



Figures released by the Ministry of Finance, Customs Directorate, show a trade deficit of US\$ 14,410 million during January-October 2018, 4 percent higher than the deficit of US\$ 13,857 million registered a year earlier¹. The US\$ 554 million deterioration in the trade deficit is rooted in higher imports by US\$ 651 million partly offset by an increase of US\$ 98 million in exports during the period under consideration.

Total **imports** reached US\$ 16,874 million during January-October 2018, registering a 4 percent increase in value terms, against a drop of 17 percent in volume terms when compared to the same period of 2017.

- Imports of "**Mineral fuel and oil**" witnessed a slight decrease of 1 percent (US\$ 45 million) in value while it decreased by 30 percent in volume terms². The latter drop was due to a 25 percent (US\$ 257 million) reduction in the registered EDL fuel imports reaching US\$ 785 million by the end of October 2018, that was mostly offset by the increase of 9 percent (US\$ 212 million) in non-EDL fuel imports.
- Imports of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**" increased by 39 percent (US\$ 308 million) during January-October 2018 mainly due to the rise in imports from the United Arab Emirates, Switzerland and Ghana by US\$ 193 million³, US\$ 91 million and US\$ 65 million respectively, despite the drop in imports from other countries mainly Togo and Benin by US\$ 34 million and US\$ 28 million respectively. In terms of volume, these imports witnessed a drop of 21 percent⁴.
- Excluding "**Mineral fuel and oil**" and "**Unwrought gold, un-mounted diamond & precious stones**", imports increased by 3 percent (US\$ 387 million) during January-October 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\$ 268 million) due to an increase in imports from Turkey and China by US\$ 217 million and US\$ 92 million respectively, maintaining their ranking as top partners⁵.
 2. Imports of "**Aircraft engines, Boilers, machinery and mechanical appliances**" which rose up by 9 percent (US\$ 88 million) due to an increase in imports from China and Italy by 30 percent (US\$ 81 million) and 30 percent (US\$ 33 million) respectively, placing them as the main import partners in this category with respective shares of 33 percent and 14 percent.
 3. Imports of "**Live animals**" which rose by 28 percent (US\$ 75 million) partly due to an increase in imports from Spain by 53 percent (US\$ 25 million) enlarging its share from imports of this category to 21 percent, followed by an increase in imports from Romania and Colombia by 229 percent (US\$ 19 million) and by

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\$ 73.12 per barrel during Jan-Oct 2018 compared to US\$ 52.34 per barrel during the same period of 2017.

³ 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 20 percent and 19 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\$ 189 million and US\$ 110 million respectively.

⁵ China being at the first place and Turkey at the second with respective shares of 35 percent and 25 percent from total imports of this category.

157 percent (US\$ 17 million) respectively. Despite that, Brazil and Croatia ranked the second and third import partners in this category with respective shares of 15 percent and 12 percent.

4. Imports of **“Pharmaceutical products”** which increased by 5 percent (US\$ 55 million) partly due to the higher imports from Switzerland by 34 percent (US\$ 25 million) and Germany by 10 percent (US\$ 16 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 10 percent (US\$ 152 million) due to a drop in imports from Germany, Korea and Japan by 21 percent (US\$ 80 million), 47 percent (US\$ 43 million) and 9 percent (US\$ 19 million) respectively.
- As for the main import partners, China ranked first during January-October 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\$ 2,464 million during January-October 2018, reflecting a 4 percent increase compared to the same period of 2017, yet in volume terms, figures reveal a drop of 7 percent.

- Exports of **“Unwrought gold, un-mounted diamond & precious stones”** were the main reason behind this increase in total exports, inching up by 13 percent (US\$ 63 million) in terms of value, with **“Diamond”** being the prominent export component of this category rising up by 356 percent (US\$ 182 million), explaining the discrepancy of the drop of 41 percent in terms of volume.
- Excluding **“Unwrought gold, un-mounted diamond & precious stones”**, exports increased by 2 percent (US\$ 37 million). This is mainly due to higher exports of **“Plastics and articles thereof”** and **“Iron and steel”** by 19 percent (US\$ 23 million)⁶ and 20 percent (US\$ 18 million)⁷ respectively. On the other hand, exports of **“Printed books, newspaper and pictures”** dropped by 10 percent (US\$ 7 million)⁸.
- **From a regional perspective**, exports to Arab countries witnessed a year-on-year increase of 9 percent (US\$ 100 million) during January-October 2018. It is worth mentioning that the latter is mainly attributed to higher exports to the United Arab Emirates and Qatar by 88 percent (US\$ 176 million)⁹ and 42 percent (US\$ 33 million) respectively. On the other hand, exports to Syria, Saudi Arabia and Iraq dropped by 23 percent (US\$ 48 million), 14 percent (US\$ 28 million) and 15 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-October 2018 with a share of 15 percent from total exports, noting that almost 63 percent of exports to this country consisted of **“Unwrought & semi-manufactured gold, diamonds, precious stones & metals”**. Saudi Arabia and South Africa followed with a share of 7 percent each.

⁶ This is mainly due to higher exports to Syria by 51 percent (US\$ 19 million).

⁷ Driven by higher exports to Turkey by 8 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\$ 3 million and US\$ 2 million respectively.

⁹ Driven by a significant rise in exports of **“Unwrought gold, un-mounted diamond & precious stones”** by US\$ 184 million.

Table 1: Trade activity by value

(US\$ millions)	2017	2018	%	2014	2015	2016	2017	2018	% Change
	Oct	Oct	Oct 2018/2017	Jan-Oct	Jan-Oct	Jan-Oct	Jan-Oct	Jan-Oct	Jan-Oct 2018/2017
Imports	1,769	1,718	-3%	18,252	15,103	16,044	16,223	16,874	4%
<i>of which mineral fuel & oil</i>	356	340	-4%	4,987	2,827	3,589	3,516	3,471	-1%
<i>-EDL registered fuel imports</i>	85	18	-79%	1,634	423	1,673	1,042	785	-25%
<i>-Non EDL fuel imports</i>	271	322	19%	3,354	2,404	1,916	2,474	2,686	9%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals</i>	63	99	57%	825	674	1,037	801	1,109	39%
Exports	251	265	5%	2,792	2,493	2,485	2,366	2,464	4%
<i>of which Unwrought gold, un-mounted diamond, & precious metals</i>	29	47	64%	482	379	725	489	552	13%
Trade Balance	-1,517	-1,454	-4%	-15,460	-12,610	-13,559	-13,857	-14,410	4%

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
	Oct	Oct	Oct 2018/2017	Jan-Oct	Jan-Oct	Jan-Oct	Jan-Oct	Jan-Oct	Jan-Oct 2018/2017
Imports	1,525	1,371	-10%	14,287	13,809	16,189	15,953	13,235	-17%
<i>of which mineral fuel & oil</i>	733	524	-29%	6,068	5,705	8,079	7,786	5,460	-30%
<i>-EDL registered fuel imports</i>	233	59	-75%	2,093	1,190	3,422	2,764	1,175	-57%
<i>-Non EDL fuel imports</i>	500	464	-7%	3,976	4,516	4,657	5,022	4,285	-15%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals (Kgs)</i>	200,532	63,054	-69%	1,095,697	866,096	954,569	1,177,022	933,291	-21%
Exports	182	185	2%	1,870	1,669	1,339	1,669	1,546	-7%
<i>of which Unwrought gold, un-mounted diamond, & precious metals (Kgs)</i>	7,095	562	-92%	70,732	51,823	40,872	65,283	38,496	-41%
Trade Balance	-1,343	-1,186	-12%	-12,417	-12,140	-14,850	-14,284	-11,689	-18%

Source: Directorate General of Customs, Ministry of Finance

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

Rank	Product	Jan-Oct 2017	% share	Jan-Oct 2018	% share	Value change	% change
1	Mineral fuels, mineral oils and products of their distillation	3,516	22%	3,471	21%	-45	-1%
2	Vehicles other than railway	1,519	9%	1,367	8%	-152	-10%
3	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	801	5%	1,109	7%	308	39%
4	Pharmaceutical products	1,048	6%	1,103	7%	55	5%
5	Aircraft engines, Boilers, machinery and mechanical appliances	961	6%	1,050	6%	88	9%
6	Electrical machinery and equipment	648	4%	916	5%	268	41%
7	Iron and steel	518	3%	557	3%	38	7%
8	Plastic and articles thereof	533	3%	529	3%	-4	-1%
9	Articles of apparel and clothing accessories	440	3%	434	3%	-5	-1%
10	Live animals	268	2%	343	2%	75	28%
	Others	5,971	37%	5,995	36%	23	0.4%
	Total	16,223	100%	16,874	100%	651	4%

Source: MOF, DGC

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

Rank	Product	Jan-Oct 2017	% share	Jan-Oct 2018	% share	Value change	% change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	489	21%	552	22%	63	13%
2	Plastic and articles thereof	121	5%	144	6%	23	19%
3	Electrical machinery and equipment	146	6%	143	6%	-3	-2%
4	Aircraft engines, Boilers, machinery and mechanical appliances	119	5%	126	5%	7	6%
5	Iron and steel	88	4%	106	4%	18	20%
6	Essential oils and resinoids	102	4%	100	4%	-2	-2%
7	Preparations of vegetable	87	4%	86	4%	-1	-1%
8	Copper and articles thereof	68	3%	79	3%	11	16%
9	Fertilizers	50	2%	65	3%	15	29%
10	Printed books, newspapers	67	3%	60	2%	-7	-10%
	Others	1,028	43%	1,002	41%	-26	-3%
	Total	2,366	100%	2,464	100%	98	4%

Source: MOF, DGC



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