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# Alternatives to Russian oil: Saudi Arabia, the Gulf and Venezuela?

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## Summary

In response to Russia's invasion of Ukraine, the UK, EU, and US [announced they would restrict Russian oil and gas imports](#). Germany also [cancelled the controversial Nord Stream 2 gas project](#), a planned natural gas pipeline to deliver Russian gas to Germany.

The US ban on Russian oil and gas is immediate, while the UK intends to phase out oil imports by the end of 2022. The EU plans to reduce Russian gas imports by two-thirds by the end of the year.

Russia is a significant oil producer and supplier to all three markets. Countries are therefore looking for alternative suppliers to supplement Russian production and maintain lower oil prices.

This paper examines the challenges in getting those states most able to supplement Russian production, particularly Saudi Arabia, the United Arab Emirates (UAE) and Venezuela, to increase production. They have mostly either stayed neutral in the conflict or supported Russia.

The Library briefing [Sanctions against Russia](#) covers the economic sanctions introduced in 2022. For more on the military and diplomatic aspects of the conflict, visit the Library's [Ukraine crisis page](#).

## How important is Russian supply, and which countries could replace it?

Russia is the second largest producer of oil in the world, behind the US. [Russian imports account for 8% of total UK oil demand](#). Two countries—the UAE and Saudi Arabia—are arguably best able to ramp up spare production capacity quickly. This is where recent UK diplomacy has focused.

## Strained relations with US and neutrality towards the Ukraine conflict

Many states in the Middle East [have taken a neutral position towards the conflict](#) in Ukraine, or, in the case of close Russian allies such as Iran and Syria, blamed NATO for the conflict.

Saudi Arabia and the UAE have [strained relations with the Biden Administration](#). This reflects the greater focus the Administration has placed on Saudi Arabia's human rights record and its withdrawal of support for the Saudi-led offensive in Yemen's civil war.

Other states capable of quickly expanding oil production, namely Venezuela and Iran, are long-standing allies of Russia and both are subject to US economic sanctions. If sanctions are removed from Iran if a new nuclear

agreement is reached in 2022, it may be [willing to support greater oil exports to improve its faltering economy](#).

Venezuela, also subject to US sanctions, has seen [some thawing of relations in recent weeks](#), but there were sharp bipartisan criticisms in the US [of any attempt to import Venezuelan oil without significant reforms](#) in the country.

## UK visits UAE and Saudi Arabia, March 2022

On 16 March 2022, the Prime Minister, Boris Johnson, [visited both Saudi Arabia and the UAE](#) to discuss energy security, including potential measures to diversify the UK's energy supply. He also [raised human rights concerns](#) with Saudi Arabia.

In the Commons, the decision drew criticism for being soon after Saudi Arabia executed 81 people, mostly on charges of terrorism. The UN said around half of those executed were Shia Muslims who had [taken part in anti-government protests in 2011-12](#). While the Prime Minister was in the Kingdom, the country [executed a further three people](#), according to the charity Reprieve.

The visit did not result in pledges from the two countries to increase their production. However, both the [UAE](#) and [Saudi Arabia](#) committed to improving stability in the global energy markets and to advance green technology and trade with the UK.

## Outlook

Oil prices have [now fallen from their peaks in early March](#), partly in reflection of continuing Ukraine-Russian diplomatic talks. At time of writing, these talks are ongoing.

# 1 Which countries could produce more oil?

The prospect of large-scale disruptions to Russian oil production is threatening to create a global oil supply shock. The International Energy Agency (IEA) estimate that from April 2022, 3.0 mb/d (million barrels of oil per day) of Russian oil output could be cut or 'shut in' as sanctions take hold and buyers shun exports.<sup>1</sup>

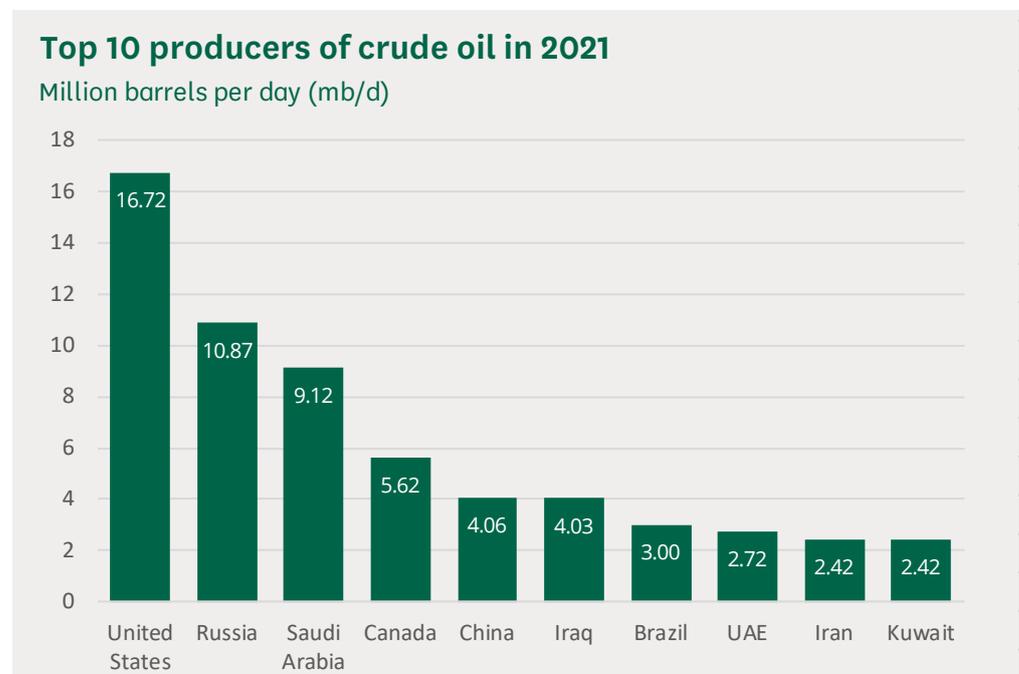
OPEC+ is an intergovernmental organisation that coordinates the petroleum policies of its 23 countries.

According to the IEA, the Organization of the Petroleum Exporting Countries (OPEC+) is, for now, keeping to its agreement to increase supply by modest monthly amounts. However, only Saudi Arabia and the United Arab Emirates (UAE) hold substantial spare capacity that could immediately help to offset a Russian shortfall.

The [IEA has examined the role Russia plays](#) in global oil markets in the Oil Market and Russian Supply analysis.<sup>2</sup>

## 1.1 How important is Russian supply?

Russia is the second largest **producer of oil** in the world, behind the US. In 2021, Russia's total oil production was 10.0 mb/d, while the US produced 16.7 mb/d and Saudi Arabia produced 9.1 mb/d.



Source: [IEA, Oil Market Report, March 2022](#)

<sup>1</sup> [IEA, Oil Market Report, March 2022](#)

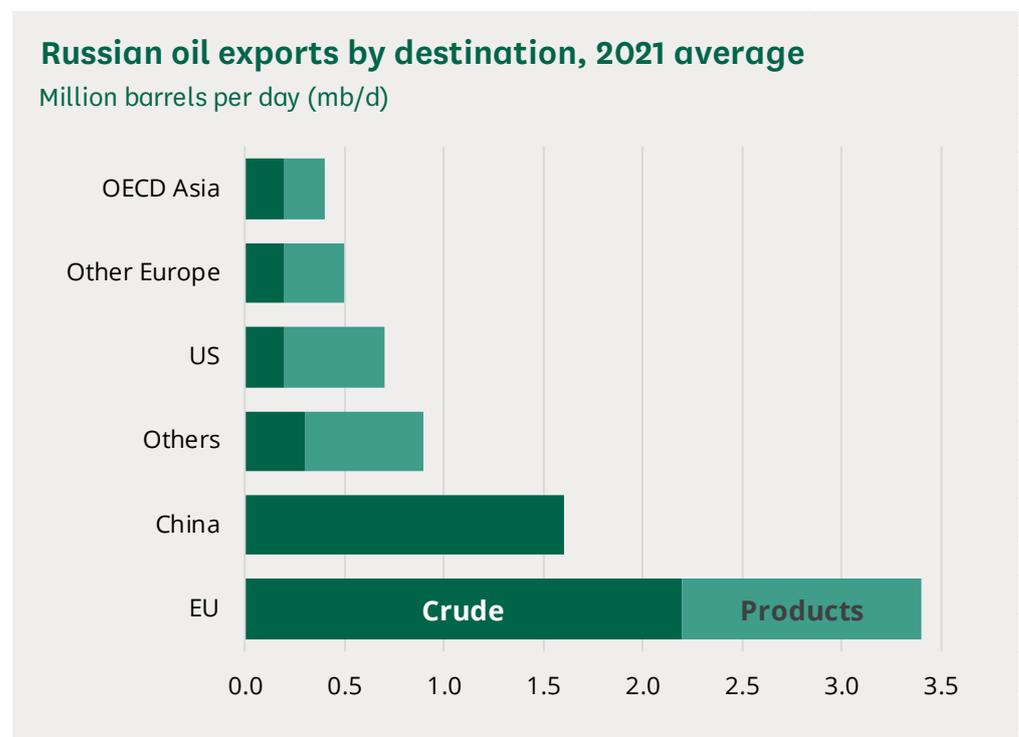
<sup>2</sup> [IEA, Oil Market and Russian Supply, 2022](#)

Russia is the world's largest **exporter of oil** to global markets and the second largest exporter of crude oil behind Saudi Arabia. In 2021, the total Russian oil exports were 7.5 mb/d. Of this, 62% (4.7 mb/d) was crude oil and 38% (2.8 mb/d) was oil product exports.

## Where does Russia supply oil?

In 2021, half of Russian oil exports went to Europe: 45% of exports went to the European Union (29% as crude oil and 16% as oil products) and 6% went to other countries in Europe. This is followed by 22% of Russian oil exports going to China, 10% to the US and 6% to OECD Asia.

Russian imports account for 8% of total UK oil demand.<sup>3</sup>



Source: IEA, [Oil Market Report, March 2022](#)

## How much is oil supply from Russia expected to decrease?

For the time being, Russian oil continues to flow due to term deals and trades made before Moscow sent troops into Ukraine. New business, however, has largely ceased with limited uptake of the record discounts currently offered for Urals (Russian) crude.

<sup>3</sup> Department for Business, Energy and Industrial Strategy, [UK to phase out Russian oil imports](#), 8 March 2022 (accessed 23 March 2022)

The IEA predict a shut-in of 3 mb/d of Russian oil supply starting from April 2022. Of the cutback, a reduction in total exports of 2.5 mb/d, of which crude accounts for 1.5 mb/d and products 1 mb/d is predicted. These losses could increase should restrictions or public condemnation escalate.<sup>4</sup>

If this level of disruption is maintained, it is expected world oil markets will be undersupplied in the second and third quarters of 2022, even with scheduled monthly OPEC+ increases from Saudi Arabia and other Middle East members, along with non-OPEC+ gains driven by the US.

Although high oil prices are expected to reduce some demand, the IEA's current balances (under this scenario) show a potential supply deficit of 700 thousand barrels of oil per day (kb/d) in the second quarter of 2022.<sup>5</sup>

## 1.2

### What countries have the capacity to increase supply?

To avoid, or reduce, the potential oil deficit, there are attempts to source oil from countries that have capacity to increase supply. Alternative oil supplies could be found in OPEC+, non-OPEC and sanctioned countries.

Sections 3 and 4 provide information on the diplomatic relations of these countries.

#### OPEC+ Countries

The total spare crude oil production capacity in OPEC countries was **5.5 mb/d** and OPEC-10 countries (OPEC excluding Iran, Libya and Venezuela) was **4.2 mb/d** in February 2022. In **OPEC+** countries (excluding Russia) it was **5.7 mb/d** in February 2022.

Section 2 gives more information into the role of OPEC and OPEC+.

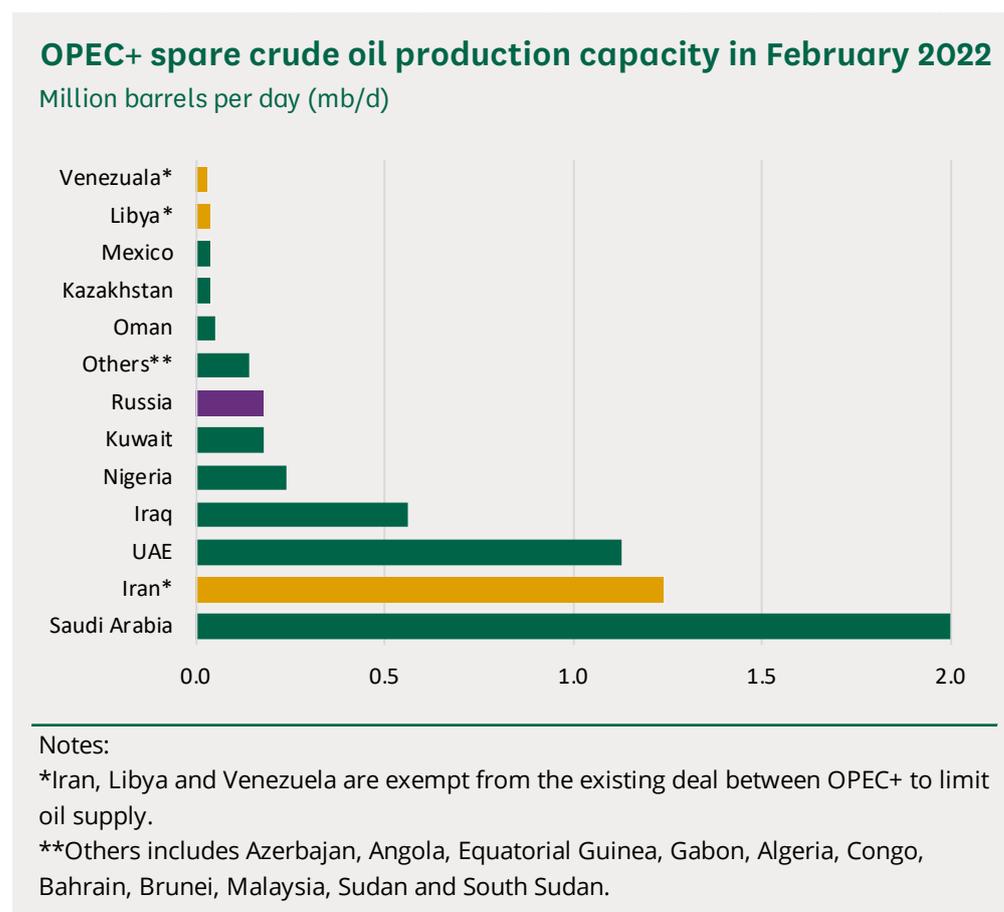
**Saudi Arabia (2.0 mb/d)** and the **UAE (1.1 mb/d)** between them hold most of the world's effective spare capacity. However, this is not all immediately available. It would take four to eight weeks after a decision to increase the current agreed OPEC+ targets for extra barrels to reach consuming markets.

Contributions from other OPEC+ countries would be marginal in the short term. This is partially due to sanctions on some countries.

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<sup>4</sup> IEA, [Oil Market Report](#), March 2022

<sup>5</sup> IEA, [Oil Market Report](#), March 2022, p15



Source: [IEA, Oil Market Report, March 2022](#)

Excluding Russia, the IEA expect **OPEC+** to gradually increase production by **1.6 mb/d** between March and September 2022 if it fully unwinds OPEC+ cuts in line with existing policy.

## Sanctioned countries

**Iran** had the second largest spare crude oil capacity of OPEC+ countries in February 2022 of **1.2 mb/d**. However, this could only be accessed if sanctions are lifted, and a number of issues would prevent an immediate return to the market. For instance, Iranian tankers would need to be re-certified and insured.

**Iraq**, with **0.6 mb/d** spare capacity, had the fourth largest of the OPEC+ countries in 2022. However, ageing infrastructure is currently restricting sustainable capacity.

In February 2022, **Venezuela** had a spare capacity of **0.03 mb/d**. If sanctions were eased, Venezuela could provide a modest amount of extra oil. The IEA believe it could increase production by an additional 200-300 kb/d (thousand

barrels per day) in three to four months, lifting supply to around **1 mb/d**, up from 0.7 mb/d in February 2022.<sup>6</sup>

## Non-OPEC Countries

The capacity of non-OPEC+ countries (i.e., US, Canada, Argentina, Brazil, Norway) to make up the shortfall is limited. Unlike OPEC+ countries, they are not artificially limiting output. As such, the IEA forecasts non-OPEC+ producers could increase output by 1.7 mb/d between March and September 2022, with the US accounting for one-third of this increase.<sup>7</sup>

## Can this make up the shortfall?

From OPEC+, only Saudi Arabia and the UAE hold substantial, readily available spare capacity that could help offset a Russian shortfall. Iran and Venezuela have spare capacity but are currently sanctioned by various countries. Non-OPEC+ countries are not forecast to produce substantial additional supply in the short term.

## 2

## OPEC's role

### What are OPEC and OPEC+?

The Organisation of the Petroleum Exporting Countries (OPEC) is a [group of 13 oil-producing countries that together constitute around 40% of the world's oil supply](#). The conflict in Ukraine has given them more leverage to set oil prices and global production. Being substantial oil exporters means their economies are vulnerable to lower oil prices, leading to their coordination of production to protect their economies.

The group consists of: Venezuela, Algeria, Libya, Nigeria, Equatorial Guinea, Angola, Republic of Congo, Saudi Arabia, Iraq, Iran, Kuwait, Gabon and the UAE. Those in the Middle East are responsible for the greatest levels of production: Saudi Arabia produces around a third of OPEC's production.

The bloc also works with the "OPEC+" group, which includes Russia and 22 other members (including those in OPEC). However, relations between the two groups have not been smooth. In 2020, there was a price war between Russia and Saudi Arabia when Russia refused to cut production.<sup>8</sup>

The Council on Foreign Relations, [OPEC in a changing world](#), provides more.

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<sup>6</sup> IEA, [Oil Market Report](#), March 2022, pp17-18

<sup>7</sup> IEA, [Oil Market Report](#), March 2022

<sup>8</sup> Council on Foreign Relations, [OPEC in a changing world](#), updated 9 March 2022 (accessed 16 March 2022)

## How has OPEC+ reacted, and why?

OPEC+ has so far refused to increase production to offset the loss of Russian supplies and rising prices to European and North American countries, other than a small increase already planned.<sup>9</sup> Some members, including the UAE, have hinted they are open to an oil production increase but remain committed to the common OPEC+ policy.<sup>10</sup> The OPEC+ meeting held on 31 March 2022 saw no changes announced to planned output.<sup>11</sup>

Energy analyst Amena Bakr [argues that OPEC+ is likely to:](#)

- See rising energy prices to be the result of geopolitical tensions between Russia and Ukraine, rather than an issue of supply
- Be concerned about keeping Russia in the group to help manage the market after the crisis has concluded
- Want to see how the crisis develops before committing its spare production capacity.<sup>12</sup>

## 3 Saudi Arabia and the UAE

The IEA has said Saudi Arabia and the UAE are best placed to support the global energy market, having the greatest spare production capacity.

### 3.1 Both are neutral towards the Ukraine conflict

Both the UAE and Saudi Arabia have been reluctant to criticise Russia's actions in Ukraine. The Gulf Cooperation Council, which includes Saudi Arabia, the UAE, Qatar, Oman, Kuwait and Bahrain, has [largely made neutral statements regarding the conflict](#). Only Kuwait has condemned Russia's actions openly.<sup>13</sup>

At the UN Security Council, the [UAE abstained on a vote condemning Russia's military actions in Ukraine in February](#). However, it did support a similar text

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<sup>9</sup> Reuters, [OPEC+ swerves Ukraine crisis and sticks to oil output plans](#), 2 March 2022 (accessed 16 March 2022)

<sup>10</sup> Reuters, [UAE says it is committed to OPEC+ agreement, monthly mechanism](#), 9 March 2022 (accessed 16 March 2022)

<sup>11</sup> Al-Jazeera, [OPEC+ refuses to heed consumers' call for more oil](#), 31 March 2022 (accessed 1 April 2022)

<sup>12</sup> CNN, [Could Middle East nations come to the rescue as Ukraine war drives up oil prices?](#), 11 March 2022 (accessed 16 March 2022)

<sup>13</sup> Washington Institute, [Middle East responses to the Ukraine crisis](#), 4 March 2022 (accessed 16 March 2022)

in the UN General Assembly demanding Russia withdraw all its forces from Ukraine a few days later. The latter vote is non-binding, unlike UN Security Council resolutions.<sup>14</sup>

Saudi Arabia's Crown Prince, Mohammed bin Salman, has said he is [willing to mediate in the Ukraine conflict](#).<sup>15</sup> Saudi Arabia similarly voted in favour of the UN General Assembly resolution [calling for Russian withdrawal from Ukraine](#) but has not made a public statement condemning the invasion.<sup>16</sup>

Their neutrality mostly reflects a desire to maintain relations with both Russia and the US, who are both significant economic and security partners.<sup>17</sup> It also partly reflects strained relations with the US, detailed in the next section.

## 3.2 Both have strained US relations

As the US has banned Russian gas and oil imports, it has hoped for its Gulf allies to make up some of the shortfall.

However, its attempts may have been damaged by the strained relations between the Biden Administration and the Gulf Arab states. US President, Joe Biden, has sought to reset US relations with the region. Prior to taking office, [he said Saudi Arabia would be treated as a “pariah state”](#) over its human rights record, and criticised the “dangerous blank check” he said President Trump awarded to the country.<sup>18</sup>

In the case of the Saudi Arabia, tensions have primarily focused on the Kingdom's human rights record. Issues include:

- A [pause in US arms sales to both countries](#), announced in January 2021. Delivery of defensive arms have now resumed.<sup>19</sup>
- [Ending US support for the Saudi-led offensive in Yemen's conflict](#). The Kingdom has intervened in Yemen in support of the internationally recognised Hadi Government against the Iranian-aligned Houthi group.

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<sup>14</sup> Al-Jazeera, [UAE stance on Ukraine war reflects “strong alliance” with Russia](#), 3 March 2022 (accessed 16 March 2022)

<sup>15</sup> Reuters, [Saudi Arabia ready to mediate between all parties related to Ukraine crisis—state media](#), 3 March 2022 (accessed 16 March 2022)

<sup>16</sup> Washington Institute for Near East Policy, [The UN resolution on Ukraine: How did the Middle East vote?](#), 2 March 2022 (accessed 16 March 2022)

<sup>17</sup> Arab Gulf States Institute in Washington, [Saudi-Russia military cooperation: Signalling or strategy?](#), 3 September 2021 (accessed 16 March 2022)

<sup>18</sup> France 24, [After cosy ties with Trump, Saudi Arabia faces Biden “pariah” pledge](#), 10 November 2020 (accessed 16 March 2022)

<sup>19</sup> Al-Jazeera, [US State Dept backs latest raft of Saudi, UAE, Jordan arms sales](#), 4 February 2022 (accessed 16 March 2022)

The UN group of experts on Yemen say all sides in the conflict have committed human rights abuses.<sup>20</sup>

- The US released an intelligence assessment finding [Saudi Crown Prince bin Salman approved the 2018 murder of journalist Jamal Khashoggi](#). The US also imposed a visa ban on 76 Saudi citizens following the report.<sup>21</sup>
- US refusal to [designate the Houthi group in Yemen as a terrorist organisation](#).

In January and February 2022, the Houthis, which control much of North Yemen, stepped up attacks against sites in the UAE. Attacks against Abu Dhabi killed three people on 17 January. The UN has argued the designation of the group as a terrorist one would disrupt the flow of humanitarian aid to Yemen.<sup>22</sup> However, the day before Russia's actions in Ukraine, the US Treasury did place sanctions against networks funding the Houthis.<sup>23</sup>

At the UN, [Russia voted in favour of an UAE-backed resolution at the Security Council](#) labelling the Houthi group a terrorist organisation, having previously abstained on the vote, and in contrast to the US position.<sup>24</sup>

- A [visit by Syrian President Bashar Assad to the UAE](#) in March 2022. The US State Department said it was “profoundly disappointed” at the UAE’s apparent attempt to legitimise Assad.<sup>25</sup>

### 3.3

## Controversies over human rights

### Use of the death penalty

Many Middle Eastern states [continue to apply the death penalty](#). This includes Saudi Arabia and the UAE.

In 2020, [Saudi Arabia executed 27 people](#), according to Amnesty International.<sup>26</sup> [March 2022 saw the Kingdom execute 81 people](#) in single day, mostly on terrorism charges. This exceeded the total of 67 executions that

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<sup>20</sup> Commons Library, [Yemen in 2021/22: Conflict and peace](#), CBP9327, sections 2.2 and 2.3

<sup>21</sup> Commons Library, [The Gulf in 2021](#), CBP9284, section 3.3.

<sup>22</sup> Commons Library, [Yemen in 2021/22: Conflict and peace](#), CBP9327, pp12, 18

<sup>23</sup> US Treasury Department, [Treasury targets key Houthi finance network in coordination with regional Gulf partners](#), 23 February 2022 (accessed 16 March 2022)

<sup>24</sup> CNN, [Biden's Middle East allies change tune on Ukraine war as conflict escalates](#), 3 March 2022 (accessed 16 March 2022)

<sup>25</sup> Reuters, [Syria's Assad visits UAE, first trip to Arab state since war began](#), 18 March 2022 (accessed 18 March 2022)

<sup>26</sup> Amnesty International, [Death sentences and executions 2020](#), April 2020, p10

reportedly took place in the whole of 2021. The UN said around half of those executed in March 2022 were Shia Muslims who had taken part in anti-government protests in 2011-12.<sup>27</sup>

While the UK Prime Minister was visiting the Kingdom in March, the country [executed a further three people](#), according to the charity Reprieve.<sup>28</sup>

In 2020, [the UAE recorded no executions](#) but at least four death sentences were recorded.<sup>29</sup> In 2021, five foreigners were sentenced to death for murder. Last known executions were in 2011 and 2014.<sup>30</sup>

## Both criminalise same-sex relations

All six Gulf states other than Bahrain (Saudi Arabia, UAE, Kuwait, Qatar, and Oman) criminalise same-sex sexual acts.<sup>31</sup>

## Arrests of human rights activists and protesters

The NGO Human Rights Watch report that Saudi Arabia uses counter terrorism laws to prosecute human rights activists, protesters and other critics.<sup>32</sup>

In 2018, 13 women's rights activists who had campaigned to lift a ban on women driving were arrested. At least four were allegedly tortured by interrogators.<sup>33</sup> They remain in detention despite UN and UK calls for their release.<sup>34</sup>

The UAE has imprisoned several activists and human rights workers in recent years. Amnesty International's [Silencing dissent in the UAE](#), 2020, details the repression of human rights activists in the country.

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<sup>27</sup> UN, [UN rights chief decries mass execution of 81 in Saudi Arabia](#), 14 March 2022 (accessed 16 March 2022)

<sup>28</sup> Middle East Eye, [Saudi Arabia executes three on day of Boris Johnson visit amid outrage from rights groups](#), 16 March 2022 (accessed 16 March 2022)

<sup>29</sup> Amnesty International, [Death sentences and executions 2020](#), April 2020, p36

<sup>30</sup> AP News, [Emirati court sentences 5 foreigners to death for murder](#), 6 October 2021 (accessed 1 March 2022)

<sup>31</sup> Commons Library, [LGBT+ rights and issues in the Middle East](#), CBP9457

<sup>32</sup> Human Rights Watch, [Saudi Arabia: Counterterrorism apparatus targets rights activists](#), 26 May 2017 (accessed 16 March 2022)

<sup>33</sup> Human Rights Watch, [Saudi Arabia: New details of alleged torture leaked](#), 11 July 2021 (accessed 16 March 2022)

<sup>34</sup> PQ 741 [on [Saudi Arabia: Human rights](#)] 17 May 2021

## What progress on human rights has been made?

Saudi Arabia is one of the UK's 31 human priority countries. These are countries where the UK Government is "particularly concerned" about human rights, and where it considers the UK can [make a "real difference."](#)<sup>35</sup>

In Saudi Arabia, the UK focus [includes reducing the use of the death penalty and supporting improvements to women's rights.](#)

In its 2020 report on human rights in the country, the Foreign, Commonwealth and Development Office (FCDO) welcomed increased female labour force participation, the appointment of a female judge, and a "significant reduction" in the use of the death penalty.<sup>36</sup>

In 2020, the Saudi Arabian Government announced the country would no longer use the death penalty for those who were under-18 when a crime was committed (excluding terror-related offences). However, NGOs have expressed concerns that the [reforms have not been fully enforced.](#)<sup>37</sup>

UK officials have regularly raised concerns with Saudi officials regarding the death penalty.<sup>38</sup>

The UAE approved a new National Human Rights Body in 2020 as an independent organisation to the government.<sup>39</sup> However, some NGOs have questioned whether genuine dissent and criticism will be allowed.<sup>40</sup>

### Short primers on human rights in the Arab Gulf

- Commons Library, [The Gulf in 2021](#), CBP9284. Links to further resources, including reports by Amnesty and Human Rights Watch. The UK's Gulf Strategy Fund, described from page 12, works to improve human rights.
- Commons Library, [LGBT+ rights and issues in the Middle East](#), CBP9457
- BBC News, [Why is turning to Saudi Arabia for oil so controversial?](#), 15 March 2022
- Foreign, Commonwealth and Development Office (FCDO), [Human rights and democracy report 2020](#), July 2021

<sup>35</sup> FCDO, [Human rights priority countries: Ministerial statement](#), 20 November 2020 (accessed 16 March 2022)

<sup>36</sup> FCDO, [Human rights and democracy report: 2020](#), 8 July 2021 (accessed 16 March 2022)

<sup>37</sup> Federation for Human Rights, [Saudi Arabia must immediately stop the death penalty against minors](#), 20 November 2021 (accessed 16 March 2022)

<sup>38</sup> PQ 154828 [on [Nawaf al-Qsaimi](#)], 24 February 2021

<sup>39</sup> UAE Government, [National human rights authority](#) (accessed 16 March 2022)

<sup>40</sup> DW, [UAE's new human rights institute: Real change or "image washing?"](#), 3 September 2021 (accessed 16 March 2022)

## 3.4

# UK PM visit and parliamentary reaction

On 16 March 2022 the UK Prime Minister, Boris Johnson, [visited both the UAE and Saudi Arabia](#) to discuss energy security and alternative sources to Russian supplies.<sup>41</sup>

[Major European and North American leaders have declined to visit Saudi Arabia](#) since the killing of journalist Jamal Khashoggi by Saudi agents in 2018 (though the Saudi Government denies responsibility). President Macron of France was the first to visit in December 2021, and Boris Johnson the second.<sup>42</sup>

The UK Government defended the visit, arguing it was necessary to establish alternative oil and gas sources and that the Prime Minister [would raise human rights concerns with the respective governments](#).<sup>43</sup>

Prior to the visit, Saudi Arabia's execution of 81 people on 12 March drew criticism in the Commons, where several MPs called for frank conversations with Saudi Arabia. The UK Government said it had already [raised concerns with Saudi Arabia](#) on its use of the death penalty.<sup>44</sup>

The Leader of the Opposition, Sir Keir Starmer, argued the Government should instead implement a windfall tax on oil producers. He criticised the Government's [going "cap in hand from dictator to dictator" as an energy strategy](#), but did not call for the trip to be cancelled.<sup>45</sup>

## What were the outcomes?

The visit did not result in pledges from the two countries to increase their production.

However, both the [UAE](#) and [Saudi Arabia](#) committed to working to improve stability in global energy markets and to further green technology and trade. With the UAE, the Prime Minister discussed bolstering security cooperation over threats including from the Houthis in Yemen—a key significant concern for the UAE Government.<sup>46</sup>

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<sup>41</sup> Number Ten, [PM to warn of "far reaching consequences" of Russian invasion on Gulf visit](#), 16 March 2022 (accessed 16 March 2022)

<sup>42</sup> France 24, [Khashoggi's shadow looms over Macron's visit with Saudi Crown Prince](#), 4 December 2021 (accessed 16 March 2022)

<sup>43</sup> BBC News, [Saudi Arabia: Boris Johnson to raise human rights concerns in energy talks](#), 16 March 2022 (accessed 16 March 2022)

<sup>44</sup> HC Deb, [14 March 2022](#), c609

<sup>45</sup> The Guardian, [Boris Johnson going from "dictator to dictator" for oil, says Starmer](#), 15 March 2022 (accessed 16 March 2022)

<sup>46</sup> Number Ten, [PM meeting with the Crown Prince of the UAE](#), 16 March 2022; Number Ten, [PM meeting with the Crown Prince of the Kingdom of Saudi Arabia](#), 16 March 2022 (both accessed 16 March 2022)

The following week, Saudi state-owned Aramco said it would [aim to increase oil production significantly](#) over the next five to eight years.<sup>47</sup>

## 4 Which other countries might increase supply?

### 4.1 In the Middle East

The UAE and Saudi Arabia have the greatest capacity to increase production, but others can also contribute. However, the two main alternatives—Iraq and Iran—are also members of OPEC and, in the case of Iran, aligned with Russia and with which the UK also has significant human rights concerns.

#### Qatar and Kuwait

Qatar, which is not a member of OPEC and has supported Ukraine's territorial integrity during the conflict, says almost all its production is in long-term contracts and cannot be easily diverted.<sup>48</sup> It has however [announced a new deal with Germany](#) to supply it with gas.<sup>49</sup>

As stated above, Kuwait has openly condemned Russia's actions in Ukraine. Like Qatar, the county has limited capacity to increase production (above, page 7).

#### Iraq

[Iraq abstained from the March 2022 UN General Assembly vote](#) criticising Russian actions against Ukraine. Many political voices in Iraq are aligned with the Syrian and Iranian governments, who are both close to Russia.<sup>50</sup>

Iraqi oil marketing company [Some have said OPEC+ plans are currently sufficient for global demand](#).<sup>51</sup>

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<sup>47</sup> BBC News, [Saudi Aramco ramps up investment to boost production](#), 20 March 2022 (accessed 20 March 2022)

<sup>48</sup> Reuters, [Qatar says "almost impossible" to quickly replace Russian supplies to Europe](#), 22 February 2022 (accessed 18 March 2022)

<sup>49</sup> Al-Jazeera, [Germany seals gas deal with Qatar to reduce dependence on Russia](#), 20 March 2022 (accessed 20 March 2022)

<sup>50</sup> Al-Monitor, [Militias support Russian invasion as Iraq refugees to condemn](#), 5 March 2022 (accessed 16 March 2022)

<sup>51</sup> Reuters, [UAE sows confusion in oil market as it faces lower Russian supply](#), 10 March 2022 (accessed 16 March 2022)

## Iran

Talks in Vienna [to restore the 2015 nuclear agreement with Iran](#) are reported to be in their final stages. Iranian, European, British and American negotiators have expressed optimism that an agreement will be reached soon.<sup>52</sup> In March 2022, the UK said there is now a “deal on the table” which would return Iran to full compliance with its nuclear commitments.<sup>53</sup>

If agreed, this may involve the lifting of economic sanctions against Iran. Washington Institute analysis suggests the country may be able to quickly double its oil exports.<sup>54</sup>

Whether Iran will be supportive of efforts to increase production to replace Russian supplies remains uncertain. The Iranian Supreme Leader, Ayatollah Ali Khamenei, has called for the conflict in Ukraine to end, but also [said the conflict was “rooted in NATO.”](#) It is therefore likely to seek to strengthen bilateral ties with Russia.<sup>55</sup> On 15 March, Iranian and Russian foreign ministers [said they were working on a “big interstate treaty”](#) and intend to improve economic relations.<sup>56</sup>

Like Saudi Arabia, Iran is [also one of the UK’s human rights priority countries.](#) The UK has raised concerns about the country’s high execution rate, imprisonment of dual nationals, suppression of protest, and attacks on rights to freedom of speech and religion.<sup>57</sup>

## 4.2

## Venezuela

### Relations with Russia

On 1 March 2022, Venezuelan President, Nicolás Maduro, was reported to have expressed his support for Russia in a phone call with Vladimir Putin.<sup>58</sup> On 14 March, Venezuelan Vice-President Delcy Rodríguez met the Russian Foreign

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<sup>52</sup> France 24, [Iran nuclear deal “close,” Tehran frees captives as obstacles narrow](#), 16 March 2022 (accessed 16 March 2022)

<sup>53</sup> PQ 144883 [on [Iran: Nuclear power](#)], 30 March 2022

<sup>54</sup> Washington Institute for Near East Policy, [How much would Iran gain financially from returning to the Joint Comprehensive Plan of Action?](#), 16 March 2022 (accessed 16 March 2022)

<sup>55</sup> Al-Jazeera, [Iran’s Khamenei: “Mafia regime” of US created Ukraine crisis](#), 1 March 2022 (accessed 16 March 2022)

<sup>56</sup> The Ministry of Foreign Affairs of the Russian Federation, [Foreign Minister Sergey Lavrov’s remarks and answers to questions following talks with Foreign Minister of the Islamic Republic of Iran \[...\]](#), 15 March 2022 (accessed 16 March 2022)

<sup>57</sup> FCDO, [Human rights and democracy report 2020](#), July 2021, ‘Iran’ (accessed 18 March 2022)

<sup>58</sup> Reuters, [Putin and Maduro discussed increasing partnership between Russia, Venezuela -IFX](#), 1 March 2022.

Minister, Sergei Lavrov, in Turkey. She described Sergei Lavrov as “our good friend”.<sup>59</sup>

## Diplomatic rift and US sanctions from 2018

The US has not imported crude oil from Venezuela since [the imposition of US sanctions on Venezuela's oil industry in early 2019](#).<sup>60</sup>

The sanctions were some of the first steps in what was dubbed a “[maximum pressure](#)” strategy by President Trump’s administration, which aimed to remove President Maduro from power.<sup>61</sup>

The strategy was in response to disputed Presidential elections held in May 2018, in which President Maduro won re-election in a vote [subject to an opposition boycott and claims of vote-rigging](#). Head of the opposition-controlled National Assembly, Juan Guaidó, declared himself interim President in January 2019. The US, UK and other allies officially recognised him in the role.<sup>62</sup>

## US diplomatic mission to Venezuela, March 2022

In early March 2022 a small delegation of American diplomats reportedly travelled to Venezuela to conduct talks with the Maduro Government. The talks led to the [release of two US citizens](#) who had been imprisoned in the country since 2017.<sup>63</sup>

Reuters reported the two sides had been engaged in talks on the relaxation of US sanctions and claimed US officials “told their Venezuelan counterparts that any relaxation in U.S. sanctions would be conditional on Venezuela shipping oil directly to the United States.”<sup>64</sup>

This report and others led to [sharp criticisms of any such arrangement from both Republican and Democrat politicians](#) in the US.<sup>65</sup> On 11 March, the US State Department said the delegation had travelled to Caracas with “two

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<sup>59</sup> Financial Times, [US retreats on Venezuela oil talks after Maduro meeting criticism](#), 14 March 2022, accessed 1 April 2022.

<sup>60</sup> Reuters, [US sanctions Venezuela state oil firm, escalating pressure on Maduro](#), 28 January 2019, accessed 1 April 2022

<sup>61</sup> LSE Blogs, [Why the US’ maximum pressure approach towards Nicolás Maduro is unlikely to stabilise Venezuela](#), 11 May 2020, accessed 1 April 2022

<sup>62</sup> BBC News, [Venezuela election: Maduro wins second term amid claims of vote rigging](#), 21 May 2018, accessed 1 April 2022. The EU recognised Guaidó, but [withdrew that official status in January 2021](#), after he lost his position as President of the National Assembly after [parliamentary elections in late 2020](#). The EU stressed however; they still do not officially recognise Maduro as President of Venezuela.

<sup>63</sup> Reuters, [Venezuela frees two Americans after talks with US](#), 9 March 2022, accessed 1 April 2022

<sup>64</sup> Reuters, [U.S. ties easing of Venezuela sanctions to direct oil supply](#), 9 March 2022, accessed 1 April 2022

<sup>65</sup> Financial Times, [US retreats on Venezuela oil talks after Maduro meeting criticism](#), 13 March 2022, accessed 1 April 2022

priorities in mind.” The first was the release of US prisoners and the second was “championing the democratic aspirations of the Venezuelan people.” He made no mention of oil.<sup>66</sup>

Jake Sullivan, the US National Security Adviser, later said any sanctions relief for Venezuela “has to be tied to concrete steps that Maduro and the people around him take.”<sup>67</sup>

## Further reading on replacing Russian energy supplies

### Oil prices

- Commons Library, [Oil prices](#), CBP2106.

### Assessments on whether replacing Russian supplies is achievable

- CNBC, [Analysts say alternative supplies wouldn't be able to fully replace Russian oil](#), 8 March 2022
- DW, [Ukraine war: Will Arab oil save the world from soaring prices?](#), 7 March 2022
- Transport & Environment, [How Russian oil flows to Europe](#), 8 March 2022. Discusses imports, level of dependency and Russian oil and gas revenues

### Alternatives to importing more oil and gas

- International Energy Agency, [A 10-point plan to reduce the EU's reliance on Russian natural gas](#), 3 March 2022. Includes a focus on renewables and taking steps to protect consumers.
- International Energy Agency, [A 10-point plan to cut oil use](#), March 2022. Includes increased working from home, reducing speed limits, and promoting greener and more fuel-efficient vehicles
- Tony Blair Institute for Global Change, [Cutting the cord: Ending Europe's energy dependency on Russia](#), 4 March 2022. Proposals include increasing European gas production, managing energy demand and moving to greener sources over the longer term.
- UK Government, [British energy security strategy](#), updated 7 April 2022

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<sup>66</sup> US State Department, [Department Press Briefing – March 11, 2022](#), 11 March 2022, accessed 1 April 2022

<sup>67</sup> Financial Times, [US retreats on Venezuela oil talks after Maduro meeting criticism](#), 14 March 2022, accessed 1 April 2022.

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