



# Investing in Stability



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he International Trade Administration (ITA) of the US Department of Commerce recognizes the importance of trade, investment, and private sector development to Iraq's stability and prosperity. Since 2003, we have worked with the Government of Iraq

and the Iraqi private sector to help create a market conducive to economic development, identify and promote areas of opportunity, and further develop the private sector.

Over the past four years, Iraq has been developing and implementing policies that are more business-friendly to attract foreign investment. Iraq has passed, and is working on implementing an investment law that provides for equal treatment under the law to all investors without regard to nationality, and prescribes clear procedures for obtaining an investment license. Iraq's corporate and individual taxes are set at 15 percent, which makes it extremely competitive with its neighbors. Iraq has begun the process of accession to the World Trade Organization, which would be a significant step towards full integration with the global trading community.



## Iraqi Kurdistan is prospering and currently offers a variety of business opportunities for domestic and foreign firms

The country's private sector is growing and seeking partnerships with foreign companies. Private companies registered with the Iraqi Ministry of Trade have increased from 8,000 to over 30,000 companies, and Iraqis participating in commerce-supported delegations to regional and US trade events have increased tenfold year-on-year from 2005 through 2007. Iraq has several sectors of opportunity. The telecommunications sector has grown from a very limited number of cell phones in the Kurdistan Region of Iraq to nearly ten million subscribers nationwide (about 30 percent of Iraq's population).

The US Department of Commerce's Commercial Service presence in Baghdad and Erbil, and Iraq Investment and Reconstruction Task Force in Washington support commercial relations between the United States and Iraq, primarily through the facilitation of US business interest in Iraq and growth of the Iraqi private sector. One such initiative is the US-Iraq Business Dialogue, which I helped launch in Erbil in February 2007, with former Under Secretary of Commerce for International Trade Frank Lavin. The Business Dialogue is an advisory group comprised of private sector representatives from a diverse range of industry sectors and various geographical regions of the United States and Iraq. It advises the US Secretary of Commerce and Iraqi Minister of Trade regarding private sector priorities, needs, and concerns regarding private sector business development in Iraq and enhancing commercial ties and expanding trade between the United States and Iraq.

We chose Erbil as the location for the inaugural meeting to highlight an area in Iraq that is clearly open for business and can serve as a gateway to the entire Iraqi market. Members of the US Section of the Business Dialogue arrived on commercial flights and were housed in private hotel accommodations. During our meetings, representatives of the Government of Iraq and the Kurdistan Regional Government (KRG) joined together to consider input from the business people present. Erbil provided an excellent venue for business-to-business and business-to-government engagement.

During our trip, it was clear that Iraqi Kurdistan is prospering and currently offers a variety of business opportunities for domestic and foreign firms. The Commercial Service launched its Business Gateways: Kurdistan program to highlight successful business ventures thriving in this region's more stable and commercially developed environment. During the launch event, several US and foreign companies spoke of the success they were having in a variety of industries, primarily construction. In addition, Former Under Secretary Lavin and the KRG Minister of Housing and Construction held a ribbon-cutting ceremony for the impressive Khanzad American Village, a development project of 400 residences led by US-owned Sigma International Construction, LLC, and backed by the Overseas Private Investment Corporation (OPIC), a US government agency.



The US Department of Commerce will continue to emphasize that the stability and commercial development of the Kurdistan Region of Iraq makes it an ideal entry point for market opportunities throughout Iraq and beyond. We are pleased to support the KRG's initiative to bring investment to Iraq in critical areas, such as housing and construction, agribusiness, food products, and other sectors. We look forward to continuing our cooperative relationship with the KRG, the Government of Iraq, and the people of Iraq to ensure that Iraqis from all regions of the country enjoy a prosperous future.