

## Facts, figures and opinions about Lebanon's Petroleum Sector

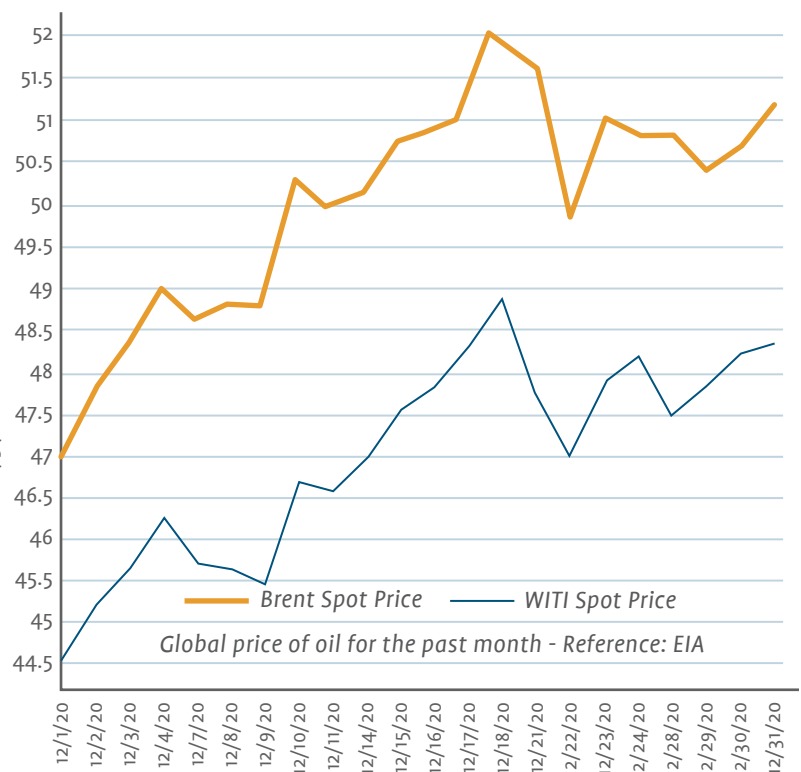
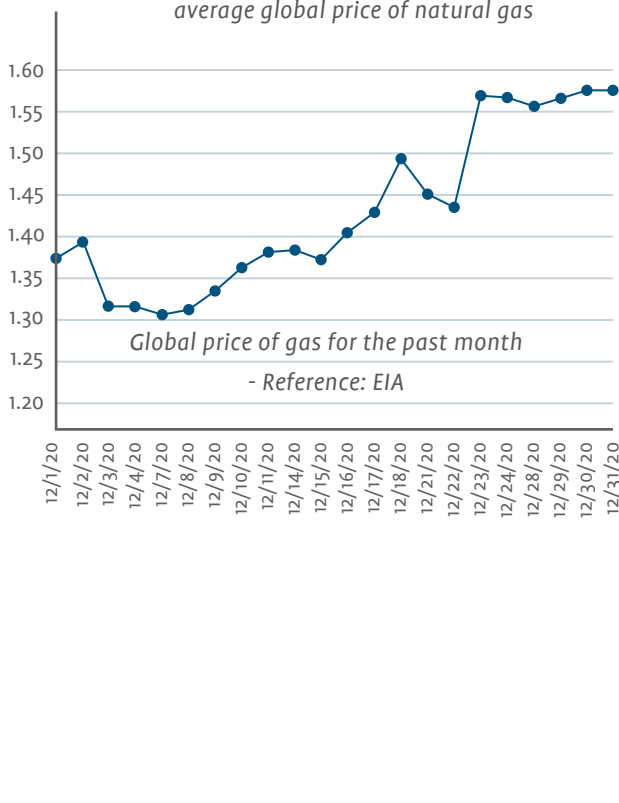
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Middle East

### Status of Lebanon's Oil & Gas Sector

No current activity since the drilling of Block 4 ended in May 2020, when no gas was found in commercial quantity. Lebanese Energy Minister announced that the international consortium on oil and gas exploration will continue offshore operations under the leadership of France's Total.

**\$2.55 per MMBTU**  
average global price of natural gas

**\$48.42 per barrel (WTI)**  
average global price of oil



### Numbers to know: Tax contribution from the offshore gas sector may only account for 3% of the annual budget, in the best scenario

Tax contributions from the offshore gas sector cannot be transformative for Lebanon's distressed public finances. Even taxes from a large field might peak at only 3% of the annual budget for a couple of years in the 2030s. Gas is not a silver bullet (Lebanon's Offshore Gas Sector: Shifting Towards Domestic Growth, LOGI).

### Fuel imports fell to \$3 billion in 2020

In 2020, imports have fallen sharply, by around 50%, to an estimated \$10.9 billion - this sharp decline being mostly explained by the decrease in fuel imports, to \$3 billion (according to research Abbas Tfaii, Al-Joumhouria, september 2020).



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### 40% of available electricity is lost

“Losses on the grid are reported amounting to 40%, 15% corresponds to technical losses while the remaining are non-technical losses”. Non-technical losses, which have been substantially reduced during the last decade, are attributed to either electricity consumed through illegal connections, meter manipulations, or are consumed without being billed due to the shortcomings in the billing system. (Younes, Rafic & Fardoun, Farouk & Ibrahim, Oussama. Electricity of Lebanon: Problems and Recommendations. Energy Procedia)

### 30% of all electricity produced is self-generated

With electricity blackouts reaching up to 13 hours per day in some cities, self generation is estimated to represent up to 30% of all electricity generated, playing an essential role in the overall coverage (World Bank).

### **Decision Makers' Action List:**

#### **PARLIAMENT SHOULD:**

- Ratify a Public Consultations Law to ensure that an inclusive, participatory approach is followed throughout the legislative process.

#### **THE COUNCIL OF MINISTERS SHOULD:**

- Once appointed, the new government should supervise the implementation of the Access to Information Law, including by implementing the application decree and promoting inter-ministerial coordination
- Appoint members of the National Anti-Corruption Commission which will supervise several anti-corruption laws, such as the Law on Strengthening Transparency in the Oil and Gas sector
- Consult with the National Anti-Corruption Commission in the implementation of the Access to Information Law, including in ruling which information should be shared with the public and which should be kept undisclosed
- Issue the petroleum registry decree, as mandated by Law 84/2018, in order to combat corruption and reinforce transparency measures in the petroleum sector

#### **THE MINISTRY OF ENERGY & WATER SHOULD:**

- Send quarterly reports detailing progress in the sector, including those received by the Lebanese Petroleum Administration, to Parliament and the Council of Ministers, as required by Law 84/2018