

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 the 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, including some private freedom and 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: mofa.gov.iq

Commerce Ministry: mot.gov.iq

Investment Promotion investpromo.gov.iq
Agency:

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 %

Agriculture Services Industry Manufacturing



**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	106 / 114

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

- Vast proven (ranked 5th in the world) and undiscovered oil and gas reserves and gas with low extraction costs, significant oil production (ranked 5th with an average of over 4 million barrels per day in 2023)
- Interest from foreign investors in infrastructure (energy, water, transport, etc.)
- Improved relations with China leading to new agreements in hydrocarbons and construction
- A recently created Fund for Development (with initial capital equivalent to 0.3% of GDP) aims to finance projects to promote economic diversification
- A young and growing population

Weaknesses

- Poorly diversified economy: heavily dependent on oil (91% of public revenue, 96% of total exports and 40% of GDP in 2023), heavy gas deficit, underdeveloped industry
- No budgetary rules for managing oil revenues
- Weak electricity and water supplies, food shortages and exposure to drought
- Banking system largely public and fragile, limited access to credit (19.4% of GDP in 2023)
- Untargeted social protection, high unemployment (15.5%), especially among women (30%) and young people (32%), a large informal sector, and an expensive public sector wage bill (over 50% of expenditure) employing 37% of the workforce.
- Government has little credibility; it brings together Sunnis, Kurds and pro-Iranian Shiites, unlikely to remedy the slow pace of economic and institutional reforms, and in particular corruption (ranks 154 worldwide according to Transparency International)

- Insecurity and instability political and social are fueled by Iranian interference and religious and ethnic divisions, the permeability to regional conflicts, and the armed militia operating outside state structures under the threat of a resurgence of the Islamic State.
- Tensions between the central government and the Kurdistan Regional Government over the redistribution of oil revenues

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<https://iq.usembassy.gov>