

Terrorism and Oil Geopolitics: Shifts in World Energy Policy

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Received: 29 June 2025; **Accepted:** 25 July 2025; **Published:** 27 August 2025

Abstract: The interplay between terrorism and oil geopolitics has profoundly reshaped global energy policies, driving nations toward diversification, renewable transitions, and strategic realignments amid escalating risks. This article examines how terrorist activities such as attacks on infrastructure in the Middle East and sabotage of pipelines like Nord Stream have disrupted oil supplies, amplified price volatility, and prompted policy responses like the U.S. shale boom and Europe's pivot from Russian gas. Drawing on historical cases (e.g., post-9/11 security measures, 2019 Saudi attacks) and recent conflicts (e.g., Ukraine war, Iran-Israel tensions, and 2022 Nord Stream explosions), it highlights shifts from OPEC dominance to a multipolar energy landscape, where terrorism exacerbates vulnerabilities in chokepoints like the Strait of Hormuz. Ultimately, the analysis argues that while terrorism heightens short-term economic instability, it accelerates long-term policies favoring energy security and sustainability, though at the cost of increased global volatility.

Keywords: Terrorism, geopolitics, oil, global economy, international security, war on terror, energy security.

Introduction: In the intricate web of global affairs, few elements are as intertwined as terrorism, oil, and geopolitics. Oil, often dubbed "black gold", powers economies worldwide, yet its extraction, transportation, and trade occur predominantly in regions fraught with instability. The Middle East, home to over half of the world's proven oil reserves, has long been a hotspot for terrorist activities, where groups exploit resource wealth to fund operations or target infrastructure to sow chaos.

This dynamic has not only disrupted supply chains but also compelled nations to rethink their energy policies, shifting from dependence on volatile imports to diversified, resilient strategies.

The post-9/11 era marked a pivotal turning point. The attacks on the United States, orchestrated by al-Qaeda a group partially funded by oil-rich

benefactors — highlighted the vulnerabilities of global energy systems. In response, the U.S. launched the "War on Terror," which intertwined military interventions with energy security objectives. Policies evolved from securing "free oil" (unhindered access to Persian Gulf reserves) to promoting "freedom oil,"

where oil revenues would foster democratic governance and reduce terrorism's breeding grounds. This shift reflected a broader recognition that terrorism doesn't just threaten lives; it undermines economic stability by spiking oil prices and disrupting markets.

Recent events amplify these concerns. In September 2019, drone attacks on two major Saudi oil facilities by Yemen's Houthi rebels slashed production by half, causing oil prices to surge 14.6% and risking global supply disruptions. Similarly, in March 2021, ISIS-affiliated terrorists assaulted Palma, Mozambique, near a major natural gas field, killing dozens and forcing French company Total to suspend its \$20 billion LNG project. The most audacious act came on September 26, 2022, when explosions damaged the Nord Stream 1 and 2 pipelines in the Baltic Sea, an unprecedented sabotage with blasts equivalent to 500 kg of TNT each. Perpetrators remain unidentified, but accusations fly amid geopolitical tensions, with European nations barring Russian involvement in investigations. These incidents illustrate how energy assets attract not just non-state terrorists but potentially state-backed actors, blurring lines between terrorism and international rivalry.

The Russia-Ukraine conflict of 2022 further exacerbated this, with sanctions and supply rerouting causing energy prices to soar and exposing Europe's overreliance on imported fossil fuels. Empirical evidence supports this interplay: Studies across 38 countries from 2000 to 2022 show a negative correlation between geopolitical threats (including terrorism) and energy transitions, with threats hindering progress more than actual acts. As the world grapples with these challenges, understanding this nexus is crucial for crafting sustainable energy policies. This article explores historical contexts, geopolitical risks, policy responses, case studies, and future implications, incorporating fresh insights from global terrorism databases to make the narrative more vivid and urgent.

Historical context: Terrorism and Oil. The relationship between terrorism and oil dates back decades, rooted in the geopolitical significance of petroleum-rich regions. In the 20th century, Western powers established alliances to secure oil flows from the Persian Gulf. The 1973 Arab-Israeli War and OPEC embargo demonstrated oil's weaponization, but terrorism added an asymmetric threat. Groups like al-Qaeda, funded partly by oil wealth from Gulf states, exploited grievances over resource mismanagement and foreign interventions.

Post-9/11, the U.S. reframed its Gulf policy: from "free oil" to "freedom oil," aiming to democratize oil governance and curb terrorism funding. The invasions of Afghanistan (2001) and Iraq (2003) secured oil interests while combating terror, though instability persisted. Data from the Global Terrorism Database (GTD, 1970–2018) reveals energy as the sixth most targeted sector, after private citizens, military, police, government, and business. Of 192,464 recorded incidents, 3.8% (about 7,300) targeted energy, surpassing transportation attacks. These caused low fatalities (0.58 per incident) but high economic damage, emphasizing disruption over death.

Terrorists target energy for three main reasons: funding (extortion, kidnappings, oil theft), opposition to foreign extraction (driving out multinationals), and undermining security (disrupting supplies to harm economies). For instance, ISIS controls oil-rich areas in Iraq and Syria, using revenues to finance operations while attacking facilities in Egypt and Libya. In the Belt and Road Initiative (BRI) regions, 85% of global terrorist attacks since 2003 occurred, home to 57% of world oil reserves. Attacks like those on Syria's pipelines in 2012 reduced output from 400,000 to 24,000 barrels daily.

To make this history more engaging, consider the rational calculus of terrorists: Leaders are often highly

educated engineers or scientists, as seen in the 9/11 planners with degrees in mechanical engineering. They select targets for maximum impact coercion (human casualties), damage (infrastructure), symbolism (rallies supporters), or franchising (loyalty displays). Energy fits perfectly: Immobile, valuable, and remote, assets like pipelines are "easy prey." The 2001 bombings of the Caño Limón-Coveñas pipeline in Colombia attacked 170 times halted operations for months, costing millions.

Cumulative effects, including the 2008 crisis and 2020 pandemic, pushed diversification. The U.S. shale revolution post-2010 reduced import dependence, diminishing Middle East leverage. Yet, terrorism persists, forcing adaptations in energy security.

Geopolitical risks, including terrorism, wars, and tensions, disrupt oil markets, leading to volatility and insecurities. The Geopolitical Risk Index (GPR) shows bidirectional causality with energy security from 2004–2022. Terrorism amplifies this via direct attacks and uncertainty. Oil prices fluctuate through economic (demand drops) and risk (supply fears) channels. Post-9/11, Brent rose 5% then fell 25%. The 2019 Saudi drone attacks halved production, spiking prices. Chokepoints like the Strait of Hormuz (20% of global oil) are vulnerable; Iran's threats in 2020 risked massive cuts. The 2022 Ukraine war surged Brent 30%, with Europe's gas prices skyrocketing.

GTD data details vulnerabilities: Energy targets are low-mobility (fixed wells, pipelines), high-value (price shocks), and remote (hard to protect). Attacks on oil facilities (1,230 incidents, 1970–2018) caused average damages of \$234,000–\$551,000 per event, far exceeding electricity attacks (\$45,000–\$731,000). Gas targets were rarer but impactful. Maritime threats include tankers: 23 attacks, with damages averaging \$1.96 million. The 2002 Limburg bombing off Yemen raised prices 1.3% instantly. Tankers' size (up to 550,000 tons) and slowness (16.5 knots) make them "obvious targets," though harder to sink due to double hulls.

Kidnappings link closely: Of 12,173 global abductions (1970–2018), many targeted oil workers for ransoms. Eight of the top 10 countries (e.g., Colombia, Iraq, Nigeria) are major producers. In Nigeria's Delta, groups like MEND extort multinationals, blending separatism with oil grievances. Spatial models on China-BRI data (2008–2019) show terrorism reduces imports, especially high-fatality events. A nonlinear threshold: GPR over 0.5197 severely inhibits transitions. Recent Israel attacks (2023) rose prices 4%. Terrorism thus pushes short-term hedging and long-term reforms, but with "winners" nations benefiting from price hikes.

Terrorism's disruptions catalyze policy shifts toward

diversification and renewables. Post-9/11, U.S. policies integrated counterterrorism with security, promoting “freedom oil.” The shale boom made the U.S. top producer by 2013, cutting vulnerabilities. The 2022 crisis prompted IEA stock releases (240 million barrels) and Europe’s LNG imports surge, extending nuclear/coal. EU’s REPower EU and U.S. Inflation Reduction Act accelerated renewables. Studies recommend reserves in stable areas, domestic expansion, and import diversification. For China, BRI risks demand counterterrorism cooperation.

Geopolitical threats hinder transitions, but events like Ukraine spurred Europe’s pivot. U.S. LNG exports provide leverage, aiding allies. Policies focus on resilient infrastructure and resolutions to lower GPR.

To counter energy terrorism broadly attacks on facilities, kidnappings recommendations include: Enhance protections (drones make it urgent), minimize local impacts (hire locals, engage communities to reduce grievances), and transition to renewables (less linked to terror, fewer negatives like pollution).

Middle East Conflicts, “Nord Stream”, and Beyond. Case studies vividly illustrate terrorism’s impact. In the Persian Gulf, post-9/11 Iraq interventions secured oil but fueled instability. The 2019 Saudi attacks (Houthi drones) disrupted 5.7 million barrels daily, highlighting drone threats.

In Africa, the 2021 Mozambique ISIS attack on Palma halted Total’s LNG project, killing dozens. Libya and Nigeria see kidnappings: MEND in Nigeria targets foreign firms for ransoms, tying to oil inequities.

The 2022 Nord Stream sabotage stands out as “energy

terrorism.” Explosions deformed pipelines (see deformed metal images), ruled directional blasts by Swedish prosecutors, who found explosives traces but barred Russian probes. U.S. accused Russia of aiming for Europe’s crisis, while a foiled TurkStream attempt implicated Ukrainian agents. This blurred state-terror lines, escalating geopolitics Russia lost export routes, Europe faced shortages, and prices soared. Beyond, Colombia’s pipeline bombings and Yemen tanker attacks show patterns: Low fatalities, high disruption. These catalyze shifts, like stock releases and diversification.

Calculations show that energy facilities are frequently targeted by terrorists. Table 1 lists the top 9 terrorist targets from 1970 to 2018. As can be seen, energy facilities are the sixth largest terrorist target after private citizens and property, the military, the police, general government, and businesses. Of all reported terrorist incidents, 3.8% were directed against energy facilities or companies. Although this may not seem like a large percentage, the number of attacks on the energy sector actually exceeds the number of attacks on transportation, which is generally considered a vulnerable terrorist target.

The far right column of Table 1 shows the average number of fatalities in each terrorist incident across these 9 categories. It can be seen that terrorist attacks on military and civilians are the most deadly, killing an average of 4.14 and 3.39 people, respectively. Attacks on energy facilities are the least deadly, with an average of 0.58 fatalities per incident. This suggests that terrorists do not target energy facilities or companies with the intent to kill.

Тип цели	Число террористических актов	Процент от общего числа	Погибших в среднем
Частные граждане и имущество	46 482	24,2	3,39
Военные	30 090	15,7	4,14
Полиция	26 067	13,7	2,32
Правительство	22 357	11,6	1,31
Бизнес	20 253	10,5	1,19
Энергетика	7 286	3,8	0,58
Транспорт	6 960	3,6	2,14
Религиозные фигуры/ институты	4 712	2,5	3,06
Образовательные учреждения	4 508	2,3	0,9

Table 1: Top Terrorist Targets (1970–2018)

Source: Global Terrorism Database

Attacks on other types of targets often result in casualties, but terrorists target energy facilities to

cause other consequences, such as loss of property or undermining a country's energy security. To further examine the vulnerability of energy facilities, Table 2

shows the number of terrorist attacks on different types of energy facilities and, for each type, the average cost of property damage in each incident.

Цель	Число террористических актов	Нанесенный ущерб (тыс. долл.)
Объекты электроэнергетики	4 282	45,731
Нефтяные объекты	1 230	234,551
Нефтегазовые/электроэнергетические компании	1 100	61,709
Газовые объекты	581	10,976
Нефтяные танкеры	23	1,956,522
Прочие нападения		43,653

Table 2. Terrorist attacks on energy facilities, 1970–2018

Source: Global Terrorism Database

The table shows that electric power facilities are the most vulnerable energy facilities. Oil facilities (such as pipelines and refineries) are also susceptible to terrorist attacks, having been the primary target of 1,230 terrorist incidents from 1970 to 2018. Although terrorist attacks on oil facilities are less frequent than on electric power facilities, they have a much greater economic impact. On average, each incident is estimated to cause between \$234,000 and \$551,100 in material damage, while each attack on electric power facilities causes between \$45,000 and \$731,000 in material damage. Of these attacks, a significant number were committed on the Caño Limón-Coveñas oil pipeline, which is a 780-kilometer oil pipeline that runs through northern Colombia. In 2001 alone, the pipeline was bombed 170 times, shutting down operations for months. Some of the attacks have targeted transnational oil pipelines, such as the Kirkuk-Ceyhan pipeline from Iraq to Turkey and the Trans-Andean pipeline from Ecuador to Colombia, which have been attacked 12 and 14 times, respectively. Energy companies are also important targets. Between 1970 and 2018, there were a total of 1,100 terrorist incidents in which gas, oil, or electricity companies were the primary target. More than half of these incidents were bombings, the most common type of attack recorded in the GTD, but 151 were hostage-taking or kidnappings.

This suggests that energy companies are attractive targets for terrorists who kidnap people for ransom or extortion. Compared to oil facilities, gas facilities have been attacked less frequently, and the average material damage is also significantly lower, even lower than the average material damage in all other types of incidents where the target is not energy related. Twenty-three attacks were on oil tankers. Oil tankers are the most important mode of transport for transporting oil from one continent to another, as they carry half of the world's oil. Due to their size and speed,

oil tankers are obvious targets for terrorists. Oil tankers (including Very Large Crude Carriers and Ultra Large Crude Carriers) range in capacity from 160,000 to 550,000 dwt, and can be up to 380 m long. They are also slow moving, with the largest supertankers moving at 16.5 knots (equivalent to 30.6 km per hour) when loaded. Due to legal and security issues, oil tankers are largely unarmed, making them vulnerable to pirate hijackings and terrorist attacks. For example, in October 2002, the French oil tanker MV Limburg was blown up by al-Qaeda militants in the Gulf of Aden off the coast of Yemen, causing oil prices to rise by 1.3% within hours. In addition, the economic impact of terrorist attacks on oil tankers is enormous, with each incident estimated to cause \$1.96 million in property damage. Although oil tankers are a significant target, they remain less secure than other oil assets such as pipelines or refineries. This is because operations at sea are less effective and more costly for terrorists than operations on land. The threat of maritime terrorism against oil tankers is also not as serious as piracy, as it is more difficult to blow up or sink oil tankers, which are typically double-hulled and compartmented, than to hijack them. However, terrorist groups continue to plot to attack oil tankers, even though the attempt may fail. For example, the Niger Delta Avengers (NDA), a new terrorist group based in the Niger Delta, issued a press statement in June 2016 threatening to attack oil facilities and vessels. But the act of international terrorism committed on September 26, 2022, against the Nord Stream and Nord Stream 2 pipelines is not as costly to the perpetrators as the benefits that will follow.

Ahead, terrorism will shape geopolitics, with risks like Hormuz closures. Yet, it accelerates transitions: GPR thresholds suggest targeted policies mitigate hindrances.

CONCLUSION

In conclusion, terrorism transforms oil geopolitics

toward sustainability. Enhance protections, address grievances, embrace renewables to navigate this landscape. As Nord Stream shows, ignoring this invites greater volatility but also innovation.

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