Iraq Britain Business Council (IBBC) & UAE-UK Business Council webinar ‘Doing Business in Iraq’

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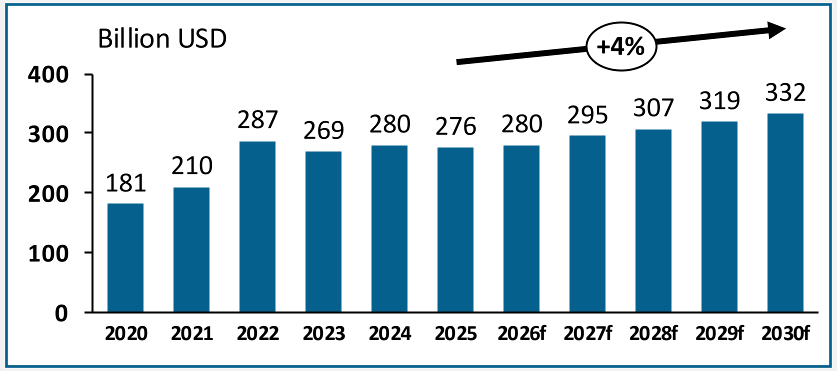
MP MANAGEMENT PARTNERS

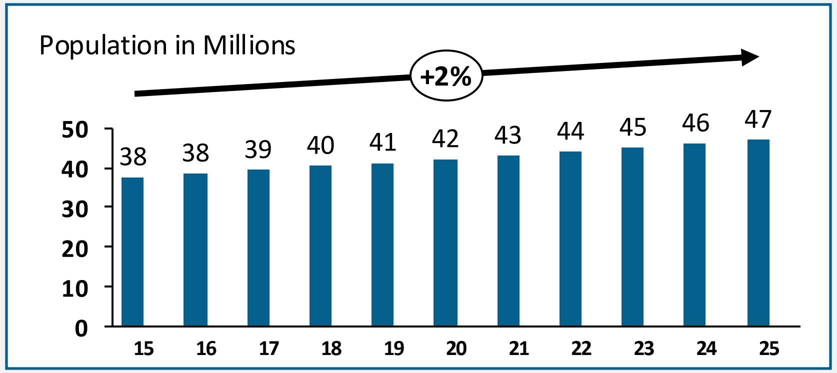
Iraq is shifting from post-conflict stabilization to infrastructure- and energy-led growth, underpinned by rising GCC investment, improving connectivity, and a gradual push to diversify beyond oil

Iraq's Socio-economic outlook

Iraq's GDP is expected to continue growing at 4%



Iraq's population is growing at 2.1% with 70% urbanization and 60% population under the age of 30 presenting potential demographic dividend



Iraq Investment Climate Snapshot

- **Strengths**: 42M population • 5th largest oil reserves • Strategic location • $450B opportunities • Young workforce (60% under 25)
- **Recent Reforms:** Credit rating uplift • Banking modernization • E-government expansion • Legal reforms for SMEs • Major IOCs returning
- **Challenges**: Oil dependency (90% revenues) • Infrastructure gaps • Bureaucracy improving • Regional geopolitics

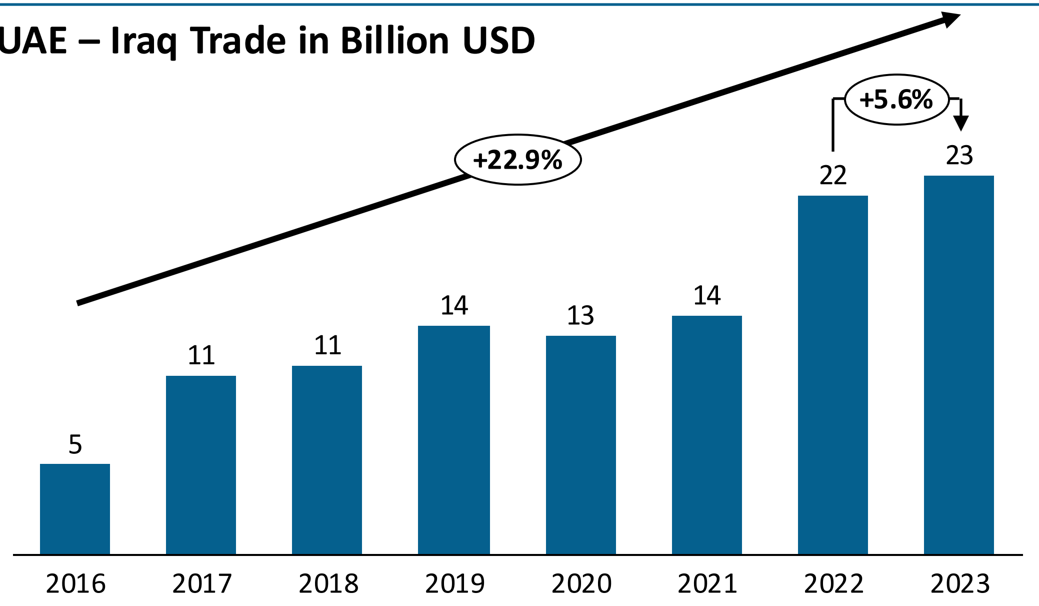
Major Iraq Developments

Mega Oil & Gas Projects	TotalEnergies investing USD 27B, expands Ratawi oil, captures gas, adds 1.25 GW solar, and cuts power imports to boost Iraq's energy self-sufficiency.
Development Road & Grand Faw Port Project	Links Basra to Turkey and Europe, expanding port capacity and positioning Iraq as a key regional trade hub.
Major National Housing Programs	Targets up to 5 M homes by 2030, driving construction growth, job creation, and housing supply nationwide.
Mega Rail Modernization Project	The USD 930M project aims to upgrade Iraq's rail network to improve connectivity, freight flow & economic diversification.
Regional Power Interconnection & Gas Projects	Developing grid links with GCC and Jordan and expanding gas capture systems to enhance energy reliability and reduce electricity deficits.

Source: IMF, World Bank, Team Analysis

Economic relations between the UAE and Iraq have substantially improved at the government level through funding schemes favoring Iraq, as more UAE-based businesses expand there

UAE – Iraq Trade in Billion USD



Business Execution Platforms and Risk Shields

- **Iraq–UAE Investment Treaty:** Legally protects UAE investors in Iraq (no unfair treatment/expropriation, free capital transfers, neutral arbitration).
- **Saudi–Iraq Investor Protection Pact:** Similar treaty-level safeguards for Saudi capital—clear signal that Iraq is adopting GCC-friendly investor protections.
- **GCC–Iraq Power Link (≈500–600 MW):** Regional grid connection funded by GCC/Kuwait Fund to stabilize electricity in southern Iraq, lowering operational risk for energy-intensive projects.
- **UAE–Iraq Joint Economic Committee:** Gov-to-gov forum that converts MoUs into contracts and unblocks permits/coordination for priority investmens

UAE and other GCC investors stepping up in Iraq (Key Events)

UAE pledged $3bn

- UAE pledged $3bn to support Iraq's economy and deepen investment ties

Al-Faw Port JV

- Abu Dhabi's AD Ports Group and Iraq's GCPI signed a preliminary JV to develop Al-Faw Grand Port and its economic zone

Development Road' MoU

- Iraq, UAE and Qatar (with Türkiye) signed a quadrilateral MoU on the $17–20 bn "Development Road" logistics corridor linking Al-Faw to Türkiye.

Saudi PIF's $3bn Iraq vehicle

- PIF created the Saudi-Iraqi Investment Company with $3 bn capital to invest across sectors in Iraq.

GCC–Iraq power link

- The GCCIA–Iraq interconnection (≈600 MW) advanced with Kuwait Fund loans and GCCIA implementation, enabling future cross-border power trade.

ACWA Power 1 GW Najaf solar

- ACWA Power (Saudi) and Iraq's MoE advanced contracting for a 1,000 MW solar plant in Najaf

Source: Comtrade, TradingEconomics, Team Analysis

Iraq offers $450 billion in investment opportunities across 12 strategic sectors, driven by massive reconstruction needs, abundant natural resources, and government commitment to economic diversification away from oil 1/2

Sector	Development Status	Key Opportunities	Examples
Oil & Gas	90%+ of revenues; expanding to 6M bpd by 2029	Production sharing, refineries, petrochemicals, 10 exploration blocks (72,000+ km²)	• LAB Production Plant (Basra, 75K tons/year) • Al-Kut Refinery (100K bpd, BOO/BOOT)
Electricity & Energy	Chronic shortages; $6B renewable investment planned	Steam plants, solar/wind farms, grid infrastructure (540+ projects)	• Al-Faw Steam Station (2,000 MW) • Karbala Solar Plant (300 MW operational)
Housing & Real Estate	3-4M unit shortage; 1M units in 2 years target	Residential developments, smart cities, affordable housing	• Bismayah New City (59 blocks, 8 towns) • National Housing Program (1M units)
Infrastructure	Major modernization needed; Development Road Project	Railways, highways, ports, airports, logistics ($17B+ Development Road)	• Development Road (Basra-Turkey corridor) • Railway Modernization ($930M World Bank)
Agriculture	2.8% GDP; 97 opportunities evaluated	Commercial farms, irrigation, food processing, smart agriculture	• Anbar Commercial Farms (10K+ hectares) • Smart Agriculture Tech Centers
Healthcare	Expanding private sector; hospital shortage	Private hospitals, specialized centers, medical equipment (20+ projects)	• Baghdad International Hospital (400 beds) • Regional Hospital Network (100-200 beds)

Iraq Incentives Package

Incentive	Benefits
Ownership	100% foreign ownership permitted
Tax Holidays	Up to 10 years depending on sector
Customs	Duty exemptions on equipment/ machinery
Licensing	Single-window, 15-day response time
Repatriation	Full profit and capital repatriation
Land	Preferential rates or free allocation

Source: NIC, Team Analysis

Iraq offers $450 billion in investment opportunities across 12 strategic sectors, driven by massive reconstruction needs, abundant natural resources, and government commitment to economic diversification away from oil 2/2

Sector	Development Status	Key Opportunities	Examples
Tourism	$1B investment plan; 21 projects in 2025	Hotels, religious tourism, archaeological sites, entertainment	• Najaf Games City & Entertainment Complex • Babylon Archaeological Tourism
Manufacturing	Import substitution focus; abundant raw materials	Cement, petrochemicals, fertilizers, paper, food processing (50+ projects)	• Phosphate Fertilizer Complex (500K tons/year) • Paper Products (24M notebooks/year)
Education	60% population under 25; quality gap	Private schools, universities, vocational training, e-learning	• International University Campuses • Vocational Training Centers Network
Digital/ICT	Rapid growth; e-government priority	Data centers, fintech, telecom, digital payments, e-commerce	• National Data Center Network (5K+ racks) • Digital Payment Infrastructure (1M+ merchants)
Free Zones	4 strategic zones operational/developing	Manufacturing, warehousing, logistics, trade, re-export	• Al-Zubair Free Zone (20M m^2, near ports) • Nineveh Zone (strategic Turkey/Syria route)
Environment	Water scarcity, waste challenges	Water treatment, desalination, waste management, recycling	• Baghdad Waste Management (8M population) • Basra Water Treatment (500K m^3/day)

Source: NIC, Team Analysis

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