

Liquidity and Financial Infrastructure

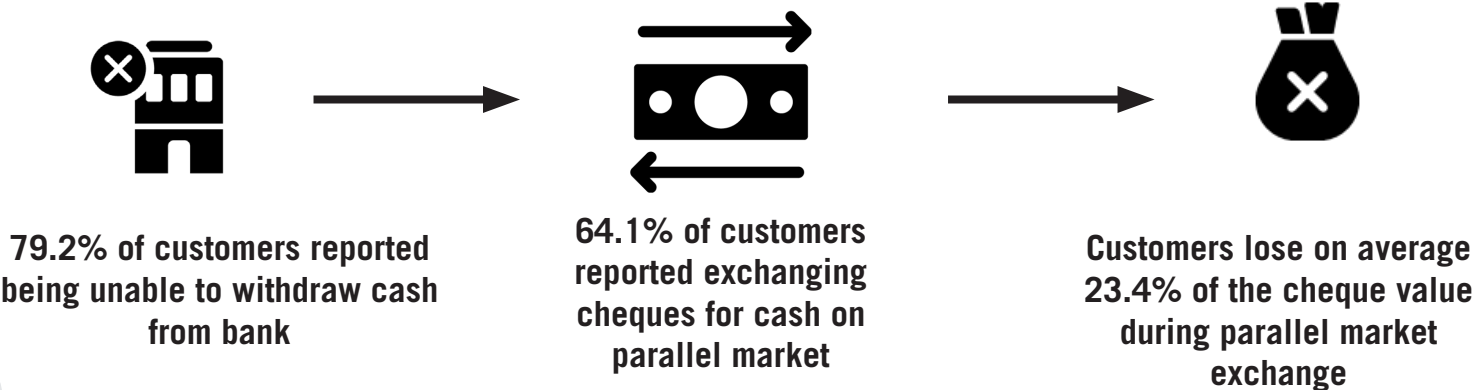
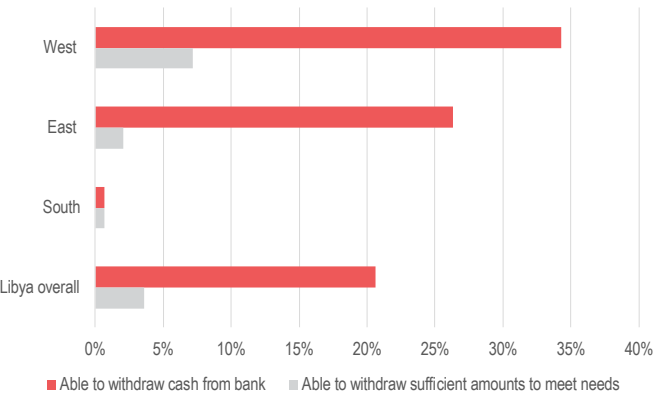
Key findings

- Only 3.7% of customer respondents in Libya overall were able to purchase the items necessary to meet their basic needs using cash withdrawn from banks within the last 30 days.
- To attain the required amount of cash, customers commonly reported resorting to using alternative methods, such as selling certified cheques on parallel markets. According to an expert KI, cheque traders provide physical cash at a cost that is defined by the liquidity levels of the cheque's bank.

Context and Methodology

- A number of recent reports have indicated that the liquidity crisis in Libya is a growing concern for the population, as households are not able to withdraw sufficient amounts to meet needs.
- From October 2020, JMMI collected a series of additional data on the ability to access cash and payment modalities from 428 customers and 571 vendors across 25 cities in Libya.
- Due to non-probability sampling, findings are indicative only. The respondents were vendors and customers from market places already monitored by the JMMI. Respondents were selected purposively, with an average number of 8 customers and 4 vendors per region.
- The findings are indicative and not statistically representative. The sample from south Libya is disproportionately large, therefore national level data may be skewed towards southern Libyan respondent findings.

<sup>1</sup> Cash shortage adds to weary Eastern Libyans' woes, Reuters, 7th October 2020



Location	West Libya	East Libya	South Libya	Libya Overall
% of customers reporting ability to withdraw cash in 30 days prior to data collection				
Unable to withdraw cash from bank	65.2%	73.7%	99.3%	79.2%
Able to withdraw cash from bank, but not sufficient amount to meet basic needs	37.1%	24.2%	0%	16.9%
Cash withdrawn is sufficient amount to meet basic needs	7.2%	2.1%	0.7%	3.7%
% of customers reported using alternative methods of attaining cash				
Selling cheques on parallel market	39.2%	77.8%	85.5%	64.1%
Exchanging cheques with businessess	8.84%	5.21%	2.0%	5.6%
Loans	0.6%	0%	0.7%	0.5%
Others	13.3%	0%	7.9%	8.4%
Prefered not to answer	23.8%	20.8%	20.8%	17.3%
Average reported mark-up fee				
Selling cheques on parallel market	18.3%	22.2%	26.6%	23.4%
Exchanging cheques with businessess	18.8%	25.0%	11.7%	19.6%

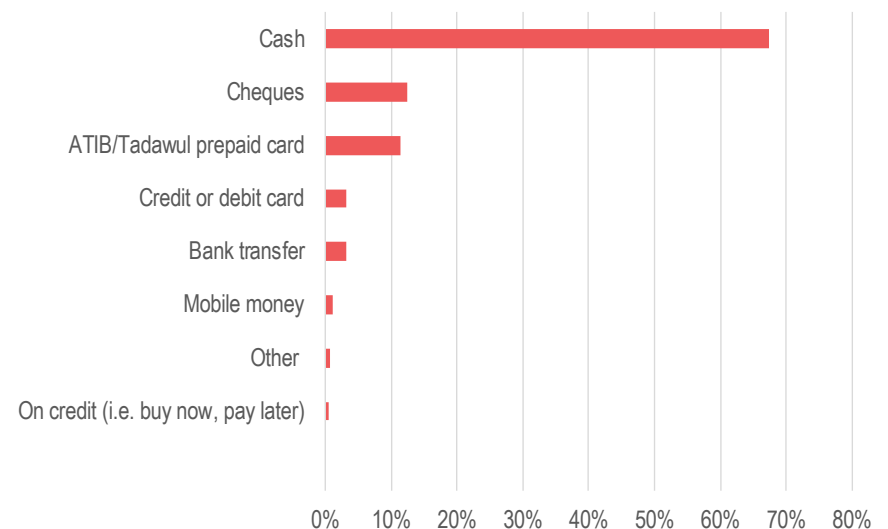
Location	Respodents reported principal bank	Customers able to withdraw cash in 30 days prior to data collection	Average reported cheque mark-up fee
Name of Bank			
Aljumhuria	22.8%	26.5%	20.9%
Altijarii alwatani	23.3%	15.0%	26.2%
Alwehda	14.9%	18.8%	19.5%
Alsaharaa	6.1%	23.1%	26.6%
Shamal 'afriqia	15.6%	22.4%	24.8%
Alwaha	0.7%	0.0%	-
Al'aman	5.1%	50.0%	25.0%
Alsaraya	1.4%	100.0%	-
Almutahid	0.9%	50.0%	-
Altijara waltanmia	1.9%	50.0%	11.3%
Other	3.7%	-	-

# Liquidity and Financial Infrastructure

- Overall, 54.4% of interviewed vendors reported only accepting cash. From the vendors only accepting one payment modality, the most commonly reported barriers to introduce alternatives were power cuts (30.8%) and a lack of functioning Internet (20.5%). Only 8.1% of vendors that reported not accepting other payment modalities cited a lack of demand for alternative modalities as the main reason, and another 11.4% reported not knowing any financial service providers who could help them expanding their financial infrastructure to enable them to accept additional modalities.
- There are clear regional differences in payment modalities preferences. **In East Libya, the most prevalent modality besides cash are cheques (14.2%) and mobile money (12.5%), southern vendors accept cheques (22.6%) and west Libyan vendors reporting using ATIB cards (11.1%).**

Location	West Libya	East Libya	South Libya	Libya Overall	Average Mark-up Fee
% of customers reporting using the following payment modalities					
Cash	93.9%	91.7%	99.3%	94.1%	-
Credit/debit card	20.4%	6.3%	5.3%	15.5%	3.0%
ATIB Card	45.3%	4.2%	0.0%	30.7%	0.4%
Cheque	8.8%	39.6%	66.5%	21.6%	19.8%
Mobile Money	12.2%	9.4%	0.0%	10.6%	4.7%
Credit	0.0%	5.2%	12.5%	2.3%	4.2%
Bank Transfer	0.6%	9.4%	54.6%	6.8%	21.3%
Other	0.0%	3.1%	0.7%	0.9%	-
% of vendors reporting accepting the following payment modalities					
Cash	99.6%	100.0%	100.0%	100.0%	-
Credit/debit card	9.8%	5.0%	6.3%	8.2%	1.1%
ATIB Card	11.1%	6.7%	0.0%	9.1%	2.6%
Cheque	2.5%	14.2%	22.6%	7.2%	4.1%
Mobile Money	2.1%	12.5%	0.0%	4.9%	3.6%
Credit	1.6%	0.0%	5.3%	1.4%	0.0%
Bank Transfer	0.0%	5.0%	6.7%	1.9%	2.2%
Other	0.0%	0.8%	0.0%	0.2%	-

## Most commonly used payment modalities by % of customer respondents



## Average reported mark-up fees for customers

