

CSAG INFORMATION PAPER:

Capt. America vs Capt. Agon (The Billion-Dollar Bargaining Chip for the Syrian Republic of Captagon)

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The opinions and conclusions expressed herein are those of a number of international officers within the Combined Strategic Analysis Group (CSAG) and do not necessarily reflect the views of United States Central Command, nor of the nations represented within the CSAG or any other governmental agency.

1. **Subject.** **Capt. America vs Capt. Agon**
(The Billion-Dollar Bargaining Chip for the Syrian Republic of Captagon)
2. **Purpose.** This paper aims to present the CSAG's analysis regarding how the Captagon drug industry in Syria affects the region and what the US/CENTCOM could do to consolidate its position in the region through facilitating counter-drug efforts of allies.
3. **Introduction.**
 - a. The war in Syria has not only caused hundreds of thousands of deaths, more than 6.8 million refugees, and 6.7 million internally displaced, but has also shattered Syria's once-productive economy, infrastructure, cities, and factories. All of these opened the way for Syria to turn into a 'narco-state'.
 - b. Syria's involvement in drug trafficking had a phased evolution, with the government playing a dominant role after 2018 through various individuals and by the industrialization of the process.
 - c. For more than ten years, Captagon, etymologically the combination of "capture" and "dragon" (means capturing one's life to feel like an invincible dragon), has been used by armed groups, including ISIS, and regular forces in combat situations.
 - d. The first stop of Captagon production in the Middle East, which was thrown out of the Eastern European market, was Lebanon and then Syria, especially during the civil war that started in 2011.
 - e. Syria is the global epicenter of Captagon production, which is now more industrialized, adaptive, and technically sophisticated than ever. Captagon is considered Syria's most valuable export and a key source of income for the government.
 - f. Besides the "Caesar Act", the US issued the "Captagon Act" (full implementation expected in June 2023), designed to identify and address Captagon production and trafficking networks directly linked to Assad.

4. **The Facts.**

- a. The Captagon drug industry in Syria is a complex network that consists of various players from Assad's family members (4th Division under the command of Maher al-Assad – Bashar's brother)¹, Iranian-backed groups, businessmen, and even influential tribes (within the Bani Khalid Confederation)² stretching as far as Syria, Lebanon, Jordan, Iraq, and Saudi Arabia.
- b. Rebel groups, such as Hay'at Tahrir al-Sham (HTS), benefit the drug industry in facilitating the Captagon flow to neighboring markets by exploiting their territorial access and control over certain border checkpoints.³
- c. The United States, United Kingdom, and European Union have placed new sanctions on Syria over Captagon. They specifically accuse Maher al-Assad of facilitating the production and trafficking of Captagon. The sanctions have also been imposed on two cousins of Syrian President Bashar al-Assad for overseeing key Captagon production facilities in Latakia, Syria.⁴
- d. The Captagon production and transportation, where the maritime routes are mostly used, depend upon imports of chemical precursors and equipment sourced from India, Latin America, Russia, China, and elsewhere. (*See Annex 1*)
- e. Bashar al-Assad, with members of his family, run, control, and secure the Captagon drug network, using examples of cartel experience.
- f. Since 2018, Captagon exports from Syria have reached an estimated market value of 57 billion USD (street price per pill, based on quality, varies from \$1 - \$25), with 10 billion USD industry annually.^{5,6} It is considered the "financial lifeline" of the country, and in addition it provides 90 percent of Syria's foreign currency.⁷
- g. Syria has agreed to combat drug trafficking across its borders with Jordan and Iraq, following a meeting of Syria, Egypt, Iraq, Saudi Arabia, and Jordan foreign ministers to discuss the normalization of ties.
- h. Syria is using Captagon to ensure financial survival of the regime that is endangered by international joint sanctions.⁸
- i. Syria's willingness to give up the Captagon lifeline could turn into a bargaining chip in relations with Arab countries to gain their support to alleviate the US sanctions aimed at the Assad regime.

¹ Assiya Hamza, "War on Captagon key to Syria's return to Arab League," France 24, May 19, 2023. <https://www.france24.com/en/middle-east/20230519-war-on-captagon-key-to-syria-s-return-to-arab-league>, (Accessed May 20, 2023)

² Rouba El Hussein and Jean Marc Mojon, "Captagon Connection: How Syria Became A Narco State," The International Business Times, September 11, 2022. <https://www.ibtimes.com/captagon-connection-how-syria-became-narco-state-3631440>, (Accessed May 20, 2023)

³ Caroline Rose and Alexander Söderholm, "The Captagon Threat. A Profile of Illicit Trade, Consumption, and Regional Realities," New Lines Institute for Strategy and Policy, April 2022, page 20. https://newlinesinstitute.org/wp-content/uploads/20220404-Captagon_Report-NLISAP-final-1.pdf, (May 20, 2023)

⁴ Doina Chiacu, Daphne Psaledakis and Brendan O'Brien, "U.S. sanctions Syrian leader Assad's cousins, others over drug trade -Treasury," Reuters, March 28, 2023. <https://www.reuters.com/world/us-sanctions-syrian-leader-assads-cousins-others-over-drug-trade-treasury-2023-03-28/>, (Accessed May 15, 2023)

⁵ Haitham el-Tabei and Patrick Lee, "Captagon connection: how Syria became a narco state," France 24, March 11, 2022. <https://www.france24.com/en/live-news/20221103-captagon-connection-how-syria-became-a-narco-state> (Accessed May 15, 2023)

⁶ Adam Pourahmadi and Abbas Al Lawati, "Saudi Arabia is becoming the drug capital of the Middle East," CNN, September 2, 2022. <https://www.cnn.com/2022/09/02/middleeast/saudi-drug-capital-mime-intl/index.html>, (Accessed May 15, 2023)

⁷ "Syria earns more from drug Captagon than from its legal narco exports," Business Standard, April 17, 2023. https://www.business-standard.com/world-news/syria-earns-more-from-drug-captagon-than-from-its-legal-narco-exports-123041700101_1.html, (Accessed May 15, 2023)

⁸ Ellie Sennett, "US Captagon policy to focus on working with Middle East partners," The National, May 25, 2023. <https://www.msn.com/en-ae/news/world/us-captagon-policy-to-focus-on-working-with-middle-east-partners/ar-AA1bGUHj>, (Accessed May 30, 2023)

- j. Hezbollah legitimizes its involvement in the drug network based on the fatwa, presumed to have been issued by Iranian clerics in the mid-1980s, implying that as long as it targets non-Muslims, it is not against religious guidance to take part in the drug network.⁹
- k. Although collaboration has been uncovered between Hezbollah and some leaders of the Syrian military to produce the cheapest types of Captagon and smuggle them out of Syria, Hezbollah denies any role in the drug trade.¹⁰
- l. Jordan carried out air strikes in Syria, hitting a factory linked to Hezbollah and killing a prominent Syrian narcotics smuggler who was close with militias linked to Assad and Hezbollah.¹¹

5. **Assessments.**

- a. Assad's dire need for foreign aid would shape cooperation on both the refugee and Captagon issues. The regime's capacity for cooperation is as constrained as its sovereignty, which is now affected by several actors, including Iran and Russia.
- b. The Captagon issue might support Syria's reintegration into the Arab League, but other issues might overshadow the importance of Captagon from the perspective of Arab countries. Since there is no consensus within the Arab states' community regarding Syria's reunion, each Arab country is free to seek its interest with Syria through the Arab League and GCC framework or at a bilateral level.
- c. Captagon has so far only been consumed on a very small scale in Europe. This consumption volume could increase because of the huge influx of immigrants in the EU (first potential users), continuous drug production, and the oversupply that would occur if the regional countries successfully curbed drug use. Syria's biggest export has the potential to supply these prospective demands.
- d. Although Syria agreed to counter drug trafficking, it is not clear how much Assad is capable and willing to stop the drug trade. Assad might not be able to comprehensively address the problem in the short term, not only because of the complexity of the network with dependent players but also because Syria would lose out on an important source of income.
- e. But still, Assad might not need to stop the drug flow completely, just showing some small efforts that he is trying to do so would be enough to satisfy the other Arab leaders. In the coming months, there might be an increase in the number of seizures of drug shipments within Syria, or they might be more willing to share information about narcotics flows when it reaches other countries like Jordan or Saudi Arabia.
- f. Iran (Iranian backed-groups in Syria) may limit drug trafficking towards the GCC countries as a positive message regarding the KSA-Iran deal. Still, it will not stop the drug business since it is one of the ways to pay its proxies' militia in the region.
- g. Although the regional countries have their own necessary legal regulations, more comprehensive inter-country structures are needed to counter the Captagon drug trade.

⁹ Majid Rafizadeh, "The Mullahs and Hezbollah, Lords of Drug Smuggling," Gatestone Institute, August 12, 2020. <https://www.gatestoneinstitute.org/16332/iran-hezbollah-drug-smuggling>, (Accessed May 16, 2023)

¹⁰ Ghassan Ibrahim, "How Iran turned Syria into 'the den of Captagon,'" Arab News, October 31, 2022. <https://www.arabnews.com/node/2190921>, (Accessed May 16, 2023)

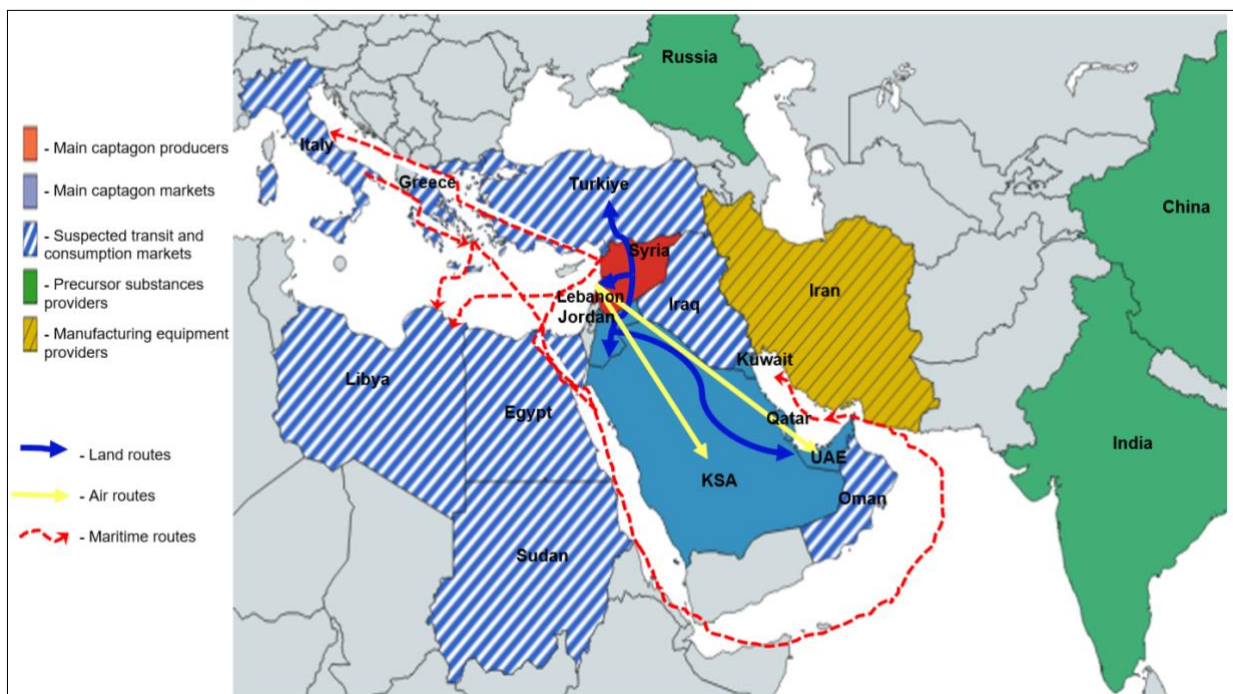
¹¹ Bassem Mroue and Kareem Chehayeb, "Airstrikes kill well-known Syrian drug kingpin," AP News, May 8, 2023. <https://apnews.com/article/syria-jordan-airstrikes-captagon-sweida-daraa-399356200591161f7cfa24b0fe03639b>, (Accessed May 16, 2023)

6. **Recommendations.**

- a. Calibrate the US efforts in the region regarding the needs of respective countries to dismantle the drug network. This could be used to remove the Captagon issue as a bargaining chip and create a more favorable environment for regional countries to reassess Syrian rapprochement.
- b. Leverage US diplomacy and multilateral institutions to economically pressure the Syrian government (e.g., by implementing the "Captagon Act") to disrupt the drug network.
- c. In close coordination with international agencies and national interagencies:
 - (1) Target and weaken networks that support drug infrastructure, particularly by building the capacity of partner countries. Such partner countries may include Jordan, Lebanon, and possibly U.S.-allied Gulf states.
 - (2) Expand mission mandate for CTFs (TF 153 in the Red Sea) focusing on counter narcotics in the region.
 - (3) Establish intel sharing point with EUCOM for counter narcotics and coordination with EUNAV Forces in Mediterranean Sea.
 - (4) Develop regional mechanisms/support establishing organizations to counter the drug trade.
 - (5) Create a center of excellence and provide training in counter-narcotics in the ME, using the experience of the US and the international community.
- d. Use STRATCOM during Key Leader Engagement events to:
 - (1) Boost understanding of China's and Russia's involvement in this drug industry.
 - (2) Emphasize unreliability of the Assad regime by showing evidence of his significant role in the illicit narcotics network.

Annex 1

The Captagon Dominion



* China is also providing equipment to produce Captagon pills.