

## COUNTRY PROFILE: LIBYA

April 2005

### COUNTRY

**Formal Name:** Great Socialist People's Libyan Arab Jamahiriya (Al Jumahiriyah al Arabiyah al Libiyah ash Shabiyah al Ishtirakiyah al Uzma).

**Short Form:** Libya.

**Term for Citizen(s):** Libyan(s).

**Capital:** Tripoli (also known as Tarabulus), with an estimated population of 1,223,300 in 2002.

**Major Cities:** Tripoli, Benghazi, Misratah, Az Zawiyah, Tobruk (according to decreasing size, 2000–2002 estimates).

**Independence:** December 24, 1951, from Italy.

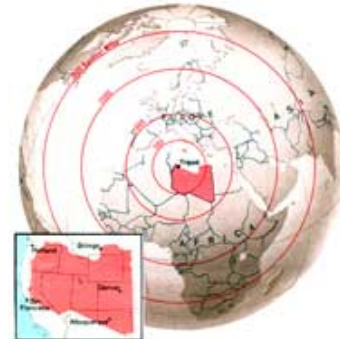
**National Public Holidays:** Commercial offices and government establishments are closed on Fridays. In 2005 the major holidays are: January 21\* (Eid al Adha, Feast of the Sacrifice); February 10\* (Islamic New Year); February 19\* (Ashoura); March 28 (Evacuation Day); April 21\* (Mouloud, Birth of Muhammad); June 11 (Evacuation Day); September 1 (Revolution Day); September 2\* (Leilat al Meiraj, ascension of Muhammad); October 7 (Evacuation Day); November 4\* (Eid al Fitr, end of Ramadan). Holidays that vary according to the Islamic lunar calendar are marked with an asterisk.

**Flag:**

The flag is plain green, the traditional color of Islam (the state religion).



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### HISTORICAL BACKGROUND

**Early History:** Until Libya achieved independence in 1951, its history was essentially that of tribes, regions, and cities, and of the empires of which it was a part. Derived from the name by which a single Berber tribe was known to the ancient Egyptians, the name *Libya* was subsequently applied by the Greeks to most of North Africa and the term *Libyan* to all of its Berber inhabitants. Although ancient in origin, these names were not used to designate the specific territory of modern Libya and its people until the twentieth century, nor indeed was the whole area formed into a coherent political unit until then. Hence, despite the long and distinct histories of its regions, modern Libya must be viewed as a new country still developing national consciousness and institutions.

Geography was the principal determinant in the separate historical development of Libya's three traditional regions: Tripolitania, the northwestern part of the country; Fezzan, the southwestern part; and Cyrenaica, the largest of the three regions, occupying the entire eastern half of Libya. Cut off from each other by formidable deserts, each retained its separate identity into the 1960s. At the heart of Tripolitania was its metropolis, Tripoli, for centuries a terminal for caravans plying the Saharan trade routes and a port sheltering pirates and slave traders. Tripolitania's cultural ties were with the Maghrib (Maghreb), of which it was a part geographically and culturally and with which it shared a common history. The Maghrib is the western Islamic world of northwest Africa, which usually includes Morocco, Algeria, Tunisia, and Tripolitania. Tripolitanians developed their political consciousness in reaction to foreign domination, and it was from Tripolitania that the strongest impulses came for the unification of modern Libya.

In contrast to Tripolitania, Cyrenaica historically was oriented toward Egypt and the Mashriq (Mashrek). The Mashriq refers to the eastern Islamic world (the Middle East). With the exception of some of its coastal towns, Cyrenaica was left relatively untouched by the political influence of the regimes that claimed it but were unable to assert their authority in the hinterland. An element of internal unity was brought to the region's tribal society in the nineteenth century by a Muslim religious order, the Sanusi, and many Cyrenaicans demonstrated a determination to retain their regional autonomy even after Libyan independence and unification.

Fezzan was less involved with either the Maghrib or the Mashriq. Its nomads traditionally looked for leadership to tribal dynasties that controlled the oases astride the desert trade routes. Throughout its history, Fezzan maintained close relations with sub-Saharan Africa as well as with the coast.

Libya was controlled and influenced to various degrees by many diverse empires and nations, including the Phoenicians, Carthaginians, Greeks, Romans, Spaniards, Vandals, and Byzantines. Between the seventh and twentieth centuries, Muslim Arabs, Ottoman Turks, and Italian military forces all made their mark on Libya. After World War II, Libya—then an Italian colony—was occupied by the allied British and French forces until the United Nations (UN) General Assembly passed a resolution affirming that Libya should gain its independence before January 1, 1952. Libya declared its independence as a constitutional, hereditary monarchy under the Sanusi leader Said Muhammad Idris (King Idris I) on December 24, 1951, thus becoming the first country to gain its independence through the UN. In 1959 major oil reserves were discovered in Libya, transforming it into a wealthy country and marking the beginning of anti-Western sentiment.

**The 1969 Revolution and Qadhafi:** On September 1, 1969, a bloodless, military coup d'état took place, and a new Libyan Arab Republic was declared. The leader of this coup d'état, Muammar al Qadhafi, was born in 1942 and came from a relatively small tribe of mixed Berber and Arab ancestry. Qadhafi studied at the British Military Academy at Benghazi and joined the Libyan army in 1965. Libya's new regime was to be governed by the Revolutionary Command Council, but Qadhafi became the de facto head of state and commander in chief of the armed forces. To this day, Qadhafi maintains absolute power as the head of a military dictatorship. In the years since 1969, Qadhafi has established himself as a somewhat flamboyant and at times unpredictable leader, but one who is always pragmatic. The Qadhafi regime made the first real

attempt to unify Libya's diverse peoples and to create a distinct Libyan state and identity. It created new political structures and made a determined effort at diversified economic development financed by oil revenues. The regime also aspired to leadership in Arab and world affairs.

**Terrorism and Sanctions:** By the 1980s, however, Qadhafi's confrontational and somewhat erratic foreign policies, his developing relationship with the Soviet Union as a primary arms supplier, and his involvement with terrorism had antagonized the West and eventually Libya's neighbors in North Africa and the Middle East. As a result of the murder of a British policewoman, Yvonne Fletcher, outside Libya's embassy in London in 1984, the United Kingdom severed all diplomatic relations. In 1986 economic sanctions were imposed on Libya by the United States—Libya's largest single customer for crude oil—after the Qadhafi regime was implicated in the terrorist bombing of a West Berlin discotheque frequented by American military personnel. The UN imposed sanctions on Libya in 1992–93 after it was implicated in the bombing of Pan Am flight 103 over Lockerbie, Scotland, in 1988, with the loss of 270 lives, and the bombing of a French flight over Niger in 1989, with the loss of 177 lives.

**Economic Decline and World Isolation:** The 1990s were years of political and economic isolation and decline for Libya. The sanctions and trade embargoes brought about rising import costs and inflation in Libya's domestic economy, resulting in a deteriorating standard of living for most of its citizens. Militant Islamist opposition groups, using the declining economic conditions as their focus, executed several attacks against the government, including a number of attempts to assassinate Qadhafi. An army-led coup attempt took place in 1993, but the coup leaders and the Islamist opposition groups were easily suppressed. In 1995–97 Qadhafi carried out a military crackdown in Cyrenaica, which was the center of much of the opposition. During this period of isolation, Qadhafi attempted to improve Libya's relations with many of its neighbors. He eventually turned his back on the Arab world, which chose not to challenge the UN sanctions and instead concentrated his efforts on establishing closer relations with sub-Saharan African countries. Although he found only a lukewarm reception there, Qadhafi tried to promote his idea of a "United States of Africa." To date, there has been little progress toward his goal of establishing a pan-African parliament.

**Rejection of Terrorism and a New Role for Libya:** During the period 1999–2003, Qadhafi, ever the pragmatist, eventually fulfilled all the terms of the UN Security Council resolutions required to lift the sanctions against Libya. He accepted responsibility for the actions of his officials and agreed to provide financial compensation to the families of the victims of Pan Am 103. As a result, the UN sanctions were lifted on September 12, 2003. In December 2003, Qadhafi publicly announced that Libya was ridding itself of weapons of mass destruction and ballistic missile development programs, and fully cooperated with the United States, the United Kingdom, the International Atomic Energy Agency (IAEA), and the Organisation for the Prohibition of Chemical Weapons. Through these actions and decisions, Qadhafi brought Libya back into the world community. In March 2004, the British prime minister visited Tripoli for the first time since 1969. Between February and September 2004, the United States lifted all trade, commercial, and travel sanctions against Libya. In September 2004, U.S. Secretary of State Colin Powell met with Libyan Foreign Minister Mohamed Shalghem in New York, the first meeting between top officials of the United States and Libya in more than 25 years.

## GEOGRAPHY

**Location:** Libya is located in North Africa on the coast of the Mediterranean Sea. It is bordered on the east by Egypt; on the south by Sudan, Chad, and Niger; and on the west by Algeria and Tunisia.

**Size:** Libya's total area is 1,759,540 square kilometers of landmass, which is slightly larger than Alaska or approximately three times the size of France.



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**Land Boundaries:** Libya is bounded by Algeria (982 kilometers), Chad (1,055 kilometers), Egypt (1,115 kilometers), Niger (354 kilometers), Sudan (383 kilometers), and Tunisia (459 kilometers).

**Length of Coastline:** Libya's coastline totals 1,770 kilometers on the Mediterranean Sea.

**Maritime Claims:** Libya's territorial sea extends 12 nautical miles and to the Gulf of Sidra closing line of 32° 30' north.

**Topography:** Libya has narrow enclaves of fertile lowlands along its Mediterranean coast and a vast expanse of arid, rocky plains and sand seas to the south. Coastal lowlands are separated from one another by a pre-desert zone and backed by plateaus with steep, north-facing scarps. Libya's only true mountains, the Tibesti, rise in the southern desert. Less than 5 percent of Libya's territory is economically useful.

**Principal Rivers:** Libya has several perennial saline lakes but no significant perennial watercourses. The only permanently flowing river is the two-kilometer-long Wadi Kiam.

**Climate:** The Mediterranean Sea and Sahara Desert are the dominant climatic influences in Libya. In the coastal lowlands, where 80 percent of the population lives, the climate is Mediterranean, with warm summers and mild winters. The climate in the desert interior is characterized by very hot summers and extreme diurnal temperature ranges. Along the Tripolitanian coast, summer temperatures range between 40.6° C and 46° C; temperatures are even higher to the south. Summer temperatures in the north of Cyrenaica range from 26.7° C to 32° C. The *ghibli*, a hot, dry, dust-laden desert wind, which can last one to four days, can change temperatures by 17° C to 22° C in both summer and winter. Precipitation ranges from light to negligible. Less than 2 percent of the country receives enough rainfall for settled agriculture. The Jabal areas of the north receive a yearly average of 381 to 508 millimeters. Other regions get less than 203 millimeters. Rain usually falls during a short winter period and frequently causes floods. Winters can be bitterly cold, with temperatures below 0° C. Frost and snowfalls sometimes occur in the mountains. Evaporation is high, and severe droughts are common.

**Natural Resources:** Libya's most important natural resources are its oil and natural gas reserves, which dominate its economy. A 2005 estimate put the country's proven oil reserves at 39 billion

barrels and its natural gas reserves at 52 trillion cubic feet. Its other significant resources are natural gas, gypsum, limestone, marine salt, potash, and natron (sodium carbonate).

**Land Use:** Of Libya's land surface, only approximately 1.03 percent is classified as arable land, with 0.17 percent planted to permanent crops. About 4 percent of the land area is suitable for grazing livestock, and the rest is agriculturally useless desert. Most of Libya's arable land lies in the Jabal al Akhdar region around Benghazi and the Jifarah Plain near Tripoli.

**Environmental Factors:** Desertification and very limited natural freshwater resources are the two important environmental issues facing Libya. Annual rainfall averages only between 200 and 600 millimeters in the most arable portions of the country. The Great Manmade River Project, designed to bring water from fossil aquifers beneath the Sahara, has no long-term viability because of the finite nature of the fossil reserves.

**Time Zone:** Libya lies in one time zone, which is two hours ahead of Greenwich Mean Time.

## SOCIETY

**Population:** According to a U.S. government July 2004 estimate, the Libyan population stood at 5,631,585, including non-nationals, of whom approximately 500,000 are sub-Saharan Africans living in Libya. According to the 2004 Libyan census, the total population is listed as 5,882,667. The population growth rate was estimated to be 2.4 percent in 2004. The overall population density is approximately three persons per square kilometer, which is one of the world's lowest population densities. The population is unevenly distributed, with more than two-thirds living in the densely settled coastal areas. The indigenous population of Libya is mostly Berber and Arab in origin. About 17 percent of the population consists of foreign workers and their families, especially expatriate workers from other Arab states and sub-Saharan Africa. Some 86 to 90 percent of the people live in urban areas, mostly concentrated in the two largest cities, Tripoli and Benghazi, although some Libyans still live in nomadic or semi-nomadic groups.

**Demography:** Fifty percent of the population is estimated to be under the age of 15. Only 0.95 percent of Libyans are more than 65 years of age. According to 2004 estimates, the birthrate is 27.2 per 1,000, and the death rate is 3.5 per 1,000. The overall fertility rate is 3.5 births per woman. The infant mortality rate is 25.7 deaths per 1,000 live births. In 2004 the overall life expectancy was 76.3 years: 74.1 years for males, 78.6 years for females.

**Ethnic Groups:** The present population of Libya is composed of several distinct groups. By far the majority identify themselves as Arabs. Arab invaders brought the Arab language and culture to Libya between the seventh and eleventh centuries, but intermarriage with Berbers and other indigenous peoples over the centuries has produced so mixed a strain that few Libyans can substantiate claims to pure or even predominantly Arab ancestry. These Arabic-speaking Muslims of mixed Arab and Berber ancestry make up 90 percent of the country's population. Berbers, other indigenous minority peoples, and black Africans make up most of the remainder, although small, scattered groups of Greeks, Muslim Cretans, Maltese, and Armenians make up long-established communities in urban areas.

**Languages:** The official language is Arabic. Government policy discourages the use of other languages, but English is used extensively—even by the government for some purposes—and ranks as a second language. Italian and French also are spoken, and small minorities speak Berber dialects.

**Religion:** Islam is the official religion, and nearly the entire population adheres to the Sunni branch of Islam. There is no significant Shia presence in Libya. Muammar al Qadhafi established the Islamic Call Society, which helps guide Libya's foreign policy, interacts with other religions in the country, and generally promotes a moderate form of Islam. According to the U.S. Department of State's 2004 annual report on religious freedom, the Libyan government restricts religious freedom but is tolerant of other faiths. The government controls most mosques and Islamic institutions. Small Christian communities, composed almost entirely of foreigners, and even smaller numbers of Hindus, Baha'is, and Buddhists can be found in Libya. Non-Muslims are rarely harassed unless the practice of their faith is perceived as politically motivated. A non-Libyan woman who marries a Muslim man is not required to convert to Islam; however, a non-Libyan man must convert to marry a Muslim woman. The Libyan government aggressively opposes fundamentalist or militant Islam because it is perceived as a threat to the regime. Some Muslims have shaved their beards to avoid harassment from members of the government security forces who associate beards with militant Islam.

**Education and Literacy:** In the early 1980s, estimates of total literacy were between 50 and 60 percent, or about 70 percent for men and 35 percent for women, but the gender gap has since narrowed, especially because of increased female school attendance. For 2001 the United Nations Development Programme's *Human Development Report* estimates that the adult literacy rate climbed to about 80.8 percent, or 91.3 percent for males and 69.3 percent for females. According to 2004 U.S. government estimates, 82 percent of the total adult population (age 15 and older) is literate, or 92 percent of males and 72 percent of females.

Primary education is both free and compulsory in Libya. Children between the ages of 6 and 15 attend primary school and then attend secondary school for three additional years (15- to 18-year-olds). According to figures reported for the year 2000, approximately 766,807 students attended primary school and had 97,334 teachers; approximately 717,000 students were enrolled in secondary, technical, and vocational schools; and about 287,172 students were enrolled in Libya's universities.

In 2001 public expenditures on education amounted to about 2.7 percent of the gross domestic product (GDP). Although no figures were found for government expenditures on education, Libyan television announced on September 1, 2004, that a new ministry for education had been formed, the General People's Committee for Higher Education.

**Health:** Basic health care is provided to all citizens. Health, training, rehabilitation, education, housing, family issues, and disability and old-age benefits are all regulated by "Decision No. 111" (dated December 9, 1999) of the General People's Committee on the Promulgation of the By-Law Enforcement Law No. 20 of 1998 on the Social Care Fund. The health care system is not purely state-run but rather a mixed system of public and private care. In comparison to other states in the Middle East, the health status of the population is relatively good. Childhood

immunization is almost universal. The clean water supply has increased, and sanitation has been improved. The country's major hospitals are in Tripoli and Benghazi, and private health clinics and diagnostic centers, offering newer equipment and better service, compete with the public sector. However, if they can afford it, many Libyans nonetheless travel to Tunisia or to Europe if they need sophisticated medical treatment.

The number of medical doctors and dentists reportedly increased sevenfold between 1970 and 1985, producing a ratio of one doctor per 673 citizens. In 1985 about one-third of the doctors in the Libya were native-born, with the remainder being primarily expatriate foreigners. The number of hospital beds tripled in this same time period. Among major health hazards endemic in the country in the 1970s were typhoid and paratyphoid, infectious hepatitis, leishmaniasis, rabies, meningitis, schistosomiasis, venereal diseases, and the principal childhood ailments. Malaria has been eradicated, and significant progress has been made against trachoma and leprosy. In 1985 the infant mortality rate was 84 per 1,000; by 2004, the U.S. Agency for International Development estimated that the infant mortality rate had dropped to 25.7 per 1,000. Other estimates report an infant mortality rate of less than 20 per 1,000. Human immunodeficiency virus (HIV) cases are estimated at 7,000 and derive primarily from drug use. Multi-drug-resistant tuberculosis has begun to emerge among the population of drug users.

**Welfare:** Libya ranks 58<sup>th</sup> out of 177 on the 2004 United Nations Development Programme's *Human Development Report*, which measures quality of life. The government subsidizes medical care and education. A labor law provides for workers' compensation, pension rights, minimum rest periods, and maximum working hours. The government also heavily subsidizes rent, utilities, oil, and food staples.

## ECONOMY

**Overview:** In 2004 the Libyan government continued to dominate its socialist-oriented economy. Libya's completely government-controlled oil exports provided about 95 percent of its export earnings, 75 percent of government receipts, and 30 percent of the gross domestic product. According to several 2005 U.S. government reports, a large portion of Libya's income was squandered as a result of widespread corruption and waste. Other factors that contributed to the lost income were purchases of conventional arms and efforts to develop weapons of mass destruction, as well as large monetary donations to lesser-developed countries, which have been interpreted by some as Qadhafi's attempts at influence-buying.

The government continues to control prices, credit, trade, and foreign exchange, and to restrict imports, thus resulting in very little economic growth, if any, in the private sector. Agriculture continues to be the second largest economic sector, but Libya imports nearly 80 percent of its food requirements. Libyans have experienced a declining standard of living, with high inflation, higher import prices, and even some shortages of foodstuffs.

With the lifting of sanctions, the Libyan government has announced plans to attract foreign investment, especially in its oil and gas production, and is seeking financing of critical

infrastructure improvements in its national highways, railroads, telecommunications networks, and irrigation systems.

**Gross Domestic Product (GDP):** According to U.S. government estimates, the GDP for 2003 was US\$35 billion, or US\$6,400 per capita. A February 2005 U.S. Department of Energy report estimated a GDP of US\$29.5 billion for 2004. Libya's oil export revenues accounted for 95 percent of its hard currency earnings and 75 percent of government receipts. In 2004 oil export revenues were US\$18.1 billion, and US\$19.4 billion is being forecast for 2005. With some economic growth in the last two years, the GDP is estimated to have grown by 9.8 percent in 2003 and 7.7 percent in 2004, and a 6.8 percent growth rate is forecast for 2005.

**Government Budget:** Very little is known about actual figures of the Libyan government's budget. In March 2004, the government released figures for 2003: revenues of US\$9.8 million and planned expenditures of US\$7.5 million.

**Inflation:** Price increases are difficult to measure because so little data on general price changes are available. Estimates of consumer price inflation for 2003 ranged from -2.1 percent to 2.8 percent. The estimate for 2004 was 3.3 percent, and about 4 percent inflation is forecast for 2005.

**Agriculture and Fishing:** Agriculture employs about 18 percent of the labor force (estimated at 17.9 percent in 1996) but provides less than 5 percent of the gross domestic product (GDP). In the 1970s and 1980s, agricultural self-sufficiency was considered a national priority, but is no longer. Libya currently imports nearly 80 percent of its food requirements. Animal husbandry is still a significant activity but relies heavily on imported animal feed. Fishing resources are not fully exploited. Despite large supplies of tuna and sardines, a general lack of trawlers, ports, and processing facilities dedicated to Libya's marine agriculture contributes to low output. According to some sources, the lack of sufficient plankton in the waters along Libya's coast, necessary to sustain any appreciable quantity of fish, is responsible for the meagerly productive fishing conditions.

**Mining and Minerals:** Deposits of gypsum, iron ore, potassium, magnesium, sulphur, and phosphate are present in some quantity. It has been reported, but remains unconfirmed, that uranium deposits have been discovered in the south. In the 1980s, approximately 200,000 tons of gypsum were mined annually. The extraction of crude oil dominates the mining industry.

**Industry and Manufacturing:** Oil and gas exploitation is Libya's main industry and provides approximately 40 percent of the country's domestic income. Libya's other industries, of varying degrees of importance, include a petrochemical industry, the hub of which is Marsa el Brega, as well as iron and steel and construction. Libya's National Oil Company manages the state-owned oil industry and controls more than half of the oil production, while Oilinvest manages all international investments.

**Energy:** According to a U.S. Department of Energy report, Libya's estimated total energy consumption for 2002 was 0.668 quadrillion Btu, or 0.16 percent of the world's energy consumption. This total energy statistic includes petroleum, dry natural gas, coal, net hydro, nuclear, geothermal, solar, wind, wood, and waste electric power. The 2002 estimated per capita



energy consumption rate was 122.9 million Btu. Libya is the fourth largest producer of electricity in Africa and the second largest consumer of power. It currently has an electric power production capacity of about 4.6 to 4.7 gigawatts (GW). In 2000 it generated 19.5 billion kilowatt-hours (kWh) from thermal power stations that used locally produced oil and gas. Libya has an average consumption of about 3,500 kWh per capita. Libya's demand for power is increasing annually by about 6 to 8 percent. The demand for 2010 is forecast at 5.8 GW, and for 2020 the demand is forecast at 8 GW.

**Services:** About 52.2 percent of the labor force worked in services in 1996. In 2001 services contributed approximately 40.9 percent of the gross domestic product.

**Banking and Finance:** In 1970 the Qadhafi regime nationalized all banks in Libya. In late 2000, the nationalized banks reported a total profit of US\$367 million. In March 1993, a new law allowed the establishment of private-sector banks, but to this day the only foreign banks in Tripoli are the Arab Banking Corporation, the Bank of Valetta from Malta, and the Suez Bank of Egypt. In 2002 some analysts speculated that the government might privatize some of the banks, but no steps in that direction have yet been taken.

**Tourism:** There is great potential for tourism in Libya—with its beaches, 13 major archaeological sites, and desert tourism—but tourism is considerably underdeveloped because of Libya's past poor image and recent world isolation. The number of tourist visitors has already grown from 85,000 in 1995 to nearly 200,000 in 2002, but a tourism infrastructure is badly needed, including quality hotels, restaurants, and resorts. A first step in improving this infrastructure was taken in April 2003 with the opening of a 299-room luxury hotel in Tripoli.

**Labor:** A 2001 estimate put Libya's total labor force at 1.6 million. According to some sources, the rate of unemployment in 2003 was estimated to be at least 30 percent, affecting primarily the young. No significant changes in government wages have occurred since 1981. According to 2003 data, monthly salaries averaged US\$190. Approximately 13 percent of the population—or about 700,000 people—work for the state. In 1996 agriculture employed approximately 17.9 percent of the labor force, industry (including mining, manufacturing, construction, and power) employed about 29.9 percent, and services employed about 52.2 percent. Labor laws define workers' rights and duties, but it is unclear whether all of the laws are enforced.

**Foreign Economic Relations:** Libya is a member of the Arab Monetary Fund, the Council of Arab Economic Unity, the Islamic Development Bank, the Organization of Arab Petroleum Exporting Countries, the Organization of the Petroleum Exporting Countries, and the Union of the Arab Maghreb. Most of Libya's import and export activities however, are not with its North African and Middle Eastern neighbors but with Italy, Germany, South Korea, the United Kingdom, France, Spain, Japan, and Vietnam. In June 2004, Libya applied for accession to the World Trade Organization (WTO) and currently has observer status.

**Imports:** The major products imported by Libya are machinery, transport equipment, food, and manufactured goods. These imports represented 36.5 percent of Libya's gross domestic product in 2000. In 2004 imports were estimated at US\$9.4 billion and are projected at US\$10.2 billion for 2005. The primary origins of imports in 2003 were Italy (28 percent), Germany (11 percent),

Tunisia (8 percent), the United Kingdom (7 percent), France (6 percent), and Turkey (5 percent). According to some sources, trade with South Korea accounted for 6.9 percent of Libya's imports.

**Exports:** Libya's major exports are crude oil, refined petroleum products, and natural gas, representing 47.9 percent of its gross domestic product in 2000. The primary destinations of exports in 2003 were Italy (39 percent), Germany (13 percent), Spain (13 percent), Turkey (7 percent), and France (6 percent). In 2004 Libya exported an estimated US\$15.1 billion worth of products, and it is forecast that US\$15.7 billion will be exported in 2005.

**Trade Balance:** U.S. government sources estimated 2004 exports at US\$15.1 billion, while imports were estimated at US\$9.4 billion, resulting in an estimated trade surplus of US\$5.7 billion. The forecasts for 2005 were slightly higher, at US\$15.7 billion for exports and US\$10.2 billion for imports.

**Balance of Payments:** According to International Monetary Fund (IMF) and other reports, the current account balance for 2002 was US\$3.1 billion. It was estimated to be US\$6.8 billion for 2003 and US\$8.8 billion for 2004. A current account balance of US\$4.1 billion was forecast for 2005.

**External Debt:** Libya has always had a relatively low external debt. In 2002 the estimate of total medium- and long-term debt was US\$4.4 billion. In 2003 it was estimated at US\$4.2 billion, and for 2004 it was estimated at US\$3.9 billion. The current forecast for 2005 calls for external debt to remain at US\$3.9 billion. However, with a great need for infrastructure projects, and the lifting of United Nations sanctions and removal of the U.S. trade embargo, some sources project that Libya now will be able take advantage of overseas financing for some of its more important development plans. Hence, many of those same sources are forecasting a rise in Libya's external debt in the coming years.

**Foreign Investment:** The oil and gas sector is the area of the economy in which most foreign direct investments have been made. Because of the sanctions against Libya, as well as Libya's "erratic economic policy," foreign funds continually declined in recent years. The United Nations Commission for Trade and Development reported an outflow of US\$101 million for 2001. However, now that the sanctions have been lifted, some analysts see potential for foreign investments to increase. The Libyan Foreign Investment Board has hosted numerous investment conferences and trade fairs in an attempt to attract foreign investors. Despite such increased exposure and promises of economic policy reform by the Libyan government, tangible increases in foreign investment may not occur until some of the areas of concern expressed by potential investors are addressed by Libya, such as corruption in the government, changes in legislation and actual implementation of those legislative changes, and increased availability of credit and insurance coverage.

**Currency and Exchange Rate:** The currency used is the Libyan dinar (LD). As of March 31, 2005, US\$1 equaled LD1.32940. In a major development in 2003, the currency was devalued by about 15 percent when the government changed its exchange-rate system, thus ensuring stability in the dinar.

**Fiscal Year:** Calendar year.

## TRANSPORTATION AND TELECOMMUNICATIONS

**Overview:** Although the transportation and telecommunications sector is a relatively unimportant contributor to the gross domestic product (GDP), it absorbs a large share of the annual development budgets. Much of this expenditure is oil-sector-related in that it is designed to lessen oil transport costs and to facilitate access to oil and gas development sites.

**Roads:** Libya's road network has been considerably expanded since 1978. At that time, Libya had only about 8,800 kilometers of roads, of which perhaps one-half were paved. However, by 1985 Libya had between 23,000 and 25,600 kilometers of paved roads. Surfaced roads existed between the north and the southern oases of Al Kufrah, Marzuq, and Sabha. By 1999 Libya had an estimated total road network of 83,200 kilometers, of which 47,590 kilometers were paved. These roads have done much to end the isolation of remote settlements. In particular, the agricultural projects underway in the desert oases have benefited from the more efficient crop marketing made possible by these roads. The National General Company for Roads oversees all new construction and maintenance. The key road in Libya is the 1,822-kilometer national coastal highway. It runs from the border with Tunisia to the Egyptian border, and passes through Tripoli and Benghazi. About two-thirds of Libya's roads have a bitumen surface or have at least been treated with bitumen.

The number of vehicles in Libya increased steadily in the 1970s and early 1980s. By 1985, 313,000 automobiles and trucks and about 70,000 buses were registered in the country. The ratio of automobile ownership to population was on a par with that of many West European countries. The state-owned General Corporation for Public Transport maintains the entire network of urban and inter-urban bus routes.

**Railroads:** Since 1965 no railroads have operated in Libya. In 2000 the newly created Railways Executive Board, employing about 750 staff, signed a US\$477 million contract with the China Civil Engineering Construction Corporation and began the first phase of a plan to build a national rail system in Libya. The contract was to build an initial 163-kilometer line with 16 stations from Ras Ajdir, the land frontier point between Tunisia and northwest Libya, to Tripoli. Site preparation and some construction were completed in 2001. Completion of the entire project was projected for 2004 at an estimated cost of US\$10 billion but appears to be behind schedule.

**Ports:** Libya has many long-established ports, some of which serve as oil terminals, including Benghazi, Al Khums, Marsa al Burayqah, Marsa al Brega, Marsa al Hariqah, Misratah, Ras Lanuf, El Sider, Tobruk, Tripoli, and Zuetina. It was reported in 2004 that work was begun on the port in Tripoli to expand its capacity.

In the mid-1970s, Libya embarked on an ambitious program of ship acquisition to build up its merchant fleet. However, it failed to take into account world competition, and by 1977 as much as 70 percent of its total tonnage was idle—the largest such proportion in the world at that time. Libya sold a number of its tankers and, by 1985, owned 14 oil tankers and 18 cargo ships. By

1997, the merchant fleet consisted of 11 oil tankers, two gas tankers, and four product tankers. More recently, a German port study in 2001 found the Libyan fleet to have more faults than any other merchant fleet surveyed. In 2002 a Libyan cargo ship sank, with a loss of its crew of 25. Later that year, the Libyan government announced it would be spending US\$10 billion to buy 32 new ships and it would spend US\$600 million on port improvements.

**Inland Waterways:** Libya has no waterways that can be navigated by any vessels of appreciable size.

**Civil Aviation and Airports:** Libya currently has 132 usable airports, of which 57 have permanent surface runways. There are four international airports: Tripoli International Airport (at ben Gashir, 34 kilometers from Tripoli); Benina Airport (19 kilometers from Benghazi); Sabha Airport; and Misratah Airport. There are also 10 regional airports as well as smaller airfields such as those at Ghat, Ghadamis, Al Kufrah, Marsa al Burayqah, Tobruk, and elsewhere.

Because of United Nations (UN) sanctions against Libya, air travel was proscribed between 1992 and 1999, and the aviation infrastructure deteriorated. It was during this time that the serviceability of many Libyan aircraft declined. A US\$800 million program to improve the airport infrastructure and air traffic control network was approved in mid-2001. Since the final and complete lifting of UN sanctions in September 2003, and the lifting by the United States of its travel ban in February 2004 and its trade embargo against Libya in April 2004, more than 20 foreign airlines have resumed flights into Libya.

**Pipelines:** In 2004 Libya had 225 kilometers of condensate pipelines, 3,611 kilometers of gas pipelines, and 7,252 kilometers of oil pipelines.

**Telecommunications:** In comparison to other North African countries, Libya's telecommunications systems and Internet services are less developed and relatively expensive. According to some 2003 estimates, 750,000 telephone main lines and 100,000 mobile cellular phones were in use in Libya. July 2004 estimates reported that Libya's fixed lines decreased to about 700,000, while mobile subscribers increased to about 150,000. These figures represent less than 13 percent and 3 percent of the population, respectively. The Al Madar Telephone Company, which is a monopoly, began establishing the cellular/mobile service in 1996 and is now planning to increase its mobile subscribers to 250,000. It was reported that a new mobile phone provider, Libyana, was to begin operating in September 2004, a move that presumably will lower the cost of mobile services. The state monopoly for fixed telephone lines, the General Post and Telecommunications Company, is planning on increasing its number of lines to 2 million by the year 2020.

In 1997, 730,000 televisions and 1.35 million radios were in use in Libya. In 1999, 12 television stations were broadcasting; by 2002, 16 AM, 3 FM, and 3 shortwave radio stations also were operating. In 2003 Libya had 67 Internet providers and more than 160,000 Internet users.

## GOVERNMENT AND POLITICS

**Overview:** In theory, Libya is governed according to the “Third Universal Theory,” which Muammar al Qadhafi developed and published in his three-volume work known as the *Green Book*. In it, Qadhafi presented his unique vision of reconciled socialist and Islamic theories and created a new political system known as “state of the masses,” or Jamahiriya. In reality, Libya is governed by an authoritarian regime ruled by Qadhafi, a small group of his trusted advisers, and several relatives in the northern harbor town of Sirte, which is on the southern shore of the Gulf of Sidra.

**Constitution:** Libya has no formal constitution.

**Branches of Government:** Although he holds no official title, Muammar Abu Minyar al Qadhafi has been the de facto chief of state since September 1, 1969, and, in essence, heads a military dictatorship. He has sometimes been called “Brotherly Leader and Guide of the Revolution” in official press releases. The General People's Congress (GPC) is both an executive and legislative body that convenes several times annually. It is the primary formal instrument of government. Its membership of more than 1,000 delegates is drawn from subnational-level people's committees, people's congresses, and revolutionary committees. The leadership of the GPC is vested in the General Secretariat, which is headed by the secretary general, the official chief of state. The national-level General People's Committee performs all cabinet functions.

The unicameral GPC—Libya's version of a legislature—has no seats, and its members are elected indirectly. The GPC interacts with the General People's Committee, which comprises the secretaries of about 600 local “basic popular congresses.” The GPC secretary general appoints the secretaries, and the GPC confirms the appointments. Although the secretaries are responsible for the operations of their ministries, it is Qadhafi who exercises real authority, either directly or indirectly. The GPC is essentially ineffectual.

**Administrative Divisions:** According to some sources, Libya is divided into 3 provinces, 10 governorates, and 1,500 administrative communes. Yet other sources describe variations of reorganizations that may or may not have occurred. One source refers to a current primary subdivision of 34 municipalities or governorates (*shabiyat*). According to this same source, Libya reorganized from 13 municipalities into 34 municipalities in 2001. The *CIA World Factbook* reports that there are 25 “municipalities” but also notes that 13 regions may have replaced the municipalities.

**Provincial and Local Government:** In 1992 Qadhafi reorganized Libya's local government by creating 1,500 communes (*mahallat*). Each commune has a budget as well as legislative and executive powers. The communes are supervised by revolutionary committees, which are directed by secretaries, whom Qadhafi personally selects.

**Judicial and Legal System:** All law in Libya is based on the Koran (sharia). The court system consists of courts of first instance, courts of appeals, and the final appellate level, the Supreme Court. The General People's Congress (GPC) appoints justices to the Supreme Court. There are also revolutionary courts and military courts, which operate outside the regular court system and

which try political offenses and crimes against the state. In his desire for international acceptance and economic benefits for his country, Qadhafi allowed Amnesty International into Libya in 2004. In a gesture of reform, he declared that “emergency laws,” which are enforced by the revolutionary courts and which allow arbitrary arrest without a warrant, would be abolished, adding that “normal criminal law procedure” would be followed.

**Electoral System:** None.

**Politics and Political Parties:** Political parties are illegal in Libya. However, some Arab nationalist movements as well as Islamic groups may be operating clandestinely.

**Mass Media:** Although the law provides for freedom of speech “within limits of public interest and principles of the Revolution,” the government strictly limits freedom of speech as well as freedom of the press. All print and broadcast media in Libya are state-owned and state-controlled. No privately owned radio or television stations are permitted. More than a dozen weekly and daily newspapers are published, but opinions contrary to the government are not allowed. Foreign newspapers and magazines are limited in availability and frequently censored, and their distribution is at times prohibited. Satellite television is widespread, but it is also sometimes censored. The official news agency is Jamahiriyah News Agency (JANA). The Libyan publications law reserves all rights for publishing to the General Corporation of Press, Professional Unions and Syndicates, and the Ad dar Jamahiriya.

**Foreign Relations:** Libya traditionally has been a staunch proponent of pan-Arab unity, both in theory and in practice. Libyan regional policy was predicated on an intractable opposition to Israel and support of the Palestinian cause. In the 1980s, Qadhafi made a bid for worldwide recognition and Third World leadership by espousing a philosophy known as the “Third Universal Theory,” which rejects both communist and capitalist models of government and calls instead for nonalignment, “people's power,” and “new economic order” based on a more equitable division of wealth between developed and underdeveloped countries. In accordance with this ideology, Libya pursued an activist and aggressive foreign policy, which included alleged support and sponsorship of numerous terrorist and guerrilla movements throughout the world.

After Libya was implicated in the bombing of a Berlin discotheque, the murder of a British policewoman in London, and the downing of two civilian airliners, severe economic sanctions and trade embargoes were placed against the country in 1992. As these sanctions and world isolation continued, Libya's economy declined—without spare parts and foreign contractors to provide technology support, the country's civilian and military infrastructure steadily deteriorated, and internal opposition groups found a focal point for their attacks on Qadhafi's regime.

Since 1999, Qadhafi has made a series of shrewd and pragmatic decisions. He admitted civil responsibility for the downing of a civilian aircraft, paid US\$27 billion in compensation, and later renounced weapons of mass destruction. Qadhafi turned his back on the Arab world when it chose not to challenge the United Nations sanctions on his behalf. Qadhafi instead worked to improve bilateral relations with some of Libya's close neighbors: Egypt, Tunisia, and Morocco.

He made efforts to expand Libya's influence in the African world by providing financial aid or granting subsidies to several countries, including Niger and Zimbabwe. He facilitated the delivery of humanitarian assistance to Darfur refugees in Chad. He has been working toward new relations with Europe, especially the European Union's cooperation program for southern Mediterranean countries. On March 26, 2005, it was reported that Qadhafi, apparently no longer intractably opposed to Israel, proposed at an Arab summit the idea of a "con-federal arrangement between Israel and Palestine." With the gradual lifting of UN and U.S. sanctions and embargoes between 1999 and 2004, and the normalization of Libya's international relations, its economic activity has become revitalized. As of 2003, Russian defense companies were seeking new contracts with Libya. European business delegations have been competing for more than US\$14 billion in contracts in Libya's energy, infrastructure, and transportation sectors.

**Major International Memberships:** Libya is a member of the United Nations and several of its specialized agencies—such as the United Nations Conference on Trade and Development and United Nations Educational, Scientific, and Cultural Organization—and numerous other international and regional organizations. Some of the memberships include the African Development Bank, African Union, Arab Maghreb Union, Arab Monetary Fund, Community of Sahel and Saharan States, Council of Arab Economic Unity, Economic Commission for Africa, Food and Agriculture Organization, Group of 77, International Atomic Energy Agency, International Bank for Reconstruction and Development, International Development Association, International Federation of Red Cross and Red Crescent Societies, International Finance Corporation, International Fund for Agricultural Development, International Labour Organization, International Monetary Fund, International Olympic Committee, International Organization for Migration, International Organization for Standardization, International Telecommunication Union, International Telecommunications Satellite Organization, Islamic Development Bank, Non-Aligned Movement, Organisation for the Prohibition of Chemical Weapons, Organization of Arab Petroleum Exporting Countries, Organization of the Islamic Conference, Organization of the Petroleum Exporting Countries, Universal Postal Union, World Customs Organization, World Health Organization, World Intellectual Property Organization, World Meteorological Organization, and World Tourism Organization.

**Major International Treaties:** Libya is a party to numerous international conventions, such as those on Rights of the Child, Discrimination against Women, Biological Diversity, Endangered Species, Hazardous Wastes, Marine Dumping, Ozone Layer Protection, and Desertification. It also has also signed a number of conventions on such environmental issues as climate change, transportation of hazardous substances, the use of pesticides, and nuclear safety. Libya has signed the Law of the Sea, but has not yet ratified it. Libya is a state party to the Nuclear Non-proliferation Treaty, Comprehensive Nuclear Test Ban Treaty, Partial Test Ban Treaty, Convention on the Physical Protection of Nuclear Material, Chemical Weapons Convention, Biological and Toxin Weapons Convention, and Geneva Protocol. Libya signed the International Atomic Energy Agency (IAEA) Safeguards Agreement and the IAEA Additional Protocol. With regard to terrorism, Libya is a state party to the Suppression of the Financing of Terrorism, Suppression of Terrorist Bombings, Marking of Plastic Explosives for the Purpose of Detection, Against the Taking of Hostages, Offences and Certain Other Acts Committed on Board Aircraft, Suppression of Unlawful Seizure of Aircraft, Suppression of Unlawful Acts against the Safety of Civil Aviation, Protocol on the Suppression of Unlawful Acts of Violence at Airports Serving

International Civil Aviation, Suppression of Unlawful Acts against the Safety of Maritime Navigation, Protocol for the Suppression of Unlawful Acts against the Safety of Fixed Platforms Located on the Continental Shelf, and Prevention and Punishment of Crimes against Internationally Protected Persons, including Diplomatic Agents.

## NATIONAL SECURITY

**Armed Forces Overview:** Libyan armed forces consist of an army (Armed Peoples on Duty), air force, Air Defense Command, and navy. The Compulsory Military Service Statute of 1978 made all eligible males between the ages of 17 and 35 subject to a draft commitment of three years of active service in the army or four years in the air force or navy. A 1984 statute mandated compulsory military training for all Libyans coming of age, whether male or female, to achieve total mobilization of the population in the event of national emergency. The law strengthened the People's Militia (formerly known as the Popular Resistance Force) into a 40,000-member paramilitary force. To this day, all forces are under the control of Qadhafi in his role as commander in chief of the military establishment.

**Foreign Military Relations:** After his 1969 coup, Qadhafi closed U.S. and British military bases in Libya. Although he rejected Soviet communism, he established a relationship with the Soviet Union through large arms purchases from the Soviet bloc. From the 1970s on, nearly 60 percent of Libya's military imports were from the former Soviet Union as well as other communist countries. In 1984 Libya and the Soviet Union issued a joint declaration of a treaty of friendship and cooperation that would obligate the Soviet Union to aid Libya if attacked, but the treaty was never concluded. According to an August 2004 report of the Jaffee Center for Strategic Studies, Libya had security agreements with Algeria (2001), Italy (2003), and Tunisia. Libya intervened militarily in a potential coup situation in the Central African Republic in 2001, deploying 200 of its soldiers to act as a presidential guard. Arms transfers took place in 2003 and 2004 between Libya and Canada, Jordan, Pakistan, the People's Republic of China, Russia, Uganda, Ukraine, the United Arab Emirates, and Yugoslavia.

**External Threat:** In the realm of external opposition, Qadhafi's relations with the moderate Arab states, such as Jordan, Saudi Arabia, and the Persian Gulf states, have been strained at best. He has frequently also been at odds with his North African neighbors, whom he antagonized by supporting opposition elements or by direct military action. Despite these sources of domestic and foreign opposition, foreign observers doubt that Qadhafi would be ousted from his pivotal position in Libya, short of a successful military coup.

**Defense Budget:** Various sources have estimated Libyan defense expenditures as follows: US\$545 million in 2002 and US\$742 million in 2003; US\$1.3 billion for 1999 and 2000, US\$1.2 billion for 2001 and 2002, and US\$1.4 billion for 2003; and US\$1.3 billion in fiscal year 1999, representing 3.9 percent of the country's gross domestic product for that year.

**Major Military Units:** The total number of active armed forces is about 76,000: 45,000 army (Armed Peoples on Duty), 8,000 navy, and 23,000 air force personnel, as well as a small, unspecified number of paramilitary (customs and coast guard) personnel. Libya also maintains a



reserve of 40,000 in the People's Militia. The army is organized into one elite brigade (a regime security force); 10 tank, 10 mechanized infantry, 18 infantry, 6 paratroop/commando, 22 artillery, and 7 air defense artillery battalions; and 4 surface-to-surface missile brigades. The major naval bases are located at Tripoli, Benghazi, Tobruk, and Al Khums. Darnah, Zuwurah, and Misonhah serve as minor bases. The air force is composed of seven commands, two missile commands, as well as an air defense command.

**Major Military Equipment:** The army is equipped with 500 main battle tanks with some 1,040 more in storage, 50 reconnaissance vehicles, 1,000 armored infantry fighting vehicles, 750 armored personnel carriers, some 647 towed artillery, 444 self-propelled artillery, an estimated 830 multiple rocket launchers, some 500 mortars, 125 surface-to-surface missile launchers (with an estimated 450–500 missiles), 3,000 antitank guided weapons, 600 air defense guns, and an unspecified number of rocket launchers, recoilless launchers, surface-to-air missiles, and surveillance equipment. The navy has one submarine, one frigate, one corvette, eight missile craft, nine patrol and coastal combatants, two mine warfare ships, and nine support and miscellaneous ships. The naval aviation command is composed of seven armed helicopters and one SSC-3 battery. The air force has 380 combat aircraft and 60 armed helicopters.

**Military Service:** Libya has selective conscription for 3–4 years. According to 2004 data, of the 76,000 active personnel, an estimated 38,000 are conscripts. The estimated military manpower availability for males age 15–19 is 1,588,533.

**Paramilitary Forces:** The Libyan paramilitary consists primarily of customs and a coast guard, under naval control, with an unspecified number of patrol craft and armed boats. Other security forces include the People's Militia, the Revolutionary Guards Corps, and the Jamahiriya Security Organization (Hayat Ann al Jamahiriya). According to a 2004 estimate, Libya has more than 40,000 active reserve personnel, with recent army training, in the People's Militia. The militia patrols rural areas and desert regions. It is primarily considered to be a means of involving Arab tribes with the regime and is not an effective form of border defense. The Revolutionary Guards Corps is composed of an estimated 3,000 trained personnel and seems to be the real frontier protection force. They have access to main battle tanks, armored personnel carriers, and helicopters, and possibly also to antiaircraft artillery and guided weapons. A unit from the Guards serves as Muammar al Qadhafi's bodyguards. This unit is composed solely of ideologically reliable female soldiers known as the "Green Nuns."

**Foreign Military Forces:** There are no foreign military forces in Libya.

**Military Forces Abroad:** There were reports of about 200 Libyan soldiers stationed in the Central African Republic at the end of 2001. Additional, more recent information on Libyan forces deployed abroad was unavailable.

**Police:** The Libyan police force has an estimated 10,000 policemen. Called the "People's Security Force," the police perform such usual functions as investigating crime, arresting criminals and maintaining public order, but they also are responsible for the administration of prisons and assisting with passports and identity cards. Special police units are assigned to counterespionage duties.

**Internal Threat:** Sporadic clashes between Islamic militants and Libyan security forces occurred from the early 1980s to the late 1990s. In 1995–97 Libya launched a military offensive in Cyrenaica, the center of much of the opposition. Since 1998 little or no evidence of any continuing Islamist insurgency has been reported.

**Terrorism:** In the early 1970s, Libya backed numerous international terrorist and national liberation insurgent groups, providing them with funding, small arms, and training facilities in the desert. These groups included European anti-North Atlantic Treaty Organization (NATO), Palestinian, Southeast Asian, Latin American, West African, and Sahelian groups. In 1981 the United States banned Libyan crude oil imports, and by 1986 all U.S. trade with Libya was suspended. In 1992, after Libyan implication in several major terrorist actions, the United Nations (UN) placed severe economic sanctions on Libya. The ensuing world isolation and significant economic decline that Libya suffered led Qadhafi to the recognition that assisting terrorist groups was antithetical to Libya's interests. By the late 1990s, Qadhafi began to change his policies, and in August 2003 he renounced terrorism in a letter to the UN Security Council. As of 2004, it appears that no terrorist groups are trained or based in Libya.

**Human Rights:** According to the U.S. Department of State's annual human rights report for 2004, Libya's authoritarian regime continued to have a poor record. Some of the numerous and serious abuses on the part of the government include poor prison conditions, arbitrary arrest and detention, prisoners held incommunicado, and political prisoners held for many years without charge or trial. The judiciary is controlled by the state, and there is no right to a fair public trial. Libyans do not have the right to change their government. Freedom of speech, press, assembly, association, and religion are restricted. Independent human rights organizations are prohibited. Domestic violence against women appears to be widespread, and there have been reports of trafficking in persons. Ethnic and tribal minorities suffer discrimination, and the state continues to restrict the labor rights of foreign workers. One of the more problematic issues is that of six foreign health workers (five Bulgarian nurses and one Palestinian doctor) who were accused of deliberately infecting 426 children with HIV-tainted blood in a hospital in 1999. On May 6, 2004, a Libyan court sentenced the workers to death. International observers have expressed concerns over the confessions of the health workers, which appear to have been forced.