

Talk with
Dr. Wassim Manssour

Organized by

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by LEBANON OPPORTUNITIES



TRANSCRIPT

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In a talk organized by **LeadersClub – by Lebanon Opportunities**, Acting Governor of the Central Bank (BDL) **Wassim Manssouri** laid out the strategy and outlook of the monetary policy around four basic pillars. Intent on being differentiated from the bank's former direction, he announced reforms inside the institution and major policy changes especially regarding the classification of bank deposits, the exchange rate, and its relationship with the Treasury.



SUMMARY

- BDL will not lend to the State and will not allow spending beyond budget
- BDL will not write off the State debt amounting to \$16.5 billion
- Foreign currency reserves are not being used to fight speculation on the lira
- BDL is cooperating with banks to control the lira money supply and will ensure the availability of financing in dollars for the private sector
- The unification of the exchange rates is the foundation for solving the crisis
- Four pillars must be implemented on this foundation, accountability, deposits and the relationship of depositors to banks, banks and the economy, and reforming and rebuilding the State.
- The main problem is addressing the issue of the \$88 billion deposits in foreign currencies and returning deposits is a process and cannot take place at once at an exchange rate of LL89,500
- Deposit withdrawals must be classified according to their social impact and solutions must be tailored to the specific needs of each category of depositors
- Withdrawing large deposits requires lifting the banking secrecy and those who had benefited from high interest rates, or generated profits from Sayrafa or from trading in checks must be taxed
- BDL will not accept returning to partial solutions that aim to buy time
- **WARNING:** If nothing is done within one year and a half as a maximum time limit to address the crisis, the country will suffer huge losses and will reach the point of no return.

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