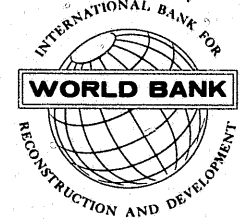


66/34



# INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

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Bank Press Release No. 66/34  
July 8, 1966

Subject: \$23 million loan to Iraq  
for road project

The World Bank has approved a loan equivalent to \$23 million to Iraq for a road construction and maintenance project. The loan will assist in financing five main roads totaling 250 miles in different parts of the country, a bridge over the Euphrates, a road maintenance program, and consultants' services to assist in this work and to carry out a road transport study.

Iraq has an area of 172,000 square miles and a population of more than eight million. The population and agriculture are concentrated on about a sixth of the land, along the Tigris and Euphrates Rivers. Road and rail networks are centered on the Mesopotamian Plain, extending from the mountains in the north to the Gulf.

There are at present 5,500 miles of main roads; a total of 1,300 miles are paved roads which have been built to modern standards over the past decade to connect the most important towns. Under Iraq's current Five-Year Development Plan (1965-70), \$125 million has been allocated to rebuilding or extending the road network. Priority is being given to completing the trunk road from the port of Basrah on the Gulf to Baghdad, the capital, and Mosul in the north, the second largest city. The missing links in this trunk road are included in the project being assisted by the loan announced today. They are as follows:

The Sharqat-Mosul road (68 miles) which will be the last leg in the Baghdad-Mosul highway. Two spurs will be built to serve the towns of Hamam Alil and Qaiyarah on the existing road. Mosul is the center of a major dry-farming region

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which provides more than two-fifths of the country's wheat production, a fifth of the barley, and important quantities of rice and fresh fruits. With the completion of the highway, truck driving time will be reduced from 20-25 hours to 6-8 hours. Another road from Baghdad will be a 43-mile road to Khalis, which will be the final link in the new highway between Baghdad and the Kirkuk oil fields. This road will also serve important agricultural areas en route. The longest road in the project is one extending 110 miles between Kut and Nassiriya, two of the largest cities in southern Iraq; it will connect the Euphrates and Tigris Rivers and pass through an intensively cultivated area. The two other roads are in the extreme south of the country. One of 14 miles will provide a connection with the trunk road to Umm Qasr, where a new port is being built to supplement Basrah. The other will be 9 miles of approach roads to a new bridge across the Garmat Ali River, ~~eliminating~~ the only remaining bottleneck on the highway between Baghdad and the port of Basrah. The project also includes a 1,600-foot bridge across the Euphrates at Fallujah on the principal route between Baghdad and the west. This will improve Iraq's communications with neighboring countries to the west and with ports on the Mediterranean and the Red Sea. All of the new roads will reduce travel time and transport costs and should stimulate production and trade.

Bank funds will be used for the purchase of additional modern equipment for road maintenance and the employment of outside experts to study and recommend improvements in the present organization of Iraq's maintenance operations. This program is essential to protect the considerable investments made in Iraq's road system.

The road transport study is to be carried out by consultants who will advise the Government on a coordinated long-term program of road transportation investments. Until recently expansion of the highway system in Iraq has been guided by

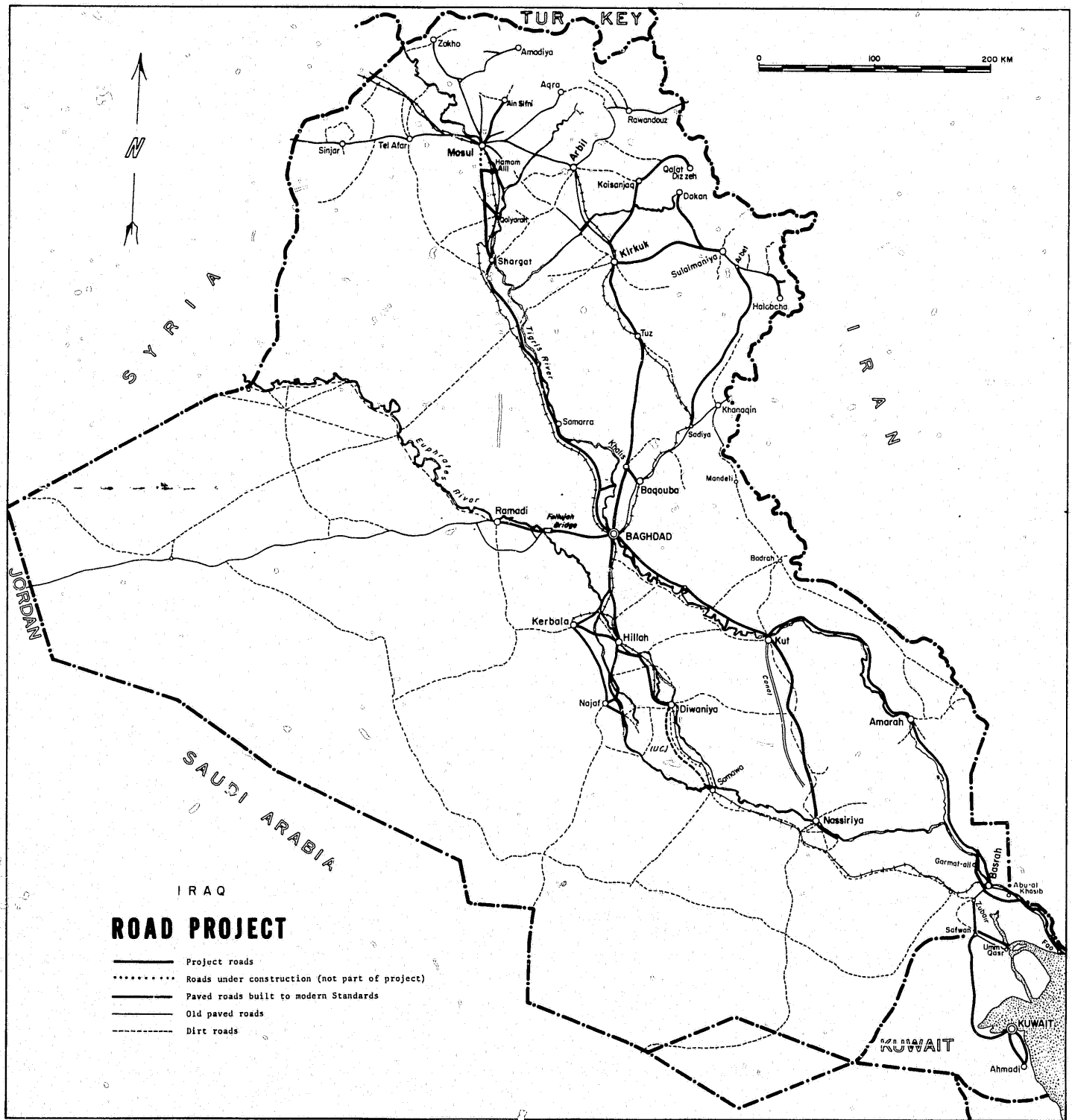
the need to connect the main urban centers. Further needs, however, will not be so obvious and more comprehensive studies will be required to identify priorities of both type and location of roads.

The Directorate General of Roads and Bridges in the Ministry of Communications, which is responsible for Iraq's road network, will execute the project with the assistance of consultants.

The total cost of the project is estimated at the equivalent of \$54 million. The Bank loan of \$23 million will cover the foreign exchange requirements and the remaining costs will be met by the Government of Iraq. Construction is already under way and all contracts are being awarded on the basis of international competitive bidding by prequalified contractors.

The loan will be for a term of 20 years and bear interest at the rate of 6% per annum. Amortization will begin July 15, 1970.

The only previous Bank loan made to Iraq was one of \$12.8 million in 1950 for the Wadi Tharthar flood control project. This loan was cancelled by Iraq in 1955 because of an increase in the Government's financial resources and the amount outstanding was prepaid.



**IRAQ  
ROAD PROJECT**

- Project roads
- ..... Roads under construction (not part of project)
- Paved roads built to modern Standards
- Old paved roads
- - - - - Dirt roads