

Syria Pays for Russian Arms to Boost Ties with Moscow

By [The Moscow Times](#)

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More than two years into Syria's civil war, President Bashar Assad is settling his bills for Russian weapons orders through the Russian banking system to try to shore up ties with his most powerful ally, according to a Russian arms industry source.

The payments, which have increased in recent months, show how Assad has sustained his ties with his main diplomatic defender, a relationship that has come under the spotlight as Western countries plan military action to punish him for suspected chemical weapons attacks on civilians.

An investigation shows that the relationship has deepened in recent months.

Although it is not possible to say for certain if they are bringing weapons, the number of ships traveling to Syria from a Ukrainian port used by Russia's arms export monopoly has increased sharply since April.

The Russian defense industry source, speaking on the condition of anonymity, said Assad had started in recent months paying off a nearly \$1-billion contract for four S-300 anti-aircraft missile systems and another \$550 million order for 36 Yak-130 trainer fighter planes.

"They've already made the first payment for the Yak-130, likely 10 percent of it. Regarding the S-300, they've definitely made a first down payment of 20 percent, but we are probably at half of the payment at this point," said the source.

Another Russian source who has links with businesses dealing with Syria, and two Moscow-based members of the Syrian opposition, said the Assad family's financial affairs in Russia have been personally looked after by Assad's maternal uncle Mohammad Makhoul, from a room in a Soviet-era skyscraper hotel overlooking the Moscow River.

"That's where all the operations have taken place. That's where Makhoul meets with those bringing money in. He is looking after all the operations, making sure everything goes according to plan," said one of the Syrian opposition members living in Moscow, who is in touch with the central bank in Damascus.

Fyodor Lukyanov, editor of the magazine Russia in Global Affairs, said the payments for arms were an important way for Syria to prove to Moscow that it deserves its continued support.

"Syria needs Russia to lend it some international credence, and any payments would be a way of ensuring Moscow that it can be taken seriously as a partner," he said.

Repeated attempts to reach Makhoul and other Syrian officials for comment on this story were unsuccessful.

Turning the Radar Off

Russian weapons accounted for 50 percent of Syria's arms imports before the uprising against Assad began in 2011, according to a Syrian Defense Ministry defector. Payments for those arms were usually deposited in the state bank accounts of Rosoboronexport, Russia's state arms dealer.

In 2011, when protests against Assad began, Russia sent almost \$1 billion in arms to Syria's troops. Russia has often repeated that the weapons it sends cannot be used in the conflict and that it would continue selling arms while no international arms embargo exists on Syria.

Nevertheless, through much of last year and the start of this year as Russia was working with the West to find a diplomatic solution to the crisis, no new arms deals were signed with Assad. Rosoboronexport said Damascus had fallen to be Moscow's 13th or 14th biggest client last year.

That appears to have changed in the past few months as diplomacy between Washington and Moscow reached a dead end over a proposed peace conference in Switzerland. President Vladimir Putin approved more weapons sales, the Russian arms industry source said.

"About a year ago they put [some small arms deliveries] on hold. But after Putin got angry in the lead up to talks about Geneva 2, the green light was given for limited small arms deliveries," the source said.

The source said shipments of weapons, large and small, may be on the rise again. An analysis of international shipping satellite data appears to support that conclusion.

The data, which tracks ship movements based on satellite imaging of their radar signals, shows that at least 14 ships traveled from the Ukrainian Black Sea port of Oktyabrsk to Syria's port of Tartus over the past 18 months.

Nine of those trips were made since April, showing a dramatic increase in traffic on the route.

While it is not possible to say what was in those ships, Russian defense experts say they suspect they could have been carrying arms. Oktyabrsk is one of the main ports used by Rosoboronexport to ship Russian weapons.

Moscow-based think tank CAST said the route was a common one for arms deliveries.

Apparently underscoring the secrecy of the shipments, most vessels making the trip switched off their radar while at Oktyabrsk only to turn it on again after setting sail for Syria.

The defense industry source said he was not aware of what small arms were being delivered to Syria, but said shipments most likely included continued deliveries of anti-tank Kornet missiles, which Syria has bought since around 1998. Moscow and Damascus have concluded about six or seven contracts for the system.

Israeli defense think tank the International Institute for Strategic Studies said in 2010 that Syria had concluded contracts for 1,500 Kornet missiles and 50 launchers and that further contracts were under discussion.

Small arms such as machine guns are nearly impossible to trace because of the amount of counterfeit weapons and the number of arms traders who sell weapons without the blessing of the Kremlin.

In January, Russian news agencies reported that two ships were carrying munitions to Syria, but did not clarify whether they were delivering the munitions to Assad or to the small repair and maintenance base Russia's navy keeps at Tartus.

Ruslan Pukhov, director of CAST, said large numbers of Russian military ships were also traveling to Tartus over the past year and speculated that they could be carrying arms.

"I wouldn't be surprised, given their frequency, if these ships were carrying some kind of weapons we haven't been told about," Pukhov said.

Second-Tier Banks

The U.S. and European Union have both imposed sanctions on Syria's financial system that, though not applying in Russia, could apply to large Russian banks that do business in the West.

Earlier this year, a U.S. Treasury official, speaking on the condition of anonymity, said Washington could take action against any Russian banks found dealing with Syria's central bank and the state-owned Commercial Bank of Syria.

A Syrian newspaper reported that Syria's central bank said two years ago it had ruble and foreign currency bank accounts in Russian banks VTB, VEB and Gazprombank.

VTB denied doing business with the Syrian central bank. VEB chairman Vladimir Dmitriyev said he had no knowledge of links to any Syrian companies. Gazprombank did not reply to an e-mail seeking comment.

The defense industry source said Assad's government has routed its payments through at least one smaller Russian bank, making the money harder to trace.

"The big Russian banks are not eager to work with Assad. There were some problems with payments because big Russian banks were scared of dealing with Assad."

"But there were bank transfers. There may be VTB, VEB and Gazprombank, but there are also small banks and banks that are not based in Moscow."

A second defense industry source confirmed the transactions were being made through smaller banks.

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