

BUSINESS

Special Edition 2023/Issue 12

LANDSCAPE

The Investment Scene in Kurdistan Region: How is Kurdistan Region Becoming More Investable?

KURDISTAN REGION
EDITION

Hiwa Afandi

Navigating the Digital Frontier: **The Role of the Department of Information Technology in the Transformation of Kurdistan**

AbdulSalam Medeni

Shaping Tomorrow: **Preparing Iraqi Youth for the Job Market**

Cihan Group

Cihan Group: **Weaving a Legacy of Innovation across a Multitude of Sectors**

KAPITA's Research Team

The Information and Communications Technology in Kurdistan Region: **An Overview of Digital Skills, Sectors, and Investment Opportunities**

Interviews with

Dr. Muhammed Shukri
Chairman of the Board of Investment in KRG

Sheikh Fakhir Sheikh Tayeb
CEO, Qaiwan Group

Dr. Akaam Kamal
Executive Director, Halabja Group

CONTENTS

Business LANDSCAPE is a quarterly published magazine that sheds light on the Iraqi private sector, its challenges, developments, and investments, and on the entrepreneurial scene. It serves as a platform for the Iraqi business ecosystem.

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04.

Editorial

The Business LANDSCAPE of Kurdistan Region: **A Hub for Innovation, Investment, and Economic Development**

08.

Invest Kurdistan

The Investment Scene in Kurdistan Region: **How is Kurdistan Region Becoming More Investable?**

14.

Hiwa Afandi

Navigating the Digital Frontier: **The Role of the Department of Information Technology in the Transformation of Kurdistan**

20.

AbdulSalam Medeni

Shaping Tomorrow: **Preparing Iraqi Youth for the Job Market**

68



26.

Dr. Hemin Latif

Pioneering University Roles:
AUIS Leads the Charge for
University Engagement
in Iraq's Entrepreneurial
Evolution

30.

Mohammed Bajalan

Transforming University
Education in Kurdistan, Iraq:
Overcoming Challenges and
Embracing Positive Change

34.

Cihan Group

Cihan Group: Weaving a
Legacy of Innovation across a
Multitude of Sectors

INTERVIEWS

58.

**Dr. Muhammed
Shukri**

Chairman of the Board
of Investment in KRG

64.

**Sheikh Fakhir
Sheikh Tayeb**

CEO, Qaiwan Group

70.

Dr. Akaam Kamal

Executive Director,
Halabja Group

KAPITA's Research Team

38.

Report Summary

The Information
and Communica-
tions Technology in
Kurdistan Region:
**An Overview of
Digital Skills,
Sectors, and
Investment
Opportunities**

46.

Report Summary

Invest In
Kurdistan:
**Overview of
Priority Sectors**

58



The Business LANDSCAPE of Kurdistan Region: A Hub for Innovation, Investment, and Economic Development

Kurdistan Region has been home to an abundance of local resources, a youthful population, and fruitful opportunities. The region is also the birthplace of multiple conglomerates that successfully established their names not only locally and regionally but also internationally.

In this special edition of the Business LANDSCAPE Magazine, which has been created in collaboration with our esteemed partners, The Board of Investment-Invest Kurdistan, we bring you on this journey to explore the flourishing business landscape of Kurdistan Region.

The Kurdistan Regional Government (KRG) has focused on restoring the region's stability, security, and economic development. A critical pillar of this strategy has been attracting foreign direct investment (FDI) and creating a vibrant private sector. The establishment of the Board of Investment (BOI) in 2006 is a manifestation of this strategy. The BOI was tasked with streamlining licensing processes, providing incentives, assisting investors, and creating a favorable business climate. To date, the BOI has issued over 1,120 investment licenses with a total capital of more than \$67 billion, including around \$12 billion in FDI and joint ventures. (Read more on page 8, The Investment Scene in Kurdistan Region: How is Kurdistan Region Becoming More Investable? by Invest Kurdistan).



The region's economy has grown significantly over the past two decades; the GDP per capita was about \$7,038 in 2022. It has received major investment from both local and foreign investors since 2006, with total invested capital exceeding \$66 billion. The government is actively seeking to attract more investment projects to the region and has a dedicated team to support investors and facilitate the investment process. The investment opportunities lie in many sectors, including agriculture, manufacturing, tourism, the ICT sector, infrastructure, renewable energy, transportations, and others. (Read more on page 46, Invest In Kurdistan: Overview of Priority Sectors by Invest Kurdistan's Team).

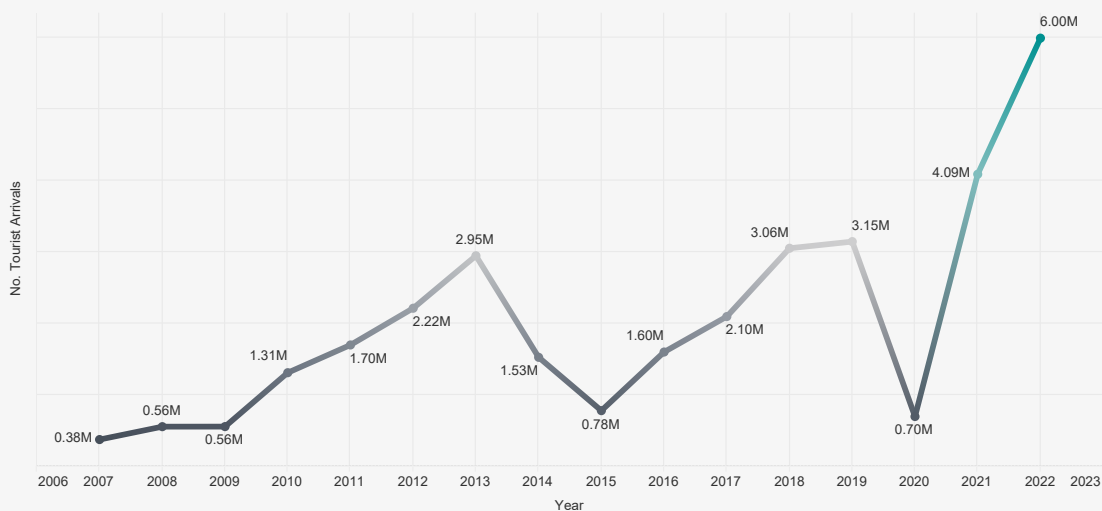
Moreover, the ICT sector in Kurdistan is rapidly evolving, witnessing a growth rate of 13%, with over 500 registered companies across software development, telecommunications, e-commerce, and digital services. The region, with 4 million internet users, is becoming a hub for technological entrepreneurship. (Read more on page 38, The Information and Communications Technology in

Kurdistan Region: An Overview of Digital Skills, Sectors, and Investment Opportunities by KAPITA's Research Team).

This digital transformation has been enabled by the Department of Technology and Information (DIT). The DIT's main responsibilities are focused on empowering citizens, government, and businesses through the use of innovative information technology solutions. Many applications have been launched to transform various sectors, such as the Population Information System, the Kurdistan Financial Management System, the Business Registration System, and many others. (Read more on page 14, Navigating the Digital Frontier: The Role of the Department of Information Technology in the Transformation of Kurdistan by Hiwa Afandi).

These developments in the region ignited the urgent need to mitigate the challenges in preparing Iraqi youth for the job market and bridging the gap between the education system and labor market requirements. A long-term vision, improved

Tourist Arrivals to the Kurdistan Region between 2008 and 2022



Source: Invest in Kurdistan: Overview of Priority Sectors, Invest Kurdistan, 2023. Copyrights: KAPITA Business Hub, 2023.

teaching methods, and a shift in the examination system would align educational systems with workforce needs. (Read more on page 20, *Shaping Tomorrow: Preparing Iraqi Youth for the Job Market* by AbdulSalam Medeni).

Recognizing this need to equip the youth with skills to enter the workforce, the university education in KRI is experiencing a notable transformation characterized by various key factors. These factors include curriculum updates, focus on practical skills, collaborations with international universities, and the establishment of career centers. (Read more on page 30, *Transforming University Education in Kurdistan, Iraq: Overcoming Challenges and Embracing Positive Change* by Mohammed Bajalan).

In addition, the unique position of universities provides an invaluable opportunity to make a distinctive contribution to the entrepreneurial ecosystem. An entrepreneurial university can be defined as an academic institution that, rather than solely focusing on traditional teaching and research activities, also embraces entrepreneurship in its strategies, operations, and organizational structure. Universities such as the American University of Iraq, Sulaimani (AUIS) are taking significant strides towards becoming an entrepreneurial university to contribute to building the ecosystem in the region. (Read more on page 26, *Pioneering University Roles: AUIS Leads the Charge for University Engagement in Iraq's Entrepreneurial Evolution* by Dr. Hemin Latif).

Furthermore, many corporates who have established themselves as industry leaders started their journeys in Kurdistan Region. Cihan Group, who started as a textile business, then established its current prominence in trading, foodstuff, automotive, car rental, education, banking, insurance, media, construction, and energy. The Group reflects a commitment to innovation, community development, and economic growth.

(Read more on page 34, *Cihan Group: Weaving a Legacy of Innovation across a Multitude of Sectors* by Cihan Group).

Our series of interviews includes multiple leading figures in their domains. Dr. Muhammed Shukri, Chairman of the Board of Investment in KRG, discusses the investment scene in the Kurdistan Region. He reflects on the commitment of the regional government towards attracting investment opportunities into the region, highlights the role of the BOI in fulfilling that goal across multiple levels, and emphasizes the promising opportunities available to investors in different sectors. (Read more on page 58).

Sheikh Fakhir Sheikh Tayeb, the CEO of Qaiwan Group, shares with us the Group's success story, growth into a conglomerate, and their focus on innovation and development across all sectors. He also discusses the vitality of the energy sector and the importance of renewable projects like the Qaiwan Solar Plant and explores the challenges and opportunities imposed by climate change. (Read more on page 64).

Dr. Akaam Kamal, the Executive Director of Halabja Group, discusses the company's diversified business sectors, commitment to community support, dedication to education and workforce development, partnerships in the food industry, and contributions to the local agricultural sector and food industry. (Read more on page 70).

Our journey through the dynamic business landscape of Kurdistan Region echoes the commitment to growth from all the key stakeholders. It is evident in the government's initiatives, entrepreneurial endeavors, the pioneering spirit of educational institutes, and the innovation of conglomerates. A story of growth, progress, and determination emerges to pave the way for a triumphant future.

Safwa Salim

Executive Editor



Invest Kurdistan

The Investment Scene in Kurdistan Region: How is Kurdistan Region Becoming More Investable?

The Kurdistan Region of Iraq (KRI) has undergone a remarkable transformation since 2003. Emerging from decades of conflict and isolation, the Kurdistan Regional Government (KRG) has focused intensely on restoring stability, security, and economic development in the region. A critical pillar of this strategy has been attracting foreign direct investment (FDI) and creating a vibrant private sector.

In 2006, the KRG took a major step forward by establishing the Board of Investment (BOI) to spearhead investment attraction efforts. The BOI was tasked with streamlining licensing processes, providing incentives, assisting investors, and creating a favorable business climate. Since its inception, the BOI has overseen tremendous growth across sectors such as industry, real estate, agriculture, tourism, and services. To date, the BOI has issued over 1,120 investment licenses with a total capital of more than \$67 billion, including around \$12 billion in FDI and joint ventures.

While impressive, these figures do not capture the full scale of investment, as they exclude the upstream and midstream oil and gas sectors that fall outside the Investment Law. The Kurdistan Region has come a long way in a short time.



The BOI is proud of the progress made but remains focused on the future. With continued improvements to the investment climate and business environment, the Kurdistan Region is more investable today than ever before. For potential investors, the region presents exciting opportunities across many diverse sectors.

Laws and Regulations

KRG has taken meaningful steps to establish a supportive legal and regulatory framework aimed at attracting investment and enabling economic growth.

A major development was the passage of Investment Law No. 4 in 2006, which provides a comprehensive set of incentives, rights, and privileges to investors.

Key features include:

- Tax and customs duty exemptions
- Equal treatment of local and foreign investors
- Land allocation privileges
- Unrestricted profit and capital repatriation
- 100% foreign ownership
- Legal protections against expropriation
- Access to international arbitration to resolve disputes

The law consists of four parts, fifteen chapters, and twenty-five articles that collectively foster an environment conducive to investment. By reducing barriers to entry and offering guarantees to businesses, it has succeeded in drawing investors from many diverse sectors.

To organize and oversee the investment process, the KRG established the Supreme Council for Investment. This body issues decrees and regulations regarding licensing, approvals, land allotment, and other facets core to investment projects and investment climate.

More broadly, the region has prioritized creating a climate attractive to investors by instituting reforms emphasizing good governance. The KRG continues to be proactive in shaping a regulatory regime that protects stakeholders' rights and is in the process of amending the current law so that it will be in line with international best investment practices.

Companies Registration

The way a company is registered is critical to doing business and investing in any region or country. Streamlining the registration process and reducing the time required can have a significant positive impact on the economy. To facilitate this, the KRG recently launched an online portal for company registration, business.digital.gov.krd, providing investors with a user-friendly platform to submit applications electronically and track their status in real-time.

Under the legal framework of the Iraqi Companies Law No. 21 of 1997, as amended in 2004, a variety of legal entities can be established in the Kurdistan Region. Company registrations can now be completed within a mere 24 working hours, empowering investors to swiftly commence their business operations.

Upon successful registration, companies are issued a Unique Entity Number, granting them access to a range of essential governmental services. The process is overseen by the Ministry of Trade and Industry (MOTI), managed by the General Directorate of Company Registration, which is now responsible for company registration.

Local company types under the Companies Law encompass various options to cater to diverse investor needs:

1. Limited Liability Company (LLC): The most common entity type in Kurdistan, an LLC must have 25 or fewer shareholders, with a minimum capital requirement of 1 million IQD.

2. **Simple Companies:** These can be established by two to five individuals, each contributing to the company's capital either in cash or with a business share, and partners usually bear unlimited liability.
3. **Sole Proprietorship:** A business entity solely owned by an individual who assumes unlimited liability for all the company's obligations. The owner of a Sole Proprietorship needs to be an Iraqi citizen.
4. **Joint Stock Company:** Requires a minimum of five shareholders who subscribe to shares publicly and bear responsibility for the company's debts up to the nominal value of their subscribed shares. If the government participates, its shares must exceed 25%.
5. **Joint Liability Company:** Formed by two to 25 persons, each owning a quota of its capital, and they jointly assume personal and unlimited liability for all the company's obligations.

For foreign companies seeking to establish a presence in the Kurdistan Region, the branch registration process is straightforward. The parent company must have been incorporated for over a year, and the branch must maintain the same name and ownership structure as the parent company. The parent company retains both financial and legal liability for the activities of the branch. Moreover, the branch must appoint a statutory accountant and lawyer, both of whom must be Iraqi nationals, while the managing director can be of foreign nationality.

Crucially, foreign investors and business owners can engage in business activities or investments within the Kurdistan Region without the requirement of local partners, further encouraging international investment in the region, but they are encouraged and incentivized to partner with local investors and form joint ventures.

Digital Transformation

To improve governance and service delivery, and drive economic growth in the region, the KRG has

embarked on a digital transformation journey. The KRG's Department of Information Technology (DIT) is spearheading this initiative by working closely with all government entities to incorporate technology across sectors.

Some key achievements so far include:

- Launching a national digital strategy outlining the vision, goals, priorities, and action plans for digitalization in the Kurdistan Region of Iraq (KRI) by 2025. The strategy aims to make KRG one of the top digital governments in the Middle East.
- Creating a unified government portal (www.gov.krd) that combines separate ministry websites for easy access to news, information, reports, and e-services.
- Construction of a data center to host all KRG services.
- Introducing the e-visa platform (visit.gov.krd) to facilitate visa applications and boost tourism.
- Launching an online business registration portal (business.digital.gov.krd) to simplify and expedite company registration.

The business registration portal, developed collaboratively between government departments, allows businesses and entrepreneurs to register businesses conveniently from anywhere while saving time and costs. It provides a transparent list of business activities and assists in protecting trademarks and company names as per international standards. This milestone in digitizing business registration will support economic growth in the region by encouraging startups and employment.

By recognizing the power of technology in governance and public services, the KRG has taken decisive steps to steer Kurdistan's digital revolution. With initiatives like e-visa, unified government portal, and online business registration, the KRG aims to become a regional leader in digital government by 2025.

Infrastructure and Developments **Key Sectors**

To enhance connectivity and promote industrial development, the Kurdistan Region has made remarkable progress in developing its infrastructure. Transportation networks, electricity networks, and telecommunications have expanded since 2005. Two international airports, hundreds of kilometers of new roads, and high-speed internet reaching most areas have transformed connectivity.

Despite existing challenges and the need for many new projects, KRG is actively working to enhance infrastructure to present a promising business environment. Industrial zones, renewable energy projects, and transportation initiatives are strategic priorities. New industrial parks and special economic zones are planned across all districts. The Kani Spi agro-industrial park, which is currently being developed in Duhok, is designed to host hundreds of manufacturing, warehouses, and processing facilities.

Electricity is another crucial focus. With supply lagging demand, the government is keen to attract private investment in renewable energy and waste-to-energy projects through independent power producer (IPP) models. Two solar plants currently generate 3MW, with a 100MW solar project underway in Erbil. Hydropower is another promising area, and there are plans to build new dams in several areas.

Transportation mega-projects are also in progress and under study, including new highways, tunnels, and railways to support economic growth. The government welcomes private investment in public-private partnerships to develop these projects and invites partners to help build world-class infrastructure and unlock the region's full economic potential.

The Kurdistan Region's economy is characterized by its diversified portfolio of key sectors. While historically known for its oil and gas reserves, the region has expanded into other sectors, including industry (manufacturing), tourism, agriculture, and Information & Communications Technology (ICT). By reducing its reliance on the oil sector and diversifying its economic base, the Kurdistan Region wants to mitigate risks associated with commodity price fluctuations and create a resilient investment and business landscape.

The region offers a wide range of opportunities for investors in all sectors, particularly agriculture (agrifood), industry, tourism, infrastructure, and services. The government's priorities lie in the agriculture, industry, and tourism sectors.

The **agriculture sector** in the region presents a diverse range of investment opportunities across its three main subsectors. The government has issued licenses for 40 projects, amounting to \$1.1 billion in investments. Livestock and dairy farming hold promising prospects, catering to the growing demand for meat, dairy products, and related by-products. Crop cultivation is equally vital, benefiting from the region's fertile soil and favorable climate, enabling the cultivation of various crops like grains, fruits, and vegetables. Food processing plays a crucial role in the agriculture value chain, offering potential investment avenues by adding value to raw agricultural products.

The region's **industrial sector** is ripe with opportunities, particularly in two major subsectors. The government has issued licenses for 292 projects, amounting to \$23.1 billion in investments. The petrochemical industry in the region benefits from the abundance of natural resources, enabling the production of various petrochemical products used in plastics, chemicals, and other essential materials. The manufacturing sector provides a diverse array of investment prospects,

encompassing construction materials, light manufacturing, and the automotive industry, among others.

The **tourism sector** in the region encompasses numerous investment opportunities in cities and districts, including Erbil, Duhok, Sulaymaniyah, Halabja, Soran, Raparin, Garmian, and others. The government has already granted licenses to 189 projects amounting to \$14.9 billion in investment, including notable ventures like Korek Resort Mountain and Zawa Resort, and many others.

Additionally, the region's diverse opportunities across the service, education, healthcare, real estate, pharmaceutical, and infrastructure sectors have seen high potential and an attractive landscape for investors in recent years. By leveraging the potential within each subsector, investors can expect high growth returns.

Foreign-Investment Friendliness

The Kurdistan Region offers a welcoming environment for foreign investors, with policies and incentives designed to attract foreign capital and expertise. The region provides a safe and stable operating environment compared to other parts of the country, thanks to its relative security and political stability over the past two decades.

The KRG has enacted investor-friendly laws and regulations that provide equal treatment to both foreign and local investors. Key incentives include land allocation, duty exemptions, unrestricted repatriation of investment profits and capital, and 100% foreign ownership of projects.

The Board of Investment established a dedicated Foreign Direct Investment (FDI) Unit to assist investors throughout the investment process, from initial exploration to business establishment and expansion. Services offered by this unit are free of charge and confidential.

Legally, foreign investors are guaranteed the ability to fully repatriate profits and investment capital. The region also allows 100% foreign ownership of any new project establishment under the investment law. Additional incentives are offered for projects in underdeveloped areas and joint ventures between foreign and local partners.

The region has attracted major international companies across various sectors. Notable foreign investors include Al Safi Danone, Carrefour, Lafarge, Hyatt Regency, Rixos Hotel, and Rotana Hotel among many.

The Initiatives of the KRG Board of Investment

The KRG Board of Investment (BOI) has taken proactive steps to improve the region's investment climate and attract greater foreign direct investment. Some of the key initiatives undertaken by the BOI include:

- Establishing a dedicated body (FDI Unit) to assist foreign investors in their journey and also establishing the Invest Kurdistan brand to promote the region and its opportunities.
- Decentralizing licensing by giving the rights to general directorates in provinces to accept and facilitate investment licenses. The BOI has also opened new general directorates in a few districts.
- Working with international organizations, such as UNDP and IFC, to improve the investment climate and bring more investment to the region.
- Signing MOUs with local universities and organizations to make new partnerships, especially for researching key sectors more and identifying potential opportunities.

Through these forward-thinking initiatives, the KRG BOI is working to position the Kurdistan Region as a competitive and business-friendly environment for foreign direct investment in the Middle East. The BOI remains committed to making ongoing improvements to investment policies, procedures, and promotion.





Hiwa Afandi

Head of Department, KRG Department of Information Technology (DIT)

Navigating the Digital Frontier: The Role of the Department of Information Technology in the Transformation of Kurdistan

The Department of Information Technology (DIT) plays a pivotal role in the digital transformation of the Kurdistan Region. The main responsibilities are focused on empowering citizens, government, and businesses through the use of innovative information technology solutions.

The department is dedicated to harnessing the power of information technology to enhance the quality of life for its citizens and promote economic growth. The multifaceted approach ensures that technology is not just a tool but an integral part of society's progress and development.

DIT's Core Functions and Key Areas

DIT is focused on six Core Strategic Activities (CSAs), namely digital governance, digital architecture, human capital, user-centered design, security, and procurement to build the required human and digital systems capacity. The department facilitates the delivery of government services through digital platforms, enabling citizens to access essential services. This not only makes these services more accessible but also more efficient. Cybersecurity, or the protection of information and digital assets, is a priority for the Department of Information Technology. Therefore, DIT develops and implements robust security protocols to safeguard the data and privacy of citizens and institutions. It also provides digital educational and training programs to enhance the digital literacy and skills of the government workforce.

Supporting innovation and business growth is another area of focus. The DIT works closely with businesses to foster innovation and growth in the IT sector; it offers support in areas like funding, regulatory guidance, and collaboration with research institutions. The Department of Information Technology develops and enforces regulatory compliance and standards that govern the use of IT within the region. This ensures that the technology is used responsibly and in alignment with international best practices. Ensuring that accessibility and inclusion of technology is to all, regardless of their socio-economic status, is a core commitment. The department works to provide affordable and inclusive solutions that cater to the diverse needs of our population.

IT Capacity Building in the KRG

Building IT capacity in the Kurdistan Region is not just an ambition; it is a strategic mission that the Department of Information Technology is committed to fulfilling in the near future.

Recognizing the immense potential and need for skilled IT professionals and digitally literate citizens, it has devised a comprehensive plan.

Key initiatives and programs are being implemented to enhance IT skills among both the workforce and the general public, with a strong emphasis on education. The Department of Information Technology (DIT) is collaborating with educational institutions to embed IT courses in the school curriculum from an early age.

This proactive approach will nurture tech-savvy minds, laying a robust foundation for budding IT professionals. Furthermore, specialized vocational training centers are springing up across the region, dedicated to providing hands-on training in a range of IT disciplines. These centers aim to serve individuals looking to hone their skills for specific roles in the industry. Additionally, the DIT is deepening its engagement with universities to craft industry-relevant courses and bolster research opportunities through mutual partnerships. Such collaborations ensure that academic curricula keep pace with the dynamic needs of the IT sector. Acknowledging the pivotal role of accessibility in education, the DIT is also in the process of rolling out online learning platforms. These platforms will provide courses, tutorials, and certifications in various IT realms, enabling learners from all corners of the region to educate themselves at a pace that suits them.

The DIT places significant emphasis on corporate training and collaboration. By engaging directly with businesses, the DIT designs tailored training programs that align with the needs of the contemporary workforce. This ensures that professionals in the region possess the skills vital to compete on the global stage, particularly since the training is synchronized with industry demands. Recognizing the prevalent gender gap in the IT realm, the DIT is initiating programs specifically crafted to bolster and support "Women in Technology" initiatives, thereby fostering greater

gender inclusivity in tech careers. Additionally, the Department is proactive in its community outreach, orchestrating programs that acquaint the general public with fundamental IT skills, internet safety measures, and digital literacy. This commitment reflects the DIT's dedication to ensuring comprehensive digital inclusion. Support for startups and the nurturing of innovation are also central to the DIT's vision of a flourishing IT ecosystem. Aspiring entrepreneurs can access mentorship, funding, and a wealth of resources through the Department's innovation and entrepreneurship aids.

A robust monitoring and evaluation framework is pivotal to IT capacity building within KRG. By regularly assessing and monitoring every initiative, the DIT ensures that programs not only remain effective but also consistently resonate with its overarching objectives. Feedback from participants, stakeholders, and industry experts is invaluable, serving as the backbone of the Department's ongoing refinement and growth.

Digital Services and Applications

Several notable digital services and applications are currently available that have significantly transformed various sectors. These services are primarily directed towards demographic data and financial management within the Kurdistan Region. These systems serve to develop the related services, provide efficiency, and enhance transparency.

- **The Population Information System (PIS)**

PIS is a core government system and the backbone of our digital data infrastructure. It facilitates the assignment of a unique digital identity to individuals residing within the borders of the Kurdistan region. To ensure the authenticity of individuals, it utilizes biometric and biographic data.

A Unique Personal Number (UPN) is a 13-digit identification number that defines the holder across all interconnected government digital services.

- **The Kurdistan Financial Management System (KFMS)**

The KFMS functions as the pivotal financial management system for the KRG, overseeing its operational expenditures in a comprehensive and paperless manner. More than 1,200 accounting units, in conjunction with all ministries and independent entities of the KRG, are integrated into the KFMS. They rely on this system to submit expenditure requests, initiate purchase orders, and document contractual agreements. Additionally, the KFMS plays a crucial role in bolstering transparency, accountability, and operational efficiency across the entirety of the government's financial sector.

- **The Business Registration System (BRS)**

The BRS serves as an eminent digital platform, facilitating entrepreneurs and business professionals in the seamless digital registration of their enterprises with the governmental authorities, thereby considerably reducing the required processing time. The BRS acts as the authoritative registry for all commercial endeavors within Kurdistan, ranging from expansive corporations to emerging startups and modest storefronts. Upon completion of the registration process, the BRS assigns a Unique Entity Number (UEN), which is recognized as the sole identifier for businesses across all KRG-administered systems.

This system represents a cornerstone in the digital evolution of Kurdistan's economic framework, establishing a robust base for the synchronized sharing of business data across various sectors and agencies. Furthermore, the BRS augments efficiency in interconnected domains, such as taxation.

Utilizing the UEN, which also doubles as a Tax Identification Number (TIN), businesses can swiftly

access and integrate information from associated systems. This not only streamlines operations but also ensures heightened clarity and transparency in such administrative undertakings.

- **The Citizen Complaint System (CCS)**

The CCS is a sophisticated digital platform dedicated to addressing grievances. It functions as a citizen-centric interface, empowering the populace of Kurdistan to formally present their legal grievances to governmental entities and subsequently receive digital feedback in an expedited manner. All ministries and independent entities of the KRG are being integrated into the CCS to facilitate the digital reception of grievances. The CCS stands as an imperative mechanism that assists the government in fortifying vertical accountability and advancing democratic principles.

- **Border Control System (BCS)**

The BCS manages and controls the travel in and out of the Kurdistan Region, facilitating advanced mechanisms and digital tools. Seamlessly integrating various components, the system enhances communication, thereby refining regional mobility procedures.

A pivotal feature of this system is a Visit Kurdistan portal that allows foreign nationals to apply for and obtain electronic visas for the Kurdistan Region with ease. This is complemented by an extensive tracking capability at all ports of entry/exit, which merges data from all entry and exit nodes. As a result, authorities gain invaluable insights into the movement patterns of individuals.

To enhance the efficiency of visa applications, there is a dedicated platform that collaborates with sponsors or guarantors, providing an impeccable digital interface. Finally, an advanced back office system streamlines the visa application process and provides tools to fine-tune the system's operations.



Looking ahead, there are several exciting developments on the horizon. The upcoming payroll management system holds promise for automating payroll processes and ensuring accurate and timely salary disbursements. The corporate tax system is anticipated to streamline tax-related procedures for businesses, facilitating compliance and revenue collection.

Additionally, the Haj & Umrah Portal is expected to improve the pilgrimage experience by offering digital services and information for pilgrims. These forthcoming advancements underscore the ongoing commitment to harnessing technology for efficient governance and improved public services.

The Impact of the Business Registration Platform

The business registration platform provides a full and end-to-end digital service for entrepreneurs and business professionals who are seeking to register their businesses. Both applicants and government stakeholders access the system through an online web application that is intended to manage the primary processes of registering and renewing different types of profitable businesses, such as companies, small businesses, shops, etc. Besides the high level of convenience that the platform provides, it has also reduced the cost of registering a business from \$4000 to around \$150 and the time it took to register the business from months of work to 48-72 hours now.

The enhanced convenience offered by the digital system, along with its cost and time-saving benefits, has simplified the business registration process. As a result, numerous businesses are now seamlessly integrating into the ecosystem. Remarkably, despite the BRS being in operation for only a few months, the DIT has observed a significant uptick in the registration of new startups and small enterprises.

Significance of E-Visa Platform

The Visa Application Portal streamlines the visa acquisition process for travelers, allowing them to secure entry visas before their journey. This digital platform revolutionizes the visa application experience, enabling applicants to complete, pay for, and submit their forms in just under 10 minutes. With a suite of integrated tools, the portal simplifies the application process: it auto-reads details from uploaded passport images, offers real-time corrections for erroneous data, and ensures a hassle-free user experience.

Marking a significant digital milestone for Kurdistan, this is the first instance of digital payment integration being implemented for a public online service in the region. Applicants can conveniently pay their fees using their preferred credit or debit card.

The Visa Application Portal is part of a larger ecosystem called "The Border Control System," which includes other systems that are deployed at the border crossings for passport control purposes and safeguarding Kurdistan's border security. Since these systems are interconnected, travelers coming to the Kurdistan region do not need to show their visas to passport control officers; the passport alone suffices. A clear indicator of the success of this project is the observed surge in the number of travelers to the region, which is bringing a lot of praise to the KRG due to the ease of the visa application process via the digital portal.

The Future of Information Technology in the KRG

The Department of Information Technology's long-term vision for Kurdistan Region is rooted in our commitment to fostering a digitally inclusive, innovative, and resilient society. The DIT believes that information technology has the potential to be a catalyst for transformative change, and the department is focused on harnessing this potential to shape a promising future.

The DIT aims to build a digital economy to position the Kurdistan Region as a hub for technological innovation and entrepreneurship. The Department foresees a thriving digital economy that drives growth and creates high-value jobs by nurturing startups, attracting international tech companies, and investing in research and development. The future will see an expansion of e-government services by enhancing public services with smart solutions, utilizing AI, big data, and other cutting-edge technologies to make public services more responsive, personalized, and efficient. Emphasizing environmental stewardship, the department plans to promote sustainable technology practices and implement sustainable technologies that align with global sustainability goals, reducing the environmental footprint of our digital advancements.

In addition, the department aims to invest in healthcare and education technology as it envisions a strong focus on leveraging technology in healthcare and education, providing more accessible and quality services that elevate the overall well-being of our citizens. Additionally, the department's vision encompasses a society where every individual is equipped with the necessary digital skills by empowering citizens through digital literacy.

It plans to expand educational programs, providing resources and training that empower citizens to fully participate in the digital world.

As we advance technologically, the DIT will continue to enhance its cybersecurity measures with robust cybersecurity frameworks, ensuring that our digital landscape remains secure and trustworthy. The department seeks to increase connectivity in rural areas. Therefore, its vision includes bridging the urban-rural digital divide, ensuring that the benefits of technology reach even the most remote parts of the region. Moreover, it aims to establish the Kurdistan Region as a collaborative partner in the global tech arena, fostering global collaboration and engaging in cross-border initiatives and partnerships that contribute to the worldwide technological ecosystem.

Our long-term vision is to create a dynamic and inclusive digital society that leverages technology as a tool for socioeconomic development, innovation, and improved quality of life. The Department of Information Technology believes that the strategic application of information technology will not only shape the Kurdistan Region's economy but also enhance the overall well-being of its people. Through collaboration, education, innovation, and responsible governance, it aspires to lead our region into a prosperous and digitally empowered future.



AbdulSalam Medeni

Chief Executive Director,
Rwanga Foundation

Shaping Tomorrow: Preparing Iraqi Youth for the Job Market

“A nation that does not think of its youth, is a nation contemplating suicide.” It is an engraved belief that the youth are the leaders of the future. If we fail to engage and consider the youth in the current process of building tomorrow, the future will have certain characteristics that the youth have not contributed to. Therefore, they will lack the necessary knowledge to lead it.

The youth must actively participate in the building process. Iraq has transformed from a socialist, one-party economy to a form of pluralism and a path closer to the definition of capitalism. However, the system still operates according to a socialist mindset and pre-2003 laws. The reality has changed, yet people’s expectations from the government have not. From the people’s perspective, the government remains the source of employment for youth and graduates.

The Gap between the Iraqi Education System and the Labor Market Requirements:

Universities graduate employees, not entrepreneurs! The engines that can stimulate the market have their problems. Is there a gap between the job market and the skills of the youth? Undoubtedly, it exists. The global labor market’s requirements

constantly change. According to the 2016 Davos report, which introduced the term “Fourth Industrial Revolution,” societies that fail to embrace technology will suffer from poverty in the next 100 years. Similar to what happened during the Industrial Revolution in the 1800s, the countries that did not join the Industrial Revolution from the beginning were impoverished in later years because they were not involved in the global decision-making process. The present educational curriculum does not prepare young people for the current job market, which poses significant challenges. Globally, in the aforementioned Davos report, it is said that 65% of primary school



students in 2016 will take part in the labor market and engage in a range of jobs of which we have little knowledge about their nature and characteristics.

Our universities and educational curricula still produce employee-mentality graduates based on the assumption that we are producing individuals for office jobs. As a result, vocational education has significantly declined, and the curricula do not focus on entrepreneurship or job creation. The curricula are not designed to equip students with critical thinking skills, creative thinking, and other analytic and problem-solving skills, as they are theory-based rather than project-based. In the best-case scenarios, students may acquire knowledge without gaining skills and experience. In summary, the education system is not designed to prepare students for the private sector. The private sector ecosystem, in general, is not prepared to attract entrepreneurs, let alone to flourish.

The labor market has particular specifications, multiple requirements, and specific skill sets that are needed for specific career paths. They cover a wide range of skills, such as computer skills, English language proficiency, communication skills, entrepreneurial mentality, critical thinking, marketing, and creative problem-solving. Even in the field of business administration, the curriculum fails to prepare students for a dynamic job market.

Furthermore, Iraq lacks the societal mechanisms that provide loans or grants. Currently, loans and grants come from external sources, and recently, the Central Bank of Iraq has started implementing classic approaches to support. It is a good start, yet with many challenging layers because the ecosystem, including the legal framework, is not ready and not supportive. The current leadership, which is responsible for creating young leaders in the twenty-first century, still has a twentieth-century mentality.

We do not have a banking system that offers loans or helps businesses recover their loans, and additionally, we lack mechanisms to decide the small and medium-sized companies that are eligible to obtain the loans.

Alarming Indicators of the Current Job Market

Few signs are evident that certain actions are steering us off the right path, and these include:

- **Legal Barriers Hampering the Modern Job Market Needs:**

The government is unable to employ graduates, stimulate the job market, or establish clear policies and guarantees for the private sector through which young people can seek secure employment opportunities. When it comes to social security, for instance, the recently enacted Labor and Social Security Law requires non-governmental nonprofit organizations, which accommodate a significant portion of young people through developing skills and providing employment opportunities, to pay 12% of employees' salaries as social security for each employee.

The social security ratio is 17%, with 5% paid by the employee and 12% by the institution. However, for private sector companies, this is understandable since they are profit-oriented entities, and that law does not align with the nature of NGOs. It seems that decision-makers are unaware of these consequences, which will force NGOs to suspend their operations or submit false reports. For example, organizations might resort to deducting the whole 17% directly from employees' salaries. This highlights the fact that the current system or mindset that formulates and makes decisions is unaware of the new ideas and institutions that have emerged and the changes that have occurred in Iraq.

- **The Burden on Iraq's Fiscal Budget:**

The increasing number of youth graduates has led to a growing demand for the creation of sustainable employment opportunities. This demand has also resulted in social unrest and ignited the protests, as witnessed in 2019, though it was not the first time the public anger over the lack of services and jobs had exploded into protests. However, the government's response has consistently remained the same: pacifying the public by creating more jobs in the public sector, thus increasing the burden on the fiscal budget. Among other indicators, approximately 1.5% was allocated to the Ministry of Higher Education, 5.9% to the Ministry of Education, and 3.74% to the Popular Mobilization Forces in the 2023 fiscal budget. It is evident that the focus is more inclined towards military security than other sectors. Unfortunately, significant sectors like agriculture, which have the potential to create many job opportunities, are often neglected, with the Ministry of Agriculture's share is 0.95% of the fiscal budget. The priorities need to be shifted towards more sustainable economic development and job creation, and this can only be achieved through better governance and diversification of the country's resources.

The Root Causes of the Education System's Inadequacy

There are many aspects that would come into play when trying to answer this question, and they are as follows:

- **Lack of Long-term Vision:**

The current governance is focused on responding to emergencies and a fire-distinguishing approach rather than a long-term vision. We need a long-term strategic plan based on a vision because it takes more than 12 years for a final product (student) to enter the university and 16 years to enter the job market. Subsequently, the outcome

becomes observable. None of the successive governments has had such a vision or carried out the work of the previous one. The absence of a specific vision in the curriculum stumbles and fails to reach a solid foundation.

- **Teaching Staff:**

In every country that aspires to progress, the student becomes the focus of the educational process, not the teacher. The goal should not be: did the teacher deliver the topic? It has to be: Did the student get the topic? Has the student developed skills? Teachers adhere to traditional methods of explanation and teaching. The teachers are not keeping pace with the reality of global education and the fast changes that are happening in the fields of education, leadership, information, and technology. Moreover, the educational objectives of the class in the teachers' manuals are based on explaining the material, which, in today's world, access to information on a grand magnitude, the know-how should be the focus instead. Students' understanding needs to be considered. The evaluation and follow-up mechanisms are very traditional, and the curricula are not keeping up with the changes. The curricula lack discussions and the exchange of opinions among students. In addition, until now, technology has not been well invested to support the learning and education processes in general.

- **Examination Methodology:**

The entire educational curriculum relies heavily on exams. The higher the grade, the smarter the student is considered! The system is driven by theoretical education, exam grades are the criteria and not the student's participation, the research they present, or the discussion. The entire process is based on exams and grades, including the selection of a college major, rather than considering students' preferences, interests, skills, and competencies.

The job market and job distribution, on the other hand, also follow the same methodology. This becomes a major problem because the labor market depends on the senior year of high school exam results, which itself is a method to measure the memorization ability of students. Memorization, according to Bloom's Taxonomy Pyramid, is the lowest in the hierarchical ordering of cognitive skills.

Educational Problems that are Specific to the Kurdistan Region

Kurdistan Region suffers from a lack of schools. Hundreds of schools should be built, and hundreds need to be renovated. In some schools, there is a shortage in the number of classes and other equipment. Vocational education is neglected. Education still heavily relies on lectures rather than interaction, two-way communication, and sharing experiences. The education system lacks infrastructure. The situation is slightly better in private schools than in public schools. However, the majority of students attend public schools. Hence, it would be a priority to improve public education instead of relying on private education.

- **Private Schools:**

There are good outcomes through private schools in terms of learning environment, English language proficiency, and skill acquisition, yet this comes at a cost by creating a social class in Iraqi society. Higher-income families have access to good schools and skill development opportunities. The same applies to non-diligent students who, through money and influence, can obtain education in private schools and universities in the majors of their choice. This paves the way for a large part of society to create a negative dynamic based on money and accessibility to power. This brings up the question: Is there any social justice in education? This is one of the points that the political, cultural, and educational elites must discuss.

When the education system is based on exam grades, and those with the previously mentioned tools can overcome it, it creates class divisions in society. This does not translate into social justice, which may lead to negative tension in the future.

- **Poor Job Market Distribution:**

Private school education also has an impact on the job market, as it indicates the social status and income in the future. In the agricultural era, those born into low-income families remained within their social class and had a fixed ceiling of ambition. However, the Industrial Revolution changed these concepts. For the first time in history, there was an opportunity for an individual from an unprivileged family working in a factory to change the reality of their economic and social status. The question here is whether these opportunities are available to all Iraqis if they have the necessary skills. Up to this moment, there are challenges, and skills are not the primary requirement. It is often clout, nepotism, political, religious, and sectarian affiliations that are the keywords to determine the success of individuals and how much of the ladder they can climb.

Youth Skill Development and Integration into the Job Market

There are two main components that together can achieve the goal of youth skills development and help integrate them into the job market:

- **Decision-makers:**

The decision-makers have a great responsibility to integrate the youth into the job market in a manner that acknowledges their potential and actively cultivates it. It is the duty of influential figures to adopt a proactive stance rather than a reactive one. This transition necessitates a well-defined vision that resonates with the evolving needs of both the youth and the employment sector.

A clear focal point must be established, aligning educational and vocational systems with the demands of the contemporary workforce. Such an approach will not only empower the youth with relevant skills but will also alleviate the gap between academia and practical application.

- **Self-taught Youth:**

Taking personal responsibility is essential for the youth. Today, more than ever, young people have more access to learning opportunities through YouTube, websites, TV series and shows, and even social media platforms that help them develop their English language skills, computer skills, and soft skills. For example, in the opening keynote for HITEX, an annual event that introduces technology to the Iraqi society, managed in partnership between Red Eagle company and Rwanga Foundation, Rwanga Foundation's speech was delivered by a talented sixteen-year-old, 10th-grade student. This talented young person has skills in various fields of technology as well as possessing marketing skills, a strong personality, and English language proficiency. This shows that with dedication, young people nowadays can seize opportunities and reach new heights.

What Rwanga Foundation Is Trying to Do

Rwanga Foundation is striving to raise a generation with high-quality education who are self-aware, positive, proactive, and collaborative. We have different initiatives to achieve this vision. Specifically for preparing youth for the job market, the goal is to educate and qualify them to shift their mindset, expose them to new values, and train them on essential skills needed in the job market.

It is a collaborative effort with Career Development Centers (CDCs) to develop specific skills, such as successful interviewing, computer literacy, financial management, and more.

We have helped more than 13,475 individuals find jobs and showcased the competencies of more than 154,218 individuals. In addition, more than 112,886 people have benefited from our capacity training programs and technical and vocational education and training.

The Rwanga Foundation also provides grants aimed at business ideas, mainly in the technology field. These grants are offered either by companies or international organizations to a set of ideas that require specific grants. We also have the Annual Rwanga Awards event, which is shedding light on the skilled and talented youth nationwide. It also helps to improve and foster the potential of young entrepreneurs across 12 different fields, such as scientific inventions, entrepreneurship, software development, and graphic design, to name a few. We have many success stories that have crossed borders to other countries, and in total, we have supported more than 636 businesses.

In addition to the aforementioned, we offer support to established businesses. Agribusiness is one of the main targeted segments. For instance, we helped some agribusinesses develop products that met the standards of the European Union, which enabled them to be integrated and exported to the European market. We also provided training and support to agriculture and livestock businesses to develop and increase productivity.

Rwanga Foundation implements job fairs and provides internship opportunities in coordination with the business sector, and offers opportunities and apprenticeships with INGOs. Thousands of youth got job opportunities through these initiatives, and more got the needed skills and connections to draw their future career path and fulfill their dreams.

The Need for Mentality Shift

Shifting the mindset of young Iraqis from seeking shortcuts to embracing a strong work ethic demands a dual focus on enhancing social awareness and instilling good governance practices. Elevating social awareness requires a collaborative effort from various stakeholders, such as media outlets, educational institutions, businesses, non-governmental organizations, and families, by collectively championing the notion that genuine achievement arises from dedicated effort rather than quick fixes; a cultural shift can take place.

Simultaneously, it is important for establishments, corporations, and entities to establish a transparent and equitable framework. Selection and recruitment processes should rely on an individual's competencies and qualifications, devoid of any bias, favoritism, or nepotism. By adopting this impartial approach, businesses can spark a renewed motivation among individuals to focus on acquiring the specific proficiencies demanded by different roles, eradicating the reliance on personal connections.

All those factors together could gradually result in a shift in the mindset and create a more productive job market that is based on competencies and skills.



Dr. Hemin Latif

Director, AUIS Entrepreneurship
and Innovation Center (AEIC)

Pioneering University Roles:

AUIS Leads the Charge for University Engagement in Iraq's Entrepreneurial Evolution

In an age of rapid technological advancement and global interconnectivity, the term 'entrepreneurship' is often heard echoing through business halls.

This buzzword, promising innovation, progress, and economic prosperity, has become the talk of the town, yet it seems to be conspicuously absent from the very place it should be fostered most: our universities.

The question naturally arises: where does this hype around entrepreneurship stem from, if not from our educational institutions? How did all the skills, talents, and knowledge that are shaping the entrepreneurship ecosystem develop if not from education? The answer lies in the thriving ecosystem of youth seeking more adventurous paths than usual employment, from young founders with or without any knowledge about starting businesses, and from international key players who have embraced the entrepreneurial spirit wholeheartedly.

They drive the entrepreneurial revolution, while universities seem to lag, held back by a myriad of challenges. The roadblocks are manifold. A tedious process for curriculum changes stands at the forefront, making it difficult to integrate new



concepts and practical experiences related to entrepreneurship into our academic institutions. This is exacerbated by a widespread lack of understanding or appreciation for entrepreneurship among faculty members. Even more detrimental is the absence of agile systems within universities that can adapt and respond to global changes swiftly. Given these challenges, one term has recently emerged as a potential solution: entrepreneurial universities. However, this term might sound nebulous to many, making it essential to delve deeper into the concept and potential of entrepreneurial universities.

An entrepreneurial university can be defined as an academic institution that, rather than solely focusing on traditional teaching and research activities, also embraces entrepreneurship in its strategies, operations, and organizational structure. This innovative approach strives to promote entrepreneurial mindsets, skills, and behavior among students, faculty, and staff, thus fostering a thriving entrepreneurial ecosystem within the university. An entrepreneurial university is characterized by a shift from the traditional knowledge-dissemination model to a more comprehensive knowledge-exchange model.

This involves not just the teaching of entrepreneurship theory, but also the provision of practical, hands-on entrepreneurial experiences and not only educating students on entrepreneurship but also staff and faculty alike. It encourages and supports the creation of startups and spin-offs, fosters industry collaboration, and promotes the commercialization of university research, among other strategies. Such universities also prioritize faculty and staff development in entrepreneurship, ensuring that they are not only educators and researchers, but also enablers of entrepreneurship. This environment stimulates innovative thinking, cultivates risk-taking attitudes, and nurtures an entrepreneurial culture within the university.

Notably, the impact of entrepreneurial universities extends far beyond their own campuses. Entrepreneurial universities seek to instill an entrepreneurial mindset not only in their students, staff, and faculty, but also in the broader community. They work towards this by facilitating entrepreneurship education and training for local communities, engaging with industry and government bodies to influence policies and practices, and striving to play a transformative role in their local and national economies. Essentially, entrepreneurial universities are more than just education providers - they are powerful drivers of social and economic change. They strive to be key players in shaping a society that appreciates, understands, and practices entrepreneurship.

Recognizing the transformative potential of entrepreneurship, the American University of Iraq, Sulaimani (AUIS) is taking significant strides towards becoming an entrepreneurial university. Despite its relatively young age and smaller size compared to other universities in the country, AUIS is demonstrating an extraordinary commitment to this vision. The drive is not just internal; AUIS is committed to playing a significant role in advancing the national entrepreneurship ecosystem. By equipping students with entrepreneurial skills, facilitating the birth of startups, and engaging in impactful partnerships with industry and community, AUIS strives to contribute to the economic development and diversification of the country. AUIS's mission extends beyond the confines of its campus. It aims to make a positive and lasting impact on the broader community and the country as a whole. In this sense, AUIS is not just working towards becoming an entrepreneurial university - it is aspiring to be a key player in the entrepreneurial revolution in Iraq.

One notable initiative has been the establishment of dedicated teams and centers focused on entrepreneurship and innovation, such as the AUIS Entrepreneurship and Innovation Center (AEIC) and the Takween Accelerator.

These units serve as the backbone of the entrepreneurial ecosystem at AUIS, facilitating the integration of entrepreneurship into academic programs, supporting the creation of startups, and fostering connections with industry and community partners. They are dedicated to nurturing an entrepreneurial culture on and off campus and promoting the principles of innovation, risk-taking, and problem-solving. Established in 2019, AEIC's mission is to help develop entrepreneurship and innovation in Iraq by expanding opportunities for entrepreneurial education, developing and supporting early-stage entrepreneurs, and building a more vibrant community and supportive infrastructure for entrepreneurs, investors, and other stakeholders.

In line with its mission, AEIC develops and provides programs and services to university students and community members. Two of the most sought-after activities of AEIC are the Takween Accelerator and the AUIS Innovation Awards (AIA2022).

Funded by the European Union and implemented in partnership with Expertise France since June 2020, the Takween Accelerator is one of the first accelerators in Iraq, created to help growth-stage technology businesses go further faster. Aiming to be one of the leading actors in the national entrepreneurial and innovation ecosystem, Takween provides equity-free seed capital, intensive training programs, international mentorship, and access to an exclusive investor and ecosystem partner network.

Takween has successfully developed and delivered a variety of programs, including multiple cohorts of its Accelerator program, Pre-Accelerator program, Digital Readiness Program, Business Registration Program, Investor Readiness Program, ToT Programs, and numerous webinars on topics related to entrepreneurship and innovation. The programs serve the Iraqi entrepreneurs and ecosystem, but the trainers and mentors are recruited from all around the world.

AUIS Innovation Awards (AIA2022) was an AEIC initiative to promote and recognize innovations and innovators in Iraq and the Kurdistan Region. The inaugural AUIS Innovation Awards ceremony took place on January 13, 2022, and was attended by over 200 participants, including government officials, NGO representatives, and individual innovators and advocates from across the country. AIA2022 received a total of 74 applications from 14 different cities across the country and awarded five winners and five semi-finalists with innovation awards. AUIS also secured a two-and-half year grant to train seven of its staff and faculty members on entrepreneurship coaching and education in partnership with two international universities. In addition to training and workshops on entrepreneurship for its staff and faculty, the program uses a modern self-assessment tool as well as creates dialogue among various stakeholders from all three countries on building entrepreneurial universities.

This proactive approach has yielded remarkable results, with AUIS already making a substantial impact on its community and beyond. Its endeavors not only underscore the feasibility of the entrepreneurial university model but also set a promising example for other academic institutions. The success of AUIS serves as a testament to the transformative power of entrepreneurship in educational institutions.

As the narrative of entrepreneurial universities unfolds, it is clear that institutions like AUIS have both, an undeniable advantage and a responsibility, to play a distinctive role in the Iraqi entrepreneurship ecosystem. Unlike many other players in the field, universities possess a unique combination of resources that position them as potential powerhouses of entrepreneurial development.

Among these resources, the power of research stands at the forefront. Academic research is an engine of innovation, sparking new ideas

and providing the knowledge foundation for entrepreneurial ventures. By emphasizing research in entrepreneurship, universities can contribute to the development of the ecosystem, producing knowledge that informs policy, improves practice, and inspires new business ideas. Universities also have access to a potent resource: a vast network of young, eager minds. These students represent the future of the workforce in the country. By fostering an entrepreneurial mindset in these young people, universities can cultivate a new generation of entrepreneurs who will drive economic development and social change. Moreover, being internationally connected offers universities a significant edge. Through international partnerships and collaborations, institutions can bring global best practices in entrepreneurship education to their campus and the wider community. These international connections can also provide opportunities for cross-border entrepreneurial activities, opening up new possibilities for students and faculty.

In essence, the unique position of universities provides an invaluable opportunity to make a distinctive contribution to the entrepreneurial ecosystem. By leveraging their strengths in research, access to youth, and international connections, universities can become not just participants but leaders in the entrepreneurial revolution. This is not just an opportunity but a responsibility. For those who are passionate about fostering entrepreneurship and shaping the future of our economy, AUIS invites you to join this exciting journey. Whether you are a budding entrepreneur, an established industry leader, a policy-maker, or an educator, we believe that collaboration is the key to nurturing a vibrant entrepreneurial ecosystem.

There is a role for everyone in this entrepreneurial revolution. We urge all who share this vision to harness the power of entrepreneurship together, shaping a prosperous and innovative future for our country. We must all remember, the journey to entrepreneurial universities is not a solitary one, but a shared endeavor.





Mohammed Bajalan

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Transforming University Education in Kurdistan, Iraq: Overcoming Challenges and Embracing Positive Change

Education in the Kurdistan region of Iraq has faced numerous challenges in the past, but it has been undergoing a significant transformation in recent years. The region has recognized the importance of quality education as a cornerstone for social development, economic growth, and nation-building. Efforts are being made to overcome the obstacles and create a more robust and inclusive education system that meets the needs of the ever-changing world.

Challenges such as limited infrastructure, insufficient resources, outdated teaching methods, and funding constraints have hindered the progress of the education system. Additionally, issues related to language barriers, brain drain, and the need for alignment with industry requirements have further contributed to the complexity of the situation. However, the Ministry of Higher Education and Scientific Research-KRG (MHESR-KRG) has embarked on a journey to address these challenges and bring about positive changes.

In recent years, the region has witnessed a renewed focus on education, with initiatives aimed at improving infrastructure, promoting student mindset development, updated syllabi, collaborations with international universities, robust career centers, international accreditation, and a seamless education-to-work transition. The government, educational institutions, and various stakeholders are actively working together to drive this transformation and overcome the longstanding obstacles.

By investing in education, the Kurdistan Regional Government aims to empower its citizens, develop a skilled workforce, and foster a culture of lifelong learning. The goal is to provide students with a quality education that prepares them for the challenges and opportunities of the modern world. This transformation is vital to meet the demands of the global economy, promote social progress, and build a prosperous future for the people of Kurdistan.

This article sheds light on the significant factors that are contributing to the education system's brighter future and paving the way for the success and well-being of its students and society as a whole.

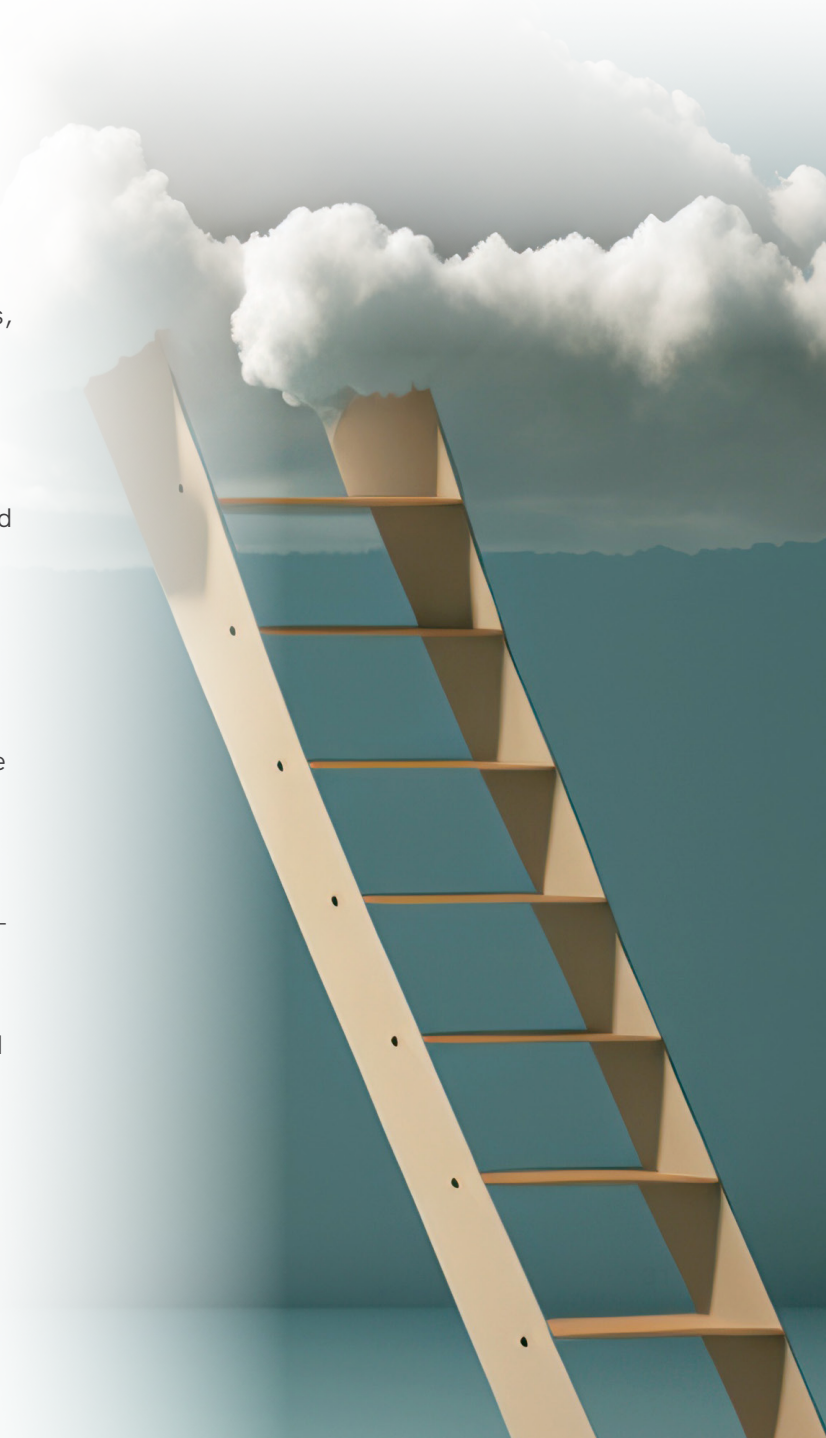
Empowering Student Mindset

The changing mindset of students in the Kurdistan region of Iraq regarding their career preferences, particularly their shift from the public sector to the private sector, is playing a crucial role in shaping the region's future. This transition holds immense importance for economic growth, job opportunities, and the overall composition of the workforce in Kurdistan.

Traditionally, the public sector has been viewed as the primary employment option due to its perceived job security and stability. However, in recent years, there has been a noticeable trend among students who are increasingly inclined to explore opportunities in the private sector. This shift can be attributed to various factors, including the development of an entrepreneurial mindset and the focus on skills development.

Multiple universities in Kurdistan, such as the American University of Kurdistan, Cihan University-Erbil, University of Kurdistan Hewlêr, and The American University of Iraq Sulaimani, have dedicated substantial resources to establishing and reinforcing career centers.

These centers offer extensive assistance, including guidance on career choices, support in job placement, opportunities for internships, and platforms for networking. The centers focus on equipping students with vital skills for their professional journeys, enhancing their employability, and facilitating a seamless transition from education to the workforce. Additionally, these universities have introduced various initiatives, including mentorship programs, entrepreneurship initiatives, counseling services, and extracurricular activities, aimed at fostering a positive mindset among their students.



Updated Syllabus

To ensure relevance and alignment with emerging trends and industry requirements, The Ministry of Higher Education and Scientific Research in Kurdistan has adopted the Bologna Process, a framework for harmonizing higher education systems across Europe and beyond. This process facilitates curriculum reform, quality assurance, and mobility of students and academic staff. One of the primary objectives of the Ministry is to develop curricula that meet international standards and enhance the quality of higher education in Kurdistan. Through the Bologna Process, the Ministry encourages universities to implement student-centered learning approaches, promote interdisciplinary studies, and focus on the acquisition of key competencies.

Moreover, the Ministry collaborates with universities to establish internal quality assurance mechanisms to ensure the effectiveness of curriculum implementation. This includes continuous evaluation and improvement processes, feedback from students, and alignment with the evolving needs of society and industries. The curricula of universities in Kurdistan have been updated. The university provides students with a comprehensive education that prepares them for real-world challenges by incorporating new technologies, interdisciplinary approaches, and practical applications.

The emphasis is on integrating theoretical knowledge with practical experience, enabling students to think critically and effectively apply their skills. Cihan University-Erbil, for example, has implemented extra hours for practical subjects in an effort to produce graduates with not only theoretical knowledge but also the practical skills and experiences necessary for success in their chosen careers.

Collaborations with International Universities

Recognizing the value of international exposure, Kurdistan's education system has fostered partnerships with renowned universities worldwide. These collaborations facilitate student exchange programs, joint research initiatives, and the sharing of best practices. Through these connections, students gain a global perspective, cultural diversity, and access to a broader range of educational resources.

International Accreditation

International collaborations have greatly influenced Kurdistan University's education system, providing access to global expertise, resources, and cultural diversity. These partnerships have enhanced the curriculum, teaching methodologies, and research collaborations. Students have gained valuable international exposure through exchange programs, broadening their perspectives and improving their job prospects. The American University of Iraq, Sulaimani, for instance, has partnered with Acuity International for a student scholarship campaign promoting international opportunities. Additionally, collaborations between Cihan University, Maastricht University, and the University of Warsaw University of Life Sciences have enriched the learning environment, fostering academic excellence, innovation, and cultural exchange. Students benefit from global perspectives, enhanced educational opportunities, and increased employability. These collaborations raise the institutions' reputations and contribute to the overall advancement of the education system in Kurdistan.

Kurdistan universities have made significant strides in obtaining international accreditation from prestigious organizations, such as ZEVA, ASIC, the International Association of Universities, and others.



These accreditations validate the universities' adherence to high-quality standards and ensure that their programs and degrees are globally recognized. Accreditation by ZEVA, ASIC, and other recognized bodies demonstrates the universities' commitment to providing excellent education and meeting international benchmarks. The accreditation process involves rigorous evaluation of the institutions' academic standards, faculty qualifications, curriculum, and infrastructure. By obtaining international accreditation, Kurdistan universities enhance their reputation, attract international faculty, and provide their graduates with credentials that are highly regarded in the global job market.

Conclusion

The landscape of university education in the Kurdistan region of Iraq is experiencing a notable transformation characterized by various key factors.

Students are developing a more progressive mindset, seeking practical skills and real-world application of knowledge.

Curriculum updates ensure that programs are aligned with international standards, fostering academic excellence. Collaborations with international universities bring global expertise, cultural diversity, and research opportunities to Kurdistan universities.

The establishment of career centers equips students with essential skills, guidance, and connections for successful transitions into the workforce. Lastly, the emphasis on education-to-work transition facilitates students' seamless integration into professional careers. These collective efforts reflect the commitment of Kurdistan's universities to adapt and thrive in an ever-evolving educational landscape, preparing students for a competitive global future.

Cihan Group: Weaving a Legacy of Innovation across a Multitude of Sectors

Cihan Group is an industry leader in the Kurdistan Region of Iraq that has evolved over the decades from its early beginnings in the textile industry to becoming a multifaceted conglomerate that includes companies in more than ten different sectors. The group's journey reflects a dynamic blend of entrepreneurial spirit and commitment to development.

In 1947, Haj Yahya Bajger laid the foundation for what would become the Cihan Group through his textile business. The group expanded its horizons in 1971, venturing into general trading and wholesale textile operations with neighboring countries and the Far East. Over the years, Cihan Group diversified its portfolio, entering the clothing industry, plastic and paper bags sector, and later expanding into international trade with a focus on importing tea and fast consumer food items in 1994.

By 2004, Cihan Group further broadened its scope by establishing Cihan Motors as its Automotive Division. Subsequently, the creation of the Heavy Machinery division under Cihan Motors solidified its presence as the official dealer for renowned international brands such as Hino, Kawasaki, and Airman. The group's influence extended into education, banking, insurance, and energy sectors, reflecting its commitment to holistic growth.

In 2007, Cihan Group played a pivotal role in the educational landscape of the Kurdistan Region by founding Cihan University. This institution stands as one of the region's first private universities, emphasizing industry-aligned programs and fostering entrepreneurship.



The university's initiatives, including internships, industry collaborations, and community engagement, aim to prepare a skilled workforce aligned with the economic needs of the region. This proactive approach ensures that graduates contribute meaningfully to the private sector and entrepreneurship in Kurdistan and Iraq.

Cihan Group has been a key player in the automobile sector since 1997, particularly through Cihan Motors in the Kurdistan Region. Importing Toyota vehicles from Japan marked a significant milestone, with subsequent projects like the Beige Color Toyota Taxi Project and the Farmers Union Project proving successful. As the Hino Authorized Dealer since 2016 and the acquisition of the Hertz franchise in 2017, Cihan Group rises up to the challenge of consistently delivering outstanding service and maintaining quality amid various circumstances.

Cihan Group's ownership of the Hertz franchise for the entirety of Iraq underscores the sustainability of the car rental business in the country. The success of franchising, however, relies heavily on customer awareness and adapting to market needs. Cihan Group has undertaken promotional efforts to educate the market on the benefits of car rental, emphasizing flexibility and resource optimization for businesses.

Beyond its core car rental business, the Hertz franchise in Iraq brings valuable practices into the local market. By investing in vehicle purchases, expanding branches, and generating employment, Hertz has contributed not only to its own growth but also to the broader development of the private sector. Hertz in Iraq operates in Baghdad, Erbil, Duhok, and Sulaymaniyah. Besides this, vehicles with drivers operate in the remotest parts of Iraq under NGOs and oil fields.

Cihan Group's journey from its inception in the textile industry to its current prominence in trading, foodstuff, automotive, car rental, education, banking, insurance, media, construction, and energy reflects a commitment to innovation, community development, and economic growth in the Kurdistan Region and Iraq. The group's diverse portfolio and strategic initiatives emphasize its role as a key player in shaping the region's future, contributing to workforce development, and driving economic progress.



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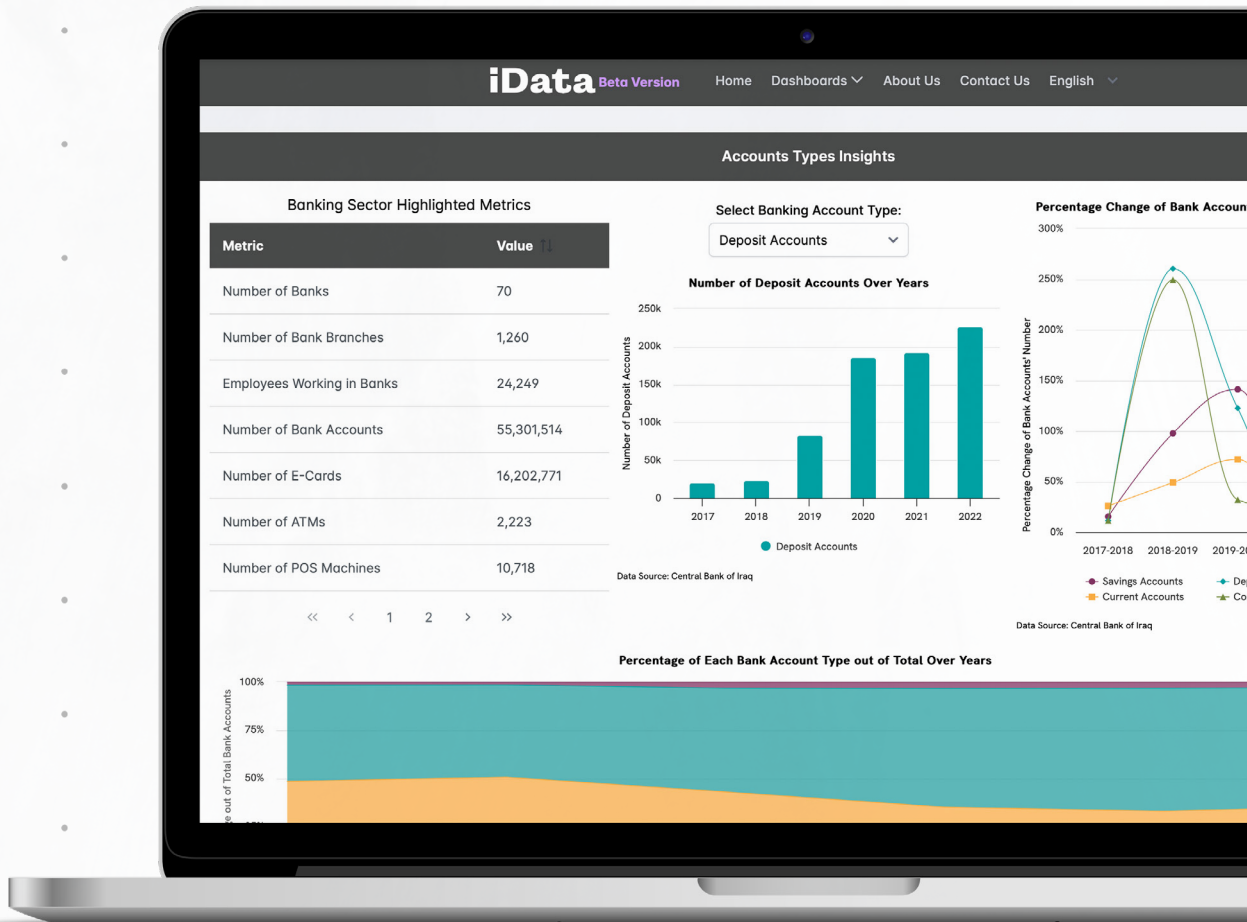
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Report Summary

KAPITA's Research Team

The Information and Communications Technology in Kurdistan Region: An Overview of Digital Skills, Sectors, and Investment Opportunities

Situated in the northern part of Iraq, the Kurdistan Region comprises four provinces: Dohuk, Sulaymaniyah, Halabja, and Erbil (Hawler), the latter of which serves as the capital city. These provinces collectively cover an estimated area of 46,862 square kilometers.

The geographical location of the Kurdistan Region is strategically important. The population of the Kurdistan Region has grown considerably over the years, and it currently hosts more than 6.2 million people.

The KRI has flourished by harnessing its rich natural resources, with crude oil serving as the cornerstone of its economic foundation. However, in a bid to diversify their revenue streams, the National Assembly of Kurdistan enacted the Investment Law (Law no. 4) in 2006. This legislation marked a pivotal moment as it paved the way for fundamental reforms aimed at attracting investment and fostering economic growth.

One of the essential tools employed by the KRG's Board of Investment (BOI) was the Kurdistan Investment Map. This publication served as a comprehensive guide for potential investors, showcasing various investment projects, development zones, and available resources in the region.

RESEARCH



The Investment Map provided crucial information on key sectors, infrastructure projects, and regulatory requirements, making it easier for investors to navigate the investment landscape and make informed decisions. As a result, KRI experienced a surge in interest from both domestic and international investors and reduced the overreliance on oil revenues.

The Information and Communications Technology (ICT) Sector in KRI

Sector Overview

The Information and Communications Technology (ICT) sector in Kurdistan is rapidly emerging as a dynamic and promising industry, spearheading the region's economic development and technological advancement. Backed by the KRG's commitment to supporting the ICT sector as a primary catalyst for economic growth, the region is in the process of transforming into a hub of technological entrepreneurship.

The ICT sector in Kurdistan boasts a dynamic ecosystem of more than 500 registered companies spanning a wide array of domains, including software development, telecommunications, e-commerce, and digital services. With around 4 million internet users and an average daily usage of 4.7 hours per capita, the digital landscape has become an integral part of modern Kurdish society. This surge in connectivity has also opened up plenty of opportunities for businesses to grow in the region. With 85% of the population now reliant on smartphones, the demand for mobile devices has soared, making the mobile device market a lucrative focal point.

Furthermore, the KRG has taken strides towards implementing e-government initiatives to enhance public services, administrative efficiency, and transparency. Through its Digital Transformation Strategy, the KRG aims to digitally transform its services by the year 2025. Such initiatives pave

the way for partnerships with leading international companies that provide IT services such as advanced cybersecurity systems, data centers, and cloud servers, which facilitate the KRG digital transformation.

Growth and Development

The Kurdistan Region's ICT sector is witnessing a remarkable annual growth rate of 13%, solidifying its position as one of the fastest-growing industries in the region. As a sector of top priority, the KRG is proactively fostering an environment conducive to attracting private investments, with a specific focus on the ICT and Financial Services/FinTech domains. Spanning from 2022 to 2025, the KRG aims to revolutionize its services by embracing digitalization for the public's benefit. The Department of Information Technology in the KRI has outlined key endpoints to achieve that.



- Residents of the Kurdistan Region will experience several advantages through enhanced and efficient services characterized by speed, connectivity, and tailor-made solutions to cater to their individual needs. Notably, they will enjoy the convenience of engaging with government services effortlessly, regardless of their location or device, with a wide range of services readily available.
- Kurdistan Region aims to significantly enhance the overall experience for businesses and investors through digitizing and simplifying start-up procedures, registration, and taxation processes. These essential improvements are expected to empower enterprises to seize opportunities and facilitate the expansion of their operations.
- Industry, nonprofit organizations, and academia will forge valuable collaborations to jointly shape policies, implement best practices, and drive innovation for their collective advancement. These partnerships will be fortified by access to carefully curated and secure socio-economic datasets, ensuring a foundation of reliable information.
- Governmental processes can be significantly streamlined by optimizing the digital ecosystem through seamlessly interconnected and streamlined platforms and services, including government cloud infrastructure, data centers, and intergovernmental networks. This, in turn, empowers the KRG to make well-informed and evidence-based policy decisions and improve areas like health service waiting times and educational attainment.

Digital Skills and Human Capital

Computer science, software development, and engineering have witnessed a notable rise in interest and participation among the local populace. The region has become a fertile ground for nurturing tech-savvy individuals, with an impressive annual output of 20,500 ICT graduates, reflecting the growing significance of this industry in Kurdistan. The KRG's BOI aims to highlight the human capital that exists within the region, understanding that a highly skilled and motivated workforce is a critical factor in attracting foreign investments or companies seeking to expand or establish operations in the region. Some of the advantages of the ICT sector workforce in the Kurdistan Region include:

- **Young and Tech-Savvy Population:** Kurdistan has a relatively young population, with a large percentage of its inhabitants being tech-savvy youths. This demographic trend ensures a steady influx of digitally literate individuals who can readily adapt to emerging technologies and ICT advancements.
- **Cost-Effectiveness:** Compared to some other regions with established ICT sectors, Kurdistan offers competitive labor costs with an average monthly salary of 400-800 USD, making it an attractive destination for outsourcing and offshoring ICT projects.
- **Cultural Diversity and Inclusivity:** Kurdistan's cultural diversity and openness to embrace new ideas promote creativity and innovative thinking within the ICT sector. Different perspectives and backgrounds often lead to unique solutions to various technological challenges.

ICT Sector Structure in the Kurdistan Region

Telecommunications

With increasing mobile penetration and access to internet services, Kurdistan has leapfrogged into the digital era, bridging the digital divide and bringing forth new opportunities for businesses and individuals. As the demand for high-speed internet, mobile connectivity, and data services continues to surge, telecom providers in the region have been quick to adapt, offering innovative solutions to meet the evolving needs of their customers.

At present, the telecommunications sector in the Kurdistan Region boasts a flourishing landscape characterized by the presence of numerous international, national, and local companies operating within its mobile and broadband divisions.

Mobile Networks

Korek Telecom — 

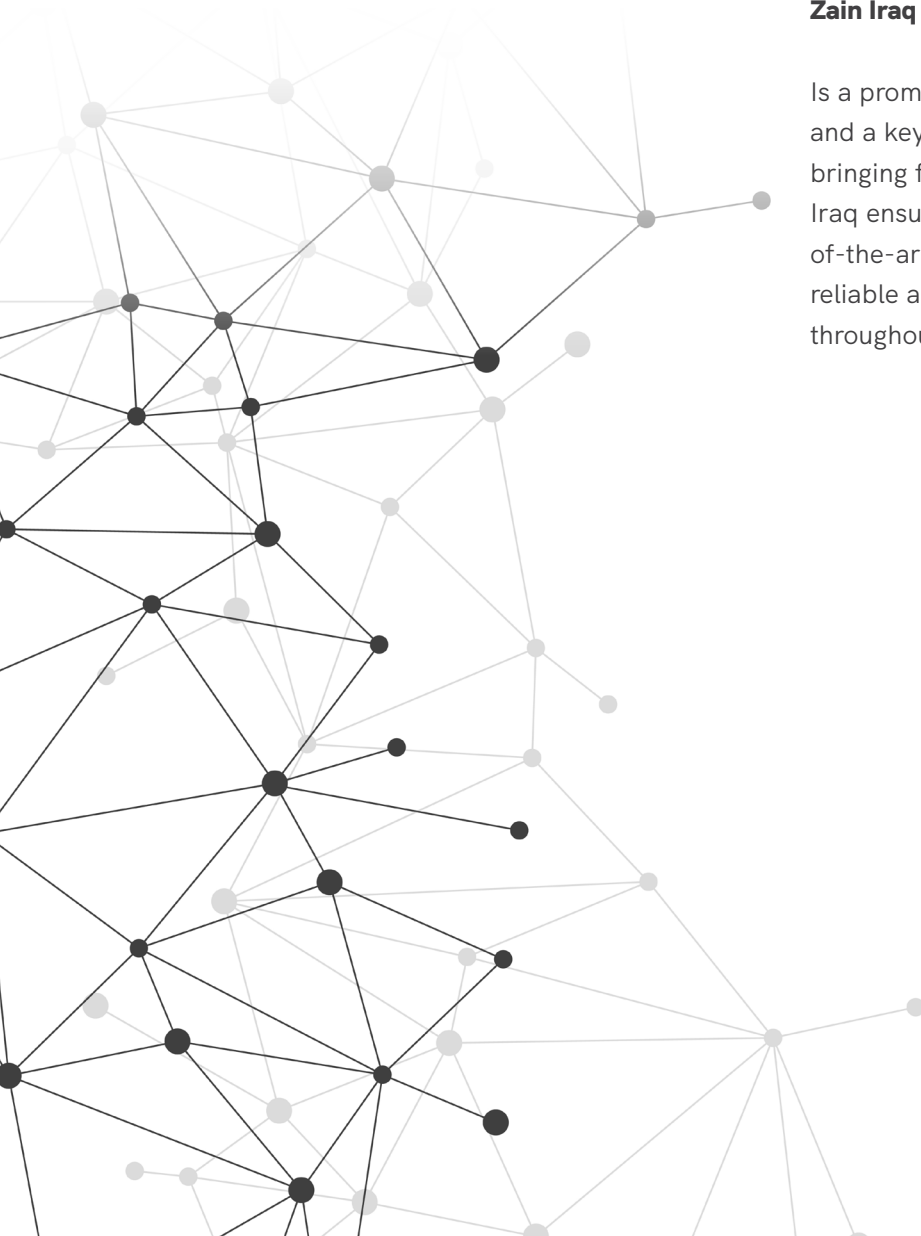
Has been operating in Iraq since the year 2000, making it one of the oldest Telecom companies in the country. On August 17th, 2007, the company secured a nationwide mobile license, allowing it to extend its services across the entire country, providing coverage to a vast population of over 32 million inhabitants.

Asiacell — 

Established in 1999, Asiacell is a foremost provider of premium mobile telecommunications and data services in Iraq, boasting 17 million customers. It holds the distinction of being Iraq's pioneer mobile telecommunications provider, extending services across all 19 governorates, including the KRI.

Zain Iraq — 

Is a prominent telecommunications company in Iraq and a key part of the Zain Group. As a pioneer in bringing fourth-generation technology to Iraq, Zain Iraq ensures extensive network coverage and state-of-the-art infrastructure, benefiting customers with reliable and high-quality fourth-generation services throughout the country.



Internet Services

Newroz Telecom



Established in 2007, Newroz Telecom is a private telecommunications company in the Kurdistan Region. With an extensive presence in 100 districts and areas, as well as over 1000 employees and technical staff, the company has solidified its position as a top-tier provider of diverse telecom services, catering to both voice and data needs.

iQ



Sulaymaniyah-based iQ is a pioneering Iraqi company established in 2005. It provides high-speed internet services to Iraq while offering a range of IT solutions, including data centers, web hosting, and cloud storage. With a focus on technological advancement and customer satisfaction, iQ aims to enhance the nation's digital landscape for businesses and individuals.

Fastlink



In June 2013, Fastlink made a groundbreaking entry into the Kurdistan telecom and data market, becoming Iraq's pioneering 4G LTE operator. Fastlink has a workforce of over 1200 local employees, and it indirectly generates more than 3000 jobs. As of 2023, Fastlink is serving 1 million active customers, solidifying its position as a leading data provider in the Kurdistan Region.

O3 Telecom



O3 Telecom is a telecommunications company in the KRI. With an impressive track record and substantial expertise in the telecom market, O3 Telecom caters to over 100,000 users in Duhok and Erbil through its FTTH (Fiber to the home) service. In addition to offering internet telephony through VOIP services, the company provides IPTV and VOD options, allowing customers to seamlessly browse the internet, enjoy television content, and access on-demand video via the MyTV device.

Goran Net



Headquartered in Sulaymaniyah, Seven Net Layers (Goran Net) was founded in 2017 as a leading internet service provider. Specializing in fourth-generation (4G) connectivity, Seven Net Layers offers a wide range of convenient options, including MiFi, SIM Card, and CPE, to cater to the diverse needs of the Kurdish market.

An array of local companies has also emerged, contributing to the growing online infrastructure in the KRI. Among them, providers like Fancy Net, Train Net, Tishknet, and City Net have garnered a considerable user base through their commitment to delivering reliable and high-speed internet services.

Media and Broadcasting

From the introduction of digital broadcasting to the rise of online streaming platforms and social media, technological advancements have revolutionized the media and broadcast sector in Kurdistan. With a vast network of more than 120 TV channels distributed throughout the Kurdistan Region, the media and broadcast sector offer an exceptionally promising investment landscape for visionary investors. The increasing appetite for top-notch, original content has given rise to a receptive and enthusiastic audience. As a result, investors are presented with a unique and opportune moment to capitalize on this growing demand and shape the future of the region's media industry.

Numerous prominent television networks cater to the diverse interests and preferences of audiences spanning Kurdistan and the wider Kurdish-speaking territories in neighboring countries. These channels offer a rich array of content encompassing news, politics, sports, drama, music, and educational programs. Noteworthy influential broadcasters are: Gali Kurdistan provides diverse content, including general programming, news, and sports.

Kurdistan 24 focuses on general and news programming. KNN is dedicated to news content. Kurdistan TV offers a mix of general, news, and entertainment content. NRT provides general, news, and entertainment programming. Rudaw TV specializes in news and documentaries. Lastly, Zagros TV delivers general and news. All these channels are accessible through TV, online, apps, and through radio and magazines for some.

Financial Services and FinTech

In recent years, the KRI has been actively working on enhancing its financial services, boasting a total of 28 banks currently operating within its boundaries. This growth trajectory in the region's financial sector is promising, indicating a positive outlook for its continued advancement. However, despite this rapid growth, the financial sector still grapples with low utilization of bank accounts and limited adoption of digital banking and card-based transactions. Access to finance for local entrepreneurs remains overly restrictive, burdened by stringent collateral requirements, and non-banking financial services like insurance, mortgage lending, leasing, and wealth management are scarcely available.

Addressing the need for financial inclusion and accelerated financial services growth, the regional government has undertaken progressive measures. A significant stride involves mandating that all government employees and contractors receive their payments digitally, directly to their bank accounts. This move is anticipated to stimulate the use of digital payment services and promote formal banking practices across the region.

Capitalizing on the abundant and promising opportunities presented within the dynamic landscape of the financial services sector, several companies have emerged as dominant players, shaping the industry's trajectory with their innovative approaches.

Nationwide companies such as AsiaPay and Zain Cash offer mobile wallets, Fast Pay offers digital wallets, and the Trade Bank of Iraq and First Bank of Iraq provide online banking services.

In the Kurdistan Region of Iraq (KRI), Nass Pay, ZoodPay, and Pelepare offer digital wallets, Quick Pay provides E-vouchers, RT Bank offers online banking, and Kurdcoin deals with digital assets.

Sector Investment Motives and Opportunities

Reasons to Invest

The KRI has recognized the immense potential of the ICT sector and has made it a top priority, leading to the anticipation of unprecedented growth. The KRG demonstrates its strong commitment to fostering an environment that encourages both local and international investments in the sector by implementing a comprehensive Digital Transformation Strategy.

The KRG takes proactive measures to stimulate the growth of the ICT sector by implementing policies that foster an investment-friendly atmosphere, supporting its development and expansion. In addition to the region's abundant pool of talented and well-educated professionals in engineering, computer science, and IT fields, the ICT infrastructure in KRI is continuously advancing, driven by significant investments aimed at improving high-speed internet connectivity, establishing data centers, and creating technology parks.

Finally, the KRG extends attractive incentives to investors in the ICT sector, such as tax breaks, land allocation, and exemption from customs duties.



Investment Opportunities

- **Special Zones/Hubs/Incubators for ICT/BPO Services:**

Opportunities abound for developers interested in creating specialized zones, hubs, or incubators dedicated to offering ICT and BPO services. These areas can serve as focal points for innovation, collaboration, and the growth of technology-driven businesses.

- **Tower Sharing Companies:**

Investing in tower-sharing companies presents a lucrative prospect in Kurdistan's ICT landscape. These companies can facilitate efficient and cost-effective sharing of telecommunication infrastructure, optimizing network coverage and capacity while reducing overall operational costs for telecom providers.

- **Data Centers and Cloud Servers:**

Kurdistan's rising demand for data storage and processing capabilities creates a promising environment for investments in data centers and cloud servers. Capitalizing on this opportunity can lead to reliable and secure data solutions catering to various sectors in the region.

- **Apps and Digital Solutions for the Iraqi Market:**

Software companies looking to tap into the burgeoning Iraqi market have immense potential for growth. Developing applications and digital solutions tailored to local needs, such as E-commerce platforms and mobile payment systems, can cater to the expanding tech-savvy population.

- **Exporting Software Solutions and Multilingual Business Processing Services:**

For businesses seeking to expand their reach beyond the local market, Kurdistan offers a strategic gateway to regional and global markets. Investing in software solutions and multilingual business processing services can leverage the highly skilled talent pool to serve diverse clients and industries worldwide.

- **Financial Services and FinTech:**

Diverse investment opportunities abound in Financial Services and Fintech, including international bank acquisitions, innovative insurance services, mortgage lending, lease financing, wealth management, financing for solar rooftops, and FinTech solutions like mobile and online payments.

Conclusion

The KRG's commitment to building a digital infrastructure and providing support for ICT development has been instrumental in driving progress. The continuous investment in research and development, coupled with effective policies and regulatory frameworks, has provided both local and foreign investors with the opportunity to participate in the growth of the ICT sector.

With an increase in the number of young people working in the sector, high Internet penetration rates, and a notable increase in the number of FinTech service providers, it is evident that the ICT industry is poised for long-term growth. Looking ahead, Kurdistan's ICT sector is well-positioned to sustain its growth momentum and propel the region into a prosperous and digitally driven future.

Report Summary

Invest Kurdistan's Team

Invest In Kurdistan: Overview of Priority Sectors

Kurdistan Region at a Glance

The Kurdistan Region of Iraq (KRI) is an autonomous region in northern Iraq, nestled at the crossroads of Europe, Asia, and the Middle East. It is governed by the Kurdistan Regional Government (KRG) and has its own legislative body. The Kurdistan Region is known for its rich oil and gas reserves, fertile land, and business-friendly environment.

The region offers investors a wide range of opportunities in all sectors, particularly agrifood, industry, tourism, infrastructure, and services. With a population of 6.2 million, the potential for growth in these sectors, combined with the region's abundant natural and human resources, makes the region perfectly positioned for investment and expansion.

KRG's commitment to economic development, security, and political stability makes the region a prime destination for investors looking to invest in Iraq and the MENA region.

Why Choose Kurdistan Region?

Many factors make the Kurdistan Region an excellent investment destination, including stability, abundant natural resources, favorable investment legislation, skilled workforce, strategic location, diverse sectors, and booming local and regional demand.

The region's economy has grown significantly over the past two decades; the GDP per capita is about \$7,038 in 2022. It has received major investment from both local and foreign investors since 2006, with total invested capital exceeding \$66 billion.



The government is actively seeking to attract more investment projects to the region and has a dedicated team to support investors and facilitate the investment process.

Agrifood Sector

Kurdistan Region has fertile lands, a temperate climate, and water resources that make it suitable for the production of a wide range of food crops and livestock products. Coupled with booming regional demand, these make the region an optimal location for investment in agriculture and food processing.

Today, Iraq as a whole imports every year more than \$1 billion of dairy products, 600,000 tons of meat, 3 billion eggs, and \$700 million of fresh and processed fruits, despite having excellent agro-climatic conditions for producing all of these commodities. Since most of the food consumed in Iraq is imported, investors with efficient production techniques can gain a first-mover advantage and secure a strong market position.

The main agricultural commodities for which the Kurdistan Region is known and which have a large local and regional market cover grains and pulses, vegetables, fruits, and livestock.

Reasons to Invest in Agrifood Sector

Many reasons make the region attractive for investment in agricultural and food processing projects, such as a significant amount of agricultural land, which exceeds 4 million hectares, water resources from 5 major rivers and 3 large lakes, and fertile land offering optimal conditions for a wide variety of agricultural products. In addition, the market is growing with little competition, accompanied by local labor availability, as more than 10% of the labor force is engaged in agriculture. Kurdistan is also the home to 14 agricultural colleges and more than 40 agricultural extension centers driving technology-oriented entrepreneurs.



Top Opportunities in Agrifood

Since local and regional demand far exceeds supply for virtually all agricultural products, Kurdistan offers a wide range of climatic zones for the production of most crops and livestock.

Livestock and Dairy

Iraq imports more than \$2 billion of meat, eggs, and dairy products annually. With a growing population and increasing incomes, demand is growing by 8% annually. Kurdistan offers the ideal location for investors seeking to supply the fast-growing market and is particularly keen to attract investments in cattle farms for milk or beef production, sheep/goat farms for meat or wool production, poultry farms for chicken or egg production, and fish farms using modern fishery techniques.

Crop Cultivation

The region's primary commodities include grains such as wheat, barley, and corn, as well as a range of fruits and vegetables, including pomegranates, apples, grapes, olives, and tomatoes. In 2020, the region produced over 2.4 million tons of wheat and 250,000 tons of barley. The government also seeks to attract investments in setting up demonstration farms and working in collaboration with networks of local out-growers to establish modern greenhouses, model farms and packing operations, orchards, and large-scale grain cultivation.

Food Processing

Large amounts of processed foods in Iraq are packed in the country but using imported raw materials. The regional government welcomes investors who are interested in setting up processing and packaging facilities for the processing of a wide range of food products, such as meat, dairy, and vegetables, to name a few. Other investment opportunities include agrifood logistics, animal feed

manufacturing facilities, and certified seed forest plantations.

Industry Sector

Driven by oil and gas revenues, rising household incomes and large-scale infrastructure reconstruction, demand for all types of manufactured products in Iraq is growing rapidly - for construction materials, chemicals and fertilizers, vehicles and machinery, consumer goods, and others.

With abundant energy sources, local supplies of most raw materials, and a favorable business environment, the Kurdistan region is the ideal location to set up manufacturing operations to serve this fast-growing market - and potentially export to other expanding markets in the region.

Over the last 15 years, investors have already invested more than \$30 billion in manufacturing projects in Kurdistan, but numerous untapped opportunities remain. Petrochemicals and fertilizers, and construction materials are the two biggest immediate opportunities.



Reasons to Invest in the Industry Sector

1. **Demand:** After long periods of war and instability, the scale of expenditure across Iraq on reconstruction is enormous - this, in turn, is fuelling massive demand for construction materials, industrial machinery, vehicles, appliances, consumer goods, agricultural chemicals, and more. On average, Iraq imports more than \$5 billion of construction materials, \$5 billion of industrial machinery, \$3.5 billion of vehicles, \$2.5 billion of plastics and chemicals, and \$2 billion of electrical equipment and parts annually.
2. **Energy and Raw Material Supply:** Kurdistan has large reserves of oil and natural gas, as well as deposits of many other key raw materials. Investors can take advantage of this local supply base to competitively supply Iraq and neighboring countries.
3. **Strategic Location:** Kurdistan is located at the crossroads of Europe, Asia, and the Middle East. Manufacturers in Kurdistan have full access to the whole of Iraq and good transport connections to other fast-growing markets in the region.
4. **Global Diversification:** With the production of petrochemicals and other key materials increasingly concentrated in a small number of countries, manufacturers are looking for new competitive locations to establish operations.
5. **Government Support:** The Government is ready to provide full support to companies who set up manufacturing operations in the region - Kurdistan's Investment Law offers free land, utility connections, and exemptions from income tax and customs duties.
6. **Skills and Technology:** Fuelled by inward migration and the opening of numerous new colleges and universities, Kurdistan offers investors a large skilled workforce and a strong base of engineers with practical knowledge of the latest production and construction technologies.

Petrochemical

Iraq imports more than \$2.5 billion of fertilizers, plastics, and other chemicals every year. With plentiful reserves of oil and gas, Kurdistan offers the ideal location for production to supply unmet demand within Iraq. With the revitalization of the agricultural sector, the development of new manufacturing industries, and increased consumer spending, demand for petrochemicals will continue to grow rapidly.

Investment Opportunities in the Petrochemical Industry

The region produces 450,000 barrels and over 450 million standard cubic feet per day of output of oil and gas, respectively; the region floats on 45 billion barrels of natural oil and over 200 trillion cubic feet of gas, positioning it as a compelling destination for petrochemical investment. Iraq imports approximately 1.4 million tons of fertilizers and over \$2.5 billion worth of plastic and chemicals per year. KRG aims to become a leading supplier of petrochemical products in a number of market-driven opportunities, including the production of fertilizer, polymer, rubber, and more.

Manufacturing

Driven by economic growth, demand for all types of manufactured products in Iraq is growing rapidly. Demand for construction materials is particularly strong. For example, Iraq still imports more than 4 million tons of steel, 10 million tons of gypsum board, and 200 million square meters of ceramics every year. Demand for automobiles, automotive spare parts, household appliances, and electronics is equally robust. The number of registered motor vehicles in Iraq has almost doubled over the last 10 years, and ownership of household appliances and electronics has been growing at similar rates. Additionally, demand for consumer electronics, pharmaceuticals, and packaged consumer goods is also increasing.

Investment Opportunities in the Manufacturing Industry

Data shows that \$88 billion is the total investment in construction and infrastructure projects required to complete post-war reconstruction; 7.2 million is the number of registered motor vehicles in 2022, and \$3.5 billion is the value of imported vehicles and automotive parts in 2022. On the other hand, in 2022, the values of imports of electronic equipment and parts and household appliances are \$7 billion and \$1.5 billion, respectively.

In the last 16 years, BOI licensed 290 manufacturing projects. Therefore, Kurdistan offers a conducive environment for manufacturers, with plentiful energy reserves and generous investment incentives. Investment opportunities exist for every type of manufacturing operation, such as construction materials, including iron, steel, gypsum board, appliances and electronics, the automotive industry; and light manufacturing, including FMCG production and packaging.

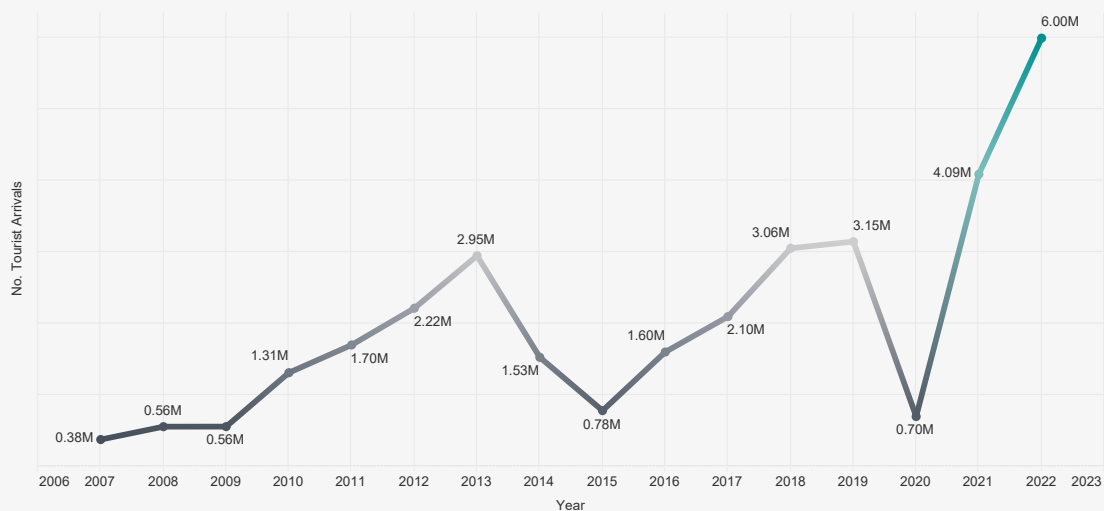
Tourism Sector

The Kurdistan Region is a unique and diverse destination that offers a wide range of tourism opportunities. Known for its natural beauty and rich culture, it attracts 6 million tourists year-round from all over Iraq and beyond.

The KRG has a well-developed hospitality infrastructure, a growing number of tourist-friendly facilities such as hotels, restaurants, heritage sites, and a welcoming and hospitable population. Investment opportunities are abundant with almost 40 resort developments identified as investment priorities. These opportunities come with allocated land, topology analysis and project concept development plans.

The Kurdistan BOI has licensed more than 180 tourism projects over the last 15 years, and total investment in tourism projects in the region now exceeds US\$ 13 billion, most of it concentrated in Erbil with US\$10 billion, followed by Sulaymaniyah and Duhok.

Tourist Arrivals to the Kurdistan Region between 2008 and 2022



Source: Invest in Kurdistan: Overview of Priority Sectors, Invest Kurdistan, 2023. Copyrights: KAPITA Business Hub, 2023.

Investment Opportunities in the Tourism Sector

The Kurdistan regional government has recently completed a comprehensive tourism development master plan. As part of the plan, the government has identified and set aside around 40 high-potential sites for tourism development.

Below are the names of some of the areas available for development as tourist resorts throughout the Kurdistan Region

- Jundyan, Handren, Hasan Bag, Korak and Zrara in Soran.
- Qalay Dwin, Tawska, Dlopa, and Garaw in Erbil.
- Hazar Merd, Kunaba, Bani Maqan, and Zrgwez in Slemani.
- Rania Forest, Jolanan, and Qurago in Raparin.
- Sirwan River, Bawashaswar, and Essayi in Garmian.
- Bejil, Kani Mazi, Gari Spilke, Ashawa, and Qubahan in Duhok.
- Ahmadawa and Rishen in Halabja.
- Sharanish and Gali Zakho in Zakho.

Service Sector

With the swift development of the regional economy over the last 15 years, the services sector in Kurdistan has blossomed and now constitutes the largest segment of economic activity. Kurdistan is now home to more than 25 banks, 15 private colleges and universities, dozens of telecom and technology providers, and hundreds of retail chains and shopping malls. Notable investors include the University of London, American University, Zain Telecom, QNB Group, Carrefour, and many more.

ICT Sector

The Information and Communication Technology (ICT) sector in Kurdistan has been growing

rapidly in recent years, fueled by a combination of government support, private investment, and a young, tech-savvy population. With the KRG strongly emphasizing developing the ICT sector as a key driver of economic growth, the region has become a hub of innovation and technology entrepreneurship. The Kurdistan region is now home to more than 500 ICT startups and 4 incubators, technology hubs, and co-working spaces.

Digital transformation is one of the Kurdistan Regional Government's top priorities. Recognizing the importance of the ICT sector to the region's economy, the government has developed and implemented the Digital Transformation Strategy 2022-2025, which focuses on improvements in services to citizens, e-government, and digital infrastructure.

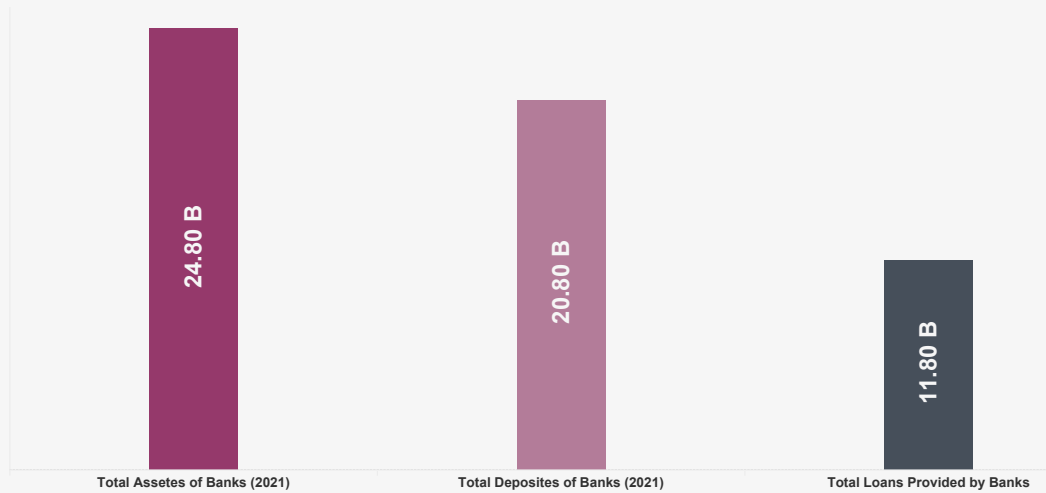
Reasons to Invest in ICT Sector

The KRG proactively promotes the development of the ICT sector, with policies aimed at creating a conducive environment for investment and growth. Additionally, there is a large pool of engineering, computer science, and IT professionals (over 20,500 graduates of ICT studies every year), high demand for digital services as the internet penetration rate is 75%, around 4 million internet users, 850 smartphone per 1000 individual, and other incentives such as tax breaks, land allocation, and exemption from customs duties.

Investment Opportunities

The government is keen to attract additional investments in local ICT infrastructure in the following areas: tower-sharing companies, data centers and cloud servers, software companies (e.g., e-commerce platforms and mobile payment systems), and developers of special zones/hubs/incubators for ICT/BPO services.

Total Assets, Deposits and Loans of Banks in KRG



Source: Invest in Kurdistan: Overview of Priority Sectors, Invest Kurdistan, 2023. Copyrights: KAPITA Business Hub, 2023.

Financial Services and FinTech

Despite the rapid development of financial services in recent years, financial services in the region are still under-developed: bank account utilization is still relatively low, use of cards and digital banking is very limited, access to finance for local entrepreneurs is still very restrictive, many non-banking financial services barely exist - insurance, mortgage lending, leasing, wealth management services, etc.

The regional government has recently taken steps to accelerate financial inclusion and development of financial services by requiring all government employees and contractors to be paid digitally directly to bank accounts. This and other reforms will open up a wide range of opportunities for investors in banking, non-banking financial services, digital payment services, and FinTech in general.

The region presents a wide range of opportunities, including insurance services, mortgage lending, lease financing, wealth management services, and many other financial/banking services.

Infrastructure Sector

Development of Industrial Zones and SEZs

The Kurdistan Regional Government strives to enable industrial development through the establishment of industrial zones and special economic zones (SEZs) for various industrial activities in all parts of the region. The Board of Investment (BOI) of the Kurdistan Region seeks to attract investors to develop the remaining proposed zones, 12 zones located in all governorates. The land for 8 of these zones has already been identified and set aside; the government is in the process of acquiring the land for the 4 remaining zones. Some of the zones are expected to focus on specific activities (heavy manufacturing, light manufacturing, agro-processing, trade and logistics, services, etc.); others will be mixed-use zones.

Renewable Energy

The current electricity demand far exceeds supply: peak demand exceeds 7000 MW and is growing by 10% per year, while current generating capacity is less than 4000 MW. Several private investors have already established independent power projects supplying the regional power grid, but there is ample demand for more.

In line with the government strategy to reduce dependence on hydrocarbons, the government is particularly keen to attract power projects that will utilize renewable and waste energy sources: solar, wind, hydro, geothermal, as well as flared/wasted gas and industrial/municipal/agricultural waste. The Ministry of Electricity has already approved 4 solar photovoltaic (PV) projects and 2 waste-to-energy projects.

Proposed Industrial Zones and Special Economic Zones in Hectares

Note: Blank rows are to be determined (TBD)

Location	Industrial Zone	
Akre	Akre Industrial Zone	
Bardarash	Baradarash Industrial Zone	
Erbil	Heavy Industrial Zone	1,663
	Timar Industrial Zone	920
	Ararat Industrial Zone	750
Halabja	Halabja Industrial Zone	100
Kalar	Kalar Industrial Zone	505
	Parwez Khan Industrial Zone	125
Koya	Koya Industrial Zone	
Rania	Raparin Industrial Zone	100
Slemani	Arbat Industrial Zone	434
Soran	Soran Industrial Zone	

Source: Invest in Kurdistan: Overview of Priority Sectors, Invest Kurdistan, 2023. Copyrights: KAPITA Business Hub, 2023.

With commercial electricity tariffs around IQD 13/kWh and residential tariffs for larger users exceeding IQD13/kWh, the Ministry of Electricity is in a position to purchase power from independent generators at rates that ensure reasonable returns.

With numerous corporate groups establishing large-scale manufacturing projects that require substantial power (e.g. for the manufacture of steel, cement, urea, etc.), opportunities for captive power projects and net-metering arrangements present particularly interesting options.

The government is also keen to attract financial institutions, and companies prepared to design financing packages for residential and commercial solar rooftop installations.

Reasons to Invest in the Energy Sector

- Massive and growing gap between electricity demand and supply.
- Several successful IPPs are already operational.
- Reasonable end-user tariffs ensure sustainable returns for independent power producers.
- Multiple opportunities for captive and/or net-metering power projects with attractive tariffs.
- Plentiful potential energy sources: high levels of solar radiation year-round; untapped flared gas supplies; undeveloped hydro sites; growing supplies of industrial and municipal waste.
- Full government support: given the supply-demand gap and the government's desire to reduce reliance on hydrocarbons.

Investment Opportunities

- Co-development of captive power plants (using solar, flared gas, waste-to-energy, etc.) in collaboration with developers of new energy-intensive businesses - manufacturing operations, industrial parks, large-scale residential/commercial/tourism developments, etc.
- Co-development of net-metering power plants (using solar, flared gas, waste-to-energy, etc.) in collaboration with large corporate groups with heavy electricity usage for existing residential/commercial/industrial businesses.
- Independent Power Projects (using solar, flared gas, waste-to-energy, hydro, etc.) under power-purchase agreements with the Ministry of Electricity.
- Financial/technical consortia ready to launch integrated financing and installation packages for residential and commercial solar rooftop installations.

Transportation Sector

Transportation infrastructure in the Region has improved significantly in recent years, with new roads, bridges, and airports being built to support the growing economy. Nevertheless, with economic growth and inward migration, there is an urgent need to expand and improve all aspects of Kurdistan's transportation - public transport systems, roads, railways, and air services.

Reasons to Invest in the Transportation Sector

Projected demand for all transport nodes far outstrips current capacity. Data shows that total air passengers, at Erbil and Slemani Airports, reached 3.4 million passengers in 2019 while registered taxis reached 76,000 in 2022. The KRG estimated 38,000 tons in volume of cargo trade through the main border-crossing in 2019. Therefore, the Kurdistan Regional Government has completed detailed master plans and full feasibility studies for new public transport systems, roads, railways, air services, intermodal hubs, etc.

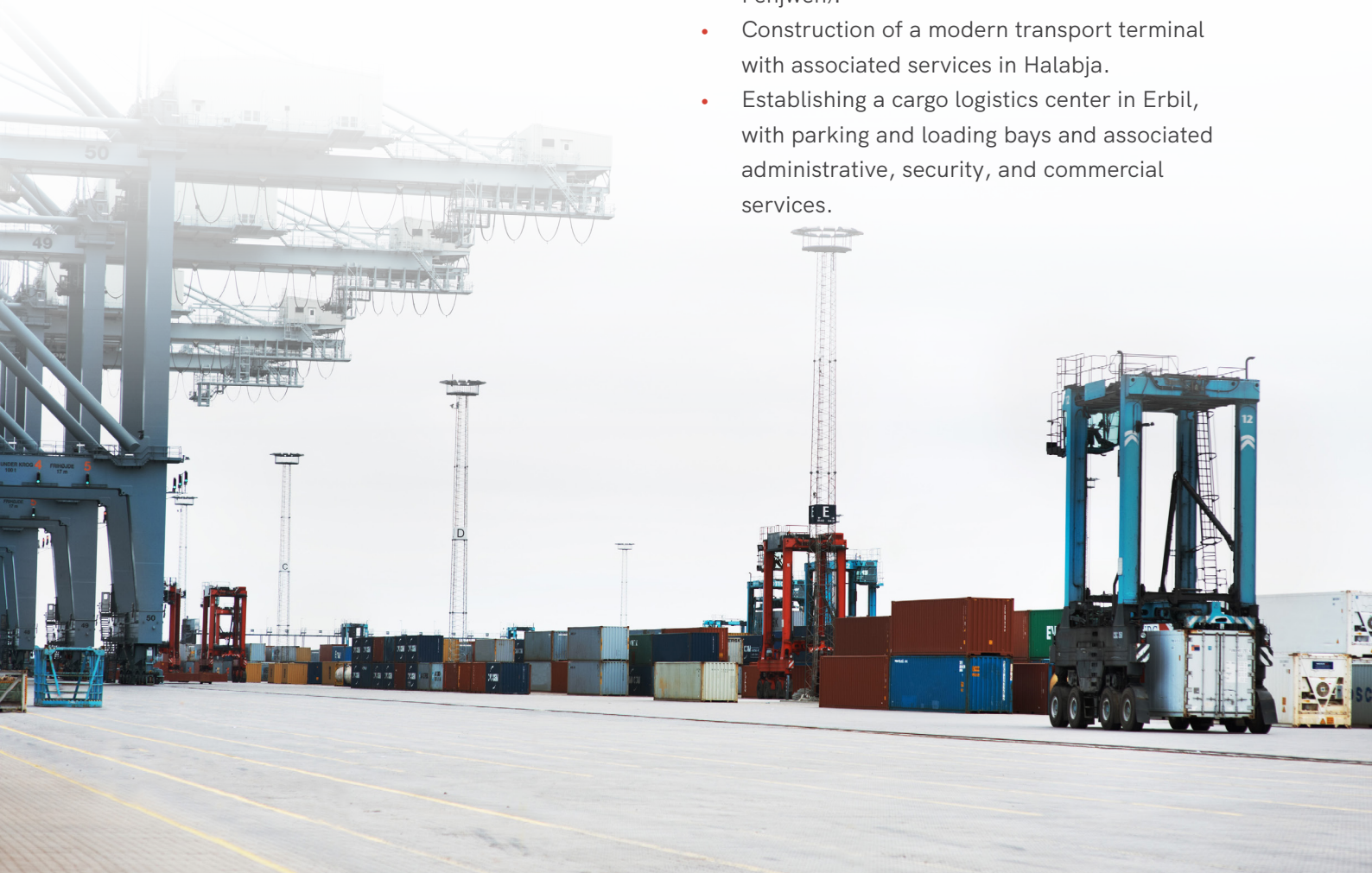
Investment Opportunities

Short-term Opportunities;

- Taxi-meter system in KRI.
- Establishing a network of (102 km) two-way tramways along Erbil city.
- Establishing a (70 km) two-way City bus network in Erbil city.

The Medium-term Opportunities:

- Establishing a 60km network of two-way tramways in Sulaymaniyah city.
- Establishing a 55km network of two-way tramways in Duhok city.
- Establishing a 50 km two-way City bus network in Sulaymaniyah city.
- Construction of a modern transport terminal with associated services in Duhok.
- Construction of 820 km of highways to connect Kurdistan's major cities and neighboring countries.
- Construction of a new 650km railway from the Turkish border at Zakho to the Iranian border at Bashmaq (via Duhok, Erbil, Sulaymaniyah, Penjwen).
- Construction of a modern transport terminal with associated services in Halabja.
- Establishing a cargo logistics center in Erbil, with parking and loading bays and associated administrative, security, and commercial services.



Registered Motor Vehicles in KRI over the Years



Source: Invest in Kurdistan: Overview of Priority Sectors, Invest Kurdistan, 2023. Copyrights: KAPITA Business Hub, 2023.

Water System

With 6 major rivers, snow-capped mountains, and annual precipitation similar to many parts of Western Europe, the Kurdistan region has a wealth of water resources. The annual water output of rivers in 2019 was around 31 billion m³. The Kurdistan Region has untapped opportunities for dams and irrigation/water-supply schemes on each of the 5 main river basins, 25,000 wells, 17 constructed dams, and other water resources.

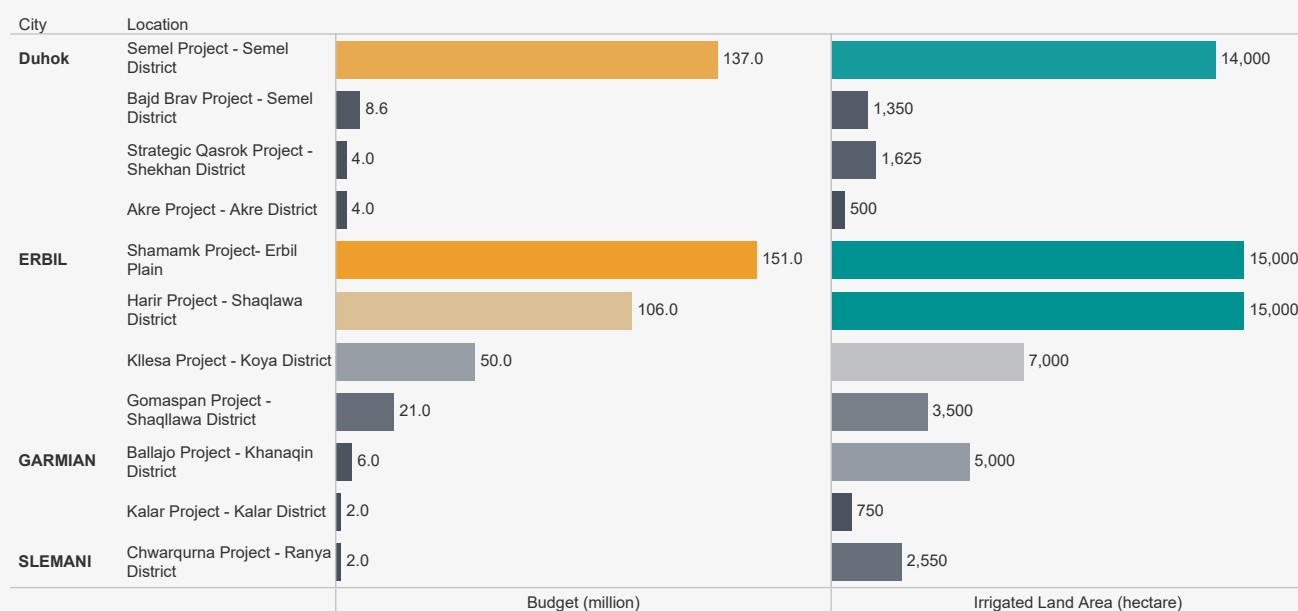
In terms of land and irrigation accessibility, the total irrigated area is 285,000 hectares, and a total of 2,700 km of irrigation canals. It is also estimated that the annual rainfall precipitation range is from 350mm in the southwest plains to 1100mm in the northwest mountains.

Despite numerous water resources, much of them are utilized inefficiently: urban, agricultural, and industrial users in the region are increasingly tapping underground water resources to meet growing demand. As a result, many aquifers are running dangerously low.

Investment Opportunities

The Kurdistan Regional Government has completed feasibility studies and plans for 41 proposed ponds and 11 proposed water projects awaiting funding and implementation across the region. Moreover, the government is actively seeking investors interested in developing new dams and irrigation/water-supply schemes under Public-Private Partnerships (PPP).

Proposed Water-Projects Awaiting Funding and Implementation



Source: Invest in Kurdistan: Overview of Priority Sectors, Invest Kurdistan, 2023. Copyrights: KAPITA Business Hub, 2023.



Interview

Dr. Muhammed Shukri Chairman of the Board of Investment in KRG

Dr. Muhammed Shukri is Chairman of the Board of Investment (BOI) in the Kurdistan Region Government. He has a bachelor's degree in economics, a master's degree in the privatization of industrial projects in Iraq, and a Ph.D. in consumer protection in the KRG. Dr. Shukri has been engaging in numerous roles and activities in the Government of Kurdistan since 2001.

In this interview, Dr. Shukri discusses the investment scene in the Kurdistan Region. He reflects on the commitment of the regional government towards attracting investment opportunities into the region, highlights the role of the BOI in fulfilling that goal across multiple levels, and emphasizes the promising opportunities available to investors in different sectors.

Could you give us a brief introduction about you and your background?

My name is Dr. Muhammed Shukri. I have a bachelor's degree in economics, a master's degree in the privatization of industrial projects in Iraq, and a Ph.D. in consumer protection in the Kurdistan Region of Iraq. I have been practicing government work since 2001, where I served as the Director of Planning and Follow-up at the Ministry of Interior, after which I became the Director of the Strategic Research Department in the Kurdistan Region Security Council. In 2011, I started working as the general director of the Anti-corruption and Organized Crime Department in the region. Furthermore, I was a member of the Economic Reforms Committee in the Kurdistan Region Presidency for the years 2011 to 2019. Currently, I am the Chairman of the Board of Investment in the Kurdistan Regional Government since the beginning of the 9th cabinet.

What is the Kurdistan Board of Investment? And what services does it offer?

In 2006, the KRG took a major step forward by establishing the Board of Investment (BOI) to spearhead investment attraction efforts. The BOI is responsible for promoting and supporting investment opportunities in the Kurdistan Region, granting investment licenses, offering incentives, and fostering a conducive business environment.

What is the potential of the Kurdistan Region in terms of investment?

Kurdistan Region is rich in natural resources, including oil and natural gas, and has fertile land and a climate suitable for agriculture. The region's economy is growing, providing opportunities for investors to participate in the region's economic development and benefit from its expanding market. In addition, there are other factors that make the Kurdistan Region an excellent and attractive investment destination, including political

and economic stability, favorable investment legislation, a skilled and educated workforce, and diverse investment sectors.

How do you evaluate the region in terms of risks of investment?

Kurdistan Region is known for its security and safety, having largely avoided security incidents over the past two decades. This security has given investors and business owners the confidence to initiate investment projects, allowing businesses to operate without interruption or concern for the safety of their employees.

Both politically and economically, Kurdistan Region has experienced relative stability in recent years. Despite some challenges and even during times of conflict in Iraq, the Kurdistan Regional Government (KRG) has managed to maintain a relatively stable political environment and a conducive atmosphere for international companies and organizations to operate in the region.

What are the most promising sectors for investment in KRG?

The region offers multiple sectors open to investment. This diversity allows investors to choose the sector that best aligns with their interests and expertise. We offer exciting investment opportunities in key sectors such as agriculture, industry, tourism, energy, and ICT. Specific opportunities include livestock and dairy, construction materials, light manufacturing, and the development of resorts. These sectors have high potential and present attractive avenues for investors to capitalize on the region's strengths and contribute to its economic growth.

These are just a few examples of the exciting investment opportunities available in our region, and there are plenty of other opportunities in these sectors and many others.

What methods is the Board of Investment applying to make Kurdistan investment-friendly?

The Kurdistan Region is considered a safe and stable area. Its economy has experienced significant growth over the past two decades and has received major investment from both local and foreign investors. We offer a range of incentives through our investment law to attract local and foreign investors. These include the right for foreign investors to own the entire capital of their projects established in our region. Additionally, we provide exemptions from non-custom taxes and duties for a period of 10 years, as well as land allocation for investment projects and the provision of utilities. Investors can also enjoy the full repatriation of investment profits and capital. Furthermore, imported raw materials for investment projects are exempted from customs duties for a period of 5 years. These incentives aim to create a favorable environment for investment.

Could you tell us about your projects and initiatives?

The Board of Investment in KRG has taken proactive steps to enhance the appeal of Kurdistan Region to foreign investors. We have implemented various strategies to simplify processes and make the region more attractive. We have set up a special team, the Foreign Direct Investment Unit, to help out foreign investors and created the Invest Kurdistan brand to spread the word about the region and its opportunities. In addition, we have decentralized licensing by giving the rights to general directorates in provinces to accept and facilitate investment licenses.

The BOI has also opened new general directorates in a few districts. We are proud to collaborate with international organizations like UNDP, WAIPA, and IFC to improve the investment landscape further. Together, we are working towards a more prosperous future for the Kurdistan Region.



Furthermore, we have established agreements with local universities and organizations to team up, especially for studying important sectors and finding new chances.

All these initiatives demonstrate that the KRG-BOI is focused on making Kurdistan an attractive place for foreign investments in the Middle East. And we are not stopping there - we are committed to keep making things better in terms of policies, procedures, and promotions.

You have recently signed an MoU with the International Finance Corporation (IFC). Could you please tell us what it aims to achieve?

The International Finance Corporation (IFC) is a member of the World Bank Group (WBG). The purposes of our agreement include stimulating and creating conditions conducive to the flow of private capital, both domestic and foreign, into productive investments in our region, which are projected to attract over \$1 billion in private investments. This will be achieved through mapping and streamlining the investment license approval process, providing investment generation and facilitation support to the clients, and developing the legal and regulatory framework that will enable private development and management of special economic zones (SEZs).

Do you have any initiatives in the banking sector and access to finance to support the investment scene?

The Kurdistan Region has witnessed the rapid development of financial services in recent years, with 28 banks now operating in the region. The regional government has recently taken steps to accelerate financial inclusion and development of financial services through (My Account) initiative requiring all government employees and contractors to be paid digitally directly to bank accounts.

This and other reforms will open up a wide range of opportunities for investors in banking, non-banking financial services, digital payment services, and FinTech in general.

How is the energy sector in Kurdistan? and is the Board of Investment approaching the renewable energy sector and promoting it?

Despite existing challenges and the need for many new projects, KRG is actively working to enhance infrastructure to present a promising business environment. Renewable energy projects, Industrial zones, and transportation initiatives are strategic priorities. The BOI is keen to attract private investment in renewable energy and waste-to-energy projects through independent power producer (IPP) models. Currently, there are two solar plants that generate 3MW, with a 100MW solar project underway in Erbil.

BOI has been striving to enable research efforts and knowledge exchange, such as in their most recent cooperation with KAPITA, Soran University, and Tishk Universities. Could you share with us more about that?

BOI's commitment to research and knowledge exchange is evident in the various activities and agreements we've undertaken recently. One noteworthy collaboration is our Memorandum of Understanding with Soran Research Center, Tishk University, and KAPITA Business Hub. The Kurdistan Regional Government Board of Investment (KRG-BOI) is dedicated to generating investment opportunities, providing top-notch services to investors, and contributing to the rebuilding of Iraq, with a particular focus on the Kurdistan region.

Through our partnership with KAPITA, we are working hand-in-hand to bolster business development and promote investments in the Kurdistan Region. This is achieved through in-depth research on specific sectors, industries,



and areas of interest within the region. Similarly, our cooperation with Soran and Tishk University further emphasizes our commitment to advancing knowledge and driving growth in the Kurdistan business landscape.

Could you share with us some of the success stories of investing in Kurdistan?

Our region has already granted investment licenses to 1,128 projects, attracting a total investment capital of \$67 billion, including around \$12 billion in FDI and joint ventures. We are actively working through the FDI unit to increase these numbers and bring more foreign investors to our region.

As we mentioned, our partnership with IFC is a source of pride for us. This agreement is set to significantly increase the number of investment projects in the Kurdistan region. Additionally, we are proud members of the World Association of Investment Promotion Agencies (WAIPA). As a member of WAIPA, our main focus is to spotlight Kurdistan on the global stage, highlighting the wealth of untapped opportunities available in our region.

Their support in providing us with the necessary tools and resources is invaluable. This will enable us to make well-informed decisions and craft effective investment promotion strategies.

Even with the success we have achieved and the incentives we offer, we aim to increase investment in the region, unlock the untapped potential across various sectors, and seize new opportunities.



Interview

Sheikh Fakhir Sheikh Tayeb CEO, Qaiwan Group

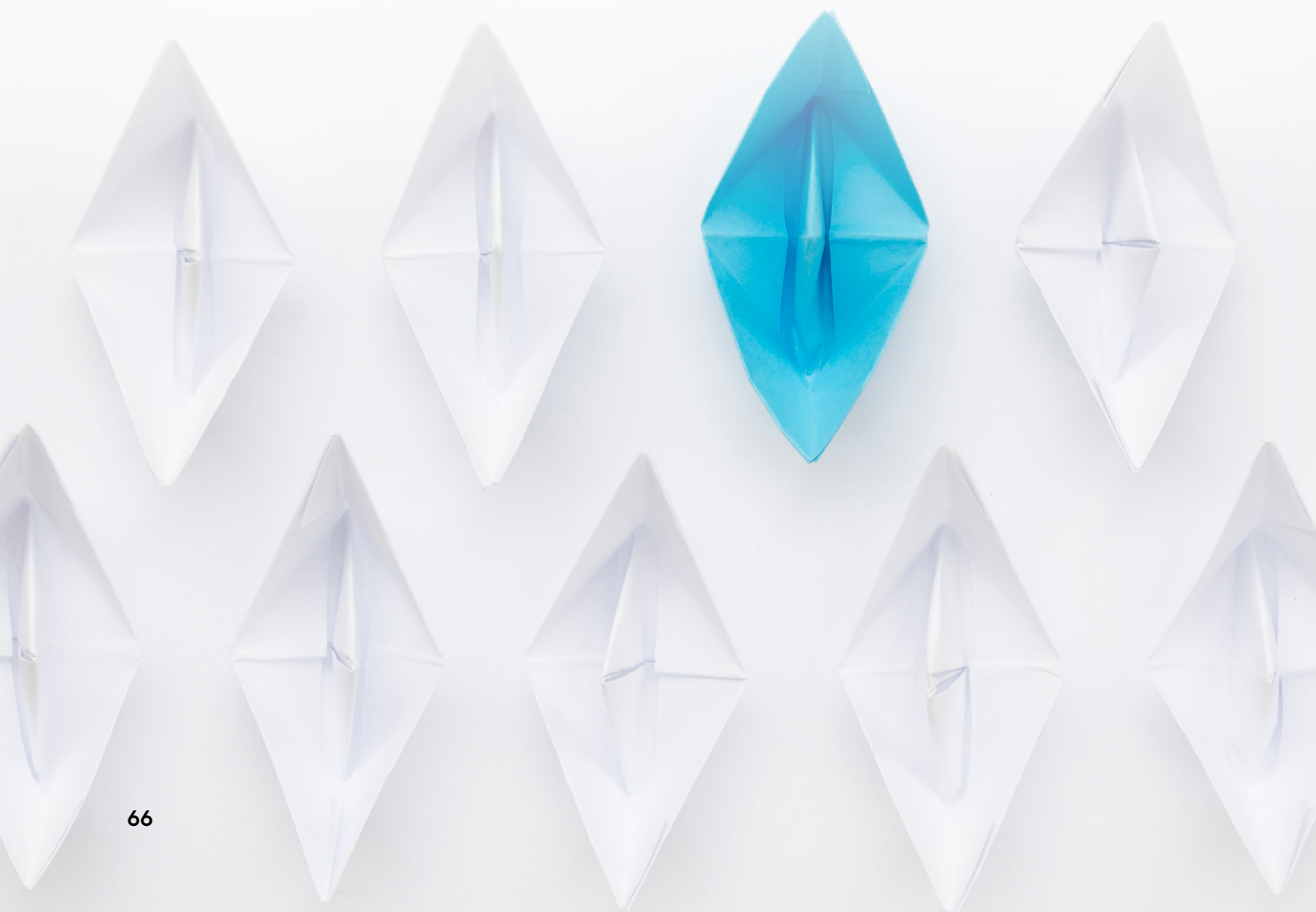
Sheikh Fakhir Sheikh Tayeb is the CEO of Qaiwan Group. Qaiwan Group is one of the industry leaders in Iraq and the Middle East. It operates in many sectors, including construction and real estate, hospitality, education, health care, retail, trading, and others. The Group has over 25 years of experience with 3000 employees and over 50 companies in multiple domains, striving to serve excellence and create a positive impact across all the different stages of their business operations.

In this interview, Sheikh Fakhir shares with us the Group's success story, growth into a conglomerate, and their focus on innovation and development across all sectors. Furthermore, Sheikh Fakhir discusses the vitality of the energy sector and the importance of renewable projects like the Qaiwan Solar Plant and explores the challenges and opportunities imposed by climate change. In addition, he emphasizes Qaiwan's role in education through Qaiwan International University and Qaiwan's commitment to providing high-quality healthcare, and he touches on the booming real estate sector in Iraq.

**How was Qaiwan Group first established?
And what is the story behind the biggest
conglomerate in the country?**

I grew up in a big household and started working in my family's business at a young age, where I began to learn the value of money. My family instilled investment and finance knowledge in me from a very young age. In 1993, two of my brothers and I started trading products, and we opened the very first Qaiwan store in Sulaymaniyah. The company's success surpassed our expectations, and Qaiwan Group has grown into the conglomerate it is today. I think one of the essential skills that I have, which I really value, is that I have a clear way of organizing things in my head. Where others may see chaos, I see how it can turn into something beautiful. It is about strategy and the bigger picture. I am still running the business, and we are still growing.

Today, we are known for our construction projects that are spread across the country. This includes private residential projects, such as Sulaymaniyah Heights, Qaiwan Heights, and Qaiwan City. In addition, Slemani Rotana Hotel offers the luxury of convenience and authentic tailored experiences for business and leisure for travelers and families. The contemporary property with beautiful design offers 240 modern rooms and suites featuring the latest in-room technology, luxurious amenities, stunning views of the city and mountains, and some offering exclusive Club Rotana Lounge access with additional benefits.



Qaiwan Group is one of the largest players in the energy sector. Can you share with us your latest projects and initiatives in this sector?

Unfortunately, there is a shortage of energy in Iraq. There is a growing shortage in power supply that does not meet the immense demand, and we have to rely on generators more often. Therefore, we have considered the need to diversify the energy sector. This is something we offer in our residential projects. Therefore, it seemed evident that we explored other options, such as renewable energy. Iraq has significant solar irradiance levels, and our mountains ensure we have wind speeds in some areas. As Qaiwan Group, we are currently working on our new project, Qaiwan Solar Plant.

Our Solar Project is a 10 MWp solar PV power plant. We are in the process of constructing a large-scale solar photovoltaic power plant in Sulaymaniyah, Piramagroon district. The initial capacity is 10 Megawatts, but there is potential for future expansion.

How does climate change impact the energy sector in Iraq? What challenges does it impose? And are there any opportunities we can capitalize on?

Iraq's environmental and energy challenges directly affect its overall stability and prosperity. Climate change has caused drought and extreme temperatures, which are big problems. We have to build a dam in order to save the water that we have. Besides water scarcity, Iraq has to deal with the effects of global warming since it is one of the biggest greenhouse gas emissions countries. We can capitalize on renewable energy, but the main challenge we will face is that the infrastructure of Iraq is not ready for renewable energy.

Power generation from renewable energy sources would increase Iraq's energy security and reduce the power sector's greenhouse gas emissions, which

account for almost half of Iraq's total emissions. However, integrating variable renewable energy systems such as solar photovoltaics and wind turbines creates a set of challenges to grid stability. Solar and wind energy sources are not reliable and can - therefore- not generate fully dispatchable energy yet. Those sources are only available when weather conditions allow and not necessarily when demand requires.

With the world heading towards sustainability and clean energy, how does this affect Iraq's reliance on oil, and what does the way forward look like for companies operating in this sector?

Iraq's reliance on oil must change since the world is leaning towards more sustainability. In fact, many traditional oil and gas companies are evolving to the point where they now consider themselves energy companies and view the energy sector in a broader term. Most of the R&D departments are focusing on sustainability and digitalization. This means companies have to widen their sectors and not only look at the energy sector the old-fashioned way; innovation is key.

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Power generation from renewable energy sources would increase Iraq's energy security and reduce the power sector's greenhouse gas emissions, which account for almost half of Iraq's total emissions.

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In 2018, Qaiwan Group ventured into the education sector by opening Qaiwan International University. Could you tell us more about your commitment to improving education in Iraq?

Qaiwan Group has established Maya Institute in 2010 to improve the quality of education pertaining to commercial activities and protect the national identity. Maya Institute includes 25 different educational centers, including Qaiwan International University - UTM, the first foreign campus of the University of Technology Malaysia. Qaiwan International University was launched in 2018 and is located within the Sulaymaniyah Heights project.

When establishing this, our mission was to meet society's expectations with regard to local and regional scientific competition and play a leading role in the development of innovative technologies and human resource management in the country. The university is the only university in Kurdistan that provides a specialization in HR because it is our vision to empower employees and their rights within organizations.

We also operate two schools with a British curriculum with certified Cambridge education, and we are looking to expand and open more schools as education is something we are very passionate about.

You have committed to providing the highest quality healthcare. Could we know more about your healthcare projects in Iraq?

We are committed to improving the Iraqi health care to serve the Iraqi people. Anwar Sheikh Hospital has played an active role in delivering medical services, such as high-quality medical chain pharmacies, specialty clinics, and expert diagnosis in primary healthcare institutions. We provide high-quality, affordable, fully equipped hospital chains that provide fast, reliable, and accessible services.

With the expansion of urban areas and the increase in population, the construction and real estate sector is flourishing. What is your impression of this market boom, and what will future Iraqi cities look like?

The real estate housing market in Iraq has always depended on political stability and economic prosperity, and it has had its ups and downs. However, it still offers significant opportunities for investors, developers, and homebuyers alike. Despite the ongoing challenges, the Iraqi government has taken steps to improve the real estate sector as part of its efforts to diversify the economy away from oil. This has led to the development of new projects, including high-end residential complexes, commercial centers, and mixed-use developments.

One of the key drivers of the market boom is the country's young adult population. This demographic trend presents a significant opportunity for developers and investors. This new generation would like to move out of their parents' house sooner and even live alone, which is not common within our culture. The real estate market has to, therefore, anticipate this demand for affordable housing. The future of the housing will be private residential areas operated by private companies.

How does operating in multiple key sectors bring value and synergy to Qaiwan Group?

Operating in multiple vital sectors increases the value of the combined entities. The value has increased because of reduced costs, as we are our own manufacturers, increasing revenues and enhancing capabilities. This requires careful analysis, realistic assumptions, and effective execution.





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Interview

Dr. Akaam Kamal

Executive Director, Halabja Group

Dr. Akaam Kamal is the Executive Director of Halabja Group, one of the leading companies in the Kurdistan Region and Iraq. It operates in various sectors, including construction and real estate, energy, education, fast consumer goods, and telecommunications. It owns more than 20 enterprises between companies and factories.

Dr. Akaam, a Ph.D. holder in Strategic Management, currently oversees a business's strategic vision and leads key decisions in consultation with the chairman to drive the company's growth. He collaborates with the leadership team, implements strategic plans for company development, and manages relationships with stakeholders.

In this interview, Dr. Akaam discusses the company's diversified business sectors, commitment to community support and region development, dedication to education and workforce development, partnerships in the food industry, and contributions to the local agricultural sector and food industry. He also highlights the importance of foreign investment for knowledge exchange and sector growth in the Kurdistan Region.

Halabja Group began in the 1980s. Can you tell us about the journey of Halabja Group up until today?

Halabja Group was established in the late 1980s for trading. We have expanded our scope beyond the trading sector, venturing into a diverse range of industries. Our involvement spans the industrial sector, real estate sector, telecommunications, education sector, and numerous other sectors.

The Group also includes many companies such as Halabja for General Trading and Transportation, Halabja for General Construction, Aso Brick Factory, Aran Asphalt, Bayan Real Estate, Halabja Concrete, Halabja Telecom Service HTS, Family Mall Slemani, Rasan Olive Oil Factory, Hilal and Ishtar Brick Factories, and many others.

Halabja Group takes a special interest in the construction sector. What are the companies operating under the Group in this field, and what are your latest projects?

Halabja Group has played a pivotal role in the construction and Iraq's infrastructure by implementing many projects. Bayan Company is our construction arm.

Our latest projects include Garden City Slemani (Garden City villas, Garden City Townhouse, Garden City Towers), Garden City Kirkuk (phase 4), Garden City Rumadi, and Garden City Baghdad.

Halabja Group used the latest technologies and designs in those projects to support the construction sector going forward. Moreover, our projects are valuable for end-users and sustainable in terms of quality and price.

Regarding training and education, how is Halabja Group dedicated to creating a workforce equipped with the necessary skills to meet the market demands?

Halabja Group prioritizes both the human and environmental impact of our projects. Halabja Group strongly supports the education sector. We have a nursery, kindergarten, school, and university. We also foster a close relationship between our HR Department and the Komar University Training Center. A part of HR's responsibility is developing and training staff based on annual evaluations or developments in terms of technology and market demand.

The job market is constantly changing, and the demand for technology-driven careers is increasing. Hence, constant skills development is vital for the company's growth. In addition, we focus on the career skills necessary for improving our business, such as sales, leadership, strategic marketing, and strategic management.

Halabja Group also frequently takes part in many events and discussions held by the government to provide consultation regarding bridging the gap between job market requirements and the skills of the labor force.

What are some of the key partnerships the Halabja Group has? What sectors do these partnerships target, and how do they translate into developing the private sector and creating business opportunities?

Halabja Group aims to increase local production and revive the private sector. We take crucial steps in fostering self-sufficiency and growth, particularly in the food industry. We believe in reducing the reliance on imports by developing the local food value chains and creating employment opportunities for the local labor force. Therefore, we started our first food industry project in 2018 with Rasan Olive Oil Factory in Halabja City with

Italian technology from Amenduni company. We also have goat farms powered by Dutch technology, from SAC, Reheat, and Mueller. Now, we are working on the biggest dairy project in the country in collaboration with Tetra Pak, Fabs, and others.

In the internet and telecommunications sector, Halabja Group is a leading player in KRG. Can you tell us more about Halabja Telecom Services Company?

Halabja Telecom Service (HTS) was established in 2012 to service the rapidly developing and constantly evolving telecommunications sector. Using the latest technologies and practices HTS has, over the years, invested in building up a workforce of skilled and experienced engineers and support staff capable of providing high-quality

standards of services to telecommunications companies. This has allowed the company to be a leader in providing telecom services to mobile and internet providers.

With the guiding slogan “Networks must always be online,” HTS’s main services are designing, installing, maintaining, and upgrading telecom towers. HTS also offers consultancy services, utilizing its extensive experience and skilled workforce for planning and developing strategies in the telecommunications sector. HTS operates in Sulaymaniyah, Halabja, Kirkuk, and Diyala.



The KRG government has taken numerous initiatives to attract investments. What opportunities does foreign investment bring to the region?

Halabja Group has invested in strengthening the region’s infrastructure. Our vision is to consistently provide high-quality products and modern systems that become the top choice for customers.

Kurdistan and Iraq have the human resources and capital, but we need knowledge exchange and know-how. Buying and installing the technology is the easy part of a project.

We need knowledge transfer in a sustainable manner apart from the technologies. We think this is where the role of foreign investors contributes to many developing sectors in the region.

Can you tell us about Halabja Group’s contribution to the agricultural sector?

Halabja Group had a long-term plan to invest in the agri-food sector and later emerged as a leading Group in this domain. In 2018, we started with Rasan Olive Oil Factory, producing extra virgin quality oil. During a short period of time, our product built an excellent reputation in the market, with a capacity to extract olive oil from 120 tons of olive daily.

Furthermore, we built the first goat farm in Iraq by importing 360 goats from the Netherlands. Rasan goat farm has been a very successful venture in a couple of years and has inspired many other investors to follow in their footsteps to revitalize this sector.

Moreover, we are building Rasan Food Complex, which is a big factory to produce about 200 dairy products with a capacity of 1000 tons daily. This factory aims to provide Iraqis with clean, safe, high-quality local products. This factory will also provide thousands of job opportunities and increase employment rates in the region.

Halabja Group expresses gratitude to the KRG for their productive support in assisting the establishment of our industries. More support and collaboration are needed from the stakeholders in this sector to improve the state of the agri-food industry and encourage investment in this sector.

In addition to the office inside the country, Halabja Group has offices in Dubai, Turkey, and China. What purpose do these offices serve and how do they contribute to the expansion of the Group?

Halabja Group has established offices in Dubai, Turkey, and China to facilitate knowledge transfer and technology exchange with developed countries. These international offices play a vital role in our expansion strategy by allowing us to learn from their experiences, access cutting-edge technologies, and bring this knowledge back to enhance our operations and projects. The goal is to ensure a smooth transfer of technology and meet the needs of our companies and projects, ultimately benefiting not only our Group but also the entire region. Additionally, we remain open to the possibility of establishing more offices in the future tailored to the specific needs of our company and the markets we serve.



Our vision is to consistently provide high-quality products and modern systems that become the top choice for customers.







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How to Be an Investable Business

Business Meetup, KAPITA, 17 Nov, 2023

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