Analysis of Iraqi Media Coverage on the Energy Sector

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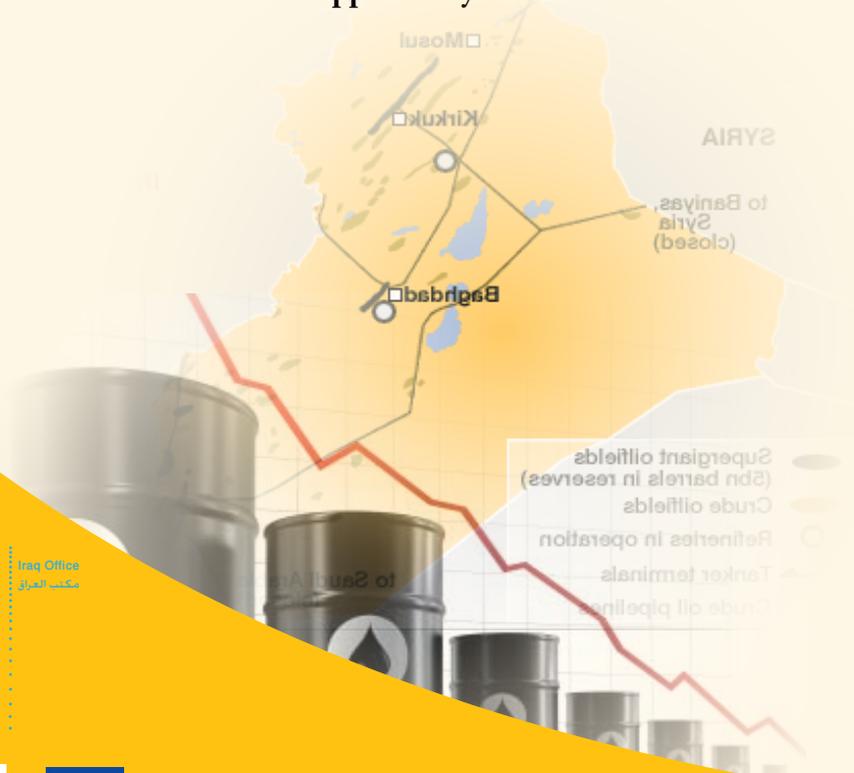
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1 Executive Summary

The study focused on the Iraqi national media and based its analysis on the content of three major outlets: al-Sabah and al-Zaman newspapers, and Aswat al-Iraq news agency.

In total, 161 energy-related stories that were published over a period of two months, during September and October 2010, were analysed in two parts: a generic analysis that looked at the structure of the articles and the quality of sourcing; and a more specific analysis related to the oil industry itself, including technical accuracy.

Of the stories analysed, some 72% came from a single source. A staggering 82% of all stories depended on official government sources. Over half of the stories lacked sourcing in a way that significantly affected the credibility of the news story.

The picture which emerges, then, is of an Iraqi media which still relies overwhelmingly on the state for official pronouncements and declarations, while the Iraqi state seems to have become more adept at recognising the media as a part of public life and dealing with their needs. All outlets also carried monthly official news releases about the volumes of oil exported and the funds gained. This suggests that working with authorities on expanding the scope and detail of official releases could have a significant impact on the quality of information available to the public. The study recommends that contacts are made as soon as possible with the widest range of institutions in the Iraqi oil sector to see what the possibilities are for expanded and coordinated information releases.

Factual errors such as mistaking potential oil reserves for proven oil reserves, were detected in only 12% of stories. Contextual problems were far more widespread. Only 15% of stories in the sample could be defined as not having problems with missing context. For example, stories on the ongoing dispute between the Baghdad government and the KRG were cited without reference to the cause of the dispute, and both sides' positions in it.

The difference between the scale of factual and contextual problems is telling. Iraqi media are no longer controlled, so there is large scale disinformation, which applies to both publishing and reporting mechanisms. But at the same time, it has not developed professional reporting capacity, and in many cases news items are simply regurgitating information handed down by a single source without being able to place it in any context which gives the reader a real understanding of what a story means.

Analysis of the datelines shows a preponderance of datelines from Baghdad. Over half were datelined Baghdad while Basra and Kirkuk also featured significantly. The total absence of any stories dealing with community-level impact of the oil industry is further testament to that.

Domestic politics was the most common framework for stories on the Iraqi energy sector, accounting for 34% of news items in the survey, followed by Business (28%), International Relations (20%) and Social Issues (17%). The environmental paradigm is almost totally lacking from Iraqi media coverage of the oil industry.

Two strong recurring themes emerged during this period: first, the importance of relations

with Iraq's neighbours to the energy industry, with various reports of negotiations with Kuwait, Turkey, Iran and Syria; second, fuel and electricity shortages which dogged the country throughout the summer of 2010.

There was very little coverage of the Extractive Industries Transparency Initiative, which Iraq joined in February 2010, and the coverage that there was did not demonstrate any understanding of the process.

A series of interviews with 17 leaders in the Iraqi media and energy sectors were also conducted. Among the key findings, respondents were almost unanimously in favour of transparency in Iraq's oil industry, very few of them could specify in detail what that would mean. In general, there was not enough understanding about what kinds of information could be made available to the media. Very few of the respondents had even heard specifically of EITI, what processes it entailed, and what would be required of the Iraqi government and international oil companies operating there.

Respondents were largely split by sector in response to the question of national security interest, and possible conflicts of interest with the principle of transparency. Unsurprisingly, media sector leaders believed there was little to no conflict of interest and that Iraq should achieve maximum transparency, expressing great scepticism about arguments made from a national security viewpoint.

Respondents were also split on the issue of the so-called Resource Curse. Industry insiders were adamant that past troubles associated with the development of Iraq's oil sector were simply the result of political machinations, and that oil itself represented a great opportunity for Iraq, whereas media sector respondents were more inclined to think the mere presence of oil in Iraq's present day circumstances presented problems in terms of conflict among rival groups and issues of governance

2 Methodology

2.1 Range of Material

This study is focused on print for two reasons. First, it was logistically easier to arrange collection of material inside Iraq. Secondly, the literature of content analysis in other areas, such as climate change coverage by media around the world, suggests that while print media may have less distribution in-country and less immediate impact, it often sets the agenda in technically complex stories. Thus, although in Iraq print media have limited circulation[1], they may be influential in terms of setting both a running order on Iraqi broadcast channels, and among policy makers.

We have chosen three outlets for the period of August and September 2010 – the pro-government and semi-official newspaper al-Sabah, the opposition newspaper al-Zaman, and the independent news agency Aswat al-Iraq. Altogether we analysed 161 stories in the Iraqi media and then compared them to international news coverage on the same subjects over the same period.

The methodology used is described in detail in Appendix C.

2.2 Journalistic Criteria

The first part of analysis concerns issues which are generic to journalistic coverage in any sector. In particular the quality and nature of sourcing for stories of various kinds is examined in some detail, and also story structure – whether the claim made in a headline is supported in the lead paragraph or in the story as a whole (which is now the consensus style of international news reporting). Issues such as correct attribution of a story are addressed, and use of datelines and bylines.

While these issues are not specific to reporting of energy and oil issues in Iraq, they need to be addressed in order for coverage to improve. It is hoped that this "general practice" element of the study can be subject to feedback from colleagues and improved, so that the media development community in and around Iraq might consider adopting standardised measurements for content analysis on elements which are directly comparable.

2.3 Specialist Considerations

The second area of consideration is specific to the oil industry. Are assumptions and statements being made factually correct and comprehensible. Are different measurements

being converted well (from barrels a day to tonnes a year, for example)? Are the technical aspects of the industry, such as the different categories of oil reserves, reserves to production ratios, the uses and classification of different petroleum products, understood and presented in a clear fashion?

The study addresses these questions in two ways, one quantitative and one qualitative. Each

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internal inconsistency, contextual error or factual mistake is listed in a separate table in a many-to-one relationship with the articles themselves. Then a qualitative evaluation is made along two axes. First, the degree to which contextual errors of omission or commission have affected the story, and second, the degree to which factual errors have created misunderstandings.

2.4 Critical Discourse Analysis

The third level of analysis is Discourse Analysis. It is important to recognise that although discourse analysis is in one sense at a higher level than the nuts and bolts analysis of technical competence of how a news story is put together, it is also not in direct correlation. It relates to overall editorial judgement of how to "frame" news about a particular subject. For example, it would be possible for a newspaper's output to be technically correct in terms of internal consistency, use and range of sources and accurate in the technicalities of the subject material covered but nevertheless to reflect a particular bias in story selection. Similarly, it is possible for story selection to be broad but for story composition to be flawed. If the technical analysis described in previous sections attempts to answer the question of how a news story is put together, discourse analysis attempts to answer the question of what the underlying storyline of a news item is – and also to compare that to the wider universe of what other story lines are or were possible at the time. In this way, it may bring findings which can help Iraqi media to expand their thinking about what kinds of stories are possible.

We used a simple categorisation system which is hierarchical and mutually-exclusive, taking as our model studies done on mass media in India and the United Kingdom in climate change media[2]. Such a system, while involving systematically looking at the headlines and lede paragraphs of the stories to determine their dominant themes, is of course capable of variation between one researcher and another, and such variability is heightened by the fact that the research team has been working in different locations, affected by the ongoing security situation, and is only now gaining experience in the techniques of content analysis. Added to that is the fact that at any one time, external events may lead coverage more naturally towards one kind of storyline than another. The natural storyline of a war, for example,

is the fighting. There is therefore a need not to "over-conclude" from the discourse analysis carried out in this study. Nevertheless, certain general trends emerge which bear discussion and further monitoring.

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2 Boykoff, others

3 Sourcing

Sourcing is the biggest single problem in terms of the quality of Iraqi media coverage of energy issues. While media have made great strides in the post-2003 period, and there is no question that pluralism and independence are widely understood and practised in the media today, it appears as if the vast majority of news stories are under-sourced both in terms of quantity and quality.
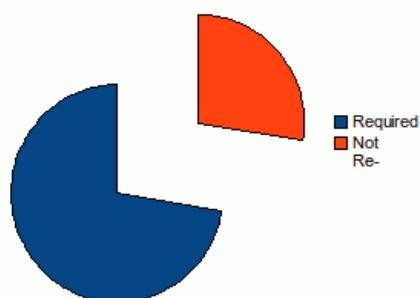
3.1 Single Sourcing

Of the stories analysed, some 72% came from a single source. We took a measured approach to the question of how much sourcing was required by a story. While the theory of modern journalism is that more sourcing is always better, practically speaking it is true that some kinds of story require multiple sourcing more than others. An announcement by the State Oil Marketing Organisation (SOMO) of how much oil it has sold in the past month for how much money, for example, barely needs corroboration as SOMO is the sole authoritative source for the story, and there is unlikely to be any controversy or dispute over the figures. Whereas a story which presents one side of an ongoing dispute, such as between the Baghdad government and the Kurdish Regional Government, for example, needs comment from both sides if it is to achieve balance.
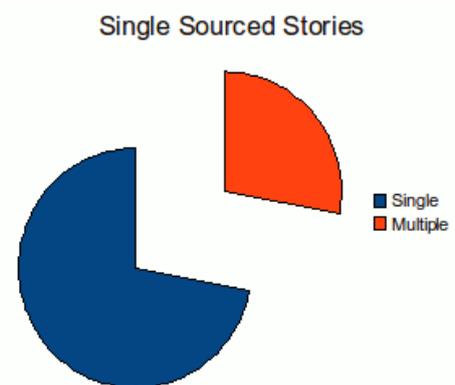
Nevertheless, even taking this mitigating factor into account, stories were poorly sourced across the three outlets reviewed. Of the items which only had a single source, some 72% needed multiple sourcing to varying degrees. The overall result, then, is that over half of the energy sector stories (52%) which appeared in the Iraqi media during these two months lacked sourcing in a way which significantly affected the credibility of the news story.

It is important to distinguish here between the lack of sourcing and journalistic independence. All three outlets surveyed were willing to carry news stories which reflected more than one view point, to greater or lesser degrees. Single sourcing does not necessarily correlate, therefore, to control of the media as a whole by one political party or faction, as in the pre-2003 period.

3.2 Quality of Sourcing

Quality of sourcing has been addressed in several ways. First, we created a category of 'official' sourcing, defined as anyone who works for or represents any institution of the Iraqi state. In the context of the energy sector, for example, this therefore includes not only Baghdad government officials but also provincial and district level officials (including Kurdish officials in as far as the KRG is formally an apparatus within the Iraqi state) and also, crucially, the parastatal institutions such as the state oil companies which produce and sell Iraqi oil. In cases where the story has more than one source as a whole, we define the nature of the lead source. News items which primarily depended on official sources amounted to a staggering 82% of the total across all three outlets. When this element was cross-matched with single sourcing, it also turned out that just over half the stories had a single source which was official.

Credibility of story sourcing

- Credible
- Non-cred-ible
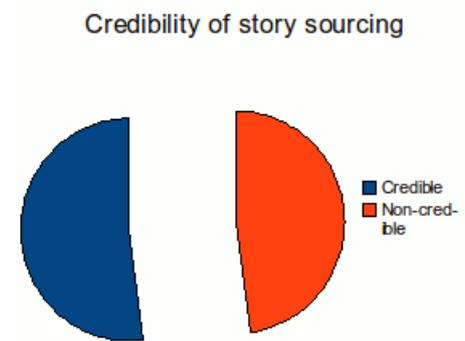
We also added two other categories to define sourcing: whether sources were named, and whether they were authoritative. This last element is different to the designation of official, because it addresses the issue of whether a particular source holds authority on the specific subject about which they are speaking. For example, a local district official may be authoritative on that council's spending plans, but not on plans drawn up by the ministry of oil for exploration or production activity.

There was a reasonably high proportion of named and authoritative sourcing in the survey. Some 74% of stories had a named source, and 74% equally had a source who could be considered authoritative. When these were combined, some 60% of stories had a source who was both named and authoritative.

The picture which emerges, then, is of an Iraqi media which still relies overwhelmingly on the state for official pronouncements and declarations, while that Iraqi state seems to have become more adept at recognising the media as a part of public life and dealing with their needs. At the base level, there were no cases of a new story appearing without an accredited source. On the other hand, there were only two stories in the whole survey which relied on international companies as a source, and even that was in the context of an official visit by them to a government office, which had itself convened journalists to cover the meeting (thus, although the source was technically foreign company officials, it had been facilitated by a government agency).

4 Patterns of Coverage

4.1 Story Composition

There are many different ways to analyse the composition of a news story. As this research is geared towards providing practical recommendations to inform training, the study confined itself to logging data of two parameters: where there were actual errors, and where there were problems with context such that they impeded understanding of the story.

Factual errors were detected in 12% of stories – though it should be borne in mind that this represents a floor and the real figure could be higher. A few were simple typos – millions for billions. But most were significant that betrayed a lack of understanding by the reporter, sometimes of the most basic facts about the energy industry. Here is a sample:

Factual Errors

- None
- Somewhat
- Extreme
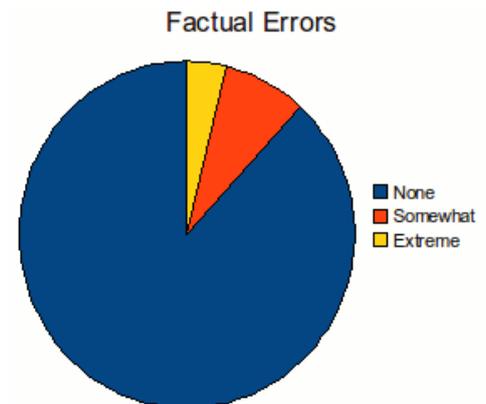
- Mistaking potential oil reserves for proven oil reserves – the industry standard which determines production predictions.

- Misunderstanding of Iraq's auction process, confusing pre-qualification (which 45 international oil companies have done) with actual bidding.

- Mistaking one company's contract area for another's, revealing no access to the contract information which is public record.

- Describing water to be injected into wells in Iraq's southern fields to increase production as "sweet" (i.e. potable), misunderstanding a basic industry process.

- Referring to Iraq's national oil company involvement in a deal, whereas in fact Iraq has not had a national level parastatal oil company since 1987, and the issue of one should be recreated is the subject of a live debate.

- "High oxygen" benzene instead of "high octane"

- Assuming that the Nabucco pipeline from Central Asia is going to be built, whereas in fact its status is still highly uncertain.

- Statements about the quality of grades of crude (light and sweet) to come from as yet unexploited fields.

- Misstatements about Iraq's potential location as an exporter of Liquefied Natural Gas (LNG).

In some cases it seems as though the errors are coming from sources, rather than being errors introduced by the reporter. This impression is reinforced by comparing factual errors against story length. On average, stories where there are serious factual errors are 40% longer (403 words) than the average across the sample (288 words), and tend to be more

in-depth pieces.

The situation with the issue of missing context is rather different. Only 15% of stories in the sample could be defined as not having problems of context. Over 50% of stories had moderate contextual problems and an additional third had contextual issues that were so severe that the story was hard to understand, or worse, misleading. Examples of missing context were:

- Stories on developments in a particular oil field or with a company with no reference to the basic contract and a greements reached during the auction rounds of 2009-10.

Missing Context Problems

■ None
■ Somewhat
■ Extreme

- Developments in the ongoing dispute between the Baghdad government and the KRG without no reference to the cause of the dispute, and both sides' positions in it.

- Items which are based on new figures, such as the number of wells drilled in a particular field, or the amount of oil produced and exported, without any reference to a base figure – for example to the number of wells already drilled in that field, or comparison of the latest month's export figures with last month's, or the same month last year.

- Deals announced about pipeline projects involving Syria and Iran are written about extensively without any reference to whether the pipelines already exist and it is simply a question of activating them, or need to be built, and if so what timeline, cost etc.

- Stories about employment for Iraqis are published with no reference to the number of jobs relative to the financial investment, or unemployment levels in general.

- Stories about the Kirkuk-Ceyhan pipeline stopping operations because of technical faults are published with no reference to how much oil is being exported through the pipeline and what proportion that represents of Iraq's total exports.

- None of the outlets seem to have consistent conversion policies between measurements: litres, barrels and tonnes for example. So it becomes hard for the general reader to judge the importance of stories about quantities of oil or oil product coming onto or going off the market.
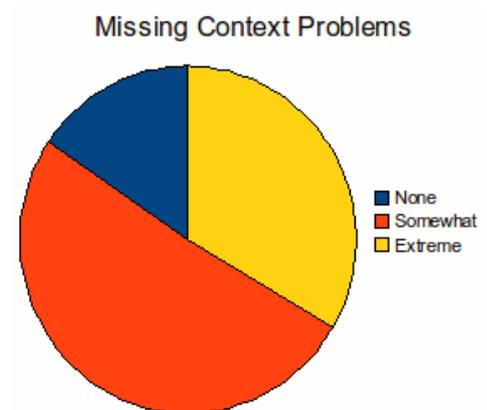
The difference between the scale of factual and contextual problems is telling. Iraqi media are no longer controlled, so there is large scale disinformation, which applies to both publishing and reporting mechanisms. But at the same time, it has not developed professional reporting capacity, and in many cases news items are simply regurgitating information handed down by a single source without being able to place it in any context which gives the reader a real understanding of what a story means.

4.2 Patterns

4.2.1 Location Spread

Analysis of the datelines shows a preponderance of datelines from Baghdad, although all three outlets surveyed are national-level newspapers or agencies. Over half were datelined Baghdad while Basra and Kirkuk also featured significantly. Although this shows a concentration in the capital, this is not exceptionally heavy in a sector where many stories are in fact dominated by events in the centre. Comparative studies of media coverage in other countries have shown higher proportions of news items datelined from the centre – concentration around the capital and urban areas is an acknowledged chronic issue in media globally.

What is more noticeable is that stories from the provinces still tend to be single, official sources and to be official announcements of one kind or another. From which we can deduce that these stories are being produced by regional stringers in the same pattern as the Baghdad-based reporters, processing information from official sources but rarely going into the field to report stories (where multiple sourcing would naturally occur). The total absence of any stories dealing with community-level impact of the oil industry is further testament to that.

Other stories quoted local officials talking about deals to be concluded with delegations of foreign businessmen on development projects that were beyond the jurisdiction of the local authorities to decide entirely on their own. In other words, the same pattern seems to prevail at the local as at the national level, of officials working with journalists to get their agenda into public media.

4.2.2 Company Sourcing

The oil companies, both local and international, represent a major part of the energy story in Iraq, yet reporter access to them is weak. The national oil companies, particularly the producing companies North Oil Company, South Oil Company and Missan Oil Company, are sourced in 6% of the stories in the survey, but never the international companies directly.

By contrast local provincial officials are quoted in many stories even though they cannot always be considered authoritative in the particular areas they are commenting on. A member of a local council in Dhi Qar, for example, says that the oil ministry will list some local areas within a contract area to be bid on in the next auction round with international oil companies. Yet such a story should contain confirmation from the ministry of oil itself, and a specification of which round is meant (this particular story was about an oilfield in August, when the "next" auction round was going to be exclusively gas fields).

4.2.3 Petrodollar

In September stories appeared in a number of places about the so-called "petro-dollar", the announcement in the January 2010 budget that one dollar of revenue from each barrel

of oil exported was going to be allocated directly to the province where the oil had been produced, together with other formulae that would similarly allocate direct funds to non-producing provinces. Stories came from Basra, Kirkuk, Anbar and other places about how much money had accumulated under the petrodollar scheme, and development projects that planned to use the money.

These stories suffered lack of context – for example, stories about Kirkuk's plans to use petrodollars to develop local power stations were published without any reference to the fact that the Baghdad government asserts for itself the right to determine power and electricity policy at a national level. Whether or not that policy is enforced as Iraq's reconstruction is rolled out, the fact the policy exists should be referenced in a story about a regional power development.

Nevertheless, the petrodollar policy seems to have a welcome effect not only in its primary area of driving some portion of oil revenues down closer to the communities in Iraq who are the ultimate "owners" of the resource, but also in generating relatively rare media coverage around oil revenue expenditure at a provincial and at a local level.

4.2.4 Official Statistics

All outlets also carried monthly official news releases about the volumes of oil exported and the funds gained. This suggests that working with authorities on expanding the scope and detail of official releases could have a significant impact on the quality of information available to the public. At the moment, the ministry issues a monthly release simply stating oil sales as reported by the State Oil Marketing Organisation. The individual parastatal companies have websites but these are erratically maintained and the information presented in them is not clear. The study recommends that contacts are made as soon as possible with the widest range of institutions in the Iraqi oil sector to see what the possibilities are for expanded and coordinated information releases.

4.2.5 Attribution

Both newspapers surveyed (though not the news agency) seemed to be loose with attribution in the sense that they would put a reporter's name on a story where most or all of the reporting seems to have come directly from news agencies, whether local or international. For example, a short story on the price of oil on world markets, or the history of an international oil company's past negotiations in language which seems close to agency reports. This suggests that the outlet's actual reporting capacity is less than they project.

5 Discourse Analysis

After broad consultation with a range of Iraqi and international experts, we created a categorisation structure to determine the dominant 'frame' of a story based on the headline and first two paragraphs. It should be noted that the frame refers to the story presented by the journalist regardless of the information inside the story. In some cases, a story might have a 'buried lede' and so the most important information might be about one issue whereas the reporter had chosen to focus on a different information set and storyline. The main categories were: Business, Politics, International Relations, Social and Environment. Each of the main categories was broken down into four or five sub-categories. The results were as follows:

Iraqi Media: Discourse Analysis on Energy, Aug-Sept 2010
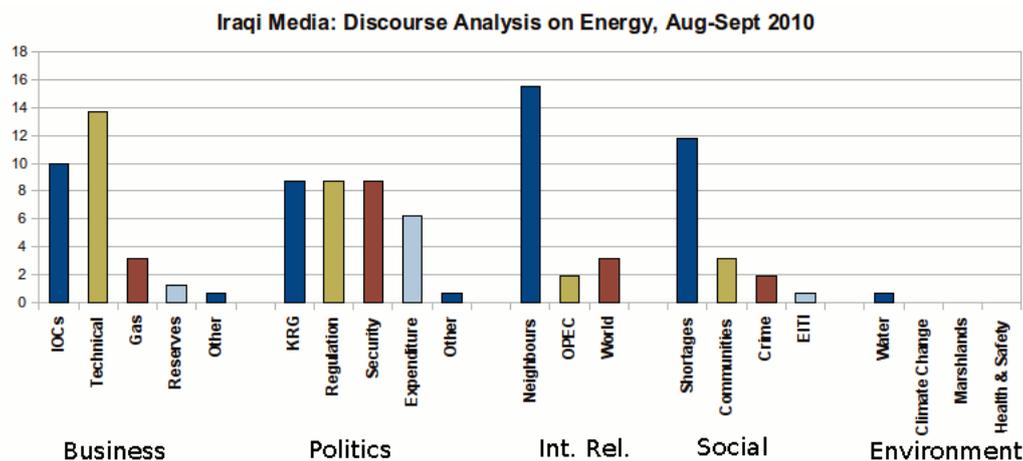
From this the following main conclusions emerge:

• Domestic politics was the most common first-level framework for stories on the Iraqi energy sector, accounting for 34% of news items in the survey, followed by Business (28%), International Relations (20%) and Social Issues (17%). The environmental paradigm is almost totally lacking from Iraqi media coverage of the oil industry.

• Two strong recurring themes emerged during this period: first, the importance of relations with Iraq's neighbours to the energy industry, with various reports of negotiations with Kuwait, Turkey, Iran and Syria; second, fuel and electricity shortages which dogged the country throughout the summer of 2010. Many of the stories on shortages were explanations from officials as to how and why shortages had occurred, and how the situation was in hand – powerful proof of the sensitivity of the issue.

• Within the political sphere, the dispute between the Baghdad government and the Kurdish regional authorities continued to take high precedence. There are two noticeable features about this coverage. One is that stories about the dispute were more than double stories in these Baghdad-based outlets which were from the Kurdish region – carrying a KRG dateline or using a Kurdish source. The second is that some stories focused on the dispute had buried ledes about other subjects. In one news cycle which led with a Baghdad official stating losses that had accrued from KRG's refusal to export oil as part

of the dispute, the official also stated that Iraq's earnings were $2 billion more in the last reporting period than anticipated because of higher than expected prices on world markets. Given current issues around Iraq's growing budget deficit, and problems of finance both in the expansion of the oil industry as well as the national development plan, the story of the extra funds might have been the more newsworthy story. But the 'frame' of the KRG dispute took precedence.

- Coverage of social stories were dominated by the issue of shortages. The only stories dealing with the way oil operations affect local communities in Iraq were official announcements of employment, either actual or projected. There were no stories from the community level which carried local people as their main source.

- There was very little coverage of the Extractive Industries Transparency Initiative, which Iraq joined in February 2010, and the coverage that there was did not demonstrate any understanding of the process.

- Environmental coverage was effectively absent, as the only story in this category was about water injection into the oilfields but in fact dealt with it purely from an operational perspective.

6   Comparison with Foreign Media over Same Period

The poverty of the news agenda in the Iraqi media is easily seen when it is compared with international coverage during the same period. What follows is a selection from stories carried by specialist publications Iraq Oil Report, Iraq Oil Forum, and Reuters news agency (fuller details are included in Appendix D). But it is far from complete.

6.1 Range of Stories

- A court case raised in Baghdad against the government and BP by a former MP, claiming that the Rumaila oil contract was resolved when the High Court threw out the claim that the contract was illegal because it had not been approved by parliament.

- There were reports that the Baghdad government and KRG were close to agreement in a new initiative to resolve their dispute over jurisdiction of currently producing fields, particularly in the supergiant Kirkuk field.

- There were at least two cases of ordinary Iraqi citizens raising law suits for compensation after being forcefully moved off their land to make way for expansion of oilfields.

- The head of Baiji refinery, the largest refining institution and the most targeted of all Iraq's oil infrastructure by militant and criminal attacks, resigned, claiming that he could no longer do his job and making allegations of official incompetence.

- Zalmay Khalilzad, the former US ambassador to Iraq, first announced that he would join the board of an international oil company which had done a deal with KRG. This would have represented a major embarrassment for US policy in Iraq as it effectively contradicted official policy that the Baghdad government controls oil policy in Iraqi territory. A few days later Khalilzad retracted his position.

- Terms of the coming gas auctions were widely discussed, particularly the apparently ever changing conditions the government would set with regard to the proportion of gas produced in these fields which would be exported as opposed to fed to local electricity stations.

As well as these general news reports, international media also carried during this period a range of interviews with decision makers and opinion formers, including:

- Thamer Ghadban, the main advisor in the prime minister's office on energy issues, concentrating on the issue of the suspended legislation to regulate the industry on a more definitive basis (Iraq Oil Forum)

- The Turkish Energy Minister when he came to Baghdad for a signing ceremony to renew terms for the Kirkuk-Ceyhan pipeline. (Iraq Oil Report)

- The head of the Oil Police on the current situation as regards security around Iraq's oil installations. This came after the Ceyhan pipeline had been closed for a few days after a suspected attack and pirates boarded two ships in the Gulf. (Reuters)

- Kurdish officials on a new deal with a German company to produce gas in Kurdistan, a particularly provocative deal for the Baghdad government.

- The issue of access was particularly poignant during a conference to review terms for

Iraq's third auction round, of the gas fields, in Istanbul, at the beginning of August. While Iraqi media did carry coverage of the conference, reporters did not appear to be there and may have been using agency copy. A partial review of Reuters coverage shows a cluster of stories around the auctions, such as the speculative interest of a range of Western and Russian companies (sourced to company executives), the ongoing review of terms linked to terms of the parallel South Gas Utilisation Project involving Shell, and the sale of data packages to potential bidding companies.

6.2 Unaddressed Issues

The limited nature of the coverage is particularly stark when the fact is considered that Iraqi media, representing the interests of the Iraqi public, have a potentially deeper and broader agenda around energy issues than the international media. Following is a list of issues that were current among international policy makers around Iraqi oil during this period:

- The ongoing budget deficit, set to grow as Iraq plans ambitious reconstruction plans. It is regularly mentioned in media stories but there was no significant coverage of how it related to predictions of income from oil revenues.

- Capital investment in oil infrastructure: as Iraq's oil expansion continues, it becomes clear that even if work plans have been agreed with international oil companies with regard to upstream facilities in the oilfields themselves, processing and transporting infrastructures are required to actually get the oil beyond the well-head and into world markets. The question of who will provide the multi-billion dollar investments and under what terms has not been resolved. This period saw stories announcing agreements between the Iraqi government and its neighbours in principle to proceed with plans. But the question of how these projects will be affected was increasingly pressing.

- Oversight of oil revenues. Throughout this period, the Iraqi government was due to finalise plans to present to the United Nations to establish a mechanism to replace the International Auditing and Monitoring Board for Iraq in its current role of oversight of the Development Fund for Iraq (DFI). Since 2003 all of Iraq's oil funds have been placed in a single account in the Federal Reserve Bank in New York to facilitate transparency. This arrangement is due to transfer to some form of Iraqi sovereign control over funds, but the deadline to do this has been repeatedly extended because no mechanism has been suggested.

- The community-level impact of expansion of the industry. As international press reports during this period show, thousands of international workers began to arrive in and around Basra during the period of the survey. What are the local communities that could be affected by the development of the fields included in the auction round contracts?

- Similarly, as oil industry expansion becomes a fact, the issue of whether Iraq should re-create a national level oil company such as it had in the 1970s and 1980s is pressing.

- Local capacity issues. To what extent will Iraq be able to develop expertise to participate on equal terms with the international oil companies. Several stories dogmatically state that Iraqi expertise is already well developed without giving details.

Appendix A:
Summary of Attitude Interviews on Oil and Transperency Among Iraq Opinion Makers

The Iraqi Institute for Economic Reform in association with UNDP embarked on a series of interviews with 17 leaders in the Iraqi media and energy sectors. All interviews were conducted anonymously using the "semi-open" structure, that is to say the same series of questions were asked in the same order. Participants were assured anonymity so that they could speak freely in recognition of the ongoing sensitivity of the topics discussed.

Following is a list of talking points produced by the interviews:

1. Although respondents were almost unanimously in favour of transparency in Iraq's oil industry, very few of them could specify in detail what that would mean. In general, there was not enough understanding about what kinds of information could be made available to the media and the public for there to be clear policy goals within the general demand for transparency.

2. Specifically, not one of the respondents was able to say what the Extractive Industries Transparency Initiative was, what processes it entailed, and what would be required of the Iraqi government and international oil companies operating there, despite the fact that most were either media or energy sector specialists. Very few of the respondents had even heard specifically of EITI, even those who were knowledgeable about Iraqi oil.

3. There was a sharp differentiation between answers from Kurdish participants to Iraqi Arabs. Kurdish respondents were more sceptical about the possibility to achieve transparency, because of mistrust of the motives and competence of the central government in Baghdad. But they were also more likely to be concerned about possible international oil company reaction to re porting requirements made of them as a result of the EITI or any other transparency process. This is despite the fact that the Kurdish Regional Government's own approach to signing contracts with oil companies has been marked by efforts at transparency, such as posting terms and model contracts on its website.

4. No respondents really believed the government's stated production targets of 12 million barrels a day by 2016. When asked for estimates of what production might reach then (from its current levels of about 2.5 million bpd), consensus estimates were between 6 and 8 million barrels a day. The issue was not with reserves estimates, where in fact many people expressed the opinion that Iraq might possess much greater reserves of oil than has been officially proved up until now. Reasons for not trusting the government goal revolve around concerns about the logistical and security issues in building the necessary infrastructure to produce more oil in the fields and transport it to international markets.

5. There is widespread apprehension at the involvement of the international oil companies in the development of Iraq's expanded industry. Although most respondents said they believed some foreign involvement might be necessary in view of the isolation of Iraq's industry over the last few years, most were sceptical or critical of the length of the service agreements signed with international oil companies (up to 20 years). Interestingly, there was broad support for one result of the recent rounds of auctions, the diversity of international companies now engaged in Iraq's sector

6. Although most respondents were aware that the government has made the claim that the recent auction rounds were highly transparent, most either judge themselves unable to assess the accuracy of that opinion or doubt it. Oil industry experts say the auctions were only transparent in some aspects and remained murky in other aspects, such as arrangements for work plan, entitlement to exploit as yet unproved reserves within contract areas, agreements on cost recovery, and other aspects of the contracts.

7. Opinion was split on the legality of the new arrangements, and whether they required parliamentary approval. The government position has been that the service agreements did not involve significant concessions on Iraqi assets and therefore did not belong to the category of international agreements that required legislative approval, and could be ratified as they have in fact been, by executive order of the Cabinet of Ministers. Political opposition groups meanwhile have made the case that the agreements did require parliamentary approval, as happened in previous periods of Iraqi history. The fact that this sample is largely neutral to this opinion is significant since they are not by and large politically committed, and it implies that support for the current GoI position on the modalities of agreements with international companies is not strong and deep across decision-making elites in Iraq.

8. Respondents were largely split by sector in response to the question of national security interest, and possible conflicts of interest with the principle of transparency. Media Unsurprisingly, media sector leaders believed there was little to no conflict of interest and that Iraq should achieve maximum transparency, expressing great scepticism that arguments made from a national security viewpoint were actually disinterested. Some linked the issue explicitly to freedom of information initiatives, and believe that Iraq's existing regulatory environment needs to be revised to create a more permissive environment. While others closer to the oil sector emphasised their belief that care needed to be taken over figures such as Iraq's oil reserves and the commercial terms of contracts made with international oil companies.

9. Respondents were also split on the issue of so-called Resource Curse. Industry insiders were adamant that past troubles associated with development of Iraq's oil sector were simply the result of political machinations, and that oil itself represented a great opportunity for Iraq, whereas media sector respondents were more inclined to think the mere presence of oil in Iraq's present day circumstances presented problems in terms of conflict among rival rent-seeking groups and issues of governance.

10. There was almost universal accord that oil would be a key determinant in the nature of Iraq's relations with its neighbours, particularly Iran, Saudi Arabia and Syria. There was strong belief that when the time came Iraq would be entitled to a large production quota from within the OPEC system, and that if necessary other producers would have to cede ground or accept reductions in their own quotas to accommodate Iraq because of its circumstances in oil markets over the last two decades.

Appendix B:

Sample Stories in Detail

IRAQ'S EITI PROCESS

On August 23rd, a newspaper carried a story detailing the first meeting of the multistakeholder group of the Iraqi EITI. The headline and lede reported verbatim a statement by Oil Minister Hussein Shahristani describing the ministry as a "role model" of transparency.

But the reporter appeared unaware that EITI was a standing initiative and an international instrument. The second paragraph reads: "This (Shahristani's speech) came during the first conference of the board of those people interested which was held yesterday under the slogan of 'he Extractive Industries Transparency Initiative in Iraq'". This gives no indication that the slogan corresponds to the international initiative, and also does not explain what the stakeholder group is. The reporter adds that three government ministries invited everyone to the conference, which was also under "the sponsorship" of international transparency groups.

This gives a misleading impression that the Iraqi EITI process is an initiative somehow originating with the Iraqi government, an impression which is confirmed two paragraphs later when the Secretary General of IEITI is quoted as saying that "this initiative is the first of its kind in the region, which encouraged the government to become a member of Transparency International". The reporter apparently believes that Iraq started its own unique initiative and on the back of that is applying for membership in a larger international institution.

The reporter also quoted Oil Ministry spokesman Assem Jihad as saying that Iraq had been nominated to the EITI initiative because of its high transparency in statistics and figures, whereas in fact Iraq was accepted as a candidate country because of its declaration of its willingness to produce transparent figures about the oil industry.

The story is also full of generalities which, without backing detail, do not add any understanding or information for the general reader. For example: "He (the oil ministry official) clarified that the ministry of oil had dealt with the requirements to join the initiative, by applying high degrees of transparency, whether it was dealing with the auction rounds or figures concerning local oil production and revenues".

Although the story is about the IEITI, no member of the committee is actually quoted as a source, nor are any of the substantive or procedural issues around Iraq's candidacy touched on.

EDITORIALS ON DEVELOPMENT OF IRAQ'S INDUSTRY

Zaman newspaper published two columns on oil in the months of August and September. As opinion pieces they give something of the flavour of some of the thinking among some Iraqis.

On August 11th, Amad Alo wrote the provocative headline: "Is Iraq an oil country?" His main point was facetious, that the Iraqi people had gone so long after the fall of the previous regime without seeing any major development from the oil industry that they had begun to doubt if Iraq really was an oil country to begin with: "Iraqis were initially overjoyed with thinking how

they would spend their share of the revenues. Would they travel to European resorts, like other oil rich citizens do in the Gulf? Would they ride in luxury American cars? Would they import domestic servants from Thailand and Bangladesh? Would they build skyscrapers, or islands in the middle of the sea? Would they go on pilgrimage to Mecca whenever they felt like it?" He then contrasts Iraq's stark situation now, in which there are still hundreds of thousands of internal refugees and the UN Secretary General has issued a report stressing there is still need for humanitarian relief inside the country, paraphrasing Ban Ki-Moon as stating his concern that current ongoing power cuts and fuel shortages could lead to serious social and political instability in Iraq.

A second opinion piece on September 21st cast doubt on the strategy employed by the Oil Minister Hussein al-Shahristani, to bid out service contracts to international companies; "The minister, according to his responsibilities, exerts every effort to increase and improve production. But we ask him: has he held meetings with his staff in the ministry about these plans and if they are possible? Has he convened Iraqi managerial experts in the oil industry and asked them if it is possible to increase exports and what would be the best way to do it? Has the ministry retained the achievements of the managers and experts who reached 4 million barrels a day production. Has he consulted with colleagues who held his post before him, and who rejected contracts like the ones which he has concluded? Were the contracts to increase production with eight companies his own personal effort, or did he take advice from someone?"

The tone here is clearly provocative, implying that the minister has not acted in the best interests of Iraq, as could have been established by consulting with Iraqi experts. The questions are rhetorical since of course a minister undertaking any contracts of this kind would be taking professional advice at a number of different levels.

Appendix C:

Methodology for the Content Analysis Study

Table of Contents

1 Basic Meta-data

1.1 Date of Publication

Field Type: Date Object

Field Definition: The date of publication of the story (as distinct from the date of inclusion in the database)

1.2 Media Outlet

Field Type: Drop Down Box. Select from the outlets defined in the Media-Outlets table using primary key relationship.

Field Definition: Which outlet published the story. This field does not take into account where the material originated from, which is dealt with in the attribution fields.

1.3 Headline

Field Type: Text Varchar (set to 100 characters)

Field Definition: The exact text of the headline as it originally appeared. Cut and paste if the text is available digitally, if not write out.

1.4 Location

Field Type: Boolean

Field Definition: Is a dateline specified in the story? Best practice is to let the reader know where the story has been produced, but this is not always followed.

1.5 Location ID

Field Type: Drop down box selected from the categories filled in the table Location.

Field Definition: The options have been selected to relate to the oil industry. Thus Baghdad, Basra and Kirkuk have been identified individually but the other categories are: Other Southern, Other Central, KRG and outside Iraq.

1.6 URL

Field Type: text (varchar, set at 100 characters)

Field Definition: The URL where the story is available. This could be a web page for the article itself or a PDF for pages of a newspaper which contains the story. But the text of the original article should be accessible in some form, even if this requires spidering the website and storing it locally.

1.7 Page Number

Field Type: Integer

Field Definition: This is for sources such as newspapers which store their material as PDF files relating to the pages as they appeared originally in the hard copy of the paper. A PDF may store more than one page so to aid identification the page number where the story appears is recorded. This field is optional and should not be filled in where the original story has achieved its own URL.

1.8 Own Attribution

Field Type: Boolean

Field Definition: This is to record if a news outlet attributes the story to another news organisation, such as a news organisation or not. If it does, then the box should be left unticked. If not, then the box should be ticked. Best practice is to attribute news to others if they are indeed a source, but sometimes newspapers do not do that, and will put the names of their own staff on reports that they had little hand in creating.

1.9 Other Attribution

Field Type: Text (varchar, 100 characters)

Field Definition: This field should only be filled in if the previous box has been ticked and there is attribution.

1.10 By-line

Field Type: Boolean

Field Definition: This is to record if the name of a particular reporter is attached to the news item. The policy on bylines can vary from one news organisation to another but the norm is for newspapers to use bylines more and news agencies less. Longer pieces that have involved a substantial amount of work may be bye-lined more often than short pieces (of five paragraphs or less).

1.11 By-line ID

Field Type: Text (varchar, 100 characters)

Field Definition: This field should only be filled in if the previous box has been ticked and there is a by-line.

1.12 Length

Field Type: Integer

Field Definition: The number of words in a written story. In the case of a story whose text is digitally available, the easiest way of counting it is to paste the entire application into a word processing program and then access the word count feature. If the article is a PDF then an approximation may be used by counting the average number of words in a row, then multiplying it by the number of rows.

1.13 Story Text

Field Type: Text (varchar, set to 5,000 characters)

Field Definition: The complete text of the article if easily available. This would enable further analysis to be run at a later date, such as semantic parsing for proximity searches and sentiment analysis.

2   Story Composition

2.1 Headline

2.1.1 Story supports Headline

Field Type: Boolean

Field Definition: If the story as a whole supports the claim or statement in the headline, then this box should be ticked. If not, then it should be left empty. Best practice requires a headline to be proved and justified by the information in the story. Note that if the headline itself quotes a source the story as a whole only needs to confirm that the source made a statement which justifies the headline, not that the statement is itself true. For example, if a source at the ministry of oil says that Turkey has agreed to increase security on the Kirkuk-Ceyhan pipeline, the story only needs to give more detail of a statement by the ministry of oil, not to establish whether in fact the Turkish did make such a commitment.

Example (not supported): An Aswat al-Iraq story from August 9, 2010 had the headline that Iraq would become a major exporter of natural gas within two years. But the story was based on an assumption that Iraq would be able to hook exports into a pipeline that would take gas to Europe called Nabucco. The story referred to the Nabucco pipeline as if it were an inevitability, but in fact work has not yet begun on this pipeline and it is not even certain that it will. The headline's claim therefore rests on an unproven assumption, and is not supported by information in the story.

2.1.2 Lede supports Headline

Field Type: Boolean

Field Definition: If the first paragraph supports the claim or statement in the headline, then this box should be ticked. If not, then it should be left empty. Best practice requires a headline to be proved and justified by the lede or first paragraph. As with the story as a whole, the lede only needs to confirm that a source said what was stated in the headline, not the truth of that statement.

2.1.3 Buried Lede

Field Type: Boolean

Field Definition: If the headline and the lede are not the most important new information carried in the news story, then the lede has been "buried" - placed lower down in the story because the reporter has not recognised the relative importance of the information in the story.

Example: On August 1, 2010, Aswat al-Iraq published a story with the headline, quoting a government official, that the government was losing revenues from the production of over 100,000 barrels a day, that would have come from the Kurdish region if KRG leaders had not imposed a production ban as part of its ongoing dispute with the Baghdad government over management of the oil industry. But lower down in the story the official also stated, apparently for the first time on record at the Aswat news agency, that the government had earned $2 billion more than it had anticipated over the previous period because the price of oil had been higher than it had assumed in its original budget assumptions. This piece of information is more important than the losses from Kurdish dispute because that policy was already known, so the story should have "led" with the higher than expected income.

2.1.4 The Buried Lede

Field Type: Boolean

Field Definition: If the headline and the lede are not the most important new information carried in the news story, then the lede has been "buried" - placed lower down in the story because the

2.2 Sourcing

2.2.1 Mentioned

Field Type: Boolean

Field Definition: Best practice is always to quote a source but in the worst kind of media information is sometimes published without any attribution to a source, as though it was incontestable fact.

2.2.2 Single

Field Type: Boolean

Field Definition: Has only one source been used for the story, or is more than one source used. Note that a report could quote "diplomatic sources" in the plural but this should be treated as a single source unless further defined, such as in a phrase like "some of the sources said... ", making it clear that the collective phrase "sources" does refer to more than one source.

2.2.3 Named

Field Type: Boolean

Field Definition: It is better if the source is named, as there is more accountability to the information.

2.2.4 Official

Field Type: Boolean

Field Definition: Does the source belong to the government? This includes all institutions owned and controlled by the government such as the parastatal companies, the Central Bank, security forces, officially controlled unions and so on. In the case that there is more than one source in the story as a whole, the classification of official or not should be applied to the main source.

2.2.5 Authoritative

Field Type: Boolean

Field Definition: Is the source authoritative in terms of the information and subject discussed in the report. It is important to distinguish this from the question of an official source, even at high level. The same source may vary in degree of authority according to what subject he or she is talking about. A company director, for example, may be a highly authoritative source in terms of the activities of the company, an authoritative source in terms of policies implemented by the ministry of oil which directly relate to the way his company operates, mildly authoritative in relation to energy policy areas run by officials that he deals with, but not authoritative at all on more general issues relating to the distribution of revenues between the central government and the provinces.

2.2.6 Multiple Sourcing Required

Field Type: Drop Box, select from the options 'No', 'Moderately' and 'Severely'

Field Definition: Multiple sourcing is always desirable in journalism. However in practice the degree of need for more than one source varies according to the nature of the story. A short news report, for example, which quotes authorities in the port of Umm Qasr giving figures for the number of container ships and amount of cargo passing through the port does not strictly speaking need another source, since the information is unlikely to be contentious. Similarly, if it is simply the latest monthly bulletin, and previous bulletins have been reliable and uncontested, then that decreases the need for more than one source.

But any story which deals with differences in points of view, or where the main source has a direct interest in what they are saying being believed, needs another source to confirm the outlines of the story. A story may be categorised as moderately needing multiple sourcing if an extra source would simply enhance the story, or severely needing more sourcing if we cannot trust the sole source by itself. The degree of need for extra sourcing is often related to whether the main source for a story is authoritative or not.

Example: On August 2, 2010, Aswat al-Iraq issued a story in which a local district official announced that some oilfields in the district would be listed as part of a contract area for the "next" round of service agreements to be proposed to international oil companies. But because the local official is not an authoritative source for an action by the Ministry of Oil, the need for extra sourcing for the story – in this case from the Ministry of Oil – is severe.

Example: On August 8, 2010 Aswat al-Iraq issued a story in which the Malaysian company Petronas was reported to be contributing to rebuilding schools in the district in Basra where it is operating. The story quoted local officials, who are an adequate source for the simple facts in the story. But the story would be enhanced by other sources who, for example, might

be able to tell us why the company had chosen these particular investments, or when they would be carried out, or how much they were expected to cost. Accordingly, the story was classified as 'moderately requiring additional sources.

2.2.7 Quotation of Sourcing

Field Type: Textbox (varchar, 100 characters)

Field Definition: This is for use when a source is framed in a loose way, such as "sources in the government". The particular wording used can be captured to give a more precise idea of the quality of sourcing.

3   Faults
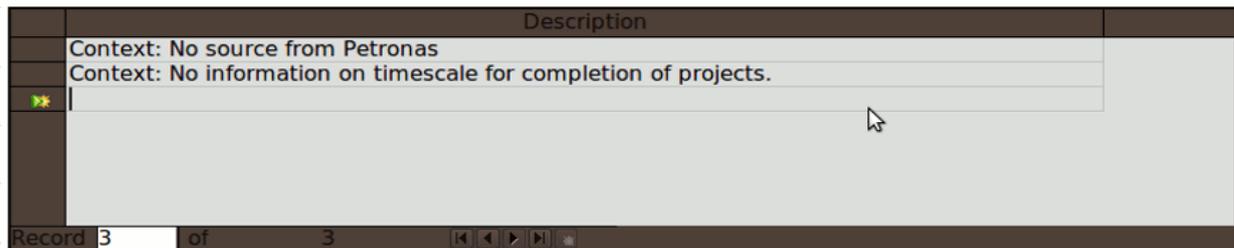
The faults box is a form within a form. This allows a one-to-many relationship between the faults recorded and the number of articles, so that as many faults as are necessary may be recorded separately, unconstrained by the parameters of the form. The faults are recorded in a separate underlying table called "faults", with the unique identifier of the article to which they are attached. This allows statistical analysis to be run against faults from particular outlets, for example, or in particular subject areas.

The content analysis has concerned itself with two kinds of faults: contextual errors, in which the report fails to provide background information that would help the reader to understand the significance of the new information being presented; and factual errors, in which the reporter has simply made a mistake. Each error is prefaced with the type of error it is, using either the words: Context or Factual.

Example (context): In the story referred to above, issued on August 8, 2010 by Aswat al-Iraq, the information about why the Malaysian company Petronas would commit to rebuilding schools is missing. What is required is a short paragraph which summarises their known operations in Iraq, the consortium that they belong to and which contract area it won, and any known terms of corporate social responsibility that accompanied those contracts. For these reasons, an entry in the faults log is made which details this.

Example (factual): In a story issued by Aswat al-Iraq on September 2, 2010, the news item refers to a manager quoting the amount of oil produced at a certain figure "plus or minus 50%". This is such a large margin of error as to be virtually meaningless and way in excess of what would be expected. For this reason, it is most likely to be an error for a much smaller margin of error.
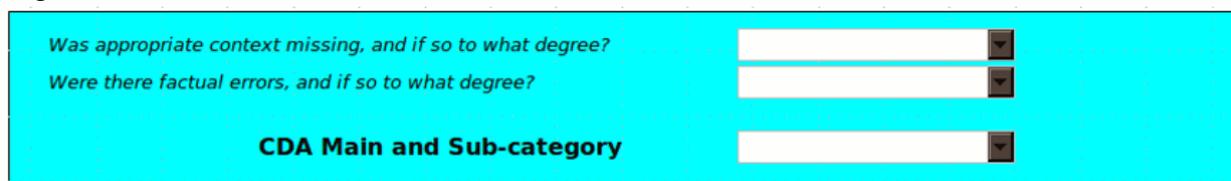
4 Evaluative

4.1 Context

The reviewer is asked to evaluate the degree to which context is missing from a story from the following options: 'No' 'Moderately' or 'Severely'. The judgement will be based on the individual faults established in the table above. But it is important to note that not all faults are equally serious, so that the number of faults does not necessarily determine the degree of seriousness of the missing context.

4.2 Factual

The reviewer is asked to evaluate the degree to which factual errors have been made in a story from the following options: 'No' 'Moderately' or 'Severely'. The judgement will be based on the individual faults established in the table above. But as with the context,it is important to note that not all faults are equally serious, so that the number of faults does not necessarily determine the degree of seriousness of the missing context.

5 CDA

Critical Discourse Analysis (CDA) deals with a level of analysis above the "engineering" nuts and bolts of whether a story has been professionally put together from the point of view of sourcing or writing. CDA seeks to establish what the paradigm of a story is. Of all the possible narratives that could be told about Iraqi oil, what are the narratives that the news media privilege over other narratives? CDA has been used extensively in content analysis of climate change coverage in the past few years by researchers such as Boykoff, Nisbet and Mooney.

In this case we have chosen to represent possible narratives around Iraqi oil over the period of study, through 2010, with a mutually exclusive two-tier hierarchy of categorisation: Business, Domestic Politics, International Relations, the Environment, and Social concerns. Each of the main categories is then divided into sub-categories in the way illustrated below.

It is recognised that a story could appeal to more than one paradigm or narrative. Nevertheless, a story can only be assigned one such category. This hierarchical categorisation is designed to ease the development of mutual understanding between coders and check "inter-coder reliability". The resulting analysis and conclusions therefore, become sounder at the expense of possible loss of some nuance.

Each main category in the hierarchy contains within it four to five sub-categories. For example, Politics contains the sub-categories KRG, meaning stories whose main theme is the ongoing dispute over energy policies between the Baghdad government and the Kurdish Regional Government; Regulation, which covers any story whose main focus is on how energy policy is formed and administered; Expenditure, stories which concentrate on government spending specifically of oil revenues, either at a national or sub-national level; Security, relating to any stories of attacks on the industry and its installations as part of Iraq's ongoing political violence; and Other, a category to capture stories deemed political but which don't fall into the other sub-categories.

Appendix D:

Summaries of Stories Covered

INTERNATIONAL SPECIALIST NEWSLETTER COVERAGE

DURING THE PERIOD OF CONTENT ANALYSIS OF IRAQI MEDIA

IRAQ OIL FORUM

Interview with Ashti Hamrawi

August 6

The Kurdistan Regional Government's minister of natural resources, Ashti Hawrami, spoke to Ruba Husari in Erbil late July on the latest developments in Kurdistan's upstream and downstream sector, the smuggling controversy, differences with Baghdad over crude exports and the fate of the federal hydrocarbon law.

Pumping Up Kerbala

August 11th

Erbil – It seems that Baghdad and Erbil have reached a tacit agreement on how to divide the contested oil fields between the region and the rest of the country. Or that's at least what seems to be happening in Khurmala Dome, one of three major domes making up the giant Kirkuk oil field.

A History of Waste

September 3rd

The Iraqi oil ministry has dropped the option to export oil it had offered to international oil companies bidding in its third bid round to develop three gas fields, after realising that that option is unrealistic in view…

Gas Exploration, a Government Priority?

September 26th

As Iraq's third bid round for gas field development drags on, mired by successive delays, with no viable commercial structure in the draft model contract and confusion over the utilization of gas to be produced, Iraq's next government is better off focusing on increasing Iraq's gas reserves by launching an exploration drive to find new gas resources and develop them.

Interview with Thamer Ghadban

September 26th

The draft oil and gas law has been with the Council of Representatives since 2007 and was followed later by the INOC draft law. There were several reasons behind the legislative stalemate, but the main one is the request of the Kurdish parliamentary block to postpone the debate on oil legislation until an accord is reached regarding the pending issues in the oil and gas law. The main pending issues are related to demands for changes that were presented by the Kurdish side, represented by the Ministry of Natural Resources.

IRAQ OIL REPORT

http://www.iraqoilreport.com/oil/production-exports/american-base-in-basra-on-frontline-of-oil-boom-4871/

August 2

CONTINGENCY OPERATING BASE BASRA, IRAQ - Oil executives buzz in and out of this American base, the former British base connected to the Basra airport, some for meetings with officials, some staying the night – or longer.

The American mission in Basra, Iraq's oil capital, is perhaps unlike that of any U.S. outpost in the world: to ensure the world's largest oil companies have as few problems as possible as they start work on Iraqi oil contracts that could see the country become the largest producer ever.

http://www.iraqoilreport.com/energy/natural-gas/iraqi-nat-gas-future-bright-though-uncertain-4879

August 3

Iraq has delayed for at least a month an auction of three natural gas fields which could see foreign companies develop enough of the resource to meet local demands and create a new export sector.

But terms have yet to be solidified for the contracts to be offered on Oct. 1, the oil ministry said.

And the value of the contracts will be affected by the terms of another gas deal: the state-run South Gas Company's joint venture with Royal Dutch Shell to capture flared gas in Basra province

http://www.iraqoilreport.com/business/companies/bp-lawsuit-future-uncertain-4883

August 7

It's been a trying time for Shatha Musawi: the court hearing her lawsuit challenging the validity of the Rumaila oilfield contract with BP ordered her to pay $257,000 to continue the case.

Since her house was bombed in 2007 – and especially as alleged threats to her life intensified after she filed the lawsuit – she's lived in the Kurdistan regional capital instead of Baghdad, her hometown.

http://www.iraqoilreport.com/politics/oil-policy/farmers-lawsuit-demands-compensation-for-oil-land-4888

August 10, 2010

An angered farmer is awaiting a verdict in a nearly $2 million lawsuit claiming that the South Oil Company took over his land without just compensation, in an early test of whether – and how – the government will compensate Iraqis who are displaced or adversely affected by the oil-sector expansion.

Sheikh Sadoon Hameed asserts that oil operations began on his farm land in Missan province in 2001. The Missan Oil Company, a new state firm which took over the province's oil operations from

August 10

Pirates wielding AK-47 machine guns boarded and robbed at least two cargo ships, one of them American, that were anchored in Iraqi waters early Aug. 8. The daring criminal operation has exposed the .

security problems that still threaten Iraq and its economy.

The ships were near the Umm Qasr port and the al-Basra and Khor al-Amaya oil terminals, which combined account for more than 95 percent of the country's income. In this critical commerce hub, such robberies and criminal impunity could undermine the economy – and a successful terrorist attack could cripple the country and cause massive environmental damage.

August 10

High-level meetings between Iranian and Iraqi energy officials, held in Baghdad two weeks ago, resulted in a near-final agreement to build a gas pipeline into Iraq.

The deal will help fuel Iraq's growing electricity sector, which has faltered under increasing demand, antiquated infrastructure, and an insufficient supply of natural gas. It's also a diplomatic win for Iran, as the multi-million dollar pipeline will help solidify an economic link with its neighbours.

August 12

The former U.S. ambassador to Iraq has turned down seat on board of the Norwegian oil firm with operations in Kurdistan, but will remain on board of RAK, which owns 30 percent of DNO.

August 16

Lawsuit claiming contract with BP and CNPC unconstitutional dismissed by Iraq's highest court.

August 19, 2010

KIRKUK, IRAQ - Ali al-Obaidi was credited for squeezing out smugglers and thieves from Iraq's largest refinery, but he couldn't escape the consequence: being targeted by the criminals, including al-Qaida, who profited from the illicit trade he was squelching.

On Saturday, Obaidi resigned, according to Iraqi sources including within the North Oil Company and American officials, though the oil ministry press office couldn't confirm it, ending a long career in Iraq's oil sector that was capped by a three-year stint reducing corruption and increasing production at Beiji refinery, in northern Iraq's Salahaddin province.

August 19

As Iraq tries to become the world's largest oil producer, quintupling its capacity to more than

12.5 million barrels per day (bpd), it must overcome not only the normal challenges of petroleum engineering, but also the institutional and security challenges of a country sputtering toward full sovereignty.

A month-long heatwave has caused a spike in electricity demand, power shortages, over-reliance on generators, and a run on fuel. On Tuesday, more than 60 people were killed in suicide

http://www.iraqoilreport.com/oil/turkey-eyes-iraq-as-major-energy-partner-4972

August 21

Not only is Iraq's northern neighbor, Turkey, the relay point for a quarter of Iraq's oil exports, but it also aims to be the main hub for the country's up-and-coming natural gas exports.

Turkey is at the world's energy crossroads – especially if the planned Nabucco pipeline comes through to supply Asian and Middle Eastern natural gas to European customers, reducing their dependence on Russian sources.

http://www.iraqoilreport.com/security/energy-sector/iraq-readies-for-aqi-strike-on-oil-sector-4934

August 24

Iraq's security forces are preparing for terrorist attacks on the country's oil sector following an intelligence report passed on to security chiefs by Prime Minister Nouri al-Maliki.

Maliki told the security officials Sunday of intelligence "that al-Qaida in Iraq plans to launch attacks on the oil facilities in general and pipelines in particular," said Maj. Gen. Hamid Abdullah Ibrahim, the head of the Interior Ministry's Oil Police Directorate.

http://www.iraqoilreport.com/politics/oil-policy/kurds-eu-gas-deal-irks-baghdad-on-eve-of-u-s-transition-4943

September

Baghdad is scrambling to re-establish federal control over oil and gas exports, after Iraq's Kurdish region announced a deal to export natural gas to Europe, the same week America officially ends combat operations in Iraq.

In a statement with the Kurdistan Regional Government (KRG), the German utilities company RWE announced it would help develop northern Iraqi natural gas for export via the Nabucco pipeline to Europe. Taken by surprise, Iraq's Oil Ministry quickly released its own statement condemning the deal.

http://www.iraqoilreport.com/politics/oil-policy/expanding-oilfields-versus-ancient-farmlands-4952

September 2

BASRA, IRAQ - The traditional harvest of this ancient Basrawi village are no match for Iraq's cash crop – oil. The 250 families of Muhitat are among a growing number in southern farming villages being ordered by the Ministry of Oil to leave their land, beneath which lies the crude that will fuel the country's efforts to quintuple its oil production.

"We used to cultivate different crops such as rice and wheat and we owned 1,000 palm trees

each," said Sheikh Wasmi Faydhi al-Hamadani, the 60-year-old patriarch of the al-Muhitat village near the Silail marsh in northern Basra province and the West Qurna oilfield. "Water resources were largely available and it was a real paradise until the mid-nineties."

September 18

International oil and gas companies interested in developing three of Iraq's natural gas fields will be given an additional three weeks to study the terms, a top ministry official confirmed Sunday.

Meanwhile Italy's Eni and Japan's Mitsubishi have purchased data packages, a requirement for bidding on the fields, said Abdul Mahdi al-Ameedi, the director general of the ministry's Petroleum Contracts and Licensing Directorate.

September 20, 2010

With the signing of two pipeline agreements with Turkey and Syria, Iraq has taken essential steps towards its goal of becoming the world's premier oil exporter.

Inadequate infrastructure is one of the worries of foreign oil companies investing billions of dollars in the country's oil sector.

September 23

Fifty years ago this month, Baghdad took the honor of hosting Saudia Arabia, Kuwait, Iran and Venezuela to establish what is now the 12-member Organization of the Petroleum Exporting Countries. Now, stunted by decades of war and sanctions, Iraq is plotting its comeback.

Iraq is not hampered by the infamous OPEC quota, which aims to limit global supply by binding member countries to pump oil in proportion to their reserves. Iraq has the third-largest reserves in the world, so its relatively.

REUTERS

Iraq hopes to finalize China oilfield deal in August

August 10

(Reuters) - Iraq's oil minister will visit China before the end of August to try and finalize a deal to develop the Ahdab oilfield south of Baghdad and build a power station nearby, the Oil Ministry said on Sunday.

Oil Minister Hussain al-Shahristani said in April that Iraq would honor the $650 million deal signed in 1997 between Chinese National Petroleum Company (CNPC) and Saddam Hussein's government, but the terms would be renegotiated.

Iraq's oil future may be vulnerable after U.S. exit

September 3

(Reuters) - After an explosive device tore through the back of an armoured SUV carrying Chinese oil workers in Iraq in mid-July, security contractors said the U.S. military, not China's Daqing Petroleum, was the likely target.

The Explosively Formed Projectile, designed by Iran's Revolutionary Guard Corp and often used by Shi'ite militia in Iraq, shredded the rear of the car and exited on the other side just behind the passenger seat.

Three Chinese workers, who were helping develop Iraq's biggest oilfield Rumaila, received scratches and light burns. One security guard sitting in a front seat was hit by fragments.

Oil companies so far have shrugged off security concerns after sealing a dozen deals in Iraq, which have the potential to quadruple the country's production capacity to rival Saudi levels of 12 million barrels per day.

Interview: Iraq tightens oilfield security in south

(Reuters) - Iraq has tightened security around oil infrastructure and oilfields in the south in response to intelligence suggesting al Qaeda and other insurgent groups plan to attack oil facilities, a security official said.

Ali al-Maliki, head of the municipal security committee in the southern oil hub of Basra, said the information indicated that al Qaeda in Iraq and Saddam Hussein's outlawed Baath party were switching their sights to economic targets and oil companies.

"We have received intelligence information of a plan to target oil facilities, including oilfields, by al Qaeda and Baathist insurgent groups," Maliki told Reuters in an interview.

Iraq delays gas bidding round to Oct 1

August 1

(Reuters) - Iraq has pushed back by a month the date of an auction for international firms that want to develop three of its gas fields, company executives and Iraqi oil officials said on Sunday.

Baghdad had said it will invite all 45 international companies which were prequalified in the two oil auctions last year to bid for Akkas field in the western desert, Siba in the southern hub of Basra and Mansuriyah in eastern Iraq.

Iraq eyes oil firms funding for export projects

September 26

BAGHDAD (Reuters) - Iraq has asked international oil firms that won contracts to develop its vast oil reserves whether they are interested in financing the country's huge crude export

infrastructure projects.

Iraq's Oil Ministry is exploring all options to finance its costly export infrastructure plans, including asking oil companies to either contribute funding or to offer the projects under build, operate and transfer (BOT) contracts, Deputy Oil Minister Abdul Kareem Luaibi said on Sunday.

BP says Iraq government delay has no effect on Rumaila

http://www.reuters.com/article/idUKLNE68K03D20100921

September 21

(Reuters) - Oil major BP Plc sees no effect on its work on Iraq's biggest oilfield from a political impasse that has delayed the formation of Iraq's new government for more than six months, a BP executive said.

BP (BP.L) is moving ahead with developing the supergiant Rumaila oilfield and could award new contracts for work in the field later in the year, BP Iraq's President Michael Townshend told Reuters.

http://www.reuters.com/article/idUKLDE68J18K20100920

Russia's LUKOIL announces 4 tenders in Iraq

September 20

MOSCOW (Reuters) - Russia's No. 2 oil producer, LUKOIL (LKOH.MM), and partners have issued four new tenders for construction and energy projects at Iraq's West Qurna Phase Two oilfield, the company said Monday in a press statement.

The tenders are for the construction of an oil export pipeline; a tank farm at Tuba; a power distribution station and an associated gas processing plant; and an oil gathering system, central processing facilities and a water supply system.

http://www.reuters.com/article/idUSLDE68R0ZL20100928

Iraq awards $733 mln contract to expand oil export

September 28

(Reuters) - Iraq's cabinet approved a $733 million contract on Tuesday for oil export expansion to Leighton Offshore Private Ltd, Iraq's government spokesman said.

The project, for which Foster Wheeler won a project management consultancy (PMC) services contract in July, is expected to boost Iraq's oil export capacity from the southern city of Basra to 3 million barrels per day from 1.8 million bpd now, government spokesman Ali al-Dabbagh told Reuters. (Reporting by Rania El Gamal; editing by James Jukwey)