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Western Europe and Canada: Economic Links with Libya

Country Sections

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Canada

Economic Relations with Libya

Canada's total trade with Libya (exports plus imports) has averaged only US $110 million annually over the last four years--less than 0.1 percent of overall Canadian trade. Exports fell from $96 million in 1982 to an estimated $56 million in 1985, while imports rose from $18 million to $56 million. Canada's primary exports are wheat--accounting for 35 percent of Libyan wheat imports in the past three years--evaporated milk, and machinery used in the energy sector. Oil accounts for virtually all of Canada's imports from Libya, but this oil supplies less than 1 percent of Canadian oil consumption and could easily be replaced by domestic supplies. The vast majority of the approximately 1300 Canadians in Libya are oil workers from the province of Alberta--where US companies frequently recruit for operations in Libya. [redacted] 25X1

Over recent years, Ottawa has sought to keep Libya at arm's length. It has no permanent diplomatic presence in Libya--Canada's ambassador to Tunisia is also accredited to Libya. Moreover, it has refused to permit the opening of a student liaison office to serve the several hundred Libyan students attending school in Canada. Furthermore, no flight service between Canada and Libya exists, and there is already a quota on the number of Libyan students allowed in Canada. Canada also has imposed controls that prohibit the export of all military goods, as well as such strategic equipment as civilian aircraft. [redacted] 25X1

Canadian Support for US Sanctions

Following President Reagan's announcement of economic sanctions against Libya, an unauthorized statement by a spokesman for Canada's External Affairs Ministry indicated that Ottawa would not join in an economic boycott because Canada's economic stake in Libya was so small that it would have little leverage to exercise through economic sanctions. External Affairs officials, however, did ask firms operating in Libya not to replace departing US personnel.

On 10 January, Prime Minister Mulroney announced new measures after a Cabinet meeting. He stressed that they were Canada's response to a moral issue and were not linked to President Reagan's request. The measures include the following:

-- All government aid to Canadian firms doing business in Libya will be cut off.

-- No insurance coverage will be provided by the Export Development Corporation on new business activities of Canadian companies in Libya.

[redacted] 25X1

-- Libya will be subject to special export control legislation, which will stop new contracts for the export of oil drilling equipment containing unique Western technology. Other products to be covered by this legislation will be determined in consultation with the Allies.

Mulroney again urged Canadians not to fill jobs vacated by departing Americans. External Affairs Minister Clark estimated the measures could lose Canadian firms some $14 million in Libyan business. 25X6

These steps represent a substantial improvement over Ottawa's initial reaction to US sanctions. We think Canada will be reluctant to take further steps, [redacted] In fact, Mulroney, emphasized that further steps must be broadly based and coordinated among the Allies. 25X6 25X6

[redacted] 25X1

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Canada

Data Sheet

Exports to Libya

	1981	1985
Value, $million	61	56
Percent of total exports	.13	.07

Commodity Composition - 1984

	Value	Share of Total(%)
Total Exports	56	.07
Agriculture	30	.32
Raw Materials	0	.02
Fuels	0	.01
Manufactures	26	.06
Chemicals	0	.00
Semi-Finished Goods	0	.00
Machinery	23	.29
Transport Equipment	3	.01
Consumer Goods	1	.02
Other	0	.01

Imports of Oil from Libya[1]

	1981	1985
Gross value, $ million	125	40
Net volume, 1,000 b/d	7	5
Net imports as a share of total oil consumption (%)	0.4	0.4

Workers in Libya

Number: 1,300
Job Categories: Almost all are oil workers.

1 See note at end.

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Canada

(Data Sheet continued)

Arms Deliveries to Libya

	1981	1985
Value, $million	5	0

Investment in Libya

No specific information, probably very small, if any.

Libyan Investment in Canada

No information

Libyan Debt Owed Canada

No information

Major Companies Operating in Libya

No Canadian oil companies are operating in Libya.

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United Kingdom

Economic Relations with Libya

Total British trade with Libya is relatively small--about $600 million in 1985. Britain's main import from Libya is a small amount of oil--about 3 percent of total UK consumption in 1985--which Britain could easily replace from alternative Middle East suppliers. Although London broke diplomatic ties with Tripoli in 1984, imports of Libyan oil doubled last year to about 50,000 b/d. According to the British press, much of this oil is being refined in Britain and re-exported to the US. British exports to Libya have fallen continuously since 1981 and consist mainly of machinery used in oil production. Since April 1984, the Export Credit Guarantee Department has refused to provide insurance for major new contracts in Libya. There currently are approximately 5,000 British nationals working in Libya, mainly in the oil industry. 25X1

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United Kingdom

Data Sheet

Exports to Libya

	1981	1985
Value, $million	1.067	281
Percent of total exports	1.04	.29

Commodity Composition - 1984

	Value	Share of Total(%)
Total Exports	330	.35
Agriculture	21	.32
Raw Materials	1	.02
Fuels	2	.01
Manufactures	303	.50
Chemicals	54	.49
Semi-Finished Goods	59	.61
Machinery	133	.22
Transport Equipment	35	.43
Consumer Goods	22	.22
Other	3	.15

Imports of Oil from Libya[1]

	1981	1985
Gross value, $ million	133	500
Net volume, 1,000 b/d	9	51
Net imports as a share of total oil consumption (%)	.6	3.0

Workers in Libya

Number: 5,000
Job Categories: Mostly oil and construction workers.

1 See note at end.

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United Kingdom

(Data Sheet continued)

Arms Deliveries to Libya

	1981	1985
Value, $million	0	0

London banned new defense sales to Libya in 1984.

Investment in Libya

Most direct investment ended when British Petroleum and other British oil companies left the country in 1969.

Libyan Investment in the United Kingdom

The state-owned Wahda Bank, through its small interest in an Arab bank, owns 29 percent of a British brokerage house. That share will rise to 100 percent next March when new regulations take effect.

Libyan Debt Owed the United Kingdom

About $200 million in outstanding debt. Libya has begun to pay off outstanding bills in the UK owed to commercial firms, hospitals, and universities.

Major Companies Operating in Libya

British companies have been awarded about half of the consultancy contracts for Libya's major civil engineering projects.

Company	Activity
John Brown Offshore	Project manager for Libya's offshore Bouri oil field
The Weir Group Ltd.	Engineering firm; in 1984 sold hydraulic pumps and associated equipment worth more than $1 million to Libya.
Brown and Root, UK	Provides project management services for the Great Man-made River water pipeline.

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United Kingdom

(Data Sheet continued)

Motherwell Bridge Constructors	In 1984, was awarded two contracts involving storage tank projects; work to be carried out by Motherwell's Geneva-based sister company, Cepco.
Tilden Industries	In 1984, was negotiating a $15.2 million contract to supply prefabricated housing equipment to a West German firm operating in Libya.
Occidential Oil and Continental Oil	UK subsidiaries of the American firms have provided services related to the Oasis project for their parent companies.

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Belgium-Luxembourg

Economic Relations with Libya

Belgian-Libyan economic relations are insignificant at the present time. The value of Belgian-Luxembourg exports to Libya has fallen off substantially since the early 1980s and amounted to only about $68 million last year--about 0.1 percent of total exports. Preliminary data indicate that Belgium also dramatically cut back its oil imports from Libya last year, and relied on Libya for less than 1 percent of its oil consumption. [redacted] 25X1

Although an economic, industrial and technological cooperation agreement was signed last May, Brussels is still at loggerheads with Tripoli over a section of the agreement calling for increased bilateral nuclear cooperation, especially in constructuring two nuclear reactors. Qadhafi has threatened to cancel the entire agreement unless Brussels ratifies the nuclear accord. [redacted]

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Belgium-Luxembourg

Data Sheet

Exports to Libya

	1981	1985
Value, $million	383	68
Percent of total exports	1.36	.44

Commodity Composition - 1984

	Value	Share of Total(%)
Total Exports	104	.20
Agriculture	23	.14
Raw Materials	1	.03
Fuels	10	.24
Manufactures	69	.19
Chemicals	8	.11
Semi-Finished Goods	26	.21
Machinery	17	.37
Transport Equipment	18	.30
Consumer Goods	17	.37
Other	2	.05

Imports of Oil from Libya[1]

	1981	1985
Gross value, $ million	101	20
Net volume, 1,000 b/d	2	3
Net imports as a share of total oil consumption (%)	.5	.6

Workers in Libya

Number: negligible
Job Categories: NA

1 See note at end.

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Belgium-Luxembourg

(Data Sheet continued)

Arms Deliveries to Libya

	1981	1985
Value, $million	0	0

Investment in Libya

No information

Libyan Investment in Belgium-Luxembourg

No information

Libyan Debt Owed Belgium-Luxembourg

No information

Major Companies Operating in Libya

Company	Activity
Belgonucleaire	Aided in supplying radiation monitoring unit (1983). Furnished the Tajura Nuclear Research Center Library (1982). Negotiations for supply of nuclear power station (1984).
Agfa-Gevaert NV	Supplies scientific equipment for nuclear program.
Philip's Industrie NV	Technical assistance for electronics R&D Center.
Prodemco Ltd.	Consulting for military projects.
Tractionel Electrobel Engineering	Has projects for power station reservoir and pumping station projects.

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[redacted] 25X1

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The Netherlands

Economic Relations with Libya

Dutch-Libyan economic relations are limited. Dutch exports to Libya have dropped since 1983 to about $140 million last year, or 2 percent of total Dutch exports. Exports consist mainly of agricultural products and technology, construction materials, and chemicals. Primary Dutch imports from Libya are oil and oil products, amounting to roughly $500 million in 1985. Dutch dependence on Libyan oil peaked in 1983 at 14 percent of total oil consumption and fell to 8 percent in 1985. Several Dutch oil companies--including Royal Dutch Shell--currently operate in Libya, employing about 400 Dutch citizens involved in services related to energy exploration. 25X1

Prior to the recent bombings in Vienna and Rome, the US Embassy reported that the Dutch were negotiating an agreement with Libya on trade and investment which The Hague hoped to sign early this year. The agreement is part of an ongoing effort by The Hague to normalize its relations with the Arab world which were disrupted by the 1973-74 embargo. 25X1

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Netherlands

Data Sheet

Exports to Libya

	1981	1985
Value, $million	267	143
Percent of total exports	.39	.22

Commodity Composition - 1984

	Value	Share of Total(%)
Total Exports	186	.28
Agriculture	103	.77
Raw Materials	1	.03
Fuels	8	.06
Manufactures	54	.16
Chemicals	17	.15
Semi-Finished Goods	11	.17
Machinery	13	.16
Transport Equipment	6	.28
Consumer Goods	7	.16
Other	19	5.30

Imports of Oil from Libya[1]

	1981	1985
Gross value, $ million	232	500
Net volume, 1,000 b/d	18	49
Net imports as a share of total oil consumption (%)	2.6	8.5

Workers in Libya

Number: 400
Job Categories: Most are probably oil workers.

1 See note at end.

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Netherlands

(Data Sheet continued)

Arms Deliveries to Libya

	1981	1985
Value, $million	0	0

Investment in Libya

No information

Libyan Investment in the Netherlands

No information

Libyan Debt Owed the Netherlands

Outstanding loans and unpaid bills probably total at least $40 million

Major Companies Operating in Libya

Company	Activity
Royal Dutch Shell	Oil exploration.
Thyssen (subsidiary of Thyssen Brennkraft, GMBH, West Germany)	Oil equipment Sales
Klockner-Humbold & Deputy	Oil exploration

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[redacted] 25X1

France

Economic Relations with Libya

In France's view, the main threat from Libya is Qadhafi's meddling in Chad, not terrorism. Since the Libyan invasion of Chad in 1983, France--while not willing to cut off economic relations entirely--has reduced its economic ties with Libya to the point where they are of minimal importance to the French economy. French officials doubt the utility of economic sanctions and probably want to maintain some access to the Libyan market, both for commercial reasons and to try to preserve some form of influence over Tripoli. [redacted] 25X1

Last year only about 0.2 percent of French exports went to Libya. On the other hand, France is still Libya's sixth largest supplier, down from third place five years ago. France provides equipment and servicing for oil production and large Libyan public works projects such as irrigation and building construction. Approximately 1200 French nationals, including dependents, live in Libya. In 1983 Paris banned further sales of offensive weapons to Tripoli, but continues to fulfill existing contracts for military-related equipment, primarily spare parts and training equipment. French imports from Libya consist almost entirely of petroleum, although this represents less than 3 percent of French oil consumption. French investment in Libya is minuscule, but Libyan arrearages on past contracts total between $65 and $130 million. [redacted] 25X1

Possible Concessions

French officials are unlikely to be moved by US appeals for support in economic sanctions. Quite apart from France's perceptions of its own interests in the Middle East, the important elections due in March have made independence in foreign policy even more of a political touchstone than usual in France. We discount the possibility of France participating in a trade embargo or forcing its nationals to return home. The [redacted] 25X6

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France

Data Sheet

Exports to Libya

	1981	1985
Value, $million	907	220
Percent of total exports	.85	.23

Commodity Composition - 1984

	Value	Share of Total(%)
Total Exports	211	.23
Agriculture	8	.05
Raw Materials	1	.02
Fuels	8	.24
Manufactures	193	.40
Chemicals	26	.20
Semi-Finished Goods	53	.31
Machinery	73	.41
Transport Equipment	29	.21
Consumer Goods	12	.16
Other	0	.05

Imports of Oil from Libya[1]

	1981	1985
Gross value, $ million	502	600
Net volume, 1,000 b/d	33	63
Net imports as a share of total oil consumption (%)	1.6	3.7

Workers in Libya

Number: 1200 (includes family members).
Job Categories: Mostly sales personnel and oil workers.

1 See note at end.

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France

(Data Sheet continued)

Arms Deliveries to Libya

	1981	1985
Value, $million	97	0

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Investment in Libya

No information

Libyan Investment in France

No specific information, but probably very small.

Libyan Debt Owed France

Arrearages probably equal $55 million.

We estimate that the total outstanding debt to France (arrearages, commercial debt) amounts to more than $1 billion.

Major Companies Operating in Libya

Company	Activity
Usinor	Fabricating steel parts for irrigation project.
EMH	Subcontractor to Italian firm building mooring terminal.
Bouygues	University dormitory construction.
Air France	Services aircraft in France.
Spie Batignolles	Construction.

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France

(Data Sheet continued)

Societe Internationale de Dessalement	Desalination.
Elf Aquitaine	Oil services (exploration activities abandoned in 1984).
BBC Brown Boveri-France	Telecommunications.
Dassault	Aircraft parts.
SNECMA	Aircraft parts.
Thomson	Military training equipment.

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West Germany

Economic Relations with Libya

West Germany is the second largest West European exporter to Libya, but its sales represent only about 0.3 percent of total West German exports. At least 30 large West German firms, plus many smaller ones, are known to be dealing with Libya. In addition to merchandise trade, there are press reports citing about $800 million in construction projects currently underway by West German firms. [redacted] 25X1

Libya is West Germany's third largest oil supplier, providing 14 percent of total oil imports. Two-thirds of the Libyan oil is purchased indirectly, however, either on the Rotterdam spot market or from US firms. West Germany would have little difficulty acquiring the oil it needs from other sources. On the other hand, most of West Germany's estimated $110 million in investment in Libya is concentrated in the oil industry. Three West German oil companies operate in Libya; one of them, VEBA, owns 17.5 percent of the former Mobil Oil concession. Most of the 1,500 West Germans in Libya are working for oil firms. [redacted] 25X1

Payments to West German suppliers have slowed because of Libyan financial difficulties, and official export-insurance coverage is strictly limited for West German firms selling to Libya. [redacted] 25X1 25X1 Military 25X1 equipment deliveries--very small over the last few years--are now blocked. [redacted] 25X1

Possible Concessions

Bonn's response to the US decision to impose sanctions on Libya has not been encouraging, although the government's press spokesman commented that the West Germans support the US morally, favor increasing cooperation to combat terrorism, and will discourage West German firms from trying to gain commercial advantage from the US actions. The Kohl government, however, is undoubtedly aware that Washington will expect something more from Bonn, and it will be wary of seeming obstructionist on a matter of such importance to Washington. Moreover, the US Embassy reports a "surprising amount" of public pressure to "do something" about Libya, a tone reflected in much of the press commentary we have seen. In light of this, Bonn may consider taking action in several areas:

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West Germany

Data Sheet

Exports to Libya

	1981	1985
Value, $million	1,486	538
Percent of total exports	.84	.34

Commodity Composition - 1984

	Value	Share of Total(%)
Total Exports	804	.47
Agriculture	46	.48
Raw Materials	3	.06
Fuels	1	.02
Manufactures	576	.40
Chemicals	40	.17
Semi-Finished Goods	168	.56
Machinery	263	.59
Transport Equipment	86	.27
Consumer Goods	19	.13
Other	178[1]	3.23

Imports of Oil from Libya[2]

	1981	1985
Gross value, $ million	3,291	2,100
Net volume, 1,000 b/d	216	203
Net imports as a share of total oil consumption (%)	9.2	9.2

Workers in Libya

Number: 1,500
Job Categories: Mostly oil workers
Some construction workers

1 Of this amount, $173 million is classified in the original German data as "electro-technical products."

2 See note at end.

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West Germany

(Data Sheet continued)

Arms Deliveries to Libya

	1981	1985
Value, $million	15	8

Investment in Libya

Economics Ministry estimates about $110 million; mostly oil investments.

Libyan Investment in West Germany

No important Libyan investment in West Germany although some banking interests.

Libyan Debt Owed West Germany

About $3 billion in outstanding official export insurance. Unpaid bills are a major problem for West German firms dealing with Libya and probably total at least $300 million.

Major Companies Operating in Libya

Company	Activity
VEBA	Owns 17.5 percent of former Mobil Oil concession.
Deminex	Has contract with Tripoli to explore for oil.
Wintershall	Oil production.
Siemens	Installed computer equipment at Tagura nuclear research facility and provided computer training for Libyans in West Germany as well as in Libya.
Blohm and Voss	Floating dry dock.
AEG-Kanis	Power plant projects.
Mannesmann	Engineering for gas pipeline.

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West Germany

(Data Sheet continued)

MAN	Bus assembly plant.
Philipp Holzmann	Desalination plant.
Salzgitter Industriebau	Chemical project.

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[redacted] 25X1

Italy

Economic Relations with Libya

Not surprisingly, Italy's economic ties with its former colony are far more significant than those of any other West European country. Although Italy has taken some encouraging steps this week, its close ties with Libya will be a strong disincentive against full-fledged sanctions.

-- Although trade between the two countries has dropped sharply since 1981, total trade amounted to $4.3 billion in 1985 and Libya was Italy's ninth largest trading partner. Libya provides about 15 percent of Italy's oil imports.

-- About 150 Italian companies, many of them government-controlled, have invested in Libya; they are led by the state-owned oil firm, AGIP, whose stake was estimated at $700 million in 1984. Last year the company increased its interest in the Libyan oil industry by purchasing a 19-percent interest in the Bauri offshore oilfield.

-- Libya also has invested heavily in Italy: the Libyan Arab Foreign Investment bank owns 13.8 percent of Fiat, worth an estimated $225 million, and Libya has recently bought the Tamoil Oil Refinery in northern Italy; Libyans own large amounts of real estate in Italy.

-- Over 15,000 Italians in Libya provide important technical support for Qadhafi's oil industry, harbor construction projects, and military training. Italian firms have done billions of dollars worth of construction work in Libya over the past few years. [redacted] 25X1

[redacted] 25X1

Italy has also been a major supplier of arms to Libya in the past but embargoed new military contracts for "dangerous" arms in 1981. In response to the terrorist attacks on the Rome and Vienna airports in December, the Italian Cabinet announced on 9 January "more strict criteria" for selling military supplies to Libya. And on 10 January, Prime Minister Craxi's diplomatic advisor told the US Embassy that this will mean an across-the-board halt to arms deliveries. He also said that Italy would act strongly against firms that sought to undercut the US by providing replacement services; state owned companies will be ordered not to do so, and private companies will be subjected to moral suasion. [redacted] 25X1

[redacted] 25X1

From the Italian perspective, one of the most important aspects of the bilateral relationship is that Libya has been $800 million in arrears to Italian companies since early 1982. Italy

[redacted] 25X1

[redacted] 25X1

has reluctantly agreed to accept payment in oil, but Tripoli is holding up shipments in an effort to force Rome to buy even more Libyan oil and gas. Nonpayment of this money could cause serious financial problems for several small Italian manufacturing and construction firms, and perhaps for some banks. [redacted] 25X1

Political Considerations

Rome's significant economic investment in Libya, the 15,000 Italians living in Libya, and the perception that Italy is highly vulnerable to terrorist attacks will tend to discourage any high profile response to Libyan terrorism. So far, Prime Minister Craxi has insisted that Italy will only endorse sanctions in concert with other members of the EC and called for a special meeting of EC ministers to discuss Libya. [redacted] 25X1

The five-party coalition government is probably divided on these issues. Foreign Minister Andreotti, who is closely identified with the policy of maintaining close relations with the PLO and business as usual with Qadhafi, is most resistant to change [redacted] 25X6 25X6 Craxi is caught in the middle but seems to be leaning more toward Spadolini's position. The Prime Minister will travel to Egypt on 14 January, in part at least, to sound out the Egyptian position on Libya. Egyptian (or any other Arab) support for sanctions would make it much easier for Craxi to further toughen his stand. [redacted] 25X1

In the meantime, there are a number of signs that the attack on Rome airport has severely shaken the government's Middle East policy. The Cabinet statement on 9 January noted the persistence of grave suspicions about Libyan support for terrorist organizations and the difficulties this creates for bilateral relations, announced further restrictions on military sales to Libya, and declared that economic relations between the two countries were "entirely unsatisfactory"--the strongest public stand Italy has ever taken against Qadhafi. [redacted] 25X1

[redacted] 25X6

[redacted] 25X1

[redacted] 25X1

Italy is already in the process of cracking down on visa requirements for Libyans, and we think Rome is likely to keep much closer tabs on resident Libyans from now on. The Italians are unlikely, however, to cut back representation in the People's Bureau because this would almost certainly mean a reduction in their own mission in Tripoli. [redacted] 25X1

[redacted] 25X1

[redacted] 25X1

Italy

Data Sheet

Exports to Libya

	1981	1985
Value, $million	4,297	1,293
Percent of total exports	5.71	1.74

Commodity Composition - 1984

	Value	Share of Total(%)
Total Exports	1,660	2.26
Agriculture	137	2.71
Raw Materials	26	1.73
Fuels	326	9.81
Manufactures	1,171	1.86
Chemicals	194	3.08
Semi-Finished Goods	292	1.74
Machinery	221	1.37
Transport Equipment	249	4.03
Consumer Goods	215	1.23
Other	0	.02

Imports of Oil from Libya[1]

	1981	1985
Gross value, $ million	3,225	2,700
Net volume, 1,000 b/d	214	256
Net imports as a share of total oil consumption (%)	11.2	15.1

Workers in Libya

Number: 15,000
Job Categories: Mostly manufacturing and construction workers.
Many oil workers.
Some miliary technicians.

1 See note at end.

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Italy

(Data Sheet continued)

Arms Deliveries to Libya

	1981	1985
Value, $million	190	235

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Investment in Libya

AGIP operates joint company AGIP N.A.M.E. (North Africa Middle East) on a 50-50 basis with Libyan National Oil Company, operates one oilfield at Bu-Attifl; also owns 19 percent interest in the Bauri offshore Oilfield.

Fiat owns 25 percent interest in a heavy vehicle manufacturing plant at Tajoura.

Calabrese Vehicoli Industriali owns a 25 percent interest in a truck body and trailer manufacturing plant; original 1981 investment was $6.5 million.

Libyan Investment in Italy

Libyan-Arab Foreign Investment Bank owns 13.8 percent stock of Fiat valued at about $225 million.

Libya Arab Foreign Investment Bank purchased 70 percent of the Tamoil Oil Refinery in Cremona and 1,000 service stations in November 1985 for a reported $100 million.

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[redacted] 25X1

Italy

(Data Sheet continued)

Reported significant industrial and real estate investment in southern Italy and Sicily.

Libyan Debt Owed to Italy

Since 1982 has owed $800 million to about 100 mostly small and medium-sized Italian firms. [redacted] 25X1 25X1

Some Italian Companies owed money are as follows:

Siai Marchetti, Oto Melara, Pirelli, CSO-Cogefur Construction, Delmar Machine Co., GECO Electronics Co., Monfedi-Alsaldi Construction Co., Montubi Assembly Co., CEIB, Itaco, and IPC.

Major Companies Operating in Libya

Company	Activity
AGIP (Subsidiary of ENI)	Oil exploration and development; ENI oversees the purchase of Libyan crude oil.
SNAM (Subsidiary of ENI)	Responsible for purchasing Libyan LNG, presently negotiating the renewal of a long-term LNG contract with Libya.
Snamprogetti (Subsidiary of ENI)	Oil engineering and services; has signed letter of intent for $270 million fertilizer plant.
Micoperi-Belleli	Construction and engineering, oilfield equipment; contract to

[redacted] 25X1

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Italy

(Data Sheet continued)

	build two platforms for the second phase of the Ras Lanuf oil refinery
Techimont	Construction and engineering; contract for $85 million for the Ras Lnuf oil refinery.
Italimpianti	Steel and construction; negotiating contracts for a $600 million desalinization plant in Tripoli.
Pirelli/CEAT/Telettra/SIRTA	Telephone systems; $542 million contract in 1979 and $520 million contract in 1983 for intercity telephone systems in major cities, SIRTE contract in 1985 for telephone link to new military base at Hun.
Montubi	Construction; $128 million contract for the Wawai West Libyan Pipeline; $106 million in construction contracts at four Libyan airports; contract to construct a large portable cement unloading barge for Tripoli harbor.
Riva/Mariani	Insulation and accoustical work; contract to work on Ras Lanuf oil refinery.

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Greece

Economic Relations with Libya

Greek economic relations with Libya are relatively modest, apart from the imports of oil which account for about 27 percent of domestic consumption. Despite Papandreou's efforts to promote trade with Libya and the Middle East in general, trade with Libya accounted only for an estimated 1.2 percent of Greek exports in 1985, down from 5.2 percent in 1981. Papandreou's visit to Libya in September 1984 led to the announcement of a highly touted "one billion dollar deal," which was actually just the sum total of existing economic agreements over three years. The two countries did sign in 1985 a $500 million military sales agreement, which called for sales of Greek light arms, ammunition, uniforms, personnel carriers, and anti-tank weapons. 25X1

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Possible Concessions

In view of its stake in improving political and economic ties with the Arab world, Athens is unlikely to agree to public condemnation of Libya or to economic or political sanctions. 25X6

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Greece

Data Sheet

Exports to Libya

	1981	1985
Value, $million	220	53
Percent of total exports	5.17	1.20

Commodity Composition - 1984

	Value	Share of Total(%)
Total Exports	89	1.82
Agriculture	30	2.03
Raw Materials	5	.94
Fuels	0	.04
Manufactures	54	2.27
Chemicals	6	2.76
Semi-Finished Goods	30	2.35
Machinery	3	3.28
Transport Equipment	0	.22
Consumer Goods	14	1.91
Other	0	.00

Imports of Oil from Libya[1]

	1981	1985
Gross value, $ million	321	600
Net volume, 1,000 b/d	65	63
Net imports as a share of total oil consumption (%)	27.3	27.0

Workers in Libya

Number: 2,000
Job Categories: Mostly construction workers.

1 See note at end.

25X1

25X1

Greece

(Data Sheet continued)

Arms Deliveries to Libya

	1981	1985
Value, $million	0	0

Investment in Libya

No information

Libyan Investment in Greece

Investments by Libya in Greece are mainly in the industrial sector and are implemented through LIBECO, a joint Libya-Greek investment company. Libya owns 60 percent of the firm and the Hellenic Industrial Development Bank (ETBA) owns 40 percent. As of June 1984, the Libyans were involved in 9 projects in Greece, including:

LIRA SA - manufactures children's toys and games.

METALCO SA - produces printed circuits.

GEVI SA - agricultural company involved in canned fruits and vegetables.

KIM SA - produces electric dynamos, water pumps and adaptors.

Asteris Co. - food products.

Panvetti SA - produces metallic and wood office furniture.

Libyan Debt Owed Greece

Unpaid bills - unknown

Arrears - approximately $40 million

Major Companies Operating in Libya

Company	Activity
Metal Construction of Greece (METKA)	Supply of steel for military projects.

25X1

[redacted] 25X1

Greece

(Data Sheet continued)

EDOC-ETER	Agricultural services.
HEL-ARAB	Dock construction.

[redacted] 25X1

[redacted] 25X1

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[redacted] 25X1

Turkey

Economic Relations with Libya

Turkish economic relations with Libya are significant, but have been declining since 1981. The number of Turkish workers in Libya has dropped from 120,000 in 1982 to approximately 14,000 today. Libya's slowness to pay its debts is the chief factor behind the slump in economic relations--the Libyans owe Turkish firms approximately $400 million. On the trade side, Turkish exports to Libya peaked in 1981 at $442 million (9.4 percent of total exports) and have fallen steadily since then, now accounting for just 1.6 percent of total exports. Turkey imports approximately 15 percent of its oil from Libya, with half of these imports tied to paying arrears owed Turkish contractors. [redacted] 25X1

Turkey has a longstanding military relationship with Libya dating back to 1974. [redacted] 25X1

25X1

Possible Concessions

Ankara is unlikely to take any public actions against Qadhafi, such as a direct condemnation or imposing sanctions. Prime Minister Ozal on 9 January publicly reaffirmed Turkey's ties to Libya, and Turkey has not specifically objected to an Organization of Islamic Countries resolution condemning the US embargo effort as an "imperialist-Zionist threat" aimed at Islamic countries. [redacted] 25X6

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25X1

[redacted]

25X1

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Turkey

Data Sheet

Exports to Libya

	1981	1985
Value, $million	442	120
Percent of total exports	9.40	1.60

Commodity Composition - 1984

	Value	Share of Total(%)
Total Exports	142	1.99
Agriculture	39	1.76
Raw Materials	4	.60
Fuels	0	.02
Manufactures	100	2.56
Chemicals	2	1.01
Semi-Finished Goods	52	2.65
Machinery	5	2.18
Transport Equipment	14	11.06
Consumer Goods	27	1.96
Other	0	1.70

Imports of Oil from Libya[1]

	1981	1985
Gross value, $ million	778	500
Net volume, 1,000 b/d	53	52
Net imports as a share of total oil consumption (%)	17.1	15.0

Workers in Libya

Number: 14,000
Job Categories: Almost all construction workers.

1 See note at end.

[redacted] 25X1

Turkey

(Data Sheet continued)

Arms Deliveries to Libya

	1981	1985
Value, $million	13	0

Investment in Libya

No information

Libyan Investment in Turkey

At least $28 million

Libyan Debt Owed Turkey

Debt probably amounts to $3 billion

Arrears equal approximately $400 million.

Major Companies Operating in Libya

Company	Activity
Aryapi Ltd.	Construction.
B.T.K. AS	Construction.
Baytur Insaat AS	Construction.
Dogus Insaat AS	Construction.
Ece Insaat AS	Construction.
ENKA Insaat AS	Construction.
Goktas AS	Construction.
Libas AS	Construction.
Metis-Mesa AS	Construction.
Mimtas	Construction.

[redacted] 25X1

[redacted] 25X1

25X1

Note on Oil Import Data

Differences in the behavior of the oil value and volume data between 1981 and 1985 can have several causes. The principal factor is that the volume series gives net figures (imports of crude and products from Libya minus exports of products to Libya) while the value series gives the gross value of imports of Libyan crude and products. In addition, the official price of Libyan oil fell by 24 percent between 1981 and 1985. The decline in actual sales prices may have been even greater and may have varied among importers. Finally, there is a special problem with the value data for Greece in that it excludes oil imports that are paid for with any kind of barter arrangement. 25X1

25X1

Distribution: Western Europe and Canada: Economic Links with Libya

1 - Ambassador Ridgway, State
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[redacted] 25X1

Central Intelligence Agency
Office of the Deputy Director for Intelligence

9 January 1986

NOTE TO: The Honorable John C. Whitehead
Deputy Secretary of State

— John —

Per your request for data on West European economic dealings with Libya, we have produced the attached typescript, Western Europe: Economic Links with Libya. In addition to the textual discussion of the economic relationship, the paper includes numerous tables detailing country-by-country dealings with Libya. [redacted] 25X1

If you have any questions or comments, please call [redacted] Director, Office of European Analysis [redacted] [redacted] 25X1 25X1 25X1

Bob

Robert M. Gates
Deputy Director for Intelligence

Attachment:
As Stated

[redacted] 25X1

[redacted] [redacted]

25X1

[redacted]

Memorandum for: Ambassador Rozanne L. Ridgway
Assistant Secretary
Bureau of European Affairs

As promised in our telephone conversation late yesterday, attached is the material we've pulled together on West European economic ties to Libya. We hope you'll find the facts useful [redacted] Please let us know if we can help further. 25X1 25X1

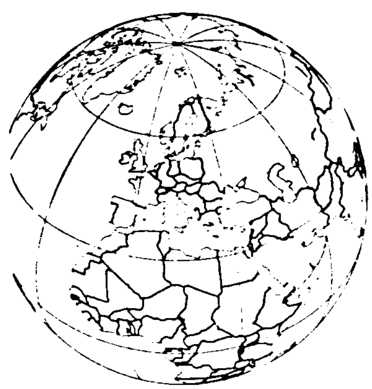
The staff sincerely appreciated your thank-you call yesterday. It was just further proof that a "gentlewoman" is doing a highly effective job.

Attachment:
as stated

Regards,

[redacted] 25X1

9-1-86



Director,

EURA

Office of European Analysis
Directorate of Intelligence

[redacted] 25X1

Memorandum for: Mr. Richard A. Clark
Deputy Assistant Secretary
for Regional Analysis
Bureau of Intelligence and
Research

Per your request [redacted] for information on West European economic relations with Libya, we are forwarding the attached typescript, Western Europe: Economic Links with Libya. We have also sent a copy of this typescript directly to John Whitehead. If we can be of any further assistance, please call me [redacted] 25X1

25X1

25X1

25X1

[redacted]

Att:
as stated

9 January 1986

Director,

EURA

Office of European Analysis
Directorate of Intelligence

25X1

[redacted]

Memorandum for: Mr. Dean Curran
Special Assistant to
the Under Secretary for
Political Affairs
Department of State

Dean —

Here's the paper I mentioned to you on the phone last night. A copy is also going to Whitehead's office, along with one for Ambassador Ridgway. Let me know anytime if we can help.

25X1

Regards,

[redacted]

John McLaughlin

9 January 1986

EURA

Office of European Analysis
Directorate of Intelligence

[redacted]

25X1

Distribution:
1 - The Hon. John C. Whitehead
1 - Amb. Rozanne Ridgway
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DDI/EURA/WE/FO/[redacted] (9 Jan '86) 25X1

 25X1

[redacted]

Central Intelligence Agency

Washington, D.C. 20505

9 January 1986

Western Europe: Economic Links with Libya

Summary

Western Europe's well-known reluctance to impose sanctions against Libya is only partly due to economic considerations because overall economic relations with Libya are relatively small. Exports to Libya dropped to an estimated $3.2 billion last year, less than one-third of the 1981 figure and equal to only 0.4 percent of total exports. Although imports of Libyan oil have fallen less sharply, to about 820,000 b/d last year, they only cover about 7 percent of Western Europe's oil consumption--an insignificant share given the glut in the world oil market. We calculate that even a total cutoff of EC exports to Libya would have only a minimal impact on West European economies. In addition to trade considerations, the West Europeans also fear the loss of perhaps several billion dollars of outstanding loans and unpaid bills owed by Libya. West European unwillingness to apply sanctions against Libya probably is driven more by fear of Libyan reprisals--in Western Europe or against West Europeans working in Libya--as well as by the desire to maintain good relations with other Arab countries. They also continue to believe that sanctions would be ineffective and might set an unwelcome precedent. [redacted] 25X1

25X1

25X1

This memorandum was prepared by [redacted] Office of European Analysis. Questions and comments are welcome and may be addressed to [redacted] Chief, West European Division, [redacted] 25X1

25X1

EUR M86-20001

[redacted]

[redacted] 25X1

[redacted] 25X1

Declining Exports

The decline in West European exports to Libya during the past few years is almost entirely due to Libya's financial difficulties, rather than any European effort to restrict exports. Italy remains by far the largest exporter, with estimated sales of $1.3 billion last year--41 percent of the West European total; West Germany is a distant second with sales of about $600 million. Not surprisingly, West European exports to Libya are dominated by manufactured products--more than two-thirds of the total as of 1984--with machinery and semi-finished goods constituting the two largest sub-categories. [redacted] 25X1

Libya's share of West European exports has dropped from 1.4 percent in 1981 to a minuscule 0.4 percent in 1985. Italy is the country most dependent on the Libyan market, with 1.7 percent of its exports going there last year--but this share is down from 5.7 percent in 1981. Only two other West European countries sent more than 1 percent of their exports to Libya last year: Turkey, with about 1.6 percent (down from 9.4 percent in 1981) and Greece with an estimated 1.2 percent (down from 5.2 percent in 1981). [redacted] 25X1

Oil Dependency

Over the last decade or so Libyan oil has typically covered about 7 percent of Western Europe's total oil consumption. Net oil import volume has fallen somewhat from about 910,000 b/d in 1983 to about 820,000 during first-half 1985. Since 1983 Italy has been the largest single West European importer of Libyan oil, followed closely by West Germany; prior to 1983 the positions of the two countries were reversed. Italy and West Germany together account for more than half of Western Europe's oil imports from Libya. [redacted] 25X1

Greece is most dependent on Libyan oil, which covered 27 percent of Greece's total oil consumption in first-half 1985. Following Greece were Turkey and Italy (15 percent each), Switzerland (11 percent) and Austria and West Germany (9 percent each). West European vulnerability to a Libyan oil embargo is presumably less than these figures suggest, however, because of the world oil glut--total West European imports of Libyan oil are small in relation to the spare production capacity in other OPEC countries. [redacted] 25X1

Arms Sales

Libya, which gets almost three-quarters of its military assistance from the Soviet Bloc, is a relatively small and declining arms market for Western Europe. After averaging $588 million annually during 1980-1982, West European arms deliveries

[redacted] 25X1

[redacted] 25X1

to Libya fell to $388 million in 1983 and $228 million in 1984. Moreover, only $107 million in new arms agreements were signed during 1983-1984, almost all of this coming in a single deal with Italy. With French deliveries falling off sharply, Italy became the largest West European arms supplier in 1984. [redacted] 25X1

In 1985, the value of West European arms sales agreements with Libya rose considerably, primarily because of a $500 million Greek arrangement which calls for future deliveries of ammunition, small arms, and various military equipment, including personnel carriers and anti-tank weapons. In addition, Italy signed a $422 million deal, mainly for the delivery of unassembled trucks, while France signed $250 million worth of contracts for the provision of spare parts, a naval simulator, and a facility to produce tools and spare parts. We do not believe this increase in agreements, however, will result in an appreciable jump in annual military deliveries to Libya, in part because the deliveries will be spread out over several years. Furthermore, while the French and Italian deals seem fairly solid, the Greek deal is only an agreement in principle and Athens is cautious about going ahead for fear that the United States would respond by curtailing arms sales to Greece, including F-16s. Moreover, all major West European countries have curbed sales of lethal weapons to Libya in light of Libya's occupation of Chad and the terrorist incident at the Libyan Embassy in London. [redacted] 25X1

Workers in Libya

Information on the number of West European workers in Libya is fragmentary but the total appears to be about 60,000 to 70,000. Turkey clearly heads the list with about 35,000 workers, followed by Italy (16,000) and the United Kingdom (5,000). The Turks are mainly construction workers involved in a variety of projects contracted for by Tripoli. Their numbers have fallen sharply over the last several years and their difficulties in remitting their earnings to Turkey have been a source of great concern to Ankara. Many of the workers from other West European countries are technicians who play a key role in Libya's oil industry. [redacted] 25X1

Investment and Debt

[redacted] Libyan investment in Western Europe appears to be concentrated in Italy. Libya's investments in industrial and commercial firms are mainly held by the Libyan-Arab Foreign Investment Bank. According to press reports, the Bank is worth $6 billion and has investments in 94 companies, 27 of which are in Western Europe. It now owns 14.5 25X1

[redacted] 25X1

25X1

percent of Fiat's stock--worth about $145 million--but the Agnelli family maintains controlling interest in the company. Last November the Bank purchased a 70-percent interest in Italy's 100,000 b/d Tamoil oil refinery, including about 1,000 service stations. Libya has banking interests in a number of West European countries, including West Germany, France, Italy, and Spain. 25X1

West European investment in Libya is concentrated in the oil industry. Three West German oil firms--VEBA, Wintershall, and Deminix--operate in Libya, two with Libyan partners. West German investment in Libya totaled $107 million in 1983. Italy's national energy corporation, ENI, has substantial investments in Libya, and AGIP, an ENI subsidiary, is a large oil producing company in the country. The French firm Elf also is engaged in oil exploration and production in Libya. Austria's state oil company, OMV, agreed last June to acquire 12.5 percent of Libya's largest crude producer. The United Kingdom has not had significant investments in Libya since British Petroleum pulled out in 1969. 25X1

Libya may have as much as several billion dollars worth of debts and unpaid bills outstanding to Western Europe, with Italy probably being the largest creditor. The arrearages reportedly total about $800 million for Italy, $400 million for Turkey, $125 million for France, $80 million for Spain, and $40 million for Greece. In January 1985, Italy began taking 40,000 b/d of oil as payment but Libya halted the oil shipments in August when Rome refused to renew a long-term LNG contract. Mainly as a result of these payments problems, West Germany and Italy have curtailed export guarantees for goods going to Libya and Italy has also cut off suppliers' credits to Libya. 25X1

Impact on Western Europe of Imposing Sanctions on Libya

Imposing economic sanctions on Libya would have little impact on economic growth in Western Europe, although it might put at risk the West Europeans' investments in Libya as well as their financial claims against Tripoli. Using our Linked Policy Impact Model we analyzed a rather extreme case--a total embargo on EC exports to Libya--and found that real GDP growth in the Community would be lowered by only 0.2 percentage point in the first year and 0.1 point in the second year; the impact on the unemployment rate for the region as a whole would be insignificant. The Italian economy would be hardest hit with a first-year GDP loss of 0.5 percentage point and a 0.1 percentage point rise in unemployment. 25X1

While Western Europe's overall economic loss from sanctions would be small, specific firms and regions could suffer

25X1

[redacted] 25X1

25X1

substantially. Exporters to Libya--led by Fiat--probably would be the biggest losers. [redacted] 25X1

[redacted] A cutoff of Libyan payments would also cause serious financial problems for several small Italian manufacturing and construction firms, and perhaps for some banks as well. And of course the oil companies operating in Libya could be hurt by a Libyan seizure of their assets there. All of these affected groups, along with West European arms producers, undoubtedly would lobby hard for a quick end to the sanctions. [redacted] 25X1 25X1

Implications

We believe the West Europeans' reluctance to impose sanctions is not primarily driven by their economic ties to Libya. In our view, it is more a reflection of West European governments' concern about possible reprisals against their citizens in Libya and about increased Libyan-sponsored terrorism at home. Given Libya's support within the Arab League, the West Europeans may also fear that sanctions would endanger their more extensive economic relations with other Arab countries. Finally, the West Europeans remain convinced that economic sanctions rarely are effective and are concerned that imposing sanctions in this case might set an unwelcome precedent for the future. [redacted]

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25X1

[redacted] 25X1

Table 1

Western Europe: Value of Exports To Libya, 1976-1985

(million US dollars)

	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985[1]
Western Europe	2909	3424	3870	5287	6689	10151	5567	5019	4158	3180
European Community[2]	2503	3075	3463	4804	5918	8781	4704	4238	3450	2690
Belgium/Luxembourg	142	231	135	130	279	383	108	81	104	68
Denmark	18	19	17	21	31	55	33	51	27	16
France	350	398	533	650	671	907	428	334	212	220
Ireland	21	32	34	84	138	100	57	61	41	33
Italy	997	1225	1304	1926	2545	4297	2141	2104	1660	1293
Netherlands	82	92	90	122	166	267	192	246	185	143
United Kingdom	242	303	412	528	670	1067	460	417	328	281
Germany	522	650	822	1177	1251	1486	1173	841	804	583
Greece	130	125	114	166	168	220	113	102	89	53
Other West European Countries	406	349	407	483	771	1371	863	781	708	490
Austria	43	51	62	91	122	149	121	107	97	68
Finland	19	10	11	39	54	65	49	30	28	17
Norway	4	5	8	9	10	7	9	7	3	3
Portugal	6	6	1	4	5	5	2	2	2	3
Spain	129	160	125	174	358	427	267	276	267	151
Sweden	117	23	47	69	76	177	94	76	71	55
Switzerland	78	80	104	54	86	99	86	99	100	73
Turkey	10	14	50	43	60	442	235	184	142	120

[1] Estimate
[2] Excluding Spain and Portugal

Table 2

Western Europe: Share of Exports To Libya, 1976-1985

(percent of total exports)

	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
Western Europe	0.73	0.74	0.70	0.76	0.83	1.36	0.77	0.71	0.57	0.44
European Community[2]	0.76	0.80	0.75	0.83	0.89	1.43	0.80	0.74	0.59	0.46
Belgium/Luxembourg	0.43	0.61	0.30	0.23	0.43	0.69	0.21	0.16	0.20	0.14
Denmark	0.20	0.19	0.15	0.14	0.18	0.34	0.22	0.32	0.17	0.10
France	0.61	0.61	0.67	0.65	0.58	0.85	0.44	0.35	0.22	0.23
Ireland	0.63	0.73	0.60	1.17	1.62	1.30	0.70	0.71	0.43	0.34
Italy	2.68	2.70	2.33	2.67	3.28	5.71	2.91	2.89	2.26	1.74
Netherlands	0.21	0.21	0.18	0.19	0.22	0.39	0.29	0.38	0.28	0.22
United Kingdom	0.53	0.54	0.61	0.61	0.61	1.04	0.47	0.45	0.35	0.29
Germany	0.51	0.55	0.58	0.68	0.65	0.84	0.66	0.50	0.47	0.34
Greece	5.07	4.54	3.38	4.29	3.25	5.17	2.62	2.30	1.86	1.20
Other West European Countries	0.59	0.45	0.43	0.41	0.55	1.03	0.67	0.61	0.51	0.35
Austria	0.50	0.53	0.51	0.59	0.70	0.94	0.78	0.70	0.61	0.43
Finland	0.30	0.13	0.13	0.35	0.38	0.46	0.37	0.24	0.20	0.14
Norway	0.05	0.06	0.08	0.07	0.05	0.04	0.05	0.04	0.02	0.02
Portugal	0.33	0.31	0.02	0.10	0.11	0.11	0.05	0.04	0.03	0.01
Spain	1.48	1.57	0.96	0.95	1.73	2.10	1.30	1.40	1.13	0.67
Sweden	0.63	0.12	0.21	0.25	0.25	0.62	0.35	0.28	0.24	0.19
Switzerland	0.53	0.45	0.44	0.21	0.29	0.37	0.33	0.39	0.39	0.29
Turkey	0.50	0.77	2.17	1.91	2.07	9.40	4.07	3.22	1.99	1.60

[1]Estimate
[2]Excluding Spain and Portugal

25X1

Table 3

Western Europe: Net Imports of Libyan Oil by Volume, 1976-1985[1]

(1,000 b/d)

	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985[2]
Western Europe	1110	982	936	997	896	733	907	912	830	818
European Community[3]	943	815	756	819	687	557	692	705	636	661
Belgium/Luxembourg	0	0	3	10	5	2	61	47	31	3
Denmark	1	1	0	0	0	0	0	1	0	0
France	63	57	68	83	41	33	51	63	74	48
West Germany	423	395	307	358	312	216	226	212	195	204
Greece	38	9	5	24	56	65	50	52	49	63
Ireland	0	0	0	0	0	0	0	0	0	0
Italy	343	280	304	306	252	214	219	218	227	248
Netherlands	19	23	39	24	19	18	38	82	38	47
United Kingdom	55	49	30	15	3	9	46	30	23	49
Other West European Countries	168	168	180	178	209	176	215	207	194	157
Austria	20	15	18	19	22	15	23	13	20	18
Finland	0	0	0	0	0	0	0	0	0	0
Norway	11	7	8	4	1	1	0	0	0	0
Portugal	3	0	0	0	0	0	2	3	0	0
Spain	103	116	114	111	97	92	80	79	79	59
Sweden	10	8	8	13	19	3	23	16	0	1
Switzerland	7	7	20	20	22	12	19	35	40	27
Turkey	13	15	12	11	48	53	68	61	54	52

[1] Imports from Libya of crude and products minus exports to Libya of products.
[2] Estimate
[3] Excluding Spain and Portugal

Table 4

Western Europe: Net imports of Libyan oil

as a share of total oil consumption, 1976-1985

(percent)

	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985[1]
Western Europe	8.0	7.2	6.7	7.0	6.7	5.9	7.7	8.0	7.2	7.2
European Community[2]	8.6	7.6	6.8	7.2	6.6	5.8	7.7	8.0	7.1	7.6
Belgium/Luxembourg	0	0	0.6	1.7	0.9	0.5	13.0	11.2	7.5	0.6
Denmark	0.3	0.4	0	0	0.1	0	0	0.6	0	0
France	2.6	2.5	2.9	3.5	1.9	1.6	2.8	3.5	4.3	2.8
West Germany	15.2	14.4	10.8	12.2	11.9	9.2	10.1	9.6	8.8	9.2
Greece	18.0	4.2	2.0	9.7	22.5	27.3	21.1	22.7	20.8	27.0
Ireland	0	0	0	0	0	0	0	0	0	0
Italy	17.4	14.6	15.2	14.8	12.9	11.2	12.1	12.2	13.4	14.6
Netherlands	2.4	3.0	5.0	2.9	2.4	2.6	6.2	14.1	6.6	8.2
United Kingdom	3.0	2.7	1.6	0.8	0.2	0.6	3.1	2.1	1.3	3.0
Other West European Countries	5.7	5.9	6.3	6.0	7.1	6.3	7.9	7.8	7.6	6.1
Austria	8.5	6.7	7.6	7.7	8.8	7.0	10.9	6.4	10.1	9.1
Finland	0	0	0	0	0	0	0	0	0	0
Norway	6.4	3.7	4.5	1.9	0.6	0.9	0.2	0	0	0.1
Portugal	1.9	0	0.2	0.2	0.2	0	1.0	1.4	0.2	0.1
Spain	10.7	12.8	12.3	11.3	9.3	9.1	8.4	8.3	9.0	6.7
Sweden	1.8	1.5	1.4	2.3	3.8	0.8	5.3	4.4	0	0.4
Switzerland	2.8	2.6	7.4	7.6	8.6	5.0	8.6	14.3	16.8	11.4
Turkey	4.2	4.5	3.8	3.9	16.2	17.1	20.6	18.8	15.8	15.0

[1] Estimate
[2] Excluding Spain and Portugal

Table 5

Western Europe: Military Assistance To Libya*, 1980-1984

A = AGREEMENTS D = DELIVERIES

(million US dollars)

	1980		1981		1982		1983		1984		1985	
	A	D	A	D	A	D	A	D	A	D	A	D
TOTAL	365	668	106	544	193	553	1	388	106	228	1172	243
Austria	--	--	NEGL	NEGL	--	--	--	--	--	--	--	--
Belgium	277	93	--	216	--	NEGL	--	--	--	--	--	--
Finland	--	5	--	5	--	5	--	--	--	--	--	--
France	56	104	--	97	--	395	--	180	--	60	250	--
Germany	1	302	72	15	5	37	--	--	8	20	--	8
Greece	--	--	--	--	--	--	--	--	NA	--	500	--
Italy	NEGL	110	3	190	183	108	NEGL	176	97	147	422	235
Netherlands	18	18	30	8	--	--	--	30	--	--	--	--
Spain	NEGL	NEGL	--	NA	--	--	1	1	1	1	--	--
Sweden	--	--	--	--	--	--	--	--	--	--	--	--
Switzerland	--	--	--	--	1	--	--	1	--	--	--	--
Turkey	5	3	--	13	--	3	NA	NEGL	--	--	--	--
United Kingdom	8	33	1	--	4	5	--	--	--	--	--	--

*DIA Estimates

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Table 6

Western Europe: Workers Currently in Libya

Turkey	35,000
Italy	16,000
United Kingdom	5,000
Greece	2,000
Portugal	1,700
Germany	1,500
France	1,200
Ireland	1,000
Netherlands	450
Austria	200

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Table 7

Western Europe: Selected Companies Dealing with Libya

Manufacturing and Service Companies

West Germany

BASF
Brown Boveri & Compagnie
Buckau-Walther AG.
Detecon
Kloeckner-Humboldt-Deutz
Kutluat
Liquid Gas Anlagen
Siemens
Thyssen Engineering
VEBA

France

Air France
BBC Brown
Bouygues
EMH
Societe Internationale de Dessalement
Societe Nationale Elf Aquitaine (Elf)
Sofrerail
Spie Batignolles
USINOR

United Kingdom

Barkley Bank
Brown & Root
Brush Transformers
Cubitt & Partners
Imperial Chemical Industries (ICI)
John Brown Offshore
Motherwell Bridge
Tilden Industries
Transmark
Weir Group

Manufacturing and Service Companies (continued)

Italy

AGIP North Africa & Middle East (Subsidiary of ENI)
Belleli
Fasano
Fiat
Micoperi
SNAM (Societa Nazionale Metandotti) (Subsidiary of ENI)
Snamprogetti (Subsidiary of ENI)
Technimont
Transmediterranea di Navigazione

Spain

Construcciones Internacionales
Ferrovial
Foster Wheeler Iberia
Huarte
Page Iberia, S.A.

Netherlands

Royal Boscalis Westminster

Switzerland

Geos Ingenieur-Conseil
Marc Rich Co. AG
Sulzer Escher Wyss
Unibuild

Belgium

Ateliers de Constructions Electriques de Charleroi
Belgonucleaire
Cockerill
Electrobel
Electrobel Engineering International
Fabricom
Tractionel

Austria

Voest-Alpine

Norway

Aircontact

Manufacturing and Service Companies (continued)

Turkey

Dogus Construction
ENKA
Temel Investigation

Luxembourg

TRATCO

Defense Industries

France

Aerospatiale
Construction Mecaniques de Normandie
Dassault
Electronique Marcel Dassault
Engins Matra
Matra SA
Thomson-CSF
TRT

United Kingdom

Alvis
British Aerospace Dynamic Group
Daimler Company

Italy

Augusta Bell
Fiat
Oto Melara Spa
Siai-Machetti

Financial Institutions

West Germany

Commerzbank
Deutsche Bank
Dresdner Bank

France

Banque de Paris

Financial Institutions (continued)

United Kingdom

Barclay's Bank
Lloyds

Italy

Banca Nazionale del Lavoro
Banca di Roma

Netherlands

Algemene Bank

Austria

Austrian Central Bank
Creditanstalt Bankverein

Norway

Christiana Bank

Turkey

Akbank
Garanti Bankasi
Is Bankasi
Pamukbank
Ticaret Bankasi
Uluslararasi Bankasi
Vakiflar Bankasi
Yapi ve Kredi Bankasi

Greece

Bank of Greece

Malta

Central Bank of Malta

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[redacted] 25X1

Memorandum for: DDI

Bob:

Here is the revised package we prepared for Deputy Secretary Whitehead Friday. The main changes were to factor Ottawa into the overview paper and to add 9 separate country annexes keyed to his stops. The latter task involved more original work, mainly by our WE Division, than I anticipated when we spoke Friday morning.

We are handcarrying the package Saturday morning to Whitehead's office, along with separate copies for Mike Armacost and Ambassador Ridgway (both received the original paper) and Ambassador Oakley, who tasked us separately for the same material. A copy also [redacted] 25X1

[redacted]

John E. McLaughlin
Deputy Director 25X1

10 Jan 86

E U R A

Office of European Analysis
Directorate of Intelligence

[redacted] 25X1

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Central Intelligence Agency

Washington, D.C. 20505

10 January 1986

Western Europe and Canada: Economic Links with Libya

Summary

Western Europe's well-known reluctance to impose sanctions against Libya is only partly due to economic considerations because overall economic relations with Libya are relatively small; this applies even more so to Canada. West European exports to Libya dropped to an estimated \$3.2 billion last year, less than one-third of the 1981 figure and equal to only 0.4 percent of total exports. Although imports of Libyan oil have fallen less sharply, to about 840,000 b/d last year, they only cover about 7 percent of Western Europe's oil consumption--an insignificant share given the glut in the world oil market. We calculate that even a total cutoff of EC exports to Libya would have only a minimal impact on West European economies. As for Canada, Libya in 1985 took less than 0.1 percent of Canadian exports and accounted for less than 1 percent of Canadian oil consumption. In addition to trade considerations, the West Europeans also fear the loss of perhaps several billion dollars of outstanding loans and unpaid bills owed by Libya. The Allies' unwillingness to apply sanctions against Libya probably is driven more by fear of Libyan reprisals--at home or against their citizens in Libya--as well as by the desire to maintain good relations with other Arab countries. They also continue to believe that sanctions would be ineffective and might set an unwelcome precedent. [redacted]

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This memorandum was prepared by [redacted] Office of European Analysis. Questions and comments are welcome and may be addressed to [redacted] Chief, West European Division, [redacted]

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[redacted]

[redacted]

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Declining Exports

The decline in West European and Canadian exports to Libya during the past few years is almost entirely due to Libya's financial difficulties, rather than any effort to restrict exports. Italy remains by far the largest exporter, with estimated sales of $1.3 billion last year--41 percent of the West European total; West Germany is a distant second with sales of about $600 million. Not surprisingly, exports to Libya are dominated by manufactured products--more than two-thirds of the total as of 1984--with machinery and semi-finished goods constituting the two largest sub-categories. 25X1

Libya's share of West European exports has dropped from 1.4 percent in 1981 to 0.4 percent in 1985; for Canada it has never exceeded 0.1 percent. Italy is the country most dependent on the Libyan market, with 1.7 percent of its exports going there last year--but this share is down from 5.7 percent in 1981. Only two other West European countries sent more than 1 percent of their exports to Libya last year: Turkey, with about 1.6 percent (down from 9.4 percent in 1981) and Greece with an estimated 1.2 percent (down from 5.2 percent in 1981). 25X1

Oil Dependency

Over the last decade or so Libyan oil has typically covered about 7 percent of Western Europe's total oil consumption and less than 1 percent of Canada's--and in any event, Canada is a net oil exporter. Net West European oil import volume from Libya has fallen somewhat from about 910,000 b/d in 1983 to about 840,000 during January-September 1985. Since 1983 Italy has been the largest single West European importer of Libyan oil, followed closely by West Germany; prior to 1983 the positions of the two countries were reversed. Italy and West Germany together account for more than half of Western Europe's oil imports from Libya. 25X1

Greece is most dependent on Libyan oil, which covered 27 percent of Greece's total oil consumption during January-September 1985. Following Greece were Turkey and Italy (15 percent each), Switzerland (11 percent) and Austria and West Germany (9 percent each). West European vulnerability to a Libyan oil embargo is presumably less than these figures suggest, however, because of the world oil glut--total West European imports of Libyan oil are small in relation to the spare production capacity in other OPEC countries. 25X1

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Arms Sales

Libya, which gets almost three-quarters of its military assistance from the Soviet Bloc, is a relatively small and declining arms market for Western Europe, and a tiny market for Canada. After averaging $588 million annually during 1980-1982, West European arms deliveries to Libya fell to $388 million in 1983 and $288 million in 1984. Moreover, only $314 million in new arms agreements were signed during 1983-1984, almost all of this coming in a single deal with Italy. With French deliveries falling off sharply, Italy became the largest West European arms supplier in 1984. Canadian arms deliveries totaled only $12 million during 1980-1984 and no new agreements were signed during this period. 25X1

In 1985, the value of West European arms sales agreements with Libya rose considerably, primarily because of a $500 million Greek arrangement which calls for future deliveries of ammunition, small arms, and various military equipment, including personnel carriers and anti-tank weapons. In addition, Italy signed a $422 million deal, mainly for the delivery of unassembled trucks, while France signed $250 million worth of contracts for the provision of spare parts, a naval simulator, and a facility to produce tools and spare parts. We do not believe this increase in agreements, however, will result in an appreciable jump in annual military deliveries to Libya, in part because the deliveries will be spread out over several years. Furthermore, while the French and Italian deals seem fairly solid, the Greek deal is only an agreement in principle and Athens is cautious about going ahead for fear that the United States would respond by curtailing arms sales to Greece, including F-16s. Moreover, all major West European countries have curbed sales of lethal weapons to Libya in light of Libya's occupation of Chad and the terrorist incident at the Libyan Embassy in London. 25X1

Workers in Libya

Information on West European and Canadian workers in Libya is fragmentary but the total number clearly has fallen sharply over the last few years and probably is below 50,000. Turkey alone had about 120,000 workers in Libya in 1981, almost all of them involved in a wide variety of construction projects undertaken by Turkish firms. By December 1985 the number had plunged to about 14,000, according to the Turkish press, mainly because of Libya's financial difficulties. Italy probably heads the list now with about 15,000 workers, followed by Turkey and the United Kingdom (5,000). Many of the workers from West European countries and Canada are technicians who play a key role in Libya's oil industry. 25X1

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[redacted] 25X1

Investment and Debt

[redacted] Libyan investment in Western Europe appears to be concentrated in Italy. Libya's investments in industrial and commercial firms are mainly held by the Libyan-Arab Foreign Investment Bank. According to press reports, the Bank is worth $6 billion and has investments in 94 companies, 27 of which are in Western Europe. It now owns 13.8 percent of Fiat's stock--worth about $225 million--but the Agnelli family maintains controlling interest in the company. Last November the Bank purchased a 70-percent interest in Italy's 100,000 b/d Tamoil oil refinery, including about 1,000 service stations. Libya has banking interests in a number of West European countries, including West Germany, France, Italy, and Spain. [redacted] 25X1

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West European investment in Libya is concentrated in the oil industry. Three West German oil firms--VEBA, Wintershall, and Deminix--operate in Libya, two with Libyan partners. West German investment in Libya totaled $107 million in 1983. Italy's national energy corporation, ENI, has substantial investments in Libya, and AGIP, an ENI subsidiary, is a large oil producing company in the country. Austria's state oil company, OMV, agreed last June to acquire 12.5 percent of Libya's largest crude producer. Embassy Paris reports that French investment in Libya is minuscule with many firms having pulled out since 1981. The United Kingdom has not had significant investments in Libya since British Petroleum pulled out in 1969. [redacted] 25X1

Libya may have as much as several billion dollars worth of debts and unpaid bills outstanding to Western Europe, with Italy probably being the largest creditor. The arrearages reportedly total about $800 million for Italy, $400 million for Turkey, $80 million for Spain, $55 million for France, and $40 million for Greece. In January 1985, Italy began taking 40,000 b/d of oil as payment but Libya halted the oil shipments in August when Rome refused to renew a long-term LNG contract. Mainly as a result of these payments problems, West Germany and Italy have curtailed export guarantees for goods going to Libya and Italy has also cut off suppliers' credits to Libya. [redacted] 25X1

Impact on Western Europe of Imposing Sanctions on Libya

Imposing economic sanctions on Libya would have little impact on economic growth in Western Europe, although it might put at risk the West Europeans' investments in Libya as well as their financial claims against Tripoli. Using our Linked Policy Impact Model we analyzed a rather extreme case--a total embargo on EC exports to Libya--and found that real GDP growth in the

[redacted] 25X1

[redacted]

Community would be lowered by only 0.2 percentage point in the first year and 0.1 point in the second year; the impact on the unemployment rate for the region as a whole would be insignificant. The Italian economy would be hardest hit with a first-year GDP loss of 0.5 percentage point and a 0.1 percentage point rise in unemployment. [redacted] 25X1

While Western Europe's overall economic loss from sanctions would be small, specific firms and regions could suffer substantially. Exporters to Libya--led by Fiat--probably would be the biggest losers. [redacted] 25X1 25X1 A cutoff of Libyan payments would also cause serious financial problems for several small Italian manufacturing and construction firms, and perhaps for some banks as well. And of course the oil companies operating in Libya could be hurt by a Libyan seizure of their assets there. All of these affected groups, along with West European arms producers, undoubtedly would lobby hard against the imposition of sanctions. [redacted] 25X1 25X1

Implications

We believe West European and Canadian reluctance to impose sanctions is not primarily driven by their economic ties to Libya. In our view, it is more a reflection of concern about possible reprisals against their citizens in Libya and about increased Libyan-sponsored terrorism at home. Given Libya's support within the Arab League, they may also fear that sanctions would endanger their more extensive economic relations with other Arab countries. [redacted] 25X1

The West Europeans also remain convinced that economic sanctions rarely are effective and should be used only in the most extraordinary circumstances. Both Fabius and Thatcher recently have said that 100 percent effectiveness is necessary for success and dismiss such a prospect as unrealistic. In the past, the West Europeans have been reluctant to join US initiated economic embargos, although they grudgingly sided with Thatcher in 1982 over the Falklands (principally in the name of "EC solidarity"). Most recently, though agreeing to some sanctions on trade with South Africa, they have shied away from other than largely symbolic or future constraints. That said, were a major West European power to call for sanctions (as France did with regard to South Africa), the EC would seek some accommodation of the request. Unless the West Europeans become more open to sanctions, we see no reason to expect that EC foreign ministers, when they meet on 27 January or perhaps earlier, will agree to implement broad economic measures against Libya. [redacted] 25X1

[redacted] 25X1

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Table 1

Western Europe and Canada: Value of Exports To Libya, 1976-1985

(million US dollars)

	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985[1]
Canada	11	18	18	32	61	93	96	62	60	56
Western Europe	2909	3424	3870	5287	6689	10151	5567	5019	4158	3180
European Community[2]	2503	3075	3463	4804	5918	8781	4704	4238	3450	2690
Belgium/Luxembourg	142	231	135	130	279	383	108	81	104	68
Denmark	18	19	17	21	31	55	33	51	27	16
France	350	398	533	650	671	907	428	334	212	220
Ireland	21	32	34	84	138	100	57	61	41	33
Italy	997	1225	1304	1926	2545	4297	2141	2104	1660	1293
Netherlands	82	92	90	122	166	267	192	246	185	143
United Kingdom	242	303	412	528	670	1067	460	417	328	281
Germany	522	650	822	1177	1251	1486	1173	841	804	583
Greece	130	125	114	166	168	220	113	102	89	53
Other West European Countries	406	349	407	483	771	1371	863	781	708	490
Austria	43	51	62	91	122	149	121	107	97	68
Finland	19	10	11	39	54	65	49	30	28	17
Norway	4	5	8	9	10	7	9	7	3	3
Portugal	6	6	1	4	5	5	2	2	2	3
Spain	129	160	125	174	358	427	267	276	267	151
Sweden	117	23	47	69	76	177	94	76	71	55
Switzerland	78	80	104	54	86	99	86	99	100	73
Turkey	10	14	50	43	60	442	235	184	142	120

[1]Estimate
[2]Excluding Spain and Portugal

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Table 2

Western Europe and Canada: Share of Exports To Libya, 1976-1985

(percent of total exports)

	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985[1]
Canada	0.03	0.04	0.04	0.05	0.09	0.13	0.13	0.08	0.07	0.06
Western Europe	0.73	0.74	0.70	0.76	0.83	1.36	0.77	0.71	0.57	0.44
European Community[2]	0.76	0.80	0.75	0.83	0.89	1.43	0.80	0.74	0.59	0.46
Belgium/Luxembourg	0.43	0.61	0.30	0.23	0.43	0.69	0.21	0.16	0.20	0.14
Denmark	0.20	0.19	0.15	0.14	0.18	0.34	0.22	0.32	0.17	0.10
France	0.61	0.61	0.67	0.65	0.58	0.85	0.44	0.35	0.22	0.23
Ireland	0.63	0.73	0.60	1.17	1.62	1.30	0.70	0.71	0.43	0.34
Italy	2.68	2.70	2.33	2.67	3.28	5.71	2.91	2.89	2.26	1.74
Netherlands	0.21	0.21	0.18	0.19	0.22	0.39	0.29	0.38	0.28	0.22
United Kingdom	0.53	0.54	0.61	0.61	0.61	1.04	0.47	0.45	0.35	0.29
Germany	0.51	0.55	0.58	0.68	0.65	0.84	0.66	0.50	0.47	0.34
Greece	5.07	4.54	3.38	4.29	3.25	5.17	2.62	2.30	1.86	1.20
Other West European Countries	0.59	0.45	0.43	0.41	0.55	1.03	0.67	0.61	0.51	0.35
Austria	0.50	0.53	0.51	0.59	0.70	0.94	0.78	0.70	0.61	0.43
Finland	0.30	0.13	0.13	0.35	0.38	0.46	0.37	0.24	0.20	0.14
Norway	0.05	0.06	0.08	0.07	0.05	0.04	0.05	0.04	0.02	0.02
Portugal	0.33	0.31	0.02	0.10	0.11	0.11	0.05	0.04	0.03	0.01
Spain	1.48	1.57	0.96	0.95	1.73	2.10	1.30	1.40	1.13	0.67
Sweden	0.63	0.12	0.21	0.25	0.25	0.62	0.35	0.28	0.24	0.19
Switzerland	0.53	0.45	0.44	0.21	0.29	0.37	0.33	0.39	0.39	0.29
Turkey	0.50	0.77	2.17	1.91	2.07	9.40	4.07	3.22	1.99	1.60

[1] Estimate
[2] Excluding Spain and Portugal

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Table 3

Western Europe and Canada: Net Imports of Libyan Oil by Volume, 1976-1985[1]

(1,000 b/d)

	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985[2]
Canada	20	0	5	7	5	7	1	5	5	5
Western Europe	1110	982	936	997	896	733	907	912	830	844
European Community[3]	943	815	756	819	687	557	692	705	636	687
Belgium/Luxembourg	0	0	3	10	5	2	61	47	31	2
Denmark	1	1	0	0	0	0	0	1	0	0
France	63	57	68	83	41	33	51	63	74	63
West Germany	423	395	307	358	312	216	226	212	195	203
Greece	38	9	5	24	56	65	50	52	49	63
Ireland	0	0	0	0	0	0	0	0	0	0
Italy	343	280	304	306	252	214	219	218	227	256
Netherlands	19	23	39	24	19	18	38	82	38	49
United Kingdom	55	49	30	15	3	9	46	30	23	51
Other West European Countries	168	168	180	178	209	176	215	207	194	157
Austria	20	15	18	19	22	15	23	13	20	18
Finland	0	0	0	0	0	0	0	0	0	0
Norway	11	7	8	4	1	1	0	0	0	0
Portugal	3	0	0	0	0	0	2	3	0	0
Spain	103	116	114	111	97	92	80	79	79	59
Sweden	10	8	8	13	19	3	23	16	0	1
Switzerland	7	7	20	20	22	12	19	35	40	27
Turkey	13	15	12	11	48	53	68	61	54	52

[1]Imports from Libya of crude and products minus exports to Libya of products.
[2]Estimate
[3]Excluding Spain and Portugal

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Table 4

Western Europe and Canada: Net imports of Libyan oil as a share of total oil consumption, 1976-1985

(percent)

	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985[1]
Canada	1.1	0	0.3	0.4	0.3	0.4	0.1	0.4	0.4	0.4
Western Europe	8.0	7.2	6.7	7.0	6.7	5.9	7.7	8.0	7.2	7.4
European Community[2]	8.6	7.6	6.8	7.2	6.6	5.8	7.7	8.0	7.1	7.9
Belgium/Luxembourg	0	0	0.6	1.7	0.9	0.5	13.0	11.2	7.5	0.6
Denmark	0.3	0.4	0	0	0.1	0	0	0.6	0	0
France	2.6	2.5	2.9	3.5	1.9	1.6	2.8	3.5	4.3	3.7
West Germany	15.2	14.4	10.8	12.2	11.9	9.2	10.1	9.6	8.8	9.2
Greece	18.0	4.2	2.0	9.7	22.5	27.3	21.1	22.7	20.8	27.0
Ireland	0	0	0	0	0	0	0	0	0	0
Italy	17.4	14.6	15.2	14.8	12.9	11.2	12.1	12.2	13.4	15.1
Netherlands	2.4	3.0	5.0	2.9	2.4	2.6	6.2	14.1	6.6	8.5
United Kingdom	3.0	2.7	1.6	0.8	0.2	0.6	3.1	2.1	1.3	3.0
Other West European Countries	5.7	5.9	6.3	6.0	7.1	6.3	7.9	7.8	7.6	6.1
Austria	8.5	6.7	7.6	7.7	8.8	7.0	10.9	6.4	10.1	9.1
Finland	0	0	0	0	0	0	0	0	0	0
Norway	6.4	3.7	4.5	1.9	0.6	0.9	0.2	0	0	0.1
Portugal	1.9	0	0.2	0.2	0.2	0	1.0	1.4	0.2	0.1
Spain	10.7	12.8	12.3	11.3	9.3	9.1	8.4	8.3	9.0	6.7
Sweden	1.8	1.5	1.4	2.3	3.8	0.8	5.3	4.4	0	0.4
Switzerland	2.8	2.6	7.4	7.6	8.6	5.0	8.6	14.3	16.8	11.4
Turkey	4.2	4.5	3.8	3.9	16.2	17.1	20.6	18.8	15.8	15.0

[1]Estimate
[2]Excluding Spain and Portugal

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Table 5

Western Europe and Canada: Military Assistance To Libya*, 1980-1984

A = AGREEMENTS D = DELIVERIES

(million US dollars)

	1980		1981		1982		1983		1984		1985	
	A	D	A	D	A	D	A	D	A	D	A	D
Canada	--	5	--	5	--	--	--	2	--	--	--	--
Western Europe	365	668	106	544	193	553	1	388	106	228	1172	243
Austria	--	--	NEGL	NEGL	--	--	--	--	--	--	--	--
Belgium	277	93	--	216	--	NEGL	--	--	--	--	--	--
Finland	--	5	--	5	--	5	--	--	--	--	--	--
France	56	104	--	97	--	395	--	180	--	60	250	--
Germany	1	302	72	15	5	37	--	--	8	20	--	8
Greece	--	--	--	--	--	--	--	--	NA	--	500	--
Italy	NEGL	110	3	190	183	108	NEGL	176	97	147	422	235
Netherlands	18	18	30	8	--	--	--	30	--	--	--	--
Spain	NEGL	NEGL	--	NA	--	--	1	1	1	1	--	--
Sweden	--	--	--	--	--	--	--	--	--	--	--	--
Switzerland	--	--	--	--	1	--	--	1	--	--	--	--
Turkey	5	3	--	13	--	3	NA	NEGL	--	--	--	--
United Kingdom	8	33	1	--	4	5	--	--	--	--	--	--

*DIA Estimates

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Table 6

Western Europe and Canada: Workers Currently in Libya

Canada		1,300
Western Europe		42,000
	Italy	15,000
	Turkey	14,000
	United Kingdom	5,000
	Greece	2,000
	Portugal	1,700
	Germany	1,500
	France	1,200
	Ireland	1,000
	Netherlands	400
	Austria	200

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Table 7

Western Europe: Selected Companies Dealing with Libya

Manufacturing and Service Companies

West Germany

BASF
Brown Boveri & Compagnie
Buckau-Walther AG.
Detecon
Kloeckner-Humboldt-Deutz
Kutluat
Liquid Gas Anlagen
Siemens
Thyssen Engineering
VEBA

France

Air France
BBC Brown
Bouygues
EMH
Societe Internationale de Dessalement
Societe Nationale Elf Aquitaine (Elf)
Sofrerail
Spie Batignolles
USINOR

United Kingdom

Barkley Bank
Brown & Root
Brush Transformers
Cubitt & Partners
Imperial Chemical Industries (ICI)
John Brown Offshore
Motherwell Bridge
Tilden Industries
Transmark
Weir Group

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Manufacturing and Service Companies (continued)

Italy

AGIP North Africa & Middle East (Subsidiary of ENI)
Belleli
Fasano
Fiat
Micoperi
SNAM (Societa Nazionale Metandotti) (Subsidiary of ENI)
Snamprogetti (Subsidiary of ENI)
Technimont
Transmediterranea di Navigazione

Spain

Construcciones Internacionales
Ferrovial
Foster Wheeler Iberia
Huarte
Page Iberia, S.A.

Netherlands

Royal Boscalis Westminster

Switzerland

Geos Ingenieur-Conseil
Marc Rich Co. AG
Sulzer Escher Wyss
Unibuild

Belgium

Ateliers de Constructions Electriques de Charleroi
Belgonucleaire
Cockerill
Electrobel
Electrobel Engineering International
Fabricom
Tractionel

Austria

Voest-Alpine

Norway

Aircontact

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Manufacturing and Service Companies (continued)

Turkey

Dogus Construction
ENKA
Temel Investigation

Luxembourg

TRATCO

Defense Industries

France

Aerospatiale
Construction Mecaniques de Normandie
Dassault
Electronique Marcel Dassault
Engins Matra
Matra SA
Thomson-CSF
TRT

United Kingdom

Alvis
British Aerospace Dynamic Group

Italy

Augusta Bell
Fiat
Oto Melara Spa
Siai-Machetti

Financial Institutions

West Germany

Commerzbank
Deutsche Bank
Dresdner Bank

France

Banque de Paris

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Financial Institutions (continued)

United Kingdom

Barclay's Bank
Lloyds

Italy

Banca Nazionale del Lavoro
Banca di Roma

Netherlands

Algemene Bank

Austria

Austrian Central Bank
Creditanstalt Bankverein

Norway

Christiana Bank

Turkey

Akbank
Garanti Bankasi
Is Bankasi
Pamukbank
Ticaret Bankasi
Uluslararasi Bankasi
Vakiflar Bankasi
Yapi ve Kredi Bankasi

Greece

Bank of Greece

Malta

Central Bank of Malta

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