

Economic Relations between Lebanon and Brazil

Overview

Lebanese Exports to Brazil in 2022: \$ 52.6 million

Lebanese Imports from Brazil in 2022: \$ 231.9 million

Trade balance deficit: \$ -179.3 million

Historical Largest Export value to Brazil: \$ 61.8 million (2008)

Historical Largest Import value from Brazil: \$ 387.7 million (2014)

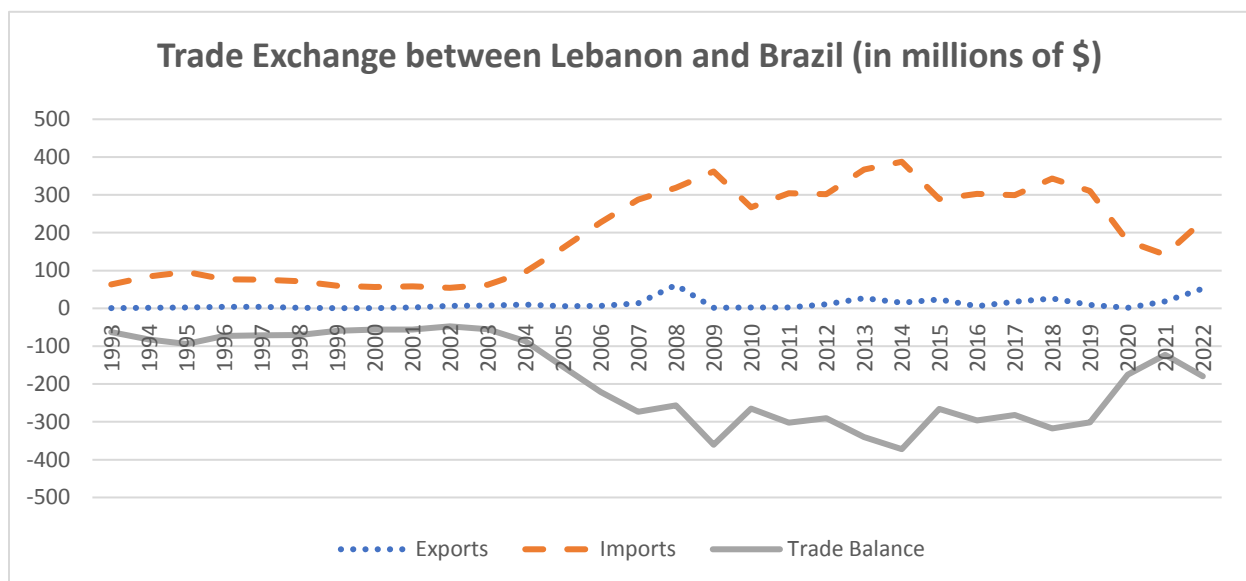
Historical Largest trade balance deficit: \$ -372.3 million (2014)

Trade Exchange

In 2022, Brazil ranked 16th on the list of Lebanon's main export sources accounting for 1% of the country's total exports.

Accordingly, it ranked 19th on the list of Lebanon's main import sources accounting for 2% of total lebanese imports.

| Trade Exchange between Lebanon and Brazil (in millions of \$) | | | |
|---------------------------------------------------------------|---------|---------|---------------|
| Year | Exports | Imports | Trade Balance |
| 2022 | 52.6 | 231.9 | -179.3 |
| 2021 | 18.4 | 141.8 | -123.3 |
| 2020 | 1.8 | 177.1 | -175.2 |
| 2019 | 8.9 | 310 | -301.1 |
| 2018 | 26.2 | 343.6 | -317.4 |
| 2017 | 17.4 | 299.2 | -281.8 |
| 2016 | 6.1 | 302.6 | -296.5 |
| 2015 | 23.3 | 289.4 | -266.1 |
| 2010 | 2.1 | 267.1 | -265 |
| 2005 | 5.8 | 159.9 | -154.1 |
| 2000 | 0.8 | 56.5 | -55.7 |



Traded Goods between the Two Countries

1. Lebanese Exports to Brazil

| HS | Most Important Lebanese Exports to Brazil | Value (Thousands \$) | Weight (Tons) |
|----|----------------------------------------------------|----------------------|---------------|
| 31 | Fertilizers | 50,749 | 65,000 |
| 20 | Preparations of vegetables, fruit, nuts | 428 | 209 |
| 15 | Animal or vegetable fats and oils | 248 | 116 |
| 93 | Arms and ammunition; parts and accessories thereof | 207 | 33 |
| 22 | Beverages, spirits and vinegar. | 201 | 62 |
| 21 | Miscellaneous edible preparations | 152 | 49 |
| 56 | Wadding, felt and nonwovens; special yarns; twine | 113 | 13 |
| 9 | Coffee, tea, maté and spices | 112 | 16 |
| | Others | 428 | 99 |
| | Total | 52,638 | 65,597 |

In 2022, fertilizers were among the main lebanese exports to Brazil. They constituted around 96% of all the exports from Brazil. More specifically, mineral/ chemical fertilizers containing by weight 35 % or more of diphosphorus pentaoxide (P2O5) (HS 3103.11) was the category the most exported with a value of \$ 47.7 million.

For further insights, the following table shows the 4 main lebanese exports to Brazil since 2011.

| Commodity | Average |
|-----------------------------------------------------|-------------------|
| Fertilizers (HS 31) | \$ 11.4 million |
| Lead and Articles of thereof (HS 78) | \$ 553 thousand |
| Preparations of vegetables, fruits and nuts (HS 20) | \$ 534.7 thousand |
| Machinery (HS 84) | \$ 343.8 thousand |

Hence, Lebanon's exports of fertilizers in 2022 were above the 12 year average.

2. Lebanese Imports from Brazil

| HS | Most Important Lebanese Imports from Brazil in 2022 | Value (thousand \$) | Weight (tons) | % |
|-----------|------------------------------------------------------------|----------------------------|----------------------|-------------|
| 2 | Meat and edible meat offal. | 51,145 | 12,815 | 22% |
| 12 | Oil seeds and oleaginous fruits | 42,418 | 57,375 | 18% |
| 17 | Sugars and sugar confectionery | 28,118 | 43,789 | 12% |
| 1 | Live animals | 23,490 | 7,509 | 10% |
| 10 | Cereals | 20,804 | 49,453 | 9% |
| 9 | Coffee, tea, maté and spices | 19,226 | 5,385 | 8% |
| 24 | Tobacco and manufactured tobacco substitutes | 19,075 | 3,748 | 8% |
| 48 | Paper and paperboard; articles of paper pulp, | 5,752 | 5,421 | 2% |
| | Others | 21,909 | 9,173 | 4% |
| | Total | 231,937 | 194,668 | 100% |

In 2022, meat, oil seeds and sugars were the top goods imported and representing more than 50% of all the imports from Brazil. More specifically, soya beans (HS 12.01.9) was among the category the most imported with a value of \$ 41.8 million.

Looking at the statistics from 2011, the main Lebanese imports from Brazil can be characterized as being specific to food products.

| Commodity | Average |
|----------------------------------------|-----------------|
| Meat and edible meat offal (HS 02) | \$ 85.2 million |
| Live animals (HS 01): | \$ 66.8 million |
| Coffee, tea, mate, spices (HS 09): | \$ 56.3 million |
| Sugar and sugar confectionery (HS 17): | \$ 30 million |

Comparing the numbers with 2022, Lebanon imported meat, live animals and beverages less than the average.

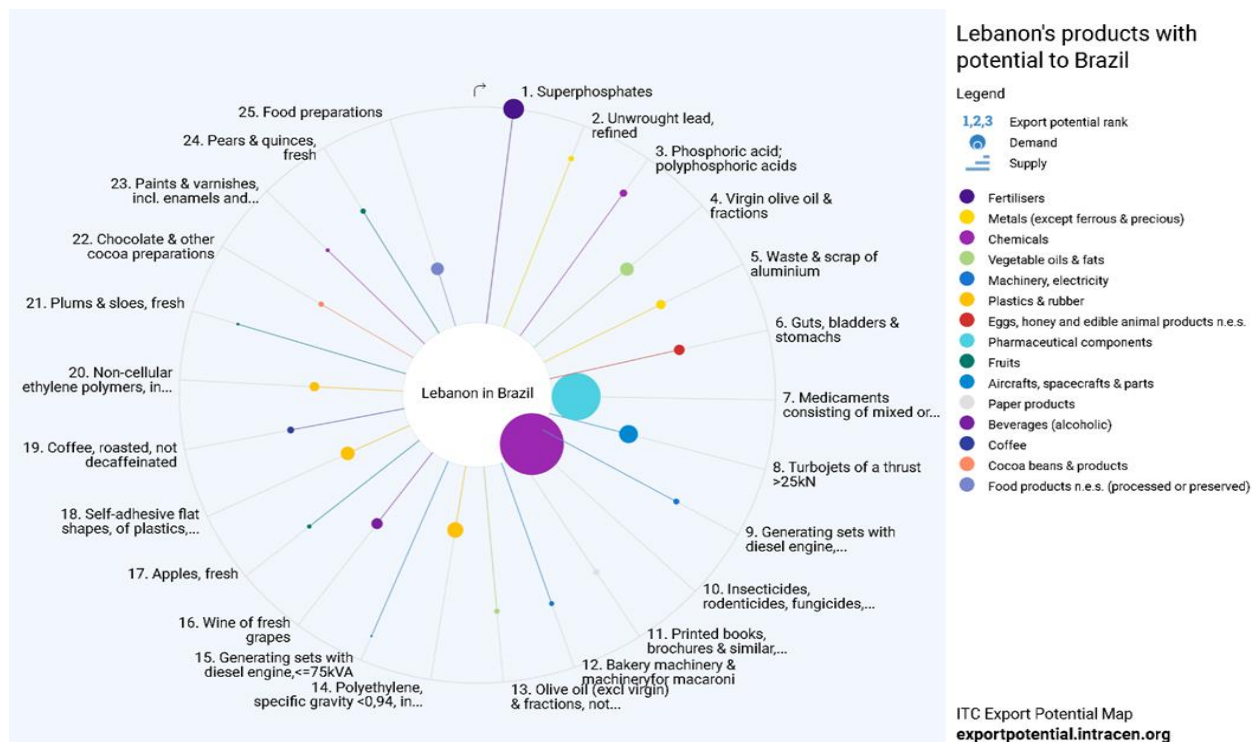
Export Potential between the Two Countries

1. From Lebanon to Brazil

| | Export Potential | Actual Export | Untapped Potential |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----------------|--------------------|
| Superphosphates | \$ 7 million | \$ 12 million | - |
| Unwrought lead, refined | \$ 482 thousand | \$ 0 | \$ 482 thousand |
| Phosphoric acid; polyphosphoric acids | \$ 355 thousand | \$ 0 | \$ 355 thousand |
| Virgin olive oil & fractions | \$ 212 thousand | \$ 80 thousand | \$ 132 thousand |
| Lebanon has the highest supply capacity in Superphosphates. Insecticides, rodenticides, fungicides, herbicides & similar are the products that face the strongest demand potential in Brazil. | | | |

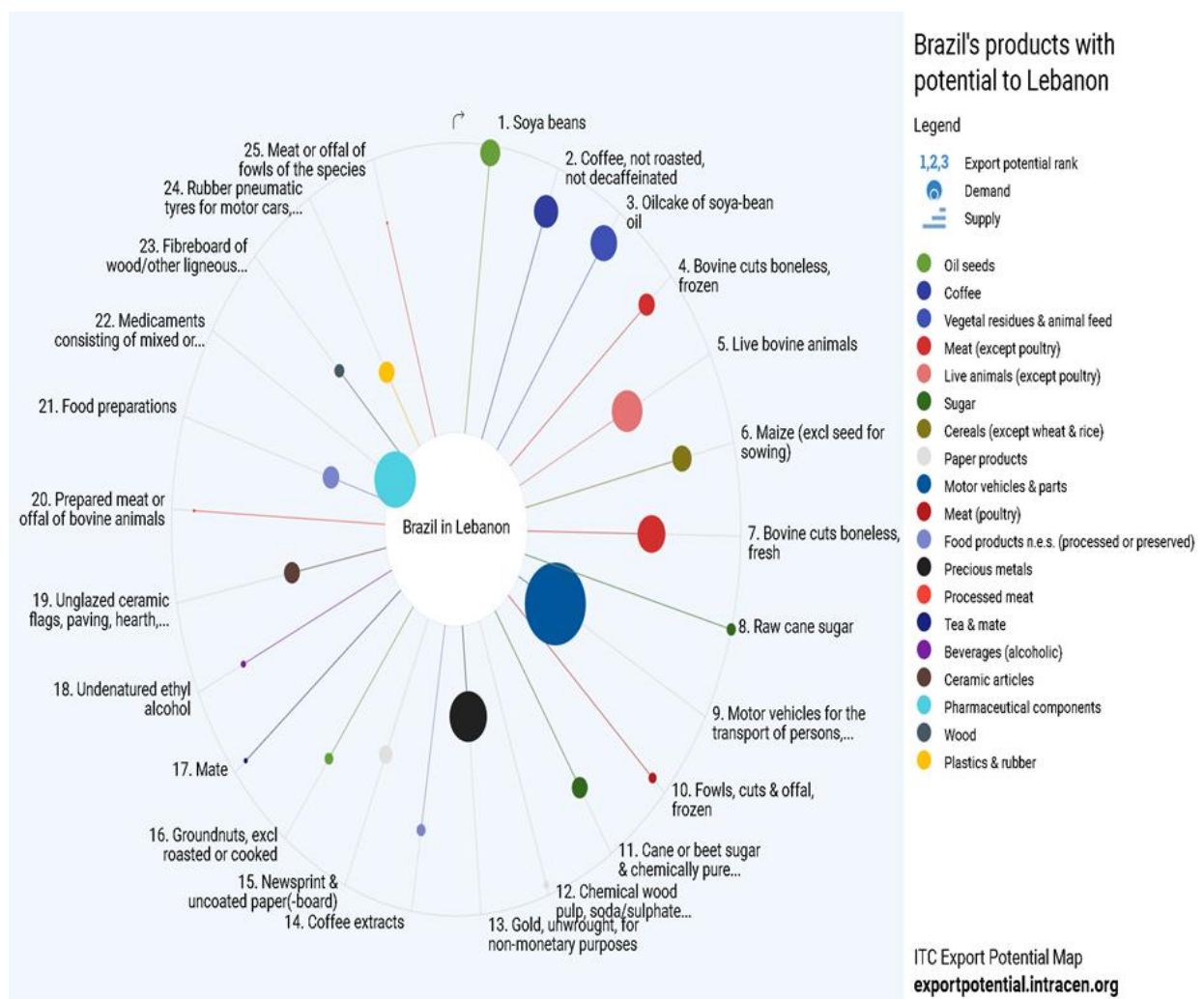
In order to increase Lebanese exports to Brazil, an identification of the most exported products can be beneficial. According to the Lebanese Customs and ITC, fertilizers are the top product that Lebanon exports to the Latin American country. In 2022, Brazil's imports of fertilizers from the world were 24.7 billion. Moreover, its yearly average imports of this products are \$ 10.7 billion.

Lebanon needs to work on increasing its production of fertilizers in order to export larger quantities to Brazil given its high imports of HS 31. Similarly, a potential is available in for phosphoric acids, unwrought lead and virgin olive oil.

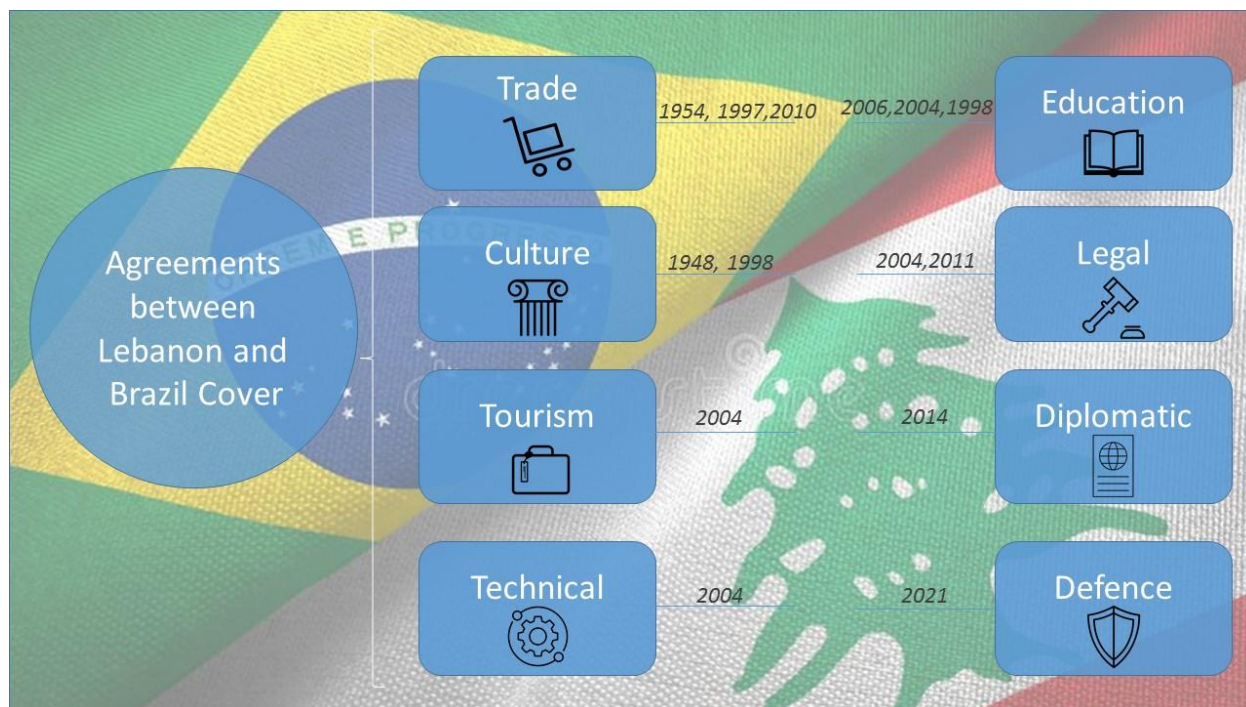


2.From Brazil to Lebanon

| | Export Potential | Actual Exports | Untapped Potential |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----------------|--------------------|
| Soya beans | \$ 32 million | \$ 1 million | \$ 31 million |
| Bovine cuts boneless, frozen | \$ 13 million | \$ 9 million | \$ 4 million |
| Maize | \$ 11 million | \$ 19 million | - |
| Brazil has the highest supply capacity in Raw cane sugar. Motor vehicles for the transport of persons is the product that faces the strongest demand potential in Lebanon. | | | |



Agreements between the Two Countries



Alongside the bilateral agreements, Lebanon has signed an agreement on trade and economic cooperation which is the "Mercosur" in December 2014. It encouraged trade exchange and mutual investments through the establishment of a free trade zone in accordance with the rules and instructions of the World Trade Organization.

Also, an agreement between the Federation of Brazilian Foreign Chambers of Commerce and the Federation of Chambers of Commerce, Industry and Agriculture in Lebanon exists. The two parties recognize the importance of trade and investment relations between Brazil and Lebanon, particularly in the field of exchange of goods, services, trade and investment, and realizing the strategic nature of the partnership between the two countries in all economic and trade fields. The purpose is to establish principles and rules to consolidate cooperation between the two entities with the aim of improving the business environment within and between the two countries.