

Figures released by the Ministry of Finance, Customs Directorate, indicate a trade deficit of US\$ 3,014 million for Jan-May 2020, significantly lower than the deficit of US\$ 7,322 million registered a year earlier. The US\$ 4,308 million improvement in the trade deficit is rooted in significantly lower imports by US\$ 4,413 million, which was slightly offset by a US\$ 105 million drop in exports.

Total **imports** reached US\$ 4,349 million during Jan-May 2020, decreasing by 50 percent<sup>1</sup> in value terms and by 45 percent in volume terms compared to the same period of 2019.

- Imports of "**Mineral fuel and oil**" dropped significantly by 58 percent (US\$ 1,764 million)<sup>2</sup> while in terms of volume it retracted by 49 percent. This decrease is mainly rooted in significantly lower EDL fuel imports by 76 percent (US\$ 1,354 million) reaching US\$ 416 million during Jan-May 2020 compared to US\$ 1,770 million during the same period of 2019. On the other hand, non-EDL fuel imports also narrowed by 32 percent (US\$ 410 million) reflecting an 18 percent decrease in volume terms.
- Imports of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**" witnessed a year-on-year drop of 13 percent (US\$ 50 million) in terms of value to reach US\$ 325 million, while in volume terms they remarkably declined by 74 percent. This discrepancy between the value and volume can be partly explained by the increase in the average gold price to US\$ 1,629 per ounce during Jan-May 2020 compared to US\$ 1,296 per ounce during the same period of 2019. Also, the composition of imports from this category has contributed to increasing this difference, with a considerable drop in imports of the low cost "imitation jewelry" by 246 tons accounting for a decline of only US\$ 3 million in value terms.
- Excluding "**Mineral fuel and oil**" and "**Unwrought gold, un-mounted diamond & precious stones**", imports decreased by 49 percent (US\$ 2,598 million) in Jan-May 2020 compared to the similar period of 2019. In fact, most imports' categories, with the exception of some foods items, witnessed a year-on-year drop during the covered period. In details, the main decreases were registered in "**Vehicles other than railway**", "**Electrical machinery and equipment**", "**Aircraft engines, Boilers, machinery and mechanical appliances**" and "**Plastics and articles thereof**" with 72 percent (US\$ 371 million)<sup>3</sup>, 69 percent (US\$ 240 million)<sup>4</sup>, 59 percent (US\$ 236 million)<sup>5</sup> and by 59 percent (US\$ 145 million)<sup>6</sup> respectively.

<sup>1</sup> Significantly affected by the disruption in international bank transfers.

<sup>2</sup> Partly affected by the drop in international fuel prices with the Brent price reaching a record low of US\$ 9.12 per barrel on April 21, 2020. Year-to-date average price registered US\$ 40.23 per barrel compared to US\$ 66.37 in Jan-May 2019.

<sup>3</sup> With lower imports from all countries mainly from the United States by US\$ 71 million, as well as from Germany and Japan by US\$ 70 million and US\$ 60 million respectively.

<sup>4</sup> Imports from China, Vietnam and Finland were the main sources for this drop with respective decreases of US\$ 118 million, US\$ 22 million and US\$ 10 million respectively.

<sup>5</sup> This decrease is mainly attributed to lower imports from China by US\$ 80 million, Germany by US\$ 24 million and Italy by US\$ 20 million.

<sup>6</sup> Imports from Saudi Arabia, China and the United Arab Emirates were the main sources for this drop with respective decreases of US\$ 37 million, US\$ 27 million and US\$ 9 million.

- Greece ranked as Lebanon's top import trading partner in Jan-May 2020 with a share of 8 percent of total imports, noting that almost 94 percent of imports registered from this country were "**Mineral fuel and oil**". Turkey, Italy and the United States followed with shares of 7 percent each.

**Exports** amounted to US\$ 1,335 million in Jan-May 2020, reflecting a 7 percent (US\$ 105 million)<sup>7</sup> decline in value along with a drop of 10 percent in volume terms, compared to the same period of 2019.

- Exports of "**Unwrought gold, un-mounted diamond & precious stones**" increased significantly by 20 percent (US\$ 87 million) in terms of value during Jan-May of 2020, reflected in turn by an increase of 138 percent<sup>8</sup> in terms of volume.
- Excluding "**Unwrought gold, un-mounted diamond & precious stones**", exports decreased by a 19 percent (US\$ 192 million) in terms of value. The main export categories witnessing year-on-year changes were "**Plastics and articles thereof**", "**Electric machinery and equipment**" and "**Essential oils and resinoids**" with respective drops of 43 percent (US\$ 31 million)<sup>9</sup>, 29 percent (US\$ 20 million)<sup>10</sup> and 21 percent (US\$ 12 million)<sup>11</sup>, against a rise in exports of "**Edible fruits and nuts**" by 70 percent (US\$ 17 million)<sup>12</sup>.
- **From a regional perspective**, exports to Arab countries witnessed a decline of 20 percent (US\$ 140 million) in Jan-May 2020 compared to the similar period of 2019. It is worth mentioning that this drop is mainly attributed to lower exports to Syria, the United Arab Emirates and Algeria by 51 percent (US\$ 52 million)<sup>13</sup>, 21 percent (US\$ 43 million)<sup>14</sup> and 68 percent (US\$ 13 million) respectively.
- Lastly, the **breakdown of Lebanese exports by major destination** shows that Switzerland was at the top of the list during Jan-May of 2020 with a share of 30 percent of total exports – noting that almost 99 percent of exports to this country were "**Unwrought gold, un-mounted diamond & precious stones**" - followed by the United Arab Emirates and Saudi Arabia with respective shares of 12 percent and 7 percent.

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<sup>7</sup> Of which a drop of US\$ 68 million in May 2020 compared to May 2019, most probably affected by the covid-19 international repercussions.

<sup>8</sup> This is mainly attributed to large exports of "Waste and scrap of precious metal or of metal clad" registering 24,890 Kgs during Jan-May of 2020 compared to nil in Jan-May 2019.

<sup>9</sup> Mainly due to a decrease in exports to Syria by US\$ 20 million.

<sup>10</sup> With lower exports to many countries mainly to Iraq by US\$ 4 million and Syria by US\$ 3 million.

<sup>11</sup> With lower exports to the United Arab Emirates by US\$ 7 million.

<sup>12</sup> Mainly due to higher exports to Jordan and Turkey by US\$ 6 million each.

<sup>13</sup> With a y-o-y drop of US\$ 33 million in exports of "Mineral fuel and oil" and US\$ 20 million in exports of "Plastics and articles thereof" during the covered period.

<sup>14</sup> Mainly due to a US\$ 26 million y-o-y drop in exports of "Unwrought gold, un-mounted diamond & precious stones" during the period under consideration.

**Table 1: Trade activity by value**

(US\$ millions)	2019	2020	% Change	2016	2017	2018	2019	2020	% Change
	May	May	May 2020/2019	Jan- May	Jan- May	Jan- May	Jan- May	Jan- May	Jan- May 2020/2019
<b>Imports</b>	<b>2,456</b>	<b>674</b>	<b>-73%</b>	<b>7,981</b>	<b>8,207</b>	<b>7,965</b>	<b>8,762</b>	<b>4,349</b>	<b>-50%</b>
<i>of which mineral fuel &amp; oil</i>	1,214	133	-89%	2,019	1,857	1,328	3,043	1,279	-58%
-EDL registered fuel imports	953	28	-97%	1,164	646	115	1,770	416	-76%
-Non EDL fuel imports	261	104	-60%	855	1,211	1,213	1,273	863	-32%
<i>of which Unwrought &amp; semi-manufactured gold, diamonds, precious stones &amp; metals</i>	76	34	-56%	380	472	558	376	325	-13%
<b>Exports</b>	<b>319</b>	<b>251</b>	<b>-21%</b>	<b>1,107</b>	<b>1,205</b>	<b>1,324</b>	<b>1,440</b>	<b>1,335</b>	<b>-7%</b>
<i>of which Unwrought gold, un-mounted diamond, &amp; precious metals</i>	88	107	22%	209	280	344	434	521	20%
<b>Trade Balance</b>	<b>-2,137</b>	<b>-423</b>	<b>-80%</b>	<b>-6,874</b>	<b>-7,002</b>	<b>-6,640</b>	<b>-7,322</b>	<b>-3,014</b>	<b>-59%</b>

Source: Directorate General of Customs, Ministry of Finance

**Table 2: Trade activity by volume**

(Millions of kgs)	2019	2020	% Change	2016	2017	2018	2019	2020	% Change
	May	May	May 2020/2019	Jan- May	Jan- May	Jan- May	Jan- May	Jan- May	Jan- May 2020/2019
<b>Imports</b>	<b>3,211</b>	<b>1,020</b>	<b>-68%</b>	<b>8,173</b>	<b>8,403</b>	<b>6,092</b>	<b>8,851</b>	<b>4,887</b>	<b>-45%</b>
<i>of which mineral fuel &amp; oil</i>	2,464	508	-79%	4,292	4,134	2,266	5,484	2,784	-49%
-EDL registered fuel imports	2,056	157	-92%	2,094	1,666	223	3,296	981	-70%
-Non EDL fuel imports	408	350	-14%	2,198	2,468	2,043	2,188	1,803	-18%
<i>of which Unwrought &amp; semi-manufactured gold, diamonds, precious stones &amp; metals (Kgs)</i>	109,779	12,109	-89%	429,233	546,490	655,360	311,202	82,379	-74%
<b>Exports</b>	<b>202</b>	<b>158</b>	<b>-22%</b>	<b>607</b>	<b>790</b>	<b>775</b>	<b>763</b>	<b>683</b>	<b>-10%</b>
<i>of which Unwrought gold, un-mounted diamond, &amp; precious metals (Kgs)</i>	5,098	6,531	28%	14,757	19,429	23,474	23,744	56,617	138%
<b>Trade Balance</b>	<b>-3,009</b>	<b>-862</b>	<b>-71%</b>	<b>-7,566</b>	<b>-7,612</b>	<b>-5,317</b>	<b>-8,088</b>	<b>-4,204</b>	<b>-48%</b>

Source: Directorate General of Customs, Ministry of Finance

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

Rank	Product	Jan-May 2019	% Share	Jan-May 2020	% Share	Value Change	% Change
1	Mineral fuels and oils	3,043	35%	1,279	29%	-1,764	-58%
2	Pharmaceutical products	522	6%	463	11%	-59	-11%
3	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	376	4%	325	7%	-50	-13%
4	Aircraft engines, Boilers, machinery and mechanical appliances	402	5%	165	4%	-236	-59%
5	Cereals	136	2%	152	3%	16	12%
6	Vehicles and accessories, cranes & lorries	513	6%	142	3%	-371	-72%
7	Live animals	132	2%	134	3%	2	1%
8	Electrical machinery and equipment	349	4%	109	3%	-240	-69%
9	Plastics and articles thereof	246	3%	101	2%	-145	-59%
10	Dairy produce; birds' egg	138	2%	80	2%	-58	-42%
	Other	2,907	33%	1,399	32%	-1,508	-52%
	<b>Total</b>	<b>8,762</b>	<b>100%</b>	<b>4,349</b>	<b>100%</b>	<b>-4,413</b>	<b>-50%</b>

Source: MOF, DGC

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

Rank	Product	Jan-May 2019	% Share	Jan-May 2020	% Share	Value Change	% Change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	434	30%	521	39%	87	20%
2	Aircraft engines, Boilers, machinery and mechanical appliances	89	6%	79	6%	-10	-11%
3	Preparations of vegetable	54	4%	52	4%	-2	-4%
4	Electrical machinery and equipment	69	5%	49	4%	-20	-29%
5	Essential oils and resinoids	54	4%	42	3%	-12	-21%
6	Edible fruit and nuts	24	2%	41	3%	17	70%
7	Plastics and articles thereof	70	5%	40	3%	-31	-43%
8	Iron and steel	43	3%	38	3%	-5	-12%
9	Processed Copper	33	2%	23	2%	-10	-31%
10	Paper and paperboard	28	2%	23	2%	-5	-18%
	Other	541	38%	427	32%	-114	-21%
	<b>Total</b>	<b>1,440</b>	<b>100%</b>	<b>1,335</b>	<b>100%</b>	<b>-105</b>	<b>-7%</b>

Source: MOF, DGC



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