

Figures released by the Ministry of Finance, Customs Directorate, show a trade deficit of US\$ 12,498 million during January-September 2019, 4 percent lower than the deficit of US\$ 12,957 million registered a year earlier. The US\$ 459 million improvement in the trade deficit is driven by significantly higher exports by US\$ 607 million partly offset by a US\$ 148 million increase in imports.

Total **imports** reached US\$ 15,304 million during January - September 2019, increasing by 1 percent in value terms and by 28 percent in volume terms compared to the same period of 2018.

- Imports of "**Mineral fuel and oil**" increased significantly by 64 percent (US\$ 2,018 million), while in terms of volume it increased by 88 percent<sup>1</sup>. This rise is mainly rooted in significantly higher EDL registered fuel imports by US\$ 2,059 million reaching US\$ 2,826 million<sup>2</sup> during January-September 2019 compared to US\$ 767 million during the same period of 2018. On the other hand, non EDL fuel imports decreased slightly by 2 percent (US\$ 40 million) in value terms against a 2 percent increase in volume terms.
- Imports of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**" witnessed a major year-on-year decline of 27 percent (US\$ 269 million)<sup>3</sup> in terms of value, along with a sharper decline of 38 percent in volume terms<sup>4</sup>.
- Excluding "**Mineral fuel and oil**" and "**Unwrought gold, un-mounted diamond & precious stones**", imports decreased by 15 percent (US\$ 1,600 million) in January-September 2019 compared to the similar period of 2018. 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 25 percent (US\$ 308 million)<sup>5</sup>, 27 percent (US\$ 222 million)<sup>6</sup>, 23 percent (US\$ 217 million)<sup>7</sup> and 35 percent (US\$ 174 million)<sup>8</sup> respectively.
- The United States and China both ranked as Lebanon's top import trading partners during January-September 2019 with a share of 9 percent from total imports each, noting that almost 50 percent of imports from the United States were "**Mineral fuel and oil**"<sup>9</sup> and 22 percent of imports from China were "**Electrical machinery and equipment**". Russia and Greece followed with respective shares of 8 percent and 7 percent.

<sup>1</sup> This can be partly explained by lower average price of Brent oil reaching US\$ 64.62 per barrel in Jan-Sep 2019 compared to US\$ 72.16 per barrel in the same period of 2018.

<sup>2</sup> Consisting of US\$ 1,391 million of gas oil and US\$ 1,434 million of fuel oil registered by the end of the third quarter of 2019.

<sup>3</sup> Out of which US\$ 240 million drop registered in "**Gold (including gold plated with platinum) unwrought**" sub-category, representing a y-o-y decline of 39 percent in value and reflecting a higher drop in volume terms by 61 percent.

<sup>4</sup> With international gold prices rising from a year-to-date average of US\$ 1,283 per ounce in Jan-Sep 2018 to an average of US\$ 1,362 in Jan-Sep 2019.

<sup>5</sup> With lower imports from top trading partners, mainly from Germany, the United States, Japan and the United Kingdom by US\$ 96 million, US\$ 70 million, US\$ 45 million and US\$ 24 million respectively.

<sup>6</sup> This decrease is mainly attributed to lower imports from Turkey by 96 percent (US\$ 218 million).

<sup>7</sup> With imports from China, Italy and Germany dropping by US\$ 131 million, US\$ 51 million and US\$ 27 million respectively.

<sup>8</sup> Mainly due to lower imports from Saudi Arabia and Ukraine by US\$ 77 million and US\$ 73 million respectively.

<sup>9</sup> Imports of "**Mineral fuel and oil**" from United States witnessed a significant y-o-y increase, reaching US\$ 656 million in Jan-Sept 2019 compared to US\$ 378 million during the same period of 2018.

**Exports** amounted to US\$ 2,806 million in January-September 2019, reflecting a 28 percent rise in value despite the drop of 5 percent in volume terms<sup>10</sup>, 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 116 percent (US\$ 588 million) in terms of value<sup>11</sup> along with a less prominent rise of 18 percent in volume terms during January-September 2019.
- Excluding "**Unwrought gold, un-mounted diamond & precious stones**", exports improved by 1 percent (US\$ 19 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 56 percent (US\$ 56 million)<sup>12</sup> and 192 percent (US\$ 33 million)<sup>13</sup>, that was partly offset by a drop in exports of "**Iron and steel**" and "**Copper and articles thereof**" by 35 percent (US\$ 33 million)<sup>14</sup> and 27 percent (US\$ 19 million)<sup>15</sup> respectively.
- **From a regional perspective**, exports to Arab countries witnessed an increase of 7 percent (US\$ 76 million) in Jan-Sep 2019 compared to the similar period of 2018. It is worth mentioning that this increase is mainly attributed to higher exports to Saudi Arabia, Syria and Egypt by 18 percent (US\$ 27 million), 12 percent (US\$ 16 million) and 24 percent (US\$ 12 million) respectively. These increases were partly counterbalanced by a drop in exports to Kuwait by 17 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 nine months of 2019 with respective shares of 28 percent<sup>16</sup> and 12 percent from total exports, followed by Saudi Arabia and Syria with a share of 6 percent each.

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<sup>10</sup> This can be partly explained by the increasing share of "Unwrought & semi-manufactured gold, diamonds, precious stones & metals" in total exports that reached 39 percent in Jan-Sep 2019 compared to 23 percent in Jan-Sep 2018.

<sup>11</sup> With higher exports of "gold (including gold plated with platinum) unwrought" by US\$ 582 million over the period under consideration.

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

<sup>13</sup> Mostly going to Syria with exports reaching US\$ 37 million in Jan-Sep 2019 against US\$ 2 million during the same period of 2018.

<sup>14</sup> Mainly due to lower exports to Turkey by US\$ 79 million, despite the respective y-o-y increases of US\$ 28 million and US\$ 21 million in exports to Greece and Egypt.

<sup>15</sup> With exports to China and South Korea dropping by US\$ 6 million each.

<sup>16</sup> 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	% Change	2015	2016	2017	2018	2019	% Change
	Sep	Sep	Sep 2019/2018	Jan-Sep	Jan-Sep	Jan-Sep	Jan-Sep	Jan-Sep	Jan-Sep 2019/2018
<b>Imports</b>	1,438	1,466	2%	13,627	14,533	14,454	15,156	15,304	1%
<i>of which mineral fuel &amp; oil</i>	270	468	73%	2,582	3,337	3,159	3,131	5,149	64%
-EDL registered fuel imports	0	212	NA	406	1,641	956	767	2,826	268%
-Non EDL fuel imports	270	256	-5%	2,176	1,696	2,203	2,364	2,323	-2%
<i>of which Unwrought &amp; semi-manufactured gold, diamonds, precious stones &amp; metals</i>	105	105	-1%	622	916	737	1,010	741	-27%
<b>Exports</b>	214	342	60%	2,234	2,228	2,112	2,199	2,806	28%
<i>of which Unwrought gold, unmounted diamond, &amp; precious metals</i>	37	172	366%	332	653	461	505	1,094	116%
<b>Trade Balance</b>	<b>-1,224</b>	<b>-1,124</b>	<b>-8%</b>	<b>-11,393</b>	<b>-12,304</b>	<b>-12,342</b>	<b>-12,957</b>	<b>-12,498</b>	<b>-4%</b>

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
	Sep	Sep	Sep 2019/2018	Jan-Sep	Jan-Sep	Jan-Sep	Jan-Sep	Jan-Sep	Jan-Sep 2019/2018
<b>Imports</b>	1,179	1,528	30%	12,556	14,844	14,428	11,863	15,304	29%
<i>of which mineral fuel &amp; oil</i>	406	839	107%	5,168	7,519	7,053	4,937	9,289	88%
-EDL registered fuel imports	0	401	NA	1,127	3,321	2,531	1,116	5,394	384%
-Non EDL fuel imports	406	438	8%	4,041	4,198	4,522	3,821	3,895	2%
<i>of which Unwrought &amp; semi-manufactured gold, diamonds, precious stones &amp; metals (Kgs)</i>	48,130	47,213	-2%	771,188	817,400	976,491	870,236	540,186	-38%
<b>Exports</b>	163	114	-30%	1,480	1,170	1,487	1,360	1,297	-5%
<i>of which Unwrought gold, unmounted diamond, &amp; precious metals (Kgs)</i>	891	4,463	401%	39,906	33,841	58,189	37,934	44,696	18%
<b>Trade Balance</b>	<b>-1,016</b>	<b>-1,414</b>	<b>39%</b>	<b>-11,076</b>	<b>-13,675</b>	<b>-12,941</b>	<b>-10,503</b>	<b>-14,006</b>	<b>33%</b>

Source: Directorate General of Customs, Ministry of Finance

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

Rank	Product	Jan- Sep 2018	% share	Jan- Sep 2019	% share	Value change	% change
1	Mineral fuels, mineral oils and products of their distillation	3,131	21%	5,149	34%	2018	64%
2	Pharmaceutical products	992	7%	953	6%	-40	-4%
3	Vehicles other than railway	1,237	8%	929	6%	-308	-25%
4	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	1,010	7%	741	5%	-269	-27%
5	Aircraft engines, Boilers, machinery and mechanical appliances	942	6%	725	5%	-217	-23%
6	Electrical machinery and equipment	830	5%	608	4%	-222	-27%
7	Plastic and articles thereof	467	3%	437	3%	-30	-6%
8	Articles of apparel and clothing accessories	383	3%	347	2%	-36	-9%
9	Iron and steel	501	3%	328	2%	-174	-35%
10	Live Animals	293	2%	246	2%	-47	-16%
	Others	5,369	35%	4,842	32%	-527	-10%
	<b>Total</b>	<b>15,156</b>	<b>100%</b>	<b>15,304</b>	<b>100%</b>	<b>148</b>	<b>1%</b>

Source: MOF, DGC

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

Rank	Product	Jan- Sep 2018	% share	Jan- Sep 2019	% share	Value change	% change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	505	23%	1,094	39%	588	116%
2	Aircraft engines, Boilers, machinery and mechanical appliances	101	5%	158	6%	56	56%
3	Electrical and machinery	125	6%	126	4%	2	1%
4	Plastic and articles thereof	128	6%	119	4%	-8	-7%
5	Essential oils and resinoids	91	4%	96	3%	5	6%
6	Preparations of vegetable	77	3%	88	3%	11	15%
7	Printed books, newspapers	56	3%	63	2%	8	14%
8	Iron and steel	95	4%	62	2%	-33	-35%
9	Copper and articles thereof	71	3%	52	2%	-19	-27%
10	Mineral fuels, mineral oils and products of their distillation	17	1%	50	2%	33	192%
	Others	934	42%	898	32%	-36	-4%
	<b>Total</b>	<b>2,199</b>	<b>100%</b>	<b>2,806</b>	<b>100%</b>	<b>607</b>	<b>28%</b>

Source: MOF, DGC



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