

Encouraging Investment in Basra

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Basra is one of the oldest Islamic cities, which was established during the Islamic conquest in 625 A.D. Prophet Mohammed (PBUH) 's companion, Utba Bin Gazwan, chose the city site in 14 A.H (636A.D) and the city was planned and built by Abu Musa Al- Asha'ari six months prior to the building of Kufa city upriver.

Why Invest in Basra?

Location

Basra is strategically located within Iraq and is home to all six of Iraq's ports including its only deep-water port; and as such, is a major transportation nexus in the southern part of the country. In fact, Basra has the only marine transportation point in Iraq. Further, Basra is easily linked to the Iraqi capital, Baghdad by a railway.

Oil and other Resources

Basra has an abundance of energy sources especially in oil and natural gas. Assured oil reserves in Basra amount to more than 67.8 billion barrels. This is about 59% of all oil reserve of Iraq. A great deal of Iraqi oil is exported through Basra's ports.

Furthermore, some of largest oil fields (Rumaila, Majnoon and Rumaila south) are located in the Basra province

Additionally, there is an abundance of crude material for some industries, with the capacity to extract such materials; as well as an enormous agricultural potential.

Local Market

Basra has a vast local market built upon 3 million people and it acts as a gateway to the rest of Iraq. Basra is ideally placed to provide goods and services through its promising market to some 31 million individuals within Iraq.

The existing infrastructure can further attract and facilitate investment. Basra Airport, Um Qasser harbor, FAO harbors, existing railway lines and the road network connecting Basra with other Iraqi provinces as well as with neighboring countries, all contribute to ensuring the greatest possible output from investments. Similarly, there are several power stations that can be developed to meet local and foreign investment requirements.

Finally, there is further potential for expanding tourism as the security situation in Iraq continues to be stabilized and with Basra being one of the oldest cities in the world; it consists of an array of archeological, traditional and religious locations and sites that attract people from all over the world.

Investment Laws

Investment in Basra is supported by clear laws and simple processes to obtain an investment license. To further encourage investment in Iraq, the Iraqi government introduced a number of legislative measures (including Investment Law No. 13 of 2006, Investment Regulation No.6 of 2010 and the First Amendment to Investment Law No. 7 of 2010) which greatly simplifies and assists the investment process.

Firstly, the laws provide for the freedom of transferring profits and revenues in and outside of Iraq, as well

as the right to open banks in and outside Iraq. Further, they provide a number of exemptions and privileges (including certain tax and custom fee exemptions) for investors who have obtained an investment license.

The one-stop-shop in the National and Provincial Investment Commissions further assists investors, by facilitating the process of obtaining the investment License, allocating land, securing a number of tax exemptions for investors, as well as facilitating the entry and exit of investors and their employees.

The aforementioned Commission also provides guidance to investors, through issuance of an Investment Map which lists a number of investment opportunities in Iraq, including a geographic description at the different provinces where investment is sought. Similarly, an Investor Guide is provided, which contains necessary information for investors, such as mechanisms to facilitate entry and exit procedures to and from Iraq and how to enjoy the many benefits of the Investment Laws.

It is worth mentioning that First Amendment No. (7) of 2010 (which came into force in February 2011), allows for the ownership of land by certain housing projects, as well as establishing the conditions for leasing lands for other projects.

The Amendment assists investments in four main ways; first, by providing for allocation of land without land speculation, which greatly encourages foreign investments by cutting down on costs, and making it easier for investors to determine fees they are subject to. Under the housing field, the Amendment provides for the sale of the housing unit at a price to be set in accordance with offer and demand in the free market; as well as providing that the government shall provide the land to the investor for development of housing a unit only, and which shall be determined in accordance with location of land.

The implementation of the aforementioned Investment Laws is a great step further encouraging investment in Iraq in general, and in Basra in particular; and is felt by many to be a vital base for launching the investing wheels in Iraq.