



YOU CALL. WE MOVE.

M.G. INTERNATIONAL

SINCE 1891



Newsletter for shipments to Iraq

January 10th, 2014

Dear Clients, Partners and Friends,

*Below you will find the second Newsletter for this year informing you briefly about **the current security situation / customs regulations and border situations in Iraq:***

Current Security Situation in Iraq:

The overall security situation in Fallujah and Ramadi area is very difficult and fragile. The cargo movement from Jordan via Trebil to e.g. Baghdad came to a complete stop right now.

The riots have also influence on other regions such as North/East (e.g. Mosul, Kirkuk, Tikrit, Baquba) and Western Region /South of Fallujah/Ramadi area (like Kerbala). A lot of roads need to be considered as unsafe.

With a lot of pre-caution trucks may leave the kurdish region for delivering to central and south.

Deliveries to the western region shall be postponed. For further details please refer also to:

<http://english.alarabiya.net/en/perspective/analysis/2014/01/06/Analysts-Iraq-at-crossroads-between-reconciliation-and-war.html>

<http://www.bbc.co.uk/news/world-middle-east-25633629>

Jordanian Route:

The situation in Iraq has been unstable over the past weeks, and the closures of major routes leading to Baghdad are making it extremely difficult for cargo to pass. Therefore, as safety precautions we have stopped the movement of cargo from Jordan to Iraq by overland until further notice.

Furthermore, we would like to inform you that due to further cutting of subsidies by the Jordanian government fuel prices have substantially increased since the 1st of Jan 2014. Therefore the trucking rates inside Jordan but also from Jordan in transit to Iraq have increased too.

New Customs Tariff:

Effective 01.01.2014 a new Customs Tariff was implemented.

The customs tariff contents 320 pages in Arabic language and can be provided upon request.

In brief words the following duties will apply in the future:

- 5% for foodstuff, rice, beans, etc.
- 15% for cars, trucks, vehicles
- 20% for electrical equipments and other domestic apparatus

Duty Exemption Letters:

As already mentioned in our Newsletter dtd 4th Jan 2014, the Iraqi authorities put all previously granted duty exemption letters under review.

Therefore cargo can only be cleared from customs once the duty exemption letter has been re-approved.

This process has led to a backlog at all entrance points, except Ibrahim Khalil border.

We have now been informed that the Iraqi authorities might implement a grace period. In other words, previously granted duty exemption will again be valid for a certain period without an additional review. This information has not yet officially been confirmed but we expect an official notice within the next couple of days.

Thank you for your attention.

Yours faithfully,

M.G. International Transports GmbH