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Lebanon's Economic and Social Council held an interactive meeting with Finance Minister Ali Hassan Khalil on the current financial, economic and social situation. The Council's Chairman, Charles Arbid, and the President of the General Confederation of Lebanese Workers, Bechara Asmar participated in the meeting, along with members of the Council, economic bodies, unions and syndicates. The meeting tackled different issues such as public finance, deficit, fees, taxes, the salary scale for retirees, the GDP, the State budget, housing and electricity. Minister Khalil declared that there were no pending requests at the Ministry for the provision of fuel oil or for opening a credit for the Esra power ship, stressing again on his commitment to support subsidized housing loans.

After the meeting, Minister Khalil stated the following:

Today is a great opportunity to meet as partners, the State with its ministries and the Economic and Social Council with all its components including production sectors, labor sectors and experts. This opportunity should pave the way for extensive efforts aiming to give this Council its real role by having the government periodically refer to it all the economic, social and financial issues and consult it, even if not bound to do so, since it is useful to regularly ask these sectors for their opinion.

In all honesty, the basis of our debate today is to have political stability in the country and we are supposed to have reached a stage now where the government is working and carrying out its duties after the parliamentary elections.

We cannot delay this any longer and all the parties should therefore exert pressures for the quick formation of the government because without normal

governmental work, all our discussions shall remain pending, and we would not be able to solve problems or take appropriate decisions.

We presented today the financial facts and economic indicators that show that we are facing a major challenge requiring strong political will steered towards the completion of 2019 budget that was prepared by the Ministry of Finance and submitted to the Secretariat of the Council of Ministers.

We are currently holding talks with the political forces and parliamentary blocs in order get ready for action immediately after the formation of the new government. This strong political commitment to adopt the budget should be accompanied, in our opinion, by the adoption of the economic plan and the implementation of necessary reforms. Indeed, all the international bodies and institutions are recommending it and some of these reforms are essential for the proper work of the State and its institutions, since they fall within the scope of a series of complementary and incentive measures that help trigger and strengthen our economy. Other equally important reforms are those related to serious governance and to actions aiming to prevent waste and corruption, pushing forward the adoption of an anti-corruption strategy so it does not remain an empty promise, especially that corruption is a complex and prevalent issue at all levels.

On the bright side, allow me to say that political commitment shall prevail when there is political will, coverage from the Lebanese State and when civil servants are competent, full of integrity and able to make a difference.

We tackled during the meeting some issues that are currently the subject of public debate such as the housing crisis. As a State, we are bound to ensure the difference in interests imposed on new subsidized housing loans housing, with the same number achieved in the past years. We have prepared the necessary relevant legal decisions and proposals for the Council of Ministers and the Parliament and they should enter into force once the institutions resume their regular work.

Unfortunately, stopping housing loans has strongly affected many issues related to finance, including a decrease in imports.

Questions were asked about electricity, and we stressed that we need serious and radical reforms that would allow the provision of electricity at its full capacity for citizens, so that when the tariffs are revised, low-income households are taken into account and no additional burdens are imposed on them.

As for retirees, I assure you that I shall be responsible of rectifying the situation for any retiree who might feel that he is not receiving what is owed to him, even if it is one cent.

There is an existing law and we are committed to it. I understand many of the claims and I am committed to addressing this issue.

Concerning the controversial lump tax that was the subject of many questions today, let me assure you that the problem is not with the Ministry of Finance. It is easy to blame the Ministry and the Minister.

The law exists and it has been mentioned since 2000 and again in 2017. It is binding for the Ministry of Finance, knowing that the Ministry has submitted a request to postpone its implementation to the Cabinet in 2014, 2015, 2016 and 2017. Today, people are asking to postpone it again, and I am well aware of the economic and financial situation. I would support postponing it, but this requires a decision from the Cabinet or, under exceptional circumstances, from the President, the PM or the line ministries in order for everyone to bear their responsibilities in this sense.

Q: How about chronic diseases?

A: There is a budget for the Ministry of Health and it has been fully paid. There is additional spending, but this is not decided by the Ministry but by the Parliament or paid as an advance by the Cabinet. The Ministry of Health does not have any pending invoice for any disease at the Ministry of Finance. Additional spending has specific mechanisms that should be followed.

Q: Concerning the funds for the fuel of Esra power ship

A: I read some tweets yesterday concerning Zouk's power ship and that there are funds allocated to the fuel that are pending.

Let me assure you that there are no pending requests for the provision of fuel or for opening a credit. Let those saying that there are pending requests face me. I deny this and those responsible are the ones in charge of the maintenance of this ship. Let them answer the question. We are working within the scope of the law. Approval took place and we have not accepted it or rejected it. We have expressed our stance from a political viewpoint, but as a Ministry of Finance we are below the law.

Q: Which report should the Lebanese believe? The Economist's or Standard & Poor's?

A: The Lebanese citizen should read the facts. The articles are not contradictory. No one denies there is a real economic crisis in the country. We are facing a harsh reality on the economic level and it requires actions. We are not hiding this crisis; but will it for sure make us fall? I would like to stress that we can overcome this crisis through strong political commitment and will and through cooperation between all the sectors.

The Chairman of the Economic and Social Council, Charles Arbid stated the following:

We have met today with the Finance Minister and have extensively discussed all the current issues. Minister Khalil gave a panoramic vision of the reality. We should be honest with the Lebanese; the situation is difficult but not hopeless. We have discussed essential matters related to social affairs and the Minister has informed us that there is a solution for the housing loans crisis. We have also talked about the lump tax imposed on subsidiaries and the Minister promised to find a fast solution.

He added: The issues are numerous, but we assure you that, together with his Excellency, we understand the economic, social and financial concerns. The Lebanese people should bear this situation but they have also the right to tell officials that we are running out of time and this reality must stop. We hope that the government will be shortly formed to push production and the economy forward, while we implement the needed reforms.