

Comments on Lebanon's foreign currency reserves in FT, 8 Mar 2020

Dr. Nasser Saidi's comments on Lebanon's foreign currency reserves appeared in the article titled "Lebanon set to default for first time as foreign currency reserves dive" published in the FT on 8th March 2020.

The full article can be accessed at:
<https://www.ft.com/content/bda10536-6145-11ea-a6cd-df28cc3c6a68>

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Nasser Saidi, a former central bank vice-governor, estimated that usable reserves had fallen to "about \$3bn to \$4bn". He said this was because the gross reserves included \$18bn to \$19bn set against deposits for commercial banks that the BdL could not spend because of reserve requirements. In addition, the BdL has lent local institutions about \$6bn to \$7bn to help them cover their commitments to correspondent banks, Mr Saidi said.

"It is now urgent that the government opens up negotiations with the IMF," Mr Saidi said, "because you're going to need help with balance of payments, even to fund your imports".