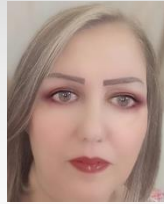# The impact of US sanctions on Iran and their impact on the Iraqi economy for the period 2010-2019 and the role of the resistance economy in resolving these effects

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Abstract

Iraq, being one of Iran's western neighbours, has played and continues to play a significant role in the country's non-oil exports, particularly amid the country's sanctions. With $9 billion in non-oil exports in 2019, Iraq was the second-largest destination for Iranian goods. However, the process of US sanctions on Iran and their negative impact on it, as well as the unilateral trade between Tehran and Baghdad, are all issues that threaten Iran's exports to Iraq. On this basis, it seems that a new approach to trade relations with Iraq, as well as improving export operations, can contribute to stabilizing and strengthening trade relations between Iran and Iraq.

Introduction

Iraq and Iran enjoy excellent relations rooted in the cultural and sectarian ties between the two peoples and the vast borders between the two countries. The past of this relationship has been since the Iranian Government's recognition of the Iraqi Government in 1929 and the nature and characteristics of this relationship have varied according to the reality of successive historical stages. The outcomes of Iraq's 2003 liberation have built a solid and multi-pillar base economically, socially, culturally, security and politically between the two countries.

Iraq considers Iran's eastern gateway to the Arab world, the geostrategic link linking the Arab world to Asia. In addition to the Iraqi-Turkish-Iranian geostrategic triangle, as well as Iran's strategic projects and the pursuit of a direct neighbour with Europe through a hub passing through Afghanistan, Iraq, Syria and Lebanon, In terms of area, Iraq is one-quarter of Iran's, and in terms of population density, Iraq has half of Iran's population census.

Research problem:

The Iraqi economy is characterized as an import consumer renter with a privilege that depends entirely on the export of crude oil and the proceeds from its sale in the world market, which is the main source of the country's economy. Therefore, the search attempts to answer the following questions humbly:

Should the Iraqi government abide by the US sanctions imposed on Iran, and what are the monetary policy measures to cope with changes in prices (inflation and exchange rate) as a result of the import gap caused by the interruption of Iran's imports?

Search objective

The research aims to demonstrate the possibility of finding solutions to save the Iraqi economy from the effects of any sanctions imposed on neighbouring countries with which Iraq has trade relations.

Research importance

Iraq is one of the best export markets for Iran as economic exchanges between the two countries have led to new advanced stages for Tehran to devote a major trading partner to Baghdad ", a vital rehabilitation relationship that has known qualitative leaps after 2003, Having been at its lowest level before Iraq's liberation in 2003, the Iraqi market was initially not responsive to the requirements of trade with Iran and the desire in this area was limited, The market was open to Turkey, Jordan, Saudi Arabia and the Gulf States, and trade between Iran and Iraq was only $1 billion. The Committee for the Development of Economic Relations between the Two Countries was established after the Prime Minister of Iraq's visit to Iran in 2006, The volume of trade has increased gradually, providing great opportunities to invest in various industrial and tourism fields between the two countries..

Research Methodology

The extrapolation and extrapolation method has been used to investigate the capabilities of reform and the importance of its implementation in the banking system, based on references from relevant books, reports, research and the global information network.

Research Structure

Research Department to three investigators included the first research (the development of Iraqi-Iranian trade relations for 2010-2019) and the second research standard analysis of the impact of U.S. sanctions on Iran on the Iraqi economy. The third examined the role of the resistant economy in addressing the effects of America's sanctions on Iran on the Iraqi economy.

1st. Development of Iraqi-Iranian trade relations in 2010-2019

Iraq has become an open market for the import of various goods, coming from multiple arising primarily from Iran after 2003, and Iraq's extreme openness to import has come in the context of new economic data, including the absence of tariffs on goods; (which was subsequently imposed by the Iraqi Government), including the deterioration of Iraq's State and civil industrial sector, the closure of most production plants and workshops due to the absence of electricity and fuel and the poor security situation, which made Iraq dependent on import in the first place (Al-Jabouri, 2016).

The Iraqi market is now unprepared to reduce import dependence, and here comes the role of the Iranian partner, which most Iraqi traders prefer to deal with, because of Iran's alignment with Iraq on the one hand, which reduces transportation and shipping costs, as well as because Iran's industry is well developed and quality compared to the Iraqi alternative and other alternatives. This order is touched with electrical devices, including Iranian air coolers, which fully capture the Iraqi market, in various types and brands, all of which are manufactured in Iranian civil factories and exported specifically to Iraq (Ahmed, 2006). Also with building materials of

cement, armament iron, brick etc. It expands to include clothing, medicines and various medical devices, as well as dairy, milk derivatives and canned food. which is slightly competed by Kuwaiti and Saudi canned food (Brihi, 2017).

Iran is currently the strongest economic partner in Iraq, and it is difficult to imagine the Iraqi market without Iranian goods that meet the basic needs of the Iraqi consumer with trade inequality between the two countries. Iraq now exports little to Iran and other nations, importing everything from Iran to oil derivatives and electricity (Al-Shazali, 2017).

Iraq shares a geographical boundary of about 1,458 km. There is a range of border crossings between the two countries, such as Al-Shayeb, Al-Salamah, Zarabatiyah, Al-Manzaria, Mandali and Haj Amran and Bashmakh outlets. In addition, air transport activity contributes to the transport of goods and services between the two countries. The country's trade movement in both imports and exports has developed considerably after 2003 and to the two countries. With all the security turmoil that has ravaged Iraq over the past five years, the trade relationship between Iraq and Iran has maintained an escalating pace, as Iranian and Iraqi trucks have not stopped crossing from the southern crossings of Manzarieh and Salameh (Maalla, 2008).

Iraq's commodity trade with neighboring countries

After 2003, through its moderate positions, Iraq demonstrated its commitment to the policy of constructive cooperation, open bridges and improved relations with neighbouring States by adopting a balanced policy in its regional relations devoted to a new phase of relations and a common desire to strengthen cooperation and joint coordination, develop intraregional trade and its markets and encourage investment.

Trade volume varies with neighbouring countries (Turkey, Iran, Kuwait, Saudi Arabia, Jordan and Syria) For the duration of the topic, table (1), it fluctuates between rising and declining, as the volume of trade with neighbouring countries recorded the volume of trade with the outside world as its slowest percentage in 2010 (4.1%). In 2011, the highest percentage (47.2%) declined. (15.8%) 2012 to rise back to (31.1%) in 2013 and retreat to (15.6%) 2015 to return to (20.8%) 2015 to decline to (17.5%) and (12%) in 2016 and 2017 went back up to 33.4% in 2018 to fall back to 21.7% in 2019 (Al-Jabouri, 2016).

Table (1)

Volume of trade with neighbouring countries to volume of trade with world countries million dinars

Volume of exchange with Iran to volume of exchange with neighbouring	The volume of Iraq's trade with neighbouring countries to the volume of foreign trade	Volume of Iraq's trade with countries around the world	Volume of Iraq's trade with neighbouring countries	Volume of Iraq's trade with Iran	The year

(%) countries	with the world (%)				
1.2	4.1	5,955,317.75	244,096.80	2,888.45	**2010**
0.3	47.2	2,829,556.30	1,335,027.70	3,729.71	**2011**
1.5	15.8	18,541,366.49	2,932,693.40	45,039.28	**2012**
6.4	31.1	30,668,762.21	9,540,984.18	612,350.27	**2013**
13.6	15.6	54,301,463.80	8,444,401.99	1,151,108.24	**2014**
12.7	20.8	22,707,783.40	4,729,757.61	600,098.17	**2015**
15.0	17.5	33,691,699.90	5,910,267.40	888,055.80	**2016**
15.3	12.0	38,171,724.50	4,572,341.30	701,636.60	**2017**
16.6	33.4	46,135,535.10	15,410,103.80	2,554,861.00	**2018**
18.7	21.7	55,110,012.90	11,941,153.31	2,228,439.49	**2019**

Source: GLOBAL ECONOMIC INDICATORRE DATA,2018.

With regard to the volume of trade with Iran as measured by the volume of trade with neighbouring countries, Table 1 notes its trend of rising from 2014 to 2019, where the record is higher at 18.7% (Money and Banks, 1990).

2nd. Benchmark analysis of the impact of US sanctions on Iran on Iraq's economy

Iraq is linked to economic and political relations with Iran as a neighbouring State of Iraq. These relations have direct and indirect effects on Iraq's economy. Any event, whether economic or political, is likely to move to Iraq. In this study, we will focus on measuring the impact of US sanctions on Iran and their impact on the Iraqi economy by dividing the research into the first two parts dealing with the scenario of Iraq's non-compliance with US sanctions on Iran, Part II deals with Iraq's commitment to sanctions and the boycott of Iran by building four standard models in Part I: Index of Iraqi dinar exchange rate and inflation rate of affiliated variables Iraq's total imports, the time-lag Iraqi dinar exchange rate and the time-lag inflation rate are the independent variables through which the impact of US sanctions on Iran will move to the Iraqi economy if Iran is not boycotted. non-implementation of sanctions, while in part II the exchange rate of Iraqi dinars and the inflation rate of affiliated variables s import gap from Iran to its total imports and the rate of underdeveloped inflation are the independent variables in the case of the province of Iran [4]. The following is a description of the range of variables in the standard models:

1. Description of model variables

This aspect of the study deals with measuring and analysing the impact of Iranian sanctions on the Iraqi economy for the period 2010-2019 by adopting some recent tests and standard models related to the analysis of time chains. Before entering into the standard analysis we must give a definition of the symbols used in the standard analysis as shown in table (2).

Table (2)

Codes used in standard analysis

variable	symbol
Exchange rate of Iraqi dinar against the United States dollar i the current year in Parallel Market	et
Current year's inflation rate	pt
Iraq's total income in the current year	Mt
Iraq's total imports are deducted from Iran in the current year	mt

Source: Prepared by researchers

2. Presentation and analysis of standard model results

Before conducting statistical estimates of Iraq's economic models, it must be noted that Iraq is experiencing special economic conditions, which sometimes makes most estimates contrary to the logic of economic theory and its basic mandates. Researchers have estimated some standard models reflecting the impact of U.S. sanctions on Iran on the Iraqi economy through the following:

A. Failure to abide by US sanctions on Iran:

The impact of Iraq's non-compliance with sanctions against Iran and the maintenance of economic relations can be measured by two measurement models (Fattah, 1986):

A. Measuring the impact of total imports on the exchange rate of the Iraqi dinar, the model takes the following description:

$$et = f (Mt) \ldots\ldots\ldots.(1)$$

The above model examines Iranian-Iraqi economic relations expressed in imports (Mt) and their impact on the exchange rate of the Iraqi dinar in the parallel market. Before estimating the relationship above, several tests must be carried out as follows: -

The first step in analyzing the data of economic variables prepared for estimation is to conduct a unit root test to determine the stability of time chains, to avoid the false results of the small squares method and to obtain meaningful economic explanations, and the results of tests indicate through the application of the expanded Dickie Fuller test (ADF) The time chains of economic variables (Mt, Et) have not all stabilized at the same level, as the exchange rate of the Iraqi dinar

has stabilized at the level and flatly at the morale level (% 0.5), so we reject the H0 hypothesis that indicates the lack of stability of time chains and accept the H1 hypothesis that suggests otherwise. Total revenues (Mt) were found to have not stabilized at the level and morale level (% 5). Therefore, the unit root test was conducted in the first teams of the original series, where it was stable at the morale level (% 5) and with a definite presence.

With regard to the analysis of the results of the self-degradation model (VAR) Vector autoregressive estimates, the optimal slowing period of the estimated model prior to an estimate (VAR) was investigated by the seekers, since the optimal slowing period was one time period (one time gap) depending on the two criteria (LR, FPE), which corresponds to the lowest value. The estimated relationship between total imports and the Iraqi dinar exchange rate after the optimal slowing period was:

$$et = 457.9 + 0.6\ et_{-1} + 1.6\ Mt_{-1}\ \dots\dots(2)$$

$$t = (2.3) \quad (3.7) \quad (1.5)$$

$$R^2 = 0.67 \quad , R^2\ adj = 0.58$$

$$F^* = 8.02$$

The above model shows that the increase in the exchange rate of the previous year's Iraqi dinar (et-1) (1 unit likely to increase the current year's Iraqi dinar exchange rate by 0.6) (With the stability of other factors), the increase in the rate of exchange of the Iraqi dinar in the previous year is likely to continue in effect for the current year if the reasons for the increase in foreign currency demand continue, and the increase in total imports lagging behind in time (Mt-1) By one unit, the current year's Iraqi dinar exchange rate will be increased by 1.6 because imports need foreign currency to be covered and therefore demand for this currency will increase, resulting in higher Iraqi dinar exchange rate, The explanatory power of R ° 2 indicates that both the underdeveloped Iraqi dinar exchange rate and the lagging total imports affect the current year's Iraqi dinar exchange rate by a 67% ratio means that the independent variables (Mt-1,et-1) affects the dependent variable of imports by 67)% and the rest 33)%) is due to a number of other factors that did not enter the estimated model. The value of the R to 2 modulator, which is more accurate than the R to the 2, is also statistically acceptable and confirms that the aforementioned variables also explain the current year's imports by a ratio of (58%) and the remainder (42%) is due to the influence of other factors outside the model. The model passed the overall morale test that the value (F) calculated was excessive (8.02) greater than its tabular value (4.1) at V2 = 10, V1 = 2 and morale level% 5, and indicate test (t-test) in the sense of a parameter (et-1)) estimated to be the value (t) calculated to be excessive (3.7) greater than the tabular value (1.8) at a degree of freedom (10) and a morale level of 5%, while Mt-1) statistically immoral that the calculated value (t) of 1.5 is lower than the aforementioned tabular value at the degree of freedom and the level of morale itself.

B. Measuring the impact of total revenues on inflation rate, the model takes the following description:

$$Pt = f (Mt) \ldots\ldots\ldots \quad (3)$$

The above model examines the impact of non-compliance with U.S. sanctions on the Iraqi economy, reflected in the continued import from Iran and the impact on inflation. Before estimating the relationship above, the unit root test must be conducted to determine the stability of time chains, as the results of Dickie Fuller's expanded test indicate (ADF) Time chains of economic variables (Pt) have stabilized at the level, with a definite presence and at a moral level (% 0.5), so we reject the H0 hypothesis that indicates the lack of stability of time chains and accept the H1 hypothesis that suggests otherwise. Total imports (Mt) were found to have not stabilized at the level and morale level (% 5). Therefore, the unit root test was carried out in the first teams of the original series, where it was stable at the morale level (% 5) and with a definite presence.

With regard to the analysis of the results of the self-degradation model (VAR), searchers for the optimal slowing period of the estimated model prior to an estimate (VAR), since the optimal slowing period was one time period (one time gap) depending on the criteria (LR, FPE, AIC, SC, HQ), which is the minimum time for this The estimated relationship between total income and inflation rate after the optimal slowing period was:

$$Pt = -8.8 + 0.7\, Pt_{-1} + 2.8\, Mt_{-1} \quad \ldots\ldots\ldots(4)$$

$$t = (8.8) \quad (3.8) \quad (1.2)$$

$$R^2 = 0.64 \quad , R^2\ adj = 0.56$$

$$F^* = 7.9$$

The above model shows that the inflation rate increased in the previous year Pt-1 (1 unit likely to increase the current year's inflation rate by 0.7) (With the stability of other factors), this is consistent with the operative of economic theory since increasing the overall level of prices leads to higher costs of living and is likely to lead to a further increase in the overall level of prices, and that increasing total imports lagging behind in time (Mt-1) by one unit that increases the overall level of prices in the current year by 2.8 because Iraq relies heavily on imports and therefore can import inflation through imports, The interpretive power of R to the 2 indicates that both the rate of underdeveloped inflation, Total time-lag income affects the current year's inflation rate by 65% means that the independent variables (Pt-1, Mt-1) affects the dependent variable inflation rate by 65%) The remaining 35% is due to a number of other factors that have not entered the estimated model. The value of the R to 2 modulator, which is more accurate than R to the 2, is also statistically acceptable and confirms that the aforementioned variables also explain the current year's inflation rate by 56% and the remainder (44%) is due to the influence of other factors outside the model. The model passed the overall morale test that the value (F) calculated was excessive (7.3) greater than its tabular value (4.1) at V2 = 10, V1 = 2 and morale level% 5, and indicate test (t-test) in the sense of the Pt-1 parameter) estimated that the value of

(t) calculated to be excessive ((3.8 greater than the tabular value (1.8) at a degree of freedom (10) and a 5% morale level, while Mt-1) statistically inconsistent that the calculated value (t) of 1.2 is lower than the aforementioned tabular value at the degree of freedom and the level of morale itself.

B. Adherence to US sanctions on Iran:

In this aspect of the study, we will assume Iraq's adherence to U.S. sanctions imposed on Iran by boycotting Iranian goods[6]. The impact of Iraq's adherence to sanctions imposed on Iran can be measured by subtracting imports from Iran from its total import to show the impact of Iranian goods on Iraqi dinar exchange rate and inflation through two measurement models:

C. Measuring the impact of total non-import imports from Iran on the exchange rate of Iraqi dinars. The model takes the following description:

et = f (mt) ………..(1)

The above model examines Iranian-Iraqi economic relations expressed in imports without dealing with Iran (mt) and its impact on the exchange rate of the Iraqi dinar in the parallel market. Before estimating the relationship above, the unit root test was conducted to determine the stability of time chains, and the results of Dickie Fuller's expanded test indicate (ADF) The time chains of economic variables (mt, et) have not all stabilized at the same level, as the exchange rate of the Iraqi dinar has stabilized at the level and flatly at the morale level (0.5%), while total imports without Iran (mt) were found to have not stabilized at the level and morale level (% 5) Therefore, the unit root test was conducted in the first teams of the original series where it was stable at a level of morale (% 5) and with a definite presence.

With regard to the analysis of the results of the self-degradation model (VAR), searchers for the optimal slowing period of the estimated model prior to an estimate (VAR) were investigated as the optimal slowing period was one time period (one time gap) depending on the LR criterion, which corresponds to the lowest value of this criterion. The estimated relationship between total non-Iranian imports and the Iraqi dinar exchange rate after the optimal slowing period was:

$$et = 374.3 + 0.7\ et_{-1} + 1.4\ Mt_{-1}\ ……….(2)$$

$$t\quad = (1.6)\quad (3.8)\quad\quad (1.2)$$

$$R^2 = 0.64\quad , R^2\ adj = 0.55$$

$$F^* = 7.1$$

The above model shows that the increase in the exchange rate of the previous year's Iraqi dinar (et-1) (1 unit likely to increase the current year's Iraqi dinar exchange rate by 0.7) (With the stability of other factors), the increase in the rate of exchange of the Iraqi dinar in the previous year is likely to continue in effect for the current year if the reasons for the increase in foreign currency demand continue, and the increase of total imports without the time lag Iran (mt-1) by a single unit that leads to an increase in the exchange rate of the Iraqi dinar in the current year by (0.7) Because the imports need foreign currency to cover them and therefore the demand for this currency increases, resulting in higher exchange rate of the Iraqi dinar, but the demand for the currency will be lower than if the import from Iran continues, which will have less impact on the

higher exchange rate of the IraQdinar, The explanatory power of R ° 2 indicates that both the time-lag Iraqi dinar exchange rate and total imports without a time-lag Iran affect the current year's Iraqi dinar exchange rate by 64% means that independent variables (mt-1, et-1) affects the dependent variable of imports by 64%) and the remainder 36%) is due to a number of other factors that did not enter the estimated model. The value of the R to 2 modulator, which is more accurate than the R to the 2, is also statistically acceptable and confirms that the aforementioned variables also explain the current year's imports by a ratio of (55%) and the remainder (45%) is due to the influence of other factors outside the model. The model passed the overall morale test that the value (F) calculated was excessive (7.1) greater than its tabular value (4.1) at V2 = 10, V1 = 2 and morale level% 5, and indicate test (t-test) in the sense of a parameter (et-1)) estimated to be the value (t) calculated to be excessive (3.8) Greater than the tabular value (1.8) at a degree of freedom (10) and a 5% morale level, while mt-1) statistically immoral that the calculated value (t) of 1.2 is lower than the aforementioned tabular value at the degree of freedom and the level of morale itself.

D. Measuring the impact of total income without income from Iran on the inflation rate, the model takes the following description:

$$Pt = f\ (mt\ ) \ \ldots\ldots\ldots.(3)$$

The above model examines the impact of adherence to U.S. sanctions on the Iraqi economy, expressed by the subtraction of imports from Iran from total imports and its impact on the inflation rate. Before estimating the relationship above, the unit root test was conducted to determine the stability of time chains, as the results of Dickie Fuller's expanded test indicate (ADF) Time chains of economic variables (Pt) have stabilized at the level, with a definite presence and at a moral level (0.5%), total imports without imports from Iran (mt) were found to have not stabilized at the level and morale level (% 5) Therefore, the unit root test was conducted in the first teams of the original series where it was stable at a level of morale (% 5) and with a definite presence.

With regard to the analysis of the results of the self-degradation model (VAR), searchers for the optimal slowing period of the estimated model prior to an estimate (VAR) were investigated as the optimal slowing period was one time period (one time gap) depending on the LR criterion, which corresponds to the lowest value of these criteria. The estimated relationship between total imports from Iran and the inflation rate after the optimal slowing period was:

$$logPt = -22.3 + 1.3\ logPt_{-1}\ + 1.3\ logmt_{-1}\ \ \ldots\ldots\ldots.(4\ )$$

$$t\ =\ \ \ \ \ (1.6)\ \ \ \ \ (3.4)\ \ \ \ \ \ \ \ (1.6)$$

$$R^2 = 0.72\ \ \ \ \ \ , R^2\ adj = 0.62$$

$$F^* = 7.6$$

The above model shows that the inflation rate increased in the previous year logPt-1 (1 unit likely to increase the current year's inflation rate by 1.3) (With the stability of other factors), this is consistent with the operative of economic theory since increasing the overall level of prices leads to higher living costs and is likely to lead to a further increase in the overall level of prices, and that increasing total imports without importing from time-lag Iran (logmt-1) by one unit increases the overall price level in the current year by 1.3 because Iraq is heavily dependent on imports and therefore can import inflation through imports but less than if it continues to import from Iran, The interpretive power of R to the 2 indicates that both the rate of underdeveloped inflation, Total non-import revenues from underdeveloped Iran affect the current year's inflation rate by 72% means that independent variables (logPt-1, logmt-1) affects the dependent variable inflation rate by 72%) The remaining 28% is due to a number of other factors that did not enter the estimated model. The value of the R to 2 modulator, which is more accurate than R to the 2, is also statistically acceptable and confirms that the aforementioned variables also explain the current year's inflation rate by 62% and the remainder (38%) is due to the influence of other factors outside the model. The model passed the overall morale test of the F value calculated at 7.6 Greater than its tabular value (4.1) at V2 = 10, V1 = 2 and 5% morale level, and test indication (t-test) in the morale of logPt-1 parameter) estimated to be the value of (t) calculated to be excessive ((3.4 greater than the tabular value (1.8) at a degree of freedom (10) and a 5% morale level, while logmt-1) statistically immoral that t is calculated at 1.6 below the aforementioned tabular value at the degree of freedom and the level of morale itself.

3th. The role of the resistant economy in addressing the effects of America's sanctions on Iran on the Iraqi economy

The Resistance Economics Theory is one of the new theories put forward by the guide of the Islamic Revolution of Iran Imam Khamenei as one of the effective solutions to the difficult economic problems in which the economy of the Islamic Republic of Iran flops.

A resistant economy is a way of dealing with sanctions against a country or region in cases where imports and exports are not allowed (US Sanctions on Iran, Ministry of Foreign Affairs, 2018).

A resilient economy is one that can withstand the shocks of the economy. Such an economy must be flexible in different situations and able to overcome the crisis. An economy of resistance means the emergence of a situation in the economy that is stable in the face of internal and external obstacles and problems, and continues to grow and progress towards its noble goals (Bidar, 2022).

Economics of resistance is an internal type of economic development. Because they are self-sufficient, independent and stable, at the same time they take a long time, and at first they are associated with greater cost and risk. This kind of authority, because of its resistance to colonial and exploitative schemes for foreigners, is a conscious, wise, rational and spiritual economy, which emphasizes the cause of justice, ethics, knowledge and national capital, as well as reliance

on two elements. The inseparable part of the economy, national production and consumption alone, provides the possibility of coexistence between conflicting economic demands.

The policy of the resilient economy is derived from the culture of Islamism and science. It is a long-term measure of the country's economy. The objectives of the Islamic regime in the field of economic matters are achieved and the economy is prevented from deteriorating in the face of various shocks.

1. Elements of a resistant economy

The Leader of the Islamic Revolution reviewed the 10 components of the resilient economy plan as follows:

E. The first is to create mobility and vitality in the country's economy and improve overall economic indicators. He added that, while implementing the broad outlines of a resilient economy such as economic growth, national production, social justice and job creation, inflation will decrease, public welfare will improve and economic prosperity will be achieved.

F. The second element is resilience to factors that can pose a threat. Such capacities included the vast scientific, human, natural, financial, geographical and climatic capacities that should be relied upon to implement such policies.

G. The third element was the reliance on internal capacities. Dependence on internal capacities did not mean disregarding the potential of other States. The Islamic regime, along with its reliance on internal energies, also benefited from the potential of other States.

H. The fourth element is the jihadist approach to the resilient economy plan. Because jihad, resistance and stability is a sacred and meaningful dual effort that monitors handling impediments and removing impediments with valuable motivations.

I. The fifth element is to rely on the people at the centre and added that, based on Islamic and religious knowledge as well as on the experience of the last 35 years, divine care has included matters and the realization has progressed to the imam in any arena where the people entered.

    The economy of resistance is not based on the State, not on the State, but on the people's economy. To say that the resistance economy is not the State's does not mean that the State is not responsible for it. Instead, the government has different responsibilities towards it. It is the Government's responsibility to plan, lay the groundwork, build capacity, guide and assist. But economic action and mainstream economic activity are in the hands of the people, the economy that is resistant is the people's economy, but the government, as a public official, oversees, directs and helps. Stop people wherever they want to abuse and participate in economic corruption; Helps those who need help. It is therefore the Government's duty to prepare for the situation.

J. The sixth component of the resilient economy is to provide security and self-sufficiency for strategic goods, especially food and medicines.

K. The seventh element is to reduce reliance on oil revenues.

L. The eighth element of the plan is to modify the pattern of consumption, stressing that those responsible will avoid profligacy and serious waste in the scope of their tasks and thus in their personal life. He explained that the commitment of those responsible not to extravagance will lead to the promotion of this spirit in society.

M. The ninth element of the plan was the fight against corruption. The necessity for sound economic activities was economic security, which in turn needed to address economic spoilers and law-abiding persons.

N. The tenth and final element is the focus of science, and I emphasize that the country's circumstances today in terms of scientific progress are such that we can make access to a science-based economy one of our goals. A resistant economy uses scientific progress and depends on it. Relying on scientific progress is not about ignoring the elements of a craftsman's or a farmer's experience who has done great things based on experience over the years. These experiments are science in themselves and play a very important role [8].

2. Proposed scenario for resolving the impact of Iranian sanctions on Iraq through the following: -

With the aim of ensuring mobile growth, improving economic resistance indicators, and achieving the objectives of the Ten-Year Horizon Charter, public policies of the resilient economy are informed in a jihadist, flexible, opportunity-maker, producer, self-flowing, leading and external aspirations:

A. Ensuring conditions and revitalizing all possibilities and financial sources and human and scientific assets of the country in order to develop the production of jobs, and increasing the participation of all members of society in economic activities to the highest levels by facilitating and encouraging collective cooperation cases and emphasizing the raising of income and the role of the classes with low and medium incomes.

O. Emphasizing the centrality of interest development in the economy by strengthening factors of production, enhancing manpower and enshrining the possibilities of economic competitiveness, providing a platform for competition between regions and governorates, and employing various possibilities and possibilities in the geography of the advantages of the country's regions.

P. Increasing internal production of essential goods and materials (especially imported goods), prioritizing the production of strategic products and services, and creating a diversity of sources of insurance for imported goods with a view to reducing dependence on limited private countries.

Q. Ensuring food and therapeutic security, and creating strategic reserves to emphasize the quantitative and qualitative increase of production (raw materials and goods).

R. Managing consumption by emphasizing the application of public policies to reform the consumption model and promote consumption of internal goods as well as programming to raise quality and competitiveness in production.

S. Comprehensive reform and strengthening of the country's financial system with the aim of responding to the needs of the national economy, providing stability in it, and leading the promotion of the realistic sector and comprehensive and targeted support for the export of goods and services commensurate with added value, and positive returns from hard currency, through:

- Facilitating decisions, laws and the development of necessary encouragements.
- Development of foreign trade services, transit and infrastructure.
- Promotion of external investment in exports.
- Programming for national production commensurate with export requirements, formation of new markets and sectoral diversification in economic relations with other countries, especially those of the region.
- The use of heterogeneous exchange mechanisms to facilitate exchanges if necessary.
- Provide stability in export contexts and decisions with a view to the sustained development of Iran's share in the foreseeable markets.
- Development of the areas of operation of special free economic zones, with the aim of transferring sophisticated technology, developing and facilitating production, facilitating the export of goods and services, and securing the necessary needs and financial sources from abroad.
- Increasing the country's strategic oil and gas reserves in order to influence the global oil and gas markets, and emphasizing the conservation and development of oil and gas production capabilities, especially in common fields.
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CONCLUSIONS

1. Imports provide most of Iraq's requirements for final and intermediate goods. Therefore, various external shocks will have negative economic returns, especially since Iraq lacks a broad, diversified and robust production base that adequately provides for its needs and various goods.

2. The majority of Iraqi imports tend to be consumer-oriented, so Iraq relies on nearby countries to reduce the cost by increasing the proportion of commodity imports for the period in question to total imports compared to oil imports.

3. The indiscriminate reliance on imports in the absence of real laws and controls governing imports and the absence of the control role of the Central Measurement and Quality Control Agency led to the flooding of the Iraqi market with cheap goods and goods that do not meet the most basic sanitary conditions and durability specifications. The biggest loser was the Iraqi citizen.

4. Trade between Iraq and Iran is unequal because it is imported only unilaterally, meaning that Iraq has become a net importer of Iran.

5. The persistent trade balance deficit reflects the higher value of Iraq's imports than its exports to Iran (resident at local official prices) which means that the Iraqi economy relies heavily on Iran to import to meet domestic market demand, benefiting from the advantage of

geographical proximity reflected in lower transport costs between the two countries, resulting in positive effects of lower prices for goods and services going from and to the two countries.

6. The domestic product is weak than the foreign product's comparable competition in terms of quality and price, as weak mechanisms for the application of the curfew duty on imported goods have led to frustration among local producers and undermined local manufacturing initiatives.

7. In the event of Iraq's commitment to apply sanctions against Iran, the Iraqi Government will need a lot of time and money to compensate for trade with Iran through the rehabilitation of border crossings and the paving of roads with neighbouring countries, which has a negative impact on the Iraqi citizen.

8. Statistical estimates indicate that there is a direct impact between imports and the exchange rate. Results have shown that the time lag exchange rate has a greater impact in case of non-compliance with U.S. sanctions on Iran, while the effect of imports on the exchange rate is lower in case of sanctions. In contrast, the impact of imports on underdeveloped inflation was greater if sanctions were observed, meaning that Iraq was importing inflation from Iran.

Recommendations

1. Maintaining the growth and stability of Iraq's economy through a shift to a development strategy in targeting the development of non-oil exports.

2. Work to revitalize the industrial sector and its rise needs a package of policies, including support and stimulation of the private sector, provision of infrastructure, appropriate tax policies, and other government measures.

3. Develop the agricultural sector by pursuing policies similar to the requirements of the industrial sector, as well as re-engineering the country's water policy to ensure the needs of the agricultural sector and other requirements.

4. Regulate the import process (develop an import plan) and reduce the phenomenon of commercial exposure.

5. The protection of domestic products through the activation and implementation of the Protection of Domestic Products Act, the activation of the Competition and Anti-Savings Act and the activation of article 2 of the Ministry of Commerce Act No. 37 of 2011, which provides for the formulation of trade and domestic policy in line with the State's general economic policies.

6. Optimal utilization of available material and human resources and satisfaction of local needs rather than dependence on import Domestic and foreign direct investment provides financial resources in addition to advanced technology and contributes to opening new markets by linking domestic production to the need of foreign markets, improving the balance of payments, reducing the impact and benefits of external debt, increasing export potential, enhancing competitiveness in foreign markets and supporting economic relations between Iraq and the recipient countries. Foreign investment encourages domestic investment by

creating new investment opportunities in leading industries, as well as foreign investment stimulates domestic investment during the effects of industrial linkages, buying domestic inputs, and foreign investment will expand growth opportunities by creating new jobs and increasing jobs. (If the production technology is commensurate with the nature of the local labour market as well as the quality) Since the oil sector is at the forefront of all sectors in attracting investments and in influencing the growth process, investment is the best way to improve Iraq's economy. This can be achieved through concerted efforts, concerted and integrated potential and effective participation between the government and private sectors, This requires a clear or specific economic management and coordination between the various State bodies responsible for the formulation and implementation of economic policies.

7. Managing economic risks by preparing smart, effective, quick and timely feedback projects on risks and internal and external imbalances Work on transparency and flexibility of the distribution system, set prices and modernize market supervision methods.

8. Increase quality coverage and promotion of all internal products.

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