



World Food Programme

SAVING LIVES
CHANGING LIVES

Market Monitor

WFP VAM | Food Security Analysis

PhotoWFP/ Mustapha Ghabris - June 2023

WFP support of small and medium sized business

Lebanon | May 2023

S/MEB (April 2023)



Food and non-food for a family of five

Full SMEB

LBP27.2M (+10 percent since Mar-23)

USD278 (+11 percent since Mar-23)

Full MEB

LBP33.8M (+10 percent since Mar-23)

USD345 (+11 percent since Mar-23)



Food per person

Food SMEB

LBP2.7M (+5 percent since Mar-23)

USD29 (+6 percent since Mar-23)

Food MEB

LBP3.8M (+6 percent since Mar-23)

USD39 (+6 percent since Mar-23)



Non-food for a family of five

Non-Food SMEB

LBP13M (+15 percent since Mar-23)

USD134 (+16 percent since Mar-23)

Non-Food MEB

LBP14.5M (+16 percent since Mar-23)

USD148 (+17 percent since Mar-23)

Cash Assistance (TV coverage- April 2023)



Syrian refugees

Food: 39 percent (-2 percent since Mar-23)

Non-Food: 19 percent (-3 percent since Mar-23)

Lebanese

Food: 69 percent (-4 percent since Mar-23)

Non-Food: 19 percent (-2 percent since Mar-23)

Key Figures



Inflation (Apr-23)

+9 percent (down from 33 percent increase in Mar-23)



Informal exchange rate (May-23)

LBP94,500/USD (down from LBP98,000/USD in Apr-23)



Currency depreciation

The Lebanese pound has depreciated by 49 percent between January and May 2023.

Domestic Food Supply



Stock levels remained stable, and product scarcity nearly the same as the previous month.

Economy and Markets



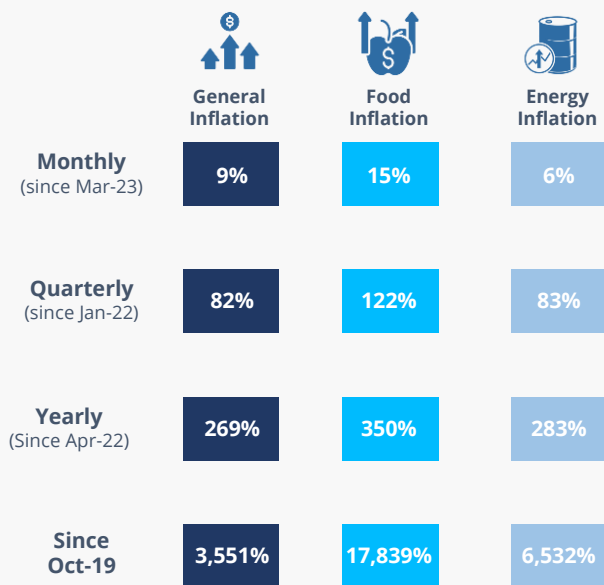
A recent report by UNDP estimated the size of yearly received remittances in Lebanon between USD 6 and 7 billion.



The cost of internet services is expected to increase by around six to seven times, as the tariffs are being discussed.

1. Consumer Price Index (CPI)

INFLATION AS OF April 2023



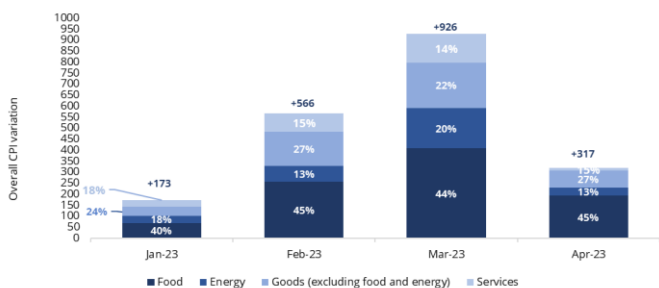
Source: Central Administration of Statistics

CPI data from the Central Administration of Statistics showed that monthly inflation increased by 9 percent in April 2023. The CPI rose by 81 percent in the last three months and by 269 percent in the last year. The CPI index increase in April was more modest compared to the previous two months, as the Lebanese Lira exchange rate stabilized around the USD/LBP 95,000-100,000 level during the month.

Food prices increased by 15 percent and energy prices by 6 percent on a monthly basis, while quarterly and yearly food inflation was 122 and 350 percent. Energy inflation was 83 percent in the last three months and 283 percent in the past year.

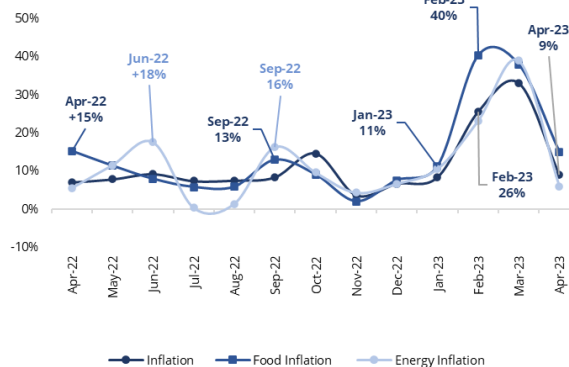
Food inflation contributed to 45 percent of the CPI monthly increase in April 2023, similar to its contribution the previous month (44 percent). Non-food and non-energy goods contributed by 27 percent of the CPI increase in April, while services and energy contributed by 15 and 13 percent of the CPI monthly increase.

Contributions to monthly CPI variation (Jan 23 - Apr 23)



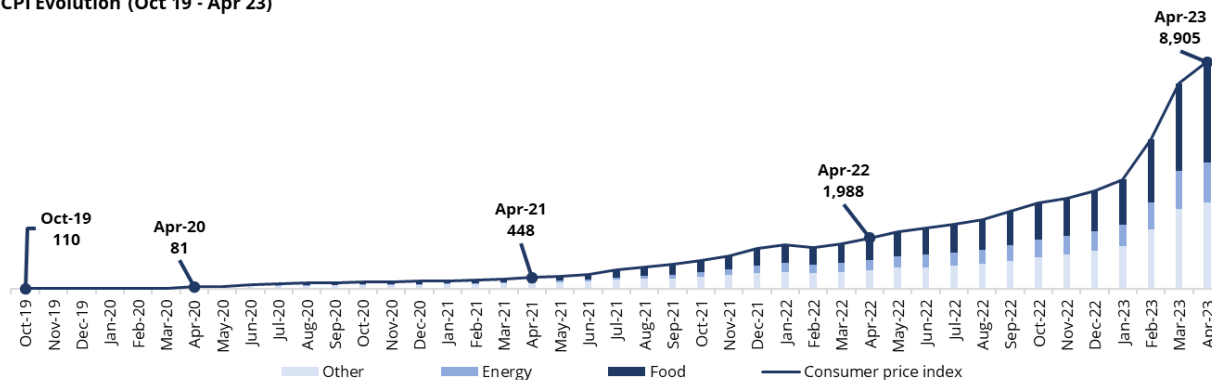
Source: Central Administration of Statistics; WFP VAM Analysis
*The above stacked columns represent the monthly share of food, energy, other goods, and services in the CPI over the past year.

Monthly Inflation Rates (Apr 22 - Apr 23)



Source: Central Administration of Statistics

CPI Evolution (Oct 19 - Apr 23)



Source: Central Administration of Statistics
*The above stacked columns represent the cumulative share of food, energy and other sectors in the CPI since October 2019

2. Survival and Minimum Expenditure Baskets (S/MEB)

In Lebanon, S/MEB were established in 2014 and serve as a benchmark to estimate the cost of food and other basic needs of a Syrian refugee family in Lebanon. While the MEB is defined as what a household requires in order to meet its essential need, the SMEB is the absolute minimum amount required to cover lifesaving needs. The S/MEBs are composed of three sub-baskets: food, non-food items, and non-food services.

In April 2023, the cost of the SMEB was LBP27.2 million for a family of five, registering a 10 percent monthly increase and a 349 percent yearly increase. The cost of the food component of the SMEB in LBP rose by 5 percent monthly and 306 percent yearly to reach LBP2.8 million per person in April 2023. The Non-Food SMEB reached LBP13 million per household in April 2023, up from LBP11.3 million in March 2023 and LBP2.6 million in April 2022. The increase on a monthly basis was driven by an increase in the cost of the Non-Food Services (NFS). In fact, the NFS increased from LBP6.4 million in March 2023 to LBP8.1M in April 2023.

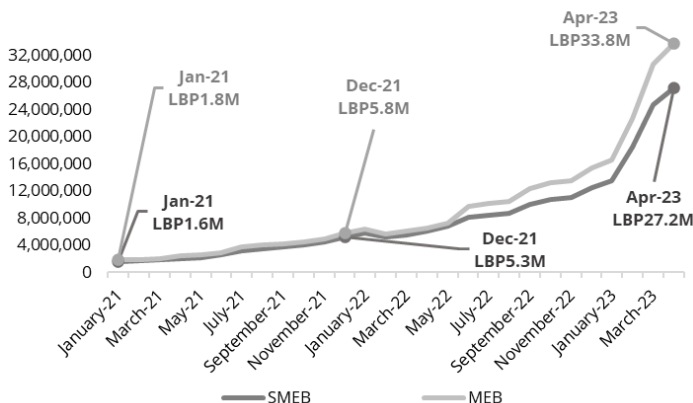
This rise, despite being less than the previous month, was mostly driven by the continued adjustment of prices following the rapid depreciation of the LBP in the informal market in the previous months. In USD terms, the cost of the SMEB increased by 11 percent in April 2023 compared to the previous month, recording

USD278. Similarly, the cost of the Food SMEB stood at USD27 per person in April 2023 increased to nearly USD29 per person in April 2023. The Non-Food SMEB also increased to USD134 per household during the month, up from USD114 in March 2023. This was driven by an increase in the USD cost of the non-food services component, as USD prices of services further adjusted to the continued dollarization taking place in the country.

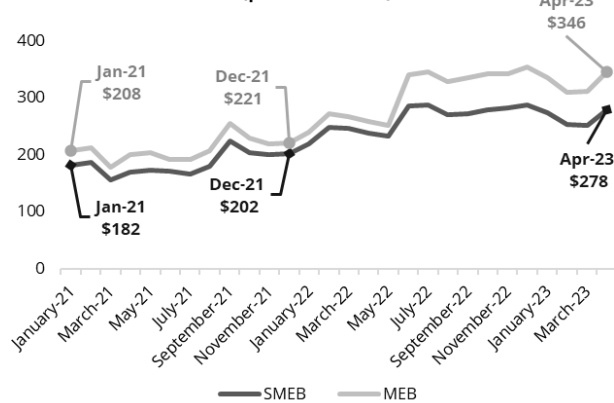
The cost of the full MEB was LBP33.8 million in April 2023 for a household of five, up from LBP30.8 million in March 2023 and LBP6.5 million a year ago. The cost of the food component of the MEB per person recorded nearly LBP3.9 million in April 2023, corresponding to USD39 per person. In USD, the cost of the full MEB reached USD345 in April 2023, up from USD311 in March 2023 and up from USD245 a year ago.

Variations in the Food SMEB over the past four months have been mostly caused by inflation of the prices of cereals and tubers, dairy and pulses. The price increase of cereals and tuber has contributed to 38 percent of price variation in the Food SMEB on average. Inflation in the prices of dairy products contributed, on average, to 15 percent of the Food SMEB inflation, while inflation in the prices of pulses contributed to another 12 percent.

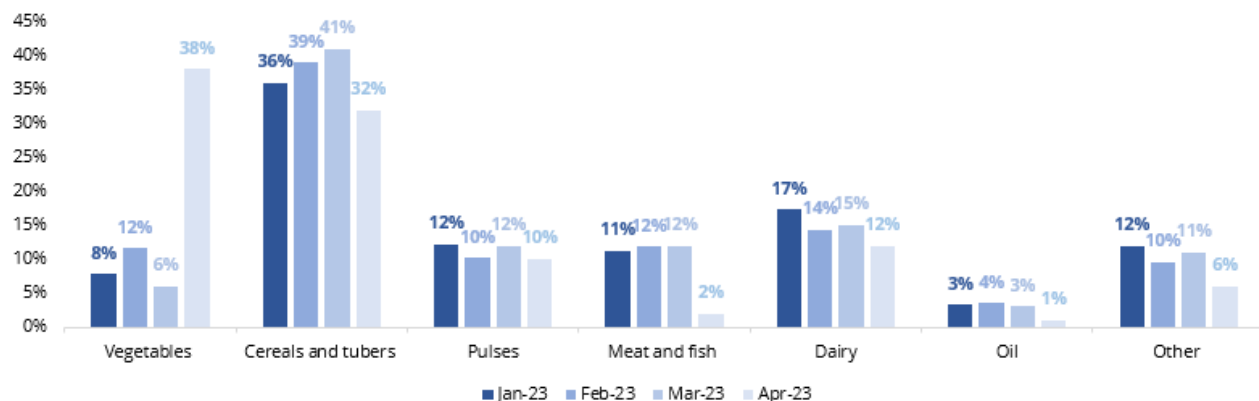
Full SMEB and MEB in LBP (per household)



Full SMEB and MEB in USD (per household)



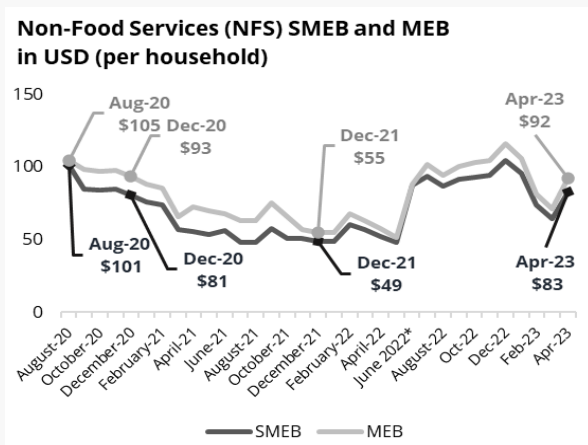
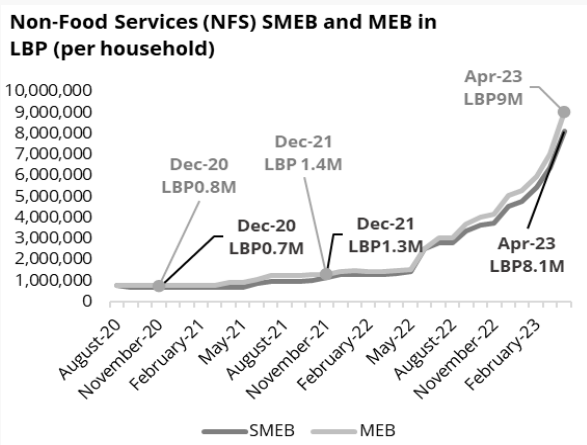
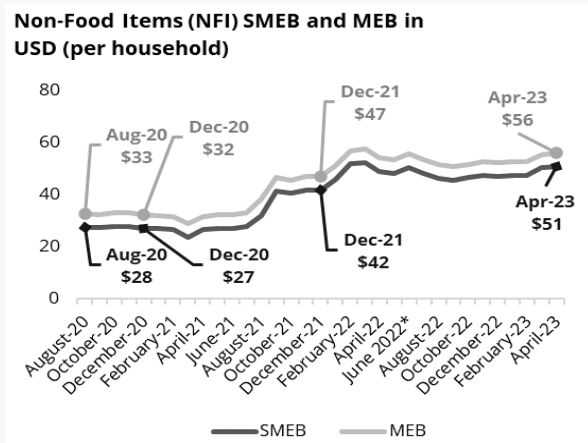
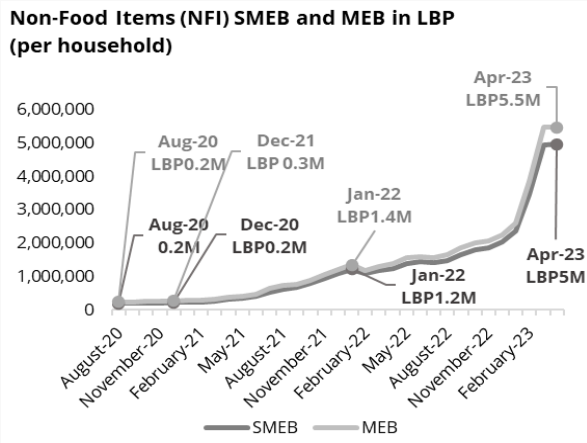
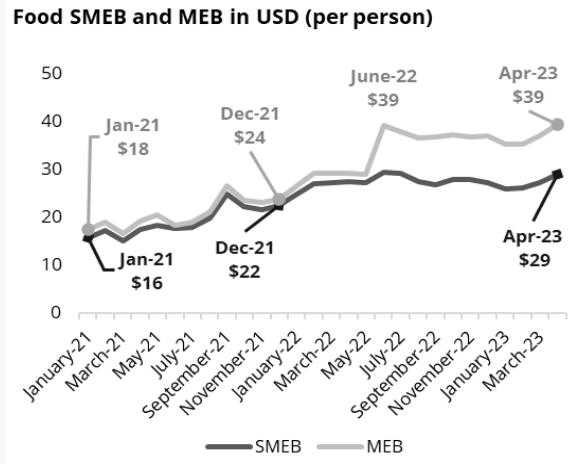
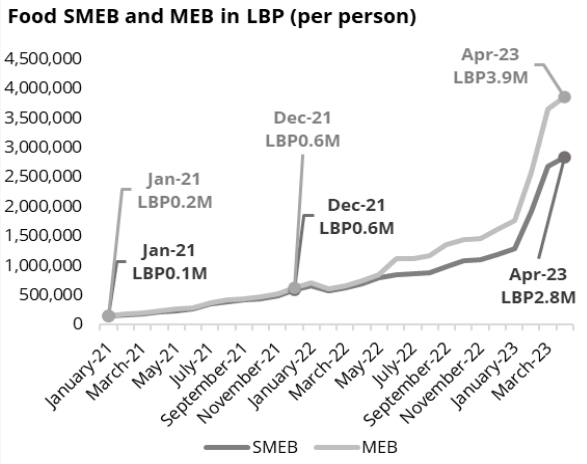
Contribution to Food SMEB Variation by Component (Jan 23 - April 23)



*The above percentages represent the share of each category in the monthly variation (both increase and decrease) in the price of the Food SMEB.

Source: WFP VAM Unit

Cost of S/MEB components



*Compositions of the food MEB components and the Services SMEB and MEB components were revised in June 2022. The historical costs of the SMEB/MEB prior to June 2022 were kept as they were before the revision of components.

Source: WFP VAM Unit

Value of Cash Assistance

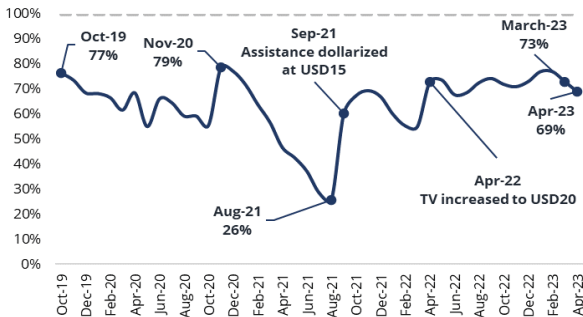
In Lebanon, vulnerable populations receive assistance mainly through unconditional cash transfers for food and other needs. The ratio between the cash transfer value and the SMEB provides an indication of the purchasing power of families receiving assistance.

Lebanese residents receive cash assistance mainly through two large-scale national safety nets programs: The National Poverty Targeting Program (NPTP) and AMAN/ESSN, both implemented by WFP, the Ministry of Social Affairs (MoSA) and the Presidency of the Council of Ministers. Currently, Lebanese households receive USD 20 for food assistance per person and USD 25 per family for other essential needs per month. In April 2023, the portion of the transfer value intended for food covered 69 percent of the food SMEB and the portion intended for other essential needs was 19 percent of the SMEB. The latter dropped from 25 percent in April 2022 and 22 percent in March 2023, following an increase in the non-food SMEB.

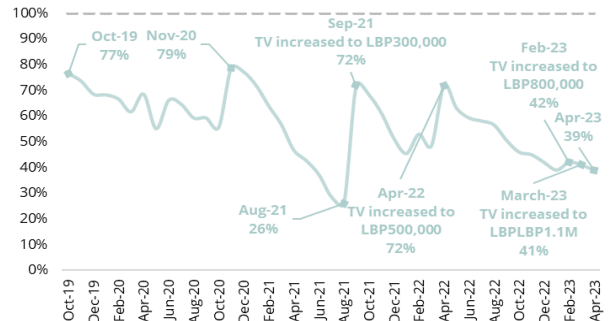
Syrian refugees receive cash-based transfers to meet their food and other essential needs. This is done through different modalities, including restricted food vouchers or unrestricted cash for food and non-food needs.

As of April 2023, Syrian refugees received LBP1.1M per person and LBP2.5 million per household per month for other essential needs. However, not all Syrian refugee households receive the full assistance package covering food and non-food needs. In April 2023, the value of cash assistance received by Syrian refugees intended for food covered 39 percent of the SMEB, down from 72 percent in April 2022 and 42 percent in March 2023. The non-food portion of the transfer value was sufficient to cover only 19 percent of the non-food SMEB, down from 39 percent in April 2022 and 22 percent in March 2023.

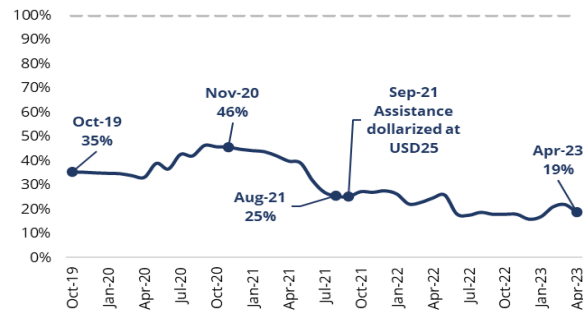
TV Coverage of Food SMEB - NPTP



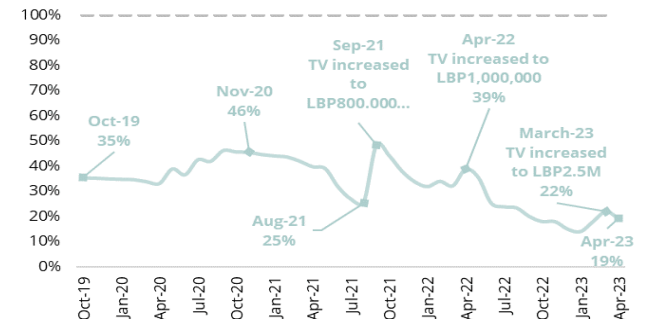
TV Coverage of Food SMEB - Refugee Response



TV Coverage of Non-Food SMEB - NPTP



TV Coverage of Non-Food SMEB - Refugee Response



Source: WFP VAM Unit

Box 1- S/MEB Methodology

Essential Needs

Essential needs are defined as “the essential goods and services required on a regular or seasonal basis by households to ensure survival and minimum living standards, without resorting to negative coping mechanisms or compromising their health, dignity and essential livelihoods assets”.

What is a S/MEB?

The Survival and the Minimum Expenditure Baskets (S/MEB) set monetary thresholds for what is needed to cover essential needs and are conceptually equivalent to a poverty line.

The MEB is defined as what a household requires to meet its essential needs on a regular or seasonal basis and its cost. It includes both food- and non-food needs. The SMEB is the absolute minimum amount required to maintain existence and cover lifesaving needs.

How are S/MEB used?

Households with economic capacity below the SMEB are likely unable to access the minimum required to survive. Households with economic capacity below the MEB are unable to access all the essential needs they need to live a dignified life. The S/MEB informs programmatic decisions such as transfer values in situations requiring immediate lifesaving assistance.

S/MEB in Lebanon

Both the SMEB and MEB were first introduced in Lebanon in 2014 by the Food Security and Agriculture Working Group (FSAWG) and the Basic Assistance Working Group (BAWG) in collaboration with the Cash Transfer Working Group (CTWG). The goal was to estimate the value of cash assistance for food and other essential needs targeting the most vulnerable households in Lebanon.

The SMEB and MEB are composed of three sub-baskets: food, non-food items, and non-food services (Table 1). S/MEB were reviewed in 2020, while the food sub-basket of the MEB was further reviewed in 2022.

S/MEB 2020 Revision

The SMEB is composed of three sub-baskets. The **Food SMEB** comprises 19 products providing a 2,100 Kcal minimum intake of vitamins and macronutrients. The **Non-Food SMEB** tracks hygiene items based on SPHERE standards, diapers, and cooking gas. The

Non-Food Services SMEB clothes, rent, communication, water, electricity, health, and education.

MEB 2022 Revision

The **Food MEB**, which provides 2,100 Kcal per person per day, was revised in December 2022 to reflect current food needs better and optimise the basket's nutritional component at a low budget. The revision was conducted by the Food Security and Agriculture Sector (FSAS) and the Basic Assistance Working Group (BAWG). The food component in the 2022 version includes more fresh fruits and vegetables locally produced and available through the local market.

The **Non-Food MEB** includes ten core hygiene items based on SPHERE standards, as well as blankets, mattresses, and cooking gas. **The Non-Food Services MEB** is constructed following a hybrid approach and defines a set of services related to household needs such as transportation, rent, and education.

Monthly Price Monitoring




WFP is currently tracking the monthly changes in prices of the SMEB and MEB food and non-food items components. The prices of the food and non-food items are updated using the WFP price monitoring system. Since October 2022, WFP price monitoring has been based on a representative sample of 987 non-contracted shops across the eight governorates. A total of 315 municipalities were randomly selected. Three different shops of varying sizes are visited bi-weekly in each municipality to collect prices of food and non-food items.

Prices for blankets and mattresses are estimated through an initial market assessment by UNHCR, while the cost of cooking gas is estimated using official gas prices in Lebanon.

The services SMEB and MEB are updated by the Basic Assistance Working Group every year. Different associated costs for each non-food service follow a hybrid approach between rights-based and expenditure-based. The primary source of expenditure data comes from the annual Vulnerability Assessment of Syrian Refugees (VASyR), and the costs are then updated monthly primarily using the Consumer Price Index (CPI) released by the Central Administration of Statistics (CAS), as well as other data sources.

Reference Documents:

- [WFP - Minimum Expenditure Baskets Guidance Note- December 2020](#)
- [WFP - Review of the Survival and Minimum Expenditure Baskets in Lebanon](#)
- [Inter- Agency Lebanon - Basic Assistance Non-Food SMEB Update Summary - 2022](#)
- [WFP - Minimum Expenditure Baskets: Guidance Note, December 2020](#)
- [Sphere Association - The Sphere Handbook: Humanitarian Charter and Minimum Standards in Humanitarian Response](#)

		MEB (2022 revision)	SMEB (2020 revision)
 Food Right-based	Composition	31 food products providing 2,100 Kcal higher in vitamins and macronutrient	19 food products providing 2,100 Kcal minimum intake of vitamins and macronutrient
	Price monitor	Prices of food items are tracked on a monthly basis through WFP Price Monitoring System	
 Non-food items Right-based	Composition	<ul style="list-style-type: none"> • 9 hygiene items based on SPHERE standards • Mattress • Cooking gas • Blanket 	<ul style="list-style-type: none"> • 9 hygiene items based on SPHERE standards • Cooking gas • Blanket
	Price monitor	Prices for hygiene items are tracked on a monthly basis through WFP market monitor and official prices from CAS	
 Non-food services Expenditure and right-based	Composition	Clothes ¹ , rent ¹ , communication ² , water ¹ , transportation ¹ , electricity ¹ , health ³ , education ¹ , legal residency ²	Clothes ¹ , rent ¹ , communication ² , water ¹ , transportation ¹ , electricity ¹ , health ³ , education ¹
	Price monitor	Expenditure data from VASyR updated monthly using the Consumer Price Index (CPI)	

1. Expenditure-based | 2. Rights-based | 3. Expenditure and right-based

MEB & SMEB composition and revisions since 2020

Component	SMEB (2020 revision)		MEB (2020 revision)		MEB (2022 revision)	
	Per month for a family of 5 (Kg)	Per person per day (in gr)	Per month for a family of 5 (in kg)	Per person per day (in gr)	Per month for a family of 5 (in kg)	Per person per day (in gr)
FOOD ITEMS						
Bread	35.1	234	33	220	27	180
Pasta	9	60	9.75	65	6	40
Brown Bulgur	9.75	65	9	60	6	40
Rice	12	80	13.5	90	10.5	70
Potatoes	10.5	70	9	60	10.5	70
Lentils	3.75	25	4.5	30	3.75	25
Beans	1.5	10	1.5	10	2	13
Chickpeas	4.5	30	3	20	4.5	30
Powdered Milk	3	20	1.5	10	2	13
Canned Cheese	-	-	1.5	10	-	-
Sunflower Oil	2.55	17	2.55	17	3	20
Sugar	3	20	3	20	3.75	25
Tomato Paste	3	20	3	20	3.75	25
Eggs	2.25	15	1.5	10	3	20
Canned Beef	-	0	1.5	10	-	-
Fresh Chicken	-	0	1.5	10	3.75	25
Canned Green Peas	-	0	1.5	10	-	-
Oranges	-	0	3	20	9	60
Cabbage	13.5	90	15	100	12	80
Apples	7.5	50	6	40	9	60
Salt	0.6	4	0.75	5	0.75	5
Tea	0.6	4	0.75	5	0.75	5
Carrots	3	20	3	20	5.25	35
Sardine	2.25	15	1.5	10	3	20
Tomato	-	-	-	-	7.5	50
Onion	-	-	-	-	3	20
Tahini	-	-	-	-	0.75	5
Yogurt	-	-	-	-	6	40
Thyme	-	-	-	-	1.5	10
Garlic	-	-	-	-	0.45	3
Cucumber	-	-	-	-	6	40
Zucchini	-	-	-	-	4.5	30
Dark green leafy vegetables	-	-	-	-	4.5	30
Banana	-	-	-	-	9	60

NON-FOOD ITEMS

	Per month for a family of 5	Per month for a family of 5	Per month for a family of 5
Toilet Paper	4 rolls/packet	4 rolls/packet	4 rolls/packet
Toothbrush	5 (changed every three months)	5 (changed every three months)	5 (changed every three months)
Toothpaste	2 tubes/ 75ML	2 tubes/ 75ML	2 tubes/ 75ML
Laundry soap/detergent	Bubbles 900 Grams	Bubbles 900 Grams	Bubbles 900 Grams
Liquid Dishes detergent	750 ML	750 ML	750 ML
Sanitary napkins	3 packets of 20 pads per packet	3 packets of 20 pads per packet	3 packets of 20 pads per packet
Individual soap	5 pieces of 125 Grams	5 pieces of 125 Grams	5 pieces of 125 Grams
Shampoo	500 ML	500 ML	500 ML
Diapers	90 per packet	90 per packet	90 per packet
Disinfectant fluid/Bleach	500 ML	500 ML	500 ML
Blanket	5 (changed every year)	5 (changed every year)	5 (changed every year)
Cooking gas	14.78 KG	14.78 KG	14.78 KG
Mattress	-	5 (changed every year)	5 (changed every year)

NON-FOOD SERVICES

	Per month for a family of 5	Per month for a family of 5	Per month for a family of 5
Communication	Market cost of opening one phone line without internet for 30 days in USD	Market cost of opening one phone line with internet for 30 days in USD	Market cost of opening one phone line with internet for 30 days in USD
Health	Transportation costs based on the minimum required visits to health facilities Medicine costs based on an expenditure approach	Transportation costs based on the minimum required visits to health facilities Medicine costs based on an expenditure approach	Transportation costs based on the minimum required visits to health facilities Medicine costs based on an expenditure approach
Residency permit	-	Cost of renewing residency for one person per year	Cost of renewing residency for one person per year
Clothes, Rent, Water, Transportation, Electricity	Expenditure-based calculation using VaSyR data	Expenditure-based calculation using VaSyR data	Expenditure-based calculation using VaSyR data

3. Monthly Market Prices

SMEB Food and Non-Food Items (April 2023)

SMEB Components		Price (March 23)		Percentage Variation (LBPs)			Percentage Variation (USDs)		
		LBP	USD	Monthly	Quarterly	Yearly	Monthly	Quarterly	Yearly
Food SMEB per individual	Bread (7.02 Kg)	338,000	3.6	+6%	100%	1791%	+11%	+5%	+2%
	Pasta (1.8 Kg)	287,000	3.0	+5%	114%	2132%	+9%	+13%	+20%
	Brown Bulgur (1.95 Kg)	188,000	2.0	+4%	114%	1986%	+8%	+12%	+12%
	Egyptian Rice (2.4 Kg)	241,000	2.5	+2%	117%	2178%	+6%	+14%	+22%
	Potatoes (2.1 Kg)	89,000	0.9	+2%	127%	1631%	+6%	+19%	-7%
	Lentils (0.75 Kg)	116,000	1.2	+4%	112%	1811%	+9%	+11%	+3%
	White Beans (0.3 Kg)	48,000	0.5	+4%	110%	1794%	+8%	+10%	+2%
	Chickpeas (0.9 Kg)	155,000	1.6	+6%	119%	2107%	+10%	+15%	+18%
	Powder Milk (0.6 Kg)	405,000	4.3	+4%	122%	2034%	+9%	+17%	+15%
	Sunflower Oil (0.51 L)	95,000	1.0	-1%	95%	1055%	+3%	+2%	-38%
	Sugar (0.6 Kg)	55,000	0.6	3%	113%	1561%	+8%	+12%	-11%
	Tomato Paste (0.6 Kg)	120,000	1.3	+3%	111%	2215%	+7%	+11%	+24%
	Eggs (0.45 Kg)	74,000	0.8	-1%	81%	1675%	+3%	-5%	-5%
	Cabbage (2.7 Kg)	54,000	0.6	-17%	126%	1637%	-13%	+19%	-7%
	Apples (1.5Kg)	152,000	1.6	+58%	289%	3228%	+65%	+104%	+79%
	Salt (0.12 Kg)	3,000	0.03	+4%	100%	2162%	+8%	+5%	+21%
	Tea (0.12 Kg)	111,000	1.2	+3%	107%	1833%	+8%	+9%	+4%
	Carrots (0.6 Kg)	45,000	0.5	+31%	287%	2330%	+37%	+103%	+30%
Sardine (0.45 Kg)	256,000	2.7	+2%	114%	1859%	+6%	+12%	+5%	
Non-Food Items SMEB per Household	Toilet Paper (4 PCs)	74,000	0.78	+5%	119%	1931%	+8%	+16%	+42%
	Toothbrush (5PCs)	122,000	1.29	+3%	121%	428%	+11%	+6%	+89%
	Toothpaste (150 Ml)	167,000	1.76	+6%	102%	606%	+13%	+12%	-13%
	Laundry soap/detergent (900 G)	187,000	1.98	+8%	113%	225%	+7%	+26%	+80%
	Liquid Dish detergent (750 Ml)	159,000	1.68	+3%	139%	571%	+15%	+26%	+120%
	Sanitary napkins (60 PCs)	569,000	6.01	+10%	140%	718%	+12%	+13%	+8%
	Individual soap (5 PCs of 125 G)	275,000	2.91	+7%	115%	303%	+17%	+26%	+17%
	Shampoo (50 Ml)	343,000	3.62	+13%	140%	335%	+10%	+25%	+32%
	Diapers (90 PCs)	1,340,000	14.16	+5%	138%	391%	+5%	+11%	+10%
	Disinfectant fluid / Bleach	49,000	0.52	+1%	112%	308%	+9%	+14%	-10%
	Blanket (5 PCs per Year)	269,000	2.84	+4%	118%	235%	+3%	+3%	+3%
	Cooking gas (12.73 Kg)	1,411,000	14.91	-1%	97%	285%	-5%	+2%	-11%
Non-Food Services SMEB per Household	Clothes	193,000	2.04	+16%	109%	2270%	+21%	+10%	+536%
	Communication	392,000	4.14	0%	129%	1051%	+4%	+20%	+209%
	Rent	3,601,000	38.05	+88%	88%	1041%	+96%	-1%	+206%
	Water	242,000	2.56	0%	0%	483%	+4%	-47%	+56%
	Transportation	1,283,000	13.56	+7%	100%	786%	+11%	+5%	+138%
	Electricity	400,000	4.23	0%	0%	116%	+4%	-47%	-42%
	Health	1,741,000	18.39	-3%	66%	391%	+1%	-13%	+32%
	Education	241,000	2.54	0%	1%	302%	+4%	-47%	+8%

Source: [WFP VAM DataViz](#)

Other Food Commodities (April 2023)

Items	Price (Mar-23)		Price variation (LBPs)		Price variation (USDs)	
	LBP	USD	Monthly	Quarterly	Monthly	Quarterly
Beef Luncheon Meat 200g (Al Taghziah)	81,000	0.9	+3%	+95%	+7%	+2%
Bouillon Cubes 20g (Al Taj & Maggi)	19,000	0.2	+11%	+143%	+18%	+29%
Butter 400g (Plein Soleil & Lurpak)	439,000	4.6	+3%	+118%	+7%	+15%
Canned Tuna 160g (Fancy & La Bella)	130,000	1.4	+4%	+110%	+9%	+11%
Cheese Triangles 360g (Bella GO!, Picon & Smeds)	313,000	3.3	-1%	+109%	+3%	+10%
Chicken Breast 900g (Tanmia)	550,000	5.8	+11%	+113%	+15%	+12%
Chicken Luncheon Meat 200g (Al Taghziah)	77,000	0.8	+4%	+96%	+9%	+3%
Chicken Whole 1kg (Tanmia)	326,000	3.4	+18%	+137%	+23%	+24%
Chicken Whole Legs 900g (Tanmia)	257,000	2.7	+20%	+149%	+26%	+31%
Coffee 400g (Best Café & Daniel Café)	388,000	4.1	+3%	+118%	+7%	+14%
Fava Beans 400g (Chtaura)	58,000	0.6	+4%	+124%	+8%	+17%
Flour 900g (Plein Soleil)	83,000	0.9	+2%	+81%	+7%	+4%
Hummus Tahini 400g (Chtaura)	66,000	0.7	+4%	+122%	+9%	+17%
Ketchup 340g (X-Tra)	72,000	0.8	+8%	+122%	+12%	+17%
Laban 1kg (LibanLait)	168,000	1.8	+1%	+109%	+5%	+10%
Labneh 450g (LibanLait)	236,000	2.5	+4%	+110%	+8%	+10%
Mayonnaise 500ml (Dolly's)	202,000	2.1	+4%	+127%	+9%	+19%
Mustard 250g (Dolly's)	131,000	1.4	+3%	+112%	+8%	+12%
Nescafe 3 in 1 sachet	19,000	0.2	+8%	+115%	+13%	+14%
Noodles 70g (Indomie & Maggie)	40,000	0.4	+4%	+113%	+9%	+12%
Olive Oil 500ml (Zaytouna)	263,000	2.8	+11%	+126%	+15%	+19%
Pomegranate Molasse 270ml (Yamama)	141,000	1.5	+6%	+117%	+11%	+14%
Sweet Corn 340g (Chtaura)	95,000	1.0	+6%	+117%	+10%	+14%
Tahina 800g (Al-Yamani)	380,000	4.0	+2%	+119%	+7%	+15%
Vegetable Ghee 2kg (Aseel, Crystal & Rawaby)	677,000	7.2	+0%	+100%	+4%	+5%
White Vinegar 950ml (Yamama)	70,000	0.7	+3%	+113%	+8%	+13%
Yerba Mate 250g (Pipore)	144,000	1.5	+4%	+125%	+8%	+18%
Zaatar 454g (Al Osrah & Osrati)	132,000	1.4	+2%	+110%	+7%	+10%

4. Domestic Food Supply

Wheat

No additional changes on the set prices of the different bread bundles by the Ministry of Economy and Trade took place during the month of May 2023. The latest price bulletin determined the price of the medium bread bundle of 809 Grams at LBP36,000 and the price of the big bread bundle of 1,032 Grams at LBP44,000.

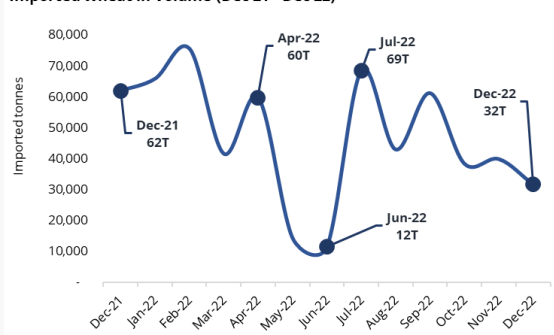
International global wheat prices continued to decrease in April 2023. Increased supplies for export from Russia, Australia and Kazakhstan lead the decrease in the prices of wheat from those countries by around 3.5 percent on average between March 2023 and April 2023. In parallel, The European Union French Grade 1 wheat further decreased by 4 percent on a monthly basis by April 2023, reflecting strong export competition and favorable crop conditions in the European Unions. On the opposite side, The United States Hard Red Winter registered an increase of 2.1 percent in April 2023, driven by the dry conditions in the growing areas.

Lebanon is highly dependent on global fluctuations given the relatively high reliance of Lebanon on food and wheat imports to meet domestic consumption. Wheat import dependency ratio, stood at 81.8 in 2020, according to FAO.

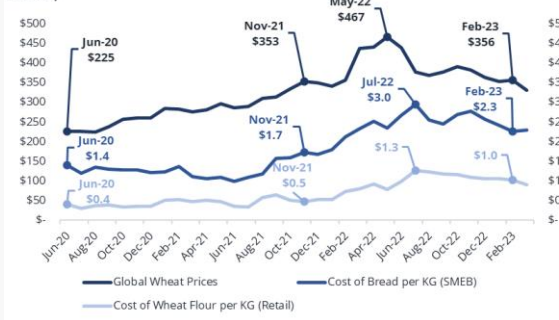
Sources:

- Food and Agriculture Organization (average of five types of wheats sold on international markets)
- WFP Price Monitoring

Imported Wheat in Volume (Dec 21 - Dec 22)



Global Wheat Prices and Local Cost of Bread & Wheat Flour (Jun 20 - Mar 23)



Sources: Lebanese Customs

WFP - MONTHLY RETAIL ASSESSMENT

The retail assessment survey is conducted by WFP on a monthly basis covering every month over 300 shops in all Lebanese governorates. The assessment covers various dimensions, including shops functionality, supply chain (disruptions in receiving orders, products scarcity, delivery of full ordered quantities), stock coverage, payment methods (acceptance of cheques/bank transfers, USD payment) and electricity outages.

Supply Chain

Stock levels in May 2023 further improved at WFP-contracted shops, while product scarcity slightly increased to 3 percent, up from only one percent last month. However, this remains much lower than the high registered back in July 2022, with 35 percent of shops reporting scarcity back in July 2022. In May 2023, 76 percent of shops reported having enough stock to last two weeks or more, up from 72 percent in April 2023. Nearly all contracted shops reported delivery of products within one week, as well as complete delivery of all quantities and items ordered.

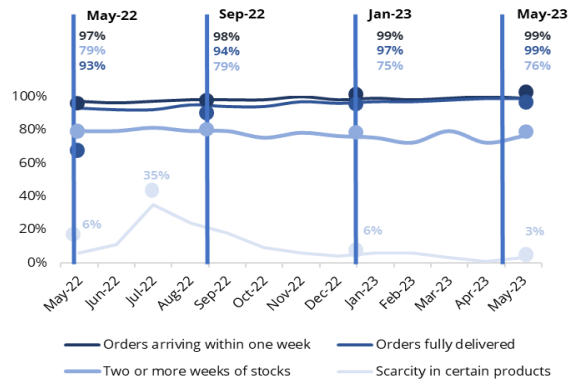
Electricity

Thirteen percent of WFP-contracted shops reported facing electricity outages from both Electricity of Lebanon and generators, down from 33 percent since March 2023. Some regions saw a higher prevalence of electricity outages with shorter hours of outage, while others were subjected to less widespread but longer hours of electricity outages. For example, Baalbeck El Hermel governorate recorded the highest percentage of shops reporting electricity outage (47 percent) affected in May 2023. In addition, all of these shops reported six hours or more of electricity outages. In comparison, while 29 percent of shops in the North reported full electricity outages, none reported facing an outage for more than six hours.

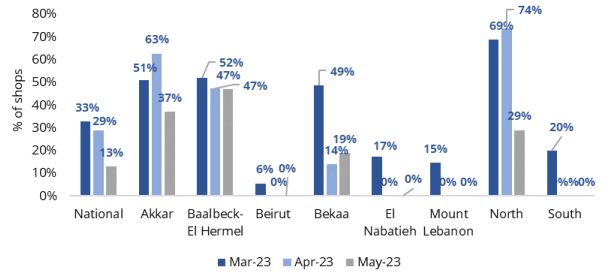
Payment method

In terms of payment, 88 percent of WFP-contracted shops reported that at least one supplier requested cash USD payment over the course of the month, while 23 percent stated that at least one supplier accepted payments in forms of cheques or bank transfers. Nearly all shops in Beirut, El Nabatieh, Mount Lebanon, and South governorates said that a third or more of their suppliers were requesting payments in USD cash.

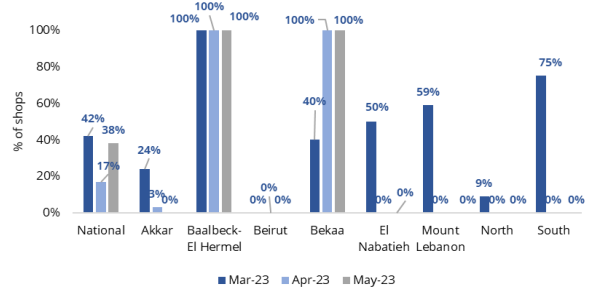
Supply Chain (May 22 - May 23)



Shops with electricity outages from both generator and national electricity provider (Mar 23 - May 23)

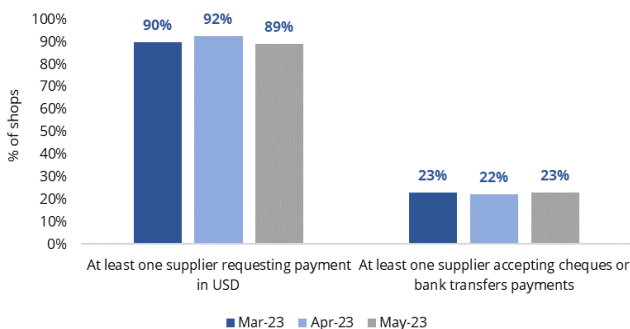


Shops that are facing full electricity outages with six hours or more of electricity outage (Feb 23 - May 23)

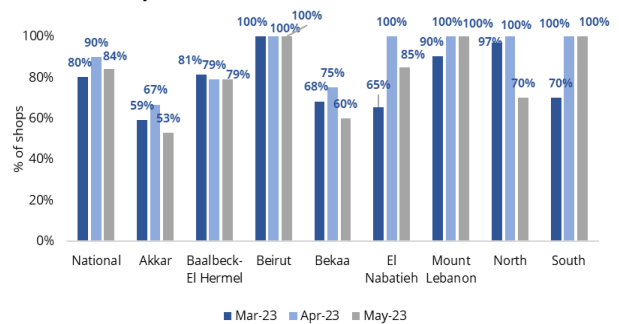


*Amongst shops that reported electricity outages

Payment methods accepted or requested by suppliers (Mar 23- May 23)



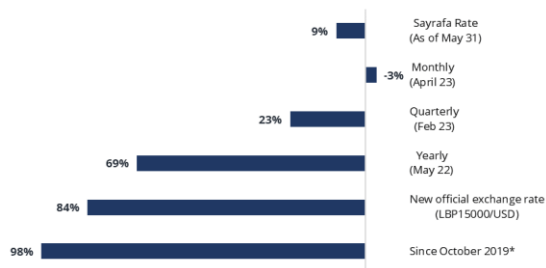
Shops with a third or more of suppliers requesting payments in USD (Mar 23 - May 23)



Source for all the above: WFP Retail shop Assessment

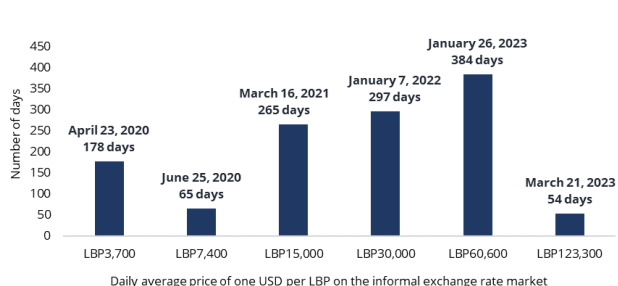
5. Exchange Rate

LBP Depreciation on Informal Exchange Rate Market (May 23)



*The monthly average informal exchange rate in October 2019 was LBP1,723/USD
Source: Lira Rate

LBP Depreciation - Number of days to depreciate by 50%



*Starting point is the daily informal rate of LBP1,740/USD on October 17, 2019.
Source: Lira Rate

After gaining strength throughout April 2023, the Lebanese Pound has stabilized during May 2023 around the LBP94,500/USD level. The average exchange rate during the month was 3 percent lower than the average registered in April 2023. However, the national currency has lost 69 percent of its value since May 2022.

The continued stabilization of the informal exchange rate occurred after several interventions of the central bank through the Sayrafa platform, which have continued throughout the month of May 2023. The Sayrafa rate (LBP86,300/USD as of May 31) and official exchange rate (LBP15,000/USD as of May 30) were overvalued by 9 percent and 84 percent, respectively, compared to the May 2023 average informal exchange rate.

After increasing the Sayrafa platform rate to LBP 90,000/USD at the end of March 2023, the Central Bank has revised the rate downward several times, before stabilizing at the LBP86,300/USD rate since the beginning of May 2023. In addition, other measures recently introduced, such as allowing businesses to access the platform, raising of monthly transactions for individual and companies, and allowing public sector employees to withdraw their salaries at a preferential rate, even lower than Sayrafa platform, have continued meanwhile. These measures have all contributed to the current stability in the informal market rate, along with the interventions of the Central Bank through the Sayrafa platform, which continues to register a high daily average amount of transactions, average more than a USD 100 million per day.

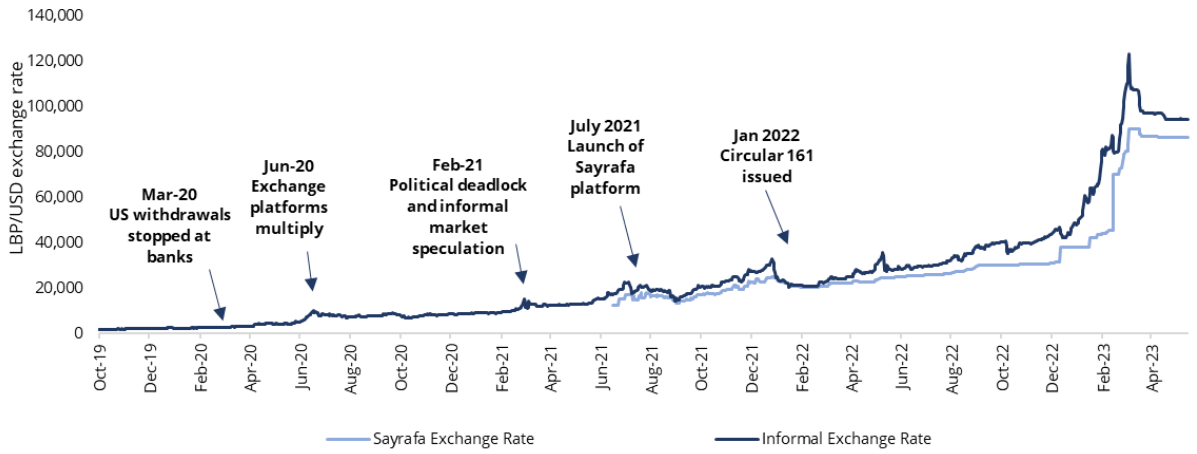
Despite expiring at the end of April 2023, the Central Bank continued to implement the same mechanisms as stipulated in its circular 161, which created the Sayrafa platform. According to media news, the Central Bank sent an internal memo to banks, informing them to continue the implementation of the circular, without having to formally further renew it.

As both the Sayrafa platform rate and the informal market rate have remained stable throughout the month of May 2023, no additional changes on the VAT calculation method took place. The government had previously announced, following the cabinet session on April 18, that VAT will no longer be calculated based on the official rate (LBP15,000/USD). According to the decree, there are now three distinct exchange rates for VAT used at various stages of the supply chain. First rate is applied to imports which is in alignment with the custom dollar rate that was increased to LBP86,000/USD on 12 of May by the caretaker Finance Minister. Second rate is used for invoicing between companies which is aligned with the Sayrafa platform rate, standing at LBP86,300/USD as of May 31. Finally, a third rate is adopted when products are sold to end users based on the informal market rate, which registered an average of LBP94,500/USD as of May 31.

Additionally, since December 2022, the rate used to calculate customs duties for all imported goods was increased various times. The rate has now increased to LBP 86,000/USD, nearly aligned with the Sayrafa platform rate.

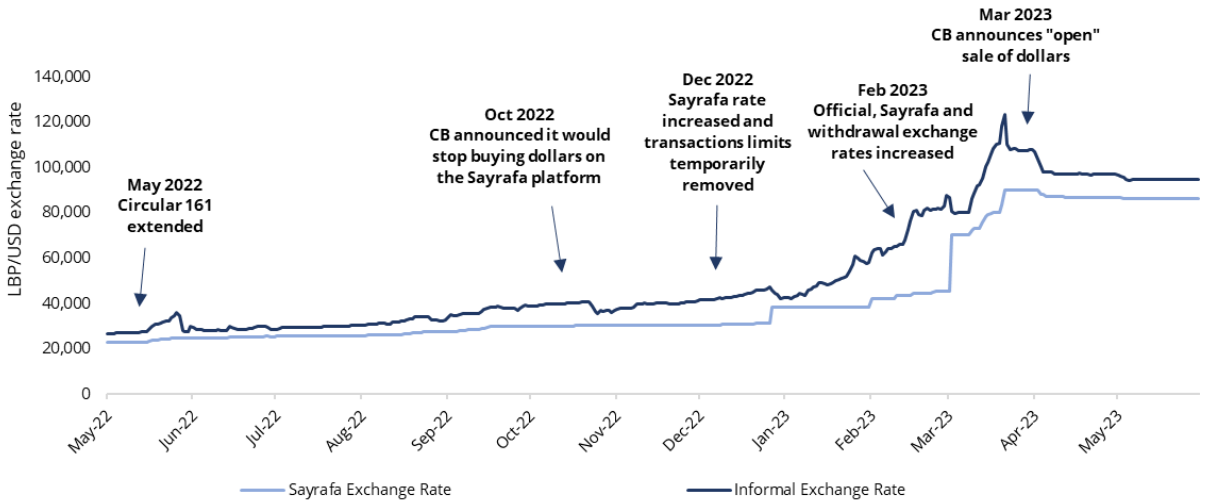
Exchange rate variations

Timeline of the Exchange Rates Variations Since October 2019

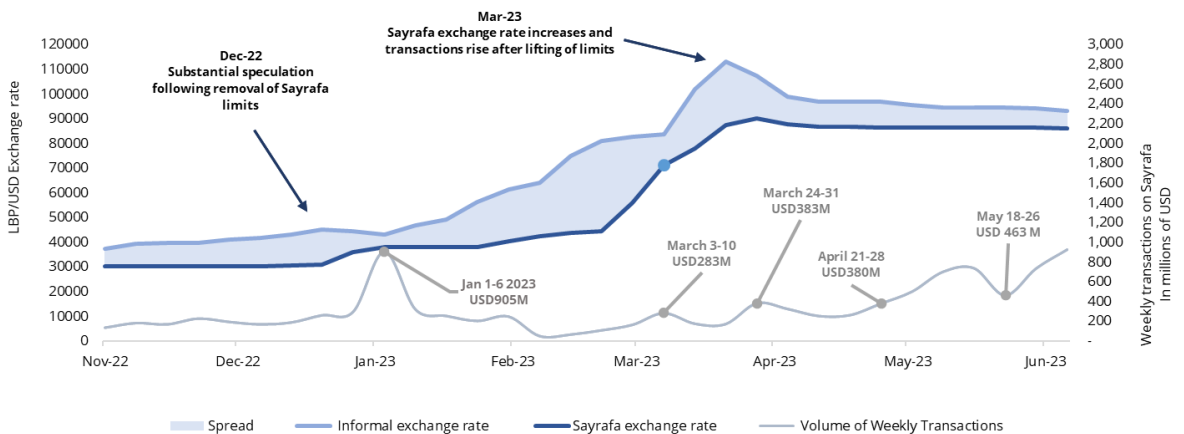


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Timeline of the Exchange Rates Variations and Central Bank interventions (May 22 - May 23)



Timeline of weekly Sayrafa transactions and informal rate spread (Nov 22 - May 23)



Source: Lirarate.org; Central Bank

6. Economy and Markets

A recent report by UNDP estimated that the value or remittances coming to Lebanon on a yearly basis average around USD 6.5 billion between 2011 and 2021. In 2022 specifically, those were estimated to be around USD 6.8 billion, representing nearly 38 percent relative to the GDP, the highest percentage in the Middle East and North Africa Region, and the second highest globally after the island of Tonga. In 2019, this figure was estimated to be around 15 percent of GDP.

The Central Bank assets remained at nearly the same levels as the previous month, as foreign assets recorded USD 14.5 billion in May 2023, while foreign currency reserves were estimated at USD 10 billion by the end of the month, based on the interim balance sheet, representing a USD 30 million increase from April 2023.

The Ministry of Finance issued a decision on May 12 raising the exchange rate for the calculation of the customs dollars to USD/LBP 86,000, nearly equal to the Sayrafa platform rate, which was trading at USD/LBP 86,300 throughout the month of May 2023. This represented the fourth change to the customs dollar rate, since the first one that took place in December 2022. In parallel, the decision in late March to remunerate public sector employees in USD at the preferential rate of USD/LBP 60,000 was further extended in May 2023.

After registering a slight improvement in April 2023, Blom Bank Purchasing Managers Index slightly decreased to 49.4 during the month of May 2023. Readings below 50 usually indicate a deterioration in business conditions, while those above 50 indicate the opposite. This decrease was attributed to a small decline in employment activity, however new export orders

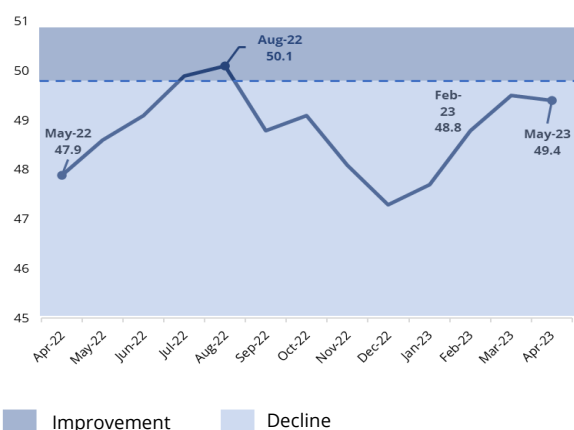
witnessed an increase, according to Blom Bank, as the depreciation of the Lebanese Pound continue to make any Lebanese product more competitive on the international markets. In addition, the report published in the Bank noted a sense of optimism for the coming months, with the expected summer season and influx of Lebanese expats visiting their home country.

The cost of the internet subscription is expected to rise between six and seven times compared to the current tariffs. This is based on an expected adjustment in the calculation of the dollar tariff for internet services, which is currently calculated at the exchange rate of USD/LBP 3,700 and is expected to be increased to USD/LBP 26,000, as announced by the Minister of Telecommunication on May 27.

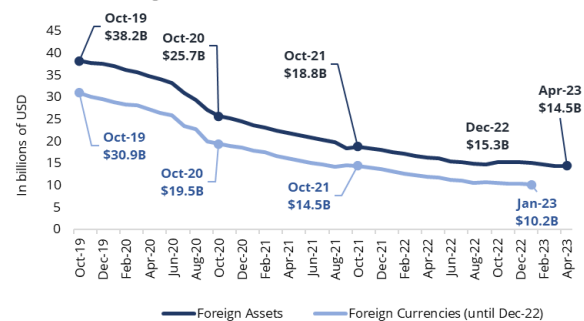
Sources:

- BLOM Bank Invest
- L'Orient Today
- World Bank Lebanon Economic Monitor – Spring 2023

BLOM Bank's Purchasing Managers Index (Feb 22 - Feb 23)



Central Bank Foreign Assets (Oct 19 - Feb 23)

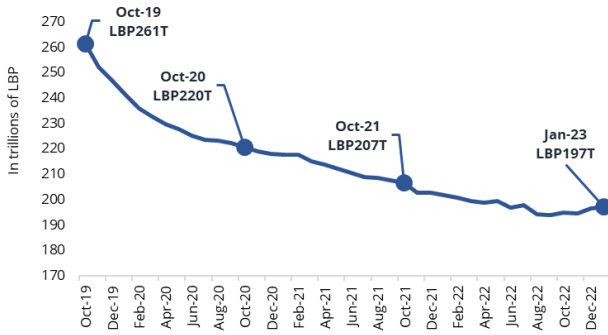


Source: Central Bank of Lebanon

The **Purchasing Managers Index** is calculated as a weighted average of five components: new orders, output, employment, suppliers' delivery times and stocks of purchases. A reading below 50 indicates that the economy is generally declining, a reading of 50 signals no change, and a reading above 50 indicates an overall improvement. The greater the divergence from 50, the greater the rate of change.

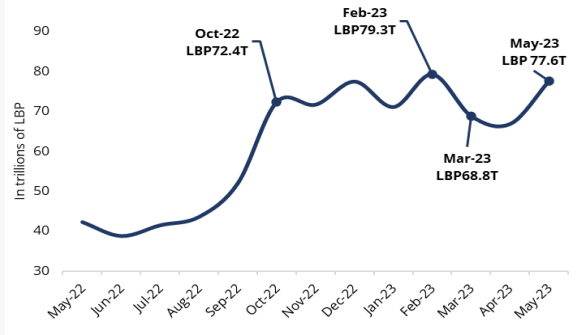
Source: BLOM Bank Analysis

Commercial Banks - Total Deposits (Oct 19 - Jan 22)



Source: BLOM Bank Analysis – **Total deposits** include private deposits (both resident and non-resident) as well as public deposits. Figures are subject to change due to ongoing revisions in the exchange rate of foreign currency deposits.

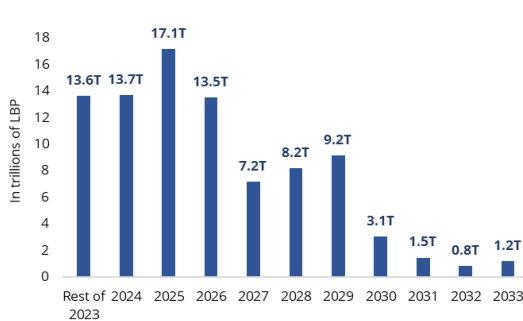
LBP Currency in Circulation (May 22 - May 23)



***Net yearly change since May 2022: +LBP35 trillion**

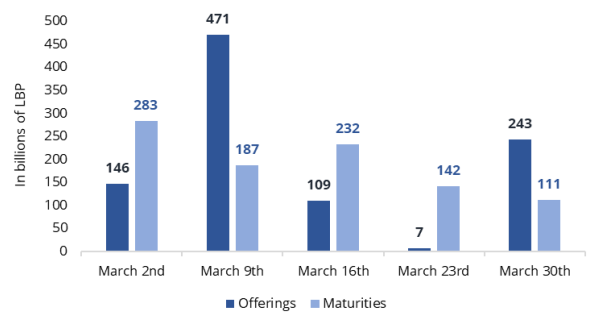
Source: Central Bank of Lebanon

LBP Treasury Bills Projected Maturities (as of April 2023)



Source: Association of Banks in Lebanon

Weekly LBP Treasury Securities Operations (Mar 23)

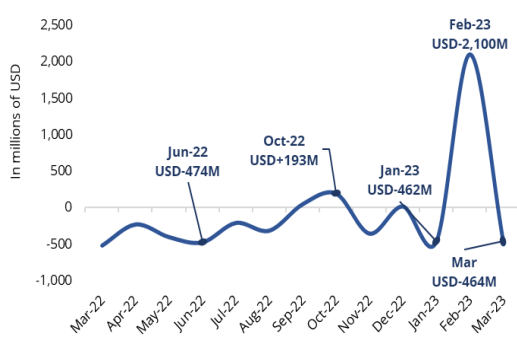


***Net monthly change for March 2023: LBP21 billion increase in securities**

- **Securities offerings** represent additional local debt
- **Securities maturities** represent local debt that is repaid

Source: Bank Audi; An-Nahar

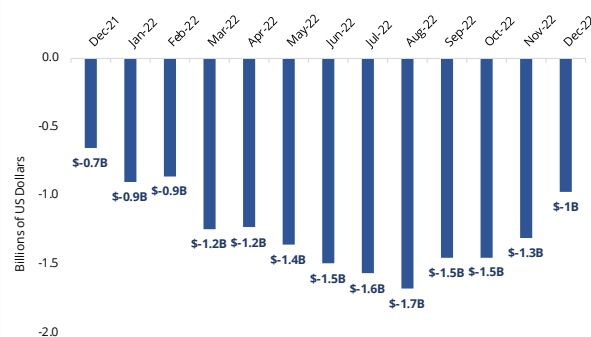
Balance of Payments (Mar 22 - Mar 23)



The balance of payments (BOP) is the method by which countries measure all of international monetary transactions within a certain period. The BOP is a metric commonly used to determine how much money is going in and out of a country. A country's balance of payments is said to be in surplus (equivalently, the balance of payments is positive) by a specific amount if sources of funds (such as export goods sold and bonds sold) exceed uses of funds (such as paying for imported goods and paying for foreign bonds purchased) by that amount.

Source: BLOM Bank Analysis

Balance of Trade (Dec 21 - Dec 22)



The balance of trade (BOT) is the method by which countries calculate the difference between the value of exports and the value of imports in a given period. A negative trade balance means that the country is importing more than it is exporting and vice versa. The metric includes trade in goods through any of the country's Customs offices on the border with Syria, any ports, and airports.

Source: BLOM Bank Analysis

7. Energy

The average prices of 20L motor engine fuels (Octanes 95 & 98) and diesel and that of a 10KG can of gas reached LBP1. million, LBP1. million and LBP 912 thousands, respectively, in May 2023. This represented an 11 percent decrease in the cost of the three energy commodities on a monthly basis, while quarterly and yearly inflations stood at 11 percent and 147 percent, respectively.

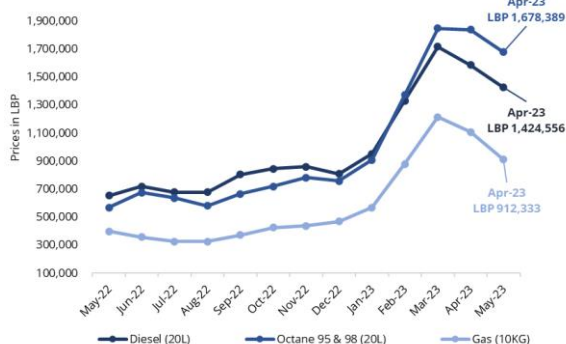
The price of the kilowatt hour (kWh) of electricity supplied by private generators set by the Ministry of Energy and Water decreased by 5 percent in May 2023, following a 31 percent increase in March 2023. In fact, the fixed price of 5 Amperes in urban and coastal regions remained the same at LBP360,000, down from LBP365,000 in March 2023. In addition, the Ministry set the price of a kWh in May at LBP31,300, compared to LBP34,400 in April 2023. The tariff was calculated on the basis of the average price of fuel oil, in the context of falling global fuel prices. Moreover, the additional incurred operation costs by such as oil and filters change, as well as the depreciation cost of the generator were taken into consideration to set the monthly tariff.

The stability in the cost of the energy bills come as a result of the stability in the exchange rate market, as the USD/LBP rate registered a small decrease between the months of April and May

2023. In parallel, the cost of oil in the international markets witnessed a drop between April and May 2023, which was reflected in the registered decrease.

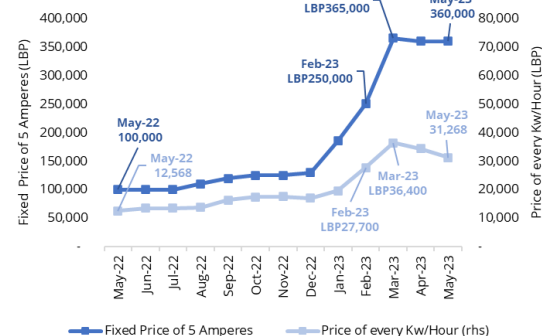
On May 18, 2023, the Minister of Energy signed contracts for the establishment of 11 solar farms, estimated to generate around 165 Megawatts of solar energy throughout the country. The generated power will go directly through Electricity du Liban power grid, costing around 6 cents to be produced, while it will be sold at 10 cents for customers consuming less than a 100 KWH per month. The total project is estimated to cost around a USD 100 million, and will be financed by private sector.

Monthly price average (May 22 - May 23)



Source: IPT Group Data

Generator prices (May 22 - May 23)



Source: Ministry of Energy and Water

Annex – Monthly S/MEB Evolution (April 21 – April 23)

Month	SMEB (2020 revision)					MEB (2022 revision)				
	Food and non-food	Food	Non-Food	Non-food Items	Non-food Services	Food and non-food	Food	Non-Food	Non-food Items	Non-food Services
	LBP	LBP	LBP	LBP	LBP	LBP	LBP	LBP	LBP	LBP
	HH of 5	Per person	HH of 5	HH of 5	HH of 5	HH of 5	Per person	HH of 5	HH of 5	HH of 5
Apr-21	2,073,000	214,000	1,004,000	325,000	680,000	2,447,000	235,000	1,273,000	388,000	885,000
May-21	2,196,000	234,000	1,025,000	344,000	681,000	2,598,000	260,000	1,296,000	410,000	886,000
Jun-21*	2,599,000	268,000	1,258,000	408,000	849,000	2,907,000	277,000	1,521,000	488,000	1,033,000
Jul-21	3,231,000	350,000	1,483,000	541,000	943,000	3,729,000	371,000	1,876,000	643,000	1,233,000
Aug-21	3,507,000	387,000	1,570,000	627,000	943,000	4,048,000	413,000	1,983,000	749,000	1,234,000
Sep-21	3,730,000	416,000	1,653,000	689,000	964,000	4,245,000	443,000	2,031,000	775,000	1,256,000
Oct-21	4,002,000	439,000	1,807,000	799,000	1,009,000	4,527,000	465,000	2,201,000	901,000	1,300,000
Nov-21	4,553,000	490,000	2,101,000	950,000	1,151,000	4,990,000	524,000	2,368,000	1,067,000	1,300,000
Dec-21	5,284,000	584,000	2,363,000	1,091,000	1,271,000	5,779,000	624,000	2,661,000	1,227,000	1,435,000
Jan-22	5,806,000	660,000	2,506,000	1,216,000	1,290,000	6,327,000	704,000	2,806,000	1,353,000	1,453,000
Feb-22	5,186,000	567,000	2,353,000	1,085,000	1,268,000	5,684,000	613,000	2,619,000	1,194,000	1,425,000
Mar-22	5,576,000	619,000	2,483,000	1,189,000	1,294,000	6,057,000	664,000	2,735,000	1,308,000	1,427,000
Apr-22	6,061,000	697,000	2,576,000	1,244,000	1,332,000	6,562,000	744,000	2,839,000	1,378,000	1,461,000
May-22	6,775,000	792,000	2,814,000	1,404,000	1,410,000	7,297,000	846,000	3,067,000	1,558,000	1,509,000
Jun-22**	8,157,000	843,000	3,942,000	1,443,000	2,499,000	9,730,000	1,122,000	4,120,000	1,591,000	2,529,000
Jul-22	8,492,000	861,000	4,189,000	1,422,000	2,767,000	10,189,000	1,120,000	4,587,000	1,575,000	3,012,000
Aug-22	8,685,000	884,000	4,266,000	1,483,000	2,783,000	10,545,000	1,173,000	4,681,000	1,650,000	3,031,000
Sep-22	9,983,000	988,000	5,042,000	1,670,000	3,372,000	12,318,000	1,352,000	5,557,000	1,861,000	3,696,000
Oct-22	10,834,000	1,083,000	5,419,000	1,807,000	3,612,000	13,258,000	1,448,000	6,016,000	2,008,000	4,007,000
Nov-22	11,126,000	1,105,000	5,599,000	1,871,000	3,728,000	13,469,000	1,452,000	6,211,000	2,076,000	4,136,000
Dec-22	12,510,000	1,185,000	6,585,000	2,040,000	4,545,000	15,370,000	1,612,000	7,311,000	2,265,000	5,046,000
Jan-23	13,575,000	1,293,000	7,108,000	2,358,000	4,749,000	16,663,000	1,755,000	7,886,000	2,616,000	5,270,000
Feb-23	18,434,000	1,910,000	8,886,000	3,470,000	5,416,000	22,674,000	2,574,000	9,804,000	3,849,000	5,954,000
Mar-23	24,747,000	2,686,000	11,316,000	4,960,000	6,356,000	30,779,000	3,656,000	12,497,000	5,472,000	7,025,000
Apr-23	27,215,000	2,831,000	13,059,000	4,965,000	8,094,000	33,815,000	3,860,000	14,514,000	5,472,000	9,042,000

Month	SMEB (2020 revision)					MEB (2022 revision)				
	Food and non-food	Food	Non-Food	Non-food Items	Non-food Services	Food and non-food	Food	Non-Food	Non-food Items	Non-food Services
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
	HH of 5	Per person	HH of 5	HH of 5	HH of 5	HH of 5	Per person	HH of 5	HH of 5	HH of 5
Apr-21	169.5	17.5	82.1	26.5	55.6	200.0	19.2	104.0	31.7	72.3
May-21	172.6	18.4	80.5	27.0	53.5	204.2	20.5	101.9	32.2	69.7
Jun-21*	171.5	17.7	83.0	26.9	56.0	191.7	18.3	100.4	32.2	68.2
Jul-21	166.2	18.0	76.3	27.8	48.5	191.9	19.1	96.5	33.1	63.5
Aug-21	178.9	19.8	80.1	32.0	48.1	206.5	21.1	101.2	38.2	62.9
Sep-21	223.9	24.9	99.2	41.3	57.9	254.8	26.6	121.9	46.5	75.4
Oct-21	202.9	22.3	91.6	40.5	51.1	229.5	23.6	111.6	45.7	65.9
Nov-21	200.5	21.6	92.5	41.8	50.7	219.8	23.1	104.3	47.0	57.3
Dec-21	202.4	22.4	90.5	41.8	48.7	221.3	23.9	101.9	47.0	54.9
Jan-22	219.8	25.0	94.9	46.0	48.8	239.5	26.7	106.2	51.2	55.0
Feb-22	247.8	27.1	112.4	51.8	60.6	271.6	29.3	125.1	57.0	68.1
Mar-22	245.6	27.2	109.4	52.4	57.0	266.7	29.3	120.5	57.6	62.8
Apr-22	238.6	27.4	101.4	49.0	52.4	258.3	29.3	111.8	54.2	57.5
May-22	232.9	27.2	96.8	48.3	48.5	250.9	29.1	105.4	53.6	51.9
Jun-22**	285.2	29.5	137.8	50.4	87.4	340.2	39.2	144.1	55.6	88.4
Jul-22	287.8	29.2	142.0	48.2	93.8	345.3	38.0	155.5	53.4	102.1
Aug-22	270.8	27.6	133.0	46.3	86.8	328.8	36.6	146.0	51.4	94.5
Sep-22	271.7	26.9	137.2	45.5	91.8	335.3	36.8	151.2	50.7	100.6
Oct-22	279.0	27.9	139.6	46.5	93.0	341.4	37.3	154.9	51.7	103.2
Nov-22	281.9	28.0	141.9	47.4	94.5	341.3	36.8	157.4	52.6	104.8
Dec-22	288.1	27.3	151.7	47.0	104.7	354.0	37.1	168.4	52.2	116.2
Jan-23	273.0	26.0	142.9	47.4	95.5	335.1	35.3	158.6	52.6	106.0
Feb-23	252.4	26.1	121.7	47.5	74.1	310.4	35.2	134.2	52.7	81.5
Mar-23	250.8	27.2	114.7	50.3	64.4	311.9	37.0	126.6	55.4	71.2
Apr-23	278.2	28.9	133.5	50.8	82.7	345.7	39.5	148.4	55.9	92.4

** Compositions of the food MEB components and the Services SMEB and MEB components were revised in June 2022