C

CENTRAL BANK OF LIBYA

TWENTY-SIXTH ANNUAL REPORT

FINANCIAL YEAR 1981

IN THE NAME OF GOD

MOST GRACIOUS

MOST MERCIFUL

NO DEMOCRACY
WITHOUT
POPULAR CONFERENCES

DIRECTORS OF DIVISIONS

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2. MR. MOHAMED ZARTI BANKING DIVISION.
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CENTRAL BANK OF LIBYA

HEAD OFFICE : TRIPOLI

BRANCH BENGHAZI.

CAPITAL :

AUTHORISED	......	...... L.D.	100,000,000
PAID — UP	......	...... L.D.	100,000,000

RESERVES:

CENTRAL RESERVES	......	...... L.D.	2,000,000
CONTINGENCIES RESERVES		...... L.D.	5,000,000

CENTRAL BANK OF LIBYA

BOARD OF DIRECTORS

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Member

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BASHIR S. SALOMAH Under Secretary of Planning

Dr. Farhat S. SHERNANNATH Dean of the Faculty of Economics and Commerce.

AHMED A. M'SALLATI

SALEM MOHAMED AMISH

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INTRODUCTION

The year 1981, had seen several important economic developments, on both domestic and international areas which affected considerably the various economies.

Locally, oil exports recorded a significant decline during the second half of 1981 due to oil surpluses in the international markets. The daily export average dropped from the level of 1.7 b/d in 1980 down to 1.2 b/d during 1981. The prices of the Libyan crude oil, were also affected whereas the official price of Zewaitina crude of 41° dropped from $ 41 a barrel on 1st January, 1981 down to $ 37 a barrel on 1st January 1982 and Abu-Tifil crude of 40° from 40.32 down to 35.7 dollar. So the value of oil exports fell 31.8% as from the level of L.D. 6486 million in 1980 down to LD. 4421 million for 1981.

Hence oil sector is still dominating on other various sectors, the sharp declined oil revenues during 1981 resulted in decreased GDP (at current income factor cost) at the rate of 20% compared to a growth rate of 36% attained in 1980. The contribution of oil and natural gas extraction activity in GDP fell at 35.3% in 1981 compared to its share in 1980. As for the participation of non-oil activities it rose 8.6% compared to its level of 1980.

The sharp deterioration of oil revenues increased pressure on foreign reserves for financing external payments. Foreign reserves fell to about LD 1279.5 million in 1981, further to noticeable deficit of 1212 million registered in the Balance of Payments for the same period compared with a surplus of LD 2200 million achieved during 1980.

The commercial banks in Jamahiriya recorded a big jump in support of different economic activities. This was reflected on the size of credit facilities, extended by those banks for various establishments and firms which rose from the level of LD 1326.6 million at the end of December, 1980 upto about LD 1995.3 million by the end of November, 1981 thus showing growth of 51% in 1981 compared to less growth of 13.40% recorded in 1980.

On the other hand, the instruments for payment (Money Supply) were considerably increased to the size of Credit facilities and domestic public expenses whether for development or for the administrative budget. Money supply rose from the level of LD 2856.8 million by the end of December, 1980 upto about LD 3370.7 million at the end of November, 1981 at growth rate of 20% even it could be more than that if the above drop in foreign reserves did not exist.

On the international areas, the real growth rates of GDPs of the industrialized countries showed noticeable slowdown some of those countries had registered negative growth. The rates of unemployment rose considerably, where the number of jobless persons in the countries members of OECD rose from 21.4 million unemployed individuals in 1980 upto 25 millions in 1981, while predictions proposed 28.3 million jobless individuals within the same countries in 1982. Non-oil developing countries were more affected than the others by the big rise of interest rates in the international; markets as well as dropped prices of prime materials, which they export and depend totally on for financing their imports. Consequently, trade conditions for non-oil developing countries have considerably deteriorated leading to increased external debts burden and increasing deficits in their balances of external payments.

Gamada Al-Akhar, 1391, March 1982.

PART — I

International Economic Developments :

Major economic developments were witnessed in 1981, where tney had their impact on the economies of both industrialised and developing countries. The industrialised countries showed a noticable slow-down in the growth rates of their real GNP whereas some of them registered negative growth rates.

The rate of unemployment rose remarkably, especially among the youth, this increasing the number of unemployed individuals in those countries.

Despite the fact that the rates of inflation are still high, they recorded slight decrease in 1981 compared to those of last year.

Oil producing developing countries witnessed a noticeable depression of their foreign reserves resulting from the deterioration of the international oil markets and the decrease of oil revenues, the matter that has disturbed the economies of those countries and consequently led to the revision of their economic and social development plans and to adopt austere policies to face that crisis. The non-oil producing developing countries were highly affected by the ... developments of interest rates in the international markets which increased the burden of their foreign debts as well as disturbing the development programmes adopted by those countries.

Firstly : **Economic Condition in Industrialised countries :**

Due to the prevailing economic recession in the industrialised countries, the economic growth rates remained low in those countries where some have even recorded negative growth rates. This condition led to the increase in the rates of unemployment in those countries as well as the slow down in the growth rates of the international trade.

The idustrialised countries, as a group, achieved a growtn rate in their real national product equal to 1.25% during 1981 against a slightly low growth rate of 1.2% during 1980. Economic forecasts expect that those countries will achieve a growth rate in their real national product of 1.25% during 1982.

West Germany recorded for the first time, negative growth rate in its real national product for 1981 (— 1.0%) against a positive growth rate of 1.8% in 1980. Britain registered a drop of about 2 per cent in the growth rate of its domestic product in 1981 against a negative rate of 1.8% in 1980, but the British economy would improve during 1982 where economic forecasts expect a positive growth rate of 0.25% for the British real domestic product. Despite the slight improvement in the growth rate of the real domestic product in U.S.A. reaching 1.75% for 1981 compared to 0.2 per cent for the previous year, the real domestic product of U.SA. expected to drop about 0.25% during 1982, contrary to what had previously been predicted.

In Italy the economic situation was severe where the growth rate in real domestic product dropped from 4% of 1980 down to nil in 1981 i.e. remained at the same level of the previous year.

The impact of the aforesaid low growth rates reflected the rise of the unemployment rate in the industrialised countries as a whole, where the average rate rose from 6.2% in 1980 upto 7.25% in 1981 and expected to move further up to 8% during 1982 thus rising the number of jobless individuals in those countries from 21.4 millions in 1980 upto 25 millions in 1981. Several predictions expected the number of jobless individuals in the industrialised countries to reach 28.5 million in 1982.

Despite the improvement in the inflation in the industrialised countries, from an average rate of 11% recorded in 1980 down to 9.5% in 1981, the same is still high compared with the levels registered in the early seventies. Italy is still leading the industrialised countries with regard to inflation, recording a rate of 19.25% in 1981 against 20.40% in 1980. In U.K. the rate of inflation dropped from 16 per cent in 1980 down to 11.0% during 1981 while in France, it remained at the same level of 1980 i.e. about 13.5%.

On the other hand, the current accounts of the industrialised countries, as a group, showed a significant improvement in 1981. The deficit dropped about $ 40 billion compared to its level of 1980. This was due to several factors such as - the drop in the imports of crude oil to those countries from OPEC for about 16.5% in 1981, while at the same time the exports of those countries to OPEC members rose 24% in 1981 against 12% in 1980. This picture may change during 1982 and 1983 where oil imports from OPEC countries expected to rise due to prospects of economic recovery and lowered oil reserve stock as well as the increase in oil consumption due to low oil prices.

Economic Developments in Developing Countries :

Non-oil producing developing countries were more than others, affected by the sharp rise of interest rates in the international markets which increased the burden of public foreign debts for those countries where they witnessed worsened trade terms due to the deterioration of their export revenues and increased payments for imports financing. Thus the trade deficit of those countries increased from $ 48 billion in 1980 up to $54 billion in 1981. When adding this deficit to payments against services and the burden of public foreign debts, the deficit in the current account of those countries, as a group, jumped to $ 68 billion. So as to control inflation, cut imports and decrease the deficits in the balance of payments, those countries were obliged to adopt restraint financial and monetary policies, consequently lowering growth rates of GDP for most of those countries during the first half of 1981.

Oil producing developing countries were considerably affected by the development of oil markets since the middle of 1981. A decrease of oil exports was recorded, although their imports from abroad were increased. Though the trade balance surpluses of oil countries lowered as from the level of $ 167 billion in 1980 down to $ 113 billion in 1981 their current accounts surplus decreased from $ 110 billion in 1980 down to $ 60 billion in 1981.

General Trends of Major Currencies :

The world major currencies were greatly fluctuated due to unequal growth, different inflation rates and high interest rates and varying positions regarding current account for the individual industrialised countries.

The year 1981 was characterized by the improving strength of U.S. dollar against most of the other currencies due mainly to high interest rates in U.S.A. during 1981, while political situations in Poland and the developments of the current accounts of the European countries had adverse impacts that weakened the European Currencies against the dollar.

Due mainly to the significant rise of U.S. interent rates, during the period January, 1981 upto August 1981, U.S. Dollar appreciated at the ratio of 23.4% against the SF to reach 1 US $=2.21 SF, and at 21.4% against the Japanese Yen on August 1, 1981.

On August 5th, 1981, the dollar registered a record the first for five years against the DM (1$=2.57 DM) at an increase ratio of 30.4%. The dollar also appreciated against the Sterling Pound at the ratio of 35% to reach 1.77 dollar for one Sterling Pound.

The dollar depreciated during the period extending from mid August, 1981 upto the end of the year 1981 as a result of the gradual lowering of U.S. interest rate and the slow-down of U.S. economy growth rate, to reach 1$=-.79 SF, 1$=2.24 DM, $=220 Japanese Yen and One Pound Sterling for 1.92 dollars by the end of December, 1981.

GOLD PRICES :

The general trend for gold prices in London market recorded net decrease of $ 186.5 in 1981. The price of the yellow metal dropped as from $ 588.5 per ounce on December 31, 1980 down to $ 402 per ounce on December 31, 1981. The downward trend of gold prices in 1981, due mainly to the following reasons :

— The significant rise of interest rates during 1981, especially those related to U.S. dollar leading to high costs of gold investments, so most of inventors changed from gold to foreign currencies the matter that resulted in gold supply surplus.

— The strength of the U.S. Dollar compared to other reserve currencies.

— Economic Developments in both U.S.S.R. and South Africa. (World biggest gold producers - 75% of world production) hence both countries experienced financial difficulties so both countries affected big gold sales, so as to meet needs of their foreign payments. Gold exports represent 10 per cent of total USSR exports and 50% of total exports of South Africa.

— Low deteriorating oil prices, consequently dropped oil revenues for OPEC countries, which are the major gold buyers. some of OPEC countries sold gold to replenish oil revenues thus adding to gold supply surplus.

GROWTH IN REAL DOMESTIC PRODUCTS OF INDUSTRIALISED COUNTRIES.

Annual Rate of Percentage Change.

Country	1980	1981	Forecasts for 1982
Canada	—	3.0	1.0
U.S.A.	— 0.2	1.75	— 0.5
Japan	4.2	3.75	3.75
France	1.2	0.5	2.5
W. Germany	1.8	— 1.0	1.25
Italy	4.0	—	1.0
U.K.	— 1.8	— 2.0	0.25
Other Countries	2.0	0.75	1.75
Average	1.2	1.25	1.25

* Gross Domestic Product

Source : OECD Bulletin January, 1982.

INFLATION IN INDUSTRIALISED COUNTRIES.

Annual Rate of Percentage Change.

Country.	1980.	1981	Forecast for 1982.
Canada	10.5	11.5	11.5
U.S.A.	10.2	8.25	7.5
Japan	7.1	4.75	4.5
France	13.5	13.5	13.75
W. Germany	5.4	5.75	4.25
Italy	20.4	19.25	16.0
U.K.	16.0	11.0	10.25
Other Countries	13.0	12.5	11.25
Average	11.0	9.5	8.75

Source : OECD Bulletin January, 1982.

UNEMPLOYMENT IN INDUSTRIALISED COUNTRIES.

Annual Rate of Percentage Change.

Country.	1980.	1981	Forecast for 1982.
Canada	7.5	7.5	8.25
U.S.A.	7.2	7.5	9.0
Japan	2.0	2.25	2.25
France	6.3	7.5	8.5
W. Germany	3.4	5.0	6.0
Italy	7.6	8.25	9.0
U.K.	7.0	10.5	12.0
Other Countries	8.3	9.75	10.5
Average	6.2	7.25	8.0

Source : OECD Bulletin January, 1982.

INTERNATIONAL OIL DEVELOPMENTS :

Oil production continued decreasing in 1981 even at higher rate than that of 1980. Production dropped as from 62.5 million b/d in 1980 during 1981 i.e. a decrease rate of 10.7%.

Despite the decrease of production in North America U.S.A. and Canada, and the Soviet Union at 2.5% each, their contribution in world production increased from 19.4% each in 1980 upto 21. in 1981. This was due to the fact that big drop in oil production during the year under report was from the share of OPEC in World Oil production thus dropped from 27.1 million b/d in 1980 to 22.6 million b/d in 1981 i.e. a decrease of about 4.5 million b/d. Considering the production capacity of OPEC countries which is 34.4 million b/d, then the percentage rate of production to actual capacity decreased from 78.8% in 1980 65.7% in 1981.

As for North Sea Oil, it reached about 2.3 million b/d thus rising its contribution in world production as from 3.5% upto 4.1% achieving an increase of 117 thousand b/d compared to previous year. The most important developments in oil production during this year were these of OPEC countries. The sharp drop in production this year compared to that of last years, indicated that oil price during the previous years were higher than balance prices between supply and demand, leading to supply surplus causing an increasing pressure on both quantities and prices. These pressures were sharpened by the international recession that prevailed all over the western industrialised countries which turned to alternative energy resources such as coal and sola energy in addition to controls of oil imports and suages. The use of oil had been restricted to most important aspects under economising policies for the high prices of oil products. All those factors helped the industrialised countries to adopt policies for import reductons, extension of the periods of payments and short-term contracting to a degree that led to considerable drop in the revenues of OPEC countries. Thus creating difficulties to some OPEC countries to meet their commitments in foreign currencies to finance their ambitious development plans. Oil producing countries hastly lowered their relative prices, attempting to increase exports, the matter that flooded the oil market in favour of buyers for the first time where it used to be always in favour of producers. OPEC organization as an economic cartel controling oil supply and prices was about to collapse. The high market prices at the beginning of the year, attracted OPEC countries to increase exports, especially Saudi Arabia which had contributed considerably to exports increase so forming the big oil surpluses in oil markets, consequently leading to competition between producers in lowering prices. Saudi Arabia was leading in this effect reducing the prices of its crude as from $ 35.20 a barrel for the 28° dense in January 1981 down to 31.03 a barrel by the end of the year and the 35° dense from $ 36 a barrel down to 34.01 dollar a barrel for the same period. A meeting was held for OPEC countries in Geniva in October 1981 where the standard price level was fixed to $ 34 a barrel and prices were decreased variably according to crude degree. The crudes of U.A.E. were decreased from $ 36.56 a barrel down to $ 35.70 for the 39° dense crude. The price of Qatar crude of 41° dense lowered from $ 37.42 a barrel down to $ 37.42 a barrel down to 35.65 a barrel. Kuwait oil of 31° dense decreased from $ 35.50 a barrel down to $ 33 a barrel. Algerian crude of 44° lowered from $ 40.00 down to $ 37.50 a barrel. The Venzuelan of 45° from $ 41 down to $ 38.50 a barrel, while the Iranian crude of 34° decreased from $ 34.60 and the Libyan crude of 40° lowered from the price of $ 41 a barrel down to $ 37.50 a barrel. It appeared that prices reduction did not achieve the required goal. A meeting of the OPEC was held on December 19, 1981 in Abu Dhabi deciding further decrease in prices of about 50 cents as an average reduction in the price of the barrel of crude oil described by the Oil Minister of Saudi Arabia as a Christmas present to industrialised countries. The decrease in Saudi prices was, however, 70 cent a barrel for 31° dense crude which is produced at the same time by both Kuwait and Iran. The price of thick type of crude reached $ 32.30 a barrel after the price cut. Consequently, Qatar cut 20 cent of its 31° dense crude and 45 cent for that of 29°.

Unless OPEC countries undertake a strict decision cutting down production at higher rates than these cuts in prices, the trends of the oil market in 1982 will be increasing pressures on prices leading to terrible revenues decrease and consequently slow down development and failure to meet the ambitious development plans of the OPEC countries during the coming year.

ECONOMIC DEVELOPMENTS IN THE ARAB COUNTRIES :

The gap between rich Arab countries and poor ones, is still increasing despite aids, loans and financial facilities extended each year by the former to the later. Oil countries with exception to some difficulties, are fastly growing in all economic fields, while poor countries are suffering sharp shortages of financial resources, unemployment and low productivity in the most vital economic sectors such as agriculture and industry.

Here is a brief review on economic developments in some Arab countries, according to data available in 1981.

In Algeria, the government has taken several measures easing restraint on private sector to have a significant role in the economic activities (this is the first deviation from the charter of 1979).

Those measures were meant to encourage the transfer of Algerian expatriate labour savings from abroad inwards on the one hand and to curb the flow of private capital to abroad on the other hand. The role of the private sector was encourage and confirmed by the economic plan of 1980-1984, in certain sectors such as housing, light industries, tourism, transport and retail trade so as to make available some consumer goods and services.

The new economic policy of the Algerian Government characterized mainly by easy and free aspects, had impacts on the country's financial position. Algeria has stopped borrowing from the European capital market since 1979 (when the Algerian official debts amounted to about $ 15 billion, so related services represented about 27% of total exports) and thus reducing the deficit in the country's current account.

Algerian GDP, which had been affected by decreasing oil production, achieved a growth rate of 5% in 1981 which is less than the target of 8% of 1980-1984 plan. The cut of oil production to 600 thousand barrels a day and losses due to oil surplus in the international markets had greatly affected the Algerian national income, though they concentrated on gas exports which will become one of the most important commodities to be exported by Algeria by the middle of the eighties and also a major financial resource for development projects hence one of the three gas lines has already been accomplished, extending from Algeria across Tunisia to Italy. The increasing importance of gas to the Algerian economy is due to the price agreement concluded between Algeria and France which is one of the major Algerian gas markets, following the stop of gas exports to France for about one year. Other

European countries, however, will follow France and accept prices that shall be fixed by Algeria fr its gas.

Crude oil and gas exports amounted to about Algerian Dinar 60.000 million ($ 14.328 million) in 1981 against A.D. 31.754 million in 1980 and likely to decrease again in 1982.

Capital expenditures, however, are estimated to reach about A.D. 92.000 million (22.000 million) in 1982, the third year of 1980-1984 plan, at an increase rate of 35% to its level of 1981. Revenues in 1982 are estimated to reach about A.D. 85.000 million at an increase ratio of 18.3% of that of 1981. Oil and gas revenues represent 25 per cent compared to 33% in 1981. Estimates for current expenses for 1982 are about A.D. 42.000 million i.e. an increase ratio of 16.7% where A.D. 3860 were assigned for consumer goods subsidies and AD 4.500 million allocated for social projects in addition to the allocations for reconstruction of Al-Asnam Town.

Algeria received credit facilities of $ 40 million from Canada to finance some of its purchases from Canadian goods and services. It has also received a loan from the European Investment Bank, amounting to $ 11 million for a period of 15 years at an interest rate of 11 1/4% for the repair of some roads. This loan represent a part of $ 125 million granted by the Common Market to finance road projects in Algeria.

As for Morocco, the drought of 1981 added further new burdens to those of Sahara war while the depreciation of the Dirham against U S. Dollar and the rise of international interest rates delayed the commencement of the Five Year Economic Plan of 1981-85.

The draught had its obvious impacts on the annual growth rate in Morocco achieving only 2% of the target planned rate of 6.5%.

Low growth rate of Morocco may also be attributed to the recession prevailing in the international phosphate market. Phosphate is one of the most important Moroccan cash exports where they produce more than 20 million tonnes annually. The draught also led to the increases in food stuff imports as Morocco imported for $ 350 million wheat within 1981. The increase of oil exports' cost led to increasing deficit in the balance of; payments which may reach Dirham 9200 million ($ 1.700 million) in 1981, while the high international interest rate increased the country's foreign debt burden, estimated for more than six billion dollars, whereas they absorb 24% of total exports value and net transfers.

To promote the deteriorating economies of the country, an amount of Dirham 111 million was assigned for investment during the five year plan of 1981-85 putting as target a growth rate of 6.5% in GDP compared to a growth rate of 4% of the previous plan 1978-1980. The share of the private sector, both national and foreign anticipated to represent 39%. However, special care had been accorded to the agricultural sector, fishing energy, vocational training as well as phosphate, sugar iron and steel industries.

Morocco budget for 1982 amounted to about Dirham 46765 million ($8735 million), thus rising 34.5% of the budget in 1981, while revenue estimates for the same year, reached about Dirham 39900 million ($7453 million), i.e. an increase of 25.3% to those of the previous year.

Morocco depends on international loans, aids and facilities to finance its economic plan since it has exhausted borrowing opportunities extended by the international and Arab financial institutions.

Morocco received in 1981 various loans raised by the international commercial banks, the most significant, however, was the one extended by the Arab Banks Union valuing $ 250 million. While a similar amount organised by both City Bank and the German D. Bank, in addition to participation of more than 1440 foreign commercial banks to grant loans and facilities to Morocco government.

Arab countries, especially Saudi Arabia, extended loans and assistance to Morocco estimated to about one thousand million dollars during 1981, while traditional lenders of western european countries (France, Germany and U.S.A.) extended $ 60 million in form of different facilities. Morocco received a loan of $ 1200 million from IMF, within the period of three years, the second big loan given to a developing country, while the World Bank extends to Morocco annual loan of $ 350 million for construction and development, in addition to loans extended by Arab financial institutions where Morocco received a loan of K. Dinar 7.5 million from the Arab Social and Economic Development Funds and further $ 4 million for financing sugar project. The success of the economic development plan in Morocco is generally relying on the country's capability to attract the required finance.

The Tunisian economy expected to grow at 6.7% in 1981 pending the growth rates of agriculture, industry and tourism. There are also the chronic problems of unemployment and energy which represent a sufficient cause to disturb growth of any developing economy. So the targets of the Five Year Plan 1977-81 are unlikely to be achieved.

The new economic plan, which was approved by the Tunisian Parliament early 1982, gave priority to those problems. Expenditure on investment is doubled to reach T.D. 8000 million ($ 20.075 million so as to arrive at a real growth rate of 6.3% and to lower unemployment by creating about 65 thousand new jobs per year, especially in the industry sector i.e. an increase of 59% to actually planned target. As for energy, an amount of $ 600 million shall be allocated for the expansion of the gas project at the coast area, which is considered to be one of the major projects of the new plan.

The Tunisian crude oil output amounted to 5.4 million tonnes in 1981 while it in expected to slow slightly in 1982. However ,an amount of $ 414 million is allocated, in the budget of 1982 for oil exploration and development. Tunisian produced 360 million cubic meters of gas in 1981 far behind the local consumption estimated to about 450 million cubic meters.

The Tunisian investment budget for 1982 is estimated to about T.D. 645 million a rise of 16% to that of 1981 while the administrative budget amounted to T.D. 792 million for the 1982 representing an increase of 25% to that of the previous year. Allocations for good subsidies reached T.D. 115 million compared to T.D. 157 for 1981.

Despite the dependence on foreign finance for the Tunisian development projects, it is expected that borrowing from abroad is likely to slow-down in 1982 hoping a greater role of banking sector in finance field. Tunisia shall establish a joint investment bank with the United Arab Emirates, similar to those established with Kuwait and Saudi Arabia. The capital of this bank is fixed at one hundred million dinar, meanwhile the Tunisian Algerian Bank of T.D. 40 million as a capital has commenced its operations.

Tunisia has obtained some loans for the finance of certain projects. a loan amounting to Islamic Dinar 5.8 million from the Islamic Bank for development to finance the Cement projects and two loans of$ 13 million in total from the European Investment Bank one of them is for the development of animal production ($8.7 million) for a period of twenty years, bearing an interest rate of 11.5% and the other $ 4.3 million for the Tunisian National Bank to finance agricultural project for a period 12 years and bearing an interest rate of 11.4%.

The figures for the first ten months of 1981 indicate a deficit in the trade balance of T.D. 616.5 million rising at 40% from its level in the same period last year. Exports rose 27% to reach T.D. 960 million while imports rose 32%to reach T.D. 1577 million where the increases were reflected by the import of Capital goods, machine parts, cars and fuel.

Despite the political economic and military troubles that have prevailed in Syria during the last years efforts to maintain a sound economic growth have been progressing parallel besides the mobilization for war burdens with the zionist enemy in both Golan and Lebanon. Matters were tackled with some precautions, hence the increase of expenditure may lead to higher inflation, which is averaging 15 — 20% at present. So the budget figures for 1982 do not reflect a significant growth, amounting to Siryan Lira 33345 million against Syrian Lira 31019 million in 1981. Allocations for investment reached S.L. 16595 million focused on non-petroleum sectors, (hence oil sector has experienced recession due to low prices and production) especially agriculture sector while the industry sector has suffered execution delay problems.

Cement expenditures have been allocated S.L. 16750 million an increase of 1.5% to those of 1981. The Syrian budget has also recorded lower subsidies for foodstuff amounting to S.L. 1600 million in 1982 compared to S.L. 2000 million in 1981.

The Syrian G.D.P. is estimated to about S.L. 60477 million in 1981 compared to S.L. 55273 million in 1980 this however expected to rise to S.L. 70206 million in 1982.

Syria has fixed two rates for its lira, the official rate$ 1= 3.95 and par rate of $ 1 = L.S. 6.35 while the actual stable rate is around $ 1 = 5.40 lira.

As for the Sudan, the conditions imposed by I.M.F. loans and facilities have created political and economic troubles for the country. Increasing public burden by lifting subsidies for major commodities such as sugar, fuel, wheat flour and chemicals as well as imposition of currency devaluation at 12.5% thus leading people to manifest their opposition. I.M.F. suggested also the elimination of the duel rating of the Sudanese Pound. The I.M.F. loan, approved by the Board for the Sudan, amounted to S.D.R. 198 million (about $ 229 million) The importance of this loan is that it will enable Sudan facing 115 international commercial banks demanding the settlement of $ 600 million as loans and interests. Sudan is seeking rescheduling for its debts, arrived at delaying some of them reimbursing only related interests. The loans extended by the I.M.F. is intended to support the Sudanese balance of payments, whereas the deficit in trade balance is estimated to about $ 700 million.

The foreign debts of Sudan range between 3-3.5 million dollars. No doubt that such debts may hinder the economic development plan. The agricultural production has sharply fallen where cotton exports the most important Sudanese cash crop — valued $ 150 million in 1981 compared to $ 300 million in 1976, hence hectar productivity fell 50% compared to its levels during the seventies.

The annual inflation rate in Sudan is averaging 30% — 50% while Sudan still depends highly on foreign grants, loans and financial facilities. Sudan received several loans during 1981 $ 17.9 million from the International Development Corporation for the Sudanese Agricultural Bank the World Bank agreed to grant $ 67 million loans and $ 10 million from the African Development Bank.

American Aid is estimated to about $ 100 million per year, half of this amount is paid to cover Sudanese imports of foodstuff and necessary goods from U.S.A. Sudan is the second biggest African country receiving American aids (following Egypt). The financial assistance received from West Germany amounted to about $ 19 million mostly directed towards infrastructure projects and agriculture.

The economic developments in Iraq during 1981, were not good. The war against Iran has had great impact on the country's economic activities. Oil exports, the most important resource fell from the level of 2.5 million b/d down to 800,000 b/d due to destruction of some Iraqi oil organizations and ceased exportation through Syria only exports through pipe line crossing Turkey remained the matter that increased Iraqui prevailing difficulties.

Iraq's foreign currency reserves fell to about $ 20000 million where some sources attribute the existance of such reserves to loan extended by Saudi Arabia, Kuwait, Qatar and the United Arab Emirates.

Iraq attempts to continue local economic activities besides the mobilization for war against Iran. A Five Year Plan has been set up for 1981-85 with estimated cost of I.D. 40,000 million ($ 133,377 million), which of course, means more oil production.

Iraq has also increased its share in the World Bank from $ 69.8 million upto $ 177.8 million so as to maintain balance for Iraq position in the I.M.F.

Jordan, the country with limited economic resources, could benefit the region's prevailing surrounding conditions. Though Jordan is one of the front line countries with the zionist enemy, it could manage to attract foreign and Arab investments. Jordan's earlier military support for Iraq in its War against Iran since 1980, brought an Iraqi loan of about $ 175 million to Jordan for the finance of the economic development projects. Priority has also been accorded to Jordanian goods and companies in Iraq, as well as the establishment of several joint companies such as an air-cargo and a road transportation joint companies. However, there is a project for Iraqi pipeline to be extended to the Jordanian Akaba port which will be of multiple benefits for Jordan.

The year 1981 witnessed the commencement of the ambitious Jordanian five year plan 1981-85 with estimated investments of J.D. 3300 million (9971 million) shared equally by both public and private sectors. The economic plan aims to achieve 11.5% as growth rate target for G.D.P., compared to 8.5% the real growth rate achieved in the previous year, dropping from the planned level of 11.9%. The country's revenues are expected to rise and result in surplus by the end of plan 1985.

Budget estimates for 1982 were about J.D. 765 million i.e. an increase of J.D. 127 million to that of 1981. Arab aids will share a big portion (J.D. 127 million) where domentic revenues share about J.D. 338 million (i.e. 80.5% of current expenditures) Estimates for investment expenditures in 1982 total Dinar 345 million. The Jordanian Government hopes that revenues might completely cover current expenditures by the end of 1981-85 plan.

Industry and mining Sector comes at the top with about J.D. 758.7 million as allocations during the plan period followed by water sector (Dinar 524 million) education Dinar 262 million and agriculture Jordanian Dinar 215 million.

The Plan aims to reach an annual increase of 17.8% for the Jordanian exports, while those exports should grow at an annual rate of 13.5% only. However, Jordan depends also on the expatriate labour transfers from abroad which amounted to J.D. 800 million in 1980.

Arab Cooperation :

The Arab countries have witnessed the establishment of several forms of economic and political cooperation, the most significant of those forms is (The Cooperation Council for Gulf States) composed of Kuwait, Qatar, United Arab Emirates, Saudi Arabia, Bahrain and Omman.

In November, 1981, the member states have signed joint economic agreement including inter-alia, the following provisions :—

To consider the products of the member countries as national products and shall be treated on this base, they will be exampted from custom duty and related fees. Industrial products are subject to minimum 40% added value generating from their production in the Member country.

The share of citizen of Member countries in the manufacturing establishment should not be less than 51%.

Member countries agreed to set up a minimum unified custom tariff to be applied on goods imported from abroad.

To coordinate policy and trade relations of the member countries towards other countries and regional economic blocks and groups. ...

Citizens of the different member countries shall have same rights and equal treatment in relation to free movement, work, residence, ownership, inheritance economic activity and capital transfer.

To achieve coordination and harmony among development plans of the Member countries so as to arrive at economic integration.

To coordinate member's policy in the field of oil industry and natural gas as well as extraction, refinning, manufacturing, marketing, pricing and development of energy resources.

To adopt a common joint stand towards the external world in the international specialized associations.

To coordinate their external policies regarding the extent of international and regional development loans.

The member countries have also agreed to cooperate in the financial and monetary fields as well as communication, joint projects and training fields.

This agreement is valid on the date of signing it by the higher cooperation council.

On the other hand, the first steps towards the implementation of the programme of the Arab Development Contract Fund, were set out. This fund has been approved by the Arab Summit Conference in Omman 1980, where an amount of $ 5 billion has been allocated shared as follows :

— Saudi Arabia	$ 1.8 billion
— Kuwait	$ 1.15 billion
— Emirates	$ 800 million
— Iraq	$ 750 million
— Qatar	$ 500 million.

Those amounts will be spent during the coming ten years, on development projects in poor Arab countries. The Ministrial Meeting held in Kuwait, submitted a list containing 200 project, including sugar, induntry in Sudan, Arab food security programme project and a road project in Djibouti. The fund will extend aids to some Arab countries.

PART — II
FINANDIAL AND ECONOMIC DEVELOPMENT
IN
THE SOCIALIST PEOPLE'S LIBYAN ARAB JAMAHIRIYA

General Trends:

The contraction of our exports of crude oil, started by the beginning of the second half of 1981, where crude oil exports fell from their levels of 620 million barrel in 1980 down to about 437 million barrel during 1981, and consequently the drop in oil revenues had considerable negative impacts on most of the economic sectors. This has significantly affected Jamahiriya's foreign currency assets which fell sharply as from the level of L.D. 3168 million at the end of December, 1980 down to L.D. 1888.5 million by the end of December, 1981. The situation has been reflected on the balance of payments, where preliminary estimates show a deficit of about L.D. 1212 million for 1981 compared to a big surplus of L.D. 2200 million in 1980. The same estimates expect also decreased G.D.P. at the rate of 20% in 1981, to value L.D. 8205 million due to considerable drop in oil and natural gas extraction sector.

In implementation of the resolutions of basic people congresses in Jamahiriya an amount of L.D. 2600 million has been allocated for the transformation budget in 1982, which represent 14% of the total allocations assigned for social and economic transformation plan during the period 1981-85.

Gross domestic product

Preliminary estimates monitor significant drop in G.D.P. during 1981 at the rate of 20% to reach L.D. 8205 million against L.D. 10242 million by the end of 1980. This is attributed to registered drop of 35.3% in the revenues of oil and gas extraction sector i.e. about L.D. 6637 million in 1980 down to about L.D. 4292 million in 1981.

The situation has also affected the G.D.P. portion in transformational industries where oil refining represents the biggest share, so the revenues of this sector fell at 4.4% to reach L.D. 228 million in 1981 against L.D. 239 million by the end of 1980.

The construction sector still leading among non-oil sectors, attaining a growth rate of 16.1% in 1981 to reach L.D. 1053 million against L.D. 907 million in 1980. The growth rate for each of finance, insurance. real estate and sanitary services was 10% where domestic products valued L.D. 247.5 million for the first and L.D. 247.5 million for the second.

The growth in mining and quarrying activity and education services rated 8% to reach L.D. 49.7 million for the first and L.D. 239.6 million for the second. The G.D.P. in the activities of transport storage and communication amounted to L.D. 381.8 million in 1981 against L.D. 350.3 million in 1980. The growth rate achieved in the agricultural activity was 3.5% however, it may be considered low but still it is better than those achieved in previous years. The agricultural product valued L.D. 165.1 million in 1981 against L.D. 159.4 million for 1980.

GROSS DOMESTIC PRODUCT ACCORDING TO ECONOMIC SECTORS

""In L.D. Million at current factor cost'

Economic Acitivity	1979	1980 Approx:	1981 Preliminary	% growth rate 1981
Agriculture, Forests and fishing.	149.9	159.5	165.1	3.5
Extraction of oil and natural gas.	4557.8	6637.0	4292.0	35.3
Mining and other quarrying	41.5	46.0	50.0	8.7
Transformational Industries	185.8	238.8	288.3	4.4
Electricity, gas & water	40.0	48.7	55.0	12.9
Construction	834.7	907.1	1053.0	16.1
Trade, Restaurants and Hotels.	393.2	450.0	483.0	7.3
Transport, Storage & Communication	301.2	350.3	381.8	9.0
Finance, Insurance, Real Estate (except dwelling) and other services.	194.6	225.0	247.5	10.
Dwellings cwnership	188.8	201.1	203.0	1.0
Public Ser ces (except educ & Health)	512.5	589.2	624.6	6.0
Educa l Services	206.6	221.8	239.6	8.6
Health Services	104.2	120.0	132.0	10.0
Other Services	42.2	45.5	50.1	10.1
Gross Domestic Product	7753.0	10240.0	8205.0	—20.0
Distributed between :				
Oil & Natural Gas Activity	457.8	6634.0	4292.0	—35.3
Non Oil Activities	3195.2	3603.0	3013.0	+8.6

Agricultural and Animal Production :

It is known that this type of production is considerably affected by the natural conditions which are always fluctuating and unstable further to continuous depression of under-ground water due to little rainfall on the one hand and the steady exhausion of the same on the other hand. The product of most of the crops have not registered any noticeable growth, some even witnessed drop in production. The production of wheat fell about 141 thousand tonnes in 1980 down to about 132 thousand tonnes in 1981, while the production of beans and oil-seeds dropped from the level of 12.6 thousand tonnes in 1980 down to about 11.7 thousand tonnes in 1981. Olive fell from the level of 155 thousand tonnes in 1980 down to 120 thousand tonnes by 1981 while the production of vegetable and fruits went slightly up. The production of maize (Dura) rose considerably from the level of one thousand tonne in 1980 upto about four thousand tonnes in 1981. Meat production rose about 8 thousand tonnes to reach about 66 thousand tonnes in 1981, while milk production remained at its level in 1980 which was 110 thousand tonnes. The production of eggs rose to 18 thousand tonnes in 1981 against 15.7 thousand tonnes in 1980 while the production of honey rose as from the level of 360 tonnes in 1980 upto 380 tonnes in 1981.

Industrial Production :

The expenditures allocated in the development budgets for the promotion of the industry sector, have been reflected as quantum increase in the production of various industries as well as diversification of national economy structure. So the contribution of transformational industries in G.D.P. rose from 1.7% in 1970 upto 2.5% in 1981 while the number of individuals occupied by the same activity rose to 64 thousand persons in 1981.

As for quantitative production of various industries, the production of flour mills rose from 146 thousand tonnes in 1980 upto 190 thousand tonnes in 1981, mineral water from 40 million litres in 1980 upto 49 million litres by 1981. The products of canned an—conserved vegetables and fruits amounted to about 20 thousand tonnes. The blankets factory produced 650 pieces in 1981. Jamahiriya's estimated production of wires and cables reached about four thousand tonnes and 20 thousand tonnes of steel bars. Tractors manufacturing produced four thousand units. The lately introduced, petrochemical industries produced 400 thousand tonnes.

There are, however, about 88 plants at production stage and some 448 factories at execution stage, while a number of 1404 plants at project study and contracting stage, the matter that might increase the industrial production within the coming years.

Producing Manpower:

Labour estimates for 1981, show that the total productive labour force reached 871 thousand producers, where national labour constituted 64% about 560 thousand producers, the remaining portion constituted by expatriate labour totalling about 311 thousand in 1981 against 280 thousand in 1980. This monitors the country's need for foreign labour due to the present sizeable under construction projects. It is worth remarking that measures are proceeding to release a considerable portion of expatriate labour, through reorganization and training of available national producers.

The distribution of labour force according to economic activity indicates that construction sector occupied the first place with about 203 thousand producers in 1981 against 173 thousand employees in 1980. Followed by agriculture and fishing sector, where the number rose five thousand to reach 58 thousand producers. Educational Services placed third, with total employees of about 98 thousand producers.

Within the state policy, aiming at the development and promotion of this vital sector (labour) and its mobilization for development services so as to enable release of as much foreign labour as possible, great efforts are being exerted to promote local labour skills thourugh intensive domestic and external training programme further to encourage the participation of Libyan females in the field of productive works in the various economic activities. This might be achieved within the ambitious targets of the five year transformation plan of 1981-85.

Monetary and Banking Developments:

The General People's Congress has issued in 1981 two laws concerning the establishment of two specialized banks—

The first is the law No. 2 for 1981 for the establishment of Saving and Real Estate Investment Bank within the Housing Secretariat. The law fixed the capital for the new bank at one hundred million Libyan Dinars, subscribed 40% for Housing Secretariat and the remaining portion for several other corporates including the commercial banks operating in Jamahiriya. This new bank replaced the real estate section of the previous industrial bank and consequently has taken over the whole of the said bank assets. It also replaced both the National Investment Company and the Real Estate Investment Company. The capital of the new bank shall be increased by the net value of the assets of both said companies together with the real estate section of the abolished real estate industrial bank.

The new bank shall undertake and support construction movement by encouraging real estate saving and extend credit facilities against quarantees aiming for the availability of suitable accomodation within the frame of the transformation plan. According to the said law the new bank shall own the balances of real estate loans payable to Public Treasury and commercial bank against bonds to be issued by the bank in favour of those directions.

The second law, which has been issued by the General People's Congress. is the law No. 8 for 1981, dated March 24, 1981 for the establishment of State owned Investment Bank within the Treasury Secretariat with a capital of one hundred million Libyan Dinar. This Bank shall undertake to extend loans for financing the investmet required for productive sector projects in the fields of industry, agriculture and tourism in addition to providing assistance and technical advisory for the productive projects financed by the Bank. The new bank replaced the industrial section of the previous Real Estate and industrial bank whose shares and projects will belonging to Economy and Light Industries Secretariat while the new bank shall leave the balances of loans which have been extended by this industrial section.

As for widening the banking base to assist providing banking services for the broad public a growing number of bank branches have been established at different regions of Jamahiriya to make 126 branches in total.

Central Bank of Libya

The total assets and liabilities of the Central Bank of Libya valued about L.D. 4596 million (Contra-accounts excluded) by the end of December 1981, against about L.D. 4736 million by the end of December, 1980, i.e. a drop ratio of 3%. Assets and Liabilities of the Banking Division constituted 82% of total assets and liabilities of the Central Bank, i.e. about L.D. 3776 million by the end of December, 1981 against L.D. 4026 million at the end of December 1980 while the remaining portion represented the assets and liabilities of the Issue Division amounting to about L.D. 820 million b ythe end of December 1981, against L.D. 711 million at the end of December. 1980 thus recording a growth rate of 15.4%.

Foreign reserves registered a serious retardation during 1981 amounting to about L.D. 1888.5 million by the end of December, 1981 compared to L.D. 3167.9 million at the end of December 1980 i.e. a drop ratio of 40.4%. This decline is attributed mainly to the significant deterioration of oil revenues due to low exports especially during the second half of 1981.

It is noticeable that the local assets of the Banking Division has considerably increased at 121% in 1981 to reach about L.D. 1889 million compared to about L.D. 854 million at the end of December, 1980. The increase in local assets is mainly attributed to increased issue of treasury bills, which amounted by the end of December, 1981 to about LD. 1156 million against LD. 301.6 million at the end of December, 1980 On local assets side, the total credit facilities extended by Central Bank of Libya, upto the end of December, 1981, amounted to about LD. 291 million of which the sum of LD 273 million as loans for the commercial banks operating in Jamahiriya, against LD. 181 million at the end of December, 1980. Thus reflecting the need of commercial banks for liquidity equal to facilities extended by them to public companies and establishments. Loans granted to Treasury and Public Corporations dropped about four million Dinar to stand at LD 14 million in 1981.

On liability side, and according to Article 2 of Bank Act No. 4 for 1963 and its amendments, the capital of the Bank has been increased as from One Million Dinar upto LD 100 million effective March 1st. 1981.

As for deposit liabilities of the Central Bank of Libya, they totalled about LD 2482 million by the end of December, 1981 against LD 2885 million at the end of December, 1980 i.e. dropped 14%. This; decline may be attributed to decreased Public Treasury Deposits with the Central Bank as from the level of about LD 487 million in 1980 down to about LD 717 million by the end of December, 1981. The deposits of the commercial banks dropped about LD 290.5 million during 1980 to reach about LD 513 million compared to LD 804 million at the end of December, 1980.

COMMERCIAL BANKS :

The consolidated Balance Sheet of local banking sector indicates a growth of 19.1% in the total assets and liabilities of the commercial banks as at the end of November, 1981 compared to its level at the end of December, 1980 to reach about LD 7546 million against LD 6335 million for the two said periods respectively.

On analysing asset side, a considerable decline in liquid assets of those banks at the rate of 24% is recognized where as the same dropped from the level of LD 1746 million at the end of December, 1980 down to about LD 1328.4 million by the end of November 1981.

The decline of the liquid assets of the commercial banks was mainly attributed to the significant decrease of time deposits which those banks keep among themselves, dropping 36.8% to reach LD. 540.5 million by the end of November, 1980. Further time deposits kept by commercial banks with Central Bank also contributed for the decline of their liquid assets whereas the same dropped sharply from the level of about LD 207.5 million December, 31 1980 to about only LD 15 million by the end of November, 1981, i.e.dropping at 93%. The item for cash in hand, which is one of the liquid assets items, registered a remarkable rise during 1981 at the rate of 45.3% to reach a balance of about LD 37 million of which about L.D. 1.3 million foreign currncies with the commercial banks and the rest in Libyan Dinar.

Demand deposits kept by commercial banks with the Central Bank and/or inter-bank grew at 11.8% for the first to reach LD 704 million at the end of November, 1981 and at 13.6% for the second to amount to about LD 31.8 million. It is noticeable that the growth rate of current deposits item of commercial banks kept with Central Bank was less than the drop rate of their time deposits (Inter-bank time deposits and their time deposits kept with the Central Bank) resulting in the decline of their liquid assets.

The total credit facilities extended by the commercial banks amounted to about LD 1195 million at the end of November, 1980 so recording a growth rate of 51%. The item for advances and overdraft represented 92.4% of total credit amounting to about LD 1844 million against LD 1289 million at the end of Dec. 1980 at a growth rate of 43%. The figures reflect the great expansion of credit facilities extended by the different commercial banks for various purposes such as real estate loans and facilities for public establishments and companies.

Further in credit field. the total discounted and in circulation commercial papers valued about LD. 97.8 million by the end of November, 1981 against LD. 15 million at the end of December, 1980.

Fixed and other assets have considerably increased to

LD. 257.8 million by the end November 1981 compared to LD. 145 million at the end of December 1980.

As for contra-accounts, which normally appear on both sides of balance sheet as accidental assets and liabilities, constituted 45.4% of total assets and liabilities, of the commercial banks, i.e. about LD. 3426.5 million against LD. 2798 million at the end of December, 1980 at a growth rate of 22.4%.

The biggest portion of this item on assets side is composed of letters of credit and guarantee together with outstanding domestic and foreign bills of exchange. On the liabilities side, the contra-accounts consist of liabilities of commercial banks against letters of credit and guarantee, together with paid domestic and foreign bills of exchange.

On liabilities side, the revenues of the commercial banks registered a growth rate of 4.5 % to amount to about LD. 148.7 million by the end of November 1981 compared to about LD. 142.5 million at the end of December, 1980. The rise is due to increased deposit liabilities (total deposit) at the rate of 11% to balance about LD. 2680 million by the end of November, 1981 against LD. 2416 at the end of December, 1980. The registered increase in deposit liabilities of banks for demand deposits, which rose from about LD. 1987 million at the end of December, 1980 upto LD. 2322.6 million by the end of November, 1981 i.e. an increase ratio of 17%. On the other hand time and saving deposits with commercial banks dropped at 16.4% for the first and 17.6% for the second compared to their levels at the end of December, 1980 i.e. from LD 378 million and LD 50.9 million down to LD 316 million and LD. 41.8 million for each respectively.

However, despite the rise in bank's deposit liabilities represented by the total deposits kept with them during the report subject period, those banks raised their borrowings from both domestic and foreign banks. The growth rate in total borrowings of commercial banks reached about 46.6% i.e. as from about LD. 215 million at the end of 1980 upto about LD 315 million by the end of November, 1981. About LD 180 million of the said borrowings were borrowed from the Central Bank of Libya, while the remaining balance borrowed from foreign banks (in the form of overdraft balances, for short periods, with those foreign banks) which amounted to total about LD 133 million. Borrowings from domestic banks were only about one million Libyan Dinar.

The increased borrowings of the commercial banks from Central Bank of Libya may be attributed to their expanded credit facilities on the one hand, and declined liquidity in some of them on the other hand. The foreign debts of the commercial banks rose sharply to reach LD 133 million against LD 33 million, negative aspect showing mismanagement in some of the commercial banks. The foreign indebtedness of the commercial banks results in big liabilities due to high interest rates to be paid for their overdraft accounts. The practice of the said negative performance was remarkable despite the fact that banks have still excess liquidity in total.

Liquidity and Legal Reserves:

The actual decline in liquid assets of the commercial banks at the end of November, 1981, was 24% bringing the same to LD. 1328.4 million against LD. 1745.7 million at the end of December, 1980. So liquid assets represented 44.4% of the sum deposit liabilities and borrowings from banks. Hence the required assets are within the limits of 15% of total deposit liabilities and borrowing from banks, the excess liquid assets were about LD. 879 million i.e. a drop of 35% from their level at the end of December 1980 when the excess recorded about LD. 1351 million. Liquid assets kept by the commercial banks with the Central Bank in the form of cash amounted to about LD. 37 million at the end of 1981 at the rate of 45.3%.

The low liquid assets of the commercial banks resulted from their low time deposits kept either with the Central Bank or among themselves.

Legal reserves of the commercial banks, registered sizeable surplus compared to those required as from the level of about LD. 72.7 million at the end of December, 1980 upto about LD. 80 million at the end of November, 1981. The total deposits kept by the commercial banks with the Central Bank of Libya amounted to about LD 431 million against about LD 351 million effective reserves to be kept by those banks with the Central Bank.

TOTAL ASSETS AND LIABILITIES OF THE COMMERCIAL BANKS

IN THOUSAND LIBYAN DINAR

Statements	Dec. 1980	Nov. 1981	% change in 1981
Assets:			
Liquid Assets	1745685	132845	—23.9
1. i-Cash in hand	25439	26964	45.3
a) In Libyan Currency	24515	35691	45.6
b) Foreign Currency	924	1273	37.8
2. Deposits with Central Bank of Libya	837483	719153	—14.1
a) Demand deposits	62936	704153	11.8
b) Time Deposits	207547	15000	—92.8
3. Deposits with Foreign Banks	324070	538123	66.1
4. Deposits with Local Banks	882763	572308	—35.2
a) Demand Deposits	27958	31771	13.6
b) Time Deposits	854809	540537	—36.8
5. Total Credit	1321552	1995249	51.0
a) Advances and O.D.	1289002	1843684	43.0
b) Commercial Papers, Discounted and Circulating	15206	97819	543.2
c) Other Loans	17344	53746	209.9
6. Fixed and Other Assets	144962	257833	77.9
7. Contra-Accounts	2798537	3426498	22.4
Total Assets=Liabilities	6334813	7546128	19.1

Contd.

Statement	Dec. 1980	Nov. 1981	% change in 1981
Liabilities:			
1. Reserve Capital	148570	154766	4.2
2. Deposits	3416195	2680429	10.9
a) Demand Deposits	1987260	2322613	16.9
b) Time Deposits	378211	316036	16.4
c) Saving Deposits	50725	41780	17.6
3. Borrowing From Banks	214770	314827	46.6
a) Central Bank of Libya	180675	180675	—
b) Local Banks	991	1037	4.6
c) Banks abroad	33104	133115	302.1
4. Other Liabilities	756740	969608	28.1
5. Contra Accounts	2798537	3426498	22.4

LIQUIDITY AND LEGAL RESERVES OF COMMERCIAL BANKS

IN LIBYAN DINAR MILLION

Item	Dec. 1980	January 1981	November 1981	Change during fiscal*
Deposit Liabilities and borrowing from Banks.	2631.0	3091.4	2995.2	13.8
Actual Liquid Assets	1745.7	1881.0	1328.4	—24.0
Required Liquid Assets (1)	394.6	463.7	449.3	13.3
Liquid Assets Surplus	1351.1	1417.3	879.1	—35.0
Deposit Liabilities subject to legal reserves.	2302.9	2610.9	2477.2	7.6
a) Demand Deposits	1931.8	2273.9	2200.3	14.0
b) Time & Saving Deposits	371.1	337.0	276.9	—25.4
Required Legal Reserves	317.6	366.4	350.8	10.5
a) Against Demand Deposits	289.8	341.1	330.0	14.0
b) Against Actual Time and Saving Deposits	27.8	25.3	20.8	—25.2
Actual Deposits with Central Bank of Libya	391.3	558.5	430.7	10.1
Legal Reserves Surplus	73.7	192.2	79.9	8.4

(1) General Liquidity Ratio was 20% since 1958 then raised to 25% effective July 1st, 1966 and again lowered to 15% effective November 1st, 1970.

MONEY SUPPLY:

The growth in money supply reached 20% at the end of November, 1981, compared to its level at the end of December, 1980 to reach the total of LD. 3370.7 million at the end of November, 1981 against LD. 2856.8 million at the end of December, 1980.

Demand deposits constituted one of the most significant items of money supply at 76% of total money supply i.e. the equivalent of about LD. 2558.5 million by the end of December, 1980 at a growth rate 17.7%. Money in circulation represented 24% of total money supply i.e. about LD. 812.2 million in 1981 against LD. 682.3 million at the end of Dec. 1980 a growth of LD. 130 million during the period Jan.-Nov. 1981 at a monthly rate of LD. 11.8 million.

As for factors affecting money supply, the net foreign reserves dropped by LD 869.3 million during the period January-November, 1981 as from the level of about 4206.6 million at the end of December, 1980 down to LD. 3337.3 million by the end of November, 1981.

The decline in Jamahiriya foreign reserves may be attributed mainly to decreased oil exports and consequently oil revenues, due to the international oil crisis now prevailing all over the world caused by the successful attempts of industrialized countries to reduce consumption and exerting down pressures on oil prices.

Public Treasury deposits, with Central Bank of Libya, dropped from the level of about LD. 1042.4 million at the end of December, 1980 downto about LD. 1008.7 million by the end of November, 1981. While facilities extended to public sector by the Central Bank of Libya, rose to make LD. 2012.8 million as balance by the end of November, 1981 against LD. 1095.3 million at the end of December, 1980. Quasi money declined about LD. 42.7 million during the period of January-November, 1981 to reach LD. 1136.5 million by the end of November, 1981. While net domestic liabilities dropped as from LD 223.4 million at the end of December, 1980 down to LD (—165.8) million at the end of November, 1981 net domestic assets rose considerably as from the level of LD (—1349.8) million at the end of December, 1980 upto LD. 33.5 million by the end of November, 1981.

Cheques.

CHEQUECLEARING:

The decision imposing payment through cheques for amount exceeding one hundred Libyan Dinar has had an obvious effect, reflected in increasing the movement of cheques passing through both clearing houses in Tripoli and Benghazi. The total cheque value rose as from about LD. 5294 million at the end of December, 1980 upto about LD. 8009 million by the end of November, 1981, i.e. an increase ratio of 51.3%.

As for the number of cheques which passed clearing operations, they have also increased at the rate of 115.4% to reach about 1.2 million cheques by the end of December, 1981 against about 460 thousand cheques at the end of December, 1980. Two thirds of those cheques passed through Tripoli Clearing House i.e. about 767 thousand cheques amounting to about LD 6872 million against LD 4397 million at the end of December, 1980. The number of cheques which passed through Benghazi Clearing House were 385 thousand cheques, during 1981 amounting to LD 1138 million against LD. 797 million during 1980 i.e. at a growth rate of 26.8%. However, the average value of one clearing cheque dropped from LD. 11500 during 1980 down to LD. 6151 during 1981 due to increased number of operations executed by cheques at a rate exceeding the incrase rate of the value of those operations.

CHANGE IN THE QUANTITY OF MONEY SUPPLY AND AFFECTING FACTORS

In Libyan Dinar Millions

Item	Dec. 1980	November 1981	% Change During No. 1981
Money Supply	2856.8	3370.7	18.0
Cash outside Banks	682.3	812.2	19.0
Demand Deposits for Public.	2174.6	2558.5	17.9
Net Foreign Assets	4206.6	3337.3	—20.7
a) Central Bank of Libya	3878.9	2936.9	—34.3
b) Commercial Banks	327.7	400.4	22.2
Net Domestic Assets	—1349.8	33.5	102.5
a) Loans for Private & Public Sectors	1095.3	2012.8	83.8
b) Quasi Money	1179.2	1136.5	—3.7
c) Public Treasury Deposits	1042.4	1008.7	—3.3
d) Net other Liabilities	223.4	—165.8	—174.2

In Million Libyan Dinars.

Year	Tripoli Clearing House		Benghazi Clearing House		Total	
	No. of Cheques.	Value	No. of Cheques.	Value	No.	Value
1979	329129	3202	112646	620	451775	3822
1980	312320	4397	147937	897	460257	5294
1981	767385	6872	384950	1138	1152335	8009

LIBYAN ARAB FOREIGN BANK:

The total assets and liabilities of the Libyan Arab Foreign Bank amounted to about LD. 625.8 million at the end of 1981 against and amount of LD. 568.3 million at the end of 1980, thus recording a growth of 10.1%. The assets and liabilities of the banking section constituted 95.5% of total assets and liabilities i.e. amounting to about LD. 597.7 million at the end of 1981, while those of investment section represented only 4.5% of total assets and liabilities of the bank i.e. about LD 28.1 million.

The Bank's time deposits with foreign banks dropped to LD. 254.8 million, at the end of 1981 compared to LD. 305.3 million at the end of 1980, i.e. a decrease of LD. 49.5 million. The bank's cash-in-hand and balances with bank rose about LD 37.3 million to reach LD. 92.3 million at the end of 1981.

Short-term loans, facilities and other debit accounts rose to about LD. 25.7 million at the end of 1981 from the level of about only LD. 8.2 million at the end of 1980.

As for non-circulating assets, such as long-term loans and bonds, as well as participations, rose to about LD. 224.7 million at the end of 1981 from the level of about LD. 174.3 million at the end of 1980. Long term loans and bonds represented about 83.4% i.e. the equivalent of LD 187.3 million against LD. 76.8 million at the end of 1980, while the participations dropped as from the level of LD. 97.3 million at the end of 1980, down to about LD. 37.4 million at the end of 1981.

Circulating assets amounted to about LD 18.4 million, mostly as loans and facilities at the end of 1981 against LD. 10.7 million at the end of 1980.

On liabilities side, the circulating liabilites of the banking section amounted to about LD 510 million at the end of 1981 against about LD. 439 million at the end of 1980. Time deposit with banks formed about LD. 306 million while demand deposits represented about LD. 143 million. Non-circulating facilities of the banking section amounted to about LD. 88 million at the end of 1981, of which LD. 15 million as paid capital and LD. 19.5 million as various purposes reserves. The interests of the banking section were estimated to reach about LD. 24.8 billion for 1981.

The circulating liabilities of the investment sector amounted to about LD. 28.1 million at the end of 1981, against LD. 25.4 million in 1980 of which about LD. 15 million as paid capital for this section and LD. 12 million as all purposes reserves. The interest of the investment section were estimated to reach about LD. 2 million for 1981.

Agricultural Bank:

The agricultural bank has continued to achieve the targets which had been assigned to it. The purpose of the Bank is to contribute and to participate effectively in promotion and development of agricultural and animal production by the encouragement and support for individuals and groups dealing in this field through the extension of loans and other various facilities. The Bank participates also in the establishment of related firms and companies, as well as its contribution for farmers training.

The balance of short and medium term loans extended by the bank, as it was on September 30, 1981 about LD. 125 million of which more than LD 12 million offered during the first nine months of 1981.

The value of agricultural aids amounted to about LD. 163 million, where most of them were feed subsidies about LD. 101.4 million.

Further, the bank shares the capital of five establishments and companies which are related to its activities. The value of the bank's total share in those companies is about LD. 2.5 million.

PUBLIC FINANCE

Development Budget:

The allocations for the development budget amounted to about LD. 2600 million in 1982 against the amount of LD. 2815 assigned for the previous year. Development budget allocations for 1982 represented about 14% of total allocations for the economic and social transformation plan 1981-85. Lower allocations for 1982, may be attributed to trends for concentration during this year on completion of the projects which are under construction and to minimize new contracts till termination of the said projects.

In view of the significant role of the industrial sector, in harmony with the current transformations in Jamahiriya, having industries received the largest portion of total development allocations for the fiscal year 1982 — 18.9% i.e. about LD. 493 million against LD. 430 million in 1981. Further, an amount of LD. 120 million allocated to light industries, i.e. about 4.6% of total allocations, thus bringing the total allocations for the industrial sector as a whole, about LD. 613 million in 1982 i.e. about 23.6% of total development allocations for this sector from the total allocations cf the previous transformation plan 1976-80 together with those for supplement 1980-1981 were about 19.5% taking the first position among other sectors.

The execution rate of the industrial sector relative to the rate of expenditure of allocations during the transformation plan 1976-1980 and the first two years of 1981-85 plan was 62% i.e. about LD. 1782 million for light industries and about 81% i.e. about LD. 1023 million for heavy industries.

The sector of land reclamation and agrarian reforms was allocated 13.4% of total allocation for development budget 1982 i.e. the equivalent of LD 348 million against LD. 419.9 million for the fiscal year 1981. The amount was distributed LD. 133.3 million for land reclamation and agrarian reforms, LD. 81.3 million for animal production, LD. 33.8 million for cereal production and about LD. 26.2 million for vegetables, while an amount of LD. 15.2 million was allocated for dams and water resources.

It's worth saying, however, that the sector for land reclamation and agrarian reform came second to indusrtial sector with respect to allocations size for both the transformation plan 1976-80 and the first two years of the second transformation plan 1981-85. The sum of about LD. 2629 were allocated for this sector for the sector for the said period i.e. the equivalent of 18.2% of total allocations. The rate of execution of the agricular sector, relative to expenditure size was 91% of total allocations of same sector.

The sector for communication and marine transport got 13.7% of total development allocation for the fiscal year 1982, about LD. 355 million against LD. 427.7 million during the fiscal year 1981. Allocations for this sector include about LD 71 million for post, tele-communication and wireless, LD. 203 million for roads and railways, LD. 33.5 million for ports and marine transport and about LD. 31.9 million for air ports and air transport.

Communication and marine transport took the third place, relative to its allocations within the development allocations during the years 1976-1982 whereas the same constituted 12.1%. The rate of execution for this sector, during the said period, was about 114% which represent total expenditures over total allocations.

Within the State policy to offer proper accommodation for each citizen, about 8.8% of total allocations for development budget 1982 were assigned to housing, amounting to about LD. 230 million. About LD. 148.5 million for dwellings and the remainder for the construction of modern integrated towns and villages, as well as the construction of administrative and public utility buildings. The rate of execution for this sector was 105% relative to its allocations in the development budget for 1981.

In view of the importance of utilities sector, which extends various services in all different cities and villages all over Jamahiriya, about 8.3% of total development allocations for 1982 was assigned to this sector i.e. about LD 215 million. Those allocations include, about LD. 63.2 million for sewerage projects and about LD. 39.3 million for drinking water programme.

The allocations for electricity sector were about LD. 190 million i.e. the equivalent of 7.3% of total allocations. About LD.. 181 million were assigned for power generation and net works.

However, the expenditures of the social and economic transformation plan 1976-80 amounted to LD. 8231.6 million compared to its allocations of LD. 8813.1 million bringing the execution rate to 93%. The expenditures for 1981, alone were about LD 2815 million from the allocations of about LD. 3000 million assigned for development projects in the budget of that year i.e. an execution rate of 93.8.%

ADMINISTRATIVE BUDGET:

Allocations for the administrative budget rose to about LD 1255 million during the fiscal year 1982 against LD. 1050 million during the fiscal year 1981.

The largest portion of the administrative budget 1982, was assigned to education about 23.2% of total allocations, against 24% of total allocations for the fiscal 1981 i.e. about LD. 202 million, 1981 upto about LD. 292 million 1982. The composition of the said sum was LD. 316.5 million to People's Committees for education LD 23.5 million for Gar Unis University, five million Libyan Dinar for higher technical institutes and the rest for the General People's Committee for Education.

The allocations for the Secretariat of Health and People's Committees for Health placed third (13.5%) about LD. 168.4 million thus recording an increase ratio of 18.% compared to 11.6% the increase ratio registered during the previous fiscal year. Utilities came in the fourth position with regard to allocations, receiving 7.3% .e. about LD. 91.9 million, including allocations for People's Committees for utilities of municipalities and the allocations for Real Estate registration and Authentication Department. Electricity Sector received 7% of total administrative allocations, around LD 88 million of which LD 49.5 million for maintenance and operation department and LD. 33.8 million for People's Committees at municipalities. The allocations for the Secretariat of Communications and Marine Transport, including People's Committee's at the Municipalities, amounted to about LD. 83.1 million i.e. about 6.6% of total administrative budget for 1982.

Estimate revenues for the administrative budget indicated that 94% of total allocations i.e. about LD. 1181 million will be financed from the item of tax, excise, service revenues and the excess from business sector, while the remaining 6% will be covered from Oil revenues. The allocations for the administrative budget from petroleum revenues for the fiscal year 1982, were estimated to reach about LD. 74.2 million. Tax and commodity excise constituted about 31% of total estimates revenues of administrative budget for 1982 against 33% during 1981.

Estimates for this item rose 11.4% as from the level of LD 350 million in the fiscal year 1981 upto about LD. 390 million in 1982. Anticipated revenues as surplus from business sector were 26% of total administrative budget for 1982 of which about LD. 170 million revenues of productive units.

As for the estimates of income tax and service fees during the fiscal year 1982è they constituted 14% and 12% respectively of total estimates for revenues of the administrative budget.

ALLOCATION OF DEVELOPMENT BUDGET 1980 — 1982

IN L.D. MILLIONS .

Sector	1980		1981		1982		% Change	
	Amount	%	Amount	%	Amount	%	1981	1982
Land Reclamation and Agrarian Reform.	450.0	17.8	419.9	14.9	348.0	13.4	22.2	— 24.4
Light Industries	170.0	6.7	128.4	4.6	120.0	4.6	17.6	— 40.0
Heavy Industries	421.0	16.7	430.1	15.3	493.0	18.9	18.8	— 1.4
Oil and Gas	50.0	2.0	56.1	0.9	40.0	1.5	20.0	— 33.4
Electricity	225.0	8.9	196.9	6.9	190.0	7.3	11.1	— 24.0
Education	135.0	5.4	173.6	6.2	157.0	6.0	33.3	— 12.8
Information & Cluture	30.4	1.2	22.5	0.8	20.0	0.8	— 21.1	— 16.7
Labour Force	13.0	0.5	17.9	0.6	15.0	0.6	92.3	— 40.0
Health	90.0	3.0	107.8	3.8	82.0	3.2	16.3	— 22.0
Social Security	6.0	0.2	17.3	0.6	15.0	0.6	266.6	— 31.9
Jamahiriya Soprts	23.0	0.9	13.8	0.5	15.0	0.6	—	— 34.8
Housing	222.0	8.8	306.1	10.9	230.0	8.8	21.7	— 14.9
Justice	11.0	0.4	—	—		—	—	—
Municipalities (Utilities)	175.0	6.8	315.9	11.2	215.0	8.3	25.7	— 2.3
Communication & Shipping	200.0	11.3	427.7	15.2	355.0	13.7	7.4	16.0
Economy	60.0	2.4	127.7	7.1	140.0	5.4	233.3	— 30.0
Planning	11.0	0.4	8.3	0.3	10.0	0.4	26.4	— 33.4
Reserve for Projects	150.0	5.9	140.0	4.7	155.0	5.9	— 6.7	10.7
Total :	2257.4	100.0	2815.0	100.0	2600.0	100.0	32.9	— 13.4

ALLOCATIONS AND EXPENDITURES OF DEVELOPMENT IN JAMAHIRIYA

DURING THE PERIOD 1976 — 1982

In L.D. Million

Sector	Transformation Plan 1976 — 1980. Allocation	Transformation Plan 1976 — 1980. Expend:	% Change	1981 Allocation	1981 Expend:	% Change	1982 Allocation	Total	% for each Sector
Agrarian Reform	1817.8	1659.3	91.2	463.5	419.9	90.6	348.0	2629.3	18.2
Light Industries	1463.5	876.5	59.8	198.1	128.4	64.8	120.0	1781.6	12.4
Heavy Industries	—	410.0	—	530.0	430.1	81.1	493.0	1023.0	7.1
Oil and Gas	411.2	367.4	89.3	60.0	56.1	93.5	40.0	511.2	3.5
Electricity	858.4	1000.9	116.6	248.7	196.9	79.2	190.0	1297.1	8.9
Education	558.6	464.8	78.9	192.6	173.6	90.1	157.0	938.2	6.5
Information & Culture	124.5	120.0	96.4	24.0	22.5	93.7	20.0	168.5	1.2
Labour Force	57.0	43.2	75.8	24.7	17.9	72.5	15.0	96.7	0.7
Health	310.1	258.8	83.4	109.1	107.8	98.8	82.0	501.2	3.5
Social Security	23.0	15.8	68.7	20.1	17.3	86.0	15.0	58.1	0.4
Jamahiriya Sports	75.6	51.7	67.4	22.9	13.8	60.2	15.0	113.5	0.8
Housing	1007.0	864.5	58.8	291.4	315.9	105.0	230.0	1528.4	10.6
Utilities	748.1	890.9	119.1	259.4	315.9	121.8	215.0	1222.5	8.5
Communication & Shipping	1051.0	1086.4	103.4	344.2	427.7	124.2	355.0	1750.2	12.1
Economy	86.8	104.2	120.0	186.3	172.7	92.7	140.0	413.1	2.9
Planning	26.0	17.2	66.1	12.2	8.3	68.0	10.0	48.2	0.3
Reserve for Projects	164.5	—	—	12.8	—	—	155.0	332.3	2.3
TOTAL	8813.1	8231.6	93.4	3000.0	2815.0	93.8	2600.0	14413.1	100.0

ALLOCATIONS OF ADMINISTRATIVE BUDGET 1980 — 82

TABLE — 1 **IN LIBYAN DINAR MILLIONS. :**

Statement	1980		1981		1982		% Change	
	Amount	%	Amount	%	Amount	%	1981	1982
General People's Committee & General People's Committees at Municipalities.	4.9	0.5	10.1	0.9	11.8	0.9	106.1	16.8
General People's Committee for Justice & People's Committees for Justice at Municipalities.	66.4	7.0	73.0	7.0	79.6	6.3	9.9	9.0
General People's Committee for Health & People's Committee for Health at Municipalities	127.8	13.5	142.6	13.6	168.4	13.4	11.6	18.1
General People's Committee for land reclamation and Agrarian Reform & Branch municipal Committees.	22.9	2.4	26.9	2.6	34.3	2.7	17.5	27.5
General People's Committee for Housing & Branch Municipal Committees.	11.5	1.2	12.8	1.2	15.1	1.2	11.3	17.9
General People's Committee * for Economy & Branch Municipal Committees	2.0	0.2	2.7	0.3	3.5	0.3	35.0	29.6
G.P.'s Committee for Treasury and Branch Municipal Committees	11.3	1.2	12.1	1.2	16.7	1.3	7.1	38.0
G.P.s Committee for light industries and Br. Municipal Committees *	5.0	0.5	7.8	0.7	8.0	0.6	56.0	2.6
G.P.'s Committee for Education and Branch Committees	224.6	23.6	252.0	24.0	292.0	23.2	12.2	15.9
G.P.'s Committee for Electriicty and Branch Committees	70.7	7.4	72.9	6.9	88.0	7.0	3.1	20.7
G.P's Committee for Communications & Marine Transport and Br. Municipal Committees.	55.0	5.8	69.8	6.6	82.1	6.6	26.9	19.1

General People's Committee for Jamahiriya Sports & Branch Municipal Committees	— 5.0	0.5	0.9	0.6	10.8	0.9	18.0	83.1
G.P. Committee for Planning and Branch Municipal Committee	— 1.5	0.2	1.6	0.2	2.5	0.2	6.7	56.3
G.P. Committee for Civil Service & Branch Municipal Committees	— 5.0	0.5	5.6	0.5	7.7	0.6	12.0	37.5
G.P. Committee for Social Security & Branch Municipal Committees	— 9.0	0.9	15.0	0.1	71.1	1.4	66.7	20.7
G.P's Committee for Utilities and Branch Municipal Committees	— 74.3	7.8	79.1	7.5	91.9	7.3	6.5	16.2
Administrative Committee for Revolutionary Information	— 14.0	1.5	16.0	1.5	20.0	1.6	14.3	25.0
People's Committee at Foreign Laison Office	— 16.0	1.7	16.0	1.5	20.0	1.6	—	25.0
The Army	— 155.0	16.3	165.0	15.7	15.7	210.0	6.4	27.3
Oil Secretariat	— 0.7	0.1	0.7	0.1	1.0	1.0	—	42.8
G.P.s Committee for Heavy Industries.	— 1.5	0.2	1.6	0.2	2.0	2.0	6.7	25.0
Miscellaneous	55.2	5.8	50.8	4.8	60.0	4.8	8.0	18.1
Subsidies for Public Entities	5.3	0.6	7.2	0.7	9.0	0.7	35.8	—
Contengency provisions	2.0	0.2	2.0	0.2	1.5	0.1	—	25.0
Other Allocations	3.4	0.4	—	—	—	—	—	—
TOTAL:	950.0	100.0	1050.0	100.0	255.0	100.0	10.5	19.5

*** Both, the Secretariats of Economy and Light Industries have been unified to form one Secretariat.**

ESTIMATED REVENUES OF ADMINISTRATIVE BUDGET — 1980 — 82

IN L.D. MILLIONS

Statement	1980		1981		1982		% Charge	
	Amount	%	Amount	%	Amount	%	1981	1982
Income-tax	106.0	11.2	140.0	13.3	175.0	13.9	32.0	25.0
Stamp Duty	66.0	7.0	77.5	7.3	80.0	6.4	17.4	3.2
Entertainment tax	0.3	—	0.3	—	0.1	—	—	33.3
Commodity Excise	285.0	30.0	350.0	33.4	390.0	31.0	22.8	11.4
Service Revenues	111.4	11.7	140.0	13.8	151.0	12.0	25.6	7.8
Business Sector Surplus	8.0	0.8	16.2	1.6	18.7	1.5	102.5	15.4
Municipal Excise	179.0	18.8	288.0	27.4	328.0	26.1	60.9	13.9
Total Non-Oil Revenues	785.0	82.6	1050.0	100.0	1180.8	94.0	33.7	12.5
Allocations from Oil Revenues	165.0	17.4	—	—	74.2	6.0	—	—
Total Revenues	950.0	100.0	1050.0	100.0	1255.0	100.0	10.5	19.5

FOREIGN TRADE IN 1981

In view of the policy, intending to reorganise trade sector, so as to cope with the current economic system applied in Jamahiriya, whereas certain companies and establishments have been assigned to deal exclusivelyin trade activity, and to ensure the effective performance of those establishments and companies as well as avoiding any interference between their activities the decision of the General People's Committee No. 1339 for 1981, dated November 4, 1981 has been issued restricting importation of goods and commodities to public companies and establishments and specifying authority and scope for each establishment. According to the said decision, import has been assigned to five categorized groups, each of them composed of a number of public companies and establishments. The five groups are:

— Food-stuff group consisted of ten companies
— Mining, metalic, thermal and building materials commodities group, composed of nine establishments.
— Chemicals and paper group, including eight establishments.
— Engineering commodities group, composed of fourteen establishment and a company.
— The group for clothes, shoes, furniture and miscellaneous commodities, composed of seven companies and establishments.

The decision has imposed conditions for those companies and establishment to be observed closely, which have stipulated inter-alia.

— To ensure availability in Jamahiriya of imported goods all through the year, importing establishment each in its field should prepare an annual work programme to be submitted to Economy Secretariat prior to the end of October for each year.
— To consider saling local product and adhere to all restrictions and decisions related to its protection.
— To study the international exporting markets and to contact directly manufacturers and porducers of the required goods with considerations to quality, competence and price to ensure maintenance where needed to respect contracts concluded between Jamahiriya and other countries and to

commit to markets specified by the Secretariat of Economy.

— To keep a reserve stock, adequate to the nature of each commodity to ensure regular supply of goods to domestic market and to face any disturbance that might arrive in the international market or any other emergency.

— Corporations assigned for importation shall not be released procedures related to protection of local products especially those concerning import licences.

However, the above decision has granted permission for the importation of goods and materials required for the execution of the big transformation project of special character in accordance with the regulations to be specified by the Secretariat of Economy and the authorities contracting for the execution of the said projects.

Further, establishments practising productive activities have right to import, goods materials and equipments necessary to ensure operation of their units, in accordance with rules and regulations to be approved by the Secretariat of Economy.

The decision has obliged parent Secretariats for those importing establishments and companies to follow up their programmes and investigate their proper execution in the service of projects and targets of the transformation plan.

The General People's Committee has also issued a decision on November 5th, 1981 prohibiting importation of some 83 commodity for the most luxurious goods or goods that competitive to local products. This decision aimed for the protection of national products, health, public test and to curb imports of luxury items.

To save the country's resources of hard currency from exhausion and to organize expenditures thereof, the General People's Committee has issued its decision No. 1315 dated November 1, 1981 concerning commodity budgetory. According to this commodity budgetory it is not allowed to open any documentary credit or to settle any documents related imports or to transfer any amount against imports, UNLESS within the limits of the commodity budgetory where a fixed amount for a fix period has been assigned for each direction.

As for the development in the size of foreign trade during 1981, according to our estimates based on previous preliminary figures, the imports value during the year estimated to reach about LD 2373 million i.e. at an increase rate of 18.3% against LD 2006 million in 1980. This income may be attributed in general, to increased international prices of the imported goods.

The estimated value of national exports amounted to about LD 4253.5 million during 1981, against LD 6486 million in 1980 thus registering a decline of 34.5%. This drop of exports was caused by the decline of oil exports due to the unfavourable situations in the international oil markets, which characterised by increased supply and declined prices, the matter that affect negatively most of producing countries, including Jamahiriya. Decreased exports led to a decline of the surplus of the trade balance at the rate of 62% to reach about LD. 1881 million in 1981 compared to about LD 4483 million in 1980.

Available data indicated continued decline of exports during 1982, which might lead to a considerable drop in trade balance surplus, or even a deficit is expected in case of persistance of actual bad conditions of oil market.

According to preliminary estimates, the imports of food stuff and livestock amounted to about LD 396 million i.e. recording an increase rate of 17.2% relative to its level in 1980. Imports of beverages and tobacco amounted to LD 11 million against LD 10.7 million in 1980, an increase of 3%. The imports of machines and transport equipments recorded an increase of 28% to reach the value of LD 920.6 million in 1981 i.e. the equivalent of 38.8% of tatal imports.

The value of imports of goods almost classified on the base of manufacturing materials, including building materials such as steel, cement, lime, sanitary equipments and the different types of pipes, estimated to about LD 575 million in 1981 against LD 484 million in 1980. The increase may be attributed to increased local demand due to increased construction activity witnessed all over the country.

Despite availability of local product of mineral fuel materials and hydrocarbons, the demand increased leading to imports rise of 37% to amount to about LD 18 million in 1981 compared to LD 13 million in 1980.

The geographical distribution of national exports, mainly oil exports, of total estimated value of about LD 4253.5 million in 1981 directed in general towards western European countries and America. The United States imported 26.1% of total Jamahiriya exports valued at LD 1105 million in 1981 compared to about LD 2298 million (35.4%) in 1980.

The decreased U.S.A. imports of Jamahiriya's oil exports was attributed to deteriorated political relations between the two countries due to U.S.A. stands against Jamahiriya.

The imports of Western European countries from Jamahiriya have also dropped due to pressures exerted by USA on some of them. Exports to West Germany fell 44% to reach about LD 417 million against more than LD 818 million in 1980. Exports to Italy dropped also at 8.5% to reach LD 1100 million (26% of total exports) while West Germany and Italy represent the major markets for Libyan crude oil. Exports to France and Spain registered a drop of 20.5% and 9.4% respectively in 1981. On the other hand, exports rose to each of Bulgaria, Holand, Britain and Canada during 1981. Libyan exports to East Germany rose from the level of LD 9 million upto LD 38 million in 1981 and those to Canada increased from LD 5 millions to about LD 27.5 million in 1981.

CRUDE OIL EXPORTS

Value in L.D. thousand.

Import Country	1980	1981	% Total 1980.	% Total 1981.
United States of America	2298693	1105241	35.4	26.1
Italy	1302287	1100084	18.5	26.0
West Germany	818345	416867	12.6	9.8
Spain	319296	289288	4.9	6.8
Turkey	206917	214527	3.2	5.1
Greece	213506	209350	3.3	4.9
Holland	109722	121765	1.7	2.9
France	178719	142029	2.8	3.3
Japan	87816	84435	1.4	2.0
Brazil	52567	80911	0.8	1.9
Romania	126198	82878	1.9	2.0
Yugoslavia	81250	79609	1.3	1.9
Bulgaria	27456	62385	0.4	1.5
Al-Bahamas Islands	324641	43124	5.0	1.0
East Germany	9023	38244	0.1	0.9
Austria	45565	35931	0.7	0.8
Switzerland	56922	34698	0.9	0.8
Canada	4886	27481	0.1	0.6
South Yemen	33588	20059	0.5	0.5
Britain	10480	19421	0.2	0.5
Syria	23248	6721	0.4	0.2
Cyprus	1667	5951	—	0.1
Sweden	73770	3687	1.1	0.1
Poland	27098		0.4	—
Others	152718	11937	2.4	0.3
TOTAL	6486378	4236603	100.0	100.0

IMPORTS

IN L.D. THOUSANDS

COMMODITY	1980	1981	% to total 1980	% to total 1981	% Change
Foodstuff and Livestock	338638	396026	16.9	16.7	17
Tobacco and Beverages	10711	11006	0.5	0.5	2.8
Inedible raw materials	13062	17478	0.7	0.7	33.8
Animal and Vegetable Oils and fats	37512	22515	1.9	1.0	40.0
Chemicals	107760	103113	5.4	4.3	4.4
Goods classified by manufacturing materials	484473	920608	38.0	38.8	20.8
Transport machines and equipments	762194	920608	38.0	38.0	20.8
Miscellaneous Manufactures	214831	289534	10.7	12.2	34.8
Non Classified goods	—	—	—	—	—
Total:	2006.101	23 72.923	100.0	100.0	18.3

Source: Brief Foreign Trade Statistics for 1981,
— Census and Statistics Department.

BALANCE OF PAYMENTS

Preliminary estimates of Jamahiriya's Balance of Payments showed only slight surplus in the Trade Balance amounted to LD. 486 Million compared to LD. 3372 Million in 1980. This drop may be attributed to two major causes: firstly, the rise of 26.3% in imports value to about Libyan Dinar 3938 Million and secondly, the sharp decline of 31.8% in Oil exports value to about LD. 4421 Million against LD. 6486 Million in the previous year.

The increase in the value of imports resulted from the increase in imported quantities on the one hand and the rise in their prices abroad on the other hand. While the drop in Oil exports value returns to declined evport quantities due to prevailing unfavourable conditions in the international Oil market.

Invisible transactions account has still negative impact on the Balance of Payments, despite improved revenues of national investment income abroad. Invisible transactions witnessed a significant deficit of about LD. 1150 Mllion which is far bigger than the deficit registered last year which was within LD. 775 Million i.e. 48%. This big deficit may be attributed to the increase of 26.3% in freight and insurance (reflected increased costs for this item further to the increased value of imports themselves) in addition to the high ratio of increase in unrequired transfers, both public and private.

Consequently current operations account witnessed a sharp deficit of about LD. 670 Million against a big surplus of about LD. 2590 Million.

GENERAL POSITION OF BALANCE OF PAYMENTS:

The decline in the surplus of the Trade Balance at the rate referred to above and the deficit witnessed in the Balance of invisible operations had bad impact on the Balance of Payments. Consequently the Balance of Payments showed a deficit of about LD. 1212 Million compared to a big surplus of LD. 2200 Million achieved during last year.

This deficit reflected on the foreign assets of the Central Bank of Libya (Banking Divn:) whereas the same dropped sharply for about LD. 1159 Million compared to previous year where a big rise of LD. 2231 Million was achieved. The increase in currency cover was about 109.5 Million against a drop of LD. 259 Million in the previous year. Foreign liabilities of the Banking Division rose from LD. 227 Thousand in the last year upto LD. 330 Thousand during this year.

The surplus in non-monetary sector showed significant rise to reach about LD. 465 Million against a less surplus of about LD. 306 Million during last year.

Estimated preliminary data registered a drop of 11.6% in the commitments of foreign Oil companies towards Public Treasury compared to their level in the previous year where the same recorded LD. 342 Million during this year.

Following tables state the above mentioned developments:

TRADE BALANCE

Value in L.D. Thousands

Items	1980	1981
A) **Imports:**	3116832	3938293
1 — Oil Companies.	105345	106510
2 — Others.	3011487	3831783
B) **Exports:**		
3 — Oil.	6486378	4420841
4 — Others.	—	—
C) ReExports:	2794	3129
5 — Oil Companies.	514	578
6 — Others.	280	2551
D) **Trade Balance:**		
a) Excluding Oil Sector. (4+6—2)	— 3009207	— 3829232
b) Total (B+C—A)	3372340	485677

INVISIBLE TRANSACTIONS

In L.D. Thousands.

Item		1980		1981
Firstly:				
Service				
1 — Transport Expenses (except commodity)	—	1927	—	30811
2 — Freight and Insurance	—	346315	—	437588
3 — Travel	—	105498	—	102725
4 — Investment Yield	—	19560	—	19175
a) Oil Sector	—	327748	—	262198
b) Other Sectors	—	308188	—	243023
5 — Other Public Services	—	84237	—	88148
6 — Other Private Services	—	53792	—	57930
a) Oil Sector	—	58400	—	61700
b) Other Sectors	—	4608	—	3970
Secondly:				
Uurequited transfers:	—	164085	—	413253
a) Private	—	151168	—	388935
b) Public	—	12917	—	24318
Total	—	775414	—	1149630

SUMMARY OF BALANCE OF PAYMENTS

IN L.D. Thousands.

Items	1980	1981
Firstly:		
Current Operations Account	—	
1 — Net Oil Sector.	— 5985975	3981818
2 — Net Other Sectors.	— 3395618	— 4651693
A) Commodity & Services.	— 3240443	— 4246855
1 — Commodity.	— 3008693	— 3828654
2 — Services.	— 231750	— 418201
1 — Non-Monetary Gold.	— 6569	— 5922
2 — Transport except goods.	— 1927	— 30811
3 — Freight & Insurance Charges	— 346315	— 437588
4 — Travel	— 105498	— 102725
5 — Investment Yield.	— 308188	— 243023
6 — Other Public Services.	— 84237	— 88148
7 — Other Private Services.	4608	— 3970
B) Unrequited Transfers:	— 155175	— 404838
1 — Private.	— 142258	— 380520
2 — Public.	— 12917	— 24318
Net Current Operations Account.	2590357	— 669875
Secondly:		
Capital Account.		
1 — Monetary Sector.	— 229540	— 162780
2 — Non-Monetary Sector.	— 306025	— 465315
Net Capital Account.	— 535565	— 302535
Thirdly:		
Reserves and related items.	— 1970868	— 1049596
Net Errors & Omissions.	— 83924	— 77186

PETROLEUM DEVELOPMENTS:

The year 1981 witness significant retardation in both activities of Oil extraction and export due to Oil glut in the international Oil Markets and policies adopted by OPEC members in this relation. Jamahiriya has been affected by this deterioration whereas both its production and exports of Crude Oil declined as well as a reduction in Prices has been affected. The official Prices of Ziwitina Crude of 41° dense dropped from $ 41 barrel on January Ist, 1981 down to $ 37 in January 1982. While the Crude of 40° of the same field dropped at the same rate. Official Prices for Abu-Tifl Crude of 40° dropped from $ 40.32 a barrel on January 1, 1981 to $ 35.70 on January Ist, 1982, Al-Sarir Crude of 36° dropped from $ 40.40 to $35.75 a barrel during the two aforesaid periods consecutively. Spot Prices for Libyan Crudes have also registered big drops in international Oil markets. Ziwitina Crude of 41° dropped at the American Gulf Coast, from $ 38.95 January 1981 to 35.94 December, 1981 while spot Prices for the same Crudes dropped in Roterdam from $ 36.82 in January 1981 to $ 35.35 in December, 1982 and in Italy from $ 36.94 to 35.16 a barrel.

Libyan Crude Oil exports declined significatnly in 1981 compared to those of 1980. Total exports dropped as from about 620 Million barrels in 1980 down to about 437 Million barrels in 1981 i.e. a decline ratio of 29.5% during 1981. Thus the daily average rate for Crude Oil exports dropped as from 1.7 Million barreles during 1980 down to about 1.2 Million barrel during 1981.

The distribution of exports according to companies showed that 75% i.e. 332 Million barrels of total exported quantities were carried out by Al-Berega Company for International Oil marketing while the remaining portion was exported by other companies.

As for geographical distribution according to importing countries for Libyan Crude Oil during 1981, a drop in U.S.A. imports is noticeable. U.S.A. import of Libyan Crude dropped as from the level of 218.6 Million barrels i.e. 35.3% of total exports in 1980 down to 105.1 Million barrels, i.e. 24% of total exports in 1981. Thus U.S.A. dropped from its leading position to the second place as Libyan Crude Oil importer. Although the quantities imported by Italy dropped from 115.8 Million barrels in 1980 down to 105.6 Million barrels in 1981 nevertheless its imports rose relatively from 18.7% in 1980 to 24.1% in 1981 thus occupying the first position as the largest market for Libyan Crude Oil. The imports of West Germany from Libyan Crude dropped from 77.4 Million barrels in 1980 to 39.4 Million barrels in 1981 i.e. 9% of total Libyan Crude Oil exports in 1981 against 12.5% in previous pear.

The developments of Crude Oil production in Jamahiriya showed a decline in total production at 33.4% for this year compared to its level in 1980 i.e. from 669 Million barrel to 446 Million barrel. Thus the daily production rate dropped from 1.8 Million barrel in 1980 to 1.2 Million barrel in 1981.

DAILY AVERAGE OIL EXPORTS ACCORDING TO MONTHLY EXPORTS

Month	Exported quantity during 1980	Daily Average.	Exported Quantity during 1981	Daily Average.
January	62800049	2025808	39145356	1262753
February	61219743	2111026	51397587	1835628
March	63372212	2044265	52898545	1706405
April	53158086	1771936	53010573	1767019
May	55600109	1793552	45861872	1523062
June	53644077	1788136	38676911	1289230
July	51092063	1648131	30172798	973316
August	52863280	1705267	22958844	740608
September	48605393	1620180	20726051	690868
October	52512300	1693945	29654000	634000
November	56267189	1875573	25953731	854912
December	55229018	1781581	37070747	1195828
Total	66363519	1825653	437527015	1198704

DISTRIBUTION OF PRODUCTION AND EXPORTS ACCORDING TO COMPANIES.

Companies	Production in thousand barrels				Exports in thousand barrels				% Change
	Quantity in 1980.	% of Total	Quantity in 1981	% of Total	Quantity in 1980	% of total.	Quantity in 1981	% of 1981	in 1980
National Corporation of Oil	—	—	—	—	281247	42.2	332062	75.9	+ 18.1
Oasis Group	240373	36.0	136790	31.8	96924	14.6	44186	10.1	— 54.4
Esso Group	53201	7.9	—	—	19866	3.0	7497	1.7	— 62.3
Mobil Gilsinberg Group	31468	4.7	23645	5.5	15.087	2.3	9302	2.1	— 38.3
Occidental Group	88710	13.2	61144	14.2	34192	5.1	24404	5.6	— 28.6
Arabian Gulf Co.	189283	28.3	136703	31.8	140791	21.1	—	—	— —
OTHERS	66033	9.9	71582	16.7	78257	11.7	20076	4.6	— 74.3
TOTAL	668527	100.0	429864	100.0	66636	100.0	437527	100.0	— 34.3
Daily Average	1831	—	1177	—	1825	—	1198	—	—

CRUDE OIL EXPORTS ACCORDING TO TERMINALS

In Thousand Barrels

Port Terminal	Exported Quantity During 1980	Exported Quantity During 1981	'Daily Average
Al-Berga	52336	30418	83
Al-Sidra	242398	146407	401
Ras Lanoof	103338	82816	226
Al-Hariga	144524	103144	282
Al-Ziwitina	123768	74441	203
TOTAL:	666364	437221	1197

GEOGRAPHICAL DISTRIBUTION OF CRUDE OIL EXPORTS

Country	During 1890 Quantity in thousand barrels	% to Total	During 1981 Quantity in thousand barrels	% to Total	% Change in 1981
U.S.A.	218604	32.8	105138	24.0	— 51.9
W. GERMANY	77383	11.6	39419	9.0	— 49.1
E. GERMANY	880	0.1	3728	0.9	323.6
FRANCE	17058	2.6	13557	3.1	— 20.5
U.K.	1029	0.2	1901	0.5	84.7
HOLLAND	10652	1.6	10601	2.4	— 0.5
SWITZERLAND	5299	0.8	3230	0.7	— 39.0
SPAIN	30541	4.6	27671	6.3	9.4
YUGOSLAVIA	7618	1.1	7465	1.7	— 2.0
TURKEY	19792	3.0	20519	4.7	3.7
JAPAN	8490	1.3	8163	1.9	— 3.9
AUSTRIA	4301	0.6	3391	0.8	— 21.2
ITALY	115773	17.4	105585	24.1	— 8.8
OTHER COUNTRIES.	148944	22.3	87159	19.9	— 41.5
Total	**666364**	**100.0**	**437527**	**100.0**	**— 34.3**

PART — III

CENTRAL BANK OF LIBYA

Staff and Administration:

Within the periodical meetings of the Bank's Administration — where eight sessions were held during this year, of which two were General Meetings for two banks — the Board has agreed to buy the shares owned by the private sector in two commercial banks. The Board has also approved the participation of commercial banks raising a loan of LD 589 million for the National Council for Real Estate Investment. The Board has also decided to account for the cancelled currency, which has not been delivered to bank, in the reserve account and agreed to organise issue of bonds on the Treasury.

In the field of employment, the bank has newly employed a number of 73 staff during this year while about 40 employees left job further to lending 17 staff to other institutions. The total number of the bank's employees on 31st Dec. 1981 were 650 persons, including those lent or delegated to work with other public and popular directions.

A number of 45 staff have participated in banking and financial meetings held abroad as well as several local assignments carried out by some staff.

CURRENCY ISSUE:

The circulating currency grew at the rate of 15% during this year i.e. at monthly average of nine million Dinars, to bring total money in circulation to about LD 820 million on December 31, 1982.

It is noticed that most of the rise in money in circulation composed of small denomination banknotes (less than one Dinar) which indicated that the growth was due to increased size of transactions rather than storing money as it was in the past i.e. before the issue of the decision which has cancelled the old 5 and 10 denominations banknotes in May 1980.

The movement of currency issued for circulation, during the report period was as follows:

In LD Millions

Month		Currency Issued	% Changes during the month
January	1981	716	+ 6
February	"	711	— 5
March	"	751	+40
April	"	785	+34
May	"	813	28
June	"	788	—25
July	"	811	+23
August	"	813	+ 2
September	"	812	— 1
October	"	831	+19
November	"	848	+17
December	"	820	—28
		Monthly average	+ 9

The rise in circulation size reflected on the currency cover, which grew also at 15% by the end of 1981. Most of issued currency has been covered with transferable currencies and gold 57% while the remainder was covered with foreign bonds due within 15 years (10%) and foreign treasury securities at 3%.

The Gold Section in the Bank undertakes the importation of raw and non-monetary manufactured gold and sells it to the Gold and Precious Metals Company as per market need. Gold imports in 1981 were 1622.5 kg. The price of gold imported for this purpose registered considerable drop by the middle of this year where price of a kilogramme fell from LD 7588 at the beginning of the year down to LD 5782 in June and to LD 5567 in December.

BANKING OPERATIONS:

Banking Operations executed by the Division recorded remarkable growth during this year. A number of 1658 documentary credits valuing LD 1737 million have been issued this year, compared to the number of 1460 credits of LD 1469 million during 1980. The number of reimbursed documents related to documentary credits, amounted to 8050 documents of total value equal to LD 1338 million against 6830 documents of LD 1069 million reimbursed in 1980 thus recording rises of 18% in number and 25% in value.

The banking Division has also issued a number of 1755 travellers' cheques of total value exceeding one million Libyan Dinar in 1981 compared to 1308 travellers cheques for the last year.

As for foreign cheques and transfers sold abroad, through the banking division, they reach 6968 transactions amounting to LD 3879 million during this year 1981. The decision has also carried out settlements for more than one million clearing cheques of total value equal to LD 8065 million.

ORGANIZATION AND TRAINING:

Feeling the importance of training and organization, the Bank has established a new Division for this purpose on 22nd January 1981. The new Division assigned to undertake this job which was previously divided into two parts; one at Audit Division and the other at administrative affairs and staff division. The new Division has taken preliminary steps, in organization field, towards the completion of arrangement for the introduction of computer for some bank's works. They have also prepared during this year a brief Exchange Control Instructions concerning delegated authorities for commercial banks as a reference for the directions which might have connection with the Bank. The Division has also reprinted the Exchange Control Act and related regulations including all annexed amendments. The new Division has submitted several memoranda during this year inter-alia one related to the documentary course for cheques presented for cash payments and a memorandum including some suggestions for organising procedures for the general archive at the Administrative Affairs Division.

In the field of training, a plan for training for 1981-82 has been set including internal and external training for 62 staff in various banking works.

BANKING TRAINING CENTRE:

The Centre has organized eleven training courses during this year. These courses have covered various banking activities, such as exchange control, documentary credits, typing and secretariat works, audition and English language. A number of 177 trainees have attained the courses this year compared to 145 last year. The course on documentary credits was assigned for the staff of public establishments, companies and institutions so as to inform them of the basis for procedures and conditions of opening credits as contribution from the Bank for raising efficiency of the staff and those directions in this field. The Centre has further held a seminar for branch Managers and those in the same scale.

It is noticeable, however, that the branch training centre in Benghazi, could not execute scheduled programme. Those of planned courses were cancelled and two postponed due to lack of nominees resulting from the staff shortage suffered by the Banks.

Banks Control:

Within the policy aiming at the promotion of the role of banking sector, to finance the development plan, under the direction and supervision of Central Bank of Libya, a meeting, between the Governor of the Central Bank and Chairmen of commercial banks was held on September 1981, to discuss and conclude an agreement for financing the housing investment project, which is owned by the National Council for Real Estate Investments. The project deals with the development of old Sook At-Thalata Area at Tripoli and the Eastern Coastal area of Benghazi.

The Governor held during 1981 two further meetings with the Chairmen and Members of the Boards of the Commercial Banks to study certain matters relating to banks' works and activities.

As for supervision and follow up of the activities of the commercial banks in accordance with the Banks Act, the Banks Control Division has issued several circulars addressed to Banks concerning inter-alia.

— Notifying commercial banks of the necessity of preparing data related size and distribution of granted credit facilities, according to their kinds and nature, on a new form preparel for this purpose (no. A.R.M. 15) so as to enable periodical follow up.

— The two circulars, No. ARM 227 and No. ARM 228 concerning exemption from restrictions of cash withdrawals from account.

— Enhancing commercial banks to speed up the opening of the new branches listed on the plan for each respectively during this year. The Plan target, however, is to cover atleast a number of 29 regions with banking services of which 13 branches, three agencies and an office have been accomplished during 1981.

— Enhancing commercial banks to transfer cash balances of public establishments and companies to their main accounts, especially those assigned to import from abroad so as to enable them feeding their overdraft.

— To enhance banks to extend their services to all citizens.

— To enhance commercial banks and their branches to eliminate difficulties faced by expatriates when opening accounts or affecting transfers of their legal transfer allocations.

— To inform banks that Real Estate loans are restricted to Savings and Real Estate Investment Banks.

— Explaining measures to be taken in relation to payment of compensations due to ctiizens on whose properties Act 88 for 1975 is applicable.

As for credit facilities and their newly decided amendments commercial banks have been informed as follows:

— Banks have been requested to extend all possible aid and assistance to enable the establishment assigned for importation meeting their commitments.

It has been agreed for commercial banks to extend credit facilities, in accordance with the provisions of article 62(3) of amended Banks Act, for a number of 35 applications.

— To raise minimum credit facilities to be granted to one client from the level of 10 thousand Libyan Dinar to 50 thousand Libyan Dinar and above.

— Introducing some alterations in the form (G.MM4) prepared for the above mentioned purpose to be used according to amendments.

— Banks were requested to expedite preparation of the listis for the names of Public Sector Dbtors who may have right to compensation for their properties where Act. No. 4181 has been applied and submit the lists to Committees formed for this purpose.

CENTRAL BANK OF LIBYA

STATEMENT OF ASSETS AND LIABILITIES AT 5 TH RABI — AWAL 1391 — 31 ST DECEMBER 1981

AMOUNT IN LIBYAN DINAR

ASSETS 31st DEC. 1981		BANKING OPERATIONS 31st DEC. 1980	BANKING OPERATIONS 31st DEC. 1981		LIABILITIES 31 ST DEC. 1980
			100 000 000		
1 809 542 827	Foreign Securities,		50 000 000		
	Treasury Bills and Balances in		15 000 000		
			165 000 000		
	Convertible Currencies.	3 127 101 227	816 861 582	Capital.	1 000 000
1 155 892 841	Jamahiriya Bonds and Treasury Bills.	301 648 052	1 020 709 733	General Reserve Fund.	2 000 000
14 097 225	Loans and Advances to Public Institutions.	18 315 975			
273 675 000	Loans and Advances to commerical banks.	180 675 000	513 400 514	Reserve for Contingencies.	5 000 000
427 788 420	Other investments.	306 514 404			8 000 000
208 577	Cash in hand.	543 053		Public Treasury.	922 340 095
18 254 868	Other Assets.	49 217 866	1 182 485 939	Public Corporations.	999 697 392
				Commercial Banks.	813 878 849
		3 994 015 678	2 698 457 768	Other Liabilities and Allocations.	1 250 104 342
2 698 457 768					3 994 015 678
	Collections: items: LD 46960086 Dec. 1980 7708694	CURRENCY ISSUE		Documentary Credit.- Gurantees. LD 1970208154 Dec. 1980 LD 1568694341	
	Gold bullion, foreign securities, treasury bills & balances		820 063 423	Notes & Coins issued: In circulation.	710 176 947
820 270 000	in convertible currencies.	710 720 000	206 577	In Banking Operations.	543 053
820 270 000		710 720 000	820 270 000		710 720 000
4 518 727 768	TOTAL :	4 704 735 678	4 518 727 768	TOTAL :	4 704 735 678

CENTRAL BANK OF LIBYA

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE FINANCIAL YEAR ENDING 31 ST DEC. 1981

AMOUNT IN LIBYAN DINAR

The year ending December 31, 1981			Year ending Dec. 31 1980	Year ending Dec. 31 1981		Year ending Dec. 31 1980
LD 5 919 688	General & Administrative Expenses.		LD 6 047 752			
20 330 000	Distribution of net profit : To the Public Treasury Account under Article 34 of Law 4 of 1963.	38 000 000		105919688	Gross Profit for the period after depreciation on property and equipments provisions and transfers to inner reserves.	81047752
79 670 000	To the public treasury account under artcile 48 of the law 4 of 1963.	37 000 000	75 000 000			
LD 105 919 688			81 047 752	105 919 688		81047752

قطاع الورق والطباعة
مطابع الثورة العربية

مطابع الثورة العربية ـ طرابلس