

Challenges to Energy Development

IRAQ

By Dr. S. Jallad

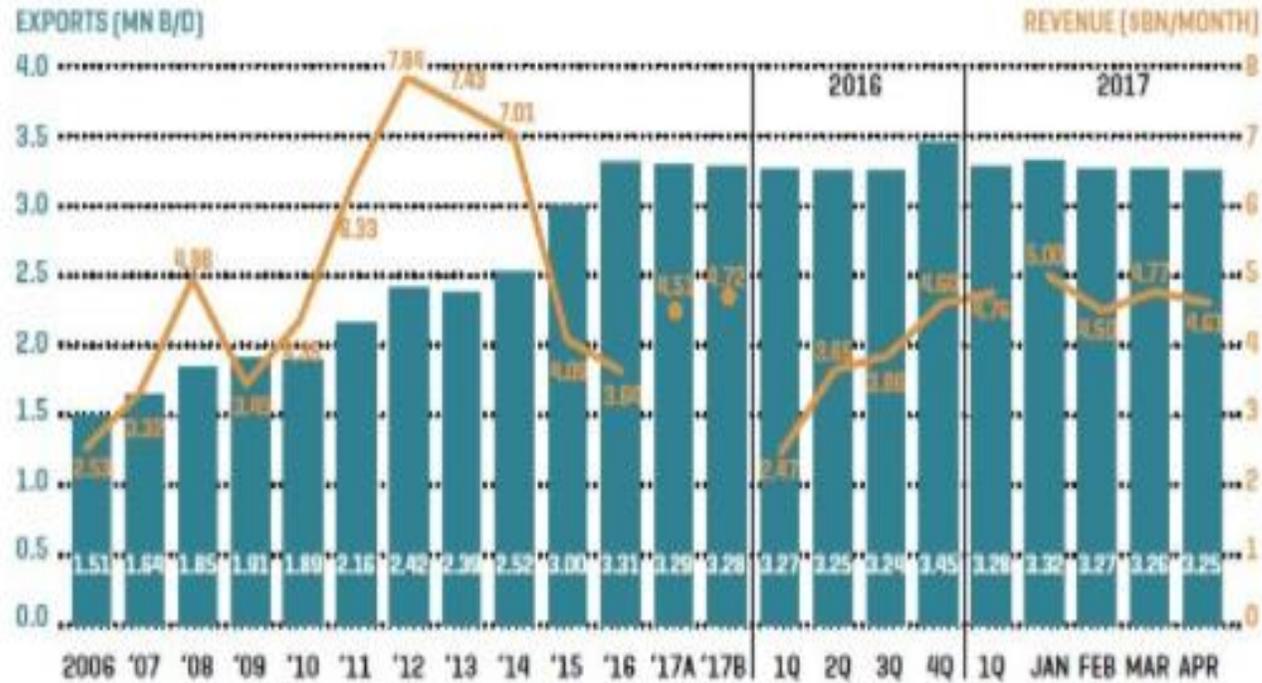
SAMPLE OF SOCIOECONOMIC INDICATORS

- Area
- Boundaries (6 Countries)
- Population
- Growth Rate
- Age: (<24years)
- Ethnicity: (Arab) Kurds, Turkmen, Assyrians, other
- Labour Force
- Unemployment
- Below Poverty Line
- Major Urban Areas
- GDP
- GDP Growth
- GDP/ Per capita
- Crude Oil Proven Reserves
- Natural Gas Proven Reserves
- 438.317 sq. km
- Iran, Saudi Arabia, Syria, Turkey, Kuwait, Jordan
- 38.15 m
- 2.87%
- 58%
- (80%)
- >9m (2010)
- >16% (2010)
- 25%
- Baghdad, Mosul, Erbil, Basra, Sulaymaniyah, Najaf
- 596.7 \$bn
- 10.3%
- 16.500 \$
- 153bn
- 3158 Tr cum (2016)



source "mees" (www.mees.com)

FEDERAL IRAQ'S OIL REVENUE SET FOR 30% ANNUAL RISE (\$BN)



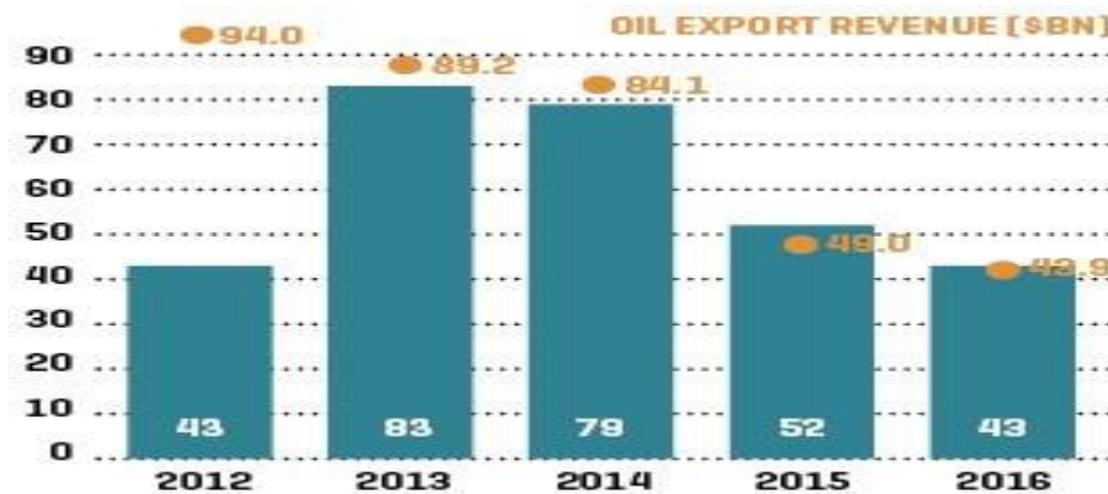
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IRAQ'S 2017 BUDGET: KEY FIGURES (ID TRN)

	vs 2016 Budget*				
	2017	Revised	Original	2016 Revised*	2016 Original*
Revenue	79.01	+15.01	-2.69	64	81.7
of which: oil exports	67.95	+10.95	-1.85	57	69.8
oil %	86.0	-3.1	+0.6	89.1	85.4
other	11.06	+4.06	-0.84	7	11.9
Total Expenditure	100.67	+10.67	-5.23	90	105.9
Current	75.22	+7.22	-4.88	68	80.1
Capital	25.45	+3.45	-0.25	22	25.7
Deficit	-21.7	+4.34	+2.54	-26.0	-24.2
Crude Price (\$/B)	42	+7.50	-3.00	34.5	45
Crude Exports (mn b/d)	3.75	+0.15	+0.15	3.6	3.6
Oil Export revenue (\$bn)	57.5	+12.03	-1.80	45.5	59.3

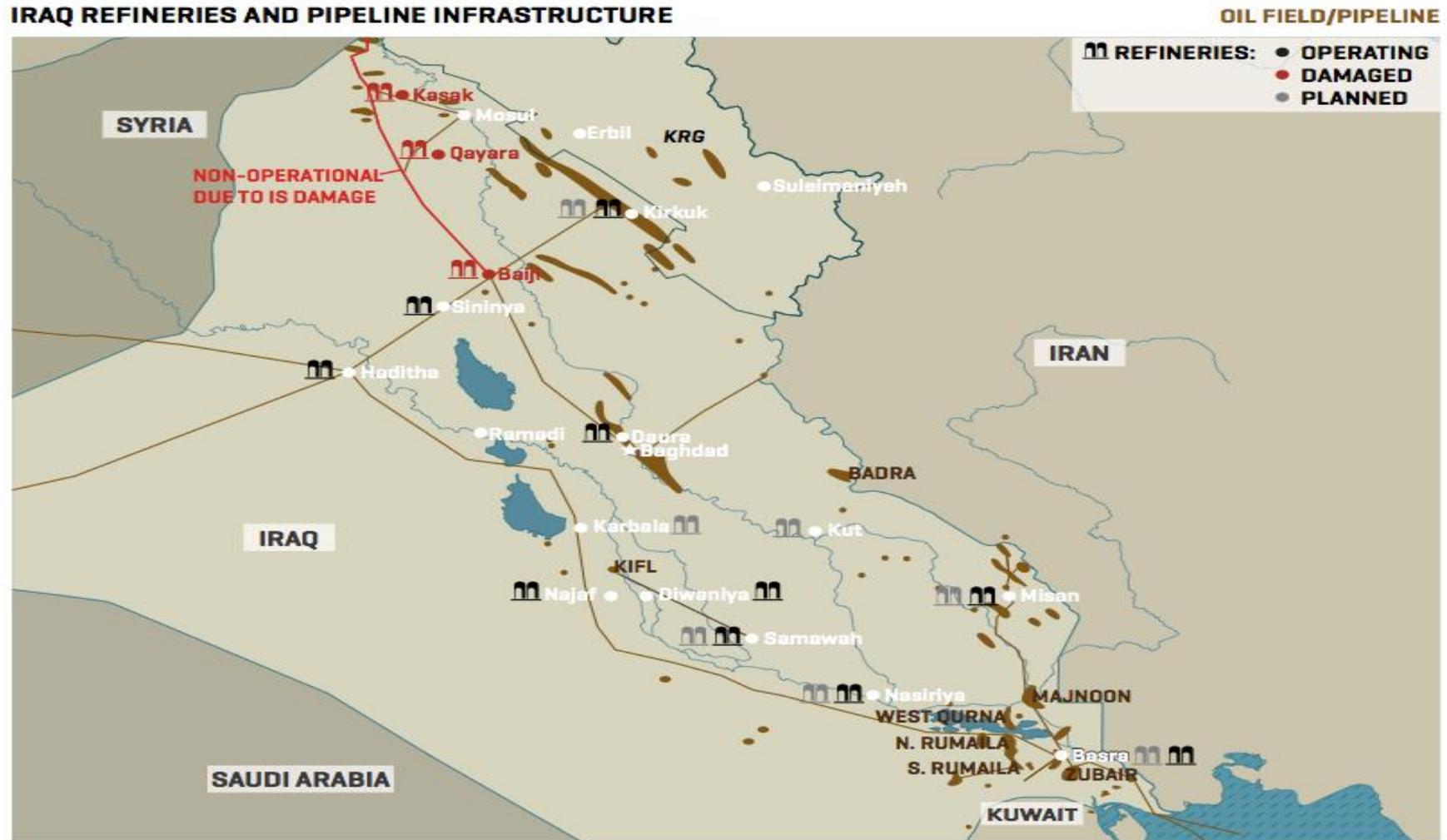
*2016 BUDGET REVISED IN JULY AT BEHEST OF IMF. \$1=ID1182.

- **IRAQ DRILLING* SLUMPS AMID CASH CRUNCH**



- *AVERAGE MONTHLY RIG COUNT (ACTIVE DRILLING RIGS). SOURCE: BAKER HUGHES.

source "mees" (www.mees.com)

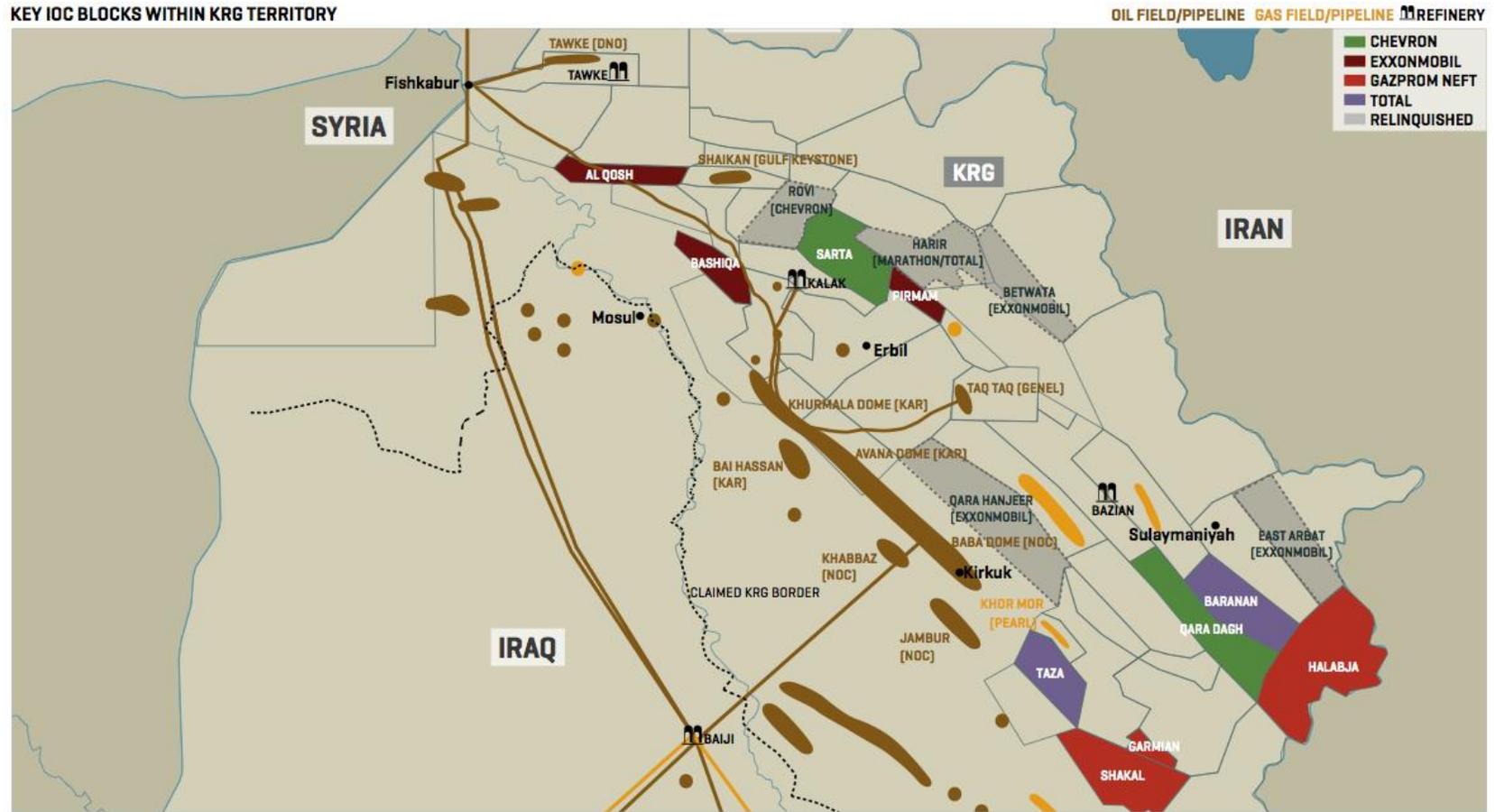




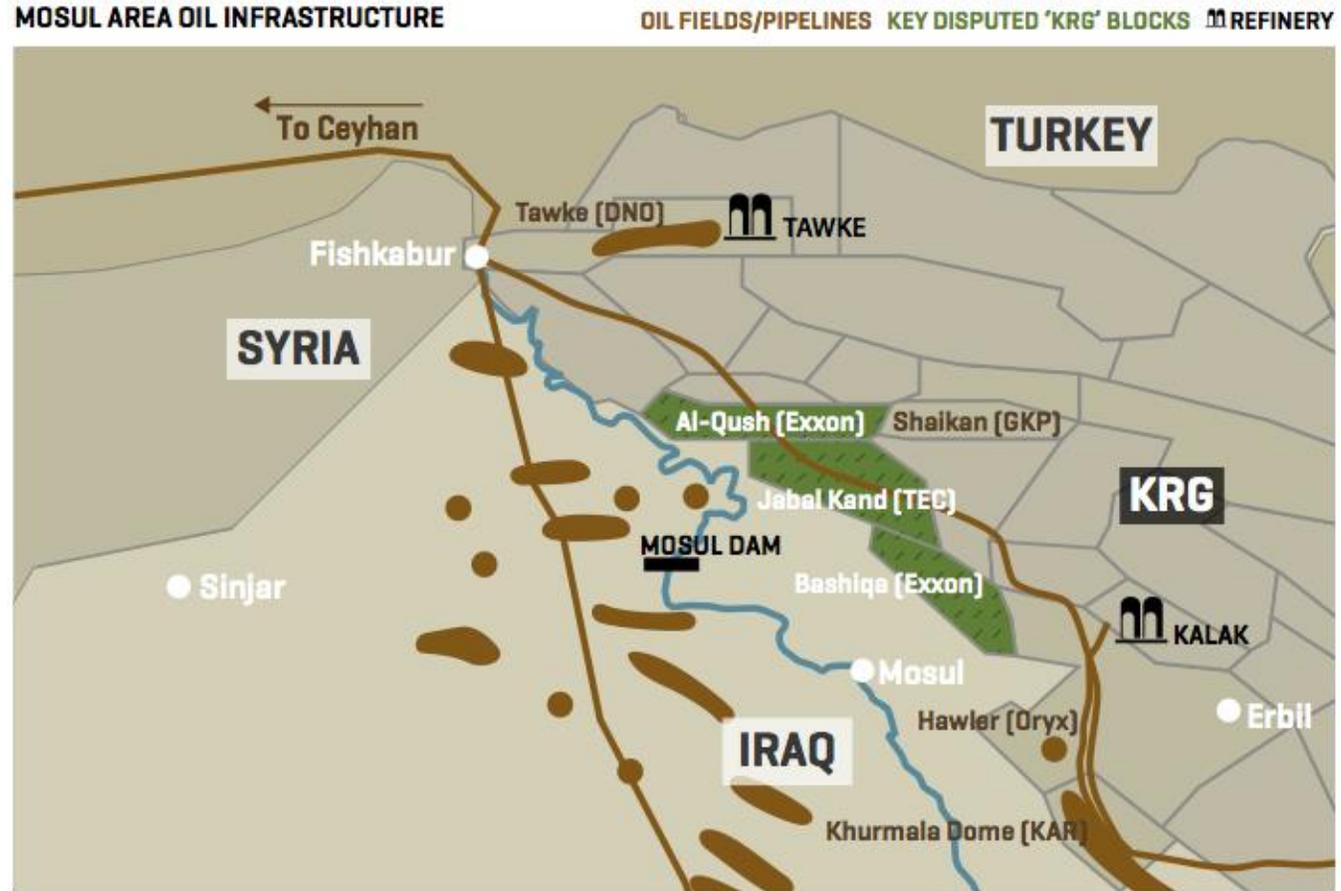
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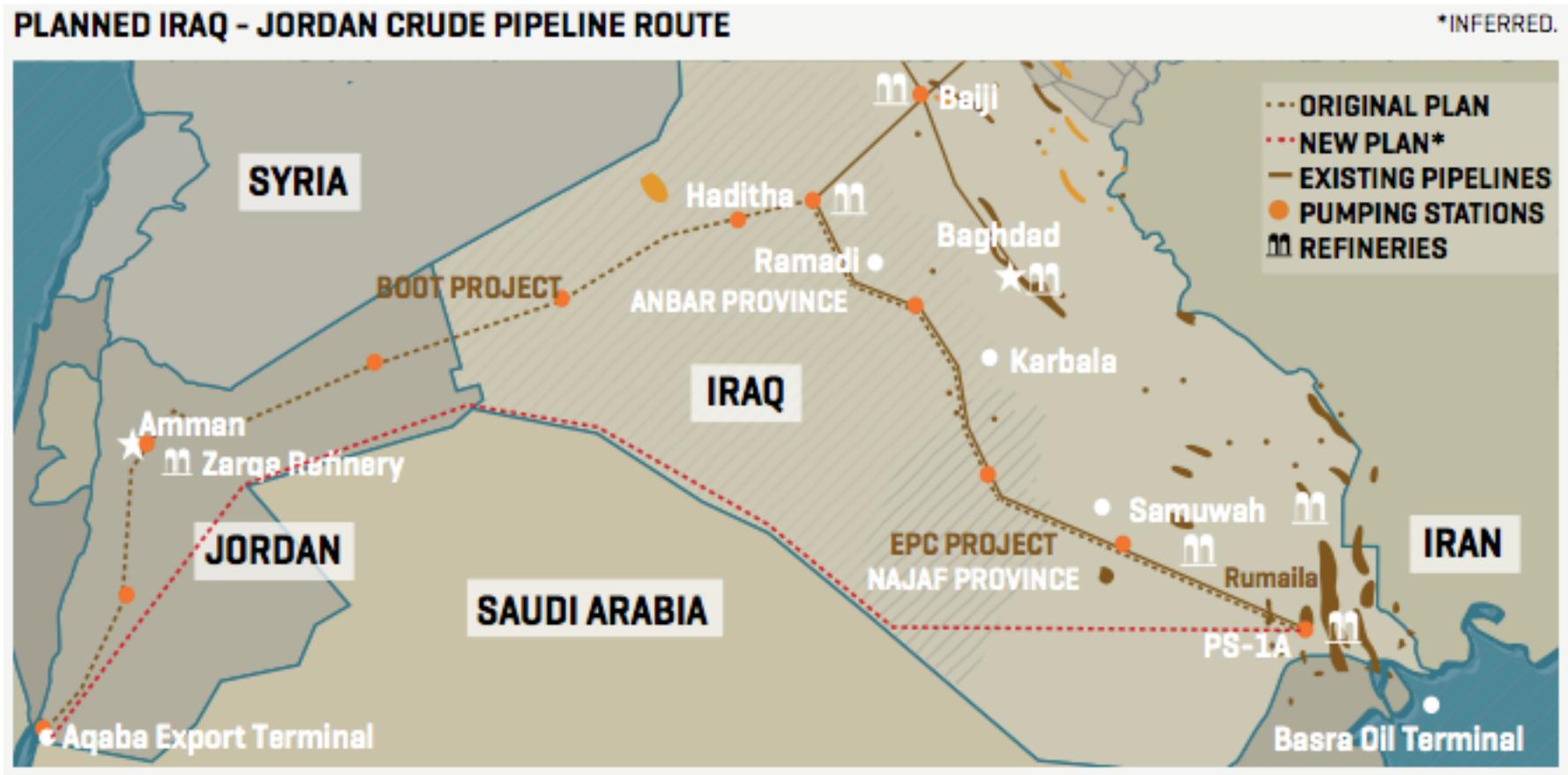




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CONCLUSION

1. Economy is fundamentally based on one factor. (Must diversify)
2. 95% of the budget is from oil revenues. (Reduce vulnerability to geo-economic political events, diversify markets e.g. Jordan pipeline)
3. ISIS destroyed 80% of the infrastructure; millions of refugees to return. (International financial commitment for a comprehensive rehabilitation and reconstruction program is imperative)
4. KRG cessation, disputes and divergent interests. (Loss of hydrocarbon assets/revenue)
5. The fabric of society is infested with ethnic, religious, ideological differences. (Governance improvement is vital)
6. Foreign investment is negligible. (Improve laws, regulations, dispute settlement, bureaucracy, access to international finance)
7. Knowledge management. (Technology transfer, efficiency enhancement)

THANK YOU

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