

Cards from Kurdistan: #3: Irbil International Fair, Sept. 14-17, 2006: Diversity, Prosperity and Promise on the Iraqi Economic Scene



GM was one of 200 companies from two dozen countries exhibiting at the Irbil International Fair in the northern Iraqi region of Kurdistan, Sept. 14-17, 2006.

Show business in Iraq? At least trade show business and at least in Kurdistan. In fact, mid-September's **Irbil International Fair** in the region's capital was the second show to take place within the borders of post-Saddam Iraq, following a similar event in the same venue 12 months earlier. This is the peaceful corner of the country where Iraqis and non-official foreigners alike move about with relative ease. But while the area may be an exception in the peace and stability it enjoys, this "Rebuild Iraq Show" had national, Middle Eastern and global dimensions. True, the exhibition was about showing off the recent economic progress achieved in Kurdistan. But it also served to highlight Kurdistan as platform for integration and nationwide economic growth. The U.S. presence—private and governmental—was strong. **U.S. Ambassador to Iraq Khalilzad** was joined by foreign press and US civilians and military from Baghdad, Kirkuk, and Anbar. To capitalize on the Kurdish construction, tourism, and light manufacturing "mini-booms," and events like Irbil International and a November follow-on show (**Kurdistan DBX**), the U.S. Department of Commerce's Commercial Service Iraq is adding trilingual staff in Irbil to work with Iraqi firms. Finally, provided the organizers begin soon, the Irbil Fair is a candidate for USDOC Trade Fair Certification in 2007.



U.S. Ambassador to Iraq Zalmay Khalilzad called on participants in the Irbil Fair to

"make deals" in Kurdistan and the rest of Iraq at a gala dinner organized by CS Iraq on Sept. 13th.

NO BUSINESS LIKE IT

The Irbil International Fair, in the capital of the recently unified Kurdistan, Iraq, was organized under the auspices of the Kurdistan Regional Government (KRG), and produced by the **Iraqi Economy Development Center**, an NGO promoting small business. Over three and one-half days an organizer-reported 60,000 visitors took in 200 booths and displays of large equipment from a range of sectors in this horizontal show of the now standard "Rebuild Iraq" series. Exhibits covered 4,000 square meters, mostly within a single steel warehouse erected last year at the back of Irbil's handsome Sami Abdulrahman park dedicated to the several score of victims to Kurdistan's last significant terrorist attack. (Importantly, that attack took place a comparatively distant two years back). Standard indicators of show performance are off-the-floor sales and future transactions. CS Iraq's spot interviews of 10 exhibitors revealed generally positive if modest results. Among the more bullish were a US auto seller who expected a half-dozen fresh orders on the day after the show closed, while Motorola's handset agent saw brisk sales throughout the show. **IEDC claims \$34 million in reported exhibitor sales** through the show with "expected deals" valued at \$500 million to follow.



Booths such as this one from Al Qadisiyah Governorate in south-central Iraq demonstrated the draw of the Kurdish region as a base for nationwide business.

REGIONAL BUT WITH NATIONAL & INTERNATIONAL REACH

The exhibitors covered the waterfront, from construction contracting and materials to oil and gas services, to security, food, telecommunications, consumer goods and banking and business services, with a notable strength in the building-related trades – small wonder given the recent surge in that sector in Kurdistan (see **Card #1**). While security services and products were on display, they were fewer than last year, perhaps a reflection that Kurdistan's relative calm appears durable. Booths were loosely grouped by origin, but without national pavilions. Approximately two-thirds of the exhibitors (and 90% of the visitors) hailed from the Kurdish and other parts of northern Iraq, with south-central Iraqi firms, Turkish and Jordanian, and Lebanese contingents leading an offering from 27 countries.

Iranian and Syrian firms exhibited, but not in bulk. If any foreign nationality was conspicuous it was the Turks, who have proximity and historical links to this part of Iraq behind their pervasive presence.

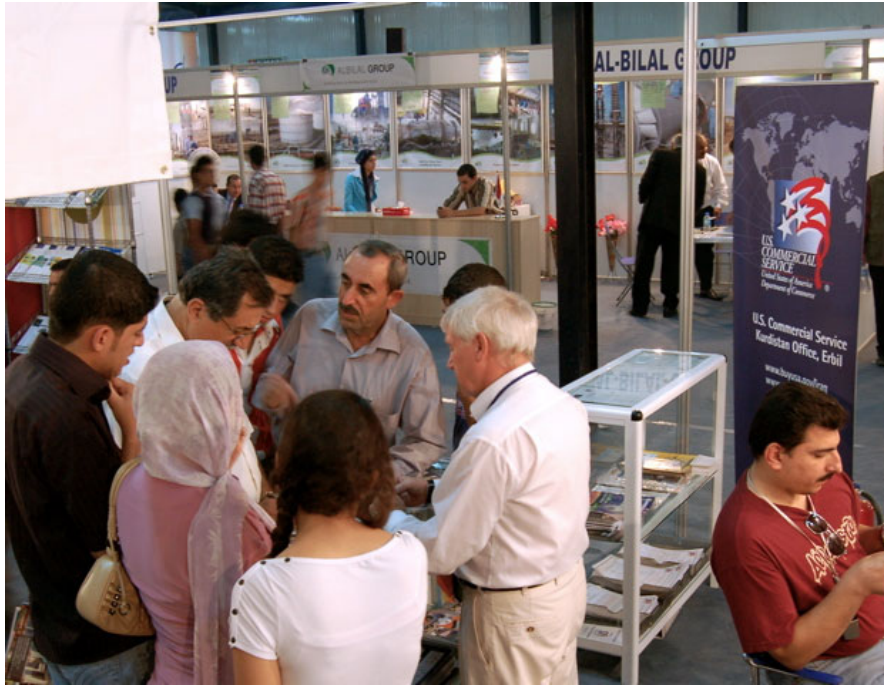
Also highly significant was the presence of Arab Iraqi firms, such as **Dijla Group**, a manufacturer of aluminum doors and windows which recently opened production in the area. If Kurdistan is to live up to its self-billing as “gateway” or “sparkplug” (if not “engine”) of economic growth for Iraq at large, evidence of north-south commerce and integration is crucial. Another good sign was an energetic presence by **Diwaniya**, a city midway between Baghdad and Basra that showed off its textiles and agricultural offerings to good effect. And while last year’s show boasted the presence of the Iraqi federal Minister of Oil, this year’s official Baghdad showing included a **Deputy Minister of Housing & Construction**—whose ministry also had a booth—as well as the Ministry of Industry & Minerals, which was present with an entire corridor worth of State-owned Enterprises promoting wares.



Leading U.S. service firms are in the thick of the development of a new business infrastructure for Iraq.

AMERICAN BUSINESS IS OVER HERE

The U.S. presence, including expat principals but largely in the form of local Iraqi partners and representatives, was visible and top-drawer. **Motorola** and **Secure Global Engineering** exhibited directly; while **Ford**, **GM/Chevrolet**, **FedEx**, **Carrier**, **Larsen**, **Cummins** and **New Holland**, among others, were under their partners’ and agents’ banner. Franchise names such as **Visa** and **Western Union** were visible; while Iraqi exhibitors like **KAR**, **Zozik**, and **TBI** bring further important U.S. content via business partnerships. Commercial Service Iraq upped the American ante by representing the catalogs of nine U.S. firms at a 12 square meter business information stand. Thirty Iraqi business visitors conveyed about 50 strong expressions of interest in either purchasing from or representing the U.S. companies. **Feldman Bros. Electrical Supply** (Eastchester, NY) was most popular, while the purveyor of quality hand tools, **Channelock** (Meadville, PA), was second. The **Catalog Caravan** for which the Irbil show was the first stop continues in two month’s time at a similar show in Kurdistan’s second city, Sulaymaniyah, before heading to southern Iraq, picking up more participants at each stop. (See: <http://www.buyusa.gov/iraq/en/catalogcaravan.html>). The U.S.-Iraqi partnership was celebrated at a gala dinner on the 13th co-hosted by the KRG and Commercial Service in the spectacular setting of Irbil’s KhanZad Hotel. Over two hundred guests included **President Barzani**, Amb. Khalilzad, Iraqi federal officials, the U.S. exhibitors and the cream of the Kurdish business community. The success of the show and reception were built on solid collaboration with Commerce’s two booth mates: the USAID-funded private sector promotion program, **Izdihar**, and **AmCham Iraq**.



The CS Iraq Business Information booth and its dozen US catalogs drew about 1,200 of the eager and merely curious.



Mark his words: Local and traveling press joined the dinner before the show's opening--where they also heard of the CS Iraq Kurdistan Office opening.

BOTTOM LINE – POSITIVE BUZZ FROM THE NORTH

Commerce in Kurdistan is looking up. The regional government for Iraq's three northern provinces (the KRG), has benefited from nearly a dozen years of autonomy following Saddam's invasion of Kuwait and relative political stability and security since 2003. In recent months the KRG is moving to benefit from the speedy unification of its two constituent administrations, passage of an investment law, and legislative discussion of a regional regime for the exploitation of oil and other natural resources, all accompanied by a residential, commercial and municipal construction boomlets. A generally optimistic mood was palpable in the fair aisles and the government was keen to put its best foot forward for the guests. Perhaps three-dozen press outlets covered the opening ceremony and the energetic walk-through by the region's chief economic proponent, **Prime Minister Nechirvan Barzani**.



PM Nechirvan Barzani, here touring the CS booth, is chief architect of the Region's attractive new investment law.

The Region's president showed his support by attending pre-opening gala. Perhaps the most closely tracked words were those of U.S. Ambassador to Iraq Zalmay Khalilzad who toured Irbil's burgeoning hub airport-in-the-making and other economic projects in the area prior to the show. Amb. Khalilzad spoke to 220 media and business elite at the gala dinner where he lauded the region's economic progress and called for entrepreneurs to vote with their wallets. "To the businesspeople around the world I say come and satisfy the market in Kurdistan."

Further promising news came from the Commercial Service, Iraq which announced plans to expand its trade and investment matchmaking in the region by hiring a Kurdish and Arabic-speaking local employee to work full-time in Irbil from October. Until now, the Commercial Service has based its operations out of Baghdad's International Zone and, recently, from Amman. The move reflects the realization that opportunities and conditions have improved to such a degree that matchmaking activities such as the "Gold Key Service" ([http:// www.buyusa.gov/iraq/en/goldkeyservice.html](http://www.buyusa.gov/iraq/en/goldkeyservice.html)) are as well suited to Kurdistan as Amman.



Kurdistan's calling card has been its relatively untroubled security status, an advantage which the Regional Government is at pains to preserve. The Fair unfolded without a hitch, thanks in part to the forces such as the Peshmerga shown here.

SECURITY & MONEY, NOT POLITICS

A short-lived media tempest over national and regional flags failed to distract from the business at hand. The calling card of Kurdistan in the current Iraqi context is political stability and the absence of

violent crime or terrorist acts. Maintaining that record is key to the region's growth and the KRG took its obligations to the visitors seriously. The fairgrounds were buttoned down; the opening was invitation-only, and the deployment of uniformed and plainclothes elements throughout the city for the duration of the event was impressive. While bottlenecks miffed some public and exhibitors, the show was secure and pacific, if not completely orderly. The largest risk factor observed by CS Iraq was fire suppression and building egress for such packed quarters.



C-cubed: Commerce's Catalog Caravan is moving from Irbil to Sulaimaniyah to Hillah in the South. 50 solid contacts resulted from the Irbil stop.

TRADE SHOW GRADE: B+

The KRG sponsors of the fair are committed to staging a successful fair annually in Irbil. The insistence on holding to the mid-September date even after the 2006 organizer re-located his show less than a half year out necessitated super-human feats by the KRG hosts and the IEDC and its chairman, Raid Rahmani, who recruited, promoted and staged a successful show in under three months in a country with a still spotty business infrastructure. Anecdotal evidence is that exhibitors were largely satisfied with the show organization. Most commonly voiced was the desire for a reduction in non-trade traffic, perhaps by staging the show over a single weekend day or requiring registration. Three shows days would more than suffice. Others seek national pavilions or signage denoting industrial sector. Transfer out of the zero-frills building, as well as an upgrade to the business services (free wireless in the venue this year was a notable plus), booth maintenance and the food concession are a given if the show is to thrive. Ongoing hotel construction projects should alleviate much of the current pinch on lodging during the fair. The two-day companion conference boasted relevant topics, state-of-the-art a/v and trilingual simultaneous translation, but, sadly drew no audience due to a lack of promotion.



AmCham Iraq joined CS Iraq and USAID's Izdihar as booth mates, where the Chamber was able to sign up new members.

TRADE PROMOTION STRATEGY NEEDED

A wider concern of CS Iraq is the need for Iraqi authorities, private show organizers, and national pavilion promoters to sort out the plethora of competing “Rebuild Iraq” horizontal trade shows that have sprung up. ExpoJordan and IFP went head to head in April and May of this year in Amman; 60 days after Irbil closes an almost identical fair will open 90-minutes away in Sulaimaniyah; the Baghdad’s State Company of Iraqi Fairs (Ministry of Trade) is collaborating on the “**Gulf Iraqi Expo**” in Bahrain for March 2007. Over the next years the market will likely support no more than two or three annual, broad horizontal shows, distributed amongst venues inside and outside of Iraq. A promising alternative for the also-rans is to develop sector shows. Construction, energy, communications and security would all be naturals. A specialized “Iraq Access” fair that pulls together logistics, finance, security and other business services would fill an important niche, as well.



U.S. Amb. Khalilzad, KRG President Massoud Barzani, IEDC Chairman Raid Rahmani, and SCO Wylegala at the al fresco celebration for the U.S. and Iraqi presence at the Irbil Fair.

USEFUL CONTACTS:

U.S. Commercial Service, <http://www.buyusa.gov/iraq/>

Links to the **Irbil International Fair** and **Kurdistan DBX** sites found at: <http://www.buyusa.gov/iraq/en/ibp.html>

Irbil International Fair, Organizer: Eng. Raid Rahmani, Chairman,
Iraqi Economy Development Center (IEDC)
admin@iedc-iq.org; <http://www.iedc-iq.org/>

Irbil International Fair, General Director: Mr. Abo Bangin
abobangin48@yahoo.com

Kirkuk Business Center, Mr. Halmet Bradosti, Business Advisor
hbradosti@yahoo.com; <http://www.kbciraq.org/>

Izdihar, (USAID project), Northern Regional Manager, Mr. Alaa Hameed
ahameed@izdihar-iraq.com

American Chamber of Commerce of Iraq, President, Mr. Timothy Mills
timothybmills@aol.com

Kurdistan Development Corporation, Mr. Douglas Layton, Director;
info@kurdistancorporation.com

Investment Board of the KRG, Chairman, Mr. Herish Muharram Mohammad Amin;
herishmuharam@yahoo.com

Zokik Group, Mr. Sidqi Karim Khan Bradosti, Executive Manager;
salam@zozik.com

KAR Construction & Engineering, Mr. Mahmoud R. Karim;
kar@karbusiness.com