

Figures released by the Ministry of Finance, Customs Directorate, indicate a trade deficit of US\$ 5,246 million for Jan-Sep 2020, significantly lower than the deficit of US\$ 12,498 million registered a year earlier. The US\$ 7,252 million improvement in the trade deficit is rooted in significantly lower imports by US\$ 7,426 million, slightly offset by a US\$ 174 million drop in exports.

Total **imports** reached US\$ 7,878 million during Jan-Sep 2020, decreasing by 48.5 percent in value terms¹ and by 37.0 percent in volume terms compared to the same period of 2019.

- Imports of "**Mineral fuel and oil**" dropped significantly by 54.8 percent (US\$ 2,824 million)², while in terms of volume it retracted by 39.5 percent. This decrease is mainly rooted in significantly lower registered EDL fuel imports by 75.8 percent (US\$ 2,141 million) reaching US\$ 685 million during Jan-Sep 2020 compared to US\$ 2,826 million during the same period of 2019. Non-EDL fuel imports also narrowed by 29.4 percent (US\$ 683 million) reflecting a much lower decrease of 2.6 percent in volume terms.
- Imports of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**" witnessed a year-on-year drop of 20.2 percent (US\$ 150 million) in terms of value to reach US\$ 591 million, compared to a more pronounced decline of 79.5 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\$ 1,735 per ounce during Jan-Sep 2020 compared to US\$ 1,362 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 442 tons accounting for a decline of only US\$ 5.7 million in value terms.
- Excluding "**Mineral fuel and oil**" and "**Unwrought gold, un-mounted diamond & precious stones**", imports decreased by 47.3 percent (US\$ 4,453 million) in Jan-Sep 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**", "**Electrical machinery and equipment**", "**Aircraft engines, Boilers, machinery and mechanical appliances**" and "**Plastics and articles thereof**" with 69.8 percent (US\$ 648 million)³, 68.0 percent (US\$ 413 million)⁴, 55.8 percent (US\$ 404 million)⁵ and by 51.9 percent (US\$ 227 million)⁶ respectively.
- Greece ranked as Lebanon's top import trading partner in Jan-Sep 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**". The United States and Italy followed with shares of 7 percent each.

¹ Significantly affected by the disruption in international bank transfers and the sharp exchange rate deterioration on the parallel market.

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\$ 41.15 per barrel compared to US\$ 64.62 in Jan-Sep 2019.

³ With lower imports from all countries mainly from the United States by US\$ 135 million, as well as from Germany and Japan by US\$ 113 million and US\$ 101 million respectively.

⁴ Imports from China, Vietnam and Italy were the main sources for this drop with respective decreases of US\$ 198 million, US\$ 37 million and US\$ 20 million.

⁵ This decrease is mainly attributed to lower imports from China by US\$ 132 million, Italy by US\$ 47 million and Germany by US\$ 33 million.

⁶ Imports from China and Saudi Arabia registered the biggest y-o-y drops with US\$ 50 million and US\$ 49 million respectively.

Exports amounted to US\$ 2,632 million in Jan-Sep 2020, reflecting a 6.2 percent (US\$ 174 million) decline in value terms while it registered an increase of 1.1 percent in volume terms, compared to the same period of 2019.

- Exports of "**Unwrought gold, un-mounted diamond & precious stones**" dropped by 3.1 percent (US\$ 34 million) in terms of value during Jan-Sep of 2020, while they increased significantly by 57.3 percent in terms of volume⁷.
- Excluding "**Unwrought gold, un-mounted diamond & precious stones**", exports decreased by 8.2 percent (US\$ 140 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 38.2 percent (US\$ 46 million)⁸, 27.6 percent (US\$ 35 million)⁹ and 15.7 percent (US\$ 15 million)¹⁰, against a rise in exports of "**Edible fruits and nuts**" by 72.2 percent (US\$ 32 million)¹¹.
- **From a regional perspective**, exports to Arab countries witnessed a decline of 15 percent (US\$ 175 million) in Jan-Sep 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 49.9 percent (US\$ 78 million)¹², 16.6 percent (US\$ 55 million)¹³ and 12.4 percent (US\$ 22 million) respectively.
- Lastly, the **breakdown of Lebanese exports by major destination** shows that Switzerland was at the top of the list during Jan-Sep 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**". The United Arab Emirates and Saudi Arabia followed 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-Sep 2020 (35.4 percent from total exports of this category) compared to nil in Jan-Sep 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\$ 10 million and Syria by US\$ 6 million.

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

¹¹ Mainly due to higher exports to Turkey and Jordan by US\$ 10 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\$ 36 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\$ 39 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
	Sep	Sep	Sep 2020/2019	Jan-Sep	Jan-Sep	Jan-Sep	Jan-Sep	Jan-Sep	Jan-Sep 2020/2019
Imports	1,466	955	-35%	14,533	14,454	15,156	15,304	7,878	-49%
<i>of which mineral fuel & oil</i>	468	293	-37%	3,337	3,159	3,131	5,149	2,325	-55%
-EDL registered fuel imports	212	107	-50%	1,641	956	767	2,826	685	-76%
-Non EDL fuel imports	256	186	-27%	1,696	2,203	2,364	2,323	1,640	-29%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals</i>	105	67	-36%	916	737	1,010	741	591	-20%
Exports	342	373	9%	2,228	2,112	2,199	2,806	2,632	-6%
<i>of which Unwrought gold, unmounted diamond, & precious metals</i>	172	-123	-172%	653	461	505	1,094	1,059	-3%
Trade Balance	-1,124	-582	-48%	-12,304	-12,342	-12,957	-12,498	-5,246	-58%

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
	Sep	Sep	Sep 2020/2019	Jan-Sep	Jan-Sep	Jan-Sep	Jan-Sep	Jan-Sep	Jan-Sep 2020/2019
Imports	1,528	1,387	-9%	14,844	14,428	11,863	15,304	9,648	-37%
<i>of which mineral fuel & oil</i>	839	773	-8%	7,519	7,053	4,937	9,289	5,616	-40%
-EDL registered fuel imports	401	319	-20%	3,321	2,531	1,116	5,394	1,824	-66%
-Non EDL fuel imports	438	454	4%	4,198	4,522	3,821	3,895	3,792	-3%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals (Kgs)</i>	47,213	7,373	-84%	817,400	976,491	870,236	540,186	110,827	-79%
Exports	114	188	65%	1,170	1,487	1,360	1,297	1,312	1%
<i>of which Unwrought gold, unmounted diamond, & precious metals (Kgs)</i>	4,463	3,371	-24%	33,841	58,189	37,934	44,696	70,314	57%
Trade Balance	-1,414	-1,199	-15%	-13,675	-12,941	-10,503	-14,008	-8,336	-40%

Source: Directorate General of Customs, Ministry of Finance

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

Rank	Product	Jan-Sep 2019	% Share	Jan- Sep 2020	% Share	Value Change	% Change
1	Mineral fuels and oils	5,149	34%	2,325	30%	-2,824	-55%
2	Pharmaceutical products	953	6%	857	11%	-95	-10%
3	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	741	5%	591	7%	-150	-20%
4	Aircraft engines, Boilers, machinery and mechanical appliances	725	5%	321	4%	-404	-56%
5	Vehicles and accessories, cranes & lorries	929	6%	281	4%	-648	-70%
6	Cereals	239	2%	262	3%	23	10%
7	Plastics and articles thereof	437	3%	211	3%	-227	-52%
8	Electrical machinery and equipment	608	4%	194	2%	-413	-68%
9	Live animals	246	2%	183	2%	-63	-26%
10	Optical, photographic, cinematographic, measuring	237	2%	137	2%	-101	-42%
	Other	5,040	33%	2,516	32%	-2,525	-50%
	Total	15,304	100%	7,878	100%	-7,426	-49%

Source: MOF, DGC

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

Rank	Product	Jan-Sep 2019	% Share	Jan- Sep 2020	% Share	Value Change	% Change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	1,094	39%	1,059	40%	-34	-3%
2	Aircraft engines, Boilers, machinery and mechanical appliances	158	6%	147	6%	-11	-7%
3	Electrical machinery and equipment	126	4%	91	3%	-35	-28%
4	Preparations of vegetables	88	3%	91	3%	3	3%
5	Essential oils and resinoids	96	3%	81	3%	-15	-16%
6	Edible fruit and nuts	45	2%	77	3%	32	72%
7	Plastics and articles thereof	119	4%	74	3%	-46	-38%
8	Iron and steel	62	2%	66	2%	3	5%
9	Copper and articles thereof	52	2%	52	2%	0	-1%
10	Edible vegetables and cereals	29	1%	46	2%	18	62%
	Other	938	33%	849	32%	-89	-10%
	Total	2,806	100%	2,632	100%	-174	-6%

Source: MOF, DGC



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