

Figures released by the Ministry of Finance, Customs Directorate, indicate a trade deficit of US\$ 7,316 million for the first five months of 2019, 10 percent higher than the deficit of US\$ 6,640 million registered a year earlier. The US\$ 676 million deterioration in the trade deficit is rooted in higher imports by US\$ 797 million partly counterbalanced by the increase of US\$ 121 million in exports.

Total **imports** reached US\$ 8,762 million during January-May 2019, increasing by 10 percent in value terms and by 44 percent in volume terms compared to the same period of 2018.

- Imports of "**Mineral fuel and oil**" increased significantly by 129 percent (US\$ 1,714 million), while in terms of volume it increased by 140 percent. This rise is mainly rooted in significantly higher EDL fuel imports of US\$ 1,655 million reaching US\$ 1,770 million<sup>1</sup> during January-May 2019 compared to US\$ 115 million during the same period of 2018. On the other hand, non EDL fuel imports increased at a slower pace with 5 percent both in value and volume terms.
- Imports of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**" witnessed a major year-on-year drop of 33 percent (US\$ 183 million) in terms of value, along with a sharper decline of 53 percent in volume terms<sup>2</sup>.
- Excluding "**Mineral fuel and oil**" and "**Unwrought gold, un-mounted diamond & precious stones**", imports decreased by 12 percent (US\$ 734 million) in Jan-May 2019 compared to the similar period of 2018. In details, the main decreases were witnessed in "**Aircraft engines, Boilers, machinery and mechanical appliances**", "**Vehicles other than railway**" and "**Iron and Steel**" with 31 percent (US\$ 181 million)<sup>3</sup>, 22 percent (US\$ 144 million)<sup>4</sup> and 29 percent (US\$ 78 million)<sup>5</sup> respectively. These decreases were slightly counterbalanced by an increase of 8 percent (US\$ 24 million)<sup>6</sup> in imports of "**Electrical machinery and equipment**".
- The United States ranked as Lebanon's top import trading partner in Jan-May 2019 with a share of 9 percent of total imports, with almost 53 percent<sup>7</sup> of imports from this country being "**Mineral fuel and oil**". China and Russia followed with respective shares of 8 percent and 7 percent.

**Exports** amounted to US\$ 1,446 million in Jan-May 2019, reflecting a 9 percent rise in value despite the drop of 2 percent in volume terms, compared to the same period of 2018.

- Exports of "**Unwrought gold, un-mounted diamond & precious stones**" increased by 26 percent (US\$ 90 million) in terms of value during January-May 2019, along with a rise of 1 percent in terms of volume<sup>8</sup>.

<sup>1</sup> Imports registered during May 2019 reached US\$ 953 million, of which US\$ 888 million were fuel oils against only US\$ 65 million of gas oil.

<sup>2</sup> With imports of the low value "Coins" dropping y-o-y by 250 tons during Jan-May 2019.

<sup>3</sup> This decrease is mainly attributed to lower imports from China by 52 percent (US\$ 117 million) and Italy by 48 percent (US\$ 44 million).

<sup>4</sup> With lower imports from Germany, the United States and Japan by US\$ 51 million, US\$ 34 million and US\$ 20 million respectively.

<sup>5</sup> Imports from Ukraine, Saudi Arabia and Russia were the main sources for this drop with respective decreases of US\$ 32 million, US\$ 28 million and US\$ 16 million.

<sup>6</sup> The rise is mainly due to higher imports from China by US\$ 40 million and Viet Nam by US\$ 24 million despite a drop in imports from other countries namely Italy and the United Kingdom decreasing by US\$ 12 million each.

<sup>7</sup> Imports of "Mineral fuel and oil" from United States witnessed a significant y-o-y increase, reaching US\$ 419 million in Jan-May 2019 compared to US\$ 43 million in Jan-May 2018.

<sup>8</sup> With higher exports of gold ingots by US\$ 58 million over the period under consideration.

- Excluding "Unwrought gold, un-mounted diamond & precious stones", exports improved by 3 percent (US\$ 31 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 by 55 percent (US\$ 31 million)<sup>9</sup>, and 342 percent (US\$ 31 million)<sup>10</sup>, against a drop in exports of "Iron and steel "by 30 percent (US\$ 18 million)<sup>11</sup> and a drop in exports of "Processed copper "by 25 percent (US\$ 11 million)<sup>12</sup>.
- **From a regional perspective**, exports to Arab countries witnessed an increase of 16 percent (US\$ 94 million) in Jan-May 2019 compared to the similar period of 2018. It is worth mentioning that this increase is mainly attributed to higher exports to the United Arab Emirates and Syria by 22 percent (US\$ 37 million)<sup>13</sup> and 47 percent (US\$ 33 million) respectively. These increases were partly counterbalanced by a drop in exports to Kuwait by 24 percent (US\$ 8 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 five months of 2019 with a share of 15 percent and 14 percent respectively of total exports, followed by Syria and Saudi Arabia with a share of 7 percent each.

---

<sup>9</sup> Mainly due to an increase in exports to Georgia and Hong Kong by US\$ 13 million and US\$ 10 million respectively.

<sup>10</sup> Mostly going to Syria with exports reaching US\$ 33 million in Jan-May 2019 against less than US\$ 1 million during the same period of 2018.

<sup>11</sup> Mainly due to lower exports to Turkey by US\$ 53 million, despite the US\$ 23 million increase in exports to Greece.

<sup>12</sup> With a drop in exports to South Korea and China by US\$ 4 million each.

<sup>13</sup> With a US\$ 34 million increase in exports of "Unwrought & semi-manufactured gold, diamonds, precious stones & metals".

**Table 1: Trade activity by value**

(US\$ millions)	2018	2019	%	2015	2016	2017	2018	2019	%
	May	May	Change May 2019/2018	Jan- May	Jan- May	Jan- May	Jan- May	Jan- May	Change Jan-May 2019/2018
<b>Imports</b>	<b>1,591</b>	<b>2,456</b>	<b>54%</b>	<b>7,300</b>	<b>7,981</b>	<b>8,207</b>	<b>7,965</b>	<b>8,762</b>	<b>10%</b>
<i>of which mineral fuel &amp; oil</i>	262	1,214	364%	1,354	2,019	1,857	1,328	3,043	129%
-EDL registered fuel imports	0	953	NA	208	1,164	646	115	1,770	1434%
-Non EDL fuel imports	262	261	-0.2%	1,146	855	1,211	1,213	1,273	5%
<i>of which Unwrought &amp; semi-manufactured gold, diamonds, precious stones &amp; metals</i>	104	76	-27%	333	380	472	558	376	-33%
<b>Exports</b>	<b>254</b>	<b>324</b>	<b>28%</b>	<b>1,272</b>	<b>1,108</b>	<b>1,205</b>	<b>1,324</b>	<b>1,446</b>	<b>9%</b>
<i>of which Unwrought gold, un-mounted diamond, &amp; precious metals</i>	51	88	72%	203	209	280	344	434	26%
<b>Trade Balance</b>	<b>-1,337</b>	<b>-2,132</b>	<b>59%</b>	<b>-6,029</b>	<b>-6,873</b>	<b>-7,002</b>	<b>-6,640</b>	<b>-7,316</b>	<b>10%</b>

Source: Directorate General of Customs, Ministry of Finance

**Table 2: Trade activity by volume**

(Millions of kgs)	2018	2019	%	2015	2016	2017	2018	2019	%
	May	May	Change May 2019/2018	Jan- May	Jan- May	Jan- May	Jan- May	Jan- May	Change Jan-May 2019/2018
<b>Imports</b>	<b>1,073</b>	<b>3,207</b>	<b>199%</b>	<b>6,600</b>	<b>8,173</b>	<b>8,403</b>	<b>6,092</b>	<b>8,801</b>	<b>44%</b>
<i>of which mineral fuel &amp; oil</i>	378	2,464	552%	2,644	4,292	4,134	2,266	5,443	140%
-EDL registered fuel imports	0	2,056	NA	546	2,094	1,666	223	3,296	1377%
-Non EDL fuel imports	378	408	8%	2,098	2,198	2,468	2,043	2,147	5%
<i>of which Unwrought &amp; semi-manufactured gold, diamonds, precious stones &amp; metals (Kgs)</i>	110,646	109,779	-1%	420,054	429,233	546,490	655,360	311,202	-53%
<b>Exports</b>	<b>138</b>	<b>202</b>	<b>47%</b>	<b>775</b>	<b>607</b>	<b>790</b>	<b>775</b>	<b>763</b>	<b>-2%</b>
<i>of which Unwrought gold, un-mounted diamond, &amp; precious metals (Kgs)</i>	5,124	5,098	-1%	23,114	14,757	19,429	23,474	23,744	1%
<b>Trade Balance</b>	<b>-935</b>	<b>-3,005</b>	<b>221%</b>	<b>-5,825</b>	<b>-7,566</b>	<b>-7,612</b>	<b>-5,317</b>	<b>-8,038</b>	<b>51%</b>

Source: Directorate General of Customs, Ministry of Finance

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

Rank	Product	Jan-May 2018	% share	Jan-May 2019	% share	Value change	% change
1	Mineral fuels, mineral oils and products of their distillation	1,328	17%	3,043	35%	1,714	129%
2	Pharmaceutical products	562	7%	522	6%	-40	-7%
3	Vehicles other than railway	657	8%	513	6%	-144	-22%
4	Aircraft engines, Boilers, machinery and mechanical appliances	583	7%	402	5%	-181	-31%
5	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	558	7%	376	4%	-183	-33%
6	Electrical machinery and equipment	324	4%	349	4%	24	8%
7	Plastic and articles thereof	249	3%	246	3%	-4	-1%
8	Articles of apparel and clothing accessories	233	3%	200	2%	-33	-14%
9	Iron and steel	269	3%	191	2%	-78	-29%
10	Optical, photographic, ci	139	2%	139	2%	0	0%
	Others	3,062	38%	2,783	32%	-279	-9%
	<b>Total</b>	<b>7,965</b>	<b>100%</b>	<b>8,762</b>	<b>100%</b>	<b>797</b>	<b>10%</b>

Source: MOF, DGC

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

Rank	Product	Jan-May 2018	% share	Jan-May 2019	% share	Value change	% change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	344	26%	434	30%	90	26%
2	Aircraft engines, Boilers, machinery and mechanical appliances	57	4%	89	6%	31	55%
3	Plastic and articles thereof	69	5%	70	5%	2	2%
4	Electrical and machinery	70	5%	69	5%	-1	-1%
5	Preparations of vegetable	48	4%	54	4%	6	13%
6	Essential oils and resinoids	49	4%	54	4%	5	9%
7	Iron and steel	61	5%	43	3%	-18	-30%
8	Mineral fuels, mineral oils and products of their distillation	9	1%	41	3%	31	342%
9	Processed Copper	44	3%	33	2%	-11	-25%
10	Animal or vegetable fats	21	2%	28	2%	7	35%
	Others	552	42%	530	37%	-22	-4%
	<b>Total</b>	<b>1,324</b>	<b>100%</b>	<b>1,446</b>	<b>100%</b>	<b>121</b>	<b>9%</b>

Source: MOF, DGC



For further information please contact:

**Ministry of Finance**

Macroeconomic Analysis & Studies Department – Budget Directorate

Tel: 961 1 956000 - ext. 1718

Website: [www.finance.gov.lb](http://www.finance.gov.lb)