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Report Highlights:

Libya poses unique opportunities and challenges for U.S. agricultural exports. The nation is characterized by an unstable government, conflict, opaque regulations, an underperforming agricultural sector, and about \$3 billion worth of agricultural imports from around the world every year. Top prospects include infant formula, baby food, pulses, beef, poultry, non-alcoholic beverages, fruit juices, and beverage concentrates.

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Executive Summary:

Libya features an underperforming agricultural sector, importing almost 3 billion dollars in food, feed, and fiber annually. Libya’s primary trade partner is the EU 28, which maintains a 46 percent market share. American food products enjoy a positive reputation in Libya. Several food retailers assert that Libyan consumers perceive American food as high quality, providing U.S. products a competitive edge. Although the U.S. presence is limited, there are possibilities to grow U.S. market share beyond the current level of 3 percent.

Please note that due to civil unrest the United States does not have diplomatic or consular representation in Libya. The State Department has published a travel advisory warning American citizens not to travel to Libya due to risks including “crime, terrorism, civil unrest, kidnapping and armed conflict.”

Section I: Market Overview

Libya poses unique opportunities and challenges for U.S. agricultural exports. The nation is characterized by an unstable government, conflict, opaque regulations, petroleum revenues, an underperforming agricultural sector, and about \$3 billion worth of agricultural imports from around the world every year. Libya faces economic instability, reflected in erratic GDP growth, which jumped 64 percent in 2017, then fell to about 11 percent in 2018 and 2019 (estimated). Export trends vary significantly and can often be tied to petroleum sector performance, which makes up over 50 percent of the country’s GDP. In the immediate wake of the 2011 revolution, Libya’s state-dominated markets opened up to private investment and entrepreneurship. While the ongoing conflict limited the growth of U.S. trade with Libya to predominantly oil, gas and electricity related activities, several European, Turkish and Arab League states increased their agricultural/food exports to Libya.

Key Demographic Development

Libya's population is estimated at 7.1 million in 2019, with over 90 percent of the population concentrated on the Mediterranean coast. Libya's interior is sparsely populated because of the Sahara's harsh living conditions. Tripolitania (the northwest region of Libya) is home to 47 percent of the population, followed by Cyrenaica (eastern region) with 39 percent, and finally Fezan in the south with 12 percent. Libya is also a transit point for a large population of migrants seeking to enter Europe. Islam is the dominant religion in Libya (about 97 percent). Arabic is Libya's official language, but English and Italian are widely understood in urban areas.

Agriculture makes up 1.3 percent of Libya's GDP, but the ongoing civil war, worsening climate conditions, and limited arable land has led to a decline in production. Domestic agricultural production only met 25 percent of national demand in 2018, resulting in a strong reliance on imported agricultural products and processed foods to meet its needs. The continuation of conflict in Libya will be a major factor in the country's future economic trends.

Consumer Spending

Libya's population growth rate is estimated at 1.45 percent. An estimated 44 percent of the population is aged 25-54 years old, while people younger than 25 make up 42 percent. Youth are strongly influenced by western pop culture and consume soft drinks, fast foods, and other consumer-oriented food products.

Libya has one of the highest pregnancy and birth rates in the world, creating strong demand for food and consumer products for mothers, infants and young children. Diabetes is endemic in Libya with 35 percent of adults over 40 years old seeking low sugar foods and other foods appropriate for diabetic consumers.

Libyan culture, like many of its neighboring countries, has a strong food component. Food consumption is accentuated by frequent traditional celebrations including weddings and births. Libya is also a conservative Muslim country with frequent religious holidays which are celebrated with flair and excessive food consumption. During the Ramadan holy month and the following Eid celebration, food imports triple in volume. The celebration of pilgrimage to Mecca (Eid Kabir) holiday is usually accompanied by livestock imports including at least 1.5 million head of sheep, while other food product imports can double in volume.

Sixty-five percent of Libya's population depends on government salaries or allowances. While oil exports ensure a steady revenue stream, political instability and the ongoing civil war have driven high inflation rates and have limited confidence in Libya's Central Bank. (Note that the Libyan Central Bank reported that inflation dropped from double digits to under two percent in October 2019). This economic scenario has resulted price and supply fluctuations. Additionally, strong inflation has lowered Libyan household's purchasing power by 80% since 2014, pushing many towards financial hardship. Fortunately, Libya's tight-knit tribal, family and social networks possess significant savings that have stabilized urban and rural societies and minimized the impact of the sharp decline in currency value.

Tripoli and Benghazi (Libya’s second largest city) are experiencing rapid growth of the restaurant and café industry despite armed conflict. Due to the constraints that conflict poses on daily life, eating out has become one of the few recreational activities available to families and youth. Weddings, graduations, and other festivities have led to the growth of a unique “celebration salon” industry. The celebration salon industry represents a luxury economy that is characterized by events costing into the millions of dollars, all in stark contrast with the economic hardships that some Libyans face. It is fueling demand for high-quality niche products and foods, delicacies and drinks specific for such popular events. Premium meats, chocolates and candies presented at such occasions are perceived to emphasize economic and social status and are increasingly sought.

While there is no monopoly on food imports and sales in Libya, several Ghaddafi-era merchants (predominantly in Tripoli) have continued to dominate the wholesale food business. Local distributors and retailers find it easier to buy from these select wholesalers than to import directly. However, new exporters are challenging traditional patterns and creating opportunities with new products, particularly in the eastern and southern regions of the country. Libyan importers are also starting to recognize the advantages of packaging food products locally and are setting up storage and packaging facilities.

Table 1: Opportunities and Challenges

Opportunities	Challenges
Libya is a billion-dollar market for consumer-oriented goods including infant foods and formulas, frozen meats, cheese, and non-alcoholic beverages and concentrates. There is also strong demand for premium and niche foods.	Competition: The EU and other neighboring countries, such as Egypt and Turkey hold dominant positions in Libya’s import market.
Despite perceived challenges due to the lack of government institutions, Libyans have learned to efficiently work around challenges and complete tasks.	Proximity: Shipping from the USA takes longer with more frequent port transfers. European and Middle East exporters benefit from their proximity and ability to send small, frequent consignments.
U.S. food and agricultural products are trusted because of their high quality.	Governance: Libya’s opaque bureaucratic structures limit a predictable trading environment.
Although it is not the dominant language, English is common in major urban centers.	Security: Civil conflict in Libya presents a security risk and limits U.S. understanding of day-to-day market needs.

Section II: Exporter Business Tips

Due to civil unrest the United States does not have diplomatic or consular representation in Libya. The State Department has published a travel advisory warning American citizens not to travel to

Libya due to risks including “crime, terrorism, civil unrest, kidnapping and armed conflict.”

Although there is a travel warning, some business contacts may advise that certain areas are safer than others, and that with appropriate planning American citizens can visit Tripoli and Misratah in the west and Benghazi and Albeida in the East. However, it is much easier to meet with Libyan merchants in neighboring countries such as Tunisia or Egypt (Tunis for west Libyans and Cairo for East Libyans). This practice has become standard since 2011 when the civil wars broke out. Additionally, most trade with credible Libyan partners can be done online and without the need to travel.

Libya is a southern Mediterranean country bordered by Tunisia and Algeria to the west, Egypt to the east, Sudan to the southeast and Chad and Niger to the south. It features generally mild weather similar to southern Europe. When visiting Libya be sure that you hold a passport with at least six months validity and a valid visa. A Libyan sponsor is needed to support a visa application at the Libyan embassy in Washington DC. The visa process requires an average of 30 days. When in Libya, transactions and purchases are done in Libyan Dinars, the official currency. It is always advisable to have a sponsor greet you at the airport and arrange your travel and stay during your visit to the country. Note that air travel to Libya is unreliable and faces frequent delays due to security and airline logistical issues. Delays can be a matter of days and not just hours.

Arabic is the primary language of Libya, but English and Italian are understood and spoken well in major cities. Most Libyan merchants will make sure that they have an intermediary who speaks English. Libyan importers will expect metric units of measure. As a strict Muslim country, all food imports must abide with Halal rules. Alcohol is forbidden and foods should not have alcohol in it. Note that import of any alcohol containing products can carry prison sentences.

Before embarking in any business ventures in Libya, it is recommended to conduct market research including product testing, price comparison, competitor analysis, and consumer preferences and trends. A reputable Libyan importer can help carry out much of this work. Libyan importers frequently participate in major trade shows in neighboring countries and the Middle East. Libyan trade shows include the Tripoli International Fair and the Libya Big4 show. (Note that the USDA has not visited any Libyan trade shows and cannot attest to their quality). Libyan exporters are present on social media, and some businesses report that platforms such as Facebook help facilitate access to importers.

Consumer Tastes and Trends

Libyan cuisine is a mixture of Amazigh, Arabic and Mediterranean cooking. It has a strong Italian influence, and sharing meals is an important family activity. Local tastes reflect the county's abundance of dates, oranges, apricots, figs, lemons and olives. Seafood in Tripoli and Benghazi is particularly good. Hotel restaurants offer international cuisine and most restaurants have table service. Food is traditionally eaten with hands, but most restaurants will provide knives, spoons, and forks if requested. Although alcohol is banned in Libya, nonalcoholic beer is generally available in major towns. Wheat, meats, canned foods, pasta, and rice comprise a significant portion of consumer spending in Libya.

American food products enjoy a positive reputation in Libya. Several food retailers assert that Libyan consumers perceive American food as high quality, providing U.S. products a competitive edge despite lower cost competitors from Europe and Turkey. According to industry sources, Libya's elevated birth rate is driving demand for baby foods and milk powders. European and American brands such as Gerber and Nestle are popular. High-end gourmet foods are also sought after, with the metropolitan areas of Tripoli and Benghazi leading the demand for these foods.

Section III: Import Food Standards & Regulation and Import Procedures

The Libya Food and Agricultural Import Regulations and Standards (FAIRS) report provides an overview of the food laws and regulatory environment in Libya as it relates to U.S. food and agricultural exports.

The list of approved food specifications and regulations from before 2011 are published by the Libyan Consumer Protection Agency, Arraqeeb (<http://www.alcpo.org.ly/>) (Website unavailable at the time of publishing). This list of legislation set the basis for Libya's national food standards, which are supplemented by regulations from the [Libyan National Center for Standardization and Metrology](#) (LNCSM), (which is both a government institution and the Libyan arm of the [Standards and Metrology Institute for Islamic Countries](#) (SMIIC)). While the SMIIC serves to unify standards of the Organization of Islamic Countries member states, the main task of LNCSM is to develop national standards (and/or adapt international standards). LNCSM also grants a voluntary Libyan Quality Mark and accredits inspection bodies.

In the absence of a functioning government and the ability to enforce the various regulations cited above, importers will expect that imported food products are produced under the authority of the appropriate regulations of the exporting country and will provide the relevant documentation to Libyan customs and health officials. This includes U.S. food and drug safety standards, which are held in high regard by Libyan importers and health officials. In the absence of laws on a specific item, health authorities may seek certification that a given food item meets existing health requirements in the United States.

According to industry sources, importers are often responsible for obtaining clearance letters from the Central Bank of Libya, registering food and drug items, and obtaining customs clearance at the port of entry.

Exporters will need to present a Certificate of Inspection, Certificate of Free Sale, and a laboratory analysis of all agricultural goods and processed foods to be sold in Libya. Shipments must be accompanied by a bill of lading that shows Libya as the final destination and the United States as the point of origin. (Law [no. 10](#) link in Arabic).

According to industry sources, food items must be labeled in Arabic. Providing this information on a sticker is acceptable.

All trademarks and patents must be registered in Libya through a Libyan citizen. Libya recognizes foreign patents and trademarks so long as the copyright's country of origin respects Libyan trademark and copyright laws (copyright law [no. 9](#) 1968 link in Arabic).

In general, food, nonalcoholic drinks, and agricultural products do not fall under sanctions. However, certain Libyans are under sanction by both the United States and the United Nations. Exporters should be aware that contributing to the ongoing conflict in Libya or conducting business with individuals or organizations named by the [U.S. Department of Treasury](#) or the [U.N. Sanctions Committee](#) is illegal.

Section IV: Market Sector Structure and Trends

Libya is a net food importer. While there is a need for staple goods, urban consumers in both Tripoli and Benghazi drive demand for consumer-oriented goods and some luxury goods. The following is a brief summary of a few interesting food categories with growth opportunities.

Infant formulas and infant foods: Libya has a high birth rate and imports an average 100 million dollars' worth of infant formula annually. Infant food imports are also valued at 100 million dollars. Trade data indicates that U.S. market share of infant food is minimal.

Food for diabetics: Diabetes is endemic in Libya with 35 percent of adults over 40 years old seeking low sugar foods and other foods appropriate for diabetic consumers.

Fruit juices and non-alcoholic beverages: Libya imports nearly 100 million dollars of non-alcoholic beverages annually. This includes tea, coffee, juices, and other flavored drinks. Importer contacts report strong demand for fruit juice concentrates and other ingredients for bottling.

Dry beans and lentils: 2018 trade data indicates that Libya imported chick peas (\$20 million), red beans (\$11 million), and lentils (\$10 million).

Red Meat and Poultry: Libya is a valuable export destination for meat products, but the market is unique. Red meat imports include a large volume of European live animals (ovine and bovine), and whole, half, and quarter carcasses. Despite the consumer preference for consumers to choose cuts from a carcass, there is a niche for premium meat cuts. Libya imported approximately \$150 million of poultry in 2018. Imports were comprised of approximately 2/3 whole birds and 1/3 cuts.

Festivities and gift giving: Weddings, graduations, and other festivities have led to the growth of a unique "celebration salon" industry. These events provide an opportunity for exports of premium meats and other high-quality niche foods, delicacies and beverages. Gift-giving associated with these events fuels demand for high-quality chocolates and candies which emphasize economic and social status.

Restaurant and Grocery Franchises: Consumer demand for international brands and modern retail products are driving an upsurge in the retail industry. Retailers are responding with the development of new shopping centers and retail outlets, providing opportunities for international retailers in Libya. Shopping center development in Tripoli and Benghazi is enabling the arrival western-style commerce including fast food outlets and supermarkets. Recent western arrivals include Cinnabon, with its first location in Tripoli's business district. Contacts report there are plans for an additional ten outlets.

BurgerFuel, a New Zealand franchise, is reportedly planning on opening in Tripoli, while California's Johnny Rockets is also expected to open a Libyan franchise soon. In addition to restaurant franchises, The Coca-Cola Company has signed a partnership for representation in Libya. The Tunisian affiliate of the French supermarket chain Monoprix also plans to open 10 stores. Outside of the food industry, high-end British retailers with a popular presence in a Libya include Next, Dune, Marks & Spencer, and Monsoon.

There are several wholesale food import and distribution companies, such as the Husni Bey Group, which dominates the market in Libya and features strong storage, distribution, and transportation capabilities. The local food packaging industry is also expanding quickly.

Section V: Agriculture and Food Imports

Libyan agricultural production faces a number of constraints, including limited arable land, low soil fertility, and social instability due to civil unrest and a lack of government institutions. While a large portion of the population faces limited buying power due to high inflation, oil exports provide currency to fund food imports ranging from staple goods to luxury and niche goods. As a result, Libya averages over three billion dollars of agricultural imports from around the world annually. U.S. exports to Libya, in contrast, average about 110 million dollars annually. With a market share of less than four percent, it appears that there is significant opportunity to increase U.S. exports. Note that USDA trade estimates do not take third country shipments into account, which may hide a portion of US market share.

Like its neighboring countries, Libya is a destination for bulk and intermediate goods. Unlike other North African countries, Libya imports an average of over one billion dollars' worth of consumer-oriented and other food-related fast-moving consumer goods annually. Key bulk imports include wheat, barley, corn, rice, chickpeas, kidney beans, and lentils. Intermediate imports include vegetable oil, sugar, planting seeds, soybean meal and feeds and fodders. Consumer-oriented products are led by infant formulas and food, chicken meat (both whole birds and parts), dairy products including cheese and unsweetened milk and cream, beef, apples, pears, and bakery goods including cookies and biscuits. Libyan industry contacts report that the beverage market is significant and that there is strong demand for non-alcoholic drinks and ingredients such as fruit juice concentrates. Libya has averaged over 100 million dollars of wood imports annually.

World Exports to Libya 2013-2018

Product	2013	2014	2015	2016	2017	2018
Bulk Total	1,064.45	825.68	639.08	621.59	596.10	698.40
Wheat	557.60	432.36	233.33	223.55	238.77	294.56
Corn	155.82	164.48	105.82	104.64	82.48	122.82
Coarse Grains (ex. corn)	182.41	145.03	196.99	200.75	142.46	148.94
Rice	111.58	17.52	49.43	51.11	81.61	55.04
Pulses	24.13	32.04	18.34	12.09	13.56	45.60
Coffee, Unroasted	20.68	21.15	18.79	17.03	28.28	22.24
Intermediate	754.47	694.62	538.22	743.75	665.51	768.13
Soybean meal	126.68	119.66	85.84	73.49	38.78	54.27
Vegetable Oils NESOI	87.39	67.31	82.28	160.84	135.65	137.95
Feeds & Fodders NESOI	13.79	17.95	9.12	7.67	9.16	28.62
Live Animals	281.64	289.03	247.37	331.23	339.52	318.98
Essential Oils	42.98	33.96	41.51	52.57	10.56	44.46
Planting Seeds	18.67	11.86	13.78	10.27	13.12	15.28
Sugars & Sweeteners	153.37	129.91	34.28	50.85	96.37	114.25
Other Intermediate Products	28.31	24.22	21.86	46.46	21.03	52.90
Consumer-Oriented	1,706.47	1,588.16	1,292.77	1,074.92	885.27	1,265.47
Beef & Beef Products	62.69	61.93	34.68	21.07	21.98	23.00
Poultry Meat & Prods. (ex. eggs)	155.79	139.89	128.34	88.78	83.55	156.74
Eggs & Products	28.73	30.58	23.54	18.73	22.62	34.30
Dairy Products	438.53	480.09	381.45	342.72	267.68	428.93
Fresh Fruit	149.88	120.91	61.05	31.68	19.43	25.67
Processed Fruit	24.56	25.97	18.19	16.92	15.10	14.33
Fresh Vegetables	35.16	35.74	30.98	19.38	18.22	18.97
Processed Vegetables	131.57	126.61	109.36	176.81	86.66	105.05
Fruit & Vegetable Juices	62.45	68.16	69.29	46.10	32.73	63.72
Tree Nuts	76.87	41.31	23.49	12.50	23.09	25.25
Chocolate & Cocoa Products	108.86	88.79	80.05	41.86	38.71	59.07
Snack Foods NESOI	111.04	85.57	86.58	67.85	38.74	63.08
Condiments & Sauces	3.92	2.93	2.79	2.37	1.48	2.34
Food Preps. & Misc. Bev	184.65	135.64	111.37	81.89	101.56	111.68
Spices	7.77	9.73	9.75	7.32	6.09	6.69
Tea	16.08	14.07	48.51	55.92	74.77	78.71
Coffee, Roasted and Extracts	14.62	8.82	8.25	8.17	10.25	17.38
Non-Alcoholic Bev. (ex. juices, coffee, tea)	62.17	64.41	49.39	15.29	12.05	27.65
Nursery Products & Cut Flowers	23.25	36.98	11.61	17.60	7.89	0.64
Ag Related Products	498.34	343.58	189.30	195.08	192.92	234.64
Forest Products	255.86	163.30	71.80	55.02	42.58	61.74
Fish Products	242.15	179.68	117.32	139.99	150.24	172.64
Agricultural & Related Products	4,023.72	3,452.05	2,659.37	2,635.35	2,339.80	2,966.64

Source: Trade Data Monitor

U.S. Exports to Libya 2013-2018

Product	2013	2014	2015	2016	2017	2018
Bulk Total	47.51	9.42	30.24	33.00	24.02	25.60
Rice	40.75	9.35	30.17	33.00	24.02	25.59
Intermediate	73.02	56.44	72.44	26.91	12.76	31.81
Vegetable Oils NESOI	48.64	51.33	51.25	14.42	8.27	5.10
Planting Seeds	7.87	4.25	3.64	2.32	4.38	2.85
Consumer-Oriented	52.44	38.53	26.58	14.51	16.97	25.84
Poultry Meat & Prods. (ex. eggs)	21.34	17.23	16.47	10.86	8.42	19.40
Dairy Products	15.94	5.58	2.46	0.85	0.18	2.46
Processed Vegetables	1.01	4.17	2.21	0.49	6.08	0.91
Tree Nuts	7.17	6.46	3.89	1.40	1.88	1.37
Ag Related Products	19.11	8.56	4.07	0.50	0.45	1.51
Forest Products	19.01	8.56	4.07	0.50	0.45	1.51
Agricultural & Related Products	192.07	112.95	133.33	74.91	54.19	84.77

Source: Trade Data Monitor

Section VI: Key Contacts and Further Information

Office of Agricultural Affairs

U.S. Embassy Rabat

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The Libya Food and Agricultural Import Regulations and Standards (FAIRS) report provides an overview of the food laws and regulatory environment in Libya as it relates to U.S. food and agricultural exports.

Attachments:

No Attachments.