



BENGHAZI PROTESTS

Protesters call for Abdel Jalil's resignation as NTC faces the people's wrath

Libya's new leaders are in a state of shock and disarray after people took to the streets this month to express their dissatisfaction with the way things are panning out in the new Libya.

The National Transitional Council (NTC) is facing its toughest challenge yet as the difficulties of managing the peace become increasingly apparent. Not only is it struggling to maintain security and to bring the various militias under control but its legitimacy is now being openly challenged in what appears to be the next phase of Libya's Arab Spring.

The largest displays of public anger erupted in Benghazi. On 12 December, following calls on **Facebook** and other social networking sites,

protestors gathered in Shajara Square, as well in as Jamal Abdelnasser Street and Omar Bin Al-Ass Street, demanding that the path of the revolution be 'corrected.'

Angry protestors also called for the resignation of the head of the NTC, **Mustafa Abdel Jalil**, his deputy, **Abdelhafiz Ghogha**, and the rest of the council, accusing them of being incapable of running the country. They also demanded an end to what they described as 'rampant corruption' in the council.

The protestors, who consisted primarily of Benghazi's youth, did not hold back, hurling a barrage of insults against the mild-mannered Abdel Jalil. So much so that protestors in Abdel

Jalil's hometown of Al-Baida came out on to the streets to defend him and to condemn a satellite channel that had broadcast images of the Benghazi demonstrations.

There was also a counter-demonstration in support of the NTC in Benghazi. This only made things worse, however, because the fact that many of the protestors had been bussed into the city centre for the occasion was a bitter reminder of the old days of the Qadhafi regime, when the state regularly organised pro-regime demonstrations.

By 13 December the demonstrations had turned into a major sit-in at Shajara Square as protestors made it clear they had no intention

of backing down until their demands were met.

Such strident criticism was a severe jolt for the NTC. The east had been considered the most stable of all Libya's regions and despite ongoing strikes and protests, the area seemed to have pulled through the revolution more or less intact. Many observers marvelled at how well the region had been able to function following the February uprising.

The NTC had believed that its main problem lay in sorting out the chaos and instability in the west of the country, where it felt its legitimacy was most challenged.

Yet the demonstrations have shown that the >>>

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Menas Associates

Libya Focus is published monthly
Sold by subscription only
Produced by Menas Associates staff

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ISSN 1477-2434
© 2011 All rights reserved

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council is now struggling to maintain legitimacy in the area that gave birth to it. That is not to say that its support has evaporated in the east, but the expression of public discontent is a serious challenge for the council and it knows that if it cannot hold in Benghazi, it has little hope of succeeding elsewhere.

In the early days of the uprising, Abdel Jalil and Ghogha were welcomed as the heroes of the day by jubilant crowds in Libya's second city. There is a growing sense among some parts of the population, however, especially in the east, that the country's new leaders are not up to the job and have betrayed the 17th February.

So intense is the crisis that it is rumoured Abdel Jalil had decided to hand in his resignation but was persuaded to stay on by his fellow NTC members.

Why are they unhappy?

Several factors have prompted the dissatisfaction. First and foremost, Benghazi residents feel as though they are being sidelined by the new authorities.

After decades of marginalisation under the Qadhafi regime, those in the east hoped that the new Libya would enable them to take their rightful place in the country and in its new power structures. Benghazi's recent exclusion from the top posts in the interim government was therefore a bitter blow that smacked of the old days and left its residents feeling once again like second-class citizens.

As Benghazi lawyer **Tahini Al-Sharif** complained, 'Abdel Jalil has a lot of questions to

answer. The regime has not changed. It is the same which oppresses and marginalises cities.'

This exclusion has also left Benghazi residents feeling as though they have been robbed of the very revolution that they initiated. There is still a strong sense of ownership of the revolution among those in the east, and people are angry because they feel that the new powers are again prioritising Tripoli.

Protestors angrily chanted that the NTC should remember Benghazi was the stronghold of the revolution and its sons should not be marginalised. One indignant protestor exclaimed, 'If it wasn't for Benghazi there wouldn't be any NTC.'

Forgive and forget?

Many Benghazi residents also strongly object to the fact that members of the former regime are still holding senior positions. Although these ex-regime members may have been part of **Saif Al-Islam's** reformist camp, that they had any role in the Qadhafi regime runs counter to the overwhelming desire among many Libyans to make a completely fresh start.

Things were made all the worse in this respect by calls from Abdel Jalil this month to forgive members of the former regime. At a national reconciliation conference, the NTC head announced that the council was now willing to forgive those who had fought for the Qadhafi regime.

His remarks may have been in the spirit of healing the country, but they did not go down well, especially not with those in the east. As one protestor declared, 'Abdel Jalil is asking us to forgive Qadhafi fighters. Would he say the

same thing if his son was killed or wounded in the revolution?'

Lack of transparency

The protestors were also driven by frustration at the general lack of transparency in the NTC. People are angry and confused that the council still hasn't declared the names of all its members or even provided an exact number of members. Most of the remaining anonymous council members appear to be located in Tripoli or in other western towns.

Such secrecy was understandable while the Qadhafi regime was still intact, but now it has gone Libyans see no reason for the names not to be published, suspecting that the council has something to hide. Are the unnamed members somehow not representative, or perhaps figures from the former regime?

One NTC member, **Fathi Al-Baja**, a lone voice within the council who has long accused the country's new leaders of not listening to the people, suggested that the reticence to come forward was because some of the anonymous NTC members intended to stand for election to the General National Congress and didn't want their council membership to preclude them from nominating themselves.

There is frustration, too, at the NTC's ongoing unwillingness to articulate its exact function and the nature of its relationship with the new government. Some Libyans are asking why an unelected body is even necessary now that an interim government has been appointed.

Some fear that this undemocratic body, >>>

which includes members of the former regime, will continue to exist alongside the government and to make policies and wield power. It is partly in the interests of democracy, therefore, that Libyans want to see the NTC disbanded.

Demonstration fever?

It wasn't only in Benghazi that Libyans took to the streets. Similar protests were staged in Derna, Misrata, Tarhouna, and Tripoli, where demonstrators again called on the NTC and on Mustafa Abdel Jalil to resign.

Protestors in Tripoli chanted, 'We don't need words, we need to bring the regime down.' Moreover, beyond the generalised dissatisfaction, other, more specific reasons pushed people to demonstrate. Those in Tarhouna, for example, demanded that the NTC do something to resolve the issue of internally displaced people, many of whom sought refuge in the town during the conflict.

Some of the protests may also be a case of 'demonstration fever,' with strong echoes of the ones that broke out recently in Egypt. Chants such as 'The NTC must quit! Abdel Jalil must go! The people want another revolution!' certainly smack of the kinds of calls being made in that country.

To a certain extent, therefore, Libyan protests are copycat demonstrations. Moreover, they are an example of democracy in action and evidence that Libyans are relishing their new found freedom to express themselves.

The demonstrations also reflect the very real concerns of Libyans, however, and should be a serious wake-up call for the NTC.

GOVERNANCE

Corruption rears its head again

Serious anger is brewing over perceived corruption in the NTC. Grumblings can be heard in Benghazi that NTC members are living it up in luxury at five-star hotels while ordinary people are still struggling to get by.

There are also complaints that some of those appointed to the new interim government and to other senior positions are already abusing the system. There were calls in Benghazi for example, for **Sadiq Al-Kebir**, to quit his new post as head of the Central Bank after being accused of appointing the former head of the **Libyan Foreign Investment Company (LAFICO)**, **Sami Rais**, to a position in the bank and of giving him a salary of LYD50,000 a month.

Al-Kebir denied that he was paying Rais any more than LYD10,000 plus the rent of a house. Yet for Libyans still struggling to get by on an average salary, such sums still seem astronomical and a betrayal of the revolution.

In addition the new health minister, **Fatima Al-Hamroush**, was criticised this month for

appointing her sister as her administrative assistant. Although she was condemned for her actions by the new prime minister, **Abdul Raheem Al-Keib**, Hamroush defended the appointment, insisting that her sister was properly qualified and that she could be certain of her loyalty to the new Libyan state.

In the minds of many Libyans, however, the minister's behaviour was evidence that the country's new leaders are not behaving very differently to those of the past. Furthermore, some unconfirmed rumours have suggested that Hamroush, who was living in Ireland, was appointed only because she was the lover of another minister.

There are suggestions, too, that the new economy minister, **Tahar Serkes**, was appointed because he is an old school friend of **Abdullah Shamia**, who was responsible for the economy in the NTC's original executive board.

Some officials in the ministry were disappointed at the appointment, adjudging Serkes not only part of the old regime but also incompetent. One Economy Ministry employee told *Libya Focus* that Serkes is a man who avoids responsibility and is an obstacle to progress.

There is a feeling among some Libyans that those holding government positions or in the

NTC are part of a separate elite that comprises outsiders (i.e., those who have returned from exile abroad) or former regime figures.

This reflects one of the key challenges facing post-Qadhafi Libya, namely that it suffers from a dearth of qualified and experienced personnel, and the new regime has little choice other than to rely on such individuals to keep the country ticking over.

The NTC responds to protest

Clearly shaken by protests this month, the NTC has engaged in an immediate damage limitation exercise, forming a special crisis committee that includes **Abdullah Banoon**, **Alamin Belhaj**, and **Abdelrazak Al-Arradi**. They met the demonstrators to listen to their demands.

They also summoned Prime Minister **Abdul Raheem Al-Keib** and, even though he has been in office for only a matter of weeks, demanded to know what he has done for those wounded in conflict.

The NTC has issued a host of promises as well, and in a clear attempt to appease the >>>

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crowds declared that while Tripoli was the capital, Benghazi would become the country's main economic centre. In a statement read out by Al-Arradi, the NTC announced that the Economy and Oil ministries would be located in Benghazi while the Finance Ministry would be located in Misrata. Al-Arradi also declared that Derna would host the Culture Ministry and that Zawiyah would be the city of religious science.

The prospect of having different ministries scattered across cities does not bode well for the future of governance in the new Libya, especially considering the state of the country's inadequate transport infrastructure. Moreover, it seems difficult to imagine that, in the bid not to be left out, other cities won't now demand to host ministries.

Decentralisation or disintegration?

Yet **Mustafa Abdel Jalil** went further. In a desire to be seen to break with the tradition of the former regime, the NTC head also announced that Libya would engage in a large-scale decentralisation process.

In populist tones, the NTC stated that it was time to get rid of the 'awful centralisation' of the former regime. Abdel Jalil announced that the upcoming budget would allocate money to local councils according to the number of people in an area, its geographical spread, and the level of destruction suffered during the conflict.

While promoting decentralisation is likely to be well received within certain regions, particularly in the east, it is unlikely to go down well among Tripolitarians, who consider such efforts a bid to undermine national unity and a reflection of



MUSTAFA ABDEL JALIL

tribal mentality. Furthermore, opting for such a large-scale decentralisation programme, risks reinforcing the regional divisions that have surfaced since the conflict.

Tackling transparency

Abdel Jalil also tried to tackle the issue of transparency, declaring, 'The NTC will start its own website on which the list of its members and the activities of the NTC will be made public.' That such small gestures will be sufficient to quell the dissent seems unlikely.

Moreover, such a reactive approach is not going to assist the NTC in its bid to bolster its standing and legitimacy in the new Libya. The panic engendered in the NTC by the protests and its own poorly thought through responses has only made the council appear weaker. That it gave in so easily in its bid to appease the protestors is likely to encourage people to make further demands to suit their own local agendas.

The NTC's response also demonstrates that it has no overarching policy or vision but is simply responding to each crisis as it occurs. Furthermore its practice of making policies on the hoof without any official mandate to

do so makes a mockery of the new interim government. The efforts of the NTC and Abdel Jalil to contain the crisis have only made things worse and could spell real disaster for the future of the council.

National reconciliation

After almost a year of turmoil and conflict, Libya held its first national reconciliation conference this month. The conference, which was held in Tripoli on 10 December and prior to the protests in Benghazi, was attended by the elders from Libya's main tribes, as well as representatives from abroad including Qatar and Tunisia.

Three files were up for discussion at the meeting: transitional justice, achieving national reconciliation, and the integration of the revolutionaries in the military and security apparatus.

Mustafa Abdel Jalil struck a conciliatory note and declared that the NTC was ready to forgive those who had fought for the Qadhafi regime. He announced, 'In Libya we are able to absorb all. Libya is for all ... Despite what the army of the oppressor did to our cities and our villages, our brothers who fought against the rebels as the army of Qaddafi, we are ready to forgive them ... We are able to forgive and tolerate.'

Abdel Jalil also announced that two new laws would be issued very soon, one for transitional justice and a second to offer a general amnesty to those who committed crimes during the Qadhafi regime.

The NTC head made it clear, however, certain conditions would be attached to the amnesty: whoever stole money has to return it and whoever was responsible for killing or committing human rights abuses would need to make peace with the family of the victim before being exonerated. Abdel Jalil framed this amnesty within tribal traditions in which the perpetrator of a crime has to seek forgiveness from the family of the victim.

While such a move may appeal to certain sensibilities in the Libyan population, it reinforces the role of the tribe as a social mediator and arbiter of justice, which does not necessarily sit well with the country's push to transform itself into a modern democratic state.

Integrating ex-regime fighters

Taking such a tolerant and forgiving approach towards ex-regime fighters is probably a wise move on the part of the NTC. The country's new leaders need to find a way to absorb those who were close to the former regime and currently feel as though they have no place in the new Libya.

Given the devastation brought upon the cities of Sirte and Bani Walid, not to mention the gross human rights abuses committed against the residents of Tawarga, the inhabitants of these traditionally pro-regime areas have been left feeling angry and marginalised. They also fear persecution and revenge attacks.

As one Tripolitanian told *Libya Focus*, 'If we do not deal with these people now, then it will be the next generation from their tribes who will stand against us.' >>>

Not everyone in Libya sees it that way. There was a strong sense of shock and outrage at the ease with which Abdel Jalil seemed to be willing to forgive and forget the crimes committed by the former regime.

Among those opposed to his approach is Prime Minister **Abdul Raheem Al-Keib**, who believes that although national reconciliation is important, those who tortured and raped or were involved in killing or theft have to be held accountable for their actions. In fact Al-Keib tried to distance himself from the whole event, making it clear that it had not been a government initiative.

He also noted that in his view Libya needs to differentiate between senior leaders and figures within the regime who gave the orders and those who simply followed them, who should be considered victims. Such distinctions are clearly important for all those senior regime figures currently in prison or under house arrest, such as **Abdelati Al-Obeidi**, **Mohamed Belqassim Zwai**, **Abu Zeid Dorda**, or even **Saif Al-Islam Qadhafi**. They are awaiting some decision on their fate.

Islamist domination

Not everyone within the NTC was on board with the conference guest list. A number of NTC members, including **Fathi Al-Baja** and **Ahmed Al-Abarr**, decided to stay away from the gathering on the grounds that it was dominated by the Islamist camp.

There was no small degree of consternation



SHEIKH YOUSEF AL-QARADAWI

among some of the more secular NTC members that key Islamist figures from the region had been invited to participate in the conference. Among them were famed Islamic scholar **Sheikh Yousef Al-Qaradawi**, who is Egyptian but based in Qatar, and Tunisian Islamist leader **Sheikh Rashid Al-Ghannouchi**. The Qatari minister of state for foreign affairs was also present.

These religious figures all fall broadly within the **Muslim Brotherhood** reformist school of Islam, which was seen by some to dominate the event. Although the Brotherhood denied that they had organised the conference or that it had a Brotherhood agenda, the presence of these important Islamist figures certainly gave the meeting an Islamist and Qatari flavour too much for some to stomach.

The meeting backfired for **Mustafa Abdel Jalil**. He clearly thought that bringing in such big-name Islamic figures would somehow impress Libyans and convince them that reconciliation and forgiveness was the only way forward. This was naive. With the country fast dividing along Islamist and secular lines, the move made the whole event appear partisan.

Moreover, notables such as Qaradawi may be influential but they are not neutral. The sheikh is remembered for passing a death *fatwa* on Colonel Qadhafi during the conflict. Abdel Jalil clearly failed to understand that these figures, and the Qatar link, are part of the problem rather than the solution to Libya's crisis.

Such a misjudgement is only likely to add to the growing feeling that Abdel Jalil is not leadership material.

Criticising the Islamists

Key players in Libya's new political scene have been taking the opportunity to lay into the Islamist camp in reaction to the growing feeling that the Islamists, backed by the Qataris, are coming to dominate the agenda.

Ali Tarhouni, former oil head in the Executive Board, gave a lecture in his hometown of Al-Merj this month in which he laid into the **Muslim Brotherhood**, accusing them of being 'foreigners' and of having 'a foreign ideology.' He also criticised the commander of the Revolutionary Gathering Brigade, **Fawzi Bu Ketif**, who has come together with head of the Tripoli Military Council, **Abdelhakim Belhaj**, and accused them both of having 'a suspicious relationship with Qatar.'

While part of this condemnation is a reflection of the growing distinction between the Islamist camp and those of a more liberal orientation, it is also an indication that the various political players are busy preparing themselves for the upcoming elections to the General National Congress.

Key players such as Tarhouni and **Mahmoud Jibril**, as well as the Islamists, are busy trying to build their own constituencies in the hope that they will be able to dominate the future political scene. Local sources in Tripoli have told *Libya Focus* that Jibril in particular is busy courting those elements who are currently feeling marginalised, such as those in Bani Walid, in a bid to broaden his support base.

Given his secular and more liberal outlook, someone like Jibril is likely to receive greater support from such elements.

The Islamist camp meanwhile is busy preparing itself for the upcoming elections. The Muslim Brotherhood is fully engaged in efforts to establish a political party that will be independent from the movement and that it hopes will draw in other figures, both Islamist and otherwise.

One Brotherhood representative told *Libya Focus*, however, that Libyans will vote for individuals rather than for parties or ideologies. In his view the country is still so underdeveloped in terms of political awareness that Libyans will simply vote for individuals they know and trust.

The Brotherhood is investing a lot of effort into using its networks to win the trust of the people at the local level. It is likely to do well in the upcoming elections.

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Struggling to re-form society

Twenty civil society and political groups - among them the **Libyan Revolutionaries' Union**, the **Libya Youth Movement**, the **Libya Youth Gathering**, and the **Libya Ulema Committee** - issued a statement this month expressing concern at the disarray of the NTC and its failure to run the country properly.

In particular its failure to deal with the file of those wounded in the conflict is disturbing. As one protestor exclaimed, 'The families of the martyrs and the wounded should be given priority. But we don't see anything happening in reality.'

Such accusations may be a little harsh. The new authorities have allocated substantial sums to the issue and have flagged it as a priority, even creating a special ministry for the injured and the families of the martyred.

Given the dreadful state of the Libyan health sector after decades of neglect and further erosion during the conflict, however, the system is struggling to cope with demand. Libya is being forced to send some of its injured abroad for treatment, and this is clearly just a drop in the ocean. The issue is likely to continue to be a major point of contention in the coming months.

There is also frustration at the general lack of services and jobs, and the non-payment of salaries. While the new leadership is struggling

with issues such as security and with building new power structures, it is easy to forget that those in Benghazi have been waiting for almost a year for things to improve.

With little progress in day-to-day living standards and as the prices of food, clothes, housing, and transport rise, patience is beginning to wear thin, not least because expectations were so high.

As a result, numerous strikes, sit-ins, and protests are still being staged throughout the east. There were protests this month, for example, at the **Jawf Oil Company** in Benghazi as workers demanded a pay rise and the expulsion of key personnel.

Air traffic controllers also created chaos this month when they walked out over the appointment of new management. The strike forced the closure of airports in Tripoli, Benghazi, and Sebha and, because the controllers had failed to give airlines the required 72 hours' notice, a Tunisian plane on its way to Tripoli was forced to land at Djerba instead.

Such actions are doing little for Libya's bid to be seen to be recovering and open for business again.

The difficult conditions are creating a tense atmosphere. This month workers in banks were physically attacked by angry customers who were unable to get their money because of the problems with cash liquidity.

Chaos still reigns and scenes associated with life under the former regime continue to be

played out in the new Libya. It is clearly going to take a long time before all the issues can be ironed out. Strikes and expressions of anger are likely to be an ongoing feature in the coming months.

Insecurity in Tripoli

The security situation in Tripoli continues to pose enormous and sometimes seemingly insurmountable challenges although there have been improvements in recent weeks.

The number of checkpoints in the capital is decreasing and there is a sense that people can now move around the city in a more normal fashion.

More important, the revolutionary elements from Misrata have now withdrawn and returned to their hometown. Their departure was prompted by popular demonstrations held in the capital on 9 December against the carrying of weapons. The city is now a somewhat calmer place than before.

The situation remains tense, however, and the various militia elements still operating in the capital show ongoing unwillingness to disarm. The authorities are looking increasingly desperate in this respect because their calls for militias to hand over their weapons and leave the capital continue to fall on deaf ears.

This month the head of Tripoli's local council gave the militias two weeks in which to disarm. Unsurprisingly, the call met with no response.

A disarming strategy?

The somewhat ridiculous ultimatum was also dismissed by the new interim government. Prime Minister **Abdul Raheem Al-Keib** declared that such a confrontational approach was 'shameful' and the wrong way of dealing with the problem. Instead, he declared, negotiation was the best way forward.

Yet despite Al-Keib's talk, the government clearly has no real disarmament strategy and given its own weakness and the lack of a national army knows that it is in no position to do anything about the problem.

Despite various schemes initiated by the NTC, such as its recent bid to establish a 'fighters' committee' to integrate the rebels into national security forces, the government is still far from being in any position to tackle the problem.

The government is well aware that it has no means of offering these young, armed men any meaningful alternative. For many youth, carrying a weapon and being part of a militia has given them a newfound sense of prestige and a role in life. Given that the government is in no position to provide employment for these young men, absorbing them into a national army or security force is probably the most realistic option open to the new authorities.

The establishment of such a body is, however, full of problems of its own.

Absorbing militiamen into an army

As **Libya Focus** reported last month, there is an ongoing tussle over who should head the new army and whether members of the former >>>

regime should be included. This problem is unlikely to be resolved any time soon.

The NTC's recent announcement that it would create a new army within 100 days seems far fetched at best. It will be a while before these thousands of militia members can be absorbed into any official military structures. Meanwhile the number of those joining these militias is on the rise and it is estimated that as many as 200,000 militia members now operate across the country.

While the leaders of the militias are aware that they must somehow convince their members to disarm if Libya is ever to get back to normal, individual leaders remain wary of making the first move and of succumbing to NTC demands.

Abdelhakim Belhaj declared this month that he would talk to the defence and interior ministers about his forces handing in their weapons, but insisted that he needed to see the programmes of all the ministries before he could comply.

Abdullah Naker Al-Zintani has shown a similar reticence to make the first move and is clearly concerned about relinquishing his power in the capital. He told the *Al-Sharq Al-Awsat* newspaper this month, 'The process of disarming the revolutionaries and moving them out of the capital is a very sensitive issue and requires some months at the very least to be implemented ... We want to know who is going to take these weapons, where they will be stored and what kind of protection will be given to these storage places. No one is against moving the revolutionary heavy weapons outside of the town but how and when and who will do

that? Who will guarantee to me the rights of the fighters? Who will compensate them? Some of them paid 12,000 dollars to buy a weapon. They need to be compensated and honoured.'

He concluded, 'At the moment there is no state and we haven't received any proposal from the government. When there is real organisation on the ground we will talk.'

Wreaking havoc in the city

Yet all the while that the militias continue to dominate the scene, Tripoli will be plagued by instability. Militia members continue to wreak havoc inside the city. There are regular reports of public buildings, universities and medical centres being attacked, as well as public officials.

General Prosecutor **Abdelaziz Hassadi** threatened to resign this month after he was attacked by a group of armed men who had forced their way into his office and made him sign a release form for one of their number who had been detained. The head of the Central Hospital in Al-Zawia Street was also attacked by a group of armed men.

Tripolitarians have also recounted to *Libya Focus* how militia members are taking over property that was taken from them or their colleagues by the former regime and are forcing

residents out onto the street. Given that there is still no police or security service, such attacks occur without any real restraint, leaving residents helpless and unprotected.

As the head of the military council in the western region, **Mokhtar Fernana**, declared at a press conference this month, 'Libya is now a state without a police force. The revolutionaries are the ones who are protecting Tripoli ... The revs won't leave the capital before a national army is built. The ministries of defence and interior have no real power to maintain security in the capital.'

Rivalries among militias

Clashes erupted this month between the Tripoli Revolutionary Council, led by **Abdullah Naker Al-Zintani**, and the former remnants of the Libyan armed forces, led by Colonel **Khalifa Belqasim Hafter**.

The rivalry between these two groups has been brewing for several months and, as *Libya Focus* reported in November, is related largely to who should control the new Libyan armed forces. While Hafter and other officers want to re-establish the old Libyan army with themselves

at the helm, militia leaders, including Al-Zintani, believe that they should be granted the right to form and lead a new national army.

This month tensions reached a new high when Hafter and his forces tried to take Tripoli airport, which is still held by the Zintani-dominated Tripoli Revolutionary Council. As he was on his way to try to seize the airport, Hafter refused to stop at a checkpoint manned by the Zintanis. Things turned nasty and two Zintani revolutionaries were killed in the ensuing gun battle.

This was not the end of the affair. Fighting continued as a number of Zintani revolutionaries tried to take revenge by breaking into Hafter's headquarters at three in the morning. They demanded that Hafter release two of their men whom he had arrested during the checkpoint clashes. When Hafter refused clashes broke out, injuring two people.

This was followed by two assassination attempts against Hafter when gunmen opened fire on his convoy in Tripoli. One guard was killed and four injured in the second attack.

The country's political leaders moved quickly to try to calm the tensions. **Mustafa Abdel Jalil** and **Abdul Raheem Al-Keib** made contact with the leaders of both sides to convince them >>>

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to halt the clashes. According to a source in the Supreme Security Committee in Tripoli, Defence Minister **Osama Al-Juwali** also stepped in to smooth things over.

While the immediate stand-off between these two powerful forces may have been resolved, the underlying issues that are pitting them against each other continue to hold. With both leaders vying to dominate the security field and neither willing to back down, the NTC and the government have a hard job on their hands to keep the peace.

Zintanis mixing it up

The Zintani revolutionaries have been getting themselves embroiled in clashes with revolutionaries from Al-Mashashia. The Zintanis are reported to have bombarded a residential area in Al-Mashashia using heavy weaponry and to have tried to arrest a number of fighters there.

According to one member of the Al-Mashashia tribe, which claims it has only light weapons, things 'degenerated when they [the Zintanis] killed a man in front of his house. The people here are very upset and since there have been clashes. Yesterday, they fired on us with Grad rockets. At least four people were killed and a dozen injured.'

It is not clear exactly what the clashes were about, although the Zintanis claimed that the Al-Mashashia were supporting the Qadhafi regime, going as far as to claim that they were the regime's fifth column.

The situation was so serious that **Mustafa Abdel Jalil** was forced to step in. The NTC leader's solution was to form a committee comprising tribal heads who were tasked with resolving the issue. Yet this reliance on the tribes failed to bear fruit: following the meeting further clashes broke out.

Tripoli continues to be beset with problems and insecurity will remain a feature of the new Libya for the foreseeable future.

Al-Obeidi's killers named

The killing of the former interior minister, **Abdul Fatah Younis Al-Obeidi**, who defected to the rebels, continues to preoccupy the minds of many Libyans, and particularly those in the east. In the face of growing demands to investigate the matter and bring those responsible to justice, the NTC took some action this month by announcing the names of those accused of killing the colonel.

In a specially convened press conference **Mustafa Abdel Jalil**, in the company of military prosecutor **Yousef Al-Asayfa**, accused six Libyans of murdering Al-Obeidi. More controversially, the NTC head also named former Executive Board deputy **Dr Ali Al-Isawi** and Judge **Gumah Hassan Al-Jaswi Al-Obeidi**, the head of the committee responsible for investigating Younis before his death, accusing both men of helping to pave the way for the colonel's killing.

Al-Asayfa went as far as to declare, 'Al-Isawi is

Where is Abdullah Senussi?

The fate of former regime stalwart **Abdullah Senussi** is still shrouded in mystery. Senussi, who was Qadhafi's former intelligence chief and his brother-in-law, was reportedly arrested by Zintani militiamen in November at the same time that **Saif Al-Islam** was detained. Senussi is believed to have been picked up in the Fezzan, where he was planning to flee to Niger.

There has been no news of his whereabouts since his alleged arrest, however, and no official announcement of his capture. This has inevitably fuelled rumours that Senussi has managed to flee the country. There is talk that he has escaped and was sighted on the border with Mali and Niger.

The head of the Tripoli Revolutionary Council, **Abdullah Naker Al-Zintani**, confirmed this

one of the main suspects in the murder.' The NTC also accused seven revolutionary leaders from the **Abi Obeida Bin Al-Jarrah** brigade of involvement.

While many saw the development as a sign of progress, there was a general shock that the NTC had chosen to announce the names in such a public way. The accused were certainly horrified and claimed that move had left them vulnerable to revenge attacks. They insisted that they were not responsible and demanded an investigation into Younis's role in what they referred to as 'incidents of mistaken

month that Senussi was still being held by Zintani revolutionaries. He declared, however, that, for security reasons, he did not want to reveal where Senussi was being held.

'We are investigating him and another senior figure,' Al-Zintani stated. 'We fear that he might be smuggled out by followers of the former regime. We won't allow him to be interviewed by foreign journalists until we have finished investigating him.'

Al-Zintani also promised that he would hold a press conference within a few days to discuss the matter.

Yet Libyans are not holding their breath. There has been no indication of any such press conference and it looks as though if they do have him, the Zintanis are intent on holding onto the former Qadhafi stalwart, presumably to use him as a bargaining chip in their relations with the new government.

bombardment on our brigades in the beginning of the revolution.'

As for Al-Isawi, the former official denied any involvement in the affair and insisted that he had not signed any decision related to Younis. He also leaked a memorandum that he had sent to the NTC hinting that Abdel Jalil was personally responsible for Younis's death and claiming that the NTC head had given the orders for Younis to be arrested.

Meanwhile, while Younis's family welcomed the announcement, firing shots into the air >>>

Qadhafi loyalists in Misrata?

Seven people were arrested in Misrata this month, accused of trying to carry out 'subversive acts.' They were believed to be plotting to plant explosives in the port, the offices of the military council, and in a mosque in the city.

According to authorities, the men were not local to Misrata but came from different areas of Libya. It seems that those arrested may well have been linked to the former regime.

in celebration in front of the Tibesti Hotel in Benghazi. They still believe, however, that more senior figures were also involved in the killing.

The family and the Al-Obeidat tribe are still warning the NTC that if the matter is not vigorously pursued, they might ask for the help of the International Criminal Court (ICC). They are also still threatening to use weapons if the issue is not fully resolved.

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ENERGY INDUSTRY

NOC to investigate contracts

In the months since Libya's full liberation, most attention in the energy sector has been focused on the question of how soon international companies will be able to return to the country and resume the full management of their production or exploration concerns.

It now appears that, although **National Oil Corporation (NOC)** is eager for companies to return, it is also working to a new set of priorities. According to a source who recently met with NOC chair **Nouri Berouin**, the sector will now focus on enhanced oil recovery, environmental protection, and community support. IOCs will have to adapt to these priorities before they are fully welcome.

Berouin is also going ahead with plans to appoint committees to look into existing contracts. Speaking at **City and Financial's** Libya investment conference on 14 December, the source told **Libya Focus** that committees would investigate the alleged failure of some IOCs to satisfy various elements of their contracts. Payment of personnel during the period of the revolution will also count, he said. 'Those who have paid salaries will be in a stronger position.'

There are powerful arguments both for and against looking into IOC contracts. In favour are the arguments of political necessity and the requirement to demonstrate that victims of the

fight to remove Colonel **Muammar Qadhafi** and his regime did not die in vain.

Against this are the arguments of practicality. It is hard to imagine that exploration contracts won under the EPSA-IV licensing process can be made more favourable to the Libyan side. With the exception of the **Waha** consortium - NOC and its American partners **ConocoPhillips**, **Hess**, and **Marathon** - most other producing companies have revised their production sharing agreements since 2007, accepting sharp cuts to their entitlements.

Early reports about the interim government's determination to investigate suspected cases of corruption in oil contracts signed during the Qadhafi era came out in early December. A member of one committee, **Salem Gannan**, told **Reuters**, 'This committee will study the old files of the oil sector and we are looking for corruption in the sector in the past.'

He said it would operate independently of the Oil Ministry and NOC, reporting directly to the NTC. He did not say whom within the NTC the committee would report to. As questions are now being asked about whether the NTC has not outlived its usefulness, the leverage of this sort of committee is not clear.

In early December, **Eni** chief executive **Paolo Scaroni** said he was not concerned about the possibility of contracts being renegotiated. He said he did not believe the NTC would want to jeopardise the return of IOCs.

He told reporters, 'I think it's unthinkable for any oil country, including Libya, to change these legal

mechanisms and therefore I don't see how these contracts can be changed ... The priority for Libya of course is ... to get back as soon as possible to previous production and possibly more.'

NOC restructuring in question

The current managers of Libya's oil sector should not make hasty decisions about the structure of the sector according to former **NOC** chair **Dr Shukri Ghanem**.

In an interview with **Libya Focus**, he said that debates about the creation of a ministry separate from NOC had in fact been going on for the past 17 years and a new oil law, which was under discussion for much of 2009 and 2010, was 'ready' at the time just before the regime changed.

Just a few 'points of difficulty' remained to be resolved, he said. One was whether the minister would also have to be chair of NOC and another was the precise nature of the petroleum council.

Ghanem argued that the NOC chair needs to be a strong figure to manage the company but will always fight with the minister unless the two positions are merged, allowing issues of NOC policy to be resolved at board level before being discussed in cabinet. He said the minister of oil ought to be NOC chair, with a director general under him to take operational decisions in the same way that Saudi Arabian oil minister **Ali Al-Naimi** is chair of Saudi **Aramco**.

NOC is currently chaired by **Nouri Berouin**, >>>

who was appointed shortly after the fall of the Qadhafi regime and had been running the rebel version of NOC in Benghazi. He must now answer to the newly appointed oil minister, **Abdulrahman Ben Yezza**.

In early December, Ben Yezza said there would be 'no earthquake' in relations between NOC and the ministry. In September, the NTC drafted a proposal to give greater control of the sector to the ministry, making the NOC a purely commercial operation.

'This proposal will be reviewed thoroughly and we have to involve all the experts to study the pros and cons ... So at the moment, it's not approved,' he said.

Militias take over oil field security

The NTC appears to be sticking to its guns on the issue of foreign private security companies, apparently preparing a severe licensing regime as a way to keep companies out of the country. Part of its rationale is that it believes protection of strategic assets such as oil fields should be a task left to Libyan nationals.

That is a role that former militia fighters are expected to take on.

The problem with using militias for this role, or indeed for any official military or police function, however, is that most of them are far too ill-disciplined to carry it out. The owner of one oil service compound told *Libya Focus*



MILITIAS TAKE OVER OIL FIELD SECURITY

that members of a militia had taken over his premises but were frequently inebriated. On one occasion, an accidentally detonated hand grenade killed two men and destroyed one residential unit.

While it is unlikely that the presence of such forces will reassure IOCs sufficiently to permit the permanent return of staff to facilities, to some extent militias have already stepped into the role of oil field protection forces.

In late November, Oil Minister **Abdulrahman Ben Yezza** claimed that significant progress had been made in improving security at oil fields: 'There is security now in the fields and the proof is the production ... All effort is being made to collectively make sure that the fields are secure and all the service companies and foreign companies can resume their operations.'

But a security source told *Libya Focus* that oil field security is in fact being supplied by various local militias, many of which have based themselves close to strategic infrastructure to bolster their own influence.

The Zintani militia has reportedly made itself responsible for security in the Ghadames and Murzuq basins. Local militias financed by Qatar are also providing security at the country's eastern oil fields, according to official documents published on the **NOC** website.

A 25 July report from NOC subsidiary **Arabian Gulf Oil Company (Agoco)**, released during a mid-September transparency initiative, says that a crucial stretch of oil pipeline from the Marsa al-Hariga oil terminal in Tobruk and a booster station are being protected by the Tobruk detachment of the 17 February Brigade.

It said that 134 fighters had been deployed at seven checkpoints and at the booster station itself. They are equipped with 22 vehicles, seven mounted with heavy machine guns and eight with regular machine guns.

The 17 February Brigade is perhaps the most high-profile militia in eastern Libya. It is led by **Ismael al-Salabi** and is so heavily funded by Qatar that it has acquired the nickname the '17 Ferrari Brigade' because of the expensive vehicles in which its members travel.

Dr Ali al-Salabi, who is Ismael's brother, is a high-profile Islamist cleric who was exiled in Doha for many years and has now become an important political leader in eastern Libya.

The other militia that has been protecting installations in southeastern Libya is the Martyrs of Ahmed al-Sharif Brigade, whose 350 fighters have been guarding the vital Sarir and Messla oil fields in since July.

Changes to oil marketing regime

Following a meeting between NOC executives and oil market representatives in Istanbul, the corporation has said that it may change the marketing system to one based on bidding, which also will allow international traders to participate.

Informed sources close to the industry have described this change as risky, noting that with bidding, 'You can get better, or you can get worse. You are not selling to end users but to traders, so you are not going to get the same price. You are divorcing the price from the market. No one will pay more than the international price; they can only bid lower.'

Previously Libyan crude was sold at an Official Selling Price (OSP), which was the Brent average price a day before and day after loading, plus or minus certain differentials. 'They only allowed sales to end users,' he confirmed.

Production increases continue

Libya has restored hydrocarbons output to a little over half the 1.6 million b/d it produced before the revolution more quickly than any outside agency estimated was possible.

It has so far achieved what the sector managers, including **NOC** chair **Nouri Berouin** said >>>

it would. In early December, NOC announced that crude production had reached 840,000 b/d; others put the figure at 900,000 b/d. If it sticks to its plan, output will increase to about 1.2 million b/d in mid-2012 and the rate of increase of production will then slow substantially.

Oil Minister **Abdulrahman Ben Yezza** told reporters earlier this month, 'I think it will be feasible. We'll work very hard to achieve that target date, and hopefully even sooner. We'll give it all of our effort to do it.' Meanwhile former oil minister and current **OPEC** general secretary **Abdullah Al Badri**, who was speaking at the World Petroleum Congress in Doha, said that he expected Libya to reach this goal in mid-2012.

At the beginning of this month, about three-quarters of production came from the eastern part of the Sirte basin. A large part of the oil produced in the easternmost fields of Messla and Sarir is expected to be diverted to the Ras Lanuf oil refinery when it restarts production in January or February 2012.

When that happens, the volumes of crude exported from the Sarir stream via the Marsa al-Hariga terminal at Tobruk will decline sharply. This explains the sharp decline in forecast export output in the figures published in *Libya Focus* last month.

Total takes off

France's **Total** is now producing 40,000 b/d at its offshore Al Jurf field, north of Mellitah, but

»»» www.menas.co.uk

has yet to resume production in the Mabruk field in the western part of the Sirte basin. Company CEO **Christophe de Margerie** told **Reuters** that the company intends to carry out exploration work and develop new production in Libya.

'The priority is restarting production in a sustainable way,' he said. 'Then there is room for additional developments and research for increasing recovery rates. There is room for new projects.' Total said it was in discussions with the interim government to drill more offshore exploration wells.

Eni escalates production

Eni's crude production in Libya has reached 70 per cent of its pre-civil war output, company chief **Paulo Scaroni** told reporters on 8 December. 'We are close to 200,000 barrels a day,' he announced and described the company's progress in Libya as a 'phenomenal result.'

And others ramp up

Akakus Oil Operation's production has reached 200,000 b/d according to **Repsol** CEO **Antonio Brufau**. He told reporters at the World Petroleum Congress in Doha that this amounted to 'around 60 per cent of total production and it is going up,' adding, 'The ramp-up has been very aggressive.'

Repsol's partners in Akakus are **NOC**, **Total**, **OMV**, and **Statoil**. **OMV's** CEO, **Gerhard Roiss**, recently told reporters that it will take 12 to 15 months to restore full output in Libya following the end of the war and that the company's own crude production in Libya had reached 50 per cent of pre-war levels.

Way to go, Agoco

Benghazi-based **NOC** subsidiary **Arabian Gulf Oil Company (Agoco)** is currently producing 280,000 b/d. It continues to market its own crude, company spokesperson **Abdul-Jalil Mayuf** told **Reuters** at the beginning of December.

Agoco always had some rights to sell its own production but became much more autonomous over the course of the civil war and acted as a de facto state oil marketing company for the anti-Qadhafi forces.

Mayuf told **Reuters**, 'Yesterday we were still marketing our crude. The crude oil is still our responsibility.' Agoco still aims to reach full production of 425,000 b/d by the end of February 2012. Sarir is producing 138,000 b/d; Messla around 80,000 b/d; Nafoora 37,000 b/d; and Beda, in the western part of the Sirte basin, 16,000 b/d.

With regard to future work, Mayuf said, 'Our effort will be concentrated in Sarir, Messla, and Nafoora.'

As a side note some Western oil executives who have visited Agoco's headquarters have told *Libya Focus* just how impressed they are with the company's operational efficiency, self-evident pride, and determination to succeed.

Everyone appears to be back at work and the company is using its newfound autonomy, which will not be quickly surrendered, to move as quickly as possible to ramp up production.

BUSINESS ENVIRONMENT

Muddled administration gets wobbly start

The enforced pause in an estimated \$180 billion worth of infrastructure and other projects caused by the Libyan revolution is a potential opportunity for the authorities to go back and start again on a more efficient footing.

But while some participants and observers are optimistic that a new approach - one incorporating transparency and better governance - may be possible, others point to unreasonable negotiating stances as evidence that nothing much has changed.

Even if the procedures and regulations do not change much, the government has to revise its approach to development master planning, which has been notoriously inadequate in recent years.

Examples of absurd failures to plan properly abound. There is the case of the brand new hospital outside Tripoli with no road or electricity connections. Lack of power supply was one of the reasons why work stopped half way through the construction of Tripoli's new international airport terminal. Fresh water has to be trucked into the newly built Marriott Hotel on the sea front opposite the El-Fatah Tower.

Emergency provisions, not infrastructure

The new ministers appointed in mid-November are more focused on ensuring the immediate >>>

provision of emergency and humanitarian services than on tackling these huge structural inadequacies. For the most part they are still reading themselves into their briefs and building their staffs.

They are therefore incapable of making swift decisions on a mounting list of pending business, let alone working out how to coordinate with other departments. The Ministry of Finance has asked every ministry to set a budget by 20 December. It will prioritise budgets on emergency need.

Obstacles to progress

As these processes advance, it has become clear that Libya is beginning to suffer badly from the lack of stable governing institutions. The country has arguably done well to maintain a basic level of public service provision in the immediate post-conflict period but maladministration and paralysis in the governing bodies inherited from the Qadhafi era mean that progress is being impeded on multiple levels.

Speaking at **City and Financial's** Libya conference in London on 14 December, **Capita Symonds** commercial director **Ruban Muruganandan** said that projects in the transportation sector were being held up because the chair of the Transportation Projects Board (TPB), responsible for airports, ports, and highway projects, did not know whether he should be reporting to the prime minister or the transport minister.

Owing to Qadhafi's penchant for reorganising the country's perpetually failing civil administration, the TPB had been in existence for only

eight months prior to the outbreak of conflict in February. It had amalgamated responsibilities previously held by the Ports Authority, the Civil Aviation Authority, and the Roads and Bridges Authority.

Too early for business

One of the main messages to come out of the very well attended Libya conference was that, while it is now fine to visit Tripoli and Benghazi to build up contacts and introduce oneself to the market, it is still too early to do business. **PricewaterhouseCooper's** new Libya manager, **Melanie Butler**, described the frequent sight of 'contractors waiting in a corridor outside a minister's office asking about the status of projects.'

A complicating factor for businesses trying to get back into Libya or to start up there for the first time is the probability that most of the ministers and top officials who currently hold positions will probably be replaced after the elections, if they take place as planned in the middle of 2012.

One UK businessman who has been permanently based in Benghazi since early in the conflict told *Libya Focus*, 'We are trying to deal with officials as little as possible. Anyone who is in power now is not going to be there after elections.' Becoming associated with the wrong faction now could be damaging to future success.

Audits threaten past business

Another disturbing theme to emerge strongly from the London conference was the feeling that companies with established business

histories in Libya may be disadvantaged in the future as they will have to go through audits and justify their past activities and connections.

A director of one market entry advisory company working in Libya said, 'A number of committees have been established to look into contracts. They have not necessarily been publicised.'

Parsons Brinkerhoff Libya manager **Brendan Conlon** told the conference, 'The common theme that has come up with all clients is that everything has to be transparent. They are going to audit all previous contracts.'

Audits will cover more than the obvious question about whether contracts were obtained corruptly. 'They are going to take opportunity to reappraise all projects. They will also potentially look at the appropriateness of the original scope of work,' said Conlon.

Many Qadhafi-era projects were much larger than they needed to be. Conlon said they were often overdesigned, partly to satisfy a Libyan desire to have spare capacity in case of the return of sanctions but also because of 'overselling' by Western contractors. The implication is that some companies may find they are coming back in to complete much smaller projects and on tighter margins than they expected.

As well as looking at the contracts, audits are likely to study the 'footprint' of the contractor in Libya: its 'reputation and relations with staff'. Companies that succeeded in continuing to pay their staff during the revolution are therefore likely to be treated more favourably than those that did not.

Compensation claims dilemma

Businesses that were active in Libya prior to the revolution are owed money for work that has been completed and may have claims for compensation, either for the costs of evacuation or for loss of equipment and damage to property sustained during the conflict.

This presents them with a dilemma. 'Do you go in hard trying to collect money or do you negotiate?' asked **Vince Rowan**, a lawyer with **Reed Smith Reed**. 'If you have a long-term vision for the country you have to be patient.'

The basic contractual framework is not very favourable. The legal structure is tough and made more difficult by the previously shifting structure of government regulations and numerous tweaks made to supposedly standard forms of international contract, which have shifted the burden of risk onto the contractor.

Additionally, Libyan institutions have a track record of trying to defend against claims of force majeure. 'There is going to be a huge tension around collecting, if you do that rather than trying to negotiate,' said Rowan.

While these issues are unresolved and the security situation is still questionable, such businesses are not prepared to lift force majeure on their contracts.

The Libyan side has taken a strikingly similar attitude to that adopted during the Qadhafi era. It is pushing companies to come back in as >>>

quickly as possible but also insisting that contracts will be resumed on its preferred terms.

Parsons Brinkerhoff Libya manager **Brendan Conlon** said he had been in contact with the provisional authorities for some months. 'We are under a lot of pressure to start work,' he admitted. The company has been working in the power and water sectors for several years. Some factory testing of equipment is already underway and Conlon expects to mobilise in January and go live on projects in February 2012.

British lawyer **Irene Dallas**, one of the founders of claims company **Global Arbitration and Litigation Services Libya (GALS)** (see *Libya Focus* October 2011, Business environment) criticised the approach being taken by the Libyan authorities. 'To enter into commercial negotiations is fanciful,' she said. 'What is being said in Tripoli and Benghazi is not being carried through in reality.'

Dallas said that her clients, including a number of major contracting companies, were not being met with reasonable negotiating positions. One client was told 'they could have all their equipment back if they paid for it. Another client was told it shouldn't have left its project site, because it wasn't that dangerous,' she related.

Companies are also being threatened with penalties for not having completed projects.



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