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Department of Business Administration

INVESTMENT MANAGEMENT AND DIFFICULTIES FACING IN THE INDUSTRIAL PROJECT: AN EMPIRICAL ANALYSIS ON SMALL AND MEDIUM-SIZED ENTERPRISES

Master Thesis

ALI ZAKARIYA YAHYA YAHYA

Supervisor

Assoc. Prof. Dr. METİN UYAR

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Turkish Anstract	**:**	KOBİ'lerin endüstriyel projelerin finansmanında çeşitli sorunlarla karşılaştığı bilinmektedir. Bu çalışmada KOBİ'lerin endüstriyel yatırım projelerinin finansmanında karşılaştıkları güçlükler ve bu güçlüklerin aşılabilmesi için yapılabilecek çalışmalar incelenmiştir. Yapılan alan araştırması sonucu elde edilen bulgular doğrultusunda uygulamacılara ve araştırmacılara öneriler yapılmıştır.
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DECLARATION

I hereby declare that in the preparation of this thesis, scientific ethical rules have been followed, the works of other persons have been referenced in accordance with the scientific norms if used, there is no falsification in the used data, any part of the thesis has not been submitted to this university or any other university as another thesis.

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Signature

Director

Assoc.Prof. Dr. Metin UYAR

(Supervisor)

Member *Signature*

Assoc.Prof. Dr. Adnan DUYGUN

Signature

Member

Asst.Prof. Dr. Hülya YILMAZ

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I approve that the signatures above signatures belong to the aforementioned faculty members.

/ / 2022

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Prof. Dr. İzzet GÜMÜŞ

Director of the Institute

SUMMARY

In the industrial investments of SMEs, the effective management of the project has a great role and importance in both developed and developing countries. It is known that these enterprises face some problems in obtaining and managing financial resources in industrial projects. SMEs face many challenges, both financial and marketing, R&D, logistics, legal framework, in acquiring financial resources and in the procurement of land and other capital assets necessary for the realization of the investment. In this context, in the research, factors such as technology, machinery, equipment, legal framework and supports required for SMEs to implement industrial projects were examined. In the context of the investigation, a field study was conducted in order to determine in more detail what needs to be done to overcome the problems. The field research has been illuminating in identifying the difficulties faced by SMEs in financing industrial projects.

Drawing on the findings from the field research, the study reveals the main issues that include many things such as the bureaucracy that exists in government offices, as well as the difficulty of financing medium and small projects, including the problem of obtaining land. The lack of suitable land to establish a project on it, the long time required to obtain official approvals and the associated marketing difficulties and the financial problems of close connection with imported goods come to the fore.

The main purpose of the research is to shed light on the problems and obstacles faced by small and medium-sized enterprises and how they can be overcome. The study assumes that there are legal and marketing hurdles and develops recommendations for overcoming them. In the light of the findings obtained in the context of the field research conducted in Mosul (Iraq), suggestions have been developed to overcome the financial and non-financial problems of SMEs.

Keywords: Investment management, SMEs, Financial Difficulty, Industrial Project

ÖZET

KOBİ'lerin sanayi yatırımlarında, projenin etkin yönetimi hem gelişmiş hem de gelişmekte olan ülkelerde büyük role ve öneme sahiptir. Bu girişimlerin, endüstriyel projelerde finansal kaynakları elde etme ve yönetmede bir takım sorunlarla karşılaştığı bilinmektedir. KOBİ'ler finansal kaynakları elde etmede ve yatırımın gerçekleşlemesi için gerekli arazi ve diğer sermaye varlıklarının tedarikiyle ilgili olarak hem finansal hem de pazarlama, ar-ge, lojistik, yasal çerçeve gibi birçok zorlukla karşı karşıya kalmaktadır. Bu bağlamda araştırmada, KOBİ'lerin endüstriyel projeleri hayata geçirmesinde gerekli olan teknoloji, makine, ekipman, yasal çerçeve ve destekler gibi faktörlerin incelemesi yapılmıştır. Yapılan inceleme bağlamında sorunların aşılabilmesi için yapılması gerekenleri daha detaylı belirlemek adına bir alan araştırması yapılmıştır. Yapılan alan araştırması KOBİ'lerin endüstriyel projelerin finansmanında karşılaştıkları güçlükleri belirlemede aydınlatıcı olmuştur.

Alan araştırmasından elde edilen bulgularla hareketle çalışma, devlet dairelerinde var olan bürokrasinin yanı sıra arsa alma sorunu da dahil olmak üzere orta ve küçük projelerin finansmanının zorluğu gibi birçok şeyi içeren temel sorunları ortaya koymaktadır. Üzerinde proje kurmaya uygun arazinin olmaması, resmi onayların alınması için gereken uzun süre ve bununla ilişkili pazarlama güçlükleri ve ithal mallarla yakın bağlantı finansal sorunlar öne çıkmaktadır.

Araştırmanın temel amacı, küçük ve orta ölçekli işletmelerin karşılaştıkları sorun ve engellere ve önlerindeki engellerin nasıl aşılabileceğine ışık tutmaktır. Çalışma, yasal ve pazarlama engelleri olduğunu varsaymaktadır ve aşılabilmesi için öneriler geliştirmektedir. Musul (Irak)'da yapılan alan araştırması bağlamında elde edilen bulgular ışığında KOBİ'lerin finansal ve finansal olmayan sorunlarının aşılabilmesi için öneriler geliştirilmiştir.

Anahtar Kelimeler: Yatırım yönetimi , KOBİ , Finansal Zorluk, Endüstriyel Proje

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ABBREDIVATIONS

COI	**:**	The Integrity Commission
FBoSA	**:**	The Supreme Audit Borad of the United States
IGO	:	Office of the Inspector General
IPO	**:**	Initial Public Offer
OTC	**:**	Over The Counter
SMEs	**:**	Small and medium-sized enterprises

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INTRODUCTION

Investment management in SMEs for industrial projects is considered one of the most important part of doing business because it plays a key role in both developed and developing countries and is considered the cornerstone of the economic development process.

This is because of its positive economic impact on the national economy. After these projects found the ability to provide job opportunities for the unemployed in addition to the less capital for large projects, which is one of the motives that called for resorting to small and medium projects, where their importance is mainly embodied in their ability to create job opportunities at rates that have a large and low capital cost and thus It contributes to solving the problem of unemployment that most underdeveloped countries suffer from, especially among young people. It also has the ability to adapt to changes in the demand for goods that are compatible with the nature and conditions of the economies of developing countries.

The Iraqi Investment Law was issued for the purpose of advancing the economy in the country, encouraging internal and external investments, and providing all facilities to all companies of all kinds and in all sectors (agricultural, industrial, commercial, residential...etc.)

In this paper, we aimed to highlight a critical aspect, which is the difficulties faced by SMEs while conduction investment project. The SMEs engulfed too much financial barriers to operate investments

Rest of study constructed as follows , The first chapter deals with the concept of small and medium-sized enterprises, their ratio, advantages and disadvantages, and what are the challenges of these companies in the aspect of financing. The second chapter explains the concept of investment, its types, objectives, elements, qualities, and the investment management process. The third chapter explains a general overview of Iraq, the investment environment in Iraq, and the difficulties facing industrial projects in Iraq.To complete the presentation of the contents of the study, and after completing the theoretical framework, the fourth chapter was devoted to the emprical aspect of the investment projects in Mosul (Iraq). Finally, in the direction of the findings, we made recommendations to researchers, decision

makers, managers and practitioners to overcome difficulties that they met while performing industrial projects.

CHAPTER ONE

SMALL AND MEDIUM ORGANIZATIONS (SMES) ORGANIZATION CONCEPTS AND DETERMINANTS

1.1.The Concept Of SMEs Organization

Small and medium organizations are the cornerstone of the economic growth and progress of countries, as the work of these organizations includes all the work that is practiced to manufacture products and provide services, some of them are for the local market and others are for foreign markets.(Motwani et al., 1998).

There is no unified definition agreed upon by developed and developing countries for the multiplicity of concepts and conditions in different countries, and there are several differences between countries in terms of (number of employees, capital, production level, sales, energy consumed, volume of payments, annual budget).

These companies can be defined from several angles, the most important of which are (Alndawi, 2021):

1.1.1 In Terms of Project Characteristics

Small and medium enterprises were described as:

- Small size for the projects of the sector to which it belongs.
- Its capital is secured by means of a portfolio or a specific group, i.e., the two types of self-financing frequently. The owner or owners directly manage the project. The project operates in a specific area and the scope of its operations and activities is often limited.

1.1.2 In Terms of The Number of Employees

There are those who believe that the small project usually works in it about / 19 individuals while working on average up to (199) individuals. And some of them believe that the youngster is between 1 and 59 individuals and more It is considered average, up to (299) individuals.

1.1.3 In Terms of Capital

It is a misleading criterion as this criterion does not fully reflect the size of the business Which may be huge in some projects. In addition, when excluding the value of the land from Capitalize the standard becomes misleading.

1.1.4 In Terms of Technology

A small project may rely on manual labor to a degree Larger as the number of workers decreases as the technology used increases.

They given the importance of the topic, we will review the global definitions of this term:(Heretic, & Kholoud, 2017). There are those who classify companies according to their capital, assets, production quantity, business volume, or khe nature of legal, personal and administrative relations within the company. This led to different countries focusing on one classification over another; fixed assets index in the Italian definition, Japanese and Irish definition, the budget size index in the Belgian definition, and the index elements of production in the British Definition. As for the French definition, which was adopted by the "General Confederation of Small and Medium Enterprises", it is (the Small and medium enterprises are those in which their leaders personally take over the responsibility of inancial, social, technical and moral, whatever the legal nature of the company.)

In Egypt, according to a report by one of the bodies, there are fourteen definitions of small businesses and medium-sized enterprises, most of them consider a small project to be a project in which the number of employees is less than ten people, while medium-sized companies have between ten and forty-nine employees. As for the Small and Medium Industries Law in Egypt, the small project was defined as “all an activity for one or more persons working for their own account, and the project has the status of independence in ownership and management.

The number of workers in it is less than a hundred workers, the capital of the project is less than one million pounds, and the value of the project is less fixed assets tags "without land and buildings".

In Lebanon, for example, there are no fixed limits for classifying companies, but those small companies are usually considered of less than five workers, and medium enterprises with less than fifty factor (Atieno, 2009**)**

The World Bank defines small projects as those projects in which it works until (50) Working and, total assets and sales up to (3 million dollars, while the medium projects are the ones that 2 Employed up to (300) workers and, total assets and sales up to (10) million dollars.Table shows the standard for the number of workers in the classification of small and medium enterprises in different countries of the World

Table 1. The SMEs definiton by the number of employee for the various countries

Country	Project size	Number of Workers
European Union	Small	10-49
	Medium	50-250
United State	Small and Medium	less than 500
Thailand	Small	15-50
	Medium	51-200
Turkey	Small	10-49
	Medium	50-199
Jordan	Small	10-49
	Medium	50-249
Tunisia	Small	10-49
	Medium	50-99
Egypt	Small	10-49
	Medium	50-100
Algeria	Small	10-49
	Medium	50-250
Gulf countries	Small	30
	Medium	60

Iraq	Small	10
	Medium	10-30
International Labour Organization	Small	less than 10
	Medium	10-99

Table 2 displays SMEs definiton in terms of capital in various countries all around the World.

Table 2. SMEs definiton in terms of capital

Country	**Project size**	**Capital**
United State	Small and Medium	2 million dollars
Japan	Small	490 thousand dollars
Jordan	Small	30 thousand Jordanian dinars
Egypt	Small	50 thousand Egyptian pounds
Singapore	Small	380 thousand US dollars
Arab Gulf States	Small	2 million dollars
Iraq	Small and Medium	Less than 100,000 Iraqi

dinars

1.2. Small And Medium-Sized Enterprises (Smes) Quantitative And Qualitatives Approaches

1.2.1.Quantitative Approach

One need just glance at small and medium enterprises to see that they are not uniformly defined by all economies, statisticians, or economists. Small and medium-sized enterprises (SMEs) have enormous relevance despite their lack of agreement in definition and conflict in criteria. When it comes to the production of statistics and the monitoring of a sector's health over time, as well as benchmarking against other economies and across areas within an economy, the definition of small and medium companies is crucial, as well as helpful, setting arbitrarily high taxes or other restrictions; and setting arbitrarily high taxes or other regulations. the determination of eligibility for some forms of government aid (Unido ,Oecd, 2004).

Due to the fact that small and medium firms are described by adjectives that imply their size, economists like to define them based on quantitative measurable characteristics. In order to differentiate between large and small companies, the most used metric is the number of employees (Hatten, 2011). Small and medium-sized enterprises (SMEs) have been defined since the Bolton Report was released in 1971 (Carter and Evans: 2006). A quantitative and a qualitative technique are proposed for its definition in this study. If we're looking for a way to define small and medium-sized enterprises (SMEs), you'll probably want to utilize quantitative criteria.

To comprehend an enterprise's genuine size and performance, as well as its position in relation to others, "the number of workers is the fundamental criterion," according to the European Commission. However, "introducing a financial criterion is still a required adjunct" For example, the number of workers, yearly revenue, and annual balance sheet are determined by a guide (European Commission, 2005). We know that meeting the number of workers criterion is necessary, but filling one of the financial requirements is a business choice that must be made by the company's management. As defined by the World Bank, Small and medium enterprises have a personnel count, total assets in US dollars and yearly sales figures in US dollars (European Commission, 2008). Companies must meet quantitative standards such as

the number of employees and at least one financial condition before they are able to be categorised as micro, small or medium businesses.

Table 3. Small and Medium Enterprises by World Bank standards.

Enterprise indicatores	**Number of employees**	**Total assets**	**Total annual sales**
Medium	Between 50-300	3-15 million $	3-15 million $
Small	Between 10-50	100 thousand to 3 million	100 thousand to3million
Micro	Less than 10	Less or equal 100 thouthand	Less or equal 100 thouthand

Source: Independent Evaluation Group (2008)

Quantitative factors, such as the number of workers, show "approximations" when compared to the other criterion, except that the World Bank raises the maximum number of employees for medium-sized companies to 300 employees. Consistency is particularly evident in financial criterion. Financial elements used are vastly different from one another, aside from apparent currency differences (EUR/USD). The Europe Countries considers annual sales and balance sheet totals as criteria, while the world bank utilises total assets and annual sales totals. The financial needs of the two institutions cannot be compared, because their definitions are vastly different. There are more criteria from the World Bank than from the European Union. To be considered small in the European Union, a company must have annual revenues of up to two million euros. The European Union sets a maximum threshold of fifty million euros to distinguish between medium and big firms, whereas the World Bank sets it at just fifteen million dollars for the two financial criteria.

It is the most common criterion, the number of employees differs considerably throughout the s mall and medium enterprises statistics reporting sources despite it being the most common need. Businesses with between 50 and 250 employees are

most commonly described in the media (Ayyagari et al, 2003). This term is the most commonly used in small and medium enterprises researches. However, state governments and politicians are still a long way from adopting it. However, notwithstanding the European Union 's suggestion, this definition is only necessary for organizations and companies requesting European Union funding" (Carter and Jones-Evans, 2006). According to, a World Bank study, Businesses with less than 250 employees are considered small in 46 of the 132 countries examined (Kushnir et al., 2010). Small and medium enterprises theory nowadays has a wide range of definitions due to the flexibility of each country to define Small and medium enterprises in its own way. Here are a few of them (Table 3).

This categorization relies on statistical arbitrariness rather than scientific differentiation based on macroeconomic factors, according to Gibson and Van der Vaart (2008), who claim "we are far from a worldwide consensus on what constitutes small and medium-sized enterprises."

United States Small Business Administration accepts industry as a factor among its criteria for small and medium enterprises definition. Grains producers must have a gross revenue of $750,000 to qualify. This criterion starts at 500 employees in the mining industry. When it comes to small businesses in the food sector, the most common criterion is that they have 500 or less workers. There is just one criterion in wholesale commerce: the quantity of employees. United States Small Business Administration (USSBA), 2013. It's important to note that not all small and medium enterprises can be "wiped clean with a single broom," according to a sector-specific definition of small and medium enterprises. In certain specialised fields, where sales volume and labour intensity are impacted by other market factors, the universality of the recognised definition is inapplicable.

According to Curran and Blackburn (2001), identifying small and medium enterprises based on the number of employees has become more difficult as firms use more part-time, casual, or temporary workers. There is a decline in full-time employment as people discover new methods to engage at work, not just in terms of content, but also in regard to scheduling. In terms of the financial requirements, there are certain problems that need to be addressed. Accounting procedures may be inconsistent and incomparable, and managers/owners view cash flow as a more meaningful indicator of the company's growth than turnover (Curran & Blackburn:

2001). Inflation and currency rates make it more difficult to compare across time periods (Stokes and Wilson, 2010).

A study by Gibson and van der Vaart (2008) found that turnover is by far one of three quantitative criteria. People in poor nations, where tax issues sometimes cloud employment and profit data, could argue that sales are the ultimate measure of success for small and medium-sized enterprises (SMEs). They are Gibson and Vander Vaart (Gibson and van der Vaart, 2008). After finding shortcomings in the Small and medium enterprises definition criteria, these authors propose a new model based on the formula below (Coleman, 2004b).

According to purchasing power parity, a formal small and medium enterprises generates an annual revenue of between 10 and 1000 times the average per capita gross national income of the country where it operates (Ibid, 2008). We don't know if the literature or policymakers would embrace our alternative formula for SME classification. Nevertheless, it's an important message to send at a time when criteria differ by institution, country, and sector.

1.2.2 Qualitative Approach

Even while small businesses might be difficult to detect on paper, it's easy to recognise them when they're in operation (Stokes and Wilson, 2010). On the surface, small and medium-sized businesses (SMEs) are easy to identify, not only because they are more likely to be encountered since they have a larger market share than large enterprises, but also because their practises and structures are simpler.

These two criteria differentiate small and medium-sized firms from large ones, According to Loecher (2000), the firm's management takes a significant role in corporate decision-making, considers the company as a lifetime duty, and maintains direct contact with workers, customers, and suppliers. Unity of leadership and capital means that the company's CEO is also its owner, who is responsible for the company's leadership as well as the liability risk (Ibid, 2000). Among the criteria of the European Union is the idea of integrating property and management in order to solve the issue of responsibility and accountability. A maximum ownership stake of less than 25% from other firms and/or outsiders was added to the quantitative criteria by the Commission (2003) in order to measure corporate autonomy.

According to the Bolton Report - the primary source for qualitative definitions of small and medium enterprises - small businesses have three key characteristics:

personal management by its owners, a small share of the market in economic terms, and independence from larger companies (Bolton, 1971 as quoted in Stokes and Wilson, 2010). The table four introduce some qualitative indicators about small and medium enterprises.

Table 4: Qualitative indicators in discerning SMEs from large companies

Demension	**Small and medium companies (SMEs)**	**Lage companies**
Manageement	Properitor-entreprenuership	Manager-entreprenuership
Personel	Lack of qualified people All about knowledge	Qualified people Specialization
Organization	Personel communications	Organazitional commuinactions
Sales	Weak compotitive position	Strong compotitive position
Costumer relationship	Unstable	Stable
Production	Labor intensive	Capital intensive
Reaserch and development	Following the market	İnstitutionalized
Finance	Self financing	Access to anonymous capital market

Source: UNIDO (as quoted in Yon and Evans: 2011)

Small- and medium-sized enterprises (SME) are defined according to Marwede by qualitative characteristics such as legal form, role of business owner and market position (Decker et al., 2006). When it came to qualitative characterization, the

Bolton Committee quickly pointed out that it was impossible to operationalize (Curran and Blackburn, 2001). If businesses are classified only on the basis of their qualitative features, then this problem will be evident in any effort at categorising them according to their size.

1.2.3. SMEs Quantitative or Qualitative Definitions

There is a key advantage to using quantitative rather than qualitative criteria for defining small and medium-sized enterprises (SMEs): all small and medium-sized businesses regardless of industry or country share the same set of features. To the best of Ferreira and Leite's knowledge, despite variances in quantitative criteria, Small and medium enterprises from different countries tend to have similar organisational and strategic characteristics. It is true that these aspects are more qualitative, but they lay the groundwork for establishing a more standard method to examining companies all over the world .To "soothe feuds" among opponents of these measures, the use of both quantitative and qualitative markers is a compromise. "Small companies" refers to all enterprises with less than 50 employees that have enough additional features to be classified as part of the same category for research and policy reasons (Curran and Blackburn, 2001). We are dealing with a controversial issue that is open to criticism. Depending on the sector, two businesses with 10 to 50 employees may or may not be engaged in the same activityand so on. Non-quantitative company characteristics, on the other hand, are subject to considerable fluctuations that cannot be overlooked while only looking at statistics (Bjerregaard, 2010).

According to Curran and Blackburn (2001), fundamental Small and medium enterprises definitions, notwithstanding their shortcomings, are useful in some contexts. Basically, it may be broken down into two groups. Researchers and policymakers can benefit from estimates of the distribution of Small and medium enterprises based on qualitative factors.(ibid: 2001). A single market without internal boundaries requires measures in favour of SMEs to be defined uniformly in order to enhance consistency and effectiveness, as well as to minimise competitive distortion. All the more so, given the interplay between national and EU policies aimed at helping Small and medium enterprises in areas such as regional development and R&D funding However, the Commission urges member states to use the definition. in cooperation with the European Investment Bank and the European Investment

Fund (EIF). Contrary to popular belief, there is an increasing tendency to categorise Small and medium enterprises based on quantitative criteria, the most prevalent of which being headcount or number of employees. When cross-national economic interaction is at its greatest, there is also a propensity for definitions to go beyond the borders of one country. Small and medium-sized enterprises (SMEs) are defined by the European Union. The majority of research use this definition as a result of these definitions.

1.3. The Importance Of Smes Organizations

SMEs are of great importance in the global economy and have an effective role in the national economy. Since the seventies of the last century, they represent (90%) of the economic projects in the world and occupy between (50-60%) of the total labor force, and small and medium enterprises contribute between (25-35%) of the global exports of manufactured materials. Japan relied mainly on small projects, which constituted (99.75 percent) of the projects and absorbed about (70%) of the workforce (Al-Jawadi, 2009, pg. 87), and small projects represented (98 percent) of small projects in South Korea. The government The Korean government supported this type of industrial project in several ways, including providing low-cost funds, tax exemptions, and industrial sites, knowing that the government led the efforts instead of the market, and the Presidential Office in South Korea encouraged commercial companies and helped the heavy and chemical industries to extend their roots in the country quickly (Choi , 2018, pg. 57) In addition, small and medium-sized enterprises constitute (65-70)% in all low-, middle- and high-income countries (Tehraninasr, 2008).

Industry constitutes a very important element in the development of most countries around the world and represents a large part of the production sector in all countries, whether developed or developing. The most important of these benefits are:

1- Large projects compete and limit their ability to control prices

2- It provides job opportunities at low investment costs and works to absorb a large part of unemployment

3- Producing goods and merchandise that are difficult for large industries to establish as a result of the low per capita national income

4- Availability of hard currency through compensation for importing goods and commodities, and sometimes contributing to export

5- Contribute to making industrial areas attractive areas for the population, which reduces pressure on cities

6- Take advantage of local services

7- Take advantage of local technology

8- Contribute to meeting the needs of large industries, whether with raw materials or in reserve

9- Spreading industrial culture in society through the development and development of skills for some crafts

1.4. Advantages And Disadvantages of Small And Medium Enterprises (Smes).

SMEs have been on the rise since the 1960s. Small and medium-sized enterprisises, according to Schumacher (1973), offer the following benefits: A competitive structure exists in small and medium-sized businesses (SMEs).

- Small and medium enterprises are more productive.
- Small and medium enterprises can more easily keep up with changing technology and requirements.
- Work habits in Small and medium enterprises aren't boring or monotonous.
- There is higher resistance to economic depression among small and medium-sized companies (SMEs).
- In addition, Small and medium enterprises are more effective at creating jobs and sharing money.

Small and medium enterprises have been at the vanguard of industrialization in Western countries since 1960, according to Arkç (2001). Because they pay attention to the market, understand customer requirements better, and have close ties with their workers, small and medium enterprises have more flexibility in manufacturing, marketing, and service than large firms. By being flexible, small and medium enterprises can avoid various difficulties with minimum harm because they're capable of adapting over time and on-site. There may also be certain advantages for

small and medium-sized enterprises (SMEs) in particular situations. For example, Ylmaz (2004) points out that:

A well-balanced income range relies heavily on small and medium enterprises. Socially and economically, this balance is becoming increasingly essential. In these companies, new ideas and discoveries flourish. Because they provide for the essential flexibility, they are beneficial to industry.

- Small firms can make choices faster. Their lower managerial and operating costs allow them to produce more quickly and for less money.

-The importance of Small and medium enterprises in the development of private initiatives They also have a large number of employment and training options available to them. For the first time, a substantial number of skilled workers have received technical training.

Large corporations are not the only way to boost manufacturing and industrialization in the country.

- Small and medium-sized enterprises (SMEs) are often tasked with manufacturing intermediary goods and inputs for large industrial businesses.

- It's possible that small and medium enterprises can improve the quality of life by allowing modest investments to utilise labour forces and financial resources that would otherwise be unavailable due to societal and political limitations, Businesses of all sizes play an essential role in investing modest sums of money saved by individuals or families.

Small businesses are too important, too dominant, and rely too heavily on future income generation for marketing professionals to ignore them in this regard According to a European Community report, the following summarises the contribution of Small and medium enterprises to the economy: These businesses are essential to the commercial and industrial structure because of their size and research on a wide range of topics; their influence on all sectors with a field of production, commerce, and service; and their contribution to employment and well-being (Asai, 2019).

Small and medium enterprises, on the other hand, suffer from a number of disadvantages. For example, there is a lack of general administration and a lack of full participation of low-level workers in choices made by the owners or partners, a lack of professional and financial advisers in the company and a lack of an expert

group in funding, and a lack of money or financial preparation. Disadvantaged small and medium-sized enterprises (SMEs) may be defined as those that do not have enough product development, lack coordination between production and sales, or do not have current marketing operations.

The fact that small and medium enterprises are less profitable than their larger counterparts should be noted. This lower profitability is compatible with at least two of the several jobs (Fritsch and Müller, 2004). The seedbed and turbulence function produce economic growth, but at a cost to the survival and profitability of businesses participating in this role, while major corporations outsource their less lucrative non-core operations (Baumol, 2002).

1.5. Main Challenges And Determinants Of SMEs Accessibility To Finance

To become more competitive and join the market, SMEs must overcome several obstacles. Globalization, fast technological advancements, and a shorter product lifespan require SMEs to be more creative. However, government problems and a lack of financing may stymie this process (Dangayach, & Deshmukh, 2005). Another issue is finding competent personnel (Malhotra & Temponi, 2010), since a lack of required skills and human reluctance to change are barriers to innovation. Small and medium-sized businesses (SMEs) have less intellectual capital than huge corporations (Hsu & Fang, 2009). Furthermore, Small and medium enterprises are unable to manage innovation in a holistic manner, resulting in indefinite and problematic initiatives (Marcelino Sádaba et al., 2016).

1.5.1. Owner/Manager Characteristics

Small firms are often controlled by their owners/managers, and their ability to manage is a key factor in their success. As a result, it's no surprise that the owners' and managers' education and experience have been shown to be significant indicators of loan availability. Researchers such as Coleman (2004), Leitea and Ferreira have shown that an owner's education and experience increases company credit availability. The owner education is significant but negatively related to credit accessibility since owners with more information are more likely to know if their application would be refused. As a result, many people avoid applying for credit altogether.

This finding is supported by Coleman's (2004) research. Le, Sundar, and Nguyen (2006), on the other hand, discovered that education improved a company owner's ability to obtain bank loans. This link was shown to be non-significant in varrious investigations. A collection of demographic information about the owners/managers, such as gender, age, and marital status, is commonly used as a control variable. Younger business owners are seen to be less risk averse, thus they are more likely to borrow from outside sources (Coleman, 2004).

Young entrepreneurs, on the other hand, may find it more difficult to obtain official financing, and they may avoid applying for bank loans because they fear they would be denied (Coleman, 2004). Second, research on women and business has discovered that women have considerably greater difficulty obtaining funding than men. They are more likely to be credit rationed (Williams & Schaefer, 2013), to pay higher interest rates to get smaller loans to start their companies, and to use less formal but more informal microfinance. According to several research, women in business are more educated and skilled than males, allowing them to borrow more money from official sources. Alternatively that there is no gender difference in financial accessibility, and that women have an advantage in getting formal loans and rely on them less.

1.5.2. Small And Medium Enterprises Characteristics

Financially speaking, Small and medium enterprises differ from large corporations in a number of respects. When asked about a company's size, it's usually the first thing that comes up. Small and medium-sized enterprises (SMEs) are sometimes described as the "missing middle" because the amount of money they get from banks is inadequate to pay transaction and screening expenses Microfinance institutions can turn down borrowers because their loans are too substantial. According to Martnez-Solano (2010), small businesses have greater borrowing costs than medium-sized businesses because asymmetric information reduces as organisations get larger.

If the size of the company is indicative of its capacity to repay its debts, then small businesses are more likely to be denied credit. Compared to big enterprises, micro, small, and medium-sized companies have respectively a 31 percent, 20 percent, and 13 percent chance for loan success, according to Bigsten et al (2003).

When it comes to access to financing for firms of all sizes in 23 European Union and Asian countries, Hainz and Nabokin (2013) have done a detailed analysis. According to the authors' results, small firms are 6 percent less likely than larger enterprises to seek external funding, indicating that small businesses rely on internal financing or have a lower credit demand. Firm size appears to be positively correlated with bank loan availability in developing countries. It has long been recognised that a company's age, along with its size, is a significant element in determining its financial accessibility. A lack of knowledge (Hernández-Cánovas&Martnez-Solano, 2010; Kira & He, 2012), increased monitoring problems, and inexperience are some of the reasons why young companies struggle to attract external investment. The influence of a company's age on its ability to get finance has been varied.

Government-owned companies are believed to be able to obtain financing from development banks or public-owned banks, depending on their ownership structure. SMEs are more likely to be turned down for funding even if they have less collateral requirements and administrative complexity. Private companies are at a distinct disadvantage when it comes to borrowing because of the collateral demand. A variety of factors, including firm size, age, and ownership, have been included in prior research to determine if there are differences in access to finance between sectors and between export and non-export enterprises. According to Kira & He (2012), firms in Tanzania's industrial sector may be able to acquire loan capital far more readily than firms in other sectors.

1.5.3. Creditworthiness

Asymmetric information and moral hazard are avoided by using collateral in asset-based lending. Most borrowers are ready to put up significant amounts of money as collateral. The lack of collateral is one of the biggest obstacles to receiving bank loans. When it comes to long-term loan finance, research shows that collateral increases access to institutional funding, as well as the availability of credit generally. Kira & He (2012) assert that using land certificates as a proxy for collateral and discovered that possessing a land use certificate enhances the likelihood of getting a loan "Policy lending" has an impact on the country credit market. Access to credit is heavily influenced by factors such as the quality of financial data given by companies.

Small businesses don't want to create thorough financial accounting ince the legal accounting requirements are restricted, and as a result, banks won't loan them money. However, the financial records of businesses may be used to anticipate future performance and, as a result, assess whether borrowers will be able to pay back the interest and principle (Kira & He, 2012, p. 115). Independently audited financial statements help to reduce the danger of credit restriction.

1.5.4. Networks

Relationship financing relies heavily on networks. Relationship lending study shows how important trust is to the success of small businesses in getting loans. In accordance with Moro and Fink (2013), loan managers' trust in the company will minimise credit restrictions and enhance credit accessibility (Atieno, 2009). There is widespread agreement that networks are an effective way to handle asymmetric data (Fraser, Bhaumik, & Wright, 2013. Foreclosures on future loans can be used by creditors to punish companies that misuse cash if they have long-term relationships (Fraser et al., 2013). A lower interest rate and less collateral are also available to businesses who use it to borrow Money. It is easier for European SMEs to acquire funding when they have relationships with banks, according to Hernández-Cánovas and Martnez-Solano (2010). Networks and contacts, on the other hand, are sometimes more important when it comes to obtaining informal funding and venture capital. Instead of official business information such as financial accounts or company plans, informal creditors depend on informal information gained via business connections with borrowers.

Financial services are also made more accessible through networks with lenders, relationships with other firms, and business associations (Atieno, 2009). Few studies on small and medium enterprises have explored the relationship between network and bank funding. It turns out that firms that have previously borrowed from banks can borrow at a lower interest rate and so have a better chance of receiving another loan .For organisations that have relationships with other firms' management as well as friends and family, it is easier to obtain money from banks. Bank funding has a detrimental influence on networks with government officials, as it implies that these firms have access to government funds and programmes.

CHAPTER TWO

THE CONCEPT AND IMPORTANCE OF THE INVESTMENT

2.1. The Concept Of The Investment

The investment was not previously known as it is known at the present time, and investment operations flourished in the fifties early seventies of the last century.

As most countries, with the exception of the industrial ones, were on the path of growth in the late fifties and early sixties of the twentieth century and possessed enormous natural resources, then the industrialized countries worked to obtain concessions and licenses in order to explore this wealth in those countries in exchange for paying sums of money for the purpose of investing those wealth

Then the method of investment in developing countries developed, especially in the form that we see now through the enactment of laws for the purpose of attracting foreign money and encouraging local capital to invest in the establishment of industries in the countries because of the positive impact on the state and the transfer of technology, and most of the policies in countries call for economic openness. On foreign capital to increase its production capabilities, create new job opportunities, transfer technology and administrative systems (Al-Taan, 2007)

Investment means the use of a private or legal person in a country that is not his own his experiences, efforts or money in the work of economic projects, whether alone or In partnership with a natural or legal person, local or foreign, or a partnership with the state or with direct investment is characterized by two things: the first is the presence of an economic activity that the foreign investor works in the host country, and the second is his total or partial ownership of the project, i.e. Direct exploitation of the project (Reda 1994). Investment has been defined as “the addition of money with the aim of achieving a return, income, or…profit” (Hardan, 1997).

Investing is the process of using money with the goal of making a profit. An investment, in the broadest sense, refers to the expenditure of funds with the expectation of earning additional funds. If you're in the financial industry, investing

involves purchasing a financial product or other asset with the hopes of seeing a profit down the road.

Investing one's hard-earned money is a need for everyone. In investing, money saved from present consumption is put into an enterprise in the hopes of receiving a return on that money soon. Thus, it is a reward for patiently awaiting monetary compensation. People's savings are invested in a variety of assets based on their tolerance for risk and expected return.

Investment relates to the idea of delayed consumption, which comprises the purchase of an item, the provision of a loan, or the retention of cash in a bank account in order to generate future profits. There are a variety of investing alternatives accessible, each with a different risk-reward ratio.

An investor may build a portfolio that optimises returns while limiting risk exposure by grasping the fundamental principles and performing a comprehensive examination of the alternatives available to him or her. Here, there are two meaning of investment (Asai, 2019):

1) **Economic Investment:** Economic investment refers to the process of adding to a society's capital assets. Society's capital stock consists of the things that go into making other things, such as food, clothing, and other necessities. The term "investment" refers to the creation of new and productive capital in the form of new construction and long-lasting producers' instruments such as machinery and plants. This idea incorporates both inventories and human capital. As a result, when we say we've made an investment, we mean we've added to our property, equipment, and inventory.

2) **Financial Investment:** This is the allocation of financial resources to assets that are projected to provide a profit or return over a certain period. It refers to the exchange of financial assets like stocks, bonds, and real estate, amongst others. Investing includes comparing things like stocks and bonds, which are printed on paper. People put their money into things like stocks, debentures, time deposits, national savings certificates, life insurance policies, and provident funds, amongst other things. According to them, investing is the act of committing money with the goal of earning money in the future, such as interest, dividends, rent, premiums, and pension benefits, as well as an increase in the capital's worth. Primitive economies

tend to favour actual investments, whereas contemporary economies place a greater emphasis on financial investments (Al-Taan, 2007).

The economic and financial notions of investment are intertwined because investment is a portion of individual savings that flow into the capital market either directly or via institutions. As a result, financial and investment decisions affect one another. When it comes to financial decisions, it's all about where the money comes from, but when it comes to investing decisions, it's all about how it gets spent.

Therefore, we find from this definition that the main goal is profit on the part of the investor, and we support him in that, but this goal needs other aspects to achieve for the country, such as transferring new technologies and opening new job opportunities (Carter & Jones-Evans, 2006).

Investments in securities and bonds will be excluded, and the focus will be on investment in industrial projects

2.2. Issues Related To Investment

2.2.1. Investment Versus Financing

There are many activities that go under the umbrella word "investing," but the common goal is to "use" the money (funds) over time to increase the investor's wealth. Invested money comes from a variety of sources, including cash on hand, borrowed funds, and long-term investments. Investors believe that by putting their money to work instead of spending it now, they will have more money to spend in the future.

However, it's important to distinguish between actual and fictitious investments. Investments in real estate, machinery, and factories, among other things, typically include some sort of physical asset (Daniel & Cross, 2018).

Stocks, bonds, and other financial assets are all examples of financial investments. Corporate finance covers a wide range of issues, including , project analysis, short- and long - term financing, capital structure, and current asset management. To ascertain whether an undertaking should be carried out or not, project analysis looks at whether or not it should be done, while capital structure looks at the kind of lengthy funding the business should take to succeed in its current and expected market. The daily cash flows of a firm are controlled through current

asset and current liabilities management. Corporate finance is also concerned with how a company's profits are distributed among its shareholders, the government, and the firm itself (through dividend payments and tax payments) (Daniel & Cross, 2018).

However, finance is crucial for the business. These days, companies raise capital through offering stocks and bonds to the public. These securities are exchanged on the financial markets and investors have the option of buying or selling securities that have been issued by the firms. As a result, both investors and enterprises in need of capital find it in the same location - the financial market. The connection between businesses and financial markets is studied and practised in the corporate finance field, whereas the interaction between investors and financial markets is studied and practised in the investment field (Coleman, 2004).

Research and decision-making methodologies used in the investments area are also distinct from those used in corporate finance. Quantitative methods may be used to tackle a variety of investment problems, and both qualitative and quantitative methods are commonly utilized when dealing with corporate finance challenges. While this is true, both corporate finance and investment use the same financial concepts, such as present value, future value, and capital costs. Although the procedures employed in investment and finance evaluations for decision making are often the same, the interpretation of the data varies depending on whether the investor or financier is reviewing the results. When a corporation issues and sells securities on the market, for example, the firm will use valuation to try to get a higher price and lower cost of capital, while investors will use valuation to try to get a lower price and a higher probable needed rate of return on their investments (Carter & Jones-Evans, 2006)..

The phrase "speculation" is commonly used in conjunction with the term "investment".

Speculation, like investment, has a short-term time horizon and typically includes acquiring marketable securities in the hopes that their price will rise fast, resulting in a quick profit. Speculators aim to benefit from market volatility by buying cheap and selling high. As financial market swings become increasingly unexpected, speculating is now considered the riskiest kind of investment.

There are two types of investors:

Individual investors;

Institutional investors.

In this context, individual investors are those who invest only for their personal benefit. Individual investors are often referred to as retail investors. The trend of institutionalizing investors has been taking place in recent years. The fact that institutional investors may attain economies of scale, demographic pressure on social security, and changes in the role of banks are the primary causes for this (Bjerregaard, 2010).

2.2.2. Direct Versus Indirect Investment

Direct or indirect investment strategies are available to investors. Investing can be done directly or indirectly through the use of financial markets and intermediaries. Direct investing differs from other forms of investing in that individuals purchase and sell financial assets directly instead of through a broker, and they are also in charge of managing their own investment portfolios. and the success of their investments is dependent on their knowledge of financial markets, their fluctuations, and their ability to analyse and evaluate their investments as well as manage their investment portfolio (Bjerregaard, 2010).

Indirect investment, entails investors purchasing or selling financial instruments from financial intermediaries (financial institutions) who manage and invest large sums of money in the financial markets. Investors save time and effort by not having to make investment decisions for their entire portfolio when they use indirect investing. When using indirect investing, an investor's risk is more closely linked to the trustworthiness of the institution they choose as well as the expertise of the portfolio managers they select. Indirect investors are more common among financial entities that invest and manage a portfolio of assets. These firms may provide a variety of services to their clients in addition to diversity by pooling the money of thousands of people. Professional asset management and liquidity management are two of these services (Baumol, 2002).

When investors "use" their money, they skip financial institutions and financial markets altogether. This is known as direct lending. This type of transaction,

however, is extremely hazardous because of the well-known American saying, "don't put all your eggs in one basket." That brings us to the subject of investing diversification. Direct commercial transactions, on the other hand, are severely restricted by law in order to prevent the potential of money laundering.

Companies can raise funds from the general public (those with extra cash to invest) by issuing and selling securities on the stock exchange. They can also use financial intermediaries to obtain funds from the general population. Intermediaries also make money by allowing members of the public to keep investments (Baumol, 2002).

2.3 Investment Types

At the end of the last century and in the technological renaissance that emerged, regional integration and reorganization of the economy, views changed about the concept of foreign direct investment in the goals of those countries. For these reasons, the current generation of scholars mentioned the benefits and costs of foreign direct investment, and also mentioned that national and foreign companies contribute the most of the national, economic and social needs, taking into account two important things (Carter & Jones-Evans, 2006).

The first: the decision-maker in the state should strive to learn from the successes and failures in this field, while regulating new laws that are more appropriate to the state’s special needs.

Second: They should be careful in generalizing experiences about the consequences of foreign direct investment, because each country has its own peculiarity and has certain resources that differ from the rest of the countries.

There are five factors that develop competitiveness

1- Through state companies that produce efficiently, for example, by reducing organizational costs or increasing the productivity of workers

2- By selecting better and better components, improving existing products and production processes, and improving organizational structures

3- By reallocating capabilities and resources to produce goods and services better suited to the country's dynamic advantage

4- By acquiring new markets, provided that their cost is not relatively high

5- By reducing costs and speeding up the production process in response to global demand

Foreign direct investment may increase the production of goods and services and have a way to stimulate the work of suppliers and competitors, raise quality standards, open additional sources of purchase and markets, and may enhance the geographical grouping of related activities and the work of aggregated economies and work to raise the productivity of resources and original capabilities, improve quality standards and stimulate economic growth (Baumol, 2002).

2.4 Investment Objectives

Many people have acquired a fortune by investing, which is a widely practised activity. To begin, identify the features of various investments and then match them to the needs and preferences of the person. Investing for one's own benefit is always aimed at achieving a certain goal. These goals might be material, like owning a vehicle or a house, or intangible, like having a high social standing or feeling secure, like having a job. Safety, profitability, and liquidity are all important financial goals to have in mind. A person's personal or individual goals may be linked to their personal qualities, such as family responsibilities, status, dependents and educational needs (Al-Taan, 2007).

Following is a breakdown of the goals based on how investors approach them:

a) Short term high priority objectives: Investors place a great value on attaining certain goals in a short period of time. When a young couple starts a family, buying a property is likely to be one of their top priorities. As a result, investors will place a high value on objectives that are of the most importance to them and allocate their resources appropriately.

In the long run, some investors prioritise long-term requirements in their investments, while others focus on short-term gains. They aim to become financially independent over the long term. When making investments for the future, such as a child's schooling or a post-retirement period, investors often want to take a diversified strategy.

b) Low-priority goals: These goals aren't given much attention when it comes to investing. These goals are not burdensome. Investing in low-priority assets is an

option for investors who have already made investments in high-priority ones. As an illustration, consider travel expenses, household appliances, and so forth (Baumol, 2002).

c) The goal of making money: Investors invest their extra funds in this type of investment. Their goal is to acquire as much money as possible. Investors frequently purchase shares of businesses that provide the potential for capital appreciation in addition to dividend payments on a regular basis.

Every investor has a certain goal in mind when it comes to investing their money.

The relevance of each aim varies from investor to investor and is dependent on the investor's age and available cash. The following are the broad aims (Dangayach, & Deshmukh, 2005)..

a. Lifestyle - Investors want to be sure that their assets can satisfy their financial demands for the rest of their lives, including retirement.

b. Financial security - Investors want to ensure that their financial demands are always protected from financial threats.

c. Reward – Investors seek a risk-reward ratio according to each individual's risk preferences.

d. Value for money - Investors seek to keep the costs of managing their assets and their financial requirements to a minimum.

investors desire peace of mind, not to be concerned about the day-to-day fluctuations of the markets and their present and future financial stability.

To achieve all of these goals, the investor must have all of their assets and requirements handled centrally, with portfolios designed to satisfy long-term needs and one overarching investment strategy that ensures the disposition of assets matches individual needs and risk preferences.

There are several goals by foreign investors outside their country of origin, and other goals for the host countries of the investment project. Among the most important goals of the investor are the following (Khryosh et al., 1999):

- Obtaining raw materials for use in industry.
- Benefit from investment laws and tax exemptions.

- Finding new markets for foreign companies in the countries where new branches have been opened.
- Benefit from labor, which is often cheap in developing countries.
- Achieving profits that exceed the profits achieved by the company in its original home.
- It is easy for foreign companies to compete with local companies due to their technology, experience, and large capital.
- Companies benefit from diversifying their investments in many countries from reducing risks.

As for the countries hosting the investment, their objectives can be summarized as follows

- Benefiting from the technological progress and the art of modern management of developed countries with the use of rare administrative expertise as found in the various laws.
- Attracting foreign capital to invest in developing countries, specifically, to alleviate the problem of unemployment in the projects that are being established.
- The host country is trying to increase the percentage of exports and reduce imports by increasing local production.
- Training local workers on advanced technical and administrative work and on the use of advanced production tools.
- The state's attempt to enter new markets and develop its trade movement with the around world

We conclude from the foregoing that there are goals that the investor seeks to achieve, including obtaining raw materials, tax exemptions, and protecting his capital in the investment law. Also, the host country seeks to achieve industrial progress and societal advancement.

2.5. Components Of Investments

Investing has the following components:

a) Return: Investors acquire and sell financial products to get a return on their investment. Investors receive a return on their investment, which they might call a return on investment (ROI). Investing returns include both current income and capital gains or losses due to changes in the security's price.

In other words, risk is the possibility of losing money on an investment because of the wide range of possible outcomes. Every investment has the potential to go bad. Loss of interest, dividends, or the capital invested are all possible outcomes. Risk and reward, on the other hand, are inextricably linked. Return is a precise statistical word that can be measured. In any case, the risk is not a statistically precise word. However, it is possible to quantify the danger. Both risk and reward should be considered when making an investment.

b) Time: the passage of time is an essential consideration when making an investment. It provides several options for action. How long an investment will last is determined by whether the investor has a "buy and hold" mentality. Analyses predict that as time passes, circumstances will shift and investor expectations about returns, and risk will shift as well (Dike, 2008).

c) Liquidity: When investing, take liquidity into account as well. Liquidity refers to an investment's capacity to be turned into cash on demand. The investor demands a prompt refund of his funds. As a result, the investment should supply the investor with some form of liquidity. The investors must have tax exemptions from their investments in order to make a profit. Certain investments exempt investors from paying any taxes. Investments that reduce taxes enhance the return on investment. As a result, investors should consider ways to save on taxes while simultaneously making smart financial decisions that will optimise their net investment return.

2.6 Investment Attributes

Every investor has a certain goal in mind when making an investment, whether it's for the long term or short term. Such goals might be monetary/financial or personal in nature. The following are the three primary financial goals:

a. the fund's safety and security (Principal amount)

b. Possibility of a profit (Through interest, dividend, and capital appreciation)

c. the degree of realism (Convertibility into cash as and when required)

These goals have a universal nature, since every investor wants to have a good balance between these three financial goals. Even if the interest rate provided is highly appealing, an investor will not want to take an excessive risk with his principle. Investment characteristics refer to all these aspects.

1) Investors choose appropriate investment channels based on their own objectives, which are considered. Personal goals might include things like saving for retirement and illness, building a house, paying for children's education and marriage, and eventually providing for dependents like a spouse, parents, or a family member who is physically disabled. The investment avenue chosen must be suited to achieving both financial and personal goals. The benefits and drawbacks of various investment options must be weighed considering such investing goals (Blanc & Lagasse, 2006).

When deciding on an investing strategy, one of the most important factors to consider is the time frame for the investment.

a. Short Term (up to one year) - Investment avenues with low or no risk are appropriate for meeting such objectives.

b. Medium-Term (1 to 3 Years) — Investing avenues with better returns but somewhat higher risk might be examined, and finally

c. Long-Term (3 years or more) — Investors with a sufficient time horizon might examine investments that give the highest returns but are also regarded to be more hazardous.

2) Investment Risk: The risk is an additional aspect that should be carefully considered while making an investment decision. A certain amount of risk goes along with any investment since the investor needs to part with his money up front and then get it back with a profit later in time. Some investing routes carry a higher level of risk than others.

Liquidity risk, inflation risk, market risk, company risk, and political risk are just a few of the risks associated with an investment. The goal of an investor is to reduce risk while maximising the return on the investment they've already made.

2.7. Investment Management Process

To manage money or funds, the managers used the investment management methods. The investment management process explains how an investor should go about making decisions. A five-step approach may be used to reveal the investment management process,

The first and most crucial phase in the investment management process is determining an investment policy. Setting investing goals is a key part of an investment policy. It is important that the investment policy include defined objectives based on the investor's expected investment return and level of risk aversion. For instance, the investment strategy may stipulate that a 15 percent average return on investment is the goal, with losses of greater than 10 percent to be avoided. Knowing an investor's risk tolerance is critical, since everyone wants to make money, even if it means taking on more risk.

However, because to the strong correlation between risk and return, investors should not establish their investing objectives as simply "to earn a lot of money.". Investing objectives should be specified in terms of both risk and return.

Other key constraints that might affect investment management should be stated in the investment policy. Constraints might include the investor's demand for liquidity, their expected investment horizon, and any other specific preferences or wants. The time horizon for investments is known as the investment horizon. An infinite or short time horizon might be assigned to a projected time horizon (Handzic, 2006).

Individual investors should base their investing goals on an evaluation of their present and long-term financial goals. How much a potential investor can invest now and need to have at the end of their investment horizon determine the needed rate of return. Investors who want to make more money from their investments must first choose how much risk they are willing to accept and whether or not it is appropriate for them to take that risk. The investor's tax situation might be factored into the investing strategy. The final step in the investment management process is to identify the different types of financial assets that may be included in the investment portfolio.

On the basis of investment objectives, quantity of investable money and time horizon as well as the investor's tax situation, the potential groups are identified. It's clear that diverse financial assets have varying degrees of risk and, as a result, return potential. Common stock, for example, will not be an acceptable investment for an individual with a low risk tolerance.

Analyzing and assessing investment products. When the investment policy is in place, the investor's objectives are established, and the prospective financial asset categories for inclusion in the investment portfolio are recognised, the investment kinds accessible for analysis may be examined. This phase entails looking at a variety of relevant investment vehicles, as well as the specific vehicles within each group. An investment vehicle relevant to an investor is a common stock, therefore the study will focus on it as an investment.

There are several methods for conducting this type of investigation. Technical analysis and fundamental analysis are the two most common types of analysis. Technical analysis is the study of market prices with the goal of predicting future changes in the price of a certain financial instrument traded on the stock exchange.

The next phase in the investment management process is the creation of a diversified investment portfolio. Investing portfolio refers to a person's collection of investment vehicles that they have selected to help them achieve their financial goals. The investor must deal with the concerns of selection, timing, and diversity while forming a portfolio. With selectivity, the focus is on individual asset price movements rather than broad market trends (Fabozzi, 1999).

It is important to diversify an investor's portfolio in order to reduce or minimise investment risk. You can use two methods of portfolio diversification:

(1) random diversification, where a variety of financially available assets are selected at random and

(2) objective diversification, where financial assets are selected for the portfolio based on investment objectives and appropriate techniques for asset analysis and evaluation.

Professional investors follow predetermined investment objectives when creating and maintaining their portfolios, according to investment management theory.

Revision of the portfolio; this phase in the investment management process is concerned with the review of the previous three stages on a regular basis. Long-term investors' investing objectives may change over time, making the portfolio they presently hold less optimum and even at odds with their newly established investment objectives. If an investor wants to build a new portfolio, he should sell some assets from his present holdings and acquire ones he doesn't have yet. Other reasons for changing a portfolio could include asset values fluctuate over time, thus some once-attractive investments may no longer be so. So, an investor should offload one item and acquire another that he or she believes is more appealing at this point in time. The choice to make modifications to the portfolio revisions is influenced by transaction costs. For institutional investors, portfolio revision is a continuous and crucial aspect of their business. Individual investors, on the other hand, must frequently review their portfolios. (Wickert & Herschel, 2001).

Portfolio performance is measured and evaluated. Investing management's last stage entails monitoring the portfolio's performance on a regular basis to see how well it's doing in terms of both return and risk. When evaluating portfolio performance, it's essential to use suitable return and risk metrics and benchmarks. The performance of a specified group of assets is used as a benchmark because it can be compared to other assets. The benchmark might be a well-known asset index, such as an index of stocks or a bond index. Institutional investors utilise the benchmarks extensively when assessing the performance of their holdings.

It's critical to remember that the investment management process is a dynamic one that's always evolving in response to changes in the investment environment and investor attitudes. The expansion of the global economy provides investors with new opportunities, but it also makes investment management more difficult because of the rising amount of uncertainty in the market.

2.8. Investment Environment

Existing investment instruments available to investors, as well as venues where these investment vehicles can be transacted with, might be considered part of an investor's investing environment. This section will go on to discuss and present the many types of investment vehicles and financial markets.

2.8.1. Investment Instruments

To better comprehend financial assets, even though solely financial assets are addressed further in this course, a comparison between certain key aspects of investing in these types of resources and investing in physical assets is provided.

This is a key distinction between investing in financial assets vs. physical goods:

Assets in the financial sector can be divided, but most physical assets cannot. You can purchase or sell part of anything, which means it's divvy up. If we're talking about financial assets, this means that an investor may purchase or sell a tiny percentage of the entire business as an investment item by purchasing or selling several common stocks (Alegre & Chiva, 2008).

When it comes to physical assets, marketability (also known as liquidity) trumps all other characteristics. Marketability (or liquidity) refers to the ease with which an asset may be converted from one form of payment to another without materially altering its value. In the case of financial assets, the anticipated holding time might be significantly shorter than in the case of most physical assets. Investing holding period refers to the time span between placing an order to buy an asset and selling it. Financial assets such as securities, on the other hand, can be held even by short-term investors for a few months or years before they need to sell them.

The ease with which investors may get the information they need to make informed investment decisions and get positive returns on their investments demonstrates the genuine potential of investors getting the information they need. Many revealed variables that affect the value they have on investors' analyses and decisions may be taken into consideration.

Even if we focus just on financial investments, there are a plethora of investment vehicles to choose from. Because of weakened local financial institutions and restricted investment technologies in the global investment environment, ongoing processes of globalisation and integration have opened new investment vehicles to investors who previously had no access to them.

When it comes to investing, new financial technologies provide investors additional options, but they can complicate both the investment process and investment decisions. This is because investors still need to remember the golden rule of investing: only invest in what you understand. As a result, the investor must first learn how various investment vehicles differ from one another before selecting the ones that best meet his/her needs.

Investment instruments' return on investment and risk, which is defined as the uncertainty about the actual return gained on an investment, are the most significant criteria on which the entire diversity of investment vehicles can be based. Due to the characteristics of these financial instruments, each form of investment vehicle may be classified as having a particular amount of profitability or risk. Although the characteristics of risk and return may be used to evaluate various types of investment vehicles, the riskiest and the least risky investment vehicles can be identified. There is a strong correlation between investment risk and return; therefore, understanding the differences between different investment vehicles is impossible without considering both important characteristics (Vezina, 2011).

Short term investment money market funds are the most common forms of investment vehicles. Common stock, speculative investment vehicles, and other investment instruments

2.8.2. Financial Markets

Money moves from extra finances, who acquire securities, to those who need cash, through the financial markets. A financial market may be thought of as a set of mechanisms that allow participants to trade more easily. According to Fabozzi (1999), the financial sector serves three important economic functions:

- The financial market affects asset values through the activities of buyers and sellers.

- The financial market makes financial assets more liquid.
- The financial market lowers transaction costs by lowering explicit expenses, such as advertising money paid to purchase or sell a financial asset.

These features can be used to classify financial markets:

The order in which securities are sold and bought; the duration of time that financial assets traded on the market are in circulation; the economic nature of securities exchanged on the market; and so on.

All securities must first be traded on the main market before being traded on the secondary market.

Corporations and governments can get money in the primary market, which is also where the first transactions involving freshly issued securities take place. When a company's stock is initially placed on the primary market, it is known as an initial public offering (IPO).

In the primary market, investment banks play a critical role. Assume the role of underwriter for a new offering, ensuring that the funds are available to the issuer. Investors trade previously issued securities on the secondary market. The secondary market is rarely accessible to individual investors.

OTC markets, alternative trading systems, and organised security exchanges are all forms of trading. Only members of a regulated stock exchange are allowed to trade securities. Among the group's members are brokerage companies, who provide.Other participants of the exchange can buy or sell on their own behalf. setting their own pricing for purchases and sales for their own behalf, either as dealers or market makers. There are no criteria for membership, and a large number of brokers choose to become OTC dealers often seen as high-risk investments since they aren't substantial or stable enough to be listed on a major exchange, respectively. (Forth & Pillania, 2008)

One way an ATS works is by connecting, rather than via established market locations like stock exchanges. Instead of trading on their own behalf, brokers that utilise ATS do it on behalf of the customers they serve. Comparing ATS to traditional markets, the biggest advantages are the lower transaction costs, the speed

with which liquid securities trades may be carried out, and the longer trading hours, which are critical for investors trading significant quantities.

Financial markets are classified as follows from the standpoint of a certain country: Internal or national market International market, as in the around world.

It is possible to break down the internal market further into two distinct segments: the internal market and the external market. To trade securities issued by domestic issuers (businesses and governments), you must go to the domestic market. The foreign market of a country is where the securities of foreign companies are exchanged.

When we talk about the external market, we also mean the international market, because it comprises securities that are issued simultaneously and go to investors in several countries (for example, offshore market).

CHAPTER THREE
CONCEPTUAL FRAMEWORK FOR INVESTMENT AND INDUSTRIAL PROJECTS MANAGEMENT IN IRAQ

3.1. An Overvıew Of Iraq

Iraq lies in the Middle East, bordering Iran, Turkey, Syria, Jordan, Saudi Arabia, and Kuwait on the Persian Gulf. The Ottoman Empire included Iraq. During World War I, it was occupied by Britain, and in 1920, it was put under the League of Nations' mandate and administered by the United Kingdom. Iraq acquired its independence as a monarchy in 1932 after a series of events over the next twelve years. The republic was established in 1958, although the nation was governed by powerful military forces until 2003.

Iraq has had a horrible time of turbulence and injustice during the last three decades. War and the totalitarian rule undermined and destroyed the country's economy and infrastructure. Iraq has embarked on a new route of economic growth since the fall of the former administration in 2003, constructing infrastructure and a fragile business culture.

Iraq's economy is dominated by the oil sector, which typically provides more than 90% of foreign exchange earnings. Although looting, insurgent attacks, and sabotage undermined efforts to rebuild the economy, economic activity began to pick up (Kidd, 2009). Some figures on Iraq’s economy is as follows:

Gross Domestic Product: $515,3 billion at current prices for the year 2010. **Average GDP per capita:** $4,664 at current prices for the year 2010 (preliminary estimates). **Sectors’ contribution to GDP:** Agriculture 9.4% Mining and quarries (including oil) 0.42% Industry.

3.1.1. The Legal Aspect, Legislation And Investment Laws

The Industrial Investment Law enacted Law 20 of 1998 in order to keep pace with the development taking place in the industrial sector and to achieve the advancement of this important sector.

This legislation intends to promote the industrial sector, grow its operations, assist the private and mixed sectors, and arrange state oversight of industrial projects, especially financial help and exemptions for industrial projects.

The General Directorate of Industrial Development is in charge of issuing the required permits for the establishment of industrial ventures. It focuses on identifying investment opportunities, directing investors to them, establishing the controls and standards required for the establishment of industrial projects, issuing industrial project licenses, providing economic and technical advice, and laying the groundwork for collaboration with other parties involved in industrial development. To ensure that this legislation and the directions on industrial industrial projects are followed (Heretic & Kholoud, 2017).

Every industrial project whose primary purpose is to produce a specific commodity for final consumption including software, through a transformation in form or structure, provided that the work in it is managed by force, is referred to as an industrial industrial project (Dike, 2008).

The license to establish an industrial industrial project is issued on the basis of a request to establish that meets the statutory terms and criteria, and the General Directorate of Industrial Development must make a decision on the request within fifteen days of receiving it. Within 30 days of receiving his notification, the investor has the option to file an objection.

With the exception of those who inherited the industrial project, the candidate must be Iraqi and have completed eighteen years of age.

Industrial Development Law exemptions and privileges

1- Existing industrial projects are exempt from all taxes and fees for a period of five years, with the exception of income tax and production fees imposed on the manufacture of cigarettes and spirits, as well as the workers' share established under the law on the distribution of profits in companies.

2- For a period of ten years from the date of granting them an incorporation license, industrial projects that obtain a license to establish after the law's entry into force are exempt from all taxes and fees, except income tax and production fees imposed on the production of cigarettes, beer, and spirits, including the workers'

quota. The yearly earnings of industrial projects are free from income tax based on the annual percentage of net profit given below over a five-year period, starting from the year in which a profit is achieved for him and after obtaining a license to establish

A - 10% for individual owned industrial projects 20% in less developed cities, countryside and remote villages

B - 15% for joint stock companies and 20% for rural and rural joint stock companies

C - 20% for mixed sector companies and 30% for mixed sector companies in villages and rural areas

4- The relevant state departments allocate what the industrial industrial project needs from the lands owned by the state within the basic designs of the cities and provide them with the necessary services and rent them for an allowance equal to the wage of the same.

Despite these facilities in the law and government support for industrial industrial projects, however, in many cases the law is not implemented and there are several reasons, including:

1- Unavailability of suitable lands for industrial investment and the non-participation of the Federation of Industries in the membership of the Land Distribution Committee

2- The lack of sufficient cash in the industrial bank

3- The absence of Islamic banks operating in the Islamic lending system for those who do not wish to obtain a loan with interest

4- Lack of government support for industrial projects with state-subsidized fuel

5- Not subjecting the imported products to inspection, standardization and quality control, which leads to the entry of cheap and poor quality competitive goods.

6- Difficulty in transporting vehicles transporting local products or raw materials between governorates and the region

7- Entry of products prohibited from importing from border ports

8- Customs duties on imported raw materials for industrial industrial projects

9- Non-compensation of industrial industrial projects damaged by the terror attacs.

10- Not activating laws that protect industrial companies, such as the Consumer Protection Law, the Competition Law, the Prevention of Monopoly, and the Law on the Protection of Products from Importation, which can be provided by gradually relying on local products.

3.1.2. Finance Institutions In Iraq

1- The Central Bank: It is the monetary authority that is concerned with supervising the banking system in Iraq, and it is the most important source of financing in Iraq, but it is not an active institution in financing small industrial projects.

2- Governmental banks:

- Rafidain Bank
- Al-Rasheed Bank

3- Specialized government banks

- Commercial bank
- Agricultural Bank
- Industrial bank
- Real estate bank

4- Private banks

5- Islamic banks

It constitutes 4% of the banks in Iraq and is characterized by its banking weakness. Among the difficulties facing the lending process, we can mention the following:

1- The owner of the industrial project usually needs long-term credit, but the period set by the banks is short-term.

2- The guarantees that banks usually request (land and real estate), but in most cases the loan applicant does not own them.

3- Interest rates are usually high and do not match the revenues of these industrial projects, which leads their owners to abandon the idea of the loan.

4- The lack of laws protecting industrial project owners in the event that the industrial project owner defaults on payment, which makes the owners unwilling to continue with them.

5- Weakness of industrial project owners in dealing with banks and their laws and the concealment of some financial information about industrial projects for fear of taxes, which makes banks wary of the lending process

6- Banks prefer lending large industrial projects over small industrial projects

7- The lack of a feasibility study that the bank depends on when lending

8- The size of bank profits was affected by the high administrative costs of lending these industrial projects

Problems faced by banks in the financing process are as follows:

1- The high degree of risk in repayment, which leads the bank to be very cautious about the feasibility of lending.

2- The inability of the borrower to provide guarantees, which are sometimes four times the amount of the loan.

3- Banks' interest rate is too high for the huge amount loans.

4- Lack of interest for small and medium enterprises.

5- Lack of confidence in the owner of the small industrial project and his credit score.

6- The inability of the industrial project owner to market his products, which is negatively reflected in the repayment of the loan

3.2. Investment Environment In Iraq

With a score of 44.7 out of 100, Iraq is placed 172nd out of 190 countries in the Doing Business report for 2020. Most of the metrics in the study indicated a

decline in Iraq, including starting a business, dealing with construction licenses, acquiring power, registering property, paying taxes, trading across borders, safeguarding investors, enforcing contracts, obtaining finance, and resolving insolvency. Despite all the benefits given by the amended and expanded Investment Law No. 13 of 2006, Iraq has been unable to attract international capital. This demonstrates the fundamental problem with the National Investment Commission's management of the investment file, as well as the governorate investment commissions established under the law, as well as numerous other obstacles, the most notable of which are (Kira, & He, 2012):

1. Institutional barriers, such as the problem of routine and bureaucracy, as well as a lack of understanding of the nature of industrial investment.

2. Transparency and clarity are lacking. The economic climate lacks the critical openness that businesses and capital owners require when making investment decisions. Transparency here refers to data that may assist firms and investors forecast future domestic economic circumstances, as well as organize and lead future investment plans and decision-making.

3. The issue of land distribution for industrial investment projects. This problem affects investment commissions for a variety of reasons, including changes in property categorization, failure to upgrade basic city plans, and continuous land ownership conflicts. The lands, not the investment commissions, are owned by other organizations.

4. The one-stop shop directorate (established by investment commissions) is useless because the ministry officials in this directorate lack the authority needed to expedite the permission procedure. This causes delays in receiving sector clearances from key ministries within the timeframe required by law (the investment legislation stipulates 15 days for ministries to issue views), delaying the issuance of the investment permit.

5. Infrastructure, which is regarded one of the most essential foundations of the investment environment in most governorates, is rapidly degrading.

6. Political conflicts have a detrimental impact on investment commissioners' functioning, particularly in the selection of senior management. It's worth noting that many cadres in investment commissions aren't experts in the field.

3.3. Difficulties Facing in The Industrial Projects In Iraq

3.3.1. Managerial Change

Despite their differences, political changes and industrial sector industrial project management are two processes that are entails more than being technically savvy and capable of dealing with managerial challenges (Pinto, 2000).

It is critical to acknowledge that they are prevalent and have a significant impact, particularly in countries where democracy is gaining traction, such as the Middle East and North Africa. Political change, and how to create industrial projects in a developing political framework, is a major challenge for industrial project managers.

Every democracy, especially one that aspires to satisfy society's aspirations, must face political transformation (Dike, 2008). This type of government seeks to win under strong leadership and attempts to enhance people's lives and provide better services. Having a poor awareness of current economic events and how scientific and technological breakthroughs may be used in Iraq to improve the country's predicament (Salem, 2012).

3.3.2. Decentralization in Iraq

Unprofessional and low-quality growth plans stemming from a lack of engagement from people with the necessary skills, training, and field experience have hindered the whole process. It has created significant concerns that need to be considered and examined, thanks in part to the federal fovernment directorates, which are beneficiary entities for industrial project development, (Kidd, 2009).

3.3.3 Leadership Style

It has been emarked over sixty years ago that the fundamental limiting aspect to the achievement of development in Iraq may prove to be the efficacy of the administrative machine, not the amount of money for investment, nor even the restrictions of educated personnel and resources available.

3.3.3.1 Leardership of Iraqi Industrial Project Management

Iraqi legislation gives the governor total authority over all administrative, financial, and technical aspects of the country's regional development and industrial initiatives.

The senior administrative and political officials in charge of developing and approving industrial project plans, as well as overseeing their execution. They are appointed by provincial administrations through elections or consensus.

3.3.3.2 The Lack of Managers in Millions Dollar Industrial Projects

The shortage of qualified workers in Iraq is posing a greater challenge to developing industrial ventures. Civil engineers and other specialized specialists are in short supply in Iraq, where there are many unskilled, unemployed, and underemployed people in the business environment. It is either necessary to train Iraqi engineers or to hire expatriates. Managers, particularly those capable of overseeing multibillion-dollar industrial projects, are also in short supply.

In addition to a scarcity of experienced managers, unequal opportunities as a result of political interference are to force becoming effective leaders. Managers are recognized and promoted more for their political acumen than for their technology or managerial successes due to bureaucratical prejudices. As a result, in the lack of effective management, the company will continue to deteriorate, with missed chances, squandered resources, and problems (Kidd, 2009).

3.3.4 Administrative and Financial Conflicts

The decision-making process is an essential component of all government operations. When a leader's and an industrial project team's decision-making process goes against all scientific criteria and moral conventions, moral behavior is inescapable.

The prevalence of moral and financial conflict in Iraq might be attributed to faults in the country's legislation. The Integrity Commission, for example, is in charge of monitoring events in Iraq and is primarily focused on law enforcement all employees are forced to implement rules that, in effect, embezzle public monies

without suffering legal repercussions. Financial and administrative matters have been delegated in all of Iraq to the following institutions:

1. The Supreme Audit Board of the United States (FBoSA)

2. Office of the Inspector General (IGO)

3. The Integrity Commission (COI)

Since 2003, the Coalition Provisional Authority in Iraq has had an influence on financial oversight and related institutions. Its vision has resulted in a trend in Iraq to regulate the allocation of public funds, influenced by American surveillance procedures.

The Commission of Integrity and the Office of the Inspector General were established as two independent government commissions in 2004. They are responsible for anti-corruption efforts in Iraq.

3.3.5. Regulatory Changes

At each new electoral stage, Iraq sees a flurry of regulatory reforms. The selection of a new governor and his deputies followed the modifications, which consisted of the main roles of responsibility within Iraq, positions of governance, and procedural changes. As a result of these transitions, priorities frequently shift, depending on the new senior management's vision and the changing local political landscape.

The question is, are there changes that affect production? of industrial initiatives. Between 2006 and 2017, encompassing three election cycles, Iraq's leaders have minimal competence and experience with industrial project management and implementation, according to the data collected in this study. Despite this, these leaders initiated a slew of management improvements. As a result, they achieved little or no change for the better during time in office. The changes had no effect on overcoming obstacles, improving practice, or improving performance in fact, they contributed to the problem.

CHAPTER FOUR
A FIELD STUDY ON SMES OPERATING IN MOSUL (IRAQ)

4.1. Sampling and Data Collection Process

This study is based on a questionnaire which conducted on managers and employees of factories and industrial companies in the city of Mosul in Iraq. According to the classification of the Iraqi government, the small companies employing 10 employees and medium companies employing 10-30. The factories and industrial companies registered in Mosul, represent the research population, amounted to about 1586 factories, while the total of factories and industrial companies in all of Iraq was 103000 factories, and the percentage of industrial companies in the city of Mosul represents 15.3% of Iraq, according to the official data obtained from (Nineveh Chamber of Industry).

In this study companies were selected using the random sampling method. Random sampling is an approach in which all the units in the population have an equal and independent chance of being selected for sampling. All the questionnaires were distributed to the participants through workplace visits (face-to-face). The responses of 46 participants were determined to be proper for data analysis. We examined the adequacy of the sample size, since the sample size was 46. We followed Daniel & Cross (2018), and Wonnacott & Wonnacott (1990) to determine the adequacy of sample size. We determined the sample size (46) is adequate with a confidence level of 90% and a margin of error of 9.6%. The Figure 1 displays the research model.

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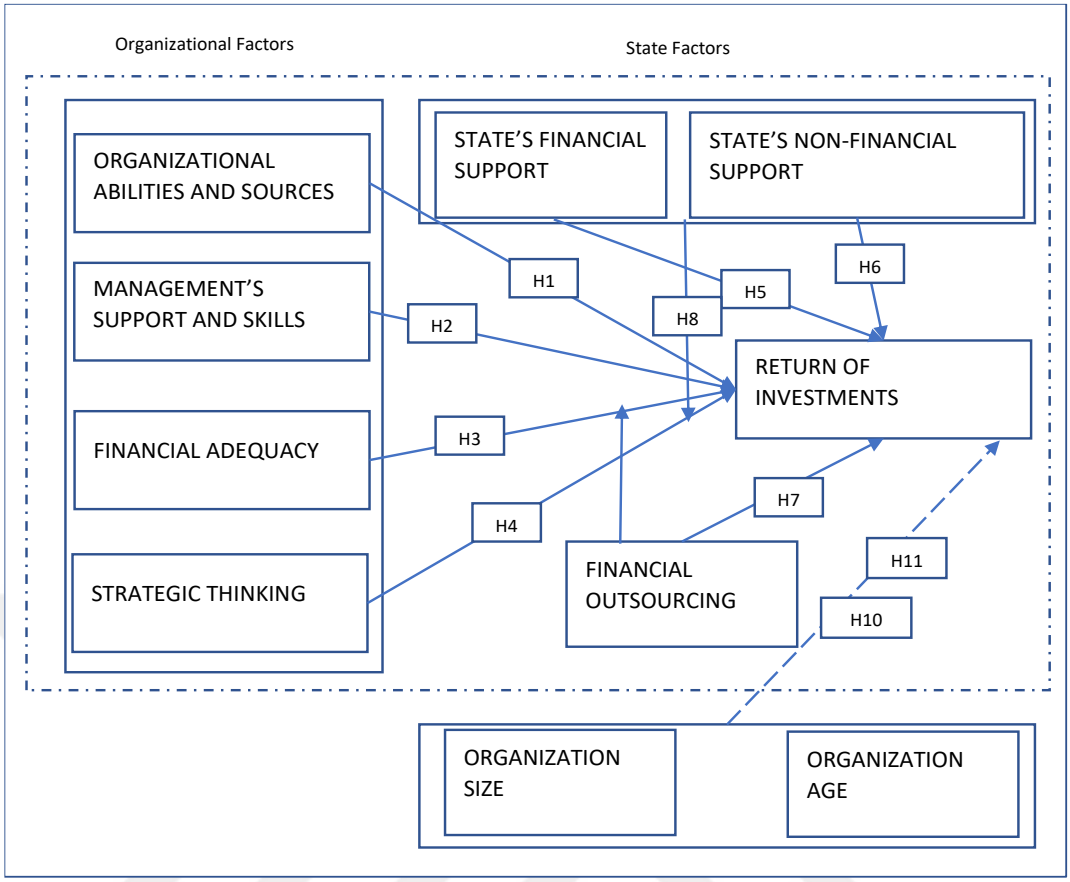

Figure 1: Research Model

4.2. Results of The Study

4.2.1 Demographic Structure

Table 5 shows the demographic indicators of the responends.

Table 5: Demographic Summary of Survey Responses

Variable	Classification	Frequency	Percent %
Gender Of The Respondent	Male	38	83
	Female	8	17
	Total	46	100
The Number Of Employee	10-50	26	56
	51-249	20	44
	Total	46	100

Age Of Your Company	1-5 Years	8	17
	6-10 Years	6	13
	11-15 Years	2	4
	16 Years And Above	30	66
	Total	46	100
Your Duty In The Company	Manager	18	39
	Owner	8	17
	Employee	20	44
	Total	46	100

We can notice by looking to the table 6. That explains the demographic analyses that the percent of the female in the sample is 17% and male 83% , this low percent of female belongs maybe to the social factors and the type of work in SME in Iraq and more than 40% from the Small and Medium-Sized Enterprises have between 51-249 employee , from the other side we can notice from the results in table 6 that there are more than 65% from Small and Medium-Sized Enterprises have 16 years and above age and approximately 17% from the SME have between 1-5 Years age. The Table 6 displays distrubition of the questionnaires by sectors.

Table 6. Distribution of questionnaires according to industrial project type

Industrial project type	Distributed questionnaires	Recevied questionnaires	Response rate %
(Textile) Weaving - Clothing and Leather Industry	6	4	67
Forest Products and Furniture Industry	7	6	86
Paper and Paper Products, Printing and Publishing Industry	2	2	100
Chemical, Petroleum, Rubber and Plastic Products	9	8	89
Stone and Soil Based Industry	7	6	86
Metal Main Industry	2	2	100
Metal Goods, Machinery-Equipment Making Industry	8	8	100
Automotive Industry	2	2	100
Food-Beverages Industry	-	-	
Farming Industry	-	-	
Construction Industry	2	2	100
Electronics Industry	5	4	80
Other	2	2	100
Total	52	46	

Table 6 shows the type of industrial projects operated by responends and respond rate of the participatonts. The sector with the lowest participation was textile (67%). Forest products, chemistry, electronics, stone and soil products are other sectors where participation is low. Paper and paper products, construction, basic metal, automotive have been determined as the sectors with a high response rate.

4.2.2 Test of normality

Kolmogorov-Smirnov test was used for the current study to know whether the data are normally distributed or not. Table 7 shows that data for all variables are normally distributed.

Table 7. K-S Tests of Normality

	Tests of Normality		
	Kolmogorov-Smirnov		
	Statistic	Df	Sig.
	.488	43	.971

a Test distribution is Normal. b Calculated from data.

4.2.3. One-sample t-test

Table 8 displays the result of t-test.

Table 8. Descriptive statistics and one-sample t-test for business of SME in the last three years

	One-sample t-test		
	T	Df	Sig.
Business of the company in the last three years	18.037	43	.000
	Descriptive statistics		
	Mean	Standard Deviation	N
Business of the company in the last three years	3.8945	1.11179	46

Table 8 of the one-sample t-test demonstrates that there are opportunities in investment in Small and Medium-Sized Enterprises in Iraq that may be characterized

as incentives for industrial investment; the values for this variable were p=0.000, t = 18.037.

Furthermore, as demonstrated in Table 8, descriptive statistics support a one-sample t-test, with (mean score=3.4693) being higher than the overall mean (mean=3) in this study. These findings suggest that there are legitimate reasons to support investment in Iraq .

4.2.4 Reliability, and Skewness

Table 9 represents the reliability score of the items placing in the questionnaire.

Table 9 . Reliability Statistics

Cronbach's Alpha	**N of Items**
.991	43

Moreover from the obtained results we notice that the reliability between items of the study based on the results of Cronbach's Reliability Coefficients is good =.991 (more than .070). Table 10 shows the skewness and kurtosis of the items.

Table 10. Skewness and Kurtosis

Item	Skewness	Kurtosis
Q1	-.842	.610
Q2	-.862	.331
Q3	-.882	-.133
Q4	-.953	-.316
Q5	.534	-1.013
Q6	.554	-.481
Q7	1.083	.592
Q8	1.072	.078
Q9	.873	.118
Q10	-.688	-.529
Q11	-.523	-.665
Q12	-.123	-.893
Q13	-.230	-1.104
Q14	-.001	-.912
Q15	-.115	-1.184
Q16	-.274	-1.191
Q17	-.030	-.696
Q18	.000	-1.095
Q19	1.196	-.912
Q20	-.001	.156
Q21	-.919	-.199
Q22	-.864	-.500
Q23	-.222	-1.154
Q24	.002	-1.094
Q25	.088	-.460
Q26	-.009	-1.241
Q27	-.179	-.777
Q28	.492	-.594
Q29	1.296	.608
Q30	.521	-.944
Q31	.692	-.605
Q32	1.502	2.295
Q33	.412	-1.022
Q34	.307	-1.136
Q35	.400	-.931
Q36	.522	-.798
Q37	.888	-.152
Q38	.569	-.508
Q39	.864	-.618
Q40	-.651	.187
Q41	.771	-.130
Q42	-.092	-.690
Q43	-.029	-1.027

The table 10 displays skewness and kurtosis values of all the items in the study. The threshold value for the skewness and kurtosis must be between -3 and +3 and by looking to the obtained results in tabl, we can notice that all the question items' Skewness and Kurtosis values are between -3 and +3 , so we can say that data are normal and suitable to analyses.

4.2.5 Factor and Correlation

Table 11 shows the factor loads of the items.

Table 11 . Factor analyzes

Factor	Items	Factor loads	Cronbach α	μ
Management support and skills	Management belief has a vital role in the success of industrial projects. (item 1	0,928	0,980	3,9583
	Consistency in management decisions affects the success of industrial (item 2 Projects	0,940		3.9167
	Management support affects the realization of our goals in industrial (item3 projects.	0,935		3.8542
	We are able to make the right decisions in investment management	0.962		3.7083
	We carry out investment management professionally.	0.877		3.5417
	We are able to sustain effective investment management.	0.887		3.5833
Financial Adequacy of the organization	The size of the marketing budget affects the success of industrial projects.	0,838	0,973	3.8333
	Our capital amount is sufficient to finance our industrial projects.	0,925		2.6667
	Your industrial project can be applied abroad.	0,913		2.4167
	Our capital and debt ratios are sufficient for the realization of industrial projects.	0,971		3.2083
	Our Financial Leverage is sufficient for the realization of industrial projects.	0,937		2.5000
State's Financial Supports	The state supports our projects sufficiently.	0,951	0.944	2.0417
	The state incentives are sufficient.	0,949		2.0000
	The state provides adequate financial support.	0,931		2.2500
	The support of the state in entrepreneurship training is important.	0,437		3.6250
	The state adequately supports for your project in	0,931		1.9583

	terms of fuel at subsidized prices.			
Organizational Abilities and Sources	Our human resources are sufficient to sustain the investments effectively.	0,921		3.4167
	Our staff has sufficient knowledge and experience in the management of investments.	0,915		3.4583
	Our information technologies and equipment are capable of realizing industrial projects.	0,922	0.982	3.2083
	We need training support for investment management.	0,923		4.0000
	We would like our employees to share their views on investment management.	0,936		3.9583
	The technological resources we have are sufficient to realize industrial projects.	0,952		3.1458
	Our information technologies are sufficient for the realization of industrial projects	0,913		3.1250
	The production capabilities of our firm are sufficient to carry out the industrial projects.	0,686		2.8750
State's Non-Financial Support	The availability of non-governmental organizations that train the workers in the project is sufficient.	0,905		2.8958
	State support is sufficient to overcome the problems encountered in investment management.	0,863		1.8333
	We satisfied with the support of the state regarding with marketing	0,904	0.987	2.0000
	We satisfied with the state holds meetings and workshops to discuss the Reality	0,897		2.0833
	Iraqi investment laws are sufficient to carry out investment efficiently	0,955		2.2500
	We are satisfied with the facilities provided by the state towards our project	0,867		1.8750

	Our belief that the investment climate in Iraq is a catalyst to attract more investments.	0,802		2.4167
	The existence of vacant lands on which it is possible to establish an industrial project allocated to you by the state is sufficient	0,932		2.8333
	The state adequately provides industrial investment opportunities to Investors	0,943		2.7083
	The state adequately protects your industrial product in terms of preventing importation or imposing taxes and fees on products	0,943		2.3333
Financial Returns of Investment	We are satisfied with the financial return of our industrial projects	0,943	0.968	3.0625
	Our industrial projects meet our financial expectations.	0,924		3.0833
	Our industrial projects contribute to the growth of our company.	0,907		3.3333
	We satisfied with the financial returns of the industrial projects	0,914		2.7500
Financial Outsourcing	To take financing from Iraqi Banks is easy.	0,982	0.959	2.1250
	To take Islamic financing is easy	0,982		1.9167
Strategic Thinking	Our company develops the proper strategy to overcome the problems encountered in industrial projects.	0,884	0.959	28333
	Strategic management is applied in our business.	0,947		2.9583
	I think our investment management strategy is effective.	0,958		2.9583

Factor analysis is a method for condensing a large number of variables into a smaller number of components. This method takes the largest common variance from all variables and converts it to a single score. We may use this score as an index of all variables for future investigation.

In other words, factor analysis is a method for condensing a large amount of data into a smaller, more manageable and intelligible data set.

Table 11 shows first factor, which reflects management's support and talents, which are defined as a set of competencies that include business planning, decision-making, problem-solving, communication, delegating, and time management. We can notice from the mean analysis that the most important item in this factor is "Management belief has a vital role in the success of industrial projects". The mean value of this item was determined as (μ=3, 9583). The second factor the capital to risk adequacy ratio (CRAR), also known as financial adequacy of the organization, is a measurement of a bank's available capital, which is used to respond to credit risks and obligations. A healthy capital adequacy ratio guarantees that a bank can absorb any possible losses and avoid going bankrupt. The most important item in this factor is "The size of the marketing budget affects the success of industrial projects". The mean value of this item was determined as (μ=3.8333). The third factor is State's Financial Supports. The most important item in this factor is "The support of the state in entrepreneurship training is important." The mean value of this item was determined as (μ=3.6250). The 4th factor is Organizational Abilities and Sources.The most important item in this factor is "We need training support for investment management." The mean value of this item was determined as (μ=4) .The 5th factor is State's Non-Financial Support. The most important item in this factor is "The availability of non-governmental organizations that train the workers in the project is sufficient". The mean value of this item was determined as (μ=2.8958). The 6th factor is Financial Returns on Investment (FRI) is a widely used profitability statistic for assessing how well an investment has done. The return on investment (ROI) is computed by dividing the investment's net profit (or loss) by the investment's initial cost or outlay. The most important item in this factor is "Our industrial projects contribute to the growth of our company." The mean value of this item was determined as (μ=3.33). The 7th factor Outsourcing of financial services Financial outsourcing is a business strategy that entails hiring outside contractors to do different financial and accounting responsibilities. This type of outsourcing is sometimes used by small businesses to keep expenses down while still taking care of critical accounting responsibilities. The most important item in this factor is "Our industrial projects contribute to the growth of our company." The mean value of this

item was determined as (μ=3.33). The 8th factor A mental or thinking process used by an individual to achieve a goal or set of goals in a game or other effort is referred to as strategic thinking. It may be done both individually and cooperatively among important individuals who have the ability to favorably influence an organization's destiny. The most important item in this factor is "I think our investment management strategy is effective and Strategic management is applied in our business. ." The mean value of this item was determined as (μ=2.9583). Table 12 displays correlation matrice of the study. All cronbach alpha values are valid for the factors determined.

An absolute value of 1 for the Pearson correlation shows a perfect linear connection. A correlation close to 0 suggests that the variables do not have a linear connection. If both variables tend to rise or fall at the same time, the coefficient is positive, and the correlation line slopes upward. By looking to the table 8 we can notice that all correlation values between the factor of the study are close to the perfect linear connection and it is significant at 0.01.

Table 12. Correlations

Variable	1	2	3	4	5	6	7
MANAGEMENT SUPPORT SKILLS							
FINANCIAL ADEQUACY OF THE ORGANIZATION	0.960***						
STATE.S FINANCIAL SUPPORTS	0.914***	0.958***					
ORGANIZATIONAL ABILITIES AND SOURCES	0.979***	0.983***	0.943***				
STATE.S NON-FINANCIAL SUPPORT	0.899***	0.954***	0.991 ***	0.934***			
FINANCIAL RETURNS OF INVESTMENT	0.956***	0.978***	0.972 ***	0.975***	0.977 ***		
FINANCIAL OUTSOURCING	0.866***	0.902***	0.977 ***	0.893***	0.972 ***	0.938 ***	
STRATEGIC THINKING	0.952***	0.940***	0.901***	0.968***	0.895 ***	0.942 ***	.874***

* p < .05, ** p < .01, *** p < .001

4.2.6 Hypothesis Tests

We used the multiple linear regression method to test the hypotheses. The following hypotheses were tested to determine of validity of the researh model. SPSS used to test the hypotheses

H1: The organizational abilities and sources used by small and medium-sized enterprises operating in Iraq significantly affect the financial returns of investment by overcoming financial difficulties in the investment process.

H2: The management support and skills of small and medium-sized enterprises operating in Iraq significantly affect the financial returns of investment by overcoming financial difficulties in the investment process.

H3: The financial adequacy of small and medium-sized enterprises operating in Iraq significantly affects the financial returns of investment by overcoming financial difficulties in the investment process.

H4: The strategic thinking of small and medium-sized enterprises operating in Iraq significantly affects the financial returns of investment by overcoming financial difficulties in the investment process.

H5: The state's financial supports significantly affect the financial returns of investment by overcoming financial difficulties in the investment process.

H6: The state's non-financial supports significantly affect the financial returns of investment by overcoming financial difficulties in the investment process.

H7: Financial outsourcing usage significantly affects the financial returns of investment by overcoming financial difficulties in the investment process.

H8: The state's financial and non-financial supports significantly moderate the impact of organizational factors of small and medium-sized enterprises operating in Iraq on the financial returns of investment by overcoming financial difficulties in the investment process.

H9: Financial outsourcing significantly moderates the impact of organizational factors of small and medium-sized enterprises operating in Iraq on the financial returns of investment by overcoming financial difficulties in the investment process.

H10: The organizational size (the number of employees) associated with the financial returns of investment.

H11: The age of company associated with the financial returns of investment.

Table 13 shows the result of the tests.

Table 13 : Hypothesis Tests and Results

Variables	**Unstandardized β**	**Standard Error**	**Standardized β**	**t**	**p**	**Collinearity Statistics**		**Result**
						Tolerance	VIF	
Organizational Abilities and Sources	0.886	0.010	0.930	89.869	< .001	1.000	1.000	H1: Supported
Management Support Skills	0.820	0.013	0.803	61.503	< .001	1.000	1.000	H2: Supported
Financial Adequacy of The Organization	1.041	0.012	1.067	89.851	< .001	1.000	1.000	H3: Supported
Strategic Thinking	1.391	0.073	0.942	18.989	< .001	1.000	1.000	H4: Supported
State's Financial Supports	1.237	0.020	1.186	62.036	< .001	1.000	1.000	H5: Supported
State's Non-Financial Support	1.235	0.026	1.314	47.054	< .001	1.000	1.000	H6: Supported
Financial Outsourcing	1.431	0.036	1.277	39.660	< .001	1.000	1.000	H7: Supported
Organizational Abilities and Sources + Management Support Skills + Financial Adequacy of The Organization + Strategic Thinking X State's Financial + Non-Financial Supports	1.578	0.262	1.512	6.015	< .001	1.000	1.000	H8: Supported
Organizational Abilities and	1.435	0.125	1.323	13.032		1.000	1.000	H9: Supported

Sources + Management Support Skills + Financial Adequacy of The Organization + Strategic Thinking X Financial Outsourcing								
Number Of Employee	1.800	0.174	0.822	10.328	< .001	1.000	1.000	H10: Supported
Organization Age	1.103	0.129	0.784	8.575	< .001	1.000	1.000	H11: Supported

From Table 13 we can notice that the organizational abilities and sources used by small and medium-sized enterprises operating in Iraq significantly and positively affect the financial returns of investment by overcoming financial difficulties in the investment process (β=0.930,t= 89.869 and p < .001). H1: Supported.

The management support and skills of small and medium-sized enterprises operating in Iraq significantly and positively affect the financial returns of investment by overcoming financial difficulties in the investment process. (β=0.803,t= 61.503 and p < .001). H2: Supported.

The financial adequacy of small and medium-sized enterprises operating in Iraq significantly and positively affects the financial returns of investment by overcoming financial difficulties in the investment process. (β=1.067, t= 89.851 and p< .001). H3: Supported.

The strategic thinking of small and medium-sized enterprises operating in Iraq significantly and positively affects the financial returns of investment by overcoming financial difficulties in the investment process. (β=0.942, t= 18.989 and p< .001). H4: Supported.

The state's financial supports significantly and positively affect the financial returns of investment by overcoming financial difficulties in the investment process. (β=0.930, t= 1.186 and p< .001). H5: Supported.

The state's non-financial supports significantly and positively affect the financial returns of investment by overcoming financial difficulties in the investment process. (β=0.930, t= 1.314 and p < .001). H6: Supported.

Financial outsourcing usage significantly and positively affects the financial returns of investment by overcoming financial difficulties in the investment process. (β=1.277, t= 39.660 and p< .001). H7: Supported.

The state's financial and non-financial supports significantly and positively moderate the impact of organizational factors of small and medium-sized enterprises operating in Iraq on the financial returns of investment by overcoming financial difficulties in the investment process. (β=1.512 ,t= 6.015 and p< .001). H8: Supported.

Financial outsourcing significantly and positively moderates the impact of organizational factors of small and medium-sized enterprises operating in Iraq on the financial returns of investment by overcoming financial difficulties in the investment process. (β=0.930, t= 13.032 and p< .001). H9: Supported.

The organizational size (the number of employees) associated with the financial returns of investment. (β=0.822, t= 10.328 and p< .001). H10: Supported.

The age of company associated with the financial returns of investment. (β=0.784, t= 8.575 and p< .001). H11: Supported.

CONCLUSION AND RECOMMENDATIONS

CONCLUSION

The main aim of this research are to look into the roadblocks and difficulties that are preventing the development of current and future industrial projects in Iraq, to look into the opportunities that can be used as incentives for industrial investments in Iraq, and to look into investment projects that have a good chance of succeeding in the future.

The study also aims to shed light on the relationship between some factors affecting the success of the industrial investment such as organizational abilities, management's support and skills, financial adequacy, strategic thinking, state's financial supports, state's financial supports and financial outsourcing with financial returns of investment, and the interrelationship between all of state's financial supports and state's financial supports with financial outsourcing with financial returns of investment.

This research is based on a questionnaire given to managers and employees of factories and industrial enterprises in Mosul, Iraq. According to the Iraqi government's categorization. small businesses with fewer than ten workers and medium businesses with ten to thirty employees.

Companies in the study were chosen using a random sample approach in this investigation. Participants were given all of the surveys on visits to their workplaces (face-to-face). The replies of 46 people were found to be suitable for data analysis. Since the sample size was 46, we looked at the adequacy of the sample size. To establish sample size adequacy, we used Daniel & Cross (2018). With a confidence level of 90% and a margin of error of 9.6%, we found that the sample size (46) is appropriate.

Based on the obtained results we can notice that the demographic analyses that the percentage of females in the sample is low, about 17 percent only; this low percentage of females may be due to social factors and the type of work in SME in Iraq, where more than 40% of Small and Medium-Sized Enterprises have between

51-249 employees; on the other hand, we can see from table 6 that more than 65 percent of Small and Medium-Sized Enterprises have 16 years and under.

Also from the obtained results we can notice that the most essential component in the support and skills of management may, according to the mean analysis, is management belief, which plays a critical role in the success of industrial initiatives. A good capital adequacy ratio ensures that a bank will be able to absorb any potential losses and avoid bankruptcy. The most crucial aspect of this element is the success of industrial ventures is influenced by the amount of the marketing budget. The state's financial assistance is the third factor. The most crucial aspect of this component is the government's support for entrepreneurial training. Organizational capabilities and resources is the fourth factor in our study. We require training support for investment management, which is the most significant component in this aspect. The fifth component is non-financial support from the state. The most essential item in this category is the existence of non-governmental organizations that can train project personnel. Financial Returns on Investment (ROI) is the sixth component to consider. ROI is a frequently used profitability metric for determining how well an investment has performed. Divide the investment's net profit (or loss) by the investment's initial cost or outlay to get the return on investment (ROI). Our industrial activities contribute to the expansion of our firm, which is the most important aspect of this element. Financial services outsourcing is the eighth factor. Financial outsourcing is a company strategy that entails hiring freelancers to undertake various financial and accounting activities. The eighth factor is Strategic thinking is a mental or cognitive process utilized by an individual to attain a goal or set of goals in a game or other endeavor. It can be done individually or collaboratively among key individuals with the power to positively influence an organization's destiny. The most essential aspect of this consideration is that I believe our investment management plan is effective and that we use strategic management in our company these results supported by of many studies like Gibson & van der Vaart, (2008); and Blanc Alquier & Lagasse, (2006).

The results of this study shows that all of the correlation values between the study's factors are close to the perfect linear link and are significant at 0.01 so the results appear that is a good correlation value between the factors of the study.

The results of the study also shows that the organizational capabilities and resources employed by small and medium-sized firms operating in Iraq have a large and beneficial impact on the financial returns of investment by overcoming financial challenges during the investment process. So we can say that by overcoming financial problems in the investment process, the management assistance and capabilities of small and medium-sized firms operating in Iraq have a large and beneficial impact on the financial returns of investment supports the results of Hainz & Nabokin, (2013).

We can mention that by overcoming financial hurdles in the investment process, the strategic thinking of small and medium-sized firms operating in Iraq has a large and beneficial impact on the financial returns of investment, and by overcoming financial problems in the investment process, the state's financial assistance has a large and favorable impact on the financial returns of investment. The results also shows that by solving financial problems in the investment process, the state's non-financial assistance have a large and favorable impact on the financial returns of investment. By solving financial problems in the investing process, financial outsourcing has a large and favorable impact on financial returns.

The results also shows that by overcoming financial challenges in the investment process, the state's financial and non-financial supports considerably and positively mitigate the influence of organizational characteristics of small and medium-sized firms operating in Iraq on the financial returns of investment, and by assisting financial problems in the investment process, financial outsourcing considerably and positively moderates the influence of organizational characteristics of small and medium-sized firms operating in Iraq on the financial returns of investment. The size of an organization (the number of personnel) is linked to financial returns on investment. The financial rewards of investment are linked to the company's age. The following recomendations have been done for the managers and practioners:

- In order for the capital not to go out of the country, it is necessary to help the capital owners to turn to manufacturing and establishing factories instead of importing.

- Supporting small and medium industrial enterprises by providing financial supports and couching may bring investment oppurtunity especially for the new entrants in the field of industrial production.

- University graduates should be encouraged to create industry projects through conferences, seminars, and workshops.

- Disguised unemployment in the public can be reduced by rotating employees in order to revive the sector.

- Operation of industrial laboratories suspended due to war conditions can be restored.

- The development of already operating industrial companies and laboratories and the addition of more production lines should be supported.

- It should be ensured that the machinery and laboratories of industrial companies are exempted from customs in order to encourage the industry.

- The Islamic finance system can be popularized for entrepreneurs who do not want to work with interest loans.

- Managers should be included in workshops for managerial development.

- In order to prevent their rise of imported goods in the market and to encourage the industrialists to produce these goods locally, taxes should be imposed gradually and in a planned manner.

- Capital outflows from Iraq should be reduced by imposing restrictions on imports of goods, starting with simple goods, products, and food.

- Industrialists should be encouraged to participate in conferences, seminars and workshops held in industrialized countries and to benefit from their production experience.

- Capital owners should be encouraged not to save in banks and not to lose their value over time, and to benefit by developing and investing in the right investments and opening industrial projects.

- By offering exemptions and concessions, Iraqi investors should be encouraged to join the ownership of industrial companies in countries around the world to transfer expertise and technology to Iraq.

- Soft loans should be given to young people and university graduates to start small projects.

- The economic feasibility of industrial projects should be assisted in order to encourage those who want to enter industrial projects.

- It should organize training courses for employees inside and outside Iraq to gain experience and train them on modern mechanization in production.

- The Iraqi government and the Central Bank of Iraq should be provided with assurances to the owners of industrial projects about the dollar exchange rate, which has a significant impact on production.

- An industrial city with lands ready for industrial investment and equipped with basic services (road, electricity, water...) should be established in every province of Iraq.

- Industrial projects should be supported by lowering the electricity price, providing fuel at a subsidized price, and lowering taxes, especially at the start of operation of the projects.

- Compensation should be accelerated for owners of projects destroyed in military operations in liberated cities.

- Banks' lending and lending transactions should be facilitated.

- Government support to the Industrial Bank and sufficient liquidity must be provided in the bank to finance industrial projects.

• Imported products should be subjected to standardization and quality control in order to prevent the entry of cheap and poor quality products into the country, which negatively affects domestic production and increases competition.

• Transportation of vehicles carrying local products or raw materials between governorates should be facilitated.

• Imported raw materials needed by industrial projects outside of Iraq can be supported by reducing customs duties or exempting them from customs duties.

• Laws protecting industrial companies such as the Consumer Protection Law, the Competition Law, the Prevention of Monopoly, and the Law on the Protection of Products from Imports should be activated.

• The state should secure industrial projects against accidents and natural disasters.

• Procedures for opening industrial projects and reducing bureaucracy in relevant units should be simplified.

• Procedures for importing modern and advanced machinery and new production lines should be simplified.

• Workers on production lines must be trained and qualified to reduce errors and speed up production.

• In order to prevent work conflicts, employees should be assigned tasks according to their authority.

• Local products and their quality should be introduced and promoted to the consumer.

• Marketing of industrial products and their direct transfer to consumer sales points should be facilitated.

• Procedures for the export of local products should be supported by opening sales points in global markets.

• External global expertise should be taken from industrialized countries to increase and develop production.

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APPENDIXES

1. QUESTIONNAIRE

Dear Participant,

This survey is carried out in order to collect scientific data in the methodological part of the ongoing master thesis "Investment Management and Difficulties Facing in The Industrial Project: An Empirical Analysis on Small and Medium-Sized Enterprises" at Istanbul Gelişim University. The data obtained in the survey will be used completely and only for scientific purposes. No information is requested regarding the identity information or personal characteristics of the participant.

Thank you for your time and collaboration.

SECTION A.

Select the industry (working area) in which your business operates: (tick the proper box)

- □ (Textile) Weaving - Clothing and Leather Industry
- □ Forest Products and Furniture Industry
- □ Paper and Paper Products, Printing and Publishing Industry
- □ Chemical, Petroleum, Rubber and Plastic Products
- □ Stone and Soil Based Industry
- □ Metal Main Industry
- □ Metal Goods, Machinery-Equipment Making Industry
- □ Automotive Industry
- □ Food-Beverages Industry
- □ Farming Industry
- □ Construction Industry
- □ Electronics Industry

□ Other

The Number of Employee

□ 10-50 □ 51-249

Age of Your Company

□ 1-5 Years □ 6-10 Years □ 11-15 Years □ 16 Years and Above

Your Duty in the Company

Manager □ Owner □ Employee □

Gender

Male □ Female □

Total Paid Capital (Equity)…….…….…….. Iraqi Dinar

The Total Fund of Ongoing Investments……..……..Iraqi Dinar

The Average Profit or Loss of The Last Three Years…….…….....Iraqi Dinar

The Average Profit or Loss Margin of The Last Three Years…….……..%.....

The Average Return on Equity of The Last Three Years……..……..%.....

The Average Return on Investment of The Last Three Years…….……%.....

SECTION B.

Response the following items considering the business of your company in the last three years.

1-Completely Disagree 2-Partially Disagree 3-Neutral 4-Partially Agree 5-Completely Agree						
		1	2	3	4	5

1	Management belief has a vital role in the success of industrial projects.					
2	Consistency in management decisions affects the success of industrial projects					
3	Management support affects the realization of our goals in industrial projects.					
4	The size of the marketing budget affects the success of industrial projects.					
5	Our capital amount is sufficient to finance our industrial projects.					
6	Your industrial project can be applied abroad.					
7	The state supports our projects sufficiently.					
8	The state incentives are sufficient.					
9	The state provides adequate financial support.					
10	The support of the state in entrepreneurship training is important.					
11	We are able to make the right decisions in investment management					
12	We carry out investment management professionally.					
13	We are able to sustain effective investment management.					
14	Our human resources are sufficient to sustain the investments effectively.					
15	Our staff has sufficient knowledge and experience in the management of investments.					
16	Our capital and debt ratios are sufficient for the realization of industrial projects.					
17	The availability of non-governmental organizations that train the workers in the project is sufficient.					
18	Our Financial Leverage is sufficient for the realization of industrial projects.					
19	State support is sufficient to overcome the problems encountered in investment management.					
20	Our information technologies and equipment are capable of realizing industrial projects.					
21	We need training support for investment management.					
22	We would like our employees to share their views on investment management.					
23	The technological resources we have are sufficient to realize					

	industrial projects.					
24	We are satisfied with the financial return of our industrial projects					
25	Our industrial projects meet our financial expectations.					
26	Our industrial projects contribute to the growth of our company.					
27	Our information technologies are sufficient for the realization of industrial projects.					
28	We satisfied with the financial returns of the industrial projects					
29	We satisfied with the support of the state regarding with marketing					
30	We satisfied with the state holds meetings and workshops to discuss the reality					
31	Iraqi investment laws are sufficient to carry out investment efficiently					
32	We are satisfied with the facilities provided by the state towards our project					
33	Our belief that the investment climate in Iraq is a catalyst to attract more investments.					
34	The existence of vacant lands on which it is possible to establish an industrial project allocated to you by the state is sufficient					
35	The state adequately provides industrial investment opportunities to investors					
36	The state adequately protects your industrial product in terms of preventing importation or imposing taxes and fees on products					
37	To take financing from Iraqi Banks is easy.					
38	To take Islamic financing is easy					
39	The state adequately supports for your project in terms of fuel at subsidized prices.					
40	The production capabilities of our firm are sufficient to carry out the industrial projects.					
41	Our company develops the proper strategy to overcome the problems encountered in industrial projects.					
42	Strategic management is applied in our business.					
43	I think our investment management strategy is effective.					