US, European corporations rush to secure cut from Libyan war

Patrick O'Connor
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Backed by the US and European governments that have spearheaded the military intervention into Libya, transnational corporations are now scrambling to secure lucrative oil deals, construction contracts, export opportunities and other profit-making openings in the war-ravaged North African state.

The *New York Times* last Thursday reported that the returned US ambassador to Libya, Gene Cretz, had briefed reporters following a ceremonial flag-raising at the reopened embassy in Tripoli. Cretz explained that about a week after the so-called rebel fighters had won control of the Libyan capital, he participated in a State Department conference call involving executives from about 150 American companies interested in the new opportunities created by the NATO-led bombardment.

"We know that oil is the jewel in the crown of Libyan natural resources," Cretz reportedly later explained to journalists, "but even in Qaddafi's time they were starting from A to Z in terms of building infrastructure and other things ... If we can get American companies here on a fairly big scale, which we will try to do everything we can to do that, then this will redound to improve the situation in the United States with respect to our own jobs."

Cretz's claim that "jobs" will be generated through Libyan contracts is absurd—the real purpose of getting "American companies here on a fairly big scale" is to generate profits. The ambassador's remarks again point to the nakedly colonial character of the US-NATO regime-change operation in Libya. From the outset, the intervention was bound up with the imperialist powers' geo-strategic calculations across North Africa and their economic interests in Libya's oil-rich territory.

The *New York Times* report on Cretz's statement noted that it was "a rare nod to the tacit economic stakes in the Libyan conflict for the United States and other Western countries." After reporting the ambassador's claim that oil was never the "predominant reason" for the intervention, the *Times* nevertheless admitted that "his comments underlined the American eagerness for a cut of any potential profits."

The September 15 visit to Tripoli by British Prime Minister David Cameron and French President Nicolas Sarkozy pointed to the intensified scramble among the NATO allies for control of Libya's natural resources.

A week before Sarkozy went to Libya, Medef International, which represents the interests of French companies overseas, convened a conference titled, "The National Transitional Council and its Projects." The event was attended by about 400 senior executives from firms including oil company Total, energy firm GDF Suez and car producer Peugeot, as well as what Reuters described as other "top names in the Paris CAC-40, law firms, architects, the postal service, wheat companies, printers, tobacco firms, and insurance firms." French Trade Minister Pierre Lellouche attended, together with a representative of the NTC.

Medef International Director General Thierry Courtaigne spelled out what was at stake. Estimating the value of reconstruction opportunities over the next ten years as at least $200 billion, Courtaigne warned: "There will be stiff competition . . . Italian, American, English, so the French package has to be perfectly targeted, prepared and competitive." He made clear that because Sarkozy had led the assault on Libya, French corporations were in a strong position, but he warned against complacency. "It's interesting to see that France is benefiting from a favourable environment after what the president did," he declared, "however, let's be clear the market is not there to be taken but to be won."

Sarkozy's trade minister was no less frank. "The president took political and military risks, and all that creates an environment where the Libyan authorities and the people know what debt they owe France," he declared. "We aren't going to be embarrassed by helping our companies benefit from this advantage."

A Reuters report on the Medef International event noted: "Some French firms are already doing business with Libya's new rulers. Grain firm Soufflet has signed contracts to supply wheat worth about $22 million and Courtaigne said others like telecommunications provider Alcatel-Lucent and pharmaceuticals firm Sanofi were now working in Libya."

France's Total last Friday announced it was resuming production from an offshore oil platform, about 100 kilometres off Libya's western coast, which it jointly operates with Libya's National Oil Corporation and German firm Wintershall. The Al Jurf platform was shut down in March; before the war it produced around 40,000 barrels of oil per day. It is the first major international oil project to recommence operations since Gaddafi was ousted.

Last Thursday the European Union announced it was removing sanctions imposed on the state-owned National Oil Corporation, facilitating the resumption of exports to markets in Europe. The EU decided not to unfreeze previously targeted assets of the Central Bank of Libya, Libyan Arab Foreign Bank, Libyan Investment Authority and Libyan Africa Investment Portfolio. Certain exemptions were made, however, including for the release of funds used for "resuming Libyan production and sale of hydrocarbons."

Italian oil giant Eni, the largest foreign oil operator in Libya before the war, is reportedly preparing to resume production. Eni executives signed a "memorandum of understanding" with TNC authorities late last month. The document pledged a joint commitment to "creating the conditions for a rapid and complete recovery of Eni's activities in Libya," as well as "doing all that is necessary to restart operations on the Greenstream pipeline, bringing gas from the Libyan coast to Italy." Eni Chief Executive Paolo Scaroni told the *Wall Street Journal* that every NTC official he had spoken with assured him that the deals worked out with the Gaddafi government were "sacrosanct" and would be upheld.

Sections of the Italian ruling elite fear being shut out of the unfolding carve up of their former colony, as retribution for Prime Minister Silvio Berlusconi's previous manoeuvres between the Gaddafi government and Italy's NATO allies. However, Eni's position appeared to receive a boost with reports last week that one of its former executives, Abdul-Rahman Ben Yezza, is set to be appointed the NTC's oil minister. "The proposed appointment is also a sign of increasingly cosy relations between Libya's new rulers and Italian oil firm Eni, present in Libya since the 1950s," a Reuters dispatch noted.

The NTC has several times postponed the announcement of an interim administration, or what NTC spokesman Abdel Hafiz Ghoga has described as a "crisis government." Reportedly, there will be 22 ministerial portfolios and one vice-premier, but selecting candidates has stoked infighting among the disparate forces that comprise the so-called rebel leadership, which includes ex-Gaddafi regime elements, Islamic fundamentalist forces, and various former exiled businessmen, politicians and US intelligence assets.

NATO is continuing to bombard the last remaining anti-NTC holdouts, centred on the towns of Sirte and Bani Walid.

At least 7 NTC militiamen were killed yesterday and more than 150 injured in fighting around Sirte, Gaddafi's home town. The anti-Gaddafi fighters reportedly entered the town centre over the weekend, but have since retreated to the outskirts. *Al Jazeera* reported that they were forced back by heavy resistance, though one fighter told the AFP that he and his men had been ordered to leave on Saturday evening "because NATO has a mission to do there."

A statement released in Brussels claimed that in Sirte on Saturday, NATO hit 29 armed vehicles, a firing position, two command and control nodes and three ammunition storage centres; on Sunday morning the AFP reported at least another dozen air strikes. The bombardment is no doubt further escalating the war's enormous civilian death toll. According to *Al Jazeera*, a Gaddafi spokesman reported that "several hundred" civilians have been killed in Sirte. Reports are emerging of a terrible humanitarian crisis in the town. One resident, Abdul Nasser Sadiq, told the *Independent* that there was "no food, no electricity, no nothing."

NATO leaders last Wednesday authorised another 90-day extension of its Libyan campaign, raising the prospect of ongoing air strikes and other military operations throughout the rest of 2011, unless the pro-Gaddafi forces capitulate.