

2021-2022

# LEBTRADE PORTAL A GOLDMINE FOR

**Avocados HS Code: 08044000**



Creating Export Opportunities by  
MINISTRY OF ECONOMY & TRADE

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### 1. INTRODUCTION - WHICH MARKETS OFFER MOST OPPORTUNITIES FOR AVOCADOS FROM LEBANON?

Lebanon is making great strides to catch up to the renowned exporters of avocados in the world. In fact, the country's exports of avocados have grown from USD 533,000 in 2012 to 3.3 million in 2020, presenting a great opportunity to satisfy the remaining untapped potential and to enter new promising markets.

Interestingly, Lebanon has a great opportunity to increase its market share in Europe and the Middle East.

This report provides an overview of Lebanon's current production and exports of avocados, its position in the international markets, and the available opportunities to enhance the country's export potential with an overall aim of strengthening Lebanese exporters' capacities and competitiveness.







### 2. PRODUCT DEFINITION

Depending on the variety, avocados have green, brown, purplish, or black skin when ripe, and may be pear-shaped, egg-shaped, or spherical. Commercially, the fruits are picked while immature and ripened after harvesting.

Avocados are cultivated in tropical and Mediterranean climates of many countries.

Hass avocados is at the top of the list of products with the most potential in 2020-2021.

Avocado varieties available in Lebanon are:

	Ettinger 	Fuerte 	Pinkerton 	Hass 	Lambhass 	Reed 
Harvest	Early	Eraly	Mid-Late	Mid-Late	Late	Late
Fruit shape	Pyriform	Pear shaped	Pear shaped long necked	Pear shaped	Pyriform with a distinctive flat shoulder	Round
Fruit size	Medium to large sized	Medium to large sized	Medium to large size	small to medium size	Larger than Hass	Medium to large size
Frit weight (g)	180-400	250-500	200-300	180-250	200-450	200-500
Skin color	Bright green	Light green	Dark green	Dark purplish-black	Dark green	Green
General	Recommended in the GCC and MENA markets	Smooth skin Highly recommended in the GCC and MENA markets	Highly recommended in the GCC and MENA markets	Pebbly dark green skin turns purplish-black when ripe. Highly recommended in European and American markets.	Pebbly skin darkens as it ripens. Recommended in the GCC and MENA markets, potential for EU market	Thick skin remains green when ripe. Highly recommended in the GCC and MENA markets.

### Harvest Calendar in Lebanon

Variety	Jan	Feb	Mar	April	May	June	Jul	Aug	Sep	Oct	Nov	Dec
Ettinger										Exportable quantities	Exportable quantities	Small quantities
Fuerte	Exportable quantities	Some production	Small quantities	Small quantities						Exportable quantities	Exportable quantities	Exportable quantities
Pinkerton	Exportable quantities	Some production	Small quantities									Exportable quantities
Hass	Some production	Exportable quantities	Exportable quantities	Exportable quantities	Small quantities	Small quantities						
Lambhass			Exportable quantities	Exportable quantities	Exportable quantities	Small quantities						
Reed			Exportable quantities	Exportable quantities	Exportable quantities	Small quantities						

Exportable quantities	
Some production	
Small quantities	

### 3. WHERE DO LEBANESE AVOCADOS CURRENTLY GO TO?

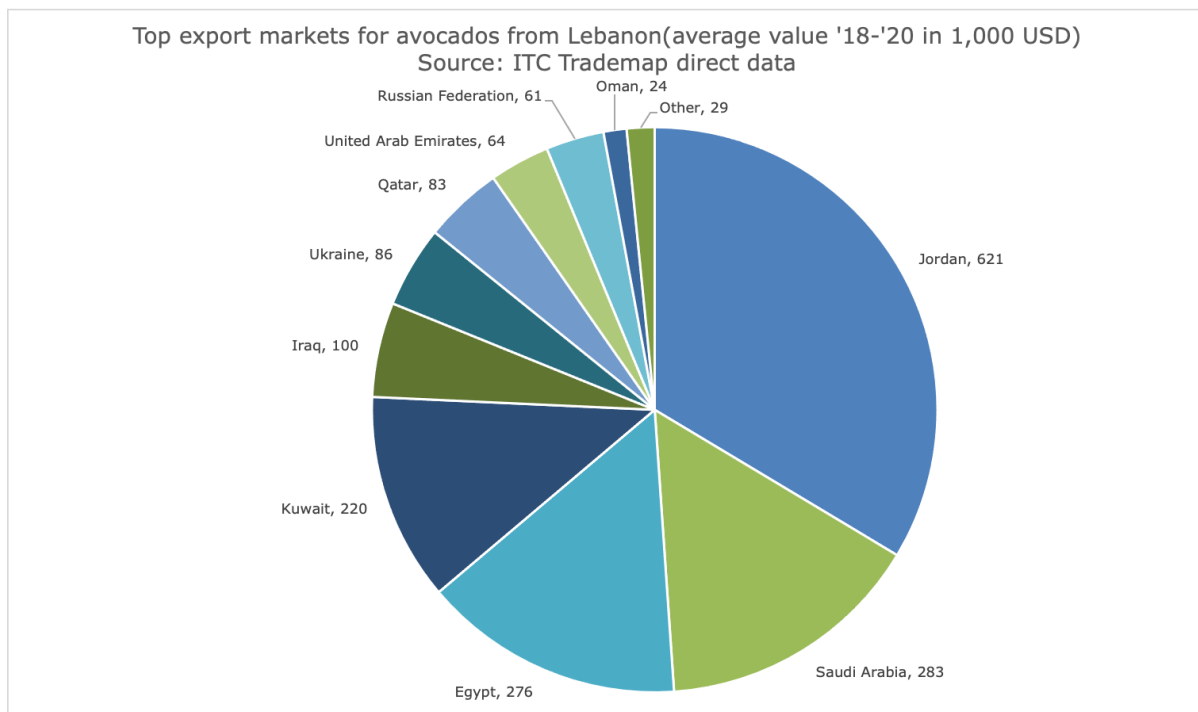


Figure 1. Top export markets for avocados from Lebanon between the years 2018-2020 - Source: ITC Trademap data

As shown in figure 1 above, the top destinations for Lebanese exports of avocados include Jordan, Saudi Arabia, Egypt, Kuwait, and Iraq.

Table 1 shows that most destination countries in recent years for Lebanese exported avocados are in the Middle Eastern region. Jordan and KSA top the list followed by Egypt, Kuwait, Iraq, Qatar, UAE and Oman.

European countries still lag at the slight exception of Ukraine. Shy attempts have been made to progress entry into markets such as Germany, Russian Federation, Sweden or UK and France. As such, these countries could offer potential in the coming years.

### 4. WHAT IS LEBANON'S POSITION IN THE INTERNATIONAL MARKET?

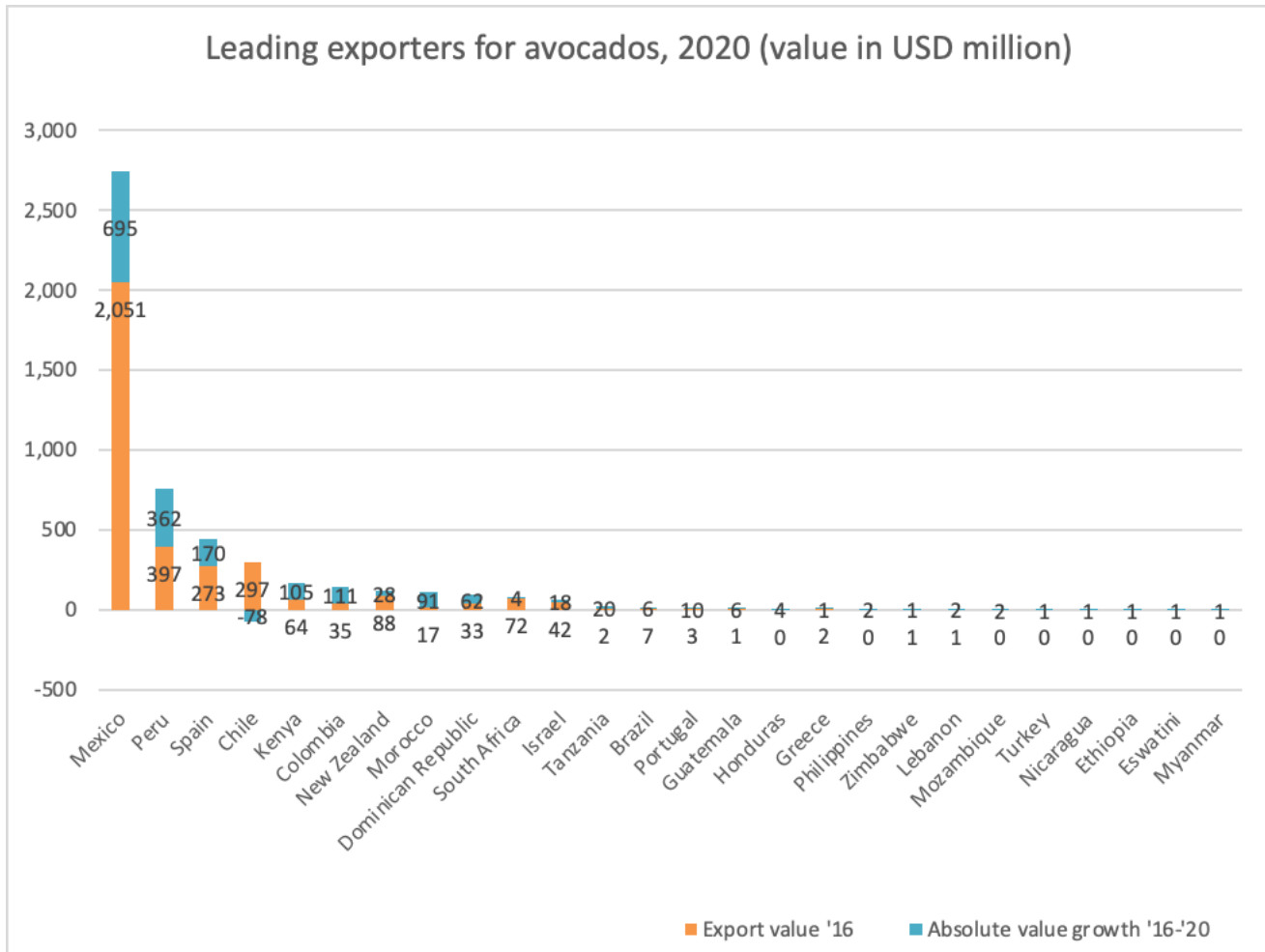


Figure 2. Leading Exporters for Avocados 2020

As shown in Figure 2, the largest exporters of avocados worldwide are Mexico, Peru, Spain, Chile, and Kenya. Within the MENA region, Morocco and Israel are important avocados exporters.

Lebanon's exports represent about 0.04% of world exports for this product, its ranking in world exports is 20 (*trade hubs excluded*).

Lebanon is mainly in competition with the other supplying countries from the Middle East and in terms of import tariffs applied worldwide, avocados trade can be considered as a level playing field. There is one main exception: Israel's zero tariff access to the European Union, against 5-8% for other supplying countries from the Middle East.

#### Largest Avocados producers

By far, the largest producer and exporter of avocado globally is Mexico, with 3 times the production and exports of its closest rival, Peru. The top six producers, namely Mexico, Peru, Spain, Chile, Kenya, Colombia account for 50% of global production volumes).

#### Largest producers in the Mediterranean region

The three largest avocado producers in the Mediterranean region are Spain (approximately 94,000 tonnes), Morocco (approximately 54,000 tonnes) and Israel (approximately 100,000 tonnes). Turkey, the top regional producer for most fruit crops, has limited avocado production (approximately 4,000 tonnes) due to its climate conditions. Lebanon for example produces 8,000 tonnes of avocados, double the output of Turkey.

Table 1 Overview of avocados harvest windows in the world's leading production countries

Country	J	F	M	A	M	J	J	A	S	O	N	D
Peru			X	X	X	X	X	X	X			
Chile	X							X	X	X	X	X
S.Africa				X	X	X	X	X	X			
Israel	X	X	X	X								X
Mexico	X	X	X	X	X	X	X	X	X	X	X	X
Kenya						X	X	X	X	X		
Colombia	X	X	X							X	X	X
Morocco	X	X	X	X								X
Spain	X	X	X	X	X							
Lebanon	X	X	X	X	X							X

Table 2 List of supplying markets for a product imported by the most potential European markets in 2020

Exporters	Imported value in 2020-M01	Imported value in 2020-M02	Imported value in 2020-M03	Imported value in 2020-M04	Imported value in 2020-M05	Imported value in 2020-M06	Imported value in 2020-M07	Imported value in 2020-M08	Imported value in 2020-M09	Imported value in 2020-M10	Imported value in 2020-M11	Imported value in 2020-M12
<b>Netherlands</b>												
World	76791	82593	81463	118467	<b>138903</b>	151108	90923	82877	86943	97335	103386	<b>95109</b>
Israel	8304	6152	7856	8404	<b>0</b>	0	0	0	1155	3144	3549	<b>6083</b>
Morocco	2160	6669	4139	483	<b>77</b>	0	0	0	0	124	833	<b>3033</b>
Spain	5287	13204	13756	12735	<b>6563</b>	1684	1346	1713	2701	3983	3086	<b>5670</b>
<b>United Kingdom</b>												
World	30342	28862	31772	34375	<b>32419</b>	30553	27283	19997	22079	27400	34689	<b>25785</b>
Spain	4111	5836	8966	4770	<b>1905</b>	781	368	652	1042	2101	858	<b>1008</b>
Israel	6041	6750	9038	6503	<b>69</b>	0	0	0	0	0	2328	<b>4553</b>
Morocco	263	499	494	66	<b>0</b>	0	0	0	0	137	0	<b>0</b>
<b>France</b>												
World	498933	510050	514793	570772	<b>593015</b>	557856	479934	450552	472666	535967	514507	<b>573348</b>
Spain	168392	147955	173000	183990	<b>231861</b>	219763	153438	123136	100672	145488	157339	<b>201840</b>
Israel	23256	34979	26348	18498	<b>4575</b>	913	1645	10323	9618	9362	8090	<b>16165</b>
Morocco	32031	33143	29292	82639	<b>62911</b>	26582	10718	5695	3362	5889	17377	<b>25620</b>
<b>Germany</b>												
World	1001745	945734	1064652	1082682	<b>1055726</b>	1135626	1151580	1006628	1078371	1018591	1047759	<b>979902</b>
Spain	238698	214878	241080	319845	<b>276416</b>	300154	258299	198004	194342	177321	250072	<b>286214</b>
Israel	6786	7579	8099	10896	<b>3014</b>	995	481	1469	2425	3422	2996	<b>4308</b>
Morocco	13379	22438	33632	33287	<b>39716</b>	15517	6993	1705	2205	8502	9269	<b>7073</b>

1. Lebanon’s avocados harvest season is from December till May as shown in Table 1, whereas in the regional competitive countries it’s from January till May in Spain and from December till April in Morocco and Israel. Thus, there is a window for the Lebanese avocados in December and May. Furthermore, if we analyze the import of avocados in the top importers EU countries, in Table 2 we can spot a decrease in import from Morocco and Israel starting May.

### 5. WHAT ARE THE TRENDS IN TRADE IN THE 20 LARGEST IMPORTING COUNTRIES?

The world total import value of avocados has been steadily increasing during the period 2016 to 2020 reaching almost USD 7.2 billion in 2020. As the figure below shows, the United States is by far the largest importer in the world and its import value increased by 28% in the period 2016-2020. Canada is also a prominent avocado importer internationally.

The European region is the second large importing market of avocados after the US. The main importers in the EU are: Netherlands, France, Spain, Germany and UK.

As for the Asian market, Japan is the main importer of avocado, followed by Russia and China.

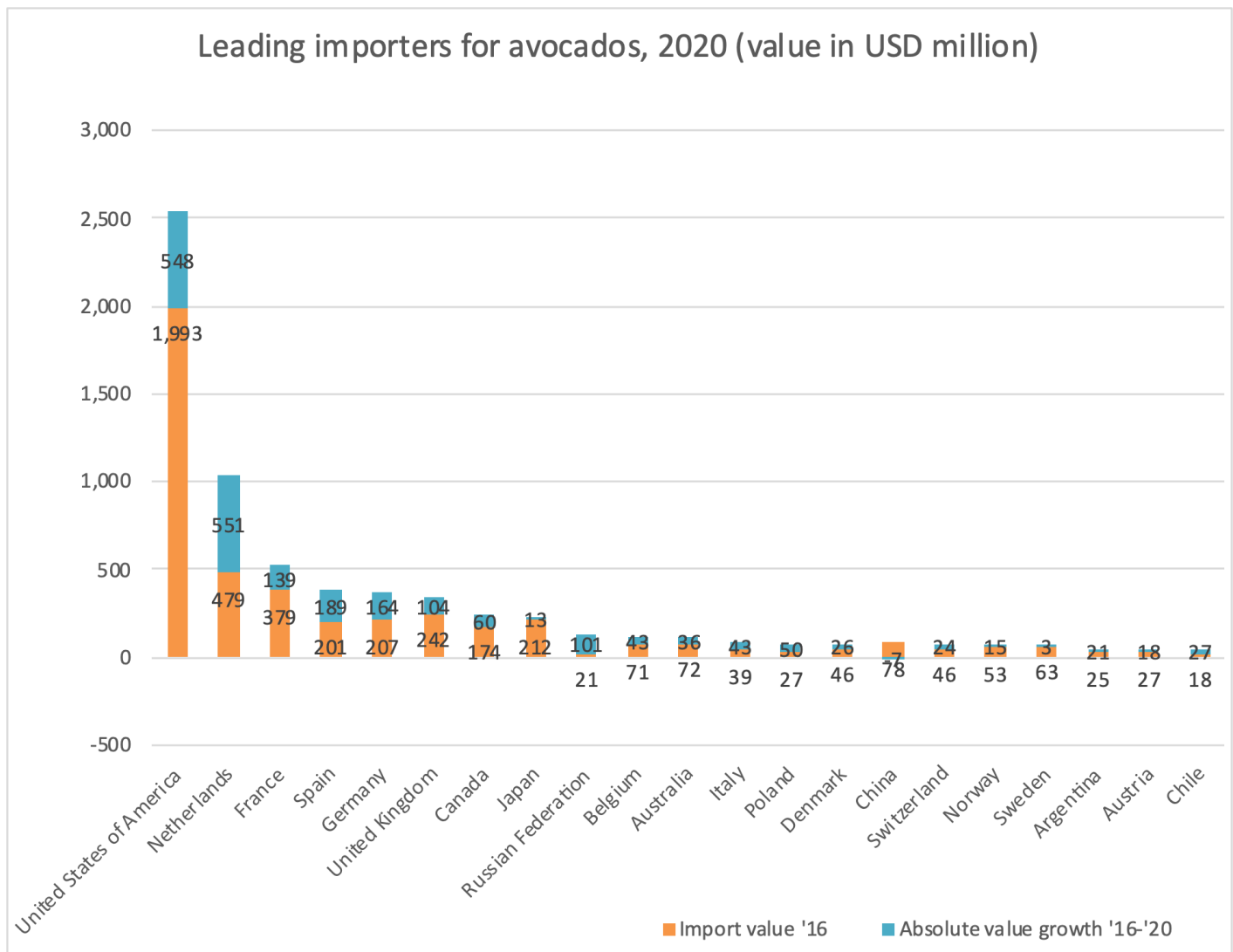


Figure 3-Leading importers of Avocados in USD in 2020



Interestingly, the per capita imports statistics of 2020 (see Figure 4, below) showed that Norway, Iceland, Denmark, Luxembourg and Switzerland topped in avocado consumption. It also shows the huge potential for growth in countries with still low per capita consumption, such as France, the United Kingdom, Germany, or United Arab Emirates.

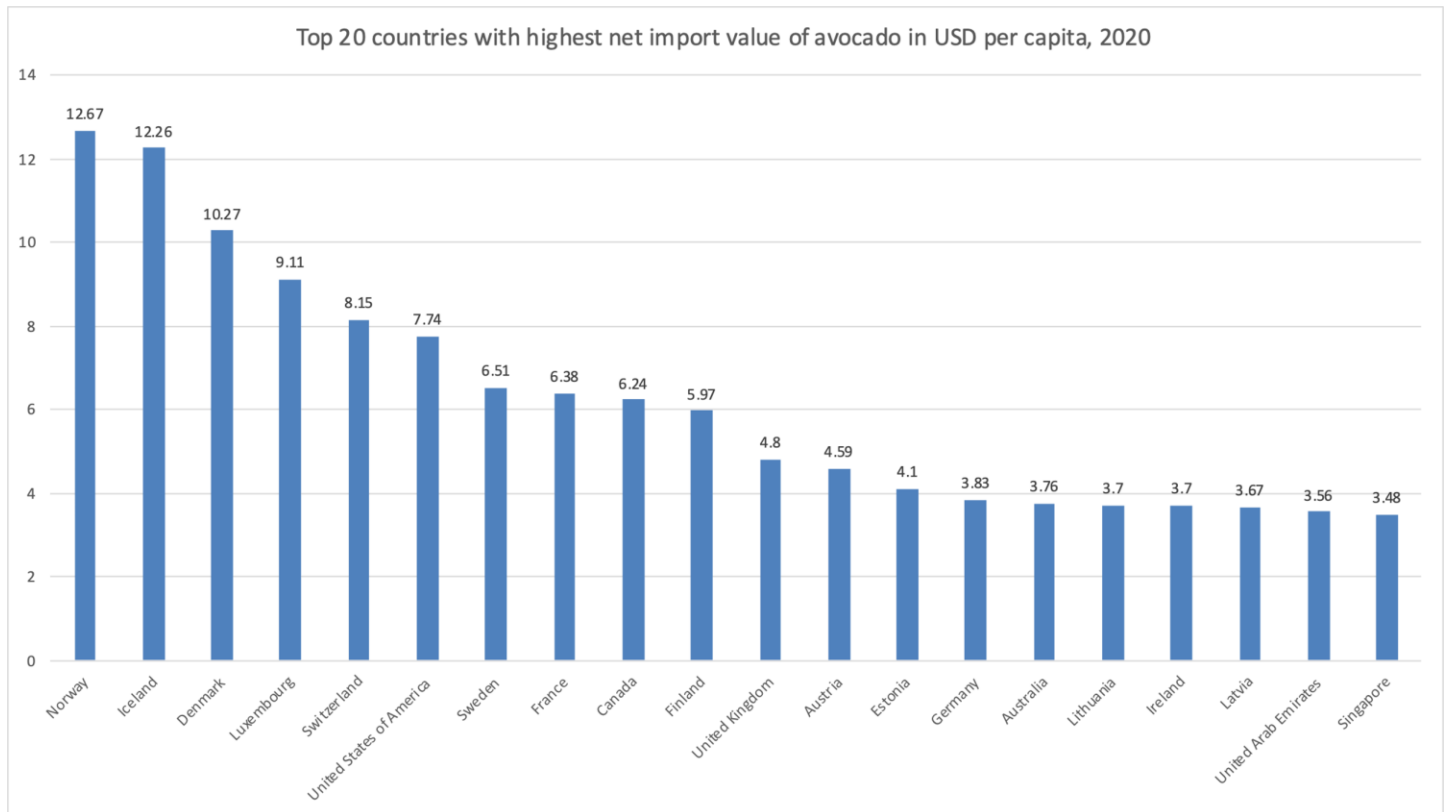


Figure 4 Top 20 importers of avocados in USD per capita in 2020

Avocados is a promising product. For the next years, the avocado market is expected to grow, reaching a total market size of USD18 billion by 2025. Besides, the price for avocados has continued to rise and is expected to stay high. It is estimated that the per capita consumption of avocado will experience a further growth in the years to come, with notable potential for growth in several European markets. Even in the USA, given that only about 50% of North Americans consume avocados, experts assume that it is still possible that import volumes will double, provided the market attains supply chain and price stability.

### 2. 5.1 WHAT ARE THE TRENDS IN TRADE IN THE GCC?

Though the GCC markets do not compare to the mass of North America and Europe, the small market experienced increases in demand during the period 2016-2019. However, the imported value decreased in 2020, caused by the persisting COVID-19 pandemic on both the production and distribution channels. Lebanon mainly exports its avocados to Egypt, Jordan and GCC (primarily Saudi Arabia and UAE).

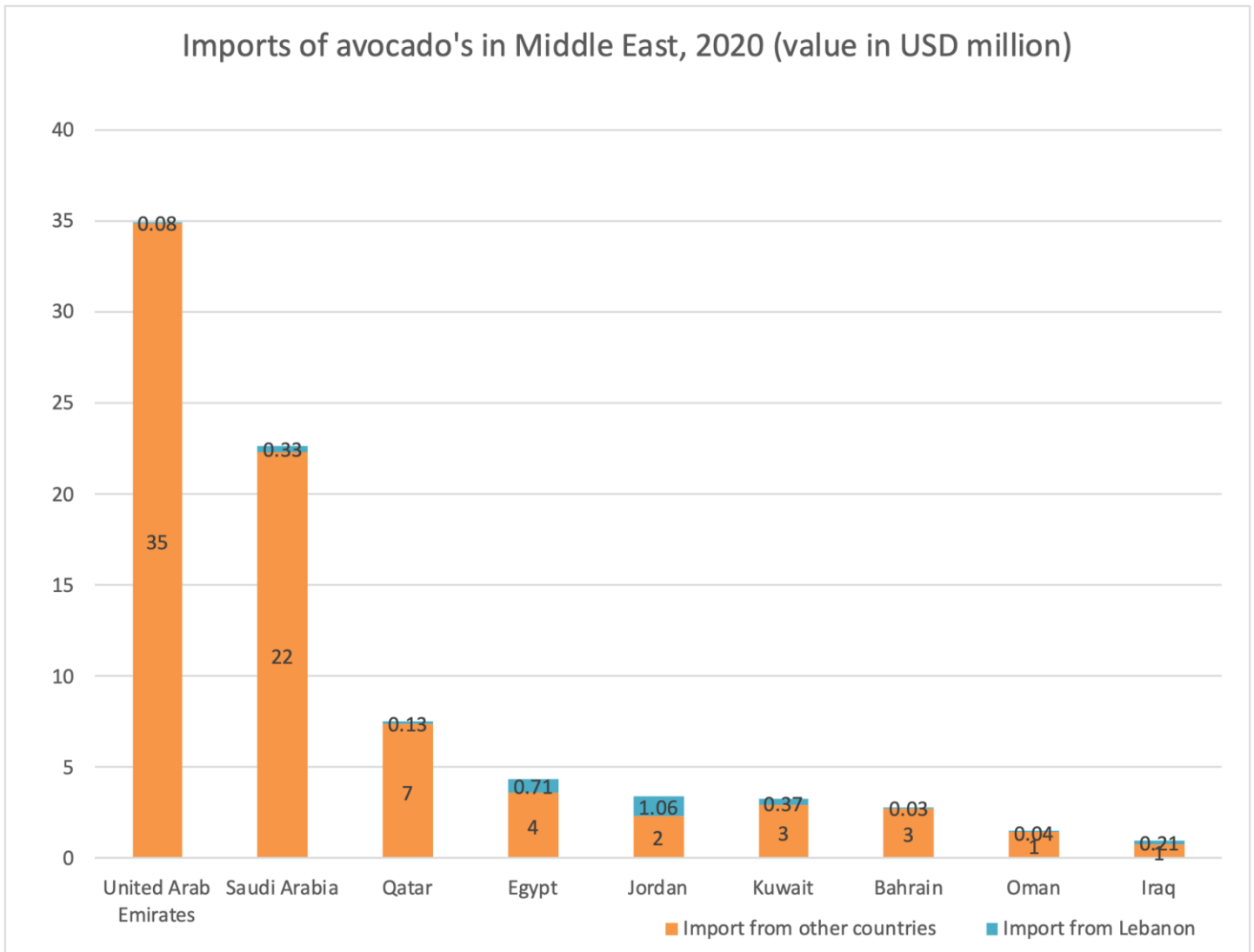


Figure 5 Imports of avocados in the Middle East in USD in 2020

In terms of per capita consumption, the UAE and Qatar stand out with more than twice the consumption of the other countries such as Bahrain and Kuwait. The Figure 6 below shows there is still a lot of growth possible in many of the GCC markets.

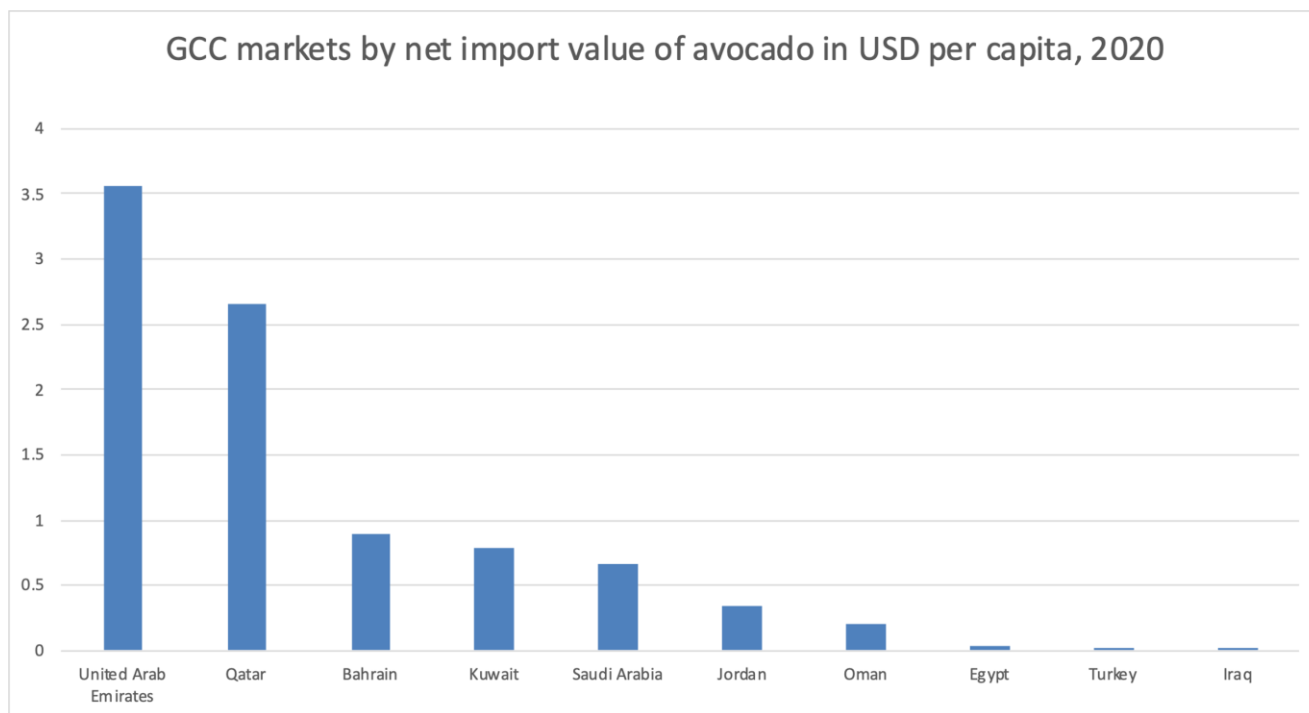


Figure 6 GCC imports of Avocados in USD per capita in 2020

### 6. WHAT ARE INTERESTING MARKETS FOR THE FUTURE?

For the purpose of identifying potential markets for Lebanese exports of avocados, a model was built to include indicators such as worldwide imports, exports and export growth from Lebanon, a comparison between tariffs facing Lebanon and leading competitors in the market, average distance and concentration of suppliers, import trade windows, GDP and others.

Based on the calculation and analysis of the figures, 6 countries in Europe were identified as promising and offering great opportunities for Lebanese exporters of avocados. These countries include Netherlands, Poland, Germany, Spain, United Kingdom and France. They are all white spots for Lebanese avocado exporters, as until 2020 no Lebanese avocados were exported to these countries. Table 3 below provides an overview of these potential export markets including the main used indicators.

Table 3 Top 6 potential European export markets for avocados from Lebanon

Country	Import value 2020	Annual growth '16-'20 (%)	Value imported in 2020 from Lebanon	Annual growth '16-'20 from Lebanon (%)	Average distance of suppliers	Concentration of suppliers	GDP
Poland	77	67%	0	n.a.	++	++	++
UK	346	46%	0	n.a.	++	++	+
Netherlands	1,030	62%	0	n.a.	++	++	+
Spain	389	57%	0	n.a.	++	++	+
Germany	371	52%	0	n.a.	++	++	+
France	518	43%	0	n.a.	++	++	+

As for the markets in the Middle East and North Africa, including GCC, the potential is shown in Table 4. Here, the countries Saudi Arabia, Qatar, Egypt, Kuwait, UAE and Turkey all already import avocado's from Lebanon. Based on the analysis of indicators listed in the table, these countries will offer potential for more supply of Lebanese avocado's in the years to come.

Table 4 Top potential (existing) export markets for avocados from Lebanon

Country	Import value 2020	Annual growth '16-'20 (%)	Value imported in 2020 from Lebanon	Annual growth '16-'20 from Lebanon (%)	Average distance of suppliers	Concentration of suppliers	GDP
Saudi Arabia	23	30%	0.332	90%	+	++	+
Qatar	7	62%	0.126	30%	++	++	+
Egypt	4	93%	0.708	579%	+ -	+ -	++
Kuwait	3	3%	0.365	85%	++	+	+
UAE	35	33%	0.083	51%	++	+	+
Turkey	3	99%	0.015	0%	++	+	++

3.

#### 4. TIPS

- Given that Europe is a large and growing market for avocados, Lebanon has a great opportunity to increase its market share in this region. With the Netherlands being the hub for Avocados in Europe, enhancing linkages between Lebanese exporters and distributors in Netherlands is a recommended distribution strategy.
- In the GCC, the UAE and Saudi Arabia are relatively large importers where Lebanon has limited market share. Low-priced, non-commercial “green” Kenyan avocados dominate these markets. For Lebanon to capture market share from Kenya, it would have to take advantage of Kenyan supply shortfalls between October and February, or increase demand for the higher quality avocados from Lebanon.
- Even though Lebanese avocados can be on the market from September to May, competitiveness in terms of quality and prices compared to other suppliers is the best in the first months of the year when the demand is high and the supply from main competitors is limited.
- In addition to European markets, Lebanon has the potential to enlarge its market shares in the Middle East.