

PRESS CONFERENCE:

Dr. Ali al-Dabbagh, Spokesman, Government of Iraq

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PARTICIPANTS:

Dr. Ali al-Dabbagh

REPORTERS:

REPORTERS 1-21

\*REP1 = REPORTER 1

\*INT = INTERPRETER

DR AL-DABBAGH:

[Speaks in Arabic.]

INT: In the name of God, the most gracious, the most merciful. The situation in Iraq witnesses a tangible improvement, politically and security-wise. There is better security control in some hot areas because of the support and the backing of Iraqi citizens that are taking...fulfilling their responsibilities by standing side by side by their...by the security forces while they confront the terrorist organizations and gangsters and outlaws. There is...political improvement has reached completion...near completion by filling the vacant ministerial positions...the ten ministerial positions and the deputy prime minister position. This is supposed to happen in the next week. Six ministerial positions from the Tawafuq Front and four positions from the United Iraqi Alliance and one ministerial position from the Kurdish Alliance. There are also upcoming visits by the prime minister. Prime Minister Maliki visit to the United Arab Emirates next Sunday. Also, next week there will be a visit by His Royalty, the King of Jordan, to improve cooperation. There is also another visit from Mr. Recep Tayyip Erdogan, the prime minister of Turkey, to Iraq, where he will meet with our prime minister, Mr. Maliki, and His Excellency, President, Mr. Talabani, and it will be an opportunity to declare strategic relations between Iraq and Turkey. They will also visit in the fourth week of this month to Germany and Italy to enhance European-Iraqi cooperation. Also, the Iraqi government is about to announce the supplementary budget which is around \$21 billion, for the total budget for 2008 to reach up to \$70 billion. These steps represent a great improvement in the political and security situation. Iraq is now recovering, thanks to God. There is great hope for everyone that these developments would be completed to support Iraqi government institutes and to also finalize the legislations needed like the electoral law for the provinces and also the oil and gas law and the financial revenue law. Thank you very much.

Time for questions.

REP1: [Asks question in Arabic.]

INT: [Unintelligible] from Al-Arabiya. Regarding the relations... diplomatic relations. I have two questions regarding diplomatic relations. We hear today a parliamentarian talking about reopening soon of ten embassies from now until the end of the year. Can you confirm this? And what are these embassies? The second question. Yesterday the [unintelligible] for the Oil and Gas Committee talked about a treaty or an agreement between the prime minister and the KRG to invest the oil fields when...in case of an oil law not passed.

DR AL-DABBAGH:

[Speaks in Arabic.]

INT: The embassies...some countries announced the desire to reopen embassies, and first of all is the United Arab Emirates. We hope to receive the ambassador shortly. Also, the Kingdom of Bahrain and also Kuwait. And the Jordanian ambassador hopefully will come with King Abdullah during the visit to Iraq. Naming the staff of the Egyptian embassy is also upcoming. This return of embassies will encourage many countries to get back to Iraq. This is the information available on the Iraqi side. The countries that confirmed the return of their embassies or representatives. Regarding what MP Jabir Habib about exchange of letters between the central government and the KRG, prime

minister confirmed that there is no such letter. But there is a letter between the government and the Kurdish region regarding completion of the oil and law...oil and gas law by the end of May, 2007. And...if in case it is not completed, we can...the prime minister and the prime minister of the Kurdish region will discuss and assess the situation. It does not include authorization to any party to hold separate agreements. As you know, there is no law that can govern such agreements. And any deals signed should be subject to the oil and gas law to be ratified. If there is no federal ratification, there would be a legal problem.

REP1: [Asks question in Arabic.]

INT: MP Jabir said that the...a minister at the KRG government that there is such an agreement and he is working according to such an agreement. And he confirmed...on behalf of the KRG minister that prime minister had signed such an agreement.

DR AL-DABBAGH:

[Speaks in Arabic.]

INT: We have to check with the concerned party, who is the Prime Minister of Iraq. He confirmed that there is no such a thing. Actually according from someone who is a bit questionable.

REP2: [Asks question in Arabic.]

INT: [Unintelligible] from Al-Salam TV. Going back to the provincial elections, yesterday Mr. de Mistura confirmed that after going to Kirkuk he found differences in opinion between politicians, that there is a problem in Kirkuk between all political parties have differences in their point of views, and if they don't reach a common ground and consensus, will we have elections...provincial elections in Kirkuk, you and the Iraqi government? How do you assess the situation in Kirkuk? Thank you.

DR AL-DABBAGH:

[Speaks in Arabic.]

INT: The Iraqi government regards the situation in Kirkuk needs huge efforts between all parties and all components in Kirkuk. They all need to reach an understanding...to reach a consensus about how to run elections in Kirkuk. The government believes that Kirkuk should not be an obstacle or an impediment against the holding elections in Iraq. That's why the government has requested to have a choice for the government to hold elections in more than one days...more than one day, but the government would decide either rolling elections or the government specify certain days for certain provinces where the government feels that there is a need for postponement or being held at a certain date. And Kirkuk is one of these provinces. But the general opinion is that this should not be an obstacle regarding Kirkuk on the holding of elections in the provinces.

REP3: [Asks question in Arabic.]

INT: Peace be upon you. Question from Al Samariyah TV. The government has announced positive results between...during the meeting between Maliki and the [unintelligible], while the [unintelligible] said that no positive results were achieved and he accused certain elements within parliament to try to bring failure to any deal between

the two sides. Other question is...there is... people are talking that a confidence crisis between Iraq and...Iraqi and American side. Today the news reports said that the American side are monitoring movements of Iraqi Army through the satellite. This might reflect a loss of confidence or trust between the two sides following the Charge of the Knights operation.

DR AL-DABBAGH:

[Speaks in Arabic.]

INT: The relationship between the federal government and the Kurdish Regional Government is a good relationship, and I believe that there is a complete understanding on several...many issues. There are certain outstanding issues, and there is an underlying understanding about the financial revenues, oil and gas, the establishment of the national oil company. I know...I don't know about sides in parliament that want to spoil any agreement. I believe that there is determination from both sides that all outstanding and problems should be resolved that arise from differences in interpretation or in vision or in point of view. But there is a constitution that is a reference point for everyone and we should pass all differences to the constitution. And any point that cannot be solved through the constitution, there is...there should...there is good will that is capable of dealing with it. And I think we should have...there will always be a good relationship between the two sides. Regarding some certain elements who...or about the satellite issue, I think some sides look at this from their point of view. Iraqi satellites...American satellites cover all entire earth and cover all movement in all countries. If this is actually happening – and we haven't got a confirmation from the American side regarding this – it's related to American national security. We regard this...even if it's true, we regard this as not.... There are no movements that are not declared to the American side and I think these are media reports that try to stir trouble.

REP4: [Asks question in Arabic.]

INT: Question from Al Hurriya. Yesterday, Mr. Hoshyar Zabari said that the framework agreement is for one year according to the Iraqi government, and that the United States want a two-year agreement. The Iraqi government declared yesterday that it's a long-term agreement. Is it a one-year or two-years or is it a long-term agreement?

DR AL-DABBAGH:

[Speaks in Arabic.]

INT: There is a vision of the Iraqi government that it submitted and declared that the agreement is renewable yearly. This is the vision we have. It is still not complete. There is no consensus about it... final consensus...there is no final consensus. And the issue is still ongoing according to the negotiations, and solutions should be found whether it is a year or two years.

REP5: [Asks question in Arabic.]

INT: From Free Iraq Radio. Regarding the issue of the min-...planning ministry, today the Ministry of...the minister of planning declared officially that he will not resign from government and that it is all at the hand of the prime minister. Will the government be committed to the planning minister?

DR AL-DABBAGH:

[Speaks in Arabic.]

INT: From a moral point of view, Mr. Prime Minister cannot ask Mr. Minister of Planning to resign. The issue is at the hand...it's postponed. Mr. Prime Minister is not thinking about asking Mr. Baban to resign. The issue is at Mr. Baban's hand to assess the situation and to assess whether there is according to a problem with the Tawafuq that needs to be solved. It is all with the...in the hands of Mr. Baban.

REP6: As-Salāmu `Alaykum. Ahmed Jassem. [Asks question in Arabic.]

INT: A question about the MEK, Mujahedin-e Khalq. It is a terrorist organization according to the Iraqi government. What are the...the violations that this organization committed on Iraqi land? Can you describe this?

DR AL-DABBAGH:

[Speaks in Arabic.]

INT: In general, MEK is committing violations that has been monitored by the Iraqi Affairs. It is interfering in things that are not their business, interfering in Iraqi affairs, contacting Iraqi government officials, and send threats to Iraqi government officials through phone calls. There are arrest warrants against certain leaders in the...within this...that organization because they violated the common laws. The...its existence here has no legal cover. The Iraqi government does not want to take any decision to forcefully deporting them, but want to do this through understa-...cooperation to find a third country to deport this unwanted government on Iraqi land, which is a violation of our constitution because it is regarded...it calls itself a military organization. That's why the Iraqi government, the United Nations, the Red Cross find difficulty in convincing other...other countries to host them because they classify themselves as a militant organization. There are difficulties and there are problems in finding a third country for that government. There are many violations through the...with the security forces by this government.

REP7: [Asks question in Arabic.]

INT: Question from [unintelligible] Newspaper regarding Iraqi citizens in Jordan. Mr. Prime Minister visited the Kingdom of Jordan and had deals with Jordan. And Jordan was the first beneficiary from these agreements. But the Jordanian side is not cooperating with the Iraqi side, especially through the way they deal with Iraqi visitors to Jordan.

DR AL-DABBAGH:

[Speaks in Arabic.]

INT: It is a long-standing problem that has not been...a solution for it has not been found. They are dealt in a bad way across the borders. The government is required to take the necessary action to regain the dignity of the Iraqi people. This is an ongoing problem. Jordan is a neighboring friend...a brother country. We have joint interests. Iraq is...regards all its citizens in a different way than the previous regime. But it's...one of Iraq's interests is to...for the interest of its citizens to be safeguarded. There are certain requests that the Government of...the Jordanian government has approved regarding the

finances for people who overstay their residency. I think the progress in the relationship between the two countries will serve the conditions of Iraqis who live over there. I think with the improvement of the security situation, many impediments would be removed from Jordan or Syria or other countries. And Iraqi presence on...in these countries will not be a burden on these countries, but they would be there as tourists, welcome tourists.

REP8: [Asks question in Arabic.]

INT: From Al-Siyasa Today Newspaper. Question about the 2008 budget. According to your statements regarding the...it's worth \$70 billion. Is...are there allocations within this budget for basic services? Especially that the Iraqi people need necessary services like electricity and water...drinkable water resources. You know that we have been four years since the fall of the previous regime and there is no stability in the electricity or water supply and other services. We are in close touch with the Iraqi people.

DR AL-DABBAGH:

[Speaks in Arabic.]

INT: Part of the budget, the supplementary budget, the 21 billion, there is over \$7 billion as a capital investment. These are projects, infrastructure and services projects. There are projects for water in several provinces. They are all underway. Many of them have still not been completed. Others need money allocation, and this supplementary budget comes to deal with the issue of some of these projects. Regarding electricity, Mr. Minister of Electricity has displayed many of the progress...much of the progress happening. But we still have problems regarding to the unavailability of fuel and the other problems in the electricity sector. The government hopes that there would be a concentrated effort at the Ministry of Electricity and other services...sectors to fulfill their commitment to the citizens. I think that today, with the improvement of the security situation, the government calls upon all government institutes and ministries that with the improvement in security and with the presence of this abundance in funding, any institute, any ministry, any province who does not have any excuse not to fulfill their commitments and their plans that has been approved by these relative...respective institutes and they would be accountable by the Council of Ministers and by the Council of Representatives if they don't do so.

REP9: [Asks question in Arabic.]

INT: Question from Radio Sawa. The budget is now...for 2008 is \$70 billion. How...does the Iraqi government have a plan to eliminate unemployment as...within this year? Thank you.

DR AL-DABBAGH:

[Asks question in Arabic.]

INT: The allocations the government has done is immediate allocations whether here, for Baghdad, Sadr City, Shola, Maysan, Mosul. Also there are allocations for Diyala. These are first door...immediate doors to create job opportunities for these cities. But creating opportunities is related to implementing the projects mentioned in the budget. The prog-...there is progress in the situation, but obviously there is unemployment, especially in the...some provinces like Maysan. I think the prime minister...actually, the

government is following up the issue of Maysan Province to compensate them for the deprivation and create some job opportunities. The government is making all its efforts to create job opportunities and it is related to implementing projects.

REP10: This is Jay from AFP, a French agency. Two questions. Yesterday Mr. Zabari announced that one of the sticking points in the Iraq-U.S. pact has been more or less resolved, which is to remove the immunity for foreign private security guards. More or less, Washington has agreed to drop that. Now, is Iraq moving fast to look into this and to proceed against probably...against Blackwater Company for what happened last year in September? And the second question. Is Iraq strongly also negotiating to demand a drop of civilian military for the foreign forces?

DR AL-DABBAGH:

[Speaks in Arabic.]

INT: The Iraqi government is still regarding Blackwater as someone who committed a crime...a side that committed a crime. And according to Iraqi investigation, it is accused of killing...murder of 17 Iraqi citizens, and they should be subject to accountability and prosecution...judiciary prosecution. Regarding lifting immunity of contractors, yes. Iraqi...the American government has confirmed to the Ministry of Foreign Affairs that they are no longer requesting immunity for private security firms. The Iraqi law is underway. And since the Council of Minister has spread the mandate of Iraqi law against private security companies that it should be...they should be subject to Iraqi law regarding visa entrance, regarding weapon licenses, and also their freedom of movement. And all the details should be under the jurisdiction of the law of the Ministry of Interior. Regarding lifting immunity from other forces, I think the issue of private security firms is not related to the immunity of the...lifting immunity from other nationalities. Private security firms from any nationality will be subject to the Iraqi law as long as they regard themselves as private security.

REP11: [Asks question in Arabic.]

INT: [Unintelligible] from Bilad Radio. Is there...are there recommendations from the Iraqi government to the Ministry of Defense to limit the violations of their elements against the citizens? These have reached to some officials and also journalists in specific. There are complaints by the Council of Representatives where violations are committed against its...the members from the Army or the elements of the Ministry of Defense.

DR AL-DABBAGH:

[Speaks in Arabic.]

INT: The Iraqi government is against any violations against any citizen, specifically the journalists, because the government regards journalists as those who convey the government's voice to the Iraqi citizen. That's why we appreciate highly the role of the journalists. There might be some isolated elements with some...with certain security guards of certain officials and these should be dealt in a reasonable way, not in a way that tries to portray that there is an attack on the media. This does not...there is no such attack. And I think the Iraqi state is ready to make accountable any person who attacks any citizen, regardless whether it's a journalist or not. I think journalists should have

extra protection. There should...people should take into consideration that there are security guards, and they should take certain measures in how to tackle addressing or trying to get close to such a person, but there are security guards. In general, the Iraqi government is definitely against any attack against any journalist.

REP12: [Asks question in Arabic.]

INT: What is the fate of the funds...Iraqi funds in American banks? The second question, what...how much this is linked to the security agreement? Are these funds...have they been used as a pressure card against...on the Iraqi side in the negotiations? Second question. How...can you confirm that the American side has submitted a draft by which the Iraqi government would pay for the fuel for the American vehicles?

DR AL-DABBAGH:

[Speaks in Arabic.]

INT: Iraqi funds in the United States are the ones who are...the money that is in the DFI. This is guarded by the United Nations to protect Iraqi funds from being subject to lawsuits. We never...this...that money was never at any time used as a pressure tactic against Iraq. They are there because Iraq is under the jurisdiction of Chapter 7 and these are managed...the money is managed by Iraq plus observers from the United Nations. It has never been...has never been a pressure...used as pressure tactic. What is the second question? The issue regard...has never been discussed. It's only referred to in the media. There are certain leaks from the Multi-National Forces or the American forces. I think this does not represent the vision of the American administration, and has not been discussed with us. And if it is discussed that...I think that the Iraqi side will not accept it. It will...the Iraqi side will reject it.

REP13: [Asks question in Arabic.]

INT: Question from EBA News Agency. Yesterday Mr. Foreign Minister mentioned that if the difficulty in having the agreement, the government will refer to the Security Council to extend the mandate of the Multi-National Forces. How do you comment on this?

DR AL-DABBAGH:

[Speaks in Arabic.]

INT: One of the options for the Iraqi government...the possibilities for...to have alternatives for the security agreement. But there are visions that are getting closer to each other, especially during the last couple of days. There has been good achievement in bringing visions together. This needs more concentrated effort to reach a common understanding. Some of the points regard further discussion. There are...there will be a dialog today between the...Mr. Prime Minister and the American...U.S. president regarding certain hanging points...outstanding points. The two sides are now optimistic about reaching a joint vision, but it is too early to talk about reaching a common understanding regarding the security agreement.

REP14: [Asks question in Arabic.]

INT: You mentioned that there will be two upcoming visits. The first one is the King of Jordan and the other one is Mr. Erdogan. Can you expand on these two visits?

DR AL-DABBAGH:

[Speaks in Arabic.]

INT: The visit by the...King Abdullah of Jordan is a very important one for Iraq and also for Jordan. This is the first visit by a senior Arab official to Iraq. It represents Arabs engaging with Iraq. And I think it comes as a result of a fresh understanding of the situation in Iraq. The Iraqi government, the Iraqi people welcome the visit of the...His Highness, the King of Jordan. I think this...such visit can stimulate other visits from other Arab officials. Regarding the visit of Prime Minister Recep Tayyip Erdogan, I think the relationship between Iraq and Turkey is supposed to progress. Turkey is Iraq's gate to Europe, and through Turkey we can have major cooperation. And Turkey also needs Iraq. Iraq is its gate towards the Gulf Region. And the size of the commercial exchange will witness a huge improvement and the government...the Iraqi government believes that improving the relationship with Turkey is one of its main strategies for building relations based on economic understandings to uproot any seeds of instability or anxiety with the region. I think there is a new vision based on the understanding that Iraq is...has an economic base that can be talked with, and such understanding can approach all seeds of instability and problems.

REP15: New York Times. Does the Iraqi government have any sense of what the reason was behind the attempted assassinations of the judges this week? The judges in Rusafa.

DR AL-DABBAGH:

[Speaks in Arabic.]

INT: These are criminal groups, organized crime groups who are targeting the judges who represent the power...important power in Iraq that enforce law. There is targeting of certain judges. But there is also a clear determination by the Supreme Judicial Council to continue the same approach. No judge will be affected by such attempts. They will continue to impose the rule of law in the country. They will not be scared or disheartened despite that these threats are serious ones, because the judges should have immunity and protection and a certain status...important status of the Iraqi state.

REP16: [Asks question in Arabic.]

INT: Question from Biladi TV. After the Iraqi airplane...there are people that say that this fear from the American side regarding the progress of the Iraqi Air Force because this makes the Iraqi government dependent from the American side. How do you assess the Iraqi air support for operations, and how do you respond to this fear from the American side?

DR AL-DABBAGH:

[Speaks in Arabic.]

INT: The American side are part of the coalition forces is assisting the Iraqi side in build-...rebuilding its forces. And part of these forces is the air force. That has not...the...its building is still in first stages. I don't think we were a seventh most...seventh biggest air force. This is enlargement by the previous regime...exaggeration by the previous regime. Iraq is not even thinking about building a size of this size attacking force. Iraq is thinking about defend...an army that can defend its territory and we are getting support from the Multi-National Forces to support the rebuilding of our forces. The Iraqi Air Force or any other Iraqi forces would be a point of concern to anyone in any day.

REP17: [Asks question in Arabic.]

INT: From Baghdad Institute for Media and Culture. First question. The fuel crisis has appeared again. What are the points regarding the oil and gas law? Second question: unemployment levels has reached 80% and many factories are not being...working. This has led to increased the unemployment rate in Iraq to 80%. What is the solution?

DR AL-DABBAGH:

[Speaks in Arabic.]

INT: Regarding the oil and gas law, it regulates the processes in the oil sector – the investment, the authorities – and it also institutes... establishes mechanisms for decision making in a federal way because Iraq follows the federal system, and Iraq gives the producing regions in...a share in mak-...in decision making about oil. This is...this comes through the Federal Council for Oil and Gas that draws oil policies. It also regulates investments in the country. That's why any oil country needs such a law, and all producing countries have their own law. We in Iraq still have no such law, and I think having it is very important because oil is a very essential element in Iraq's revenue. I think the number you mentioned is inaccurate. We don't have unemployment up to 80% in Iraq. There is unemployment, but not 80%. It is shrinking. There is concentrated effort through holding projects that would absorb unemployment. Some of them I have mentioned in certain provinces that used to have difficult security problems. The government has tried to create immediate job opportunities and projects that can absorb such unemployment. But it's not up to 80%.

REP18: [Asks question in Arabic.]

INT: Question from [unintelligible]. If the elections are postponed, is there any other date...alternative date that the government is thinking about?

DR AL-DABBAGH:

[Speaks in Arabic.]

INT: The government wants the elections to be held on the dates agreed upon. If there is a postponement, it shouldn't be for weeks, but for a time that the Electoral Commission needs to complete its procedures. That's why the government is now requesting the Council of Representatives, especially after the amended law has been passed back to the Council of Representatives, the government requests that it would be passed without any further delay to give the Electoral Commission enough time for preparation.

REP19: [Asks question in Arabic.]

INT: Question from Aqi News Agency regarding the visit to Germany and Italy. I'm talking about Italy. I want to know the date, the specific date for the visit. People are also talking about oil deals with the major...one of the major oil...Italian oil companies. Is this correct? Can you also specify the date?

DR AL-DABBAGH:

[Speaks in Arabic.]

INT: I cannot specify the date...it will be specified later. Insha'Allah, it will be during the month of July. There are no intentions to sign oil deals outside the agreement...methods...international standards in signing agreements and also according to Iraqi laws. There is no preference for any certain company and there is no bilateral negotiations with any company to give them contracts without competition. The oil ministry...the Iraqi government applies the principles of competition for all contracts that are available in Iraq. The oil ministry has now invited the approved companies...have invited them to bid for the oil fields and there will be transparent competition. And there is no preference to any company whether it is Italian or not.

REP20: [Asks question in Arabic.]

INT: Question from Baghdad Newspaper. Can you give us an idea about the progress of the investigation about the attack on certain students in the [unintelligible] area by the security guards of the Minister of Education?

DR AL-DABBAGH:

[Speaks in Arabic.]

INT: I have no specific information about the results. The committee is still undergoing its investigation. But the results...the prime minister is still awaiting the results of the committee to take a relevant decision. This is probably a last question.

REP21: [Asks question in Arabic.]

INT: [Unintelligible] Newspaper. Dr. Ali, how do you regard...how does the government regard the latest report by the American embassy regarding progress in Iraq is that Iraq has achieved 15 out of 18 benchmarks, but there is an under-achievement regarding the passage of legislations and also militias? Thank you.

DR AL-DABBAGH:

[Speaks in Arabic.]

INT: I think this...these points are from the American point of view. These benchmarks are put by the American government, and the Iraqi government is not commit-...is committed to what its people...if...by the benchmarks put by its people, by the Council of Representatives. There is progress in many sides: political, security, economy. And there is a good political situation now allows for one of these points that you mentioned – which is the oil and gas law – that we hope that it will be passed because it's an Iraqi need more than anyone else. And also the issue of the militias, I think the government has made huge leaps towards confronting the presence of the militias, and it has declared that this should have...no one would have authority apart from the Iraqi security forces. I

think this is a huge step forward if we compare it to the time when the government was first established. All these points are either about to be achieved or need some further efforts to be achieved.

Thank you very much.