

Syria's transit future: all pipelines lead to Damascus?

<http://openoil.net/2012/03/28/syrias-transit-future-all-pipelines-lead-to-damascus/>

Posted on [March 28, 2012](#) by [Amrit Naresh](#) | [2 Comments](#)

Between the rise of Hafez al-Assad in 1971 and the crisis engulfing his son's government today, the Syrian energy sector seems to have come full circle.

An oil importer in the 1950s and 60s with little production of its own, Syria became a net exporter of oil by the 1980s; it is now a country whose depleting reserves will lead to petroleum imports soon exceeding exports once again. With oil production approaching an apparent dead end, the Syrian government – that is, whoever succeeds the lame duck regime of Bashar al-Assad – will need to lean on oil transit fees for revenues, as the government of the 50s and 60s did with the IPC pipeline from Iraq to Syria's Mediterranean coast. In this sense, once Assad goes he will leave his country's energy sector in much the same situation his father found it in when he rose to power in 1971.

A role as a center of oil and gas transit, rather than production, presents the best future scenario for the Syrian energy sector. But even after the end of the crisis shaking Syria today, this transformation will prove much easier said than done.

The idea of Syria as a regional oil transit hub is nothing new, thanks to its situation between Europe and major producing areas in the Persian Gulf and Caspian Sea. There is already one major transnational gas pipeline passing through Syria, the Arab Gas Pipeline (AGP) from Egypt to the Lebanese port of Tripoli. There is also the old IPC line from Iraq, which has been off-line since the US invasion of that country in 2003.

In 2009, recognizing that the heady days of Syrian oil production in the 1980s were long gone and that the sector's future lay in transit, Assad announced a 'four seas strategy' aimed at transforming the country into a regional hub for oil transportation between the Persian Gulf and the Black, Caspian and Mediterranean seas. He began taking steps to realize the country's transit-center potential and bring the four seas strategy closer to reality.

In late 2010, his government signed a memorandum of understanding with Iraq for the construction of two oil and one gas pipeline to carry gas and oil from Iraq's Akkas and Kirkuk fields, respectively, to the Syrian port of Baniyas on the Mediterranean Sea. In July 2011 Iranian officials announced a \$10 billion gas pipeline deal between Syria, Iraq and Iran that would transport gas from Iran's South Pars gas field, the world's biggest, through Iraq to Syria. Also planned was an extension of the AGP from Aleppo, in Syria, to the southern Turkish city of Kilis that could later link to the proposed Nabucco pipeline linking Turkey to Europe, if that pipeline ever materializes.

It would be a boon for Syria if these proposed deals were eventually followed through. But at this point, of course, with the government isolated and the country on the brink of civil war, the whole strategy seems wildly speculative. No foreign contractors or foreign money will get involved in the proposed projects as long as Assad clings to power.

But financing is only the first problem. Before serious planning for pipelines can begin, Syria will need to stabilize its relations with its neighbors politically, especially Turkey and Iraq. Both are essential to Syria's realization of its transit potential – Iraq as a key supplier of oil and gas and Turkey as a destination point for Syria's transnational pipelines, particularly the AGP.

Syrian-Iraqi relations have been hostile for much of the past half century, with tensions between rival Baath party governments in the time of Saddam Hussein cemented by Syria's longstanding ties with Iran since the 1979 revolution. Syria and Iraq reestablished diplomatic links in 2006, partially because Iraqi President Nouri al-Maliki had become heavily reliant on Assad's ally Iran for power, but these were broken again in 2009 after Iraq accused Damascus of harboring militants who bombed Baghdad in August of that year. Still, the Iran factor continues to complicate Syrian-Iraqi relations today, with the Maliki government yet to condemn Assad, probably under the influence of Iran.

Turkey, a one-time ally of Assad's regime, has gone much further in condemning the violent crackdown, announcing last November that it would halt joint oil exploration activities with Syria and saying this month that it would completely suspend all trade relations and agreements between the two countries.

As strategic as Syria's geography is, Turkey and Iraq have already shown the ability to move on without their troubled neighbor in the transit of oil and gas. The Kirkuk-Ceyhan pipeline, built in the 1980s and the only operating export route for Iraq's northern production, seemingly goes out of its way to bypass Syria on its way to Ceyhan on Turkey's Mediterranean coast.

If and when Assad is deposed and a new transitional government succeeds him, it will need to gain the trust of both Turkey and Iraq before it can move into a regional leadership role in oil and gas transit.

The political terrain is tricky. Turkey, a NATO member, is firmly anchored with the West and will presumably want a new Syrian government as different as possible from Assad's discredited regime. The new government's ability to work with Iraq, meanwhile, may depend on its relations with Iran. If the transitional government, like Assad, is beholden to Iran, it may be easier for it to coordinate with the Maliki government in Iraq than if it is more closely aligned with Turkey and the West.

Nothing on this front will happen as long as Assad clings to power. But even after the current regime falls, the new government will need to pull off a difficult balancing act to make both Turkey and Iraq amenable to cooperation.

Only one thing seems sure: oil and gas transit is the safest bet for Syria's energy future. The regional politics surrounding the construction of new pipelines are far murkier. The government after Assad will face a tough test of navigating this political minefield to reclaim any potential of a four seas strategy that remains.