

**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
	<u>1992</u>	<u>1993</u>	<u>1993</u>
Iran	15.9	14.9	28
Iraq	.3	.4	80
Saudi Arabia	50.2	44.3	4

**II. ROOTS OF RIVALRY**

Iran - Iraq  
 Iran - Saudi Arabia  
 Iraq - Saudi Arabia

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

	<u>ACTUAL</u>		<u>FORECAST</u>	
	<u>1992</u>	<u>1993</u>	<u>1997</u>	<u>2000</u>
Iran	3.6	3.8	4.3	4.5
Iraq	2.1	2.2	3.3	3.7
Saudi Arabia	8.7	9.2	10.2	11.5
Other Gulf	4.1	5.3	6.8	6.8
<b>TOTAL</b>	<b>18.5</b>	<b>20.5</b>	<b>24.6</b>	<b>26.5</b>

- - 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.

# Southwest Asia



Cambridge Energy Research Associates