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IRAQ LOGISTIC
The Power of One

IRAQ LOGISTIC NEWSLETTER DECEMBER 2009

A regular newsletter with up to date information from the Middle East collected by our founding members.

www.iraq-logistic.com

NEWS FORM IRAQ

Port of Umm Qassr

The Security situation at the Port is normal. No serious incidents/accidents have been reported during the last five months. There is still a back log of undelivered containers and empties at Umm Qassr CY causing congestion in handling and stacking. Some cases for port storage, charges of long staying, containers has been resolved. Owners have to pay a maximum charge based on three months storage charges only.

There is still a big shortage in cargo handling equipment. This is causing some delays in shifting containers, and eventually turn around time of containers. General cargo vessels usually relay on own gears. Discharging, if possible, on direct delivery basis is to recommend. Currently there is no big delay in berthing of chartered general cargo vessels but still some delay for container feeder vessels. There are still no lines with scheduled calls at Umm Qassr.

Average waiting time is approx:

- Container vessels 5 – 10 days
- Ro/Ro vessels 2 – 4 days
- Beak bulk vessels 4 – 8 days

Customs procedures, are still taking a long time to complete, generally due to more strict applications of regulations regarding documentations, certificates and letters of exemption.

Presentation of Original Documents for Customs Clearance The State Company for Maritime Services, notified that cargo will only be discharged against original documents, and instructed all government sector consignees that they must arrange their shipments with the suppliers and forwarders accordingly, in order to avoid cargo remaining in storage waiting for presentation of original documents by consignees.

Inland Transports:

- Movement in almost all areas is safe and movement of cargo is almost normal to all areas. Inland transport charges have been steady for the last five months.
- Movement through Zakho (Turkey entry point) is generally smooth and increasing.
- Movement through Trebil (Jordan entry point) is slightly increasing.
- There is still only one entry point operating from Syria to Iraq through Al-Waleed border. Also here cargo is slightly increasing.
- There is an increase of movement of cargo overland from Iran. Cargo is transhipped at the borders from Iranian trucks to Iraqi trucks.
- Movement through Safwan (Kuwait entry point) is normal. All cargo has to be transhipped from Kuwaiti to Iraqi Trucks.

Railway network in Iraq

Iraq has a railway network of about 2000 Km. standard gauge line. However due to damage sustained during the war and consequent plundering of the facilities, currently there are no regular scheduled trains running, only special trains are operated on case by case basis.

Details of the various lines making up the network

1. Baghdad – Basrah line

The line starts from Maqil in Basrah and passes through the main cities of Nassiriah, Samawa, Diwaniah, Hilla and Baghdad central station. There is a branch line from Maqil to the Port of Maqil and a branch line from Shuiba (near Basrah) to Umm Qasser & Khor Al-Zubair ports.

2. Baghdad – Mosul line

The line starts from Baghdad central station and passes through the main cities of Samara, Tikrit, Baiji and Mosul. There is a branch line from Mosul to Rabia on the Iraqi / Syrian border. This branch is connected to the Syrian Railways at the Syrian station of Alyarubia, then through the Syrian network to the Turkish railway network and through that to the European railway network. However the connection with Syria is interrupted and there is no regular Railway service between Iraq & Syria, only occasional special trains on case by case basis.

3. Baghdad - AlQaim

The line starts from Baghdad central station and passes through the main cities of, Fallujah, Ramadi, Haditha and AlQaim (near the Syrian border). The line extends from AlQaim to Husiabah on the Syrian / Iraq border but there is no connection with the Syrian Railways (a connection has been planned since 20 years, the Syrians have to build a line from Dair Alzor to Abu Kamal about 100 km. to connect with the Iraqi line at Husaibah). There is a branch line from AlQaim to the Phosphate mine at Akashat.

4.1 Kirkuk - Baiji – Haditha line

This line runs East - West, starting from Kirkuk, crossing the Tigris at Alfateha, connecting with the Baghdad-Mosul line at Baiji, crossing the Euphrates at Parwana and connecting with the Baghdad-AlQaim line at Haditha. The Bridge over the Tigris at Alfateha was destroyed during the war so there is no connection to Kirkuk, also the bridge over the Euphrates at Parwan was damaged during the war, but trains can pass at reduced speed

NEWS FROM TURKEY

Ports Congestion, Mersin/Iskenderun

Presently there is no congestion at Mersin/Iskenderun ports.

Borders situations Habur/Zakho (Turkish/Iraqi borders)

Currently border delays have been reduced to 1 – 2 days from Turkey to Iraq and the vice versa.

Payloads for general cargo

Except for the heavy lifts and oversized cargoes, on-carriage of general cargo (in gauge) to directly served Iraqi destinations such as Dohuk, Erbil, Suleymaniyah and sometimes Kirkuk is being effected with 13.60m trailers with maximum payload of 23 tons and 7m trucks with maximum payload of 15 tons. For destinations served via transshipment basis such as Mosul, Baghdad and the other central and southern Iraqi destinations the goods are transferred at Zakho/Iraq onto 12m Iraqi trucks.

Container cargo

In general carriers/lines containers are unstuffed in the entry ports and on-carriage is being effected as one-way conventional break bulk.

Iraqi levy exemption

To avoid any delay/detention of the trucks at the borders, the original document of Iraqi levy exemption approved by the related Iraqi Ministries should be available at Iraqi entry border customs (Ibrahim Khalil) before arrival of the trucks at the border. Truckers are not involved in such process and it is the consignee's responsibility to follow up with the Ministries and Border Customs Authorities.

NEWS FROM MERSIN INTERNATIONAL PORT

Mersin International Port as gateway to Iraq

In order to encourage investment projects in our country and to foster the infrastructure projects and transit trade business with countries at border such as Iraq, Mersin International Port (MIP) has decided to apply a discount on the project cargo tariff for project cargoes handled at MIP with effect from 10 December 2009 until 10 June 2010. Please find attached the reduced tariff to be applied on loading and discharging project cargoes accordingly. MIP looks forward to being the gateway port for your projects in Iraq

Let us know how we can be of further assistance. For your inquiries and quotations please contact: marketing@mersinport.com.tr

Telephone numbers: (+90) (324) - 2412919 or (+90) (324) - 2412920

Website: www.mersinport.com.tr

Reduction in project cargo tariff

Due to the global economic crisis, in order to encourage investment projects in our country and to foster the transit trade business, Mersin International Port (MIP) has decided to apply a discount on the project cargo tariff for project cargoes handled at MIP with effect from 10 December 2009 until 10 June 2010.

Please find in the below table the reduced tariff to be applied on loading and discharging project cargo accordingly. Please circulate this announcement to all your members. The following is the new price list of project cargoes (loading / discharging) to be handled at MIP from 10 December 2009 until 10 June 2010.

Tons	USD/Ton
25-30	15
30-35	20
35-40	30
40-50	40
50-60	45
60-70	55
70-80	65
80-90	75
90-100	85
100-120	105
120-140	125

In the above scale the tonnage segment mentioned there is a corresponding price, the tonnage on the left is excluded and the tonnage on the right is included to the price (for example: for a cargo weighing 30 tons, the corresponding price is USD 15 per ton). For cargoes above 140 tons, please contact MIP for pricing.

Quantity discounts

2-3 pieces	10 %
4-10 pieces	20 %
Above 10 pieces	25 %

A quantity discount will be applied on the above prices, depending on the quantity of project cargoes. This tariff will be valid until 10 June 2010. All other terms and conditions remain unchanged. You may access to a copy of the port's full tariff in MIP's Website: www.mersinport.com.tr

For more information, please send email to: marketing@mersinport.com.tr

Marketing Department: (+90) (324) - 2412919 or (+90) (324) - 2412920

NEWS FROM LEBANON/SYRIA

Port of Beirut and Tripoli

There is no delay in the transit formalities at Beirut and Tripoli Ports. The situation in the container yard at the port is back to normal.

Ports of Lattakia and Tartous

There is no congestion or any delays for the transit formalities. The situation is normal.

Borders Lebanon/Syria/Iraq

In general, there are no changes in the existing rules and regulations that are still effective. Borders situation here is also working normal, there is no congestion and traffic is slightly increasing and is running normally on all sides of the borders.

Nowadays the roads from the borders to the main cities in Iraq are safe and more secure than before. Trucking services now is much better than before. There is a good number of well trusted drivers (Iraqi, Lebanese & Syrian) available which make the services more secure and safe. Tariffs & transporting charges are for the time being stable.

NEWS FROM DUBAI

Jebel Ali Port

Presently there is no congestion at Jebel Ali Port. The operations had returned to the usual high service levels with no delay to shipping. Nevertheless the volume of cargo has been dropped due to the present economic situation.

Services to Umm Qassr

Weekly services for RO/RO as well as containers to Umm Qassr port from Jebel Ali port are more or less in schedule, except certain delays in Umm Qassr due to insufficient port equipments to load and unload the containers. More competitors are entering the market in full force. Due to the competition, rates are coming down for containers as well as for RO/RO shipments. Extra fees in the airfreight rates from UAE to Iraq is applied due to additional service fees for getting landing certificates from Iraqi Airways.

Critical Bunker Surcharge (CBR)

In view of the sustained high level of Bunkers, the Gulf Feeder Discussion Group has taken a collective decision to implement Slab 2 CBR on laden boxes as follows:

Gulf ports of Jebel Ali, Abu Dhabi, Khorfakkan to and from the ports of Bahrain, Dammam, Kuwait, : USD \$30/laden teu

The CBR shall be payable with the ocean freight, on prepaid or collect basis as appropriate.

The above CBR will be applicable for all shipments effected on and after December 15, 2009. CBR will be revised downward if the monthly average bunker prices fall below USD 425/M.ton for two consecutive months and will be duly removed if the monthly average bunker prices fall below USD 350/MT for two consecutive months.

However if Bunker prices continue their current upward trend then a further additional CBR quantum will be announced later. The CBR will be implemented based on the following IFO 180 cst trigger price slab.

Slab 1	\$350/M.ton - \$425/M.ton
Slab 2	\$426/M.ton - \$500/M.ton
Slab 3	\$501/M.ton - \$575/M.ton
Slab 4	\$576/M.ton - \$650/M.ton
Slab 5	\$651/M.ton - \$725/M.ton

Asia to Arabian Gulf Fuel Adjustment Factor (FAF) Notification

Please be advised that the following Fuel Adjustment Factor (FAF) will be applied to all applicable shipments from Asia to all destinations in the Arabian Gulf (including Iranian and Iraqi ports), as per the following criteria:

AOTJ FAF:

FCL from 1st January to 31st January 2010 = US\$276/TEU
LCL from 1st January to 31st January 2010 = US\$13.80/CBM

Japan FAF:

FCL from 1st January to 31st January 2010 = US\$238/TEU
LCL from 1st January to 31st January 2010 = US\$11.90/CBM

Gulf of Aden Emergency Surcharge" Notification

This is to advise all concerned that the "Gulf of Aden Emergency Surcharge" of USD 22 Per Teu will be increased to USD 41 per Teu, effective from 1st January 2010 applicable for all cargo sailing through the Gulf of Aden in both directions.

Applicable for both Imports & Exports to/from USA, Europe, West Med, East Med, Red Sea, North Africa.

This is not applicable for shipments to/from Indian Sub Continent and Far East to UAE Ports.

NEWS FROM JORDAN

Jordan/Iraqi borders, Al-Karameh/Trebil borders

The border situation is very normal as traffic is running normally and procedures are very smooth with some delays at the Iraqi side due to the new customs regulations at the Iraqi side. The Iraqi customs are applying new regulations. They started using their own evaluation on the value of the imported goods to Iraq instead, as before, depend on the Jordanian Customs evaluations. This is causing some delays at the borders.

The flow of cargo is significantly increasing, but still Iraqi reefer trucks are not allowed to enter into Jordan. All reefer cargo is transhipped at the border from Jordanian trucks to Iraqi trucks. The security situation on the roads and up to the main cities of Iraq is significantly improving to the better. No accidents or incidents have been reported or claimed during the last five months.

Port of Aqaba (ACT)

Aqaba port situation is very normal as it does not have any congestion. Most of the main shipping lines have their own weekly services to/from Aqaba port.

Container Terminal Container Service Charges

Effective from 1st January 2010.

Link: www.act.com.jo

NEWS FROM SWEDEN AND IRAQ

Iraq-Logistic participated in Iraq International Fair Baghdad 1-10 november 2009

The event was held at Baghdad Fairgrounds, Baghdad, with the participation of more than 350 companies. Our participation in this exhibition comes as a result of one of Iraq-Logistic partners in Sweden, Melship AB, together with our partner in Iraq, Al-Imad Group, organized a Swedish information pavilion for a few numbers of Swedish companies.

Iraq International Fair 2009 opened on Sunday the 1st November 2009 at 10 am. under the auspice of the minister of trade "Mr. Saffa Al-Din al-Saffi" and the presence of other deputy ministers of other ministries and high officials.

Same day, the ministers visited the Swedish pavilion. The Ministers were very impressed and welcomed the Swedish participation. They expressed their admiration for the participation under the hard circumstances that Iraq is facing today. They encouraged their departments and other ministries to send their organisations to visit the pavilion.

Besides the participation, it gave us the opportunity to mingle with most of the participants on the spot where we established a closer relationship with the companies' representatives, Iraqi Ministries, Iraqi State Organisation and the Iraqi private sector. We highlighted, delivered and provided the services of Iraq-Logistic and its role to secure and provide comprehensive logistic services to and from Iraq.

HOLIDAYS

Christmas

Thursday 24th December – Tuesday 29th December 2009

New Year

Thursday 31st December 2009 – Monday 4th of January 2010

**IRAQ-LOGISTIC wishes our members, colleagues,
their staff and families:**

MERRY CHRISTMAS AND HAPPY NEW YEAR.

THE IRAQ-LOGISTIC NETWORK



IRAQ LOGISTIC newsletter december 2009

The Iraq-Logistic newsletter is a regular newsletter with up to date information from the Middle East collected by our founding members. For more info about the Iraq-Logistic network please visit our website:

www.iraq-logistic.com