

Introduction

Iraq is a country in the Middle East bordering the Persian Gulf. Neighboring countries include Iran, Jordan, Kuwait, Saudi Arabia, Syria, and Turkey. Iran has a strategic location on Shatt al Arab waterway and at the head of the Persian Gulf. Two major rivers, the Tigris and Euphrates, run through the center of Iraq, flowing from northwest to southeast. The government system is a parliamentary republic; the chief of state is the president, and the head of government is the prime minister. Iraq has a mixed economic system which includes some private freedom, combined with weak centralized economic planning and government regulation. Iraq is a member of the League of Arab States (Arab League).



Location: Western Asia

Capital City: Baghdad (+3 GMT)

Chief of State: President Barham Salih

Head of Govt.: Prime Minister Adil Al-Mahdi

Currency: Iraqi Dinar (IQD)

Major Languages: <p>Arabic (official), Kurdish (official), Turkmen (a Turkish dialect), Syriac (Neo-Aramaic), and Armenian are official in areas where native speakers of these languages constitute a majority of the population</p>

Primary Religions: <p>Muslim (official) 95-98% (Shia 64-69%, Sunni 29-34%), Christian 1% (includes Catholic, Orthodox, Protestant, Assyrian Church of the East), other 1-4%</p>

Calling Code: 964

Voltage: 230

Key Websites

Main Government Page: cabinet.iq

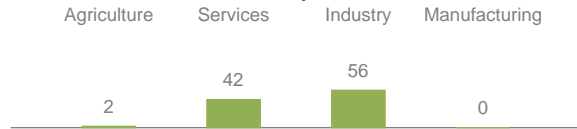
Commerce Ministry: mot.gov.iq

Investment Promotion Agency: investpromo.gov.iq

Key Economic Facts

Income Level (by per capita GNI):	Upper Middle Income
Level of Development:	Developing
GDP, PPP (current international \$):	\$670.12 billion (2018)
GDP growth (annual %):	-0.56% (2018)
GDP per capita, PPP (current international \$):	\$17,435.85 (2018)
Manufacturing, value added (% of GDP):	2.05% (2016)
Current account balance (BoP, current US\$):	\$34.37 billion (2018)
Inflation, consumer prices (annual %):	0.37% (2018)
Labor force, total:	10,378,577 (2019)
Unemployment, total (% of total labor force) (modeled ILO estimate):	7.91% (2019)
Imports of goods and services (current US\$):	\$80.61 billion (2018)
Exports of goods and services (current US\$):	\$98.59 billion (2018)

GDP Composition %



**Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

Rankings

Index	Rank
Corruption Perceptions Index	168 / 180
International Logistics Performance Index (LPI)	147 / 160
KOF Index of Globalization	149 / 185
Open Budget Index	103 / 115

Risk Assessment (Provided by Coface)

Country rating: E - The highest-risk political and economic situation and the most difficult business environment. Corporate default is likely.

Business Climate rating: E - The highest possible risk in terms of business climate. Due to a lack of available financial information and an unpredictable legal system, doing business in this country is extremely difficult.

Strengths

- World's fourth-largest proven crude oil reserves; second-largest OPEC producer and sixth-largest in the world
- Low oil-extraction costs
- Strong growth in the labour force
- International financial support (IMF and bilateral loans)

Weaknesses

- Undiversified economy; highly dependent on the oil sector
- Severe tensions between the ruling Shia majority and the rest of the country
- Tensions with autonomous Kurdistan, which is a major contributor to the oil sector
- Cost of reconstruction and assistance to victims following armed conflict
- Small GDP share of non-oil and gas private sector
- Weak and limited banking sector
- Deficiencies in institutions, as well as in education, health, and welfare systems
- Widespread corruption

U.S. Embassy

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<https://iq.usembassy.gov>