
CAN IRAQ BECOME A WORLD CLASS PETROCHEMICALS PLAYER?

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Theoretically, there is no reason why Iraq cannot become one of the leading producers of petrochemicals in the world, given its tremendous reserves of oil and gas. Finally, with a relatively low oil price complex and its crude exports falling in October, Iraq appears to be making some advances on moving its long-stalled push into the petchems sector forward. Earlier this week, Iraqs Ministry of Oil (MoO) made public that Baghdad is to go ahead with a range of projects that will add around 790,000 barrels per day (bpd) of refining capacity to the current nameplate capacity of around 1 million bpd, although its effective capacity is around 650,000 bpd. This particular expansion would come from both adding a new refining unit at the Karbala facility and new facilities at Kirkuk (capacity 70,000 bpd), Wasit (140,000 bpd), Nasiriyah (140,000 bpd), Basra (140,000 bpd), and Al Fao (300,000 bpd). However, there are still some major stumbling blocks in the road to Iraqs becoming a top-tier power in the global petchems sector, according to various sources spoken to by OilPrice.com last week.

[...]

The problem in this equation □ and the real reason for Shells reluctance to go ahead with the Nebras project, according to a senior source who works closely with Iraqs MoO □ is corruption. Corruption in Iraq is so broad- and deep-reaching that it has now become almost passé to mention it [...]

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