

Figures released by the Ministry of Finance, Customs Directorate, indicate a trade deficit of US\$ 10,245 million during January-July of 2019, 1 percent higher than the deficit of US\$ 10,142 million registered a year earlier. The US\$ 104 million deterioration in the trade deficit is rooted in higher imports by US\$ 436 million partly counterbalanced by the increase of US\$ 333 million in exports.

Total **imports** reached US\$ 12,335 million during January-July 2019, increasing by 4 percent in value terms and by 32 percent in volume terms compared to the same period of 2018.

- Imports of "**Mineral fuel and oil**" increased significantly by 66 percent (US\$ 1,685 million), while in terms of volume it increased by 89 percent¹. This rise is mainly rooted in significantly higher EDL fuel imports of US\$ 1,679 million reaching US\$ 2,447 million² during January-July 2019 compared to US\$ 767 million during the same period of 2018. On the other hand, non EDL fuel imports increased at a slower pace with a mere 0.4 percent increase in value and 1 percent increase in volume terms.
- Imports of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**" witnessed a major year-on-year decline of 32 percent (US\$ 248 million) in terms of value, along with a sharper decline of 42 percent in volume terms³.
- Excluding "**Mineral fuel and oil**" and "**Unwrought gold, un-mounted diamond & precious stones**", imports decreased by 12 percent (US\$ 1,001 million) in Jan-July 2019 compared to the similar period of 2018. In details, the main decreases were witnessed in "**Vehicles other than railway**", "**Aircraft engines, Boilers, machinery and mechanical appliances**" and "**Iron and Steel**" with 22 percent (US\$ 214 million)⁴, 22 percent (US\$ 172 million)⁵ and 32 percent (US\$ 132 million)⁶ respectively.
- The United States ranked as Lebanon's top import trading partner in Jan-July 2019 with a share of 9 percent of total imports, with almost 52 percent⁷ of imports from this country being "**Mineral fuel and oil**". China and Russia followed with shares of 8 percent each.

Exports amounted to US\$ 2,089 million in Jan-July 2019, reflecting a 19 percent rise in value despite the drop of 1 percent in volume terms, compared to the same period of 2018.

- Exports of "**Unwrought gold, un-mounted diamond & precious stones**" increased significantly by 71 percent (US\$ 303 million) in terms of value⁸ during January-July 2019, while in volume terms it dropped by 1 percent⁹.

¹ This can be partly explained by lower average price of Brent oil reaching US\$ 65.74 per barrel in Jan-Jul 2019 compared to US\$ 71.17 per barrel in the same period of 2018.

² Imports registered during July 2019 reached US\$ 604 million, of which US\$ 351 million were fuel oils against only US\$ 253 million of gas oil.

³ With imports of the low value "Coins" and "imitation jewelry" dropping y-o-y by 250 tons and 49 tons during Jan-July 2019.

⁴ With lower imports from the top 10 trading partners for this category, mainly from Germany, the United States and Japan by US\$ 67 million, US\$ 46 million and US\$ 30 million respectively

⁵ This decrease is mainly attributed to lower imports from China by 44 percent (US\$ 124 million) and Italy by 41 percent (US\$ 47 million).

⁶ Imports from Ukraine, Saudi Arabia and Russia were the main sources for this drop with respective decreases of US\$ 59 million, US\$ 33 million and US\$ 21 million.

⁷ Imports of "Mineral fuel and oil" from United States witnessed a significant y-o-y increase, reaching US\$ 603 million in Jan-July 2019 compared to US\$ 358 million in Jan-July 2018.

⁸ With higher exports of gold ingots by US\$ 287 million over the period under consideration.

- Excluding "**Unwrought gold, un-mounted diamond & precious stones**", exports improved by 2 percent (US\$ 30 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\$ 39 million)¹⁰ and 254 percent (US\$ 32 million)¹¹, against a drop in exports of "**Iron and steel**" and "**Copper**" by 34 percent (US\$ 28 million)¹² and 28 percent (US\$ 17 million)¹³ respectively.
- **From a regional perspective**, exports to Arab countries witnessed an increase of 11 percent (US\$ 94 million) in Jan-Jul 2019 compared to the similar period of 2018. It is worth mentioning that this increase is mainly attributed to higher exports to Syria, Saudi Arabia and the United Arab Emirates by 26 percent (US\$ 26 million), 16 percent (US\$ 19 million) and 8 percent (US\$ 18 million) respectively. These increases were partly counterbalanced by a drop in exports to Kuwait by 21 percent (US\$ 10 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 seven months of 2019 with respective shares of 23 percent and 12 percent of total exports, followed by Saudi Arabia and Syria with shares of 7 percent and 6 percent respectively.

⁹ Due to lower exports in volume of "imitation jewelry" dropping by 53 percent in Jan-Jul 2019 compared to the same period in 2018.

¹⁰ Mainly due to an increase in exports to Georgia and Hong Kong by US\$ 13 million and US\$ 10 million respectively.

¹¹ Mostly going to Syria with exports reaching US\$ 34 million in Jan-Jul 2019 against US\$ 1 million during the same period of 2018.

¹² Mainly due to lower exports to Turkey by US\$ 71 million, despite the respective increases of US\$ 24 million and US\$ 20 million in exports to Greece and Egypt.

¹³ With exports to South Korea and China dropping by US\$ 5 million each along with a US\$ 3 million decrease in exports to Greece.

Table 1: Trade activity by value

(US\$ millions)	2018	2019	% Change	2015	2016	2017	2018	2019	% Change
	July	July	July 2019/2018	Jan- July	Jan- July	Jan- July	Jan- July	Jan- July	Jan- July 2019/2018
Imports	2,318	2,196	-5%	10,626	11,020	11,410	11,898	12,335	4%
<i>of which mineral fuel & oil</i>	938	890	-5%	1,975	2,456	2,512	2,537	4,222	66%
-EDL registered fuel imports	652	604	-7%	318	1,223	844	767	2,447	219%
-Non EDL fuel imports	286	285	0%	1,657	1,233	1,668	1,769	1,776	0.4%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals</i>	136	98	-28%	484	623	606	787	538	-32%
Exports	218	365	67%	1,771	1,634	1,652	1,757	2,089	19%
<i>of which Unwrought gold, un-mounted diamond, & precious metals</i>	33	162	394%	271	409	361	428	731	71%
Trade Balance	-2,100	-1,831	-13%	-8,855	-9,386	-9,758	-10,142	-10,245	1%

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
	July	July	July 2019/2018	Jan- July	Jan- July	Jan- July	Jan- July	Jan- July	Jan- July 2019/2018
Imports	2,145	2,386	11%	9,506	11,012	11,503	9,423	12,396	32%
<i>of which mineral fuel & oil</i>	1,327	1,666	26%	3,825	5,426	5,670	4,035	7,635	89%
-EDL registered fuel imports	892	1,215	36%	838	2,295	2,200	1,116	4,677	319%
-Non EDL fuel imports	435	452	4%	2,986	3,130	3,470	2,919	2,958	1%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals (Kgs)</i>	46,381	62,314	34%	615,176	606,114	738,199	755,194	436,265	-42%
Exports	149	165	11%	1,099	858	1,113	1,044	1,029	-1%
<i>of which Unwrought gold, un-mounted diamond, & precious metals (Kgs)</i>	1,502	6,440	329%	32,218	21,944	51,317	35,152	34,952	-1%
Trade Balance	-1,996	-2,220	11%	-8,407	-10,154	-10,390	-8,380	-11,367	36%

Source: Directorate General of Customs, Ministry of Finance

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

Rank	Product	Jan- July		Jan- July		Value change	% change
		2018	% share	2019	% share		
1	Mineral fuels, mineral oils and products of their distillation	2,537	21%	4,222	34%	1,685	66%
2	Pharmaceutical products	796	7%	769	6%	-27	-3%
3	Vehicles other than railway	977	8%	763	6%	-214	-22%
4	Aircraft engines, Boilers, machinery and mechanical appliances	772	6%	600	5%	-172	-22%
5	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	787	7%	538	4%	-248	-32%
6	Electrical machinery and equipment	473	4%	493	4%	20	4%
7	Plastic and articles thereof	365	3%	349	3%	-16	-4%
8	Iron and steel	387	3%	264	2%	-123	-32%
9	Articles of apparel and clothing accessories	292	2%	261	2%	-31	-11%
10	Live Animals	236	2%	200	2%	-36	-15%
	Others	4,277	36%	3,875	31%	-401	-9%
	Total	11,898	100%	12,335	100%	436	4%

Source: MOF, DGC

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

Rank	Product	Jan- July		Jan- July		Value change	% change
		2018	% share	2019	% share		
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	428	24%	731	35%	303	71%
2	Aircraft engines, Boilers, machinery and mechanical appliances	78	4%	117	6%	39	50%
3	Plastic and articles thereof	98	6%	97	5%	0	0%
4	Electrical and machinery	97	6%	97	5%	-1	-1%
5	Essential oils and resinoids	71	4%	75	4%	4	6%
6	Preparations of vegetable	62	4%	71	3%	9	14%
7	Iron and steel	83	5%	55	3%	-28	-34%
8	Printed books, newspapers	33	2%	49	2%	16	49%
9	Mineral fuels, mineral oils and products of their distillation	13	1%	45	2%	32	254%
10	Copper	59	3%	43	2%	-17	-28%
	Others	734	42%	708	34%	-25	-3%
	Total	1,757	100%	2,089	100%	333	19%

Source: MOF, DGC



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