



İstanbul :

Sayı

Our Reference : 914

Konu

Subject : Irak Cumhuriyeti Ulusal Kalkınma Planı:2018-2022 Hk.

07.03.2019

SİRKÜLER No: 158 / 2019

İlgi: Türkiye Odalar ve Borsalar Birliği (TOBB) 'nin 21.02.2019 tarihli ve 1972 sayılı yazısı ve eki.

Sayın Üyemiz,

İlgi yazı ile, Irak'ta yatırım ve ticaret fırsatlarının yer aldığı "Irak Cumhuriyeti Ulusal Kalkınma Planı:2018-2022" belgesine, TOBB'un internet adresinden (www.tobb.org.tr) "Hizmetler" başlığı altında yer alan "Uluslararası İş İmkanları/Ülke Duyuruları" bölümünden ulaşılabildiği bildirilmektedir.

Bilgilerinizi arz/rica ederim.

Saygılarımla,

İsmet SALİHOĞLU
Genel Sekreter

EKLER:

Ek-1: İlgi yazı ve eki.

DAĞITIM**Gereği:**

-Tüm Üyelerimiz (Web Sayfasında)

Ayrıntılı bilgi: Gözde TÜRKES, Dış İlişkiler Sorumlusu Telefon:252 0130-456 E-mail:gozde.turkes@denizticaretodasi.org.tr



Meclis-i Mebusan Caddesi No: 22 34427 Fındıklı - Beyoğlu - İSTANBUL / TÜRKİYE
Tel : +90 (212) 252 01 30 (Pbx) Faks : +90 (212) 293 79 35
Web : www.denizticaretodasi.org.tr E-mail : iletisim@denizticaretodasi.org.tr
Web : www.chamberofshipping.org.tr E-mail : contact@chamberofshipping.org.tr





TOBB
TÜRKİYE
ODALAR VE BORSALAR
BİRLİĞİ

Tüm Oda ve Borsalar Genel Sekreterlikleri

Tarih : 21.02.2019
Sayı : 34221550-724.01.03- 1972
Konu : Irak Cumhuriyeti Ulusal Kalkınma Planı:
2018-2022

İlgi : Irak Cumhuriyeti Büyükelçiliği'nin 108-EMB/2019 sayılı yazısı.

İlgide kayıtlı yazıya istinaden, Irak Cumhuriyeti Büyükelçiliği tarafından Birliğimize iletilen yazıda yer alan, Irak'ta yatırım ve ticaret fırsatlarının yer aldığı "Irak Cumhuriyeti Ulusal Kalkınma Planı-2018-2022" belgesine, Birliğimiz web sayfası (www.tobb.org.tr) "Hizmetler" başlığı altındaki "Uluslararası İş İmkânları/Ülke Duyuruları" bölümünden ulaşılabilmektedir

Bilgi ve konunun ilgili üyelerinize duyurulmasını rica ederim.

Saygılarımla,

e-imza

Ali Emre YURDAKUL
Genel Sekreter Yardımcısı

20.02.2019 Uzman : Ş.ALİ HASAN
20.02.2019 Müdür : E.E.ÖNAL
20.02.2019 Dai. Bşk. V. : M.BAYBURTLU

EK: Irak Ulusal Kalkınma Planı 2018-2022 Ek (38 sayfa)

Bu belge 5070 sayılı Elektronik İmza Kanununun 5. Maddesi gereğince güvenli elektronik imza ile imzalanmıştır.



Evrakı Doğrulamak İçin : <http://belgedogrula.tobb.org.tr/dogrula.aspx?V=BE5N57JT>
Dumlupınar Bulvarı No:252 (Eskişehir Yolu 9. Km.) 06530 /ANKARA
Tel : +90 (312) 218 20 00 (PBX) • Faks : +90 (312) 219 40 90 - 91 - 92...
E-Posta : info@tobb.org.tr • Web : ENV:[Elektronik ağ]/
Ayrıntılı bilgi için : Şehla ALİ HASAN Tel :
E-Posta : sehla.hasan@tobb.org.tr

Birliğimizde
ISO 9001:2015
Kalite Yönetim
Sistemi
uygulanmaktadır



The Republic of Iraq
The Ministry of Planning

National Development Plan
2018 - 2022

Summary

Index

Sequence	Contents	the page
1	Introduction	3
2	General framework of the National Development Plan 2018 – 2022	4
2-1	The plan's development model philosophy	4
2-2	Challenges	5
2-3	Strategic Objectives of the Plan	12
3	Macroeconomic Framework	13
3-1	Expected financial revenues of the plan	13
3-2	Economic Growth	15
3-3	Macroeconomic Objectives	23
4	Sectoral Development Objectives of the Plan	24
4-1	Population and Workforce	24
4-2	Agriculture and Water Resources Sector	26
4-3	Energy and Transformative Industries	27
4-4	Transportation, Communications and Storage Section	29
4-5	5 Buildings and Services Sector	31
4-6	Water and Sewage Sector	32
4-7	Culture, Tourism and Antiquities	32
4-8	partial Development	33
4-9	Human and Social Development	33
4-10	Environmental Sustainability	36

1. Introduction

The plan, like its predecessor, relied on the participatory approach in its preparation at all stages, starting with setting its general framework to diagnose the reality and possibilities to identify the problems and determinants, to draw the visions and translate them into goals and means to achieve the objectives where members of the House of Representatives, ministries, entities not associated with a ministry, provinces, private sector, professional unions, academics concerned, civil society organizations, international organizations and donors.

We listed below the most important committees formed for the purpose of preparing a national development plan:

- 1) The formation of the Higher Commission chaired by Minister of Planning To Lead and supervise the preparation of the plan document, which focused its responsibilities on the approval of the general framework and the development model of the plan and the development directions and priorities.
- 2) The formation of the Technical Committee chaired by the technical deputy of the Ministry to carry out the task of developing the working methodology and mechanisms and the general framework of the plan and the structure of the background papers of the plan and the distribution of responsibilities and management of the sectoral committees and follow-up progress and submit the results to the Higher Committee for approval.
- 3) The formation of the specialized Sectoral Committees that shall be responsible for the preparation of background papers of the plan that includes analyzing the reality of the sector with its current development activities and indicators and identifying the quantitative and qualitative targets and indicators. These Committees are as follows:

- Macroeconomic Policies Committee
- Estimates of the Plan's Financial Income Committee
- Population and Workforce Committee
- Agriculture and Water Resources
- Committee of the Transformative and Extractive Industries
- Energy Committee (Oil and Electricity)
- Building, Construction and Services Committee
- Transportation and Communications Committee
- Spatial Development Committee
- Environmental Sustainability Committee
- Private Sector Committee
- Immigration and Displacement Committee

2. General framework of the National Development Plan 2018 - 2022

Plan's Slogan

"Establish the foundations of an effective development state with social responsibility"

"Post-recovery option"

The 2018 – 2020 plan represents a time stage that is diverse in the development planning process, influenced by political, financial, economic and social constraints, which necessitates formulating the objectives of the plan and its development philosophy in the economic management and development process within a framework that responds to these constraints and works by its controls to reach the recovery and launch stage.

2-1 The plan's development model philosophy

((The adoption of the unbalanced growth motivator of the productive sectors (industry and agriculture) that is based on the enhanced asset management policies for infrastructure activities (water and sewage, electricity, building and construction, transportation and communications and storage, health and education) by directing the investments in a sectoral and spatial manner in accordance with the comparative

advantage standard that is based on the integration in the making of the development decision and its implementation among the different levels of administration and private sector in response to the optimal employment of oil revenues towards building a base for economic diversification)).

2-2 Challenges

First: Institutional Challenges:

1) Low efficiency of institutional performance:

The continued failure in subjecting the administration government to the logic of sound economic calculation and to the principles of efficient management of public resources in a comprehensive framework and this failure is deepened in light of the continued state of secession between the programs of government investment and allocations of the state budget, as well as the lack of putting public finances and monetary implications in a broader framework and longtime horizons, with the poor economic management of the diversification of the productive structure of the Iraqi economy.

2) Large government administrative system and low productivity .

That the breadth of administrative and governmental body, the drop in its performance efficiency, its unjustified extension of wasting of resources, its service to personal and factional interests and its collusion with the values of its content that the state is a personal right of its employees and has the duty to care for its employees and not to prejudice their privileges being part of the incentives system granted through them, has contributed in the delay of the re-building and structuring the government agencies within the administrative reform program and on the basis of cost reduction while ensuring the efficiency and disposition of resources.

3) Administrative and financial corruption

The deepening of corruption phenomenon and its transition from a behavioral phenomenon associated with certain categories to an integrated and interrelated and institutional structure rooted in serving interests that impede the development process and turning corruption

into a source of exhaustion and waste of public money and its cutting an important part of income and revenue and leaks it outside the economic system, and in terms of governance index of Transparency International, Iraq has become among the top ten most corrupt in the world in 2015.

Second: Economic Challenges

1. The deterioration of the investment climate:

The continued deterioration of the investment climate influenced by a package of political, economic, institutional, legislative, legal and organizational factors which its typology has a role in influencing the level of foreign investments and the ability to attract them, in terms of some international indicators such as easy of business indicator, which showed the ranking of Iraq (165) out of the total 190 countries for 2016, while the general index of investment attractiveness showed that Iraq was one of the weak performance states, which reached (27.3) degrees out of (100) degree in 2016.

2. Distortion of sectoral structure:

The oil sector is still the sector dominating the (GDP), where its percentage increased from (51.26%) in 2010 to (55.1%) in 2015 as a result of lagging of the economic policy required to diversify the economy, while the share of the contribution of the agricultural sector in generating (GDP) declined from (4.17%) in 2010 to (2.20%) in 2015, and the contribution of the transformational industry sector has declined from (2.1%) in 2010 to (0.84%) in 2015.

3. Trade imbalance

Lacking a trade policy that take into account the need for the necessary economic conditions to maintain international competitiveness, the growing imbalance in the structure of the domestic product, the low exchange rate of the Iraqi dinar, has led to a clear disruption in the trade balance in terms of the high oil exports ration to (99%) from total Iraqi exports with a striking diversity in the imports structure

and a great economic openness, where the ratio of foreign trade to GDP (50.25%) in 2015.

4. Disorder of public budget:

The continuation of oil revenue to hold the first place in the ladder of the revenues of the general budget, which formed a ratio of (85.9%) of the total revenues estimated for 2017 amounted to (79.011) trillion dinars which make the public budget responsive to external shocks represented by fluctuations in oil prices and internal disruptions represented by non-diversification of non-oil revenues, high estimated operating expenses amounted to (75.217) trillion dinars which formed (74.7%) of the total estimated budget which made the planned deficit for the general budget (21.6) trillion dinars in the budget of 2017.

5. Increase of public debt:

The widespread reliance on public debt (internal and external) to cover the budget deficit is more a constraint on development than an alternative opportunity to finance it from non-oil sources, and this debt also represents a burden on current and coming generations in light of lacking to coherent and harmonious macroeconomic policies that work to invest it in a high efficient manner, where the planned deficit represented a ratio of (21.6%) of the estimated public budget and shall be financed through internal and external loans and thus, the external debt has become (19.1) billion dinars for 2016 and the amount of internal debt is (48.469) trillion dinars.

6. Underdevelop Banking System:

The aging of the techniques currently used, the typology of management methods, the slackening of the administrative staff that are not responsive to the modern technological changes, the absence of a suitable environment for dealing with customers, and the weak marketing of non-traditional banking products have made the banking and administrative systems operating by banks unable to keep pace with the banking systems In terms of some indicators, such as the

high value of doubtful debts, which amounted to about (3079.7) billion dinars in 2015, which constituted a burden on financial stability, where the percentage of credit defaults for government banks (67.1%).

7. Explanation of the informal sector:

The poor private investment resulting from the deterioration of the investment climate has led to the expansion of small economic activities that are not subject to government control and operate outside the tax and insurance framework of the state, which are not included in the calculations of the gross national income (GNP) and at the expense of the activities of the formal economy, which constitute uncontrollable outputs, behaviors and transactions at both economic and community levels.

8. The limitation of the Private Sector's role:

The deterioration of the working and investment environment and the continued adoption (or neglect) of the commodity dumping policy and the neutralization of participation in the design and implementation of the objectives of economic policy have led to the continued limited role of the private sector in the development process, not exceeding its contribution to generating GDP (44.6)) In 2015 (current prices), and its contribution to fixed capital formation did not exceed (35%) in 2015 (at constant prices).

Third: Social Challenges

- 1 The development indicators reflect the state of human development in Iraq (health, education and living ...). The 2016 Global Human Development Index shows that Iraq is ranked among the middle-developed countries (sequence 121) with a value of (0.649) among (188) countries of the world.
- 2 The dominance of sub-loyalties, the weakness of the rule of law and access to justice have generated structural deficits, the continuous generation of problems, lack of community will and the tools its empowerment, expansion of the shattered area and

- disruption of the social fabric which led to the exhaustion and sustainability of the elements of development.
- 3 The raise of multi-dimensional poverty levels caused by successive crises, armed conflicts and the accompanying terrorism, violence and population displacement have undermined human security and social stability.
 - 4 The weakness and shattered social policies have compounded and exacerbated the social costs of crises which threatens the quality of life and well-being of society.
 - 5 The major crises affecting the society and the weakness of the protectionist policies have contributed to increasing the size of the vulnerable groups of the population (the disabled, elderly, widows, orphans ...), so that the rate of vulnerability increased over (50% in 2016). The conditions of displacement have produced complex fragility (fragile groups, displacement etc...), accompanied by high levels of terrorism and violence and the resulting conditions of forced displacement.
 - 6 The gender gap still undermines the foundations of development construction due to the traditional stereotypes of women's roles that are influenced by the dominance of male culture deeply rooted in social construction. This has been reflected in the low participation of women in economic, social and political activities and their limited role in the legislative and political institutions.
 - 7 The continued failure of the state and the society to absorb the youth and provide them with decent work opportunities, which threaten the pillars of stability and social security, and some of them to migrate outside the border. The unemployment rate for individuals aged 15 and over was 10.8% (11.5% in urban areas compared with 8.8% in rural areas). While the percentage of underemployment less than 35 hours per week amounted to 28.2%.
 - 8 The submission of large areas of Iraq to the control of the terrorist for nearly three years, and the expansion of incubators of extremism, terrorism, violence resulting from inciting conditions, socialization and educational programs for children and youth in these areas will have profound psychological and social effects that undermine the unity and cohesion of the social fabric.

- 9 The education indicators in all its stages have not witnessed qualitative progress, geographical spread and coverage of its infrastructure, with the persistence of high levels of illiteracy, dropout and gender gap, which threatens the educational construction system and impairs its progress in the international developments in the fields of knowledge.
- 10 The continued decline in the level of health services, their poor deployment, and their inability to meet the real needs of the population, with the increase of the migration of medical skills abroad, led to the imbalance in indicators (doctor / population).

Forth: Environmental Challenges

9. The environmental contamination:

Iraq falls within the negative relationship circle between environment and conflicts, which is a double relationship that led to environmental contamination and serious damage generated repercussions on the economy and society and the individual, which is known as the results inherent in the terms of international standards. Iraq ranked according to the criterion of environmental performance efficiency (116) out of a total of 180 countries.

10. The Lack of urban planning:

The poor effectiveness of urban planning and the absence of a national housing policy that is responsive to the reality in regard of risks management resulting from crises and conflicts. As poverty rates increased, the housing slums in Iraq expanded to (8%) of the total population living in random housing and by (7%) of the total number of housing units, where the number of random housing units is (347,000) houses which explains the causes and consequences of the lack of urban planning.

11. Non-integrated environmental management and lack of environmental legislation

The ineffectiveness of environmental management in containing the causes and effects of contamination, wars and conflicts, as well as the lack of clear environmental legislation, led to the overall weakness of the national responses at the policies and objectives level and intervention options against those problems, in addition to selectivity of some options in administrative, legislative and executive coverage led to limitation of opportunities for progress.

12. Desertification

The aggravation of the phenomenon of desertification and Salinization of land under hot and dry climatic conditions as well as the hydrological and topographic aspects of the soil, in addition to the human activities (agriculture and irrigation procedures), led to the aggravation of the problem and the extent of its effects and the emergence of other types of desertification, loss of vegetation cover, and the disruption of the development of agriculture especially in central and southern Iraq, where the desert land constitutes (50%) of Iraq's area, which constitutes a serious threat to its food security.

13. Climate Changes

Iraq will be, with the rest of the Arab countries, at the heart of the world's major climate problem which is the threats of global warming and the dangers of rising temperatures by 2050, causing rain shortages and widespread drought and aridity which threatens food security, social stability, water resources, agriculture, health and biodiversity.

14. Reliance on non-renewable energy

The lack of reliance on the option of introducing alternative or renewable energy in the priorities and objectives of the policy to replace non-renewable energy has contributed to the loss of environmental impact on the life of the oil reserves and increase rates of environmental pollution caused by increasing fossil fuel consumption

rates thus, factors contributing to the emergence of global warming and environment contamination and its negative effects on health and food and thus on human security were activated.

2-3 Strategic Objectives of the Plan

- 1 Establishing the foundations of good governance.
- 2 Achieving economic reform in all its financial, monetary, banking and commercial dimensions.
- 3 Recovery of communities affected by the displacement crisis and the loss of human security.
- 4 Providing the requirements of an enabling environment for investment in all its forms and enhancing the role of the private sector.
- 5 Raising the economic growth rate in line with the Iraqi economy's potentials and requirements.
- 6 Increasing the real per capita income.
- 7 Reducing unemployment and underemployment.
- 8 Human security possible for the poorest and vulnerable groups.
- 9 Upgrading sustainable human development indicators.
- 10 Laying the foundations for decentralized spatial development.
- 11 The alignment between the general development framework and urban structures based on the foundations of urban planning and spatial comparative advantages.

3. Macroeconomic Framework

3-1 Expected financial revenues of the plan

First: Oil Revenues:

Most of the relevant estimates have agreed that the average price of oil in world markets will not exceed the threshold of (60) dollars per barrel at best, nor will it fall below (40) dollars per barrel over the next five years. The Iraqi Oil Ministry plans to produce and export for the coming years as shown below:

Table (1)

expected production and export of the plan's years 2018 -2022						
Items		2018	2019	2020	2021	2022
Oil production	(million barrel/day)	4.7	4.7	4.7	4.9	4.9
Oil export	(million barrel/day)	3.9	3.9	3.9	4.0	4.0

And with the assumption that the continued adoption of the exchange rate of the dollar and specified by the Central Bank of Iraq at 1182 dinars per dollar, the estimates of oil revenues expected per year ranged between 74 trillion dinars and between 103.5 trillion dinars. This makes the total oil revenues expected for Iraq for the period 2018-2022 range between 370 trillion dinars according to the estimates of the budget strategy committee and 381.9 trillion dinars according to estimates of the International Monetary Fund and about 425.6 trillion dinars according to optimistic assumptions of the Iraqi Ministry of Oil, and the table below shows the details of the aforementioned:

Table (2)

expected production and export of the plan's years 2018 -2022					(billion dinar)	
Items	2018	2019	2020	2021	2022	total
According the assumptions of the International Monetary Fund	75045	74537	76050	77232	79076	381940
According to the assumptions of the Iraqi Oil Company	75715.9	75715.9	75715.9	94914.9	103543.2	425605.5
According to the estimates of the budget strategy committee	74033.4	74033.4	74033.4	74033.4	74033.4	370167

Second: Non-Oil Revenues:

It is not expected that the non-oil revenues in Iraq to achieve a tangible development in light of the continuation of the current economic reality resulting from the financial crisis and the decline of economic activity and suspension of many development projects, both in the public sector or the private sector. However, the related government's corrective measures that are supportive of the general budget and the search for new revenues have contributed to the improvement of the financial space available to the country and are expected to continue its impact for the coming years as follows:

Table (3)

the table below shows the volume of non-oil revenues expected for 2018-2022 (billion dinar)					
Items	2018	2019	2020	2021	2022
direct taxes	4996.2	5146.1	5303.4	5466.5	5639.8
indirect taxes	2213.7	2313.1	2309.7	2471.6	2555.8
other revenues	5799.8	6038.4	6262.4	6492.3	6728.3
total	13009.7	13497.6	13956.5	14430.4	14923.9

From the above, the total revenues expected to be achieved during the next five years 2018-2020 shall be as follows:

Table (4)

total revenues expected to be achieved during the next five years 2018-2022		
Items	trillion dinar	%
Oil revenues	370.2	84.1
Non-oil revenues	69.8	15.9
The total expected revenue	440.0	100

3-2 Economic Growth

The National Development Plan 2018-2022 aims to achieve an appropriate economic growth rate consistent with the rates achieved by the Iraqi economy during the past periods based on the material and human resources it has, especially with the sustainability of oil production and the ability to achieve oil exports guaranteeing the sustainability of financial revenues that can be employed in the productive and service sectors. The plan aims to achieve a 7% economic growth rate which is about 7.5% for the oil sector and 6.1% growth rate for all other non-oil activities (commodity, distribution and service), although there is a conviction in the ability of the Iraqi economy to achieve higher growth rates, but taking into account the circumstances of the instability of oil prices globally on the one hand and the continuation of terrorist threats and instable security on the other hand and other factors that will affect the development process in the coming years.

First: Gross domestic product (GDP)

We list below a table of growth rates in the gross domestic product (GDP) in constant prices estimated for the years 2018 - 2022 that have been calculated according to the model that have been adopted for the plan.

Table (5)

Targeted growth rates in GDP at constant prices for the years 2018 - 2022 (billion dinar)							
Sector	2015 measure year	Targeted growth rate (%)	2018	2019	2020	2021	2022
Agricultural	3707.5	8.4	4722.5	5119.2	5549.2	6015.3	6520.6
Oil	100929.2	7.5	125384.0	144896.9	155764.2	155764.2	167446.5
Mining	330.0	1.0	340.0	343.4	346.8	350.3	353.8
Manufacturing	1535.1	10.5	2071.2	2288.7	2529.0	2794.5	3088.0
Electricity & Water	2130.7	6.0	2537.7	2690.0	2851.4	3022.4	3233.8
Building & Construction	13768.4	6.8	16772.5	17913.0	19131.1	20432.0	21821.4
Transport & Communications	14313.9	7.0	17535.1	18762.6	20076.0	21481.3	22985.0
Trade	14872.9	8.3	18892.1	20460.2	22158.4	23997.5	25989.3
Money & Insurance	11815.1	2.6	12760.8	13092.6	13433.0	13782.3	14140.6
Services	19777.8	4.5	22569.8	23585.4	24646.7	25755.8	26914.9
Non-oil Activities	81402.0	6.1	98201.8	104255.3	110721.6	117631.5	125017.3
total (Billion dollar)	182331.2	7.0	223585.8 189.2	239042.8 202.2	255618.5 216.3	273395.7 231.3	292463.8 247.4

It is clear that the plan aims to increase the gross domestic product by constant prices to (292.5) trillion dinars in 2022 compared to (182.3) trillion dinars in 2015 and an absolute increase of (110.2) trillion dinars and a growth rate of 7% The top sectors targeted is the manufacturing sector 10.5% and the agricultural sector 8.4% These rates are conditional on the availability of investments required both public and private sector.

Table (6)

Sectoral structure of GDP compared to the measurement year		%		
Sector	2015	2018	2022	
Agricultural	2.0	2.1	2.2	
Oil	55.4	56.1	57.3	
Mining	0.2	0.2	0.1	
transformational industry	0.8	0.9	1.1	
Electricity & Water	1.2	1.1	1.1	
Building & Construction	7.6	7.5	7.5	
Transport & Communications	7.8	7.8	7.9	
Trade	8.2	8.4	8.9	
Money & Insurance	6.4	5.7	4.8	
Services	10.7	10.1	9.2	
Total	100	100	100	

The distortion of the sectoral structure of the Iraqi economy as a result of years of siege, wars and crises requires many years of planned and systematic work to remove these distortions, where the plan of the coming years seeks a mechanism to correct this imbalance by working to restore the life of the productive sectors and commodity and infrastructure and service and work to increase the proportion of their contribution gradually and this is the responsibility of both the public and private sectors. The contribution of economic activities other than oil in the estimated GDP for the plan's years is shown below.

Table (7)

The contribution of economic activities other than oil in the estimated GDP										(billion dinar)	
Activities	2018		2019		2020		2021		2022		
	Output	%	Output	%	Output	%	Output	%	Output	%	
Commodity other than oil	26443.9	11.8	28354.3	11.9	30407.5	11.9	32614.5	11.9	34987.6	11.9	
Distributional	38056.1	17.0	40924.8	17.1	4398.7	17.2	4727.5	17.3	50812.6	17.4	
Services	33960.4	15.2	34976.0	14.6	36333.4	14.2	37746.4	13.8	39217.2	13.4	
Total GDP	223585.8	44.0	239042.8	43.6	255618.5	43.3	273395.7	43.0	292463.8	42.7	

Second: Investment and Growth

The estimated investments (both public and private) to achieve the targeted growth rate of 7% with a total amount of (220.6) trillion dinars equivalent to (186.7) billion dollars throughout the years of the plan (2018 – 2022) including an amount of 132 trillion dinars is expected to be provided by the public budget as a government investment and the remaining estimated 88.6 trillion dinars represents private sector investments in all forms and as shown below:

Table (8)

The estimated revenues and investments for the plan (2018 – 2022)	(trillion dinar)
Total expected revenues	440.0
Total required investments	220.6
Estimated investments in the state budget	132.0
Investments expected from the private sector	88.6

- Government Investment

The government investment expected during the years of the plan is about 132 trillion dinars, equivalent to 111.7 billion dollars and constitute about 60% of the total investment required amounting to 220.6 trillion dinars, as shown in the table above.

- Non-government Investment (Private)

The plan expects the private sector to contribute 88.6 trillion dinars, equivalent of 75 billion dollars during the years of the plan 2018–2022. It reflects the private sector's investments in Iraq in all its orientations and activities and it constitutes 40% of the total investment required to achieve the targeted growth rate in the plan.

- Sectoral distribution of required Investments

In order to achieve the sectoral targeted growth rates, we list below a table of the estimated and required annual investments for each sector of the economy. It is clear that the oil sector continues to obtain a high percentage of investments at a rate of 38.4% and

a total of 84.7 trillion dinars for the period 2018–2022. This is in line with the sector's need for large investments as a capital-intensive sector that needs advanced technology as well as to meet the obligations of the international oil companies. The infrastructure sectors (Electricity, Water, Building, Construction, Transportation and Communications) acquire together about half of the estimated investments at about 49.5%, where the electricity and water sectors need was estimated at about 20.2 trillion dinars for the next five years. As for the investments required for the building and construction sector, they were estimated at about 12.2 trillion dinar over the years of the plan. As for the investments required for the transportation and communications sector, they were estimated at 39.6 trillion dinars, which is required to meet the requirements of reconstruction in the affected areas in addition to the declining of the reality of infrastructures all over the country, note that the private sector is the main contributor in this vital sector, where the proportion of its contribution is to about 90%.

As for the service sector, it also in need of large investments during the years of the plan estimated at 37.2 trillion dinars and up to 17% of the total investment estimated, in the hope of re-activating this vital sector that touches the needs of citizens daily. As for the production and commodity sectors (agriculture and transformational industry), their share accounted for 5.6%, which is low due to weak absorptive capacity, technological backwardness, unfair competition from imported goods and poor implementation of relevant procedures and decisions.

Table (9)

The volume of investments estimated to achieve the targeted growth rates of the economic sectors for the years 2018-2022						billion dinar
Sector	Targeted growth rate (%)	2018	2019	2020	2021	2022
Agricultural	8.4	1280.8	1388.4	1505.0	1631.5	1768.5
Oil	7.5	14579.5	15673.0	16848.5	18112.1	19470.5
Mining	1.0	5.6	5.7	5.7	5.8	5.8
Transformational industry	10.5	787.2	869.9	961.2	1062.2	1173.7
Electricity & Water	6.0	3591.1	3806.5	4034.9	4277.0	4533.7
Building & Construction	6.8	2135.8	2281.1	2436.2	2601.8	2778.8
Transport & Communications	7.0	6883.0	7362.8	7880.3	8431.9	9022.1
Trade	8.3	14479.9	1568.0	1698.2	1839.1	1991.8
Money & Insurance	2.6	1077.9	1105.9	1134.7	1164.2	1194.5
Services	4.5	6803.3	7109.5	7429.4	7763.7	8113.1
Total	7.0	38592.2	41172.8	43934.2	46889.4	50052.5
billion dollar		32.6	34.8	37.2	39.7	42.3

Table (10)

proportional distribution of required investments		%
Sector	Investment (billion dinar)	%
Agricultural	7574.2	3.4
Oil	84683.7	38.4
Mining	28.6	0.01
transformational industry	4854.3	2.2
Electricity & Water	20243.3	9.2
Building & Construction	12233.6	5.5
Transport & Communications	39582.1	17.9
Trade	8545.1	3.9
Money & Insurance	5677.2	2.6
Services	37219.0	16.9
Total	220640.0	100

Third: Average per capita

The plan aims at achieving a real GDP growth rate of 7% with a population growth rate of 2.5%. It is expected that the real average per capita will increase by 4.5%. The average per capita GDP by constant prices for 2007 is about 4.9 million dinars in 2015 and about 5.1 million dinars for the year 2016, where the average per capita is expected to reach about 6.9 million dinars at the end of the plan in 2022.

Table (11)

Average per capita during the plan years			
Year	Targeted GDP (billion dinar)	Estimated population size (one thousand people)	Average per capita (one thousand dinar)
2018	223585.8	38124.2	5864.7
2019	239042.8	39127.9	6109.3
2020	255618.5	40150.2	6366.6
2021	273395.7	41190.7	6637.3
2022	292463.8	42248.9	6922.4

The plan aims to achieve a significant improvement in the citizens' standard of living by ensuring the promotion of suitable employment opportunities in addition to maintaining inflation rates at the lower levels through the adoption of financial and monetary policies that maintain the stability of prices and stability of the exchange rate in addition to maintaining as much as possible to support low-income groups Through social security networks and continued support ration card.

Fourth: Capital formation of the public and private sectors

The data available for the measure year 2015 indicated that the contribution of the private sector in the capital formation was about 34.7% compared to 65.3% of the public sector. And in light of the relevant economic orientations and policies, the national development plan 2018 – 2020 aims to enhance the role of the private sector and to work on preparing the proper opportunities to carry out its true role in the development process especially in light of the decline of the state's

role and the suspension of many government projects due to the financial crisis and the reduced volume of available financial income and in this orientation, the development plan aims that the contribution of private sector investments in the year 2022 to reach about 38.3% compared to 61.7% for the public sector as shown in the following table.

Table (12)

Contribution of public and private sectors in the capital formation at fixed prices				
Sector	Measure year 2015		Targeted year 2016	
	Public Sector %	Private Sector %	Public Sector %	Private Sector %
Agricultural	67.6	32.4	60.0	40.0
Oil	100.0	00	95.5	5.0
Mining	66.4	33.6	66.0	34.0
transformational industry	39.5	60.5	30.0	70.0
Electricity & Water	80.8	19.2	75.0	25.0
Building & Construction	43.1	56.9	40.0	60.0
Transport & Communications	9.9	90.1	5.0	95.0
Trade	13.1	86.9	13.0	87.0
Money & Insurance	4.1	95.9	4.0	96.0
Services	81.8	18.2	70.0	30.0
Total	65.3	34.7	61.7	38.3

3-3 Macroeconomic Objectives

The Financial Policy:

Objectives:

- First Objective: Correcting the Public Expenditure Structure
- Second Objective: Diversifying the structure of public revenues and increase the revenue of non-oil revenues.
- Third Objective: Addressing the real deficit in the public budget
- Fourth Objective: Improving the overall financial management
- Fifth Objective: Raising the private saving rates

The Monetary Policy:

Objectives:

- First Objective: Preserving the inflation rates within the limits of one decimal class
- Second Objective: Preserving the stability of the local currency exchange rate
- Third Objective: Strengthening the principles of disclosure, transparency, monitoring and establishing governance systems in the Iraqi banking sector
- Fourth Objective: Enhancing the financial inclusion
- Fifth Objective: Working on creating a growth-driven credit activity.
- Sixth Objective: Strengthening the foreign exchange reserves.
- Seventh Objective: Combating money-laundering phenomenon
- Eighth Objective: Activating the role of the Central Bank of Iraq in enhancing the monetary and financial integration including capital markets, banking and investment institutes and insurance companies.
- Ninth Objective: Adopting information technology in the work mechanisms of the Central Bank of Iraq.

The Trade Policy:

Objectives:

- First Objective: Improving the competitive level of locally-produced goods
- Second Objective: Increasing the general budget revenues
- Third Objective: Achieving a balance in the Balance of payment (BOP)
- Fourth Objective: Upgrading the national production
- Fifth Objective: Promoting the volume of commodity exports
- Sixth Objective: Increasing the agricultural and industrial production
- Seventh Objective: Coordinating the overall economic policies in Iraq.

4. Sectoral Development Objectives of the Plan

4-1 Population and Workforce

First: Population

Objectives:

- First Objective: The couple has the right to choose freely and responsibly the number of births or birth spacing
- Second Objective: The voluntary repatriation of displaced persons to their original place of 100% of the total displaced persons
- Third Objective: The realization of population stability in rural areas and in less developed cities.

Second: Workforce

Objectives:

- First Objective: Lowering the unemployment rate
- Second Objective: Setting up a human resources planning framework for more than 5 years
- Third Objective: Investigating the demographic window spatially (by governorates)

Third: Good Governance

Objectives:

- First Objective:** Strengthening the rule of law and limiting human rights violations.
- Second Objective:** Developing the capabilities of the institutions concerned in human rights
- Third Objective:** Improving the application of administrative decentralization
- Fourth Objective:** Improving the degree of integrity and transparency and reduce administrative and financial corruption.
- Fifth Objective:** Improving the performance of the administrative system efficiently and effectively.
- Sixth Objective:** Ensuring public participation in the decision-making process
- Seventh Objective:** Adopting the electronic governance system as an alternative to the current management style

Fourth: Activating the private sector and developing the business and investment environment

Objectives:

- First Objective:** Increasing the proportion of the contribution of the private sector.
- Second Objective:** Improving the business and investment environment
- Third Objective:** Developing the small and medium enterprises
- Fourth Objective:** Establishing a genuine contribution of the private sector in the reconstruction and development process, and sharing the burdens and benefits thereof
- Fifth Objective:** Restructuring of public companies
- Sixth Objective:** Governance of Private Sector

Fifth: Post-crisis reconstruction and development

Objectives:

- First Objective:** Adopting an efficient administrative and financial system responsive to recovery needs, community stability requirements and sustainable peace building.
- Second Objective:** Rehabilitating the infrastructure with a comprehensive and spatial coverage.
- Third Objective:** Revitalizing sectoral economic activities and the best use of development opportunities available
- Fourth Objective:** Strengthening human immunity and protecting it against the risks of relapse.

Sixth: Poverty Alleviation

Objectives:

- First Objective:** Higher and sustainable income of work to the poor
- Second Objective:** Improved health status
- Third Objective:** Improved education of the poor
- Fourth Objective:** Proper housing and challenges-responsive environment.
- Fifth Objective:** An effective social protection to the poor
- Sixth Objective:** Enabling and promoting the social, economic and political integration of displaced persons and returnees in liberated areas

4--2 Agriculture and Water Resources Sector

Objectives:

- First Objective:** Increasing the agricultural sector share in GDP (for non-oil activities) from 4.5% in 2015 to 5.2% in 2022. And achieving growth in the agricultural sector in the target year up to 8.4%
- Second Objective:** Achieving sustainable food security
- Third Objective:** Securing the annual demand for water for sustainable uses in the (agricultural, industrial, municipal) fields and achieving water balance with the possibility of reducing the annual demand for water 500 million m³ annually
- Fourth Objective:** Working on providing sustainable water resources.

4-3 Energy and Transformation Industries Sector

First: Oil & Gas Sector

Objectives:

- First Objective: Increasing the production capacity of crude oil to reach (6.5) million barrels per day.
- Second Objective: Increasing the export capacity of crude oil to (5.25) million barrels per day
- Third Objective: Raising the storage capacity of crude oil in export depots
- Fourth Objective: Raising the natural gas production to reach (3500) cubic meters per day.
- Fifth Objective: Ensuring long-term availability of free gas.
- Sixth Objective: Achieving self-sufficiency and exporting derivatives by increasing the refining capacities to reach (900) thousand barrels per day
- Seventh Objective: Enhancing storage capacity of petroleum products to secure storage of 2267 m3.
- Eighth Objective: Protecting the environment from contamination and handling environmental problems resulting from oil and gas activity of existing facilities and reducing CO2 emissions

Second: Electricity Sector

Objectives:

- First Objective: Increasing the production capacity in the electrical system to reach (20869) megawatts
- Second Objective: Increasing the per capita of electric power to reach (4041) kWh
- Third Objective: Improved electrical system efficiency
- Fourth Objective: Improved quality of services provided to consumers in their categories (household, governmental, industrial, agricultural, and commercial).

- Fifth Objective: Rationalizing electricity consumption for different uses and reducing it by 7% annually
- Sixth Objective: Improving the environmental impact of electricity activity by reducing the emissions of (CO₂).
- Seventh Objective: Enhancing the private sector role in managing the energy production and distribution sectors
- Eighth Objective: Enhancing the governance of electricity's sector and institutions.

Third: Transformational and Extractive Industries (other than oil)

Objectives:

- First Objective: Increasing the contribution of non-oil transformational and extraction industries in the GDP by 40% from the base year
- Second Objective: Working on finding other sources to finance public sector projects and limiting the funding of the investment budget for strategic projects only.
- Third Objective: Activating the strategies related to this sector and modernizing them according to the industrial strategic developments in Iraq till 2030 and implementation mechanisms
- Fourth Objective: Supporting the important strategic industries, especially in the liberated areas, for what they contain of mineral wealth and natural gas, which is a major incentive to encourage these industries
- Fifth Objective: Achieving a sectoral overlapping between the transformational sector and other sectors and introducing the private sector within such overlapping, without exploiting the potential available to the private sector
- Sixth Objective: Activating geological surveys to develop an integrated map of the mineral resources of the country in order to render them into investment opportunities

4-4 Transportation, Communications and Storage Sector

First: Transportation Sector

Ports' Activity

Objectives:

- First Objective: Raising the capacity of existing ports and shipping routes to 23 million tons per year.
- Second Objective: Completing the initial and direct construction of Few Port
- Third Objective: Promoting private sector's contribution in the implementation and operation of port services.

Maritime Transportation Activity

Objectives:

- First Objective: Strengthening the role of the national maritime carrier in securing Iraq's trade.
- Second Objective: Supporting the role of the private sector in the field of maritime transport.

Air transportation Activity

Objectives:

- First Objective: Improving and developing the performance of the national carrier role through a global partnership with economic efficiency in the field of air transport
- Second Objective: Supporting the private sector role in the field of air transport

Passenger Transportation Activity

Objectives:

- First Objective: Improving the efficiency of transportation activity performance.
- Second Objective: Developing the private sector role in the transportation sector.
- Third Objective: Strengthening the public transportation role and support it through administrative and operational partnerships with economic efficiency.

Land Transportation Activity for Goods by Trucks

Objectives:

- First Objective:** Strengthening the private sector role in implementing the comprehensive long-term transportation plan and activating its real partnership with the public sector.
- Second Objective:** Joining the international transportation agreements and activating the neighboring countries' agreements.

Railway activity

Objectives:

- First Objective:** Upgrading and developing the railway system, and increasing its operational capacity
- Second Objective:** Promoting the level of service delivery in this activity.
- Third Objective:** Enhancing Iraq's geographical location as a link between East and West
- Fourth Objective:** Enhancing the private sector role and foreign investment

Roads & Bridges Activity

Objectives:

- First Objective:** Increasing the length of the road network in all its details and branches.
- Second Objective:** Building a modern maintenance system for the entire road network.
- Third Objective:** Implementing Traffic Control System in an integrated and precise manner

Communications Sector

Objectives:

- First Objective:** Increasing the contribution of the telecom sector to GDP.
- Second Objective:** Meeting the demand on services with competitive and prices and qualities.

- Third Objective: Keeping pace with the rapid development of the Telecommunications and Informatics Sector.
- Fourth Objective: Accessing for all.
- Fifth Objective: Making the communication environment safe and informative.

Third: Storage Section

Objectives:

- First Objective: Securing a strategic storage of basic crops
- Second Objective: Private sector's contribution in the management, maintenance and operation of Granaries (Silos)

4-5 Buildings & Services Sector

Objectives:

- First Objective: Completing residential projects under implementation or suspension (including investment) estimated at (700) thousand housing units in all provinces except Kurdistan Region.
- Second Objective: Securing (100) thousand housing units; provided that it shall be implemented in accordance with the modern methods and techniques used in the construction of housing units in order to contribute to the filling part of the housing deficit achieved in all governorates, including the governorates that were destroyed by terrorist operations and military operations.
- Third Objective: Establishing (100) thousand housing units suitable for the requirements of securing the return of displaced families as a result of terrorist and military operations, Slums and transgressors in accordance with the framework document of the National Plan for Reconstruction and Development of governorates affected by terrorist and war operations of 2017.

Fourth Objective: Providing 50% of real estate financing from private sector investments necessary to cover the housing deficit based on economic feasibility study of the projects supported by designs prepared according to Building Information Modeling (BIM).

4-6 Water & Sewage

First: Portable Water

Objectives:

- First Objective: Increasing the percentage of those served to 97% in Baghdad and 72.66% in the governorates
- Second Objective: Disposing the treated water into the river according to standard specifications.

4-7 Culture, Tourism and Antiquities

First: Culture

Objectives:

- First Objective: Completing the finishing of ongoing or expected infrastructure projects.
- Second Objective: Promoting Iraqi culture and spreading it in society.
- Third Objective: Enhancing the investment in cultural activity.

Second: Tourism & Antiquities

Objectives:

- First Objective: Raising the contribution of the tourism activity in the GDP.
- Second Objective: Preserving the historical-cultural heritage and the revival of archaeological monuments.
- Third Objective: Enhancing the private sector role in the tourism investment

4-8 Spatial Development

Objectives:

- First Objective:** Limiting the bilateral spatial development, and reducing the developmental disparity between the governorates.
- Second Objective:** Strengthening rural infrastructure.
- Third Objective:** Improving the hierarchy of the urban system and urban renewal of city centers
- Fourth Objective:** Activating the urban administration and organizing the cities.
- Fifth Objective:** Integrating the various transportation systems (improving the transportation system between the governorates and developing the urban transportation)
- Sixth Objective:** Promoting decentralization, transferring of powers and participating in the management of development between governorates.

4-9 Human & Social Development

First: Education & Learning

Objectives:

First: Pre-university education

First Objectives:

- Increasing the enrollment rates as follows:
- Increasing the net enrollment in kindergartens to 30% in the target year.
- Increasing the net enrollment in elementary stage to 99%.
- Increasing the net enrollment in intermediate stage to 70%.
- Increasing the net enrollment in secondary stage to 45%.
- Increasing the net enrollment in vocational education stage to 7%.
- Increasing the contribution of public education in the provision of public and higher education opportunities by at least 20%.

Second Objective: Providing buildings and supplies necessary to accommodate the targeted numbers of students during the period of the plan.

Third Objective: Improving the efficiency of the education system.

Fourth Objective: Providing the educational services and supplies to create an appealing school environment.

Fifth Objective: Developing educational techniques in curriculum modernization.

Sixth Objective: Enhancing the development role of vocational education.

Seventh Objective: Developing the use of administrative governance in schools.

Eighth Objective: Developing educational and social guidance and health care.

Ninth Objective: Developed of the approved testing and evaluation methods.

Tenth Objective: Supporting the literacy projects.

Eleventh Objective: Renovating the educational institutions that have been affected by terrorism.

Twelfth Objective: Promoting the coherence and positive values in education.

Second: University Education

Twelfth Objective: Improving the international classification of the Iraqi Universities.

Thirteenth Objective: Developing the academic side of the Iraqi Universities.

Fourteenth Objective: Enhancing partnership with the private sector

Fifteenth Objective: Reconstruction and rehabilitation of universities in the liberated areas.

Second: Health

Objectives

First Objective: Improving and updating the health system;

Second Objective: Improved health prevention system

Third Objective: Developing the health information management

Fourth Objective: Implementing the administrative governance in the health sector

Fifth Objective: Reducing the rates of transitional and non-transitory diseases.

Sixth Objective: Reconstruction and rehabilitation of health institutes in the affected areas from terrorism.

Third: Woman

Objectives

First Objective: Empowering women scientifically and cognitively.

Second Objective: Empowering women economically.

Third Objective: Empowering women healthily.

Fourth Objective: Empowering women in areas affected by terrorist acts.

Fifth Objective: Expanding the participation of women in the private sector.

Fourth: Youth

Objectives

First Objective: Adhering to the implementation of national policies, plans and strategies relevant to youth.

Second Objective: Providing an enabling environment for the youth.

Fifth: Social Development

Objectives

First Objective: Reducing the proportion of persons with disabilities and those with special needs.

Second Objective: Improving the level of institutional services for the empowerment of persons with disabilities and special needs.

Third Objective: Raising awareness and community participation in the education of people with disabilities and special needs in primary and secondary schools.

Fourth Objective: Reducing the rate of child labor.

Fifth Objective: Reducing the cases of violence against children.

Sixth Objective: Reducing juvenile delinquency rates.

Seventh Objective: Reducing levels of addiction to drugs, alcohol and smoking.

Eighth Objective: Reducing the rate of early marriage for females

Ninth Objective: Improving the life quality.

4-10 Environmental Sustainability

Objectives

First Objective: Ensuring the availability and sustainable management for water and sewage, including:

- Protecting and improving the quality of water
- Developing liquid waste management system.
- Preserving the marine and coastal environment.
- Limiting the oil contamination.
- Water harvesting projects.
- Systematic utilization of groundwater.

Second Objective: Addressing air contamination and its effects, including:

- Protecting and improving air quality.
- Controlling oil contamination.
- Electricity contamination reduction projects.
- Developing the waste management system.
- Developing the energy and environment units.
- Limiting radiation contamination.
- Integrated management of hazardous materials.
- Institutional framework and legislation.

Third Objective: Protecting, restoring and sustaining the use of terrestrial ecosystems, including:

- Reducing land degradation and combating desertification
- Preserving the biodiversity
- Evolution of the use of alternative materials in agriculture and the trend towards clean agriculture

Fourth Objective: Addressing climate change and its impacts

- Protecting and improving air quality.
- Developing waste management system
- Reducing radiation contamination
- Integrated management of hazardous materials
- Institutional framework and legislation
- Climate change mitigation measures and adaptation thereto.

Logo

Design and printing rights reserved by the Directorate
Of the printing press the Central Statistical Organization 2018

Printing.press@mop.gov.iq