

Lebanon: Aoun's election ends more than two years of presidential vacuum | Credendo

Event

On 9 January, Joseph Aoun, a general of the Lebanese Armed Forces, was elected as president of Lebanon. President Aoun was elected after two voting rounds with 99 votes – more than the needed two-thirds of votes – by the Lebanese parliament, ending more than two years of presidential vacuum.

Impact

Lebanon experienced a presidential vacuum since the mandate of the previous President Michel Aoun (not related to the newly elected president) expired at the end of October 2022. Despite multiple voting sessions, the [very fragmented parliament](#) was unable to elect a new president. This has also stalled the election of other key institutional figures such as the prime minister. In this context, Aoun's election is a very important step to end the current institutional paralysis in Lebanon, but he will face significant challenges.

First, there is the country's continuing deep economic and financial crisis, following the 2019 financial system collapse and the subsequent default on external commercial public debt. Indeed, since 2019, economic woes have intensified as the country has been exposed to multiple shocks (e.g. the Covid-19 pandemic and the fallouts from the war in Ukraine on commodity prices). Moreover, the political paralysis has stalled the much-needed reforms required to unblock the IMF's financial assistance, which was negotiated under the 2022 IMF staff agreement. On a positive note, international partners such as Saudi Arabia have hinted at their willingness to provide aid to Lebanon following the election of Joseph Aoun.

Another important challenge is the geopolitical situation in the Middle East – in particular, the tensions between Israel and Hezbollah. Indeed, the recent conflict outbreak has disrupted the Lebanese economy, caused important material destruction and led to a significant number of casualties and displaced people. The World Bank assesses that the conflict has led to economic and infrastructure damages of around USD 8.5 billion. In this context, it will be key for Lebanon to preserve the current ceasefire agreement between Hezbollah and Israel. For the moment, despite accusations of breaches, the ceasefire appears to be holding.

The election of President Aoun is positive news for Lebanon. However, given its still substantial political, financial, economic and institutional challenges, Credendo maintains the country's short-term and MLT political risk classifications in category 7/7.

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