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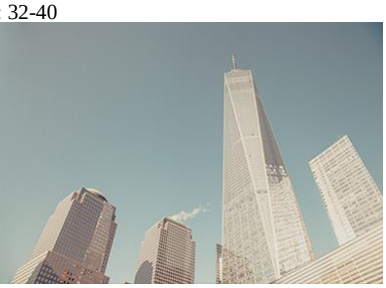

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Indicators of foreign trade and their impact on national income in Iraq for the period 2003-2022

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Abstract
Foreign trade is considered a crucial instrument for the state due to its positive impact on increasing national income, driving economic transformations in the national economy, and ensuring the availability of essential consumer goods. The research is based on the hypothesis that foreign trade, through its various economic activities, can contribute to the development of the national economy and the growth of national income. The study relies on the theoretical aspect to define foreign trade, highlight its significance, discuss its policies, and examine some of the reasons behind engaging in foreign trade. The practical aspect of the study also explores the major obstacles facing foreign trade, the most significant of which is the trade balance deficit. Despite the relatively low contribution of trade to Iraq's national income, this percentage remains high when excluding crude oil exports. In such a case, the trade surplus would turn into a persistent deficit. Additionally, the research analyzes key economic indicators related to foreign trade for the period (2003-2022). The study concludes that during the research period, exports recorded the highest contribution to the trade balance at the expense of imports. However, this was primarily due to oil exports rather than local investments, which played a role in stimulating the multiplier effect in national income. The most significant recommendation is to diversify Iraq's exports to reduce dependence on crude oil and invest oil revenues in revitalizing various sectors, including industry, trade, agriculture, and services.

Keywords: Foreign trade, national income, Iraq

Introduction
Foreign trade plays a crucial role in financing various economic development programs and projects for both developing and developed economies. Foreign trade is not merely the exchange of goods and services between countries but also involves the movement of production factors, such as capital and technical expertise, across borders. An economy diversifying its exports to include semi-finished and finished goods is more resilient and capable of withstanding continuous cyclical fluctuations. This diversification, encompassing both agricultural and non-agricultural products, contributes to the growth of exports in countries engaged in international trade. It also facilitates the inflow of foreign currencies, which can be utilized to cover the costs of essential imports, including raw materials, intermediate goods, consumer goods, and capital goods, thereby driving economic development and accelerating growth while mitigating the impact of global crises on the national economy. In most countries, including Iraq, trade was historically limited to specific types of goods due to production, transportation, and logistical constraints. However, the expansion and significant trade development following the Industrial Revolution in Europe led to increased commercial activities. For instance, Iraq's exports during the Babylonian era included industrial and manufactured goods such as ready-made clothing and textiles. Today, foreign trade remains one of the fundamental pillars of national economies in both developed and developing countries, playing a pivotal role in economic development. The higher the contribution of foreign trade to national income, the greater the level of economic growth. This contribution also serves as an indicator of a country's economic advancement or underdevelopment. Foreign trade is also a key driver of economic growth in any nation, as trade indicators can significantly impact Iraq's national income, both directly through cash revenues and trade balance adjustments and indirectly through their influence on investments and trade policies.

Chapter One: Research Methodology

Research Problem

The research problem is centered on the following questions:

1. How can foreign trade indicators in Iraq be analyzed and their impact on national income assessed?
2. Is there a direct relationship between foreign trade indicators and national income in Iraq?

Research Importance

The significance of this research can be highlighted through the following points:

1. Understanding how foreign trade indicators influence national income in Iraq. By analyzing data and economic trends, the study can reveal the relationship between foreign trade and economic growth.
2. Identifying the connection between foreign trade and economic development, providing insights into potential policy recommendations.

Research Objectives

The primary objectives of this study include:

- Examining the state of foreign trade in Iraq and analyzing the trade balance to determine the extent of challenges facing the Iraqi economy.
- Analyzing the factors that stimulate, hinder, and influence foreign trade indicators in Iraq, including trade policies, economic factors, and global changes.

Research Hypotheses

This research is based on two fundamental hypotheses:

1. Foreign trade indicators in Iraq serve as a key determinant of national income levels and contribute to economic stability.
2. Increasing export volumes, diversifying exports, and improving trade infrastructure lead to higher national income and sustainable economic growth in Iraq.

Research Structure

The study is divided into three main sections:

- The first section addresses the conceptual framework of foreign trade, its significance, and key trade theories.
- The second section analyzes the impact of foreign trade on Iraq's national income by interpreting relevant data tables.
- The third section focuses on the statistical measurement of foreign trade's effect on national income in Iraq for the period 2003-2022.

Chapter Two: Theoretical Framework of Foreign Trade

First: The Concept of Foreign Trade

Foreign trade can be defined as the process of transferring goods and services between neighboring countries through exports and imports, regulated by a set of policies, laws, and agreements between different nations to achieve mutual benefits. Other scholars define foreign trade as one of the most significant forms of economic relations between countries, enabling the movement of production factors, materials, goods, and commodities across borders in the form of exports and imports (Alou, 2019: 382).

Second: The Importance of Foreign Trade

The significance of foreign trade lies in providing opportunities to benefit from comparative and specialized advantages and promoting the division of labor. Each country can focus on producing goods and services that hold a competitive edge and exchange them for goods and services produced by other countries. This enhances productivity, deepens economic integration, increases economic prosperity, and creates employment opportunities. The key factors contributing to the importance of foreign trade include the following (Yahya & Ali, 2020: 5):

1. **A Vital Tool for Strengthening International Relations:** Foreign trade expands economic and cultural interactions between nations, fostering peace and global stability through cultural exchange, economic cooperation, and increased mutual trust.
2. **Market Expansion:** Through foreign trade, businesses can access new markets to sell their products and services, benefiting from specialization and increasing their growth and expansion opportunities.
3. **Indicator of Economic Strength:** A country's ability to export goods and receive imports reflects its economic power and global competitiveness. Successful exports demonstrate a nation's capacity to meet international market demands while establishing advanced economic systems that promote sustainable development.

Third: Theories Explaining Foreign Trade

Several economic theories explain foreign trade from different perspectives, as proposed by leading economists. Among these theories, we highlight the following:

Theory of Absolute Cost Differences (Mandour, 1990: 41-44)

Adam Smith, one of history's most prominent economists, introduced fundamental economic concepts in his seminal work The Wealth of Nations (1776). His theories encompass ideas such as the "invisible hand," "market system," and "comparative advantage."

Comparative Advantage

Smith argued that even if a country can produce all goods more efficiently and at a lower cost than other nations, it can still benefit from international trade. This is because every country faces distinct production challenges and limitations. For instance, one country might have a comparative advantage in agricultural production due to favorable land and climate conditions, while another excels in industrial goods due to skilled labor and well-developed infrastructure. Based on comparative advantage, countries with differing production capabilities can mutually benefit from trade. When each nation specializes in producing the goods in which it holds a comparative advantage, global trade enhances efficiency, diversifies available goods, and optimizes resource utilization. By focusing on specialized production and engaging in trade, nations can improve overall productivity and economic output. Smith also emphasized that international trade strengthens global relations by fostering cooperation among nations, thereby contributing to peace, stability, and improved diplomatic ties. The theory of comparative advantage proposed by Adam Smith remains a cornerstone in understanding international trade, offering insights into the best strategies for achieving economic prosperity and strengthening international relations.

Theory of Comparative Costs

The theory of absolute costs, introduced by British economist David Ricardo in 1817, forms one of the fundamental principles for understanding international trade and allocating economic resources among nations. This theory emerged as a response to the limitations of Adam Smith's absolute advantage theory, particularly addressing the concern of whether countries without an absolute advantage in producing any good should cease trade altogether. Ricardo's theory revolves around the concept of comparative advantage, proposing that nations can benefit from international trade even if they lack an absolute advantage in producing all goods and services. At its core, the theory assumes a scenario where two countries trade with two products. It suggests that each country should specialize in producing goods with a comparative advantage, even if that advantage is minimal compared to other nations. Specialization and trade ultimately lead to increased overall productivity and enhanced economic well-being. For example, suppose one country can efficiently produce both cars and computers but has a comparative advantage in car production. In contrast, another country is more efficient in computer manufacturing than in car production. According to Ricardo's model, it is economically beneficial for the first country to specialize in car production and for the second country to focus on computer manufacturing. The two nations can then exchange goods, maximizing efficiency and economic gains.

This concept highlights that international trade is driven by comparative rather than absolute advantages, allowing all countries to benefit from trade, even if their efficiency in producing certain goods is relatively low. Each economic theory builds upon the limitations of its predecessor, refining and expanding the understanding of global trade dynamics.

Factor Proportions Theory (Mandour, Previous Source: 67-71)

This theory, developed by Swedish economists Eli Heckscher and Bertil Ohlin, attempts to explain international trade based on differences in the availability and scarcity of production factors across countries. Ohlin's theory serves as a cornerstone of modern international trade theories and is considered one of the most comprehensive models for analyzing relative cost structures in trade. The core principle of this theory asserts that variations in relative costs and the relative abundance of production factors among nations grant countries a comparative advantage in producing and exporting goods that require the most abundant production factor. Conversely, nations lack a comparative advantage in producing goods that rely on their scarce factors of production, making it more efficient for them to import such goods.

The theory suggests that differences in production factor availability are key drivers of international trade. Each country has an abundance of specific resources and a scarcity of others. For instance, if a country has an abundance of labor but limited land, it will specialize in labor-intensive industries and export labor-intensive goods while importing land-intensive products. Ohlin also emphasizes the role of economies of scale in international trade. Expanding production lowers the cost per unit of goods, reducing prices and increasing global demand. This dynamic leads to significant economic gains from trade, reinforcing the importance of production factor distribution in shaping international economic interactions.

Chapter Three: Analysis of the Impact of Foreign Trade on National Income in Iraq (2003-2022)

First: The Development of Foreign Trade Importance in Iraq (2003-2020)

The volume of foreign trade (exports + imports) in Iraq witnessed significant growth in the 21st century compared to the 1990s. In 2003, which marks the beginning of the study period, the total foreign trade exceeded 228 million dinars. This figure increased to 487 million dinars in 2006 and further rose to over 525 million dinars by 2011. A substantial increase was observed in the following years, particularly between 2012 and 2014, when foreign trade surged significantly, reaching 1,131 million dinars in 2012 and 1,037 million dinars in 2014. However, a decline followed in 2015, with trade dropping to 671 million dinars, and further decreasing in 2016 to 553 million dinars. Despite this decline, foreign trade rebounded, increasing to 1,097 million dinars and 3,961 million dinars in subsequent years. By 2019, the total foreign trade stood at approximately 1,050 million dinars, but by the end of 2020, it had decreased again to 598 million dinars, recording a decline in that year, as shown in Table (2) below.

Table 1: The Volume of Exports and Imports from 2003 to the End of 2020

Year	Volume of Imports (Goods & Services)	Volume of Exports (Goods & Services)
2003	22897246.2	22734254.4
2004	29956020	34050969
2005	39963945	45045710
2006	48780390.5	36914707.8
2007	51158039.1	31422753
2008	79028558.7	48249768.6
2009	51473565	51326145
2010	63880713	55232658
2011	95531318	60316542
2012	113151788.2	73950251.1
2013	108514489.6	57910914.2
2014	103714534	80008354.8
2015	67192475.7	68289455.7
2016	55352469	52145112
2017	75180282.6	57333501

2018	109726005.5	67227432
2019	105083227.8	85437915
2020	59825038.8	64864713.6
2021	12162500	73998231.9
2022	18090064.7	82465700.7

Source: Ministry of Planning, Central Bureau of Statistics, Annual Statistical Reports (Sample Years of the Study).

Second: Developments in National Income in Iraq (2003-2020)

The national income in Iraq experienced significant growth after 2003. In that year, it recorded more than 25,728,748.6 million dinars. By 2006, the national income had increased, reaching 85,431,538.8 million dinars. The upward trend continued, with national income peaking at 192,237,070.3 million dinars in 2011. During the subsequent three years (2012-2014), the increase in national income stabilized at relatively similar levels, with 2013 recording the highest figure of 243,518,658.5 million dinars. However, in the following three years (2015-2017), national income declined, registering 162,739,468.2 million dinars in 2015, 165,634,417.2 million dinars in 2016, and 183,436,173 million dinars in 2017. After these three years of decline, national income rose again, reaching 224,162,218 million dinars in 2019. However, in 2020, national income dropped to 184,576,250.7 million dinars, marking a decline compared to the previous year. These fluctuations, whether increases or decreases, directly impact the average per capita income from national income, as shown in Table (3) below.

Table 2: National Income and Per Capita Share of National Income from 2003 to the End of 2020

Year	National Income (Million Dinars)	Per Capita Share of National Income (Dinars)
2003	25728748.6	976794.2
2004	46923315.7	1728935.7
2005	65798566.8	2353058.2
2006	85431538.8	2926339
2007	100100816.6	3372432.1
2008	147641254	4828348.9
2009	120429277.2	3803294.1
2010	146453468.5	4507651.4
2011	192237070.3	5766173.9
2012	227221851.2	6642506
2013	243518658.5	6938689.3
2014	236708036	6798184.6
2015	162739468.2	4621626
2016	165634417.2	4579442.4
2017	183436173	4939110.1
2018	217753872	5711699.5
2019	224162218	5728962.8
2020	184576250.7	4597147
2021	301152800	5174195.8
2022	383064200.4	5857400.2

Source: Ministry of Planning, Central Bureau of Statistics, Annual Statistical Reports (Sample Years of the Study).

Third: The Importance of Foreign Trade in Iraq's National Income (2003-2020)

The relative significance of foreign trade in national income is one of the key indicators for measuring its role in the national economy. It is also a crucial factor in assessing the degree of economic openness. A higher proportion of foreign trade in a country's economy often indicates an increased exposure to unfavorable external influences, which may hinder economic development. A high dependency on foreign trade reflects the extent to which negative global economic trends impact the national economy, mainly due to external economic fluctuations in developed countries. Iraq is among the countries where foreign trade constitutes a significant portion of national income. The data reveals that as Iraq's national income increases, exports also rise, indicating a relatively stable export structure. This trend is illustrated in Table (4) below. However, according to the Central Bank's reports, most of Iraq's exports are mineral fuels, accounting for 83% of total exports in 2003. This percentage continued to rise, reaching over 95% by 2012. Other exports include food products, beverages, and some industrial goods, but these remain minimal. This highlights a major issue in Iraq's export structure, which is its heavy reliance on a single commodity: oil. The lack of export diversification exposes the Iraqi economy to risks of global oil price fluctuations. Additionally, Iraq's dependence on oil revenues affects its ability to secure foreign currency reserves, which may pose challenges to sustainable economic development.

Table 3: National Income and Export Volume in Iraq (2003-2020)

Year	National Income (Million Dinars)	Export Volume (Goods & Services)
2003	25,728,748.6	2,289,724.6
2004	46,923,315.7	2,995,620.0
2005	65,798,566.8	3,996,394.5
2006	85,431,538.8	4,878,039.0
2007	100,018,516.6	5,115,803.9
2008	147,641,254.0	7,908,255.8
2009	120,429,772.2	5,147,356.5
2010	146,453,468.5	6,388,071.3
2011	192,237,070.3	9,553,131.8
2012	227,221,851.2	11,315,178.2
2013	243,518,658.5	10,851,489.6
2014	236,708,036.0	10,371,453.4
2015	162,739,468.2	6,719,245.7
2016	165,634,417.2	5,535,246.9
2017	183,436,173.0	7,518,028.2
2018	217,753,872.0	10,972,600.5
2019	224,162,218.0	10,508,322.7
2020	184,576,250.7	5,982,503.8
2021	301,152,800.0	12,162,500.0
2022	383,064,200.4	18,090,064.7

Source: Ministry of Planning, Central Bureau of Statistics, Annual Statistical Reports (Sample Years of the Study).

Chapter Four: The Statistical Analysis of the Impact of Foreign Trade on National Income in Iraq (2003-2022)

First: Study Variables

Table 4: Study Variables

Variable Code	Variable Name	Description
X1	Exports	Independent Variable
X2	Imports	Independent Variable
Y	National Income	Dependent Variable

Source: The model description serves as the foundation for the table.

Second: Econometric Model Tests (Unit Root Test)

We provide a table that shows the stationarity test of the time series for the research variables based on the Phillips-Perron (P.P.) test findings prior to doing model testing. Because of its greater accuracy, the Phillips-Perron test was the only one applied to all models.

Table 5: Phillips-Perron Test Statistic Results

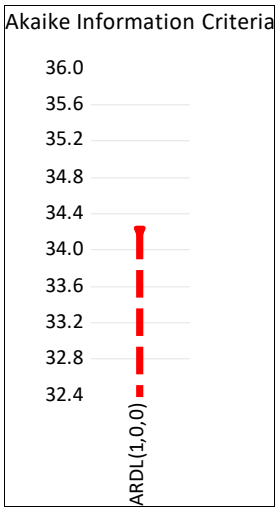
Variable	Level			1st Difference		
	PP	Sig.	Result	PP	Sig.	Results
X1 (Exports)	-2.7642	0.001	Stationary	-2.0984	0.0011	Stationary
X2 (Imports)	-4.1123	0.003	Stationary	-2.3776	0.0462	Stationary
Y (National Income)	-2.0234	0.005	Stationary	-2.1342	0.0000	Stationary

Source: The researcher's preparation, based on the results of EViews 13.

Third: Estimating the Impact of Foreign Trade Indicators on National Income

In light of the above and given the stationarity of the time series for the study variables at both the level and first difference, without exceeding the second difference, the data satisfies the conditions for cointegration among the study variables. The Autoregressive Distributed Lag (ARDL) methodology was applied to analyse this relationship. By meeting these conditions, we proceeded with the ARDL model test, utilizing the Akaike Information Criterion (AIC) (top 20 models). This criterion identifies the optimal 20 lag periods for the ARDL models. The lag length selection is crucial for determining the best timeframe to examine the connection between Y, the dependent variable, and the independent variables (X1, X2).

1- Using Akaike's Criterion to Determine the Number of Lag Periods



Source: The table is prepared by the researcher using EViews 13.

Fig 1: Assessing the Quantity of Lag Times Based on Akaike's Criterion

Table 6: Akaike's Criterion-Based Lag Length Selection Test

Model Selection Criteria Table					
Dependent Variable: Y					
Date: 03/10/24 Time: 21:29					
Sample: 2003Q1 2022Q4					
Included observations: 79					
Specification	HQ	BIC	AIC*	Log	Model
ARDL (100)	34.8842	34.1304	34.7465	-1295.415	1

Source: The researcher used EViews 13 to prepare the table.

The ARDL (1,0,0) model is the most effective model for examining the long-term link between certain foreign trade variables and national revenue.

Initial Estimation of the ARDL Model

Table 7: ARDL Model Initial Estimation Results

Dependent Variable: D(Y)			
Method: ARDL			
Selected model: ARDL (1,0,0)			
8.336961	Average dependent variable	0.482403]	R-squared
65.72631	S.D. dependent Var	0.4608368	Adjusted R-squared
0.625324	Durbin-Watson stat	22.368156	F-statistic
		0.000000	Prob(F-statistic)
The t-bounds distribution cannot be used with p-values.			

Source: The table is prepared by the researcher using EViews 13.

The data presented in Table (4), It describes the ARDL model's preliminary estimation results and shows how national income, the dependent variable, and foreign trade data, the independent variables, relate to one another. The model's explanatory strength is indicated by the coefficient of determination (R2), which is 0.4608368. The validity of the model is confirmed by the F-statistic value, which represents the statistical significance of the entire model with a p-value less than 5%. In light of these findings, the Bound Test within the ARDL framework is used to confirm the long-term equilibrium relationship between the research variables.

Bound Test

Table 8: Results of the Bound Test

Null hypothesis: No levels of relationship						
The quantity of cointegrating variables: 2						
Type of trend: Resting constant (Case 2)						
Sample size: 76						
Value				Test Statistic		
18.88003				F-statistic		

1%		5%		10%		
I(1)	I(0)	I(1)	I(0)	I(1)	I(0)	Sample Size
7.41	3.458	2.065	4.253	1.455	3.725	75
6.393	8.358	8.053	6.235	4.453	5.713	80
5	41.13	3.87	2.1	5.35	3.63	Asymptotic
* I(0) and I(1) are respectively the stationary and non-stationary bounds.						

Source: The researcher used EViews 13 to prepare the table.

Cointegration between the research variables is confirmed by the Bound Test results shown in Table (5). At a 5% significance level, the calculated F-statistic value = 18.88003 is higher than the upper bound (3.49) and lower bound (2.56). This finding suggests that there is a long-term equilibrium relationship between some of the variables under investigation, leading to the rejection of the null hypothesis and the acceptance of the alternative hypothesis. In light of these results, we estimate both short- and long-term parameters because cointegration exists, with results presented in Tables (6) and (7).

Short-Run Impact of Foreign Trade Indicators on National Income

Table 9: Error Correction and Short-Term Estimates Between National Income and Foreign Trade Indicators

Dependent Variable: D(Y)				
Method: ARDL				
Date: 03/10/24 Time: 23:33				
Sample: 2003Q2 2022Q1				
Included observations: 76				
Automatic dependent lags: 2				
Two maximum lags for automatic-lag linear regressors: X1 X2				
Deterministic: limited, steady, and devoid of any pattern (Case 2)				
The Akaike information criterion (AIC) is the model selection method.				
Number of models evaluated: 1				
Selected model: ARDL (1,0,0)				
Prob.	t-Statistic	Std. Error	Coefficient	Variable
0.0000	-4.18855	0.036200	-0.151627	COINTEQ*
0.0000	6.93247	0.063284	0.438718	X1**
0.0225	-2.33168	0.102375	-0.238706	X2**
0.0141	2.51562	3104861.	7810657.1	C

Source: The researcher used EViews 13 to prepare the table.

The short-run impact results indicate the following:

- Exports (X1) have shown a statistically significant and positive effect on national income (Y) at a significance level below 0.05. This means that an increase in exports by 43% leads to a 100% increase in national income.
- Imports (X2) have demonstrated a statistically significant and negative effect on national income (Y) at a significance level below 0.05. This indicates that an increase in imports by 23% results in a 100% decrease in national income.
- With a value of -0.151627, the error correction term (ECT) is statistically significant and negative. Given that its p-value is 0.0000, or less than 0.05, this value is significant.
- This result confirms that the first condition for cointegration is met, indicating that 15% of short-run errors are corrected annually to restore long-run equilibrium.

Long-Run Impact of Foreign Trade Indicators on National Income

Table 10: Error Correction and Long-Term Estimates Between National Income and Foreign Trade Indicators

Variable *	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
X1	2.893409	0.501119	5.773891	0.0000
X2	-1.574299	0.970253	-1.622565	0.1090
C	5151238	28461561	1.809893	0.0744
Note: * Coefficients derived from the CEC regression.				

Source: The table is prepared by the researcher using EViews 13.

The short-run impact results indicate the following:

- Exports (X1) have shown a statistically significant and positive effect on national income (Y) at a significance level below 0.05. This means that an increase in exports by 280% leads to a 100% increase in national income.
- Imports (X2) failed to demonstrate a statistically significant effect on national income (Y).

Post-Estimation Tests

A- Heteroskedasticity Test

- Based on the ARCH test results, and according to the F-test statistic, the results are not statistically significant, indicating no heteroskedasticity problem in the model.

Table 11: Heteroskedasticity Test Results

Heteroskedasticity Test: ARCH			
F-statistic	93.7900	Prob. F (1,73)	0.2234
Obs*R-squared	10.5013285	Prob. Chi-Square (1)	0.1276

Source: The table is generated from EViews 13 statistical outputs.

B- Autocorrelation Problem

- Based on the results of the LM test and the F-test statistic, the results are not statistically significant, indicating that there is no autocorrelation problem in the model.

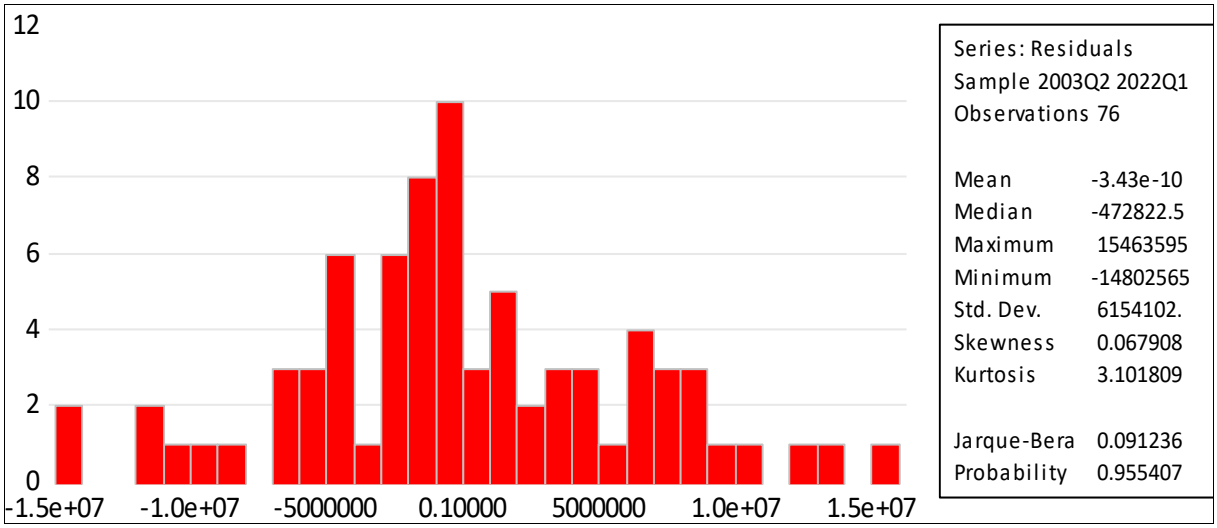
Table 12: Autocorrelation Test Results

Breusch-Godfrey Serial Correlation LM Test			
Null hypothesis: No serial correlation at up to 1 lag			
F-statistic	839.5586	Prob. F (2,70)	0.0997
Obs*R-squared	72.95846	Prob. Chi-Square (2)	0.0854

Source: The table is generated from EViews 13 statistical outputs.

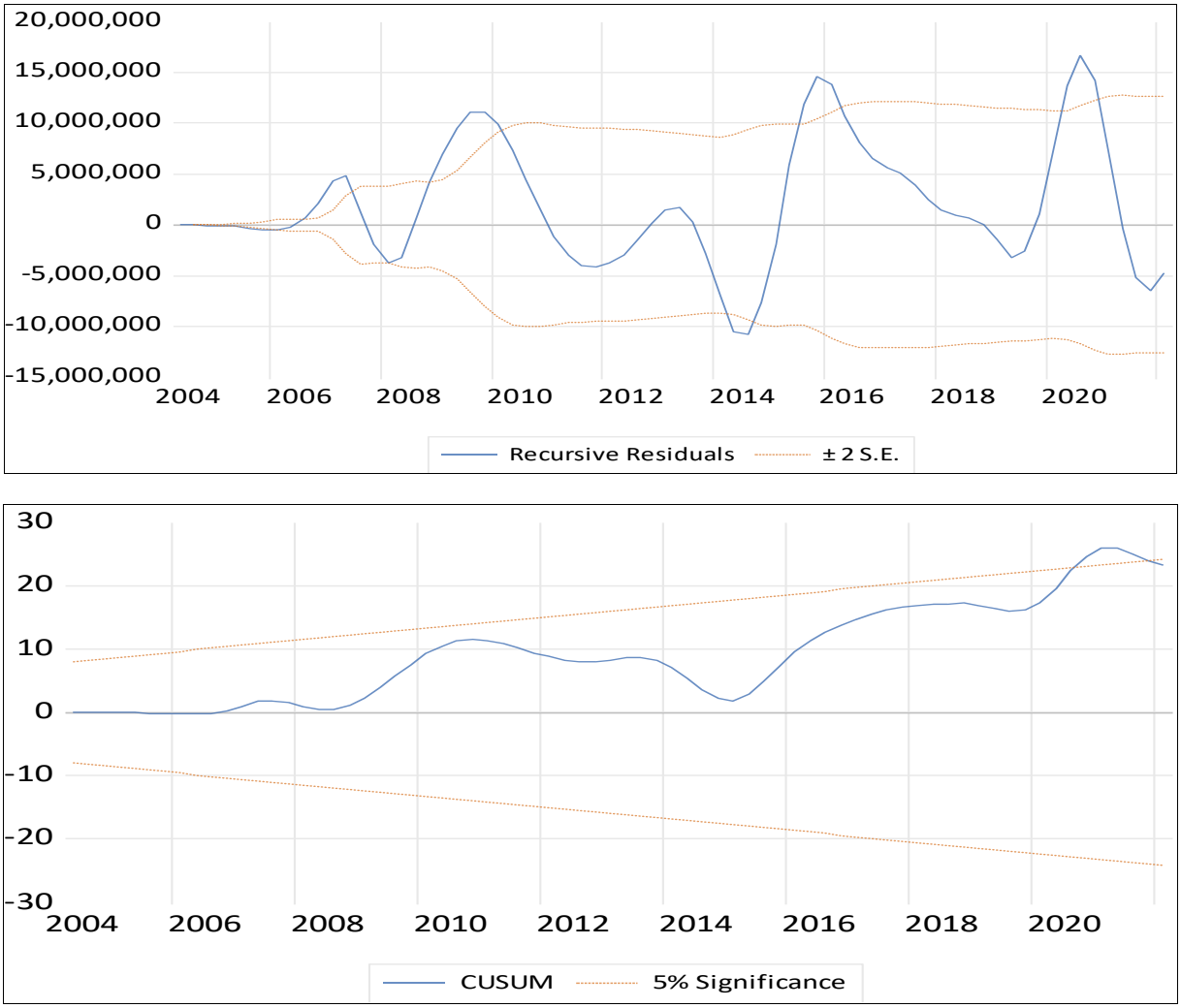
C- Normality Distribution Problem

- The normality test results indicate that the estimated model does not suffer from a normality distribution problem in the residuals, confirming that the residuals are normally distributed.



Source: The figure is generated from EViews 13 statistical outputs.

D- Structural Stability Test: The results of the structural stability test indicate that the data remains within the critical value boundaries at a 5% significance level. This confirms that the estimated model is structurally stable in both the short run and the long run.



Source: The figure is generated from EViews 13 statistical outputs.

Fig 2: Structural Stability Test Results

Conclusion

1. Foreign trade helps diversify national economies by reducing dependence on specific industries or products, thereby protecting the economy from shocks caused by fluctuations in global markets.
2. Exports play a crucial role in generating foreign currency reserves needed to support sustainable development.

3. Foreign trade contributes to job creation by boosting exports and increasing labor demand in export-oriented sectors. This leads to higher income levels and an improved standard of living.
4. Trade facilitates technology and knowledge transfer between nations, enhancing productivity and innovation across different economic sectors.
5. The short-run impact results indicate that imports (X2) failed to demonstrate a statistically significant effect on national income (Y).
6. The short-run impact results confirm that exports (X1) have a significant and positive effect on national income (Y). Any increase in exports will lead to an increase in national income.

Recommendation

1. Diversifying Iraq's exports to include agricultural, industrial, and service products will reduce its reliance solely on oil exports. This diversification will enhance national income and mitigate the impact of global oil price fluctuations.
2. Providing support and incentives for local industries to enable them to compete in global markets. This can be achieved through financial and tax incentives, training programs, and technical support.
3. Improving the quality of Iraqi products to make them more competitive in international markets. This can be accomplished by adopting quality standards, providing training, and offering technical assistance to businesses.
4. Enhance Iraq's investment environment to attract foreign investors. This can be done by improving the legal framework and offering financial and tax incentives.

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