

Cash or card? Confusion rages over Lebanon's new payment system

Author:

Sat, 2022-03-12 22:11

BEIRUT: Supermarket owners in Lebanon have blamed "hard-line measures" from the Banque du Liban for the introduction of a new payment system for their customers.

The central bank's change requires the payment of 50 percent of the value of purchases in cash, and 50 percent through bank cards, on account of "low liquidity" in markets, according to Nabil Fahed, head of the Syndicate of Supermarket Owners.

This development came the same day as gas station owners decided to stop accepting full payments for fuel via bank card.

Dr. Jassem Ajaka, an economist, described the repercussions as "economically catastrophic, as long as the amount of banknotes in Lebanese pounds that a citizen can withdraw from banks is limited while prices are rising."

This situation, he claimed, would make people consume less, causing a decline in GDP and a larger contraction in the economy.

Charles Arbid, president of the Economic and Social Council, said that Lebanon "is experiencing inflationary depression: That is, consumption and economic movement are stalled."

Operational prices are also rising for sectors such as energy and transportation, developments which, he said, require the immediate launch of a three-dimensional participatory dialogue at government level with employers and workers to devise solutions and take action.

He added: "No solutions are magical and readily available."

The Association of Banks in Lebanon, meanwhile, will pay the government-approved social assistance to public sector employees, including the military.

This assistance is equivalent to half of an additional salary per month, with a minimum of 1.5 million Lebanese pounds (\$993) and a maximum of 3 million pounds. Sixty percent of this is paid in cash, and other means of payment are being adopted to transfer the remaining 40 percent by bank card or check.

Nawal Nassr, president of the Public Administration Staff Association, said: "We can no longer afford to be approached with this level of absurdity.

"So far, we are committed to a day of attendance and we will stop doing so if this procedure is applied."

The repercussions of Russia's invasion of Ukraine, which has exacerbated the world's oil crisis and its derivatives, have also reached Lebanon.

A gallon of gasoline in the mediterranean country currently costs 500,000 pounds, and must now be paid for in cash.

Abdo Saade, head of a group of private generator owners, warned on Saturday that monthly subscription charges would increase between 30 percent to 40 percent due to the high price of diesel for his generators.

Prices currently range between 800,000 and 2 million pounds, and possibly even more depending on consumption, he said,

"After March 15, we may turn off generators in most areas because of people's inability to pay consumption fees and (the) lack of liquidity," Saade added.

The severe economic crisis that Lebanon has faced for two years has prevented bank transfers abroad, with several banks introducing new rules to manage deposits.

Withdrawal ceilings in Lebanese pounds and dollars are no longer commensurate with the amount of money that citizens need to pay for their expenses.

Traders argue that they have resorted to this procedure because they pay importers in cash for their goods.

Ajaka explained: "Why do they want to pay cash? The first reason is that suppliers accept only cash, meaning that the problem is with the supplier, whose reasons to do so need to be investigated. The second reason is that traders work with illegal people. The third reason is to keep the money in cash as a safety margin in the event of a deterioration in the situation."

He pointed out that traders "argue that banks ask them to put their daily income in (the) banks for them to transfer money in cash to their employees when paying their salaries."

Ajaka added that reliance on cash increased tax evasion, because traders then declare less of their business, and deprived the banking sector of resources to pump back into the economy.

One Beirut bank manager, who declined to be named, told Arab News that the BdL "works by activating a banking text to dry the market from the Lebanese lira (pound), in addition to taking other measures aimed at curbing the black market that manipulates the dollar exchange rate.

"At the same time, it has decided not to respond to the banks' requests for liquidity in the Lebanese lira, asking them to get it from the market."

The bank manager added: "The central bank believes that the liquidity in lira that came out of it in huge quantities did not return to the central bank through the circulation. So where did this money go? It either went to storage or to supply the black market."

The source said although Greece adopted this measure during its economic crisis, it cannot be adopted for a long time.

Ajaka believes that the authorities are likely to “issue laws and decrees to oblige traders to accept payment by bank cards because it is not possible to continue with cash in this way.”



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[Egypt condemns targeting of Riyadh oil refinery](#)

Author:

Sat, 2022-03-12 21:40

CAIRO: Egypt has condemned in the strongest terms a drone strike targeting an oil refinery in Riyadh.

In a statement, the Egyptian Ministry of Foreign Affairs said Cairo “reaffirms once again its total condemnation of these terrorist acts that target vital installations and the security and safety of energy supplies in the Kingdom.”

The ministry also said Egypt would “stand by Saudi Arabia in the measures it is taking to protect its security and sovereignty in the face of these despicable terrorist acts.”

The Saudi Ministry of Energy announced that the Riyadh refinery was attacked by a remote drone on Thursday morning, which resulted in a small fire that was controlled, and did not result in any injuries or deaths.

It added that the works of the refinery and the supply of petroleum and its derivatives were not affected.



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Saudi energy ministry condemns oil refinery drone attack in RiyadhSaudi

Billion-dollar property grab as Houthi 'gangs' seize rivals' homes

Author:

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AL-MUKALLA: Armed Houthis are stepping up a campaign to seize the homes, land and property of opponents who challenge their authority, Yemeni officials and victims of the raids said on Saturday.

Some of the properties are sold or passed on to Houthi fighters, while others are turned into secret detention centers.

Unlike previous campaigns that mainly targeted properties in Sanaa, Houthi rebels have stormed dozens of houses and plots belonging to government officials and activists in Hajjah, Ibb, Al-Bayda, Dhamar and Al-Mahwit provinces, as well as other areas in northern Yemen.

The Iran-backed Houthis say they are carrying out orders from judicial authorities to confiscate the property of Yemeni figures who support the internationally recognized government of Yemen and the military operations of the Coalition to Restore Legitimacy in Yemen.

However, relatives of the victims say that militia fighters have confiscated the properties of former ministers, activists, tribal leaders and even ordinary people who happened to be living in government-controlled areas.

Sadam Maoudah, a former Houthi prisoner who now lives in government-controlled Marib city, told Arab News that the militia raided his seven-flat apartment block in Al-Mahwit city and told the other tenants in the building that property belonging to "the traitor Maoudah" was being confiscated.

The Houthis then wrote a new contract with the tenants that allowed them to receive the rent.

Maoudah said that the tenants later were ordered to leave the building after they revealed plans to turn it into a hotel.

"We don't know what they will do with the building," Maoudah said, adding that his family, including his disabled father who was hit by a car in Marib, is penniless after losing their only source of income.

"We appeal to the international community and humanitarian organizations to intervene to stop the crimes of the Houthis and their looting of displaced people's properties," Maoudah said.

Yemen's Rased human rights organization documented 32 cases of Houthi looting and confiscating private assets of displaced people, including houses, cars and cash, in the province of Al-Mahwit alone.

The organization described the confiscation campaigns as "a collective punishment" that targets civilians who fled the Houthi-held areas.

Other victims of the campaigns have authorized local lawyers to challenge the confiscation orders, and complained that Houthi judiciary guards occupied their houses and refused to leave despite receiving orders from the attorney

general.

Mohammed Murshed Al-Arshani, the son of a former justice minister, said on Friday that a Houthi judicial guard, Mohammed Saleh Dubaish, and a number of militia fighters occupied his family home in Sanaa's Rawadha neighborhood under the pretext of executing a judicial order.

The Houthi occupants later added a new floor, ignoring orders from the militia-controlled public prosecution to leave.

"It seems that the gang will remain a gang even if it wears the dress of the state," Al-Arshani said.

On Saturday, Yemeni officials and activists voiced their support for Saleh Samae, a former minister and governor of Al-Mahwit, whose properties in Sanaa were stolen by the Houthis.

Samae was among hundreds of Yemeni ministers, officials, politicians, military and security officials and journalists who left Sanaa in late 2014 after the Houthis launched a crackdown on dissidents.

Last month, the Geneva-based SAM Organization for Rights and Liberties said in a detailed report that the 38 confiscated properties owned by the Houthis' opponents in Sanaa alone, including real estate and major companies, have a combined value of more than \$2 billion.

The Houthis also looted more than \$1.7 billion in revenues from the confiscated companies, hospitals and other institutions.

Yemeni analysts believe that the militia have stepped up the seizure of opponents' property to destroy any hopes of returning home under a peace agreement.

"The militia moves to a new stage, removing any trace of their opponents and telling the society that they cannot return," Ali Al-Fakih, editor of Al-Masdar Online, told Arab News.



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Suez Canal setting new records, says Egypt in response to claims that maritime traffic is falling

Author:

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CAIRO: Claims that maritime traffic in the Suez Canal has fallen in the wake of Russia's invasion of Ukraine have been rejected by the Egyptian government, which says the key trading link is setting new records.

The government's media center said that it had contacted the Suez Canal Authority, which described the claims on social media as rumors.

Navigation movement in the canal during February 2022 reached a new high in terms of ship transit rates and net tonnages, the authority said.

"A total of 1,713 ships crossed from both directions, with a net tonnage of 100.1 million tons, compared with the transit of 1,532 ships during February last year, with a total net tonnage of 97.6 million tons," the authority said.

It said that flexible marketing and pricing policies have encouraged new shipping lines to use the canal.

According to the government media center, the Suez Canal achieved record profits in 2021, with revenue totalling \$6.3 billion, despite the effects of the pandemic on the global economy.

Performance rates in February this year are the highest for the month in the history of the canal, with revenue rising by 15.1 percent to \$545.5 million, not including navigation services. This compares with \$474.1 million for the same month last year.

Transit rates of various types of ships also rose compared with the same month last year, with bulk vessel numbers increasing by 29 percent, container ships by 11.8 percent and car carriers by 22.2 percent.



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Transit of wheat and gas ships surges 15%, head of the Suez Canal Authority says
Egypt raises Suez Canal's transit fees by 10%

[Turkey, Armenia vow to continue normalizing relations](#)

Author:

AFP

ID:

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Turkey and Armenia have pledged to pursue the normalization of ties in what the Turkish foreign minister Mevlut Cavusoglu described as a "productive and constructive" meeting on Saturday.

After talks with his Armenian counterpart, Ararat Mirzoyan, Cavusoglu said

that Azerbaijan also “supports the process” of normalization.

Armenia and Turkey have no diplomatic relations, a closed land border and a deep-seated hostility rooted in the mass killing of Armenians under the Ottoman Empire during World War I.

But in December, the two countries appointed special envoys to normalize relations, spurred by support from regional powerbroker Russia and Armenia’s arch-foe Azerbaijan.

The push came a year after Azerbaijan used the help of Turkish combat drones to recapture most of the territory it lost to ethnic Armenians in a 1990s war in the disputed region of Nagorno-Karabakh.

A Russian-brokered truce that ended the second conflict removed Turkey’s main objection to talking to Armenia – namely, Yerevan’s support for the local Nagorno-Karabakh government’s claim of independence from Azerbaijan.

The first commercial flights for two years resumed in early February between Turkey and Armenia, but the land border between the two countries has remained closed since 1993, forcing trucks to transit through Georgia or Iran.



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