

CAKES WITHOUT SUGAR: REASONS BEHIND FOREIGN INVESTOR RELUCTANCE TO ENTER MESOPOTAMIA

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Iraq was happy when it imagined preparing itself as an “investment cake” under the new Investment Law and thus opened the doors of its economy by inviting foreign investors thereto, following investment environment reforms. However, some foreign investors flowed in and commenced “eating” the cake only to find it sugar-free, but guests prefer the cake to be sugary. What then would be the result? Certainly, other investors would receive a “warning” notice that the Iraqi “cake” was not only free of sugar but also salty. The following question would be raised here regarding the multi-white-powder cakes in a warehouse: which of them has sugar?

The conceptual argument provided herein is that despite the efforts of the Iraqi legislators and regime to encourage foreign investment, it has failed to do so, and foreign investment in Iraq remains quite limited. Consequently, this study analyzes why foreign investors are reluctant to come to Iraq, and classifies relevant reasons into a group of determinants.

This article concludes that there are certain reforms that may alleviate the obstacles and establish a sustainable investment- friendly environment so that Iraq may move forward.