

**Address by His Excellency Prime Minister Hassan Diab**

**Grand Serail – October 9, 2020**

Dear Fellow Lebanese,

It is only a few days to the anniversary of the October 17th uprising against the policies that were adopted over decades, and that have caused the severe collapse in the country at various financial, monetary, economic, social and living levels. Thus, we must pause and consider the solemn moment that Lebanon and the Lebanese are experiencing. Therefore, there must be a wake-up call that arouses the remaining awareness and responsibility and puts an end to the vicious cycle.

National responsibility requires that all politicians, in any position of leadership and from any party, rise to the level of anxiety that haunts the minds and hearts of the Lebanese. They must sense the tears of fear and sadness shed by the Lebanese; they have to be aware that the Lebanese tolerance to pain is faltering due to the daily living and social pressure; they must take into account the fact that the Lebanese are running out of patience, and that the October 17, 2019 uprising was a wake-up call, while the next uprising will be a full-fledged revolution, in terms of composition, performance and accountability.

Lebanon is at a critical juncture today, and the Lebanese are having a hard time. Actually, political tensions, sectarian calculations, as well as partisan, factional and personal interests still prevail over the fate of the homeland and the concerns of the Lebanese who are today paying the price for these decades-old policies that opened the door wide to the corruption that has tightened its grip on the state apparatus.

Unfortunately, the concept of the State in Lebanon is discretionary; it is subject to a changing interpretation according to petty needs and interests. There is no standing concept embedding the idea of a strong, just and custodian State that is mindful of the interests of its entire people, regardless of their affiliations.

Therefore, these interpretations have subjected statehood to criteria that serve calculations and favouritism. Thus, employment became underpinned by petty calculations; affiliation mainly dictates recruitment profiles in state administrations, and the value and standards of competence, integrity and transparency have receded.

All of this has resulted in the transformation of state administrations into political, sectarian, factional, partisan, or personal federations, which provided protection umbrellas for the corrupt system and sustained corrupt practices. Hence, accountability has been based on the “6-6 bis” rule, which has constantly fostered corruption, and provided a convenient haven for the corrupt and those who protect them.

The current situation requires a collective burst of conscience. We must all rise above immediate gains, transcend political tensions, and put the national interest and people’s interests ahead of personal interests. The Lebanese youth are searching for the opportunity to immigrate to any place in the world, in search of safety and stability, whose last features are fading away in Lebanon. Migrant death boats give a serious indication of how desperate the Lebanese people have become, losing hope in their ability to bring about change that would provide them with the minimum criteria for decent livelihoods.

On top of all that, some are promoting the idea of lifting subsidies on medicine, flour, foodstuffs, and fuel.

The BDL's tendency to lift subsidies is unacceptable at the present time, as Lebanese are grappling with severe social and cost of living pressures; the purchasing power has been sharply eroded owing to the monetary collapse resulting from the previous financial policies that have drained the country's resources, impoverished the Lebanese and caused these huge financial deficits in the state finances, the BDL, and the Lebanese people's deposits.

We would not permit anyone to outbid us regarding our concern for the BDL's reserves, for we were the ones who made the historic decision to stop paying the debt; if we had paid Eurobonds this year, which amounted to nearly \$ 5 billion, the reserve would have decreased from \$ 22.5 billion to \$ 17.5 billion, and the lifting of subsidies on medicines, foodstuffs, flour, and fuel, as advocated by the BDL today, would have been implemented since last March.

Spending on imported medicines, foodstuffs, flour, and fuel amounted to about 4 billion dollars, since the beginning of this year until today, and it may reach, by the end of this year, the equivalent of the maturities for this year, which we refused to pay, in addition to the fact that this amount is less than the usual annual bill of about \$ 7 billion.

The BDL, along with all those who support or cover such a decision, shall bear the responsibility for any move towards lifting subsidies, because it will generate a social explosion with disastrous consequences. Consequently, continued subsidization will be far less detrimental compared to the losses that would result from a subjective decision to lift subsidies. We would have wished the BDL to have been alerted to the financial policies that led to the country's deadlock. We would have wished the BDL to have made only one decision over the past decades to halt the downward path, and to have stopped supporting the financing of the

successive governments' policies that caused this financial, social and cost of living collapse. We would have liked to see the BDL cutting the financing of the State's wastage policies using the depositors' funds that should have been protected. If the BDL was unable to resist political pressures from successive governments in the past, it would be unacceptable today to intimidate the Lebanese people by lifting subsidies and thus starving and depriving them of bread and medicine.

We say it loud and clear: We are against lifting subsidies on medicine, flour, foodstuffs, and fuel at the present time. Yes, it is possible, in light of the current financial situation, to rationalize subsidization for the benefit of the people who really need it; however, I warn that lifting subsidies will lead to disastrous consequences for the Lebanese and the country. We say it loud and clear that the deposits of the Lebanese people should be returned to them; this is the responsibility of the three parties involved: the banks, the BDL and the State. The government has established a road map for returning depositors' funds to them, and that should be a priority for the next government.

We cannot afford to waste any more time; we cannot afford political bickering, vexatious, and vengeful practices, as well as onerous reciprocal conditions.

When the present government came into office, there was a rolling collapse, in economic and financial terms, which pushed the Lebanese out to the streets and toppled the previous government. Then came the coronavirus pandemic, which drained a large amount of financial means and increased pressure on the already exhausted economy. After that, the devastating Beirut Port blast occurred.

The present cabinet has not failed to shoulder its responsibilities even after its resignation; it has fully acted in a caretaker capacity, within all its constitutional powers, for it is working out of a sense of national responsibility, especially in light of the difficult circumstances the country is going through.

But we must today, two months after the government's resignation, work on the formation of an active government, capable of dealing with the great challenges facing Lebanon and the Lebanese, as soon as possible. In fact, the country cannot wait another two months. Therefore, while hoping that the binding parliamentary consultations to be held on October 15 will bear fruit, I wish success to the PM-designate and I call on him to accelerate the formation of a government; it is not permissible for Lebanon to remain stuck in its crises, awaiting upcoming elections in particular countries.

In addition, there is an urgent need to form a government to address the repercussions of the Beirut Port blast, by following up on the ongoing investigations to hold accountable those responsible for this explosion, and on the reconstruction of all that was destroyed. The current government has decided to compensate the affected people; we have put in place a mechanism for the gradual implementation of this decision, which will be rolled out in no time.

I sincerely call for the reinstatement of the initiative launched by French President Emmanuel Macron, which focuses on reforms that largely converge with the reform program that our government has put in place since its formation.

These facts confirm that Lebanon needs an active government NOW.

We have made every effort to put the reform process on track; we have actually set off the train whistles, and we have achieved some reforms; for we believe that it is not possible to get Lebanon through from its current reality based on state-sharing among the political forces, towards a unitary state that serves all its citizens, without a fixed strategy that envisions Lebanon as a nation where all citizens have equal rights and duties, before the state and justice. The said strategy will therefore formulate a clear vision of the political system's identity that secures national stability, protects all constituents, and reassures all citizens that the State is the only reference to invoke.

I am confident that the Lebanese will shape their future with their solid resolve; they will preserve their homeland with their firm belonging; they will protect Lebanon's unity thanks to their strong ties; and they will write an honourable history for future generations.

The Lebanese are a people who love life, and they would not be found wanting in protecting Lebanon, for themselves, their children, their grandchildren, and for generations to come.

May God protect Lebanon from the evil of the envious!

May God protect Lebanon from resentful stalkers!

May God protect Lebanon!

Long Live Lebanon!