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Name : Dlband ShadmanClass 4AIraqEconomy IntroductionEconomy isan important aspect in every country in this report I will talk about Iraqeconomy. It will includeinformation about the economy of Iraq in the recent past and on currentconditions. It also discusses matters such as the several conflicts and warsbetween several countries e. g. the first gulf war. What the results were andhow the economy was ramified under these conflicts.

Thisreport provides background on the different sectors and institutions of theIraqi economy. It also identifies some questions and issues which may havesignificant bearing on Iraq’s future views. In addition what are the main causesand reasons that will likely effect Iraq’s future on economic predictions? MustIraq start over as it rebuilds its economy? Its huge oil resources can serve asan engine of future growth and improvement. It does not start, though, with ablank slate. The experience, opportunities, and targets of the past will haveimportant – if unknown – effects on Iraq’s future economy.

What Iraq learnsfrom its past and how it familiarizes itself for the future will be importantconcerns?        BodyIraq economic situation and history during the 20thcenturyHow did the first gulf war affect the economy?  Iraqhad one of the Arab world’s most progressive economies. Thoughbuffeted by the strains of the Iran-Iraq war, it had – besides petroleum — aconsiderable industrial sector, a relatively well-developed transport system, and comparatively good infrastructure. Iraq had a relatively large middleclass, per capita income levels similar to Venezuela, Trinidad or Korea, one ofthe best educational systems in the Arab world, a well-educated population andgenerally good standards of medical care. Yet, Iraq was a centrally directedcommand economy that was heavily dependent on oil revenue to deposit its keyfoundations and its development program. Iraq investigated in the late 1980swith transfer, useful independence for some elements of the economy, andlimited use of market services. This advantage ended, however, with the startof the first Gulf war.

Inthe dozen years since 1991, Iraq’s industrial and agricultural capacity hasdecayed, its transportation and infrastructure systems have failed, and theeducation levels and standard of living for its population have fell. Oilexports continued under the U. N.

Oil for Food Program (OFFP) after 1995, albeitat a lower rate. However, its production capacity weakened from lack of inputs. Some economic services were damaged in the recent war and its chaotic result. In effect, Iraq must start over as it rebuilds its economy. Its huge oilresources can serve as an engine of future growth and improvement. It does notstart, though, with a blank slate.         Government and theEconomy The historyof Iraq during the 20th century falls into three fairly distinct periods:·        1921-1958: A constitutional monarchy under directBritish control at first and later under significant British influence.·        1958-1968: A series of nominally republican regimesheaded by military officers who assumed power in most cases through a militarycoup d’etat.

·        1968-2003: A government controlled by the socialist, pan-Arab Baath Party, which quickly developed into a vehicle for one-man ruleby leading party official Saddam Hussein.·        2003-present: Democratic government, parliament hasbeen organized but because of the Daash everything went not as required. The ConstitutionalMonarchy                 Government. During the first period, Britain established a monarchy in Iraq under KingFaysal I, a leading member of the respected Hashemite family (of which acollateral branch continues to govern Jordan). In 1932, Iraq became anindependent country, but the bilateral treaties replacing the British commandprovided for a continued British role in Iraq, particularly in protection andforeign affairs. Rising opposition to Iraq’s western ties and mountingnationalist sentiment among younger Iraqis including the armed forces createdgrowing disaffection from the regime. In July 1958, a group of army officersled a coup in which the King and leading officials were killed, many otherofficials imprisoned, and a republic was proclaimed.

The Military Regimes                 Governments. Three military leaders ruled Iraq in succession during the decade that followedthe defeat of the Iraqi monarchy by left-wing nationalist army officers. Thesomewhat weird General Abd al-Karim Qasim, who led the coup of 1958, terminatedIraq’s ties with the West, withdrew Iraq from the Baghdad Pact, and alignedIraqi policies to a considerable degree with those of the Soviet Union. Steadyloss of his power base, exhausted by growing domestic unrest (including thebeginning of a Kurdish insurgency) and regional quarrels, led to a secondrevolution in which Qasim was overthrown and killed in February 1963. Qasim’ssuccessors, Generals Abd al-Salam Arif and Abd al-Rahman Arif, 5 took somewhatmore moderate positions on regional and international affairs, establishedbetter relations with other Middle Eastern states (particularly Egypt underthen President Gamal Abd al-Nasser), and approved a friendlier attitude towardthe West, while recollecting relations to the Soviet Union. However, the Arifregimes faced further domestic instability, the Kurdish insurgency continued tosimmer, and the government lost much of its authority–as did other Arabregimes–after Israel quickly defeated Arab armed forces during the “ six-daywar” in June 1967.

A year later, on July 17, 1968, the Arif regime wasoverthrown by the Baath Party. Economy at the time ofSaddamEconomicdata were considered state secrets, under the rule of Saddam; thus, dependabledata for the era was limited. According to the Economist Intelligence Unitdata, Iraq’s GDP stood at approximately $38 billion in 1989, measured inconstant 2003 dollars. Starting from 1990 till Saddam established the terms andconditions of UN Resolution 986 in 1996 the GDP in Iraq continued at less than30 percent of the 1989 value. In the 1996 to 2002 period, the data appearancesa gradual recovery as GDP increased from $10.

6 billion in 1996 to $33 billionin 2000 before dropping back to $29 billion in 2001. Percapita GDP during the period followed the downward development seen in overallGDP. GDP per capita went from approximately $2304 in 1989 to $938 in 1990. From1991 until 1996 per capita GDP never rose above $507.

During this period incomeinequity was a problem as the wealth was concentrated in the hands of Regimeloyalists and traders while most Iraqis subsisted on much less income. Becauseof the lack of exact economic data, it is difficult to disaggregate the IraqGDP into sectors. It is estimated that in 1989 oil comprised about 61 percentof the economy. However, following the attack of Kuwait and agreements on theoil exports, this steadily dropped until 1996 when the UN OFF program allowedIraq to restart controlled export of oil using UN approved contracts.

TheAgricultural zone of the GDP, was quite small when compared to oil andservices, though larger than some neighboring states. Iraq’s rich agriculturalland covers about one-fifth of its area and has allowed Iraq to withstand anotable agricultural system that is based mostly on barley and dates.    Economy at the present Iraqi forces have made significant improvement againstIslamic State (IS) in 2017, with the jihadi group to be territorially defeatedround end-2017. This, along with the swift redoing of uncertain places from theKurds, following the late September independence referendum, place primeminister, Haider al-Abadi, in a strong position to win re-election in 2018.

However, he will remain under some pressure owing to the impact of low oilprices and huge reconstruction costs on the budget. The statistic shows the growth in real GDP in Iraq between2012 to 2014, with plans up until 2022. In 2014, Iraq’s real gross domesticproduct reduced by around 0. 74 percent compared to the previous year. GDP is a reliable tool used to indicate the shape of a national economy. It isone of the most well-known and well-understood measurements of the state of acountry.

Gross domestic product, or GDP, is the total market value of all finalservices and goods that have been produced in a country within a given periodof time, usually a year.     Conclusion While making this report I have concerned how Iraq has grownto this today, even though all the situations that has happened to the countryit still tries to stay on feet and move on to a better country. If the citizenswork along with the government the situation will become even better than it isnow. Even though Increase in oil and gas production abilities andinfrastructure has been abrupt by security concerns in the last few years, Iraqhas come a long way in terms of oil-production in the last decade and currentlysits behind Russia, Saudi-Arabia and U. S, as the 4th biggest oil-producer.

Iraq’s has been able to keep production costs low due to easy to drillformation and infrastructure that has been in place, built by formergovernments. Iraq has the advantage of negotiating contracts on a formal governmentallevel with drilling and service companies and is able to sell the crude oil ona market-based level compared to the Kurdistan Regional Government. Iraq haspledged to increase oil-infrastructure spending by 20 billion dollars in thenext 5 years to develop the rich fields it has and will probably reach 6million barrels of oil production in the next decade. KRG has in place what is called Production Sharing Contracts(PSC) with companies such as DNO, TAQA and Genel Energy etc. These contractsshare the production revenue and the cost of the exploration and receive apercentage of the overall production of their respective fields. KRG’s oilproduction suffers from unstable political situation, the lack of proper outletfor the oil to be exported and in many areas difficult formation and poisonousH2S gas. Kurdistan’s oil fields are mainly on a exploration stage, and due tothe dropping of oil-prices, companies have little money to spend onexploration.

KRG also has a difficult time selling the crude oil on propermarket price, due to the central governments objections. Also current airtravel blockade has made it difficult for materials needed to be imported tothe area. KRG’s oil revenue and current production depends on the agreementthat will be agreed upon in the future with Baghdad and weather Baghdad willrespect or disallow the contracts KRG has made with international corporations.