



GLOBAL ENERGY MARKETS AND THE GROWTH OF THE ECONOMY IN IRAQ

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First and foremost, I would like to thank Dr. Sun Xiansheng IEF Secretary General, The Government of India and all IEF member countries for the opportunity to enhance the development of relationships among energy ministers, industry leaders and heads of key international organisations. I expect a focus on how global shifts, transition policies and new technologies influence market stability and future investment in the energy sector. I do expect to discuss how we can secure an energy future by merging economic synergies and developing stronger ties among IEF member countries.

The Iraqi Ministry of Oil aims to strengthen and develop relationships with major international companies and industry leaders to meet the additional demand from global markets.

There are many investment opportunities inside Iraq and we pledge to secure proper working conditions for the companies that assist in implementing our investment plans for our oil fields.

The fierce competition for oil market share has driven oil producers to closely monitor the break-even price of producing a barrel of oil and to decrease costs to a minimum so as to obtain better positions compared to other oil suppliers. The operational cost of producing a barrel of oil in Iraq is considered to be low in comparison with other oil producing nations such as the US, UK and Canada, so Iraq is competitive on a global scale.

Recently, oil producers extended an oil output cut until the end of 2018 to deal with the oil glut, which is leading to a more balanced market and an increase in oil price to its fair value. Despite the fact that Iraq should not have been requested to cut its oil production, due to the extraordinary circumstances in the country. Iraq, as the second largest producer in OPEC, has confirmed its commitment to the cut agreement by implementing plans to reduce oil production. However, the ministry stands ready to satisfy any growth in global oil demand by maintaining spare capacity and improving export infrastructure, in addition to the implementation of modern technologies in oil and gas exploration and production.

Production facilities in Iraq are being rehabilitated and expanded in a timely manner. At the same time, many oil and gas fields are still in need of development. Investment in midstream and downstream projects is also still required.

Iraq is the fourth largest oil producer globally with confirmed oil reserves of more than 153 billion barrels in addition to further 25 -100 billion barrels of untapped reserves.

We can say that we have almost reached our target in oil field development and infrastructure expansion but we are eager to incorporate new technologies and achieve greater economic cooperation.

I would like to take this opportunity to give a brief outlook on gas resources in Iraq. Estimates indicate that Iraq holds approximately 133 trillion cubic feet of natural gas reserves, an endowment that would make Iraq the 12th largest holder of conventional gas reserves in the world.

More importantly, by 2020 the Ministry's goal is to produce 5,000 bcf of dry gas and 20,000 tons per day of LPG and 15,000 barrels per day of condensate.

The Ministry has started expanding seismic exploration surveys in Iraqi territory and territorial waters. The figures showed that although 520 geological sites are likely rich in oil; only one-third of them have been investigated.

I would also like to point out that we are looking at the possibility of extending pipelines to transport crude oil through neighbouring countries, which will add more opportunities for investment in Iraq.

I would like to draw your attention to the fact that Iraq has already started to sell its shipments of LPG, which opens the doors for future growth in the gas industry.

Moreover, Iraq has become the main supplier of operational fuel for all ships and tankers which anchor in Iraqi ports. Furthermore, we are carrying out an ambitious training programme for the preparation of specialised staff in this field to support this trend and further build the capacity of Iraq's officials, including the staff of Iraqi institutions and marketing entities.

The Ministry is also carrying out a plan to enhance our credibility and work performance to qualify for ISO-certification. This is expected to result in far better workflow processes.

Here we would like to refer to the restructuring of the National Oil Company and highlight its importance in the development of the oil industry in Iraq. The National Oil Company will be one of the leading companies in the region and the world; hopefully it will achieve greater performance in attracting investments.

Finally, I must underline the fact that the prosperity of Iraq depends, to a great extent, on its energy sector. ■