Intelligence Brief: Stalemate Will Limit Libyan Production

Libya will not solve its own problems in 2017. And although international actors, including the US and Russia, have military presence in the country, their influence will not the tip scales toward national resolution or in favor of any faction. Continued violence and the undermining of the National Oil Company will keep oil production fluctuating between 400,000 b/d and 800,000 b/d for the foreseeable future.

The fighting for control of the oil ports in Libya in March has shifted into attacks around oil fields in the interior in April. Crude oil production has fallen below 500,000 b/d after a pipeline blockage caused the El Sharara field to be shut in and the Libya National Oil Company to declare force majeure at the Zawiya export terminal.

This violence is indicative of the inability of both sides to dominate militarily. A unified government is out of the question without a serious shift in the balance of power.

At this point, such change will only come from the outside. Khalifa Haftar -- the leader of the Libya National Army and de facto head of the eastern government -- and Fayez al-Serraj – head of the UN-backed Government of National Accord -- have been busy meeting, separately, with leaders from Egypt, Tunisia, Algeria, the UAE, Europe, Russia, and the United States.

Unlike the United States, these other countries have been eager to stake out a position in the Libya conflict. Russia has unequivocally backed Haftar, lending his Libya National Army support. Egypt and the UAE walk a finer line. They support Haftar because of his opposition to the Islamist National Salvation Government, whose leader Khalifa Ghweil the U.S. Treasury sanctioned in April 2016, but also act as brokers among the western and eastern governments, urging them toward unification under the weak Government of National Accord.

Europe favors the Government of National Accord, even saying it should have unilateral control of the Libya National Oil Company, an entity committed to its own independence. While these countries continue to assert themselves, their influence has not decisively tipped the scales in favor of either Libyan faction.

So far, the United States during the Trump administration has limited its actions in Libya to those related to ISIS's presence there. In January 2017, air strikes and special forces operations pushed the fewer than 200 ISIS soldiers to the southern part of the country, where they are regrouping. More recently, on April 13, 2017, the U.S. Treasury sanctioned two Libyans, based in Libya, for helping to finance the terrorist group.

Still, it appears the United States is beginning to take more interest in Libya's internal politics. There are reports that a U.S. official met with Haftar in the UAE in mid-April, whose language of fighting terrorism will resonate with President Trump. However, support for Haftar and the Eastern government runs counter to the public support the head of U.S. AFRICOM, General Waldhauser, has offered Serraj and the Government of National Accord. Either way, Russia's increasing presence in the country will force the Trump administration to keep one eye on the situation, and some direct action is likely.

Strong actions in either direction could break the stalemate and set Libya on a new, though likely violent, course. But U.S. attention, already spread thin from Syria to the Korean peninsula, will be insufficient to tip the scales, whether through negotiation or military strikes, even after President Trump appoints an envoy for the country. Russia, the other country able to decisively influence Libya from the outside, seems content with the current situation. And the recent turn in the relationship between these two powers has shown a grand bargain with their joint backing is extremely unlikely.

For Libyans, a lack of concerted international effort to bring about political stability means a divided nation for 2017. Those same factors will prevent oil production from surging to over 1 million b/d as the Libya National Oil Company predicted it would in early April. Instead, continued fighting and the financial and political undermining of the National Oil Company will keep production fluctuating between 400,000 b/d and 800,000 b/d for the foreseeable future.