



# IRAQ FINANCE 2017

4<sup>th</sup> International Conference and Exhibition  
on Finance and Banking in Iraq

10- 11 April 2017, Phoenicia Hotel, Beirut

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### Fourth International Conference and Exhibition on Finance and Banking in Iraq

#### Final Report

The Fourth International Conference on Finance and Banking in Iraq was held on 10-11 April 2017 at the Phoenicia Hotel in Beirut. It was also accompanied by an international exhibition of banks and international companies. The conference was attended by around 150 participants from officials, deputies, experts, directors and representatives of international companies as well as representatives of the Arab and foreign media.

The conference discussed for two days the issues of money and banks in Iraq and the possibility of their development in addition to the rest of economic affairs in Iraq and how to promote growth and diversification of economic activity and gradually removed from dependence on oil.

After extensive discussions accompanied by studies presented to the conference, the Conference agreed on a number of recommendations which they consider to be very important and necessary for the progress of Iraq and its international integration in the economic, financial and banking fields.

#### Recommendations

*The recommendations were compiled and written by: Dr Hamid al-Kefaei and Mr Ismaeil Zaier*

*They were approved by: Dr Mudher Mohamed-Saleh (Advisor to PM) and Dr Mahmood al-Dagher (CBI)*

*(The recommendations were translated from the original Arabic version)*

1. Establishing a national investment council in Iraq to sponsor investment and overcome obstacles facing investors.
2. To find an effective way to protect investors from security threats and to assure them that their investments, rights and profits are safe from any danger and that the State will provide legal and effective protection for them.
3. Reduce the deficit in the general budget by reducing unnecessary expenditures and increasing investments in productive sectors, especially industrial ones, in which Iraq has a competitive edge.



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4. Developing the non-oil resources of the state in order to reduce the dependence of the state on oil, which became very important with the fluctuation of oil prices, and the world to rely on renewable sources of energy and phasing out the consumption of fossil fuels.
5. Further economic and administrative reforms and deregulation of investments to encourage foreign countries and companies to invest in Iraq and reassurance of the future of its economy and stability of its political system.
6. Establishing several correspondent banks (such as JP Morgan, Standard Chartered and others) and initiating a dialogue with the CBI and other banks on this and how to achieve it.
7. Convinced that the time is now ripe for entering into negotiations with international banks regarding their work in Iraq and dealing with it, especially with the improvement of Iraqi data and changing the vision of foreign investors about Iraq and their belief that there is justification for granting loans.
8. It is necessary for the Central Bank to issue clear instructions on private banks and determine their capital in line with their ability to provide services to investors and citizens in general. They believe that there is a need for small banks to merge into large banks capable of providing modern banking services. This will only happen when the central bank issues regulations that set the conditions for the establishment of banks and set minimum capital requirements for the practice of banking.
9. Convinced that equal competition between domestic and foreign products does not exist at present, it is necessary to work on the protection of local products by raising their competitiveness according to the means available to Iraq and not contrary to international trade agreements and without harming the Iraqi economic relations or overriding the regulations of the WTO Global.
10. It is now urgent to reduce bureaucratic procedures in the state and other institutions, including the private sector, especially those related



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to financial and banking transactions, in order to encourage investors to invest in Iraq and facilitate their work.

11. It is necessary to protect the local product conforming to the standard specifications by raising its current low price of 10% and obliging the ministries and state institutions to secure their needs from the local producer as long as the specifications conform to the required standards.
12. The conditions necessary for the entry of investments into Iraq must be reduced to two basic conditions: (a) capital raising; and (b) securing production lines with advanced technology. The other conditions can be negotiated or perhaps completely neglected if they impede the arrival of investments.
13. The international community and foreign and local investors should be assured that Iraq cares for all its citizens, especially those in need of assistance, by ensuring the return of displaced persons to their homes and areas and compensating them for the material losses caused by terrorist attacks. Iraqi immigrant skills should be encouraged to return and provide the necessary facilities.
14. It is necessary to give priority to infrastructure projects, specifically reconstruction of buildings, roads, bridges, factories, refineries, stations, water purification systems, heavy water discharges, electricity production and other productive facilities. This has a direct impact on people's lives and economic growth. The country in general, and also because the advanced infrastructure encourages investors to invest in Iraq because it facilitates the completion of business and reduce costs.
15. Finally, the delegates believe that it is appropriate to form a delegation to meet with the Prime Minister and other officials and discuss with them the necessities and priorities of developing the banking business, attracting investments to the Iraqi market and carrying out the economic reforms necessary to develop the Iraqi economy.

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