**LEBANON**

**WHAT HAPPENED IN MARCH?**

Lebanon’s economic crisis worsened as the currency spiralled to new lows. The leadership vacuum continued and political parties showed no signs of reaching compromise. Israel said Hizbollah may be responsible for an explosion in northern Israel that wounded a civilian.

**WHY DOES IT MATTER?**

Lebanon’s crippling economic crisis drives unrest and its devalued currency erodes living conditions. The executive vacuum may persist for months or years, impeding desperately needed economic reform. Hizbollah’s increasingly aggressive actions vis-à-vis Israel increase the risk of a cross-border escalation.

**FEBRUARY TRENDS**

As the parties continued to deadlock over the selection of a new president, Lebanon’s economic crisis deepened and the currency plummeted to a new low. Hizbollah accused the U.S. of destabilising activities, warning of grave consequences.

**WHAT TO WATCH**

Hizbollah may act more aggressively vis-à-vis Israel, to demonstrate to international actors that without a solution to Lebanon’s political stalemate, regional stability is in jeopardy.

The failure to enact economic reforms threatens to intensify the impact of the economic crisis. The executive vacuum is jeopardising orderly succession processes for key official positions. The successor to Central Bank Governor Riyad Salameh, whose term expires in June, remains unclear. Municipal elections scheduled for May will likely be delayed.

**TRENDS TIMELINE**