

## ***Abstract***

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This research aims to analyze the components of aggregate demand and its trends (consumption expenditure and investment expenditure) and their relation with the foreign commerce indicators (exports and imports) the purpose of that is to identify the effect of this trend on the foreign commerce in Iraq. The large noticeable increase in the aggregate demand components especially the private and public consumption expenditure (as being one of the most important aggregate demand components), occupies a high percentage of aggregate demand and most of the individuals income go to the consumption, since the commodity production system in Iraq is weak, the trend has taken its way towards the foreign markets to meet this growing domestic demand. A matter that leads to an increase in the volume of the imports which are mostly consumer goods, and this leads to the exit of foreign currency abroad. Moreover, the Iraqi economy depends on its revenues from crude oil exports to finance its expenditure, so the volume of expenditure is highly flexible with the increase in oil revenues.

The research seeks to achieve a number of objectives including studying the importance of the components of aggregate demand on foreign commerce in Iraq, and then measuring the impact of aggregate demand on foreign commerce for the period (2005–2021). The researcher has prominently concluded the

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existence of a long-term balance relationship between the components of aggregate demand and foreign commerce indicators which turns out to be positive. Hence, the increase in the value of the components of foreign commerce (exports and imports) depends mainly on the positive value of the components of aggregate demand.

Finally The researcher recommended decreasing unnecessary consumption and increasing specialized governmental investment as well as support non-oil economic sectors and building varied production base that contributes to exports variety so as to avoid exports concentration.

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**MEASURING AND ANALYZING AGGREGATE  
DEMAND TRENDS AND ITS IMPACT ON THE  
FOREIGN TRADE IN IRAQ FOR THE PERIOD  
(2005\_2021).**

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**TO THE COUNCIL OF ECONOMICS AND MANAGEMENT COLLEGE-  
WASIT UNIVERSITY IN PARTIAL FULFILLMENT OF THE  
REQUIRMENTS FOR THE DEGREE OF IN ECONOMICS SCIENES**

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