



# LIBYA

## A COMMANDING PRESENCE ON THE WORLD STAGE

Already one of Africa's leading oil producers and Europe's single largest supplier, Libya – with its promising natural gas potential, plus a favourable geographic location and improving investment climate – is a country on the verge of making a significant return to the international arena. TONY PARK visits the nation to report on BP's largest ever exploration agreement with the National Oil Corporation, and discovers a people filled with anticipation.

PHOTOGRAPHY BY SIMON KREITEM



**Old and new:** young Libyans relax at the ancient theatre of Leptis Magna – a World Heritage site built by the Romans.

To call Leptis Magna a ruin does not do it justice. The sprawling, World Heritage-listed Roman port city is proof of Libya's strategic and geographic significance, and its legacy over two millennia of international trade. It was ancient Rome's gateway to Africa – a logical crossroads for traffic from the wild interior of the south, the Arab world to the east, and the land of gladiatorial games across the water.

Today, though, there is not a soul in sight at Libya's premier tourist attraction and for a while I feel like Indiana Jones stumbling upon an ancient, untouched city for the first time. Later, a Libyan family – their clothing a mix of traditional and western styles – passes by, posing proudly for photos en route to their picnic destination.

Driving westwards, back to Tripoli, silhouettes in front of a dust-reddened sunset give further clues to Libya's identity. Jars of local honey on a roadside stall glow like amber street lights, slowing us to a rural pace; a cement factory adds to the haze; an oil tanker driver, kneeling on the verge beside his parked rig, answers the call to prayer; camels smile from their pen. The horizon boasts more construction cranes than palm trees.

It takes me a while to work out what it is that makes Tripoli so different from any other city I've visited. It's not what's there, but rather what's not – advertising. There are small, regulation-size signs above the

burgeoning number of shopfronts, but no neon, no huge billboards – at least not for fast food or the latest must-have western consumables.

There is only one real brand in Libya. Every shop, public building and street corner seems to carry an image of the leader of Libya's Al Fatah revolution, Colonel Muammar Al-Qathafi, or a quotation from his Green Book.

And there are green flags. A veritable forest of them. We're in Libya in time for the annual celebrations of the revolution and the number 38 is displayed prominently around the country too, signifying the number of years since an ambitious young army colonel deposed the country's monarch, King Idris.

Libya's full title is The Great Socialist People's Libyan Arab Jamahiriya. Jamahiriya, or 'state of the masses', is a system of governance by a collection of people's committees and a people's congress. There is no party politics and no

formal head of state; Colonel Qathafi has the title of 'Leader of the Revolution'. To many outsiders who have never visited, Libya simply is its leader.

But history gives more clues to the nation's character. In its time, Libya has been ruled by the Phoenicians, Carthaginians, Romans, Byzantines, Ottoman Turks and Italians. Until oil was discovered in 1959, eight years after the country's independence from Italy, Libya was a poor country, even by African standards. Now, it is Europe's number one oil supplier, Africa's third largest oil producer and its per-capita income is among the continent's highest.

It is Libya's recent history, however, with which many outsiders are most familiar: the bombing raids by the US in 1986 that the US claimed were in response to Libya's involvement in an explosion at a Berlin discotheque earlier that year; the Lockerbie bombing at Christmas, 1988; the downing of a French airliner in 1989; and the imposition of United Nations (UN) sanctions from 1992.

Sanctions were finally suspended in 1999 after Libya handed over two men suspected in the Lockerbie bombing for trial. From that point on, relations between Libya and the west steadily improved. This process of 'normalisation' accelerated following Libya's decision to voluntarily turn its back on any involvement with weapons of mass destruction.

These policy decisions are unlocking the door to the benefits of international



reengagement – including its election to join the UN Security Council for the next two years. According to Britain’s Ambassador to Libya, Vincent Fean: “The image of Libya has improved beyond all recognition in the past 10 years. When Mr Blair [former British prime minister] was here in May, he praised Libya’s engagement with Africa and said that the bilateral relationship was transformed. I would apply that to Libya’s relationships with all its key partners. There is a genuine opening by Libya to the wider world, which is commendable, and enables the UK to work more closely with the Jamahiriya. It is a partnership of mutual benefit, based on mutual respect.”

I’ve come to this sizeable country of 1.7 million sq km (655,000 sq miles) – most of it desert – laden with preconceptions, but I’m pleased to hear I’m not alone.

“When you talk to people outside about Libya, Lockerbie is often the first thing they think of – terrorism. In actual fact, it’s probably one of the safest places I’ve been to with BP,” says BP Libya’s business support manager, Ian McGregor.

“Initially, most people ask about security. They think it’s very unsafe, or there are a lot of army and guns everywhere. To be honest, it’s the absolute opposite.”

For now, the new BP office, located in a quiet Tripoli suburb, is relatively small, with a Libyan staff of 14 and an expat contingent of five. That’s set to change.

In May 2007, the chairman of Libya’s National Oil Corporation, Dr Shokri Ghanem, and BP group chief executive

Tony Hayward signed an historic \$1.25 billion exploration and production agreement. Not only was it BP’s biggest exploration deal of its kind, it also represented the largest award of acreage by Libya in a single agreement.

Finalised in the presence of the Libyan and UK Prime Ministers, Dr Baghdadi Al-Mahmoudi and Tony Blair, alongside BP’s chairman, Peter Sutherland, the agreement granted BP and its partner, the Libyan Investment Corporation (LIC), the rights to explore 54,000 sq km (21,000 sq miles) – both onshore near the historic desert city of Ghadames, and offshore in the Gulf of Sirt. Exploring for large accumulations of natural gas is the primary objective, but oil may also be encountered.

Speaking at the signing, Hayward hailed the agreement as the start of an enduring and mutually beneficial partnership, which will allow BP and Libya to deliver on their aspirations for growth. “With its potentially large resources of gas, favourable geographic location and improving investment climate, Libya has an enormous opportunity to be a source of future energy for the world.”

These are certainly views shared by Dr Ghanem. “The agreement shows the interest of large companies; the importance of Libya as a promising place for more discoveries; as a valuable partner; and as a stable country.

“We were very satisfied that after long discussions, we were able to reach an agreement we can brand as a ‘win-win’ for »



**Logical crossroads:** Libya sits between the African continent to its south and west, Europe to its north and the Middle East to its east (far left). Honey is sold by the side of the road (middle), while flags featuring Colonel Qathafi hang in the streets (left). Above, a new shopping mall is a modern testimony to Libya’s trading heritage.



Education and training

## Investing in the future

Libya's oil and gas industry is not unlike the virtually intact ancient Roman theatre at Sabratha, on the coast west of Tripoli – it could host a show tomorrow, but performance technology's come a long way since it was built.

The nation's education and technical training system, like its industries, is still feeling the effects of sanctions, but, as part of its agreement, BP is investing \$50 million – regardless of exploration success – to help accelerate Libya's creation of new learning opportunities.

"The technology that is used in some of the [oil] fields is from the 1970s," explains Larry Lens, BP Libya's education and training manager.

Lens says the funding will be allocated to technician and operator training, professional development, general and higher education and supplier training.

The Libyan Petroleum Institute (LPI) – the research, development and training arm of the National Oil Corporation – will use a portion of the funding to introduce distance masters degrees in petroleum engineering, drilling and geoscience. Over

time, courses could be introduced covering the whole suite of disciplines needed by the industry, including legal, finance, economics and human resources.

LPI general manager Dr Bourima Belgasem says there's a need to inject an international flavour into the institute's existing courses, to plan for the future.

"We know that oil will come to an end eventually, but knowledge cannot be consumed in the future," Belgasem says. "Hopefully, with international support and industry participation, we can fill, or at least narrow, the gap between our institute and our international counterparts.

"In the oil industry in particular and the country in general, we send a lot of people outside [of Libya to study], but this is not enough. What we need is to establish local capability and link it with international support and education."

On a tour of the institute's lecture rooms and library, the LPI school manager, Dr Khaled Kreddan, says that instead of sending 10 or 15 students abroad each year for higher education, he'd like to train two or three times that number here in Libya.

"We need to join hands," he says.

Around the corner at the Petroleum Training and Qualifying Institute, more than 600 boys aged between 15 and 18 are starting their first day of a three-year training course in trades needed by the oil and gas industry, including mechanics, electronics, automation and processing. A major focus of BP's funding is to help bring their qualifications – and those of a further 600 at the Specific Training Centre at the nearby Azzawiya refinery – up to international standards, to create new regional centres of expertise.

**"We are all going to need a lot of qualified people over the next 20 to 50 years. This is for the future of the nation, having skills that remain in the country for the benefit of the country."**

**Larry Lens**

**New horizons:** the new five-star Corinthia Hotel (far left) is just one sign of the construction going on in Tripoli, although Libya still celebrates its roots in industries such as pottery (left). Right, the Petroleum Technical and Qualifying Institute is set to benefit from some of the investment BP is making in the country.

Libya and for BP, from which our country stands to gain a lot.

“Our proximity to Europe, our encouraging regulations and our promising blocks mean the future is bright for investment in Libya. With the removal of sanctions, transparent regulations and open bidding, we are attracting competition from companies from north, south, east and west – from the US, Europe, southeast Asia, China and India. We are like the Olympic Games – and may the best win.”

BP’s new agreement is built on a history of success in Libya. Before it left in 1974, BP discovered the country’s two largest oil fields. The company now brings new expertise to Libya, namely deepwater exploration – gained in the Gulf of Mexico and off the coasts of Angola and Egypt – and success, particularly in North America and Algeria, in finding ‘tight gas’ –



deposits trapped in rock formations of very low permeability.

BP’s partner in the new agreement, the LIC, will have a 15% stake in whatever is discovered. The LIC is an umbrella organisation, overseeing several government investment funds, covering socio-economic development and long-term projects, such as oil and gas exploration.

Under the terms of the deal, BP will also spend \$50 million on education and training for Libyan professionals during the exploration and appraisal period, regardless of exploration success. If it does find what it’s looking for, there’s a further \$50 million in the offing once production starts.

BP North Africa chief executive Felipe Posada says the Libyan agreement allows BP to demonstrate what it truly excels at – exploration. “We have a shared

ambition with Libya to develop this opportunity,” he says.

Ian Smale, group vice president for strategy, shared many ‘cups of tea’ during discussions to conclude the agreement in his previous role as chief executive of BP North Africa. “There’s a sense of partnership based on a fair commercial deal. The negotiations were complicated and keenly fought, but, at all times, constructive and honourable.”

Libya’s partnership with BP is further evidence of the country’s ambitious plans to increase its resources through exploration of the vast and largely under-explored hydrocarbon basins. Since sanctions were lifted, and under Dr Ghanem’s guidance, the National Oil Corporation has concluded an agreement with Shell and conducted three successful and highly competitive exploration bidding rounds. Exploration commitments on more than 350,000 sq km (135,000 sq miles) have been made by the whole industry. BP’s commitment is more than four times the total of all the other projects combined. This ambitious pursuit of growth through new hydrocarbon resources has positioned Libya as a significant contributor to replenishing the global supply of hydrocarbons.

Back in the country’s capital, visitors are welcomed quietly. A pleasant onshore

There is huge enthusiasm for English language teaching, too, which had been interrupted during the sanctions period. BP will assist in this area as well.

The one message I hear loud and clear from many in Libya is that its people value education – and are hungry for more. Across town at Tripoli’s Al-Fatah University, young women jostle each other to get their applications for study in on time.

“We need some kind of contribution like this,” says 23-year-old geology student Souhaid, of BP’s funding package. “We don’t have the experience – we’re struggling with the language, we need to see more technology, more advanced things.”

Back at BP’s headquarters, Lens says the company’s investment in education and training – including courses for small-to-medium-sized Libyan suppliers – will be a win for the entire industry and a win for Libya.

“We are all going to need a lot of qualified people over the next 20 to 30 years. This is for the future of the nation, having skills that remain in the country for the benefit of the country,” he says.



**Valued education:** young women at Tripoli’s Al-Fatah University queue up to hand in their application forms.

# Libya



breeze off the Mediterranean keeps the desert's heat at bay and makes walking a pleasure rather than a work-out.

Strolling through the old city, a couple of foreigners are neither reviled nor revered. Our presence is simply acknowledged with a quiet 'Salaam' or a polite nod, like any other local in the narrow alleys of the souk. There's no hassle, no hard sell – at all.

Even crossing the four lanes of traffic bordering the focal Green Square is relatively safe – there are no traffic lights or marked crossings, but cars slow courteously for people and there's a distinct lack of hooting.

In the early mornings and late afternoons, when the sun allows for hard work, the city pulses with the sound of excavators and jackhammers. Things are changing here, fast.

Our hotel, the new Corinthia, the strikingly-arched modern Al Fatah office tower, and the Dhat el Imad office complex dominate the low-rise Tripoli skyline, but not for long, judging by the signs fronting a number of major construction sites. Work has begun on a new international airport, and travel on the outskirts of the city is slowed while commuters await the construction of new dual carriageways.

**I**ain Colledge, head teacher of Tripoli's British School, has seen his student numbers double to 125 in the three years he's been in Libya, which have coincided with the reopening of the country to foreign investment.

"You can see the changes – the new buildings going up, the new shops coming in. I've never seen a place transform in front of my eyes like this, ever," he says. It's still a few steps behind Colledge's last posting, Bahrain, in the glitz stakes, and he wants it to stay that way, for a while longer. "I want to know I'm in Libya, not somewhere else."

Colledge tries to help me with something that's still puzzling me – what exactly is the character of Libya and its people?

"It's a third African, a third Middle Eastern, and a third Mediterranean," he ventures.

As dusk settles, an imam calls the faithful to prayer. Some heed it, others promenade past Italian colonial-era buildings. Later, as



we tuck into a mixed grill of kebabs, washed down with alcohol-free beer in the open-air Al Saraya restaurant, the businessman next to us draws fruit-scented smoke from a shisha pipe while he taps away on his laptop.

Next day, I learn Lena BenSaoud is getting married. The bubbly 32-year-old BP Libya human resources adviser allows Simon, the photographer, to accompany her, her mother and best friend as they shop for her wedding dress. She gives us her own version of what it is to be Libyan.

"I grew up in an international school [in Switzerland]. We had a cultural week when each student would describe where they came from. Of course, I was the only Libyan. I always had difficulties convincing people that we don't live in tents," she grins.

"When I watched the news overseas, they never showed pictures of the real Libya – the people, the streets. It was either Leptis Magna and other archaeological sites, or you'd see Colonel Qathafi in his tent. We do have cars. We don't go around on camels!"

She says things have changed for

women in Libya in recent years. "When I first came back here, I couldn't find a restaurant to go to with a bunch of my girlfriends because [men] would look at us weirdly. They weren't used to it, but now, it's an everyday thing.

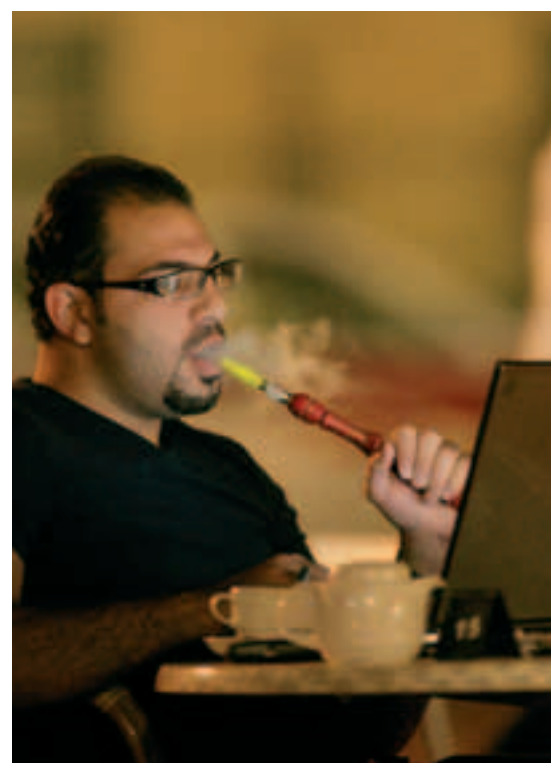
**“W**omen work in Libya. It's never been a taboo. I have a lot of friends who are married, who have successful careers, who have children and they're supported by their husbands and families, which is not very common in some other Arab countries. We can do anything we want. The society's not as closed as people think.”

There are thousands of kilometres of Mediterranean waterfront between Tripoli and Tobruk far to the east, near the Egyptian border. The beach is a focal point for family gatherings on weekends. Young boys dive and splash around the docks, while a ship unloads gleaming new pick-ups.

I'm not sure that a visit to an equestrian meeting on the outskirts of Tripoli is going



**Leaping forward:** horses and men take part in traditional races just outside Tripoli (left), while signs of new construction are everywhere (far left). Above, fishermen bring in their latest catch. Below, BP employee Lena BenSaoud shops for her wedding dress. Far below, a Libyan man enjoys a traditional shisha pipe as he works on his laptop.



to show me the ‘real’ Libya, but it turns into one of the most exciting spectacles I’ve ever witnessed.

With the precision of an international showjumping competition on a rough field of sand, a line of traditional horsemen line up abreast. They’re dressed in white robes, their mounts adorned with saddles and harnesses decorated in silk and silver. Curious, I join the growing throng of spectators who amble along behind the riders.

Men and boys in traditional dress watch the horses and riders with an admiration bordering on longing for some ancestral ideal. So, too, do the numerous boy racers in their t-shirts and jeans, whose cars are parked (sometimes stuck) amidst several thousand animals, owners and breeders, who’ve gathered for the revolutionary week event.

When the horsemen reach the far end of the field, they suddenly turn as one and break into a gallop. A race is on – and it’s coming straight at me. Along with the rest

of the crowd, I run for the safety of the sidelines.

This type of racing (and running away) is a feature at traditional weddings and the second most popular spectator sport after football. There’s a wild edge here I haven’t detected in the laid-back, Mediterranean tea and coffee culture of downtown Tripoli.

Libya is at an exciting crossroads – in time as well as geography, no doubt about it.

Back at the office, when I tell BenSaoud I’ve neither experienced nor witnessed any animosity in Libya towards the west, or westerners, she shrugs in agreement: “Libyans know the difference between people and politics.” **BPM**

#### Writer biography >

**TONY PARK** is a freelance writer, who has contributed to magazines and national newspapers in Australia, the UK and South Africa. He is also the author of four novels, all set in Africa.