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**The Attack on the Saudi Oil Facilities: A New Level of Iranian Audacity**

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**The September 14 attack on the oil facilities in Saudi Arabia – including Abqaiq, which is considered the largest of its kind in the world – is the most serious kinetic attack on oil facilities in the Gulf since the 1991 Gulf War, in terms of damage and economic significance. This incident goes far beyond the bounds of the war in Yemen, particularly if it is proven beyond any doubt that the attack was launched from Iranian territory. Under these circumstances, it is evident that even if Iran is not interested in a broad deterioration vis-à-vis the United States, it is prepared to take new and more daring risks, based in part on the assessment that President Trump, as well as the Saudis and other Gulf states, is not interested in severe escalation. The reactions from both the Saudis and the US will be determined by several converging interests, some of which are contradictory. On the one hand, Riyadh and Washington have an interest in punishing and deterring Iran. On the other hand, they are not interested in running the risk of dragging the entire region into an all-out war, particularly after Saudi vulnerability has been brought into sharper relief. One way or another, it is likely that pressure on both leaderships to respond will grow. From Israel's standpoint, given its continued attacks in Syria and Iraq, and notwithstanding the difference in the nature of the theaters, Iran's moves in Saudi Arabia carry an indirect yet clear message about its advanced military capabilities, even from outside Iranian territory. They are also a possible signal in the event of a military deterioration between Israel and Hezbollah in Lebanon.**

The September 14, 2019 attack on the oil facilities in Saudi Arabia – including Abqaiq, which is considered the largest of its kind in the world – is the most serious kinetic attack on oil facilities in the Gulf since the 1991 Gulf War, in terms of damage and economic significance. The attack resulted in a temporary reduction of 5.7 million barrels per day, about 50 percent of Saudi production capacity (total Saudi production capacity in August was 9.85 million barrels of oil per day, which are about 5 percent of global output). So far, the Saudis have maintained a partial blackout on the full details of the incident, and have so far avoided ascribing direct responsibility to Iran – in contrast to their initial responses following attacks in May and July on oil tankers in the Gulf and oil facilities in the kingdom that were attributed to Iran. Meantime, Riyadh is trying to broadcast “business as usual,” while emphasizing that there were no casualties and that they have

the ability to return rapidly to oil production levels. Yet even if the Saudis do manage to resume full production quickly, the vulnerability of the oil supply chain to specific threats in the Gulf has been revealed.

US Secretary of State Mike Pompeo was quick to pin the blame on Iran, while President Donald Trump was more cautious in his pronouncements, saying “it’s looking” as if Iran is behind the attack, and declaring that the US is “locked and loaded” to respond “depending on verification.” The administration, he averred, is “waiting to hear from the Kingdom as to who they believe was the cause of this attack, and under what terms we would proceed!” He added, “I’m not looking to get into a new conflict but sometimes you have to.” Reports in the US media relying on official American sources said that the attack was carried out directly from Iranian territory, and included the launch of 12 cruise missiles and more than 20 drones, which scored precise direct hits on the targets. An analysis of aerial photographs released by the US administration shows that more cruise missiles were fired: there were approximately 19 hits on 17 structures in Abqaiq, and 2 structures in Khurais.

Even if there are still questions as to the tactical nature of the attack, particularly the type of weapons and from where they were launched, it appears that the attack itself is a significant step up in the campaign that Iran and its proxies are waging against the Arab Gulf states, chiefly Saudi Arabia. The Iranian threat to attack the global oil supply in response to the sanctions imposed on it is reinforced – even at this sensitive time when French President Macron is trying to obtain US agreement on partial compensation for Iran – and demonstrates Iran’s determination to exhibit its destructive power even at the risk of deterioration. At the same time, the Iranian regime’s assessment is presumably that the Saudis and the US administration will not be so quick to drag the region into a broad military campaign.

### **Possible Implications of the Events**

At this stage, the extent of the long term damage to the Saudi oil facilities remains unclear, and while some of the production capacity returned, full production capacity will take at least a few weeks. In order to deal with the increase in prices, the Saudis announced that they will release oil from their reserves, and President Trump announced that the US would work to temper the damage to the global oil market and will therefore consider releasing oil from the Strategic Energy Reserve, if necessary. However, if Abqaiq is shut down for a prolonged period, the market may in the longer term have difficulty in absorbing the shortage, and there may be a more significant increase in prices.

Through its Houthi allies, who claimed responsibility for the attack, Iran has attempted to present the incident as part of the ongoing war in Yemen, which has seen multiple Houthi attacks on Saudi territory and the kingdom's oil industry. However, the most recent events go far beyond the bounds of the war in Yemen, particularly if it is proven beyond any doubt that the attack was launched from Iranian territory. Under these circumstances, it is evident that even if Iran is not interested in broad deterioration vis-à-vis the US, it is prepared to take new and more daring risks, based in part on the assessment that the US President as well as the Saudis and other Gulf states are not interested in a broad escalation, and that the Europeans already proved in the last round of attacks on the tankers in the Gulf how concerned they are about a military escalation. The Iranian readiness to incur greater risk this time reflects the price that it is prepared to pay in order to try and extricate itself from the American sanctions, and particularly from the heavy pressure put on its ability to export oil, even in limited amounts. However, its steps are also an indirect signal to Israel, which boasts about its attacks in Syria and Iraq, regarding Iran's military ability to respond, not necessarily from its own territory, with the use of advanced weapons.

The reactions from both the Saudis and the US will be determined by several converging interests, some of which are contradictory. On the one hand, both countries have an interest in punishing and deterring Iran. On the other hand, they are not interested in running the risk of dragging the entire region into a broad war, particularly after Saudi vulnerability has been brought into sharper relief.

For a number of years the Saudis have been submerged in a complex war in Yemen that recently became even more difficult in view of the escalation of Houthi attacks against targets in Saudi Arabia, Houthi success in Yemen, and the United Arab Emirates withdrawal from Yemen. This is alongside the damage to the Saudi image, both with its appearance as a "paper tiger," and its role in to the humanitarian disaster in Yemen. From a political-diplomatic standpoint, the Saudi response thus far has been measured and minor, in reverse proportion to the extent of the damage. According to the Saudi news agency, Crown Prince Mohammad Bin Salman emphasized in phone conversations with President Trump and with UAE Crown Prince Mohamed bin-Zayed that the kingdom is prepared and ready to respond to the terrorist attack and to deal with the consequences, but without blaming Iran directly, as in the past. In practice, the kingdom is well aware of various restraints, mainly concerning its military inferiority against Iran and the vulnerability of its strategic installations. From an economic standpoint, the attack on the most important Aramco sites may have negative implications for the kingdom's ability to publicly issue some of the company's stock to finance necessary political reforms. Moreover, Bin Salman himself is associated with the war in Yemen and does not have

many foreign policy achievements to his name, and the recent attack may further question his leadership abilities.

Saudi Arabia would prefer that the American government show determination and act militarily against Iran. However, the Saudi hesitation thus far in pointing the finger at Iran perhaps implies that it has grave concerns about deterioration, and that there may also be doubts as to President Trump's intentions regarding his preparedness to launch a military campaign against Iran, and even more so, to commit to protect Saudi Arabia in the aftermath. In addition, even if there is such readiness, in practice, from an operational military standpoint, Saudi possibilities are limited. This is certainly the case if Riyadh is considering a direct response against Iranian assets. It seems that the Saudis are more likely to opt for "more of the same" in Yemen, and to try to increase their attacks on Houthi targets. In this sense, the Houthi claim of responsibility is more convenient for the Saudis, since it makes it easier for them to lower the flames and to respond only "against Yemen." At the same time, by exposing their weakness, the Saudis emphasize that the attack was a serious blow to the world's energy security; they are trying to brand it as an "international crisis" that deserves an international response. Does the Saudi response so far suggest more restraint and a thoughtful decision making process, or does it signal a lack of good options and a question mark on US willingness to cover for it?

From the American point of view, President Trump is in a catch-22. From his point of view, the aim of renewing negotiations with Iran on a new agreement, and perhaps even a meeting between him and Iranian President Rouhani, while at the same time avoiding being dragged into military operations, were and remain the leading interests. In contrast, the attack on the oil targets is an attack on essential US interests, which was shown by the President's readiness to consider opening the Strategic Oil Reserves. Moreover, the administration understands the escalation in the most recent action, as well as the fact that President Trump's hesitant approach so far to a military response has encouraged the Iranian regime to raise the risk bar.

There are several major points of significance to emerge from the incident:

- a. A precision attack on the targets in Saudi Arabia demonstrates that Iran has the necessary operational capabilities, and illustrates its determination to prove that it intends to carry out its threats to cause significant damage to the oil market as long as the pressure on it continues. This is reinforced when it also points to the continuing efforts of President Macron, apparently in coordination with President Trump, to advance a solution that will enable the sanctions to be eased and negotiations to begin.
- b. Saudi weakness against the background of the ongoing war in Yemen and Trump's hesitation to react militarily to the Iranian moves, including the downing

- of the American drone, have eroded American deterrence and apparently encouraged the Iranians to heighten the kinetic campaign in the Gulf.
- c. Iran illustrated its asymmetric superiority in the Gulf and the vulnerability of its main regional adversary – notwithstanding that Saudi Arabia has the third largest defense budget in the world – in a way that may further destabilize the Arab monarchial front against it and continue to erode the reliance of the Arab Gulf states on American defensive support.
  - d. Even if a US reaction to the attack on Saudi Arabia does not lead to an overall conflagration at the current time, it could certainly delay the efforts to calm the situation, and accelerate further Iranian steps against targets in the Gulf, and a further erosion of its commitments in the nuclear agreement.
  - e. From Israel's standpoint, in view of its continued attacks in Syria and Iraq, notwithstanding the difference in the nature of the theaters, Iran's moves carry an indirect yet clear message about its advanced military capabilities, which it can operate even from outside its own territory. They are also a possible hint in the event of a military deterioration between Israel and Hezbollah in Lebanon.