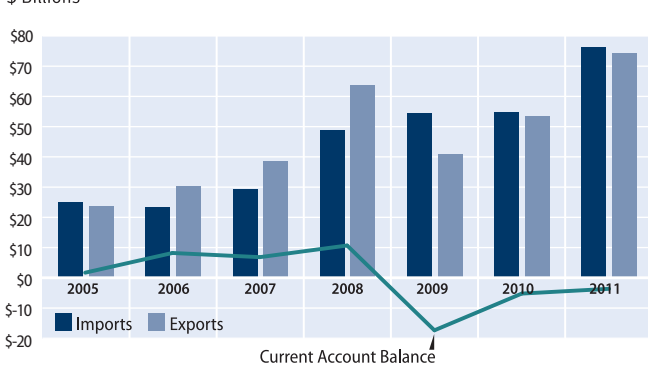
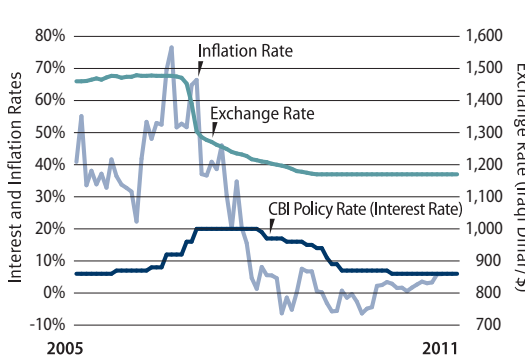




Iraq's Trade Balance



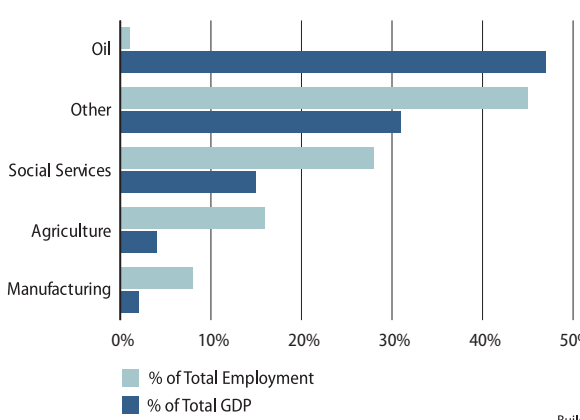
Interest, Inflation, and Exchange Rates



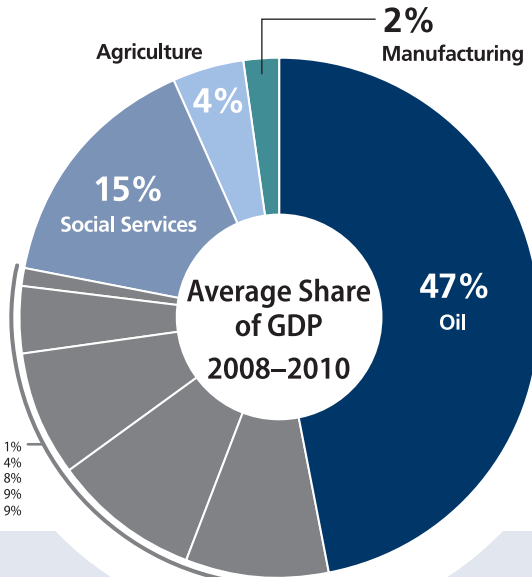
How the Iraqi Household Measures Up

	HOUSEHOLD INCOME \$/MONTH	COMPUTER OWNERSHIP	CELL PHONE SUBSCRIBERS (PER 100 INHABITANTS)	CAR OWNERSHIP	ELECTRICITY SUPPLY (HRS/DAY FOR AC)
Iraq	733	12%	64	27%	6-9 hours
Iran	704	34%	71	36%	24 hours
Saudi Arabia	2,624	50%	174	86%	24 hours
United States	4,185	76%	91	84%	24 hours

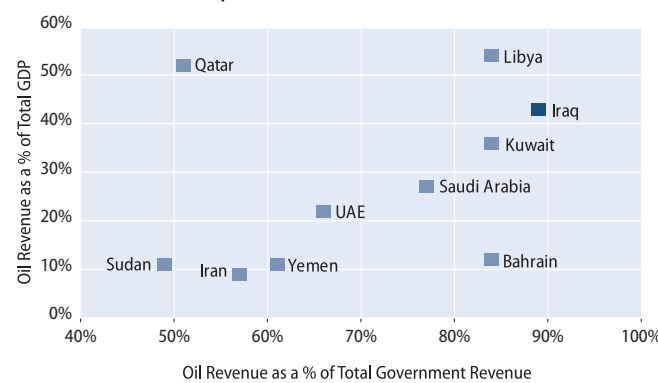
Share of Employment vs. Share of GDP, by Sector



GROSS DOMESTIC PRODUCT, BY SECTOR



Economic Reliance on Oil among Selected Middle East and North Africa Nations, 2010

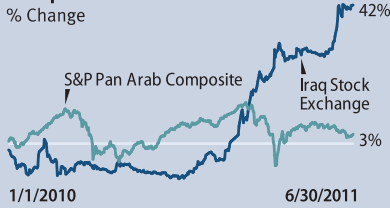


Value of Foreign Commercial Activity in Iraq, 2005-2010

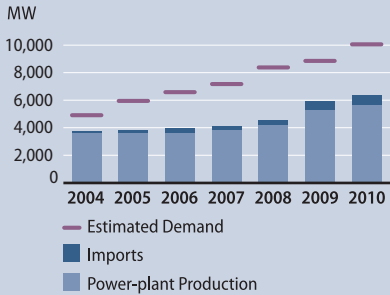


Turkey, Italy, France, and South Korea provided **65%** of foreign commercial activity in 2010. The largest investment sector with foreign commercial activity was in housing/real estate.

Iraq Stock Exchange vs. S&P Pan Arab Composite Index



Average Iraqi Electricity Supply and Estimated Demand, 2004-2010



Between 2004-2010, the supply of electricity in Iraq has increased by **69%**, at the same time demand has risen by **105%**.



Collectively, Manufacturing, Agriculture, and Social Services amount to **21%** of Iraq's GDP, but provide more than half of all jobs.



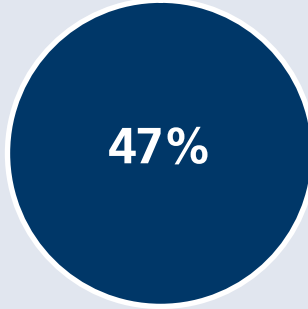
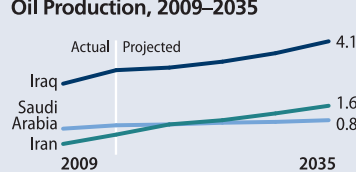
Public-sector employment grew from less than **1 million** in 2004 to more than **3 million** in 2009.

OIL
Oil dominates Iraq's economy. It accounts for 98% of export earnings and about 90% of all government revenues, but employs only 1% of the work force.

Iraq sits on an estimated 143 billion barrels of proved oil reserves, the third highest country total in the world.

Oil production is projected by IEA to grow at twice the pace of any OPEC member during the 2009-2035 period. Natural gas production is expected to grow at three times the pace of any OPEC producer during the same period.

Average Annual Growth of Oil Production, 2009-2035



Iraq's oil sector needs major investment to repair obsolete, decaying infrastructure and expand production, storage, and export facilities to handle projected growth in volume over the coming decades.



Starting a New Business:

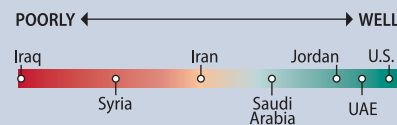
Time/Costs To Meet Government/Legal Requirements

COUNTRY	DAYS	COSTS (% OF PER CAPITA INCOME)
United States	6	1.4
Saudi Arabia	5	7.0
Iran	8	4.0
UAE	16	8.4
Syria	13	38.1
Jordan	13	44.6
Iraq	17	107.8

Only **1.4%** of Iraqis have a deposit account with a private-sector bank, and the percentage of those borrowing from such banks is even less.

How Well Countries Control Corruption

World Bank Assessment



80% of all food consumed in Iraq is imported.

Ease of Doing Business Rankings, 2011

Out of 183 Countries

COUNTRY	RANK
United States	5
Saudi Arabia	11
UAE	40
Jordan	111
Iran	129
Syria	144
Iraq	166

A **1 percentage point** increase in the agricultural sector's share of the GDP could produce an additional **55,000 jobs** for the economy.

Exports/Imports, Ease and Cost

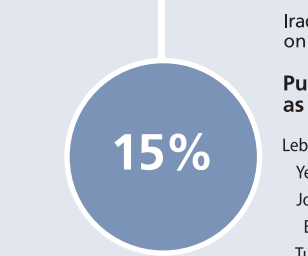
COUNTRY	PORT PROCESSING TIME IN DAYS	COST PER CONTAINER (\$)
United States	6/5	1,050/1,315
UAE	7/7	521/542
Saudi Arabia	13/17	580/686
Iran	25/32	1,090/1,735
Syria	15/21	1,190/1,625
Iraq	80/83	3,550/3,650



In the 1980s, Iraq's campaign to end illiteracy was praised as among the best in the Arab World. Today, literacy rates are dropping, and **20%** of Iraqis aged 10-49 can neither read nor write.

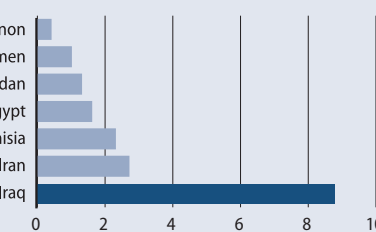
SOCIAL SERVICES

Government is the economy's single largest employer, providing almost 60% of all full-time jobs; subsidies for food and wages for the employees of state-owned enterprises constitute major national budget items.



Iraq's government has worked to reduce spending on public safety nets and other subsidies.

Public Spending on Safety Nets as a % of GDP, 2008



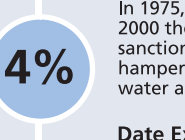
AGRICULTURE

This sector has lost its international competitiveness, leaving the land once considered the cradle of modern agriculture a major food importer.

Important Agricultural Crops:

- Wheat
- Barley
- Sorghum

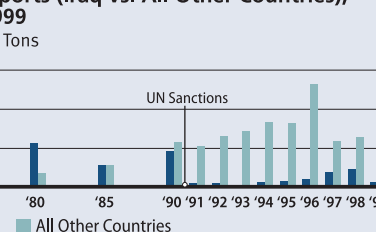
The Council of Ministers has passed and sent to parliament an infrastructure investment program that earmarks \$5 billion for irrigation and other agricultural needs.



Dates—a symbol of agriculture's decline

In 1975, Iraqi dates dominated world markets, but by 2000 they had disappeared—a victim of UN economic sanctions. Efforts to regain global market share are hampered by obsolete farming techniques, increased water and soil salinity, and decaying infrastructure.

Date Exports (Iraq vs. All Other Countries), 1975-1999



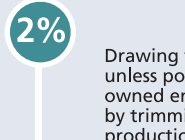
MANUFACTURING

The state-owned manufacturing sector was crushed by UN economic sanctions imposed after Iraq's 1990 invasion of Kuwait. Two wars and prolonged international isolation have left the sector in critical need of restructuring.

Important Manufacturing Branches:

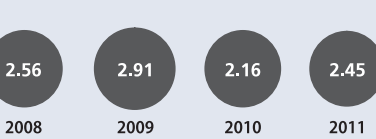
- Cement
- Petrochemicals
- Pharmaceuticals

If the restructuring "roadmap" approved by the Council of Ministers restores competitiveness, a healthy manufacturing sector can diversify an oil-dominated economy, create jobs, boost productivity, draw foreign investment, and broaden Iraq's reintegration into the global economy.

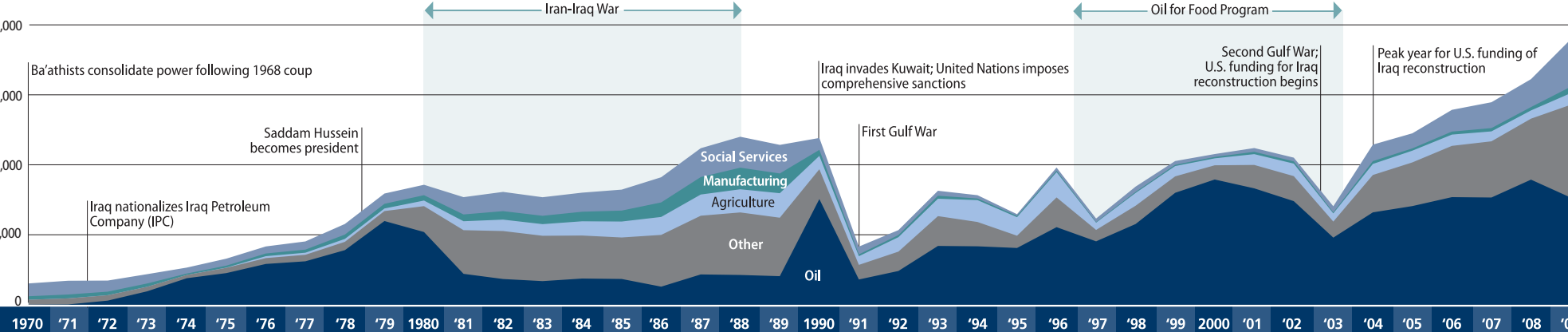


Drawing foreign partners' interest will not be easy unless politically difficult reforms make government-owned enterprises competitive in a market economy by trimming payrolls and implementing modern production and management techniques.

Annual GOI Subsidies for SOEs



GDP, by Sector, 1970-2009



PROFESSIONALISM PRODUCTIVITY PERSEVERANCE

For the sources of information used to create this insert, please see the last endnote in this Quarterly and Semiannual Report.