FALLOUT OF COVID-19 PANDEMIC ON THE IRAQI ECONOMY AND THE MEANS OF ADDRESSING

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ABSTRACT

The aim of the research is to identify the effects of the covid-19 pandemic on the Iraqi economy by analyzing the data of some of the indicators of different economic sectors. With regard to the fallout of the global pandemic on the Iraqi economy, Iraq's crude oil exports fell by 38.81% than before the COVID-19 pandemic, and this reduction in oil exports led to a drop in oil revenues by 51.94%. The pandemic has also contributed to raising the proportion of total public debt in Iraq by 12.67% than before. In the light of these results, the Iraqi economy has been hit by a real structural shock, including through the intervention of the Central Bank of Iraq through a number of actions, most notably reducing its reserves from 15% to 13%, as well as reducing interest on expired loans at 20 million Iraqi dinars from 4.8% to 3.5%, between 21 million. One billion dinars to 1 billion dinars for 4% after it was 6.3%, and other actions will be covered in this research.

Keywords: Iraqi economy, Corona pandemic, economic growth. Scenarios for exit from the crisis.

I. INTRODUCTION

Generally, the global economy and the Iraqi economy particularly, have suffered from the effects of Corona pandemic during the years 2019-2020, whose fallout continued to this day. The fallout of this pandemic coincided with the distorted structural composition of the Iraqi economy, which suffers from very high austere rates and relies on about 84% of oil revenues to meet the government spending requirements (Central Bank of Iraq, 2019). As long as the global pandemic has resulted in the suspension of most of the industrial establishments in the world plus the consequent decline in the global demand for crude oil, this has resulted in the exposure of the Iraqi economy to a negative financial shock as well as the fallout of the pandemic has put Iraq before additional spending requirements represented in health preparations to face the fallout of that crisis the thing that deepened the effects caused by COVID-19 pandemic.

Hence, the research problem arises in how to deal with the fallout of the global crisis in light of the low financial returns to the Iraqi economy, the increase in government spending requirements and the increasing need for more money to meet the requirements of facing the health pandemic, principally in light of the current situation in which Iraq suffers from the widespread financial and administrative corruption in a Procedure that exacerbated the strength of the crisis it is facing now and the resulting manipulation of the value of the Iraqi dinar currency in order to gain more financial returns in order to cover the deficit in the balance of payments due to the fallout of the global pandemic. However, this measure has its great results represented in the rise in the general level of prices by 23% adding the government has resorted to cutoff and reduce part of the salaries of employees in varying proportions commensurate with the size of the gained income, and the high volume of the external and internal debt of the Iraqi economy which rose (119) billion dollars before the pandemic to reach (134.4) billion dollars after the crisis which raised the debt-to-GDP ratio to (52%) causing the Iraqi economy to come close to the highest limit of the agreed acceptable percentage rated (65%) (the Central Bank of Iraq, 2019).

II. THE GLOBAL ECONOMIC Fallout OF CORONA PANDEMIC

In accordance with the world bank anticipations, the global economy is expected to shrink by 4.4% in 2020, on the assumption that the national lockdown measures to combat a second wave of COVID-19 are unnecessary after the recovery wave from the lifting of restrictions during the summer, even though, these last ones have caused a damage without restrictions (MT Newswwires Oct 16, 2020). It is merely what the IMF's economic consultant, Gita Gopinath,
the crisis caused by the Coronavirus is the worst recession since the great depression, and ten months after the pandemic, Gopinath says, in a blog of the International Monetary Fund, the world may end up paying $ 28 trillion in lost production, we should not be surprised if the final bill is more in the next waves of COVID-19, the virus is likely to last for a long period that could extend three years and without viable health vaccines, and we may have to live with low output for a long time (The New Straits Times Press (M) Berhad Oct 15, 2020). (Rio-Chanona et al. 2020) points out that the effects of the virus on the US economy, which is the largest in the world in terms of GDP, is expected to decrease the gross domestic product of the United States for the year 2020 by 22%, the employment by 24%, as it will lead to a reduction Wages by 17%. This economic decline is not only in the United States but around the world, but the details of the impact vary from one country to another. The quick respondents indicate that on average, sales have decreased on a weekly basis for small business owners and household incomes by about 90%. The basic immediate concern for the families has focused on how to secure food, and these respondents indicated that about 70% of current microfinance borrowers cannot repay their loans on time.

On the other hand, The economic impact of COVID-19 clearly shows some economic sectors causing what is called demand shocks (transportation, for instance), that the pandemic caused partial and total suspension of air transport flights and heavy losses for airlines that exceeded one trillion US dollars only for the first half of the year 2020, and others by supply shocks (manufacturing and mining, for instance), and others of supply and demand shocks (entertainment, restaurants and tourism). We observe the disparity in the impact between the sexes associated with the pandemic, as the command to stay at home, for instance, has caused a major shock to demand and supply in the field of home care for children, couples who have young children, for instance, find themselves now performing additional child care. It is known that women do most of the childcare (on average, about 65 percent) - and women were more likely than men to lose jobs due to the pandemic (Sevilla and Smith, 2020).

III. THE IMPACT OF THE COVID-19 PANDEMIC ON THE IRAQI ECONOMY

The Iraqi economy is considered one of the rentier economies that depend mainly on crude oil exports to supply the general budget with revenues, that the oil revenues contribute with (93%) of the total public revenues of the budget (Iraqi Ministry of Finance, 2020). This means that any decrease in crude oil prices will have its negative impact on state revenues and then on various other sectors. This is what happened during the Covid-19 pandemic, which negatively affected various economic sectors. After the announcement of the first infected person in Iraq on February 24, 2020, and the number of infection cases increased despite the precautionary measures taken by the central government until the effects of the pandemic began to be alarming (Al-Gar'awi and Al-Nasrawi, 2020, 303). The outbreak of COVID-19 in Iraq and the reach of the number of infections to thousands daily, the decline in crude oil prices, as well as the reduction of Iraq's share of crude oil exported by OPEC, the crude oil prices fell sharply after the World Health Organization officially announced the outbreak of Covid-19 in the Chinese city of Wuhan, that the decline in global demand for crude oil and its derivatives due to the closure measures in various countries of the world as a precautionary measure to prevent the spread of this virus, work was stopped in many factories, the thing that resulted in the collapse of oil prices and their reaching low levels amounting to less than (20) dollars per barrel, resulted in the decrease in Iraqi oil revenues from 44 billion dollars per-month to 21 one billion dollars a month that is at a rate of decrease (50%). All of this resulted in a set of fallout on the Iraqi economy, we mention some of them as follows:

3.1 The impact of Covid-19 pandemic on economic growth:

The economic growth is considered one of the most important economic indicators of the state as it contributes to increasing the income and reducing the unemployment rate in the economy because the economic growth helps to provide suitable job opportunities in various fields. In accordance to world bank data regarding the economic growth in Iraq, the economic growth rate was (3.7%) in 2019, that is, before Covid-19 pandemic (World Bank, 2020). But after the spread of Corona virus in most countries of the world, including Iraq, this pandemic had negative effects on the rate of economic growth that is expected, according to estimates of International Monetary Fund, will be (12.2-) for the year 2020, as shown in Figure (1).
The Iraqi economy is still relying on crude oil that constitutes production accounts for more than 60% of GDP (Iraqi Ministry of Finance, 2020) which makes it prone to fluctuations in crude oil prices. Hence, the outbreak of Covid-19 led to the occurrence of a set of fallout, the most important of which is the decline in crude oil prices plus the decrease in Iraq's exported share which resulted in a decrease in Iraq's production of crude oil by (13.9%), the closure of shops, markets, entertainment places, restaurants and hotels, the stop of free businesses and professions and the restriction of roaming movement. All the mentioned things have negatively influenced on the occurrence of contraction in the Iraqi economy that reached (7%) in 2020. Simultaneously, non-oil activity also declined in the past months due to the rules of social distancing and curfews, besides the suspension of transport, principally the international flight ban (Al-Gara'wi and Al-Nasrawi, 304, 2020), and the closure of most of the main stores that caused a sharp decline in GDP, as shown in Figure (2).

The year 2021 could possibly witness a noticeable increase in the gross domestic product, as shown in Figure (2), but the prospects for recovery will remain weak and there may be a gradual effect of social distancing measures and the continuation of restrictions imposed on the oil supply, the thing that will limit the increase in GDP rates in the short term. (Kazem, Iman Abdul Rahim, 2020).
Iraq's potentialities of becoming the best performer in terms of economic growth and the attractiveness of foreign investors in the Middle East have diminished aftermath (ISIS) control of the north and west of the country. Our projections of the total economy for 10 years after Corona pandemic are based on our viewpoint that Iraq will maintain the level of Slightly less than the growth rate of 2018, as shown in Figure (3).

3.2 Fallout of Covid-19 pandemic on oil revenues in Iraq:

The Iraqi economy has been negatively affected by the spread of Corona virus, principally the Iraqi oil revenues that contribute with 93% of the general budget revenues in 2020 (Iraqi Ministry of Finance, 2020) as shown in Figure (4). Then, any shock to the oil sector, which will have a major impact on revenues and then on expenditures and this is what happened during Covid-19 pandemic.

3.3 The impact of Covid-19 pandemic on foreign trade:

Many specialists had confirmed that the Iraqi current account balance will suffer from a deficit of %6.3 of GDP in 2020 (Central Bank of Iraq, 2020), this could be mainly due to the decrease in oil revenues by half on low prices aftermath and the amount of the production that was determined by OPEC. This resulted in a significant deterioration in the external situation of the Iraqi economy compared to 2019, which achieved the current account balance a surplus of (%7.1), as shown in Figure (5).
Services exports have also decreased due to the international flight ban around the world, including Iraq, and most Iraqi services exports consist of religious tourism due to the holy sites, with most Iraqi borders and ports are not reopened, consequently, revenues will shrink as the non-oil economy enters a recession causing a more vivid deficit in the current account with an increasing pressure on the budget. Hence it is expected that public capital spending will be reduced (Central Bank of Iraq, 2020), and this, in turn, will feed to lower demand for capital revenues - which represent more than three-fifths of the total commodity revenues as shown in Figure (6).

It is preponderant that Iraq will record a deficit in the current account in the medium term before returning to a slight surplus in 2022 onwards. The expectations will affect the gradual rise in oil prices in the medium and long term. In considering oil revenues, they represent nearly 99% of the total exports of goods (Central Bank of Iraq, 2020). However, these price increases will be relatively slow and are expected to stabilize in the long term which means that two-digit surpluses are no longer available.

### 3.4 Impact of Covid-19 pandemic on the reserves of the Central Bank of Iraq

Many researchers have confirmed that the decline happened in oil prices does not pose a great threat to the value of the Iraqi dinar in the short term as long as the Central Bank of Iraq has reserves of $ 67.1 billion in 2020. Iraq could possibly record a deficit in the current account in the years 2020-2021 due to the increase in foreign currency liabilities (consisted of the current account balance and debt obligations denominated by foreign currency). As a matter of fact, the current level of foreign exchange reserves is much higher and that the Iraqi economy has enough currency reserves to fund all its foreign currency liabilities for these two years even if they do not receive entering inflows that will strengthen these reservoirs as shown in Figure (7).
3.5 Impact of Covid-19 pandemic on inflation:

The Iraqi economy has witnessed moderate inflationary rates despite the government’s support for electricity, food and fuel, when currently there is no plan to reform the subvention system. Despite the decline in oil prices, inflation will rise in the long term against the backdrop of a gradual rise in gross demand and a rise in basic commodity prices. A potential expectation of rise oil prices in the medium and long term, this will lead to higher prices in both transport and households. Moreover, inflation will rise in the long term against the background of gradually aggregate demand and the rise in basic commodity prices with the expectation of rise in oil prices in the medium and long term, this will result in the price increase in general, as shown in Figure (8).

3.6 Impact of Covid-19 pandemic on the public finances:

OPEC’s reduction of Iraq’s share of exported oil in addition to the collapse in oil prices and the Covid-19 crisis, add more pain to the public finances in Iraq and the increase in the budget deficit, which was expected for 2020 to reach 50 trillion Iraqi dinars (Al-Gharr'awi and Al-Nasrawi, 2020, 303), i.e., rate 18.7% of GDP, new predictions indicate that this will greatly exceed that due to the deficit recorded after the decline in oil prices. The main factor that causes this deficit will be the decline in oil revenues, which are expected decrease to the half. The disruptions caused by Covid-19 on the global economy, lower output and energy demand did not allow crude oil prices for 2020 to exceed the barrier of $ 40.0 per barrel, a sharp drop from the 2019 average of $ 64.2 per barrel recording a sharp decline from the average for the year 2019 of rated 64.2 $ per barrel, more than 24.2 $ per barrel and, therefore, the decline in oil revenues will be surpassed according to the new offer restrictions from OPEC starting
from May, 1st. - agreed on April 9th. (Central Bank of Iraq, 2020). The agreement provided that a total reduction of 9.7 million barrels per day until June 30, when the volume would be reduced to 7.7 million barrels per day until the end of the year, which led to a decrease in oil production in the country by 13.9% this year the thing that was reflected in the decrease and shrinkage of the public budget as shown in Figure (9), Figure (10).

![Figure (9): public budget deficit and surplus in Iraq.](image1)

Source: e/f = Fitch Solutions estimate/forecast: IMF, Fitch Solutions

![Figure (10): Patterns of spending in Iraqi Economy](image2)

Source: e/f = Fitch Solutions estimate/forecast: IMF, Fitch Solutions

The spending cuts, made by the Iraqi government, were not sufficient to compensate the revenue losses. In considering economic-cycle nature of the Iraqi government spending, some expect to control spending in the next few months which will affect investment spending that is considered the least critical part in terms of politics. The current spending, which represents more of the four-fifths of total spending, will cover the need to be difficult to reduce, although the new government will definitely look to reduce the current spending, and this is what the Prime Minister stated previously and that the government may struggle to meet the obligations of the next wage bill, indicating the inevitable spending cuts. Indeed, the Prime Minister took the first step in reducing the salaries of the retirees by 15% after returning for a short period to the surplus achieved in 2018 (Central Bank of Iraq, 2019). The balance of the budget will return to the deficit in the long term, as shown in Figure (11) and that this deficit is likely to be significant given lower oil prices for a longer period as well as a global recession and lower production levels of which oil accounts for nine-tenths of total revenue. Moreover, the government's ability to increase non-oil revenues will remain limited due to the recurrent violent conflicts in the country since the US-led invasion in 2003, which caused significant damage to its manufacturing and agricultural foundations resulted in making the revenues...
highly responsive to the fluctuations in global oil prices. Hence, the Iraqi government will have to reduce its impact on the economy, by reducing public wages and its subsidy program gradually due to the high political cost.

Figure (11): predicting the deficit and surplus of public budget in Iraq up to 2029

Source: e/f = Fitch Solutions estimate/forecast: IMF, Fitch Solutions

3.7 Fallout of Covid-19 pandemic on the Iraqi public debt

Low public debt is considered one of the most important goals of the economic policies. Due to the decline in Iraq's exports of crude oil to importing countries because of the decline in global demand in light of the economic lockdown caused by Covid-19 pandemic, it was necessary to find a solution to finance the public expenditures of the Iraqi economy, and, therefore the debt was resorted to as an urgent solution in light of the pandemic (Battal, 2020). After the total Iraqi public debt was (119) billion US dollars before the pandemic, it is increased by (12.67%) to reach more than (134.4) billion US dollars, and by rate (71.16%) from the gross domestic product, as shown in Figure (12), which is a very high percentage compared to the percentage approved by the Maastricht Agreement in the European Union, according to which it was agreed to determine the public debt ratio that does not exceed (60%) of the gross domestic product, as shown in Figure (13). Piątkowski, 2014) as a sustainable ratio, which is the ratio that the state can continue to service its debt without faltering financially or continue to be able to bear the public debt.

Figure (12): pre-post pandemic total Iraqi public debt

The ratio of government debt to gross domestic product and the risks on the financial track of Iraq will remain under control which reaches to about 48.7% of GDP in 2018 and 51.2% of GDP in 2019, whereas it will rise to 77.9% in 2020, as shown in the figure (14). Some expect that this percentage could reach (100) billion dollars once the decline in oil prices continues to be lower, making the Iraqi economy enter the risk stage because it exceeded the safe ratio of debt. This is due to severe mismanagement by the Iraqi government during the past decades that it did not benefit from the large financial surpluses resulting from the oil price boom (2010-2012) (Piątkowski, 2014). Therefore, the data indicate that Iraq will witness a large and continuous financial deficit, at least in the short and medium term, which in turn will fuel the rapid accumulation of debt. Although Iraq has a large proportion of foreign exchange reserves - ($ 67.1 billion) - that will help cover any outstanding debt obligations, bond yields and others.

It is worth mentioning that the external public debt of Iraq is limited and despite the fact that the external financial obligations of Iraq will increase over the coming years while the government exploits the local markets to finance its deficit, so we do not believe that the external debt of the government will rise quickly.

### 3.8 The impact of Covid-19 pandemic on poverty

The Iraqi economy suffers from the problem of poverty which is considered one of the deep-rooted and intractable problems that go back to past decades. The results of the socio-economic survey in Iraq in 2012 revealed an increase in some total indicators, especially with regard to total spending, the cost of the extreme poverty line increased from 35,796 dinars in 2007 to 50470 dinars in 2012. This cost is sufficient to meet the minimum food needs which
equals 2337 calories. The cost of covering non-food basic needs increased from 39026 dinars in 2007 to 55027 dinars in 2012 as a result of the high cost of living as the rate of inflation increased during that period at a cumulative rate (39%). In light of Covid-19 crisis, the socio-economic effects of quarantine, the decline in public spending and the loss of income sources for millions of people have catastrophic fallout on vulnerable and poor groups. According to analyses of poverty in Iraq for the period 2007-2020, it is indicated that what characterizes poverty in Iraq a large percentage of the population is close to the poverty line the thing that indicates the fragility of the situation of a large number of people who will end in the crisis to a decline in their income and fall into a poverty pandemic (International Monetary Fund, 2020 b)

Both Covid-19 pandemic and the curfew measures that followed, the stop of a large number of factories and plants, many families have lost their monthly incomes in all governorates Iraq have greatly affected the economic situation of the Iraqi citizen, principally those who have limited income.

Three scenarios can possibly be illustrated in light of Covid-19 pandemic, which we found out to estimate poverty rates in Iraq can be represented by the following (Al-Zubaidi et al., 2020: pp. 42-43):

A. Poverty in light of the first scenario (the basic case): 10% reduction in income or consumption at the level of poverty line for the year 2020 was estimated at approximately 123,200 thousand / person / month, then the estimated poverty rate according to this scenario reached about 1024,000 people.

B. Poverty in light of the second scenario (the best case), ending the social distancing measures and returning economic activity.

The decrease in the income or the consumption by 5% according to the poverty line for the year 2018, which was estimated at 110,880 thousand dinars / person / month, we find that the poverty line for the year 2020 will reach 116,700 thousand dinars / person / month, then the estimated poverty rate according to this the scenario reached 21.6%, that the number of poor approached 8,640,000 people.

A. Poverty in light of the third scenario (the worst case): a decrease in income or consumption by 20%.

The poverty line for the year 2020 was estimated at about 138,600 dinars / person / month, then the estimated poverty rate according to this scenario was 25.6%, which means that the number of poor approached 1024,0000 people.

IV. PROCEDURES TO ADDRESS THE CURRENT ECONOMIC SITUATION IN IRAQ

The economic policies in Iraq have not benefited from the previous experiences of the shocks of low crude oil prices that resulted in the continuing state of confusion regarding the payment of employees' salaries at each new shock from the shocks of low global oil prices. The government system that has witnessed a significant expansion in the number of employees, has contributed significantly in inflating operational expenditures and, we, after each oil price shock, do not have a goal in the public budget that is more important than securing the salaries of employees. The 2020 budget faces such a reality that requires a research for solutions to secure the payment of employees’ salaries after oil prices fell to unprecedented low levels since several decades. It seems that the impact of the global economic crisis and the low oil prices as a result of (Corona virus) has prompted a reconsideration of the hypothetical estimated figures related to public revenues and expenditures in the 2020 budget that the volume of public expenditures amounted to (139) billion dollars (Central Bank of Iraq, 2020), the public revenues, which were estimated at about (95) billion dollars, a planned deficit of (44) billion dollars, but these estimates have become far from reality and it has become necessary to adapt the budget numbers according to the new data produced by the Covid-19 pandemic. If we try to reduce public expenditures to the limits of (80) billion dollars, of which (59) billion dollars are operational expenditures, then such an amount will be sufficient to meet the need to pay salaries, but it requires measures to pressure and rationalize other elements of operational expenditures, such as delaying payment of debt services, pressure and rationalization of expenditures of social benefits and other elements of other operational expenditures. As far as the revenues side concerning, it represents the basis of the problem, whether it is related to oil or non-oil revenues, the impact of the crisis was significant on the budget of Iraq 2020 due to the collapse of oil prices, on the one hand, and the reduction of Iraq's share of exported oil and the global recession on the other hand. The price of a barrel of oil did not exceed 36 dollars at its best, i.e. (28) dollars

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as an average for the year 2020, such a price will bring to the budget oil revenues estimated at about (40) billion dollars and this amount represents half of the estimated public expenditures and is less than the value of the salaries of employees that must be paid (Al-Khayyat, 2020). Hence, the reality of the Iraqi economy should be addressed radically which can be summarized by a set of suggestions, as follows:

4.1 Reasonable and efficient management of public funds via a package of quick measures and procedures needed to cope with the decline in crude oil prices and applying all procedures related to securing employees' salaries and addressing the rise in the bill for some salaries, especially salaries of special grades, as well as focusing on sovereign resources and not going towards imposing more taxes and fees on citizens to avoid a decrease in overall demand and a decrease in per capita income, which leads to an increase in poverty rates, addressing the deficit in the public budget through internal borrowing, sufficient to fill the deficit of very necessary expenditures, at the top of them is the salaries of employees.

4.2 Involving the Central Bank of Iraq in managing the crisis afflicting the Iraqi economy, confronting and mitigating its effects, especially in discounting transfers in secondary markets, issuing government bonds, managing treasury transfers to the banking sector and managing government debt .... etc. besides adjusting the rate of the exchange to help in facing the crisis and stimulating the domestic economy.

4.3 Elimination of widespread corruption in the joints of public institutions, which is considered the plague that has decayed the body of the Iraqi economy as well as preventing the implementation of the plans that are put in order to address crises and advance the economic reality of the country. Since the current situation in which the country is passing through now is in dire need of the money that has gone in favor of the public money thieves in order to keep its internal and external obligations, so the government must take serious and resolute steps to reduce this phenomenon and hold the thieves accountable and return the public funds that they stole, that such a thing will result in maximizing non-oil public revenues and reducing the public expenditures, especially those spent on unrelated projects economic viability and marred by corruption.

4.4 Rationalizing the Public budget for fiscal sustainability, where the World Bank has emphasized that countries should lay the foundations for good governance for public finances. Today, Iraq desperately needs to lay good foundations by rationalizing the budget and applying the principles of transparency and credibility in order to overcome this crisis and achieve fiscal sustainability in the Public budget of the State. The process of channeling public funds to finance unfeasible projects is a drain on these resources, so the focus should be on projects that are economically viable, achieving the country's economic objectives according to the priorities and achieving the principles of transparency and credibility in the general State budget will achieve the planned economic goals without difficulties in addition to curbing rampant corruption in the country.

4.5 Achieving the principle of good governance in public budget management, where governance refers to the actions undertaken by public institutions to promote citizens "understanding of the objectives of economic policies and give a clear picture of their bosses and gain their confidence and support, for example, without people's conviction and confidence in the fairness of the tax system, this leads to difficulties in collecting them and make them try to evade those funds that are necessary for spending on the necessary requirements for the education, health and social care sector is what could confounds the economic plans and pushes the Government to forego large projects that can be done for economic development.

4.6 Achieving economic diversification and non-dependence on the extractive sector in the composition of GDP, as well as in public revenue and the alleviation of the impact of external shocks on the economy, which are moving rapidly due to high economic exposure as the Iraqi economy relies on the export of crude oil and foreign funds and receive foreign funds that finance most imported goods, which make it vulnerable to any external crisis. The search for other alternative sources in support of this sector is, therefore, of the utmost importance to the economy, especially after the successive crises that have taken place. Effective strategies must be pursued with the most important objective of economic diversification, which is the diversification of productive structure and the creation of new productive and service sectors that generate additional income and ultimately reduce the total dependence on a single sector of the economy. This process will reduce and eliminate many important economic problems, in particular by
providing many jobs and reducing unemployment, raising growth rates, increasing exports and reducing imports, which improves the trade balance.

4.7 Encouraging the real investment, in particular the foreign investment and the operationalization of the principle of public-private partnership, particularly in strategic projects, in order to achieve additional public balance resources and increase the proportion of public debt in support of budget revenues as well as privatization of some industries and discard them to the private sector to support and provide a healthy investment environment, address the legislations that are related to these issues and, specifically, review the investment law of 2006 according to what attains the public interest.

4.8 Benefiting from the tourism services sector and making is one of the key sectors that have benefited the economy and the public balance in particular. With many tourist attractions, Iraq can make this sector one of the key sectors in support of the Iraqi economy, particularly religious and archaeological sites, as well as recreational areas. The Government could benefit from this sector and achieve additional income other than oil savers.

4.9 Taking advantage of the sheer number and availability of security numbers. A large part of them should be restructured into productive institutions, in particular part of the army and the popular mobilization following the liberation of Iraq from the terrorist cells (ISIS) and converting them from consumer sectors into productive sectors to support the Iraqi economy that can be an additional card that increases production and income and reduces the expense of consumer institutions. It also supports the process of development and economic diversification.

4.10 Avoiding the external borrowing that overburdened the economy by financial commitments (debt and interest), as well as the harsh conditions imposed by lenders, whether institutions or States, and restrict their freedom to develop integrated strategies to advance the country's economic reality and lift it out of the economic rent towards developed countries.

4.11 Making use of the other non-oil resources, particularly the gas supplier, which has increased attention in recent years as a better and more efficient alternative resource than other alternative sources, as the Iraqi economy has significant gas-exporting oil whether associated gas (AG) or liquefied gas (LG) that can be harnessed and invested. Many experts have confirmed that the investment of these fields makes Iraq a major exporter of gas, which is very likely to be invested in boosting other sectors and achieving inclusive development over a limited period.

4.12 Supporting some commodities, particularly agricultural commodities, and operate this sector by charging some goods or preventing some to support national product and promote economic development.

4.13 Working to establish sovereign funds and invest surplus oil surpluses to ensure the right of future generations, as well as to make them reserves that the economy can benefit from in times of crisis and not resort to borrowing or other Procedures of supporting the economy and budget finance.

4.14 Supporting and provide the economic environment for small and medium-sized industries as the essential building block of economic development, as well as their labour and good savings.

4.15 Managing the foreign exchange abroad and make use of it to finance the investments required by the inclusive economic development process, and then reconsider the currency rate as well as reconsider the currency window used by the Central Bank in the cash supply process with a view to controlling monetary stability.

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