Tribes Sabotage Kirkuk Pipelines

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Local tribes who reap massive profits from stolen oil are likely to obstruct the authorities' attempts to protect pipelines.

Masked men infiltrate the village of al-Milih, 75 kilometres west of Kirkuk, and approach an oil pipeline that passes nearby. Under cover of darkness, they steal oil from an opening they drilled into the pipeline weeks earlier.

Over a period of weeks, this scene is repeated nightly.

Despite the presence of special oil ministry units, pipelines around Kirkuk are destroyed and hundreds of tonnes of oil stolen every day by tribe members from surrounding villages, such as al-Milih, Wadi Zghetun, al-Muradiyya, al-Saduniyya, al-Kanaina and al-Safra.

The "oil protection units" were deployed to guard the pipelines after the government cancelled previous failed agreements with tribal forces to protect them. But in spite of this, oil is stolen from pipelines stretching from the al-Riyadh sub-district, 55 km west of Kirkuk, to the al-Fatha area 90 km to the west.

Tribal sheikhs who profit from the stolen oil are likely to obstruct new measures planned by local authorities, including a special protection force, to stop the sabotage of the pipelines. Locals employed to protect the pipes are often from the same groups as those who are stealing the oil.

Ever since a British-controlled company discovered oil in Kirkuk in 1927, the fate of the city has been tied to black gold.

A thirst for oil drove Saddam's Baath party to assert control over Kirkuk, driving out thousands of Kurds and replacing them with Arabs. Before the fall of the old regime, the fields around Kirkuk produced nearly 850,000 barrels per day, more than 30 per cent of Irag's total production at the time.

In the first few years after the fall of former Iraqi president Saddam Hussein's government, Sunni insurgents – many of whom as former soldiers had guarded oil routes under the old regime – blew up the pipelines to wreak havoc.

Since then, insurgents have realised that stealing oil is also damaging, and is far more profitable than pure destruction.

Today, Kirkuk's oil wealth is evaporating.

Qais al-Mifraji, a 34-year-old farmer in the village of al-Safra, 63 km west of Kirkuk, describes how the pipelines are destroyed.

"The insurgents usually come at night and plant a bomb to detonate the export pipeline," he said. "But if they want to steal, they just break it and fill their tankers. No one can stop them."

The riddled pipes partially explain why four years after the US invasion, Iraq has not been able to match its pre-war crude production level of 2.5 million barrels a day. In 2006, production averaged 2.1 million barrels per day, mostly from oil fields near Basra in the south, which have not suffered the non-stop sabotage taking place in the north.

Kirkuk now produces just 180,000 barrels a day. It could produce at least 400,000 more a day which, at current market prices, would net Iraq seven billion US dollars in revenue per year.

Over the second half of last year, one stretch of pipeline connecting Kirkuk with the Turkish Mediterranean port of Ceyhan - the main outlet for Iraq's northern oil exports - pumped oil for only 43 days. The rest of the time, the pipeline lay idle, leaking crude through dozens of holes drilled along its 320-km run through the Iraqi desert.

Another pipeline has been tapped into 39 times so far this year, according to the state-owned Northern Oil Company, NOC, which operates the Kirkuk field.

Qadir Omer Rahman, director of the oil products distribution department in Kirkuk, said that the 80km-long pipeline from Kirkuk to the refinery in Bayji suffered many attacks.

"Those who protect and guard the oil pipelines are recruited from the people of the villages through which the pipelines pass," he said. "They are the ones committing these acts of terror and smuggling, with the help of other groups."

Unemployment and poor living conditions spurred Ayad Hamid al-Ubaidi from Hawdh village, who is in his thirties, to join the gangs who target pipelines and steal oil.

"There is no one who can give us our rights," he said. "We have to use our own hands to obtain our rights."

Rahman estimated that three million litres of oil are lost every month because of sabotage, which he said severely affects the provision of petroleum products to Kirkuk and the Kurdistan region's three northern governorates.

Each stage of oil production in the north is hampered by criminal activity.

It is not only the oil and its products which are stolen by outsiders. Pumps, transformers, generators and other valuable machinery and spare parts are frequently looted.

Oil company workers are coming increasingly under fire from militias. Pipeline repair crews have been shot at and hit by roadside bombs. Sunni insurgents have been dropping leaflets in Kirkuk warning all government employees, including oil company workers, to guit or to face death.

Last summer, Adi al-Qazaz, then NOC's director-general, went to Baghdad to visit the oil ministry. After his meeting, he was kidnapped by gunmen on the street, never to be seen again.

While some NOC employees are threatened, others are suspected of cooperating in stealing both crude and refined oil. Truck drivers, as well as managers of fuel stations, are taking their share of the illegal business, draining supplies for Iraqi citizens who struggle to find cooking oil and fuel.

A source in the NOC, who spoke on condition of anonymity, said that there is a mafia-like group operating inside the company which smuggles large amounts of oil through pipelines, in cooperation with individuals inside the company.

"When an explosion occurs in a pipeline and oil leaks from it, the people in charge neglect it, leaving the leak for several days until a large amount of oil has been taken from it," he said.

Much of the smuggled crude oil is sold to merchants in Erbil through local brokers. They meet to do their deals in a restaurant in the sub-district of al-Gwer, 40 km west of Erbil, according to Ahmed al-Jobouri, an oil tanker driver.

At small domestic refineries, the crude is transformed into refined fuel and then sold on the black market. Some will then be smuggled across the border.

According to the NOC source, "the revenue from oil smuggled into Turkey is used to support the Turkoman Front in Iraq, and revenue from oil smuggled to Syria is used to support the insurgent groups in Iraq".

Fuel is heavily subsidised in Iraq. Petrol stations receive limited supplies and citizens are given vouchers entitling them to buy a certain amount each week at the official low price. But because there is not enough subsidised fuel, most Iraqis end up buying oil products on the black market.

A source in the Bayji refinery near Kirkuk, who spoke on condition of anonymity, told IWPR reporters that some officials from the General Company for Oil Products, which is in charge of issuing paperwork for the subsidies, sells authentic as well as false receipts to merchants.

The stolen fuel is then smuggled and sold on the black market, either inside Iraq or across the border in Syria or Turkey.

There is also small-scale smuggling. Salah Ali, who has been working as a tanker driver for six months, said receipts are issued at the Bayji refinery for 36,000 litres per tanker, which is their official load.

But they are then filled to their full capacity of 40,000 litres, and the additional 4,000 litres are sold on the black market for five times the price of regular fuel.

Similar activities go on at the smaller refinery in Kirkuk, said Irfan Kirkukli, the deputy chief of security on the city council.

"Several trucks carrying oil products smuggled from Kirkuk have been seized," he said. "Vehicles have been caught smuggling 160 canisters of cooking gas from Kirkuk to Erbil, for example."

Some petrol station owners, he said, sell their share of state-subsidised fuel to black market dealers.

"Many such cases have occurred in Kirkuk and legal action was taken against [the culprits]," he said. "The filling stations weren't given [further] allotments and their owners were fined."

To protect the pipelines and prevent illegal smuggling of fuel, several measures are to be implemented. Kirkukli said a special protection force to guard the pipelines will be formed, consisting of members of the Iraqi army, oil protection forces and the tribes from the areas where the pipelines pass through.

Officials in charge of particular pipeline sectors will have to pay fines if their stretches are damaged or oil is stolen. Kirkukli also said that funds have been allocated to support oil infrastructure and to build observation towers along the pipelines in western and southern Kirkuk.

Sami Amin Othman, the Kurdish chief of the oil protection force in Kirkuk, has recently hired 290 new security guards whom he plans to deploy along the pipelines.

This, however, has already created unrest among the local Sunni Arab chiefs in the area. They seem to be afraid of losing power because the new guards will be paid directly by the government and not contracted through them.

Because the people hired to protect the pipelines are often from the same groups that sabotage the pipes, and tribal bonds are often stronger than national loyalty, the illegal drilling is expected to continue.

Sheikh Ziyad Hasan, who formerly served as a contractor protecting the pipelines, confirms that people from the area sabotage the pipelines and profit from the oil. Many locals, he said, lack the motivation to prevent thefts.

"They believe that this oil serves the Americans and the new government, and that it does not benefit the people," he said.

Location: Turkey

<u>Syria</u>

Iragi Kurdistan

Iraq

Topic: Special Report: Oil and Corruption in

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