

The Impact of Oil Price Fluctuations on GDP within the Framework of Sustainable Development: The Case of Iraq for the Period (2004-2023)

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Received: 19/1/2026

Accepted: 10/2/2026

Available online: 15/3/2026

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Abstract: This research objectives to investigate the impact of oil fee fluctuations on Iraq's GDP within the framework of sustainable improvement during the period 2004–2023, given the rentier nature of the Iraqi financial system and its heavy reliance on oil sales. The take a look at is primarily based on the basis that oil fee volatility is a vital aspect in figuring out the trajectory of GDP, at once impacting monetary stability and the capacity for reaching sustainable development. The research employs a descriptive-analytical technique the usage of qualitative records evaluation. The findings indicate that the non-stop fluctuation in oil expenses has caused full-size volatility in GDP, contributing to weakened economic sustainability and improved fragility of economic increase in Iraq. The research recommends adopting financial policies aimed toward diversifying profits resources and decreasing dependence on oil, thereby improving the Iraqi financial system's capability to achieve long-time period sustainable improvement.

Keywords: Oil Prices, Gross Domestic Product (GDP), Sustainable Development.

Introduction: Oil expenses are among the maximum distinguished global monetary variables that at once affect the overall performance of rentier economies, especially the Iraqi economic system, which is predicated closely on oil revenues to finance GDP and public spending. Oil costs have experienced sharp fluctuations in current many years because of more than one economic and geopolitical elements. This has impacted the steadiness of oil-structured economies and raised fundamental questions about their ability to reap sustainable development. Gross Domestic Product (GDP) is one of the most critical macroeconomic signs reflecting the level of monetary interest and the diploma of economic increase, and it's far a key tool for comparing a rustic's economic overall performance. In Iraq's case, GDP improvement is intently connected to oil fee fluctuations, making the economic system susceptible to external shocks due to the volatility of world oil markets. This hyperlink leads to structural demanding situations that avert monetary balance and restriction opportunities for sustainable development, specially given the restrained financial diversification. Sustainable development is crucial as a strategic framework aimed at attaining economic boom while preserving resources and making sure lengthy-term economic balance. However, the volatility of oil revenues imposes clean constraints on the Iraqi financial system's capacity to gain this intention, making its development trajectory susceptible to fluctuation and instability.

Research Problem: Based on this, the research problem revolves around the following question: To what extent do oil price fluctuations affect Iraq's GDP, and what impact does it have on the sustainable development path in the period (2004–2023(?))?

Research Objectives: The studies aims to analyze the character of the connection among oil fee fluctuations and Iraq's GDP, and to illustrate the implications of this dating on achieving sustainable development.

Research Hypotheses: Main Hypothesis: There is a statistically significant relationship between oil price fluctuations and GDP in Iraq within the framework of sustainable development.

Sub-Hypotheses:

- 1- Increases in oil prices positively affect GDP growth rates in Iraq.
- 2- Sharp declines in oil prices lead to a reduction in GDP and GDP per capita.
- 3- Excessive dependence on oil revenues weakens the sustainability of long-term economic growth in Iraq.

Significance of the Study: The importance of this research stems from the central role of oil in the structure of the Iraqi economy, as it represents the main source of public revenues and budget financing. The study addresses a fundamental issue facing the Iraqi economy, namely the vulnerability of economic growth due to volatility in global oil markets. It provides a scientific analysis that can assist policymakers in adopting diversification-oriented economic

policies to reduce reliance on the oil sector in line with sustainable development requirements. Furthermore, the study contributes to the economic literature concerning rentier economies under external shocks.

Research Scope:

Timeframe: 2004–2023

Spatial Scope: The Iraqi economy

Research Structure: The research is divided into predominant sections. The first phase addresses the conceptual and theoretical framework of oil expenses, GDP, and sustainable development, while the second section is devoted to analyzing the effect of oil fee fluctuations on Iraq's GDP.

Section One: The Conceptual and Theoretical Framework of Oil Prices, GDP, and Sustainable Development

Requirement One: Oil Prices: The Concept and Factors Affecting Their Fluctuations

1.1.Oil Prices: In financial analysis, fee is an instantaneous end result of the interplay among the forces of deliver and call for for a commodity. The equilibrium fee is reached while the amount supplied equals the amount demanded. This theoretical basis applies to grease fees as a strategic commodity. The rate of oil is defined because the monetary price of a barrel, measured in US dollars and such as forty two gallons, expressed as a US pricing unit (Al-Bassam, 2013, p. 4). It is also described because the financial value of the oil commodity at a selected time and place (Al-Dulaimi, 2018, p. 3)

2.1. Factors Affecting Oil Prices

1. **Global Demand for Oil:** Global demand for petroleum products is derived demand. Prices of petroleum products rise due to the high taxes they bear, making them more sensitive to demand levels (Abdullah, 2006, p. 125). The impact of these variables continues in the future. This can be analyzed by estimating price elasticity of demand, i.e., the ratio between the relative change in global oil demand and the relative change in price. Elasticity is used to measure the magnitude of the change in demand when a change in price occurs (Al-Samak, 1980, p. 284).

2. **Economic Growth:** Economic growth is one of the main determinants of the volume of global oil consumption. Producers' expectations are determined accordingly. The higher the rates of economic growth, the higher the demand for oil, which in turn leads to higher prices (Smyth, 2017, p. 83-90). However, in the event of slower growth, global consumption decreases, leading to lower demand and consequently lower prices (Hongtao Chen et al., 2016, pp. 1036-1048.)

3. **Alternative Energy Sources:** Alternative strength resources constitute a number resources that may be used in place of oil, primarily based on their availability and extraction feasibility. Lower fees are a major incentive for relying on these resources. The volatility of oil prices and its bad financial and social affects, further to the environmental harm associated with oil extraction including pollution and worldwide warming, make a contribution to the developing trend closer to the usage of alternative power sources. Despite this, oil still enjoys a high aggressive gain compared to different resources. (Al-Douri, 1988, p. 253)

4. **Price Elasticity of Demand for Oil:** The fee elasticity of call for for oil is characterised by using low call for. This is connected to the lack of economically efficient alternatives, as well as the truth that oil is a strategic commodity used in all provider and production sectors. OPEC assesses this elasticity to determine the volume to which global call for responds to charge modifications. (Al-Zubaidi, 2011, p. 20)

5. **Global Supply of Oil:** The worldwide supply of oil is decided by way of the quantities that producing nations pump into the markets. Supply includes fundamental assets: OPEC nations and non-OPEC generating countries. Supply is described as the willingness of manufacturers to provide the desired portions on the prevailing marketplace fee. A united states's ownership of massive oil reserves does no longer necessarily guarantee a strong deliver. Increasing manufacturing calls for highly-priced development of oil fields, in addition to equipping them with advanced technology able to boosting output. Furthermore, rising international call for does no longer necessarily lead to a direct increase in manufacturing except sufficient technical capabilities are available. (Abdullah, previous source, 2006, p. 37)

6. **The size of oil reserves:** Oil reserves talk over with the quantity of oil wealth observed underground and expected based on to be had clinical records. Reserves may additionally increase or decrease primarily based on new discoveries, and they shape the basis for manufacturing rules in producing countries. (Al-Sharifi, 2016, p. 17)

7. **Changes in exchange rates:** Oil costs are related to america greenback. Therefore, any decrease inside the dollar's value is without delay reflected in oil costs and oil sales in global markets. Political, economic, and social elements also affect the dollar's exchange charge and, therefore, oil costs. (Naveed Raza, et al., 2016, pp. 290-301)

8. **Speculation: Speculation** is A full-size component inside the oil enterprise, as it has contributed to remodeling oil right into a financial commodity traded for the purpose of future profits. This leads to fee volatility due to the risky expectations of speculators (Khalil, 2018, p. 270)

9. **Decreased Investment in Oil Projects:** The decline in oil investment stages has direct negative effects at the boom of oil components inside the destiny, because it limits the sector's potential to extend exploration, development, and manufacturing operations. This underscores the urgent need to establish truthful oil charges.

The second requirement/ Gross Domestic Product (GDP): Concept and its importance in measuring economic performance

1.1. Concept: Gross Domestic Product (GDP) reflects the prospects for progress and prosperity of the national economy. It is one of the most important comprehensive indicators used to measure the efficiency of a country's economic performance. This indicator is the clearest expression of economic activity and the most comprehensive representation of the total production of goods and services in the country (Ministry of Planning, 2020, p. 5). A study of the Iraqi economy reveals that it has suffered a continuous decline in GDP due to ineffective economic policies, wars, a series of internal changes (political and security conditions), and international sanctions that led to the complete or partial shutdown of many economic establishments (productive and service-oriented). This deterioration has resulted in the depletion of the state's financial resources and the destruction of infrastructure (Central Bank of Iraq, 2004, p. 7). Per capita GDP is a key indicator in measuring the strength of the national financial system and comparing its overall performance. This indicator is calculated through dividing GDP at modern-day expenses via the entire populace (Al-Hiti, 2009, p. 51). Despite its importance as an typical indicator, it does not correctly reflect the equity of earnings distribution among individuals, and its accuracy decreases as the percentage of the populace whose real earning differ significantly from the average increases. Nevertheless, the United Nations considers it one of the key indicators contributing to the evaluation of pleasant of lifestyles (Economic Commission, 2001, p. 11)

2.1. Components of Gross Domestic Product (GDP): Gross Domestic Product (GDP) is defined as the total value of final goods and services produced within a country's geographical boundaries during a specific period, whether produced by citizens or foreign residents working within the country. In some countries, GDP includes estimates of the output of certain non-market activities, particularly government-provided services such as defense and education, given their importance in measuring the true scale of economic activity. In some cases, it also includes an estimate of the value of production in the informal sector to provide a more comprehensive picture of the overall level of production and economic activity (ILO, 2002, p. 126.)

Third Requirement/ Sustainable Development: Concept and Principles

1.1. Concept: The standards and varieties of improvement are numerous, encompassing herbal improvement, human development, included development, and sustainable development. Sustainable improvement is a rather recent concept, every now and then called continuous or ongoing development, due to its comprehensiveness and continuity over time (Medhat, 2017, p. Seventy nine). Consequently, the idea of sustainable improvement has come to be one of the maximum distinguished ideas prioritized by way of governments international, as it is taken into consideration the top-rated approach to achieve social justice and a vital device for addressing severa problems, specially stagnation and persistent poverty (Reminijus, 2009, p. 28.)

2.1 Principles of Sustainable Development:

1. The Principle of Popular Participation: This precept is based on presenting opportunities for all contributors of society to actively participate within the improvement technique by way of ensuring their honest and equitable participation in decision-making. In this context, sustainable improvement is taken into consideration a societal constitution that acknowledges the participation of all relevant stakeholders thru network speak. This participation must start on the nearby degree, with decentralization followed in making plans and implementation (Ashour, 2017, p. 76)

2. The principle of ultimate and rational useful resource usage: This is particularly relevant for non-renewable and depletable assets. It focuses on accomplishing a stability among the desires of modern and destiny generations, ensuring the durability of herbal resources, adopting strategic planning in their control, and accomplishing ecological balance.

3. Using a structures technique in preparing and implementing sustainable development plans: This is a fundamental precept, because it offers a comprehensive and integrated view of the interrelationships between monetary, social, and environmental elements.

4. The precept of environmental conservation: This entails keeping ecological stability, reaching biodiversity, and preventing all activities that negatively impact the surroundings and its herbal additives (Wahiba Bou Rabiain, 2018, p. 80).

Part Two: Analysis of the Impact of Oil Price Fluctuations on GDP within the Framework of Sustainable Development in Iraq (2004–2023)

First Requirement: The Evolution of Crude Oil Prices and Their Impact on Iraq's GDP Crude oil charges represent the most influential global variable inside the economic dimension of sustainable development in Iraq, given the Iraqi economy's heavy reliance on oil sales for GDP formation and financing economic interest.

1.1. The Impact of Fluctuations and Declines in Global Oil Prices on the Iraqi Economy: The decline in international oil charges and the ensuing financial crisis brought about the direct and intense transmission of the economic shock to the Iraqi financial system, in place of to the banking or credit system. This is due to several key motives, maximum substantially:

A. Oil represents the primary source of public revenue in Iraq.

B. Iraq lacks sovereign wealth funds or investment portfolios that can be utilized during times of crisis.

C. The susceptible integration of the Iraqi banking device with the worldwide banking system constrained the direct transmission of economic contagion to the neighborhood banking zone. Accordingly, the primary impact of declining oil prices is a drop in public revenues to levels that pose significant demanding situations for the Ministry of Finance whilst making ready the federal price range, particularly concerning the financing of the nation's operational and funding expenses (Al-Bassam, op. cit., 2013, p. 19)

2.1The Size of the Oil Sector in Iraq's GDP: Crude oil has traditionally and currently been the cornerstone of Iraq's electricity sector and national economy. Public price range and economic hobby depend heavily on the quantity of oil revenues generated from its export. Therefore, focusing at the comparative advantage of the Iraqi economy in its abundance of crude oil and herbal gasoline is logical, in particular given the ability to utilize this abundance to increase home power use and make stronger downstream industries that rely upon oil and fuel as raw materials. This would make contributions to attaining brought fee and diversifying the production base.

Since the mid-1950s, Iraq has seen a significant expansion in crude oil extraction and export activities, increasing the importance of extractive industries within the national economic structure. However, this trend contributed to a decline in the contribution of other economic sectors to GDP, especially agriculture and industry, leading to a distorted, mono-economic structure heavily dependent on the oil sector. This was accompanied by a decline in agricultural activities due to successive waves of rural to urban migration, where employment opportunities were concentrated, as well as an increase in consumerism due to the expansion of the public sector as the largest employer and the rentier nature of state revenues.

Table (1) Contribution of Crude Oil to GDP at Constant Prices for the Period (2004-2023)

Year	Crude Oil Volume (Million USD)	GDP at Constant Prices	Oil Contribution Percentage (%)
2004	16549	53235358	67
2005	21096	73533598	63.3
2006	27497.9	95587954	50.1
2007	38925	111455813	53.7
2008	61726.5	157026061	55.9
2009	39115.4	130643200	40.2
2010	50135.1	162064565	42.8
2011	81139.8	217327107	51.5
2012	79755.1	254225490	43.3
2013	81083.5	273587529	41.5

2014	114795.7	266420384	51.7
2015	98539.1	199715699	59.9
2016	95462.2	203869832	60.4
2017	108026	225995179	61.5
2018	131966.3	251064479	62.5
2019	133896.7	262917150	62.2
2020	103329.1	215661516	59.9
2021	118607.1	301152818	56.5
2022	2397696	383064152	60.9
2023	1481414	330046390	57.3

Source: Arab Monetary Fund, Joint Arab Economic Report for various years; Central Bank of Iraq, Annual Economic Report, General Directorate of Statistics and Research, various issues, various pages.

Figure (1) Path of Crude Oil Contribution to GDP at Constant Prices for the Period (2004-2023)

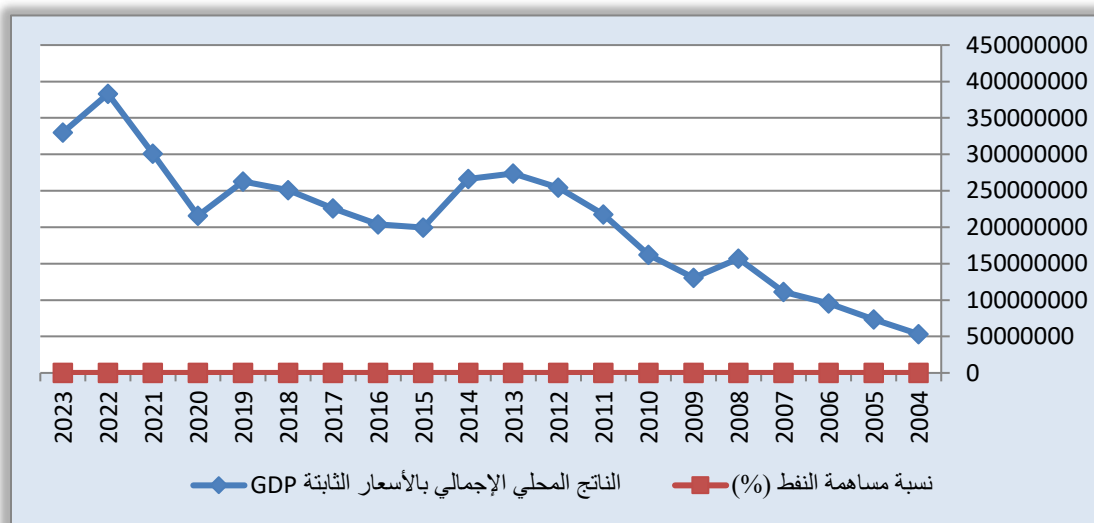


Table (1) and Figure (1) illustrate the contribution of crude oil manufacturing to Iraq's GDP at contemporary charges for the duration (2004–2023). The statistics in the desk indicates that the oil quarter's contribution to GDP reached approximately (67%) in 2004, a better percent than in 2002. This boom is attributed to the outlet of the Iraqi economic system to the outdoor world after 2003 and the lifting of worldwide sanctions, which allowed for the resumption of crude oil exports and turned into fast meditated inside the upward thrust of the oil area's contribution to GDP.

However, this contribution witnessed a relative decline in 2009, accomplishing about forty.2% as compared to 2008. This became because of the repercussions of the global economic disaster, which impacted the Iraqi economic system, because it did the relaxation of the sector's economies, through a lower in financial pastime and a drop in global call for for oil. After 2009, GDP at consistent charges rebounded, accomplishing high increase quotes, achieving approximately \$217,327,107 million in 2011. This contributed to increasing the oil region's contribution to about fifty one.5%, driven by growing worldwide call for for crude oil and stepped forward expenses.

It Is also noteworthy that the oil area's contribution began to say no once more in 2013, attaining approximately forty one.Five%. This coincided with a decline in GDP as a consequence of falling crude oil fees and the deterioration of protection situations because of the warfare towards ISIS terrorist corporations, which induced extensive harm to infrastructure, mainly oil pipelines. In this context, the contribution of oil to GDP rose to about fifty one.7% and fifty

nine.Nine% in 2014 and 2015, respectively, while the contributions of non-oil sectors declined. With the development in security and financial conditions, GDP witnessed a marked development, attaining about \$225,995,179 million. The contribution of the oil zone rose to sixty one.5% in 2017, pushed via progressed worldwide oil expenses, reduced tax burdens, and the healing of relative stability following the defeat of ISIS. GDP additionally recorded high-quality boom quotes, and the contribution of oil rose to about sixty two.5% and 62.2% in 2018 and 2019, Respectively, as a result of advanced global oil expenses following OPEC's agreement to lessen manufacturing, expanded international demand, and a rise in the quantity of Iraqi oil exports. In 2020, the oil zone's contribution to GDP fell to approximately 59.Zero%, a outcome of the global economic downturn caused by the health, economic, and social crises stemming from the COVID-19 pandemic, which brought about a pointy decline in global oil demand and prices. The relative importance of crude oil pastime at regular charges reached 60.7% in 2022, as compared to 56.5% in 2021. This percentage is the best in comparison to other (non-oil) sectors, which constituted 57.3% of GDP at consistent prices in 2023.

Second Requirement: Trends in GDP Development and Average Per Capita Share in Iraq (2004-2023)

Table (2) Development of GDP and Per Capita Share at Current and Constant Prices in Iraq for the Period: (2004-2023)

Years	GDP at Current Prices	Annual Growth Rate of GDP %	GDP at Constant Prices (Base 2007=100)	Annual Growth Rate of GDP %2	Average Per Capita GDP at Current Prices (Million IQD)	Annual Growth Rate of Current Per Capita	Average Per Capita GDP at Constant Prices (Million IQD)	Annual Growth Rate of Constant Per Capita
2004	53,235,358	--	101,845,262	--	1.961654	--	3.752865	--
2005	73,533,598	38.1	103,973,180	2.1	2.629957	34.06	3.703555	-1.31
2006	95,587,954	30	109,843,735	5.6	3.318105	26.16	3.797207	2.52
2007	111,455,813	16.6	111,455,813	1.5	3.755123	13.17	3.755123	-1.1
2008	157,026,061	40.9	120,626,517	8.2	5.134759	36.74	3.944492	5.04
2009	130,643,200	-16.8	124,702,848	3.4	4.125922	-19.64	3.938292	-0.15
2010	162,064,565	24	132,687,029	6.4	4.988137	20.89	4.083934	3.69
2011	217,327,107	34.1	142,700,217	7.5	6.568155	31.67	4.312748	5.6
2012	254,225,490	12	162,587,533	13.9	7.538191	14.76	4.820979	11.78
2013	273,587,529	7.6	174,990,175	7.6	7.975383	5.79	5.101159	5.81
2014	266,420,384	-2.6	175,335,400	0.2	7.649061	-4.09	5.139476	0.75
2015	199,715,699	-25	182,051,373	3.8	5.528825	-27.71	5.214593	1.46
2016	203,869,832	2	199,476,600	9.6	5.444556	-1.52	5.776552	10.77
2017	225,995,179	10.8	201,059,363	0.8	5.968543	9.624	5.523306	-4.38
2018	251,064,479	11	199,129,299	-0.96	7.053795	18.183	5.522319	-0.01
2019	262,917,150	4.7	222,141,230	6.4	7.101944	0.683	5.701161	3.23
2020	215,661,516	-17.9	195,402,550	-12.5	5.218844	-26.515	4.67749	-17.95
2021	301,152,818	39.6	198,496,541	1.58	6.997714	34.086	4.701516	0.51
2022	383,064,152	27.2	212,408,657	7	9.430334	34.763	4.844505	3.04
2023	330,046,390	-13.2	207,223,350	-2.4	7.321286	-22.365	4.59688	-5.11

Source: Prepared by the researcher based on data from the Ministry of Planning, Central Statistical Organization, Central Bank of Iraq, and World Bank for the period (2004-2023).

Figure (2) Path of GDP Development at Constant and Current Prices in Iraq (2004-2023)

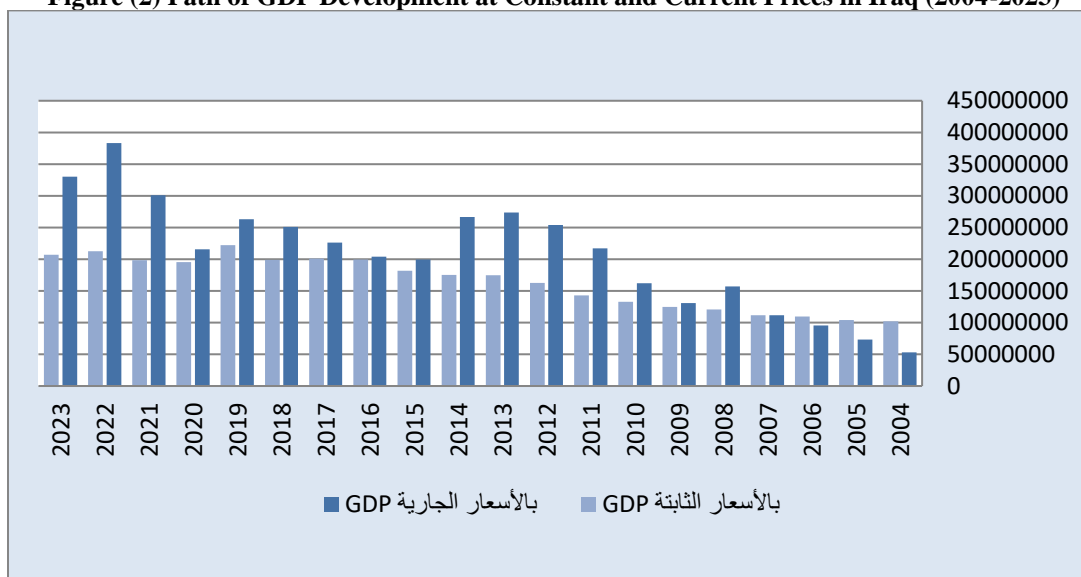


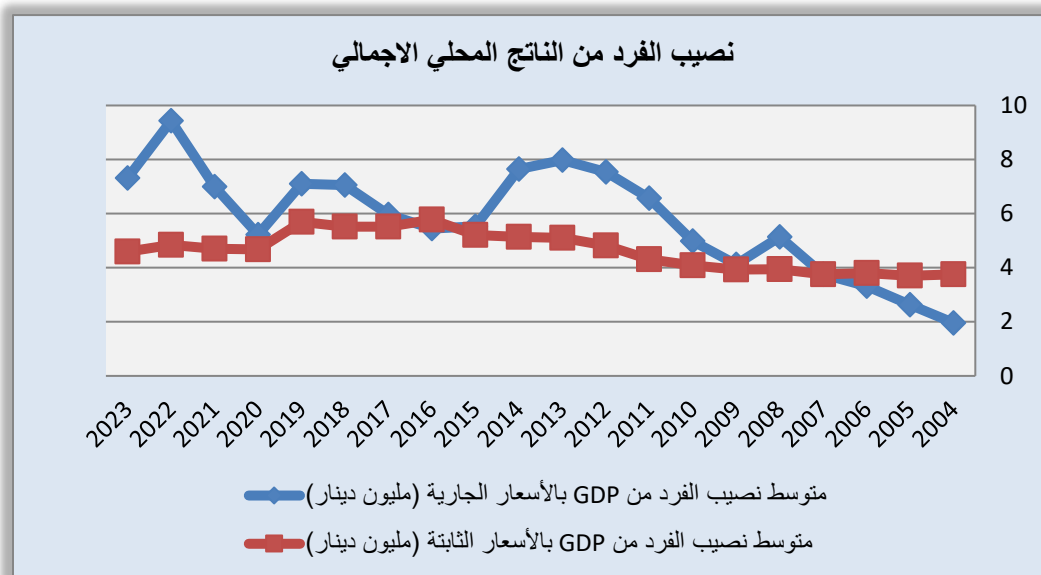
Table (2) and Figure (2) illustrate the evolution of GDP and GDP according to capita. It is clear that GDP at present day and consistent expenses generally experienced superb growth costs all through the duration from 2004 to 2023.

In 2005, the once a year GDP increase charge reached 38.1% at present day fees and a pair of.1% at constant charges, representing a relative development following a partial stabilization of financial conditions. This rate then declined in 2008, rebounding to 40.9% at current prices and 8.2% at steady costs.

This decline changed into attributed to heightened internal safety challenges and political conditions that hindered the appeal of home and foreign funding in efficient sectors, similarly to improved Iraqi oil exports. Subsequently, GDP skilled fluctuations due to changes in oil charges and the vulnerable contribution of non-oil sectors. Output persisted to rise until 2009, whilst it recorded a decline of sixteen.Eighty% at current costs, even as output at steady charges endured to rise, achieving 3.Four%, due to the drop in oil fees because of the worldwide crisis. In 2010, it recorded 24% at modern-day fees and six.Four% at regular prices, with GDP rebounding as the worldwide financial system progressed and oil costs rose. In 2011, output recorded its highest boom charge at contemporary expenses (34.1%) and at consistent costs (7.5%), due to the upward push in international oil charges. It reached 12% at current expenses and 13.9% at consistent charges in 2012, a considerable jump and the best all through the duration, because of peak oil charges. Then, it recorded 7.6% at each modern and consistent costs in 2013, confirming the continued reliance on oil as a number one motive force of boom. In 2014, GDP at current costs started out to decline, registering a negative boom rate of two.6%. This decline endured, attaining 25% in 2015. This duration has been defined because the worst in the history of the Iraqi economic system due to improved army spending as a consequence of the escalating safety situation and terrorist threats (from 2013 to 2016), and a decrease in oil revenues due to the drop in oil prices to under \$50 consistent with barrel. This decline brought about a giant budget deficit, necessitating a restructuring of public spending with a focal point on overlaying modern expenses at the expense of funding spending. This, in flip, caused symptoms of recession in numerous economic sectors (Statistics and Research Department, 2016, p. 15). While GDP witnessed an boom during the duration from (2017-2019) at contemporary prices with the aid of (10.8%, eleven%, 4.7%), growth at steady costs become unstable with moderate boom rates, reflecting the ongoing volatility of the oil market. It then rose in the 12 months preceding the COVID-19 crisis by (zero.Eight%, -zero.Ninety six%, 6.Four%) (Department of Statistics and Research, 2019, nine-10). In 2020, each the modern-day and steady components of GDP declined via 17.9% and 12.Five%, respectively, due to the drop in oil charges to under \$20 in line with barrel, as well as the financial slowdown and lockdowns as a consequence of the COVID-19 pandemic, which caused a lower in international oil demand. GDP then witnessed a sizeable increase in the course of 2021-2022, achieving 301,152,818 million dinars in 2021 and rising to 383,064,152 million dinars in 2022, representing annual boom quotes of 27.2% and 39.6%, respectively. This became

because of elevated oil sales and the recuperation of world oil prices following the global power disaster. However, GDP declined in 2023 to 330,046,390 million dinars, registering a bad boom price of 13.2%, as a result of the decrease in Iraqi oil exports. During this period.

Figure (3) Path of Per Capita GDP Development at Current and Constant Prices in Iraq (Period: 2004-2023)



Source: Compiled by the researcher based on data from Table (2)

The time trajectory of average in step with capita GDP in Iraq at some point of the length (2004–2023) shows a fluctuating sample immediately linked to the monetary, political, and safety situations the united states experienced, in addition to the clear impact of fluctuations in global oil expenses, for the reason that the Iraqi economy is a rentier financial system heavily reliant on oil sales.

Phase One: Accelerated Growth After 2004 (2004–2008) The records indicates that common consistent with capita GDP at cutting-edge expenses witnessed a vast increase at some point of this era, growing from 1.96 million dinars in 2004 to five.04 million dinars in 2008. This growth is attributed to advanced oil production degrees after 2003, growing oil fees in international markets, and increased government spending, which contributed to stimulating monetary pastime. Annual increase rates for in step with capita earnings at modern-day prices had been also high, peaking in 2008 at 36.74%, reflecting the impact of the oil growth at that time. Conversely, per capita income at consistent prices additionally recorded positive growth throughout the same duration, indicating an improvement in real buying energy, no longer just nominal inflation.

Phase Two: Slowdown and Decline Following the Global Financial Crisis (2009–2013) 2009 witnessed the first extensive decline in growth, with per capita earnings at contemporary prices registering a -19.64% lower due to the sharp drop in worldwide oil expenses following the 2008 economic disaster. Although increase progressively recovered in subsequent years, rates did no longer regain their previous degrees, and financial overall performance continued to vary because of protection challenges and political instability. Per capita income at constant fees, however, recorded incredibly effective increase in most of those years, indicating tries to stimulate actual economic pastime. Nevertheless, the impact of oil shocks endured to dominate average performance. The maximum growth rate during this phase changed into recorded in 2012 at eleven. Seventy eight%.

Phase Three: The Impact of ISIS and the Oil Price Collapse (2014–2017) This phase commenced with a tremendous decline in 2014, with the common in keeping with capita income at modern charges registering negative growth of four.09%. This decline is attributed to two foremost factors: first, Iraq's entry into a complete-scale struggle against ISIS in 2014; and 2d, the fall apart of worldwide oil fees within the center of that year. In 2015, the pointy decline persevered,

registering a 27.71% decrease, reflecting the severe financial crisis that the Iraqi economic system experienced. Until 2017, regardless of a nominal increase in the common per capita profits, boom costs remained risky, registering terrible values in some years, mainly in 2017 at nine.Sixty two%. At consistent charges, 2016 recorded the very best growth rate during the duration under look at, at 10.Seventy seven%, because of a relative development in oil manufacturing as the liberation application and the reassertion of manage over the territories endured.

Phase Four: The Post-Liberation and COVID-19 Pandemic Phase (2018–2021): After 2017, the Iraqi economy witnessed a few relative balance, with the average in keeping with capita profits at modern-day costs rising to approximately 7.05 million dinars in 2018. However, boom charges remained low or close to zero, indicating the fragility of the monetary restoration. In 2020, the information recorded one among the largest declines within the time series, with the per capita profits increase rate at contemporary costs achieving 26.51% and at steady fees -17.95%, reflecting the impact of the COVID-19 pandemic and the decline in worldwide oil call for. In 2021, the indicator advanced, registering nice boom at constant fees of 0.Fifty one%, due to growing oil charges and the resumption of monetary hobby following the easing of health restrictions.

Phase Five: Relative Recovery and Return to Fluctuation (2022–2023) The year 2022 confirmed a clear improvement, with the average in line with capita profits at present day expenses growing to nine.43 million dinars, together with a high boom price of 34.Seventy six%, one of the maximum increase levels within the collection after 2008. This changed into attributed to the record rise in worldwide oil charges resulting from the Ukrainian disaster and the subsequent disruptions in power markets. However, 2023 found out a reversal in this trend, with increase declining to -22.36% due to lower oil expenses and a relative lower in oil exports. This underscores the fragility of the Iraqi economy and its almost entire dependence on oil revenues. Figure (3) illustrates the trajectory of in line with capita GDP at modern and regular fees in Iraq for the duration (2004-2023).(
Conclusions

1. The research concluded that fluctuations in oil costs constituted a chief component in explaining the improvement of GDP in Iraq for the duration of the length (2004-2023), given the rentier nature of the Iraqi financial system and its heavy reliance on oil revenues.
2. The evaluation showed that GDP improvement become characterized by using instability, as periods of increase had been linked to high oil fees, while intervals of decline or slowdown coincided with sharp drops in oil charges, reflecting the fragility of financial boom.
3. Three.The studies confirmed that fluctuations in oil prices were immediately meditated inside the normal stage of economic interest via their effect on public sales and authorities spending, which contributed to the volatility of GDP all through the observe period.
4. The evaluation found out that average in step with capita GDP experienced enormous fluctuations during the period (2004–2023), inspired by way of adjustments in GDP related to oil price volatility, reflecting the instability of per capita income tiers in Iraq.
5. The research confirmed that expanded GDP turned into not usually followed by means of a sustained development in common according to capita profits, due to the dependence of monetary increase on a risky oil useful resource, which reduced the superb effect of the

Second: Recommendations

1. 1.The necessity of adopting financial rules aimed toward lowering the vulnerability of GDP to grease rate fluctuations, thru diversifying income sources and improving the contribution of non-oil sectors to GDP.
2. 2.Working to leverage durations of excessive oil costs to assist sustainable GDP growth with the aid of directing oil revenues towards effective funding spending that undoubtedly affects in keeping with capita income.
3. Three.Strengthening the position of long-term monetary making plans to make contributions to extra balance in GDP and in step with capita profits, and to mitigate the poor outcomes of oil charge volatility.
4. 4.Adopting sound economic guidelines primarily based on powerful management of oil sales to ensure a stability among current and funding spending, and to assist financial sustainability.
5. Five.Supporting monetary reform packages that aim to improve the efficiency of non-oil sectors, thereby enhancing their potential to create actual added value that contributes to improving in line with capita GDP. 6. Emphasizing the significance of enhancing the neighborhood and foreign funding environment, which contributes to diversifying financial activity and decreasing dependence on oil, thereby improving the lengthy-term balance of the gross domestic product.

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