

Syria's roadmap for tackling energy crisis

Potential involvement of Saudi Arabia, other key players



By Hoda Yousefi
Middle East
affairs expert

**OPINION
EXCLUSIVE**

Prior to the onset of the war in Syria in 2011, the notion of an energy crisis was largely absent in Syria, a nation recognized for its production and export of oil. However, the decade-long conflict significantly affected the country's infrastructure, with the energy sector experiencing particularly severe challenges. As Syria looks towards revitalization, there may be valuable opportunities for collaboration with Saudi Arabia and other stakeholders to support the recovery and development of its energy resources.

The energy crisis intensified during wartime. Among the key issues, both at that time and today, were the international sanctions imposed on the Syrian government, which negatively affected the country's oil and gas production and export. These sanctions specifically target oil exports, the provision of technical expertise and spare parts, as well as investments aimed at the reconstruction and modernization of power plants.

In the years prior to the war, Syria's oil production was estimated to exceed 400,000 barrels per day. While this figure may seem modest compared to other oil-producing nations in the Middle East, oil revenues constituted roughly one-quarter of the Syrian government's income during that period.

Emergence of oil crisis

The civil war profoundly impacted oil production in Syria, primarily due to three interconnected factors. Firstly, some oil extraction and processing facilities faced attacks, leading to significant operational disruptions. Secondly, the implementation of international sanctions diminished domestic production capacity and constrained Syria's ability to engage in oil exports. Thirdly, the eastern oil fields were initially captured by Daesh (ISIS) and subsequently came under the control of Kurdish-led groups in northeastern Syria following the defeat of Daesh. Consequently, the Assad government found it necessary to procure oil from these groups, reportedly allocating approximately \$1.2 billion annually for these purchases. In addition to obtaining oil from eastern sources, Syria sought to supplement its needs through imports from Iran and Iraq. While comprehensive statistics on Syria's oil imports are not publicly available, reports suggest that Iran provided between 50,000 to 70,000 barrels of crude oil daily. Moreover, Iran and Russia signed an agreement to establish a new refinery in Homs with a capacity of 140,000 barrels per day, as well as plans to repair the Baniyas refinery. Without reliance on foreign oil imports, Syria was only able to produce between 20,000 to 40,000 barrels per day last year, while domestic consumption was estimated at around 160,000 barrels per day.

Assad's downfall, intensified crisis

In the wake of significant advances by opposition forces



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— particularly Hayat Tahrir al-Sham (HTS) — the capture of Damascus and the subsequent removal of Bashar al-Assad marked a pivotal moment for Syria, including within the energy sector. The Islamic Republic of Iran, which had supplied over 90% of the country's crude oil requirements, suspended its oil exports to Syria. As a result, securing alternative energy suppliers has become an important priority for the current administration in Damascus. Furthermore, it is important to note that the various opposition groups, which had previously united primarily in their opposition to Assad, are now facing challenges in maintaining cohesion. With the regime change, internal divisions have emerged. For instance, shortly after HTS

assumed control of Damascus, the Syrian Democratic Forces (SDF) in the northeast announced its decision to cease oil sales to the rulers, highlighting the complexities of the current political landscape. This decision appears to be influenced by several significant factors. Firstly, Turkey's support for Hayat Tahrir al-Sham (HTS) is well acknowledged, while understandably the Kurdish-led factions in northeastern Syria will diverge from any part that is aligned with Turkey. Secondly, in light of the prevailing uncertainty surrounding Syria's stability, the SDF seems to be focused on utilizing its control over oil fields as a potential bargaining chip for political negotiations. Given these circumstances, it is crucial for Abu Mohammad al-Ju-

lani to prioritize addressing the energy crisis. Effectively tackling this challenge is vital for facilitating the safe return of refugees, providing services for citizens, and fostering the progress of various initiatives.

Energy crisis roadmap, Saudi Arabia's role

Addressing the current energy crisis in Syria is contingent upon achieving internal stability, attracting foreign investments, and the gradual lifting of international sanctions. In the immediate term, alleviating sanctions could facilitate oil imports, thereby aiding in the mitigation of the crisis's pressing effects. Subsequently, this could pave the way for the rehabilitation of Syria's energy infrastructure. In this context, various coun-

tries, including Turkey, Qatar, and Saudi Arabia, have expressed a willingness to support Syria's energy needs. Notably, recent reports have indicated that a Saudi oil tanker was en route to Baniyas port in Syria, highlighting the country's engagement in this effort.

At this juncture, Saudi Arabia is positioned as a highly favorable economic partner for Syria. In recognition of this potential partnership, leaders of the ruling forces prioritized a visit to Riyadh over other destinations, including Ankara. This strategic approach reflects a desire to balance relationships in the region while acknowledging Turkey's current limitations in providing comprehensive financial support.

Saudi Arabia itself is actively pursuing an enhanced role in the Levant region. In light of the Muslim Brotherhood affiliations of the HTS, Riyadh is strategically aiming to foster closer relationships with them to mitigate the potential establishment of a cabinet that may align more closely with Turkey and Qatar.

In a notable response to the cessation of Iranian oil shipments to Syria and the challenges faced by the Baniyas refinery, Saudi Arabia has expressed its commitment to supplying the necessary oil to support this crucial facility. The Baniyas refinery, Syria's largest, has a production capacity of 133,000 barrels per day, though this capacity has diminished significantly in recent years. By stepping in to supply oil to this vital refinery, Saudi Arabia not only bolsters its influence within Syria's energy sector but also

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⬆️ Syria's Baniyas refinery, located north of Baniyas, Syria, is still not operational.
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⬆️ Leader of Hayat Tahrir al-Sham (HTS) Abu Mohammad al-Jolani (front-R) receives a delegation from Bahrain led by Minister of Foreign Affairs Abdullatif al-Zayani (front 2nd-R) in Damascus, Syria, on January 8, 2024.
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