



**THE LEBANESE REPUBLIC  
MINISTRY OF FINANCE**

Press Release

For Immediate Release

Beirut, Lebanon, 7 March 2020

**Lebanon announces decision to withhold all payments on its USD1.2bn bonds due 9 March 2020 and undertake structural reforms to stabilise and restart its economy**

Following today's extraordinary crisis Cabinet meeting, the Prime Minister of Lebanon Hassan Diab announced the Government's decision to withhold all payments on its 6.375% US\$1,200,000,000 bonds due 9 March 2020, in order to safeguard foreign currency reserves.

The Prime Minister also announced the Government's commitment to undertake a three-pronged economic reform initiative aimed at:

- restoring the sustainability of the Government public finances through the restructuring of its public debt and a series of fiscal measures;
- creating a conducive environment for growth through a comprehensive structural reform agenda, including measures to improve governance and fight corruption;
- stabilising and reforming the financial system through the restructuring of the banking sector.

The current Government was appointed on 21 January 2020 and received the parliamentary vote of confidence on 11 February 2020. Since its formation, the Government has focused on addressing and overcoming a series of vulnerabilities facing the country, including severe economic recession, critically low level of international reserves, unsustainably high public indebtedness and a liquidity squeeze in the financial system.

The Prime Minister declared: "Lebanon is facing an economic crisis of unprecedented scale. The new Government, which took office less than a month ago, has decided to take bold and decisive measures to stabilise and create the conditions for a successful economic recovery."

The Government is prepared to engage in good faith discussions with its creditors to explore options to make Lebanon's public debt sustainable.

Lebanon has retained Lazard Frères as financial adviser and Cleary Gottlieb Steen & Hamilton LLP as legal adviser to assist in this exercise.

The Ministry of Finance will hold an investor presentation at a date to be announced. Information for creditors will be posted periodically on the website of the Lebanese Ministry of Finance.

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