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**Monthly Economic and Commercial Report for Kurdistan Region of Iraq –
July 2023**

I. OVERVIEW:

Kurdistan Regional Government (KRG) has been making efforts to diversify its economy sources through other sectors, in particular agriculture, tourism and also to digitize public services, increase citizen satisfaction and facilitate the ease of doing business in Kurdistan. In an attempt to both diversity revenue streams, and reach self-sufficiency in food products, the KRG has placed a significant focus on the development of the farming and agriculture sector. During the past four years, potato products have increased by 200,000 tons in the Region.

II. ECONOMIC AND COMMERCIAL DEVELOPMENTS

Tourism sector: On 30 July, 2023 KRG officials in association with UNDP and US Agency for International Development (USAID) launched a reform roadmap for tourism sector. In 2022, 6 million tourists mostly domestic visited the region. The government is seeking to integrate historic sites, museums, and memorials into the tourism industry to promote Kurdistan's history and heritage. There are nearly 5,000 heritage sites in Kurdistan Region including Erbil Citadel listed by UNESCO. KRG has prepared 8 year plan to attract 20 million tourist per year.

Agriculture sector: KRG continues to develop the farming and agriculture sectors in an attempt to diversify revenue streams, strengthening its economic infrastructure, and achieve self-sufficiency in food products. The Government has been promoting this vital sector through various means by development of sustainable farming , addressing water shortage, incentive schemes, export of products like potatoes and pomegranates.

Foreign Investments: Kurdistan Region's Investment Board is planning to form a team of economics experts to attract more foreign investors , and pursue business and investment. The KRG has pledged every assistance for this purpose.

Agro-products: In an attempt to both diversity revenue streams, and reach self-sufficiency in food products, the KRG has placed a significant focus on the development of the farming and agriculture sector. During the past four years, potato products have increased by 200,000 tons in the Region.

6000 companies established during KRG's 9th Cabinet - Mr. Dara Jalil Khayat, the President of the Erbil Chamber of Commerce and Industry stated that about 6,000 new companies including 150 foreign companies were established during the

four years of the Kurdistan Regional Government's (KRG), 9th Cabinet. A new industrial zone is being built in Erbil, which will comprise about 6,000 acres for new companies to establish and operate in the future. During this period, over 780 industrial and commercial factories valued at \$1.75 billion were licensed. The KRG Cabinet has recently launched online Business Registration System to improve the business climate and facilitate investment.

Water conservation project: The Ninth Cabinet of the KRG has taken measures to combat climate change and water shortages. These measures include the construction of many ponds and dams throughout the Kurdistan Region. The Cabinet approved the construction of 41 ponds, of which 23 ponds were approved in the first phase and 14 ponds in the second phase. Four more ponds have been approved in the third phase. They have also allocated \$4.11 million dollars for irrigation and flood control projects.

Tax reform: KRG released updated figures for taxation in the Region from 2019-2022, showing increasing revenue for the government over the past two years. illegal tax exemptions have been abolished, and the tax rate has been determined using more reliable information. In 2019, tax revenue was \$478.7 million. In 2020, tax revenue decreased to \$441.6 million. In 2021, tax revenue had seen growth after an economic rebound from COVID-19, which led to revenue of \$607.5 million. In 2022, tax revenue reached its highest level of \$696.3 million.

Healthcare facilities: As per KRG's Ministry of Health report released on 31 July, 2023, there are 135 hospitals (83 public and 52 private) and 1470 health centers (41% in villages). Kurdistan Region has 8000 doctors including 1500 dentists and 22,000 nurses.

III. BILATERAL TRADE

There is no separate data available for bilateral trade between India and the Kurdistan Region of Iraq. The data from Ministry of Commerce and Industry of the Government of India for bilateral trade between India and Iraq, including Kurdistan Region, is as under:

Year	India's Export to Iraq in US \$ Million	India's imports from Iraq in US\$ Million	Total In US\$ Million
2019-20	1,878.17	23,740.18	25,618.35
2020-21	1,498.99	14,287.10	15,786.09
2021-22	2,403.27	31,927.05	34,330.32
2022-23	2696.72	34,385.50	37,082.22
2023-24 (Apr- June)	963.55	6,804.35	7,767.90

[Source: Ministry of Commerce & Industry, Government of India]

IV. Trade and Commercial delegation from India to Kurdistan Region and Trade & Commercial delegations from Kurdistan Region to India: **NIL**

V. Important international Trade Fairs/Exhibitions in Kurdistan Region: **NIL**

VI. Important Trade and Investment Activities with/by other countries in/by Kurdistan Region:

Visit of Governor of Erbil to Saudi Arabia: Mr. Omed Khoshnaw, Governor of Erbil led delegation to Saudi Arabia on 4 July, 2023. The delegation discussed with with Sheikh Sultan Murshid Abdul Rahman, President and Executive Director of the Saudi Fund on the Development and ways to enhance trade and investment exchange as well as addressing water scarcity in Erbil. He emphasized the historical relations between Saudi Arabia and the Kurdistan Region, discussed Erbil's business priorities and projects, and highlighted the humanitarian efforts of the Saudi Government, particularly through the Saudi Fund for Development.

KRI's President visit to Azerbaijan: Kurdistan Region President Mr. Nechirvan Barzani visited Baku on 18 July, 2023 and discussed with Azerbaijani President Ilham Aliyev on bilateral ties in numerous sectors, including economy, investment, and culture.

VII. Important policy changes by the Government of Kurdistan Region, especially with respect to trade, investment, aid/credit facilities, etc: **NIL**

VIII. Status of on-going major investments by Indian PSUs/PVT. Sector and proposed Indian investments in Kurdistan Region of Iraq: **NIL**

IX. Number of business visa issued in July, 2023 = 11

X. Trade enquiries for exploring business opportunities in Kurdistan Region (Iraq) received from Local/ Indian businessmen in July is given below:

S. No.	Enquiry Originator	Products	(Export/ Import)	Action taken
1.	Mr. Varun Marathe, Sales Executive, Molygraph, Mumbai	Industrial lubricants	Export	Replied
2.	Mr. Kamlesh Patil, Sales Executive, Omsynth Lifesciences Pvt. Ltd., Dhule, Maharashtra	API Impurities and Intermediates	Export	Replied
3.	Mr. Hiral Kesaria, Harvest India, Mumbai	agro-products (Basmati Rice, Pulses, Spices	Export	Replied

		etc)		
4.	Mr. Sujit Patra, M/s Gillanders Arbuthnot & Co Ltd, Kolkata	Tea	Export	Replied
5.	Mr. Harsh Patel, Nobel Wall Tiles ,Specto Ceramics, Morbi, Gujarat.	ceramic digital wall tiles	Export	Replied

At present, there are no investments from Indian PSUs/Private Sector in Kurdistan Region of Iraq.

XI. Information on trade event/ expositions/ conferences to be held either in India or in Kurdistan Region disseminated to the other side:

S. No.	Name of event	To be organized from	Venue	Sector
1.	Erbil Oil, Gas, Energy Conference and Exhibition (OGExpo)	16-18 December, 2023	Erbil (Kurdistan Region in Iraq)	Oil & Gas (Energy) sector
2.	Sulaymaniyah International Exhibition	17-20 October, 2023	Sulaymaniyah (Kurdistan Region)	Tourism
3.	14 th edition of International Multi sector Trade Fair	5-8 October, 2023	Erbil (Kurdistan Region in Iraq)	Multi- sector

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