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The TRIMS Agreement and its Implications on the Reality of Air Transport in Iraq

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Abstract:

The research highlights the foreign direct investment environment in Iraq, and the importance of adopting the multilateral international agreement on trade-related investment measures (TRIMs), in light of Iraq's accession to the world trade organization, in order to promote foreign direct investment. Investing in Iraq. Promoting an investment environment with international acceptance to attract foreign investments to Iraq, specifically in the Iraqi air transport sector, reviewing the most prominent challenges facing the investment environment in the Iraqi air transport sector, and obtaining the benefits and positives of these investments. The research aims to find an appropriate mechanism to achieve accession to the TRIMIS agreement and its implementation in the air transport sector, after overcoming the obstacles that appear before joining the world trade organization, in addition to clarifying the nature of the agreement with regard to investment procedures related to trade in goods and services. And reaching a future vision for foreign investment to develop the air transport services sector in Iraq. The results of the research showed that Iraq is capable of building a distinguished service sector, due to its financial and human capabilities, in order to improve the services of the Iraqi air transport sector, which leads to increasing the number of passengers, increasing flights, increasing the Iraqi air fleet and raising revenues, which contributes to increasing the added value. of the transportation sector in GDP.

Paper type: Research paper

Keywords: Agreement on Trade-Related Investment Measures(trims), air transport sector

1.Introduction:

The international economic arena witnessed at the beginning of the last two decades of the last century wide changes at the global level, with globalization and the liberalization of trade, openness and economic competition it included, most of these changes were based on a capitalist ideology that relied on issues of privatization and the movement and flow of investments, goods and services between countries ,this important role was played by global financial and commercial institutions, such as the international monetary fund and the world bank, and the world trade organization, whose role in the new global economic order increased with the emergence of mechanisms new agreements within a framework of coordination among themselves to control the rhythm of the global trade, investment and financial system.

the world trade organization is one of the most important institutions that dealt with regulating trade issues between countries It resulted in agreements that included several topics related to the liberalization of international trade, the transfer of capital, and ensuring the performance and protection of multinational companies, the most prominent of these agreements was the agreement on international trade-related investment measures (TRIMs),the fact that foreign investment has become a vital source of international financial and commercial flows, a driving force for international financial and commercial integration, and the issue of achieving economic growth, all of this has made most governments of the world rush towards joining the world trade organization, enacting laws and legislation, and creating a suitable environment for foreign investment in accordance with the general agreement of the organization.

As for Iraq these global changes, especially after 2003, imposed the necessity of keeping pace with them, otherwise it will become impossible to keep up with these changes, and to benefit from the advantages of investment and trade in advancing economic growth. Iraq, like other countries, seeks to attract foreign investments and is interested in making A continuous effort to join the world trade organization, and his joining the organization implies his obligation to sign all concluded agreements (including the TRIMs agreement), which require the existence of legal obligations, legislation and commercial facilities, in addition to creating an investment climate in terms of infrastructure and credit facilities, which requires adapting the economic environment in Iraq with global laws.

one of the important sectors in which Iraq can study the extent of benefiting from the advantages of implementing the TRIMs agreement is the Iraqi air transport sector, as its airports are among the important points on the map of global airlines. Iraq's strategic location qualifies it to build transit trade, which requires the establishment of an integrated and efficient transport network in addition to increasing the efficiency of the current air transport network by providing the requirements for its development by attracting foreign investments to this sector and increasing its relative importance in the gross domestic product. Air transport is considered one of the vital sources of added value that supports the transport sector as a whole and thus national income, due to the large financial returns it brings to the state, which contributes to reducing unemployment by providing job opportunities for a large number of jobs and for various segments of society.

1.1. Literature review:

There are many studies that dealt with the subject from different aspects, there are a limited number of studies that have examined the trade-related investment measures (TRIMs) agreement and the air transport sector, these studies are as follows:

Faraj (2015) analyzed and identified the factors for the development or underdevelopment of Iraqi airports in general, especially Basra, which is a reflection of the role of air transport represented by (the civil aviation facility and the general company for Iraqi airlines) in Iraq , addition to its focus on the importance of air transport, as it is one of the most important means of transport between the Arab countries and the outside world and in Iraq in general, especially Basra, in the field of passenger transport, in addition to its use to a modest extent in transporting goods, the researcher concluded that Iraq has made important strides in air transport.

Al-Deeb (2016) explained the relationship between the regulatory framework for foreign direct investment in some developing countries and trade-related investment measures, and the research problem, as many developing countries, when setting the regulatory framework for foreign direct investment, resort to using trade-related investment measures as a tool to achieve different goals, and the most important thing is The research concluded with the reforms introduced to the regulatory framework for foreign direct investment in the countries under study, and the resulting lifting of restrictions imposed on foreign direct investment. Foreign investment had a significant impact in enhancing foreign direct investment in those countries, and this was reflected in a major boom in the volume of foreign direct investment flowing into them.

Hafaf (2016) explained the effects of trade-related investment measures on developing countries, in addition to what are the weaknesses and shortcomings in this agreement and is the World Trade Organization appropriate to address the issue of foreign direct investment. the results of the research also summarized that the trade-related investment measures agreement is considered the first international agreement that sets the rules for the treatment of investments. direct foreign investments in host countries within the framework of the trading system of the GATT and the world trade organization.

Hamid (2017) explained the nature of foreign direct investment, highlight the positive and negative aspects that may result from it, and shed light on the reality of the foreign direct investment environment in Iraq after 2003, in addition to explaining the impact of both the investment procedures agreement and the world trade organization on the foreign direct investment environment, especially in Iraq, as the study focused on the issue of the foreign direct investment environment in Iraq and the importance of adopting the multilateral international agreement on trade-related investment measures (TRIMs) under the world trade organization (WTO) in order to enhance an investment environment with international acceptability in order to attract foreign investments direct to Iraq.

Ishikawa and tarui (2018) showed the trade barriers due to transport costs are as large as those due to tariffs, This paper incorporates the transport sector into a standard model of international trade and studies the effects of trade and industrial policies, transport firms need to commit to a shipping capacity sufficient for a round trip, with a possible imbalance of shipping volumes in two directions, this imbalance is known as the backhaul problem As transport firms attempt to avoid this problem, a tariff in one sector may affect other independent import and/or export sectors, in particular, domestic tariffs may backfire: domestic exports may also decrease, harming domestic export sectors and the domestic economy, this finding contributes to the literature on how import liberalization may generate a positive effect on the liberalizing country's exports by identifying a new channel through endogenous changes in transport costs given the backhaul problem.

Al-Mashhadani (2022) emphasized a statement of the economic indicators of the transportation sector, the contribution of the transportation sector to the gross domestic product at current prices of one million dollars, and the spending of the state budget on the ministry of transport and communications, and finally a statement of the proposed mechanisms for developing the transportation sector in Iraq, as Iraq suffers from the absence of an integrated national strategy that reflects the comprehensive view of various Transport sector elements.

Nguyen (2023) showed examined the causality between air transport (passenger and cargo) and economic growth among regions in Asia. Using panel data from 1975 to 2019, the study applies econometric methods to test the stationary and cointegration of the data, The study results confirm a bi-directional causality relationship in most regions of Asia, However, the study only confirms a unidirectional relationship from economic growth to air passenger transport in South Asia and from economic growth to air freight in central Asia and west Asia. in addition, specific effect coefficients between air transport and economic growth in the long-run and short-run are also established in regions where they have a causal relationship.

Liang and zou (2023) referred to airport's decentralization reform in China, 2003–2004 to explore the impacts of management structure of transportation infrastructure on the operational efficiency and the regional economy, the DID estimation shows that the operational efficiency of reformed airports significantly increase after the reform. We use a geo-coded micro-level panel dataset of Chinese manufacturing firms to estimate the economic impact of this reform. Our triple difference estimation explores three-dimension firm-level variations: location (i.e., near versus far from reformed airports), industry -skill-intensive industries relative to low-skill intensive ones), and year (i.e., before and after the reform), We find out that the high-skill-intensive firms with better airport access experience 8.6% more reduction in the inventory level, 2.4% more increase in manufacturing productivity, and 2.5% more increase in the value-added after the reform. Consistent with the existing literature, we show that the reform increases external investment and expands market access. Placebo tests on unaffected airports rule out alternative explanations.

The problem of this research is that the transportation sector suffers from challenges represented by the traditional services it provides that are not in line with the requirements of the TRIMS agreement. although the air transport sector in Iraq has benefited from the economic growth resulting from the rise in oil prices and the growth of the global air transport industry, this industry constitutes only a small and very modest contribution to the gross domestic product and faces economic and security challenges, increased competition, and the uneven development of regulatory frameworks In addition, this industry suffers from old facilities and neglect, all of which are factors that increase the obstacles that this industry faces in light of the increasing development of air traffic growth, especially in the Middle East region, which has developed thanks to the state of air transport. openness and competition, especially in light of the conclusion of the world trade organization agreement and commitment to investment measures related to trade in goods and services within the TRIMS agreement.

The objective of the research explaining the nature of investment measures related to trade in goods and services in accordance with the TRIMS agreement, highlighting the positive and negative aspects included in it, defining the most important problems and challenges that the Iraqi air transport sector suffers from, and the extent of the possibility of benefiting from the implementation of the TRIMS agreement and a future vision for investment for the development of the air transport services sector in Iraq.

2. Material and Methods:

In this section, the theoretical literature on the trade-related investment measures (TRIMS) agreement and the air transport sector in Iraq will be presented.

2.1. Trade-related investment measures agreement (TRIMS)

2.1.1. The concept of the trade-related investment measures agreement (TRIMS)

Trade-related investment procedures mean the laws, regulations, rules and procedures that regulate dealing with foreign direct investments when they have an impact or impact on international trade (Issa, 1995). the governments of different countries usually impose a set of laws, regulations and procedures that regulate the method Cooperation with foreign direct investments, and this is achieved by establishing a number of advantages and incentives to attract those investments and direct them to specific areas that enjoy special priority in accordance with the economic development plans and programs implemented by the state. In return, the state may set some measures, restrictions or conditions that limit the entry of foreign capital to avoid some risk (Abdul Masih, 2019), the trade-related investment measures agreement (TRIMS) defined the meaning of these measures as the conditions imposed by local authorities on foreign investments that wish to operate within their territory, which entail restriction and distortion of global trade (Salama, 2006). the aim of the TRIMS agreement is trade aims to remove obstacles to the flow of foreign investment, the entry of foreign companies into local markets, and ensure access to the resources of developing countries without obstacles

on the part of the governments of those countries, which enables developed countries to control the economies of developing countries.

In general, trade-related investment procedures are divided into two types: (Al-Sayed, 1999).

The first type: relates to measures that take the form of investment incentives, which is a group of measures that work to encourage and attract foreign direct investment to host countries to invest in, such as customs or tax exemptions or subsidies and investment grants provided to a specific sector or industry (Yaqouta et al., 2019).

The second type: of investment measures related to trade, which takes the form of what is known as performance requirements, meaning the formulation of a set of measures that work to achieve the economic objectives of the state, such as working to create new job opportunities, replacing imports, or developing and encouraging local productive industries. These measures are represented by: Conditions, for example, in using a percentage of the local component in the final product, or exporting a share of production abroad, or transferring technology (Awad, 2004).

2.1.2 The importance of the Trade-Related Investment Measures Agreement (TRIMs).

The investment measures agreement is of particular importance and has received great attention from economists and investors interested in international trade affairs, for several reasons:

A- Industrialized countries consider capital in itself to be one of the commodities that are traded and transferred in accordance with the principles of liberalizing merchandise trade, whether imported or exported. No trade liberalization agreement, whether within an international framework, customs union agreements, or free trade zones (Majeed et al, 2002). is devoid of provisions requiring freedom of movement. capital in it between member states, and capital in this case is seen as a traded commodity, and not just one of the elements of the production process.

B- This agreement is considered one of the agreements related to the basic components of international trade in its broad sense, as it refers to the international efforts made to expand the circle of international exchange, by introducing the concepts and determinants of the international movement of capital, and subjecting it to the same rules of GATT 1994 (Obaid, 2001).

2.1.3. Targets of trade-related investment measures (TRIMS).

Countries whether developed or developing, seek to achieve some goals through trade-related investment measures and other performance requirements. these goals are as follows:(Abu Douh, 2003).

1-Protecting emerging local industries:

Many countries resort to imposing trade-related investment measures in order to protect nascent local industries, provide them with the necessary support, and strengthen their ability to compete with their mature international counterparts. This indicates that when a new industry is established, especially in developing countries, this industry lacks the ability to International competition, so it will need protection from foreign competition until it relies on itself, until it has the ability to compete at the international level (Khalil, 2023).

2-Benefiting from natural resources and compensating for the social impacts of investment activities:

Some try to justify the use of trade-related investment measures and other performance requirements, based on their social impact on the host country. Countries that have an abundance of natural resources may resort to imposing policies and strategies that help them achieve the maximum benefit from their extractive industries and extend their advantages to other sectors. Economic development, which ultimately reflects the well-being of citizens in the host country through providing job opportunities and creating effective links between various economic sectors (Majid, 2023).

3-Protecting some strategic sectors:

The governments of the host country for investment resort to using trade-related investment measures for the purpose of protecting some economic sectors of special importance, such as the sectors (energy - communications - transportation - transportation), to provide this protection, these governments subject those sectors to some restrictions because of their strategic importance, and these measures take the form Several of them include (restrictions on foreign ownership, import restrictions, or the establishment of national companies), and more than one form of these restrictions may be combined, trade-related investment measures have been used to protect strategic sectors by developed and developing countries alike. Australia has used them to protect the automobile and tobacco industries (Mkhylaf, 2021). Canada has used them to protect the automobile industries, China has applied them in its wind energy industries, and most European countries have applied them in their industries, Automotive and electronics industries, where trade-related investment measures play a major role in many strategic industries and sectors in the economies of the developing world (Hassan, 2012).

4- Achieving political consensus in the host country:

Governments in the host country resort to using trade-related investment measures as a tool to achieve the political goals and interests of society, and their purpose is to promote and achieve peaceful coexistence in society as well as to resolve armed conflicts that may erupt between them (Ali, 2014).

2.1.4. Guarantees provided by the Trade-Related Investment Measures Agreement

The trade-related investment measures agreement, like any other agreement, must be accompanied by a set of guarantees that ensure full respect for its rules, through examination of the agreement in question, a set of substantive and procedural guarantees were stipulated, which are consistent with the objectives of this agreement:

1-The substantive guarantees stipulated in the trade-related investment measures agreement: these guarantees apply to all situations related to the issue of trade-related investment measures, as follows:

A- The principle of ending permanent restrictions on trade-related investment measures: in order to achieve this principle, the agreement obligated all member states of the world trade organization to abolish existing procedures or measures through their various legislation that hinder investment in the field of trade ,for this reason, the relevant agreement required member states to notify the Council for trade in goods of all trade-related investment measures that they apply that do not comply with the provisions of the agreement. there is no doubt that this notification would create effective monitoring by the countries concerned, and by the organs of the organization, to determine the extent of progress towards ending the existing restriction of trade-related measures (Lachb, 2006).

B- The principle that the continued imposition of trade-related investment measures is subject to control: In recognition of the drafters of the GATT agreements, that there may be conditions and circumstances that necessitate the continued imposition of investment restrictive measures by developing and least developed countries, these countries were granted the right to continue imposing the mentioned restrictions and measures, and considering that allowing continuing to impose these restrictions constitutes a deviation from the desired goal, but a set of restrictions has been stipulated through which censorship is imposed (Jassim, 2020).

C- The principle of gradualness in abolishing trade-related investment measures: The agreement specified a transitional phase during which trade-related investment measures would be gradually abolished ,The agreement did not require member states to immediately end those measures, taking into account the economic conditions of some member states, so that member states must during during this period, cancel investment procedures and laws that conflict with the provisions of the agreement. The agreement allowed the cancellation of these measures within a period of two years from the date of entry into force of the world trade organization

agreement for developed countries, within five years for developing countries, and seven years for least developed countries (Hashad, 1995).

D-The principle of not circumventing or exploiting the transitional period for the implementation of the agreement :to prevent the possibility of some countries being exploited or deceived by imposing new measures to restrict investment in trade during the transitional period, the agreement stipulated that: “No member may, during the transitional period, amend any of the investment measures that it has notified during the 90 days from the entry into force of the world trade organization agreement” to emphasize the rejection of previous fraud or exploitation, the agreement prohibited the enjoyment of investment measures. Those introduced less than 110 days before the effective date of the wto agreement are not subject to the provisions of the transitional period (Abdel Hamid, 2005).

2-Procedural guarantees stipulated in the trade-related investment measures agreement: in accordance with what is stipulated in article five of the investment agreement, member states must take a set of measures that ensure the achievement of a formal guarantee of respect for the provisions and rules of the trade-related investment measures agreement, and these measures appear from by adhering to the following principles (Micahl , 2011).

A-The principle of transparency: this principle is achieved by member states notifying the general Secretariat of the world trade organization of all trade-related investment measures applied by those countries, as well as notifying all publications related to the goal of the agreement at the level of the central government or regional and local authorities, within a period of time 90 days from the entry into force of the world trade organization agreement (Ali, 2020).

B-The principle of good faith: This principle takes its scope of application, through the obligation of each member state to respond to requests submitted by other members, in order to obtain information related to investment within it, in addition to providing the opportunity to consult with other members on any issue arising from the agreement. between them (Saleh and Al-Mousawi, 2019).

C-The principle of taking into account the member’s economic interests: this principle represents a distinctive feature of the GATT agreements, and this principle requires that no member of the world trade organization is obligated to disclose any information, the disclosure of which would obstruct the application of the law, or that this information is contrary to the public interest, Or it could harm the legitimate commercial interests of member state enterprises(Abdel Qader, 2011).

2.1.5. The conceptual framework of air transport :

The word transport is defined in the language as transporting something from one place to another, but its meaning has expanded with the diversity of opinions of researchers and official bodies, and in an accurate description of transport in general, as some have defined it as an activity related to the movement of goods and individuals (DIZAJIN and MAHJOUB, 2012). others defined it as a service activity that achieves a benefit in time and place carried out by a natural or legal person that ensures the physical transformation of people in the peripheral field on board a vehicle prepared for this purpose and at an acceptable distance (Bogna and Boubacar, 2009). the chicago convention also defined the air carrier on (January 7, 1944, in paragraph (22) of Article One, as “every natural or legal person who offers or operates airlines for the transport of passengers, mail, or goods.” the Iraqi legislator quoted in the civil aviation law of 1974, as amended in Paragraph (24) of Article One, the same definition, and the air carrier is defined briefly as anyone who undertakes to transport persons or goods by plane (Abdullah, 2017).

Air transport service means: a commercial air service used to transport passengers, personal luggage, suitcases, goods, or any other load, in an air vehicle from one place to another. It is clear from this definition that air transport is commercial air transport, i.e. This is transportation undertaken by transportation projects in order to achieve profit, by providing transportation services, and accordingly, the provision of air transportation service in all cases is in exchange for a fee like all other types of transportation, which is expressed by transporting passengers, luggage, or cargo from one place to another (Abdul Razzaq, 2013).

-Air transport services are divided into (basic services and auxiliary services) according to the type of service itself, and basic services mean: those services related to the process of transporting and deporting individuals and movables from one region to another inside or outside the country using the air transport tool represented by the aircraft, and is included within these services include passenger and luggage transportation, goods transportation (air freight), and transportation of mail, all of these services include ensuring the safety of the transported goods during the transportation period (Al-Tuni et al, 2006). ancillary services are those processes that help provide basic services easily and conveniently (such as technical services, such as air traffic control, air and radio corridor engineering, airport engineering, and organizing landing operations).

2.2.1. The relationship between the Trade-Related Investment Measures Agreement and air transport

Implementing the TRIMS agreement works to open the field of investment in air transport, including stimulating air traffic and tourism, and achieving efficiency in the management and operation of this sector through investment in services. Among the most important investments that companies can make in accordance with this agreement is investment in advertising. And investment in hotels inside the airport and centers for training pilots and flight attendants, and making the commercial incentive its driver by consolidating the element of competition between airline companies and supplying the national economy with new revenues, in addition to the possibility of supporting airline companies in implementing new alliances among themselves that contribute to facing the challenges of the air transport industry, as well as competition in Providing transportation services at competitive prices that increase the number of passengers and air freight, which will increase the size of the state's financial returns from this sector and raise the added value and thus work to increase the contribution of the transportation sector to the gross domestic product of the country implementing this agreement, and the aspects that contribute to enhancing safety The safety of travelers and workers at airports adds to the factors that attract foreign investors in this sector and support the growth of the air industry (Zuwain, 2021).

2.2.2 The reality of air transport in the Iraqi General Civil Aviation Establishment

The civil aviation authority is the highest authority controlling the Iraqi airspace, and it is the authority authorized to issue all licenses to workers in the aviation sector, including aircraft maintenance engineers, pilots, and air traffic controllers It is responsible for granting licenses for the landing and take-off of aircraft in all Iraqi airports (Shamsan, 2012). therefore, the reality of its work is a sovereign national work as a state, according to which local airlines operating in Iraq are granted specific conditions within their space outside Iraq, and vice versa, according to the air operator certificate (AOC) (Fayeq, 2009). under civil aviation article (48) of 1984, the work of the civil aviation sector in Iraq is limited to responsibility for airport licenses, re-licensing airports, as well as for implementing all decisions of the international aviation organization (ICAO), given that Iraq is an active member of this organization, and currently the General Aviation Establishment. Al-madani is affiliated with the general Secretariat of the Council of ministers / civil aviation authority (Al-Jawari, 2022). the economic returns to the civil aviation authority can be clarified through the following table:

Table 1: Annual revenues and Expenses of the Iraqi Civil Aviation Authority for the period (2014-2021) billion Iraqi dinars.

Years	Revenues (1)	Annual change% (2)	Expenses (3)	Annual change% (4)	the difference (1-3) (5)
2014	87.07	-----	111.8	-----	-24.73
2015	56.726	-34.9	120.45	7.7	-63.724
2016	56.626	-0.2	110.68	-8.1	-54.054
2017	65.114	15.0	92.14	-16.8	-27.026
2018	76.384	17.3	92.23	0.1	-15.846
2019	90.041	17.9	120.6	30.8	-30.559
2020	32.832	-63.5	88.19	-26.9	-55.358
2021	57.416	74.9	106.13	20.3	-48.714

Source: Prepared by the researcher based on the outputs issued by the Civil Aviation Authority (Financial Department) - revenues and expenditures for the years (2014-2021) for columns (1) (3).

We note from table (1) that the revenues collected for the Civil Aviation Authority decreased for the years 2015-2016-2020 by percentages amounting to (34.9%) (0.2%) (63.5%) respectively, compared to the increase in expenses, and the reason for their decrease is due to 2015-2016; Due to military operations, unsafe airspace, and the reluctance of companies to use Iraqi airspace, while the decline in 2020 was caused by the cessation of most flights to all Iraqi airports, and the decline in air aviation activity due to the general closure worldwide as a result of the Corona pandemic. Although expenditures recorded a decrease for the years 2016-2017-2020 by rates amounting to (8.1%) (16.8%) (26.9%) respectively, expenditures remained superior to revenues, for all years, as shown in column (5), which is one of the drawbacks to the activity of this authority. . It needs a lot of investment in the service aspect in particular, as the air transport sector is primarily a service sector, to improve the current reality of Iraqi air transport, and raise its revenue and profit rates, and thus its efficiency.

Expenditures on training for airspace management topped the rest of the expenses, as this administration needs to renew the annual periodic license of air traffic controllers, and other training courses for pilots and flight attendants, which are also important for revitalizing the skills of workers in the aviation sector. To provide the best services that are up to par with other countries, at the forefront of the reasons why expenses exceed revenues, then in the second place comes the security protection of the airport, as it is also considered one of the basic requirements for the recognition of the safety and security of the airport by the international organization (ICAO), then followed by allocations, employee salaries, maintenance of buildings, machinery, equipment, and vehicles, and modernization of the equipment used in controlling the airspace and devices used in all parts of the airport, regardless of their activities and types, such as night flying devices, approach devices, and other navigation devices related to aviation work, therefore (Hshem, 2017). we note that expenses were high in the first three years, It began to decline and stabilize in 2017 and 2018 this increase is attributed to the high expenditures for rehabilitating the infrastructure of the civil aviation sector, including the rehabilitation of airport and airspace personnel, especially since this sector went through complete slumber for a period of approximately 13 years during the blockade on Iraq for the period (1990-2003). What explains its decline is the decrease in the volume of training and rehabilitation expenditures For properties and airports.

2.2.3 The reality of air transport for Iraqi Airlines:

The Iraqi airways company is the national air transport carrier, and it is one of the oldest companies that was established in 1/29/1946, as it was administratively affiliated with the general railway company the airline company operates in accordance with the provisions of companies law no (108) of 1988, and the regulations and instructions issued pursuant thereto, as well as the transport law of 1983, in addition to international air transport agreements ratified by the republic of Iraq (Al-Samarrai , 2015).

The Iraqi airways company is one of the founding members of the air transport organization (ministry of transport - national development plan, 2017). one of the company's tasks is to carry out all air transport work for passengers, goods and mail inside and outside Iraq for Iraqi aircraft only, and to carry out all technical and ground services for Arab and foreign civil aircraft in all civil airports in Iraq and to carry out medium and heavy maintenance services for civil aircraft within the available capabilities and to sell goods and products on aircraft in Civil airports (khattab, 2019). providing developmental services for aircraft, contributing to the implementation of air transport plans, events and activities of international federations and Arab and international organizations specialized in the field of air transport Participating in joint projects in the field of air transport, practicing advertising and printing methods for air transport purposes, and training pilots and engineers through well-established companies in the middle east. (Rabie, 2009). The company seeks to provide the necessary infrastructure to provide the best services, in addition to strengthening The role of the private sector (investment), providing the best services to current and future travelers, expanding the air fleet through purchasing modern aircraft, sustaining existing aircraft through purchasing aircraft engines and spare aircraft equipment, ensuring safety and security conditions in the national carrier (Al-Mashhadani, 2022). The company now owns 42 aircraft of various models and sizes, noting that the number of employees currently working there is (4,500) employees, including permanent staff, contracts, and daily wages until the year 2023, among the most important services that this company seeks to develop and invest in, is what the following diagram shows:



Figure 1: The most important services of the Iraqi Airways General Company in which it seeks to invest.

Source: The researcher.

The following table lists the final revenues and expenses and the difference between them, in addition to their annual change rates for the Iraqi airways company, during the period 2014-2021.

Table2: The annual revenues and expenses of the Iraqi Airways Company for the period (2014 - 2021) billion dinars.

Years	Revenues	Annual change%	Expenses	Annual change%	Profits	Annual change%
2014	460.54	-----	330.08		130.46	-----
2015	518.85	12.7	358.53	8.6	160.33	22.9
2016	469.05	-9.6	238.66	-33.4	140.39	-12.4
2017	588.01	25.4	419.74	75.9	168.27	19.9
2018	518.05	-11.9	434.81	3.6	83.24	-50.5
2019	566.01	9.3	475.22	9.3	90.79	9.1
2020	201.83	-64.3	168.45	-64.6	33.38	-63.2
2021	330.40	63.7	289.45	71.8	40.95	22.7
Average duration		3.6%	-	10.2%	-	-7.4%
compound growth%	-4.1%	-	-1.6%	-	-13.5%	-

Source: Prepared by the researcher based on: Iraqi Airways Company, Planning Department, unpublished annual reports.

We note from table (2) that the trend of expenses and revenues, in addition to the profits achieved by the Iraqi airways company, is in fact fluctuating in direction. In the revenue movement that rose in 2015 by (12.7%) compared to the previous year, it was offset by an increase in the percentage of expenses that reached (8.6%), and a positive trend in profits of (22.9%), then it returned to decline in 2016 by (9.6%), with another decrease in expenses. Then profits at rates of (33.4%) and (12.4%) respectively, and the explanation for this: Due to the decrease in the number of routes that the company operates on Its aircraft went from 25 routes in 2014 and 30 routes in 2015 to only one route in 2016 for operational reasons related to the company. In 2017 and beyond, these routes were reopened and a new number of others were added, so revenues rebounded, achieving an increase of (25.4%). On the other hand, expenses increased by a greater rate of (75.9%), and profits were achieved by (19.9%) as seven aircraft were added to the fleet. The company, bringing the total number of aircraft in operation to 28 aircraft. The decrease in revenues in 2018 by (11.9%) is explained by: Due to the unexpected decrease in the planned demand for the seats offered by the company with the continuation of operation according to the previously prepared plan, and the failure to compensate for the size of the supply of those seats in the event of a decrease in demand for them (as the seats offered represent expenses added to the cost of the trip), which caused an increase in expenses on the other hand. By (3.6%). As for the year 2020, it is an exceptional year, in which air traffic witnessed a major recession, not only at the level of Iraq but also at the level of the world due to the repercussions of the Corona pandemic, and in which revenues achieved a significant decrease by (64.3%), which is the highest percentage of decrease witnessed in the period under study, and it decreased as a result. Expenses were at a rate of (64.6%) and profits were also at a rate of (63.2%). Revenues returned to recovery in 2021, with the opening of airports and the return of life to normal, as revenues achieved an increase of (63.7%), with an increase in expenses and profits by (71.8%) (22.7%), respectively.

The following figure shows the trend of both revenues and expenses and the difference between them (profits) during the period 2014-2021.

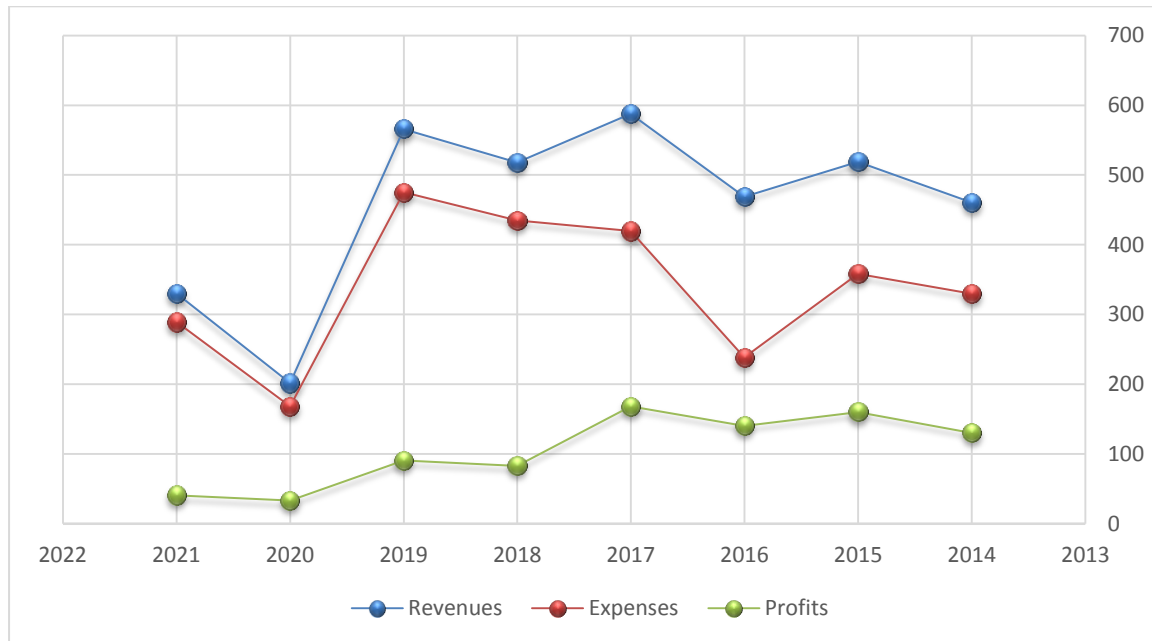


Figure 2: The revenues and expenses and the difference between them (profits) during the period 2014-2021.

Source: Prepared by the researcher based on the data contained in the previous table

We notice a clear decline in revenues and expenditures to a greater extent in 2016, with a positive trend in the shape variables after 2016, then a slight decline in 2018, which was replaced by a decline that was considered the largest during the research period in 2020 and a return to recovery in 2021. Revenues achieved positive annual change rates on average of (3.6%), which is one of the good indicators, but their compound growth reached a rate of (4.1%), which reflects the modesty of profits and even their low growth, as the compound growth in profits reached a rate of (13.5%). Annual change (-7.4%).

The modest profits achieved and their low growth are due to the small investments directed in this company, a reason to attract foreign investments, especially in the service aspect, as the services provided by this company represent an attractive factor for travelers, and it suffers from a severe shortage compared to other countries, and therefore Attracting investments in the service side will increase revenues more than expenses and achieve high profits that will exceed the crises and circumstances that this company may go through in the future.

3. Discussion of results:

3.1. The importance of investing in the services of the Iraqi air transport sector according to an agreement TRIMS.

Iraq sought to join the world trade organization after 2003 as part of its new approach to openness, reform, and reliance on the market mechanism in directing the economy, (Rahim, 2021) out of a desire to activate individual initiatives and the private sector to work, produce, and find alternatives within an environment in which the spirit of legitimate competition prevails (Al-Attar, 2007).

There are a number of obstacles standing in the way of attracting foreign direct investments to Iraq in light of the adoption of the trade-related investment agreement. These obstacles are represented by the unsuitable environment for investment in Iraq, with its security and legislative aspects, the stability of macroeconomic policies, and the fragility of infrastructure, but we must work to improve the investment environment in Iraq. The adoption of the Trade-Related Investment Measures Agreement within the framework of membership in the World Trade Organization allows for the strengthening of a more solid foundation in attracting foreign direct investment, (Makhlif et al., 2021). In accordance with the Trade-Related Investment Measures Agreement and the World Trade Organization, which stipulates that foreign investments are treated the same as domestic investments, that is, without discrimination in the treatment of the member state with regard to setting restrictions and limits on foreign investment. (Rashid, 2005).

Therefore, the process of Iraq's accession to the World Trade Organization, which is a necessary procedure to benefit from the benefits of implementing the TRIMES Agreement, which includes establishing a solid base in adhering to international standards, is considered a global certificate of discipline and thus working in a unified legal and commercial environment at the global level. Which enhances the country's position as an attractive center for foreign direct investment, which appears to be of great importance for benefiting from the advantages provided in the context of saving money, enhancing productive and export capacity, employment, and transferring skills and knowledge to the local environment. (Fahad, 2004) The Iraqi government seeks to develop the air transport sector in Iraq through several efforts and measures, including:

- 1- Improving the investment environment in the air sector through new legislation and laws that stimulate private companies to invest in the air sector.
- 2- Developing and modernizing Iraq's current airports and expanding them to increase the capacity to receive more flights (Mansour, 1998).
- 3- Opening Iraqi airspace to more international airlines and expanding networks of incoming and outgoing flights from Iraq.
- 4- Improving the quality of services provided at Iraqi airports and developing their facilities to make them consistent with international quality standards.
- 5- Expanding the capabilities of Iraqi Airways, improving its services, and adding a new fleet of aircraft to develop aviation operations and flights.
- 6- Creating an organized investment mechanism that works to regulate partnership between the public and private sectors in the field of implementing various projects related to the aviation industries, including new airport projects and aircraft maintenance centers, issuing and suspending operating licenses, re-pricing services, setting new tariffs, and imposing fines when violating contract terms (Hilal, 2014).

4. Conclusion:

The trade-related investment measures agreement enhances the investment environment in Iraq and places it within a coordinated and acceptable framework at the international level therefore, it unifies local investment procedures and arrangements to be in harmony with what is in force internationally which makes foreign investors aware and certain of the investment arrangements in force in Iraq, which encourages them to come and establish their direct investments, and developing the air transport sector, as happens in many countries of the world by relying their revenues mainly on this sector - will achieve capital accumulation, which leads to achieving comprehensive economic development. Iraq can build a distinguished service sector because it has the potential to advance and direct some of its financial and human capabilities to improve the Iraqi air transport sector.

Authors Declaration:

Conflicts of Interest: None

-We Hereby Confirm That All The Figures and Tables In The Manuscript Are Mine and Ours. Besides, The Figures and Images, Which are Not Mine, Have Been Permitted Republication and Attached to The Manuscript.

- Ethical Clearance: The Research Was Approved By The Local Ethical Committee in The University.

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اتفاقية TRIMS وانعكاساتها على قطاع النقل الجوي في العراق

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هذا العمل مرخص تحت اتفاقية المشاع الإبداعي تُسبب المُصنَّف - غير تجاري - الترخيص العمومي الدولي 4.0
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مستخلص البحث:

يسلط البحث الضوء على بيئة الاستثمار الأجنبي المباشر في العراق، وأهمية اعتماد الاتفاقية الدولية المتعددة الأطراف بشأن تدابير الاستثمار المتعلقة بالتجارة (TRIMS)، في ظل انضمام العراق إلى منظمة التجارة العالمية (WTO)، وذلك من أجل تعزيز الاستثمار الأجنبي المباشر في العراق، وتعزيز البيئة الاستثمارية ذات القبول الدولي لجذب الاستثمارات الأجنبية إلى العراق، وتحديدًا في قطاع النقل الجوي العراقي، واستعراض أبرز التحديات التي تواجه بيئة الاستثمار في قطاع النقل الجوي العراقي، والحصول على فوائد وإيجابيات هذه الاستثمارات. يهدف البحث إلى إيجاد آلية مناسبة لتحقيق الانضمام إلى اتفاقية (TRIMS) وتنفيذها في قطاع النقل الجوي، بعد تذليل المعوقات التي تظهر في طريق الانضمام لمنظمة التجارة العالمية، بالإضافة إلى توضيح طبيعة الاتفاقية بشأن إجراءات الاستثمار المتعلقة بالتجارة في السلع والخدمات. والتوصل إلى رؤية مستقبلية للاستثمار الأجنبي لتطوير قطاع خدمات النقل الجوي في العراق. أظهرت نتائج البحث أن العراق قادر على بناء قطاع خدمي متميز، نظراً لقدراته المالية والبشرية، من أجل تحسين خدمات قطاع النقل الجوي العراقي، مما يؤدي إلى زيادة أعداد المسافرين، وزيادة الرحلات الجوية وزيادة الأسطول الجوي العراقي ورفع الإيرادات، مما يساهم في زيادة القيمة المضافة لقطاع النقل في الناتج المحلي الإجمالي.

نوع البحث: ورقة بحثية.

المصطلحات الرئيسية للبحث: اتفاقية تدابير الاستثمار المتصلة بالتجارة (TRIMS)، قطاع النقل الجوي.