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ECONOMY NEWS

Israeli firm awarded oil tender in Iraq

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One of Israel's largest oil marketing firms has won a multi-million dollar tender to supply fuel to US troops in Iraq.

According to a IsraelNationalNews.com report, the tender awarded to Sonol gasoline company, along with its foreign partner Morgantown International, is valued at \$70-80 million.

The company is expected to supply the US forces with 25 million litres of fuel each month.

The tender was issued by the US-based KDR Company, a subsidiary of Halliburton, which has been entrusted with the majority of US military contracts in Iraq. Among Sonol's competitors was Delek, another Israeli company, the report added.

Until now, the US forces have received most of their fuel from Kuwait. However, following Halliburton's admission that it overcharged the US military by passing on the Kuwaitis' inflated price, the US Army decided to approach other suppliers.



The company will supply 25 million litres of fuel a month

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Sonol is one of Israel's three largest oil product marketing firms with a network of about 205 branded service stations.

Fuel, imported to Israel, will pass through the fuel terminal operated by the TASHAN (Oil and Energy Infrastructure Company) north of Beer Sheva and will then be transported to Iraq by land through Jordan, according to the report.

Not much oil

According to the Energy Information Administration (EIA), a statistical agency of the US Department of Energy, Israel produces almost



A pipeline linking Mosul to Haifa is to be reopened

no oil and imports nearly all its oil needs (around 237,000 barrels a day in 2002). Traditionally, major oil import sources have included Egypt, the North Sea, West Africa and Mexico.

In recent years, however, Israel has stepped up its imports from Russia and the Caspian region and now reportedly gets most of its oil from former Soviet states.

Information provided by the EIA states that in April 2003, there was some discussion of "reopening" the old oil pipeline from Mosul in Northern Iraq to the Israeli port of Haifa on its northern Mediterranean coast.

The line, which was built in the 1930s, carried 100,000 barrels a day at its peak, but has been closed since Israel's establishment in 1948.

Pipeline

The reopening of this pipeline is, on the other hand, reported as being able to "solve Israel's

energy crisis at a stroke".

According to a report in The Observer in April 2003, plans to build a pipeline from newly conquered Iraq were being discussed between Washington, Tel Aviv and potential future government figures in Baghdad.

US intelligence sources confirmed to The Observer that the project had been discussed. One former senior CIA official said: "It has long been a dream of a powerful section of the people now driving this administration [of President George Bush] and the war in Iraq to safeguard Israel's energy supply as well as that of the United States.

'After all, this is a new world order now. This is what things look like particularly if we wipe out Syria. It just goes to show that it is all about oil, for the United States and its ally'

James Akins, a former US ambassador to the Middle East region

Transit rights

James Akins, a former US ambassador to the region, quoted by The Observer said: "There would be a fee for transit rights through Jordan, just as there would be fees for Israel from those using what would be the Haifa terminal", according to the paper.

"After all, this is a new world order now. This is what things look like particularly if we wipe out Syria. It just goes to show that it is all about oil, for the United States and its ally."

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