Oil Shortage Crisis Might Force the Syrian State to Liberate East Euphrates

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A clear shortage of fuel has forced the reduction of the quantity of gasoline sold to 20 liters every two days for private cars. In total, the sales would not exceed 200 liters of petrol per car per month and almost double that quantity for taxis.

Muhammad Khodhr, Lebanese Al-Mayadeen News Channel reporter in Syria wrote to almayadeen.net commenting on the pressing issue of the shortages in Syria. Mr. Khdhr's article is in Arabic and we tried to translate it to our best to English.

The current crisis started on Saturday, April 6th, which the government attributes to the impact of US sanctions on the Syrian economy. Oil Minister Ali Ghanem said during a tour of the gas stations that the material was available at stations in an effort to reassure consumers who have just got out of a severe shortage in gas which stretched throughout the winter months and effectively ended with the start of the spring.

The US punishing the Syrian people for rejecting its intervention in their affairs

The main oil and gas fields in Syria went out of the government's control in the early days of the crisis. Syria used to produce about 385 thousand barrels of oil per day before 2011, mostly from fields east of the Euphrates in the countryside of eastern Deir Al-Zour and Hasaka, and about 21 million cubic tons of gas, mostly from the central region. Production fell sharply to about 24 thousand barrels of oil per day.

Securing the Central Region and the rehabilitation of gas facilities helped increase the production of gas to 17 million cubic meters per day.

Overall estimated losses of this sector over the past eight years, according to official estimates, about 74.8 billion dollars, the most important losses, in the economic sense of any production sector in Syria due to the war.

The size of the depletion of oil production has exerted a strong pressure on the Syrian economy in all its details. For the first time, the government allowed the private sector to import its fuel and diesel oil to secure the work of factories and craft enterprises. The step that came into force was an attempt to circumvent US sanctions and access that material, but it is certainly not enough.

This was evident with very high prices for selling the material from its suppliers. The sale of diesel fuel was estimated at about 475 Liras per liter for industrialists according to Damascus Chamber of Industry, which decreased by simple margins due to competition but remained more than double the price at which the government sells diesel oil estimated at

185 Liras per liter.

In dealing with the issue of gas, efforts to double the production of local fields appeared to have reasonable results, especially as efforts continue to improve production according to official statements, while work is being done to import the difference between production and consumption.

The most important node today is the sanctions on the arrival of oil derivatives to the Syrian ports.

According to high-level government sources, the Suez Canal Authority prevented the passage of oil shipments from Iran to Syria in response to American pressure. It added to the difficulties faced by shipping companies to reach the Syrian ports in light of the complexities of insurance and fears of Western sanctions that would affect the work of these shipping companies. All these factors led to the suspension of the arrival of any shipment of oil to the Syrian ports for months, while the increased consumption, especially industrial with the return of tens of thousands of industrial and handicraft facilities in Aleppo, Hama and the countryside of Damascus, to double the features of the crisis.

No comprehensive solutions are soon coming, as per the given indications, regardless of government assurances. The current measures are aimed at managing the crisis through the sale of smaller quantities and the use of the smart card, and even the study related to raising the price of gasoline towards the liberalization of the price of quantities exceeding 100 liters per month for each car seems to be deferred now.

To end the current cycle may impose one of two solutions as long as the conditions of sanctions and restrictions on shipments to the Syrian ports, the first: to transfer these products by land from Iran through Iraq to Syria, and there is information about the possibility of adopting this option despite the length of the road and security risks on the border.

And the second: the restoration of rich oil fields east of the Euphrates to the Syrian state through a bold solution to the matter of East Euphrates as a whole. A solution seems more pressing today than ever before with the intensification of the pressure on the Syrians in their livelihood and economy and reconstruction plans… In this perspective can be understood the words of Syrian Defense Minister General Ali Ayoub during the high-level military meeting, which included the Chiefs of Staff of the Iraqi army, Othman Al-Ghanmi and The Iranian armed forces, Major General Mohammad Jafari, on March 18, and his assertion that the remaining card for the Americans in Syria is the "SDF" and "we will deal with it either by reconciliations or by liberating the land."

Two solutions seem difficult but there is no substitute for them as long as there is no possibility in the foreseen future to circumvent the US sanctions which affects mostly Syria's main ally Iran.

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