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Moscow Signs Oil Deal With Syria, Sends Ships

By The Moscow Times

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Evacuees arriving in Kiev from Syria last week as the civil war intensified. **Efrem Lukatsky**

Syria has reached an agreement with ally Russia to secure much-needed fuel, as a delegation sent by President Bashar Assad asked Moscow to help alleviate the effects of sanctions on the war-torn country.

The trip was a rare foreign visit by high-level Syrian officials, whose circles of support are shrinking as violence mounts between rebel fighters and forces loyal to Assad, who the West and Arab countries say must leave power.

Under the deal, Syria will export its crude oil to Russia in exchange for refined oil products, which Damascus sorely needs to keep its economy and military running.

"Russia wants to help the Syrian people," Syrian Deputy Prime Minister for Economic Affairs Qadri Jamil told reporters in Moscow on Friday.

"We will deliver our oil and receive gasoline and fuel oil. It will be a barter," he said, adding that Syria is producing about 200,000 barrels per day.

However, Syrian Oil Minister Said Hneidi said production was less than 140,000 barrels per day.

Russia, with China, has used its UN Security Council veto to shield Assad from harsher sanctions during a 17-month rebellion, which in recent weeks has reached Syria's biggest cities.

Likewise, Syria is one of Russia's last Middle East footholds and hosts a Russian repair and maintenance facility on its coast. Damascus bought nearly $1 billion in arms from Moscow last year, or some 8 percent of all of Russia's arms exports.

A Russian military source was quoted as saying Friday that Moscow was sending three ships and up to 360 marines to Syria, but the Defense Ministry said there was no plan for the vessels to dock at the port of Tartus.

The delegation of economic officials included the oil and finance ministers. Members held talks with Russian government and private sector officials on ways to alleviate the economic effects of sanctions on Syria.

"We need oil, oil products. Shortages of these materials are making the situation in the country difficult," Jamil said at a news conference.

Jamil, who studied at Moscow State University during the Soviet era and speaks fluent Russian, also said that Syria had asked for credit from Russia and that the size and terms of any loan would be decided "within weeks."

Even with the promise of the deal in hand or a potential loan agreement, Jamil was evasive about how the support would benefit a government whose days analysts and some Western governments say are numbered.

EU governments agreed to ban imports of Syrian oil and extended sanctions to seven new Syrian individuals and entities.

The EU ban on European firms making new investments in Syria's oil industry took effect in September, making it harder for Syria to sell its oil abroad.

Many countries have also stopped selling fuels to Syria, some of which can be used to run tanks.

Commenting on the departure of UN-Arab League envoy Kofi Annan, Jamil said: "We agreed to the stepping down of Annan because (his plan) did not lead to positive results."

Syria has said it welcomed Annan's plan and began to carry out conditions of the plan, but it has accused other actors, including rebels, of not upholding their side of the deal.

Russia has blamed the West for the failure of diplomatic efforts led by Annan, who resigned Thursday, and the Russian Foreign Ministry said in a statement Friday that it was important

to replace him quickly.

"The Russian Federation ... gave him the maximum assistance," the statement said, adding that its Western partners and some regional states had not done enough to help.

Jamil also denied reports that Damascus was no longer able to pay its government employees.

"We are able to collect taxes because life goes on ... and the government has its reserves," he said.

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