



Introduction

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“Possibilities of financing joint-venture projects
Iraqi market as an example”

Overview

Area: 437,072 km² (land: 432,162 sq km - water: 4,910 km²)

Population:

- 30 million
- Annual population growth: 2.6%
- Over two - thirds of population lives in urban areas

Natural Resources:

- Oil, natural gas, Sulfur, phosphate, iron, other metals.

Economy:

- World's 2nd largest proven oil reserves: 115 billion barrels
- 2010 Average Daily Oil Production: 2.7 billion barrels
- 2010 Average Daily Oil Exports: 2.1 million barrels
- Proven Natural Gas Reserves: 3.2 trillion m³



National Development Plan

- Two decades of missing on development and progress
- Ambitious “National Development Plan”
- Growth in various sectors of the Iraqi economy 2012-2014:
 - Oil sector: 20%, to reach crude oil production of over 5 million b/d.
 - Agriculture: 7%
 - Water and electricity: 20% annually
 - Transportation: 6%
 - Social services at a rate of 20% annually.



Oil sector

- Long-term partnerships with leading industrial countries
- Immediate focus on rehabilitating oil and gas sector.
- Dire need to increase revenues to fulfill public demands.
- Iraq is already on that track:
 - Iraq's budget: US\$ 75 billion in 2010 (oil exports were 2.15 million bpd)
 - Budget increased to US\$ 110 billion in 2011 (oil exports to be around 2.3 million bpd)
 - Iraq targets exports at 3.1 million bpd by 2014.



Year	Exported quantity (million bpd)	Oil production (million bpd)
2010	2.150	2.7
2011	2.300	
2012	2.500	
2013	2.800	
2014	3.100	5



Need for FDI

- Iraq will still urgently need “Foreign Direct Investment”
- Reconstruction process is costly
- Cannot wait anymore due to economic, social, and political reasons
- Iraq will be able to fulfill its obligations regarding FDI, which will be used to finance mega projects other than those related to oil and gas



Business opportunities in Iraq

- The Iraqi private sector.
- Investment opportunities
- Opportunities with the Iraqi public sector
 - 3.1) Public tenders.
 - 3.2) Projects under the deferred payment scheme:



Mega projects

Infrastructure projects under deferred payment scheme:

A. Airports: Middle Euphrates airport whose design study was conducted by "Aéroports De Paris" (ADP).

B. Fao port:

- design was prepared by Technital (Italy),
- Project cost as per Technital is around 6.3 billion Dollars

C. Roads:

- "Express way no. 2" (for about 600 km, from Baghdad to the Turkish borders)



Mega projects – continued:

D. Railways: “National Railway Line” connecting South of Iraq with the North(1,200 km at an estimated cost of US\$ 17 billion):

- Fao-Basrah (117 km, study by Dorsch Group),
- Basrah-Amara,
- Amara-Kut,
- Kut-Baghdad,
- Baghdad-Ba’quba,
- Ba’quba-Kirkouk,
- Kirkouk-Erbil,
- Kirkouk-Suleymaniah,
- Erbil-Mosul,
- Mosul-Dohuk,
- Dohuk-Zakho (Turkish border).



Mega projects – continued:

E. Low-cost housing complexes:

- 20,000 to 100,000 housing units
- Apartment areas: 100 to 120 sq.m
- 4- to 16-storey buildings
- Project comprises also the complex infrastructure.

F. Hospitals:

- 12 hospitals of 100- to 400-bed capacity.
- on turnkey basis including medical equipment and furnishing.



Mega projects – continued:

H. Sewerage:

- Example: two mega projects of 400 m³/day capacity in Baghdad for a budget of US\$ 750 million.

G. Electricity:

- Power plants
- Substations



National Investment Commission

- NIC is Key state body over looking reconstruction plan
- Looks for potential partners (for investment and deferred payment projects)
- Investments will be guaranteed by a “sovereign state guarantee” issued by the Iraqi Ministry of Finance.
- Re-imburement scheme:
Iraqi Government starts deferred payments over a period of 5-7 years after a grace period of 3 years from the date of completion of the project. This is a preferred proposal but is negotiable.



German Iraq Cooperation

- Successful one-day meetings of the German Iraqi Joint Committee in Baghdad to exchange ideas
- Minister of Economy and Technology, Dr. Philipp Rössler led a delegation of about 25 German companies
- Discussions were crowned by signing protocol for:
 - Infrastructure
 - Health
 - Vocational training
 - Power



German Iraq Cooperation

- Great interest of German companies in Iraq
- German/Iraqi consortiums for some projects, especially housing
- “Iraqi Day” in Berlin towards the end of this month and to host Chairman of NIC for elaboration on above
- Delegation of 10-15 German companies to Baghdad to meet different Iraqi clients and to assess concrete projects and possibilities



Conclusion

- All interested German companies should start active movement towards Iraq *and* in Iraq now.
- The ample business opportunities which are on offer today are attracting mega companies from all over the world and Germany should have its rightful share definitely.

Thank you.

