

The role of the private sector in supporting agricultural investment in Iraq

Can the private sector have a role and a place in the Agricultural Investment map in Iraq?

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Investment in Iraq took the form of "malls", game cities and buildings only, meaning that there are many reasons behind investors' fear of entering the agricultural sector. Whereas, real investment contracts in the agricultural field, especially long-term ones that work to serve the country and employ the workforce, are completely absent. Although Iraq owns vast lands in the country suitable for cultivation, we have not seen any orientation among investors regarding agricultural investment because the investment environment for agriculture in the country is not suitable, and it needs many facilities, including consideration of laws that impede investment and ownership of agricultural lands and the establishment of infrastructure in The countryside as well as providing services there." Iraq relies up to 90% on imported foodstuffs, which calls for activating the investment sector in the field of agriculture.

The new agricultural development strategy in Iraq allowed private investment in the agricultural sector, whether local, Arab or foreign, because this sector possesses latent productive capacities represented by the abundance of untapped agricultural natural and human resources in it... and to increase the added value and capital accumulation necessary for comprehensive and sustainable agricultural development. In addition, the elements of investment in Iraqi agriculture are available and economically feasible for investors, due to the state's decisive approach to economic philosophy by opening all fields for investment on soft credit

terms and without government obstacles... as well as providing agricultural production elements at cheap costs compared to neighboring countries, especially fertile agricultural lands coupled with the availability of water Irrigation with the presence of a large rural workforce. The desire to attract Arab and foreign investments in joint agricultural projects existed two decades ago, but the former central administration for planning the Iraqi economy prevented full freedom for Arab and foreign investors to enter into agricultural investment during the era of the former regime. However, after the phase of change in 2003, the economic philosophy of the state changed towards a market economy and the abolition of all investment laws and restrictions in preparation for the process of moving the economy towards the free market and linking it to the global market as soon as possible.

In order to activate the role of the private sector in agricultural investment, the following should be done:

- 1- Amending legislation and laws and including executive regulations to enhance the contribution of private activity. In addition to that, the development of judicial bodies and the provision of judicial systems with a high capacity to adjudicate investment and trade cases at a reasonable speed and at appropriate costs.
- 2- Preparing maps and investment opportunities in various agricultural fields, and facilitating the procedures required for project approval and implementation.
- 3- Introducing the concept of investment grants in investment laws.
- 4- Include small and medium enterprises in investment promotion laws.
- 5- Organizing the ownership of agricultural lands and bringing about changes that would achieve a greater number of beneficiaries from the distribution of agricultural lands.

- 6- Expanding the reclamation of wastelands and distributing them to agricultural investors, and implementing projects to combat desertification.
- 7- Promoting investment opportunities through meetings, workshops and agricultural exhibitions.
- 8- Providing agricultural insurance laws and legislations and applying them in accordance with the sound financial, technical, administrative and organizational foundations as is the case in the developed countries of the world.
- 9- Providing agricultural loans, facilitating the procedures for obtaining them, and increasing repayment periods.
- 10- Establishing funds or banks specialized in financing small projects, to be funded by grants and international aid.
- 11- Abolition of restrictions on internal and external trade with the development of the necessary legislation to protect the local product, as well as the publication and distribution of foreign agricultural trade legislation for countries trading with Iraq.

Although the introduction of the private sector in domestic agricultural investment is an urgent necessity, there are problems facing investment in Iraq that have been diagnosed by the World Bank, and they can be summarized as follows:

- 1- Small private sector.
- 2- Limited access to loans.
- 3- The mass exodus of Iraqis.
- 4- Contracts of isolation from world trade.
- 5- Destroyed infrastructure.
- 6- Instability of water and electricity supplies.
- 7- Poor transportation network, as well as weak electricity supply.
- 8- Political instability and rampant corruption

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