

Energy Factor in Iraqi Kurdistan: Opportunities and Geopolitical Problems



Fotima Nazarova

Student, Tashkent State University of Oriental Studies

ABSTRACT: Today, new trends are emerging in the world political arena, which will open up new means of influencing the regions. Iraqi Kurdistan, especially in the Middle East, is attracting the attention of domestic and foreign political forces with its surface and underground resources. Kurdish control of the region's most oil-rich regions is helping to shape regional tensions as a tool for foreign policy forces. This requires countries in the region to pursue deep and multi-faceted policies. In particular, it is becoming increasingly clear that the existing energy factor in Iraqi Kurdistan can create geo-economic opportunities for the region, as well as create geopolitical problems.

This article examines in detail the energy factor in Iraqi Kurdistan, a geostrategically and geoeconomically important region in the Middle East, as well as the opportunities and geopolitical challenges it poses.

KEYWORDS: Middle East, Iraqi Kurdistan, Kurdistan Regional Government, Kirkuk, Zagros, US Geological Survey (USGS), International Development Finance Corporation (IDFC), ISIS, Masrur Barzani.

GOALS AND OBJECTIVES

The purpose of the article is to reveal the potential of the energy factor and geopolitical problems in Iraqi Kurdistan. With this in mind, a comprehensive study of the region's potential in regional and global oil markets has been identified.

METHODS

The article used historical, structural-logical, content and event analysis methods.

RESULTS AND FEEDBACK

It is known that in the world geopolitical scene, the Middle East region is of great geostrategic importance due to its richness in natural resources, as well as its geostrategic location connecting Asia, Africa and Europe, the ethnic and religious diversity of the population, the unresolved democratic problems, and the existence of authoritarian regimes have long made the region a hotbed of conflict compared to other regions. The main target of internal and external forces in the geopolitics of this region is natural resources. Acquisition or direct control of natural resources is a key component of geopolitical processes by domestic and foreign policy actors.

Indeed, the Middle East is a region rich in energy resources. The region accounts for 37% of world oil production and 35% of natural gas production. It is Iraqi Kurdistan that has enormous wealth. Rich coal deposits have been discovered in Maden, Kigi, Kemax and Harput. Large amounts of coal are extracted from Iraqi Kurdistan and limestone from Sulaymaniyah. Sarchinar has been producing 350 tons of cement per day since 1958. Sulfate reserves have been identified in Shino and Amadia. The Revanduz and Sulaymaniyah regions are ore-rich lands located in the surface layer. Barzan and Diyarbakir produce 270,000 tons of chrome a year. There are lead deposits in Keban, Elazig and Makuda, gold deposits in the south of Ergu and Kermanshah, and silver deposits in Kemakh. But the real wealth of Kurdistan is oil and gas. According to the U.S. Geological Survey (USGS), Iraq's Zagros Burma region (mostly Iraqi Kurdistan) has 41 billion barrels of undiscovered oil and 54 trillion cubic feet of gas reserves. Iraqi Kurdistan's Ministry of Natural Resources estimates oil reserves at 45 billion barrels, while proven oil reserves at 10 billion barrels (Karimov, F. 2020, p.112-113). Iraq's proven oil reserves are estimated at 143.1 billion barrels, making it the sixth largest country in the world. As for Iraqi Kurdistan in northern Iraq, the region has strong potential reserves of "black gold" - about 45 billion barrels. In addition, drilling new wells could increase that to 115 billion barrels (Касаев, Э. 9 февраля, 2013).

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Iraqi Kurdistan's vast natural resources in the region, especially its vast oil and gas reserves, are attracting the attention of foreign political forces and becoming a tool in their hands. It is natural that the high energy potential of Iraqi Kurdistan will provide several opportunities for the region, as well as create geopolitical problems. It is known that Kurdistan is important in the region due to its important location - borders with Iran, Syria, Turkey and Iraq. Ever since the Kurds lost their state after World War I, they have focused on self-determination. The main Kurdish influence is oil. Kurdistan has about a third of Iraq's total oil reserves, much of it under the sands near the city of Kirkuk, once a stronghold of the Islamic State (ISIS) in Iraq and Syria. Kurdistan's neighbors are deeply concerned about the troubled Kurdish minority. They argue that oil will strengthen the Kurds' aspirations for independence from Iraq and that Kurdish autonomy will upset the pre-existing imbalance in the region (Janine di Giovanni, Oct. 8, 2018).

Demand for oil is growing at a rate of 2-2.5% per year. This will require 105 million barrels of oil per day by about 2030. The main consumers of oil are the United States, China, India and the European Union. Many researchers predict that demand for oil and gas will not decline until 2050 (IEA, Outlook ... 2018). This, in turn, will make the region, where Kurdistan's oil and available natural resources are located, more attractive to other actors. As a result, Iraqi Kurdistan faces a number of opportunities, as well as geopolitical threats. In this regard, the following options should be considered:

First, the US, Russia, whose main economies depend on oil and gas, China and India, the second largest consumers of oil and gas, have also been participating actively in oil and gas-related geopolitical processes in the region. For example, Russian oil and gas companies are actively developing oil and gas fields in Iraqi Kurdistan, Iran, and today in Syria and Libya. At the same time, given the geopolitical and geoeconomic interests of bordering Turkey and Iran, the strategic and attractive importance of Iraqi Kurdistan will increase. This, in turn, requires the Iraqi Kurdistan leadership to make effective and efficient use of external forces.

Second, although the Iraqi central government has large natural gas resources, it is losing a significant amount of its potential supply and is therefore severely dependent on neighboring countries for energy needs. It is the gas resources in Iraq's Kurdistan region that will play an important role in finding a solution to this problem. This in itself will allow the Iraqi government to generate more energy for domestic consumption, as well as export to Turkey and other neighboring regions, as well as economic integration between Iraqi Kurdistan and the Iraqi central government.

Third, the United States, which is struggling for the region, emphasizes the importance of energy cooperation with Iraqi Kurdistan. This partnership can be seen in the support of the International Development Finance Corporation (IDFC) for American oil and gas companies working on projects in the region (Gas in Iraqi Kurdistan... Jan. 21, 2021).

GEOPOLITICAL PROBLEMS AND THREATS

The available natural resources and energy potential of Iraqi Kurdistan are likely to pose a number of geopolitical challenges and threats. Including:

1. One of the most pressing issues is the existence of disagreements between the Iraqi central government and the regional government of Iraqi Kurdistan over the natural resources in Iraqi Kurdistan, especially oil and gas. According to the Iraqi central government's constitution, "available oil and gas belong to the people of all regions and provinces of Iraq" (The Oil and... Nov. 3, 2021). However, the two sides have not yet reached a final decision on the ownership and sale of oil and gas, and disagreements continue;

2. Attacks on natural resource areas by certain terrorist groups in Iraq and Syria (such as ISIS) are the serious concern to Iraqi Kurdistan and the central government;

3. The fact that Iraqi Kurdistan is the most oil-rich region in the region will intensify geopolitical competition between foreign political forces. This can be seen in the speech of the Prime Minister of Iraqi Kurdistan Masrur Barzani to the Atlantic Council: "We will become a net exporter of gas to the rest of Iraq, Turkey, and Europe in the near future, and help meet their energy security needs. Already we have an export oil capacity which acts as an essential economic lifeline for us and a vital potential supply for our partners. I've also had talks with the federal government of Iraq, Turkey, and the Gulf countries about the regional railway network. I believe that this could be transformational for Iraq and the region, creating new trade routes and another window for regional cooperation". (The Kurdistan Region... March 28, 2022).

CONCLUSION

In general, the study of the energy situation in Iraqi Kurdistan leads to the following conclusions:

The region will continue to have geostrategic and geoeconomic significance in the near and medium term. This is because the factor of military conflict in world politics is driving the growing demand for oil and gas. Such conditions are indicative of the expansion of the energy factor of Iraqi Kurdistan in the Middle East;

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The vast reserves of available surface and underground natural resources could accelerate competition between internal and external forces, changing not only the balance between Iraqi Kurdistan and the central government, but also the geopolitical balance of the region;

As a result of the serious interference of external forces in the Iraqi energy factor, the independent energy policy of Iraqi Kurdistan is being formed. This may accelerate the foundations for the region to become a separate independent state in the future.

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