

AMERICAN CONTRACTOR

Iraq Intel Report

10 May 2015



Iraq Dates

17 June 2015
Start of Ramadan

17 July 2015
End of Ramadan

18 - 20 July 2015
Eid al Fitr Holidays after Ramadan

Government of Iraq going Ahead with Large Currency Denominations for the Iraqi people to Reform System

In Iraq, things are getting better as I write this post. The government of Iraq and the Parliamentary Economic Committee is getting very serious about the monetary policy. The Economic Committee and the Central Bank of Iraq (CBI) has decided to reform the system. The printing of larger banknotes is coming to the Iraqi people.

The Economic advisor, Mohammed Saleh has published information in the local Baghdad media about the Central Bank of Iraq (CBI) printing large category banknotes that will support the Iraq economy. The Economic Advisor Saleh said that this was on the road to economic reform. In recent articles and videos I informed you that large denominations such as 100K and 50K would be printed and in circulation. Every Iraqi citizen in the country will use the large notes. The large banknotes will not be an interbank only the 50k and every Iraqi citizen will use 100k in daily commerce.

Over the last several years, the money supply has grown to approximately 40 trillion dinars. The new large banknotes will not increase the current money supply and will not decrease the money supply. The CBI intends to consolidate the large bank notes like the 25,000 Iraqi dinar currency (IQD). Meaning they will in the future gradually removing the 25,000 IQD as the large banknotes become more available in the marketplace. I am not saying they will remove all 25k banknotes. The CBI would like to reduce the banknotes in circulation in the future. The traders in the market are against the larger banknotes as they think it will be a loss in the monetary policy. Time will tell if it is a loss in the monetary policy.

The CBI has reported that they will not 'delete the zeros' this year. I would look for the CBI to start the discussions in 2016. The security situation is the main factor in the CBI decision. I have repeated this to you for the last year. The CBI would like to see all the banks in Iraq back under their control. The Islamic State controls approximately 65 banks in Northern Iraq.

The government of Iraq has been depleting the currency reserves and to stop this the government is seeking a loan from the International Monetary Fund (IMF). The IMF is loaning 800 million dollars and hopes this will cover some of the shortfalls in the Iraq federal budget.

Thank you for reading the American Contractor's Iraq Business Report & Middle East News.

You can join the mailing list by going to this website and entering your email address. Make sure you check your email for the confirmation.

<http://americancontractor.com/signup>

Rich Morris

American Contractor

E-Mail: ac@americancontractor.com

Text/SMS: +1 931-444-7110

<http://americancontractor.com>

Sources:

05-10-2015 CBI is Planning to reform the system to print large cash payments

<http://americancontractor.com/wp-content/uploads/2015/05/05-10-2015-CBI-is-Planning-to-reform-the-system-to-print-large-cash-payments.pdf>

05-05-2015 Iraq began to withdraw from reserves

<http://americancontractor.com/wp-content/uploads/2015/05/05-05-2015-Iraq-began-to-withdraw-from-reserves.pdf>

05-04-2015 Central Bank can not delete the zeros

<http://americancontractor.com/wp-content/uploads/2015/05/05-04-2015-Central-Bank-can-not-delete-the-zeros.pdf>