

Press Release

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Assessing Gross Regional Product of Kurdistan Region-Iraq in 2013

The Kurdistan Regional Statistics Office (KRSO) recently announced that the preliminary estimate for the Gross Regional Product (GRP) in the Kurdistan Region-Iraq (KRI) in 2012 was 23.5 billion USD (27,362 billion IQD). GRP measures the value added in the production of goods and services in the region. This estimate represents the first time that a comprehensive calculation of value added by various sectors in KRI has been done.

In 2012, the largest non-government sectors in terms of value added to KRI in 2012 were, construction (18.6%), wholesale and retail trade (9.1%), home ownership and rental (8.6%), and miscellaneous services (7.3%). Manufacturing contributed 6.1% of value added, and agriculture contributed 3.1%. This estimate does not include the natural resources sector. Also, due to variation in data availability, information for some sectors is from 2011 or 2013.

Given recent developments in the region that were beyond the control of the KRSO, a similar comprehensive exercise could not be done for 2013, though the KRSO has every intent in instituting a process to systematically calculate GRP for the region in future years. However, based on a recent estimate of the growth rate between 2012 and 2013, the KRSO can provide an approximate assessment of what the GDP would have been in 2013.

Assuming a growth rate of 8% between 2012 and 2013, the GRP in 2013 would have been 25.4 billion USD.¹

A few caveats are in order. Unless one assumes equal growth across sectors, it is not possible to provide an accurate breakdown of sectors as was done for 2012. However, it is reasonable to assume that the structure of the economy did not change substantially between 2012 and 2013.

Moreover, if it were the case the natural resources sector contributed disproportionately to this growth, extrapolating the entire GDP from the 2012 estimate using a single growth rate might not be appropriate. If one makes a more conservative assumption that not all sectors grew at the 8% rate and assumes a lower growth rate between 2012 and 2013 for sectors other than natural resources, say 5%, the GRP in 2013 would have been 24.7 billion USD.

¹ *Kurdistan Review: Opportunities Unlimited*, Invest between 2012 and 2013 is “predicted to reach 8%” should be directed to: Kurdistan Regional Statistics Office, Erbil

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