

THE REVIEW KURDISTAN

REGION OF IRAQ

2014/3

Issue 7

Confidence in the Future

**THE REVIEW: ENERGY
FORGING AHEAD**



**ERBIL
BUSINESS
CENTER**



**AMERICAN UNIVERSITY
DUHOK KURDISTAN**



**HELP HAS NO BOUNDARIES
FOR RWANGA FOUNDATION**



**THE REVIEW:
ECONOMY & FINANCE**





Energy

BAZIAN OIL REFINERY

Refined Petroleum of International Quality
The refinery is currently one of two refineries in the Kurdish region, consistently producing refined petroleum products of the highest order. This remarkable growth and productivity has enabled Qaiwan Group to expand the refinery and increase its output to 34,000 barrels a day. Located 25 km from Sulaymaniyah, the refinery is currently one of only two refineries in the Kurdistan region and produces 34,000 barrels a day. Bazian Oil Refinery is currently undergoing an expansion programme, to increase its capacity to over 80,000 barrels a day by 2018.



Construction

Qaiwan Towers

Qaiwan Towers' iconic twin tower designed is a breathtaking addition to the Sulaimanyah skyline. The 25-storey building is spread across 11,000 SQM and comprises an office tower, a five star hotel and a premium shopping mall. An important business and commercial hub, the capital expenditure on Qaiwan Towers is in excess of US \$100 million.

Contact Details

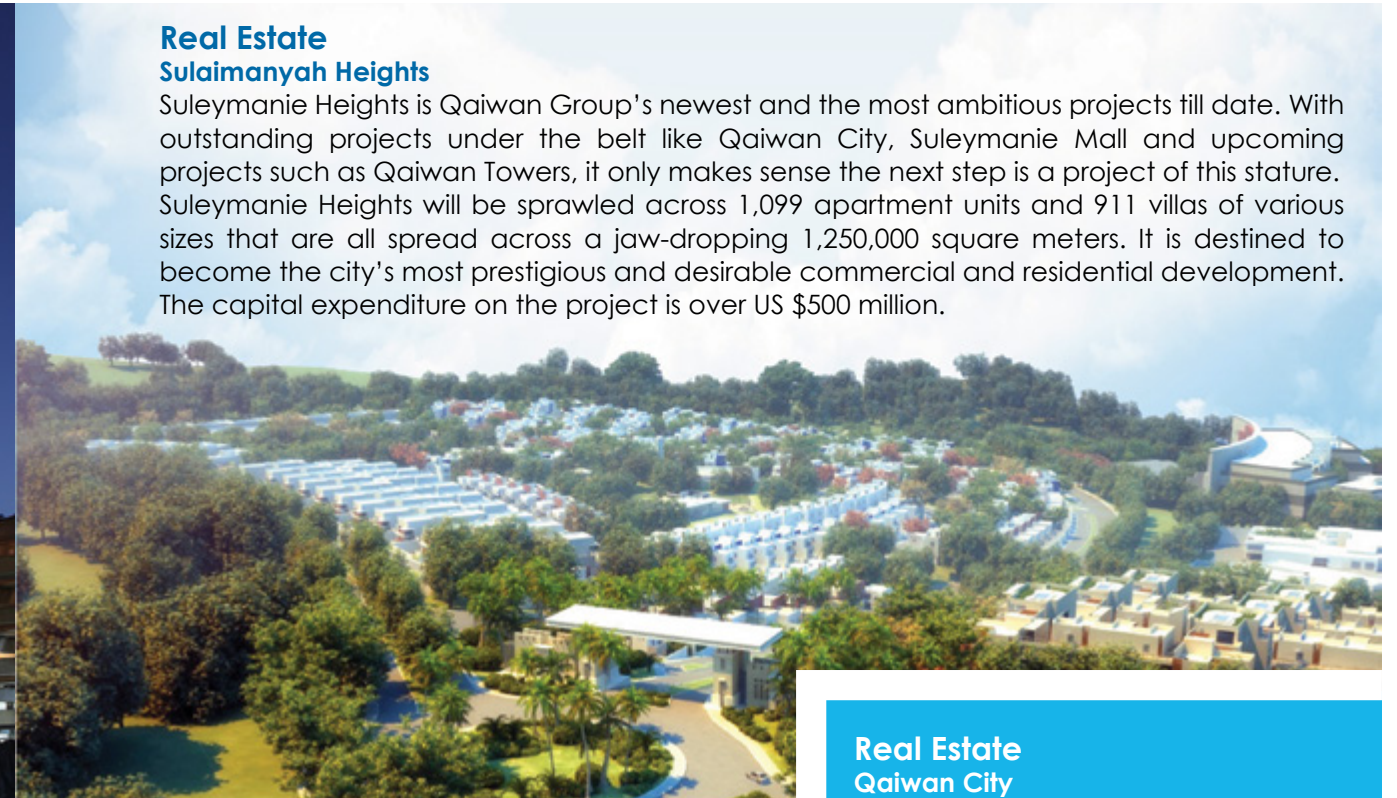
Head office: Sulaimani Mall building, Iraq
T: +964 53 319 0248
Contact@qaiwangroup.com
Dubai: 1108, JBC 5 JLT, Dubai, PO Box 488 242, UAE
T: +971 4 450 4102
Contact@qaiwangroup.com
Dubai: 1705, AL Owais Tower, Dubai PO Box 39949, UAE
T: +971 4 235 4433



Real Estate

Sulaimanyah Heights

Suleymanie Heights is Qaiwan Group's newest and the most ambitious projects till date. With outstanding projects under the belt like Qaiwan City, Suleymanie Mall and upcoming projects such as Qaiwan Towers, it only makes sense the next step is a project of this stature. Suleymanie Heights will be sprawled across 1,099 apartment units and 911 villas of various sizes that are all spread across a jaw-dropping 1,250,000 square meters. It is destined to become the city's most prestigious and desirable commercial and residential development. The capital expenditure on the project is over US \$500 million.



Real Estate

Qaiwan City

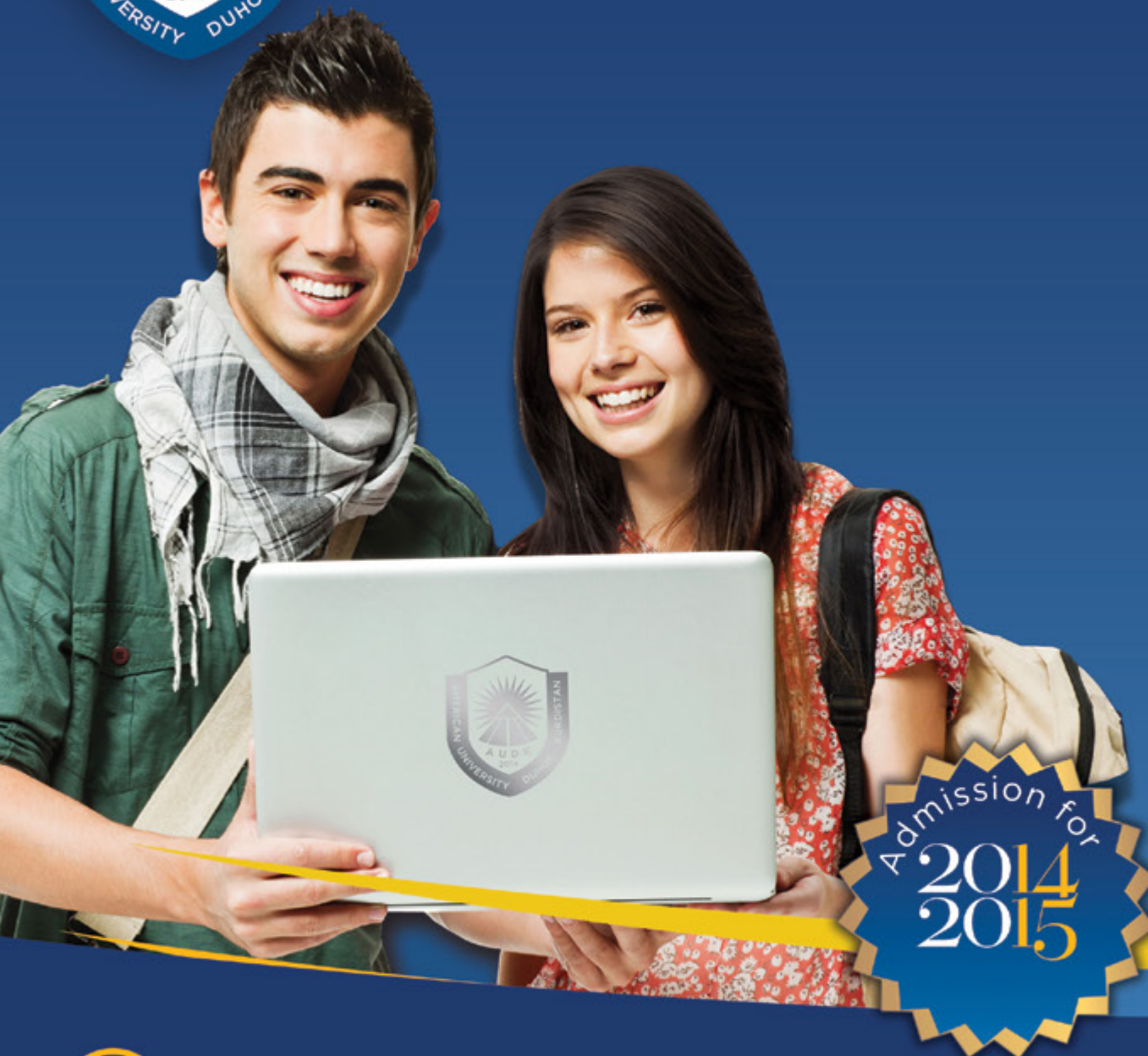
Qaiwan City is a dynamic, thriving community in Sulaimanyah. Designed to appeal to both home buyers and property investors, the development is a city within a city, offering residents everything they need for a fulfilling life. The city contain 850 villas and 14 apartments, the Qaiwan City covering an area of 400,000 SQM with the capital expenditure on the project is over US \$160 million.





AMERICAN UNIVERSITY DUHOK KURDISTAN

the path to excellence



- Department of Computer Science
- Department of Design
- Department of Management and Finance
- Department of Media Studies
- Department of Politics and Public Policy



062 763 5500
062 763 55 11
0750 409 4616

AUDK Office, Erbil
Gulan Street
Ster Tower
Ground Floor
Erbil, Kurdistan Region of Iraq
Tel: 066 224 6737, 0750 409 4616

AUDK Office, Duhok
Aswaq Rabi
Opposite Female Institute of
Teaching Skills, Gre Base
Duhok, Kurdistan Region of Iraq
Tel: 062 722 4008, 0750 418 4616



AUDKofficial

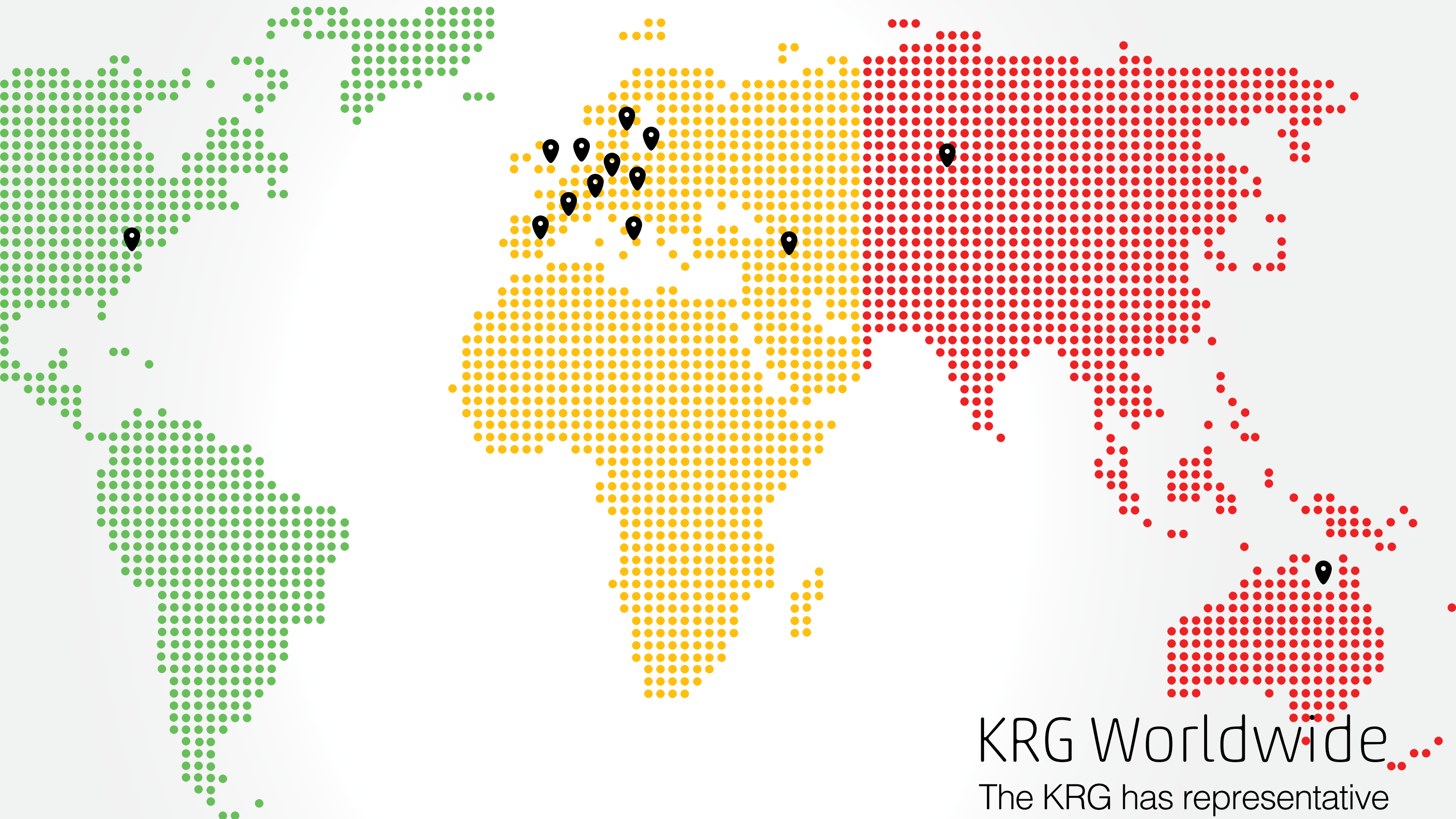


@AUDKofficial

| audk.edu.krd

AUSTRALIA — AUSTRIA — EUROPEAN UNION — FRANCE — GERMANY — IRAN — ITALY

POLAND — RUSSIA — SPAIN — SWEDEN — SWITZERLAND — UNITED KINGDOM — UNITED STATES



Department of Foreign Relations
Kurdistan Regional Government
www.dfr.krg.org

KRG Worldwide...
The KRG has representative
offices in 14 countries.

www.krg.org

MOL GROUP, RECOMMENDED BY TOMORROW

WE THINK OF INNOVATIVE SOLUTIONS AND TECHNOLOGIES.
WE CREATE BETTER WAYS TO SERVE ENERGY NEEDS.
WE MOVE FORWARD TO CREATE VALUE FOR GENERATIONS TO COME.

MOL Group is a leading international oil and gas company from the heart of Europe with presence in more than 40 countries. We have over 75 years' experience, 29,000 employees on 3 continents, exploration assets in 13 countries and 1,700 service stations in Europe.

CONTENTS 2014/3



15-17

BRIEFING

Recent updates from the Kurdistan Region



31

THE REVIEW: ECONOMY & FINANCE

Navigating Regional Headwinds in the Search for Continued Growth



37

FOCUS: ERBIL BUSINESS & TRADE CENTER

A Business Hub



Diplomacy & Politics

22

ANGUS MCKEE

The UK: A Friend to the Kurdistan Region, Even in Difficult Times

25

CENGIZ CANDAR

Foreign Policy Guru

26

GARY KENT

Notes from Westminster

28

PROF. DLAWER ALA'ALDEEN

Kurdistan's Leading Research Center

Business

35

SAMAL SARDAR

Boosting Trade for Growth

36

MARTIN WESTLEY

Invisible Protection & Energy Savings

38

FOCUS: LEBANON'S FRANSABANK PUTS DOWN ROOTS IN THE KURDISTAN REGION

18

FALAH MUSTAFA BAKIR

The KRG's Foreign Policy Perspective



20

KARIM SINJARI

Secure & Stable



41

THE REVIEW: ENERGY

Forging Ahead



45

SHWAN ZULAL

Analysis: Kurdistan
Energy Update

46

COLIN GASKIN

International
Standards, Local
Roots

48

ALAIN
HANNOUCHE

Registering an Oil
Services Company in
the Kurdistan Region
of Iraq

Higher Education

56

DR. HONAR ISSA

Training Kurdistan's
Future Leaders

54

SOFIA
BARBARANI

Focus: Help Has No
Boundaries for
Rwanga Foundation



51

THE REVIEW:
TRANSPORT

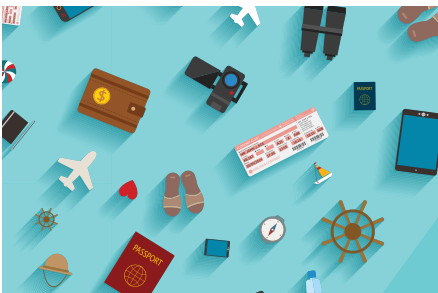
Planning to Expand



59

THE REVIEW:
TOURISM

Bold Plans Amidst Regional Strife



63

G Hassan Dalal

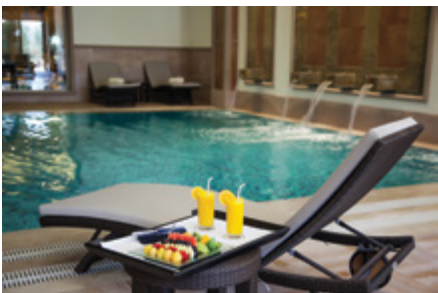
Hands-On Management
at Rotana



65

Divan Erbil Hotel

Luxury Recreation &
Fitness at Divan Erbil



Excellence in Aircraft Handling

Macair Flight Support sets the standard in superior customer service and specialized aviation services handling as the first fixed based operation (FBO) in Erbil, Kurdistan Region, Iraq.



Macair Flight Support / Private Jet Exclusive Handlers
Erbil International Airport

ops@macairinc.com | www.macairinc.com

Mobile +964 750.330.2777 | Office +964.750.386.2363

Just about as high as you can get.

When it comes to setting the standard in private jet charters, no one surpasses Komar Aviation Group. For the 8th consecutive year we've been awarded the ARGUS Platinum Rating – the highest level of safety ratings for equipment and crew experience. So take to the skies with a majestic fleet of aircraft, magnificent 24-hour concierge service, and maximum peace of mind. We'll take you higher than ever before. **Welcome aboard.**



Worldwide aircraft charters, sales,
management and acquisitions.
+1.949.250.1359
KomarAviation.com
Orange County | Van Nuys | Long Beach | Carlsbad

Affiliate Office
Macair Flight Support
+964.750.386.2363
MacAirInc.com
Erbil, Iraq



The Review Kurdistan

Region of Iraq

An update on alluring leaders, emerging sectors, leading companies and rising trends shaping the future of the Kurdistan Region of Iraq.

Co-Publisher



Department of Foreign
Relations (DFR)
Kurdistan Regional
Government (KRG)

Published in December 2014
Copyright © Invest in Group 2014

Goldcrest Executive, Cluster C,
JLT, Dubai, UAE
info@investinggroup.org
www.investinggroup.org

Printed by
Express Basımevi Deposite İş Merkezi,
A6 Blok, K: 3 no: 309, İkitelli OSB,
Başakşehir İstanbul, Turkey

No part of this publication may be reproduced, or transmitted in any form or by any means, electronic or mechanical, including photocopy, recording, or any information storage and retrieval system, without prior written permission of Invest in Group. Whilst every effort has been made to ensure the accuracy of the information contained in this publication, the authors and publisher accept no responsibility for any errors it may contain, for any loss, financial or otherwise, sustained by any person using this publication.

Invest in Group (IIG) is pleased to announce the release of the seventh issue of “The Review: Kurdistan,” which provides fresh business perspectives and features the dynamic leaders, innovative companies, and tremendous opportunities now emerging in the Kurdistan Region.

This issue provides updates relating to recent developments in a variety of sectors, including Diplomacy, Business, Energy, Higher Education, Transport, and Tourism. Notably, “The Review: Kurdistan” also includes IIG’s exclusive interview and analysis pieces with leading players from various sectors, who discuss the business environment in Kurdistan, their success stories, and key projects that are helping to promote further growth in the Kurdistan Region.

The KRG is committed to creating the best possible business environment for foreign companies operating in Kurdistan. The outstanding support of the international community for the KRG in its fight against terrorism reflects an investment in the future of Kurdistan. We truly believe the Kurdistan Region can serve as a beacon of economic and social progress.

We would like to express our gratitude to Minister Falah Mustafa Bakir and the DFR team for their support of our project in the Kurdistan Region of Iraq.

We hope you enjoy the issue.

Invest in Group

Managing Director: Can Yirik | **Production Director:** Daphne Rosenstein
Marketing Director: Rachael Walsh | **Creative Director:** Mustafa Gülsün
Contributors: Alain Hannouche, Gary Kent, Shwan Zulal, Sofia Barbarani
Editors: Robert Sotolar, Matthew Thomson, Sabine Ofer
Public Relations: Alexandra Meier | **Design:** Catherine Bergman
Photo Editor: Esra Köse

ASIA INSURANCE is the leading insurance provider in Iraq...



We thrive to restore and nourish the Iraqi Insurance market to become one of the largest in the region. With a strong capital base of USD 25 million backed by Faruk Group Holding, the Largest Investment Group in Iraq, We do guarantee extra peace of mind to our numerous stakeholders.

Briefing

The Quote

*Women are actively engaged in politics, legislation, various organizations, and professions. **With their hard work and government support they hold 30 percent of the seats in Parliament.***

We hope this quota will also be replicated in future cabinets.

Prime Minister Nechirvan Barzani



POLITICS

Number of Displaced Yezidis in Kurdistan Exceeds 300,000

According to Dr. Nouri Osman Sinjari, a KRG envoy to those displaced by the ISIS attack on Sinjar, over 300,000 residents of the town have fled and found refuge in the Kurdistan Region. The Duhok governorate is host to 263,000 displaced Sinjar residents, while the Erbil and Slemani governorates have each taken in 20,000 former Sinjar inhabitants. These individuals form part of the nearly 1.4 million displaced people currently taking shelter in the Kurdistan Region. Dr. Nouri urged Western powers to increase military and humanitarian assistance to help the Region cope with this influx, asked for more engagement on refugee issues from Baghdad authorities, and expressed the KRG's conviction to gain international recognition of ISIS actions against the Yezidi minority as acts of genocide.

WOMEN

Shedding Light

The KRG's Women's Rights Monitoring Board, charged with developing and coordinating KRG policy on women's issues across ministries, has decided to establish an inter-agency government commission to gather accurate information on the status of Yezidi Kurdish women and girls abducted by ISIS forces. The Board named Pakhshan Zangana, the Secretary General of the KRG's High Council on Women's Affairs, as the head of the committee.

WOMEN

Woman's Award

After receiving the "Woman's Award" at independent publishing house Andesha's cultural festival this fall, Dr. Choman Hardi, a professor of English literature at the American University of Iraq, Sulaimani, took the occasion to dedicate her award to the women currently fighting ISIS forces in the besieged Syrian city of Kobane. Hardi received the award in acknowledgment of her accomplishments in creative writing and her advocacy on women's issues. In giving away her award, Hardi highlighted the role that female fighters in Kobane have played in empowering women and challenging stereotypical views of women's roles through their bravery and leadership.

Did you know

TAQA announced that the first oil production from its Atrush Block in the Kurdistan Region is on schedule for late 2015.

ENERGY
Bina Bawi & Miran

Genel Energy reached a deal with the KRG to combine operations at its Bina Bawi and Miran fields under a single production sharing agreement. The agreement allows Genel to lower its capital exposure and increase revenues. It also promises to be an important step towards reaching the ambitious gas export goals outlined in the recently approved “KRG-Turkey Gas Sales Agreement,” while helping to meet domestic energy needs. Genel also reported oil production levels of around 70,000 bpd and revenues in the area of \$500-600 million for the year. The Bina Bawi and Miran gas fields hold a combined 238 billion cubic meters of gas and will likely export 20 billion cubic meters of gas to Turkey per year over the next two decades.

ENERGY
Total Strikes Oil

Total announced at the beginning of December that it had struck oil at its Jisik-1 well in the Harir Block. The well had a preliminary flow rate of 6,100 bpd and represents Totals’ second oil discovery in the Harir Block. Total owns a 35% stake in the Harir Block, which it operates with Marathon Oil.

ENERGY
New Heights

The Kurdistan Region continues to reach new milestones in efforts to export its oil to international markets. According to KRG sources, the Region has exported 34.5 million barrels of oil valued at \$2.87 billion so far this year. Most of that oil, around 21.5 million barrels, traveled to buyers around the world via a newly completed pipeline from oil fields in the Kurdistan Region to the Turkish port of Ceyhan. Nearly \$1.7 billion of the total revenues received from independent oil sales in 2014 flowed to the KRG itself, providing greatly needed budgetary relief and allowing Kurdish authorities to begin paying oil producers and contractors their contractual entitlements.

ENERGY
Oil and Gas Bills

The KRG’s Council of Ministers submitted bills for the establishment of the “Kurdistan Oil Exploration and Production Company” and the creation of a “Kurdistan Region of Iraq Oil and Gas Fund” to the Kurdistan Parliament. The production company would manage activities connected with exploration and production contracting, development, exports, and marketing of Kurdistan’s oil and gas resources. Citizens of the Kurdistan Region would also have the opportunity to become shareholders in the Company. The Oil and Gas Fund, meanwhile, would act as the repository for all state revenues from oil and gas sales.

ENERGY
Breakthrough

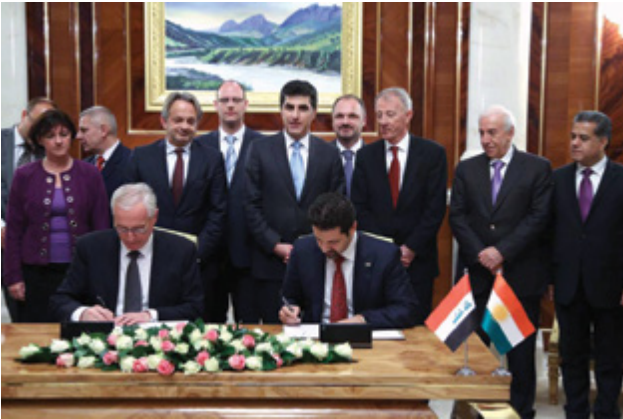
At the beginning of December, Erbil and Baghdad formalized an agreement to cooperate on oil exports and permanently reinstate Kurdistan’s budget. Under the deal, Kurdistan will supply 550,000 bpd of oil for sale by Baghdad authorities. This will include 250,000 bpd of Kurdish crude, in addition to 300,000 bpd from oilfields in the Kirkuk area, and revenues will be split between the KRG and the federal government. As part of the agreement, Iraqi PM Haider al-Abadi has agreed to resume budget payments to Kurdistan and dedicated funds to both pay and arm Kurdish Peshmerga forces.

Did you know

A total of 2955 foreign companies are registered to operate in the Kurdistan Region, including 1329 Turkish, 335 Iranian, 157 Lebanese, 155 Emirati, 125 British, 117 American, and 81 German companies.

DIPLOMACY
Hungary to Open Consulate in Erbil

A high-profile delegation from the Hungarian government arrived in Erbil this November to mark the opening of the Consulate General of Hungary there, becoming the 31st country to have official diplomatic representation in the Kurdistan Region. Members of the Hungarian delegation lauded the efforts of the Region’s Peshmerga forces in the fight against ISIS and praised the KRG’s efforts to house the large number of IDPs looking to escape ISIS brutality. The delegation also signed a MoU to establish cooperation in the fields of political dialogue, energy, higher education, IT, tourism, and archeology.



TRANSPORT
Cargo Village at Slemani International Airport

In a ceremony that underlined the economic and cultural importance of Slemani’s growing airport for the Kurdistan Region, KRG Deputy Prime Minister Qubad Talabani dedicated the “Cargo Village” complex at Slemani International Airport by symbolically laying the first stone of a new terminal. Talabani also urged authorities to simplify procedures governing the movement of goods and services for the economic benefit of Kurdistan.



Carduchi provides intelligence and insight on the Kurdistan Region/Iraq. Our weekly reports contains local media content, politics, political risk, analysis and media round of the week & economic development relevant to industry and oil sector. The reports cover nuances of Kurdish politics which is otherwise not reported in English media.

Our consultancy services includes:
Political Risks | Due Diligence | Stakeholder Planning | Market Entry Strategy | Investment | Procurement | Insight | Analysis

CARDUCHI CONSULTING
LONDON, ERBIL, SLEMANI
UK: +44 (0)7882933905
+44 (0)2082400824
KURDISTAN: +964 (0)7708680986
WWW.CARDUCHI.COM



TALENT EXPERTS
Staffing & Training Services in Kurdistan

mselect
Erbil - Sulaimaniya - Basra | www.mselect.iq | Tel: +964 (0)66 264 3293



The KRG's Foreign Policy Perspective



Falah Mustafa Bakir —
Head of the Department of Foreign Relations

Minister Falah Mustafa Bakir details the Kurdistan Region's foreign policy goals and priorities in 2015 and the Region's strengthening ties with the EU and the US.

About

Falah Mustafa Bakir was born in Erbil in 1964. He holds a B.A. degree in English Language and Literature from the University of Mosul, and a M.A. degree in Development Studies at the University of Bath in the UK. He also completed the Executive programme for senior managers in government at Harvard University's Kennedy School of Government.

IIG: Considering recent regional developments, what would you say the main pillars of the Kurdistan Region's foreign policy are? And what are your priorities for 2015?

FMB: Under current circumstances, our main objective is to effectively communicate the message of the Kurdistan Region to the international community in regards to the ongoing political, security, and humanitarian challenges that we are facing here in Kurdistan. Since the beginning of the Islamic State of Iraq and al-Sham (ISIS) onslaught on Iraq and Kurdistan, we have been warning our friends in the international community that ISIS does not only pose a threat to the Kurdistan Region, Iraq, and the Middle East, but also it poses a direct threat to international peace and security. We believe that the United Nations Security Council has a moral and legal responsibility, under chapter seven of the UN charter, to maintain international peace and security through confronting ISIS.

Our foreign policy priority for 2015 is twofold. First, we will make concerted efforts to ensure further and continued engagement by the international community in the fight against ISIS in order to restore peace and stability and dismantle extremists in the region. This can be achieved through closer cooperation with NATO and the international coalition against ISIS. The KRG will work closely with UN agencies and the international community to assist refugees and internally displaced persons who have taken shelter in the Kurdistan Region and to rebuild their areas. Another important task within the context of the fight against ISIS is to gain international recognition for the crimes committed by ISIS against different ethnic and religious minorities as acts of genocide.

Second, in line with the Iraqi constitution, we will continue with our open door foreign policy and will try to broaden our ties with countries across the globe through establishing bilateral relations.

We are focused on encouraging more countries to establish a diplomatic presence in Kurdistan as well as expanding the international presence of the KRG through opening new representative offices abroad.

The KRG seeks to strengthen ties with the European Union. We are also interested to build institutional ties with the Arab League. We are determined to build more bridges with the international community in order to further enhance the economic and political achievements of the Kurdistan Region.

“Since the beginning of the Islamic State of Iraq and al-Sham (ISIS) onslaught on Iraq and Kurdistan, we have been warning our friends in the international community that ISIS does not only pose a threat to the Kurdistan Region, Iraq, and the Middle East, but also it poses a direct threat to international peace and security.”

IIG: The KRG received huge support from the U.S. and EU countries in its fight against terrorism. What does this mean from a foreign policy perspective?

FMB: We welcome the US-led coalition against ISIS and we are proud to be a leading force in the coalition. We are being supported by the international community for the values that we stand for, for our



respect for human rights and the rights of religious minorities. We are proud to have developed a culture of democracy, peaceful coexistence, and religious and ethnic tolerance here in Kurdistan. These values are deeply rooted in our culture and we are determined to preserve and defend such values.

The support is a clear indication that members of the international community need to cooperate with one another to secure a safer and more stable world. It shows that the Kurdistan Region is not abandoned and that we have reliable partners in the international community.

The support has hugely boosted the international reputation of the Kurdistan Region and its Peshmerga forces. Our Peshmerga forces are fighting an international terrorist organization, with members across the globe, on behalf of the free and civilized world. They have proven to be a reliable partner on the ground and to have the capability of fighting and defeating ISIS. Kurdistan is now an essential part of the international coalition against ISIS.

IIG: How is the DFR working to expand cooperation with the EU?

FMB: We have placed huge importance on expanding and improving relations with the EU. The KRG Mission to the EU was established in Brussels in 2000. The Mission's main objective is to maintain and strengthen the political, economic, and cultural relations between the Kurdistan Region and European Union institutions. Our ties with the EU are steadily improving. Following the attacks of the Islamic State of Iraq and al-Sham (ISIS) in Iraq, the EU has been giving special attention to the security and humanitarian situation of the Kurdistan Region. In June, the EU DG for Humanitarian Aid (ECHO) opened an office in Erbil. In August, the EU Ministers of Foreign Affairs, within the EU Council, decided to send humanitarian aid to the Kurdistan Region and also decided that Member States were free to send arms to Kurdish Peshmerga forces. In the same meeting, EU Ministers asked the European External Action Service (EU Foreign Ministry) to strengthen the EU's presence in Erbil.

IIG: As the diversification of Kurdistan's economy gathers speed, what can the DFR do to help foster FDI and support the Region's economic development?

FMB: While the rest of Iraq has seen a high level of violence and terrorism in the past few years, particularly since the beginning of the ISIS onslaught against Iraq, the Kurdistan Region has remained peaceful and stable. Kurdish Peshmerga forces have been able to repel ISIS attacks on the Kurdistan Region. The Kurdistan Region's strong economic potential and stable security situation make it a safe haven for international investors.

The Department of Foreign Relations continues to work hard to support international businesses by assisting them in communicating with the various institutions of the Regional Government, directing them to resources related to their endeavors, and promoting regional and international conferences and events designed to encourage business and investment in the Kurdistan Region.

Secure & Stable



Karim Sinjari —
Minister of Interior

Minister Karim Sinjari provides IIG with exclusive analysis of the current security situation in the Kurdistan Region, as well as the KRG's security cooperation with the international community against the ISIS threat.

About

Karim Sinjari was initially appointed as Minister of the Interior in May 2006, and was reappointed in October 2009 and April 2012. From 2001 to 2006, he served as the Interior Minister in the KRG's Erbil and Dohuk administration, and was elected to the central committee of the KDP. Prior to that time, Sinjari worked as the Director General of the Kurdistan Region's security service from 1993 until 2001. He is fluent in Swedish, English, Arabic, and Persian.

IIG: Can you give our readers some insight into the current security situation in the Kurdistan Region?

KS: In general, the Kurdistan Region has been secure despite continuous attempts by the terrorists to harm and destabilize the Region. Kurdistan has always been targeted by terrorists, as they despise our peace, freedom, democracy, and autonomy. They have tried to take advantage of any perceived weakness to sneak into the Region. Occasionally, they have been able to infiltrate Kurdistan by taking advantage of our hospitality and openness to welcome those who are threatened. This is one of our challenges, as we are hosting more than 1.5 million internally displaced and refugees who have fled from the violence and unrest in other parts of Iraq and Syria to find refuge in Kurdistan. It is naturally quite difficult to give so many people access while at the same time trying to know who they are and monitor their movements. But we have given this task our strongest efforts.

Our security forces are deployed extensively throughout the Kurdistan Region and are actively using all of their skills and resources to keep threats out of the Region. This is another challenge, as we are controlling a border of more than 1,000 km opposite the most evil terrorist organization we have seen in recent history. In spite of these challenges, our security forces have been able to thwart many attempts to damage the security of Kurdistan. We can proudly say that Kurdistan is a secure area, as it has in fact become a safe haven for a variety of

people regardless of their ethnicity, religion, or political affiliation.

I would also like to commend the people of Kurdistan for the very positive cooperation they share with our security forces. This cooperation is part of the foundation of our security across Kurdistan, as it is the people who see and know things in many instances before the security forces. Because our people also do not tolerate terrorism and efforts to destabilize our Region, they cooperate very well with our security forces.

In spite of these challenges, we have done all that we can to guarantee the security of Kurdistan. This has not been an easy task, as we have seen the Middle East over the last decade become a sort of hub for a variety of international terrorists. We can see the results of our efforts, though, as witnessed by the many foreign companies and people who find it safe and stable enough to work here and assist in the development and progress of Kurdistan. So even with the evolution of the ISIS terrorist organization and their seizure of Mosul and other large areas of Iraq, and even with their having many supporters, advanced weapons, and financial support, our security forces have still been able to maintain the security of Kurdistan so that it is a safe haven for those in need as well as its citizens and guests.

Because we are aware of the threats that are out there, security does remain our top priority. We are determined to ensure that our citizens and all of our guests are able to live, work, and enjoy the blessings of peace and freedom in a

safe environment. We are equally determined to ensure that Kurdistan remains a place where democracy, peace, diversity, and tolerance are well understood and accepted.

IIG: How would you characterize the Kurdistan Region's security cooperation with the international community against the ISIS threat? How important is international cooperation in improving the skills of Kurdish security forces against ISIS?

KS: It is important to recognize that ISIS is not just a threat to the Kurdistan Region. It is, in fact, a threat to all of the international community. It is well known that thousands have come from around the world to fight on behalf of ISIS. They have supporters and recruiters around the world who are spreading their message of hate and intolerance. They are effectively using social media to promote their evil actions. Because of this, all of the international community must work together to stamp out their desires for regional domination through their self-described caliphate. There is no other choice. We must cooperate, or accept their brutal domination and killing.

For these reasons, it is critical that the international community and all of the regional countries take very serious measures toward destroying ISIS both at the places where it is recruiting, as well as in Iraq and Syria on the battlefield. Toward this end, we are very supportive and welcoming of the airstrikes that the Americans and other Coalition partners

have conducted in Iraq and Syria, as they have helped our Peshmerga forces who are at the forefront on the ground in this fight to achieve success in pushing ISIS back.

In fact, our security cooperation with the international community is very good. We are receiving assistance in the humanitarian sector, as well as the military sector. In the military area, we have close cooperation in the conduct of Coalition airstrikes as we share information to effectively target ISIS. We also closely coordinate regarding our equipment and training needs. The Coalition has, in fact, played a very positive role, and we thank all of the members for their assistance.

In spite of this assistance, there is much more that is needed. ISIS has been fighting with advanced weapons that were captured from the Syrian and Iraqi Armies. Some of these items were the latest arms that came originally from Russia or the United States. On the other hand, we have been fighting with obsolete Soviet-era equipment that was captured from Saddam's regime over the last ten to thirty years. The Coalition's efforts in keeping the ammunition flowing for these weapons and providing some newer models have been appreciated. However, if we are to more effectively take the fight to ISIS to ensure their destruction, we must have more modern equipment, such as tanks, armored vehicles, heavy artillery, anti-tank missiles, and attack helicopters. All of these things will better ensure our mutual success on the battlefield against this evil threat which must be destroyed now before they become too powerful.

“We are determined to ensure that our citizens and all of our guests are able to live, work, and enjoy the blessings of peace and freedom in a safe environment. We are equally determined to ensure that Kurdistan remains a place where democracy, peace, diversity, and tolerance are well understood and accepted.”

IIG: How is Kurdistan working with its neighbors to fight against the ISIS threat? How would you assess the role of Kurdistan as a contributor to regional security and stability?

KS: Kurdistan has long adopted a policy to live in peace with our neighbors. We strongly believe in non-interference, mutual respect, trust, and understanding. Because of this, we have always sought to maintain direct communications with all of our neighbors so that we can ensure there is a good understanding of all things between us. This open communication has allowed us to have positive relations with our neighbors that has led to benefits in terms of stability, economic development, and security integration.

Part of the reason for these positive results in security is because our neighbors know that Kurdistan is a force for stability within the region. Kurdistan has had good contributions toward regional stability and understanding. This mutual cooperation has been beneficial since Kurdistan has been at the forefront in confronting ISIS, and our neighbors well know this fact. Because of this, we have established good military exchanges and intelligence sharing to more effectively combat ISIS. Although this cooperation is a good step for regional security, it is only one step. This fight really does need an expanded regional and international effort in cooperation to develop a joint, comprehensive strategy so that we may eliminate this threat now in a final and conclusive manner. ☞

The UK: A Friend to the Kurdistan Region, Even in Difficult Times



Angus McKee —
*British Consul General to the
Kurdistan Region*

British Consul General Angus McKee discusses the growing commercial ties between the Kurdistan Region and the United Kingdom and shares his government's support for the KRG's reform efforts.

“Even in these months of crisis, however, we have not diminished our support for the KRG’s reform agenda and we have encouraged British businesses to remain focused on the long-term opportunities that the Kurdistan Region offers, even if businesses are obliged to adapt to the current uncertainties.”

IIG: How would you describe the current state of relations between the UK and the Kurdistan Region? Which areas have you prioritized in terms of bilateral relations?

AM: Relations between the UK and the Kurdistan Region were already strong and have been reinforced further during the difficult months of mid-2014, as the Kurdistan Region and wider Iraq faced multiple crises. The visit of the PM, Nechirvan Barzani, to London in May 2014 underlined the strong political, economic, and commercial ties.

Over 100 British companies now operate in the Kurdistan Region. As well as the Consulate – which includes a dedicated UK Trade & Investment (UKTI) team – the British Council, the National School of Government International, and the Westminster Foundation for Democracy actively support the Kurdistan Region's institutions and society. We now have a Visa Application Centre in Erbil. In the UK, business leaders, parliamentarians, and many others are champions for public and private sector engagement here. As I have travelled the Kurdistan Region in my first months in the job, I have been enthused by the strength of people-to-people links, not least the many graduates from British universities. This should all be celebrated.

Of course, the events of summer 2014 shook confidence. But the UK, the Government of Iraq, and the KRG have a shared interest in defeating the Islamic State of Iraq and the Levant (ISIL). In these last few months, the UK has been at the forefront of international support for the KRG. We have provided the Kurdish authorities with significant military support, including weapons and training. The UK is the third largest donor to Iraq in its humanitarian crisis, and we are active on the ground to improve the response.

We have also welcomed the formation of Haider al-Abadi's Government in Baghdad, supporting its efforts to rebuild Iraqi political consensus – including a new entente between Baghdad and the KRG. Our diplomatic engagement underpins this – four UK Cabinet Ministers visited Erbil in little more than four months.

Even in these months of crisis, however, we have not diminished our support for the KRG's reform agenda and we have encouraged British businesses to remain focused on the long-term opportunities that the Kurdistan Region offers, even if businesses are obliged to adapt to the current uncertainties. In every ministry I visit, in every city I visit, in every business sector, there are examples of the UK working in support of the Kurdistan Region's security, resilience, and prosperity.

IIG: How have recent regional developments affected risk perceptions of the Kurdistan Region?

AM: The developments of summer 2014 unnerved businesses and residents alike. We encourage all UK citizens – employers, residents, and visitors – to consult FCO Travel Advice for Iraq and follow its recommendations. But – provided they do that, operate here with their eyes open, and make robust contingency plans – there is work to be done. For those with specialist needs, there are reputable private security companies, including UK market leaders, which can provide additional support.

IIG: Considering recent regional developments, do you think the Kurdistan Region remains attractive to the British business community?

AM: Absolutely. The long-term prospects for the Kurdistan Region and, indeed, wider Iraq remain good – a prosperous



oil-rich country, a large market, and a neighborhood promising long-term growth. The ambition of the Kurdistan Region's leaders is admirable. The new government in Baghdad provides the opportunity to build a new national consensus. For UK companies, the Consulate's UKTI office and existing British businesses here are willing to make introductions and share expertise. Our Embassy in Baghdad, with its own UKTI office, is equally active. Working together, we can help companies identify opportunities across Iraq.

It is inevitable that the current uncertainty has generated some hesitancy on the part of international businesses, but UK corporate leaders I speak to recognize the opportunities and potential here. Our trade delegations continue to visit – even when others haven't – and are well received by the Kurdistan Region's government and business leaders. Companies back home continue to maintain an active interest in the Region, assisted by UKTI, British Expertise, the Middle East Association, the KRG

Delegation in London, and others. If any British companies remain hesitant, I encourage them to speak to local experts in the Erbil and Baghdad UKTI teams.

IIG: What are your medium-term expectations regarding the political and economic progress of the Kurdistan Region?

AM: What the KRG and the people have achieved in the last decade is impressive. I am confident there is more to come. Certainly the UK – both Government and private sector – is actively working toward that goal as part of our efforts in wider Iraq. As to what is required to achieve that, it is certainly in the KRG's best interests to be on good terms with Baghdad and cooperating closely in the fight against terrorism. At the time of this interview [November 2014], there are some encouraging signals in this regard. UK diplomacy is actively working to bring the two sides towards agreement on the issues, whether the budget, security coordination, or meeting the needs of the many displaced Iraqis.

In the longer term, there needs to be greater opportunity for the private sector. We encourage reforms that strengthen the Kurdistan Region's institutions and laws, including pro-business legislation. Certainly there is a lot of debate here on the necessary next steps, including opening up the financial sector. It is heartening that the KRG continues to invest in education, and we play a lead role through the British Council, UK private sector, and FCO Chevening Scholarships. Indeed, we intend in 2015 that more Chevening Scholarships will be awarded to candidates from the Kurdistan Region than ever before. We are doing similar elsewhere in Iraq. The coming months will be challenging, but our commitment is strong. It means that the Consulate team has its work cut out, but recent events failed to diminish our commitment, ambition, or energy – if anything they have been doubled. In this, we work with the Kurdistan Region's decision-makers and people not only as partners, but also as friends. ☞

Do You Know Divan ?

The 5 Star Hotel in Erbil

Rooms from \$ 180

For reservations please call 066 210 5000

Foreign Policy Guru



Cengiz Çandar —
Senior Columnist

Cengiz Candar explains Kurdistan's growing strategic significance in the fight against ISIS and outlines the implications of strengthening economic, political, and military ties with regional and international partners for the future of the Kurdistan Region.

About

Cengiz Candar is a senior columnist for *Radikal Daily*. He is the author of several books, mainly on Middle East issues, including the best-seller *Mesopotamia Express: A Journey in History*. Candar was a special foreign policy adviser to Turkish President Turgut Ozal from 1991 to 1993.

IIG: The KRG received huge support from the U.S. and EU countries in its fight against ISIS. What does this mean from a foreign policy perspective?

CC: The fight against ISIS has become the priority of the international system, i.e. the Western world that is mainly the US and the EU. The KRG is on the frontline of this international effort. It has the longest border with ISIS. It is simultaneously under the threat of ISIS and also the “boots on the ground” against the so-called “Caliphate,” the undoing of which has been the predicament for the international system. To degrade and ultimately destroy and defeat ISIS is the primary goal for the Coalition. Thus, the KRG has, by itself, transformed into a main pillar for such an international undertaking. This is a crucial role from a pure foreign policy perspective. Alternately, such a role for the KRG and being at the receiving end of huge support from the US and EU countries reflect that the protection, survival, and wellbeing of the KRG are under solid and concrete international guarantees. This is a tremendous, historic achievement for the Kurds, who had been the underdogs of the regional order in the post-Sykes-Picot era.

IIG: How would you assess the evolution of Turkey's stance towards the KRG? Could domestic political factors in Turkey and Turkey's policy towards Syrian Kurds affect the progress made in Turkish/KRG relations in the medium or long term?

CC: The evolution of Turkey's stance vis-à-vis the KRG is another remarkable achievement on the part of the Kurds. Turkey evolved from being the most hostile player of the regional state system into being a close partner for the KRG economically, commercially, and, as a matter of fact, politically. The point that has been reached, while remembering the past, should be regarded as unbelievable despite its ups and downs. It is huge progress for both parties. Of course, domestic

political factors in Turkey and Turkey's policy towards Syrian Kurds do have the potential to affect its relations with the KRG. However, regional dynamics are as strong and even more important in shaping national policies. Therefore, we cannot deduce that domestic factors would have an adverse effect. They could render the complete opposite result. Taking the progress achieved in Turkish-KRG relations into consideration, we have to be optimistic and positive that a similar evolution can take place in Turkey's attitude towards its own Kurds and their kinsmen in Syria. Moreover, the KRG can also influence Turkey's attitude interactively.

“Alternately, such a role for the KRG and being at the receiving end of huge support from the US and EU countries reflect that the protection, survival, and wellbeing of the KRG are under solid and concrete international guarantees.”

IIG: How would you assess the political stability and rapid economic development in the Kurdistan Region in recent years?

CC: It deserves a very simple and brief response: it is an impressive success story, particularly since the Kurdistan Region has achieved this in an Iraq plagued by devastating and bloody civil wars. Under such circumstances, the Kurdistan Region flourished as an oasis of stability, peace, and economic progress. It goes without saying that this is a fabulous achievement for the Kurds and serves as evidence that the Kurds in the 21st century are as entitled to run their affairs as any other civilized nation.

INSIGHT

Notes from Westminster



Gary Kent —
Director, All Party Parliamentary Group
on the Kurdistan Region of Iraq (APPG)

The profile of the Iraqi Kurds in the British parliament continues to soar. What was once a trickle of interest was turning into a stream but has become a torrent thanks to a suddenly wide recognition in Britain and the West that the Kurds are central to defeating the self-styled Islamic State, Daish.

In recent weeks there have been two high-level official visits to Erbil by the British Defence Secretary and the Foreign Secretary, Michael Fallon and Philip Hammond. British aid and arms have flowed to Erbil although not as much as they could.

There are two high-profile inquiries exclusively or partly concerning the Kurds by the Foreign and Defence select committees, bipartisan parliamentary bodies that independently scrutinise the work of government and help form policy.

Every parliamentary debate on the Middle East includes contributions by MPs who have visited Kurdistan over the years and who broadly support Kurdish demands for heavy weapons, aid and help in solving disputes with Baghdad.

Outside parliament, those who feel the Kurds need more support from the West are becoming more organised. A

grassroots initiative by Labour Party members, which I co-authored, is urging the party to endorse British military action in Syria as well as Iraq and to support the despatch of heavy weapons to Erbil to help the Kurds confront what it calls the vilest fascism of the age.

This could have implications for official British foreign policy because the opposition, and some Conservative MPs, effectively exercise a veto on the extent of British intervention. After the Commons failed to support punitive action last year against Syrian President Assad's use of chemical weapons, the government was fearful of another major defeat on international security policy, and decided that it could only agree to the use of British war planes against Daish in Iraq and not in Syria.

Furthermore, the fierce resistance to Daish in Kobani is inspiring people to support the Syrian Kurds whose female fighters are a powerful symbol of tolerance in the fight against an organisation which trades sex slaves in obscene markets in Mosul.

The select committee inquiries may have a profound impact on the development of British policy. MPs from the all-party parliamentary group on the Kurdistan Region called for a Foreign Affairs inquiry after its visit a year ago when they heard of the emergence of Daish in Mosul. It was still a distant speck on the horizon, however. The inquiry was established at the beginning of this year and looked set to have a business-like focus on how the UK could make the most of its political, cultural and commercial links with Kurdistan. But the spectacular rise of Daish and the growing crisis in relations between Baghdad and Erbil altered that.

The report of the committee, members of which visited Erbil, Slemani and Baghdad last month, also cannot ignore considering the big strategic questions about either refounding federalism in a


broken Iraq or some new form of confederation or even Kurdish independence.

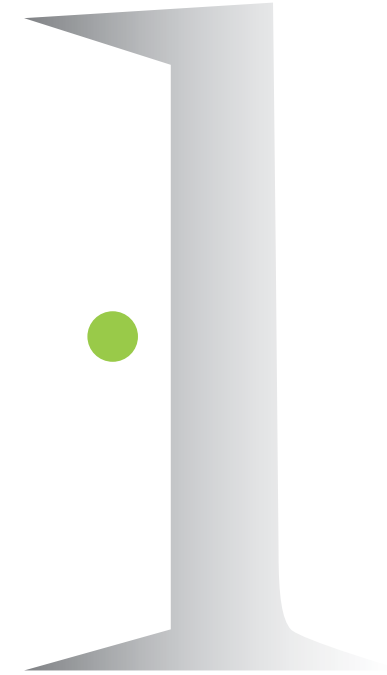
Individual committee members have voiced support in the Commons for key Kurdish demands for heavy weapons, pressure on Baghdad to end its blockade of Erbil and increased aid to tackle the huge humanitarian crisis sparked by the influx of over a million refugees and internally displaced people into Kurdish sanctuary.

The Defence Committee inquiry is more broadly examining British security policy in Iraq and Syria but cannot avoid considering how Baghdad's former PM Maliki helped create the firestorm in Iraq by marginalising Sunnis and punishing Kurds. Such concerns underpinned moves by Western countries and Iran to force the removal of Maliki as PM and the hope that his successor Haider al-Abadi can reset relations within Iraq.

None of this increased attention comes without a critical focus on Kurdish shortcomings. Since they adopted parliamentary democracy in 1992, the Kurds have put themselves on a pedestal which has encouraged many to compare their aspirations with practice.

It is easier, for instance, for human rights organisations to move around Kurdistan and this has enabled reports that focus, for instance, on women's rights. Likewise, the need for reforming Peshmerga on a professional and meritocratic basis is now a major issue for Western friends.

Kurdish leaders should not fear such attention. They always tell visiting MPs that they expect their friends to be candid about the pros and cons of contemporary Kurdistan. The blossoming of parliamentary and popular solidarity is, however, a major bonus for the Kurds and can reinforce what many more people now see as their exciting example of tolerance, pluralism and democracy in a country that is at the heart of a deeply troubled Middle East. 



Your regional partner with a door to the world

With uninterrupted presence in the Middle East for over 87 years, Deloitte, the largest professional services firm in the world, provides you with audit, tax, consulting, and financial advisory services through 26 offices in 15 countries in the region. Our 'As One Borderless, Boundless' approach means we also collaborate closely with our globally connected network of member firms, represented by 200,000 professionals in more than 150 countries.

To open the door to a world of professional services, visit us at www.deloitte.com/middleeast

Deloitte.

Kurdistan's Leading Research Center



Professor Dlawer Ala'Aldeen —
*President, Middle East Research
Institute (MERI)*

Professor Dlawer Ala'Aldeen gives an overview of the areas of focus that will guide MERI's research in the coming year and the Institute's role in supporting reform in the Kurdistan Region.

IIG: What will be the projects/areas of focus of MERI in 2015?

DA: We have five main programs that encompass our research. These include:
(a) International Politics and National Security;
(b) Democracy and Governance;
(c) Economics, Energy, and Environment;
(d) Science, Health, Education, and Public services; and
(e) Community, Civil Society, and Cultural Development.

We have initiated projects under each program that are highly focused on policy areas and designed to have lasting impact on the ground. These projects are destined to grow steadily during 2015 and lead to quality publications in due course.

For example, we are studying the war on ISIS and its political, social, and security implications on the entire Middle East. We explore the impact of refugees and Internally Displaced People (IDPs) on the Region's economy and security, and the impact of prolonged conflicts on the future of IDPs. We are currently examining the new socio-political dynamics within the disputed territories and the best ways forward.

Within the KRG, we initiated an ambitious program to reform the police and judicial system with the view of making them more democratic, accountable, transparent, and amenable to performance pressure. With human rights as a core value, we began to train police officers on performance management, accountability, and professional conduct. We started with special units responsible for combating and preventing violence against women. In parallel, we are looking at revising the current legislation for greater protection of women and a more equal status in society. We have a number of other projects at various states of implementation relating to government strategies for managing health service,

agricultural development, and the diversification of the economy.

IIG: MERI held its inaugural Forum. Can you tell us about its outcome?

DA: MERI Forum 2014 was an exciting event. The primary purpose was to create a platform for dialogue and constructive debate for the Middle East. This event brought together decision-makers, academics, and members of the public to debate current political events with an impact on both Iraq and the wider region. Among the speakers were Fouad Masum, President of Iraq, Salim al-Jubouri, Speaker of the Iraqi Parliament, the current and former Prime Ministers of the Kurdistan Region, Nechirvan Barzani and Barham Salih, and other national and international experts and dignitaries. Fostering a culture of debate and dialogue is of utmost importance to the Institute's objectives. Events of this nature are not common in the Middle East. We encourage a culture of dialogue that can contribute to stability and growth in the region, now and in the future.

IIG: As MERI aspires to be a "global leader in strategic research," what plans do you have to partner with your international peers in think tanks, academia, or government?

DA: From the outset, MERI established strong links with many of the world's top think-tanks and centers of excellence within renowned universities, particularly in Europe, the USA, and neighboring Turkey. We have joint programs for accommodating fellows, training staff, and supervising master's and PhD students. The aim is for MERI to act as a credible partner to international research institutions and a good home for international researchers. Our objective is to jointly publish high quality reports that have impact on a local, regional, and international level.①

About

Professor Dlawer Ala'Aldeen served as the KRG's Minister of Higher Education and Scientific Research from 2009-2012 and co-founded the Kurdish Scientific and Medical Association, an advocacy organization that seeks to safeguard Kurdish human rights and shape American and British policies towards Kurds. He completed his postgraduate studies in the UK, where he also served as Professor of Medicine at the University Nottingham.



THE SMART HOTEL IN ERBIL

Tangram Hotel is the new smart hotel in Erbil that understands your needs while traveling. Our 118 rooms have comfortable beds and spacious working desks to make both relaxing and working as enjoyable as can be. Free WiFi access allows you to stay connected with colleagues as well as with family and friends.

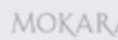
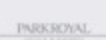
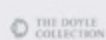
For successful business meetings or even corporate events, our conference rooms are equipped with the latest audio, video equipment. After taking care of business, you can workout in our state-of-the-art GYM and have an exquisite meal in our variety of restaurants and lounges. Whether you are traveling for pleasure or business, you can enjoy both at the Tangram Hotel in Erbil.


For booking & information
+964 (0) 750 889 5554
+964 (0) 662 296 900

Kirkuk road, opposite Police Academy,
Erbil, Kurdistan Iraq
E-mail: info.erbil@tangramhotels.com
www.erbil.tangramhotels.com



Tangram is a member of the





investing more than just words.

12 industries
27 companies
13000 co-workers
1 holding
1 country

to improve your quality of life.



فاروق القابضة
FARUK HOLDING

At Faruk Holding we believe in investing in our country and establishing a solid foundation that supports the shared interests and aspirations of our people. To date we have projects in the realms of Construction, Hospitality, Medical, Real Estate, Project Management, Agriculture, IT & Telecommunications, Energy, Cement, Insurance, Industries and Trading. Our mission remains to modernize, while helping the communities in which we work.

THE REVIEW —

Economy & Finance



Navigating Regional Headwinds in the Search for Continued Growth

The last year has been a time of both landmark achievements and unprecedented challenges for the economy of the Kurdistan Region. Groundbreaking advances in the Region's energy sector and an expanding customer base for its oil and gas exports have marked the beginning of a new chapter in Kurdistan's economic growth. While these developments promise exciting new opportunities for the Region's economy, ISIS-led violence and previous budget disputes with Iraq's federal government serve as reminders that Kurdistan must continue a trend of fortitude and pragmatism to maintain the economic progress that has so far distinguished it from its regional peers.

Striving to Grow

The KRG Ministry of Planning predicts annual economic growth at a rate of 8% for the 2014-2016 period. This year's growth figures may be negatively impacted by recent ISIS-led violence in the region, however. The IMF predicts that the Iraqi economy as a whole will shrink by around 2.66% this year, a downward revision from original projections of growth somewhere in the region of 5.9%. The extent to which this broader regional downturn will affect the Kurdistan Region's economy in the near term is unknown. Looking at past GDP data, though, gives a picture of the Region's long-term growth potential. In 2012, the Region's GDP grew at a rate of 12%.

In 2013, GDP growth decreased slightly but remained a robust 8%. Figures from 2011, the most recent numbers available, estimate the Region's total GDP to be in the area of \$23.6 billion.

Another testament to the Region's upward economic trajectory is the progress that has been made in raising standards of living amongst the Kurdish populace. Annual per capita income in the Kurdistan Region is now \$7,000, while in 2002 it stood at just \$800. Unfortunately, the KRG has been unable to publish inflation figures for the current year that would help paint a more accurate picture of the real improvement in living standards brought about by this impressive rise in income.

The KRG plans to capitalize on a young population and build an economy characterized by innovation and equal opportunity for men and women.

50%
of the population
is under the age
of 20

Despite these improvements, unemployment figures indicate that more work is needed to close the skills gap in the Kurdistan Region's changing economy and reflect the strain that prolonged tensions with Baghdad have placed on the regional business climate. By September 2014, the unemployment rate in the Kurdistan Region stood at 10%, having increased from 7% at the end of 2013. Specifically, a lack of available credit, sanctions levied by Baghdad against the KRG, and a shortage of jobs that match the skillset of new entrants into the workforce have been identified as factors hindering reductions in unemployment levels. When contrasted with Iraq's overall unemployment rate of nearly 46%, however, the relative success of the Kurdistan

Region's economy despite the obstacles it currently faces stands out.

Going forward, the KRG has set its sights on increasing private sector employment, which stands at just 48.9% of the active labor market at the moment. The regional government also aims to close the gender gap in the area's labor market participation rates and unemployment levels. While 67% of men in Kurdistan are active in the local economy, just 14% of women in the Region participate in its labor force. The disparity also extends to unemployment rates. In 2011, for instance, women who were active in the labor market faced unemployment levels that were over twice as high as their male counterparts.

Fertile Ground for Investment

Kurdistan continues to set itself apart in Iraq and the Middle East as an investment destination. In the past few years, annual capital investment in licensed projects in the Kurdistan Region grew by nearly 400%, rising from \$3.1 billion in 2011 to \$12.4 billion over the course of 2013. There are currently around 80 planned or ongoing licensed investment projects in the Kurdistan Region representing a value of over \$39 billion. To put that amount in context, the total value of licensed investments in Kurdistan over the 2006-2014 period was \$41.9 billion. Despite growing investor interest and an expanding portfolio of projects, recent regional turmoil has touched the Kurdistan Region and shaken investor sentiment. Over the first 8 months of 2014, for instance, investment

in the Region had reached just \$3 billion.

Despite these setbacks, progress has been made in diversifying the regional economy. While the housing sector had previously dominated projects licensed by the Board of Investment (BOI), 2014 saw a continuing trend towards projects in the industrial sector, which has emerged as the primary destination for investment. The BOI froze licenses for projects in the housing sector after around 160 projects had been approved. This was done to focus more on sectors such as industry, tourism, and agriculture. Over the course of the last year, that shift in emphasis has borne fruit. Industrial investment licenses have finally surpassed those in the housing sector and represent around 184 projects

In the future, the KRG plans to capitalize on a young population (over 50% of the Kurdistan Region's population is under the age of 20) and build an economy characterized by innovation and equal opportunity for men and women. To do so, the government will focus on legal reforms, skills-building programs, pension and benefits reforms, the development of an unemployment insurance system to make employment in the private sector seem more secure, and initiatives aimed at helping women participate and get ahead in the Region's labor market.

valued at a total of \$12.8 billion according to data from the KRG's Ministry of Planning. That number is approaching but still short of the \$13.6 billion in capital investments that have gone towards the housing sector in Kurdistan since 2006. The Ministry's figures reveal that industry and housing together represent nearly two-thirds of capital investments and half of all capital investment licenses in the Kurdistan Region to date.

Over the same period, the tourism sector has seen \$6.6 billion (15.7% of total investment) invested in a total of 128 projects, while \$5.1 billion (12.1% of total investment) has flowed towards 114 projects in the trading sector. Agriculture and other sectors lag behind, attracting less than \$4 billion in combined investment.

Oil & Gas: The Engine of Economic Growth

The oil and gas industry continues to form the bedrock of Kurdistan's economy, and the past year has been one of great accomplishments for the Region's energy sector. Independent exports of the Region's oil resources commenced through a newly completed pipeline to Turkey via the border town of Fishkhabour. The pipeline currently has the capacity to transport 300,000 bpd to Turkey, with a potential capacity of 500,000 bpd in the near future. The current year will also see new records set in oil production in the Kurdistan Region. Aggregate production capacity has risen to 280,000 bpd and is projected to increase further to 400,000 bpd by the end of the year. The KRG has set a production goal of 1 million bpd by the end of 2015 and aims for levels of 2 million bpd in the coming years.

Budgetary Pressures

In January, disputes over oil revenue and control of natural resources between the KRG and the federal government led Baghdad to suspend payment of the entirety of the Kurdistan Region's share of Iraq's national budget. This has been especially problematic since over 50% of the Region's population is employed in the public sector, something which the KRG itself has identified as an unsustainable overreliance on government jobs. Many workers in the public sector have not been paid in months, further straining the overall economy of Kurdistan and denting consumer confidence. A measure of relief for this situation has come from revenues gained from Kurdistan's growing number of successful oil sales. In the period through December, the KRG collected \$1.7 billion in revenue from independent oil sales.

In 2013, the KRG's regional budget stood at \$13.1 billion. Even before Baghdad cut off federal funds at the beginning of this year, budgetary disputes marred relations between Erbil and Baghdad. The KRG is entitled to a 17% share of Iraq's overall budget. That money is first distributed across federal agencies in Iraq before it is dispersed to the KRG,

Baghdad has made efforts to thwart independent oil exports from the Kurdistan Region, threatening legal retaliation against those who purchase oil exported outside its control. This has made it more difficult to find buyers for Kurdish crude oil, which is being shipped from the Turkish port of Ceyhan. Despite this, the Kurdistan Region seems to be finding a growing number of buyers around the world. One factor that may complicate matters is the recent slide in world oil prices, which have dipped under \$80 a barrel recently. Experts point to an oversupply of oil stemming from sluggish economic growth and lagging demand around the world, along with the glut of new supplies coming online in places like the United States, as sources of the recent slide in prices.

so Kurdistan's actual share of the federal budget has tended to settle more in the area of 11-13%. This system of budget allocation has been characterized by frequent disagreement. In 2013, tensions over revenues and resource rights that would set off the current budget impasse in Iraq were already brewing. A federal budgetary allocation of \$646 million to pay oil and gas companies operating in the Kurdistan Region that year greatly undershot a KRG request of \$3.5 billion, which Kurdish leaders claimed was needed to cover funds already owed to it by the federal government.

In December, leaders from the KRG and the Iraqi federal government announced a long-term agreement to work collaboratively on oil exports and finally normalize the budgetary situation of the Kurdistan Region. The KRG has promised to supply 550,000 bpd of oil for sale by Baghdad authorities, with revenues to be divided between both sides. In return, Iraqi PM Haider al-Abadi's government has pledged to permanently restore budget payments to the Kurdistan Region that will, for the first time, include funds to pay and outfit the Region's Peshmerga forces.

8%
Annual Economic
Growth 2014-2016 (est.)

Laying the Foundations of Future Prosperity

The KRG has outlined bold goals for the Region in its 2013-17 Regional Development Strategy. The Strategy calls for diversification of the Region's market, a streamlined investment process, and a drive towards exports in order to make the regional economy more competitive and raise standards of living. Its targets include raising tourism expenditure in the Region to \$1.5 billion by 2017 (from a level of \$320 million in 2009) and developing the Region's mining sector. To boost competitiveness, the plan aims to reduce construction costs and shorten timelines for project execution to levels that undercut neighboring countries by 2017. It also envisions increasing investment rates to 20% of GDP and expanding GDP growth by 10% each year through 2017, in addition to raising the number of licensed businesses across all sectors of the economy by 15% per annum over the same period.

Finance: BUILDING TRUST

Kurdish leaders continue to strive for a modern, dynamic banking sector to complement the Region's growing economy. Despite this, the Kurdistan Region continues to struggle under cumbersome red tape from banking authorities in the federal government, a lack of integration into international financial networks, and a legacy of distrust among Kurdish citizens.

Opportunities & Obstacles

The Kurdistan Region's economy remains largely cash based and its banking sector is relatively underdeveloped compared to other countries in the region. While the standard international ratio of bank branches to customers is around 1: 10,000, in Iraq that ratio stands at 1:30,000. In addition to 3 large state-owned banks, there are around 20 homegrown private banks and over 10 foreign private banks operating in the Kurdistan Region. The majority of private international banks working in the Region are from Lebanon and Turkey.

International banks have an increasing presence in the Region, but they tend to cater to businesses from their home countries and are prevented from competing in the same market segments as domestic banks. The past year has seen important steps forward, though. The UK's Standard Chartered Bank opened a new branch in Erbil, becoming the first major international bank with comprehensive operations in the Region. In another landmark development for the finance sector, the Erbil Stock Exchange prepared to launch at the end of 2014 with the help of 4 local firms that will be going public.

The Kurdistan Region is also home to a burgeoning Islamic banking industry. There are currently six local Islamic banks in operation, along with foreign firms such as Abu Dhabi Islamic Bank and Al Baraka. Among the most successful local Islamic banks is Kurdistan International Bank, which is the only Islamic financial institution among Iraq's 5 largest banks. The industry is awaiting a regulatory structure from Baghdad authorities that is specifically designed for Islamic banking.

During the reign of Saddam Hussein, banks in Iraqi Kurdistan were frequently looted and depositors often found that their savings had simply vanished, creating what North Bank's chairman Nawzad Jaff describes as a "deep-seated mistrust in banks." For residents of the Kurdistan Region today, trust in the regional banking infrastructure continues to be undermined by recurring liquidity crises. Lingering doubts about the safety of their money with local banks have led residents of Iraqi Kurdistan to turn to practices such as hiding savings in their homes or investing in gold as a store of value.

Calls for Reform

The task of creating a truly modern banking sector will require substantial reform in Baghdad. While the KRG has used its political autonomy to fashion a largely business and investment-friendly environment, the banking sector falls entirely under the purview of the Central Bank of Iraq in Baghdad, which has the sole authority to regulate the banking sector and issue licenses for banks to operate in Iraq.

Many analysts point to regulations that seem to be biased in favor of large, state-run Iraqi banks as key impediments to a modern, competitive banking sector in Kurdistan. State-controlled Rafidain Bank and Rasheed Bank, for instance, control nearly 90% of banking business in Iraq. Aside from assured business stemming from federal regulations prohibiting government agencies, government employees, and state-run corporations from dealing with private sector banks, Iraq's state banks gain an advantage in the minds of customers from the implied guarantee that state funds will back up deposits.

Kurdistan also lacks the regulatory and physical infrastructure for industries that could support a healthy banking sector. The Region's insurance sector remains very limited, mortgages are virtually non-existent, and a web of confusing regulations and out-of-date technology contribute to inefficiency.

Iraqi authorities have acknowledged the need for reform, yet little in the way of reform legislation has actually been passed. Political turmoil surrounding the rise of ISIS has only contributed to doubts about the Iraqi government's ability to implement changes in the near-term that will foster a more competitive, modern, and capable banking sector. For its part, the KRG has repeatedly expressed its desire for reform in the banking and finance sectors. The PM Nechirvan Barzani recently added his voice to the chorus of Kurdish leaders calling for change, saying: "I believe the time has come for us to seriously examine international financial practices and carefully consider how modern banking can help families and businesses to manage their wealth."

Boosting Trade for Growth



Samal Sardar —
Minister of Trade and Industry

Samal Sardar explains why he believes the Kurdistan Region remains an attractive destination for foreign investment and discusses the Ministry of Trade and Industry's plans for economic reform and growth in 2015.

"In 2015, we have four priorities: regulating the market, amending laws and regulations, setting up four industrial zones, and boosting our trade ties with our neighbors."

IIG: How would you characterize the environment for trade and industry in Kurdistan? What are your key projects in 2015?

SS: While negative effects on regional trade because of recent regional developments have been perceived in many economies, we believe that Kurdistan has been able to successfully manage these fluctuations. Also, problems between Erbil and Bagdad because of disagreements over the budget affected our economy. We are happy, however, to be solving the budgetary and oil export issues with the central government.

In 2015, we have four priorities: regulating the market, amending laws and regulations, setting up four industrial zones, and boosting our trade ties with our neighbors. Our main objective, however, is to set up four industrial zones in the Kurdistan Region in 2015. We strongly believe that building those industrial zones is critically important for the Region's economic development.

IIG: How would you characterize the FDI environment in Kurdistan?

SS: First of all, Kurdistan has a favorable legal framework for foreign investment. We have one of the most friendly investment laws in the region. Secondly, Kurdistan enjoys political and social stability. Thirdly, the KRG strongly supports FDI to increase the economic growth of Kurdistan. Fourthly, the Region has enormous natural resources. With all those factors on the ground, the Kurdistan Region has attracted over \$39 billion of investment over the last decade.

We believe that FDI will provide new employment opportunities, bring us know-how, and improve local

production. Despite the recent regional turmoil on our borders, we expect FDI to continue over the coming years since Kurdistan presents many advantages as a destination for foreign investment.

IIG: What are the Ministry's plans to further increase the economy's attractiveness for FDI?

SS: Over the last few years, Kurdistan has undertaken institutional reforms to improve the environment for doing business. We have simplified procedures to reduce the time needed to obtain licenses and revised the forms related to the payment of taxes and fees. Our focus is to amend laws and regulations to invite more companies.

We have prioritized three sectors—industry, agriculture, and tourism—which are playing a critical role in our FDI policy. We will continue to invite foreign companies to invest in those sectors. We are planning to organize visits abroad in order to promote investment opportunities in Kurdistan, especially in those crucial sectors.

IIG: What would you say to those in the foreign business community who are concerned about recent regional events?

SS: Kurdistan is a safe, stable region with functioning democratic institutions. We believe that the current situation will be short-lived. It is important to remember that we have managed to establish a free market economy and democratic institutions. We understand the concerns that come from recent events. We want peace and stability, which are the only ways to guarantee that we can achieve our aspirations for social and economic development. ☺

Invisible Protection & Energy Savings



Martin Westney —
Managing Director, Advanced Glass Technology (AGT)

Martin Westney explains the security and energy-saving benefits of AGT glass products, his growing portfolio of clients, and the opportunities available to foreign firms in Kurdistan.

IIG: Can you give us some details about AGT?

MW: AGT was established in 2009, but I have been in the window film industry for over 21 years. We have installed projects in Jordan, Nigeria, Mauritania, and Kenya. Our most popular products are anti-blast window films and anchoring systems. We take the existing glass and apply a special film on the inside. It is perfectly clear and will hold the glass in place should there be a blast or a natural disaster. It will stop people inside from getting lacerated, greatly reducing injury and the risk of death. Approximately 75% of injuries from a blast are from flying glass! It is all about mitigating as best as you can, and it is not overly expensive compared to the benefits it can offer. We have a range of solar films as well for reducing heat, reducing glare, and cutting out ultraviolet light.

IIG: What are the benefits of your products?

MW: With the blast mitigation film, it is tested to international standards. There is a certain GSA (General Services Administration) and BS EN (British and European) standard that is a blast of 100 kilos equivalent from 33 meters. There are anchoring systems that we can use as well that will anchor the film into the frames, offering even greater levels of protection. The film strengthens the glass and, due to the super strong adhesive, helps to absorb the blast pressure. So you have already, instantly reduced the amount of serious injuries and fatalities. And it is not very expensive. It is probably one of the cheapest things you can do to reduce the risk to life. Because our films are invisible, no one knows they are there. We can combine solar film with the safety film, or you can just have solar protection. Again,

for not a lot of money, you are creating a work environment that is healthier for the people working there. For us, it is about creating a safe and comfortable environment for people to work in.

IIG: When does AGT enter a project?

MW: We normally come in right at the end when everything is finished, because everything we do is retrofit. We can do it on any building that is already here. Because of what we do, it has to be as dust-free as possible—going into a building site is no good for us.

IIG: Where do you place Kurdistan in terms of risk?

MW: I think it is a perceived risk. Everywhere is dangerous to a degree. Kurdistan is as safe as anywhere I have been. You feel less threatened. The people are incredibly friendly, and everyone is very welcoming.

IIG: What are the company's priorities in 2015 and beyond?

MW: We would like to cement our foundations in the Kurdistan Region and expand into other cities. Our aim is to be here long-term and offer the right service and products for the right price. We have been working with Total, DNO, and Marathon. We have done a lot for Falcon Construction. Currently, most of our projects are for the oil companies—as they move into new offices they have certain safety regulations to follow and the anti-blast window film is one of them. Erbil is currently our base, but we are starting to look at projects in Slemani. We can transfer our skills and staff and start working there, along with Erbil, then we will look at Duhok as well. We would also like to do more projects for government agencies and NGOs here. ☞

About

Martin Westney started AGT in 2009. AGT has carried out projects across the globe, including Nigeria, Mauritania, Kosovo, the USA, Iraq, Jordan, and Kenya. AGT provides anti-blast and ballistic protection products for governments and large corporations.

The Erbil Business and Trade Center will contain 1,100 offices ranging in size from 55 m2 to 4800 m2 that cater to local contractors and businesses as well as international corporations.

Focus: Erbil Business & Trade Center

Across from the green expanse of Erbil's Sami Abdul Rahman Park, a giant new building is quickly rising into the city's skyline. The first phase of the 200,000 m2 Erbil Business and Trade Center's (EBTC) Justice Tower, a 37-floor mixed-use development comprising a luxury hotel, a grouping of international restaurants called Café Village, and luxury offices, is set to finish construction and façade work in the second quarter of 2015. The project's developer, IZ Development, predicts it will reach completion in the fourth quarter of 2015 at a total cost of \$200 million, obtained primarily from the Nasri Group of Companies in conjunction with local investors.

Ihsan Zangana, the CEO of IZ Development, sees it as a new landmark not just for Erbil, but also for the whole of the Kurdistan Region and greater Iraq. Once finished, he predicts it will be the largest hotel in Iraq as well as the largest tower in the country. "The building's specifications match the ambitious scale of our vision. The EBTC will contain 1,100 offices ranging in size from 55 m2 to 4800 m2 that cater to local contractors and businesses as well as international corporations. Offices will be available to buy or to rent," Zangana says. Although construction will not be finished before late 2015, Zangana predicts that around 200 offices will be completed and available on the lower floors of the building by the time the first phase of construction work is finished in the middle of the year. According to IZ Development, which has been brought in by the Nasri Group of Companies (NGC) to handle sales, marketing, strategic planning, and business development for the project, foreign investors from the Middle East and farther afield have already expressed interest in office space at the site that is currently for sale. Once completed, the company will handle

security, safety, cleaning, and maintenance for the EBTC's offices.

The complex will also boast a 360-room five-star luxury hotel tailored to business travelers. Here as well, those behind the EBTC aim to set their development apart. Radisson Blu will operate the site's centerpiece hotel. The hotel will contain 20 event spaces that range in size from smaller 20-person meeting rooms to an 1,800-person capacity ballroom capable of hosting large conferences.

The third and final component of the EBTC is Café Village, a collection of 16 cafés and restaurants that will occupy the ground floor of the tower currently under construction. Café Village will showcase a variety of international food brands that are making their first foray into the market in Kurdistan. These include France's La Tartine and Canadian coffee shop Second Cup, both of which have signed on to open outlets in the development, as well as a restaurant specializing in Persian food.

The team led by the NGC that is building the EBTC has left its mark elsewhere in Erbil and across Kurdistan. It is currently working on the Bazaar Nishtiman project, a collection of 2,000 shops and offices of varying sizes under construction at the heart of Erbil near the landmark Citadel. On the outskirts of the city near EIA, the NGC has already completed the Dream City project, a gated compound containing around 600 villas, some of which have been reserved for personnel from the oil and gas industry, as well as an international school and restaurants. Beyond the confines of Erbil, the group plans to replicate its Dream City concept in the northwest city of Zakhō, where it has revealed designs for a compound of residential villas, schools, restaurants, malls, and clinics. ☞

Lebanon's Fransabank Puts Down Roots in the Kurdistan Region

At the beginning of April this year, Fransabank opened its first branch in Erbil. The bank, Lebanon's oldest with a history stretching back nearly 100 years, currently operates in 10 countries across three continents, including France, the UAE, Cyprus, Algeria, Libya, Syria, Sudan, and Belarus. Globally, Fransabank held \$17 billion in assets, \$14.1 billion in deposits, \$5.3 billion in loans, and had \$160 million in net profits in 2013.

In addition to its Erbil branch, Fransabank has operations in Baghdad and plans to expand further to Basra in the near future. Lebanese banks have a very strong presence in Iraqi Kurdistan, and Fransabank's nascent business there is reflective of a more general trend of Lebanese banks making some of their first forays into the Iraqi market in the security and stability of the Kurdistan Region.


Fransabank's operations in the Kurdistan Region focus primarily on the corporate banking sector. Nevertheless, officials from the bank hope their presence in the Region can contribute to a broader revitalization of the banking industry in Kurdistan by re-establishing trust among local customers. Khalil Zeidan, Country Manager for Fransabank in Iraq, referenced the group's efforts to restore public confidence in Kurdistan's banking sector, explaining, "We are really new here. We are going to reach the personal market. It is our mission to educate people and have them put their trust in banks."

To build that trust, however, Fransabank will have to overcome a number of unique challenges in the local market. Outdated technology and a lack

of integration across the banking sector often mean that something as common as a credit card will not work at all points of sale or even at all banks. Though this continues to be a major impediment for both consumers and banks, Fransabank has been engaged in consultations with Iraq's federal government as Baghdad draws up tentative plans to create a national credit card network and a system to track credit history.

In the Kurdistan Region and Iraq in general, it can also be difficult for expats working for foreign firms to withdraw money from local ATMs. Fransabank's global banking network and its long history of partnerships with foreign banks mean that its ATMs in the Kurdistan Region have largely been able to avoid these issues.

One challenge beyond the control of the group is geopolitics. Nevertheless, the uncertainty and costs associated with Iraq's current political turmoil weigh heavily on the strategic outlook of Fransabank or any local banking institution. Local Fransabank management also pointed to liquidity crises caused by Baghdad's suspension of the Kurdistan Region's budget in the wake of political disputes as an impediment to the growth of the banking sector in Kurdistan.

Despite these hurdles, an interim agreement between the Iraqi government and the KRG in November that restored \$500 million in budget payments to the Kurdistan Region while establishing a more cooperative system for oil exports has sparked hopes that 2015 will bring renewed economic growth and further development of Kurdistan's banking sector. 



"We are really new here. We are going to reach the personal market. It is our mission to educate people and have them put their trust in banks."

*Khalil Zeidan
Country Manager - Iraq, Fransabank*



GLOBAL QUALITY CLOSER THAN EVER



The Professional Development Institute offers Iraq's only Masters in Business Administration Program. PDI also offers a unique Certification Program, allowing students to gain specialized knowledge in Project Management, Leadership and Finance. Our short-course training programs include strategic management, business planning and development, leadership, team building, customer service, accounting and IT and computer based skills. PDI also has an extensive English language program offering courses in ESL, IELTS/TOEFL Preparation, business presentation, legal and medical English.

Sulaimani – Kirkuk Main Road, Raparin, Sulaimani, Iraq

Tel: +964 (0) 771 014 0882

Email: pdi@auis.edu.iq

 [AUIS.Professional.Development.Institute](https://www.facebook.com/AUIS.Professional.Development.Institute) www.auis.edu.iq



AMERICAN UNIVERSITY OF IRAQ
SULAIMANI

36N

FACILITIES MANAGEMENT

Delivering Excellence

- PROPERTY MANAGEMENT
- FACILITY MANAGEMENT
- OPERATIONS MANAGEMENT
- TRAINING

36N specialises in the management and delivery of integrated facility services to clients throughout Iraq.

We manage assets and service contracts for the public and private sectors, across a diverse range of portfolios.



For inquiries
info@thirtysixn.com

Erbil
Naz City Road off 100 Meter Str.
Tel: +964 662 618 855

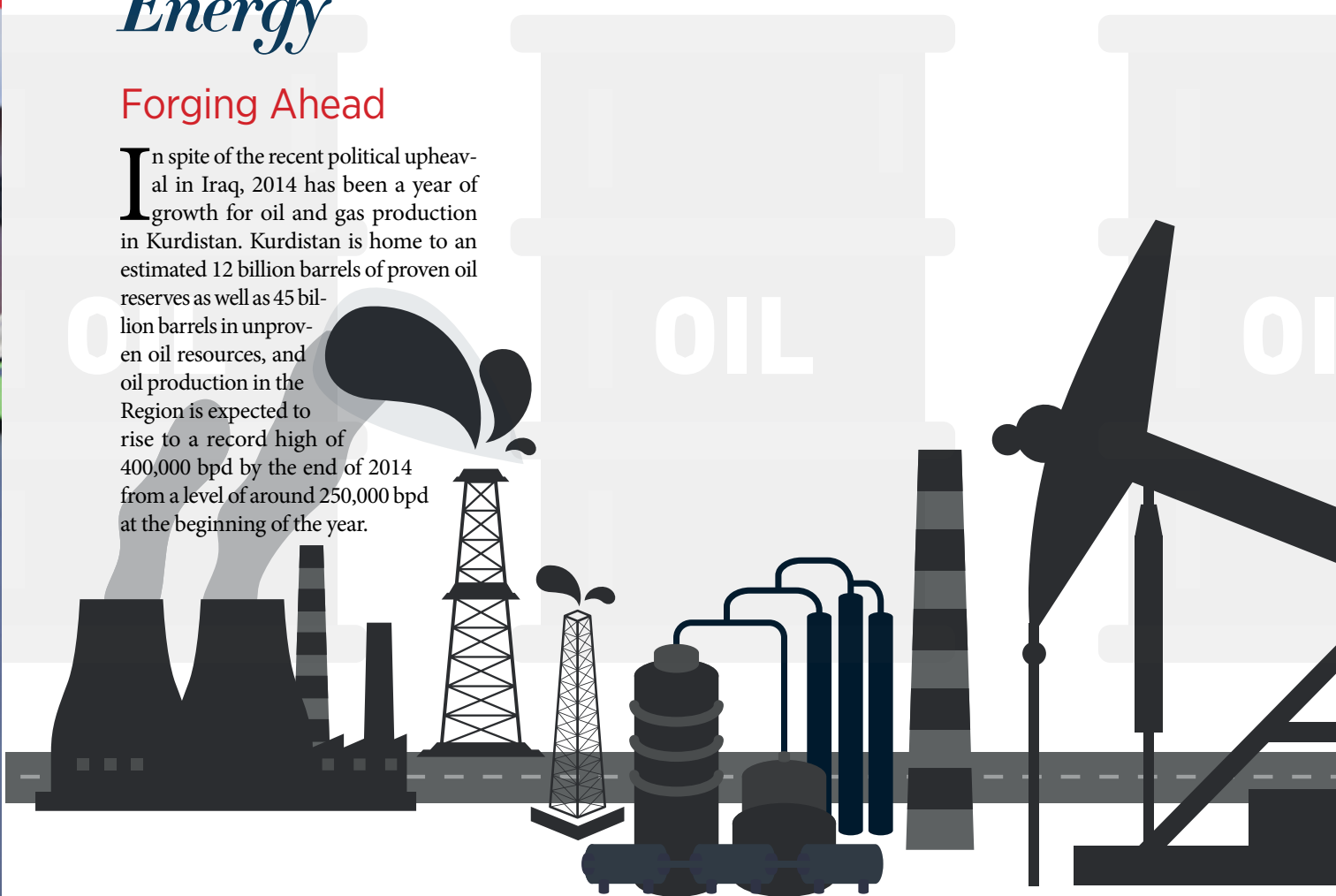
Basra
Office 3, Al Zahra Building
(next to Maxi Mall), Olympia Str.
Tel: +964 662 618 855

THE REVIEW

Energy

Forging Ahead

In spite of the recent political upheaval in Iraq, 2014 has been a year of growth for oil and gas production in Kurdistan. Kurdistan is home to an estimated 12 billion barrels of proven oil reserves as well as 45 billion barrels in unproven oil resources, and oil production in the Region is expected to rise to a record high of 400,000 bpd by the end of 2014 from a level of around 250,000 bpd at the beginning of the year.



Growing Exports

The KRG's Ministry of Natural Resources recently announced that the Region has exported 34.5 million barrels of oil since January. In total, \$2.87 billion-worth of oil has been sold to customers around the world. In addition to a recently completed pipeline that allows the Kurdistan Region to export oil independently through Turkey, the KRG plans to build a second, 1 million-bdp-capacity oil pipeline to transport heavy crude from Kurdistan's northern oil fields to international markets and raise oil exports from the Region to 2 million bpd. In the meantime, the KRG is targeting overall oil sales of 1 million bpd by the end of 2015.

Production Rebounds

An ISIS charge towards the borders of the Kurdistan Region at the beginning of August prompted the evacuation of staff by major international energy firms in the area, yet production levels have remained largely unaffected. Oil production during the height of the crisis at the beginning of August averaged around 360,000 bpd, down just 5,000 bpd from levels before the ISIS offensive against Kurdish forces. Genel Energy exceeded its 2014 production target of 200,000 bpd. The company has interests in the Region's two largest oilfields at Taq Taq and Tawke, with estimated gross proven and probable reserves of 1.3 billion barrels. Both fields operated as usual despite

the surge of ISIS forces in August, and the firm maintained combined production levels of nearly 250,000 bpd as of November. DNO has achieved production levels of 130,000 bpd at its Tawke operations and aims to increase production there to 200,000 bpd by the end of the year. Oryx's operations at Demir Dagh currently have a capacity of 5,000 bpd, with the company projecting capacity to rise to 20,000 bpd by the end of 2014 and reach 40,000 bpd in 2015. Operations continued at Gulf Keystone's Shaikan field, although the company evacuated its staff and increased security at the site. Gulf Keystone aims to increase oil production at its Shaikan operations to 40,000 bpd and eventually reach

Did you know

Total announced at the beginning of December that it had struck oil at its Jisik-1 well in the Harir Block. The well had a preliminary flow rate of 6,100 bpd and represents Totals' second oil discovery in the Harir Block.

production levels of 100,000 bpd once a field development plan has been agreed for the site with the KRG. Currently, production at Gulf Keystone's Shaikan operations is averaging around 23,000 bpd. Taqa, the state-owned oil exploration company from Abu Dhabi, saw its exploration operations at the Atrush site disrupted by ISIS activities, but the group maintains that the interruption of work will not affect its plans to begin oil production at the site in the area of 30,000 bpd at the beginning of 2015. Over the summer, Canada's WesternZagros formally declared a commercial discovery with KRG authorities for the Kurdamir block it operates jointly with Talisman Energy. WesternZagros estimates that

the Kurdamir field holds around 1 billion barrels of contingent oil resources and nearly 1.6 billion barrels of prospective oil resources. WesternZagros also operates in the Garmian block, where its Sarqala well is expected to produce up to 10,000 bpd of oil through the second half of 2014. Pending KRG approval of its field development plan for the Garmian block, WesternZagros aims to raise oil production at the site to 35,000 bpd. Russia's Gazprom Neft has begun exploratory drilling at the Shakal block and commenced geological surveys at the Halabja block. The company is also set to become the main operator of a project in the Garmian block in 2015.

Natural Gas

The Kurdistan Region possesses approximately 708 billion cubic meters of proven gas reserves, and an estimated 2.8-5.6 trillion cubic meters of unproven gas resources. At the end of 2013 the Turkish government and the KRG signed the KRG-Turkey Gas Sales Agreement, which included plans for the construction of a pipeline to export natural gas from the Kurdistan Region to Turkey. The Agreement foresees an initial export of 4 billion cubic meters in 2017 and envisions gas exports eventually climbing to 10 billion cubic meters per year by 2020. Turkey, which used nearly 40 billion cubic meters of gas in 2013, is set to become one of Europe's top three consumers of energy in the next decade, and the Agreement holds out the option of increasing export capacity to 20 billion cubic meters per year in the future.

Genel Energy announced in November that it had purchased the entirety of Austrian energy firm OMV's

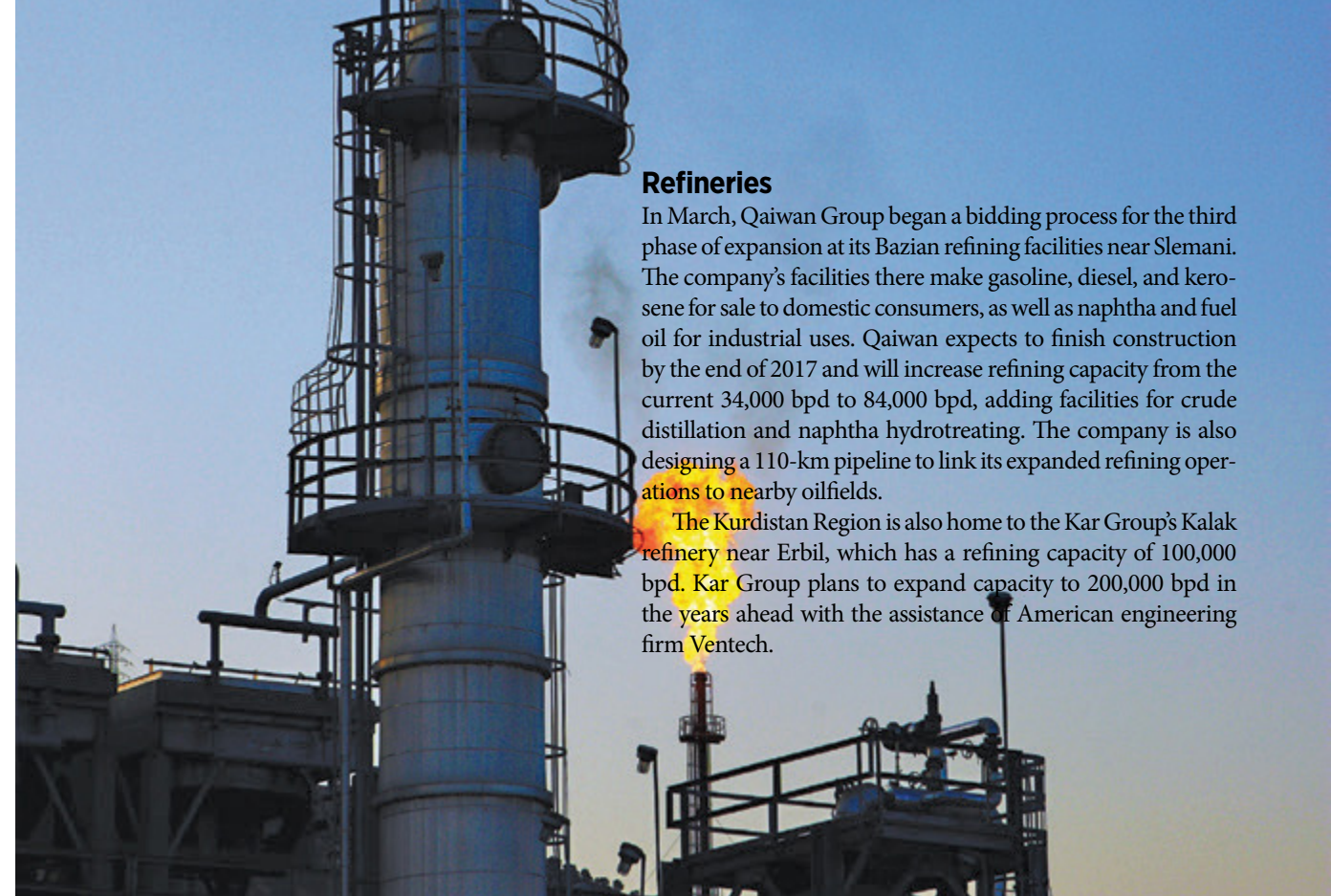
36% stake in the Bina Bawi gas field at a cost of \$150 million. This agreement gives Genel sole ownership of the Bina Bawi field, in addition to the Miran gas field it also controls. Genel further announced the conclusion of a combined production sharing agreement with the KRG for the Bina Bawi and Miran fields that promises to bolster revenues and decrease risks associated with operations. The large gas reserves at the two fields will likely be crucial to the KRG's efforts to meet export goals under the KRG-Turkey Gas Sales Agreement. The Bina Bawi and Miran fields hold an estimated 238 billion cubic meters of combined natural gas reserves and have the potential to export up to 20 billion cubic meters of gas to Turkey per year over the next two decades.

Genel is also in discussions with the KRG to arrive at a Gas Sales Offtake Agreement for its Miran field and has been exploring supplying gas to the Kurdish market. The company recently joined

Under a new budget deal, the KRG will supply 550,000 bpd of oil for sale by Baghdad authorities. This will include 250,000 bpd of Kurdish crude, in addition to 300,000 bpd from oilfields in the Kirkuk area, and revenues will be split between the KRG and the federal government.

with DNO to enter into a groundbreaking Gas Sales and Purchase Agreement with the KRG. Under the agreement, Genel and DNO have been supplying an average of 1.7 million cubic meters of natural gas per day to the Duhok power station from the Summail field they operate jointly nearby. Joint production for the companies' Summail operations in the Duhok license area averaged 2.35 million cubic meters per day through the summer of 2014.

Pearl Petroleum, a consortium formed by Dana Gas and Crescent Petroleum of the UAE, has seen combined production levels at its Khor Mor and Chamchamal fields attain an average of 9.5 million cubic meters per day and continues to deliver gas via pipeline to power stations in the Slemani area, supplying nearly 4 million residents of the Kurdistan Region with electricity.



Refineries

In March, Qaiwan Group began a bidding process for the third phase of expansion at its Bazian refining facilities near Slemani. The company's facilities there make gasoline, diesel, and kerosene for sale to domestic consumers, as well as naphtha and fuel oil for industrial uses. Qaiwan expects to finish construction by the end of 2017 and will increase refining capacity from the current 34,000 bpd to 84,000 bpd, adding facilities for crude distillation and naphtha hydrotreating. The company is also designing a 110-km pipeline to link its expanded refining operations to nearby oilfields.

The Kurdistan Region is also home to the Kar Group's Kalak refinery near Erbil, which has a refining capacity of 100,000 bpd. Kar Group plans to expand capacity to 200,000 bpd in the years ahead with the assistance of American engineering firm Ventech.

Electricity

Demand for electricity in the Kurdistan Region has increased from 925 megawatts in 2004 to nearly 3,500 megawatts in 2013. The KRG Ministry of Electricity predicts demand for electricity to grow fifteen percent annually over the next three years, noting that it has grown by this amount for the previous three-year period. The KRG plans to fully meet the demand for electricity in Kurdistan by 2016 through the expansion of electricity generating capacity to 6,000 megawatts, and officials look to begin exporting electricity to other areas of Iraq and other countries once local needs are fulfilled. The Kurdistan Region already exports electricity to the neighboring Iraqi provinces of DIALA, Kirkuk, and Mosul.

Electricity generating capacity in the Kurdistan Region has grown by leaps and bounds in recent years. While residents of the Kurdistan Region could only make use of 2 hours of electricity per day in 2007, power supply has now reached an average of 23 hours per day. Generating capacity has been expanded from 482 megawatts in 2007 to around 3,000 megawatts today, made possible by the KRG's decision to involve the private

sector in power production in a bid to overcome the chronic energy shortages that had previously plagued the Region. The KRG earmarked \$440 million in its 2013 budget for 112 projects with a combined value of nearly \$1.5 billion in support of its plans to expand the Region's electricity generating capacity by another 3,000 megawatts. This type of investment appears to be paying off—the Region, which experienced fifteen blackouts in just one month in 2009, has not experienced a power cut since March 2010.

The Kurdistan Region's power generation capacity is primarily managed by the private sector, which provides the bulk of Kurdistan's electricity generating infrastructure. The electric power industry relies largely on gas-fired power stations that are supplied from fields at Khor Mor and Khurmala, among others. This network of local gas power stations includes sites at Baadre, Chamchamal, Duhok, and Erbil. The KRG has indicated its preference for gas-fired plants due to their efficiency, ease of construction, and scalability.

The KRG plans to fully meet the demand for electricity in Kurdistan by 2016 through the expansion of electricity generating capacity to 6,000 megawatts, and officials look to begin exporting electricity to other areas of Iraq and other countries once local needs are fulfilled.

Since 2003, the private sector has invested around \$5 billion in electricity generation in Kurdistan. One major private player, Mass Group, operates 1,000-megawatt gas power stations in Erbil, Slemani, and Dohuk. Mass Group has enlisted Turkish construction firm Enka to increase capacity at its Erbil power plant, Kurdistan's largest, to 1,500 megawatts by early 2015. To do so, it will convert the Erbil Gas Power Station from simple-cycle to combined-cycle gas turbine technology.

The revamped plant will meet nearly 25% of the Kurdistan Region's energy needs. Similar conversions began at the Slemani and Dohuk Gas Power Stations in 2013 and will soon increase capacity at each plant to 1,500 megawatts as well.


In 2012, the KRG signed an agreement with Korean engineering firm Posco for the construction of a 300-megawatt steam-powered electricity generating facility near Erbil, the first government-controlled plant in the Kurdistan Region.

Distribution

While the private sector handles electricity generation in the Kurdistan Region, the KRG controls electricity distribution and monitors energy consumption among the regional populace. The KRG's Ministry of Electricity provides technical and logistical support to companies that generate the Region's electricity, and producers underline the importance of the KRG's efforts to provide security both generally and for specific projects. The KRG has already spent \$1 billion on electricity transmission projects and will actively seek out private investors in the future if public funds cannot meet regional needs for electricity distribution. At present, all of the Kurdistan Region's cities and districts, as well as most villages, are connected to a national power supply network.

Perhaps the most visible piece of energy transport infrastructure in the Kurdistan Region this year has been the newly operational oil export pipeline to Fishkhabour on the Turkish border. The pipeline's capacity has now reached 300,000 bpd and will likely rise to 700,000 bpd in the near future.

Renewables

Installed capacity for renewable energy sources in the Kurdistan Region remains quite limited. KRG officials confirm that renewable energy plays a minor role in meeting the Kurdistan Region's power needs at the moment, but they point to the important role alternative sources of energy play in their strategic energy outlook. The Region's two hydroelectric power plants at Darbandikhan and Dukan provide 300 megawatts of electricity at peak capacity, and the KRG is currently carrying out a feasibility study for wind power. Private sector solar projects have so far been limited to a relatively small scale of around 50 megawatts. While the KRG does not believe that renewables are practical for meeting the entirety of the Region's energy needs, Kurdish leadership does emphasize a growing role for renewable energy in a holistic strategy to meet their ambitious electricity generation goals. 

ANALYSIS Kurdistan Energy Update



Shwan Zulal —
Director, Carduchi Consulting

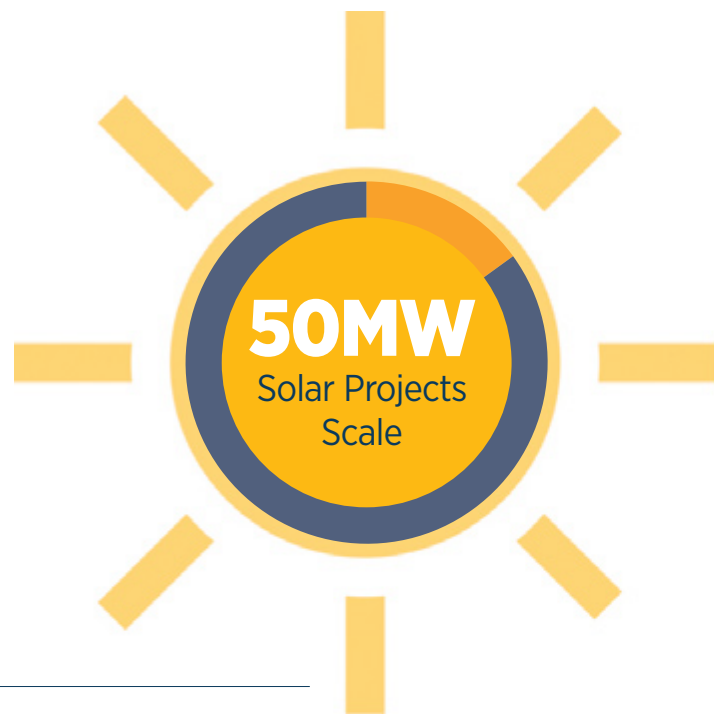
promise to increase further in the coming year. When Baghdad cut the budget, there was little more the central government could do to force Erbil into an unfavorable deal on oil rights. Freezing the KRG's budget was considered a red line. Baghdad crossed this line hoping to coerce Kurdistan into a settlement. Nearly a year on, however, it has become clear that Maliki's strategy backfired and only emboldened the Kurdistan Region to become more self-reliant. Although many Kurds had been skeptical about the KRG's approach, Baghdad's efforts to deprive civil servants of their salaries and its lack of support in the war against ISIL caused the majority of Kurdish public opinion to shift in support of the KRG's stance on budgetary issues and control over oil exports.

Baghdad's threats of legal action did not make Kurdistan's journey as an oil exporter easy. The sale of Kurdish oil on international markets became challenging as buyers shied away in the face of Baghdad's promises of legal retaliation. One of the first tankers to export Kurdish oil, for example, was denied access to a Moroccan port and remained offshore for months. The United Kalavryta, another tanker carrying Kurdish crude oil, anchored off the US coast near Galveston, Texas for months awaiting a legal ruling by a US court that could stave off future legal actions from Baghdad.

Managing government finances became a challenge when the budget was cut, and—on top of that—the influx of refugees, fighting a war on ISIL, and sending troops to Syria to defend Kobane stretched the budget even further.

Although the Kurdistan Region still lacks true economic independence, its ability to sell crude oil to international customers made the liquidity crisis resulting from Baghdad's punitive budgetary measures less severe, despite the negative impact that low world oil prices have had on oil revenues. The KRG was able to pay the salaries of civil servants, although not on time. Public sector jobs dried up and many government-backed projects were put on hold. The KRG was eventually forced to consider borrowing \$5 billion–\$25 billion to fund infrastructure projects.

The tide turned, however, and the KRG began shipping more oil than ever before. Now, with a long-term oil export deal between the KRG and Baghdad in place, sales of crude to the Far East are accelerating, and the KRG is hoping to get a foothold in the US market. The level of growth that the Kurdistan Region enjoyed over the past decade may not return for some time, but the oil and gas sectors have remained largely unaffected. Over the past two years, some oil companies in Kurdistan were reluctant to invest in the development of their oil fields because there was little prospect of export as disputes with Baghdad rumbled on. The rate of oil exports through Turkey is now steadily increasing, though, and the KRG has made an initial payment of \$75 million to fulfill its contractual obligations to companies in the oil and gas sector. International oil companies are now making new plans to develop their fields, and, according to the Ministry of Natural Resources, Kurdistan could be exporting 1 million bpd by early 2016. 



1,700 MW by 2016

Power generation
by the private sector

\$1 billion

Budget for ongoing projects
relating to the transmission sector

Power generation investment

\$7 billion

by 2016

International Standards, Local Roots



Colin Gaskin —
Executive Director, 36N

Colin Gaskin speaks with IIG about 36N's efforts to bring international standards to the facilities and property management sectors in Kurdistan and explains why the company is committed to the regional economy in the face of recent geopolitical turmoil.

About

Colin Gaskin served fifteen years as a Royal Electrical and Mechanical Engineer in the British Army before gravitating towards health, safety, and compliance work for the oil industry across Iraq and East Africa. Colin joined 36N as the Executive Director in August 2014 and aims to apply years of experience in business development, compliance, and customer service in the firm's work with clients.

IIG: What are the main benefits for companies working with 36N? What services does 36N offer that set it apart from other companies in Kurdistan and/or Iraq?

CG: We are looking to attract companies that require facilities, property, and operations management as well as training. We have training to IOSH (Institution of Occupational Safety and Health) and NEBOSH (National Examination Board in Occupational Safety and Health) standards. We have our own training department that is locally based, and we will be able to provide companies with quality-assured courses that are particular to their needs and the markets in which they work. In property management, we are currently providing facilities support and management for several international oil companies. We assist them with their building management, supported by our 24-hour call service center.

We are looking to provide the companies with reassurance. The services we provide are achievable, qualified, and accredited according to international standards. We are a company that is based in the Kurdistan Region, but we want people to know that we have the international standards of service they are looking for at an affordable and competitive price.

IIG: Which companies have you targeted in the Kurdistan Region?

CG: 36N has been operating for two years. It already has substantial contracts with IOCs, and we are looking to develop that. The mainstay is oil and gas in this area, but there are a lot of companies that want to emerge in Erbil with commercial businesses, residential properties, and the like. We are looking to provide a plethora of services for all four groups in the

area— oil and gas, property, residential, and industrial. We are looking to target everything and give people the choice of our quality services.

IIG: Why should companies in the oil and gas or real estate sectors that are doing facilities and property management or training in-house work with 36N?

CG: We have been looking at the markets and researching what companies are currently doing with training and in-house systems. We believe that we can add value to their companies by saving them money and improving their systems. We have already had instances of companies having to send their personnel out of the country to do health and safety courses when there is no need. We are a perfectly reputable company with a brand-new, state-of-the-art training facility here in Erbil. We have the trained and qualified instructors to achieve their goals. We are going to hopefully provide the same services to these companies but save them having to do it outside of the country. It saves them time, it means that they can recruit people locally instead of having to rely on personnel that may be qualified overseas, and it provides more employment for the local community.

IIG: How does 36N maintain its international standards in terms of the services that it provides?

CG: Thankfully one of my fortes is compliance management. I have worked with various companies over the years in the oilfields and the maritime industry that have very high compliance standards. This is an area that I like to maintain in our company so there is a compliance manager in charge of all their needs, giving the customer that reassurance of quality services.

“In property management, we are currently providing facilities support and management for several international oil companies. We assist them with their building management, supported by our 24-hour call service center.”

IIG: Can you tell us a little about the training side of things?

CG: While we operate according to international standards, one of the good things about our company is the fact that we are a local company. That means we can rely on good sourcing of subcontractors and partners for ventures. We can also rely on the training that we give to bring those companies in line with our standards to achieve the overall service that we want to provide to clients. We have technical training and health and safety training. We are accredited and licensed to provide training by the Institute of Occupational Safety and Health (IOSH). We are also accredited by the British Institute of Facilities Management. These accreditations are not easy to obtain, but they are well worth the investment on our part to show everybody that we mean to do business to correct and achievable standards in Erbil and Iraq.

IIG: What are the 36N's plans for the Region?

CG: We are most definitely looking to expand our operations. The current geopolitical situation external to Erbil is very difficult for everybody at the moment, but we are looking at it as positively as we can. This gives me in particular the opportunity to enhance our profile in the leaner, more difficult times, which we do not see as being forever. We are here, we are open, and our clients are here. We have maintained services for our clients throughout the situation, and we will continue to do so. We are seeing distinct improvements in business as more people are coming back to the Region. We continue to see it

grow, and we will grow with it. For that to happen, we do have designs on satellite offices other than Basra and our main headquarters here. Slemani, Duhok, and, of course, Baghdad are all areas of interest to us.

IIG: Do you work with locals or do you bring in foreign staff?

CG: We are primarily a Kurdish-Iraqi company. We are very proud of that connection. Although I am a British citizen, the partners and I have over fifty years of experience living and working in Kurdistan, Iraq, and the wider region. We want to maintain that strong link. We want to employ a high percentage of Kurdish-Iraqi people. Yes, there are times where we need to look outside the Region to employ people for certain specialized tasks in line with client requirements, but we will always look to the local community first.

IIG: As someone who also works in the southern part of the country, how would you define the opportunities in the market here?

CG: Business develops in a free-flowing manner here for all that are registered and apply the rules of the KRG. Erbil and Basra are obviously very different in their geopolitical makeup, but we have the ability to operate in both parts of the country. We have an office in Basra and we have an office here that is our main headquarters, but we are looking to open up satellite offices throughout the KRG. This is a clear indication of how we see the opportunities developing here to give first-class integrated facilities management services to the wider region. 

ANALYSIS

Registering an Oil Services Company in the Kurdistan Region of Iraq

Alain Hannouche —
*Head of Erbil Office,
 Hannouche Associates*

Foreign oil services companies looking to establish a presence in the Kurdistan Region of Iraq are subject to the special directives and requirements of the Ministry of Natural Resources (MNR) in Erbil, most of which involve mandatory prerequisite approvals for the completion of the registration process for operations in Kurdistan.

The details of these conditions and the practical constraints posed by their application need to be fully understood and taken into account when planning the legal structure of any company's presence in the Kurdistan Region. This is especially true with respect to the differences between requirements to register a branch of a foreign oil services company and the incorporation of a local entity.

Applicable Laws:

The Republic of Iraq is divided into two legal jurisdictions— that of the Iraqi federal government and the separate jurisdiction of the Kurdistan Region of Iraq. This means that each company needs to be registered separately in each of the two regions. Furthermore, the Kurdish Parliament holds the power to ratify, amend, or reject laws enacted by the Iraqi Parliament in certain areas

of constitutionally designated authority. The laws pertinent to the registration of oil services companies are the “Iraqi Civil Law No. (40) of 1951,” “Companies Law No. (21) of 1997,” and “Foreign Branches and Representative Offices Regulation No. (5) of 1989,” all of which have been enacted by the Iraqi Parliament and ratified without amendment by the Kurdish Parliament. In addition, the Ministry of Natural Resources in Erbil regulates the registration process through the directives it issues. This array of laws and the powers reserved for Kurdish authorities mean that the legal framework discussed in this guide will apply primarily in the Kurdistan Region and differ greatly from the conditions and requirements imposed in the rest of Iraq, even though processes in both areas are based upon the same laws and regulations.

Registering a Branch of a Foreign Oil Services Company:

Nearly all foreign entities have the ability to open a branch in the Kurdistan Region, though legal procedures differ based on their field of activity. As a prerequisite, oil services companies need to be registered on the vendors' list at the Ministry of Natural Resources in Erbil. This registration can be initiated electronically and followed through with the Ministry in order to obtain a registration number. For

the time being the Ministry is not issuing registration certificates, so a number issued by the MNR is a company's only reference and proof of registration in the Kurdistan Region.

At the same time the registration process is initiated or shortly thereafter, firms must file an application accompanied by all required supporting documents from their parent company with the Companies' Registrar at the Ministry of Trade and Industry in order to open a branch. The Companies' Registrar will transfer the application to the Ministry of Natural Resources for preapproval of the branch opening, which will be suspended until the vendors' list registration is completed. After preapproval is granted, a company's application to open a branch is transferred back to the Companies' Registrar, where the parent company's application documents are examined in order to move forward with the standard branch opening process and complete the registration.

An oil services company's decision to open a branch in the Kurdistan Region, rather than incorporating a new local company, offers the advantage of a quick, straightforward process for establishing a legal presence in the country. In many cases, this proves to be the decisive factor for companies that opt for the branch solution, despite the financial and legal risks such a setup poses for the parent company.

Incorporating a Local Oil Services Company:


The most common legal entity in Iraq is the Limited Liability Company (LLC). Joint Stock Companies in particular need special approval from the Council of Ministers in order to be established and are generally chosen only when required by law, when other common legal forms of entities are still not available.

Much like the branch opening process, a registration application must be filed with the Companies' Registrar at the Ministry of Trade and Industry. It should be noted that a local LLC can be wholly-owned by a foreign parent company or by foreign individuals.

After the application's submission and its transfer to the Ministry of Natural Resources, proceedings start to differ considerably from those under the branch opening process. Unlike branches of foreign companies, local LLCs are required to insure a contract or a subcontract with a registered, currently operating oil

company in order to get the mandatory preapproval of the Ministry of Natural Resources for the completion of their registration process.

After a company is incorporated, it can begin the process of obtaining a registration on the vendors' list at the Ministry of Natural Resources. The Ministry has made vendors' list registration a strict prerequisite for all oil companies and their suppliers in the Kurdistan Region, and it forbids companies currently operating in the oil and gas sector from dealing with any supplier whatsoever that is not included on the list.

Companies that opt for a local LLC frequently do so because of the legal and financial protection this route provides for the parent company, but often have to look for practical ways to overcome the obstacles associated with incorporation requirements and prerequisites. 

An oil services company's decision to open a branch in the Kurdistan Region, rather than incorporating a new local company, offers the advantage of a quick, straightforward process for establishing a legal presence in the country.

The Comment

The great promise of Kurdistan's oil sector has placed it on the radar of most oil and gas companies operating in the Middle East, but planning that ignores the Region's unique legal structure can quickly lead to detrimental consequences. It is therefore beneficial for any company looking to enter the Iraqi oil services market to fully understand the practical implications of the conditions imposed by Iraqi law and the Ministry of Natural Resources described above.

JOUHAYNA
جهينة

Hotel & Offices



The Art of Hospitality

Iraq's first luxury boutique hotel dedicated to business travelers, Jouhayna, defines the ultimate in efficient and tailor-made services in superb surroundings. By staying at a boutique hotel, you experience an individuality of style, design, and service.

100 M. Street, Int'l Airport Road
Erbil, Kurdistan, Iraq
+964 750 7120777

info@jouhaynahotel.com | www.jouhaynahotel.com

THE REVIEW

Transport



Planning to Expand

Since the Kurdistan Region is landlocked with no extant rail services, its road and air transportation networks are fundamentally important in efforts to facilitate economic development. Moreover, with trade between the Kurdistan Region and Turkey, Iran, and the rest of Iraq rising exponentially year-on-year, the local transportation network will continue to play a critical role in sustaining growth.

As such, a primary task facing the KRG is the modernization, refurbishment, and expansion of the current road system to ensure the timely delivery of goods and services. The expanded passenger and freight services on offer from the Region's two airports have also helped

to further enhance Kurdistan's already sterling reputation as both a viable and vital hub for international transportation. Moreover, with the proposed development of international rail systems, localized tram networks, and modern public transport, the sector remains a potential bright spot in the burgeoning marketplace of the Kurdistan Region.

At present, there are a total of 14,841 kilometers of roads in operation in the Kurdistan Region. The KRG Ministry of Planning (MOP) has evidently recognized the economic importance of an efficient and modern road network, and has targeted an increase in total available roads to 45,000 kilometers, as well as the construction of new bridges and

tunnels. The ongoing construction along the route connecting Erbil and the Haji Omaran border crossing serves as a good example of this emphasis. This work will expand the critical road into a dual carriageway, and will utilize both tunnels and bridges to dramatically reduce driving time between the capital city and a critical cross-border point. Similarly, the MOP has prioritized the construction of three highways to connect the cities of Duhok, Erbil, and Slemani with each other, and with the neighboring countries of the Region. The completion of these projects in a timely and efficient manner will require an outlay of approximately \$1.1 billion.



THE ROAD SYSTEM IN THE KURDISTAN REGION

Slemani	Erbil	Duhok
5,673 km	5,391 km	3,777 km

Private Transportation

The rapid development of the economy has helped facilitate a booming personal transportation market. There were 200-500 vehicles utilizing major roads in 2003; today, the number for those same roads now exceeds 8,000. It is expected that figures will increase in the coming years. Indeed, global brands such as Ford, Toyota, and Hyundai have all established significant footprints in the Region, as have luxury names like Land Rover, Mercedes, Jaguar, and BMW. Luxury vehicle sales figures are reported to have grown by over 250%, indicating the demand for quality and reliability remains consistent.

Public Transportation

The availability of public transportation within the Kurdistan Region is inadequate. Therefore, taxis and privately owned/operated mini-buses are the most common forms of public transportation within Kurdistan.

The combination of increased traffic, limited route options, and a lack of safety regulations have led to a dramatic rise in the number of traffic accidents. Most notably, a report by the Association for Safe International Road Travel (ASIRT) indicated that there were approximately 19.66 traffic-related fatalities per 100,000

Border Crossings

Kurdistan borders Syria to the west, and has historically had one available border crossing station located at the tri-border area between Turkey, Syria, and the Kurdistan Region. This location, also known as the Fishkhabour Border Crossing, has been dramatically impacted by the instability in Syria and operates only infrequently, if at all. By contrast, the Ibrahim Khalil station (which connects Turkey and the Kurdistan Region) is perhaps the most highly trafficked point in the entire region. The location serves as the only official crossing point between the Region and its northern neighbor. As

people in the Kurdistan Region, a figure far higher than the US (11.0) or the UK (3.8).

In an effort to alleviate some of this strain, the KRG Ministry of Transportation has begun the planning process for the implementation of a modern bus system, which will utilize high-speed metro buses to expedite frequently blocked traffic flows.

To further combat the lack of public transportation options, the Ministry began the process for constructing tramway systems in the Region's largest cities in early 2011. The design for the Erbil

such, wait times at Ibrahim Khalil can range from 2-3 days for trucks entering the Kurdistan Region and 6-7 days for those exiting into Turkey. There are four official border-crossing locations between the Kurdistan Region and Iran: Haji Omeran connects to Piranshahr in Iran, Penjwin connects to Bashmak, Parviz-Khan connects to Qasr-e Shirin, and Qaladiza connects to Sardasht. All four checkpoints operate regularly, and allow for the sustained movement of goods and people between the Kurdistan Region and Iran.

network was completed in 2012, and designs for the Slemani and Duhok systems were finalized at the end of 2013. In addition, all necessary feasibility studies have been completed, meaning the projects can now advance to the budget allocation and formal bidding stages. The details of the individual plans indicate that the three networks will have a combined length of more than 150 kilometers and will require at least \$4 billion in financing.



KRG Deputy Prime Minister Qubad Talabani inaugurated the Cargo Village at Slemani International Airport

Strategic Significance of Air Travel

The role that the airports of Kurdistan have played and will continue to play in the economic development of the Region cannot be overstated. The geographic location of the Kurdistan Region makes it an ideal transportation hub and a gateway into both greater Iraq and the Middle East in general. As such, Erbil International Airport (EIA) and Slemani International Airport (SIA) continue to see both passenger numbers and cargo volume rates increase at a consistent pace.

In 2013, approximately 1.2 million total passengers utilized EIA (a 26% increase from 2012), and 38,572 tons of total cargo passed through the facility (a 40.4% increase from 2012). The airport currently connects the Region with 30 different cities in 18 countries. Not surprisingly, 90.3% of all arrivals and departures at EIA were international. The most frequent destinations for flights from EIA were Turkey (27.5% of all flights), the UAE (16.8%), and Jordan (8.5%). In recognition of its rising passenger numbers and high standards of customer service, the Emerging Markets Airport Show in Abu Dhabi has voted EIA the best emerging market airport with less than five million passengers per annum in Africa, the Middle East, or Asia for two years in a row.

While EIA itself has done much to achieve its strong reputation, the individual services offered at the facility have also helped develop transportation in the Kurdistan Region as a whole. Dnata, one of the world's largest air services providers, has been active on the ground at the airport since March 2010 and has helped develop a wide range of services and operations that includes customer, baggage, and ramp services, cargo handling, and ground support equipment maintenance. Another firm, Macair Flight Support, functions as the exclusive private flight support provider at EIA. The company specializes in aviation services and handling, and it was the first fixed-base operation of its kind in the Kurdistan Region. Macair provides a wide range of services, including handling operations, cleaning, detailing, security, and fueling for aircraft, as well as baggage handling, catering, hanger space, and aircraft management.

SIA has grown at similar pace, albeit on a smaller scale. Over the course of 2013, the airport welcomed over 300,000 total passengers for the first time in its history. The airport connects the Kurdistan Region to 15 airports in 12 countries and is served by 11 different airlines. Slemani

Cargo Village was also inaugurated at SIA in November 2014. At the moment, AzmarAir is building Iraq's first specialized cargo airport at SIA. The airport is planned to be the biggest one in Iraq and will take a minimum of four years to finish.

Construction at Duhok International Airport (DIA) is ongoing, with a targeted completion date in 2017. Located 25 kilometers to the west of the city of Duhok, the facility will be composed of one, 3,850-meter-long runway, in addition to multiple taxiways. Airport officials have set highly ambitious targets for DIA's inaugural year, including 328,000 passengers, 8,700 tons of cargo, and 3,540 aircraft movements. Those numbers are expected to rise dramatically over an initial 20-year evaluation period, with goals of over 1 million passengers, 43,000 tons of cargo, and 9,840 aircraft movements annually by 2035.

The international airport in Duhok, an updated cargo facility at SIA, and the already strong shipping business at EIA hold the possibility of making the Kurdistan Region a cargo hub for the Middle East and perhaps the broader international market in the long term. ④

HELP HAS NO BOUNDARIES FOR RWANGA FOUNDATION



Sofia Barbarani —

An international charity foundation in Kurdistan made headlines around the world in August for being the first organization to deliver humanitarian aid to tens of thousands of Yazidis trapped on Mount Sinjar. Rwanga Foundation delivered non-perishable foods, water, and non-food items to the desperate families.

Taban Shores, Director of Public Relations and Media, is a genocide survivor who was on the dangerous helicopter ride to deliver aid. She described the mountain conditions as dire, adding, "the large dry terrain was exposed to the fifty

degree sun." Taban witnessed the extent of the humanitarian catastrophe that was taking place and described the moment when people scrambled on the helicopter as "heart breaking."

Rwanga "aims to protect vulnerable people and provide opportunities to those that need it most, and those people trapped on Mount Sinjar needed our help," explains Shores, a British Kurd who recently relocated to Kurdistan.

Following this crucial delivery, they have continued to provide aid to displaced people and are tackling head-on the huge humanitarian crisis that has taken the Kurdistan Region by storm. The

internally displaced people have now reached an estimated 1.8 million, with 1.6 residing in Kurdistan.

Born out of the wish to assist the most vulnerable nationally and internationally, the members of Rwanga have made it their aim to "confer a better life and a better future to those who are in extreme need." This year alone, Rwanga Foundation has helped over 350,000 people.

Rwanga Foundation is the trusted partner for many international organizations and countries looking to help in the region. Recently, Germany and the Netherlands donated 50 tons of food to be delivered to displaced people.



But as winter approaches and the temperatures plummet, Rwanga Foundation is looking for more partners to coordinate with and maximize help. Winterization items like blankets and heaters are a top priority in a bitter winter that often sees snow, rain, and freezing temperatures. Donations are a key part of the collective efforts to provide much-needed items that will see the displaced families through the winter. Donations can be made through their website or by contacting Rwanga directly.

Rwanga Foundation is also in the process of building a camp with 3,000 pre-fabricated units in Duhok Governorate that will house 24,000 individuals affected by the ongoing conflict. Many displaced people are still without shelter and more camps are needed in the region.

While the immediate focus has turned to helping internally displaced people through the cold winter months, Rwanga's other area of interest is education, with a strong belief in the need to integrate young men and women into their communities and provide opportunities to ensure all have access to education.


Many schools in Kurdistan are



occupied by displaced people, meaning many students are out of school. Rwanga is dedicated to helping to "build a stronger and better youth" by renovating 167 schools and aiming to build new ones from scratch. The lack of schools for both local and displaced children has been a huge source of concern for aid organizations and the Kurdistan Government.

The importance of education is engrained in all Rwanga members. In a bid to fully engage with the issues supported by the foundation, Taban is raising funds to build schools in Kurdistan's

Duhok Governorate. The initiative stems from Rwanga's firm belief in the need for education, particularly in conflict zones.

Shelter and access to education is crucial to relieve the humanitarian crises that Kurdistan is facing. Rwanga Foundation is tirelessly and passionately doing their part to help. More can be done with the help of donations and partnerships, through providing funds, services, or sharing knowledge. This is your unique opportunity to make a difference- contact Rwanga Foundation and find out how you can help. 

Your kind donations will help those in need

#HelpKurdistansDisplaced

RWANGA FOUNDATION



Donate here
www.rwanga.org/donate

Training Kurdistan's Future Leaders



Dr. Honar Issa —
Member of the Board of Trustees
American University Duhok Kurdistan
(AUDK)

Dr. Honar Issa provides IIG with exclusive insight into AUDK's mission, the university's expanding education strategy, and its contribution to the creation of the next generation of leadership in the Kurdistan Region.

About

Dr. Honar Issa is a member of the Board of Trustees at AUDK and has been a scholar in the academic environment for more than thirteen years. He has taught various subjects at Nottingham Trent University in the UK and acted as Interim Dean of the Faculty of Engineering at Soran University in the Kurdistan Region, in addition to publishing a number of articles in international journals. Dr. Issa is an associate professor in structural engineering.

IIG: What is the core mission of AUDK?

HI: AUDK pursues a long-term strategy to fulfill its mission through engaging competent faculty members as well as bright scholars to enhance the quality of education in the Region. AUDK aims to create a peaceful environment where students and the academic community enjoy a sense of freedom in gaining knowledge for the betterment of society. By establishing research centers, AUDK endeavors to have a role in every aspect of people's lives and help build a healthy and dynamic community. AUDK provides students with a profoundly transformative experience—intellectually, socially, and personally—that will prepare them for a life of service and leadership.

IIG: What educational programs will AUDK offer?

HI: AUDK offers undergraduate courses and programs in the areas of Politics and Public Policy, Design and Media Studies, Management and Finance, and Computer Science. The master programs will follow as soon as the required tools are ready. On top of those programs, we have established the English Language Institute (AUDK-ELI) and the Center for Displacement and Migration (AUDK-CDM), which are currently performing in an extraordinary manner. Having American English teachers, AUDK-ELI offers top-level curricula for teaching English at various levels and is open to anyone who desires to learn English, no matter if she/he is a student or an employee. AUDK-CDM is very active in helping internally displaced persons (IDPs) and refugees as well as the government to set up roadmaps to

manage and tackle crises. What distinguishes AUDK from its counterparts is that it offers state-of-the-art majors that are not delivered at any other institution of higher education in the Region. Every program is organized around development, with a clear focus on the process of implementation.

IIG: How do you see the university expanding in the medium term?

HI: AUDK aims to become a leading institution in the Region that, as a center of excellence, will conduct research in various disciplines. It endeavors to introduce research into the community

“AUDK offers undergraduate courses and programs in the areas of Politics and Public Policy, Design and Media Studies, Management and Finance, and Computer Science.”

we live in and get people accustomed to the idea that research should not only be conducted for the sake of research, but to promote and develop the quality of life of a society. We plan to establish various centers that will offer activities required to enhance the quality of education and, in return, the quality of life and wellbeing of the people in the Region. We



AUDK held opening ceremonies on December 01, 2014 to announce the first day of student registration for the 2014-2015 academic year.



also plan to establish departments and schools encompassing diverse disciplines that will respond to the demands of the market. Career-oriented programs will include the College of Engineering, the College of Medicine, and numerous other centers. AUDK will also pursue accreditation for its programs.


IIG: Will it be a challenge to attract international academic talent to Kurdistan?

HI: Despite the current situation on the ground, being a member of faculty at AUDK is appealing. The number of international applicants for administrative, faculty, and staff positions is rapidly increasing. Most candidates have excellent academic records in reputable

universities around the globe. All those recruited at AUDK are either Americans or other expats who have rich experiences in academia. Duhok has an interesting and resilient environment, which will make it possible for academics to interact with a multi-cultural society. AUDK will be a gateway into a new environment that is conducive to state-of-the-art research.

IIG: How would you assess the contribution that AUDK is making towards the creation of the next generation of leadership in the Kurdistan Region?

HI: The purpose of education at AUDK is not merely to transmit knowledge. Rather, it is to teach the students how to use their knowledge as leaders of society. Unfortunately, many educational

institutions in the Kurdistan Region lack comprehensive programs to create leadership skills. They put more emphasis on rote memorization. The programs that AUDK offers will place a conscious and purposeful focus on selecting and producing the next generation of leaders. We will provide an environment for the kind of experiences that enable students to learn what it means to be a leader. AUDK will provide students with a clear vision – a set of original ideas – required to become a leader. We believe that, in the absence of a creative vision, someone can be a manager but not a true leader. At AUDK, we have a vision to fully integrate with society and to be sensitive to its problems, rather than being an isolated ivory tower. 

“Enjoy Lebanese Hospitality”

- TOP FLOOR INTERNATIONAL RESTAURANT
- AYAM EL LOULOU Lebanese Restaurant

AVENUE
HOTEL
★★★★★

Sarchinar Main Street, Sulaymaniah – Iraq - Tel: +964(0)533196003
M: +964 770 9552218 - E: info@avenuehotel.co - Web: www.avenuehotel.co

THE REVIEW

Tourism



Bold Plans Amidst Regional Strife

The Kurdistan Region, with a diversity of both landscapes and cultures, looks to raise its profile as a tourist destination in spite of the obstacles posed by regional turmoil. In 2013, nearly 3 million visitors came to Iraqi Kurdistan, a 30% increase from the previous year. In 2007, by comparison, Kurdistan's General Board of Tourism (GBOT) recorded just 377,397 visitors to the Region. The vast majority of travelers in the Kurdistan Region in recent years, around 66%, have come from elsewhere in Iraq, while locals engaging in internal tourism accounted for nearly 14%, and international visitors made up another 20% of travelers. Most of the foreigners that visit the region, in turn, do so for business reasons. Erbil dominates as a

destination for international travelers, racking up nearly three times as many visits as either Slemani or Duhok in 2012.

Tourism is slowly beginning to play a larger role in the Kurdish economy. Overall, the industry supports more than 6,000 jobs. It was the source of \$1 billion in revenues for the Kurdistan Region in 2013, a 53% increase over total tourist revenues in 2012 (\$650 million). Since 2006, local and international investors have poured \$6.58 billion into the Region's tourism industry. Around 40% of that total has come from foreign investors, mainly those in the UAE and Turkey. In recent years, the pace of foreign investment appears to have increased. In 2013, Kurdistan's tourism sector drew \$3.2 billion in foreign investment.

Regional authorities have channeled these investments into at least 128 officially licensed projects in the tourism sector. Erbil has dominated tourism investments with 71 projects licensed since 2006 and a total investment of around \$4.47 billion. The Duhok governorate was home to 41 licensed tourism investment projects valued at nearly \$723 million over the same period. Although the Slemani governorate saw just 16 licensed tourism investment projects in that time, the total value of investment in the tourism sector there actually surpassed that of Duhok at \$1.39 billion. One of the most visible tourism projects in Kurdistan this year was the newly opened Korek Mountain Resort and Spa, a \$95 million venture that aims to draw winter sports enthusiasts from

Iraq and across the Middle East to the Kurdistan Region. Another highly visible tourism development is the \$2 billion Dukan Tourist City project, spearheaded by Emaar Properties of the UAE, which seeks to build a resort complex made up of hotels, restaurants, casinos, and residences on the shores of Lake Dukan near Slemani.

The regional government has also tried to spur development of Kurdistan's tourism infrastructure through a program of small and medium-sized loans for 400 projects running through the year 2025. So far, the program has allocated around \$86 million.

The KRG was hoping to build upon Kurdistan's increasing prominence as a tourist destination over the course of 2014, but continued instability in the areas surrounding the Kurdistan Region have proven to be a formidable obstacle to this goal. Despite a promising start to the year, government officials have confirmed that tourist visits have decreased substantially. The majority of Kurdistan's tourists in recent years have come from elsewhere in Iraq, and the instability surrounding ISIS-led advances in areas bordering Iraqi Kurdistan have made the journey by land to the Region dangerous. Likewise, international travelers conscious of regional political upheavals and security concerns seem to have shied away from visiting Kurdistan. The overall impact of regional strife on the tourism industry in 2014 and going forward remains to be seen.

New Frontiers

The KRG has ambitious plans to transform the Kurdistan Region into a top travel destination. The regional government hopes to attract 5 million tourists in 2015 and increase that number to 7 million by 2025. Officials seek to raise foreign investment in the sector to \$4 billion in the near term to bolster Kurdistan's international profile as a tourist destination and have laid out plans to improve Kurdistan's road infrastructure to facilitate travel across the Region. Entrepreneurs aim to tap into a growing movement for "adventure tourism," while KRG planners try to square the Region's desire to attract more tourists with the protection of its natural resources.

Growing Recognition for Erbil

Erbil serves as the face of the Kurdistan Region for most international travelers. The city has grown at a breakneck pace over the last decade and its combination of history, security, and economic growth have been attracting attention across the Middle East. National Geographic Magazine named Erbil as one of its "Best Trips" of 2014. In addition, the Arab Council of Tourism chose Erbil as its "2014 Arab Tourism Capital," and the city has held numerous public events throughout the year to mark the occasion. The first annual Erbil Film Festival took place this spring, showcasing over 70 films from around the world. The event attracted leading regional directors, actors,



musicians, and writers as guests and judges for the festival's awards. Other events marking Erbil's turn as Tourism Capital included painting and photography exhibitions, concerts, and the ten-day-long Hawler Festival marking the Kurdish new year, Newroz.

Passenger numbers at Erbil International Airport (EIA) highlight a steadily increasing amount of international travel to the regional capital. Over the course of 2013, a record 1,193, 783 passengers passed through EIA, over 90% of whom were traveling internationally. Over the 2006-2013 period, passenger traffic into EIA increased at an average rate of 28.2% per annum.

The last year also saw the Region gain important international recognition and support for its cultural patrimony. Erbil's landmark Citadel was officially added to UNESCO's World Heritage List during a

National Geographic Magazine named Erbil as one of its "Best Trips" of 2014. In addition, the Arab Council of Tourism chose Erbil as its "2014 Arab Tourism Capital," and the city has held numerous public events throughout the year to mark the occasion.



Hospitality Industry

Kurdistan is now home to over 400 hotels, and \$1 billion in private investment has been committed to further develop the regional hospitality sector. Erbil boasts Kurdistan's two internationally certified five-star hotels, the Erbil Rotana and the Divan Hotel. International brands such as Radisson Blu, Sheraton, Kempinski, and Hilton have also set their sights on the Region.


Overall, however, the hospitality market in Kurdistan is dominated by three-star hotels. Much of the industry continues to function without an eye to international standards, and innovators in the sector are working to erase a stigma of sorts that has developed around the idea of working in hospitality. In the words of Erbil Rotana GM Ghassan Dalal, "The Kurdish community is not yet well exposed to the hospitality industry. There have been small hotels in the Region for quite a long time—unfortunately the reputation was not so good, so voices saying it was not such a great career grew within the Kurdish community."

This legacy is slowly being overcome as high-profile international hotels like Rotana and Divan strengthen programs to hire and train local talent for key roles in their business. Divan Erbil, for instance, has implemented a formal training program to prepare local employees for positions in hotel management as well as service-oriented positions in reception, housekeeping, and restaurants. Leaders in the Region's hospitality industry have emphasized the importance of training

to address a local skills gap and the development of English language skills in order for the Region to truly compete with the world's top business and travel destinations.

The hospitality industry has been negatively impacted alongside the overall tourism sector in the Kurdistan Region in the wake of regional turmoil. Following ISIS-led violence outside the Kurdistan Region, occupancy rates at the Region's leading hotels have significantly decreased. Historically, occupancy rates have averaged around 50%, increasing to 90% during times of peak demand.

Despite the array of challenges that recent regional upheaval and the corresponding economic slowdown have posed for Kurdistan's hospitality sector, many in the industry are optimistic about the Region's medium-term potential. Ghassan Dalal is among those with a bullish attitude about the hospitality industry's future, saying, "I believe that within the next year and for many years to come the growth of demand for hotels is going to be much higher. I believe the industry itself is going to at least double the amount of rooms currently in Erbil."

At the end of a turbulent year for the Kurdistan Region, the underlying potential of the Region's economy and the appeal of its relative success against the odds of an unsettled neighborhood continue to encourage cautious optimism for the long-term potential of Kurdistan's nascent tourism and hospitality industries. 

UNESCO's World Heritage Committee has named the Erbil Citadel to its list of World Heritage Sites after 18 of the Committee's 21 members voted to approve its application. The Citadel is one of the oldest inhabited cities in the world, with a history that stretches 6,000 years into the past.

Leaders in the Region's hospitality industry have emphasized the importance of training to address a local skills gap and the development of English language skills in order for the Region to truly compete with the world's top business and travel destinations.

Hands-On Management at Rotana



Ghassan Dalal —
GM, Erbil Rotana

Rotana announced the appointment of Ghassan Dalal as the new GM of Erbil Rotana in August 2014. Kurdistan Review talks to Dalal about his priorities, the new Arjaan development for long-term stays, and why he believes the Kurdistan Region will thrive in 2015.

About

Rotana, the leading hotel management company in the Middle East and Africa, has announced the appointment of Ghassan Dalal as General Manager of Erbil Rotana. Dalal is a Lebanese veteran of the international hospitality industry with over twenty years of experience, including work in Canada, Egypt, Lebanon, Nigeria, and Sudan. Dalal will bring a unique depth of experience to his new position.

IIG: What are your first impressions regarding Erbil and the hospitality industry in Kurdistan?

GD: Even though I have only been here a couple of months, I have realized that the Kurdish people are extremely hospitable, despite the latest unfortunate situation. They simply make you feel at home and leave you with a clearly positive impression. I believe that within the next year and for many years to come, the growth of demand for hotels is going to be much higher. The industry itself is going to at least double the amount of rooms currently in Erbil. There are huge prospects for the hospitality industry in the Kurdistan Region. We are witnessing many hotel projects all over the Region, including Duhok and Slemani, which are being planned at the moment and will be completed by 2016 or 2017. By the time the projects are completed, the market will have grown significantly, keeping everyone busy and on their toes.

IIG: How would you define your management style?

GD: I have an open door policy, with a hands-on management perspective. There is a saying that I believe in: "You never have a second chance to make a first impression." For me, there is no nose up in the sky. I would simply take off my suit, roll up my sleeves, get myself in action, and wash dishes if I had to. We are working for one target, which is ultimate guest satisfaction. Therefore, my style is friendliness, efficiency, fairness, and, above all, exceeding guest expectations. I also believe in teamwork, and my target is to always know what the guest really needs and do it before they even ask by involving the contributions of all the team.

IIG: Does training play an important role?

GD: The highly competitive environment in which hospitality businesses operate today requires a skillful workforce in every organization in order to remain a successful player in the industry.

It does not matter what position you are in, refresher training is continuously required. You have to do training for the staff from the lowest position to the highest position. All of them require training for hospitality, guest contact, and even English language skills to be able to cope with today's demand. Training our staff is a must, and it will have a positive impact on our guests. That is what makes the difference.

IIG: Do you have any strategy for local human capacity development?

GD: A core value for Rotana is developing from within, from the local community. Our main focus is seeing the Kurdish people being developed and involved more within the industry. We constantly hire local talent, and we are intensifying our training and development to see them progress forward. The Rotana careers website (www.rotanacareers.com) has successfully generated a solid database of potential candidates for us, which has helped us in the process. Our HR networking and research, in addition to the Learning & Development Department, have also played a role in employee morale and career development, as well as sustainability. Our company's values ensure that our brand is delivered with consistency and integrity. We call it Rotana L.I.F.E, where L stands for long-term, I for innovation, F for friendly, and E for ethical. The local market responded positively to our job openings. It is true that our staff lack experience in this field, but they have exhibited strong capabilities and a willingness to learn and adapt to the 5-star environment. I think we are among the few companies with foreign investments that have managed to recruit and maintain a large number of locals.

IIG: Rotana is looking to manage a second property here in Erbil. Can you tell us about this hotel?

GD: We have a strong belief that the Region will flourish within the next few years, and that there is going to be high demand for both hotels and furnished



apartments. This idea is still fresh and one of a kind, whereas the need for it is imminent. Arjaan is new in the market and contains studios, as well as one-bedroom and two-bedroom apartments. It will cater to long-stay guests coming for over a month who need hotel services, but in an apartment setup. The Arjaan concept will be an added value to the Region. It is already under construction and expected to open within a year. Arjaan is owned by the same company as the Erbil Rotana, "Malia Group," which is also extremely active with plenty of projects in Slemani. Malia Group has been helping the Region flourish for many years and continues to strive for excellence.

IIG: Are you planning anything new regarding events?

GD: Most definitely! We will be holding a festive, seasonal extravaganza starting on Christmas and ending New Year's Day. Furthermore, we have started planning to add plenty more events in different areas, such as our spectacular theme-nights in the "Flavours" restaurant, with BBQ, Mexican, and Seafood nights. The

"Friday Family Lunch" event with children's activities has also been a successful addition. "Maki Night" in Bond, as well as

"I have a very important motto: 'personalization in service.' We personalize every service we give to every guest at all times, and this is our success. This is why we will remain number one."

"Wine Wars" events, will be added shortly and will have a great, positive effect. Most of these additions are accompanied by the fabulous Colombia singers, who add flavor to the experience. More surprises are in the pipeline for 2015, which will be an exciting year full of innovation.

IIG: How have recent events in the Region affected your business and what is your short-term forecast for the hospitality industry in Kurdistan?

GD: Of course there was an impact on our business from the latest incidents. When the situation became negative in July 2014, Ramadan was already here and business by then was slow, as it is every year during the holy period. Investors and tourists were afraid to come to the Region without knowing how secure it was. Soon after, people witnessed the Kurdish government's solid hold on the Region and the strength of its security. The Region was under control, and it showed the world that it is safe despite what is happening within Iraq. Almost all the companies' foreign staff has returned, and investors have started visiting again. You can observe how business has started to pick up again slowly and steadily each and every month. I believe that Erbil will boom again in 2015, but it will be better than any previous year, with more conventions and seminars. ☺

LA CASA DEL HABANO

ERBIL - IRAQ


COHIBA
Habana, Cuba
PIRÁMIDES EXTRA



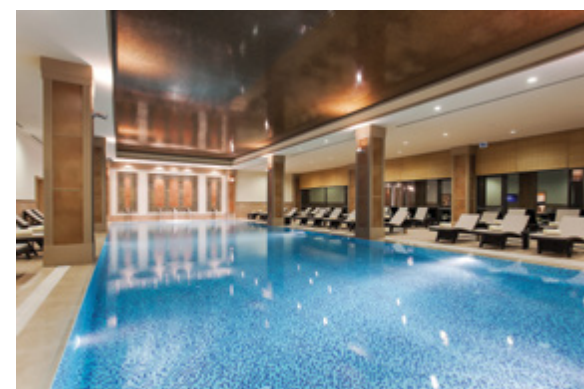
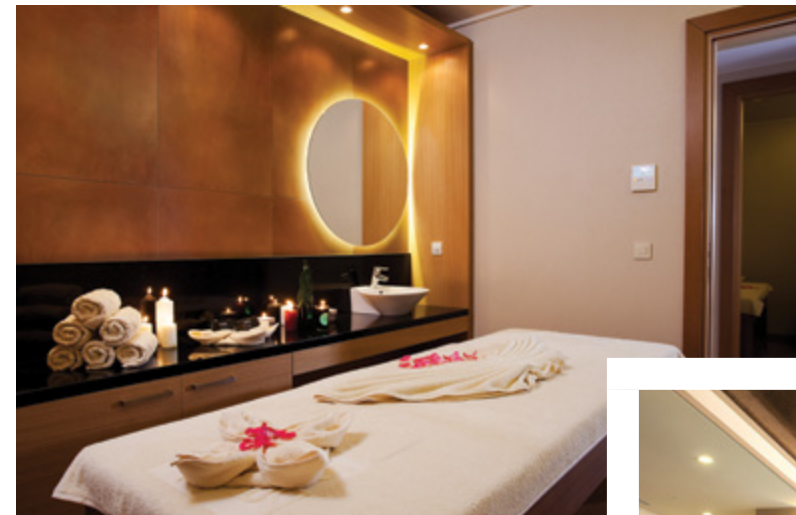
Shoresh Street, Lbc Center, Erbil, Iraq
Tel: 0750233 4444
erbil@lacasadelhabanoiraq.com

*Health Warning: Smoking is a main cause of lung cancer, lung diseases and of heart and arteries diseases.

TOURISM

Luxury Recreation & Fitness at Divan Erbil

The Divan Erbil, with more than 250 lushly appointed guest rooms and 15 meeting rooms ranging in size from 33 m2 boardrooms to a 700 m2 banquet hall, seeks to bolster Divan's reputation for high-quality business accommodations. The hotel's ambitions go further, however, as the Divan Erbil aims to become a destination unto itself for both locals and business travelers in Kurdistan's capital. To this end, the Divan Erbil has added an expansive spa to its portfolio of luxury amenities. Hotel guests and Erbil residents alike can take advantage of the spa's state-of-the-art fitness facilities. The spa also features a 20-m semi-Olympic indoor pool, sauna, and steam room, as well as message suites and a Turkish bath. Three-month, six-month, or one-year memberships are available.





Christmas & New Year dining, entertainment and festive activities at Erbil Rotana!

At **Erbil Rotana**, we believe that being jolly this season does not only mean bursting with happiness but also united with great food and entertainment. Throughout the holiday season, each of our restaurants will be offering its unique festive program to suit every taste.

Al Bustan Lebanese Restaurant & Garden
Celebrate New Year's eve in an Oriental style at the renowned Al Bustan Lebanese restaurant and relish a set menu especially selected by our Chef while enjoying an array of entertainment including our midnight Oriental dancer! Spend this special night like no other in a vibrant atmosphere and take away with you, lifetime memories!

Basilico the Italian Restaurant
Come over to Basilico from 19:30 onwards to enjoy the true Italian fiesta with our specially created set menu. Our modern and lively setting is sure to add that special touch to your Christmas Eve with Christmas carols. On New Year, Basilico will be featuring authentic Italian dishes prepared by our new Italian Chef, from 8:00 pm onwards.

Bond Lobby Cafe & Lounge
Celebrate New Year's Eve with us and relish our sumptuous culinary delights and beverages. Welcome 2015 and dance to the tunes of our Colombian Band, which will keep you entertained till dawn.

Erbil Rotana

Flavours all-day dining
Our hotel's all-day dining restaurant gears up for this holiday season by offering international festive buffet dinners on 24th of December and on New Year's Eve from 19:30 until 00:00. Cozy ambience and earth-tone interiors complement the amazing performances of the resident Colombian band. Flavours all-day dining is an ideal place to share the holiday cheer in a welcoming atmosphere.

On Christmas day, Flavours all-day dining will be featuring an international buffet lunch from 12:30 till 16:00. Kids will be welcomed with cotton candy, popcorn, a balloon binder complemented by Santa Claus' visit and plenty of fun.

Reservations are limited during this busy period, so don't miss the chance to book your table, call now on 0662105555.




Erbil Rotana

Iraq's Leading Hotel

Erbil Rotana was bestowed with the prestigious honour of being Iraq's Leading Hotel in 2011, 2012, 2013 & 2014, consecutively by the World Travel Awards. This five star hotel offers 201 well-appointed rooms and suites, 7 fully equipped meeting & events venues, 5 restaurants that suit all tastes, a fitness club, spa and pool bar & terrace.

To book your stay at the best available rates, visit rotana.com or call us +964(0)662105555.

Rotana Rewards  Join now at rotanarewards.com

Gulan Street, Erbil, Kurdistan, Iraq. T: +964 (0)66 210 55 55, F: +964 (0)66 210 55 56, erbil.hotel@rotana.com



rotana.com

An oil rig structure is shown against a clear blue sky. A large white sign with black text is mounted on the rig. In the foreground, three men wearing hard hats and work clothes are looking at a document together.

SHAPING THE FUTURE SHOULD BE A JOINT EFFORT.

WE AGREE.

Strong partnerships get the best results for everyone involved. At Chevron, we partner with local businesses, organizations, and governments to identify areas of mutual interest and work toward a shared goal. Because working together helps create better outcomes for everyone, including our business.

Learn more at chevron.com



Human Energy®