**Subject:** Libya -- Flash –  Oil production facilities' blockage exceeding 50% of Libya's overall capacity continues amid political escalation between parallel governments over budgetary issues

**FACTS**

* The Libyan crisis, at present most prominently manifested in the continued face-off between the parallel governments of National Unity (GNU/PM Dbeiba) and National Stability (GNS/PM Bashaga), has recently entered a new round  of escalation with currently over 50% of Libya’s oil production and export capacities being blocked by politically motivated facility closures.
* The closures were incrementally implemented by local groups since the end of last week, allegedly in direct popular protest of (GNU) central government policies, but it is generally perceived in Libya that the measures were ordered by LNA superior commander general Haftar, with their factual implementation probably being closely coordinated by Haftar’s son Belkassem.
* However, there is  no consensus between  observers whether general Haftar decided to implement the measures in consultation with the GNS and Parliamentary (HoR) leadership and/or after previously obtaining the consent of his regional supporters.
* Regarding the international response to the oil blockade that has reportedly led to further increases in prices on global  oil markets, the Libyan public debate has been mostly focused on the balanced public comments in relation to the issue made by the US embassy and UN SASG Williams, in which both established a nexus between the necessity of unblocking the oil production as the essential source of Libya’s citizens’ income, which is the right of the people, and keeping GNU budgetary measures away from internal political conflicts.
* Since the beginning  of the blockade that started after a previous withdrawal of the LNA’s representatives from the 5+5 JMC cease-fire committee, in addition to another thwarted attempt by GNS PM Bashaga to take up office in Libya’s capital Tripoli, the GNU has taken the position that the current oil blockade is just another illegal attempt by the GNS/LNA/HoR coalition to force itself onto the Libyan people by orders of foreign and regional actors.
* Although a recent agreement between the GNU and Libya’s National Oil Company (NOC) to release a total of 8 bln USD in oil revenues to Libya’s Central Bank (CBL), remained in the general focus of political observers and the media  while discussing the motivations for the oil blockade, the GNU has conspicuously avoided to corroborate such notion.
* Instead, the GNU Leadership including ChoD Al-Haddad traveled on Monday to neighboring Algeria for consultations with President Tebboune,  and  subsequently promoted a narrative of full Algerian support for the GNU, which is facing a conspiracy by the GNS/LNA/HoR coalition to delay elections indefinitely and establish foreign political hegemony over Libya and its resources.
* In a recent cabinet meeting, the GNU estimated the daily loss in oil revenues for Libya at approx. 50-70 millioin USD, and issued directions to its security forces to take the necessary measures to end the blockade. During the meeting, GNU ChoD Al-Haddad made a heated interjection suggesting that the current escalation was  an attempt by political actors and their foreign backers to draw Libya’s military into another civil war, and vowed to do everything in his power to prevent such a scenario.
* Following the GNU cabinet event and related statements, Libya’s media is teeming with news on alleged ongoing GNU coordination measures with the Turkish military in order to establish GNU control over individual oil facilities in Libya’s South by force to end the oil blockade. As a result, the HoR’s military affairs’ committee subsequently issued a statement warning GNU PM Dbeiba and his Turkish allies of quick and merciless retaliation, should the government dare to pursue such course of action. A prominent LNA member of the 5+5 JMC cease-fire committee also accused GNU PM Dbeiba of seeking to further escalate the ongoing conflict.
* The above development is evolving against the backdrop of a fierce disinformation campaign that has included i.a. the dissemination of uncorroborated and/or subsequently denied news on trips by various crucial militia leaders to foreign capitals and meetings between prominent actors such as General Haftar and GNS PM Bashaga, allegedly in preparation of imminent military action to escalate the ongoing power struggle.

**COMMENTS/ASSESSMENT**

* At this moment,  there are still no indications that an understanding  to end the oil blockade could be reached soon, as observers suggest that the closure is intended to remain in place in order to sustain a high level  of political pressure on the GNU, until it can eventually be replaced without the use of force.
* However, PM Bashaga announced after today’s 1st official GNS cabinet meeting in Sebha that his government would visit Libya’s oil crescent over the weekend order to look into the reasons for the oil blockade.
* There can be no doubt that the oil blockade is locally and internationally very unpopular and equally devastating for Libya’s economy. Therefore, a potential announcement of first steps towards lifting the blockade in connection with the aforementioned visit, would be instrumental in promoting a positive narrative of the GNS. It could subsequently be  presented as a force that can make a real difference in unifying the country by balancing conflicting interests between political actors in the different regions of the country.
* Should the oil blockade continue to remain in place, thereby sustaining the pressure and maintaining a high level of budgetary uncertainty for the GNU, the GNS-coalition could also pitch the upcoming announcement of its budget to be subsequently approved by the HoR, as a tempting promise to the Libyan people and a way out of the blockage.
* If this materializes, and the HoR-Presidency goes ahead and approves the GNS-budget swiftly without further ado, it would clearly be another indication that the chain of recent events has been carefully planned ahead and duly coordinated between the members of the coalition, despite conflicting theories on that particular question among observers.
* It is likely that the GNS-LNA-HoR coalition actions are in fact evolving according to a plan, as most events serve to further isolate the GNU leadership and diminish its leverage, while increasing the pressure on the international community (IC) and other neutral actors within Libya to  finally agree endorsing the GNS. The media has generally explained the oil blockage as a response in rejection of NOC’s release of multiple billion USD funds from its oil revenues to the CBL, from where they would be directly at the disposal  of the GNU. However, the blockade was already one of the demands made in connection with the previous withdrawal of the LNA members from the 5+5 JMC cease-fire committee.
* Following its own narrative, the GNU has been so far trying to counter the GNS strategy by public pay-back measures, using belligerent rhetoric and seeking support of actors that are known to fiercely oppose any reconciliation with general Haftar’s LNA, or any substantial Egyptian political and economic influence on Libya. By the same token, supporters of the GNU continued to promote the notion of an Egyptian  conspiracy against the GNU, recently fuelled by the Cairo talks on the constitutional track, and organized a demonstration against foreign meddling in Libya’s political affairs right in front of the Egyptian embassy in Tripoli.
* GNU PM Dbeiba’s trip to Algeria was used by his government to publicly counter-balance the mounting pressure on the GNU in suggesting that Algeria would unconditionally stand by the GNU including its plan for swift legislative elections, and actively support the GNU against any GNS take-over. According to locally available sources, the Algerian government has conspicuously neither publicly corroborated nor denied the GNU’s relevant statements in support of that narrative.
* In contacts with Egyptian or Algerian representatives, both sides are usually describing each other’s role in Libya as counterproductive.

*Signed-off: José Antonio SABADELL, HoD*