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INFORMATION

May 20, 1985

To: Members of the Executive Board

From: The Secretary

Subject: Socialist People's Libyan Arab Jamahiriya -  
Recent Economic Developments

This paper provides background information to the staff report on the 1985 Article IV consultation discussions with the Socialist People's Libyan Arab Jamahiriya, which was circulated as SM/85/132 on May 13, 1985.

Mr. Thayanithy (ext. 7113) is available to answer technical or factual questions relating to this paper prior to the Board discussion.

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INTERNATIONAL MONETARY FUND

SOCIALIST PEOPLE'S LIBYAN ARAB JAMAHIRIYA

Recent Economic Developments

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Approved by the Middle Eastern Department and the  
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May 15, 1985

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Socialist People's Libyan Arab Jamahiriya - Basic Data

Area	1.76 million square kilometers
Population (mid-1984)	3.6 million
Currency	Libyan dinar (LD)
Exchange rate (since February 1973)	LD 1 = US\$3.3778
GDP per capita (1984)	LD 2,178 = US\$7,357

	1980	1981	1982	1983	Prov. 1984
Oil sector					
Crude production (mb/d) <u>1/</u>	1.81	1.20	1.21	1.10	0.99
Oil revenues (LD billions)	4.94	3.42	3.23	2.52	2.13
Average official sale price of crude oil (US\$ per barrel) <u>2/</u>	34.72	41.00	37.00	35.25	30.40
(In percent)					
Ratios to GDP (in current market prices)					
Gross domestic investment	23.0	30.1	27.2	24.5	24.6
Total fiscal revenues	55.0	46.4	46.9	40.4	39.0
Total fiscal expenditures	56.6	71.6	61.5	52.8	57.9
Fiscal deficit	1.6	25.2	14.6	12.4	18.9
Money and quasi-money	39.0	49.7	49.6	48.4	54.5 <u>3/</u>
Exports, f.o.b.	61.7	46.7	46.8	42.9	41.3 <u>3/</u>
Imports, f.o.b.	29.2	46.1	37.5	31.2	30.5
Current account balance	23.2	-12.3	-5.1	-4.9	-2.9 <u>3/</u>

	(In thousands)				
Employment	812.8	...	...	...	927.1
Indigenous labor	532.8	...	...	...	664.0
Expatriate labor	280.0	...	...	...	263.1

	1980	1981	Provisional 1982	1983	1984	Budget 1985
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(In millions of Libyan dinars)

Public finance						
Revenues	5,789.2	4,334.6	4,067.0	3,448.1	3,090.2	3,200
Expenditures	5,957.0	6,690.4	5,337.9	4,502.9	4,587.5	3,900
Administrative	(1,145.4)	(1,350.6)	(1,461.0)	(1,567.6)	(1,645.3)	(1,200)
Development	(2,551.6)	(2,872.8)	(2,365.9)	(2,096.3)	(1,812.2)	(1,700)
Supplementary	(2,260.0)	(2,467.0)	(1,511.0)	(839.0)	(1,130.0)	(1,000) <u>4/</u>
Surplus or deficit (-)	-167.8	-2,355.8	-1,270.9	-1,054.8	-1,497.3	-700 <u>4/</u>

Socialist People's Libyan Arab Jamahiriya - Basic Data (Concluded)

	1980	1981	1982	1983	<u>Jan.-Oct.</u>	
					1983	1984
<u>(In millions of Libyan dinars)</u>						
Money and credit (changes during period)						
Money and quasi-money	904.7	542.2	-341.3	-178.8	-102.0	58.4
Foreign assets (net)	2,181.9	-1,519.9	-675.0	-561.8	-408.3	-368.7
Domestic assets (net)	-1,277.2	2,062.1	333.7	383.0	306.3	427.1
Claims on						
Treasury (net)	-929.1	679.5	370.9	-500.0	-208.3	507.3
Claims on						
other sectors	274.5	845.1	83.4	-48.3	-53.6	7.7
Other items (net)	-622.6	537.5	-120.6	931.3	568.2	-87.9
<u>(In percent)</u>						
Money and quasi-money	28.3	13.2	-7.3	-4.2	-2.4	1.4
						Prov.
						Est.
	1980	1981	1982	1983		1984
<u>(In millions of U.S. dollars)</u>						
Balance of payments						
Current account						
balance	8,256.7	-3,887.1	-1,481.9	-1,406.2	-774.5	3/
Exports, f.o.b.	21,919.2	14,730.9	13,701.0	12,348.2	11,042.4	3/
Imports, f.o.b.	-10,370.2	-14,563.0	-10,975.8	-8,977.2	-8,160.8	
Services and						
private						
transfers (net)	-3,292.3	-4,055.0	-4,207.1	-4,777.2	-3,656.1	3/
Capital and official						
transfers (net)	-903.6	-497.2	-587.7	-308.7	-858.6	3/
Errors and						
omissions (net)	16.9	-749.6	-210.4	-182.7	-307.1	3/
Overall balance	7,370.0	-5,133.9	-2,280.0	-1,897.6	-1,940.2	3/
Gross external assets						
(end of period)	15,325.8	10,347.5	8,052.3	6,095.6	4,155.4	3/
Central Bank of Libya	14,194.9	9,370.0	7,123.4	5,374.1	3,631.1	
Commercial banks	1,130.9	977.5	928.9	721.5	524.3	3/

1/ Million barrels per day (mb/d).

2/ Prices shown are of Zuweitina 40.5° API as of January 1 each year.

3/ Staff estimate.

4/ Staff projection.



## I. Production, Employment, and Prices

### 1. Background

Prior to the discovery of petroleum reserves in the late 1950s, the Socialist People's Libyan Arab Jamahiriya (hereinafter referred to as the Jamahiriya) was among the world's poorest countries. Rudimentary agriculture and nomadic livestock farming, limited to a few oases and narrow stretches along the Mediterranean, provided the main sources of sustenance for over 70 percent of the population. The establishment of a modern petroleum sector at the end of the 1950s led to the initial efforts towards economic development which were accelerated following the oil price increases of the early 1970s. At the same time there was increasing emphasis on state management of the economy, and the achievement of a more equitable income distribution became a principal objective of public policy. *Economic growth over the last decade has resulted in the building up of economic and social infrastructure and in the raising of living standards.*

### 2. Overall level of economic activity

The share of oil in the total output declined from about 70 percent in the 1970s to about 50 percent in 1981-83 and to 45.5 percent in 1984. However, because of the predominance of oil in public revenues and in foreign exchange earnings, growth in the oil sector still plays a dominant role in overall economic growth. Following wide fluctuations in the late 1970s, value added in the oil sector has fallen continuously in the 1980s (see also subsection 3 below). The average annual decline in value added in the oil sector was 13.5 percent during the four-year period, 1981-84, with the sharpest fall (36.5 percent) being recorded in 1981 (Table 1). However, during the same period the non-oil sectors recorded positive growth rates, except in 1982; the average annual growth rate for these sectors was 3.5 percent. As a net result, the overall growth rate of the gross domestic product (GDP) declined by an annual average of 6.7 percent during 1981-84.

Although value added in the oil sector fell by 36.5 percent in 1981, the output of the non-oil sectors rose by 13.2 percent in that year. The latter was made possible by the fact that, despite the fall in oil revenues, the authorities maintained development spending in that year at a high level because of commitments already made. Thus value added in the construction sector rose by 16 percent, and there were associated large increases in value added in the transportation and trade sectors, as well as in other service sectors. Agricultural output, though accounting for less than 2 percent of total GDP, rose by 12.8 percent, and the output of other commodity producing sectors also recorded satisfactory increases. However, as the authorities took effective measures to prune development expenditures, growth of the non-oil sector was adversely affected in 1982.



Table 1. Socialist People's Libyan Arab Jamahiriya:  
Growth Rate and Origin of GDP at Constant Factor Cost, 1981-84

(In percent)

	Provisional				
	1981	1982	1983	1984	
(Growth rates)					
Oil sector	-36.5	-3.7	-3.2	-10.5	
Other sectors	13.2	-2.8	0.9	2.8	
Commodity producing sectors	14.0	-6.3	-4.6	-1.0	
Agriculture, forestry, and fishing	(12.8)	(2.2)	(17.0)	(-3.7)	
Mining and quarrying	(12.9)	(-13.2)	(-12.3)	(-6.2)	
Manufacturing	(7.0)	(15.0)	(5.7)	(20.2)	
Electricity, gas, and water	(8.9)	(18.7)	(20.4)	(13.6)	
Construction	(16.0)	(-12.9)	(-13.0)	(-8.2)	
Distribution and services sectors	20.4	-8.1	-2.7	0.6	
Transportation and communication	(20.4)	(-4.2)	(-4.2)	(5.4)	
Wholesale and retail trade	(20.4)	(-10.8)	(-1.5)	(0.7)	
Other services	8.3	4.0	8.1	7.1	
Public services	(9.7)	(7.2)	(9.4)	(9.0)	
Education	(3.9)	(6.2)	(6.4)	(5.0)	
Health	(12.4)	(10.1)	(12.0)	(9.7)	
Banking and insurance	(11.5)	(-10.7)	(5.0)	(5.4)	
Ownership of dwelling	(2.6)	(2.5)	(4.9)	(1.9)	
Other	(11.2)	(17.1)	(13.5)	(11.0)	
Gross domestic product	-18.8	-3.3	-1.1	-3.7	
(Origin of GDP at constant factor cost)					
	Provisional				
	1980	1981	1982	1983	1984
Oil sector	64.3	50.2	50.0	49.0	45.5
Other sectors	35.7	49.8	50.0	51.0	54.5
Commodity producing sectors	13.7	19.2	18.6	18.0	18.5
Agriculture, forestry, and fishing	(1.6)	(2.2)	(2.4)	(2.8)	(2.8)
Mining and quarrying	(0.5)	(0.7)	(0.6)	(0.5)	(0.5)
Manufacturing	(2.0)	(2.6)	(3.1)	(3.3)	(4.1)
Electricity, gas, and water	(0.4)	(0.6)	(0.8)	(1.0)	(1.1)
Construction	(9.1)	(13.1)	(11.8)	(10.4)	(9.9)
Distribution and services sectors	8.0	11.8	11.3	11.1	11.6
Transportation and communication	(3.3)	(4.9)	(4.8)	(4.7)	(4.9)
Wholesale and retail trade	(4.7)	(7.0)	(6.4)	(6.5)	(6.7)
Other services	14.0	18.7	20.1	21.9	24.5
Public services	(6.0)	(8.1)	(8.9)	(9.9)	(11.2)
Education	(2.2)	(2.8)	(3.0)	(3.2)	(3.6)
Health	(1.1)	(1.5)	(1.8)	(2.0)	(2.3)
Banking and insurance	(2.3)	(3.1)	(2.9)	(3.0)	(3.3)
Ownership of dwelling	(2.0)	(2.6)	(2.8)	(2.9)	(3.1)
Other	(0.4)	(0.6)	(0.8)	(0.9)	(1.0)
Gross domestic product	100.0	100.0	100.0	100.0	100.0

Source: Appendix Table 14.

This development was most evident in the output of the construction sector which fell by 13 percent as a result of the cutbacks in several investment projects. Declines in output were also recorded in the transportation and trade sectors, and in non-oil mining and quarrying. Unfavorable weather conditions reduced the rate of growth in agricultural output to 2 percent. Industrial output rose by 15 percent because of the coming on stream of some industrial projects and increased capacity utilization of others. The net result of these developments was that growth of the non-oil sector as a whole turned negative for the first time since 1975. Recessionary conditions continued into 1983 as further reductions in development expenditures were effected, bringing about another decline of 13 percent in construction output. Favorable weather conditions, however, contributed to a rebound of growth (17 percent) in the agricultural sector. Taking all these factors together the non-oil sectors as a whole recorded about 1 percent growth in 1983, and with the oil sector declining by about 3 percent, total GDP declined by 1.1 percent.

Activity in the non-oil sectors showed some signs of recovery in 1984. Although construction activity continued to decline, the rate of decline was much lower than in the previous two years. Adverse weather conditions caused a fall of 3.7 percent in agricultural output as well as in the output of mining and quarrying. There was a turnaround in the output of the transportation and trade sectors with increases of 5.4 percent and 0.7 percent, respectively. Thus value added in the non-oil sectors as a whole rose by an estimated 2.8 percent. Nevertheless, as oil output fell by 10.5 percent, total GDP fell by 3.7 percent in 1984.

Comprehensive data on the composition of national expenditure are not available. Data on domestic fixed capital formation reflect the results of the adjustments in public expenditure. The ratio of nominal gross domestic capital formation to GDP fell from a peak of 30 percent in 1981 to about 25 percent in 1983-84 (Appendix Tables 15, 16, and 17). On a sectoral basis the most important single beneficiary of the investment program was transportation and communications, followed by manufacturing, agriculture, residential housing, and electricity and gas.

### 3. The oil sector

Since the commencement of the commercial production and export of Libyan oil in 1961, the country has emerged rapidly to rank among the top dozen oil producers in the world. The Jamahiriya is a member of OPEC. Crude oil output peaked at 3.5 million barrels per day (mb/d) in 1970, but has been falling in subsequent years with some fluctuations. Crude oil reserves have been estimated at 21.3 billion barrels at the end of 1983. <sup>1/</sup> Activities related to the processing of crude oil and natural gas started in 1970; the output of refined petroleum products and petrochemicals has increased gradually over the past decade.

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<sup>1/</sup> OPEC, Annual Statistical Bulletin, 1983.

a. Production arrangements

The Government's active participation in the oil industry started with the nationalization of the domestic marketing of oil products in 1970. <sup>1/</sup> In the early 1970s, the policy of granting concessions to foreign companies was replaced by one of entering into production-sharing agreements and acquiring majority ownership in principal operating groups. To implement this policy, in March 1970 the state oil company (Libyan General Petroleum Company) was reorganized as the National Oil Corporation (NOC) which was expanded gradually to hold at least a 51 percent interest in each of the principal concessions; NOC's share in certain concessions exceeds this level. In addition, in 1971 the domestic as well as foreign marketing operations were taken over by the Brega Company, a subsidiary of the NOC. This arrangement continued until 1979 when oil refining and petrochemicals were placed under the Secretariat of Heavy Industries, while all crude oil and gas activities remained under the supervision of the NOC and the Oil Secretariat. In 1979, NOC's marketing operations were also reorganized by splitting the Brega Company into the Brega Marketing Company and the Brega International Marketing Company, with responsibilities for domestic market and exports, respectively. In 1984, the supervision of the Zawiya oil refinery was returned to the Oil Secretariat.

Since 1973, all new production arrangements have been on a production-sharing basis; some previous licensing arrangements were also renegotiated on this basis. Under these production-sharing arrangements, the Jamahiriya's portion of crude output varies from a minimum of 80 percent in areas where exploration for oil is considered to be highly speculative, to a maximum of 90 percent in areas where more optimistic expectations exist regarding reserves and fresh discoveries. The production-sharing arrangements also vary with respect to a number of other factors including exploration commitments and the sharing of drilling and development costs by the foreign partners. In general, the operator's share of oil under a production-sharing arrangement is free of taxes and royalties. The operator, however, must carry exploration costs regardless of whether oil is actually found.

By and large, the institutional structure of the oil sector has remained unchanged since 1982. Nine operating groups--six of them foreign--are currently engaged in the production and export of the Jamahiriya's crude (Appendix Table 18). <sup>2/</sup> Besides operating a few relatively small fields directly, the NOC controls the remainder of nationalized crude oil operations through two wholly owned subsidiaries, the Arabian Gulf Company and the Sirte Company; the latter was formed on January 1, 1982 to continue the operations relinquished by Esso (Exxon) in 1981. The NOC's participation in the various foreign operating groups varies considerably. Thus, AGIP has a 50 percent ownership while Oasis,

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<sup>1/</sup> For historical details, see SM/78/197, pp. 5-7.

<sup>2/</sup> Recent production data by operating groups were not available. For historical data, see SM/82/237, Appendix Table 21.

with its participating companies nationalized to an extent varying between 51 percent and 100 percent, has an equity interest amounting to 40.8 percent. Grace Petroleum, an erstwhile partner in the Esso-Sirte Group, retained its 12 percent share in the Regouba field following the departure of Esso in 1981. The only operating concern in which the Jamahiriya has not taken any shares is a small concession operated by Wintershall-Elwerath. Taking together the three state-owned companies' nationalized fields as well as NOC's share of output in the production-sharing and other arrangements with the foreign partners, the Jamahiriya's share in the total output of crude, exclusive of any royalty or income taxes paid in oil, is estimated to amount to about 70 percent.

b. Output, exports, and prices

During the 1960s, oil output rose at an average rate of 33.4 percent per annum reaching a peak of 3.3 mb/d in 1970. In the early 1970s, the authorities adopted a policy of conserving petroleum reserves through introducing production ceilings, and crude output was reduced to an average of about 1.5 mb/d. The declining trend in output was halted in 1976 when production and exports rose sharply. Average oil output fluctuated between 1.8 mb/d and 2.1 mb/d during 1976-80, reflecting changes in market conditions. Prices, which had declined marginally in 1978, rose sharply in 1979.

In 1980, crude oil production and exports declined by 13.4 percent and 13.7 percent, respectively (Table 2). At the same time, the strong upward trend in prices that had continued through 1979 moderated to a much slower pace for the first quarter of 1980; by January 1980, the official sales prices for Libyan crudes were more than twice their 1979 level. As a result, despite a decline in export volume, receipts for crude exports rose to a record high in 1980. Despite a continuation of the market softening that had begun in the second quarter of 1980, the official sales prices of Libyan crudes were raised in July 1980 and January 1981 (Table 3). This development contributed to a significant decline in output and exports. Although official sales prices were reduced moderately twice in the second half of 1981, crude production declined by 33.7 percent to 1.2 mb/d and export volume by about 37.6 percent to 1.06 mb/d. However, the fall in export receipts was slightly smaller than the decline in export volume as prices were on average higher in 1981 than in the previous year. In 1982, production remained basically unchanged at 1.21 mb/d and export volume increased by 3.8 percent to 1.1 mb/d. However, due to the decline in official sales prices, export receipts declined for the second consecutive year.

Table 2. Socialist People's Libyan Arab Jamahiriya:  
Production and Exports of Crude Oil, 1979-84

(In millions of barrels)

	Production			Exports		
	Daily average	Total	Change in total (in percent)	Daily average	Total	Change in total (in percent)
Annual						
1979	2.09	762.8	5.6	1.97	719.1	6.0
1980	1.81	660.7	-13.4	1.70	620.5	-13.7
1981	1.20	438.0	-33.7	1.06	386.9	-37.6
1982	1.21	441.7	0.8	1.10	401.4	3.8
1983	1.10	401.5	-9.1	1.06	386.9	-3.6
1984	0.99 <u>1/</u>	362.3 <u>1/</u>	-10.0	0.96	351.4	-9.4

Source: Secretariat of Oil.

1/ Preliminary official estimate.

The continuation of soft market conditions prompted the authorities to reduce official sales prices for Libyan crudes from US\$34.20-35.40 per barrel to US\$29.20-30.40 in February 1983. Moreover, in March 1983 a production agreement with a total output ceiling of 17.5 mb/d was adopted by OPEC members. The Jamahiriya's share under this agreement was set at 1.1 mb/d. Average daily output in 1983 is officially estimated to have been in line with this agreement, indicating a 9.1 percent decline in production. Export volume declined by 3.6 percent to 1.06 mb/d in 1983. These developments resulted in a further decline of about 10 percent in oil export receipts. The 1983 OPEC production quota agreement remained in effect until November 1984 at which time it was revised to reduce further total production. Under the revised production quota agreement, the Jamahiriya's production ceiling is set at 0.99 mb/d. Provisional official 1984 data indicate that crude production declined by 10 percent to 0.99 mb/d, which was below the average of the operative ceilings for the Jamahiriya's output for the year as a whole. Export volume declined by 9.4 percent to an average of 0.96 mb/d. As of March 1985, the Jamahiriya had not agreed with the recent OPEC pricing formula, which was adopted by most members in January 1985, and thus had not revised its official sales prices. Production and exports in 1985 are expected to be similar to the levels in 1984.

Table 3. Socialist People's Libyan Arab Jamahiriya: Official  
f.o.b. Sales Prices of Crude Oil, 1979-83 1/

(In U.S. dollars per barrel)

		Sirtica 41° API Ras Lanuf	Zuweitina 40.5° API El- Zuweitina	Abu Tiffil 40° API El- Zuweitina	Brega 40° API Marsa El-Brega	Sarir 38.5° API Marsa El-Harega	Sidra 37° API Es- Sidra	Amna 36.5° API Ras Lanuf
1979:	January 1	14.52	14.74	14.05	14.69	14.13	14.52	14.03
1980:	January 1	34.50	34.72	34.04	34.67	34.12	34.50	34.02
	May 15	36.50	36.72	36.04	36.67	36.12	36.50	36.02
	July 1	36.78	37.00	36.32	37.00	36.40	36.78	36.30
1981:	January 1	40.78	41.00	40.32	41.00	40.40	40.78	40.30
	July 1	39.68	39.90	39.22	40.00	39.30	39.68	39.20
	November 1	37.28	37.50	36.82	37.50	36.90	37.28	36.80
1982:	January 1	36.50	37.00	35.70	37.00	35.75	36.50	35.60
	April 1	35.25	35.25	34.30	35.40	34.60	35.15	34.20
1983:	Feb. 23 <u>2/</u>	30.40	30.40	29.30	30.40	29.60	30.15	29.20

Source: Secretariat of Oil.

1/ Changes made in the course of the year are omitted for 1979.

2/ The official sales prices of crude oil have remained unchanged since February 1983.

Exploration activities during the 1982-84 period included drilling of 178 wells, of which 83 wells produced favorable results. Major new discoveries included two offshore fields (Bouri and Benghazi) and an onshore field (Murzuk-Pazen). However, the size of the new discoveries and their contribution to the overall oil reserves have not yet been evaluated. While exploration activities are expected to continue at the recent pace, special attention is likely to be paid to the development of small oil fields. In addition to the search for new fields, the Jamahiriya authorities have invested in enhanced oil recovery projects. By 1982, some 75 percent of the total crude liftings was from oil fields where such improved methods had been introduced.

Domestic prices for petroleum products have been adjusted periodically in line with prices prevailing internationally and in order to encourage efficient use of energy resources. Consumer prices for most petroleum products were raised by 19-33 percent in 1982 (Appendix Table 19); with the exception of a 20 percent increase in the retail price of premium gasoline in 1983, domestic consumer prices for petroleum products have not been changed in the last two years. Presently, these prices are close to international levels and include an element of taxation.

In addition to the revenue derived from crude as a result of joint ventures or production-sharing arrangements, the Jamahiriya receives from both the nationalized and foreign companies a royalty on the production volume at the rate of 16.67 percent, and a 65 percent profit tax on the equity crude of companies. Another important source of budgetary revenues has been the periodic transfer of NOC's surplus of receipts from exports and other transactions over costs inclusive of tax and royalty payments. Some foreign oil companies also pay relatively small amounts as production level bonuses and supplementary payments in compensation for the underposting of the Jamahiriya's crude during 1965-70.

A posted price <sup>1/</sup> is established only for 40° API reference crude; postings for other crudes are determined by adding 6 U.S. cents to the reference posted price for each degree above 40° API and deducting 3 U.S. cents for each degree below 40° API. The posted price for the reference crude was increased in stages from an average of US\$4.00 per barrel until October 1973 to about four times that level by late 1975. The rise continued in the second half of the 1970s and was carried over into early 1981 when the posted price for 40° API reached a record level of over US\$56.00 per barrel (Appendix Table 20). Thereafter posted prices declined in line with the downward trend in the petroleum market, reaching US\$46.18 per barrel for the reference crude as of April 1, 1982. The posted price for the reference crude has remained unchanged since April 1982.

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<sup>1/</sup> The posted price is a tax reference price considerably higher than the official sales price.

c. Natural gas operations

The Jamahiriya's natural gas output is mostly a by-product of petroleum production. The associated gas is piped from the fields now operated by the Sirte Company and processed at Marsa El Brega to produce mostly liquefied natural gas (LNG) as well as small amounts of liquefied petroleum gas (LPG). Since 1971, LNG has been exported to Italy and Spain under long-term contracts which were renewed in 1982. While the lack of data on the production of processed gas precludes an adequate analysis of recent output trends, LNG exports have dropped sharply during the 1981-83 period. LNG exports amounted to 12.4 million barrels in 1984 compared to 7.9 million barrels in the previous year (Appendix Table 21). Gas is also procured from Occidental Petroleum's Intissar fields and processed mostly into LPG and naphtha at Zuweitina; most of the output is exported but a part is also bottled for domestic consumer use. Regarding unassociated gas, the Hataiba field has yielded some 240 mcf/d for liquefaction at the Brega plant since 1980. The outlook for gas production remains bright since the Jamahiriya's western offshore area is known to contain large gas reserves and explorations are continuing in other areas as well. Moreover, a number of large gas-gathering schemes have been under construction. The construction of a 570-kilometer gas transmission line from Brega to Misurata with a capacity of 400 mcf/d was completed; the transmission capacity of this line can be increased to 700 mcf/d. Gas provided through this line feeds the Ras Lanuf refinery, and would also be used for the Misurata steel complex, two planned ammonia plants in Sirte, and, to the extent available, for the cement plants. Moreover, work on the extension of this line from Misurata to Homs (100 kilometers) is under way. Plans for the construction of transmission lines to utilize associated gas from offshore wells to Zuara and to Homs are also under review.

d. Petrochemicals

Since 1970 the Jamahiriya authorities have taken measures to develop the petrochemical industry. The first major petroleum processing project was the Zawiya refinery near Tripoli; this refinery commenced operation in 1974 with an initial capacity of 60,000 b/d which was expanded to 120,000 b/d in 1977 (Appendix Table 22). More recently, the construction of the Ras Lanuf refinery with a production capacity of 220,000 b/d was completed in August 1984. While this refinery is currently in operation, its 1985 production level is not expected to exceed 150,000 b/d. Overall, the two main plants, together with the older 10,000 b/d Brega refinery as well as a number of smaller plants in the oil fields, have a total refining capacity of about 358,000 b/d, which is well in excess of the domestic consumption of refined products. Domestic consumption rose at an average annual rate of 9.6 percent during the 1980-82 period, but declined marginally in 1983 following price adjustments implemented in 1982 (Appendix Table 23). Exports of refined products have become a significant source of foreign exchange earnings as export volume rose by 8.6 percent per annum during the 1980-84 period (Appendix Table 24).



The importance of these receipts is likely to increase further with the completion of the Ras Lanuf refinery, as products from this refinery will be largely exported.

With regard to the production and export of petrochemical products, a major complex in Marsa El Brega began operation in 1977 with the opening of an ammonia plant with an annual production capacity of 330,000 tons. Since 1981, a second ammonia plant with an annual production capacity of 330,000 tons, two urea plants with a combined annual production capacity of 907,500 tons, and a methanol plant with an annual production capacity of 330,000 tons have been completed in the Marsa El Brega area. Moreover, the ethylene plant at Ras Lanuf, with a production capacity of 330,000 tons a year, is expected to commence operation in October 1985.

Besides the refinery and the ethylene plant, the Ras Lanuf petrochemical complex is designed to include plants with an installed capacity of 50,000 tons a year for each of low-density polyethylene, high-density polyethylene, and polypropylene; a 58,000 tons a year unit to produce butadiene; and an ethylene glycol factory with a capacity of 53,000 tons a year. Managed formerly by the Zawiya Refinery Company, the Ras Lanuf complex is now under the Ras Lanuf Oil and Gas Processing Company which was formed in 1982. A new nine-berth harbor is currently under construction to handle exports from Ras Lanuf. Contrary to the early 1980s when production of petrochemicals was hampered by technical problems, most petrochemical plants operated at close to capacity in 1984. Exports of petrochemical products are of increasing importance to the Jamahiriya (Appendix Table 24). Export prices for these items are determined on a commercial basis. As in the case for crude exports, the proximity to the European markets has accorded a competitive advantage to the Jamahiriya's petrochemical products.

#### 4. Other sectors

##### a. Agriculture

Agriculture in the Jamahiriya is severely constrained by inadequacies of the country's water, soil, and labor resources. Presently, only about 2 percent of the land is cultivable, and another 1 percent is under pasture, while the remainder is desert. Three quarters of the agricultural land lies in thin coastal strips, where irrigation depends mostly on erratic and insufficient rainfall, and landholdings are fragmented. Moreover, the exploitation of existing aquifers in the coastal areas has created a problem of increasing salinity. In addition the agricultural sector has long suffered from labor shortages because of migration to the urban areas; agricultural development has therefore relied heavily on the employment of expatriate labor.

The basic objective of agricultural policy has been to enhance the country's self-sufficiency in food. Development policy in the agricultural sector has concentrated on the provision of infrastructure, mainly irrigation facilities, an expansion of the cultivable area through

land reclamation, and on the construction of housing and educational facilities for farm families. Supporting production policies are aimed at providing incentives in the form of guaranteed producer prices, agricultural credit, and extension services. Although farmers are assured of the purchase of their products by state marketing organizations at prices which cover the cost of production and a reasonable profit margin, they also have the option to sell their output to cooperatives or direct to consumers. The Agricultural Bank provides interest-free short-term loans for infrastructural expenditure such as the purchase of equipment and the digging of wells. The development of the livestock subsector was also given emphasis through investment in pastureland and facilities for cattle breeding.

During 1981-84, the growth of value added in the agricultural sector averaged 7 percent. However, agricultural output has continued to be subject to wide fluctuations due to weather conditions. Thus changes in the value added in agriculture have fluctuated between an increase of 17 percent and a decrease of 3.7 percent during the years 1981-84. In particular these fluctuations have been evident in the output of cereals which depend on rainfall (Table 4). The output of vegetables, however, has increased by 65 percent during the 1980-84 period. The output of milk increased by 50 percent, and the output of meat more than doubled during the four years ended 1983.

Further development of the agricultural sector will be centered on a large-scale irrigation project known as the Great Man-Made River Project, launched in 1984. This project is designed to transport water by a pipeline network from underground aquifers in Sarir and Tazerbo in the desert to the coastal farmlands. The first stage of the project, expected to be completed by 1992, will provide irrigation for the cultivation of vegetables and cereals, as well as for the grazing of livestock. The second phase of the project would extend the supply of water to Sirte in the west of the country; the entire project would take 10 years for completion.

#### b. Industry

The Jamahiriya's industrial strategy has emphasized the development of export-oriented heavy industries with priority given to chemical, petrochemical, and oil refining and metallurgical industries. In the light industries sector, priority is given to consumer and intermediate goods that use domestically available inputs, as well as to such industries as metal products and electrical goods industries which produce intermediate goods for local agriculture, manufacturing, and construction. Responsibility for industrial development in the Jamahiriya is divided between the Secretariat for Heavy Industries and the Secretariat of Economy and Light Industries. The Secretariat for Heavy Industries is responsible for the petrochemical, metal, and building materials industries. All other industries are the responsibility of the Secretariat of Economy and Light Industries which was created in 1981 to coordinate the import, marketing, and production activities of light industries.

Table 4. Socialist People's Libyan Arab Jamahiriya: Output, Cropped Area, and Yield of Main Agricultural Products, 1979-84

	1979	1980	1981	1982	1983	1984 <u>1/</u>
<u>Production (in thousands of tons)</u>						
Crops						
Wheat	110.0	140.5	123.1	183.4	208.9	183.6
Barley	100.0	71.0	120.0	99.6	202.4	86.9
Tomatoes	197.8	202.5	168.2	181.8	194.9	197.5
Green legumes	...	7.5	7.0	7.0	8.4	9.5
Other vegetables	377.2	455.5	571.6	549.2	586.5	622.3
Fruits	160.0	162.0	195.0	197.5	197.8	198.4
Olives	100.0	150.0	155.3	138.1	147.9	148.9
Tobacco (thousand kg)	77.6	598.0	487.8	329.5	487.8	...
Other agricultural products						
Milk	93.9	110.0	112.0	115.2	139.8	...
Wool	8.2	8.3	7.1	7.3	7.5	...
Meat	45.0	58.6	66.0	68.0	93.3	...
Eggs (in millions)	268.0	285.0	290.0	320.4	547.8	...
Honey (in tons)	355.0	360.0	...	...	...	...
<u>Cropped Area (in thousands of hectares)</u>						
Wheat	264.0	272.0	215.7	142.0	258.4	257.1
Barley	340.0	280.2	231.5	134.5	661.5	486.3
Tomatoes	14.5	14.5	12.0	13.1	13.9	14.2
Green legumes	...	...	2.0	2.1	2.2	2.3
Other vegetables	49.5	50.8	49.2	50.6	52.8	55.7
Olives (thousand trees)	7,482.8	7,558.8	7,166.5	7,224.7	7,229.0	7,336.6
Tobacco (in hectares)	...	...	168	115	149	...
<u>Yield (in tons per hectare)</u>						
Wheat	0.42	0.52	0.57	1.29	0.81	0.71
Barley	0.29	0.25	0.65	0.74	0.31	0.18
Tomatoes	13.64	13.97	14.02	13.88	14.02	13.91
Green legumes	...	3.70	3.10	3.83	4.15	...
Other vegetables	7.62	8.97	11.62	10.85	11.11	11.17
Olives (kilograms/tree)	13.36	21.30	21.63	19.10	20.33	20.17
Tobacco (kilograms/ha)	...	...	2.90	2.86	3.27	...

Source: Secretariat of Agricultural Reclamation and Land Reconstruction.

1/ Preliminary.

The execution of a number of industrial projects under the 1976-80 Plan and the 1981-85 Plan has resulted in the creation of an industrial sector which contributes about 4 percent of GDP. Value added in the industrial sector rose at an average annual rate of 12 percent during 1981-84, with increases of 15 percent and 20 percent recorded in 1982 and 1984. These large increases were due partly to the installation of new capacity and partly to greater utilization of existing capacity. However, there was considerable underutilization of capacity in recent years in several industries such as food products, textiles, and engineering goods. While in the case of food products the low capacity utilization was due to the insufficiency of domestic agricultural production, in other industries it was attributable to technical considerations. Among the petrochemical industries, the increase in ammonia output in 1982-84 is attributable to fuller utilization of capacity in 1982 and a doubling of capacity in 1983 (Table 5). A new urea plant came on stream in 1982 and capacity was nearly trebled in 1984, leading to more than a threefold increase in production between 1982 and 1984.

The authorities are expanding the focus on light industries and pushing ahead with the establishment of a number of units in the fields of food products, other consumer goods, building materials, and intermediate goods in agriculture and industry. Although most industrial establishments are state owned, encouragement is now being given to the establishment of production ventures as partnerships between members of a family or other individuals working on a cooperative basis. The distribution of earnings would follow the principle of "partners, not wage earners." Domestic prices of industrial products are set on the basis of cost of production plus a reasonable profit margin. All facilities for imports of raw materials and spare parts are provided to industrial units; such imports receive priority in the Commodity Budget.

#### c. Construction

Reflecting the expansion of activity associated with development projects and investments in housing, schools, hospitals, and other social infrastructure, the value added in the construction sector had risen to a peak of 13 percent of GDP in 1981. However, as public expenditure was adjusted downward in response to falling revenues, construction activity has gradually tapered off from 1982 onward, mostly in nonresidential construction. Residential construction declined in 1982-83, but picked up somewhat in 1984. During 1981-84, 25,362 housing units were constructed; 4,773 units are expected to be completed in 1985. Excluding the units financed by loans, 55,000 units are presently under construction.

In the 1970s commercial banks provided housing loans worth LD 800 million, but these loans were discontinued since the establishment of a specialized bank for the financing of construction in 1981. Resources available to the Savings and Real Estate Bank were, however, below expectations and its activities were limited. Consideration is being given to allow commercial banks to resume extending housing loans in 1985 (see Section III.3.b.).

Table 5. Socialist People's Libyan Arab Jamahiriya: Manufacturing Capacity and Output of Selected Industries, 1980-84 <sup>1/</sup>

(In thousands of tons unless otherwise noted)

Item	Unit	Capacity 1980	Output 1980	Capacity 1981	Output 1981	Capacity 1982	Output 1982	Capacity 1983	Output 1983	Capacity 1984 <sup>1/</sup>	Output 1984 <sup>1/</sup>
Food products											
Flour	Thousand tons	520	146.4	520	211.5	520	294.0	610	291.1	610	341.4
Dairy products	Million liters	73	39.9	96	47.6	126	48.0	126	54.2	135	74.0
Canned vegetable and fruit	Thousand tons	54.6	18.0	54.6	39.5	60.6	36.4	64.2	56.2	73.2	47.6
Fodder	Thousand tons	288	263.3	464	263.5	464	349.0	823	348.0	823	580.7
Clothing material, carpets, and footwear											
Textiles	Million meters	21	10.8	21	15.3	21	20.7	21	20.6	21	19.6
Carpets	Thousand meters	--	--	--	--	--	--	900	798.0	900	586.0
Blankets	Thousands	900	--	900	671.7	900	715.7	2,800	2,700	2,800	1,900
Garments	Thousands	2,000	1,150	2,000	1,900	2,800	2,200	10	6.0	10	7.8
Tanned leather	Million square feet	4	3.5	10	3.8	10	5.8	6.0	5.8	10.2	7.5
Shoes	Million pairs	5.9	4.1	5.9	5.8	5.9	5.0				
Building materials											
Cement	Million tons	4.24	1.9	4.24	2.7	4.24	3.2	4.24	3.17	6.24	3.16
Lime	Thousand tons	175	73.5	175	114.9	175	134.1	175	86.4	175	78.4
Paint	Thousand tons	32.2	19.8	32.2	26.4	37.2	24.9	33.3	31.2	33.3	26.9
Electric pipes	Thousand tons	51	58.3	51	30.8	51	35.1	51	28.4	51	18.4
PVC pipes	Thousand tons	60	5.3	60	5.3	60	8.8	60	7.9	60	7.6
Red bricks	Thousand tons	340	114.0	340	161.7	340	175.7	340	126.5	340	142.0
Metal products											
Steel rolled products	Thousand tons	60	16.8	60	27.1	60	15.4	60	55.8	60	32.3
Metal pipes	Thousand tons	43	11.1	43	12.0	43	17.2	43	17.6	43	28.8
Metal pipes for irrigation	Thousand meters	--	--	--	--	--	--	3,000	356.2	3,000	699.7
Cables and wires	Thousand tons	6	3.7	6	5.4	6	6.2	6	4.2	6	3.4
Petrochemicals											
Refined petroleum products	Million tons	5.5	5.1	5.5	4.2	5.5	5.4	5.5	4.9	15.5	5.6
Ammonia	Thousand tons	330	97.5	330	75.9	330	297.3	660	541.0	660	601.0
Urea	Thousand tons	--	--	--	--	330	232	330	330	908	708
Methanol	Thousand tons	330	320	330	324	330	353	330	334	330	278
PVC	Thousand tons	--	--	60	1.5	60	17.8	60	36.9	60	38.5
Engineering industries											
Agricultural tractors		5,000	2,514	5,000	2,742	5,000	2,933	5,000	4,243	5,000	3,362
Refrigerators		--	--	--	--	22,000	1,741	22,000	2,983	22,000	5,374
Cooking ranges		--	--	--	--	15,000	11,338	15,000	9,420	15,000	8,739
Washing machines		--	--	--	--	18,000	6,251	18,000	4,533	18,000	289

Source: Secretariat of Planning.

<sup>1/</sup> Provisional.

d. Services

The output of the electricity, gas, and water sectors recorded consistent growth during 1981-84. Value added in these sectors rose at an average annual rate of 15 percent, as a result of the completion of several power and desalination plants. However, certain power and desalination projects provided for in the 1981-85 Plan were postponed. The strategy in the electricity sector is to continue the emphasis on increasing the proportion of power produced by steam stations, to establish a fully integrated electrical network, and to increase the capacity utilization of existing plants.

Value added in the transportation and communication sector rose by 20 percent in 1981, but fell by 4 percent in each of 1982 and 1983, and increased again by 5 percent in 1984. Value added in the wholesale and retail trade sector also showed similar movements. These movements generally reflected the level of overall economic activity. Although several projects in the transportation and communication sector were postponed, it was the largest single sector in terms of investment expenditure during 1981-85.

Among the social service sectors, the education sector recorded an average annual increase of over 5 percent during 1981-84. During roughly the same period the number of enrollments in educational institutions in the Jamahiriya increased from nearly 1 million to about 1.2 million (Appendix Table 25). Particularly noteworthy was the more than doubling of enrollments in technical institutes, universities, and other higher educational institutions. Value added in the health sector rose by an average of 11 percent during 1981-84, showing important progress in the provision of medical services.

5. Prices

In the context of the Jamahiriya's centrally planned economy, most prices are administratively set or regulated. Prices for a specified list of basic consumption items, all manufactured and imported goods, and for a few agricultural commodities, such as wheat, are set by the Central Prices Committee of the Secretariat of Economy and Light Industries in consultation with other concerned Secretariats. Whereas the basic consumption items are priced so as to maintain their stability and uniformity throughout the Jamahiriya, the prices of other imported commodities reflect their cost, including customs and distribution expenses, the latter usually varying between 6 percent and 20 percent (40 percent for perishables). Maximum prices for most agricultural goods are determined through agreement by various committees and may change frequently. Prices of local industrial products are fixed on the basis of cost of production plus a reasonable profit margin. Only the prices of a few minor items, such as handicrafts, are determined by market forces.

The National Commodity Supply Organization is responsible for marketing the basic consumer goods which include wheat and wheat derivatives, rice, tea, coffee, sugar, olive oil, vegetable cooking oil, tomato paste, and salt. As the prices for these items were initially set in the first quarter of 1972 and were not changed for most of the 1970s, they eventually became subsidized, and the amount of the subsidy varied with changes in the international price levels. A few commodities, such as coffee, sugar, and vegetable oils have fluctuated between being subsidized and earning a surplus. Excluding operating costs, the net subsidy element in the marketing of basic commodities increased to a peak of LD 130.0 million in 1980 (Appendix Table 26).

While the list of subsidized items remained unchanged, some changes in prices were effected during 1981-84. In January 1981, the retail price of sugar was increased from LD 0.05 to LD 0.12 per kilogram while the prices of olive oil and sunflower oil were raised by one third and 36 percent, respectively (Appendix Table 27). In 1982 prices were increased for a number of commodities including tea (32 percent), coffee (125 percent), sunflower oil (17 percent), eggs (24 percent), and a variety of other goods, including petroleum products. In January 1984, the price of mutton was increased by 20 percent.

Partly due to these increases in prices and partly to a decline in import prices of certain commodities, the total subsidy on basic commodities gradually declined to LD 46.6 million in 1984. Tomato paste has produced a surplus for several years, while the subsidy on mutton and beef was eliminated in 1984 by the substitution of imports by domestic production which is marketed at higher prices. In the case of wheat, flour, and tea, increases in import prices tended to increase the subsidies somewhat in 1984.

Because of the system of price determination that obtains in the Jamahiriya, official price indices do not necessarily fully reflect the domestic supply and demand conditions. Moreover, the Tripoli Consumer Price Index (CPI) suffers from the fact that it uses weights derived from a 1969 family budget survey of the poorest families with 1964 as the base year. The index was not compiled in 1980 and 1981 due to the cessation of collection of price data during the transition of trading activities from the private sector to the public sector. The compilation of the index was resumed in 1982 with two major changes. First, a revised list of commodities for the collection of prices was introduced. Second, rent was excluded from the housing component because, under the new social system the renting of houses by or to Libyans was forbidden. As a result, the weighting pattern of the index was changed, but the indices for earlier years were recalculated on the basis of the new weights.

Data of the revised official index show an average annual increase of about 11 percent in consumer prices in the four-year period 1980-83 (Table 6). However, it should be noted that, since the cost of the excluded rent has stabilized the revision contributes to an overstatement of living costs. Adjustments designed to take account of this technical limitation result in an average annual increase in the index of about 8 percent during 1980-83.

Table 6. Socialist People's Libyan Arab Jamahiriya:  
Consumer Price Index for Tripoli, 1977-83 1/

(January 1964 = 100)

Annual Average <u>2/</u>	Food, Beverages, and Tobacco (48.2)	Housing (12.2)	Clothing (8.9)	Transportation and Communication (12.2)	Recreation and Education (11.0)	Medical Care (4.3)	Personal Services and Other (3.2)	Overall Index (100.0)
1977	199.6	131.2	177.1	131.2	234.2	127.5	181.2	186.2
1978	223.0	151.9	238.5	151.9	246.7	141.6	194.9	208.7
1979	285.3	177.6	290.7	177.6	312.0	156.3	224.5	256.9
1982	384.9	247.4	410.2	247.4	437.1	223.1	313.0	353.6
1983	436.1	262.5	437.7	262.5	485.6	241.6	340.9	391.1

Source: Census and Statistics Department.

1/ Indices for 1980 and 1981 were not compiled.

2/ Weights indicated in parentheses.



## 6. Employment and wages

Data on the sectoral distribution of employment show that about 50 percent of the labor force is in the service sectors (Appendix Table 28). The construction sector employs 21 percent of the labor force, and the agricultural sector, 18 percent. Manufacturing industry accounts for 7 percent of employment while oil and gas extraction accounts for only 1 percent.

Because of the small population base, the low median age (52 percent of the Libyan population was below 15 years of age in 1980), and the traditionally low, although rising, participation rate of women, the Jamahiriya's economic development has depended heavily on expatriate labor. During the 1970s there was an influx of expatriate workers not only to the development projects but also to the education, health, public administration, and other service sectors. However, the authorities took measures to reduce the dependence on expatriate labor, and the expatriate share in the labor force fell from 34 percent in 1980 to 28 percent in 1984.

An active policy of reducing the dependence on expatriate labor was pursued since the beginning of the current Plan period, and especially following the decline in oil revenues. The approval of the Secretariat of Public Service was made obligatory for the hiring of expatriates. Efforts were also undertaken to replace expatriate employment in the public sector through the substitution of clerical and administrative workers by newly graduated Libyans. More recently, the authorities initiated a program of transferring Libyans from the administrative services to the commodity producing sectors in replacement of expatriates. As the shortage of Libyans has been most acute among skilled labor categories, several technical centers, including centers for the training of Libyan women for administrative jobs have been established. In addition, Libyans are sent abroad for training.

Salaries are estimated to have risen moderately in 1980 and 1981 and by about 32 percent in 1982. A new salaries law was approved in January 1982 in order to help reduce existing income disparities. The new law narrowed the range of monthly salaries from LD 67.5-2,200.0 per month to LD 150-500 with most of the salary decreases affecting employees of public enterprises. There have been no increases in salaries since 1982.

## 7. Development Planning

The Jamahiriya's two Five-Year Plans for the decade ended in 1973 focused on economic and social infrastructure projects. With the sharp increase in oil revenues since 1973, increased attention has been placed on diversifying the productive base of the economy and on reducing the inequality in the distribution of income. The manufacturing and agricultural sectors received larger shares of allocations in all subsequent Plans, including those for 1973-75, 1976-80, and 1981-85. Development

strategy in the 1970s emphasized petroleum-based, export-oriented industries, and import substitutes. In addition the agricultural strategy aimed at enhancing the country's self-sufficiency in a range of foodstuffs.

a. The 1976-80 Plan

After several revisions the total Plan allocation was set at LD 9 billion for 1976-80 (Appendix Table 29). Value added in the non-oil sectors was projected to increase at an average annual rate of 14 percent while the oil sector was to grow at about 8 percent per annum. At 11 percent and 4 percent, respectively, the actual growth rates were substantial but lower than projected. Total GDP grew at an average rate of 7.5 percent, compared with the planned growth rate of 10.7 percent. 1/

b. The 1981-85 Plan

The Socio-Economic Transformation Plan, 1981-85, retained the objective of diversification and the emphasis on agriculture and manufacturing with a view to increasing the degree of domestic self-sufficiency in all commodities that could be produced on the basis of available inputs. The Plan also placed particular attention on the development of human resources in order to increase the participation of Libyans in the work force.

Total allocations for the current Plan amount to LD 18.5 billion, more than double the amount for the 1976-80 Plan in current prices (Table 7). With the continuing policy of developing the manufacturing and agricultural sectors, 22 percent and 17 percent of the Plan budget were allocated to these sectors, respectively. Value added in the manufacturing sector was projected to grow at 22 percent per annum, a rate approximately equivalent to that achieved in the 1976-80 period.

As in the earlier Plan, emphasis was placed on the heavy industries sector, which was projected to grow at about 25 percent a year. At the same time, the light industries sector was expected to achieve an annual growth rate of 18 percent. Priority was given to the export-oriented chemical, petrochemical, and oil refining industries. Value added in the agricultural sector was projected to grow at about 7 percent per annum, with an emphasis on the completion of the agricultural projects already started. An important new project was the scheme to transport water from the desert into the western region which came to be known as the Great Man-Made River Project. The Plan allocated another LD 7 billion for economic infrastructural projects. The projects under way were to expand the output capacity and distributional network of the electrical system, to alleviate the housing shortage, and to expand the communication and transportation facilities. One third of the allocations for the economic infrastructure was for electricity projects mostly for the construction and expansion of power stations and desalination plants.

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1/ For a detailed description of the achievements of the 1976-80 Plan, see SM/82/237, p. 21.

Table 7. Socialist People's Libyan Arab Jamahiriya: Allocations  
and Expenditures of the Five-Year Plan, 1981-85

(In millions of Libyan dinars)

	Initial Allocation	Latest Revised Allocation	Actual Expenditure			
	1981-85		1981	1982	1983	1984 <sup>1/</sup>
Goods producing sectors	<u>7,230.0</u>	<u>7,313.0</u>	<u>1,076.0</u>	<u>743.5</u>	<u>727.6</u>	<u>661.9</u>
Agriculture	<u>3,100.0</u>	<u>3,015.0</u>	<u>487.5</u>	<u>308.6</u>	<u>252.9</u>	<u>262.3</u>
Industry <sup>2/</sup>	<u>4,130.0</u>	<u>4,208.0</u>	<u>588.5</u>	<u>434.9</u>	<u>474.7</u>	<u>399.6</u>
Economic infrastructure	<u>7,100.0</u>	<u>7,495.1</u>	<u>1,240.1</u>	<u>1,198.6</u>	<u>1,054.2</u>	<u>873.2</u>
Electricity	<u>2,000.0</u>	<u>2,000.7</u>	<u>195.4</u>	<u>198.2</u>	<u>222.4</u>	<u>193.5</u>
Housing	<u>1,700.0</u>	<u>1,723.5</u>	<u>296.3</u>	<u>230.1</u>	<u>198.0</u>	<u>186.6</u>
Municipal projects	<u>1,300.0</u>	<u>1,444.9</u>	<u>343.4</u>	<u>258.9</u>	<u>255.4</u>	<u>210.8</u>
Transportation and communication	<u>2,100.0</u>	<u>2,326.0</u>	<u>405.0</u>	<u>511.4</u>	<u>378.4</u>	<u>282.3</u>
Social infrastructure	<u>1,860.0</u>	<u>1,968.2</u>	<u>345.7</u>	<u>302.1</u>	<u>230.2</u>	<u>192.8</u>
Education	<u>1,000.0</u>	<u>1,028.9</u>	<u>191.7</u>	<u>182.5</u>	<u>133.9</u>	<u>103.8</u>
Manpower	<u>150.0</u>	<u>150.0</u>	<u>15.9</u>	<u>11.8</u>	<u>8.5</u>	<u>9.2</u>
Health	<u>560.0</u>	<u>628.7</u>	<u>115.6</u>	<u>84.0</u>	<u>68.7</u>	<u>64.3</u>
Information and culture	<u>150.0</u>	<u>160.6</u>	<u>22.5</u>	<u>23.8</u>	<u>19.0</u>	<u>15.5</u>
Other	<u>2,310.0</u>	<u>1,723.7</u>	<u>211.0</u>	<u>121.7</u>	<u>84.3</u>	<u>84.3</u>
Total	<u>18,500.0</u>	<u>18,500.0</u>	<u>2,872.8</u>	<u>2,365.9</u>	<u>2,096.3</u>	<u>1,812.2</u>

Source: Secretariat of Planning.

<sup>1/</sup> Preliminary.

<sup>2/</sup> Includes allocations for oil and gas projects and for the development of marine resources and nutrition.

About LD 2 billion was to be devoted to social infrastructure projects, more than one half of which was to be absorbed by the education sector with special attention to vocational education.

Actual investment expenditures during 1981-84 were lower than the allocations by about 40 percent, mainly as a result of the expenditure restraint policy followed by the authorities (see Section II.5 below). The order of priorities in the allocations was, however, generally maintained in the sectoral pattern of actual expenditure. The sectors which received somewhat higher priority than that implied by the allocations were transport and communications and municipal projects. The increase in expenditure on municipal projects is attributable mainly to the transfer of certain projects to the municipalities under the decentralization scheme introduced in 1981, and may explain part of the apparently lower priority given to agriculture and industry. The higher priority accorded to the transport and communications sector was a reflection of the essentiality of certain infrastructure projects and that most projects were well on their way to completion.

Projects completed during 1981-84 in the transport and communications sector included the construction of nearly 20,000 kilometers of highways; the construction or reconstruction of ports at Benghazi and Misurata, the expansion of airports at Sirir, Benvalid, and Suwara; and the extension of the telecommunications grid to all parts of the country. The major industrial project completed during this period was the Ras Lanuf refinery (see Section I.3.c.). Among the petrochemical industries, this period witnessed the commissioning of plants for ammonia, urea, and methanol. Among the engineering industries new units were established for the production of refrigerators, washing machines, and household appliances. Other increases in installed capacity included those in the cement industry, the manufacture of metal pipes for irrigation and in several food product industries such as flour milling, dairy and vegetable, and fruit canning. Major projects in the pipeline in the heavy industrial sector were the Misurata steel plant, the Zuwara aluminum smelter, and a fertilizer complex. In the agricultural sector the investments were focused on land reclamation and preparation for cultivation. The most important project in this sector was the Great Man-Made River Project (see Section I.4.a). The project, launched in 1984, has been placed under a new secretariat, with its own independent budget.

The considerable fall in oil production due to weak market conditions and the substantial reductions in public investments necessitated by lower than expected financing availabilities caused major deviations in growth results from those planned. The rates of growth in value added achieved during 1981-84 were much lower than the targets of the Plan. On the basis of provisional data, the rate of growth of the non-oil sectors averaged 3.8 percent, compared with the planned growth rate of 10.3 percent (Appendix Table 30). The construction

sector showed the weakest performance with an average decline of 4.5 percent, compared with the target growth of 12.5 percent. The growth rate of manufacturing industry was slightly higher than half the target set in the Plan. The agricultural sector, however, recorded an average growth rate of 7 percent, almost equal to the Plan target. Among the service sectors, value added in transport and communications grew at 4.3 percent, about half the planned rate, while value added in education rose at an average rate of 11.1 percent compared to the Plan target of 8.1 percent. Value added in the oil sector declined at an average rate of 13.5 percent, compared with the decline of 5.9 percent envisaged in the Plan. As a net result, total GDP declined at an average rate of 6.7 percent, compared with the 1 percent growth rate projected in the Plan.

## II. Public Finance

### 1. Introduction

The public sector in the Jamahiriya consists of various administrative units and the nonfinancial public enterprises. The administrative component is made up of the departments of national and local authorities which together presently comprise 18 Secretariats, the Armed Forces, and 24 municipalities. <sup>1/</sup> The public enterprises comprise institutions engaged in the production and distribution of a large variety of goods, construction, transportation, banking, public utilities, development, and other functions. While the municipalities have some independent sources of revenue (portions of some taxes and fees are assigned directly to them), these have been included in the national Treasury's revenue accounts. Moreover, municipal expenditures are covered mostly by the national Treasury in the form of budgetary transfers while their bank deposits and borrowing are included with the Treasury's monetary accounts. As such, the fiscal and financial operations of municipalities are included in the consolidated results of the central budget fiscal operations. The net results of the operations of public enterprises are reflected indirectly in the budgetary accounts as some of them transfer

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<sup>1/</sup> The public administrative structure has undergone a number of major changes in recent years. Prior to 1975 the local administration system consisted of 10 regional governorates (Muhafazat); a reorganization during the year replaced them by 46 municipalities. In 1977 the Council of Ministers was replaced by a General People's Committee grouping 22 Secretariats (ministries). In January 1979 a number of Secretariats were merged and new ones created, thereby resulting in 19 functional Secretariats and a Secretariat of Liaison. In 1981 the Secretariat of Light Industry and the Secretariat of Economy were merged, thus reducing the number of Secretariats to the present 18. Reorganizations of local departments reduced the number of municipalities to 44 in 1979 and further to 24 in 1984. The local administration system comprises the "People's Committees" which have been formed on the subdistrict and neighborhood levels in every municipality.

to the Treasury most of their operating profits (which are then included in Treasury receipts), while others call on the Treasury for funding to meet operating deficits. However, the variations in the timing of the transfer of surpluses, and the fact that the accounts of some enterprises are not included with the Treasury account components of the banking statistics, constitute one major factor for discrepancies between the net public sector position as indicated by the overall budgetary balance and its financing, and the net position of the entire public sector as reflected in the monetary accounts. In the absence of comprehensive and accurate data on the operations and net cash position of the public enterprises, the consolidated results as shown by the fiscal accounts have been used to approximate the net impact of public sector fiscal operations.

## 2. Budgetary procedures

The State 1/ conducts fiscal operations through administrative and development budgets and makes, in addition, "supplementary expenditures" which are not provided for in a formal budget at the start of the fiscal year but which are effected through supplementary authorizations from the General People's Committee during the course of the year. The fiscal year coincides with the calendar year.

The administrative budget comprises recurrent revenues and expenditures of the Secretariats as well as transfers to, and by, municipalities and most public enterprises and some relatively minor amounts of foreign transfers, subscriptions, and equity participations. In recent years it has been presented on a balanced basis by tallying all budget expenditures and revenues, except for oil royalties and taxes, and then assigning to the administrative budget oil royalties and taxes sufficient to bridge the gap between expenditures and non-oil revenues. Budgetary preparation starts at the local level with the regional People's Committees (both the municipal committees and the functional committees attached to the Secretariats), 2/ formulating expenditure plans for the forthcoming year. The requests are coordinated by the regional Treasury committees, which represent the national Treasury in local deliberations, and then reviewed and discussed at the municipal People's Committees. After approval, the requests from the various municipalities are consolidated by the Treasury at the national level and presented in their final form for discussion at the General People's Congress which is held toward the end of the year.

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1/ Since the term "Government" is no longer used in the Jamahiriya, the alternative term "State" is used in this exposition while referring to activities usually associated with the Central Government.

2/ Functional People's Committees attached to 14 Secretariats operate at the municipal level. The Secretariats not represented at the local level are those deemed to have only national responsibilities (Foreign Affairs, Heavy Industry, Oil, Information, and Liaison).

The development budget represents an annual expenditure program within the framework of the current Development Plan. Expenditure requests are prepared by the implementing units and submitted to the Planning Secretariat which evaluates them in light of the overall Plan targets, the submitting unit's past implementation performance, complementarity between projects, and anticipated bottlenecks. In addition, the municipal People's Committees may propose new projects or amendments to existing projects. The consolidated plans and requests are then submitted to the General People's Congress which makes the final decision regarding the level and composition of the budget authorizations and must complete the task prior to the start of the fiscal year. The development budget covers only expenditure, and no specific revenues are assigned to it.

Supplementary expenditures comprise mainly domestic and foreign transfers and investments (loans and equity participations), commodity subsidies, social security outlays, and the portion of defense expenditures not included in the other budgets. Authorization for all these expenditures is vested in the General People's Committee rather than in the General People's Congress as is the case with the two regular budgets, and each expenditure proposal must be reviewed and authorized separately; data on individual components within this category of expenditures are not available.

### 3. Overall fiscal developments, 1980-84

The unavailability of data on key fiscal variables and the inadequacies of the available data render an accurate analysis of fiscal developments difficult. In the absence of official data on oil revenues since 1979, the analysis presented in this report depends on indirect staff estimates of these revenues. Moreover, no breakdown is available of the large supplementary expenditures so that a meaningful classification of expenditures is not possible. Information is also lacking on the breakdown between customs duties and excises since 1981. Furthermore, large discrepancies exist between the overall fiscal deficit as calculated from the available and estimated fiscal data and the financing of the deficit by the banking system as shown in the monetary survey. In the absence of large foreign financing the discrepancy suggests that the actual deficit may have been less than calculated. The inadequacies of the statistical data also preclude an analysis of the domestic fiscal deficit (i.e., the excess of domestic expenditures over the revenues of domestic origin).

The available fiscal data and estimates show a sharp deterioration in the overall fiscal position in 1981, due to the impact of rising expenditures, and a reduction in the fiscal deficit in subsequent years, owing to the adjustment measures taken by the authorities on the expenditure side. The overall deficit is estimated to have increased in 1981 to LD 2,356 million, equivalent to 25 percent of GDP, from LD 168 million, equivalent to 2 percent of GDP, in the previous year (Table 8).

Table 8. Socialist People's Libyan Arab Jamahiriya: Summary of Fiscal Operations, 1979-85

(In millions of Libyan dinars)

	Actual		Provisional Actual				Budget		
	1979	1980	1981	1982	1983	1984	1983	1984	1985
Revenues	4,290.6	5,789.2	4,334.6	4,067.0	3,448.1	3,090.2	...	...	...
Oil	3,682.2	4,940.0	3,420.0	3,230.0	2,520.0	2,125.0	...	...	...
Non-oil	608.4	849.2	914.6	837.0	928.1	965.2	1,229.2	1,150.2	1,200.0
Customs duties and excises	(276.4)	(308.0)	(261.0)	(197.2)	(218.7)	(299.4)	(525.0)	(460.0)	(450.0)
Taxes and duties	(219.1)	(339.2)	(336.3)	(398.1)	(441.4)	(391.9)	(350.1)	(355.3)	(335.2)
Other	(112.9)	(202.0)	(317.3)	(241.7)	(268.0)	(273.9)	(354.1)	(334.9)	(416.8)
Expenditures	4,371.6	5,957.0	6,690.4	5,337.9	4,502.9	4,587.5	...	...	...
Administrative	974.7	1,145.4	1,350.6	1,461.0	1,567.6	1,645.3	1,520.3	1,440.2	1,200.0
Central Government	(852.0)	(1,068.8)	(611.5)	(632.7)	(709.5)	(751.0)	(602.3)	(638.2)	(275.2)
Transfers	(56.9)	(5.3)	(707.0)	(796.0)	(820.8)	(837.4)	(850.6)	(737.4)	(863.2)
Other	(65.8)	(71.3)	(32.1)	(32.4)	(37.3)	(56.9)	(67.4)	(64.6)	(61.6)
Development	1,868.8	2,551.6	2,872.8	2,365.9	2,096.3	1,812.2	2,370.0	2,110.0	1,700.0
Goods producing sectors	(689.5)	(1,128.4)	(1,076.0)	(743.5)	(727.6)	(661.9)	(834.3)	(746.9)	(600.0)
Infrastructure and other	(1,179.3)	(1,423.2)	(1,796.8)	(1,622.4)	(1,368.7)	(1,150.3)	(1,535.7)	(1,363.1)	(1,100.0)
Supplementary, of which:	1,528.1	2,260.0	2,467.0	1,511.0	839.0	1,130.0	...	...	...
Basic commodity subsidies	(86.7)	(143.7)	(120.0)	(50.0)	(50.0)	(63.0)	(...)	(...)	(...)
Surplus or deficit (-)	-81.0	-167.8	-2,355.8	-1,270.9	-1,054.8	-1,497.3	...	...	...
Financing	81.0	167.8	2,355.8	1,270.9	1,054.8	...	...	...	...
Domestic banking system <sup>1/</sup>	177.1	-929.0	679.5	370.9	-500.0	...	...	...	...
Other <sup>2/</sup>	-96.1	1,096.8	1,656.3	900.0	1,554.8	...	...	...	...

Sources: Appendix Tables 31, 32, and 33.

<sup>1/</sup> Based on the monetary survey as shown in Table 9.<sup>2/</sup> Includes discrepancies resulting from differences in timing and coverage.



This adverse development is attributable to a fall in oil revenues, reflecting a fall in production, and a rise in expenditures mainly due to the higher level of spending associated with the commencement of the new Plan. Although oil revenues continued to decline in subsequent years, the authorities succeeded in implementing a policy of expenditure restraint, particularly with regard to development expenditures, and the overall deficit was reduced to an annual average of about LD 1,271 million, equivalent to about 15 percent of GDP, during 1982-84.

#### 4. Revenues

Oil receipts remain the major source of revenues, although their predominance has eroded in recent years; as a ratio to total revenues, oil revenues declined from 85 percent in 1980 to 69 percent in 1984 (Appendix Table 31). Revenues from the oil sector consist of royalty and tax payments by oil companies, with a relatively minor component made up of deferred bonus payments by foreign concessionaires, charges for the training of personnel, and rent receipts, and transfers made by NOC out of its net income from the sale of crude and derivative products. In the absence of any change in the financial arrangements regarding royalty and tax payments, oil revenues are for the most part determined by the volume of oil production and export prices.

In 1981, when oil production fell by 34 percent, oil revenues experienced their steepest fall (31 percent), although average export prices increased by 18 percent. In 1982, when oil production increased slightly, a decline in oil prices led to a fall in revenues by nearly 6 percent. In 1983 and 1984, oil revenues decreased by a further 22 percent and 16 percent, respectively, due to a reduction in both oil production and prices. Thus, over the four-year period ended in 1984, oil revenues declined by 57 percent. As there were some compensating increases in non-oil revenue, total revenue fell by 47 percent during the same period.

The major components of non-oil revenue are import duties, income taxes, receipts for services and miscellaneous fees, and transfers from government enterprises. Since 1981 the available statistics do not separate import duties from excises. However, as the latter had traditionally been relatively small, the bulk of the item shown as "customs duties and excises" may be taken to represent the former. The fall in receipts under this item in 1981 is associated with a change in the composition of imports in favor of goods not subject to duties in 1981, and in 1982 with a decline in the value of imports. However, in 1983-84, as development-related imports were affected by the expenditure reduction policies, the share of dutiable imports rose. In mid-1984 the authorities raised the excise on gasoline by LD 0.02 per liter. The only other revenue measure taken since 1982 was the imposition of a tax of LD 0.02 per packet of 20 cigarettes in 1984. The revenue from these taxes, however, is earmarked for the Great Man-Made River project.

Income taxes, which accounted for about 25 percent of non-oil revenue in 1980-81, rose markedly to 38 percent in 1982. This increase resulted from the salary increases of public sector employees. Since then they constitute the largest component of non-oil revenue. Transfers from public sector enterprises have fluctuated between LD 48 million and LD 227 million during 1980-84, reflecting for the most part changes in the earnings of banking sector enterprises. Receipts for services and miscellaneous fees recorded increases until 1983 and were stagnant in 1984.

##### 5. Expenditures

The Jamahiriya's administrative budget, which roughly covers recurrent expenditures, has grown in relative importance in recent years mainly because development and other expenditures were cut back. Administrative expenditures as a ratio to total expenditures rose from 19 percent in 1980 to 36 percent in 1984. At the end of the 1976-80 Plan period, there was a tendency for these expenditures to expand as the administration of completed projects was passed on to state agencies and as the wage bill of employees in the social services sectors, such as education and health, increased. Moreover, in 1981 the authorities implemented a policy of decentralization by transferring to the municipalities a large portion of the administrative and developmental functions formerly carried out by various secretariats at the center. This resulted in increasingly large allocations being made in the administrative budget as transfers to municipalities, which were only partly offset by corresponding reductions in allocations to the secretariats.

However, as part of the policy of expenditure restraint, the authorities took several measures to contain the growth of administrative expenditures. First, attempts were made to reduce employment in the administration by transferring workers to the productive sectors of the economy. Second, no salary increases have been granted to public sector employees since 1982. Third, the purchase of office equipment and furniture was suspended. These measures helped bring about a deceleration in the growth of administrative expenditures from 18 percent in 1981 to 5 percent in 1984.

The analytical usefulness of the functional classification of administrative expenditures is severely limited by the lack of disaggregated data for "transfers to municipalities" which represent the bulk of expenditures. The total of expenditures by the secretariats and transfers to municipalities rose by 24 percent in 1981, 10 percent in 1982, 7 percent in 1983 and declined slightly in 1984 (Appendix Table 32). Expenditure on the Armed Forces rose at an annual average rate of 12 percent during the period 1981-84, and amounted to 30 percent of total administrative expenditures in 1984.

The development budget covers mostly expenditures on investment projects under the Plan. It also includes allocations for subscriptions to and participation in the equity and working capital of various public enterprises and some lending and operating expenditures. It is in the field of the development budget that the policy of expenditure restraint was most effective. Development expenditures rose by 13 percent in 1981 mainly because that year marked the completion of several projects under the 1976-80 Plan on which spending commitments had already been made (Appendix Table 33). Beginning in 1982, however, the authorities deferred certain projects and delayed completion of others not considered to be essential. During the three years 1982-84, development expenditures were reduced at an annual average rate of 14 percent. The composition of development expenditures is discussed in Section I.7.b.

#### 6. The 1985 budget

The budget for 1985 shows a balanced administrative budget with non-oil revenues and expenditures each at LD 1,200 million. Compared to the provisional outturn for 1984, non-oil revenues are projected to increase by 24 percent, mainly on the strength of customs duties and transfers from public enterprises. The increase in customs duties is expected to result from improved collections and to occur despite a possible reduction in the value of imports. Transfers from public enterprises are projected to rise due to an anticipation of an increase in the profitability of several enterprises which are to be run as independent entities. Moreover, as a result of an amendment to the financial accountability law aimed at strengthening the Treasury's supervisory responsibilities over the public bodies, the flow of revenue to the Treasury is expected to be enhanced. As for expenditures, the budget projects a 27 percent decline from the provisional outturn for 1984, mainly through savings effected by the transfer of certain utilities to the corporate sector. The budget also does not provide an allocation for the Armed Forces. A comparison of the 1984 actuals excluding the expenditure on the Armed Forces shows an increase of 5 percent.

Development expenditures are projected to be LD 1,700 million in 1985. It should be noted that the development budget does not include expenditure on the River Project, which has its own budget. The first stage of this project is expected to cost US\$3-3.3 billion.

### III. Money and Credit

#### 1. Introduction

The Jamahiriya's banking system consists of the Central Bank of Libya and five commercial banks, three of which are completely owned, and the remainder majority owned, by the State. In addition, there are five specialized credit institutions, namely, the Agricultural Bank, the Savings and Real Estate Investment Bank, the Development Bank, the Libyan Arab Foreign Bank, and the Libyan Arab Foreign Investment Company. In mid-1981 the Industrial and Real Estate Bank was replaced by the Savings and Real Estate Investment Bank and the Development Bank through splitting the responsibilities for construction and industrial lending activities, respectively. Similarly, the Libyan Arab Foreign Investment Company, established in May 1981, took over the responsibility of managing joint venture foreign investment activities, mainly from the Libyan Arab Foreign Bank. As a result, the activities of the latter were limited mainly to participation in foreign banking ventures and syndication of foreign loans. The operations of specialized credit institutions are discussed in subsection 3 below.

#### 2. Recent developments

Monetary and credit developments in the Jamahiriya are influenced greatly by developments in the oil markets, and the authorities' demand management policies. During 1979-80, domestic liquidity grew at an average rate of about 31.5 percent per annum compared with an average annual growth rate of 18.5 percent during the preceding two years (Table 9). <sup>1/</sup> The acceleration in the rate of monetary expansion during this period reflected the marked improvement in the balance of payments and the budgetary positions resulting from oil price increases. Despite significant rises in public revenues, expenditure pressures prevented the authorities in most years from containing the net use of credit by the Treasury and by other sectors. Net claims on the Treasury rose by LD 177 million in 1979 and declined by LD 929.1 million in 1980. Credit to other sectors--largely public enterprises--rose by an average of 19 percent per annum during 1979-80.

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<sup>1/</sup> Analysis of monetary and credit developments in the Jamahiriya is hampered by substantial unreconciled discrepancies between the fiscal and monetary accounts. Moreover, the movement in "other items (net)" has been large during the 1979-84 period. The gross unclassified assets of the banking system relative to total assets rose from 2.3 percent in 1979 to 23.4 percent in October 1984. This increase was due entirely to the rise in the unclassified assets of the Central Bank, which by end-1984 reached 44.5 percent of the Central Bank's total assets.

Table 9. Socialist People's Libyan Arab Jamahiriya: Factors Affecting  
Changes in Domestic Liquidity, 1979-84

	1979	1980	1981	1982	1983	Jan.-Oct.	
						1983	1984
(In millions of Libyan dinars)							
Domestic liquidity	826.2	904.7	542.2	-341.3	-178.8	-102.0	58.4
Money	559.6	651.5	613.2	-279.8	-347.9	-290.1	-134.0
Quasi-money	266.6	253.2	-71.0	-61.5	169.1	188.1	192.4
Net foreign assets	793.5	2,181.9	-1,519.9	-675.0	-561.8	-408.3	-368.7
Net domestic assets	32.7	-1,277.2	2,062.1	333.7	383.0	306.3	427.1
Claims on Treasury (net)	177.0	-929.1	679.5	370.9	-500.0	-208.3	507.3
Claims on other sectors	118.3	274.5	845.1	83.4	-48.3	-53.6	7.7
Other items (net)	-262.6	-622.6	537.5	-120.6	931.3	568.2	-87.9
(In percent)							
Growth rates							
Domestic liquidity	34.8	28.3	13.2	-7.3	-4.2	-2.4	1.4
Money	33.2	29.0	21.2	-8.0	-10.8	-9.0	-4.6
Quasi-money	38.9	26.6	-5.9	-5.4	15.8	17.5	15.5
Net foreign assets	52.0	94.1	-33.8	-22.6	-24.4	-17.7	-21.1
Net domestic assets	3.9	-145.0	519.9	20.0	19.2	15.3	17.9
Claims on Treasury (net)	21.5	-93.0	966.6	49.5	-44.6	-18.6	81.7
Claims on other sectors	12.4	25.6	62.7	3.8	-2.1	-2.4	0.3
Memorandum items:							
Nominal GDP growth rate	38.0	34.1	-11.2	-7.2	-1.7	...	...
Of which: non-oil	(14.7)	(19.7)	(19.9)	(-2.2)	(2.2)	(...)	(...)

Source: Appendix Table 35.

In 1980 the authorities introduced certain financial policies to absorb some of the liquidity overhang from the previous years, and to restrain the growth of domestic demand. Effective April 1, 1980, interest rates on time and savings deposits with commercial banks were raised by 1-5 percentage points, depending on maturity (Table 10). Effective May 16, 1980, the Central Bank of Libya demonetized all LD 10 and LD 5 banknotes in circulation (which accounted for 98 percent of currency outstanding at the end of 1979) and arrangements were made for all holders to exchange them for newly issued notes within a period of six days. Individuals were permitted to exchange part of the old notes for new ones and to place the remainder in special deposits. In August 1980 the Central Bank of Libya authorized commercial banks to release specified amounts for certain purposes to individual holders of special deposits--for example, LD 1,000 per person for pilgrimage in that year, a maximum of LD 2,000 for marriage, and up to a maximum of LD 5,000 for the completion of ongoing construction of a private dwelling. Another restriction introduced in May 1980 related to the use of balances in checking accounts. Each depositor was permitted to withdraw cash up to a maximum of LD 500 per month. However, depositors were allowed to write checks against the remainder of their checking account balances to third parties in settlement of transactions.

The growth of domestic liquidity slowed down significantly to 13.2 percent in 1981. This was mainly due to a large contractionary impact of the external sector as net foreign assets declined by LD 1,520 million (see Section IV). The fiscal position deteriorated significantly, leading to a sharp rise in the Treasury's recourse to the banking system and moreover, credit to other sectors rose by 63 percent, in part due to the establishment of new public enterprises. Domestic liquidity declined by 7.2 percent in 1982, reflecting a further substantial contractionary impact of the external sector on domestic liquidity, and the adoption of a tight fiscal stance. Net foreign assets declined by LD 675 million due to the continued unfavorable balance of payments position. As a result of the expenditure restraint policies, the overall budget position improved significantly and enabled the authorities to contain the Treasury's recourse to the banking system to about LD 371 million despite the substantial decline in revenues. Moreover, measures were adopted to slow down the growth of credit to the public sector enterprises. In the latter part of 1981 and in early 1982, commercial banks were instructed to scrutinize loan applications from public enterprises to ensure that credit requirements are of a short-term and self-liquidating nature and that appropriate and adequate security was provided. Specifically, commercial banks were directed to obtain approval of the Central Bank of Libya for loans exceeding 20 percent of a bank's capital and reserves; the previous limit was 40 percent. Moreover, steps were introduced to ensure that bank credit to public enterprises was on a commercial basis. In 1981, commercial banks were also notified not to extend construction loans because the newly established Savings and Real Estate Investment Bank had been given the responsibility for that activity; commercial bank lending for construction activities is scheduled to resume in 1985 (see subsection 3.b below).

Table 10. Socialist People's Libyan Arab Jamahiriya:  
Interest Rate Structure of Commercial Banks, 1963 and 1980

(In percent)

	From Sept. 30, 1963	From April 1, 1980 <u>1/</u>
I. Deposit rates		
1. Demand and savings deposits		
a. Demand deposits	0	0
b. Savings deposits	3.50	5.00
2. Notice deposits		
a. Ten days	3.25	4.50
b. More than ten days	3.50	4.75
3. Fixed deposits		
a. Thirty days	3.50	5.00
b. Ninety days	3.75	5.25
c. Six months	4.00	5.50
d. One year	4.00	6.00
e. Two years	4.00	7.00
f. Three years	4.00	8.00
g. Four years	4.00	9.00
II. Lending rates		
1. Interbank	2.50-4.00	
2. Commercial paper (discount)	7.00-7.50	
3. Loans and advances <u>2/</u>		
a. Secured	7.00	
b. Unsecured	7.50	

Source: Central Bank of Libya.

1/ Interest rate structure has not changed since April 1, 1980.

2/ Housing and agricultural loans are interest free.

Domestic liquidity declined by 4.2 percent in 1983. The balance of payments deficit exerted a contractionary impact as net foreign assets declined by LD 562 million. Net domestic assets rose by 19.2 percent, similar to the 20 percent growth in 1982. Detailed analysis of 1983 domestic credit developments and bank credit to the Treasury is hampered by the discrepancies between the fiscal and monetary accounts and by the technical difficulties with the Treasury's accounts at the Central Bank. The overall budget deficit amounted to about LD 1.1 billion. However, the 1983 monetary data show that despite this the Treasury's net position vis-a-vis the banking system improved. Moreover, gross credit to other sectors--mostly public enterprises--also fell by 2.1 percent. This latter decline reflected the impact of the authorities' policy adopted in 1982 to contain the growth of bank credit to other sectors and to provide credit to these sectors on a rollover basis. Public enterprises were expected to operate on a commercial basis and to meet their operating expenditures from current revenues. As a result, the monetary data indicate that the growth in net domestic assets in 1983 was due entirely to the LD 1.2 billion increase in the unclassified assets of the Central Bank (Appendix Tables 35 and 36). Since the rapid rise in the latter was mainly due to the special treatment of certain claims on the Treasury, the growth in net domestic assets in effect reflected the Government's recourse to the banking system. 1/

Regarding monetary and credit developments in 1984, data for the first ten months--the latest date for which complete data are available--indicate that net foreign assets declined by LD 369 million compared with a LD 408 million decline during the comparable period in 1983. Net domestic assets rose by 17.9 percent compared with 15.3 percent in the previous year due to a deterioration in the fiscal position. By and large, credit to other sectors remained unchanged. Overall, during this period domestic liquidity rose by 1.4 percent compared with a 2.4 percent decline in 1983.

The interest rate structure, and the regulations applied to cash withdrawals introduced in 1980, and the 1982 guidelines for commercial bank lending to public enterprises, have remained in effect.

### 3. Specialized credit institutions

#### a. The Agricultural Bank

The Agricultural Bank was established to provide interest-free loans with maturities of 1 to 15 years to agricultural cooperative societies, self-employed farmers belonging to these societies, and public sector companies engaged in agriculture and related activities. Its capital was raised from LD 46 million to LD 48 million in 1984.

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1/ The rise in unclassified assets of the Central Bank reflects the settlement by the Central Bank of certain Treasury obligations which have been recorded temporarily in the suspense account of the Central Bank.



Short-term, 1-year loans constitute the bulk of the Bank's lending activity and are provided, inter alia, for crop financing and purchase of feed grains and seed. In addition to its regular short-term lending activities, the Agricultural Bank also administers a special account for the Secretariat of Agriculture which provides short-term emergency loans. Medium-term loans, for up to 8 years, are intended mainly for the purchase of farm equipment; medium-term loans to individual farmers normally have a slightly shorter maturity structure than loans to cooperative societies. The long-term loans, for up to 15 years, are provided to finance the establishment of new farms and to facilitate major farm improvements. Moreover, the Bank also administers subsidies for agricultural equipment and production inputs and participates in the establishment of companies engaging in agriculture and related activities.

During the 1979-84 period, total loan disbursements fluctuated with the movements in short-term loans, which in turn were affected significantly by emerging credit needs due to adverse weather conditions. In 1980, total disbursements declined sharply to less than LD 5 million compared with about LD 13 million in 1979 (Appendix Table 38). This was due largely to the implementation of new lending guidelines which affected both the eligibility for such loans and the modality of their provision. With respect to individual farmers, prior to approval of loans, the Bank has to ensure that they are self-employed and are solely dependent upon agriculture for their livelihood. Furthermore, in contrast to previous arrangements, short-term loans are to be disbursed in kind rather than in cash to ensure proper end-use of such loans. The implementation of these two lending guidelines entailed setting up appropriate administrative machinery which in turn resulted in delays in loan disbursements. Additionally, medium-term loans for the purchase of tractors, which accounted for the bulk of these loans, were temporarily suspended during 1980 pending a review by the Bank of the cost effectiveness of existing procedures; tractor loans were resumed in 1981. Disbursed medium- and long-term loans fluctuated between LD 4-7 million in the 1981-84 period. In 1984, the Bank's total lending was LD 12.7 million compared with LD 11.1 million in 1983 and slightly lower than total disbursements in 1979.

Subsidies for the purchase of machinery and fertilizers, and for providing farms with irrigation systems, as well as electric power connections are funded through the development budget but administered by the Bank. The Bank makes payments to the agencies which sell agricultural inputs and other services such as water and electricity to farmers at 50 percent of cost for most items. Subsidies for feed grains, which constituted more than two thirds of total subsidies disbursed during 1979-81, were terminated in March 1982. Instead, higher producer prices were offered with a view to encouraging efficient farmers.

In 1978, the Agricultural Bank participated in the establishment and capitalization of five companies connected with the agricultural sector, two of which were foreign joint venture companies. These companies were engaged mostly in the manufacturing of water pumps, the drilling of water wells, and the marketing of agricultural products and inputs. At end-1981, the Bank's total paid-in share in these companies was approximately LD 3 million. During the first half of 1982, the two foreign joint venture companies were taken over by the Libyan Arab Foreign Investment Company, thus reducing the number of companies in which the bank participates to three.

b. The Savings and Real Estate Investment Bank

The Savings and Real Estate Investment Bank (SREIB) was established on January 7, 1981 and commenced operations in July 1981, with overall responsibility for providing loans for residential and commercial purposes, for others, or on its own account under the supervision of the Secretariat of Housing. It assumed the real estate activities of the Industrial and Real Estate Bank (IREB), comprising provision of loans for the purchase of dwellings and for the construction of housing projects. The SREIB's sphere of operations also included investment and real estate activities previously performed by two companies which had been liquidated. Moreover, it was empowered to take over outstanding construction loans with commercial banks. The SREIB was capitalized at LD 100 million, of which LD 60 million has been paid mostly by the Secretariat of Housing, the Social Security Fund, the Insurance Company of Libya, and the five commercial banks. In addition to accepting deposits from prospective customers, the SREIB's law provides for additional financial resources in the form of annual transfers from its shareholders and from the development budget which could be augmented by borrowing from the Treasury or other sources.

The SREIB provides long-term real estate loans to eligible borrowers, mainly on the basis of family size and a corresponding specified roofed area for building. To be eligible for a loan, the applicant must be earning a minimum income of LD 100 per month and the loan must be for financing the applicant's first dwelling in the Jamahiriya. The loan amount is determined by the actual construction cost of the approved roofed area and the maturity of the loan varies between 20 and 30 years, depending on the monthly income of the borrower. For those with a monthly income of LD 100-200, the maturity of the loan is 30 years. The maturity becomes 20 years for those earning LD 300 or more per month. In all cases, repayment starts 1 year after disbursement of the first loan installment. All loans are extended free of interest but are subject to an administrative charge of 2 percent.

In 1982, the first full year of its operation, the SREIB disbursed LD 82.9 million, of which LD 78.7 million was for housing loans and the remainder was utilized to finance construction projects (Appendix Table 39). However, during the last two years, the activities of the Bank have been hampered by its limited access to the development budget,

reflecting the authorities' budgetary constraints. As a result, total disbursements declined by 50 percent to LD 40.2 million in 1983 and rose to LD 55.1 million in 1984. The Bank's financial constraints also contributed to a slow processing of construction loan applications and resulted in a backlog of 33,000 applications by end-1984. These developments have prompted the authorities to once again permit commercial banks to make loans for residential and commercial construction in 1985.

c. The Development Bank

The Development Bank was established on March 24, 1981 and commenced operations in May of the same year. The main function of the Bank is to provide loans for investments in industrial, agricultural, and tourist projects, and to assume the industrial lending activities of the IREB. It may also provide technical assistance to initiate new projects in the productive sectors of the economy and engage in joint venture projects for the same purpose. The Development Bank is fully owned by the State with an authorized capital of LD 100 million. It is the only specialized institution in the Jamahiriya which is allowed to charge interest on its loans. Presently, a maximum interest rate of 5 percent per annum has been set by the bank irrespective of loan maturity, which varies between 2 and 15 years depending on the purpose.

Similar to the SREIB, the lending operations of the Development Bank have also been seriously affected by its limited budgetary allocations. As a result, total disbursements by the Bank since the commencement of its operations have been small and, instead, the Bank has focused on management of the industrial loan portfolio which it took over from the IREB (Appendix Table 40). 1/

d. The Libyan Arab Foreign Investment Company

The Libyan Arab Foreign Investment Company (LAFICO) was established on February 4, 1981. The LAFICO is fully owned by the State and is capitalized at LD 500 million, of which LD 262 million is already paid; a further increase in the paid-up capital is envisaged for 1985. The main function of the Company is to undertake investment in agriculture, industry, tourism, transportation, fishing, mining, and communications outside the Jamahiriya. Upon establishment, the LAFICO took over from the Libyan Arab Foreign Bank and other state agencies the management of long-term investments (equity participations and joint ventures) relating to the aforementioned sectors in 48 countries in Africa, Asia, and Europe valued at LD 225 million at the end of December 1981. By end-1983, the LAFICO's total gross investment amounted to LD 257 million, which was distributed between 94 companies in 48 countries. The largest single investment pertained to a shareholding in Fiat (of Italy) in the amount of LD 77 million. In 1984, the LAFICO's investment activities

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1/ See also SM/80/170, pp. 53-54.

focused on contributing its share to the capital increases of the participating companies; the largest increase was for Fiat where the LAFICO's share of the increase in capital was US\$62 million. The LAFICO's investment in 1984 amounted to US\$151 million.

e. The Libyan Arab Foreign Bank

The Libyan Arab Foreign Bank (LAFB) was established in 1972 with capital provided entirely by the Central Bank of Libya. Since the establishment of the LAFICO in early 1981, the LAFB engages mainly in two types of activity: participation in foreign banking joint ventures and syndicated loans. The LAFB is not permitted to carry out domestic transactions in Libyan dinars. It does, however, have domestic operations comprising mainly sales of foreign exchange to local commercial banks. In addition to the LD 30 million of capital provided by the Central Bank of Libya, the LAFB may borrow funds on the international markets as well as augment its resources from its own profits and special provisions; by end-1984, the capital and reserves of LAFB were LD 96.8 million, equivalent to 12.5 percent of the Bank's total assets. The LAFB also handles external transactions (foreign loans and official transfers) on behalf of the Treasury; in these cases, it acts only in the capacity of agent and these transactions do not appear in its balance sheet. The large majority of the Jamahiriya's official external transactions, however, are not handled by the LAFB.

Most of the LAFB's participations and joint ventures have been in the field of international banking. By end-1984, the LAFB had participated in 26 institutions; the offshore North Africa International Bank and the Arab Tunisian-Libyan Bank for Foreign Trade were established in 1984. Overall, the share of the LAFB in these participations varies from 4 percent to 60 percent. The LAFB has cut back its participation in syndicated international loans from a peak level of US\$291 million in 1981 to US\$133 million in 1983 and US\$150 million in 1984. A summary of the LAFB's assets and liabilities for the period 1979-84 is shown in Appendix Table 41.

#### IV. Balance of Payments

##### 1. Structure of external transactions

Developments in the Jamahiriya's balance of payments are affected heavily by changes both in earnings from oil exports, and in payments for imports principally reflecting trends in fiscal outlays. In absolute magnitude, these two items dominate other external transactions and have traditionally been the major determinants of the external position. However, in recent years the importance of net outflows on account of invisibles and private transfers has generally increased, reflecting mainly substantial outward remittances by expatriates working in the Jamahiriya and the fall in income from investments abroad associated with the decline both in foreign assets and in international interest rates. The capital account has consistently been in deficit due to the nature of oil-related and official loan and transfer transactions. The "net errors and omissions" entries have been negative for every year since 1981, possibly reflecting an underrecording of imports, remittances, and net capital outflows.

##### 2. Overview of the balance of payments <sup>1/</sup>

The movements in the Jamahiriya's external accounts during 1979-84 were similar to the budgetary developments in this period as they reflected to a large extent the levels of oil export receipts and the impact on imports and other payments of changes in the authorities' expenditure policy. Thus, with the general weakening in the oil market, the balance of payments experienced a substantial reversal after the large surpluses of US\$2.7 billion and US\$7.4 billion registered in 1979 and 1980, respectively (Table 11). Current account and overall payments deficits occurred in every year thereafter, with the cumulative overall deficit totaling US\$9.3 billion over the period 1981-83. The largest deficit of US\$5.1 billion (equivalent to 16.3 percent of GDP) was experienced in 1981 mainly as a result of the pronounced decline in oil receipts and the absence of offsetting expenditure reductions. The adoption of a tighter expenditure stance in 1982 contributed to a substantial decline in imports, which more than offset both the further drop in revenues from oil exports and investment income, and the increased outward remittances. As a result, the current account deficit declined from US\$3.9 billion (12.3 percent of GDP) in 1981 to US\$1.5 billion (5.1 percent of GDP) in 1982, and the overall payments position improved to a deficit of US\$2.3 billion (7.8 percent of GDP). Similar developments in 1983 resulted in a further reduction in the current account deficit to US\$1.4 billion (4.9 percent of GDP). The improved current account position, combined with the amelioration in the capital account resulting from a drawdown in foreign exchange deposits by Libyan entities, led to a decline in the overall deficit to US\$1.9 billion (6.6 percent of GDP).

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<sup>1/</sup> Balance of payments data for the Jamahiriya are available for the period ended 1983. Preliminary official data for 1984 are limited to selected items.

Table 11. Socialist People's Libyan Arab Jamahiriya:  
Summary Balance of Payments, 1979-84

(In millions of U.S. dollars) 1/

	1979	1980	1981	1982	1983	1984 2/
1. Merchandise trade	7,346.7	11,549.0	167.9	2,725.2	3,371.0	2,881.6
Exports, f.o.b.	15,980.7	21,919.2	14,730.9	13,701.0	12,348.2	11,042.4
Imports, f.o.b.	-8,634.0	-10,370.2	-14,563.0	-10,975.8	-8,977.2	-8,160.8
2. Services and private transfers	-3,517.3	-3,292.3	-4,055.0	-4,207.1	-4,777.2	-3,656.1
Receipts, of which:	567.5	1,446.4	1,789.9	1,031.2	837.4	685.0
Investment income	(424.9)	(1,281.9)	(1,626.7)	(867.8)	(676.2)	(517.5)
Payments, of which:	-4,084.8	-4,738.7	-5,844.9	-5,238.3	-5,614.6	-4,341.1
Remittances of foreign workers	(-831.3)	(-1,052.2)	(-1,530.8)	(-1,574.7)	(-2,005.1)	(-1,205.9)
3. Current account balance (1+2)	3,829.4	8,256.7	-3,887.1	-1,481.9	-1,406.2	-774.5
4. Capital account including official transfers,	-1,179.9	-903.6	-497.2	-587.7	-308.7	-858.6
Of which:						
Oil sector capital (net)	-548.9	-973.8	-597.9	-264.5	-242.5	-220.9
Official transfers and investments	-665.1	-254.3	-676.9	-323.2	-66.2	-637.7
5. Net errors and omissions	30.8	16.9	-749.6	-210.4	-182.7	-307.1
6. Overall balance (3+4+5)	2,680.3	7,370.0	-5,133.9	-2,280.0	-1,897.6	-1,940.2
7. Reserve movements (assets increase-)	-2,680.3	-7,370.0	5,133.9	2,280.0	1,897.6	1,940.2
Central Bank	-2,408.7	-6,739.7	4,837.6	2,248.0	1,726.3	1,743.0
Commercial banks	-271.6	-630.3	296.3	32.0	171.3	197.2

Source: Appendix Table 42.

1/ Converted at LD 1 = US\$3.3778.

2/ Preliminary.

The overall deficit in 1984 is estimated at broadly the same level as in 1983, as lower imports and remittance outflows countered both the further decline in exports and investment income receipts and the deterioration in the capital account resulting mainly from increased foreign direct investment abroad.

### 3. Merchandise trade

#### a. Exports

Crude oil, refined petroleum products, and processed gas comprise almost all of the Jamahiriya's exports. The other exports, including hides and skins, groundnuts, dates, and citrus fruits, accounted for less than one tenth of 1 percent of total export earnings in 1979-84. As a result, changes in total export receipts reflected developments in exports of the oil sector (described in Section I.3. above). Accordingly, after increasing by 37.2 percent to a record level of US\$21.9 billion in 1980, the Jamahiriya's exports declined steadily in line with the reductions in both petroleum export prices and volume. In 1981 total receipts fell by 32.8 percent to US\$14.7 billion. This tendency persisted and by 1984 total exports amounted to an estimated US\$11 billion, or 49.6 percent below the 1980 level.

Detailed data on the composition of exports are available only for the period ended 1981 (Appendix Table 43). Thus, according to the customs records, crude oil was the largest earner of foreign exchange, accounting for over 90 percent of total export receipts. However, available partial data for the period after 1981 indicate that exports of most refined petroleum products and gas have grown in the recent period. The Jamahiriya's export earnings from urea totaled US\$91.8 million in 1984 compared to under US\$35 million in 1981, while those from PVC rose from an insignificant level in 1981 to US\$20.2 million in 1984. In these two cases, the increase in export values reflected significant expansions of export volume, which more than offset declining unit prices.

#### b. Imports

The Jamahiriya's imports increased steadily through 1980 to US\$10.4 billion in response to the sharp rise in income and a high marginal propensity to import due in part to the country's narrow production base. In 1981 imports rose by a further 40.4 percent to US\$14.6 billion as public expenditures continued their upward trend (despite the fall in oil receipts) as a result of spending commitments already made. However, as noted above (in Section II), as the weak world oil market continued to exert a depressive effect on oil export receipts, the authorities acted to trim public spending. This had a direct impact on imports, with expenditures falling in every year after 1981. Over the period 1981-84, imports declined by 44 percent, with the sharpest fall of 24.6 percent occurring in 1982.

The Jamahiriya's imports, over two thirds of which entered through the ports of Tripoli, were dominated by expenditures on manufactured goods. According to customs records, these goods accounted on average for over three quarters of total recorded imports in the period 1979-84 (Appendix Table 44). While their total share remained broadly constant throughout the period, the composition of manufacturing imports apparently shifted in favor of the predominantly light manufacturing category. However, this shift partly reflects a reclassification of machinery and transport equipment as a result of the increased importation of parts for assembly in the Jamahiriya. The second largest group of imports, food and live animals, accounted on average for 15.2 percent of total imports during the six-year period ended 1984. After registering an increase from 15.1 percent in 1979 to 16.3 percent in 1981, the importance of these imports declined to 14.2 percent in 1982. This reflected partly the increased contribution of import-substituting activities, including higher domestic production of fish, chicken, and eggs. Among other products, the share of chemicals in total exports declined from an average of 4.8 percent in 1979-80 to 3.7 percent in 1984 in line with the rise in domestic output of these products.

c. Direction of trade

Comprehensive data on the Jamahiriya's direction of trade are limited to the periods ended 1981 and 1982 for exports and imports, respectively. European countries accounted for the bulk of trade, supplying an average of 79.3 percent of the Jamahiriya's recorded imports and receiving an average of 59.2 percent of its exports (Appendix Table 45). Within this group, Italy accounted for the largest share, followed by the Federal Republic of Germany, while Turkey experienced the most pronounced increase. The share of Western Hemisphere countries in total trade fell after 1980 due to declining transactions between the Jamahiriya and the United States. Trade with African countries (excluding Arab countries) remained relatively stable at low levels throughout the period while that with Arab countries registered increases in terms of imports after 1980. Developments in the shares of Asian countries (excluding Arab countries) in total trade largely reflected the level of transactions with Japan. The share of exports destined for Japan rose while the share of imports originating from there fell.

An indication of movements in shares of exports after 1981 and imports after 1982 may be obtained from partial partner country information communicated to the Fund for its Direction of Trade Statistics. Available information indicates no significant changes in the Jamahiriya's trading patterns with the exception of a major fall in transactions with the United States, which was partly offset by a rise in the share of other industrial countries.



#### 4. Services and private transfers

Receipts from invisibles, which consisted mostly of returns on the country's foreign exchange holdings, evolved in line with developments in the stock of reserves and international interest rates. In 1980 these receipts more than tripled, reflecting both that year's record rise in net foreign assets and the escalation of interest rates abroad. The continued high level of interest rates in the international markets contributed to a further rise in investment income to a record level of US\$1.6 billion in 1981. This trend was reversed after 1981 due to both the falling level of foreign exchange holdings and the decline in international interest rates. Thus, investment income receipts declined by 58.4 percent from the 1981 level to US\$676 million in 1983. It is estimated that they fell by a further 23.5 percent to US\$518 million in 1984. Other invisible receipts remained fairly constant throughout the 1980-84 period at some US\$160 million annually.

On the payments side, oil-related transactions evolved in line with developments in the international oil market. In particular, the transfer of profits by the foreign oil companies and the service payments by NOC rose in 1979 and 1980 to US\$1,304 million, falling thereafter to reach a level of US\$860 million in 1983 and an estimated US\$817 million in 1984. Reflecting the changes in import payments, the outflows on account of freight and insurance on merchandise increased until 1981 and declined thereafter. Remittances by expatriate workers in the Jamahiriya grew at an annual compound growth rate of 24.6 percent in the period 1979-83. A pronounced increase was experienced in 1981, reflecting the impact of the overall level of economic activity on the demand for foreign labor. By contrast, however, the substantial rise in remittance outflows registered in 1983 was associated with a falling level of expatriate workers and reflected the impact of transfers of gratuities and accumulated savings by departing employees. Preliminary data suggest that, in 1984, outflows of remittances fell sharply by nearly 40 percent to US\$1,206 million. This fall reflected the smaller number of expatriate workers in the Jamahiriya, the once-and-for-all impact of departing workers' transfers on the 1983 level, and the results of the intensified restrictions on transfers described below (Section V.4). Among other payments for invisibles, expenditures on travel and transportation averaged US\$547 million in the period 1979-82. In 1983, these payments increased to US\$729 million. This rise has been attributed partly to increased official missions and the repatriation of tourist-related Libyan dinars (resulting from the February 20, 1983 regulation concerning the export of Libyan bank notes and the associated withdrawal of the Central Bank of Libya's exchange facilities for such currency). In 1984, travel and transportation expenditures fell to US\$439 million, reflecting to some extent the sustained impact of travel allowance regulations introduced earlier. 1/

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1/ See Section V.4.

## 5. Capital movements

The Jamahiriya has registered traditionally a net deficit on its capital and official transfers account. In the period 1979-83 this deficit exhibited a steady decline to reach US\$309 million in 1983. In 1984 the deficit on the capital account rose sharply to an estimated US\$859 million, principally reflecting the activities of foreign investment entities.

Oil sector capital, which is comprised of oil companies' investments and trade credits, increased sharply in 1980 to US\$974 million before exhibiting a steady decline to reach an estimated US\$221 million in 1984. The bulk of this decline reflected the lower value of oil-related trade credits. Other private capital flows were substantial only in 1980 and 1981. Government transfers rose from US\$43 million to US\$78 million in 1982 before declining to US\$60 million in 1984. Net foreign loans by the Treasury fluctuated widely, depending on year-to-year decisions by the authorities. Finally, the impact of the foreign investment entities' activities on the capital account also varied considerably from year to year. Specifically, and notwithstanding the lower level of LAFB's portfolio investment abroad due to tightness in the international capital market, this account registered a large outflow of US\$704 million in 1982, partly reflecting a significant increase in deposits abroad held by the national airline. The account exhibited a sharp reversal to a surplus of US\$124 million in 1983 due to a drawdown in foreign exchange deposits by Libyan entities and a further decline in lending activities. In 1984 increased equity participation abroad by LAFICO (described in Section III.3.d) contributed to a sharp rise in capital outflows on this account.

## 6. Official reserves

The Jamahiriya's international reserves consist mostly of the Central Bank of Libya's foreign exchange holdings, part of which comprises the legal currency cover requirement. The stock of net foreign assets of the Central Bank rose for two successive years to a record level of over US\$14.2 billion at end-December 1980 (Table 12). In the following years, however, the reversal in the balance of payments situation led to a steady decline in reserves, to a level of US\$3.6 billion as of end-December 1984. In terms of import coverage, the Central Bank's foreign assets declined from 16.4 months of current year imports in 1980 to 5.3 months in 1984; excluding the currency cover legal requirement (US\$2.4 billion), the usable reserves were equivalent to less than two months of imports at end-December 1984. These external deficits were financed almost exclusively through a run down of reserves as the authorities refrained from incurring any significant foreign liabilities.

Throughout the period 1980-84 the Jamahiriya's reserves were held mostly in the major convertible currencies and were predominantly in the form of short-term deposits with leading international banks as well as first-class government bonds.

Table 12. Socialist People's Libyan Arab Jamahiriya: Official Reserves, 1978-84

(In millions of U.S. dollars) 1/

End of Period	1978	1979	1980	1981	1982	1983	1984	October	
								1983	1984
Central Bank of Libya									
Foreign assets	5,041.0	7,454.4	14,194.9	9,370.0	7,123.4	5,374.1	3,631.1	5,752.8	4,005.3
Gold	(103.4)	(103.7)	(130.0)	(151.0)	(151.0)	(151.0)	(154.0)	(151.0)	(154.0)
Reserve position in IMF	(7.8)	(55.7)	(188.8)	(220.2)	(208.7)	(197.9)	(238.8)	(200.0)	(242.5)
Foreign exchange 2/	(4,929.8)	(7,295.0)	(13,876.1)	(8,998.8)	(6,763.7)	(5,025.2)	(3,238.3)	(5,401.8)	(3,608.8)
Foreign liabilities	-3.4	-8.1	-8.9	-21.6	-23.0	--	--	--	--
Commercial banks									
Foreign assets	272.6	507.7	1,130.9	977.5	928.9	721.5	...	1,086.6	775.2
Foreign liabilities	-156.4	-119.9	-112.8	-255.7	-239.1	-203.0	...	-428.3	-133.4
Gross foreign assets	<u>5,313.6</u>	<u>7,962.1</u>	<u>15,325.8</u>	<u>10,347.5</u>	<u>8,052.3</u>	<u>6,095.6</u>	<u>...</u>	<u>6,839.4</u>	<u>4,780.5</u>
Net foreign assets	<u>5,153.8</u>	<u>7,834.1</u>	<u>15,204.1</u>	<u>10,070.2</u>	<u>7,790.2</u>	<u>5,892.6</u>	<u>...</u>	<u>6,411.1</u>	<u>4,647.1</u>

Source: Appendix Table 46.

1/ Converted at LD 1 = US\$3.3778.

2/ Includes SDR holdings.

## V. Exchange and Trade System

This section provides a brief description of the Jamahiriya's exchange and trade system. A more detailed account is published in the IMF's Annual Report on Exchange Arrangements and Exchange Restrictions. The major changes in the exchange and trade system since those described in the previous consultation report are enumerated below in subsection 5.

### 1. Exchange rate system

The Libyan dinar has been pegged to the U.S. dollar, the intervention currency, at the fixed rate of LD 0.29531 = US\$1, buying, and LD 0.29679 = US\$1, selling, since February 1973. There are no taxes or subsidies on purchases and sales of foreign exchange. The Central Bank of Libya deals with commercial banks in U.S. dollars and pounds sterling only but publishes daily buying and selling rates for 17 currencies. <sup>1/</sup> The commercial banks are permitted to buy and sell other currencies against U.S. dollars and pounds sterling through their foreign correspondents. They may not deal among themselves in foreign currencies. Neither the banks nor importers or exporters may enter into forward commitments in foreign currencies.

The policy of pegging the Libyan dinar to the U.S. dollar at a fixed rate, at a time when the U.S. dollar strengthened vis-a-vis the currencies of the Jamahiriya's major suppliers, resulted in sharp appreciations in the dinar's real and nominal effective exchange rates. Specifically, the nominal effective exchange rate, as measured by an import-weighted index, appreciated by 48.2 percent between the first quarter of 1979 and the fourth quarter of 1982 (Appendix Table 47). It experienced a further appreciation of 26.3 percent in the eight-quarter period ended Q4 1984. In the absence of satisfactory cost and price data for the Jamahiriya, no reliable series for the real effective exchange rate can be derived. However, an indication of general movements may be obtained from a series based on the adjusted consumer price index. Using this proxy, the Jamahiriya's real effective exchange rate is estimated to have appreciated by 24.6 percent in the period Q1 1979-Q4 1982, and by a total of 57 percent from Q1 1979 through Q4 1984.

### 2. Exports and export proceeds

All exports to Israel and South Africa are prohibited. Export licenses are required for fish, raw wool, hides and skins, and agricultural products. Export proceeds must be received through an authorized bank within six months of shipment. Certain products such as vegetable oils, scrap metals, wheat, wheat flour, crushed wheat, barley, rice, tea, sugar, gold (other than for processing abroad), tomato paste, and macaroni may be neither exported nor re-exported.

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<sup>1/</sup> Austrian schilling, Belgian franc, Canadian dollar, Danish kroner, deutsche mark, French franc, Italian lira, Japanese yen, Lebanese pound, Netherlands guilder, Norwegian krone, pound sterling, Swedish krona, Saudi Arabian riyal, Swiss franc, Tunisian dinar, and U.S. dollar.

### 3. Imports and import payments

All imports from Israel and South Africa are prohibited. Imports are undertaken by state-owned enterprises and do not require licenses if they are authorized within the annual commodity budget. 1/ This budget is prepared by the Secretariat of the Economy and Light Industry for the purpose of planning import expenditures and promoting import-substituting activities. 2/ It is formulated on the basis of estimated requirements proposed initially by the various public sector importing companies and includes consumer and intermediate products. The execution of the budget is supervised by the Secretariat of the Economy and Light Industry following approval by the General People's Congress, and is made possible through instructions by the Central Bank to the commercial banks regarding the provision of the necessary foreign exchange facilities. Approved allowances may be transferred between entities in the same budget account but not between different accounts. In cases where an account's allocation is exhausted, requests for further funds may be approved by the authorities if the imports are deemed essential. It is not permitted to supplement the current year's allowance with the previous year's unused allocation.

The commodity budget provision for 1984 amounted to LD 1,669 million, 7.1 percent above that of 1983. Most items experienced an increase in allocations, with the notable exception of agriculture, building materials, communication, electricity and oil, and light industries (Appendix Table 48). The provisions for "consumer goods" represented 54 percent of the total budget for 1984, with food materials accounting for the largest share in this category (18.6 percent of the budget). Allocations assigned to "production purposes" constituted 46 percent of the budget, with light industries' allocation amounting to LD 318 million, equivalent to 19.1 percent of the budget. The 1985 budget, which was approved by the General People's Congress in March 1985, has been set at LD 1,518 million (9 percent below that of 1984).

Imports are subject to customs duties and to customs surcharges amounting to 10 percent of the applicable customs duties.

### 4. Payments for invisibles

All remittances abroad are subject to Central Bank approval. The allowances for transfers of nonresidents employed by the state, state-owned enterprises, and foreign companies in the Jamahiriya were reduced on January 1, 1984 from 90 percent to 75 percent of net salaries for those

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1/ The list of prohibited imports includes alcoholic beverages, certain types of coffee and tea, crystal chandeliers, envelopes, fresh fruits, fruit juices, furs, mineral water, green vegetables, oriental rugs, peanuts, poultry, preserved meats and vegetables, soap, and toy guns.

2/ There is also a foreign exchange budget which is, however, only indicative.

with contracts specifying free provision of lodging and board 1/ and from 60 percent to 50 percent for all others. Nonresidents employed in the Libyan private sector are subject to other limits. Specifically, those engaged in agricultural activities and nonskilled workers may remit 50 percent of their earnings subject to a monthly limit of LD 40, while technical workers are subject to a monthly limit of LD 60. In general nonresidents may not transfer income derived from overtime work. In addition to limits on transfers, there is an upper limit of LD 400 on the value of goods which nonresidents going abroad permanently can take; the value in excess of this allowance is deducted from the transferable portion of earnings. Staff of UN agencies stationed in the Jamahiriya, embassies, consulates, and medical institutions are exempt from the above-mentioned regulations on remittances abroad.

The annual allowance for residents traveling abroad was reduced on April 7, 1982 from LD 750 to LD 300 for adults and from LD 350 to LD 150 for children under 12. These limits do not apply to individuals on official missions and certain employees of the national air and sea transport companies. The allowance for pilgrims traveling to Saudi Arabia is set annually. In 1983 and 1984, it amounted to LD 700, LD 300 below the 1982 level. As of February 1983, travelers from the Jamahiriya may not take out Libyan currency. Individuals entering the Jamahiriya may bring with them travelers checks, currency, letters of credit, receipts, and other negotiable instruments in unlimited amounts. They must be declared to customs. Foreign exchange, which is converted into Libyan dinars by visiting tourists, may be reconverted upon departure with the exception of US\$50 for each day spent in the Jamahiriya.

5. Changes since April 7, 1982 2/

1982

April 19: The limit on the value of goods exported by departing nonresidents was set at LD 200 for individuals and LD 300 for families. Certain products were prohibited while others were made to require permission from the People's Committees for Economy.

June 1: The coverage of special transfer allowances applicable to certain employees of the national air and sea companies was extended to include engineers.

June 7: The April 19 regulation was modified to increase the limit on the value of goods exported by departing nonresidents to LD 400 for individuals and families.

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1/ These employees usually reside on work sites in remote areas.

2/ Changes for the period October 14, 1981-April 7, 1982 are listed in SM/82/237.

July 26: The 1982 commodity budget for the period April-December 1982 was amended to increase by LD 13.8 million, the allocation for agricultural activities.

August 18: The pilgrim's transfer allowance was set at LD 1,000.

November 14: Guidelines were established for the completion of the 1982 commodity budget and the execution of the 1983 budget.

### 1983

January 5: Hotels were authorized to provide, as of January 15, foreign exchange services to nonresident guests.

January 9: Special transfer allowances were set at LD 50 per trip for certain employees of the national sea company and at LD 50 for every fifth trip for certain employees of the national airline.

January 12: Transfers to cover penalty charges on rentals of imported containers were temporarily prohibited.

February 20: The facility allowing travelers from the Jamahiriya to take away Libyan currency for exchange abroad was withdrawn.

February 20: Transfers of nonresident income derived from overtime employment after February 20 were prohibited.

June 18: Permission granting licenses for exports of spare parts, household, and electronic goods by nonresidents was withdrawn and later restored (on July 17).

August 7: The pilgrim's transfer allowance was set at LD 700.

### 1984

January 1: The law concerning the transfer of incomes of non-residents was modified as follows: the allowances for those employed by the state, state-owned enterprises, and foreign companies were reduced from 90 percent to 75 percent of their net monthly salary for those with contracts specifying free provision of lodging and board on work sites in remote areas, and from 60 percent to 50 percent for those with contracts not specifying free provision of lodging and board by the employer. Nonresidents employed in the Libyan private sector were henceforth allowed to remit 50 percent of their earnings subject to a monthly limit of LD 40 for those engaged in agricultural activities and for nonskilled workers, and LD 60 for technical workers. These limits do not apply to diplomats employed in embassies, consulates, and UN agencies.

January 24: Agreement was reached for the exemption of certain Moroccan products from import duties. Implementation followed the conclusion of the General People's Conference in March 1985.

January 25: Pending approval by the General People's Conference, authorized banks were instructed to open letters of credit in the name of the entities specified in the 1984 commodity budget in amounts not to exceed one sixth of the value proposed in the budget.

March 20: Pending approval by the General People's Conference, authorized banks were instructed to open letters of credit within 50 percent of the commodity budget allocation. Allocations to individual "private sector" entities were set at LD 15,000 for every three-month period and were made subject to certain conditions.

March 27: Privileges and obligations applicable to Libyan citizens were extended to Syrian nationals seeking to change their status from nonresident to resident.

April 15: Tourists departing the Jamahiriya were henceforth allowed to exchange, into foreign currency, Libyan dinars converted at the time of their entry with the exception of US\$50 for each day spent in the country.

April 15: Further procedures were laid out for the execution of the 1984 commodity budget.

December 30: Agreement was reached for the exemption of all Tunisian products from import duties. Implementation followed the conclusion of the General People's Conference in March 1985.

#### 1985

January 6: Transfer privileges applicable to nondiplomats employed in embassies, consulates, and UN agencies were modified to those prevailing before January 1, 1984.

January 10: An initial allocation of 25 percent of the 1984 commodity budget was granted to specified entities, pending the final approval of the 1985 budget by the General People's Conference.

January 14: Pending final approval by the General People's Conference, commercial banks were informed not to grant foreign exchange facilities under the commodity budget without prior permission from the Central Bank of Libya.

February 10: Privileges and obligations applicable to Libyan citizens were extended to all Arab nationals seeking to change their status from nonresident to resident, other than those employed in embassies, consulates, and UN agencies whose income originates from abroad.



Table 13. Socialist People's Libyan Arab Jamahiriya:  
Gross Domestic Product at Current Market Prices, 1979-84

(In millions of Libyan dinars)

	1979	1980	1981 <u>1/</u>	1982 <u>1/</u>	1983 <u>1/</u>	1984 <u>1/</u>
Oil sector	<u>4,545.3</u>	<u>6,571.9</u>	<u>4,610.0</u>	<u>4,040.3</u>	<u>3,793.1</u>	<u>2,996.5</u>
Other sectors	<u>3,057.7</u>	<u>3,653.4</u>	<u>4,350.6</u>	<u>4,318.9</u>	<u>4,347.4</u>	<u>4,529.2</u>
Commodity producing sectors	<u>1,134.4</u>	<u>1,401.1</u>	<u>1,749.1</u>	<u>1,670.4</u>	<u>1,572.8</u>	<u>1,584.4</u>
Agriculture, forestry, and fishing	(140.4)	(164.9)	(202.3)	(220.3)	(273.8)	(270.4)
Mining and quarrying	(41.5)	(48.8)	(59.5)	(53.1)	(45.8)	(42.6)
Manufacturing	(185.8)	(202.0)	(229.1)	(273.5)	(294.2)	(359.9)
Electricity, gas, and water	(40.0)	(49.7)	(55.7)	(69.2)	(80.0)	(92.0)
Construction	(726.7)	(935.7)	(1,202.5)	(1,053.9)	(879.0)	(819.5)
Distribution and services sector	674.4	817.0	1,004.2	939.2	912.8	947.0
Transportation and communication <u>2/</u>	(291.2)	(335.3)	(414.7)	(403.3)	(387.4)	(392.5)
Wholesale and retail trade <u>3/</u>	(383.2)	(481.7)	(589.5)	(535.9)	(525.4)	(554.5)
Other services	1,248.9	1,435.3	1,597.3	1,709.3	1,861.8	1,997.8
Public services	(512.5)	(611.1)	(683.8)	(772.1)	(849.3)	(917.3)
Education	(206.6)	(220.8)	(234.3)	(252.9)	(270.6)	(288.2)
Health	(104.2)	(114.7)	(131.6)	(151.5)	(171.2)	(190.0)
Banking and insurance <u>4/</u>	(194.6)	(230.9)	(274.8)	(243.3)	(257.5)	(273.5)
Ownership of dwellings	(188.8)	(210.4)	(217.6)	(224.3)	(238.2)	(244.1)
Other	(42.2)	(47.4)	(55.2)	(65.2)	(75.0)	(84.7)
GDP at current factor cost	<u>7,603.0</u>	<u>10,225.3</u>	<u>8,960.6</u>	<u>8,359.2</u>	<u>8,140.5</u>	<u>7,525.7</u>
Indirect taxes less subsidies	<u>243.4</u>	<u>297.9</u>	<u>385.9</u>	<u>315.6</u>	<u>390.5</u>	<u>395.0</u>
GDP at current market prices	<u>7,846.4</u>	<u>10,523.2</u>	<u>9,346.5</u>	<u>8,674.8</u>	<u>8,531.0</u>	<u>7,920.7</u>

Source: Secretariat of Planning.

1/ Provisional.

2/ Includes warehousing.

3/ Includes hotel and restaurant trade.

4/ Includes commercial buildings.

Table 14. Socialist People's Libyan Arab Jamahiriya:  
Gross Domestic Product at Constant Factor Cost, 1980-84

(In millions of Libyan dinars at 1980 prices)

	1980	Provisional			
		1981	1982	1983	1984
Oil sector	<u>6,571.9</u>	<u>4,171.7</u>	<u>4,018.4</u>	<u>3,889.0</u>	<u>3,480.0</u>
Other sectors	<u>3,653.4</u>	<u>4,135.5</u>	<u>4,018.5</u>	<u>4,055.5</u>	<u>4,171.0</u>
Commodity producing sectors	<u>1,401.1</u>	<u>1,596.8</u>	<u>1,496.5</u>	<u>1,427.0</u>	<u>1,412.4</u>
Agriculture, forestry, and fishing	(164.9)	(186.0)	(190.1)	(222.4)	(214.1)
Mining and quarrying	(48.8)	(55.1)	(47.8)	(41.9)	(39.3)
Manufacturing	(202.0)	(216.1)	(248.6)	(262.7)	(315.7)
Electricity, gas, and water	(49.7)	(54.1)	(64.2)	(77.3)	(87.8)
Construction	(935.7)	(1,085.5)	(945.8)	(822.7)	(755.5)
Distribution and services sectors	817.0	984.0	904.6	880.3	885.9
Transportation and communication <u>1/</u>	(335.3)	(403.8)	(387.0)	(370.7)	(372.7)
Wholesale and retail trade <u>2/</u>	(481.7)	(580.2)	(517.6)	(509.6)	(513.2)
Other services	<u>1,435.3</u>	<u>1,554.7</u>	<u>1,617.2</u>	<u>1,748.2</u>	<u>1,872.7</u>
Public services	(611.1)	(670.2)	(718.6)	(786.4)	(857.3)
Education	(220.8)	(229.5)	(243.8)	(259.4)	(272.4)
Health	(114.7)	(128.9)	(141.9)	(158.9)	(174.3)
Banking and insurance <u>3/</u>	(230.9)	(257.5)	(230.0)	(241.5)	(254.5)
Ownership of dwellings	(210.4)	(215.9)	(221.2)	(232.0)	(236.5)
Other	(47.4)	(52.7)	(61.7)	(70.0)	(77.7)
Gross domestic product	<u>10,225.3</u>	<u>8,307.2</u>	<u>8,036.6</u>	<u>7,944.5</u>	<u>7,651.0</u>

Source: Secretariat of Planning.

1/ Includes warehousing.

2/ Includes hotel and restaurant trade.

3/ Includes commercial buildings.

Table 15. Socialist People's Libyan Arab Jamahiriya:  
Nominal Gross Domestic Fixed Capital Formation  
by Economic Sector, 1979-84

(In millions of Libyan dinars at current prices)

	1979	1980	Provisional			
			1981	1982	1983	1984
Oil sector	<u>87.4</u>	<u>99.2</u>	<u>65.0</u>	<u>50.0</u>	<u>50.0</u>	<u>53.0</u>
Other sectors	<u>1,767.9</u>	<u>2,324.6</u>	<u>2,745.9</u>	<u>2,311.8</u>	<u>2,043.0</u>	<u>1,897.5</u>
Commodity producing sectors	<u>810.7</u>	<u>1,162.7</u>	<u>1,110.1</u>	<u>877.4</u>	<u>909.8</u>	<u>873.2</u>
Agriculture, forestry, and fishing	(234.2)	(334.2)	(375.9)	(247.7)	(237.4)	(241.5)
Mining and quarrying	(2.4)	(3.1)	(5.0)	(5.0)	(4.0)	(4.5)
Manufacturing	(269.8)	(431.8)	(442.9)	(342.7)	(396.5)	(347.2)
Electricity, gas, and water	(284.3)	(370.8)	(261.3)	(252.0)	(238.9)	(240.0)
Construction	(20.0)	(22.8)	(25.0)	(30.0)	(33.0)	(40.0)
Distribution and services sectors	380.5	522.6	810.8	780.4	563.0	472.8
Transportation and communication	(320.7)	(439.4)	(703.8)	(690.4)	(507.3)	(421.7)
Wholesale and retail trade	(59.8)	(83.2)	(107.0)	(90.0)	(55.7)	(51.1)
Other services sectors	576.7	639.3	825.0	654.0	570.2	551.5
Public services	(183.6)	(190.1)	(195.7)	(154.2)	(136.7)	(116.5)
Education	(98.5)	(128.4)	(198.5)	(195.4)	(157.0)	(128.0)
Health	(77.3)	(67.4)	(105.6)	(67.5)	(56.4)	(56.5)
Banking and insurance	(1.0)	(3.2)	(1.8)	(2.0)	(2.2)	(2.0)
Ownership of dwellings	(214.8)	(248.5)	(322.2)	(232.7)	(217.1)	(247.5)
Other	(1.5)	(1.7)	(1.2)	(2.2)	(0.8)	(1.0)
 Total gross domestic fixed capital formation	<u>1,855.3</u>	<u>2,423.8</u>	<u>2,810.9</u>	<u>2,361.8</u>	<u>2,093.0</u>	<u>1,950.5</u>

Source: Secretariat of Planning.

Table 16. Socialist People's Libyan Arab Jamahiriya: Real Gross Domestic Fixed  
Capital Formation by Economic Sector, 1980-84

(In millions of Libyan dinars at constant 1980 prices)

	1980	Provisional			
		1981	1982	1983	1984
Oil sector	<u>99.2</u>	<u>62.0</u>	<u>46.1</u>	<u>45.5</u>	<u>47.3</u>
Other sectors	<u>2,324.6</u>	<u>2,581.4</u>	<u>2,118.2</u>	<u>1,842.7</u>	<u>1,685.7</u>
Commodity producing sectors	<u>1,162.7</u>	<u>1,040.6</u>	<u>802.0</u>	<u>818.4</u>	<u>773.5</u>
Agriculture, forestry, and fishing	(334.2)	(360.7)	(232.8)	(219.4)	(218.6)
Mining and quarrying	(3.1)	(4.8)	(4.7)	(3.6)	(4.0)
Manufacturing	(431.8)	(404.8)	(304.4)	(347.8)	(300.6)
Electricity, gas, and water	(370.8)	(246.1)	(231.6)	(216.8)	(213.7)
Construction	(22.8)	(24.2)	(28.5)	(30.8)	(36.6)
Distribution services sectors	522.6	760.7	721.3	511.4	421.9
Transportation and communication	(439.4)	(659.6)	(639.3)	(461.2)	(376.5)
Wholesale and retail trade	(83.2)	(101.1)	(82.0)	(50.2)	(45.4)
Other services sectors	639.0	780.1	599.9	512.9	490.3
Public services	(190.1)	(184.6)	(140.1)	(121.5)	(102.6)
Education	(128.4)	(188.2)	(178.3)	(140.2)	(113.3)
Health	(67.4)	(100.6)	(62.1)	(51.0)	(50.7)
Banking and insurance	(3.2)	(1.6)	(1.9)	(2.1)	(1.8)
Ownership of dwellings	(248.5)	(304.0)	(215.5)	(197.4)	(221.0)
Other	(1.7)	(1.1)	(2.0)	(0.7)	(0.9)
 Total gross domestic fixed capital formation	 <u>2,423.8</u>	 <u>2,643.4</u>	 <u>2,619.3</u>	 <u>1,888.2</u>	 <u>1,733.0</u>

Source: Secretariat of Planning.

Table 17. Socialist People's Libyan Arab Jamahiriya:  
Nominal Gross Domestic Fixed Capital Formation  
by Type of Investment, 1979-84

(In millions of Libyan dinars)

	1979	1980	Provisional			
			1981	1982	1983	1984
Construction	1,084.9	1,396.5	1,657.7	1,391.0	1,233.0	1,149.0
Residential building	(214.8)	(248.5)	(322.0)	(232.7)	(217.1)	(247.5)
Nonresidential building	(356.9)	(419.9)	(526.2)	(417.5)	(370.0)	(344.5)
Other construction	(513.2)	(728.1)	(809.5)	(740.8)	(645.9)	(557.0)
Agricultural improvements	150.3	197.6	202.4	170.0	150.5	140.5
Land reclamation	(146.5)	(188.2)	(196.8)	(164.5)	(144.5)	(134.0)
Livestock	(3.8)	(9.4)	(5.6)	(5.5)	(6.0)	(6.5)
Machinery and equipment	561.0	764.3	875.8	736.9	653.0	608.5
Transport equipment	(47.7)	(81.2)	(41.3)	(69.0)	(61.5)	(57.0)
Machinery	(434.9)	(572.1)	(718.4)	(520.0)	(461.0)	(430.0)
Other fixtures	(78.4)	(111.0)	(116.1)	(147.9)	(130.5)	(121.5)
Other	59.1	65.4	75.0	63.9	56.5	52.5
Total	<u>1,855.3</u>	<u>2,423.8</u>	<u>2,810.9</u>	<u>2,361.8</u>	<u>2,093.0</u>	<u>1,950.5</u>

Source: Secretariat of Planning.

Table 18. Socialist People's Libyan Arab Jamahiriya:  
NOC's Equity and Share of Oil Output, 1981-82 1/

Companies	National Oil Corporation's (NOC) Equity		Output Accruing to NOC	
	1981	1982	1981	1982
	(In percent)		(In millions of barrels)	
Arabian Gulf <u>2/</u>	100.0	100.0	138.1	138.1
AGIP	50.0	50.0	33.7	16.9
Aquitaine			1.3	0.7
Elmehraga field <u>3/</u>	(85.0)	(85.0)	(0.8)	(0.7)
Other <u>4/</u>	(--)	(--)	(0.5)	(--)
Esso Standard <u>5/</u>	51.0	100.0	24.5	12.5
Esso-Sirte <u>5/</u>	63.5	88.0	8.7	5.5
Mobil <u>6/</u>	51.0	51.0	24.1	12.3
Oasis <u>7/</u>	59.2	59.2	146.5	86.7
Occidental			63.6	38.5
Zuweitina <u>8/</u>	(51.0)	(51.0)	(45.9)	(23.4)
Other <u>9/</u>	(85.0)	(85.0)	(17.7)	(15.1)
Wintershall <u>10/</u>	--	--	1.6	--
Total			<u>442.1</u>	<u>311.2</u>

Source: Secretariat of Oil.

1/ Latest available data.

2/ Includes output for the NOC-operated Umm Gawabi, Umm Froud, and Sahabi fields totaling less than 2.0 million barrels.

3/ Zuweitina crude; 1981 output estimated.

4/ Group comprises the Aquitaine (28 percent), Elf-Libya (14 percent), Hispanica (42 percent), and Murphy (16 percent) companies.

5/ The Sirte Company began on January 1, 1982 taking over the operations vacated by Exxon (Esso); Grace Petroleum retained its 12 percent equity holding in Esso-Sirte's Regouba field.

6/ The foreign share is held jointly by Mobil (31.85 percent) and Gelsenkirchener Bergwerke, A.G. (17.15 percent).

7/ The foreign share is split between Amerada (8.2 percent), Continental (16.3 percent), and Marathon (16.3 percent) companies.

8/ The oilfields at Intissar (A-D), Augila-Nafoora, and Almas-Ali; 1981 output estimated.

9/ The Zilla and Sabah fields.

10/ Owned 50:50 by Wintershall and Elwerath companies.

Table 19. Socialist People's Libyan Arab Jamahiriya: Domestic  
Consumer Prices of Petroleum Products, 1979-84

(In dirhams per liter)

	1979	1980	1981	1982	1983	1984
Premium gasoline	75	75	75	100	120	120
Regular gasoline	65	65	65	65	65	65
Kerosene	30	30	30	40	40	40
Gas oil	40	40	40	50	50	50
Fuel oil	12	12	12	12	12	12
LPG <u>1/</u>	840	840	840	1,000	1,000	1,000

Source: Secretariat of Oil.

1/ Per 15-kilo cylinder.

Table 20. Socialist People's Libyan Arab  
Jamahiriya: Posted Prices for 40° API  
Crude Oil, 1977-82 1/

(In U.S. dollars per barrel)

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1977:	January 1	18.25
	July 1	18.78
1978:	January 1	18.34
	May 1	18.17
1979:	January 1	19.25
	February 2	20.21
	March 3	21.20
	April 1	24.28
	May 16	25.28
	May 27	28.53
	July 1	31.62
	October 15	35.53
	December 12	40.80
1980:	January 1	47.47
	May 15	50.29
	July 1	50.69
1981:	January 1	56.34
	July 1	54.79
	November 1	51.26
1982:	January 1	49.14
	April 1 <u>2/</u>	46.18

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Source: Secretariat of Oil.

1/ The posted prices for other Jamahiriya crudes may be derived from the price for 40° API crude by adding 6 U.S. cents for each degree of gravity above 40° and deducting 3 U.S. cents for each degree of gravity below 40°.

2/ The posted price has not changed since April 1, 1982.



Table 21. Socialist People's Libyan Arab Jamahiriya:  
Production, Consumption, and Exports of Gas and  
Oil Derivatives, 1979-84

	1979	1980	1981	1982	1983	1984
<u>(In billions of cubic feet)</u>						
Gas produced	828.8	655.2	402.3	430.6	481.6	...
Used	657.4	513.5	324.7	342.0	376.3	...
Flared	171.4	141.7	77.6	88.6	105.3	...
<u>(In millions of barrels)</u>						
Gas processed <u>1/</u>	48.0	33.1	...	...	...	...
LNG	30.9	20.0	...	...	...	...
LPG	3.9	4.0	...	...	...	...
Naphtha	13.2	9.1	...	...	...	...
Gas exported (LNG)	<u>29.6</u> <u>2/</u>	<u>19.0</u> <u>2/</u>	<u>7.9</u>	<u>8.4</u> <u>3/</u>	<u>7.9</u> <u>3/</u>	<u>12.4</u>
<u>(In thousands of metric tons)</u>						
Petrochemical exports						
Methanol	335.4	328.0	300.0	355.4	335.6	282.6
Ammonia	190.0	102.0	32.2	168.8	341.0	160.8
Urea	...	...	...	237.2	313.2	682.5
PVC	...	...	0.02	9.9	32.7	36.3

Sources: Secretariat of Oil and Secretariat of Heavy Industries.

1/ Occidental LPG and Brega LNG plants.

2/ Data converted from British thermal units at 4,348 Btu per barrel.

3/ Data converted from metric tons at 10.4 barrels per metric ton.

Table 22. Socialist People's Libyan Arab Jamahiriya:  
Domestic Production of Petroleum Products, 1979-84 1/

(In thousands of metric tons)

	1979	1980	1981	1982	1983	1984
Natural gas (bottled)	22.5	28.1	19.9	26.0	20.2	22.6
Premium gasoline	386.1	508.1	408.1	477.2	458.4	470.1
Regular gasoline	23.4	17.4	--	3.3	3.2	3.2
Jet fuel <u>2/</u>	114.9	601.4	444.3	638.2	650.2	728.7
Kerosene (treated)	449.6	103.8	89.3	200.2	47.8	39.1
Naphtha (raw)	373.3	376.2	356.4	411.5	393.7	469.9
Gas oil	1,055.5	1,199.1	900.4	1,110.1	1,086.0	1,248.2
Fuel oil	<u>1,902.0</u>	<u>2,228.8</u>	<u>1,853.4</u>	<u>2,520.7</u>	<u>2,334.4</u>	<u>2,694.2</u>
Total	4,327.3	5,062.9	4,071.8	5,387.2	4,993.9	5,676.1

Source: Secretarial of Oil.

1/ Zawiya refinery only.

2/ Kerosene type.

Table 23. Socialist People's Libyan Arab Jamahiriya:  
Consumption of Petroleum Products, 1979-83

(In thousands of metric tons)

	1979 <u>1/</u>	1980 <u>1/</u>	1981	1982	1983
Gasoline	747.9	816.3	901.6	973.2	962.8
Kerosene	254.5	131.9	128.9	75.5	72.3
Jet fuel <u>2/</u>	257.7	334.6	324.2	417.9	406.7
Fuel oil	972.7	1,191.6	1,377.8	1,727.1	1,696.2
Gas oil	1,517.0	1,601.7	1,992.4	2,080.1	2,040.1
LPG	73.5	74.8	98.5	109.3	118.7
Asphalt	223.9	...	...	...	...
Others	<u>41.7</u>	<u>53.1</u>	<u>...</u>	<u>...</u>	<u>64.7</u>
Total	4,088.9	4,204.0	4,823.4	5,383.1	5,361.5

Source: Secretariat of Oil.

1/ Data for 1979 and 1980 converted from barrels to metric tons using the following conversion rates: gasoline, 8.4998; kerosene, 7.7652; fuel oil, 6.6208; gas oil; 7.2296; LPG, 11.6482; asphalt, 6.0478; and others, 6.9118.

2/ Kerosene type.

Table 24. Socialist People's Libyan Arab Jamahiriya:  
Exports of Petroleum Products, 1979-84 1/

(In thousands of metric tons)

	1979	1980	1981	1982	1983	1984
LPG	21.5	27.9	18.8	25.2	19.3	22.0
Premium gasoline	384.2	488.2	390.4	464.7	456.7	474.9
Regular gasoline	26.6	10.8	3.5	2.5	3.2	3.2
Jet fuel <u>2/</u>	30.4	65.1	121.6	174.6	191.8	227.1
Kerosene (treated)	36.8	47.5	41.9	7.3	15.1	2.3
Kerosene (raw)	4.1	4.8	1.4	12.8	2.3	20.9
Gas oil	709.1	846.7	781.9	882.9	895.8	957.7
Fuel oil	<u>454.2</u>	<u>597.1</u>	<u>636.0</u>	<u>736.6</u>	<u>828.7</u>	<u>813.2</u>
Total	1,668.9	2,088.4	1,995.5	2,306.6	2,412.9	2,521.4

Source: Secretariat of Oil.

1/ Zawiya refinery only.

2/ Kerosene type.

Table 25. Socialist People's Libyan Arab Jamahiriya:  
Enrollments in Educational Institutions, 1979/80-1983/84

Academic Year	1979/80	1980/81	1981/82	1982/83	1983/84
Kindergarten	7,650	9,008	10,405	12,493	13,399
Primary	645,186	662,843	698,199	721,710	774,964
Preparatory	208,106	212,140	215,337	228,891	237,248
General secondary	36,541	46,310	53,784	58,865	65,649
Technical	10,776	16,154	17,012	19,500	22,217
Teacher training	30,511	26,988	29,537	30,746	29,480
Universities and higher education	<u>17,006</u>	<u>20,420</u>	<u>26,189</u>	<u>30,479</u>	<u>39,612</u>
Total	955,776	993,863	1,050,463	1,102,684	1,182,569
Population in education (in percent)	30.6	30.6	30.1	29.6	31.7

Source: Secretariat of Planning.

Table 26. Socialist People's Libyan Arab Jamahiriya:  
Food Subsidies, 1979-84 <sup>1/</sup>

(In thousands of Libyan dinars)

	1979	1980	Provisional			
			1981	1982	1983	1984
Wheat	6,585	12,190	9,998	16,605	13,328	18,990
Flour	10,552	25,806	20,080	14,529	17,078	19,674
Sugar	4,722	16,280	12,278	1,127	-1,467	-2,251
Rice	4,337	4,877	7,647	7,247	617	1,373
Olive oil	8,155	20,323	11,396	7,877	7,649	6,010
Other vegetable oils	256	1,161	-97	109	-399	291
Tea	1,345	3,238	2,048	1,635	2,538	5,192
Coffee	1,224	2,036	2,068	943	-890	-825
Tomato paste	-3,661	-3,995	-4,438	-4,831	-5,558	-4,098
Salt	308	242	470	--	1,000	--
Mutton and beef	32,996	50,235	46,000	40,411	23,665	--
Other	<u>653</u>	<u>-2,354</u>	<u>550</u>	<u>1,834</u>	<u>-660</u>	<u>2,210</u>
Total	67,472	130,039	108,000	87,486	56,901	46,566

Source: National Commodity Supply Organization.

<sup>1/</sup> The minus sign indicates operating surpluses.

Table 27. Socialist People's Libyan Arab Jamahiriya: Retail Prices  
of Selected Items in Tripoli, 1980-85

(In Libyan dirhams)

Unit		Jan. 1980	Jan. 1981	Jan. 1982	June	Jan. 1983	June	Jan. 1984	June	Jan. 1985
Mutton	Kilogram	1,500	1,500	1,500	1,500	1,500	1,500	1,800	1,800	1,800
Poultry	Kilogram	800	800	850	1,000	1,200	1,200	1,300	1,300	1,300
Eggs	Dozen	480	450	560	560	640	640	500	340	350
Potatoes	Kilogram	250	150	...	350	430	125	300	350	350
Sugar	Kilogram	50	120	50	120	120	120	120	120	120
Tea, red	Kilogram	760	760	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Coffee	Kilogram	400	400	900	900	1,500	1,500	1,500	1,500	1,500
Olive oil	Liter	400	400	400	400	400	400	400	400	400
Sunflower oil	Liter	220	300	350	350	350	350	350	350	350
Tobacco	20 Cigarettes	100	100	80	100	150	200	250	250	250
Gasoline	Liter	35	70	70	100	100	100	100	100	100
Kerosene	Liter	30	30	30	40	40	40	40	40	40
Gas in cylinder	15 Kilograms	850	850	850	1,000	1,000	1,000	1,000	1,000	1,000
Electricity	Kilowatts	10	10	20	20	20	20	20	20	20

Sources: Census and Statistics Department and National Commodity Supply Organization.

Table 28. Socialist People's Libyan Arab Jamahiriya:  
Population, Labor Force, and Employment, 1979-84

(In thousands)

	1979 <u>1/</u>	1980 <u>1/</u>	1984 <u>2/</u>
Population	<u>3,127.1</u>	<u>3,245.8</u>	<u>3,637.5</u>
Libyan	<u>2,699.1</u>	<u>2,804.6</u>	<u>3,237.2</u>
Non-Libyan	428.0	441.2	400.3
Labor force	<u>789.0</u>	<u>812.8</u>	<u>927.1</u>
Employed, of which:	<u>789.0</u>	<u>812.8</u>	<u>927.1</u>
Foreign labor	(259.4)	(280.0)	(263.1)
Unemployment	(--)	(--)	(--)
Employment by sector	<u>789.0</u>	<u>812.8</u>	<u>927.1</u>
Agriculture, forestry, and fishing	<u>150.1</u>	<u>153.4</u>	<u>171.5</u>
Oil and gas extraction	15.0	13.7	13.0
Mining and quarrying	8.8	9.5	6.0
Manufacturing	52.8	58.0	69.0
Construction	168.8	173.0	197.0
Electricity, gas, and water	17.5	19.7	22.5
Commerce, banking, and insurance	54.4	52.5	68.0
Transportation, communication, and storage	69.4	71.7	80.0
Public administration	70.1	65.0	60.0
Other services <u>3/</u>	182.1	196.3	240.1

Source: Secretariat of Planning.

1/ Estimates.

2/ Provisional data from the 1984 census on population and labor force; sectoral employment estimated.

3/ Includes the education and health sectors.



Table 29. Socialist People's Libyan Arab Jamahiriya: Allocations and Expenditures of the Five-Year Plans, 1976-80 and 1981-85

(In millions of Libyan dinars)

	1976-80			1981-85	
	Initial Allocation	Latest Revised Allocation	Actual Expenditure	Initial Allocation	Latest Revised Allocation
Goods producing sectors	<u>3,006.0</u>	<u>3,691.8</u>	<u>3,251.1</u>	<u>7,230.0</u>	<u>7,313.0</u>
Agriculture	<u>1,226.6</u>	<u>1,856.4</u>	<u>1,679.3</u>	<u>3,110.0</u>	<u>3,105.0</u>
Industry 1/	<u>1,779.4</u>	<u>1,835.4</u>	<u>1,571.8</u>	<u>4,130.0</u>	<u>4,208.0</u>
Economic infrastructure	<u>2,896.0</u>	<u>3,611.9</u>	<u>3,556.6</u>	<u>7,100.0</u>	<u>7,495.1</u>
Electricity	<u>543.6</u>	<u>858.3</u>	<u>929.7</u>	<u>2,000.0</u>	<u>2,000.7</u>
Housing	<u>794.2</u>	<u>954.5</u>	<u>833.9</u>	<u>1,700.0</u>	<u>1,723.5</u>
Municipal projects	<u>552.6</u>	<u>748.1</u>	<u>782.5</u>	<u>1,300.0</u>	<u>1,444.9</u>
Transportation and communication	<u>1,005.6</u>	<u>1,051.0</u>	<u>1,010.5</u>	<u>2,100.0</u>	<u>2,326.0</u>
Social infrastructure	<u>774.9</u>	<u>1,080.3</u>	<u>881.0</u>	<u>1,860.0</u>	<u>1,968.2</u>
Education	<u>470.4</u>	<u>588.6</u>	<u>464.8</u>	<u>1,000.0</u>	<u>1,028.9</u>
Manpower	<u>41.8</u>	<u>57.1</u>	<u>41.6</u>	<u>150.0</u>	<u>150.0</u>
Health	<u>171.4</u>	<u>310.1</u>	<u>267.9</u>	<u>560.0</u>	<u>628.7</u>
Information and culture	<u>91.3</u>	<u>124.5</u>	<u>106.7</u>	<u>150.0</u>	<u>160.6</u>
Other	<u>493.1</u>	<u>429.1</u>	<u>193.9</u>	<u>2,310.0</u>	<u>1,723.7</u>
Total	<u>7,170.0</u>	<u>8,813.1</u>	<u>7,882.6</u>	<u>18,500.0</u>	<u>18,500.0</u>

Source: Secretariat of Planning

1/ Includes allocations for oil and gas projects and for the development of marine resources and nutrition.

Table 30. Socialist People's Libyan Arab Jamahiriya:  
Planned and Actual Growth Rates of Value Added at  
Constant Factor Cost, 1981-85

(In percent)

	Planned 1981-85	Provisional 1981	Provisional 1982	Actual 1983	Actual 1984
Oil sector	<u>-5.9</u>	<u>-36.5</u>	<u>-3.7</u>	<u>-3.2</u>	<u>-10.5</u>
Other sectors	<u>10.3</u>	<u>13.2</u>	<u>-2.8</u>	<u>0.9</u>	<u>3.7</u>
Commodity producing sectors		14.0	-6.3	-4.6	-1.0
Agriculture, forestry, and fishing	(7.4)	(12.8)	(2.2)	(17.0)	(-3.7)
Mining and quarrying	(9.0)	(12.9)	(-13.2)	(-12.3)	(-6.2)
Manufacturing	(22.4)	(7.0)	(15.0)	(5.7)	(20.2)
Electricity, gas, and water	(14.8)	(8.9)	(18.7)	(20.4)	(13.6)
Construction	(12.5)	(16.0)	(-12.9)	(-13.0)	(-8.2)
Distribution and services sectors		20.4	-8.1	-2.7	0.6
Transportation and communication	(8.1)	(20.4)	(-4.2)	(-4.2)	(5.4)
Wholesale and retail trade	(8.0)	(20.4)	(-10.8)	(-1.5)	(0.7)
Other services		8.3	4.0	8.1	7.1
Public services	(5.0)	(9.7)	(7.2)	(9.4)	(9.0)
Education	(8.1)	(3.9)	(6.2)	(6.4)	(5.0)
Health	(10.0)	(12.4)	(10.1)	(12.0)	(9.7)
Banking and insurance	(10.0)	(11.5)	(-10.7)	(5.0)	(5.4)
Ownership of dwellings	(7.1)	(2.6)	(2.5)	(4.9)	(1.9)
Other	(8.1)	(11.2)	(17.1)	(13.5)	(11.0)
Gross domestic product	<u>1.0</u>	<u>-18.8</u>	<u>-3.3</u>	<u>-1.1</u>	<u>-3.7</u>

Source: Secretariat of Planning.

Table 31. Socialist People's Libyan Arab Jamahiriya: Public Revenues, 1979-85

(In millions of Libyan dinars)

	Actual		Provisional Actual				Budget		
	1979	1980	1981	1982	1983	1984	1983	1984	1985
Oil revenues	<u>3,682.2</u>	<u>4,940.0</u>	<u>3,420.0</u>	<u>3,230.0</u>	<u>2,520.0</u>	<u>2,125.0</u>	...	...	...
Non-oil revenues	<u>608.4</u>	<u>849.2</u>	<u>914.6</u>	<u>837.0</u>	<u>928.1</u>	<u>965.2</u>	<u>1,229.2</u>	<u>1,150.2</u>	<u>1,200.0</u>
Customs and excises	<u>276.4</u>	<u>308.0</u>	<u>261.0</u>	<u>197.2</u>	<u>218.7</u>	<u>299.4</u>	<u>525.0</u>	<u>460.0</u>	<u>450.0</u>
Import duties	(258.0)	(273.0)	(...)	(...)	(...)	(...)	(420.0)	(355.0)	(...)
Other <sup>1/</sup>	(18.4)	(35.0)	(...)	(...)	(...)	(...)	(105.0)	(105.0)	(...)
Taxes and duties	<u>219.1</u>	<u>339.2</u>	<u>336.0</u>	<u>398.1</u>	<u>441.4</u>	<u>391.9</u>	<u>350.1</u>	<u>355.3</u>	<u>335.3</u>
Income taxes	(154.0)	(225.0)	(237.4)	(323.0)	(358.1)	(320.9)	(230.0)	(240.0)	(230.0)
Stamp duty	(65.1)	(95.0)	(83.3)	(61.4)	(68.1)	(63.0)	(100.0)	(100.0)	)
Other	(--)	(19.2)	(15.6)	(13.7)	(15.2)	(8.0)	(20.1)	(15.3)	) (90.0)
Receipts for services and miscellaneous receipts <sup>2/</sup>	<u>79.6</u>	<u>154.0</u>	<u>90.0</u>	<u>134.4</u>	<u>149.0</u>	<u>148.3</u>	<u>176.1</u>	<u>156.9</u>	<u>81.8</u>
Transfers from public enterprises <sup>3/</sup>	<u>33.3</u>	<u>48.0</u>	<u>227.3</u>	<u>107.3</u>	<u>119.0</u>	<u>125.6</u> <sup>4/</sup>	<u>178.0</u>	<u>178.0</u>	<u>333.0</u>
Total	<u>4,290.6</u>	<u>5,789.2</u>	<u>4,334.6</u>	<u>4,067.0</u>	<u>3,448.1</u>	<u>3,090.2</u>	...	...	...

Sources: Secretariat of the Treasury and Secretariat of Oil.

<sup>1/</sup> Mainly receipts from taxes on petroleum products and bottled mineral water.<sup>2/</sup> Receipts from real estate registry and notary fees, vehicle registration and drivers' license fees, airport landing and ground fees, port and telephone receipts, harbor receipts, rental of government property, police fees, and government capital transactions.<sup>3/</sup> Mainly profit transfers from the banking and insurance sectors.<sup>4/</sup> Includes transfers from NOC previously included in oil revenues.

Table 32. Socialist People's Libyan Arab Jamahiriya: Administrative Expenditures, 1979-85

(In millions of Libyan dinars)

	Actual		Provisional Actual				Budget		
	1979	1980	1981	1982	1983	1984	1983	1984	1985
General People's Committee <u>1/</u>	3.4	6.2	2.7	2.8	3.2	3.3	5.9	5.6	5.7
Secretariats <u>2/</u>	595.9	740.5	216.2	217.9	250.3	243.7	302.3	298.2	269.5
Justice <u>3/</u>	(66.2)	(64.1)	(10.9)	(11.5)	(12.7)	(12.5)	(13.1)	(13.3)	(15.2)
Health	(114.0)	(146.3)	(30.0)	(30.3)	(34.8)	(25.5)	(42.0)	(45.0)	(49.0)
Agricultural Reclamation and Land Reconstruction <u>4/</u>	(24.1)	(23.0)	(7.4)	(7.5)	(8.6)	(9.8)	(9.8)	(9.4)	(9.7)
Housing	(11.0)	(10.6)	(1.1)	(1.1)	(1.3)	(5.0)	(7.5)	(5.5)	(3.1)
Economy	(1.7)	(2.4)	(1.1)	(1.0)	(--)	(--)	(--)	(--)	(3.3)
Treasury	(10.3)	(10.9)	(2.2)	(2.0)	(2.5)	(3.5)	(7.5)	(6.9)	(5.5)
Light Industry	(4.6)	(5.6)	(2.7)	(2.0)	(3.7)	(2.8)	(4.4)	(3.6)	(--)
Heavy Industry	(--)	(--)	(0.7)	(0.7)	(0.8)	(0.8)	(1.2)	(1.0)	(1.0)
Education	(229.4)	(247.8)	(61.1)	(61.7)	(70.9)	(67.4)	(85.3)	(85.8)	(90.3)
Electricity	(34.3)	(68.2)	(45.2)	(45.7)	(52.5)	(52.4)	(56.6)	(55.9)	(3.9)
Communication and Maritime Transport	(52.8)	(69.1)	(12.4)	(12.5)	(14.4)	(13.0)	(12.0)	(12.5)	(14.5)
Popular Sports <u>5/</u>	(5.8)	(5.4)	(2.2)	(2.3)	(2.6)	(2.5)	(3.5)	(3.0)	(4.0)
Planning	(1.4)	(1.7)	(1.1)	(1.1)	(1.3)	(1.2)	(1.8)	(1.5)	(1.4)
Public Service <u>6/</u>	(5.0)	(4.8)	(1.5)	(1.5)	(1.7)	(1.4)	(1.7)	(1.5)	(1.8)
Social Security	(8.4)	(10.7)	(1.4)	(1.4)	(1.6)	(1.8)	(6.5)	(5.3)	(5.5)
Municipalities/Public Utilities	(2.5)	(31.9)	(0.7)	(0.7)	(0.8)	(0.5)	(4.7)	(3.3)	(0.9)
Information	(3.7)	(16.1)	(17.9)	(18.1)	(20.8)	(24.6)	(22.0)	(22.0)	(20.0)
Foreign affairs	(20.2)	(21.5)	(16.2)	(16.4)	(18.8)	(18.5)	(22.0)	(22.0)	(31.5)
Oil	(0.5)	(0.4)	(0.4)	(0.4)	(0.5)	(0.5)	(0.7)	(0.7)	(0.9)
Power	(--)	(--)	(--)	(--)	(--)	(--)	(--)	(--)	(4.0)
Armed Forces	252.7	322.1	392.0	412.0	456.0	504.0	300.0	340.0	...
Transfers to public sector institutions	56.9	5.3	5.0	5.0	5.8	5.8	9.0	6.4	5.5
Transfers to municipalities	--	--	702.0	791.0	815.0	831.6	841.6	731.0	857.7
Emergencies account	0.5	--	--	--	--	1.0	1.5	1.0	1.5
Miscellaneous	65.3	71.3	32.1	32.4	37.3	55.9	60.0	58.0	60.1
Total	974.7	1,145.4	1,350.0	1,461.0	1,567.6	1,645.3	1,520.3	1,440.2	1,200.0

Source: Secretariat of the Treasury.

1/ Includes Jihad Fund.2/ The accounts of some Secretariats have been adjusted to conform with the administrative reorganization effected in 1979.3/ Includes spending for internal security and police.4/ Includes previous Secretariat of Dams and Water Resources.5/ Previously Youth Affairs.6/ Previously Labor and Civil Service.

Table 33. Socialist People's Libyan Arab Jamahiriya: Development Expenditures, 1979-85

(In millions of Libyan dinars)

	Actual						Budget		
	1979	1980	1981	1982	1983	1984 <sup>1/</sup>	1983	1984	1985
Goods producing sectors	<u>689.5</u>	<u>1,128.4</u>	<u>1,076.0</u>	<u>743.5</u>	<u>727.6</u>	<u>661.9</u>	<u>834.3</u>	<u>746.9</u>	<u>600.0</u>
Agricultural reclamation and land reconstruction <sup>2/</sup>	379.7	489.9	487.5	308.6	252.9	262.3	309.4	306.4	225.0
Light industry <sup>3/</sup>	216.4	173.2	128.5	113.2	70.8	65.0	94.9	85.4	60.0
Heavy industry	--	410.0	402.4	296.5	384.9	316.5	400.0	330.1	300.0
Oil and gas	93.4	55.3	57.6	25.2	19.0	18.1	30.0	25.0	15.0
Economic infrastructure	<u>924.8</u>	<u>1,056.0</u>	<u>1,240.1</u>	<u>1,198.6</u>	<u>1,054.2</u>	<u>873.2</u>	<u>1,143.3</u>	<u>974.2</u>	<u>685.0</u>
Electricity	288.8	328.5	195.4	198.2	222.4	193.5	239.7	212.4	150.0
Housing	167.8	224.0	296.3	230.1	198.0	186.6	217.6	208.2	150.0
Municipal projects <sup>4/</sup>	231.6	113.4	343.4	258.9	255.4	210.8	270.4	221.1	160.0
Communication and maritime transport	236.6	390.1	405.0	511.4	378.4	282.3	415.6	332.5	225.0
Social infrastructure	<u>219.9</u>	<u>248.6</u>	<u>345.7</u>	<u>302.1</u>	<u>230.2</u>	<u>192.8</u>	<u>268.1</u>	<u>237.4</u>	<u>183.0</u>
Education	112.0	137.1	191.7	182.5	133.9	103.8	161.4	138.6	110.0
Manpower	9.6	10.8	15.9	11.8	8.5	9.2	10.3	12.0	10.0
Health	69.8	69.1	115.6	84.0	68.7	64.3	75.8	71.3	50.0
Information and culture <sup>5/</sup>	28.5	31.6	22.5	23.8	19.1	15.5	20.6	15.5	13.0
Other <sup>6/</sup>	<u>34.6</u>	<u>118.6</u>	<u>211.0</u>	<u>121.7</u>	<u>84.3</u>	<u>84.3</u>	<u>124.3</u>	<u>151.5</u>	<u>232.0</u>
Total	<u>1,868.8</u>	<u>2,551.6</u>	<u>2,872.8</u>	<u>2,365.9</u>	<u>2,096.3</u>	<u>1,812.2</u>	<u>2,370.0</u>	<u>2,110.0</u>	<u>1,700.0</u>

Sources: Secretariat of the Treasury and Secretariat of Planning.

<sup>1/</sup> Provisional.<sup>2/</sup> Includes water resources projects previously listed separately.<sup>3/</sup> Includes marine resources and nutrition.<sup>4/</sup> Mainly projects for increasing the availability of drinking water and sewer networks.<sup>5/</sup> Broadcast, television, and other audio services, public libraries, and the arts.<sup>6/</sup> Includes justice (internal security), social security, sports, trading and marketing projects, and other general projects. For details see Appendix Table 34.

Table 34. Socialist People's Libyan Arab Jamahiriya: Details of  
"Other" Development Expenditures, 1979-85

(In millions of Libyan dinars)

	Actual						Budget		
	1979	1980	1981	1982	1983	1984 <u>1/</u>	1983	1984	1985
"Other" development expenditures	<u>34.6</u>	<u>118.6</u>	<u>211.0</u>	<u>121.7</u>	<u>84.3</u>	<u>84.3</u>	<u>124.3</u>	<u>151.5</u>	<u>232.0</u>
Social Security	0.9	6.7	16.1	11.6	7.2	1.5	14.3	6.7	6.0
Sports	18.7	16.7	16.0	24.8	20.1	13.2	20.9	14.0	10.0
Justice Secretariat	5.6	6.4	--	--	--	--	--	--	--
Economy Secretariat	6.4	85.0	170.6	80.4	51.9	40.8	60.5	48.9	30.0
Planning Secretariat	3.0	3.8	8.3	4.9	5.1	12.4	12.0	12.5	6.0
Contingency funds	--	--	--	--	--	16.4	16.6	69.4	180.0

Source: Secretariat of Planning.

1/ Provisional.

Table 35. Socialist People's Libyan Arab Jamahiriya: Monetary Survey, 1978-84

(In millions of Libyan dinars)

End of Period	1978	1979	1980	1981	1982	1983	October	
							1983	1984
Net foreign assets	1,525.8	2,319.3	4,501.2	2,981.3	2,306.3	1,744.5	1,898.0	1,375.8
Foreign assets	(1,573.1)	(2,357.2)	(4,537.2)	(3,063.4)	(2,383.9)	(1,804.6)	(2,024.8)	(1,415.3)
Foreign liabilities	(-47.3)	(-37.9)	(-36.0)	(-82.1)	(-77.6)	(-59.8)	(-126.8)	(-39.5)
Claims on Treasury (net)	822.3	999.4	70.3	749.8	1,120.7	620.7	912.4	1,128.0
Treasury deposits	(-467.3)	(-584.9)	(-1,098.5)	(-977.6)	(-1,029.6)	(-873.0)	(-830.0)	(-1,120.1)
Claims on Treasury	(1,289.6)	(1,584.3)	(1,168.8)	(1,727.4)	(2,150.3)	(1,493.7)	(1,742.4)	(2,248.1)
Claims on other sectors	954.0	1,072.3	1,346.8	2,191.9	2,275.3	2,227.0	2,221.7	2,234.7
Other items (net)	-928.5	-1,191.1	-1,813.7	-1,276.2	-1,396.8	-465.5	-828.6	-553.4
Assets = Liabilities	<u>2,373.6</u>	<u>3,200.0</u>	<u>4,104.6</u>	<u>4,646.8</u>	<u>4,305.5</u>	<u>4,126.7</u>	<u>4,203.5</u>	<u>4,185.1</u>
Money	1,687.8	2,247.4	2,898.9	3,512.1	3,232.3	2,884.4	2,942.2	2,750.4
Currency in circulation	(868.5)	(1,053.7)	(685.7)	(791.1)	(889.9)	(838.2)	(847.1)	(748.7)
Demand deposits	(819.3)	(1,193.7)	(2,213.2)	(2,721.0)	(2,342.4)	(2,046.2)	(2,095.1)	(2,001.7)
Quasi-money	685.8	952.6	1,205.7	1,134.7	1,073.2	1,242.3	1,261.3	1,434.7
Time and savings deposits	(378.3)	(559.9)	(655.9)	(602.1)	(557.3)	(714.6)	(679.3)	(862.8)
Commercial prepayments	(307.6)	(392.7)	(549.8)	(532.6)	(515.9)	(527.7)	(582.0)	(571.9)

Sources: Appendix Tables 36 and 37.

Table 36. Socialist People's Libyan Arab Jamahiriya: Statement of the Central Bank of Libya, 1978-84

(In millions of Libyan dinars)

End of Period	1978	1979	1980	1981	1982	1983	1984	October	
								1983	1984
Foreign assets	1,492.4	2,206.9	4,202.4	2,774.0	2,108.9	1,591.0	1,075.0	1,703.1	1,185.8
Gold	(30.6)	(30.7)	(38.5)	(44.7)	(44.7)	(44.7)	(45.6)	(44.7)	(45.6)
Foreign exchange <u>1/</u>	(1,459.5)	(2,159.7)	(4,108.0)	(2,664.0)	(2,002.4)	(1,487.7)	(958.7)	(1,599.2)	(1,068.4)
Reserve position in IMF	(2.3)	(16.5)	(55.9)	(65.2)	(61.8)	(58.6)	(70.7)	(59.2)	(71.8)
Claims on Treasury <u>2/</u>	1,106.6	1,129.1	340.3	1,191.9	1,825.2	932.3	1,151.3	1,225.9	1,262.6
Claims on other sectors <u>3/</u>	25.4	23.3	21.1	18.0	15.0	12.3	39.0	81.9	39.2
Claims on commercial banks	161.1	180.7	180.7	272.7	272.7	292.7	339.2	272.7	339.2
Unclassified assets	19.2	17.5	46.6	404.5	713.1	1,909.9	2,091.3	1,414.1	1,841.7
Assets = Liabilities	<u>2,804.7</u>	<u>3,557.5</u>	<u>4,791.1</u>	<u>4,661.1</u>	<u>4,934.9</u>	<u>4,738.2</u>	<u>4,695.8</u>	<u>4,697.7</u>	<u>4,668.5</u>
Reserve money	1,355.9	1,793.9	2,297.2	2,166.8	2,261.1	1,798.9	1,718.1	1,761.0	1,694.9
Currency in com- mercial banks	(13.3)	(21.3)	(24.5)	(28.9)	(24.6)	(40.9)	)	(48.9)	(47.5)
Currency outside banks	(868.5)	(1,053.7)	(685.7)	(791.1)	(889.9)	(838.2)	)	(798.1)	(847.1)
Bankers' deposits	(214.1)	(230.2)	(803.9)	(513.4)	(598.6)	(542.2)	(611.9)	(478.5)	(553.1)
Demand deposits <u>4/</u>	(260.0)	(488.7)	(783.1)	(833.4)	(748.0)	(377.6)	(308.1)	(386.5)	(345.6)
Quasi-money liabilities	299.9	334.7	448.0	414.8	462.0	508.5	642.0	524.3	637.9
Time and savings deposits	(166.9)	(184.3)	(227.0)	(188.1)	(202.9)	(239.0)	(287.2)	(229.0)	(284.2)
Commercial prepayments	(133.0)	(150.4)	(221.0)	(226.7)	(259.1)	(269.5)	(354.8)	(295.3)	(353.7)
Treasury deposits <u>5/</u>	425.8	506.7	903.5	778.9	743.2	712.6	719.1	699.9	713.3
Foreign liabilities	1.0	2.4	2.6	6.4	6.8	--	--	--	--
Capital accounts	8.0	8.0	8.0	107.0	165.0	223.0	237.0	223.0	237.0
Unclassified liabilities	714.1	911.8	1,131.8	1,187.2	1,296.8	1,495.2	1,379.6	1,489.5	1,385.4

Source: Based on data provided by the Central Bank of Libya and IMF Data Fund.

1/ Includes SDR holdings.2/ Treasury bonds, securities, advances, and overdrafts.3/ Includes public enterprises and private sector.4/ Almost all belong to public enterprises.5/ Includes Treasury IMF accounts.



Table 37. Socialist People's Libyan Arab Jamahiriya: Consolidated  
Statement of Commercial Banks, 1978-84

(In millions of Libyan dinars)

End of Period	1978	1979	1980	1981	1982	1983	October	
							1983	1984
Reserves	234.0	291.7	875.6	563.1	597.6	595.0	642.9	609.5
Currency	(13.3)	(21.3)	(24.5)	(28.9)	(24.6)	(40.9)	(48.9)	(47.5)
Deposits with Central Bank of Libya	(220.7)	(270.4)	(851.1)	(534.2)	(573.0)	(554.1)	(594.0)	(562.0)
Foreign assets	80.7	150.3	334.8	289.4	275.0	213.6	321.7	229.5
Claims on Treasury <u>1/</u>	183.1	455.2	828.5	535.5	325.1	561.4	516.5	985.5
Claims on other sectors <u>2/</u>	928.6	1,049.0	1,325.7	2,173.9	2,260.3	2,214.7	2,139.8	2,195.5
Unclassified assets	41.2	114.5	137.6	349.5	289.2	270.0	277.8	245.5
Assets = Liabilities	<u>1,467.6</u>	<u>2,060.7</u>	<u>3,502.2</u>	<u>3,911.4</u>	<u>3,747.2</u>	<u>3,854.7</u>	<u>3,898.7</u>	<u>4,265.5</u>
Demand deposits	559.3	705.0	1,430.1	1,887.6	1,594.4	1,668.6	1,708.6	1,656.1
Quasi-money deposits	386.0	617.8	757.7	719.9	611.2	733.8	737.0	796.8
Time and savings deposits	(211.3)	(375.5)	(428.9)	(337.5)	(354.4)	(475.5)	(443.0)	(578.6)
Foreign currency deposits	(0.1)	(0.1)	(--)	(76.5)	(--)	(0.1)	(7.3)	(--)
Commercial prepayments	(174.6)	(242.3)	(328.8)	(305.9)	(256.8)	(258.2)	(286.7)	(218.2)
Treasury deposits	41.5	78.2	195.0	198.7	286.4	160.4	130.1	406.8
Foreign liabilities	46.3	35.5	33.4	75.7	70.8	60.1	126.8	39.5
Credit from Central Bank of Libya	161.1	181.4	180.7	272.7	272.7	292.7	272.7	339.2
Capital accounts	90.5	117.7	148.6	164.3	220.5	237.1	222.1	185.6
Unclassified liabilities	182.9	325.1	756.7	592.5	691.2	702.0	701.4	841.5

Source: Based on data provided by the Central Bank of Libya.

1/ Treasury bonds.

2/ Includes public enterprises and private sector.

Table 38. Socialist People's Libyan Arab Jamahiriya:  
Loans Disbursed by the Agricultural Bank, 1979-84

(In millions of Libyan dinars)

	1979	1980	1981	1982	1983	1984
Short-term loans <u>1/</u>	8.0	2.7	10.6	6.6	3.7	7.6
Medium-term loans	4.0	1.6	3.0	4.6	6.4	4.1
Long-term loans	<u>0.9</u>	<u>0.6</u>	<u>1.2</u>	<u>3.1</u>	<u>1.0</u>	<u>1.0</u>
Total disbursed <u>1/</u>	12.9	4.9	14.8	14.3	11.1	12.7
Loans outstanding at end of period <u>1/</u>	<u>45.1</u>	<u>38.5</u>	<u>46.6</u>	<u>43.3</u>	<u>47.8</u>	<u>46.0</u>

Source: Agricultural Bank.

1/ Includes emergency loans from a special account administered for the Secretariat of Agriculture.

Table 39. Socialist People's Libyan Arab Jamahiriya: Disbursements  
for Loans and Construction Projects by the Savings and Real  
Estate Investment Bank, 1982-84 1/

(In millions of Libyan dinars)

	1982	1983	1984
Housing loans	78.74	39.58	53.61
Construction projects	<u>4.15</u>	<u>0.61</u>	<u>1.41</u>
Total	82.89	40.19	55.08

Source: Savings and Real Estate Investment Bank.

1/ Commenced operations in July 1981.

Table 40. Socialist People's Libyan Arab Jamahiriya: Industrial  
Loans Disbursed by the Development Bank, 1981-84

(In thousands of Libyan dinars)

	1981	1982	1983	1984
Foodstuffs	4,554.8	67.8	135.9	1,553.0
Building materials	1,345.9	400.0	--	75.4
Industrial services (workshops)	17.5	40.5	18.0	27.4
Chemicals and plastics	8.0	--	20.0	51.4
Metal works	1,000.0	30.0	2,282.8	8.5
Traditional industries	--	8.0	--	--
Textile industries	--	--	712.0	--
Others	<u>2,485.0</u>	<u>--</u>	<u>27.7</u>	<u>17.4</u>
Total	9,411.2	546.3	3,196.4	1,733.1

Source: Development Bank.

Table 41. Socialist People's Libyan Arab Jamahiriya:  
Statement of the Libyan Arab Foreign Bank, 1979-84

(In millions of Libyan dinars)

End of Period	1979	1980	1981	1982	1983	1984 <u>1/</u>
Current assets	224.5	374.3	390.4	465.1	525.7	484.2
Cash and short-term balances with banks	(29.6)	(55.0)	(92.4)	(80.1)	(90.6)	(110.1)
Time deposits with banks	(175.4)	(305.5)	(254.9)	(368.1)	(418.1)	(360.9)
Short-term facilities	(19.5)	(13.8)	(43.1)	(16.9)	(17.0)	(13.2)
Noncurrent assets	172.6	195.8	259.3	272.0	264.2	291.9
Investments, loans, and securities	(63.1)	(76.8)	(187.3)	(193.1)	(182.5)	(194.5)
Participations	(103.3)	(111.9)	(47.2)	(54.8)	(61.2)	(74.2)
Other noncurrent assets	(6.2)	(7.1)	(24.8)	(24.1)	(20.4)	(23.2)
Fixed assets	0.2	0.2	0.2	0.2	0.2	0.3
Assets = Liabilities	<u>397.3</u>	<u>570.3</u>	<u>649.9</u>	<u>737.3</u>	<u>790.1</u>	<u>776.4</u>
Current liabilities	240.1	378.9	528.7	593.2	685.9	636.3
Demand deposits	(83.5)	(225.0)	(204.7)	(202.8)	(251.1)	(199.6)
Time deposits	(148.1)	(139.3)	(306.0)	(375.6)	(422.4)	(426.3)
Other current liabilities	(8.5)	(14.6)	(18.0)	(14.8)	(12.4)	(10.4)
Noncurrent liabilities	104.5	143.1	45.1	60.4	13.6	40.4
Share capital and reserves	51.0	45.5	72.0	81.2	88.0	96.8
Shareholders dividend	1.5	2.3	2.3	2.3	2.5	2.5
Retained profit	0.2	0.5	1.8	0.2	0.1	0.4

Source: Libyan Arab Foreign Bank.

1/ Provisional.

Table 42. Socialist People's Libyan Arab Jamahiriya: Balance of Payments, 1979-84

(In millions of Libyan dinars)

	1979	1980	1981	1982	1983	1984 <sup>1/</sup>
1. Merchandise trade	2,175.0	3,419.1	49.7	806.8	998.0	853.1
Exports, f.o.b. <sup>2/</sup>	4,731.1	6,489.2	4,361.1	4,056.2	3,655.7	3,269.1
Oil sector	(4,728.5)	(6,486.4)	(4,359.8)	(4,054.1)	(3,654.2)	(3,267.5)
Other	(2.6)	(2.8)	(1.3)	(2.1)	(1.5)	(1.6)
Imports, f.o.b. <sup>3/</sup>	-2,556.1	-3,070.1	-4,311.4	-3,249.4	-2,657.7	-2,416.0
2. Services and private transfers	-1,041.3	-974.7	-1,200.5	-1,245.5	-1,414.3	-1,082.4
Receipts	168.0	428.2	529.9	305.3	247.9	202.8
Investment income	(125.8)	(379.5)	(481.6)	(256.9)	(200.2)	(153.2)
Other	(42.2)	(48.7)	(48.3)	(48.4)	(47.7)	(49.6)
Payments	-1,209.3	-1,402.9	-1,730.4	-1,550.8	-1,662.2	-1,285.2
Oil sector services and transfers	(-359.8)	(-386.1)	(-323.6)	(-284.8)	(-254.5)	(-241.8)
Freight and insurance	(-284.0)	(-341.1)	(-479.0)	(-361.0)	(-295.3)	(-268.4)
Travel and transportation	(-146.5)	(-182.4)	(-168.0)	(-151.0)	(-215.7)	(-130.0)
Other government services	(-76.2)	(-93.8)	(-99.8)	(-100.8)	(-112.5)	(-98.0)
Remittances of foreign workers	(-246.1)	(-311.5)	(-453.2)	(-466.2)	(-593.6)	(-357.0)
Other	(-96.7)	(-88.0)	(-206.8)	(-187.0)	(-190.6)	(-190.0)
3. Current account balance (1+2)	1,133.7	2,444.4	-1,150.8	-438.7	-416.3	-229.3
4. Capital and official transfers account	-349.3	-267.5	-147.2	-174.0	-91.4	-254.2
Oil sector capital (net)	-162.5	-288.3	-177.0	-78.3	-71.8	-65.4
Other private capital (net)	10.1	96.1	230.2	--	--	--
Official transfers and capital (net)	-196.9	-75.3	-200.4	-95.7	-19.6	-188.8
Official transfers (net)	(-12.8)	(-13.6)	(-22.5)	(-23.0)	(-17.1)	(-17.8)
Foreign investment banks (net)	(-79.3)	(-39.5)	(-72.7)	(-208.5)	(36.7)	(-130.2)
Other loans extended (net)	(-43.1)	(-6.3)	(-117.0)	(110.2)	(9.6)	(9.8)
Subscriptions to international organizations	(-45.2)	(-30.0)	(-35.1)	(--)	(-34.2)	(-35.6)
SDR allocation	(7.4)	(7.5)	(7.6)	(--)	(--)	(--)
Other	(-23.9)	(6.6)	(39.3)	(25.6)	(-14.6)	(-15.0)
5. Total (3+4)	784.4	2,176.9	-1,298.0	-612.7	-507.7	-483.5
6. Net errors and omissions	9.1	5.0	-221.9	-62.3	-54.1	-90.9
7. Overall balance (5+6)	793.5	2,181.9	-1,519.9	-675.0	-561.8	-574.4
8. Reserve movements						
(assets increase-)	-793.5	-2,181.9	1,519.9	675.0	561.8	574.4
Central Bank assets	-713.1	-1,995.3	1,432.2	665.5	511.1	516.0
Commercial banks' assets	-80.4	-186.6	87.7	9.5	50.7	58.4

Sources: Central Bank of Libya and staff estimates.

<sup>1/</sup> Preliminary.<sup>2/</sup> Central Bank of Libya estimates.<sup>3/</sup> Payments basis.

Table 43. Socialist People's Libyan Arab Jamahiriya:  
Composition of Exports, 1979-81 1/

(In percent of total value)

	1979	1980	1981
Crude oil	92.8	95.1	93.3
Kerosene	0.8	)	)
		)	)
Distillate fuels	1.9	) 4.3	) 5.1
		)	)
Residual fuels	2.2	)	)
Natural gas (bottled)	0.4	0.1	0.9
Liquefied natural gas	1.4	0.1	0.3
Other	0.5	0.4	0.4

Source: Census and Statistics Department.

1/ Based on customs statistics which may differ from payments data in both timing and coverage.

Table 44. Socialist People's Libyan Arab Jamahiriya:  
Composition of Imports, 1979-84 1/

(In percent)

	1979	1980	1981	1982	1983	1984 <u>2/</u>
Food and live animals	15.1	16.9	16.3	14.2	14.2	14.2
Beverages and tobacco	0.5	0.5	0.5	0.5	0.5	0.5
Crude materials, inedible, except fuels	1.9	1.8	1.6	1.5	1.5	1.5
Mineral fuels, lubricants, and related materials	0.7	0.6	1.0	1.4	1.5	1.5
Animal and vegetable oils and fats	1.1	1.9	1.3	1.3	1.3	1.5
Chemicals	4.1	5.4	4.5	3.9	3.9	3.7
Manufactures and goods classified chiefly by materials	23.3	24.2	23.8	27.1	30.0	30.0
Machinery and transport equipment	42.5	38.0	38.2	36.8	35.1	34.1
Miscellaneous manufactures	10.8	10.7	12.8	13.3	11.9	12.9

Source: Secretariat of Planning.

1/ Based on customs statistics which may differ from payments data in both timing and coverage.

2/ Preliminary.



Table 45. Socialist People's Libyan Arab Jamahiriya:  
Direction of Trade, 1979-82 <sup>1/</sup>

(In percent of total value)

	1979	1980	1981	1982
Imports				
Arab countries	1.2	0.7	1.2	2.1
Other African countries	0.2	0.2	0.1	0.3
Other Asian countries, of which:	12.8	10.8	11.0	7.7
Japan	(8.9)	(7.5)	(7.6)	(5.3)
European countries, of which:	77.1	78.6	78.0	83.3
France	(8.2)	(6.8)	(6.3)	(5.9)
Germany, Federal Republic of	(14.3)	(13.3)	(10.5)	(15.0)
Greece	(3.0)	(2.0)	(2.0)	(2.1)
Netherlands	(1.7)	(1.9)	(2.1)	(2.1)
Italy	(26.4)	(29.5)	(30.2)	(26.4)
Spain	(2.8)	(4.4)	(3.0)	(3.3)
Turkey	(1.0)	(0.8)	(2.3)	(4.5)
Yugoslavia	(1.3)	(1.2)	(1.6)	(2.1)
United Kingdom	(6.9)	(7.0)	(6.9)	(8.3)
Western Hemisphere countries, of which:	5.9	7.5	7.6	6.6
Canada	(0.1)	(0.6)	(0.6)	(1.9)
United States	(5.3)	(6.3)	(6.3)	(4.4)
Unallocated	2.8	2.2	2.1	--
Exports				
Arab countries	0.9	0.9	0.7	...
Other African countries	0.1	0.1	--	...
Other Asian countries, of which:	0.6	1.5	2.3	...
Japan	(0.5)	(1.4)	(2.1)	(...)
European countries, of which:	57.6	54.3	65.7	...
France	(5.9)	(2.8)	(3.7)	(...)
Germany, Federal Republic of	(14.8)	(12.6)	(10.3)	(...)
Greece	(1.7)	(3.3)	(5.0)	(...)
Italy	(18.0)	(18.5)	(23.8)	(...)
Netherlands	(3.2)	(1.7)	(2.8)	(...)
Romania	(2.0)	(1.9)	(2.0)	(...)
Spain	(5.2)	(4.9)	(6.7)	(...)
Turkey	(1.9)	(3.2)	(5.1)	(...)
Yugoslavia	(0.8)	(1.3)	(1.8)	(...)
Western Hemisphere countries, of which:	38.3	41.5	31.0	...
Brazil	(0.2)	(0.8)	(2.1)	(...)
United States	(34.5)	(35.4)	(27.4)	(...)
Unallocated	2.5	1.7	0.3	...

Sources: Secretariat of Economy and Light Industry and Census and Statistics Department.

<sup>1/</sup> Based on customs statistics which differ from payments data in both timing and coverage.

Table 46. Socialist People's Libyan Arab Jamahiriya: Official Reserves, 1978-84

(In millions of Libyan dinars)

End of Period	1978	1979	1980	1981	1982	1983	1984	October	
								1983	1984
Central Bank of Libya									
Foreign assets	1,492.4	2,206.9	4,202.4	2,774.0	2,108.9	1,591.0	1,075.0	1,703.1	1,185.8
Gold	(30.6)	(30.7)	(38.5)	(44.7)	(44.7)	(44.7)	(45.6)	(44.7)	(45.6)
Reserve position in IMF	(2.3)	(16.5)	(55.9)	(65.2)	(61.8)	(58.6)	(70.7)	(59.2)	(71.8)
Foreign exchange	(1,459.5)	(2,159.7)	(4,108.0)	(2,664.1)	(2,002.4)	(1,487.7)	(958.7)	(1,599.2)	(1,068.4)
Foreign liabilities	-1.0	-2.4	-2.6	-6.4	-6.8	--	--	--	--
Commercial banks									
Foreign assets	80.7	150.3	334.8	289.4	275.0	213.6	...	321.7	229.5
Foreign liabilities	-46.3	-35.5	-33.4	-75.7	-70.8	-60.1	...	-126.8	-39.5
Gross foreign assets	<u>1,573.1</u>	<u>2,357.2</u>	<u>4,537.2</u>	<u>3,063.4</u>	<u>2,383.9</u>	<u>1,804.6</u>	<u>...</u>	<u>2,024.8</u>	<u>1,415.3</u>
Net foreign assets	<u>1,525.8</u>	<u>2,319.3</u>	<u>4,501.2</u>	<u>2,981.3</u>	<u>2,306.3</u>	<u>1,744.5</u>	<u>...</u>	<u>1,898.0</u>	<u>1,375.8</u>

Source: Appendix Tables 36 and 37.

Table 47. Socialist People's Libyan Arab Jamahiriya:  
Exchange Rates, 1979-84

	Effective Exchange Rate <sup>1/2/</sup>		SDR/LD <sup>4/</sup>
	Nominal	Real <sup>3/</sup>	
1979			
Q1	99.4	110.4	2.62
Q2	100.7	107.1	2.65
Q3	97.7	102.9	2.59
Q4	98.2	102.1	2.60
1980			
Q1	98.4	100.0	2.59
Q2	100.0	100.3	2.60
Q3	98.6	98.3	2.56
Q4	103.3	101.8	2.63
1981			
Q1	110.8	107.9	2.72
Q2	121.4	116.9	2.86
Q3	129.8	124.5	2.98
Q4	125.8	119.6	2.91
1982			
Q1	131.5	124.4	2.97
Q2	136.2	128.2	3.02
Q3	143.4	134.4	3.11
Q4	147.3	137.5	3.14
1983			
Q1	145.8	135.9	3.09
Q2	151.7	141.1	3.13
Q3	159.8	148.8	3.20
Q4	163.2	151.3	3.21
1984			
Q1	165.6	153.2	3.22
Q2	166.9	154.6	3.23
Q3	178.3	166.1	3.34
Q4	186.0	173.3	3.40

Source: IMF Data Fund and Fund staff estimates.

<sup>1/</sup> Import weighted.

<sup>2/</sup> 1980 = 100.

<sup>3/</sup> Based on adjusted consumer price index.

<sup>4/</sup> Period average.

Table 48. Socialist People's Libyan Arab Jamahiriya:  
Commodity Budget Allocations, 1982-84

(In millions of Libyan dinars)

	1982 <u>1/</u>	1983	1984
Food materials group	269.6	299.1	310.1
Engineering goods	58.2	187.4	277.9
Building materials	67.1	85.4	83.7
Chemicals	32.0	24.7	33.2
Agricultural sector	--	141.8	118.7
Health sector	--	41.0	40.7
Communication, electricity, and oil	--	115.4	97.7
Handicrafts and small industries	20.0	20.0	20.0
Light industries	103.2	332.2	318.1
Heavy industries	30.4	148.0	169.5
Miscellaneous	47.0	163.7	199.1

Source: Secretariat of Economy and Light Industries.

1/ For the period April-December.

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