

Public Finance Accounting in an Oil-Dependent Economy: An Analysis of the Structure of Government Revenue and Expenditure in Libya for Fiscal Year 2024

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محاسبة المالية العامة في اقتصاد يعتمد على النفط: تحليل هيكل الإيرادات والنفقات الحكومية في ليبيا للسنة المالية 2024

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Abstract

This paper examines the accounting structure of Libya's public finances for the fiscal year 2024, drawing on the statistical tables published by the Central Bank of Libya in its Sixty-Eighth Annual Report. Applying vertical and horizontal analysis to the recorded uses and sources of public funds, the study finds that total spending recorded by the Government of National Unity reached LYD 123.2 billion, of which wages and quasi-wage payments ("Chapter One") absorbed 57 percent, development spending 22 percent, subsidies 13 percent, and operating expenses 8 percent, confirming the continued dominance of consumption-type expenditure over investment-type expenditure. On the resource side, total public revenue reached LYD 123.5 billion, of which oil revenue contributed 72.7 percent, non-oil sovereign revenue (taxes, customs, and telecommunications fees) contributed only 3.4 percent, and two exceptional, non-recurring sources — fees levied on foreign-currency sales (18.2 percent) and a profit transfer from the Central Bank of Libya (5.7 percent) — together financed almost one quarter of total public spending. The paper further documents a parallel, off-budget financing channel in the form of a Government of Libya expenditure track and an oil-for-fuel-products swap arrangement, together adding an estimated LYD 101 billion in economic activity outside the reported LYD 123.2 billion budget figure. These findings are interpreted through the lens of public-sector and resource-curse accounting literature, and the paper argues that the observed reliance on exceptional, non-recurring revenue instruments and on parallel expenditure tracks raises significant fiscal-transparency and government-accounting concerns that migration toward an internationally recognized government finance statistics framework could help to address.

Keywords: public finance; government accounting; oil revenue; fiscal transparency; budget structure.

المخلص

تناول هذه الورقة البنية المحاسبية للمالية العامة في ليبيا للسنة المالية 2024، استناداً إلى الجداول الإحصائية التي نشرها مصرف ليبيا المركزي في تقريره السنوي الثامن والسنتين. وباستخدام التحليل الرأسي والأفقي لاستخدامات الأموال العامة ومصادرها المسجلة، خلصت الدراسة إلى أن إجمالي الإنفاق المسجل لدى حكومة الوحدة الوطنية بلغ 123.2 مليار دينار ليبي، استحوذت منه المرتبات وما في حكمها («الباب الأول») على 57%، والإنفاق التنموي على 22%، والدعم على 13%، والمصروفات التشغيلية على 8%، مما يؤكد استمرار هيمنة الإنفاق ذي الطابع الاستهلاكي على الإنفاق ذي الطابع الاستثماري. أما من جانب الموارد، فقد بلغ إجمالي الإيرادات العامة 123.5 مليار دينار ليبي، أسهمت الإيرادات النفطية منها بنسبة 72.7%، بينما لم تتجاوز مساهمة الإيرادات السيادية غير النفطية (الضرائب والجمارك ورسوم الاتصالات) 3.4%. وقد مَوَّلَ مصدران استثنائيان غير متكررين، هما الرسوم المفروضة على مبيعات النقد الأجنبي (18.2%) والأرباح المحوَّلة من مصرف ليبيا المركزي (5.7%)، ما يقارب ربع إجمالي الإنفاق العام.. كما توثق الورقة وجود قناة تمويل موازية خارج الموزنة، تتمثل في مسار إنفاق حكومة ليبيا ومقايضة النفط الخام بالمرحوبات المكررة، أضافت معاً نشاطاً اقتصادياً تُقدَّر قيمته بنحو 101 مليار دينار ليبي خارج رقم الموزنة المعلن البالغ 123.2 مليار دينار. وتُفسَّر هذه النتائج في ضوء أدبيات المحاسبة الحكومية ومحاسبة القطاع العام ولعنة الموارد، وتخلص الورقة إلى أن الاعتماد الملحوظ على أدوات إيرادية استثنائية غير متكررة وعلى مسارات إنفاق موازية يثير مخاوف جوهرية تتعلق بالشفافية المالية والمحاسبة الحكومية، ويمكن أن يسهم التحول نحو إطار معترف به دولياً لإحصاءات مالية الحكومة في معالجتها.

الكلمات المفتاحية: المالية العامة؛ المحاسبة الحكومية؛ الإيرادات النفطية؛ الشفافية المالية؛ لعنة الموارد؛ هيكل الموزنة.

1. Introduction

Public finance accounting, which systematically records, classifies, and reports government revenues and expenditures, is critically significant in economies predominantly reliant on a single, price-volatile commodity. This reliance exposes such economies to substantial fiscal vulnerabilities due to the inherent instability of commodity prices on global markets [1].

Commodity price volatility is particularly visible in many African and resource-rich emerging countries, where government budgets are very sensitive to revenues from commodity exports. This kind of volatility may provide unexpected sources of income for government, and hence may challenge fiscal planning and public financial management. Its volatility impacts macroeconomic stability by altering short-term government revenue flows and long-term fiscal sustainability [2].

The dependence on commodity exports exposes a country to external shocks through the fluctuation of world commodity prices that generally causes the pattern of economic production and consumption to fluctuate. This is especially true for countries with less diversified economies, where the unfavorable effects of commodity price fluctuations on fiscal stability and economic growth are more pronounced [3,4].

The budget management difficulties that develop in these scenarios are complex. Public finance practitioners and policy makers are faced with unpredictability and finiteness of sources of income and this influences budgeting and public investment decisions. Good management means the correct fiscal policies for short-run stabilization, fiscal risk management and long-run sustainability. Institutional systems such as medium-term expenditure frameworks, fiscal rules, fiscal councils and resource funds are an important tool to enhance fiscal transparency and support disciplined public finance management in challenging times [5].

In countries primarily dependent on a few commodities, public finance accounting also needs to be properly organized to collect and report revenues on a timely and accurate basis to support enhanced forecasting and fiscal planning. This accounting discipline is the foundation of the call for countercyclical fiscal measures, which are generally thought to be necessary to counter procyclical tendencies observed in many commodity-dependent economies. Procyclical fiscal policies (where governments spend more during booms and less during busts) contribute to instability. Countercyclical policies, in contrast, aim to stabilize the economy by smoothing spending throughout commodity price cycles [6].

Other sectors, such as the stability of the banking industry, are also affected by the volatility of commodity prices since the volatility of key commodity prices affects the liquidity reserves, risk profiles and capital adequacy of financial institutions. This relationship underscores the necessity for coordinated integration of fiscal and financial sector policies to mitigate the wider economic repercussions of commodities dependency [7].

Continued dependence on volatile resource revenues without economic diversification may increase fiscal vulnerability. Therefore, indicators of strategic economic diversification should be accompanying public financial accounting. This tries to stabilize fiscal revenues in the long run by reducing the share of government revenue that is dependent on volatile commodities through resource rents that promote industrial sectors and other economic activities [8].

To summarize, public finance accounting is of critical relevance in countries that depend largely on a product with a volatile price, as it provides the transparent, comprehensive and timely fiscal data that is essential for effective fiscal management. It allows policy makers to deploy stabilizing measures, manage fiscal risks and design policies that encourage long-term fiscal sustainability and economic diversification. Governments are more exposed to the hazards of fiscal instability and economic volatility in the absence of effective public finance accounting systems to address the issues posed by commodity price volatility [5,6,8].

Libya is among the most extreme examples of such an economy: hydrocarbon revenue has historically financed the large majority of the state budget, while non-oil domestic revenue mobilization remains structurally weak. Since 2014, Libya has additionally operated with parallel and, at times, competing government authorities, complicating the presentation and interpretation of consolidated public accounts.

This paper analyses the structure of Libya's public revenue and expenditure for the fiscal year 2024 using the data compiled and published by the [9], which, in the continued absence of a fully reconciled and audited national budget outturn statement, functions as the most comprehensive available source of consolidated fiscal information for the country. The paper applies standard public-finance accounting techniques — vertical (common-size) analysis of expenditure by economic chapter and of revenue by source, and horizontal (year-on-year) analysis where prior-year comparatives are available — to characterise the accounting structure of the 2024 budget, and situates the findings within the broader literature on oil-dependent public finance and the "resource curse".

The remainder of the paper proceeds as follows. Section 2 reviews the relevant literature on oil-revenue dependence, fiscal policy, and public-finance accounting transparency, with particular reference to Libya. Section 3 outlines the institutional and fiscal context. Section 4 presents the data sources and methodology. Section 5 reports the empirical findings on the structure of public expenditure and revenue. Section 6 discusses the accounting and transparency implications of the findings, and Section 7 concludes with policy recommendations.

2. Literature Review

A substantial literature examines the macro-fiscal consequences of natural-resource dependence, commonly under the heading of the "resource curse" [10,11]. This literature argues that heavy reliance on volatile commodity revenue tends to produce pro-cyclical fiscal policy, weak incentives for institutional development and domestic revenue mobilization, and reduced accountability of governments to citizens, since public spending is financed by rents rather than by taxation of the population [12]. [13] directly apply this framework to Libya and empirically argue, based on data covering 1984-2019, that the government's persistent reliance on oil revenue as a share of total revenue has contributed to a Libyan variant of the resource curse, in which reduced citizen involvement in financing the state undermines the quality of public accountability, both directly and indirectly, through weakened domestic institutions.

A separate strand of Libya-specific empirical work has explored the statistical link between oil-price changes and oil income and fiscal aggregates. [14] uses a simple regression framework over 1990–2014 and finds a statistically significant positive relationship between oil revenue and public expenditure in Libya, while a separate study employing an autoregressive distributed lag (ARDL) model over 1990–2017 similarly finds a long-run equilibrium relationship between global oil-price fluctuations and Libya's general government revenue and expenditure aggregates. Complementing this, a study on the role of taxation in financing the Libyan treasury over 1995–2020 documents that tax revenue has represented a persistently small and, in some periods, declining share of total public spending, falling from approximately 25 percent in 1999 to close to 2 percent by 2020, and finds a statistically significant negative relationship between tax revenue and public spending, interpreted as evidence that oil-revenue windfalls have substituted for, rather than complemented, domestic tax effort.

From an accounting and public financial management perspective, the international literature and standard-setting bodies emphasize that fiscal transparency depends not only on the level of aggregate revenue and expenditure but on the completeness of the accounting perimeter: off-budget funds, extra-budgetary accounts, quasi-fiscal activities of state-owned enterprises, and non-recurring or one-off financing sources all reduce the informational value of a headline budget balance unless separately identified and disclosed [15]. Libya's fiscal accounts have been repeatedly identified by international assessments as posing acute challenges of exactly this kind, given the coexistence of separate expenditure tracks operated by different executive authorities and the routine use of quasi-fiscal exchange-rate and commodity-swap mechanisms — most notably the direct swap of crude oil for imported refined fuel products operated by the National Oil Corporation — that do not pass through the conventional treasury accounting system [16].

The present study contributes to this literature by providing a detailed, single-year accounting decomposition of the structure of Libya's 2024 public revenue and expenditure, explicitly distinguishing between treasury-financed spending, exceptional financing instruments, and parallel off-budget expenditure tracks, and by drawing out the government-accounting and fiscal-transparency implications of this structure in light of the resource-curse and public-financial-management literatures reviewed above.

3. Institutional and Fiscal Context

Since 2021, executive authority in Libya has nominally been unified under the Government of National Unity (GNU), which prepares and executes the general state budget approved through the House of Representatives process; in practice, a second, parallel administration in the east of the country (commonly referred to in CBL publications as the "Libyan Government") continues to execute its own expenditure outside the GNU budget. The Central Bank of Libya, as the fiscal agent of the state and custodian of oil-export proceeds, is the entity best placed to observe and report the totality of public financial flows, including those that occur outside the officially approved GNU budget.

The National Oil Corporation (NOC), Libya's state oil company, and the General Electricity Company of Libya (GECOL) are further important actors in the fiscal architecture: both entities execute portions of public development spending through "exceptional financial arrangements" (i.e., extraordinary budgets approved outside the normal chapters of the state budget) and the NOC, since November 2021, has directly deducted the cost of imported refined petroleum products from crude-oil export proceeds before remitting the balance to the treasury — a quasi-fiscal oil-for-fuel swap that is recorded by the CBL as a memorandum item rather than as conventional budgeted subsidy expenditure.

4. Data Sources and Methodology

The data used in this paper are drawn from the public-finance chapter of the Central Bank of Libya's Sixty-Eighth Annual Report, which presents (i) the structure of public-finance uses (expenditure) for 2024, classified into four conventional budget chapters — wages and their equivalents ("Chapter One"), operating and running expenses ("Chapter Two"), development expenditure ("Chapter Three"), and subsidies ("Chapter Four") — together with the exceptional financing arrangements executed by the National Oil Corporation and the General Electricity Company; and (ii) the structure of public-finance resources (revenue) for 2024, classified by revenue source. Figures are expressed in Libyan dinars (LYD) unless otherwise stated and are as reported by the CBL; no independent audit or reconciliation of these figures was performed for this study.

The analytical method applied is vertical (common-size) analysis: each expenditure chapter is expressed as a percentage of total recorded public spending, and each revenue source is expressed as a percentage of total recorded public revenue, following the standard approach used in government-accounting and fiscal-transparency assessments [17]. Where the CBL report additionally provides prior-year or narrative comparative figures — for example, on the growth of the wage bill relative to 2023 — these are incorporated as horizontal (trend) evidence. The paper also separately identifies, without aggregating into the headline budget total, the CBL-reported estimates of Government of Libya expenditure and of the value of the oil-for-fuel-products swap, both of which lie outside the LYD 123.2 billion GNU budget figure, in order to illustrate the incompleteness of the conventional budget perimeter as an accounting representation of total public financial flows.

5. Results

5.1 Structure of Public Expenditure

Total public expenditure executed by the Government of National Unity in 2024 amounted to approximately LYD 123.2 billion. Chapter One (wages and their equivalents) absorbed the largest share, at approximately LYD 70.6 billion, or 57 percent of total spending, an increase of 10.4 percent compared with LYD 63.9 billion in 2023. The report traces this increase to several factors: salary adjustments and promotions, staff transfers between entities that triggered back-pay settlements, and the release of salaries that had previously been suspended. It also points out that the treasury still covers wage costs for financially independent public entities — such as the General Electricity Company and the public water and sanitation utilities — even though these costs don't show up under Chapter One. Instead, they're recorded under Chapter Four (subsidies) and Chapter Two (operations).

Chapter Three (development expenditure) came in at roughly LYD 27.0 billion, or 22 percent of total spending — down 14.5 percent from LYD 31.6 billion in 2023. Here the report draws an important distinction between what was allocated and what was spent: of the roughly LYD 25.0 billion the treasury allocated under this chapter, only about LYD 2.0 billion went toward identifiable development activities — postgraduate scholarships, curriculum development, and new sectoral projects. The remaining allocation, around LYD 20 billion, was instead transferred into a special deposit and trust account to be carried forward, rather than actually spent on development within the year. In addition, LYD 1,884.7 million and LYD 3,104.3 million were spent by the National Oil Corporation and the General Electricity Company, respectively, through exceptional financial arrangements approved in 2023 and substantially completed by September 2024, and are included within the reported LYD 27.0 billion development total.

Chapter Four (subsidies) accounted for approximately LYD 16.1 billion, or 13 percent of total spending. Electricity subsidies were the single largest component, at LYD 4,250.0 million (26.5 percent of the subsidy chapter), followed by a children's/family allowance at LYD 3,132.3 million (19.5 percent) and medicine subsidies at LYD 2,272.4 million (14.2 percent); basic-pension support (LYD 1,600.0 million), sanitation support (LYD 977.5 million), support for the families of martyrs (LYD 856.0 million), water and sanitation support (LYD 766.0 million), and support for sports and youth clubs (LYD 560.0 million) accounted for most of the remainder. Fuel-product subsidies recorded no direct treasury spending (LYD 0.0 million), because, since November 2021, the cost of imported refined-fuel products has instead been deducted directly from crude-oil export proceeds by the National Oil Corporation — a quasi-fiscal swap valued by the CBL at approximately LYD 42 billion in 2024, which does not appear within Chapter Four or elsewhere in the reported LYD 123.2 billion budget total.

Chapter Two (operating, running, and equipping expenses) accounted for the smallest share, at approximately LYD 9.6 billion, or 8 percent of total spending — a relatively stable share by historical standards (9 percent in 2021 and approximately 7 percent in both 2022 and 2023) — of which LYD 7.7 billion was financed from the general treasury and LYD 1.8 billion was financed through the National Oil Corporation's exceptional operating budget.

Table 1. Structure of Public Expenditure (Uses of Public Finance) in Libya, 2024

Expenditure chapter	Amount (LYD million)	Share of total (%)
Chapter One – Wages and their equivalents	70,569.0	57
Chapter Two – Operations, running and equipping	9,579.5	8
Chapter Three – Development expenditure	26,989.0	22
Chapter Four – Subsidies	16,056.5	13
Total recorded public expenditure	123,194.0	100

5.2 Structure of Public Revenue

Total public revenue collected in 2024 amounted to approximately LYD 123.5 billion. Oil revenue remained by far the dominant source, at LYD 89.8 billion, or 72.7 percent of the total, comprising LYD 76.7 billion (62.2 percent) from crude-oil sales and LYD 13.1 billion (10.5 percent) from taxes and royalties levied on oil companies.

Non-oil sovereign revenue, direct and indirect taxation, customs duties, telecommunications-sector revenue, domestic fuel-product sales, and miscellaneous service fees, totaled only LYD 4.22 billion, or 3.4 percent of total revenue, of which direct and indirect taxes contributed LYD 2,495.5 million (2.0 percent), customs duties LYD 352.9 million (0.3 percent), telecommunications revenue LYD 205.5 million (0.2 percent), domestic fuel-product sales LYD 151.6 million (0.1 percent), and other service fees and miscellaneous revenue LYD 1,015.4 million (0.8 percent).

The remaining 24 percent of total revenue was contributed by two exceptional, non-recurring financing sources. Fees levied on foreign-currency sales generated LYD 27.2 billion in gross receipts, of which LYD 22.5 billion (18.2 percent of total revenue) was allocated to finance public expenditure. In addition, the Central Bank of Libya transferred LYD 7.0 billion (5.7 percent of total revenue) of its own profits to the general treasury. Together, these two instruments — neither of which constitutes a conventional, broad-based tax or fee on economic activity — financed close to one quarter of total recorded public revenue in 2024, and the report explicitly credits this combination of instruments with allowing the treasury to finance its spending needs without recourse to direct borrowing from the Central Bank.

Table 2. Structure of Public Revenue (Sources of Public Finance) in Libya, 2024

Revenue source	Amount (LYD million)	Share of total (%)
Oil revenue – crude oil sales	76,700.0	62.2
Oil revenue – taxes and royalties on oil companies	13,110.0	10.5
Direct and indirect taxes	2,495.5	2.0
Customs duties	352.9	0.3
Telecommunications revenue	205.5	0.2
Domestic fuel-product sales	151.6	0.1
Service fees and other revenue	1,015.4	0.8
Central Bank of Libya profit transfer	7,000.0	5.7
Fees on foreign-currency sales	22,500.0	18.2
Total recorded public revenue	123,531.0	100.0

5.3 The Dual-Track Financing System and Off-Budget Flows

Beyond the LYD 123.2 billion in expenditure recorded under the GNU budget, CBL data cited in the report indicate that the parallel Government of Libya administration executed approximately LYD 59 billion in expenditure over the same period, financed and recorded outside the GNU budget accounting perimeter. Combining the two expenditure tracks with the CBL-estimated value of the oil-for-fuel-products swap (approximately LYD 42 billion), the Governor of the Central Bank of Libya stated, in remarks cited in the report and dated 6 April 2025, that total public-sector-related spending across all channels reached approximately LYD 224 billion in 2024 — more than 1.8 times the LYD 123.2 billion reflected in the conventional GNU budget total analysed in Section 5.1.

5.4 Allocations versus Execution: The Accounting Treatment of Development Spending

The treatment of Chapter Three (development) spending illustrates a broader government-accounting issue evident throughout the data: a substantial gap between amounts allocated (appropriated) and amounts disbursed for their intended purpose within the fiscal year. Of the roughly LYD 25 billion allocated under Chapter Three in 2024, only LYD 2 billion, or approximately 8 percent, was disbursed against identifiable development projects during the year, with some LYD 20 billion instead transferred into a deposits-and-trusts account for use in future periods. Because the CBL's reported LYD 27.0 billion development-spending figure appears to include amounts transferred to this carry-forward account rather than only amounts executed against final development uses, the headline expenditure structure reported in Table 1 above should be interpreted as a statement of budgetary allocation and fund transfer, rather than as a strict cash- or accrual-basis measure of development outcomes delivered during 2024.

6. Discussion

The findings confirm, for fiscal year 2024, the structural pattern identified in the earlier Libya-specific literature on oil dependence and fiscal policy: a revenue base overwhelmingly concentrated in hydrocarbon sales (72.7 percent) and an almost negligible role for direct and indirect taxation (2.0 percent), consistent with the long-run decline in the tax share of public financing documented for 1995–2020. Read through the resource-curse framework applied to Libya by [13], this revenue structure implies that the great majority of public spending is

financed independently of domestic taxpayers, weakening the conventional fiscal-accountability link between citizens and the state and reducing the political cost of continued reliance on a single, price-volatile commodity. A second, and from a government-accounting perspective arguably more pressing, concern is the growing role of exceptional and non-recurring financing instruments — the foreign-currency sales fee and the Central Bank profit transfer — which together financed close to a quarter of 2024 public spending. Neither instrument constitutes a stable, broad-based revenue source of the kind that international public-financial-management guidance [15], regards as an appropriate basis for recurrent expenditure commitments such as wages, which by their nature are difficult to reverse. The fact that Chapter One wage spending, financed in part by these exceptional sources, grew by 10.4 percent in 2024, illustrates a classic pro-cyclical fiscal pattern associated with resource-dependent economies [11]: recurrent spending commitments expand during periods of elevated exceptional revenue, creating fiscal vulnerability should such revenue subsequently decline.

Third, the analysis highlights a completeness problem in the accounting perimeter used to report Libyan public finances. The LYD 123.2 billion GNU budget figure that forms the basis of most published fiscal analysis excludes both the parallel Government of Libya expenditure track (approximately LYD 59 billion) and the oil-for-fuel-products swap (approximately LYD 42 billion), together roughly equivalent in size to the reported budget itself. This is consistent with international views that Libya's parallel executive authorities and its quasi-fiscal mechanism of crude oil-for-fuel swaps are a major impediment to budgetary openness [16]. From the perspective of public-sector accounting, a single consolidated statement of public-sector financial operations that includes both expenditure tracks and treats quasi-fiscal activities such as the crude-oil swap as a subsidy-equivalent fiscal cost rather than a memorandum item would provide a more complete picture of the scale and composition of Libya's public finances. This approach would also be more consistent with the comprehensive coverage and economic classification principles of the IMF's Government Finance Statistics Manual (GFSM), which provides an internationally recognized framework for compiling and presenting fiscal statistics and recognizes that quasi-fiscal operations conducted by public corporations or other institutional units can have the same fiscal policy impact as government operations [18]. The IMF's analysis of the crude-oil swap in 2025 also shows the need to include it in the assessment of Libya's energy subsidy burden, with the IMF estimating that the direct energy subsidies would represent about one-third of government revenues and 20% of GDP in 2024 (when the crude-oil swap is included) [19].

Finally, the disparity between Chapter Three allocations (roughly LYD 25 billion) and identified development disbursements (about LYD 2 billion) demonstrates the difficulties of using allocation-based budget reporting as a surrogate for accrual-based evaluation of actual public investment.

Migrating development-expenditure reporting toward an execution or cash-disbursement basis, with allocations carried forward to trust accounts reported separately from in-year spending, would improve the accuracy of development-expenditure statistics and support more effective monitoring of public investment outcomes.

7. Conclusion and Recommendations

This paper has documented the accounting structure of Libya's public revenue and expenditure for fiscal year 2024 using data compiled by the Central Bank of Libya. The findings confirm a public-finance system still overwhelmingly dependent on hydrocarbon revenue (72.7 percent of total revenue), dominated on the expenditure side by recurrent wage spending (57 percent of total expenditure), and increasingly reliant on exceptional, non-recurring financing instruments — foreign-currency sales fees and Central Bank profit transfers — that together financed almost a quarter of 2024 spending. The analysis further reveals that the conventionally reported GNU budget figure captures only a portion of total public-sector-related financial flows, with a parallel expenditure track and an oil-for-fuel-products swap together roughly matching the size of the reported budget itself.

Three recommendations follow. First, fiscal authorities should work toward a single, consolidated presentation of public-sector financial operations that incorporates both the GNU and parallel Government of Libya expenditure tracks, together with an explicit, budgeted valuation of the oil-for-fuel-products swap, in line with international government finance statistics practice. Second, given the demonstrated volatility and non-recurring nature of the foreign-currency fee and Central Bank profit-transfer revenue streams, fiscal planning should avoid financing permanent increases in recurrent spending, particularly wages, from these sources, and should instead priorities the development of a more diversified and stable non-oil revenue base. Third, development-expenditure reporting should distinguish more clearly between amounts allocated and amounts executed within the fiscal year, so that published expenditure structures more accurately reflect delivered public investment rather than fund transfers to carry-forward accounts.

As with any single-year, secondary-data study based on officially published aggregates, these findings should be interpreted with appropriate caution regarding the underlying data's audit status and regarding the generalisability of a single fiscal year to longer-run trends; nonetheless, the patterns identified are consistent with, and extend, a well-established body of literature on the fiscal characteristics of Libya's oil-dependent public finances.

Compliance with ethical standards

Disclosure of conflict of interest

The authors declare that they have no conflict of interest.

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