

Figures released by the Ministry of Finance, Customs Directorate, indicate a trade deficit of US\$ 6,828 million for Jan-Nov 2020, significantly lower than the deficit of US\$ 14,487 million registered a year earlier. The US\$ 7,659 million improvement in the trade deficit is rooted in significantly lower imports by US\$ 7,816 million, slightly offset by a US\$ 157 million drop in exports.

Total **imports** reached US\$ 10,078 million during Jan-Nov 2020, decreasing by 43.7 percent in value terms<sup>1</sup> and by 32.9 percent in volume terms compared to the same period of 2019.

- Imports of "**Mineral fuel and oil**" dropped significantly by 52.0 percent (US\$ 3,075 million)<sup>2</sup>, while in terms of volume it retracted by 35.1 percent. This decrease is mainly rooted in significantly lower registered EDL fuel imports by 73.8 percent (US\$ 2,349 million) reaching US\$ 833 million during Jan-Nov 2020 compared to US\$ 3,182 million during the same period of 2019. Non-EDL fuel imports also narrowed by 26.6 percent (US\$ 726 million) in value despite the slight increase of 1.4 percent witnessed in volume terms compared to the same period of 2019.
- Imports of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**" witnessed a year-on-year drop of 7.0 percent (US\$ 61 million) in terms of value to reach US\$ 807 million, compared to a more pronounced decline of 78.3 percent in volume terms. This discrepancy between the value and the volume can be partly explained by the considerable increase in the average gold price reaching US\$ 1,761 per ounce during Jan-Nov 2020 compared to US\$ 1,384 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 505 tons accounting for a decline of only US\$ 6.4 million in value terms.
- Excluding "**Mineral fuel and oil**" and "**Unwrought gold, un-mounted diamond & precious stones**", imports decreased by 42.1 percent (US\$ 4,680 million) in Jan-Nov 2020 compared to the similar period of 2019. In fact, most imports' categories witnessed a year-on-year drop during the covered period. In details, the main decreases were registered in "**Vehicles other than railway**", "**Electrical machinery and equipment**", "**Aircraft engines, Boilers, machinery and mechanical appliances**" and "**Plastics and articles thereof**" with 66.1 percent (US\$ 703 million)<sup>3</sup>, 63.5 percent (US\$ 448 million)<sup>4</sup>, 34.9 percent (US\$ 300 million)<sup>5</sup> and by 47.3 percent (US\$ 240 million)<sup>6</sup> respectively.
- The United States ranked as Lebanon's top import trading partner in Jan-Nov 2020 with a share of 9 percent of total imports, noting that "**Mineral fuel and oil**" and "**Aircraft engines, Boilers, machinery and mechanical**

<sup>1</sup> Significantly affected by the disruption in international bank transfers and the sharp exchange rate deterioration on the parallel market.

<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\$ 41.20 per barrel compared to US\$ 64.01 in Jan-Nov 2019.

<sup>3</sup> With lower imports from all countries mainly from the United States by US\$ 152 million, as well as from Germany and Japan by US\$ 123 million and US\$ 109 million respectively.

<sup>4</sup> Imports from China, Vietnam and Italy were the main sources for this drop with respective y-o-y decreases of US\$ 205 million, US\$ 43 million and US\$ 23 million.

<sup>5</sup> This decrease is attributed to lower imports from most countries mainly China by US\$ 136 million, Italy by US\$ 60 million and Germany by US\$ 49 million. These drops were partly counterbalanced by an increase in imports from the United States by US\$ 154 million.

<sup>6</sup> Imports from China and Saudi Arabia registered the biggest y-o-y drops with US\$ 57 million and US\$ 51 million respectively.

**appliances**” registered a share of 26 percent each out of total imports from this country. Greece and Turkey followed with respective shares of 8 percent and 7 percent.

**Exports** amounted to US\$ 3,250 million in Jan-Nov 2020, reflecting a 4.6 percent (US\$ 157 million) decline in value terms, against a 7.9 percent increase in volume terms, compared to the same period of 2019.

- Exports of **“Unwrought gold, un-mounted diamond & precious stones”** dropped slightly by 0.4 percent (US\$ 5 million) in terms of value during Jan-Nov of 2020, despite the significant increase of 63.0 percent in terms of volume<sup>7</sup>.
- Excluding **“Unwrought gold, un-mounted diamond & precious stones”**, exports decreased by 7.3 percent (US\$ 152 million) in terms of value. This was driven by a year-on-year decline in several export categories, mainly **“Plastics and articles thereof”** and **“Electrical machinery and equipment”** with respective drops of 34.9 percent (US\$ 49 million)<sup>8</sup> and 30.6 percent (US\$ 47 million)<sup>9</sup>. In contrast, some categories witnessed a year-on-year rise, mainly exports of **“Edible fruits and nuts”** with 76.7 percent (US\$ 46 million)<sup>10</sup> and **“Iron and steel”** with 29.1 percent (US\$ 19 million)<sup>11</sup>.
- **From a regional perspective**, exports to Arab countries witnessed a decline of 8.8 percent (US\$ 122 million) in Jan-Nov 2020 compared to the similar period of 2019. It is worth mentioning that this drop is mainly attributed to lower exports to Syria, Saudi Arabia and Iraq by 44.1 percent (US\$ 76 million)<sup>12</sup>, 13.0 percent (US\$ 29 million)<sup>13</sup> and 12.8 percent (US\$ 17 million) respectively.
- Lastly, the **breakdown of Lebanese exports by major destination** shows that Switzerland was at the top of the list during Jan-Nov 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”**. The United Arab Emirates and Saudi Arabia followed with respective shares of 12 percent and 6 percent.

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<sup>7</sup> This is mainly attributed to the export of a large volume of “Waste and scrap of precious metal or of metal clad” registering 24,897 Kgs during Jan-Nov 2020 (28.1 percent from the volume of exports from this category against a meager value amount) compared to nil in Jan-Nov 2019.

<sup>8</sup> Mainly due to a decrease in exports to Syria by US\$ 32 million.

<sup>9</sup> Mainly due to lower exports to Iraq by US\$ 12 million and Syria by US\$ 7 million.

<sup>10</sup> Mainly due to higher exports to Turkey by US\$ 12 million and to Syria and Jordan by US\$ 7 million and US\$ 6 million respectively.

<sup>11</sup> Driven by higher exports to Egypt by US\$ 18 million.

<sup>12</sup> Mainly as exports of “Mineral fuel & oil” and “Plastics and article thereof” dropped year-on-year by US\$ 36 million and US\$ 32 million respectively.

<sup>13</sup> With exports of “Aircraft engines, Boilers, machinery and mechanical appliances” and “Pharmaceutical products” declining year-on-year by US\$ 5 million each over the covered period.

**Table 1: Trade activity by value**

(US\$ millions)	2019	2020	% Change	2016	2017	2018	2019	2020	% Change
	Nov	Nov	Nov 2020/2019	Jan- Nov	Jan- Nov	Jan- Nov	Jan- Nov	Jan- Nov	Jan- Nov 2020/2019
<b>Imports</b>	<b>1,281</b>	<b>1,006</b>	<b>-21.5%</b>	<b>17,537</b>	<b>17,949</b>	<b>18,411</b>	<b>17,894</b>	<b>10,078</b>	<b>-43.7%</b>
<i>of which mineral fuel &amp; oil</i>	431	222	-48.4%	3,801	3,940	3,720	5,918	2,842	-52.0%
-EDL registered fuel imports	248	64	-74.0%	1,715	1,241	785	3,182	833	-73.8%
-Non EDL fuel imports	183	158	-13.7%	2,086	2,699	2,935	2,735	2,009	-26.6%
<i>of which Unwrought &amp; semi-manufactured gold, diamonds, precious stones &amp; metals</i>	44	97	120.6%	1,137	873	1,185	868	807	-7.0%
<b>Exports</b>	<b>309</b>	<b>283</b>	<b>-8.4%</b>	<b>2,732</b>	<b>2,593</b>	<b>2,706</b>	<b>3,407</b>	<b>3,250</b>	<b>-4.6%</b>
<i>of which Unwrought gold, un-mounted diamond, &amp; precious metals</i>	123	108	-12.2%	781	535	593	1,334	1,329	-0.4%
<b>Trade Balance</b>	<b>-972</b>	<b>-723</b>	<b>-25.6%</b>	<b>-14,804</b>	<b>-15,356</b>	<b>-15,705</b>	<b>-14,487</b>	<b>-6,828</b>	<b>-52.9%</b>

Source: Directorate General of Customs, Ministry of Finance

**Table 2: Trade activity by volume**

(Millions of kgs)	2019	2020	% Change	2016	2017	2018	2019	2020	% Change
	Nov	Nov	Nov 2020/2019	Jan- Nov	Jan- Nov	Jan- Nov	Jan- Nov	Jan- Nov	Jan- Nov 2020/2019
<b>Imports</b>	<b>1,429</b>	<b>1,157</b>	<b>-19.0%</b>	<b>17,548</b>	<b>17,618</b>	<b>14,381</b>	<b>17,960</b>	<b>12,044</b>	<b>-32.9%</b>
<i>of which mineral fuel &amp; oil</i>	825	583	-29.3%	8,604	8,603	5,843	10,770	6,994	-35.1%
-EDL registered fuel imports	499	196	-60.8%	3,555	3,184	1,175	6,118	2,277	-62.8%
-Non EDL fuel imports	326	387	18.9%	5,048	5,419	4,668	4,653	4,717	1.4%
<i>of which Unwrought &amp; semi-manufactured gold, diamonds, precious stones &amp; metals (Kgs)</i>	49,050	14,742	-69.9%	1,049,959	1,323,394	995,742	639,332	139,013	-78.3%
<b>Exports</b>	<b>116</b>	<b>133</b>	<b>14.2%</b>	<b>1,499</b>	<b>1,787</b>	<b>1,707</b>	<b>1,540</b>	<b>1,662</b>	<b>7.9%</b>
<i>of which Unwrought gold, un-mounted diamond, &amp; precious metals (Kgs)</i>	6,512	14,328	120.0%	55,982	68,230	43,813	54,388	88,659	63.0%
<b>Trade Balance</b>	<b>-1,312</b>	<b>-1,024</b>	<b>-21.9%</b>	<b>-16,050</b>	<b>-15,831</b>	<b>-12,675</b>	<b>-16,420</b>	<b>-10,382</b>	<b>-36.8%</b>

Source: Directorate General of Customs, Ministry of Finance

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

Rank	Product	Jan-Nov 2019	% Share	Jan-Nov 2020	% Share	Value Change	% Change
1	Mineral fuels and oils	5,918	33%	2,842	28%	-3075	-52.0%
2	Pharmaceutical products	1,138	6%	1,065	11%	-72	-6.4%
3	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	868	5%	807	8%	-61	-7.0%
4	Aircraft engines, Boilers, machinery and mechanical appliances	859	5%	559	6%	-300	-34.9%
5	Vehicles and accessories, cranes & lorries	1,064	6%	361	4%	-703	-66.1%
6	Cereals	293	2%	311	3%	18	6.2%
7	Live animals	298	2%	290	3%	-8	-2.7%
8	Plastics and articles thereof	508	3%	268	3%	-240	-47.3%
9	Electrical machinery and equipment	705	4%	257	3%	-448	-63.5%
10	Optical, photographic, cinematographic, measuring	280	2%	168	2%	-112	-40.0%
	Other	5,963	33%	3,149	31%	-2814	-47.2%
	<b>Total</b>	<b>17,894</b>	<b>100%</b>	<b>10,078</b>	<b>100%</b>	<b>-7816</b>	<b>-43.7%</b>

Source: MOF, DGC

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

Rank	Product	Jan-Nov 2019	% Share	Jan-Nov 2020	% Share	Value Change	% Change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	1,334	39%	1,329	41%	-5	-0.4%
2	Aircraft engines, Boilers, machinery and mechanical appliances	192	6%	184	6%	-9	-4.4%
3	Preparations of vegetables	108	3%	114	4%	6	5.7%
4	Electrical machinery and equipment	152	4%	106	3%	-47	-30.6%
5	Edible fruit and nuts	60	2%	105	3%	46	76.7%
6	Essential oils and resinoids	117	3%	98	3%	-19	-16.5%
7	Plastics and articles thereof	141	4%	92	3%	-49	-34.9%
8	Iron and steel	66	2%	86	3%	19	29.1%
9	Copper and articles thereof	62	2%	65	2%	3	5.1%
10	Beverages, spirits and vinegar	54	2%	59	2%	4	8.1%
	Other	1,121	33%	1,014	31%	-107	-9.5%
	<b>Total</b>	<b>3,407</b>	<b>100%</b>	<b>3,250</b>	<b>100%</b>	<b>-157</b>	<b>-4.6%</b>

Source: MOF, DGC



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