
Slowdown signs - Libyan Energy cities plan delayed

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MEED reported that a USD 54 billion initiative to turn Libya's coastline on the Gulf of Sirte into an industrial hub faces a delay of at least 6 months while approval is sought from the country's prime minister.

According to senior executives working on the scheme, the plans to turn the oil export towns of Marsa el-Brega and Ras Lanuf into energy cities industrial clusters based on oil and gas processing and distribution facilities were first revealed in October.

The scheme includes developing new petrochemicals production facilities, power stations and oil refineries, as well as a holiday resort, all of which are to be developed in a series of JV with foreign companies. Work was supposed to start on the first phase of development by mid-2010 and be completed in 2015. However, sources involved in the project now say approval may not be given until the end of 2010.

An engineering contractor with knowledge of the project said that with the complications of trying to get approval to go ahead with the projects, in Libya especially, it could be the end of the year before we get any concrete news on anything real.

According to a senior adviser working on the project, 4 international oil companies are in advanced talks with the Economic & Social Fund for Development which is in charge of the scheme, over separate oil, gas and petrochemicals developments at the 2 cities.

The sources said that however, none of the projects can go ahead without the approval of Mr Al-Baghdadi Ali al-Mahmudi general secretary of the Libyan General People's Committee.

A senior executive at the fund said that the ESDF needs to get approval to create a new company to run the project. Until we form another organisation, we cannot move ahead.

Meetings between the ESDF and senior government advisers are due to be held on February 3 and 4 2010, but the sources said that it is unclear when formal approval will be given and as a result, it is impossible to say when they will be able to move ahead with any of the projects.

(Sourced from MEED)

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