

# Iraq Status Report December 9, 2009



Bureau of Near Eastern Affairs U.S. Department of State

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## **HIGHLIGHTS**



- Iraqi Lawmakers Reached a Compromise Regarding the Passage of a New Election Law (*POLITICAL*, page 4)
- Explosions in Baghdad Kill 127 People (SECURITY, page 9)
- Key Second Bid-Round Oil Field Auction to Take Place Despite Bomb Threats (ECONOMIC, page 11).
- President Talabani Received an Official Iranian Delegation Led by Iranian Ambassador to Iraq Kazemi Qummi (*DIPLOMATIC*, page 16).

# POLITICAL - Governance & Legislation



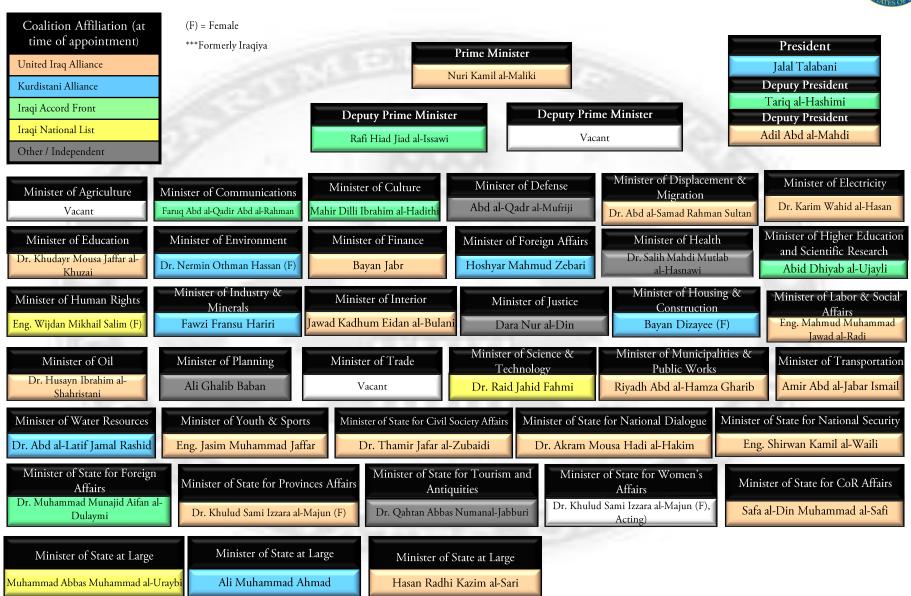
Iraqi lawmakers prepare for upcoming national elections

## Election Law Passed, Election to be held in March 2010:

• Just before midnight on December 6, the Council of Representatives approved a decision that clarified the election legislation allowing the elections to go forward. Under the newly approved law, the Council of Representatives will expand from 275 to 325 seats. The election will take place in March 2010.

# POLITICAL - Government of Iraq

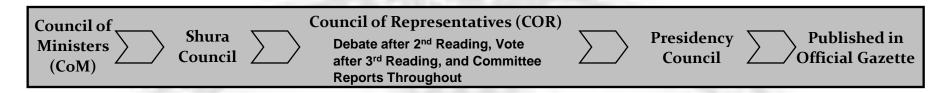




# POLITICAL – Key Legislative Issues



**Legislative Process** 



- <u>Hydrocarbons Package</u>: The Framework Law was resubmitted to the Oil and Gas Committee on October 26, 2008 and then returned to the Council of Ministers. There has been no progress on the other three laws in the package.
- NGO Law: This law will regulate the operations and funding of Non-Governmental Organizations operating within Iraq. It received its first reading in the Council of Representatives on April 20, 2009.
- National Elections Law: The amended election law was approved by the Presidency Council on December 6.

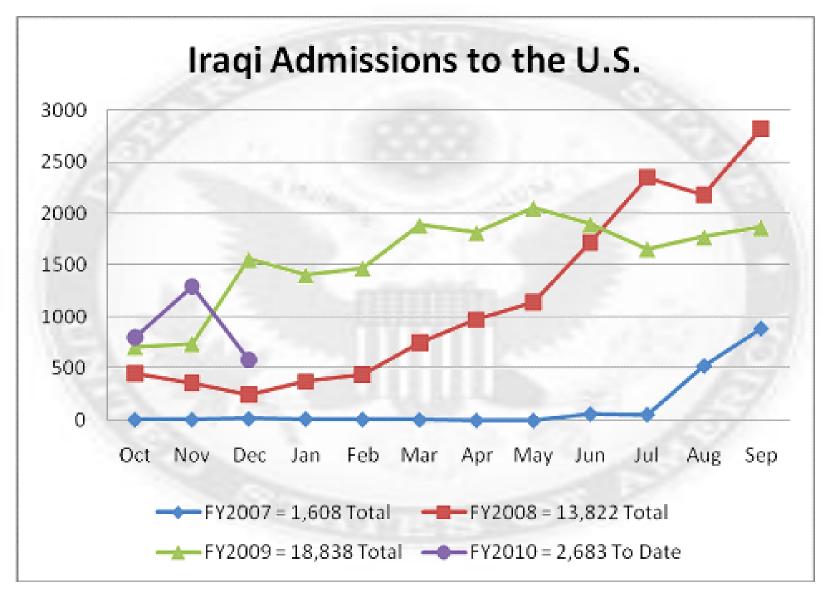
# POLITICAL - Refugee Update



- There are approximately 295,000 Iraqi refugees currently registered with UNHCR in neighboring countries. There are likely significant numbers of unregistered refugees as well. UNHCR reports that 1.5 million Iraqis displaced by sectarian violence following the Samarra Mosque bombing of February 2006 remain internally displaced in Iraq.
- In FY09, the State Department's Bureau of Population, Refugees and Migration contributed \$ 303.4 million to international organizations and nongovernmental organizations to assist displaced Iraqis inside the country and in the region.
- Since the program's inception in FY07, 36,951 Iraqi refugees have been admitted for U.S. resettlement, an increase of 1,533 since the beginning of the fiscal year. The U.S. admitted 18,838 Iraqi refugees in FY09.
- As of September 2009, a total of 1,606Special Immigrant Visa (SIVs) have been issued for Iraqi translators and interpreters (and their dependents) since FY07 (under the Section 1059 program).
- As of September 2009, a total of 3,028 SIVs have been issued for Iraqis employed by or on behalf of the U.S. government (and their dependents) since FY08 (under the Section 1244 program).
- Secretary of State Hillary Clinton announced July 24 that the United States was contributing more than \$100 million in new assistance to support the return and reintegration of displaced Iraqis.

# POLITICAL - Refugee Update





# **SECURITY – Security Transition**



A string of bombings across Baghdad leave 127 dead and hundreds injured

## **Explosions in Baghdad Kill 127 People:**

• A series of five, seemingly coordinated, explosions in Baghdad killed at least 127 people and left hundreds more wounded on December 8. The five attacks, two of which were suicide car bombings, targeted Government of Iraq and Iraqi Security Forces buildings and compounds, including a compound associated with the Labor Ministry building; a court complex near the Iraqi-protected Green Zone; a location near the new site of the Finance Ministry; a police patrol in the mostly Sunni district of Dora in southern Baghdad; and a police patrol in eastern Baghdad near the Technology University. In reaction to the bombings, Iraqi state TV reports that Prime Minister Maliki has ordered a shake-up at the top of Baghdad security forces: Lieutenant General Ahmed Hashim Ouda will replace Lieutenant General Abboud Qanbar as commander of Baghdad security. Qanbar will take Ouda's old position as deputy chief of staff.

## Head of Salah ad Din Anti-Terror Squad Killed in Suicide Bombing:

• A suicide bomber killed five people including Lieutenant Colonel Ahmed al-Fahel, the head of the Salah ad Din anti-terror squad, and at least three of his body guards in a jewelry store in Tikrit on December 4. Lieutenant Colonel Fahel, a policeman during Saddam's regime, was a leader in the campaign against al-Qaida in Iraq in the predominantly Sunni province of Salah ad Din. Seven others were wounded in the explosion

#### **ECONOMIC – Oil**



## Oil prices are rising, but exports below 2009 targets

Crude Oil Update:

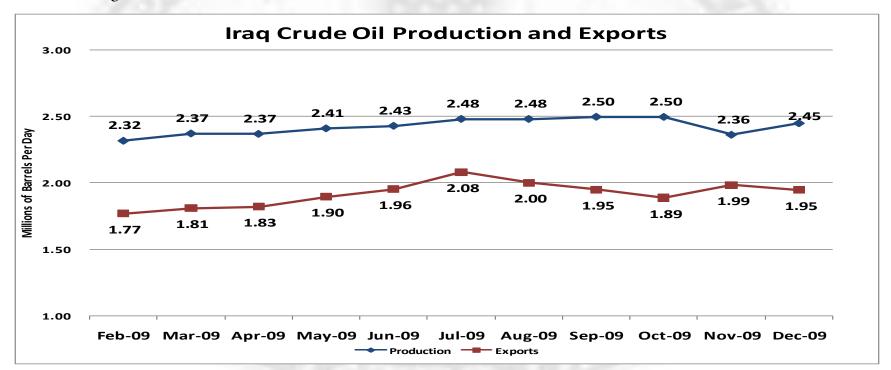
Price averages in world markets closed with the following prices:

Basrah Light at \$76.03/barrel

Dated Brent at \$77.83/barrel

WTI Cushing at \$76.84/barrel

Oman/Dubai at \$78.89/barrel



#### Revenue estimates:

2007: \$41.0 Billion 2008: \$61.9 Billion 2009 (ytd): \$30.00

## **ECONOMIC - Oil**



Key second bid-round oil field auction to take place despite bomb threats

## Oil Executives Set to Attend Second Bid-Round Auction:

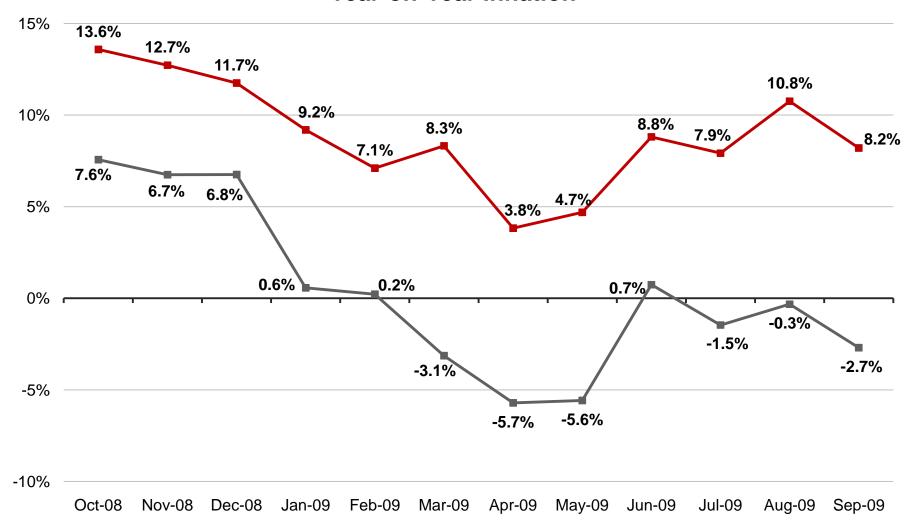
• The Iraq Ministry of Oil will not delay the auction set for this week that includes ten 20-year oil field contracts after a series of car bombings killed 127 people in Baghdad on Tuesday, December 8. Executives from top oil companies including Exxon Mobil, Royal Dutch Shell, BP, Total, and Chevron are expected to arrive in Baghdad this week for the December 11-12 auction, which will be broadcast live from the Oil Ministry. The deadly attacks on December 8 renewed fears that extremist groups may target high-profile attendees during the auction. These contracts are projected to bolster Iraq's oil production revenues and generate billions of dollars for the Iraqi economy.

Overall Inflation

# **ECONOMIC - Fiscal and Monetary Affairs**



#### **Year-on-Year Inflation**



——Core Inflation (excludes fuel, electricity, communications, and transport prices)

# ECONOMIC - Fiscal and Monetary Affairs



Economic Indicator	This Week	Last Week	Last Month	Last Year
Iraqi Commercial Bond Sales				
Price (USD)	\$75.38	\$75.41	\$75.34	\$66.08
Yield	8.48%	8.48%	8.49%	10.96%

## ECONOMIC - Public Sector



Iraq's oil workers union seeks job stability with new contracts

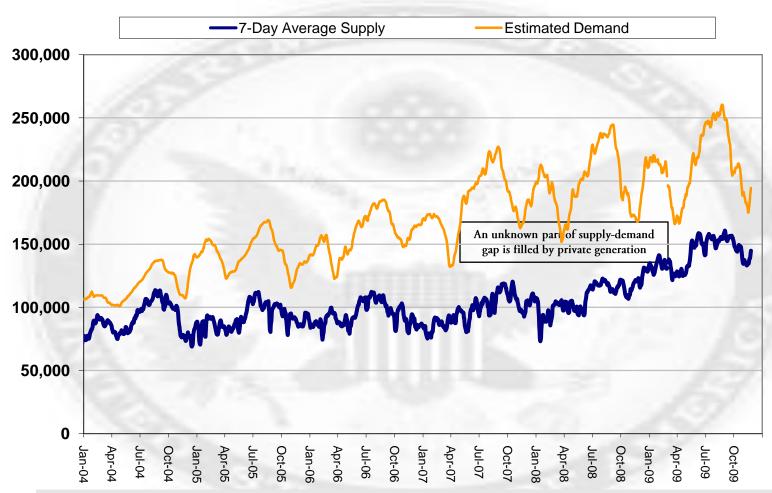
## **Unemployed Iraqis Voice Concern Over Corruption in Hiring Process:**

• Many Iraqis holding coveted jobs with the state-run South Oil Company (SOC) fear that their jobs may become imperiled as foreign oil companies begin their contracts in the region. The Oil Workers Union is seeking open and frank discussions about job security as the oil sector becomes increasingly privatized and the threat of technological outsourcing looms. Though many Iraqis remain hopeful about the prospect of new employment opportunities, the primary concern of Iraq's unemployed is the level of corruption involving "waasta," or bribes to middlemen, who intervene in the hiring process and elevate certain candidates for a fee.

# **Public Services – Electricity**



#### Daily Electricity Supplied and Estimated Demand in Iraq Since January 2004



■ Electricity supply from the grid November 30-December 6 was 27% above the year-earlier period and met 72% of estimated demand, compared with 63% for the earlier period.

# **DIPLOMATIC** – Political Engagement



## Iraq and Iran strengthen bilateral ties

## Iranian Delegation Visits Iraq:

 Iraqi President Jalal Talabani received an official Iranian delegation led by Iranian Ambassador to Iraq Kazemi Qummi. The discussions focused on bilateral relations, including trade.

## EU Foreign Affairs Council Issues Conclusions on Iraq:

• The Council's conclusions stressed the importance of holding upcoming elections. The Council stated that the EU remains committed to providing support for the elections by providing election experts and additional support through their foreign missions to Iraq. The Council welcomed the successful negotiations of the Cooperation Agreement between the EU and Iraq that is designed to facilitate and promote trade and investment.

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# **Beyond Baghdad**





Internally Displaced Iraqis living in Ainkawa participate in the Kurdish language training project.

Salah ad Din

Erbil

"...we will help Iraq's institutions strengthen their capacity to protect the rule of law, confront corruption, and deliver basic services."

President Barack Obama

# Recent Highlights

Salah Ad Din PRT has long been supporting the "Rural Women's Sewing Business Initiative," which appears to be bearing fruit. The NGO Organization of the Iraqi Family (OIF), representing a group of more than 60 women, visited companies based on Forward Operating Base (FOB) Speicher in an effort to determine the type of products these women should produce for sale at bazaars throughout the province. A number of shops said they would market and distribute the products produced by these women. To help the small businesses get started, OIF distributed 62 boxes of donated sewing materials from American charitable groups to the participants. Each woman, many of whom are widows, will receive a box to assist them in the start-up phase of their new business. For many, this represents the first step toward financial security and independence.

Members of the Erbil Regional Reconstruction Team (RRT) and officials from the Kurdistan Regional Government (KRG) initiated a language-training project at the Ainkawa Social Youth Club November 22. This program is intended to teach the Kurdish language to residents from the Ainkawa district of Erbil who are originally from outside Iraq's Kurdish region and are unable to find employment or take part in local civic life. The program, which reaches out to Iraqis of Arabic, Aramaic, Chaldean, and Assyrian language backgrounds, will last 6 months and teach approximately 480 adults basic Kurdish speaking, reading and writing. Officials hope these efforts will allow many of the internally displaced people in the region successfully integrate into the broader community. 17

## **CONTACT INFORMATION**



This brief draws from multiple sources. References are cited on the following pages.

## For additional information, please see:

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- Department of State, Section 1227 Report on Iraq http://2001-2009.state.gov/p/nea/rls/rpt/
- Department of Defense, Section 9010 Measuring Stability and Security in Iraq <a href="http://www.defenselink.mil/home/features/Iraq Reports/index.html">http://www.defenselink.mil/home/features/Iraq Reports/index.html</a>

Please forward all questions and/or comments to:

NEA-I-IPOG-DL@state.gov

# NOTES AND SOURCE CITATIONS (1 of 2)



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- NYT, December 6, http://www.nytimes.com/2009/12/07/world/middleeast/07iraq.html?partner=rss&emc=rss
- AP, December 8, http://news.yahoo.com/s/ap/20091208/ap\_on\_re\_mi\_ea/ml\_iraq\_elections\_4

#### Slides 5-8:

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http://www.google.com/hostednews/ap/article/ALeqM5hwK\_CSpBxsNuVUEaDuOwmSSCiqGwD9CFQU5O0

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Reuters, December 8, 2009, http://www.reuters.com/article/idUSGEE5B70D220091208?type=marketsNews) (LA Times, December 9, 2009, http://www.latimes.com/news/nation-and-world/la-fg-iraq-bombings9-2009dec09,0,6246771.story

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- •Al-Sumaria Iraq, December 2, http://www.alsumaria.tv/en/Iraq-News/1-41194-Iraq-President-receives-Iranian-Ambassador.html
- EUNewsNet.com, December 3, http://www.officialwire.com/main.php?action=posted\_news&rid=59846&catid=863
- December 8, Brussels, http://www.consilium.europa.eu/Newsroom

#### Slide 17:

- •Source for Stories: Embassy Baghdad Website, http://iraq.usembassy.gov/prt\_erbil112209.html; NEA-I-PRT-DL@state.gov
- •Source for President Obama's Quote: http://www.whitehouse.gov/the\_press\_office/Remarks-of-President-Barack-Obama-Responsibly-Ending-the-War-in-Iraq/