

Former Energy Minister Says Targets Oil and Gas Development in Syria

By [The Moscow Times](#)

March 16, 2014

The  Moscow Times

Russian energy company Soyuzneftegaz hopes that deals can be concluded to develop oil and gas in peaceful regions of Syria even if civil war is still raging elsewhere, its chairman said.

Yury Shafranik, a former energy minister who is close to the government, also said companies from Russia and Italy could construct an oil pipeline from Iraq to Syria when peace returns.

In December, Soyuzneftegaz won a deal on joint exploration of Block 2 of Syria's territorial waters. Shafranik said the project would be passed on to a Russian energy company, which he did not name, and made clear Soyuzneftegaz was looking at how to build on that deal.

"If there is no possibility of normalizing the situation throughout the country at once, the situation should be stabilized gradually in regions where it is possible to conclude

an agreement," he said in an interview.

"Then humanitarian aid should be provided, and then we should move on to energy projects, removing obstacles to them including any sanctions slowing down the country's economic recovery."

Shafranik created Soyuzneftegaz in 2000 and, according to figures provided by the company he calls an "investment-financial group," its total direct investments into company-related projects has reached over \$4 billion.

Its small size, by Russian standards, belies its worldwide influence — thanks to its founder's contacts from his days in government.

Oil output in war torn Syria, never a large oil producer, has shrunk to a trickle from some 385,000 barrels per day pre-war. Advances by President Bashar Assad's forces in the past year have improved security in some areas.

Shafranik said it would take at least five years to find out whether there is enough oil and gas to start commercial production at Block 2.

He said he had discussed the possibility of constructing a pipeline from major oil producer Iraq to Syria with the two countries' leaderships and that they had agreed the project should go ahead once the war is over.

"The project could be carried out with the participation of Russian and Italian companies," he said.

He gave no further details of the pipeline plan. An existing 700,000 barrels per day Iraq-Syria-Lebanon pipeline has been unusable since the 2003 war in Iraq.

Shafranik, who said he was working closely with the Russian Foreign Ministry, thinks it would be detrimental for Syria to depose Assad and favors forming a transitional government.

"If the government is dismissed in one day, we would get a territory that is less manageable than today," he said.

Shafranik, 62, was energy minister under President Boris Yeltsin from 1993 to 1996. He oversaw privatization of the post-Soviet Russian oil industry and clinched energy deals in the Middle East, including in Iraq, where he successfully negotiated with Saddam Hussein.

As minister, he oversaw the transformation of Russia's state-run, monolithic oil industry into 13 private companies, and many specialists quit the ministry for lucrative jobs with the new firms.

Soyuzneftegaz has worked all over the world, and has projects in the Middle East, Latin America, Africa and the former Soviet Union.

Original url:

<https://www.themoscowtimes.com/2014/03/16/former-energy-minister-says-targets-oil-and-gas-development-in-syria-a32989>