

Comments on the Lebanese Pound in Washington Post, 26 Jun 2020

Dr. Nasser Saidi's comments on Lebanon's currency appeared in the article titled "[Lebanon's currency takes a new dive, and there is no end in sight](#)" in Washington Post's 26th June 2020 edition. The comments are posted below.

In the absence of a clear policy path ahead, there is no bottom to the value of the Lebanese pound, said Nasser Saidi, a former Lebanese finance minister who is now a financial consultant based in Dubai.

Citizens have lost trust in the banking system and the country is shifting to a cash-only economy. Some retail outlets have started accepting only dollars, which are hard to find. U.S. and European sanctions against neighboring Syria have deprived that country of dollars, too, making Lebanon the chief destination for Syrians seeking to fund imports there, increasing the demand for dollars, Saidi said.

Government revenue, meanwhile, has skidded to a halt because of the shutdowns and economic retraction, forcing the Central Bank to print Lebanese pounds to fund government expenditures, including salaries for the bloated civil service.

"Those go into the market and they are chasing fewer and fewer dollars," Saidi said. "There is no longer any anchor for the value of the Lebanese pound and we are going into the unknown."