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BALTIC JOURNAL OF LAW & POLITICS

A Journal of Vytautas Magnus University

VOLUME 16, NUMBER 2 (2023)

ISSN 2029-0454

Cite: *Baltic Journal of Law & Politics* 16:2 (2023): 324-337

DOI: 10.2478/bjlp-2023-0000025

Shipping Oil (Iraqi Oil Tanker Company Case Study)

Fatima Rahim Muhammad

University of Baghdad, Ibn Rushd College of Education for Science humanity

ffn9292@gmail.com

Dr. Jamal Hamid Aldulaimi

University of Baghdad, Ibn Rushd College of Education for Science humanity

Received: December 14, 2022; reviews: 2; accepted: January 20, 2023

Abstract

This research discussed a topic that is one of the most important topics of economic geography, and one of the important pillars of the Iraqi economy in general and the province of Basra in particular, which is the maritime transport of oil adopted by the Iraqi Oil Tanker Company located in the province of Basra and the study showed the beginnings of transporting Iraqi oil abroad and the justifications for the establishment of the Iraqi Oil Tanker Company and the financial revenues resulting from the transfer of Iraqi oil in the event that it is well marketed and the establishment of a maritime transport fleet capable of meeting Iraq's need for the export and import of oil products. The role of the Iraqi Oil Tanker Company since its establishment to the present time in transporting Iraqi oil outside the country has also emerged by reviewing its work structure and ways to develop and upgrade it to compete with other countries.

The study showed the economic policy of Iraq and the methods of selling oil, where Iraq relied on the method of selling FOB⁽¹⁾ which depends on the transport of Iraqi oil on foreign tankers in exchange for a small share of the oil tanker company hardly exceeds 16% of the volume of products that are exported abroad, thus depriving the Iraqi economy of large financial returns resulting from the injustice of transporting oil in the case of using the sale of SAF⁽²⁾.

⁽¹⁾ CIF or CAF F0I0C: The term "SAFE" or "CAF" is only a shorthand for the following phrase: Cost. Insurance et fricht. In English. This term means that the sale includes, in addition to the price of the goods subject to the contract. In other words, the seller in this type of sale is obligated to ship the goods he sold and then cover them by insuring them against all risks to which these goods are exposed during transportation. The buyer agrees to this initially at the time the contract is concluded. The price incurred by the buyer is a total price that simultaneously includes the value of the goods and the amount of carriage and insurance.

⁽²⁾ FOB B000F: Is the sale in which the ownership of the goods is transferred from the seller to the buyer as soon as they are delivered at the port of departure on board the ship and the buyer bears the

The study also recommended the need to build a large oil tanker fleet with international specifications that helps the company to increase its contribution to the export of oil products in addition to obtaining special approvals for the export of crude oil instead of relying on foreign tankers to develop the reality of the company's situation and reduce Iraq's dependence on other countries in delivering its products to the other countries.

Introduction

Maritime water transport is currently one of the most important pillars of the national economy for any country in the world, because it is an endless tributary of the financial returns that generate in the state treasury, as it is one of the most important effective economic sectors in the service of internal and external international trade of the countries of the world.

The port represents the link of the country with the other countries to the degree that maritime transport has become a crossing for the maritime state with the rest of the countries that are located with the seas and oceans in various continents of the world.

It is the carrier of economic products of all kinds, and on the other hand, it is the social ideas of the inhabitants of coastal countries through cultural mixing. Maritime transport is an economic resource, not to mention the type of goods it transports, which is also considered a resource for the country, especially if it is one of the goods of great economic importance, like petroleum and its derivatives, which are the focus of this study.

In addition, the global trend has known the importance of transporting oil and its derivatives as one of the sources of fuel and energy, which led to an increase in transportation projects with the increase in housing projects and thus an increase in the size of profits. The magnitude of crude oil reserves and the increase in interest and expansion in transporting it abroad, while the global demand for it has led to the expansion of local means of transportation for it, since crude oil was invested in Basra by international oil companies through a set of oil concession contracts to transport oil to global markets

The issue of the study

The issue of this study stems from several questions that can be identified as follows

Does Iraq have an efficient maritime transport fleet, especially supertankers and petroleum products, through which it can transport crude oil to global markets?

What is the current reality of the Iraqi Oil Tanker Company?

risk of their destruction or damage during transport unless there is an agreement between the parties to the contrary and is known in English Free on board.

Study hypothesis

The hypothesis of the study stems from several hypotheses, the most important of which are

1. The Iraqi Nakilat Company's possession of supertankers will enhance its position in the crude oil transport sector and achieve large profits and then develop it, as well as increase Iraq's ability to export oil to various countries of the world.
2. Is the Iraqi Oil Tanker Company able to meet Iraq's need for the export of crude oil and petroleum products?

Research's Objective

The aim of the study is to reveal the real reality of the maritime transport of Iraqi oil and to know the role of maritime transport of oil and the financial returns that move the wheel of economic development of the country as well as to identify the repercussions of oil transport developments on the Iraqi Oil Tanker Company⁽¹⁾

Research Justifications

1. The importance of the Iraqi maritime transport sector, especially with regard to the transport of Iraqi oil, which is the main pillar in Iraq's foreign trade and its impact on the development of the economic, social and service sectors of the country and to identify the current reality of the Iraqi Oil Tanker Company in order to develop it and enhance its operational capabilities.
2. The lack of academic studies in the geography of transport on this subject at the country level and this study came to constitute a simple and new addition to the geographical library in a topic that was not previously written about, in addition to that this The subject was raised by the Iraqi Oil Tanker Company with an official request submitted to the Ministry of Higher Education and Scientific Research in order to study it and give the results to the company.
3. The results of this study can be used for the benefit of the Iraqi Oil Tanker Company , where the process of developing the company and planning and implementing future projects according to sound scientific foundations will be far from random in developing proposals.

The borderline of the study area

The borderline of the spatial study area in the Iraqi coast extending on the Arabian Gulf and the Shatt al-Arab length (58), which extends to cover all the

⁽¹⁾) Abdullah Fadel Rashid, October 2022, the impact of land transport on agricultural production in the Taji district, Al-Ustad magazine, volume (61), issue (3), p. 600 .

governorates of the country of (18) provinces, but the study is mainly concentrated in the province of Basra between latitudes 29-45 30 north and longitudes 47 35-56 48 east Map No. (1) The temporal boundaries were represented by the current reality of the Iraqi Oil Tanker Company since its establishment to the present time.



Source: Organization of Petroleum Producing Countries (OAPEC), Annual Statistical Report 2020.

Study Methodology

The study relied on different approaches according to the objectives envisaged by them. The descriptive approach was used in the study of the reality of Iraqi ports and the quantitative analytical approach and the use of statistical methods to know the role of oil on development in Iraq and a case study for the Iraqi Oil Tanker Company and extrapolate the current reality of the company and ways to develop it based on the data prepared in international reports in this field. This overlapping methodology needed two different methods by following successive steps, including office sources, field visits and observations during field tours, in addition to personal interviews conducted with a number of Iraqi maritime transport officials, especially with employees of the Iraqi Oil Tanker Company, to identify the pros and cons that characterize the company to stand realistically and more seriously on the real reality of this company to raise its efficiency and improve the quality of its performance.

First: Establishment of the Iraqi Oil Tanker Company

The beginning of the establishment of the company was after the decision to nationalize oil during the same period to transport Iraqi crude oil to the ports of other countries or between the ports of the countries of the world. In addition, Iraq obtained other financial imports because of renting Iraqi tankers in European and international ports, so that the Iraqi sailor roamed the countries of the world, which added to him experience and high efficiency in the field of maritime transport. The company's work stopped in many periods, the most important of which was the Iraqi-Iranian war, which led to the destruction of the Iraqi naval fleet and large material losses, and we will address this in detail later. The company's work continued to stop until 2003 and did not practice any commercial activity as a result of the financial difficulties it faced, so it resorted to borrowing to cover the salaries of employees, as well as the transfer of most of its cadres to other oil companies, which threatened its entity and the sustainability of its continuation at that time. The company was a loss-making company until 2010. Although it worked on the activity of supplying fuel (panker) fuel oil in 2005 and returned to stop in 2009 and returned to practice its activity in 2011 with the support of the Ministry of Oil after it purchased four new tankers to transport fuel oil with a total load of (53020) tons dwell and then financed through the investment budget of the Ministry of Oil. As shown in map ¹.

Map. (2)



Source: Iraqi Oil Tanker Company: Commercial Activity Section, 2020.

(¹)Iraqi Oil Tanker Company: Commercial Activity Section, Department Records.

The course of action of Iraqi tankers

Table (1) shows the details of these tankers and since that time the company has been able to gain experience and create a market for fuel gasification (Panker) and entered a strong competition with neighboring countries and the Gulf market and recovered and achieved profits until it was able to cover the salaries of its employees and pay all its debts ⁽¹⁾.

Table (1) Marine Fleet of the Iraqi Oil Tanker Company

Carrier Name	Capacity/dwt	Construction history	Received
Tigris	13451	2007	2007
Euphrates	13451	2007	2007
Baghdad	13059	2006	2009
Shatt Al Arab	13059	2006	2009
Total	53020		

Source: Ministry of Oil, Iraqi Oil Tanker Company, Commercial Activity Section, 2020

Second: The company's location

The company is located in the province of Basra, southern Iraq, in Saad Square in the center of the governorate, but the ports that fall within the company's work go beyond this location to extend to the coasts of the Arabian Gulf, such as the port of Khor Al-Zubair and the Amiya oil port.

Third: The Naval Fleet of the Iraqi Oil Tanker Company

Since its establishment, the Iraqi Oil Tanker Company has owned a fleet consisting of 24 tankers that have been managed by Russian and Indian crews in addition to the Iraqi crew that has been sent out of Iraq to obtain training courses in foreign countries and oil has been exported out of Iraq smoothly through which the state obtained large financial imports that were the reason for the recovery of the Iraqi economy and Iraq lived a period of economic prosperity during the seventies of the last century But after entering

Iraq with a series of wars, including the Gulf War and the Iran-Iraq war, which caused great material losses and the Iraqi shipping fleet was subjected to destruction and ruin, as the work of tankers was frozen in Jordan and Yemen during the eighties and the work of two tankers stopped in Libya after the blockade, namely (Yarmouk with a load of 144,000 tons and Al-Mustansiriyah with a load of 149,000 tons), where it was sold in the form of (scrap) and Libya was guaranteed the wages of sending ships during the period of their stoppage until they were sold, either tanker (Al-Farahidi with a load of 144,000 Tons of jambour with a load of 36,000 tons) was a Spanish industry and was confiscated in Greece and in Yemen

there are five small Iraqi tankers with a load of 36,000 (Baba Karkar, Bazarkan, Khanaqin Ain Zala and Rumaila, all sank in Khor Abdullah during the Gulf War in 1991, while the tanker (Palmyra) with a load of 3,000 tons was damaged in the channel of Khor Al-Zubair and was loaded with gasoline and the tanker (Kirkuk) with the same load was sold scrap in 2004 The tankers (Al-Mutanabbi with a load of 100,000, the tanker Tariq with a load of 120,000 tons, and the tanker Hittin with a load of 149,000) are all tankers that went as spoils of war in the Iraq war with Kuwait, a number of tankers were sold due to the high mooring fees in addition to the wages of the tanker's management, such as salaries for the crew, livelihood and fuel, and there is a tanker sold to the private sector as a result of its age, which is the tanker (Al-Baath) with a load of 9,000 tons Japanese-made and the tankers (Al-Karama with a load of 9,000 tons, Al-Khalida with a load of 7,000 tons, April 7 and June) These tankers are considered to be confiscated To Iran through the Iranian border guards and the tanker (Qadisiya) with a cargo of 149,000 Swedish-made was confiscated as spoils of war with Kuwait and the two tankers (March and Al-Nasr) also from Al-Jajeeb sank in Khor Abdullah after being sabotaged and thus stops the work of the Iraqi Sea Fleet during the nineties and returned to work after the Iraqi-American war in 2004, where a number of tankers were purchased in an attempt by the government to restore the prestige of the Iraqi naval fleet, but these tankers were not enough to meet Iraq's need for Oil transport and its work hardly exceeds only the transport of oil or the transport of petroleum products (Fuel oil and naphtha) from the port of Khor Al-Zubair to the floating tank inside Iraqi waters and then the products are transported by foreign tankers that export them outside Iraq under the sales contract (F.O.P) and the company controlling this subject is the Iraqi Oil Marketing Company (SOMO) The following is a review of the four Iraqi tankers owned by the company and operating at the present time.

Fourth: Objectives of the Iraqi Oil Tanker Company

The Iraqi Oil Tanker Company aims to contribute to supporting the Iraqi oil economy by conducting maritime transport of crude oil and gas. The Iraqi Oil Tanker Company is omitted to contribute to supporting the Iraqi oil economy by carrying out the work of shipping crude oil and gas.

Fifth: The company's activity

for the purpose of achieving its objectives the company carries out various activities in accordance with the provisions of the Oil Regulation Law No. 101 of 1976, as amended. Law No. 156 of 1979. Law No. 156 of the year as amended 1979.

First. Implementation of river and sea transport of crude oil. Implementation of river and sea transport of crude oil, gas, natural hydrocarbons, and their extracts. Secondly. Execution of works.

Second, the implementation of works. And unloading of crude oil, gas, petroleum products, and related to insurance, cargo, clearance, loading, storage, and others.

Thirdly. Carrying out the business of selling petroleum products. To the interruption of the navy that supplies Iraqi ports or outside the country.

Fourthly. Equipping specialized marine crews to Arab and foreign companies under employment contracts in accordance with international maritime policies, and the company has the right in order to achieve its activity to do the following

- (1)** Building, owning, buying, selling, mortgaging, leasing, renting, repairing, and managing tankers of crude oil, gas and deciduous products.
- (2)** the ownership and sale of movable property and real estate, including the rights to dispose of it and its importance. Secondly. Owning and selling movable property and real estate, including the rights to dispose of, mortgage, mortgage and invest it. Mortgage, mortgage, and investment.
- (3)** Establishment and management of plants and basins for the purpose of pumping and repairing oil and gas tankers.
- (4)** Cooperating with companies and entities that carry out work related to the company's purposes and authorizing companies and entities in exchange for dealing to carry out some work.
- (5)** Developing and training the company's cadres to manage and operate tankers

(6) The oil tanker market and the influencing factors

The oil tanker market is the transport of oil by sea by oil tankers from the oil-surplus countries, the most important of which are the Arabian Gulf region, the West African region, and non-OPEC producers Russia and Norway to oil-consuming countries in Asia, Europe and the United States of America :)OAPC, 2020 These regions are separated by vast distances of seas and oceans, and this market is affected, like the rest of the markets, in supply and demand factors, as the high demand for crude oil is the main driver of increasing demand for rental Tankers In turn, transportation fees rise to relatively high levels due to the inability of transport capacity to meet demand, which leads to the revival of the oil transport market and raising the performance of marine companies and increasing their profits and these profits encourage tanker owners to invest in building new tankers, But what must be taken into account is that the transport market is fraught with several risks, including that the market is exposed to the effects of unexpected economic and political fluctuations, and the effects of the imbalance between the supply and demand sides of tankers, which lead to an excess of supply and pressure on transportation rate rates, as well as intense competition by international oil tanker companies on the supply side that leads to an increase in the supply of tankers, which is reflected in the low prices of crude oil transportation. According to maritime sales, the most important factors affecting the transport market will be addressed, as well as the types of oil tankers

owned by oil-producing and exporting countries, as the focus will be on Iraq in particular, compared with the available capabilities available to neighboring oil countries as follows ¹:

Factors Affecting the Iraqi Oil Tanker Market

a. Operating costs: estimated at \$ 32,084 / day, for a large-sized tanker and \$ 29,083 / day for a medium-sized oil tanker, and these costs include the following paragraphs

- 1- Salaries of the tanker's crew.
- 2- Repairs and maintenance.
- 3- Supply and spare materials.
- 4- Carrier insurance costs.
- 5- Port fares and transit fees.

6- The cost of ship fuel: It represents a large percentage of the total operating cost of the voyage and this percentage increases with the increase in the number of sailing days and the rise in the price of fuel, and operating costs depend on the type of leasing in the case of immediate leasing or leasing for a trip, the owner of the tanker according to the basis of the contract CIF)) in this case intended by the exporting party of crude oil as it bears the operating expenses of all the voyage, but in the case of contracting according to the basis FOB) the lessee of the tanker services (the importing party) is the one who bears Operational costs and their value is determined by the contract of carriage concluded between the two parties.

Transportation cost: It is estimated at \$ 1.20 / barrel according to the large-sized tanker and \$ 2.44 / barrel according to the medium-sized tanker, and the transport fees are borne by the parties to the trade exchange, but the difference is in the method of recording transport services in the balance of payments of each party, as they are recorded as services imported from abroad according to the basis of the FOB contract in the balance of payments of the exporting country and are recorded as services exported abroad in the balance of payments of the importer's country, and the freight is determined by many factors, including include:

First. The distance between the port of loading and the port of discharge

where the greater the maritime distance between the oil-producing countries and the countries consuming it, the higher the costs of transportation and insurance.

Secondly. Method of leasing: including (leasing for one trip (or) time leasing), and leasing for one trip is more exposed to fluctuating rental prices in light of volatile markets, unlike time leasing, which is characterized by stability

(¹) Hussein Allawi, former director of the Iraqi Oil Tanker Company, personal interview on 22/5/2022, at twelve noon.

under contracts ranging from 6 months to 5 years, which ensures more stable rental prices that achieve a certain revenue for the owner of the carrier during the contract period, as well as reducing the periods of the tanker's stopover pending rental opportunities. For example, a shipment of liquid gas, chemicals, or crude oil, so transportation and insurance fees rise with the value and seriousness of the shipment. Port fees and fuel price: Port fees are determined by the nature and type of maritime contract concluded between the exporting party of crude oil and the importing party, in the case of Iraqi oil exports determined according to the basis FOB (FOB), the fees for shipping crude oil in Iraqi oil ports are calculated at 300 dinars per ton, as they are collected from foreign tankers of the importing country, as well as the fees for supplying these tankers with fuel from bunker fuel depots and other supplies. In the case of the export of Iraqi oil according to the basis of CIF (CIF) The national oil tankers are exempt from shipping and supply fees The life of the tanker: The obsolescence of the life of the tanker loses a lot of rental opportunities due to the reluctance of tenants to rent old tankers, for not ensuring the safety of the arrival of their shipments, as well as that most international ports refuse the entry of those tankers to their ports because they do not meet the requirements of international maritime laws, so the price of leasing these tankers is low compared to modern tankers. Chartering prices for tankers vary according to their types and sizes, a medium-sized tanker has different charter prices from a large tanker, and modern tankers whose technical specifications comply with the legislation and requirements issued by international maritime organizations have higher charter prices than conventional tankers that do not meet the required conditions. Therefore, these factors significantly affect the trade in services provided in the oil tanker market and are directly reflected in the development or deterioration of the services sector and related economic activities⁽¹⁾ .

Eighth: Types and numbers of oil tankers

There are many types of oil tankers according to the size and purpose required of each type, and in order to avoid the crises of the leasing market and achieve revenues from the process of transporting exported oil, some oil tanker companies of the Arab countries and other neighboring countries of oil-producing Iraq prefer diversity in owning multiple sizes of tankers as well as diversifying leasing contracts to request it, as these countries rely on their national tankers to export a large part of the exported crude oil according to the basis of the CIF (CIF) As for the Iraqi Oil Tanker Company, it was also established for this purpose, but the successive war conditions that were explained previously led to the loss and destruction of the entire fleet of private tankers, while the current fleet includes four tankers that constitute limited capacities compared to what is required to export Iraqi crude oil according to the requirements of the global crude oil transport market, and as shown in Table (2).

⁽¹⁾Adyan Ali Kazim, August 2020, the reality of public transport in the city of Baghdad, Al-Ustad magazine, volume (61), issue (2), p. 50

Table (2) Number of Tanker Fleets of Middle Eastern Crude Oil Exporting Countries for 2020

total	VLCC	SUEZE Max	AFRA Max	pana Max	handy	handy handy	Country
4	0	0	0	0	0	4	Iraq
15	14	0	1	0	0	0	Saudi Arabia - Aramco
24	12	0	6	2	4	0	Kuwait
36	31	0	1	1	3	0	Saudi / National
59	42	9	5	0	3	0	Iran

Source: Organization of Petroleum Producing Countries (OAPC), Annual Statistical Report 2020.

It is noted from Table (2) that there are oil tankers of the large size class (VLCC) and it comes as an abbreviation for the initials of the English phrase Very Large Crude Carrier, which means tanker with large tonnage, as the tonnage of these tankers reaches 2 million barrels of crude oil and transportation is done with very advanced and environmentally friendly technologies, and therefore the costs of building and buying them are very high, which reflected the low cost of transportation per ton according to economies of large volume, and these tankers are used to transport crude oil and for very long distances Between the Middle East, the United States of America and East Asia, as well as Suez Max tankers ranging from 200,000 to 1 million barrels of crude oil, and according to statistics, the market activity of these tankers has increased since 2013 as a result of the increase in Iraq's export capacity, as for the Small Handy tankers. They are of small tonnage ranging from 25-15 thousand barrels, and these tankers are often used to transport oil derivatives and for short distances, as these tankers are characterized by a single hull, which does not match the conditions of sailing and international legislation, and the transportation fees per ton are high in this type of tankers, and Iraq often uses this type of tankers, and the table data indicates that there is a clear development in the numbers and sizes of tanker fleets of OAPC countries in the Middle East, most of which are oil tankers. Crude of the very large category, except for the Iraqi Oil Tanker Company, it owns only 4 oil products tankers of the small handy category, whose tonnage does not exceed 15 thousand barrels They are of small tonnage ranging from 25-15 thousand barrels, and these tankers are often used to transport oil derivatives and for short distances, as these tankers are characterized by a single hull, which does not match the conditions of sailing and international legislation, and the transportation fees per ton are high in this type of tankers, and Iraq often uses this type of tankers, and the table data indicates that there is a clear development in the numbers and sizes of tanker fleets of OAPC countries in the Middle East, most of which are oil tankers. Crude of the very large category, except for the Iraqi Oil Tanker Company, it owns only 4 oil products tankers of the small handy category, whose tonnage does not exceed 15 thousand barrels While it is noted through the analysis of the reality of Iraq's foreign trade that Iraq relies on the basis of the FOB contract in the export of

crude oil, as the loads of crude oil exported through the Basra oil port, the deep port, and the Rahwi port in the Arabian Gulf reached 94,602,633 million tons of 174,034 during the year 2020.

Ninth: Advantages of using the basis of contracting CIF

The Iraqi Oil Tanker Company is one of the losing companies affiliated with the formations of the Ministry of Oil during the last twenty years as a result of the destruction of its oil tanker fleet, and relying on FOB basis in exporting oil. Therefore, the contract according to the basis of the CIF will develop the company's work through the formation of a fleet of tankers with modern specifications or through the conclusion of partnership contracts with sober shipping companies in order to meet the Iraqi marketing activities. By transporting crude oil, gas and oil derivatives in the future, in addition to completing the work of shipping, storage, insurance, leasing tankers and supplying foreign tankers with fuel inside and outside Iraqi territorial waters. Therefore, many gains and advantages will be generated not only for the company but for the Iraqi economy, as it becomes one of the profitable companies in general through the registration of these operations in the services account by the creditor as exported services whose foreign currency receipts contribute to reducing the deficit in the Iraqi balance of payments.

Among the advantages of using the CIF foundation we explain the following

- a.** Shipping according to the basis of CIF: (CIF) provides a job opportunity through the leasing of tankers owned or chartered by the Iraqi Oil Tanker Company as a result of transporting part of the shipments of exported crude oil, which leads to achieving annual revenues that are positively reflected in the budget of that company and the employment of administrative and technical cadres in particular and also affects the high value of revenues obtained by oil ports in exchange for providing shipping services for exported oil as well as the services of other maritime agencies that Provided by ports to oil tankers, which reflects positively on the high value of the state's non-oil revenues.
- b.** The contract on the basis of CIF: (CIF) through the availability of crude oil shipments leads to the optimal use of the company's available tankers and thus this contract reduces the lost time caused by the parking of the company's tankers waiting for a lease opportunity in a volatile and unstable transport market as well as reducing losses for the tanker's unloaded flight.
- c.** Owned tankers may be used to transport exported cargoes in accordance with this agreement, or they can be leased in the event of an oversupply of shipments in the spot market with the aim of maximizing revenue and trading.

- d.** CIF Sale (CIF) allows the cargo carrier to enter the global markets as a lessor and build a good reputation with lessors in the international transport market.
- e.** Exporting crude oil on the basis of the CIF is better for the exporter as the exporter can provide better tankers when transporting cargo rather than accepting less ideal tankers provided by the importer.
- f.** Contracting (CIF) allows the exporter to sell shipments directly to the last beneficiary and avoid selling crude oil shipments through traders and intermediaries¹. Therefore, it has become necessary to support the Iraqi Oil Tanker Company to transport part of the exported Iraqi crude oil in order to improve the company's work in light of the current reality and enhance its financial capacity to enable it to return to practice the basic activity for which it was established, which is the transport of crude oil, as it is not reasonable to find neighboring countries and other Gulf and Arab oil-producing countries accelerating the development of their naval fleets and supporting their national companies and giving them priority to transport their exported oils, and Iraq remains lagging behind in this area.

Conclusions

1. The specifications and nature of the contract serve the Iraqi economy more than the FOB contract, especially in oil trade,
2. the Iraqi Oil Tanker Company owned twenty-four tankers of different sizes and types, the beginning of its establishment, including 7 private supertankers to transport crude oil.
3. The fleet of the oil tanker company was subjected to sabotage and looting due to the wars that Iraq was subjected to, starting from the first Gulf War to the fall of the regime in 2003.
4. The current reality of the Iraqi Oil Tanker Company is poor because it is unable to carry out the purpose for which it was established because it does not have a large shipping fleet capable of meeting Iraq's need for crude oil export.

Recommendations

1. Relying on the sale of SAF in the sale of Iraqi oil, which provides large financial returns resulting from transport fees, in addition to the inclusion of the Iraqi fleet within the global fleets of transport to preserve the sovereignty of the country and raise the Iraqi flag in the ports of other countries.
2. Work on the purchase of new oil tankers with large enough to meet the company's need for transporting oil products.

(¹)Oil Tanker Company, 2020, Studies and Planning Department

3. Increasing the share of the Iraqi Oil Tanker Company from transporting oil products more than the private sector and the General Company for Ports because the transport of oil is actually the competence of the company more than others.
4. Sending employees and employees of the company outside the country to obtain courses on how to deal with new types of tankers.
5. Convincing the Iraqi Oil Marketing Company (SOMO) to switch from FOB to CIF to take advantage of transportation fees.
6. Giving more powers to the Iraqi Oil Tanker Company and taking its opinion when writing contracts for the sale of oil.

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