

Iraq-Turkey Oil Pipeline Resumes After Six-Month Shutdown

written by Ezba Walayat | October 9, 2023



The Iraq-Turkey Pipeline resumed operations on October 2, 2023, after being shut down for six months due to a payment dispute between Ankara and Baghdad. Following an arbitration decision by International Chamber of Commerce (ICC) ordering Ankara to pay Baghdad penalties for unauthorized exports between 2014 and 2018, Turkey has suspended flows on the pipeline, Iraq's northern oil export route. Later, Ankara began performing maintenance on the pipeline that supplies 0.5% of the world's petroleum. The two nations decided to continue their legal dispute over arbitration rulings while delaying restarting flows until a maintenance assessment of the pipeline was finished. Since late June, discussions over how and when to resume pipeline have been going on between Turkey and Iraq.

The oil pipeline connecting Iraq and Turkey is crucial for both countries as well as for the world oil market. The line serves as a crucial link for the Kurdistan region's crude exports, which are essential to the region's economy, and it is also a major supplier of sour oil to refineries serving the Mediterranean market. Much of the output in the Kurdish region has been halted as a result of the export ban and shutdown. The pipeline ensures that the global economy has access to a consistent and reasonable supply of oil. Oil from Iraq is transported through pipeline to the Mediterranean coast, where it is loaded onto tankers and sent to refineries all over the world. The pipeline also contributes to the control of oil prices by assisting in limiting the rise in oil prices by giving the world market an additional source of oil supply.



The pipeline transports crude oil from Kirkuk and the Kurdish Blend Test to the port of Ceyhan. It carries around 450,000 barrels of oil per day from northern Iraq to the Mediterranean coast, and is a key export route for Iraqi oil. It is also an important source of revenue for Turkey. Alpaslan Bayraktar, the Minister of Energy for Turkey, announced the reactivation of the pipeline at the ADIPEC summit in Abu Dhabi. He also said in an interview, "We informed the other side that the route is ready for operations as of 4 October, 2023, that there are no obstacles to oil shipments or to storing oil in Ceyhan and sending it to global markets." The pipeline's resumption of operations is a positive development for Iraq and Turkey, as it will help to boost oil exports and generate much-needed revenue for both countries.