

IRAQ IN THE REDZONE

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Specialists have repeatedly diagnosed the complications of a Mono-Product Economy that relies on oil as the only source for preparing budgets time after time. But unfortunately, the successive Iraqi governments still operate in the same way and manner. Therefore, it was not shocking to experts the figures announced by the Iraqi Ministry of Oil, as the amount of exports of crude oil reached (103,144,911) barrels. Accordingly, the total imports of the month of April reached approximately (\$1,400,000,000). They also indicated that the total daily rate of exports amounted to (3,438,000) barrels, And the average price per barrel was (\$13.801). These figures were for the month of April, before Iraq committed to reduce its exports after the agreement with (OPEC +), which states that Iraq requires reducing its rate (22.8%) to the middle of the current year. So, the rate of Iraqi exports is less by (23,517,039) barrels, which equals (79,627,871) barrels, and if we take the same price of a barrel (\$13.801), then Iraq's imports will come about to approximately (\$1,100,000,000). As for the next half of the year, Iraq is obligated to reduce its oil exports by (18%), i.e. (18,566,083) barrels, which is equivalent to (84,578,827) barrels, and if we take the same price per barrel (\$13.801), Iraq's imports will be about (\$1,200,000,000). And when calculating the second half of the current year, this means that Iraq's oil imports will be approximately (\$7,000,000,000).

And if we add it to the month of March it will add up to approximately (\$8,200,000,000), while the budget for the fiscal year of 2019 to the salaries of retired civilians and the military was equal (9,316,652,417,000) Iraqi dinars, and the employees' salaries equal to (43,404,629,267,000) Iraqi dinars, that leads the total salaries for the year 2019 to the amount of (52,721,281,684,000) Iraqi dinars. This means that Iraq needs (4,393,440,140,000) Iraqi dinars per month, and if we take into consideration that the currency of the Iraqi dinar is paid (1,200) dinars per dollar, it means that Iraq needs monthly approximately (\$3,660,000,000). While the gross domestic product of Iraq in March is approximately (\$1,100,000,000), and approximately (\$1,200,000,000) for the coming months.

Iraq needs approximately (\$2.5) billion a month in order to cover monthly salary expenses only. As for the rest of the operating expenses, the matter is facing great difficulty. Iraq had built its budget for 2019 on almost (\$120) billion and more than (78%) of them are operating expenses, which means that these expenditures are continuous and a vital necessity to Iraq. So how can a country that requires its operating expenses (\$93) billion while its imports do not exceed (\$15) billion, a difference exceeding (\$75) billion?

Certainly, the Iraqi state is in a great predicament, and it is not surprisingly heading towards bankruptcy. Iraq is on the verge of an economic collapse. As for the reasons; it is poor planning, but its lack thereof. So why did Iraq not work in the oil and gas industries? Is Iraq not an oil producing country? Why is there no oil refining industries or petrochemical industries in Iraq when it can distinctly benefit Iraq by preserving a lot of its operating expenses and also a number of sources of the economy in addition to operating the workforce?

Iraq possesses tremendous wealth in other fields, industrial, agricultural, tourism and a distinct geographical location and many more that enable it to transform into a diversified economy. In addition, oil has fallen naturally and unnaturally until it reached its worst prices in decades. But as it is known, oil is in a steady decline and that its gradual escalation in Its prices is a natural matter in the presence of sustainable energy that will replace fossil fuel such as petrol, oil shale, and natural gas, which is less harmful to the environment, and more durable, because it depends mainly on renewable natural resources. This is a natural descent.

As to the tragic Corona pandemic (COVID-19), it unfortunately caused the price of oil to fall in an uncalculated and ill-considered manner, as it is an unnatural reason for the decline of oil. And along came the economic crisis with the loss of the Sovereign Wealth Fund, a fund that is subject to the same idea as a regular investment fund, but it does not manage the funds of individuals, companies, or bodies, but rather the funds of countries and governments.

At the short-term level, and as quickly as possible, the Iraqi government is required to reduce unnecessary expenditures, Exposing waste and thefts, such as in the field of government jobs. There are Ghost Employees that can be identified using the means of modern technology such as (biometric authentication).

There is also a large disparity between salaries that requires real and fair treatment as well as multiple salaries for certain groups at the expense of others. In addition to

dispensing unnecessary materials that are imported from outside Iraq, especially in the agricultural and industrial sectors, while encouraging farmers to carry out their tasks by ensuring that borders close all ports without exception and providing the basic requirements for this industry.

Industrial Agriculture is a form of modern agriculture that refers to the industrial production of livestock, poultry, fish and crops.

Industrial farming methods are techniques that are scientific, economic and political. they include innovation in agricultural machinery and farming methods, genetic technology, techniques for achieving economies of scale in production, the creation of new markets for consumption, the application of patent protection to genetic information, and global trade.

Furthermore, by encouraging national industries by taking advantage of the large potentials available in Iraq and abroad, especially taking advantage of ready production lines by concluding agreements with producing international companies, so they save money and occupy the workforce.

On the strategic level, it requires a comprehensive review of all economic and administrative policies that have harmed Iraq and to put plans that go beyond reactions and turn into action projects that can build the country. The economic mind that ruled Iraq for the past forty years has destroyed much of what can be benefited from and made Iraq one of the most corrupt and underdeveloped nations. All this can be fixed if there is real will and thoughtful plans to address the country's problems.

References

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