 22 million) and 8 percent (US\$ 22 million) respectively. These increases were partly counterbalanced by a drop in exports to Kuwait by 19 percent (US\$ 11 million).
- 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 eight months of 2019 with respective shares of 26 percent¹² and 12 percent of total exports, followed by Saudi Arabia and Syria with a share of 6 percent each.

⁷ With higher exports of "gold (including gold plated with platinum) unwrought" by US\$ 434 million over the period under consideration.

⁸ Mainly due to an increase in exports to Georgia and Hong Kong by US\$ 12 million and US\$ 9 million respectively.

⁹ Mostly going to Syria with exports reaching US\$ 36 million in Jan-Aug 2019 against US\$ 1 million during the same period of 2018.

¹⁰ Mainly due to lower exports to Turkey by US\$ 75 million, despite the respective increases of US\$ 27 million and US\$ 21 million in exports to Greece and Egypt.

¹¹ With exports to China and South Korea dropping by US\$ 5 million and US\$ 4 million respectively.

¹² 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
	August	August	August 2019/2018	Jan-Aug	Jan-Aug	Jan-Aug	Jan-Aug	Jan-Aug	Jan-Aug 2019/2018
Imports	1,820	1,504	-17%	12,144	13,029	13,095	13,718	13,839	1%
<i>of which mineral fuel & oil</i>	324	459	42%	2,280	3,053	2,856	2,860	4,681	64%
-EDL registered fuel imports	0	168	NA	357	1,585	933	767	2,614	241%
-Non EDL fuel imports	324	291	-10%	1,923	1,468	1,923	2,093	2,067	-1%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals</i>	117	97	-17%	561	797	671	904	636	-30%
Exports	229	375	64%	1,990	1,974	1,903	1,986	2,464	24%
<i>of which Unwrought gold, un-mounted diamond, & precious metals</i>	40	190	374%	297	560	401	468	922	97%
Trade Balance	-1,591	-1,129	-29%	-10,154	-11,055	-11,193	-11,733	-11,374	-3%

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
	August	August	August 2019/2018	Jan-Aug	Jan-Aug	Jan-Aug	Jan-Aug	Jan-Aug	Jan-Aug 2019/2018
Imports	1,262	1,379	9%	10,949	13,327	13,151	10,685	13,775	29%
<i>of which mineral fuel & oil</i>	495	815	64%	4,495	6,818	6,428	4,530	8,449	87%
-EDL registered fuel imports	0	316	NA	965	3,133	2,465	1,116	4,993	348%
-Non EDL fuel imports	495	499	1%	3,530	3,686	3,963	3,415	3,456	1%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals (Kgs)</i>	66,913	56,708	-15%	689,858	716,127	885,552	822,107	492,973	-40%
Exports	154	154	0%	1,285	1,031	1,331	1,197	1,183	-1%
<i>of which Unwrought gold, un-mounted diamond, & precious metals (Kgs)</i>	1,892	5,280	179%	35,097	27,155	53,820	37,044	40,233	9%
Trade Balance	-1,108	-1,225	11%	-9,664	-12,296	-11,820	-9,487	-12,592	33%

Source: Directorate General of Customs, Ministry of Finance

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

Rank	Product	Jan- Aug 2018	% share	Jan- Aug 2019	% share	Value change	% change
1	Mineral fuels, mineral oils and products of their distillation	2,860	21%	4,681	34%	1,821	64%
2	Pharmaceutical products	901	7%	858	6%	-43	-5%
3	Vehicles other than railway	1,105	8%	857	6%	-248	-22%
4	Aircraft engines, Boilers, machinery and mechanical appliances	872	6%	671	5%	-202	-23%
5	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	904	7%	636	5%	-268	-30%
6	Electrical machinery and equipment	756	6%	553	4%	-204	-27%
7	Plastic and articles thereof	422	3%	396	3%	-26	-6%
8	Articles of apparel and clothing accessories	336	2%	302	2%	-33	-10%
9	Iron and steel	451	3%	293	2%	-158	-35%
10	Live Animals	270	2%	225	2%	-45	-17%
	Others	4,840	35%	4,368	32%	-473	-10%
	Total	13,718	100%	13,839	100%	120	1%

Source: MOF, DGC

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

Rank	Product	Jan- Aug 2018	% share	Jan- Aug 2019	% share	Value change	% change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	468	24%	922	37%	453	97%
2	Aircraft engines, Boilers, machinery and mechanical appliances	90	5%	135	5%	45	50%
3	Electrical and machinery	111	6%	111	4%	-1	0%
4	Plastic and articles thereof	114	6%	109	4%	-5	-4%
5	Essential oils and resinoids	79	4%	86	3%	7	8%
6	Preparations of vegetable	69	3%	79	3%	9	14%
7	Iron and steel	90	5%	59	2%	-31	-34%
8	Printed books, newspapers	50	3%	58	2%	8	16%
9	Mineral fuels, mineral oils and products of their distillation	15	1%	48	2%	33	226%
10	Copper and articles thereof	65	3%	48	2%	-17	-26%
	Others	834	42%	810	33%	-24	-3%
	Total	1,986	100%	2,464	100%	479	24%

Source: MOF, DGC



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