

Figures released by the Ministry of Finance, Customs Directorate, indicate a trade deficit of US\$ 821 million for January 2020, 30 percent lower than the deficit of US\$ 1,169 million registered a year earlier. The US\$ 348 million improvement in the trade deficit is rooted in significantly lower imports by US\$ 251 million along with an increase of US\$ 97 million in exports.

Total **imports** reached US\$ 1,154 million during January 2020, decreasing by 18 percent in value terms while expanding by 4 percent in volume terms when compared to January 2019.

- Imports of "**Mineral fuel and oil**" witnessed a large increase of 77 percent (US\$ 199 million) while in terms of volume it increased by 57 percent¹. This reflects the evolution of EDL fuel imports which increased to US\$ 171 million compared to nil in both January 2018 and January 2019.
- Imports of "**Unwrought & semi-manufactured gold, diamonds, precious stones & metals**" witnessed a year-on-year increase of 15 percent (US\$ 12 million) in terms of value against a significant drop of 72 percent² in volume terms with an average price of gold reaching US\$ 1,559 per ounce in January 2020 compared to US\$ 1,291 per ounce in January 2019.
- Excluding "**Mineral fuel and oil**" and "**Unwrought gold, un-mounted diamond & precious stones**", imports also dropped by 43 percent (US\$ 462 million) in January 2020 compared to January 2019. In fact, the main decreases were witnessed in "**Aircraft engines, Boilers, machinery and mechanical appliances**", "**Vehicles other than railway**" and "**Electrical machinery and equipment**" with 65 percent (US\$ 68 million)³, 62 percent (US\$ 63 million)⁴ and 61 percent (US\$ 49 million)⁵ respectively. These decreases were slightly counterbalanced by an increase of US\$ 30 million⁶ in imports of "**Live animals**".
- Greece ranked as Lebanon's top import trading partner in January 2020 with a share of 10 percent of total imports, noting that almost 96 percent of imports from this country are "**Mineral fuel and oil**". Turkey and Italy followed with respective shares of 9 percent for both.

Exports amounted to US\$ 333 million in January 2020, reflecting a remarkable hike of 41 percent in value and 24 percent in volume terms, compared to January 2019.

¹ International fuel prices witnessed an increase with the average Brent price reaching US\$ 63.65 in January 2020 compared to US\$ 59.41 in January 2019.

² The drop in volume is mostly attributed to lower imports of low value Imitation Jewelry by 75 percent (36,277 Kg).

³ This decrease is attributed to lower imports from many countries mainly from China, United Kingdom, Germany and Romania by 69 percent (US\$ 14 million), 72 percent (US\$ 10 million), 78 percent (US\$ 8 million) and 100 percent (US\$ 6 million).

⁴ Imports from Germany, United States and Japan were the main sources for this drop with respective decreases of US\$ 15 million, US\$ 10 million and US\$ 9 million.

⁵ With lower imports mainly from China and Finland by US\$ 18 million and US\$ 9 million respectively.

⁶ Mainly with imports from Spain and Colombia reaching US\$ 17 million and US\$ 8 million respectively.

- Exports of "**Unwrought gold, un-mounted diamond & precious stones**" increased significantly by 103 percent (US\$ 81 million) in terms of value accompanied by a much higher increase in terms of volume⁷ which more than tripled the amount registered a year earlier.
- Excluding "**Unwrought gold, un-mounted diamond & precious stones**", exports increased by 11 percent (US\$ 17 million) in terms of value. This was partly due to a rise in exports of "**Iron and steel**", "**Edible fruit and nuts; peel of citrus fruit**" and "**Aircraft engines, Boilers, machinery and mechanical appliances**" by 240 percent (US\$ 7 million)⁸, 66 percent (US\$ 5 million)⁹ and 38 percent (US\$ 4 million)¹⁰ respectively, partly counterbalanced by a decrease in exports of "**Plastics and articles thereof**" by 42 percent (US\$ 5 million)¹¹.
- **From a regional perspective**, exports to Arab countries witnessed an increase of 4 percent (US\$ 5 million) in January 2020 compared to January 2019. It is worth mentioning that this increase is mainly attributed to higher exports to Saudi Arabia, Iraq and Jordan by 50 percent (US\$ 7 million), 47 percent (US\$ 4 million) and 60 percent (US\$ 3 million) respectively. These increases were partly counterbalanced by a decrease in exports to Syria by 29 percent (US\$ 5 million) and Qatar by 18 percent (US\$ 2 million).
- Lastly, the **breakdown of Lebanese exports by major destination** shows that Switzerland was at the top of the list in January 2020 with a share of 39 percent¹² of total exports, followed by the United Arab Emirates with a share of 12 percent and Saudi Arabia with a share of 7 percent.

⁷ Driven by considerable y-o-y increases in exports of "Gold (including gold plated with platinum) which rose by 149 percent (1,758 Kg) in volume terms reaching 2,940 Kg in January 2020 and in exports of "waste and scrap of precious metal or of metal clad" by 13,327 Kg which were nil in January 2019.

⁸ With exports to Greece and Egypt increasing by US\$ 5 million and US\$ 2 million respectively.

⁹ Mainly due to an increase in exports to Jordan and Turkey by US\$ 2 million each.

¹⁰ Mainly due to an increase in exports to Oman, Switzerland and Jordan by US\$ 1 million each

¹¹ Due to a decrease in exports to Syria and Saudi Arabia by US\$ 4 million and US\$ 1 million respectively.

¹² With 97 percent of exports to Switzerland being "Unwrought gold, un-mounted diamond & precious stones".

Table 1: Trade activity by value

(US\$ millions)	2016	2017	2018	2019	2020	% Change
	January	January	January	January	January	Jan 20/- Jan 19
Imports	1,513	1,668	1,705	1,405	1,154	-18%
<i>of which mineral fuel & oil</i>	386	422	272	257	457	77%
<i>-EDL registered fuel imports</i>	214	141	0	0	171	NA
<i>-Non EDL fuel imports</i>	172	281	272	257	286	11%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals</i>	67	149	137	80	91	15%
Exports	186	229	283	236	333	41%
<i>of which Unwrought gold, un-mounted diamond, & precious metals</i>	28	72	111	79	159	103%
Trade Balance	-1,327	-1,439	-1,422	-1,169	-821	-30%

Source: Directorate General of Customs, Ministry of Finance

Table 2: Trade activity by volume

(Millions of Kgs)	2016	2017	2018	2019	2020	% Change
	January	January	January	January	January	Jan 20/ Jan 19
Imports	1,580	1,626	1,264	1,153	1,199	4%
<i>of which mineral fuel & oil</i>	835	919	462	491	772	57%
<i>-EDL registered fuel imports</i>	390	354	0	0	309	NA
<i>-Non EDL fuel imports</i>	445	564	462	491	463	-6%
<i>of which Unwrought & semi-manufactured gold, diamonds, precious stones & metals (Kgs)</i>	78,350	105,638	84,151	52,894	14,633	-72%
Exports	105	132	160	112	138	24%
<i>of which Unwrought gold, un-mounted diamond, & precious metals (kgs)</i>	2,280	2,785	4,618	4,941	24,546	397%
Trade Balance	-1,475	-1,495	-1,103	-1,041	-1,061	2%

Source: Directorate General of Customs, Ministry of Finance

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

Rank	Product	Jan-2019	% Share	Jan-2020	% Share	Value Change	% Change
1	Mineral fuels, mineral oils and products of their distillation	257	22%	457	40%	199	77%
2	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	80	7%	91	8%	12	15%
3	Pharmaceutical products	103	9%	90	8%	-13	-13%
4	Live animals	13	1%	43	4%	30	237%
5	Vehicles other than railway	102	9%	39	3%	-63	-62%
6	Aircraft engines, Boilers, machinery and mechanical appliances	103	9%	36	3%	-68	-65%
7	Electrical machinery and equipment	80	7%	32	3%	-49	-61%
8	Cereals	23	2%	27	2%	4	17%
9	Plastic and articles thereof	48	4%	20	2%	-27	-57%
10	Residues and waste	13	1%	18	2%	5	41%
	Others	583	51%	301	26%	-282	-48%
	Total	1,405	122%	1,154	100%	-251	-18%

Source: MOF, DGC

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

Rank	Product	Jan-2019	% Share	Jan-2020	% Share	Value Change	% Change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	79	33%	159	48%	81	103%
2	Aircraft engines, Boilers, machinery and mechanical appliances	10	4%	14	4%	4	38%
3	Edible fruit and nuts	7	3%	12	4%	5	66%
4	Essential oils and resinoids; perfumery, cosmetic	9	4%	11	3%	2	26%
5	Iron and steel	3	1%	10	3%	7	240%
6	Preparations of vegetable	9	4%	10	3%	1	8%
7	Electrical machinery and equipment	12	5%	9	3%	-3	-24%
8	Plastic and articles thereof	13	5%	7	2%	-5	-42%
9	Aluminum and articles thereof	4	2%	6	2%	2	43%
10	Copper and articles thereof	6	3%	5	2%	-1	-9%
	Others	84	36%	89	27%	5	6%
	Total	236	100%	333	100%	97	41%

Source: MOF, DGC



For further information please contact:

Ministry of Finance

Macroeconomic Analysis & Studies Department – Budget Directorate

Tel: 961 1 956000 - ext. 1747-1729

Website: www.finance.gov.lb