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M.G. INTERNATIONAL
SINCE 1891



YOUR RELIABLE PARTNER FOR SHIPMENTS TO IRAQ

Jan 20th, 2017 NEWSLETTER

Dear Clients, Partners and Friends,

we are pleased to update you on the current situation in Iraq as follows:

1. Latest News

► Cancellation of Duty and Tax Exemption Letters from 2016

As per our Newsflash dtd. 13th January the Iraqi Government suspended all pending Duty/Tax Exemption Letters (DEL/TEL) issued in the year 2016 and before, by a governmental decree since early this year. It was scheduled that this rule will be lifted based on a council of ministers decision last Tuesday but so far it hasn't. Due to this reason the Customs are holding all relevant shipments at all the entry points (e.g. Umm Qassr Port, Baghdad and Basrah Airport). The concerned Ministries (e.g. MoE / MoH, MoO) have requested the Ministry of Finance as head of General Customs, to waive the suspensions. We expect a final decision within the next couple of days. Please be aware that additional charges like e.g. port storage, container demurrage, reefer container plug-in / monitoring charges might occur. Updates by the

Council of Ministers are expected for the beginning of upcoming week.

► Update on the Jordanian/Iraqi Border point Trebil/Al Qarameh

Last week the Iraqi and Jordanian Prime Minister have decided to reopen TREBIL border point and to ease the customs formalities on both sides of the border within a short time. Several subjects are under negotiation currently and shall be clarified very soon. Our team will keep you updated about any further development.

► Update on Battle for Mosul

The operation started on 17th October and is still ongoing. The Anti-IS alliance has managed to cut the main supply routes of the IS around Mosul City. Presently the alliance is focused on recapturing Mosul City district by district and is attacking from several directions. The fights slowed down but are still ongoing. They are still expected

to take a few more weeks. Furthermore, we expect that road blocks and limitation in the road transport in the greater Mosul area could be implemented on short notice by the Iraqi Authorities.

► Alternative Customs point for shipments via Entry Point Umm Qassr Port

The Iraqi General Customs have announced that shipments via Umm Qassr can also be customs cleared at Baghdad-Shaljiyah customs instead of Umm Qassr Port customs. For more information please contact our team which will be able to provide you with full details.

► Update on procedures at Al-Safra customs

The customs point is fully implemented and is operating 24/7. The operation is running smoothly. The additional taxation at Safra customs beside Ibrahim Khalil customs is affecting the imports and the local prices of import products.



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2. Security Situation

Iraq

The security situation is stable and the roads between KRG and Central Iraq as well as Southern Iraq are currently free of obstacles. As per now and after intensive security checks – sending shipments to Airports and Seaports is generally possible. However, the battle for Mosul might still affect cargo movements temporarily due to military movements.

3. Border situation

Turkish / Iraqi border

The security situation is stable. The border gates are permanently open. The current waiting time ex Turkey towards Iraq and ex Iraq towards Turkey is 2-3 days. The Battle for Mosul has not affected the traffic till now.

Jordanian/Iraqi border

Border is still closed but shall be reopened for cargo movements soon. Once there is an improvement or development on the border

situation, we will provide a detailed update.

4. Airfreight

Erbil/Sulaymaniyah Airport

Both Airports' operations are running smoothly as usual. No obstacles are registered. The Battle for Mosul has not affected the flight traffic till now.

Baghdad/Basrah Airport

Both Airports' operations are running smoothly as usual. No obstacles are registered. The Battle for Mosul has not affected the flight traffic till now.

5. Umm Qasr/Khor Al Zubair ports

Port operations are running smoothly as usual. No obstacles are registered.

6. Mersin/Iskenderun seaport

Port operations are running smoothly as usual. No obstacles are registered.

7. Overland Transport

Cargo movements via Trieste-

Mersin RoRo Ferry are presently severely impacted by bad weather conditions at Trieste Port. The RoRo ferries around Trieste Port have problems to berth due to the stormy weather. They need to wait for better conditions in order to berth and to let vehicles out and in again. A similar situation has been reported for the land route via Austria, Serbia and Bulgaria. Due to heavy fall of snow on the roads the trucks need to wait at several places and long waiting queues and can only move on after the weather and road conditions get better. Please consider delays between 3-5 days for shipments which are currently on the way.

Thank you for your attention.

Yours sincerely,

M.G. International Transports GmbH

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