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# The impact of foreign trade on achieving economic growth in Iraq for the period from (2008-2023).

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**Abstract**
The current study aimed to determine the impact of foreign trade on achieving economic growth in Iraq for the period from (2008 - 2023). The analytical and measurement approach was used to test the study hypotheses and determine the impact of the independent and dependent variables, relying on the statistical analysis program known as EVU10. At the beginning of the study, the general framework of the study was determined by defining the problem of the study and then determining its importance and objectives, in addition to setting the study hypotheses. In the theoretical framework, the concept and nature of foreign trade, its objectives and importance were discussed. The concept of economic growth and its objectives were reviewed**,** In addition to the practical part, the standard model for the study was determined first and then the practical application was implemented. The study reached several conclusions, the most prominent of which is that foreign trade occupies an important place in the economy of all countries and Iraq in particular, Foreign commerce plays a significant role in the Iraqi economy by providing foreign currency exports to fulfill the import demands of Iraqi society. The research demonstrates a bilateral causal connection between exports and economic growth, namely the Gross Domestic Product (GDP). It reveals that exports have a distinct and substantial positive influence on the GDP. Increasing exports by 1% results in a corresponding rise in the GDP.

**Keywords:** Trade, Foreign trade, Economic growth

## 1. Introduction
The correlation between international trade and economic growth in Iraq is a subject of significant significance and complexity, as foreign trade represents a vital factor in strengthening the country's economy and promoting long-term economic growth. Iraq is one of the countries rich in natural resources, has an important strategic location in the Middle East, and has enormous potential to develop its various sectors, and this makes foreign trade a prominent role in enhancing the growth of its economy. Since 2008, Iraq has witnessed a noticeable improvement in its trade relations with many countries, and these relations have contributed to enhancing Iraq's exports and increasing financial revenues. I sat down, Oil exports have a key place in Iraq's trade structure, as oil is the main supplier and main source of hard currency for the country. With the decline in oil prices in some periods, it was necessary to diversify sources of income by enhancing trade with other countries in various fields such as agricultural and industrial products and services. During this period, the Iraqi government witnessed economic reforms aimed at improving the investment environment and stimulating the private sector to play a greater role in foreign trade. The infrastructure and customs procedures were improved and administrative procedures were simplified to facilitate import and export operations, and this contributed, Increasing the volume of trade exchange with many countries. With the increase in foreign trade relations, Iraq has been able to expand the horizons of trade and economic cooperation with many partner countries. Trade agreements have been concluded that enhance trade exchange and economic cooperation in various fields. The Iraqi government also encouraged foreign direct investment to enhance technological transfers and promote promising economic sectors. (Al-Sous, 2010: 23) [1].

## Chapter One: The general framework of the study

### First: the problem of the study

The heavy reliance on oil exports as a source of income has led to the financing of imports in the Iraqi economy to a transitional effect. Undesirable situations and conditions occur at the global level from the political, economic and health aspects to the gross domestic product (GDP) and overall economic growth and thus, which deepens the dependence on imports and their continuation and economic dependency on neighboring countries abroad. Local production and the Iraqi economy have deteriorated in its structure, and the current movement suffers from many structural problems that hinder it from achieving the success and desired goals of foreign trade.

**Hence, the research problem can be formulated with the following question**

Does international commerce have a substantial influence on economic growth in Iraq over the specified period? (2008 - 2023)?

### Second: The importance of the study.

The importance of this study is due to the following:

1. The importance of foreign trade as a primary driver of economic growth. It constitutes the possibility of building a strong foundation for the Iraqi economy as it is a source of foreign currencies.
2. Study the impact of a group of formal variables on foreign trade. And economic growth, i.e. (the economic blockade, the Iraqi war, the internal economic crisis, the spread of the Corona virus), including important and urgent topics.

### Third: Objectives of the study.

1. Analyze the reality of foreign trade in Iraq and understand the extent of its contribution to economic growth.
2. Study the impact of exports and imports on economic growth. In Iraq.
3. Study the impact of (the economic blockade, the Iraqi war, the internal economic crisis, the spread of the Corona virus) on trade, foreign affairs, and economic growth.

### Fourth: The study hypothesis

As a result of what was mentioned in the main research question, the hypothesis can be formulated as follows:

There is a significant impact of foreign trade on economic growth in Iraq for the period from (2008 - 2023). To answer this hypothesis, a standard statistical study must be conducted and its results analyzed using the EViews10 statistical analysis program.

### Fifth: Study methodology.

The study adopted both descriptive and quantitative methods. The first included descriptive analysis of data taken from the Central Bank of Iraq and other official sources, and the second was quantitative using the Views E program and analyzing its results within Iraq.

## Chapter Two: Theoretical framework for the research:

### 1. Concept of foreign trade

### First: The concept of foreign trade.

Foreign trade began long ago, but it was the Industrial Revolution that began in Britain. The mid-nineteenth century was an important starting point for this, as there was an urgent need for raw materials to achieve sustainability. Industrialization with mechanization led to increased production, increased production, and the need for markets to dispose of excess products. From here began the idea and intentions of colonizing countries as markets for producing and obtaining surpluses, Raw materials, and the development of foreign trade in the current era is due to the development of all aspects of life, especially means of transportation, starting with scientific and technological development, the development of policies, financial and monetary issues, the emergence of economic unions and blocs, and many global ideas that support the working mechanism of the trading system, such as the bank. International Trade and Finance, International Monetary Fund, and others. (Al-Ashqar, 2017: 2) [2]. Many economists have dealt with the issue of foreign trade individually, and from their point of view some of them defined foreign trade as the totality of goods and services that are exchanged between countries. Economists define it and others say that it is International economics is a discipline of economics that focuses on the analysis of global economic transactions involving the exchange of products, services, means of production, and capital. International currency exchange, In addition to the trade policies implemented by nations globally to shape the flow of commodities, services, and capital between other countries. The citation (Ali, 2018: 35) [8] is provided. Some economists go beyond the narrow definition of commerce and include international affairs in a more conceptual sense. Instead, it is the adversary of the global economy, as international trade and commerce are interconnected. Consequently, the definition is expanded to encompass the thorough examination and assessment of the actual substance of global economic interactions, in addition to the trading of goods and services, as well as the transfer and flow of money, The study of currency transactions between different countries, particularly the interplay between these relationships. Regarding economic structures. The term "it" refers to the complex network of economic connections that exist between countries, encompassing financial transactions, technological advancements, trade of goods and services, and various sectors including private, cooperative, charitable, public, and mixed entities. This network operates based on the understanding of local policies in the participating countries and involves individuals, both natural and legal, with single or multiple interests.

### Second: The importance of foreign trade.

**The importance of foreign trade stems from the following levels**

The economic field: Foreign trade in the economic field seeks to achieve the following:

Obtaining goods and services at the lowest costs, according to the principle of stimulating the export sector through specialization, which is considered the basis for foreign trade.

- Encouraging the exchange of surplus production of goods and services to achieve additional financial resources of foreign exchange in order to increase investment.
- Building highly efficient economies by taking advantage of information technology and technological

advancement.
- -Achieving balance in the internal market, as a result of equal amounts of supply and demand.
- Foreign trade is seen as a measure of a country's productivity and competitiveness in the global export market, its level of income, as well as its ability to import, and a statement of the impact of this on the country's balance of foreign transactions.

**2. Social sphere.**
**In it the following is achieved (Al-Attar, 2000:13).**
- Changes in the economic structure lead to changes in the social structure.
- Obtaining the best findings in science, technology and information technology at reasonable prices through foreign trade.
- The direct impact of foreign trade on consumers and investor.
- Improvement in tastes, desires, and satisfaction of basic needs.
- Increasing individuals' well-being by expanding choices regarding consumption.

**3. Political field.**
**The following is achieved: (Al-Sarn, 2000: 55)** [4]**.**
- Strengthening the motivational infrastructure in countries by importing their needs from what technological progress has achieved.
- Establishing economic cooperation between countries involved in this field.
- Reducing distances through cross-border foreign trade, so the phenomenon of globalization becomes able to transcend different political systems, making the world a new global village for those countries.

**Third: Factors affecting foreign trade.**
Since foreign trade can greatly affect a country's economy, it is important to identify and monitor the factors that affect it. There are several factors that affect foreign trade, but the most important are:

**Economic growth-**
Economic growth is considered a historically recent phenomenon, that is, since the Industrial Revolution. It is the increase in real production per capita, and is proportional to the percentage of change in the real GDP per capita of the population, during a specific period of time, usually one year. Achieving economic growth is a goal that all governments in developed and developing countries aspire to, and it is intended to achieve a continuous and appropriate increase in the growth rate of real gross domestic product. Economic growth is a relatively recent phenomenon, which has led to the difficulty of defining its meaning, whether in terms of time or in terms of its subjection to prevailing technical, technological, economic, political and social changes, and this is due to the fact that it is subject to extremely complex factors and variables.

**The impact of growth on foreign trade is determined in the following cases:**
A. A: Growth that leads to an increase in trade: by increasing the country's supply of exports and increasing its demand for imports at a rate higher than the rate of increase in national output, which leads to a relative increase in the volume of foreign trade.
B. Trade-neutral growth: This type of growth leads to an increase in the country's exports and imports at the same rate as the increase in the national product.
C. Growth that leads to a reduction in trade: It leads to an increase in the country's exports and imports at a rate less than the increase in the national product.

**2. Economic growth and its concepts.**
Economic growth represents one of the basic goals that countries seek to achieve, and it is one of the necessary conditions for improving the standard of living of individuals, as it is linked to a group of basic factors, including: The availability of highly qualified institutions, good governance, community participation, scientific research, health, education, etc., and achieving a satisfactory level of growth is linked to the availability of this influential climate. Growth rates differ between countries of the world, which means different standards of living among them in the long term, and this is linked to the government policy choices of those countries. To contribute to improving living standards in it and confronting the cyclical fluctuations that may occur in it (Barro & Martin, 2004) [12], and in this study the following will be addressed.

**First: The concept of economic growth.**
Economic growth is a modern historical phenomenon, its appearance coincided with the industrial revolution, and its concepts differed because it represents the increase in real production per capita and is proportional to the percentage change in real gross domestic product per capita of the population during a specific period of time, usually one year. He defined it Hirschman described it as an underlying driver of economic expansion characterized by changes in economic indicators and quantitative changes so, it is a quantitative concept that expresses the increase in production in the long term, and is defined as: "the increase achieved in the long term in the country's production." Simon Kuznets also defined economic growth as: "the increase in the per capita share or the share of the labor component in the volume of the product," where An increase in the size of the product is usually accompanied by an increase in the size of the population. Economic growth is based on calculating economic growth rates based on the per capita production rate, On the other hand, by economic development we mean that economic growth is accompanied by an improvement in the distribution of income and the composition of economic activity, and on this basis economic growth appears as a quantitative and qualitative indicator. (Khushayb, net.alukah.w: 5).
Therefore, economic growth can be divided into two main types
1. Quantitative growth, in which production is increased primarily by increasing inputs under a given technological level and industrial structure.
2. Qualitative growth, in which production is improved through technological progress resulting from innovation or enhanced industrial structure and new products that create new demand.

**Second: Theories of economic growth.**
There are many schools of thought and theories that dealt with economic growth and provided a comprehensive theoretical framework for it that all countries can follow to

achieve acceptable levels of economic performance and break out of the cycle of backwardness and stagnation that characterized many of them, as every shortcoming in one theory is a starting point for another theory (Ahmed (2013: 34) [5], and these theories can be presented as follows:

**Third: Classical theory.**
The views of the classicists converged with regard to economic growth and the way to achieve it, and the classical theory in the aspect of economic growth included each of the following growth models:

**A. Adam Smith's growth model:**
In his book "The Nature and Causes of the Wealth of Nations," economist Adam Smith elucidates how a nation's economy might augment the prosperity of its citizens. Smith posits two separate origins of economic growth, one that is directly correlated with heightened specialization, and another that is correlated with the degree of specialization. With each rise in specialization, there are further benefits from trade as people, firms, and entire nations take advantage of the benefits of comparative advantage and economies of scale. The increase in specialization can be attributed to various factors such as institutional changes, transportation improvements, and breakthroughs in human knowledge. However, a more significant outcome of specialization is that individuals and companies are likely to find more efficient and convenient ways to access resources when their focus is directed towards a specific area, rather than being divided among multiple areas. That is, overall learning through work and research and development increase with the level of specialization, and thus cause an increase in the rate of change in technology science. Many of these gains in technology, in turn, allow for greater specialization.

**B. David Ricardo's theory.**
Ricardo considered agriculture to be the most important economic sector because of its contribution to supplying the population with food and is characterized by diminishing returns, which means declining returns, which is the cause of stagnation and stability. The distribution of income among the third classes of society is also the decisive and restrictive factor in the form of economic growth, as capitalists play a central role in the growth process by providing them with capital and labor requirements and paying workers' wages. As for workers, their number depends on the level of wages, as the population increases with the increase in wages, which leads to, To increase the supply of labor, which reduces wages to subsistence. As for property owners, their income increases whenever there is a shortage of fertile land, the price of which is higher than if it were available in abundance (Ahmed, 2013: 35-36) [5].

**Fourth: The relationship between foreign trade and economic growth**
The role of trade as a driving tool for economic growth is not adequately reflected in the growth goals set by the United Nations for this millennium, but rather as "goals" that fall within the framework of the eighth goal: Establishing a global partnership for growth, which focuses on two aspects of foreign trade, namely:

1. Establishing a "commercial and financial system that is open, rule-based, predictable and non-discriminatory.
2. Improving market access for exports of least developed countries, by providing them with tariff-free and quota-free access, in order to address their special needs.

As for the growth and development goals, they included a set of goals related to foreign trade, which are as follows:

1. Promoting a global, rules-based, open, non-discriminatory and equitable multilateral trading system within the framework of the World Trade Organization, including by concluding the ongoing negotiations under the Doha Development Plan developed by tha organization
2. Significantly increase the exports of developing countries, especially with the aim of doubling the share of least developed countries in global exports in the future. Achieving appropriate implementation of tariff- and quota-free access for goods and services to external markets for all least developed countries, in line with World Trade Organization decisions, including by ensuring that the preferential origination rules applicable to imports of least developed countries are transparent and simple, and ensuring that those rules contribute to facilitating access to International foreign markets.

**Chapter Three: The practical aspect**
**First: The population and sample of the study**
The study included data from all time series from the relevant government agencies (Ministry of Finance - Ministry of Planning - Central Bank of Iraq), and the series included annual data from (2008 - 2023), We will obtain data on economic growth indicators from several sources for preparing reports (Central Bank of Iraq, Department of Statistics and Research - Central Bureau of Statistics - Statistical Research Center in Iraq issued by the Iraqi Ministry of Planning).

**Second: Sources of data collection:**
We will use the statistics contained in the records and documents of the Central Statistical Organization issued by the Central Bank of Iraq and the Iraqi Ministry of Planning, in addition to the Statistical Research Center in Iraq.

**Third: Study methodology.**
This study relies on the analytical approach and the classical approach, as it uses analytical applications in an analytical manner to clarify the views of different economic schools and their understanding about economic growth. Regarding the latest study on the correlation between the variable and economic factors, it utilized Johansen's multiple integration approach to analyze the link between the variable and the variables, as well as the Kranger test. Investigate causal relationships (with cause and effect) and finally estimate towards VAR independently.

**Below we will show a glimpse of the definitional framework of these tests and then apply them to the study model**.
In modern measurement methods in economics, researchers rely on the use of correlation analysis between time series of study variables, and the unstructured autocorrelation model to analyze the relationship between study variables, such as:

- **Independent variable: the impact of foreign trade-**
- **Dependent variable: economic growth-**

The independent estimation model involves a number of mathematical equations used in a consistent and complementary manner, with each variable operating independently over a separate time period and on other variables:

- Testing the stability of time series data. Stationarity.
- Cointegration test of variables through the use of the Johansen Cointegration Test:
- Granger causality test: Granger Causality.
- Autoregressive vector estimation model to analyze the relationship between variables.

**First: Testing the stability of data (time series).**

Such tests are used to determine whether study variables are stable or unstable, because time series are not stationary and therefore have low stationarity, leading to so-called spurious regression. If the study data is stable horizontally, along the time axis (x), that is, it is stable relative to a fixed and independent arithmetic mean, if there is instability in the data and it depends on that. A time trend, beyond which it is said to be unstable. One of the most important statistical methods in determining the stability of time series is (unit root tests) through the following equation:

$Y_t = py_{t-1} + v_t$

Yt: represents the variable in period (t)

vt: represents the disturbance limit, which is characterized by an arithmetic mean equal to zero (u=0). When (p=1) is statistically acceptable, this indicates the presence of instability and that the data suffers from unit root. If the time series is unstable, it should be treated by taking the variances. To treat if (yt) is unstable, it is taken in the form of the difference to make it stable, and from here the time series is taken as a degree integral function. All studies in the field of modern economics indicate that the best way to treat data contaminated by the unit root is (extended Dickey-Fuller test), because it does not preserve the correlation error between variables.

**The Extended Dickey-Fuller (ADF) test is based on estimating one of the following models:**

(Without a fixed limit and time trend), as in the following model-

$\Delta YT = (P-1)\ YT-1 + \sum kj=1\ \beta\ 2i\ \Delta yt-j + vt$

(Without time trend), as in the following model-

$\Delta YT = a + (P-1)\ YT-1 + \sum kj=1\ \beta\ 2i\ \Delta yt-j + vt$

.(With a fixed limit and time trend), as in the following model-

$\Delta YT = a + \beta t + (P-1)\ YT-1 + \sum kj=1\ \beta\ 2i\ \Delta yt-j + vt$

Where (a) represents the constant term, (t) represents the time trend, and (k) represents the slowdown period.

**Second: Co-integration test.**

For the economic interpretation of any hypothesis stating the existence of a causal relationship (regardless of its direction) to be acceptable, the data for the hypothesized variables must be complementary, and to the same degree. This indicates that the long-term relationship between the two variables (XT - YT) is important if the estimated error term is fixed at zero and is not affected by the unit root. When ensuring the stability of time series data and determining its degree of integration based on the expanded Dickey-Fowler test model, it is necessary to know the nature of the four long terms, which are cointegration. Testing the main variables of the study.

Johansen's test was used to determine the absolute relationship between study variables. This test is performed when the number of study variables is greater than two, or when the number of two variables is determined, we conduct two tests.

- The first is called the trace test: it is the trace test that tests the null hypothesis that the number of cointegration vectors is greater than or equal to the number.
- The second is called the maximum value (MEV) test, and it tests the null hypothesis, meaning there is a value (r) for cointegration, versus the alternative hypothesis, which means there is a value (r+1). Cointegration. Third: Kranger test to determine the direction of the causal relationship:

The model is used in most time series studies to determine the direction of the relationship, that is, to test the causal relationship of economic variables.

The test is that changing the current values of one variable causes a change in another variable, that is, that the variable (y) is caused by the variable (x), and that there is a possible relationship to the directions of causality:

- Unidirectional causality from x to y.
- Unidirectional causality from y to x.

Bidirectional causality. (two ways).-

Independence. (Each variable is independent of the other)-

Fourth: Estimate the vector autoregressive (VAR) model according to the following model:

$\Delta YT = a0 + \sum LI=1\ a1i\ \Delta xt\text{-}I + + \sum Lj=1\ a2i\ \Delta yt\text{-}j + ב1\ ut\text{-}1 + vt$

$\Delta xT = \beta 0 + \sum kj=1\ \beta\ 1i\ \Delta gt\text{-}I + + \sum Lj=1\ \beta\ 2i\ \Delta xt\text{-}j + ב1\ ut\text{-}1 + vt$

Where (Δ) represents the first-order difference formula, (ut-1) represents the estimated error limits, and (ב1) represents the significance of the negative parameter, and expresses the percentage of imbalance in the dependent variable that must be modified in the short term.

**Assessing and evaluating the effects of international trade on Iraq's economic expansion between 2008 and 2023.**

**Data stability test for Dickey Fuller Extended ADF:**

The stability test is one of the important and basic tests for time series variables, and in order to ensure realistic results, the time series variables must pass this test and ensure the stability of the time series for each variable separately before estimating the required model (Ziyarah, 2018, 448) [8], This requires a unit root test, and the stability of the time series of the study variables is tested on the basis of the enhanced Dickey-Fuller unit root test. The tests are based on the following two hypotheses, noting that the comparison is between tabulated values and calculated values, regardless of the sign.

H0 Null hypothesis: The series has a unit root, that is, it is unstable when the calculated t value is less than the tabulated t value.

H1 Alternative hypothesis: The series does not contain a unit root, i.e. the series is stable when the calculated t is greater than the tabulated t. Table (1) shows the Dickey value.

**Table 1:** Augmented dickey-fuller test results for stationarity

| t –Statistic | | | | | | |
|---|---|---|---|---|---|---|
| Level | | | | First Difference | | |
| variables | Test critical values | Augmented dicky- fuller test statistic | Prob. | Test critical values | Augmented dicky- fuller test statistic | Prob. |
| Gdp | -3.34567 | -0.890083 | 0.7800 | -3.62625 | -4.370429 | 0.0012 |
| Ag | -3.62623 | -0.091324 | 0.9421 | -3.63053 | -2.757057 | 0.0070 |
| Mi | -3.62112 | -0.626390 | 0.9882 | -3.62658 | -5.240295 | 0.0001 |
| Om | -3.62122 | -0.537432 | 0.8743 | -3.62678 | -4.801506 | 0.0003 |
| Tom | -3.63911 | -0.688531 | 0.8764 | -3.65373 | -5.677176 | 0.0000 |
| The series is stable at the first difference and at the 1% level of significance. | | | | | | |

According to the results shown in Table No. (1) By comparing the calculated Dickey-Fuller values with the values of the Dickey table, it becomes clear that the time series associated with the variables are unstable at the level with the unit root, so stability at the first differences was studied and proven, showing all variables of the time series model that are stable at the differences first, and thus the null hypothesis is rejected. We accept the alternative hypothesis. This is proven by the value of Prob. For all variables the values are less than 5% for all series in the table.

**Cointegration test**

Cointegration in the economic concept of statistical properties of time series. The concept of cointegration is linked to economic theory, especially with regard to the idea of long-run equilibrium relationships, because the cointegration model states that the economic variables assumed by economic theory indicate the existence of equilibrium. Their relationship is long lasting.nIn this research, the cointegration test was used, Johansen, who tests the null hypothesis which states that there is no long-term equilibrium relationship between the studied variables, that is, there is no cointegration between the variables with the studied variables. The alternative hypothesis, which states that there is a long-term equilibrium relationship between the variables, is the existence of cointegration between the variables, which depends on two tests: the effect test and the maximum value test of the Johansen test for cointegration between the studied variables: able No. (2) shows the results of the Trace test.

**Table 2:** Results of the Unrestricted Cointegration Rank Test (Trace and Maximum Eigenvalue) Showing Long-Term Relationships Among Variables

| (Unrestricted Cointegration Rank Test) Trace | | | | |
|---|---|---|---|---|
| **Hypothesized. No. of CE.s** | **Eigenvalue** | **Trace Statistic** | **Critical 0.05 Value** | **Prob** |
| None* | 0.961123 | 187.9730 | 102.3466 | 0.0000 |
| At most 1* | 0.803478 | 135.0991 | 33.34100 | 0.0000 |
| At most 2* | 0.619226 | 25.63190 | 34.24578 | 0.0000 |
| At most 3* | 0.358700 | 45.67811 | 35.01090 | 0.0001 |
| At most 4* | 0.291245 | 12.90113 | 18.39771 | 0.0700 |
| (Unrestricted Cointegration Rank Test) Maximum Eigenvalue | | | | |

Looking at Table No. (2), we find that the results of the Trace test show that there is a long-term balanced relationship between 4 of the studied variables, according to the value of (.Prob), as it is less than 0.05, and the value of the calculated maximum probability associated with it is greater From the tabular value and accordingly We reject the null hypothesis, and accept the alternative hypothesis, which states that there is at least a cointegration relationship.

**Table 3:** Results of estimating the ARDL model of the effect of the independent variables on the dependent variable.

| **Variables Dependent variables** | **Coefficient estimated parameters** | **Prob.Critical probability value** |
|---|---|---|
| L AG | 0.184000 | 0.0006 |
| L MI | 0.287123 | 0.0000 |
| L OM | 0.133411 | 0.0005 |
| L TOM | 0.083034 | 0.0001 |
| L CROIL | 0.422300 | 0.0000 |
| C | 5.253511 | 0.0000 |
| Results of the model reliability test | | |
| R- Squared | 0.923900 | |
| Adjusted R- Squared | 0.922130 | |

**Standard Model Estimation:**

After knowing the results of the co-integration or correlation test and looking at Table 5 for estimating the standard model, we find that there are variables that are related to the real GDP by agencies:

GDP= Bo+B1AG+ B2 MI+ B3 OM+ B4 TOM+ B5 CROI+ U

**Conclusions**

1. Foreign trade occupies an important place in the economy of all countries, Iraq in particular, and foreign trade has the largest role in the Iraqi economy through the foreign currency exports provide to meet the import needs of Iraqi society.
2. The analysis shows that there is a two-way causal relationship between exports and economic growth (GDP), such that exports have clear and significant positive impacts on the GDP, since increasing exports by (1%) leads to an increase in the GDP.

**Recommendations**

1. Moving towards diversifying the commodity production structure and reducing dependence on oil to eliminate fluctuations in its prices and fluctuations in oil export revenues, and benefiting from the experiences of countries in foreign trade and developing human resources by preparing programs and training courses for them.
2. Paying attention to the commodity sectors, especially the agricultural and industrial sectors, to promote foreign trade, in addition to establishing industries intended for export and following an import substitution policy to support international exchange and trade in Iraq and the economies of similar countries.
3. Increasing the efficiency of local products and goods by improving their quality and quality and reducing their costs, as well as improving the infrastructure for land, sea and air transport and communications to facilitate trade in goods and services between different countries of the world, including Iraq.
4. Develop a comprehensive and clear methodology for Iraq's foreign trade with various countries of the world and define work objectives, future vision, data, information, statistics, structure for that trade, and organize it for researchers and economists to benefit from it.
5. Work and conduct future economic studies of foreign trade for the benefit of specialized researchers and postgraduate students, including a study on the commodity structure of electronic foreign trade, its components and its effects on growth and economic development, as well as a study on measuring and analyzing global e-commerce trends and its impact on the economic performance of different countries, as well as About studying the trends in the development of the knowledge economy and its relationship to the expansion of foreign trade among member states of the World Trade Organization and its effects on their economic growth.

**Conclusion**

Foreign trade is considered one of the important economic activities in developed and developing countries through its positive role in increasing national income growth rates, achieving structural transformations in the national economy, and providing necessary productive and consumer goods. Foreign trade also represents great importance to various countries, because of the role it plays in linking different economies and societies, and helping them develop and grow through the transfer of information and technology, disposing of surplus production, and enhancing the country's competitive ability in global markets.

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