

Construction Future in Libya

Major projects will build the economy

Libco has plans to develop its steel mills to cope with rising demand.

BOOM TIMES LIE AHEAD FOR THE CONSTRUCTION INDUSTRY AS LIBYA BUILDS THE INFRASTRUCTURE IT NEEDS FOR A NEW ERA OF ECONOMIC EXPANSION.

Billions of dollars are expected to be invested in the oil and gas industry, power generation, and water projects. Airports, ports, railways, and roads need to be built and upgraded, and new hotels and resorts are required to establish the fledgling tourism industry.

At the same time, Libya's population is growing by 3.5% annually—one of the fastest rates of growth in the world. With half the population under the age of 20, and more than 85% living in the cities, there is an urgent need for new homes, schools, and hospitals.

“We are an oil-producing country and we expect development to increase and the construction sector to grow fast now that the international embargo has been lifted,” says Ziad Adham Al Muntasser, Chairman of the Arab Union Contracting Company (AUCC), one of the largest players in the building contracting and construction materials industry.

AUCC has been involved in a wide variety of projects ranging from hospitals, industrial plants, and water-treatment networks to residential complexes. Among the most impressive is the Al-Fateh tower, the tallest building in Libya.

“We have built thousands of houses and today we have 2,800 houses and apartment buildings under construction in Tripoli, 1,500 of which have already been handed over,” says Mr. Al Muntasser.

ZIAD ADHAM AL MUNTASSER Chairman of the Arab Union Contracting Company

INTERVIEW

“Our second activity is producing construction materials. We started our own factories, which produce aggregates, hollow cement blocks, floor tiles, prestressed concrete beams, wooden doors, and windows, as well as ready made concrete.”

AUCC was established in the early 1970s, a decade in which government-sponsored construction projects turned Libya

into the world's leading per capita consumer of cement.

The company decided to invest in cement production in 2001, a move that bore fruit recently with the completion of the company's first cement plant. Located 100 miles to the east of Tripoli, the US\$200 million state-of-the-art facility has an estimated production capacity of 1.4 million tons per year. Some of the cement will be used for AUCC's own projects and the rest will be sold on the domestic market.

A second line is planned, partly to produce cement for export. Construction is due to start by the end of this year.

"The cement factory is quite an achievement considering the difficult circumstances under the embargo when we started the project," says Mr. Al Muntasser. "It is our biggest project so far and is useful for the country, the company, and individuals who need it. There is a shortage of cement today—the construction projects exceed the cement capabilities we have. This will soon change, we hope."

AUCC is interested in linking up with foreign firms who can provide a technological input into projects. It has already worked successfully with companies from India, the United Kingdom, and Denmark and would welcome interest from U.S. firms.

"Construction has become technology-oriented in recent times," says Mr. Al Muntasser. "We are ready to go into partnership with foreign companies on some of the big projects. We want to modernize our working methods and I am certain that American companies have a lot to offer."

source : New York Times