

Figures released by the Ministry of Finance, Customs Directorate, indicate a trade deficit of US\$ 3,590 million for Jan-Jun 2020, significantly lower than the deficit of US\$ 8,414 million registered a year earlier. The US\$ 4,824 million improvement in the trade deficit is rooted in significantly lower imports by US\$ 4,936 million, slightly offset by a US\$ 112 million drop in exports.

Total **imports** reached US\$ 5,202 million during Jan-Jun 2020, decreasing by 49 percent<sup>1</sup> in value terms and by 41 percent in volume terms compared to the same period of 2019.

- Imports of "**Mineral fuel and oil**" dropped significantly by 56 percent (US\$ 1,873 million)<sup>2</sup> while in terms of volume it retracted by 44 percent. This decrease is mainly rooted in significantly lower EDL fuel imports by 76 percent (US\$ 1,399 million) reaching US\$ 443 million during Jan-Jun 2020 compared to US\$ 1,842 million during the same period of 2019. On the other hand, non-EDL fuel imports also narrowed by 32 percent (US\$ 475 million) reflecting an 11 percent decrease in volume terms.
- Imports of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**" witnessed a year-on-year drop of 16 percent (US\$ 71 million) in terms of value to reach US\$ 369 million, while in volume terms they remarkably declined by 77 percent. This discrepancy between the value and the volume can be partly explained by the increase in the average gold price to US\$ 1,646 per ounce during Jan-Jun 2020 compared to US\$ 1,305 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 303 tons accounting for a decline of only US\$ 3.5 million in value terms.
- Excluding "**Mineral fuel and oil**" and "**Unwrought gold, un-mounted diamond & precious stones**", imports decreased by 47 percent (US\$ 2,992 million) in Jan-Jun 2020 compared to the similar period of 2019. In fact, most imports' categories, with the exception of some foods items, witnessed a year-on-year drop during the covered period. In details, the main decreases were registered in "**Vehicles other than railway**", "**Aircraft engines, Boilers, machinery and mechanical appliances**", "**Electrical machinery and equipment**" and "**Plastics and articles thereof**" with 72 percent (US\$ 449 million)<sup>3</sup>, 59 percent (US\$ 295 million)<sup>4</sup>, 68 percent (US\$ 280 million)<sup>5</sup> and by 55 percent (US\$ 159 million)<sup>6</sup> respectively.

<sup>1</sup> Significantly affected by the disruption in international bank transfers.

<sup>2</sup> 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\$ 40.23 per barrel compared to US\$ 66.03 in Jan-Jun 2019.

<sup>3</sup> With lower imports from all countries mainly from the United States by US\$ 89 million, as well as from Germany and Japan by US\$ 85 million and US\$ 70 million respectively.

<sup>4</sup> This decrease is mainly attributed to lower imports from China by US\$ 92 million, Italy by US\$ 28 million and Germany by US\$ 26 million.

<sup>5</sup> Imports from China, Vietnam and Italy were the main sources for this drop with respective decreases of US\$ 134 million, US\$ 27 million and US\$ 14 million.

<sup>6</sup> Imports from Saudi Arabia, China, the United Arab Emirates and Italy were the main sources for this drop with decreases of US\$ 39 million and US\$ 32 million for the first two and US\$10 million for the latter two.

- Greece ranked as Lebanon's top import trading partner in Jan-Jun 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**". Italy and the United States followed with shares of 7 percent each.

**Exports** amounted to US\$ 1,612 million in Jan-Jun 2020, reflecting a 7 percent (US\$ 112 million) decline in value along with a drop of 7 percent in volume terms, compared to the same period of 2019.

- Exports of "**Unwrought gold, un-mounted diamond & precious stones**" increased by 11 percent (US\$ 64 million) in terms of value during Jan-Jun of 2020, reflected in turn by an increase of 114 percent<sup>7</sup> in terms of volume.
- Excluding "**Unwrought gold, un-mounted diamond & precious stones**", exports decreased by 15 percent (US\$ 176 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 43 percent (US\$ 35 million)<sup>8</sup>, 26 percent (US\$ 21 million)<sup>9</sup> and 18 percent (US\$ 11 million)<sup>10</sup>, against a rise in exports of "**Edible fruits and nuts**" by 79 percent (US\$ 21 million)<sup>11</sup>.
- **From a regional perspective**, exports to Arab countries witnessed a decline of 20 percent (US\$ 160 million) in Jan-Jun 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 percent (US\$ 56 million), 23 percent (US\$ 52 million) and 12 percent (US\$ 14 million) respectively.
- Lastly, the **breakdown of Lebanese exports by major destination** shows that Switzerland was at the top of the list during the first half of 2020 with a share of 32 percent of total exports – noting that almost 99 percent of exports to this country were "**Unwrought gold, un-mounted diamond & precious stones**" - followed by the United Arab Emirates and Saudi Arabia with respective shares of 11 percent and 6 percent.

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<sup>7</sup> This is mainly attributed to large exports of "Waste and scrap of precious metal or of metal clad" registering 24,890 Kgs during Jan-Jun 2020 compared to nil in Jan-Jun 2019.

<sup>8</sup> Mainly due to a decrease in exports to Syria by US\$ 24 million.

<sup>9</sup> With lower exports to many countries mainly to Iraq by US\$ 6 million and Syria by US\$ 4 million.

<sup>10</sup> With lower exports to the United Arab Emirates by US\$ 8 million.

<sup>11</sup> Mainly due to higher exports to Turkey and Jordan by US\$ 7 million and US\$ 6 million respectively.

**Table 1: Trade activity by value**

(US\$ millions)	2019	2020	%	2016	2017	2018	2019	2020	%
	June	June	Change June 2020/2019	Jan- Jun	Jan- Jun	Jan- Jun	Jan- Jun	Jan- Jun	Change Jan- Jun 2020/2019
<b>Imports</b>	<b>1,377</b>	<b>854</b>	<b>-38%</b>	<b>9,529</b>	<b>9,740</b>	<b>9,580</b>	<b>10,139</b>	<b>5,202</b>	<b>-49%</b>
<i>of which mineral fuel &amp; oil</i>	290	181	-38%	2,217	2,202	1,599	3,333	1,459	-56%
<i>-EDL registered fuel imports</i>	72	27	-62%	1,179	794	115	1,842	443	-76%
<i>-Non EDL fuel imports</i>	218	154	-29%	1,038	1,408	1,484	1,491	1,016	-32%
<i>of which Unwrought &amp; semi-manufactured gold, diamonds, precious stones &amp; metals</i>	65	44	-32%	503	533	651	440	369	-16%
<b>Exports</b>	<b>285</b>	<b>277</b>	<b>-3%</b>	<b>1,387</b>	<b>1,435</b>	<b>1,539</b>	<b>1,725</b>	<b>1,612</b>	<b>-7%</b>
<i>of which Unwrought gold, un-mounted diamond, &amp; precious metals</i>	135	112	-17%	304	338	395	569	633	11%
<b>Trade Balance</b>	<b>-1,092</b>	<b>-577</b>	<b>-47%</b>	<b>-8,142</b>	<b>-8,305</b>	<b>-8,042</b>	<b>-8,414</b>	<b>-3,590</b>	<b>-57%</b>

Source: Directorate General of Customs, Ministry of Finance

**Table 2: Trade activity by volume**

(Millions of kgs)	2019	2020	%	2016	2017	2018	2019	2020	%
	June	June	Change June 2020/2019	Jan- Jun	Jan- Jun	Jan- Jun	Jan- Jun	Jan- Jun	Change Jan- Jun 2020/2019
<b>Imports</b>	<b>1,201</b>	<b>1,065</b>	<b>-11%</b>	<b>9,598</b>	<b>9,961</b>	<b>7,277</b>	<b>10,010</b>	<b>5,953</b>	<b>-41%</b>
<i>of which mineral fuel &amp; oil</i>	525	548	4%	4,807	4,951	2,707	5,968	3,332	-44%
<i>-EDL registered fuel imports</i>	166	118	-23%	2,146	2,041	223	3,462	1,099	-68%
<i>-Non EDL fuel imports</i>	359	430	20%	2,661	2,909	2,484	2,506	2,233	-11%
<i>of which Unwrought &amp; semi-manufactured gold, diamonds, precious stones &amp; metals (Kgs)</i>	62,748	5,038	-92%	527,201	661,174	708,813	373,951	87,417	-77%
<b>Exports</b>	<b>100</b>	<b>117</b>	<b>16%</b>	<b>758</b>	<b>925</b>	<b>895</b>	<b>864</b>	<b>800</b>	<b>-7%</b>
<i>of which Unwrought gold, un-mounted diamond, &amp; precious metals (Kgs)</i>	4,768	4,375	-8%	18,256	23,647	33,650	28,512	60,991	114%
<b>Trade Balance</b>	<b>-1,100</b>	<b>-948</b>	<b>-14%</b>	<b>-8,841</b>	<b>-9,036</b>	<b>-6,383</b>	<b>-9,147</b>	<b>-5,153</b>	<b>-44%</b>

Source: Directorate General of Customs, Ministry of Finance

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

Rank	Product	Jan-Jun 2019	% Share	Jan-Jun 2020	% Share	Value Change	% Change
1	Mineral fuels and oils	3,333	33%	1,459	28%	-1,873	-56%
2	Pharmaceutical products	625	6%	566	11%	-59	-9%
3	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	440	4%	369	7%	-71	-16%
4	Aircraft engines, Boilers, machinery and mechanical appliances	501	5%	205	4%	-295	-59%
5	Cereals	171	2%	182	3%	11	6%
6	Vehicles and accessories, cranes & lorries	626	6%	177	3%	-449	-72%
7	Live animals	161	2%	150	3%	-11	-7%
8	Plastics and articles thereof	290	3%	131	3%	-159	-55%
9	Electrical machinery and equipment	410	4%	130	2%	-280	-68%
10	Preparations of Cereals	147	1%	96	2%	-51	-35%
	Other	3,433	34%	1,735	33%	-1,698	-49%
	<b>Total</b>	<b>10,139</b>	<b>100%</b>	<b>5,202</b>	<b>100%</b>	<b>-4,936</b>	<b>-49%</b>

Source: MOF, DGC

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

Rank	Product	Jan-Jun 2019	% Share	Jan- Jun 2020	% Share	Value Change	% Change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	569	33%	633	39%	64	11%
2	Aircraft engines, Boilers, machinery and mechanical appliances	104	6%	97	6%	-7	-7%
3	Preparations of vegetable	62	4%	61	4%	0	0%
4	Electrical machinery and equipment	82	5%	61	4%	-21	-26%
5	Essential oils and resinoids	62	4%	51	3%	-11	-18%
6	Edible fruit and nuts	27	2%	49	3%	21	79%
7	Plastics and articles thereof	83	5%	47	3%	-35	-43%
8	Iron and steel	49	3%	45	3%	-4	-8%
9	Coppera and articles	38	2%	29	2%	-9	-23%
10	Beverages, spirits and vinegars	32	2%	28	2%	-4	-12%
	Other	618	36%	512	32%	-106	-17%
	<b>Total</b>	<b>1,725</b>	<b>100%</b>	<b>1,612</b>	<b>100%</b>	<b>-112</b>	<b>-7%</b>

Source: MOF, DGC



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