

2021-2022

# LEBTRADE PORTAL A GOLDMINE FOR EXPORTERS

Potatoes HS Code: 070190



Creating Export Opportunities by  
MINISTRY OF ECONOMY & TRADE

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# LEBTRADE PORTAL

## MARKETS OFFERING MOST OPPORTUNITIES – POTATOES TO LEBANON

Date: 14-Feb-22

Revision: 00

Prepared by: MoET

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

Since the 1960s, Lebanon has been an important regional producer of potatoes using imports of quality seeds from western countries, such as the Netherlands, exporting to markets mainly in Arab countries.

Markets in Europe show a wide diversity. The UK, Scandinavia and France are considered high end, offering good prices. The German market is a bulk and discount market.

For the past 20 years, Lebanese exports of potatoes have been fluctuating over the years, reaching on all time high of \$48 million in 2014. For the past 3 years, the average value hovers around \$15 million.

This report provides an overview of Lebanon’s current production and exports of potatoes and its position in the international markets. It also sheds the light on the available opportunities to enhance the country’s export potential with an overall aim of strengthening Lebanese exporters’ capacities and competitiveness.

### 2. PRODUCT DEFINITION

HS Code: 070190 – Potatoes – except seed potatoes, fresh or chilled

Potatoes are a carbohydrate-rich, energy-providing food with little fat. They are particularly high in vitamin C and are a good source of several B vitamins and potassium. It is the third most important food crop in the world after rice and wheat in terms of human consumption with a global total crop production exceeds 300 million metric tons.

Lebanese potatoes: the main varieties are Spunta and Agria. The different climatic zones in Lebanon ensure diversity in harvesting periods. Akkar and Bekaa are the major production areas. Seasonal availability: all year round.

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

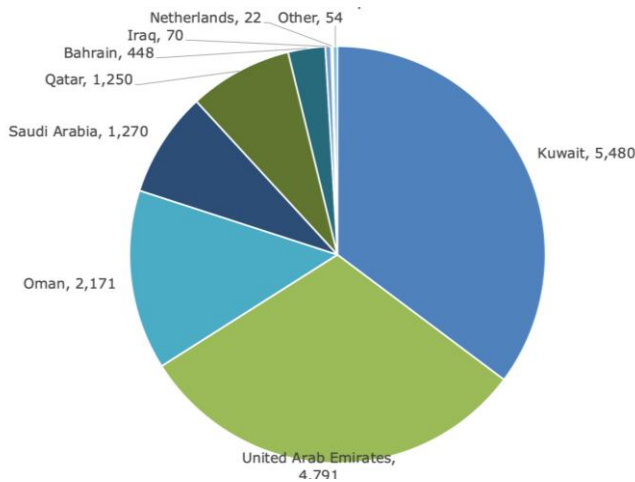


Figure 1. Top export markets for potatoes from Lebanon between the years 2018-2020 in 1,000USD - Source: ITC Trademap data

Figure 1 shows that most destination countries in recent years for Lebanese exported potatoes are in the Middle Eastern region. Kuwait, UAE, Oman, Saudi Arabia, and Qatar top the list.

Most export markets show growing imports of Lebanese potatoes, but the strongest growth in value has been to the UAE.

However, in recent years, potatoes were no longer a strategic product for exports, mainly because of the high need for water and because of stronger competition in GCC markets from Turkey, Pakistan and France.

**Commented [WU1]:** Particularly for this product – potatoes – I think it would be very valuable to talk to an expert in this field. I think, personally, that it is mainly about the window. Lebanese potatoes e.g. have a great window in 1 or 2 months in the Netherlands, for example .

Overall, well done. No introduction of large pieces of intelligence etc, it’s clean and to the point overall.

Main improvement is, IMHO, to stress the key factor in Lebanon’s competitive stake, which is I think the great window in Autumn.

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

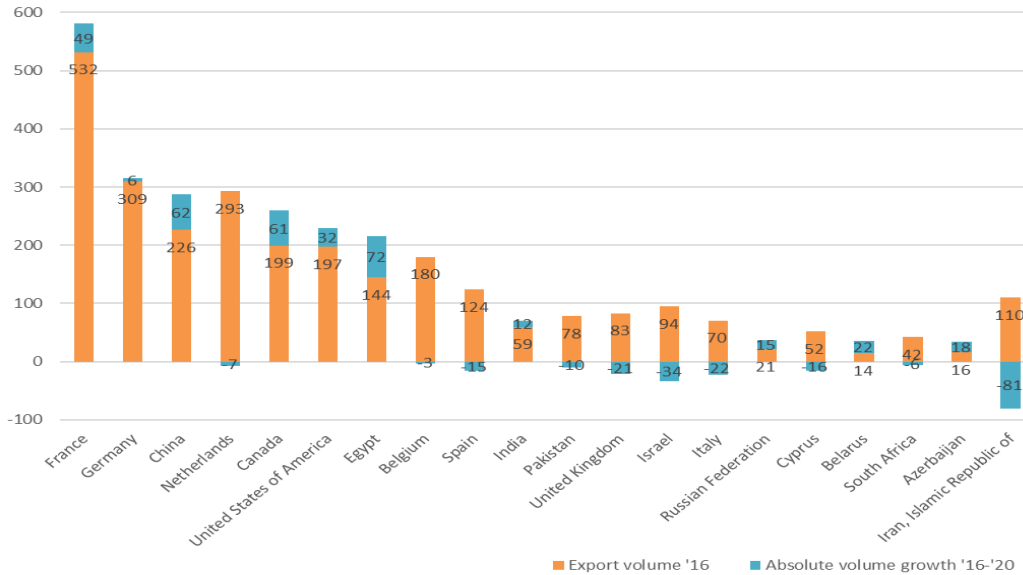


Figure 2. Leading Exporters for potatoes 2020 - Source: ITC Trademap data

As shown in Figure 2, the largest exporter of potatoes worldwide is France followed by Germany, Netherlands, China, Canada, and US. Within the MENA region and further to the east, Egypt tops the charts followed by Israel and Pakistan.

With 0.37% of total world exports in 2019, Lebanon is a small exporter of potatoes. In 2020, Lebanon's export ranking worldwide stood at number 68 (trade hubs excluded).

The top six producers, namely France, Germany, China, Netherlands, Canada and US accounted for about 60% of global production volumes in 2020.

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

Country	J	F	M	A	M	J	J	A	S	O	N	D
France	x	x	x	x	x					x	x	x
Germany	x	x	x	x	x			x	x	x	x	x
China		x	x	x	x	x	x	x	x	x	x	x
Netherlands	x	x	x	x	x	x	x	x	x	x	x	x
Canada	x	x	x	x	x				x	x	x	x
US	x	x	x	x	x	x	x	x	x	x	x	x
Egypt		x	x	x	x	x						
Israel			x	x	x							
Lebanon				x	x	x	x	x		x	x	

Potatoes in the north of Lebanon (Akkar region) give the earliest harvest season: planting from early December to the end of January results in harvest from early April to the middle of June. Then, after a one-month gap, harvest starts in the Bekaa valley. Potatoes are grown in two seasons in the Bekaa Valley. Planting of the spring crop occurs in February through

March, with harvest in June through July. A late crop is planted in July or August and harvested in October through November.

We note a decrease in potatoes exports from France during the months June to September. Also another decrease in exports from Germany during June and July. This is the period when most potatoes are harvested in Lebanon and awaits export.

In the regional competitive countries, the harvest season is from March till May in Israel and from February till June in Egypt creating a window for the Lebanese potatoes starting end of May till August. The late crop harvested in October through November in the Bekaa region also gives an advantage over regional competition.

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

The world total import value of potatoes are rather stable over the period 2016 to 2020 witnessing some fluctuations from year to year and reaching almost USD 4.3 billion in 2019.

As the figure below shows, Belgium is by far the largest importer in the world. Belgium import value increased by 33% in the period 2018-2019. Netherlands is also a prominent potato importer internationally.

The European region is by a long way the largest importing market of potatoes. The main importers in the EU are Belgium, Netherlands, Spain, Germany, Italy and UK. Whereas, on top of the Asian market are Russia, Malaysia and Sri Lanka.

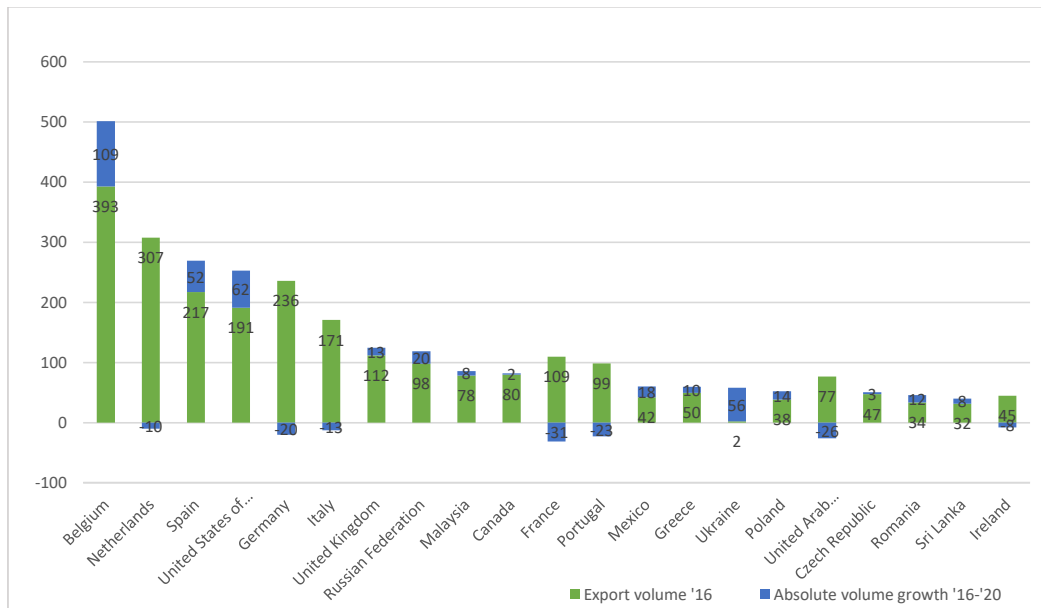


Figure 3. Leading importers for potatoes 2020 - Source: ITC Trademap data

It has been projected that in the future, world production is expected to grow at a rate of 2.5% per year.

Interestingly, the per capita imports statistics of 2020 (see Figure 4, below) showed how Belgium, roughly followed by Netherlands, Luxembourg and islands like Seychelles and Fiji topped in potato consumption. It also shows some shy potential for growth in countries with low per capita consumption, such as Portugal, Spain, Oman and UAE.



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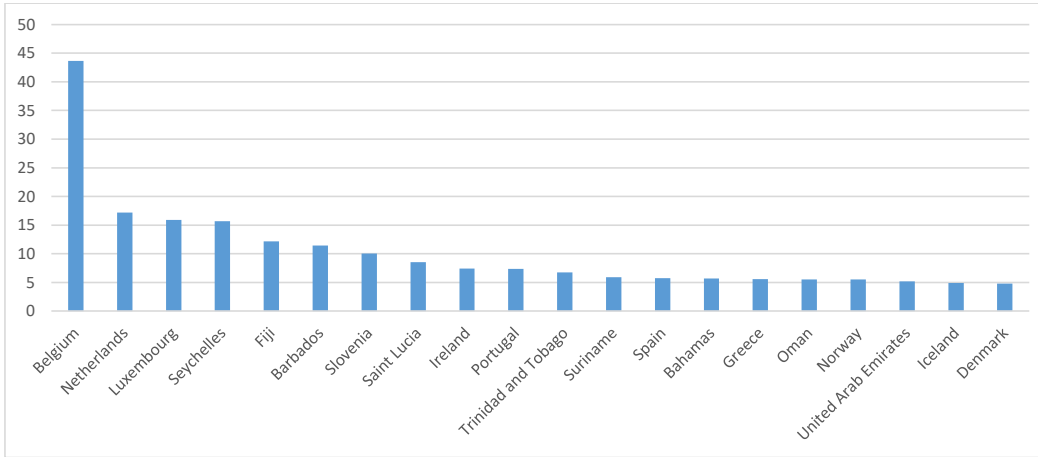


Figure 4. Top 20 countries with highest net import value of potatoes in USD per capita 2020 - Source: ITC Trademap data

### 5.1 What are the trends in trade in the GCC?

Though the GCC markets do not compare to the mass of Europe and North America, the small market experienced some increase in demand depending on the year during the period 2016-2019. Lebanon mainly exports its potatoes to Kuwait, UAE, Oman and Qatar.

**Commented [WU2]:** We need a better heading here. Who will be in charge of the layout in the end? Best that one person will check that.

**Commented [CA3R2]:** Should be discussed as to who that person will be, maybe during progress meetings on Wednesdays???

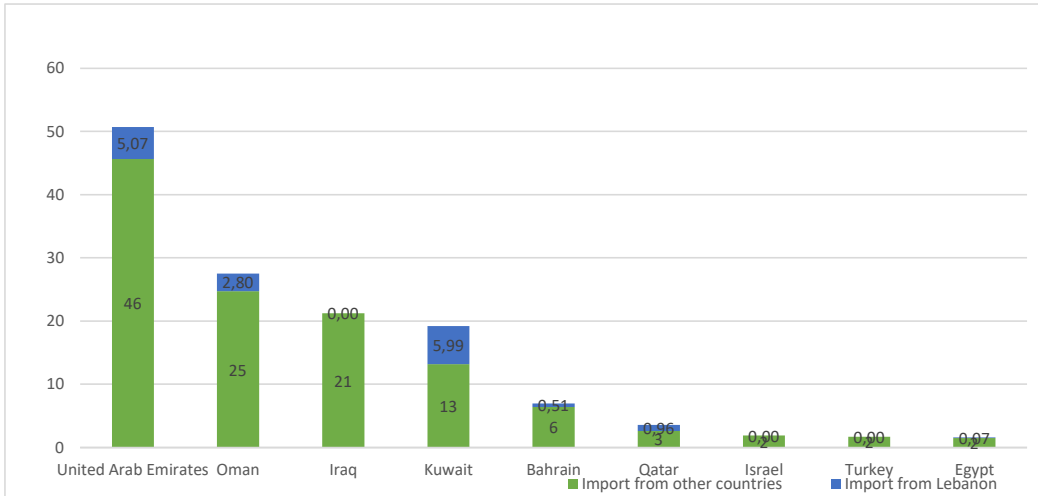


Figure 5. Import of potatoes in ME region 2020 - Source: ITC Trademap data

In terms of per capita consumption, Oman, UAE, Kuwait and Bahrain equally stand out with more than threefold the consumption of other countries. Figure 6 below shows there is still some potential growth possible in Qatar and Saudi Arabia mainly.

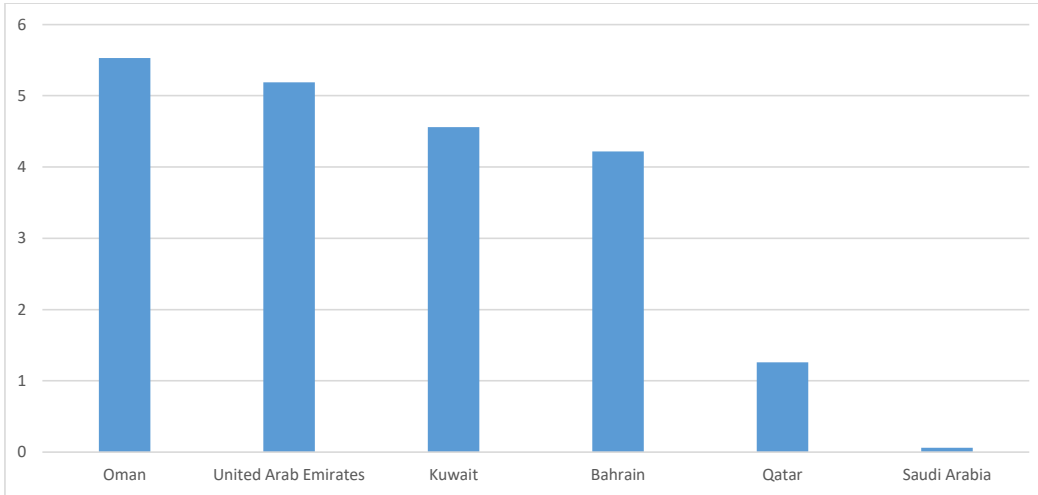


Figure 6. Top GCC countries with highest net import value of potatoes in USD per capita 2020 - Source: ITC Trademap data

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



Figure 7. Potential markets for Lebanese potatoes

In order to identify potential markets for Lebanese exports of potatoes, a model was presented including indicators such as worldwide imports, exports and export growth from Lebanon, a comparison between tariffs facing Lebanon and leading competitors in the market, and concentration of suppliers, import trade windows, GDP and others.

Based on the calculation and analysis of the figures, 7 countries were identified as promising (Figure 7) and offering great opportunities for Lebanese exporters of potatoes. These countries include Netherlands, Kuwait, Spain, Italy, Poland,

Germany and Bahrain. Table 2 below provides an overview of these potential export markets, identified as white spots, markets where Lebanon does not have a position yet.

*Table 2. Top 5 potential export markets for potatoes from Lebanon – white spots*

Country	Import value 2020	Annual growth '16-'20 (%)	Value imported in 2020 from Lebanon	Annual growth '16-'20 from Lebanon (%)	Concentration of suppliers	GDP
Netherlands	298	0%	0.066	0%	+	+
Spain	269	9%	0	0%	+	++
Italy	158	1%	0	0%	+	+
Poland	52	14%	0	0%	+	++
Germany	216	2%	0	0%	+	+

In addition to the white spot markets, Table 3 shows a few existing export markets that have good potential for expansion. These two markets are Kuwait and Bahrain.

*Table 3. Other potential export markets for potatoes from Lebanon – existing markets*

Country	Import value 2020	Annual growth '16-'20 (%)	Value imported in 2020 from Lebanon	Annual growth '16-'20 from Lebanon (%)	GDP
Kuwait	19	-20%	5.985	-6%	+
Bahrain	7	-10%	0.506	-15%	++

## 7. TIPS

- Given that Europe is a large and growing market for potatoes, Lebanon has a great opportunity to increase its market share in this region. With the Netherlands being the hub for potatoes in Europe, enhancing linkages between Lebanese exporters and distributors in Netherlands is a recommended distribution strategy.
- In addition to European markets, Lebanon has the potential to enlarge its market shares in the Middle East.