

Opinion Comment

The revival of Syria's energy sector is key to its economic recovery, but sanctions stand in the way



Syrians sell gas on the side of the road in Damascus earlier this month. AFP



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Few observers would have predicted at the start of last month that the new year would see a new Syrian foreign minister touring regional powers, speaking with cautious optimism about peace, security and stability for the people of his country.

Among those who greeted him was UAE Deputy Prime Minister and Foreign Minister Sheikh Abdullah bin Zayed, who reaffirmed his country's steadfast support for Syrian sovereignty and reconstruction.

The international community must now grasp this growing momentum and work towards a targeted adjustment of the international sanctions regime on Syria. The direction of travel appears increasingly inevitable.

Hot on the heels of the US Treasury issuing a new Syria General Licence earlier this month, authorising certain transactions including those related to energy, the EU has agreed to hold discussions soon on lifting sanctions, and the UK is also reportedly “reviewing sanctions”. Saudi Foreign Minister Prince Faisal bin Farhan also stressed the importance of “lifting unilateral and international sanctions imposed on Syria”.

Targeted and thoughtful sanctions relief will be critical for the Syrian people on the urgent path to reconstruction and redevelopment. It will be vital in attracting material foreign direct investment into core industries such as power, infrastructure and energy, which will be at the forefront of the rebuilding process.

A revitalised energy sector is above all crucial to building newfound energy independence for Syria, alleviating shortages and better meeting the drastic need for fuel for heating and transportation, especially in the current colder months. In time, it will generate revenue for the sovereign government through the export of surplus crude oil that can be channelled into recovery and reconstruction.



The revitalisation of the energy sector, with the involvement of competent international energy companies, could also instigate an environmental clean-up, helping to reverse the environmental devastation and health risks caused by illegal and unsophisticated oil field practices in recent years.

Such a revitalisation will only be successful if government institutions work closely with international oil companies – including the one I lead, Gulfsands – with existing Syrian assets and existing sovereign agreements, who can bring the necessary investment, human resources and technology know-how to return swiftly to operations. Sadly, over the past 13 years there has been an erosion and leakage of Syrian energy sector expertise. International energy companies should commit to helping rebuild capacity, invest in training and ensure knowledge sharing with a new generation of young Syrians.

Our experience holds many lessons. Prior to the start of Syria's civil war, Gulfsands invested significantly in a production-sharing contract in north-eastern Syria with the country's sovereign government. This yielded new discoveries and production levels approaching 25,000 barrels of oil equivalent per day.

In 2011, we had to declare force majeure, terminating operations to comply with international sanctions. But that did not mean we have been sitting on our hands; we have remained committed to Syria as a nation and a people. Since being in force majeure, we have maintained diligent analysis, planning and reporting processes to ensure our readiness to return.

With targeted investment, I believe we can get oil production back up to pre-2011 levels in short order, and – in line with our latest Field Development Plan – potentially much higher. That will ultimately go a long way to helping revive the economy, which has been all but destroyed by more than a decade of war.

This is just one example of how international business can help rapidly move the needle in terms of supporting Syria's recovery and reconstruction. This is not only professional, but also very personal to me, not least having spent several years living in the wonderful city of Damascus prior to the crisis.

More recently, I have been pushing hard for an energy sector-led humanitarian and economic stimulus for Syria called "Project Hope". Finally, more than at any moment since 2011, I have cautious but firm hope for the Syrian people. I hope that leaders from other international energy companies that retained their stakes in Syria will join with us as we prepare for a return to operations, when sanctions permit.

None of us should be naive about the challenges ahead. After years of stalemate and suffering for the Syrian people, things are moving quickly, but there is still a lot of negotiation and discussion to be had between stakeholders. Importantly, when international energy companies are able to safely return, I am determined that we will do so whilst maintaining a respectful working relationship with all parties and communities in Syria.

In these pages last month, *The National's* regular contributor and energy expert Robin Mills noted that Gulfsands was “keen to come back” to operations in Syria. He is absolutely right. But more than that, we are keen to help Syria and its people get back on their feet. With the right legal framework and legal safeguards, it is time for sanctions to be amended. Let’s get international companies back into Syria, and let’s accelerate this beautiful nation’s journey to recovery and a brighter future.

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