

# Analysis of Turkey and China's Economic Partnerships With Iraq In Trade Exchanges

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## Abstract

International economic interactions are now essential to both developed and developing countries to achieve economic growth and, thus, growth. New marketplaces for the discharge of goods are created by international commerce and foreign direct investment as part of international economic cooperation. Country-to-country trade occurs between nations that produce specific items or provide certain services and other countries that do not. In the shadow of the profound economic transformations produced by globalization and the revolution of communications and information, and the disappearance of such partnerships in the fields of trade, finance, production, and market creation, cooperating countries have achieved a range of positive advantages: gaining experience in the conditions of domestic and foreign markets through exports and direct investment, and sharing experiences and technology between those in the center countries (parent companies) and those emerging in various branches in foreign countries. After the political change that took place in Iraq after 2003, Iraq went to conclude trade and economic agreements with Turkey and China with the aim of strengthening economic, trade, scientific and technical relations between the two parties, and encouraging and expanding foreign exchange, by abolishing or reducing trade restrictions and removing non-tariff barriers in their bilateral trade, and the cooperation of the two parties in the field of expanding investments and investment opportunities, but the Iraqi side was the weakest in achieving the economic goals of these agreements, Due to the underdevelopment of the supply side of the Iraqi economy and its inability to compete with international economic partners, as its weak production capacity in its economic sectors stems from the lack of adequate economic and trade policies due to the security and political challenges that the country is going through and its weak production base, and in order to find a balance between these agreements and economic relations, a national economic strategy based on diversifying the productive base of the Iraqi economy must be adopted to make it able to compete with international partners. Due to these interactions and agreements with Turkey and China, Iraq's economy has been exposed to the rest of the globe by 68 percent. It signifies that the economy is susceptible to changes in global commerce. Economic growth is harmed when countries open themselves up to the outside world by signing agreements on economic and investment cooperation with other countries. International agreements and the enactment of laws and legislation that would preserve the interests of foreign investors, in addition to overcoming the shortage of infrastructure, would help attract foreign direct investment and promote investment in manufacturing due to Iraq's abundance of raw materials and low-wage workforce.

**Keywords:** economic interactions, marketplaces, investments

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## Introduction

A significant increase in commerce between Iraq and its trading partners—particularly Turkey—followed 2003, as its economy and trade became more accessible. As a result, the Iraqi data period increased while exports decreased, but only to the extent that oil exports were used to finance complex currency purchases. However, since the Iraqi market has been saturated with inexpensive items, many projects have been suspended and lost. This has significant economic ramifications for productive economic sectors such as agriculture and manufacturing. For some time now, the world has turned to form trade partnerships in various ways to expand trade and investment because of its critical economic implications. However, what happened in the 2008 financial crisis is the most significant evidence of the impact of work on economies if there is a crisis in one of these economies, especially the leading ones. Therefore, discussing the effects of these trade partnerships on the Iraqi economy, identifying the shortcomings and shortcomings in this relationship, and identifying the pros from which they come from, is necessary to diagnose these effects and draw an economic vision from them to advance the reality of the Iraqi economy.

### Economic Traps; Concept and Mechanisms

Unblocking the free flow of trade and investment between the two nations would be a significant economic achievement. Thus, a free trade agreement can be seen as an intermediate stage on the road to economic integration. Economic partnerships are frequently referred to as high-standard variables in free trade agreements. For instance, the Japan-Mexico Economic Partnership.

### Definition of partnership

"A contract or agreement between two or more projects" can be regarded as a generic definition of partnership: "a fixed, long-term agreement between partners that pertains to productive activity" (technological and industrial projects). The monetary (ownership) input of each individual and the industrial process's technical contribution. Utilization of patents and business relationships, expertise in the technological field. The involvement in all manufacturing and marketing procedures and stages, and the parties will split the advantages and losses. This cooperation will be verified according to the extent to which they contribute financially and technically. (Farid Al-Najjar, 1999)" Foreign investment may be characterized as a joint investment in foreign nations, including manufacturing and marketing processes, or an international corporation exercising a sufficient right to manage the project or production process without complete control. At the macro level: it means the cooperation of one or more countries in productive, extractive, or service activity, as each party contributes a share of the necessary elements for such a partnership (capital, work, organization), and this cooperation may take the form of establishing new projects or increasing the productive efficiency of existing projects by integrating them into a joint venture under new management, not only in the partnership called by the European Union with Mediterranean countries are not only on the economic side but also to include other aspects (political, social and cultural) (Barqawi, 1988). As we understand it, the work of the Economic Partnership Agreement is particularly in increasing liberalization and goods beyond the scope of the FREE Trade Agreement. Hence, therefore, our study on partnership. The data in this research were drawn from solid international institutions represented by the International Monetary Fund and the World Bank. In addition, international, regional organizations have been used to obtain data on Middle Eastern countries, including OPEC, and outsource the Iraqi Ministry of Commerce.

### Turkish-Iraqi economic relations

This relationship is one of the essential pillars of Iraq's economic partnerships, especially after 2003. Despite this, the features of the Iraqi-Turkish Committee date back to 1976, when it was formed, and there are unavoidably many instances where the Turkish economy meets the Iraqi economy. Considering Turkey and Iraq's historical, geographical, and geopolitical connection in the area, economic history may play an essential role. To make Iraq an economic gateway between the east and west, trade and economic agreements must be reached that define and govern commercial and economic activities between the two countries. Then use the following steps to get to the display of these connections:

## Economic agreements between Iraq and Turkey

A Joint Iraqi-Turkish Committee to follow up on commercial and trade connections in the scientific and technological collaboration formed in 1976 tied to that agreement. the most recent of which took place in 2018 and was endorsed by the Council of Ministers General Secretariat. (Aydin & Aras, 2005) It was signed in 2009 to deepen and enhance bilateral history within legal contracts, protocols, and contracts already in place between them. As a result, the parties agreed on improving the conditions that affect rebuilding and investment in the future.

Additionally, this agreement promotes a climate that is conducive to commerce and investment. The parties are committed to trading liberalization under the principles of the World Trade Organization (WTO). For long-term economic and trade based on mutual benefit.

Among the essential articles witnessed in this agreement are:(Kelly, 2009)

- A. Strengthening economic, trade, scientific, and technical relations between the two parties.
- B. Encourage and expand trade and contribute to economic relations between the two parties by creating a safe and credible environment for trade development between the two parties.
- C. The two parties agreed to reduce existing tariffs by removing non-tariff barriers in their bilateral trade, taking into account WTO agreements.
- D. The parties reserve the right to take appropriate measures in the fight against dumping, support, and preventive measures under the relevant paragraphs of international treaties.
- E. The two parties grant each other national treatment about the establishment and operation of companies in the other party's territory. The parties are following up on improvements that can be made to the working conditions of business people.
- F. For industrial cooperation, both parties aimed to create coordination between the economies of their respective nations' units of economic activity. It includes assisting small and medium-sized businesses, promoting training programs, and financial sector reform while supporting all economic sectors. As a result, it is built on sound economic principles like free-market capitalism and environmental preservation while also sharing knowledge like cutting-edge technical and industrial information.
- G. The two parties cooperate in expanding investment and investment opportunities by enhancing investment opportunities in both countries through conferences, seminars, trade fairs, weeks of trade and other similar activities, and the exchange of information on investment controls and incentives leading to new investment opportunities.
- H. Service-related efforts include establishing collaboration methods in financial institutions, such as banks, and settling payments arising from commercial transactions in any process. In addition, this technique may be exported and used to combat money laundering under the guidance of both nations.
- I. In SMEs, the parties strengthen projects between Iraqi and Turkish SMEs sand by developing a technical legal framework. We have to establish broad cross-border cooperation, modernize and maintain agencies that destroy the services needed by companies, establish continuous and stable links to the flow of information.

## Border crossings

There are official and non-toxic outlets on the Iraqi-Turkish border, but the official one is the Ibrahim al-Khalilport. One unofficial outlet is the "Sezer" outlet in Dohuk province, 115 km from the Ibrahim al-Khalil port, set up with the Kurdistan region and Turkey. A new outlet was proposed by the Iraqi Ministry of Commerce, an outlet (Fishkhabor-Avakoi).(Sultan & Noor, 2017)

## The nature of Iraqi-Turkish trade:

Trade relations between Turkey and Iraq are an essential key pillar between the two countries because of their geographical and historical association. Through World Bank data, we will present in table (1) the volume of trade between the two countries.

**Table (1). The volume of trade between Iraq and Turkey for the period (2004-2018) million dollars**

The year	Total Iraqi imports	Imports from Turkey	Percentage of total imports	Total Iraqi exports	Exports to Turkey	Percentage of total exports	Total trade	Percentage of total trade volume	Trade balance
2004	21,302	1,820	8.55	17,810	467.6	2.6	2,288.6	5.9	1,353.4-
2005	23,532	2,750	11.69	23,697	458.7	1.9	3,208.7	6.8	2,291.3-
2006	22,009	2,589	11.76	30,529	375.9	1.2	2,964.9	5.6	2,213.1-
2007	19,556	2,844	14.54	39,516	645.1	1.6	3,489.1	5.9	2,198.9-
2008	30,171	3,917	12.98	63,726	133.1	0.2	4,050.1	4.3	3,783.9-
2009	35,285	5,123	14.52	39,430	120.6	0.3	5,243.6	7.0	5,002.4-
2010	43,915	6,036	13.74	52,483	153.5	0.3	6,189.5	6.4	5,882.5-
2011	47,803	8,310	17.38	83,226	86.7	0.1	8,396.7	6.4	8,223.3-
2012	59,006	10,822	18.34	94,392	149.3	0.2	10,971.3	7.2	10,672.7-
2013	65,104	11,948	18.35	93,066	145.7	0.2	12,093.7	7.6	11,802.3-
2014	68,618	10,887	15.87	88,949	268.5	0.3	11,155.5	7.1	10,618.5-
2015	58,517	8,549	14.61	57,577	296.5	0.5	8,845.5	7.6	8,252.5-
2016	44,116	7,636	17.31	46,830	836.3	1.8	8,472.3	9.3	6,799.7-
2017	48,506	9,056	18.67	63,604	1,327	2.1	10,383.0	9.3	7,729.0-
2018	56,876	8,351	14.68	92,831	1,420	1.5	9,771.0	6.5	6,931.0-

Source: From the work of the researcher based on 1- <https://wits.worldbank.org/>

### OPEC Annual Reports (2004-2019)

Through table 1, it is clear that the volume of Turkish exports to Iraq exceeded the importance of Iraq's exports to Iraq. It shows that Iraq has a good exchange market for Turkish goods and insufficient production of local Iraq for the volume of demand. It contributed significantly to Iraq's dependence on Turkish and other imports to meet this demand, which compounds the problem of Iraqi trade and makes Iraq a great degree of exposure with Turkey or with the selected countries.

We also noted from the table above that in 2004, the value of imports from Turkey was 1.8 billion dollars and increased until it reached 2013. After that, imports from Turkey amounted to \$11.9 billion. In 2014 they fell slightly to \$10.9 billion, but the most significant decline beginning 2015, with imports from Turkey reaching \$8.5 billion and falling further in 2016. The decrease was due to the decline in Turkish exports to the world as a whole. Iraq also increased its import of Iranian goods due to the recovery of the Iranian economy, which followed the signing of the Agreement on Iran's nuclear program. This decrease was reflected by sanctions against Turkey by the United States, which they mentioned earlier. They threatened investment by withdrawing foreign investors from it, which undermined exports and imports in Turkey.

### Iraq-China economic relations

The beginning of the process of Iraqi-China relations dates back to the 1950s when China established diplomatic relations with Iraq and Iraq became the first country to establish diplomatic relations with China, including agreements that took place during that period:



## Economic agreements between Iraq and<sup>1</sup> China

### a) Economic and technical trade cooperation agreement of 1981.

This agreement aims to strengthen friendly relations and develop and expand economic and technical cooperation based on equality and mutual benefits, but they are ineffective.

### b) Trade, economic and technical cooperation agreement for 1997

The agreement aims to develop relations of friendship, and cooperation between the two countries, develop bilateral cooperation, increase and diversify trade, develop economic and technical cooperation based on equality and mutual benefits, and this agreement is in force.

### c) Technical Economic Cooperation Agreement 2011:

One of its most important paragraphs is the provision of a grant to Iraq free of charge of 50 million yuan, equivalent to 7,352,941 US dollars, to implement the economic and technical cooperation projects agreed between the two sides.

### d) Agreements and memorandums of understanding with other ministries

- 1- 2010 agreement to schedule the remaining debt of Chinese companies throughout 17 years.
- 2- A deal with Shanghai Electric Co. worth \$1 billion to install two additional plants at the Zubeidi thermal plant in 2011.
- 3- Memorandum of Understanding in 2015 on the mutual exemption of entry features for Holders of The BlueMassian Passports.
- 4- Memorandum of Understanding 2015, in the field of energy.
- 5- Memorandum of Understanding 2017, in the field of cultural cooperation.
- 6- Memorandum of Understanding 2017, in the field of military cooperation.
- 7- The 2018 Financial Framework Agreement, with the Ministry of Finance worth \$10 billion, is implemented over five years.
- 8- The most important agreements and memorandums of understanding signed in 20-19, with the so-called Chinese agreement:
  - a) Memorandum of Understanding in cooperation and satellite navigation between the Iraqi Ministry of Communications and the Chinese Office of Satellite Navigation.
  - b) Memorandum of Understanding in the field of cooperation in establishing the Chinese Library between the Ministry of Higher Education and Scientific Research and the Information Office of the State Council of the People's Republic of China.
  - c) A memorandum of understanding in security cooperation between the Iraqi Interior Ministry and the Ministry of Public Security of the People's Republic of China.
  - d) A memorandum of cooperation in economic cooperation for post-war reconstruction in Iraq between the Iraqi Ministry of Finance and the Ministry of Commerce of the People's Republic of China.
  - e) Memorandum of Understanding to purchase the Embassy of the People's Republic of China to the Republic of Iraq land to build the headquarters, between the Iraqi Foreign Ministry and the Chinese Foreign Ministry.
  - f) Executive program of cultural cooperation between the Government of the Republic of Iraq and the Government of the People's Republic of China for years (2019-2021).

### Trade between Iraq and China:

From (1.4) billion dollars in 2008, Iraqi exports to China increased by (3.3) billion dollars in 2009, i.e., at the same time as Chinese businesses joined license rounds and continued to expand in 2014, Iraqi exports reached approximately \$20.8 billion. However, in 2015, 2016, exports fell to \$12.7 billion, respectively, due to the fallout from the double crisis in Iraq, which became ISIS's occupation of Mosul and parts of western provinces, and falling global oil prices. Therefore the value of exports increased in 2018, with a value of \$22.5 billion.

**Table (2).** The volume of trade between Iraq and China for duration (2004-2018) million dollars

The year	Exports to China	Percentage of total exports	Imports from China	Percentage of total imports	Total trade	Percentage of total	Trade balance
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						trade volume	
2004	320.25	1.8	149.55	0.7	469.8	1.2	170.7
2005	415.68	1.8	408.11	1.7	823.79	1.7	7.57
2006	653.27	2.1	491.16	2.2	1,144.43	2.2	162.11
2007	765.80	1.9	724.94	3.7	1,490.74	2.5	40.86
2008	1,381.66	2.2	1,271.16	4.2	2,652.82	2.8	110.5
2009	3,298.11	8.4	1,838.45	5.2	5,136.56	6.9	1,459.66
2010	6,275.19	12.0	3,589.87	8.2	9,865.06	10.2	2,685.32
2011	10,443.63	12.5	3,824.65	8.0	14,268.28	10.9	6,618.98
2012	12,655.77	13.4	4,911.78	8.3	17,567.55	11.5	7,743.99
2013	17,984.76	19.3	6,894.09	10.6	24,878.85	15.7	11,090.67
2014	20,761.24	23.3	7,743.84	11.3	28,505.08	18.1	13,017.40
2015	12,674.63	22.0	7,909.23	13.5	20,583.86	17.7	4,765.40
2016	10,663.27	22.8	7,547.86	17.1	18,211.13	20.0	3,115.41
2017	13,814.11	21.7	8,330.41	17.2	22,144.52	19.8	5,483.70
2018	22,466.15	24.2	7,917.67	13.9	30,383.82	20.3	14,548.48

Source: Source: From the work of the researcher based on 1- <https://wits.worldbank.org/>

### OPEC annual reports (2004-2019).

According to the table (1), Imports are also increasing, particularly in 2010, almost doubling to \$3.6 billion from \$1.8 billion in 2009. It is noted from the above figure that the volume of exports is more significant than imports and that the export curve has been increasing from 2009 to 2014. As for the most critical products exchanged between the two countries, the table below shows this. We note that approximately 99.8 percent of Iraq's total exports to China are raw materials, mainly crude oil included, as described in form 20. the rest of the products are worth almost as little as raw materials, although consumer goods are exported in a language of about 51 million dollars. On the import side, the table above shows that consumer goods accounted for 54.5 percent of total imports, followed by capital goods with 30 percent, and intermediate goods and raw materials by 13.8 percent (1.13 percent), respectively.

### Analysis of the effects of economic partnerships on economic growth in Iraq.

The impact of trading partners on economic growth in Iraq can be analyzed through the following

#### A. Iraqi imports:

Through table 1, Turkish exports to Iraq are the largest of the countries under consideration. But the most significant decline began in 2015 as the volume of imports from Turkey reached (8.5) billion dollars and decreased further in 2016. This decrease was due to the decline in the volume of Turkish exports to the world and Iraq's tendency to increase imports of Iranian goods due to the recovery of the Iranian economy that followed the signing of the Agreement on Iran's nuclear program. In addition, this decrease was reflected by sanctions against Turkey by the United States, which was mentioned earlier, and threatened investment from During the withdrawal of foreign investors from it, which undermined exports and imports in Turkey. On the Chinese side and from table 2, china's blood-spawned exports were less likely than Turkish exports to Iraq, reaching 3.6 billion dollars in 2010. In 2012, Iraqi imports from China exceeded the value of imports from China by about \$9.91 billion. Chinese exports to Iraq increased until 2017, reaching their highest value (8.3) billion dollars and close to Iraq's imports from Turkey. China has invested heavily in Iraq since 2009 through licensing rounds, strengthening trade relations between Iraq and China through investment.

**Table (3). The volume of trade between Iraq, Turkey, and China (2006-2018) \$1 million**

The year	The volume of exports to China and Turkey	Percentage of exports of these countries from total Iraqi exports	Total Imports from China and Turkey	The ratio of total imports from China and Turkey to total imports	Total trade between China and Turkey with Iraq	Percentage of total trade of China and Turkey to total trade-in Iraq
2004	787.85	4.4	1,970.55	9.3	2,758.4	7.1
2005	874.38	3.7	3,158.11	13.4	4,032.5	8.5
2006	1,029.17	3.4	3,080.16	14.0	4,109.3	7.8
2007	1,410.90	3.6	3,568.94	18.2	4,979.8	8.4
2008	1,514.76	2.4	5,188.16	17.2	6,702.9	7.1
2009	3,418.71	8.7	6,961.45	19.7	10,380.2	13.9
2010	6,428.69	12.2	9,625.87	21.9	16,054.6	16.7
2011	10,530.33	12.7	12,134.65	25.4	22,665.0	17.3
2012	12,805.07	13.6	15,733.78	26.7	28,538.9	18.6
2013	18,130.46	19.5	18,842.09	28.9	36,972.6	23.4
2014	21,029.74	23.6	18,630.84	27.2	39,660.6	25.2
2015	12,971.13	22.5	16,458.23	28.1	29,429.4	25.3
2016	11,499.57	24.6	15,183.86	34.4	26,683.4	29.3
2017	15,141.11	23.8	17,386.41	35.8	32,527.5	29.0
2018	23,886.15	25.7	16,268.67	28.6	40,154.8	26.8

Source: From the researcher's work based on table data (1), (2).

We also note from table3 that total imports from China and Turkey increased significantly from 9.3 percent in 2004. It nearly doubled in 2010, accounting for 21.9 percent of Iraq's total imports, after Iraq's imports from China increased, and the import rate from these countries reached almost one-third of Iraq's imports from the world in 2017, reaching 35 percent. Thus, 8 percent of Iraq's total imports and the following figure shows Iraq's dependence on imports of these countries.

## B. Iraqi exports

China has been importing more from Iraq than Turkey since 2006, with 653 million dollars. It began to increase until 2009 to reach (3.3) billion dollars. By investing in oil and gas license rounds, China's imports from Iraq surged by roughly (6.3) billion dollars in 2010, more than double the previous year's value, as a result. Even though Iraqi exports to China began to rise in 2010, the low oil prices and the conflict with ISIS resulted in a drop of \$12.8 billion in 2015. As a result, the value of Iraqi exports to China fell further in 2016 to \$10.7 billion. After the Iraqi regions were liberated from ISIS control and relative security stability, Iraqi exports to China returned to their pre-crisis status as seen in 2017 and 2018, reaching the highest value of Iraqi exports to China by \$22.5 billion. As for Iraq's exports to Turkey, Iraq's exports to Turkey fluctuated between the decline and the rise to 2014. As a result, Iraqi exports to Turkey increased, with exports in the same year amounting to 268 million dollars and the most significant export value in 2018. Iraq's exports to these countries were meager, as shown in table 3, with the percentage of Iraqi exports to these countries (4.4 percent) in 2004 and therefore declined in subsequent years to 2.8 percent of Iraq's total exports in 2008. Once China entered investment in Iraq, Iraqi exports increased. As a result, exports to the countries in question rose from 8.7 percent in 2009 to 25 percent. While 7 percent of Iraq's total exports abroad in 2018.

## C. The impact of the volume of bilateral trade with Iraq (Turkey and China) on the total volume of business:

Table 1.2 shows that China is the largest country in trade volume with Iraq compared to Turkey. For the same reason, no mentioned increased investment in Iraq through the gates of license rounds (oil and gas) as oil exports to China increased from 2010 to 2014. Consequently, the double crisis in Iraq decreased emerged due to the decline in 2015 and then resumed in subsequent years, with the highest volume of trade in Iraq in 2018 amounting to \$30.4 billion. As for Turkey, its impact on trade with Iraq has remained closer to stillness. Table 3 shows that in 2004, the trade rate between Turkey and China and Iraq climbed by 7.1%, reaching 268.8% of Iraq's overall trade volume. Trade volumes with these nations are significant for Iraqi trade with China, even though China accounts for 99.9 percent of Iraqi crude oil exports. However, this does not negate the importance and positiveness of these exports and their impact on GDP growth.

#### D.The impact of the volume of trade between Iraq and Turkey and China on GDP growth in Iraq

We note from table 4 that the impact of trade with Turkey on GDP in Iraq was more significant in both 2004, 2005, 2006, 2007, 2008, 2009, but after 2009, i.e., in 2010, after China entered the Iraqi market from the oil gate through licensing rounds and Chinese companies entered investment in Iraq. The impact of trade with China on GDP in Iraq increased by about 7.1 percent, and in 2018 it increased to 14.3 percent, the most significant impact on Iraq's GDP since 2010 and 2018 compared to turkey. Turkey's influence is almost stable after 2010, with trade-in GDP reaching 4.5 percent until 2018. It accounted for 4.6 percent of GDP. The impact of the combined volume of neighboring countries on GDP has had an apparent effect. Through table 4, we are fortunate that this effect increased from 7.5 percent in 2004 to 18.9 percent in 2018 and that this percentage is essential in GDP growth.

**Table (4).** Trade between Iraq, Turkey, China, and GDP at Iraq's current prices for \$1 million (2006-2018)

The year	GDP at current prices 1	Total trade in Iraq 2	Trade volume between Turkey and Iraq 3	Percentage of GDP 4	Trade volume between China and Iraq 5	Percentage of GDP 6	Total business of these countries with Iraq 7	Percentage of the total trade of these countries to GDP in Iraq 8
2004	36,613	39,112	2,288.6	6.3	469.8	1.3	2,758.4	7.5
2005	49,921	47,229	3,208.7	6.4	823.79	1.7	4,032.5	8.1
2006	65,159	52,538	2,964.9	4.6	1,144.43	1.8	4,109.3	6.3
2007	88,038	59,072	3,489.1	4.0	1,490.74	1.7	4,979.8	5.7
2008	130,204	93,897	4,050.1	3.1	2,652.82	2.0	6,702.9	5.1
2009	111,661	74,715	5,243.6	4.7	5,136.56	4.6	10,380.2	9.3
2010	138,517	96,398	6,189.5	4.5	9,865.06	7.1	16,054.6	11.6
2011	185,750	131,029	8,396.7	4.5	14,268.28	7.7	22,665.0	12.2
2012	218,032	153,398	10,971.3	5.0	17,567.55	8.1	28,538.9	13.1
2013	234,638	158,169	12,093.7	5.2	24,878.85	10.6	36,972.6	15.8
2014	228,416	157,567	11,155.5	4.9	28,505.08	12.5	39,660.6	17.4
2015	164,705	116,094	8,845.5	5.4	20,583.86	12.5	29,429.4	17.9
2016	166,603	90,946	8,472.3	5.1	18,211.13	10.9	26,683.4	16.0
2017	190,644	112,110	10,383.0	5.4	22,144.52	11.6	32,527.5	17.1
2018	212,407	149,707	9,771.0	4.6	30,383.82	14.3	40,154.8	18.9

Source: Column (1), (2) OPEC Annual Reports (2004-2019)

Column (3) table data (1).

Column (4) Table Data (2)

Column 4, (6), (7), (8), of the work of the researcher.



## Ways to develop the economic partnership between the two countries.

Through what has been presented in the definition of economic partnership, if Iraq enters into the future in such economic alliances and agreements, this strengthens Iraq's economic position. The coalition asked for by China, seeking to include Iraq in the project, is the closest we can get (road and belt). As a result of Iraq's strategic location, which connects the east and west, and because of economic ties represented by investments and commerce. Even though most of Iraq's exports are crude oil, Beijing is the country's largest economic partner, with bilateral business in 2018 totaling more than \$30 billion. In contrast, Iraq is China's second largest oil supplier, China, has already concluded belt and road agreements with several other Middle East countries, including the UAE. As Iraq attempts to benefit from China's economic stability and fund the critical restoration of infrastructure, it has enlisted the help of the UAE, Saudi Arabia, and Iran. Chinese investment in Iraqi oil reserves has long been Iraq's ambition and allows Beijing to expand its influence throughout the Middle East and beyond. Baghdad had hoped to secure more excellent relations with China. Iraq's interest is to deepen the strategic integration of each side's development strategies, strengthen strategic cooperation within the Belt and Road Initiative framework, and strengthen this severe strategic partnership between the two countries. Iraq's strategic position qualifies it to build alliances and make economic agreements from all parties, geographical, regional, political, and economical. It is moving Iraq to achieve growth in GDP by attracting investment and directing it towards building a strong production base and achieving these investments from labor employment, thus reducing poverty in Iraq. As mentioned in the first paragraph of Chapter III, it is also possible to conclude partnership agreements with the Turkish side by activating the Comprehensive Economic Partnership Agreement, such as urging the Turkish side to add an annex to the Agreement on Iraq's water quota. This problem is the main reason for not voting on this agreement by the Iraqi parliament, because of its materials that serve the two countries, especially Iraq. The increase in the volume of trade between the two countries could indicate that Turkey's interest in concluding a valuable land transport agreement to export its goods to the Gulf states through Iraq could be used to ensure Iraq's water share.

To summarize, if Iraq wishes to grow and prosper economically, attain societal well-being, and compete globally, it must learn from countries that have already achieved these advantages. Consider the causes for China's economic expansion, which were alluded to in the passage above. When it comes to Turkey, we shall see that both nations have made it easier for FDI to flow. As a result of increasing output and employment, it benefits Iraq's economy.

## Conclusions

The purpose of the international economic partnership agreements relates to objectives that include liberalizing trade in goods and services between mutual parties, increasing investment opportunities, and improving the business environment. From 2003 to 2013, the trade volume reached approximately (12,093.7) million dollars in 2013 with the Turkish side and **(24,878.85)** million dollars with the Chinese side during the same year. We also note that most of Iraq's exports are oil, accounting for 99.8 percent of Iraq's exports to China. There are abundant natural resources and cheap labor in Iraq. The country must benefit from economic cooperation with its neighbors by encouraging manufacturing investment and encouraging Iraqi-developed country collaboration in information technology, commerce, and banking system expertise. This, in turn, boosts Iraq's production capacity. Increasing exports would help promote economic growth and, as a result, reduce exposure to trade. In addition, work to create an investment environment that provides significant credit facilities within the Iraqi economy to stimulate private business in starting new business activities, accessing credit, cross-border trade, enforcing contracts and building permits, and encouraging foreign investment.

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