



Task Force to Improve Business and Stability Operations in Iraq Industry Revitalization Initiative

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The United States Department of Defense's Task Force to Improve Business Stability and Operations in Iraq (TFBSO), created in June 2006, supports US security interests in Iraq by working to revitalize the Iraqi economy and reduce rampant unemployment--a significant factor that fuels the insurgency. TFBSO focuses on restarting idle public and private industrial enterprises via three lines of operation:

1. Direct contracting for portions of US and Coalition material demand for Iraqi-supplied products.
2. Reestablishment of intra-Iraqi and regional demand for goods and services.
3. Where feasible, establishment of global supply relationships with US and international industry.

To date, the Task Force has conducted over sixty factory assessments throughout Iraq. These assessments and engagements have revealed that most facilities can be quickly restarted. Many have modern equipment and a base of employees ready to come back to work, but require increased demand to ramp back up to full production, while others require incremental capital investment for technology improvements and training. Based on these assessments, and weighing the potential impact of restarting a particular facility against the difficulty of restarting it, the Task Force has compiled the following areas of top priority and opportunity:

1. Engineering: Industrial mechanical/electrical products, trucks, tractors and steel
2. Food & Drug: Pharmaceuticals, vegetable oil, dairy products, and cigarettes/tobacco
3. Chemical & Petrochemical: Resins, fiberglass, phosphates, fertilizers, sulfur, paper and batteries
4. Construction: Cement, building materials, glass, ceramic products and piping
5. Textiles: Apparel, medical fabrics, handmade rugs, leather works and fabrics

The Task Force has escorted over 70 industry executives and other subject matter experts throughout Iraq since December of 2006, resulting in negotiations of supply agreements and joint ventures now underway.

Linkages to US and international industry are a key focus area for success in revitalizing Iraq's economy. Ways to help the initiative include:

1. Purchase of Iraqi products. Consider purchasing goods from Iraqi factories that we have assessed and validated for quality and available capacity.
2. Invest in joint ventures and acquisitions of Iraqi business, both public and private. We have registered over 2000 private businesses, along with formerly "state owned" facilities in Iraq, that provide a variety of goods and services to the Iraqi economy. Many of these businesses are in stable areas in Iraq, and seek investment partners.
3. Establish dealer channels and license agreements. Iraq is an expanding economy and these engagements accelerate the process of economic revitalization and provide business opportunities for US companies
4. Commit expertise. Although our Task Force team has grown we are still seeking assistance and expertise in certain areas.
5. Communicate our effort. Reach out and engage organizations within your extended supply chain, creating further awareness and opportunities for success.

The opportunity for revitalizing the Iraqi industrial base is a primary mission for the Task Force. Restoring employment to the Iraqi workforce decreases security risks to our armed forces and the Iraqi population by reducing the hopelessness that fosters insurgent sympathies. Revitalizing the Iraqi economy is an essential pillar to success in Iraq.