

Iraq's Al-Maliki Urges Enacting Legislations to Remove Obstacles to Investment
(Al-Iraqiyah TV, May 17)

In the name of God, the Merciful, the Compassionate. May God's peace, mercy, and blessings be upon you, the convocation of this conference has been a practical response to the requirements of launching the process of development and reconstruction in this country. You are aware that investment and reconstruction, and the attraction of capital, companies, and contractors is a complex and accumulative process. It is not sufficient for us to have the money to bring in investors and companies; it is not sufficient to have projects in order to attract these companies and capital; and all of this will not be sufficient unless there are combined measures, tools, and mechanisms that prepare the proper climate for investors. These measures, tools, and mechanisms are safety measures, providing security that would cover the investment process and the investors.

No doubt, whatever is said about the capital being cautious or coward, the human being remains a priority over the capital because nobody should endanger the lives of the workers and the staff in an environment that is unsafe in terms of security.

Therefore, reconstruction stopped in this country. Services and investments were halted as a result of the extraordinary circumstances that Iraq had experienced in terms of terrorist actions by Al-Qa'ida, the militias, the outlaws, and the gangs, as well as the legacies of the wars, the sanctions, and the adventures that we inherited from the previous regime. All these things constituted circumstances that nobody from Iraq, much less those who are outside Iraq, would have risked.

Perhaps this delay had continued until 2008. At the beginning of that year, we announced that that was the year of reconstruction, services, and investment. Indeed the wheel of reconstruction and investment began moving after we succeeded, God be praised, in effecting cooperation and solidarity and in imposing security, and following the success of the security process, and the pursuit of terrorists and gangs in order to leave no obstacles that prevented anyone from investing in this country. Everybody cooperated in this endeavor, God be praised. Even those who had adopted a certain viewpoint cooperated with the state and responded to the requirements of the national appeal for the need to impose security and protect the country from fragmentation.

As security becomes available, insurance must also be made available for the capital and the companies, and this cannot be done except through laws that would guarantee that these capitals would not face impediments, harm, confiscation, or red tape that does not eventually make their efforts successful investments. The existing investment law in the country cannot attract capital and investments. Therefore, in order to facilitate investments and reconstruction in the country, the National

Investment Commission was formed. Its law was enacted in 2005. Perhaps the Commission's work was stymied from the beginning by the poor security conditions, but it has recently been activated through holding conferences and studying the circumstances and the legality of investments. Thus, the investor's conference was held in London and other conferences were held elsewhere.

This conference today is a response to an inevitable necessity, and I believe that it is at the forefront of the needs of the investment process today; namely, the need for an investment law that would make things easy and within reach instead of leaving the investors moving from one department to another, or from one ministry and establishment to another. Therefore, a unified outlet should be created. I hope that this conference will draft legislation for us, opening a single outlet for the investor instead of leaving him moving between departments and ministries, torn between possible successes and possible failures. Thus, a unified department would be created, attracting and welcoming the investors and making their tasks simpler.

Moreover, we have seen weak points in the Investment Law that was passed by the National Assembly in 2005. These weak points continue to prevent many investors from coming to Iraq. They want guarantees. One of these points is the process of owning lands for investment projects. It would be unreasonable for anyone to invest on a land that is not his, a land which he has no right to own. Thus, the Council of Ministers took action to treat such weak points.

Thus, brothers and sisters, laws and legislations cannot be perfected from the beginning. Indeed weak points and flaws appear through the process of implementation. Therefore, the government, the Council of Ministers, drafted a law amending the National Investment Commission Law, and it was referred to the Council of Representatives. We hope that the brother legislators will devote their utmost attention to it in order that the process is carried out under the eyes of all investors.

There are other challenges and requirements concerning the work of this conference on legal framework for investment, such as complications in the legislation process, not only on this issue, the investment issue, but on other issues as well. In general, the Cabinet, the Council of Representatives, the State's Shura Council, and the ministers, all of them put their touches, provide ideas, and make observations on previous observations in an accumulated way, with the result that the laws reach the Council of Representatives only after an arduous process. I hope it will be possible to discuss this issue. I hope that laws related to the Investment Commission will not pass through this long chain of measures that impede this process.

As we speak of investment and reconstruction, I think it would be proper to stress political stability. Apart from stability and security, investment requires convincing

the investors, the companies, and the states that this country is stable. We cannot call it stable except through a stable political process. This process is not the responsibility of the government -- the cabinet -- alone but it is the responsibility of the state as a whole including its legislative, executive, and judicial institutions in order to send a message to the world that this country is stable and is heading for further stability, so that the one who brings his money to Iraq would not consider his move a risk and a gamble but would invest in a stable country without political changes that might be accompanied by legislative and legal changes, which, in turn, make the investor risk losing his money under insecure political conditions.

Here once again I say that the political process has started to stabilize after the security stabilization. More cooperation is seen among state institutions. As I said, stability is not the responsibility of one side, but everyone must play his part in imposing the process of political stability. This not only covers official state institutions but the nongovernmental organizations as well, which should play a role in a country that needs the stability process so that the objectives of the people might meet with the objectives of the state.

We are speaking about investment and the needs that are obvious in a country that has suffered from lack of progress, reconstruction, development, and services for many years because of wars, adventures, and a political mentality that led the country to the precipice, and therefore we must treat all the negative backgrounds and influences. Centralization in investment killed the investment process. The state used to sell everything, buy everything, build everything, and invest in everything. It is impossible for a government, no matter how powerful it is, to do that successfully. The private sector must be allowed to enter this field.

Thus, we are facing several areas of investment and they all must be encouraged. We should not take one direction and look from one angle at the investment process. We must open the arena to investment companies and the private sector so it can play its role in a safe and legal investment environment. We also must open the door to a mixed investment between the companies and the private sector on the one hand and the state sectors and state companies on the other. Such unions between the private and state sectors have started to appear. We also must not forget the state's role in continuing its reconstruction, services, and projects because we do not want to suffer a setback in the economic field similar to the setbacks experienced by the international economies, which had relied on a single factor and on a single track.

This is also another matter that requires laws and legislations. I do not know if it has been taken into consideration but I know that it was discussed at the Cabinet with the purpose of finding guarantees of cooperation and integration among all sectors and so that all resources can be used in the investment process.

I do not want to take much of your time and this topic might require a long discussion, but I am grateful to Dr Safa-al-Din al-Safi, minister of state for parliamentary affairs, and to all the brother members of the Council of Representatives, the head of the Investment Commission, and the officials and guests who are attending this conference, for their participation and for enriching the process of investment in Iraq because investment is the ultimate aim in the process of stability and development. God be praised, we succeeded in establishing security and we succeeded in realizing political stability, and we must succeed in the field of investment and services. When I say we have succeeded, I do not mean that this success has been absolute but I can say that we have laid the foundations for sound circumstances in terms of finance, policy, and security.

True, a financial crisis is rife in various word states. We in the Cabinet have a plan which will be presented to the Council of Representatives shortly to have its approval. It pertains to cooperation with local and international companies in the field of investment, construction, and services based on postponed payments. Huge amounts of money with strategic nature have been earmarked to treat various issues and areas. The cabinet has allocated \$18 billion to agriculture because it has been harmed, and you are aware that agriculture provides food and social security and will contribute to finding jobs for the unemployed. Concerning the housing projects, which have been delayed for long, the Cabinet allocated \$25 billion to provide housing units.

As for the electricity, higher education, elementary education, the borders, and other fields, they were carefully and extensively studied. International concurrence has been received concerning the participation in the field of reconstruction and services, and the state has guaranteed the payment of these funds either from its oil revenues or from money that will definitely, God willing, accrue from the stepping up of the oil production process which has begun to improve gradually. All this provides an extra impetus to those who would like to invest in Iraq in accordance with specifications that I hope this conference will draw up.

I hope that this conference will draft legislations to speed up and not complicate the investment process. True, we fear corruption and are fighting it and will continue to do so but fighting corruption cannot be done through complex measures that kill investments and let corruption survive, benefiting from the killing of the investment, because corruption feeds on people's sentiments and needs and lack of services and investments.

Thank you very much. I wish you success. My God's peace, mercy, and blessings be upon you.

[Description of Source: Baghdad Al-Iraqiyah Television in Arabic --
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