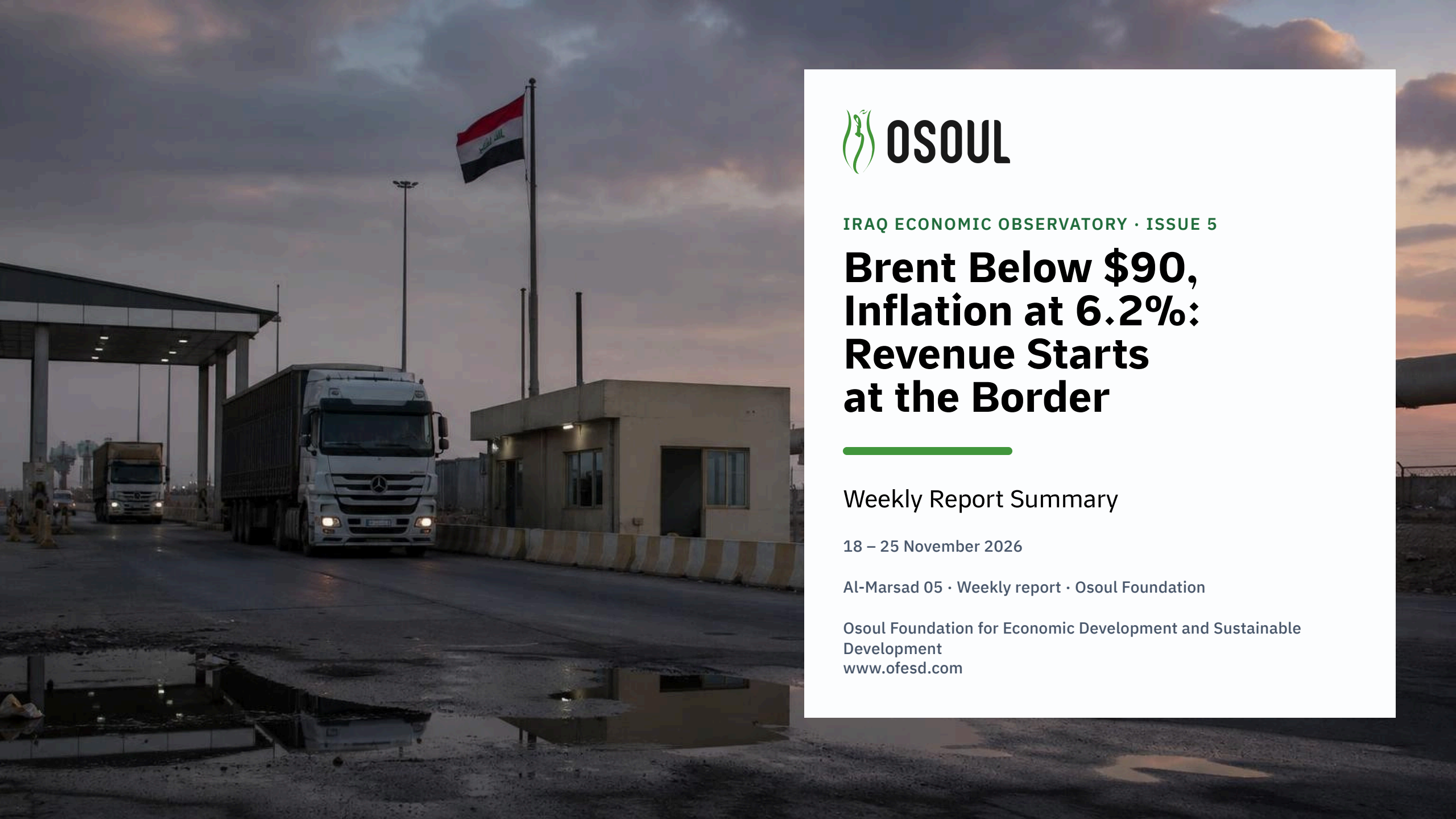


OSOUL

IRAQ ECONOMIC OBSERVATORY · ISSUE 5

Brent Below $90, Inflation at 6.2%: Revenue Starts at the Border

Weekly Report Summary

18 – 25 November 2026

Al-Marsad 05 · Weekly report · Osoul Foundation

Osoul Foundation for Economic Development and Sustainable Development
www.ofesd.com

Key takeaway: the barrel is below the budget price and pressure shifts to salaries

$56.33

Basrah Medium per barrel on 20 November, below the $58 budget assumption; Brent closed at $89.37 on 23 November.

No announced funding for November salaries by 25 November, and no cabinet vote on the draft budget ahead of the 3 December deadline.

Inflation and food

Annual inflation 6.2% in October, up from 3.3% in August.

90.4% of participating households saw no effect of the customs exemption on prices.

Priority: a budget on a realised price, salaries on a fixed schedule, and wider activity before levies.

Four numbers that sum up the week

↑ 6.2%

Annual inflation in October, vs 3.3% in August

$56.33

Basrah Medium per barrel, below the $58 budget assumption

97%

of firms hit by new taxes reported losses, vs 72% of others

Business Outlook Survey, Osoul

90.4%

of participating households saw no effect of the customs exemption on food prices

Cost-of-Living Survey, Osoul

Source of Osoul indicators: Business Outlook Survey (June 2026); Cost-of-Living Survey after the Exchange-Rate Adjustment (October–November 2026).

Indicators: Brent falls and the discount narrows

Indicator	Latest value	Comparison
Official exchange rate	IQD 1,520 per USD	Unchanged since 7 October
Black-market dollar, Baghdad	169,400 per USD 100	↓ about 0.6%; about 11.4% above official
Brent crude	About $90.1	↓ from $91.66 in Issue 4
Basrah Medium	$56.33	Discount about $36.2 vs $39.5 in Issue 4
SOMO December discounts	$29.20 Medium, $33 Heavy	vs $34.50 and $37 for October
Annual inflation	6.2% (October)	vs 3.3% in August
Central Bank reserves	About $75 billion	↓ from $78.2 billion at end-September

Levies on mobile credit and travel: collection in a year of contraction

10%

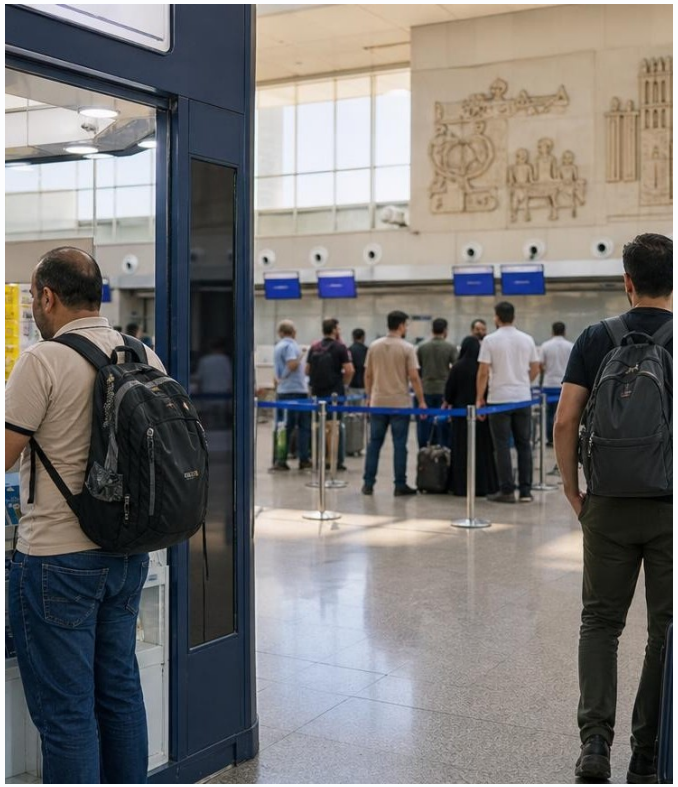
Proposed sales tax

on internet, mobile credit and restaurant and hotel bills, on top of an existing 20% charge.

97%

Losses among affected firms

hit by new taxes and fees, vs 72% of others.



What the world says: OECD: broaden the base and limit distortions; SMEs bear the highest cost of regulatory burdens.

Osoul's reading: Defer levies on consumption and small businesses, and broaden the base from the top through e-invoicing.

A budget on a price that does not arrive: salaries against a barrel below $58



81.6%

of federal spending on salaries and welfare in H1 2026, with the treasury paying about 15 million beneficiaries.

120,000

new contracts in the draft against about 800,000 new labour-market entrants a year.

What the world says: IMF: sizable fiscal adjustment and wage-bill reform; OECD: spending efficiency and broader tax bases, not austerity alone.

Osoul's reading: A budget on the realised Basrah price with published scenarios, and oil as collateral for productive projects.

From security control to digital linkage

23%

of economies improved border automation

since 2022; reforms cut trade costs by up to 5% (OECD 2026).

77%

of firms affected by customs fees

and 52% by clearance delays (Business Outlook Survey, Osoul).

What the world says: OECD: digitalise border agencies, the single window and data reuse.

Osoul's proposal: A single import-licence number linking the bank to the crossing at every border point, with monthly revenue by crossing.



Decisions of the week: crossings and oil, generators and wheat

24 November

A package to control crossings, restrict oil-export approvals to the federal Ministry of Oil and meter all wells. **Impact:** Every 100,000 b/d returned to the official channel is worth about $2 billion a year (estimate).

24 November

Generator registration fee kept at IQD 2,500 per kVA a year. **Impact:** No added cost to ampere tariffs, and formal registration of a large activity.

24 November

Local wheat sold for commercial flour at IQD 475,000 per tonne for three months. **Impact:** Curbs inflation pass-through to bread via an implicit subsidy of unpublished cost.

Six recommendations this week

1. A 2027 budget on the realised Basrah price, with $50, $60 and $70 scenarios
2. A fixed monthly salary-funding schedule, separate from budget talks
3. Suspend new levies on consumption and small businesses during the contraction
4. Link the import licence to the bank and the crossing at all border points
5. Temporary, targeted support for vulnerable households before Ramadan
6. Social-security exemptions for new firms and apprenticeship programmes





What we are watching until the next issue

- The 2027 budget reaching parliament before 3 December, and the salary-funding date
- The OPEC+ decision on 2027 quotas on 29 November and its effect on Brent
- November inflation and food-basket prices ahead of Ramadan

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