

Figures released by the Ministry of Finance, Customs Directorate, show a trade deficit of US\$ 10,142 million during January-July 2018, 4 percent higher than the deficit of US\$ 9,758 million registered a year earlier<sup>1</sup>. The US\$ 384 million deterioration in the trade deficit is rooted in higher imports by US\$ 488 million partly offset by an increase of US\$ 105 million in exports during the period under consideration.

Total **imports** reached US\$ 11,898 million during January-July 2018, registering a 4 percent increase in value terms, while it dropped by 18 percent in volume terms when compared to the same period of 2017.

- Imports of "**Mineral fuel and oil**" witnessed a rise of 1 percent (US\$ 24 million), counterbalanced by a more prominent decrease of 29 percent in volume terms<sup>2</sup>. This drop was driven by a fall in EDL registered fuel imports by 9 percent (US\$ 77 million) that was partly offset by a 6 percent (US\$ 101 million) increase in non-EDL fuel imports which reached a total of US\$ 1,769 million by the end of July 2018.
- Imports of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**" increased by 30 percent (US\$ 181 million) during January-July 2018 mainly due to the increase in imports from the United Arab Emirates and Ghana by US\$ 119 million<sup>3</sup> and US\$ 50 million respectively, despite the drop in imports from other countries mainly Benin (US\$ 23 million). This increase in value was reflected in a smaller rise of 2 percent in volume terms<sup>4</sup>.
- Excluding "**Mineral fuel and oil**" and "**Unwrought gold, un-mounted diamond & precious stones**", imports increased by 4 percent (US\$ 343 million) during January-July 2018 compared to the same period of 2017. In details, the main year-on-year changes were witnessed in the following categories:
  1. Imports of "**Aircraft engines, Boilers, machinery and mechanical appliances**" jumped up by 13 percent (US\$ 87 million) due to an increase in imports from China and Italy by 45 percent (US\$ 86 million) and 45 percent (US\$ 36 million) respectively, placing them as the main import partners in this category with respective shares of 36 percent and 15 percent.
  2. Imports of "**Live animals**" rose by 37 percent (US\$ 64 million) partly due to an increase in imports from Spain by 98 percent (US\$ 23 million) which also moved up to become the top import partner in this category with a share of 20 percent from total imports, followed by Croatia and Brazil with respective shares of 14 percent and 11 percent.
  3. Imports of "**Pharmaceutical products**" increased by 8 percent (US\$ 56 million) partly due to an increase in imports from Germany by 15 percent (US\$ 18 million) and Switzerland by 30 percent (US\$ 16 million). Germany remained the top import partner in this category with a share of 17 percent of imports followed by the United States with a share of 11 percent.

<sup>1</sup> Trade figures for the years 2014-2017 differ from those previously published due to the reallocation of the fuel oil consignments received by EDL between 20/11/2011 and 31/10/2017 over the respective months of the covered period, and that were initially recorded as a bulk in December 2017 due to the delay in registering the related Customs declarations.

<sup>2</sup> The discrepancy between the y-o-y relative drops in value and volume terms is rooted in higher international fuel prices with the Brent reaching an average of US\$ 71.20 per barrel during January-July of 2018 compared to US\$ 51.14 per barrel during the same period of 2017.

<sup>3</sup> This increase placed the United Arab Emirates on the top of the import partners when it comes to "Unwrought & semi-manufactured gold, diamonds, precious stones & metals" followed by Switzerland with respective shares of 18 percent and 14 percent.

<sup>4</sup> Due to the increase in imports of the high value sub-components, mainly "Diamonds" and "Gold (including gold plated with platinum) unwrought" by US\$ 112 million and US\$ 57 million respectively.

4. Imports of **“Vehicles other than railway”** decreased by 8 percent (US\$ 85 million) due to a drop in imports from Germany and Korea by 22 percent (US\$ 59 million) and 49 percent (US\$ 33 million) respectively, despite higher imports from Mexico (US\$ 18 million).
- As for the main import partners, China ranked first during January-July of 2018 with a share of 10 percent from total imports, noting that the main imports from this country were **“Aircraft engines, Boilers, machinery and mechanical appliances”** with a share of 23 percent. Greece and Italy followed with shares of 8 percent each.

**Exports** amounted to US\$ 1,757 million during January-July 2018, reflecting an increase of 6 percent compared to the same period of 2017, yet in volume terms, figures reveal a drop of 6 percent.

- Exports of **“Unwrought gold, un-mounted diamond & precious stones”** were the main reason behind this increase in total exports, inching up by 19 percent (US\$ 67 million)<sup>5</sup> in terms of value, yet with a 32 percent drop in terms of volume.
- Excluding **“Unwrought gold, un-mounted diamond & precious stones”**, exports increased by 3 percent (US\$ 37 million). This is mainly due to an increase in exports of **“Iron and steel”** and **“Plastics and articles thereof”** which rose by 48 percent (US\$ 27 million)<sup>6</sup> and 27 percent (US\$ 21 million)<sup>7</sup> respectively. On the other hand, exports of **“Miscellaneous edible preparations”** decreased by 25 percent (US\$ 13 million)<sup>8</sup>.
- **From a regional perspective**, exports to Arab countries witnessed a year-on-year increase of 4 percent (US\$ 32 million) during January-July 2018. It is worth mentioning that this increase is mainly attributed to higher exports to the United Arab Emirates and Qatar by 66 percent (US\$ 94 million)<sup>9</sup> and 76 percent (US\$ 35 million) respectively. On the other hand, exports to Syria, Iraq and Saudi Arabia dropped by 32 percent (US\$ 48 million), 25 percent (US\$ 27 million) and 15 percent (US\$ 22 million) respectively.
- Lastly, the **breakdown of Lebanese exports by major destinations** shows that the United Arab Emirates was at the top of the list during January-July 2018 with a share of 13 percent from total exports, noting that almost 60 percent exports to this country consisted of **“Unwrought & semi-manufactured gold, diamonds, precious stones & metals”**. South Africa and Saudi Arabia followed with respective shares of 9 percent and 7 percent.

---

<sup>5</sup> Mainly driven by a considerable y-o-y increase in exports of **“Diamond”**, which rose by 284 percent (US\$ 101 million) during the period under consideration.

<sup>6</sup> Driven by higher exports to Turkey by 40 percent (US\$ 20 million).

<sup>7</sup> This is mainly due to higher exports to Syria by 78 percent (US\$ 15 million).

<sup>8</sup> With a US\$ 10 million drop in exports to Syria.

<sup>9</sup> Driven by a significant rise in exports of **“Unwrought gold, un-mounted diamond & precious stones”** by US\$ 101 million.

**Table 1: Trade activity by value**

(US\$ millions)	2017	2018	%	2014	2015	2016	2017	2018	%
	July	July	Change July 2018/2017	Jan- July	Jan- July	Jan- July	Jan- July	Jan- July	Change Jan- July 2018/2017
<b>Imports</b>	<b>1,670</b>	<b>2,318</b>	<b>39%</b>	<b>12,497</b>	<b>10,626</b>	<b>11,020</b>	<b>11,410</b>	<b>11,898</b>	<b>4%</b>
<i>of which mineral fuel &amp; oil</i>	317	938	196%	3,380	2,044	2,489	2,512	2,537	1%
-EDL registered fuel imports	50	652	1192%	1,089	318	1,223	844	767	-9%
-Non EDL fuel imports	266	286	7%	2,291	1,726	1,266	1,668	1,769	6%
<i>of which Unwrought &amp; semi-manufactured gold, diamonds, precious stones &amp; metals</i>	73	136	85%	569	484	623	606	787	30%
<b>Exports</b>	<b>217</b>	<b>218</b>	<b>0.3%</b>	<b>1,935</b>	<b>1,771</b>	<b>1,634</b>	<b>1,652</b>	<b>1,757</b>	<b>6%</b>
<i>of which Unwrought gold, un-mounted diamond, &amp; precious metals</i>	23	33	41%	351	271	409	361	428	19%
<b>Trade Balance</b>	<b>-1,453</b>	<b>-2,100</b>	<b>45%</b>	<b>-10,562</b>	<b>-8,855</b>	<b>-9,386</b>	<b>-9,758</b>	<b>-10,142</b>	<b>4%</b>

Source: Directorate General of Customs, Ministry of Finance

**Table 2: Trade activity by volume**

(Millions of Kgs)	2017	2018	%	2014	2015	2016	2017	2018	%
	July	July	Change July 2018/2017	Jan- July	Jan- July	Jan- July	Jan- July	Jan- July	Change Jan- July 2018/2017
<b>Imports</b>	<b>1,542</b>	<b>2,145</b>	<b>39%</b>	<b>9,663</b>	<b>9,506</b>	<b>11,012</b>	<b>11,503</b>	<b>9,423</b>	<b>-18%</b>
<i>of which mineral fuel &amp; oil</i>	809	1,327	64%	5,010	4,732	5,949	5,670	4,035	-29%
-EDL registered fuel imports	159	892	462%	1,383	838	2,295	2,200	1,116	-49%
-Non EDL fuel imports	650	435	-33%	3,627	3,894	3,653	3,470	2,919	-16%
<i>of which Unwrought &amp; semi-manufactured gold, diamonds, precious stones &amp; metals (Kgs)<sup>10</sup></i>	77,025	46,381	-40%	660,154	615,176	606,114	738,199	755,193	2%
<b>Exports</b>	<b>189</b>	<b>149</b>	<b>-21%</b>	<b>1,154</b>	<b>1,099</b>	<b>858</b>	<b>1,113</b>	<b>1,044</b>	<b>-6%</b>
<i>of which Unwrought gold, un-mounted diamond, &amp; precious metals (Kgs)</i>	27,670	1,502	-95%	45,802	32,218	21,944	51,317	35,151	-32%
<b>Trade Balance</b>	<b>-1,353</b>	<b>-1,996</b>	<b>48%</b>	<b>-8,509</b>	<b>-8,407</b>	<b>-10,154</b>	<b>-10,390</b>	<b>-8,380</b>	<b>-19%</b>

Source: Directorate General of Customs, Ministry of Finance

<sup>10</sup> Figures slightly differ from the previously published due to data updates performed by the Customs.

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

Rank	Product	Jan-July 2017	% share	Jan-July 2018	% share	Value change	% change
1	Mineral fuels, mineral oils and products of their distillation	2,572	23%	2,537	21%	-35	-1%
2	Vehicles other than railway	1,062	9%	977	8%	-85	-8%
3	Pharmaceutical products	740	6%	796	7%	56	8%
4	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	606	5%	787	7%	181	30%
5	Aircraft engines, Boilers, machinery and mechanical appliances	685	6%	772	6%	87	13%
6	Electrical machinery and equipment	451	4%	473	4%	22	5%
7	Iron and steel	374	3%	387	3%	13	4%
8	Plastic and articles thereof	354	3%	365	3%	11	3%
9	Articles of apparel and clothing accessories	277	2%	292	2%	15	6%
10	Live animals	172	2%	236	2%	64	37%
	Others	4,117	36%	4,277	36%	159	4%
	<b>Total</b>	<b>11,410</b>	<b>100%</b>	<b>11,898</b>	<b>100%</b>	<b>488</b>	<b>4%</b>

Source: MOF, DGC

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

Rank	Product	Jan-July 2017	% share	Jan-July 2018	% share	Value change	% change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	361	22%	428	24%	67	19%
2	Plastic and articles thereof	77	5%	98	6%	21	27%
3	Electrical machinery and equipment	101	6%	97	6%	-4	-4%
4	Iron and steel	56	3%	83	5%	27	48%
5	Aircraft engines, Boilers, machinery and mechanical appliances	84	5%	78	4%	-6	-7%
6	Essential oils and resinoids	72	4%	71	4%	-1	-1%
7	Preparations of vegetable	60	4%	62	4%	2	3%
8	Copper and articles thereof	47	3%	59	3%	12	26%
9	Paper and paperboard	38	2%	43	2%	5	13%
10	Miscellaneous edible preparations	53	3%	40	2%	-13	-25%
	Others	703	43%	696	40%	-6	-1%
	<b>Total</b>	<b>1,652</b>	<b>100%</b>	<b>1,757</b>	<b>100%</b>	<b>105</b>	<b>6%</b>

Source: MOF, DGC



For further information please contact:

**Ministry of Finance**

Macroeconomic Analysis & Studies Department - Budget Directorate

Tel: 961 1 956000 - ext. 1718-1729

Website: [www.finance.gov.lb](http://www.finance.gov.lb)