

Comments on Libya's central bank in The National, 14 Sep 2024

Dr. Nasser Saidi's comments on Libya's central bank in the backdrop of the two rival governments' disagreement appeared in an article in The National titled "[Can Libya function without a central bank?](#)" published on 14th September 2024.

The comments are posted below.

Libya's two rival governments have not yet reached an agreement on who would lead the country's central bank. Any delays or failure could plunge Libya's economy into a deeper crisis as it reels from a liquidity shortage and high levels of inflation.

The Central Bank of Libya is the only authorised entity to manage the country's oil revenue, which accounts for more than 90 per cent of the total government income, and is responsible for paying state salaries nationwide.

"The central bank's role is strategic – not only as the manager of international transactions, including oil revenue and international reserves, but also as the government's bank for payments, including salaries for civil servants and the military – which is now a question mark," said Nasser Saidi, president of Nasser Saidi and Associates.

"Impeding the activities of CBL threatens the very livelihood of Libya, with a loss to all parties and the population ... any delays in payments of salaries will trigger further disarray, with an economy already struggling with liquidity shortage," he told The National.

However, last week, the UN mission in Libya said that the two

governments had reached an agreement to appoint a new governor for the central bank, sparking hopes of a swift end to the crisis.

“The current uncertainty threatens to destroy the 10 years of building trust and credibility with the international financial system. While an agreement has been reached between the two factions to jointly appoint a central bank governor, consultations are still continuing,” Mr Saidi said.

“Delays threaten not only the ability of the CBL to provide domestic banking and payment services but access also to the international financial system and source of income from oil sales,” he added.