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# Iraq eyes moving up to 1m bpd of oil through Jordan

## OIL & GAS

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Iraq, Opec's second-largest producer, could transport up to a million barrels of oil per day through Jordan once work begins on a pipeline linking crude from southern Iraq to the kingdom's Red Sea port city of Aqaba.

"That project is still in place and we're going to go ahead with it. We need another outlet for our crude oil," Ali Nazar Faq Al Shatari, deputy director general for Iraq's state-owned oil marketer Somo, told *The National*.

Export capacity could reach up to 1m bpd, with some of the oil to be sent to Jordan's expanding refinery at Zarqa in the country's south for domestic use with the remainder dedicated to export, he said. Iraq has been looking for alternative routes besides its southern Basra and northern Kirkuk terminals to take its crude to market as it looks to rebuild the country after decades of war and internal conflict.

Plans for a pipeline to transport oil from the southern Rumaila field had gathered steam after the Jordanian Cabinet approved plans to link Basra to the port of Aqaba in February.

There has been little detail on the scheme's targeted timeline for completion or the scope of the project.

In December 2016, Iraq's State Company for Oil Projects, which oversees the proposed Basra-Aqaba pipeline project, had invited companies and investors to bid and finance the initial phase of the pipeline linking southern Iraq to an energy station at Najaf in the country's interior. Iraq, which looks to reach

an output capacity target of 5m bpd this year and 6.5m bpd by 2022, has long sought Red Sea access via Jordan's Aqaba to mitigate risks from its export point at Turkey's Ceyhan.

The pipeline linking oil sourced from Kirkuk, one of the Middle East's oldest fields, to the Mediterranean-facing Ceyhan is Iraq's main export link, with a capacity of 150,000 bpd.

The supply line had suffered severe damage during conflict between various factions and the Iraqi government.

Baghdad has since pushed for reconstruction of energy infrastructure across the country, including repair of the damaged portions of the Kirkuk pipeline. Plans for the pipeline also come as much needed relief to Jordan, which has looked to solar, wind, nuclear as well as oil shale to meet its energy deficit.

The energy-scarce country imports oil and products to meet around 98 per cent of its power requirements, making the kingdom vulnerable to fluctuations in oil prices.

Jordan's public debt reached 95.3 per cent of GDP at the end of 2017, according to the country's Ministry of Finance.

The kingdom, which borders Iraq, Syria, Israel and Saudi Arabia, had earlier relied on oil from the Arab Gas Pipeline from Egypt to meet 88 per cent of its supply.

However, repeated attacks on the pipeline from militants in the Sinai peninsula had forced supply to a standstill.

State refiner Jordan Petroleum Refinery Company is currently undertaking a \$1.6 billion expansion of the country's sole refinery at Zarqa to boost capacity to 120,000 bpd.



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