THE WAVERLEY SERIES

LIBYA

An Insight of Investment, Trade and Economy

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For Advisory & Partnership

LORD WAVERLEY

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LIBYA — AT A GLANCE

Capital	Tripoli (seat of the internationally recognised Government of National Unity); Benghazi and Tobruk (base of the rival eastern administration)
Population	≈ 7.4 million
Real GDP growth	12.4-17.3% (2025, estimates vary by source), a sharp rebound as oil production recovered; projected to moderate to roughly 4.3-6.5% for 2026
GDP per capita	≈ USD 6,800 (2025)
Oil production	Recovered to approximately 1.3-1.5 million barrels per day in 2026, up from around 1.09 million in 2024, with investment targeting capacity expansion to 2 million bpd by 2030
Fiscal balance	Narrowed sharply from a 24.8% of GDP deficit in 2024 to 4.2% in 2025, and is projected to shift to a surplus of roughly 1.6-2.2% of GDP in 2026-27
Unemployment	18.6% overall; youth unemployment substantially higher at 50.6%
Currency	Libyan dinar (LYD)
Hydrocarbon dependence	Oil accounts for more than 95% of export earnings and over half of government revenue
Governing framework	Divided since 2021 between the Tripoli-based, internationally recognised Government of National Unity under PM Abdul Hamid Dbeibah, and the eastern Government of National Stability under PM Osama Hammad, backed by the House of Representatives and Field Marshal Khalifa Haftar's Libyan National Army; a June 2026 power-sharing agreement and further UN-brokered talks in August-September 2026 aim for elections within 24 months under a unified executive

Libya's oil-driven economy has staged a striking recovery, with GDP growth exceeding 12% in 2025 and production climbing back toward 1.5 million barrels per day, even as the country remains politically divided between two rival governments. A genuinely significant development this year offers cautious hope: in June 2026, Tripoli Prime Minister Dbeibah and eastern strongman Khalifa Haftar agreed to a power-sharing arrangement creating a dual-executive structure, followed by further UN-backed negotiations in late August and early September that produced an agreement aiming for elections within 24 months under a single executive authority. Investors should treat this as a genuine, if still fragile and unproven, step toward unification, set against a country where oil wealth, sovereign assets, and security guarantees remain contested between competing authorities.

1. INVESTMENT & FDI

Libya's sovereign wealth and oil institutions continue attracting targeted international engagement even as broader investment remains constrained by political division and frozen-asset restrictions.

The Chairman and CEO of the Libyan Investment Authority, Ali Mahmoud Hassan, has discussed cooperation mechanisms with Greece's ambassador to Libya, even as the LIA's assets remain under international oversight linked to a long-standing freeze. A modest but notable signal of gradual, conditional normalisation came in April 2026, when UN Security Council Resolution 2819 included a narrowly defined exemption allowing the LIA to change its global custodian bank under strict conditions.

- **Continued sovereign wealth engagement despite restrictions:** the LIA's active bilateral discussions, even while its assets remain frozen and under international oversight, illustrate that Libya's sovereign institutions continue functioning diplomatically despite the underlying legal constraints on how that wealth can be deployed.
- **A narrow but concrete easing signal:** Resolution 2819's custodian-bank exemption, however limited in scope, represents a genuine, incremental step in the international community's gradual approach to Libya's frozen sovereign assets.
- **An ambitious, capital-intensive oil-capacity target:** the stated goal of expanding oil production capacity to 2 million barrels per day by 2030 represents a substantial, quantified investment target that will require sustained capital deployment across exploration, development and infrastructure.
- **Digital-technology deployment by the National Oil Corporation:** NOC's adoption of autonomous drilling and real-time field monitoring technologies, alongside its ramp-up in investment, reflects a genuine modernisation effort within Libya's core hydrocarbon sector specifically.

2. TRADE & BUSINESS

A direct gas pipeline to Europe and recovering oil exports anchor Libya's trade position, even as a new US tariff highlights specific supply-chain compliance risk.

Libya's GreenStream pipeline provides a direct gas link to Italy that remains strategically important even amid reduced export volumes, while oil continues to account for more than 95% of the country's export earnings. On 24 July 2026, the United States imposed a 12.5% tariff on Libya, citing the presence of alleged forced labour in the supply chain, a specific and notable trade-compliance development directly relevant to any investor engaged in Libyan export-linked supply chains.

- **A genuine, direct European energy link:** the GreenStream pipeline's continued strategic relevance to Italy underscores Libya's enduring role in European energy supply, independent of the broader political fragmentation.
- **A new, specific compliance concern:** the US forced-labour tariff represents a concrete supply-chain risk investors should factor directly into due diligence for any Libya-linked export activity, rather than treating it as a generalised political-risk footnote.
- **Continued formal contractual activity amid division:** the Ministry of Oil and Gas's ongoing tracking of monthly royalty and tax collections from concession and participation contract companies indicates that formal hydrocarbon-sector contracts continue functioning despite the political fragmentation.

3. MAJOR ECONOMIC DEVELOPMENTS

A genuinely significant political power-sharing agreement this year offers cautious hope for reunification, even as the underlying division between rival governments and severe living-standard pressures persist.

In mid-June 2026, Prime Minister Abdul Hamid Dbeibah of the Tripoli-based Government of National Unity and Field Marshal Khalifa Haftar, the power behind the eastern Government of National Stability, agreed to a power-sharing arrangement functioning as a dual-executive system: Dbeibah retains his post as GNU prime minister, while Haftar gains substantial influence over a new three-person executive presidency likely to be headed by his son Saddam. This agreement followed an April-June 2026 joint budget agreement and joint military exercises in Sirte involving Libyan forces alongside the United States, Germany and the United Kingdom. By late August and early September 2026, further UNSMIL-backed negotiations produced an additional political agreement aiming to hold presidential and parliamentary elections within 24 months under a single executive authority. This progress follows a sobering April 2026 assessment from UN Special Representative Hanna Tetteh, who told the Security Council that Libya 'was not where it should be' on the UN's roadmap and that state institutions remained divided. On 27 July 2026, protests broke out in Tripoli over an electricity crisis and deteriorating standards of living, a direct, current indicator of public frustration with service delivery.

- **A genuinely significant, if unproven, power-sharing step:** the June 2026 agreement represents the most substantial recent progress toward reconciling Libya's two rival governments, though its durability, and whether it produces genuine institutional unification rather than a managed continuation of division, remains to be demonstrated.
- **International military and diplomatic backing for the process:** the joint Sirte military exercises involving the US, Germany and UK alongside Libyan forces reflect substantive international investment in supporting the reconciliation process specifically, beyond diplomatic statements alone.
- **A sobering official assessment preceding the progress:** UN Special Representative Tetteh's direct April 2026 acknowledgment that Libya remained off-track represents an honest, sourced benchmark against which this year's subsequent agreements should be measured.
- **A strong oil-driven economic rebound:** GDP growth exceeding 12% in 2025, alongside a fiscal deficit narrowing sharply from 24.8% to 4.2% of GDP, reflects genuine, verifiable economic recovery tied directly to restored oil production and export volumes.
- **Persistent public frustration over basic services:** the July 2026 Tripoli protests over electricity shortages and living standards illustrate that oil-sector recovery has not yet translated into adequate basic service delivery for ordinary citizens, a gap directly relevant to assessing social and political stability risk.

4. MAJOR PROJECTS & INFRASTRUCTURE

The National Oil Corporation's digital-technology deployment and continued grid and renewable investment plans define Libya's most active current infrastructure development, even amid recurring electricity shortages.

- **NOC digital transformation:** autonomous drilling and real-time field monitoring technologies represent genuine modernisation of Libya's core oil infrastructure as the corporation ramps up broader investment.
- **Sirte Oil Company well completion:** the NOC subsidiary's completion of a new horizontal well represents concrete, ongoing upstream development activity.
- **Grid and renewable infrastructure gap:** the Power & Renewables Forum's specific focus on grid infrastructure, solar capacity and gas-to-power investment directly addresses the electricity-system weaknesses that triggered July 2026's Tripoli protests.

5. CONFERENCES, FORUMS & EXHIBITIONS

The Libya Energy & Economic Summit continues serving as the country's premier investment platform, with its 2027 edition already building momentum.

- **Libya Energy & Economic Summit 2027:** scheduled for 23-25 January 2027 in Tripoli, LEES has established itself as Libya's premier international platform for investment, technical innovation and energy-sector dialogue.
- **Power & Renewables Forum:** a dedicated LEES track spotlighting grid infrastructure, solar capacity and gas-to-power investment as Libya works to strengthen its electricity system specifically.
- **Future Industries Forum:** another LEES track exploring how industrial zones, downstream investment and strategic partnerships can create growth pathways beyond resource exports.
- **AmCham Libya's official partnership:** the American Chamber of Commerce in Libya joined LEES as an Official Partner in August 2026, aiming to support deeper US-Libya business ties as investment opportunities expand.

6. BUSINESS & INVESTMENT EVENTS

Direct engagement between Libya's sovereign wealth and oil institutions and international counterparts continues even amid the broader political fragmentation.

- **LIA-Greece bilateral discussions:** the LIA Chairman's engagement with Greece's ambassador on cooperation mechanisms represents continued, active sovereign-institution diplomacy.
- **NOC's UN methane-partnership signing:** Chairman Masoud Suleiman's signing of the Oil and Gas Methane Partnership reflects Libya's formal engagement with international environmental and emissions-reduction standards for its hydrocarbon sector.

7. GOVERNMENT & INTERNATIONAL PARTNERSHIPS

A broad coalition of international actors, from the UN to Türkiye to Western militaries, continues shaping Libya's fragile path toward reunification.

- **UNSMIL:** the UN Support Mission in Libya continues leading the three-track roadmap covering an electoral framework, institutional unification and national dialogue, and brokered both the June 2026 power-sharing arrangement's diplomatic groundwork and the subsequent late-summer election-timeline agreement.
- **United States:** Washington helped broker elements of the 2026 agreements, participated in the Sirte joint military exercises alongside Germany and the UK, and separately imposed the July 2026 forced-labour tariff, together reflecting a genuinely multi-track relationship spanning diplomatic support and trade enforcement.
- **Türkiye:** the principal external military supporter of the Tripoli government since 2019, credited with halting Haftar's 2019-2020 offensive and enabling the 2020 ceasefire, Türkiye has continued expanding engagement with eastern Libya as well since the ceasefire took hold.
- **African Union:** the AU Commission Chairperson welcomed a January 2026 reconciliation charter decision as an important step toward national reconciliation, though implementation has remained limited according to subsequent assessment.
- **UN Security Council:** Resolution 2819's LIA custodian-bank exemption, described in Section 1, represents the Council's most concrete recent action specifically affecting Libya's economic and financial position.

8. SME & PRIVATE-SECTOR DEVELOPMENTS

Libya's private sector remains severely underdeveloped relative to its oil wealth, employing only a small share of the workforce amid persistent conflict-related constraints.

The private sector accounts for only 14% of Libya's workforce, a stark figure reflecting the economy's overwhelming state and oil-sector dominance. The World Bank has recommended that Libya rationalise the state's heavy footprint in economic sectors, reduce pervasive informality, establish a coherent regulatory framework for businesses, and expand access to credit and foreign exchange to foster genuine diversification.

- **A severely underdeveloped formal private sector:** with only 14% of the workforce employed privately, Libya's economy remains structurally dependent on state and oil-sector employment to a degree that limits broader economic resilience and diversification.
- **A modest domestic financial-instrument development:** the Central Bank of Libya's opening of subscriptions for its fifth 2026 issue of unrestricted investment certificates of deposit to commercial banks represents incremental progress in developing domestic financial-market instruments.

9. NEW INVESTMENT OPPORTUNITIES / PROJECTS ANNOUNCED

Grid and renewable-energy infrastructure, downstream industrial development, and continued oil-capacity expansion define Libya's most concretely promoted new investment channels.

- **Oil capacity expansion to 2 million bpd by 2030:** described fully in Section 1, this remains the single largest quantified investment opportunity in Libya's economy.
- **Grid, solar and gas-to-power infrastructure:** specifically promoted through LEES's Power & Renewables Forum, these represent concrete openings for investors addressing Libya's documented electricity-system weaknesses.
- **Downstream industrial development:** LEES's Future Industries Forum specifically promotes industrial zones and downstream investment as pathways for growth beyond raw resource exports.
- **Technology partnerships in upstream oil operations:** NOC's deployment of autonomous drilling and real-time monitoring technology suggests continued appetite for technology-partnership arrangements in Libya's core hydrocarbon operations.

SUMMARY ASSESSMENT

Libya's oil-driven economy has staged a striking recovery, with GDP growth exceeding 12% in 2025 and production climbing back toward 1.5 million barrels per day, while a genuinely significant political development this year offers cautious hope for reunification: the June 2026 power-sharing agreement between Tripoli's Dbeibah and eastern strongman Haftar, followed by further UN-backed negotiations in August and September aiming for elections within 24 months under a single executive authority.

This progress remains fragile and unproven. UN officials themselves acknowledged as recently as April 2026 that Libya 'was not where it should be' on its roadmap, and the country's fundamental division between two governments, each backed by rival security forces, has not been resolved, only managed through a new power-sharing arrangement whose durability has yet to be tested. Set against this: a new US tariff over alleged forced labour in Libya's supply chain, recurring electricity shortages severe enough to trigger street protests, extreme youth unemployment at over 50%, and a private sector employing barely one in seven workers all represent genuine, concrete near-term constraints.

Investors should treat Libya's oil-sector recovery and sovereign-wealth engagement as real, while weighing any broader commitment against the still-unresolved question of which authority can reliably guarantee contracts and security nationally. The clearest signal to watch is whether the 24-month election timeline set this year proves more durable than Libya's previous postponed election commitments, which have been delayed repeatedly since 2015.