

## Stock Market and Economic Growth in Libya

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**Abstract:** *The study aims to examine the role of the Libyan Stock Market (LSM) in Libyan economic growth from the perspective of brokers, employees and investors. A set of questionnaire are employed to identify the role of stock market in promoting economic growth, the problems inherent to LSM and the measures taken by the market to improve its contribution in economic growth. The findings indicate that the brokers, employees and investors agreed that LSM has significant potential to positively contribute to Libya's economic growth. The findings imply that in order to improve contribution of LSM in economic growth, the Libyan stock market authority need to improve their policies to encourage more companies, especially main sectors companies such as oil, energy, and telecommunication, to contribute in the market. A set of regulations is also needed to develop LSM culture and to attract the local and foreign investors.*

**Keywords:** *Libyan Stock Market, Economic growth.*

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### I. Introduction

The export of crude oil is the backbone of the Libyan economy, contributing around 95 percent of the export revenues, approximately one-quarter of GDP, which represents 60 percent of the public sector wages. However, oil is a natural resource, over-use it may lead to total exhaustion. Consequently, people try to search for economic potential alternatives to support the Libyan economy in the future. Substantial capitals are required to explore such potencies. Therefore, the Libyan Stock Market (LSM) is expected to play important role in provide capital for investment, which in turn drive economic development in Libya. However, the role can only be played effectively if LSM is proper well establish based on a strong and stable foundations.

Libyan stock market was established in the year of 2006 with the capital of (400 million DL<sup>1</sup>), in this year there was no trading because it was the establishment year and the stock market started with 7 listed companies in its main table. In 2007 the trading was very small because it was hand trading. The market started to use the electronic trading in April 2008. From that date the stock market improved it operations, and the number of companies listed in the main table that has reached to 10 companies, in a sub-table there were more than 15 companies at the beginning of 2009. During this year the number of companies in the main table became 25 which increased in 2010 to become 41 companies in the two tables, while the brokerage companies became 12.<sup>2</sup>

The total number of investors registered in the market 250 thousand investors, and it made some deals with some foreign companies.

Therefore, the study aims to examine the role of the Libyan Stock Market (LSM) in Libyan economic growth from the perspective of brokers, employees and investors.

### II. Literature Review

The role of stock markets was underlined in the payment process of economic development. This has been a theory rather than the practise relating to compatibility between the movements of stocks and economic activities it has been an important issue of debate largely between economists who asserted that a lot of studies conducted on the stock prices changes reflect clearly the real situation of economic growth from the change that occurs in the real economic growth, in the expected profits and in the instability of the stock prices. Moreover, some studies merely focused on the impacts of the change in stock prices on the macroeconomic indicators (Oskooe, 2010).

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<sup>1</sup> - On Wednesday 20/6/2012, 10:30 AM, the author made an interview with Dr. Mohammad Karroud, the head of LSM.

<sup>2</sup> - Libyan Stock Market reports (2008,2009,2010)

In their paper Levine and Zervos (1998), using data on 47 countries from 1976 through 1993, showed that:

“Stock market liquidity and banking development both positively predict growth, capital accumulation, and productivity improvements when entered together in regressions, even after controlling for economic and political factors. The results are consistent with the views that financial markets provide important services for growth, and that stock markets provide different services from banks. The paper also finds that stock market size, volatility, and international integration are not robustly linked with growth, and that none of the financial indicators are closely associated with private saving rates.”

Besides, Nieuwerburgh, Buelens and Cuyvers (2005) investigated the long-run relationship between financial market development and economic development in Belgium. They built a data set on financial development indicators for Belgium. The study used annual data for 1830-2000 for the Brussels stock exchange (BXS), described in Annaert, Buelens, Cuyvers, Ceuster, Devos, Gemis, Smedt and Paredaens (1998). There are many variables in this study such as, market capitalization ratio and total number of listed shares. They found a strong result which is stock market development caused economic growth in Belgium, especially in the period between 1873 and 1914.

Furthermore, Suliman and Hala (2011), In their study the causal relationship between stock market development and economic growth in Sudan, based on time series data during the period 1995 - 2009. The study used the Granger causality test based on unit root tests. The stock market is measured by two variables which are market capitalization ratio (size proxy), and real value traded ratio (liquidity proxy), while the economic growth is proxied by real GDP figure. The study explored that the causal linkage between stock market development and economic growth which is sensitive to the measure used for describing the stock market development. When the size variable (market capitalization) is used, the results show bi causal linkage between stock market development and economic growth. However, when the real value traded ratio (liquidity proxy) is used the results indicate that there is a unidirectional relationship from economic growth to stock market development. Overall, the study found that stock market development in Sudan leads the Sudanese economy to growth at least in the period of study, which will agree with the “supply leading” hypothesis.

Najib (2009) investigated, in his PhD research the determinants of economic growth reform and stock market performance in Libya over the period 1999 – 2007. He employed three types of methods: 1) a self-administered questionnaires were distributed to the entire target population of the Libyan financial market, banking sector and some companies, 2) semi-structured interviews were held with managers in branches of companies, selected via a stratified sample of respondents to the self-administered questionnaires, and 3) collected financial market data from 42 emerging countries during the period 1995-2006. The independent variables in this study are economic reform programme macro – economic and finance maturity. The dependent variable is stock market performance. The findings of this study reported that the stock market and the banking sector in Libya in particular and the emerging economy in general are complementary rather than alternatives in providing financial services to the economy.

Using annual data, Sumit Agarwal (ND), examined the relationship between stock market development and economic growth for the period from 1992 to 1997 for nine African countries. Market capitalization ratio (MCR) and turnover ratio (TR) are independent variables in this study meanwhile foreign direct investment (FDI), investment (INV) and primary school enrolment (PE) are used as dependent variables. The results of this study showed that there is a positive relationship between several indicators of the stock market performance and economic growth. This paper aims to evaluate the link between stock market development and economic growth by identifying the linkage among some stock market variables and investment. The findings are that the value-of-shares-traded ratio (TR) doesn't have an effect of stock market liquidity, however the results, were not the same for all nine African countries. It is only applicable to the case of countries which have highly volatile stock markets, and it causes the turnover ratio to be a misleading indicator of liquidity.

### **III. Data And Methodology**

This study employs the method of sampling due to inability in obtaining the respondents of the society and small population size of staff and brokerages firms. Hence, the study sample becomes 110 (staff and employees), 11 (broker) and 459 (investors) = 580. Due to the nature of the subject of the study, the study population consists of three categories, as follows:

The primary data collection method of this study is questionnaire. The questionnaire contains two main parts. The first part is merely on the demographic characteristic of the respondents such as gender, functional capacity, study level, the years of experience. The second part focuses on the study objectives and hypotheses, namely (i) the role of the LSM in economic growth; (ii) the contribution of local and foreign investors in the LSM, and the measures taken to appeal to them. The present study uses Likert scale to measure the responses of the respondents

#### **IV. The Overview Of Libyan Economy And Stock Market**

The main characteristics of the Libyan economy and the events that happened since the country became independent in 1951. There is also a focus on the 20-year period prior to the United Nation UN. To evaluate the Libyan economy there are four questions that need to be answered to know what the nature of Libyan economy and its features some may wonder, if it is capitalist, socialist or mixture of both? Is it directed by free market forces a centrally – controlled economy? Is it market oriented or state – controlled? Is it based on a mix of Islamic principles and socialist?

The non-stop and often discrepant changes in economic policies, and the instability of these policies during the last three decades contributed to complicate the issues to answer the research questions above. However, there are three stages that characterize the Libyan economy:

**First Phase:** It started in 1970 and can be described as a period of transition to socialism by nationalising oil companies and making plans and allocations for development especially in industry and agriculture.

**Second Phase:** This stage started in 1980 when the government decided to stop the private sector in Libya, this was done by virtue of the law 4/1980 and under the collecting and redistributing wealth slogan. This stage targets are creating new policies as an instrument to control and orient the private sector.

**Finally:** The current stage started in 1999. The goal was to find several of income sources to diversify the local economy instead of oil to improve the role of the non – oil sector in it.

Libya is one of the developing countries with a large land mass and a low density of population and along with a large endowment of natural resources (oil and gas). The Libyan economy has a strong interdependence with the rest of the world, especially in the field of trade. As such, the country is strongly reliant on crude oil exports as the main source of foreign exchange earnings. However, as one of the oil-rich countries in the Middle East and North Africa (MENA) region, the Libyan economy until recently has been supported heavily by oil exports. With fluctuating and declining oil prices and revenues in the last two decades, since the 1970s Libya has exerted notable efforts to achieve the aim of economic diversification (A. Al- Jabiri 2012). These efforts have led to sustained investment in the non-oil sectors, particularly in agriculture, manufacturing, and other sectors of the economy. On the other hand, the Libyan economy was plagued by many problems that made it unable to be ranked among the advanced economies. In addition to the above-mentioned problem, there was an economic embargo imposed on Libya in the eighties, which started the transition to a socialist system in the nineties, which resulted in the central economic situation in Libya during the last four decades.

#### **In his study Najib (2009) reported that:**

“The economic situation of one of the MENA economies, namely that of Libya, which has witnessed organisational variations following the revolution of 1969, since when the Libyan economy has been driven by the Green Book Theory which provides: “for a socialist state and a state-planned economy. Investment was essentially state-driven and trade and price controls, along with subsidies, were widespread. Economic performance was [strictly] constrained by stifling government interference in the economy and an [unfavourable] business climate. Economic conditions began to deteriorate in the mid-1980s with the fall in world oil prices, and worsened in the 1990s as a result of UN economic sanctions. The authorities were reluctant to initiate any economic reforms [whilst] the country was subject to sanctions”, IMF (2005: 5)

Furthermore, there are many secondary factors that have helped to exacerbate the weakness of the Libyan economy, the most important one is that Libya is an economy of consumers and consumes large returns from crude oil that is exported without a corresponding to a real increase in production in addition to a large increase in imports without a corresponding increase in exports from the non-oil sectors or export-based industries, and oil derivatives. Moreover, there is another factor that has a significant impact on the effectiveness of the Libyan economy; the scarcity of human resources that constitutes strong support for the success of any economy. The Libyan economy depends solely on foreign labour, and in spite of the workers that constitute the violation and illegality in the vast majority of this employment, which come from several countries, mainly Egypt, Sudan, Turkey, Chad, Niger, Tunisia, Morocco, Syria, in all sectors. The proportion of non-Libyan employment in the Libyan labour market contributes approximately 70%. (Zaad Akel, 2010).

“The Libyan government has to activate the economic reforms after the lifting of international sanctions in 2003 and the U.S. in 2004 on Libya. The Government has taken several measures to strengthen the role of the private sector by slashing interest rates to encourage the demand for loans by the private sector, and encouraged private investment, domestic and foreign, and put a new law to tax, and removed the tariff concessions of public institutions, and cut taxes on imports, and begun preparations for the new banking law giving the Libyan Central Bank independence in managing monetary policy and strengthening banking supervision”(Alhibaika, 2012).

On the other hand, in the last few years, Libya has had problems attracting foreign direct investments. The evidence is the value of these investments decreased from 4.1 Billion \$ in 2008 to 2.7 Billion \$ in 2009 (Jasem Hossain, 2010).

Having recognized the significance of the stock market on economic, Libyan government has initiated a financial sector reform programme and has increased the efforts towards creating a stock market in the country to promote economic growth. Thus the LSM was established in 2006. The Libyan Stock Market is a public limited company with capital of 400 Million LD (Mohammad Karroud, 2013).<sup>3</sup> Aljaniri (2012) reported that recently, in Libya many economists' financial authorities and recent studies have recognized that the establishment of capital markets is necessary for improving medium and long term financial intermediation, enhancing savings mobilization, augmenting financial sector competition, facilitating the conduct of monetary policy through indirect instrument, and attracting much needed foreign capital. The main contributing sectors in the LSM are the banking and insurance sectors with the absence of the pioneer sectors in Libya which are the oil sector, and the other important sectors for Libyan Economy such as telecommunication and agriculture sectors. During the years for 2006 and 2007 the LSM was using hand trading, for this reason its operations were very few. Starting from April 2008 LSM started to use electronic trading which contributed to improved and highly increased trading to become high(LSM, 2008).

The aim of the Libyan Stock Market is to promote and diversify the finance availability, facilitate privatization programs and the granting of credit, and making the range of investment possibilities more available, and also institutional investors. The LSM also aims to ensure the transparency of economic and financial information. In addition to the 10 companies listed in the main table that has reached to 10 companies, in a sub-table there were more than 15 companies. In the same year, it also launched the new website for the market, which operates according to the latest technique. The website provides a range of new services such as the short message service centre and voice services which enable the investor to follow up its operations in the market immediately.

Along with the number of listed companies based on the Central Depository and for which the market records the management shareholders with more than 25 companies, the total number of investors registered in the market 250 thousand investors. Meanwhile, the numbers of brokerage firms are 11 companies engaged in buying, selling and providing advice and services to promote the Department of Subtraction (LSM, 2009).

At the international level, the Libyan stock market has succeeded in attracting the attention of the other Arab markets and received the honour of the presidency of the Arab stock exchanges for the year 2010, as well as, membership of the Executive Committee of the deposit of Africa and the Middle East (Alameda). It also joined the organization of International protection of the investor, and it was one of the first acceded to the Arab stock markets. In addition, it became a member of the Union of African stock exchanges, and attained the membership of the (Al-ana) Numbering International organization and the World Federation of Exchanges as an observer (LSM,2009). In 2010 the trading value of the Libyan stock market was about 183,826,213,480 Libyan Dinars, and the trading operations were 9554. Market capitalization was 3,767,773,648,000 during the same year (LSM 2010).

In general, the increase in the number of investors reaches around 250.000. The number of Registered Companies was 41, and the increase of the average daily trading value was 304,005 L.D in 2010(according to Libyan Central bank 1\$ = 1.24 DL). In addition, the daily average trading in 2010 rose to 304,005.260 LD in about 7,465 transactions. The number of Brokerage companies in 2008 was 12 and became 25 listed companies in 2010 (LSM, 2010).

In 2011, the market closed on 22/02/2011 because of the war which happened on 17/02/2011. This war caused a one year shutdown until 22/02/2012. This situation led to the delay in the performance of the market (LSM, 2011). Table 1 illustrates the trading summary of the LSM in the study years.

**Table 1: Trading summary in the study years (1USD = 1.35LD)**

2008						
Statement	Trading value	Trading volume	No. of trades	MCV	STV	TR
Total of trading	29,276,065.60	29,276,065.60	4,231.00	874,780,997.50	29,276,065.600	0.35%
2009						
Statement	Trading value	Trading volume	No. of trades	MCV	STV	TR
Total of trading	65,548,389.600	5,493,846	5,912	2,654,819,771	65,548,389,600	1.38%
2010						
Statement	Trading value	Trading volume	No. of trades	MCV	STV	TR
Total of trading	58,065,004.650	4,513,994.000	7,514	3,770,649,810	77,948,213,480	0.24%
<b>Starting from 22 /02/ 2011 The market was closed</b>						

<sup>3</sup> On Wednesday 20/6/2012, 10:30 AM, the researcher made an interview with Dr Mohammad Karroud a head of Libyan Stock Market.

Source: LSM report (2008, 2009, 2010)

Brokerage companies are the intermediaries for trading in the financial markets, thus the success of financial markets depends on the success of related parties such as investors, corporations and brokerage companies. Brokerage companies are the core entity in the financial market because they play the mediation role between the investors and the stock market and they assist the investors to access the market at the lowest cost. Specifically, they provide the financial consultation regarding investments for their customers and recommend them to subscribe to securities according to the applied laws and regulations (Libyan stock market annual report, 2009). The brokerage companies in LSM have been presented in the following table.

**Table 2: brokerage companies in LSM**

No	Name of company
1	Altadamon company
2	International Belton company
3	Sarab company
4	Almassar company
5	Green Aproz company
6	Libya for service financial company
7	Foreign Exchange company
8	International Arab company
9	Annour company
10	Universal Financial investment company
11	The National group
12	Alwaseet Almobasher company

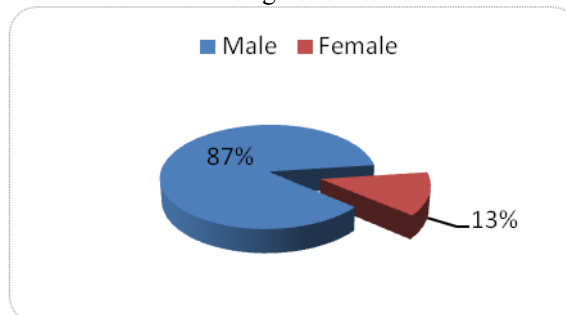
Source: LSM annual report 2010

In April 2008, the Libyan Stock Market started its Automated Trading System (ATS) based on the Egyptian model. This new computerized system was designed to make the market more transparent and efficient, and it complements the Central Clearing Depository System (CCDS) which was introduced in 2008. From the beginning of its establishment, LSM has adapted the new system of information technology in order to synchronize with the standards and specifications of the international stock market. These IT systems such as installing technical equipment (servers) to run the main system of the market, and installing the electronic systems related to trading, depository, clearing and monitoring, forming internal computer networks in line with the market standards and protecting it with the proper applicable programs. These measures came with preparing bank data related to the technical department in the market connecting them by the internet. However, there are a lot of agreements that were concluded in this regard. For instance, signing contracts about income and install trading, clearing and control systems, signing an understanding memo with (NCDX), and (MCX) Exchange in India, also cooperation agreement with the London Stock Market, as well as an agreement with the Arab society of certified accountants in Jordan. The LSM reports which contain annual data show that more than 6.075 million Libyan dinar were the cost of technical equipment's in LSM. Therefore, it can be said that the Libyan Stock Market has gained good experience from the international community and other Arab countries capital markets to develop the Libyan market in terms of information technology, which of course will help to increase the stock market efficiency ( Al-Jabiri, 2008).

## V. Findings And Discussion

### 1. Demographic analysis

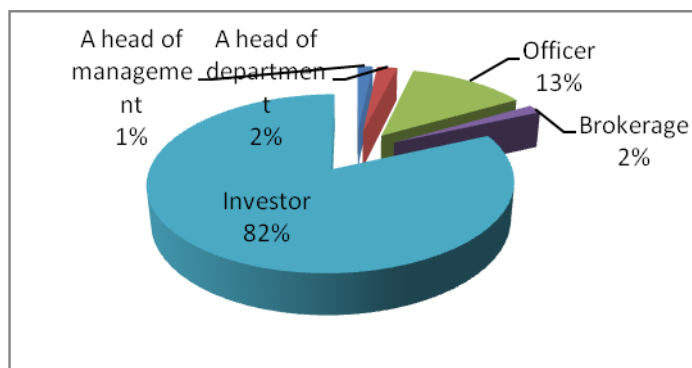
The majority of respondents are males (475), while the number of female respondents is (72). This big difference comes from the culture of Libyan people, and because the LSM is new so, Libyan knowledge of it is still small. The chart below shows classification based on gender:



**Chart 1: Classification based on genders.**

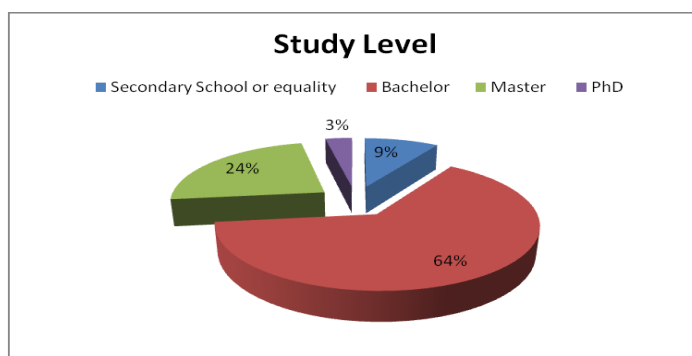


The largest number of respondents is investors (81.7%), while the average of heads of managements and brokerages were the least (1.6%). The chart below illustrates the average of respondents according to their function capacity.



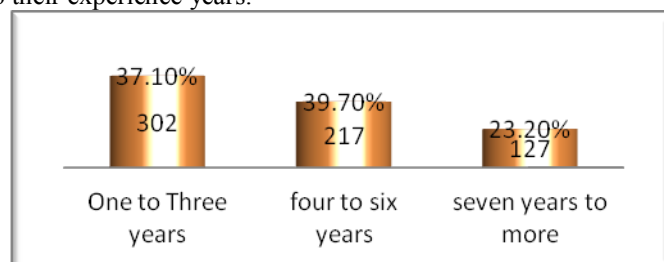
**Chart 2: Percentage Distribution according to functional capacity**

More than (50%) percent of the respondents have a bachelor degree, meanwhile the small average is in PhD which is (3.3%) fifty percent of them are LSM members. The chart (4) below illustrates the Classification of participants according to their study level.



**Chart 3: Percentage Distribution according to Study Level**

There is a small difference between the years of experience of first and second groups of respondents, this ratio due to the recent exposure of Libya to the stock market. The number of respondents who have seven years or more experience is smaller than the number of other groups, the average of this group is 23%, while the average of other groups are 37% and 39% respectively. The pie chart (4) below illustrates the Classification of participants according to their experience years.



**Chart 4: Percentage Distribution according to experience years**

## 2. Statistical analysis

The researcher divided the questionnaire into two groups which is in line with the objective of the present study. They are:

- (i) Stock market development and economic growth
- (ii) The investors

The study used a *t-test* in order to know the significance of each statement. The following table shows the Mean, Standard Deviation (SD), *t-test* and *P-value* (representing a significant level, only if the value is 0.05 and below) for each statement of the study.

**First group: Stock market development and economic growth**

The questions of this group are about the first objective of the research which is about the impact of LSM on economic growth in Libya. T -test analysis proved that the LSM has a strong impact on economic growth in Libya and this is clear from the findings of the questionnaire results through the fifteen questions which pertain to this hypothesis, which in turn achieved the first goal of the research objectives.

The table (3) below presents the frequency of distribution for the Libyan Stock Market and Economic Growth:

Table 3: The frequency of distribution for the Libyan Stock Market and Economic Growth

No	Statement	Strongly Disagree (1)	Disagree (2)	Don't Know (3)	Agree (4)	Strongly Agree (5)	Total
1	Stock Market has a big role in economic growth	2 (0.4)	228 (41.7)	24 (4.4)	186 (34.0)	107 (19.6)	547 (100)
2	Stock Market has a small role in economic growth	84 (15.4)	164 (30.0)	41 (7.5)	255 (46.6)	3 (0.5)	547 (100)
3	Libyan citizen has enough idea about LSM and its operations	162 (29.6)	316 (57.8)	27 (4.9)	41 (7.5)	1 (0.2)	547 (100)
4	Libyan Stock Market is keen to gain the confidence of the people who dealing with them and protect them from fraud	22 (4.0)	20 (3.7)	41 (7.5)	266 (48.6)	198 (36.2)	547 (100)
5	Stock market is not working on the application of the principle of transparency of clearing and settlement	190 (34.7)	189 (34.6)	104 (19.0)	60 (11.0)	4 (0.7)	547 (100)
6	LSM operates routinely, without specifying any targets for the future	164 (30.0)	202 (36.9)	67 (12.2)	108 (19.7)	6 (1.1)	547 (100)
7	Transparency and disclosure have an important role in LSM operations	20 (3.7)	20 (3.7)	27 (4.9)	306 (55.9)	174 (31.8)	547 (100)
8	Libyan Stock Market has future plans to support the Libyan economy better than now	0 (0.0)	4 (0.7)	134 (24.5)	281 (51.4)	128 (23.4)	547 (100)

Table (4) below shows the statistical analysis for the categories of the sample.

Table (4) below shows the statistical analysis for the categories of the sample

No.	Statement	Mean	Std. Deviation	t - Test	P-Value
1	Stock Market has a big role in economic growth	3.31	1.209	5.940	* 0.000
2	Stock Market has a small role in economic growth	2.87	1.178	2.577-	* 0.010
3	Libyan citizen has enough idea about LSM and its operations	1.91	0.809	31.549-	* 0.000
4	Libyan Stock Market is keen to gain the confidence of the people who dealing with them and protect them from fraud.	4.09	0.969	26.398	* 0.000
5	Stock market is not working on the application of the principle of transparency of clearing and settlement.	2.08	1.018	21.037-	* 0.000
6	LSM operates routinely, without specifying any targets for the future.	2.25	1.118	15.677-	* 0.000
7	Transparency and disclosure have an important role in LSM operations.	4.09	0.915	27.762	* 0.000
8	Libyan Stock Market has future plans to support the Libyan economy better than now.	3.97	0.713	31.959	* 0.000

\* Significant at the 0.05 level

**Second Group: The investors**

This group contains fifteen questions which are about the investors they are about the measures taken by the LSM to attract local and foreign investors, the contribution of these two types of investors and the extent of market transparency in the provision of information to investors.

The table (5) below displays the frequency distribution for sample categories about the investors' impression regarding the stock market and their contribution in it.

**Table (5): Frequency distribution for sample categories about investors’ impression on LSM and their contribution in it**

No	Statement	Strongly Disagree (1)	Disagree (2)	Don't Know (3)	Agree (4)	Strongly Agree (5)	Total
1	Local investor doesn't have any contribution in LSM operations	205 (37.5)	261 (47.7)	22 (4.0)	58 (10.6)	1 (0.2)	547 (100)
2	There is no contribution from the foreign investors (institutions and persons) in LSM operations	53 (9.7)	288 (52.7)	126 (23.0)	70 (12.8)	10 (1.8)	547 (100)
3	The stock market is very interested in the needs and wishes of its investors	3 (0.5)	142 (26.0)	48 (8.8)	232 (42.4)	122 (23.3)	547 (100)
4	The impression of the investors about LSM is very positive	3 (0.5)	125 (22.9)	106 (19.4)	234 (42.8)	79 (14.4)	547 (100)
5	Some investors feel remorse for their investment in the Libyan Stock Market	23 (4.2)	198 (36.2)	294 (53.7)	29 (5.3)	3 (0.5)	547 (100)
6	Libyan Stock Market provides information to all investors without discrimination ( with prevent their diversion for some investors)	2 (3.7)	46 (8.4)	66 (12.1)	184 (33.6)	231 (42.2)	547 (100)
7	Big investors have more chance to get the information more than the other investors cause of their relations with the LSM members	117 (21.4)	178 (32.5)	69 (12.6)	181 (33.1)	2 (0.4)	547 (100)
8	LSM provides accurate and complete information to investors, but it is incomplete	121 (22.1)	135 (24.7)	96 (17.6)	192 (35.1)	3 (0.5)	547 (100)
9	Libyan Stock Market provided its Information by difficult way which small investors can't understand them easily better than now	139 (25.4)	290 (53.0)	19 (3.5)	94 (17.2)	5 (0.9)	547 (100)

The numbers in parentheses represent the percentage of each value.

Table (6) below exhibits the statistical analysis for the categories of the sample.

**Table 6: The statistical analysis for the categories of the sample**

No.	Statement	Mean	Std. Deviation	t- Test	P-Value
1	Local investor doesn't have any contribution in LSM operations.	1.88	0.918	28.446-	* 0.000
2	There is no contribution from the foreign investors (institutions and persons) in LSM operations.	2.44	0.899	14.462-	* 0.000
3	The stock market is very interested in the needs and wishes of its investors.	3.60	1.114	12.592	* 0.000
4	The impression of the investors about LSM is very positive	3.48	1.015	10.995	* 0.000
5	Some investors feel remorse for their investment in the Libyan Stock Market.	2.62	0.678	13.176-	* 0.000
6	Libyan Stock Market provides information to all investors without discrimination (with prevent their diversion for some investors).	4.02	1.100	21.767	* 0.000
7	Big investors have more chance to get the information more than the other investors cause of their relations with the LSM members.	2.59	1.165	8.333-	* 0.000
8	LSM) provides accurate information to investors, but it is incomplete.	2.67	1.183	6.468-	* 0.000
9	Libyan Stock Market provided its Information by difficult way which small investors can't understand them easily.	2.15	1.019	19.479-	* 0.000

\*Significant at the 0.05 level

## VI. Conclusion

Based on the findings of this study, the LSM has a big role in promoting economic growth and the contribution of local and foreign investors is a big. Also, LSM took made good measures and has a good plan to attract investors and provides them with a suitable environment for investment. This study comes up with the opportunity given to the Libyan government to understand that it is the time to find financial policies, to encourage companies to contribute in the market especially main sectors companies, and develop financial stock market culture. Besides, they have to support the market to take its measures in order to make investment more attractive to local and foreign investors.



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