

21.12.11

>>> Menas Libya Politics & Security

1.0 Executive Summary

Key News Items

- > **UN Sanctions Committee** resolution to lift the freeze on Libya's overseas assets is immediately passed
- > Finance is vital for the **National Transitional Council (NTC)**, both for state expenditure and to mollify the Libyan public
- > Protests against the government are increasing
- > Benghazi sees the majority of protests as **NTC** reacts to discontent
- > Colonel **Khalifa Hifter** remains a target for public criticism
- > US Defence Secretary **Leon Panetta** visits Tripoli
- > **NTC** head **Mustafa Abdel Jalil** meets Italian premier **Mario Monti**
- > **International Criminal Court (ICC)** initiates an investigation into the circumstances of **Colonel Qadhafi's** death
- > A wave of industrial strikes causes concern
- > **NOC** makes decisions over 2012 term contracts and product imports.

Politics

- > Islamists keep a comparatively low profile
- > Fundamentalists represent the main threat to national unity
- > Over half the population supports Islamist organisations
- > **Al-Qa'ida** has not made any progress in Libya
- > The balance of power within the **NTC** is uncertain
- > Even the Islamist radicals support a secular constitution
- > But they and the **Muslim Brotherhood** sustain heavy criticism of the **NTC**
- > Its inclusion of former Qadhafi officials causes deep resentment
- > The government has so far failed to disarm the militias
- > An increasing element of regional identity is becoming apparent
- > Misratans are engaged in a dangerous conflict over the future of their black neighbours - and enemies - from Tauorga
- > A climate of confrontation and division begs the question of who will eventually control the country.

Security

- > The security situation affects foreign companies as the dangers vary considerably from region to region
- > Large areas of rural Tripolitania are like the "*wild west*"
- > So far, nationality has not yet become an issue for most Libyans
- > Careful monitoring of events is, however, still required.

Summary

- The mood in Benghazi is now rather down-beat
- Entry to Libya is restrained by visa and other difficulties
- The security situation is improving in some areas but is generally still not good and the outlook is far from rosy.

2.0 Key News Items

- The UN Sanctions Committee swiftly responded to the *NTC's* written request to lift the freeze on Libya's overseas assets. Although sanctions against the *NOC* were lifted in September, both the *Central Bank* and the *Libyan Foreign Bank (LFB)* continued to be subject to sanctions and particularly an asset freeze.
- The sanctions on the two banks were lifted on 16th December with no objections from members of the committee. The US immediately signalled its intention to unblock those funds that are being held by the US Treasury; the UK and France acted in a similar fashion.
- It is likely, however, that it will take some time for the assets to produce any form of useful cash injection into the local economy. It should though assist the *NTC* in demonstrating to the Libyan public that it is capable of running the country.
- Not only are banks inside the country currently reporting trouble providing sufficient cash but substantial finances will also be essential for the government to both take on reconstruction projects and achieve its primary aim of providing adequate care for those who were wounded or bereaved during the fighting.
- These aims are becoming all the more important when viewed in the context of increasing dissatisfaction about the direction in which the country is going. Protests are becoming more common as Libyans revel in their right to express their opinions and be heard. Although demonstrations have become commonplace in several areas, including Tripoli, it is Benghazi which has seen the majority of protests.
- In particular, in mid-December, around 2,000 protesters, mainly young men, gathered in Benghazi to express their dissatisfaction with the *NTC's* alleged corruption. Organised via social networking sites, the protests evolved into a large sit-in at Shajara Square.
- In a speedy reaction the *NTC* formed a crisis committee. While it is clearly important to address the public's concerns, it is also likely that the *NTC's* reactive approach merely serves to demonstrate its inability to drive the government with its own agenda.

- As a sop to the protesters, the committee announced that Benghazi is to be the home of the new Economy and Oil ministries. Probably in anticipation of similar complaints in other areas, it is understood that the Finance Ministry may be based in Misrata and the Ministry for Culture in Derna.
- Colonel Khalifa Hifter continues to be a target for attack. Besides the issue of the control over any 'national army', Hifter is also involved in several other key areas of concern. Not only is the 69 year-old Colonel a former regime stalwart but he was also a high-ranking military officer in the former *Leader's* army until the 1980s.
- He fell out with the regime following the debacle of the Libya-Chad war and left the country after the disastrous battle at Maaten al-Sarra in September 1987 when over 1500 Libyan troops were killed and some 70 tanks and 30 aircraft were destroyed. He also spent more than a decade living in exile in the US near the **CIA** headquarters, and some of his countrymen view him as the CIA's man in Libya. These matters of concern, added to a growing unease with the unelected nature of all those involved in the *NTC*, are driving the attacks on Hifter's position.
- Most recently, it is alleged that Hifter's sons have been targeted by the Zintani brigade whose attack on Colonel Hifter himself was reported in *Libya Politics & Security 14.12.11*. Reports from Tripoli suggest that one son, **Saddam**, has been wounded during conflict outside a bank, while the other, **Belgacem**, was shot on his way to visit Saddam in a Tripoli hospital.
- In an indication that the *NTC* acknowledges the need to focus on defence and security issues, Prime Minister **Abduraheem El-Keib** welcomed US Defence Secretary Leon Panetta to Tripoli on 17th December.
- Meanwhile, on 15th December, *NTC* chairman, Mustafa Abdel Jalil met the Italy's Prime Minister Mario Monti in Rome. It was announced that the 2008 Libya-Italy Friendship Treaty, under which Italian firms obtain preferential treatment, will be resurrected. Italy suspended the treaty early in 2011 to demonstrate its support for the anti-Qadhafi movement.
- France is also hoping to remind the *NTC* of its early support for the anti-Qadhafi movement. Foreign Minister **Alain Juppe**, in Tripoli on 14th December, confirmed that France is ready to unfreeze Libyan assets and distribute them to the *NTC*.

- It is believed that the Chief Prosecutor for the ICC, **Luis Moreno Ocampo**, has written to the *NTC* suggesting that it initiate investigations into alleged war crimes, and particularly the death of Colonel Qadhafi. The ICC said that it would investigate such allegations itself if no action was taken by the *NTC*.
- A lightning walk-out by air traffic controllers in Tripoli and, to a lesser extent, Benghazi, necessitating the re-routing of flights, has caused concern over whether the country can utilise existing infrastructures to return to normal.
- Following the announcement that **Vitol** and **Glencore** were awarded contracts to supply fuel to *NOC* for the rest of 2011, it is reported that the latter has decided its list of suppliers for 2012. The names being suggested include Russia's **LUKOIL**, Italy's **Saras**, Greece's **Motor Oil Hellas**, and **Tamoil Nederland B.V.** which is an *NOC* subsidiary company. Some sources suggested a fifth name may be involved.
- *NOC* has also announced the names of ten companies that will get priority access to term supplies of its crude oil in 2012, including traditional buyers among the European refiners that stood by the country's new leaders during the civil war. A senior *NOC* source said that the following companies would definitely receive crude oil volumes next year: **Repsol, Total, Eni, Royal Dutch Shell, OMV, ConocoPhillips, Saras, BP, Galp** and **ExxonMobil**.

3.0 Comment & Analysis

- The internal workings of the Islamist groups which are overtly aligned with the *NTC* remain potent forces for confusion and uncertain loyalties within the new Libyan regime. The *Muslim Brotherhood* and the successors of the *Libyan Islamic Fighting Group (LIFG)* represent the main threat to the unity of the government.
- Reliable Libyan estimates suggest that almost half of the adult population would, in an election, support one of the two Islamist organisations. Both have firmly denied any connection with exterior groups and particularly with the Algerian-based and led *Al-Qa'ida in the Islamic Maghreb (AQIM)*. On the other hand, the *Al-Qa'ida* representatives themselves have claimed connections with the Libyan Islamists.
- The balance of power between the radical groups who have close ties with external Islamist organisations is still uncertain. This is because these groups are currently maintaining a low profile and

appear to be making minimal claims for their current representation in the government. Indeed, some of the Islamist groups' spokesmen have taken up very moderate positions during the early weeks of the constitutional review.

- The radicals who are working in co-ordination with the prominent theologian, Dr **Ali Al-Salabi**, have, for example, been particularly careful not to attack the principle of a new and secular constitution. They have, however, been withering in their propaganda attacks on the *NTC* for both its inefficiency and its lack of understanding of the basic needs of the people. By and large, the heavy criticism of the government has been left to the secular political groups. The government has been weak in replying to the failures outlined by the Islamists and it must be assumed that any propaganda value arising will be exploited to the benefit of the Islamic fundamentalists.
- The *Muslim Brotherhood* has sustained its attacks through its members in the *NTC* and, in particular, is focusing on the current inclusive policy for former Qadhafi employees and supporters. The issue is acute and in Libya there are reports of disquiet among the *NTC* over the issue of continuing its open-door policy to their former opponents.
- There is also considerable discontent among the *NTC* members over the inclusion of bureaucrats, technocrats and political appointees who worked for the Qadhafi regime. There is a struggle in progress to exclude absolutely all ex-Qadhafi people from long-term membership of the *NTC*, and these same critics require the resignation and departure of all such individuals at the termination of their period of office.
- The opposition to the *NTC* from the politically active militiamen from the Misrata and Zintan brigades reinforces the general tenor of dissent exhibited by the political ambitions of the *Muslim Brotherhood*. The government has failed to disarm the militias and it seems unlikely to be successful within the foreseeable future.
- Although there are now fewer checkpoints and the security situation appears, on the surface, to be improving in Tripoli, the capital in particular has recently become more politically volatile. In addition to the mass protests described above occurring here, in Benghazi and in Misrata, there has been a rising tide of criticism articulated against Colonel Hifter's presence in the administration. An attempt by a group in al-Bayda to have Hifter endorsed as a senior official responsible for security was promptly turned down by regional officials.

- > An element of regional identity is beginning to show through the apparent unity of those who fought against the Qadhafi family. Minister of Defence Colonel **Osama Juwaili** and Colonel Hifter have taken to travelling with their own guards who were previously used to clear offices in central Tripoli. In one incident in central Tripoli a fire-fight took place between guards at a bank from the Zintan militia and other militiamen travelling with Hifter.
- > Misrata representatives in Tripoli have reported that most of their own militia have been withdrawn from the capital and this has been confirmed by other sources. They have, however, apparently stated that they have no intention of handing over their weapons until some significant concessions are made to their basic demands. These are the same as those demanded by the anti-*NTC* groups throughout the country - the dismissal of the ex-Qadhafi officials.
- > The Misratans are also engaged in a dangerous conflict with the leadership of the new army. Hifter is supporting claims by the Tauorga (a.k.a. Tawarga) people for their traditional land rights in the areas that they settled to the south and south east of Misrata. The mainly black Tauorgans, who used the opportunity of the revolution to strike at their traditional rulers in Misrata, have since paid the price for their temerity. The Misratans have sworn that none of the Tauorga refugees who have been driven from their homes will be allowed to return. Such a political climate of confrontation and division will tend to open up the matter of who will control the country. There is even talk of Hifter deliberately creating a conflict with the *NTC* in which he uses the strength of the newly formed army to induce a coup d'état in his favour.

4.0 Security of Foreign Personnel & Assets

- > The security situation as it affects foreign companies, their staff and physical assets varies. Some areas in the northwest are comparatively quiet and a number of the Tripoli suburbs have defence groups to promote the peace. There are still large areas, however, particularly in Tripoli province, which have been described as the "*wild west*" because of the high instance of criminal activity ranging from theft of vehicles to bank robbery. None of these activities is so far tinged with anti-foreign sentiments but, if the pace of economic improvement does not quicken, then political protests could cause significant disruption and endanger foreign companies. The ability of the Libyan groups to organise protest marches and overt criticism of the authorities has considerably increased since early 2011.

- > It is advised that careful monitoring is given to the struggle for power and especially the rise or fall in the popularity of the *NTC* which is currently accused of inefficiency and, reportedly, is as involved as ever in bribery and corruption.

5.0 Summary

- > The mood in Benghazi is very different from that of the last few months - with an element of despair at the failure of the *NTC* to recognise that it cannot continue to appoint members of the old regime without leading the country into deep internal difficulties. The economy has not yet responded to the good news relating to the unfreezing of assets and nor is their confidence visible in the trade activities of the major cities. There is a tendency to postpone significant developments until the situation is clarified.
- > Access by foreigners to Libya is secured mainly by visas but the militias' stranglehold at the main crossing points on the Tunisian frontier together with the transit through Tripoli airport are major deterrents to visitors.
- > The security situation is not yet good and the outlook is far from rosy, with considerable criminal activity apparent outside Libya's main commercial centres. The government is increasingly unpopular and is not assisted by an arrogance which dismisses the role of the ex-militiamen at a time when the central authorities do not have an ability to get their way as a result of their military weakness.



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