

Title:

The Iraqi Dinar In A Nutshell

Word Count:

439

Summary:

The Iraqi dinar (pronounced: di-'när) is the legal currency of Iraq.

Old Iraqi dinar

The Iraqi dinar was introduced into circulation in 1931 and was at par with the Pound sterling. The Iraqi dinar replaced the Indian rupee that was the official currency at the time of the British occupation in World War I. After the 1958 coup d'etat, the Iraqi dinar was dissociated from the Pound sterling, but continued to have a very high value.

After the Gulf War in 1991 and due to...

Keywords:

iraqi dinar,iraq,dinar,invest,investment,financial,finances

Article Body:

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After the Gulf War in 1991 and due to the economic blockade and unrestricted printing of banknotes by the government, the dinar devalued fast, and in late 1995, \$1 equaled 3000 dinars.

Banknotes issued between 1990 and October 2003, along with a 25-dinar note issued in 1986, bear an idealized engraving of former Iraqi President Saddam Hussein. Following the 1991 Gulf War, Iraq's currency was printed using poor grade wood pulp paper (rather than cotton or linen) and inferior quality

lithography.

Counterfeited banknotes often appeared to be of better quality than real notes. Despite the collapse in the value of the Iraqi dinar, the highest denomination printed until 2002 was 250 dinars.

Currency printed before the Gulf War was often called the Swiss dinar. It got its name from the Swiss printing technology that produced banknotes of a considerably higher quality than those later produced under the economic sanctions that were imposed after the first Gulf War. After a changeover period, the Iraqi government disendorsed this currency. However, this old currency still circulated in the Kurdish regions of Iraq until it was replaced with the new dinar after the second Gulf War.

#### New Iraqi dinar

Between October 15, 2003 and January 15, 2004, the Coalition Provisional Authority issued the new Iraqi dinar to "create a single unified currency that is used throughout all of Iraq.

The Hampshire-based Company "De La Rue" printed the New Iraqi dinars, also known as the "Post - Saddam" dinars, in England, in six denominations: 50, 250, 1000, 5000, 10,000 and 25,000 Dinars.

In November of 2004 the new 500-dinar note was issued by the Central Bank of Iraq to facilitate market transactions. The banknotes are beautiful and of "Swiss" quality with many security features rendering them very hard to counterfeit, features include, watermarks, metallic inks, security thread, ultraviolet images and raised lettering.

#### Value of the new dinar

Iraq has the second largest oil reserves in the Middle East and the largest reserves of natural gas. The new Iraq will be able to take full advantage of exporting these resources with sanctions no longer in place.

As Iraq is welcomed back into the International Community the value of the New Iraqi Dinar should rise. How high? That is what you speculate on when buying Iraqi Dinars! (And nobody dares to predict!)