



USAID
FROM THE AMERICAN PEOPLE

LIBYA MARKET SPOTLIGHT

Current Situation

Pre-war, Libya leveraged its abundant oil and gas resources, agricultural and industrial developments, and its strategic geographical location to attract investment and fuel economic growth. Though the country's investment opportunities are currently hampered by conflict and political instability, USAID and other international partners are working closely with the Libyan Government, community associations, and local businesses to address these challenges and lay the groundwork for stability and a return to economic growth. Libya is a challenging investment climate, however, evaluating opportunities now could pay future dividends with opportunities to bring Libya's abundant natural resources back online, rebuild its infrastructure, restart investment in economic diversification, and sell products and services to its severely underserved consumer market. As Libya and its partners continue to invest in stabilization, foreign companies and investors can already take advantage of new government incentives to

diversify the local economy, including investments in industrial and agricultural developments, provision of health, water, and education services, and in anticipation of a return of tourism.

USAID's Role

Since the fall of Gaddafi's regime in 2011, USAID has worked closely with the Libyan Government, as well as local communities, companies, and investors to advance peace, prosperity, and with it, a return to economic growth. Towards this objective, the USAID Mission to Libya collaborates with a range of actors and stakeholders, including large multinational corporations, investors, local businesses, community associations, and health and education service providers. The Mission's current focus is to collaborate with these actors and stakeholders to maintain access to basic goods and services; assist enterprises to grow and access financing; preserve institutions; and promote peace and stability amid the on-going conflict. Together, these actions are designed to lay the groundwork for post-conflict rapid economic growth.

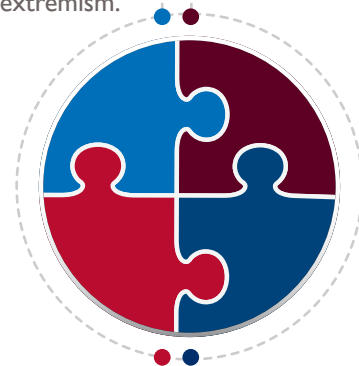
Snapshot: How We Engage

STABILIZER

USAID supports community-led initiatives to promote stronger links between government institutions and citizens, including improved service delivery of reliable and affordable sources of power—an essential step toward stabilizing Libya's economy, improving its security, and countering the threat of violent extremism.

CONDUCTOR

USAID is building the entrepreneurship ecosystem through incubating and providing capital to emerging enterprises and building business networks.



DEVELOPER

USAID has supported the development of over 121 infrastructure projects in Kikla, Benghazi, Ubari, Sebha, Sirt, Beni Walid, and Tripoli.

FACILITATOR

USAID facilitates dialogue among communities, local businesses, and government officials to improve public resource management and the delivery of basic services.

TOP REASONS TO KEEP AN EYE ON LIBYA

- 1. Trade Hub Potential:** Libya's trade hub potential is immense due to its long coastline and geographic location between Europe, Africa, and the Gulf Region. A US firm is currently building North Africa's largest automated deep-sea port near the city of Susah, Libya. When completed in 2022, the port will be a crossroads in Africa for mainline cargo vessels traveling to and from Asia.
- 2. Copious Natural Resources:** Libya holds Africa's largest and the world's ninth largest proven oil reserves and Africa's fifth largest gas reserves. With these resources, a stabilized and democratic Libyan Government has great potential to oversee massive investments in rebuilding infrastructure to support rapid growth and economic diversification.
- 3. Unrealized FDI:** Since the end of the revolution, Libya has focused on incentivizing foreign direct investment (FDI), including tax and customs exemptions for goods produced for export.
- 4. Upcoming Renewable Energy Hotspot:** The Libyan Government is promoting renewable energy to reduce blackouts and meet domestic electricity demand. For example, the city of Misrata has partnered with the U.S.-based IQ Power Inc. to achieve energy independence through solar power.

How USAID Works with Businesses and Investors

USAID/Libya can work with local and international companies and investors in many different ways. USAID supports an improved business enabling environment by assisting the government of Libya in rebuilding important public institutions, resuming critical services and responsibly managing its abundant natural resources. USAID also mitigates risk to private investments, co-invests in rebuilding and upgrading communications, business, and logistics infrastructure, supports the development of local enterprises, and co-creates innovative solutions to stabilize and diversify Libya's economy. USAID/Libya's development programs also include humanitarian assistance, support for community led development and stabilization initiatives, and promotion of democracy and transparency in all levels of government. USAID/Libya and other global USAID and U.S. Government programs such as the Development Finance Corporation (DFC) can also assist its partners with risk mitigation support, deep local expertise, and networks to help navigate business and investment opportunities.

Impact in Libya



Humanitarian Assistance Provided:

In fiscal year 2019, the U.S. Government provided nearly \$31.3 million to address the humanitarian needs of conflict-affected groups throughout Libya. Funds supported health; protection; shelter; water, sanitation, and hygiene (WASH); and other programs for vulnerable populations.



Entrepreneurship Ecosystems Supported:

USAID has awarded seed capital to entrepreneurs across Libya and established a Libyan network of women-owned businesses.



Basic Services Resumed: In response to increased citizen input, USAID assisted municipal councils in removing solid waste, fixing roads, and increasing the supply of water. USAID also supports the government to promote independent regulatory oversight of the electricity sector and investment in renewable energy to meet domestic demand for electricity.



Communities Stabilized: USAID has enhanced Libya's capacity to conduct elections, improved dialogue between citizens and national and local legislatures, and increased advocacy for women and marginalized groups.



EXPLORE PARTNERSHIP OPPORTUNITIES NOW

As a direct result of USAID assistance, GECOL is now connecting significantly more customers to Libya's formal power grid.

“Thanks to the knowledge and experience of the USAID advisors, we have created a roadmap to develop a competitive market that will provide more efficient and reliable power to Libya. This entails comprehensive work from capacity building to change management, training, rules, and legislation.”

GECOL's new roadmap “provides us with a path to become one of the main drivers of the Libyan economy and to attract investors so that we can provide reliable electricity to people in every city of Libya.”

DR. MAHMUD ELWERFELLI
DIRECTOR OF PLANNING AND STUDIES
General Electricity Company of Libya (GECOL)

If you are interested in doing business in Libya, USAID can help you to connect, invest, and expand your business. Contact USAID today to schedule a meeting to explore the possibilities with partnership and subject matter experts at USAIDLibyaDesk@usaid.gov.