

NEW REGULATIONS IN IRAQ

From 1st March 2013 all Original Import documents must be attested by Embassy of the Republic of Iraq at country of origin.

Newsletter

IRAQ – Hurdles and Challenges

Many new opportunities open up for companies in Iraq but there is no shortage of challenges for them to work. In order for an Oil & Gas industry, any project to come together efficiently has to have all the right parts. We spoke with Osman Tari, CEO of Bernekon Group, what kind of hurdles may affect company operations and how to deal with them.

What are the major logistical challenges in Iraq in terms of security, infrastructure, legal, payment transfers, border controls, international compliance?

Iraq in the recent years has advanced in terms of Compliance and Standardizations for international norms and the difficulties that we had faced 2 years back is not the same at present.

The south of Iraq which is considered to be the most busy region has advanced with banking system, security, compliance and customs regulations.

The congestions and new projectson



Osman Tari, CEO of Bernekon Group

the infrastructure with bridges, pipe lines and roads are those that can be considered to be a challenge now and in the near future.

We anticipate that Iraq has a very progressive approach to modernization and emerging the country to compete with neighboring countries in terms of opportunities in business as well in living standards.

How does your company resolve these challenges?

One of the core elements our company implements are to work very closely with the governmental offices and keeping the relationship up to date. Especially the new regulations that is with the developments of financial system and customs requires to

have a proactive attitude in having our customers informed and prepared for their shipments and businesses in compliances and conformance. We see our success as good as the success of our customers.

NEW REGULATIONS IN IRAQ

From 1st March 2013 all Original Import documents must be attested by Embassy of the Republic of Iraq at country of origin.

Newsletter

What are the major energy industry trends that have affected your company's operations?

Without any doubt the Oil & Gas industry is the leading sector in Iraq followed by infrastructure and civil engineering, however the trend for civil engineering and Infrastructure will take the lead in the coming months where most of the revenues, coming from Oil Exports, will be diverted too. Most of the oil operators have started their upstream operations; the oil output is reaching the level whereby the logistics and imports will be lessen for the Oil Explorations and Servicing and will move to imports for collections and processing. Pipelines, Refineries, Power Stations, Port and Collections are the trends now going forward. Of course we must also mention other industries like



Education, Healthcare, and FMCG that reaching a substantial levels but yet to reach the levels of Oil & Gas.

Where does your company operate in Iraq and what services does it provide exactly?

Bernekon has its roots in the South of Iraq - namely as Basra, Nasriya and Meysan; we operate from Baghdad as well where we represent several foreign companies. Our services includes Freight Management, In-Country Support and Strategic Sourcing, from which

our customers benefits the most suitable options based on their requirements. Our Door-to-Door services are supported with local supplies, as well as with trade activities that supports our customers to make their purchases through our entities.

How much local recruitment/employment does your company do and how does it train staff to comply with company or international standards?

Our company does currently have 25 Managerial positions in Iraq.

In addition we employ locally that currently reaches 240 positions, mainly for our customers who require trained and semi trained staff for Office, Rig and Construction fields.

The basic training are been provided by our senior staff and specific training are conducted together with our customers emphasizing on job as well with high level on compliance to HSE standards, because some of our customers are operating on the Drilling Rig which requires higher awareness of Health and Safety.

2

NEW REGULATIONS IN IRAQ

From 1st March 2013 all Original Import documents must be attested by Embassy of the Republic of Iraq at country of origin.

Newsletter

What are the major logistical bottlenecks/challenges to making Iraq a larger oil and gas exporter?

Iraq challenge for higher output is the modernization of the Oil Pipeline to the South. This pipeline is now under development by CPP, whom we currently provide services to support their Badra-Nasriya project, with two major operators PetroNas and GazProm. Another one is the stabilization of the flow at the Al Fawn port – the biggest port in Iraq, that will relief high congestion of Umm Qasr port. In addition, investments to Free Zones, Warehousing and Bonded Logistics centers that can make a difference on the competence for the

Customs and Ports will improve turnaround that consequently would increase the in-flow of goods and equipment. With all these hurdles and challenges we anticipate that Iraq in the next 5 years will be substantially the number two Oil exporter in the Region. More important however is that Iraq becoming exporter of Petroleum products and products such as Fertilizers, Chemicals, and other that will immensely contribute to the GDP as well as improve socially status by creating more jobs and new markets.

