NATO Foundation
Defense College

Maghreb April 2017

Armed groups take advantage of the critical infrastructures vulnerability in Libya

Following clashes in the oil crescent region in March, the conflict in Libya continued to affect critical infrastructures, raising concerns about the viability of the economic recovery. The clashes in April had involved the Benghazi Defence Brigades (BDB, an Islamist armed group led by Mustapha al-Sharkasi) and the Libyan National Army (LNA) of General Khalifa Haftar. The fight over the eastern oil terminals of Ras Lanuf and Es Sider (seized by the BDB on 4th March) caused the total oil output of the country to decrease from 700,000 barrels per day (b/d) to 650,000 b/d. By 14th March the LNA managed to take again the control of the two oil terminals, raising hopes of a prompt recovery.

However, instability in central-southern Libya, together with the activity of militias and armed groups, had deeper consequences than the fight in the oil crescent. Production at the Sharara and El Feel oilfields had to be suspended on 28 March, as a result of the blockade of the al-Rayana pipeline by armed groups calling for improvements to the local services of their communities. The blockade forced the National Oil Corporation (NOC, Libya's national oil company) to declare force majeure at the Zawiya terminal, abruptly reducing Libya's total output from 700,000 to 500,000 b/d. Production halted at Sharara and El Feel, as well as at the Wafa field, which is connected to the Mellitah gas compressor station, jointly operated by NOC and the Italian national oil company ENI and which pumps gas into the Greenstream offshore pipeline to Gela in Sicily.

Even though on 3 April the chairman of NOC Mustafa Sanalla had said that production had already resumed at Sharara, on 9 April NOC was forced to declare again force majeure on loadings from Zawiya. The following day NOC also said that production had been stopped at the Wafa field, after an unidentified group from Nalut resumed the blockade of al-Rayana. Armed groups continued to interfere with Libya's oil production in the following days. After the reopening of a-Rayana on 12 April, NOC lifted force majeure in Wafa only to see the pipeline shut again on 15 April. This time the blockade also caused power outages in Tripoli, as the pipeline also feeds the al-Ruwais power station, which generates electricity for the capital and the Nafusa mountains.

The blockade of the al-Rayana pipeline also shed light on the frequent misunderstandings between the Government of National Accord (GNA) and NOC. Following the visit to El Feel of the Minister of Defence of the GNA Mahdi al-Barghathi announcing the reopening of the oilfield, on 21 April NOC denied it, saying that El Feel is still under force majeure. In a statement the national oil company said that El Feel couldn't operate without electricity coming from Sharara, still shut because of the closure of al-Rayana. Eventually the end of the blockade of al-Rayana was announced on 25 April by the head of the Petroleum Facilities Guards (PFG) affiliated with the GNA Idris Bukhamada, after an agreement he reached with the protesters. The deal, which was brokered by elders from Zintan, allowed NOC to lift the state of force majeure at the Sharara and El Feel, raising expectations about Libya's oil output increasing soon from 491,000 b/d to 800,000 b/d.

Given the ongoing conflict, the established rivalries and the lack of rule of law, it is likely that militias and armed group will continue to undermine every attempt of economic recovery in Libya in the short term. In this context, the precedent set by the PFG led by Ibrahim al-Jadhran, which in 2014 attempted to sell oil autonomously excluding the central government, is relevant. Also in April a new group known as Supreme Council for Oil, Gas and Water Resources in the Oases and Sirte Basin and affiliated to the LNA and the House of Representatives in Tobruk threatened to stop the oil supply to the eastern terminals, calling for diverting the oil revenues from the Central Bank of Libya based in Tripoli and describing the Presidency Council as unconstitutional.

The effects of these actions on the Libyan economy are already visible. The national oil company had warned that the shutdown of the al-Rayana pipeline could cost Libya almost US$10 million a day, reducing the revenues and increasing the budget deficit. In this context, the seizure of oilfields and the blockades of pipelines (vulnerable to the attacks of armed groups asking for a major share of revenues or greater representation in Libya's institution) not only could have major impact on the oil output, but it would also exacerbate the economic crisis in the country.

Umberto Profazio - *Holds a PhD in History of International Relations from the University of Rome Sapienza. He is Senior Research Fellow at the Centre for Geopolitics and Security in Realism Studies (CGSRS) in London and a Security Analyst for a consultancy firm based in the United Kingdom*