



**Kurdistan Regional Government
Ministry of Planning
Kurdistan Region Statistics Office**



Trade exchange(import) in Iraq and Kurdistan region 2016 – 2017

**Trade department
September 2018**

Kurdistan Regional government of Iraq
Ministry of Planning
Kurdistan Region Statistics Office

Imports to Iraq and Kurdistan Region 2016-2017

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Foreword

The aim of Kurdistan region statistics office is to achieve various data and indicators on different fields. One of those fields is Export and Import in Kurdistan region as an important economic source. For this reason, Industrial department in KRSO could achieve this data which is available in “*report of trade exchange between Iraq, Kurdistan region and the countries across the world 2014-2017*” which has been prepared by ministry of trade and industry/ planning department. Here, we would like to express our deep thanks to ministry of trade and industry for making this data available. KRSO found it necessary to release this report following making some observations.

Serwan Mohammad. M
The president of KRSO

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Trade exchange (import) in Iraq and Kurdistan region

Introduction

Today, having a comprehensive economic plan is of great important for developed countries. These countries make efforts to use all their human and economic resources to achieve high level of economy. This is why the external trade has an important place in the economic policy of these countries in planning and performing economic development programs.

Export directly raise the national income, while, import indirectly supports the national economy through providing consumers' goods, investment goods, production tools and equipment that are required for development and rising the national income average.

Iraq is one of the Middle East countries that became a topic for international policy and economic research especially after 2004 when its economic situation got worst.

The crude oil is the main income source in Iraq estimated at 140 billion barrels. The oil export average was 3,3 million barrels a day in the south of Iraq in 2016, which formed 90% of Iraq income and 80% of Iraq external trade.

The gross domestic production per capita was about 4180 dollars¹ in 2016. Distribution of GDP across economic sectors was 5.7% in agriculture, 45% in industry, and 49.3% in the service sector. The GDP per capita growth rate in 2016 was 10.3% compared to 2015, mostly due to crude oil rising price.

Change in Policy system in 2004, population growth, increase of per capita income, and making efforts to provide market needs, are factors that caused a rapid rise in import level in Iraq from 10 billion dollars in 2004 to about 47 billion² in 2016.

In one hand, import growth made progress in market and trade activities, and in other hand caused the Iraq ability to go into a recession in the field of agriculture, industry and investment sector in the general. As an example, the import volume in animal production, vegetables, fruits, oils, food and beverages reached from 2,4 billion dollars in 2004 to more than 10,3 billion dollars in 2016. In other words, for 40% population growth, the import level of these items increased about 4,29 times.

The import growth for cars and spare parts of cars reached from 1,3 billion dollars in 2004 to 5,3 billion dollars in 2016, 4,1 times increased.

¹ Source: CIA factbook, EW Economic Center, UN Economic Statistical Center

² Source: CIA factbook, EW Economic Center, UN Economic Statistical Center

Despite what some of directorates think, Statistics is not only a group of numbers on papers. Using Statistics and information in planning and administration is of great important for every institution and relied on as a main basis for development.

Human could change the trend of issues through data. No doubt, having a proper system for collecting data and information is a measurement for the countries development.

Evaluating, organizing and analyzing data as the basis of statistics are the raw materials for planning in high and low levels.

Providing services and statistics data to the private sector to evaluate, analysis the past and current situation and forecast the future, and develop a proper statistics program, the ministry of planning and industry/general directorate of planning and assessing decided to collect, organize and publish the data on trade exchange between Iraq, Kurdistan region and other countries.

Though, the central statistics organization of Iraq published its own trade report, this information is taken from different sources like International Trade Statistics Database (UN comrade), European center trade commission (EUCTC), world trade center (WTO), United Nations Statistical Commission (UNSC), world bank data center (WIST), Statistical Office of the European Communities (Eurostat), international trade commission (ITC), and from the most important sources like trade and industry chamber, the ministry of trade, ministry of the economy or related ministries in other countries.

The available data was generally on the basis of Harmonized System code (HS) 2002, version 2007 or 2012 that has been revised in consistence with 2012 codes. But the basis of version 2017 has been followed in the report.

There is obvious difference between the report of CSO under the title "*import in 2016*" and the report of ministry of trade and industry under the title "*trade exchange between Iraq, Kurdistan region and world's countries 2014-2016*" due to following the standards of World Trade Center in preparing the reports of external trade exchange which are annually published by the UN members countries.

The differences are due to the following reasons:

1. to estimate the cost of imported goods, Center statistics organization (CSO) used **CIF** that means the final cost of imported goods on customs points of Iraq borderlines which consists of costs of freight and insurance which seller pays against the buyer's risk of loss or damage in transit to destination, while, the cost of imported goods in the report of Kurdistan region has been estimated by using **FOB** (Free On Board) that means the

final price of imported goods on the customs points of the exporter countries. For example, the average price of a ton of imported eggs is 975 dollars according to the CSO's report, while, this amount is 898 dollars according to the Kurdistan regions report. As another example, we can refer to the frozen chicken, where, the price of one ton of Brazilian frozen chicken is 1934 dollars according to the CSO's report and 1279 dollars according to the Kurdistan region report.

2. Despite of what CSO did, military goods that are exchanged between countries by agreement are not measured as imported and exported goods according to the guidance of world trade center. Statistics of Kurdistan region has only recorded those military goods that have been imported by people for their own use and are not included in contract of ministry of defense. These goods have been mentioned by exporter countries.
3. in the report of CSO, all goods that have been brought to Iraq free of charge by countries or organizations as humanitarian assistance and especially those have been provided to refugees, have been recorded as imported goods, while, statistics of Kurdistan region has not recorded the prices of these goods which have not been recorded by exported countries.
4. According to the information that has been released by CSO, the amount of imported goods that have been imported through Kurdistan region borderlines are not included, while, in the report of Kurdistan region, these goods have been recorded through a field work and visiting Kurdistan region traders. This data is available in the report of *the value of imports to Kurdistan region (borderlines) and the rest of Iraq*.
5. Disregarding the standards of data collection for trade exchange by CSO was reason of having big difference between the statistics released by CSO and exported countries that has been officially published in economic sites for data.

Table 1: The value of imports from countries to Iraq in 2016 by CSO and world economic center data (\$ Billion)

Country	value of imported goods to Iraq except KRG (CSO)	value of imported goods to all Iraq (world economic center data that taken from exporter countries)
China	16,9	7,6
Jordan	6,5	5
Kuwait	0,1	0,3
Arab Emirates	0,6	5,4
South Korean	4,4	0,8
Germany	1,5	0,35
Japan	1,2	1,3
America	0,86	1,3
Italy	1	0,7
Iran	1,9	6,1
Turkey	0,12	7,6

the results from the world economic organizations and the exporter countries shows, the total imports value excluding the oil productions, contracts of ministry of defense, and aide country donors was about 41 billion dollars in 2016 and about 44 billion dollars in 2017. The imports to Kurdistan region was estimated at 16 billion dollars in each of these years. These figures have been calculated by **FOB** method that is the price of imports at the last customs point of the exporter country.

The highest level of import to Iraq that was calculated in **CIF** method was not exceeded from 54 billion dollars in 2016 and 58 billion in 2017 and for Kurdistan region it was 21 billion dollars for each of these years.

Table 2: The value of imports to Iraq and Kurdistan region in 2016 and 2017, value in 1000 USD

Place	Value in 2016	Value in 2017
Kurdistan region	15,927,944	16,133,247
The rest of Iraq	25,000,822	27,395,099
All Iraq	40,928,766	43,528,346

In 2017 especially, the import for Iraq and Kurdistan region was from 102 countries. For 2017, the data from 82 countries has been received but the data from the rest 20 countries has not been received, therefore, the data of the 20 countries has been estimated based on 2016.

The data of trade exchange has been taken from foreign sources and the import price in customs point of exporter countries has been measured by **FOB** method.

For Kurdistan region, the import covers that goods which have been imported from the four main borderline points (Ibrahim Khalil, Haji Omaran, Bashmakh, Parwizkhan). For example, of the total value of 7,6 billion dollar of imports that has been imported from Turkey to Iraq in 2016, only 100 million dollar has been imported from other borderlines and the rest of imports that is of 5,7 billion dollar have been brought to Iraq through Kurdistan borderlines and by Kurdistan traders.

Figure 1: The value of imports to Iraq and Kurdistan region in 2016 and 2017, value in 1000 USD

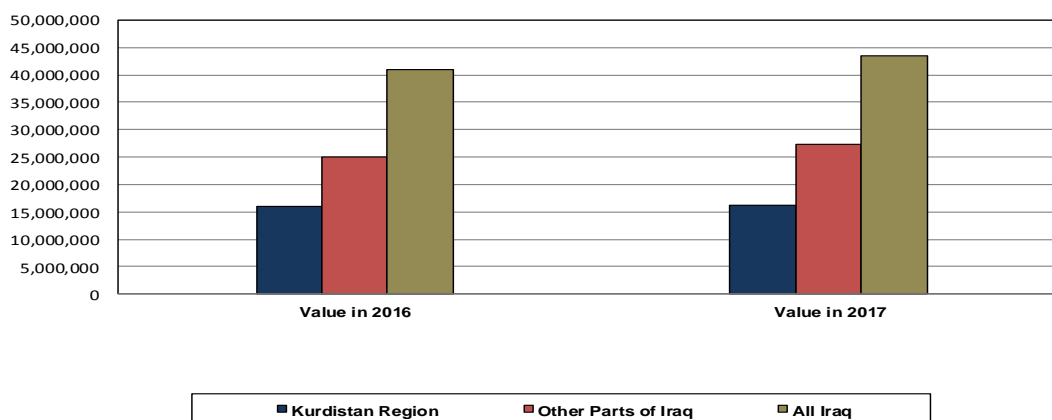


Table 3: The value of import to Iraq and Kurdistan region in 2016 and 2017 by countries

no.	countries	Value in 2016		Value in 2017	
		All Iraq	Kurdistan Region	All Iraq	Kurdistan Region
1	Africa exc. Arabian countries	18,058	1,080	11,532	1,466
2	Arabian	8,256,075	3,128,403	9,009,883	2,926,683
3	Eastern Asia	9,489,327	1,717,189	9,581,026	1,966,443
4	Middle East*	13,768,149	9,002,342	14,287,545	9,067,093
5	North America	1,382,350	352,148	1,280,721	351,262
6	Oceania	31,547	4,603	75,614	4,685
7	south America	653,641	79,037	1,122,725	90,354
8	south Asia	1,105,177	121,766	1,428,029	128,138
9	south East Asia	348,349	88,323	427,955	109,173
10	Europe (EU Countries)	4,286,893	1,274,204	4,294,228	1,335,073
11	Europe (except of EU Countries)	1,565,579	140,229	1,983,504	134,315
12	Middle Asia	23,621	18,620	25,584	18,561
Total		40,928,766	15,927,944	43,528,346	16,133,247

* Iran and Turkey

Figure 2: Imports to Iraq and Kurdistan region in 2017 by countries, value in 1000 USD

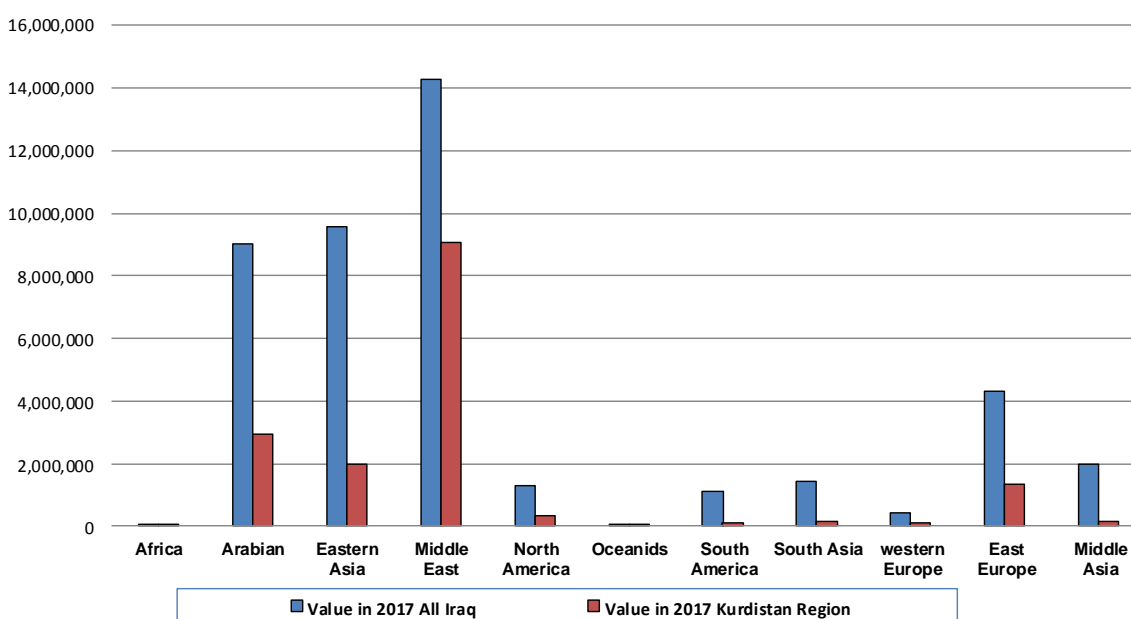


Table4 : The traded goods to Iraq and Kurdistan region in 2016 and 2017 by the Harmonized System (HS)

Sequence	Items	Value in 2016		Value in 2017	
		All Iraq	Kurdistan region	All Iraq	Kurdistan region
1	Live Animals, Animal Products	2,266,947	1,154,994	2,558,910	1,121,456
2	Vegetable Products	2,904,154	1,496,390	3,199,470	1,523,036
3	Animal or Vegetable Fats and Oils and their Products	555,950	316,683	530,135	289,508
4	Prepared Foodstuffs, Beverages, Alcoholic drinks ,Vinegar, Tobacco	3,308,205	1,541,929	3,825,444	1,453,402
5	Mineral Products	1,319,318	173,230	1,459,389	155,489
6	Products of the Chemical or Allied Industries	2,922,426	1,113,506	2,987,882	1,027,106
7	Plastics and articles thereof, Rubber and articles thereof	2,357,171	962,903	2,323,207	858,885
8	Raw Hides and Skins, Leather, Fur and Articles	144,607	32,817	141,754	35,736
9	Textiles and Textile Articles	255,291	107,258	254,384	111,873
10	Footwear, Headgear, Umbrellas	453,603	154,851	461,972	169,284
11	Wood and Articles thereof, Charcoal, Cork Textiles and Textile Articles	2,849,416	896,893	3,143,242	1,027,534
12	Pulp of Wood or of other Fibrous Cellulosic	486,987	152,544	447,391	156,754
13	Articles of Stone, Plaster, Cement, Mica ,Asbestos and..	1,324,935	354,212	1,236,026	273,256
14	Natural or Cultured Precious or Semi-Precious Gems,	3,422,232	2,592,429	4,090,475	2,740,894
15	Base Metals and Articles of Base Metal	3,231,761	1,018,467	3,164,659	983,692
16	Machinery, Mechanical Appliances &Electrical	7,665,255	2,344,014	7,144,897	2,392,219
17	Transportation Equipment	1,874,921	1,028,965	2,575,939	1,292,131
18	Instruments: Measuring, Control, Medical ,Photographic	619,075	130,721	667,846	138,187
19	Arms & Ammunition	184,747	103	116,689	93
20	Miscellaneous Manufactured Articles	1,443,945	326,217	1,521,651	365,843
21	Work of Arts, Antiques and Collector's Items	989,471	28,820	1,249,029	16,869
Total		40,580,417	15,927,944	43,100,391	16,133,247

Figure 3: Imports to Iraq and Kurdistan region in 2016 by Items, value in 1000 USD

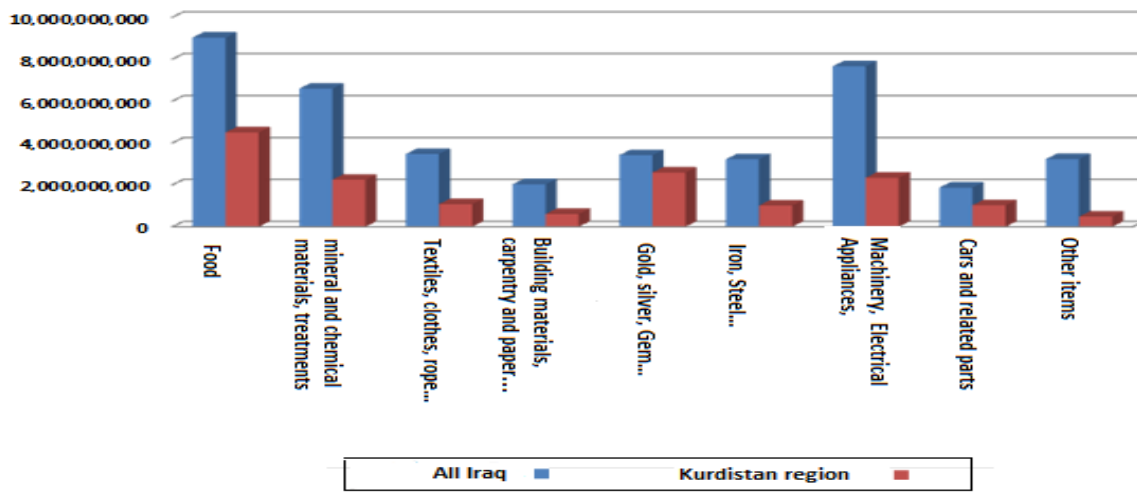
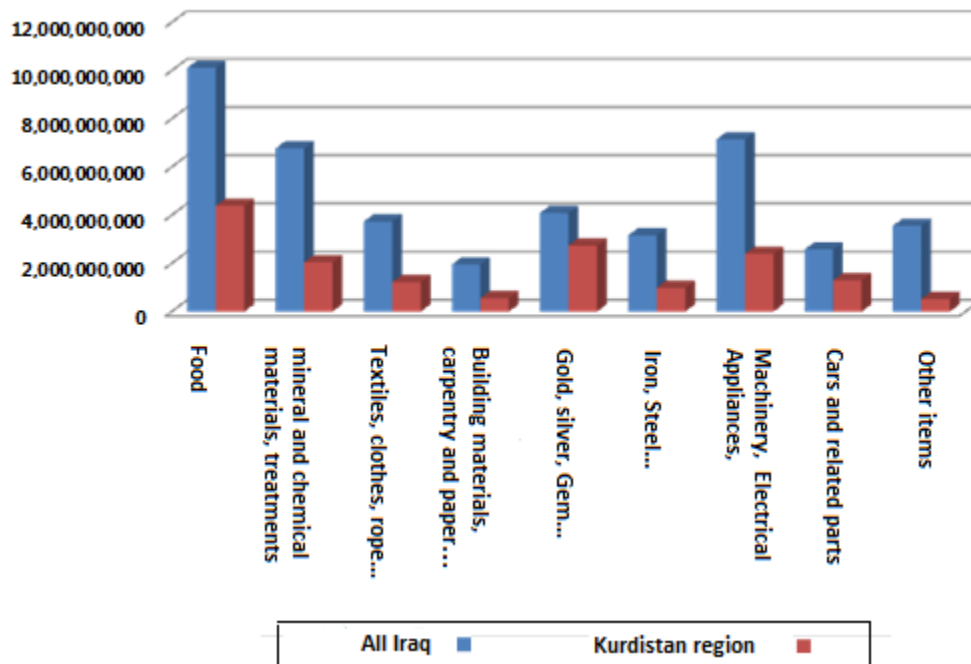


Figure 4: Imports to Iraq and Kurdistan region in 2017 by Items, value in 1000 USD



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