

Figures released by the Ministry of Finance, Customs Directorate, show a trade deficit of US\$ 14,487 million during January-November 2019, 8 percent lower than the deficit of US\$ 15,705 million registered a year earlier. The US\$ 1,218 million improvement in the trade deficit is driven by significantly higher exports by US\$ 701 million coupled with a US\$ 517 million decrease in imports.

Total **imports** reached US\$ 17,894 million during January-November 2019, dropping down by 3 percent in value terms, while by volume terms it increased by 25 percent compared to the same period of 2018.

- Imports of "**Mineral fuel and oil**" increased significantly by 59 percent (US\$ 2,198 million), with a higher rise of 84 percent¹ in terms of volume. This hike is rooted in significantly higher EDL registered fuel imports by US\$ 2,397 million reaching US\$ 3,182 million² during January-November 2019 compared to US\$ 785 million registered during the same period of 2018. On the other hand, non-EDL fuel imports decreased by 7 percent (US\$ 199 million) in value terms compared to a drop of 0.3 percent in volume terms.
- Imports of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**" witnessed a major year-on-year retraction of 27 percent (US\$ 318 million)³ in terms of value, along with a sharper decline of 36 percent in volume terms⁴.
- Excluding "**Mineral fuel and oil**" and "**Unwrought gold, un-mounted diamond & precious stones**", imports decreased by 18 percent (US\$ 2,397 million) in January-November 2019 compared to the similar period of 2018, with a year-on-year drop of 33 percent (US\$ 405 million) in the month of November 2019. In details, most major import categories witnessed a year-on-year drop, mainly "**Vehicles other than railway**", "**Electrical machinery and equipment**", "**Aircraft engines, Boilers, machinery and mechanical appliances**" and "**Iron and Steel**" with 28 percent (US\$ 423 million)⁵, 30 percent (US\$ 298 million)⁶, 25 percent (US\$ 293 million)⁷ and 36 percent (US\$ 214 million)⁸ respectively.
- The United States and China both ranked as Lebanon's top import trading partners during January-November 2019 with a share of 9 percent from total imports each, noting that almost 49 percent of imports from the United States were "**Mineral fuel and oil**"⁹ and 22 percent of imports from China were "**Electrical machinery and equipment**". Russia, Italy and Greece followed with a share of 7 percent each.

¹ This can be partly explained by a lower average price of Brent reaching US\$ 64.01 per barrel in Jan-Nov 2019 compared to US\$ 72.34 per barrel in the same period of 2018.

² Consisting of US\$ 1,554 million of gas oil and US\$ 1,628 million of fuel oil registered during Jan-Nov of 2019, of which US\$ 834 million of gas oil and US\$ 928 million of fuel oil pertaining to the year 2018.

³ Out of which a US\$ 215 million drop registered in "Gold (including gold plated with platinum) unwrought" sub-category, representing a y-o-y decline of 32 percent in value and reflecting a higher drop in volume terms by 56 percent.

⁴ With international gold prices rising from a year-to-date average of US\$ 1,276 per ounce in Jan-Nov 2018 to an average of US\$ 1,384 in Jan-Nov 2019.

⁵ With lower imports from top trading partners, mainly from Germany, the United States, Japan and the United Kingdom by US\$ 129 million, US\$ 86 million, US\$ 60 million and US\$ 28 million respectively.

⁶ This decrease is mainly attributed to lower imports from Turkey by 95 percent (US\$ 218 million).

⁷ With imports from China, Italy and Germany dropping by US\$ 154 million, US\$ 53 million and US\$ 34 million respectively.

⁸ Mainly due to lower imports from Saudi Arabia and Ukraine by US\$ 86 million and US\$ 80 million respectively.

⁹ Imports of "Mineral fuel and oil" from the United States witnessed a significant y-o-y increase, reaching US\$ 764 million in Jan-Nov 2019 compared to US\$ 381 million during the same period of 2018.

Exports amounted to US\$ 3,407 million in January-November 2019, reflecting a 26 percent (US\$ 701 million) rise in value despite the drop of 10 percent in volume terms, compared to the same period of 2018.

- Exports of "**Unwrought gold, un-mounted diamond & precious stones**" were the main trigger behind the mentioned hike in total exports, with a significant year-on-year increase of 125 percent (US\$ 741 million) in terms of value¹⁰, consequently, its share from total exports increased to 39 percent in Jan-Nov 2019 compared to 22 percent during the same period of 2018. Meanwhile, the rise in volume terms was less prominent with an increase of 24 percent when compared to 2018.
- Excluding "**Unwrought gold, un-mounted diamond & precious stones**", exports decreased by 2 percent (US\$ 40 million) in terms of value. This was mainly due to a drop in exports of "**Iron and steel**" and "**Copper and articles thereof**" by 44 percent (US\$ 53 million)¹¹ and 30 percent (US\$ 27 million)¹² respectively. This was partly offset by a rise in exports of "**Aircraft engines, Boilers, machinery and mechanical appliances**" with an increase of 39 percent (US\$ 54 million)¹³.
- **From a regional perspective**, exports to Arab countries witnessed a modest increase of 1 percent (US\$ 15 million) in Jan-Nov 2019 compared to the similar period of 2018. It is worth mentioning that this increase is mainly attributed to higher exports to Saudi Arabia, Oman and Egypt by 17 percent (US\$ 33 million), 41 percent (US\$ 9 million) and 14 percent (US\$ 9 million) respectively. These increases were partly counterbalanced by a drop in exports to the United Arab Emirates and Kuwait by 7 percent (US\$ 27 million) and 14 percent (US\$ 10 million) respectively.
- Lastly, the **breakdown of Lebanese exports by major destination** shows that Switzerland was at the top of the list during the first ten months of 2019 with a share of 29 percent¹⁴ from total exports, followed by the United Arab Emirates, Saudi Arabia and Syria with respective shares of 12 percent, 7 percent and 5 percent.

¹⁰ With higher exports of "gold (including gold plated with platinum) unwrought" by US\$ 779 million over the period under consideration.

¹¹ Mainly due to lower exports to Turkey by US\$ 91 million, despite the respective y-o-y increases of US\$ 24 million and US\$ 18 million in exports to Greece and Egypt.

¹² With exports to China and South Korea dropping by US\$ 10 million and US\$ 8 million respectively.

¹³ Mainly due to an increase in exports to Hong Kong and Georgia by US\$ 19 million and US\$ 12 million respectively.

¹⁴ With "Unwrought gold, un-mounted diamond & precious stones" being the majority of exports to Switzerland with a share of 99.6 percent.

Table 1: Trade activity by value

(US\$ millions)	2018	2019	%	2015	2016	2017	2018	2019	%
	Nov	Nov	Nov 2019/2018	Jan- Nov	Jan- Nov	Jan- Nov	Jan- Nov	Jan- Nov	Jan- Nov 2019/2018
Imports	1,536	1,281	-17%	16,685	17,537	17,949	18,411	17,894	-3%
<i>of which mineral fuel & oil</i>	249	431	73%	3,190	3,801	3,940	3,720	5,918	59%
-EDL registered fuel imports	0	248	NA	609	1,715	1,241	785	3,182	305%
-Non EDL fuel imports	249	183	-26%	2,580	2,086	2,699	2,935	2,735	-7%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals</i>	76	44	-42%	738	1,137	873	1,185	868	-27%
Exports	242	309	28%	2,716	2,732	2,593	2,706	3,407	26%
<i>of which Unwrought gold, unmounted diamond, & precious metals</i>	41	123	201%	407	781	535	593	1,334	125%
Trade Balance	-1,295	-972	-25%	-13,969	-14,804	-15,356	-15,705	-14,487	-8%

Source: Directorate General of Customs, Ministry of Finance

Table 2: Trade activity by volume

(Millions of kgs)	2018	2019	%	2015	2016	2017	2018	2019	%
	Nov	Nov	Nov 2019/2018	Jan- Nov	Jan- Nov	Jan- Nov	Jan- Nov	Jan- Nov	Jan- Nov 2019/2018
Imports	1,147	1,429	25%	15,295	17,548	17,618	14,381	17,960	25%
<i>of which mineral fuel & oil</i>	383	825	116%	6,401	8,604	8,603	5,843	10,770	84%
-EDL registered fuel imports	0	499	NA	1,494	3,555	3,184	1,175	6,118	421%
-Non EDL fuel imports	383	326	-15%	4,906	5,048	5,419	4,668	4,653	-0.3%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals (Kgs)</i>	62,451	49,050	-21%	934,286	1,049,959	1,323,394	995,742	639,332	-36%
Exports	161	116	-28%	1,796	1,499	1,787	1,707	1,540	-10%
<i>of which Unwrought gold, unmounted diamond, & precious metals (Kgs)</i>	5,316	6,512	23%	65,060	55,982	68,230	43,813	54,388	24%
Trade Balance	-986	-1,312	33%	-13,499	-16,050	-15,831	-12,675	-16,420	30%

Source: Directorate General of Customs, Ministry of Finance

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

Rank	Product	Jan-Nov 2018	% share	Jan-Nov 2019	% share	Value change	% change
1	Mineral fuels, mineral oils and products of their distillation	3,720	20%	5,918	33%	2198	59%
2	Pharmaceutical products	1,212	7%	1,138	6%	-74	-6%
3	Vehicles other than railway	1,487	8%	1,064	6%	-423	-28%
4	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	1,185	6%	868	5%	-318	-27%
5	Aircraft engines, Boilers, machinery and mechanical appliances	1,152	6%	859	5%	-293	-25%
6	Electrical machinery and equipment	1,003	5%	705	4%	-298	-30%
7	Plastic and articles thereof	586	3%	508	3%	-78	-13%
8	Articles of apparel and clothing accessories	474	3%	402	2%	-71	-15%
9	Iron and steel	600	3%	386	2%	-214	-36%
10	Live Animals	387	2%	298	2%	-89	-23%
	Others	6,604	36%	5,747	32%	-857	-13%
	Total	18,411	100%	17,894	100%	-517	-3%

Source: MOF, DGC

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

Rank	Product	Jan-Nov 2018	% share	Jan-Nov 2019	% share	Value change	% change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	593	22%	1,334	39%	741	125%
2	Aircraft engines, Boilers, machinery and mechanical appliances	139	5%	192	6%	54	39%
3	Electrical and machinery	157	6%	152	4%	-5	-3%
4	Plastic and articles thereof	160	6%	141	4%	-19	-12%
5	Essential oils and resinoids	109	4%	117	3%	8	8%
6	Preparations of vegetable	95	4%	108	3%	13	14%
7	Printed books, newspapers	64	2%	71	2%	7	10%
8	Iron and steel	119	4%	66	2%	-53	-44%
9	Copper and articles thereof	88	3%	62	2%	-27	-30%
10	Papers and paperboard. art	65	2%	61	2%	-5	-7%
	Others	1,116	41%	1,103	32%	-12	-1%
	Total	2,706	100%	3,407	100%	701	26%

Source: MOF, DGC



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