



IRAQ

What's happening in this economy

Oil remains critical to the Iraqi economy, accounting for over 90 per cent of government revenue and 99 per cent of export revenue.

The state accounts for almost all economic activity. An over-sized public sector and regulatory complexity constrains scope for public investment. Underinvestment, including in the water and electricity sectors, has undermined service delivery.

The government continues to grapple with challenges around the economic reform needed to stimulate private sector growth, create jobs, improve service delivery and stamp out corruption. Implementing such reforms has taken on new urgency as a result of popular protests which began in October 2019.

The conflict with ISIL since 2014 has taken a toll on Iraq's economy, damaging infrastructure and displacing millions of Iraqis. But Iraq has the capacity to be relatively affluent and there is potential to expand some Australian exports and pursue niche commercial opportunities.

Trade, investment, and commercial opportunities and activities

- If Iraq can improve internal security, tackle corruption and advance economic reform, opportunities could be available to expand our trade and investment links in:
 - wheat, processed meat and dairy
 - education
 - agribusiness and water management
 - construction
 - health and medical services, and
 - oilfield services and METS in southern Iraq and the Kurdistan Region of Iraq.
- Australia will use Expo 2020 Dubai to capitalise on these opportunities.

Trade policy and negotiations

Iraq announced its intention to resume WTO accession negotiations in November 2017. Its accession process is at an initial stage. Australia is a member of the WTO working party on Iraq's accession.

Iraq is a member of the League of Arab States and the Greater Arab Free Trade Area (GAFTA), and is contemplating using its draft WTO goods and services offers to make commitments in GAFTA.

Key facts and figures

- Population: 38.1 million (2018)
- GDP growth: 0.6% (2018)
- GDP per capita (2018): USD 5,929.8 (2018)
- Political system: federal constitutional democracy
- Two-way trade/key goods and services traded (2018): AUD 275m/wheat, cheese, food processing machines & parts, meat (not beef)
- Two-way investment/major investments (2018): AUD 2 million
- Aid relationship: \$100m, 2017–2020 Iraq Package.



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