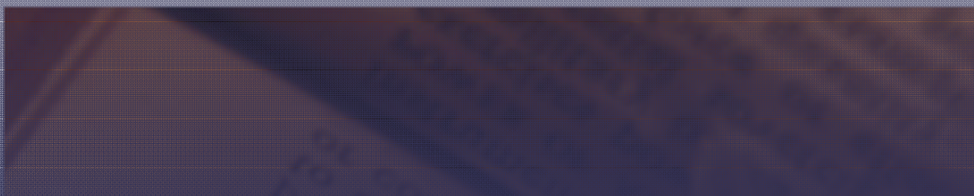
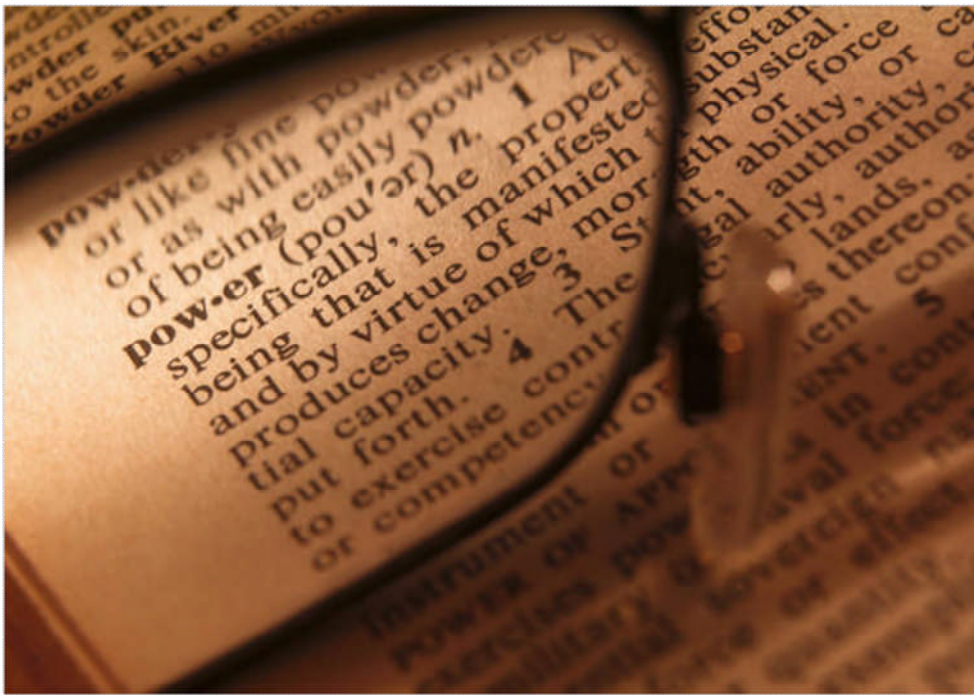


# THE ROLE OF AMERICAN BUSINESS IN IRAQ

## The Way Forward



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## VISION

Abundant natural and human resources enabled Iraq to become the most prosperous country in the Middle East in the 1970s. The country developed a robust infrastructure and well-performing education and healthcare systems, widely regarded as the best in the Middle East. After years of heavy conflict and economic uncertainty, a window of opportunity for the Iraqi political process – and people – has opened. Accompanying that window is space for increased commercial engagement between American business and their Iraqi counterparts.

The Iraqi economy is showing some broad-based growth – the first since 2003. It is critical to build on this momentum by creating access to business opportunities and establishing relationships with key decision makers. This relationship-building and cultivation of credible investment opportunities is vital to fostering a more stable environment for business in Iraq.



The recent security and economic “space” created by the Surge offers real hope for business that Iraq may regain its status as a beacon of prosperity in the heart of the Middle East. While this won’t happen overnight, it’s important that business maintains its focus and concentrates on actionable, achievable goals.

To that end, in June 2008, the U.S. Chamber of Commerce is launched the **Iraq Business Initiative** to deliver targeted advocacy on behalf of American business. This initiative will facilitate meaningful access to key Iraqi and U.S. decision makers, and offer business the opportunity to impact the policies that will shape the long-term investment climate in Iraq through meaningful networking opportunities, business delegations, and policy forums.

## ADVOCACY

Business represents an important segment of society – one that provides goods and services, creates jobs, drives innovation, and raises the standard of living. Yet, to fulfill its functions, business must be able to operate in a stable legal and regulatory environment.

The U.S. Chamber's experience in various emerging markets finds that for such an environment to emerge, it is imperative for the private sector to engage in the policymaking process.

The Chamber can provide the private sector with such an opportunity in Iraq. As the voice of business, the Chamber regularly leads advocacy efforts to create an environment conducive to economic development and growth.



In Iraq, the most important advocacy issues for our members include:

1. **Establishing their presence:** ease of establishment, availability of capital, credit and basic infrastructure, support services for business incubators
2. **Operating their business:** corporate governance, property rights, labor issues, non-wage labor costs (such as social security), safety, finance, taxes, reliable transportation/infrastructure
3. **Competing:** anti-trust and fair competition laws, enforcement of contracts, technology development, trade regulations

To address these issues, the Initiative will actively support policies that will enable business to better compete in Iraq, including,

1. **Adoption** of a hydrocarbons law that promotes investment
2. **Greater transparency** in public procurements – both U.S. and Iraqi procurements
3. **Matching** U.S. efforts to create jobs via American investments with longer-term market acceleration efforts
4. **Giving business a voice** in directing economic resources focused on job creation to the most promising sectors in Iraq

The Chamber will advocate for positive action in these key areas by tailoring its efforts to influence government policy – both Iraqi and U.S. – in an open and transparent manner, and will represent the views of our members before legislators, government executives, regulators, and other policymakers.

## ACCESS



There is a unity of effort among the various agencies engaged in Iraq, **but not enough coordination**. This has led to confusion, duplication of efforts, and missed opportunities. As a byproduct of this confusion, companies with a keen interest in investing in Iraq do not know where to turn to gain credible access to the decision makers in theater or in the U.S. that could help them navigate the process of engagement.

The U.S. Chamber of Commerce is actively engaged in building bridges for global commerce – and establishing the relationships necessary to ensure that our members are not locked out of lucrative international markets.

The Chamber has direct, senior-level access to the United States Embassy in Baghdad, senior Iraqi government officials, the leadership of Multi-National Force – Iraq, the leadership of the Business Transformation Agency at the Department of Defense, and – through our seat on the U.S. – Iraq Business Dialogue – a network of Iraqi businesses actively seeking U.S. partners.

The U.S. Chamber's Iraq Initiative will offer our members unique access to several key audiences that influence business policies in Iraq:

- **Iraqi and U.S. Government executives, regulators, and administrators** who, when provided with credible information about the underlying objectives of specific policies, are able to do a better job implementing and enforcing them in a manner that benefits business.
- **Iraqi and U.S. lawmakers and key government decision makers** who need sound information before they make policy decisions that affect business. Business-friendly policies foster a favorable investment climate, advance market-oriented reforms, attract capital, stimulate entrepreneurship, and generate economic growth and jobs.
- **The Iraqi and U.S. media** who benefit from the private sector's input. Journalists gather a great deal of their information from official government sources, but they are better able to analyze this information once they have listened to the voice of business.
- **Researchers and academics** that use information provided by the U.S. Chamber in conducting studies. In turn, this network of experts raises awareness of the issues important to the private sector and illustrates linkages between business and development.

## IMPACT

To create the greatest impact in effecting change in Iraqi and American economic policy, the U.S. Chamber of Commerce's Iraq Business Initiative includes a core group of companies from diverse sectors of the economy with commercial interest in Iraq. The Initiative will work with its members on key regulatory, legislative, and policy issues facing their industry. The "founding members" of the Initiative will play an active advisory role in shaping the Initiative's efforts, and, they will guide the U.S. Chamber's advocacy efforts and ensure that the targeted goals of the Iraq Business Initiative are met.

The activities and efforts that will encompass the U.S. Chamber's Iraq Business Initiative will be geared towards delivering the value, access, and results that our members demand. Most importantly, the Initiative's activities will provide coordinated private sector participation in affecting broader commercial efforts in Iraq.

Activities	Audience	Timing
Ongoing Capitol Hill and Agency advocacy to represent our members' interests/competitiveness in Iraq	Members of Congress, Agency and Department officials.	Ongoing
Ongoing legal/regulatory/competitiveness guidance from the former Rule of Law Coordinator for Iraq	Core Initiative Members	Ongoing
Weekly <i>Business/Political Intelligencer</i> that delivers up-to-date information on the latest market and political developments that impact business in Iraq	Core Initiative Members and select members of the U.S. and Iraqi Governments	Weekly starting in May 2008
Monthly <i>Policy Forums</i> and private <i>Media Roundtables</i> with key Iraqi and U.S. decision makers and media notables	Core Initiative Members, senior members of the U.S./Iraqi policy and Government community	Monthly starting in April 2008
Multiple business delegations to Iraq in cooperation with MNF-Iraq, TFB SOI and the U.S. Embassy	Core Initiative Members	Ongoing
Participation in <i>Northern Region of Iraq Investment Task Force</i> with monthly investment updates and two business delegations to Northern Iraq	Core Initiative Members that elect to sit on the task force	Delegations: Feb, Aug, Dec 2009