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## **IRAQ LOOKING AT OPTIONS IN CASE GULF OIL ROUTE CUT: SPOKESMAN**

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Baghdad (AFP)

Iraq is looking at contingency plans in case spiralling US-Iran tensions cut off its oil exports through the Gulf, a ministry spokesman said Monday, as observers warned a rupture would be "disastrous".

The US has accused Iran of attacking two oil tankers last week in the Gulf of Oman, sparking concerns that global shipments through the key waterway could be threatened.

Iraq, the second-largest oil producer among the Organization of the Petroleum Exporting Countries (OPEC), is drawing up an action plan in case of further escalation, according to oil ministry spokesman Assem Jihad.

"There is no replacement for the southern port and our other alternatives are limited. It's a source of anxiety for the global oil market," Jihad told AFP on Monday.

Lawmakers have also called for an emergency session with Iraq's ministers of oil, trade, planning and transport to "prepare to confront the possible dangers".

A third of the world's seaborne oil supply passes through the Strait of Hormuz, a narrow channel bordered to the north by Iran that links the Gulf with the Gulf of Oman.

Iran has repeatedly threatened to block the passage in the event of a conflict with the US, but Secretary of State Mike Pompeo vowed Sunday that Washington would guarantee continued shipments through it.

The channel is vital for Iraq.

In May, federal authorities used the southern Basra terminal to export 3.4 million bpd compared to just 100,000 bpd from the northern Ceyhan terminal through Turkey, according to the Iraq Oil Report.

"A vast majority of our oil is exported through this crossing. If there are clashes between boats or (over) oil, we'll be hurt," said Mudher Saleh, financial adviser to Iraqi premier Adel Abdel Mahdi.

"It would be a disaster for Iraq."

So far, there have been no changes to Iraq's production and exports as a result of recent

developments, said spokesman Jihad and ClipperData, which tracks tankers in the region.

Iraq is currently the fifth-largest oil exporter worldwide, and the government's budget is funded almost exclusively by oil revenues.

"Losing the oil revenue, even for one day, would be disastrous," said industry analyst Ruba Husari.

"If Iraq loses the ability to export its crude via the Mideast Gulf, it will be totally strangled... The Gulf waterways are its lifeline," she told AFP.

<https://www.france24.com/en/20190617-iraq-looking-options-case-gulf-oil-route-cut-spokesman>

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