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LETTER DATED 30 NOVEMBER 1998 FROM THE PERMANENT REPRESENTATIVE
OF THE LIBYAN ARAB JAMAHIRIYA TO THE UNITED NATIONS ADDRESSED
TO THE SECRETARY-GENERAL

With reference to the considerable damage and human and material losses sustained by the Libyan Arab people, I have the honour to transmit to you herewith the eighth 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 1997.

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 1997

The continuation of the unjust sanctions imposed on the Libyan Arab people under Security Council resolutions 748 (1992) and 883 (1993) has caused the country's economic situation to deteriorate and has led to further human and material losses. The sanctions have had grave repercussions on the social situation of Libyan citizens and foreigners and have hampered development plans and programmes, thereby jeopardizing the Libyan people's hopes of progress and prosperity.

The financial losses sustained since the sanctions were imposed on 15 April 1992 continue to mount. As at 31 December 1997, they came to roughly \$23,641,923,728. Details concerning the enormous damage caused to the Libyan people in terms of human and material loss in the most affected sectors, such as health, agriculture, animal husbandry, transport, industry, the economy and energy, are given below.

I. HEALTH AND SOCIAL WELFARE

This sector sustained grave damage because of the air embargo, which has had a negative impact on programmes to promote social development and to improve the health of all layers of society, including members of the foreign community residing in the Libyan Arab Jamahiriya.

The continuation of the unjust sanctions has caused the health and social welfare sector to sustain financial losses in the order of \$1,286,923,077.

The embargo has adversely affected the following services in the humanitarian sector:

- (a) Maternal and child health;
- (b) Provision of medicine, medical supplies and equipment;
- (c) Medical treatment services;
- (d) Medical evacuation flights.

A. Impact on maternal and child health

The universal child immunization programme - part of the World Health Organization's programme - has been greatly disrupted because of the unavailability of vaccines and the lack of refrigeration facilities. Because of the air embargo, the vaccines are delivered to the airports of neighbouring countries and then forwarded by road to the Jamahiriya. The campaign to

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immunize children from poliomyelitis has also been greatly disrupted by the lack of resources. Thus, shipments have to be made for each case and sent to Tunis or to Cairo as quickly as possible. But, because of the country's size and the lack of fast air transport, both within and out of the country, it is extremely difficult to send these shipments on time.

Because the stock of vaccines frequently runs out it is not possible to organize national immunization days.

Many women have died in childbirth because of delays in evacuating them by air since that service faces technical difficulties which prevent it from responding to all calls.

The mortality rate for premature babies has risen from 26 per 1,000 prior to the embargo to 31 per 1,000 at present because of the lack of equipment and supplies, on the one hand, and because of the shortage of spare parts needed to maintain the equipment that is available.

It is common knowledge that the gastric diseases that afflict millions of people can be prevented by vaccines and serums, made up of fragile organisms that must be stored in a specific environment in order to preserve their effectiveness. Minor variations in temperature whether up or down can cause these vaccines to lose their effectiveness entirely. Because of the air embargo, instead of being shipped by air directly from the place where they are produced, these products are transported overland, with all the risk of changes of temperature - and therefore of spoilage - that this entails. Patients think that they are being given vaccines which will protect them whereas, in fact, the vaccine is useless. This causes grave damage to the health of the citizens and it has repercussions throughout society because of the proliferation of gastric diseases.

B. Impact of the air embargo on the delivery of medical supplies

The sanctions imposed on the Jamahiriya have had an adverse impact on the programme for the delivery of medical supplies (medicine, equipment and supplies) and are creating many problems involving the import and regular shipment of such products.

Most essential medicines and medical supplies which should be shipped by air currently have to be shipped overland from Tunis or by sea from Malta, which complicates the procedure.

Because of the embargo, many companies refuse to supply their products and to cooperate with Libya, despite the country's pressing needs, and do not take into account the humanitarian considerations. Following are some examples:

1. Medical equipment and supplies

Supply of certain equipment needed for surgery and the treatment of cardiovascular diseases has been refused because the company concerned is registered in the United States.

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2. Products and equipment needed for neurosurgery

Products and reagents, including those used for tissue-compatibility tests and kidney transplants, are not received in time and, as a result, treatment is cancelled or postponed and the products often spoil owing to the heat.

3. Medicines requiring specific forms of transport or storage

- Anaesthetic products, which cannot be shipped by two different modes of transport;
- Serums and vaccines for children;
- Insulin which is transported by air and then by refrigerated vessels, which are very hard to find; as a result the insulin often arrives late;
- Plasma and blood by-products;
- Medicine for the treatment for tumours and cancers, which must be transported under special conditions.

4. Refusal by the United States to authorize the Siemens company to deliver nuclear medical equipment.

5. The Tripoli Medical Centre is not allowed to acquire ultrasound medical imaging machinery from Toshiba.

6. Some companies are required to obtain special authorizations for exports to the Jamahiriya.

7. Radioactive products, such as radioactive iodine which is used to treat thyroid conditions, have to be shipped by air because of their short life; because of the embargo, this cannot be done.

The import of these hard-to-find products is further complicated by storage problems and the risks of deterioration, both when they arrive and during transport, so that special measures must be taken when forwarding them.

Blood by-products

The Austrian company Immuno, which used to do business directly with the Jamahiriya, was taken over by Baxter, an American company. Since then, the American company has put an end to exports of albumin and plasma proteins.

The Biotest company, which specializes in products used in kidney transplants, requires the authorization of several agencies in its country of registration, the United States of America, before it can export its products to Libya.

The B.D.I.L. company refuses to export certain chemical products and raw materials even though it has received a certificate showing that the products in

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question are destined to health units which are part of the secretariat of the General People's Committee for Health and Social Welfare.

Many companies set their own terms before they will agree to act as agent, and receipt of goods via a third country involves additional expenditure of thousands of dollars for such things as transit of goods through Tunis airport (five flights a week) and administrative and other costs, such as the rental of vehicles and staff remuneration.

C. Impact of the embargo on health services

Impact on foreign medical personnel working in the Jamahiriya

The absence of direct air service between the Jamahiriya and other countries has forced many health specialists who had undertaken to work in Libyan health institutions to give up their jobs because of the problems involved in travelling by road or by sea. Those who agree to work in Libya are embarking on a veritable adventure full of risks and the countries of transit have to take numerous complex measures; this obviously has repercussions on the services delivered to citizens of the Jamahiriya.

Furthermore, medical professors and great specialists who are courted by a variety of medical institutions have refused to travel to treat patients who, because of the difficulty involved in moving them abroad, need to be treated locally; this has disrupted the smooth running of medical services and undermined the basic health programmes and prevented the World Health Organization from achieving its goals and objectives, including those of the health-for-all programme.

Impact on patients with kidney disorders

The sanctions imposed by the United Nations and the United States have had an impact on the quality and quantity of services offered to such patients and this has increased the number of cases and deaths.

These harmful consequences can be classified as follows:

Medical supplies for kidney diseases and kidney transplants

1. Drugs for kidney diseases and kidney transplants are being delivered late; hence the interruption of the treatment of patients requiring kidney dialysis, with the result that the treatment is less effective. Many cases of rejection of kidney transplants have been reported as a result of the shortage of immunosuppressants; this has led to the loss of the transplanted organs and an increase in the incidence of renal insufficiency, not to mention the financial loss to society and the impact on the State budget. In addition, the artificial kidney services are currently experiencing a shortage of the following solutions, supplies and drugs:

(a) Haemodialysis catheters for use during kidney dialysis;

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(b) Solutions and carbonates essential for patients requiring kidney dialysis, particularly children and cardiac patients suffering from renal insufficiency who cannot tolerate the side effects of acetate solutions;

(c) Cyclosporine, which is in desperately short supply; hence the emergence of problems in patients who have recently received a transplant and the difficulty of controlling many cases of rejection;

(d) Erythropoietin, used to treat anaemia in patients with renal insufficiency.

2. As a result of the air embargo it is difficult to compensate for the shortage of drugs and other supplies in emergency situations. For lack of suitable resources, the medical supplies service is unable to react swiftly if there is a sudden drop in the strategic supplies of drugs and medical supplies ordered from international companies.

3. Certain drugs and reagents for laboratory use are being delivered late. Their efficacy has already been eroded when they arrive in the country, for they have not been transported under the correct conditions (refrigeration, etc.): the substances in question are imported either by sea, or by air as far as the airport in a neighbouring country, then overland to Libya. These products include erythropoietin, immunosuppressants such as OKT-3 ATG, reagents to check tissue compatibility, and radioactive substances used in the diagnosis of kidney diseases. As a result, the procurement of these products, which do not even have optimum effectiveness, costs exorbitant sums - a situation which only increases the burden on the State.

4. Spare parts for kidney dialysis equipment are being delivered late; hence the increase in the number of breakdowns and consequently in the cost of dialysis to the health service budget. There has also been an increase in the number of patients suffering from renal insufficiency and patients awaiting dialysis.

Viral hepatitis problems in the artificial kidney service

In the artificial kidney service the hepatitis B and C viruses are causing an increasing number of problems which cannot be controlled, despite the efforts made, for the following reasons:

(a) The solutions used in the laboratory to detect the presence of viruses which attack the liver are being delivered late;

(b) The United States has imposed an embargo on techniques for the sound diagnosis of these diseases, such as the PCR technique, on the pretext that they could be used for other purposes. This embargo is having the following consequences: higher incidence of cases of hepatitis B and C and their complications; deterioration in liver function; cirrhosis of the liver and liver tumours; decline in the number of transplants available in the future; and increase in the number of cases of renal insufficiency.

Difficulties in the early diagnosis of kidney diseases and their treatment before renal insufficiency develops (Preventive programme)

The examination of kidney tissue taken from patients is being delayed. Furthermore, these samples cannot be sent to specialized centres for electron-microscope examination owing to the shortage of rapid means of transport. In some cases, patients have to go abroad for these tests; the financial burden is thus increased by the costs of accommodation and travel.

Impact of the embargo on diseases treated abroad

In 1997, 5,270 patients were treated abroad. They travelled under very difficult conditions, for they had to change planes at several airports before reaching their final destination; this caused problems and complications. Patients who were to receive kidney transplants were particularly seriously affected. On the outward journey they had to undergo dialysis in several countries, with added costs. On the return journey, following the transplant, they travelled by road and suffered from the summer drought or the winter cold and from viruses which their weakened immune systems could not withstand. These conditions caused considerable physical and spiritual harm, and some of the patients died following their arrival in the country in which they were to be treated or before reaching their final destination.

Kidney transplant programme in the Jamahiriya

This programme, which has suffered considerably as a result of the situation described above, has perhaps failed for the following reasons:

- (a) Shortage of solutions to check the compatibility of donor and recipient tissues;
- (b) Impossibility of importing organ-preservation solutions on a set date;
- (c) Problems of collaboration with the foreign centres using the most advanced techniques in this area owing to the difficulty of travelling to the Jamahiriya.

The incidence of renal insufficiency is continuing to increase as a result of all these problems, and the waiting lists of the main treatment centres are growing longer and longer.

Embargo imposed by the United States on companies dealing with the Jamahiriya

The United States has imposed an embargo on the transfer of the most sophisticated diagnostic techniques, for which the Jamahiriya has a desperate need, on the pretext that they could be used for other purposes. The embargo covers inter alia:

- (a) The PCR technique for diagnosis of hepatitis C;
- (b) Chemicals for checking tissue compatibility exported by the Biotest company.

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Pharmaceutical factories

The factories have difficulty in producing the drugs and medical solutions used for kidney dialysis, for they can neither acquire the most recent techniques supplied by the big international companies nor import on schedule the products used in the manufacture of these products. For this reason they are suffering great losses and may go out of business.

Impact of the embargo on emergency medical flights

The operation of Libya's air ambulances, the only rapid means of transport available to patients in Libya, is encountering a number of difficulties owing to the lengthy procedures which have to be completed, both in the Jamahiriya and in New York, to obtain authorization from the Security Council Committee: submission of medical reports, the approval of the United Nations Office in Tripoli, submission of the application for authorization and discussions with the Security Council Committee (at the weekend and on holidays), and the refusal of some members of the Committee to authorize Libya to use its six air ambulances (the authorization covers only two aircraft). In addition, the Jamahiriya is no longer able to obtain spare parts to repair the aircraft immobilized in its territory or to maintain them, so that they can no longer carry out their humanitarian mission in Libya or abroad, especially as the Jamahiriya is a very large country. The air ambulances are old models regularly needing spare parts and equipment and continual maintenance. They cannot perform their function in any case, for the Security Council refuses to authorize the Jamahiriya to import the spare parts needed for their maintenance.

During the period under consideration, the following five aircraft were grounded for lack of maintenance:

- (a) Two Beechcraft aeroplanes;
- (b) Two Dolphin helicopters;
- (c) One Chinook aeroplane.

The Jamahiriya has been unable to recover one of its air ambulances which was in France for maintenance when the Security Council adopted its resolution 748 (1992), and in any event it has failed to obtain any spare parts. It requested the Sanctions Committee to authorize the Libyan air ambulances to transport drugs and serums, but the Security Council has still not replied.

The Sanctions Committee has authorized the following five countries to accept Libyan patients: the United Kingdom, Italy, Germany, Switzerland and France. There are nationals of Arab and other countries (Egypt, Tunisia, Syria, Greece, Austria, Bulgaria, Yugoslavia, Poland) living in the Jamahiriya, but it has been impossible to repatriate some of them who have suffered an accident or fallen ill, despite the dispatch of many letters on the subject. Some of the requests have been rejected, and many others have remained unanswered. As a result, many of the patients have died.

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Libya's air ambulances are not authorized to land for refuelling before reaching their final destination. The problem is that these aircraft have a limited range and cannot fly long distances without stopping to refuel. Refuelling stops must be scheduled when patients are being transported.

The time allowed for the transport of patients (three days) is insufficient because it is not recognized by all the countries. Some flights cannot be made on the scheduled date because the necessary authorizations for overflying the territory of some of the countries have not been delivered. They must therefore be delayed until the authorizations are received, which means obtaining, yet again, the approval of the Sanctions Committee in New York.

II. AGRICULTURE

The implementation of resolutions 748 (1992) and 883 (1993) has inflicted serious damage on the agricultural sector of the Jamahiriya. The institutions and enterprises of the sector, together with their policies, plans and programmes, have suffered badly. As a result, there has been an appreciable fall in agricultural output, adversely affecting the prices of foodstuffs and people's purchasing power.

The financial losses incurred by the agricultural sector as a result of the sanctions between 15 April 1992 and 31 December 1997 have been estimated at \$1,419,950,913.

Some of the causes of the material damage and financial losses are set forth hereunder:

1. Since the unjust sanctions regime was first imposed there has been a shortfall in agricultural output and an increase in the prices of agricultural produce. This has required additional resources to be set aside to pay for imports to cover the deficit.
2. It has been impossible to import seedlings of fruit trees such as apples, grapes and bananas in the quantities needed by the sector for planting out under the relevant project because of the difficulty of transporting them by sea. The goals of the sector in this area have therefore not been met.
3. It has not been possible to export the surplus of fruit and vegetables, which have to be transported directly by air from the Jamahiriya to markets abroad.
4. The import of beekeeping supplies and of pharmaceuticals used to treat Varroa, a disease of the honey-bee, has been held up. This has resulted in the destruction of many bee colonies and the additional cost of importing colonies from abroad, entailing a fall in honey production.
5. There have been delays in obtaining the equipment, tools and supplies needed for agricultural production.

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6. There has been delay in obtaining fire-fighting equipment and chemicals, as a result of which serious damage has been done to woodlands.

7. Trainees and participants in seminars and envoys on official mission have had difficulty in travelling because of the air embargo, which has entailed additional travel costs. The delivery of mail, publications and research work has also been delayed, as a result of which it has been difficult to keep up with world events.

8. The members of international agricultural quarantine inspection teams have had difficulty in travelling 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. Additional travel costs have also been incurred as a result of their having to travel via other countries.

9. It has not been possible to set up a laboratory for the analysis of agricultural pesticides, as a result of which the analysis of pesticide residues in vegetables has had to be made outside the Jamahiriya.

10. The agricultural aviation company has been unable either to update its fleet or to obtain the spare parts required for the aircraft used in spraying. The company has therefore been unable to complete certain crop-spraying programmes, the sowing and fertilization of cereal fields and grazing land, locust eradication and the suppression of woodland fires.

11. The completion of a number of contracts has been delayed because it has been impossible to make aerial photographic surveys. Maps, both topographical maps and soil maps, have therefore not been produced and the related programmes and projects have therefore not been implemented.

III. 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, causing directly assessable material losses and other less obvious losses due to the breakdown of processing machinery and equipment in the enterprises connected with the livestock sector (animal-fodder plants, veterinary laboratories, milk factories, tanneries, the wool industry, and so forth).

The most serious effects on the livestock sector are summarized hereunder:

1. 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.

2. There are growing shortages of the preparations used in laboratory diagnosis, and this has had an adverse impact on laboratories working on the diagnosis of animal diseases.

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3. 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.
4. The air 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.
5. In the event of outbreaks of disease among livestock, it is difficult to ensure the arrival of vaccines and serums at the proper time.
6. 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.
7. 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.
8. The programme of the General People's Committee for Livestock to set up a number of zoological parks has had to be put on hold because the air embargo has made it impossible to bring in from abroad certain species of wild animals which the Committee needed, and which could only be imported by air.
9. Libyan horsemen have been unable to take part in international horse shows and competitions because they have been unable to have their horses transported by air.
10. 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, goats, cattle and camels for slaughter; cattle for breeding and milk production; and poultry and eggs). There have also been losses in mills and fodder-processing plants. Total losses for the period from the time when sanctions were first imposed up to 31 December 1997 are estimated at some \$5,892,027,300.

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Estimated financial losses suffered by the livestock sector
as a result of the implementation of Security Council
resolutions 748 (1992) and 883 (1993)
(in Libyan dinars)

Item	Losses in earlier years	Losses in 1997	Total losses
Sheep, cattle, goats, camels	1 194 675 000	162 450 000	1 357 125 000
Poultry and eggs	256 773 588	58 377 853	315 151 441
Milk and milk products	136 316 272	19 783 493	156 099 765
Fodder and flour	110 000 000	7 931 103	117 931 103
Pasture	-	2 520 000	2 520 000
Total	1 697 764 860	251 062 449	1 948 827 309

IV. TRANSPORT AND COMMUNICATIONS

Between 15 April 1992 and 31 December 1997, the transport and communications sector sustained material damage owing to the maintenance of the aerial embargo. Development plans have been disrupted and the task of planning has become difficult, as shown hereunder:

- Plans for the comprehensive development of the air transport fleet have been suspended.
- An airport-construction and -development programme has been suspended.
- The maintenance programmes have been affected.
- A number of companies in the sector have been forced into liquidation or have been transformed into agencies because they lack the resources to be able to continue to operate.
- Training programmes, particularly for pilots, have been disrupted.
- There have been delays in a programme aimed at developing the air-freight fleet for the transportation of oil and goods, while financial losses have been sustained in the expansion of the civil air fleet owing to the imposition of the current sanctions regime.
- Delays have occurred in the construction of new roads, while the increase in traffic using the highway network has placed a heavy burden on the maintenance programmes, generating financial losses. In addition, there has been a huge increase in the use of means of transport which has created maintenance and spare-parts problems.

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- Additional financial losses have been sustained as a result of the increased costs of designating intermediary exchange offices for the forwarding and receipt of international mail on its way to and from the Jamahiriya.
- Development programmes in the meteorological sector, particularly cloud-seeding programmes, have been disrupted.

The transport and communications sector has sustained financial losses of some \$2,949,560,284, broken down by subsector as follows:

Subsector	Losses (dollars)
1. Libyan Arab Airlines	2 226 274 890
2. Losses sustained from dissolution of the Socialist Air Transport Company	72 557 750
3. Light Air Transport Company	37 676 520
4. Losses sustained from dissolving the Libyan Arab Air Freight Company	197 230 000
5. General Board for Civil Aviation	101 650 734
6. National General Maritime Transport Company	130 912 000
7. Socialist Ports Corporation	16 000 000
8. General Postal and Telecommunications Corporation	139 888 390
9. Highway network	27 370 000
Total	2 949 560 284

1. Libyan Arab Airlines

Libyan Arab Airlines has sustained enormous financial losses valued at some \$2,226,274,890, and management has been forced to close most of its offices at home and abroad and to dismiss most of its employees since the company has not been able to meet the enormous costs involved.

2. Light Air Transport Company

The company has lost financial revenues amounting to some \$37,676,520 because it has been unable to obtain the spare parts necessary to operate its aircraft, to train its aircrews and to implement its plans for the future in

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accordance with customary international operating standards. Accordingly, several of its aircraft have been withdrawn from service.

3. Socialist Air Transport Company

The company sustained losses of some \$72,557,750. It has been dissolved and has suspended all operations following the loss of its revenues owing to the suspension of international air traffic to and from the Jamahiriya. Losses have also been caused by increasing expenditures on the maintenance and upkeep of airports and equipment without any offsetting financial return, and by disbursement of salaries for airport maintenance technicians.

4. Libyan Arab Air Freight Company

The company has sustained financial losses in the order of \$197,230,000. 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 and to implement its plans for the future in accordance with customary international operating 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 \$101,650,734 that can be ascribed to the following:

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

(b) Loss of annual revenues previously accruing from international transit traffic through the country's airspace;

(c) Loss of annual revenues from the provision of ground services, air and air-navigation services owing to the suspension of air traffic. There have also been other, unanticipated major financial losses linked with the provision of essential services and facilities in the air transport field in general. These are difficult to enumerate or characterize, and it is therefore difficult to assign them a material or financial value.

6. Surface and maritime transport and postal communications

The severe losses sustained by the surface and maritime transport and postal communications sector are estimated as follows:

(a) National General Maritime Transport Company

The National General Maritime Transport Company has sustained financial losses of some \$130,912,000 owing to accelerated rates of depreciation of ships and increased expenditures on maintenance, equipment, services and spare parts.

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(b) Socialist Ports Corporation

The financial losses of the Socialist Ports Corporation have amounted to some \$16 million, representing its past revenues from services and handling. It has also been unable to obtain the instruments and spare parts needed for equipment operation and maintenance.

(c) General Postal and Telecommunications Corporation

Financial losses in this sector have amounted to some \$139,888,390 owing to increased expenditures on the designation of intermediary exchange offices for the forwarding and receipt of mail to and from the Jamahiriya. Postal administrations in foreign countries have also been holding frozen assets belonging to the Corporation.

(d) Highway network

The increased use of public and private passenger and freight vehicles of all kinds on the roads has caused mounting and increasingly serious damage to the public highway network. There has been a corresponding increase in the funds required for the maintenance of the public highway network. Large amounts of money have also been required to meet increased costs for the general maintenance of transport combines and for mounting consumption of petroleum and petroleum derivatives. This has generated financial losses estimated at \$27,370,000.

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 some of the financial assets of the companies and public corporations in the sector.

In addition, difficulties have been encountered in securing the issue of the bank letters of credit required for the execution of sectoral projects. The sector is also encountering other difficulties relating to insurance procedures and the additional expenditures for the overseas transfers made by companies and public corporations belonging to it.

V. INDUSTRY AND MINING

The measures imposed on the Libyan Arab Jamahiriya pursuant to Security Council resolutions 748 (1992) and 883 (1993) continue to affect the industrial and mining sector. The sector has experienced numerous difficulties and suffered losses that have been a prime factor in the prolonged closure of many factories. This has played a large part in the decline in production operations and the consequent shortage of locally manufactured goods on the domestic market. The Libyan citizen is therefore unable to rely on such goods being regularly available. Furthermore, the large number of banking intermediaries and the delay in obtaining spare parts and production inputs have had a negative effect, increasing prices on the domestic market.

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During the period from 1 January 1997 to 31 December 1997 the industrial and mining sector suffered severe financial losses amounting to some \$565,149,660.

This brings the total of the losses suffered by the sector from the time when the sanctions were first imposed to the end of 1997 to \$5,447,462,154.

The losses represented by the aforementioned sum are largely due to the following:

1. The ban on shipping urgently needed spare parts by air has led to factories being unable to operate, a consequent fall in production and a rise in the final costs to the producer.
2. Technicians and instructors 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 operational and maintenance work in the majority of factories, and has had a negative impact on their plans to increase production capacity and improve efficiency. It has also increased their production costs.
3. Long delays in the arrival of documents relating to credits for raw materials and spare parts on order for factories have made it necessary to take other measures in order to obtain permission to release such imports. These have included bank guarantees which involve prolonged delay and have a negative impact on production programmes, in addition to increasing costs.
4. There have been delays in completing import operations and opening credits as a result of the procedural difficulties arising from such iniquitous measures as the large quantity of documentation required and the conditions imposed.
5. Urgently needed raw materials and spare parts have been delayed. Previously, these were imported by air as required. This has disrupted and adversely affected production. A major factor in this problem has been the requirement by some factories of highly perishable raw materials, which should be imported by air in limited quantities in order to avoid delays in arrival that could lead to spoilage. The same applies to spare parts which are imported from time to time for maintenance purposes.
6. The cost of transporting experts, technical assistance teams, official envoys and trainees has risen as a result of the use of additional means of transport such as cars and boats in order to take them to and from the borders of neighbouring countries. Difficulties also result from the administrative procedures of such countries and the loss of time and effort resulting therefrom, and the psychological effects on such experts and envoys that make them less willing and able to perform as required.
7. Representatives of some international companies in the industrial and mining sector are reluctant to come to the country to discuss possible cooperation because of the hardships resulting from the air embargo and the time lost in following the procedures required.

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8. Some companies of international renown are reluctant to work with national companies in view of the large number of banks that must be involved, the additional costs and the time lost waiting for letters of credit to be opened. Companies in the sector have therefore had to resort to importing requirements through a third party, incurring increased costs amounting to some 15 per cent.

9. Despite its great importance in training local personnel in the modern technology used to operate factories, the programmes for training abroad have been disrupted.

10. The air embargo has prevented personnel from the industrial and mining sector from attending and participating in the many scientific conferences, workshops and seminars that make a great contribution to the scientific undertakings of the sector and its ability to keep abreast of developments. This has meant that Libyan Arab technicians and experts have been deprived of the opportunity to follow technological developments in world industry.

11. 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. On occasion an increased rate of 6 per cent is applied to some companies. This increases the costs of imported commodities.

12. As a result of Security Council resolution 883 (1993), Libyan companies have been unable to this day to use some letters of credit opened in favour of foreign companies prior to the imposition of the sanctions.

13. Some operational components have been left unused for extended periods because of the shortages that occasionally occur in the imports of some companies in the sector, or may have been damaged during transportation or delivery. This problem did not arise when goods could be quickly transported by air.

VI. FINANCE AND TRADE

Like all other crucial sectors, the finance and trade sector has been adversely affected by the stringent sanctions imposed on the Libyan Arab Jamahiriya under Security Council resolutions 748 (1992) and 883 (1993). The financial losses sustained in the sector during the period from 15 April 1992 to 31 December 1997 are estimated at \$1,509 million. The major reasons for this are the following:

(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 cost of purchasing and transporting the goods available;

(c) The notable decline in 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 air embargo;

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(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: the prices of most goods and services have risen by more than 800 per cent and of others by between 170 and 350 per cent. This has raised prices for Libyan citizens and exhausted most of their savings, particularly those in low-income groups. It has also had an adverse impact on the real incomes of citizens and of foreign workers of various nationalities resident in the Libyan Arab Jamahiriya;

(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, which delays their arrival in the countries to which they are travelling and exposes them to a number of risks and harrowing incidents.

The scale of the financial losses sustained by the finance and trade sector can be stated as follows:

1. There have been financial losses of some \$635 million owing to the non-implementation of bank credits at the due dates in, for example, the importation of all types of clothing, ready-made shoes, baby food and infant formula, electric and other appliances, spare parts, home and office furniture, school stationery and food for diabetics;
2. The financial losses arising out of shortfalls in the output of industry, agriculture and fisheries have been in the order of \$600 million, and their impact on the Libyan market is becoming clearer day by day;
3. The financial losses owing to the reduced volume of exports of agricultural and fishery products owing to the air embargo have been in the order of \$175 million;
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 import and export needs of the public and private sectors and the carrying forward of old liabilities have resulted in financial losses of some \$120 million;
5. There have been financial losses of some \$123 million because of the additional travel costs for Libyan businessmen, in both the public and private sectors, when obliged to adjust their travel arrangements to the routes flown by foreign carriers from airports in neighbouring countries and to travel onwards by additional routings to their countries of destination in order to carry on their business and meet their contractual and other obligations. This is in addition to the hardship entailed by such travel and by additional stopovers on both the outward and inward journeys, and the consequential delays and psychological effects.

Data on which the reporting of damage is based

Owing to the impact on available economic resources, there had been a reduction in appropriations and expenditures on national development as compared with the period before the embargo, resulting in economic underperformance and a consequential reduction in the availability of goods and services to meet basic needs, as well as a reduction in the capacity of the national economy to generate adequate job opportunities for those starting employment.

It is well known that a shortage of goods and services leads to price rises because of the increase in the demand for such goods and services, resulting in increased inflation.

The rate of inflation in the national economy rose from 1.3 per cent in 1989 to 11.7 per cent in 1991 and reached 28 per cent in 1994.

Available data indicate that prices in the open market have risen to several times the official prices. For example, the market price for white meats is 174 per cent higher than the official price, 250 per cent higher for eggs, 833 per cent higher for sugar, 500 per cent higher for tea, flour and imported rice, 333 per cent higher for milk, 250 per cent higher for tobacco and 450 per cent higher for services.

Import data show that the price index for imports rose from 97 per cent in 1991 to 148 per cent in 1996.

In addition, the national economy has been damaged in several other ways including the loss of interest because of the payment of the full price of imports in advance, which is estimated as 6.7 per cent of the value of the imports.

Exports have fallen to less than a third of what they were in 1992; 73.5 per cent of the national economic capacity has been lost and made no contribution to strengthening economic performance in 1997.

VII. ENERGY

The continued implementation of the unjust resolutions imposing an embargo has caused increasing damage to the petroleum sector, where the financial losses are estimated at some \$5,137 million, made up as follows:

1. Production has been lost owing to the fall-off in the efficiency of manufacturing equipment because the necessary spare parts have been unobtainable and because it has been impossible to secure access to advanced technology and to implement a number of supplementary projects.
2. The prices of equipment and spare parts have risen because suppliers regard the Jamahiriya as a dangerous area while certain others take advantage of the circumstances being faced by the country, and because of the cost increases of the purchasing cycle.

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3. There has been a loss of earnings as a result of delay in the development of petrochemical refineries and industries and because the coastal gas-pipeline project has been delayed.

4. There has been a rise in overland and air transport costs for the following reasons:

- The increase in the value of the contracts of companies currently engaged in air transport operations;
- The rise in the cost of aircraft maintenance;
- The distance travelled by workers in the sector.

COST OF DAMAGE RESULTING FROM THE IMPLEMENTATION OF
SECURITY COUNCIL RESOLUTIONS 748 (1992) AND
883 (1993) IN PETROLEUM ACTIVITIES

No.	Item	Value (million dollars)
1.	Loss of output	1 927
2.	Losses arising from delay in the implementation of a number of projects connected with the development of petroleum and gas industrialization	886
3.	Additional drilling, maintenance and production costs	711.5
4.	Cost increases for materials, equipment and spare parts	419.9
5.	Lost earnings	379
6.	Increased cost of projects	285.4
7.	Increased cost of the transportation and transfer of employees	156
8.	Additional expenditure on operational activities	152.6
9.	Increase in the value of contracts for supplementary services	144.5
10.	Increase in the value of contracts for air services	40
11.	Cost of dealing with problems arising from the embargo on the supply of certain materials	8.6

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No.	Item	Value (million dollars)
12.	Cost of denial of access to technology	12
13.	Increase in the cost of drilling and testing wells	11
14.	Increase in the cost of administrative services	1.9
15.	Increase in the cost of transport and marketing	1.6
Grand total		5 137

5. The increase in the cost of transport and marketing.
6. The increase in the cost of investment projects.
7. Loss of investment opportunities because of the restrictions imposed on companies worldwide.

TOTAL FINANCIAL LOSSES RESULTING FROM THE DAMAGE CAUSED BY
THE IMPLEMENTATION OF SECURITY COUNCIL RESOLUTIONS
748 (1992) AND 883 (1993)

1.	General People's Committee for Health and Social Welfare	\$1 286 923 077
2.	General People's Committee for Agriculture	\$1 419 950 913
3.	General People's Committee for Livestock	\$5 892 027 300
4.	General People's Committee for Transport and Communications	\$2 949 560 284
5.	General People's Committee for Industry and Mining	\$5 447 462 154
6.	General People's Committee for Finance and Trade	\$1 509 000 000
7.	General People's Committee for Energy	\$5 137 000 000
Total		\$23 641 923 728
