

## Key Iraq Events - Oil



### Iraq's Oil Exports

- Iraq's countrywide oil exports dipped to 3.701 Mb/d in July, down 45 kb/d from June levels. Federal Iraqi exports averaged 3.225 Mb/d, down from 3.266 Mb/d in June, while sales from the KRG increased to 398 kb/d. The decline is mainly due to high temperatures above 45°C requiring more crude and fuel oil

to be used for power generation and cooling. Oil burn soared to a record 475 kb/d in June, cutting into export earnings.

- With volumes effectively capped due to infrastructure constraints, and with oil prices falling to US\$ 103.6/bbl in July from US\$ 112.21/bbl in June, Iraq reported lower revenues in July. The Federal government earned US\$ 10.608 B in oil sales last month, while the KRG pocketed around US\$ 1.237 B.
- Iraq has gained US\$ 71.2 B from oil sales in the first seven months of 2022, on track to exceed the US\$ 75.65 B of total oil revenues in 2021. Though Iraq appears to have enough cash to invest in export infrastructure upgrades, the government is stymied by political paralysis, preventing already delayed projects from being completed in time to allow for higher export capacity. Most of the country's oil is sold via its Basra Gulf outlets, which never sustained more than 3.54 Mb/d over a three-month period. The terminals handled 3.26 Mb/d of crude exports in June, implying that there is around 300 kb/d of additional export capacity, allowing Iraq to bring about two-thirds of its spare production online. We expect export capacity to become a constraint by Q4 2022 as temperatures and oil burn reduce, allowing more volumes for export.
- Iraq has been marketing its crude aggressively into Europe to replace Russian supplies.

---

## Get in Touch

For any inquiries, contact us at [info@almajaleenergy.com](mailto:info@almajaleenergy.com)

---

