

Syria Thriving on Russian Coal

By [The Moscow Times](#)

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International sanctions have failed to halt trade in Russian coal at Syrian ports, with buyers switching to the euro from the dollar in deals facilitated by the Syrian state bank and black-market players, a cement company executive said.

"We use banks in Damascus and Moscow," Al Badia Cement procurement official Tarik Al-Akkari said at the Adam Smith CIS Coal Conference.

"We use the National Bank of Syria. And we use the black market. The black market is very active."

International sanctions have made it difficult for Syrian businesses to obtain U.S. dollars and deterred many shippers from trading with local firms.

The United States, European Union, Arab League and others introduced sanctions as a result of the ongoing violence in the country, which they blame on the government's assault on an increasingly militarized uprising.

Al Badia Cement, located 80 kilometers from Damascus, continues to operate at full capacity despite the violence, and it expects to produce 1.6 million tons of Portland cement this year.

"We cannot reach all of our markets because of the current conditions," Al-Akkari said. "Now we are thinking about exports."

Since 2010, Syria's imports of thermal coal to make cement and fuel-captive power plants have risen from almost nothing to about 1 million tons a year.

A cement plant operated by France's Lafarge purchases 350,000 tons per year, and Al-Akkari said Al Badia buys about 20,000 tons of Russian coal per month, satisfying all of its needs.

"Because of the sanctions, we are only buying Russian coal," Al-Akkari said. He added that many of the deliveries are now made using Syrian ships instead of larger international vessels.

Earlier this month, a trader said Syrian buyers were willing to pay a premium of \$3 to \$4 per ton for steam coal, although financing difficulties often forced payment delays of up to two months.

However, Al-Akkari said Al Badia has good relations with its suppliers and that it has maintained existing payment terms.

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