

Lebanon central bank official probed over currency crash

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BEIRUT: Lebanon's financial prosecutor questioned a top central bank manager on Friday over the country's financial crisis, including the free fall of the Lebanese currency, a judicial official said.

Mazen Hamdan, the head of cash operations at the bank, is the most senior official to be interrogated in an ongoing probe into possible financial wrongdoing. He was ordered to appear for questioning about what Lebanon's official news agency called "the manipulation of the dollar exchange rate." The central bank denied charges of manipulation in a statement that detailed recent transactions with money traders.

The probe reflected a growing clash between the central bank and the government at a critical time, as Lebanon launches talks with the International Monetary Fund to negotiate a rescue plan amid an unprecedented economic and financial crisis. The talks come against the backdrop of a deepening liquidity crunch, negative economic growth, soaring inflation and a massive state debt.

The judicial official, who spoke on condition of anonymity because he was not authorized to discuss the investigation, said Hamdan has not yet been formally charged.

In a statement, the central bank said it was lifting banking secrecy rules to show transactions between the bank and private money traders, to respond to the prosecutor's allegations. It said the transactions with private traders over one month were of a limited quantity and were no match to the fluctuations witnessed in the market. It added that no transactions with exchange bureaus occurred after May 5.

"There are no manipulations in the exchange market as a result of transactions with the central bank," it said.

Meanwhile, the central bank's staff union called for the release of Hamdan, denouncing a "continuous attack on the central bank" and saying Hamdan was only carrying out his administrative duties.

In recent days, authorities have cracked down on currency exchange bureaus as the Lebanese pound, pegged to the dollar for more than 20 years, lost 60% of its value in weeks. A number of money dealers and the head of their union were arrested and officials closed down some bureaus for operating without licenses. They accused others of violating orders from the central bank to trade at a new controlled rate.

The measures to contain the currency's free fall, including a cap on external transfers and adjusted exchange rates for dollar withdrawals from banks and money transfer bureaus, have created chaos on the black market and sowed panic among the public.

The central bank said it will provide dollars to importers at the rate of

3,200 pounds to the dollar – more than double the official pegged rate – to control the price of food. The black market rate has reached over 4,200 pounds to the pound in recent days.

The interrogation of Hamdan comes amid an unprecedented public spat between the head of the government and the governor of the central bank. Prime Minister Hassan Diab has held the governor, Riad Salameh, responsible for the pound's downward spiral. Salameh says he has been taking all necessary measures to contain the crisis and blames politicians for misspending bank finances to pay down massive state debt.



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Crisis-hit Lebanon ready to float pound after aid: Finance minister
UN chief calls on Lebanon to disarm Hezbollah

[13 terrorists killed in Sinai](#)

[operation, says Egypt army](#)

Fri, 2020-05-15 17:29

LONDON: Thirteen terrorists were killed in north Sinai in a security operation, the spokesman for the Egyptian armed forces said on Friday.

Seven militants were killed during the raid and six were later killed after they tried to flee but were tracked to their hideout using cameras.

The raid, carried out by the armed forces, took place after intelligence reports suggested that the terrorists were hiding out at a plantation in northern Sinai.

The armed forces seized a four-wheel drive vehicle, a motorbike, 10 explosive devices, four explosive belts, several rifles and ammunition as well as various mobile phones and walkie-talkies during the operation.

Security forces have been battling a long-running extremist insurgency in the Sinai Peninsula – in Egypt's northeast – that is spearheaded by a local affiliate of Daesh.



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Egypt reports 15 military casualties in Sinai recentlyEgypt police say killed 6 militants in northern Sinai

[Crisis-hit Lebanon ready to float pound after aid: Finance minister](#)

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Fri, 2020-05-15 13:00

BEIRUT: Lebanon, whose currency has been pegged to the dollar for 23 years, is ready to float the pound only after it secures billions in aid, Finance Minister Ghazi Wazni said Friday.

Speaking to AFP after talks started Wednesday with the International Monetary Fund on a plan to rescue Lebanon's free falling economy, he also said a restructuring of the banking sector would entail halving the number of banks in the country.

A hard currency crunch in recent months has strained the official fixed rate of 1,507 to the dollar, with the pound losing more than half of its value to fetch well over 4,000 on the black market.

"The IMF always asks for the freeing of the pound's exchange rate," Wazni said.

But "we need to change the stabilization policy to one of a flexible exchange rate in a first stage and for the foreseeable future," he said, referring to an initial managed floatation.

"When we receive financial support from abroad, we will transition to floatation" according to the market, he said.

"The Lebanese government has asked for a transitional period to pass through a flexible exchange rate before we reach floatation," he added.

Wazni said the first phase would involve "a gradual increase of the exchange rate to the dollar," in coordination with the central bank.

He said this was necessary because the government feared "huge deterioration of the pound exchange rate" otherwise.

Lebanon, which was hit last autumn by unprecedented protests, asked the IMF for financial assistance on May 1 after laying out a much-awaited financial rescue plan.

That plan aims to drum up billions of dollars in aid, reduce the deficit, restructure a colossal debt, and reorganize an oversized banking sector.

Wazni said the restructuring would be done "step by step."

"Lebanon counts 49 commercial banks and it is normal for that number to

decrease to around half of that in the next stage," he said. Lebanon is in the grips of a severe liquidity crunch, with depositors unable to make transfers abroad or withdraw dollars. The Mediterranean nation is one of the most indebted countries worldwide with a debt equivalent to 170 percent of its gross domestic product. It defaulted on a repayment for the first time ever in March.



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Lebanon to reinstate total lockdown amid spike in infections
UN chief calls on Lebanon to disarm Hezbollah

[Israel delays swearing in of unity government](#)

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Thu, 2020-05-14 15:50

JERUSALEM: Israel postponed the swearing in of its unity government, which had been set for Thursday, following a request for a three-day delay by Prime Minister Benjamin Netanyahu.

Netanyahu asked his ally-turned-rival Benny Gantz to postpone the swearing in until Sunday so he could finalize cabinet assignments among members of his right-wing Likud party, said a statement from Likud and Gantz's centrist Blue and White political alliance.

"Gantz agreed to Netanyahu's request," the statement said.

Netanyahu and former military chief Gantz agreed to a three-year coalition government last month, after more than 500 days of political deadlock and three inconclusive elections in less than a year.

Through the three weeks since the pact was signed, leaders from various parties have haggled for key positions.

In a letter sent to President Reuven Rivlin late Wednesday, Netanyahu, in power since 2009, announced he had formed a government.

Under the coalition deal, Netanyahu will serve as prime minister for the coming 18 months, a victory for a leader due to stand trial from May 24 on corruption charges, which he denies.

Gantz will be alternate prime minister – a new position in Israeli governance – for the first half of the deal, before he and Netanyahu swap roles.

Pro-Netanyahu paper Israel Hayom wrote Thursday that the premier had signed off on his own "expiration date" after the longest tenure as prime minister in Israeli history.

The 35th government since Israel's creation in 1948 includes representatives from across the political spectrum.

Cabinet posts have been assigned to the left-wing Labour party, Blue and White, Likud and leaders from conservative ultra-Orthodox Jewish parties.

Writing in the Yediot Aharonot newspaper, political columnist Ben-Dror Yemini said the coalition was "inflated" and "wasteful," pointing to the record 34 cabinet seats, a number that could grow to 36.

"It's unclear if (the government) has any ideology," he said. "It is all about seats."

The large cabinet, along with additional funds to accommodate the new position of alternate prime minister, have prompted criticism as Israel seeks to rehabilitate an economy brutalized by the coronavirus pandemic.

Israel has recorded more than 16,500 COVID-19 cases, including more than 12,200 recoveries and more than 260 deaths.

While the country has lifted many lockdown restrictions as transmission rates have fallen in recent weeks, rampant unemployment caused by the pandemic remains an urgent concern.

Policy "guidelines" submitted by Netanyahu on Wednesday said the new government will build "a plan to exit the deep economic crisis."

The Netanyahu-Gantz deal says the government can from July 1 initiate moves to implement US President Donald Trump's controversial peace plan for the Israeli-Palestinian conflict.

The plan, categorically rejected by the Palestinians, gives the green light from Washington for Israel to annex Jewish settlements and other strategic territory in the occupied West Bank.

Such moves by Israel will likely cause international uproar and risk

inflaming tensions in the restive West Bank, home to nearly three million Palestinians and some 400,000 Israelis living in settlements considered illegal under international law.

Renewed West Bank violence has left three people dead in as many days.

A Palestinian attacker who rammed his car into Israeli soldiers near Hebron was shot dead by troops on Thursday, a day after an Israeli killed a 15-year-old Palestinian, also near Hebron, as the army was suppressing riots.

A Palestinian stone-thrower killed an Israeli soldier on Tuesday during an arrest operation near Jenin, the army's first fatality of the year.

The government's guidelines make no mention of annexation plans, but commit it to "strengthen national security and to strive for peace."

Barring a last minute surprise, outgoing defense minister Naftali Bennett who heads the right-wing, nationalist Yemina party will join the opposition.

Bennett, a hard-line promoter of annexation and the expansion of West Bank settlements, will be replaced by Gantz at the defense ministry.

Former US president Barack Obama's envoy to Israel, Daniel Shapiro, told AFP this week that Gantz and incoming foreign minister Gabi Ashkenazi were "lukewarm, at best" on West Bank annexations.

Jordan's Foreign Minister Ayman Safadi said Wednesday that "any Israeli decision to annex the settlements, the Jordan Valley and the north of the Dead Sea in occupied Palestine will be a disastrous step."

In a phone conversation with Spain's foreign minister, Safadi warned that it would "kill chances for a just peace and push the region toward more conflict."



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Turkish, Israeli officials thought to be in secret talks as Erdogan eyes Med gas deal

[Qatar makes face masks mandatory on threat of jail, fines](#)

Author:

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Thu, 2020-05-14 15:37

DOHA: Qatar has made wearing a face mask compulsory for everyone who steps outside their home, with violators facing jail time and fines of up to \$55,000.

The move comes as the number of reported novel coronavirus cases in the country jumped by another 1,733 on Thursday, a single-day record for the Gulf state.

Cabinet mandated the wearing of face masks "upon leaving the house for any reason" except when "alone while driving a vehicle," the Qatar News Agency reported Thursday.

The decision on Wednesday is effective from Sunday "until further notice," with penalties of up to three years in jail and fines of up to 200,000 riyals (\$55,000), it added.

Qatar, with a population of 2.75 million people, has seen a relatively high number of novel coronavirus cases, with more than 28,000 people testing positive.

But its official death rate remains low, with just 14 fatalities.

Bars, restaurants, cinemas and mosques have been shut to contain the spread of the virus.

But construction projects, including World Cup 2022 stadiums, have continued with new rules to encourage social distancing.



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Qatar's migrant workers 'beg for food' amid coronavirus outbreak
Storm destroys Qatar coronavirus field hospital