

**Embassy of India  
Beirut**

No. BEI/COM/201/2/2023

March 31, 2023

**Economic & Commercial Report – March 2023**

**1. OVERVIEW:**

- Surveyed economists expect Lebanon's real GDP growth at 0.6% in 2023
- The Telecommunications Sector In Lebanon Deteriorates As The Local Currency Loses Value
- IFI Suggests A Different Approach To Economic Policy
- Banque du liban's foreign assets at \$14.5bn, gold reserves at \$17.6bn at mid-march 2023
- European observatory for integrity of Lebanon holds Lebanese Government, central bank responsible for rapid LBP collapse
- BDL's foreign reserves dropped by \$260m while Sayrafa trading volume reached \$476m in the first two weeks of march 2023
- Stock market: BSE price index down by 11% on profit taking operations
- Bond market: Lebanese bond prices plunge deeper into red
- LP/US\$ Black Market Rate Stabilizes Above 100,000 Amid IMF Warnings
- Mikati during his patronage of 'new passenger terminal construction project' launching: difficulties will not deter us from continuing our work to save our country
- Number of airport passengers up by yearly 29.91%
- Energy Minister concludes his participation in 'water conference' held in New York
- Hamieh meets Totalenergies' la Martiniere: we will provide facilities for total in concerned departments
- US \$ 20 million fund by USAID for solar & renewable energy in Lebanon
- Hajj Hassan heads to Syria to partake in Arab Agricultural Summit
- MPs Kanaan, Adwan meet IMF delegation
- Japan grant of \$2m to support food security in Lebanon
- UN basic assistance at \$225.3m in 2022
- Embassy's events and activities during March 2023

**2. ECONOMIC INDICATORS OF LEBANON:**

**i. Gross Domestic Product:**

<b>GDP</b>	<b>2020</b>	<b>2021</b>
GDP	US\$ 31.71 bn	US\$ 23.13 bn
GDP Growth Rate (%)	-21.4	-7
GDP (per capita)	US\$ 5600	US\$ 4136

*Source: <https://data.worldbank.org/country/lebanon>*

ii. **International Reserves of Lebanon:**

*Source: World Bank*

<b>International reserves (US\$ bn)</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Total international reserves	US\$52.21	US\$ 42.44	US\$ 35.24
Change%	-0.32%	-18.71%	-16.96%

*Source: <https://data.worldbank.org/indicator/FI.RES.TOTL.CD?locations=LB>*

**3. LEBANON GLOBAL TRADE:**

i. **Total import of Lebanon from the world and from India.**

*Source: Lebanese Customs*

<b>Year</b>	<b>Import from the world US\$ mn.</b>	<b>Change % over past year</b>	<b>Import from India US\$ mn.</b>	<b>Change % over past year</b>
2019	19,640	-3.71	344	-5.83
2020	11,350	-42.27	150	-57.05
2021	13,850	+22.02	263	+75.33
2022	19,503	+40.81	608	+131%

*Source: <http://www.customs.gov.lb>*

ii. **The principal export destinations of Lebanon.**

*Source: Lebanese Customs*

<b>Ranking</b>	<b>Name of the Country</b>	<b>2022 ( Jan – Dec ) US\$ Million</b>
1	United Arab Emirates	909
2	Syrian Arab Republic	370
3	Iraq	235
4	Airline Supplies	233
5	Egypt	181
<b>38</b>	<b>India</b>	<b>18</b>

iii. **The principal import sources of Lebanon.**

*Source: Lebanese Customs*

<b>Ranking</b>	<b>Name of the Country</b>	<b>2022 ( Jan – Dec ) US\$ Million</b>
1	China	2,686
2	Turkey	2,426

3	Greece	1,905
4	Italy	1,127
5	United States	976
<b>10</b>	<b>India</b>	<b>608</b>

#### 4. INDIA-LEBANON BILATERAL TRADE:

##### i. Total Trade with India ( In Millions USD).

*Source: D/o Commerce*

Year	Export to Lebanon US\$ mn	Change %	Import from Lebanon US\$ mn	Change %	Total Trade US\$ mn	Change %
2017-18	257.10		38.47		295.57	
2018-19	268.67	4.5	43.94	14.20	312.60	5.76
2019-20	203.97	-24.08	30.94	-29.59	234.91	-24.85
2020-21	190.38	-6.67	27.95	-9.63	218.33	-7.06
2021-22	313.14	64.48	32.46	16.13	345.61	58.29
2022-23 <b>Apr to Feb</b>	367.14	-	73.46 <b>Apr to Jan</b>	-	440.6	-

##### ii. Top ten import from India commodity-wise for 2022 ( Calendar Year).

*Source: Lebanese Customs*

SI	HS Code	Description	Import Thousand \$
1.	85	Electrical machinery and equipment and parts there	161,494
2.	27	Mineral fuels, mineral oils and products of their	101,422
3.	87	Vehicles other than railway or tramway rolling-sto	48,088
4.	84	Nuclear reactors, boilers, machinery and mechanica	37,500
5.	71	Natural or cultured pearls, precious or semi-preci	37,244
6.	2	Meat and edible meat offal.	34,117
7.	39	Plastics and articles thereof.	15,379
8.	30	Pharmaceutical products.	14,781
9.	69	Ceramic products.	13,797
10.	10	Cereals	13,558

iii. Top ten export to India commodity-wise for 2022 ( Calendar Year 2022).

Source: Lebanese Customs

SI	HS Code	Description	Export Thousand \$
1.	72	Iron and steel.	9,255
2.	76	Aluminium and articles thereof.	5,169
3.	74	Copper and articles thereof.	771
4.	71	Natural or cultured pearls, precious or semi-precious	737
5.	84	Nuclear reactors, boilers, machinery and mechanical	321
6.	47	Pulp of wood or of other fibrous cellulosic material	272
7.	85	Electrical machinery and equipment and parts there	258
8.	02	Meat and edible meat offal.	223
9.	73	Articles of iron or steel.	215
10.	75	Nickel and articles thereof.	206

iv. India's export target for 2022-23 with Lebanon with previous years figures and achievements.

Source: D/o Commerce

Category	Export in 2018-19	Export in 2019-20	Export in 2020-21	Export in 2021-22	Target for 2022-23	Total Exports Apr'22 - Jan'22 (\$Mn)	% of Target achieved in 22-23
Electronic Goods	5.3	7.9	14.6	49.7	109.26	80.02	73.24
Engineering Goods	82.3	43.6	29.7	60	86.28	76.56	88.73
Others	13.5	10.4	22.8	15.8	43.2	36.38	84.21
Drugs And Pharmaceuticals	28.4	28.7	30.4	36.8	36.76	32.52	88.47
Meat, Dairy And Poultry Products	5.9	7.2	7.5	27.3	28.08	29.07	103.53
Organic and Inorganic Chemicals	24.4	22.9	20.7	29.6	28.25	24.41	86.41
Gems And Jewellery	17	9.8	4.6	9.8	13	11.79	90.69
Ceramic Products And Glassware	7.3	4.6	8.4	6.8	11.24	10.96	97.51
Rice	14.5	13.7	9	9.4	10.18	12.04	118.27
Plastic And Linoleum	13.3	10.4	10.8	20.6	14.64	10.89	74.39
Marine Products	8.6	7.1	2.3	5	7.98	6.33	79.32
Oil Seeds	6.9	10.5	9	8.4	7.65	6.24	81.57
Coffee	1.5	0.5	1.1	3.6	6.27	5.69	90.75
Cotton Yarn/Fabs./Madeups, Handloom Products Etc.	6.3	4.7	4.8	9.9	7.08	5.41	76.41
Man-Made Yarn/Fabs./Madeups Etc.	6.4	4.5	2.1	4.5	5.1	3.78	74.12
Mica, Coal And Other Ores,	9.1	5	4.8	5.7	6.82	4.71	69.06

Minerals Including Process							
Fruits And Vegetables	2.4	2.3	2	1.7	2.55	2.41	94.51
Ready-made garments of all textiles	4.6	3.7	1.1	0.9	2.28	2.23	97.81
Spices	1.7	0.8	1.4	1.9	1.58	1.22	77.22
Cereal Preparations And Miscellaneous Processed Item	2.7	1.6	0.4	0.7	1.35	1.45	107.41
Handicrafts Excl. Hand Made Carpet	1	0.9	0.4	0.3	0.78	0.8	102.56
Tea	0.3	0.3	0.8	0.7	0.65	0.4	61.54
Jute Mfg. Including Floor Covering	0.8	0.7	0.1	1	0.55	0.26	47.27
Petroleum Products	0.7	0.5	1	0.3	0.59	0.51	86.44
Carpet	2.1	1.1	0.1	0.3	0.38	0.42	110.53
Leather And Leather Manufactures	0.8	0.4	0.3	0.5	0.46	0.44	95.65
Other Cereals	0.2	0	0	0	0.03	0.02	66.67
Tobacco	0	0.1	0	0.2	0.11	0.16	145.45
Cashew	0.8	0	0	0	0.01	0	0.00
Oil Meals	0	0	0	0	0	0.02	0.00
Iron Ore	0	0	0	0	0	0	0.00
<b>Total</b>	<b>268.7</b>	<b>204</b>	<b>190.4</b>	<b>311</b>	<b>433.11</b>	<b>367.14</b>	<b>84.77</b>

## 5. BILATERAL/ EMBASSY ACTIVITIES

**Market Access Alerts** (attach copy of notification):

- a. Alerts on customs tariff changes: - **None during this month**

S.No	Notification no. and date	HS code	Description	Original customs tariff	Present customs tariff	Effective from	Remarks if any
<b>No alerts on Customs tariff were recorded for March 2023</b>							

**Alerts on non-tariff measures (SPS/TBT/ import and export procedures/ restrictions/ prohibitions, licensing/ STEs etc.)**

S.No	Notification no./ date	Measure	HS Codes	Effective from	Remarks if any
<b>No alerts on non-tariff measures (SPS/TBT/ import and export procedures/ restrictions/ prohibitions licensing/ STEs etc.) were recorded for March 2023</b>					

**Alerts on standards, technical regulations and conformity assessment procedures:**

S.N	Notification	Standard/ technical	HS	Effective	Remarks if any
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o.	n no./ date	regulation/ conformity assessment procedure	Codes	from	
NIL					

- d. **Alert on trade defence Measures taken by respective country:**  
*(Safeguards including special safeguard, antidumping, CVD or anti- subsidy)*

S.N o.	Notificati on no., date or other reference s	Type (initiation, final, prov., sunset, consultations, new shipper review)	Details of products/ sectors affected (including HS codes)	Effective from	Remarks if any
NIL					

- e. **Alert on services, regulatory regime, qualification requirement, licensing procedures, visa regime, barriers etc.**

S.N o.	Notification no., and date or other references	Service sectors affected	Modes	Effectiv e from	Remarks if any
NIL					

**Embassy's events and activities during March 2023:**

- **Global Millets (Shree Anna) Conference:**

The Embassy organised livestreaming of 'Global Millets (Shree Anna) Conference' on March 18, 2023. Cd'A Mr. Sandeep Grover and all officers of the Mission attended the Launching of Shree Anna Conference and address of Hon'ble Prime Minister Shri Narendra Modi. The information about the Conference was circulated to Lebanese and Indian Community Members.

- **Pradhan Mantri Bharatiya Janaushadhi Pariyojana' (PMBJP) Conference:**

Cd'A and Commercial Officer of the Mission attended the 'Pradhan Mantri Bharatiya Janaushadhi Pariyojana' (PMBJP) Conference on February 24, 2023 virtually. Invitation to attend the Conference was sent to the Ministry of Public Health of

Lebanon. Concept paper has also been shared with the MoPH to consider opening of PMBJP Kendra in Lebanon. Mission is following up with the MoPH on PMBJP initiative of the Government of India.

- **India Fashion Tex-2023**

Charge d’Affaires Mr. Sandeep Grover had a meeting with Lebanese textile importers on March 15, 2023 before their travel to India to participate in the 'India Fashion Tex-2023', a three Days Reverse Buyer-Seller Meet, organised by Ministry of Textiles, Department of Commerce, Wool & Woollens Export Promotion Council and Powerloom Development & Export Promotion Council during March 20-22, 2023. The Mission facilitated their travel to India. They met with Indian textile exporters during the Exhibition and had B2B meetings. Participation of large group from Lebanon in this Exhibition is surely going to increase India’s export to Lebanon in this sector. List of the delegation is as under:

S.No	Name of the Company	Name	Position
1	Toufic Takchi Haute Couture	Taoufic Takchi	Owner
2	Yara Fashions	Haitham Daou	Sales Manger
3	Zona Fashions	Razan Sarieeddine	Owner
4	Boutique Miss	Elias Hajj Abdo	Purchasing Manager
5	Look In Couture Fashion	Suzan Abboud	Purchacing Manager
6	Attoue Hbillement Homme et Femme	Edward Attoue	Owner
7	Zone Bleue Fashion	Ursula El Haddad	Manager/Owner

- **14th India International Silk Fair**

Lebanese fashion designers participated in the '14th India International Silk Fair-Reverse Buyer-Seller Meet' organised by Silk Export Promotion Council on March 22-24, 2023 in New Delhi. Charge d’Affaires Mr. Sandeep Grover along with the Attache (Com) met with the two ladies Mrs. Ousmat Faour and Mrs Maria Nassif from Egal Studio on March 3, 2023 before their travel to India. Cd’A informed them about the strength of India in textile sector and encouraged them to connect with Indian exporters during the Exhibition. During the Exhibitiion, they met with the Executive Director of the Silk Export Promotion Council and had B2B with Indian exporters.

## Details of visas and trade queries in the month of March 2023:

Month	Trade Queries from India	Trade Queries from Lebanon	Trade queries posted on India Trade Portal	Business Visa	Tourist Visa	ITEC (Civil)	ITEC (Defence)
January 2023	32	1	1	42	97	1	0
February 2023	35	0	0	27	54	0	0
March 2022	30	3	16	45	63	0	0

## 6. INTERNAL- LEBANON

### (I) ECONOMY

#### **Surveyed economists expect Lebanon's real GDP growth at 0.6% in 2023**

Bloomberg's quarterly survey of economists and analysts about the outlook on the Lebanese economy projected economic activity to grow by 0.6% in 2023, compared to an earlier forecast of a real GDP growth of 0.9% in the December 2022 survey. The individual forecasts for 2023 ranged from a contraction of 2% to an expansion of 5% for the current year, with a median real GDP growth rate of 0.8% for 2023. Also, the poll indicates that the consensus forecast among 58.3% of participants is that real GDP will improve by more than 0.5% this year.

#### **Berytech launches program to support innovation and technology**

The technology pole Berytech launched Lebanon Innovate, a 42-month program that aims to foster innovation and support intellectual property and knowledge transfer in Lebanon. It indicated that five strategic organizations that are the ANIMA Investment Network, the European Business and Innovation Centre Network (EBN), the Industrial Research Achievement Association – Lebanon (IRALEB), the Industrial Research Institute (IRI), and the LEITAT Technological Center will implement the program and that the European Union will fund it. It said that it will invite universities, research centers, policymakers, small- and medium-sized enterprises, clusters, industrialists, and entrepreneurs to join the program.



## **The telecommunications sector in Lebanon deteriorates as the local currency loses value**

The telecommunications (telecom) sector in Lebanon, which has previously been one of the primary sources of revenue for the state treasury, has been deteriorating ever since the onset of the crisis in 2019. Driven by the continuous devaluation of the local currency, which has recently reached its lowest level seen so far (circa a 98.9% devaluation compared with the exchange rate (FX) pre-crisis), the telecom sector has become a burden on the treasury. This comes as its revenues are negatively affected by the disparity between the sayrafa FX rate which determines revenues and the black market FX rate which determines costs.

## **IFI Suggests A Different Approach To Economic Policy**

IFI issues a new report on Lebanon entitled "A different approach to Economic Policy". The report says that Lebanon has been going through one of the worse economic crises in modern history. Banking, currency, and sovereign debt crises are not uncommon, but very few countries experience all three at once. What also makes Lebanon's crisis unprecedented is its severity, given the collapse in the value of its currency, the extent of banking system insolvency, and the inadequacy of public resources to deal with it. A proper response to the crisis has been relatively non-existent, undermined by the continued political vacuum and the country's dysfunctional state institutions, including the judiciary.

## **(II) Banking**

### **Lebanese Lira traded at 108,000 in March 2023**

In March 2023, black market traders in Lebanon are selling the US Dollar for 108,000 LBP as of 31<sup>th</sup> March. The current official rate still stands at \$1 = 15,000 L.L.

### **Banque du liban's foreign assets at \$14.5bn, gold reserves at \$17.6bn at mid-march 2023**

Banque du Liban's (BdL) interim balance sheet shows that its total assets reached LBP1,519 trillion (tn), or the equivalent of \$101.3bn, on March 15, 2023, constituting a marginal decrease of 0.6% from LBP1,528.4tn (\$101.9bn) at end-February 2023.

### **European observatory for integrity of Lebanon holds Lebanese government, central bank responsible for rapid LBP collapse**

The European Observatory for the Integrity of Lebanon indicated in a statement that "the collapse of the Lebanese Pound against the US dollar in Beirut is very rapid and requires mulling and questioning." "The greatest responsibility lies with the government and with the Lebanese Central Bank Governor, Riad Salameh, who is being prosecuted in many countries of the world on charges of embezzlement, money laundering, illegal enrichment, forgery, and the use of counterfeiters".

## **BDL's foreign reserves dropped by \$260m while sayrafa trading volume reached \$476m in the first two weeks of march 2023**

According to the balance sheet of Banque du Liban (BDL), the central bank's total assets fell by 37.46% compared to last year, to reach \$101.26B by mid of March 2023, amid adopting the 15,000 LBP/USD official rate by BDL. The fall was mainly due to the 83.51% year-on-year (YOY) drop in other assets, grasping 9.79% of BDL's total assets and reaching \$9.90B by mid of March 2023. Furthermore, the gold account, representing 17.36% of BDL's total assets, decreased by 1.22% yearly to reach \$17.57B by mid of March 2023.

### **(III) Finance**

#### **Stock market: BSE price index down by 11% on profit taking operations**

Following strong year-to-date price gains, the Beirut Stock Exchange saw some profit taking operations during this week, which resulted into a 10.8% contraction in the price index.

#### **Bond Market: Lebanese Bond Prices Plunge Deeper Into Red**

Lebanese Eurobond prices continued to fall without finding a floor. Prices of sovereigns maturing between 2020 and 2037 closed at 6.625 cents per US dollar on Friday as compared to 6.875 cents per US dollar at the end of the previous week.

#### **LP/US\$ Black Market Rate Stabilizes Above 100,000 Amid IMF Warnings**

Amidst IMF's warnings that Lebanon may be mired in a never-ending crisis without rapid reforms, and following BDL's decision to sell cash US dollars unlimitedly via the "Sayrafa" platform and ABL's decision to suspend strike, the Lebanese pound held back its downward spiral on the black FX market over this week, while equities shifted to a negative territory on profit taking operations, and bonds dipped deeper into the red.

### **(IV)Transport, Port & Airport**

#### **Mikati During His Patronage Of 'New Passenger Terminal Construction Project' Launching: Difficulties Will Not Deter Us From Continuing Our Work To Save Our Country**

Caretaker Prime Minister, Najib Mikati affirmed that "difficulties will not deter us from continuing our work to save our country, and we call on everyone to support us in this workshop and cooperate to push the advancement process forward." Premier Mikati further said that the International Monetary Fund delegation "renewed its support for Lebanon and its hope that we will speed up the approval of the required reform steps to sign the final agreement with the fund, which would open the doors of hope for a better Lebanon and additional measures of support by the international community."

## **(V) Tourism**

### **Number of Airport Passengers Up by yearly 29.91%**

The activity at Rafic Hariri International Airport improved in the second month of 2023 compared to the same month last year. In fact, the number of Beirut's International airport passengers added 29.91% on annual basis and recorded 897,989 passengers.

## **(VI) Energy**

### **Energy Minister concludes his participation in 'water conference' held in New York**

Caretaker Minister of Energy and Water, Dr. Walid Fayyad delivered Lebanon's official speech at the water conference that was held at the United Nations headquarters in New York about "cross-border cooperation, international cooperation, and cross-sectoral cooperation in the water field, including scientific cooperation" and how water diplomacy helps countries prevent conflicts in the management of shared water resources.

### **US \$ 20 million fund by USAID for solar & renewable energy in Lebanon**

The launch of a US\$ 20 million Solar & Renewable Energy Fund was announced by the US Ambassador to Lebanon during an event. The aforementioned event included the Lebanese Minister of Energy and Water, the Lebanese Minister of Industry, the Lebanese Minister of Environment, investors, local enterprises and the Lebanon Acting Mission Director of the United States Agency for International Development (USAID). The fund was created by the Trade and Investment Facilitation (TIF) activity and the Lebanon Investment Initiative (LII) of the USAID in Lebanon. The goal of the fund is to enable private sector investment for the financing of solar panel installation in Lebanese entities.

## **(VII) Agriculture**

### **Hajj Hassan heads to Syria to partake in Arab Agricultural Summit**

Caretaker Minister of Agriculture, Abbas Haj Hassan, left for Syria at the head of a ministerial delegation to partake in the Arab agricultural quarterly summit with the participation of the Iraqi, Jordanian and Syrian ministers of agriculture. The summit will be held under the headline, "Towards Achieving Agricultural Economic Integration" and ways to enhance trade exchange and food security, mechanisms to support regional projects, confront climate challenges and land degradation, and improve agricultural produce in the four countries.

### **Economy Minister meets World Bank delegation**

Caretaker Minister of Economy and Trade, Amin Salam, held talks on Wednesday with a delegation of the World Bank, comprising Vice President of the Middle East and North Africa Department, Ferid Belhaj, and Country Director for the Middle East Department,

Jean Christophe Carret. The meeting reportedly touched on the WB projects in Lebanon, especially the course of implementation of the wheat import loan.

## **7. LEBANON -EXTERNAL**

### **USA - Lebanon**

#### **United States to launch \$20m energy fund to support financing of renewable energy solutions**

The United States government announced the launch of the \$20m Solar & Renewable Energy Fund (SREF) to support financing of re- newable energy solutions in Lebanon. The fund, which will be established by the United States Agency for International Development (USAID) through its Trade and Investment Facilitation Activity (TIF) and its Lebanon Investment Initiative (LII), aims to attract private sector investments to finance the cost of solar panel installations for Lebanese to reduce their cost of energy. It also aims to encourage Lebanese businesses and investors to invest in the fund in order to support Lebanon's economy, the viability of domestic businesses, as well as the jobs of hundreds of Lebanese.

### **Japan - Lebanon**

#### **Japan grant of \$2m to support food security in Lebanon**

The Japanese government announced that it will allocate a \$2m emergency grant to Lebanon through the World Food Program (WFP), in response to the deterioration of the food security situation across the country, which has been exacerbated by Russia's invasion of Ukraine. It said that the grant aims to support the WFP's efforts to assist 300,000 vulnerable individuals in Lebanon through monthly in-kind food parcels that would help them meet their nutrition needs for a period of six months and mitigate the impact that the socio-economic crisis is having on their livelihoods.

### **UN - Lebanon**

#### **UN basic assistance at \$225.3m in 2022**

The United Nations indicated that international contributions for the basic assistance track of the Lebanon Crisis Response Plan (LCRP) reached \$225.3m in 2022 compared to \$200m in 2021. They consisted of \$25m in the first quarter, \$51.3 in the second quarter, \$64.8m in the third quarter, and \$84.2m in the fourth quarter of 2022. They represented 42.5% of the \$530m that the LCPR appealed for to assist affected Lebanese and non-Lebanese individuals in the country in 2022. It also noted that \$20.1m were carried over from funding received in 2021, which is equivalent to 3.8% of the total appealed funds. The LCRP 2022-2023 is a joint initiative between the Lebanese government and international and national partners that aims to address challenges posed by the large presence of displaced Syrians

in the country. The plan comes after the expiration of the LCRPs for the 2015-2016 and the 2017-2021 periods.

### **Lebanon-Russia**

#### **Lebanese Ambassador to Moscow expects Russian wheat and fuel to be sent to Beirut soon:**

Lebanese Ambassador to Russia, Shawki Bou Nassar, said that "Lebanon is expected to receive soon quantities of wheat and fuel from Russia," adding that "Moscow is working on resolving some logistical issues." According to Nassar, the supplies will reach Lebanon soon, but it is still in clear in which month. He noted that Russian President Vladimir Putin has signed a decree to dispatch 25 tons of grains and 10 tons of fuel to Lebanon.

**(Hemant Gautam)  
Attache (Commerce)**

#### **Distribution as per standard list**