

“Iraq’s ‘Development Road’: A Gateway Out of Oil Dependency and Foreign Interference”





In April 2010, former Iraqi Prime Minister Nouri al-Maliki laid the foundation stone for the Grand Faw Port project. It was envisioned as a regional trade hub that would rival the most prominent ports in the Middle East and transform Iraq into a key destination for global trade and transport.

Iraqi officials hoped the new port would shorten trade routes linking Iraq with the Red Sea and the Mediterranean, establishing the country as a pivotal player in global commerce. However, ten years on, only the breakwaters have been completed albeit record-setting ones that entered the Guinness World Records as the longest in the world.

Despite repeated government failures to complete the project, Iraq has not let go of its dream of becoming a transit hub for global goods, stretching from its southern tip to the north. Today, that ambition is being revived under a new initiative dubbed the “Development Road” with the Grand Faw Port at its core.

This report, part of our “Gateways of Influence” series, explores Iraq’s vision for the Development Road project, its strategic objectives, the countries supporting or resisting it, and the obstacles it may face.

A Historic Crossroads of Trade

To understand the significance of this endeavor, it’s essential to revisit Iraq’s historical role in ancient trade networks. Mesopotamia was long a central artery

in the commercial lifelines of the ancient Near East, situated at the crossroads of overland trade routes connecting the northeast with the southwest.

Its geographic location positioned it as a major conduit for trade between Anatolia and the Mediterranean on one side and central and southern Arabia on the other. Trade caravans traversed routes linking the Mediterranean to the Arabian Gulf, the Arabian Sea, and eastward to India.

The civilizations that rose and fell in Iraq built thriving trade centers and maintained extensive networks that reached as far west as the Mediterranean and Asia Minor. Caravans carried gold, silver, gemstones, copper, timber, dates, citrus fruits, and other commodities, with rulers ensuring their protection making Mesopotamia a vibrant hub that interacted with neighboring centers of civilization.

Because trade was the lifeblood of early civilizations, Iraq’s historical position enabled it to leave a deep imprint on the region’s development. This centrality helped shape the trajectory of civilizations and contributed significantly to the rise of the ancient world.

The Development Road

In recent years, Iraq has expressed a strong desire to reassert itself on the geopolitical stage through trade corridors. Successive governments have seen the construction of a new port as the cornerstone of these strategic ambitions.

In 2010, al-Maliki’s government pledged to build a port in the southern city of Al-Faw, on the shores of the Arabian Gulf, within four to five years at an estimated cost of \$4.6 billion. The government expected to recoup that investment within three to four years of the port’s launch, with a consortium led by an Italian firm awarded the construction contract.

The port was planned for the confluence of the Tigris and Euphrates rivers, covering an area of 54 square kilometers and hosting up to 90 berths. Its breakwater — at 14.5 kilometers would be the world’s longest, designed to protect incoming vessels from turbulent seas.

Yet the project stalled for over a decade due to a range of domestic and international challenges. Now revived, the port is being integrated into a more expansive initiative: the Development Road, also known locally as the “Dry Canal.”

In April of this year, Iraqi Prime Minister Mohammed Shia’ al-Sudani and Turkish President Recep Tayyip Erdoğan signed a four-party memorandum of understanding, joined by the UAE and Qatar, to cooperate on the Development Road project starting with the completion of the Grand Faw Port.

The initiative includes a 1,200-kilometer high-speed rail network running through Iraq, capable of transporting cargo and passengers at speeds of up to 300 km/h a dramatic improvement over the current average of 60–70 km/h.

In addition to railways, the plan features the construction of express highways that traverse ten Iraqi provinces, including Diwaniyah, Najaf, Karbala, Baghdad, and Mosul. Pipelines for oil and gas will run from southern Iraq to the Turkish border at Fishkhabur, enabling goods from China and other Asian nations to reach Europe efficiently.

The estimated cost of the project is \$17 billion, to be implemented in three phases: the first by 2028, the second by 2033, and the final by 2050. The Development Road will link the Grand Faw Port to Turkey and eventually to Europe.

The plan also envisions the creation of new industrial and residential cities along the corridor and the renovation of Iraq’s aging infrastructure. The first phase has been contracted to South Korea’s Daewoo Engineering & Construction.

A key feature will be one of the world’s largest undersea tunnels, leading to Iraq’s southern coast near the Kuwaiti border. By February, Iraq had completed 60% of the tunnel, which will stretch 2,444 meters under Khor al-Zubair, with an 18-meter clearance to allow maritime traffic.

It is designed to handle heavy truckloads and massive container traffic from Basra to Jordan and Turkey.

On the Turkish side, the project includes 615 kilometers of new rail lines and 320 kilometers of highways, integrated into the country’s existing networks at a cost of around \$8 billion greatly facilitating trade from Iraq and the Gulf to Europe.

By the end of phase one, the railway’s freight capacity is expected to reach 3.5 million containers and 22 million tons annually, increasing to 7.5 million containers and 33 million tons in a decade, and eventually 40 million tons by 2050.

Economic Aspirations and Political Leverage

Iraq is aiming to capitalize on its strategic geography and multiple border crossings to open an alternative, secure, and rapid global trade route one that could transform the country into a regional trade nexus, provided security challenges are overcome.

If realized, the Development Road will not only link Iraq and Turkey, but also bolster intra-regional trade and facilitate commerce between Asia and Europe. It could cut shipping time between Shanghai and Rotterdam from 33 days to just 15.

This would give a significant boost to Iraq’s economy, spurring growth, creating jobs, and increasing production. Prime Minister al-Sudani sees the corridor as a gateway to stronger integration into global markets.

The project aligns with Iraq’s strategic objective of economic diversification. With 93% of government revenue still coming from hydrocarbons, the country is seeking ways to reduce its oil dependence and the Development Road offers a promising start.

More than just an economic undertaking, this initiative could shift Iraq’s political dynamics. If successful, the corridor could contribute to national stability, enhance Baghdad’s regional standing, and restore Iraq’s historic role as a bridge between East and West.

Regional Stakeholders

Turkey views the Development Road as a modern Silk Road one that would bolster its own economic, geopolitical, and military clout. Turkish leaders have offered full support for the initiative, with President Erdoğan calling it “vital for the region,” especially for Iraq and Turkey.

The project has also attracted support from Qatar and the UAE, both of which have moved beyond oil dependency and diversified their economies unlike Saudi Arabia, which remains heavily reliant on oil.

Iraq is currently courting Riyadh to join the Development Road, arguing that it complements rather than competes with Saudi development plans. All signs suggest the kingdom may eventually come onboard.

Iran, too, supports the project, even if it hasn’t officially joined. Tehran sees the corridor as a potential way to bypass Western sanctions, shore up its faltering economy, and offset declining reliance on China’s southern Belt and Road route.

If fully realized, the Development Road could mitigate long-standing regional rivalries, foster economic cooperation, and contribute to broader regional and global stability.

Major Challenges Ahead

Nonetheless, Iraq faces considerable hurdles. Chief among them is financing: the government has yet to clarify how the project will be funded. Given Iraq’s fragile economy, Baghdad may need to rely on private sector partnerships or external loans.

Legal inconsistencies, corruption, and bureaucratic inefficiencies remain serious barriers. These issues have long deterred foreign investment evidenced by Iraq’s failure to complete the Faw Port 14 years after construction began.

Political instability and security concerns are also pressing. Although Iraq has experienced a relative calm recently, the situation remains fragile. The proliferation of armed militias and terrorist groups over the past two decades makes the environment volatile.

Some political factions and figures, often aligned with foreign interests, may actively work to sabotage the project to protect their own agendas.

If Iraq can overcome these challenges, the Development Road could become a linchpin in global logistics, reviving the country’s historical status and creating economic ripples across the region.

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