

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 Latif Rashid

Head of Govt.: Prime Minister Mohammed Shia Al-Sudani

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

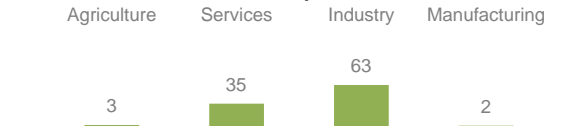
Commerce Ministry: mot.gov.iq

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 \$):	\$483.31 billion (2022)
GDP growth (annual %):	7.01% (2022)
GDP per capita, PPP (current international \$):	\$10,861.82 (2022)
External debt stocks, total (DOD, current US\$):	\$25,262,669,888.10 (2021)
Manufacturing, value added (% of GDP):	1.79% (2022)
Current account balance (BoP, current US\$):	\$24.56 billion (2021)
Inflation, consumer prices (annual %):	4.99% (2022)
Labor force, total:	11,183,808 (2022)
Unemployment, total (% of total labor force) (modeled ILO estimate):	15.55% (2022)
Imports of goods and services (current US\$):	\$50.71 billion (2021)
Exports of goods and services (current US\$):	\$78.26 billion (2021)

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	154 / 178
International Logistics Performance Index (LPI)	147 / 160
KOF Index of Globalization	149 / 185
Open Budget Index	105 / 117

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

- Huge oil reserves (10% of world reserves, fourth-largest proven crude oil reserves in the world, second-largest OPEC producer and fourth-largest producer worldwide)
- Low oil extraction costs
- Strong growth in the labor force
- International financial support (IMF and bilateral loans)

Weaknesses

- Under-diversified economy and highly dependent on the oil sector
- Small GDP share of non-oil and gas private sector
- Low public investment, resources focused on salaries, pensions, subsidies, and social aid
- Weak and limited banking sector
- Severe tensions between the ruling Shia majority and the rest of the population, including Sunnis and Kurds, with frequent demonstrations
- Tensions with autonomous Kurdistan, a major contributor to the oil sector
- High inequalities, especially between those with access to oil resources and those without
- Deficiencies in institutions, as well as in education, health, and welfare systems
- Widespread corruption, nepotism, and patronage

U.S. Embassy

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<https://iq.usembassy.gov>