

Figures released by the Ministry of Finance, Customs Directorate, indicate a trade deficit of US\$ 4,139 million for Jan-Jul 2020, significantly lower than the deficit of US\$ 10,245 million registered a year earlier. The US\$ 6,107 million improvement in the trade deficit is rooted in significantly lower imports by US\$ 6,210 million, slightly offset by a US\$ 103 million drop in exports.

Total **imports** reached US\$ 6,125 million during Jan-Jul 2020, decreasing by 50 percent in value terms¹ and by 43 percent in volume terms compared to the same period of 2019.

- Imports of "**Mineral fuel and oil**" dropped significantly by 59 percent (US\$ 2,484 million)² while in terms of volume it retracted by 47 percent. This decrease is mainly rooted in significantly lower registered EDL fuel imports by 80 percent (US\$ 1,954 million) reaching US\$ 493 million during Jan-Jul 2020 compared to US\$ 2,447 million during the same period of 2019. In parallel, non-EDL fuel imports also narrowed by 30 percent (US\$ 530 million) reflecting a much lower decrease of 5 percent in volume terms³.
- Imports of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**" witnessed a year-on-year drop of 18 percent (US\$ 99 million) in terms of value to reach US\$ 440 million, compared to a more pronounced decline of 79 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\$ 1,676 per ounce during Jan-Jul 2020 compared to US\$ 1,322 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 359 tons accounting for a decline of only US\$ 4.3 million in value terms.
- Excluding "**Mineral fuel and oil**" and "**Unwrought gold, un-mounted diamond & precious stones**", imports decreased by 48 percent (US\$ 3,627 million) in Jan-Jul 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 71 percent (US\$ 540 million)⁴, 70 percent (US\$ 344 million)⁵, 57 percent (US\$ 340 million)⁶ and by 54 percent (US\$ 189 million)⁷ respectively.

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\$ 40.70 per barrel compared to US\$ 65.70 in Jan-Jul 2019.

³ This can be partly explained by some sub-categories of non-EDL imports mainly "gas oil" and "fuel oil" which dropped in value by US\$ 130 million against an increase in volume by 282 thousands of tons.

⁴ With lower imports from all countries mainly from the United States by US\$ 113 million, as well as from Germany and Japan by US\$ 97 million and US\$ 83 million respectively.

⁵ Imports from China, Vietnam and Italy were the main sources for this drop with respective decreases of US\$ 168 million, US\$ 32 million and US\$ 17 million.

⁶ This decrease is mainly attributed to lower imports from China by US\$ 110 million, Italy by US\$ 35 million and Germany by US\$ 30 million.

⁷ Imports from Saudi Arabia and China registered the biggest drops with US\$ 44 million and US\$ 40 million respectively

- Greece ranked as Lebanon's top import trading partner in Jan-Jul 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**". Italy and the United States followed with shares of 7 percent each.

Exports amounted to US\$ 1,986 million in Jan-Jul 2020, reflecting a 5 percent (US\$ 103 million) decline in value along with a similar drop of 5 percent in volume terms, compared to the same period of 2019.

- Exports of "**Unwrought gold, un-mounted diamond & precious stones**" increased by 9 percent (US\$ 64 million) in terms of value during Jan-Jul of 2020, reflected in turn by a higher increase of 85 percent in terms of volume⁸.
- Excluding "**Unwrought gold, un-mounted diamond & precious stones**", exports decreased by 12 percent (US\$ 168 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\$ 41 million)⁹, 26 percent (US\$ 25 million)¹⁰ and 18 percent (US\$ 14 million)¹¹, against a rise in exports of "**Edible fruits and nuts**" by 79 percent (US\$ 26 million)¹².
- **From a regional perspective**, exports to Arab countries witnessed a decline of 19 percent (US\$ 173 million) in Jan-Jul 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 Iraq by 50 percent (US\$ 65 million)¹³, 23 percent (US\$ 58 million)¹⁴ and 18 percent (US\$ 16 million) respectively.
- Lastly, the **breakdown of Lebanese exports by major destination** shows that Switzerland was at the top of the list during Jan-Jul 2020 with a share of 33 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.

⁸ 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-Jul 2020 (38.6 percent from total exports of this category) compared to nil in Jan-Jul 2019.

⁹ Mainly due to a decrease in exports to Syria by US\$ 29 million.

¹⁰ Mainly due to lower exports to Iraq by US\$ 8 million and Syria by US\$ 5 million.

¹¹ With lower exports to the United Arab Emirates by US\$ 10 million.

¹² Mainly due to higher exports to Turkey and Jordan by US\$ 8 million and US\$ 6 million respectively.

¹³ Mainly as exports of "Mineral fuel & oil" and "Plastics and article thereof" dropped year-on-year by US\$ 34 million and US\$ 29 million respectively.

¹⁴ With exports of "Unwrought gold, un-mounted diamond & precious stones" and "Essential oils and resinoids" declining year-on-year by US\$ 43 million and US\$ 10 million respectively over the covered period.

Table 1: Trade activity by value

(US\$ millions)	2019	2020	% Change	2016	2017	2018	2019	2020	% Change
	July	July	July 2020/2019	Jan-Jul	Jan-Jul	Jan-Jul	Jan-Jul	Jan-Jul	Jan-Jul 2020/2019
Imports	2,196	922	-58%	11,020	11,410	11,898	12,335	6,125	-50%
<i>of which mineral fuel & oil</i>	890	279	-69%	2,456	2,512	2,537	4,222	1,739	-59%
-EDL registered fuel imports	604	49	-92%	1,223	844	767	2,447	493	-80%
-Non EDL fuel imports	285	230	-19%	1,233	1,668	1,769	1,776	1,246	-30%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals</i>	98	71	-28%	623	606	787	538	440	-18%
Exports	365	374	2%	1,634	1,652	1,757	2,089	1,986	-5%
<i>of which Unwrought gold, un-mounted diamond, & precious metals</i>	162	163	0%	409	361	428	731	796	9%
Trade Balance	-1,831	-549	-70%	-9,386	-9,758	-10,142	-10,245	-4,139	-60%

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
	July	July	July 2020/2019	Jan-Jul	Jan-Jul	Jan-Jul	Jan-Jul	Jan-Jul	Jan-Jul 2020/2019
Imports	2,386	1,153	-52%	11,012	11,503	9,423	12,396	7,106	-43%
<i>of which mineral fuel & oil</i>	1,666	714	-57%	5,426	5,670	4,035	7,635	4,046	-47%
-EDL registered fuel imports	1,215	150	-88%	2,295	2,200	1,116	4,677	1,249	-73%
-Non EDL fuel imports	452	565	25%	3,130	3,470	2,919	2,958	2,798	-5%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals (Kgs)</i>	62,314	5,174	-92%	606,114	738,199	755,193	436,264	92,591	-79%
Exports	165	175	6%	858	1,113	1,044	1,029	975	-5%
<i>of which Unwrought gold, un-mounted diamond, & precious metals (Kgs)</i>	6,440	3,510	-46%	21,944	51,317	35,151	34,953	64,501	85%
Trade Balance	-2,220	-978	-56%	-10,154	-10,390	-8,380	-11,367	-6,131	-46%

Source: Directorate General of Customs, Ministry of Finance

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

Rank	Product	Jan-Jul 2019	% Share	Jan- Jul 2020	% Share	Value Change	% Change
1	Mineral fuels and oils	4,222	34%	1,739	28%	-2,484	-59%
2	Pharmaceutical products	769	6%	666	11%	-103	-13%
3	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	538	4%	440	7%	-99	-18%
4	Aircraft engines, Boilers, machinery and mechanical appliances	600	5%	260	4%	-340	-57%
5	Vehicles and accessories, cranes & lorries	763	6%	223	4%	-540	-71%
6	Cereals	195	2%	198	3%	3	2%
7	Live animals	200	2%	161	3%	-39	-19%
8	Plastics and articles thereof	349	3%	160	3%	-189	-54%
9	Electrical machinery and equipment	493	4%	148	2%	-344	-70%
10	Preparations of Cereals	168	1%	111	2%	-56	-33%
	Other	4,038	33%	2,019	33%	-2,019	-50%
	Total	12,335	100%	6,125	100%	-6,210	-50%

Source: MOF, DGC

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

Rank	Product	Jan- Jul 2019	% Share	Jan- Jul 2020	% Share	Value Change	% Change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	731	35%	796	40%	64	9%
2	Aircraft engines, Boilers, machinery and mechanical appliances	117	6%	113	6%	-5	-4%
3	Preparations of vegetable	71	3%	73	4%	2	3%
4	Electrical machinery and equipment	97	5%	72	4%	-25	-26%
5	Essential oils and resinoids	75	4%	62	3%	-14	-18%
6	Edible fruit and nuts	33	2%	58	3%	26	79%
7	Plastics and articles thereof	97	5%	56	3%	-41	-42%
8	Iron and steel	55	3%	50	3%	-5	-8%
9	Copper and articles	43	2%	38	2%	-5	-12%
10	Beverages, spirits and vinegars	36	2%	33	2%	-3	-8%
	Other	734	35%	635	32%	-99	-14%
	Total	2,089	100%	1,986	100%	-103	-5%

Source: MOF, DGC



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