

Your trading partner for Libya.



**MDC**

LIBYA  
DEVELOPMENT  
COMPANY



# MDC – your gateway to Libya.

We at MDC – Libya Development Company are uniquely positioned to ensure that our clients have unparalleled access to sales and tendering opportunities in the Libyan market.

→ **We at MDC** see ourselves as a channel to Libya and as a partner who offers all the services needed by enterprises when establishing and conducting their trade business and projects in the Libyan market – ranging from sales & distribution of products and services, to on-site project management and after-sales services, to logistics & office solutions.

Our offices in Berlin and Tripoli enable us to provide well-established networks in both the German and Libyan markets, as well as the comprehensive cultural expertise necessary for sustainable operations.

With our local partner in Libya having more than 20 years of business experience in this market, we provide the support you require to conduct your ventures.

Kind regards  
Dr. Michael Fraenzel

# Customized services and solutions.

We are trading specialists in the Libyan market. With our long-standing local experience, we know how to handle our clients' trading activities in an efficient and sustainable way.

→ **Trade activities** We offer our services as a trade agent, or as traders for our own account, using our strong and unrivaled distribution and logistics network. Alternatively, we support our clients in establishing or expanding their individual sales & distribution channels in Libya, or by co-investing in their on-site activities.

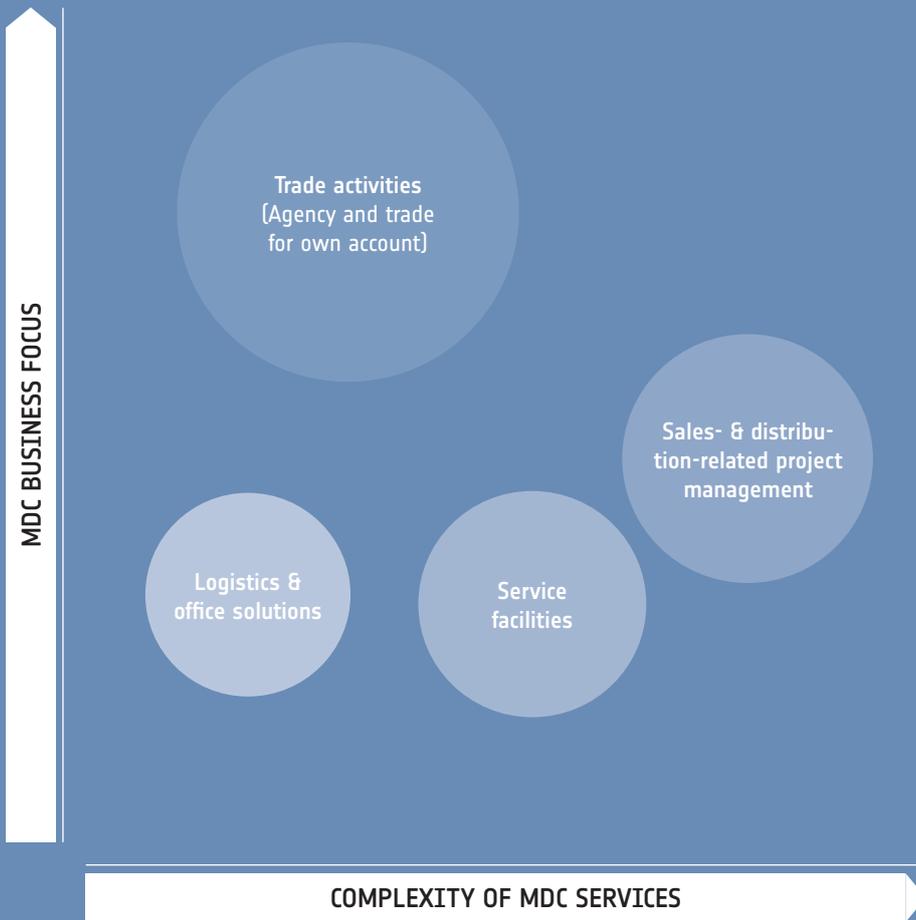
→ **Logistics & office solutions** Some of our clients have neither representation nor storage facilities in Libya. Therefore, we offer our clients short- or long-term usage of office and storage space, or assist in the establishment of independent office facilities, including fast-track registration of our clients' own local entities.

→ **Sales- & distribution-related project management** Given our experts and networks, we are capable of managing even the most complicated trading and service projects. From project design to implementation as well as long-term management assistance, our joint German and local teams successfully handle any aspect of the sales- & distribution-related project management.

→ **Service facilities** The greater the complexity of our clients' products and projects, the more important the after-sales services. From staff and workshops to specialized sub-contractors, we provide the infrastructure our clients need for their on-site after-sales services.

→ MDC service diagram

Level of involvement in relation to complexity of MDC products and services.



»MDC – Libya Development Company offers its clients a wide range of choices that are customized to their individual needs.«

# Libya – the most promising market in Northern Africa.

Specific country information is essential for successful operations in a new market. Therefore, we provide detailed information and diligently prepare our partners for future business relationships.

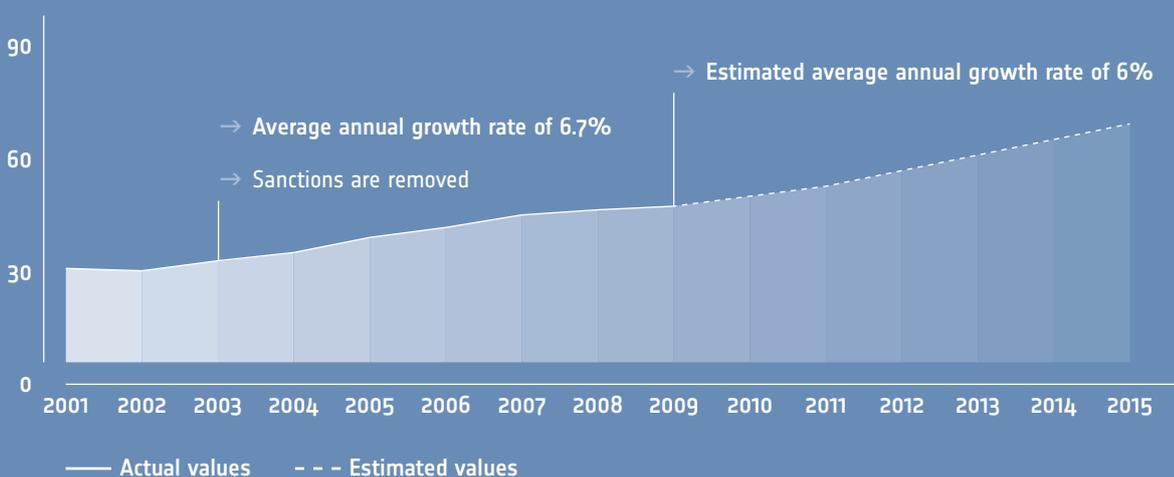
→ **Economic performance & growth** Libya has experienced significant growth and development in recent years. The removal of international sanctions has seen a steady increase in activities in the energy and infrastructure industries.

With an average GDP growth rate of 6.7% p.a. since 2003, Libya is among the fastest-growing economies in Northern Africa. Its GDP of USD 91 bn and of USD 15,200 per capita (2009) is by far the highest in Northern Africa,

reflecting the relative wealth of the country. Libya's strong economic performance primarily results from the oil and gas sector, which regularly accounts for over 30% of GDP.

Assuming oil prices continue to rise, economic growth is expected to remain high over the next few years (about 6% p.a.), after growth fell to about 1.8% in 2009 due to the drop in oil prices. Profits from this strong economic growth are, and will be, mostly invested in infrastructure, domestic construction, health and tourism.

## → Gross domestic product at constant prices



→ **Import & export** As an oil- and gas-exporting country, Libya has a highly positive trade balance. Exports usually greatly exceed imports (estimates 2009: exports USD 34.2 billion, imports USD 22.1 billion). Between 2008 and 2009, imports remained almost constant in volume (about USD 21.7 billion in 2008), consisting mainly of machines, food, vehicles and consumer goods.

Exports fell by almost 50% between 2008 and 2009 (from USD 62.0 billion to USD 34.2 billion) due to the collapse in oil prices from their historic high of USD 147 a barrel in July 2008 to less than USD 40 a barrel in early 2009. Assuming the oil price recovers, Libya's export volume is expected to return to previous levels.

→ **Investment & projects** After years of the UN embargo, diplomatic ties between the West and Libya have been fully restored and Libya is once again today an attractive country for international trade and investment. The favorable conditions in Libya include the tax and tariff exemption granted to foreign investors under certain circumstances. Investment opportunities are abundant in

Libya: the government aims to invest about USD 50 billion a year in infrastructure projects over the next few years. Even if only one third of this spending is realized, government investment of USD 17 billion p.a. would create vast opportunities for civil engineering projects in the general infrastructure sector, such as roads, railways, ports and airports, housing and health infrastructure. Furthermore, Libya has been rated the fourth most attractive country in the world to do business with between 2012 and 2014 in a UK trade and investment study.

Libya's key industry remains the oil and gas sector; other sectors, such as finance and public administration, remain underdeveloped. The infrastructure sector in particular will enjoy further growth in the near future. These industries offer a range of investment opportunities for international investors.

#### → Libya's main export partners

Italy	40.4%
Other	31.6%
Germany	12.8%
France	7.9%
Spain	7.3%

# Oil & gas.

We at MDC – Libya Development Company concentrate on the oil & gas and infrastructure & construction sectors. There are nevertheless also opportunities in other sectors, which can be discussed with interested companies on an individual basis.

→ **The Libyan economy** is heavily dependent on revenues from the oil and gas sector, since it forms the greatest share of the country's GDP. Libya is a member of OPEC and has the largest proven oil reserves in Africa (ahead of Nigeria) and the 9<sup>th</sup> largest in the world with 44 billion barrels (as of January 2010), or 3.9% of the world's reserves. The current production level is at 1.8 million b/d (barrels per day; 2010), but the government plans to increase oil production to 2.3 million b/d by 2013 and to 3.0 – 3.5 million b/d by 2015.

Additionally, Libya has vast natural gas reserves; as of January 2010 proven reserves amounted to 54.4 trillion cubic feet. The Libyan government estimates natural gas reserves to be significantly higher and aims to further increase its natural gas production from 1.070 billion cubic feet, as consumption could increase by 50 percent until 2012.

By 2019, Libyan production of oil and gas liquids is predicted to increase by 45% – 50%. Currently, only one third of Libya is covered by exploration licenses, while much of the Libyan Sahara has not yet been explored for oil and gas fields. In order to achieve these growth objectives, Libya will have to attract USD 30 billion of foreign investment in the oil and gas sector e.g. for exploration, new field development and drilling technologies.

Exploration and exploitation of the vast oil and gas resources were previously limited by the sanctions and embargoes imposed on the country, as access to oil industry equipment and technology was restricted. With the outright suspension of the sanctions in 2004, Libya began to attract foreign capital investment again and to resume the purchase of equipment, both being essential to keeping the industry active. Additional major production in Libya will, however, necessitate expansion and increased maintenance of its current network of over 9.500 km of pipelines.

Libya has five main refineries – Ras Lanuf, Az Zawiyah, Tobruk, Brega and Sarir – with a combined topping capacity of 380,000 b/d. As the trade embargo had severely impacted the technical standard of the Libyan refining sector, the country is now seeking to upgrade its refining system, for which at least USD 8 billion are required, with the particular aim of increasing output of gasoline and other light products.

The attractions of the Libyan oil and gas sector are manifold. Libya is situated close to Europe, making exports both quick and cost effective. For oil exports, European countries like Italy (523,000 b/d), Germany (210,000 b/d), France (137,000 b/d) and Spain (104,000 b/d) are the main destinations, whilst exports to the United States (102,000 b/d) are on the rise since the



Libya has the largest proven oil reserves in Africa (ahead of Nigeria) and the 9<sup>th</sup> largest in the world.

lifting of the US sanctions in 2004. In addition, Libya offers very low production costs: the large deposit of light sweet crude found at Elephant field, for example, is recovered for roughly \$1/barrel.

Europe has also become a particularly important export market for Libyan natural gas, and has gained further in importance since the opening of the “Greenstream” pipeline from Libya to Europe in late 2004.

### → MDC product and service overview

- ⌘ Drilling rigs and drilling equipment
- ⌘ Oil treatment plants and gas plants
- ⌘ Injection systems
- ⌘ Import/Export terminals
- ⌘ Compressors and compressor stations
- ⌘ Separation equipment
- ⌘ Pumping stations
- ⌘ Pumps and valves
- ⌘ Heat exchangers
- ⌘ Flare systems
- ⌘ Chemicals
- ⌘ Pipeline systems
- ⌘ Storage tanks and systems
- ⌘ Inspection and monitoring equipment
- ⌘ Feasibility Studies
- ⌘ Design Management
- ⌘ FEED/Basic Engineering
- ⌘ Proposal and Cost Estimation, Procurement/EPC
- ⌘ Quality Assurance
- ⌘ Construction Management
- ⌘ Field Installation
- ⌘ Process Measuring and Control Systems
- ⌘ Facility Management
- ⌘ Safety Engineering
- ⌘ Consultancy & Training
- ⌘ Inspection Services

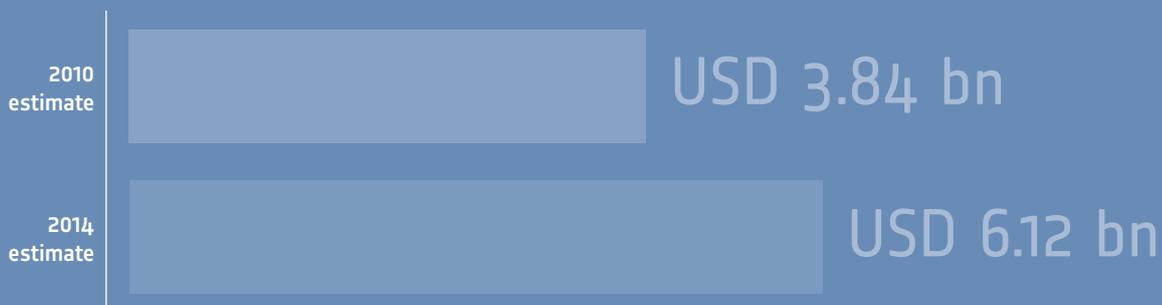
# Infrastructure & construction.

Within the construction sector, Libya is currently viewed as the number one growth market in Africa and the GCC region.

→ **Years of international** isolation have left the country underdeveloped in all aspects of its infrastructure. As a result of this problem, the Libyan government is planning to invest about USD 100 bn between 2010 and 2014 into infrastructure under the National Development Plan – comprising comprehensive improvement to public housing, roads, rails, harbours, hospitals, schools, and the utility infrastructure. The size of the construction market is estimated at around USD 3.84 bn for 2010 and forecasted to grow up to USD 6.12 bn by 2014.

Given both its secure income from oil and gas exports, and the expanding middle class, the government is seeking to build thousands of housing units, and to renovate infrastructure which is currently underdeveloped, outdated and of low quality. Additionally, the growing population – of which 50% is under the age of 20 years – and the booming economy guarantee high growth rates of the construction sector in the upcoming years. The investment centers on the large urban hubs in the country, with the capital city Tripoli remaining the focus for investment.

## → Construction market size





Growth of Libya's construction sector is expected to return in 2010/11.

Libya offers excellent business opportunities in private infrastructure projects – most importantly in the construction of numerous industry and tourism projects, and office space, which is in substantial undersupply, particularly in the international A-grade sector.

International companies are especially well positioned to profit from Libya's construction market due to the in-

creasing need of specialist skills in sustainability. Many international companies have secured large infrastructure tenders in recent months, among which are construction projects worth more than USD 50 bn over three years. In the utilities sector in particular, international companies are currently realizing multimillion-dollar contracts for drinking water networks, sewage systems, desalination plants and power transmission lines.

→ **MDC product and service overview**

- :: Seawater desalination units
- :: Waste water treatment systems
- :: Customized grease separators
- :: Backwater valves
- :: Sewage lifting stations
- :: Power and electrical products
- :: Hot and cold rolled steel & stainless steel coils and sheets
- :: Steel and stainless steel pipes and tubes
- :: Structural steel
- :: Steel piles
- :: Tents and temporary halls and storage systems
- :: Lighting systems for indoor and outdoor
- :: Architectural design and master planning of buildings or building complexes
- :: Transportation planning and engineering for roads and railway systems
- :: Port and harbour planning and development
- :: Construction site supervision
- :: Airport planning and engineering
- :: Management of water resources and development of technical solutions for water cycles
- :: Geotechnical site investigations
- :: Environmental due diligence and planning
- :: International logistics services
- :: Airfreight services

# Providing insights and added value.

MDC – Libya Development Company offers its clients insights and added value that are hard to find elsewhere in the region. Our regional expertise stems from our strong presence in the region.

→ **Network & experience** The founders of MDC – Libya Development Company are well-connected Libyans and Germans with years of experience in European-Libyan trade. Therefore, we have unique expertise and networks in the Libyan market – competitive advantages that we actively use on behalf of our clients.

→ **Presence in Tripoli and Berlin** Through our presence in Tripoli and Berlin, our clients can always reach us. This assures constant contact to all our partners, both for German and European businesses in Germany and those in Libya. Short distances guarantee immediate availability for both sides and the ability to react quickly and appropriately.

→ **Reliable market information** Reliable market data is one of the key requirements for being successful in the Libyan market. Through our on-site presence and networks, we have unique access to government data sources and local market information. This means that we always have an overview of current projects and developments in the Libyan market, and are aware of a level of detail that creates the essential foundation for fact-based decision making.

→ **Flexibility & efficiency** As the Libyan market is fast-changing, and trading activities and on-site project management are complex, both flexibility and efficiency are pivotal to success. We at MDC – Libya Development Company position ourselves flexibly in order to serve our clients with the speed and adaptability necessary to respond to every market development.

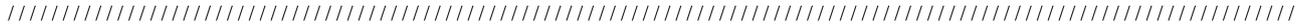


Marcus Aurelius Arch, Ramparts next to the Jamahiriya Museum, dock area – all in Tripoli.



Buildings on the left of the picture: Dat El-Emad Complex, MDC – Libya Development Company office in Tripoli.

**With our offices in Germany and Libya,  
we have the infrastructure and network  
necessary to develop profitable business  
in the challenging Libyan market.**



→ **Office Berlin**

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**»A sustainable and successful collaboration requires close connections with both suppliers and sales markets. For this reason, MDC Libya is strategically situated in both Tripoli and Berlin.«**

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**MDC – Libya Development Company**  
Member of the MDC – Middle East Development Company Group



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