



Center for Strategic & International Studies
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“Iraq Petroleum Law: Revisited”
Tariq E.Shafiq

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Mr Tariq Ehsan Shafiq has been working in the oil and gas industry world-wide and in various capacities for fifty years, and is co-author of the hydrocarbon law with Farouq al-Qasem and Thamir Ghadban. In Iraq, he was one of the Founders and Directors of the Iraq National Oil Company (INOC), in which he also served as Vice Chairman and Executive Director from 1964 to 1967..

Mr. Shafiq spoke at CSIS on June 12, 2007. He discussed his stance on the transformation that has occurred since the first draft of the law, as well as the importance of the issue.

A compromise on the hydrocarbon law was nearly reached in March 2007. At that time the Kurdistan Regional Government (KRG) denounced the draft, rejecting it from going to Iraqi Parliament. Mr. Shafiq strongly believes that with passage of this issue, will come a strong sense of compromise amongst the Iraqi people. This could substantially help assist in curbing the ongoing violence in Iraq. However, with such high amounts of political disharmony and continued instability in the nation, reaching a compromise is difficult at this time.

With that noted, Mr. Shafiq also responded to the changes that have been made to the original draft. He stated that the draft has been reshaped by politics. In the process, the current draft no longer meets the needs of the Iraqi people, nor the original intent of the drafters. While he does believe that there needs to be a resolution on this matter, he is pleased to know that the draft in its current state has not passed.

Mr. Shafiq also announced that would have liked to see Production Sharing Agreements (PSA) explicitly stated in the draft. He believes that the reality is that while a PSA would create more benefit for the Iraqi people, the private methods inherent in a PSA that would be carried out is contradictory to Iraqi culture. He stated positively that the current draft neither includes nor explicitly excludes the federal entities from choosing which methods of agreement to use.

As Mr. Shafiq projects a future for Iraq surrounding the oil reserves, he says it is clear that “the politics of oil has the potential damaging effect on the creation of a central government.” Mr. Shafiq sees this conceivably holding true in Iraq with such instability.