

# Top Ten Reason to Invest in Iraq

With an economy poised for resurgence, abundant numbers of educated and talented people immediately available and an attractive pro-business fiscal environment, Iraq has much to offer.

## Superb strategic location — a gateway to the region



Iraq has historically occupied a pivotal position in the Arabian Gulf and Middle East region. It has strategically important ports and airports and can prove to be a cost-effective trading and distribution location.

## Numerous green and brownfield opportunities across multiple sectors



There are investment needs across all sectors of the Iraqi economy. The Government of Iraq has identified over 500 investment opportunities according to 2013 investment map throughout Iraq in a variety of sectors. These include construction, manufacturing industry, agriculture, tourism, housing, telecommunications and healthcare. Most of these are immediately available and further details can be obtained by contacting the National Investment Commission.

## Unmet needs of a diverse domestic market



Iraq's strategic position, availability of people and competitive cost base make it an excellent location from which to export to the region and to the world. However, given that the majority of goods sold now in Iraq are imported, Iraq's domestic market of 34 million people offers an obvious opportunity to produce and sell goods and service to provide import substitution.

## **Increasing middle class creating demand for new products and services**



As Iraq's stability and security continues to improve, its displaced professionals are slowly returning home and re-entering the workforce. Iraq's expanding middle-class is proving to have the expendable income to demand better products and services.

## **Educated, talented and available workforce**



The workforce in Iraq is well-educated. Over 21% are graduates or post-graduates and 14% have higher-level academic or technical qualifications. Iraq traditionally is strong in disciplines such as engineering, medicine and agriculture and has also abundant numbers of people with administrative and organizational skills. the number of youth people reached to 9.3 millions.

Iraq's population of 30 million is one of the world's youngest with 71% under the 30 years of age and an astounding 83% under 40. Factors such as the current unemployment rate of 15% and high levels of underemployment clearly show the enormous capacity of the Iraqi workforce to provide a strong people solution to investors' needs.

## **Competitive wages and operating costs**



Iraq's cost base is one of the most competitive in the region and globally. For example, an engineering professional is 89% cheaper than the UAE and a skilled operative 92% cheaper than the UK. Whilst wages rates are dramatically below those in the United States or Europe, this factor, combined with Iraq's availability of graduates and professionals means an overall excellent value for money investment proposition.

## Strong investment incentives, tax exemptions and guarantees offered

Iraq offers investors a period of ten years free from all taxes, including corporation tax and fees. This period is extended to 15 years if the project is a joint venture with a majority Iraqi stakeholder. Additional incentives include the right to repatriate investment and profits from investment, the right to employ foreign workers when needed and three years exemption from import fees for required equipment. The Government of Iraq also guarantees that investments will not be nationalized or confiscated.

## Low corporate tax rates

Even after the generous tax-free period has been completed, investors will continue to benefit from Iraq's company tax rate of only 15% - one of the most competitive in the region and globally. Both the tax free period and the low ongoing rate help investors to become profitable more quickly and encourages reinvestment.

## Ample opportunity for local partnerships



The Iraqi economy boasts a number of established companies, state-owned-enterprises and service providers. As the country continues to refine its investment environment and bring stability to its political, security and economic activities, local partners serve as good option to expedite and navigate the legal, regulatory and physical landscapes of Iraq. Local partners have access to vital market knowledge; navigate regulatory requirements; provide labor and other inputs at competitive rates; utilize pre-established sales network; and maintain other necessary business relationships, i.e. banking, legal, and distribution, which are critical to the success of an operation.

While these companies maintain room for growth, many are poised to share in both the investment risk and long-term benefits. These companies and service providers span most sectors, industries and provinces throughout Iraq.

## Abundant and untapped natural resources



Iraq holds one of the principal hydrocarbon reserves in the world. With proven reserves estimated at 143 billion barrels, Iraq's undiscovered oil reserve is considered to have the second largest reserve in the world — possibly 300 billion barrels. Iraq also has reserves of gas of 127 trillion cubic meters. Iraq is also rich in other minerals, including sulphur, phosphate and iron.