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4TH EUROPEAN PARLIAMENT - IRAQ INTERPARLIAMENTARY MEETING

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Thank you for inviting me to this meeting. I am pleased to be here and to have an opportunity to convey our Member Federations' views concerning investments in Iraq.

BUSINESSEUROPE as such has not been involved in Iraq in the past, due to historical reasons. The first has of course been the recent conflict. And before that, business relations were hampered by the presence of sanctions.

Nowadays, the situation has changed and offers new opportunities. However, difficulties still remain for companies who want to do business in the country.

Security, the respect for the rule of law and the promotion of good governance are essential to European companies investing in Iraq. Another issue that creates difficulties and should be addressed is the presence of a regional structure within the country.

I would like to give a concrete example. One of our members is active in oil and gas exploration activities in the Kurdish region in North Iraq. European companies often face an unclear division of competences for granting oil and gas exploration licenses and production contracts between the central government and Iraqi provinces. This unclearness creates uncertainty and delays. If Iraq wants to fully exploit its energy reserve potentials, this uncertainty for foreign investors should be resolved.

Therefore, we welcome the recent efforts by the Iraqi parliament to tackle these issues. We are aware that the Iraqi parliament is currently drafting a so-called hydro-carbons law (sometimes also referred to as "Iraqi oil law"). A draft of the law was circulated that would give provinces more freedom in granting oil/gas exploration and production contracts. It would thus help to resolve the stand-off between Central Government and the Kurdish Region. This would be highly welcome to ensure investment security for European companies exploiting Iraqi oil/gas reserves.

BUSINESSEUROPE stresses the importance that these issues be addressed. We would like to learn more about the progress in this respect and I will take the opportunity to ask the Iraqi MPs a state of play on developments regarding the law: when do you plan to adopt the law? How can we expect that the division of competences will look like concretely? I thank you for any information you may give in this respect.