

## **R O U N D - U P**

*Iraqi Business News, January 8 – 25, 2007*

### **Oil Minister: Iraq capable of raising daily exports to 1.9 million barrels**

The Minister of Oil, Hussein al-Shahrastani, said that Iraq can raise its daily oil exports to 1.9 million barrels instead of the current 1.6 million, but said Iraq will not exercise that option in support of OPEC's efforts to maintain acceptable oil prices.

***Al-Mashriq***

### **Thirteen billion dollars allocated for six projects**

A statement released by the strategic reconstruction committee at the Ministry of Planning and Cooperative Development said that six projects have been approved from among 16 presented by Iraqi ministries, adding that \$13 billion has been allocated to these projects including \$6.5 billion in support of the International Compact for Iraq. Other projects included programs to support displaced families, civil society organizations, and improve local authorities' performance.

***Al-Adala***

### **New policy will encourage housing sector investment in Kurdistan**

The Minister of Housing and Reconstruction in the government of Kurdistan, Imad Ahmed, said his ministry will adopt a new policy to encourage investment in the housing sector which includes higher loans for housing projects, financial grants for government employees seeking to build their own homes, and providing government subsidies for reconstruction materials.

***Al-Zaman***

### **Baghdad to embark on 500 service projects next month**

Baghdad has set a wide plan to repair Baghdad infrastructure, including establishing many vital strategic municipal projects. "We will witness next week the opening of 500 service projects [valued] at \$387 million," said the mayoral media spokesman. He pointed out that among the projects which will be carried out is a 19-km sewage line in Rusafa to treat blocks, in addition to establishing three sewage reservoirs with the East Tigris Plant and four trash recycling plants.

***Al-Sabah***

### **Ministry of Labor and Social Affairs starts small loans program**

The Ministry of Labor and Social Affairs announced the start of its small loans program aimed at creating job opportunities and reducing unemployment. The first phase of the program will start in Babil, Karbala, and Mosul.

***Al-Dustoor***

### **ID exchange rate continues hiking**

The Iraqi dinar exchange rate continued hiking against the US dollar in the Central Bank of Iraq's auction Tuesday, January 23. The US dollar rate was 1295 ID on Tuesday, down from 1298 on Monday. The Central Bank for Iraq (CBI) sales increased Tuesday. The CBI sold 60,605,000 US Dollars Tuesday, whereas it sold only 18,560,000 on Monday. 14 banks participated in Tuesday auction whereas 16 banks participated in Monday's auction. CBI did not buy any amount of money Tuesday.

***Al-Adala***

### **Iraqi economist calls for training in monitoring money laundering for Iraqi banks**

An Iraqi economist has called upon the institution in charge of monitoring money transference to hold training seminars about money laundering in banks. Sa'ad Mustafa, the analyst in the economic research center said, "It is very important to be aware of the risks that face banks regarding money laundering by holding seminars to address this issue."

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According to Mustafa, these seminars are very important in view of the frequent bank robberies and the deterioration of the security situation. He stressed that the banks should deal with transparency by disclosing their bargains in the local stock exchange in addition to restricting the money exchange offices in order to regulate the money transference acts. He added that the upcoming period will be of a special case because the parliament will approve the final balance.

***National Iraqi News Agency***

### **Iraqi Stock Exchange index increases**

The index of the Iraqi Stock Exchange closed Monday, January 22nd, on 25.958 points, with an increase of 0.173 percent from the previous session. In Monday's session, 28 registered share-holding companies traded their shares. 334 million shares worth more than 427 million Iraqi Dinars through 201 contracts were traded.

In the banking sector, 8 banking firms traded their shares; two of them had their share prices increased, two banking firms had a decline in their share prices while four banking firms kept their share prices as they were in the previous session. The index of the banking sector closed at 36,182 points with an increase of 0.047% from the previous session. The total of share traded in the banking sector was 237 million shares, or 70.9% of the total shares traded on Monday. Their worth was 291 million Iraqi Dinars, or 68.2% of the total volume traded.

***National Iraqi News Agency***

### **Ministry of Oil justifies fuel shortage**

The Ministry of Oil has attributed the shortage of oil products in fuel stations to several factors, such as the sabotage of oil establishments. Iraqi Oil Minister Husayn Al-Shahristani said Monday, January 22<sup>nd</sup>, "The sabotage operations are the main reason behind the lack of oil products, as 30 sabotage operations took place at the New Year holidays, in addition to the closing of the main supply road from Kuwait by US forces for a month, which has prevented the arrival of tankers that used to deliver five million liters of each oil product per day." This closure made the oil products transportation companies demand us to pay compensation, the Minister added. He said that the ministry was working to solve this problem by establishing transportation agreements with other companies in order to get things back to normal. Among other reasons behind this shortage is the shortage of electrical power, a situation which made citizens consume 50% of the oil products for local power generation, according to Al-Shahristani.

***National Iraqi News Agency***

### **Government subsidies lifted in return for writing off \$21 billion in debt**

In a press conference held Sunday, January 21st, the Minister of Oil Hussein al-Shahrastani said the IMF is pressuring the Iraqi government to lift its fuel subsidies in return for the cancellation of Iraqi government debt worth \$21 billion. Shahrastani did not rule out an increase in fuel prices if the government were to meet the IMF demands.

***Al-Zaman***

### **Dayni: 15 billion dollars vanished from Iraq's Treasury**

Legislator from The Iraqi Front for National Dialogue, Mohammed al-Dayni, said that fifteen billion dollars have disappeared from the Iraqi treasury. He told NINA, on Saturday, January 20th, "The vanishing of such a large amount was discovered when the new 2007 budget was presented to parliament; it was so grave that legislators were unable to comprehend." He added, "The deficit in the new budget is 7.06 trillion dollars, which made the legislators wonder for such a serious situation." Mr. Dayni pointed out, "There is a big fraud in the structuring of the state's ministries." He gave an example, "While questioning the Minister of Human Rights on the ministry's structure, it was found that the ministry has only 35 employees but its budget is approved for 1223 employees, that means there is a 70% over stated number.

***Al-Mada***

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### **Ministry of Oil denies price increase in oil products**

The Ministry of Oil denied reports that there will be a new price increase in oil products. Mr. Asim Jihad, spokesman for the Ministry of Oil, said Saturday, January 20<sup>th</sup>, "The Minister of Oil denied there will be a price increase in the oil products, at the present." He added, "The government did not decide on any price increase; since the budget is being [placed] before parliament." Nevertheless, he clarified, "Any future price increase in oil products will not exceed 100 Iraqi Dinars and that will not take place before several months from now."

***National Iraqi News Agency***

### **Ministry of oil denies signing contracts**

The Ministry of Oil has dismissed the recent media reports about signing contracts with some companies to invest in Iraqi oil fields, with considerably high profitability for the investing companies. Asim Jihad, the media spokesman for the ministry said Friday, "The ministry dismisses the news, talking about signing contracts which grant two thirds of the profits to investing companies." He added, "The ministry has not concluded any contract, because the bill of oil and gas law is not in effect yet, as the law regulates offering investment contracts to credible international oil companies." All contracts, including those of the former regime, will be reviewed and amended in accordance with the new law, a matter that would guarantee the highest possible revenues to Iraq's treasury, according to the spokesman.

***National Iraqi News Agency***

### **Mutual cooperation between Iraq, Syria discussed**

Syrian President Bashar Al-Asad and a number of Syrian senior officials visited Iraqi President Jalal Talabani in his residence in Damascus on Tuesday, January 23<sup>rd</sup>. Official sources said that Talabani and Al-Asad discussed bilateral relations and mutual cooperation between the two sides in the domains of security, trade, economy and culture in a way that serves the interest of the Syrian and Iraqi peoples.

***National Iraqi News Agency***

### **Al-Maliki Urges Parliament to approve Budget**

In a message addressed to parliament and read by speaker Mahmood Al-Mashhadani, Prime Minister Maliki urged parliament to approve the 2007 budget in order not to delay public projects.

***Al-Adala, Al-Mada***

### **Millions of Dollars lost in Shurjah fire**

Eyewitnesses (shop owners) said that a huge fire erupted in the Al-Shurjah market on Sunday, January 14<sup>th</sup>, that caused the collapse of the Al-Tae building which specialized in the perfume trade. Losses are estimated in the several millions of dollars. Police said that unknown persons set the fire in several shops in the market in the center of Baghdad.

***Al-Sabah Al-Jadeed***

### **Huge Electricity Generators to be installed in Baghdad within a few months**

The American Army Corps of Engineers will install huge electricity generators throughout Baghdad between February and May 2007, [Brigadier] General Michael Walsh, the commander of Gulf [Region] Division, said Sunday, January 14<sup>th</sup>.

***Al-Ittihad***

### **Expert calls for activating quotation system**

An economic expert has called the official institutions to re-activate the central quotation department, which had been abolished by the former regime. Mr. Kareem Abdul-Razaq, PhD, from the economic research and studies department in Baghdad University, said Sunday, January 14<sup>th</sup>, "This system was one of the major systems which used to control the market and curb the increase of prices, which resulted in some stability in the Iraqi market in addition to boosting the Iraqi currency exchange rate." He added that this system plays a great role in controlling inflation rates, which has threatened the Iraqi economy's fundamentals. The former regime disbanded this department in the 1980s and replaced it

with economic security apparatus, which was not a good alternative, and then the problem got worse after the sanction was imposed on the country, according to the source.

***National Iraq News Agency***

### **Iraqi transportation delegation visits Iran**

The acting Minister of Transportation, Shirwan Al-Wa'ili, left for Tehran Saturday, January 13<sup>th</sup>, heading a ministerial delegation. The head of the information office in the ministry, Ahmed Abdul-Wahab Al-Musawi, said Saturday, "The ministerial visit aims at discussing the fate of the Iraqi commercial airplanes in Iran in order to be brought back and be used by the civil aviation [industry]." He added that there were many issues to be discussed with the Iranian officials in terms of transportation, such as the contract to provide Iraq with modern Iranian buses and discussing cooperation in railway transportation. The delegation includes the minister advisor in addition to the heads of Iraqi airways, civil aviation and Iraqi ports companies.

***National Iraq News Agency***

### **Taxes commission adopts 2005 regulations**

The taxes commission has adopted the principles and codes of 2005 regulations regarding contracts, transportation and industrial projects. An official source in the commission said Thursday, January 11<sup>th</sup>, "The commission has adopted the tax regulations related to the mentioned professions in the profit estimation regulations for this year, except for what was canceled of the absolute profits of taxable categories." The source added that these regulations were set for those taxable whose activities were within the ordinary level but some of the taxable have exceeded that level, and the commission has instructed its branches to detect them. The tax commission's objectives are to specify the exact profits of the taxable categories, to qualify tax commission staff and to set stable criteria for tax estimates, according to the source.

***National Iraq News Agency***

### **Iraqi 2007 budget will be roughly 41 billion dollars**

The Iraqi National Assembly discussed the 2007 budget with the Minister of Finance, Bayan Jabr, who said the Iraqi Dinar will be the basis of the budget allocations

***Al-Sabah Al-Jadeed***

### **150,000 job opportunities provided by new budget**

Lawmaker Abbas al-Bayati from the United Iraqi Alliance said the 2007 budget will provide 150,000 job opportunities to combat unemployment in Iraq. Al-Bayati told journalists that the funds allocated for electricity and education have been doubled.

***Al-Mada***

### **ISX decline marks the New Year**

In its first session in 2007, the index of the Iraqi Stock Exchange closed on Monday, January 8<sup>th</sup>, on 25.186 points, declining by 0.102 percent from the last session in 2006. Thirteen companies traded their shares, concluding 63 contracts in which they traded 93 million shares worth more than 111 million ID.

- In the banking sector, seven banking firms traded their shares on Monday: one bank achieved an increase in the price of its shares; the share prices of three banks declined and the share prices of three banks remained the same. The index of the banking companies closed at 36.312 points, declining by 0.203 percent from the previous session. More than 86 million shares (92.1 percent of total shares traded) were traded in Monday's session, with a total value of 100 million ID (90.3 percent of total traded volume).
- In the services sector, two firms traded their shares. One achieved an increase in its share price by 14.29 percent, and the second kept the same share price as in the previous session. The service index closed at 73.453, points with an increase by 0.227 percent from the previous session.
- In the industrial sector, two firms traded their shares. The share price of one declined by 5.26 percent while the second kept its share price steady, as it was in the previous

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session. The industrial sector closed at 11.082 points with a decline of 0.009 percent from last session.

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### **US industrial delegation heading to Iraq**

Ministry of Industry sources said that a US industrial delegation of 25 senior industrialists and analysts will arrive in Baghdad to assist in rehabilitating 200 factories and industrial institutions. These sources told the agency correspondent that the US delegation will join 35 experts who are assisting Iraqis to revitalize these industrial institutions, which are not functioning due to war or shortage of spare parts.

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### **New board for Amara chamber of commerce**

The election of Amara Chamber of Commerce was held Sunday morning to elect a new board, which includes 14 members. Hussein Hasan, member of Amara Chamber of Commerce said Sunday, January 7<sup>th</sup>, "The new board has set a program to activate the role of businessmen in cooperation with the province officials and Ministry of Trade, in order to get them more opportunities in investments, as well as setting plans to support the economic activity in the province."

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### **MoT dismisses alleged obstacles to export dates**

The Ministry of Trade has denied the allegations of dates importers that there were some restrictions on the export procedures. A ministry source said Sunday, January 7<sup>th</sup>, "The ministry's priority is to facilitate the Iraqi exporters' task in exporting dates abroad, in order to develop this trade." The source added that the Minister of Trade, Abdulfalah Al-Sudani, has ordered formation of committees to coordinate with Iraqi exporters in specifying the best foreign markets. The ministry has issued exporting licenses for the companies that had applied for them as fast as it could, to ensure best services for exporters, according to the source.

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### **Zibari: Iraq interested in promoting relations with Russia**

Foreign Minister Hoshyar Zibari informed Russian Ambassador to Iraq Vladimir Chamov of the Iraqi government's keen intention to develop bilateral relations. According to a statement by the Ministry of Foreign Affairs, Mr. Zibari affirmed to the Russian diplomat, in a meeting in Baghdad on Thursday, Dec. 28<sup>th</sup>, "There is a wide sphere to participate in constructing Iraq before Russian firms, because of next year's huge budget, which will be \$41 billion and because of Russian firms' long experience in Iraq."

**Dar Al-Salam**

### **ID exchange price keeps stable through Eid**

The Iraqi Dinar exchange rate kept stable against the US dollar in the Central Bank of Iraq's auction Sunday, January 7<sup>th</sup>, after a nine-day halt due to Eid holidays. The US Dollar exchange rate was 1325 Iraqi Dinars on CBI's Sunday auction. The CBI sold 3,885,000 US Dollars Sunday, whereas it sold 7,300,000 on Wednesday December 27<sup>th</sup>, the last session in 2006. Five banks participated in Sunday's auction, whereas six banks participated in the last session. The central Bank did not buy US Dollars from the banks on Sunday.

**Al-Mada**

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