

Figures released by the Ministry of Finance, Customs Directorate, indicate a trade deficit of US\$ 8,414 million for the first half (H1) of 2019, 5 percent higher than the deficit of US\$ 8,042 million registered a year earlier. The US\$ 373 million deterioration in the trade deficit is rooted in higher imports by US\$ 559 million partly counterbalanced by the increase of US\$ 186 million in exports.

Total **imports** reached US\$ 10,139 million during January-June 2019, increasing by 6 percent in value terms and by 38 percent in volume terms compared to the same period of 2018.

- Imports of "**Mineral fuel and oil**" increased significantly, in terms of value, by 108 percent (US\$ 1,734 million), while in terms of volume it increased by 120 percent. This rise is mainly rooted in significantly higher EDL fuel imports of US\$ 1,727 million reaching US\$ 1,842 million<sup>1</sup> during H1 2019 compared to US\$ 115 million during the same period of 2018. On the other hand, non EDL fuel imports increased at a slower pace with a US\$ 7 million increase mirrored in a 3 percent rise in volume terms.
- Imports of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**" witnessed a major year-on-year drop of 32 percent (US\$ 211 million) in terms of value, along with a sharper decline of 47 percent in volume terms<sup>2</sup>.
- Excluding "**Mineral fuel and oil**" and "**Unwrought gold, un-mounted diamond & precious stones**", imports decreased by 13 percent (US\$ 964 million) in H1 2019 compared to the similar period of 2018. In details, the main decreases were witnessed in "**Vehicles other than railway**", "**Aircraft engines, Boilers, machinery and mechanical appliances**" and "**Iron and Steel**" with 24 percent (US\$ 196 million)<sup>3</sup>, 26 percent (US\$ 176 million)<sup>4</sup> and 28 percent (US\$ 89 million)<sup>5</sup> respectively. These decreases were slightly counterbalanced by the increases of 4 percent (US\$ 16 million)<sup>6</sup> in imports of "**Electrical machinery and equipment**" and 10 percent (US\$ 16 million)<sup>7</sup> in imports of "**Cereals**".
- The United States and China both ranked as Lebanon's top import trading partners in H1 2019 with a share of 9 percent of total imports each, noting that almost 50 percent of imports from United States were "**Mineral fuel and oil**"<sup>8</sup> and 22 percent of imports from China were "**Electrical machinery and equipment**". Russia and Greece followed with shares of 7 percent each.

<sup>1</sup> Imports registered during June 2019 reached US\$ 72 million which were all fuel oils.

<sup>2</sup> With imports of the low value "Coins" and "imitation jewelry" dropping y-o-y by 250 tons and 66 tons during H1 2019.

<sup>3</sup> This decrease is mainly attributed to lower imports from Germany by 33 percent (US\$ 60 million) and United States by 26 percent (US\$ 43 million) followed by respective drops from Japan and United Kingdom of 23 percent (US\$ 28 million) and 31 percent (US\$ 20 million) .

<sup>4</sup> With lower imports from China, Italy and Germany by US\$ 121 million, US\$ 46 million and US\$ 19 million respectively.

<sup>5</sup> Imports from Ukraine, Saudi Arabia and Russia were the main sources for this drop with respective decreases of US\$ 54 million, US\$ 28 million and US\$ 17 million.

<sup>6</sup> The rise is mainly due to higher imports from China by US\$ 34 million and Viet Nam by US\$ 28 million despite a drop in imports from other countries namely the United Kingdom and Italy decreasing by US\$ 14 million and US\$ 12 million respectively.

<sup>7</sup> The rise is mainly due to higher imports from Ukraine by US\$ 15 million, Romania by US\$ 14 million and Canada by US\$ 9 million despite a drop in imports from other countries namely Russia decreasing by US\$ 30 million.

<sup>8</sup> Imports of "Mineral fuel and oil" from United States witnessed a significant y-o-y increase, reaching US\$ 462 million in H1 2019 compared to US\$ 65 million in H1 2018.

**Exports** amounted to US\$ 1,725 million in H1 2019, reflecting a 12 percent increase in terms of value despite the drop of 3 percent in volume terms, compared to the same period of 2018.

- Exports of "**Unwrought gold, un-mounted diamond & precious stones**" increased by 44 percent (US\$ 174 million) in terms of value during H1 2019, despite a 15 percent decrease in terms of volume<sup>9</sup>.
- Excluding "**Unwrought gold, un-mounted diamond & precious stones**", exports improved gently by 1 percent (US\$ 12 million) in terms of value. This was mainly due to a rise in exports of "**Aircraft engines, Boilers, machinery and mechanical appliances**" and "**Mineral fuels and oils**" with respective increases of 55 percent (US\$ 37 million)<sup>10</sup> and 299 percent (US\$ 32 million)<sup>11</sup>, against a drop in exports of "**Iron and steel**" and "**Copper**" by 30 percent (US\$ 20 million)<sup>12</sup> and 28 percent (US\$ 15 million)<sup>13</sup> respectively.
- **From a regional perspective**, exports to Arab countries witnessed an increase of 12 percent (US\$ 83 million) in H1 2019 compared to the same period of 2018. It is worth mentioning that this increase is mainly attributed to higher exports to Syria and the United Arab Emirates by 37 percent (US\$ 31 million) and 9 percent (US\$ 18 million) respectively. These increases were partly counterbalanced by a drop in exports to Kuwait by 21 percent (US\$ 9 million).
- Finally, the **breakdown of Lebanese exports by major destination** shows that Switzerland and the United Arab Emirates were at the top of the list during the first half of 2019 with respective shares of 19 percent and 13 percent from total exports, followed by Saudi Arabia and Syria with shares of 7 percent each.

---

<sup>9</sup> With higher exports of gold ingots by US\$ 154 million over the period under consideration.

<sup>10</sup> Mainly due to an increase in exports to Georgia and Hong Kong by US\$ 13 million and US\$ 10 million respectively.

<sup>11</sup> Mostly going to Syria with exports reaching US\$ 33 million in H1 2019 against less than US\$ 1 million during the same period of 2018.

<sup>12</sup> Mainly due to the exports to Turkey, being nil during Jan-June 2019, decreasing by US\$ 59 million from the same period of 2018, despite higher exports to Greece and Egypt which registered respective increases of US\$ 23 million and US\$ 18 million. .

<sup>13</sup> With a drop in exports to South Korea by US\$ 5 million and to China and US\$ 4 million respectively.

**Table 1: Trade activity by value**

(US\$ millions)	2018	2019	% Change	2015	2016	2017	2018	2019	% Change
	June	June	June 2019/2018	Jan- Jun	Jan- Jun	Jan- Jun	Jan- Jun	Jan- Jun	Jan- Jun 2019/2018
<b>Imports</b>	<b>1,616</b>	<b>1,377</b>	<b>-15%</b>	<b>9,052</b>	<b>9,529</b>	<b>9,740</b>	<b>9,580</b>	<b>10,139</b>	<b>6%</b>
<i>of which mineral fuel &amp; oil</i>	271	290	7%	1,692	2,217	2,202	1,599	3,333	108%
-EDL registered fuel imports	0	72	NA	270	1,179	794	115	1,842	1496%
-Non EDL fuel imports	271	218	-19%	1,422	1,038	1,408	1,484	1,491	0%
<i>of which Unwrought &amp; semi-manufactured gold, diamonds, precious stones &amp; metals</i>	93	65	-30%	408	503	533	651	440	-32%
<b>Exports</b>	<b>215</b>	<b>285</b>	<b>33%</b>	<b>1,553</b>	<b>1,387</b>	<b>1,435</b>	<b>1,539</b>	<b>1,725</b>	<b>12%</b>
<i>of which Unwrought gold, un-mounted diamond, &amp; precious metals</i>	51	135	162%	237	304	338	395	569	44%
<b>Trade Balance</b>	<b>-1,401</b>	<b>-1,092</b>	<b>-22%</b>	<b>-7,499</b>	<b>-8,142</b>	<b>-8,305</b>	<b>-8,041</b>	<b>-8,414</b>	<b>5%</b>

Source: Directorate General of Customs, Ministry of Finance

**Table 2: Trade activity by volume**

(Millions of kgs)	2018	2019	% Change	2015	2016	2017	2018	2019	% Change
	June	June	June 2019/2018	Jan- Jun	Jan- Jun	Jan- Jun	Jan- Jun	Jan- Jun	Jan- Jun 2019/2018
<b>Imports</b>	<b>1,186</b>	<b>1,201</b>	<b>1%</b>	<b>8,160</b>	<b>9,598</b>	<b>9,961</b>	<b>7,277</b>	<b>10,010</b>	<b>38%</b>
<i>of which mineral fuel &amp; oil</i>	441	525	19%	3,307	4,807	4,951	2,707	5,968	120%
-EDL registered fuel imports	0	166	NA	707	2,146	2041	223	3,462	1452%
-Non EDL fuel imports	441	359	-18.66%	2,599	2,661	2,909	2,484	2,506	1%
<i>of which Unwrought &amp; semi-manufactured gold, diamonds, precious stones &amp; metals (Kgs)</i>	53,452	62,748	17%	535,587	527,201	661,175	708,811	373,951	-47%
<b>Exports</b>	<b>120</b>	<b>100</b>	<b>-16%</b>	<b>969</b>	<b>758</b>	<b>925</b>	<b>895</b>	<b>864</b>	<b>-4%</b>
<i>of which Unwrought gold, un-mounted diamond, &amp; precious metals (Kgs)</i>	10,175	4,768	-53%	29,028	18,256	23,647	33,650	28,512	-15%
<b>Trade Balance</b>	<b>-1,066</b>	<b>-1,100</b>	<b>3%</b>	<b>-7,191</b>	<b>-8,841</b>	<b>-9,036</b>	<b>-6,383</b>	<b>-9,147</b>	<b>43%</b>

Source: Directorate General of Customs, Ministry of Finance

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

Rank	Product	Jan-Jun 2018	% share	Jan-Jun 2019	% share	Value change	% change
1	Mineral fuels, mineral oils and products of their distillation	1,599	17%	3,333	33%	1734	108%
2	Vehicles other than railway	822	9%	626	6%	-196	-24%
3	Pharmaceutical products	681	7%	625	6%	-56	-8%
4	Aircraft engines, Boilers, machinery and mechanical appliances	677	7%	501	5%	-176	-26%
5	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	651	7%	440	4%	-211	-32%
6	Electrical machinery and equipment	394	4%	410	4%	16	4%
7	Plastic and articles thereof	303	3%	290	3%	-13	-4%
8	Iron and steel	316	3%	227	2%	-89	-28%
9	Articles of apparel and clothing accessories	257	3%	224	2%	-33	-13%
10	Cereals	155	2%	171	2%	16	10%
	Others	3,725	39%	3,290	32%	-435	-12%
	<b>Total</b>	<b>9,581</b>	<b>100%</b>	<b>10,138</b>	<b>100%</b>	<b>557</b>	<b>6%</b>

Source: MOF, DGC

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

Rank	Product	Jan-Jun 2018	% share	Jan-Jun 2019	% share	Value change	% change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	395	26%	569	33%	174	44%
2	Aircraft engines, Boilers, machinery and mechanical appliances	67	4%	104	6%	37	55%
3	Plastic and articles thereof	82	5%	83	5%	1	1%
4	Electrical and machinery	84	5%	82	5%	-2	-2%
5	Essential oils and resinoids	59	4%	62	4%	3	6%
6	Preparations of vegetable	55	4%	62	4%	7	13%
7	Iron and steel	69	4%	49	3%	-20	-30%
8	Mineral fuels, mineral oils and products of their distillation	11	1%	43	2%	32	299%
9	Copper	53	3%	38	2%	-15	-28%
10	Printed books, newspapers, pictures and other products	28	2%	32	2%	5	16%
	Others	637	41%	602	35%	-35	-6%
	<b>Total</b>	<b>1,539</b>	<b>100%</b>	<b>1,725</b>	<b>100%</b>	<b>185</b>	<b>12%</b>

Source: MOF, DGC



For further information please contact:  
**Ministry of Finance**  
Macroeconomic Analysis & Studies Department – Budget Directorate  
Tel: 961 1 956000 - ext. 1716- 1757  
Website: [www.finance.gov.lb](http://www.finance.gov.lb)