

Figures released by the Ministry of Finance, Customs Directorate, indicate a trade deficit of US\$ 3,996 million for the first quarter of 2018, significantly lower than the deficit of US\$ 4,221 million registered a year earlier¹. The US\$ 225 million (5 percent) drop in the trade deficit is due to US\$ 141 million less imports coupled with an increase of US\$ 84 million in exports.

Total **imports** reached US\$ 4,810 million during January-March 2018, registering a 3 percent year-on-year drop in value terms, along with a significantly higher decrease of 25 percent in volume terms.

- The above drop in imports is mainly rooted in lower imports of "**Mineral fuel and oil**" by 28 percent (US\$ 332 million) which registered a more prominent decrease of 41 percent in terms of volume². This contraction in terms of value reflects the considerable decline in EDL fuel imports by US\$ 432 million (79 percent) during the first quarter of 2018 compared to the same period of 2017. On the other hand, non EDL fuel imports witnessed a rise of 16 percent in value and a 12 percent in volume when compared to 2017.
- Imports of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**" witnessed a year-on-year rise of 8 percent (US\$ 27 million) in terms of value along with a more pronounced increase of 114 percent in volume terms³.
- Excluding "**Mineral fuel and oil**" and "**Unwrought gold, un-mounted diamond & precious stones**", imports rose year-on-year by 5 percent (US\$ 163 million) in January-March 2018. In fact, the main increases were witnessed in "**Aircraft engines, Boilers, machinery and mechanical appliances**", "**Iron and Steel**" and "**Pharmaceutical products**" with 31 percent (US\$ 86 million)⁴, 27 percent (US\$ 43 million)⁵ and 6 percent (US\$ 21 million)⁶ respectively. These increases were slightly counterbalanced by a drop of 10 percent (US\$ 39 million)⁷ in imports of "**Vehicles other than railway**".
- As for the top import partners, China ranked first during the first quarter of 2018 with a share of 11 percent from total imports. Italy and Greece followed with respective shares of 9 percent and 7 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 drop is more pronounced in terms of volume due to higher international prices of fuel with the Brent reaching an average of US\$ 66.86 per barrel during the first quarter of 2018 compared to US\$ 53.59 per barrel during the similar period of 2017.

³ Mainly driven by considerable quantities of "Coins" imported during the first quarter of 2018 reaching a total of 250 tons, against only 5 kilograms during the corresponding period of 2017.

⁴ This increase is attributed mainly to higher imports from China by 133 percent (US\$ 93 million), noting that imports from the United Kingdom and the United States dropped by 58 percent (US\$ 13 million) and 44 percent (US\$ 11 million) respectively.

⁵ Imports from Saudi Arabia hiked up to US\$ 51 million against nil during the comparable period of 2017. This was more than enough to offset the decrease in imports from other countries, mainly China with a drop of US\$ 19 million.

⁶ With higher imports from Switzerland and Germany by US\$ 10 million and US\$ 7 million respectively.

⁷ The decrease is mainly due to the drop in imports from Germany by US\$ 25 million and Korea by US\$ 16 million.

Exports amounted to US\$ 814 million in January-March 2018, reflecting a notable year-on-year increase of 12 percent in value against a slight drop of 0.3 percent in volume terms.

- Exports of "**Unwrought gold, un-mounted diamond & precious stones**" were the main reason behind this increase in total exports, inching up by 33 percent (US\$ 59 million) in terms of value, compared to a less prominent increase of 20 percent in terms of volume⁸.
- Excluding "**Unwrought gold, un-mounted diamond & precious stones**", exports improved by 5 percent (US\$ 25 million) in terms of value. This was mainly due to a rise in exports of "**Iron and Steel**" by 67 percent (US\$ 18 million)⁹ and "**Copper and Articles thereof**" by 32 percent (US\$ 6 million). These increases were partly offset by a slight deterioration in other export categories, mainly "**Aircraft engines, Boilers, machinery and mechanical appliances**" which dropped by 13 percent (US\$ 5 million).
- **From a regional perspective**, exports to Arab countries dropped by 2 percent (US\$ 6 million) in January-March 2018 compared to January-March 2017. This drop was driven by lower exports to Syria by 45 percent (US\$ 35 million)¹⁰ and Saudi Arabia by 16 percent (US\$ 9 million) that was partly counterbalanced by an increase in exports to the United Arab Emirates and Qatar by 36 percent (US\$ 23 million)¹¹ and 88 percent (US\$ 16 million) respectively.
- Lastly, the **breakdown of Lebanese exports by major destination** shows that South Africa was at the top of the list during the first quarter of 2018 with a share of 11 percent from total exports, closely followed by the United Arab Emirates and Switzerland with respective shares of 11 percent and 10 percent from total.

Table 1: Trade activity by value

(US\$ millions)	2017	2018	%	2014	2015	2016	2017	2018	%
	March	March	Change Mar 2018/2017	Jan- Mar	Jan- Mar	Jan- Mar	Jan- Mar	Jan- Mar	Change Jan- Mar 2018/2017
Imports	1,699	1,669	-2%	5,651	4,269	4,688	4,951	4,810	-3%
<i>of which mineral fuel & oil</i>	280	322	15%	1,677	813	1,252	1,166	834	-28%
<i>-EDL registered fuel imports</i>	59	94	59%	785	99	724	548	115	-79%
<i>-Non EDL fuel imports</i>	221	229	3%	892	714	528	618	719	16%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals</i>	103	113	9%	252	198	213	327	355	8%
Exports	275	283	3%	772	744	634	730	814	12%
<i>of which Unwrought gold, un-mounted diamond, & precious metals</i>	69	62	-10%	143	120	109	179	237	33%
Trade Balance	-1,424	-1,386	-3%	-4,879	-3,525	-4,053	-4,221	-3,996	-5%

Source: Directorate General of Customs, Ministry of Finance

⁸ Driven by a considerable y-o-y increase in imports of "Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form", which rose by US\$ 29 million (20 percent) during the period under consideration, accounting for 49 percent of the total increase in value of imports from this category. The increase in the volume of exports in this sub-category (7 percent) was topped by an overall hike in the international prices of gold with an average of US\$ 1328.61 per Ounce in Jan-Mar 2018 compared to US\$ 1218.36 per Ounce in Jan-Mar 2017.

⁹ This hike is driven by the rise of US\$ 15 million (65 percent) in exports to Turkey.

¹⁰ Driven by notable drops in "Sugars and sugar confectionery" and "Mineral fuel and oil" by US\$ 22 million and US\$ 17 million respectively.

¹¹ With higher exports of "Unwrought gold, un-mounted diamond & precious stones" by US\$ 32 million.

Table 2: Trade activity by volume

(Millions of kgs)	2017	2018	% Change	2014	2015	2016	2017	2018	% Change
	March	March	Mar 2017/2016	Jan- Mar	Jan- Mar	Jan- Mar	Jan- Mar	Jan- Mar	Jan- Mar 2018/2017
Imports	1,496	1,411	-6%	4,478	3,759	4,922	5,113	3,816	-25%
<i>of which mineral fuel & oil</i>	557	571	2%	2,016	1,622	2,632	2,490	1,463	-41%
<i>-EDL registered fuel imports</i>	170	188	11%	938	287	1,211	1,378	223	-84%
<i>-Non EDL fuel imports</i>	387	382	-1%	1,078	1,335	1,422	1,111	1,240	12%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals (Kgs)</i>	38,423	148,228	286%	213,941	212,330	215,773	226,157	485,080	114%
Exports	167	163	-2%	413	446	351	488	486	-0.3%
<i>of which Unwrought gold, un-mounted diamond, & precious metals (Kgs)</i>	4,245	8,038	89%	10,611	14,539	10,081	12,057	14,469	20%
Trade Balance	-1,329	-1,248	-6%	-4,065	-3,313	-4,571	-4,625	-3,330	-28%

Source: Directorate General of Customs, Ministry of Finance

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

Rank	Product	Jan-Mar 2017	% Share	Jan-Mar 2018	% Share	Value Change	% Change
1	Mineral fuels, mineral oils and products of their distillation	1,166	24%	834	17%	-332	-28%
2	Vehicles other than railway	407	8%	368	8%	-39	-10%
3	Aircraft engines, Boilers, machinery and mechanical appliances	275	6%	360	7%	86	31%
4	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	327	7%	355	7%	27	8%
5	Pharmaceutical products	324	7%	344	7%	21	6%
6	Iron and steel.	157	3%	200	4%	43	27%
7	Electrical machinery and equipment	176	4%	186	4%	10	6%
8	Plastic and articles thereof	149	3%	144	3%	-4	-3%
9	Articles of apparel and clothing accessories	125	3%	142	3%	17	14%
10	Dairy produce; birds' egg	75	2%	87	2%	12	16%
	Others	1,770	36%	1,788	37%	18	1%
	Total	4,951	100%	4,810	100%	-141	-3%

Source: MOF, DGC

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

Rank	Product	Jan-Mar 2017	% Share	Jan-Mar 2018	% Share	Value Change	% Change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	179	24%	237	29%	59	33%
2	Iron and steel.	26	4%	44	5%	18	67%
3	Electrical machinery and equipment	45	6%	40	5%	-5	-11%
4	Plastic and articles thereof	32	4%	38	5%	6	18%
5	Aircraft engines, Boilers, machinery and mechanical appliances	37	5%	32	4%	-5	-13%
6	Preparations of vegetable	27	4%	31	4%	4	14%
7	Essential oils and resinoids	31	4%	28	3%	-3	-10%
8	Copper and articles thereof	19	3%	25	3%	6	32%
9	Edible fruit and nuts	23	3%	22	3%	-1	-6%
10	Miscellaneous edible preparations	21	3%	20	2%	-1	-5%
	Others	290	40%	297	36%	7	2%
	Total	730	100%	814	100%	84	12%

Source: MOF, DGC



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