

Association des Commerçants de Beyrouth  
جمعية تجار بيروت  
BEIRUT TRADERS ASSOCIATION

Beirut 20 November 2019

### To Whom It May Concern

Gentlemen or Ladies,

Our country, Lebanon, the traditional showcase and sophisticated trend setter in the region, is currently going through unprecedented turmoil. Since October 17th, 2019, to date, a national uprising movement has been sweeping through the country.

Protests are taking place all over Lebanon, translating into almost constant road blockings, inter- and intra- cities, crippling the population's everyday life.

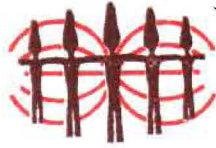
This is resulting into a quasi-paralysis of almost all public and private activity, a situation that Lebanon has not encountered before.

Hence, the national economy has been grinding to a halt, and the activity of all commercial sectors is witnessing a dramatic drop in demand and turnover, reaching 80% in some sub-sectors, while at the same time seeing their inventory levels running lower by the day, without the possibility of restocking.

To worsen this situation, the business community is experiencing severe financing problems through the banking institutions, thus jeopardizing our treasury and cash flow management, while replacement orders abroad are becoming extremely difficult, if not impossible, to place.

The new banking and financial reality, accompanied by tightening measures, unilaterally and abruptly decided by the banks, could be summarized as follows:

- 1- Extreme reduction of outgoing transfers for commercial or personal purposes, even from creditor foreign currency accounts, due to scarce dollar deposits at their correspondent banks' abroad.
- 2- Drastic limitation on foreign currency withdrawals, even from creditor foreign currency accounts, and on forex transactions.



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- 3- Freezing of all corporate lines of credit at their balance as of October 17th, without prior notice.
- 4- No possibility of opening L/Cs or guaranteeing foreign currency collaterals, even by depositing fresh foreign currency money.
- 5- Emergence of a parallel market through forex brokers, with a US dollar selling at rates that currently exceed by more than 20% the official exchange rate posted by the Central Bank of Lebanon.

In light of the above, we trust your esteemed company will appreciate adequately the dramatic situation facing Lebanon, and the extraordinary difficulties your agent/distributor/importer is going through.

Accordingly, we hope that you will agree to extend the adequate leniency and support that will allow your Lebanese counterparties to overcome their financial and commercial strain with utmost good faith, and to return back to a normal mode of operation as soon as the causes of this disruption disappear.

On behalf of the commercial community in Lebanon, we are deeply counting on your valuable understanding and support in these testing times, and would like to extend to you our most sincere thanks and gratitude.

  
Nicolas E. Chammas

President – Beirut Traders Association