



Siegen/Germany, February 09th 2011.

News for shipments to Iraq

Dear clients,

Please see below the latest news related to logistic services to Iraq.

I.) New Customs Regulations in place.

As already mentioned in our December Newsletter, the Iraqi Government has announced to change the customs regulations. This has now again been confirmed and the government announced a firm implementation date:

- **15th Feb 2011**

For all non-exempted cargo, the following documents need to be legalized by the Iraqi consulate in the country of Origin:

- Commercial Invoice
- Certificate of Origin.

Furthermore, all shipments for private importers require an import license issued by the Ministry of Trade.

For customs inspection purposes, the customs require that all invoices and packing list are in English and Arabic language.

- **15th March**

Law No. 22 will be in place covering a new customs tariff. Under the new customs tariff, which based on the harmonized system, the system of customs duties will completely change. Previously Iraq had a flat fee of 5% on all goods which were not exempted from customs. With the new tariff, Iraq will put a scale based on the type of goods in place, subject to the goods, duties can be up to 80% of the value. A draft of the new customs tariff is available upon request.

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II.) Improvement of aircargo connections

With the year 2011 also the cargo options for Iraq also have become better. In addition to the frequent full cargo carrier serving the country with Russian equipment, now also scheduled flights operated by reliable European and Arabian airlines are under frequent operation.

As the first destination, Erbil is getting much closer to the rest of the world with daily connections to/from Europe and the Arab world, now including full freighter, too. The second city in the country is Basrah which will also receive a frequent connection on passenger flight basis, but due to the widebody aircraft approx. 18 tons capacity per flight, too, subject to four flights weekly with connections to more than 100 destination / origins.

For temperature sensitive cargo, there are still no sufficient cooled storage facilities at most of the Iraqi airports, also Dangerous Goods class one and seven require special preparation prior dispatch. The local MG staff is giving all support at the authorities to apply for special permits and approvals for such sensitive cargo. Please contact your closest MG office for further details.

III.) Transit Cargo via Turkey

We have received the following verbal notice (not announced in written upto now) from the relevant Turkish Ministry, that all oilfield / oilwell related consignments incl. pipe shipments destined to Northern Iraq, need the permission from the Turkish Customs Authorities. During the customs clearance process the customs will inform to Ankara with full consignment details to get the relevant transit permission. This procedure will take approx. 7 upto 10 days.

IV.) Border situation

a.) Al Karameh / Trebil (Jordan/Iraqi border)

The flow of cargo via Jordan into Iraq is still limited as well as the number of Iraqi trucks entering Jordan on a daily basis (average 40-50 per day max). Still no Iraqi reefer trucks are allowed to enter Jordan. Therefore, all reefer cargo has to be transhipped from Jordan to Iraqi reefer trucks at the border.

Current waiting time at the border approx 2-4 days.



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b.) Syrian/Iraqi borders

The traffic via the Syrian gateway into Iraq is slightly increasing. As a border point, so far, only the border point of "Al Waleed" remains open (except the railway border).

c.) Habour / Zakho (Turkish / Iraqi border)

The trade volume between Turkey and Iraq as well as the transit cargo volume decreased a bit. The current waiting time for trucks from Turkey to Iraq is up to 2 days and from Iraqi back to Turkey it is up to 7 days.

d.) Umm Qassr Port

The productivity of Umm Qassr port is still affected by fuel and power shortages. Currently we are facing difficulties with a high congestion for container vessels as well as a congestion inside the terminal to take cargo out of the port.

e.) Safwan/ Abdali Commercial Border Point (Kuwait / Iraqi border)

The situation is normal again. Approx 120-250 trucks with commercial cargo are crossing this border point daily. All cargo has to be transhipped from Kuwaiti to Iraqi trucks. Currently there are discussions between the governments to set up dedicated border crossing points for the international oil companies to ensure a smooth operation for the import of oil equipment. However, so far there is no improvement on the border process.

V.) Iraqi national holidays 2011 / Iraqi exhibition dates 2011

Please find the relevant link below:

<http://www.wp-irak.de/index.php/component/content/article/12-dossiers/491-2011-ihre-termine-fuer-das-kommende-jahr>

In case of any questions, do not hesitate to contact us.

Yours faithfully,

M.G. International Transports GmbH

