

Figures released by the Ministry of Finance, Customs Directorate, show a trade deficit of US\$ 12,957 million during January-September 2018, 5 percent higher than the deficit of US\$ 12,342 million registered a year earlier¹. The US\$ 615 million deterioration in the trade deficit is rooted in higher imports by US\$ 702 million partly offset by an increase of US\$ 87 million in exports during the period under consideration.

Total **imports** reached US\$ 15,156 million during January-September 2018, registering a 5 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**" witnessed a slight decrease of less than 1 percent (US\$ 29 million) in value while it decreased by 30 percent in volume terms². The former drop was driven by a 20 percent (US\$ 189 million) reduction in EDL fuel imports which reached a total of US\$ 767 million by the end of September 2018 and was offset by the increase of 7 percent (US\$ 161 million) in non-EDL registered fuel imports. .
- Imports of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**" increased by 37 percent (US\$ 272 million) during January-September 2018 mainly due to the rise in imports from the United Arab Emirates, Switzerland and Ghana by US\$ 157 million, US\$ 76 million³ and US\$ 62 million respectively, despite the drop in imports from other countries mainly Benin and Togo by US\$ 26 million and US\$ 23 million respectively. In terms of volume, these imports witnessed a drop of 11 percent⁴.
- Excluding "**Mineral fuel and oil**" and "**Unwrought gold, un-mounted diamond & precious stones**", imports increased by 4 percent (US\$ 458 million) during January-September 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 47 percent (US\$ 265 million) due to an increase in imports from Turkey and China by US\$ 217 million and US\$ 77 million respectively, maintaining their previous month ranking⁵.
 2. Imports of "**Aircraft engines, Boilers, machinery and mechanical appliances**" which jumped up by 8 percent (US\$ 74 million) due to an increase in imports from China and Italy by 33 percent (US\$ 81 million) and 32 percent (US\$ 33 million) respectively, placing them as the main import partners in this category with respective shares of 34 percent and 14 percent.
 3. Imports of "**Live animals**" which rose by 21 percent (US\$ 51 million) partly due to an increase in imports from Romania by 228 percent (US\$ 17 million) enlarging its share of imports from 3 percent to 8 percent. Despite that, Spain and Croatia remained the top import partners with respective shares of 19 percent and 14 percent.

¹ 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.

² 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\$ 72.16 per barrel during January- September of 2018 compared to US\$ 51.75 per barrel during the same period of 2017.

³ This increase placed Switzerland on top of the import partners when it comes to "Unwrought & semi-manufactured gold, diamonds, precious stones & metals" followed by United Arab Emirates with respective shares of 19 percent and 18 percent.

⁴ Due to the increase in imports of the high value sub-components, mainly "Diamonds" and "Gold (including gold plated with platinum) unwrought" by US\$ 162 million and US\$ 103 million respectively.

⁵ China being at the first place and Turkey at the second with respective shares of 33 percent and 27 percent.

4. Imports of **“Pharmaceutical products”** which increased by 5 percent (US\$ 51 million) partly due to the higher imports from Switzerland by 32 percent (US\$ 20 million) and Germany by 13 percent (US\$ 19 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. Imports of **“Vehicles other than railway”** which decreased by 8 percent (US\$ 113 million) due to a drop in imports from Germany, Korea and Japan by 20 percent (US\$ 70 million), 48 percent (US\$ 39 million) and 6 percent (US\$ 11 million) respectively, despite higher imports of 79 percent (US\$ 16 million) from Mexico.
- As for the main import partners, China ranked first during January-September 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 21 percent. Greece and Italy followed with shares of 8 percent each.

Exports amounted to US\$ 2,199 million during January-September 2018, reflecting a 4 percent increase compared to the same period of 2017, yet in volume terms, figures reveal a drop of 9 percent.

- Exports of **“Unwrought gold, un-mounted diamond & precious stones”** were the main reason behind this increase in total exports, inching up by 10 percent (US\$ 45 million) in terms of value, with **“Diamond”** being the prominent export component of this category rising up by 303 percent (US\$ 144 million), explaining the discrepancy of the drop of 35 percent in terms of volume.
- Excluding **“Unwrought gold, un-mounted diamond & precious stones”**, exports increased by 3 percent (US\$ 43 million). This is mainly due to higher exports of **“Plastics and articles thereof”** and **“Iron and steel”** by 22 percent (US\$ 23 million)⁶ and 19 percent (US\$ 15 million)⁷ respectively. On the other hand, exports of **“Printed books, newspaper and pictures”** dropped by 10 percent (US\$ 6 million)⁸ and those of **“Aircraft engines, Boilers, machinery and mechanical appliances”** by 5 percent (US\$ 5 million)⁹.
- **From a regional perspective**, exports to Arab countries witnessed a year-on-year increase of 8 percent (US\$ 82 million) during January-September 2018. It is worth mentioning that the latter is mainly attributed to higher exports to the United Arab Emirates and Qatar by 78 percent (US\$ 140 million)¹⁰ and 48 percent (US\$ 32 million) respectively. On the other hand, exports to Syria, Saudi Arabia and Iraq dropped by 25 percent (US\$ 47 million), 14 percent (US\$ 24 million) and 17 percent (US\$ 22 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-September 2018 with a share of 15 percent from total exports, noting that almost 62 percent of exports to this country consisted of **“Unwrought & semi-manufactured gold, diamonds, precious stones & metals”**. South Africa and Saudi Arabia followed with a share of 7 percent each.

⁶ This is mainly due to higher exports to Syria by 58 percent (US\$ 18 million).

⁷ Driven by higher exports to Turkey by 10 percent (US\$ 7 million) and Albania by 100 percent (US\$ 5 million).

⁸ Due to the drop in exports to Saudi Arabia and Iraq by US\$ 4 million and US\$ 2 million respectively.

⁹ Resulting from a drop of US\$ 8 million in exports to Saudi Arabia.

¹⁰ Driven by a significant rise in exports of **“Unwrought gold, un-mounted diamond & precious stones”** by US\$ 146 million.

Table 1: Trade activity by value

(US\$ millions)	2017	2018	% Change	2014	2015	2016	2017	2018	% Change
	Sep	Sep	Sep 2018/2017	Jan- Sep	Jan- Sep	Jan- Sep	Jan- Sep	Jan- Sep	Jan- Sep 2018/2017
Imports	1,359	1,438	6%	16,475	13,627	14,533	14,454	15,156	5%
<i>of which mineral fuel & oil</i>	303	270	-11%	4,569	2,582	3,337	3,159	3,131	-1%
-EDL registered fuel imports	23	0	NA	1,581	406	1,641	956	767	-20%
-Non EDL fuel imports	280	270	-3%	2,988	2,176	1,696	2,203	2,364	7%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals</i>	67	105	58%	726	622	916	737	1,010	37%
Exports	210	214	2%	2,513	2,234	2,228	2,112	2,199	4%
<i>of which Unwrought gold, un-mounted diamond, & precious metals</i>	60	37	-38%	432	332	653	461	505	10%
Trade Balance	-1,149	-1,224	7%	-13,962	-11,393	-12,305	-12,342	-12,957	5%

Source: Directorate General of Customs, Ministry of Finance

Table 2: Trade activity by volume

(Millions of Kgs)	2017	2018	% Change	2014	2015	2016	2017	2018	% Change
	Sep	Sep	Sep 2018/2017	Jan- Sep	Jan- Sep	Jan- Sep	Jan- Sep	Jan- Sep	Jan- Sep 2018/2017
Imports	1,277	1,179	-8%	12,943	12,556	14,844	14,428	11,863	-18%
<i>of which mineral fuel & oil</i>	625	406	-35%	5,492	5,168	7,519	7,053	4,937	-30%
-EDL registered fuel imports	66	0	NA	1,997	1,127	3,321	2,531	1,116	-56%
-Non EDL fuel imports	559	406	-27%	3,495	4,041	4,198	4,522	3,821	-15%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals (Kgs)</i>	90,939	48,130	-47%	978,636	771,188	817,400	976,491	870,236	-11%
Exports	157	163	4%	1,621	1,480	1,170	1,487	1,360	-9%
<i>of which Unwrought gold, un-mounted diamond, & precious metals (Kgs)</i>	4,369	891	-80%	64,848	39,906	33,841	58,189	37,934	-35%
Trade Balance	-1,121	-1,016	-9%	-11,322	-11,076	-13,675	-12,941	-10,503	-19%

Source: Directorate General of Customs, Ministry of Finance

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

Rank	Product	Jan-Sep 2017	% share	Jan-Sep 2018	% share	Value change	% change
1	Mineral fuels, mineral oils and products of their distillation	3,159	22%	3,131	21%	-29	-1%
2	Vehicles other than railway	1,350	9%	1,237	8%	-113	-8%
3	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	737	5%	1,010	7%	272	37%
4	Pharmaceutical products	941	7%	992	7%	51	5%
5	Aircraft engines, Boilers, machinery and mechanical appliances	869	6%	942	6%	74	8%
6	Electrical machinery and equipment	565	4%	830	5%	265	47%
7	Iron and steel	470	3%	501	3%	32	7%
8	Plastic and articles thereof	463	3%	467	3%	4	1%
9	Articles of apparel and clothing accessories	377	3%	383	3%	7	2%
10	Live animals	242	2%	293	2%	51	21%
	Others	5,280	37%	5,369	35%	89	2%
	Total	14,454	100%	15,156	100%	702	5%

Source: MOF, DGC

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

Rank	Product	Jan-Sep 2017	% share	Jan-Sep 2018	% share	Value change	% change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	461	22%	505	23%	45	10%
2	Plastic and articles thereof	105	5%	128	6%	23	22%
3	Electrical machinery and equipment	128	6%	125	6%	-4	-3%
4	Aircraft engines, Boilers, machinery and mechanical appliances	107	5%	101	5%	-5	-5%
5	Iron and steel	80	4%	95	4%	15	19%
6	Essential oils and resinoids	87	4%	91	4%	3	4%
7	Preparations of vegetable	77	4%	77	3%	0	0%
8	Copper and articles thereof	60	3%	71	3%	11	19%
9	Printed books, newspapers	62	3%	56	3%	-6	-10%
10	Fertilizers	50	2%	54	2%	4	8%
	Others	896	42%	897	41%	-1	0%
	Total	2,112	100%	2,199	100%	87	4%

Source: MOF, DGC



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