

repayment. Iraq plans to retire its commercial debt as soon as possible and return to cash payments.

Transportation and Communications

Iraq's two international airports are located in Baghdad and Basra. Local airports for domestic use are in Baghdad, Arbil and Mosul. River transport is increasing in prominence.

Iraq's main port is in Basra and its newest port is in Umm Qasr, which is located at the head of a lagoon whose entrance is controlled by Kuwait. Umm Qasr is equipped with facilities for loading sulphur and unloading grain. There are oil-loading facilities at Khor al-Zuhair. Umm Qasr and Khor al-Zuhair are currently being expanded to take container RORO (roll-over, roll-over) cargo and bulk shipments.

Iraq is in the process of modernizing its telecommunications system and has introduced crossbar telephone switching, a telex system, a microwave link between major cities and an earth/sol satellite connection for international communications. The use of facsimile machines is restricted but allowed for private businesses.

Foreign Investment and Joint Ventures

As a socialist country, Iraq has looked to the Eastern bloc for technology and imports for the last 15 years. Since the mid-1970s, however, Iraq has increasingly sought to benefit from Western technology, services and manufactured goods.

Iraq does not want foreign investment, but it encourages the import of Western goods and know-how. Iraq will buy technology outright and, in the case of construction, prefers turnkey entirely performed by a foreign company.

According to Iraqi law, non-Arab foreign nationals and foreign companies (including Arab-registered companies) are not allowed to have interests in Iraqi companies in either the public or the private sector. In order to do business in Iraq, foreign companies must obtain a contract with one of the state organizations and set up a branch or joint venture for the duration of the contract. (A joint venture is a commercial association formed by two or more parties to carry out a particular contract or agreement with one of the state organizations or enterprises.)

Arab nationals resident in the Arab homeland countries may participate in Iraqi industrial and trading companies in the same way as Iraqi nationals, and may own up to 100 per