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Protests Emphasise Iraq's Infrastructures Problem

Since October onwards, Iraq's anti-government protesters have blocked several times the access routes to the main ports of the country, Umm Qasr and Khor al-Zubair (Basra governorate), the only Iraqi gateways to the sea. The Iraqi government stated that the disruption cost amounted to over six billion dollars so far [*Reuters*, "Blockage of Umm Qasr Port has cost over \$ 6 billion"-PM's Spokesman", November 6, 2019]. Anyway, in the short to long term, the vulnerability of Baghdad's infrastructures represents a national security problem because, beyond the limits of geography, a 'hedging strategy' for infrastructures and connectivity is still lacking.

In the latest years, Iraq has managed to attract international investments for the rehabilitation and/or developing of the infrastructural system, with particular regard to ports: Baghdad aims not only to gain regional positions as shipping terminal, but also to increase oil production and export.

A Phillipine's port operator, International Container Terminal Services (ICTSI) has just concluded a 250 million dollars investment in the Umm Qasr port, the main entry point for food and commodities: on October 2019, the company inaugurated two berths to handle larger container vessels at the Basra Gateway Terminal, as a result of a 2014 contract to repair and operate the facilities. In 2018, the Japanese Mitsubishi Corporation was awarded, in partnership with two Turkish companies, with a contract to modernise and expand port and oil-related facilities in the Basra governorate, at both Umm Qasr and Khor al-Zubair (the latest trades mostly in oil, construction and electrical material). In 2019, the South Korean Daewoo Engineering won an order to build entrance roads for the under-construction Grand Al Faw port.

However, the current Iraqi environment for investments has been rapidly become less conducive than before: this happens while Baghdad is working to design an infrastructural network (including the reactivation of the Basra-Aqaba pipeline and its connection to the Kirkuk-Ceyhan infrastructure), to cope with rising economic expectations.

Geopolitical tensions in the Gulf and asymmetric maritime attacks of likely-Iranian origin occurred amid the strait of Hormuz and the Gulf of Oman, worsening the freedom of navigation perspectives and may reduce Iraq's international attractiveness. In fact, Baghdad would be one of the most affected countries in case of serious disruption of maritime waterways in the area, since its import-export economy depends on Basra's ports.

Moreover, infrastructural competition in the Northern Gulf plays also against an unstable Iraq, adding to domestic and regional uncertainty. As a matter of fact, flagship port projects of Iraq and Kuwait are likely to overshadow each other, as in the case of the Grand Al Faw port (Iraq) and of Mubarak Al Kabir (Kuwait). In 2019, Iraq and Kuwait signed a preliminary contract to develop border oil fields. However, they rival indirectly as recipients of China's infrastructural investments: Iraq is the second biggest oil supplier of China who, however, has been focusing so far on the financing of Silk City and other urban and business projects in Kuwait.

In such a frame, the recurrent blockage of critical maritime infrastructures due to anti-government protests sheds light on the structural vulnerabilities of the Iraqi economy, also in the eyes of long-term oriented international investors. And it reveals itself to be a litmus test for Iraq's reconstruction ambitions.

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