

Iraq's Oil profile and its relation to US oil Imports

Recent news concerning Iraq and its status in UN and world affairs has left many countries wondering about the economic ramifications that a war in Iraq would have worldwide. New York Times articles have been filled with data about weapons inspections, UN resolutions and sanctions, but very little has been confirmed or denied about one particular dispute concerning the reasons for a war with Iraq. Many anti-war groups are making statements concerning the oil reserves in Iraq and the United States' desire to gain access to said reserves. These articles led me to research the issue of United States imports of oil and the overall oil issue in Iraq.

The first step in my research was to get information concerning the amount of oil in Iraq and the process by which it exchanges oil for goods and money. The first interesting thing about this topic is that UN Resolution 986 allows Iraq to only exchange oil for humanitarian goods such as food and medicine. The only exception of this is 25% of the exchanges can be for cash to repay Gulf War victims. This resolution also extends to making all member nations responsible for not trading anything to Iraq other than humanitarian supplies. The Iraqi oil reserves are believed to be at least 112 billion barrels, which makes the reserves the second largest in the world after Saudi Arabia. In 2002, this oil was being exchanged with other countries at the extremely high rate of 2 million barrels a day. This export level is sufficiently high to merit further analysis. By analyzing this data, several interesting conclusion might be made about the varying interest levels of countries worldwide in the stability of Iraq.

The first place to look for data about Iraq's oil export by country is the numbers for the United States. It turns out that in 2002, the US imported 11 million barrels of crude oil. This is less than 2 percent of the yearly export of Iraq. This surprisingly low number makes the case that oil is a major factor an easier one to make in several ways and a harder one to make in several more. The case is clearer that oil is one of the largest determining factors in a war with Iraq because of the obvious difference between US imports from Iraq and the available resources in Iraq. The opposite case can be made that the US is unconcerned with increasing its own oil imports through an invasion and is instead pursuing stability in the region so that oil exports to other countries will remain constant or increase as democracy is allowed to flourish inside of Iraq. This may seem too altruistic to believe, however, the reality is that this behavior fits well with the best interests of the United States. This is the case because of the extreme dependence that the European continent has on Iraqi oil. With this data in mind, it is easy to frame the motivations as to why Germany and France would not be in favor of a war with Iraq that would cut crude oil exports of several hundred thousand barrels per day down to zero. With this in mind, a different reading of the popular anti-war slogan "No Blood for Oil" is illuminated. It is possible that those countries opposed to the war believe that no blood spilled in Iraq means continued Oil imports for them. It is an interesting thought that data seems to support. All of this is merely speculation, as much speculation as the anti-war groups are making, however it was my intent to investigate the issue thoroughly and support the results with facts.