

شبكة الاقتصاديين العراقيين

IRAQI ECONOMISTS NETWORK
www.iraqieconomists.net

Macroeconomic Framework for Business Activities in Iraq

EMA 3. Iraq Business Forum in Hamburg

17. June 2013

Presented by: Dr. Barik Schuber

Senior Economic Advisor



شبكة الاقتصاديين العراقيين

IRAQI ECONOMISTS NETWORK
www.iraqieconomists.net

Structure of Outline

1. Macroeconomic Performances
2. Public Finance
3. Iraq External Sector & Trade Partners
4. Economic Outlook

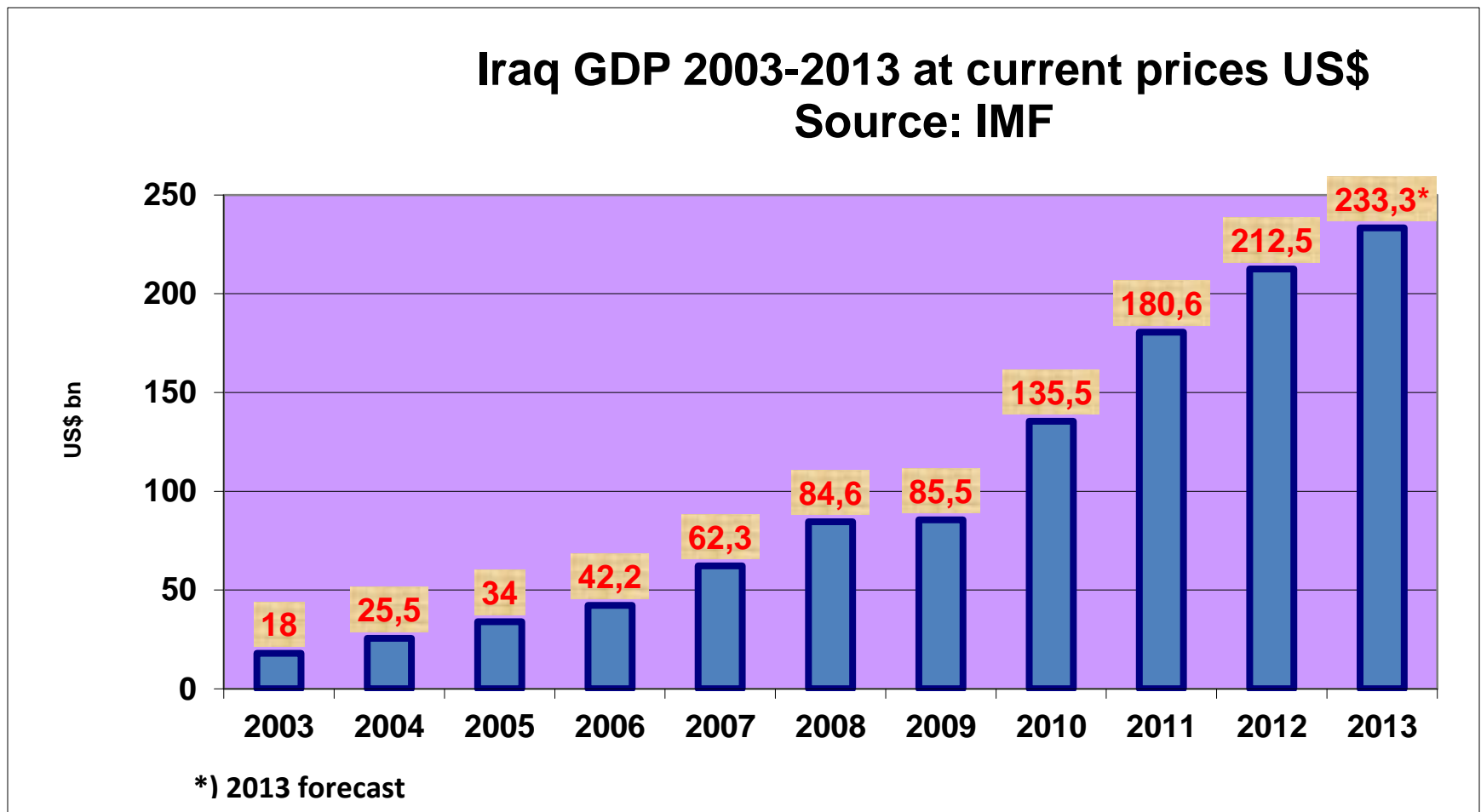


شبكة الاقتصاديين العراقيين

IRAQI ECONOMISTS NETWORK
www.iraqieconomists.net

1. MACROECONOMIC PERFORMANCES 2003-2012

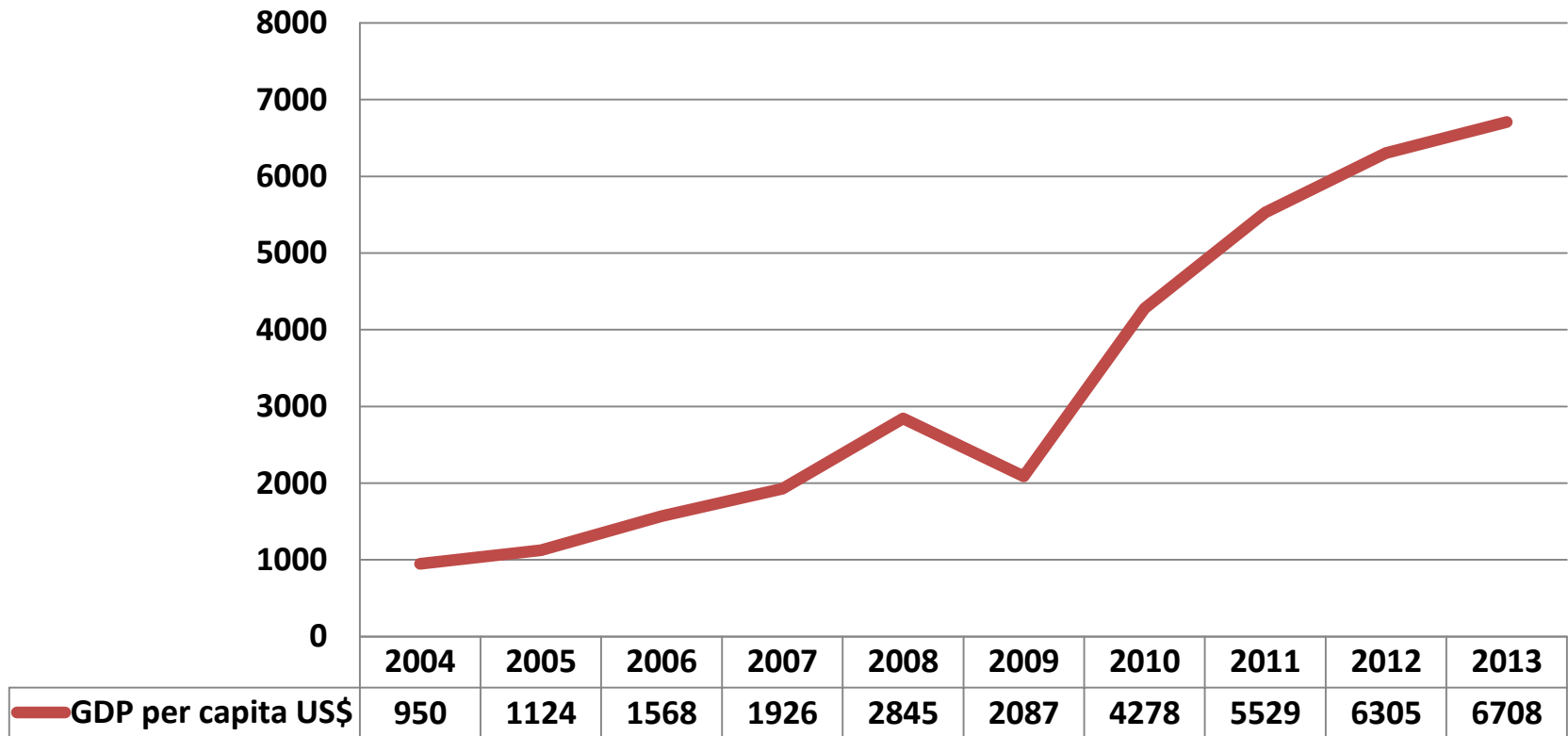
Outstanding performance of the Iraqi economy 2003-2012



Increased per capita income = Increased purchasing power of the population

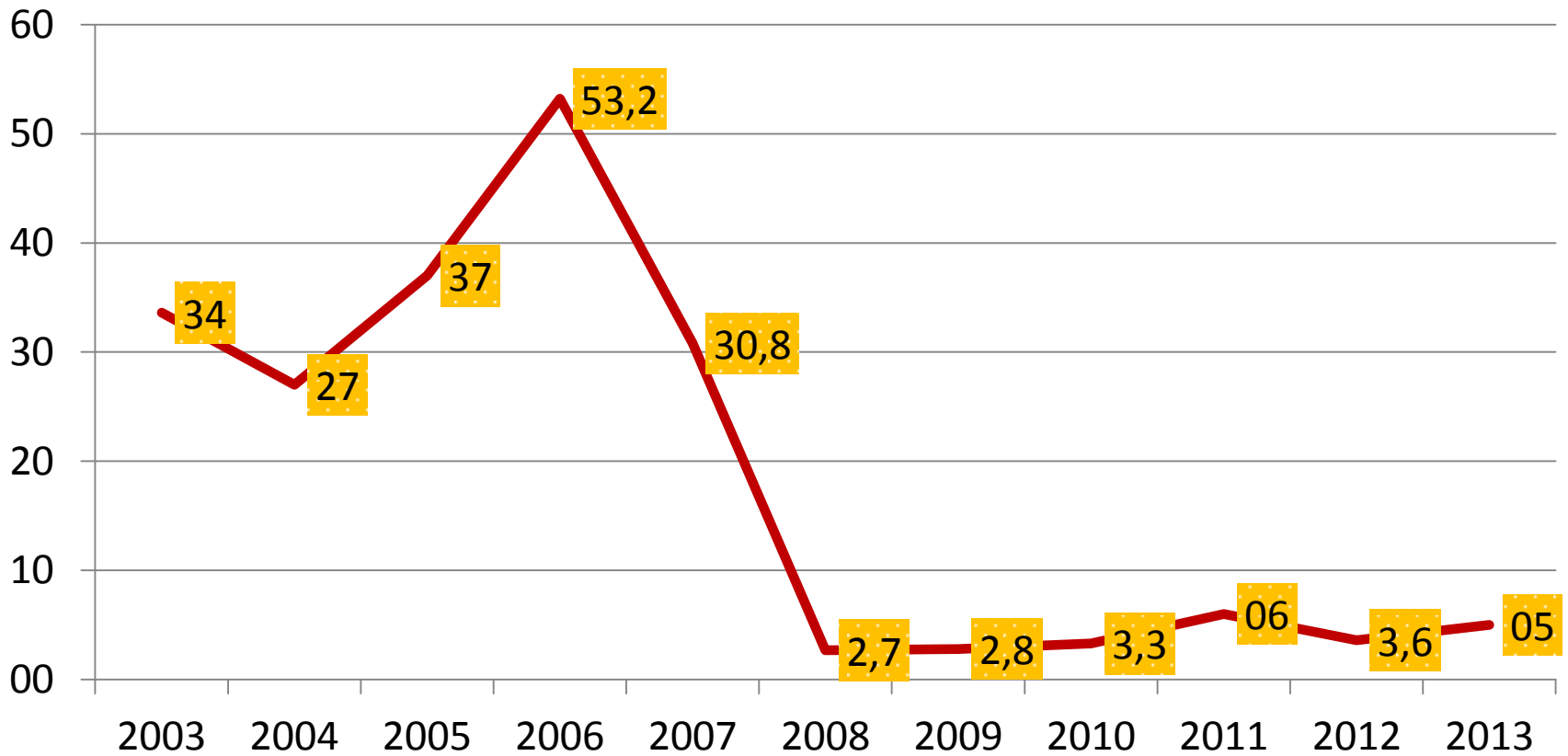
Iraq GDP per capita 2004-2013

Source: IMF



Inflation

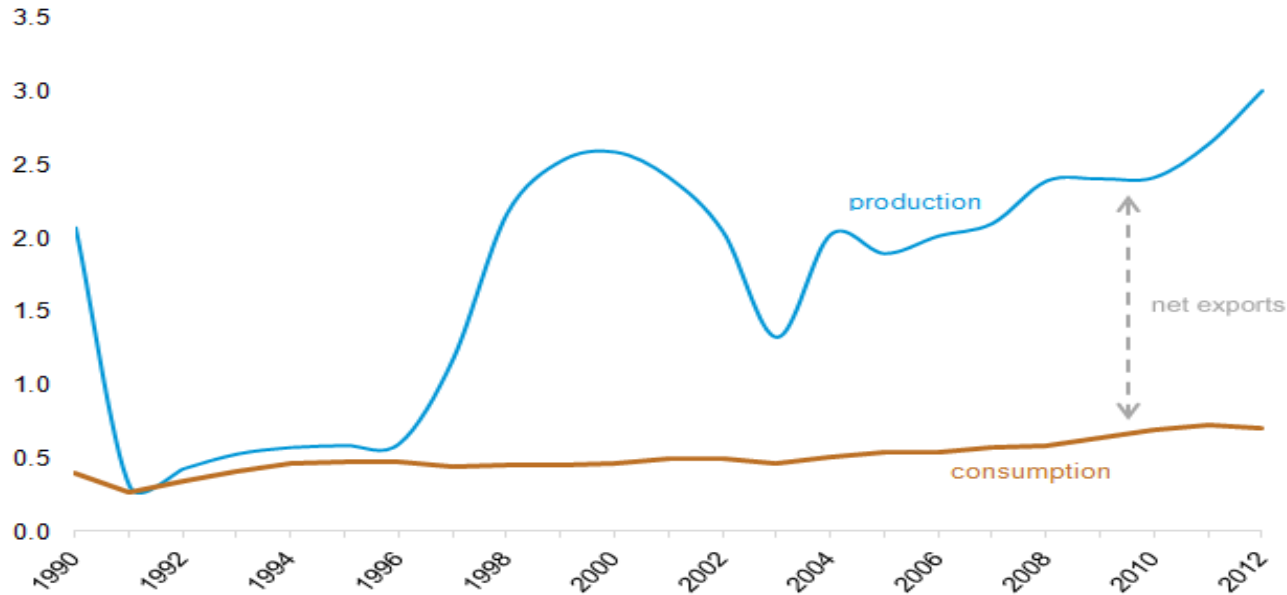
Consumer price inflation; percentage change end of period



Oil production, consumption and net exports 1990-2012

Iraqi total petroleum liquids production and consumption, 1990-2012

million barrels per day



Source: U.S. Energy Information Administration



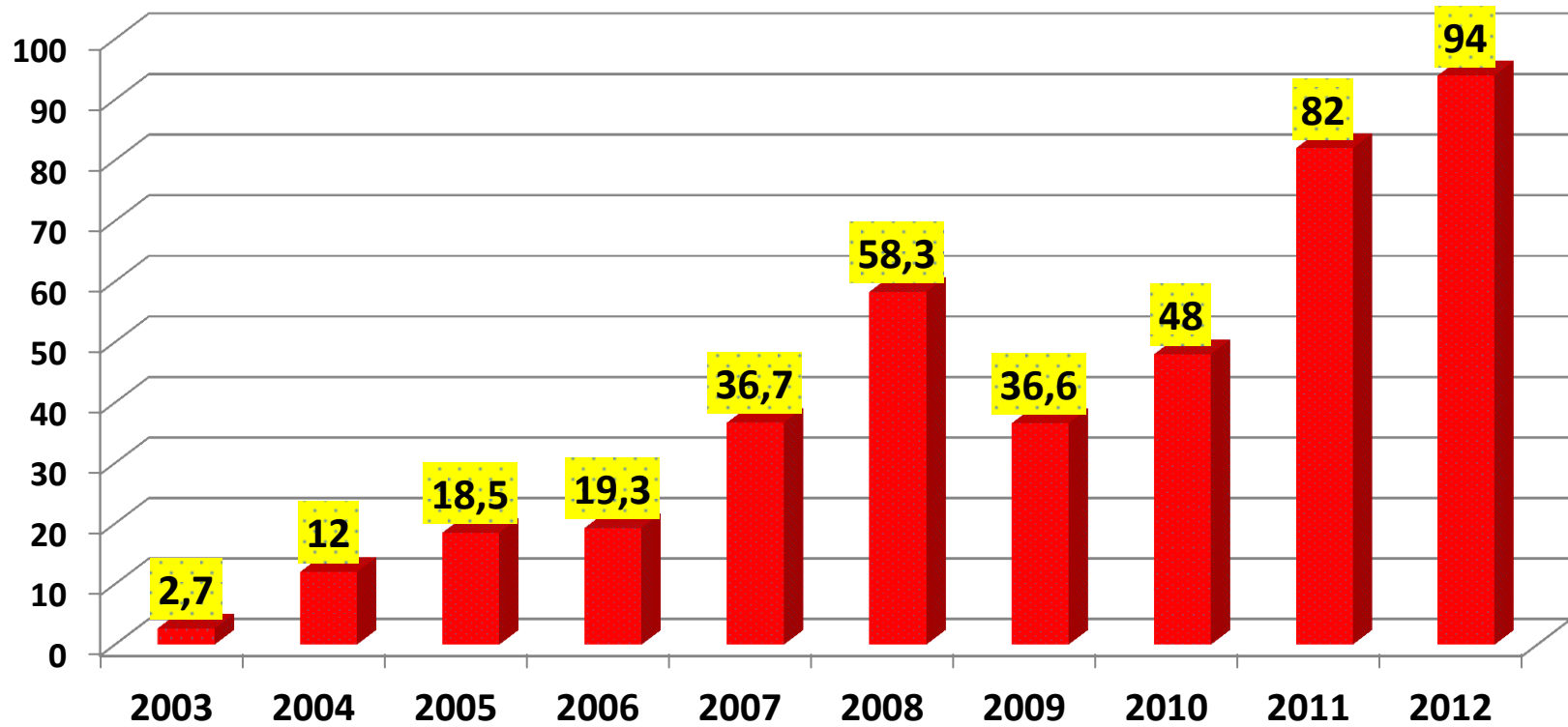
شبكة الاقتصاديين العراقيين

IRAQI ECONOMISTS NETWORK
www.iraqieconomists.net

2. PUBLIC FINANCE

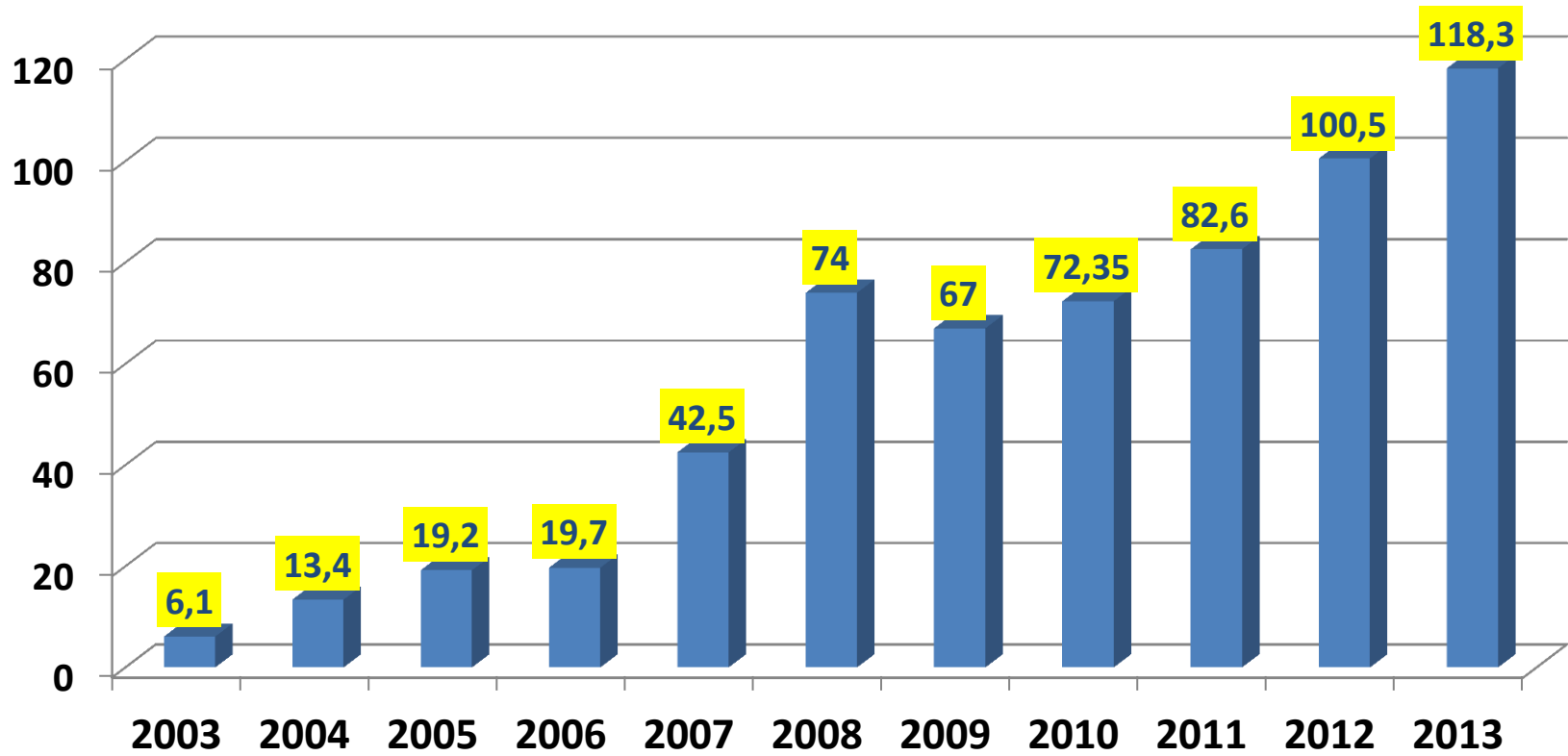
Growth of oil revenues

Iraq's oil revenues 2003-2012
Billions US\$



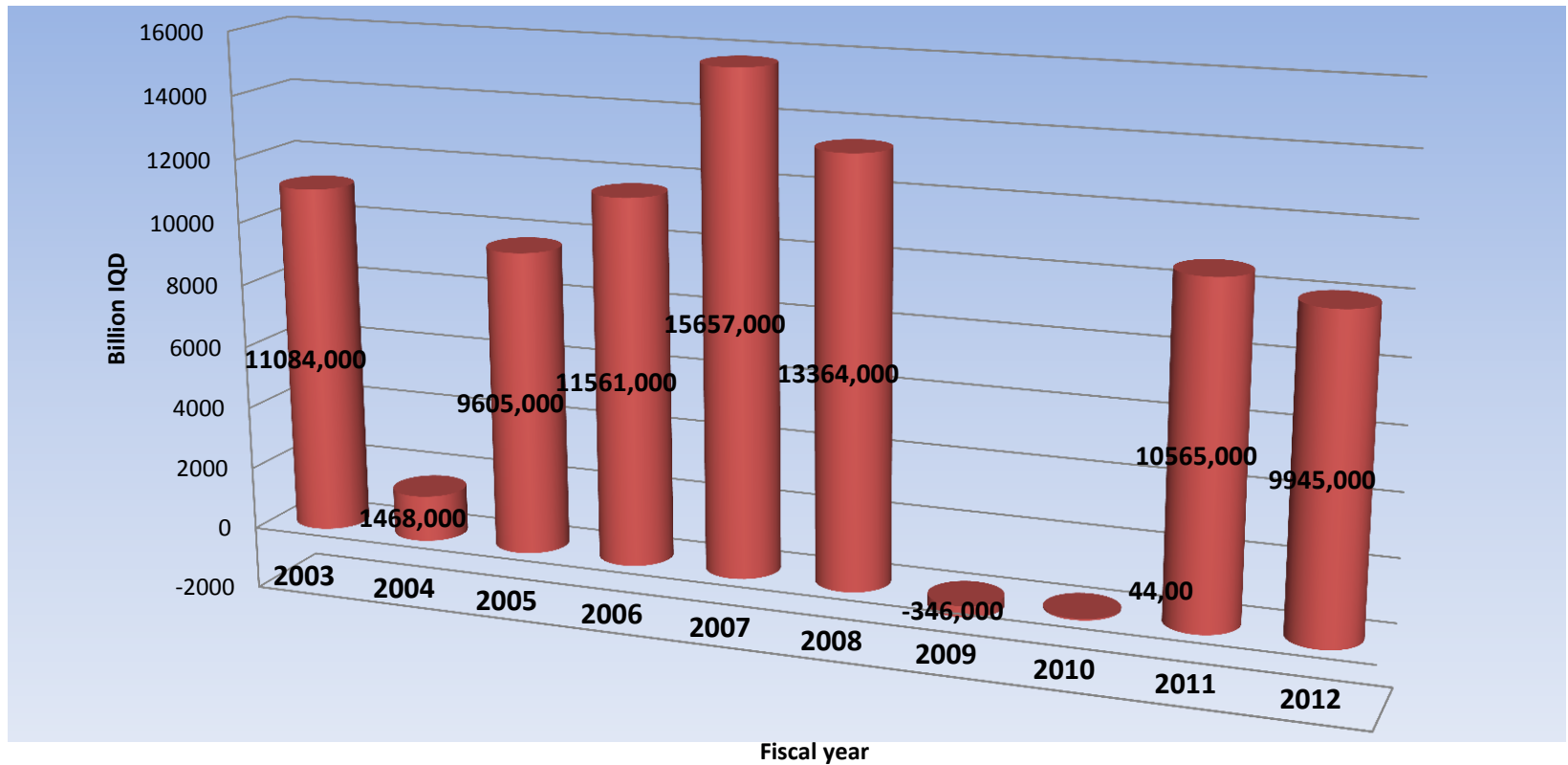
Growth of Public Expenditures

Iraq: Budget Expenditures 2003-2013
Billions US\$



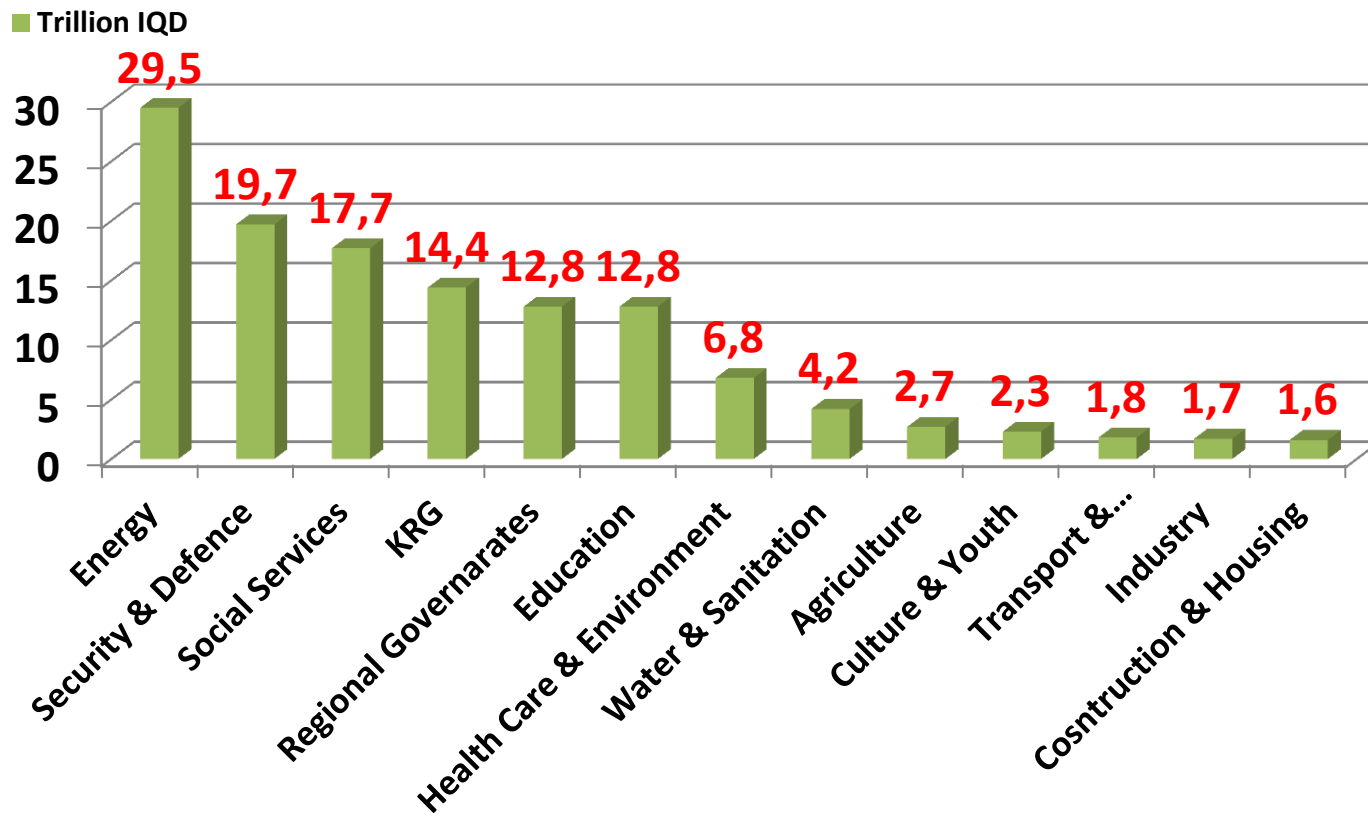
Fiscal Performance 2003-2012

Budget Surplus/Deficit



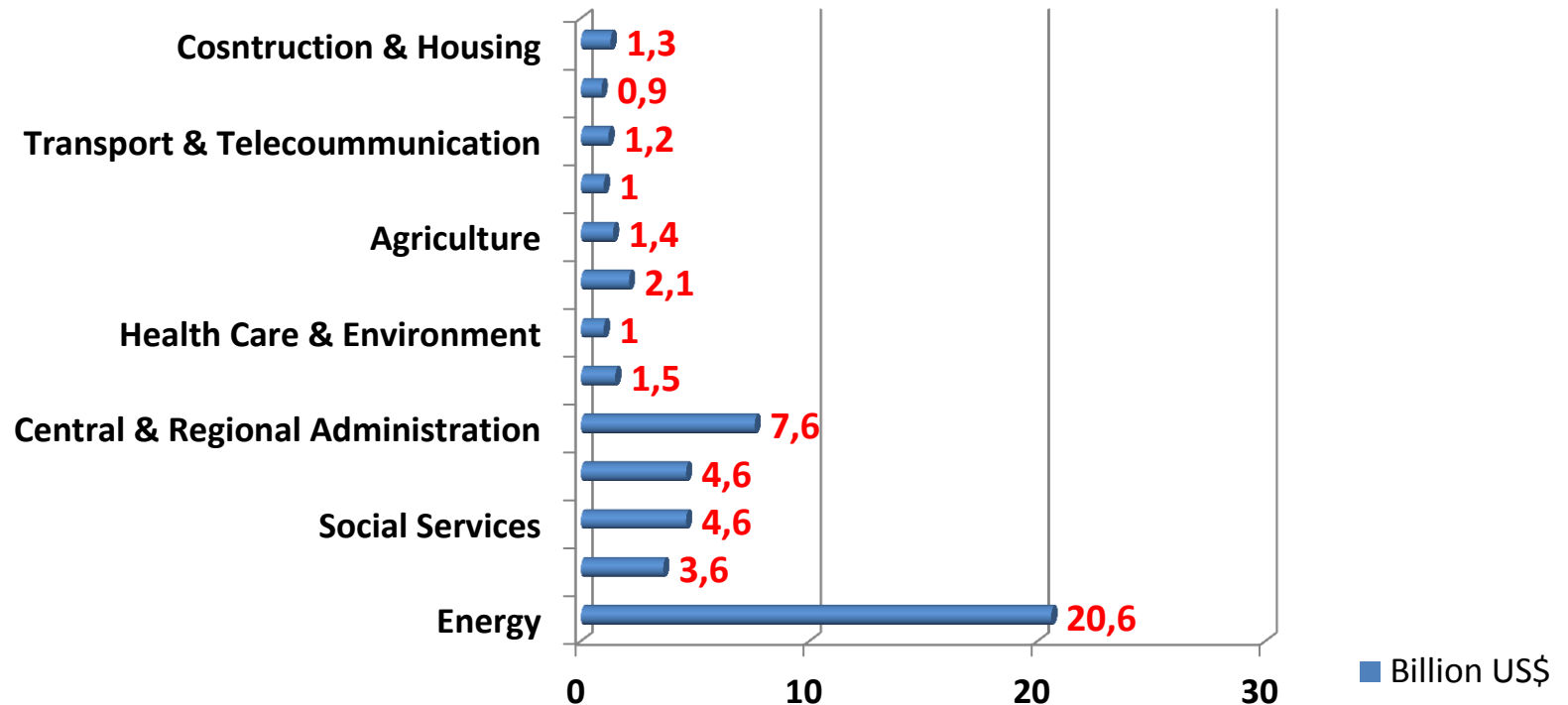
Sectorial Budget Allocation 2013

Budget 2013: Spending Structure

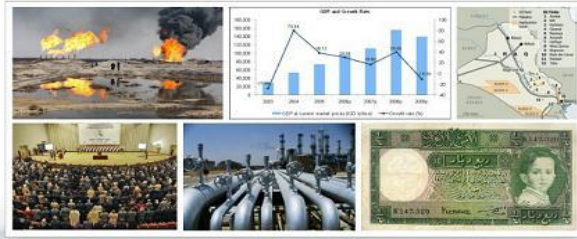


Budget Allocation for Sectoral Investment

Total public investment allocation 2013: 47 b US\$



Source: GoIRQ: Budget Law 2013, figures converted into US\$ based on an average exchange rate of 1US\$ = 1170 IQD



شبكة الاقتصاديين العراقيين

IRAQI ECONOMISTS NETWORK
www.iraqieconomists.net

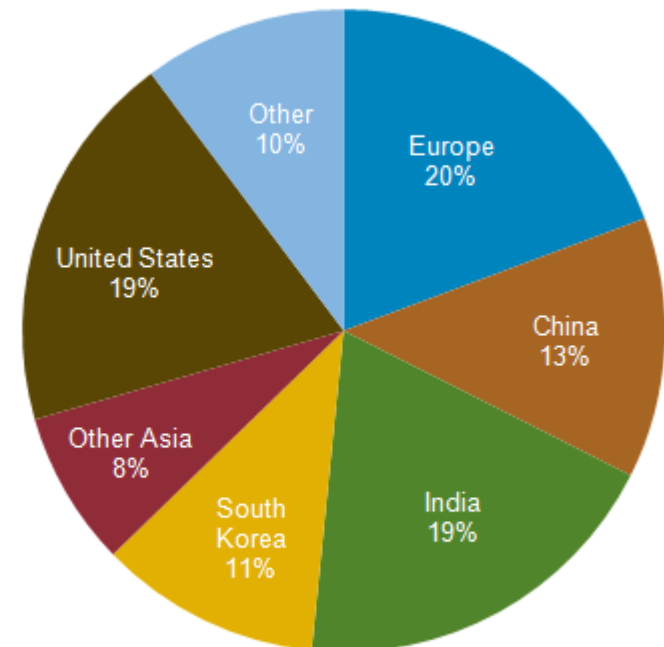
3. IRAQ'S EXTERNAL SECTOR & TRADING PARTNERS

Oil exports destination

Total value of iraqi oil export 2012: 94 billion US\$

- Iraq was the sixth largest net exporter of petroleum liquids in the world in 2012, with the majority of its oil exports going to the United States and to refineries in Asia
- Iraq exported 2.4 million bbl/d of crude oil in 2012, according to tanker data from Lloyd's List Intelligence. About 2.1 million bbl/d of these exports came from Iraq's southern sea ports,
- Only 0.4 bbl/d was exported via the Iraq-Turkey pipeline in the north.

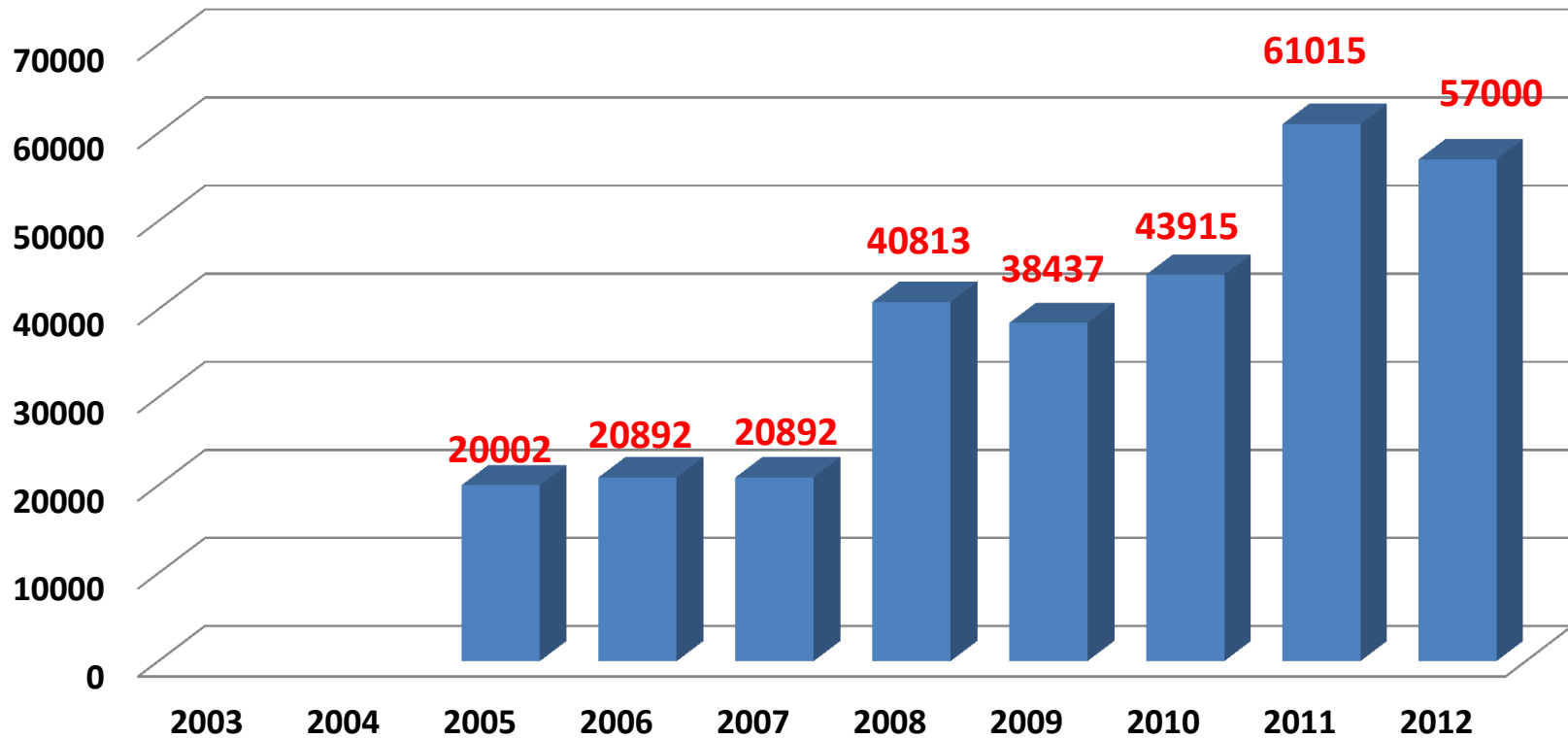
Iraq crude oil exports, 2012



Source: Lloyd's List Intelligence – APEX database

Iraq: Growing Export Market

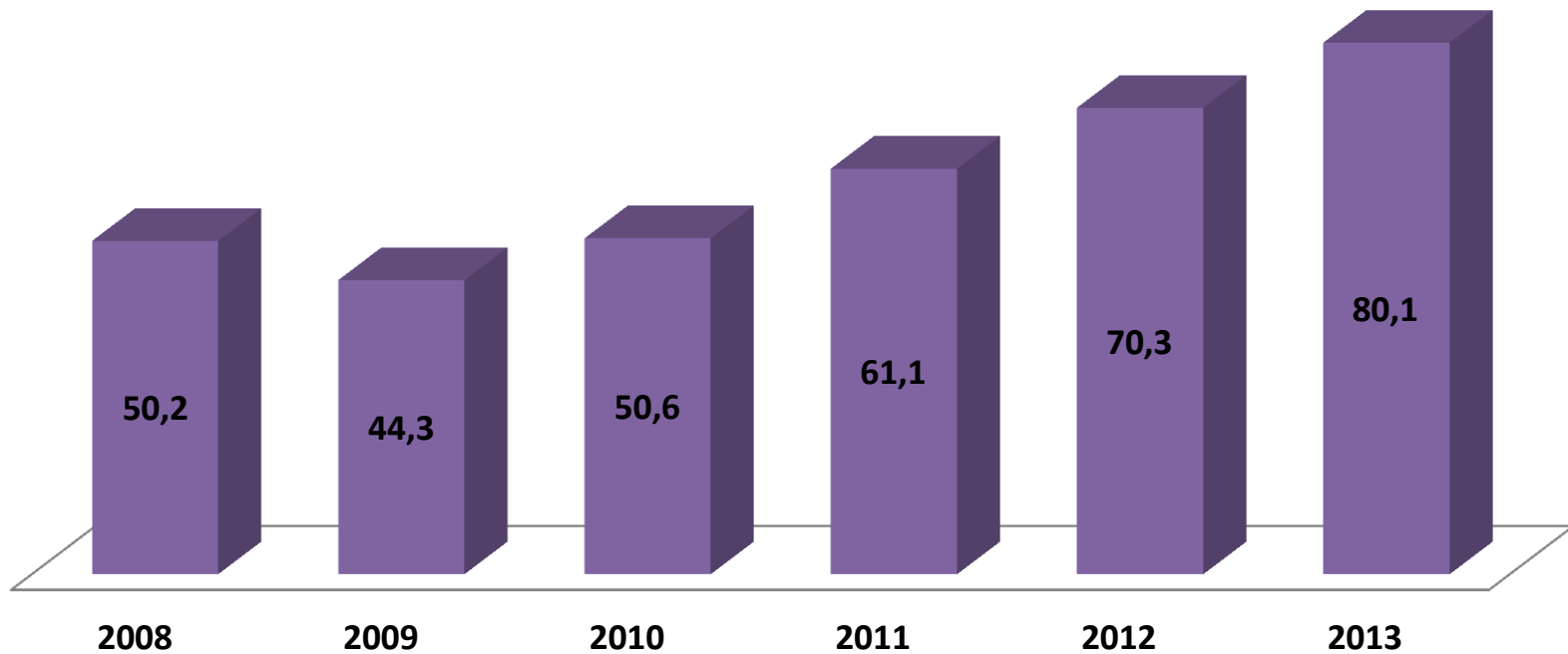
Merchandise Imports
in US\$ million



Strengthened Iraq's international position

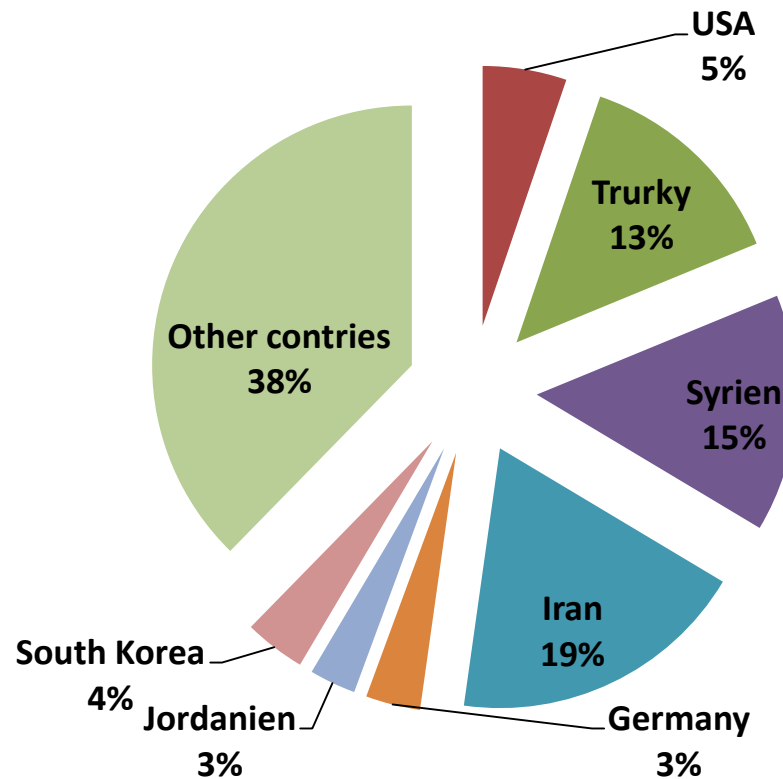
Iraq's foreign reserves 2008-2013

Gross reserves in US\$ billions



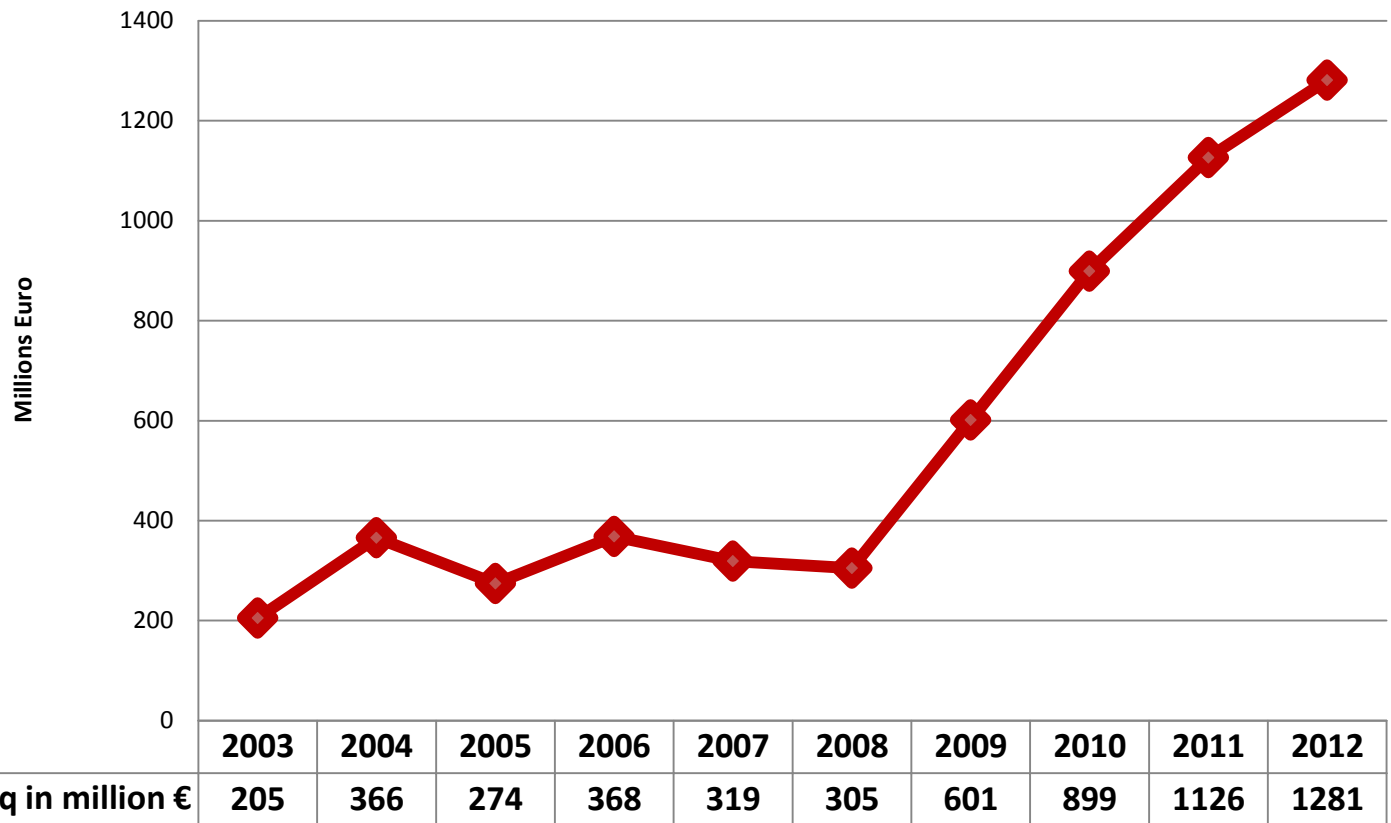
Share in Iraqi Imports Market 2011

Total value of trading partners exports to Iraq 2011: 61 billion US\$



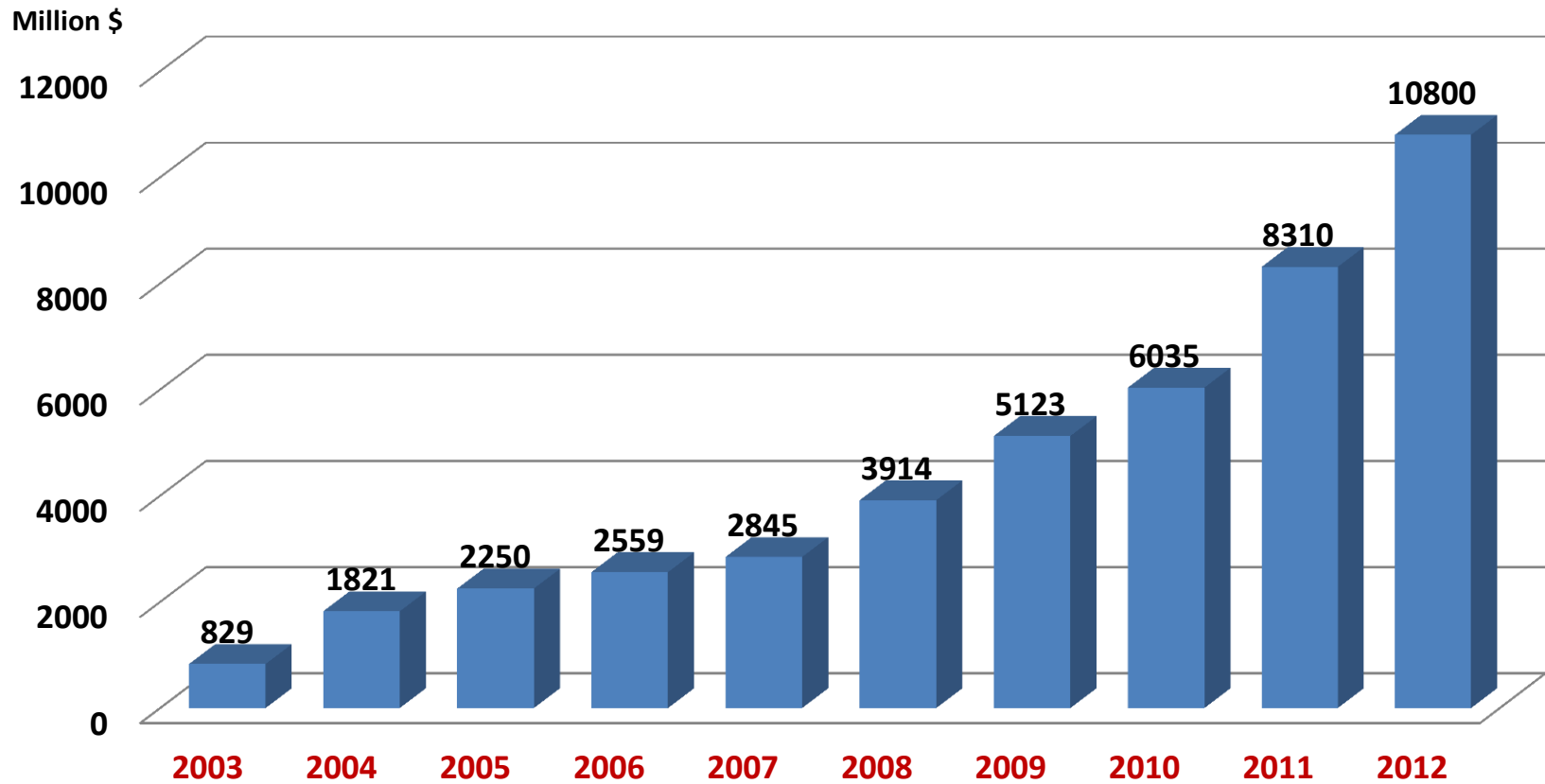
Promising Prospects for German Business

German exports to Iraq



Turkey's lion share in Iraqi market

Turkish exports to Iraq 2003-2013





شبكة الاقتصاديين العراقيين

IRAQI ECONOMISTS NETWORK

www.iraqieconomists.net

4. ECONOMIC OUTLOOK

Outlook: Oil production & export

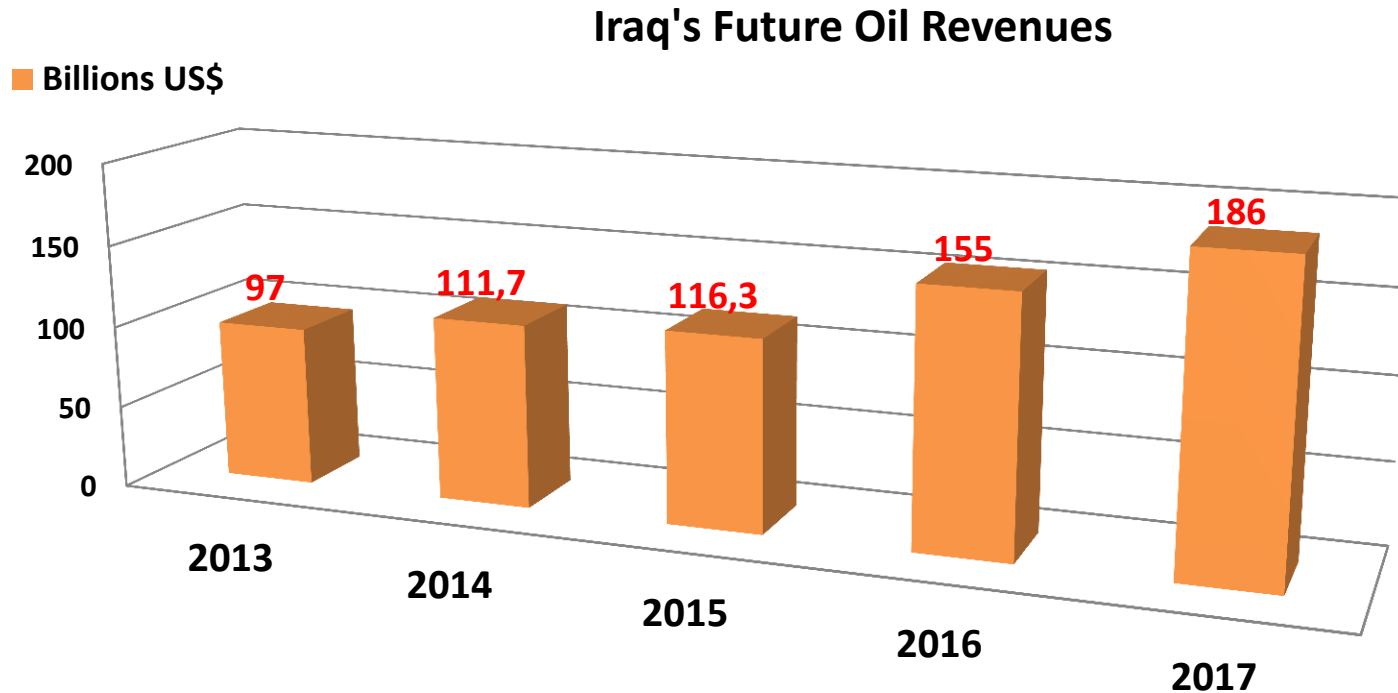
	Production mb/d	Export m/bd
2012 (actual)*	2.9	2.4
2013 (estimate)*	3.3	2.7
2014 (forecast)**	4.5	3.5
2016 (forecast)**	6.4	5.0
2017 (forecast)**	9.5	6.0

Sources:

**) IMF: PIN No.13/58, May 21, 2013*

***) Ministry of Planning: National Development Plan 2013-2017*

Outlook: Oil Revenues



Sources:

2013: Own estimates

2014-2017: MoP, National development Plan 2013-2017

National Energy Strategy 2013-2030

Objectives	
New investment	US\$ 620 billion
Increase of oil production by	9 million b/d in the year 2020
Creation of new jobs	10 million
Increase oil revenues	US\$ 6000 billion by 2030

Source: GoIRQ, Integrated National Energy Strategy

Risks to the Macroeconomic Outlook

According to a recent IMF report risks remain high. They include:

- Weak policy implementation, particularly in the fiscal policy area
- Further deterioration of the political and security situation
- A larger-than-projected decline in global oil prices

Conclusion

However, despite the afore mentioned risk, over the medium and long term, Iraq's macroeconomic prospects will continue to be positive for private business, as

- Oil production and revenues are expected to increase substantially
- Large scale investment in major strategic projects will be executed
- Overall growth rate is projected by IMF to be above 8 percent and inflation at 5-6 percent until 2018

شكراً

Danke

Thank you