



Libyan British Business Council

*"Building Business Bridges with Libya"*

[www.lbbc.org.uk](http://www.lbbc.org.uk)

**LBBC Secretariat**

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**CATERING EQUIPMENT EXPORTERS CONFERENCE**

**London 17 January 2008**

*Libya Takes Off*

*Sir Richard Dalton*

**THE BACKGROUND**

- Population 6m and 1m foreigners, growing at 2.4%, some 30% under 20
- Unemployment 20-30% (officially 15%)
- Hydrocarbons are high value – low employment. Currently distribution, and services are low in value, but have high potential for employment
- Growth rate 7% expected in 2008 and beyond
- GDP per capita over \$13,000
- Official reserves: \$100 billion plus
- Libya has decided to spend for current and future generations, though problems of capacity are considerable
- The State dominates the economy, but the Private Sector is growing and is being encouraged
- UK goods and services welcomed and have a good reputation
- Local banking and financial services have a long way to go
- Relations with the have UK improved and developed since Diplomatic Relations restored in 1999
- Don't leave getting into Libya too late

**SECTORS LOOKING FOR CATERING EQUIPMENT**

- 1. Oil and Gas Development support services:** work camps for many of the 35 IOCs operating in Libya. New mega-projects, eg Petrochemicals in Ras Lanuf (Dow chemical)
- 2. Education and Training:** eg 7 new universities (Office for the Development of Administrative Centres - Design Contract won by MDB), renewing schools and universities, including Al Fatih in Tripoli
- 3. New Travel and Tourism Projects:** eg Tripoli Intercontinental (CCC), Al Fao Tourism Project (UAE investors), Green Mountain Project (Norman Foster), Tripoli Marina (Tatanaki family)
- 4. New infrastructure** eg regional airports, recreation facilities for new expat and Libyan housing projects, such as Palm City Janzur, the Green City Project at Garabuli
- 5. Renovation of existing infrastructure:** eg commissioning the Benghazi General Hospital, ports, Tripoli airport, possibly barracks



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**LEGAL FRAMEWORK**

You must have a local agent. It's the law and there are advantages in navigating local hurdles. Libyan Businessmen Council willing to help recommend businesses active in the field.

Catering itself is an area excluded from the list of business open to foreign entities

**THE BASICS FOR GOOD BUSINESS**

**1. As elsewhere.....**

- Good product or service they want
- Choose right local partner : caution, lots of new entrants in Libya making big claims
- Get a good lawyer
- Use local knowledge : UKTI and British Business Group
- Be in it for the long term
- Persistence and personal relationships are the keys to success.

**2. Issues to watch out for in individual transactions**

***Authority***

Public Sector : Who has the authority ? Planning and Budgeting : is your project covered? Limits to delegation in the public sector. Make sure you understand the decision making process

Dominance of the leader's wishes and decisions : not always clear what they are or that his is yet a full stake-holder in reform. Has to keep a balance in the system with opponents of reform.

Committees everywhere. Will slow things up. There are frequent changes in the rules under which business operates, often with little or no notice.

***THEIR Business Culture***

Business is still not straightforward and continues to be marked by a lack of transparency. Information, whether statistics, data about institutions, contact information or anything else, remains hard to find.



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***Manner :***

Looking for trust, wholeheartedness. Libyans value commitment, and frequently do business with the same company for many years in a relationship which can become more like friendship than business.

Preference for friendships, seeing the same faces

***Their Priorities :***

Human resource development

Jobs for Libyans

***YOUR Business Culture***

Look for their logic

Don't underestimate them.

Go through the front door. Do not attempt to circumvent bidding processes by finding special sources of patronage. This option will backfire the vast majority of the time. Personal contact and trust are the foundation stone.

***Payment Issues***

Indifferent record. Structure in such a way that payment is so far as possible in advance.

***Timescale***

Unpredictable, Usually no atmosphere of hurry, at other times, the opposite. Delays, Time Management/be prepared for sharp changes. Be patient.