

OSOUL

IRAQ ECONOMIC OBSERVATORY · ISSUE 4

The Dollar Above 170,000 and a Barrel at a $40 Discount

Weekly Report Summary

11 – 18 November 2026

Al-Marsad · 04 · Weekly report · Osoul Foundation

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

Key takeaway: fewer dollars reach the treasury, and more slowly

12.1%

The black-market dollar in Baghdad closed at IQD 170,350 per USD 100 on 17 November, about 12.1% above the official rate.

Basra Medium at USD 52.11 against USD 91.66 for Brent: a discount of about USD 39.5 a barrel, with Hormuz nearly shut.

2027 budget

Still no vote; spending continues on the 1/12 monthly rule.

Salaries took 87.3% of revenue in nine months; actual deficit IQD 36.26 trillion (≈ USD 23.9 billion).

Priority: an export outlet without a discount, a faster official transfer, and a budget that starts by restructuring spending.

Four numbers that sum up the week

170,350

IQD per USD 100 on Baghdad's black market

Close, 17 November

39.5$

Discount on a barrel of Basra Medium to Brent

17 November

98,000

IQD a month a Baghdad household spends to make up for gaps in grid power

Service Spending Gap Dashboard, Osoul

37%

of firms avoid banks because of excessive restrictions

Business Outlook Survey, Osoul

Osoul indicators: Service Spending Gap Dashboard — Baghdad Households (2026); Business Outlook Survey (June 2026).

Indicators: a widening gap and a discounted barrel

Indicator	Latest value	Comparison
Official exchange rate	IQD 1,520 per USD	Unchanged since 7 October
Black-market dollar, Baghdad	170,350 per USD 100	vs 168,900 in Issue 3; gap ≈ 12.1%
Brent crude	USD 91.66	vs about 92.5 in Issue 3
Basra Medium crude	USD 52.11	Discount ≈ USD 39.5 to Brent
Strait of Hormuz transits	6.6 vessels a day	vs 84.8 before the war
Central Bank reserves	USD 78.2 billion (Sept.)	vs USD 81.5 billion in August
Actual deficit (9 months 2026)	IQD 36.26 trillion	vs IQD 8.13 trillion in 2025

The dollar above 170,000: the gap closes at the speed of a transfer

12.1%

Black-market gap to the official rate — After the Central Bank said on 29 October it had fallen to 9%.

37%

of firms avoid banks — So much of the demand for dollars forms outside the official channel.



What the world says: IMF: simpler access to foreign exchange and a comprehensive banking-sector overhaul.

Osoul's proposal: A binding time limit for official transfers with a published weekly indicator, and easier transfer accounts for small traders.

The suspended 2027 budget: reform starts with spending



87.3%

of revenue went on salaries — In the first nine months of 2026, with the deficit financed by borrowing.

97% vs 72%

Losses at firms hit by new taxes — Compared with unaffected firms, in Osoul's Business Outlook Survey.

What the world says: OECD: spending reviews, and broadening tax bases rather than raising rates.

Osoul's reading: From a "salary state" to a "purchasing state"; postpone levies on small businesses and broaden the base from the top.

A barrel at a near-$40 discount: the outlet before production

$3.5 million

Daily cost of each dollar of discount

A rough estimate at exports of 3.5 million b/d.

6.6 — vessels a day through Hormuz — vs 84.8 before the war; trucking to Banias at a discount of about USD 38.

What the world says: PwC Middle East: Iraq among the hardest hit; route diversification a central priority.

Osoul's proposal: Raise export and storage capacity, accelerate the Iraq–Türkiye line, and publish the realised price and discount per outlet.



Decisions of the week: three government milestones

17 November

Approval to rehabilitate the Iraq–Türkiye pipeline, as Kirkuk–Ceyhan pumping resumed at about 120,000 b/d. **Impact:** Higher revenue per barrel without the Hormuz discount; over USD 0.5 billion a month at 500,000 b/d (estimate).

17 November

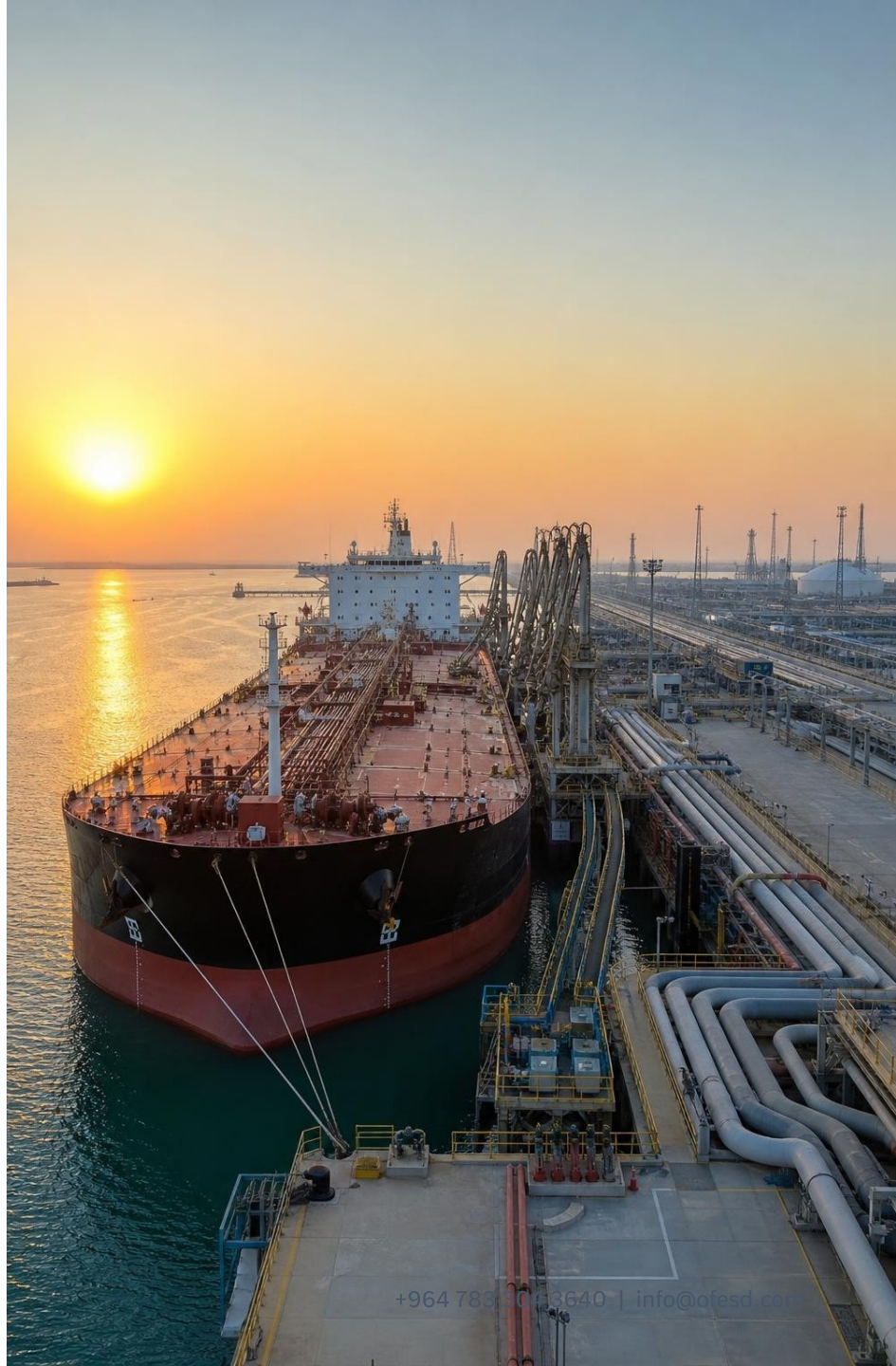
Renewal of the Nasiriyah gas field contract for two years, with a 25.5% cut in total cost. **Impact:** Domestic gas instead of costlier imported fuel, and less demand for dollars.

15 November

A committee chaired by the Finance Minister with the Kurdistan Region delegation to settle the Region's 2027 budget share. **Impact:** Continued 1/12 spending freezes investment and contractor arrears until the budget passes.

Six recommendations this week

1. A binding time limit for official transfers and a weekly indicator
2. Accelerate the Iraq–Türkiye line and publish the discount per outlet
3. A deficit table at USD 50, 60 and 70 and a published salary calendar
4. A spending review of the five largest ministries by end-Q1 2027
5. Postpone levies on small businesses and broaden the base from the top
6. Interest-free home-insulation loans and targeted, temporary generator support





What we are watching until the next issue

- The cabinet vote on the 2027 budget and the timing of November salaries
- The dollar around 175,000 and the first official post-adjustment inflation figure
- The Ceyhan ramp-up, the Basra discount and the OPEC+ meeting on 29 November



For the full report, send an email to info@ofesd.com

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