

Financial crisis in Lebanon escalates as banks begin two-day strike

Author:

Mon, 2022-03-21 21:05

BEIRUT: Lebanese banks on Monday declared a two-day strike in protest against judicial decisions issued against Fransabank, Credit Bank, Banque du Liban et d'Outre Mer, Bank of Beirut, Societe Generale, Bankmed, and Aoudi Bank.

The banks condemned the rulings as arbitrary, noting that some lawsuits filed by depositors are related to their requests to recover US dollar funds that have been withheld by the banks for more than two years.

The strike puts the banks on a collision course with the judiciary. The banks and the political elite are now awaiting the outcome of meetings between Minister of Justice Henry Khoury and the heads of the judiciary, as ordered by Prime Minister Najib Mikati based on the principle of separation of powers.

The situation was exacerbated on Monday after Judge Ghada Aoun, the public prosecutor of appeal in Mount Lebanon, ordered the temporary seizure of real estate properties belong to Rajah Salameh – the brother of Riad Salameh, the governor of the Banque du Liban – who was detained on Friday in connection with activities involving the public treasury “which was proven to have been wasted according to the preliminary investigations.”

Judge Aoun said she has now referred Rajah Salameh to prosecutors after having previously referred him to the first investigating Judge in Mount Lebanon, Nicolas Mansour.

Riad Salameh, meanwhile, on Monday failed to show up for a session during which he was scheduled to appear before a judge. As a result, Judge Aoun filed charges against him, businesswoman Anna Kozakova, and a number of companies on charges of “illicit enrichment and money laundering,” and referred the cases Mansour.

In response to the allegations against him, Riad Salameh told Reuters: “I ordered an audit and it was proven that public money was not the source of my wealth.”

Judge Aoun's preliminary investigations were carried out in response to a lawsuit filed by activist group Rouwwad Al-Adalah, which translates as Pioneers of Justice.

The Union of Bank Employees, which supported the banks in their strike, said it hoped that “the judiciary deals objectively with the crisis with the banks, because the last judiciary decisions did not only affect the concerned banks but bypassed them to touch all the banking sector, noting that its results will be disastrous for the sector abroad.”

The political and legal debate sparked arguments about the legality and illegality of procedures and the economic effects of targeting the banks. There are fears that the banks might escalate their action, which might include an indefinite strike in protest against decisions by the judiciary in favor of depositors.

The Association Des Banques du Liban called on “political authorities to take the necessary steps to stop the legal violations against the banks, and stop the scandalous infringements of some parties, especially the judiciary, in violating the laws and continuing the arbitrary and barbaric practices that would result in a judicial chaos.”

The private banks blame the political authorities and BDL for the deposits crisis, as a result of continuing to take out loans and failing to pay them off, noting that banks continued lending money to the state despite knowing that it would not be paid back because of corruption.

The Federation of Unions of Bank Employees called for the public to be informed “about the reasons which led to the evaporation of the banks’ deposits and to the aggravation of the crisis between depositors and the banks,” and said that “successive governments continued their borrowing policies and kept on spending money without any monitoring until the country fell into the crisis.”

It also queried the role of “the Supreme Judicial Council and the Judicial Inspection Authority in monitoring the work of judges, and the extent to which some judges adhere to the principles of judicial work, especially with regards to the banking sector.”

On Monday, the exchange rate of the US dollar against the Lebanese pound further increased in light of the bank strike, raising fears among the public that prices will increase again. Workers in the public and private sectors and pensioners expressed anger about not being able to withdraw their salaries and pensions from the banks.

Sarkhat Al-Moudiin, which translates as Depositors Outcry, and other activists’ groups threatened “in the upcoming days to expand their efforts to determine criminal and financial responsibilities that led to the current financial crisis, in preparation to hold the politicians responsible, and in order for everyone to get what they deserve.”



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Lebanon PM Najib Mikati says some judges stoking tension within country
Lebanon's Fransabank closes all branches after judicial order, source says

[Egypt condemns Houthi attacks on Saudi facilities](#)

Author:

Mon, 2022-03-21 20:45

CAIRO: The Egyptian government has condemned the Houthis' attack on economic and civilian facilities in Saudi Arabia, describing the actions as flouting international law.

In a statement by the Ministry of Foreign Affairs, Egypt slammed "in the strongest terms, the Houthi militia's continuation of its despicable terrorist attacks (on) the territory of the Kingdom of Saudi Arabia, the latest of which was (on) economic and civil(ian) facilities at dawn on Sunday, with drones and ballistic missiles."

The statement stressed that this was a “great escalation” and violated international law. Egypt reaffirmed its support for the Kingdom.

The attacks took place on Saturday night and in the early hours of Sunday morning. The Houthi actions come ahead of GCC-sponsored peace talks between Yemeni factions that the militia said they would not attend. The talks are due to take place from March 29 in Riyadh.



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Fire breaks out at Aramco plant in Houthi attack
Houthis under fire for ruining peace efforts to end war

Extremists suspected in gunfire on Tunisia police post

Author:

Sun, 2022-03-20 23:42

TUNIS: A firefight broke out between suspected terrorists and police near a national guard barracks on Sunday in the central Tunisian region of Kairouan, police said.

They said in a statement that gunmen in a car opened fire but were repelled by a "massive" retaliatory barrage, without any casualties reported in the exchange.

Those responsible for "this cowardly attack were probably ... part of a terrorist cell," operating between Kairouan and Sousse in eastern Tunisia, that had been dismantled with arrests made, the statement said.

The attack came on Tunisia's independence day and with the country plunged in political crisis.

Following the 2011 revolution, Tunisia saw a surge in militant attacks across the country.

Many Tunisians also traveled to Syria or Iraq to join Daesh or other extremists.

In March 2016, 13 members of the security forces, seven civilians and at least 55 terrorists were killed as Daesh members launched a battle in the town of Ben Guerdane near the border with Libya.

The situation has since vastly improved but Tunisian security forces continue to hunt suspected jihadists.

On March 4, a Tunisian court sentenced 16 people to death in the first judgments against extremists involved in the Ben Guerdane attacks.



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Tunisian eco-pioneers battle to save Sahara oasis life
Tunisian union warns over rights after journalist detained

[Tunisian eco-pioneers battle to save Sahara oasis life](#)

Author:

Sun, 2022-03-20 23:32

NEFTA, Tunisia: A remote oasis in Tunisia's desert was exhausted by decades of wasteful water use for agriculture – but now pioneers around an eco-lodge are reviving the spot with innovative projects.

They hope their back-to-basics approach can keep alive the ancient Saharan caravan stop and its traditions as a sustainable alternative to the region's high-irrigation date plantations.

"Among the palm trees, everything can grow," said Mohammed Bougaa, 63, a farmer in the remote Nefta oasis, a seven-hour drive from the coastal capital Tunis.

"There's everything you need here: Vegetables, fruit. We can plant peppers, tomatoes, carrots – everything grows when there's sun and water."

The problem has been that the Nefta spring – which once delivered some 700 liters of water per second – has been exhausted to irrigate the region's famous dates, called "deglet nour."

"The Nefta springs dried up 20 years ago," said Bougaa.

As underground water sources have failed and summer temperatures peaked at a scorching 55 degrees Celsius (131 degrees Fahrenheit) last August, the season's crop has been disappointing.

Patrick Ali El-Ouarghi, who runs an eco-tourism lodge in the oasis, said date palm plantations, at the right scale, can be run sustainably.

He called them an ideal demonstration of permaculture, a system for producing food organically by mimicking natural ecosystems.

"The palm trees protect the fruit trees, and the fruit trees protect the vegetable patches, it's natural in an oasis," El Ouarghi said.

The French-Tunisian set up his Dar Hi lodge 11 years ago – including the so-called "Palm Lab" where engineers, architects and artists discuss how to conserve the oasis.

The ecology project aims "to make investors and farmers want to reinvest in the oasis, because it's decaying a bit," he said.

A key theme is tackling the severe water shortages by experimenting with technology such as drip irrigation.

The current system of flooding orchards with water, pumped from 100 meters below ground, is wasteful, he said.

Not far from Dar Hi, others are trying different ways of creating value in the oasis.

American Kevin Klay, 35, a former resident of Sousse in northern Tunisia, says he fell in love with dates during a visit to the south.

"We realized that many dates, up to 20 to 30 percent, were thrown out and not used because of a small visual blemish," he said.

So he bought a few kilos, removed their seeds, dried them and then put them through a coffee grinder.

The result, he said, was a sweetener "with a fifth of the calories of white sugar" that is full of fiber and contains "more potassium than bananas."

Armed with this knowledge, Klay in 2018 launched "Dateible," selling his "date sugar" produced from the organic-certified desert fruits for export.

He now employs nine people, seven of them women.

"We've seen huge demand, particularly in the US where our main market is," he said.

The firm is exporting dates in bulk and also starting to sell on online retail site Amazon.

Several firms are producing other date derivatives such as a coffee substitute made of date pips and a form of molasses for use in pastries.

Back at the lodge, the restaurant is reviving traditional desert cuisine.

"It's very simple and dates from the arrival of nomads," when Nefta, today regarded as a spiritual home of Sufism, was a key stop on Saharan desert routes, El Ouarghi said.

They brought "unknown flavors and spices that have remained here as a tradition," he said.

Chef Najah Ameur says residents create their own unique spice mixes.

"It's not the same as buying them at the market: Cleaning the leaves, the smell, the flavor, you have to know exactly how to do it," the 40-year-old said.

She cooks a menu of dishes she learned from her mother and from French celebrity chef Frederick Grassier Herme, the recipes collated in a recently published book on oasis cuisine.

"Many ingredients come from the palm groves: parsley, celery, chard, green beans, peas," she said.

Some recipes are also adapted to use Moringa, an Indian tree famed for its nutritional and medicinal qualities and its ability to thrive in arid conditions.

The tree species may be new to the oasis, but residents are hoping that a mix of old and new can keep both their community and their ecosystem in good health.



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Tunisian union warns over rights after journalist detained
Tunisians snub poll on reforms as economic crisis bites

[Sudanese seek relief from declining living conditions](#)

Author:

Sun, 2022-03-20 23:14

KHARTOUM: Sudanese schoolteacher Babiker Mohamed barely covers his family's needs with his meager income, but since last year's military coup he no longer knows if he can even keep afloat.

Like many in Sudan, Mohammed has been grappling with shortages in basic goods, as well as new taxes and steep price hikes on fuel, electricity and food since an October military coup led by army chief Gen. Abdel Fattah Al-Burhan.

"I used to buy 20 loaves of bread at 100 Sudanese pounds before the coup," said Mohammed, who provides for a family of six.

"Bread alone now costs me around 27,000 pounds a month which is like 90 percent of my salary" of about 30,000 pounds (or \$50), he said.

"I don't know if I can afford to send my children to school anymore."

Mohammed joined teachers who went on strike this week against the worsening living conditions.

Sudan's latest coup upended a transition painstakingly negotiated between civilian and military leaders following the 2019 ouster of former President Omar Bashir, whose rule was marked by crippling US sanctions and international isolation.

It also triggered international condemnation and punitive measures, with the US, World Bank and International Monetary Fund suspending badly needed aid to the impoverished country.

Sudanese exports have sharply declined, foreign currency shortages have been reported, and efforts by local banks to re-establish ties with international counterparts in the US and the West came to a screeching halt.

"It's like the embargo was back since Oct. 25," said economist Sumaya Sayed.

Protesters staged several rallies this week against the decline in living conditions.

Sudanese citizens have for decades endured severe economic hardship due to government mismanagement, internal conflicts and the 2011 secession of the oil-rich south.

Bashir himself was ousted in April 2019 following months of street protests initially triggered by the tripling of bread prices.

Essameddine Okasha, spokesman for the association of bakery owners in Khartoum, said bread prices have surged "beyond people's reach."

He attributed the hikes to increasing operational costs.

Sudan is also especially vulnerable to the impact of global supply shortages in the wake of Russia's invasion of Ukraine.

Protesters in northern Sudan have in recent weeks blocked a key trade route between Egypt and Sudan following a sharp increase in electricity tariffs.

In January, Sudanese authorities sharply raised electricity prices across sectors, with households seeing an increase of about 500 percent.

Sudan had already embarked on plans to scrap fuel subsidies under the transition which was derailed by the coup.

Fuel prices have undergone several hikes over the past year.

On Saturday, petrol at the pump cost 672 pounds (\$1.50) per liter, up from some 320 pounds before the coup.

Many local business owners have been forced to suspend operations.

"I have laid off some 300 employees, mostly women who were the breadwinners of their families," said a food factory owner in North Khartoum, speaking on condition of anonymity.

"I could not keep up with electricity and production input price hikes."

Economist Mohammed Al-Nayer says Sudan is in a "state of shock."

"The absence of international aid and loans in the 2022 budget is having a negative effect," he said, pointing out that the fiscal plans rely heavily on tax rises.

"Taxes now constitute 58 percent of the budget, sharply increasing prices and pushing the country into recession."

Sudan has been reeling from triple-digit inflation, which stood at 258 percent in February.

"It will not be possible for the government to bring down inflation ... instead it will likely jump to 500 percent," forecast Nayer.



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Sudan group says 187 wounded in latest anti-coup protests
Egyptian, South Sudanese ministers in talks to enhance ties