Translations of Iraq's Bilateral Trade Protocols

Regime Finance and Procurement - Annex A

This annex contains translations and copies of the Jordan (partial), Syria, and Turkey trade Protocol agreements with Iraq. Iraq and Egypt participated in a relatively short-lived Protocol that earned Iraq about $33 million in late 2001 and early 2002. We do not have access to documents outlining this agreement.

Jordan-Iraq Trade Protocol

Oil sales to Jordan under the Protocol began as early as 1983. Terms were negotiated annually, including 1991, and every year thereafter during sanctions. There actually were two Protocols: an Oil Protocol and a Trade Protocol. ISG does not have a copy of the Trade Protocol. We do, however, have copies of three Oil Protocol documents for 2003. They were negotiated from 19 to 21 November 2002. Engineer Mohamed Batayna, Ministry of Energy and Mineral Resources signed the first document for the Iraqi side by Amir Rashid Muhammad al-Ubaydi, Iraqi Minister of Oil and for the Jordanian side.

An ISG Translation of the 2003 Iraq-Jordan Trade Protocol Agreement (part 1/2003)

By the Name of God, the merciful, the compassionate

Agreement Record
Number (1 / 2003) Regarding preparation for crude Oil and its derivatives
From Iraq to Jordan for 2003

During the visit of the Minister of Energy and Minerals of Jordan to Baghdad from the period of 19th to the 21st of November of 2002, a meeting took place between the Iraqi Minister of Oil and the Minister of Energy and Minerals of Jordan, wherein they studied the preparation related to the Iraqi crude oil and its derivates to Jordan through 2003, and both agree on the following:

Firstly:

A. President Saddam Husayn (May God protect him), authorized a grant of $300 million to the people of Jordan. The grant will be from the value of oil and its derivatives that Jordan imports during 2003.
B. The grant will be deducted from the value of crude oil in the amount of $25 million monthly.
C. If the total value that is mentioned in paragraph (A) drops down to $600 million in year 2003, the grant will drop by 50% of the total dropped value, and the annual deduction will be adjusted in November and December of 2003.

D. The grant should not be less than $200 million.

Secondly: There will be $45 million allocated for the commercial exchange agreement, (which is $3.75 million monthly) from the total value of derivatives that is utilized by Jordan for local consumption during 2003. Also, on the grounds of the same agreement, $15 million shall be allocated from the total value of liquid gas that Jordan imports from Iraq for local consumption in 2003. These amounts shall be used for financing exports related to improving, supplementing, necessity, and spares from the Jordanian Oil Refinery Company, for the benefit of the Iraqi, Ministry of Oil. The above mention materials and the materials produced in Jordan shall be paid via the Jordanian Oil Refinery Company.

Thirdly:
All dues from crude oil that is imported from Iraq to Jordan in 2003 shall be paid in cash, and the funds shall be utilized for the same goals that are mentioned in the second paragraph and via the Jordanian Oil Refinery Company.

Fourthly: Shall agree on the equality of oil and derivatives prices as mentioned in the agreement record number (2/2003), between the Ministry of Oil, Oil Marketing Company and the Ministry Of Energy and Minerals in Baghdad dated November 21, 2002.

Written and signed in Baghdad on Ramadan 16, 1423 H
Corresponding, November 21, 2002

[Signature]		[Signature]
From the Iraqi side Dr. Aamir Mohamed Rasheed Minister of Oil		From the Jordanian side Engineer, Mohamed Batayna Ministry of Energy and Minerals

An ISG Translation of the 2003 Iraq-Jordan Trade Protocol Agreement (part 2/2003)

Agreement Record
Number (2/2003)

During the meetings that convened at the Oil Marketing Company in Baghdad between November 19th 21st of 2002, concerning the Iraqi and Jordanian study related to the supply of crude oil and its derivatives from Iraq to Jordan for the local consumption for year 2003, have concluded the following:

Firstly: Quantities and daily average:

A. Crude oil:

The two parties agree that the Iraqi side shall supply a total quantity of crude oil in 2003 estimated to be 4.04 million tons, (plus or minus 10%) to be distributed in the months of the year, in accordance with the following daily average (ton/day):

Month	Quantity (ton/day)	Month	Quantity (ton/day)
January	12,000	July	12,000
February	12,000	August	11,000
March	12,000	September	11,000
April	12,000	October	11,000
May	4,000	November	12,000
June	12,000	December	12,000

B. Derivatives:

The two parties agree that the Iraqi side shall supply quantities of derivatives to Jordan through 2003, as follows:

- Fuel oil 520 thousand tons plus/minus 10%
- Gas oil [al solar] 250 thousand tons plus/minus 10%
- Liquid gas 95 thousand tons plus/minus 10%

C. The average daily supply shall be in accordance with this chart for the months of the year:

Month	Fuel Oil Tons/Day	Gas Oil [al Solar] Ton/Day	Liquid Gas Ton/Day
January	1000	600	450
February	1000	600	450
March	1000	600	350
April	1200	600	250
May	3200	700	250
June	3200	700	200
July	1400	700	100
August	1000	700	100
September	1000	700	100
October	1000	700	300
November	1000	800	350
December	1000	800	350

D.

E. And a follow up on supplying crude oil and derivative quantities as indicated on the mentioned charts and its transfer, receiving shall be pursued in coordination with the two sides. In addition, the two sides shall audit the total quantities and the daily average, according to actual needs and in conformity with the operation conditions with the two sides. If the Jordanian Side wishes to change the average daily quota, the Iraqi side shall be notified 15 days prior to the new day of the daily quota.
F. The supply of the liquid gas shall be 25% propane, and 75% butane for the quantity of 350 tons per day, any additional supplies will be on the basis of flexibility in specifications to 40% propane and 60% butane.
G. The fuel oil shall be supplied with no less than 60 degrees of ignition.

Secondly:
Prices and other conditions:

A. Crude Oil
   1. Between January 1st, 2003 and December 31, 2003, the price of crude oil shall be in accordance with the pricing formula demonstrated below:

      The light, Basra crude oil price shall be paid in USD per barrel, the price is for a tank load from station (T1) in Iraq that will be equal to the light Basra crude oil that is announced for Europe, from the delivery of the Arab Gulf for the month that the load occur, minus $0.95 per barrel, from December 31, 2002, a review on the amount will occur if changes ensue on transportation fare.

      In case the actual price is higher than $20 per barrel, the Jordanian side will be granted a deduction of 40% for the increase for the light Basra crude oil that is announced in Europe.
   2. The Jordanian side shall be granted a special reduction as we agree in the report number (5/2002) dated November 21, 2001.
   3. The payment of the prepared crude oil shall be paid within a month (30 days) after the load is completed.
   4. The Ministry of Energy and Minerals shall establish a letter of credit from the Jordanian Central Bank, which shall have a paragraph implying acceptance of the shipping documentation in case its value exceeds the monthly value as stated in this credit.

B. Derivatives:

   The prices of derivatives mentioned above which will be supplied to Jordan from January 1st, 2003 to December 31, 2003 shall be as follows:

   1. Fuel oil:

      The price per metric ton of fuel oil that is loaded monthly on tankers in Iraq’s storage by dollar shall be the average monthly of the fuel oil FOB, Italian base according to the published bulletin of PLATTS market of Europe(3.5% fuel oil) for the loading month with a deduction of $2.5 per ton.
   2. Gas oil (Alsolar):

      The price of one barrel of gas oil that is loaded monthly in (C&F) Al-Zarqua in dollars, for the monthly average prices for gas oil (FOB) at the Arab Gulf which published at the PLATTS market bulletin of Europe with deduction of two dollars per one barrel.

The same equation shall be applied, and the special condition for gas oil will pertain for kerosene if it is supplied to Jordan during the period of January 1st, 2003 to December 31, 2003.

3. Liquid gas:
   A. Loaded on tankers from the refinery of Bayji/Kirkuk:

      The price shall be in dollars and will be the monthly average of prices published at the bulletin of PLATT's LP Gas Wire for the metric ton of propane and butane gas for midwest, with the percentages of 75% butane and 25% propane, minus ten dollars per one unit of metric ton.
   B. Delivery at Al-Zarqua refinery/Erbid/Amman:

      One metric ton is equal to the mentioned price before deduction, as indicated in paragraph (A), plus 40 dollars per metric ton.

Benzene for automobiles:
If there is a need to import regular benzene from Al-Zarqua refinery, the supply shall be according to product availability in accordance with the pricing equation below:

The price of one barrel from regular benzene for vehicles on a basis of (C&F) Al-Zarqua is equal to the monthly average of the price of benzene for vehicles published in the bulletin of Argus Asia Products Report, titled FOB the Arab Gulf, minus $2 for every barrel and payment shall be made in cash.

Thirdly: Transportation fare:
The Jordanian Oil Refinery Company shall pay the transportation costs of gas, liquid oil, and other expenditures for sold quantities on the basis of (C&F) base on notice from the Oil Marketing Company, and it will be deducted from the total value of the product, as much as $15 per ton for the gas oil and in the amount of $50 per ton for the liquid gas and $17 per ton for benzene as transportation fees.

The Iraqi side shall continue to carry the liquid gas in case it wasn't possible to transport the quantity demanded. The Jordanian Oil Refinery Company can transport some of the quota based on its ability.

Fourthly: Crude oil:
The two sides agree that the Iraqi side shall supply the total quantities of the crude oil to Jordan with the same specification that were previously agreed upon, (except the adhesiveness specification for oil SN500, the minimum stickiness shall be 9.5 centimeter stock at 100 degree Celsius), this will be through 2003, estimated 17,140 tons plus or minus 10% distributed with according to the specifications and the month of the year as follows:

	Quantity (Tons/Year)	Quantity (Tons/Month)
SN100	40	One Quota
SN150	3000	250
SN500	9500	792

BS150	4600	383

And the price of these materials during the period of January 1st, 2003 and December 31, 2003 are as follows:

	C&F Al-Zarquaa
	Price (Dollar per Ton)
SN100	307
SN150	295
SN500	305
BS150	410

Fifthly:
The weight and measurements shall rely on shipment documentation at the loading location for the purpose of calculating quantities for all sorts of derivatives and contracts (FOB and C&F). The transportation contracts shall have a text that imply that the transporter shall carry the burden of value for the decrease for more than 0.5% for all oil products, except benzene, the percentage of decrease shall be more than 0.7%.

An ISG Translation of the 2003 Iraq-Jordan Trade Protocol Agreement (part 3/2003)

Agreement report
Number (3/2003)
Raw Oil and its production's transportation

During the meetings held in the Ministry of Oil in Baghdad from the 19th to the 21st of November 2002 between the Iraqi side and the Jordanian side (enclosed are the attendee's list) concerning the agreement of transporting raw oil and its derivatives to Jordan, both parties have agreed to:

First the crude oil Starting 2/1/2003 the Iraqis will continue to deliver 28% of Jordan's needed crude oil which quantities and daily average have been decided in the agreement of (2/2003) dated and signed on 11/21/2002.

A. Based on the 7/2002 agreement which was signed by both parties for the period between the 1st and the 31st of January 2003, the shipping cost will be ten Jordanian Dinars per ton minus 200 Jordanian Fils towards safety, transportation arrangement and road maintenance for the oil tankers during the bidding execution period. Additional seven Fils will be applied for each kilometer/ton in the case of any change of shipping or delivery distance.
B. Shipping costs will be determined starting 2/1/2003 through the relegation of the tender's decision for shipping the crude oil that was issued by the Jordanian Ministry of Energy and Minerals.
C. The Jordanian side will furnish the Iraqi one with a list of the transportation companies detailing the quantities of the crude oil for the entire period, when forwarding tender # 2 for the year 2002 which covers the period between 2/1/2003 and 1/31/2004 to the Jordanian transporting companies.
D. Arrangements and communication will be maintained regarding road maintenance between the crude oil shipping stations in (T1) and the Iraqi-Jordanian border, in order to follow up and implement the plan in the shortest possible period and to improve the crude oil's tanker line.

Secondly: oil derivatives The Iraqi side will continue to ship the needs of Jordan's oil production for 2003. Quantities and daily and monthly averages were decided based on agreement number 2/2002 signed by both parties, on 11/21/2002 as follow:

1. Heating Oil
   a. Shipping cost per ton from 1/1/2003 through 1/31/2003 will be as follows:

From	To	Jordanian Dinar/Ton
Bayji	Al Zarqaa	13.054
	Al Aqabah	17.640
Al Dowrah	Al Zarqaa	11.604
	Al Aqabah	17.0227

   b. Shipping cost to and from different locations will be set starting 2/1/2003 in Jordanian Dinar per ton according to the following formula:

Cost according to (A-1) of the minute # (7/2002) X shipping cost of the crude oil applied starting 2/1/2003
9.80

2. Crude, Liquid and Gas Oil (Solar)

   The Iraqi side will continue to ship Jordan's actual need for 2003 according to agreement (2/2003) signed on 11/21/2002 in Baghdad.

Thirdly: The Iraqi side will commit to the predetermined regulation number (42) of 2002 and the decisions issued by the Jordanian Cabinet of Ministers when dealing with the maximum dimensions, total weight, and engine capacity of the crude oil tankers.

According to the Minister's Cabinet decision number 1626 dated 6/25/2002, the maximum total weight should not exceed five tons per truck (tanker), excluding the liquid gas tankers.

Fourthly: The Oil Production Distributor Company will be in charge of shipping the above mentioned crude oil and all of its derivatives for the benefit of the Jordanian side.

The Distribution Company will continue to authorize the Iraqi Jordanian Land Transportation Company to operate the transportation and to receive its dues according to the rules in regard to the crude oil and the fuel oil only. The Jordanian party will be notified in a timely fashion in case of any changes.

Fifthly: The monthly quantity of crude oil and its derivatives needed to be shipped will be decided in a letter, fax or telex issued by the Ministry of Energy and Mineral Resources and directed to the Oil Marketing Company. Copies will be sent to the Oil Production Distribution Company and the Technical Department of the Ministry of Oil.

In case of a program change, the other party will be notified prior to any changes, while the Iraqi side is gradually reaching the needed quantity by increasing or decreasing within maximum of ten days from the notification date, in order to avoid the overloading up trucks waiting to offload in Jordan, and to make available the needed number of containers. Follow up of the situation in the trucker lots will be taken care of by the Ministry of Energy and Minerals Resources, or by the Jordanian Oil Refining Company.

Sixthly: Transporting the imported quantities will be managed by the Oil Production Distribution Company according to agreement number (2/2003) which indicated change in the quantity needed to be transported not to exceed plus or minus 10%.

Seventhly: Loading locations in Jordan will be switched in coordination with the Oil Production Distribution Company.

Eighthly: Periodical meetings will be conducted by a coordinated committee from both parties to follow up with the transportation plan.

Ninthly: The entity that is authorized by the Oil Production Distributor Company will ship the crude and raw oil, and then submit its inquiry in accordance with the Ministry's instructions to the Energy and Mineral Resources Ministry.

Tenthly: The entity/entities responsible for shipping the crude oil and its derivatives shall pay the difference between the shipped and received quantities in the receiving locations, according to the shipping documentations, taking into consideration the 7% allowance for the benzenes and 5% for the crude oil and other production.

Eleventh: Coordination between the Jordanian Refinery Company and the Oil Production Distribution Company will be directed to overcome any problems concerning the tanker's accumulation and to avoid any future oil transportation problems regarding the oil production. Concerning crude oil, an arrangement will be made through the Ministry of Energy and Mineral Resources.

Twelfth: Status of the Iraqi tankers will be followed by the Oil Production Distributing Company in order to ensure its safety.

Thirteenth:
The Oil Production Distribution Company will identify and direct the tankers to the offload locations. Any tanker not in its specified location as stated on the shipping policy (issued by the shipping center and endorsed by the Oil Production and Distribution Company) shall not be offloaded by the Jordanian Refining Company, in addition the Oil Production and Distribution Company must be notified.

Fourteenth:

A. Based on its ability, the Oil Production Distributing Company will ship the Jordanian Refining Company's needs for liquid and gas oil (Solar) directly from Iraq to Al Aqabah.
B. The Jordanian Refining Company shall pay any discrepancies in shipping cost from Al Zarqaa and Al Aqabah to the authorized entities by the Oil Production and Distribution Company as follows:

- Gas Oil (Solar)		(10) Dollar/Ton
- Liquid Gas		(18) Dollar/Ton

Fifteenth: Based on the Jordanian request, the Oil Production and Distributing Company offered to ship the extra quantities of the liquid gas imported through Al Aqabah port to its storage locations in Al Zarqaa, Amman, and Irbid using its own tankers according to a separate agreement to be signed between the Oil Production and Distribution Company and the Jordanian Refining Company Ltd., similar to the agreements signed in earlier years.

Sixteenth: The Distribution Company or its authorities will ship the oil derivatives, request the Jordanian Oil Refining Company according to its regulation to pay the shipping cost and receive all dues directly.

Seventeenth: The Oil Production and Distribution Company will be exempted from all applicable fees existing in the Kingdom of Jordan.

Eighteenth: This agreement is expandable to include any additional needed periods pending an acceptance by both parties.

Written and signed in Baghdad on	Ramadan 16th 1423
	November 21st 2002

[Signature]	[Signature]
By Jordanian side	By Iraqi side
Engineer Azmy Khrisat	Saddam Zaban Hasan
General Trustee	Deputy
Ministry of Energy and	Oil Ministry
Mineral Resources	

[List of attendees

Jordanian Side	**Iraqi Side**
1. Engineer Azmy Khrisat	1. Mr. Saddam Zaban Hasan
2. Mr. Ezzuddeen Kanakryyah	2. Mr. Thamir Abbas Ghadban
3. Engineer Abdul Kareim Alawein	3. Mr. Sameer Mikhail Asaad
4. Engineer Wijdan Al Rabady	4. Mr. Fadil Muhammad Baqir
5. Mr. Hazim Rahahlah	

http://www.jordanembassyus.org/010799004.htm

Jordan Times
Thursday, January 7, 1999

Iraq, Jordan sign oil supply agreement for 4.8 million tonnes of crude oil

BAGHDAD (Agencies) — Iraq and Jordan have signed an oil agreement under which Baghdad will supply Jordan with 4.8 million tonnes of crude oil and by-products in 1999.

The Iraqi News Agency (INA) said the agreement was signed by Iraq's Oil Ministry Undersecretary Taha Hmud Musa and Jordan's Energy Undersecretary Ahmad Basheer late on Monday.

Jordanian newspapers said Minister of Energy and Water Hani Mulki and Iraqi Oil Minister Amer Mohammed Rashid exchanged approvals of the new agreement by fax.

INA quoted Musa as saying that "this agreement includes Iraq's commitment to provide Jordan with all its needs of crude oil and its derivatives totalling 4.8 million tonnes."

He said the deal, under which sanctions-hit Iraq supplies Jordan with oil at concessionary rates in return for Jordanian food and medicine, effectively included a grant to Jordan of up to $250 million.

Earlier, Basheer told Reuters that Jordan, dependent on Iraq for its oil needs, wanted to increase its oil purchases from Baghdad by 3 per cent from last year's 4.8 million tonnes.

He said Jordan's needs of refined products would be one million tonnes and the rest would be crude oil.

INA gave no other details of the deal and did not say whether Iraq had specifically rejected Jordan's requested increase.

In the past, Iraq has supplied some of the oil at market prices and the rest at concessionary rates, all paid for with Jordanian food and medical exports.

Mulki had been scheduled to arrive in Baghdad on Jan. 3 to sign the agreement with Iraq, but Basheer said his visit was called off because of a crisis over natural gas shortages in Jordan.

Since the 1991 Gulf War over Kuwait, Iraq has been exporting around 75,000 barrels of oil and 300 tonnes of gas a day to Jordan.

In previous years, when oil prices were higher, Iraq got in

return around $300 million to $350 million worth of food and medicine from Jordanian firms.

Food and medical imports — if approval is granted by the United Nations Sanctions Committee on Iraq — are not covered by the sweeping U.N. sanctions imposed on Iraq after its 1990 invasion of Kuwait.

The U.N. Sanctions Committee, however, does not have to rule on Iraqi oil supplies to Jordan, which have been quietly allowed to continue because Jordan has no other alternative sources of supply.

The U.N. also allows Baghdad separately to sell limited quantities of crude oil to buy food and medicine for Iraqis under the "oil-for-food" sale that began in December 1996.

Talks on the oil supplies appeared to be going ahead despite political tension.

http://www.jordanembassyus.org/12282001004.htm

Jordan Times
Friday - Saturday, December 28 - 29, 2001

Cabinet approves Jordan-Iraq crude oil pipeline

By Khalid Dalal

AMMAN — The Prime Ministry late Wednesday endorsed the construction of the Jordan-Iraq crude oil pipeline project, government spokesperson Minister of State Saleh Qallab said.

The Kingdom will cover the cost of the section of the pipeline (around 300 kilometres) which will lie within its borders, and Iraq will cover the remainder.

ILF Consulting Engineers of Germany will help the government study the bidders' offers — expected to be submitted by mid-April — and determine the project developer(s).

Addressing reporters after a Cabinet meeting Wednesday night, Qallab said the government also approved establishing a representative bureau in Amman for the United Nations Food and Agriculture Organisation (FAO).

According to Qallab, the Cabinet ratified its Development Commi-ttee's recommendation related to the agreement signed between the Ministry of Post and Telecommunications and D&C, an international firm.

“The company will be entrusted with delivering Jordan Telecom bills to citizens,” said Qallab.

Another committee proposal endorsed by the government was to fund housing projects for limited-income employees with JD1,300,000.

“The funds will be allocated out of the privatisation proceeds in Jordan Cement Factories Company (JCFC),” said Qallab.

Also on Wednesday, the government appointed Hussein Bani Hani as a consultant at the Prime Ministry, Ambassador to Germany Farouq Kasrawi as the Kingdom's non-resident ambassador to Finland, Omar Amad as ambassador to Qatar and Hassan Sweiss as honorary consul in Chicago, Illinois in the US.

The Council of Ministers will soon start discussing the general budget for 2002 expected to be endorsed within a few weeks, said a source who preferred not to be named.

http://www.zawya.com/cm/profile.cfm/cid1000162

Principal Activities

Generation of electric power. **Date of Establishment**

1998 **No of Employees**

1,475 (Company)

Business Overview CEGCO's roots extend all the way back to 1967, when the government first established the Jordan Electricity Authority (JEA) a regulatory and power generation body. In 1994, JEA was restructured as a company and was renamed National Electric Power Company (NEPCO). After another restructuring in 1999, NEPCO was divided into three entities: CEGCO, for electric power generation; Electricity Distribution Company (EDCO), for distribution; and National Electric Power Company (NEPCO), itself for transmission. CEGCO mainly supplies electricity to NEPCO.

CEGCO currently remains wholly-owned by the government, but there have been talks of a possible partial privatization of the company, even though a date for such a step has not been confirmed yet.

At the end of 2004, CEGCO had a total installed capacity of 1,636 MW.