

Analysis And Measurement of External Balance Policies (Bp Model) And Their Effectiveness in The Iraqi Economy for The Period (2003-2019) (Research Extracted from A PhD Thesis Entitled Internal and External Balance Policies and Their Effectiveness in The Iraqi Economy for The Period (2003-2019))

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Abstract

Iraq faces a clear problem in its external balances, which is reflected by economic activity with its various indicators. After 2003, macroeconomic policies were crystallized to address this problem through financial, monetary and trade policies, but it still suffers from this problem. Therefore, the research aims to study this problem, analyze and measure the impact that it has. The external economic balance policies are performed by formulating a standard model using simultaneous equations to know the nature of the relationship between national income and external equilibrium variables. The research includes a study of the period (2003-2019). The research reached an important conclusion, which is that the import variable must have a major role in the external balance model, and thus it can reduce inflationary pressures, by providing imported goods to create a balance between supply and demand for goods and products, so the relationship between imports and national income is inverse because it represents a leakage element from National income. Thus, imports are a remedy to counteract the imbalance in the external balance model occurring in the Iraqi economy. There must be diversity in the Iraqi economy because it suffers from the stagnation of its production apparatus, as the commodity sector relied on the outside in a very large way.

Keywords

External Balance, Balance of Payments, Imports, Exports, Exchange Rates, Monetary Policy.

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