



Libya Monthly Risk Review

THE INKERMANN GROUP

January 2020

Monthly risk report outlining significant incidents and developments impacting personnel on the ground. Security, political and economic trends are outlined providing a month-on-month intelligence overview of the developing conflict zone. The report provides guidance for the upcoming month and forward-looking geopolitical evaluations.



Content

	Page
Monthly Incident Score	3
Monthly Incident Trendline	4
Political Developments	5
Exchange Rate Information	7
Security Developments	8
Energy Developments	11





Monthly Incident Score

The global risk rating in Libya remained constant throughout January 2020, as incidents recorded across the month remained on-trend.

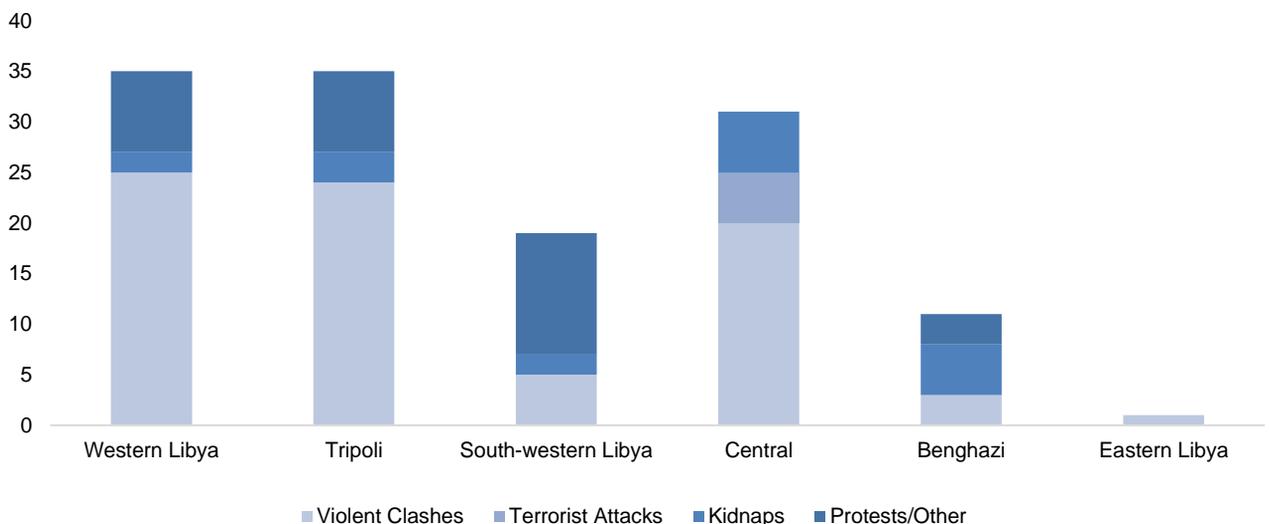
The western areas of the country continued to record the vast majority of security incidents, as the Libyan Army offensive in southern Tripoli entered its tenth month. There was, nevertheless, a downtick in airstrikes (categorised under 'violent clashes' in the figure below), as the Government of National Accord (GNA) and its foreign sponsors began to set in place anti-aircraft systems around the capital. There was also a brief pause in ground hostilities in the second week of the month, correlating with the renewed Russian-Turkish effort to introduce a ceasefire in Tripoli.

The slight decrease in violent clashes around the west came as the Libyan Army moved into the coastal city of Sirte, deviating much of the force's attention into the central area of the country. Although the Libyan Army entered the city without much attrition, GNA-aligned forces held off further advances in the town of Abu Qurayn, located south of Misrata.

Sirte also witnessed a large increase in terrorist incidents and kidnappings presumably carried out by local Madkhali-Salafi forces, who gained significant leeway across the city after the Libyan Army captured the urban centre with their aid.

Incidents in Benghazi and eastern Libya largely fell under the banner of protests and civil unrest, directed at foreign actors and Tripoli-based institutions.

Monthly Incident Score





Monthly Incident Trendline

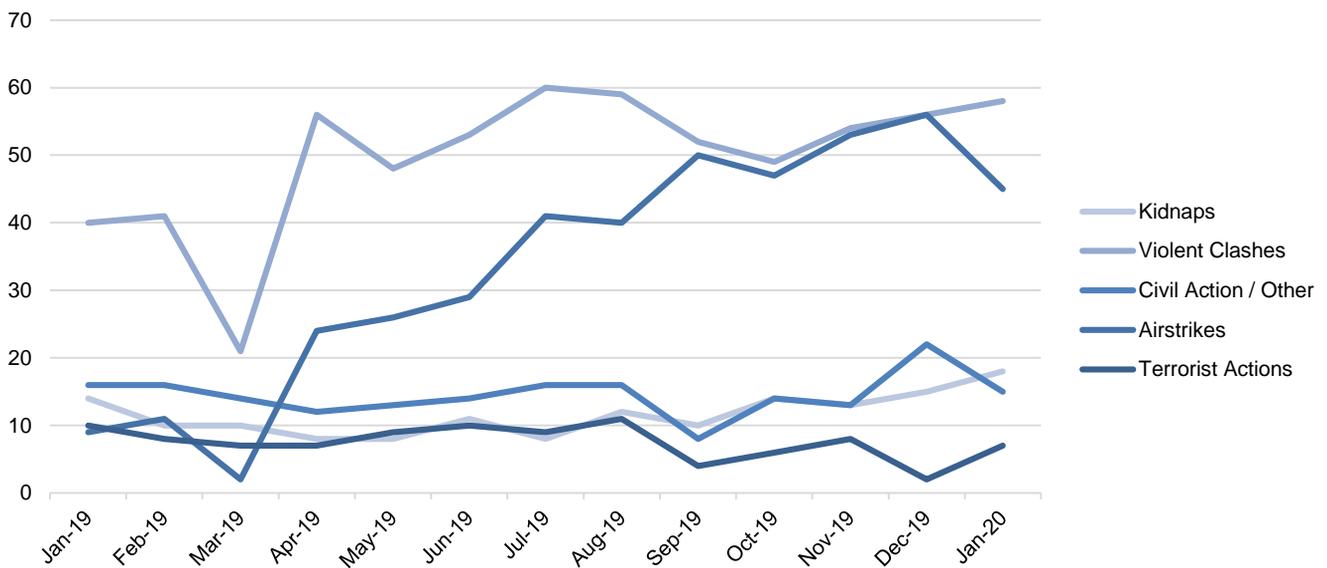
The overall quantity of violent clashes remained at a highly elevated level – despite the brief ceasefire evidenced in Tripoli – largely driven by the sustained fighting between the Libyan Army and militias aligned to the Government of National Accord (GNA). While some minor territorial shifts occurred in the south of the capital, the overall situation remained one of general stalemate.

Airstrikes saw a sharp downtick due to the installation of anti-aircraft in and around Tripoli, as well as the brief presence of two Turkish ex-Oliver Hazard Perry class frigates that entered Tripoli Anchorage in the last week of January 2020. Although the vessels did not remain in the area, the two frigates were capable of providing additional air defences against Libyan combat jets operating in Tripoli.

There was also a slight uptick in civil actions and protests, as the Libyan Army and several of its proxies blockaded over three-quarters of the country’s oil infrastructure. This category is expected to continue to rise as fuel and electricity supply become scarcer.

As for the rate of terrorist incidents, there was also a large increase in incidents largely originating from Sirte and the greater leeway afforded to Madkhali-Salafi forces operating in the city.

Monthly Incident Trendline





Political Developments

- **Political climate dominated by role of international actors.**
- **Berlin Conference paves way for military dialogue between GNA and Libyan Army.**
- **International actors continue to violate UN arms embargo and commitments of non-intervention.**

The first month of 2020, saw the political situation in Libya most impacted not by domestic players, but by international actors vying for control and influence in the country. Despite calls for non-intervention by the United Nations (UN) as well as promises to abide by a UN arms embargo, several countries were identified as not only openly supporting the Government of National Accord (GNA) or the Libyan Army, but also sending arms and private military contractors into the conflict. The general sentiment among observers is that as long as international actors continue supplying weaponry and backing opposing sides of the conflict, there will unlikely be a resolution to the Libyan crisis.

At the beginning of the year, the European Union's (EU) foreign policy chief Josep Borrell saw his visit to Tripoli cancelled by the internationally recognised GNA. The cancellation came after on 05 January 2020, a council of Misratan elders said that the arrival of Borrell would afford the Libyan Army's head Field Marshal Khalifa Hifter with a voice to "determine Libya's political future". Borrell had been scheduled to arrive in Tripoli alongside the foreign ministers of Germany, France, Italy, and the UK.

Elsewhere in Libya during this time, the eastern House of Representatives (HoR) voted to withdraw its recognition of the GNA and its Prime Minister Faiez Serraj. In an emergency meeting held in Benghazi, as opposed to Tobruk, HoR lawmakers voted to annul the 2015 Libyan Political Agreement (LPA) signed in Skhirat and called on the international community to withdraw their recognition of the Tripoli-based government. The assembly also voted to bring charges of "high treason" against Serraj, GNA Foreign Minister Mohammed Siala and GNA Interior Minister Fathi Bashaga. Separate motions to cut ties with Turkey were also approved.

Another common theme during January 2020, was the many efforts by international actors to broker a lasting ceasefire in Libya through the medium of multilateral conferences. These efforts, despite noble in intent, have proved unsuccessful, as foreign players have continued to violate the commitments set out in these conferences. The first meeting of the month took place in Italy, where both leaders of the GNA and the Libyan Army, Serraj and Hifter respectively, were invited to Rome. However, reports emerged that Serraj cancelled his meeting with Prime Minister Giuseppe Conte after it was revealed that Hifter would be in attendance. The matter was reportedly confirmed by Russia's Libyan attaché, Lev Dengov, who said to Russian press outlets that Serraj and Conte failed to agree on a range of issues which made the meeting impossible. Hifter's airplane – a Dassault Falcon 50EX – was nevertheless, tracked over Italian airspace and he reportedly met with Conte for at least three hours in the Palazzo Chigi.

The second effort to bring both sides together occurred in Moscow on 13 January 2020. The



Russian Foreign Ministry announced that Serraj and Hifter would be arriving to hold “peace talks” in the capital. The meeting would also be attended by the foreign and defence ministries of Turkey and Russia, as they both had attempted to broker a ceasefire the previous day. Press outlets cited Dengov who disclosed that the meeting would discuss “the possibility of signing a truce and the details of such a document”. However, the following day, it was reported that the Libyan Army head had left Moscow without signing any ceasefire agreement drafted by Turkish and Russian officials. Once again, both Serraj and Hifter refused to meet one another. The GNA Prime Minister did sign the draft ceasefire agreement prepared by the interlocutors, however, according to some Russian press outlets, Hifter had refused to sign the deal as it did not include a deadline for disbanding GNA allied forces.

The next effort to broker a ceasefire, on 19 January 2020, saw a large summit take place in Berlin, which received representatives from opposing sides of the conflict as well as foreign actors. The aim of the conference was to create a political dialogue to pave the way for an end to the crisis. By the end of the summit, all attendees had agreed to uphold a ceasefire and further reiterated their support for a political, rather than a military, solution. Following the summit, a joint press conference took place in Berlin with UN Secretary General Antonio Guterres, head of the United Nations Support Mission in Libya (UNSMIL) Ghassan Salame, German Chancellor Angela Merkel, and German Foreign Minister Heiko Maas in attendance. Merkel stated that the conference contributed to the creation of a settlement process in Libya, and that all parties had agreed to provide more support to end the fighting. In addition to this, the Berlin Conference resulted in the creation of the 5+5 Military Committee which would see ten senior military officials from GNA, and the Libyan Army meet to ensure the holding of a lasting ceasefire. However, despite the international communities’ best efforts, the conflict in Libya continued to undermine the progress made in Berlin.

The most recent effort to push for a lasting ceasefire is currently taking place in Geneva. As of writing, it is known that Hifter has chosen Major General al Madani al Fakhri, commander of the Sabha Military Region, Major General Faraj al Sousaa, the Military Prosecutor General, Major General Atiya al Sharif, Director of the Military Audit Department, Major General Abdel Karim Hadiya, Secretary-General of the Libyan Army General Command, and Major General Abdul Hadi al Falah, Chief of Staff of the Air Force to represent the Libyan Army. If the GNA can commit to these UN-supervised talks, progress may be made in finding a solution to the conflict.

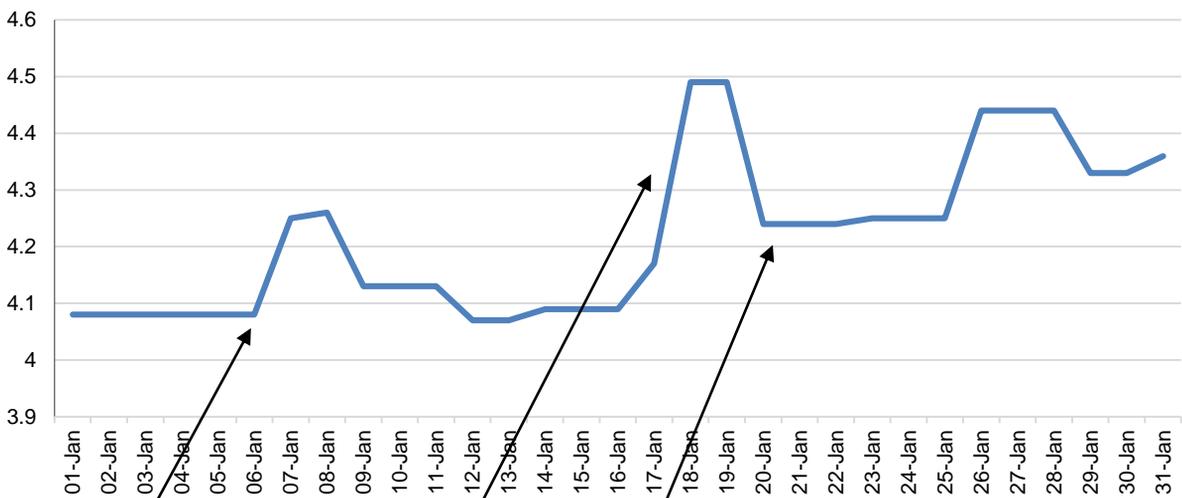
The potential for complete adherence to a ceasefire and the UN arms embargo are reliant on the expectation for both Serraj and Hifter to be in the same room together to discuss a political solution. Even more so, it relies on the restraint of foreign actors to not become further embroiled in Libya’s affairs. Turkey has openly announced that it would deploy troops to Libya at the request of the GNA. Moreover, there have been indications that Ankara is sending Syrian fighters to Tripoli to take part in the conflict. On the opposite side, the Libyan Army is known to enjoy the support of Russian private military contractors, namely the Wagner Group, which provides logistical and technical support.



Libya Black Market FX

Exchange rate information regularly correlates with political and security developments in Libya, as well as domestic monetary policy.

Tripoli Black Market FX USD/LYD



Libyan Army moves into coastal city of Sirte

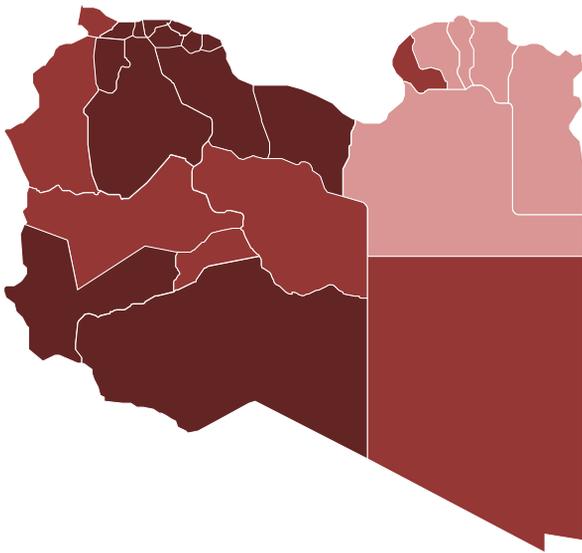
Libyan Army blockades oil and infrastructure

Berlin Conference concludes with tentative assurances of further talks



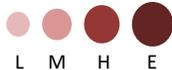
Security Developments

- **Libyan Army expands western front moving into coastal town of Sirte.**
- **Fighting continues despite brief ceasefire in southern Tripoli, largely concentrating in Ain Zara district and old Tripoli International Airport.**



The map above depicts a month-on-month security risk rating assigned to Libya's administrative regions.

Inkerman Risk Rating



Security Incidents Timeline

- **04/01** – Over thirty dead and thirty-five wounded in UAV strike on Al Hadhba Military Academy in Tripoli
- **06/01** – Libyan Army moves into Sirte
- **08/01** – Libyan Army launches large artillery and bombing offensive in Tripoli
- **19/01** – Libyan Army jets target Misrata's Air College
- **14/01** – Reports of several mortar shells targeting Brega Airport
- **20/01** – Libyan Army jets target GNA-aligned forces near Abu Qurayn
- **28/01** – Turkish frigates enter Tripoli Anchorage

The eastern-based Libyan Army made considerable gains in central Libya throughout the month, entering the coastal city of Sirte on the first week of January 2020. The Libyan Army has traditionally annexed territory by coaxing existing armed groups in a particular territory or through prolonged attrition, such as the battles over Benghazi and Derna. Although the city had been targeted by Libyan Army jets throughout November-December 2019, the swift manoeuvre into Sirte, suggests that there was considerable aid from local militias inside the city before the Libyan Army even neared the area. Domestic reports later identified one of the principal militias involved in aiding the Libyan Army as the 604 Brigade – a Madkhali-Salafi force which was formed after the Islamic State (IS) abandoned the city in 2016.

There were similar suggestions that the quick advance into the city allowed Government of National Accord (GNA)-aligned forces, notably the Sirte Protection Force (SPF), from experiencing significant casualties. Separate militias are also known to have withdrawn to the anti-Libyan Army stronghold of Misrata and to the nearby town of Abu Qurayn, where Libyan Army forces arrested their advance.



Capturing Sirte, the birthplace of former strong man Muammar Qaddafi, largely serves to secure the Libyan Army's strategic Jufrah Airbase and its northern flank, as well as the entirety of the force's logistical rear into Tripoli. The move into Abu Qurayn also forces many of the Misrata-based militias currently fighting in Tripoli, to divert their attention back home. There is no evidence to suggest that the Libyan Army will be able to continue into Misrata, which has long been the largest backer of the GNA from both a political and military standpoint.

Misrata's militias were a crucial component in Gaddafi's downfall and are still one of the best equipped military forces in the country, having taken the lead in the fight against the Islamic State (IS) in Sirte in 2016. In other words, they are incredibly seasoned and well supported by Turkey, which has been instrumental in equipping the force. There are no reasons to believe that they will not be able to hold the Libyan Army from advancing past the town of Tawergha – several kilometres north of Abu Qurayn.

Further west in Tripoli, the first weeks of January 2020 also witnessed the largest military loss of life in a single bombing since the start of the conflict ten months ago. At least thirty people were killed, and thirty-five others wounded in an attack on the Al Hadhba Military Academy in Tripoli. The GNA described the incident as an "aerial bombing" campaign launched by the Libyan Army's Airforce, although eastern officials have denied involvement in the matter. Third-party sources later suggested that officials recovered remnants of a Blue Arrow 7 missile, usually carried by Wing Loong unmanned aerial vehicles (UAV), which are allegedly operated by United Arab Emirates (UAE) forces in support of the Libyan Army. A statement released by the United Nations Support Mission in Libya (UNSMIL) "condemned" the attack on the military facility, stressing that the rising escalation "further complicates the situation in Libya and threatens the chances of returning to the political process".

Days after the bombing of the Al Hadhba Military Academy, Turkish military advisors and Syrian troops began arriving into the Libyan capital. Their arrival, already announced in December 2019, is likely the single most evident breach of the UN Security Council arms embargo in the country. Details surrounding the exact number of Turkish troops currently in Libya have not been made available, but in early February 2020, the UK-based Syrian Observatory for Human Rights disclosed that over 4,700 Syrian fighters have been transferred to Libya through Turkey. The watchdog group added that at least eighty fighters were killed in battles against the Libyan Army throughout the month, and that sixty-four other fighters left Libya completely, and entered Europe.

Turkish support has also been reflected on the ground, as fighting over the capital's sole air link decreased throughout the month. Mitiga has been a preferential target for the Libyan Army, largely due to the fact that it serves both a civilian and military role and is thought to be the base of operations for GNA UAV operations. The Inkerman Group recorded over six separate direct attacks on Mitiga or surrounding infrastructure throughout the month, but there was a notable decrease in operations as satellite imagery revealed the installation of surface-to-air missiles around the perimeter of the facility. Third-party sources identified the missiles as a Turkish variant of the US-made MIM-23 Hawk. Turkey has likewise deployed MIM-23 Hawk missiles in Syria in recent months.

Ankara also made a show of force in the last days of the month, dispatching a ro-ro cargo ship into the Tripoli harbour, escorted by two Gabya-class frigates. Pictures showing the two warships sailing together near Tripoli were disseminated through social media and



unconfirmed reports about the arrival of Turkish forces were also prevalent. Sources identified both vessels as the TCG Goksu and TCG Gokova, which left their home ports at the end of December 2019, bound for exercises off the coast of Algeria. They then remained in the Mediterranean to train with other NATO warships. The two frigates, ex-Oliver Hazard Perry class ships that Ankara originally obtained second-hand from the US Navy, are capable of providing additional air defences against Libyan combat jets operating in Tripoli if they remain in the area. Nevertheless, immediately after the ro-ro vessel docked in Tripoli, multiple videos and stills were spread through social media of Turkish weaponry being offloaded. At least one video published by the Libyan Army, showed numerous FNSS ACV-15 amphibious armoured combat vehicles and T-155 Firtina weapon systems on board the docked vessel.



Energy Developments

- **The Inkerman Group recorded an average crude output of 731,000 bpd throughout January 2020 – a 35.8% month-on-month drop in overall production, from December 2019.**
- **Libyan Army blockades three-quarters of oil infrastructure plummeting crude output in last week of January 2020 to under 190,000 bpd.**

The Inkerman Group recorded an average crude output of 731,000 barrels per day (bpd) throughout January 2020 – a 35.8% month-on-month drop in overall production, from December 2019's revised figure of 1.139 million bpd. The precipitous fall in production came as the Libyan Army shut-down operations in around three-quarters of the country's oil and gas facilities on 17 January 2020, hours before eastern officials were scheduled to arrive in Berlin to begin formal ceasefire talks.

	TIG Estimate	OPEC (based on secondary sources)	Rig Count (units)
Aug-19	1,042	1,074	16
Sep-19	1,119	1,160	16
Oct-19	1,155	1,166	16
Nov-19	1,174	1,183	16
Dec-19	1,177	1,139	16
Jan-20	760		

The move immediately forced the National Oil Corporation (NOC) to declare force majeure on operations out of Brega, Ras Lanuf, Hariga, Zueitina and Es Sider – all under the control of Petroleum Facilities Guard (PFG) commander Nagi al Moghrabi and the Libyan Army Sirte Operations Room chief Colonel Ali al Jilani.

Hours after the Libyan Army padlocked eastern production, tribal PFG personnel also blocked the Hamada-Zawiya pipeline, forcing production at the giant Sharara oil field and neighbouring el Feel to shut down. Sharara was reportedly producing close to 300,000 bpd and el Feel was reaching 90,000 bpd before operations powered down. There were suggestions throughout the month that some production was still able to leave Sharara and el Feel, but this remains unconfirmed. Crude from el Feel and Sharara is pumped to the 200,000 bpd Zawiya refinery and export terminal in northwest Libya, which remains under the control of Government of National Accord (GNA)-aligned militias.

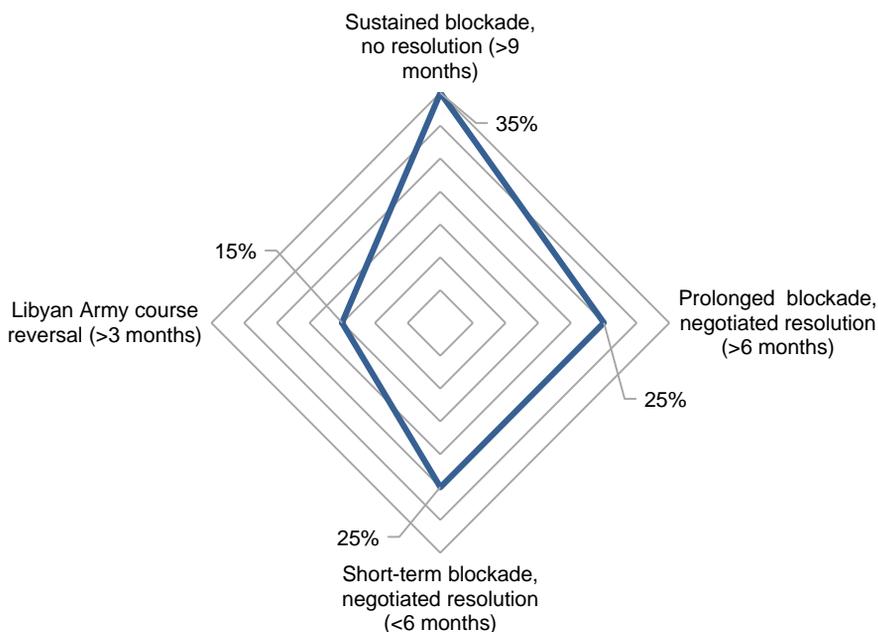
Roughly a week after the blockade, NOC Chairman Mustafa Sanalla warned an audience at Chatham House that the shut-in would cause lasting damage to NOC-operated pipelines and adjacent infrastructure. He explained that “stoppages of oil production are a disaster – crude oil left in pipelines is highly [corrosive] in the already corroded pipelines and surface equipment (...) the effects last for years – in the last five years we had 817 leaks in pipelines damaged by the years of blockades instigated by [Petroleum Facilities Guard Commander]



Ibrahim Jadhraan". Sanalla also remarked on perceived corruption inside the oil and gas sector, stating: "We fully acknowledge there is corruption and injustice in Libya. We are all disgusted and angered by the economic situation. But acting illegally by blocking Libyan oil production will just lead to the further impoverishment of the Libyan state and erosion of the rule of law. We were told that the NOC will not receive the requested budget it needs for its ambitious programme to expand oil production – that means billions less for the Libyan people in future years".

In a separate interview with a London-based press outlet, Sanalla said that the country's oil output is on track to collapse to its lowest level since the 2011 civil war. He remarked that sustainable production could bottom out at 72,000 bpd – a fall of around 93.6% from December 2019 output. Nevertheless, according to figures released by the NOC, production as of the first week of February 2020, has hovered at around 190,000 bpd. Total losses in the same time span amount to just over US\$931 million.

Libya Energy Analysis - Base Case Expectations



The current base case scenario expects production to fall under 100,000 bpd, unless the Libyan Army makes a concerted push into western-Libya and captures the Zawiyah terminal. The NOC had previously warned on 28 December 2019, that operations at the Zawiyah port and the refinery could be halted due to intermittent fighting in the surrounding facilities.

The possibility that the Libyan Army reverses course in the near term are currently placed at around 15%. By cutting off crude production, the Libyan Army effectively starves around 98% of all revenue from the Tripoli-based Central Bank of Libya (CBL) and by extension, the Government of National Accord (GNA). Although the measure also dents the eastern budget, the Libyan Army also has significant foreign backers such as the United Arab Emirates (UAE)



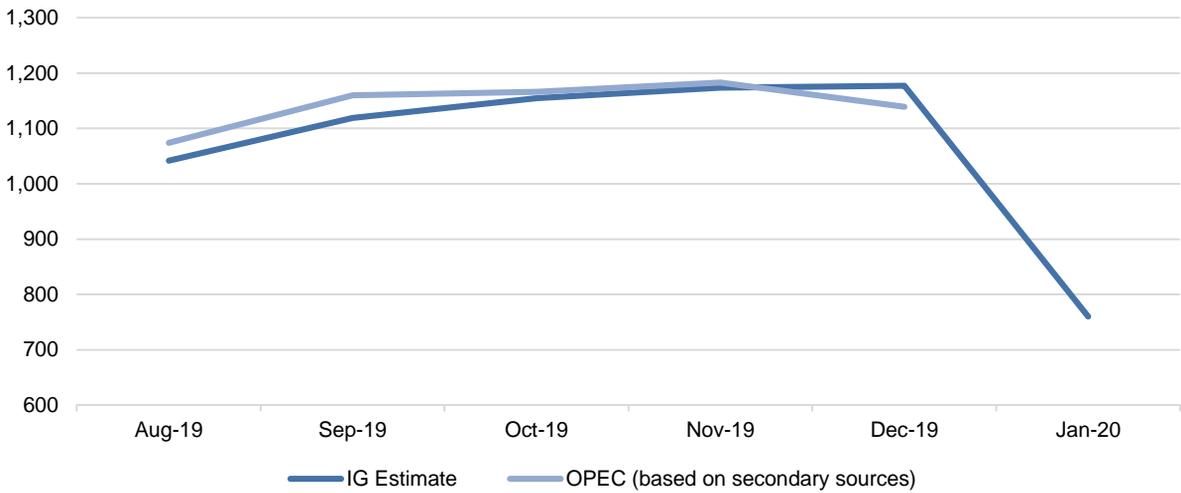
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and Saudi Arabia, who may flip the bill in the short-term.

The single largest impact in the upcoming quarter will be felt by the Libyan population as fuel and electricity supplies fade. The sole operating refining facility in the country is Zawiya, which has a max refining and export capacity of 200,000 bpd. Domestic consumption in Libya hovers around 270,000 bpd. Libya's electricity supply is also largely reliant on natural gas which is derived from crude production.

Oil Production (monthly average)



CORPORATE INTELLIGENCE PRODUCT SUITE

Political Risk	Political Risk and Security Review – weekly global report on the most significant political developments	Middle East & North Africa Examiner – weekly report on developments in 18 MENA countries	Foresight Monthly Risk Calendar – horizon scanning the globe for risk in the month ahead; polls, protest and events	Global Country Risk Ratings – monthly briefing on security and evacuation risk scale for 207 countries	Qualitative and Quantitative Risk Matrices – bespoke risk analysis for client-specific requirements
Kidnap Intelligence	Kidnap & Ransom Daily Bulletin – daily roundup of reported global kidnap and extortion incidents	Kidnap & Ransom Monthly Report – monthly analysis of kidnap trends across the globe	Inkerman K+R Dashboard – dynamic platform illustrating trend and analytics		
Country-Specific Reports	Global Country Travel Risk Reports – country-specific travel briefs for personnel, drilling down to city level	Libya Daily – daily assessment of political security developments in Libya	Libya Monthly – monthly trend analysis of security developments in Libya		
Travel Intelligence	IT Entry Procedures – country-specific IT security brief, covering airport scanning, encryption law, data copying and mobile telephony	Health & Safety Briefs – country-specific health and safety legislation reports	TIPS Daily – newsletter covering global OSINT monitoring based on client's specific needs		
Investigations	Fraud Weekly Newsletter – free weekly roundup of fraud, bribery and cybercrime news	Due Diligence reports – bespoke security and reputational risk reports	Social Media monitoring – bespoke online monitoring of client-specific topics		

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OPERATIONS CENTRE
INKERMAN HOUSE
3-4 ELWICK ROAD
ASHFORD KENT TN23
1PF
UNITED KINGDOM

THE INKERMAN GROUP
1 CORNHILL
LONDON EC3V 3ND
UNITED KINGDOM

THE INKERMAN GROUP
AM MEERKAMP 17-19
40667 MEERBUSCH
DUSSELDORF
GERMANY

REG IN ENGLAND NO:
3085655
VAT REG NO: 787297952
DATA PROTECTION:
Z6511514

T + 44 (0) 1233 646940
F + 44 (0) 1233 646840

T + 44 (0) 20 7589 5338
F + 44 (0) 20 7589 5339

T + 49 (0) 2132 968 5151
F + 49 (0) 2132 967 9582

enquires@inkerman.com