

Libya Market Report



Visit to Tripoli – October 2004 Richard Truscott

Purpose of Visit:

- To scope the market for UK ELT
- To build on previous visits by Alan McArthur of UK Trade & Investment

Key Facts

Population 5.5 million (2001)

Breakdown of age groups

60% of Libyans are under the age of 30
 38% of the population is studying at various educational levels
 40,000 Libyan students p.a. go on to HE
 Libya spends £60m p.a. sending students to the UK to study

GDP

US\$ 45.4 billion

GDP per capita

US\$ 3,216 (2002)

Currency

Libyan Dinar
 Exchange rate at time of visit – 2LD = £1 (approx)
 US\$ & Euros exchangeable

Language

Arabic with some English and Italian spoken
 People working in hotels, restaurants and shops generally understand English

Main cities

Tripoli (capital) & Benghazi

Employment

Unemployment is 30%; of those employed, approximately 75% are in the public sector.

Visas

Everyone except visitors from most Arab and African countries and Malta must have a visa to visit Libya.

Internet access

An estimated 20,000 (2001) internet users

Embassy in the UK

The Libyan People's Bureau
61-62 Ennismore Gardens London

Market Overview

Political & Economic Situation

Libya has been a significant market for UK education products and services for many years. The country is very pro-British with positive experiences after the Italian occupation, despite some ambivalence at Britain being distrusted as the archetypal colonial nation. The USA is respected and will undoubtedly become a major player in coming years when sanctions between USA and Libya are further scaled down but in the meantime the UK is very much the focus for education. This provides great potential opportunities for ELT providers with the rider that doing business in Libya is not always straightforward.

Libya's status as a market opportunity is evident from the programme of high-level visits currently being undertaken. Following Tony Blair's visit earlier in the year, Gerhard Schroeder was visiting in October with Jacques Chirac due before the end of the year. Baroness Symons, FCO Minister was in country during the period of the visit and showed interest in the presence of English UK in the developing markets.

Following years of isolation and sanctions, the political and economic backdrop means that it is not an easy market to penetrate. Politically in recent years things have moved forward with remarkable speed, leading to considerable openness and the removal of the final vestiges of EU sanctions during the period of this visit. Economically the scene is less progressive. The move from absolute state control to a regulated market economy has not yet transpired. Unemployment stands at 30% with an estimated 75% of those employed working in the public sector. Public sector salaries have been frozen under Law 15 since 1983 with a typical wage for middle managers being £70 - £80 per month. This has led to a widespread requirement for alternative sources of income.

Government budgets are largely delegated to and administered by the network of 32 regional councils/committees – Shabiyas. A committee also scrutinises large contracts to ensure that they do not run contrary to the ideals of the revolution. Even when budgets are set, it is not immediately clear how much money will emerge from the process. The budgets for the current year were set in February but only 8 months later in October is money becoming available to departments.

A signature on a contract does not always carry the same weight as in the West. Many people are involved in contracts which are always subject to being overturned by a higher authority. In terms of personnel it is very difficult to achieve consistency. Ministers are often appointed for a short time before the portfolio is transferred to somebody else. This tendency is continued at lower levels with the result that negotiations sometimes need to be repeated with different people, making the process time-consuming and frustrating.

Notwithstanding, Libya is a country with considerable opportunities for UK ELT at the present time provided a realistic view is taken. Players looking to enter the market should be aware that business is not done on the basis of one visit. Commitment to the country and considerable patience is required and personal relationships are vital to success. Companies that are successful in Libya, including a number of educational providers, have been there for a long time and have built a level of considerable trust. It is not too late to emulate these

companies and the current climate of change would point to increasing opportunities becoming available in the short to medium term.

Education Background

Isolation and sanctions alongside increasing student numbers have resulted in an educational system which is in much need of reconstruction. Libya has one of the highest literacy rates in Africa (80% at age 15) but the lack of educational infrastructure in country, in particular in terms of HE, has resulted in a high level of government scholarships to Libyan students to study overseas. The current figure for these scholarships is £85m per year, of which £60m is spent on study in the UK. This figure is budgeted to rise consistently over the coming years. Bids are now being processed for £100m for this year's scholarship programme. It is estimated that there are between 3,000-3,500 Libyan students currently in the UK – the highest number of students per capita of population from any of the Gulf/Arab states.

Scholarship numbers are likely to be eroded in the future due to the growth of HE in Libya in the long term but the transitional phase for the next decade is likely to see the opportunity for considerable collaboration between UK and Libyan HE providers.

There is interest in but ignorance about vocational education. The opportunity is there for UK vocational education providers (or providers of English plus vocational subjects) but the idea will need to be explained from a low knowledge base.

Education System

There are 9 years of compulsory schooling (aged 6 – 15).

Structure

Primary 6 years

Lower Secondary 3 years

At the age of 15 pupils take the General Elementary School Certificate

At 15, pupils do specialised technical studies (from 2003) and at this age decide what they will study for the next 4 years. Common options are medicine or engineering. The fourth year is considered a pre-university year. Pupils who are not able to follow the specialised technical studies attend tertiary-type colleges.

ELT

English has now been officially declared the second language of Libya and demand for English is high and growing. This follows two decades of deprioritisation of English language training in the country. There is currently a requirement to train 8,000 – 10,000 Libyans to teach English. Although government scholarships account for the vast majority of Libyan study-abroad programmes, there are signs of a nascent growth in entrepreneurship and an emerging "middle class". This should strengthen further the demand for English, particularly combined with the high importance all Libyans place on education. The British Council reports a rise of 20% to 8,500 of face-to-face enquiries at its centre in Tripoli and estimates that two thirds of students studying ELT in the UK attend private language schools.

Visas

The Visa Section of the British Embassy in Tripoli reports that 1757 study visas were issued from January to August 2004. The refusal rate for study visa applications is running at 20-23%. Sheibani Nandy, Head of the Visa Section attributes most refusals to a failure to prove an intention to study (knowledge of the content of the programme), to prove that the proposed course fits with a realistic career path, a lack of economic resources or failure to prove the intention to return to Libya at the end of the course. A review of a sponsor's economic resources might take into account their overall economic responsibilities in Libya – e.g. if they have a relatively low income and many other dependents the visa authorities may question the economic value of a short, relatively expensive English course for one child. The likely returns on the course may be considered and whether the evidence might point to an ulterior motive to travel to the UK. Payment of the course fees is therefore not necessarily a guarantee that the application is bona fide.

Sheibani Nandy stated that visa applications are turned around in 48 hours. Applicants are always interviewed in person but many show a lack of preparation for the process. Sheibani is an interim appointment following the departure of Jo Glover and will be replaced in January 2005 by Nick Bostin, currently in Bangladesh.

Successful study visa applicants are awarded leave to remain for 6 months if the intended course is for less than this period. In other cases, visas are granted for the duration of a programme, to include ELT courses and progression studies. The start date of a visa can be deferred so the sooner an application is made, providing all documents are provided, the better. Sheibani Nandy reported that, in contrast, a number of applications are made at the last minute on the day of the proposed flight to the UK or after the course has begun.

A recent development means that visa offices worldwide can check the computerised records of other offices and track whether an applicant has made a previous application in another country.

In-country ELT

In-country ELT provision is small but growing. The demand for English is inspiring a number of would-be entrepreneurs to set up language schools but in the main these are run by unqualified non-native speakers. Fees are low as is the likely quality of the provision.

The two most prominent exceptions are Elite and Donna El-Ibdaa. In addition, the British Council plans to set up a large teaching operation.

Elite is a private English school run by Susan Hagagh, a UK expatriate, with her Libyan husband. Native-speaker, qualified teachers cater for 200 students aged 18-28 who pay approximately £150 for a 60 hour course. The syllabus leads to Cambridge exams. Elite does not focus on sending students abroad to study but is looking to train teachers in the UK.

Donna El-Ibdaa is a full-curriculum private school for the children of the Libyan elite with approximately 500 pupils aged from 6 to 18. Najah Glaisa established Donna El-Ibdaa in 1992 and was granted the first licence in Libya to operate a private school. She has been sending students to the UK for 5 years and works with 34 universities in the UK. In addition she sends a number of pupils to private language schools every year – e.g. 50 students to Bournemouth each summer. Najah is not looking to work with additional providers unless they can offer something which her current list of schools does not provide.

The British Council

The British Council re-opened its Libya office in 2000 and is located in the same building as the British Embassy. Carl Reuter is Country Director and First Secretary for Education at the Embassy. The Council is in the process of finding suitable premises to house a cultural centre in which it will open an English Language Teaching Centre and wider education provision. The target audience includes a small number of better-off local students but mainly will look to offer ELT for employees of the oil & gas industry, banking/finance, HE and other areas. These sectors are looking to bring students up to a standard level of IELTS 4.0 – 4.5 before sending them overseas to study. The approach is in response to complaints that scholarship students are under-achieving in the UK because of a poor standard of English on their arrival.

The project is at an embryonic stage and it is unlikely that the cultural centre will be in operation in the near future. When established, the Council proposes to offer an electronic learning system, including video conferencing and to establish direct links with UK universities for undergraduate and postgraduate programmes. Electronic access will be available to the British Library resources. It is envisaged that course content will be delivered from the UK and UK-based elements will be included.

The Council is contemplating offering an ELT placement scheme in Libya in the short term to compensate for the lack of reputable agents. It is possible that a Council teaching operation would act as a feeder to the UK through the placement service. The prospect of English UK accrediting language study agents would be warmly received.

Agents

There is no network of reputable or reliable agents in operation in Libya. It is unlikely that the demand outside government-sponsored students would sustain an agency although there are signs that a few travel agents have begun to offer study abroad options. The most prominent of these is Horizons Travel, based in Tripoli. It was not possible to meet the manager during the visit but English UK will be looking to work with the British Council to establish and inform study agents in the short to medium term.

UK ELT in Libya

A number of schools have been looking at the possibility of opening a school or branch of a UK school in Libya. Currently the legal framework designed to protect local private businesses in Libya does not allow for this and such efforts have proved fruitless, even for those who have contacts at the highest levels. The only opportunity to establish such a presence is to operate in partnership with a Libyan individual or company which would effectively own the business.

It is possible that the legal framework will change in the future but Carl Reuter points to the current lack of disposable income in the Libyan population which would make it unlikely that such a school could be run viably if UK overheads such as providing qualified teaching staff are incorporated. The position may change in a few years with the growth of a “middle class” when a gap between poor local provision and state-sponsored activity might provide an opportunity to be exploited.

In the meantime, a small number of UK schools, including English UK members, have successfully established operations providing teachers for language programmes to Libyan government-sector industries.

ELT & the Oil & Gas Industry

The overwhelming majority of Libyan students in the UK are government sponsored, almost entirely through the oil and gas industry. The National Oil Company is the umbrella organisation to 19 separate oil companies based in Tripoli and Benghazi. It has two major training centres – PTQI (Petroleum Training Qualifications Institute) – upstream production and STC (Specific Training Centre) – downstream. Each takes oil companies trainees for a 3-year apprenticeship of which ELT comprises 50%. PTQI has a student intake of 400 each year – STC trains 500 students per region and 700 in Tripoli. All subjects are taught in English. STC works with City & Guilds and Cambridge ESOL awarding bodies.

By the end of the 3 years, students are expected to have attained PET level. They then return to their oil companies which frequently send them abroad for further ELT and training. Currently the study abroad programmes are administered by Um Al Jawabi, the London-based centre for the Libyan oil companies, which approaches UK institutions to tender against programme requests. It is estimated that 85% of students studying abroad go to the UK.

Sending employees abroad to study is seen as a perk and a way of rewarding staff, particularly as they receive allowances in hard currency. The study period is usually for a minimum of 6 months and often for a period of 1-2 years. ELT is always required, usually before study on a Masters programme. There is no requirement for the ELT element to be provided at the university where the postgraduate programme will be studied. For programmes over 6 months, trainees are permitted to take their families with them. This is a crucial factor in deciding their destination in the UK. The Libyan government is committed to setting up a Libyan-curriculum school anywhere in the world where there is sufficient demand – reckoned to be approximately 20 Libyan families. Libyan schools in the UK exist in London, Manchester, Newcastle, Nottingham and Glasgow. Inevitably these are the areas in which trainees choose to study as they can place their children in education. They therefore currently attract large numbers of Libyan students. There is evidence that the oil companies are looking to send trainees outside these areas and away from the universities with which they have been dealing for over 10 years. Reports of complacency in some of the universities and a lack of progress by trainees are likely to fuel this move. However, the attraction to the trainees of the Libyan schools and the strength of long-held personal relationships between universities and the oil companies should not be underestimated.

The role of Um Al Jawabi as a procurement agency in the UK is being reviewed. It is possible that 2005 will see an open tender process between the NOC and oil companies to UK institutions with Um Al Jawabi acting purely as a finance agency.

On this note, although there are several instances of delayed payments relating to Libyan students to UK institutions, examples of non-payment are very rare. If an institution can afford to wait for payment, it is safe to assume that it will arrive. However it would be unwise for a school to jeopardise its cashflow situation by banking on Libyan students and early payment.

The feedback from Libyan students in the UK is not universally positive. Lack of progress is often blamed on an insufficient command of English and this has led to a proposal to require a level of FCE or IELTS 5.5 prior to applying to UK universities. One of the aims of the proposed British Council English Language Teaching Centre is to improve the language of scholarship trainees towards this level. The British Council in Tripoli has positioned itself with the relevant Libyan department to provide this service systematically in the future. Even if this transpires, it is envisaged that there will still be a requirement for ELT programmes in the UK but that these would be at a more realistic level to ensure the success of Libyan students in their university studies.

Sectors other than Oil & Gas

Other sectors are less advanced than the oil and gas industry, and have less established funding systems for education, but there are potentially good opportunities in:

Travel & Tourism	Airports	Health	Construction
Banking	Telecomms	Electrics	

In the electrical sector GECOL (General Electric Company Libya) has established a UK-based agency similar to Um Al Jawabi called Awardbrand through which it sends its trainees to the UK. It already has a large in-country ELT programme for its employees. UKTI reports are available for the Travel & Tourism and Airports sectors.

Competition

In education, the UK is pre-eminent although the internationalisation of the country might lead to looking at other destinations in future.

Visa applications for the USA have to be made across the border in Tunis and the lack of a language-based conditional entry system to postgraduate courses in the USA makes it unattractive.

The distance to Australia results in little competition currently.

The main threat comes from Libya itself with its long-term aim to provide high quality HE provision in Libya and thus move away from the expensive policy of sending thousands of students to study abroad. The HE budget for the next 5 years is expected to amount to £450m.

Events for 2005

It had been intended to arrange an inward mission of agents, counsellors and HR training managers to the UK during 2005. However, the nature of the market, the lack of a sufficient number of reliable Libyan agents and the structure of ELT recruitment means that such a mission is not appropriate at this stage. There are two outward opportunities currently scheduled for 2005:

ELTEX 2005

English Language Training Conference & Exhibition
5-6 March Tripoli
Organisers Deansgate Associates (UK)
 Elite Language Institute (Libya)

This is advertised as the first event of its kind to focus on UK ELT. The theme of the conference is: "Practical teaching ideas and trends in language learning". **English UK** is arranging to be present at the event and has been asked to deliver a paper on the

opportunities for ELT study in the UK. ELTEX 2005 is supported by the British Council and UK Trade & Investment.

Exhibition Stand Rates:

From €780 to €3120

Space for a total of approx 35 stands

Anticipated Visitor Profile:

School & College teachers

Private sector English language schools

Universities

Examination Boards

Government ministries

Public utility companies

Public & private commercial companies – senior management, HR and training managers

British Council offices in Libya and neighbouring countries

Deansgate offers a package which includes travel, accommodation, visa procurement and transportation of exhibits.

For further information contact John Gregory at Deansgate

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BESA– Education Libya 2005

5-7 June 2005 (application by end of April)

Organiser BESA (British Educational Suppliers Association)

Supported by UK Trade & Investment – SESA funding available

Information meeting January 2005

This event ran for the first time in June 2004. Intended as an international event, the focus was nonetheless on UK participants with 24 of the 30 exhibitors coming from the UK. Education and training providers included universities, colleges, English language schools and equipment providers.

Visitor Attendance 3,000 approx

Exhibition Stand Rates (2004)

£260 per sq m

For further information contact Mark Roelofsen at BESA

mark@besa.org.uk

Summary of appointments during the visit

Visa Section

British Council

Elite Language Institute

Donna El-Ibdaa

PTQI – Petroleum Training Qualifications Institute (Oil industry – upstream)

STC – Specific Training Centre (Oil industry – downstream)

Gecol – Electrical Sector

Murad Centre – English & ICT

TPOC – Turkish Petroleum Overseas Company

Libyan Chamber of Commerce

Zuetina Oil Company

Central Bank of Libya

The visit to Tripoli took place in October 2004 as part of a Deansgate trade mission. I am grateful to UK Trade & Investment (Education & Training Sector) for financial support of the visit. In particular I am grateful to Joanne Finnermore-Crorkin and Ann Eljorni of the Commercial Section of the British Embassy in Libya for their advice, time and efforts before and during the visit.