



## THE REALITY OF FOREIGN TRADE IN IRAQ AND THE PROSPECTS FOR JOINING TO THE WORLD TRADE ORGANIZATION

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**Abstract:** The research focuses on the reality of foreign trade in Iraq and the issue of its accession to the World Trade Organization. where the problem arises in the delay in joining the World Trade Organization and the loss of opportunities envisaged by it. While the hypothesis of the research came to show the possibility of developing Iraqi foreign trade and the economic reality in general, in light of Iraq taking the agreements of the organization and benefiting from the allowances and exceptions that exist there.

**Keywords:** foreign trade, WTO, Iraqi economy

### **Introduction:**

All foreign trade theories have emphasized the importance of trade in improving production processes as a result of specialization on the basis of available resources according to classical commercial theories, and on the basis of acquired experiences and knowledge in accordance with modern commercial theories, and the resulting optimum use of economic resources locally and globally, and an increase in Global output as a result of international trade according to specialization and international division of labour. The World Trade Organization and before it the General Agreement on Tariffs and Trade (GATT) came to consolidate the free exchange of international trade and remove all distortions and tariff and non-tariff (quantitative) obstacles.

Iraq has sought to join the World Trade Organization after the political change that took place in 2003 and the accompanying new trends of the new regime of the need to reform the economy and move towards reliance on the private sector and the market economy away from government control over productive institutions and the accompanying low productivity The spread of financial and administrative corruption. Iraq has obtained the status of an observer member within the organization since 2004 in the hope that it will improve its economic and legal environment to suit the requirements of the WTO. But due to the bad political and security conditions, and hence the economic situation, Iraq has not yet obtained full membership in the organization, which delays it in obtaining the many advantages that exist in the stage of preparation for joining, and in actual accession to this international organization.

### **Research problem:**

The problem of research is focused on the weakness of Iraq's foreign trade and its focus on one commodity, which is oil, and the lack of contribution of other economic sectors to it, and the danger that this poses to the national economy, especially considering international crises, and that Iraq has been late in making tangible progress in order to join the The World Trade Organization, which deprives him of many commercial benefits considering an

internationally recognized global system. In this way, the following question is raised: Are there encouraging prospects and benefits resulting from Iraq's accession to the World Trade Organization?

**Research hypothesis:** The research is based on the hypothesis that (Iraq's accession to the World Trade Organization provides it with broad trade horizons, the development of its economic capabilities in light of a commercial regulatory environment that enjoys international recognition)

**Research Objective:** The research aims to highlight the following issues:

- 1- Iraq's commercial reality.
- 2- The issue of Iraq's accession to the World Trade Organization.
- 3- Economic and commercial prospects for Iraq's accession to the World Trade Organization.

**Research Methodology:** The research relied on the descriptive and deductive approach to data and studies related to the topic, and it reached a set of conclusions and recommendations, as they were consistent with the research goal and the achievement of its hypothesis.

### The first requirement: the reality of Iraq's foreign trade

The commercial reality of any country reflects the degree of integration of this country with its international environment, leaving fingerprints that indicate a clear indication of the strength or weakness of the national economy, whether in terms of the diversity of exports or imports and the degree of dependence on the outside. This matter emerges as an important ruler in his indications of the policies to be followed to maximize the benefits and reduce the burdens and present and alternative costs of trade policy. The external commercial reality of Iraq can be addressed considering the following set of indicators:

First: The index of exports, imports and GDP: This indicator shows the ratios of exports and imports to GDP and the rate of economic exposure, as in the following table:

Table: Percentages of exports, imports and economic exposure in Iraq (million dinars)(1)

	GDP	total exports	total imports	Exports to GDP ratio*	Ratio of imports to *GDP	Economic exposure*
2004	53235358.7	29956020.0	34050969.0	56.3	64.0	29.9
2006	95587954.8	48780390.0	36914707.8	51.0	38.6	48.7
2008	157026061.6	79028558.7	48249768.6	50.3	30.7	79
2010	162064565.5	63880713.0	55232658.0	39.4	34.1	63.8
2012	254225490.7	113151788.2	73980251.4	44.5	29.1	113
2014	266332655.5	103714534.0	80008354.8	38.9	30.0	103
2016	196924141.7	55352469.0	52145112.0	28.1	26.5	55.3
2018	251064479.9	109726005.6	67227432.0	43.7	26.8	109
	GDP	total exports	total imports	Exports to GDP ratio*	Ratio of imports to *GDP	Economic exposure*

Reference: Ministry of Planning, Central Bureau of Statistics, Directorate of National Accounts, different years.

\*From the work of the researcher

From Table (1) we note that the gross domestic product is increasing during the period shown, and exports and imports have formed increasing numbers in general and this is caused by the increase in national product and economic needs, and exports constitute important proportions of GDP as well as imports, which indicates the great importance of foreign trade in relation to The Iraqi economy, but the important thing in this is that the economic exposure, which is calculated by summing the total exports with the total imports and dividing them by the gross domestic product, is very large, as it exceeds 50% in most years, which is an expression of the great exposure to the outside in the collection of the output Covering the domestic demand for various goods and services as a result of the weakness of the national production base, which makes the national economy vulnerable to external economic shocks and crises.

Second: Analysis of the structure of exports and imports:

- 1- Export structure analysis: which can be shown through the following table

Table (2) The relative importance of exports in Iraq (million dinars)

years	total exports	oil exports	merchandise exports	The importance of oil exports to total exports*	Importance of merchandise exports to total exports*
2004	29956020.0	25718100.0	159830.0	0.85	0.005
2006	48780390.6	44448192.9	338436.9	0.91	0.006
2008	79028558.7	75708376.5	316741.5	0.95	0.004
2010	63880713.0	60359247.0	204165.0	0.94	0.003
2012	113151788.2	109501508.6	345719.0	0.96	0.003
2014	103714534.0	97708468.0	213261.4	0.94	0.002
2016	55352469.0	48707856.0	106734.6	0.87	0.001
2018	109726005.6	101929415.4	1211904.6	0.92	0.011

reference: (1) Ministry of Planning, Central Bureau of Statistics, Directorate of National Accounts, different years.

(2) The Central Bank of Iraq, Directorate General of Statistics and Research, Balance of Payments Statistics Department, Annual Statistical Bulletin, different years.

\* From the work of the researcher

Note: The sum of oil exports and merchandise exports does not equal the total exports because there are other exports of less importance that are not included.

From Table (2) it is clear that oil exports in their crude form constitute the largest percentage of the total Iraqi exports, while commodity exports constitute very small percentages that are almost negligible as they are estimated(0.003) as an average during the period mentioned in the table. This indicates the weakness of the national production base, as well as the weak competitiveness of local products in accessing foreign markets, and that the national economy is a rentier economy par excellence through its dependence on oil exports in the first place, and the resulting problems related to the exposure of this commodity to price fluctuations in its markets and issues related to production quantities in line with the quotas established in OPEC, or to problems arising from production and shipping lines.

## 2-Analysis of the structure of imports:

The structure of imports can be clarified through the following table:

Table(3) The structure of imports in Iraq for several selected years (million dinars)

years	total imports	Merchandise imports, including investment**	capital imports	Ratio of merchandise imports to total imports*	Ratio of capital imports to total imports*
2004	34050969.0	30952241.9	12030404.1	0.90	0.35
2006	36914707.8	27443902.5	14053713.3	0.74	0.38
2008	48249768.6	35505350.2	22378890.5	0.73	0.46
2010	55232658.0	43673760.0	29832543.0	0.79	0.54
2012	73980251.4	58480730.0	38250513.4	0.79	0.51
2014	80008354.8	52703316.6	34951549.6	0.65	0.43
2016	52145112.0	34369014.0	22932573.0	0.65	0.43
2018	67227432.0	45951077.4	30342649.2	0.68	0.45

reference: (1) Ministry of Planning, Central Bureau of Statistics, Directorate of National Accounts, different years.

(2) The Central Bank of Iraq, Directorate General of Statistics and Research, Balance of Payments Statistics Department, Annual Statistical Bulletin, different years.

\*\* Collected by researcher.

\* From the researcher's work based on the data in the table.

Note: Total imports are not equal to commodity and investment imports due to the presence of imports of services and imports of other commodities. From Table (3) it is noted that the proportions of consumer and investment commodity imports for the oil sector are very large, ranging from 90% to 65% during the years mentioned in the

table, which indicates the same recurring fact, which is the absence of a production base in Iraq, which forces it to meet most of the The goods he needs from abroad, which leads to his heavy dependence on commodity imports, and the percentages shown for capital imports, which ranged between 35% to 54% of the total imports, are in fact mostly imports for the sustainability of the oil sector and not machines and machines for the private investment sector, which is in the same The truth about the rentierness of the Iraqi economy and the care of the public sector for it, with the risks it entails on the Iraqi productive capacity and its competitive capabilities, and the erosion of the private sector, which relies on it primarily to move to a market economy and enter within the correct foundations under which the economy operates.

Third: Analysis of the customs tax structure:

1- Customs burden: The customs burden shows the total customs taxes collected by the state as a proportion to the gross domestic product (1), which can be clarified according to the following table:

Table(4) The customs burden of the Iraqi economy (million dinars)

years	GDP	customs revenue	customs burden*
2004	53235358.7	81020	0.001
2006	95587954.8	219032	0.002
2008	157026061.6	376539	0.002
2010	162064565.5	507341	0.003
2012	254225490.7	517867	0.002
1014	266332655.5	514636	0.001
2016	196924141.7	647482	0.003
2018	251064479.9	1691731	0.006

reference: (1) Iraqi Ministry of Finance, General Customs Authority, different years.

(2) The Ministry of Planning, the Central Statistical Organization, the National Accounts Directorate, different years.

\* Extracted by the researcher by dividing the customs revenue by the gross domestic product (GDP).

According to Table (4), it is noted that the customs burden is very small, as it ranges between (1-6) per thousand of GDP during the years shown in the table. Iraqi trade.

2 -Customs wall: The customs wall gives a measure of the extent of protection provided by the government to the national economy from competing or unwanted foreign goods on a qualitative or quantitative basis (2). This indicator is calculated as a ratio of customs revenue to total imports. This can be illustrated by the following table:

Table(5) The customs wall in Iraq (million dinars)

years	total imports	customs revenue	customs wall*
2004	34050969.0	81020	0.002
2006	36914707.8	219032	0.005
2008	48249768.6	376539	0.007
2010	55232658.0	507341	0.009
2012	73980251.4	517867	0.007
2014	80008354.8	514636	0.006
2016	52145112.0	647482	0.012
2018	67227432.0	1691731	0.025

reference: (1) Iraqi Ministry of Finance, General Customs Authority, different years.

(2) The Ministry of Planning, the Central Statistical Organization, the National Accounts Directorate, different years.

\* According to the researcher.

From Table (5), it is clear that the customs wall ranged during the period indicated in the table between 2-25 per thousand. In fact, this constitutes a weak percentage and reflects the ineffectiveness of the level of customs taxes to reduce random, luxury and unnecessary consumer imports.

What has been shown in the above tables reflects the foreign trade policy in particular and the economic policy in general followed in Iraq after 2003, which is based on the adoption of a free economic system based on the

principles of market economy and giving a leading role to the private sector, but in reality, Iraq continued to fluctuate in its place has not moved effectively towards a market economy, as the bad security and political conditions have prevented the formation of an investment environment in which the private sector is active, and the government has continued to hold the joints of the economy through the large role of the public sector (3). In the same direction, the foreign trade policy was in contradiction with this new orientation of the economy. Where various types of goods were allowed to enter without customs tariffs or with inappropriate customs tariffs and administrative and financial corruption at the border crossings, which led to the deepening of the rift in the structure of the target market economy and the atrophy of every endeavor to advance a local private sector that bears the national responsibility to achieve growth and absorb unemployment from the growing workforce

The second requirement: the implications of Iraq's accession to the World Trade Organization

#### **First: The objective background of joining:**

After 2003, Iraq sought to join the WTO within a new direction it took centered on economic reform and reliance on the private sector and market mechanisms as regulators of the process and the economic system away from the large state intervention in the economy and the distortions that occur because of it from mismanagement and waste of resources and the severe dependence of society on the sector. The public and the resulting cases of disguised unemployment, weak productivity and competitive capabilities, and distortions in prices and costs, which result in misallocation of resources to other than their optimal uses. In this way, Iraq submitted an official request to the Secretariat of the World Trade Organization in September of 2004, when it was accepted as an observer member in December of the same year. This allows him to attend meetings and take the time necessary to prepare the economy and legislation in line with the requirements of joining, and to gain legislative, negotiating and logistical expertise. A detailed memorandum was submitted to the organization that included a set of issues related to Iraq's economic, commercial and legal conditions. The first meeting was organized between the working group of the World Trade Organization and the national team (the Iraqi National Committee).(5)

#### **Second: The principles of the World Trade Organization:**

There is a set of agreed principles that organize the work of the organization and draw a clear path to its internal system. These principles can be stated according to the following:

-1-The most favored nation principle: Under this principle, the advantages that a commercial party can grant to another commercial party are valid and granted to all members of the organization. This means non-discrimination in business transactions between all member states.

2- The principle of national treatment: Under this principle, imported goods should be treated in the same way as local goods so as to avoid internal governmental laws and decisions that follow to protect and distinguish local products.(6)

3-The principle of reciprocal tariff reductions: Under this principle, member states should practice reciprocal tariff reductions through schedules of tariff reductions, which vary into two categories:

1-3- Tariff reductions can be directly through negotiations that take place within the organization.

2-3- The reductions can be indirect through granting them based on the principle of the most favored nation.

These reductions are achieved through the preparation of two main lists by each member state, the first containing the products that the member country wishes to expand its export, and the second containing the products that the member is ready to make customs reductions when imported.(7)

4- The principle of transparency: based on this principle, quantitative restrictions are completely abolished and customs tariffs will be replaced by them, so that the latter is the only means restricting trade between the member parties.

For example, it is not permissible to impose import ban procedures, or quota systems. The principle of transparency also carries another meaning in addition to its first meaning, which is to carry out the process of publishing all official documents by members in a way that enables governments and merchants to follow them and make adjustments with them.(8)

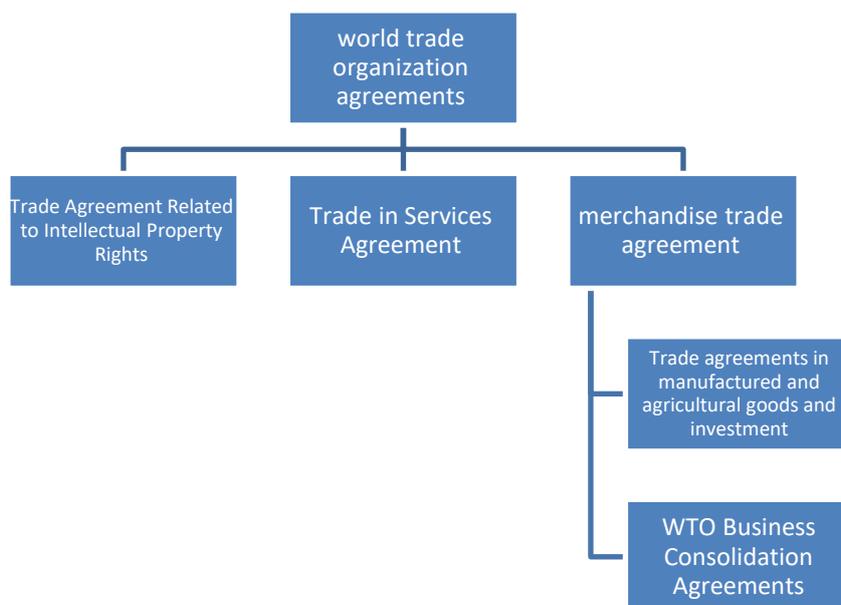
5- The principle of obligation: According to this principle, the agreements and principles of the World Trade Organization should be accepted or rejected as one payment (single undertaking principle), where it is not permissible to choose to accept one agreement and leave another, either you accept all of them or reject them all.

An exception to this is (Government Procurement Agreement, Meat Agreement, Dairy Agreement, and Civil Aircraft Trade Agreement only for its member states where they are called association agreements).

6- The principle of trade negotiations: In order to support the global trading system on a collective basis, all the problems faced by international trade between all parties should be solved in principle through trade negotiations as a basic and essential method.(9)

**Third: World Trade Organization Agreements:**

The WTO agreements are divided into three main agreements: the International Agreement in the Field of Trade in Goods, the General Agreement on Trade in Services, and the Agreement related to the Protection of Intellectual Property Rights. In addition to a set of agreements related to understanding on issues of trade disputes, and negotiating mechanisms for reviewing trade policy. The following figure illustrates these agreements:



Figure(1) world trade organization agreements

Reference: From the researcher’s work based on the sources that dealt with the topic international agreements related to trade in goods

These agreements include:

**1-1- Agreement on Trade in Manufactured Goods:**

Where the objective of this agreement is to liberate trade in manufactured goods from quantitative restrictions and to reduce customs tariffs imposed on them among the member states. This is the main objective of the multilateral trading system, which leads to improved access to markets and the promotion of global economic growth. In light of this agreement, schedules of national concessions submitted by each country are made, and subsequently negotiated in order to agree on mutual concessions through what is termed the customs bond (10).

The agreement resulted in a 38% reduction in tariff levels on industrial goods supplied to the industrial countries, while the reduction rate for the imports of developing countries was 20% over a period of ten years at a rate of 2% annually from the date of their accession to the organization (11).

**1-2-Trade agreement related to agricultural products:**

Liberalization of the aspects related to agricultural trade is one of the new issues in the international trade liberalization negotiations that was not previously included in the previous trade negotiations under the GATT. Where this sector is considered one of the most commodity sectors subject to strict protectionist policies, especially from countries that do not have comparative advantages in them, which are the developed countries, which negatively affected the production and trade of agricultural commodities globally and kept them away from competitiveness, comparative advantages and the international specialization based on them (12). The forms of

support provided to the agricultural sector, which the agreement worked to limit, were taken, represented by internal support such as direct financial subsidies or guaranteeing minimum prices, and export subsidies in order to help them compete abroad, and providing support through imposing customs duties on imported agricultural commodities. This situation has led to giving an artificial competitive ability, which has led to a distortion of trade in agricultural products (13).

There were a number of reasons that called for the inclusion of issues of trade in agricultural products in the Uruguay round of negotiations that paved the way for the establishment of the World Trade Organization. Where there are deep and long-standing differences between the European Union and the United States regarding the support provided to the agricultural sector, and the obstacles to agricultural trade increased in the era of the eighties in a way that raised many concerns, and there is a group of agricultural countries that have demanded the inclusion of agriculture in the negotiations because of their severe impact. One of the protectionist methods, and therefore it has come to everyone's mind that the existence of a multilateral international agreement in agricultural issues is better than the costly bilateral agreements (14).

The Agreement on Agriculture included the following main issues (15):

1-2-1: Access to markets, by transforming non-tariff restrictions (quantitative) into tariff restrictions, in addition to working to reduce tariffs on agricultural commodities by 36% for industrialized countries, and 24% for developing countries. As for the least developed countries, they are not covered by any reductions in their tariffs.

1-2-2: Reducing domestic support, as all forms of support provided to agricultural producers are reduced, but there are a number of exceptions that are received, including if the support is directed to investment in the agricultural sector in general and not to a specific product.

1-2-3- Supporting agricultural exports, as any subsidy undertaken by governments in order to encourage agricultural exports is prohibited.

### **1-3: Trade-Related Investment Procedures Agreement:**

This agreement includes the prohibition of member states from developing commercial legislation related to the movement of investments that would be discriminatory and obstruct foreign investment, leading to a distortion of global trade. Among this obstructing legislation are issues related to the conditions of the local component, the conditions of external balance, the condition of foreign exchange balance, and conditions related to the restriction of domestic sales (16).

### **1-4: Support Agreement and Compensation Procedures:**

Subsidy here means any financial contribution provided by governments or public bodies that results in a benefit to the destination to which it is directed (17). According to the World Trade Organization, there are three types of support are (18):

1-4-1- Permissible subsidy, and this type does not entail countermeasures (compensatory), and falls under it, support of a general nature that is not related to a specific commodity or industry, as well as support directed to research and development activities, and support provided to the less developed regions in the country.

1-4-2- Permissible support within the limits, where it is allowed to be provided if it does not cause harmful effects on the commercial interests of other WTO member states.

1-4-3- Prohibited subsidy, this type of subsidy requires taking countermeasures (compensatory) in this regard, which the state directs to a specific good or service or to a specific industry or sector, and this affects the competitive power in an unfair way. Within the framework of the WTO, there are a set of exceptions mentioned in the support agreement, including that the developing and least developed countries were excluded by subsidizing their exports, and the exceptions provided for the success of the privatization programs (19).

### **1-5: Anti-Dumping Agreement:**

Dumping is considered an unfair trade practice, as it negatively affects the normal situation of competition, which results in the creation of confusing trade conditions among the member states. The case of dumping occurs when a trading partner sells a commodity abroad at a price that is less than the cost of production, or less than the price at which it is sold locally, or less than the cost of production, or less than the value of the commodity recognized internationally. According to the World Trade Organization, dumping is prohibited, and if it is proven by a commercial party, duties are imposed by the affected country after proving the damage inflicted on it (20).

## **2- General Agreement on Trade in Services:**

What is meant by trade in services is the trade related to everything intangible. As for the liberalization of trade in services, it refers to all the measures related to expanding the opportunities for foreign suppliers of services to enter the local market, or even reducing the bias towards them toward local suppliers (21). The Agreement on Trade in Services is based on a set of principles, namely the principle of transparency, the principle of gradual liberalization of trade in services, the principle of increasing the participation of developing countries, and the principle of not allowing trade practices that restrict trade in services(22).

## **3. Agreement on the Protection of Trade-Related Intellectual Property Rights:**

The Agreement on the Protection of Intellectual Property Rights Related to Trade represents Annex No. (A-C) of the annexes to the establishment of the World Trade Organization (WTO). This agreement was established with the aim of achieving a stated purpose, which is the liberalization of global trade by eliminating the obstacles facing global trade, taking into account the promotion of effective and appropriate protection of intellectual property rights, and ensuring that the measures and measures taken in order to protect intellectual property rights are not barriers in itself by impeding legitimate trade (23). The agreement aims to achieve several things, including (24):

3-1- Encouraging the spirit of technological innovation, research and development.

3-2- Transfer and dissemination of technology under the legality of international protection.

3-3- Establishing a balance in rights and duties between producers and users of technological knowledge.

The forms of intellectual property range from patents, copyrights, trademarks, geographical indications, industrial designs, integrated circuit designs, and trade secrets.

**Fourth:** Requirements for joining the World Trade Organization:

There are a set of issues that Iraq should provide while it is in the process of joining the WTO, which works to put the economy in a framework in which it is able to compete and enjoy the required dynamism in order to reduce losses and maximize benefits. It requires the enactment of a set of laws, and that there be an active role for the state, the advancement of the national industry, the strengthening of the role of the private sector, attention to the agricultural sector and its development, and the preparation of a negotiation team with the necessary qualifications (25). In the same direction, there are expected challenges from the accession process related to the structural contradiction of the agricultural sector with the oil sector in Iraq, as the agricultural sector embraces the largest proportion of the labor force, and contributes very little to the national product, while the oil sector is the largest contributor to The national product, however, employs only a small percentage of workers. And if we know that oil is a commodity excluded from the WTO agreements, then it becomes clear that the two sectors are unable to compete. Also, the Iraqi industrial and agricultural commodities are far from competing with their foreign counterparts. As for the services sector, it too will not be immune to intense competition with foreign service suppliers (26).

**The third requirement:** anticipating Iraq's accession to the World Trade Organization

The World Trade Organization is characterized by the fact that it bears the characteristics of difference and similarity with regard to the terms of the agreements it contains, as there are many exceptions and allowances that come in the door of difference in the application of principles, and also there are general rules that apply to all members without discrimination and they come in the door of similarity. In this way, Iraq can benefit from the exceptions and allowances that are contained in the agreements and granted specially to developing countries, and it will be in a better position through its inclusion in the general organization agreements that make its economic environment internationally acceptable, which improves its production and commercial activities, and keeps some of the problems that it faces away from it. It results from situations such as commercial retaliation, international isolation, and failure to comply with global commercial standards. In this context, a set of opportunities can be stated that Iraq can benefit from in the event that it prepares its economic and legislative system in accordance with the requirements of the World Trade Organization, as follows:

1- According to the principle of the most favored nation, Iraq benefits from the granted commercial advantages and does not discriminate in commercial transactions. Iraq can also enjoy the exceptions in this principle, where it can enter into arrangements of free trade zones and customs unions in a regional or economic coordination in which customs tariffs are reduced. An enabling clause, in which developed countries give developing countries differential or preferential treatment in tariff and non-tariff issues, can also be made use of. There is an exception

related to Iraq's ability to protect its nascent industries from foreign competition so that they can compete, and Iraq can also put some allowances for trade arrangements with neighboring countries as an exception to the most favored nation principle by achieving the goal of facilitating cross-border trade. Iraq can also impose restrictions on the imports and exports of a particular country if they do not comply with its security considerations, and all of this comes as exceptions to the principle of the most favored nation (27).

Through the principle of national treatment, Iraq benefits in marketing its goods and services in international markets without being treated with discriminatory treatment, as well as the possibility for the government to benefit, as an exception to the agreement, by treating national goods with special treatment, provided that they are government consumer purchases and not for the purpose of trading (28) .

3- According to the principle of transparency in the World Trade Organization, it is forbidden to use non-tariff restrictions on international trade, and all documents relating to each country should be published in order to circulate it to the rest of the members(29). In this way, Iraq benefits from the dissemination of information related to the new commercial procedures, which provides it with a clear environment on the changes in the international trade arena. It can also benefit from exceptions related to this principle through the use of the quota system on its imports of agricultural commodities if this is necessary to implement a government program related to activating marketing and production control issues and getting rid of commodity surpluses, or if there is a severe deficit in its balance of payments or in Its foreign exchange reserves, but after consulting with the WTO secretariat and the International Monetary Fund, as well as the possibility of applying import quotas in order to encourage infant industries through the so-called precautionary clause.

4- Based on the principle of trade negotiations, the trade problems that may arise between Iraq and other parties will be resolved through the method of trade negotiations, and this matter keeps Iraq away from cases of discrimination and unilateral trade retaliation that are outside the framework of the organization.

5- Iraq can provide support for its agricultural sector as an exception to the developing countries within the agreement on trade in agricultural products, as it is possible to provide general support for agricultural investment without allocating a specific product, and support can be provided for agricultural inputs required for the production process such as fertilizers and irrigation mechanisms for low-income farmers, It is also possible to provide support to certain agricultural producers, provided that the support does not exceed 10% of the value of their production, and to provide support to certain areas to raise their standard of living, or those specified by a number of heads and livestock, as well as allowing support for conducting research, eliminating epidemics, guidance and training, and keeping The government stockpiles to achieve food security, provide food to the urban and rural poor at a subsidized price, and help the most affected areas. It is also possible to support agricultural exports in the form of payments to reduce the cost of marketing, and grant preferential benefits to internal transport directed for export purposes (30).

6- With regard to the agreement on investment procedures related to trade, which includes the obligation to treat foreign investments in the same way as domestic investments and not to use quantitative (non-tariff) restrictions, and to publish all instructions set by the government to regulate foreign investments. In this regard, there is permission for developing countries, which Iraq can benefit from, which is to submit a request to the Council for Trade in Goods in the World Trade Organization to grant a certain period of time in order to maintain the prohibited restrictions on foreign investments when there are difficulties in removing them in periods The first is to join, and Iraq can use quantitative restrictions on imports related to foreign investment if it faces a deterioration in its balance of payments or international reserves (31).

- Within the support agreement, it is prohibited to provide support to local producers or to encourage exports, but according to the World Trade Organization and the support agreement specifically, there is a type of support that is allowed and that Iraq can benefit from and provide without opposing the organization's legislation. Among this permitted subsidy is subsidy of a general nature so that it is not specific to a commodity or industry in itself, as well as support directed to conducting research and development within the various institutions, provided that the amount of subsidy does not exceed 75% of the research cost or 50% of the development costs, as well as support for regions The least developed, compensatory duties can also be imposed against another trading party that illegally subsidizes its products, and there are allowances for developing countries that Iraq can benefit from in relation to providing support for export operations, which should be stopped as soon as the subsidized exports reach a share equal to 3.25% of The volume of the global exported commodity trade for two consecutive years, and it is also allowed to provide support to encourage privatization programs through rehabilitating flabby projects such as debt relief and compensation subsidies for laid-off workers. For the product, including no more than (4%) of the total imports of another country for an Iraqi product that was exported (32).

8- There is a principle in the Agreement on Trade in Services, which is the principle of increasing the participation of developing countries, according to which members work to facilitate the contribution of the participation of

developing countries, including Iraq, by conducting negotiations on schedules of commitments, which the Iraqi government, through the entity represented by the agreement, can enhance capabilities in the field of Services and trade in them, and access to knowledge and expertise related to this sector in accordance with commercial principles. Also, Iraq can, according to the exceptions found in the Agreement on Trade in Services, take a set of measures that restrict trade in services in order to protect public morals, public order and health, provided that this does not constitute arbitrary discrimination between Foreign and local service providers (33).

9- With regard to the anti-dumping agreement, which gives Iraq the opportunity to benefit from the anti-dumping measures provided by the agreement, after taking relevant measures that prove the dumping situation and thus the possibility of imposing duties on dumped imported goods equal to the margin of dumping (34).

10 - Under the Agreement on the Protection of Intellectual Property Rights Related to Trade, Iraq can benefit by creating an environment that respects the intellectual rights of the owners, which will work with it to encourage local innovations, and encourage foreign direct investment to work inside the country as long as the owners of these investments will be safe for Their goods with technological content are from theft by others, and all this leads to creating a sound economic environment and thus encouraging production and trade operations with abroad.

## **Conclusions**

1- Iraq's foreign trade plays a prominent role in the formation of its gross domestic product, but the issue that indicates here is the dominance of the oil commodity only in the structure of Iraqi exports, while the various goods and services constitute the clear feature in the structure of imports. This indicates a low national competitiveness and production capacity in order to change the structure of foreign trade in Iraq towards diversifying exports and reducing the import basket.

2- The issue of Iraq's accession to the World Trade Organization is extremely important, as this matter makes Iraq, as a government, institutions and the private sector, work to provide preparations related to enacting laws and instructions and improving the business environment and private sector activities, in order to be compatible with the environment global trade in accordance with the foundations of the World Trade Organization. These preparations work to reform economic and trade policies and legal arrangements.

3- The presence of Iraq in the World Trade Organization means, on the other hand, that Iraq obtains an international certificate of discipline, which is reflected in its economic and commercial reputation and inspires confidence in other countries that this country is running in accordance with global controls and coordination, and this leads to the attraction of foreign direct investments to work Inside Iraq, as well as enhancing the activity of capital movement, and this is an important issue in order to integrate the Iraqi economy into the international system and benefit from the global trade movement.

4- The general principles of the World Trade Organization work to give Iraq an opportunity to benefit from commercial advantages among members and customs reductions on the entry of goods into foreign markets in connection with the principles of the most favored nation and national treatment. It keeps Iraq away from cases of commercial retaliation, especially by the large commercial parties, and benefit from the generalization of commercial procedures among all members, and this is of course found in the principles of trade negotiations and transparency.

5- The investment and intellectual property procedures agreements, related to trade, allow for encouraging the entry of foreign investments, as investment procedures are non-discriminatory against foreign investors, as well as securing the aspect of intellectual property rights on goods and the method of production pursued by companies while practicing their business from theft and counterfeiting. This leads to benefiting from these investments in the field of enhancing the national production capacity, strengthening the trade balance, and acquiring technical and administrative expertise accompanying the work of these investments.

6- There are many exceptions and allowances in the World Trade Organization agreements that pertain to developing countries, as Iraq benefits from them, whether at the beginning of its accession and related to the protection of its emerging industries, or facing severe deficits in its balance of payments, or during long-term work within the framework of the Trade Organization Global, such as providing public or private support to some sectors and commodities according to certain conditions, and entering into international blocs and agreements with commercial advantages without Iraq and those countries agreeing with it being forced to extend these advantages to all members of the organization.

## **Recommendations**

1- Building the Iraqi negotiating team in order to provide a sufficient amount of experience in the field of trade negotiations before and during accession to the World Trade Organization in order to make maximum use of the contents of the WTO agreements and the exceptions therein, as well as issues related to commercial arbitration and settling commercial disputes.

2- Building a legislative system that is compatible with the requirements and contents of WTO agreements related to issues of foreign investment, intellectual property, trade in industrial and agricultural goods, customs tariffs, subsidies, anti-dumping, and trade in services, in order to adapt the Iraqi legislative environment to be close and compatible from the international legislative environment.

3- Strengthening the private sector in Iraq by activating the regulations and laws that guarantee its freedom and facilitating its procedures, and adopting a foreign trade policy compatible with this goal by combating commodity dumping and protecting national products in accordance with the regulations of the World Trade Organization agreements and the exceptions granted in this regard.

4 - Develop the Iraqi border crossings and follow the methods of automation in them and purify them of financial and administrative corruption and make the authority of the state and the law applicable to all Iraqi ports without exception.

5- Enhancing the business environment in Iraq in accordance with its global indicators by upgrading the ease of doing business index, the degree of economic freedom, and encouraging official or artisanal national production in order to enhance the competitiveness of Iraqi exports.

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