

COVID-19: PRESSURE POINTS: THE IMPACT OF COVID-19 ON THE PERFORMANCE OF CONTRACTUAL OBLIGATIONS ACROSS THE MIDDLE EAST (MIDDLE EAST)

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Legal Briefings

As the COVID-19 pandemic continues, businesses are facing various challenges including measures imposed by governments in response to the pandemic. As well as the significant human cost, the economic cost is mounting. The virus will ultimately impact almost every sector due to supply chain issues and suppressed demand resulting from uncertainty, travel restrictions and general disruption to 'business as usual' as a result of measures taken by governments in response to COVID-19. This is reflected in the performance of the global financial markets, which have suffered significant losses since the outbreak of the virus, and in the Middle East, economic difficulties caused by the quickly dropping oil prices and requirements to progress construction projects in line with contractual dates for completion.

Businesses are faced with numerous practical issues which necessarily have significant legal consequences. Performance of existing contractual obligations may become harder, more expensive or in some cases impossible. For example, difficulties may be encountered due to international travel restrictions and restrictions attending sites where curfews are in place. As a result, counterparties may seek to delay and/or avoid performance (or liability for non-performance) of their contractual obligations and/or terminate contracts, either because COVID-19 has legitimately prevented them from performing their contractual obligations, or because they are seeking to use it as an excuse to extricate themselves from a "bad deal".

This article summarises, on a jurisdiction by jurisdiction basis:

- how governments across the Middle East are responding to COVID-19, and
- the interplay between the measures taken to combat the virus and the legal position regarding "force majeure" under the respective local laws.

Please note that this briefing reflects the state of affairs as at the time of writing on 6 May 2020, and is subject to change depending on the evolving responses to the COVID19 pandemic across the region, especially given the speed with which measures are implemented by governments in the current climate. We will continue to monitor any developments in governments' approaches to managing COVID-19, and intend to provide additional updates as appropriate.

Please contact [Nick Oury](#) or [Patrick O'Grady](#) for a complimentary copy of our detailed analysis.

[More on COVID-19](#)

KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



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