THE IMPACT OF INVESTMENT LAW NO.(4) 2006 ON THE FOREIGN DIRECT INVESTMENT AND THE ANTECEDENT EFFECT ON THE LABOUR MARKET IN KURDISTAN REGIONAL GOVERNMENT

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ABSTRACT

The aim of this thesis is to analyze the impacts of Investment Law no. (4) 2006 on the foreign direct investment and the antecedent effect on the labor market in Kurdistan. The main objective of this research is to analyze the impact of FDI on labour market. This study uses qualitative approaches. Primary data were generated from officials and companies interviews and secondary data was collected from various sources of government publications. The objective of this research is to identify the roles of FDI on Kurdistan’s Labour market and economic growth; also it intends to emphasize the roles of investment laws in KRG in enticing FDI and its influence on the KRG’s labour market. This study founds positive relationship between FDI and labour market. The study also discovered that labour market was developed through FDI and hundreds of job opportunities created by foreign labour. This stressed that Investment Law No (4) was effective in bringing foreign investors in Kurdistan, which impacted different sectors economy and labour market. However, if the law was effective in a period of time, for now, it needs to be amended and several acts in this law should be changed in order to maximize the advantages of FDI and targeting country development vision. The law was resulted the misuse of public lands as well as the lack of diversification of investment on sectors. The law should also be amended in the way to diversify investment sectors. Generally, FDI and investment law resulted in creating a positive environment for local workers as well as overall economic growth of the country.
ABSTARK

# TABLE OF CONTENTS

Permission to Use ........................................................................................................ i  
Acknowledgement ......................................................................................................... ii  
Abstract ......................................................................................................................... iii  
Abstrak ........................................................................................................................... iv  
Table of Contents .......................................................................................................... v  
List of Figures ................................................................................................................ vii  
List of Tables ................................................................................................................ viii  
List of Abbreviations ...................................................................................................... ix  

## CHAPTER ONE INTRODUCTION

1.1 Introduction ............................................................................................................ 1  
1.2 Background of the Study ....................................................................................... 3  
1.3 Problem Statement ............................................................................................... 5  
1.4 Definitions of FDI .................................................................................................. 6  
1.5 Research Questions ............................................................................................... 7  
1.6 Research Objectives ............................................................................................. 7  
1.7 Significance of the Study ....................................................................................... 8  
1.8 Scope and Limitations of the Study ....................................................................... 9  

## CHAPTER TWO LITERATURE REVIEW

2.1 Introduction ............................................................................................................ 10  
2.2 Legal System and Facilities for Attracting FDI ................................................... 12  
2.3 Factors Influencing the Inward FDI ..................................................................... 17  
2.4 The Effects of Government Policies in Attracting and Sustaining the Intensity FDI ................................................................................................................. 21
Appendices

Appendix A.................................................................................................................. 80
Appendix B.................................................................................................................. 81
Appendix C.................................................................................................................. 82
Appendix D.................................................................................................................. 83
Appendix E.................................................................................................................. 84

LIST OF TABLES

4.1 Investment by Investment Type Capital by US Dollar from 1/8/2006 to 12/1/2014 ............................................. 47
LIST OF FIGURES

4.1 Labour Force Participation in Kurdistan for 2012 .................................. 46

4.2 Number of the Licensed Projects Sectors ........................................... 53

4.3 Project Capital by Investor Nationality (Millions) 1/8/2006 to 26/1/2014. 54

4.4 4.4 Capital used in all Sectors (Millions) from 1/8/2006 to 26/1/2014…. 63

4.5 Increasing Number of Residential Units ................................. 64
LIST OF ABBREVIATION

ADB: Asian Development Bank
BOI: Board of Investment
FDI: Foreign Direct Investment
GDP: Gross Domestic Product
IMF: International Monetary Fund
KR: Kurdistan Region
KRG: Kurdistan Regional Government
KDP: Kurdistan Democratic Party
MENA: Middle East and North Africa
MNCs: Multi-national Corporations
MOP: Ministry of Planning
OECD: The Organization for Economic Co-operation and Development
OLI: Ownership, Location, and Internalization
PUK: Patriotic Union of Kurdistan
TNCs: Transnational Corporations
UAE: United Arab Emirates
USA: United States American
US: United States
CHAPTER ONE
INTRODUCTION

1.1 Introduction

This thesis focuses on the impact of investment law no. (4) 2006 on the foreign direct investment and the antecedent effect on the labour market in Kurdistan Regional Government. Kurdistan Region's investment law no. (4) 2006 provide significant benefits for investors especially foreign direct investment (FDI) in all sectors and qualified projects, principally tax and customs fees and duty exemptions.

Foreign direct investment has become necessarily important determinant of economic development in the developing countries attracting inward investment is a key component in its economic development initiatives, for the potential knowledge transfer and cross fertilization to domestic operators which it can provide and FDI is one of the successful way around the world which is crucial to develop infrastructure and offering prosperity services and for having an opportunity to help people to find a jobs in all the sectors (Al-Khalfa, 2007).

Kurdistan has lately emerged as a new destination for FDI in the Region and experienced remarkable improvement in major economic sectors. After decades of economic destruction, the invasion of Iraq has given a new opportunity for economic growth and labour market in the region. The government started to rebuild and reconstruct the country and open up to the world. So, the government has implemented many programs to achieve the strategic goals to enhance the economic, social and political environment of the region. Due to the security and stabilization of the region, foreign investors soon found their interest there and then highly encouraged by Kurdistan Regional Government to invest in different economic
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