



RESPONSES TO INFORMATION REQUESTS (RIRs)

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19 April 2004

LBY42550.E

Libya: Update to LBY37617.E of 19 September 2001 on the treatment of private business owners and operators, including the issuance of business licenses and the government's role in the issuance process
Research Directorate, Immigration and Refugee Board, Ottawa

Country Reports on Human Rights Practices for 2003 indicates that during 2003, many private business owners and operators were arrested at the state's discretion, and, under the 1994 Purge law, were charged with offences such as corruption, dealing in foreign goods, and funding Islamic fundamentalist groups (25 Feb. 2004, Sec. 1.d). As was the case in 2001 (see LBY37617.E of 19 September 2001), Purification Committees, consisting of military officers and students, which were formed by the government in 1996 to enforce the 1994 Purge Law, continued their activities throughout 2003 (*Country Reports on Human Rights Practices for 2003* 25 Feb. 2004, Sec. 1.f).

News reports in 2002 and 2003 indicated that the Libyan government was taking steps to encourage the development and growth of the private sector in the country (*Al-Sharq Al-Awsat* 8 Oct. 2002; BBC 19 May 2003; *ibid.* 14 June 2003; *Spectator* 10 May 2003; *Middle East Economic Digest* 29 Nov. 2002).

In October 2002, *Al-Sharq Al-Awsat*, a Saudi-owned, Arabic-language, independent daily newspaper that is based in London, reported that Libya was undergoing an economic transformation involving the gradual reduction of the role of the state (8 Oct. 2002). The newspaper also stated that while there were no opportunities for the private sector in the communications area, the government was considering the privatization of two public banks (*Al-Sharq Al-Awsat* 8 Oct. 2002). In an attempt to attract foreign investment, the government also granted special privileges to Arab investors, including entry into the country without a visa, tax and duty exemptions, nearly-free transfer of currency, and residency rights (*ibid.*).

In November 2002, the *Middle East Economic Digest* reported that the government was moving ahead with its plans to sell off state assets and encourage joint ventures between the government and private companies (29 Nov. 2002). The article also quoted Taher Jehaimi, secretary-general of the General Planning Council, who indicated that Libya was in the process of establishing a stock market as a means of encouraging privatization and providing capital (*Middle East Economic Digest* 29 Nov. 2002).

In its publication entitled *The World's Most Repressive Regimes*, Freedom House reported that during 2002 and 2003, Mu'ammar al-Qadhafi, the leader of Libya, was slowly reducing some of the state's controls on the economy (2002, 40; Freedom House 2003, 45). In the 2004 edition of this publication, Freedom House reported that in June 2003, Qadhafi had announced a plan for the privatisation of the economy, which would promote direct investment by foreign companies (*ibid.* 2004, 37).

As a result, the nation's capital city, Tripoli, has turned into a place where businessmen and corporations meet (*Al-Sharq Al-Awsat* 8 Oct. 2002); some of the main commercial district streets in the city have a number of privately-owned shops (BBC 19 May 2003); and according to one news reporter, there is "evidence that private enterprise was being allowed and that there were even Internet cafes which the young used" (*Spectator* 10 May

2003).

A February 2004 news article reported that Libya had announced its intention to privatise 361 state companies (AP 29 Feb. 2004).

The 2004 Index of Economic Freedom stated that:

... Qadhafi continues to tout an economic liberalization program, focused on structural modernization and privatization, in the belief that global economic integration will attract much-needed foreign direct investment and expand economic growth. However, the regime's continued commitment to quasi-Marxist economic theories and hostility to capitalism, as evidenced by bureaucratic red tape, inefficient resource allocation, poor infrastructure, and frequent policy reversals, have slowed reform and resulted in poor economic performance (The Heritage Foundation/Wall Street Journal 2004).

The Index also quotes the Economist Intelligence Unit of the World Bank, which has indicated that

"... [s]ince 1999, private-sector growth has resumed and been given extra impetus by changes in laws on trading and import activities and on the formation of private companies or partnerships. In 2002 the economy and finance ministers, and Sayf al-Islam Qadhafi, a son of Colonel Qadhafi, indicated that the objective now is to transform the economy into a market economy, through liberalisation and privatisation. Little, however, has been instigated thus far..." (ibid.).

Information on the issuance of business licenses and the government's role in the issuance process could not be found among the sources consulted by the Research Directorate.

This Response was prepared after researching publicly accessible information currently available to the Research Directorate within time constraints. This Response is not, and does not purport to be, conclusive as to the merit of any particular claim to refugee protection. Please find below the list of additional sources consulted in researching this Information Request.

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Spectator [UK]. 10 May 2003. Michael Vestey. "Wind of Change." (Dialog)

Additional Sources Consulted

Internet sites, including: European Country of Origin Information Network (ECOI), Office of the United Nations High Commissioner for Refugees (UNHCR), Panapress, Worldnews.


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