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Al-Baidar Center For Studies And Planning



Iraq – Iran Railway Project: Warnings of Destroying the Grand Faw port

Ali Karim Edheeb

About Center

Baidar Center for Studies and Planning is a non-governmental and non-profit organization established in 2015 and registered with the NGO Directorate in the General Secretariat of the Council of Ministers in Baghdad.

The Center seeks to contribute to developing the state and its institutions, by proposing ideas and practical solutions to the main problems and challenges facing the state, including improving public sector management, policies and strategic planning, using reliable data and best practices. The Center engages the relevant authorities in the state with regular meetings to support this objective and utilises the support of international organizations dedicated to assisting Iraq's development. The Center also seeks to support economic reforms, sustainable development and provide technical assistance to the public and private sectors. The Center also seeks to support development of the private sector to provide job opportunities for citizens through training and upskilling, in a way that reduces dependence on government institutions and contributes to supporting and diversifying the country's economy.

The Center aims to utilise the vast amount of potential in Iraq's human resources by organizing programs to prepare and develop promising young people, including leaders capable of proposing, adopting and implementing visions and future plans that advance society and preserve its value system based on the commitment to a high moral standard and rejection of all types of corruption.

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The Grand Faw Port prepares Iraq to be a pathway for 16% of world trade

Iraq doesn't have railways with neighboring countries and relies on the land and seaports for trade exchange.

Iraq seeks to establish railways with the neighboring countries to reduce transportation costs due to the significant increase of goods and commodities supply. Among approved projects is the Basra-Shalamjah line, which connects Iraq with Iran, with a length of 32 km.

Tehran and Baghdad can achieve meaningful milestones for their economic advancement. Referring to the operational problems related to the "Shalamjah-Basra" railway project, Iranian President Hassan Rouhani said last February, "We consider this project to be economic and commercial par excellence. It is conducive to strengthening and increasing communication channels between the two countries."

Trade Exchange

According to official figures, during the past year, Iran exported about 20 million and 800 thousand tons of various products, equivalent to \$5 billion and \$900 million to Iraq; It aspires to increase this number to \$20 billion annually.

Iran has turned into a major exporter of goods in Iraq for reasons linked to geographical proximity, which means lower transportation costs and greater competitiveness for other foreign goods when the demand for the Iraqi product weakens.

The director-general of the Iraqi Republic Railways Company, Talib al-Husseini, believes that Iraq – due to its crucial geographical location – can, through the railways, maximize its financial revenues.

Al-Husseini added to Al-Jazeera Net that the current government headed by Mustafa Al- Kadhimi is working on completing the railway projects. And it has a genuine desire to connect with neighboring countries, as it is considered a fundamental pillar for developing countries and their economic and cultural recovery.

Al-Husseini also revealed that the Iraqi Republic Railways Company had prepared studies, plans, and meetings with some neighboring countries from a technical point of view, to achieve remarkable economic feasibility in the railway project.

He expected that 16% of world trade would pass through Iraq, as it is part of the “Silk Road,” which will connect Asia with Europe after the railway connection with Turkey is activated.

The Iraqi Council of Ministers headed by Al- Kadhimi approved constructing a railway between Basra and Shalamjah at the end of last month.

Expectations say that the Iraq- Iran railway project will be launched within three months.

Through this project, Tehran seeks to reach the Syrian port of Latakia in the Mediterranean Sea, deliver its trade to Iraq, and link it to the port of “Imam Khomeini,” located on the Iranian side of the Persian Gulf.

Destroying the Grand Faw Port

The Iraqi Public Policy Consultant Manaf Al-Sayegh warned that the railway project between Basra and Shalamjah would abolish the economic importance of the Grand Faw Port, which is currently being constructed.

He pointed out that the railway project with Iran does not give the actual effectiveness of the Faw port and will destroy the basic idea of the giant project.

He pointed out that the Grand Faw Port is considered one of the giant projects in the world and is expected to play an essential role in the global trade movement. Specifically for the goods transport from Asia to Europe and vice versa, with a lower financial cost and a shorter time.

Al-Sayegh added to Al-Jazeera Net that, upon completion, the FAO port is

supposed to be connected to a railway between Basra and Turkey through Europe, distributing goods produced from eastern Asian countries.

Iraq is the most important place among the world's continents due to its geographical position, bordered to the north by Turkey, to the northwest by Syria, to the west by Jordan. In the southwest, it is bordered by Saudi Arabia, and to its vicinity is Kuwait, which borders Iraq from the south. While Iran borders Iraq from the east, which extends its borders from Zakho to Al-Faw. It is the largest border shared with Iraq among the neighboring countries.

China hopes that Iraq will complete the implementation of the Grand Faw port and complete its complementary phase, which is the dry canal, to connect Iraq with Turkey through railway, which, according to Al-Sayegh, will achieve substantial financial resources, through international trade and transport operations, in addition to duty-free and quota-free access.

Source:

<https://www.aljazeera.net/ebusiness/2021/5/9/%D9%85%D8%B4%D8%B1%D9%88%D8%B9-%D8%B3%D9%83%D9%83%D9%8A-%D9%8A%D8%B1%D8%A8%D8%B7-%D8%A7%D9%84%D8%B9%D8%B1%D8%A7%D9%82-%D8%A8%D8%A5%D9%8A%D8%B1%D8%A7%D9%86-%D8%AA%D8%AD%D8%B0%D9%8A%D8%B1-%D9%85%D9%86>