
IRAQ'S NEW EXPORT TO THE WORLD: LIQUID GAS

-

24.03.2016

Al Arabiya, 23 March 2016

A member of the Iraqi security force stands guard near a gas carrier as it prepares to set sail at the southern port of Khor al-Zubair in Basra province, March 20, 2016. (Reuters)

Iraq is planning to export liquid gas after it sent its first ever shipment of condensate gas abroad on Sunday to secure additional income and lessen its reliance on oil, a government official told Al Arabiya English.

While gas condensate can be used to make both fuel and plastic, bottled liquefied petroleum gas can be used for homes and businesses.

Iraq is finalizing the last touches to start exporting liquid gas with expected good volumes, the oil ministry's spokesman Assim Jihad said. We will further announce more details about it soon, he said.

In Iraq, which has the world's fourth largest oil reserves, revenues from the black gold make up nearly 95 percent of its budget. This proved to be a big challenge for Baghdad, especially in light of low global oil prices, which are currently hovering around \$40 per barrel.

While the spokesman did not disclose information about the first shipment, he said a Panama-flagged gas carrier on Sunday had 10,000 standard cubic feet of gas on board from Iraq's southern port of Umm Qasr, marking Iraq's first-ever export of gas cargo.

There will be another shipment sent abroad at the end of this month, and the process will continue, the spokesman added.

During former President Saddam Husseins regime, Iraq look to start exporting some of its gas, a plan that was cut short by the 2003 US invasion. However, the much-delayed project finally took place with the Basra Gas Company (BGC) venture - a partnership between Iraqs South Gas Company and Royal Dutch Shell.

In late 2011, Iraq signed the 25-year joint venture to form BGC in a \$17 billion deal. BGC was to gather, process and market gas from three oil fields in the oil-rich southern province of Basra.

The news also comes after Baghdad recently negotiated a deal to start importing gas from neighboring Iran, despite the International Energy Agency estimating the countrys natural gas reserves to be at 112 trillion cubic meters, making it the 11th largest potential supply in the world.

Kaynak/Source: