

WTO AND ITS IMPACT ON CUSTOMS TAXES

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ABSTRACT: *Iraq submitted a request "to join the international organization of world trade was accepted as an observer, in December 2004, and is negotiating now to be a permanent member of the organization, and there are those who oppose and warns of the consequences of joining the customs taxes size and the economy as a whole must be the analysis and study of all the positive aspects and the negative effects of accession, because Iraq's accession to this organization will affect the size of the revenue from the task of customs taxes for the Iraqi economy in time Alhadharokhash after the decision to re-work the tariff customs, and through our study was to answer the following questions is the interest of Iraq's economy to continue bargaining in the accession process to the World Trade Organization? as if our economy bear Add new taxes believes the decline that occurs in total customs taxes To answer the questions above have been the size of the customs tax revenue analysis to tax revenue, as well as tax performance in Iraq analysis through tax energy calculation and tax effort, and finally were analyzed advantages and disadvantages of joining the World Trade Organization, and the recommendations that had seen the study, including that Anzmam Iraq WTO requires the reduction of customs taxes, which requires a review of tax laws and the imposition of taxes and other taxes on consumption and benefit from the experiences of countries in this area utilized for the Iraqi economy advantages achieved the Iraqi economy from Affiliate to the WTO process.*

KEYWORDS: customs taxes, the World Trade Organization

INTRODUCTION

Tax is one of the most important tools used by the fiscal policy to achieve the objectives of the political, financial, social and economic state. Taxes of the most important sources of financing adopted by the financial systems in all countries of the world to finance public budgets, as well as to be used as one of the important tools of financial policy. Under the current circumstances and the openness of Iraq to the outside world and its entry in the regional and international agreements, particularly the completion of accession to the World Trade Organization file, but the organization will lose the laws of Iraq, which is an important resource for funding the revenue from customs taxes you need to increase budget revenues, And that Iraq's accession to this organization will generate effects on the size of the task of customs revenues from taxes for the Iraqi economy, must be the answer to an important question by this study, is in the interests of Iraq's economy to continue bargaining in the process of accession to the World Trade Organization ? we have characterized this study from studies analyzing the performance

indicators of the tax to make sure that there is untapped energy tax could be imposed again dharayed sales tax or increase Aldharayed ratios. To compensate for the tax customs revenues in the case of Iraq's accession to the world Trade Organization needed by Iraqi economy.

THEORETICAL FRAMEWORK OF THE RESEARCH

The concept of customs taxes and methods imposed:

And know the customs tax as "the taxes are usually levied on goods imported into the country or exporting them and this could be an ad valorem tax is estimated percentage of dividing the item or take the form of a fixed amount imposed on the item, whatever the value and know the quality of taxes," have varied views on this taxes there are those who consider tax and from there prepared fee "and what was the concept of the tax goes out for being the amount of money deducted Jabra" in order to achieve a particular purpose consistent and basic economic philosophy list without that there will be compared to direct while drawing known as the amount of money paid by the individual to the state in exchange for a specific service provided by the state to him at his request, this matter stating that this duty tax elements applies more than the graphic elements are applicable by virtue of the discharge of their Ataاتم to meet certain service Albnaua the taxpayer request (Alian, maize, 2009).

And impose customs taxes in two ways (Zidane, 2012) :

A / requires that the calculated drawing Alkmarki for the value of the goods and the so-called relative drawing.

B/ The last method requires that meets the standard for drawing Alkmarki unit derived from the goods the same as the size or number or weight etc. is called here the qualitative drawing.

Customs policy objectives

Tax and customs privacy specific purposes may be different rates for certain goals for taxes:(Robert, 2000: Khalaf, 2004: Mayo, 2011):

1/ funding goal: often a customs tax proceeds significant proportion to the rest of the tax, which is an important source of revenue for public funding, especially in developing countries, public spending, but This motive in developed countries declined in recent years on account of economic motivation, and that the nature of the economic reality of these countries of open markets and liberalization of foreign trade.

2/ protect domestic industries: impose customs taxes on foreign goods to reduce consumer demand for the acquisition because of the high prices compared to locally produced goods which makes the recent less expensive and more acquisition in order to

promote local products to be competitive especially emerging ones.

Directing the movement of imports: Some customs taxes may be reduced to a certain kind of products, and to the country's need for such products such as machinery and machinery that are difficult manufactured within the country, has lifted customs taxes on another type of products may be desired directions within the country protect the community from corrupting goods such as drugs, alcohol and other contraband.

CUSTOMS POLICY TOOLS:

Customs policy tools used to get to achieve the goals of the imposition of customs tax are as follows (Azzam ,2000: Mohsen, 2011)

The laws, regulations and instructions: is one of the pillars of important policy and customs by which paint the mechanisms and procedures of customs to be Mtmasah with customs and tax policy own affairs customs issued by the legislature and the economic, policy and legal texts need for regulations and instructions issued by the competent authority to be clearer and easier to understand for clients with this law .

In Iraq, a package of laws were recently organized for economic and commercial affairs are as follows:

a/ Consumer Protection Law No. (1) for the year 2010 .

This law aims to ensure that basic consumer rights and protection of illegal practices that lead to the damage done.

b/ For the protection of Iraqi Products Law No. (11) for the year 2010.

This law aims to protect Iraqi products from the harmful effects of international trade practices with Iraq and to address the damage caused.

c/ competition law and antitrust No. (14) for the year 2010

This law aims to regulate competition and prevent monopolistic practices harmful to society by the investors, producers, marketers or others in all economic activities

d/ Customs tariff code number (22) for the year 2010.

This law is designed to meet the Alkmarki on imported goods contained fees according to the rates set forth in the tariff of customs duties and agricultural calendar schedules and taken into account in applying the provisions of this law, the facilities granted under the Investment Law (13) of 2006, as amended on imported goods for the purposes exclusively investment projects.

Jdol Customs tariff shall mean the definitions of customs is a table or customs taxes owed rate on goods passing through the border, has been known customs tariff in paragraph V "of Article I of the Customs Law (23) for the year 1984 as" a table containing the names of goods and rates of customs taxes under her observations contained therein. "The use of these tables customs departments for the purpose guide to determine the prices of goods

and the tax imposed on them. There may be confusion "somewhat" between customs taxes and customs tariff, customs Taxes is a tax levied on goods that cross the country's borders, whether inside or outside., And the customs tariff as mentioned above are detailed items dealing arrangement commodity customs and tax specified for each item of those items that are included in the customs tariff schedules. Usually attached schedules customs tariff laws established for the imposition of taxes and customs often "Matkon compatible with the international classification of goods Coordinator (Abdul Razzaq, 2009).

DEFINITION AND FUNCTIONS OF THE WTO:

World Trade Organization was founded at the beginning of January 1995 can be defined as "a legal and institutional framework for the multilateral trading system, and provides a framework of basic contractual obligations that define governments How can formulate and implement Allonzma local business and controls. The organization forum seeks to develop relations trade between countries through discussions and negotiations of collective judicial decisions of commercial disputes The most important tasks of the organization (Sagt, Abdul Karim,2011)(Fatlawi, 2009)(Allaf, 2010):—

- a/ Administration and enforcement of multilateral trade agreements embodied in the markets in which the organization.
- b/ Work as a forum for multilateral trade negotiations markets.
- c/ Work to resolve trade disputes that arise between Members.
- d/ Supervision of national trade policies.
- E/Cooperation with other relevant international organizations and global economic policy-making.

ECONOMIC ANAIYSIS OF CUSTOMS TAXES IN IRAQ

ANALYSIS OF CUSTOMS TAXES TO THE SIZE OF THE TAX REVENUE

Shown in the table (1) of customs revenue and percentage to total non-revenue directly, as well as the proportion of customs tax to total tax revenue. Where appeared highest in the year 2007 to increase the volume of imports in terms of (77.5%), and the lowest rate is in the year 2009 where was (18.29%), despite the magnitude of imports due to the suspension of work by tariff and customs continue deducting (5%) which is currently charged by Iraq, as of April 2004 on all goods imported to Iraq either customs tax rate to Ajmal tax revenue was the highest rate is the year 2004 figure (24,1%), The lowest rate is the year 2010, amounted to (4.3%). It is noted from the above that the development of

low tax revenue and has been re-work the tariff and this step an impact on the size of the tax revenue but Aenasb the conditions of accession to the World Trade Organization.

Table (1) The relative importance of customs taxes for the period of (2005– 2010)
(Million)

year	Customs taxes	The total indirect tax	Total income tax data	Rate 1:2 %	Rate 1:3 %
	1	2	3		
2005	118176	291016	647355	40,6	18,3
2006	219032	282784	2417018	77,5	9,1
2007	229076	662572	950215	34,6	24,1
2008	376539	444678	4802871	84,7	7,8
2009	590687	3230093	2837240	18,29	20,8
2010	565718	1154626	13097191	49,0	4,3

Source / table has been prepared by the researcher using the data from the Ministry of Finance

CUSTOMS TAX REVENUES AND THE GENERAL BUDGET OF THE STATE:

That the transition from a restricted financial system to another is a large degree of freedom required to take several reform steps to control the budget deficit and stabilize the macro-economy and that there are a number of accompanying economic policies are working to verify the success of the financial reform process (Albkhattawi 2011.87) With the reform of the public revenue side. The Iraqi government has worked to activate the role of fees and taxes to work on reducing dependence on oil, and one of these taxes are customs taxes (taxes on goods), which was limited to the adoption of the 5% reconstruction of Iraq fees as a tax on imported goods and stop working customs tariff. This request for the revision in the restoration of the tariff because of its effect on the increase of the Iraqi budget revenues and also in Table (2):

Table (2): The proportion of income tax composting ownership to the general budget revenues for the period 2004 --2009

Year	Revenue customs taxes 1	Budget revenues 2	Ratio of 1/2	Tax growth rate
2004	81289	21729100	0,008	—
2005	102171	28958608	0,003	—
2006	802018	45392304	0,017	%159
2007	163913	42064530	0,003	%100
2008	291915	50775081	0,005	%178
2009	332318	50408215	0,006	%113

Source / is the number of the table by using a researcher with regard to the facts of the Iraqi budget revenues number 3996.4016, 4067.4117, 4145.4180 Regarding customs tax revenue was used Bmncor the Ministry of Finance the second part of 2009, p. 5

Through the table above, we find that the percentage of revenue from customs taxes to the general budget revenues make up (0008, 0003, 0017, 0003, 0005, 0006) for the years (2004, 2005.2006 2007, the 2008.2009), respectively, when it was shut down the work of customs and tariff levy ages at the rate of 5%, which does not account for a large proportion of imports compared to the size of those years, and compared to the tax rate of the neighboring countries, for example, (Syria) that are an average of (18%). This is what we observe when calculating customs taxes calculated on the basis of drawing reconstruction referred to above the growth rate we find rapid growth rate rose and became (159%) in the year 2006 for the year 2005, (100%) in the year 2007 for the year 2006 and then became the growth rate of customs taxes (178%) in the year 2008, while in the year 2009 was the growth rate (113%) for the year 2008. This confirms that flood the Iraqi market to goods imported and stop working tariff customs has led to damage to the general budget of the state by reducing state revenues from customs taxes, and this Madf

the Iraqi government to re-work the tariff customs because of its effect on the size of the customs tax revenues and the state budget under the financial crisis in Iraq.

THE VOLUME OF IMPORTS AND NON-OIL COMMODITIES AISADARAT OF

Note from the table (2) fluctuation volume of exports between 2004 and 2010, where the highest volume of exports in 2004 reaching (362 220) and the lower volume of exports in 2005, which reached (164685) to decrease the value of commodity products by increasing domestic demand for products exported to the increase in per capita income after events of 2003 for the years before 2003. In the case of calculating the export growth rate for non-oil imports goods from .lfterh 2004 until 2010, where we find that a very low percentage was the highest percentage is in the year 2008 amounted to (3.60%) and Aotye ratio in 2004 was (1.06%). This is because the decline in the ability of production units and the weakness of their flexibility to meet local needs and strong competition by opening domestic markets for imported products without the presence of controls and the adoption of neighboring countries flooding the local market shoddy and cheap products, which was then to stop domestic production.

Table(3):

Merchandise exports and imports of non-oil current prices the size of the period (2004–2010) (Million)

year	Commodity exports 1	Merchandise imports 2	Ratio of 1: 2%
2004	362220	34050969	1,06
2005	164685	17038941	0,96
2006	235160	16899505	1,39
2007	218384	7871971	2,77
2008	240362	6680170	3,60
2009	164326	51326145	0,32
2020	235135	55232658	0,42

Source / Ministry of Planning, National Accounts

TAX PERFORMANCE ANAIYSIS IN IRAQ

A/ TAX IS CAICUIATED ENERGY:

Energy tax is calculated in terms of per capita income and the degree based on the equations of the International Monetary Fund economic openness, according to the following equation:

Energy tax = 8,86 + 0,0002 x (the average income for the year) + 0,12x (degree of economic openness) (Shaykhli, 1997).

The table shows (3) Average function for the period 2005 2010 tax energy was (18.376%), a small percentage compared and compare it to that position (Colin Clark), which identified(25%) either were compared to that extracted Munther Shaykhli during the eighties of the oil group OPEC countries the (33.97) appears to fall dramatically.

Table (4)

Energy tax calculation in Iraq in terms of average per capita income for the period of openness hydrogenation 2005 –2010

year	Average per capita income	Economic Drjhalanfattah	Energy Tax 1/2
	1	2	%
2005	2,03	127,075	25,08
2006	2,92	75,97	18,51
2007	3,73	122	24,35
2008	2,65	118,56	23,92
2009	4,0	4,71	9,46
2010	4,76	0,66	8,94
Average for the period 2005--2010			18,376

Source / table has been prepared by the researcher based on the Statistical Abstract issued by the Ministry of Planning

Average per capita income 20092010 obtained from a cup Thamer Zidane, Master Thesis, University of Baghdad, 2012.

From the table above it emerged that the average tax energy for the period 2005 2010 relative to the function of per capita income and the degree of economic openness was (18.376%), a small percentage compared to the developed by Colin Clark (Shaykhli, 1997: 32), which is defined by (25%) of the gross domestic product total.

B/ calculating the tax burden in Iraq

This standard is to measure the size of the public sector and its importance for the economy and are extracted from the ratio of total tax revenue to GDP, according to the table (5), where the back of the average tax burden for 2005, 2010 Report (2985%), while tax energy formed in of the Iraqi economy tax revenues can be obtained average rates for the same period amounted to (18.376%) which there is little difference between the two ratios, suggesting the existence of untapped in the Iraqi economy energy.

Table (4):

The tax burden in Iraq for the period 2005--- 2010 (million)

year	Tax revenue 1	Gross domestic product 2	The tax burden 1/2%
2005	647355	64000065	1,01
2006	2417018	114894000	2,10
2007	950215	119948400	0,79
2008	4802871	132069600	3,63
2009	2837240	130622187	2,17
2010	13097191	159607124	8,21
Average Length 2005 ---2010			2,985

C/ TAX EFFORT IN IRAQ:

Aattabrahadd indicators to assess the tax system of any state in order to determine the possibility of the imposition of a new tax or increase taxation rates within the tax system. And is calculated by dividing the tax burden on tax and energy, as in Table 6:

Table(6):

Tax effort in Iraq for the period 2005\ 2010			(Million)
year	The tax burden	Energy Tax	Tax effort
2005	1,01	25,86	0,040
2006	2,10	18,51	0,113
2007	0,79	24,35	0,032
2008	3,63	23,92	0,152
2009	2,17	9,46	0,230
2010	8,21	8,94	0,918
2010- 2005 The average tax effort for the period			0.272

Source / table has been prepared by the researcher using Table 3.4

From the table above, we note that the average duration of the period 2005 2010 reached (0,272), a low ratio of less than (1) This indicates that there is a tax energy untapped help to impose new taxes as a substitute for customs taxes in the case of suspension of work by tariff in accordance with the requirements to join the organization global trade.

Analysis of the advantages and disadvantages of Iraq's accession to the World Trade Organization. There are many positive benefits to the countries that have acceded to the WTO. Must discuss these advantages to figure out what will achieve the advantages of the Iraqi economy is the most important : A/ conversion of the country on the national economy to a free economy depends on the competition based on free trade, and this would help push producers towards the production of high specification products. This feature can be achieved in Iraq in the event of re-run 36 000 project and lab industrial shut down due to dumping the commodity as well as due to the sale of foreign products companies imported industrial goods from cheap prices below the cost of production in her original example medicine factory in Samarra produces 220 medical material retracted production because of flooding the market with medicines from different Mnashye cheap prices. The General Company for light industries characterized by the good reputation of its products also suffer from anti-dumping commodity Iranian products Almmaúlh (air coolers), as well as the case of the dairy plant in Abu Ghraib. Associate Laboratory Director has confirmed that flooding the market with similar foreign products affected the size of the local products.

B/The Affiliate to the organization leads to the expanding markets of the member countries and encourage export opportunities as a result of customs duties on exports from countries mentioned decline in global markets. How to enter Iraq to world markets, but does not produce competing product, foreign this are not taken, but reproduction movement in laboratories stalled
 c/ Affiliate of the organization that contributes to the promotion of foreign investment, which in turn contributes to stimulate domestic investment and also contributes to the flow of modern technology to the user. In Iraq, for their country to take advantage of this feature has to be the achievement of guarantees to the foreign investor and achieve security.

D/ according to the laws of the organization allows the member country which is exposed to cases of dumping from taking appropriate steps to address this problem by imposing restrictions for the purpose of protection of local products in the member countries of the adverse international trade practices. This feature is needed by Iraq with the present but the question what are the appropriate procedures into the World Trade Organization to address the cases of dumping must be discussed to determine if these measures suitable for the Iraqi economy or not?

THE FIAWS ARE DISCUSSED AS FOLLOWS:

That the world body imposed on the country that gets the organic reduction in customs tariffs on imported industrial products and materials rate during a period of time, often

ten years as the organization commits member countries not to impose any taxes or other fees on imports except those levied against the service provided. In the Iraqi economy can not reduce the customs tariff in time Alhadharlana need to increase its revenue from customs taxes and protect the national product.

Organization imposed on member countries not to take any protective measures or compensatory or action against dumping by issuing authorized for such measures legislation by the organization. This to Aenasb our economy, because our products are presently in need of protection from the intense competition for products of foreign as well as it's a long time needs .

CONCLUSIONS

After Alakhzbnzer account the advantages and disadvantages of Iraq's accession to the World Trade Organization listed above. There are some of the following conclusions

1. To increase the state budget revenues in light of the financial crisis in Iraq need a customs tax revenue
- 2.hnak untapped energy tax help to impose new taxes as a substitute for customs taxes in the case of suspension of work by tariff in accordance with the requirements of accession to the World Trade Organization.
- 3.ankhvad Rate of customs tax revenues to the budget revenues, the fact that the customs tax, which was calculated on imported goods does not exceed 5% fee ages which is low compared to the tax rates of neighboring countries fractal.

RECOMMENDATIONS

1 find alternative tax policy to offset the potential loss of customs resources tax proceeds that will be affected

Iraq's accession to the WTO, such as reliance on value-added tax.

2. form a delegation to negotiate with the owners of competence and efficiency of the administration to negotiate with the organization process to get the most out of the privileges
3. Improve the national industry and take advantage of the private sector to fit with the new competitive environment.
4. taking into consideration the benefits of Affiliate to the World Trade Organization process set forth above ..
- 5..Iraq requires new protectionist policy set Hubble Organization for developing countries to protect the economy from international competition, which awarded the imposition of customs fees by 10% of similar items for local products adoption
6. tighten border controls and the closure of some ports to limit the entry of goods and products imported good of others.
7. activating the role of the Central Agency for Standardization and quality control

laboratories to develop the current viewfinder and the establishment of new laboratories in the main center of the border provinces in order to prevent the species meets the requirements of non-Iraqi standards.

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