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MEMORANDUM FOR THE RECORD

SUBJECT: Iraq: Seaborne Trade And The  
Shatt-al-Arab

The attached report was hand carried to Acting  
D/OER on 9 April for transmittal to   
DCI Staff.

Office of Economic Research

Attachment:  
As stated

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Iraq: Seaborne Trade and the Shatt-al-Arab

Iraq's seaborne imports in 1977 amounted to around four million tons, of which some two-thirds passed through the Shatt-al-Arab, a waterway that forms the Iraq-Iran border in this area, to Basrah, Iraq's principal dry cargo port. The balance of trade by sea is normally handled at Um Qasr, which is located on an inlet adjacent to the Kuwaiti border and is not dependent on the Shatt-al-Arab for access.

Current shipping patterns to Iraq show Basrah is seriously congested with delays ranging from 75 - 95 days.

[Redacted]

Interdiction of seaborne imports via the Shatt-al-Arab would have some serious implications for Iraq. Iraq has been a net food importer for a number of years. Recently lack of other consumer goods has become a principal sore point with Iraq's burgeoning middle class, prompting a relaxation of restrictions on imports and other austerity measures that have characterized the Baathist regime.

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On the other hand, essential consumer goods probably could be shipped overland at increased costs if ocean transport were disrupted. In response to reopening of the Iraqi-Syrian border a year ago, the port of Tartous in Syria has been handling an additional 2500 trucks monthly for Iraq ferried over from Greece. Much of this trade is believed to have been diverted from more expensive overland routes through Turkey, indicating that some excess capacity exists in Turkish rail and highway routes. An excellent highway from Kuwait that connects with the Iraqi road and rail systems at both Zubair and Basrah may also offer a less vulnerable option to the Shatt-al-Arab trade route. Any of these alternatives might well involve a serious slowdown in delivery of heavy equipment. While investment unquestionably would suffer, output from existing facilities might be relatively unaffected for an extended period of time. In most sectors Iraq has stockpiled a two to three months supply of essential inputs and replacement parts. [REDACTED]

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