
Mr Falah Alamri says plunging oil prices to batter Iraq economy

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Reuters cited Mr Falah Alamri governor of Iraq as saying that the country's ailing economy will witness an even worse deficiency in 2010, if oil prices continue to sink to lower levels.

Mr Falah Alamri said that Iraq needs oil revenues for its reconstruction plans following years of sanctions and war. Oil prices which have plunged to under USD 44 a barrel from a record of USD 150 in July 2008, has forced the government to cut back its spending by 20% for 2009 and further belt tightening could be needed.

Mr Alamri added that Iraq has sufficient funds for 2009's budget; he added that however, if oil prices do not recover the government will surely face a dilemma to fix its 2010 budget.

(Sourced from Reuters)

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