



Middle East Affairs

The Oil Crisis in Syria: Setbacks and Sanctions

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The oil and gas industries have long served as pivotal generators of Syria's wealth. At its peak, Syria produced around 385,000 Bpd of crude oil along with 21 million m³ of natural gas, together weighing around 35% of export revenues and 20% of national income. However, the oil and gas industries suffered considerable setbacks following the events that unfolded in 2011. Fields rich with natural resources fell under the control of rebel groups at best or were damaged as a result of the armed confrontations at worst. Reaching the end of 2016, the government's production of oil slumped into 2,000 Bpd along with 6.5 million m³ of natural gas.

According to the Syrian Ministry of Oil and Mineral Resources, the country's financial losses are estimated at \$74.2 billion in the oil and gas industries during the years of conflict. In line with the government's recent territorial regains, oil and gas productions witnessed a relative increase. In 2017, oil production reached 24,000 Bpd along with 17 million m³ of natural gas. However, these figures yet remain distant from covering the country's daily consumption rates. Syria requires around 136,000 Bpd and a further 20-30% increase in gas production to secure the country's daily consumption rates.

While oil-rich fields are concentrated in the east of the Euphrates under the control of the Syrian Democratic Forces, Damascus remains in a quagmire as a result of the very limited solutions it has in its arsenal to address this issue. The government is pushing for austerity that could be seen through its decision to allocate 20 liters of fuel for owners of private cars every five days. In addition to that, Damascus strives to fill in the gap between production and consumption through importing oil from its Iranian and Russian allies.

Notably, the government's attempts to contain the crisis are challenged with the United States policy of strangling the flow of oil into Syria. The sanctions decided by the US Treasury Department's office in November of 2018 limited Syria's oil-importing networks. According to reports, Damascus didn't receive a single oil tanker during the period between October 2018 and May 2019. This could further be identified through the British seizure of Iran's Grace 1 oil tanker on suspicion of violating the sanctions imposed on Syrian President al-Assad earlier this month.

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