
IRAQ, KURDISTAN NEARING AGREEMENT ON OIL DISPUTE

- 22.02.2018

Oil Price, 22 Feb 2018

Iraq and the semi-autonomous region of Kurdistan are close to settling their dispute over oil exports and oil revenue sharing, according to an Iraqi oil ministry official.

Exports from Kirkuk were halted after Iraqs federal army regained control over the oil fields in the area. Baghdad never recognized the legitimacy of the Kurdistan independence referendum at end-September 2017—moved in October to take control over the oil-rich area around Kirkuk.

In mid-October, Iraqi government forces seized the oil fields around Kirkuk, which had been under Kurdish control since 2014. The military maneuver knocked some 350,000 bpd of crude oil production offline and led to oil prices spiking on concerns of unstable supply from the region.

To compensate for lower exports in the north, Iraq has boosted its exports from the south, and has increased the export capacity of its southern ports to 4.6 million bpd.

Talks between Baghdad and the Kurds have made good progress regarding the oil revenue sharing and exports, Kurdish-run BasNews quoted Iraqi oil ministry spokesperson Assem Jihad as saying on Wednesday.

An agreement has become closer, especially after recent meetings between Iraqs Prime Minister Haider al-Abadi and Kurdistans Prime Minister Nechirvan Barzani, the media outlet quoted Jihad as saying.

Related: 5 Record Breaking Gemstones Even Billionaires Cant Buy

The Iraqi government wants to export oil from the province, regardless of whether it will do it

through Iran or Turkey, the oil ministry official said.

Iraq plans to start exporting 60,000 bpd of crude oil from Kirkuk to an Iranian refinery under a swap deal, and earlier this month Iraqi security forces started clearing the area along the oil route to Iran.

In addition, Iraq's oil minister Jabbar al-Luiebi is set to visit Turkey this week to discuss the resumption of oil exports via the Kirkuk-Ceyhan line to the Turkish port Ceyhan on the Mediterranean.

Kaynak/Source: