

From: E&Y VCC Communications <noreply@everbridge.net>
Sent: 29 September 2020 04:10
To: Arun Rohilla
Subject: VCC Alert - Beirut, Lebanon Alert: Political, Economic Instability Likely to Increase Following Resignation of PM Adib
Importance: High



Beirut, Lebanon: Political, Economic Instability Likely to Increase Following Resignation of PM Adib

1 Asset(s) Potentially Affected by this Other Security event.

Distance from alert to nearest asset: 1.3 km

On Saturday, September 26, Lebanese Prime Minister (PM) Mustapha Adib resigned from his position as premier after failing to form a new government. He has since resumed his post as Lebanon s ambassador to Germany. In accordance with the Lebanese constitution, President Michel Aoun must now hold further talks with parliament to nominate another prime minister, while French President Emmanuel Macron announced on Sunday that he is giving Lebanese officials four to six weeks to form a new government. Adib was appointed as prime minister on August 31, approximately three weeks after Prime Minister Hassan Diab resigned following the August 4 explosion at the Port of Beirut. France has since emerged as the main power broker in Lebanon, with President Macron overseeing the process of forming a new government. Under the French initiative, Lebanon s new government would carry out reforms and take measures to fight corruption. The implementation of these long overdue reforms is needed to unlock promised international financial aid to the country.

Assessment: Adib s resignation stands to increase political and economic instability in Lebanon in the short term, as the country continues to struggle with a failing economy that has been dubbed Lebanon s worst financial crisis since the 1975-1990 Civil War. The country s financial situation has only been compounded by the blast in Beirut and the continued spread of COVID-19. Adib s decision to resign sent the already plummeting Lebanese pound into a further devaluation against the US dollar, trading at about 8,000 pounds to the dollar on Saturday on the black market. In addition to economic consequences, although Macron has thus far ruled out immediate punitive measures, it remains possible that France could impose sanctions on Lebanon s political leadership in the event of further political deadlock. Indeed, the main roadblock to Adib s attempts to form a cabinet seemed to be demands by Shia parties, the Amal movement and Hezbollah

For more information, login to Visual Command Center: <https://vcc.everbridge.net> or contact Everbridge.Support@ey.com

Severity:	Severe
Alert Location:	Beirut, Lebanon
Alert State:	
Alert Country:	Beirut
	Lebanon
Event Time:	09-28-2020 22:28:56 TO 09-29-2020 22:28:56
Last Updated:	09-28-2020 22:29:07
Source:	RIMC COVID-19