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Dash for Profit in Post-War Libya Carve-Up

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British businesses are scrambling to return to Libya in anticipation of the end to the country's civil war, but they are concerned that European and North American rivals are already stealing a march as a new race to turn a profit out of the war-torn nation begins.

Business leaders with previous experience of making deals in Libya have told *The Independent* that plans are in hand to send a trade mission to Benghazi to meet leaders of the Transitional National Council (TNC).



Figure 1 In this September 1, 2009 photo, Libyan leader Moammar Gaddafi arrives for a military parade in Green Square, Tripoli, Libya.

Lord Trefgarne, a Conservative peer and chair of the Libyan British Business Council, said he hoped to be able to lead a group to the country "by late September, early October". He said: "Any mission would be done in consultation with the TNC and would only be made if adequate security protections were in place. I believe we should be trying to make sure we can get whatever business we can."

After five months of fighting in the world's 12th-largest oil producer, industry figures are acutely aware that billions could be made in the coming years from rebuilding Libya. Immediate focus will fall on the country's oil fields that are currently producing a 10th of the 1.6 million barrels a day that were exported pre-revolution.

There is also intense lobbying for the multibillion-pound reconstruction contracts that are likely to be offered once fighting ends. The Independent conducted a straw poll of more than 20 Western companies with previous business commitments in Libya. None would talk publicly about its plans but many admitted privately that they were keen to return once security allowed.

"It is still too fluid a situation in Libya to be able to say exactly what we are doing," said one official at a company involved in reconstruction efforts in Iraq. "If business goes back to Libya, we will undoubtedly follow."

French and German officials have already begun trade negotiations with the TNC. Britain has a growing "diplomatic" mission within rebel-held Benghazi but no Trade and Investment officials on the ground, leading to concerns among some business leaders that Britain is failing to capitalize on helping the rebels secure regime change. "It's all politics, no commercial stuff," said one businessman with experience in Libya. "I think that's a mistake. We need to be getting down there as soon as possible."

In the years preceding February's revolution, British businesses played a key part in wooing Muammar Gaddafi – part of a wider campaign by Western intelligence agencies to roll back Libya's pariah status in exchange for investment opportunities and co-operation in the fight against violent Islamists.

Sir Mark Allen, a veteran Arabist and deputy head of MI6 who led negotiations with Colonel Gaddafi, was even hired by BP after his retirement to help to secure drilling rights. The oil giant is the only big British company to state publicly that it plans to return to Libya, but it has no technicians on the ground. The Italian energy giant ENI already has people working with rebels in eastern oil fields.

Although there were early concerns that the opposition forces might punish Britain for its previously favorable approaches to Colonel Gaddafi, TNC officials have indicated they will honor contracts made before the revolution.

Mike Pullen, a partner at DLA Piper and an adviser to the former regime, said there was still goodwill among opposition leaders because of the prominent role Britain had taken in NATO attacks on regime forces. "The TNC will want to deal with people they're used to dealing with, people they understand – and they understand the Brits."

Lord Trefgarne said he believed Britain would not be overshadowed by its competitors. "The success of the French and Italians inside Libya has been somewhat overstated," he said. "We've been dealing with competition from other countries all over the world for decades and I'm fully confident of our ability to do so in Libya."

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