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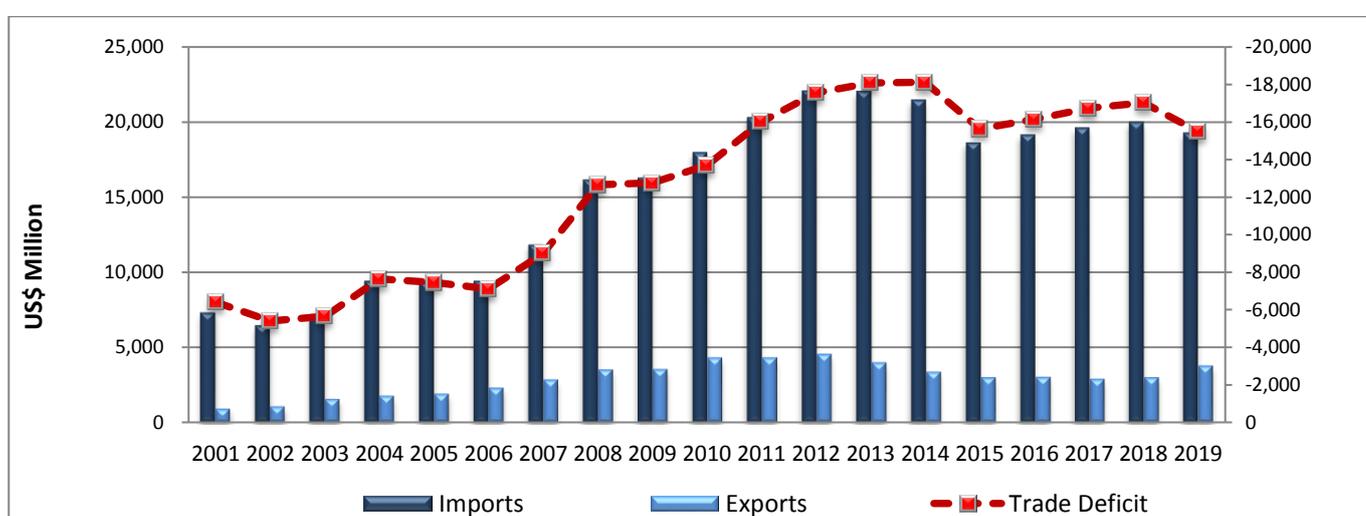
## Introduction

Figures released by the Ministry of Finance, Customs Directorate, show a trade deficit of US\$ 15,508 million by the end of 2019, 9 percent lower than the deficit of US\$ 17,028 million registered during 2018, noting that this is the lowest recorded trade deficit since 2015. The US\$ 1,520 million improvement in the trade deficit is mainly rooted to lower imports by US\$ 740 million, coupled with a rise of US\$ 780 million in exports.

Trade statistics during the last three months of 2019, the months of the crisis, revealed a drastic contraction in imports by 18.4 percent, along a huge improvement in exports by 22.8 percent (mainly exports of gold), which led the trade deficit of quarter four of 2019 to drop down by more than 26 percent as compared to the fourth quarter of 2018.

It is worth mentioning that the export - import coverage ratio<sup>1</sup> improved significantly from 14.8 percent in 2018 to 19.4 percent in 2019.

Figure 1: Imports, Exports and Trade Balance evolution



Source: Directorate General of Customs, Ministry of Finance

## Imports

Total **imports** reached US\$ 19,239 million during 2019, registering a decrease of 4 percent in value, while in volume they rose by 22 percent<sup>2</sup> when compared to 2018. This is the result of the dwindling in most sub-categories of imports mainly **“Iron and Steel”, “Electric machinery and equipment’s”** and **“Vehicles and accessories, cranes & lorries ”** showing a huge drop of 39 percent, 32 percent and 31 percent respectively.

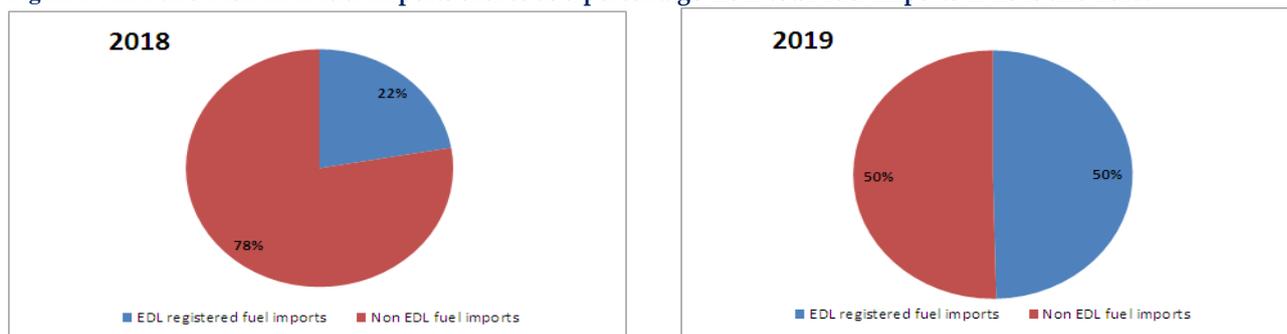
### 1. Fuel Imports

Imports of **“Mineral fuel and oil”** witnessed a major hike of 61 percent (US\$ 2,468 million) in value terms and 80 percent in volume terms, with EDL registered fuel imports rising from US\$ 905 million in 2018 to US\$ 3,243 million (258 percent) in 2019. Non EDL fuel imports increased by 4 percent in terms of value and by 9 percent in terms of volume. This discrepancy is due to lower fuel prices with an average Brent price of US\$ 64.26 in 2019 against US\$ 71.32 in 2018.

<sup>1</sup> The export import coverage ratio is total exports over total imports in a specific year.

<sup>2</sup> Due to the discrepancy between value and volume of imports of fuel which constituted 34 percent of total imports in terms of value compared to 61 percent in terms of volume.

**Figure 2: EDL and Non EDL fuel imports shares as a percentage from total fuel imports in 2018 and 2019.**



Source: Directorate General of Customs, Ministry of Finance

## 2. Natural and precious stones Imports

Imports of “Unwrought & semi-manufactured gold, diamonds, precious stones & metals” witnessed a remarkable year-on-year decrease of 26 percent (US\$ 321 million) in terms of value during 2019, and a more prominent decrease by 37 percent in terms of volume<sup>3</sup>. The major decline was in “Gold (including gold plated with platinum)” which dropped by 30 percent (US\$ 203 million). Also, imports of “Diamonds, whether or not worked, but not mounted or set” and “Articles of jewelry and parts thereof” witnessed respective drops of 17 percent and 32 percent (as shown in Table 1).

As for the top import partners in this category, the United Arab Emirates ranked number one with a share of 32 percent of total imports in this category, followed by Belgium with a share of 16 percent.

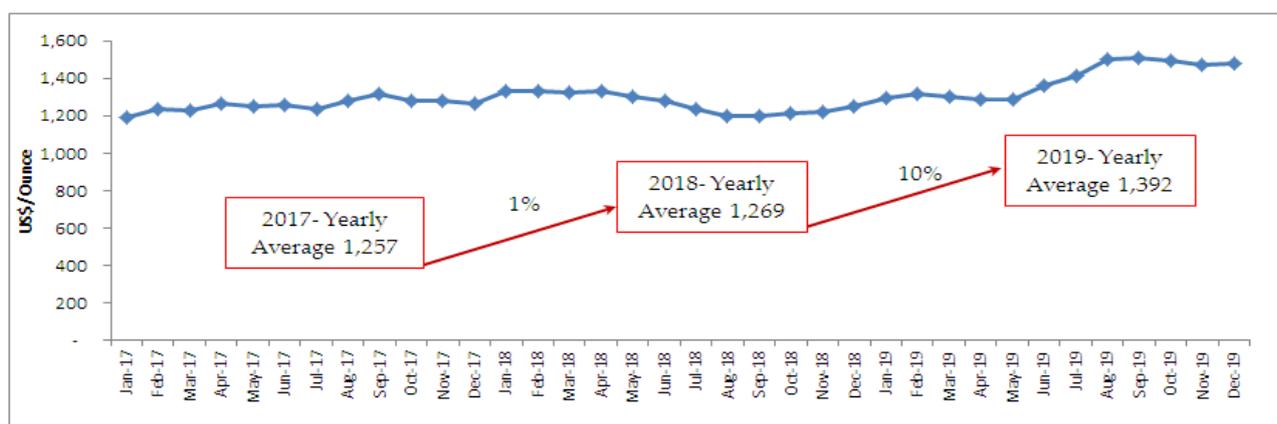
**Table 1: Imports break down of natural and precious stones (US\$ Million)**

Description	Jan-Dec 2018	Jan-Dec 2019	Value Change	% Change
Diamonds, whether or not worked, but not mounted or set	402	333	-69	-17%
Precious stones (other than diamonds) and semi-precious stones	19	19	0.1	1%
Gold (including gold plated with platinum)	687	484	-203	-30%
Articles of jewelry and parts thereof	125	86	-40	-32%
Imitation jewelry	11	8	-3	-29%

Source: Directorate General of Customs, Ministry of Finance

<sup>3</sup> Due to the considerable decrease in the volume of imported “Imitation Jewelry” and “Gold including gold plated with platinum” compared to the same period last year by 16 percent (614,435 Kg in 2019 compared to 734,699 Kg in 2018) and by 54 percent (11,609 Kg in 2019 compared to 25,239 Kg in 2018) respectively.

**Figure 3: Monthly International Gold Prices per Ounce (2017-2019)**



Source: [http://ycharts.com/indicators/gold\\_price](http://ycharts.com/indicators/gold_price)

### 3. Other Imports

Excluding "Mineral fuel and oil" and "Unwrought gold, un-mounted diamond & precious stones", imports diminished by 20 percent (US\$ 2,887 million) during 2019 compared to 2018. This contraction resulted from fluctuations in several sub-categories of imports (as shown in Table 10), mainly the following:

**3.1. Import of Vehicles and accessories, cranes & Lorries** dropped year-on-year by 31 percent (US\$ 498 million), amounting to US\$ 1,111 million by the end of 2019. Despite the 30 percent (US\$ 100 million) year-on-year drop, the United States remained the top import partner in this category with a share of 21 percent of total imports of vehicles, followed by Germany (with a share of 20 percent) whose imports also decreased by 40 percent (US\$ 145 million). In addition, imports from Japan and the United Kingdom dropped by US\$ 73 million and US\$ 33 million respectively. Year-on-year changes in imports from the top partners are detailed in Table 2 below.

**Table 2: Main imports of Vehicles and accessories by country of origin (US\$ Million)**

Description	Jan-Dec 2018	Jan-Dec 2019	Value Change	% Change	Share in total imports of Vehicles - 2019
United States	335	234	-100	-30%	21%
Germany	365	220	-145	-40%	20%
Japan	230	158	-73	-32%	14%
United Kingdom	118	85	-33	-28%	8%
China	98	79	-19	-19%	7%
Others	463	335	-128	-28%	30%

Source: Directorate General of Customs, Ministry of Finance

**3.2. Electrical machinery and equipment's imports** plummeted significantly by 32 percent (US\$ 348 million) amounting to US\$ 742 million by the end of 2019, mirroring a decrease in imports from China by 11 percent compared to the previous year, while remaining the top import partner in this category with a share of 48 percent of total imports of this category. Meanwhile, Vietnam's imports partly counterbalanced the latter

drop, increasing by US\$ 16 million to register a share of 9 percent from the total. In addition, imports from Italy and Korea Republic dropped by US\$ 19 million and US\$ 5 million respectively. The year-on-year changes in these imports from the top partners are detailed in Table 3 below.

**Table 3: Main imports of Electrical machinery and equipment's by country of origin (US\$ Million)**

Description	Jan-Dec 2018	Jan-Dec 2019	Value Change	% Change	Share in total imports of Electricals - 2019
China	402	357	-46	-11%	48%
Vietnam	49	65	16	34%	9%
Italy	53	34	-19	-36%	5%
Germany	30	30	0.3	1%	4%
Korea, Republic	30	25	-5	-16%	3%
Others	526	230	-295	-56%	31%

Source: Directorate General of Customs, Ministry of Finance

**3.3. Aircraft engines, boilers, machinery and mechanical appliances' imports** declined by 25 percent (US\$ 308 million). In details, this drop is mainly due to a contraction in imports from China, Italy and Germany by US\$ 166 million, US\$ 57 million and US\$ 40 respectively. One improvement was registered in imports from the United Kingdom rising by US\$ 30 million. As for the top imports partners in this category, China maintained its leading position in 2019 with a share of 25 percent followed by Italy and Germany with respective shares of 11 percent and 10 percent.

**Table 4: Main imports of Aircraft engines, boilers, machinery and mechanical appliances by country of origin (US\$ Million)**

Description	Jan-Dec 2018	Jan-Dec 2019	Value Change	% Change	Share in total imports of Aircrafts - 2019
China	392	226	-166	-42%	25%
Italy	163	106	-57	-35%	11%
Germany	132	91	-40	-31%	10%
United Kingdom	60	89	30	50%	10%
United States	97	82	-15	-16%	9%
Others	388	328	-60	-15%	36%

Source: Directorate General of Customs, Ministry of Finance

**3.4. Imports of Iron and Steel** dropped in value terms by 39 percent (US\$ 264 million). In details, imports from Ukraine were the main contributor to this regression with a decrease of 49 percent (US\$ 107 million), along with a drop of 80 percent (US\$ 89 million) in imports from Saudi Arabia. It is worth noting that both Turkey and Ukraine were the top import partners in this category with a share of 28 percent each from total imports.

**Table 5: Main imports of Iron and Steel by country of origin (US\$ Million)**

Description	Jan-Dec 2017	Jan-Dec 2018	Value Change	% Change	Share in total imports of Iron and Steel - 2019
Turkey	121	115	-6	-5%	28%
Ukraine	218	111	-107	-49%	28%
Iran	1	27	27	-	7%
China	49	27	-22	-45%	7%
Saudi Arabia	111	23	-89	-80%	6%
Others	168	101	-67	-40%	25%

Source: Directorate General of Customs, Ministry of Finance

**3.5. Imports of Pharmaceutical products** decreased in value terms by 7 percent (US\$ 87 million). In details, imports from the Eurozone dropped by 7 percent - with lower imports from Ireland and Italy by 21 percent (US\$ 21 million) and 13 percent (US\$ 10 million) respectively. Imports from countries outside the Eurozone witnessed also a year-on-year drop with lower imports from United Arab Emirates, Denmark and Jordan by 35 percent (US\$ 12 million), 17 percent (US\$ 9 million) and 18 percent (US\$ 6 million) respectively. Meanwhile, imports from Switzerland increased by 11 percent (US\$ 13 million). It is worth noting that both Germany and the United States were the top import partners in this category with respective shares of 17 percent and 12 percent from total imports of Pharmaceutical Products.

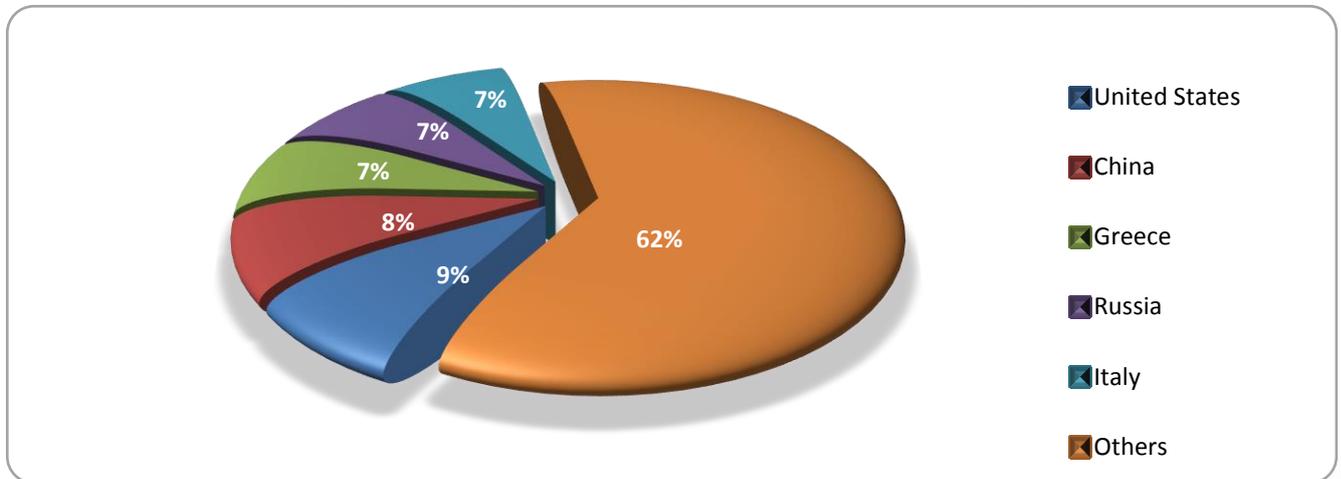
**Table 6: Imports of Pharmaceutical products from the Eurozone (US\$ Million)**

Description	Jan-Dec 2018	Jan-Dec 2019	Value Change	% Change
Germany	223	213	-9	-4%
France	141	134	-7	-5%
Ireland	98	77	-21	-21%
Italy	83	72	-10	-13%
Spain	47	44	-3	-6%
Belgium	31	31	0	0%
Austria	26	23	-3	-12%
Netherlands	18	21	3	17%
Greece	10	10	1	9%
Portugal	8	8	-1	-7%
Cyprus	9	7	-2	-21%
Slovenia	4	5	1	21%
Malta	1	2	1	47%
Finland	1	2	0.4	36%
Estonia	-	-	-	-
Latvia	-	-	-	-
Slovakia	-	-	-	-
Luxembourg	-	-	-	-
Lithuania	-	-	-	-
<b>Total imports from the Eurozone</b>	<b>699</b>	<b>648</b>	<b>-51</b>	<b>-7%</b>
<b>Share of total Imports of Pharmaceutical products</b>	<b>53%</b>	<b>52%</b>		

Source: Directorate General of Customs, Ministry of Finance

As for the **breakdown of Lebanese imports by country of origin**, the United States ranked first in 2019 with a share of 9 percent of total imports, of which 49 percent are Minerals fuel and oil. China and Greece followed with respective shares of 8 percent and 7 percent (Figure 4).

**Figure 4: Top Import Partners 2019**



Source: Directorate General of Customs, Ministry of Finance

## Exports

Total **Exports** amounted to US\$ 3,731 million during 2019, with a year-on-year increase of 26 percent (US\$ 780 million) in value against a 9 percent decrease in volume mainly due to exports of Gold (including gold plated with platinum) as shown in table 7 below .

### 1. Unwrought gold, un-mounted diamond & precious stones Exports

Exports of "Unwrought gold, un-mounted diamond & precious stones" witnessed a remarkable rise of 125 percent (US\$ 807 million) in terms of value compared to 2018, reflected by a lower rise of 28 percent in volume terms. In details, exports of "Gold (including gold plated with platinum) increased remarkably by 292 percent (US\$ 846 million)<sup>4</sup>, partly offset by the decrease in exports of "Diamonds, whether or not worked, but not mounted or set" by 17 percent (US\$ 48 million).

**Table 7: Exports of Unwrought gold, un-mounted diamond & precious stones – main items (US\$ Million)**

Description	Jan-Dec 2018	Jan-Dec 2019	Value Change	% Change
Diamonds, whether or not worked, but not mounted or set.	287	239	-48	-17%
Precious stones (other than diamonds) and semi-precious stones.	10	11	1	14%
Gold (including gold plated with platinum).	289	1,135	846	292%
Articles of jewelry and parts.	55	66	11	21%

Source: Directorate General of Customs, Ministry of Finance

<sup>4</sup> This increase in gold exports is mainly rooted in higher exports to Switzerland by US\$ 942 million (814 percent), partly counterbalanced by the drop in exports to South Africa and United Arab Emirates by US\$ 106 million (61 percent) and US\$ 26 million (9 percent).

For further information, please contact: (00961-1) 956000-ext: 1716-1729

## 2. Other Exports

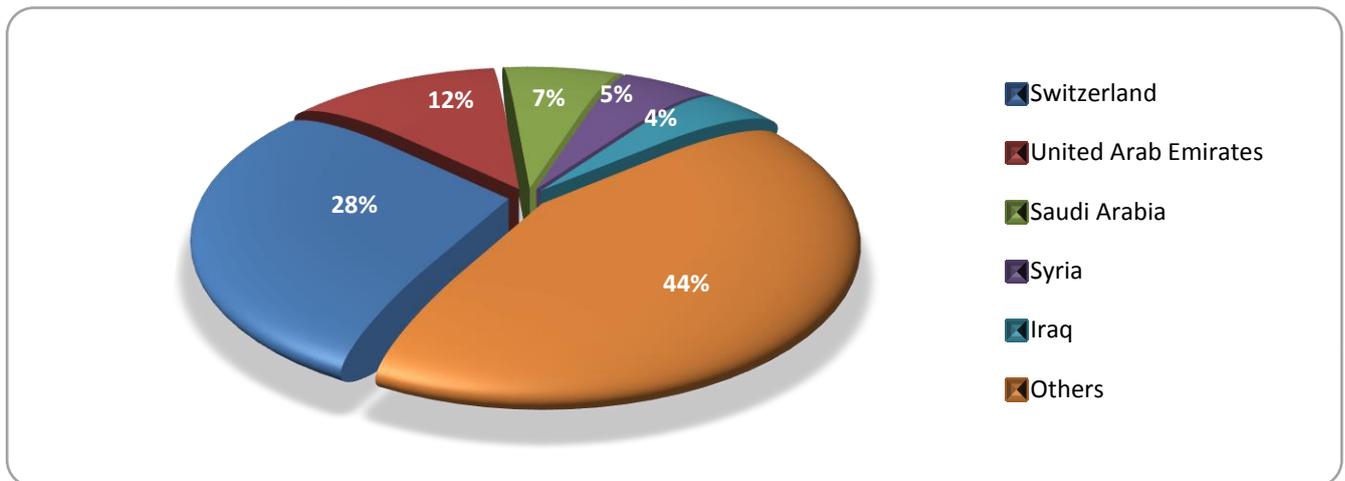
Excluding **“Unwrought gold, un-mounted diamond & precious stones”**, exports dropped by 1 percent (US\$ 27 million) during 2019 compared to 2018. This resulted mainly from the following changes (as shown in Table 11):

- 2.1. The drop in **“Iron and steel”** by 41 percent (US\$ 51 million) rooted in lower exports to Turkey by US\$ 91 million, partly offset by the rise of US\$ 26 million in exports to Greece. On the other hand, Greece was the top export partner in this category with a share of 55 percent rising from 11 percent in 2018 when Turkey was the top partner.
- 2.2. The year-on-year decline in exports of **“Plastics and articles thereof”** by 15 percent (US\$ 27 million) mainly due to the 24 percent (US\$ 17 million) decrease in exports to Syria, remaining the top export partner in this category with a share of 36 percent.
- 2.3. On the other hand, **“Aircraft engines, boilers, machinery, and mechanical appliances”** increased by 43 percent (US\$ 65 million) mainly due to the 273 percent (US\$ 29 million) rise in exports to Hong Kong, registering the top export partner in this category with a share of 18 percent. Also, the exports to Georgia increased by US\$ 12 million to register US\$ 13 million in 2019 and those to Oman increased to register US\$ 9 million compared to less than US\$ 1 million in 2018.
- 2.4. In parallel, exports of **“Preparations of vegetables”** rose by 13 percent (US\$ 14 million) mainly due to a US\$ 5 million increase in exports to Saudi Arabia.

From a regional perspective, exports to Arab countries remained almost the same with a year-on-year increase of 1 percent (US\$ 8 million) during 2019. It is worth mentioning that this slight rise is mainly attributed to higher exports to Saudi Arabia and Oman by 16 percent (US\$ 34 million) and 45 percent (US\$ 11 million) respectively. On the other hand, exports to the United Arab Emirates, Syria and Kuwait dropped by 4 percent (US\$ 19 million), 7 percent (US\$ 15 million) and 12 percent (US\$ 9 million) respectively.

Lastly, **the breakdown of Lebanese exports by major destination** shows that Switzerland was at the top of the list during year 2019 with a share of 28 percent from total exports, noting that almost 99.6 percent of exports to this country consisted of **“Unwrought & semi-manufactured gold, diamonds, precious stones & metals”**. The United Arab Emirates, Saudi Arabia and Syria followed with respective shares of 12 percent, 7 percent and 5 percent each.

Figure 5: Top Export Partners 2019



Source: Directorate General of Customs, Ministry of Finance

Table 8: Trade activity by value

(US\$ millions)	2018	2019	%	2015	2016	2017	2018	2019	%
	Dec	Dec	Change Dec 2018/2019	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Change Jan- Dec 2017/2018
<b>Imports</b>	1,569	1,346	-14%	18,595	19,119	19,582	19,980	19,239	-4%
of which mineral fuel & oil	347	617	78%	3,845	4,092	4,204	4,066	6,534	61%
-EDL registered fuel imports	120	60	-50%	1,076	1,761	1,305	905	3,243	258%
-Non EDL fuel imports	227	556	145%	2,769	2,331	2,899	3,161	3,292	4%
of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals	67	64	-5%	822	1,255	996	1,252	931	-26%
<b>Exports</b>	246	324	32%	2,951	2,976	2,844	2,952	3,731	26%
of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals	55	121	121%	434	828	586	648	1,455	125%
<b>Trade Balance</b>	-1,323	-1,022	-23%	-15,644	16,143	16,739	-17,028	15,508	-9%

Source: Directorate General of Customs, Ministry of Finance

Table 9: Trade activity by Volume

(millions of Kgs)	2018	2019	%	2015	2016	2017	2018	2019	%
	Dec	Dec	Change Dec 2018/2019	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Change Jan- Dec 2017/2018
<b>Imports</b>	1,474	1,391	-6%	17,245	18,928	18,975	15,855	19,351	22%
of which mineral and fuel oil	718	1,025	43%	7,539	9,233	9,077	6,561	11,795	80%
-EDL registered fuel imports	302	159	-48%	2,161	3,686	3,312	1,477	6,276	325%
-Non EDL fuel imports	415	867	109%	5,378	5,547	5,765	5,084	5,519	9%
of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals (Kgs)	46,302	18,754	-59%	1,022,352	1,158,728	1,398,306	1,042,043	658,086	-37%
<b>Exports</b>	133	137	3%	1,941	1,659	1,937	1,840	1,677	-9%
of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals (Kgs)	1,551	3,793	145%	71,025	60,558	77,698	45,363	58,182	28%
<b>Trade Balance</b>	-1,340	-1,254	-6%	-15,304	-17,269	-17,038	-14,015	-17,674	26%

Source: Directorate General of Customs, Ministry of Finance

**Table 10: IMPORT Distribution by Product (in US\$ million)**

Rank	Product	Jan-Dec 2018	% Share	Jan-Dec 2019	% Share	Value Change	% Change
1	Mineral fuel and oil	4,066	20%	6,534	34%	24678	61%
2	Pharmaceutical products	1,329	7%	1,242	6%	-87	-7%
3	Vehicles and accessories, cranes & lorries	1,609	8%	1,111	6%	-498	-31%
4	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	1,252	6%	931	5%	-321	-26%
5	Aircraft engines, boilers, machinery, and mechanical appliances	1,231	6%	923	5%	-308	-25%
6	Electrical machinery and equipment	1,090	5%	742	4%	-348	-32%
7	Plastics and articles thereof	638	3%	530	3%	-108	-17%
8	Articles of apparel and clothing	504	3%	414	2%	-89	-18%
9	Iron and steel.	668	3%	404	2%	-264	-39%
10	Live Animals	419	2%	317	2%	-102	-24%
	Other	7,173	36%	6,089	32%	-1083	-15%
	<b>Total</b>	<b>19,980</b>	<b>100%</b>	<b>19,239</b>	<b>100%</b>	<b>-740</b>	<b>-4%</b>

Source: MOF, DGC

**Table 11: EXPORT Distribution by Product (in US\$ million)**

Rank	Product	Jan-Dec 2018	% Share	Jan-Dec 2019	% Share	Value Change	% Change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	648	22%	1,455	39%	807	125%
2	Aircraft engines, boilers, machinery, and mechanical appliances	151	5%	217	6%	65	43%
3	Electrical machinery and equipment	170	6%	165	4%	-5	-3%
4	Plastics and articles thereof	177	6%	150	4%	-27	-15%
5	Essential oils and resinoids	122	4%	127	3%	5	4%
6	Preparations of vegetables	105	4%	118	3%	14	13%
7	Printed Books, Newspapers	67	2%	75	2%	7	11%
8	Iron and steel	123	4%	72	2%	-51	-41%
9	Edible Fruit and nuts	78	3%	72	2%	-6	-8%
10	Paper and paperboard	73	2%	69	2%	-3	-5%
	Others	1,237	42%	1,212	32%	-26	-2%
	<b>Total</b>	<b>2,952</b>	<b>100%</b>	<b>3,731</b>	<b>100%</b>	<b>780</b>	<b>26%</b>

Source: MOF, DGC