

In recent weeks the DAESH oil infrastructure has been on the receiving end of coalition air-strikes. However, locals in Eastern Syria where most oil wells are located say despite the sporadic strikes, oil is still flowing and DAESH is determined to squeeze every dollar it can get. By far the biggest buyer for the last two years has been the Assad regime. Syrian, Iranian and Russian media claim that Turkey is the biggest importer of DAESH oil, but Turkey denies this, writes Nehad Ismail.

The Financial Times estimates that DAESH currently earns up to \$1.5 million per day from oil. It controls a number of oil wells in the Deir Ezzor region Syria and at least one in Mosul north of Iraq.♦♦The quantities are not vast. The best fields like Al-Tanak and Al-Omar in Syria produce 12000 and 9000 barrels per day (bpd) respectively. Other fields such as Shoula, Tabqa and Kharata produce as little as 500 ♦ 800 barrels per day. The prices range from 25 dollars to 40 dollars bpd and in some cases as little as 10 dollars per barrel. In total the daily production is between 35000 and 40,000 bpd and shrinking.

A report by the Islamic State's Diwan al-Rakaaez ♦ or "Ministry of Finance" - seen recently by the AP in Baghdad shows that revenues from oil sales from Syria alone last April totalled \$46.7 million. The DAESH report put at 253 the number of oil wells under DAESH control in Syria and said 161 of them were operational.

Apart from coalition air-strikes many of the oil fields are old and in a bad state of repair. DAESH doesn't have the technical know-how or the spare parts to maintain them. Recently DAESH lost Al-Jabseh oil and gas field to Kurdish forces.

Reports circulated in recent weeks that coalition airstrikes bombed Mosul's Central Bank destroying millions in Daesh cash which was stored in the bank vaults. However, observers think that DAESH will not go bust that easily.

The fact that DAESH is still operating as a significant oil producer despite the bombing by U.S and Coalition partners has raised a number of legitimate questions that remain unanswered

First: The Assad regime and its Russian and Iranian allies know the precise locations of the DAESH-controlled oil fields and the infrastructure. If they are fighting DAESH as they claim, why haven't they bombed such easy and obvious targets

Second: Why has the U.S and Coalition forces failed to destroy DAESH oil installations located in DAESH territory, which accounts for a significant portion of the terror group's revenue?

Three: U.S and Western officials keep telling the media we must deprive DAESH of its main sources of income and choke off its funding. Fine but why DAESH is still producing oil and the Assad regime is still buying it?

To get some kind of answers, it may be useful to go back to March 2015.

According to a report by David Blair in the Daily Telegraph that day "Isil fighters captured the oilfields of eastern Syria in 2013. Since then, the regime is believed to have funded the jihadists by purchasing oil from Isil. But those links are understood to extend further than was previously thought. Instead of merely being a customer for Isil's oil, the regime is understood to be running some oil and gas installations jointly with the terrorist movement".

The FT reported on the same day "A Syrian businessman responsible for orchestrating millions of dollars' worth of secret oil and gas trades between the Assad government and its supposed sworn enemy, Daesh/DAESH or ISIL is among 13 individuals and organizations hit with sweeping new economic sanctions by the EU.

George Haswani, a Syrian-Greek businessman with "direct access" to Syrian president Bashar al-Assad, is responsible for broking contracts between Daesh and the Syrian regime, according to a diplomat familiar with the new EU sanctions".

The Russian bombing since September 2015 has focused on anti-Assad rebels but has avoided DAESH. According to reliable Syrian activists; the list of targets that the Russians bomb by air is provided by the Assad regime.

In public, Assad and DAESH claim to be sworn

enemies but DAESH has served Assad's interests very well, by allowing him to pretend that his regime is a strong and vital bulwark against DAESH and Al-Qaeda terrorism. Bizarrely many in the West have fallen for this deceit.

Nehad Ismail is a London-based commentator and analyst. This article first appeared in The What and the Why