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The EU's relations with Libya

Overview

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Overview

Latest update: June 2004

- [News from the General Affairs & External Relations Council](#) 11/10/04
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1. General Context

Libya is a country in the Maghreb, and is a member of the Arab Maghreb Union. Libya is the only country around the Mediterranean Sea with no formal relations with the European Union.

United Nations sanctions were imposed on Libya in 1992 and 1993 on the basis of suspected Libyan implication in the explosion of the Pan Am aircraft over Lockerbie on 21 December 1988, killing 270 persons. The sanctions were suspended in 1999, and lifted on 12 September 2003.

The lifting of the UN sanctions is a result of an agreement reached between the United States, the United Kingdom and Libya on the Lockerbie issue. On August 2003, Libya sent a letter to the UN, by which the country: (1) accepted responsibility for the actions of the Libyan officials involved in the Lockerbie case; (2) accepted payment of appropriate compensation; (3) renounced terrorism.

The lifting of the UN sanctions constitutes an important step towards a progressive reintegration of Libya in the international community.

2. Libya and the European Union

The EU has currently no formal relations with Libya, and the Commission has no Delegation in Tripoli.

Nine EU Member States have embassies in Tripoli, and increased focus is being given to Libya following the lifting of the UN sanctions.

On the basis of a consensus among the 27 Euro-Med partners reached on the occasion of the third Euro-Med Conference of Foreign Ministers in April 1999 in Stuttgart, Libya can become a full partner of the Barcelona Process if she accepts the full Barcelona *acquis*. At present, Libya is a passive observer in the Barcelona Process, and is present as such at the Foreign Affairs Ministerial meetings, at high level political dialogue meetings, and at the Euro-Med committee. Libya has also attended, as observer, two high level sectoral Euro-Med meetings on energy in 2003.

As indicated in the Communication on Wider Europe, in a context of enlargement, the EU should give consideration to how it could incorporate Libya into the neighbourhood policy. In order to send a coherent message, further engagement with Libya needs to be pursued within a conditional framework and a clear understanding of the country's interest in making progress towards cooperation based on respect for shared values.

However, the EU is considering engaging with Libya in selected areas of interest within a defined bilateral strategy, based on a realistic, conditional, and progressive approach, not to be considered as an "a la carte" offer of Barcelona. The long term objectives of EU policy towards Libya must remain Libya's full accession to the Barcelona Process, accepting all its *acquis*. Such an approach should make it possible to address issues of interest, while helping Libya join the Barcelona Process and reintegrate fully into the international community.

There are several areas for potential interaction with Libya, and one of them is migration. In November 2002 the General Affairs and External Relations Council considered it essential to initiate cooperation with Libya in this domain. The European Commission conducted an exploratory mission on migration to Libya in May 2003. A technical follow up mission aimed at assessing the content of possible cooperation on migration with Libya is to take place as soon as possible. The fisheries sector is another area of interest. Discussions on the prospects for a possible fisheries agreement between the EU and Libya have taken place. A mandate for the negotiation of such an agreement has been submitted by the Commission to the Council and is under consideration.

The above mentioned developments are taking place in the context of a country in transition, for which the main agenda seems to be to reintegrate the international community. An important Government reshuffle took place in June 2003 and there are indications of a certain interest of Libya to open her economy. There remain difficult issues to be addressed, and Libya is encouraged to resolve them, which would help the normalisation process, and moving towards full participation to the Barcelona Process. In particular, the recent condemnation to death of five Bulgarian nurses and one Palestinian doctor is an issue of serious concern. The European Union has requested a reconsideration of the verdict.

3. Trade and the Economy

Several EU Member States have extensive trade relations with Libya. Italy, Germany, the United Kingdom and France are Libya's four leading suppliers of manufactured goods, energy and food products and raw materials, amounting to roughly 50% of her total imports in 2001. Moreover, Italy, Germany, Spain, France and Greece are Libya's top five export markets, absorbing about 78% of her manufactured goods, energy and food products and raw materials in 2001.

Libya currently exports about 1.2 million bbl/d of oil. Nearly all (about 90%) of this is sold to European countries like Italy (485,000 bbl/d in 2002), Germany (188,000 bbl/d in 2002), France (47,000 bbl/d in 2002), Spain and Greece.

Official name:	Socialist People's Libyan Arab Jamahiriya
GDP at current market prices ¹ :	18.1 billion Libyan dinar (LD)
Real GDP growth ¹ :	1.5 %
Consumer price inflation (avg.):	1.1 %
Population (mid-year):	5.6 million
Surface:	1,759,540 sq km
Coastline:	1,770 km
Exports of goods fob:	US\$ 11,681.3 million
Import of goods fob:	US\$ 3,567.6 million
Current account balance:	US\$ 6,872.5 million
Reserves excluding gold (end period):	US\$ 16,282 million
Exchange rate LD:\$ (e,d period) ² :	1.21

Source: Economist Intelligence Unit (EIU) Country Report July 2003; EIU estimates for 2002, unless otherwise indicated.

² 2003 1st Quarter