

Figures released by the Ministry of Finance, Customs Directorate, indicate a trade deficit of US\$ 2,233 million for Jan-Feb 2019, 14 percent lower than the deficit of US\$ 2,609 million registered a year earlier. The US\$ 376 million improvement in the trade deficit is rooted in significantly lower imports by US\$ 372 million along with a minor increase of US\$ 4 million in exports.

Total **imports** reached US\$ 2,769 million during Jan-Feb 2019, decreasing by 12 percent in value terms while contracting less in volume terms by 7 percent compared to the same period of 2018.

- Imports of "**Mineral fuel and oil**" decreased by 2 percent (US\$ 13 million) while in terms of volume it increased by 3 percent¹. In details, non EDL fuel imports slightly increased by 2 percent (US\$ 9 million), at the time where registered fuel imports to EDL dropped from US\$ 22 million in Jan-Feb 2018 to nil in Jan-Feb 2019.
- Imports of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**" witnessed a major year-on-year drop of 32 percent (US\$ 78 million) in terms of value, along with a sharper decline of 69 percent in volume terms, with average gold price decreasing to US\$ 1,305 per ounce during Jan-Feb 2019 compared to US\$ 1,331 per ounce during the same period of 2018.
- Excluding "**Mineral fuel and oil**" and "**Unwrought gold, un-mounted diamond & precious stones**", imports also dropped by 12 percent (US\$ 281 million) in Jan-Feb 2019 compared to the similar period of 2018. In fact, the main decreases were witnessed in "**Aircraft engines, Boilers, machinery and mechanical appliances**", "**Vehicles other than railway**" and "**Iron and Steel**" with 29 percent (US\$ 75 million)², 23 percent (US\$ 55 million)³ and 36 percent (US\$ 49 million)⁴ respectively. These decreases were slightly counterbalanced by an increase of 32 percent (US\$ 37 million)⁵ in imports of "**Electrical machinery and equipment**".
- China ranked as Lebanon's top import trading partner in Jan-Feb 2019 with a share of 11 percent of total imports, noting that almost 24 percent of imports from this country are "**Electrical machinery and equipment**". Greece and Italy followed with shares of 7 percent each.

Exports amounted to US\$ 536 million in Jan-Feb 2019, reflecting a minor rise of 1 percent in value despite the significant drop of 32 percent in volume terms, compared to the same period of 2018.

¹ This drop in value terms was not reflected in volume terms due to lower international fuel prices with the average Brent price reaching US\$ 61.58 in Jan-Feb 2019 compared to US\$ 67.29 in Jan-Feb 2018.

² This decrease is attributed mainly to lower imports from China by 66 percent (US\$ 87 million) partly counterbalanced by higher imports from the United Kingdom by 159 percent (US\$ 12 million).

³ With lower imports from the United States, Germany and Japan by US\$ 16 million, US\$ 15 million and US\$ 13 million respectively.

⁴ Imports from Ukraine, Russia and Turkey were the main sources for this drop with respective decreases of US\$ 21 million, US\$ 12 million and US\$ 9 million.

⁵ The rise is mainly due to higher imports from China by US\$ 29 million and Viet Nam by US\$ 9 million.

- Exports of "**Unwrought gold, un-mounted diamond & precious stones**" increased significantly by 13 percent (US\$ 23 million) in terms of value during Jan-Feb 2019⁶, which was reflected by a huge rise of 75 percent increase in terms of volume⁷.
- Excluding "**Unwrought gold, un-mounted diamond & precious stones**", exports dropped by 5 percent (US\$ 19 million) in terms of value. This was partly due to a decrease in exports of several categories, mainly "**Copper and articles thereof**" with a drop of 30 percent (US\$ 5 million)⁸. This was opposed to the increase witnessed in exports of "**Mineral fuels and oils**" by 353 percent (US\$ 12 million)⁹.
- **From a regional perspective**, exports to Arab countries witnessed an increase of 22 percent (US\$ 46 million) in Jan-Feb 2019 compared to the similar period of 2018. It is worth mentioning that this increase is mainly attributed to higher exports to the United Arab Emirates, Syria and Qatar by 47 percent (US\$ 25 million), 53 percent (US\$ 14 million) and 21 percent (US\$ 4 million)¹⁰ respectively. These increases were partly counterbalanced by a drop in exports to Iraq by 20 percent (US\$ 4 million).
- Lastly, the **breakdown of Lebanese exports by major destination** shows that Switzerland was at the top of the list during the first two months of 2019 with a share of 18 percent of total exports, followed by the United Arab Emirates and South Africa with respective shares of 14 percent and 8 percent.

⁶ With a hike of 85 percent (US\$ 55 million) during Feb 2019 compared to Feb 2018.

⁷ Driven by a considerable y-o-y increase in exports of "Articles of goldsmiths' or silversmiths' wares" which rose by 460 percent (5,315 Kg) in volume terms reaching 6,470 Kg in Jan-Feb 2019.

⁸ Mainly due to a decrease in exports to Korea and China by US\$ 3 million and US\$ 2 million respectively.

⁹ Mostly going to Syria with exports reaching US\$ 13 million.

¹⁰ With a US\$ 3 million increase in exports of "Aircraft engines, Boilers, machinery and mechanical appliances".

Table 1: Trade activity by value

(US\$ millions)	2018	2019	% Change	2015	2016	2017	2018	2019	% Change
	February	February	Feb 2019/2018	Jan- Feb	Jan- Feb	Jan- Feb	Jan- Feb	Jan- Feb	Jan- Feb 2019/2018
Imports	1,436	1,364	-5%	2,715	2,908	3,375	3,141	2,769	-12%
<i>of which mineral fuel & oil</i>	239	242	1%	540	720	1,009	512	499	-2%
-EDL registered fuel imports	22	-	NA	55	389	489	22	-	NA
-Non EDL fuel imports	217	242	11%	485	330	520	490	499	2%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals</i>	105	84	-20%	117	144	224	242	163	-32%
Exports	248	300	21%	486	414	456	531	536	1%
<i>of which Unwrought gold, un-mounted diamond, & precious metals</i>	65	120	85%	82	70	110	175	199	13%
Trade Balance	-1,187	-1,064	-10%	-2,229	-2,494	-2,919	-2,609	-2,233	-14%

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
	February	February	Feb 2019/2018	Jan- Feb	Jan- Feb	Jan- Feb	Jan- Feb	Jan- Feb	Jan- Feb 2019/2018
Imports	1,142	1,077	-5.6%	2,498	3,083	3,941	2,405	2,230	-7%
<i>of which mineral fuel & oil</i>	431	430	0%	1,095	1,596	2,256	893	921	3%
-EDL registered fuel imports	35	-	NA	163	687	1,208	35	-	NA
-Non EDL fuel imports	396	430	9%	932	908	1,048	858	921	7%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals (Kgs)</i>	252,701	52,286	-79%	156,382	149,661	187,734	336,852	105,180	-69%
Exports	163	108	-34%	325	228	321	323	220	-32%
<i>of which Unwrought gold, un-mounted diamond, & precious metals (Kgs)</i>	1,814	6,314	248%	10,836	6,478	7,812	6,432	11,256	75%
Trade Balance	-979	-970	-1%	-2,173	-2,855	-3,620	-2,082	-2,010	-3%

Source: Directorate General of Customs, Ministry of Finance

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

Rank	Product	Jan-Feb 2018	% Share	Jan-Feb 2019	% Share	Value Change	% Change
1	Mineral fuels and oils	512	16%	499	18%	-13	-2%
2	Pharmaceutical products	216	7%	205	7%	-11	-5%
3	Vehicles and accessories, cranes & lorries	241	8%	187	7%	-55	-23%
4	Aircraft engines, Boilers, machinery and mechanical appliances	258	8%	184	7%	-75	-29%
5	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	242	8%	163	6%	-78	-32%
6	Electrical machinery and equipment	116	4%	153	6%	37	32%
7	Plastics and articles thereof	96	3%	94	3%	-2	-2%
8	Iron and steel	136	4%	87	3%	-49	-36%
9	Articles of apparel and clothing	83	3%	70	3%	-13	-16%
10	Optical, photographic	52	2%	57	2%	5	9%
	Other	1,188	38%	1,069	39%	-118	-10%
	Total	3,141	100%	2,769	100%	-372	-12%

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

Rank	Product	Jan-Feb 2018	% Share	Jan-Feb 2019	% Share	Value Change	% Change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	175	33%	199	37%	23	13%
2	Plastics and articles thereof	24	4%	26	5%	3	11%
3	Aircraft engines, Boilers, machinery and mechanical appliances	21	4%	25	5%	4	18%
4	Electrical machinery and equipment	23	4%	25	5%	2	8%
5	Preparations of vegetable	18	3%	21	4%	3	18%
6	Essential oils and resinoids	17	3%	18	3%	1	4%
7	Mineral fuels and oils	3	1%	15	3%	12	353%
8	Edible fruits and nuts	14	3%	14	3%	0	3%
9	Copper and articles thereof	16	3%	11	2%	-5	-30%
10	Printed books, newspapers	6	1%	11	2%	5	75%
	Other	214	40%	171	32%	-43	-20%
	Total	531	100%	536	100%	4	1%



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