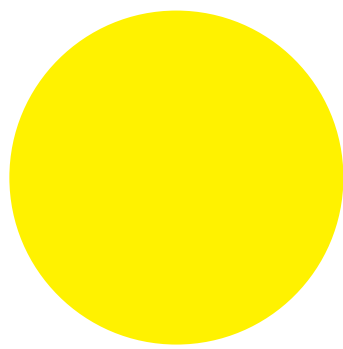


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This handout image released by Yemen's Ansarullah resistance movement on September 7, 2026, shows a ballistic missile strike on trucks carrying military equipment from Saudi Arabia to the Al-Wadiah military camp in Yemen's Hadhramaut Province.

Alternative oil routes cannot make Hormuz irrelevant

By Delaram Ahmadi
Staff writer

INTERVIEW
EXCLUSIVE

Iraq and Syria have agreed to revive the Kirkuk-Baniyas oil pipeline, a route that would carry Iraqi crude through Syria to the port of Baniyas on the Mediterranean, potentially diverting part of Iraq's oil exports away from the Strait of Hormuz. The Trump administration has backed the project. Trump envoy Tom Barrack said the route could make the Strait of Hormuz a "side issue," while US Treasury Secretary Scott Bessent recently went further, saying that the Strait would effectively become "worthless" over the next two years as pipeline capacity expands. But the key question is whether oil pipelines can actually replace



Masoud Dashti Derakhshan

standards. The proposal is therefore closer to building a new pipeline along the existing corridor than conventionally rehabilitating the old one. The project reportedly remains at the feasibility-study stage, with an estimated development period of around four years and investment of at least \$15 billion. Initial capacity is proposed at around 2 million barrels per day, with potential for expansion over time. That capacity would be strategically significant for Iraq, but it should not be confused with replacing the Strait of Hormuz. A 2-million-barrel-per-day pipeline would account for roughly 10% of the oil volumes that normally move through Hormuz. Operationally, the project requires far more than laying pipes. It would need pumping stations, power systems, metering and control infrastructure, storage terminals, corrosion and integrity management, security arrangements and, critically, a reliable export interface at Baniyas. The engineering is achievable; the greater challenge is integrating

Hormuz. Masoud Dashti Derakhshan, an analyst of global energy markets, told Iran Daily that alternative routes could reduce the concentration of risk around the Strait of Hormuz, but cannot make it irrelevant because Hormuz is not merely a geographic chokepoint; it is an integral part of the Persian Gulf's energy architecture.

IRAN DAILY: From a technical and operational perspective, how feasible is establishing an alternative route through Syria for transporting Iraqi oil — and potentially oil from other regional producers — to the Mediterranean?

DASHTI DERA KHSHAN: From a purely technical perspective, the project is feasible, but it is important to clarify what is actually being proposed. This is not simply a matter of restarting an existing pipeline. The original Kirkuk-Baniyas system has been out of service for decades and has suffered extensive damage. Much of its infrastructure is obsolete and incompatible with modern

a new energy corridor into a politically and operationally complex environment.

What are the major political, security, financial and infrastructure obstacles?

The principal challenge is not engineering but the risk-adjusted economics of a cross-border energy corridor. A project of this scale requires long-term political agreements, secure rights of way, stable transit arrangements, predictable tariffs, international financing and insurance. Investors must be confident that the infrastructure will remain operational for decades. Security is equally important. A pipeline is a fixed asset. Unlike a tanker, it cannot change its route or destination to avoid a threat. Every politically sensitive section therefore becomes a potential supply-chain vulnerability. If the investment requirement is around \$15 billion, the project also needs long-term commitments on crude volumes and transit revenues. Its economic case cannot depend solely on the current geopolitical

emergency.

There is nevertheless a strong strategic rationale for Iraq. Before the current disruption, Iraq exported around 3.6 million barrels per day, with approximately 3.4 million barrels per day moving through its southern Basra terminals. This concentration exposed Iraqi exports to a single maritime corridor. The strategic objective should therefore be understood as "export diversification and supply-chain resilience," rather than simply building another pipeline.

Can crude transported through Syria compete with maritime exports through Hormuz in terms of cost and transit time?

For the major Asian refining markets, I do not believe the Syrian corridor can structurally compete with Persian Gulf maritime exports on a large scale. Geography remains fundamental to crude economics. Asia is the principal destination for much of Persian Gulf crude, while the Gulf is geographically closer to Asian markets than the Mediterranean. Maritime transportation also benefits from enormous economies of scale. VLCCs can carry roughly 2 million barrels per voyage, supported by a mature global system of chartering, terminals, marine services and flexible destination options. A Mediterranean pipeline is therefore economically more logical for Iraqi crude destined for Mediterranean, European or Atlantic-basin markets than for crude ultimately intended for Asia. I would consequently not assess Kirkuk-Baniyas simply as a competitor to Hormuz. Its stronger economic rationale is to redirect part of Iraq's export flows toward the Mediterranean and provide an additional outlet for northern Iraqi production. There is also a critical distinction between "transportation cost and strategic value." A route may be somewhat more expensive under normal conditions yet become economically valuable if it remains operational during a disruption of the primary route. That is precisely why pipeline redundancy has strategic value.

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