FUTURE DEVELOPEMENTS IN IRAN AND IRAQ: IMPLICATIONS FOR REGIONAL SECURITY

Energy Ressources and Regional Conflict By James Placke

I. TRIANGLE OF CONTENTION: Iran, Iraq, Saoudi Arabia

- - By most measures of strategic value (size, location, population, economic potential, military potential) Iran would be the dominant power of the Gulf, with Iraq its only rival.
- - Were it not for oil, Saudi Arabia would not fit into this frameworth, but its oil resource base, consequent income and, increasingly, its political role in a divided Arab make it the third Gulf power.

OIL RESERVES (in billion of barrels)

	CLAIMED	PROVED	
Iran	96	65	
Iraq	100	85	
Saudi Arabia	350+	350+	

FINANCIAL FLOWS (in billions of dollars)

	ESTIMATED OIL Income		FOREIGN Debt
	1992	1993	1993
Iran Iraq Saudi Arabia	15.9 .3 50.2	14.9 .4 44.3	28 80 4

II. ROOTS OF RIVALRY

Iraq

Iran -Iran -Saudi Arabia Saudi Arabia

III. Outlook for Gulf Oil Producability (in millions of barrels per day).

	ACTUAL		FORECAST		
	1992	1993	1997	2000	
Iran Iraq Saudi Arab Other Gulf		3.8 2.2 9.2 5.3	4.3 3.3 10.2 6.8	4.5 3.7 11.5 6.8	
TOTAL	18.5	20.5	24.6	26.5	

The 1991 defeat of Iraq by an international coalition "internationalized" Gulf oil resources.

Importer interest in the security of Gulf oil supply will increase well into the twenty first century.

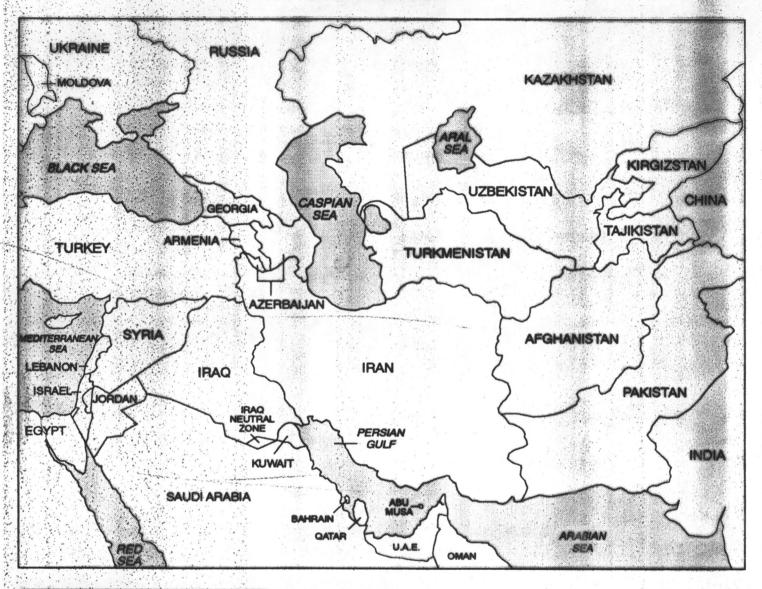
IV. Oil market competition among the Gulf Triangle.

- - 1982 - 1986 - - 1986 - 1991 - - 1991 - present

V. CONCLUSIONS

- - Oil resources are both a means and an objective in the exercise of national ambition among the Gulf Triangle.
- - Domination of Gulf energy resources (oil and natural gas) is a means to exercise regional influence and to protect against outside powers, but overreaching can foster outside intervention.
- - Conflicting energy interests are a source of inter-state tension, but they are not a prime cause of conflict.

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