

Figures released by the Ministry of Finance, Customs Directorate, indicate a trade deficit of US\$ 4,663 million for Jan-Aug 2020, significantly lower than the deficit of US\$ 11,374 million registered a year earlier. The US\$ 6,712 million improvement in the trade deficit is rooted in significantly lower imports by US\$ 6,915 million, slightly offset by a US\$ 204 million drop in exports.

Total **imports** reached US\$ 6,923 million during Jan-Aug 2020, decreasing by 50 percent in value terms¹ and by 40 percent in volume terms compared to the same period of 2019.

- Imports of "**Mineral fuel and oil**" dropped significantly by 57 percent (US\$ 2,650 million)² while in terms of volume it retracted by 43 percent. This decrease is mainly rooted in significantly lower registered EDL fuel imports by 78 percent (US\$ 2,036 million) reaching US\$ 578 million during Jan-Aug 2020 compared to US\$ 2,614 million during the same period of 2019. In parallel, non-EDL fuel imports also narrowed by 30 percent (US\$ 614 million) reflecting a much lower decrease of 4 percent in volume terms.
- Imports of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**" witnessed a year-on-year drop of 20 percent (US\$ 129 million) in terms of value to reach US\$ 507 million, compared to a more pronounced decline of 80 percent in volume terms. This discrepancy between the value and the volume can be partly explained by the considerable increase in the average gold price reaching US\$ 1,711 per ounce during Jan-Aug 2020 compared to US\$ 1,344 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 407 tons accounting for a decline of only US\$ 5.1 million in value terms.
- Excluding "**Mineral fuel and oil**" and "**Unwrought gold, un-mounted diamond & precious stones**", imports decreased by 49 percent (US\$ 4,137 million) in Jan-Aug 2020 compared to the similar period of 2019. In fact, most imports categories witnessed a year-on-year drop during the covered period. In details, the main decreases were registered in "**Vehicles other than railway**", "**Aircraft engines, Boilers, machinery and mechanical appliances**", "**Electrical machinery and equipment**" and "**Plastics and articles thereof**" with 71 percent (US\$ 608 million)³, 58 percent (US\$ 386 million)⁴, 70 percent (US\$ 385 million)⁵ and by 54 percent (US\$ 213 million)⁶ respectively.
- Greece ranked as Lebanon's top import trading partner in Jan-Aug 2020 with a share of 8 percent of total imports, noting that almost 95 percent of imports registered from this country were "**Mineral fuel and oil**". The United States and Italy followed with shares of 7 percent each.

¹ Significantly affected by the disruption in international bank transfers and the deterioration of the USD market rate.

² 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\$ 41.18 per barrel compared to US\$ 64.84 in Jan-Aug 2019.

³ With lower imports from all countries mainly from the United States by US\$ 129 million, as well as from Germany and Japan by US\$ 107 million and US\$ 93 million respectively.

⁴ This decrease is mainly attributed to lower imports from China by US\$ 123 million, Italy by US\$ 44 million and Germany by US\$ 32 million.

⁵ Imports from China, Vietnam and Italy were the main sources for this drop with respective decreases of US\$ 186 million, US\$ 34 million and US\$ 20 million.

⁶ Imports from Saudi Arabia and China registered the biggest drops with US\$ 48 million and US\$ 46 million respectively

Exports amounted to US\$ 2,261 million in Jan-Aug 2020, reflecting an 8 percent (US\$ 204 million) decline in value along with a lesser drop of 5 percent in volume terms, compared to the same period of 2019.

- Exports of "**Unwrought gold, un-mounted diamond & precious stones**" dropped by a mere 0.3 percent (US\$ 3 million) in terms of value during Jan-Aug of 2020, while it increased significantly by 69 percent in terms of volume⁷.
- Excluding "**Unwrought gold, un-mounted diamond & precious stones**", exports decreased by 13 percent (US\$ 201 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 42 percent (US\$ 46 million)⁸, 27 percent (US\$ 29 million)⁹ and 18 percent (US\$ 15 million)¹⁰, against a rise in exports of "**Edible fruits and nuts**" by 75 percent (US\$ 29 million)¹¹.
- **From a regional perspective**, exports to Arab countries witnessed a decline of 20 percent (US\$ 207 million) in Jan-Aug 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 Saudi Arabia by 51 percent (US\$ 74 million)¹², 24 percent (US\$ 71 million)¹³ and 13 percent (US\$ 20 million) respectively.
- Lastly, the **breakdown of Lebanese exports by major destination** shows that Switzerland was at the top of the list during Jan-Aug 2020 with a share of 34 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 10 percent and 6 percent.

⁷ This is mainly attributed to the export of a large volume of "Waste and scrap of precious metal or of metal clad" registering 24,897 Kgs during Jan-Aug 2020 (36.7 percent from total exports of this category) compared to nil in Jan-Aug 2019.

⁸ Mainly due to a decrease in exports to Syria by US\$ 31 million.

⁹ Mainly due to lower exports to Iraq by US\$ 8 million and Syria by US\$ 6 million.

¹⁰ With lower exports to the United Arab Emirates by US\$ 12 million.

¹¹ Mainly due to higher exports to Turkey and Jordan by US\$ 9 million and US\$ 6 million respectively.

¹² Mainly as exports of "Mineral fuel & oil" and "Plastics and article thereof" dropped year-on-year by US\$ 35 million and US\$ 31 million respectively.

¹³ With exports of "Unwrought gold, un-mounted diamond & precious stones" and "Essential oils and resinoids" declining year-on-year by US\$ 52 million and US\$ 12 million respectively over the covered period.

Table 1: Trade activity by value

(US\$ millions)	2019	2020	% Change	2016	2017	2018	2019	2020	% Change
	August	August	August 2020/2019	Jan-Aug	Jan-Aug	Jan-Aug	Jan-Aug	Jan-Aug	Jan-Aug 2020/2019
Imports	1,504	799	-47%	13,029	13,095	13,718	13,839	6,923	-50%
<i>of which mineral fuel & oil</i>	459	293	-36%	3,053	2,856	2,860	4,681	2,031	-57%
<i>-EDL registered fuel imports</i>	168	86	-49%	1,585	933	767	2,614	578	-78%
<i>-Non EDL fuel imports</i>	291	207	-29%	1,468	1,923	2,093	2,067	1,453	-30%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals</i>	97	67	-31%	797	671	904	636	507	-20%
Exports	375	274	-27%	1,974	1,903	1,986	2,464	2,261	-8%
<i>of which Unwrought gold, un-mounted diamond, & precious metals</i>	190	123	-35%	560	401	468	922	919	-0.3%
Trade Balance	-1,129	-525	-53%	-11,055	-11,193	-11,733	-11,374	-4,663	-59%

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
	August	August	August 2020/2019	Jan-Aug	Jan-Aug	Jan-Aug	Jan-Aug	Jan-Aug	Jan-Aug 2020/2019
Imports	1,379	1,155	-16%	13,327	13,151	10,685	13,775	8,260	-40%
<i>of which mineral fuel & oil</i>	815	773	-5%	6,818	6,428	4,530	8,449	4,819	-43%
<i>-EDL registered fuel imports</i>	316	256	-19%	3,133	2,465	1,116	4,993	1,505	-70%
<i>-Non EDL fuel imports</i>	499	517	4%	3,686	3,963	3,415	3,456	3,315	-4%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals (Kgs)</i>	56,708	7,373	-87%	716,127	885,552	822,107	492,973	99,964	-80%
Exports	154	149	-4%	1,031	1,331	1,197	1,183	1,123	-5%
<i>of which Unwrought gold, un-mounted diamond, & precious metals (Kgs)</i>	5,280	3,371	-36%	27,155	53,820	37,044	40,233	67,872	69%
Trade Balance	-1,225	-1,006	-18%	-12,296	-11,820	-9,487	-12,592	-7,137	-43%

Source: Directorate General of Customs, Ministry of Finance

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

Rank	Product	Jan-Aug 2019	% Share	Jan- Aug 2020	% Share	Value Change	% Change
1	Mineral fuels and oils	4,681	34%	2,031	29%	-2,650	-57%
2	Pharmaceutical products	858	6%	756	11%	-102	-12%
3	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	636	5%	507	7%	-129	-20%
4	Aircraft engines, Boilers, machinery and mechanical appliances	671	5%	284	4%	-386	-58%
5	Vehicles and accessories, cranes & lorries	857	6%	248	4%	-608	-71%
6	Cereals	214	2%	233	3%	18	9%
7	Plastics and articles thereof	396	3%	183	3%	-213	-54%
8	Electrical machinery and equipment	553	4%	167	2%	-385	-70%
9	Live animals	225	2%	163	2%	-62	-28%
10	Optical, photographic	217	2%	125	2%	-92	-42%
	Other	4,532	33%	2,226	32%	-2,306	-51%
	Total	13,839	100%	6,923	100%	-6,915	-50%

Source: MOF, DGC

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

Rank	Product	Jan- Aug 2019	% Share	Jan- Aug 2020	% Share	Value Change	% Change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	922	37%	919	41%	-3	0%
2	Aircraft engines, Boilers, machinery and mechanical appliances	135	5%	131	6%	-4	-3%
3	Electrical machinery and equipment	111	4%	81	4%	-29	-27%
4	Preparations of vegetable	79	3%	81	4%	2	3%
5	Essential oils and resinoids	86	3%	71	3%	-15	-18%
6	Edible fruit and nuts	38	2%	67	3%	29	75%
7	Plastics and articles thereof	109	4%	63	3%	-46	-42%
8	Iron and steel	59	2%	55	2%	-4	-7%
9	Copper and articles	48	2%	44	2%	-4	-8%
10	Beverages, spirits and vinegars	40	2%	38	2%	-2	-5%
	Other	838	34%	710	31%	-127	-15%
	Total	2,464	100%	2,261	100%	-204	-8%

Source: MOF, DGC



For further information please contact:

Ministry of Finance

Macroeconomic Analysis & Studies Department – Budget Directorate

Tel: 961 1 956000 - ext. 1716

Website: www.finance.gov.lb