A map of the Middle East region with Iraq highlighted in yellow. The rest of the map is light beige, and the Persian Gulf is light blue. The title text is overlaid on the map.

Iraq Weekly Status Report

July 30, 2008

**Bureau of Near Eastern Affairs
US Department of State**

Unclassified



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HIGHLIGHTS

- Iraqi Presidency Council Vetoes Elections Law (**POLITICAL, page 4**)
- Suicide Attacks in Baghdad and Kirkuk (**SECURITY, page 8**)
- The Banking Sector Makes Gains with Increased Security (**ECONOMIC, page 11**)
- Iraqi Prime Minister Nuri al-Maliki and German Chancellor Angela Merkel discuss improving bilateral and commercial ties in Berlin (**DIPLOMATIC, page 22**)



POLITICAL - Governance & Legislation

Iraqi Presidency Council Vetoes Elections Law:

- On July 26, Speaker Mashadani read aloud the lengthy veto of the Elections Law issued by the Iraqi Presidency Council. The letter of veto primarily objected to the law's treatment of elections in Kirkuk and the way it had been dealt with procedurally (i.e. the use of secret balloting, passage in the absence of the entire Kurdish bloc). Additionally, it objected to the replacement of Peshmerga in Kirkuk with troops from central and southern Iraq, and the prohibition on the use of religious figures, mosques, and shrines for campaign purposes. In response, Mashadani ordered the creation of a special committee to review the veto and to forge a compromise. As of July 30, the committee had yet to reach any formal conclusions, however the CoR session will be extended beyond its scheduled July 30 recess.

5,000 Immigrant Visas Program Launched in Baghdad:

- Embassy Baghdad launched an expanded immigrant program on July 24 that provides 5,000 special immigrant visas (SIVs) a year for five years for Iraqis who have experienced serious threats as a result of working for or on behalf of the U.S. Government. Spouses and minor children of applicants can also receive SIVs but theirs do not count against the 5,000 number. SIV recipients will be eligible for resettlement benefits that are normally offered to refugees.

POLITICAL - Governance & Legislation

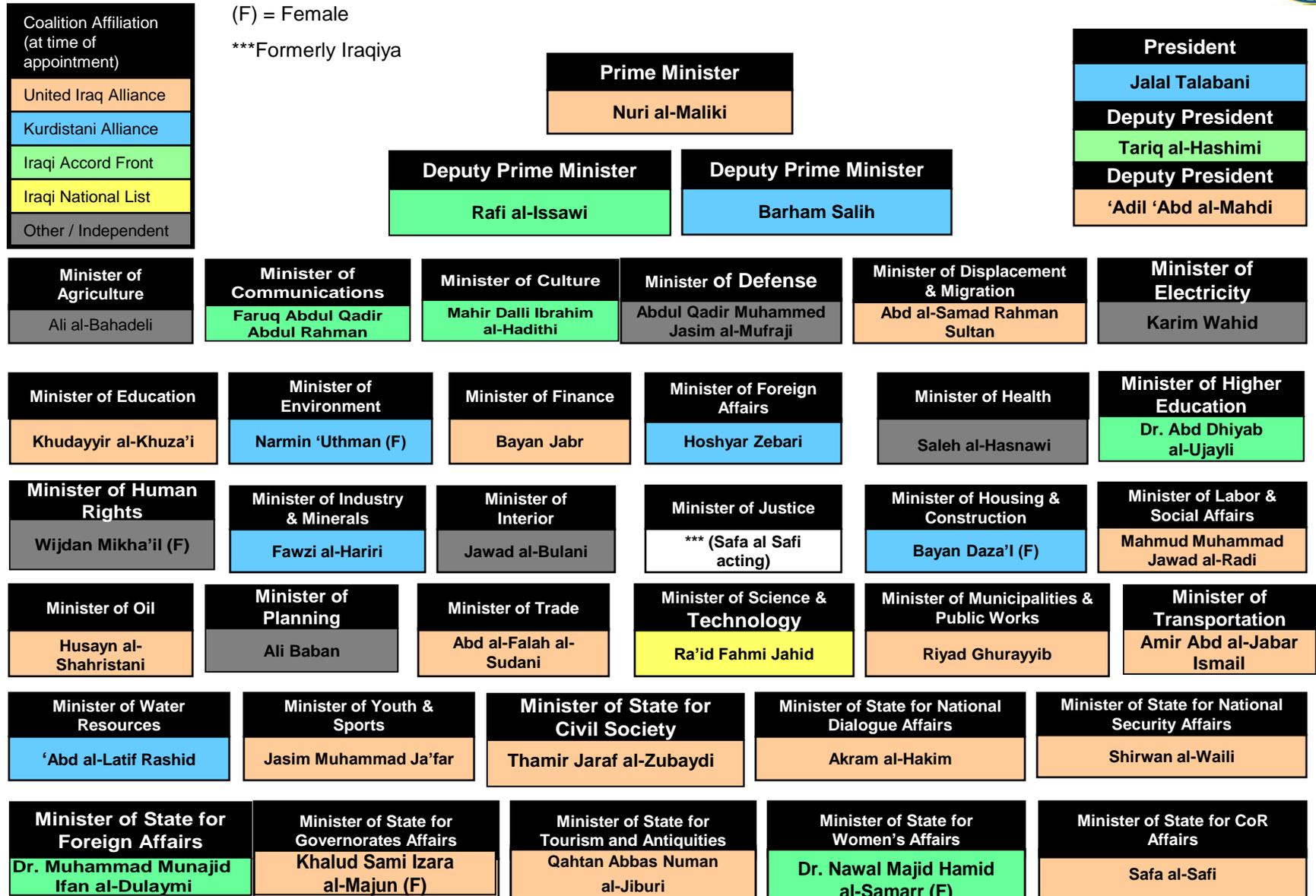


Iraqis Going to the Olympics After All:

- The International Olympic Committee (IOC) decided July 29 to reverse its decision to ban Iraq from participating in this year's Olympic Games after the Iraqi government pledged that Iraq's National Olympic Committee would not be subject to political interference. The IOC had previously instituted the ban after Prime Minister Nuri al-Maliki dissolved the committee on allegations of corruption in May. The IOC deemed the action a "serious interference" in what is supposed to be an independent body. Although the decision was made in time to register a sprinter and a discus thrower for competition, it was too late for five other athletes to participate.



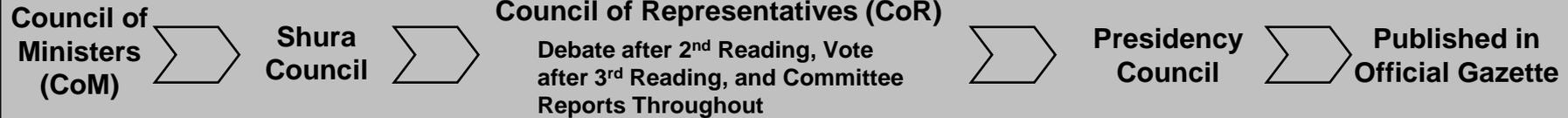
POLITICAL – Government of Iraq





POLITICAL – Key Legislation and Refugee Update

Legislative Process



Provincial Elections	Passed July 22 in a secret vote despite a walkout by Kurdish CoR members and their allies. The CoR received the official veto on July 26. Speaker Mashadani appointed a special committee to review the veto and work towards a compromise.
Hydrocarbons Package	The level of control allocated to the central government in the July 2007 draft version of the Framework Law (currently in CoR Committee) is the key point of disagreement; there may be more progress on the Revenue Management Law, currently with the Shura Council, in the coming months.
Amnesty Law	PASSED: CoR approved the law on February 13; the law was signed by the Presidency Council February 26 and was implemented March 2.
Pensions Amendment	PASSED: Published in the Official Gazette December 2007.
De-Ba'athification Reform	PASSED: Approved by default by the Presidency Council February 2008. Published in the Official Gazette in mid-February.
Provincial Powers	PASSED: CoR approved the law on February 13; the law was vetoed by the Presidency Council February 26. The veto was rescinded on March 19, allowing the law to take effect.

Refugee Update

Refugees in the region: 2-2.4 million

Internally displaced persons in Iraq: 2.2-2.7 million

Total number of Iraqi refugees admitted to the U.S. during to date in FY07-FY08: 8217



SECURITY - Situation Update

Suicide Attacks in Baghdad and Kirkuk:

- Two separate suicide bombings on July 28 killed 57 and wounded an estimated 300 Iraqi citizens. In Baghdad, three female suicide bombers exploded vests in the middle of a Shiite pilgrimage to the Kazimiyah district of the city, killing 32 and wounding 102 civilians Iraqi officials said. This was the latest in a surge of suicide bombings conducted by women, who are able to hide explosives under clothing and are rarely searched at checkpoints. Iraqi Security Forces deployed 200 women this week to search females during the Kazimiyah pilgrimage. In Kirkuk, a suicide bomber targeting protesters at an election law demonstration killed 25 people and wounded nearly 200. The protesters were demonstrating against a provincial elections measure blocked in parliament because of disagreements over a power-sharing formula for the city of Kirkuk.

Female Suicide Attack Kills Sol Official:

- Iraqi officials believe a woman was responsible for the July 24 suicide bombing in Baquba in which eight people were killed. The attack took place along one of Baquba's main streets in front of the Rukn al-Azam restaurant, a popular hangout for Baquba policemen nestled within a crowded marketplace. The attack killed a local Sons of Iraq leader, along with seven other people. If post blast analysis proves correct, it would mark the 16th female suicide bombing in Diyala province this year. To help mitigate female bombings, Iraqi officials announced the first graduates of the Daughters of Iraq program, a splinter organization of the Sons of Iraq.



SECURITY – Security Transition

Iraqi Counterterrorism Capabilities Expanding:

- The Iraqi National Counterterrorism Force formed in 2003 and trained by U.S. Special Forces teams, recently began conducting unilateral missions across the country without the help of Coalition Forces. The selection process for the force is extremely rigorous; similar to that of their U.S. Special Forces counterparts. The force is comprised of 4 maneuver battalions, a support battalion, and a training battalion. While there are no plans to expand the size of the force, there are plans to deploy sizeable contingents from the headquarters in Baghdad to other areas such as Mosul, Basra, Al-Asad, and Diyala province.

Reconciliation of 1,100 Former Fighters in Diyala Province since May:

- Iraqi Security Forces announced July 24 that over 1,100 former fighters have completed the Musalahah program, which is Arabic for reconciliation, in Salah ad Din province since the beginning of May 2008. Iraqi's seeking to clear their names through the program have turned themselves into Joint Coordination Centers across the province, are given court dates, and can plead their cases before a judge. The program helps reestablish the former fighter's ties to the local government and communities, while also assisting in the rebuilding of Iraqi civil society.



SECURITY - Iraqi Security Forces

Iraq Security Forces as of May 31, 2008 ^a			
Component	Current Authorized Personnel	Assigned Personnel	Total Trained Personnel to date
Ministry of Interior (MoI) Forces ^e			
Iraqi Police Service ^f	288,001	293,084	178,053
National Police ^g	33,670	37,322	46,670
Border Enforcement	38,205	40,886	31,478
Total MoI	359,876	371,292	256,201
Ministry of Defense (MoD) Forces ^h			
Army	156,848	168,977	211,826
Support Forces	15,583	18,256	21,048
Air Force	2,900	1,580	1,595
Navy	1,893	1,839	1,494
Total MoD	177,224	190,652	235,963
Counter Terrorism Bureau			
Special Operations ⁱ	4,733	3,759	4,561
Total Iraqi Security Forces	541,833	565,703	496,728

**The decrease in authorized MoD forces from the April 30 Weekly Status Report with ISF data as of March 31 reflects a change in a temporary GOI policy to increase front line units to 120% of authorized end strength to maintain present-for-duty totals at 100% while soldiers took leave. This change will make ISF reporting consistent with standard military personnel accounting practices in other countries and provide a clearer representation of ISF manning levels.

- a. Numbers do not include ministry staffs.
- b. Numbers reflect Government of Iraq (GOI) authorizations.
- c. Numbers are based upon GOI payroll data and do not reflect present for duty totals.
- d. Numbers reflect total Iraqi Security Forces (ISF) personnel trained to date, some of which are no longer assigned due to casualties, AWOL, and normal separation.
- e. MoI strength excludes other services within Ministry Of Interior (MOI), including the MOI HQ, MOI Forensics, Facility Protection Services, and contracted guards.
- f. The Iraqi Police Service consists of all provincial police forces (station, patrol, traffic, and special units) assigned to all 18 Iraqi provinces.
- g. Includes the national Emergency Response Unit.
- h. The Ministry Of Defense (MOD) authorized numbers are derived from Modified Tables of Organization and Equipment (MTOEs).
- i. The MoD Army Training and Support Forces include logistics units and training center cadre.
- j. Does not include personnel assigned to Counterterrorism Bureau (CTB) or Counterterrorism Command (CTC) headquarters.



ECONOMIC – Economic & Government Capacity Update

German Firms Eye Investment Opportunities in Iraq:

- German investors and entrepreneurs are expressing a growing interest in business ventures in Iraq. With infrastructure vaguely reminiscent of East Germany after 40 years of socialism as well as experience working in countries such as Romania, some German companies such as building materials firm AHG Industry are establishing themselves in Iraq. Oil revenues have filled government coffers and the focus has now shifted to rehabilitating infrastructure and advancing the country economically. For foreign businesses Iraq's new investment law is appealing, with investors able to import machinery and production facilities duty-free and corporate profit taxes potentially waived for up to 10 years.

The Banking Sector Makes Gains with Increased Security:

- The banking sector in Iraq is growing as gains are made in security, with sharp increases in lending, deposits and electronic transfers. Nearly half of the 41 licensed banks in Iraq have adopted the SWIFT system of international bank transfers, integrating these Iraqi banks into the international banking world. The SWIFT system is a "secure, standardized messaging service and interface software" which is used by thousands of financial institutions around the world. Despite the fact that nearly 90% of deposits are held by the two largest state-owned banks, private sector banking has increased, particularly in the provision of commercial loans. Private banks have also begun to move outside of the capital and have taken more risk in their loan portfolios.



ECONOMIC – Oil

Crude Oil Update:

Price averages in world markets closed with the following prices:

Basrah Light at \$117.63/barrel

Dated Brent at \$126.82/barrel

WTI Cushing at \$125.97/barrel

Oman/Dubai at \$125.97/barrel

Revenue estimates:

2006: \$31.3 Billion

2007: \$41.0 Billion

2008: \$42.1 Billion (ytd)

Oil Export through Northern Pipeline Markedly Increased:

- The Office of the Special Inspector General for Iraq Reconstruction reported on July 26 that oil exports through Iraq's northern pipeline had increased tenfold over the last year due to improved security and infrastructure.



ECONOMIC – Essential Services

NGOs Request More Funding:

- The Commission for Civil Society Enterprises, an umbrella organization for nearly 1,000 non-governmental organizations (NGOs) appealed to the Government of Iraq (GOI) for funding and requested the international donor community provide “effective rather than symbolic” financial support. Iraqi NGOs receive no funding from the GOI and financial assistance from international organizations (IOs) subjects the NGOs to numerous bureaucratic procedures. Funding from IOs also cannot be used to pay the salaries of local NGO workers or rent offices. The United Nations Office for the Coordination of Humanitarian Affairs (OCHA) stated that NGOs in Iraq are under-funded and found that while coordination and support services are 80% funded, the health sector has only received 15% of its target for financial assistance. While the GOI does not fund NGOs, it is the largest donor to OCHA’s Consolidated Appeals Process (CAP); CAP distributes money to NGOs, but of the \$14 million requested by NGOs in the 2008 CAP, they have only received \$1 million to date.



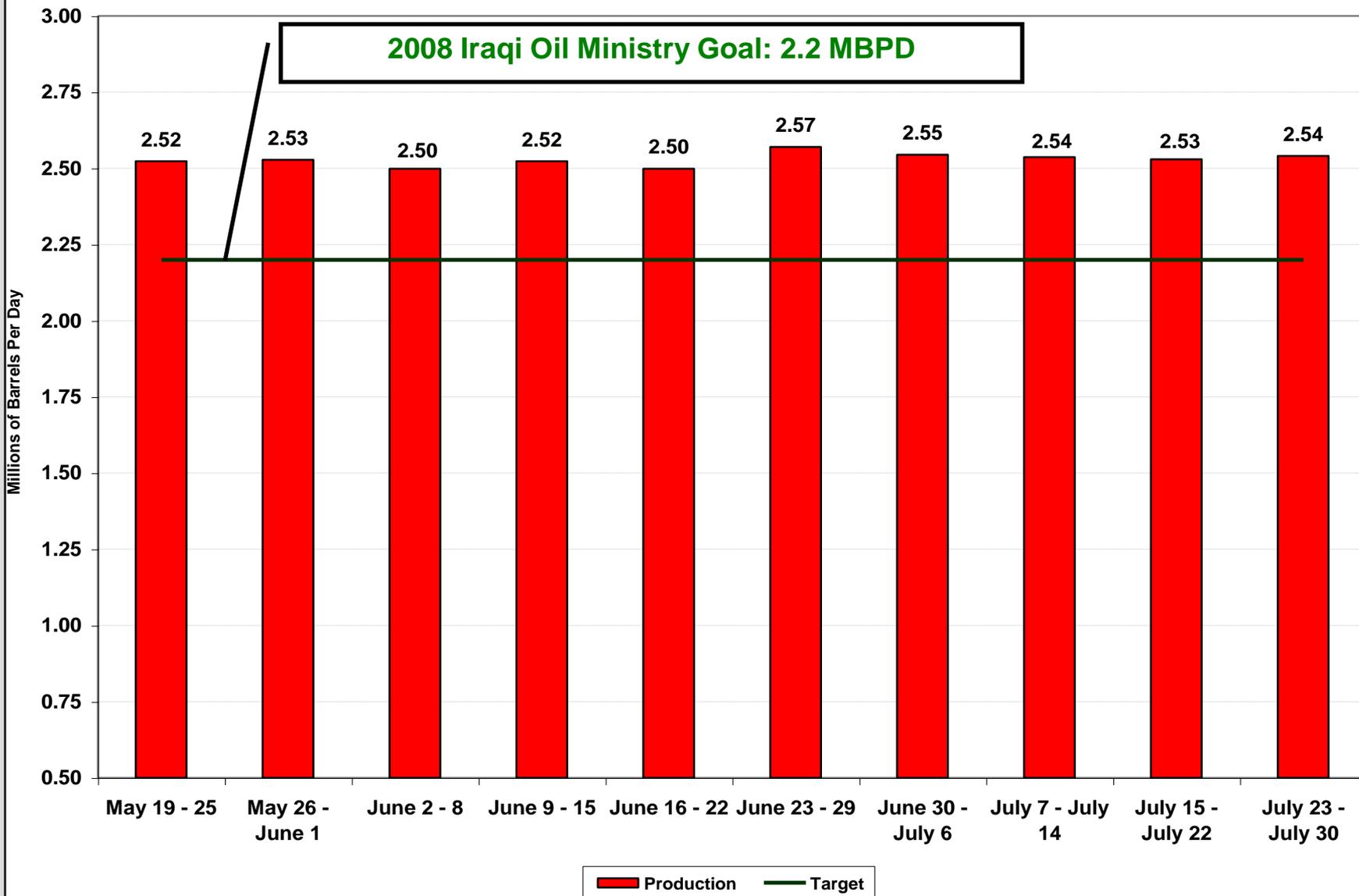
ECONOMIC – Essential Services

Maysan Province Advances in Health Services:

- Over the last 3 years Maysan Province has developed a computerized health database utilizing their Primary Healthcare Centers (PHCs). Groups of medical outreach workers, known as Health Visitors, go into marsh communities and collect data on the basic health of families as well as provide basic health services (prenatal care along with midwives, blood sugar and blood pressure screenings, water testing for chlorine levels, and childhood immunizations). Health workers have also established good tracking system of internally displaced persons in Maysan. With the outreach program, they have increased the diphtheria and tetanus, tuberculosis and measles immunization rates from 30% to 97%, decreasing treatment burdens for hospitals immensely. They also have an excellent linkage between the databases at the PHCs and the central hospital in the provincial capital of Amarah. Patients reporting to the hospital need to have a referral from a PHC, and doctors and specialists at the hospital are able to access data from the PHCs. Information on hospital care is also fed back to the primary care providers.



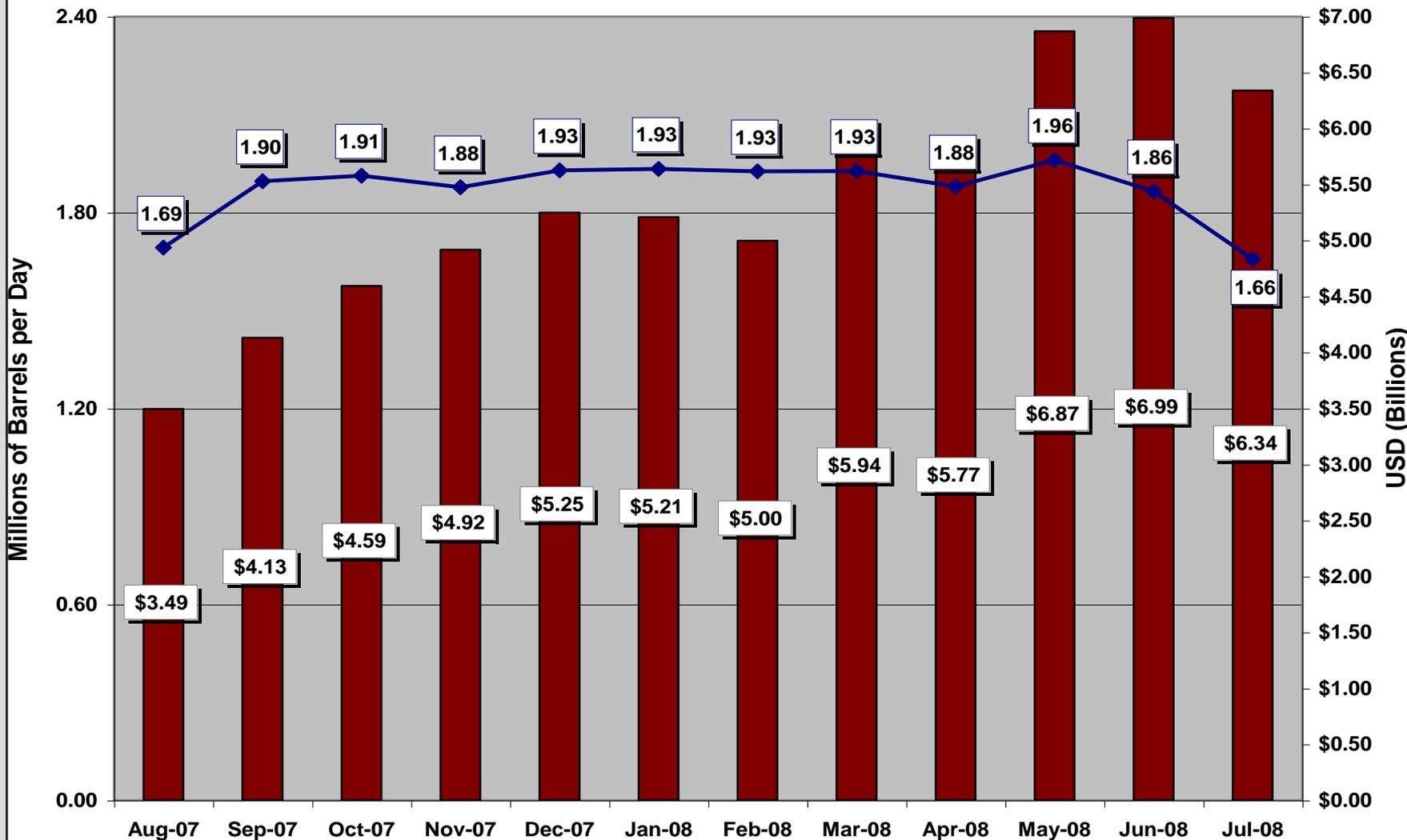
ECONOMIC – Crude Oil Production





ECONOMIC – Crude Oil Export

Revenue (US\$B) Projected Exports (MBPD)

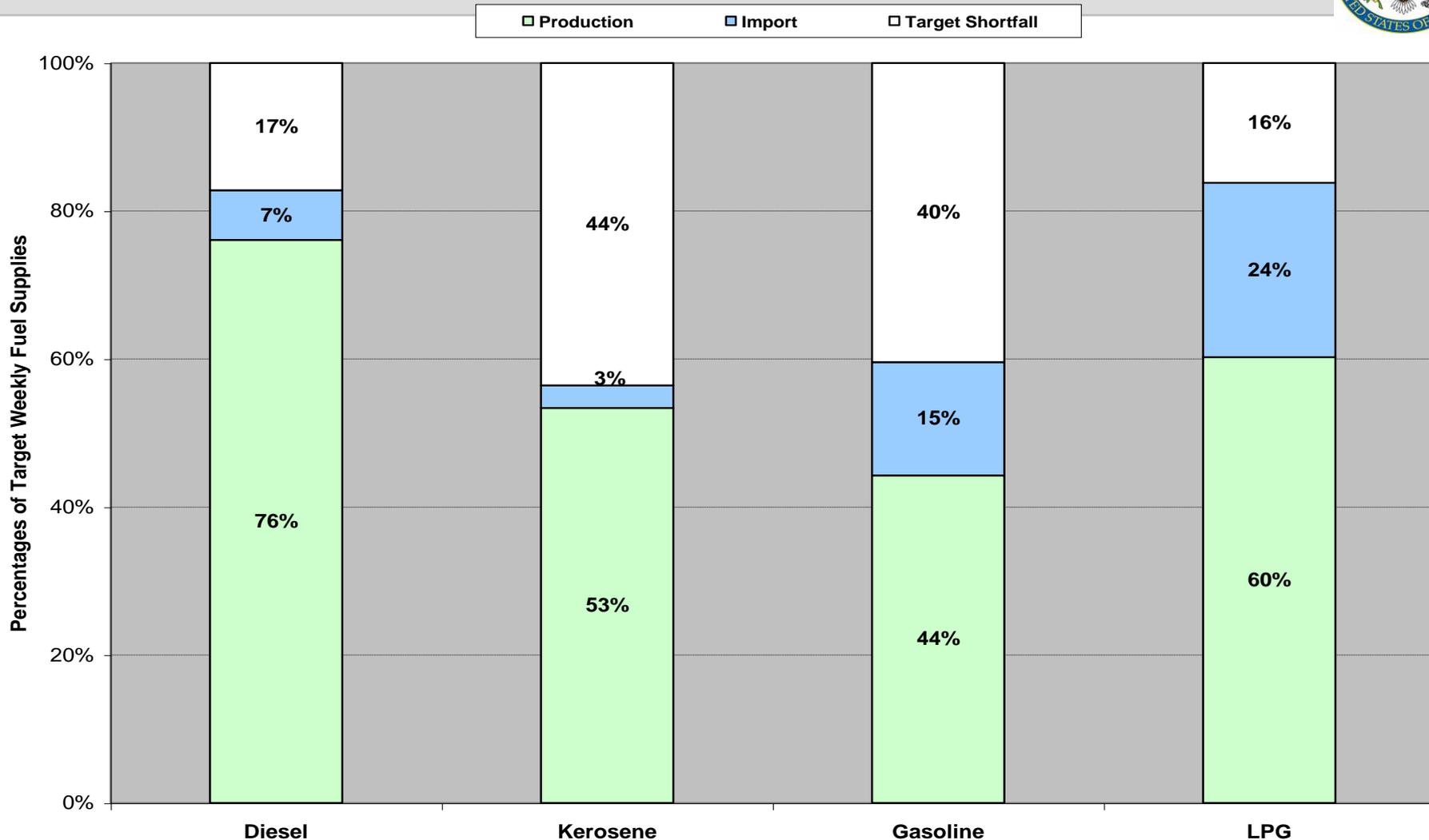


- 2006 Revenue Estimate: \$31.3 Billion 2008 Revenue Estimate: \$42.1 Billion (ytd)
- 2007 Revenue Estimate: \$41.0 Billion

DEPARTMENT OF STATE



ECONOMIC – Total Critical Refined Product Supplies



Note: This is a daily average for July 7 – July 13

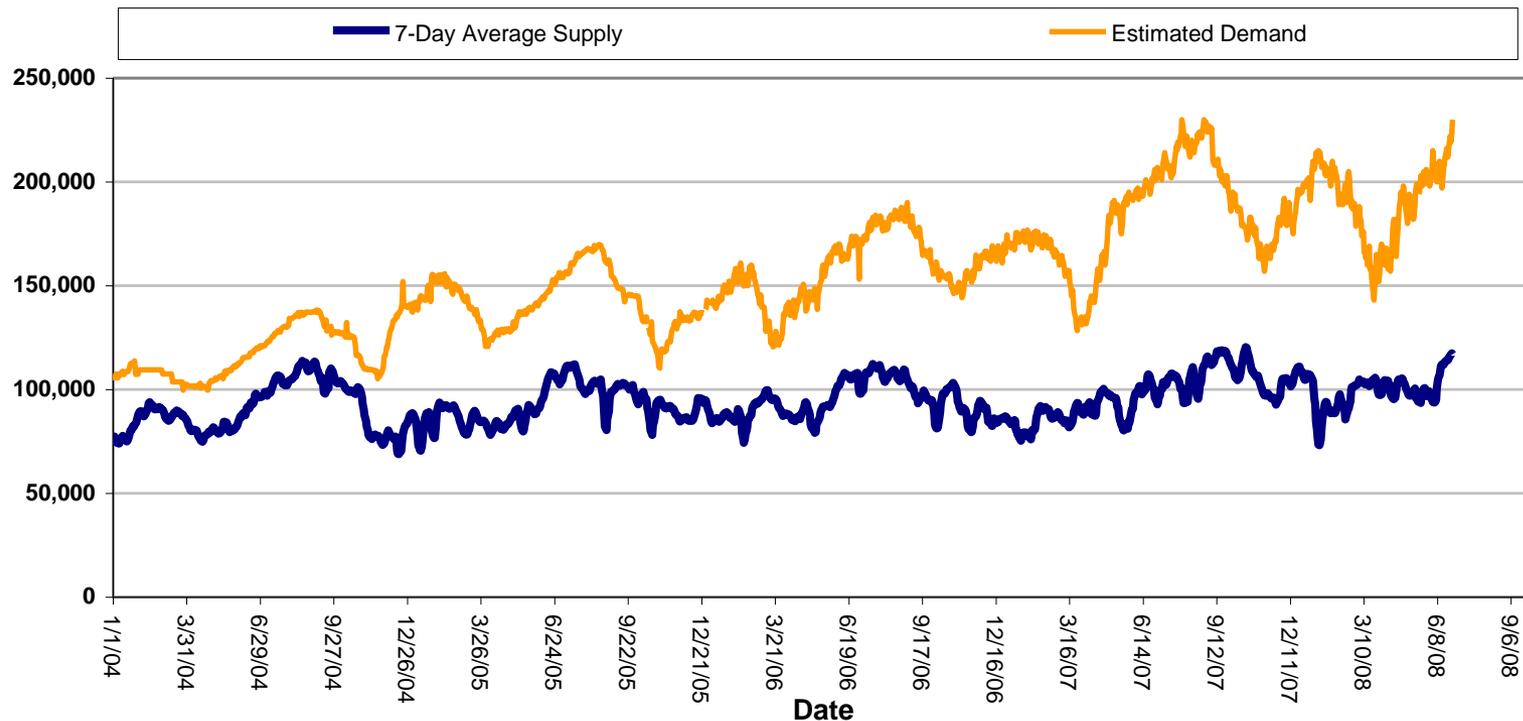
- Diesel: 17.9 ML supply of 24.5 ML target
- Kerosene: 9.3 ML supply of 14.6 ML target
- Gasoline: 10.7 ML supply of 26.8 ML target
- LPG: 2681 tons supply of 5,100 tons target

DEPARTMENT OF STATE



ECONOMIC – Electricity

Daily Electricity Supplied and Estimated Demand in Iraq Since January 2004

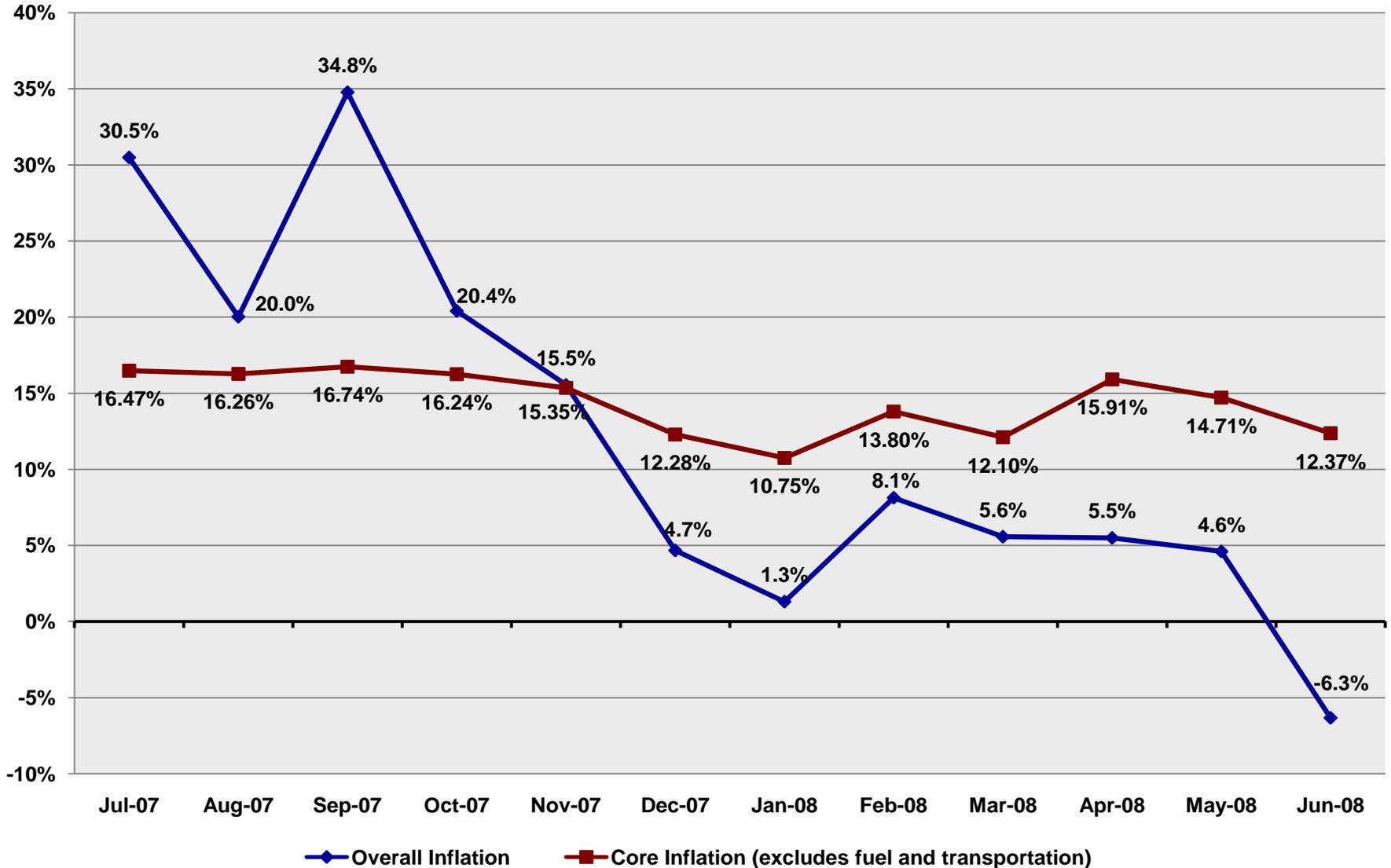


- Daily electricity demand July 22-28 was 9% above the same period last year. Daily supply from the grid was 18% above the year-earlier period and met 50% of demand, compared with 47% for the year-earlier period.
- For July 22-28 average hours of power from the grid after meeting demand from essential services were Baghdad: 9.9 and national 11.0. Year-ago levels were Baghdad 5.0 and national 9.7.



ECONOMIC – Economic Indicators

Year-on-Year Inflation



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ECONOMIC – Economic Indicators

Economic Indicator	This Week	Last Week	Last Month	Last Year
Iraqi Commercial Bond Sales				
Price (USD)	\$74.67	\$74.71	\$74.13	\$62.82
Yield	8.48%	8.47%	8.55%	10.16%
Central Bank's USD Currency Auction				
USD Sold	***	***	\$57,872,489	\$66,957,492
NID Exchange Rate	***	***	\$1,197	\$1,254
Total Employed by USG Programs				
	133,605	133,961	134,900	N/A



ECONOMIC - Iraq Relief and Reconstruction Fund (IRRF) 1 and 2

IRRF I & II Financial Summary by Sector



Sector\Status (Millions of USD)	Allocated		Committed			Obligated			Disbursed		
	Allocated	Un-allocated	Last Week	Current	Change	Last Week	Current	Change	Last Week	Current	Change
Security and Law	\$4,967	\$11	\$4,943	\$4,943	\$0	\$4,943	\$4,943	\$0	\$4,865	\$4,866	\$1
Justice and Civil Society	\$2,304	\$15	\$2,266	\$2,266	\$0	\$2,258	\$2,258	\$0	\$2,176	\$2,176	\$0
Electricity Sector	\$4,188	\$25	\$4,071	\$4,070	-\$1	\$4,051	\$4,058	\$7	\$3,885	\$3,886	\$1
Oil Infrastructure	\$1,718	\$7	\$1,597	\$1,597	\$0	\$1,597	\$1,597	\$0	\$1,578	\$1,580	\$1
Water and Sanitation	\$2,062	\$23	\$1,980	\$1,981	\$1	\$1,951	\$1,952	\$1	\$1,830	\$1,831	\$0
Transportation and Comm\	\$462	\$2	\$458	\$458	\$0	\$458	\$458	\$0	\$418	\$418	\$0
Roads, Bridges and Const\	\$324	\$4	\$313	\$313	\$0	\$313	\$313	\$0	\$256	\$257	\$1
Health Care	\$810	\$9	\$788	\$788	\$0	\$779	\$779	\$0	\$739	\$739	\$0
Private Sector Development	\$838	\$1	\$820	\$820	\$0	\$820	\$820	\$0	\$814	\$814	\$0
Edu\, Refugees, Human Rights	\$460	\$0	\$431	\$431	\$0	\$431	\$431	\$0	\$407	\$407	\$0
Admin Expense (USAID, DoS)	\$220	\$0	\$218	\$218	\$0	\$218	\$218	\$0	\$208	\$208	\$0
Total IRRF II	\$18,352	\$97	\$17,886	\$17,886	\$0	\$17,817	\$17,826	\$8	\$17,178	\$17,182	\$4
IRRF II Non-Construction	-	-	\$7,965	\$7,964	\$0	\$7,949	\$7,949	\$0	\$7,748	\$7,748	\$0
IRRF II Construction	-	-	\$9,401	\$9,402	\$1	\$9,348	\$9,357	\$8	\$8,913	\$8,917	\$4
IRRF II Overhead	-	-	\$520	\$520	\$0	\$520	\$520	\$0	\$517	\$517	\$0
Total IRRF I	\$2,475	\$0	\$2,291	\$2,291	\$0	\$2,232	\$2,232	\$0	\$2,139	\$2,139	\$0
Grand Total IRRF I & II	\$20,827	\$97	\$20,177	\$20,177	\$0	\$20,050	\$20,058	\$8	\$19,317	\$19,321	\$4

Data as of the 28th of July 2008

Apportion amounts reflect those of the latest Executive Office of the President Report, published by the Office of Management and Budget. Committed, obligated and disbursed amounts reflect last numbers reported by each agency.



DIPLOMATIC – Political Engagement

PM Maliki's Visit to Germany:

- On July 21, Iraqi Prime Minister Nuri al-Maliki met with Chancellor Angela Merkel in Berlin and discussed improving bilateral and commercial ties between Baghdad and Berlin. At a press conference, Chancellor Merkel acknowledged the possibility of opening a "new chapter in relations" between the two countries. Prime Minister Maliki expressed his desire to see the establishment of a joint Iraqi-German university in Iraq. The German Foreign Ministry announced it expects to open a consulate in Erbil, next year.

Italy Returns Looted Artifacts During Maliki Visit:

- On July 24, Italian Premier Silvio Berlusconi presented Iraqi Prime Minister Nuri al-Maliki with 13 looted ancient Iraqi artifacts during their meeting in Rome. PM Maliki urged other nations to follow Italy's lead and return looted antiquities to the Iraqi government.

PM Maliki Meets Pope Benedict XVI:

- On July 25, Prime Minister Nuri al-Maliki met with Pope Benedict XVI and discussed the plight of Iraq's Christian community. After the meeting, PM Maliki informed reporters that he extended an invitation to the Pope to visit Iraq.



DIPLOMATIC – Coalition Contributors

24 Countries with forces in Iraq (including US)

Albania	Czech Republic	Kazakhstan	Poland
Armenia	Denmark	Korea	Romania
Australia	El Salvador	Latvia	Tonga
Azerbaijan	Estonia	Lithuania	Ukraine
Bosnia-Herzegovina	Georgia	Macedonia	United Kingdom
Bulgaria	Japan	Mongolia	

TOTAL ~ 9,233 Forces

30 Countries and NATO*
 (including the US)
Support Iraqi Stability Operations

*30 includes the US, the 23 countries listed above, and six non-MNF-I countries: Hungary, Italy, Netherlands, Portugal, Slovenia, Turkey

Note: Fiji and New Zealand, participating as a part of the UN Assistance Mission in Iraq (UNAMI), are not included.



CONTACT INFORMATION

- This brief draws from multiple sources. References are cited on the following pages.
- Please forward all questions and/or comments to:
NEA-I-IPOG-DL@state.gov



NOTES AND SOURCE CITATIONS (1 of 2)

Slide 4:

- CoR Reports July 26, 27, 28, 30
- AP, July 24

Slide 5:

- AP/Washington Post, July 30

Slide 6-7:

- NEA Political Section, NEA-I-POL-DL@state.gov

Slide 8:

- <http://www.washingtonpost.com/wp-dyn/content/article/2008/07/28/AR2008072800169.html?hpid=topnews>
- http://www.nytimes.com/2008/07/25/world/middleeast/25iraq.html?_r=1&scp=2&sq=IRAQ&st=cse&oref=slogin

Slide 9:

- http://www.mnf-iraq.com/index.php?option=com_content&task=view&id=21477&Itemid=110
- http://www.mnf-iraq.com/index.php?option=com_content&task=view&id=21410&Itemid=110

Slide 10:

- DoD Input to Iraq Weekly Status Report July 30, 2008

Slide 11:

- July 23, Business Week: http://www.businessweek.com/globalbiz/content/jul2008/gb20080722_034761.htm
- Reuters, July 23: <http://www.reuters.com/article/GCA-GCA-iraq/idUSL214165820080723?sp=true>

Slide 12:

- NY Times, July 28 - http://www.nytimes.com/2008/07/26/world/middleeast/26iraq.html?_r=1&ref=middleeast&oref=slogin

Slide 13:

- IRIN, July 24 - <http://www.irinnews.org/Report.aspx?ReportId=79424>

Slide 14:

- Communication with Bruno Himmler – Embassy Health Attaché, July 24



NOTES AND SOURCE CITATIONS (2 of 2)

Slide 15-17:

- Department of State, NEA/I Economic/Assistance Section, NEA-I-ECON-DL@state.gov

Slide 18:

- Department of State, NEA/I Economic/Assistance Section, NEA-I-ECON-DL@state.gov
- The chart shows average daily power production in megawatt hours (MWh). 120,000 MWh goal equates to 20 hours at 6000 MW average supplied load or 24 hours at 5000 MW average supply load.

Slide 19:

- Department of State, NEA/I Economic/Assistance Section, NEA-I-ECON-DL@state.gov

Slide 20:

- Derived from Multiple Sources. (ITAO IMU Essential Indicators Report, Baghdad, 22 July 2008) (Bloomberg.org) (Central Bank of Iraq, Foreign Exchange Auction, CBiraq.org) (<http://www.cbiraq.org/C.B.I.%20FOREIGN%20EXCHANGE%20AUCTIONS.pdf>)

Slide 21:

- ITAO IMU Essential Indicators Report, Baghdad, 30 July 2008.

Slide 22:

- (Washington Post - http://www.washingtonpost.com/wp-dyn/content/article/2008/07/22/AR2008072200340_pf.html)
- (Reuters - <http://www.reuters.com/article/artsNews/idUSL423608720080724>)
- (Reuters - <http://www.reuters.com/article/GCA-GCA-iraq/idUSL573476620080725>)

Slide 23:

- DOD Input to Weekly Status Report, updated July 30, 2008