

Figures released by the Ministry of Finance, Customs Directorate, indicate a trade deficit of US\$ 1,169 million for January 2019, 18 percent lower than the deficit of US\$ 1,422 million registered a year earlier. The US\$ 253 million improvement in the trade deficit is rooted in significantly lower imports by US\$ 301 million that were partly counterbalanced by a US\$ 47 million drop in exports.

Total **imports** reached US\$ 1,405 million during January 2019, decreasing by 18 percent in value terms while contracting less in volume terms by 9 percent compared to January 2018.

- Imports of "**Mineral fuel and oil**" decreased by 6 percent (US\$ 15 million) while in terms of volume it increased by 6 percent<sup>1</sup>. This reflects the evolution of non EDL fuel imports as registered imports to EDL were nil in both January 2018 and January 2019.
- Imports of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**" witnessed a significant year-on-year drop of 42 percent (US\$ 58 million) in terms of value and a 37 percent in volume terms with an average price of gold decreasing to US\$ 1,291 per ounce in January 2019 compared to US\$ 1,330 per ounce in January 2018.
- Excluding "**Mineral fuel and oil**" and "**Unwrought gold, un-mounted diamond & precious stones**", imports also dropped by 18 percent (US\$ 228 million) in January 2019 compared to January 2018. In fact, the main decreases were witnessed in "**Aircraft engines, Boilers, machinery and mechanical appliances**", "**Iron and Steel**" and "**Vehicles other than railway**" with 43 percent (US\$ 78 million)<sup>2</sup>, 54 percent (US\$ 44 million)<sup>3</sup> and 21 percent (US\$ 27 million)<sup>4</sup> respectively. These decreases were slightly counterbalanced by an increase of 30 percent (US\$ 18 million)<sup>5</sup> in imports of "**Electrical machinery and equipment**".
- China ranked as Lebanon's top import trading partner in January 2019 with a share of 11 percent of total imports, noting that almost 23 percent of imports from this country are "**Electrical machinery and equipment**". Italy and Greece followed with respective shares of 8 percent and 7 percent.

**Exports** amounted to US\$ 236 million in January 2019, reflecting a remarkable drop of 17 percent in value and 30 percent in volume terms, compared to January 2018.

- Exports of "**Unwrought gold, un-mounted diamond & precious stones**" decreased significantly by 29 percent (US\$ 32 million) in terms of value, despite a 7 percent increase in terms of volume<sup>6</sup>.

<sup>1</sup> This drop in value terms was not reflected in volume terms due to lower international fuel prices with the average Brent price reaching US\$ 59.41 in January 2019 compared to US\$ 69.08 in January 2018.

<sup>2</sup> This decrease is attributed mainly to lower imports from China by 81 percent (US\$ 89 million) partly counterbalanced by higher imports from the United Kingdom by 257 percent (US\$ 10 million).

<sup>3</sup> Imports from Ukraine, Russia and China were the main sources for this drop with respective decreases of US\$ 23 million, US\$ 7 million and US\$ 6 million.

<sup>4</sup> With lower imports from Germany, the United States and Japan by US\$ 6 million each.

<sup>5</sup> The rise is mainly due to higher imports from China by 53 percent (US\$ 12 million) and Finland by 100 percent (US\$ 9 million).

<sup>6</sup> Driven by considerable y-o-y increases in imports of low-price components, namely "Articles of goldsmiths' or silversmiths' wares" which rose by 214 percent (2,409 Kg) in volume terms reaching 3,534 Kg in January 2019.

- Excluding "Unwrought gold, un-mounted diamond & precious stones", exports dropped by 9 percent (US\$ 15 million) in terms of value. This was partly due to a decrease in exports of "Electrical machinery and equipment" by 17 percent (US\$ 2 million)<sup>7</sup> and "Copper and articles thereof" by 26 percent (US\$ 2 million)<sup>8</sup> in spite of the increase in exports of "Preparations of vegetables" by 26 percent (US\$ 2 million).
- From a regional perspective, exports to Arab countries witnessed an increase of 19 percent (US\$ 19 million) in January 2019 compared to January 2018. It is worth mentioning that this increase is mainly attributed to higher exports to the United Arab Emirates, Syria and Qatar by 56 percent (US\$ 14 million), 33 percent (US\$ 4 million) and 23 percent (US\$ 2 million) respectively. These increases were partly counterbalanced by a decrease in exports to Iraq by 33 percent (US\$ 5 million) and Kuwait by 24 percent (US\$ 2 million).
- Lastly, the **breakdown of Lebanese exports by major destination** shows that the United Arab Emirates was at the top of the list in January 2019 with a share of 17 percent of total exports, followed by Switzerland with a share of 12 percent and South Africa with a share of 8 percent.

**Table 1: Trade activity by value**

(US\$ millions)	2015	2016	2017	2018	2019	% Change
	January	January	January	January	January	Jan 18 - Jan 19
<b>Imports</b>	<b>1,382</b>	<b>1,513</b>	<b>1,668</b>	<b>1,705</b>	<b>1,405</b>	<b>-18%</b>
<i>of which mineral fuel &amp; oil</i>	253	386	422	272	257	-6%
<i>-EDL registered fuel imports</i>	42	214	141	0	0	NA
<i>-Non EDL fuel imports</i>	211	172	281	272	257	-6%
<i>of which Unwrought &amp; semi-manufactured gold, diamonds, precious stones &amp; metals</i>	50	67	149	137	80	-42%
<b>Exports</b>	<b>250</b>	<b>186</b>	<b>229</b>	<b>283</b>	<b>236</b>	<b>-17%</b>
<i>of which Unwrought gold, un-mounted diamond, &amp; precious metals</i>	49	28	72	111	79	-29%
<b>Trade Balance</b>	<b>-1,132</b>	<b>-1,327</b>	<b>-1,439</b>	<b>-1,422</b>	<b>-1,169</b>	<b>-18%</b>

Source: Directorate General of Customs, Ministry of Finance

**Table 2: Trade activity by volume**

(Millions of Kgs)	2015	2016	2017	2018	2019	% Change
	January	January	January	January	January	Jan 18 - Jan 19
<b>Imports</b>	<b>1,246</b>	<b>1,580</b>	<b>1,626</b>	<b>1,264</b>	<b>1,153</b>	<b>-9%</b>
<i>of which mineral fuel &amp; oil</i>	543	835	919	462	491	6%
<i>-EDL registered fuel imports</i>	127	390	354	0	0	NA
<i>-Non EDL fuel imports</i>	416	445	564	462	491	6%
<i>of which Unwrought &amp; semi-manufactured gold, diamonds, precious stones &amp; metals (Kgs)</i>	77,435	78,350	105,638	84,151	52,894	-37%
<b>Exports</b>	<b>178</b>	<b>105</b>	<b>132</b>	<b>160</b>	<b>112</b>	<b>-30%</b>
<i>of which Unwrought gold, un-mounted diamond, &amp; precious metals (kgs)</i>	6,459	2,280	2,785	4,618	4,941	7%
<b>Trade Balance</b>	<b>-1,068</b>	<b>-1,475</b>	<b>-1,495</b>	<b>-1,103</b>	<b>-1,041</b>	<b>-6%</b>

Source: Directorate General of Customs, Ministry of Finance

<sup>7</sup> With a US\$ 2 million drop in exports to each of Iraq and Kuwait.

<sup>8</sup> Mainly due to a decrease in exports to Korea by US\$ 2 million.

✚ The distribution of the top traded products is as follows:

Table 3: IMPORT Distribution by Product (in US\$ million)							
Rank	Product	Jan-2018	% Share	Jan-2019	% Share	Value Change	% Change
1	Mineral fuels, mineral oils and products of their distillation	272	16%	257	18%	-15	-6%
2	Aircraft engines, Boilers, machinery and mechanical appliances	181	11%	103	7%	-78	-43%
3	Pharmaceutical products	120	7%	103	7%	-17	-14%
4	Vehicles other than railway	129	8%	102	7%	-27	-21%
5	Electrical machinery and equipment	62	4%	80	6%	18	30%
6	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	137	8%	80	6%	-58	-42%
7	Plastic and articles thereof	49	3%	48	3%	-1	-2%
8	Iron and steel	80	5%	36	3%	-44	-54%
9	Optical, photographic, cinematographic, measuring	25	1%	31	2%	5	22%
10	Articles of apparel and clothing accessories	37	2%	30	2%	-7	-18%
	Others	613	36%	534	38%	-79	-13%
	<b>Total</b>	<b>1,705</b>	<b>100%</b>	<b>1,405</b>	<b>100%</b>	<b>-301</b>	<b>-18%</b>

Source: MOF, DGC

Table 4: EXPORT Distribution by Product (in US\$ million)							
Rank	Product	Jan-2018	% Share	Jan-2019	% Share	Value Change	% Change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	111	39%	79	33%	-32	-29%
2	Plastic and articles thereof	11	4%	13	5%	2	13%
3	Electrical machinery and equipment	14	5%	12	5%	-2	-17%
4	Aircraft engines, Boilers, machinery and mechanical appliances	10	4%	10	4%	0	-3%
5	Preparations of vegetable	7	3%	9	4%	2	26%
6	Essential oils and resinoids; perfumery, cosmetic	9	3%	9	4%	0	3%
7	Edible fruit and nuts;	7	3%	7	3%	0	0%
8	Copper and articles there	8	3%	6	3%	-2	-26%
9	Inorganic chemicals; organic or inorganic compound	4	1%	5	2%	1	25%
10	Printed books, newspapers	3	1%	5	2%	2	81%
	Others	99	35%	81	34%	-18	-18%
	<b>Total</b>	<b>283</b>	<b>100%</b>	<b>236</b>	<b>100%</b>	<b>-47</b>	<b>-17%</b>

Source: MOF, DGC



For further information please contact:

**Ministry of Finance**

Macroeconomic Analysis & Studies Department – Budget Directorate

Tel: 961 1 956000 - ext. 1716-1729

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