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The Foreign Direct Investment in kurdtsan iraq

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ABSTRACT

Several and numerous policy makers and academics contend that FDI can have important positive impacts on a host country's development effort. This research examines the effect of Foreign Direct Investment on Economic Growth in kurdtsan iraq. The Foreign investment is considered one of the paramount of contemporary world for its different advantages in all aspects of life. Therefore, many developing countries tried to make radical improvements in economic administration and introduce legislations, which encourage and attract foreign investment. Foreign direct investment is new phenomenon to kurdstan

Although it may seem natural to argue that foreign direct investment (FDI) can convey great advantages to host countries, this paper shows that the benefits of FDI vary greatly across sectors by examining the effect of foreign direct investment on growth in the primary, manufacturing, and services sectors

The purpose of this article is to analyze the impacts of Remote Coordinate Venture (FDI) on Kurdistan financial improvement. The most objective of this think about is to analyze the FDI arrangement of have nation (KR) in arrange to draw in FDI from different sources to contribute in Kurdistan.. The think about found that FDI has contributed a few impacts on financial improvement of Kurdistan. Those impacts can be recognized as business era, capital arrangement, and human capital aggregation and administration know-how. These are exceptionally vital fixings for future financial improvement in Kurdistan. The ponder found too a few troubles from the have nation point of view with respect to advancement of FDI in Kurdistan. Approach proposals are given in this think about in arrange to make strides the government arrangements with respect to motivating forces, maximization of positive impacts of FDI to national financial improvement and long term maintainability of financial development.

Keywords: FDI, economic development, FDI phenomenon, Kurdistan economy

1 Introduction

Foreign direct investment (FDI) is a critical component of global economic integration. FDI establishes direct, reliable, and long-term linkages among nations. It promotes the exchange of expertise and know among nations and helps the domestic economy to advertise its goods more broadly in foreign markets. FDI is indeed a way of increasing capital for investment and, in the proper policy context, may be a powerful development platform.

Trades and foreign direct investments are the most essential components in every nation's economic development of nations. The acquisition of natural assets and the technology transfer are mainly accountable for the market liberalization in economic progress. Exporters would compete to penetrate overseas markets by encouraging creativity and industrial technologies. FDIs boost the hosting country's export capabilities and enhance profits in international currencies, primarily in emerging economies. They also improve the availability of cash for domestic investments, boost the development of new positions, strengthen technological transfer, and increase total economic growth. (Dritsaki & Stiakakis, 2014).

Foreign direct investment is generally accepted as a growth-enhancing element in emerging economies (Falki, 2009). FDI is among the most well-known types of investment in the world, and it has a beneficial effect on economic development (Younus, Sohail, & Azeem, 2014). Foreign direct investment (FDI) is viewed as a means for emerging economies to transfer technology and finance from other emerging and, in particular, advanced economies (Melnyk, Kubatko, & Pysarenko, 2014). The economic justification for providing specific incentives to attract FDI is typically

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based on the notion that foreign direct investment generates externalities in the form of technology transfers and spillover effects. (Carkovic & Levine, 2002).

Because of its liberalization, the Kurdistan Region, like other emerging areas, offers several investment prospects. In regard to its relative stability, and the natural resource base, hotels, and spiritual destinations, but this investment climate is not backed by contemporary rewards that are compliant with the latest economic reality. Following the adoption of the Kurdistan region, a sequence of stimulatory initiatives to allure more foreign direct investment, like the granting of a legislation, which contains many financial advantages, customs and tax breaks, the volume of investment streams to the external sector remains just below level needed.

Many regulatory, judicial, and institutional considerations are at the forefront of routine and slow completion of processes that predate the formation of infrastructure investments, but the most significant impact in latest years has been the financial recession induced by the drop in oil prices and the downturn of the state governments and the regional legislatures. Here's the issue with the result. Premised on the notion that foreign investment is impacted in some manner by economic concerns in the hosting country, this study seeks to address the number of foreign investments in the region and their effect on economic crisis in Iraq in particular and the region in particular. The research follows the descriptive approach, supported by the data available from many sources on the size and distribution of investments among regions of the region.

Several emerging economies have lately witnessed a significant influence from FDI. FDI was now a primary economic aspect of globalization, controlling the majority of cross-border investment. Technological changes, lower communication costs, and policy liberalization are one of the reasons that have contributed to FDI's increased significance.

2 Literature Review

Foreign direct investment (FDI) by multinational enterprises (MNEs) is considered an important means to achieve economic growth by developing countries (Denisia, 2010). Investors have shown increasing interests in countries with abundance of natural resources that await extraction and development, especially highly marketable commodities such as oil and gas. However, many developing countries with abundance of natural resources are marred by internal and/or external conflicts (Collier, 2006; Glynn, 2009). As such while those countries present economic opportunities for investors, they also present political risks that could lead to changes in the business climate that could impact negatively their investment. The subject of FDI in countries with natural resources has been addressed in several studies (Abdel Gawad and Muramalla, 2013; Asiedu, 2013; Poelhekke and van der Ploeg, 2010). The presence of natural resources and political instability has been discussed in existing literature with conflicting results (Baek and Qian, 2011; Basedau and Richter, 2011; Glynn, 2009; Le Billon and Nicholls, 2007; Li, 2006; Ross, 2004)
A foreign direct investment is an investment in the form of a controlling ownership in a business in one country by an entity based in another country. It is thus distinguished from a foreign portfolio investment by a notion of direct control. Wikipedia

According to Silajdzic and Mehic (2015), FDI is anticipated to have a significant impact on economic growth by increasing to gross capital creation and implicitly by adding to knowledge resources. More specifically, under the conventional paradigm, FDI is supposed to have a multiplier effect on the economy because it is expected to substitute direct investment and is viewed as a crucial alternative to capitalization shortfalls. Additional investigation revealed that foreign direct investment has a favourable effect on economic growth in transitional nations via spillover effects; technological and innovative initiatives are believed to be critical factors driving growth performance. (Silajdzic & Mehic, 2015).

Furthermore, Nistor (2014) discovered a beneficial influence of FDI on host nations, which manifested variably based on the region and location of the foreign direct investment; its effect is directly related to the quality and amount of the inflow. The findings suggest that FDI inflows, along with human capital, contribute significantly to the host nation's economic development. (Fadhil & Almsafir, 2015).

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Foreign direct investment (FDI) is extremely significant in all nations, particularly emerging ones, and is even regarded as the driver of economic progress. Foreign capital, when engaged under proper conditions, may assist minimize the imbalance among capital requirements and domestic savings, enhance levels of skill in the domestic market, promote access to markets, and assist to technology transfer and social stability. (Abbes, Mostéfa, Seghir, & Zakarya, 2015).
Hong (2014) discovered that FDI has a positive impact on economic growth; additionally, economies of scale, human resources, infrastructural facilities, and pay rates, as well as cultural variations, directly engage with FDI and encourage economic growth in China, whereas trade liberalization does not substantially stimulate FDI. Chee and Nair (2010) shown empirically that the financial sector development increases the contribution of FDI to economic growth in the area and the complementing function of FDI; nonetheless, it is particularly essential for the state's lowest developed economies.

FDI, as domestic investment, is an essential mechanism for technology transfer, adding to development more than domestic investment; yet, the improved productivity of FDI applies once the host nation has a minimum threshold level of human capital (Borensztein, De Gregorio, & Lee, 1998). Research by Gunby, Jin, and Robert Reed (2017), on the other hand, observed that the impact of FDI on Chinese economic growth is significantly lower than one might assume from a simple accumulation of current projections. For US states that achieve a minimal human capital requirement, FDI has a bigger impact on per capita income changes than private investment. (Ford, Rork, & Elmslie, 2008).

According to Alvarado, Iiguez, and Ponce (2017), FDI has a significantly positive influence on output in high-income nations, however have an unequal and non-significant impact in upper-middle-income nations. foreign direct investment's implications.

Sakyi, Commodore, and Opoku (2015) concluded that an increase in FDI inflows contributes to improved GDP growth in the long term, regarding the empirical study performed in Ghana from 1997 to 2011. According to Javaid (2016), FDI has a considerable beneficial influence on Pakistan's GDP growth both long-term and short-term. In addition, additional variables such as inflation and population have long-term influence on GDP. (Javaid, 2016).
In favor of this finding, a study undertaken by Younus et al. (2014) for the years 2000-2010 demonstrated the presence of a strong association among growth in the economy, measured by GDP, and FDI in Pakistan. foreign direct investment's implications

Zhang (2001) conducted research and discovered that FDI appears to aid China's transformation and encourage revenue growth, and that this strong growth impact appears to increase with time. Liu, Burridge, and Sinclair (2002) discovered bi-directional causation among economic growth, FDI, and exports. Furthermore, the open approach appears to be aligning in terms of economic development, exports, and FDI.

Tang, Selvanathan, and Selvanathan (2008) discovered, derived from empirical research findings, that FDI, rather than pushing out direct investment, has a complementary relationship with domestic investment. FDI has aided in overcoming resource constraints, and it has also benefited Chinese economic expansion by augmenting local investment (Tang et al., 2008).

Hussain and Haque (2016) discovered a link among foreign direct investment, trade, and per capita GDP growth rate in their exploratory work of Bangladesh. The findings also show that trade and foreign investment factors had a significant influence on GDP per capita rates of growth (Hussain & Haque, 2016). The inflow of FDI into India does, in fact, boost TFP growth by positive implications (Choi & Baek, 2017).

Further research reveals that FDI stocks and production are co-integrated in the long run for the Indian economy overall (Chakraborty & Nunnenkamp, 2008). Pegkas (2015) discovered that, as economic models suggest, FDI has a significant and substantial effect on economic development. As a result, FDI plays an important role in the Eurozone's growth in the economy. Foreign direct investment (FDI) has been a significant driver of economic growth in Malaysia, providing capital investment, technology, and managerial skills.

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The research, which used time series data to examine the link among FDI and economic growth in Malaysia from 1970 to 2005, discovered that there is a strong association among growth in the economy and FDI inflows; FDI has a direct positive effect on RGDP (Har, Teo, & Yee, 2008). The following are the key conclusions from the scientific investigations: Just about all research has indicated that FDI has a considerable In 1991, the Kurdistan Region of Iraq (KR-I) has accomplished its autonomy with global protection assured via the no-fly quarter instituted via way of means of a UN Security Council resolution. In the following year, the first Kurdistan local authorities became elected via way of means of the human beings to run the kingdom affairs. Since then, this a part of the arena is administrated and ran via way of means of the KRG. After 2003, the KRG's authority over the economic, social, and political existence of the KR-I became furthered with the disintegrate of the Ba'ath Regime.beneficial influence on economic growth.

3 Concepts of FDI

According to Montiel and Reinhart (2001), there were several differences in comprehensive definitions and essential features connected to FDI as a term according to various experts. The effects of FDI have been addressed from both favorable and unfavorable spillover effects in developing countries, and a fraction of scholars' ideas on their significance and significance are still being investigated. It may be clearly defined as the action of one country requiring the ownership of assets in another country through various trade exceptional points such as dissemination, notice, generation, and so on.

According to the United Nations Conference on Trade and Development's 1999 World Speculation Report (UNCTAD, 1999), FDI is defined as "a suppositions along with a serious relationship and expressing a persistent interest and influence of a resident material in one industry (remote coordinate financial specialist or parent venture) in an undergoing citizen in an economy rather than of the distant coordinate financial specialist (FDI venture, remote partner).

Economic growth

FDI is regarded as a significant productivity tool that contributes to the host nation's economic development. This expansion may be aided by the infusion of resource endowments in the home country, an improvement in efficiency, and the creation of new employment. According to Chan's (2000) research (as mentioned in Esther O, (2010)), when a nation chooses an export strategy, FDI has a favorable effect on the development. This research found that FDI has the potential to boost host-country development into its impact on trade.

FDI-created operations contribute to increased efficiency and information exchange in the host nation's local firms. When a locally held business gains efficiency via integration of advanced technology, productivity and expertise flow over.

Yet, there are considerable disagreements on this point. As the level of foreign influence increased, the negative effects became more obvious. Due to cost reductions on their new distinctive and unique technologies, these international enterprises have the capacity to lure demand away from their domestic counterparts. As a consequence of "market snatching" action carried out by foreign subsidiaries, local business productivity would suffer.

Furthermore, the capacity of a business in the home country to gain spillover effects is dependent on its ability of the local company to assimilate international companies' know-how, skills, and technology. If local firms' capacities are inadequate to recognize the importance of technological capabilities, they will be unable to reap the spillover advantages. As per Galina Hall (2011), the absence of spillover effect in China was attributed to a lack of capacity to hire skilled employees, which limits the ability to embrace new technology.

In other words, spillover advantages occur only when the technological gap is minimal. Assessing productive spillovers from international to domestic firms is critical for identifying the implications of FDI on host-country productivity expansion.

Mechanism of Foreign Direct Investment

According to Balasubramanyam (2001) a coordinate venture is characterized by the Worldwide Financial Support (IMF) 2011, an speculator who could be a inhabitant of another nation and possesses 10 percent common offers or voting right within the undertaking or the proportionate within the have nation. There's an clarification of "Foreign Controlled Inhabitant Enterprise". Outside controlled trade incorporates auxiliaries which have more than 49 percent voting control have controlled by a outside parent. Partners of which outside proprietorship of value is 15-50 percent.

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As a result from the vision point of the have nation and for looking at development, do commerce, control, and work, scraps the perfect perception.

Criticism of Foreign Direct Investment (FDI)

According to Konings and Murphy (2006), there seems to be a major disagreement among scholars in the subject over the study of how much poor and beneficial FDI may contribute emerging markets. Several researchers view FDI failures to improve the host nations' economies as a divergence on the part of the host nations from their major metric of FDI, which is mostly infrastructure fluencies. Several researchers concluded that certain emerging economies have not wisely utilized Foreign Direct Investment (FDI) as a determinant of business finance as a consequence of a non-bearer commitment and the foreign powers' situation. (Asiedu, 2002; Balasubramanyam, 2001).

Several researchers have assessed the negative perception of FDI to the variation of the homelands and only regarded the diversified favorable impact to host nations with talking about the fact that policymakers in the majority of nations are utilized in functioning all sorts of intentions (e.g., outside processing area and tax motives) to get FDI, since it results in an immediate impact on local industrial prosperity.

Factors Effecting the Sum of Foreign Direct Investment

According to Asiedu (2002), a nation has a diversity of organic traits that make it unique in Africa as a region and in the world at large. The rural emotional reaction has sufficient natural resources to carry on their effectiveness, but they are still in the development process until the future. There are many problems battling against the nation's beneficial growth, which might really obstruct the nation from moving forward in other ways, such as recruiting outside capitalists to enter a country.

The significant feature of FDI to the economic development of developing countries has made it official for every nation to did their hardest by making themselves an absorbent ground for international investors to arrive into their nation; in reality, several researchers have produced it well known that a nation's capacity to expand is reliant on its efficient valiancy to attract more investors. It is, nevertheless, necessary to discuss several natural elements in developing nations that may have an impact on the region's seamless inflow of FDI (BInev, S., 2011).

Human and natural resources

Human and natural resources are essential variables affecting the investment environment, which in turn influences FDI. The availability of natural and human resources in host nations helps to reduce manufacturing costs and hence increase profitability. The presence of skilled and competent human capital, as well as inexpensive labor, is an advantage for investment since it adds to reduced production costs, which contributes to international businesses' attractiveness, particularly labor costs. As a result, firms are seeking to establish factories in emerging economies to take advantage of cheap pay levels.

Resources are also abundant in the region, notably energy supplies such as natural gas and oil, having recognized gas reserves in the area totaling 3 trillion cubic meters and proved oil reserves totaling 45 billion barrels.

Political Instability

According to Onyeiwu and Shrestha' paper (2004) one of the main specifications of middle east countries is continues shifting of administration, which typically comes as a consequence soldierly intercession in governmental, racial disaster, and recurrent happening of war. In their research, Rogoff and Reinhart (2003) discussed how prepared a nation is for the occurrence of war from 1965 to 1998, and their result was premised on the observation that the geographical susceptibility to war index for Africa is 32.6 percent, contrasted to 20.1 percent and 11.3 percent for Asia. The study also shown that there is a statistically significant negative relationship among FDI and violence in Africa, emphasizing that the interference of outside businesses in the nation has nothing to do with the contributing factors in the area. Political insecurity will, of course, impede the influx of FDI into Middle Eastern countries (BInev, S., 2011).

Economic stability

The lack of sociopolitical solidity is among the most key factor that led to the effective reduction of the great speculation climate, and the reliability of pay rates, where exchange rates are one of most factors determining the speculation environment due to the nearby asset base and its impact on exports. Exchange rates are among the most important indicators of financial risks in the competitive market sector. Financial experts have used actual genuine

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trade rate signals to measure the profitability of nations and exchange rate. Hence, the steadiness of trade rates is one of the foremost critical financial components of the venture environment in Kurdistan and Iraq.

Infrastructure

The hosting country's infrastructure has a substantial influence on transportation, production, and transportation costs, necessitating contemporary and efficient infrastructure in order to assist to encouraging investors both locally and internationally. Nations with weak framework confront troubles in drawing in more noteworthy volume of outside speculation. Within the Kurdistan locale, there are a few components of the framework, but they require huge ventures to create them. Particularly within the power division since remote businesses are exceptionally much worried by the accessibility of foundation, which enormously influences the type of speculation choice to them with the electrical supply of brief interference harm to gears, subsequently, businesses incline to independent on provisions, making costs higher.

Absence of Political Transparency:

The fact that political chaos is among the organic types of the region will also guide to continued changing of policy initiatives because new administration with the organization of new measures and this instantly makes it difficult to really anticipate what the political of administration are about in Asia countries. The policy of increasing transaction fees, taxes, and techniques of getting things in an attempt will be difficult for outside investors to gauge, making the continent riskier for them to participate in.

Corruption and Maladministration:

According to Ajayi (2006) research, there is a divergence among Middle East nations in overall. There are no regulations enacted to prevent variation since the authorities who are supposed to enact these rules are the proponents of variation in the country. So outside investors consider it risky to engage in a nation where safety is inadequate. Variation, as per Ogundele and Opeifa (2004), is the result of various reasons, including cheating, deception, purposeful trick, fraud, dishonest, and the smart reconsidered effort of a group of human beings to rectify the realities of the situation or transaction for personal profit. According to Bardhan (1997), deviation is the process in which a state official mandates manure to an outside firm in exchange for the privilege to operate in a country, industry, or place. According to Wei and Shleifer's (2000) research, deviation has a detrimental effect on both the volume and the integration of assets in progress into established markets since it reduces internal FDI substantially (Unegbu, A., 2015).

Investment obstacles in the Kurdistan region

Investment obstacles in the Kurdistan region

However, there are many advantages that may help to the influx of FDI investment to the Kurdistan area this will not preclude the presence of impediments that impede this stream from reaching its full potential. The below are among the most significant barriers to investment in the region:

1. The Kurdistan area has a scarcity of expertise in specific human capabilities.
2. Iraq's absence of democratic and security balance,
3. The growth of illegal practices, which raises capital costs.4.low level of infrastructure in general, energy, and water in particular,
5. Inadequate financial sector services, as well as their stagnation,
6. The absence of an effective taxation system,
7. The ongoing disagreements between the state governments and the territory administration as a result of several unresolved problems,
8. The reliance of the Kurdistan economy on the assets of the Regional Administration is mostly reliant on the town's portion of the national budget, with a considerable imbalance in the private industry and local investments in the development process.

Foreign investment in Iraq after 2003

All through history, Iraq has had a key position in the Arabian Gulf and the Middle East. It has vital port facilities and can demonstrate that it is at a low-cost supply and trade position. Iraq's strategic position, population, and low pricing make it the ideal place for export to the regional and the entire globe. Yet, we all realize that the majority of items

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being sold in Iraq now are imported. Iraq's 34-million-person home economy has a distinct potential to create and sell things to supply import substitutes.

Iraq possesses one of the world's greatest hydrocarbon reserves. Iraq has 143 billion barrels of proved reserves, while the country's unexplored oil supplies, the planet's second biggest, are believed to be over 300 billion barrels. So, it possesses around 127 trillion cubic meters of gas fields, and Iraq is abundant in all other resources like Sulphur, phosphate, and iron.

As per Iraqi Investment Commission data, there are capital demands in all areas of the Iraqi economy, with the Iraqi government putting more than 500 investment possibilities in diverse sectors like construction, industry, agriculture, tourism, housing, and communications. Most of these investments are available on-line and more details can be obtained by contacting the National Investment Authority.

Iraq's labor market is well educated, with 21% of the population having graduated from high school and colleges and 14% having broad technical credentials. Iraq is well-versed in various fields, including as engineering, medicine, and agriculture, and a wide range of organisational and management abilities. There were around 9.3 million young people. For instance, the salaries of an engineer in Iraq are 89 percent lower than in the United Arab Emirates, while the earnings of a trained worker are 92 percent lower than in the United Kingdom. Whereas the pay rate is substantially lower than it is in the United States and Europe, when paired with the number of grads and experts, the suggested investment funds provide exceptional value [13].

Iraq exempts shareholders from all taxes, particularly corporation tax payments, for a period of ten years. If the initiative is owned with a proportion of Iraqi owners, the duration might be prolonged for a further 15 years. There are additional incentives, such as the privilege to re-attract investment and profits from investment, as well as the privilege to hire immigrant workers, when necessary, as well as three years of waivers from import tariffs on equipment needed, and the Iraqi government to make sure the nationalization or detainment of investments.

Investors benefit from Iraq's low corporate tax rate, which remains at 15% after the end of the tax refuge era, making it the most attractive rates in the region and the globe. Both the tax-free time and the subsequent slower levels will allow shareholders to benefit quickly and stimulate reinvestment. And Kurdistan, which is part of federal Iraq and encompasses the three regions of Erbil, Sulaymaniyah, and Dahuk, is seen as a safe place and a draw for several international investors owing to the accessibility of several incentives.

Foreign investment and the economic crisis in the region

The Kurdish area is superior to the rest of Iraq, particularly because of the relative stability of democratic and safety after 2003, which offered an adequate surface for the inflow of foreign investment more in other parts of Iraq, in relation to the state's custody of the aspects of admiration by now mentioned.

The number of foreign direct investment inflows, while higher in the area than in the rest of Iraq, is undeniably lower than the degree of desire. Furthermore, these investments led to the financial crisis experienced by Iraq in overall and the area in specific in 2014, and they tend to do so now. We will tackle the level of foreign investment in the region prior to and during the financial downturn by doing the following:

Geographical distribution of foreign investments

For the years 2006-2016, overall value in the territory in all kinds totaled to around $ 47 billion. Foreign investment accounted for 13 percent of total investment in the region, amounting to $ 6.1 billion, whereas joint operations accounted for 8.6 percent of the overall investment, amounting to $ 4 billion, and domestic investment accounted for 78.4 percent of total investments, amounting to $ 36.8 billion.

Sectors	Capital (million $)	Percentage of Foreign Investment of Total Investments (%)
Agriculture	725.02	1.54
Culture	12.30	0.03
Banks	753.70	1.61
Telecommunications	220.89	0.47
Education	708.64	1.51
Health	893.88	1.9
Housing	14985.79	31.92
Industry	17457.78	37.18
Services	84.98	0.18

Sports	92.72	0.20
Tourism	6848.71	14.59
Trade	4064.91	8.66
Transportation	104.20	0.22
Total	46953.52	100%

Source: Investment Authority - Kurdistan region.

Table 1: Foreign Direct Investment distributed by Economic sectors in the Kurdistan Region for the period 2006-2016.

4 Conclusion

1-FDI is a vital instrument for Kurdistan's social prosperity.
2-FDI will generate high-paying opportunities for talented workers in Kurdistan's service industry.
3-FDI contributes to the overall socioeconomic balance of the economy.
4-Customers profit from FDI in retailing because rivalry occurs, ensuring that they receive the greatest quality product at the cheapest rates.
5-It is obvious that the financial downturn has had a negative impact on foreign capital inflows.
6-The drop in oil prices has had a substantial influence on the amounts of foreign capital inflows.
7-Foreign investment continues to account for a minor proportion of total capital investment.
8-FDI is an important tool for economic growth of kurdstan

5 Recommendation

-1To encourage more Foreign Direct Investments into the Housing Sector, more reforms are needed in the Kurdistan Land use and acquisition law.
-2The first contribution is the use of more current statistics as well as modern and scientifically sound research procedures. Empirical evidence on FDI, in particular, have relied heavily on conventional least squares estimation techniques. This method, though, misses the structure of ordinary economic sets of data, which have both temporal and geographic aspects.
3 -A sensible and smart financial approach that rationalizes expenses while maximizing income.
Implement financial reform initiatives, particularly those relating to the tax system.
4- Countering corruption in all its manifestations and broadening the function of government regulators.
5- Broaden sources of income to prevent relying on a single source to minimize price swings.
6- Promote small and medium-sized businesses and give them a larger role in economic life.

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