WFP VAM Lebanon
Economic Situation Analysis

Preliminary monitoring results for FSSWG meeting
17 October 2019 to 17 January 2020
Summary

• Introduction
• Availability of food supplies
• Access to shops
• Exchange rate
• Price development
• Conclusion
Introduction: What and how to monitor?

4 fundamentals that can trigger adjustments in overall operation:

1. **Does cash reach beneficiaries? (food/essential needs access)**
   - Bank transfer from outside to WFP account, and to e-cards
   - Service provision by the Bank and whether we can distribute cards
   - Cash liquidity at ATMs
   - Other banks refusing transactions of BLF cards
   - Beneficiaries’ physical access to ATMs

2. **Are supplies sufficient in the market? (market functionality)**
   - Shops’ physical stocks level: through weekly retailer phone call survey
   - Shops accessibility by the beneficiaries: through phone call survey to beneficiaries
   - Any constraints in the supply chain (from port to wholesaler to retail): through retailer/wholesaler/port survey

3. **Is the transfer value sufficient to cover the needs? (food access)**
   - Price monitoring: through retailer transaction data
   - Exchange rate monitoring: through retailer phone call survey

4. **Do vulnerable people have an income? (food access / NFI access/vulnerabilities)**
   - Vulnerability assessment to understand changes in income generating activities
Availability of food supplies at district and village level
Stock coverage of WFP contracted shops (as of 17th January 2020)

20% of shops have 1-2 weeks stock
18% of shops have 2-3 weeks stock
29% of shops have 3-4 weeks stock
33% of shops have more than 4 weeks stock

→ approx. 80% of WFP contracted shops say they have more than 2 weeks of stock

- Total number of shops (including chains): 412
- Number of shops have been contacted: 227
- Number of shops reachable: 224

Source: Weekly Shop Phone Survey – as of 17th January
Monthly evolution of stock coverage in WFP contracted shops

**Lebanon**

**Stock coverage for WFP contracted shops - October 2019**
- Total number of contracted shops (including chains): 424
- Number of shops have been contacted: 338
- Number of shops reachable: 328
  - 24% of shops have 1-2 weeks stock
  - 17% of shops have 2-3 weeks stock
  - 10% of shops have 3-4 weeks stock
  - 30% of shops have more than 4 weeks stock

**Lebanon**

**Stock coverage for WFP contracted shops - November 2019**
- Total number of contracted shops (including chains): 413
- Number of shops have been contacted: 402
  - 20% of shops have 1-2 weeks stock
  - 11% of shops have 2-3 weeks stock
  - 29% of shops have 3-4 weeks stock
  - 30% of shops have more than 4 weeks stock

**Lebanon**

**Stock coverage for WFP contracted shops - December 2019**
- Total number of contracted shops (including chains): 413
- Number of shops have been contacted: 401
- Number of shops reachable: 396
  - 24% of shops have 1-2 weeks stock
  - 21% of shops have 2-3 weeks stock
  - 25% of shops have 3-4 weeks stock
  - 30% of shops have more than 4 weeks stock
Shops with disruption in receiving products from food suppliers (as of 17th January 2020)

31% of shops witnessed disruptions from suppliers

69% of shops did not witness disruptions from suppliers

Source: Weekly Shop Phone Survey – as of 17th January
Monthly evolution of Shops witnessing disruption in receiving products from food suppliers

**Lebanon**

**Shops witnessed disruption in receiving products from food suppliers - October 2019**
- Total number of contracted shops (including chains): 426
- Number of shops have been contacted: 328
- Number of shops reachable: 328
- 70% of shops witnessed disruption from suppliers
- 50% of shops not witnessed disruption from suppliers

**Lebanon**

**Shops witnessed disruption in receiving products from food suppliers - November 2019**
- Total number of contracted shops (including chains): 413
- Number of shops have been contacted: 403
- Number of shops reachable: 402
- 30% of shops witnessed disruption from suppliers
- 67% of shops not witnessed disruption from suppliers

**Lebanon**

**Shops witnessed disruption in receiving products from food suppliers - December 2019**
- Total number of contracted shops (including chains): 412
- Number of shops have been contacted: 489
- Number of shops reachable: 395
- 22% of shops witnessed disruption from suppliers
- 77% of shops not witnessed disruption from suppliers

**Shops witnessed disruption from suppliers**
- Witnessed disruption
- Not witnessed disruption

**Number of shops witnessed disruption in receiving products from food suppliers (evolution between October and November)**
- Increase
- Stable
- Decrease

**Shops witnessed disruption from**
- Witnessed disruption
- Not witnessed disruption

**Number of shops witnessed disruption in receiving products from food suppliers (evolution between November and December)**
- Increase
- Stable
- Decrease
Access to WFP contracted shops
Shops affected by the number of food ecard beneficiaries visiting the shop (as of 17th January 2020)

5% of shops affected by a change in the number of food ecard beneficiaries visiting the shop

95% of shops not affected by a change in the number of food ecard beneficiaries visiting the shop

(e.g. overcrowding or bulk purchases)

Source: Weekly Shop Phone Survey – as of 17th January
Exchange rate development
Weekly exchange rate development based on contracted retailers’ feedback (national level)

Exchange rate suppliers charging WFP contracted shops

<table>
<thead>
<tr>
<th>Date</th>
<th>1500-1600 LBP</th>
<th>1600-1700 LBP</th>
<th>1700-1800 LBP</th>
<th>1800-2000 LBP</th>
<th>2000-2250 LBP</th>
<th>More than 2250 LBP</th>
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<td>31st October</td>
<td>18%</td>
<td>6%</td>
<td>22%</td>
<td>10%</td>
<td>4%</td>
<td>14%</td>
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<tr>
<td>7th November</td>
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<td>35%</td>
<td>36%</td>
<td>52%</td>
<td>36%</td>
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<tr>
<td>14th November</td>
<td>24%</td>
<td>20%</td>
<td>13%</td>
<td>22%</td>
<td>34%</td>
<td>77%</td>
</tr>
<tr>
<td>21st November</td>
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<td>22%</td>
<td>13%</td>
<td>9%</td>
<td>7%</td>
<td>82%</td>
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<tr>
<td>28th November</td>
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<td>20%</td>
<td>22%</td>
<td>13%</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>5th December</td>
<td>24%</td>
<td>22%</td>
<td>13%</td>
<td>9%</td>
<td>14%</td>
<td>2%</td>
</tr>
<tr>
<td>23rd December</td>
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<td>34%</td>
<td>13%</td>
<td>9%</td>
<td>14%</td>
<td>17%</td>
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<tr>
<td>30th December</td>
<td>1%</td>
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<td>13%</td>
<td>9%</td>
<td>14%</td>
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<tr>
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<td>2%</td>
</tr>
<tr>
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<td>59%</td>
<td>13%</td>
<td>9%</td>
<td>14%</td>
<td>18%</td>
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Source: WFP retail data, 2019
Price developments of essential food items
As of December 2019, the food basket price was above 45,000 in all Governorates, with a national average of approx. 48,316 LBP.

In December 2019, the highest food basket prices were found in Beirut (50,742 LBP) and the lowest in Baalbeck-Hermel (45,427 LBP).

Approx. 35 percent weekly food price (SMEB basket) increase between the week of the 14th of October 2019 and the week of 13th of January 2020.
The food inflation index jumped on a year to year basis by 10%.

The CPI increased on a annual basis by 7%.

Between November and December an increase of approximately 7% (food) and 3% (CPI) is observed.
Average of SMEB food basket price in per Governorate and District pre-civil unrest

- **Governorates level**
  - The price of the food basket was below 38,000 LBP in all Governorates except for Beirut 40,017 LBP and El Nabatieh 38,701 LBP

- **District level**
  - The price of the food basket was below 38,000 LBP in all Districts except for Beirut, Bent Jbeil, Hasbaya, Kesrwan, Marjaayoun and Zahle above 38,000 LBP and below 42,000 LBP

Source: WFP price data, 2019
Bi-monthly average change of SMEB food basket price in % per Governorate

Source: WFP price data, 2019
Conclusion

• Weekly/Monthly SMEB food prices continue to increased since the beginning of public unrest.
• Supply affected seems to be only affected at the beginning of the crisis.
• Shops are overall functioning.
• Shop access has been overall ensured.
• 91% of the suppliers charged WFP contracted shops above 2,000 LBP for 1 USD.
• Price of the food basket above 40,500 LBP in all Governorates since November 2019.
Thanks!
Questions?

For more information:
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