

American University of Beirut faces fight of its life as crises hit

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BEIRUT: One of the Arab world's oldest universities faces its worst crisis since its foundation, with huge losses, staff cuts and an uphill battle to stay afloat as Lebanon's economic meltdown and the coronavirus pandemic hit revenues.

The American University of Beirut has graduated leading figures in medicine, law, science and art as well as political leaders and scholars over the decades including prime ministers.

It has weathered many crises, including Lebanon's 1975-1990 civil war, when a number of staff including two presidents were killed or abducted and a bomb destroyed one of its main halls.

But Lebanon's problems now may be the biggest threat yet to the institution founded in 1866 by Protestant missionaries. It ranks among the world's top 200 universities and its collapse would deprive future generations in Lebanon and the wider region of internationally recognized higher education.

"This is one of the biggest challenges in AUB's history. The country is crashing catastrophically," AUB President Fadlo Khuri told Reuters in an interview.

With inflation, unemployment and poverty high, many families have little means to cover food and rent, let alone tens of thousands of dollars in tuition fees.

The heavily indebted state, which defaulted on its foreign currency debt in March, owes AUB's medical center – which attracts patients from across the Middle East and Central Asia – more than \$150 million in arrears, Khuri said. Government officials have ruled out a haircut on the bank deposits of non-profit universities such as AUB, but Khuri still fears his institution may take a hit if a state rescue plan puts part of the burden on large depositors and includes colleges.

Along with other universities, his school has lobbied the state and, he said, received assurances from the president and finance minister that any such measures would not impact them.

But he remains worried, with government plans for plugging vast holes in the national finances not yet finalized.

Government officials could not be reached for comment.

"We have all this money they (the state) still owe us for the hospital so it's very hard to rely on well-intentioned people who may or may not have the ability (to deliver)," he said.

The university and hospital expect real losses of \$30 million this year after bleeding revenues. For 2020-2021 alone, it projects a 60% revenue reduction from this year, down to \$249 million.

The stark revenue forecasts rely on an "optimistic assumption" that the

Lebanese pound will stabilize at 3,000 to the dollar, but Khuri has said they do not take into account a possible haircut imposed on AUB's bank deposits in Lebanon.

Finance Minister Ghazi Wazni has said there will be a shift to a flexible exchange rate in the "coming period."

Khuri said AUB will have to set its own rate in the meantime, taking into account people who have said they can pay in dollars to help cushion the impact of the pound's collapse on poorer students.

AUB has already lost donations and scholarships it was expecting before the pandemic. On top of benefit and wage cuts, it is studying options such as closing whole departments and halting spending.

In an email to students and families, Khuri promised to work to protect their livelihoods and to raise money via an emergency fund.

"But there is no question that sacrifices must and will take place at every level," Khuri wrote. "We must fundamentally change in order to survive ... Saving AUB must be our only priority. And save it we will."



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Lebanon's PM Diab says price increases 'unreasonable'

Palestinians say Israel targeting prisoners' bank accounts

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By MOHAMMED DARAGHMEH | AP

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Fri, 2020-05-08 12:26

RAMALLAH, West Bank: Palestinian officials said Friday that Israel is forcing banks in the occupied West Bank to close accounts held by the families of prisoners in Israeli jails to prevent the Palestinian Authority from providing stipends to them.

Israel has long objected to the Palestinian Authority's payments to the families of prisoners and those killed in the conflict, including militants, saying it rewards terrorism. The Palestinians view the payments as a social safety net for those living under decades of military occupation.

The apparent move to target banks comes as the Palestinians face a potentially severe economic crisis after weeks of lockdown to combat the coronavirus pandemic. It also comes as Israel vows to annex large parts of the West Bank in line with President Donald Trump's Middle East plan. Protesters shattered the windows of several bank branches and set fires outside some of them late Thursday and early Friday as word of the new regulations spread.

Qadora Fares, head of the Palestinian prisoners' association, said relatives of current and former prisoners have told him they were forced to close their accounts because of a new Israeli law penalizing banks for facilitating the payments.

The father of one prisoner told The Associated Press he tried to use an ATM on Thursday but the request was declined. He says the bank told him to withdraw his funds and close the account because of the new Israeli regulations. He spoke on condition of anonymity out of fear Israel would target his assets.

A bank manager said COGAT, the Israeli military body that oversees civilian affairs in the Palestinian territories, warned banks of the move months ago, saying it would go into effect Sunday. He said the banks are complying because they fear legal action or Israeli raids. He spoke on condition of anonymity, fearing retaliation from angry clients. Other bank managers declined to comment, citing similar concerns.

The Israeli Defense Ministry and COGAT did not immediately respond to requests for comment.

Fares said the families of around 12,000 current and former prisoners receive monthly allowances from the Palestinian Authority. Prisoners who have served more than five years get around \$700 a month until they find employment, and families receive aid according to how many children they have, he said.

He said the new regulation was a "blatant violation" of Palestinian sovereignty, since the banks are located in areas governed by the Palestinian

Authority. The Israeli military regularly carries out arrest raids and other operations in those areas.

Palestinian Prime Minister Mohammad Shtayyeh issued a statement saying he has formed a committee to “to study the Israeli threats against banks that provide services to families of prisoners and martyrs.”

Hussein Al-Sheikh, an aide to Palestinian President Mahmoud Abbas, rejected the closing of the accounts, calling it an affront to the “dignity of every Palestinian” and a “submission to the will of the occupation.”

“We hope to create a Palestinian national consensus in protecting our families & their rights & preserving their dignity,” he tweeted.

The payments are dispensed by the so-called Martyrs’ Fund, which also provides aid to the families of suicide bombers and other militants. Abbas has consistently rejected violence in favor of peace talks with Israel, but the negotiations stalled out more than a decade ago. He has repeatedly vowed to continue the payments despite Israeli pressure.

Over the last two years, Israel has deducted the amount of the payments from tax revenues it collects on behalf of the Palestinian Authority. Last year, the Palestinian Authority rejected all the tax transfers in protest, but it relented months later.

The Palestinian Authority imposed heavy coronavirus restrictions in mid-March, closing nonessential businesses in the parts of the West Bank where it enjoys limited autonomy and banning most travel between towns and villages. Those measures appear to have succeeded in containing the outbreak, with Palestinian authorities reporting around 540 cases and only two fatalities. But the lockdown is expected to impose heavy economic costs on the territory and the cash-strapped Palestinian Authority.



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Israel top court approves coalition deal, new government to be sworn in May 13
Palestinians reject Israeli attempts to control Hebron mosque

[Amid ruins of a Syrian town, Ramadan meal reunites a community](#)

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Fri, 2020-05-08 11:51

ATAREB, Syria: Amid mounds of rubble and the ruins of buildings destroyed during nearly a decade of war, a Ramadan iftar meal has reunited a community in northwestern Syria.

Dozens of men and children sat out on a long line of blankets on the ground in the town of Atareb for the iftar, when Muslims break their daily fast at sundown during the Islamic holy month of Ramadan.

Many have returned to the town from camps for the displaced since a March cease-fire halted the most recent government offensive against the rebel-held territory.

"This is the first time that we've got together since the enormous destruction that happened in the district," said Mohamad Jabar, 30, who attended the iftar on Thursday with his children.

"We returned recently to our homes. Even if they are destroyed or half destroyed, they are better than the camps and the crowding."

Fears that the new coronavirus would spread quickly through camps for the displaced at the Turkish border have encouraged some to return to their homes near the frontline.

So far, no cases of the virus have been confirmed in the rebel-held northwest, where just a few hundred tests have been carried out on a population of some 4 million people.

The site of the iftar was cleaned and sanitised by Civil Defense workers beforehand, said Abdel Malak Al-Sheikh, 37, a member of the charity that organized the meal.

Organizers encouraged the attendees to stay apart to respect social distancing rules. But most ended up sitting close together as they ate.

"From amid the destruction, we are trying to deliver a message to the whole world that we are steadfast. From the destruction that Bashar Assad caused, life and hope will spring," Sheikh said.

Northwestern Syria is the last major piece of territory held by rebels

fighting President Assad. Backed by his allies Russia and Iran, Assad waged his latest offensive to recover the area earlier this year.





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London mosques broadcast adhan publicly for Ramadan during coronavirus lockdown
Coronavirus measures in Egypt to continue during Ramadan

[For 2nd time, Syrian elections delayed over coronavirus](#)

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Thu, 2020-05-07 18:02

DAMASCUS: Syria's President Bashar Assad issued a decree Thursday postponing the country's parliamentary elections until July – the second such delay in light of restrictions in place to combat the spread of the coronavirus. The elections were initially scheduled for April 13, then in March, a presidential decree delayed them until May 20. The latest decree pushes the

new date to July 19, only saying it is part of the government's "preventive measures to combat coronavirus."

Syria has recorded only 45 cases of infections and three deaths because of COVID-19, the disease caused by the virus.

The Syrian government has begun gradually easing restrictions imposed since mid-March to fight the virus, but schools and universities remain closed and a nighttime curfew is in place.

Syria has already elected two parliaments since the start of the 2011 uprising, which plunged the country into a civil war that has killed hundreds of thousands of people and displaced millions. The last parliament was elected in April 2016, when large parts of Syria were outside of government control and people there did not take part in the polling.





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Once a tailor in Syria, refugee knits masks to 'give something back' to welcoming Italians

[Turkey desperate for swap lines as recession looms](#)

Thu, 2020-05-07 21:33

ISTANBUL: Turkey's hopes of securing access to US swap lines have taken a nosedive with the Federal Reserve highlighting the need for "mutual trust" with any applicant country.

The Fed's statement on Wednesday added weight to predictions that a US swap line with Turkey seems unlikely as Ankara struggles to deal with mounting

economic woes.

Asked about extending swap lines to Turkey, Richmond Fed President Thomas Barkin said that the Federal Reserve opens swap lines with countries that have a relationship based on mutual trust with the US.

During the online forum, Barkin also noted that the Fed requires high credit criteria, adding that "it does not cover all countries."

"Fed's Barkin more or less rules out swap lines for Turkey," tweeted European economist Timothy Ash.

On the same day, Turkey's state-run Anadolu Agency claimed that London-based financial institutions are attacking the Turkish lira by using manipulative operations to devalue the currency.

Meanwhile, Turkey's battle to halt the currency's fall suffered a further setback this week with state banks reportedly selling dollar assets while the lira fell to lows of 7.49 to the US dollar early on Thursday.

The coronavirus pandemic has piled added pressure on Turkey's national currency, pushing it back to 2018 crisis levels when the lira hit a record low, and triggering predictions of a full-year recession.

Experts say that the way out of the currency crisis is either to ask the International Monetary Fund (IMF) for emergency assistance or gain access to the Fed's swap line.

Turkey's financial authorities recently hinted at the possibility of swap deals with a number of foreign central banks in order to strengthen currency liquidity.

"It looks very unlikely that the Fed will agree to a swap line with Turkey," said Nigel Rendell, a senior analyst at Medley Global Advisers in London.

Political relations between the US and Turkey are far from good, he said.

"Many US politicians and those at the Pentagon have not forgiven Turkey for buying the Russian S-400 missile system in clear violation of NATO protocol. Other issues relating to state-run Halkbank and US-based cleric Fethullah Gulen have caused friction between the two countries," he told Arab News.

According to Rendell, Turkey wants to use US dollars to prop up its ailing currency.

"Turkey's central bank has already burned through a considerable amount of cash this year and is now using borrowed funds from commercial banks and other central banks while swap facilities are in place with China and Qatar. It's effectively throwing good money after bad," he said.

In a surprise move on Thursday, Turkey's banking watchdog BDDK introduced regulations targeting what it described as "financial manipulation" and "deceptive transactions."

Banking transactions that keep the price of a financial instrument at artificial levels or influence the exchange rate will be viewed as “manipulative practices” under the ruling.

Experts predict the Turkish economy will fall into recession this year.

“Despite recent suggestions from Turkish Treasury and Finance Minister Berat Albayrak that there will be positive growth for the year as a whole, given the effects of the coronavirus, like elsewhere, a recession is inevitable,” Rendell said.

Ash said that the “the lira will weaken until we see a policy response,” citing a rate hike, massive foreign exchange intervention or a plea to the IMF as possible policy responses.

But he said that an intervention on foreign exchange rates is unlikely unless the central bank gets FX swaps from friendly central banks.

In a recent interview, Ali Babacan, Turkey’s former economy chair and ex-ally of Turkish President Recep Tayyip Erdogan, said that “the IMF won’t be sufficient to meet Turkey’s foreign financing needs even if the government were to request assistance, making currency swap deals with other central banks a necessity.”

However, Babacan, who is now leads a breakaway party challenging the ruling Justice and Development Party, said: “Turkey’s increasingly bellicose foreign policy makes such an arrangement more difficult.

“There is no such thing as exporting to countries we’re quarrelling with and asking for swap deals as if nothing happened,” he said.

Rendell compared the request for a swap line with the Fed to a gambler who has run out of money going to the bank and asking for a loan so he can go back to the gambling tables.

“Apparently, Turkey is also looking elsewhere for swap lines, to other G20 members and also to its major trading partners. It may have more luck there than with the Fed,” he said.

During an online meeting with international investors on Wednesday, Albayrak announced that Turkey is negotiating one-to-one swap deals with G20 countries with which it has a trade deficit and also a free trade agreement.

However, Ankara still rejects any swap line talks with the IMF.

By relaxing coronavirus restrictions by next week, Turkey intends to restart its retail and manufacturing sectors, but tourism and export sectors still need time to recover.



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Turkish lira plunges as finance minister fails to reassure market on Fed support
Turkey 'will run out of dollars by July', economists warn