

Director General's Newsletter, July 2017

Dear Colleague,

International dimension

The UN Secretary General has appointed a new Special Representative to replace Martin Kobler as Head of the UN Support Mission in Libya (UNSMIL). On 20 June, the UN Security Council approved the appointment of Ghassan Salame, a former Lebanese Government Minister who has also worked for previous UN Secretary Generals on Iraq and Myanmar. He took up the reins on 1 July.

As he did so, the focus of international discussion was on the Netherlands where a delegation of the House of Representatives' (HoR) Libyan Political Dialogue committee arrived on 8 July for discussion with the State Council. The HoR delegation was not, however, headed by the committee chairman, Abdelsalam Nassiyah, who opposed the talks. The HoR remains divided over its approach to the Libyan Political Agreement (LPA, originally concluded in December 2015) and on 15 June, 46 HoR members formed a 'National Consensus Bloc' to support making it work. Ghassan Salame's appointment will provide the opportunity for the Dutch and other initiatives to be brought together in a composite review of the LPA which Kobler recognised, in a departing statement, was never intended to be a permanent replacement for a constitution and could be amended.

On 5 June, the HoR joined Bahrain, Egypt, Saudi Arabia and the UAE (Egypt and the UAE have been the lead supporters of the Marshal Haftar's 'Libyan National Army', LNA) in breaking off relations with Qatar over allegations that the Gulf Emirate had supported terrorism, including through support for Islamist movements and militias in Libya. On 8 June, the Gulf states and Egypt also issued a list of organisations and individuals they accused of terrorism, including Shaikh Sadiq Ghariani (the Grand Mufti), Abdulhakim Belhadj, Ali al Sallabi, Mahdi al Harati and the Benghazi Defence Brigades (BDB). On 9 June, the HoR produced its own list of alleged terrorists associated with Qatar among whom they included State Council President Abdulrahman al Swehli and Justice and Construction Party¹ leader Mohammed Sawan.

President Trump's ban on Libyans and nationals of five other Muslim countries from visiting the US for 90 days came into force on 29 June after the US Supreme Court upheld a revised set of terms. At the other end of the spectrum, the Italian Embassy (the only Western Embassy to have reopened in Libya) began to accept applications for Schengen visas at its office in Tobruk from 9 July.

On 22 May Salman Abedi, a Libyan/British dual national resident in the UK, carried out the terrorist bombing in Manchester. This refocused attention on the number of Libyans living in

¹ The Libyan guise of the Muslim Brotherhood

the UK but although his father had been a supporter of the LIFG, it was reported that Abedi had been radicalised in the UK, not Libya, and no backlash has been reported against the Libyan community (beyond the anti-Muslim behaviour of the usual suspects) or the relationship with Libya.

Recent developments

On 5 July, Marshal Haftar announced that the LNA had won control of Benghazi after three years of fighting against the Benghazi Revolutionary Shura Council (BRSC), a coalition of *jihadi* forces including the Al Qaida (AQ) affiliate Ansar al Sharia. Some pockets of resistance remained but the people of Benghazi celebrated and GNA Presidential Council (PC) Chairman Fayeze Serraj congratulated them (not Haftar) on their victory. Haftar will now be able to redeploy some of his forces to other fronts: as one social media feed commented, the end of fighting in one area in Libya allows it to start up elsewhere. Another possible result may be the relocation of the LNA's ally, the HoR, to Benghazi from Tobruk.

In another good news story for Libya, the National Oil Corporation (NOC) announced on 30 June that Libya's oil production had returned to 1 million barrels a day (mbd). Although specialist media have reacted cautiously on whether this production level can be sustained, its achievement was helped by agreements with foreign partners including the German company Wintershall (allowing it to resume production in two concessions) and Spanish oil company Repsol (to provide equipment to the Sharara oil field).

A harbinger of eventual normalisation also came with a civil airline flight landing at Tripoli International Airport (TIP) at the beginning of July. Granted, it was a one-off flight bringing Fayeze Serraj back to the capital but on 5 July, the GNA Transport Ministry announced that it had signed a contract with an Italian consortium, Aeneas, to renovate the airport. Meanwhile, the LNA's control of Benghazi has raised expectations that its Benina Airport will reopen soon to air services (Afriqiyah has been mentioned as the carrier involved).

Not all the summer's developments have, however, been positive. While fighting continued in Benghazi, violent clashes also occurred in Western and southern Libya. They included killings and kidnappings, summary executions (at Brak al Shati in May), the ambush of an UNSMIL convoy and temporary kidnapping of UN personnel (near Zawia in June) and the deaths of a Libyan family relaxing on a beach and hit by a stray RPG round (near Mitiga in July).

The summer has also been trying for Libyans. They have suffered from widespread power cuts and from cash shortages. Frayed nerves and short tempers, no doubt exacerbated by the privations of fasting during Ramadhan (mostly coinciding this year with June), led to occasional altercations outside bank branches and violence against GECOL staff and power stations. Various reasons have been given for the power cuts, including factions attacking power stations and transmission lines (to embarrass the authorities) but also a shortage of generating capacity combined with seasonal high demand. GECOL recognises the need to add generating capacity and has reportedly asked the GNA for more resources. An Italian company, MST Technology, has announced plans to build a 424 mw power plant (and a 50,000 m³ desalination station) but some other potential suppliers have been reluctant to engage with GECOL until outstanding debts are paid.

Meanwhile, the last quarter has included some good news for the family and tribe of the former Libyan leader, Mu'ammr al Qadhafi. On 10 June, the (Zintani) 'Abubakr al Siddiq Brigade' announced that it had, controversially, released Qadhafi's eldest son Saif al Islam. It claimed to have done so at the prompting of the HoR. The International Criminal Court (ICC) renewed calls for Saif's arrest but his whereabouts are unconfirmed. Later in the month Abdullah Senousi, Qadhafi's former head of intelligence, was also released, from Tripoli's Hadba prison, by Haithem Tajouri's 'Tripoli Revolutionaries Brigade' militia. Another of Qadhafi's sons, Saadi, was released with him, alongside Abuzeid Durda, a former Prime Minister equivalent, UN Ambassador and head of the Mukhabarat from the Qadhafi era. These developments may have something to do with the report in May that Ahmed Qadhaf Addam (Qadhafi's cousin, in exile in Egypt) had said that the family supported the progress of Marshal Haftar and the LNA.

Recent events

Events LBBC members have attended during the last quarter included a meeting with HoR member Salah Suhbi on 25 April and a meeting the following day with Ali Shamekh, one of several contenders for the Chairmanship of the Libyan Investment Authority (LIA). Both meetings were kindly arranged by LBBC member Joe Walker-Cousins (KBR). I attach my record of the meeting with Salah Suhbi and although I was unable to attend the meeting with Ali Shamekh, LBBC Vice Chairman Oliver Miles was able to do so. I attach his record.

LBBC member PwC hosted a Council Lunch at their offices at 7 More London on 6 June when Brig John Deverell CBE (Retd) spoke on 'Prosperity and provision of livelihoods as a basis for peace and stability'. Brig Deverell kindly provided us with the text of his talk and I attach it for members' information.

Sir Vincent Fean and I were guests at a workshop on 4 July conducted by Tatweer Research at the offices of DLA Piper (both are LBBC members). The workshop was conducted under Chatham House rules² so I cannot report any detail but it addressed plans for an Elmreisa Free Zone (<http://www.efz.com.ly/en/>) near Benghazi. We met the General Manager of the proposed free zone, Gwider Ibrahim Gwider, Fawzi Elbarrani (Director of Elmreisa Tech City) and Bader Ben Othman, CEO of Tatweer's principal sponsor, the Libyan Local Investment & Development Fund (LLIDF, which is also sponsoring the EFZ) whom we have met before during the LBBC's business missions to Libya before 2014.

Bader Ben-Othman and his Chairman, Ahmed Othman, were also guests at the LBBC Annual Lunch on 6 July. Thanks to LBBC President Lord Trefgarne, this was once more held at the House of Lords and 120 people gathered to hear Saddek Elkaber, Governor of the Central Bank of Libya (CBL). Other guests included the Rt Hon Alistair Burt MP, recently re-appointed Minister of State for the Middle East and North Africa, and Sir Jeffrey Donaldson MP, the Prime

² When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed

Minister's Trade Envoy to Egypt who has also recently been given a watching brief on trade with Libya. Alistair Burt spoke of his pleasure at resuming his role and his commitment to supporting the UK's relationship with Libya. Bader Ben Othman shared the LLIDF's priorities with us: power generation, desalination, solar energy for schools and hospitals, hospital construction and venture capital for the development of Libyan SMEs. Sir Vincent has invited him to return as a speaker at a future Council Lunch.

Saddek Elkaber's talk was conducted under the Chatham House Rule so I cannot provide a full record, but he addressed the role of the CBL and the banking sector in the context of Libya's political and economic circumstances. Several members were able to pose questions and all present had the opportunity to note what he had to say.

Some of you may already have heard that the Middle East Association (MEA) went into administration on 30 June. I am sure you will join me in expressing our admiration for our colleague Peter Meyer (Tilden International) for his valiant attempt to revive the MEA after it was wound up by previous management. Regrettably, it was not to be.

Future Events

We are planning a business visit to Tunis in the week beginning 20 November 2017 to meet Libyan business representatives along the lines of our productive visit to Malta last year. We much appreciate the support of BACB and of Peter Millett and his team in building the programme. This will be an LBBC/BACB joint event. We will issue a flyer as soon as possible - but please put the date in your diary now.

We are suspending the Council Lunch series for the summer but are talking now to prospective speakers and will resume in September. I hope you and your families will be able to take some time off over the next few weeks and wish you all a pleasant summer.

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