
Oil Income of Iraq; 2021

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The high price of oil, which stays above \$70 for 2021, took the Iraqi oil income to above 76 billion US dollars which were almost close to the income of 2019. This income is \$27 billion more than what has been stated to be the income for 2021. The questionable thing here is that, with this huge oil income, the deputy prime minister and finance minister of Iraq are giving warnings about collapsing Iraq economy; he claims that the government cannot distribute the salary of the Iraqi public sector in the next few years. In this article, I will be shortly discussing income quantity, oil-exporting with Iraqi oil customers and expectations for exported Iraqi oil income for 2022.

The high price of oil, normalizing economical activities, increasing oil demand by the importing countries, and conformity of OPEC and its allies to the agreement of April 2022 of production and oil exportation, offered a great chance to the producing countries in which they can make a greater amount of income than was expected.

According to the data from the oil ministry of Iraq, oil income in 2021 was 80% more than the income of 2020 where the lowest income was recorded in that year. The Iraqi oil price was in the market for 68.37\$ in 2021 while in 2020, it was 38.08 on average.

Moreover, in 2021, the imported oil in Iraq has been 1,102,188,981 barrels, where 22,971,417 barrels was Kirkuk oil and the remaining was from the oil fields of middle southern Iraq (Basra Oil).

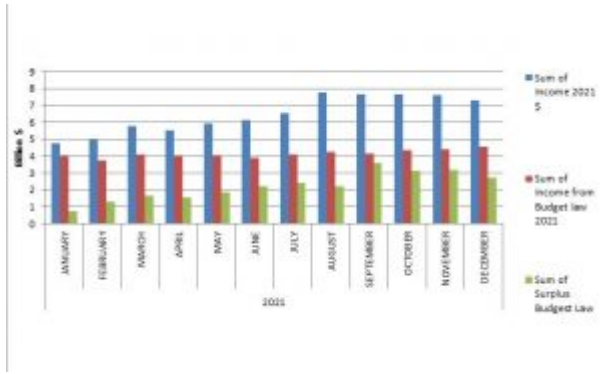
ANNUAL Crude Oil Export & Revenue

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YEAR	MONTH	TOTAL		AVERAGE PRICE (US \$/BBL)
		QUANTITY (BARREL)	AMOUNT (DOLLAR)	
2019	JANUARY	113,111,426	4,366,624,529	38.267
	FEBRUARY	101,387,559	4,178,818,265	41.243
	MARCH	104,696,872	4,709,140,152	44.982
	APRIL	103,988,607	7,009,661,131	67.514
	MAY	110,737,293	7,329,737,474	66.190
	JUNE	105,603,325	6,372,817,985	60.341
	JULY	119,548,767	6,667,738,835	55.832
	AUGUST	111,708,135	6,412,705,679	57.407
	SEPTEMBER	107,276,327	6,321,403,277	58.924
	OCTOBER	106,359,982.37	6,126,506,852	57.277
	NOVEMBER	105,074,747.73	6,304,505,724	60.039
	DECEMBER	106,263,346.09	6,697,585,967	63.027
	TOTAL	1,201,396,274.33	78,527,084,560	65.106
2020	JANUARY	102,493,591.88	4,163,383,577	40.630
	FEBRUARY	93,347,947.43	4,841,890,932	49.732
	MARCH	105,110,523.72	2,962,429,620	28.182
	APRIL	103,344,968.36	1,369,565,778	14.238
	MAY	92,584,283.00	2,132,003,282	23.030
	JUNE	84,489,076.00	2,871,314,473	33.984
	JULY	85,663,266.20	1,491,707,862	17.412
	AUGUST	80,454,538.00	1,452,164,763	18.044
	SEPTEMBER	78,388,619.58	1,172,845,121	14.961
	OCTOBER	78,388,619.58	1,172,845,121	14.961
	NOVEMBER	78,388,619.58	1,172,845,121	14.961
	DECEMBER	89,153,532.61	1,456,680,618	16.337
	TOTAL	1,094,345,433.83	41,755,942,700.13	38.106
2021	JANUARY	85,922,837.000	4,765,000,467	55.586
	FEBRUARY	82,827,757.000	5,071,071,370	61.230
	MARCH	91,771,929.000	5,788,536,232	63.071
	APRIL	85,390,359.000	5,546,517,236	64.979
	MAY	89,881,268.000	5,917,352,733	65.842
	JUNE	86,785,569.000	6,143,106,713	70.801
	JULY	90,467,794.000	6,475,512,838	71.576
	AUGUST	84,089,278.000	6,363,762,752	75.795
	SEPTEMBER	92,422,485.33	7,771,342,326	84.094
	OCTOBER	96,788,668.32	7,664,495,539	79.174
	NOVEMBER	98,152,377.000	7,616,850,000	77.510
	DECEMBER	101,579,927.06	7,313,754,744	72.000
	TOTAL	1,102,188,981	76,548,824,210	68.570

Source: Republic of Iraq: Ministry of Oil

Buyers of Iraq Oil in 2021

Beginning with 2019, China and India have been two main buyers for Iraq oil. According to Kepler oil tracking statistics, India has been buying 1.08 million barrels and China on the other hand has been buying 921 thousand barrels on daily basis, when in 2020, China and India were the top two buyers in which China was buying 1.08 million barrels and India was buying 921 thousand barrels daily. To be noticed, last year, America was a top-three buyer of Iraq oil for exporting 165 thousand on daily basis. Southern Korea was ranked number four of the Iraq oil buyers for buying 161 thousand barrels. The last time where America was the number four buyer of Iraq oil was in 2018, in which the country was buying 415 thousand barrels a day **Oil Income in 2021 versus Budget Law of 2021**. In the Iraq budget of 2021, the price of oil was set to be 45\$ for each barrel, which means the oil income last year was expected to be 48.59 billion dollars, but the Iraq oil income for this year is 76.54 billion dollars, therefore, as it is shown in figure 1, the real income was 27 billion dollars more than the income amount that has been stated in the budget.



Source: Republic of Iraq: Ministry of Oil

Basra Port and Export Capacity

Iraq is planning to increase oil production in the coming years, which need completion of the third line of the port that can increase the oil exportation in the port to another 700 thousand barrels a day. The greatest rate of exportation was 3.18 million barrels a day in the port; however, if the production rate is being increased in the future months, there is no guarantee that there will be a chance to export the oil with the same capacity of the Basra port now because the highest level of export from Basra port was in December of 2018, which was 3.627 million barrel of oil on daily basis, where in the last year, only 2.91 million barrels have been exported from the port. To conclude, increasing oil production levels requires another exportation canal, or it requires finishing up the works for widening the Basra port.

Conclusion

Last year, in the case of annual income, Iraq has been visionary, where only in the first quarter of the year oil income was \$22.65 dollars. For this year also, expectations about the oil price are stating an increase in the price. The price of one barrel is in the market for more than 80\$.

In short, last year and this year, oil had a tremendous profit for Iraq; however, if the extra 26 billion dollar of last year and this year are not served in diversifying income resources, industrial development and decreasing general sector employees, then there will be a great change in energy usage in the next few years, and it is clear where Iraq heads up!