

War, what war? Kurdistan is a haven of prosperity

IN ERBIL, the capital of Iraqi Kurdistan, the huge citadel rises 30 metres above the bazaar, the myriad shops and bristling traffic. Erbil is 9,000 years old, the oldest permanently inhabited place in the world. But, soon it will have a taller neighbour than the citadel: a new shopping mall with hundreds of shops, topped by two office towers of 30 storeys each, financed by Lebanon-based Middle East Construction.

This is like a microcosm of the rise of Iraqi Kurdistan. While the media views Iraq through the casualty count of the suicide bomber, Erbil presents a different picture. Since October 2005 there are direct flights to Erbil from London, Stockholm, Frankfurt, Amsterdam and Athens. Shops, measuring 12 square metres sold at €26,500 in August 2004 — and now fetch €49,500, more than a year before they open to customers.

Before reaching downtown Erbil, you enter the Christian suburb of

Enkawa, and suddenly Dream City catches the eye, or rather, blocks the sky line. Behind high protective walls, €250m is being spent on 1,200 state of the art apartments (selling for between €125,000 and €536,000 each), schools, supermarkets and parks. The compound style walls are of course a mark of insecurity, and so is the speed at which the houses sell: rich Kurds like to spend on safety.

At the same time, Dream City — conceived of by a Kurd who made it in the West — is just one example of the confidence and energy that have turned Iraqi Kurdistan into a haven of prosperity in the last few years.

Foreign investors who were keen to join the initial Iraqi bonanza, back in 2003, now prefer to focus on the Kurdish North. With hardly any suicide bombers and no kidnappings, the Iraqi Kurdistan Region (IKR) is the only major part of Iraq where foreigners feel more or less safe.

Roughly the size of the Irish Republic, the predominantly mountainous IKR has enjoyed self rule since 1991. To many of the five million inhabitants, Baghdad seems as far away

Iraq is seen through the prism of terrorism, but one region of the country is undergoing such a boom, it is spreading at a rate of one kilometre a year. **Michiel Hegener** reports

as Beijing, and many youngsters refuse to learn Arabic. There may be two regional governments (the result of bitter Kurdish infighting from 1994-97), but they are cooperating well these days. The president of one of them, Masoud Barzani, was received by President George W Bush at the White House on Octo-

ber 25 and pledged his commitment to a full merger. He had to. The Americans appreciate being so popular in Northern Iraq — maybe more than anywhere in the World — but loathe the persisting split in the Kurdish ranks.

Towns are sprawling out over the surrounding countryside, land and

house prices are rocketing, and even in small villages, high up in the mountains, bricks, concrete and workers are in high demand.

The town of Zakho, in the north western tip of Iraqi Kurdistan, is growing towards the nearby Turkish border at a speed of a kilometre a year. Even before roads are properly paved, houses are built alongside them, apparently without interference from any planning authorities. The outskirts of Zakho look like the American West: dusty, rough, uncoordinated, but energetic.

"You do need permission to build a house here," asserts Hasheem Hamid, a GP at the Zakho General Hospital, "but you can easily get it after the house is completed."

Just two years ago he bought a delightful villa for himself, his wife Sabriah and their four children.

"I paid €41,000, now I could sell it for five times as much," he says. Permission may be easy to get, mortgages are unknown and all houses are being paid for in cash. Banks exist, but individuals avoid them.

In the town of Shaqlawa (which is 20% Christian), estate agent Paulus Abdul Selman reports that house prices have tripled in just one year.

In Suleymania, IKR's second city, 48 Turkish and 30 Iranian firms operate, as do contractors from the Far East and Western Europe.

Even in the countryside, foreigners enjoy the opportunities the Kur-

dish economy has to offer. Against a backdrop of snow capped mountains and blazing autumn colours, a few dozen Pakistanis are setting up iron towers that will lead electricity lines to the remote Sidakan Valley near the Iranian and Turkish border.

To really see what Iraq without insurgents looks like, Erbil is the show case. A four-lane motorway to Salahuddin, the presidential headquarters 20 kilometres east of Erbil, has just been completed. Flyovers and building sites skirt the capital. Large but ordinary houses are built at top speed with ready-made concrete blocks. No double walls, no insulation. This is the time to go fast. The Kurds won't wait until the rest of Iraq gets its act together.



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