



Turkey eyes Libya to overcome crisis

Turkish Contractors Union has set its sights on Libya for construction projects in order to offset the adverse impacts of the global crisis. The projects to be implemented in Libya become much more crucial amid such a crisis, says Binali Yıldırım

With the effects of the global financial crisis beginning to be felt, members of the Turkish Contractors Union have turned to Libya as an alternative for new projects to help the construction industry weather the crisis.

Libya's market has reopened to Turkish contractors over the last three years, according to union members. Turkish contractors have carried out business abroad worth a total of \$19.5 billion and that Libya accounted for nearly \$5 billion of this amount, union members said.

Libya has accumulated large revenues recently thanks to high petroleum prices, according to contractors, and that there is great potential in Libya for Turkish construction, as the country places paramount importance in infrastructural investments.

Members of the union believed they might increase their business capacity in the area four to five-fold. However, they also underlined that Turkey needed to establish official contacts with Libya, at least at the prime ministerial level.

The crisis has by and large undermined projects in Turkey, said the contractors. Turkey needs to expand its business in countries such as Libya in order to ameliorate the impacts of the crisis, they said. The

projects to be implemented in Libya become much more crucial amid such a global crisis, according to Transport Minister Binali Yıldırım, who met with Libyan officials, including the prime minister.

Meanwhile, Erdal Eren, head of Turkish Contractors Union and the other members of the union expressed the problems they faced in Libya and the overall problems of the industry during the meeting. Visa problems and the fact that the representation offices in the country require the renewal of visas each year are the major problems contractors face in Libya.

Foreign loans

Turkish contractors were also experiencing problems in Turkey in regards to construction financed by foreign loans, said Eren, noting contractors had to abandon some work incomplete. Although the contractors reach an agreement regarding foreign loans, they cannot start some projects as the current crisis puts pressure on loans to be taken abroad, according to Eren. Those issuing foreign loans demanded time based contracts, said Eren, adding that the Treasury has opposed this demand. Eren

criticized the Treasury decision, saying it lead to Turkish contractors facing difficulties in starting projects. Such an attitude is inexplicable amid an environment in which growth will decrease and unemployment increase due to global financial crisis, according to Eren.

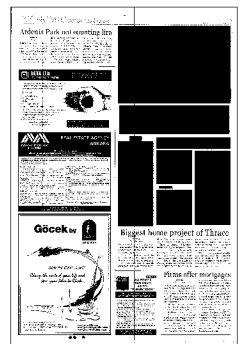
"We will overcome these kinds of problems, there is no other way," said Yıldırım, in regards to Eren's complaints concerning the attitude of the Treasury.

Contractors were unable to obtain guarantees in some countries including Libya, said Eren, adding that some of the projects remained half finished as a result of this situation.

Binali Yıldırım signed an agreement which will allow Turkish Airlines, or THY, to launch flights to Tripoli every day, during his contacts with the senior officials of Libya. Meanwhile, two countries have also signed an agreement which will initiate cooperation in civil aviation. Turkish Airlines will launch flights to Tripoli every day beginning from Oct. 26, according to Temel Kotil, general manager of THY. THY would also seek the launch of flights to Benghazi upon requests, Kotil added.

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TARGET: Turkish contractors believe Turkey needs to expand its business in countries including Libya to ameliorate the impacts of the global crisis. One major problem that contractors face is projects financed by foreign loans, says Erdal Eren, head of Turkish Contractors Union.