

The Role of Government in Industry and Manufacturing

The Ministry of Industry & Minerals (MIM) has taken the lead in the transition from State Owned Enterprises (SOEs) to a progressive, privatized industrial base. The MIM has been a critical party in developing the emerging legal framework to implement, strengthen, and support the sector's investment opportunities. The legislation covering investments in this sector of Iraq's economy is broad but is lead by Investment Law No. 13 (2006), which is critical in encouraging and protecting foreign companies investing in Iraq. The table below outlines other existing legislation governing foreign investment.

Legislation	Scope/Description
Law No. 22 (1997)	Organizes SOEs to work on partnership basis with the private sector and formation of joint venture enterprises.
Law No. 22 (1997), Article No. 15, Paragraph 3	Allows SOEs to have the right to share or participate with other foreign companies to implement work within its activities inside Iraq.
Companies Law 21 article 8 (1997)	Discusses creating limited liability companies with SOEs participating with less than 25% of capital shares.
Law No. 91 and amend. (1988)	Organize investments in Mining and other natural resources. Potential amendments to impose regulations on natural resource mining are in parliament.
Investment Law No: 13 (2006)	Supports the process of establishing investment projects in Iraq. Potential amendment to allow ownership of land when investing in the housing sector.
Law No. 290 (2009)	Defines Council of Ministers regulations that require that all Ministries and SOEs are obligated to purchase products and services from MIM SOEs. This is currently draft legislation.

Other laws currently under parliamentary review pertain to: arbitration, trade and consumer protection, safeguarding and antidumping, competition law, regulations on industrial investments in small-medium sized enterprises (incorporating law no. 20-1998 with law no. 13-2006) and regulations related to industrial cities and parks. When enacted, these laws will help further encourage the growth of the private sector.

The MIM is the primary ministry responsible for the country's state-owned industrial capacity. The MIM oversees 67 SOEs with more than 220 factories distributed throughout Iraq. As Iraq endeavors to rebuild infrastructure and develop capacity, the SOEs will play a critical role in supplying both the government and private industry with the products and services required. MIM's SOEs are broadly categorized in the table to the right. Mining is classified as a sub-industry.

Industry	# of SOEs
Engineering Industries	20
Petrochemical/Chemical Industry	14
Construction/cement Industries	9
Textile Industries	8
Industrial Services	7
Food and Pharmaceutical Industries	6
Other	3