Trump exploits drone attacks on Saudi oil facilities to threaten Iran

By Peter Symonds  
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Drone strikes on key oil facilities in Saudi Arabia on Saturday by Yemen’s Houthi rebels have triggered concerns about a potential major disruption in global oil supplies and a spike in oil prices. The attack, in retaliation for the brutal Saudi-led and US-backed war on Yemen, has sharply raised regional tensions and heightened the danger of a US war on Iran, which Washington accuses of backing the Houthis.

Houthi spokesman Brigadier-General Yahya Sare’e told the media that its forces had “carried out a massive offensive operation of 10 drones targeting Abqaiq and Khurais refineries.” Hijra Khurais is Saudi Arabia’s second largest oil field producing about 1.5 million barrels of oil a day, and Abqaiq is the world’s largest crude stabilisation facility, processing some 7 million barrels of oil for export.

While Saudi authorities insisted that fires at the two sites were under control, Saudi’s state-owned Armco oil company suspended production at the facilities, cutting output by about half. The price for Brent crude oil, the international benchmark, shot up by almost $12 a barrel to $71.95 a barrel, before easing to $68 a barrel, up by more than 12 percent.

The Trump administration immediately blamed Iran for the drone strikes. US Secretary of State Mike Pompeo tweeted that “Tehran is behind nearly 100 attacks on Saudi Arabia... Amid all the calls for de-escalation, Iran has now launched an unprecedented attack on the world’s energy supply. There is no evidence the attacks came from Yemen.”

Pompeo provided not a shred of evidence for any of his allegations, simply asserting that the Houthi rebels did not have the ability to carry out such a sophisticated attack. To date, Saudi authorities have provided few details of the strikes and have not attributed blame to regional rival Iran. Pompeo’s provocative remarks undermine the possibility of talks between the US and Iran.

Tehran has denied any involvement in Saturday’s drone strikes. Foreign ministry spokesman Seyyed Abbas Mousavi dismissed Pompeo’s “blind accusations and inappropriate comments,” saying: “Even hostility needs a certain degree of credibility and reasonable frameworks. US officials have also violated these basic principles.”

After speaking to Saudi Crown Prince Mohammad bin Salman, President Trump issued a White House statement declaring that the US “strongly condemns today’s attack on critical energy infrastructure,” adding that strikes on “infrastructure vital to the global economy only deepen conflict and distrust.” Trump offered the crown prince “his support for Saudi Arabia’s self-defence.”

In a menacing threat against Iran, Trump later tweeted: “There is reason to believe that we know the culprit, are locked and loaded depending on verification, but are waiting to hear from the [Saudi] Kingdom as to who they believe was the cause of this attack, and under what terms we would proceed!”

In remarks on the “Fox News Sunday” program, senior White House adviser Kellyanne Conway all but ruled out a meeting between Trump and Iranian President Hassan Rouhani at the upcoming meeting of the UN General Assembly. She said that “we’ve never committed to that meeting” then added: “When you attack Saudi Arabia... you’re not helping your case much.” A Trump-Rouhani meeting had been mooted as a means of easing the dangerous US-Iran confrontation and paving the way for negotiations and a deal.

Right-wing Republican Senator Lindsay Graham seized on the drone attack to blame Iran for “wreaking havoc in the Middle East.” He called for military
strikes on Tehran, saying: “It is now time for the US to put on the table an attack on Iranian oil refineries… Iran will not stop their misbehavior until the consequences become more real, like attacking their refineries, which will break the regime’s back.”

The barbaric war waged by Saudi Arabia on Yemen, with US military assistance, has all but been omitted from the media coverage of the drone strikes. Since 2015, Saudi-led air strikes on towns and cities in Houthi-held areas have killed tens of thousands of civilians while leaving 80 percent of the population in need of food aid and several million on the brink of starvation.

Saudi war planes, armed with US and British bombs and provided with targeting information by US officers based in Saudi Arabia, have carried out repeated attacks on civilian targets, including schools, hospitals, residential areas, mosques and markets. Up to the end of last year, the US also provided mid-air refueling for the Saudi-led onslaught.

Saudi Arabia has a huge military budget—last year it ranked as the world’s third highest spender on military equipment, splurging an estimated $67.6 billion. The ability of the Houthi rebels to penetrate Saudi defences and strike crucial oil infrastructure has heightened fears of further attacks.

Saudi Arabia, along with the US and its allies, has sought to reassure nervous markets that any fall in oil production will be temporary and will not affect supplies. Riyadh declared that it would be able to supply oil from its reserve storage, as well as bring additional production on stream. Trump signaled that if needed he could make oil available from the US strategic oil reserve.

The International Energy Agency, based in Paris, represents the top energy-consuming nations and would co-ordinate any release of reserves. It last carried out an emergency release in the midst of the US-led military intervention in Libya in 2011 that took out production capacity of 1.7 million barrels a day.

Several analysts have noted that repairs on the Abqaiq crude processing centre, which prepares nearly 70 percent of Saudi oil for export, could be more difficult than officially suggested. Robert McNally, a former White House energy adviser under US President George W. Bush told the New York Times that specialised equipment would be difficult to replace. “A successful attack on Abqaiq is about worst thing that energy security planners think about,” he said.

Last weekend’s drone strikes also feed into growing concern about the international economy. The London-based Financial Times commented: “A sharp rise in oil prices also comes at a delicate time for the global economy. Fears of a slowdown are percolating and unlikely to be helped by higher energy costs.”

Those fears will only be compounded by the belligerent rhetoric from Washington threatening strikes on Iran that could rapidly escalate into a far broader conflict.