

Comments on Lebanon's currency devaluation, FT, 1 Feb 2023

Dr. Nasser Saidi commented on Lebanon's currency devaluation (to a new rate of L£15,000 from a fixed rate peg of L£1,507 to the dollar since 1997) at in the FT article titled "Lebanon devalues official exchange rate by 90%" published on 1st Feb 2023.

The full article can be accessed at: <https://www.ft.com/content/f37617e1-098b-459f-9502-50ffb50c6c0c>

The comments are posted below:

Nasser Saidi, a former economy minister and ex-deputy central bank governor, called it a continuation of the "failed exchange rate pegging/fixing policy that has generated the biggest financial crisis in history".

Saidi said that the new L£15,000 rate was "75 per cent below the effective market rate of L£60,000 as well as below the so-called Sayrafa rate of L£38,000", the latter referring to the central bank's exchange platform. "This just adds to the multiple exchange rates that lead to severe market distortions."