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LETTER DATED 27 MAY 1997 FROM THE PERMANENT REPRESENTATIVE OF
THE LIBYAN ARAB JAMAHIRIYA TO THE UNITED NATIONS ADDRESSED TO
THE SECRETARY-GENERAL

I have the honour to transmit to you herewith the seventh comprehensive report on the damage caused by the implementation of Security Council resolutions 748 (1992) and 883 (1993), which covers the period from 15 April 1992 to 31 December 1996.

I should be grateful if you would have this letter and its annex circulated as a document of the Security Council.

(Signed) Abuzed Omar DORDA
Permanent Representative



Annex

Damage caused by the implementation of Security Council resolutions 748 (1992) and 883 (1993) during the period from 15 April 1992 to 31 December 1996

The impact of the coercive and unjust economic sanctions imposed on the Libyan people under Security Council resolutions 748 (1992) and 883 (1993) continues to worsen alarmingly day by day. The serious damage done and its adverse consequences have affected all aspects of life equally, including humanitarian, social and economic aspects. They have caused all development programmes and plans for the expansion of infrastructure to be blocked and have thus thwarted the aspirations of the Libyan people to achieve further progress, prosperity, development and stability and to live in security and peace.

The maintenance of the sanctions has caused mounting financial losses over the six years since they were first imposed, and such losses have now reached a total of some 23,590,379,992 dollars.

Some of the details compiled to illustrate the scale of the enormous human and material damage and of the huge financial losses sustained by the Libyan people over the period in question are given hereunder.

I. HUMANITARIAN CONSEQUENCES

Health and social welfare

The sector aims to provide health care and social services to all members of society with a view to achieving the worthy goals set by the international community acting through the relevant international and regional organizations, the principle of "Health for All" having been established in order to promote the health and social welfare of all segments and classes of society in accordance with sound scientific ameliorative principles.

The sector has sustained enormous damage in material and human terms, and this has affected all segments of Libyan society and most members of the expatriate communities in the country.

The maintenance of the sanctions has caused financial losses for the health and social welfare sector and related facilities estimated at some 210,000,000 dollars because of delays in shipments of the medical supplies imported by the relevant companies to meet the needs of medical education, university faculties and specialized medical institutes as well as of supplies for institutions for the disabled, rehabilitation centres and homes for the elderly.

Some aspects of the damage caused in human and material terms and of its adverse consequences are presented hereunder.

1. Some 16,950 urgent and critical cases that could not be treated in local hospitals could also not be sent abroad. This figure includes patients suffering from heart diseases, from fractures of the spinal column, ribcage and skull, from chronic eye diseases and detached retinas, from serious burns and from cancer and malignant tumours as well as patients requiring heart surgery, brain surgery and neurosurgery, spinal bone-marrow and kidney transplants, corneal grafts and the fitting of prostheses. The maintenance of the aerial embargo has made it impossible to move such patients by air directly from the Jamahiriya to other countries in order to receive treatment, have tests done or have surgical procedures performed in advanced facilities.

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The aerial embargo has been directly responsible for preventing the movement of these urgent cases. This has caused most of the patients concerned to die in tragic and cruel circumstances, and the opportunity to save lives has been lost.

2. More than 5,750 persons, male and female, have died, as described in paragraphs 3, 4 and 5 below, and some 12,515 have sustained serious injuries, disabilities and permanent impairments.

3. Mostly as a result of traffic accidents, more than 850 sick and injured patients have died on the roads while being taken overland by ambulance to airports in neighbouring countries for onward travel to overseas destinations in the hope that their lives might be saved despite the hardships and difficulties thus encountered.

4. There have been some 1,245 stillbirths and 605 women have died in childbirth in maternity hospitals and clinics because of the lack of the prophylactic drugs, serums and vaccines previously shipped directly by air freight from major suppliers overseas. Before the imposition of the embargo, these had been shipped in accordance with arrangements designed to maintain their efficacy and quality and to ensure the regular delivery of sufficient quantities to meet requirements under both normal and exceptional circumstances.

5. There has been a rise in road-accident fatalities because of the increase in overland travel brought about by the maintenance of the aerial embargo. In view of the great distances between major cities and the large size of the country, increased use of the extensive internal road network has brought sudden death or permanent disability to hundreds of citizens.

There have been some 15,565 road-accident victims of all ages and both sexes, including 3,050 fatalities. The 12,515 victims who remain alive are suffering from serious injuries, handicaps and permanent disabilities.

More than 23,840 State-owned and private vehicles have been badly damaged, for an estimated cost of 2 million dollars.

6. A growing number of diabetics are dying because the serums and drugs required to treat sufferers are not available in sufficient quantities at the proper time.

7. The growing shortage of poliomyelitis serums and vaccines has delayed all the scheduled educational and preventive programmes associated with national and international immunization campaigns. Many Libyan and other children have thus been prevented from receiving the dosages scheduled for their age groups in accordance with the guidelines for immunization programmes and campaigns promulgated by the World Health Organization (WHO) and in compliance with national legislation and public health regulations.

8. The therapeutic and preventive services provided by school health programmes have been suspended, as have the programmes and activities of mother-and-child health-care centres, centres for the mentally retarded and disabled and mental and physical rehabilitation centres.

9. Overseas pharmaceutical companies have been dilatory in supplying the health and social welfare sector and its associated facilities with the drugs, equipment, instruments and supplies needed to treat and prevent disease.

10. Aircraft maintenance companies have been prevented from supplying the spare parts needed to maintain the country's air ambulance fleet and other on-board equipment, and this has hindered its optimal operation. These aircraft provide a humanitarian service to Libyan citizens and expatriates alike and

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operate both between Libya and other countries and inside Libya itself, given that the country covers an enormous land area.

11. Shipments of medical supplies have been delayed, including those of special therapeutic and preventive drugs such as serums, vaccines, blood products, hormonal preparations, laboratory reagents, AIDS tests and radioiodine. These need to be imported by special order and shipped by air freight in accordance with the customary international procedures and standards. Most such consignments, especially those of poliomyelitis vaccine, are now subject to loss through inappropriate handling and storage, which destroys their efficacy, because they are shipped by sea and overland. This situation is causing increased mortality among women and infants, either in childbirth or owing to other conditions, and is adversely affecting standards of health care and treatment in general.

12. Progress in securing medical supplies and therapeutic and preventive services by means of international technical cooperation agreements has been impeded. The Jamahiriya always endeavours to maintain such relations with the countries of the world, and it is anxious to expand and consolidate them with a view to improving the health and social welfare sector and all its associated health facilities in order to achieve better standards of health care and secure better therapeutic and preventive services for all residents.

13. Cooperation between the General People's Committee for Health and Social Security and Associated Facilities and WHO has been disrupted, and most visits by international experts and WHO working groups have been cancelled or postponed. This represents a constant impediment to all basic health-care and preventive programmes and to all policies for the promotion and development of the health and social welfare sector. International cooperation is thus left in abeyance, and the goals of the WHO Global Strategy for Health for All by the Year 2000 cannot be achieved.

14. Plans for visits by highly qualified and experienced medical specialists and lecturers from universities, colleges and advanced medical centres in various countries have been disrupted. More than 365 specialists and teachers in various medical fields who were invited to come to the country in order to treat difficult cases, carry out intricate surgical interventions, act as university examiners and take part in international conferences, seminars and workshops were unable to do so.

15. Maintenance services have deteriorated and there is a growing shortage of essential spare parts and sophisticated electromechanical medical equipment and instruments. There is also a shortage of technical expertise in most public hospitals and medical centres throughout the country, whether in the cities, in villages or in the countryside. The cost of these requirements has reached some 30 million dollars.

16. More than 8,500 expatriate medical personnel have been unable to come to the country to work in the health and social welfare sector and its associated health facilities because of the difficulties, obstacles and hardships they encounter in doing so. Some 6,900 specialists, covering most medical fields, have terminated their contracts, and this has caused appreciable disruption in the medical services and health care offered in most health facilities.

II. ECONOMIC CONSEQUENCES

A. Agriculture

The implementation of Security Council resolutions 748 (1992) and 883 (1993) has had many adverse consequences for the country's agricultural sector. The sector's institutions have suffered damage, and implementation of

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its policies, plans and programmes has been disrupted. There has consequently been an appreciable fall in agricultural output that has had a negative impact on people's standard of living.

The financial losses that the sanctions caused the agriculture sector between 5 April 1992 and 31 December 1996 have been estimated at 337,253,106 dollars.

Some of the causes of the material damage and financial losses suffered by the sector are set forth hereunder.

1. It has not been possible to import grafted fruit-tree seedlings in the quantities needed because of the difficulty of shipping them by sea. The goals of the sector in this area have therefore not been met.
2. Estimates of the shortfall in crop output in the period since sanctions were first imposed up to the end of 1996 are given in table 1.

Table 1

| Crop | Target output (Tons) | Actual output (Tons) | Shortfall (Tons) | Cost of shortfall |
|--------|-------------------------|-------------------------|---------------------|----------------------|
| Wheat | 490 502 | 187 760 | 329 742 | 59 522 984 |
| Barley | 1 292 294 | 569 448 | 622 846 | 82 555 289 |
| Pulses | 54 243 | 27 400 | 26 843 | 7 639 750 |
| Fodder | 1 105 994 | 821 316 | 385 278 | 98 807 256 |
| Total | 2 943 033 | 1 596 924 | 1 364 709 | 248 525 279 |

3. The importation of beekeeping supplies and pharmaceuticals has been held up, so that many swarms have been destroyed and honey production has fallen.
4. It has not been possible to export the surplus of vegetables and fruit, items which must be shipped to consumer markets abroad directly by air.
5. There have been delays in obtaining the equipment, tools and supplies needed for agricultural production, and importation costs have risen because such items are shipped by way of third countries.
6. There has been delay in obtaining fire-fighting equipment and chemicals, so that serious damage has been done to woodlands.
7. Travel for trainees, participants in seminars and workshops and envoys on official mission has been suspended because of the aerial embargo and the additional travel costs incurred.
8. Animal health inspectors have had difficulty in operating because of the suspension of air travel between the Jamahiriya and the countries from which shipments are made, and their inspection work has thus been hampered. The routing of their travel by way of third countries has also increased costs.
9. Experts, technicians and inspectors have had difficulty in travelling to and from the country, and periodicals and scientific publications have been able to reach the Jamahiriya only by way of its seaports and across its land boundaries.

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10. It has not been possible to complete work on the agricultural chemical analysis laboratory, so that the analysis of chemical residues on produce has had to be done outside the country.

11. The agricultural aviation company has been unable to obtain spare parts for aircraft used in spraying, and chemicals are also in short supply. The company has therefore been unable to complete its spraying programme.

12. Spare parts for agricultural machinery have not been available, including parts for immersion pumps and well-maintenance equipment.

13. Equipment and supplies for the maintenance of dams have not been available, and the resulting damage has caused the wasteful release of large quantities of water into the sea, the erosion of cultivable soil and the destruction of the agricultural enterprises for which the dams were built.

14. It has not been possible to obtain equipment and supplies for the maintenance of flood-monitoring stations and weather stations.

15. Drilling equipment and related spare parts and supplies have not been available, thereby disrupting plans for the drilling of exploratory wells and production wells.

16. The implementation of a number of contracts has been delayed by the impossibility of carrying out aerial photography. Maps, both topographical maps and soil maps, have therefore not been produced.

17. There has been an acute shortfall in the importation of spare parts for drilling equipment and pumps and a consequent delay in the completion of projects for which contracts had been awarded.

18. The delayed arrival of supplies needed for the drilling of wells has increased costs.

19. Mail, previously carried by air, has been late in arriving. This has meant that representatives of the Jamahiriya have not arrived on time at meetings, conferences, seminars and training courses.

20. Libyan representatives have been unable to attend certain international meetings, seminars and training courses, and the country has thus been prevented from contributing to and benefiting from particular programmes.

21. Experts have had difficulty reaching the country in the absence of direct flights.

22. Essential scientific periodicals and bulletins, studies published by international organizations, and, in particular, information on the outbreak of diseases and epidemics in various parts of the world have been slow in reaching the country.

B. Livestock

The continued implementation of Security Council resolutions 748 (1992) and 883 (1993) has had an increasingly adverse impact on output in the livestock sector in terms of both its quantity and quality. The situation is summarized hereunder.

There have been delays in the delivery of veterinary supplies, especially of serums and vaccines needed to protect farm animals and poultry from diseases that would otherwise cause a 90-per-cent rate of loss.

There are growing shortages of the preparations used in laboratory

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diagnosis, and this has had an adverse impact on laboratories working on the diagnosis of animal diseases.

The suspension of air traffic has prevented specimens from being sent to international laboratories and reference centres in order to verify the results obtained in testing for diseases that are difficult to diagnose locally. This has raised the level of risk and has increased animal fatalities.

The aerial embargo has increased the cost of veterinary vaccines, particularly those imported from distant countries such as Australia. The procedures involved in shipping vaccines by air from one European country to another or to a neighbouring Arab country and then reshipping them overland or by sea to the Jamahiriya have increased the risk of spoilage or the loss of all or some of their efficacy.

In the event of outbreaks of disease among livestock, it is difficult to ensure the arrival of vaccines and serums at the proper time.

Many enterprises and plants in the livestock sector have ceased operation and output rates have fallen because of the delayed arrival of primary inputs, spare parts and the tools and equipment needed for production and operation.

The arrival from abroad of experts and technicians to carry out urgent maintenance and repair work has been delayed, and their travel costs have increased.

The scale of the physical damage and financial losses sustained by the sector has prevented the achievement of the targeted output of animal products (sheep and goats for breeding and slaughter; cattle for breeding and slaughter, and milk; and poultry and eggs). There have also been losses in mills and in fodder plants. Total losses for the period since sanctions were first imposed until 31 December 1996 are estimated at some 5,132,973,000 dollars.

C. Transport and communications

Between 15 April 1992, when sanctions were first imposed on the country, and the end of 1996, the transport and communications sector sustained serious damage and suffered enormous financial losses owing to the maintenance of the aerial embargo. There have also been intangible effects that have had an adverse impact on the capabilities, aspirations and morale of all transport and communications workers. Financial losses are estimated at 2,489,167,978 dollars.

The material damage and financial losses sustained by the sector are set forth hereunder.

1. Libyan Arab Airlines

Libyan Arab Airlines has suffered very heavy financial losses, amounting to some 1,917,743,156 dollars. The company's management has had to close most of its offices, both inside the country and abroad, and to dismiss most of its staff since it has not been possible to meet the enormous costs involved.

2. Socialist Airport Company

The Company sustained losses of some 72,558,750 dollars. It has been dissolved and has suspended all activity given the loss of its revenues owing to the suspension of air traffic to and from the country. Losses have also

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been caused by increasing expenditures on the maintenance and upkeep of airports and equipment without any offsetting financial return and by disbursements on salaries for airport maintenance technicians.

3. Light Air Transport Company

The Company has sustained financial losses amounting to some 26,337,000 dollars. It has been unable to obtain the spare parts necessary to operate its aircraft, to train its aircrews or to adhere to schedules in accordance with internationally approved operating standards. Many of its aircraft have, accordingly, been taken out of service.

4. Libyan Arab Air Freight Company

The Company has sustained financial losses in the order of 197,230,000 dollars. It has suspended activities at home and abroad because it has been unable to obtain the spare parts needed to maintain its aircraft, to train its aircrews or to adhere to schedules in accordance with international standards. At the same time, it has had to meet the cost of the salaries, wages and allowances of its employees without any offsetting financial return. The Company has therefore been dissolved owing to the high costs and expenditures that would otherwise be required.

5. General Board for Civil Aviation

The Board has sustained financial losses of some 83,488,734 dollars. They have been caused, in part, by:

(a) Paying the salaries, wages and allowances of its employees without realizing any return;

(b) The loss of annual revenues from international transit traffic through the country's airspace;

(c) The loss of annual revenues from the provision of ground services, air-navigation services and essential facilities as well as other less tangible services and facilities that it is difficult to enumerate or cost.

6. Surface and maritime transport and postal communications

The heavy financial losses sustained by the sector are set forth hereunder.

(a) National General Maritime Transport Company

The Company has sustained financial losses of some 76,234,000 dollars owing to accelerated rates of depreciation of ships and increased expenditures on maintenance, equipment, services and spare parts. The Company has also been encountering difficulties and delays in securing the issue of bank letters of credit for insurance companies and international protection associations.

(b) Socialist Ports Corporation

The financial losses of the Corporation have been in the order of 7,000,000 dollars, representing the amount it would have obtained from services and handling. It has also been unable to obtain essential spare parts and operating and maintenance equipment.

(c) General Postal and Telecommunications Corporation

Financial losses have amounted to some 94,036,334 dollars, and have been

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caused, in part, by the increased costs incurred by the designation of intermediary exchange offices for the forwarding and receipt of international mail on its way to and from the country. Foreign postal administrations have also been holding frozen assets belonging to the Corporation.

(d) Road network

The increased use of all types of public and private passenger and freight vehicles and tractor-trailers on the roads has caused mounting and increasingly serious damage to the public road network throughout the country. There has been a corresponding increase in the financial resources allocated for maintenance of the public road network. Large amounts of money have also been required to meet the increased costs of general maintenance work on vehicle complexes and for mounting consumption of petroleum and petroleum products. Financial losses in the subsector are estimated at 14,500,000 dollars.

The implementation of Security Council resolution 883 (1993) has given rise to many new problems for the transport and communications sector, such as the freezing of the financial assets of companies and public corporations in the sector and the difficulties encountered in securing the issue of the bank letters of credit required for the execution of sectoral projects. The sector also encounters other difficulties relating to insurance procedures and additional costs for overseas transfers.

The financial losses that have been sustained by the transport and communications sector are shown in table 2.

Table 2

| Subsector | Losses (dollars) |
|---|----------------------|
| Libyan Arab Airlines | 1 917 743 156 |
| Socialist Airport Company | 72 558 750 |
| Light Air Transport Company | 26 337 000 |
| Libyan Arab Air Freight Company | 197 230 000 |
| General Board for Civil Aviation | 83 488 734 |
| National General Maritime Transport Company | 76 234 000 |
| Socialist Ports Corporation | 7 000 000 |
| General Postal and Telecommunications Corporation | 94 036 334 |
| Road network | 14 500 000 |
| Total | 2 489 127 974 |

D. Industry and mining

The industrial and mining sector has continued to encounter numerous difficulties and to incur serious losses as an inevitable result of the implementation of Security Council resolutions 748 (1992) and 883 (1993). Use of capacity has fallen because of the irregular supply of raw materials, and this has halted production lines in many factories and has played a major part in the shortage of locally produced goods. The large number of intermediaries involved in the importation of production inputs has helped increase the cost

of finished products. It is to be noted that implementation of the operating budget, that is to say the foreign-currency budget, has decreased sharply, and this is due to the difficulty of securing backing for the credits required by foreign banks, delays and difficulties in the delivery of letters of credit and the need for the involvement of foreign intermediary banks. The sector has sustained large-scale material losses in the period since the embargo was first imposed on 15 April 1992 until 31 December 1996 for a total of some 5,136,410,732 dollars. The reasons for these losses are set forth hereunder.

1. The impossibility of shipping urgently needed spare parts by air has increasingly caused breakdowns of factory machinery, thus lowering output and raising costs.
2. Instructors and technicians from companies under contract for technical assistance work have had difficulty in reaching the country and have been placed at risk while travelling. This has disrupted planned schedules for operating and maintenance work in most factories and has had an adverse impact on their plans to increase productive capacity and improve efficiency. It has also increased their production costs.
3. There have been long delays in the arrival of documents relating to credits for raw materials and spare parts on order for factories in the sector. Measures have therefore had to be taken to secure agreement for the recovery of proceeds by means of bank guarantees requiring a lengthy wait. This has had an adverse impact on production programmes and has incurred extra costs.
4. The shipment of freight exclusively by sea has delayed the arrival of presentations and samples from companies in connection with the supply of inputs to factories belonging to companies in the sector. The consideration and selection of offers has thus been hampered, and timely decisions on them have been delayed. This has had an adverse impact on schedules for the opening of credits and for the importation of these items.
5. Factories have ceased production for various periods of time because of delays in the opening of credits and the difficulty of obtaining letters of credit from overseas banks. This has been as a direct result of the Security Council's decision to freeze the Jamahiriya's assets abroad.
6. There have been delays in importation and the opening of credits as a result of new procedural obstacles such as the large quantity of documentation required and the conditions imposed as a direct result of the sanctions.
7. There have been delays in the arrival of urgent consignments of raw materials and spare parts, which have customarily been imported by air as required, and this has disrupted production and had an adverse impact on it. The main reason for this is that some factories require raw materials that have a very short shelf-life and must be imported by air in small quantities in order to prevent delayed arrival and spoilage. The same applies to spare parts imported to cope with maintenance needs as they arise.
8. Schedules for the arrival and departure of experts, technical assistance teams, official envoys and trainees have been disrupted. The associated costs have also risen because such persons must now make an additional journey overland or by sea to and from neighbouring countries. Difficulties are also caused by administrative procedures in these countries and the time and effort they consume. This situation has had the effect of promoting a negative outlook among experts and trainees and dampening their enthusiasm.
9. Representatives of major overseas companies of interest to the industrial and mining sector are reluctant to come to the country to discuss possible areas for cooperation because of the hardships they might endure and

the time lost in following the procedures required.

10. Some companies of international renown have been reluctant to do business with Libyan companies because of the large number of banks that must be involved, the additional costs and the time lost in waiting for letters of credit to be issued. Companies in the sector have therefore had to import their requirements through third parties, which can increase prices by perhaps 15 per cent.

11. Training programmes abroad, which are of great importance in preparing national personnel to operate high-technology factories, have been disrupted. The implementation of resolutions 748 (1992) and 883 (1993) have prevented Libyan experts and technicians from keeping abreast of technological developments in world industry.

12. The aerial embargo imposed on the Jamahiriya has prevented personnel from the sector from participating in the many conferences, workshops and seminars that can make a major contribution to enriching scientific activity in the sector and to its ability to keep abreast of developments.

13. The ability of the companies in the sector to achieve the objectives for which they were established, including the provision of employment opportunities for citizens, has been curtailed.

14. The cost of opening letters of credit has increased because of the imposition of a bank commission, called "the risk commission", which is assessed at 2 per cent of the amount in question.

E. Finance and trade

Like all other crucial sectors, the finance and trade sector has been adversely affected by the stringent sanctions imposed on the Jamahiriya under Security Council resolutions 748 (1992) and 883 (1993). The financial losses sustained by the sector in the period from 15 April 1992 to 31 December 1996 are estimated at 5,865,000,000 dollars. The major reasons for this are:

(a) The impact on gross national product of output in the industrial, agricultural and fisheries sectors and of financial and banking transactions;

(b) The fall-off in the import-export trade as a result of the increased costs of purchasing and transporting the goods available;

(c) The notable decline of export earnings because of the reduced output of industry, agriculture and fisheries and the impossibility of exporting by air because of the maintenance of the aerial embargo;

(d) The freezing of Libyan assets abroad and the consequent loss of access to the customary international financing facilities, and delays with financial operations and letters of credit because of problems with payment and the arrival of documents as scheduled;

(e) A marked rise in prices on local markets (those of most goods and services having risen by more than 200 per cent and of others by between 70 and 150 per cent), which has exhausted the savings of Libyan consumers, particularly those in low-income groups, and has had an adverse impact on the real incomes of expatriates;

(f) The loss of business opportunities for Libyan and foreign businessmen, and the financial losses they have sustained owing to the requirement to travel overland or by sea and by way of third or fourth countries.

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The financial losses sustained by the sector are set forth hereunder.

1. Some 1,145 million dollars have been lost because of the failure to honour letters of credit as scheduled for the importation of all types of clothing, ready-made shoes, foodstuffs, infant formula, electric and other appliances, spare parts, home and office furniture, and other essential goods imported from abroad to meet local consumption needs.
2. The financial losses arising out of shortfalls in the output of industry, agriculture and fisheries have been in the order of 3,535 million dollars, and their impact on the Libyan market is becoming clearer day by day.
3. The financial losses caused by the reduced volume of exports of agricultural and fishery products owing to the aerial embargo have been in the order of 513 million dollars.
4. The freezing of Libyan assets abroad and the lack of access to banking facilities for the opening of credits and for transfers to meet the exportation and importation needs of the public and private sectors have resulted in financial losses of some 350 million dollars.
5. There have been financial losses of some 313 million dollars because of the additional travel costs incurred by Libyan businessmen, in both public and private sectors, when obliged to adjust their travel arrangements to the routes flown by foreign carriers from airports in neighbouring countries.

F. Energy

The continued implementation of the resolutions imposing an embargo on the Jamahiriya has caused increasing damage to the petroleum sector and has had adverse repercussions for most companies. There is a shortage of spare parts for equipment essential to continued production and spare parts needed in essential maintenance work. The financial losses are estimated at 5 billion dollars.

Details of the damage done to the petroleum sector and its impact on the Libyan people and on development plans are given hereunder.

1. Most of the production targets set in accordance with the capacities available to the companies operating in the sector have been adversely affected.
2. Companies have encountered numerous operating difficulties because they have been unable to replace old equipment, thereby raising maintenance and operating costs. It has been impossible to obtain equipment and spare parts necessary for operation and maintenance.
3. Projects associated with the refining industry have been delayed, and this delay will naturally increase the costs of execution when the opportunity presents itself.
4. The petroleum sector has had difficulty securing access to modern technology because few of its staff can be sent abroad for advanced training and to keep abreast of developments.
5. There has been a great increase in costs associated with travel for workers on appointment and termination, on occasional and annual leave and on official duty, over and above the time wasted as a result of the number of workdays lost while they are in travel status.
6. There has been a great increase in expenditures on materials and spare parts for operating purposes, and this has raised production costs in general.

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7. Experts and highly skilled workers are reluctant to work for companies in the sector.

TOTAL FINANCIAL LOSSES RESULTING FROM THE DAMAGE
CAUSED BY THE IMPLEMENTATION OF
SECURITY COUNCIL RESOLUTIONS 748 (1992) AND 883 (1993)
BETWEEN 15 APRIL 1992 AND 31 DECEMBER 1996:

23,590,379,992 DOLLARS

| Sector | Approximate financial losses (dollars) |
|------------------------------------|---|
| Health and social welfare | 210 000 000 |
| Agriculture | 337 253 104 |
| Animal husbandry | 5 132 973 000 |
| Transport and communications | 1 917 743 156 |
| Mining and industry | 5 136 410 732 |
| Finance and trade | 5 856 000 000 |
| Energy (petroleum and electricity) | 5 000 000 000 |
| Total | 23 590 379 992 |
