

**Brief Remarks for Ambassador Haslach
Business Council for International Understanding (BCIU)
Breakfast, 8:00 a.m. – 9:00 a.m. St. Regis Hotel**

Thank you for inviting me this morning. What a pleasure to talk about Iraq and the changing economic environment there with the Business Council for International Understanding. BCIU has been at the forefront of so many important discussions and events for more than 50 years, and I know you all have a tremendous interest in what's going on in Iraq.

I'd like to make just a few remarks that I hope will spark an interesting exchange of questions, answers, and (wise) comments from you.

A fundamental shift is occurring in Iraq. The country and economy are transitioning from an overwhelming focus on security and survival to the beginning of a more normal, if challenging, business environment.

The U.S.-Iraqi relationship is also becoming a more conventional one between two states—as partners—with an increasing focus on economic, trade, and cultural relations. While, admittedly it's a low bar, things are getting better for the average Iraqi.

The government and Central Bank are doing pretty well on the macro economy, as well. The Iraqi Dinar remains stable against the U.S. dollar and the Central Bank and the government have managed to keep inflation down in the single digits since November 2007.

Now, before you accuse me of undue optimism and having my head in the Iraqi sand, let me be clear: Iraq's quality of life has a long way to go, and the country is not an easy place to do business. Decades of state controls, war, and isolation severely damaged the economy, infrastructure, and regulatory environment.

But through partnerships with foreign firms and governments – with U.S. companies and the U.S. government at the forefront – Iraq can build a solid economic foundation and stimulate private sector development beyond oil. This will be key for creating a stable, market-oriented economy that creates jobs and is integrated into the global economy.

An important part of our effort in this area – and what brings me to Washington – is next week's U.S.-Iraq Business and Investment Conference at the Capitol Hyatt, which is focusing on sectors of greatest interest to foreign investors: oil and gas,

electricity, agriculture, housing and construction, transportation, banking and finance, defense, industry, health, education, telecommunications and tourism.

More than 150 senior Iraqi ministry officials and parliamentarians, along with more than 150 Iraqi businesspeople, will attend the conference. The delegation will also include senior officials and businesspeople from all of Iraq's provinces. From our side, senior USG officials, including Secretary Clinton and Secretary Locke, will be attending.

In addition, over 500 U.S. and other country business representatives have already registered, including major, multinational companies. We're fully booked. These business people will learn directly from Iraqi officials and businesspeople about the investment opportunities available in today's Iraq.

And the Iraqi officials better be prepared for tough questions from a skeptical audience. Potential investors will be looking hard for signs that Iraq really is opening for business and will be a reliable business partner. They will likely ask about regulatory reform, investment laws, contract enforcement, a weak bank lending system, an unclear land rights system, and regulations supporting the Arab League Boycott of Israel that remain on the books.

I'm optimistic that the Iraq's government and its business people will make the case that Iraq is "open for business."

Let me close on that note, and I look forward to hearing your thoughts.