

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 democracy; 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 Fuad Masum

Head of Govt.: Prime Minister Haider al-Abadi

Currency: Iraqi Dinar (IQD)

Major Languages: <p>Arabic, (official), Kurdish (official in Kurdish regions), Turkoman (a Turkish dialect), Assyrian (Neo-Aramaic), Armenian</p>

Primary Religions: <p>Muslim (official) 99% (Shia 60%-65%, Sunni 32%-37%), Christian 0.8%, Hindu <0.1, Buddhist <0.1, Jewish <0.1, folk religion <0.1, unaffiliated 0.1, other <0.1</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 \$): | \$645.43 billion (2016) |
| GDP growth (annual %): | 11.00% (2016) |
| GDP per capita, PPP (current international \$): | \$17,348.94 (2016) |
| Manufacturing, value added (% of GDP): | 2.09% (2016) |
| Current account balance (BoP, current US\$): | \$3.84 billion (2016) |
| Inflation, consumer prices (annual %): | 1.39% (2015) |
| Labor force, total: | 10,600,937 (2017) |
| Unemployment, total (% of total labor force) (modeled ILO estimate): | 14.80% (2017) |
| Imports of goods and services (current US\$): | \$69.90 billion (2016) |
| Exports of goods and services (current US\$): | \$55.90 billion (2016) |

GDP Composition %

Agriculture Industry Manufacturing Services

0 0 2 0

**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 / 178 |
| International Logistics Performance Index (LPI) | 149 / 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 oil reserves
- Low oil extraction costs
- International financial support (IMF and bilateral loans)

Weaknesses

- Undiversified economy and high dependence on oil and gas sector
- Severe tensions between the Shiite majority holding power and the rest of the population
- Tensions with autonomous Kurdistan and major contributor to the oil and gas sector
- Cost of reconstruction and aid to victims following armed conflicts
- Small size of non-oil and gas private sector in GDP
- Weak and limited banking sector
- Failings in the education, healthcare and social protection system

U.S. Embassy

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<https://iq.usembassy.gov>