- Republic of Iraq
Ministry of industry & Minerals
Investment Department

INDUSTRIAL INVESTMENT OPPORTUNITIES IN IRAQ

(First & Second Group)
Aug. /2007

"Industrial Investment Opportunities in Iraq"

Introduction:

The Ministry of Industry & Minerals – Republic of Iraq, presents with pleasure to investors and businessman, its second group of investment opportunities in rehabilitation and upgrading production capacity of the State Owned industrial plants.

This file is prepared to explain to the interested investors the concept of the investment opportunities and brief data sheet for the plants announced for investment.

Investment Concept:-

The concept is that the investor shall implement the activities to rehabilitate and modify the factory in accordance with modern technology, manage and operate the factory, all at the investor account against share of accomplished production, for a certain period. Detailed privileges and obligations of the investor are given in this file.

Rehabilitation Plan:

Due to the circumstances of the past years: Embargo, wars, shortage of finance, all Industrial sectors suffered from low productivity, some are completely shut down.

The Ministry's plants need rehabilitation to upgrade its production to the design capacity, modernize and develop its production line

The plan of the Ministry is to realize the rehabilitation work needed, depends on engaging investors in this process. The concept is that the investors shall implement the rehabilitation work on their account, operate and manage the plant, pay

salaries and allowances of the employees all against getting a share of the production achieved for a certain agreed upon period.

In order to show investors some of these opportunities, the Ministry has prepared "Investment files" that explain the prevailing technical condition of each plant, the rehabilitation requirements, the privileges of the investor and his obligation, General Conditions of the agreement and other data to enable the investor to take his investment decision and submit his proposal.

The construction materials sector, especially Cement Industry, represents a priority in the rehabilitation plan, for the reason that this sector posses a competitive advantage, the large scale requirements of the reconstruction program for construction material and the availability of raw materials required for this industry locally.

At the same time it is an attractive opportunity to the investors, for the high return on investment expected, short payback period and export opportunities.

Proposal submitted by investor on the basis of the investment file's conditions, shall be studied by a specialized team and select the best proposal based on evaluation criteria such as competence and experience of the investor and his supporting technical team, the share of products he requires, agreement period, scope of rehabilitation work and the proposed time for rehabilitation.

The First and second group of rehabilitation Industrial Plants are:

((Annex No (1); shows a brief data sheet of the first & second group of the investment opportunities for plants rehabilitation.

Applicable Laws &Support:

The applicable Laws and Legislation for Investment are:-

**Law No. 22 ,year 1997 for Organizing State Owned Companies Work;*

para. 4, of article No. 15 :(state companies have the right to share or participate with other foreign companies to implement work within its activities inside Iraq).

***Investment Law No. 13 of year 2006 (privileges for Investor).*

****Full support of Government of Iraq; Investor are insured that their interests are the same as the government's interest .both parties will have incentive to rehabilitate and operate the factory to its greatest potential. The ministry of Industry & Minerals will serve as an effective interlocutor between the investor's needs and the government's requirements.*

The Investor privileges:

Investment law No. 13 of 2006 aims to strengthen confidence in investment environment, to develop and promote investment through simplifying registration and granting license procedure, establishing "one show window" which shall get the approval of other concerned authorities, grant the investment license, facilitate land allocation and leasing, provide consultation and making available data and information to the investors.

The law provides to the investors many privileges and guarantees as mainly:

- ***Transfer the capital he brought to Iraq and its proceeds, outside Iraq in a transferable currency.***
- ***Renting or leasing land needed for the project for the term of investment, but not exceeding 50 year unless extended by the "investment commission".***
- ***Insure the project with any foreign or national insurance company he deems suitable.***
- ***Opening accounts in Iraqi or foreign banks in foreign currency, local currency or both for the licensed project.***
- ***The right to employ non-Iraqi employees in case it is not possible to employ Iraqis with the required qualification.***
- ***Right for residence in Iraq.***
- ***Non- seizure or nationalization of the project, in whole or in part, except for projects on which a final juridical judgment was issued.***
- ***Right to transfer non Iraqi employer's salaries and compensation outside Iraq.***
- ***The licensed project shall be exempted from taxes and duties for ten year in accordance with the areas of development.***
- ***Enjoy additional privileges or guarantees according to laws proposed by the council of Ministers.***
- ***Exemption of imported assets from taxes provided that these should enter Iraq within three years from the date of granting the investment license.***
- ***Exemption of imported assets needed for expansion of the project provided that the development or modernization is done within three years.***

- ***Exemption of spare pasts from taxes up to 20% of the value of fixed assets.***

Note: "The above mentioned points are a brief of the terms of the law. The exact text of the terms of the law shall govern".

Contact address

The Ministry of Industry and minerals / Investment department extend a very worm welcome to all interested investors and businessmen and offer its readiness to render full support and cooperation towards realizing and implementing these industrial opportunities.

P.S.

For detailed information to any of these industrial opportunities please contact the following address.

Ministry of Industry and Minerals

Baghdad – Nithal Street.

Tele- Fax: 00964 18166040
invest@industry.gov.iq E- mail:
www.industry.gov.i **Rehabilitation of State**

Annex No (1)

Brief Data Sheet Of The First & Second Group Of The Investment Opportunities

Rehabilitation of Iron & Steel Plant Basrah-khor alzubair

1. **Name of the plant**: State Company for iron &Steel (SCIS)

2. **Site and area of the plant**: The Company is located in the industrial region of Khor-alzubair about 40 Km to the south of Basrah city and only 7 Km from the specialized seaport of-khor alzubair, Basra Governorate.

The plant covers an area around 13730302 m^2.

3**. Product**: re-bars, sections, sponge iron and spirally welded Pipe.

4. **Design capacity**: 440,000 ton steel / year.

5. **Prevailing condition of the plant**:
   During the period of Economic Embargo on Iraq 1991-2003 the production dropped down, then stopped totally after April 2003.

6. **Man power**:
   Trained labor is available
   No. of employees (6600).

7. **History of the plant**:
   The company had been constructed at the beginning of seventieth by a French company and was commissioned in steps during the period 1978-1980. From the start time, production restarted was limited, after which stopped during the first and second Gulf war then a very limited production because of the sanctions from 1991 up to 2003 due to the shortage of funds required for production and maintenance . In April 2003 the company stopped completely due to bad condition of its equipment and looting events happened at that time.

8. **Process and brief description of the production lines** :

- Sponge Iron plant**:**

The plant is specialized in producing pellets of sponge iron (DRI) in special reactors. The plant consists of the following main sections:

a- Big Unit: Two modules each of four reactors with all its associated equipments .The total capacity is 800000 ton/year and the unit is designed basically to export all its products through khor Al- Zubair sea port.

b- Small Unit: It is also of two modules with services .The total capacity is 400000 ton/year to be utilized completely by electric arc furnaces through storing bunkers and conveyors system.

c- Water treatment plant: with a capacity of 4000 m3/hour including two osmosis units of230 m^3/hour both.

d- System of storing bunkers and material transportation.

- **Steel making plant**:

The plant is specialized in producing steel billets of square sections size 80,100, 120, 150 mm with 6-m length of medium carbon steel and is designed for a production of 440000 ton/year. The plant utilizes (as metallic charge) scrap and DRI in different proportions ranging from 0-80 % DRI. The plant consists of:

a- Melt shop. b- Casting shop c- Lime Kiln d-Scrap preparing yard e- The plant includes some other section like refractory building, electrical and mechanical maintenance and others.

- Rolling shop:

In this shop, all the billets received from melt shop are rolled to the required products after being heated up to the forming temperature of 1100-1200 C. the designed capacity of the plant is 400000 ton / year. The plant consists of:

a- Rebar section line.

b- Medium section line.
c- The shop includes some other workshops (Lathe shop, Work shop, Hydraulic and mechanic workshop, Electric work shop).

- Engineering Utilities department:

This section is responsible for supplying all utilities for the company (production and others) and includes mainly the followings:

a- Electrical substation.
b- Water treatment plant.
c- Oxygen plant.
d- Air compressors.

-Quality control department

- Others

Include some central workshops specialized for motors rewinding, maintenance of electronic parts, welding, mechanical workshop, mobile and hydraulic equipment workshop in addition to some administration, safety, engineering testing, environment keeping, technology, ISO and technical departments.

9. **Raw materials**:

Steel making process comprise a lot of raw and auxiliary materials, almost all of these materials are imported, and the main items of these are:

a. Steel scraps
b. Iron ore: pellets of iron ore are used for the production of sponge iron (DRI).
c. Additives & consumables: Like graphite electrodes, ferro-alloys, copper moulds rolls and refractory.
d. Limestone.

10. **Achieved production**:

11. **Target production capacity after rehabilitation**:

1^{st} stage (500,0000) tons of final product/year
2^{nd} stage (800,000 – 1,000,000) ton /year.

12**. The Required Investment:**

The aim is to rehabilitate the plant technically and to operate & manage it on economical basis, to reach its contractual production capacity, all at the investor expenses, against a share of the product for certain period to be agreed upon with Ministry of Industry & Minerals (MIM.

13 .**Economical parameters:**

a. Local market: The final product of the Company (rebars and sections) can be considered one of the most important items for the local markets since it is essential part in all kind of building materials and the expected demand for these products in the nearest future will be very high especially with the starting of Iraq reconstruction program, the expected demand will not be less than 3 million tons per year.

b. Export opportunities: The investor shall have the right to sell his share locally and export the excess abroad.

c. Availability of raw material: Steel making process comprise a lot of raw and auxiliary materials, almost all of these materials are imported, and the main items of these are:

- Steel scraps: The available quantity of unprepared scrap in the company stores is around 100 000 tons, and there is a huge quantity of scrap all around Iraq which can be utilized.
- Iron ore: pellets of iron ore are used for the production of sponge iron (DRI), the amount available in the company stores reach up to 300000 tons.
- Additives & consumables: Like graphite electrodes, ferro-alloys, copper moulds rolls and refractory, all of which are imported.
- Limestone: Available from the local resources.

d. Estimated cost of the rehabilitation: 220 million US. $.

Rehabilitation of State Company for Petrochemical Industries Basrah-khor alzubair

1. **Name of the plant**: State Company for iron Petrochemical

Industries (SCPI).

2. **Site and area of the plant**: Khor Al- Zubair Basrah Governorate – south of Iraq.

3**. Product**:

a- Petrochemical products: Ethylene (Lummus License), polyethylene (low density and high density), PVC (E.V.C License).

b- Chlorine, Caustic Soda.

c- VCM (VYNILE Chloride Monomer (Stauter License)

4**. Design capacity**:

a. Ethylene 132,000 ton/year.
b. LDPE 60,000 ton/year.
c. HDPE 30,000 ton/year.
d. PVC 60,000 ton/year.
e. Chlorine 42000 ton/year
f. Caustic Sod 43200 ton/year
g. VCM 66000 ton/year.

4. **Prevailing condition of the plant**:

Due to shortage of financial resources and the Embargo imposed on Iraq during nineteen's, a low quality spare parts were used and poor maintenance was implemented which caused reduction in the production capacity therefore the necessity to rehabilitate and modernize the plant to cope with new development in petrochemical industry, and to bring the plant to its design capacity.

5. Man power:

Trained labor is available.
No. of employees (4400).

6. **History of the plant**:

The State Company for petrochemical Industries (SCPI) established in 1977 to manage and operate the petrochemical

Complex No.1 (PC-1) and its future expansion process plants and facilities.

The construction of the complex and hence the commissioning activities were interrupted by Iraq/ Iran war, in Sept.1980, bringing it to total shutdown and was subject to standstill preventive maintenance (mothball) program. In 1988, just before the end of that war, the original Contractor (Lummus) performed necessary repairs for the (PC-1) due to long stand still deterioration of machines and equipments, and to re-start and commission the (PC-1).

The complex consists of six major process units designed to produce polymers and petrochemicals for both domestic use and export.

This fullyself contained facility also include extensive utilities systems to provide water, generate electric power and clean effluents. The extensive infrastructure system include office and housing facilities, roads and rail roads systems, housing, medical center and fire protection.

7. **Process and brief description of the production lines** :

a. Ethylene Plant

The unit consists of an Ethane Recovery section, an Ethylene Section, and supporting facilities.

B. High Density Polyethylene

The plant was designed to produce HDPE in pellets form by catalytic polymerization of ethylene to fluff in loop reactor, and subsequence polarization of the fluff in an extruder. In addition to ethylene within reactor, Isobutane diluents, hydrogen, catalyst and hexene-1 for copolymer are also employed.

- Part of the HDPE production is used for the manufacture of black and colored master batch compounds, capacity of the master batch section is 300 Ton / hr for two lines.
- The plant also includes a new catalyst system (lynex 100).
- The plant was designed to process the feed stocks below:
  1. Ethylene
  2. Isobutane
  3. Hexene -1
  4. Hydrogen

C. Low density Polyethylene

- The Low Density Polyethylene Unit is designed to produce LDPE in pellet form. Stirred autoclave reactors are used. The production is carried out in two independent and identical lines.
- Part of the LDPE production is used for the manufacture of black and colored master batch compounds of two lines capacity of 300 Ton/year each.

8. **Raw materials**:
   The main raw material is Natural Gas which available locally.
9. **Achieved production**:

Ethylene Ton/y	HDPE Ton/y	LDPE Ton/y	year
35070	8706	17426	2002
10217	2372	5268	2003

10. **Target production capacity after rehabilitation**:
Minimum 90% of design capacity. (The investor is obliged to propose a higher capacity in his offer).

11. **The Required Investment:**

The aim is to rehabilitate the plant technically and to operate & manage it on economical basis, to reach its contractual production capacity, all at the investor expenses, against a share of the product for certain period to be agreed upon with Ministry of Industry & Minerals (MIM.

12 .**Economical parameters:**

a. Local market: the demand on petrochemical products to meet the local requirements and for export.
b. Export opportunities: The investor shall have the right to sell his share locally and export the excess abroad.
c. Availability of raw material: The plant is located at an area of abundance raw material needed for petrochemical industry.
d. Estimated cost of the rehabilitation: 100 million US. $.

Rehabilitation of State Company for Automotive Industry

1. Name of the plant: State Company for Automotive Industry.

2. **Site and area of the plant**: Iskandariah about 50 Km south of Baghdad, Babylon Governorate. Buses factory covers an area around 13735 m^2.Truks Bodies factory covers an Area around 185000 m^2.

3. **Product**: 1.Trucks and Tractors. 2. Buses of various types.3. Fixed and tipping bodies for trucks as well as semi-trailers with sides and without sides.

4**. Design capacity**: 1.Trucks and Tractors (2500 units/year). 2. Buses of various types (1500 units/year).3. Fixed and tipping bodies for trucks as well as semi- trailers with sides and without sides (500 units/year).

5. **Prevailing condition of the plant**:

Due to technical difficulties and the embargo imposed on Iraq during the nineteens, the company could not achieve the design capacity. The actual production capacities are: 1. Truck factory (100 units/year), 2. Buses factory (100 units/year.3.Truck Bodies factory (60 units/year). It is required to rehabilitate and modernize the plant to cope with new development in Automotive industry, in order to bring the plant to its design capacity.

6. **Man power**:

Trained labor is available.
No. of employees (1170).

7. **History of the plant**:

1. Truck factory: The factory was established in 1973 according to contract signed with the French Company SAVIM then with SCANIA of Sweden.

2. Buses factory: The factory was established in 1983 in cooperation with MUKART-IKARAUS of Hungary. The agreement included renovation of original contract signed with a/m company in 1973. Three types of Buses were produced namely City, Intercity and Medium Buses.
3. Truck Bodies and Semi-trailers: It was established in 2001 to produce (500) units /year. The production capacity had settled at 60 unit / year ever since 2002 till now.

8. **Process and brief description of the production lines**:

The plant consists of the following factories:

a. Truck factory:

- Chassis assembly.
- Gear- engine (power moving) assembly.
- Axles assembly.
- Cabin assembly

b. Buses factory:

- Raw material preparation.
- Dies and fixtures designing and manufacturing.
- Welding the body on the chassis, painting and trimming.

c. Truck Bodies factory:

- Cutting of 1- Beam.
- Fixtures of chassis assembly.
- Fixtures of tipping chaises.
- Fixtures of cross-members assembly.
- Welding stage.
- Trimming stage.
- Axles assembly.
- Painting.

9. Raw materials: The investor shall study carefully the components and raw materials requirements to manufacture the products according to the design. He should define the parts which are not manufactured inside the company (imported

parts). As for parts that to be manufactured inside the factories, he should design and supply dies and fixtures needed.

10. **Minimum Target production capacity after rehabilitation**: 90% of design capacity.

11. **The Required Investment:**

The aim is to rehabilitate the plant technically, and to operate and manage it on economical basis, to reach its contractual production capacity, all at the investor expenses, against a share of the product for certain period to be agreed upon with Ministry of Industry & Minerals (MIM).

12 .**Economical parameters**:

a. Local market: Local demand is growing in large scale and quickly while local production is not improving. The transportation plans in Iraq are very wide ambicious and encouraging connected to the new economical reform program.
b. Export opportunities: The investor shall have the right to sell his share locally and export the excess abroad.
c. Availability of raw material: Very limited.
d. There are quite lots of mechanical work shops with good experience in manufacturing vehicle spare parts and equipments in which get benefit from these work shops as a sub supplies.

Rehabilitation of State Company for Glass &Ceramic Industry/ New Ceramic Floor Tile Factory

1**. Name of the plant**: State Company for Glass & Ceramic Industry (SCGC).

2. **Site and area of the plant**: About 130 Km west of Baghdad, Al-Anbar Governorate. Covers an Area around m^2.

3. **Product**: Floor and Wall Tiles.

4. **Design Capacity**: 1 million m^2 / year.

5**. Prevailing condition of the plant**: The factory enters operation on August /2002 afterwards stopped due to bad security situation, currently is ready to start with simple maintenance.

6. **Man power**:

Trained labor is available.

No. of employee (250)

7. **History of the plant**:

The New Ceramic Floor Tile Factory is one of the state co. for Glass &Ceramic factories started commissioning on 16/8/2002 to produce Floor Tile with different sizes and colors. All factory machines made by different Italian companies and supplied by SITEEL company. The Factory enters operation on Des.2002 afterwards stopped due to bad security situation, currently is ready to start with simple maintenance.

8**. Process and brief description of the production lines**:

- Raw material preparation equipment.
- Spray drying.

- Feeding equipment presses.
- Pressing and fast drying equipment.
- Glaze preparation equipment.
- Glazing line.
- Firing department.
- Palletizing equipment.
- Laboratory equipment.
- Screen printing.
- Dust collecting equipment.
- Screen photo equipment.
- Additional equipment.

9. **Raw materials**: Raw materials used is given below:

material
Red koaline
White koaline
River sand
Feldespathic sand
Chemical additives
Frits & engobe

10. **Minimum Target production capacity after rehabilitation**: 90% of design capacity.

11. **The Required Investment:**

The aim is to rehabilitate the plant technically and to operate & manage it on economical basis, to reach its contractual production capacity, all at the investor expenses, against a share of the product for certain period to be agreed upon with Ministry of Industry & Minerals (MIM).

12 .**Economical parameters**:

a. Local market: The final product of the factory can be most important items for the rebuilding of new houses in future, the capacity of the existing plant represented about 25% of local demand.

b. Export opportunities: The investor shall have the right to sell his share locally and export the excess abroad.
c. Availability of raw material: Most raw materials locally available and the factory is located near the raw materials resources.
d. Total salaries and allowances of the plant employees 7500 US. $.
e. Estimated cost of the rehabilitation: 1 million $.

Rehabilitation of State Company for Glass &Ceramic Industry Old Ceramic Floor Tile Factory

1**. Name of the plant**: State Company for Glass & Ceramic Industry (SCGC) / Old Ceramic Floor Tile Factory.

2. **Site and area of the plant**: about 130 Km west of Baghdad, Al-Anbar Governorate. covers an area around m^2.

3. **Product**: Floor and Wall Tiles Ceramic.

4. **Design Capacity**: 1.25 million m^2 / year

5. **Prevailing condition of the plant**: - 40% of overall plant Needs completion.

6**. Man power**:

Trained labor is available.
No. of employees (250).

7**. History of the plant**:

Old Ceramic Factory is belong to the state co. for Glass &Ceramic Ind., the factory is under development since 2002, a contract signed with Italian company (SACMI), work progress follows:

- 60% of civil work completed.
- 60% of errection works completed.
- 40% of overall plant needs completion.

8. **Process and brief description of the production lines**:

The factory is composed of the following units departments:

a. Raw material weighing and milling department.
b. Two piston pumps.
c. Spray dryer cap: 10 t/ hr.
d. Silos to store the ceramic material (4).

e. ISO tactic press (2).
f. Glazing line equipped with three screen printers(2).
g. Loading machine and 17 transferring carriages.
h. Roller Kiln cap: 3000 m^2/ day.
i. Unloading machine.
j. Inspection computerized line.
k. Pellitizing machine.
l. Store.

9. **Raw materials**: Raw materials used are given below:

material
Red koaline
Calcium carbonate
Quarts
Grorck
China clay
Fr-So
Feldspar
Zircon
Ball clay
Fritz

10. Minimum **Target production capacity after rehabilitation**: 90% of design capacity.

11. **The Required Investment:**

The aim is to rehabilitate the plant technically and to operate & manage it on economical basis, to reach its contractual production capacity, all at the investor expenses, against a share of the product for certain period to be agreed upon with Ministry of Industry & Minerals (MIM).

12 .**Economical parameters:**

a. Local market: The final product of the factory can be most important items for the rebuilding of new houses in

future, the capacity of the existing plant represented about 25% of local demand.

b. Export opportunities: The investor shall have the right to sell his share locally and export the excess abroad.
c. Availability of raw material: Most raw materials locally available and the factory are located near the raw materials resources.
d. Total salaries and allowances of the plant employees 7500 US. $/ month.

e. Estimated cost of the rehabilitation: 3-4 million US. $.

Rehabilitation of State Company for Glass &Ceramic Industry Sanitary Ware Factory

1. Name of the plant: State Company for Glass & Ceramic Industry (SCGC) / Sanitary Ware Factory.

2. **Site and area of the plant**: about 130 Km west of Baghdad, Al-Anbar Governorate. covers an area around m^2.

3. **Product**: Many models of Sanitary Ware like basin and W.C.

4**. Design Capacity**:

5. Prevailing condition of the plant: The factory now is ready to restart after taken very little maintenance while the tunnel furnace need to repair the firring zone and need to install the heat up programmed.

6. **Man power**:

Trained labor is available.
No. of employees (400).

7. **History of the plant**:

Sanitary Ware Factory is one of the state co. for Glass &Ceramic factories. All the equipment of the factory is supplied by different Italian companies contracted with SITEEL ENGINEERING ITALY. Erecting of the machine and start up begin in 21/8/2002. During this period the Italian experts left the country without finishing the primary acceptance test, the Iraqi staff started operation of the factory on small scale, and they got good result, the production line was stopped from the beginning of 2003 till now.

8. **Process and brief description of the production lines**:

The factory is composed of the following units departments:

a. Bach preparation: consist of feeding system and electronic balance.
b. Weighing system of solid ingredients and transfer it to the mills (2mill) capacity 20 ton to each one.
c. Casting department.
d. Gibson mould workshop.
e. Drying department.
f. Glazing department.
g . Firring department.
e. Decorating department.
f. Quality control department.

9. **Raw materials**: Raw materials used to produce are given below:

material
Koaline(KTM)
Ball clay easy cast
Ball clay(K322A)
Feldespar (F 501)
White kaoline
Quartz
Feldispathic sand
Quarts (P4)
Feldespar (F750)
Zirconium silicate
Zinc oxide
Calcium carbonate
Dolomite
Barium carbonate

10. **Achieved production**:
The factory operated with limit quantity in 2002.

11. **Minimum Target production capacity after rehabilitation**: 90% of design capacity.

12. **The Required Investment:**

The aim is to rehabilitate the plant technically and to operate & manage it on economical basis, to reach its contractual production capacity, all at the investor expenses, against a share of the product for certain period to be agreed upon with Ministry of Industry & Minerals (MIM.

13 .**Economical parameters:**

a. Local market: The final product of the factory can be most important items for the rebuilding of new houses in future, the capacity of the existing plant represented about 35% of local demand.

b. Export opportunities: The investor shall have the right to sell his share locally and export the excess abroad.

c. Availability of raw material: Part of raw materials locally available, the others to be imported, and the factory is located near the raw materials resources.

d. Total salaries and allowances of the plant employees: 120000 US $ /month.

e. Estimated cost of the rehabilitation: 2.5 million US. $.

Rehabilitation &Upgrading of Missan Paper Plant

1**. Name of the plant**: State Company paper Industries/ Missan paper plant

2**. Site and area of the plant**: About 400 Km south of Baghdad, Missan Governorate.

3**. Product**:

a. Paper Cement sacks.
b. Different type of board.
c. Eggs Trays.

4. **Design Capacity**:

a. Paper Cement sacks /140 ton/day.
b. Different type of board /18000 ton/year.
c. Eggs Trays/33000 000 tray/year.

5**. Prevailing condition of the plant:**

a. The cement sacks paper machine line: The machine, requires upgrading in addition to install new waste board treatment line.

b. Board machine line: The machine requires upgrading to use higher percentage of waste papers as raw material.

c. Eggs trays machine line: The machine requires rehabilitation &maintenance.

d. Industrial service units all stopped, needs rehabilitation & maintenance.

6. Man power:

Trained labor is available. No. of employees:

a. Paper Cement sacks (275).
b. Different type of board (300).
c. Eggs Trays (70).

7. History of the plant:

a. The cement sacks paper machine line was installed in 1979 by Esherwyes GmBH/Germany, started production beginning in 1980. The machine requires upgrading in addition to instill new waste board treatment line.

b. Board machine line, installed and operated by Esherwyes GmBH/Germany in 1980. The machine stopped, required upgrading to use higher percentage of waste papers as taw material.

c. Eggs trays machine line, installed in 1979and operated in 1980. The machine requires rehabilitation &maintenance.

d. Industrial service units all stopped, needs rehabilitation & maintenance.

8. Process and brief description of the production lines:

a. cement sacks paper machine line: The factory is composed of the following units departments:

- Pulp preparation.
- Aproch flow system.
-Wet paper from machine system
- Press system.
-Drying system.
-Recover brock system.
- Recovered and reused water unit.
- Chemical preparing unit.
-Wrapping and numbering and weighting system for final product.
- Cores making machine.
- Products and raw material transporting system.
- Air conditioning and lighting system.
- Electrical circuit, and instrument system.

b. Board machine line:

- Low grade waste paper line.
- High grade waste paper line.
- Pulp line.
- Recovered Brock system.

- Fibers and water recovered system.
- Apoarch flow system.
- Vacuum system.
- Forming system.
- Drying system.
- Coating and smoothing system.
-Winding system.
- Wrapping, numbering and weighting system.
- Cutting system.
- Cores making machine.
- Products and raw material transporting system.
- Chemical preparing system.

c. Eggs trays machine line:

- Machine feeding by pulp system.
- Tray forming mould system.
- Vacuum system.
- Drying oven.
- Dryer.
- Tray shaker.
- Machine sewerage water draw.
- Machine central lubrication system.
- Oil storage system.

d. Industrial service units:

-Water treatment plant.
- Industrial water treatment unit.
- Steam generation unit.
-Water demineralization unit.
- Reverse osmosis unit.
- Compressors unit.
- Central air condition unit.
- Electrical power distribution unit.
- Laboratories and quality control unit.
- Storage unit.
- Workshops.

-Safety and fire fighting unit.

9. Raw materials: Raw materials used are waste paper and pulp.

10. **Target production capacity after rehabilitation**: Minimum 90% of design capacity.

11**. The Required Investment**

The aim is to rehabilitate the plant technically and to operate & manage it on economical basis, to reach its contractual production capacity, all at the investor expenses, against a share of the product for certain period to be agreed upon with Ministry of Industry & Minerals (MIM.

12 .**Economical parameters**:

a. Local market: The growing demand of plant products in local market.

b. Export opportunities: The investor shall have the right to sell his share locally and export the excess abroad.

b. Availability of raw material: Part of raw materials locally available, the others to be imported.

**<u>*Rehabilitation of Kubaisa cement plant*</u>

1. Name of the plant: Kubaisa Cement plant/
Iraqi state company for Cement

2. Site and area of the plant: North –West of Iraq, Al-Anbar Governorate, about 190 Km from Baghdad city center.
The plant covers an Area around 1400000 m^2.

3. Product: Ordinary Cement.

4. Design capacity: 2000000 ton ordinary cement / year.

5. Prevailing condition of the plant:
Due to shortage of electricity & financial resources and the Embargo imposed on Iraq during ninetieth, low quality spare parts were used and poor maintenance was implemented which caused reduction in the production capacity ,it became necessary to rehabilitate and modernize the plant to cop with the new development in cement industries, and to bring the plant to its design capacity.

6. Man power: Trained labor is available in the plant;
No of employees is 1109, (628 are technician).

7. History of the plant:
The plant was implemented by the Japanese firm (Kawasaki Heavy Ind.) in according with a contract signed in 1981, the plant was operated 1983.

8. Process and brief description of the production lines:
The plant is design on dry process to produce ordinary cement, the plant is composed of the following units and departments:

- Crushing plant (2).
- Row materials grinding (2)
- Rotary kiln (2).

- Cement Mill grinding (3).
- Packing plant (7).
- Utilities: 2x 760 kW generator, two Boilers& water treatment unit, compressors (20), gas and fuel station, electrical and mechanical work shop, laboratory & fire fighting system.

9. **Raw materials**: Raw materials used to produce one ton of cement is given below:

Material	**Quantity-ton**
Lime stone	1.132
Clay	0.795
Iron	0.023
Gypsum	0.03

10. Achieved production:

Cement Ton/y	year
202831	2003
197497	2004

11. Minimum target production capacity after rehabilitation:

90% of design capacity (i.e.1800000 ton cement / year).

12. The Required Investment:

The aim is to rehabilitate the plant technically and to operate & manage it on economical basis, to reach its contractual production capacity, all at the investor expenses, against a share of the product for certain period to be agreed upon with Ministry of Industry & Minerals (MIM).

13. Economical parameters:

a. Local market: The prediction for cement consumption shows that the consumption may reach 27 million ton / year in the coming years.

b. Export opportunities: The investor shall have the right to sell his share locally and export the excess abroad.

c. Availability of raw material: The plant is located at an area of abundance raw material needed for Cement industry, huge Limestone and Gypsum reserve is available there.

d. Total salaries and allowances of the plant employees: 446000 USD/month.

e. Estimated cost of the rehabilitation: 95 million USD.

f. Annual profit 38 USD.
g. Payback period 2.5 years
h. Break even point 44 %
i. Simple rate of return 40%

**Rehabilitation Falluja White Cement plant

1. Name of the plant: Falluja white Cement plant/managing and operating by Iraqi state company for Cement.

2. Site and area of the plant: North –West of Iraq,(Al-Anbar Governorate) , Falluja city/Al- Garma district.
The plant covers an Area around 642308 m^2.

3. Product: White Cement.

4. Design capacity: 290000 ton white cement / year.

5. Prevailing condition of the plant:
Due to shortage of electricity & financial resources and the Embargo imposed on Iraq during nineteen's, low quality spare parts were used and poor maintenance was implemented which caused reduction in the production capacity , it became necessary to rehabilitate and modernize the plant to cop with the new development in cement industries, and to bring the plant to its design capacity.

6. Man power: Trained labor is available in the factory,
No. of employees is 596, (499 of them of the whole no. are technical employee).

7. History of the plant:
The plant was established by German Company in 1977 with one production line at designed capacity 90000 ton / year, the plant was operated 1978, then in 1981 the plant was expanded by adding two production lines at a capacity of 200000 ton / year, the machinery and equipment were supplied by German Company BKMI, the production with the two lines started in 1984.

8. Process and brief description of the production lines:

The plant is composed of the following units departments:

- Crushing plant.
- Row materials grinding.
- Rotary kiln.
- Cement Mill grinding.
- Packing plant.

9. Raw materials: Raw materials used to produce one ton of cement is given below:

Material	Quantity/ton
Lime stone	1.498
Flint	0.211
Glass sand	0.211
Gypsum	0.03

10. Achieved production:

The total production of the plant for the period 1995-2006 is 819996 ton white cement.

11. Minimum target production capacity after rehabilitation:

90% of the design capacity

12. The Required Investment:

The aim is to rehabilitate the plant technically and to operate & manage it on economical basis, to reach its contractual production capacity, all at the investor expenses, against a share of the product for certain period to be agreed upon with Ministry of Industry & Minerals (MIM).

13. Economical parameters:

a. Local market: The prediction for cement consumption shows that the consumption may reach 27 million ton / year in the coming years. The plant is the only plant in the country for white cement production.

b. Export opportunities: The investor shall have the right to sell his share locally and export the excess abroad.

c. Availability of raw material: The plant is located at an area of abundance raw material needed for Cement industry, huge Limestone and Gypsum reserve is available there.

d. Total salaries and allowances of the plant employees: 193000 USD /month.

e. Estimated cost of the rehabilitation: 20 Million USD.

f. Annual profit 8.5 USD.
g. Payback period 2.5 years
h. Break even point 47 %
i. Simple rate of return 34%

Rehabilitation of Najaf Cement plant

1. **Name of the plant**: Najaf Cement plant /
   Southern State Co. for Cement

2**. Site and area of the plant**: Southern side of Kufa city/ Najaf Governorate; about 160 Km south - west of Baghdad city.

3**. Product**: Ordinary Cement.

4**. Design capacity**: 700 ton Clincker / day.

5. **Prevailing condition of the plant**:

Due to shortage of funds and the Embargo imposed on Iraq during nineteen's, shortage of electricity, poor maintenance was performed with absence of standard spare parts, this situation prevailed until now, the result is law productivity of the plant, its need comprehensive rehabilitation and modernization work to bring the plant to a higher capacity according to modern development technology in cement industry (i.e. Dry process).

6. Man power: Trained labors are available,
No. of employees are 575.

7**. History of the plant**: The factory was constructed by (ACC) Indian company in 1973. The plant was out of the operation since 1982, beginning of nineteen's the state company of southern cement started revamping activities including conversion the clinker cooler to rotating type, then started production of refractory cement in 1994 at a small scale. The plant restarted to produce ordinary Portland cement using the old system till the current time.

8. Process and brief description of the production lines:

The plant is designed on wet process to produce ordinary cement, it consist of, two production lines.

The plant is composed of the following units & departments:

- Crusher.
- Raw materials grinding.
- Rotary kiln.
- Cement Mill grinding.
- Packing plant.
- Utilities: Cement backing unit, cement silos, water treatment unit, and main power station.

9. Raw materials: Raw materials used to produce one ton of cement is given below:

Material	**Percentage %**
Lime stone	70-75
Clay	25-30
Gypsum	3-4

10. **Achieved production**:

Cement Ton/year	**year**
62061	2005
87087	2006

11. **Minimum target production capacity after Rehabilitation**:

2000 ton clinker/ day(on Dry process technology).

12. **The Required Investment:**

The aim is to rehabilitate the plant technically and to operate & manage it on economical basis, to reach its contractual production capacity, all at the investor expenses, against a share of the product for certain period to be agreed upon with the Ministry of Industry & Minerals (MIM).

13. Economical parameters:

a- Local market: There are (17) established cement factories in Iraq. All of them are the property of the state. Its total design capacity 19,000,000 ton/ year, however the actual production capacity currently is around 3,000,000 ton/ year only. The gap between demand and production is wide. Local demand is growing in large scale and quickly while production is not improving. The prediction for cement consumption shows that the consumption may reach 27 million ton / year in the coming years, based on the wide program for reconstruction, infrastructure requirement and large scale housing scheme accordingly there is strong investment opportunities in rehabilitation of existing cement plants and for new plants as well.

b- Export opportunities: The investor shall have the right to sell his share locally and export the excess abroad.

c- Availability of raw material:
Raw materials are available locally at the area of the plant.

d- Total salaries and allowances of the plant employees:
450000 USD /month.

e- Estimated cost of the rehabilitation:
(40-50) million USD.

Rehabilitation of Sheet Glass Plant

1. **Name of the plant**: Sheet Glass plant /
   State Co. for Glass Industries

2**. Site and area of the plant**: West of Iraq, Al-Anbar Governorate/ Al-Ramadi city; about 130 Km from Baghdad city.
The plant covers an Area around 20000 m^2.

3**. Product**: Sheet Glass.

4**. Design capacity**: 14,300 ton / year.

5. **Prevailing condition of the plant**:
Due to shortage of funds and the Embargo imposed on Iraq during nineteen's, shortage of electricity, poor maintenance was performed with absence of standard spare parts, this situation prevailed till now, the result is law productivity of the plant, it needs comprehensive rehabilitation and modernization work to bring the plant to its design capacity according to modern development technology in Glass industry.

6. Man power: Trained labor is available,
No. of employees is about 300 (280 of them are Technicians).

7. History of the plant: The plant was established by the Soviet Union Company (Techno Export) in 1970, the technology of the production based on American method (vertical drawing) called (Fourcault) ;due to old process technology, the production was not steady with too much scrap and the quality was poor. The furnace was rebuilt many times by the same Soviet company except the last rebuilding which has been done by the Iraqi staff.

8. **Brief description of the production lines**:
   The plant is composed of the following units & departments:

   -Batch plant preparation.
   -Side port furnace consist of melting zone & working zone.
   -Cutting and inspecting.
   -Work shops.
   -Stores.
   -Quality control department.

9. **Raw materials**: Raw materials used to produce one ton of sheet glass is given below:

Material	**Kg.**
Silica sand	730
Dolomite	188
Soda ash	250
Sodium sulfate	14
Flint clay	22
Coal	1

10. **Achieved production**:

Ton/year	**year**
2969	2003
2927	2004

11. **Minimum target production capacity after Rehabilitation**:
    The target capacity according to the new proposed technology (Rollout process) is 100-120 ton/day sheet glass; (around 30000 ton /year) .

12. **The Required Investment:**

The aim is to rehabilitate the plant technically and to operate & manage it on economical basis, to reach its contractual production capacity, all at the investor expenses, against a share of the product for certain period to be agreed upon with the Ministry of Industry & Minerals (MIM).

13. Economical parameters:

a- Local market: We expect that all products will be locally marketing due to the high demand and shortage of sheet glass offer.

b- Export opportunities: The investor shall have the right to sell his share locally and export the excess abroad.

c- Availability of raw material:
All raw materials are available locally with quite good quality near the area of the plant.

d- Total salaries and allowances of the plant employees:
75000 USD /month.

e - Estimated cost of the rehabilitation:
20 million USD.

f. Annual profit	1860000	USD.
g. Payback period	4.5	years
h. Break even point	63	%
i. Simple rate of return	22	%

Rehabilitation of Pharmaceutical bottle Plant

1. **Name of the plant**: Pharmaceutical bottle plant / State Co. for Glass industries.

2**. Site and area of the plant**: the factory is located west of Iraq, Al-Anbar Governorate/Ramadi city; about 130 Km from Baghdad city.
The plant covers an Area around 41000 m^2.

3**. Product**: Pharmaceutical glass bottle.

4**. Design capacity**: 29000 ton / year Pharmaceutical bottle.

5. **Prevailing condition of the plant**:
The plant is brand new, and the production lines have not been completed or erected, it needs further inspection and evaluation by the investor.

6. Man power: Trained labor is available, of about 300 (280 of them are Technicians).

7. History of the plant: The Ministry of Industry and Minerals started establishment of this project in 1992. The following steps has been followed to implement the plant:

- -The civil work of buildings (production hall and batch plant) started at 1992.
- -Three bottle making machine from **BDF(ITALY)** has been supplied according to contract signed with Arab Manufacturer Co.(Jordan), these machines are still in their boxes (inside the store) since 1993.
- -Complete set of factory for furnace from EURO (INDIA) has been during 2006.
- -Building of furnace chimney started in 2001 with (not completed yet).

8. Brief description of the production lines:

The plant is composed of the following units & departments:

-Raw materials weighing.
-Mixing unit.
-Molding unit.
-Annealing unit.
-Inspection machine.
-Printing machine.
-Shrinkage unit.

9. Raw materials: Raw materials used to produce one ton of the product is given below:

Material	Kg
Silica sand	732
Dolomite	105
Soda ash	250
Sodium sulfate	10
Limestone	88
Alumina	6

10**. Minimum target production capacity after Rehabilitation**:

27000 ton/year Pharmaceutical bottle.

11. **The Required Investment:**

The aim is to rehabilitate the plant technically and to operate & manage it on economical basis, to reach its contractual production capacity, all at the investor expenses, against a share of the product for certain period to be agreed upon with the Ministry of Industry & Minerals (MIM).

12. Economical parameters:

a- Local market: Recent study shows that the local demand is around 150000 ton /year.

b-Export opportunities: The investor shall have the right to sell his share locally and export the excess abroad.

c- Availability of raw material:
All raw materials are available locally with quite good quality near the area of the plant.

d- Total salaries and allowances of the plant employees:
75000 USD /month

e- Estimated cost of the rehabilitation: 10 million USD.

f. Annual profit 1123000 USD.
g. Payback period 4.2 years.
h. Break even point 58 %

Rehabilitation of Nineveh Drugs Factories

1. Name of the plant: Nineveh Drugs Factories.

2. Site and area of the plant: Mousl city/420 Km to the north of Baghdad, Nineveh Governorate.
The factories cover an area around 800000 m^2.

3. Product: Pharmaceutical items such as ;Tablets, Capsules, Ointment & Cream, Suppositories, Syrup, Oral drop, Eye drop, Ampoules, and Inhalers .

4. Design capacity:
-Tablets (1055 million tablet/ year).
- Capsules (202 million capsule/ year).
- Ointment & Cream (7.2 million tube/ year).
- Suppositories (10.6 million suppository/year).
- Syrup (13.4 million bottle/year).
- Oral drop (4.5 million droppers/year).
- Eye drop (6.7 million droppers/year).
-Ampoules (100 million ampoule),
- Inhalers.

5. Prevailing condition of the plant:
Due to lack of spare parts and poor maintenance, shortage of Electric power, the plant is operating at low capacity. .
It needs comprehensive rehabilitations to the whole plant , factories and utilities as it is mentioned in the investment file of the plant.

6. Man power: Trained labor is available,
No. of employees is 1929.

7. History of the plant:

The factory was established in 1990 by a joint cooperation between the staff of the factory and Al-Faw state company under supervision of engineering consulting Berau of Mosul University. The construction period took about 5 years.

8. Brief description of the production lines:

The plant is composed of the following departments:

- Milling unit.
- Mixing unit.
- Drying unit.
- Packing unit.

9. Raw materials:

Most of the raw materials are imported.

10. Achieved production:

Material	2005	2006
Tablet	333660000	552253000
Capsules	114682000	125786000
Ointment and Cream	5686000	8265000
Suppositories	3275000	3228000
Syrup	5124000	6966000
Oral droops	1381000	773000
Eye drops	3610000	3975000
Ampoules	-	-
Inhalers	887000	1021000

11. Minimum target production capacity after rehabilitation:

Tablets (1000 million tablet/year), Capsules (300 million capsule/year), Ointment & Cream (14 million tube/wear), Suppositories (12 million suppository/year), Syrup (15 million bottle/year), Oral drop (4 million droppers/year), Eye drop (7 million droppers/year), Ampoules (100 million ampoule/year), and Inhalers (2 million sprayer/year).

12. The Required Investment:

The aim is to rehabilitate the plant technically and to operate & manage it on economical basis, to reach its contractual production capacity, all at the investor expenses, against a share of the product for certain period to be agreed upon with Ministry of Industry & Minerals (MIM).

13. Economical parameters:

a. Local market: The production of the factories does not meet the total requirement of the local market and that opens the way for the continuous importation of all products from various countries. Presently the productions cover more than 20% of the local markets.

b. Export opportunities: The investor shall have the right to sell his share locally and export the excess abroad.

c. Availability of raw material: Most row materials are imported.

d. Total salaries and allowances of the plant employees: 283000 USD /month.

e. Estimated cost of the rehabilitation: 27.5 Million USD.

f. Annual profit 4.4 million USD.
g. Payback period 4 years
h. Break even point 60 %
i. Simple rate of return 16%

** ***Rehabilitation of State Company of Fertilizers/*** **Khor AL – Zubair / Basrah**

1. **Name of the plant**: State Company of Fertilizer in Khor AL – Zubair

2**. Site and area of the plant**: Urea Fertilizer production in Iraq was started in Basrah Governorate south of Iraq.The State Company of Fertilizers occupies about 1250000-squared meter of the total area 4000000-squared meter in Khor al Zubair territory on which all its facilities included. Being near to Khor al Zubair seaport and it's specialized facilities for bagging and bulk ship loading in addition of availability of natural gas in Basrah (second large city in Iraq), which facilitates highly qualified working personnel.

The Plant consists of 2 trains each of capacity 1000 ton Ammonia/day & 1600 ton Urea Fertilizer/day.

3**. Product and design capacity**:

1 056 000 Ton Urea Fertilizer/ Year

4. **Prevailing condition of the plant**:

Due to lack of spare parts and poor maintenance, shortage of Electric power, the plant is operating at Low capacity. It needs comprehensive rehabilitations to all factory production and utilities lines.

5. Man power: Trained labor is available,

No. of employees is 3260.

6. History of the plant:

Republic of Iraq has geographically very unique features compared with other neighboring Arabian countries since it has abundant river water (Tigris and Euphrates) and fertile land suitable for agriculture as well as huge amount of energy resources such as oil and gas. Iraq is one of the major producers of Natural Gas in the world. For the purpose to utilize such unique natural conditions for Iraqi people livelihood, Ministry of Industry & Minerals of Iraq has constructed (4) fertilizer production plants in the northern and southern area of the country after 1970, which could utilize the associated gas as a feedstock and produce fertilizers (ammonia & urea) to the domestic end users in addition to export.

Appropriate preventive maintenance could not be timely made for the existing plants more than fourteen (14) years as a result Fertilizer plant No.3 plant located in Basrah / Khor Al Zubair(so called as Basrah Plant) .

Under such insufficient condition, Iraqi Fertilizer plants under operation could not supply even minimum domestic demand of Urea fertilizers which has been utilized by the Iraqi people as one of the essential chemical products for the daily agriculture activities.

7. Brief description of the production lines:

The plant consists of the following units:

- Desulphurization unit.
- Reforming unit.
- CO Conversion unit.
- CO_2 Removal unit.
- Methanation unit.
- Ammonia Synthesis unit.
- Urea Synthesis unit.

8 .Raw materials:

The main raw material is Natural Gas which available locally.

9. Achieved production:

Year	Urea Fertilizer			
	Train No.1		Train No.2	
	Annual Production (Tons/Year)	On Stream Days/ Year	Annual Production (Tons/Year)	On Stream Days/ Year
2003	45,680	34	53,487	43
2004	208,322	217	54,391	69

10. **Minimum target production capacity after Rehabilitation**: (1 056 000 Ton Urea / Year).

11. **The Required Investment:**

The aim is to rehabilitate the plant technically and to operate & manage it on economical basis, to reach its contractual production capacity, all at the investor expenses,

against a share of the product for certain period to be agreed upon with the Ministry of Industry & Minerals (MIM).

12. Economical parameters:

a. Local market: -Sufficient production capacities of existing fertilizer plants to fill the current need for local urea

- In the case of the rehabilitation of factories there will be a production surplus for export markets in the Southeast Asia and Africa.

b. Export opportunities: The investor shall have the right to sell his share locally and export the excess abroad.

c. Availability of raw material: Raw materials are locally available.

d. Total salaries and allowances of the plant employees:

2200 000 USD / Month

e. Estimated cost of the rehabilitation:
150 million USD

f. Annual profit 100 million USD.
g. Payback period 17 months
h. Break even point 38 %
i. Simple rate of return 68%

Rehabilitation of Electric Transformers Factories

1. **Name of the plant**: Electric Transformers Factories / Diala State Co. for Electrical industries.

2. **Site and area of the plant**: About 60 Km. north east of Baghdad, and 5 Km from the city center of Ba'quba /Diala Governorate.
   The plant covers an Area around 31250 m^2.

3**. Product &Design capacity**:

- Distribution transformers 3400 MVA /year.
- Power transformers 3004 MVA /year.

4. **Prevailing condition of the plant**:

Due to lack of spare parts and poor maintenance, shortage of Electric power, the plant is operating at Low capacity. It needs comprehensive rehabilitations to all factory production and utilities lines.

5. Man power: Trained labor is available,
No. of employees is 1156

6. History of the plant: Diala state company for electrical industries, had been established in 1978 under the name of "the industrial complexes".
Its products include: ceiling fans, steam iron, electricity meters and spark plugs.
In 1983 two factories were added, namely Power and distribution transformers, and this new amalgamation named " Diala state Company for Electrical Industries". Later on "Argon Gas factory" was added in 1990 as well as " fiber optic cable factory" in 2003.

7. Process and brief description of the production lines:

The plant consists of the following departments:

a. Distribution transformers factory:

- Tank department.
- Metal manufacturing department.
- Wound core manufacturing department.
- Winding & insulation department.
- Final Assembling department.
- Coating department.
- Inspection department.

b. Power transformers factory:

- Metal manufacturing department.
- Wound core & wiring department.
- Winding & insulation department.
- Final Assembling department.
- Inspection department.

8. Raw materials: The main imported raw materials and consumables needed are given below:

- Grain oriented silicon.
- Cold rolled carbon steel strip.
- Steel plate hot rolled.
- Rolled steel shapes.
- Insulating paper.
- Varnished paper.
- Cupper strip.
- Cupper wire.
- Electrical insulation oil.
- Tap changer assy.
- HV pushing assy –LV.
- Chemical material & enamel.
- Rectangular copper wire.
- Flexible wire.

9. **Achieved production**:

2005 11423 MVA
2006 11325 MVA

10**. Minimum target production capacity after Rehabilitation**:

- Distribution transformers 3400 MVA /year.
- Power transformers 1804 MVA /year

11. **The Required Investment:**

The aim is to rehabilitate the plant technically and to operate & manage it on economical basis, to reach its contractual production capacity, all at the investor expenses, against a share of the product for certain period to be agreed upon with the Ministry of Industry & Minerals (MIM).

12. Economical parameters:

a- Local market: The total production of the factories meets the demand of the Ministry of Electricity.
b- Export opportunities: The investor shall have the right to sell his share locally and export the excess abroad.
c- Availability of raw material: Copper Wire and Argon gas are locally available, others material are imported.
d- Total salaries and allowances of the plant employees: 300,000 USD /month

e- Estimated cost of the rehabilitation: 27 million USD.
f. Annual profit 18 million USD
g. Payback period 1.3 years.
h. Break even point 37%
i. Simple rate of return 66%

** *Rehabilitation of Aluminum Factories*/

UR State Company for Engineering Industries

1. Name of the plant: Aluminum Factories.

2. Site and area of the plant: The plant is located at Thi-Qar Governorate south Iraq near Nassiriya City about 360 km from Baghdad City . All the factories are located in one Industrial Complex, which includes also Electric cables and wires factory.

Area of each factory is given below:

Rolling factory	8855 m^2
Extrusion factory No1 No2	2880 m^2
Anodizing factory	2400 m^2
Anodizing and coloring factory	6000 m^2
Foil factory	8855 m^2
Foundry factory	6155 m^2

3. Product & Design capacity:

Factory	Product	Design capacity
Rolling factory	- **Plates:5.5-12mm** - **Plates:o.5-0.7-0,8-1-1.5-2.0 mm** - **Corrugated plates 0.7-1-1.25-1.5 mm** - **Strips : 0.5 – 2.5 mm** - **Discs : 0.8 – 1.5 mm**	**16500 ton/y**
Extrusion factory No.1 **No.2**	**Aluminum sections (doors and windows) 6m length profile section according to mould**	**3700 ton/y** **4500 ton/y**
-	-	**3600 ton/y**
-	-	**1000 ton/y including 6000 ton normal oxidized profile and 4000 colored**
Foil factory	**- plane foil :20 – 80 micr one thick** **25 – 1000 km width** **- printed foil :30-40 km thick (coated)** **- medicine bateles caps** **Size 28 x 18 mm** **20 x 8 mm** **31.5 x 18 mm** **28 x 22 mm**	**2845 ton/y**
Foundry factory	**Remelt slabs 280X160 billets 178mm diameter and wire rode 9.5,12,15mm diam**	**10000 ton/y**

4. Prevailing condition of the plant:
Due to shortage of financial resources and the Embargo imposed on Iraq during nineteen's, a low quality spare parts were used and poor maintenance was implemented which caused reduction in the production capacity and the necessity to rehabilitate and modernize the plant to cop with new development in casting and Aluminum industries, and to bring the plant to its design capacity.

5. Man power: Trained labor is available,
No. of employees is (2050).

6. History of the plant:

a- Rolling Factory:

Established in 1978 in cooperation with CLECM Company of France to produce Aluminum strips plates and discs for various uses.
The design capacity is 16500 tons per year. The actual production capacity varied from 3000 tons in 1993 to 500 tons in 2006.

b- Extrusion Factory:

There are two production lines namely No.(1) and No. (2) specialized in producing various Aluminum sections used for making doors, windows and furniture as well as making pipes and shafts in deferent dimensions. No.(1) was established in 1979 in cooperation with French Companies with a design capacity of 3700 ton per year, but currently the line is standstill due to technical difficulties. No.(2) was established in 1993 with a design capacity of 4500 tons per year, but since 1995 the production capacity settled at low rate of 600 tons per year.

c- Anodizing Factory No.1:

Established in 1979 in cooperation with SCECIM Company of France to anodize Aluminum profile with Al_2O_3 layer to provide protection from variable weather conditions, as well as coloring according to customer's desire. The design capacity is 3600 tons per year. The plant is out of operation now due to corrosion and damages of most of its components.

d- Anodizing and Coloring Factory No.2.

Established in 1990 in cooperation with "Confirmex" Company of Italy to supplement the production of the Extrusion factory. The factory produces anodized and electro-colored profiles (six bronze colors graduated from silver to black) as well as spray coated colored profiles .Due to Gulf war all works stopped and the line of power- coating had been totally damaged. Internal efforts managed to operate the factory manually ever since 1994. Never the less some machineries and production lines are still out of operation.

e- Foil Factory:

Established in 1978 in cooperation with CLECM Company of France with a design capacity of 2800 tons per year. The factory produces aluminum foils in different thickness (plane, laminated metallic, and medical bottles caps).

f- Foundry Factory:

It was established in 1978 to provide raw materials for the Rolling and Extrusion factories Slabs, Billets and Wires Rods for Cables Factories are produced by remelting of scrap and remelting of ingots. The design capacity is 10000 tons of slabs and billets as well as 10000 tons of wires. However the actual production capacity was 1500 tons only since 1995 till now.

7. Process and brief description of the production lines:

The following is a brief description of the plants factories and process of production

7-1: **Rolling factory**:

Final products of the factory are: Strips, Plates, Discs

The line include heating furnace, grinding press 150 ton, press 100 ton, hot Rolling, cold Rolling machine, cutting machine to desired length, slitting machine, disc production machine, Annealing and packing machine.

7-2: **Extrusion factory**:

2-a: Extrusion factory No.1

Billets of 250-730 mm length are prepared at a special table then heated at Billets heating furnace to 450-500c,transported by special carriage to the center of the extruder using the mold of the required shape. The section of 45 length is moved and loaded by a special carriage moving

horizontally to stress releifing and cutting to 6meter length then to homogenizing.

Billet used are imported or produced as remelt of scrap at the foundry factory.

2-b: Extrusion factory No.2

Billets Alloy 6063 dia 178 -198 mm and moulds are heated in separate special heating furnace then derived to the extruder 2200-2500 ton led by conveyor to the cooling table , stretching machine , cutting saw, then to treatment furnace and finally to galvanizing plant.

7- 3: **Anodizing Factory No.1:**

The plant consists of the following department:-

A-Loading area:
B- Tanks line.
C- Unloading area.
D- Utilites :-
1- Boiler No.2
2- Chiller No.3
3- Rectifier No.3
4- Filter for coloring tank
5- Demi water unit

E- Electric room
F- Bridge crane: 4 bridge cranes two of them for anodizing line and the others for loading& unloading line.
G- Water- Treatment Station: to treat the solution of production (soda, acid, and others)

7-4: Anodizing - coloring factory No.2:

The plant consist of degreasing, etching, neutralization, anodization, rinsing, sealing tanks, deionizer water unit, powder coating line, decoration machine for Aluminum profiles.

7-5: Foil factory:

The factory includes:-

- Foil mill machine.
- Rewinder.
- Annealing furnace.

- Printing machine.
- Lacquering machine.
- Laminating machine.
- Wax machine.
- Slitting machine
- House hold machine.
- Final cutting machine
- Bottles caps machines.

7-6: Foundry and wire rod factory:

The factory contains two production lines:

1- Vertical casting line.
2- Continuous casting line.

8. Raw materials:

The following table shows the Raw material for each of the relevant factory :-

Rolling factory	**Imported slabs 2250 mmx1060mmx280 Al. Alloy A4 and A5**
Extrusion factory NO.1 NO.2	**Imported Billets dia 178-198mm Length 450-750 mm Alloy 6063**
Anodizing factory NO.1	**Non- oxidized profiles different sections for windows, doors and others**
Anodizing and coloring factory NO.2	**The same as above**
Foil factory	**Strips coming from Rolling factory of thickness 0.5 mm**
Foundry	**Alum. Scrap and ingots for correction**

9. Achieved production:

	Total production from 1995-2006
-Foundry	1500 ton
-Anodizing Factory	1000 ton
-Extrusion factory	6000 ton
-Rolling factory	12700 ton

10. Minimum target production capacity after rehabilitation:

The investor shall indicate in his proposal the target production capacity after rehabilitation for each factory. These capacities shall not be less than 80% of the design capacity. Upgrading of capacity to the design capacity or higher is appreciated.

11. The Required Investment:

The aim is to rehabilitate the plant technically and to operate & manage it on economical basis, to reach its contractual production capacity, all at the investor expenses, against a share of the product for certain period to be agreed upon with Ministry of Industry & Minerals (MIM).

12. Economical parameters:

a. Local market: The plant is the only Aluminum semis producer in Iraq. The extruders of the extrusion factory are the only extruders in Iraq. A large number of down stream private sector factories depend on the profiles produced at the plant for further processing to produce window and door sections according to customer request.

There is a large scale demand on colored profile, while current production does not meet the demand.

Sheets, strips, foil have a very encouraging local market. .

b. Export opportunities: The investor shall have the right to sell his share locally and export the excess abroad.

c. Availability of raw material:

Most raw materials are imported.

d. Total salaries and allowances of the plant employees:

475000 USD.

e. Estimated cost of the rehabilitation:

98 million USD.

Rehabilitation of Cable Factories/
UR State Company for Engineering Industries

1. Name of the plant: Cable Factories.

2. Site and area of the plan: The plant is located at Nassiriye city, Thi-Qar Governorate, about 380 Km. to the south of Baghdad.

The factories area is given below:

Factory	**Area/ m^2**
Telephone cable	10320
Power cable	12000
Control cable	4127
Wooden drum	2664
Enameling wire	3200
Domestic wire	2567
Field wire	4080
Jelly filled telephone Cable	8642

3. Products & **Design capacity**:

Factory	Product		Ton/ year
Telephone cable	PCLPE-TUT…PCLA-T/UT (Paper cable)		2500
	PE-SS (self supported cables)		
	PE-A (plastic armored cables)		
	PVC cables (switch board cables)		
	Jumper wire		
	Drop wire		
	Flat twin wire		
Power cable	High voltage transmission cable		7500
	Low voltage power cable		8500
Control cable	Duct type and armored Power cable (different sizes)		300
	Duct type and armored Domestic wire (different sizes		
Wooden drum	Wooden stay(different sizes)		7000
	Drum (different sizes)		15000
Enameling wire	Round copper wire	Round copper (0.28-3mm) isolated with enamel (P.E.I)	5914
		Round copper (0.28-3mm) isolated with enamel (P.V.F)	
	Rectangular copper wire	Rectangular copper (1x1.65-3x14mm) isolated with enamel, (P.V.C)	
		Rectangular copper (1x1.65-4x14mm) isolated with paper	
Domestic wire	Domestic wire (different sizes)		220
Field wire	Drop wire (2x0.8) mm^2		812
	Jumper wire (2x0.75) mm^2		
	Domestic wire (2x1) mm^2		
	Domestic wire (2x1.5) mm^2		
	Domestic wire (2x2.5) mm^2		
	Field wire (2x0.87) mm^2		
Jelly filled telephone Cable	Duct type		1.2 million/Km =10000 t/y
	Armoring type		

4. Prevailing condition of the plant:

Due to lack of spare parts and poor maintenance, shortage of Electric power, the plant is operating at low capacity. . It needs comprehensive rehabilitations to the whole plant , factories and utilities as it is mentioned in the investment file of the plant.

5. Man power:

Trained labor is available,
No. of employees is 3100.

6. History of the plant:

The factories were constructed and operated in different periods by different contractors to produce several kinds of electric cables and wires, as follows:

a. Telephone Cable Factory:

The factory was established in 1982, according to a contract signed with **HOSECH** Company of Austria.

b. Power Cable Factory:

The exiting factory was established in 1976 and started operation in 1977, the machinery was supplied by **NIEHOFF** Company / Germany.

c. Control Cable Factory:

It was established in 1995 by the staff of UR state Co. (owner efforts).

d. Wooden Drum Factory:

Established in 1981 in cooperation with **WATIKIN** Company /England to produce **wooden reels**.

e. Enameling Wire Factory:

It was established in 1979 in cooperation with **NIEHOFF** Company/ Germany.

f. Domestic Wire Factory:
It was established in 1995 by the **State** Company's own efforts.

g. Field Wire Factory:
It was established in 1982 by **HOESCH** Company/ Austria.

h. Jelly filled telephone Cable Factory:
It was established in 2001, by Contec Company/Austria.

7. Process and brief description of the production lines:

The Plant consists of (9) productive factories (each one of them is specialized to produce some products), as well as related utilities, services and plant maintenance facilities. Each factory follows a specific process; some are related to foreign imported technologies through cooperation contracts with International companies.

8. Raw materials:

Main raw materials used for production are given below:

- Copper.
- Polyethylene
- Lead alloy.
- Steel tape.
- PVC
- Copper rod 8 mm
- Aluminum rod 9.5 mm.
- Iron materials.
- Enamel.
- Jelly Material.
- Sheathing granules.

9. Achieved production:

Material	Ton/year 2005	Ton/year 2006
Telephone cable	-	-
Power cable	232	165
Control cable	-	-
Wooden drum	-	-
Enameling wire	32	127
Domestic wire	-	-
Field wire	78	11
Jelly filled telephone Cable	-	-

10. Minimum target production capacity after rehabilitation:

The minimum target capacity is 80% of the design capacity, except the jelly filled telephone cable factory which should be equal to its design capacity.

11. The Required Investment:

The aim is to rehabilitate the plant technically and to operate & manage it on economical basis, to reach its contractual production capacity, all at the investor expenses, against a share of the product for certain period to be agreed upon with Ministry of Industry & Minerals (MIM).

12. Economical parameters:

a. Local market: Local demand is growing widely and quickly, while current production does not meet the market needs. The gap is covered by importation. The Telephone wires produced does not have an encouraging prospect, due to the reason that Iraq has recently entered the mobile communication system which is growing up very quickly, the investor may consider two possibilities, either orient the production to export or implement any necessary modifications on the production line to produce other similar nature product making use, as much as possible.

b. Export opportunities: The investor shall have the right to sell his share locally and export the excess abroad.
c. Availability of raw material: Most of raw materials needed for the production of cables and wires are imported.

d- Total salaries and allowances of the plant:
600,000 USD / month.
e. Estimated cost of the rehabilitation:
60 million USD.

** ***Rehabilitation of Irrigation System Plant***

1. **Name of the plant**: Irrigation System Plant/
   State Company for Mechanical Industries

2**. Site and area of the plant**: The plant is located at Babylon Governorate, 50 Km to the south of Baghdad, 50 Km to the north of Babylon Governorate Center (Hilla), 2 Km from inhabited area (Iskandariyah).
The plant area: 90000 m^2

3. Product:

-Fixed Irrigation system (cover an area up to 40x 2500 m^2).
- Mobile Irrigation system.
- Pivot Irrigation system (cover an area up to 60x 2500 m^2).
- Pivot Irrigation system (cover an area up to 120x 2500 m^2).
- Pivot Irrigation system (cover an area up to 180x 2500 m^2).

4. Design capacity: 1100 system/year.

5. Prevailing condition of the plant:

Due to shortage of electricity & financial resources and the Embargo imposed on Iraq during nineteen's, low quality spare parts were used and poor maintenance was implemented which caused reduction in the production capacity, therefore, it became necessary to rehabilitate and modernize the plant to cop with new development in Irrigation industries, and to bring the plant to its design capacity.

6. Man power:

No. of employees is (925). (The ratio of technician and labor to administrative 93 %.)

7. History of the plant:

The Irrigation system plant is one of multi factories located in one complex called" Mechanical Industries ".

The original plant was built early seventieth by Iraqi Government to manufacture some kinds of Trailers and Truck bodies. Production started in 1975 and due to bad economic condition in Iraq during the last fifteen years, the plant turned to different activity to produce **irrigation systems** by cooperation with international companies like **Bauer and Irrifrance** and started manufacturing irrigation system in 1998, then stopped in 2003. Currently the plant manufactures products according to local market demand (work order) such as water purification plants, electrical and impeded poles…etc.

8. Process and brief description of the production lines:

Parts and components of the irrigation system are manufactured in different steps, such as:

a. Preparation unit.
b. Press unit.
c. Metal parts production.
d. Plastic part production.
e. The assembled, galvanized and tested.

9. Raw materials:

Components of the System (metal parts and plastic parts).
Total weight of components / system as follows:

- Fixed system: 8 ton.
- Mobile system: 2 ton.
- Pivot system: 9.5 ton.

10. Achieved production:

Average rate till year 2002 is (500 system/ year), then the production was stopped .

11. Target production capacity after rehabilitation:

2400 System /year of different types, the capacity can be reached in stages after the third year. The investor is free to implement higher capacity if he finds it is feasible.

12. The Required Investment:

The aim is to rehabilitate the plant technically and to operate & manage it on economical basis, to reach its contractual production capacity, all at the investor expenses against a share of the product for certain period to be agreed upon with Ministry of Industry & Minerals (MIM).

13 .Economical parameters:

a. Local market: Due to shortage of water sources, dryness, and agricultural sector development plans, there is high local demands on this sorts of irrigation systems, however an economical production cost and a competitive selling price should be studied by the investor to compete with imported systems, export opportunities should also be considered. Electric Poles can be manufactured also on these lines, to cover needs of Ministry of Electricity. This alternative product is strongly needed for the Electricity distribution program requirements.

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b. Export opportunities: The investor shall have the right to sell his share locally and export the excess abroad.

c. Availability of raw material: Most of the system components are imported, other can be manufactured locally.

d. Total salaries and allowances of the plant employees:

172000 USD /month.

e. Estimated cost of the rehabilitation:

(33.85 million) USD.

f. Annual profit 4.8 USD.
g. Payback period 4.16 years
h. Break even point 51%
i. Simple rate of return 14%

Rehabilitation of State Company for Mechanical Industries

1. Name of the plant: State Company for Mechanical Industries

2. Site and area of the plant The plant is located at Babylon Governorate, 50Km south of Baghdad, 50 Km north of Babylon Governorate Center (Hilla) and 2 Km from inhabited area (Iskandariyah).

The factories area is given below:

Factory	Area/ m^2
Casting	13500
Agricultural Equipment and Implements	76300
Bodies and non standard Equipment Factory	62000
Manufacturing requirements and spare parts	12900

3. Product and Design capacity:

Factory	Product	No./year
Casting	Steel cast	6780
	Iron cast	
Agricultural Equipment and Implements Factory	Implements	30000
	Tractor	4000
Bodies and non standard Equipment Factory	Electrical Pole	1200
	Caravans	150
Manufacturing requirements and spare parts	Mold	720 piece
	Fixture mold	
	Spare parts	
	Gears	
	Cutting blades	
	Transferring belts	

.

4. Prevailing condition of the plant:

Due to lack of spare parts and poor maintenance, shortage of Electric power, the plant is operating at Low capacity. It needs comprehensive rehabilitations to all factory production and utilities lines.

5. Man power:

Trained labor is available in the factory;

No. of employees is given below:

Factory	No.
Casting	734
Agricultural Equipment and Implements	2148
Bodies and non standard Equipment Factory	158
Manufacturing requirements and spare parts	1041

6. History of the plant:

The factories were constructed and operated in different periods by different contractors as follows:

a. Casting Factory:

The factory has been established according to the Iraqi- Russian treaty which was signed early sixties of the last century as a part of an agricultural equipment complex, operation started in 1971. All its equipment were Russian in origin but some of them were substituted by Western made between 1976 -1981.

b. Agricultural Equipment and Implements Factory:

The agricultural equipment and implements factory has been established according to the Iraqi- Russian treaty which was signed early sixties of the last century to manufacture agricultural implements and tools. Operation started in 1970, then two different production lines were added as follow:

- Tractors Assembly line; which was implemented in 1986 according to a cooperation agreement with Chec. technical company(Zetor).
- Irrigation pumps line; was implemented in 1988 by technical company (Inter Sigma). In (1998-2002) many rehabilitation work was carried out for fixing and repairing the machines.

c. – Bodies and non standard equipment Factory:

The Factory has been established at the end of the nineties to manufacture mobile bridges.

d. Manufacturing requirements and spare parts factory:

The factory has been established at sixtieths by Soviet Union with two sections (Tools & (spare parts). The two sections were merged in one factory called later as "manufacturing requirements and spare parts factory".

7. Process and brief description of the production lines:

The Plant consists of (4) productive factories (each one of them is specialized to produce some products). Each factory follows a specific process; some are related to foreign imported technologies through cooperation contracts with International companies:

a. **Casting Factory**:

The technical dep. studies the possibility of the manufacturing requested cast piece for the customers, then required drawing for the molding are prepared, also casting production technology for the specific piece.

b.Agricultural Equipment and Implements Factory:

- drawing unit.
- Mechanical treatment unit.
- Assembly unit.
- Quality control unit.

c.Bodies and non standard equipment factory:

- Preparing and cleaning metals.
- Body assembly.
- Adding the accessories to the body
- Finishing and painting

- Quality control.

d.Manufacturing requirements and spare parts Factory:

- Adjusting ,inspecting metals and raw material to insure its compatibility to the drawing,
- Mechanical treatment unit.
- Heat treatment unit.
- Assembly unit.

8. Raw materials:

- The main raw materials needed to produce different type of the factories products, are given below:

-Steel sheet plate.
- Graphic poles.
- Mid & low carbon steel.
- Silica sand.
- Bentonite.
-Cast iron sheet.
- Sandwich panels.
- Wood (block).
-Alloy steel.
-Aluminum metal (shaft & plates).

9. Achieved production:

a. Casting Factory:

The production capacity from (2004 to 2006) is about (240) ton/year.

b. Agricultural Equipment and Implements Factory:

products	Qty. in 2005	Qty. in 2006
Agricultural tool	362	747
Tractors	7	21
Pumps	14	-
Bolts & Nuts	14.8	-
Pressing	-	-
Forging	-	-
Manual tools	17286	138

c. – Bodies and non standard Equipment Factory:
Current production capacity: 150 caravans and 1200 electrical poles/year.

d. Manufacturing requirements and spare parts factory:

Piece /2005	Piece/2006
7	7

10. Minimum target production capacity after rehabilitation:

Factory	**Ton/year**
Casting	4000 (3 shift/day)
Agricultural Equipment and Implements	30 000 implements. 4000 tractors(one shift)
Bodies and non standard Equipment Factory	800 caravans. 3000 electrical poles
Manufacturing requirements and spare parts	80% of design capacity

11. The Required Investment:

The aim is to rehabilitate the plant technically and to operate & manage it on economical basis, the aim is to reach its contractual production capacity, all at the investor expenses, against a share of the product for certain period to be agreed upon with Ministry of Industry & Minerals (MIM).

12. Economical parameters:

a- Local market:

The factories products is so much demandable in the Iraqi market, as Iraq is an agriculture bases country , and most of the production of these factories are for agriculture usage ;for many years, these factories were providing the local market with this kind of product with good quality. So, it is considered that the investor will keep on supplying the local market bearing in mind that he can export the access product to other countries.

b. Export opportunities: The investor shall have the right to sell his share locally and export the excess abroad.

c. Availability of raw material: Most of raw materials needed for the production are imported.

d- Total salaries and allowances of the plant per month are :

Factory	Salary (USD)
Casting	140000
Agricultural Equipment and Implements	352000
Bodies and non standard Equipment Factory	31000
Manufacturing requirements and spare parts	208000

e. Estimated cost of the rehabilitation:

Factory	Million USD.
Casting factory	3.5
Agricultural Equipment and Implements	7
Bodies and non standard Equipment Factory	2.5
Manufacturing requirements and spare parts	5.5
Utilities	3
Summation	21.5 million USD

f. Annual profit 15.6 USD.
g. Payback period 1.3 years.
h. Break even point 32 %
i. Simple rate of return 72 %

** ***Rehabilitation of State Company for Phosphate***

1. **Name of the plant**: **State Company for Phosphate / (chemical complex & Akashat Mine).**

2. Site and area of the plant:

SCP chemical complex;
located 20 km south- east of Al-Qaim City; 220 km west of Ramadi city / Al-Anbar Governorate and 420 km to the west of Baghdad.
Mine Site 170 Km West-South of Al Qaim City.
Plant Area 220 000 Sq. Km.

3**. Product and design capacity**:

Product	**Designed capacity (Ton/ Year)**
TSP	600,000
NP	655,000
MAP	280,000
Phosphate rocks	3400,000

4. **Prevailing condition of the plant**:

Due to lack of spare parts and poor maintenance, shortage of Electric power, the plant (for the last years) is operating at low capacity.

It needs comprehensive rehabilitations to the whole plant, factories and utilities as it is mentioned in the investment file of the plant.

5. Man power:

	No. of employees
Chemical complex	3747
Akashat Mine	266

6. History of the plant:

he construction of the chemical complex started on 1978 by a Belgium Company (SYBETRA) as a main contractor; the production started in 1983.

The complex consists of separated group and interconnected Plants.

An agreement was signed on 31/8/1975 between Ministry of Industry and Minerals and (SYBETRA) to bring the "Akashat Phosphate Mine" into production; establishing the industrial site facilities and infrastructure was in July/1982.

7. Brief description of the production lines:

The chemical complex comprises of many plants working together to produce the phosphate fertilizer.

The production route is as follows:

a.NPK

The main raw materials are ; Urea , Map , Potassium , Ammonia , H2SO4 , Water , Steam .

TSP produced by a reaction between the concentrated phosphoric acid and phosphate rocks.

b. MAP

It is Produced by a reaction between the concentrated phosphoric acid and Ammonia.

c.Akashat phosphate Mine

It is an open pit Mine using a conventional strip mining method with single bench, phosphate material obtained by off-highway trucks loaded by shovel or wheel louder.

The crushed are conveyed to a loading station by conveyer belt lines. The mining activities are focused on two quarries (no. 1 & 2) located near the Industrial site which comprises of (2) production lines for ore material .

Currently one line is only operating due to the performance draw back of the chemical plants.

8 .Raw materials:

The main raw materials are:-

- Concentrated Phosphate rocks from Akashat Mine.
- Phosphoric Acid, MAP, H_2SO_4 produced in the chemical complex.
- Ammonia, Urea brought from Urea fertilizer plants in Baiji or Basrah.
- Filling sacks either from local market or imported.

9. Achieved production:

***Chemical product**;

Product/ Year	2005	2006
TSP	**-**	**-**
NP	82550	81500
MAP	**-**	-

*** Phosphate rocks 850 000 ton /year (obtained),**
average 600 000 ton/ year.

10. Minimum target production capacity after Rehabilitation:

Rehabilitation objectives to reach the production targets:

*The objective of the **first stage** of rehabilitation is to reach the following production capacity:-

product	production target (ton)	% of the designed capacity
NP	480000	40%
TSP	240000	70%

****The second stage might be around the design capacities**

11. The Required Investment:

The aim is to rehabilitate the plant technically and to operate & manage it on economical basis, to reach its contractual production capacity, all at the investor expenses, against a share of the product for certain period to be agreed upon with the Ministry of Industry & Minerals (MIM).

12. Economical parameters:

a. Local market: the local market demand is increasing according to the Ministry of Agriculture studies:-

Fertilizer type	Local Market demand Ton/year (currently)	Targeted Capacity for 1st stage of rehabilitation ton/year
All types of complex fertilizers	300 000	480 000
Super Phosphate fertilizer	120 000	240 000

b. Export opportunities: The investor shall have the right to sell his share locally and export the excess abroad.

c. Availability of raw material:

Akashat phosphate Mine comprises of 5 main quarries of calcium phosphate deposit spread over an area of 50 sq. kilometers includes a reserve exceeds 500 million ton.

d. Total salaries and allowances of the plant employees:

Location	USD / month
Chemical complex	641`000
Akashat Mine	31000

e. Estimated cost of the rehabilitation:
320 million USD

f. Annual profit 60 million USD.
g. Payback period 3.5 years
h. Break even point 43 %
i. Simple rate of return 19 %

Investing The Urea Fertilizers plant in Abu Al-khasib/ Basrah /South of Iraq

The Ministry of Industry and Minerals (MIM) / Investment Department invites international Competent Companies and Investors to invest in Nitrogen Fertilizer plant (Urea) located at Abu Al-khasib (25KM) south of Basrah – South of Iraq through implementing and Financing rehabilitation and reconstruction activities , manage and operate , the plant at the investor account against share of product accomplished.

Brief History about the project

The plant was implemented by the Japanese firm MHI as Main Contractor during the period 1973-1976 at a design capacity of 420 000 ton Urea /year. As a result of Military hostilities between 1980-1988 the plant suffered heavy damages. In 1993 a limited reconstruction and rehabilitation work was performed (detailed record of this work is available attached to the Investment file) .

The plant located on the coast of shat Al- Arab river near Abu- floos river south of Abu Al-khasib town , river dock – yard is available to load bagged Urea for export.

The plant consumes at its design capacity 40 Million standard cubic feet of natural gas per day.
The plant consisted of the following main units :-

- **Ammonia Unit.**
- **Urea Unit .**
- **Industrial utility Units .**
- **General services (Administration , stores, workshop buildings … etc).**

Strength point of the project

1- **The plant is located at an area where low cost labor is available. Secured and safe area.**
2- **Availability of Natural gas up to plant site .**
3- **Availability of infra-structure such as roads, power transmission and distribution network**
4- **Availability of river dock – yard for the purpose of exporting Urea Fertilizer from the plant directly .**

Concept and Evaluation Criteria

The evaluation criteria for selecting the investor shall be :-

1- **The share of MIM as a percentage of production offered by the Investor, not less than year 2002 production quantity minimum.**
2- **Rehabilitation plan and scope of work .**
3- **Obligation of the Investor/ group of investors to install Electrical generation unit with capacity capable to operate all plant production & Utilities units, during and after Rehabilitation activities .**
4- **Obligation of the Investor/ group of investors to keep all current plant personnel, paying them their salaries & incentives, yearly increase in salary and any increase obtained according to Iraqi laws, in addition to incentives on increase in production.**
5- **The period planned to implement the rehabilitation activities to conclude the targeted production Capacity of the plant.**
6- **The least period of the investment contract.**
7- **Maximum production Capacity obliged to be fulfilled by the Investor.**
8- **The Investor Financial Capability to fulfill his under-taking to rehabilitate the plant supported by :-**
    - **Financial statements for the last three years.**
    - **Supporting letter from Banks and Financial houses show the Investor Financial capabilities.**
    - **Documents on the Financial Capabilities of the investor partners or the Supporting parties.**
    - **Documents on Financial facilities that Banks may grant to the investor.**

9- **The technical and managerial capacity of the investor and his Supporting partners to achieve the rehabilitation works (Engineering Companies , Vendors, Site work Contractors) , Operate and manage the plant after completion of rehabilitation. Organizational structure of the Investor/group of Investors to be provided .**
10- **Similar experience of the Investor and his supporting companies in similar works with documental reference.**

Annex (2)

Law No. 13 of year 2006
(privileges for Investor).

Unofficial translation

In the name of people

Presidency Counsel

Pursuant to what was approved by the Council of Representatives in accordance with provisions of Para (first) of Article (61) of the constitution and elapse of the

legal period given in Para 5/A of Article 138 of the constitution ,the following law is promulgated

No. (13) of 2006
The Investment Law

Chapter One

Definitions

Article (1)

The following terms, wherever mentioned in this Law, shall have the following specific meanings unless the context indicates otherwise:

A: The Council :the Council of Ministers

B: National Commission for Investment: the commission established in accordance with this law responsible for drawing up the national policy and laying out its guidelines and monitoring the implementation of these guidelines and instructions in investment. It shall specialize in investment projects of a federal nature exclusively.

C: Region's Commission: The investment commission of the region responsible for investment planning and granting investment licenses in the region.

D: Governorate Commission : The investment commission of the governorate not organized in a region responsible for investment planning and granting investment licenses in the governorate.

E: The commission: The National commission for Investment or the Region's commission or the Governorate Commission as the case.

F: Chairman of the Commission: the Chairman of the National Commission for Investment.

G: The Project: the economic activity subject to the provision of this law.

H: The Assets: the tools, apparatuses, equipments, machineries, transportation means and office furnishings and appliances to be

used for the project exclusively and the furniture and appliances of the hotels, tourist cities, hospitals, schools and colleges.

I: The foreign Investor: is the investor who does not hold the Iraqi nationality in the case of real person, and is registered in a foreign country in the case of a juridical or legal person.

J: The Iraqi investor: is the investor who holds Iraqi Nationality in case of real person, and registered in Iraq in case of a juridical or legal person.

K: Taxes and duties: all kinds of taxes and duties imposed according to applicable laws.

L: The designed production capacity: is the production capacity designed within a specific unit of the time (hour, day…..etc) in accordance to what is fixed in the documents incoming with the machine of the supplier and the feasibility study of the project.

M: Investment Portfolio: A collection of investments in shares and bonds.

N: Investment: is the investment of capital in any economic activity or project that results in a legitimate benefit for the country.

Goals and Means

Article(2)

This law aims at the following:-

First: To promote investment and transfer modern technologies in order to contribute to the process of the developing and enhancing Iraq, and expanding and diversifying its production and service base.

Second: To encourage the Iraqi and foreign private sector to invest in Iraq by providing the required facilities for establishing investment projects and enhancing its competitive capacities in the local and foreign markets for projects covered by this law.

Third: **To develop human resources based on market demands and provide work opportunities for the Iraqis.**
Fourth: **To protect the rights and properties of investors.**
Fifth: **To expand exports and improve the balance of payments and balance of trade of Iraq.**

Article 3

The following means shall be adopted to realize the objectives of this law:

First: **To grant projects covered by provision of this law the necessary privileges and guarantees for its continuation and development by providing support in a way that enhances the competitive capacities of these projects in the local and foreign markets.**
Second: **To grant projects that obtained an investment license from the Commission, additional facilities and exemptions from taxes and duties in accordance with the stipulations of this law.**

Chapter Two

The National Commission for Investment and the Investment Commission in the Regions and Governorates

Article 4

First: **A Commission shall be established and called the "The National Commission for Investment".it shall enjoy a juridical personality and shall be represented by the Chairman of the Commission or the person authorized by him. It shall be responsible for drawing up the national policies for investment and drawing up it's Plans, regulations as well as monitoring the implementation of these guidelines and instructions in**

investment. It shall specialize in strategic investment projects of a federal nature exclusively.

Second: The National Commission for Investment shall be managed by Board of Director comprised of nine member who must be competent, specialized, and hold a college degree that suits the specialty of the Commission. They must not have been sentenced for a felony or misdemeanor of moral turpitude or have declared their bankruptcy.

Third:

A. Upon a request by the prime Minister, the Council of Ministers shall nominate a Chairman of the Commission at a grade of Minister and a Deputy Chairman at a grade of Deputy – Ministry for a period of five years and present them to the Council of Representative for approval.

B. The prime Minister shall appoint four member for a period of five years at a Grade of Director General.

C. The Prime Minister shall select three members from the private sector for five years after their nomination by Chairman of the Commission and specifying their compensations according to the bylaws.

D. At the conclusion of the membership of any member of the Commission referred to in Paragraph (A and B) of this Article in cases not involving dismissal and resignation, the Prime Minister shall assign them to any governmental entity at the same grade. Those mentioned in (A) of this article shall be retired on pension when not assigned to a government position equivalent to their grade.

E. The Council of Representatives may directly dismiss the Chairman of the National Commission for Investment and his Deputy, or upon a request by the Prime Minister for compelling reasons.

F. The Council of Ministers may dismiss or replace any member of the Commission or replace him with others in case he does not adhere to the standards and regulations of the Commission.

G. The Board of Directors of the National Commission for Investment shall meet at the invitation of its Chairman. The quorum of convening and adopting resolutions and recommendation shall be determined by absolute majority. The conduct of work shall be organized by by- laws issued by the commission.

H. The National commission for Investment shall be connected to the prime Minister.

I. **The salary scale and entitlements of the Commissions employees shall be determined by a decision of the Prime Minister based on a proposal from the Chairman of the National Commission for Investment.**

Fourth:

The Commissions headquarters shall be in Baghdad and it may appoint representatives in the regions and governorates.

Fifth:

The National Commission for investment shall draw up an overall national strategic policy for investment identifying the more important sectors and shall prepare a map of investment projects in Iraq in the light of the information it receives from the regions and governorates. It shall also prepare lists of investment opportunities in strategic and federal investment projects with initial information about these projects and making it available to those wishing to invest.

Article 5

First: The regions and governorates not organized in a region may form investment commissions in their areas. The latter shall enjoy the powers of granting the investment licenses, investment planning ,promoting investment and opening branches in their areas within the provisions of this law in consultation with National Commission for Investment to guarantee the availability of the legal conditions.

Second: The Investment Commission of the regions and governorate shall be composed of at least seven members including the chairman and the vice chairman of at least seven years of experience and competence and with a university degree appropriate to the specialization of the commission and not convicted in a felony or a misdemeanor involving turpitude or has declared his bankruptcy.

Third: The regions and governorates not organized in a region shall establish a mechanism of forming the investment commission of the region and the governorate and dismissing the Commission member in case of not adherence to the Commission regulations and standards.

Fourth: The Investment Commissions of the regions and governorate shall coordinate their work with the National Commission for Investment, and shall coordinate and consult with local governments regarding investment plans and facilities.

Fifth: The regions and governorates Commissions shall draw up their investment plan in a way that dose not contradict with the federal

investment policy and shall prepare list of the investment opportunities in the areas that are subject thereto, with initial data about these projects and offer it to those wishing to invest.

Sixth: The regions Commissions shall be connected to the prime Minister of the region and is subject to the scrutiny of the regions Council. The governorate commission shall be connected to the Governor and is subject to the scrutiny of the governorate council in a way that does not contradict with the provisions of this law.

Seventh: Regions and Governorates Commissions board of directors shall convene upon an invitation from their chairman . The quorum of convening and adopting resolutions and recommendations shall be determined by absolute majority. The conduct of work shall be organized by by – laws issued by the Commission.

Article 6 :

In addition to ordinary correspondence, the Commission may adopt electronic mail with the official entities connected with the work and activity of the Commission through local networks or the Internet according to guidelines set by the Commission.

Article 7 :

A- The Commission shall accept investment license requests for projects whose capital is not less than the minimum amount determined by the Council of Ministers or the Council of Ministers of region as the case, by a regulation issued based on a proposal by the Commission.

B- The Commission must obtain the approval of the Council of Ministers before granting the license if the value of the investment project is more than two hundred and fifty million dollars.

C- The Commission shall make its final decision concerning the requests of investment license within a period not exceeding (45) forty five days from the date of filing a request.

D- The decisions of the Commission regarding the approved investments projects shall be obligatory for the purposes of this law.

Article 8 :

The Commission shall have an independent annual budget whose revenues shall be made up of its allocated amount in the State General Budget.

Article 9 :

The Commission shall promote investment through the following:-

First: Building confidence in the investment environment, identifying investment opportunities, and promoting and stimulating investment in them.

Second: Simplifying the procedures for registration, issuing of investment projects licenses, and following up existing projects and giving them priority in processing with the official entities. Completing the procedures of answering investor requests and obtaining the required approvals for the investor and the project.

Third: Establishing one window at the National Commission for investment and the Regions and Governorates Commissions, which includes authorized representatives from the ministries, and members nominated by the Councils of the regions and governorates as the case and the concerned authorities to undertake issuing licenses and obtain the approvals of other authorities in accordance with the law.

Fourth: Providing advice, information, and data to investors and issuing special manuals in this regard.

Fifth: Setting forth and implementing programs to promote investment in different areas of Iraq in order to attract investors.

Sixth: Facilitating the allocation of the needed lands and renting them out for establishing projects for a sum to be determined by the Commission in coordination with the concerned authorities.

Seventh: Establishing secure and free investment areas with the agreement of the Council of Ministers.

Eighth: Encouraging Iraqi investors through providing them with easy loans and financial facilities in coordination with the Ministry of Finance and with the assistance of Banking Institutions, provided that the investor obtaining the loan shall employ a number of unemployed Iraqis proportional with the volume of the loan.

Ninth: Any other tasks related to its work and assigned by the Council of Ministers.

Chapter Three

Privileges and guarantees

Article 10:

The Investor irrespective of his /her nationality shall enjoy all privileges, facilitations and guarantees and shall be subject to the obligations stated in this law. The Iraqi and foreign investor shall have the right for the purposes of housing projects, the use of the land for a sum to be determined between him and the land owner without land speculation according to conditions set forth by the National Commission of investment and the approval of the Council of Ministers. The Commission shall facilitate the allocation of the required lands for the housing projects. The housing units shall be allocated for ownership by the Iraqis after the completion of the project.

Article 11:

The investor shall enjoy the following benefits:-

First: the investor shall have the right to take out the capital he brought into Iraq and its proceeds in accordance with the provision of this law and pursuant to the instructions of the Central Bank of Iraq in an exchangeable currency after paying all his taxes and debts to the Iraqi Government and all other authorities.

Second: The foreign investor shall have the right to :

A. **Exchange shares and bonds listed in the Iraqi Stock Exchange**
B. **Form investment portfolios in shares and bonds**

Third: Renting or leasing land needed for the project for the term of the investment project, provided that it dose not exceed 50 years renewable with the agreement of the Commission, and provided that the nature of the project and its benefit for the national economy is taken into consideration when determining the period.

Fourth: Insuring the investment project with any foreign or national insurance company it deems suitable.

Fifth: Opening accounts in Iraqi or foreign currency or both at a bank inside or outside Iraq for the licensed project.

Article 12:

This law shall guarantee the following for the investor:-

First: The right to employ and use non- Iraqi workers in case it is not possible to employ an Iraqi with the required qualifications and capable of performing the same task in accordance with guidelines issued by the Commission.

Second: Granting the foreign investor and non –Iraqis working in the investment projects the right for residence in Iraq and facilitate inter and departure from Iraq.

Third: Non- seizure or nationalization of the investment project covered by the provisions of this law in whole or in part, except for projects on which a final judicial judgment was issued.

Fourth: Non Iraq technicians and administration employees working in any project shall have the right to transfer their salaries and compensations outside Iraq in accordance with the law after paying their dues and debts to the Iraqi government and all other entities.

Article 13:

Any amendment to this Law shall not have any retroactive affect regarding the guarantees, exemptions, and rights recognized by this Law.

Chapter four

Investor Obligations

Article 14:

The Investor shall observe the following:-

First: To notify the National Commission for Investment , the Region or Governorate Commission in writing immediately after the installation and equipping of the fixed assets for the purposes of the project and the date of the beginning of commercial activity.

Second: **To keep proper records audited by a certified accountant in Iraq in accordance with the law.**

Third: **To provide an economic and technical feasibility study for the project and any information, data or documents required by the Commission or other competent authorities regarding the budget of the project and the progress made in its execution.**

Fourth: **To keep records of the projects duty- free imported materials in accordance with the provisions of this Law and specifying the depreciation periods of these materials.**

Fifth: **To protect the safety of the environment and to adhere to the valid quality control norms in Iraq and International regulations in this field also adhere to laws connected to security and health and to public order and Iraqi social ethics.**

Sixth: **To adhere to the valid Iraqi laws regarding salaries, vacations, work hours, work conditions and others as a minimum.**

Seventh: **Commitment to the correspondence of the work progress schedule submitted by the investor with reality provided that the time difference shall not exceed six months, the National Commission for Investment shall set forth punitive conditions in case of exceeding the six –month period and the Commission shall have the right to withdraw the license.**

Eighth: **To train and rehabilitate its Iraqi employees as well as raising their efficiency, skill and capabilities. Priority in employment and recruitment shall be given to the Iraqis.**

Chapter Five

Exemptions

Article 15:

First: The project that has obtained an investment license from the Commission shall enjoy exemption from taxes and duties for a period of (10) ten years as of the date of commencing commercial operations in accordance with the areas of development defined by the Council of Ministers at the suggestion of the National Commission for Investment based on the degree of economic development and the nature of the investment project.

Second: **To Council of Ministers shall have the right to propose draft laws to extend or grant exemptions in addition to the exemptions stipulated in paragraph (First) of this Article, or provide incentives, guarantees or other benefits to any project or sector or region and for the periods and percentages it deems appropriate in accordance with the nature of the activity, its geographical location and its contribution to manpower employment and its effect on driving the economic development, for considerations of national interest.**

Third: **The National Commission for Investment has the right to increase the years of tax and duties exemption in a way directly proportional to the increase in the Iraqi Investor share in the project to reach fifteen years if the Iraqi Investor share in the project was more than 50% .**

Article 16:

In case the project is moved from one development area to another during the exemption period, the project – for the purpose of exemption stipulated in(First) of Article 15- shall be treated during the remaining term the treatment of the project in the development areas it is moving to, provided that the Commission is informed of such move.

Article 17:

The project that obtains an investment license shall also enjoy the following:-

First: **Assets imported for the purposes of the investment project shall be exempted from duties provided that their entry to Iraq is made within(3) three years from the date of granting the investment license.**

Second: **The imported assets required for the expansion, development or modernization of the project shall be exempted from duties in case they led to an increase in the designed capacity, provided they are brought in within three years from the date of notifying the Commission of the expansion or development. Expansion, for the purposes of this law, shall mean adding fixed capital assets aimed at increasing the designed capacity of the project in commodities or services or materials by a percentage exceeding (15%)fifteen percent. Development, for the purposes of this law, shall mean replacing project machines with more developed ones, totally or partially or**

making a development on the standing devices and equipments of the project by adding new machines and devices or parts thereof with the aim of raising the productive efficiency or improving and developing the quality of the products and services.

Third: Spare parts imported for the purposes of the project shall be exempted from duties if the value of these parts does not exceeded(20%) twenty percent of the fixed assets value, provided that they are not be used for any other purpose.

Fourth: Hotels, tourist institutions, hospitals, health institutions, rehabilitation centers and educational and scientific organizations project shall be granted additional exemptions from duties and taxes on their imports of furniture, furnishings and requisites for renewing and updating purposes at least once every four years, provided that these items are brought into Iraq or used in the project within (3) three years from the date of the approval decision of the Commission on the import lists and their quantities, and provided that these items are not used for purposes other than the imported purposes.

Article 18:

In case it is found that the project assets totally or partially exempted from customs and duties, are sold, in contrary to the provisions at this law or used not for the project, or used not for the declared purpose then the investor must pay the taxes and fines incurred pursuant to the law.

Chapter Six

Procedures for Granting investment and project Establishment License

Article 19:

First: The investor shall obtain the license in addition to obtaining the rest of the licenses for the purpose of enjoying the privileges and exemptions provided by the Commission.

Second: **To Commission shall grant the license for investment or project establishment based on a request submitted by the investor according to conditions facilitated and prepared by the Commission. The request submitted by the investor shall include the following:-**

- **A- Filling a request form prepared by the Commission.**
- **B- Financial competency from an accredited bank.**
- **C- Projects performed by the investor inside or outside Iraq.**
- **D- Details of the project intended to invest in and its economic feasibility.**
- **E- A timetable for completing the project.**

Article 20:

First: **The Commission must issue the establishing license through establishing one window in the region or the governorate not organized in a region that includes authorized representatives of the ministries and relevant bodies. The Commission shall grant project establishment license and obtain approvals from the entities in accordance with the law.**

Second: **To Commission must help the investor to obtain licenses by approaching the competent authorities and exploring the opinions of the entities concerning the issuance of the establishment license. These entities must issue the decision to reject, approve or request amendment within 15 days from the date of being notified. The failure to reply from the entity from which the opinion is solicited shall be deemed as an approval and in case of a rejection there must be cause for it.**

Third: **In case of disagreement between the National Commission for Investment decision and the other entity related to granting establishment license other than the region commission the dispute shall be raised to prime Minister for settlement.**

Fourth: **In case the request for registration in rejected, the applicant may file a complaint to the Chairman of the region or the governorate Commission concerned within(15) fifteen days after receiving notification of the rejection decision. The Chairman of the Commission concerned shall take a decision concerning the complaint in question within a period of seven days. The petitioner may appeal the decision of the Chairman of the Commission concerned rejecting his complaint to the authority to which the Commission concerned is connected to within 15 days from the date the complaints rejection and its decision is deemed final.**

Chapter Seven

General Provisions

Article 21:

The project capital subject to the provisions of this law shall be made up of the following:-

First: Cash transferred to Iraq through banks and financial companies or any other legal means with the aim of investing it for the purposes of this law.

Second: The in – kind assets and incorporeal rights imported to Iraq or purchased from the local markets by the cash transferred into Iraq:-

A- In- kind assets related to the project.

B- The machinery, tools, equipment, building , construction, transportation means, furniture and offices appliances required for establishing the project.

C- The incorporeal rights that include patents, registered trade marks, technical know- how, engineering services, administrative and marketing services and the similar.

Third: Profits, proceeds and reserves resulting from the capital invested in Iraq in the project if the capital of such a project was increased or was invested in another project covered by the provisions of this law.

Article 22:

The foreign investor shall enjoy additional privileges in accordance with international agreements signed between Iraq and his country or multilateral international agreements which Iraq has joined.

Article 23:

In case the property of the project during the exemption term is transferred to another investor the project shall continue to enjoy granted exemption facilities and guarantees until the end of that period provided that the new investor continue to work on the project in the same specialization or in another, with the approval of the Commission. The new investor must take the place of the former investor in the rights and obligations consequent to the provisions of this law.

Article 24:

First: The investor, with the approval of the Commission, may sell exempted fixed assets or relinquish it to another investor benefiting from the provisions of this law, provided that he uses them in his project.

Second: The investor, after informing the Commission, may sell the exempted fixed assets to any person or other project not subject to the provisions of this law after paying the outstanding duties and taxes.

Third: The investor, with the approval of the Committee, may re-export the exempted fixed assets.

Article 25:

In the event two or more companies or enterprises merge, the new company or entity resulting from the merger must set up separate accounts for each project before the merger in order to register and apply exemptions and facilitations stipulated in this law during the remaining period of the exemption.

Article 26:

Any project approved in accordance with the provisions of the previous applicable laws shall continue to benefit from all exemptions granted to it pursuant to that law and until the expiration of the exemption period and under the same terms.

Article 27:

Disputes arising between parties who are subject to the provisions of this law shall be subject to the Iraqi law unless otherwise agreed, save

to the cases that are subject to the provisions of the Iraq law exclusively or the jurisdiction of Iraqi courts.

1- **Disputes arising from the labor contract shall exclusively be subject to the provisions of the Iraqi law and the jurisdiction of the Iraq courts. Non –Iraqi labor shall be exempted if the work contract stipulated otherwise.**
2- **If parties to a dispute are non – Iraqis and in disputes not arising from a crime, the opponents may agree on the law to be applied, the competent court or any other agreement to resolve their dispute.**
3- **In case of dispute between partners or between the owner of a project subjected to the provisions of this law, and others that result stoppage of work for a period of more than three months, the Commission may withdraw the license and ask the owners of the project to settle the dispute within a period not exceeding three months. If such period elapsed without settling the dispute between the partners or between the owner of the project and others, the Commission may take legal measures to liquidate the project and notify the owner of the project or one of the partners of such action. The liquidation money shall be deposited in one of the banks after paying the dues of the State or any other dues after final judgment of their entitlement is rendered.**
4- **If the parties to a dispute are subject to the provisions of this law, they may, at the time of signing the agreement, agree on a mechanism to resolve disputes including arbitration pursuant to the Iraqi law or any other internationally recognized entity.**

5- **Disputes arising between the Commission or any governmental entity and any of those subject to the provisions of this law on matters not related to violations of one of the provisions of this law shall be subject to Iraqi law and courts on civil matters. As for commercial disputes, parties may resort to arbitration provided that such an arrangement is stipulated in the contract organizing the relationship between parties.**

Article 28:

In case the investor violates any of the provisions of this law, the Commission shall have the right to warn the investor in writing to remove the violation within a specific period.

In case the investor dose not remove the violation within the specified period, the Commission shall summon the investor or who represent

him to state his position and grant him other respite to settle the issue. Upon repeating or not removing the violation, the Commission shall have the right to withdraw the investors license it issued and order stoppage of work on the project and retain the state's right to deny the investor the granted exemptions and privileges from the date of the violation and allow other to retain their rights to demand compensation for the damage caused by this violation, without breaching any punishments or other compensations stipulated in the applicable laws.

Article 29:

All fields of investments shall be subject to the provisions of this law except:-

First: Investment in Oil and Gas extraction and production.

Second: Investment in banks and insurance companies sectors.

Article 30:

The council of Ministers may.

First: Issue regulations to facilitate the implementation of the provisions of this law.

Second: Issue bylaws defining the Commissions formations, divisions tasks, process of its work, its authorities, financial affairs, employee affairs and any others matters.

Article 31:

The Committee may issue instructions to facilitate the implementation of regulations issued by the Council of Ministers pursuant to the provisions of this law.

Article 32:

The Provisions of this law shall be applied to the existing and operating projects of the mixed and private sectors which have commenced before the issuance of this law and upon a request from its management and the approval of the Commission with no retroactive effect.

Article 33:

No text shall be valid which contradicts the provisions of this law.

Article 34:

The (dissolved) CPA Order No. 39 of 2003 shall be revoked.

Article 35:

The Arab Investment law No(62) of 2002 issued by the dissolved Revolution Command Council shall be annulled.

Article 36:

This law shall enter into force from the date of its publication in the Official Gazette.

Justifying Reasons

For the purpose of driving the process of economic and social development and bringing technical and scientific experience and developing human resources, and for creating work opportunities for the Iraqis by encouraging investments and supporting the process of establishing investment projects in Iraq and their expansion and development at various economic levels and by granting privileges and exemptions for these projects, this law is legislated.