



**Statistics & Research
Department**

Annual Report 2019



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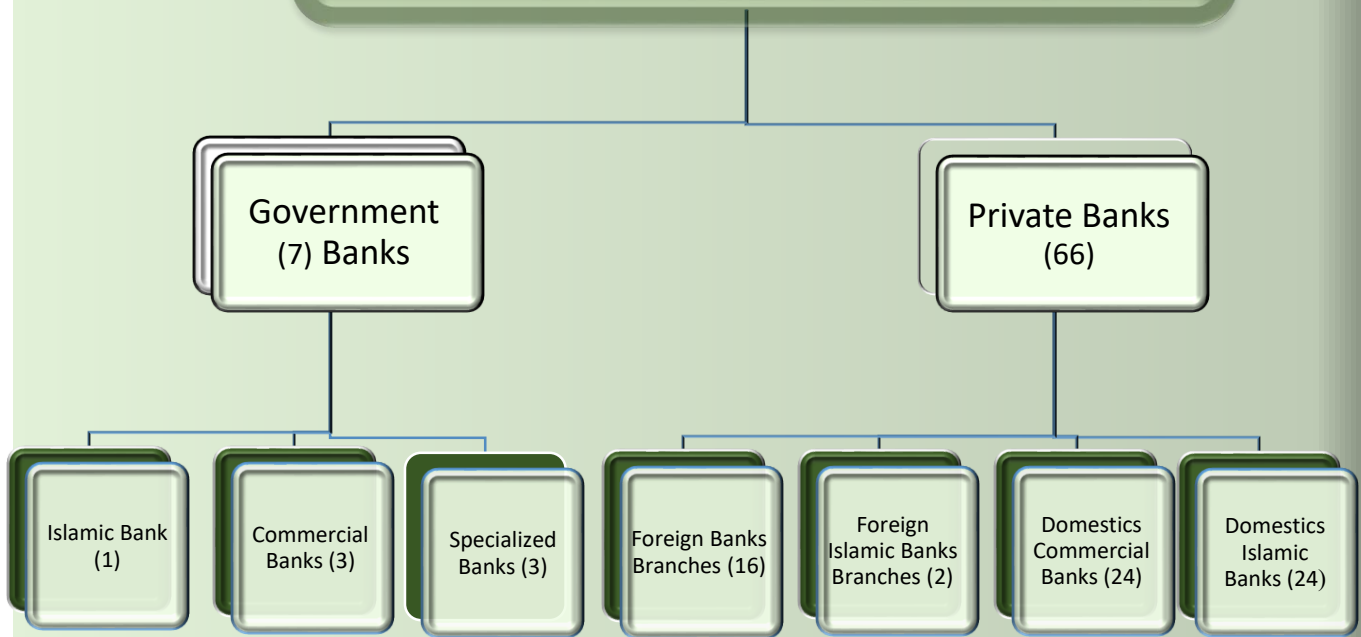
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Banking System Structure
for 2018 including (73) Bank



Summary of Iraqi Economic Indicators for 2018- 2019

Statement	2018	2019
Currency (Iraqi Dinar)		
Gross Domestic Product in Current Prices (GDP) (IQD trillion)	254.8	262.9
Gross Domestic Product in Constant Prices (GDP) (IQD trillion)	202.7	211.8
GDP Per Capita in Current Prices (IQD Million)	6.69	6.72
Total Area Cultivated with Wheat and Barley (thousand dunams)	3755	10052
Rated Output Power (MW)	11512.8	14008.3
Core Inflation Rate%	0.2	-0.1
General Inflation Rate%	0.4	-0.2
Average for Consumer Price Index (CPI):(point)	104.7	104.5
Average for Consumer Price Index after exclusion: (point)	105.3	105.2
Daily Average Oil Export (million barrels)	4.0	4.0
Average Price per Barrel of Oil (\$ / barrel)	65.98	60.38
Money Supply (M1) (IQD trillion)	77.8	86.8
Money Supply (M2) (IQD trillion)	95.4	103.4
Average of (CBI) Interest Rates%	4	4
Iraqi Dinar Exchange Rate against the US dollar in Market Price (IQD)	1209	1196
Cash Credit Balance by Commercial Banks (IQD trillion)	38.5	42.1
Total Deposits with Commercial Banks (IQD trillion)	76.9	82.1
Total Capital of Operating Banks (IQD trillion)	15.2	15.5
Actual/ General Revenue (IQD trillion)	106.6	107.6
Actual /Public Expenses (IQD trillion)	80.9	111.7
Iraq's Quota in the IMF (SDR million)	1663.8	1663.8

***Preliminary estimates**

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Introduction

The Research and Statistics Dept. of Central Bank of Iraq is pleased to issue the Annual Economic Report for 2019 within a series of economic reports that this department is keen to issue and publish annually; the report includes the latest available data and statistics related to the aspects of performance of the Iraqi economy for this year. The report presents these developments within six chapters, each one of them discusses a main subject sufficiently detailed as follows:

- 1- Global and Arab economic development.
- 2- Developments in the local economic sectors
- 3- Monetary and banking developments
- 4- Public financial sector development
- 5- External sector development and balance of payments
- 6- Developments of the Iraqi payments system

- The First Chapter reflects the global and Arab developments that explain the most important changes in the economic indicators for 2019, while the second chapter deals with the developments of domestic economic sectors as it refers to the major trends of the Iraqi economy performance on growth rates in GDP at current and fixed prices and the output gap for 2019 compared to 2018.

-In the third chapter, The report reviews the main monetary and banking developments along and the CBI's activities in the areas of monetary policy and banking supervision by presenting the most important developments in the main monetary indicators (money supply and factors that could influence) in addition to its tools represented by (mandatory reserve requirement, open market operations, discount rate, and foreign currency buying and selling window) which falls within the open market operations where it achieved two main goals: the stability of the Iraqi dinar exchange rate against US dollar in addition to building foreign reserves to ensure stability.

- In the fourth chapter, the economic report follows the developments of public financial conditions in light of what the state's public budget data indicates for 2019 compared to 2018, As well as the internal public debt, as for the fifth chapter it discusses the development of trade and financial relations of the Iraqi economy with other economies as reflected by external trade and balance of payments statistics during 2019 compared to 2018, Finally chapter VI of this report monitors the evolution of the Iraqi payment system performance for 2019.

- It is worth noting that this report was prepared in exceptional circumstances in which the country lives in light of the Corona crisis, and that the data are preliminary and subject to modification. The data are published on the statistical site of the Central Bank of Iraq.



Chapter One
Global and Arab Economic Developments

Global and Arab Economic Developments

First: International Developments

Global Economy witnessed a condition of synchronous slowdown as growth rate declined to record (2.9%) for 2019 against (3.6%) for 2018; recording the slowest pace of growth since the financial global crisis. This slowdown is due to the increase in commercial barriers and escalating uncertainty related to trade and policy conditions, unique factors causing macroeconomic pressures in the markets of many emerging economies, and structural factors like low productivity growth & aging demographic structure in developed economies, in addition to COVID-10 pandemic outbreak on Dec.2019 which has affected future outlook for economic indicators.

- In **advanced economies**, inflation rates on an annual basis witnessed a decline as a result of decreased energy prices, as inflation rate reached (1.4%) for 2019 against (2.0%) for 2018. While emerging & developing economies recorded (5.1%) for 2019 against (4.8%) for 2018. Simultaneous expansion in different countries of the world during the period from mid-2016 to mid-2018 has helped with narrowing output gaps, especially in advanced economies – though it didn't lead to a continuous rise in core inflation rate for consumer prices. The simultaneous expansion was accompanied by a continuous decline in core inflation below targeted level through advanced economies to reach approximately less than (1.6%) against (2.0%) for 2018; it is also below the historical averages in many of the emerging & developing economies to reach (2.6%) against (3.1%) for 2018. This downward trend excluded few of economies that witnessed a distinguished decline in the value of its currency which led to growing pressures on domestic prices (like Argentina) or sharp deficit of primary goods (like Venezuela). In general, the decrease in core inflation rates & narrow impact of primary good prices on total inflation have led to a decline in markets projections regarding inflation rates, especially in USA and Euro zone.

- As regarding **interest rates**, central banks in a number of advanced economies adopted facilitative monetary policies through a significant reduction in interest rate levels. Different advanced & emerging markets economies witnessed a huge facilitation almost at the same time. The absence of inflationary pressures resulted in central banks taking proactive measures to limit adverse risks that threaten growth. The second half of 2019 witnessed the US Federal Reserve Council making three reductions in interest rate on the dollar to reach (2.3%) for 2019, while the Central European Bank reduced interest rate on deposits in euro by (10) points to be (-0.4%)

for 2019 against (-0.3%) for 2018. The facilitative monetary policy resulted in rising recorded growth rate to (0.5%) for 2019, in addition to its contribution to the relative stability of financial markets in advanced, emerging, and developed economies.

- As for **exchange rates**, dollar is obsessed over (88%) of all foreign currencies transactions; that has kept its highest levels for 18 years without changing the actual real value. While Euro tends to relative drop against US dollar to be less than (2%) amid economic calm reflects the weak political performance.

The Sterling pound has a special position due to the lack of settlement of Britain's exit from European market, as the Sterling pound lost about (15%-20%) of its real value. In contrast the Japanese yen appreciated about (0.4%) against US dollar compared to 2018, as Central Bank of Japan kept interest rates with no change against a backdrop of fears that a commercial war between US & China might lead the global economy toward recession phase. The Russian ruble has depreciated during 2019 & circulated within a range of price average of (65-75) ruble per dollar.

- As regarding **world trade volume**, it has witnessed a slowdown during 2019 after recording a remarkable growth in 2018, as IMF estimates indicate a decline in world trade growth rate of (0.3%) for 2019 against (3.7%) for 2018. Trade volume in emerging & developing economies declined to (0.4%) for 2019 against (4.6%) for 2018 due to customs barriers between US and its commercial partners, especially China.

Advanced Economies

Advanced economies witnessed a decline in growth rate to (1.7%) for 2019 against (2.2%) for 2018 due to decline in economic activity in the US & Euro regions and getting to technical recession.

At the level of the group countries, according to IMF estimates - US growth rate is estimated to (2.3%) for 2019. As the US economy operates with more than its potential energy, primary consumer price inflation is expected to reach about (2%) on the medium-term.

As regarding **euro countries**, growth rate of the region has slowed down more than expected; it was (1.2%) for 2019 against (1.9%) for 2018 due to many factors that have an effect on the activities of different countries, of which:

- 1- Decline in consumer sentiment & business sector.
- 2- Delay periods accompanied applying new criteria regarding fuel emissions for diesel cars in Germany.
- 3- Uncertainty of public finance policy & rise of revenues variance on sovereign bonds and the decline of investment in Italy.
- 4- The demonstrations that swept the streets disrupted retail sales and affected consumer spending in France.

In addition to increased fears of Britain's exit from European Union with no agreement which affected investment spending within the euro region, as for inflation; it reached (1.2%) for 2019.

In the **United Kingdom**, estimates indicate that the increase in the level of customs fees between the two sides (Britain & European Union) has led to the stability of growth rate by (1.4%) for 2019.

As for Japan, growth rate witnessed a rise during 2019 to record (0.7%) against (0.3%) for 2018 because the Central Bank of Japan is still far from return to traditional paths of monetary policy in the light of inflation rates stability at less than half of the targeted level of (2%) .Said that, interest rate is expected to remain at a negative level of (-0.1%) with Treasury Bills for 10 years to remain at zero levels in the foreseeable future as long as inflation rate is below the targeted level.

Emerging & Developing Economies

The Emerging & Developing Economies witnessed a slight decline in growth rate to record (3.7%) for 2019 against (4.5%) for 2018 due to shocks that hit certain countries and constituted a burden on domestic demand. Consumer price index rose to reach (5.1%) for 2019 against (4.8%) for 2018. On monetary policy level, central banks reduced basic interest rate in a number of countries since April 2019, while interest rates on sovereign bonds was stable because of increasing available support from domestic & foreign monetary policies and exacerbation of commercial unrest at the same time.

Emerging & developing economies in Asia is still the main engine of the global economy, yet growth has declined gradually because of structural slowdown in China, as the impact of customs increase & weak external demand have led to exacerbate the slowdown associated with the measures to strengthen the regulatory

framework required to limit debts accumulation. Estimations indicate growth decline to record (6.1%) for 2019 against (6.6%) for 2018. On the other hand, The Republican China Bank tended to reduce the reserve requirement in order to motivate levels of extending credit to support economic growth at early 2019. The Indian economy witnessed more slowdown in economic growth rate to reach (4.2%) for 2019 against (7.4%) for 2018 due to the weakness in certain sectors like cars, real estates, uncertainty position regarding soundness of financial & non-banking companies.

Emerging & developing economies in Europe witnessed a decline in growth rate to record (2.1%) against (3.1%) for 2018 due to the slowdown in economic growth witnessed by Russia that recorded (1.3%) for 2019 and stability of activity levels in Turkey. Many countries in Central & Western Europe including Hungary & Poland witnessed a strong growth on the background of domestic demand strength and increased wages.

In the **Caribbean & Latin America**, economic growth rate declined remarkably at the beginning of the year through the biggest economies in volume, as growth rate of the region reached (0.1%) during this year due to the decline in growth projections in Brazil, investment pressures in Mexico, and slowdown of private consumption rate which reflect uncertainty regarding policies, decline in confidence, and rise of lending cost. While Argentina witnessed more retraction during 2019 as growth rate reached (-2.2%) due to tightened external funding positions.

Middle East & Central Asia witnessed a decline in growth rate to record (0.8%) during 2019 against (1.9%) for 2018, with persistent decline of oil gross domestic production in Saudi Arabia for 2019 on the background of extending OPEC+ agreement and general weakness in oil global market.

In Sub-Saharan Africa, growth rate declined slightly to record (3.1%) during 2019 against (3.2%) for 2018, following severe weakness condition witnessed by Southern Africa during Q1 due to employment disturbances and issues related to energy supply in mining sector and weak agricultural production.

Second: Arabic Developments

Global demand slowdown under commercial tensions between China & United States of America and the reduction of oil output in a number of Arab countries exporting oil are reflected on growth rate in Arab countries in 2019 to record (2.0%) against (2.1%) in 2018.

- **Inflation rate** has declined in Arab countries during 2019 to reach about (5.0%) compared to (9.4%) for 2018 due to decline in domestic demand in some countries & changes regarding global oil prices and raw materials, in addition to gradual decline of inflationary pressures as a result of financial reform arrangements applied by some Arab countries during the last two years, moreover, the internal development that affected the supply levels of goods & services in some Arab countries. Also agricultural production was affected by environment conditions in other countries.

- As for **financial & monetary developments**, in light of the correlation of a number of Arab currencies to US Dollar & the attitude of these countries to part or full cope with the three rounds of reduction adopted by the US Federal Reserve Bank during 2019, expansionary trends dominated monetary policy stance measured by official interest rates in a number of Arab countries during 2019. While other Arab countries adopted neutral monetary policies through keeping unchanged interest rates. As for exchange rates, central banks & Arab monetary institutions concentrated its efforts to adopt policies aimed at consecrating the relative stability of the exchange rate of Arab currencies against major foreign currencies, thus contributing to reducing imported inflationary pressures.

- As for **financial developments**, the combined budget deficit of the Arab countries to output has decreased; denominated in US Dollar from (3.8%) for 2018 to (3.4%) during 2019 amid the varied performance of the different Arab countries groups.

- As for **external sector**, primary data for 2019 indicates that the current transactions balance for Arab countries as a group had been affected by the changes in global oil prices & developments in global economy performance, especially in Euro countries & the distinguished commercial partner to a number of Arab countries. Also measures taken in order to limit the increase in revenues in some countries of the group, thus the surplus in current transactions declined during 2019 to reach US\$ (42) billion to constitute (1.6%) of GDP.

- **On the level of Countries group**, Saudi Arabia economy witnessed a decline in growth during 2019 to record (0.3%) compared to (2.4%) for the previous year. It realized growth in non-oil sector at a rate of (3.3%) due to achieved growth in private sector at a rate of (3.8%); which represent represents the highest growth rate for the non-oil sector since 2014. While oil sector achieved a decline of (3.6 %) for 2019 due to the commitment to reduce oil production volumes under OPEC+ agreement during 2019. The general level of prices witnessed a decline of (1.0%) during 2019

compared to the previous year, mainly due to the decline in houses rents that constitutes (22%) of the total weight of the general indicator, in addition to fading policies related to reform support system that was applied in 2018. As for interest rate level, Saudi Arabian Monetary Authority reduced monetary policy interest rate to (2%) for 2019 against (2.5%) for 2018, as it aims at reserving the stability of the exchange rate of the Saudi Riyal against the US Dollar which requires keeping the premium in domestic interest rates compared to US interest rates. On public finance, general budget of the state recorded a deficit of US\$ (131) billion - by (4.7%) of GDP in 2019.

- In **Kuwait**, a group of factors contributed in supporting economic activity on the medium term, among which is the acceleration of implementing capital projects & the start of real-estate market recovery, in addition to the expected implementation to projects of the development plan. Also growth rates was affected by developments in oil prices in international markets & produced quantities to reach (1.6%) for 2019 against (1.2%) for 2018. While inflation rate recorded (1.1%) for 2019 against (2.5%) for 2018 affected by global oil prices & the possible spillovers on levels of domestic prices. On the level of monetary developments, the Central Bank of Kuwait didn't cope with the decisions adopted by the Federal Reserve Council to reduce interest rate. It had reduced the interest rate only for one time in November 2019 in spite of reducing interest rate for three times during 2019 by the Federal Reserve Council.

As for exchange rates developments, the Kuwaiti Dinar appreciated against US\$ & five Arab currencies by (0.08%) during 2019. It also appreciated against the Euro by (2.06%) for 2019, in contrast, during the same year - the Kuwaiti Dinar depreciated against three foreign currencies among which is the Sterling Pound by (3.4%). The estimated deficit for the general budget for the financial year 2019-2020 is about KD (6.7) billion, rising by (0.5%) of the estimated deficit for the financial year 2018-2019.

- The **Algerian economy** witnessed a growth of (2.6%) for 2019 against (1.5%) for 2018. The international economic position is still affecting internal & external Algerian balances, especially developments in international oil markets in the light of continued expectations of double deficits in the state balance sheet & current transactions balance, which is, in turn, still pressing on international reserves level. As for domestic prices, the inflation rate decreased by (1.95%) for 2019 against (4.27%) for 2018 due to expected fluctuations in prices of food materials as a result of climate conditions & internal positions in the neighboring countries, and the extent of foreign exchange fluctuations of both US Dollar & Euro as the main currencies

used in Algerian commercial transactions, in addition to effects of developments related to global oil prices. On the level of monetary developments, the Central Bank of Algeria kept monetary policy interest rate at (3.75%) during 2019 to support economic growth, while it raised the reserve requirement to (12%) against (10%) for 2018.

- In **Egypt**, economy had achieved distinguished successes during 2019 with raising growth rate to about (5.5%) against (5.3%) for 2018 due to the success of economic reform program implemented by Egypt in coordination with IMF for the period (2016-2019) which contributed to overcome the internal & external imbalances side that constrained elements of economic growth. Also the trend towards liberalizing the Egyptian pound exchange rate helped achieve tangible increases in the levels of investment and exports. The contribution of investment in the GDP rose from (15.3%) for 2018 to (18.2%) for 2019. The Egyptian economy also benefited during 2019 in recording record levels of tourism sector revenues, which exceeded US\$ (12) billion, while inflation rate recorded a decline of (9.2%) for 2019 compared to (14.4%) for 2018.



Chapter Two

Developments of Domestic Economic Sectors

First: Gross Domestic Product for 2019

During 2019, the Iraqi economy witnessed a gradual recovery in spite of disturbances that took place at the end of the year & the declined crude oil prices by (-8.5%). This growth came, in the first place because of the increase in the production of the crude oil, in addition to the recovery in the non-oil economic activity, especially in agricultural, electricity, and water sectors. Iraqi economy is still distinguished to depend on one good in enhancing its national income, as the oil sector represents the important factor in activating economy & the source of its growth and the main source to finance the general budget of the state, which makes it more exposed to external shocks resulted from instability of exported oil revenues because of fluctuations in global oil prices.

Primary estimations of GDP indicators in Iraq for 2019 indicate:

- A rise in GDP value with oil in the constant prices for 2019 by (4.4%) compared to 2018, to record IQD (211.8) trillion against IQD (202.8) trillion for 2018 due to the increase in crude oil production by (3.8%) compared to the previous year when it reached (1670.3) million barrel against (1609.8) million barrel for 2018.

The value added of GDP without oil recorded a rise by (5.5%) to reach IQD (80.8) trillion for 2019 against IQD (76.6) trillion for 2018 due to remarkable growth rise in agriculture, industry, electricity, and water – as shown in the annex of table (1).

- A rise in GDP value with oil in the current prices for 2019 compared to the previous year by (3.2%), to record IQD (262.9) trillion for 2019 against IQD (254.8) trillion for 2018. The value added of GDP without oil recorded a remarkable rise by (8.5%) due to the remarkable rise in the growth of other sectors, especially in the agriculture, electricity, and industry sectors by (38.7%, 10.8%, 6.6%) respectively - as shown in the annex of table (2).

- The per capita of GDP in current prices increased to IQD (6.72) million for 2019 against IQD (6.69) million of the previous year, with a rise rate reached (0.5%), as shown in table (1).

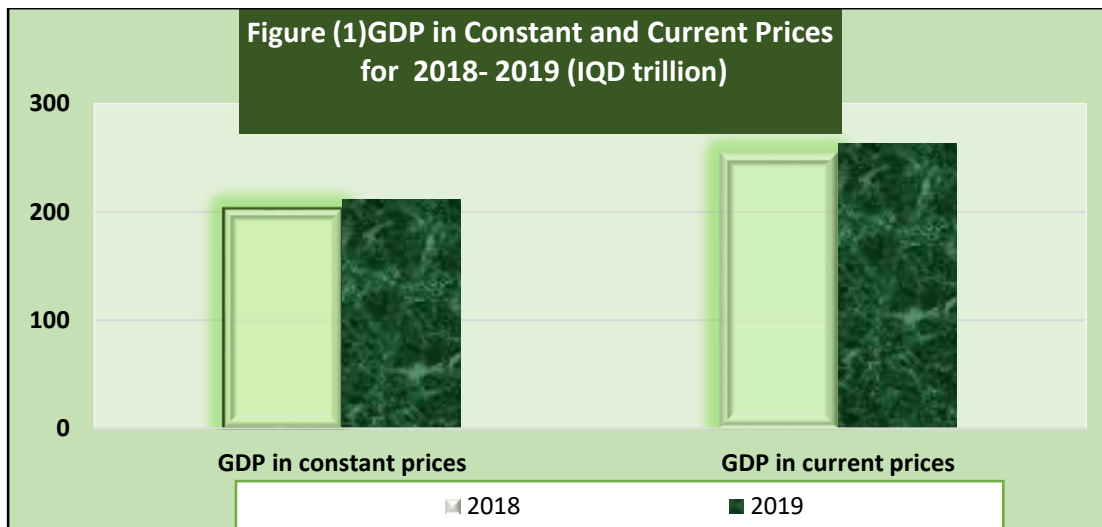


Table 1
GDP in Constant, Current Prices, and the Average of Per Capita
for 2018- 2019

Details	2018	2019*	Growth Rate %
GDP in constant prices (IQD trillion) base year (2007=100)	202.8	211.8	4.4
GDP in current prices (IQD trillion)	254.8	262.9	3.2
The per capita average of GDP in current prices (IQD Million)	6.69	6.72	0.5

The source: Planning Ministry/CSO

*Preliminary annual estimates

- The relative importance of the activity of crude oil sector in constant prices reached (62.2%) for 2019 against (62.5%) for 2018, which is considered the highest rate compared to other sectors. While the relative importance of other sectors (non-oil sectors) reached (37.8%) of GDP in constant prices for 2019 against (37.5%) of the previous year – table (2) – which clarifies the rental nature of the Iraqi economy.

Table 2
Relative Contribution in GDP in Constant Prices for Oil Sector and Other Sectors for 2018-2019

Sectors	2018	*2019
Relative Contribution of Oil Sector in GDP%	62.5	62.2
Relative Contribution of Non-oil Sector in GDP%	37.5	37.8
The Total	100.0	100.0

The Source: Planning Ministry/CSO

*Preliminary Annual Estimates

- GDP gap in constant prices during 2019 recorded a decline of IQD (-6239.1) billion against IQD (-8391.7) billion for 2018, as indicated in table (3), due to positive growth achieved in actual GDP in constant prices & getting close to the potential GDP.

Table (3)
GDP Gap in Constant Prices for the Period (2016-2019) IQD billion

Year	GDP in Constant Prices (1)	Potential GDP** (2)	GDP Gap in Constant Prices(1-2)
2016	208932.1	194384.8	14547.3
2017	201059.4	202836.6	-1777.2
2018	202776.3	211168.0	-8391.7
2019*	211789.8	218028.9	-6239.1

The Source: Planning Ministry/CSO

*Preliminary Annual Estimates

** the potential GDP was derived depending on data in column (1) by using (Filter Hodrick – Prescott) through the statistical program (Eviews).

Second: GDP in Constant & Current Prices by total main activities (commodity, distributive, & service) As the Following:

1- GDP in constant prices by total main activities (commodity, distributive, & service).

- Commodity activities in constant prices during this year recorded arise of (4.8%) to reach IQD (150516.5) billion against IQD (143666.4) billion due to the remarkable improvement in the value added in Agriculture, Electricity, Water, Industry, and Crude Oil sectors by (38.8%, 22.1%, 5.2%, and 3.8%) respectively. Distributive activities recorded a growth rate of (4.7%) to reach IQD (35203.9) billion against IQD (33608.5) billion of the previous year due to rise of value added in wholesale & retail commerce, hotels, transportation, communications and banking & insurance sectors by (7.3%, 3.3%, and 0.5%) respectively. Service activities recorded a rise of (2.1%) of the previous year to reach IQD (27808.1) billion against IQD (27230.9) billion for 2018. Thus, commodity activities ranked first in the order of relative importance by the contribution in real GDP at a rate of (70.5%), followed by distributive activities by (16.5%), then the service activities by (13.0%), as in table (4).

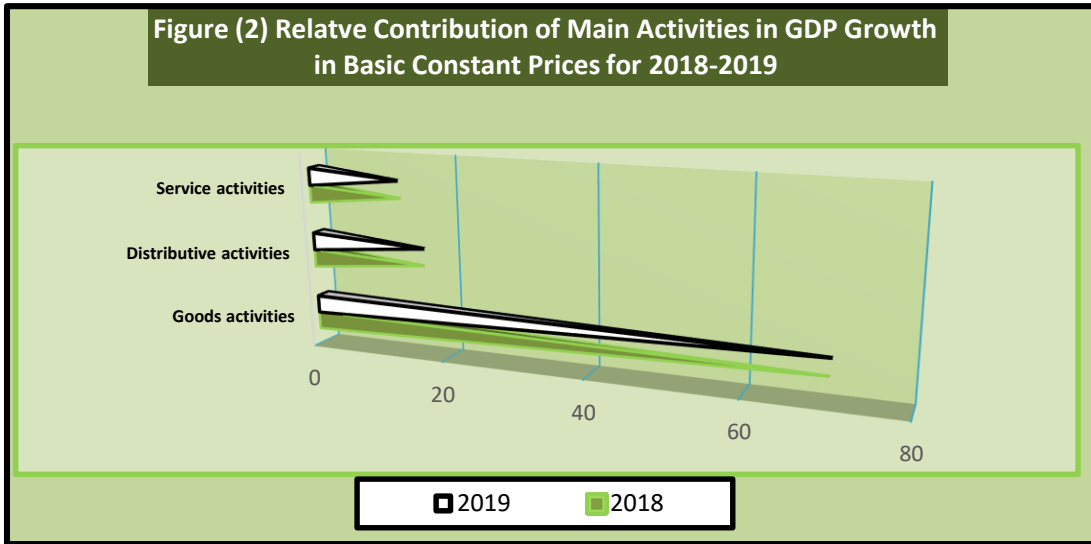
Table 4
Relative Contribution of Main Activities in GDP Growth
in Basic Constant Prices for 2018-2019
base year (2007=100)

IQD billion

Activities	2018	2019*	Growth Rate %
Commodity Activities	143666.4	150516.5	4.8
Contribution in GDP %	70.3	70.5	
Distributive Activities	33608.5	35203.9	4.7
Contribution in GDP %	16.4	16.5	
Service Activities	27230.9	27808.1	2.1
Contribution in GDP %	13.3	13.0	
GDP According to activities	204505.8	213528.5	4.4

The Source: Planning Ministry/CSO

*Preliminary Quarterly Estimates



2-GDP in Current Prices for Main Activities (Commodity, Distributive & Service)

Commodity activities in current prices for main activities for 2019 recorded a decline of (-0.6%) with a contribution rate of (55.2%) to reach IQD (146833.2) billion against IQD (147659.1) billion for 2018 due to the decline in crude oil and building & reconstruction sectors by (-3.2%, and -4.4%) respectively. While distributive activities in current prices recorded a rise of (4.5%) with a contribution rate of (19.4%) to reach IQD (51594.0) billion against IQD (49352.9) billion for the previous year. As for service activities, it recorded a remarkable growth during this year of (11.0%) with a contribution rate of (25.4%) to reach IQD (67763.4) billion against IQD (61023.2) billion for 2018, as shown in table (5).

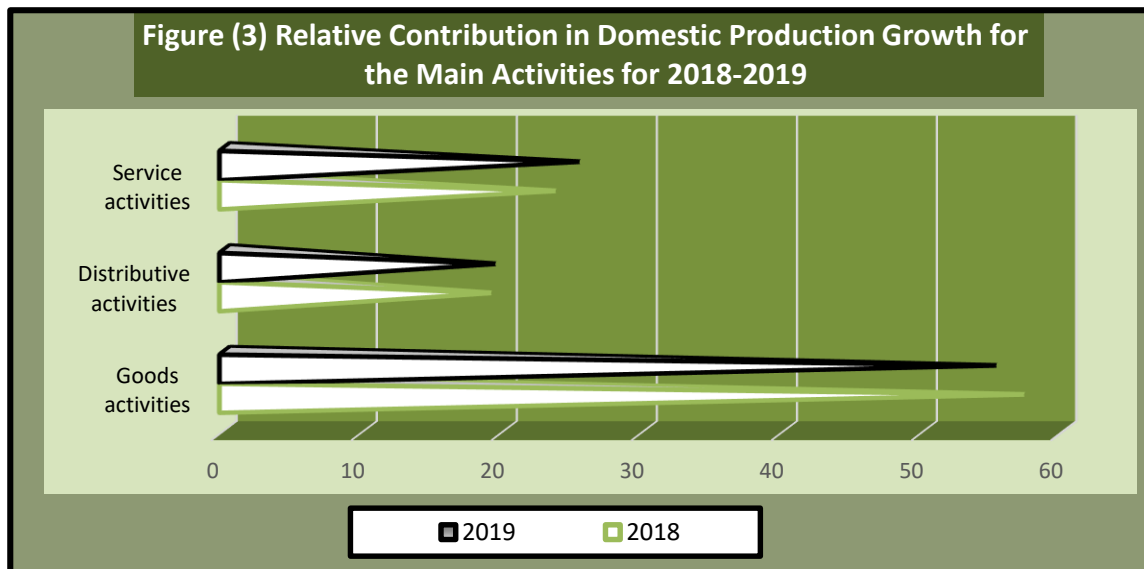
Table (5)
Relative Contribution in Domestic Production Growth
for the Main Activities in Current Prices for 2018-2019

IQD billion

Activities	2018	*2019	Growth Rate %
Commodity Activities	147659.1	146833.2	-0.6
Contribution in GDP %	57.2	55.2	
Distributive Activities	49352.9	51594.0	4.5
Contribution in GDP %	19.1	19.4	
Service Activities	61023.2	67763.4	11.0
Contribution in GDP %	23.7	25.4	
GDP According to Activities	258035.2	266190.6	3.2

The Source: Planning Ministry/CSO

*Preliminary Quarterly Estimates



Third: Economic Activities Contribution in the Formation of GDP in Constant Prices

1- The Activity of Agriculture & Forests and Hunting & Fishing

The value added of the activity of this sector in constant prices for 2019 recorded a remarkable growth by (38.8%) to reach IQD (6048.4) billion against IQD (4358.6) billion for the previous year, due to agricultural production increase. Wheat and barley production registered an increase by (147.4%) compared to the previous year, due to abundant rains during the season and the support of Agriculture Ministry to farmers through both agricultural equipment (seeds, fertilizers, pesticides, modern technologies) and protection of domestic production & proper scientific planning. In addition to giving financial dues to the marketed farmers of the wheat and barley crops by Ministry of Trade, as the planted area for these two crops recorded a rise of (167.7%) compared to the previous year.

The average dunum yield of wheat crops recorded a slight decline by (-0.6%) to (686.1) Kg /dunum for 2019 against (690.5) Kg /dunum for 2018, due to the crop spikes were damaged due to the heavy rains that continued during the season, which led to the crop being infected with some diseases such as rust. As for barley the average dunum yield recorded a rise from (317.1) Kg /dunum for 2018 to (408.1) Kg /dunum for 2019, by a percentage of (28.7%), as shown in table (6).

Table (6)

Agricultural Production & Planted Areas in Iraq and productivity per dunum for (2018-2019)

The Crop	The Planted Areas (thousand dunum)			Production (thousand tons)			The average dunum yield (Kg /dunum)		
	2018	2019	Change%	2018	2019	Change%	2018	2019	Change%
Wheat	3154	6331	100.7	2178	4343	99.4	690.5	686.1	-0.6
Barley	601	3721	519.1	191.0	1518	694.8	317.1	408.1	28.7
Total	3755	10052	167.7	2369	5861	147.4	1007.6	1094.2	8.6

The Source: Planning Ministry/CSO

*Excluding KRG and governorates of: (Nineveh, Saladin, Al Anbar, Hawija of Kirkuk, Some villages in Diyala)

2- The Activity of Mining and quarrying Sector

The value added of the activity of this sector in constant prices for 2019 recorded a growth by (3.7%) to reach IQD (132964.7) billion against IQD (128159.5) billion for the previous year, which is mainly due to the rise in crude oil activity by (3.8%) during this year to reach IQD (132700.2) billion against IQD (127885.4) billion for 2018, while other types of quarrying recorded a decrease by (-3.5%) compared to the previous year. The contribution of this sector ranked the first by (62.3%) of GDP as a result of Iraqi economy to depend mainly on crude oil that constitute (62.2%) of GDP.

3- Manufacturing activity

The value added of this sector in constant prices witnessed a rise by (5.2%) compared to the previous year to reach IQD (2059.9) billion for 2019 against IQD (1957.7) billion for 2018 due to the increase in the achieved production quantities for resistant cement by (14.3%) to reach (3685.1) thousand tons against (3223.0) thousand tons for 2018, as cement factories in Nineveh, after reconstruction, have contributed pump large quantities of cement. In addition to the achieved remarkable increase in producing urea fertilizer by (70.8%) compared to the previous year to reach (268) thousand tons against (156.9) thousand tons for the previous year as a result of the contract between The General Company of Agricultural Equipment and The General Company of Fertilizers- Southern including purchasing all domestic production of urea fertilizer by Ministry of Agriculture in order to support national economy – table (7).

Table (7)
Achieved Production Quantities for Cement (White, Regular, and Resistant)
For 2018-2019

thousand tons

Item	2018	2019	Change %
Regular Cement	2609.9	1556.9	-40.3
Resistant Cement	3223.0	3685.1	14.3
Nitrogenous Fertilizers	156.9	268.0	70.8

The Source: Ministry of Industry and Minerals /Planning Dept.

4- Electricity & Water Activity

The value added of the activity of this sector in constant prices for 2019 recorded a rise by (22.1%) compared to the previous year, as the value added reached IQD (2410) billion against IQD (1973.8) billion for 2018. Its moderate contribution in GDP is (1.1%). The value added rise is due to the increased electric power output by (21.7%) against the demand by (5.7%) which led to deficit decline in electric power by (-31.3%), table (8).

Table (8)
Average of Production & Demand on Electric Power for (2018-2019)

MW

Statement	2018	2019	Change %
Electric Power Production	11512.8	14008.3	21.7
Demand on Electric Power	16473.5	17416.8	5.7
Deficit	-4960.7	-3408.5	-31.3

The Source: Ministry of Electricity

- The average of importing electric power recorded a rise of (39.3%) for 2019 compared to the previous year, to reach (8957.4) MW/h against (6431.6) MW/h for 2018, as shown in table (9).
- **Production capacity in domestic investment lines** recorded a rise of (48.7%) to reach (37621.7) MW/h against (25309) MW/h for 2018.

Table (9)
Importing Electric Power & Domestic Investment Lines for (2018-2019)

MW

Statement	2018	2019	Change %
Iranian Line	6431.6	8957.4	39.3
Investment Lines	25309	37621.7	48.7
Total	31740.6	46579.1	46.8

The Source: Ministry of Electricity

5- Building & Construction Activity

Building & construction activity in constant prices for 2019 recorded a decline by (-2.5%) compared to 2018. The value added recorded IQD (7033.5) billion against IQD (7216.8) billion of the previous year, due to the decline in the number of buildings & construction contracts in all governorates because of security reasons and conditions of austerity due to deficit in the budget.

6- Transportation, Communications, and Storage Activity

Transportation & communications sector witnessed a rise in the annual growth average in constant prices during this year by (3.3%) compared to the previous year, as the value added recorded IQD (17496.5) billion against IQD (16933.8) billion for 2018. It had contributed to (8.2%) of GDP, which is considered to be low rate in spite of the importance of this sector in economic development.

7- Retail & Wholesale Trade and Hotels Activity

The activity of this sector in constant prices recorded a rise by (7.3%) this year compared to the previous year. It had contributed to (7.0%) of GDP as the value added recorded IQD (14977.8) billion against IQD (13958.9) billion for 2018.

8- Activity of Money, Insurance, and Real Estate Services

The activity of this sector in constant prices recorded a rise by (2.4%) compared to 2018, with a contribution rate reached (5.1%), as the value added recorded IQD (10940.2) billion against IQD (10686.9) billion of the previous year. This mainly due to the high price of home ownership, in addition to the increase in banks & insurance activity due to the increase in public deposits with the banking system. This increase is considered to be a good indicator on Individuals confidence in banks, as well as the rise of extended monetary credit by banking system, while bad loans recorded a decline – which indicates that banks were more cautious in extending credit to Individuals.

9- The Activity of social and personal development

This year, the sector witnessed a growth by (1.8%) compared to 2018, as the value added recorded IQD (19597.5) billion for 2019 against IQD (19259.8) billion of the previous year. This is due to the increased activity of both public government and personal services by (1.9%) and (1.1%) respectively. This activity ranked the second in terms of its contribution in GDP, recording (9.2%) of GDP.



Chapter Three

Monetary and Banking Developments

Monetary and Banking developments

First: Monetary developments

Money Supply M1 witnessed during 2019 a rise at a rate of (11.5%) which is due to growth in currency outside banks at a rate of (17.6%), also M2 recorded a growth rate of (8.4%) for 2018, which is basically due to M1 rise, whereas monetary stability coefficient recorded (1.9%) to reflect the presence of signs of inflation (an inflationary gap) in the Iraqi economy.

During 2019, the official exchange rate of Iraqi Dinar against US Dollar through selling foreign currency window had maintained its value of IQD (1190) per US Dollar (cash, enhance banks` accounts abroad).

The Central bank of Iraq continued in 2019 to use its monetary policy instruments through working in investment windows and creation new financial products represented in issuing medium term securities and Islamic deposit certificates to manage banking sector liquidity, as well as continue to adopt an interest policy rate of (4%) annually to be the interest rate introduced by banks according to supply and demand.

The Central Bank of Iraq continued to manage its reserves within acceptable rates according to international standards to record IQD (80) trillion, while general inflation rate & core inflation for this year recorded (-0.2%) and (-0.1%) respectively.

Based on the message of the Central Bank of Iraq in adopting an efficient monetary policy that stems from the fact that monetary stability is a prerequisite for achieving sustainable growth, a central element of the macroeconomic economy, and a main factor in providing a proper environment for investment and protecting the purchasing power of the national currency, the Central Bank of Iraq had done the following:

A- Prepare a consultative program to develop assets & reserves management (RAMP) and invest in bonds issued in dollar – related to World Bank.

B- In seeking to absorb more investment projects, the limit of extended loans to SMEs was raised to IQD (1) billion.

C- Creating financial products to diversify the investment portfolio of the banks represented in issuing short – term securities (in Dinar & Dollar) in order to manage liquidity with the banking sector under circular No. 6/6/75 dated 9/1/2019 by Financial Operations & Debt Management Dept.

D- Sign banking arrangement with J.P. Morgan to invest in financial securities, government bonds portfolios, and create sub accounts for Iraqi banks to settle payments of credit cards issued by Iraqi banks.

E- In order to diversify investment instruments along with targeting high revenue instruments, the Central Bank of Iraq made a bunch of investments, specially the external investments, as the following:

- Purchase Islamic sukuk denominated in US Dollar with an amount of US\$ (2.50) billion against US\$ (2) billion for 2018, with an increase of (25%).

- Create new deposits with:

- Arab Monetary Fund
- Bank for International Settlements
- Central Bank of France
- Central Bank of England

1- Money Supply Developments

a- Narrow Money Supply M1

The stock of narrow money supply M1 recorded a rise of (11.5%) at year-end 2019 compared to 2018, to reach IQD (86.8) trillion against IQD (77.8) trillion for 2018, this mainly due to the growth of currency outside banks at a rate of (17.6%) to record IQD (47.6) trillion and account for (54.9%) of money supply (M1), due to the rise in grants extended by the government for the unemployed as a result of protests. Whereas current deposits recorded a rise of (4.8%) to reach IQD (39.1) trillion against IQD (37.3) trillion for 2018 and to account for (45.1%) of money supply M1 as indicated in the annex-table (3).

b- Broad Money Supply M2 (domestic liquidity)

Broad money M2 (domestic liquidity) recorded at year-end 2019 a rise of (8.4%) of the previous year 2018 to record IQD (103.4) trillion against IQD (95.4) trillion for 2018 and account for (39.3%) of GDP in current prices. The increase in domestic liquidity M2 came because of the growth of one of its two basic components: money supply M1 at a rate of (11.5%), while other deposits (fixed, savings, deposits, post and insurance) recorded a decrease of (-5.1%) to reach IQD (16.7) trillion for 2019 against IQD (17.6) trillion for 2018, as indicated in the annex-table (3).

The coefficient of monetary stability recorded (1.9%), indicating signs of inflation in the Iraqi economy.

c- Factors Affecting Money Supply

Expansive factors had a notable role in money supply increase during 2019, as net foreign assets balance rose from IQD (91423) billion at year-end 2018 to IQD (102069) billion at year-end 2019 with an increase of (11.6%) to constitute (57.1%) of total expansive factors of IQD (18629) billion, whereas net government debt, which represent -the difference between extended credit to the government in the form of (transfers & loans and its deposits) has represented an expansive factor also as it reached IQD (5835) billion with a contribution of (31.3%) of total expansive factors due to reduction in government deposits increase IQD (6987) billion against the reduction in government debts by IQD (1152) billion. Both items: private & other sectors debts and other deposits had an expansive role in increasing money supply, as the first rose by IQD (1256) billion to record IQD (26436) billion against IQD (25180) billion for 2018 with an increase rate of (5%), whereas the second item

declined by IQD (892) billion with rate of (-5.1%) for 2018. Those two items contributed to (6.7%) and (4.9%) respectively of total expansive factors, while budget item constituted a contractionary factor on money supply as it reached IQD (9687) billion, as indicated in table (10).

Table (10)
Money Supply and Effecting Factors for 2018-2019

IQD Billion

	Dec 2018	Dec 2019	Amount of change from the last year	Growth rate %
Net Foreign Assets with the Banking System (CBI+ banks)	91,423	102,069	10,646	11.6
Private Sector & Other Sectors Debts	25,180	26,436	1,256	5.0
Government Debt	44,352	43,200	(1,152)	(2.6)
Total Assets	160,955	171,705	10,750	6.7
Money supply (M1)	77,829	86,771	8,942	11.5
Currency Outside Banks	40,498	47,639	7,141	17.6
Current Deposits	37,330	39,132	1,802	4.8
Other Deposits	17,562	16,670	(892)	(5.1)
Government Deposits	51,014	44,027	(6,987)	(13.7)
Budget item	(14,550)	(24,237)	(9,687)	66.6
Total Non-Cash Liabilities	83,126	84,934	1,808	2.2
Total Liabilities	160,955	171,705	10,750	6.7

Preliminary data and subject to modification

2- Foreign Reserves with the Central Bank of Iraq

Foreign Reserves stock recorded at year-end 2019 a rise of IQD (3.9) trillion at a rate of (5.1%) of the previous year to reach IQD (80.0) trillion compared with IQD (76) trillion at year-end 2018, as indicated in table (11).

The increase is mainly due to the rise in available gold balance in Baghdad & abroad by (18.8%) that nearly reached IQD (5.6) trillion at year-end 2019 compared to IQD (4.7) trillion at year-end 2018. Also the foreign investments abroad recorded a rise of (6.3%) to reach IQD (73.2) trillion for 2019 IQD (68.9) trillion for the previous year, while foreign exchange balance with CBI's vaults recorded IQD (1.1) trillion for 2019 against IQD (2.4) trillion for 2018.

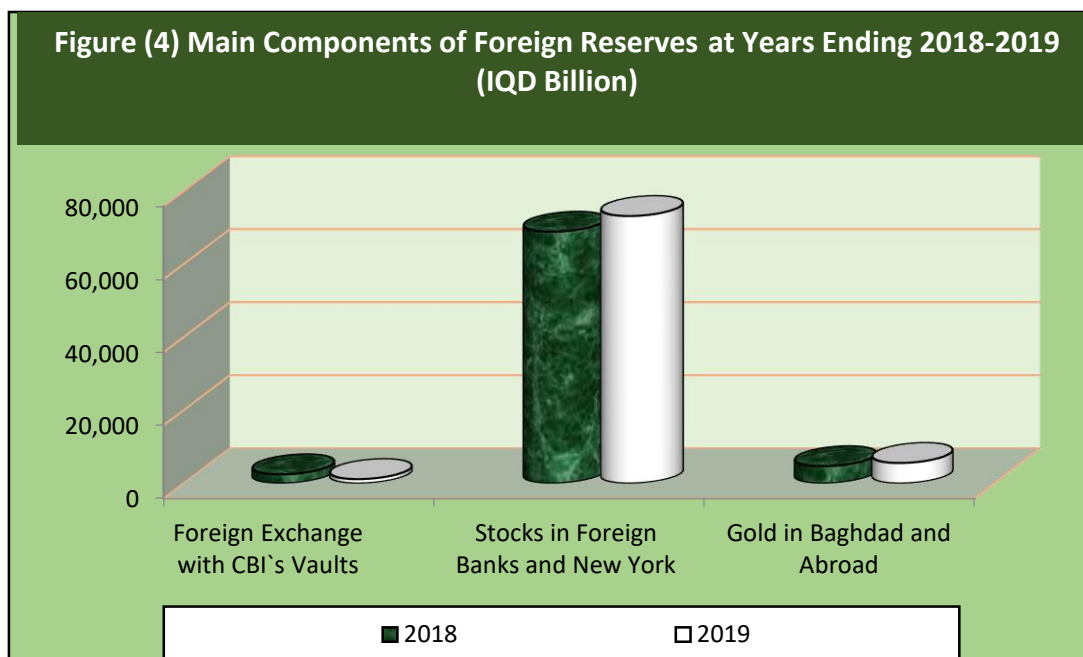
Table (11)

Main Components of Foreign Reserves at Years Ending 2018-2019

IQD Billion

Item	2018	2019
Foreign Exchange with CBI's Vaults	2,453	1,162
Stocks in Foreign Banks and New York	68,875	73,184
Gold in Baghdad and Abroad	4,689	5,572
Foreign reserves	76,017	79,918

Preliminary data and subject to modification



CBI Consolidated Budget

CBI consolidated budget for 2019 indicates that its total assets (liabilities) recorded a rise of (2%) compared to 2018, as CBI assets (liabilities) reached IQD (101.6) trillion at the end of the year, against IQD (99.6) trillion at the end of 2018, as in table (12).

Assets Side

Data in table (12) indicates the rise of assets (liabilities) with an amount of IQD (3.9) trillion; by (5.1%) to reach IQD (80.4) trillion at the end of 2019, against IQD (76.5) trillion of the previous year to contribute with the biggest part of CBI's total assets by (79.1%).

Government debts (bonds, government drafts, loans, and advances to government agencies) recorded a decline of (-11.9%) of the previous year to reach IQD (16.2) trillion against IQD (18.4) trillion for the previous year, due to the decrease in the item of (bonds, government drafts, loans, and advances to government agencies) by (-11.8%) and (-12.9%) respectively, because of payment by the MOF to part of the debt payable according to the rescheduling agreement of banking arrangements between MOF & CBI on 18/7/2016.

Liabilities side

The monetary reserves recorded a rise of IQD (11.1) trillion or by (16.5%) compared to the previous year due to the increase in both: banks' reserves & currency outside banks by (8.8%) & (17.6%) respectively.

As for banking facilities, they recorded a slight decline of (-0.3%) compared to the previous year, due to the decline in deposits balances for (30) days in Iraqi Dinar. In addition to disallow investment for state-owned banks (Al- Rafidain, Al-Rasheed, Trade Bank of Iraq, Agricultural cooperative, Manufactural and Real Estate) in the said instruments.

Also government deposits recorded a remarkable decline of (-59.1%) due to decline in the rates of oil prices in international markets by (-8.5%), while banks' deposits in US\$ recorded an increase of (15.9%) of the previous year.

As for capital and reserves items, they recorded a remarkable rise of (36.3%) compared to 2018.

Table (12)
CBI Consolidated Budget for 2018-2019

IQD Million

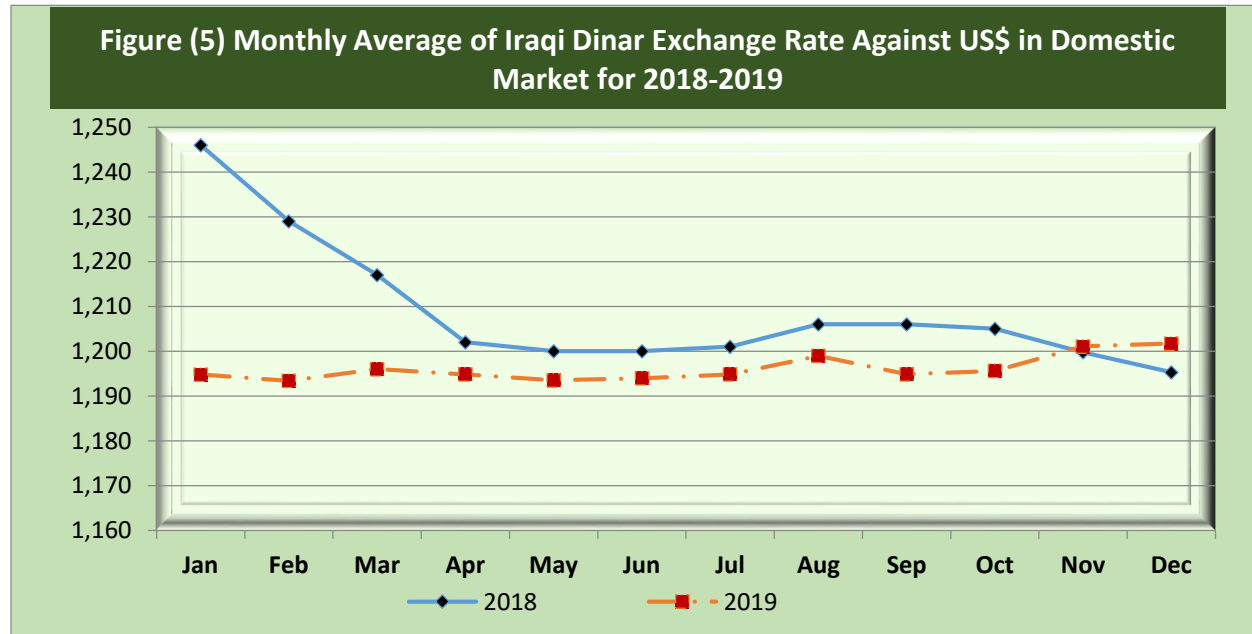
Items	2018	2019
Assets		
Foreign Assets	76,481,186	80,383,896
Government Debts	18,409,547	16,217,909
Bonds & Government Drafts	16,393,985	14,462,894
Loans & Advances of Government Agencies	2,015,562	1,755,015
Loans & Advances of Commercial Banks	0	0
Other Assets	4,730,206	4,963,789
Total Assets or Liabilities	99,620,939	101,565,594
Liabilities		
Monetary Reserves	67,160,979	78,253,336
Banking Facilities	454,500	453,130
Deposits in US\$	4,415,725	5,119,364
Government Deposits	20,272,344	8,299,379
Foreign Liabilities	112,707	22,191
Capital & Reserves	8,000,206	10,907,810
Other Liabilities	(795,522)	(1,489,616)

Preliminary data and subject to modification

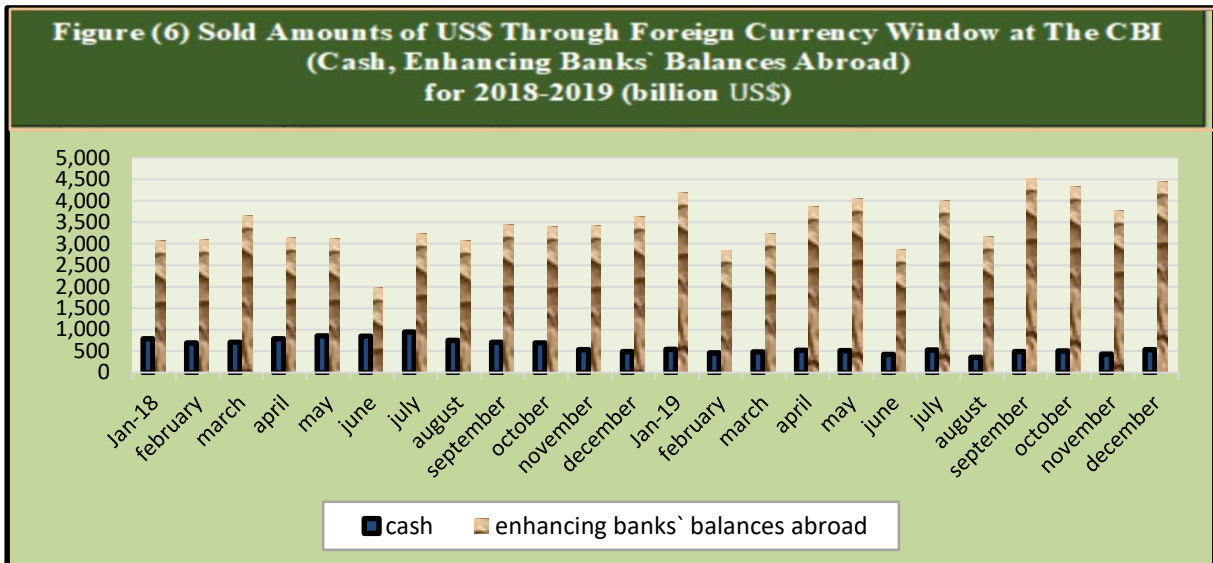
Second / Developments of Indirect Monetary Policy Instruments

1-Foreign Currency Selling Window

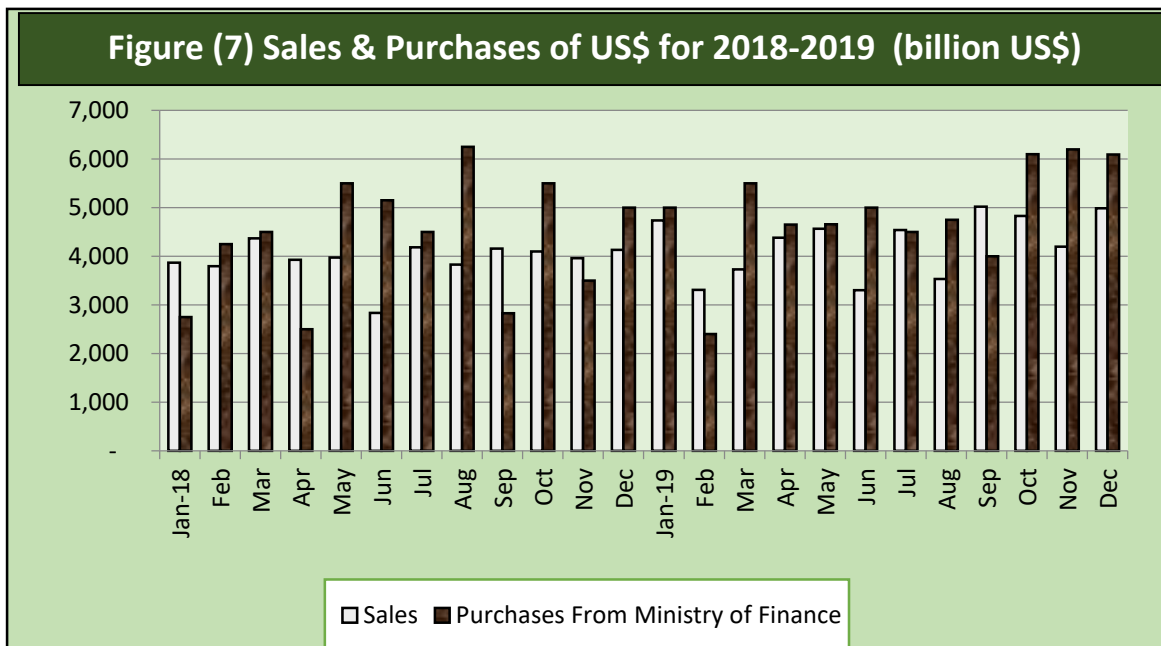
The dollar-selling rate to banks for this year preserved its value of IQD (1190) per US\$ for 2019, through foreign currency selling window, while Iraqi exchange rate against US\$ is IQD (1196) in domestic market for 2019 compared to a rate of IQD (1209) per US\$ for 2018, as in Annex of Table (4).



Sold amounts of US\$ through CBI foreign currency selling window (cash, enhance banks` accounts abroad) for 2019 recorded a rise of (8.5%) of 2018, to reach IQD (51.1) billion distributed as the following: IQD (45.3) billion sold to enhance bank`s balances abroad, IQD (5.8) billion for cash selling, as each one of them constituted to (88.7%) & (11.3%) respectively of total sold amounts. While sold amounts of US\$ for 2018 recorded IQD (47.1) billion, of which IQD (38.3) billion was sold as to enhance balances abroad, and IQD (8.8) billion as cash selling; each one of them constituted to (81.4%), and (18.6%) respectively of total sales, annex of table (5).



As for CBI purchases of US\$ from MOF, they have recorded arise of (12.7%) to reach US\$ (58.9) billion for 2019 compared to US\$ (52.2) billion for 2018, annex of table (6).



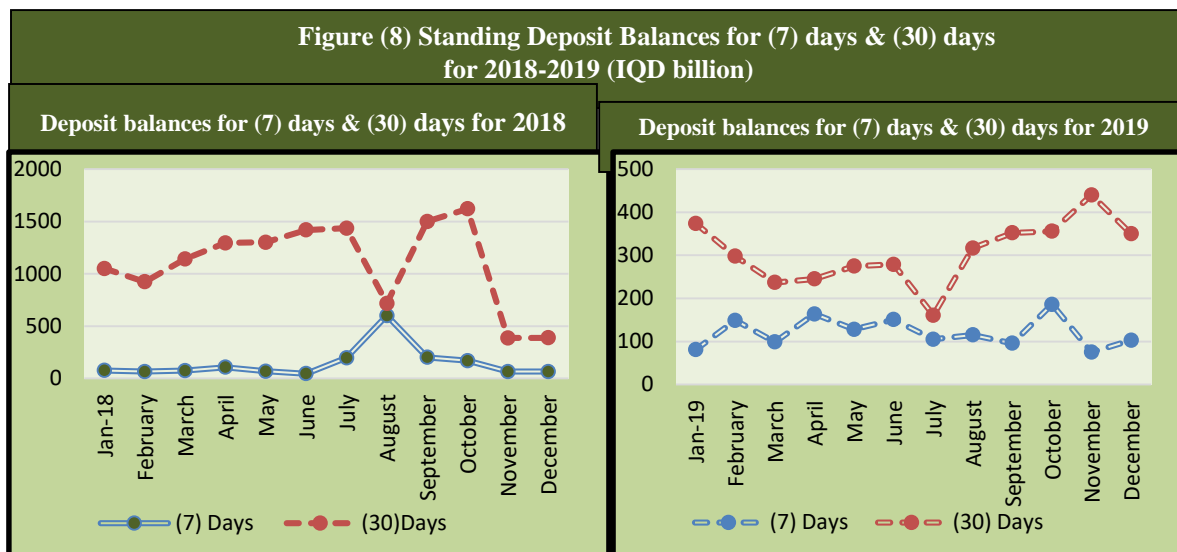
2- Standing Facilities

During this year, CBI continued adopting a Policy Rate of (4%) annually and kept on working by investment windows for (7, 30) days according to the interest rates as the following:

- Investment for (7) days with an interest rate of (1%).
- Investment for (30) days with an interest rate of (1.5%)

A- Standing Deposit Facilities

It is clear in annex of table (7) that deposits balances in IQD for (7 days) for private & state-owned banks have increased notably by (56.1%) to record IQD (103) billion at end of 2019 compared to IQD (66) billion at end of 2018. Also deposit balances in IQD for (30 days) dropped (-10%) to record IQD (350) billion compared to IQD (389) billion at end of 2018, due to stop allowing investment for state-owned banks (Al- Rafidain, Al- Rasheed, Trade Bank of Iraq, Manufactual, Agricultural cooperative, and Real Estate) in the above instruments.



In Feb. 2019, CBI launched an investment window in US\$ for (91) days according to circular No.6/5/272 dated 30/1/2019. Operating with this window continued until end of Sept. 2019; as deposits balance recorded US\$ (37) million, but operation with all dollar financial instruments (deposits, treasury bills, Islamic deposit certificates) have ceased according to circular No.6/6/1930 dated 1/8/2019 because of banks` weak response in diversifying their investments portfolio in a way that achieves required goals for the mentioned period, with continuing maturities of the principal amount with interest (profits) for investment that have not yet come to maturity.

B- Standing Lending Facilities

The CBI continued adopting this instrument to implement CBI monetary policy goals with the aim of extending credit to banks, ensure control over banking liquidity, and affect them through interest rates (price indicators) which have been set for each type of them according to the following:

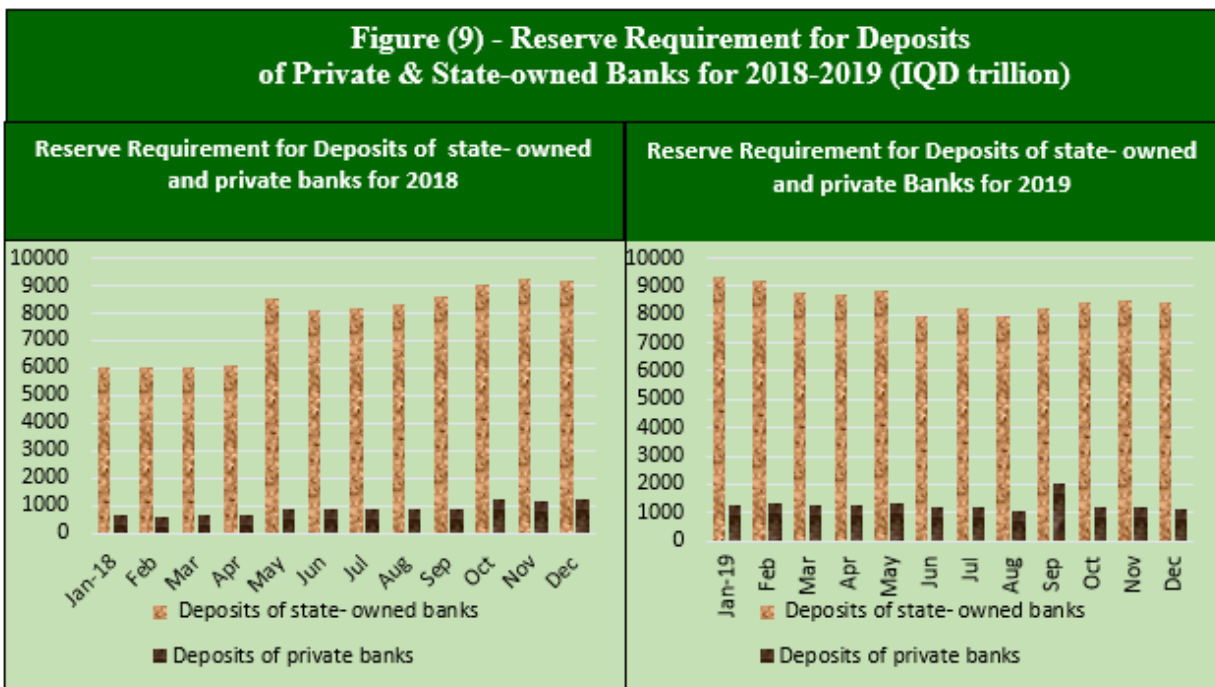
- Initial credit (6%) annually.
- Secondary credit (7%) annually.
- Loan of last resort (7.5%) annually.

None of state-owned or private banks have requested for any of those credits until now.

3-Reserve Requirement

In line with monetary policy orientations and its high flexibility that currently depend on supporting monetary development, and to support banking system liquidity with regard to providing liquidity, it has been continued adopting reserve requirement ratios on current deposits (15%) and saving & fixed deposits (10%) for IQD & US\$ according to board decision No. 6 dated 24/1/2017.

Reserve requirement recorded a decline of (-8.0%) to reach IQD (9.6) trillion for 2019 against IQD (10.4) trillion at the end of 2018, due to the decline in reserve requirement on deposits of state-owned banks by (-8.6%) to record IQD (8.4) trillion compared to IQD (9.2) trillion for 2018. Also reserve requirement recorded a decline on deposits of private banks at the end of 2019 by (-3.2%) to record IQD (1.16) trillion compared to IQD (1.2) trillion in 2018, annex of table (8).



4-CBI Remittances

For the implementation of CBI monetary policy aiming at achieving monetary stability within a framework of open market operations through activating its indirect monetary instruments to manage public liquidity, the CBI issued remittances for maturities of (182 & 365 days) through the central securities depository system (CSD)

The most important auctions held this year are as the following:

- six auctions for (182) days with an amount of IQD (100) billion for each issue, of which actual sold amount was IQD (346) billion at an interest rate of (2.5%), while the repaid amount was IQD (310) billion for 2019.
- Three auctions for (365) days with an amount of IQD (100) billion for each issue, of which actual sold amount was IQD (171.5) billion at an interest rate of (2.9%- 3.0%), while the repaid amounts were IQD (125) billion
- one auction for (182) days with an amount of IQD (100) million for each issue, of which actual sold amount was USD (17) million at an interest rate of (2%), all amount was repaid at 2019 as in annex of table (9).

5-Islamic Deposit Certificates

In 2019, CBI issued Islamic deposit certificates for different maturities through (CSD), with the aim of diversifying the investment portfolio of banks and managing liquidity in the banking sector, below are the most important auctions held this year: -

- (8) auctions for (30) days with an amount of IQD (50) billion for a single issue, the actual sold amount reached IQD (234) billion, at an interest rate of (1.5%) to purchase Aluminum in the global markets while, the paid amount was IQD (254) billion.
- (3) auctions for (30) days with an amount of IQD (50) billion for a single issue, the actual sold amount reached IQD (68.2) billion, at an interest rate of (1.5%) to purchase palm oil in the global markets, all the amount was paid.
- (2) auctions for (91) days with an amount of IQD (50) billion for a single issue, the actual amount reached IQD (25) billion, at an interest rate of (1.5% - 1.7%) to purchase Aluminum while, the paid amount was IQD (61) billion.
- (1) auction for (91) days with an amount of IQD (50) billion for a single issue, the actual sold amount reached IQD (40) billion, at an interest rate of (1.7%) to purchase Plastic.
- (2) auctions for (182) days with an amount IQD (100) billion for a single issue, the actual sold amount reached IQD (46.2) billion, at an interest rate of (2% - 2.1%) to purchase palm oil, the paid amount was IQD (20) billion

- (2) auctions for (182) days with an amount IQD (100) billion for a single issue, the actual sold amount reached IQD (33.8) billion, at an interest rate of (2%) to purchase Aluminum, the paid amount was IQD (20) billion
- An amount of IQD (25) billion was paid off for the auction of (182) days' deposit certificates held in 2018 to purchase Aluminum.
- An amount of IQD (1) billion was paid off for (365) days' deposit certificates auction held in 2018 to purchase Plastic.
- One auction in US\$ for (182) days, at an interest rate of (1.8%), the actual sold amount was US\$ (15) million to purchase palm oil, all amount was repaid.
- One auction in US\$ for of (182) days, at interest rate of (2%), the actual sold amount was US\$ (33) million to purchase Aluminum.

CBI Role in Motivating Development Process

Emphasizing the developmental role of the CBI through its policy aimed at stimulating the real sector, CBI launched in 2019 its lending initiative that it had adopted since 2016 in cooperation with the banks operating in Iraq by stimulating them to move towards the market and provide credit and bank financing in order to stimulate the development process, it has been through the initiative of IQD (1) trillion to finance SMEs, by extending private banks an amount of IQD (71.6) billion as well as extending the term of the loan from (5 to 7) years. The actual amount granted by those banks to finance these (1973) projects amounted to IQD (58.9) billion, as follows:

A- Total amount paid for agricultural sector the (39) projects was IQD (2.7) billion.

B- Total amount paid for manufactural sector the (197) projects was IQD (12.2) billion.

C- Total amount paid for commercial enterprises the (1258) projects was IQD (28.2) billion.

D- Total amount paid for enterprises of health, educational, and recreation services the (478) project was IQD (15.7) billion.

E- One housing project funded with an amount of IQD (50) million.

Regarding the plan for IQD (5.5) trillion initiative the term of the loan has extended from (5) years to (10) years, the amounts were as the following:

A- The Housing Fund funded by IQD (50) billion in two installments, at IQD (25) billion for each payment.

B- The Manufactural Bank was funded by IQD (4.9) billion for financing manufactural enterprises.

Third / Banking Developments

During 2019, the CBI has taken many measures that regulate the work of banks and enhance its role in financing economic growth, the most important measures and steps taken by CBI.

- 1- CBI launched a combined Islamic financing program (SIFP) with the aim of creating a systematic partnership in the financing and investment process between traditional and Islamic banks on one hand and public and private sectors on the other hand under the standard (24) issued by Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).
- 2- Redistributing the structure of the mandatory reserves ratios imposed on deposits of Islamic banks (savings& fixed) to be (5%) instead of (10%) and other deposits subjected to (15%) according to the decision of CBI board of directors no. 6/3/343 in 7/2/2019.
- 3- Establishment of Deposit Insurance Institution (joint contribution) in 14/10/2019 with preparation of an integrated framework that includes the legislative requirements and the allocation of appropriate resources for that.
- 4- Implementing Basil III decisions regarding credit, operational, and market risks, in addition to issuing instructions that should followed by all bank in cooperation with METAC.
- 5- Requiring banks to allocate a certain percentage of annual profits as a reserve provision to avoid problems that the bank may encounter in the future.
- 6- Allowing Islamic banks only and principle to use lease contracts to finance the purchase of real estate or financing its construction.

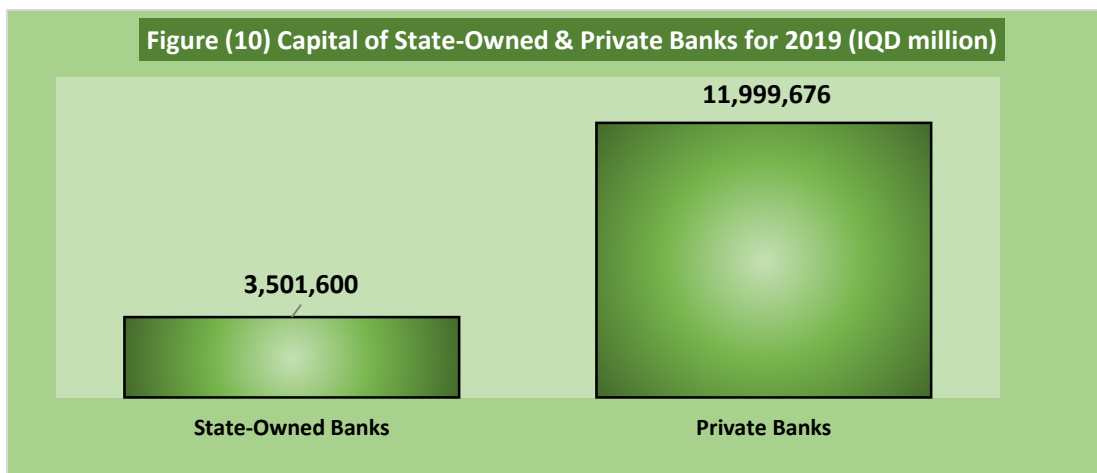
1-Banking System Structure for 2019

Commercial banks operating in Iraq at end of 2019 amounted (73) banks, including (7) state-owned banks distributed as the following:

- (3) Commercial banks (3) specialized banks, (1) Islamic state-owned bank, and (66) private banks, including (24) domestic Islamic banks, (24) domestic commercial banks, (16) foreign banks, and (2) foreign Islamic banks.

2- Financial Position of the Banking System

Total capital for banks operating in Iraq during 2019 recorded a rise of (2.3%) to reach an amount of IQD (15.5) trillion against IQD (15.2) trillion for 2018.

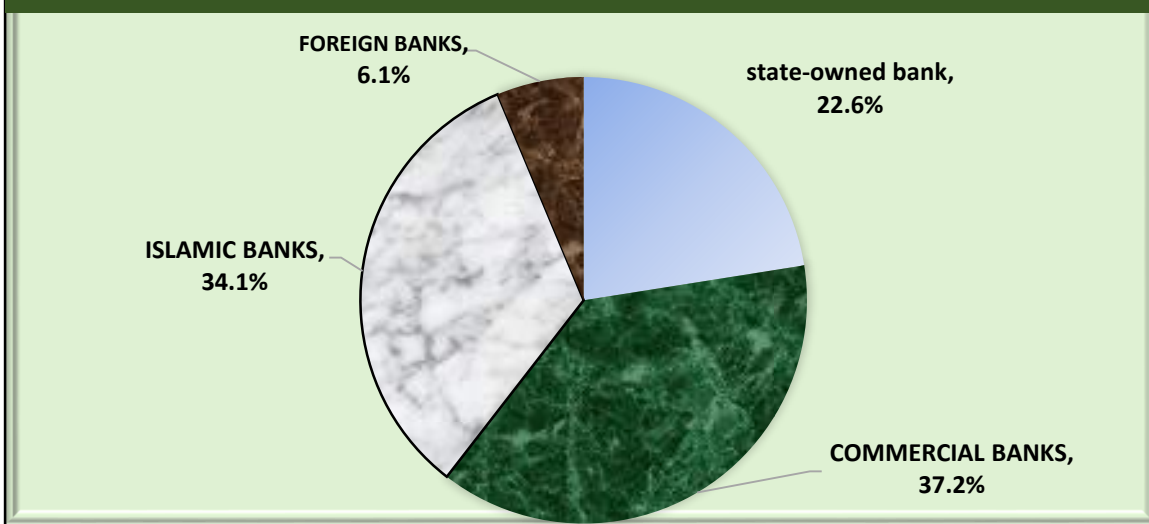


The largest percentage was concentrated in the capital of private banks, which amounted IQD (12) trillion by (77.4%) of total capital for banks operating in Iraq, while the contribution of foreign banks reached (6.1%) of total capital for banks. In addition to a rise of Islamic banks capital of (5%) with a contribution ratio of (34.1%).

Regarding the capital of domestic commercial banks, they did not record any change, as its contribution ratio was (37.2%) of total of commercial banks capital.

Capital of state-owned banks recorded in 2019 a rise of (2.9%) compared with the previous year to reach IQD (3.50) trillion against IQD (3.40) trillion for 2018; a ratio of (22.6%) of total capital of commercial banks.

Figure (11) The Relative Importance of Capital of Banks operating in Iraq for 2019



3-Consolidated Budget for Commercial Banks Operating in Iraq

At end of 2019 The consolidated budget for commercial banks shows improvement in banking performance through assets (liabilities) during this year by (11.2%) of the previous year to reach IQD (120.1) trillion against IQD (108) trillion at end of 2018, Table no (13).

This increase is due to the increase in current deposits, foreign assets, buildings, and other assets on the assets side, in contrast to the increase in government deposits, credits and guarantees deposits, and other liabilities on the liabilities side.

The an analysis of the most important developments in the commercial banks 'budget for 2019 is:

Assets Side

At the end of 2019, assets side showed a rise in all its components, as follows: -

- foreign assets including (foreign investments for commercial banks and its debit balances abroad with commercial banks) recorded a rise by (37.9%) compared to the previous year to reach IQD (22.5) trillion against IQD (16.3) trillion at the end of 2018, with a contribution rate of (18.7%)

- Cash in the vaults which is kept by banks in its vaults to face requests of daily withdrawals and the other different needs, rose by (11.4%) to record IQD (4.2) trillion against IQD (3.8) trillion at end of 2018 with a contribution rate of (3.5%) of total assets.

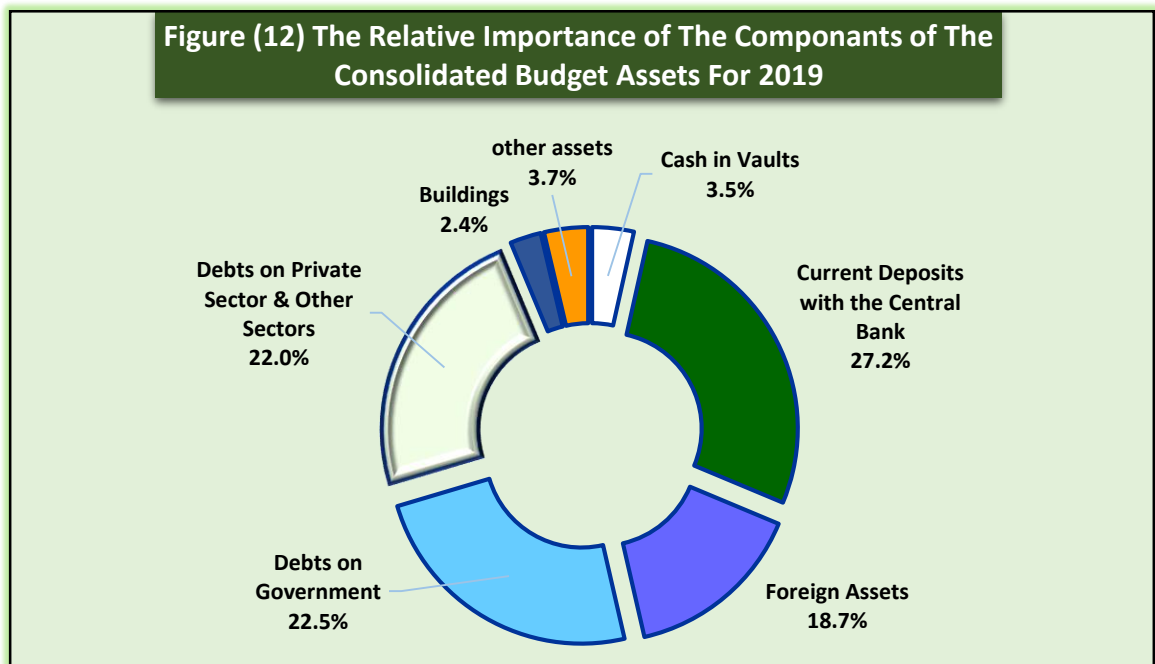
- Current deposits with the CBI recorded a rise by (8.8%), to reach IQD (32.6) trillion against IQD (30) trillion at end of 2018 with a contribution ratio amounted to (27.2%) of total banks` assets.

- Government debts recorded a rise by (4%) to reach IQD (27) trillion against IQD (26) trillion at the end of 2018, with a contribution ratio amounted (22.5%) of total banks` assets.

- Debt of the private sector and other sectors increased by (5%) to reach IQD (26.4) trillion compared to IQD (25.2) trillion at the end of 2018, due to the increase in credit extended to the private sector by (4.1%) with a contribution rate of (22 %) of total banking assets.

- Buildings item that are part of the fixed assets of the banking sector rose by (6%) to record (3) trillion against IQD (2.8) trillion at the end of 2018, with a contribution ratio of (2.4%) of total banks assets, this increase due to the increase in the number of banks.

- As for other assets, they recorded a decrease of (9.2%) of the previous year to record IQD (4.4) trillion against IQD (4) trillion at the end of 2018 with a contribution ratio amounted (3.7%).



Liabilities Side (sources of banks funds)

commercial banks liabilities recorded an increase of (11.2%) compared to 2018, this increase is attributed to the increase in government deposits in an amount of (16.2%) to reach IQD (35.7) trillion against IQD (30.7) trillion at end of 2018, and to record contribution ratio reached (29.8%) of total banking liabilities due to an increase in government revenues because of improvement in crude oil prices, which accounted for the largest share of revenues for 2019.

Current deposits at banks recorded a slightly increase by (0.4%) to record IQD (33.7) trillion against IQD (33.5) trillion at end of 2018, at a contribution ratio reached (28%) of total liabilities other liabilities and L/C deposits and guarantees recorded an increase of (103%) and (24.1%) respectively to record a contribution ratio reached (15.1%), (2.3%) of total commercial banks liabilities, Table (13) there was a decrease in saving & fixed deposits item by (-5.2%) to reach IQD (16.4) trillion against IQD (17.3) trillion at 2018 to record a contribution of (13.7%)

The budget revealed capital movement, reserves, which recorded a decrease by (-10%) to reach IQD (12.6) trillion against IQD (14) trillion at end of 2018 to record a contribution of (10.5%) of total banking liabilities (assets)

Foreign liabilities recorded a decrease of (-37%) to reach IQD (0.8) trillion against IQD (1.3) trillion to record a contribution of (0.6%) of total foreign liabilities.

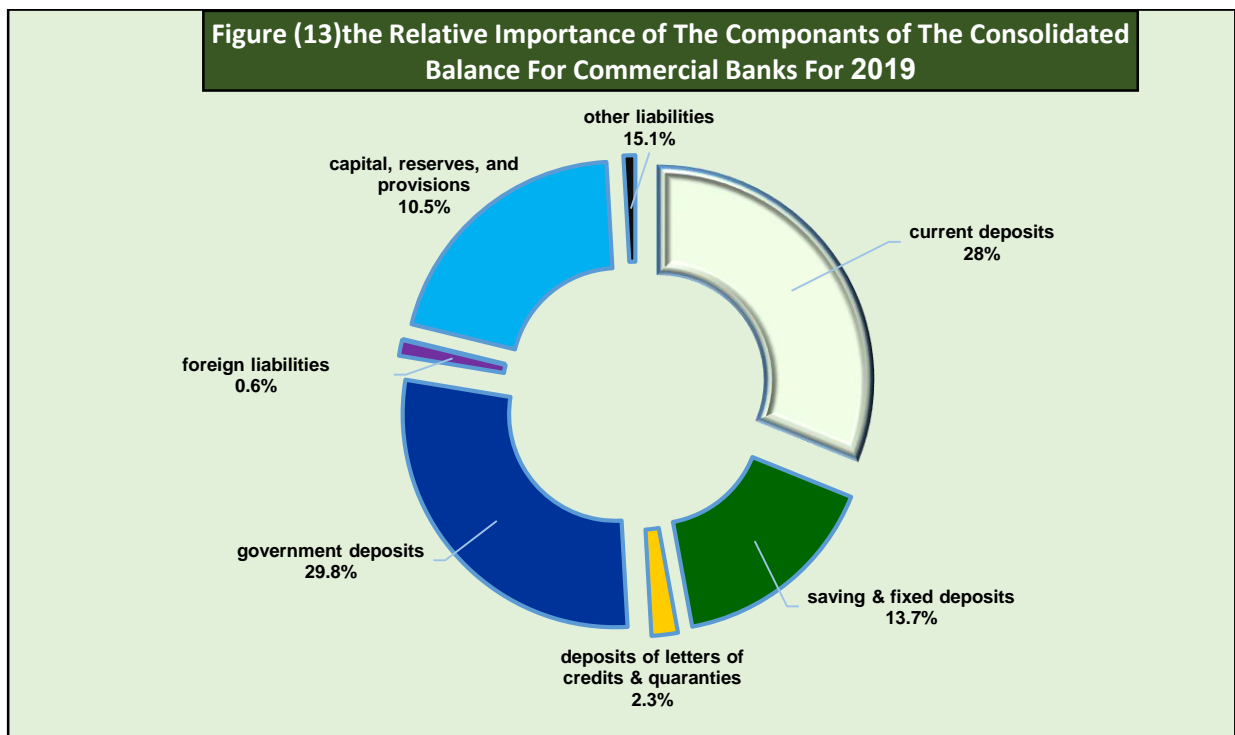


Table (13)
Consolidated Budget for Commercial Banks for 2018-2019

IQD million

Items	Dec. 2018	Dec. 2019	Change rate %	Relative Importance %
Assets				
Cash In Vaults	3,766,417	4,196,147	11.4	3.5
Current Deposits with the CBI	29,988,161	32,625,222	8.8	27.2
Foreign Assets	16,312,099	22,499,212	37.9	18.7
Debts on Government	25,943,000	26,981,712	4.0	22.5
Private Sector & Other Sectors Debts	25,179,810	26,436,464	5.0	22.0
Buildings	2,764,188	2,929,241	6.0	2.4
Other Assets	4,049,646	4,423,272	9.2	3.7
Total Assets & Liabilities	108,003,321	120,091,270	11.2	100.0
Liabilities				
Current Deposits	33,536,505	33,658,889	0.4	28.0
Saving & Fixed Deposits	17,301,980	16,407,899	(5.2)	13.7
Deposits of Letters of Credits & guaranties	2,213,271	2,746,840	24.1	2.3
Government Deposits	30,742,188	35,727,336	16.2	29.8
Foreign Liabilities	1,257,700	792,020	(37.0)	0.6
Borrowing from CBI	0	0	0	0
Capital, Reserves, and Provisions	14,014,205	12,613,246	(10.0)	10.5
Other Liabilities	8,937,472	18,145,040	103.0	15.1

Preliminary data and subject to modification

4-Banking Deposits

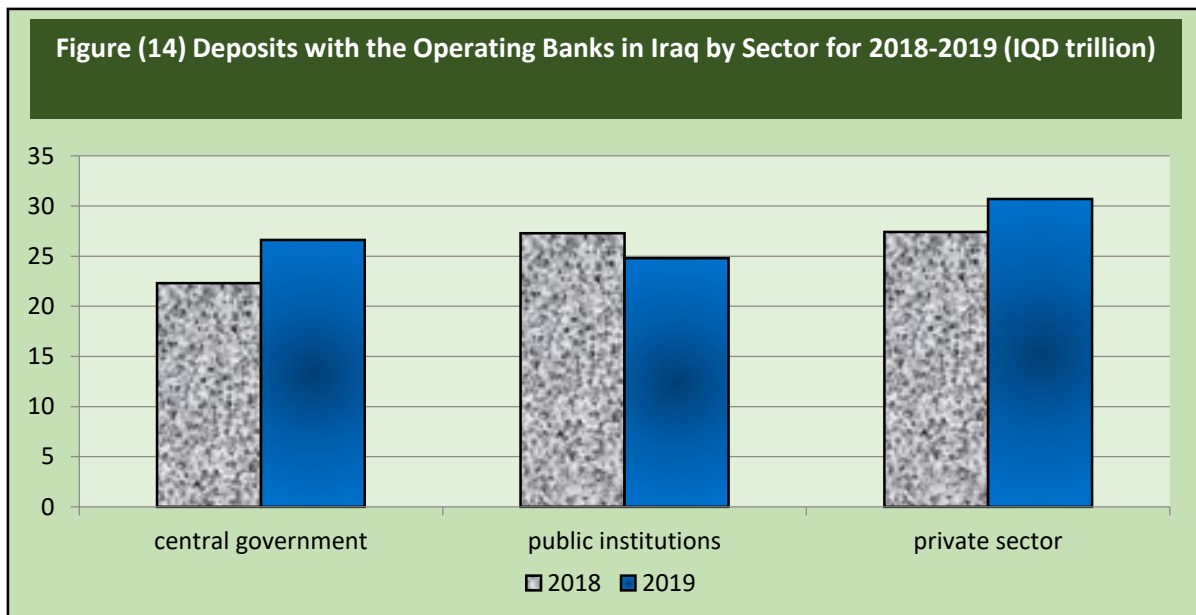
At the end of 2019, total deposits with the banks operating in Iraq recorded a rise of IQD (5.2) trillion by (6.8%) of the recorded level for 2018, to contribute (31.2%) of GDP in current prices reaching IQD (82.1) trillion against IQD (76.9) trillion for 2018.

Analysis of Total Deposits Structure by Sector

Central government sector ranked first among other sectors regarding growth ratios, as it recorded an obvious growth for its deposits during 2019 by (19.3%) compared to 2018 reaching IQD (26.6) trillion against IQD (22.3) trillion for the previous year, due to a rise in current & fixed by (14.6%) and (40.1%) respectively.

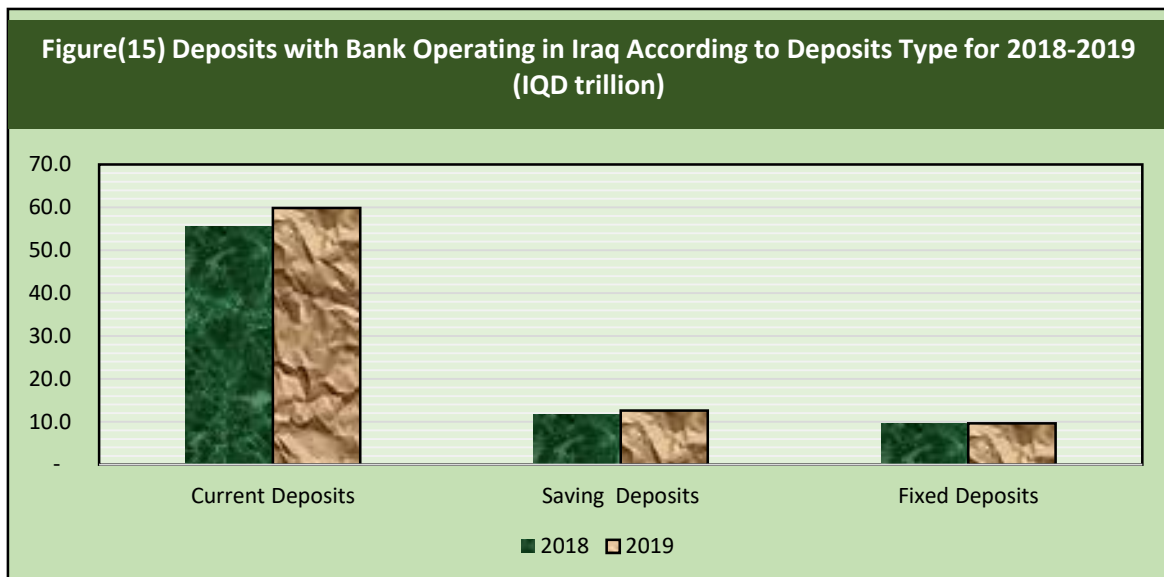
Deposits stock with the private sector recorded a rise by (12.2%) compared to the previous year to record IQD (30.7) trillion in 2019 against IQD (27.4) trillion for the previous year, due to growth in fixed, current and saving deposits by (21.2%), (15.7%) and (7%) respectively.

Deposits stock with the public institutions recorded a decrease in growth by (-8.9%), reaching IQD (24.8) trillion in 2019 against IQD (27.3) trillion in 2018, due to a decrease in current deposits & fixed deposits by (-47.8%) and (-1.9%) respectively, as explained in annex of table (10).



Analysis of Total Deposits Structure by Type

During 2019, current deposits ranked first regarding growth rates compared to other deposits recording a growth by (8%) of the previous year reaching IQD (59.9) trillion against IQD (55.5) trillion in 2018, followed by saving deposits in the second place by (7.2%), while fixed deposits recorded negative growth this year by (-0.9%) compared to 2018.



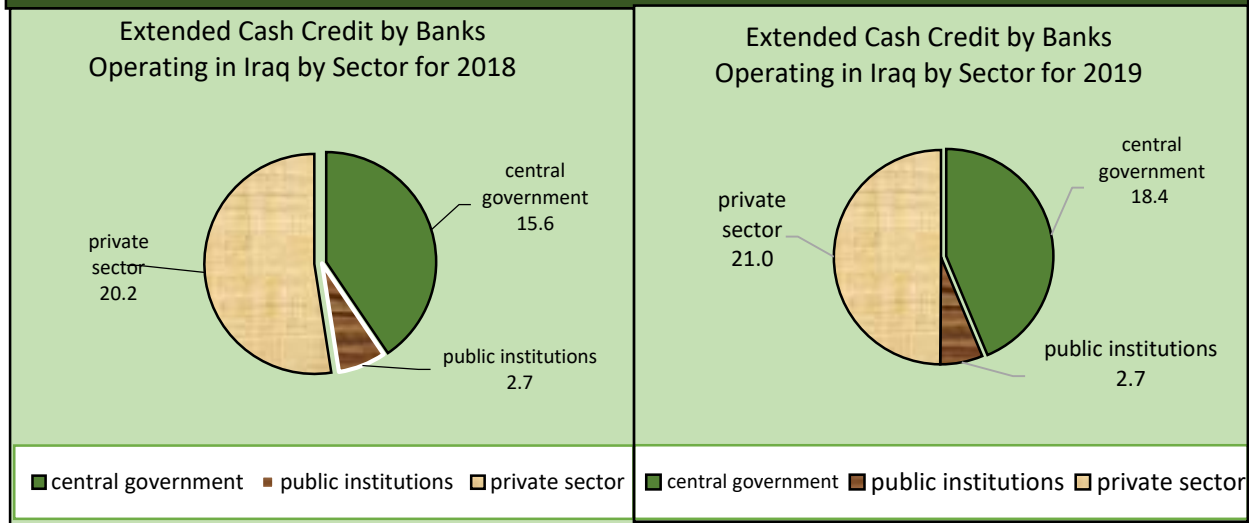
5-Banking Credit

At end of 2019, the standing stock of total credit facilities extended by banks operating in Iraq recorded a rise of IQD (3.6) trillion by (9.3%) of the previous year reaching IQD (42.1) trillion against IQD (38.5) trillion in 2018; accounting for (16.0%) of GDP in current prices.

Analysis of Extended Credit Structure by Borrower

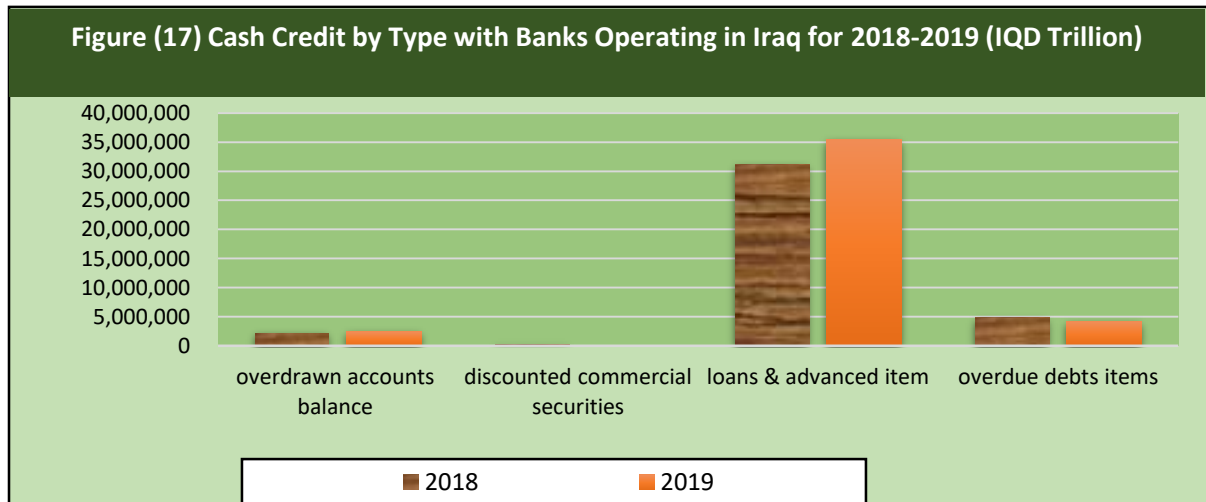
In 2019, extended credit balance to private sector rose by (4.1%) ranking the first regarding its contribution ratio by (50%) of total extended cash credit. Also credit facilities balance (cash) extended to the central government rose this year by (17.7%) compared to the previous year, ranking the second regarding its contribution ratio of (43.7%) of extended cash credit balance, while extended credit facilities balance to public institutions declined by (-0.8%) of the previous year with a contribution ratio of (6.3%) of total extended cash credit.

Figure (16) Extended Cash Credit by Banks Operating in Iraq by Sector for 2018-2019 (IQD trillion)



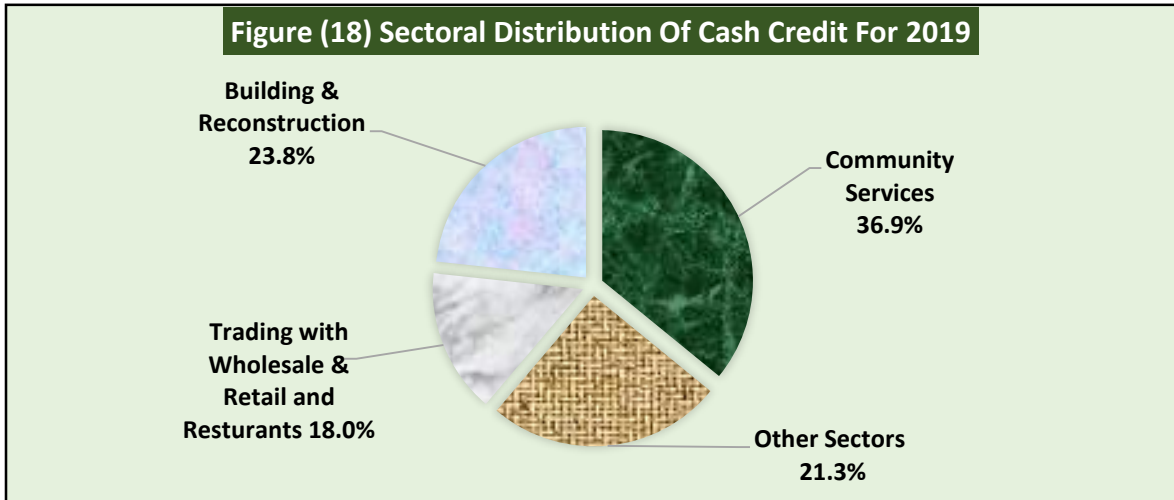
Loans & advances item acquired most of the extended credit by banks operating in Iraq to record (84.2%) of total credit with a growth rate of (13.8%), followed by overdrawn accounts balance to record a growth rate of (9.8%) of the previous year with a contribution rate of (5.7%) of total credit balance. While both discounted commercial securities and overdue debts items declined by (-69.7%) & (-15%) respectively, with a contribution rate of (0.2%) & (9.9%) respectively of total extended credit balance, annex of table (11).

Figure (17) Cash Credit by Type with Banks Operating in Iraq for 2018-2019 (IQD Trillion)

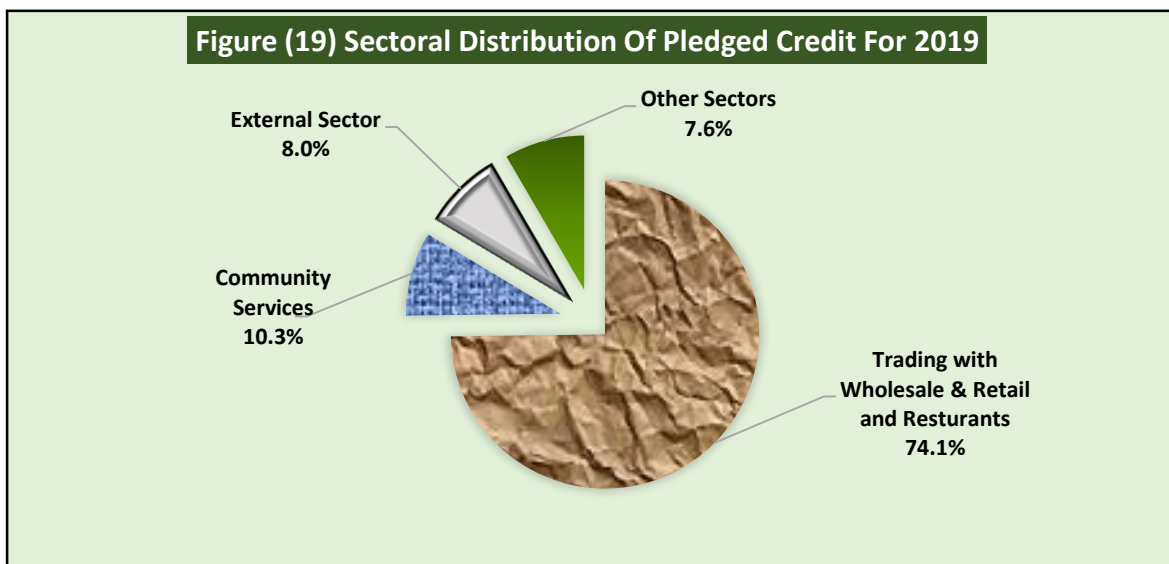


Regarding sectoral distribution for extended credit facilities by banks operating in Iraq, the cash credit for 2019 recorded a rise of (9.3%) of the previous year reaching IQD (42.1) trillion against IQD (38.5) trillion for 2018. Community services sector ranked first of total cash credit by (36.9%), followed by construction &

buildings sector by (23.8%), while trading with wholesale & retail and restaurants & hotels sectors ranked third by (18.0%). The other sectors recorded (21.3%) of total cash credit.



At for the extended pledged credit by commercial banks operating in Iraq for 2019, they recorded slight decline of (-0.3%) compared to the previous year, to reach IQD (25.2) trillion against IQD (25.3) trillion in 2018. Wholesale and retail trade, restaurants and hotels ranked first in the total pledged credit granted by (74.1%), while the community services sector ranked second in total pledged credit with a percentage of (10.3%), followed by the outside world sector with rate of (8.0%). The rest of the sectors account for (7.6%) of the total extended pledged credit, as shown in the annex of Table (12).





Chapter Four

Developments of the Public Finance Sector

Financial Sector

Financial Sector

- Actual public revenues recorded a rise by (1%) compared to the previous year 2018 contributing (40.9%) of GDP.
- Actual public expenditures recorded a rise by (38.1%) compared to the previous year 2018 contributing (42.5%) of GDP, as illustrated in table (14).

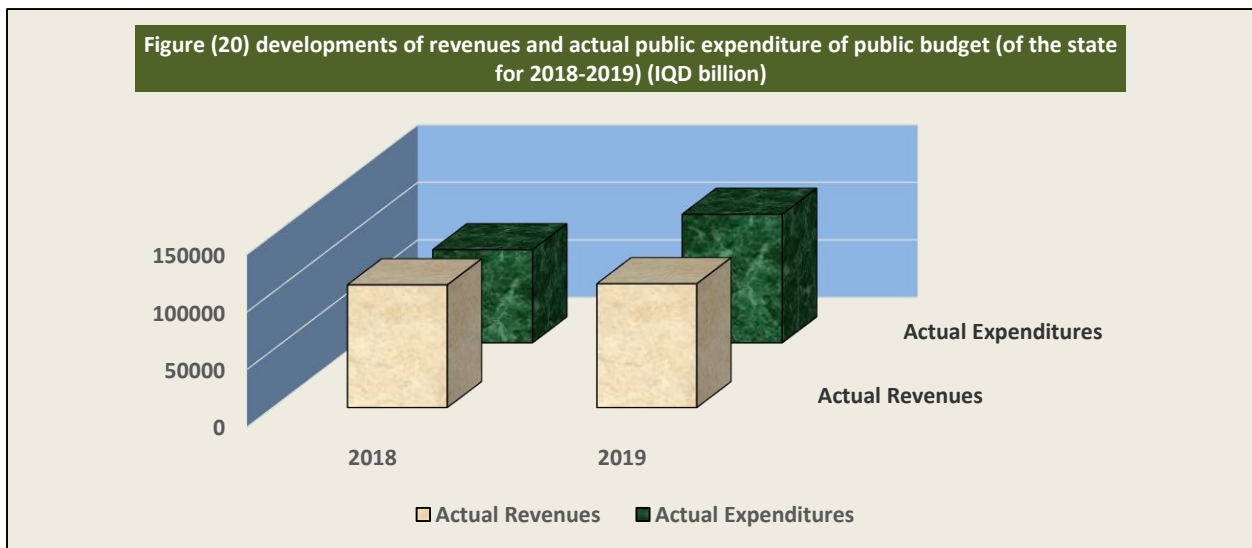
Table (14)
Actual Public Revenues & Expenditures Development
Of Public Budget of the state for (2018-2019)

Items	2018	2019
Actual Revenues(IQD billion)	106569.8	107567.0
Growth Rate %	37.8	1
Actual Expenditures*(IQD billion)	80873.1	111723.6
Growth Rate %	7.1	38.1

Source: MOF / Accounting Dept.

Preliminary data and subject to modification

*it doesn't include settlements (state-owned countinments)



First: Public Revenues

Public revenue increased in 2019 by a rate of (1%) to reach IQD (107.6) trillion compared to IQD (106.6) trillion in 2018. Du to increase in crude Oil Revenues by rate (3.8%). Oil revenues represented the largest share of total revenues, as its contribution rate reached (92.2%) with an amount of IQD (99.2) trillion. Also, the increase of capital revenues and other revenues reached (56.5% & 0.4%) respectively.

While each of transferable revenues, taxes on incomes and wealth, commodity taxes & production fees, budget's share of public sector's profits, and fees decreased with a rate of (-35.5%, -30.3%, -28.1%, -26.1%, -18%) respectively, as shown in Table (15).

(Table15)

The components of the(actual) state's general budget revenues for 2018 & 2019

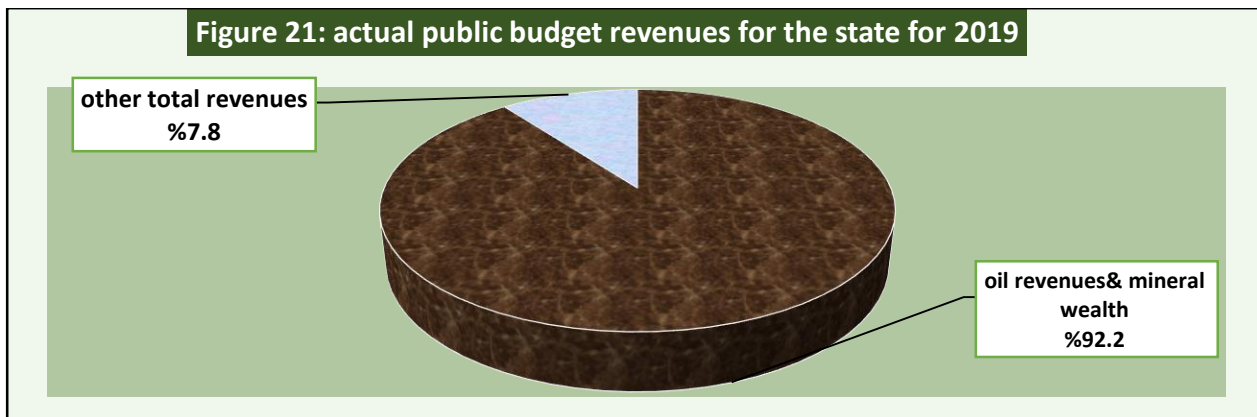
IQD billion

Revenues Types	2018	2019	Growth Rate%	Contribution Ratio%
Oil Revenues & Mineral Wealth	95619.8	99216.3	3.8	92.2
Taxes on Incomes and Wealth	3425.1	2389	-30.3	2.2
Commodity Taxes & Production fees	2261.1	1625.5	-28.1	1.5
Other Revenues	1667	1674.2	0.4	1.6
Transferable Revenues	1587.2	1024.5	-35.5	1
Fees	1131.1	927.1	-18	0.9
Budget's Share of Public Sector Profits	804.5	594.5	-26.1	0.5
Capital Revenues	74	115.8	56.5	0.1
Total	106569.8	107567	1.0	100

Source: MOF/Accounting Dept.

Preliminary data and subject to modification

Figure 21: actual public budget revenues for the state for 2019



Second: public spending

Public spending recorded a growth during 2019 by a rate of (38.1%) to reach IQD (111.7) trillion compared to IQD (80.9) trillion in 2018 by a rate of (42.5 %) of GDP in current prices. This increase attributed to growth in the current spending & investment spending by a rate of (76.7%, 30.2%) respectively, as shown in (Table.16).

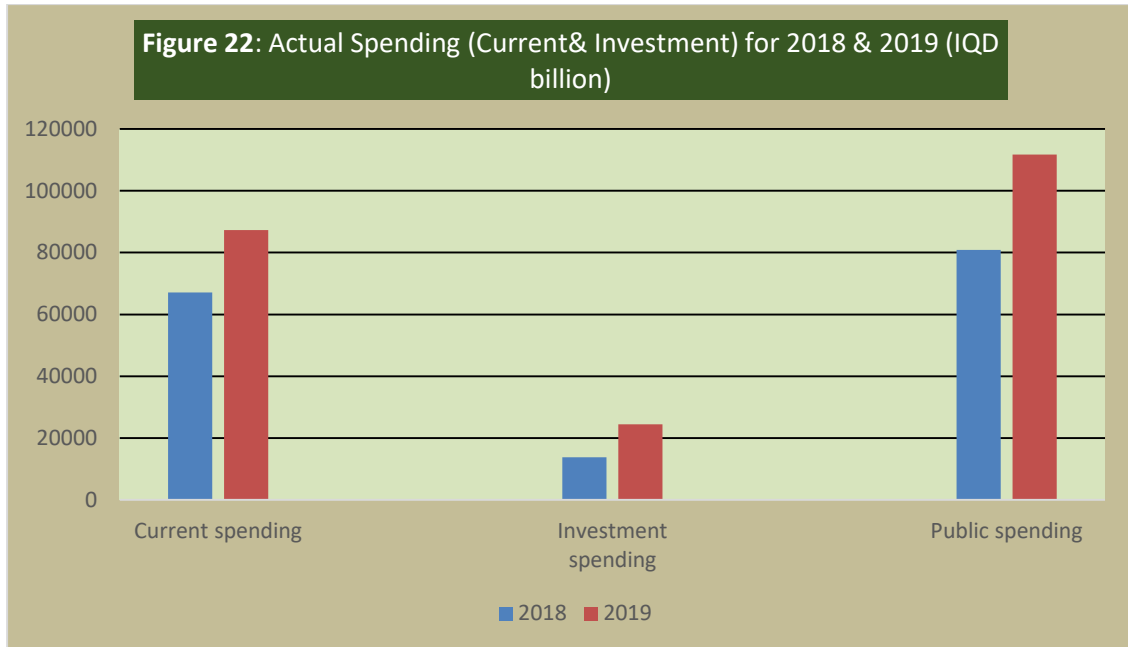
**(Table.16)
Actual Public Spending (Current& Investment) for 2018& 2019**

IQD billion

Public Spending	Amount		Change rate%	contribution Ratio in total public expenditure
	2018	2019		
Current Spending	67052.9	87301	30.2	78.1
Investment Spending	13820.2	24422.6	76.7	21.9
Total Actual Public Spending	80873.1	111723.6	38.1	100

Source: MOF/Accounting Dept.

Preliminary data and subject to modification



1-Current Spending

Current spending recorded a growth this year by a rate of (30.2%) to reach IQD (87.3) trillion compared to IQD (67.1) trillion in 2018, by a rate of (33.2 %) of GDP in current prices. This is attributed to the increase in most components of current spending, especially capital spending, service requirements and commodity requirements, by a rate of (344.4%, 238.5%, 112.4%) respectively. while the rest of spending items by increased in varied rates (86.6% max. & 13.4% min), on the other hand, spending recorded a decrease on both commitments & contributions by a rate of (-19.3%) respectively, as shown in (Table.17).

(Table.17)

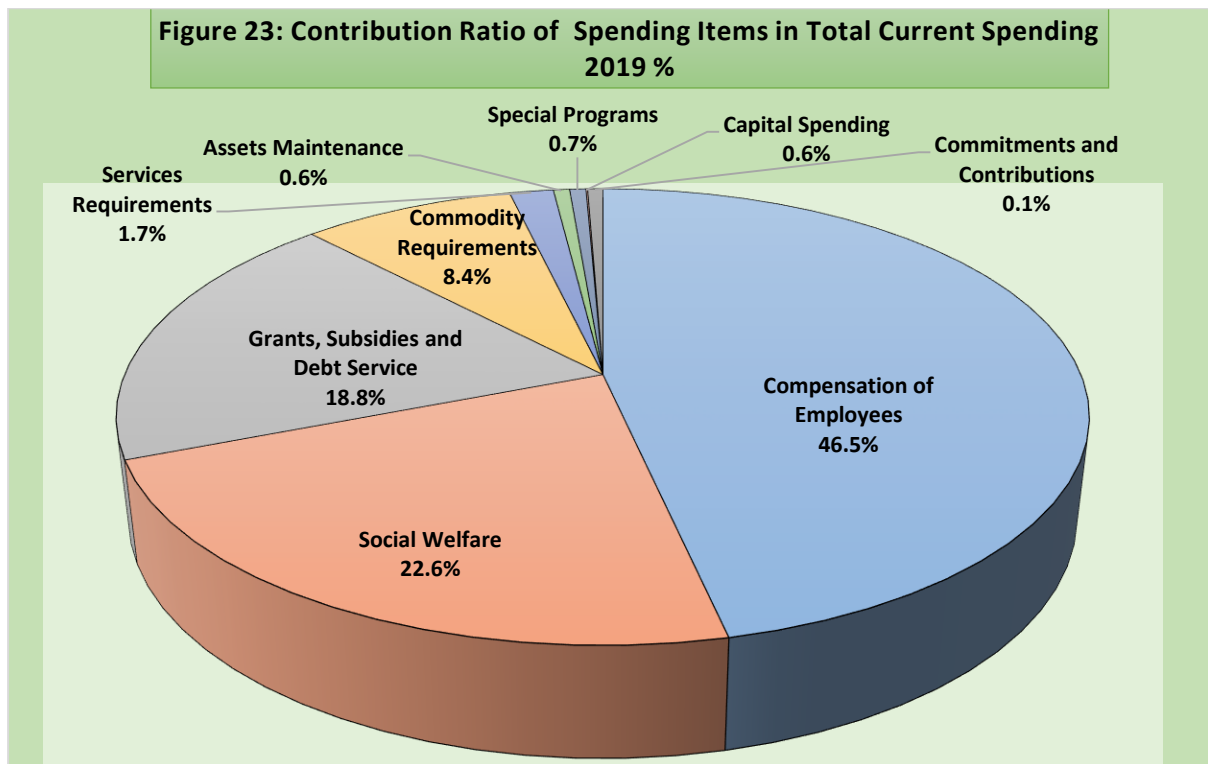
Current spending of the state (actual) budget for 2018 & 2019

IQD billion

Spending Items	2018	2019	Growth Rates%	contribution Ratio in total Current Spending %
Compensation of Employees	35835.5	40633.5	13.4	46.5
Social Welfare	15166.8	19696	29.9	22.6
Grants, Subsidies and Debt Service	11231	16364.5	45.7	18.8
Commodity Requirements	3471.4	7371.8	112.4	8.4
Services Requirements	449.2	1520.7	238.5	1.7
Assets Maintenance	406.2	560.7	38.1	0.6
Special Programs	303.2	565.8	86.6	0.7
Commitments and Contributions	70	56.5	-19.3	0.1
Capital Spending	119.6	531.5	344.4	0.6
Total	67052.9	87301	30.2	100.0

Source: MOF /Accounting dept.

Preliminary data and subject to modification



2- Investment Spending

Investment spending recorded a significant growth in 2019 by a rate of (76.7%) to reach IQD (24.4) trillion compared to IQD (13.8) trillion in 2018 by a rate of (9.3 %) of GDP in current prices. The industrial sector accounted for the highest ratio of total Investment spending, it is recorded a rate of (80.5%), followed by Transport& Communications Sector and building sector& services sector by a rate of (9.5%, 7.8%) respectively while Agricultural Sector and Education Sector recorded rate of (1.2% & 1%), respectively, as shown in (Table.18).

(Table.18)

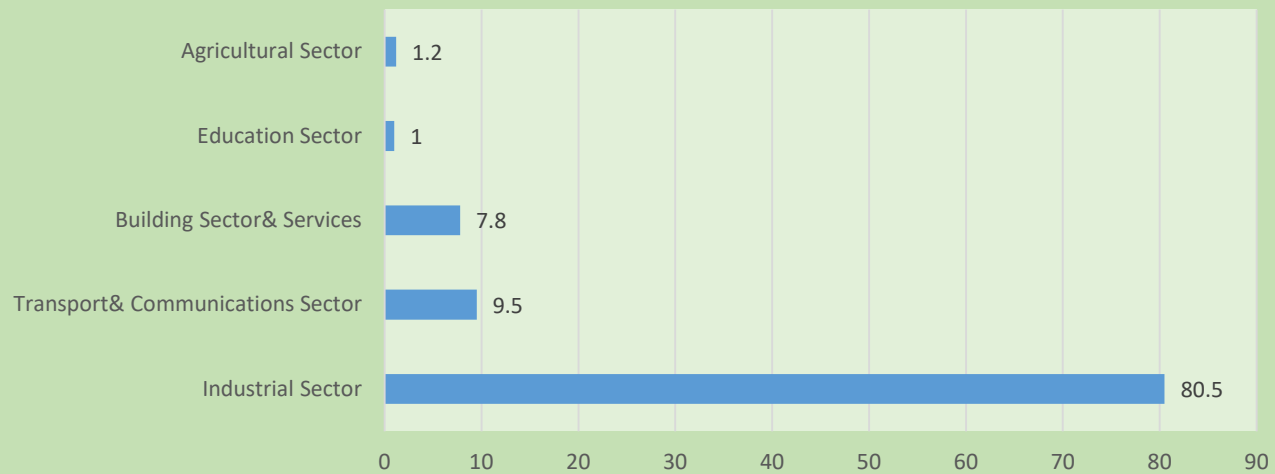
Investment spending of the state general budget for 2018 & 2019

IQD billion

Spending Items	2018	2019	Growth Rates%	Share Rate in Total Investment Spending %
Industrial Sector	11134	19653	76.5	80.5
Transport& Communications Sector	360.1	2311.8	542	9.5
Building Sector& Services	2021.6	1901	-6	7.8
Education Sector	76.7	256.2	234	1
Agricultural Sector	227.8	300.6	32	1.2
Total	13820.2	24422.6	76.7	100

Source: MOF/Accounting dept.
Preliminary data and subject to modification

Figure 24 contribution ratio in Total investment spending in 2019 %



Internal public debt

At end of 2019, the balance of internal public debt recorded a decrease by IQD (3491.4) billion to reach IQD (38331.5) billion compared to IQD (41822.9) billion in 2018 a rate of (-8.3%), this is due to repayments of MOF, table (19).

The balance of internal public debt reached (14.6%) of GDP in current prices, the following is an analysis of the internal public debt items for 2019: -

Treasury bills to pay salaries of employees of self- financing companies, property claims, covering the federal budget deficit and completing the building of armament capabilities of MOD

First: Treasury bills via auction

This issued and due bills were due for 2019 through CSD system, which reached IQD (550.1) billion in 2018.

Second: Treasury bills out of auction

- Part of the balance of T. bills (mandatory reserves bills) outstanding at the end of 2018, amounting to IQD (3936.7) billion, was paid, and thus the balance of outstanding debt to T. bills at the end of 2019 IQD (3826.9) billion.
- Outstanding debt balance of discounted T-bills in minor market decreased by central bank by (-5.4%) to reach IQD (14125.4) billion at the end of 2019 against IQD (14925.4) billion at the end of 2018. There is no change on discounted T-bills balance from Al- Rafidain bank amounted IQD (500) billion.

Third: Loans

During 2019, the loans item witnessed a decrease of (-8.6%), as follows:

1. TBI loan amounting to IQD (2024.0) billion in 2019, compared to IQD (2174.0) billion at 2018.
2. A loan for self- funded projects for directorates at ministry of electricity under Cabinet resolution no (314) of 2014 amounts IQD (606.5) billion, compared to IQD (656.0) billion at 2018.
3. Self- funded companies' loan for paying salaries of their employees for (2010-2014) amounting to IQD (8045) billion, compared to IQD (8845) billion at 2018.

Forth: bonds

- The total amounts of bonds sold (contractor bonds) amounted to IQD (1921.2) billion in 2019.

Fifth: reschedule government debt agreement

The balance of remaining debt owed by the MOF in favor of the CBI decreased by (-10.2%) amounting to IQD (1755.5) billion in 2019, compared to IQD (1955.5) billion at 2018, after payback first payment of it. CBI agreed to pay the interest amount on the old debt for the year 2015 in two equal installments in 2018 & 2019.

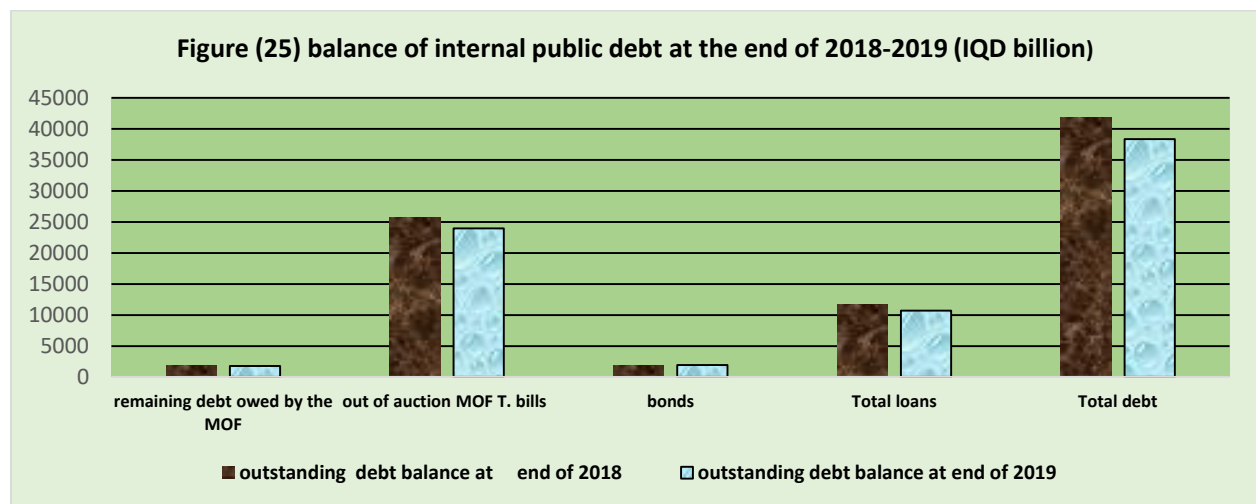


Table.19
Internal public debt developments for 2018- 2019

IQD billion

Details	outstanding debt balance at end of 2018	outstanding debt balance at end of 2019
Treasury bills auctions of 364 days	550.1	—
remaining debt owed by the MOF	1955.5	1755.5
out of auction MOF T. bills	25689.1	23979.3
out of auction T-bills have a maturity of 364 days	6327	5527
reserve requirement bills	3936.7	3826.9
discounted transfers in the secondary market by CBI	14925.4	14125.4
discounted transfers by Rafidain bank	500	500
bonds	1953.2	1921.2
Forward delivery	—	—
National bonds	1000	—
Farmers bonds	953.2	—
Contractor receivables bonds	—	1921.2
Total loans	11675	10675.5
TBI loan	2174	2024
loan for self- funded projects for directorates at ministry of electricity under Cabinet resolution no.314 of 2014	656	606.5
Self- funded companies' loan for paying salaries of their employees for (2010-2011-2012-2013- 2014)	8845	8045
Total debt	41822.9	38331.5

Adjustable Preliminary data



Chapter Five

Developments of External Sector and Iraqi Balance of Payments

External Sector

First: External Trade

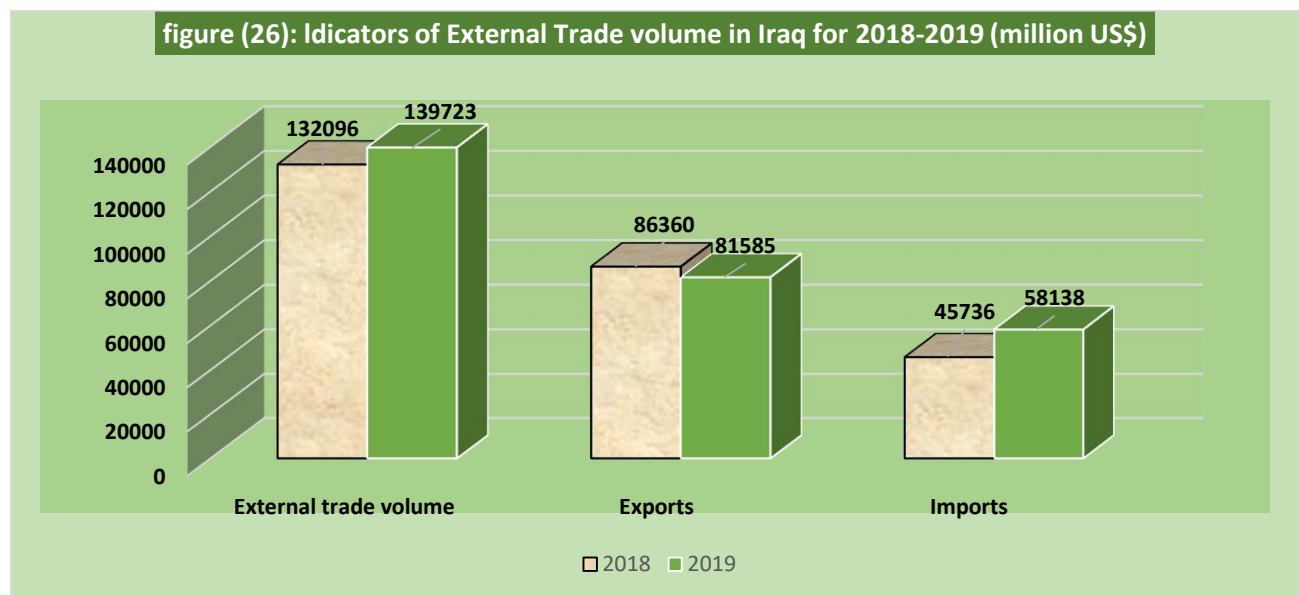
In 2019 External Trade volume recorded an increase by a rate of (5.8%) to reach US\$ (139.7) billion compared to US\$ (132.1) billion, in 2018 this is attributed to the increase in Imports value based on cif by a rate of (27.1%) to record US\$ (58.1) billion compared to US\$ (45.7) billion in 2018. Exports decreased by a rate of (-5.5%) to record US\$ (81.6) billion compared to US\$ (86.4) billion, because of the oil prices decrease in the global markets to US\$ (60.38) compared to US\$ (65.98) per barrel in 2018, as shown in (Table.20).

Table.20
Indicators of External Trade Volume in 2018-2019

(Million US\$)

	2018	2019
External Trade Volume	132096	139723
Exports	86360	81585
Imports*	45736	58138

*imports calculated based on cif
Adjustable preliminary Data



1-The Important External Trade Partners with Iraq

Asian countries ranked first in the trade partnership with Iraq, where exports& imports from Iraq reached a rate of (67.7%) & (70.9%) of total exports& imports respectively, followed by western Europe countries in trade partnership where the proportion of Iraq's contributions of total exports to that region reached (21%), the proportion of imports contributions ratio to total imports reached (13.6%). Also, the proportion of exports contributions to North America& Arab countries reached (7.6%, 2.9%) respectively and the proportion of imports contributions ratio to total imports reached (3.8%,6.2%) respectively. the proportion of Iraq's imports& exports to the rest of the world reached (0.8% & 5.5%) of total imports& exports, as shown in (Table.21).

Table.21
Development of Trade Volume with Major Trade Partners through
2018- 2019

(Million US\$)

Country	2018		2019		Contribution Ratio to Total Exports for 2019%	Contribution Ratio to Total Imports for 2019%
	Exports	Imports*	Exports	Imports*		
Arab Countries	1369	4046	2398	3601	2.9	6.2
Western Europe	17424	6199	17113	7910	21.0	13.6
Eastern Europe	624	2039	412	1441	0.5	2.5
Asia	55848	29800	55218	41212	67.7	70.9
African Countries Except Arabian	4	69	2	82	0.0	0.1
North America	10755	2074	6210	2214	7.6	3.8
Middle America	0.0	44	0.0	92	0.0	0.2
South America	336	1206	232	1553	0.3	2.6
Oceania Countries	0.0	259	0.0	33	0.0	0.1
Total	86360	45736	81585	58138	100.0	100.0

Adjustable Preliminary Data
Imports Value based on CIF

figure (27) Relative Importance of Iraqi Exports According to Gographical distribution for 2019

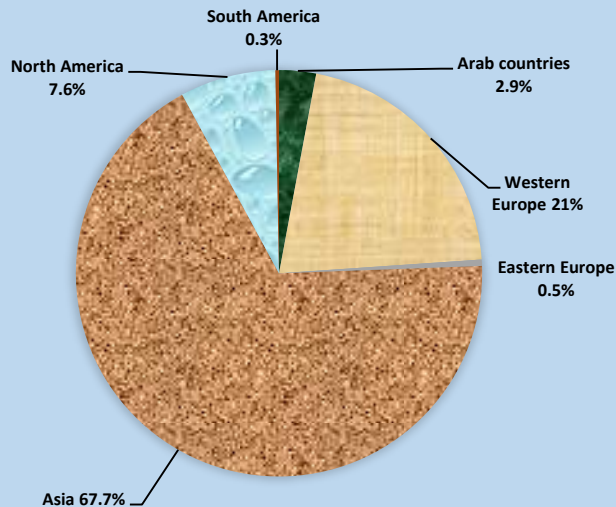
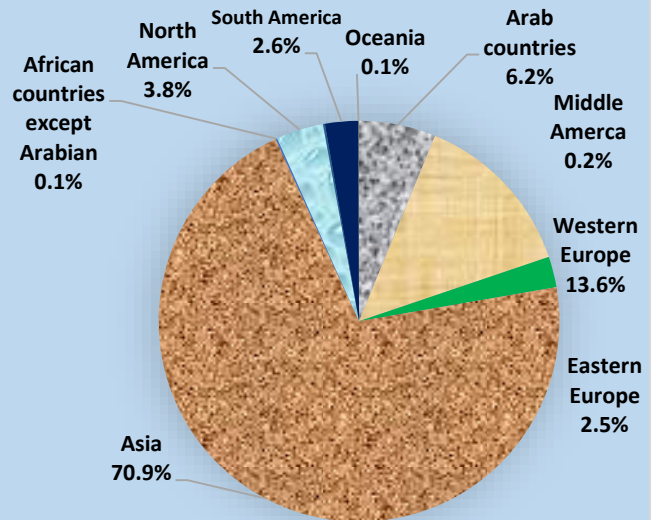


figure (28) Relative Importance of Iraqi Imports According to Gographical Distribution for 2019



2- The commodity composition of Iraqi exports

Mineral fuel item which included (oil and Petroleum products) scored the highest percentage of contribution is (99.8 %) of the total exports, while the rest of items on foodstuff & live animals, food raw materials except fuel, manufactured goods) were recorded the rest percentage is (0.2%) of the total exports on 2019, as shown in table (22).

Table (22)

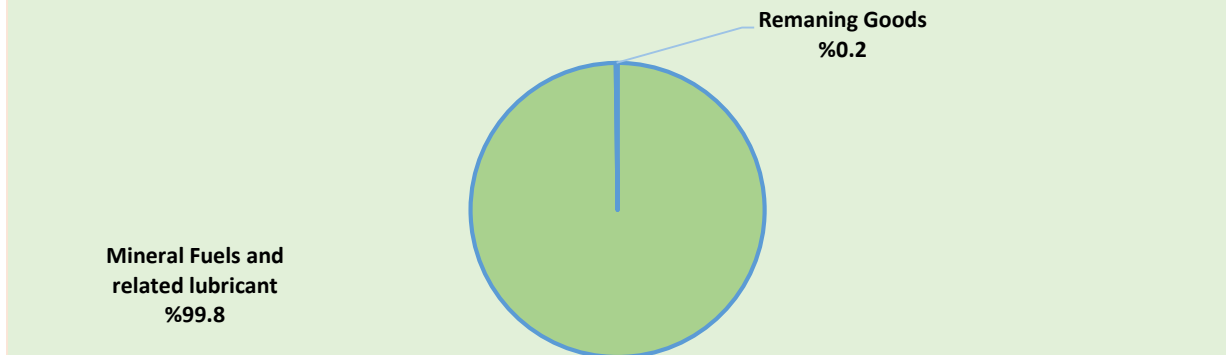
The commodity composition of Iraqi exports for the period 2018-2019

(Million US \$)

Commodity	2018	Relative Importance %	2019	Relative Importance %
Foods& live Animals	6	0	16	0
Beverages &Tobacco	0	0	0	0
Non- food raw Materials Except Fuel	16	0	29	0
Mineral Fuels and Related lubricant*	86258	99.9	81412	99.8
Fuels& Animal and Vegetable Fats	0	0	0	0
Chemicals	0	0	0	0
Manufactured Commodities	75	0.1	128	0.2
Machines & Transport Equipment	5	0	0	0
Miscellaneous Crafts	0	0	0	0
Not Classified Commodities	0	0	0	0
Total	86360	100	81585	100

• Include crude oil and petroleum products exports
The data is Preliminary and subject to change

Figure (29) Commodity Structure Of Iraqi Exports For 2019%



3- The commodity composition of Iraqi imports

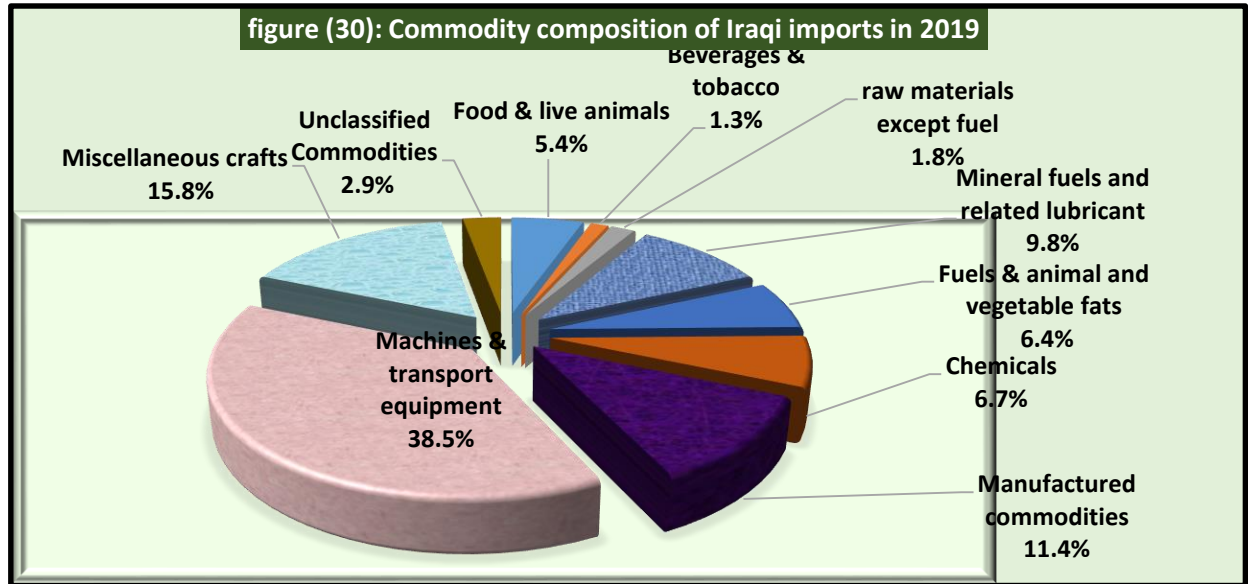
The Item of machineries and transport equipment ranked the first in the order of priority, the percentage of contribution to total imports amounted (38.5%). followed by two paragraphs (miscellaneous manufactures) and (manufactured goods) with a ratio of (15.8%) ,(11.4%), respectively, and paragraphs recorded (mineral fuels and oils Lubrication) and (chemicals materials) (animal and vegetable oils and fats) (food and live animals ratio of (9.8%, 6.7%, 6.4%, and 5.4%) respectively, as for the remaining vertebrae(Unclassified goods), (raw materials excluding fuel), (beverages and tobacco), it recorded (2.9% 1.8% and 1.3%)of total imports, respectively, as shown in Table (23).

Figure (23): Commodity composition of Iraqi imports in 2018- 2019

(US\$) Million.

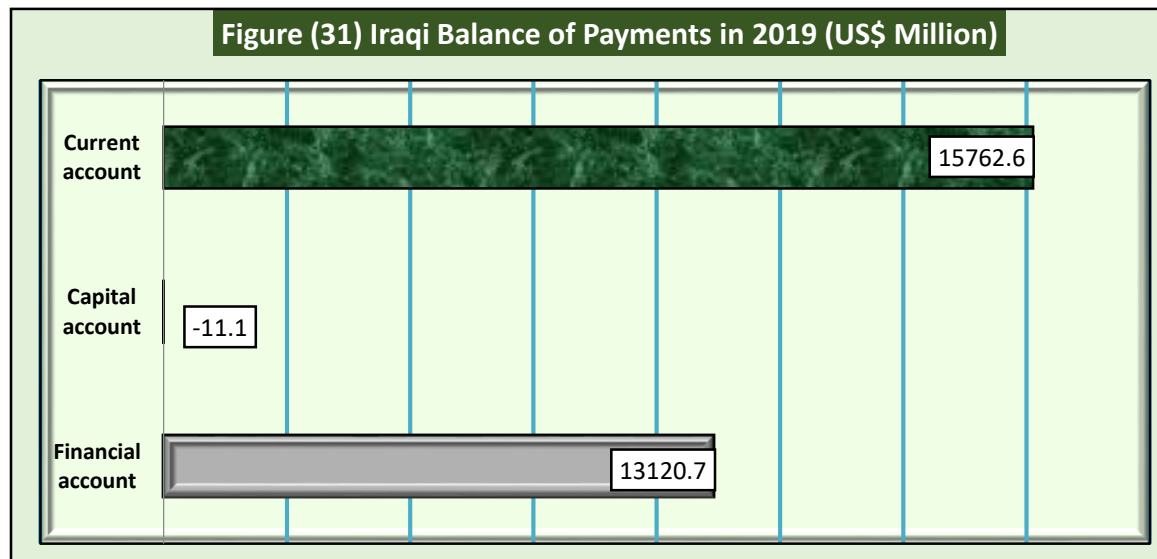
Commodity	2018	Relative Importance %	2019	Relative Importance %
Foods& Live Animals	2470	5.4	3139	5.4
Beverages &Tobacco	595	1.3	756	1.3
Non- food Raw Materials Except Fuel	823	1.8	1046	1.8
Mineral Fuels and Related Lubricant*	4482	9.8	5698	9.8
Fuels& Animal and Vegetable Fats	2927	6.4	3721	6.4
Chemicals	3064	6.7	3895	6.7
Manufactured Commodities	5214	11.4	6628	11.4
Machines& Transport Equipment	17609	38.5	22383	38.5
Miscellaneous Crafts	7226	15.8	9186	15.8
Unclassified Commodities	1326	2.9	1686	2.9
total	45736	100	58138	100

Adjustable Preliminary Data
Imports Value based on CIF



Second: balance of payments

In light of the available data, the results of the Iraqi balance of payments during 2019 showed a surplus of US\$ (8724.6) million, as shown in the annex of Table (13), which is reflected in the achieved increase in the change in reserved assets during this period. Several Factors contributed in achieving this surplus, which are reflected in our review of the Iraqi balance of payments components as follows



First- Current Account

The current account indicator in the balance of payments reflects the state behavior and private sector behavior through the general budget. Through data available to us, the net current account records a surplus of US\$ (15762.6) million in 2019, and we review below details of the components this account is as follows: -

1- Trade Balance

The trade balance realized surplus of US\$ (32167.6) million in 2019, as it was recorded total exports an amount of US\$ (81,585.2) million, including the value of paid crude oil to foreign oil companies with a value of US\$ (10845.7) million, while the overall imports were recorded an amount of US\$ (49417.6) million, as both exports and imports were calculated on fob basis.

2- Net Services Account

Net services account during the year 2019 showed a deficit reached US\$ (15547.2) million, the deficit in this account resulted from an increase in payments amounting to US\$ (22864.9) million, mostly related to shipping costs and import insurance for transferred from cif to fob.

While the receipts side reached an amount to US\$ (7317.7) million, most of which are included in the travel item, which contains Arab and foreign nationals coming to Iraq for the purpose of tourism and the Holy shrines visits.

3-Primary Income Account

Net primary income account realized a deficit of US\$ (1166.0) million in 2019, below is the details of this account: -

a- A workers' compensation: represents the money transferred by workers who work outside their country less than a year, and this account realized a surplus reached US\$ (37.3) Million in 2019.

B. Investment income: net investment income account realized a deficit reached to US\$ (1203.3) million as a result to the increased of payments, most of them are payments related to the profits of foreign companies operating in Iraq transferred abroad, in addition to the Ministry of Finance payments abroad for the benefit of the external public debt.

4- Secondary Income Account

Net Secondary Income Account achieved surplus reached to US\$ (308.2) Million in 2019 because of increased receipts on official transfers, which amounted to US\$ (1222.8) million of grants to Iraq by international organizations as humanitarian aid to the displaced from the hot spots, while the payments side for this

account realized US\$(1062.4) million, representing most of it payments related to Gulf War compensation amounting US\$ (1012.8) million (1.5%) of the value of the exported crude oil. While net private transfers realized a surplus of value US\$ (147.8) million for the family aid provided by non-residents to their families, and remittances of workers who worked outside their home country for more than a year, in addition to grants provided to Iraq from humanitarian organizations, except international for displaced from the hot spots.

Second- Capital Account

Net capital account realized a deficit reached to US\$ (11.1) million in 2019. This account represents capital transfers resulting from disposal of fixed assets in addition to capitalism grants presented to Iraq by international organizations.

Third- Financial Account

Net financial account during the year 2019 realized an amount of US\$ (13120.7) million, this account showed a plus sign because of changes in both assets and liabilities. The components of this account has stated below:

1- Net Direct Investment:

Net of this account realized an amount of US\$ (3269.8) million during the year 2019 because of the increase in external financial assets of US\$ (194.2) million, with the decrease in financial liabilities US\$ (3075.6) Million for payment of the capital costs of the oil fields submitted by service contract contractors of foreign oil companies operating in Iraq.

2- Net Portfolio Investment:

Net portfolio investment realized a decrease of US\$ (2254.0) million in 2019, because of the decrease in portfolio investments of securities of the Ministry of Defense valued US\$ (2271.9) million, while the other sectors realized an increase in investment portfolio investments at a value of US\$ (15.0) million. Labilities aspect realized a decrease in the financial assets for other sectors non-resident sectors in Iraq with a value of US\$(2.9) million.

3- Net Other Investment

Net other investment realized an amount of US\$ (3380.3) million in 2019, because of the increase in financial assets in other depository companies and official sector at a value of US\$ (5091.8 & 686.2) million, respectively, while financial assets

of the formal sector realized a decrease at a value US\$ (3868.2) million. Financial liabilities of this account realized a decline in financial assets amounted US\$ (1082.1) million, due to decline in government commitment towards Service contracts contractors of foreign oil companies operating in Iraq US\$(1565.1) million with an increase in financial liabilities for withdrawal from foreign loans granted to Iraq amounted US\$ (2054.0) million. The installments for those loans are recorded a decline in the financial assets amounted US\$ (1571.0) million and the financial assets for other depository companies realized a decline amounted to US\$ (388.4) million.

4- Reserve Assets (official reserves)

Reserve assets of the Central Bank realized a surplus amounted US\$(8724.6) million in 2019, because of the increase in the Central Bank's foreign assets of deposit and currency and of the CBI of investment in securities portfolio during this period.

5- Net Errors and Omissions Item

Net errors and omissions item realized an amount of US\$(2630.8) million in 2019. This item showed a negative sign so, this means that there are means that there are debit transactions not registered in the balance of payments, or there are transactions related to government imports or private sector imports not fully captured because not available from sources or there may be more credit restrictions.



Chapter Six

Developments of the Iraqi Payments System

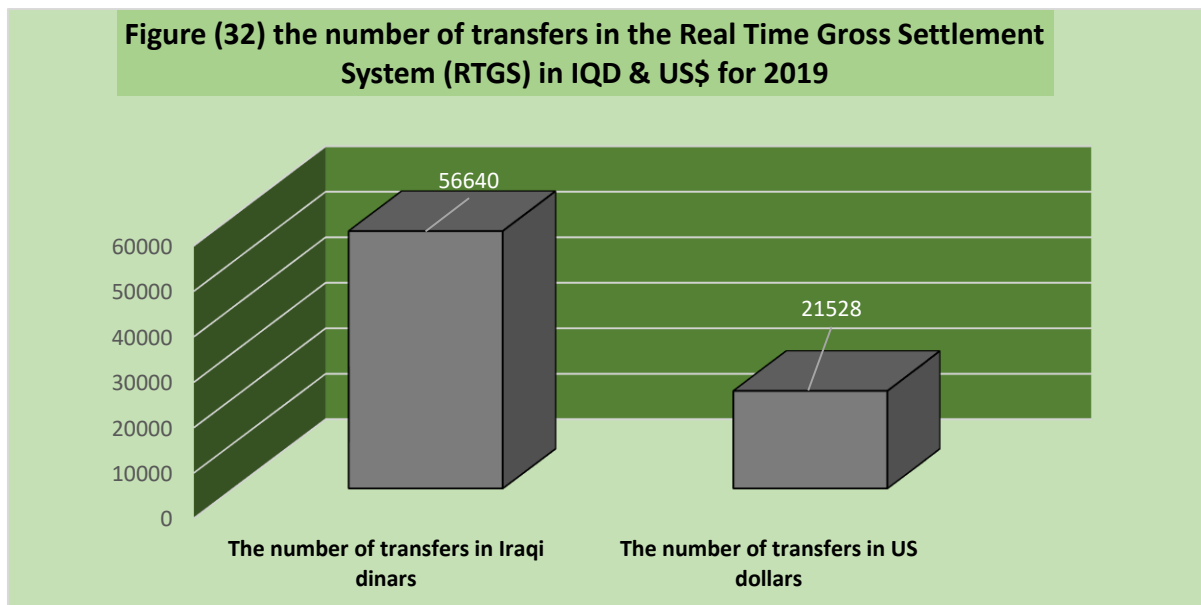
Developments of the Iraqi Payments System

Iraqi Payments System has considered a system for electronic payments exchange within banking system through a secure and effective network. The central bank is considered the controlling party and its operating director as the owner of the system and despite of multiple payment systems, but it has the same goal which is to provide the opportunity to transfer funds from an account in one bank to an account in another bank and to ensure that these systems continue to work in a manner consistent with the requirements of the participants and with the least amount of risk and cost reasonable, and to support the issues of enhancing inclusion and financial stability in the Iraqi economy.

The most important contents of the Iraqi payments system

A. Real-time Gross Settlement System (RTGS)

RTGS system connects the CBI with the main branches of banks and the Ministry of Finance for the exchange of high value payment orders inside Iraq. This system provides replacement for manual execution of operations, thus eliminating the risks arising from the comprehensive settlement of values interbank payments. Rather, the number of transfers in the total settlement system (RTGS) about (56,640) transfers in Iraqi dinars and (21,528) transfers in US dollars.



B- Automated Clearing System (C-ACH)

A system that enables the participating banks and their branches to exchange payment orders among themselves in an automated manner, the processing has done and sent the final net settlement to the Real Time Gross Settlement System (RTGS). In addition, it has done through electronic instruments exchange system, which have encoded with magnetic ink and preserved with the original copy of the instrument in the deposited branch, and sending a copy of the instrument and its data through the branch system to the participant system in the General Administration.

- (4) Banks have participated in addition to the Ministry of Finance in the Electronic Clearing System (C-ACH) and (50) Bank branches in the updated system for the year 2019 to reach the total number of branches which are participating (739) banks branches. As for the number of credit payment (CT) order transfers (in the Electronic clearing system (C-ACH) (3,401,830) transfers in Iraqi dinars and (15,212) transfers in US dollars. In addition, the number of electronic instruments transfers (CH) in the clearing system Electronic (ACH) (798,193) instrument (sakk) in Iraqi dinars and (2,537) sakk in US dollars, Table (24).

c- Internal clearing system between branches of a single bank (IBCS)

It is an internal clearing exchange system for government banks that do not have a comprehensive banking system. It enables the general administration of the bank to monitor transfers accurately, efficiently and with transparency and provides a database for all transfers that take place through this system, this system also enables bank branches participate in sending and receiving files of payment orders and instruments encoded in magnetic ink between them through the system in an automatic way.

(5) Banks and (20) branches were involved in the internal clearing system between branches of the same bank (IBCS) the total number of participating branches for participated branches is (361), but the number of remittances by payment order payable (CT) way in the IBCS is about (5,690,601) transfers in Iraqi dinars and (377) transfers in US\$. As well as the number of electronic instruments sukuk transfers (CH) in the internal clearing system (IBCS) (628,183) check in Iraqi dinars & (45) check in US\$.

D- National distributor for retail and payment (IRPSI)

Within the framework of seeking an update and develop financial and banking services in Iraq in a manner consistent with International developments in this field. The Central Bank of Iraq has seek to establish the infrastructure for the Retail Payment System, including creation of a National Distributor for Retail and Payment (IRPSI) by Mobile to transfer money electronically to points of sale and ATMs. It was actual launched Iraqi Retail Payment System (IRPSI) with banks and companies where banks have been linked (Trust, Al-Rajeh, al- Nahren, across Iraq, the world bank, the agricultural bank, the industrial bank, al-Taif Bank, al Al-Aqleem bank) for 2019. As for companies, the (National Gate) company has linked during the year (2019) through local cards to reach the total number of participating entities (43) participants.

The number of financial transfers through local cards among participating banks in the National distributor (556,029) transfer in Iraqi dinar and (5,046) transfer in US dollar. The number of financial transfers by mobile for participating companies in National distributor (1,447,844), and (597,087) transfer in Iraqi dinar to the Iraq Portfolio Company and Asia Hawala Company respectively.

Table (24)

Transfers in IQD and US\$ by participants in the Iraqi Payments System for 2019

Name of the system	Number of transfers In IQD	Number of transfers In US\$
RTGS system	56,640	21,528
C-CAH system		
a. Credit payment order CT	3,401,830	15,212
b. Electronic sukuk CH	798,193	2,537
IBCS system		
a. Credit payment order CT.	5,690,601	377
b. Electronic sukuk CH.	628,183	45
IRPSI system		
a. Money transfers via local cards	556,029	5,046
Money Transfers by Mobile		
1- Iraq Wallet Company	1,447,844	
2 -Asia Hawala	597,087	

The most important developments of Iraqi Payments System for 2019

The important developments in Payments System for 2019 refers:

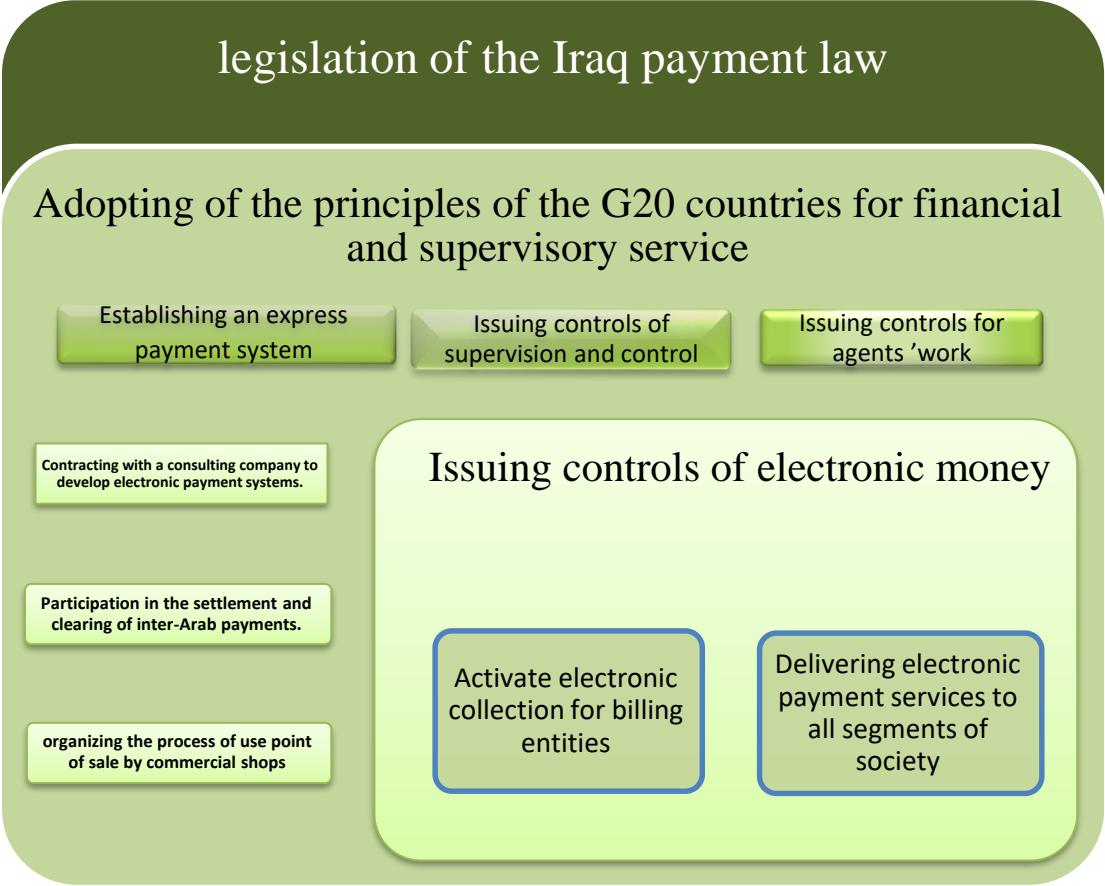
- Complete the preparation of the software for the electronic collection project, which has considered one of the core projects that contribute to enhancement of government resources and their collection in a safe and transparent environment by depending on the infrastructure represented by the national distributor. The project aims to provide a supply and payment service of Electronic bills and inquiries for all citizens through banks and providers of Electronic Payment Services authorized by the Central Bank.
- The comprehensive banking systems have been linked in order to facilitate the flow of work and update the data electronically and without human intervention, as the project of linking comprehensive banking systems for banks with the two systems of the Real-Time Gross Settlement System (RTGS), of which (34) banks, the clearing system mechanism (C-ACH) (31 banks).
- Systems have updated to facilitate the collection of money. The total settlement system has updated by activating the reservation feature of a cash out for the purpose of automating the cash of banks and dispense of using instruments in cash withdraw. As well as updated the clearing system(C-ACH) by activating the direct debt instruments (DD) in the (POT) screen for the purpose of facilitating the process of banks' collection of amounts owed by customers, based on a prior contract between two parties.
- **Financial inclusion**
The concept of financial inclusion includes protecting the rights of financial services consumers and encouraging them to manage their funds and savings, in order to avoid some resorting to informal channels and means, which are not subject to supervision and control, and mostly rely on high prices. In order to achieve the strategic objective represented by developing the infrastructure for payment and settlement systems according to international standards and to support the issues of enhancing inclusiveness and financial stability in the Iraqi economy. The Central Bank works to achieve this object through important steps that it took in this regard:

- a. Strengthening the role of payments systems in financial inclusion in order to enhance access and use of all community Categories, including marginalized and poor Categories. Payment cards were issued the electronic payments card of all kinds, which is (3139022) cards that enable the categories of society from using it through electronic payment services representing by ATMs and points of sale (Pos) and the outlets (Poc), that numbered (1003) ATMs, (3834) points of sale and (11108) outlet.
- b. Within the project of nationalizing the salaries of state employees. The salaries of state employees are nationalize for the year -2019 by (208) spending unit. The total spending units that were localized since the beginning of the project were (398) units (self and central financed), it has been prepared and added (8) banks to the list of banks adopted by the Bank to be the total number (29) banks by (6) government banks and (18) private banks and (5) foreign banks branches.

The most important plans to develop electronic payment systems in Iraq

- 1- Issuing Iraqi Payments Law (legislation of the law).
- 2- Issuing controls of supervision and control.
- 3- Issuing controls of electronic money.
- 4- Issuing controls for agents 'work.
- 5- Establishing an express payment system.
- 6- Contracting with a consulting company to develop electronic payment systems.
- 7- Participation in the settlement and clearing of inter-Arab payments.
- 8- Organizing the process of using points of sale by shops.
- 9- Delivering electronic payment services to all segments of society.
- 10- Adopting of the principles of the G20 countries for financial and supervisory services.
- 11- Activate electronic collection for invoiced entities.

Figure (33)
The most important plans to Develop Electronic Payment Systems in Iraq





Statistical Annexes

Annex Table (1)
Gross Domestic Product by Economic Activities at Constant Prices 2018-2019 Base
Year 2007 = 100

(IQD Billion)

Economic Activities	Value Added at Constant Prices for 2018	Value Added at Constant Prices for *2019	Relative Importance %	Change Rate %
Agriculture, forestry, hunting and fishing	4358.6	6048.4	2.8	38.8
Mining and Quarries:	128159.5	132964.7	62.3	3.7
Crude Oil	127885.4	132700.2	62.2	3.8
- Other Types of Mining	274.1	264.4	0.1	-3.5
Manufacturing	1957.7	2059.9	1.0	5.2
Electricity and Water	1973.8	2410	1.1	22.1
Building and Construction	7216.8	7033.5	3.3	-2.5
Transport, Communication and Storage	16933.8	17496.5	8.2	3.3
Wholesale and Retail Trade, Hotels and the Like	13958.9	14977.8	7.0	7.3
Finance, Insurance, Real Estate and Business Services: -	10686.9	10940.2	5.1	2.4
Banks and Insurance	2715.8	2729.5	1.3	0.5
- Ownership of Houses	7971.1	8210.6	3.8	3.0
Social and Personal Development Services	19259.8	19597.5	9.2	1.8
General Government	14880.8	15170.5	7.1	1.9
Personal Services	4379	4427	2.1	1.1
TOTAL BY ACTIVITY	204505.8	213528.5	100	4.4
Less: Service Charge Calculated	1729.5	1738.7	-	-
Gross Domestic Product	202776.3	211789.8	-	4.4

Source: Ministry of Planning / Central Statistical Organization

*Preliminary Quarterly Estimates

Annex Table (2)
GDP by Economic Activities at Current Prices for 2018 – 2019
(IQD Billion)

Economic Activities	Value Added at Current Prices for 2018	Value Added at Current Prices for *2019	Relative Importance %	Change Rate%
Agriculture, Forestry, Hunting and Fishing	6322.7	8766.7	3.3	38.7
Mining and Quarries:	118298.2	114449.7	43.0	-3.3
Crude oil	117856.3	114031.2	42.8	-3.2
- Other Types of Mining	441.9	418.5	0.2	-5.3
Manufacturing	4933.4	5257.1	2.0	6.6
Electricity and Water	6882.6	7628.4	2.9	10.8
Building and Construction	11222.1	10731.3	4.0	-4.4
Transport, Communication and Storage	25231.4	26005.5	9.7	3.1
Wholesale and Retail trade, Hotels and the Like	19151.6	20449.7	7.7	6.8
Finance, Insurance, Real estate and Business Services: -	19668.5	20307.1	7.6	3.2
Banks and Insurance	4969.9	5138.8	1.9	3.4
- Ownership of Houses	14698.6	15168.3	5.7	3.2
Social and Personal Development Services	46324.6	52595.1	19.8	13.5
General Government	38919.7	44923.8	16.9	15.4
Personal Services	7404.9	7671.3	2.9	3.6
TOTAL BY ACTIVITY	258035.2	266190.6	100	3.2
Less: Service Charge Calculated	3165	3273.4	-	-
Gross Domestic Product	254870.1	262917.2	-	3.2

Source: Ministry of Planning / Central Statistical Organization

*Preliminary Quarterly Estimates

Annex Table (3)

Money Supply (M₁, M₂) and its Components for Months of (2018-2019) (IQD Billion)

Period	Currency Outside Banks	Current Deposits	M1	Other Deposits	M2
January/2018	39,370.5	36,306.2	75,676.7	15,948.5	91,625.2
February	38,887.2	35,826.9	74,714.1	16,117.1	90,831.2
March	38,213.2	35,156.0	73,369.2	16,148.1	89,517.3
April	38,054.2	35,619.4	73,673.6	16,129.2	89,802.8
May	38,852.5	33,842.3	72,694.8	16,253.2	88,948.0
June	39,564.2	35,009.4	74,573.6	16,399.7	90,973.3
July	39,608.8	34,783.9	74,392.7	16,535.2	90,927.9
August	39,496.0	35,387.4	74,883.4	16,604.1	91,487.5
September	39,800.2	36,718.7	76,518.9	16,651.1	93,170.0
October	40,512.8	35,564.9	76,077.7	16,779.2	92,856.9
November	39,877.9	36,744.2	76,622.1	17,080.0	93,702.1
December	40,498.1	37,330.9	77,829.0	17,561.7	95,390.7
January/2019	39,791.6	36,878.2	76,669.8	17,583.2	94,253.0
February	40,545.2	35,426.4	75,971.6	17,750.7	93,722.3
March	40,982.1	36,776.4	77,758.5	17,863.2	95,621.7
April	41,383.8	37,243.0	78,626.8	18,477.3	97,104.1
May	42,392.0	36,062.1	78,454.1	17,589.0	96,043.1
June	42,966.6	38,211.3	81,177.9	17,288.4	98,466.3
July	42,889.0	39,999.5	82,888.5	16,613.5	99,502.0
August	43,595.9	40,603.5	84,199.4	16,744.2	100,943.6
September	44,278.5	40,581.2	84,859.7	16,943.2	101,802.9
October	46,597.2	39,562.1	86,159.3	16,560.2	102,719.5
November	46,547.2	39,937.0	86,484.2	16,337.6	102,821.8
December	47,638.6	39,132.4	86,771.0	16,670.1	103,441.1

Preliminary data and subject to modification

Annex Table (4)
Monthly Average of Exchange Rate of Iraqi Dinar per USD in Domestic
Market for the Months of (2018–2019)

(IQD/US\$)

Period	2018	2019
January	1246	1195
February	1229	1193
March	1217	1196
April	1202	1195
May	1200	1194
June	1200	1194
July	1201	1195
August	1206	1199
September	1206	1195
October	1205	1196
November	1200	1201
December	1195	1202
Average	1209	1196

Annex Table (5)
Sold Quantities of Dollars in the CBI for 2018 – 2019

(Million US\$)

Period	2018			2019		
	Cash	Transfer/Enhancing Bank Account	Total	Cash	Transfer/Enhancing Bank Account	Total
January	788	3078	3866	539	4201	4740
February	690	3104	3794	456	2852	3308
March	709	3657	4366	483	3246	3729
April	785	3141	3926	519	3862	4381
May	853	3122	3975	509	4057	4566
June	845	1990	2835	423	2878	3301
July	945	3243	4188	530	4008	4538
August	750	3079	3829	356	3175	3531
September	709	3450	4159	493	4528	5021
October	692	3409	4101	506	4323	4829
November	530	3430	3960	428	3767	4195
December	492	3642	4134	532	4456	4988
Total	8788	38345	47133	5774	45353	51127

Preliminary data and subject to modification

Annex Table (6)
Sale & Purchases of Dollars for 2018-2019

(Million US\$)

period	2018		2019	
	Sales	Purchases from Ministry of Finance	Sales	Purchases from Ministry of Finance
January	3866	2750	4740	5000
February	3796	4250	3308	2400
March	4366	4500	3729	5500
April	3926	2500	4381	4650
May	3975	5500	4566	4658
June	2835	5150	3301	5000
July	4188	4500	4538	4500
August	3829	6250	3531	4750
September	4159	2829	5021	4000
October	4101	5500	4829	6100
November	3960	3500	4195	6200
December	4134	5000	4988	6093
Total	47133	52229	51127	58851

Preliminary data and subject to modification

Annex Table (7)

Standing Deposit Balances in IQD for Period (7, 30) Days for 2018 -2019, and in dollars for (91) days for 2019

(IQD Billion)

Period	2018		2019		
	Days(7)	(30) Days	Days(7)	(30) Days	(91) Days Million US\$
January	77	1051	81	374	0
February	67	924	149	298	131
March	75	1143	99	237	170
April	108	1296	164	245	219
May	69	1301	128	275	269
June	47	1419	151	279	275
July	198	1437	105	161	264
August	601	717	115	317	82
September	202	1500	96	352	37
October	171	1621	186	356	0
November	66	388	75	440	0
December	66	389	103	350	0

Preliminary data and subject to modification

Annex Table (8)
Reserve Requirement for (2018–2019)

(IQD Billion)

period	2018		2019	
	State –owned banks	Private banks	State –owned banks	Private banks
January	6042	626	9311	1265
February	6065	617	9200	1317
March	6040	628	8817	1282
April	6122	625	8736	1294
May	8561	850	8860	1311
June	8076	855	7977	1201
July	8188	869	8206	1171
August	8326	888	7954	1076
September	8584	905	7214	2023
October	9056	1206	8435	1183
November	9228	1156	8491	1172
December	9212	1198	8420	1160

Preliminary data and subject to modification

Annex Table (9)

CBI Remittances on Maturities of (182) days in IQD and USD and (365) days in IQD for 2018-2019

(IQD Million)

Period	2018						2019						USD Million		
	Amount Sold (182) days	Amount Paid	Interest Rate Average %	Amount Sold (365) days	Amount Paid	Interest Rate Average %	Amount Sold (182) days	Amount Paid	Interest Rate Average %	Amount Sold (365) days	Amount Paid	Interest rate average %	amount sold (182) days in US\$	Amount paid	Interest rate average %
January		85,000					60,000		2.5						
February		10,000													
March		100,000					20,000	60,000	2.5						
April		200,020													
May		105,000					90,000	80,000	2.5				17		2.0
June		105,000													
July							41,000	60,000	2.5						
August										20,000		2.9			
September	60,000		2.5				35,000	20,000	2.5						
October				55,000		2.9				51,500	55,000	3.0			
November	80,000		2.5				100,030	90,000	2.5						
December				70,000		2.9				100,010	70,000	3.0		17	
Total	140,000	605,020	2.5	125,000		2.9	346,030	310,000	2.5	171,510	125,000	3.0-2.9	17	17	2.0

Preliminary data and subject to modification

Annex Table (10)
Stock of Deposits with Commercial Banks by Type and Sector for
2018-2019

(IQD Million)

Items	2018	2019
The Central Government	22,272,569	26,575,051
Current	18,145,359	20,794,265
Savings	0	0
Fixed	4,127,210	5,780,786
Public Institutions	27,256,973	24,822,690
Current	23,029,308	22,592,905
Savings	7,952	26,583
Fixed	4,219,713	2,203,202
Private Sector	27,364,385	30,708,684
Current	14,290,070	16,530,570
Savings	11,762,599	12,588,037
Fixed	1,311,716	1,590,077
Total	76,893,927	82,106,425

Preliminary data and subject to modification

Annex Table (11)

Direct Cash Credit Stock Extended by Commercial Banks by Type and Sector for 2018–2019

(IQD Million)

Items	2018	2019
The Central Government	15,595,379	18,355,430
Overdrawn Accounts Balance	1,006	2,096
Discounted Commercial Papers	2,083	207
Loans and Advances	15,591,895	18,352,745
Overdue Debts	395	382
Public Institutions	2,675,495	2,654,868
Overdrawn Accounts balance	151,333	162,496
Discounted Commercial Papers	0	0
Loans and Advances	2,500,409	2,420,006
Overdue Debts	23,753	72,366
Private Sector	20,216,073	21,042,213
Overdrawn Accounts Balance	2,041,472	2,244,163
Discounted Commercial Papers	281,829	85,755
Loans and Advances	13,036,292	14,637,516
Overdue Debts	4,856,480	4,074,779
Total	38,486,947	42,052,511

Preliminary data and subject to modification

Annex Table (12)
Sectoral Distribution of Cash and Pledged Extended by Commercial Banks for
the Years 2018-2019

(IQD Million)

Activities	Cash Credit		Pledged Credit	
	2018	*2019	2018	*2019
Agriculture and Fishing	1,964,092	2,165,861	84,767	84,826
Mining	89,462	192	1,322	985
Manufacturing	1,787,083	2,369,116	106,113	91,859
Water, Electricity & Gas	1,999,932	1,512,284	369,426	368,092
Trade, Restaurants & Hotels	5,970,463	7,576,818	18,880,204	18,718,012
Transport, communications & Storage	1,919,944	2,075,263	79,871	72,020
Finance & Insurance	1,153,776	854,555	605,484	491,880
Community Services	13,813,654	15,507,631	2,309,910	2,593,668
External World	36,744	0	2,013,891	2,020,478
Building & Construction	9,751,797	9,990,791	885,645	828,002
Total	38,486,947	42,052,511	25,336,633	25,269,822

Preliminary data and subject to modification

Annex Table (13) I
IRAQI BALANCE OF PAYMENTS (BPM6) 2019

Million Of U.S \$

Items	(FOB)
first -current account	15,762.6
1- Trade balance	32,167.6
Exports (F.O.B)	81,585.2
– Crude oil	78,364.7
– *Governmental	78,364.7
– private	0.0
– Oil Products	2,735.3
– Governmental	2,682.7
– private	52.6
– Other exports	485.2
Imports	49,417.6
1. Government Imports	10,867.5
A- consumption imports	3,658.4
B- capital imports	1,570.7
C- Refined oil products	5,164.0
D- Other Gov.imports	448.9
E- Cost of currency printing	25.5
2- Private Sector imports	38,550.1
A.Cons. goods imports	9,637.5
B.Capital goods imports	28,912.6
C.Oil products imports private sector	0.0
2- Services Account, net	-15,547.2
Receipts	7,317.7
Payments**	22,864.9
3-Primary Incom Account	-1,166.0
Compensation of employee	37.3
Investment Income	-1,203.3
– Receipts	1,643.2
– Payments	2,846.5
- Interest/external debt	922.6
- others	1,923.9
4-Secondary Incom Account	308.2
Special transfers Included Remittances	147.8
Official	160.4
– Receipts	1,222.8
Total of Grants	1,161.7
Other current transfers	61.1
– Payments	1,062.4
Total of Grants	0.0
Other current transfers	1,062.4
UN Compensation Fund	1,012.8
Others	49.6

* Including the value of oil in kind

**Includes the costs of shipment & insurance deducted from imports value CIF (8720.7) million US \$

Note :Preliminary data .

Annex Table (13) II
IRAQI BALANCE OF PAYMENTS (BPM6) 2019

Million Of U.S.\$

Items	(FOB)
second- Capital Account/ net	-11.1
credit	0.1
debit	11.2
third- Financial Account/net	13,120.7
1- Direct investment /Net	3,269.8
Abroad	194.2
In Iraq	-3,075.6
2- Portfolio Investment /Net	-2,254.0
- Assets	-2,256.9
a-General Government	-2,271.9
drawing	1,285.2
paid	3,557.1
b-Other sectors	15.0
drawing	15.0
paid	0.0
- Liabilites	-2.9
a-General Government	0.0
drawing	0.0
paid	0.0
b-other Sectors	-2.9
drawing	2.7
paid	5.6
3- Other Investment , net	3,380.3
a- Official , net	-2,786.1
- Assets	-3,868.2
- Claims held abroad	0.0
- Change In Government Available Stock	-4,055.9
- Trade Credit	162.2
- Other equity	25.5
- Liabilites	-1,082.1
- Obligation on government	-1,565.1
- Loan disbursements	2,054.0
- Amortization	-1,571.0
- Trade Credit	0.0
b- Private, net/ ODC's	5,480.2
- Assets	5,091.8
- Liabilites	-388.4
c- Foreign Deposites,net /Other Sectores	686.2
4-Reserve assets	8,724.6
- Central bank	8,724.6
- Reserves	8,724.6
- Reserve Assets	8,724.6
a-Monetary Gold	0.0
b-Special Drawing Rights	0.4
c-Reserve Position in the Fund	0.0
d-Foreign Assets	8,724.2
1- Currency and Deposites	8,278.4
Authorities With Monetary-	5,835.2
-With banks	2,443.2
2- Securities	445.8
-Equities	0.0
-notes & bonds	0.0
- Money Market Instrument\Financtial/ Derivatives,net	445.8
3-Other Cliaims	0.0
Fourth- Errors and omissions Net: Financial Account-(current account+Capital Account)	-2,630.8

Source: Central Bank of Iraq \ Statistical and Research
 Department \ Balance of Payments and External Trade
 Division.

Statistics & Research Department