



Dear Partners, Dear Friends,

I am writing to you today, October 21st, 2019, from Beirut.

The situation is critical. What is happening in our country is both unprecedented and dangerous at the same time. We are all aware that Lebanon is experiencing a revolution, which has taken root for over three years now.

Slowly but surely, our rulers have drawn and exhausted all the resources of the country. Despite the warning signs of the crisis, we at Fair Trade did not really pull the alarm, as we thought that it was a passing phase, not a real financial collapse of the country.

It is only at the end of 2018, that the first figures started to emerge in a country which is careful not to disclose any sensitive information:

- 34% of the Lebanese population lives below the poverty line
- 40% is the unemployment rate of young graduates, 30% is the global unemployment rate
- Public debt is close to 140% of GDP, making Lebanon the 2nd most indebted country in the world
- Capital is fleeing the country, slowly and surely, since early 2018
- Trade deficit is huge, with USD 19 billion in imports versus 3 billion in exports
- And the Gulf countries' transfers are gradually drying up as a result of the regional political situation

On top of this, we are experiencing a corruption level like never before: « *électricité du liban* », the public organism providing electricity of Lebanon, is losing 2 billion USD per year! Politicians in charge are manipulating their people through raising ethnic and religious sensibilities to stay in power. They brandish the scepter of civil war, regional wars, and events that have shaken the community in order to assert their authority.

Since January 2019, everything is collapsing silently and without warning. Banks are raising their interest rates up to 17% in some banks on deposits in USD!! Access to loan today becomes impossible. The country, which heavily relies on the US dollar (80%) is losing its foreign currency and the banks are now halting the currency exchange. The dollar is bought on the black market and the Lebanese pound plummets, despite the price set by the Central Bank.

Inbound and Outbound Transfers to and from Lebanon are take several weeks to pass. An instance of transfer that was to arrive from France, sent by swift with a value date on October 1st, has not yet arrived today, on October 21st - a case unthinkable a few months ago.

Real estate credit has exploded, with rates rising to 6 and 7%. Young couples can no longer pay their mortgages, and businesses are suffocating.

Today the country is on the verge of bankruptcy. People have started their rebellions in all major cities of the country, and all banks, state agencies, and official entities have been closed for several days (ministries, port, chambers of commerce ....).

FTL and FTTL, the 2 fair trade organizations in Lebanon are in danger. The 42 employees of the group, and the 1400 beneficiaries are in a very precarious situation today.



As Fair Trade Lebanon Group CEO, I am addressing you all, partners, colleagues and friends:

- We have late payments of Fair Trade certifications invoices past dues, in 2019, because of the drying up of currencies in our accounts and the near impossibility of withdrawing them with the new measures
- We have late payments to employees and cooperatives members of the Fair Trade network
- We will have some delays also in terms of delivery
- We receive with a lot of delays the transfers of our customers

Hence I ask you, for this case of Force Majeure, your understanding and your support in these complicated moments,

We hope that the current revolution will bring out all those who robbed and impoverished the country and consequently the people,

We also hope that with your support, and the continuation of our partnerships, we will be able to continue our mission with our local partners.

Philippe Adaime  
CEO

A handwritten signature in blue ink, appearing to be "P. Adaime", on a light-colored background.

