


IRAQ'S ACCESSION TO THE WTO AND THE POSSIBLE ECONOMIC EFFECTS

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ARTICLE INFO	ABSTRACT
<p>Article history:</p> <p>Received 31 January 2023</p> <p>Accepted 27 March 2023</p>	<p>Purpose: The paper aims to explore the possible economic effects of Iraq's accession to the World Trade Organization.</p>
<p>Keywords:</p> <p>Blended Learning; Management Education; Executive Education; Bibliometric Analysis; Management and Business Education.</p> <div data-bbox="172 987 480 1227" style="text-align: center;">  </div>	<p>Theoretical framework: The World Trade Organization occupies an important position among the international economic organizations as it is concerned with international trade, and it adopts the achievement of smooth and smooth trade exchange in light of the liberalization of trade and the reduction of obstacles to its launch across borders, and based on this role, the accession of countries to this organization bears the responsibility of adhering to its laws and decisions in order to maximize the momentum of exchanges Trade between member states, and since agricultural and industrial products constitute an important aspect of international trade and occupy a great place in the interests of the organization and its rules of work, and therefore the accession of Iraq to this organization has become a necessity despite what will result in many positive or negative effects, so Iraq cannot remain isolated from International consensus, and this is what requires him to complete the accession requirements that began in 2004, especially in light of the transformation of the Iraqi economy management after 2003 from the philosophy of the inclusive economy to the philosophy of the free economy.</p> <p>Design/methodology/approach: The paper adopts an exploratory analysis approach to show the impact of Iraq's accession to the World Trade Organization on the Iraqi economy.</p> <p>Findings: Iraq will pay a big price for its delay in joining due to the restrictions that countries can impose on its accession, especially since the OIC countries, which numbered (164) countries, control nearly (97%) of the volume of world trade in the sectors of goods, services, intellectual property and transactions. Finance, communications and information technology services.</p> <p>Research, Practical & Social implications: In this paper, we propose a plan for future study and emphasize Iraqi executive and economic policymakers' achievements.</p> <p>Originality/value: The findings show an increasing number of publications, with the economic and commercial sectors being the primary contributor. Oil-producing nations in the Middle East also feature prominently.</p> <p>Doi: https://doi.org/10.26668/businessreview/2023.v8i4.1323</p>

A ADESÃO DO IRAQUE À OMC E OS POSSÍVEIS EFEITOS ECONÔMICOS

RESUMO

Objetivo: O artigo visa explorar os possíveis efeitos econômicos da adesão do Iraque à Organização Mundial do Comércio.

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Referencial teórico: A Organização Mundial do Comércio ocupa uma posição importante entre as organizações econômicas internacionais no que diz respeito ao comércio internacional, e adota a realização de trocas comerciais suaves e suaves à luz da liberalização do comércio e da redução de obstáculos ao seu lançamento além das fronteiras, e com base nesse papel, a adesão dos países a esta organização tem a responsabilidade de aderir às suas leis e decisões, a fim de maximizar o dinamismo das trocas comerciais entre os estados membros, e uma vez que os produtos agrícolas e industriais constituem um aspecto importante do comércio internacional e ocupam um grande lugar no interesse da organização e das suas regras de trabalho, pelo que a adesão do Iraque a esta organização tornou-se uma necessidade apesar do que resultará em muitos efeitos positivos ou negativos, pelo que o Iraque não pode ficar isolado do consenso internacional, e é isso que o obriga a cumprir os requisitos de adesão iniciados em 2004, especialmente à luz da transformação da gestão da economia iraquiana após 2003, da filosofia da economia inclusiva para a filosofia da economia livre.

Desenho/metodologia/abordagem: O artigo adota uma abordagem de análise exploratória para mostrar o impacto da adesão do Iraque à Organização Mundial do Comércio na economia iraquiana.

Resultados: O Iraque pagará um alto preço pela demora em ingressar devido às restrições que os países podem impor à sua adesão, especialmente porque os países da OIC, que numeram (164) países, controlam quase (97%) o volume do comércio mundial no setores de bens, serviços, propriedade intelectual e transações. Finanças, comunicações e serviços de tecnologia da informação.

Pesquisa, implicações práticas e sociais: Neste artigo, propomos uma agenda para estudos futuros e enfatizamos as conquistas que os executivos iraquianos e os formuladores de políticas econômicas fizeram.

Originalidade/valor: Os resultados mostram um número crescente de publicações, sendo o setor econômico e comercial o principal contribuinte. As nações produtoras de petróleo no Oriente Médio também aparecem com destaque.

Palavras-chave: Organização Mundial do Comércio, Iraque, Países Frágeis, Liberalização Comercial, Comércio Exterior.

LA ADHESIÓN DE IRAK A LA OMC Y LOS POSIBLES EFECTOS ECONÓMICOS

RESUMEN

Propósito: El documento tiene como objetivo explorar los posibles efectos económicos de la adhesión de Irak a la Organización Mundial del Comercio.

Metodología: El documento adopta un enfoque de análisis exploratorio para mostrar el impacto de la adhesión de Irak a la Organización Mundial del Comercio en la economía iraquí.

Conclusiones: Irak pagará un alto precio por su retraso en la adhesión debido a las restricciones que los países pueden imponer a su adhesión, especialmente porque los países de la OCI, que sumaron (164) países, controlan casi (97%) del volumen del comercio mundial en el sectores de bienes, servicios, propiedad intelectual y transacciones Servicios de finanzas, comunicaciones y tecnologías de la información.

Implicaciones de la Investigación: En este documento, proponemos una agenda para el estudio futuro y enfatizamos los logros que han logrado los ejecutivos iraquíes y los encargados de formular políticas económicas.

Palabras clave: Organización Mundial del Comercio, Irak, Países Frágiles, Liberalización Comercial, Comercio Exterior.

INTRODUCTION

The rapid development that took place in the past three decades due to the tremendous scientific progress in communication and information technology caused a major revolution that made the world a small global village. Therefore, today it is difficult for any country, no matter how big or small, to isolate and withdraw from what is happening in the rest of the parts of this village. The world today has become more Interdependent and overlapping, which required the existence of new international mechanisms to organize and accommodate these

developments, which included all areas of life, and one of its priorities was the liberation of global trade from restrictions, regulations, and protectionist measures that impede the growth and development of the global trading system. Therefore, the World Trade Organization came as one of the requirements of global development to facilitate the process of interdependence between its parts by facilitating and organizing business movement and developing trade relations between different countries of the world (Hameedi, Union, Talab, & Almagtome, 2022). The emergence and growth of the protectionist trade policy taken by the various countries of the world, especially the developing countries, and applied it at the local and international levels and adopted it as an economic approach to protect their emerging economies from the threat of foreign competition, in addition to the shortcomings in some basic aspects related to trade such as agricultural products and trade in textiles, and the growing importance of trade sectors New developments in international trade, such as the services sector and intellectual property rights, prompted the states parties to the GATT agreement to work to reorganize the rules, foundations and charters of international trade that culminated in the establishment of the World Trade Organization on the first of 1995, so the GATT agreement became part of the organization along with the GATS, TRIPS and a number of agreements. Other multilateral agreements. All of these agreements constitute the WTO system. The WTO has represented the legal and institutional framework for the multilateral trade system in which the basic contractual obligations of governments are defined in addition to how to formulate and implement domestic trade regulations and controls. Since the establishment of the organization, a group of countries have submitted requests to join it, especially developing and low-income countries, which were marginalized in the global economy due to their targeted economic and trade policies. In all the negotiations of the eight trade rounds that were held starting from the Geneva round (Switzerland) 1947 and ending with the Uruguay round 1986-1994, he did not join the organization for political reasons in the belief of his previous leadership that the organization is one of the new colonial mechanisms, especially since Iraq was suffering from an economic blockade It was severely imposed on him under UN Security Council resolutions in 1990, and after the US invasion of Iraq in 2003 and the overthrow of its political system, the government that was formed under the leadership of civil ruler Paul Bremer sought to expedite Iraq's accession to the international organization and applied for accession in 2004, which has not completed the requirements for accession until today. Because of the challenges and difficulties it faced (AL-Jawahry, Mahdi, Al-Fatlawi, & Almagtome, 2022). It started from the sectarian conflict after the adoption of the constitution and the formation of the

first government in 2006, then the occupation of the terrorist organizations (ISIS) to a third of the area of Iraq in 2014 and the transition to liberating its cities from terrorist organizations and the spread of corruption in most joints of countries, the latest of which was the spread of the Corona pandemic in 2020 and the inability of the Iraqi health system to cope with its increasing spread, which impeded the rebuilding of its legal and economic institutions and infrastructure as well as re-establishing communication with Regional and international trade partners, which prompted the World Bank to reclassify Iraq as a fragile and conflict affected country (FCA) from 2006 until July 1, 2022 (1). Although Iraq sought to move its economy to a market economy and integrate into the global market in response to what the constitution outlined in Article 25 of it, the structural imbalances in the Iraqi economy and the challenges it has faced since 2004 from conflict and political instability imposed restrictions on the speed of the Iraqi economy's integration into the global trade system that imposed challenges. The process of joining the organization was hindered, especially with regard to confronting dumping, protection, intellectual property rights, and liberalization of services. Joining the World Trade Organization has become a necessity, especially after most countries of the world have joined it, regardless of the gains and losses that can be achieved by the accession process, which will be costly in the short and medium term. The competitiveness of Iraqi products.

LITERATURE REVIEW

World Trade Organization and Trade Agreements that Control Global Business

The World Trade Organization is the latest international organization to be established within the scope of the United Nations. It was established in early 1995 after eight rounds of multilateral negotiating rounds carried out by GATT, starting with its founding in 1947. It constitutes the third pillar of the global economic system with the International Monetary Fund and the World Bank and manages Combined economic policies (monetary, financial and trade) for the new world order, this system whose essence is a market economy based on freedom of economic activity and freedom of trade. The establishment of the organization constituted the legal framework for organizing and liberalizing multilateral international trade. This framework covered most aspects of global trade, such as trade in agricultural commodities, textiles and clothing, in addition to trade in services and trade issues related to foreign investments, intellectual property rights and investment laws that have an impact on international trade. Some sectors are outside the scope of the organization's rules, such as steel (subject to the quota system), oil and gas, as well as commodities subject to optional agreements such as meat, dairy

products, and civil aircraft. With the organization's emphasis on the international commitment to granting distinguished and more favorable treatment to developing countries in general and to the least developed countries in particular (Al-Fatlawi, Al Farttoosi, & Almagtome, 2021). It also worked to address dumping and subsidy problems through the Dispute Settlement Authority. This made the process of joining the organization after 1995 more complex and difficult, differing from one country to another, and joining takes a long time because it requires large-scale legal and economic reforms before approving the country's request as a new member (Benson & Malkawi, 2021). The organization is based on a number of principles, the most important of which are (Sial et al., 2022):

- 1- Commitment to the customs tariff is the only means of protection.
- 2- Undertaking not to discriminate in the use of customs tariffs or other restrictions.
- 3- A pledge to abandon protectionism and liberalize international trade in the long run.
- 4- Obligation to generalize the treatment granted to the Most Favored Countries
- 5- Commitment to the principle of national treatment.
- 6- Undertaking to avoid dumping policy, and undertaking to avoid subsidizing exports.
- 8- Resorting to preventive measures in case of emergency
- 9- Quantitative implementation of trade in the event of a crisis in the balance of payments.
- 10- Distinguished and most favorable treatment for developing countries

The organization aims to raise the standard of living and income for the peoples of the world, achieve full employment and reduce unemployment rates, optimize the use of global resources, increase production and expand the volume of international trade, promote sustainable development and protect the environment, and then make efforts to obtain developing and less developed countries a greater share of growth in international trade (Ciravegna & Michailova, 2022).

The role of the World Trade Organization in international economic relations

The organization has played an important role in influencing economic relations through the following:

- 1- Launching freedom of trade at the global level, and opening the markets of all countries to all products exported from other countries without discrimination, which led to the intensification of trade competition in all global trade sectors, which required

all member states to end all discriminatory trade practices or based on the policy of supporting exports or protection from import competition. (6)

2- Providing security and predictability in the direction of the global trading system, preserving the rights of members, and ensuring the preservation of the obligations of member states through the system of settling disputes and disputes between countries.⁷

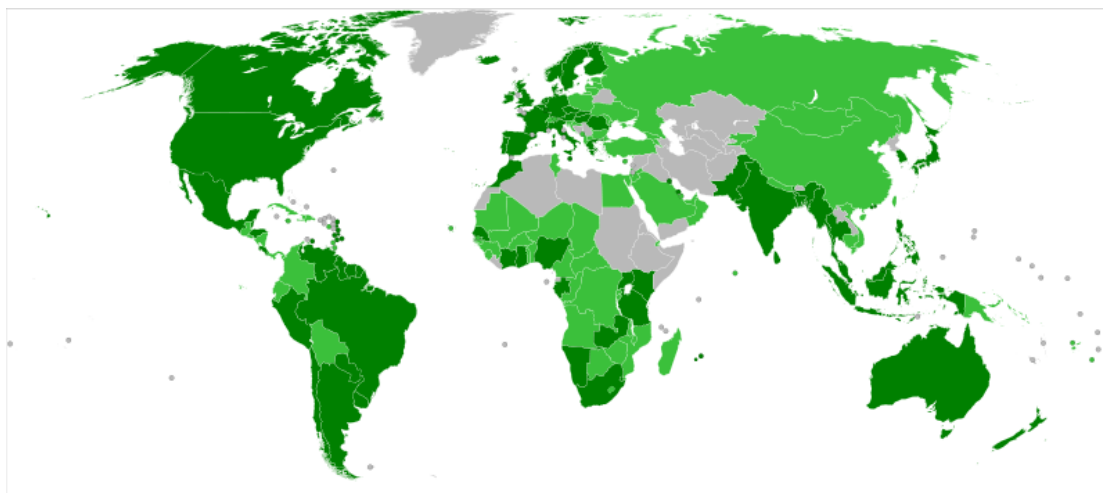
3- The organization guaranteed the rights of developing countries, due to the damage caused to these countries by agrarian reform policies, which prompted the organization to provide compensation for these damages.

4- Oblige countries to announce investment programs related to international trade, so that the foreigner is treated as if he were a citizen of the same country.

5- Highlight the role of intellectual and industrial property, prevention measures and support to all Member States of the Organization.

Today, twenty-eight years after the founding of the organization, we find that the number of countries organized to it has increased significantly, after 124 countries signed the agreement establishing the organization in Marrakesh in 1994, today it includes 164 countries with the accession of Afghanistan on 29/7/2016 out of 189 countries and the following map of the world that shows the status of countries towards the organization, the dark green color symbolizes the countries that ratified the GATT agreement on the first of January of 1995 and announced the establishment of the World Trade Organization, Light green is for countries that have joined after the founding date and gray for countries that have been organizing after or are in the process of joining.

Observing the distribution of countries on the world map, we find that the organizing countries of the Organization today dominate approximately 97.8% of the volume of world trade in the sectors of goods, services and intellectual property and more than 97% of financial transactions and communications and information technology services (Hameedi, Al-Fatlawi, Ali, & Almagtome, 2021).



Source: WTO website www.WTO.com

Iraq and the Requirements for Joining the International Organization

Iraq's accession to the WTO is of interest to successive Iraqi governments, as several committees have been formed in the Ministry of Trade to study accession to the organization, which included representatives of sectors related to WTO agreements, and those committees recommended the need to join the agreement as an observer. However, the former regime did not encourage this trend and considered the World Trade Organization a facet of colonialism (especially since Iraq was suffering from a severe international economic blockade), and that its withdrawal from the agreement means resistance to a new type of economic hegemony of the major powers, and therefore Iraq did not sign the protocol establishing the World Trade Organization, although it is one of the signatories to the GATT agreement and its multilateral negotiating rounds and its previous desire to join the organization.

These political positions have kept Iraq away from the international community, away from the course of international economic and commercial events, and away from the multilateral trading system. Today, after the US invasion of Iraq in 2003 and the overthrow of its political system, and in an effort to re-establish contact with the outside world in all fields, including the commercial field, Iraq has sought to rejoin the international community, including the World Trade Organization. He applied for accession as an observer in February 2004, and his application was accepted at the meeting of the General Council of the Organization on December 13, 2004 unanimously, and the National Committee on Accession to the World Trade Organization was formed to prepare the required accession documents and negotiate with the WTO working group, and the requirements required for full accession were prepared by preparing the main instrument of accession (ACC/1) and making several contacts with regional organizations and some consultants in Arab and friendly countries, as well as with the secretariat of the organization to

benefit from their experiences by joining the organization, which provided technical support to Iraq represented in the establishment of training courses and workshops aimed at building capacity for workers on accession files, including the Swedish International Development Agency (SIDA), and the Japan International Cooperation Agency (JICA), the International Trade Centre (ITC), the United Nations Conference on Trade and Development (UNCTAD), the United States Agency for International Development (USAID), and the World Bank (Amusawi, Almagtome, & Shaker, 2019). Therefore, the most important aspect of Iraq's accession to the Organization of the procedures and negotiating rounds is:

1. The first round of negotiations was held in 2007, during which the Iraq document on the foreign trade system was reviewed and revised chapter by chapter, and the support required from the organization to Iraq to facilitate its accession procedures. After that, the answers to the questions submitted by some member states and the measures taken regarding the completion of some laws related to the WTO agreement were reviewed, as well as the measures taken to complete the customs tariff for imported goods so that they can be negotiated.
2. The request from Iraq to submit the initial offer of goods, the technical barriers to trade file, the sanitary and phytosanitary file and the intellectual property file.
3. In April 2008, the second round of negotiations was held, in which the Iraqi delegation presented its answers to questions and inquiries from most of the OIC member states on its economic, trade, financial and monetary policy, and in addition to the accession document, it submitted a number of preliminary files represented in (Amagtome & Alnajjar, 2020):

A. Technical Barriers to Trade (TBT) and SPS/ACC8 File.

B. Intellectual Property File (ACC9) provides protection of copyrights, patent rights and industrial design rights, as well as trademarks in order to gain consumer confidence and a good commercial reputation.

C. Iraq's executive legislative plan, which includes adapting and issuing (27) laws related to the World Trade Organization between an effective law and a new law in line with the requirements of accession.

4. In December 2008, Iraq provided additional answers to the members of the working group on the foreign trade system in response to their questions, especially with regard to agricultural programs and subsidies, and no other report was submitted until 2010 when it provided an update and clarification of its agricultural programs, sanitary and phytosanitary measures and legislative amendments after the enactment of four laws in

2010. Consumer Protection No. 1, National Product Protection Law No. 11, Competition and Antimonopoly Law No. 14, and Customs Tariff Law No. 22.

5. In 2017, an informal meeting was held with the Chairman and members of the Working Group in Geneva after a hiatus of years due to the economic and security situation of Iraq, followed by many bilateral meetings, the most important of which was the meeting with the delegation of the European Union, America, Sweden and Japan, in addition to the Arab Group headed by the Permanent Representative of the Kingdom of Saudi Arabia, and these countries have shown their permanent readiness to support Iraq in the process of joining the Organization. The most important requirements and files required to hold the third round of negotiations are (Manhal, 2006):

Iraq Foreign Trade Policy Note (MFTR)

This file includes Iraq's foreign trade policy, laws, regulations and instructions that regulate foreign and internal trade, as well as public and private institutions and companies related to commercial and economic work, and information related to Iraq in all commercial, economic, industrial, agricultural and service aspects, and this memorandum was submitted to the WTO Secretariat in 2005 and updated and sent to the organization in 2018, in addition to Send an updated note after completing the legal files related to this file in 2021.

b. Commodity Files:

(1). The committee concerned with the preparation of the study of the initial goods offer, which includes the tables of customs tariff fees hoped to be presented for preliminary negotiation before the member states of the organization as one of the main files in the third round of negotiations, which was prepared in accordance with the Harmonized System and the Iraqi Customs Tariff Law No. 22 of 2010 and determine the customs ratios that represent the upper bound ceilings (bound rates) for approximately (8000) eight thousand materials likely to be imported, distributed over (97) chapters included in the Harmonized System 2002, which included agricultural and non-agricultural materials contained therein, which can or is likely to be imported by Iraq (A. Almagtome, Khaghaany, & Önce, 2020).

(2). Domestic support tables: It includes the preparation, amendment and updating of the government agricultural support form and the inclusion of the necessary data and information allocated to support strategic agricultural commodities, and an updated form

for agricultural government support (ACC/4) has been completed by the Ministry of Agriculture for the period (2011-2019) and has been referred to the World Trade Organization for the purpose of studying it and making observations in this regard.

(3). Sanitary and Plant and Animal Health (SPS) and Technical Barriers to Trade (TBT): Work is currently underway to complete these files by subcommittees representing ministries and competent authorities based on the relevant laws and regulations in order to facilitate the application of procedures and give the necessary information to the Secretariat of the World Trade Organization.

c. Legislative Action Plan for Iraq:

This file is considered one of the most important files required to complete the requirements for the accession of observer countries to the membership of the World Trade Organization, and requires the preparation of a plan of laws and projects that regulate the trade and economic movement of the country and according to the agreements of the multilateral organization, the Ministry of Commerce has taken it upon itself to study the Iraqi laws and legislation in force and governing commercial work and prepare proposals to amend them in line with the requirements of accession to the organization. In addition to translating many laws, regulations and instructions.

d. Services trade file: services schedules of national commitments.

The Technical Sub-Committee on Trade in Services has worked on preparing draft schedules of national commitments for some of the main service sectors such as (finance, banking and insurance, tourism and travel, communications, construction and housing, environment, education, health and social services and distribution), while the remaining sectors are (business services, cultural services, entertainment, sports and transportation). The schedules of obligations depend on clarifying the degree of access to the market for the foreign service provider, and the statement of determinants on market access, national treatment, and inclusion in tables with special forms to be negotiated with the possibility of changing these tables and updating them in accordance with updates in the relevant Iraqi legislation and laws, with the offer that this file has not been completed in a way accurate due to the fact that it is closely related to the development of infrastructure in Iraq.

c. Intellectual **Property File**: Many meetings were held and many meetings were attended by representatives of the WTO section to discuss the draft intellectual property law by

unifying all laws governing intellectual property in Iraq to be more consistent with the principles of the World Trade Organization and the global economic system, and the draft law is currently in the final stage in the State Council.

6. The delay in negotiations with the working group of Iraq's accession to the organization after 2018, especially after the political turmoil and youth demonstrations that Iraq witnessed in 2019, which led to the resignation of the government of Mr. Adel Abdul Mahdi and the formation of a government in May 2020 whose main task is to hold early elections that took place on 10/10/2021, which produced unpredictable results for political blocs that complicated the scene and increased the intensity of the political conflict. Which hindered the formation of a government and the election of a president of the republic even after a year of its conduct, as well as the exit of hundreds of young people massive demonstrations led to the storming of the parliament building and disrupted parliamentary life and ended with bloody confrontations that led to a number of victims and injuries. The survival of the current government as a caretaker government that does not have the right to negotiate or sign agreements and treaties and propose laws, including the general budget of the state, has disrupted the programs of the Iraqi Ministry of Trade to negotiate with the working group on Iraq's accession to the organization.

7. On 3/3/2022, the Iraq accession team met with representatives of the Ministry of Trade electronically to discuss the issue of documentation and the possibility for Iraq to submit the necessary documents to resume negotiations, while the OIC General Secretariat continued to coordinate with the International Trade Center (ITC), which implements the European Union project to strengthen the agriculture and food value chain, improve trade policy in Iraq, and support the Iraqi government in its efforts to reactivate the accession process (Al-Obaidi & Almashhadani, 2022).

MATERIAL AND METHODOLOGY

The paper adopts an exploratory analysis approach to show the impact of Iraq's accession to the World Trade Organization on the Iraqi economy. The impact of Iraq's entry into the World Trade Organization on the country's economic metrics is examined in this report for the years 2010 through 2019. Having access to the necessary data was also crucial to their inclusion. For this analysis, we received information on exports from KITA and information on tariffs and non-tariff measures from the WTO. The World Bank, the International Monetary Fund (IMF), and the

Central Bank of Iraq provided the statistics for other related variables such as GDP per capita, real exchange rate, internet users per 100, and distance.

RESULTS AND DISCUSSION

Challenges facing Iraq's accession process to the Organization

The process of Iraq's accession to the World Trade Organization faces a number of challenges, the most important of which are:

- 1- The process of joining the Organization is not governed by clear rules that can take into account the circumstances of the countries wishing to join, as Iraq is still suffering from conflicts, disputes and wars that have made it a fragile state unable to achieve the requirements of accession. Therefore, the Organization must be treated with special treatment that can facilitate the procedures for accession, and make it more flexible by providing technical and technical assistance to him and providing facilities and support to achieve recovery from economic crises and internal conflicts.
- 2- The decline in the contribution of the main economic sectors (agriculture, industry and the service sector) Oil controlled more than 0-5% of GDP, with a decline in the contribution of the agricultural sector and the industrial sector between (3% - 7.5%) for the years 2010-2020 and it is clear that the rents of the Iraqi economy and its dependence on oil as a main engine of the national economy as shown in Table (1).

Table (1). The relative importance of economic sectors in Iraq's GDP for the years 2010-2020

Year	GDP (Million Dollars)	Oil Sector Contribution to GDP%	Agricultural Sector Contribution to GDP%	Industrial Sector Contribution to GDP%	Services Sector Contribution to GDP%	Contribution of other sectors to GDP%
2010	146,971	45.0%	5.1%	2.4%	16.6%	30.9%
2011	180,606	52.0%	4.5%	2.0%	16.0%	25.5%
2012	210,279	51.5%	3.7%	1.8%	14.7%	28.3%
2013	229,327	49.3%	4.2%	1.5%	16.0%	29.0%
2014	223,507	52.4%	4.1%	1.8%	20.6%	21.1%
2015	162,196	59.1%	2.5%	1.1%	21.1%	16.2%
2016	166,274	64.6%	2.2%	1.0%	13.9%	18.3%
2017	190,874	63.1%	1.9%	1.0%	15.0%	19.0%
2018	212,406	60.7%	2.5%	1.0%	15.7%	20.1%
2019	197,661	59.4%	3.4%	1.1%	15.0%	21.1%
2020	129,243	61.8%	4.3%	1.2%	14.5%	18.2%
2021	143,371	46.4%				

Source: prepared by authors depending on:

- Republic of Iraq, Ministry of Planning, Central Bureau of Statistics, Directorate of National Accounts, Statistical Collection 2020-2021, p. 8.

3- The imbalance of the trade balance, which suffers from a major imbalance between the surplus and the deficit due to the link of Iraqi exports to the global oil markets, and that oil exports constitute more than 99% of the total Iraqi exports, if we add the exports of oil derivatives that appeared in the balance as commodity exports. As for the import side, Iraq imports most of its basic needs of agricultural products and various basic and industrial foodstuffs, which cover more than 90% of its various daily needs, from different countries of the world. But if the trade balance is calculated after excluding oil exports, we find that the deficit is exceptionally large, as shown in Table (2). This indicates a significant imbalance in the composition of the trade balance, as well as the increasing dependence of Iraq in meeting its basic requirements on the various global markets.

Table(2). Iraqi Trade Balance for the Period 2010-2020 (Million Dollars)

Year	Total Exports	Oil Exports	Non-oil exports	Imports	Trade Balance	Trade balance without oil exports
2010	51763	51452	311	43914	7849	(43603)
2011	79680	79406	274	47802	31878	(47528)
2012	93133	92744	389	58354	34779	(57995)
2013	89769	89349	420	63320	26449	(62900)
2014	83980	85538	442	58601	25379	(58159)
2015	43528	43149	379	47147	(3619)	(46768)
2016	40747	40485	262	33977	6770	(46885)
2017	57765	57171	594	37610	20155	(37016)
2018	86335	85779	556	45428	40907	(44872)
2019	84804	81584	3220	58138	26666	(54918)
2020	54446	51662	2784	53119	1327	(50335)

Source: prepared by authors based on:

Central Bank of Iraq, Department of Statistics and Research, Annual Economic Reports for the Years 2010-2020

4- The growing corruption in most joints of the Iraqi state and the lack of transparency, especially in the Ministry of Trade, the sectoral body responsible for negotiating with the working group of Iraq's accession to the organization, and the transformation of corruption into a social phenomenon (acceptable) after 2003, estimated wasted and embezzled funds in fictitious projects that exceeded 6000 projects in the field of infrastructure such as schools, hospitals, roads and bridges ... More than \$ 350 billion for the period 2003-2018, which led to the deterioration of infrastructure and basic services such as electricity and roads, which led to high production costs (Al-Karawi & Almashhadani, 2022).

5- The spread of corruption and its transformation into a phenomenon has occupied the sequence of 157 out of 180 countries with an index of 23% according to the index of

Transparency International (Index, 2010) and the weakness of the investment climate and the decline in the role of the private sector led to Iraq's inability to attract foreign investments, but could not maintain them. The foreign that left Iraq is estimated at (42.779) billion dollars for the period 2010-2021, as well as he could not maintain the local investments that came out of Iraq towards different countries of the world, which are estimated at (2.650) billion dollars for the same period (Trentini, de Camargo Mainenteb, & Santos-Paulinoc, 2022).

6- The accession process is not limited to one party, but is the responsibility of all ministries, relevant authorities, the private sector, unions, federations and decision-makers in the government, and requires many reform measures such as reform of the regulatory system, advanced industry, advanced quality standards, simplified and uncomplicated procedures, and updating laws in line with the organization's agreements and others.

7- The successive wars fought in Iraq, the latest of which was the war against ISIS, have changed the government's priorities away from carrying out economic reforms over the past years. Even the reform paper (white paper) put forward by the government in T1/2020 and adopted the goals of achieving financial stability and reducing the budget deficit retreated from its goals at the first global economic crisis, which is the rise in the prices of basic foodstuffs, as well as neglecting the leading sector in the process of development and growth, which is the industrial sector, the locomotive of development. It did not indicate any action that could be taken to develop the Iraqi economy (A. H. Almagtome, Al-Yasiri, Ali, Kadhim, & Heider, 2020).

8- Lack of a clear strategy for the relevant ministries for accession and negotiation, as well as lack of sufficient knowledge of the advantages of accession based on the adoption of the principle of accession as a means of economic reform.

9- Failure to activate the laws approved in 2010, such as the National Product Protection Law, the Competition and Monopoly Prevention Law, the Customs Tariff Law and the Consumer Protection Law, and the delay in approving other relevant laws and legislations and updating them in a timely manner.

10- There are no financial allocations for accession as an independent budget is required for this purpose.

11- The inequality of Iraq's economies in the industrial and agricultural sectors will not qualify it to enter into successful competition with the products of many OIC member

countries at the present time, as the reality of commodity and service production in Iraq is still lagging behind and lacks solid pillars and infrastructure. As well as the transformation of Iraq into a net importer of most of its needs and requirements of goods and services.

The expected economic effects of Iraq's accession to the WTO

Iraq's entry into the World Trade Organization represents a major challenge for the Iraqi economy, especially after the accession of most countries of the world to it, and due to what Iraq enjoys as an observer member of the organization, and in the stage of completing the requirements for accession and preparing the final accession protocol, this means that its accession to this organization will leave positive and negative effects. On all its economic sectors, so the most important advantages that Iraq can achieve from joining the organization are:

- 1- Iraq today faces two options, one more difficult than the other, either to remain in great isolation from what is happening in the world, or to accept the challenge and take the risks of joining and searching for opportunities and advantages provided by the Organization for trade and the Iraqi economy.
- 2- The OIC today is an important global political and economic forum and Iraq's accession to HA will provide an opportunity for it to participate in global trade policy-making and not a recipient of it, as well as the gains and international support and trade and investment privileges stipulated in the OIC agreement that Iraq can achieve from accession (Ali, Nazmi, & Abdullah).
- 3- Joining the Organization can give Iraq better conditions for economic growth and development so that the GDP is more diversified by increasing the contribution of non-oil productive sectors, and increasing the competitiveness of local production as a result of improving local products in terms of quality and use of advanced technology (19).
- 4- Joining the OIC can achieve optimal use of economic resources and specialization in the production of goods in which Iraq has a comparative advantage and is able to compete in global markets.
- 5- Customs tariffs are the only right allowed to protect local products and national industries from imported goods and products, provided that all member states are treated with the same treatment (the most-favored-nation principle), as customs revenues provide significant resources for the state.

6- Joining the organization leads to the modernization and improvement of free zones, the liberalization of the exchange system, the reform of customs administration, the unification of duties and taxes, and the removal of restrictions and barriers⁽²⁰⁾, which in turn leads to the development of its scope after joining the organization, as well as the development in the level of services provided to citizens and avoiding the deficit in the trade balance for many years with the growth of the economy.

7- Joining the Organization will contribute to the promotion and empowerment of trade through market access, enhanced border management, transport infrastructure, communications, regulatory measures in the business environment, protection of intellectual property, efficiency of government in public spending, and financial and administrative corruption.

8- The possibility of stimulating and encouraging investment and reviving the Iraqi economy with its commodity and service economic sectors through the possibility of modernizing these sectors according to the latest scientific and technical developments, as well as through the possibility of Iraqi goods and merchandise entering the global markets.

9- The possibility of benefiting from the benefits granted to developing member countries and the grace period granted by the organization to new member countries to adjust their economies to the requirements of the organization.

10- The possibility of reducing the chances of corruption through transparent laws and regulations adopted by the organization.

11- Joining the Organization will strengthen the role of control and control and put in place preventive measures to prevent the entry of inferior imported goods and materials, as well as imports from unknown origins. During the establishment of restrictions on imported goods that lead to a breach of the trade balance and balance of payments or an increase in unjustified imports, as well as allowing the issuance of the necessary anti-dumping legislation. This diamond has provided the Iraqi consumer with goods and services of good quality and at lower competitive prices.

CONCLUSIONS

The negative effects of Iraq's accession to the organization are: Iraq will pay a heavy price for its delay in joining due to the restrictions that countries can impose on its accession,

especially since the OIC countries reached 4.16 countries. It controls nearly (97%) of the global trade volume in the sectors of goods and services, intellectual property, financial transactions, and communications and information technology services. Developing countries, to which Iraq belongs, believe that there is a lack of commitment by developed countries to provide support for their agricultural sectors on the one hand, and that the gradual abolition of subsidies to agricultural producers in those countries. Increasing food import prices, which affects the balance of payments and leads to inflation on the other hand in the short and medium term. The economic, political and security situation that Iraq is currently going through makes it difficult to achieve the accession process optimally, as the Iraqi economy suffers from a set of problems as a result of the devastating wars and siege that Iraq was subjected to in the past. Decades affected the work of many factories, laboratories and workshops, and the accumulation of debts at the domestic and international levels, which was reflected in the reality of the national economy and infrastructure, in addition to the interruption of the arrival of modern technology. Advanced scientific equipment and experience hindered the modernization of operations, so it is preferable to remain in the organization as an observer member and wait until the economic environment improves, then conduct a broad and comprehensive assessment of the economy before joining the organization. Iraq does not enjoy a comparative advantage in any of the industrial or even agricultural products, in addition to the decline in the contribution of basic sectors such as industry and agriculture to the gross domestic product and the inability of local products to compete with foreign production. Within the local markets due to the high production costs on the one hand and the loss of most of the Iraqi products in their global markets. Iraq also does not have surpluses that can be exported from agricultural products, especially in the short term, in addition to the serious challenges facing Iraqi agricultural exports in competing with foreign agricultural products in global markets, in terms of price competition and the application of quality. Specifications and international quality standards. Opening up to global markets leads to the entry of international companies with a high competitive ability, which would affect the local industry sector, which is mainly represented in the weak competitiveness with imported products, which are indicators that appear in every country that wants to join the World Trade Organization, This causes an increase in unemployment rates, especially in the early stages of accession.

It is necessary to ask the World Trade Organization (WTO) to reconsider the accession requirements of Iraq because it is a fragile and conflict-affected country (FCA) and to make it more flexible in order to accelerate the timetable for the accession of these countries. Providing

them with technical assistance and granting and supporting facilities and privileges. In order to recover from internal crises or conflicts and natural disasters, especially since it is no longer an important figure in international economic relations. It is necessary to restructure the Iraqi economy and modernize trade laws in line with the requirements of the transition towards a market economy and to ensure integration into the global market. It is necessary to promote the principle of transparency, disclosure and anti-corruption, which is a major issue in bilateral WTO negotiations and trade policy reviews. The challenges facing Iraq's accession to the organization are supposed to be an incentive to accelerate its integration with the global economy by moving at a balanced pace to integrate and benefit from similar global experiences, especially the Russian experience, which took 18 years to complete the requirements. To join the organization, by accelerating the approval and implementation of economic, administrative and legal reforms regulating economic activity. Work to support the banking sector through appropriate legislation that allows it to operate flexibly at home and abroad, and to develop legislation that regulates the work of the private sector. Serious government intervention to rebuild the infrastructure of the Iraqi economy, leading to a reduction in production costs and providing ample opportunities for local products to meet the needs of the local market and compete with imported goods and services.

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