WFP VAM & Retail/Supply Chain Unit Lebanon

National FSSWG - Situation Analysis

Monitoring Results for FSSWG Meeting

19 January 2021
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
Port of Beirut Good Movement from January 2019 till December 2020 (in mt)

- A decrease of 17% in the unloaded imports weight of Food is registered when comparing Jan – Dec 2020 to the same period in 2019.
- A decrease of 22% is noticed when comparing Dec 2020 figures against the same period in 2019.
- An increase of 4 percent is registered when comparing Dec 2020 figures to Dec 2019 figures.

Source: Port of Beirut data, 2019/2020 as of January 18, 2020, subject to change
## Lebanese Customs Imports Statistics Periods Comparison – Net Weight (mt)

<table>
<thead>
<tr>
<th>Imports</th>
<th>Jan – Sep 2019</th>
<th>Jan – Sep 2020</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cereal</td>
<td>936,654</td>
<td>1,014,469</td>
<td>8.3%</td>
</tr>
<tr>
<td>Total Food (excluding cereals)</td>
<td>1,297,589</td>
<td>1,064,586</td>
<td>-17.9%</td>
</tr>
<tr>
<td>Total Food</td>
<td>2,234,243</td>
<td>2,079,055</td>
<td>-6.9%</td>
</tr>
<tr>
<td>Total</td>
<td>15,757,291</td>
<td>9,804,398</td>
<td>-37.8%</td>
</tr>
</tbody>
</table>

- Between January 2020 and September 2020, and in comparison, to the same period in 2019:
  - Total imports decreased by 38 percent.
  - Food Imports (excluding cereals) decreased by 18 percent.
  - Food imports decreased by 7 percent.
  - Cereal imports increased by 8 percent

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

- Between January 2020 and September 2020, Lebanon imported 497,195 tons of wheat, based on the Lebanese Customs published data, 27 percent higher than the same period in 2019 (see blue line).
- Based on WFP shipment data, Lebanon imported 622,443 tons of wheat in 2020 through its Beirut & Tripoli ports (see orange line).
- Between August and December 2020, Lebanon imported 261,871 tons of wheat, based on shipment data, versus 207,891 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), December 2020, subject to change
Animal Food Imports Evolution (in mt) – July 2019 to November 2020

- Based on WFP shipment data, Lebanon imported, through its Beirut & Tripoli Ports:
  - In 2020, 638,237 tons of animal food (corn, soya & Barley).
  - Between August and December 2020, 296,138 tons, versus 234,490 tons for the same period in 2019 (up 26 percent).

Source: WFP Shipment Data (Beirut & Tripoli ports) (Blue line), December 2020, subject to change
79% (72% on July 24th) of WFP-contracted shops reported to have more than 2 weeks of stocks.

Based on January 15th weekly shops assessment survey results:

- 81% of WFP contracted shops reported scarcity in certain products, such as oil & fats and sugar. 67 percent of shops reported scarcity in the subsidized products.
- 43% of WFP-contracted shops reported suppliers not delivering the full ordered quantities.
- 75% reported having subsidized items at the rate of LBP 3,900.
- 36% reported that suppliers are accepting new orders for subsidized products.
- Only 1% of shops that received subsidized items reported receiving the full ordered quantities.

Source: Retail Weekly Shop Phone Survey – as of 15 January 2021 (January 15 numbers based on 425 reachable shops, out of a total of 467 contracted shops)
Weekly exchange rate based on Beirut 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.

- In the second week of January 2021, 100% of WFP-contracted shops were using an exchange rate between LBP 8000 – 9000

- January 15 numbers based on:
  - Total number of shops (including chains): 467
  - Number of reachable shops: 425

Source: Retail Weekly Shop Phone Survey – as of 15 January 2021
Demand: food & non-food price developments and exchange rate fluctuations
Daily (official and unofficial) exchange rate development between mid October 2019 and January 17 2021

- Black market rate heavily affected by developments on the political scene (red line). Rate has been witnessing 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
Change of Monthly food SMEB price in LPB (national average)

- Food SMEB recorded a slight increase in December 2020, at LBP 111,457.
- The cost of the SMEB is higher than October 2019 levels by 189 percent.
- At the national level, the m-o-m variation of the Food SMEB between November and November was up 2.4 percent.
- At the governorate level, Akkar recorded the highest m-o-m increase (up 5 percent), while Beirut recorded the highest decrease (down 5 percent).
- In parallel with the Food SMEB, the monthly average unofficial exchange rate increased by 6 percent between November and December.

Source: WFP price data, 2019 & 2020, as of 18 January 2021, subject to changes
Change of weekly food SMEB price in LPB (national average)

- Approx. 217% percent weekly food price (SMEB basket) increase between the week of 14 October 2019 and the week of 28 December 2020, based on preliminary data available from WFP contracted shops.

- An increase of 123% is registered between the week of March 16th, which marked the start of the General COVID-19 mobilization, and the week of December 28th.

Source: WFP price data, 2019 & 2020, as of 18 January 2021, subject to changes
### 2014 Food SMEB Basket Composition Vs. Revised Food SMEB Basket

<table>
<thead>
<tr>
<th>2014 Basket Components</th>
<th>Revised Basket Components based on actual consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Egyptian rice</td>
<td>Bread</td>
</tr>
<tr>
<td>Spaghetti</td>
<td>Pasta</td>
</tr>
<tr>
<td>Bulgur Wheat</td>
<td>Brown Bulgur</td>
</tr>
<tr>
<td>Canned meat</td>
<td>Rice</td>
</tr>
<tr>
<td>Vegetable Oil</td>
<td>Potatoes</td>
</tr>
<tr>
<td>Sugar</td>
<td>Lentils</td>
</tr>
<tr>
<td>White Beans</td>
<td>White Beans</td>
</tr>
<tr>
<td>Iodized Salt</td>
<td>Chickpeas</td>
</tr>
<tr>
<td></td>
<td>Powder Milk*</td>
</tr>
<tr>
<td>Sunflower Oil</td>
<td></td>
</tr>
<tr>
<td>Sugar</td>
<td></td>
</tr>
<tr>
<td>Tomato Paste</td>
<td></td>
</tr>
<tr>
<td>Eggs</td>
<td></td>
</tr>
<tr>
<td>Cabbage</td>
<td></td>
</tr>
<tr>
<td>Apples</td>
<td></td>
</tr>
<tr>
<td>Salt</td>
<td></td>
</tr>
<tr>
<td>Tea*</td>
<td></td>
</tr>
<tr>
<td>Carrots</td>
<td></td>
</tr>
<tr>
<td>Sardine</td>
<td></td>
</tr>
</tbody>
</table>

*Powder Milk & Tea are consumed food commodities by Syrian refugees households, according to VASyR 2019 and WFP retail data (2020)

- In 2020, an independent group of technical experts from the humanitarian community in Lebanon analysed the minimum and survival expenditure baskets.
- A revised composition of the food and non-food items of the baskets to cover the actual consumption patterns of Syrian Refugees is recommended.
- As of 1st of January 2021, WFP Lebanon will be monitoring and reporting on the “new” Food Basket, which stands at LBP 129,605 in December 2020.

Report download: https://docs.wfp.org/api/documents/WFP-0000120754/download/
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 December 2020, an increase of 185 percent was registered.
- Between November and December 2020, a slight 0.7 percent increase was registered.
Annual Consumer Price Index (CPI) and Food Price Index Development (October 2019 – November 2020)

- Between October 2019 and November 2020:
  - The Consumer Price Index (CPI) witnessed an annual inflation of 138%.
  - The Food Price Index (FPI) registered an inflation of 444%.

- Between November 2019 and November 2020:
  - The Consumer Price Index (CPI) witnessed an annual inflation of 133%.
  - The Food Price Index (FPI) registered an inflation of 423%.

- Between October and November 2020, CPI increased by 0.5%, while FPI increase by 0.6%.

Source: Central Administration for Statistics (CAS)
Thanks!
Questions?

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