

## One year on from devastating Beirut port explosion

### Official statement on the evolution of the Situation in Lebanon

**Barcelona, 4th of August 2021** – Taking into consideration the current situation in Lebanon after one year of the Beirut port explosion and its tragic consequences for the Lebanese people, **the Association of Mediterranean Chambers of Commerce and Industry (ASCAME)** urges the international community to support the recovery and reconstruction of Beirut, the capital of Lebanon, which remains devastated after the double explosion that caused immense damage. After the first anniversary of the explosion, deeply traumatized Beirut residents are still reeling from its catastrophic impact.

A **massive explosion at Beirut port last year killed more than 200 people** and ravaged swathes of the capital. It caused between **\$6.7 billion and \$8.1 billion in damage and economic losses**. The Lebanese government has relied heavily on NGOs, civil society, and the private sector to map out and respond to the blast damage, since Lebanon is battling its worst economic crisis since the 1975-1990 civil war. Nevertheless, politics is still dominated by former warlords and family dynasties entangled in sectarian divisions.

The national currency is in freefall, while poverty and unemployment are on the rise. **55 percent of Lebanese live below the poverty line of 3.84 dollars a day, Public debt reached \$95.6 billion in late 2020**, the country's third largest lender, that is equivalent to **171 percent of GDP**, while thousands of people remain homeless, and the worsening economic crisis has made finding new accommodation more difficult. Meanwhile, people have demands and aspirations, such as stability, electricity, water, garbage collection, youth employment, security, economic opportunity and a state that reflects those demands and their diversity.

Last December, the **World Bank, the European Union and the UN launched the Reform, Recovery and Reconstruction Framework (3RF)**, an 18-month response plan to the Beirut explosion. However, the Lebanese authorities must pass and implement a large reform package, including laws, to strengthen the independence of its judiciary, reform its ineffective electricity sector and expand its social security services. **However, this implementation is proceeding too slowly, accompanied by a political stalemate and a crippling fuel and electricity crisis.**

**ASCAME**, on behalf of the Chambers of Commerce and companies from the 23 Mediterranean countries that the Association represents, **calls again for the urgent support of the Mediterranean and the international community to the people of Lebanon and the private sector**. We advocate for a common, strong, and decisive response to the challenges posed by this tragedy and its consequences.

**The entire private sector, and especially its intermediary institutions such as the Chambers of Commerce, are deeply concerned about the social, economic, and political impact of the Beirut port explosion.** There is no doubt that this is a huge, unexpected, and appalling shock to public life, health, social welfare, and economic activity in Lebanon. In the short term, the priority should be to rebuild and to stabilize the economic and social situation. While in the midterm, the economic and financial crisis is likely to aggravate if the political system is not reformed as it has been expressed by the Lebanese and amplified by indignation at the tragedy of the events in the Port of Beirut.

**The Lebanese economy needs to survive, it is time to provide direct help to the private sector** to preserve jobs and be able to offer social benefits. The micro, small and medium-sized companies, which constitute the backbone of the Lebanese economy, and their workers, who represent more than 80% of employment, are the most affected by the economic impacts.

The **Chambers of Commerce in Lebanon cover the entire territory**. They are in close contact with companies **acting as intermediaries between the administration and the private sector**. Yet, Chambers of Commerce are well structured in associations and can be organised to reinforce the interests of a wide territory. They are useful entities that offer an extensive network of stakeholders across the regional and global world.

In this line, **ASCAME and the Beirut and the Lebanese Chambers of Commerce and Industry are working together with supranational organisations**. As key team players, the focus is on successfully **coordinate north-south business activities and to promote international aid** in two levels of cooperation: fostering the development of aid and acting as regional interlocutors with multilateral organizations.

Furthermore, **ASCAME**, with the support of all the Chambers of Commerce and companies from the 23 Mediterranean countries that the Association represents, **proposes to organize a conference within the framework of the 15th Mediterranean Week of Economic Leaders (MedaWeek Barcelona 2021) as a meeting point for the entire private sector to take action jointly towards the reconstruction of the port of Beirut**.

**But, in spite of everything, the sun will rise again**. The Lebanese remain a people resistant to uncertainty, with an unparalleled network of migrants throughout the world. Since ancient times, Beirut has been a bridge between east and west, the natural gateway to and from the region. It is a commercial, financial and university centre. Mestizo, with its rich culture, and its vibrant society. Occupied and destroyed several times, but after eight thousand years, it is always reborn as the phoenix. In fact, its renowned resilience is no surprise.