

Brief Embassy Report on Bilateral Relations – ITJ Division, DGCI&S, Kolkata.

India-Iraq Bilateral Relations

A. Introduction

1. Indian Trade Journal (ITJ) division of the Director General of Commercial Intelligence and Statistics (DGCIS) brings out weekly publication on Embassy Profile Report providing information on recent policy changes and happenings in other countries that may be of interest to the Indian trading community. This is the Embassy Profile Report depicting the Embassy of Iraq.

2. India and Iraq have historical and civilizational ties. Iraqi port of Basra was not only the market par excellence of the Indian merchandise including textiles, spices, food-grains and other commodities for the Arab world but also of the famous pearl trade that flourished mainly through the Indian traders and jewellers. Indian soldiers and railway workers from British India had played major role in ensuring the security in this region during the colonial era and have left an imprint in the region. On the other hand, Indians were among the foremost to patronize the Shrines and Sarai Khanas of the heritage of Islam's primeval martyrdom at Karbala. Thousands of Indians visit the shrines of Imam Hussein and Imam Abbas in Karbala every year and also the shrine of Sheikh Abdul Qadir Jeelani in Baghdad.

B. Commercial Relations (Trade and Foreign Investment) – Recent facts & figures

3. As a trading country partner of India, and as per latest compiled and available statistics with DGCI&S, India's exports to Iraq during the year 23-24 have been recorded at 3.35 billion US Dollar and India's imports from Iraq during the same reference period stands at 30.00 billion US Dollar.

4. The economic and trade relations between India and Iraq slowed down after the invasion of Iraq in 2003. However, the total bilateral trade has grown steadily since 2010, mainly due to increasing crude oil imports. In FY 2019-20, bilateral trade with Iraq was valued at US\$ 25.61 billion. Bilateral trade in FY 2020-21 amounted to US\$ 15.78 billion. Bilateral trade in FY 2021-22 amounted to US\$ 34.33 billion, accounting for about 3.32% of our total foreign trade, witnessing a quantum increase due to enhanced economic activities, more oil imports and high oil prices. During FY 2022-23, the bilateral trade valued at US\$ 37.08 billion. During FY 2023-24, the bilateral trade amounted to US\$ 33.36 billion. This includes imports worth US\$ 30.01 billion and exports worth US\$ 3.354 billion. Iraq has now become the 7th largest trade partner of India. India opened its

Consulate in Erbil, the Capital of Kurdistan region, in August 2016 to further strengthen economic and commercial relations with Iraq. Iraq maintains its consulate in Mumbai, largely for religious visas to Indians.

Export-Import statistics as per India’s Ministry of Commerce data bank from 2019-20 to 2023-24 are as follows :

(US Dollar Billion)

Year	Total trade	Import	Export
2019-20	25.62	23.74	1.88
2020-21	15.79	14.29	1.50
2021-22	34.33	31.93	2.40
2022-23	37.08	34.38	2.70
2023-24	33.35	30.00	3.35

(Source: Department of Commerce, India)

5. Iraq has consistently been among the top suppliers of crude oil to India for the last several years. Iraq has been maintaining the position with supplying 51.6 MMT crude oil in FY 2019-20, 43.0 MMT in the FY 2020-21, 56.5 MMT crude oil in FY 2021-22 and 50.6 MMT crude oil in FY 2022-23. Iraq supplied 49.90 MMT crude oil to India during the financial year 2023-24 which accounts for 21.46 % of India’s total oil imports in value. During FY 2023-24 India imported 49.90 MMT crude oil from Iraq. India’s public sector oil companies, including IOCL, HPCL and BPCL, are the major importers of oil from Iraq. Major exportable crude oil grades are Basrah Heavy (API: 24), Basrah Medium (API 29). Indian oil companies have deep interests in the Iraqi oil sector. A delegation of ONGC- Videsh Limited (ONGC-VL) visited Baghdad and Basra in March 2018 and had discussions with Iraqi Ministry of Oil and Basra Oil Company.

6. In addition to import of crude in bulk oil, India also imports commodities like raw wool and sulphur from Iraq. Indian exports to Iraq consist of cereals, iron and steel, meat and meat products, pharmaceutical products, agro chemicals, cosmetics, rubber manufactured products, paints, gems and jewellery, ceramics, manufactures of metals, machine tools, electrical machinery and instruments, transport equipment, electronic goods, handicrafts, sugar, tea, garments. A significant volume of exports takes place through Dubai and other destinations.

C. Other Major Areas of Cooperation :

- India and Iraq have signed multiple Agreements/MoUs including one on Cooperation in Energy Sector, on cooperation between the MEA and the MFA, On Cooperation between the FSI of the two Ministries and on Cooperation in the field of water resources management.
- About half a dozen Iraqi businessmen participated in India Soft Exhibition held in New Delhi from 17-19 January, 2024.
- An India pavilion was set up at the 47th Baghdad International Fair held from 10-19 January, 2024 in Baghdad under the sponsorship of FIEO with participation of 47 companies and about 100 Indian businessmen.
- About a dozen Iraqi businessmen participated in Indusfood-2024 in Greater Noida from 8-10 January, 2024.
- Embassy participated in the 13th Agricultural Week, an exhibition on agriculture equipment and good products, organized by Iraq's Ministry of Agriculture during 19-25 March 2022 in Baghdad International Fairgrounds.
- Several Indian companies have participated in trade fairs and economic and commercial exhibitions held in Erbil and Sulaymaniyah in the Kurdistan region of Iraq during the past three years.
- India has also been offering opportunity to Iraqi students for higher studies in India under 'General Scholarship Scheme' (GSS) organized by the Indian Council of Cultural Relations (ICCR). Iraqhas been allocated 50 scholarship slots for 2023-24.
- Religious pilgrimage: A large number of Indian pilgrimages numbering approx. 1,00,000 visit the Holy shrines in Baghdad, Najaf and Karbala every year. About 50,000 pilgrims from India visited Karbala and Najaf for Arbaeen, the 40-day mourning period, in September 2023. Several Indian tourists also visit the holy shrine of a revered Sufi Saint, Sheikh Syed Abdul Qadir Jeelani in Baghdad.
- High-level visits: There have been high-level political exchanges between the two countries which are summarized below:

- (i) A 3-member Iraqi Naval delegation led by the Iraqi Commander of the Naval Force, Staff Vice Admiral Mazin Abdulwahid Gubaian Al-Aameri, reached Vishakhapatnam on February 17 on the invitation from Admiral R. Hari Kumar, Chief of Naval Staff of Indian Navy to participate in MILAN- 2024, a multi-national naval exercise being held in India from February 19 to 27, 2024.
- (ii) Minister of Petroleum and Natural Gas, Shri Hardeep Singh Puri met Iraqi PM Mohamed Shia Al Sudani on 17th January, 2024 on the sidelines of the 54th Annual Meeting of World Economic Forum, Davos.
- (iii) Deputy Environment Minister Dr. Jassem Abdel Aziz Hamadi participated online in the Environment Minister's session of the 2nd Global South Summit held on 17th November, 2023.
- (iv) DPM and Minister of Oil Mr. Hayan Abdul Ghani visited New Delhi on June 19-20, 2023 to hold 18th session of the India-Iraq Joint Commission Meeting with Minister of Petroleum and Natural Gas Shri Hardeep S. Puri. The Iraqi delegation was led by DPM & Minister of Oil Mr. Hayan Abdul Ghani Abdul Zahra Al Sawad and India side was headed by Minister of Petroleum and Natural Gas Shri Hardeep S. Puri. Iraqi Minister of Oil called on Hon'ble VP and met Minister of Health and Chemicals and Fertilizers. He also addressed a business meeting organized by CII.
- (v) Iraqi NSA Mr. Qassem Al-Araji visited India in March 2023 for the India-Iraq Security Dialogue and met Indian NSA and visited several facilities in India.
- (vi) Iraqi DPM and Minister of Oil participated online in the Energy Ministers' session of the Voice of Global South Summit held on January 13, 2023.

Source: www.mea.gov.in