

UKJAES

University of Kirkuk Journal
For Administrative
and Economic Science

ISSN:2222-2995 E-ISSN:3079-3521

University of Kirkuk Journal For
Administrative and Economic Science



Hassan Basima kzar. The location of Iraq from the map of the new world economy (BRICS) obstacles to accession and its effects. *University of Kirkuk Journal For Administrative and Economic Science* (2025) 15 (3) Part (1):10-25.

The location of Iraq from the map of the new world economy (BRICS) obstacles to accession and its effects

Basima kzar Hassan ¹

¹ Department of Economics Studies, Center for Basra and Arab Gulf Studies, University of Basra, Basra, Iraq

basima.hasan@uobasrah.edu.iq ¹

Abstract: The research aimed to clarify Iraq's position on the map of the new global economy (BRICS), as well as the effects and obstacles it will face if it joins the new global economy. The focus was on Iraq's position regarding joining the new global economy (BRICS) by examining three indicators: foreign trade, gross domestic product (GDP), and inward and outward investments, while studying the opportunities available to Iraq upon joining. The research reached several conclusions, including: There is no doubt that Iraq's accession to the new global economy (BRICS) will play a significant role in the future of its economy, providing Iraq with substantial economic opportunities such as attracting investments, diversifying and developing trade partnerships, and reducing reliance on the dollar. The research recommends the necessity of adopting integrated economic strategies, reforming the financial system, and enhancing cooperation with member states while maintaining balanced relations with the world to ensure the benefits of joining the new global economy (BRICS).

Keywords: Iraq, The BRICS bloc, map of the new world economy, economic bloc, Foreign direct investment.

موقع العراق من خارطة الاقتصاد العالمي الجديد (بريكس) معوقات الانضمام واثاره

أ.م. د. باسمه كزار حسن ¹

¹ قسم الدراسات الاقتصادية-مركز دراسات البصرة والخليج العربي جامعة البصرة، البصرة، العراق

المستخلص: يهدف هذا البحث إلى تسليط الضوء على موقع العراق ضمن النظام الاقتصادي العالمي الجديد الذي تقوده مجموعة البريكس، من خلال دراسة الآثار المحتملة والتحديات التي قد تواجه العراق في حال سعيه للانضمام إلى هذا التكتل الاقتصادي. وقد ركز التحليل على ثلاثة مؤشرات رئيسية تمثل مرتكزات الاقتصاد الوطني، وهي: التجارة الخارجية، الناتج المحلي الإجمالي (GDP)، وتدفقات الاستثمار الداخل والخارج، بهدف تقييم جاهزية العراق والفرص التي يمكن أن يتيحها له الانضمام.

وتوصل البحث إلى أن انضمام العراق إلى مجموعة البريكس قد يشكل نقطة تحول مهمة في مسار اقتصاده، من خلال ما يوفره من فرص واسعة لجذب الاستثمارات الأجنبية، وتنويع وتطوير الشراكات التجارية، والتقليل من الاعتماد على الدولار الأمريكي. ويوصي البحث باعتماد استراتيجيات اقتصادية شاملة، وإجراء إصلاحات هيكلية في النظام المالي، وتعزيز التعاون مع الدول الأعضاء في البريكس، مع الحفاظ في الوقت نفسه على علاقات دولية متوازنة، لضمان تحقيق أقصى فائدة من عملية الاندماج في النظام الاقتصادي العالمي الجديد.

Introduction

The financial economic crisis has allowed the emergence of several emerging forces, including the new world economy (BRICS), which seeks the need to reform international financial institutions in terms of reviewing the rules and standards on which they are based, and in light of the slowdown of advanced economies in terms of economic growth and expansion, the new world economy (BRICS) has gained great importance and wider acceptance as emerging.

This research aims to assess the location of Iraq for BRICS. And then analyze the areas that helped the BRICS alliance to improve the Iraqi economy and find out the most important difficulties that Iraq faced when applying to join the BRICS countries.

1st: Significance of Study:

It lies in the study of one of the most influential and comprehensive global phenomena in the Iraqi economy. Namely, the new world economy (BRICS) and its developments, which has imposed itself strongly on the International and regional arena since the end of the Cold War, which has become today one of the mechanisms of globalization and economic openness and a complementary tool for liberalizing trade, financial and investment flows, and what is the location of Iraq from the BRICS map and the extent of its impact and the most important obstacles that stand in front of joining this bloc.

2nd: Problem of Study:

Considering that Iraq is a pivotal and influential country in the world in general and in the Middle East region, especially because it is a country bordering the Arabian Gulf, the maritime gateway to the world, the problem of the research presented lies in these questions.

1. What is the new world economy (BRICS)?
2. What is the location of Iraq from the map of the new world economy (BRICS) And to what extent does the new BRICS phenomenon affect the Iraqi economy as a reality and as a future?
3. What are Iraq's gains from joining the BRICS group?
4. Are there obstacles to this accession?

3rd: Objective of Study: The research focuses on:

1. Getting to know what the new global economy model.
2. Analysis of Iraq's position in the new global economy (BRICS) and its ability today to be present in the international arena in proportion to its size and capabilities and ending with its future and the existing predictions about it.
3. Getting to know the role of this new global economy (BRICS) and the extent of its impact on the Iraqi economy.
4. Identify the obstacles that prevent Iraq from joining the new global economic bloc (BRICS).

4th: Hypothesis of Study:

With the increasing interest in the new world economy (BRICS), the economy is in a constant state of change, making the impact mutual, positive or negative, affecting the Iraqi economy.

5th: Structure of Study:

The research was based on method Descriptive analysis of the Iraqi economy in analyzing its developments as a reality based on all its variables and milestones, and finally, the research relied on the future approach in extrapolating possible scenes.

The first search: the theoretical framework of the new world economy (BRICS)

First: The concept and importance of " the BRICS "

Over the past two decades, significant changes have occurred in the balance of power in the world economy due to a significant increase in the economic power of a relatively small group of developing countries that are commonly called emerging markets (D. I. Kondratov, 2021:37) "BRICS" is an economic group consisting of Russia, Brazil, China, India, and South Africa. The negotiations to form it began in 2006, and its first summit conference was held in 2009. Initially, the group included Brazil, Russia, India, and China under the name "BRIC," then South Africa joined in 2011 to become "BRICS", is a significant economic grouping that represents a significant proportion of the world's population, territory, and resources. The group has established several institutions and policies to promote economic cooperation and integration (Mubarak, 2023:9) These are the first letters of the names of five countries with fast-growing economies that share the desire to break free from the West's domination of the world economy and put an end to this domination in international policy issues, and these countries are (Brazil, Russia, India, China and South Africa) The acronym BRIC was invented by the British economist Jim O'Neill from Goldman Sachs in 2001 as a catchy description of emerging economies worth investing in. (Jonas, 2014:1). to play a key role in the transition from a unipolar system to a polycentric world order and to resist the attempts of the United States to establish its hegemony (Vladimirovna, 2021:474).

In recent years, the term "new economy" has been gradually transformed into the concept of "innovative economy". An innovative economy is a type of economy based on the flow of innovations, on constant technological improvement, on the production and export of high-tech products with high added value and the technologies themselves) (Murtazova, 2021,2)

Second: Strategic objectives of the BRICS countries

There are two approaches to the BRICS Strategy and its goals in global governance, the first goal is to strengthen the positions of the BRICS countries in quantitative terms, based on their previously acquired position in the current global economic and financial system, and the second goal is to create parallel structures in international governance, the BRICS countries are also generally opposed to ignoring or reducing the role of existing institutions of global governance, such as the United Nations, the International Monetary Fund and the World Trade Organization in reference to the need to reform the United Nations, which in recent years has been increasingly criticized for failing to meet global challenges quickly and effectively, as the Ufa Summit in 2015 noted due to the need to make the organization more representative and responsive to security threats, and also the need to expand the permanent membership of the UN Security Council, which is especially important for India and Brazil, however, the current five permanent members of the Security Council are reluctant to cede any authority to newcomers, which has become a source of tension within the BRICS countries. (Kirton and Larionova, 2018:328).

Third: The place of the BRICS countries in the global economy

The economic aspect forms the backbone of the group, The BRICS countries represent the largest economies outside the OECD, the club of the rich for emerging economies. Although it is a group that does not enjoy legal, historical and geopolitical cohesion like the European Union, it has a number of economic indicators that make it a role and a place in the world economy, namely.

1- The BRICS countries ' share of global GDP:

The BRICS bloc consists of countries that have a significant economic impact on the international system, as shown in Figure (1): The BRICS countries received an increasing share of World Economic Growth. The BRICS countries ' contribution to global economic growth was about 60% in 2016. In 2017, emerging economies and developing countries contributed more than three-quarters of global economic growth. In recent years, the contribution of these economies has been accounting for about 70 % of global economic growth (Yifan, 2021,1) China maintained its position

as the world's second-largest economy in 2023, with a GDP of 17.7 trillion Dollar (IMF, ٢٠٢٤). This strong performance led the International Monetary Fund to revise its 2024 growth forecast for China upward to 4.6% (from 4.2%), reflecting the country's sustained economic recovery. Meanwhile, India ranked fifth globally with a GDP of 3.7 trillion Dollar in 2023. Driven by robust growth in late 2023 (IMF, 2024).

Brazil came in ninth place with a GDP of 1.86 trillion dollar, and the Russian economy achieved significant growth during 2023 despite the large European sanctions on it, as it came in 11th place with a GDP of 1.86 trillion dollar, as the State Statistics Service in Russia indicated that GDP growth reached 5.5% in the third quarter of 2023 compared to a contraction of 3.5% in the same period last year, and South Africa ranked 41st with a GDP A total of 380.91 billion dollar (0.38 trillion dollar), hence the resilience of the economies of these countries in light of global economic crises.

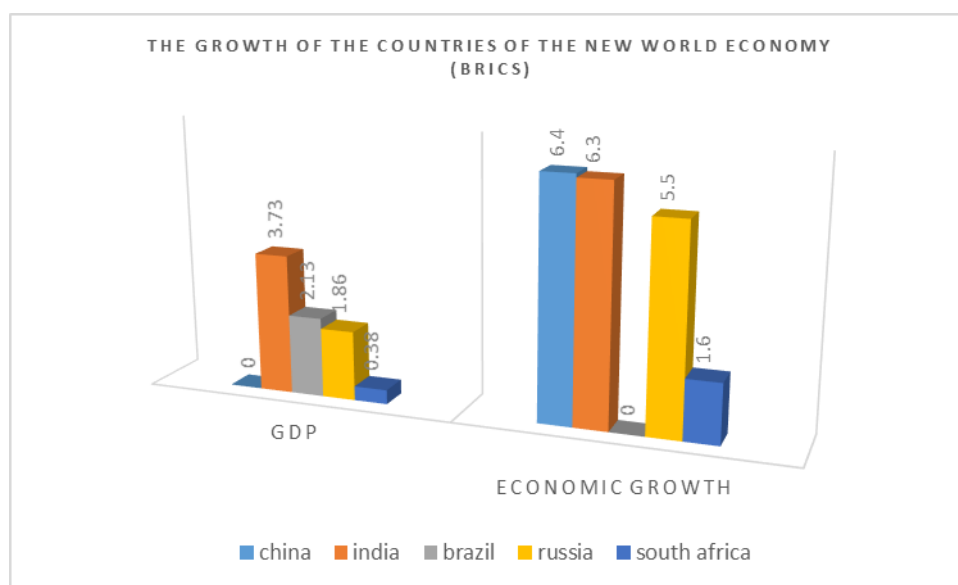


Figure (1): Growth of the new world economy (BRICS) in 2023(trillion dollar)

Source: from the work of the researcher based on data statistics of the World Bank data 2024, Washington .

The BRICS bloc in 2024 will achieve greater growth than it achieved in previous years, as the percentage of the BRICS group's contribution to the global economy rises from 25% to 40%, as the expansion of membership with countries with great economic advantages, will achieve the goals sought by the bloc efficiently and quickly, and this view came from a set of basic features Which can be explained in the following paragraph.

2- The indicator of the demographic and the level of development of human:

development: if the population of the BRIC countries is currently around (3) billion, which is roughly equivalent (45%) of the world's population it is the power of mankind is immense, mainly due to the population census of the very large to China and India, the population on the order (1,369) and (1,311) million, while Brazil and Russia about (207) and (144) million Ranking, it is estimated in South Africa about (50) million.

3- International Trade Index:

the BRICS countries have excellent trade relations with all the countries of the world on the one hand, and between them on the other hand, Brazil's trade is the most widespread among the BRICS countries across all continents, but at the same time the Brazilian economy is the most closed in terms of trade liberalization, especially in a significant and important economic power globally (Singh, and Dube, 2021:9).

The new world economy are emerging as dominant players in global services trade, and over the past decade and a half. Most of them have experienced more rapid growth in services trade than the

main developed markets, (with China and India in According to the World Trade Organization (WTO), China was the third largest exporter of services in the world in 2015 and India ranked eighth, with India being particularly successful in the field of Information Technology and business process outsourcing(Jansen,2017,10)

The BRICS countries form a huge trade bloc, as the current intra-trade has exceeded (310) billion dollars and is scheduled to reach (500) billion dollars by the end of the second decade of the current century. China is the dominant country, exporting about (150) billion dollars of goods and services annually to its partners. This indicates that these countries are moving to change the existing balance in international trade and to represent the largest percentage of international trade (Al-Jabari, 2018:122)

Emerging economies have not only made great contributions to the global economy in terms of growth; they have also been successful in promoting the growth of international trade.

The First Topic: the economic effects of the location of Iraq from the map of the new world economy "BRICS"

The contribution of the BRICS countries to the world economy and to international development takes three concrete forms, firstly, it is considered as an engine of the world economy that provides a significant and increasing part of the demand and supply of goods and services, as well as an increasing part of the financial resources and solutions to problems necessary for joint progress, secondly, filling gaps and playing a greater role in providing investment and knowledge, and finally, enabling important global goals to progress by activating joint and coordinated actions of the BRICS countries(Dimock,2017,10).The location of Iraq is one of the most important sites in the map of trade between the East and the West, in addition to its importance in the map of the world oil markets, and certainly the mechanisms of this cooperation will push towards more partnerships with the countries of this group, especially investment partnerships in a promising and attractive environment once the main goals of,As we know, the Iraq joining BRICS opens further doors for economic opportunities, boosting trade, securing a stronger global foothold, and increasing flexibility through building more international alliances. Iraq 's accession to the BRICS bloc will reflect positively on the Iraq economy, as it will be clarified as follows:

First: the impact of the the new world economy on economic growth:

Iraq 's accession to the new world economy (BRICS) officially in 2024 will add many economic advantages to the new world economy (BRICS), as Iraq achieved a GDP of 270 billion dollars in 2023, as it ranked 49th globally, as Iraq achieved a growth rate of 4% during the fiscal year 2022/2023, in addition to improving the infrastructure carried out by the Iraq 2014, the strategic geographical location of the Iraq and the significant population growth that would serve to achieve the great development goals of the the new world economy.

The Iraq's economic goal is to double its GDP by 5.3% by the end of 2025, (The World Bank,2024). To achieve such lofty aspirations, the Iraq aims to prioritize bilateral trade deals and partnerships, By aligning with BRICS, the Iraq believes it can further solidify its economic relationships with China and India and gain access to other markets, such as Russia, which has the world's 8th largest GDP, Brazil, and Argentina.

From this standpoint, the need arises to analyze the relative significance of Iraq's GDP compared to the total GDP of the BRICS countries during the period (2019–2022). This is to determine Iraq's economic position within the landscape of emerging economies and assess potential opportunities for integration or future convergence with this important international bloc.

Table (1) : The Position of the Iraqi Economy within the BRICS Bloc: A Study on the Relative Significance of Gross Domestic Product (2019–2023) in absolute value (billion USD) and percentage

The year	Iraq's Gross Domestic Product (GDP)	Gross Domestic Product (GDP) of the BRICS bloc	Iraqi GDP as a percentage of the total output of the BRICS bloc
2019	263	21.1	1.3
2020	167	21.7	0.8
2021	.208	25	0.8
2022	264	25.9	1
2023	254	26.9	1

OPEC, PUBLICION, Bulletins, Annual Statistical Bulletin View ASB Archive, 2017- 2024 OPEC; Annual Statistical Bulletin and OPEC Digital - Annual Statistical Bulletin.

As shown in Table (1), Iraq's relative share in global GDP remained modest (0.8%–1.3%) between 2019 and 2023, with volatility linked to oil market fluctuations and domestic instability in stark contrast to BRICS, which collectively accounts for approximately 25% of worldwide economic output.

Iraq could significantly benefit from joining the BRICS group by strengthening its economy, particularly in developing non-oil sectors, with agriculture being a prime focus. For instance, India and Brazil possess advanced expertise in smart agriculture technologies, including drone applications and modern irrigation systems. This presents Iraq with valuable opportunities for technology transfer to enhance production efficiency and water resource management.

Furthermore, Iraq could leverage BRICS' scientific research capabilities to advance agricultural development, combat desertification, and cultivate hybrid crops through bilateral agreements and joint research centers. Additionally, Iraq may access financing from the New Development Bank to implement critical projects such as soil rehabilitation and the establishment of packaging and processing facilities. This membership could also open new export markets for Iraqi agricultural products, notably dates and medicinal herbs, within BRICS nations.

This strategic alignment could help diversify Iraq's oil-dependent economy while modernizing its agricultural sector through BRICS partnerships.

Second: The impact of the location of Iraq from the map of the new world economy on the Increasing trade exchange

Foreign trade represents a pivotal element in supporting economic growth and is one of the main pillars of international economic relations, as it reflects the degree of interdependence between global markets and the extent of their mutual influence. In this context, analysing the possibility of Iraq joining BRICS is a necessary step to understand the dynamics of trade exchange with BRICS countries and assess the potential for its development to ensure maximum benefit from the investment opportunities and support mechanisms offered by the organisation to member states, especially in the areas of finance, trade integration and industrial development.

The new world order plays a vital role in World Trade, the trade of goods between the BRICS economies carries a fulcrum towards greater participation among them, and among all the BRICS economies, China was very advanced compared to the other four countries in terms of trade, and is considered the main driving force in BRICS trade with the world,(India Exim Bank,2020,36).

There is a positive relationship between Iraq 's membership in the new world economy (BRICS) and increasing trade exchange with member states, as enhancing trade exchange is one of the main objectives that the new world economy is working on, and it is worth noting here that the volume of trade exchange between Iraq and the BRICS countries amounted to 4٤.8 billion dollars during 202٣, which is expected to increase very significantly, after The Iraq 's accession to the new world economy, which is reflected in improving the trade balance in The Iraq. Therefore, bilateral trade between the Iraq and China increased ٤٩,٧ percent in 202٣, equivalent to 14.3 billion dollar of which were China's exports to Iraq and 35.4 billion dollar were Iraq's exports to China (ITC,2024).

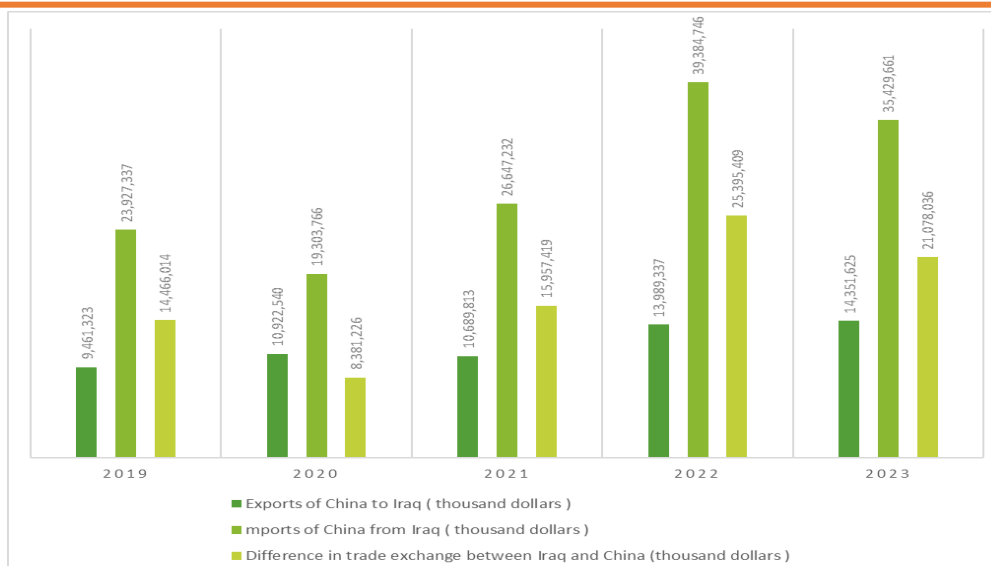


Figure (2): the volume of trade exchange between Iraq and China (2019 – 2023)

Source: from the work of the researcher based on data statistics of the Chinese customs directorate CGACS and ITC.2024.

We note from Figure (2) over the past five years that China's exports to Iraq have been increasing annually in terms of goods and capital and have reached more than 100 types of goods. Similarly, Iraq and India had 24.5 billion dollar in bilateral trade between (2022 and 2023) and In 2023, (Annual Economic Report, 2023 ,40) Iraq and India signed an agreement to create a mechanism that will expand their economic partnership and increase cooperation in the technological field. The parties focused on investment opportunities, especially in the fields of oil and gas, infrastructure, healthcare, electric power, transportation, agriculture, water treatment, medicines and pharmaceuticals, telecommunications, technology and renewable energy. It is noteworthy that India is the second largest trading partner of Iraq after China and Iraq is the fifth largest trading partner of India after the United States, China, the United Arab Emirates and Saudi Arabia.

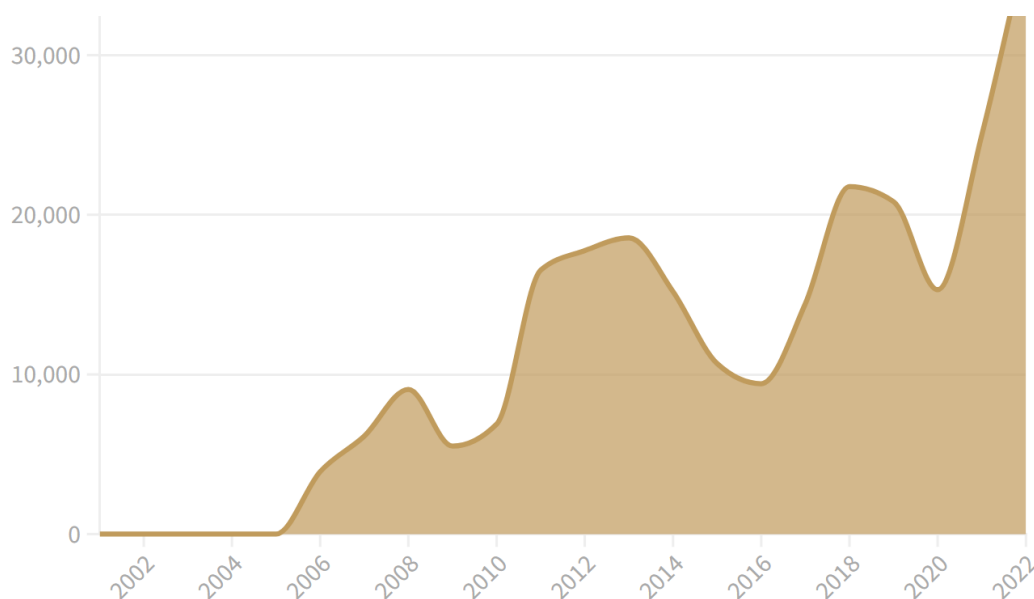


Figure (3): the volume of trade exchange between Iraq and India(2019 – 2023)

Source: from the work of the researcher based on data. Global trade research initiative (GTRI),2024

The Iraq 's motives for joining are primarily economic in nature. BRICS membership opens up the opportunity for expanded access to the large and rapidly growing markets of the BRICS group. This can create new opportunities for bilateral trade agreements and investments and help the Iraq to drive its economic diversification away from oil.

The best hope for addressing all of these risks is new trade agreements that maintain an open trading system.(Dollar,2020,50).In recent years, there were many world agreements such as World Trade Organization (WTO), Organization for Economic Co-Operation and Development (OECD), and Global Value Chain (GVC) that will grow and develop in dynamic regions of the world (AliakbarianM, 201٧, ٥١),could make large markets around the globe.In October 2019, Iraq (2018-2020) signed eight agreements entitled "oil for reconstruction" with Beijing. In 2021, Iraq signed a "framework agreement" that revived the terms of the 2019 agreements, since then, China's involvement in Iraq has swelled.

The Iraq hopes that a partnership with the BRICS countries will lead to greater investment and technological expertise, particularly in the areas of energy and infrastructure development.

Iraq is striving for closer cooperation with the BRICS countries in order to advance its economic diversification and reduce its dependence on oil. As a leading oil exporting country, Iraq sees joining the BRICS as an opportunity to develop its economy on a broader basis and open new trade opportunities.

The fact that The Iraq was chosen to join this BRICS round out of a total of around 30 potential members is certainly not least due to its close economic ties with BRICS heavyweight China. As part of its "Belt and Road" Joined by Iraq in 2015, China has invested heavily in Iraq, including a railway line, a high-speed land line, and integrated economic stations with a length of 1,200 km, and the initiative aims to connect the large port of Al-Faw in the oil-rich south of Iraq with Turkey by laying a railway network and roads A quick link between Iraq and neighboring countries.

Whereas BRI is the backbone of the community of common destiny, the global network of partnerships, officially based on “dialogue, non-confrontation, and non-alliance,” constitutes its sinews (Rolland, 2020, 41).

Such matters have been given higher priority since the Iraqi government announced the development project known as the "Dry Canal". The 17 billion dollars initiative aims to connect Asia with Europe through highways and railways linking the southern city of Basra to Turkey. This project could potentially join current initiatives by BRICS members, such as the Belt and Road Initiative by China. (Investment Tracker- CGIT ,2024)

Iraq's accession to BRICS may contribute to strengthening its trade relations with the group's countries, allowing it to import strategic goods at competitive prices, such as technology and equipment from China, medicines and food products from India, agricultural equipment from Brazil, metals from South Africa, weapons and wheat from Russia, through trade agreements and payment facilities, thus supporting the diversification of the economy and the development of the productive sectors.

Third: the impact of Iraq's location from the map of the new world economy on foreign direct investment

Foreign direct investment inflows are one of the prominent features of the emerging economies of the "BRICS countries", which represent more than a quarter of the world's land area, about 41% of the world's demographics, and the BRICS also have the potential of strong domestic demand, which has led to an increase in global foreign direct investment (Kondratov,2021:3).

That Iraq has good investment relations with the BRICS countries, especially India, China and Russia, and companies from these countries have implemented many projects. In addition, Chinese companies have contributed to raising the production capacities of the oil sector through licensing rounds since the beginning of the investment law to the fifth round, so the presence of Iraq within an economic bloc such as BRICS can help develop the volume of foreign investments flowing into the country.

Table (2): Comparative Analysis of Foreign Direct Investment: Iraq vs. BRICS Economies (2019-2023) (in billions of dollars)

The year	The values of foreign direct investment from the BRICS countries	Foreign Direct Investment (FDI) Inflows to Iraq	The Proportion of FDI in Iraq Contributed by BRICS Countries (%)	The values of outward foreign direct investment (FDI) from BRICS countries	Foreign Direct Investment Outflows from Iraq	BRICS countries' share of total outward] foreign direct investment (FDI) flows (%)
2019	294.000	(2.164)	0.7	294.000	139	0.05
2020	255.000	(2.896)	1.1	156.000	149	0.1
2021	355.000	(2.6370)	1	281.000	153	0.1
2022	306.000	(2.088)	0.7	234.000	238	0.1
2023	450000	(2,303)	0.9	380.000	371	0.2

- 1- Central Bank of Iraq - Statistics and Research Department - Balance of Payments and Trade Section 2024
- 2- UNITED Nations conference on trade and development (unctad) world investment report, 2023, New York and Geneva.
- 3- Numbers in parentheses are negative.
- 4- The percentages were extracted by the researcher.

Table (2) shows a comparison between the volume of foreign investment flowing to Iraq and the BRICS countries, as it is clear that there is a large disparity between the BRICS countries and Iraq. The BRICS countries are characterised by large investment flows, which reflects the strength of their economic attraction at the global level, as the volume of their investments increased from 294 billion dollars in 2019 to 450 million dollar in 2023, the BRICS countries are characterised by diverse economies and great investment power, especially India and China, which have branches of affiliated companies in many parts of the world and Russia invests in energy and infrastructure, while Iraq increased its investment volume from (2. 164) million dollar in 2019 to (2. 303)million dollar, which means that it faces multiple challenges that affect its attractiveness to foreign investment, including administrative and financial corruption, the lack of infrastructure, and the security situation.164 million dollars in 2019 to (2.303) million dollar , which means that it faces multiple challenges that affect its attractiveness to foreign investments, including administrative and financial corruption, lack of infrastructure and security conditions

The volume of BRICS investments abroad grew from 294 billion dollar in 2019 to 380 billion dollar in 2023, due to the leading companies owned by China and India, while Iraq's outbound investments constitute a very small percentage of the world and BRICS investments, amounting to 0.020% and 0.2% respectively, due to Iraq's lack of capital and large companies with advanced technology to face the competition of giant companies.in the world

It is widely expected that the investments of the BRICS countries within the Iraq will increase, and this will be the policy of other countries within the the new world economy, as these countries will open new investment horizons within the Iraq, and therefore the investment policies of the new world economy" BRICS "will increase the volume of investments inside the Iraq significantly in the coming period.

Fourth:The Impact of Iraq's Position in the New Global Economic Landscape on International Financing:

Iraq's BRICS Accession: A Strategic Lever for Financial Diversification and Economic Resilience

Iraq's BRICS Membership: A Financial Game-Changer

Iraq's prospective accession to the BRICS bloc represents a transformative opportunity to fundamentally restructure its financial architecture, mitigate hydrocarbon dependency, and establish

sustainable funding mechanisms. This analysis examines the multidimensional financial benefits across five critical vectors.

Iraq's accession to the BRICS bloc can contribute to diversifying sources of funding through several mechanisms

1- Access to the BRICS Development Bank: The BRICS Organisation worked to establish alternative financial institutions to the IMF and the World Bank, namely an emergency fund and a new development bank in 2014 to finance infrastructure projects and provide soft loans to finance major projects for member and partner countries, and Iraq's accession to the BRICS Organisation allows it to access the development bank, especially since Iraq sometimes suffers from issues of financing its budget due to fluctuating revenues linked to oil prices and demand. In 2019, the actual deficit reached 4.2 trillion Iraqi dinars and the actual deficit in 2020 is about 12.9 trillion Iraqi dinars.(Ministry of Planning, 2023, 37), and the Iraqi government resorts to filling this budget deficit through borrowing from internal and external sources, we note from Table (3) the volume of Iraq's external borrowing from 2019 to 2023, as it reached 25.5 billion dollars in 2019 and the reason for the increase in external debt as a result of the effects of the Corona crisis and the decrease in crude oil prices due to the decrease in global demand for energy, the external debt decreased in 2023 to 15.8 billion dollars, since Iraq sometimes suffers from a deficit in the public budget and tries to fill this deficit through borrowing from international banks, including the International Monetary Fund, the World Bank, foreign banks, the Saudi and Kuwaiti development banks, and other parties, and these loans may be conditional.

Table (3): Iraq's External Debt (2019-2023) in Billion USD (in billions of dollars)

The year	External Debt
2019	24.5
2020	24.02
2021	21.4
2022	19.7
2023	15.9

Republic of Iraq Ministry of Finance, Public Debt Department, Report 2022–2024

From the above, we conclude that Iraq's presence within the BRICS organisation allows Iraq to benefit from concessional financing and loans provided by the New Development Bank, which helps it to reduce dependence on international institutions represented by the International Monetary Fund and the World Bank, and thus Iraq can diversify the sources of borrowing, and the Development Bank grants loans in the local currency of the group countries such as the yuan and the Russian ruble, which helps to avoid the costs of financial transfers and relieve the pressures resulting from exchange rate fluctuations.

2- Iraq's accession to BRICS can benefit from an emergency reserve fund to provide financial support in cases of economic crises, and enhance Iraq's ability to face the fluctuations of global markets as a financial safety net to reduce dependence on other international financial institutions.

3- Iraq's accession to BRICS allows it to participate in international and regional projects funded by BRICS countries, such as the Silk Road Initiative run by China

Fifth: The impact of the location of Iraq from the map of the new world economy on the impact of the dollar easing pressure on the dollar

Easing pressure on the dollar: Iraq 's entry into the new world economy (BRICS) and benefiting from the policies it applies to member states, especially those related to the adoption of a common currency among the BRICS members, the creation of a free trade area, and the activation of direct payment agreements, work to reduce the price of Iraqi imports significantly, which would reduce pressure on the dollar within the Iraq, which would achieve stability in the official exchange rate, and eliminate the black market for the currency, which exploits the large demand for the dollar.

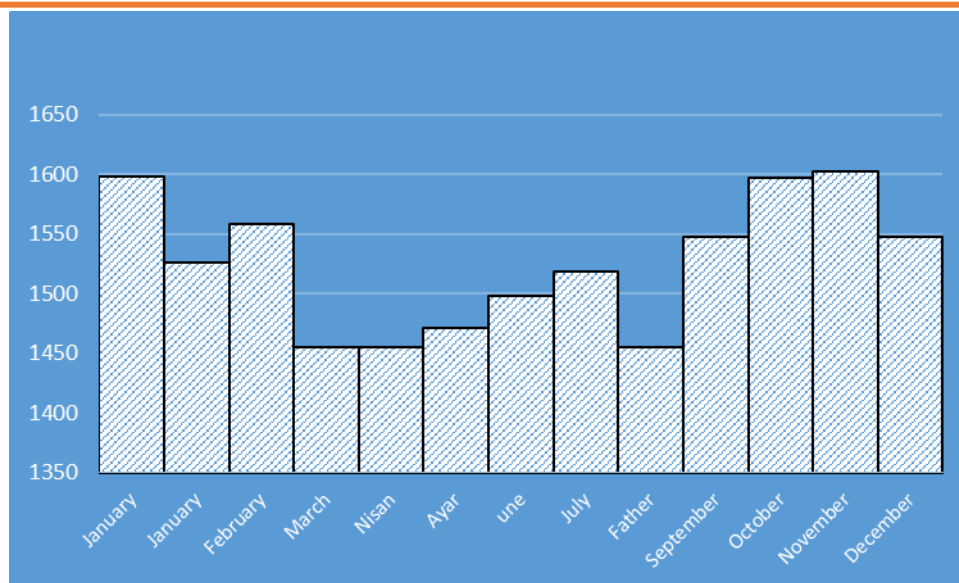


Figure (4): the exchange rate of the Iraqi dinar against the dollar in Iraq for the year 2023

Source: from the work of the researcher based on the data of the Central Bureau of Statistics and Information Technology (2024), statistical group, Baghdad

The average dollar exchange rate for January 2023 increased from (1598) compared to November 2023, where it reached 1603 as shown in the graph (4). the Iraqi dinar was one of the most severely damaged currencies. As a result, the sanctions imposed by the United States of America on the countries from which Iraq imports in dollars, This prompted Iraq to join the" BRICS a"lliance.

1. Iraq's accession to BRICS is likely to reduce dependence on the dollar, especially since Iraq's imports from BRICS countries exceed 34% of Iraq's total imports.
2. The value of the Iraqi Dinar can increase if it is used in the settlement of bilateral payments due to the increased demand for its currency with the BRICS countries and enhances confidence in the Dinar locally and internationally.
3. The use of the local currency helps to stabilise the local economy by reducing the negative impact of international exchange rate fluctuations on the Iraqi economy, especially in times of crisis or sanctions economic crisis.
4. If Iraq is able to facilitate the use of the Iraqi Dinar in investment projects with BRICS countries.

Sixth: The impact of the location of Iraq from the map of the new world economy on Development of the industrial sector

Iraqi 's presence in the new world economy "BRICS" works on the possibility of importing raw materials and intermediate goods at prices lower than international prices, and the "BRICS" also allows Iraq to benefit from the experiences of member states in the procedures for developing industry in their countries, and also gives it the opportunity to transfer manufacturing technology that works to advance the industrial sector significantly, as Iraq's membership in the "BRICS "makes it work to develop its products and raise their quality, to achieve the competitive advantage of the the Iraqi industry among the economies of member states, Accordingly, the export of the Iraqi industrial products is increasing.

This reflects positively on the development of the national industrial sector. Major infrastructure projects, such as the Development Road and Al Faw Grand Port, are vital initiatives that aim to transform Iraq into a regional logistics and trade centre, opening up vast prospects for manufacturing and complementary industries. These projects not only facilitate the movement of regional and international trade, but also incentivise the attraction of foreign investment, especially in industrial sectors related to transport, storage and manufacturing, thus enhancing the country's chances of economic growth and sustainable development (Jaber,2017,49).

Accordingly, it can be said that the new world economy "BRICS", after expanding its membership, will become a major economic force in the global financial system, which makes Iraq's membership in it one of the things that will greatly benefit the Iraqi economy in the coming period, especially in relieving pressure on the dollar within the Iraqi market, and the "BRICS" is also working to enhance economic cooperation between member states in various fields, which will have positive effects on various economic sectors in the Iraq.

The second topic: obstacles to Iraq's accession to the map of the new world economy "BRICS"

It has been shown from the above that the possibility of joining the BRICS membership gives Iraq the opportunity to strengthen its economy and its international standing. However, there are a number of obstacles to joining this system and these factors include:

first-Excessive dependence on oil exports: one of the obstacles to Iraq's accession to the new world order "BRICS": Iraq has some elements that represent an addition to the BRICS, it is the largest Arab country in terms of exporting points and the largest producer of natural gas in the Middle East, which gives it greater independence in decision-making, Iraq has intensified its investments in the oil sector, and achieved 4,000 thousand barrels per day in 2020 of oil, as Figure 6 shows, and entered into partnerships with multinational companies to exploit gas fields and increase Production.

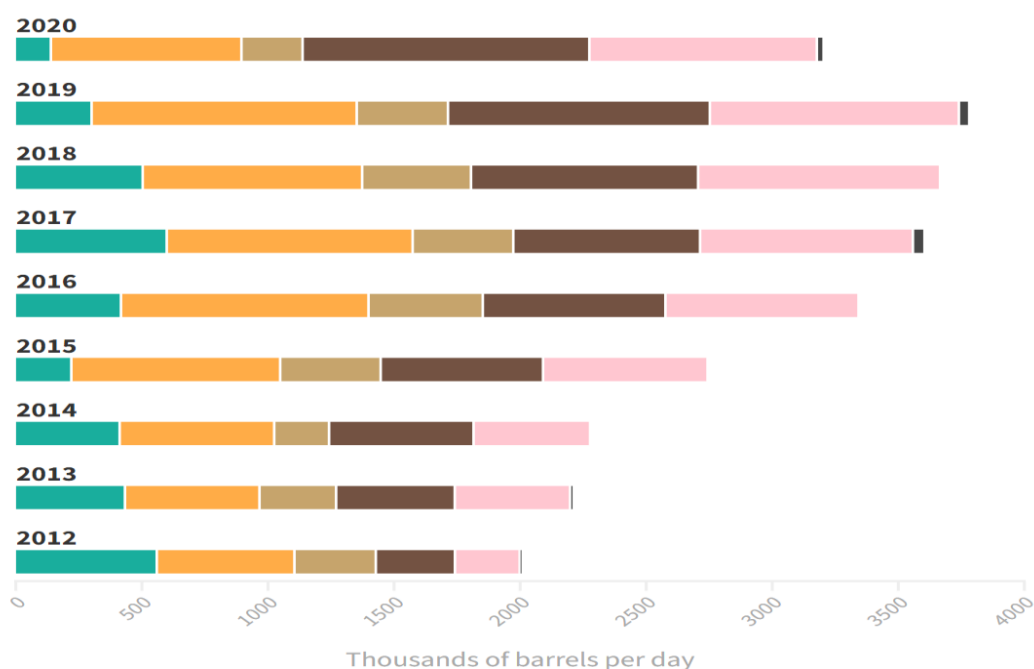


Figure (6): Iraqi oil exports to the BRICS countries for the period (2012-2020)

Source: from the work of the researcher based on the data, International Monetary Fund, Country Report. IRAQ, 2013

Currently, Iraq's oil production is within 4.6 million barrels per day, given its specific share of "OPEC", and prices are expected to range between 70 and 100 dollars per barrel in 2027, so this is a challenge for Iraq to join the BRICS membership.

Second: The consent of the five countries: One of the conditions for Iraq's accession to the membership of the "BRICS" is the need for the approval of the five countries: (Russia, Brazil, India, China and South Africa): While the economic benefits of membership are obvious, politically, Iraq's membership brings with it many problems, if not obstacles. Iraq currently enjoys close relations with Western countries, especially the United States, and is an important partner in security and trade issues. These Iraqi alliances may run counter to efforts by parts of the BRICS to

position themselves in geopolitical competition as a counterweight to Western-dominated institutions and political systems. Moreover, Iraq is part of a region characterized by many conflicts and tensions, including the conflict in Turkey, tensions with Iran, and the conflict in Syria. The policy of non-interference or neutrality in these regional conflicts by the BRICS could contradict the interest of Iraq to play an active role in resolving regional issues.

Third: The Iraq is more exposed than ever to financial stress arising from high indebtedness and environmental shocks that are met with an uncoordinated response across the global economy. With monetary policy geared towards preserving financial market stability, even the possibility of using inflation as an instrument to reduce real debt burdens and redress income and wealth inequalities appears to be off limits. (UNCTAD ,2023,29).

The debts are distributed to the creditor countries of Iraq as shown in the figure (7), where it is indicated that the debts of the countries amounted to (16.87 billion dollars).

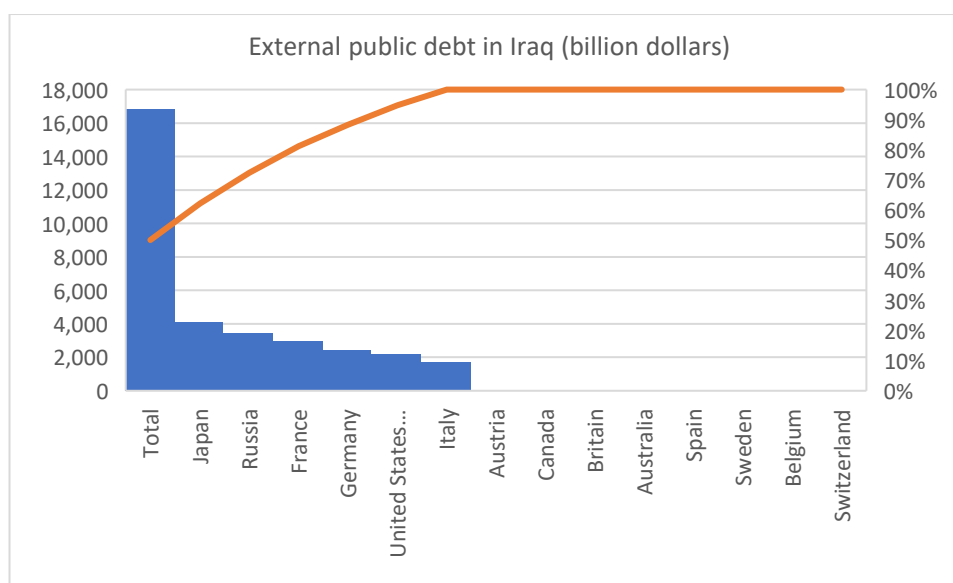


Figure (7): External public debt in Iraq for various groups of countries-one billion dollars)

Source: prepared by the researcher based on:(2023) Ministry of Finance Department of public debt bulletins and tables, Baghdad <http://www.mof.gov.iq/obs/ar/Pages/debtreports.aspx>

and BRICS cannot compensate trading partners for this Neither States nor international institutions, because his main task is to weaken the dollar and not pump more at the level of trade transactions in the dollar currency, of course. Therefore, Iraq aspires to be in the BRICS group, but in fact it will not be useful to it in light of its association with the European Union and the United States.

Fourth: dollar dominance in commercial transactions:the other obstacle that hinders Iraq's accession to the BRICS is its dependence on the dollar without relying on the BRICS currency, which constitutes an obstacle to trade with these countries, as well as the dollar's entrenchment in international transactions and its penetration into the joints of the global economy, making it difficult to confront that hegemony as soon as possible.

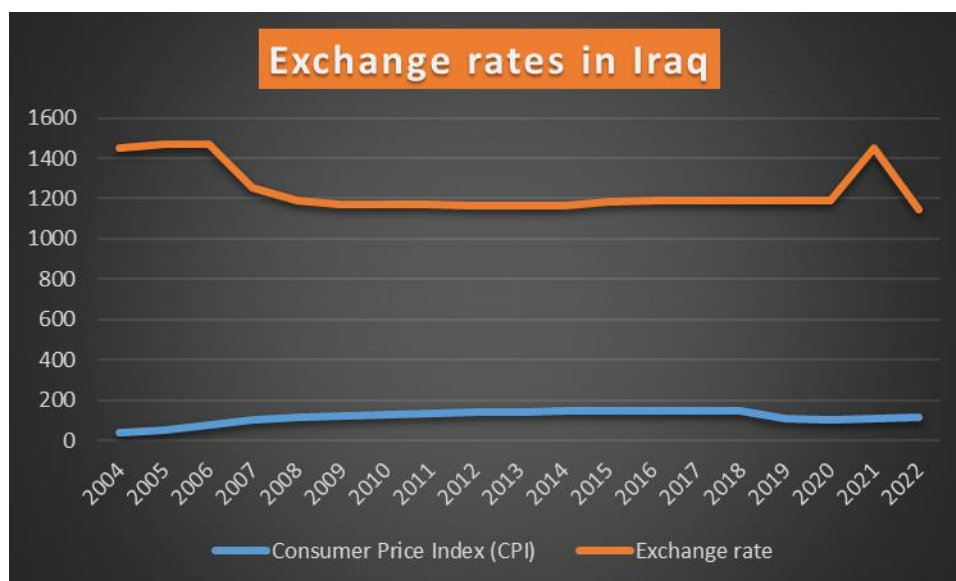


Figure (8): Exchange rates in Iraq for the period (2004-2022)

Source: Worked by the researcher, relying on the Central Bank of Iraq, General Directorate of Statistics and Research, annual economic reports of the Central Bank of Iraq for the period.

As it appears from Figure(8), the value of the Iraqi dinar decreased against the US dollar by a decision of the Central Bank of Iraq, as the exchange rate was changed from 1119 dinars per dollar to 1450 dinars per dollar, which led to an increase in the value of imported goods, as well as the rise in prices of production inputs for locally produced goods, which led to a rise in the Consumer Price Index and high inflation rates, which led to a negative impact on the real incomes of individuals and the entry of large numbers of members of society below the poverty line.

In addition, the dollar is rooted in international transactions and its penetration into the joints of the global economy, making it very difficult to counter that dominance as soon as possible. He believes that "it may take years, especially with the differences or radical differences that still exist between the poles of this grouping.

Fifth: Production structure: Production structure: the economic policies adopted by Iraq are a reason for not achieving economic growth because they focus on the public sector as the main engine of economic growth, while the private sector has not been given the opportunity to implement large investments. And that there is a great similarity between the economic capabilities and potentials of Iraq and those of the BRICS countries, which makes it easier for Iraq to achieve high economic growth rates like those achieved by those countries because they depend on more than one resource. However, this situation does not prevent us from being optimistic about the economic policy adopted by public authorities, which is aimed at developing mechanisms that allow the distribution of sources of national income and the pursuit of economic diversification. In order for the latter to be effective, a set of conditions must be met, the most important of which are: a real shift towards a market economy and the creation of a favorable climate for attracting foreign investment.

Because BRICS countries are inherently diverse in terms of policies, economic structures, and priorities, dealing with this diversity can be difficult. Iraq will need a great deal of diplomacy and negotiations to align its economic policies with its new partners.

In conclusion, it can be said that although Iraq has already managed to achieve some gains from joining the BRICS membership and attracting some countries that are of geopolitical and economic importance in their regional domains, but there are still many challenges facing this accession to the new world order "BRICS".

Conclusions:

- 1- Iraq has strong economic relations with the BRICS countries, especially China, India, and Iran, in terms of foreign trade and foreign direct investment, as China and India are among the largest importers of Iraqi oil, while the majority of its commodity imports come from China and Iran. Hence, Iraq's membership in BRICS will boost FDI inflows, which will have a positive impact on economic growth rates, standard of living, employment opportunities, and the volume of trade exchange.
- 2- Iraq's accession to the BRICS bloc constitutes a strategic addition that enhances the strength of the bloc, given that it is one of the largest producers of crude oil in the world, in addition to its vital geographical location and the availability of a young labour force, which enhances the economic and geopolitical weight of the group.
- 3- Iraq is a large consumer market, which gives BRICS countries a strategic outlet for their products, and contributes to expanding the bloc's influence within the Middle East region, especially after the accession of Egypt and the possible accession of Saudi Arabia and Iraq.
- 4- Iraq's accession to the BRICS New Development Bank enables it to benefit from concessional loans, thereby reducing dependence on borrowing from traditional international financial institutions such as the International Monetary Fund and the World Bank. It also enhances Iraq's ability to support sustainable development efforts, overcome liquidity challenges, and diversify funding sources on more flexible terms.
- 5- The adoption of local currencies in trade and financial exchanges between Iraq and BRICS countries may contribute to reducing dependence on the dollar, enhancing financial and monetary independence and contributing to the stability of the Iraqi dinar exchange rate.

Recommendations:

- 1- Iraq's accession to the BRICS countries can obtain from most of the member countries the requirements for building infrastructure because these countries have new technologies that help it diversify its production base and get out of its vicious cycle of mono-productivity and lack of diversity in its productive sectors.
- 2- Iraq's accession to the BRICS organisation allows access to construction and energy sources of all kinds, which constitutes a major obstacle in the reconstruction of the national economy and the issue of electric power is one of the first priorities.
- 3- Supporting the Iraqi private sector and qualifying it on how to deal with foreign companies in obtaining technology, expertise and skills that enable it to enter the global market as an exporter or importer.
- 4- Developing economic capacities in other economic sectors and diversifying them and returning dependence on one commodity in production and export, represented by oil and others, which allows wider interaction in the markets of BRICS countries.
- 5- Benefiting from the Chinese Belt and Road Initiative project and linking this initiative with Iraq's initiative in the development road project that establishes it to a practical aspect and its application to the geopolitical importance of Iraq in linking the East to the West according to the known paths.

References:

- 1- Adams, M. (2023). BRICS and the new world order: Implications for the existing world order. Retrieved from <https://www.researchgate.net/publication/371804604>
- 2- Aliakbarian, M. A. (2017). New world, new economics. Marketing and Branding Research, 4. Industrial Management Institute.
- 3- Al-Jabari, A. M. (2018). The reality and future of the BRICS group in the international system (Master's thesis, Al-Azhar University, Gaza, Faculty of Economics and Administrative Sciences).
- 4- Central Bank of Iraq. (2023–2024). Annual economic report. General Directorate of Statistics and Research, Baghdad.
- 5- Central Bank of Iraq. (2024). Statistics and Research Department – Balance of Payments and Trade Section. Baghdad, Iraq.
- 6- Chaoling, F. (2015). Embracing interdependence: The dynamics of China and the Middle East. Brookings Doha Center.
- 7- Dimock, P. (2017). The role of BRICS in the world economy & international development. The New Development Bank.
- 8- Ding, Y. (2021). How will the BRICS lead the global economy? Retrieved June 1, 2025, from <https://www.chinausfocus.com/finance-economy/how-will-the-brics-lead-the-global-economy>
- 9- Dollar, D. (2022). The future of global supply chains: What are the implications for international trade? In Building back better in a post-COVID-19 world, Brookings Institution.
- 10-India Exim Bank. (2020). BRICS: Promoting trade, investment and business cooperation. FICCI.
- 11-International Monetary Fund. (2023). Country report: Iraq.
- 12-Jaber, J. B. (2017). The BRICS bloc and its impact on the global economy with reference to Iraq. Iraqi Electronic Trade Journal, Issue 11, September, Ministry of Commerce, Department of Private Sector Development.
- 13-Jansen, M. (2017). BRICS countries: Emerging players in global services trade. International Trade Centre.
- 14-Jonas, S. S. (2014). BRICS and a new world order (Master's thesis, Department of Sociology and Political Science, NTNU).
- 15-Kirton, J. J., & Larionova, M. (2018). BRICS and global governance (1st ed.). New York: Routledge.
- 16-Kondratov, D. I. (2021). Internationalization of the currencies of BRICS countries. Herald of the Russian Academy of Sciences, 91(1).
- 17-Ministry of Finance. (2023). Bulletins and tables of public debt. Baghdad. Retrieved from <http://www.mof.gov.iq/obs/ar/Pages/debtreports.aspx>
- 18-Murtazova, K., & Abdulkadirova, M. (2021). The consumer market in the new economy. SHS Web of Conferences, 93. <https://doi.org/10.1051/shsconf/20219304011>
- 19-OPEC. (2004–2023). Annual Statistical Bulletin. OPEC Digital Archive.
- 20-Rolland, N. (2020). China's vision for a new world order. NBR Special Report No. 83, The National Bureau of Asian Research, Washington.
- 21-Singh, S. P., & Dube, M. (2021). BRICS and the world order: A beginner's guide. CUTS Centre for International Trade, Economics & Environment; South African Institute of International Affairs.
- 22-Sonnesyn, J. S. (2014). BRICS and a new world order (Master's thesis, NTNU).
- 23-Statistics Directorate – Central Bureau of Statistics and Information Technology. (2024). Statistical group. Baghdad, Iraq.
- 24-UNCTAD. (2023a). World investment report 2023. New York and Geneva: United Nations.
- 25-UNCTAD. (2023b). Trade and development report 2023: Current trends and challenges in the global economy. Geneva: United Nations.
- 26-World Bank. (2024). World Economic Outlook Report. Washington, D.C