Table of Content

• Supply Chain and WFP contracted shops situation

• Demand: food & non-food price developments and exchange rate fluctuations
Supply chain and WFP contracted shops situation
Between January 2020 and August 2020, and in comparison, to the same period in 2019:

- Total imports decreased by 41 percent.
- Food imports (excluding cereals) decreased by 22 percent.
- Food imports decreased by 11 percent.
- Cereal imports increased by 6 percent.

<table>
<thead>
<tr>
<th>Imports</th>
<th>Jan – Aug 2019</th>
<th>Jan – Aug 2020</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cereal</td>
<td>823,433</td>
<td>873,822</td>
<td>6.1%</td>
</tr>
<tr>
<td>Total Food (excluding cereals)</td>
<td>1,192,234</td>
<td>925,925</td>
<td>-22.3%</td>
</tr>
<tr>
<td>Total Food</td>
<td>2,015,667</td>
<td>1,799,747</td>
<td>-10.7%</td>
</tr>
<tr>
<td>Total</td>
<td>14,180,307</td>
<td>8,383,374</td>
<td>-40.9%</td>
</tr>
</tbody>
</table>

Source: Lebanese Customs Data
Wheat Imports Evolution (in mt) – January 2019 to October 2020

- Between January 2020 and August 2020, Lebanon imported 457,566 tons of wheat, based on the Lebanese Customs published data, 28 percent higher than the same period in 2019 (see blue line).

- Based on WFP shipment data, Lebanon imported 565,043 tons of wheat between January 2020 and October 2020 through its Beirut & Tripoli ports (see orange line).

- In October 2020, Lebanon imported 29,450 tons of wheat, based on shipment data, versus 47,978 for the same period in 2019, through Beirut and Tripoli ports (Source: WFP shipment data).

Source: Lebanese Customs Data (blue line) & WFP Shipment Data (Beirut & Tripoli ports) (Orange line), October 2020
Between January 2020 and October 2020, Lebanon imported 543,213 tons of animal food (corn, soya & Barley) through its Beirut and Tripoli ports, based on WFP shipment data.

In October 2020, Lebanon imported 43,378 tons of animal food through its Beirut & Tripoli ports, versus 37,735 tons in October 2019.

Source: WFP Shipment Data, October 2020
78% (72% on July 24th) of WFP-contracted shops reported to have more than 2 weeks of stocks

Based on November 6th weekly shops assessment survey results:

- 10% of WFP contracted shops reported scarcity in certain products, such as oil & fats and sugar.
- 36% of WFP-contracted shops reported suppliers not delivering the full ordered quantities.
- 94% reported having subsidized items at the rate of LBP 3,900.
- 81% reported that suppliers are accepting new orders for subsidized products.
- Only 5% of shops that received subsidized items reported receiving the full ordered quantities.

Source: Retail Weekly Shop Phone Survey – as of 6 November 2020 (November 6 numbers based on 431 reachable shops, out of a total of 475 contracted shops)
Repercussions of explosion on weekly exchange rate based on contracted retailers’ feedback (national level)

- Exchange rates applied by suppliers of contracted shops continue to follow the informal market developments, albeit at a slower pace.

- Following the recent increase in the informal exchange rate at the end of October, 98% of WFP-contracted shops were using an exchange rate between LBP 7000 – 8000 by November 6th, while 2% were charged between LBP 6,000 – LBP 8,000.

- November 6 numbers based on:
  - Total number of shops (including chains): 475
  - Number of reachable shops: 431

Source: Retail Weekly Shop Phone Survey – as of 6 November 2020
Demand: food & non-food price developments and exchange rate fluctuations
Daily (official and unofficial) exchange rate development between mid October 2019 and November 8 2020

- Black market rate heavily affected by developments on the political scene (red line). Rate has been witnessing small increases lately.

- Parallel market rate inactive following central bank decision on August 6 to resume paying incoming money transfer in US dollar notes for non-financial institutes. Last recorded rate was LBP 3,800 (blue line).

- Rate for withdrawal from non-fresh money dollar account in LBP currently set at LBP 3,900 by the central bank currency exchange platform. Circular allowing such withdrawals extended till March 31st, 2021 (yellow line).

- Official exchange houses rate as set by the central bank currency exchange platform (Sayrafa) is between LBP 3,850 & LBP 3,900 (purple line).

Source: [http://lebaneselira.org](http://lebaneselira.org) & [https://lirarate.com](https://lirarate.com) – reported rates for black market and syndicate are the average of the buy and sell rates.
Food SMEB kept increasing m-o-m, recording the highest price in September 2020 at LBP 109,318. The cost of the SMEB is higher than October levels by 185 percent.

At the national level, the m-o-m variation of the Food SMEB between October and September was minimal (up 3.7 percent).

At the governorate level, Baalbeck el Hermel recorded the highest m-o-m increase (up 8 percent), followed by Beirut (up 6 percent).

In parallel with the Food SMEB, the monthly average unofficial exchange rate increased by 1 percent between September and October.

Source: WFP price data, 2019 & 2020, as of 9 November 2020, subject to changes.
The national cost of sunflower oil from October was used to calculate average cost of the Food SMEB for Beirut in October.
Approx. 185% percent weekly food price (SMEB basket) increase between the week of 14 October 2019 and the week of 2 November 2020, based on preliminary data available from WFP contracted shops.

An increase of 100% is registered between the week of March 16th, which marked the start of the General COVID-19 mobilization, and the week of November 2nd.

Source: WFP price data, 2019 & 2020, as of 9 November 2020, subject to changes
WFP is currently monitoring a non-food basket based on the following products available in the database, which covers 9 out of 11 items of the original 2014 Non-Food Items basket, namely: baby diapers (90 pieces), dishwashing liquid (750 ML), disinfectant fluid (500 ML), soap (5 x 125 G), sanitary napkins (6 x 10 pieces), shampoo (500 ML), toilet rolls (4 pieces), toothpaste (2 x 75 ML) and washing powder (0.9 KG). Cooking Gas (1kg) and Hypoallergenic soap (125g per bar) are not included due to lack of data. In the graph on the left, the cost of the refill of a 10KG cylinder at the official price was used and switched to 1 KG, based on IPT Fuel Price website (https://www.iptgroup.com.lb/ipt/en/our-stations/fuel-prices). For Hypoallergenic soap: the cost was estimated based on the registered inflation between the cost of an individual soap as registered in the 2014 SMEB basket and the current cost that appears in WFP retail database.

- Between October 2019 and October 2020, an increase of 184 percent was registered.
- Between September and October 2020, a 2.9 percent increase was registered.

Thanks!

Questions?

WFP Lebanon

VAM (CO & RBC) Unit & Retail/Supply Chain Unit